

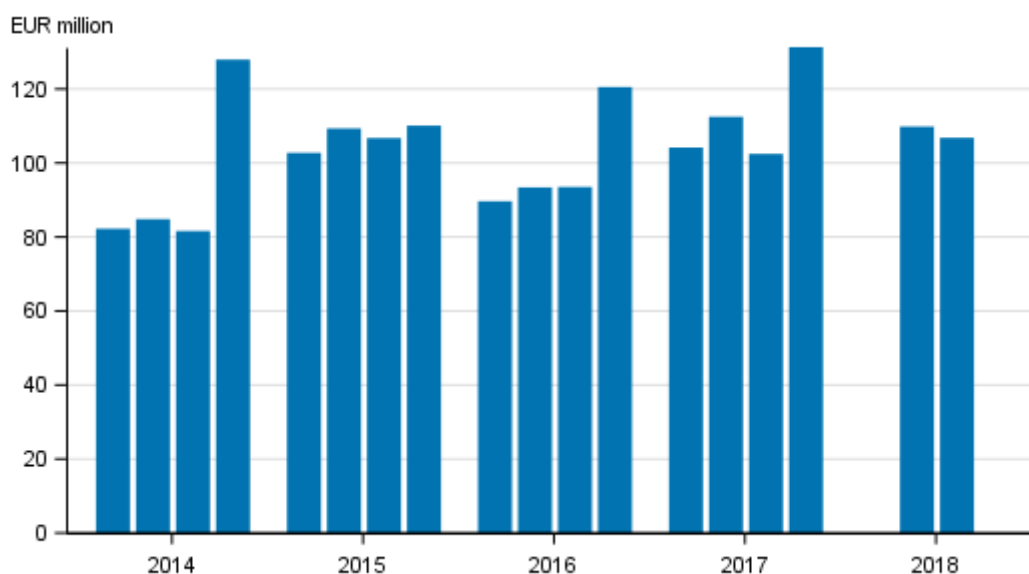
# Investment service companies

2018, 2st quarter

## Investment service companies' commission income decreased in the second quarter of 2018

The net operating profit of investment service companies was EUR 36 million in the second quarter of 2018. Some EUR five million less operating profit was accumulated than in the corresponding quarter last year. Commission income fell by EUR six million to EUR 107 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 107 million in the second quarter of 2018. The decrease compared to the corresponding period of last year amounted to EUR six million, or 5.1 per cent. Compared to the previous quarter, EUR three million less commission income was accumulated. In turn, commission expenses amounted to EUR 24 million, which is EUR four million, or 13.4 per cent less than one year previously. Compared with the previous quarter, there were EUR six million less commission expenses.

## Administrative expenses

In the second quarter of 2018, investment service companies had EUR 48 million in administrative expenses, which was EUR two million more than in the year before and EUR one million more than in the previous quarter. Personnel expenses amounted to EUR 28 million, or some 59 per cent of administrative expenses. Personnel expenses rose by EUR two million from the previous year's corresponding quarter. Other administrative expenses were in turn EUR 19 million.

## Balance sheets

At the end of the second quarter of 2018, the aggregate value of the balance sheets was EUR 338 million. The balance sheets decreased by 5.7 per cent year-on-year. The share of own equity of the balance sheet total rose from 62.5 to around 65.6 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 second quarter of 2018, there were 62 investment service companies operating in Finland, 44 of which generated a positive operating result.

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# Appendix tables

**Appendix table 1. Profit and loss accounts of investment firms 1.1.- 30.6.2018, EUR thousands**

	1.1.- 31.3.2018	1.1.- 30.6.2018
Interest income	80	210
(Interest expenses)	83	289
<b>NET INCOME FROM FINANCIAL OPERATIONS</b>	<b>-3</b>	<b>-79</b>
(Expenses on share capital repayable on demand)	..	..
Dividend income	2 384	3 635
Fee and comission income	109 852	216 669
(Fee and comission expenses)	30 028	54 277
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	..	577
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
Gains or (-) losses from hedge accounting, net	..	..
Exchange differences [gain or (-) loss], net	-106	-169
Gains or (-) losses on derecognition of non-financial assets, net	..	..
Other operating income	4 978	9 087
(Other operating expenses)	4 703	9 141
<b>TOTAL OPERATING INCOME, NET</b>	<b>82 693</b>	<b>167 739</b>
(Administrative expenses)	46 995	94 680
of which: (Personnel expenses)	27 432	55 733
of which:( Other administrative expenses)	19 563	38 947
(Depreciation)	1 369	2 783
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
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>
(Tax expense or (-) income related to profit or loss from continuing operations)	10 462	21 583
<b>PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>23 642</b>	<b>48 454</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>

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

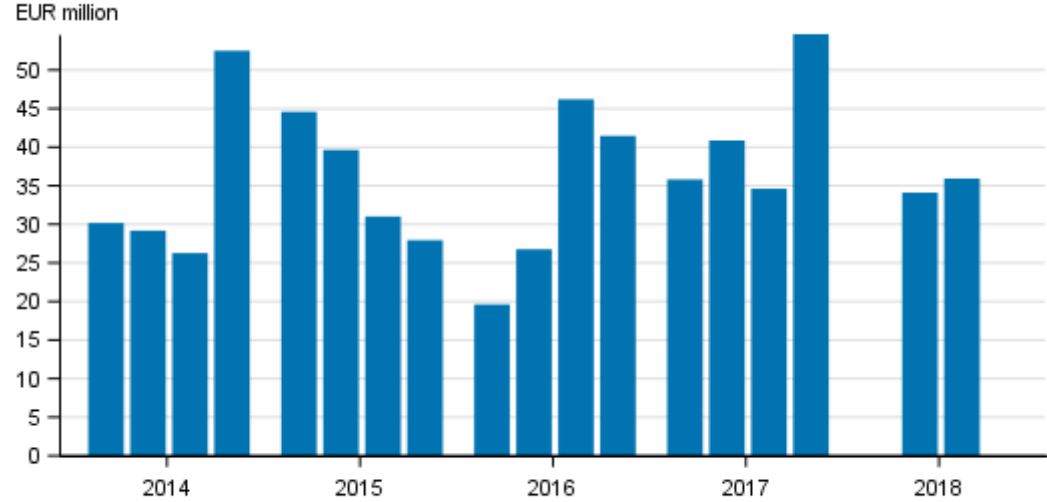
**Appendix table 2. Balance sheet of investment firms 1.1.- 30.6.2018, EUR thousands**

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

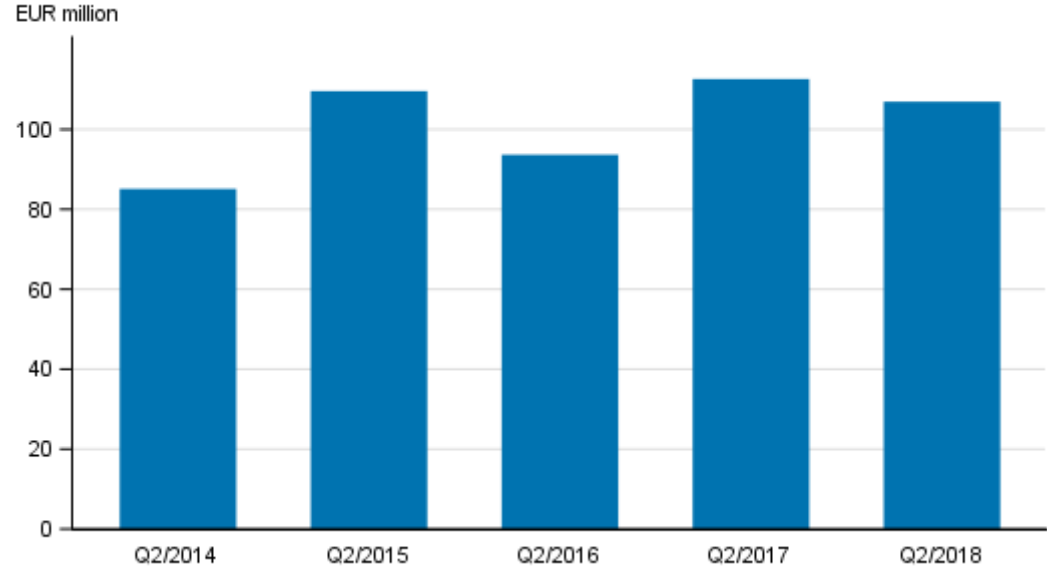
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# Figures

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



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



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Source: Investment firms, Statistics Finland