

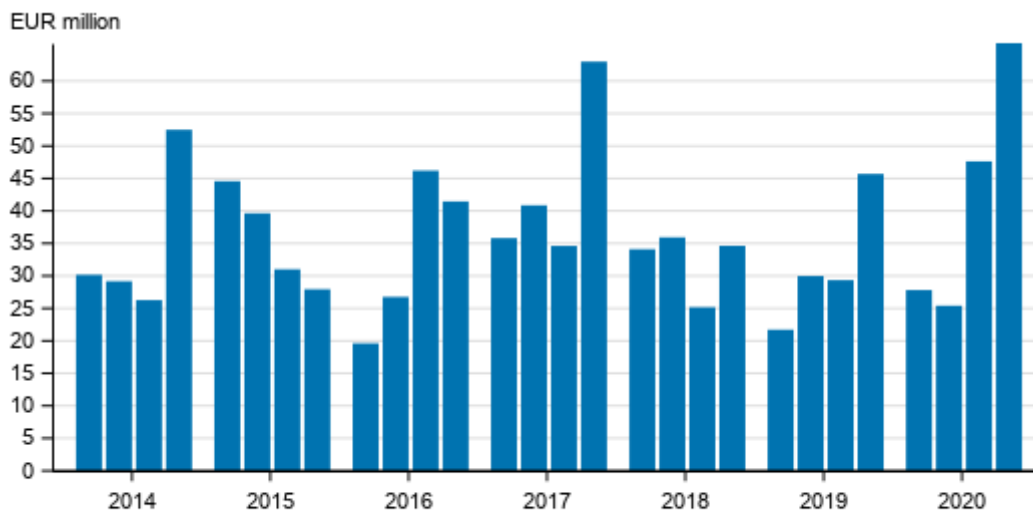
Investment service companies

2020, 4th quarter

Investment service companies' commission income and operating profit continued to grow in the last quarter of 2020

The net operating profit of investment service companies was EUR 68 million in the fourth quarter of 2020. EUR 22 million more operating profit was accumulated than in the corresponding quarter of the previous year. Commission income increased by EUR 10 million to EUR 141 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 141 million in the last quarter of 2020. Compared with the corresponding quarter of the previous year, the increase was 7.7 per cent, or around EUR 10 million. Commission expenses, in turn, amounted to EUR 37 million, which is EUR four million more than in the corresponding quarter in the year before.

In 2020, investment service companies' total commission income amounted to EUR 458 million. Commission income increased by 12.1 per cent, or around EUR 49 million, from the previous year. Over the year, investment service companies paid EUR 29 million more in commission expenses than in the previous year, EUR 129 million in total.

Administrative expenses

In the last quarter of 2020, investment service companies had a total of EUR 42 million in administrative expenses, which was around EUR 10 million lower than in the corresponding quarter of the previous year. Personnel expenses amounted to EUR 22 million, or 53 per cent of administrative expenses. Personnel expenses were around EUR seven million less than in the previous year.

Total administrative expenses for the whole of 2020 fell by around EUR 11 million to EUR 174 million. Of administrative expenses, personnel expenses were around EUR nine million lower than in the year before.

Balance sheets

At the end of 2020, the aggregate value of the balance sheets was EUR 420 million. From the end of the previous year, the increase was 3.8 per cent, or around EUR 15 million. The share of own equity of the balance sheet total rose, in turn, by around 1.1 per cent to 68.8 per cent.

At the end of the last quarter of 2020, there were 48 investment service companies operating in Finland, of which 36 generated a positive operating result.

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Appendix table 1. Profit and loss accounts of investment firms 1.1.- 31.12.2020, EUR thousands

	1.1.- 31.3.2020	1.1.- 30.6.2020	1.1.- 30.9.2020	1.1.- 31.12.2020
Interest income	112	265	336	343
(Interest expenses)	239	619	907	1 345
NET INCOME FROM FINANCIAL OPERATIONS	-127	-354	-572	-1 002
(Expenses on share capital repayable on demand)	.. ¹⁾²⁾
Dividend income	1 281	1 878	2 156	7 312
Fee and comission income	111 340	199 570	317 180	457 814
(Fee and comission expenses)	38 611	61 455	92 699	129 397
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	1 781
Gains or (-) losses from hedge accounting, net	..	..	..	..
Exchange differences [gain or (-) loss], net	-64	-55	-76	-64
Gains or (-) losses on derecognition of non-financial assets, net	..	..	..	..
Other operating income	7 029	15 220	22 453	31 842
(Other operating expenses)	5 032	9 120	13 416	18 625
TOTAL OPERATING INCOME, NET	76 377	147 578	237 772	350 532
(Administrative expenses)	47 276	91 201	132 361	174 359
of which: (Personnel expenses)	27 473	53 056	76 188	98 442
of which:(Other administrative expenses)	19 803	38 145	56 172	75 917
(Cash contributions to resolution funds and deposit guarantee schemes)	..	..	..	..
(Depreciation)	1 038	2 528	3 682	4 967
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)	..	..	..	808
(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	168 487
(Tax expense or (-) income related to profit or loss from continuing operations)	10 671	20 476	35 786	65 995
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	17 146	32 749	65 070	102 492

	1.1.- 31.3.2020	1.1.- 30.6.2020	1.1.- 30.9.2020	1.1.- 31.12.2020
Profit or (-) loss after tax from discontinuing operations	.	.	.	.
PROFIT OR (-) LOSS FOR THE YEAR	17 130	32 700	65 017	102 435

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.- 31.12.2020, EUR thousands

	1.1.- 31.3.2020	1.1.- 30.6.2020	1.1.- 30.9.2020	1.1.- 31.12.2020
ASSETS	.	.	.	.
Cash, cash balances at central banks and other demand deposits	142 711	155 321	176 692	174 306
Financial assets held for trading	3 506	1 897	3 296	.. ¹⁾²⁾
Financial assets outside the trading inventory that are mandatorily measured at fair value through profit or loss	6 279	4 352	3 388	3 271
Financial assets designated at fair value through profit or loss	..	..	..	..
Financial assets measured at fair value through other comprehensive income	17 206	17 819	17 791	19 984
Financial liabilities measured at amortised cost	12 064	4 814	5 287	1 180
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	36 479
Tangible assets	6 286	6 400	6 253	6 020
Intangible assets	16 907	16 329	15 665	15 477
Tax assets	5 608	6 874	7 704	4 648
Other assets	99 033	93 857	117 959	156 811
Non-current assets held for sale and transferable item groups	..	..	..	..
TOTAL ASSETS	336 372	337 675	387 075	419 674
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	1 577
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	1 809
Tax liabilities	4 024	4 538	8 592	12 406
Share capital repayable on demand	..	..	..	..
Other Liabilities	98 003	86 908	99 688	113 265
Liabilities included in disposal groups classified as held for sale	..	..	..	..
TOTAL LIABILITIES	111 369	103 093	121 193	131 097
Equity	24 912	24 912	24 913	23 283
Share premium	5 669	5 669	5 669	4 969
Equity instruments issued other than capital	..	..	..	..
Other equity	4 987	4 987	10 900	15 034
Accumulated other comprehensive income	9 238	6 974	5 963	6 619
Retained earnings	83 935	79 244	80 041	69 975
Revaluation reserves	..	..	..	..
Other reserves	78 630	79 402	72 736	70 279
(-) Treasury shares	..	..	..	..
Profit or loss allocated to shareholders of the parent company	17 192	32 786	65 130	102 096
(-) Interim dividends	..	..	..	..
Minority interests (non-controlling owners' interests)	..	..	..	..

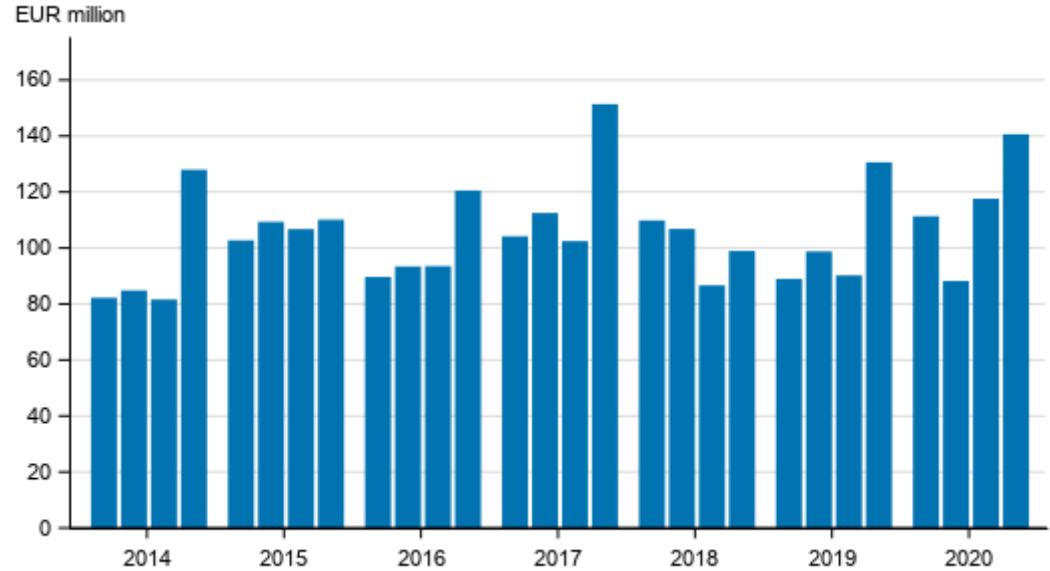
	1.1.- 31.3.2020	1.1.- 30.6.2020	1.1.- 30.9.2020	1.1.- 31.12.2020
TOTAL EQUITY	225 004	234 581	265 882	288 577
TOTAL EQUITY AND TOTAL LIABILITIES	336 373	337 674	387 075	419 674

1) .. No observations.

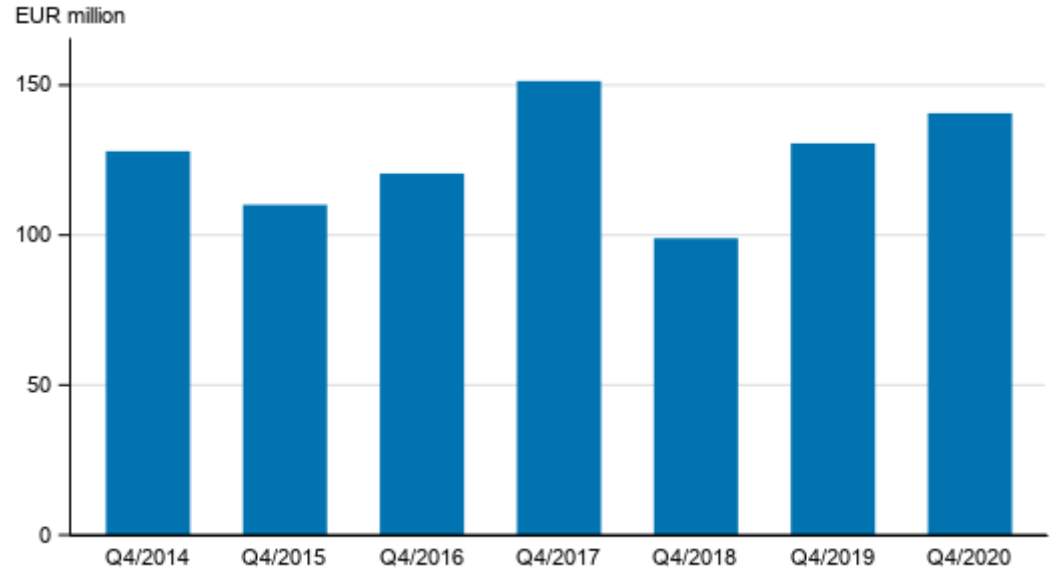
2) .. Data not available or too uncertain for presentation, or subject to secrecy.

Figures

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



Appendix figure 2. Investment firms' commission income by quarter, 4th quarter 2014-2020, EUR million



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Source: Investment firms, Statistics Finland