

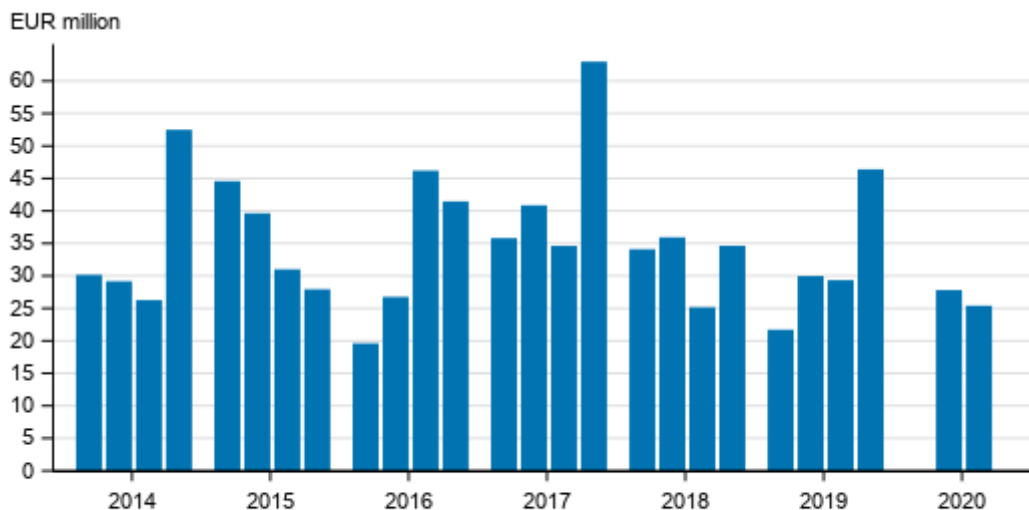
# Investment service companies

2020, 2nd quarter

## Investment service companies' commission income and operating profit decreased in the second quarter of 2020

The net operating profit of investment service companies was EUR 25 million in the second quarter of 2020. EUR five million less operating profit was accumulated than in the corresponding quarter of the previous year. Commission income fell by EUR 11 million to EUR 88 million. These data derive from Statistics Finland's statistics on investment service companies..

### Investment service companies' operating profit by quarter in 2014 to 2020, 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 88 million in the second quarter of 2020. The fall compared to the corresponding period of last year amounted to EUR 11 million, or 10.7 per cent. Commission expenses, in turn, amounted to EUR 23 million, which corresponds to the amount of commission expenses in the corresponding quarter in the year before.

## Administrative expenses

In the second quarter of 2020, investment service companies had in total EUR 44 million in administrative expenses, which was EUR three million less than in the corresponding quarter in 2019. Personnel expenses amounted to EUR 26 million, or some 58 per cent of administrative expenses. Personnel expenses were around EUR three million less than one year earlier.

## Balance sheets

At the end of the second quarter of 2020, the aggregate value of the balance sheets was EUR 338 million. The growth from the second quarter of 2019 was about five per cent. The share of own equity of the balance sheet total rose from 67 per cent in the second quarter of the year before to 69 per cent.

At the end of the second quarter of 2020, there were 50 investment service companies operating in Finland, 30 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.- 30.6.2020, EUR thousands**

	1.1.- 31.3.2020	1.1.- 30.6.2020
Interest income	112	265
(Interest expenses)	239	619
<b>NET INCOME FROM FINANCIAL OPERATIONS</b>	<b>-127</b>	<b>-354</b>
(Expenses on share capital repayable on demand)	1)2) ..	..
Dividend income	1 281	1 878
Fee and comission income	111 340	199 570
(Fee and comission expenses)	38 611	61 455
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	..	..
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	632	1 345
Gains or (-) losses from hedge accounting, net	..	..
Exchange differences [gain or (-) loss], net	-64	-55
Gains or (-) losses on derecognition of non-financial assets, net	..	..
Other operating income	7 029	15 220
(Other operating expenses)	5 032	9 120
<b>TOTAL OPERATING INCOME, NET</b>	<b>76 377</b>	<b>147 578</b>
(Administrative expenses)	47 276	91 201
of which: (Personnel expenses)	27 473	53 056
of which:( Other administrative expenses)	19 803	38 145
(Cash contributions to resolution funds and deposit guarantee schemes)	..	..
(Depreciation)	1 038	2 528
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	..	..
<b>PROFIT OR (-) LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>27 816</b>	<b>53 225</b>
(Tax expense or (-) income related to profit or loss from continuing operations)	10 671	20 476
<b>PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>17 146</b>	<b>32 749</b>
Profit or (-) loss after tax from discontinuing operations	..	..
<b>PROFIT OR (-) LOSS FOR THE YEAR</b>	<b>17 130</b>	<b>32 700</b>

1) .. No observations.

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

**Appendix table 2. Balance sheet of investment firms 1.1.- 30.6.2020, EUR thousands**

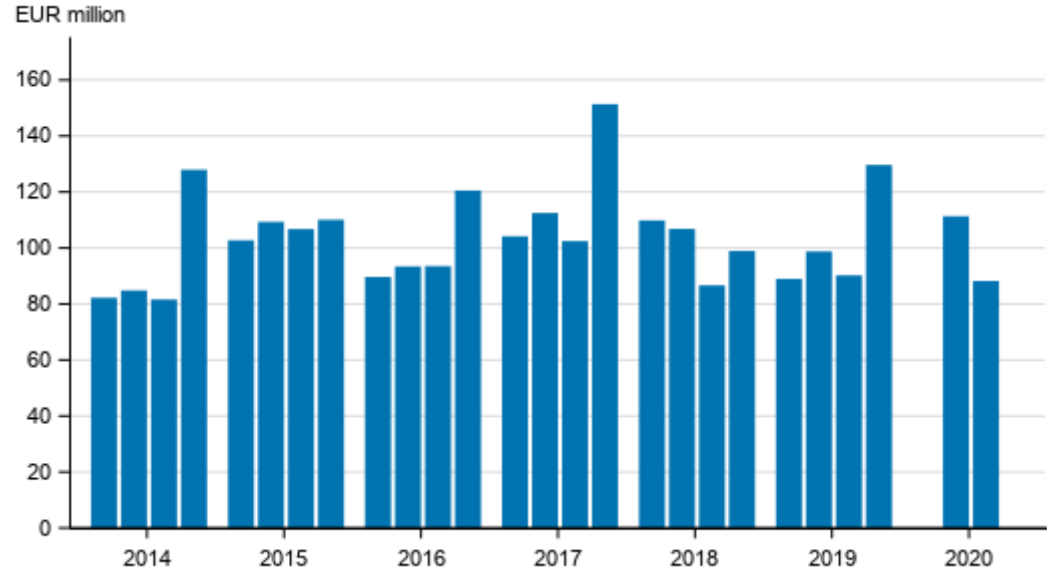
	1.1.- 31.3.2020	1.1.- 30.6.2020
<b>ASSETS</b>	.	.
Cash, cash balances at central banks and other demand deposits	142 711	155 321
Financial assets held for trading	3 506	1 897
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss	1)2) ..	..
Financial assets designated at fair value through profit or loss	..	..
Financial assets measured at fair value through other comprehensive income	..	..
Financial liabilities measured at amortised cost	..	..
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	26 000	29 072
Tangible assets	6 286	6 400
Intangible assets	16 907	16 329
Tax assets	5 608	6 874
Other assets	99 033	93 857
Non-current assets held for sale and transferable item groups	..	..
<b>TOTAL ASSETS</b>	<b>336 372</b>	<b>337 675</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	1 626	1 649
Derivatives - Hedge accounting (liabilities)	..	..
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..
Provisions	5 241	8 380
Tax liabilities	4 024	4 538
Share capital repayable on demand	..	..
Other Liabilities	98 003	86 908
Liabilities included in disposal groups classified as held for sale	..	..
<b>TOTAL LIABILITIES</b>	<b>111 369</b>	<b>103 093</b>
Equity	24 912	24 912
Share premium	5 669	5 669
Equity instruments issued other than capital	..	..
Other equity	4 987	4 987
Accumulated other comprehensive income	9 238	6 974
Retained earnings	83 935	79 244
Uudelleenarvostus_rahastot	..	..
Other reserves	78 630	79 402
(-) Treasury shares	..	..
Profit or loss allocated to shareholders of the parent company	17 192	32 786
(-) Interim dividends	..	..
Minority interests (non-controlling owners' interests)	..	..
<b>TOTAL EQUITY</b>	<b>225 004</b>	<b>234 581</b>
<b>TOTAL EQUITY AND TOTAL LIABILITIES</b>	<b>336 373</b>	<b>337 674</b>

1) .. No observations.

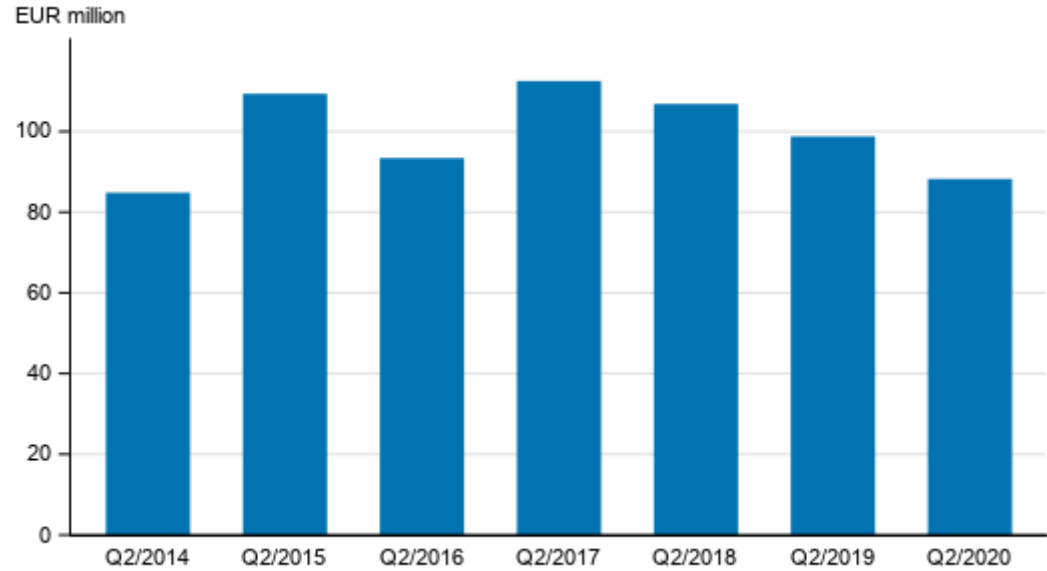
2) .. Data not available or too uncertain for presentation, or subject to secrecy.

# Figures

**Appendix figure 1. Investment firms' commission income by quarter  
2014-2020, EUR million**



**Appendix figure 2. Investment firms' commission income by quarter,  
2nd quarter 2014-2020, EUR million**



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Source: Investment firms, Statistics Finland