

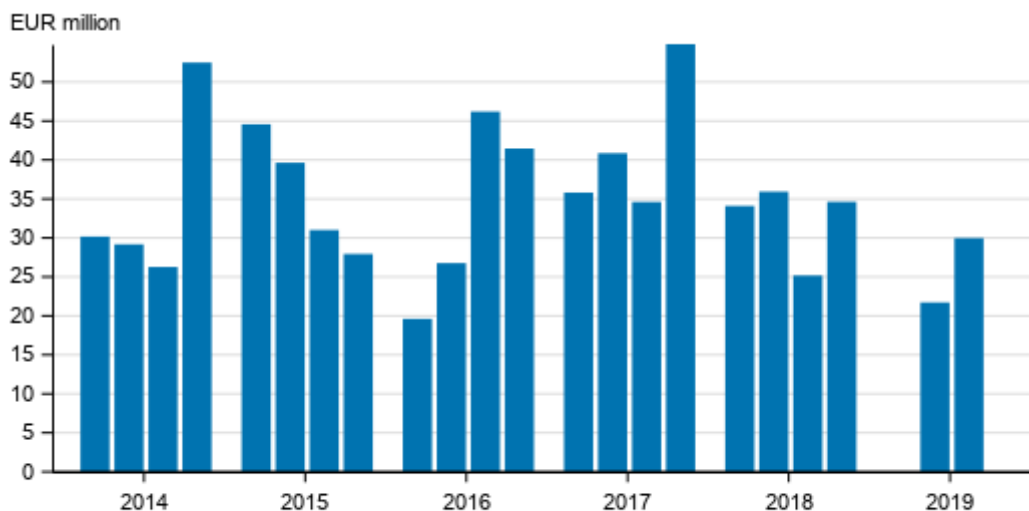
Investment service companies

2019, 2nd quarter

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

The net operating profit of investment service companies was EUR 30 million in the second quarter of 2019. Some EUR six million less operating profit was accumulated than in the corresponding quarter last year. Commission income fell by EUR 8 million to EUR 99 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 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 99 million in the second quarter of 2019. The decrease compared to the corresponding period of last year amounted to 7.5 per cent or some EUR eight million. Compared to the first quarter of 2019, commission income was some EUR 10 million higher in the second quarter. Commission expenses amounted to EUR 23 million, which is around EUR one million less than in the corresponding quarter in 2018. Compared with the previous quarter, commission expenses were EUR 0.6 million lower.

Administrative expenses

In the second quarter of 2019, investment service companies had around EUR 48 million in administrative expenses, which corresponds with the administrative expenses accumulated in the second quarter of 2018. Compared to the first quarter of 2019, administrative expenses were some EUR 2.4 million higher. Personnel expenses amounted to some EUR 29 million, or 61 per cent of administrative expenses. Personnel expenses rose by EUR 0.6 million from the previous year's corresponding quarter. Other administrative expenses were, in turn, around EUR 19 million.

Balance sheets

At the end of the second quarter of 2019, the aggregate value of the balance sheets was EUR 320 million. The balance sheets declined by 5.2 per cent year-on-year. The share of own equity of the balance sheet total rose from 63 per cent in the previous quarter to around 67.3 per cent.

At the end of the second quarter of 2019, there were 55 investment service companies operating in Finland, 35 of which generated a positive operating result.

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Appendix table 1. Profit and loss accounts of investment firms 1.1.- 30.6.2019, EUR thousands

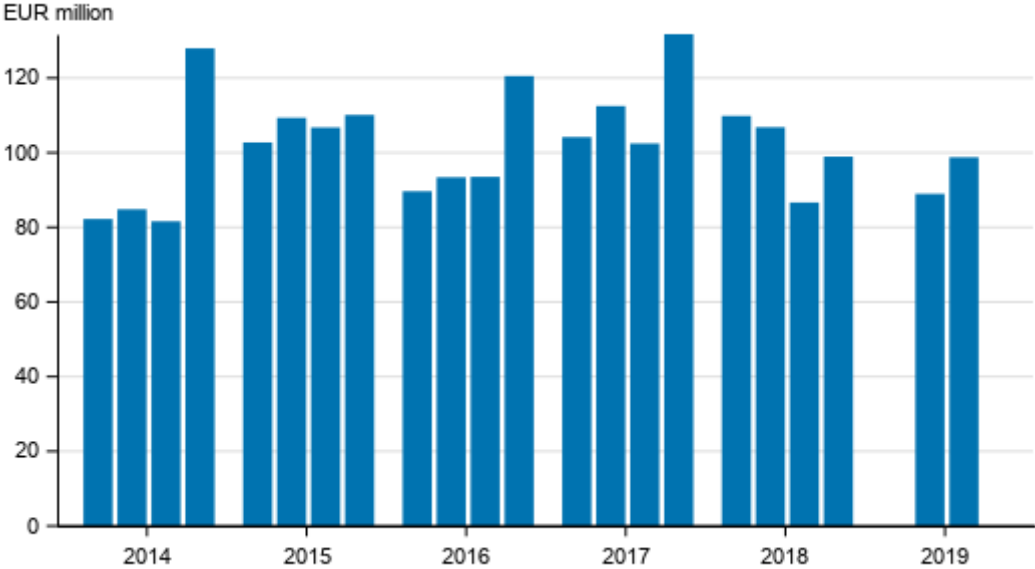
	1.1.- 31.3.2019	1.1.- 30.6.2019
Interest income	121	237
(Interest expenses)	103	216
NET INCOME FROM FINANCIAL OPERATIONS	17	21
(Expenses on share capital repayable on demand)	..	..
Dividend income	1 395	2 941
Fee and comission income	88 971	187 734
(Fee and comission expenses)	23 754	46 908
Gains or (-) 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	..	587
Gains or losses on financial assets outside the trading fund that are mandatorily measured at fair value through profit or loss, net	..	-1 252
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	195	389
Gains or (-) losses from hedge accounting, net	..	..
Exchange differences [gain or (-) loss], net	-51	-105
Gains or (-) losses on derecognition of non-financial assets, net	..	..
Other operating income	5 501	12 030
(Other operating expenses)	3 878	7 892
TOTAL OPERATING INCOME, NET	68 475	147 642
(Administrative expenses)	45 283	92 943
of which: (Personnel expenses)	27 158	56 069
of which:(Other administrative expenses)	18 125	36 873
(Depreciation)	1 221	2 500
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	51 697
(Tax expense or (-) income related to profit or loss from continuing operations)	8 698	19 076
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	13 021	32 621
Profit or (-) loss after tax from discontinuing operations	..	..
PROFIT OR (-) LOSS FOR THE YEAR	13 021	32 621

Appendix table 2. Balance sheet of investment firms 1.1.- 30.6.2019, EUR thousands

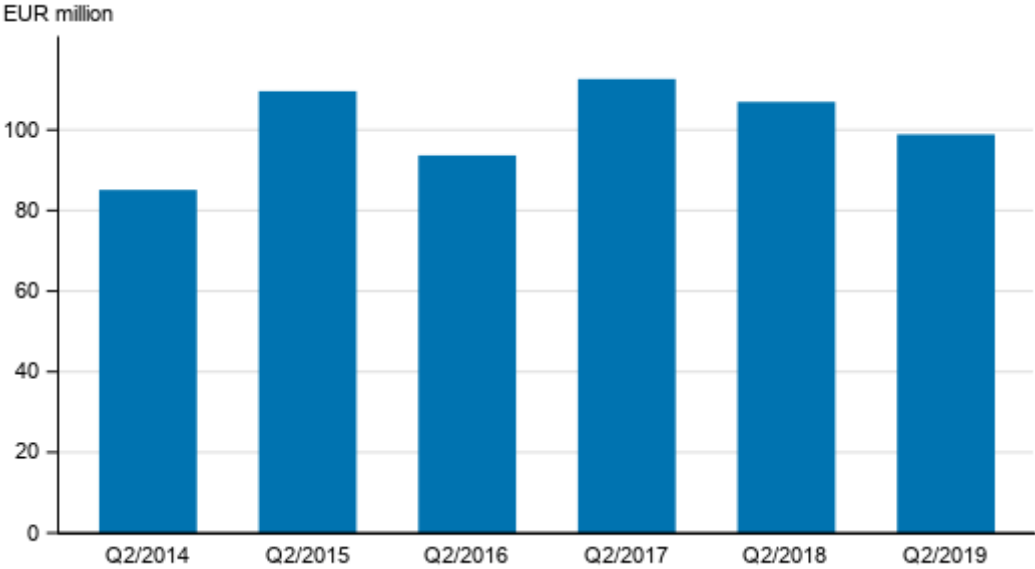
	1.1.- 31.3.2019	1.1.- 30.6.2019
ASSETS	.	.
Cash, cash balances at central banks and other demand deposits	118 776	121 882
Financial assets held for trading	14 797	15 746
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss	8 616	5 823
Financial assets designated at fair value through profit or loss	1 479	1 267
Financial assets measured at fair value through other comprehensive income	2 041	2 083
Financial liabilities measured at amortised cost	15 739	16 070
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	19 483
Tangible assets	4 660	6 169
Intangible assets	18 420	18 815
Tax assets	6 628	8 118
Other assets	98 647	99 324
Non-current assets held for sale and transferable item groups	..	..
TOTAL ASSETS	307 427	320 302
LIABILITIES	.	.
Financial liabilities held for trading	..	..
Financial liabilities designated at fair value through profit or loss	..	..
Financial liabilities measured at amortised cost	..	1 655
Derivatives - Hedge accounting (liabilities)	..	..
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..
Provisions	7 254	7 794
Tax liabilities	3 020	3 821
Share capital repayable on demand	..	..
Other Liabilities	96 219	78 279
Liabilities included in disposal groups classified as held for sale	..	..
TOTAL LIABILITIES	113 817	104 763
Equity	24 525	24 646
Share premium	5 669	5 669
Equity instruments issued other than capital	..	..
Other equity	1 590	1 590
Accumulated other comprehensive income	4 796	5 890
Retained earnings	82 312	80 508
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Other reserves	61 099	66 298
(-) Treasury shares
Profit or loss allocated to shareholders of the parent company	13 020	32 619
(-) Interim dividends	..	..
Minority interests (non-controlling owners' interests)	..	..
TOTAL EQUITY	193 609	215 539
TOTAL EQUITY AND TOTAL LIABILITIES	307 426	320 302

Figures

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



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



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Source: Investment firms, Statistics Finland