

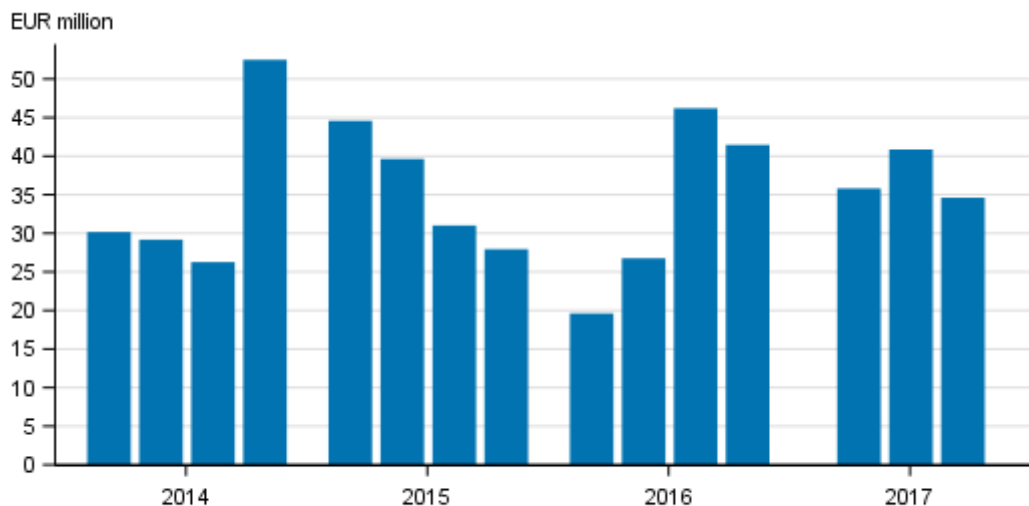
Investment service companies

2017, 3rd quarter

Investment companies' commission income increased and their operating profit decreased in the third quarter of 2017

The net operating profit of investment service companies was EUR 35 million in the third quarter of 2017. EUR 12 million less operating profit was accumulated than in the corresponding quarter last year. Commission income increased by EUR nine million to EUR 102 million. These data derive from Statistics Finland's statistics on investment service companies.

Investment firms' net operating profit by quarter 2014-2017, 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

In the third quarter, a total of EUR 102.5 million were accumulated as commission income. Growth from the corresponding period of last year amounted to EUR 8.9 million or 9.6 per cent. Compared with the previous quarter, EUR 10.0 million less commission income was accumulated. Investment service companies accrued a total of EUR 25.7 million in commission expenses, which was EUR 1.4 million or 5.7 per cent more than one year earlier. Compared with the previous quarter, there was EUR 2.3 million less commission expenses.

Administrative and operating expenses

In the third quarter of 2017, investment service companies had a total of EUR 44.9 million in administrative expenses, which is EUR 2.5 million less than one year previously and EUR 1.0 million less than in the previous quarter. Personnel expenses amounted to EUR 26.7 million, or around 59 per cent of administrative expenses. Personnel expenses increased by EUR two million from the year before. Other administrative expenses amounted to EUR 18 million, which is nearly EUR one million more than one year earlier.

Balance sheets

The aggregate value of the balance sheets was EUR 407 million. The balance sheets grew by 6.3 per cent from EUR 383 million in the third quarter of 2016. The share of own equity in the total of the balance sheets diminished from 64.6 per cent to around 61.7 per cent.

At the end of the third quarter of 2017, there were 66 investment service companies operating in Finland, of which 43 generated a positive operating result.

Contents

Tables

Appendix tables

Appendix table 1. Profit and loss accounts of investment firms 1.1.- 30.9.2017, EUR thousands.....	4
Appendix table 2. Balance sheet of investment firms 1.1.- 30.9.2017, EUR thousands.....	4

Figures

Figures

Appendix figure 1. Investment firms' commission income by quarter 2014-2017, EUR million.....	6
Appendix figure 2. Investment firms' commission income by quarter, 3rd quarter 2014-2017, EUR million.....	6

Appendix tables

Appendix table 1. Profit and loss accounts of investment firms 1.1.- 30.9.2017, EUR thousands

	1.1.- 31.3.2017	1.1.- 30.6.2017	1.1.- 30.9.2017
Interest income	112	228	305
Interest expenses	74	164	272
NET INCOME FROM FINANCIAL OPERATIONS	37	64	33
(Expenses on share capital repayable on demand)	.. ¹⁾
Dividend income	3 132	2 382	3 652
Fee and comission income	104 177	216 680	319 140
(Fee and comission expenses)	26 368	54 359	80 026
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	408	372	535
Gains or (-) losses on financial assets and liabilities held for trading, net	1 202	2 616	3 599
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	59	76	104
Gains or (-) losses from hedge accounting, net	..	..	..
Exchange differences [gain or (-) loss], net	76	-87	-125
Gains or (-) losses on derecognition of non financial assets, net	..	..	..
Other operating income	7 557	13 725	20 049
(Other operating expenses)	5 170	8 546	12 862
TOTAL OPERATING INCOME, NET	85 118	172 963	254 151
(Administrative expenses)	48 328	94 237	139 106
of which: Wages, salaries and fees (including staff-related cost)	29 190	55 602	82 287
of which: Other administrative expenses	19 138	38 634	56 819
(Depreciation)	1 008	2 051	3 574
(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	35 815	76 678	111 291
(Appropriations)	..	..	11 874
(Tax expense or (-) income related to profit or loss from continuing operations)	..	..	20 283
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	26 979	55 081	79 134
Extraordinary profit or (-) loss after tax	..	..	..
PROFIT OR (-) LOSS AFTER TAX FROM DISCONTINUING OPERATIONS	..	..	..
PROFIT OR (-) LOSS FOR THE YEAR	26 979	54 850	78 996

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

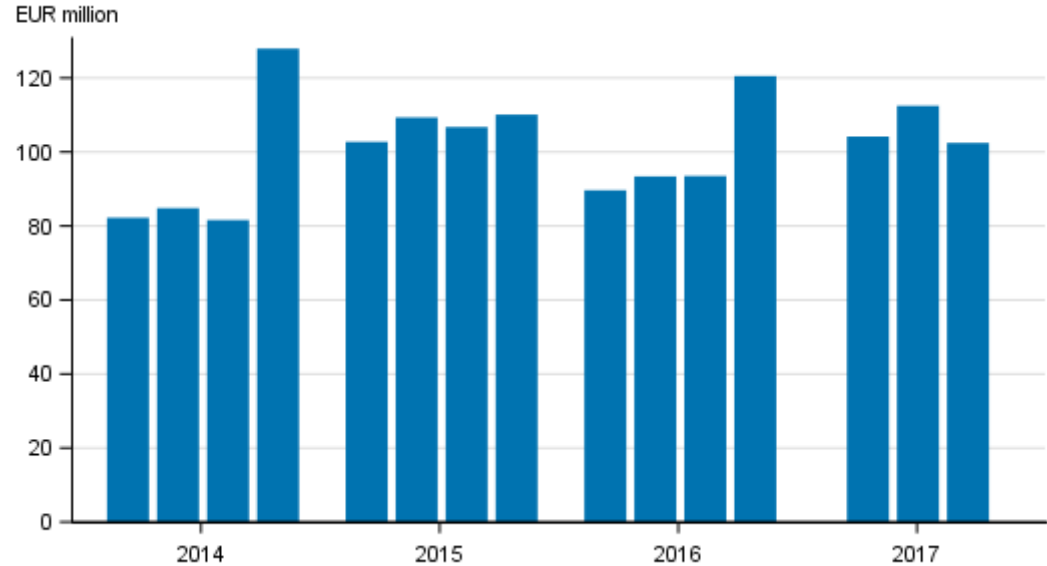
Appendix table 2. Balance sheet of investment firms 1.1.- 30.9.2017, EUR thousands

	1.1.- 31.3.2017	1.1.- 30.6.2017	1.1.- 30.9.2017
ASSETS			
Cash, cash balances at central banks and other demand deposits	135 675	128 926	137 819
Financial assets held for trading	4 753	6 388	6 243
Financial assets designated at fair value through profit or loss	10 052	9 403	8 216
Available-for-sale financial assets	11 100	12 117	12 389
Loans and receivables	3 234	5 003	4 586
Held-to-maturity investments	1 829	1 329	.. ¹⁾
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	14 924	15 466	23 726
Investments of investment service companies in subsidiaries, joint ventures and associates	..	..	..
Tangible assets	6 012	5 899	5 786
Intangible assets	14 782	15 629	14 979
Other assets	108 367	138 510	160 871
Non-current assets held for sale and transferable item groups	..	..	..
Tax assets	4 113	4 071	4 364
TOTAL ASSETS	346 072	357 948	406 912
LIABILITIES			
Financial liabilities held for trading	..	..	..
Financial liabilities designated at fair value through profit or loss	..	..	..
Financial liabilities measured at amortised cost	3 828	5 867	5 442
Derivatives - Hedge accounting (liabilities)	..	..	..
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..	..
Provisions	6 689	6 601	6 960
Tax liabilities	3 452	4 715	6 177
Share capital repayable on demand	..	..	..
Other Liabilities	91 424	92 578	102 411
Liabilities included in disposal groups classified as held for sale	..	..	..
Depreciation difference	33	31	32
Voluntary provisions	..	..	..
TOTAL LIABILITIES	145 134	134 272	155 939
Equity	30 347	29 869	30 869
Share premium	7 317	3 642	3 642
Equity instruments issued other than capital	..	..	..
Other equity	3 975	3 975	3 975
Accumulated other comprehensive income	-3 166	-2 785	-3 054
Retained earnings	111 367	136 598	157 118
Revaluation reserves	..	2 824	2 861
Other reserves	49 101	47 388	55 456
(-) Treasury shares	..	..	..
Profit or loss allocated to shareholders of the parent company	..	..	..
(-) Interim dividends	..	..	-2 154
Minority interests (non-controlling owners□** interests)	..	..	..
TOTAL EQUITY	200 940	223 675	250 973
TOTAL EQUITY AND TOTAL LIABILITIES	346 074	357 947	406 912

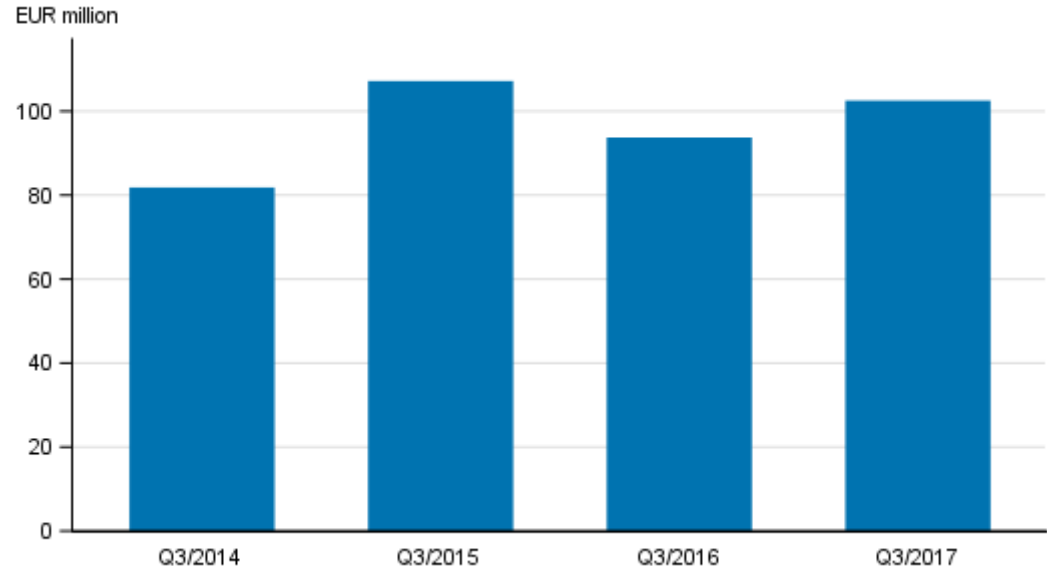
1) Data not available or too uncertain for presentation, or subject to secrecy

Figures

**Appendix figure 1. Investment firms' commission income by quarter
2014-2017, EUR million**



**Appendix figure 2. Investment firms' commission income by quarter,
3rd quarter 2014-2017, EUR million**



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Source: Investment firms, Statistics Finland