

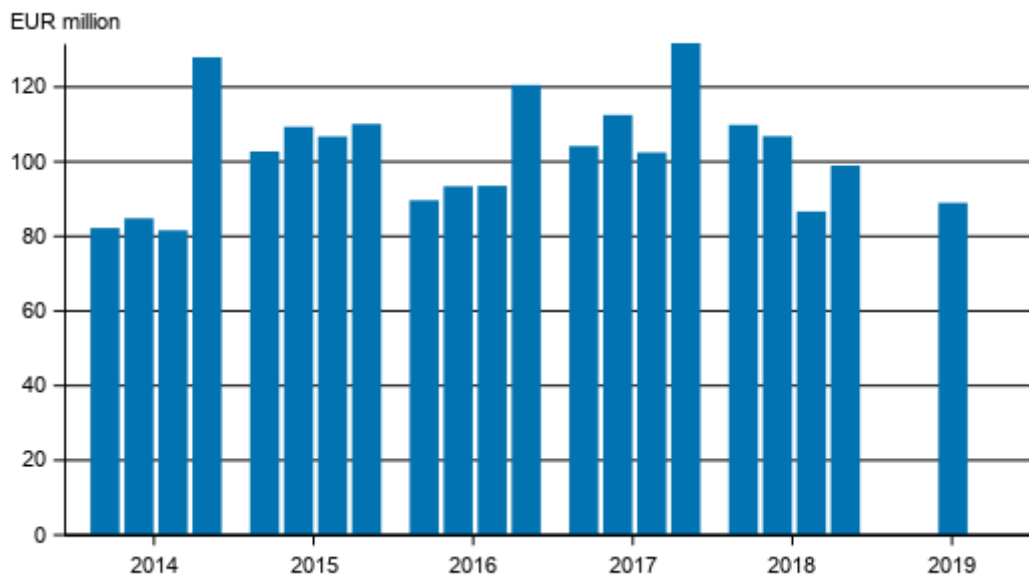
Investment service companies

2019, 1st quarter

Investment service companies' commission income and operating profit decreased in the first quarter of 2019

The net operating profit of investment service companies was EUR 22 million in the first quarter of 2019. EUR 12 million less operating profit was accumulated than in the corresponding quarter last year. Commission income fell by EUR 21 million to EUR 89 million. These data derive from Statistics Finland's statistics on investment service companies.

Investment service companies' operating profit by quarter in 2014 to 2019, 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 89 million in the first quarter of 2019. The fall compared to the corresponding period of last year amounted to EUR 21 million, or 19.0 per cent. Compared to the previous quarter, EUR 10 million less commission income was accumulated. Commission expenses, in turn, amounted to EUR 24 million, which was EUR six million less than one year previously. Compared to the previous quarter, commission expenses went down by EUR five million.

Administrative expenses

In the first quarter of 2019, investment service companies had EUR 45 million in administrative expenses, which was EUR two million less than in the year before and EUR five million lower than in the previous quarter. Personnel expenses amounted to EUR 27 million, or some 60 per cent of administrative expenses. Personnel expenses were roughly on level with twelve months earlier.

Balance sheets

At the end of the second quarter of 2019, the aggregate value of the balance sheets was EUR 307 million. The balance sheets decreased by 20 per cent from EUR 383 million in the first quarter of 2018. The share of equity of the balance sheet total grew from 57 to around 63 per cent.

At the end of the first quarter of 2019, there were 55 investment service companies operating in Finland, of which 31 generated a positive operating result.

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Appendix table 1. Profit and loss accounts of investment firms 1.1.- 31.3.2019, EUR thousands

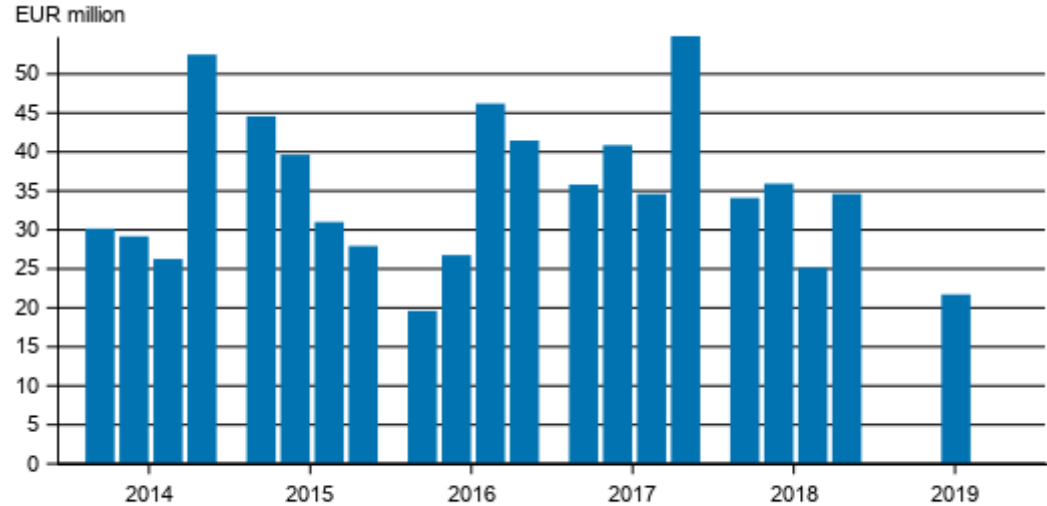
	1.1.- 31.3.2019
Interest income	121
(Interest expenses)	103
NET INCOME FROM FINANCIAL OPERATIONS	17
(Expenses on share capital repayable on demand)	..
Dividend income	1 395
Fee and comission income	88 971
(Fee and comission expenses)	23 754
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	..
Gains or (-) losses on financial assets and liabilities held for trading, net	..
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	195
Gains or (-) losses from hedge accounting, net	..
Exchange differences [gain or (-) loss], net	-51
Gains or (-) losses on derecognition of non-financial assets, net	..
Other operating income	5 501
(Other operating expenses)	3 878
TOTAL OPERATING INCOME, NET	68 475
(Administrative expenses)	45 283
of which: (Personnel expenses)	27 158
of which:(Other administrative expenses)	18 125
(Depreciation)	1 221
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)	..
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	21 719
(Tax expense or (-) income related to profit or loss from continuing operations)	8 698
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	13 021
Profit or (-) loss after tax from discontinuing operations	..
PROFIT OR (-) LOSS FOR THE YEAR	13 021

Appendix table 2. Balance sheet of investment firms 1.1.- 31.3.2019, EUR thousands

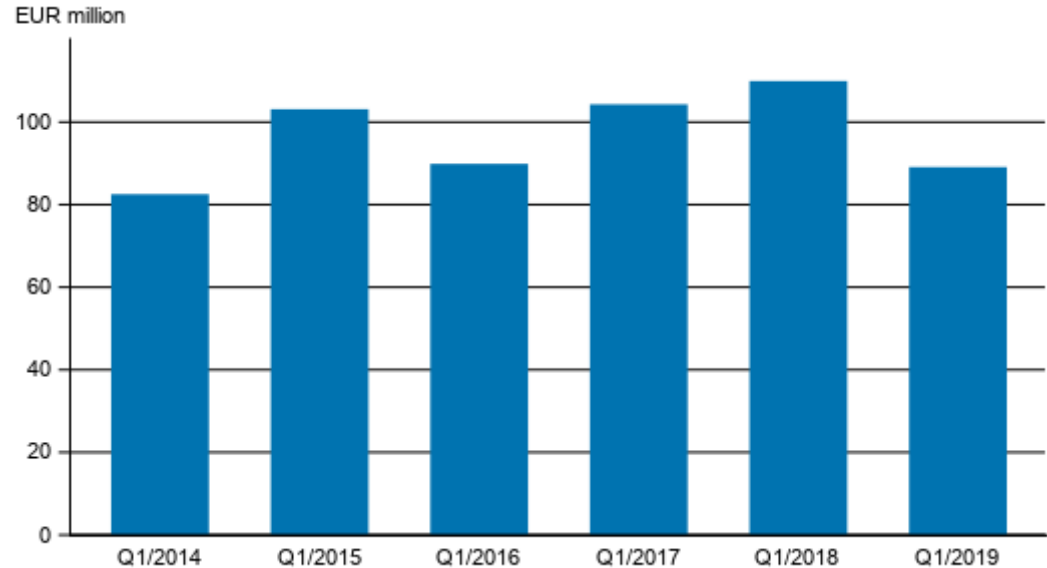
	1.1.- 31.3.2019
ASSETS	.
Cash, cash balances at central banks and other demand deposits	118 776
Financial assets held for trading	14 797
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss	8 616
Financial assets designated at fair value through profit or loss	1 479
Financial assets measured at fair value through other comprehensive income	2 041
Financial liabilities measured at amortised cost	15 739
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	15 969
Tangible assets	4 660
Intangible assets	18 420
Tax assets	6 628
Other assets	98 647
Non-current assets held for sale and transferable item groups	..
TOTAL ASSETS	307 427
LIABILITIES	.
Financial liabilities held for trading	..
Financial liabilities designated at fair value through profit or loss	..
Financial liabilities measured at amortised cost	..
Derivatives - Hedge accounting (liabilities)	..
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..
Provisions	7 254
Tax liabilities	3 020
Share capital repayable on demand	..
Other Liabilities	96 219
Liabilities included in disposal groups classified as held for sale	..
TOTAL LIABILITIES	113 817
Equity	24 525
Share premium	5 669
Equity instruments issued other than capital	..
Other equity	1 590
Accumulated other comprehensive income	4 796
Retained earnings	82 312
Uudelleenarvostus_rahastot	..
Other reserves	61 099
(-) Treasury shares	..
Profit or loss allocated to shareholders of the parent company	13 020
(-) Interim dividends	..
Minority interests (non-controlling owners' interests)	..
TOTAL EQUITY	193 609
TOTAL EQUITY AND TOTAL LIABILITIES	307 426

Figures

Appendix figure 1. Investment firms' commission income by quarter 2014-2019, EUR million



Appendix figure 2. Investment firms' commission income by quarter, 1st quarter 2014-2019, EUR million



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Source: Investment firms, Statistics Finland