

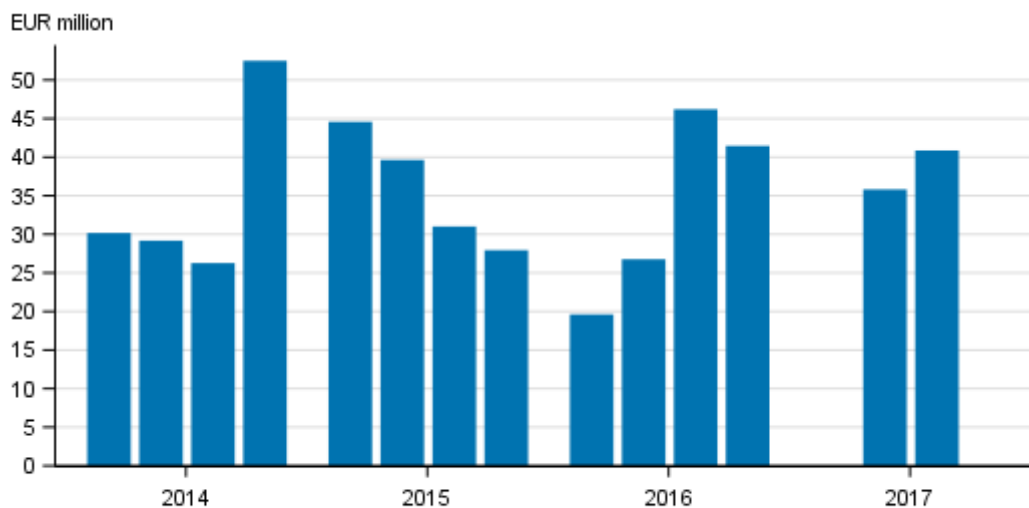
Investment service companies

2017, 2nd quarter

Net operating profit and commission income of investment service companies grew from April to June 2017

The net operating profit of investment service companies was EUR 41 million in the second quarter of 2017. Compared with the corresponding quarter of the previous year, EUR 14 million more net operating profit was accumulated. EUR five million more net operating profit was accumulated than in the previous quarter. These data derive from Statistics Finland's statistics on investment service companies.

Investment firms' net operating profit by quarter 2014-2017, EUR million



Commission income and expenses

Commission income is the most significant income item of investment service companies. Commission income amounted to EUR 113 million in the second quarter. The growth from the corresponding period of the previous year amounted to EUR 19 million, or 20.4 per cent. Compared with the previous quarter, EUR eight million more commission income was accumulated. In turn, investment service companies'

commission expenses amounted to EUR 28 million, which is EUR four million, that is, 17.7 per cent more than one year previously. Compared to the previous quarter, commission expenses went up by EUR two million.

Administrative and operating expenses

The largest expenditure item of investment service companies was administrative expenses, which in the second quarter of 2017 amounted to EUR 46 million, which is EUR 0.7 million less than in the previous year and EUR two million less than in the previous quarter. Personnel expenses amounted to EUR 26 million, or 58 per cent of total administrative expenses. Personnel expenses went down by EUR 0.5 million from the year before. Other operating expenses, in turn, amounted to EUR 19 million, which is EUR 0.1 million less than one year previously.

Balance sheets

The aggregate value of the balance sheets was EUR 358 million. The balance sheets grew by 11 per cent from EUR 323 million in the second quarter of last year. The share of own equity of the balance sheet total fell from nearly 68 per cent to around 62 per cent.

At the end of the second quarter of 2017, there were 66 investment service companies operating in Finland, of which 43 generated a positive operating result.

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Appendix table 1. Profit and loss accounts of investment firms 1.1.- 30.6.2017, EUR thousands

	1.1.- 31.3.2017	1.1.- 30.6.2017
Interest income	112	228
Interest expenses	74	164
NET INCOME FROM FINANCIAL OPERATIONS	37	64
(Expenses on share capital repayable on demand)	.. ¹⁾	..
Dividend income	3 132	2 382
Fee and comission income	104 177	216 680
(Fee and comission expenses)	26 368	54 359
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	408	372
Gains or (-) losses on financial assets and liabilities held for trading, net	1 202	2 616
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	59	76
Gains or (-) losses from hedge accounting, net	..	..
Exchange differences [gain or (-) loss], net	76	-87
Gains or (-) losses on derecognition of non financial assets, net	..	..
Other operating income	7 557	13 725
(Other operating expenses)	5 170	8 546
TOTAL OPERATING INCOME, NET	85 118	172 963
(Administrative expenses)	48 328	94 237
of which: Wages, salaries and fees (including staff-related cost)	29 190	55 602
of which: Other administrative expenses	19 138	38 634
(Depreciation)	1 008	2 051
(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	35 815	76 678
(Appropriations)	..	..
(Tax expense or (-) income related to profit or loss from continuing operations)	..	..
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	26 979	55 081
Extraordinary profit or (-) loss after tax	..	..
PROFIT OR (-) LOSS AFTER TAX FROM DISCONTINUING OPERATIONS	..	..
PROFIT OR (-) LOSS FOR THE YEAR	26 979	54 850

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

Appendix table 2. Balance sheet of investment firms 1.1.- 30.6.2017, EUR thousands

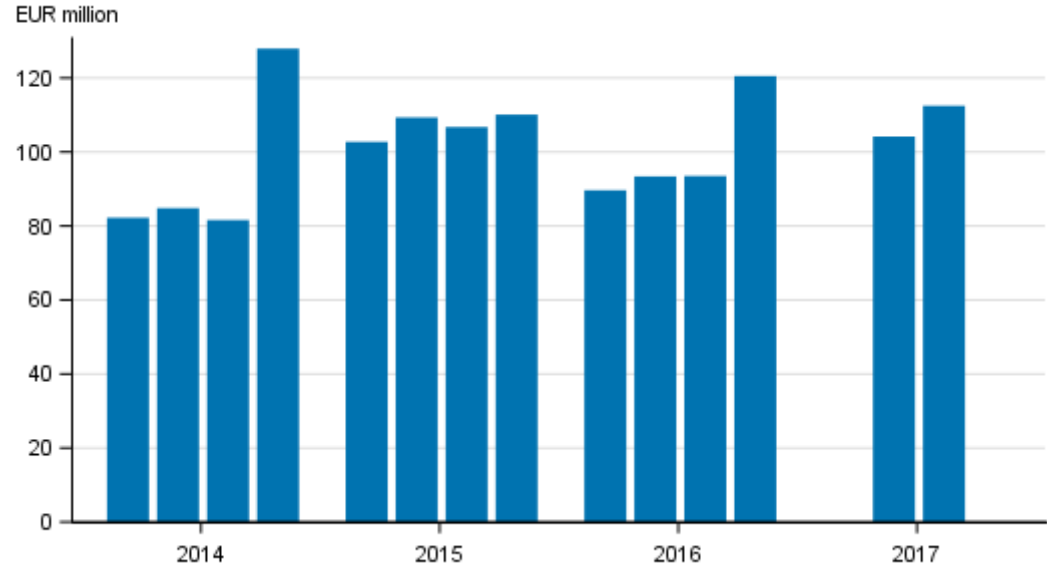
	1.1.- 31.3.2017	1.1.- 30.6.2017
ASSETS		
Cash, cash balances at central banks and other demand deposits	135 675	128 926
Financial assets held for trading	4 753	6 388

	1.1.- 31.3.2017	1.1.- 30.6.2017
Financial assets designated at fair value through profit or loss	10 052	9 403
Available-for-sale financial assets	11 100	12 117
Loans and receivables	3 234	5 003
Held-to-maturity investments	1 829	1 329
Derivatives - Hedge accounting (assets)	.. ¹⁾	..
Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets)	..	..
Investments in subsidiaries, joint ventures and associates	14 924	15 466
Investments of investment service companies in subsidiaries, joint ventures and associates	..	..
Tangible assets	6 012	5 899
Intangible assets	14 782	15 629
Other assets	108 367	138 510
Non-current assets held for sale and transferable item groups	..	..
Tax assets	4 113	4 071
TOTAL ASSETS	346 072	357 948
LIABILITIES		
Financial liabilities held for trading	..	..
Financial liabilities designated at fair value through profit or loss	..	..
Financial liabilities measured at amortised cost	3 828	5 867
Derivatives - Hedge accounting (liabilities)	..	..
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..
Provisions	6 689	6 601
Tax liabilities	3 452	4 715
Share capital repayable on demand	..	..
Other Liabilities	91 424	92 578
Liabilities included in disposal groups classified as held for sale	..	..
Depreciation difference	33	31
Voluntary provisions	..	..
TOTAL LIABILITIES	145 134	134 272
Equity	30 347	29 869
Share premium	7 317	3 642
Equity instruments issued other than capital	..	..
Other equity	3 975	3 975
Accumulated other comprehensive income	-3 166	-2 785
Retained earnings	111 367	136 598
Revaluation reserves	..	2 824
Other reserves	49 101	47 388
(-) Treasury shares	..	..
Profit or loss allocated to shareholders of the parent company	..	..
(-) Interim dividends	..	..
Minority interests (non-controlling owners' interests)	..	..
TOTAL EQUITY	200 940	223 675
TOTAL EQUITY AND TOTAL LIABILITIES	346 074	357 947

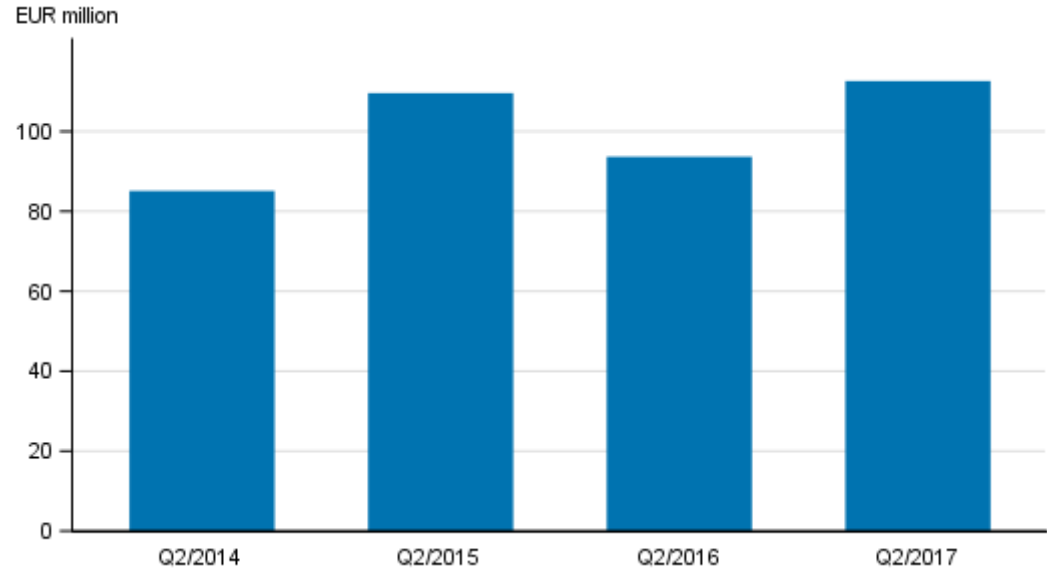
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Figures

**Appendix figure 1. Investment firms' commission income by quarter
2014-2017, EUR million**



**Appendix figure 2. Investment firms' commission income by quarter,
2nd quarter 2014-2017, EUR million**



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Source: Investment firms, Statistics Finland