

# **Finnish Banking in 2011**

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APPENDIX: Income statement and balance sheet information, 2011 and 2010

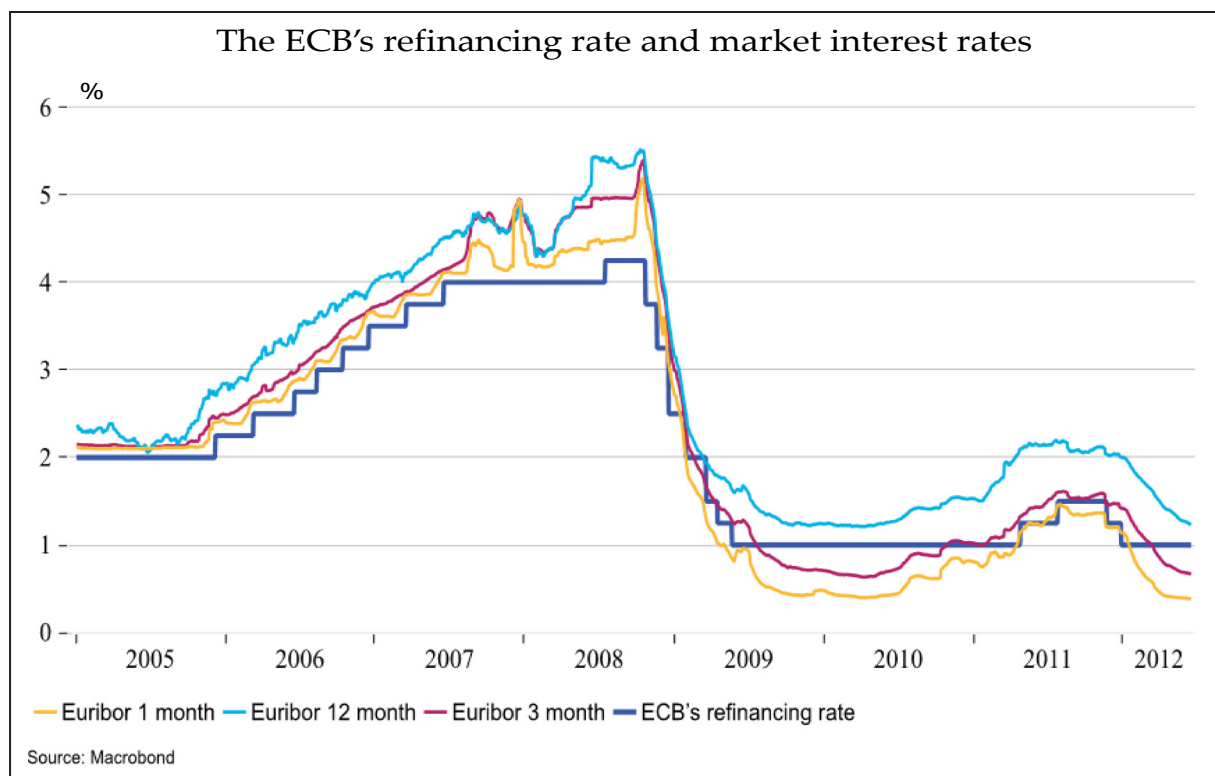


## Very challenging environment

The year 2011 began in a relatively positive mood as confidence grew in step with economic recovery. In response to the recovery and the subsequent inflationary pressures, the European Central Bank raised its refinancing rate twice in the first half-year. However, the sovereign debt crisis in Europe escalated again in the summer as investors began to doubt the ability of Spain and Italy to service their debts. As a result, the euro area slumped again into recession in the second half-year.

The renewal of the crisis meant that the Finnish economic outlook also weakened in late 2011. Consumer confidence began to waver, which was reflected partly in the demand for credit. Nevertheless, the total loan portfolio in Finland continued to grow relatively briskly, unlike in many other euro countries. Finnish banks also improved their results somewhat, compared with the previous year, as net interest spreads were wider and impairment losses were lower. In view of the unstable economic environment and the state of nervousness on the market, the banks operating in Finland performed relatively well in 2011.

Bold policy actions by the ECB calmed the markets and eased the pressures on bank funding – to the extent that 2012 started on a cautiously positive note. There are many uncertainties affecting the near future, however, because the sovereign debt problems have not been solved. Low interest rates will also tighten the banks' net interest margins this year. But the greatest uncertainties relate to how the debt crisis will be managed. The demand for credit, the costs of banks' own funding, stricter regulations and the growth of the macro-economy will all have a major impact on near-term bank performance.





## **Banks operating in Finland**

At the end of 2011 there were 310 deposit banks operating in Finland, nine fewer than at the end of 2010. The decrease was mainly due to mergers within the co-operative and savings bank groups. Some new players also arrived on the Finnish market in 2011. Two new domestic banks, Eufex Bank (21.6.2011) and Itella Bank (31.8.2011), were granted operating licences. Two new branches of foreign deposit banks were also established in Finland during the year: Resurs Bank and AS LHV Pank. In addition, Stadshypotek AB, owned by the Handelsbanken Group, started in Finland in summer 2011.

Two deposit banks stopped operating as independent subsidiaries in Finland: eQ Bank was merged into Nordnet Bank in June 2011 and SEB Gyllenberg Private Bank was merged into its parent in spring 2011.

### **Banks operating in Finland on 31.12.2011**

- 14 commercial banks
- 211 member banks of the OP-Pohjola Group
- 36 local co-operative banks
- 33 savings banks (27 savings banks + 6 savings bank companies)
- 16 branches of foreign deposit-taking banks

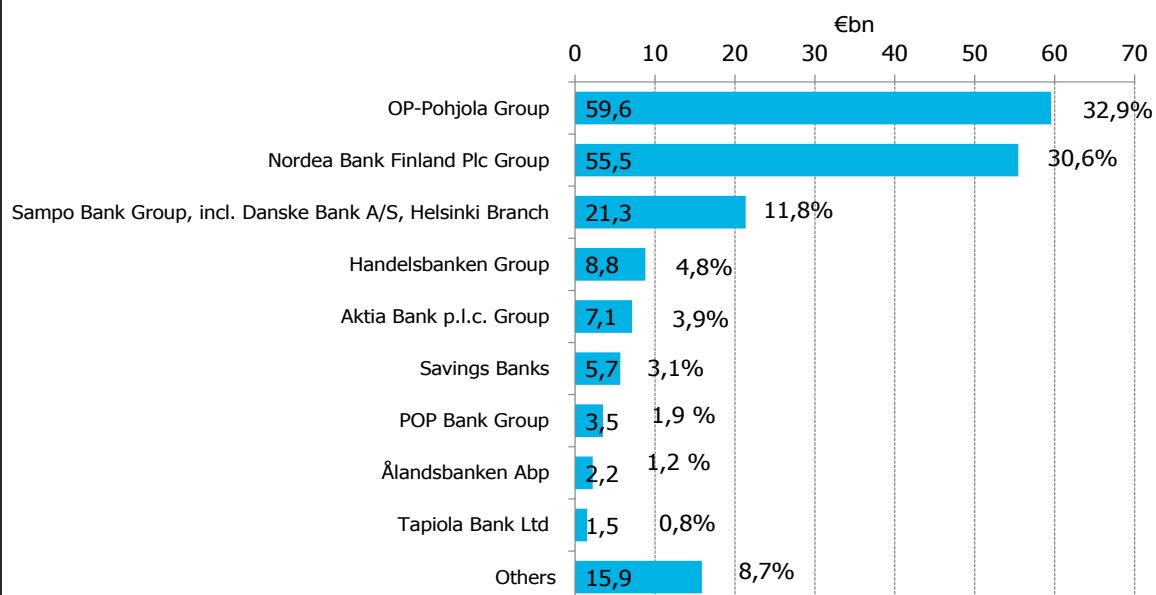
The deposit bank groups operating in Finland and the Finnish branches of foreign deposit banks together had 1,576 branch offices in Finland at the end of 2011, 29 fewer than at the end of 2010.

The deposit bank groups operating in Finland and the Finnish branches of foreign deposit banks together employed 32,544 people at the end of 2011, an increase of 492 compared with the end of 2010.

Presented on the next page are the market shares of the various credit institutions, which include not only deposit banks, but also other credit-granting institutions that do not accept deposits – such as Municipality Finance Plc. The credits granted by Municipality Finance Plc are included in the market share graph under the heading “Others”.

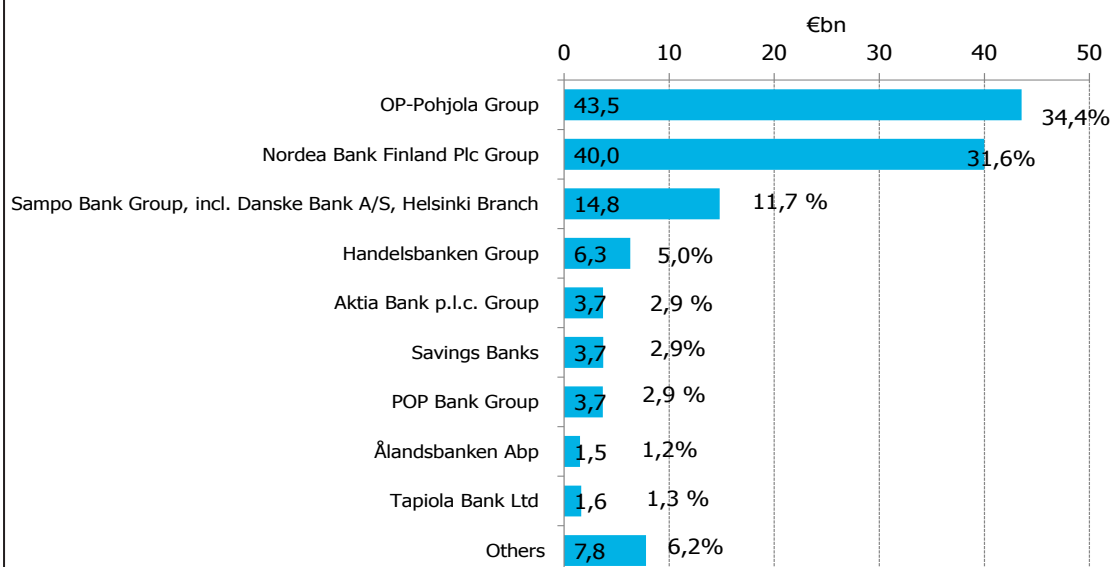


**Euro-denominated loans to non-MFIs in the euro area; market shares on 31.12.2011**



Source: The banks/bank groups have authorized the Bank of Finland to annually provide FFI with each bank's/bank group's loan/deposit portfolio.

**Euro-denominated deposits from non-MFIs in the euro area; market shares on 31.12.2011**



Source: The banks/bank groups have authorized the Bank of Finland to annually provide FFI with each bank's/bank group's loan/deposit portfolio.

OP-Pohjola Group: Pohjola Bank plc, Helsinki OP Bank Plc, Op-Kotipankki Oyj, OP-Asuntoluottopankki Oyj and the associated member banks  
 Nordea Bank Finland: Nordea Bank Finland Plc and Nordea Finance Finland Ltd  
 Sampo Bank Group: Sampo Bank plc, Sampo Asuntoluottopankki Oyj, Danske Bank A/S, Helsinki Branch  
 Handelsbanken Group: Svenska Handelsbanken AB (publ), branch in Finland, Handelsbanken Finance Plc and Handelsbanken Finans Aktiebolag (publ), branch in Finland, Stadshypotek AB (publ), branch in Finland  
 Aktia Bank p.l.c. Group: Aktia Bank p.l.c. and Aktia Real Estate Mortgage Bank plc (consisting of loans of EUR 1460 million provided by the savings banks, including EUR 1357 million in housing loans, and loans of EUR 455 million provided by the POP banks, including EUR 424 million in housing loans)  
 Others: Consists of MFIs operating in Finland other than those listed above



**Number of bank employees and branches at year-end  
31 Dec 2011 and 31 Dec 2010**

	EMPLOYEES (groups <sup>1)</sup> )		BRANCHES	
	2011	2010	2011	2010
<b>FINNISH BANKS</b>				
OP-Pohjola Group	13 229	12 504	535	554
Nordea Pankki Finland Plc	9 764	10 005	312	327
Sampo Bank <sup>2)</sup>	2 831	3 024	119	121
Aktia Group	1 426	1 423	72	74
Savings Banks Group <sup>3)</sup>	1 326	1 293	209	214
Bank of Aland Plc	768	742	40	28
POP Bank Group <sup>4)</sup>	713	730	144	143
Evli Bank	276	282	2	3
S-Bank	250	214	1	1
FIM Bank	216	206	7	7
Tapiola Bank	171	168	63	63
Suomen Asuntohypopankki Oy <sup>5)</sup>	27	26	1	1
Itella Bank	22	7	-	-
Eufex Bank	20	-	1	-
SEB Gyllenberg Private Bank Ltd <sup>6)</sup>	-	-	-	1
eQ Bank Ltd <sup>7)</sup>	-	4	-	-
<b>Total Finnish banks</b>	<b>31 039</b>	<b>30 628</b>	<b>1 506</b>	<b>1 537</b>
<b>BRANCHES OF FOREIGN BANKS</b>				
Svenska Handelsbanken AB (publ), Branch in Finland	621	662	45	45
Skandinaviska Enskilda Banken AB (publ) Helsinki Branch <sup>6)</sup>	245	236	1	1
Danske Bank A/S, Helsinki Branch <sup>2)</sup>	261	235	1	1
Forex Bank Aktiebolag filial i Finland	117	66	12	11
Nordnet Bank AB Finnish Branch <sup>7)</sup>	44	55	1	1
Carnegie Investment Bank AB, Finland Branch	41	49	1	1
Swedbank AB (publ), Branch in Finland	39	33	1	1
Royal Bank of Scotland public limited company, Finnish Branch	13	17	1	1
DnB Bank ASA, Branch in Finland	17	17	1	1
Deutsche Bank Aktiengesellschaft, Helsinki branch	14	15	1	1
Citibank International plc, Branch in Finland	16	14	1	1
Crédit Agricole Corporate and Investment Bank Helsinki Branch <sup>8)</sup>	11	11	1	1
BIGBANK AS Finland Branch	48	10	1	1
EFG Bank AB, Finnish Branch	4	3	1	1
Resurs Bank, Finnish Branch	2	1	-	-
LHV Bank, Finnish Branch	12	-	1	-
<b>Total foreign banks' branches</b>	<b>1 505</b>	<b>1 424</b>	<b>70</b>	<b>68</b>
<b>TOTAL</b>	<b>32 544</b>	<b>32 052</b>	<b>1 576</b>	<b>1 605</b>

1) Bank Groups include foreign branches.

2) Sampo Bank is a subsidiary and Danske Bank A/S a branch of Danske Bank A/S. These two operate as two separate legal entities.

3) The Savings Bank Group consists of 33 Savings Banks and the Savings Banks Association.

4) POP Bank Group consists of 36 individual banks.

5) Employees of Suomen Asuntohypopankki Oy are included in the Mortgage Society

6) SEB Gyllenberg Private Bank Ltd merged with Skandinaviska Enskilda Banken on May 2010.

7) eQ Bank merged with the Swedish Nordnet Bank AB 1 June 2010.

8) Crédit Agricole Corporate and Investment Bank Helsinki Branch operated until 17 February 2010 as Calyon Bank Helsinki Branch.





## Banks' access to funding has remained strong

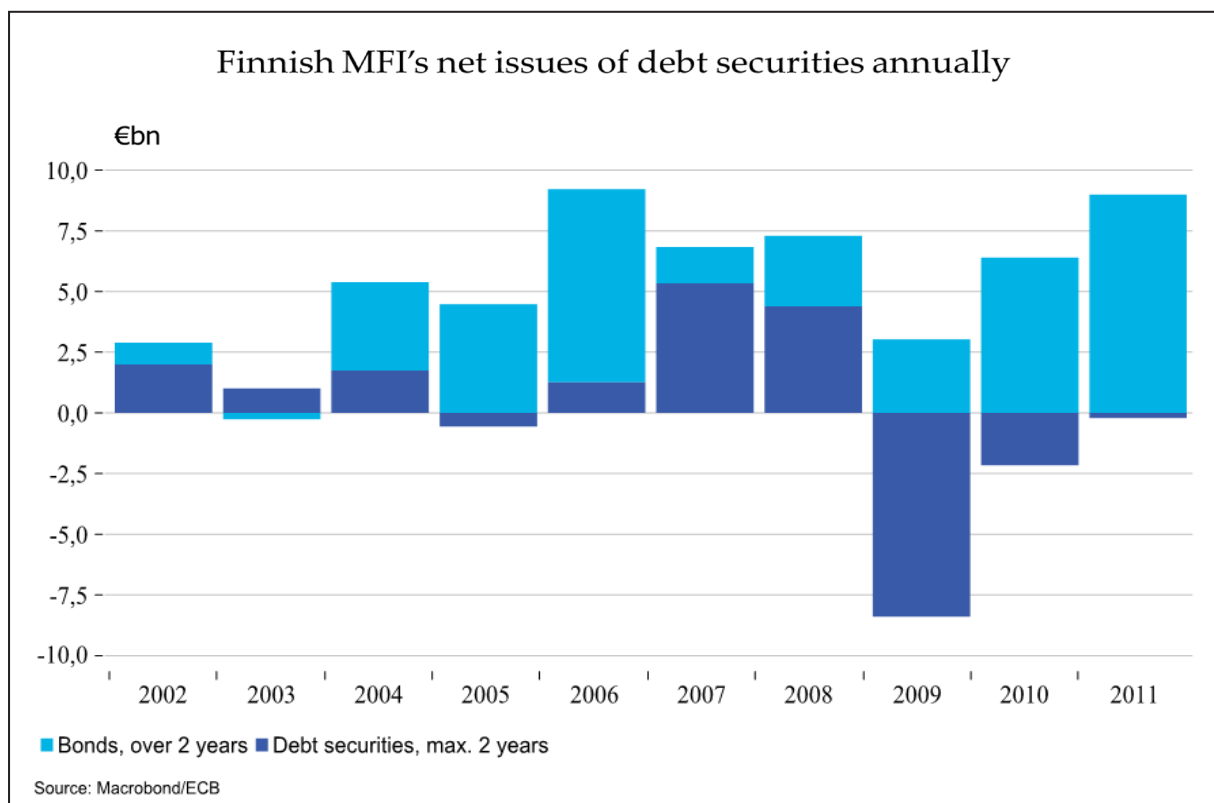
The sovereign debt crisis has hampered bank funding in Europe and also raised funding costs in Finland. With the escalation of the debt crisis in late 2011, the availability of long-term unsecured funding dried up almost completely in the euro area, and only banks with high credit ratings could access the unsecured bond market. However, the ECB's offer of cheap three-year funding in December eased the pressure on banks.

Banks operating in Finland have obtained funding with relative ease, despite the economic crisis. This has been true especially in the case of short-term funds, whose costs have remained low. Long-term secured funding has also attracted investors, but its costs have risen. In 2011 Finnish banks netted EUR 9 billion in new funding from the market, chiefly through debt securities with maturities of over two years (see graph).

The role of covered bonds in funding banks operating in Finland continued to grow in 2011. By year's end, covered bonds accounted for 35% of the total bond portfolio, i.e. for EUR 19 billion.<sup>1</sup>

In an uncertain environment, investors are more cautious in assessing the creditworthiness and capital adequacy of banks. Finnish banks easily meet capital requirements and have few exposures to risk countries. In addition, Finnish banks have good credit ratings and high-quality assets. Thus, like other Nordic banks, they have been treated as safe havens, which has improved their liquidity.

<sup>1</sup> Source: Bank of Finland, Financial Statistics, Annual Review, 2011



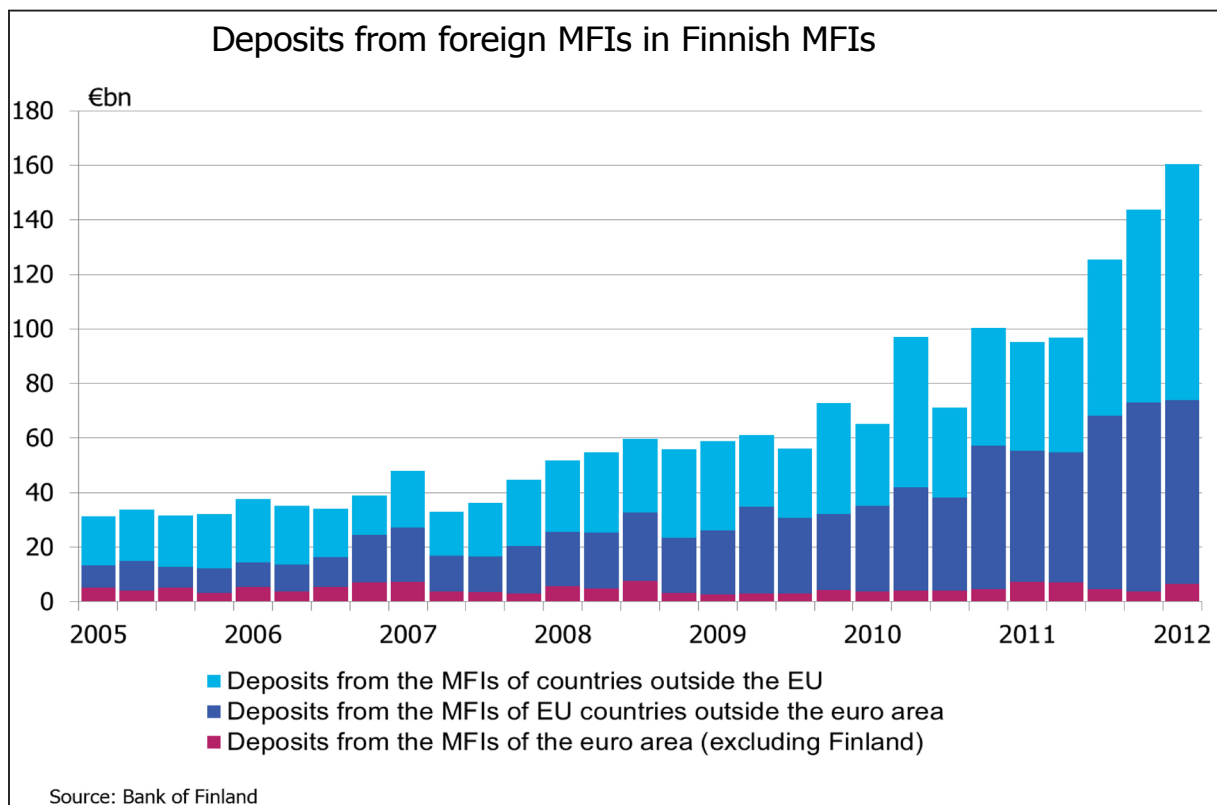


The European sovereign debt crisis has widened the gap between strong-performing and weak-performing banks in Europe. In the challenging market, Nordic banks have seemed even more appealing investment targets, especially for investors in debt securities. According to a Fitch survey<sup>2</sup>, investors operating on the secured bond markets considered the covered bonds of Nordic banks to be the most attractive investment at the end of 2011. Over 50% of the respondents estimated that their investments in the covered bonds of banks operating in the Nordic region would probably grow during the next 12 months.

Banks operating in Finland have also increased their deposit portfolios. Non-MFI deposits are the most important form of funding for the majority of banks operating in Finland. Bank deposits have decreased in a few European countries, as a result of depositors withdrawing their savings in response to the uncertainties generated by the debt crisis. At the end of 2011, non-MFI deposits were 8.5% bigger in Finland than one year earlier, whereas the corresponding figure for the euro area was only 1.0%.

In addition, banks operating in Finland have benefitted from a substantial flow of interbank deposits from abroad (see graph). As the majority of the Finnish banking sector is owned abroad, liquidity flows from the foreign parents to the Finnish subsidiaries and branch offices. Of all non-euro area liabilities and assets held at the end of 2011, about 70% and 50% respectively were classified as intra-group items<sup>3</sup>.

2 Fitch Ratings, Credit Market Research: Covered Bonds Investor Survey Year-End 2011. Behind the Nordic countries were the UK, Canada, the Netherlands, Australia, Germany, France, New Zealand, Austria and the Southern European countries.  
3 Source: Bank of Finland, Financial Statistics, Annual Review, 2011



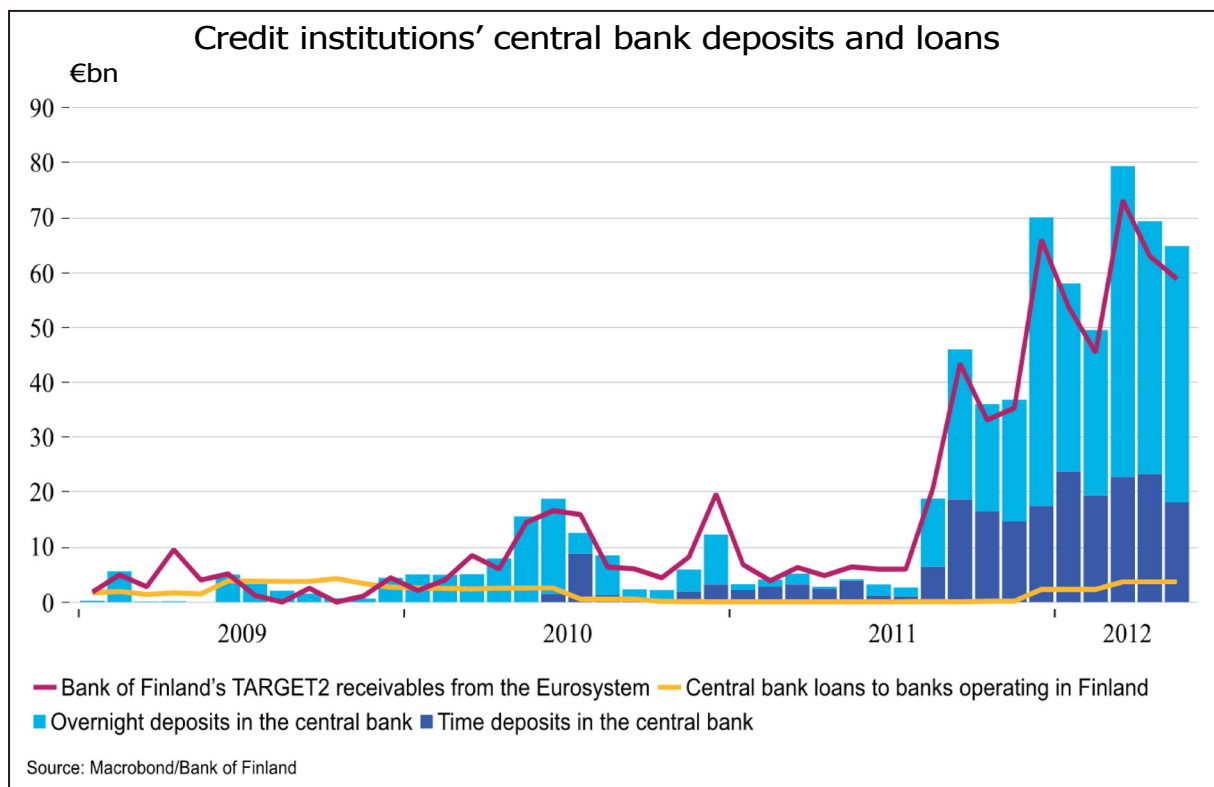




All-in-all, the credit institutions located in Finland have gained so much extra liquidity from abroad that they have deposited considerable amounts of it in the Bank of Finland. These deposits (time deposits and overnight deposits) increased by several tens of billions of euros in the final months of 2011. Instead, the credit institutions operating in Finland have made little use of central bank funding (see graph).

The liquidity flows to Nordic banks have probably resulted, at least in part, from the increased liquidity provided by the ECB. As the interbank markets have not been working properly, this liquidity has found a home, via the actions of multinational bank groups, in the central banks of the euro area countries.

In the Bank of Finland's balance sheet, the growth of central bank deposits made by the banks corresponds to the TARGET2 payment system's internal receivables from the Eurosystem on the other side of the balance sheet. TARGET2 stands for Trans-European Automated Real-time Gross Settlement Express Transfer system. The counterparty of asset and liability positions created within the system is the European Central Bank. As a result of the crisis, capital has flowed to safe havens in strong euro area countries, such as Germany, Finland and the Netherlands, which has increased the TARGET2 balances of these countries' central banks. Conversely, private capital has flowed out of the Southern European crisis countries, for which reason the Southern European banks have increasingly been forced to resort to funding from the central bank.





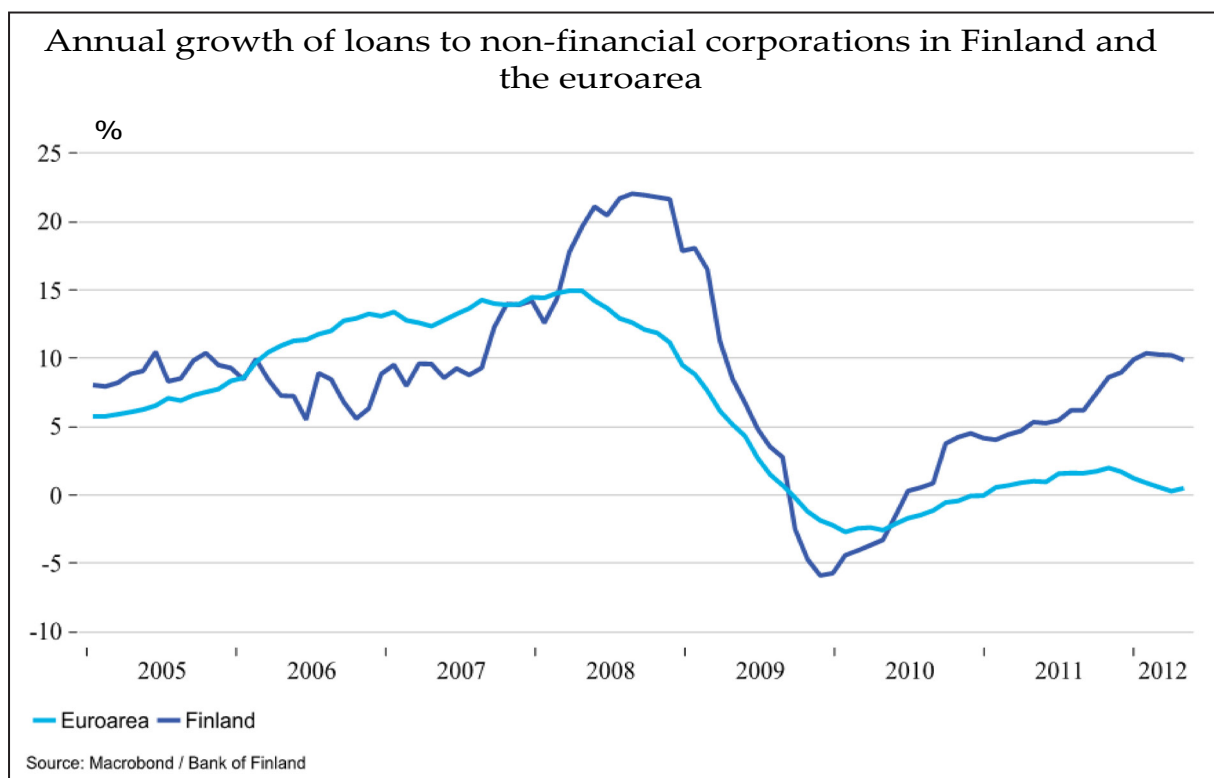
## Accelerating growth of loans to non-financial corporations

Thanks to efficient funding and strong capital adequacy, banks operating in Finland have had no trouble financing the real economy. Loans to non-financial corporations were growing at the rate of 11% at the end of 2011. The health of the banking sector and its capacity to finance companies has been much better in Finland than in many other European countries. In many countries, banks have adjusted their balance sheets to meet new capital adequacy requirements, for example, and corporate lending has shrunk as a result. In the euro area the average growth of corporate loans was very modest in 2011, while the annual growth of loans to non-financial corporations sunk to almost zero in February 2012.

The economic uncertainties have also affected the views of bank managers in Finland concerning the demand for credit<sup>4</sup>. Credit is in fact being required by companies mainly for working capital needs and for financial restructuring. Not many requests to finance capital expenditure projects are expected.

The increasing costs of bank funding and forthcoming regulatory reforms have raised the margins of new corporate credits to some extent in Finland, too. However, the interest rates of loans to non-financial corporations are still among the lowest in the euro area. The average interest rate of new loans to non-financial corporations at the end of 2011 was almost one percentage point lower in Finland than in the euro area on average.

4 Survey of bank managers by the Federation of Finnish Financial Services 1/2012





## Housing loans drawn at a lively pace

More new housing loans were drawn in 2011 than the average drawdowns for 2008-2010. In fact, it was the best year for housing loans since 2007, which was an all-time record year. Exceptionally low interest rates and a reasonably good employment situation ensured steady growth in the housing loan portfolio, despite the dip in household confidence in the economy in the latter half of 2011. Drawdowns of housing loans were accelerated in the final months by ASP savers, who received a EUR 3000 bonus if they signed a purchase agreement for a first home by 31.12.2011.

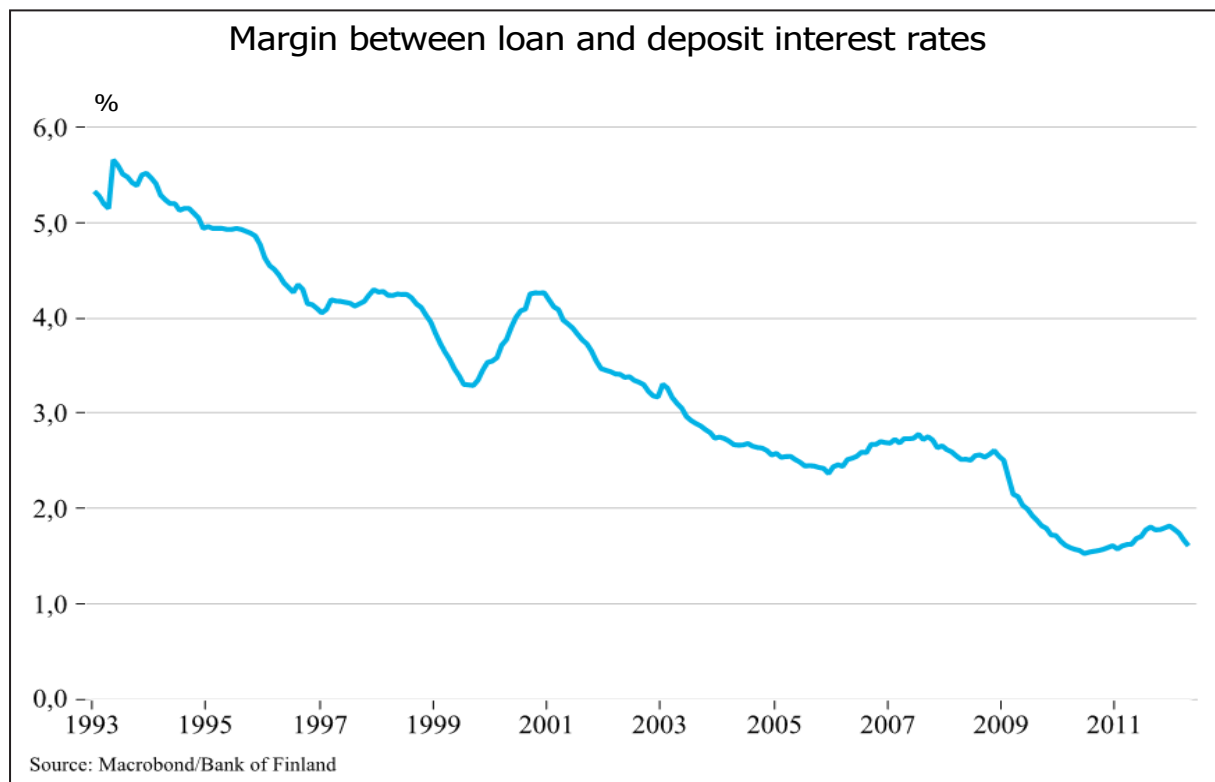
The margins on housing loans have also been affected by upward pressures due to both the higher costs of long-term funding and regulatory reforms. The average margin on new housing loans in 2011 was 0.75%<sup>5</sup>.

## Improvement of net interest income boosted bank results

Despite the European economic crisis, banks operating in Finland disclosed slightly better results in 2011. The operating profits of deposit banks operating in Finland grew by 13% on 2010.

The net interest margin improved as a result of increased loan volumes and the rise in market interest rates in the first half-year. The European Central Bank raised its refinancing rate twice in early 2011, as economic growth recovered. The ECB's interest rate hikes prompted a rise

5 Source: Bank of Finland, Financial Statistics, Annual Review, 2011





in market rates, which positively affected the banks' net interest spreads. The margin between lending and borrowing interest rates generally widens as rates rise and conversely narrows as they decline. As a large portion of the banks' lending portfolio is tied to Euribor rates in Finland, the margin reacts relatively quickly to changes in market rates.

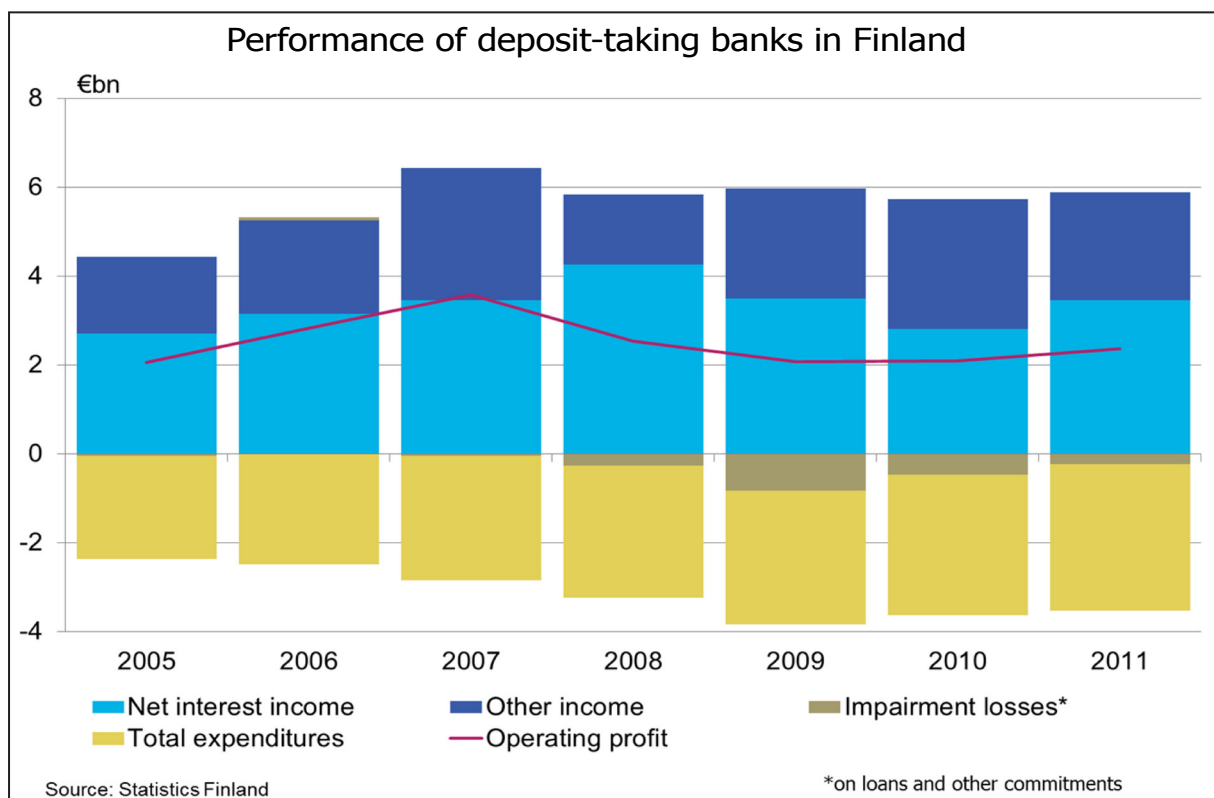
The economic outlook changed at the end of summer, however, when confidence in the ability of Spain and Italy to service their debts began to falter. The European Central Bank changed the direction of its monetary policy as the crisis escalated and lowered its refinancing rate twice towards the end of the year, which sent short market rates into a new decline. Consequently, the average interest rate between loans and deposits started to shrink at the beginning of 2012, which foreshadowed hard times for bank profitability.

### Impairment losses half those of 2010

Net impairment losses recognized on loans and other commitments shrank by almost a half last year. The majority (76%) of impairment losses resulted from loans granted to companies and housing corporations. Of household loans only a very small percentage ultimately result in losses for the bank.

However, non-performing loans rose by some 5% on 2010<sup>6</sup>. Throughout the financial crisis, impairment losses and non-performing loans have remained at a low level in Finland. Non-performing loans accounted for only 0.56% of the loan portfolio at the end of 2011, compared with 0.64% one year earlier.

6 Source: Financial Supervisory Authority



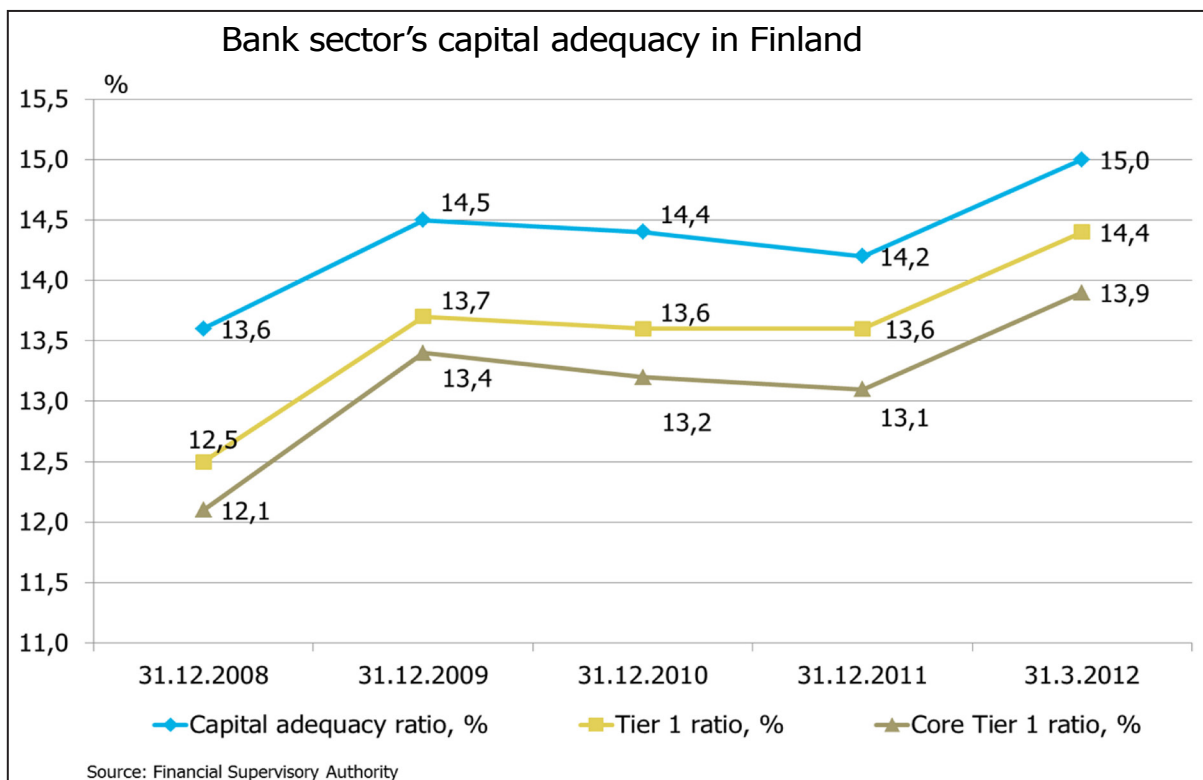


### Bank sector's capital adequacy remained strong

As a result of the financial crisis, bank capital requirements have become a hot topic of conversation in Europe. The regulations governing bank capital adequacy are being tightened by the Basel III regulatory framework which aims at improving the quality and level of capital, strengthening capital conservation buffers and reducing the cyclical nature of capital requirements. The new framework will be adopted in steps over the period 2013–2018.

At the end of 2011, in response to the aggravated debt crisis and the evident lack of trust in the European banking sector, the European Banking Authority (EBA) urged 71 large European banks to raise their Core Tier 1 capital to nine per cent by the end of June 2012. Of the Finnish banks, the OP-Pohjola Group was included in the EU stress test to determine capital requirements. Nordea Bank Finland, part of the Nordea Group, and Sampo Bank, part of the Danske Bank Group, were also included in the assessments via their parent companies. All of the banks in Finland that participated in the tests easily surpassed the minimum requirements of the authorities.

As investors were also paying much more attention to bank capital requirements, banks throughout Europe have taken steps to strengthen their capital structures. The banks operating in Finland were financially sound both before and after the crisis in 2011. The overall capital adequacy ratio of the bank groups operating in Finland was 14.2% at the end of 2011, compared with 14.4% the year before. The Core Tier 1 capital adequacy ratio at the end of 2011 was 13.1 %, compared with 13.2% the year before. These figures were partly improved by the fact that some banks started to use the Internal Ratings-Based Approach (IRBA) in estimating the capital requirements for various exposures. On the other hand, the capital adequacy figures were weakened by debenture buybacks, for example.





## Financial statements for 2010-2011

€m

Domestic banking groups and branches of foreign banks	Net interest income			Net fee and commission income			Other operating income			Total operating income		
	2011	2010	Change	2011	2010	Change	2011	2010	Change	2011	2010	Change
Nordea Bank Finland	1,355.0	1,182.0	14.6 %	309.0	289.0	6.9 %	980.0	1,028.0	-4.7 %	2,644.0	2,499.0	5.8 %
OP-Pohjola Group *)	1,030.0	917.0	12.3 %	574.0	563.0	2.0 %	557.0	692.0	-19.5 %	2,160.0	2,172.0	-0.6 %
Sampo Bank **)	345.7	321.9	7.4 %	202.2	188.7	7.2 %	101.9	112.7	-9.6 %	649.8	623.3	4.3 %
Aktia	128.8	149.3	-13.7 %	59.5	57.0	4.4 %	36.5	43.1	-15.3 %	224.8	249.4	-9.9 %
Savings banks (excl. Aktia) ***)	147.2	137.2	7.3 %				69.5	69.2	0.4 %	216.7	206.4	5.0 %
The Finnish Local Cooperative Bank Group	86.1	82.2	4.8 %	23.8	21.5	10.7 %	7.0	11.3	-38.1 %	122.9	120.6	1.9 %
Bank of Aland	43.1	36.8	17.1 %	38.7	36.8	5.2 %	17.4	25.4	-31.5 %	99.2	99.1	0.1 %
S-Bank	60.0	38.3	56.7 %	8.9	7.4	20.3 %	-10.3	15.4		58.6	61.1	-4.1 %
Tapiola Bank	17.8	13.7	29.9 %	28.7	28.8	-0.3 %	8.2	7.8	4.5 %	54.7	50.3	8.6 %
Hypo	1.8	0.5	253.3 %	2.1	1.8	19.2 %	6.3	5.6	12.1 %	10.2	7.9	28.9 %
Evli Bank	4.0	2.2	81.8 %	51.8	56.5	-8.3 %	3.3	0.7	371.4 %	59.1	59.4	-0.5 %
FIM	2.4	2.2	7.0 %	33.6	42.0	-19.9 %	-1.7	0.5		34.3	44.6	-23.1 %
<b>Largest Nordic banking groups (ranked according to total assets)</b>												
Nordea	5,456.0	5,159.0	5.8 %	2,395.0	2,156.0	11.1 %	1,650.0	2,019.0	-18.3 %	9,501.0	9,334.0	1.8 %
Danske Bank	3,159.1	3,201.6	-1.3 %	1,113.7	1,168.1	-4.7 %	1,549.1	1,844.3	-16.0 %	5,821.9	6,213.9	-6.3 %
Handelsbanken	2,615.0	2,237.2	10.7 %	849.7	841.1	1.0 %	168.7	203.1	-17.0 %	3,633.4	3,281.4	10.7 %
SEB	1,871.7	1,670.3	12.1 %	1,569.8	1,480.5	6.0 %	732.0	700.9	4.4 %	4,173.5	3,851.7	8.4 %
DnB Bank	3,237.6	2,921.8	10.8 %	541.2	543.6	-0.4 %	1,346.7	1,138.8	18.3 %	5,125.5	4,554.2	12.5 %
Swedbank	2,117.2	1,712.1	23.7 %	992.6	998.7	-0.6 %	601.8	544.2	10.6 %	3,711.6	3,255.0	14.0 %

Insurance is included in the figures where insurance is part of the group's business, reflected under Other operating income.  
The figures may not sum up to the total, because not all income statement items are included in this table.

\*) Bonuses paid to owner members and OP bonus customers for €176m (163).  
\*\*) Sampo Bank Plc is a Finnish bank which is part of the Danske Bank Group. This interim report includes Sampo Bank Plc and its subsidiaries.

\*\*\*) Net fee and commission income is included in Other operating income.

2010 average rates: SEK 9,5373; DKK 7,4473; NOK 8,0043

2011 average rates: SEK 9,0298; DKK 7,4506; NOK 7,7934

(applied to income items)

Rates at end 2010: SEK 8,9655; DKK 7,4535; NOK 7,800

Rates at end 2011: SEK 9,0184; DKK 7,4341; NOK 7,7451

(applied to balance sheet items)



## Financial statements for 2010-2011

€m

Domestic banking groups and branches of foreign banks	Staff-related and other administrative costs			Other costs			Total operating expenses			Impairment losses on loans and other commitments		Other items	
	2011	2010	Change	2011	2010	Change	2011	2010	Change	2011	2010	2011	2010
Nordea Bank Finland	-1,049.0	-1,032.0	1.6 %	-43.0	-41.0	4.9 %	-1,092.0	-1,073.0	1.8 %	-70.0	-272.0		2.0
OP-Pohjola Group *)	-1,047.0	-962.0	8.8 %	-318.0	-324.0	-1.9 %	-1,365.0	-1,286.0	6.1 %	-101.0	-149.0	-176.0	-163.0
Sampo Bank **)	-175.8	-165.3	6.4 %	-273.2	-273.0	0.1 %	-449.0	-438.3	2.4 %	-53.4	-32.7		
Aktia	-111.9	-106.6	5.0 %	-54.6	-52.4	4.2 %	-166.5	-159.0	4.7 %	-11.3	-14.1		1.6
Savings banks (excl. Aktia) ***)	-65.1	-62.0	5.1 %	-83.3	-83.4	-0.1 %	-148.5	-145.4	2.1 %	-2.9	-6.7		
The Finnish Local Cooperative Bank Group	-68.3	-67.6	2.7 %	-14.1	-12.8	2.7 %	-82.4	-80.4	2.5 %	-8.7	-3.3		
Bank of Aland	-60.0	-53.7	11.7 %	-43.1	-38.5	11.9 %	-103.1	-92.2	11.8 %	-1.8	-5.9		0.1
S-Bank	-42.7	-39.7	7.6 %	-7.4	-6.1	21.3 %	-50.1	-45.8	9.4 %	-0.7	-2.9	0.0	-0.2
Tapiola Bank	-43.9	-41.1	6.9 %	-3.6	-2.6	37.0 %	-47.5	-43.7	8.7 %	-0.3	-0.4	-2.2	-2.2
Hypo	-6.3	-5.6	12.5 %				-6.3	-5.6	12.5 %	0.2	0.0		
Evli Bank	-47.5	-44.5	6.7 %	-3.6	-3.1	16.1 %	-51.1	-47.6	7.4 %			-4.3	-7.7
FIM	-26.5	-27.2	-2.8 %	-5.7	-6.3	-9.3 %	-32.1	-33.8	-5.0 %				
<b>Largest Nordic banking groups (ranked according to total assets)</b>													
Nordea	-5,027.0	-4,646.0	8.2 %	-192.0	-170.0	12.9 %	-5,219.0	-4,816.0	8.4 %	-735.0	-879.0		
Danske Bank	-3,258.8	-3,224.5	1.1 %	-229.1	-456.1	-49.8 %	-3,487.9	-3,492.5	-0.1 %	-1,769.7	-1,855.3		
Handelsbanken	-1,661.4	-1,527.3	8.8 %	-51.2	-47.4	8.0 %	-1,712.6	-1,574.7	8.8 %	-90.4	-158.0	0.8	-0.1
SEB	-1,543.0	-1,459.5	5.7 %	-1,017.5	-1,030.8	-1.3 %	-2,560.5	-2,490.3	2.8 %	86.2	-168.7	0.2	1.5
DnB Bank	-1,176.8	-1,020.7	15.3 %	-1,223.7	-1,108.4	10.4 %	-2,400.5	-2,129.1	12.7 %	-442.0	-374.4		
Swedbank	-1,098.3	-984.8	11.5 %	-880.6	-865.0	1.8 %	-1,978.9	-1,849.8	7.0 %	211.6	-294.6	-236.3	-66.8

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\*) Bonuses paid to owner members and OP bonus customers for €176m (163).

\*\*) Sampo Bank Plc is a Finnish bank which is part of the Danske Bank Group. This interim report includes Sampo Bank Plc and its subsidiaries.

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Source: Banks' financial statements



## Financial statements for 2010-2011

€m

Domestic banking groups and branches of foreign banks	Operating profit/loss			Taxes		Net profit/loss for the year			Total assets		
	2011	2010	Change	2011	2010	2011	2010	Change	2011	2010	Change
Nordea Bank Finland	1,482.0	1,156.0	28.2 %	-381.0	-302.0	1,101.0	854.0	28.9 %	399,287.0	286,086.0	39.6 %
OP-Pohjola Group *)	518.0	575.0	-9.9 %	-87.0	-135.0	431.0	440.0	-2.0 %	92,287.0	83,969.0	9.9 %
Sampo Bank **)	147.3	152.3	-3.3 %	-37.5	-35.1	117.1	117.2	-0.1 %	27,406.0	26,158.0	4.8 %
Aktia	47.0	77.9	-39.7 %	-10.5	-19.9	36.5	58.0	-37.1 %	11,056.0	11,019.2	0.3 %
Savings banks (excl. Aktia) ***)	65.4	54.3	20.4 %						7,768.0	7,316.0	6.2 %
The Finnish Local Cooperative Bank Group	28.0	33.4	-16.1 %						4,477.7	4,321.0	3.6 %
Bank of Åland	-5.7	1.0		0.4	-3.2	-5.3	-2.2	140.9 %	3,400.0	3,475.0	-2.2 %
S-Bank	7.9	12.5	-36.8 %	-1.0		7.0	12.4	141.4 %	2,917.6	2,687.6	8.6 %
Tapiola Bank	4.7	4.0	17.5 %	0.2	-0.8	4.9	3.2	53.1 %	1,946.9	1,620.7	20.1 %
Hypo	4.0	2.2	79.2 %	-0.9	-0.6	3.1	1.6	90.7 %	818.0	660.8	23.8 %
Evli Bank	3.6	8.2	-56.1 %	0.1	-0.8	3.8	3.4	11.8 %	581.9	652.8	-10.9 %
FIM	2.2	10.8	-79.9 %	-0.5	-3.0	1.7	7.8	-78.4 %	319.0	336.0	-5.0 %
<b>Largest Nordic banking groups (ranked according to total assets)</b>											
Nordea	3,547.0	3,639.0	-2.5 %	-913.0	-976.0	2,634.0	2,663.0	-1.1 %	716,204.0	580,839.0	23.3 %
Danske Bank	564.4	866.1	-34.8 %	-333.1	-374.1	231.3	492.0	-53.0 %	460,634.5	431,191.5	6.8 %
Handelsbanken	1,831.3	1,548.7	18.2 %	-484.2	-415.4	1,347.1	1,133.2	18.9 %	272,150.9	240,201.9	13.3 %
SEB	1,699.4	1,194.2	42.3 %	-337.3	-269.4	1,362.0	924.8	47.3 %	261,981.4	243,134.3	7.8 %
DnB Bank	2,285.4	2,053.5	11.3 %	-681.1	-603.1	1,603.7	1,459.8	9.9 %	243,373.0	209,953.7	15.9 %
Swedbank	1,708.0	1,043.8	63.6 %	-406.3	-259.2	1,301.7	784.6	65.9 %	205,919.6	191,364.8	7.6 %

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## Financial statements for 2010-2011

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Domestic banking groups and branches of foreign banks	Return on equity (ROE), %		Return on assets (ROA), %		Income/cost ratio, %		Capital adequacy ratio, %		Tier 1 capital ratio, %	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Nordea Bank Finland	9.6 %	7.7 %	0.30%	0.30%	41%	43%	13.4 %	14.3 %	12.8 %	13.6 %
OP-Pohjola Group *)	6.5 %	6.8 %	0.49%	0.53%	63%	59%	14.0 %	12.8 %	14.0 %	12.8 %
Sampo Bank **)	5.0 %	5.6 %	0.40%	0.50%	69%	70%	14.4 %	15.2 %	14.4 %	14.1 %
Aktia	7.2 %	12.0 %			73%	59%	16.2 %	15.9 %	10.6 %	10.1 %
Savings banks (excl. Aktia) ***)			0.90%	0.80%	69%	71%	22.1 %	22.3 %	19.0 %	18.8 %
The Finnish Local Cooperative Bank Group			0.60%	0.81%	70%	69%	21.1 %	22.2 %		
Bank of Åland	-3.9 %	-1.8 %			104%	92%			8.4 %	7.3 %
S-Bank	4.4 %	7.7 %	0.20%	0.50%	85%	75%	16.3 %	20.8 %	16.5 %	17.9 %
Tapiola Bank	5.5 %	4.6 %	0.30%	0.20%	90%	90%	14.1 %	12.1 %	10.5 %	8.5 %
Hypo					62%	71%	16.7 %	18.9 %	15.4 %	17.3 %
Evli Bank	7.0 %	5.9 %	0.60%	0.50%	90%	90%	14.5 %	14.8 %		
FIM	3.6 %	15.6 %			94%	76%	22.0 %	24.4 %		
<b>Largest Nordic banking groups (ranked according to total assets)</b>										
Nordea	10.6 %	11.5 %			55.0 %	52.0 %	11.1 %	11.5 %	10.1 %	9.8 %
Danske Bank					59.9 %	56.2 %	17.9 %	17.7 %	16.0 %	14.8 %
Handelsbanken	13.4 %	12.6 %			47.1 %	48.0 %	20.9 %	20.9 %	18.4 %	16.5 %
SEB	11.9 %	8.9 %	0.50%	0.30%	61.0 %	65.0 %	15.2 %	13.9 %	15.9 %	14.2 %
DnB Bank	13.5 %	13.9 %			45.9 %	47.6 %	11.5 %	11.7 %	9.3 %	8.3 %
Swedbank	12.2 %	8.1 %			53.0 %	57.0 %	18.9 %	18.4 %	17.2 %	15.2 %

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