

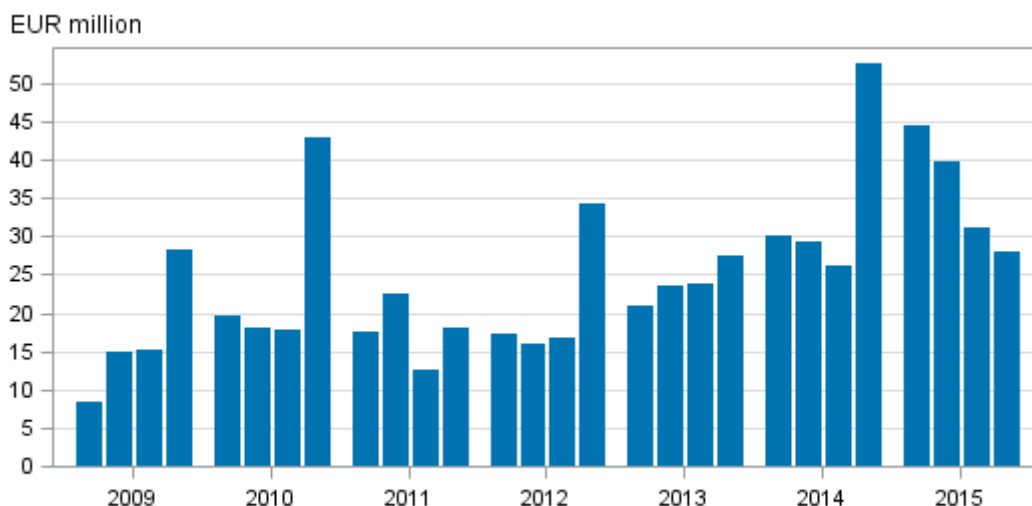
Investment service companies

2015, 4th quarter

Net operating profit of investment service companies contracted by 47 per cent in October to December 2015 from the previous year

The net operating profit of investment service companies amounted to EUR 28 million in the fourth quarter of 2015, which is 47 per cent less than in the respective period of the previous year. Compared with the previous quarter, the net operating profit went down by EUR three million. These data derive from Statistics Finland's statistics on investment service companies.

Investment firms' net operating profit by quarter 2009-2015, EUR million



Commission income and expenses

In the fourth quarter, investment service companies accrued a total of EUR 110 million in commission income, which is EUR 18 million less than in the corresponding period in 2014. Compared to the previous quarter, commission income went up by EUR three million. Commission expenses amounted to EUR 27

million, which is EUR one million more than one year previously. Compared to the previous quarter, commission expenses went up by EUR three million.

Interest income and expenses

Interest income amounted to EUR 0.4 million, which is two per cent less than one year earlier and 18 per cent less than in the previous quarter. Interest expenses were EUR 0.1 million in the fourth quarter and they fell by 15 per cent from the previous year's quarter. Compared with the previous quarter, interest expenses went down by 44 per cent.

Administrative and operating expenses

The largest expenditure item of investment firms was administrative expenses, which in the fourth quarter of 2015 amounted to EUR 53 million, which is EUR four million less than in the previous year and EUR eight million less than in the previous quarter. Of the administrative expenses, personnel expenses amounted to EUR 32 million, or 61 per cent of total administrative expenses. Other operating expenses amounted to EUR nine million, which is close on EUR one million less than one year previously.

Balance sheets

The aggregate value of the balance sheets was EUR 390 million. The balance sheets grew by 25 per cent year-on-year. The share of own equity in the total of the balance sheets was 65 per cent.

At the end of the fourth quarter of 2015, there were 57 investment service companies operating in Finland, of which 44 generated a positive operating result.

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Appendix table 1. Profit and loss accounts of investment firms 1.1.- 31.12.2015, EUR thousands

	1.1.- 31.3.2015	1.1.- 30.6.2015	1.1.- 30.9.2015	1.1.- 31.12.2015
Interest income	367	622	1 074	1 445
Interest expenses	126	286	454	549
NET INCOME FROM FINANCIAL OPERATIONS	240	336	620	896
(Expenses on share capital repayable on demand)	¹⁾ -	-	7	-
Dividend income	4 032	4 203	10 975	11 005
Fee and comission income	102 746	212 088	318 835	428 939
(Fee and comission expenses)	25 098	50 976	74 925	101 607
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	65	70	-30	126
Gains or (-) losses on financial assets and liabilities held for trading, net	1 143	4 172	4 950	3 372
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	86	34	47	-121
Gains or (-) losses from hedge accounting, net	-	-	6	46
Exchange differences [gain or (-) loss], net	321	457	1 041	1 240
Gains or (-) losses on derecognition of non financial assets, net	-	-988	-988	-974
Other operating income	7 137	11 844	22 619	32 692
(Other operating expenses)	3 804	10 825	19 730	28 967
TOTAL OPERATING INCOME, NET	86 868	170 415	263 412	346 646
(Administrative expenses)	41 451	84 476	144 977	197 585
of which: Wages, salaries and fees (including staff-related cost)	23 611	49 215	82 979	114 993
of which: Other administrative expenses	17 840	35 261	61 998	82 592
(Depreciation)	796	1 612	2 996	4 688
(Provisions or (-) reversal of provisions)	-23	-45	-70	284
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit of loss)	-	-	-	672
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	-	-	-	-
(Impairment or (-) reversal of impairment on non-financial assets)	61	118	241	241
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	-	-30	-31	-
PROFIT OR (-) LOSS	44 582	84 224	115 237	143 177
(Appropriations)	-861	399	293	3 327
(Tax expense or (-) income related to profit or loss from continuing operations)	7 395	14 687	19 224	24 144
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	38 048	69 139	95 720	115 707
Profit or (-) loss after tax from discontinued operations	-237	-	-103	-63
PROFIT OR (-) LOSS FOR THE YEAR	37 811	69 139	95 616	115 643

1) No observations

Appendix table 2. Balance sheet of investment firms 1.1.- 31.12.2015, EUR thousands

	1.1.- 31.3.2015	1.1.- 30.6.2015	1.1.- 30.9.201	1.1.- 31.12.2015
ASSETS
Cash and cash balances at central banks	117 236	116 923	161 873	178 022
Financial assets held for trading	4 325	5 846	9 944	8 481
Financial assets designated at fair value through profit or loss	1 275	469	234	14 145
Available-for-sale financial assets	22 490	17 537	20 228	5 781
Loans and receivables	5 002	3 438	5 778	3 690
Held-to-maturity investments	3 258	3 312	2 811	2 147
Derivatives - Hedge accounting (assets)	1) ₋	-	9 374	18 474
Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets)	-	-	-	-
Investments in subsidiaries, joint ventures and associates	12 126	12 945	13 257	13 296
Tangible assets	5 681	6 051	6 052	6 182
Intangible assets	13 568	10 099	10 597	11 505
Tax assets	1 208	1 511	2 272	3 425
Other assets	95 815	100 837	102 602	124 499
Non-current assets and disposal groups classified as held for sale	-	179	850	100
TOTAL ASSETS	281 984	279 148	345 872	389 748
LIABILITIES
Financial liabilities held for trading	121	121	9 996	18 469
Financial liabilities designated at fair value through profit and loss	-	1 893	1 785	262
Financial liabilities measured at amortised cost	3 437	3 210	3 719	3 155
Derivatives - Hedge accounting (liabilities)	-	-	-	-
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	-	-	-	-
Provisions	1 888	1 927	1 885	1 454
Tax liabilities	7 879	6 609	6 932	3 171
Share capital repayable on demand	-	-	-	-
Other liabilities	103 502	75 550	80 290	108 306
Liabilities included in disposal groups classified as held for sale	-	-	-	-
TOTAL LIABILITIES	116 863	89 346	104 673	134 886
Capital	37 856	35 964	43 386	39 429
Share premium	7 433	3 758	2 942	6 603
Other equity	295	125	125	125
Other	3 285	3 351	5 779	5 050
Accumulated other comprehensive income	-617	-599	-668	379
Retained earnings	86 053	114 445	138 882	144 314
Revaluation reserves	-2	-	-44	-146
Other reserves	33 214	37 039	61 648	66 299
(-) Treasury shares	-2 395	-4 281	-8 766	-6 692
(-) Interim dividends	-	-	-2 085	-499
TOTAL EQUITY	165 122	189 801	241 199	254 861
TOTAL EQUITY AND TOTAL LIABILITIES	281 985	279 148	345 871	389 747

1) No observations

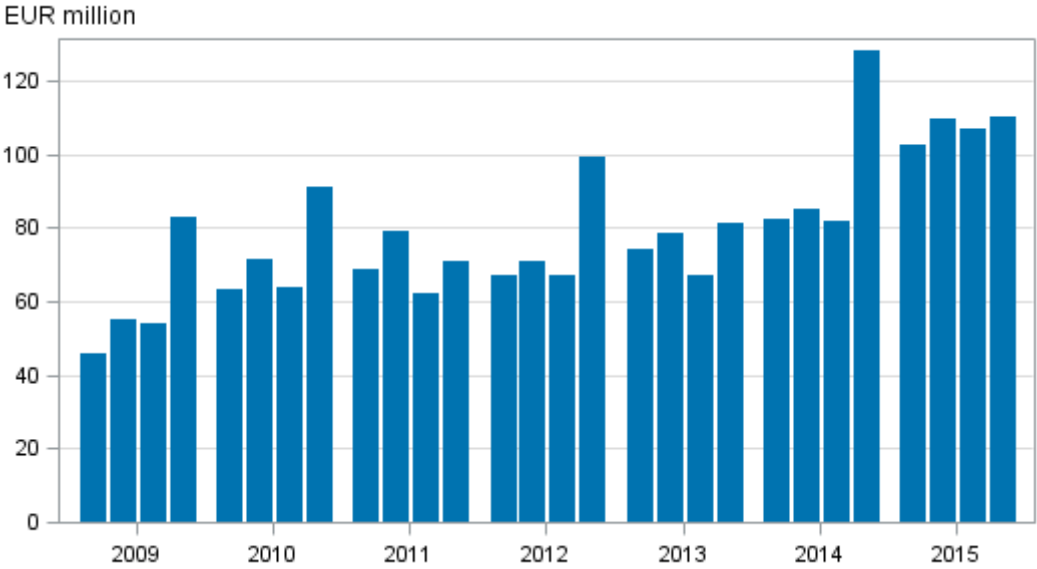
Appendix table 3. Itemisation of investment firms' administrative expenses 1.1.- 31.12.2015, EUR thousands

	1.1.- 31.12.2015
ADMINISTRATIVE EXPENSES, total	195 645 ¹⁾
1. Staff costs	114 915
1.1 Wages, salaries and fees	93 975
1.2 Staff-related costs	20 940
2. Other administrative expenses	80 729
2.1 Office costs	8 555
2.2 Data processing expenses	21 998
2.3 Expenses related to communications	3 687
2.4 Entertainment and marketing expenses	8 138
2.5 Research and development expenses	90
2.6 Other staff-related expenses (not included in staff costs)	4 368
2.7 Other administrative expenses	33 893

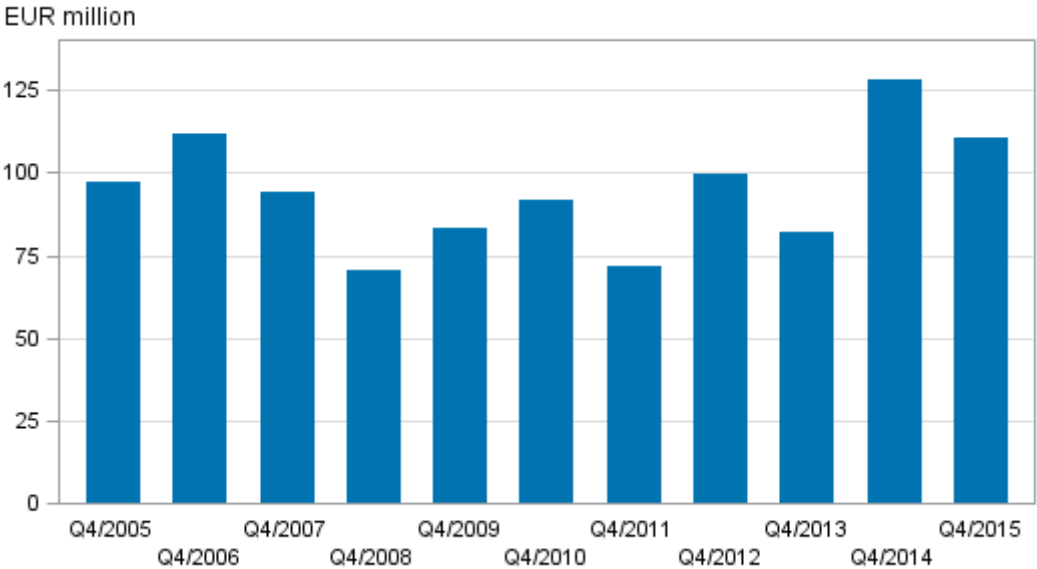
1) The administrative expenses of the profit and loss account differ from the specification of administrative expenses in Appendix table 3 because investment service companies can report part of their administrative expenses under "Other operating expenses".

Figures

Appendix figure 1. Investment firms' commission income by quarter 2009-2015, EUR million



Appendix figure 2. Investment firms' commission income by quarter, 4th quarter 2005-2015, EUR million



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Source: Investment firms, Statistics Finland