

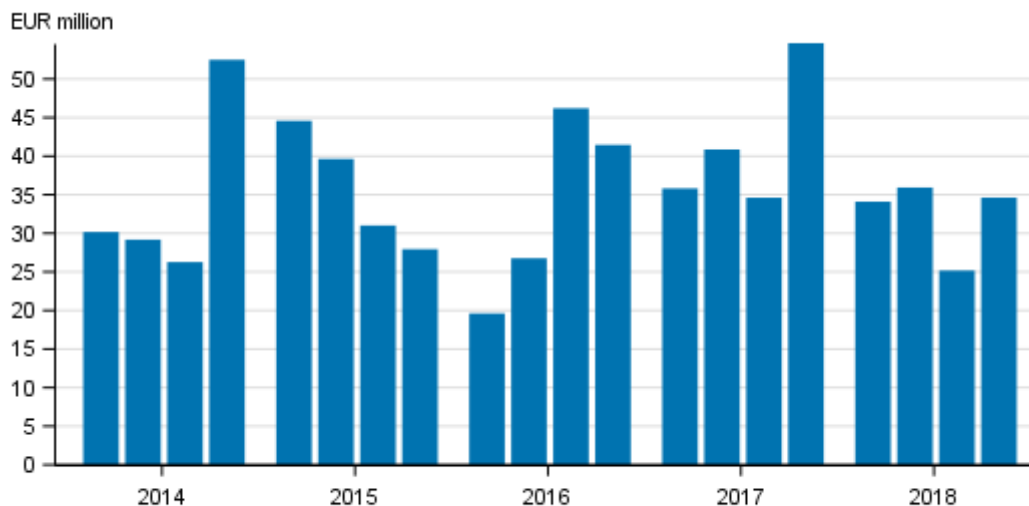
# Investment service companies

2018, 4th quarter

## Investment service companies' commission income and operating profit fell in the fourth quarter of 2018

The net operating profit of investment service companies was EUR 34 million in the fourth quarter of 2018. EUR 29 million less operating profit was accumulated than in the corresponding quarter of the previous year. Commission income fell by EUR 52 million to EUR 99 million. These data derive from Statistics Finland's statistics on investment service companies.

### Investment service companies' operating profit by quarter in 2014 to 2018, EUR million



Investment service companies offer their customers services related to investment services such as investment advisory services, asset management, and reception, intermediation and implementation of trading assignments in monetary instruments. Commission income and expenses are the main items related to investment service companies' income and expenses in the profit and loss account. In addition to commission income and expenses, operating profit is considerably affected by administrative expenses.

In some cases, other items, such as profit or loss from non-current assets classified as held for sale, can have a major impact on profit for the financial period.¶

## Commission income and expenses

Commission income totalled EUR 99 million in the fourth quarter of 2018. The fall compared to the corresponding period of last year amounted to EUR 52 million, or 34.6 per cent. Compared to the previous quarter, EUR 12 million more commission income was accumulated. In turn, investment service companies' commission expenses amounted to EUR 29 million, as in the last quarter of 2017. Compared to the previous quarter, commission expenses went up by EUR eight million.

In 2018, investment service companies' total commission income stood at EUR 402 million, which was EUR 68 million less than in 2017. Investment service companies paid a total of EUR 104 million in commission expenses in the whole year, which was around EUR five million less than in the year before

## Administrative expenses

In the fourth quarter of 2018, investment service companies had EUR 50 million in administrative expenses, which was EUR 12 million less than in the year before and EUR 10 million more than in the previous quarter. Personnel expenses amounted to EUR 28 million, or some 55 per cent of administrative expenses. Personnel expenses fell by EUR nine million from the previous year's corresponding quarter.

On the annual level, the administrative expenses of investment service companies fell by 7.8 per cent from the previous year's EUR 201 million to EUR 185 million.

## Balance sheets

At the end of 2018, the aggregate value of the balance sheets was EUR 347 million. The balance sheets decreased by 25 per cent from EUR 462 million at the end of 2017. The share of equity of the balance sheet total grew from 62 to around 70 per cent.

At the end of the fourth quarter of 2018, there were 61 investment service companies operating in Finland, of which 44 generated a positive operating result.

# Contents

## Tables

### Appendix tables

Appendix table 1. Profit and loss accounts of investment firms 1.1.- 31.12.2018, EUR thousands.....	4
Appendix table 2. Balance sheet of investment firms 1.1.- 31.12.2018, EUR thousands.....	6

## Figures

### Figures

Appendix figure 1. Investment firms' commission income by quarter 2014-2018, EUR million.....	8
Appendix figure 2. Investment firms' commission income by quarter, 4th quarter 2014-2018, EUR million.....	8

# Appendix tables

**Appendix table 1. Profit and loss accounts of investment firms 1.1.- 31.12.2018, EUR thousands**

	1.1.- 31.3.2018	1.1.- 30.6.2018	1.1.- 30.9.2018	1.1.- 31.12.2018
Interest income	80	210	328	637
(Interest expenses)	83	289	436	530
<b>NET INCOME FROM FINANCIAL OPERATIONS</b>	<b>-3</b>	<b>-79</b>	<b>-108</b>	<b>108</b>
(Expenses on share capital repayable on demand)	..	..	..	..
Dividend income	2 384	3 635	3 636	5 512
Fee and comission income	109 852	216 669	303 328	402 269
(Fee and comission expenses)	30 028	54 277	75 147	103 818
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	..	..	942	..
Gains or (-) losses on financial assets and liabilities held for trading, net	..	577	756	..
Gains or losses on financial assets outside the trading fund that are mandatorily measured at fair value through profit or loss, net	..	..	..	..
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	32	47	341	271
Gains or (-) losses from hedge accounting, net	..	..	..	..
Exchange differences [gain or (-) loss], net	-106	-169	-339	-230
Gains or (-) losses on derecognition of non-financial assets, net	..	..	..	..
Other operating income	4 978	9 087	14 407	32 429
(Other operating expenses)	4 703	9 141	13 498	17 910
<b>TOTAL OPERATING INCOME, NET</b>	<b>82 693</b>	<b>167 739</b>	<b>235 094</b>	<b>321 155</b>
(Administrative expenses)	46 995	94 680	135 272	185 160
of which: (Personnel expenses)	27 432	55 733	78 768	106 232
of which:( Other administrative expenses)	19 563	38 947	56 504	78 927
(Depreciation)	1 369	2 783	4 250	5 343
Gains or (-) losses caused by changes made, net	..	..	..	..
(Provisions or (-) reversal of provisions)	..	..	..	..
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	..	..	..	..
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	..	..	..	..
(Impairment or (-) reversal of impairment on non-financial assets)	..	357	357	782
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	..	..	..	..
<b>PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>34 104</b>	<b>70 038</b>	<b>95 214</b>	<b>129 845</b>
(Tax expense or (-) income related to profit or loss from continuing operations)	10 462	21 583	30 623	42 343
<b>PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>23 642</b>	<b>48 454</b>	<b>64 592</b>	<b>87 502</b>
Profit or (-) loss after tax from discontinuing operations	..	..	..	..
<b>PROFIT OR (-) LOSS FOR THE YEAR</b>	<b>23 642</b>	<b>48 454</b>	<b>64 592</b>	<b>87 804</b>



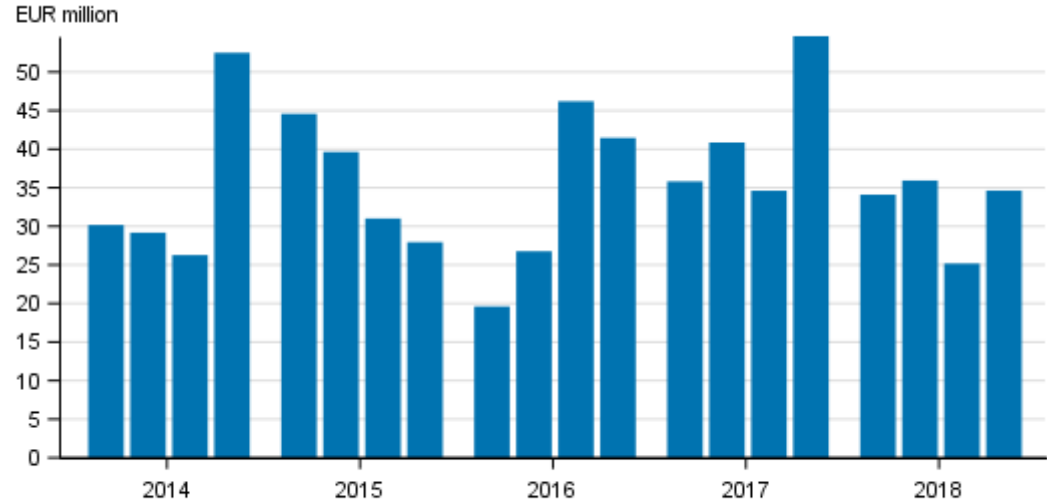
**Appendix table 2. Balance sheet of investment firms 1.1.- 31.12.2018, EUR thousands**

	1.1.- 31.3.2018	1.1.- 30.6.2018	1.1.- 30.9.2018	1.1.- 31.12.2018
ASSETS	.	.	.	.
Cash, cash balances at central banks and other demand deposits	170 032	131 301	139 452	172 150
Financial assets held for trading	4 337	4 372	5 053	20 147
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss	11 874	12 731	11 120	5 293
Financial assets designated at fair value through profit or loss	1 294	..	..	..
Financial assets measured at fair value through other comprehensive income	6 596	7 087	4 926	5 070
Financial liabilities measured at amortised cost	4 261	3 514	2 396	2 553
Derivatives - Hedge accounting (assets)	..	..	..	..
Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets)	..	..	..	..
Investments in subsidiaries, joint ventures and associates	24 970	30 808	18 995	16 081
Tangible assets	5 963	5 854	4 499	4 337
Intangible assets	15 386	15 004	19 087	19 048
Tax assets	5 241	5 017	4 485	5 414
Other assets	124 381	112 956	103 652	91 712
Non-current assets held for sale and transferable item groups	1 887	..	..	..
<b>TOTAL ASSETS</b>	<b>382 672</b>	<b>337 729</b>	<b>338 838</b>	<b>346 696</b>
LIABILITIES	.	.	.	.
Financial liabilities held for trading	..	..	..	..
Financial liabilities designated at fair value through profit or loss	..	..	..	..
Financial liabilities measured at amortised cost	7 077	9 540	..	..
Derivatives - Hedge accounting (liabilities)	..	..	..	..
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..	..	..
Provisions	8 640	8 713	8 248	6 825
Tax liabilities	2 219	2 720	2 006	4 678
Share capital repayable on demand	..	..	..	..
Other Liabilities	121 788	75 962	77 959	80 928
Liabilities included in disposal groups classified as held for sale	..	..	..	..
<b>TOTAL LIABILITIES</b>	<b>165 408</b>	<b>116 307</b>	<b>121 876</b>	<b>105 241</b>
Equity	31 418	30 456	26 964	24 466
Share premium	5 669	5 669	5 669	5 669
Equity instruments issued other than capital	..	3 026	..	863
Other equity	1 190	1 725	2 103	1 718
Accumulated other comprehensive income	-4 971	-4 716	-4 001	5 410
Retained earnings	96 109	74 918	67 472	61 726
Uudelleenarvostus_rahastot	..	..	..	..
Other reserves	61 519	66 427	56 594	60 070
(-) Treasury shares	..	..	..	..
Profit or loss allocated to shareholders of the parent company	23 635	46 317	63 398	85 517
(-) Interim dividends	..	2 129	..	..
Minority interests (non-controlling owners' interests)	..	..	..	..

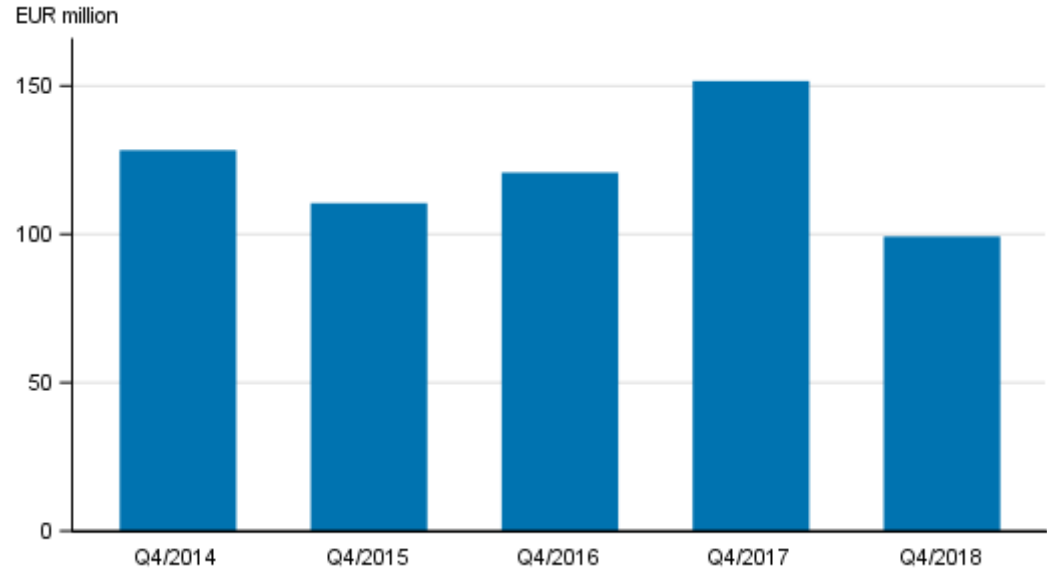
	1.1.- 31.3.2018	1.1.- 30.6.2018	1.1.- 30.9.2018	1.1.- 31.12.2018
TOTAL EQUITY	217 265	221 422	216 962	241 454
TOTAL EQUITY AND TOTAL LIABILITIES	382 673	337 729	338 838	346 695

# Figures

**Appendix figure 1. Investment firms' commission income by quarter 2014-2018, EUR million**



**Appendix figure 2. Investment firms' commission income by quarter, 4th quarter 2014-2018, EUR million**





## Inquiries

Antti Suutari 029 551 3257

Jarkko Kaunisto 029 551 3551

Director in charge:

Ville Vertanen

[rahoitusmarkkinat@stat.fi](mailto:rahoitusmarkkinat@stat.fi)

[www.tilastokeskus.fi](http://www.tilastokeskus.fi)

Source: Investment firms, Statistics Finland