

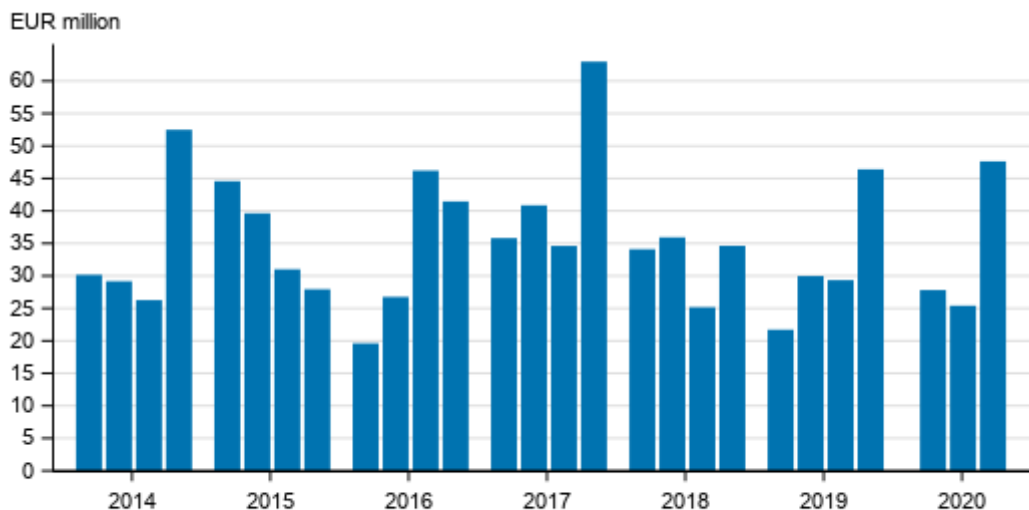
Investment service companies

2020, 3rd quarter

Investment service companies' commission income and operating profit increased in the third quarter of 2020

The net operating profit of investment service companies was EUR 48 million in the third quarter of 2020. EUR 18 million more operating profit was accumulated than in the corresponding quarter last year. Commission income increased by EUR 27 million to EUR 118 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 118 million in the third quarter of 2020. Growth compared to the corresponding period of last year amounted to EUR 27 million, or 30.4 per cent. Commission expenses amounted to EUR 31 million, which is EUR 10 million more than in the corresponding quarter in 2019.

Administrative expenses

In the third quarter of 2020, investment service companies had in total EUR 41 million in administrative expenses, which corresponds with the amount of administrative expenses in the corresponding quarter of 2019. Personnel expenses amounted to EUR 23 million, or some 56 per cent of administrative expenses. Personnel expenses were around EUR one million higher than in the year before.

Balance sheets

At the end of the third quarter of 2020, the aggregate value of the balance sheets was EUR 387 million. The growth from EUR 343 million in the third quarter of 2019 was about 13 per cent. The share of equity of the balance sheet total in turn grew from 0.1 per cent in the previous year to 69.7 per cent.

At the end of the third quarter of 2020, there were 50 investment service companies operating in Finland, of which 32 generated a positive operating result.

Contents

Tables

Appendix tables

Appendix table 1. Profit and loss accounts of investment firms 1.1.- 30.9.2020, EUR thousands.....	4
Appendix table 2. Balance sheet of investment firms 1.1.- 30.9.2020, EUR thousands.....	5

Figures

Figures

Appendix figure 1. Investment firms' commission income by quarter 2014-2020, EUR million.....	6
Appendix figure 2. Investment firms' commission income by quarter, 3rd quarter 2014-2020, EUR million.....	6

Appendix tables

Appendix table 1. Profit and loss accounts of investment firms 1.1.- 30.9.2020, EUR thousands

	1.1.- 31.3.2020	1.1.- 30.6.2020	1.1.- 30.9.2020
Interest income	112	265	336
(Interest expenses)	239	619	907
NET INCOME FROM FINANCIAL OPERATIONS	-127	-354	-572
(Expenses on share capital repayable on demand)	1) 2) ..	..	..
Dividend income	1 281	1 878	2 156
Fee and comission income	111 340	199 570	317 180
(Fee and comission expenses)	38 611	61 455	92 699
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	1 786
Gains or (-) losses from hedge accounting, net	..	..	..
Exchange differences [gain or (-) loss], net	-64	-55	-76
Gains or (-) losses on derecognition of non-financial assets, net	..	..	..
Other operating income	7 029	15 220	22 453
(Other operating expenses)	5 032	9 120	13 416
TOTAL OPERATING INCOME, NET	76 377	147 578	237 772
(Administrative expenses)	47 276	91 201	132 361
of which: (Personnel expenses)	27 473	53 056	76 188
of which:(Other administrative expenses)	19 803	38 145	56 172
(Cash contributions to resolution funds and deposit guarantee schemes)	..	..	..
(Depreciation)	1 038	2 528	3 682
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	27 816	53 225	100 856
(Tax expense or (-) income related to profit or loss from continuing operations)	10 671	20 476	35 786
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	17 146	32 749	65 070
Profit or (-) loss after tax from discontinuing operations	.	.	.
PROFIT OR (-) LOSS FOR THE YEAR	17 130	32 700	65 017

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.- 30.9.2020, EUR thousands

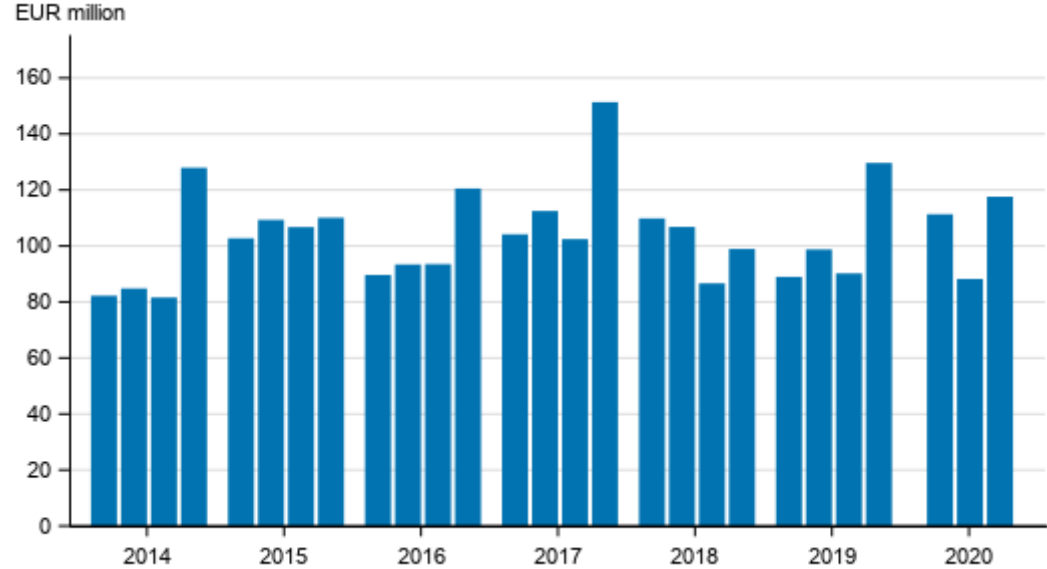
	1.1.- 31.3.2020	1.1.- 30.6.2020	1.1.- 30.9.2020
ASSETS	.	.	.
Cash, cash balances at central banks and other demand deposits	142 711	155 321	176 692
Financial assets held for trading	3 506	..	3 296
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit 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	32 144
Tangible assets	6 286	6 400	6 253
Intangible assets	16 907	16 329	15 665
Tax assets	5 608	6 874	7 704
Other assets	99 033	93 857	117 959
Non-current assets held for sale and transferable item groups	..	..	..
TOTAL ASSETS	336 372	337 675	387 075
LIABILITIES	.	.	.
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	1 632
Derivatives - Hedge accounting (liabilities)	..	..	..
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..	..
Provisions	5 241	8 380	9 844
Tax liabilities	4 024	4 538	8 592
Share capital repayable on demand	..	..	..
Other Liabilities	98 003	86 908	99 688
Liabilities included in disposal groups classified as held for sale	..	..	..
TOTAL LIABILITIES	111 369	103 093	121 193
Equity	24 912	24 912	24 913
Share premium	5 669	5 669	5 669
Equity instruments issued other than capital	..	..	..
Other equity	4 987	4 987	10 900
Accumulated other comprehensive income	9 238	6 974	5 963
Retained earnings	83 935	79 244	80 041
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Other reserves	78 630	79 402	72 736
(-) Treasury shares
Profit or loss allocated to shareholders of the parent company	17 192	32 786	65 130
(-) Interim dividends	..	..	..
Minority interests (non-controlling owners' interests)	..	..	..
TOTAL EQUITY	225 004	234 581	265 882
TOTAL EQUITY AND TOTAL LIABILITIES	336 373	337 674	387 075

1) .. No observations.

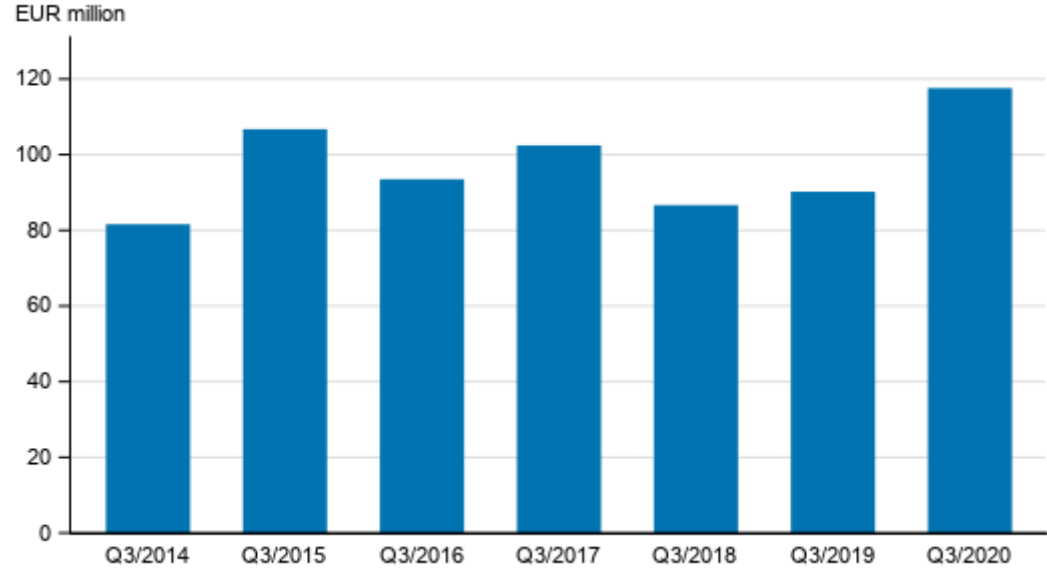
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Figures

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



Appendix figure 2. Investment firms' commission income by quarter, 3rd quarter 2014-2020, EUR million



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Source: Investment firms, Statistics Finland