

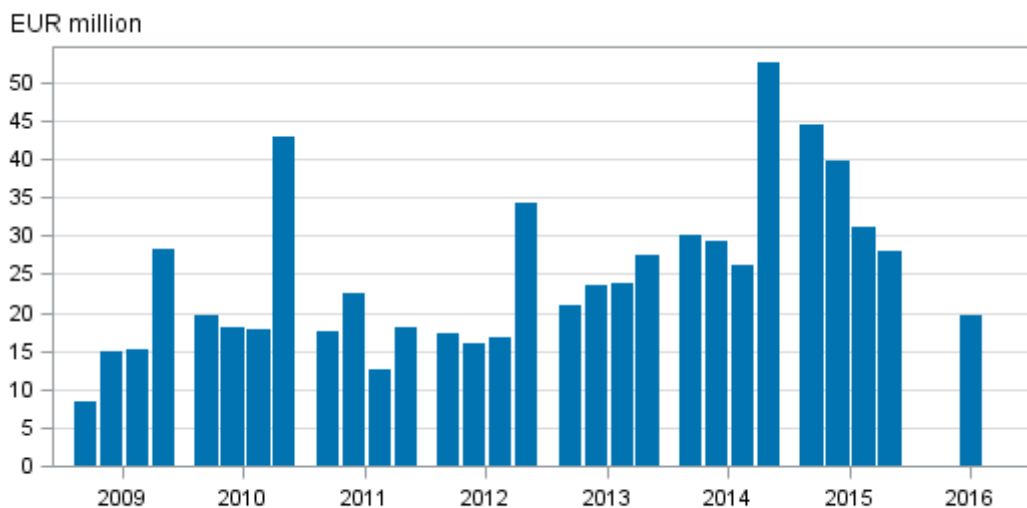
# Investment service companies

2016, 1st quarter

## Net operating profit of investment service companies continued falling

The net operating profit of investment service companies was EUR 20 million in the first quarter of 2016. The net operating profit decreased by EUR 25 million compared to the corresponding quarter last year. Good EUR eight million less 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 2009-2016, EUR million



## Commission income and expenses

In the first quarter, investment service companies accrued a total of EUR 90 million in commission income, which is EUR 13 million less than in the corresponding period of 2015. Compared to the previous quarter, commission income decreased by EUR 20 million. Commission expenses amounted to EUR 24 million,

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

## Interest income and expenses

Interest income amounted to EUR 0.2 million, which is 43 per cent less than one year earlier and 44 per cent less than in the previous quarter. Interest expenses were EUR 0.1 million in the first quarter and they fell by 36 per cent from the previous year's quarter. Compared with the previous quarter, interest expenses went down by 15 per cent.

## Administrative and operating expenses

The largest expenditure item of investment service companies was administrative expenses, which in the first quarter of 2016 amounted to EUR 47 million, which is EUR six million more than in the previous year and EUR five million less than in the previous quarter. Of the administrative expenses, personnel expenses amounted to EUR 28 million, or 59 per cent of total administrative expenses. Other operating expenses amounted to EUR seven million, which is EUR three million more than one year previously.

## Balance sheets

The aggregate value of the balance sheets was EUR 335 million. The balance sheets grew by 19 per cent year-on-year. The share of own equity in the total of the balance sheets was 61 per cent.

At the end of the first quarter of 2016, there were 63 investment service companies operating in Finland, of which 34 generated a positive operating result.

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# Appendix table

**Appendix table 1. Profit and loss accounts of investment firms 1.1.- 31.3.2016, EUR thousands**

	1.1.- 31.3.2016
Interest income	208
Interest expenses	81
NET INCOME FROM FINANCIAL OPERATIONS	127
(Expenses on share capital repayable on demand)	- <sup>1)</sup>
Dividend income	1 940
Fee and comission income	89 663
(Fee and comission expenses)	23 694
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	113
Gains or (-) losses on financial assets and liabilities held for trading, net	7
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	77
Gains or (-) losses from hedge accounting, net	23
Exchange differences [gain or (-) loss], net	17
Gains or (-) losses on derecognition of non financial assets, net	-246
Other operating income	6 310
(Other operating expenses)	6 506
TOTAL OPERATING INCOME, NET	67 831
(Administrative expenses)	47 205
of which: Wages, salaries and fees (including staff-related cost)	27 648
of which: Other administrative expenses	19 558
(Depreciation)	1 034
(Provisions or (-) reversal of provisions)	-25
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit of loss)	-
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	-
(Impairment or (-) reversal of impairment on non-financial assets)	-
Profit or (-) loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations	-
PROFIT OR (-) LOSS	19 617
(Appropriations)	-661
(Tax expense or (-) income related to profit or loss from continuing operations)	4 075
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	16 202
Profit or (-) loss after tax from discontinued operations	-
PROFIT OR (-) LOSS FOR THE YEAR	16 202

1) No observations

**Appendix table 2. Balance sheet of investment firms 1.1.- 31.3.2016, EUR thousands**

	1.1.- 31.3.2016
ASSETS	.
Cash and cash balances at central banks	116 433
Financial assets held for trading	4 579
Financial assets designated at fair value through profit or loss	608
Available-for-sale financial assets	15 525
Loans and receivables	4 820
Held-to-maturity investments	2 146

	1.1.- 31.3.2016
Derivatives - Hedge accounting (assets)	25 675
Fair value changes of the hedge items in portfolio hedge of interest rate risk (assets)	_1)
Investments in subsidiaries, joint ventures and associates	13 001
Tangible assets	6 247
Intangible assets	12 112
Tax assets	5 106
Other assets	129 091
Non-current assets and disposal groups classified as held for sale	100
<b>TOTAL ASSETS</b>	<b>335 442</b>
<b>LIABILITIES</b>	<b>.</b>
Financial liabilities held for trading	25 997
Financial liabilities designated at fair value through profit and loss	-
Financial liabilities measured at amortised cost	2 088
Derivatives - Hedge accounting (liabilities)	-
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	-
Provisions	1 064
Tax liabilities	2 187
Share capital repayable on demand	-
Other liabilities	99 735
Liabilities included in disposal groups classified as held for sale	-
<b>TOTAL LIABILITIES</b>	<b>131 144</b>
<b>Capital</b>	<b>39 462</b>
Share premium	6 617
Other equity	125
Other	5 050
Accumulated other comprehensive income	220
Retained earnings	86 656
Revaluation reserves	-40
Other reserves	66 906
(-) Treasury shares	-623
(-) Interim dividends	-75
<b>TOTAL EQUITY</b>	<b>204 298</b>
<b>TOTAL EQUITY AND TOTAL LIABILITIES</b>	<b>335 442</b>

1) No observations

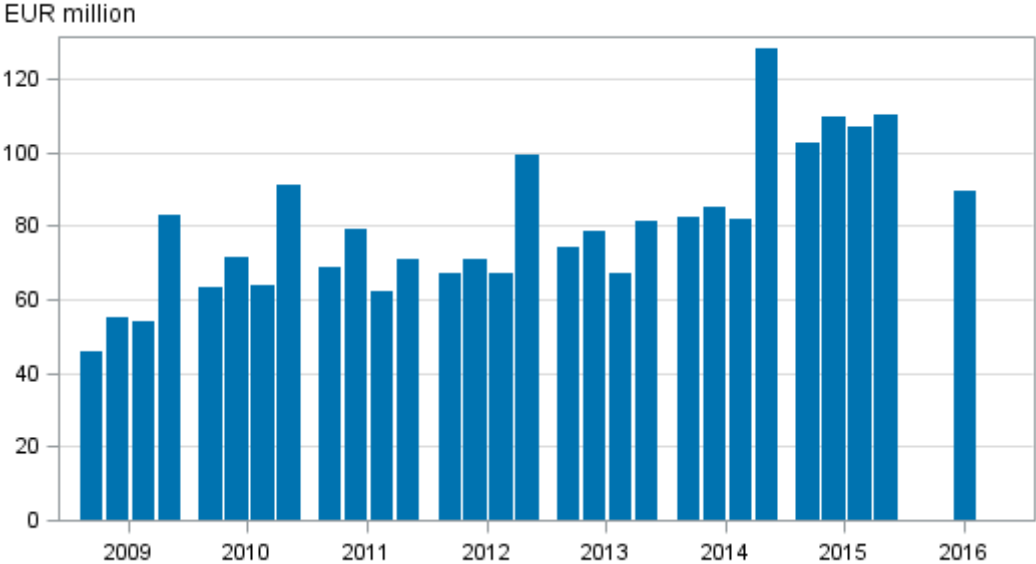
**Appendix table 3. Itemisation of investment firms administrative expenses 1.1.- 31.3.2016, EUR thousands**

	1.1.- 31.3.2016
ADMINISTRATIVE EXPENSES, total	46 411 <sup>1)</sup>
1. Staff costs	27 622
1.1 Wages, salaries and fees	22 229
1.2 Staff-related costs	5 393
2. Other administrative expenses	18 789
2.1 Office costs	2 108
2.2 Data processing expenses	5 331
2.3 Expenses related to communications	986
2.4 Entertainment and marketing expenses	1 899
2.5 Research and development expenses	10
2.6 Other staff-related expenses (not included in staff costs)	1 132
2.7 Other administrative expenses	7 323

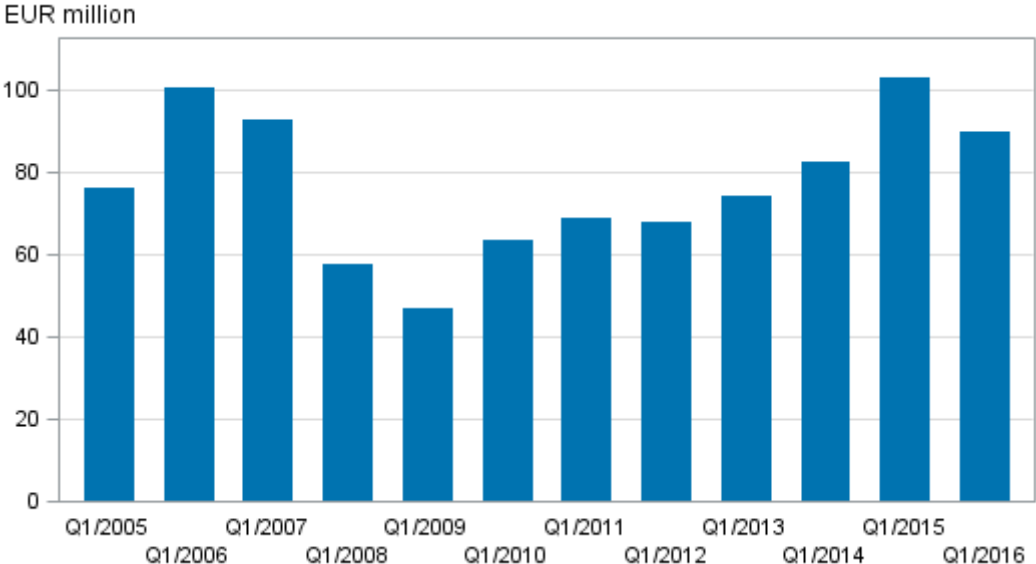
1) The administrative expenses of the profit and loss account differ from the specification of administrative expenses in Appendix table 3 because investment service companies can report part of their administrative expenses under "Other operating expenses".

# Figures

**Appendix figure 1. Investment firms' commission income by quarter 2009-2016, EUR million**



**Appendix figure 2. Investment firms' commission income by quarter, 1st quarter 2005-2016, EUR million**



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Source: Investment firms, Statistics Finland