

Investment service companies

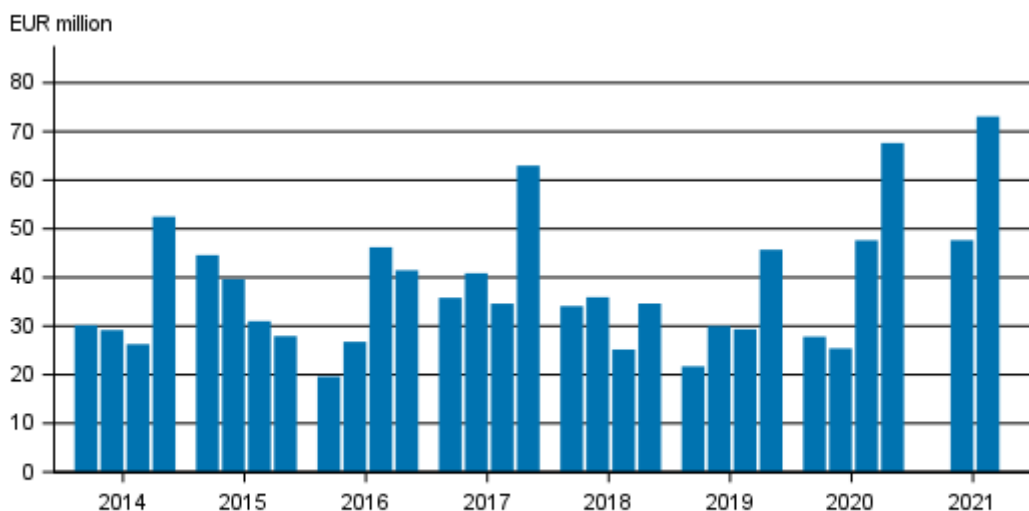
2021, 2nd quarter

Investment service companies' commission income and operating profit continued to grow in the second quarter of 2021

Corrected on 22 December 2021. The corrections are indicated in red.

The net operating profit of investment service companies was EUR **73** million in the second quarter of 2021. EUR **48** million more operating profit was accumulated than in the corresponding quarter of the previous year. Commission income increased by EUR **60** million to EUR **148** million from one year ago. These data derive from Statistics Finland's statistics on investment service companies.

Investment service companies' operating profit by quarter in 2014 to 2021, EUR million (The figure was corrected on 22 December 2021.)



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 148 million in the second quarter of 2021. Growth compared to the corresponding period of last year amounted to some EUR 60 million. Commission expenses amounted to EUR 42 million, which is around EUR 20 million more than in the corresponding quarter one year before.

Administrative expenses

In the second quarter of 2021, investment service companies had in total EUR 51 million in administrative expenses, which is EUR seven million more than in the corresponding quarter last year. Personnel expenses amounted to EUR 33 million, or 65 per cent of administrative expenses. Personnel expenses went up by EUR seven million from the previous year.

Balance sheets

At the end of the second quarter, the aggregate value of the balance sheets was EUR 424 million. Compared with the corresponding quarter of the previous year, the increase was 25.4 per cent, or around EUR 86 million. The share of equity of the balance sheet total grew by 2.39 per cent from one year ago to 71.9 per cent.

At the end of the second quarter of 2021, there were 52 investment service companies operating in Finland, 36 of which generated a positive operating result.

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**Appendix table 1. Profit and loss accounts of investment firms 1.1.- 30.6.2021, EUR thousands
(Appendix table was corrected on 22 December 2021.)**

	1.1.- 31.3.2021	1.1.- 30.6.2021
Interest income	62	176
(Interest expenses)	294	1 457
NET INCOME FROM FINANCIAL OPERATIONS	-232	-1 281
(Expenses on share capital repayable on demand)	1)2) ..	..
Dividend income	1 769	3 428
Fee and comission income	144 919	293 241
(Fee and comission expenses)	49 849	92 225
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	439	700
Gains or (-) losses from hedge accounting, net	..	..
Exchange differences [gain or (-) loss], net	-38	-73
Gains or (-) losses on derecognition of non-financial assets, net	..	..
Other operating income	5 463	10 362
(Other operating expenses)	5 167	13 006
TOTAL OPERATING INCOME, NET	97 649	222 761
(Administrative expenses)	48 766	99 462
of which: (Personnel expenses)	28 504	61 307
of which:(Other administrative expenses)	20 262	38 155
(Cash contributions to resolution funds and deposit guarantee schemes)	..	..
(Depreciation)	965	1 949
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	47 652	120 732
(Tax expense or (-) income related to profit or loss from continuing operations)	15 503	34 072
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	32 149	86 660
Profit or (-) loss after tax from discontinuing operations	.	.
PROFIT OR (-) LOSS FOR THE YEAR	32 149	86 660

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.- 30.6.2021, EUR thousands (Appendix table was corrected on 22 December 2021.)

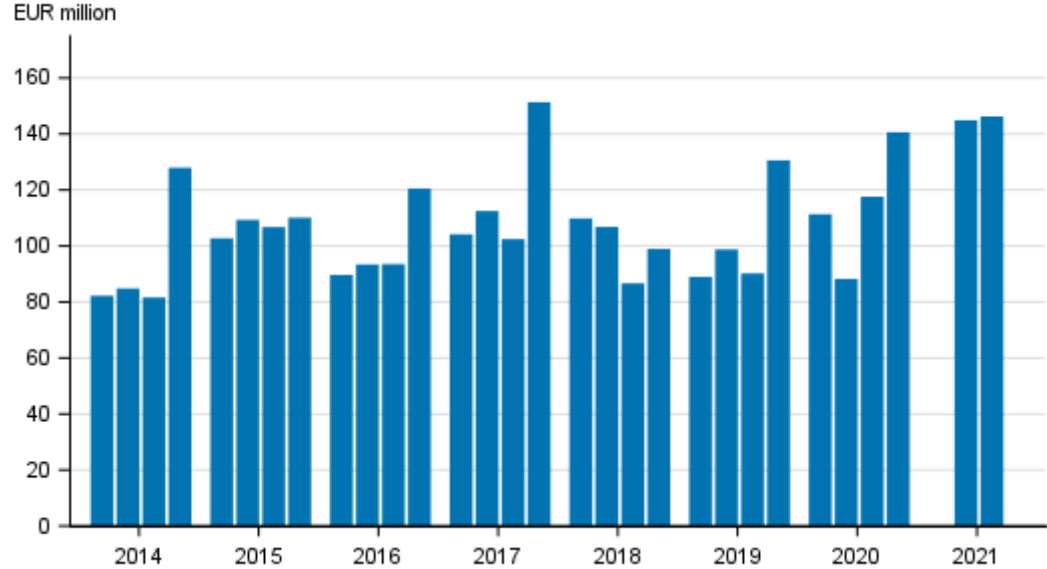
	1.1.- 31.3.2021	1.1.- 30.6.2021
ASSETS	.	.
Cash, cash balances at central banks and other demand deposits	153 028	215 796
Financial assets held for trading	1)2) ..	..
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss	4 907	12 473
Financial assets designated at fair value through profit or loss	..	..
Financial assets measured at fair value through other comprehensive income	19 812	17 664
Financial liabilities measured at amortised cost	819	1 334
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	36 965	34 360
Tangible assets	5 674	5 905
Intangible assets	14 987	14 611
Tax assets	4 199	4 524
Other assets	115 364	116 102
Non-current assets held for sale and transferable item groups	..	..
TOTAL ASSETS	357 898	423 582
LIABILITIES	.	.
Financial liabilities held for trading	..	..
Financial liabilities designated at fair value through profit or loss	..	..
Financial liabilities measured at amortised cost	1 513	1 197
Derivatives - Hedge accounting (liabilities)	..	..
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..
Provisions	1 787	1 720
Tax liabilities	5 599	10 181
Share capital repayable on demand	..	..
Other Liabilities	108 064	105 933
Liabilities included in disposal groups classified as held for sale	..	..
TOTAL LIABILITIES	118 499	119 203
Equity	21 894	22 496
Share premium	4 956	4 956
Equity instruments issued other than capital	..	1 211
Other equity	6 321	7 821
Accumulated other comprehensive income	6 687	-6 312
Retained earnings	88 692	93 532
Revaluation reserves	..	11 162
Other reserves	78 025	84 650
(-) Treasury shares	..	..
Profit or loss allocated to shareholders of the parent company	32 036	86 428
(-) Interim dividends	..	..
Minority interests (non-controlling owners' interests)	113	..
TOTAL EQUITY	239 399	304 379
TOTAL EQUITY AND TOTAL LIABILITIES	357 897	423 582

1) .. No observations.

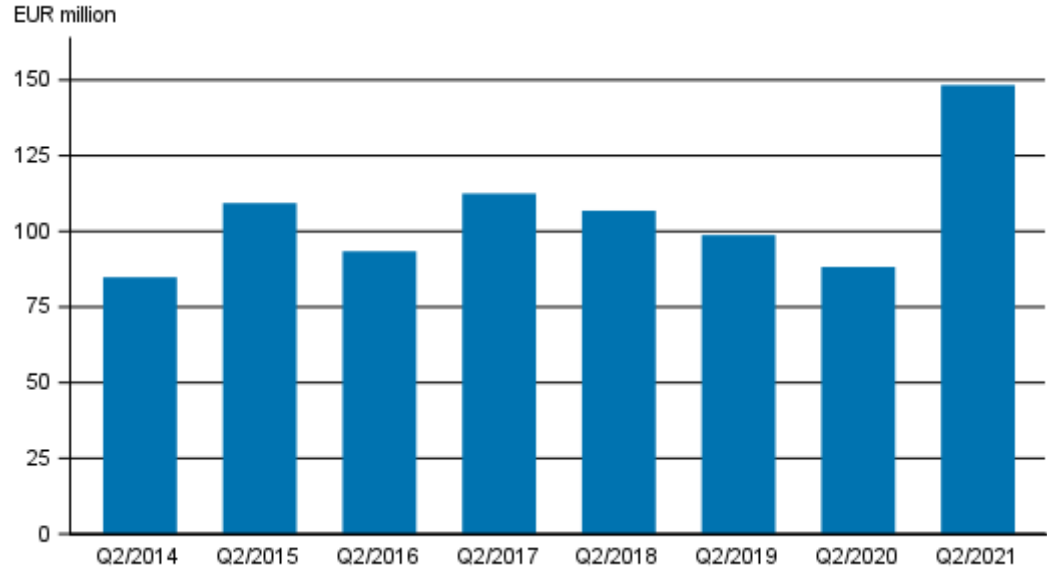
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Figures

Appendix figure 1. Investment firms' commission income by quarter 2014-2021, EUR million



Appendix figure 2. Investment firms' commission income by quarter, 2nd quarter 2014-2021, EUR million (The figure was corrected on 22 December 2021.)



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Source: Investment firms, Statistics Finland