

Finland

I. Institutional coverage

The statistics published in *Banking Statistics – Financial Statements of Banks* relate to credit institutions which are part of SNA sector S.122. The credit institutions may be either deposit banks (S.1221) – commercial banks, foreign-owned banks, saving banks and co-operative banks – or other credit institutions (S.1223), such as finance companies or credit card companies.

At the end of 2009, there were 15 commercial banks, 35 savings banks, 261 co-operative banks and 7 other credit institutions in Finland. One of the commercial banks, the Central bank of the Co-operative Banks (*Pohjola Pankki Oyj* formerly *OKO Oyj*) acts as central monetary institution for co-operative banks.

Deposit banks form the primary reporting group in the compilation of monetary and banking statistics. The role of other credit institutions is small. Credit institutions and deposit banks are licensed by the Ministry of Finance and supervised by the Financial Supervision Authority.

Data provided in Table 1 for *All banks* correspond to the data provided in Table 2 for the same group. Description of structure, coverage and data sources of Table 2 is listed in the table below. Data sources of groups *Other financial institutions* and *Insurance institutions* are numerous and the scope of data varies. Only data relating to Central bank, and to the categories *All banks* and *Other miscellaneous financial institutions* (same source as banks) are comprehensive. There is very little information on the number of branches and number of employees.

Data provided in Table 1 and 2 for *All banks* correspond to the data provided in Table 3 for the same group. The breakdown between domestic and foreign currencies is not available since 2005.

Structure of Table 2	Coverage	Source
Central bank	S.121 Bank of Finland	Annual report of BOF
<i>Other monetary institutions</i>		
Commercial banks	S.1221 Deposit banks	Financial Supervisory Statistics
<i>of which: Foreign-owned banks</i>	S.1221 Deposit banks	Financial Supervisory Statistics
Co-operative banks	S.1221 Deposit banks	Financial Supervisory Statistics
Savings banks	S.1221 Deposit banks	Financial Supervisory Statistics
Other miscellaneous monetary institutions	S.1223 Other credit institutions	Financial Supervisory Statistics
<i>Other financial institutions</i>		
Mortgage credit institutions	Not existing	
Development credit institutions	S.1232 Investment firms	Investment Firms Statistics

Structure of Table 2	Coverage	Source
Finance companies	S.1222 Money market funds	Mutual Funds Statistics
	S.1231 Mutual funds	Mutual Funds Statistics
	S.1239 Other financial intermediaries	Annual Financial Accounts
Other miscellaneous financial institutions	S.124 Financial auxiliaries	Financial Supervisory Statistics
Insurance institutions		
Insurance corporations	S.1251 Insurance corporations	Federation of Finnish Financial Services
Pension funds and foundations	S.1252 Voluntary pension funds	Insurance Supervisory Authority
Other insurance institutions	S.13141 Employment pension schemes	Annual Financial Accounts

II. Geographical coverage and degree of consolidation

The data of the domestic banks operating in Finland covers all domestic and non-domestic branches, the domestic and non-domestic subsidiaries are not included. The subsidiaries of foreign banks operating in Finland are included, but the branches of the foreign banks are not included.

The consolidation is on a corporation basis: i.e. transactions and positions between a domestically controlled bank and its domestic and foreign branches are eliminated. The consolidation adjustments are made by the reporting entities.

III. Structure of the financial system

The monetary institutions providing services in the Finnish financial markets are listed in the Figure below. Many companies provide several different services or are part of a banking group providing full range of financial services. The biggest banking groups in Finland are Nordea group, Sampo group (part of Danske Bank group from 2007) and OP-group.

The regulation of monetary institutions is more extensive than the regulation of other companies. The Finnish Financial Supervision Authority (FIN-FSA) supervises financial markets and parties operating in these markets. The FIN-FSA evaluates the financial standing, risk-bearing capacity, and risk management systems of supervised organisations. It also monitors that sound practices are observed and investigates suspected cases of insider information abuse and other securities market crimes.

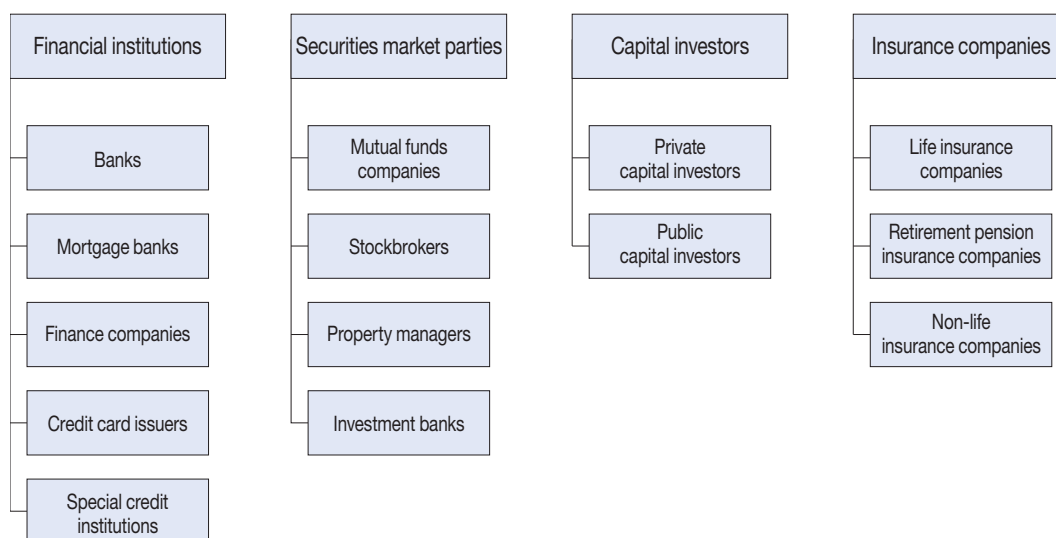
IV. Summary description of activities of banks

Payment intermediation

Both enterprises and households use banks in most of their financial transactions. Practically all wage and salary earners have their salary credited directly to bank accounts. In addition, use of bank and other debit cards is very common. Many Automated Teller Machines (ATMs) handle funds transfers between accounts and some of them have also been equipped with bar code readers which simplify the payment of bills via an ATM. However, the most popular and growing way to handle fund transfers are Internet services of banks.

Deposit business

Deposit banks are the only credit institutions allowed to accept deposits and issue certificates of deposits. Credit institutions and deposit banks are licensed by the Ministry of Finance and supervised by the Financial Supervision Authority.



Lending business

An important part of banking business is to lend money to households and enterprises. During the last year's competition in loans market has been fierce and banks loan margins have narrowed. This loss of income has been compensated with different service fees. The majority of loans are tied to either market rates (usually the 12-month euribor rate) or to banks' own reference rates (prime rates).

V. Reconciliation of national data with the OECD presentation*

Explanations on individual items

The banking data of Statistics Finland is based on the Financial supervisory data collection. It is joint data collection of Financial Supervisory, Bank of Finland and Statistics Finland, called Virati. The reporting form templates of Virati are available on Virati website: www.stat.fi/tup/virati/index_en.html.

A-tables contain the tables to the profit and loss accounts and B-tables contain the tables to the balance sheet. The data collection renewed 2007 to meet the IAS/IFRS-requirements. The previous form templates are available also (both the profit and loss accounts and the balance sheet in same file).

Valuation

The income statements and the balance sheets are compiled in accordance with the IAS/IFRS accounting rules from year 2005. Also, in previous years (at least from 1995 to 2004) the tradable instruments were valued at fair value.

VI. Sources

The data is from Statistics Finland. Statistics Finland publishes quarterly banking statistics on the Internet in <http://tilastokeskus.fi/til>. More detailed data is available in a paper publication "Monetary financial institutions". The paper publication of the first, second and third quarter is in Finnish language. The paper publication of the fourth quarter contains also in Swedish and English sections. The methodological information is from Statistics Finland and Finnish Bankers' Association.

* See also the tables "Income Statement Reconciliation" and "Balance Sheet Reconciliation" that follow.

Finland
Income statement reconciliation – All banks – 2009

OECD presentation	Million EUR	National presentation
1. Interest income	8 243	
	8 157	Interest income
	480	From debt securities eligible for refinancing with central banks
	1 099	From claims on credit institutions
	53	Central banks
	1 045	Credit institutions
	5 476	From claims on the public and public sector entities
	219	From debt securities
	1 152	From derivative contracts
	-270	Other interest income
	87	Net income from leasing operations
2. Interest expenses	4 583	Interest expenses
	872	On liabilities to credit institutions
	23	Central banks
	849	Credit institutions
	1 401	On liabilities to the public and public sector entities
	1 334	Deposits
	67	Other liabilities
	1 428	On debt securities issued to the public
	796	On derivative contracts and other liabilities held for trading
	136	On subordinated liabilities
	-49	Other interest expenses
3. Net interest income	3 660	
4. Net non-interest income	1 181	
a. Fees and commissions receivable	1 638	Fee and commission income
b. Fees and commissions payable	679	Fee and commission expenses
c. Net profit or loss on financial operations	473	
	225	Income from equity investments
	151	Shares and participations in group undertakings
	6	Participating interests
	67	Other enterprises
	1 063	Net income from securities transactions and foreign exchange dealing
	4	Net income from available-for-sale financial assets
	-32	Net income from hedge accounting
	27	Net income from investment real estate
	-812	Impairment losses on loans and other receivables (-)
	-3	Impairment losses on other financial assets (-)
d. Other net non-interest income	-251	
	191	Other operating income
	436	Other operating expenses
	-6	Extraordinary income and expenses
5. Net interest and non-interest income	4 840	
6. Operating expenses	2 620	
a. Staff costs	1 281	
	1 101	Wages, salaries and fees (Part of: Administrative expenses)
	180	Pension costs (Part of: Administrative expenses)
b. Property costs	148	Depreciation and write-downs on tangible and intangible assets
c. Other operating expenses	1 192	
	106	Other staff-related costs (Part of: Administrative expenses)
	1 086	Other administrative expenses (Part of: Administrative expenses)
7. Net income before provisions	2 220	

Finland

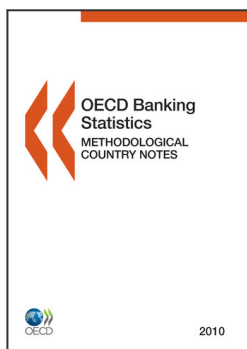
Income statement reconciliation – All banks – 2009 (cont.)

OECD presentation	Million EUR	National presentation
8. Net provisions	169	
a. Provisions on loans		
b. Provisions on securities		
c. Other net provisions	169	Appropriations
9. Income before tax	2 051	
10. Income tax	507	Income taxes
11. Net income after tax	1 544	
12. Distributed profit	834	
13. Retained profit	710	

Finland

Balance sheet reconciliation – All Banks – 2009

OECD presentation	Million EUR	National presentation
Assets		
14. Cash and balance with Central bank	12 109	
	11 951	Liquid assets
	159	On central banks (part of: Claims on credit institutions)
15. Interbank deposits	80 009	On other credit institutions (part of: Claims on credit institutions)
16. Loans	166 186	Claims on the public sector entities
17. Securities	33 320	
	16 334	Debt securities eligible for refinancing with central banks
	11 372	Debt securities
	3 543	Shares and participations
	33	Participating interests
	1 948	Shares and participations in group undertakings
18. Other assets	87 841	
	2 169	Leasing assets
	77 961	Derivative contracts
	173	Intangible assets
	1 341	Tangible assets
	4 509	Other assets
	1 606	Accrued income and prepayments
	82	Deferred tax assets
Liabilities		
19. Capital and reserves	23 812	
	2 479	Appropriations
	21 334	Equity capital
20. Borrowing from Central bank	3 857	To central banks (part of: Liabilities to credit institutions)
21. Interbank deposits	62 760	To credit institutions (part of: Liabilities to credit institutions)
22. Customer deposits	110 385	Deposits (part of: Liabilities to the public and public sector entities)
23. Bonds	37 574	
	34 296	Bonds (part of: Debt securities issued to the public)
	3 277	Subordinated liabilities
24. Other liabilities	140 989	
	5 454	Other liabilities (part of: Liabilities to the public and public sector entities)
	46 279	Other (part of: Debt securities issued to the public)
	76 741	Derivative contracts and other trading liabilities
	10 093	Other liabilities
	2 362	Accrued expenses and deferred income
	60	Deferred tax liabilities
Balance sheet total		
25. End-year total	379 377	Balance sheet total



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