

# Investment service companies

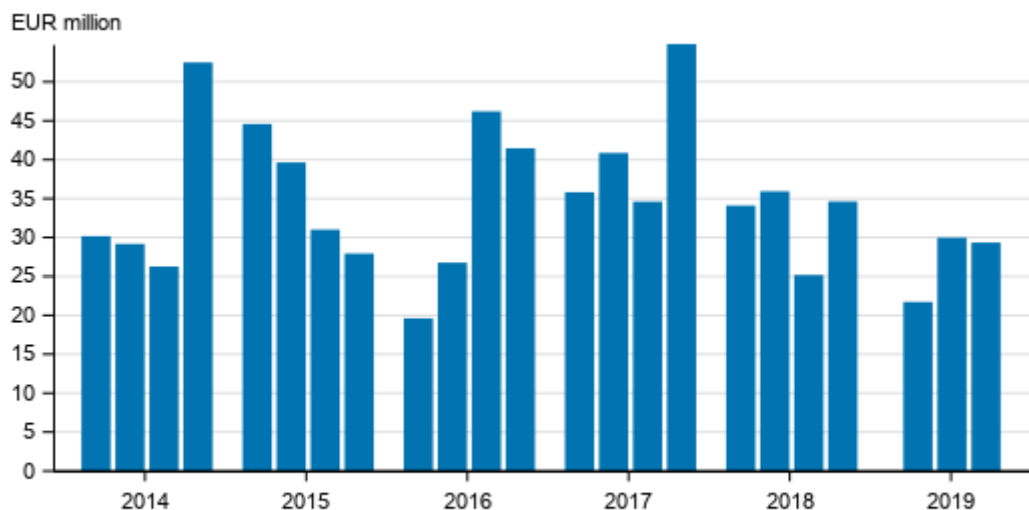
2019, 3rd quarter

## Investment service companies' operating profit and commission income increased in the third quarter of 2019

**Corrected on 30 March 2020.** The corrections are indicated in red.

The net operating profit of investment service companies was EUR **29** million in the third quarter of 2019. Some EUR **four** million more operating profit was accumulated than in the corresponding quarter of the previous year. Commission income increased by EUR **four** million from one year back to EUR **90** million. 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 (The figure was corrected on 30 March 2020)



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 90 million in the third quarter of 2019. Growth compared to the corresponding period of last year amounted to 4.1 per cent or some EUR four million. Compared to the previous quarter, in turn, commission income was some EUR nine million lower. Investment service companies' commission expenses amounted to around EUR 21 million, which corresponds to commission expenses in the corresponding quarter one year earlier. Compared with the previous quarter, commission expenses were EUR two million lower.

## Administrative expenses

In the third quarter of 2019, investment service companies had EUR 41 million in administrative expenses, which corresponds to administrative expenses in the corresponding quarter one year earlier.. Compared to the previous quarter administrative expenses were around EUR seven million lower. Personnel expenses amounted to around EUR 23 million, or 55 per cent of administrative expenses. Personnel expenses remained unchanged compared to the corresponding quarter one year before. Other administrative expenses were, in turn, around EUR 18 million.

## Balance sheets

At the end of the third quarter of 2019, the aggregate value of the balance sheets was EUR 343 million. The balance sheets grew by 1.1 per cent year-on-year. The share of own equity of the balance sheet total rose from 64.0 per cent in the corresponding quarter in the year before to around 68.6 per cent.

At the end of the third quarter of 2019, there were 54 investment service companies operating in Finland, of which 40 generated a positive operating result.

# Contents

## Tables

### Appendix tables

Appendix table 1. Profit and loss accounts of investment firms 1.1.- 30.9.2019, EUR thousands (Corrected on 30 March 2020).....	4
Appendix table 2. Balance sheet of investment firms 1.1.- 30.9.2019, EUR thousands.....	6

## Figures

### Figures

Appendix figure 1. Investment firms' commission income by quarter 2014-2019, EUR million (Corrected on 30 March 2020).....	7
Appendix figure 2. Investment firms' commission income by quarter, 3rd quarter 2014-2019, EUR million (Corrected on 30 March 2020).....	7

# Appendix tables

**Appendix table 1. Profit and loss accounts of investment firms 1.1.- 30.9.2019, EUR thousands  
(Corrected on 30 March 2020)**

Corrected on 30 March 2020. The corrected numbers are indicated in red.			
	1.1.- 31.3.2019	1.1.- 30.6.2019	1.1.- 30.9.2019
Interest income	121	237	315
(Interest expenses)	103	216	334
NET INCOME FROM FINANCIAL OPERATIONS	17	21	-19
(Expenses on share capital repayable on demand)	..	..	..
Dividend income	1 395	2 941	3 135
Fee and comission income	88 971	187 734	277 952
(Fee and comission expenses)	23 754	46 908	67 796
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	..	..	-97
Gains or (-) losses on financial assets and liabilities held for trading, net	..	587	747
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	538
Gains or (-) losses from hedge accounting, net	..	..	..
Exchange differences [gain or (-) loss], net	-51	-105	-150
Gains or (-) losses on derecognition of non-financial assets, net	..	..	..
Other operating income	5 501	12 030	18 084
(Other operating expenses)	3 878	7 892	11 810
TOTAL OPERATING INCOME, NET	68 475	147 642	219 333
(Administrative expenses)	45 283	92 943	133 734
of which: (Personnel expenses)	27 158	56 069	78 624
of which:( Other administrative expenses)	18 125	36 873	55 111
(Depreciation)	1 221	2 500	3 802
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	81 042
(Tax expense or (-) income related to profit or loss from continuing operations)	8 698	19 076	30 176
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	13 021	32 621	50 866
Profit or (-) loss after tax from discontinuing operations	..	..	..
PROFIT OR (-) LOSS FOR THE YEAR	13 021	32 621	50 866

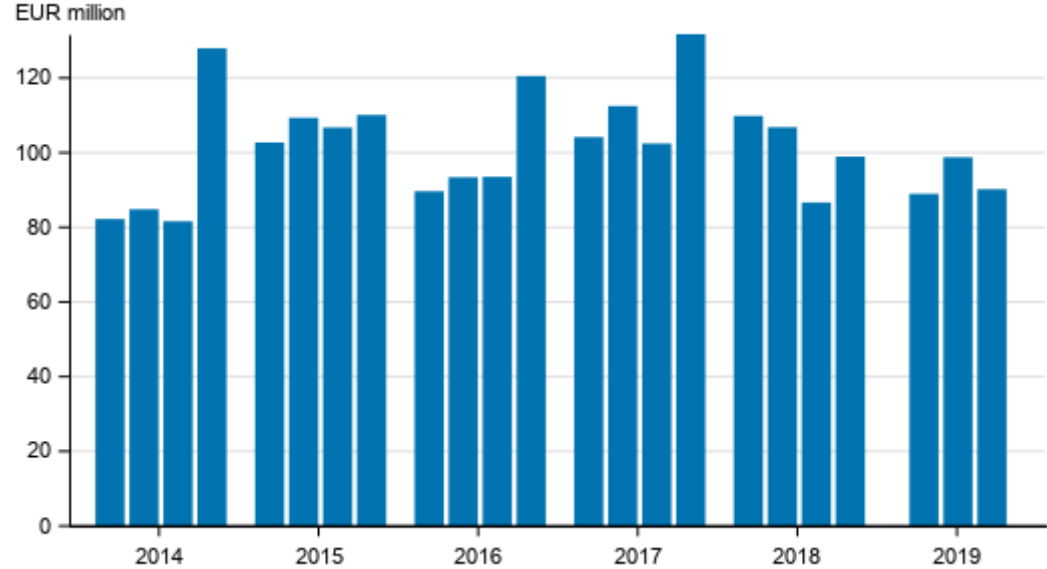


**Appendix table 2. Balance sheet of investment firms 1.1.- 30.9.2019, EUR thousands**

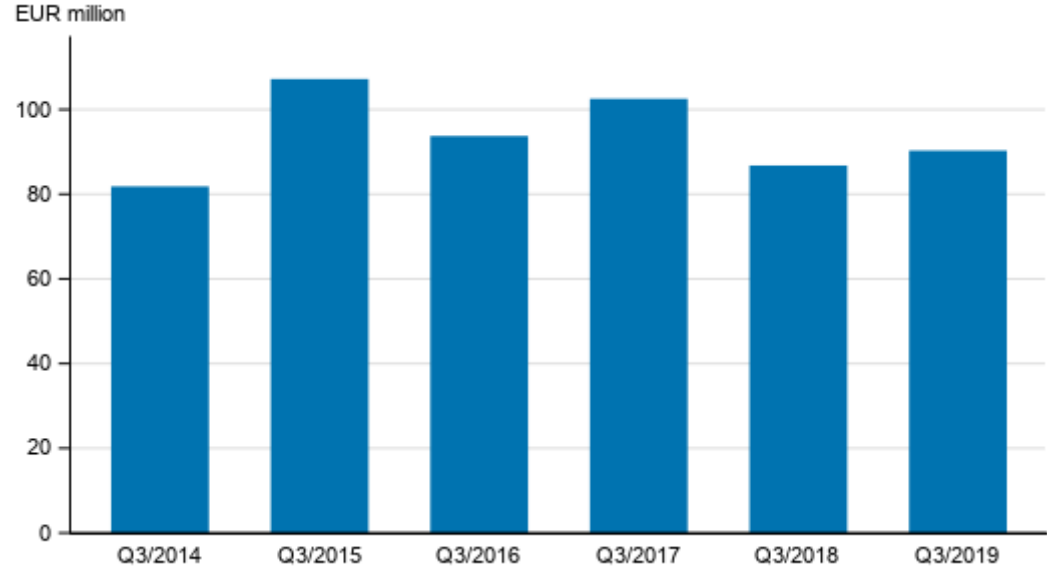
	1.1.- 31.3.2019	1.1.- 30.6.2019	1.1.- 30.9.2019
<b>ASSETS</b>	.	.	.
Cash, cash balances at central banks and other demand deposits	118 776	121 882	139 649
Financial assets held for trading	14 797	15 746	16 351
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss	8 616	5 823	9 005
Financial assets designated at fair value through profit or loss	1 479	1 267	1 268
Financial assets measured at fair value through other comprehensive income	2 041	2 083	2 404
Financial liabilities measured at amortised cost	15 739	16 070	10 709
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	19 777
Tangible assets	4 660	6 169	6 081
Intangible assets	18 420	18 815	17 876
Tax assets	6 628	8 118	6 839
Other assets	98 647	99 324	107 328
Non-current assets held for sale and transferable item groups	..	..	..
<b>TOTAL ASSETS</b>	<b>307 427</b>	<b>320 302</b>	<b>342 573</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	..	1 655	1 664
Derivatives - Hedge accounting (liabilities)	..	..	..
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..	..
Provisions	7 254	7 794	8 995
Tax liabilities	3 020	3 821	3 833
Share capital repayable on demand	..	..	..
Other Liabilities	96 219	78 279	82 941
Liabilities included in disposal groups classified as held for sale	..	..	..
<b>TOTAL LIABILITIES</b>	<b>113 817</b>	<b>104 763</b>	<b>107 754</b>
<b>Equity</b>	<b>24 525</b>	<b>24 646</b>	<b>25 134</b>
Share premium	5 669	5 669	5 669
Equity instruments issued other than capital	..	..	..
Other equity	1 590	1 590	985
Accumulated other comprehensive income	4 796	5 890	5 245
Retained earnings	82 312	80 508	77 642
Uudelleenarvostus_rahastot	..	..	..
Other reserves	61 099	66 298	70 625
(-) Treasury shares	..	..	..
Profit or loss allocated to shareholders of the parent company	13 020	32 619	50 820
(-) Interim dividends	..	..	..
Minority interests (non-controlling owners' interests)	..	..	..
<b>TOTAL EQUITY</b>	<b>193 609</b>	<b>215 539</b>	<b>234 819</b>
<b>TOTAL EQUITY AND TOTAL LIABILITIES</b>	<b>307 426</b>	<b>320 302</b>	<b>342 573</b>

# Figures

**Appendix figure 1. Investment firms' commission income by quarter 2014-2019, EUR million (Corrected on 30 March 2020)**



**Appendix figure 2. Investment firms' commission income by quarter, 3rd quarter 2014-2019, EUR million (Corrected on 30 March 2020)**



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Source: Investment firms, Statistics Finland