

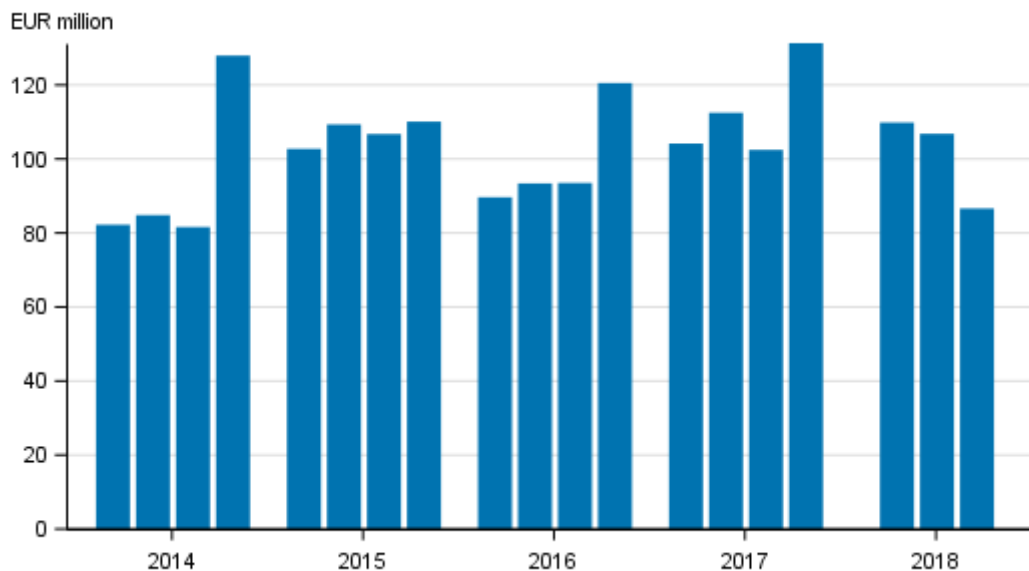
Investment service companies

2018, 3rd quarter

Investment service companies' operating profit and commission income decreased in the third quarter of 2018

The net operating profit of investment service companies was EUR 25 million in the third quarter of 2018. Some EUR nine million less operating profit was accumulated than in the corresponding quarter last year. Commission income fell by EUR 16 million to EUR 87 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 87 million in the third quarter of 2018. The decrease compared to the corresponding period of last year amounted to EUR 16 million, or 15.5 per cent. Compared to the previous quarter, EUR 20 million less commission income was accumulated. In turn, commission expenses amounted to EUR 21 million, which is EUR five million, or 18.7 per cent less than one year previously. Compared with the previous quarter, there was EUR three million less commission expenses.

Administrative expenses

In the third quarter of 2018, investment service companies had EUR 40 million in administrative expenses, which was EUR four million less than in the year before and EUR seven million less than in the previous quarter. Personnel expenses amounted to EUR 23 million, or some 57 per cent of administrative expenses. Personnel expenses fell by EUR four million from the previous year's corresponding quarter. Other administrative expenses were in turn EUR 17 million.

Balance sheets

At the end of the third quarter of 2018, the aggregate value of the balance sheets was EUR 339 million. The balance sheets decreased by 16.7 per cent year-on-year. The share of own equity of the balance sheet total rose from 61.7 to around 64.0 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 third quarter of 2018, there were 58 investment service companies operating in Finland, of which 38 generated a positive operating result.

Contents

Tables

Appendix tables

Appendix table 1. Profit and loss accounts of investment firms 1.1.- 30.9.2018, EUR thousands.....	4
Appendix table 2. Balance sheet of investment firms 1.1.- 30.9.2018, EUR thousands.....	5

Figures

Figures

Appendix figure 1. Investment firms' commission income by quarter 2014-2018, EUR million.....	6
Appendix figure 2. Investment firms' commission income by quarter, 3rd quarter 2014-2018, EUR million.....	6

Appendix tables

Appendix table 1. Profit and loss accounts of investment firms 1.1.- 30.9.2018, EUR thousands

	1.1.- 31.3.2018	1.1.- 30.6.2018	1.1.- 30.9.2018
Interest income	80	210	328
(Interest expenses)	83	289	436
NET INCOME FROM FINANCIAL OPERATIONS	-3	-79	-108
(Expenses on share capital repayable on demand)	..	..	..
Dividend income	2 384	3 635	3 636
Fee and comission income	109 852	216 669	303 294
(Fee and comission expenses)	30 028	54 277	75 142
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
Gains or (-) losses from hedge accounting, net	..	..	..
Exchange differences [gain or (-) loss], net	-106	-169	-339
Gains or (-) losses on derecognition of non-financial assets, net	..	..	..
Other operating income	4 978	9 087	14 406
(Other operating expenses)	4 703	9 141	13 498
TOTAL OPERATING INCOME, NET	82 693	167 739	235 064
(Administrative expenses)	46 995	94 680	135 070
of which: (Personnel expenses)	27 432	55 733	78 679
of which:(Other administrative expenses)	19 563	38 947	56 391
(Depreciation)	1 369	2 783	4 247
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
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	70 038	95 389
(Tax expense or (-) income related to profit or loss from continuing operations)	10 462	21 583	30 623
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	23 642	48 454	64 767
Profit or (-) loss after tax from discontinuing operations	..	..	..
PROFIT OR (-) LOSS FOR THE YEAR	23 642	48 454	64 767

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

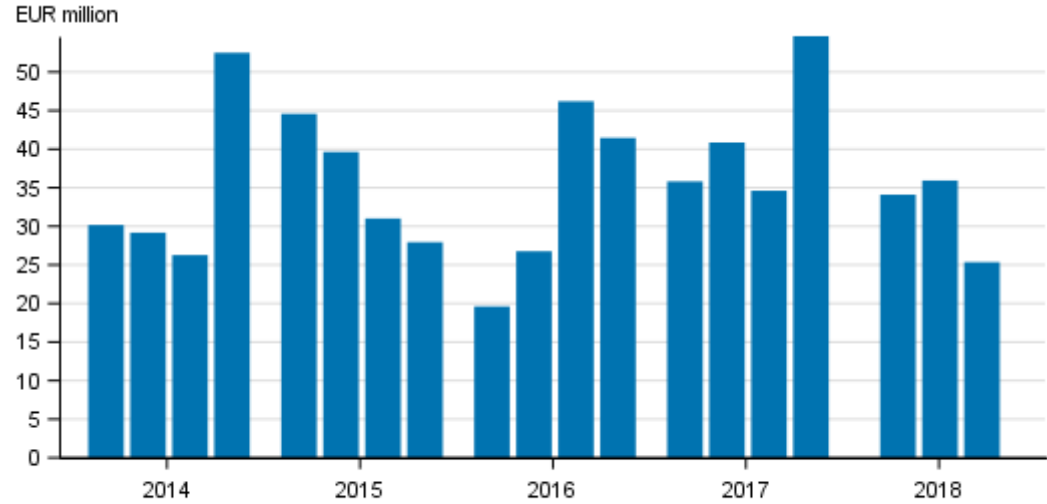
Appendix table 2. Balance sheet of investment firms 1.1.- 30.9.2018, EUR thousands

	1.1.- 31.3.2018	1.1.- 30.6.2018	1.1.- 30.9.2018
ASSETS	.	.	.
Cash, cash balances at central banks and other demand deposits	170 032	131 301	139 452
Financial assets held for trading	4 337	4 372	5 053
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss	11 874	12 731	11 120
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
Financial liabilities measured at amortised cost	4 261	3 514	2 396
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
Tangible assets	5 963	5 854	4 499
Intangible assets	15 386	15 004	19 087
Tax assets	5 241	5 017	4 485
Other assets	124 381	112 956	103 652
Non-current assets held for sale and transferable item groups	1 887	..	..
TOTAL ASSETS	382 672	337 729	338 838
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
Tax liabilities	2 219	2 720	2 006
Share capital repayable on demand	..	..	..
Other Liabilities	121 788	75 962	77 959
Liabilities included in disposal groups classified as held for sale	..	..	..
TOTAL LIABILITIES	165 408	116 307	121 876
Equity	31 418	30 456	26 964
Share premium	5 669	5 669	5 669
Equity instruments issued other than capital	..	3 026	..
Other equity	1 190	1 725	2 103
Accumulated other comprehensive income	-4 971	-4 716	-4 001
Retained earnings	96 109	74 918	67 472
Uudelleenarvostus_rahastot	..	..	..
Other reserves	61 519	66 427	56 594
(-) Treasury shares	..	..	..
Profit or loss allocated to shareholders of the parent company	23 635	46 317	63 398
(-) Interim dividends	..	2 129	..
Minority interests (non-controlling owners' interests)	..	..	..
TOTAL EQUITY	217 265	221 422	216 962
TOTAL EQUITY AND TOTAL LIABILITIES	382 673	337 729	338 838

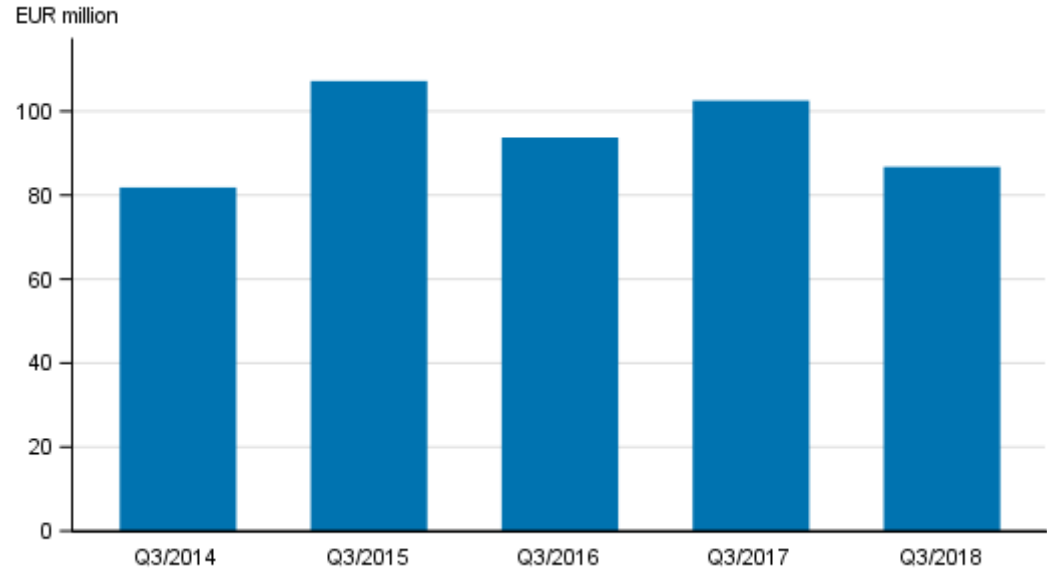
1) Data not available or too uncertain for presentation, or subject to secrecy

Figures

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



Appendix figure 2. Investment firms' commission income by quarter, 3rd quarter 2014-2018, EUR million



Inquiries

Antti Suutari 029 551 3257

Jarkko Kaunisto 029 551 3551

Director in charge:

Ville Vertanen

rahoitusmarkkinat@stat.fi

www.tilastokeskus.fi

Source: Investment firms, Statistics Finland