

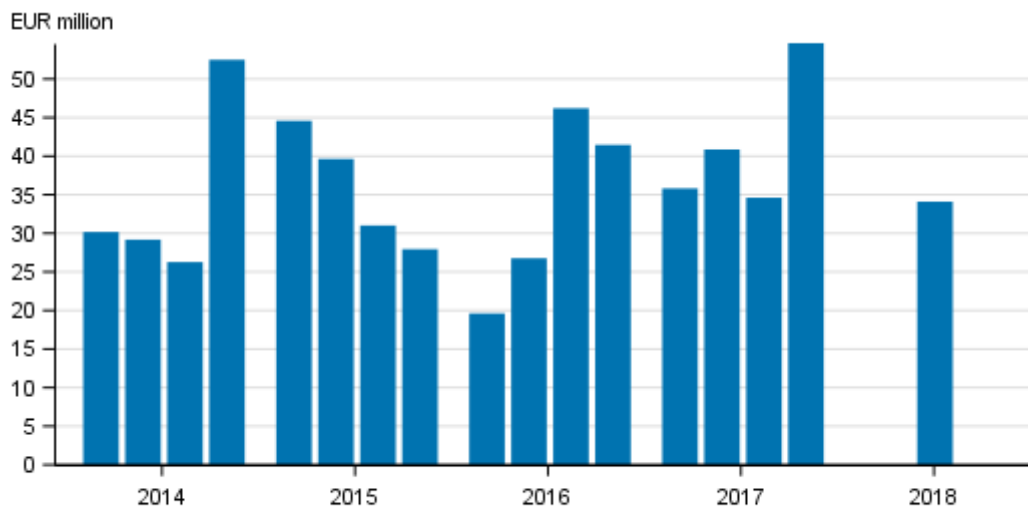
Investment service companies

2018, 1st quarter

Investment service companies' commission income increased in the first quarter of 2018

The net operating profit of investment service companies was EUR 34 million in the first quarter of 2018. Some EUR one million less operating profit was accumulated than in the corresponding quarter last year. Commission income increased by EUR six million to EUR 110 million from one year back. 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 110 million in the first quarter of 2018. Growth compared to the corresponding period of last year amounted to EUR six million, or 5.4 per cent. Compared to the previous quarter, EUR 42 million less commission income was accumulated. In turn, commission expenses amounted to EUR 30 million, which is EUR four million, or 13.9 per cent more than one year previously. Compared with the previous quarter, there was EUR one million more commission expenses.

Administrative expenses

In the first quarter of 2018, investment service companies had EUR 47 million in administrative expenses, which was EUR one million less than in the year before and EUR 15 million lower than in the previous quarter. Personnel expenses amounted to EUR 27 million, or some 58 per cent of administrative expenses. Personnel expenses decreased by EUR two million from the previous year's corresponding quarter. Other administrative expenses amounted to EUR 20 million.

Balance sheets

At the end of the first quarter of 2018, the aggregate value of the balance sheets was EUR 383 million. The balance sheets grew by 10.6 per cent year-on-year. The share of own equity of the balance sheet total decreased from 58.1 to around 56.8 per cent. Due to investment service companies renewed FINREP reporting practices the balance sheet items are not in all respects fully comparable between 2018 and earlier years.

At the end of the first quarter of 2018, there were 64 investment service companies operating in Finland, of which 37 generated a positive operating result.

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Appendix table 1. Profit and loss accounts of investment firms 1.1.- 31.3.2018, EUR thousands

	1.1.- 31.3.2018
Interest income	80
(Interest expenses)	83
NET INCOME FROM FINANCIAL OPERATIONS	-3
(Expenses on share capital repayable on demand)	.. ¹⁾
Dividend income	2 384
Fee and comission income	109 852
(Fee and comission expenses)	30 028
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	32
Gains or (-) losses from hedge accounting, net	..
Exchange differences [gain or (-) loss], net	-106
Gains or (-) losses on derecognition of non-financial assets, net	..
Other operating income	4 978
(Other operating expenses)	4 703
TOTAL OPERATING INCOME, NET	82 693
(Administrative expenses)	46 995
of which: (Personnel expenses)	27 432
of which:(Other administrative expenses)	19 563
(Depreciation)	1 369
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	34 104
(Tax expense or (-) income related to profit or loss from continuing operations)	10 462
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	23 642
Profit or (-) loss after tax from discontinuing operations	..
PROFIT OR (-) LOSS FOR THE YEAR	23 642

1) Data not available or too uncertain for presentation, or subject to secrecy

Appendix table 2. Balance sheet of investment firms 1.1.- 31.3.2018, EUR thousands

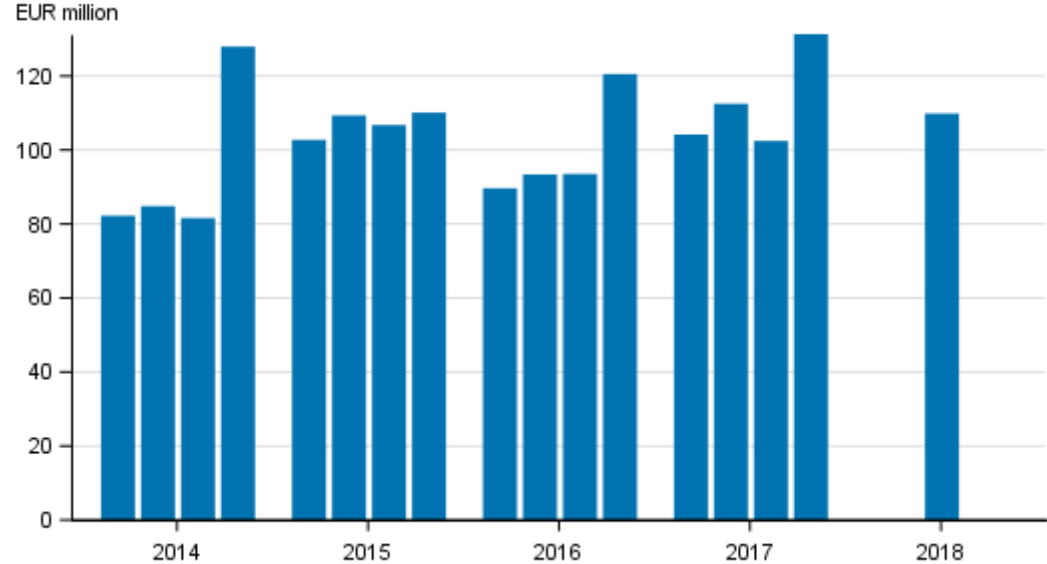
	1.1.- 31.3.2018
ASSETS	
Cash, cash balances at central banks and other demand deposits	170 032
Financial assets held for trading	4 337

	1.1.- 31.3.2018
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss	11 874
Financial assets designated at fair value through profit or loss	1 294
Financial assets measured at fair value through other comprehensive income	6 596
Financial liabilities measured at amortised cost	4 261
Derivatives - Hedge accounting (assets)	.. ¹⁾
Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets)	..
Investments in subsidiaries, joint ventures and associates	24 970
Tangible assets	5 963
Intangible assets	15 386
Tax assets	5 241
Other assets	124 381
Non-current assets held for sale and transferable item groups	1 887
TOTAL ASSETS	382 672
LIABILITIES	
Financial liabilities held for trading	..
Financial liabilities designated at fair value through profit or loss	..
Financial liabilities measured at amortised cost	7 077
Derivatives - Hedge accounting (liabilities)	..
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..
Provisions	8 640
Tax liabilities	2 219
Share capital repayable on demand	..
Other Liabilities	121 788
Liabilities included in disposal groups classified as held for sale	..
TOTAL LIABILITIES	165 408
Equity	31 418
Share premium	5 669
Equity instruments issued other than capital	..
Other equity	1 190
Accumulated other comprehensive income	-4 971
Retained earnings	96 109
Revaluation reserves	..
Other reserves	61 519
(-) Treasury shares	..
Profit or loss allocated to shareholders of the parent company	23 635
(-) Interim dividends	..
Minority interests (non-controlling owners' interests)	..
TOTAL EQUITY	217 265
TOTAL EQUITY AND TOTAL LIABILITIES	382 673

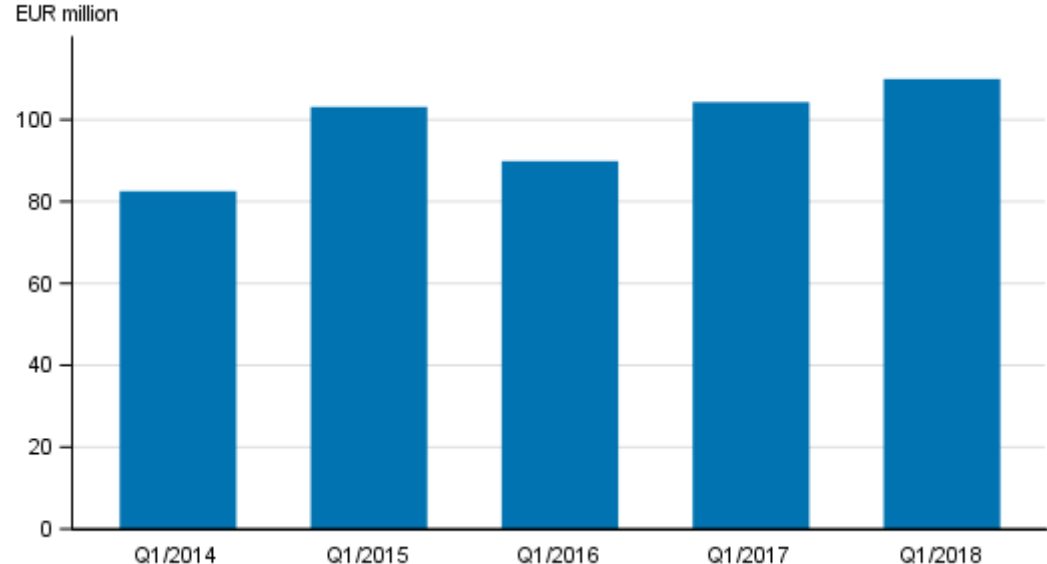
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Figures

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



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



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Source: Investment firms, Statistics Finland