

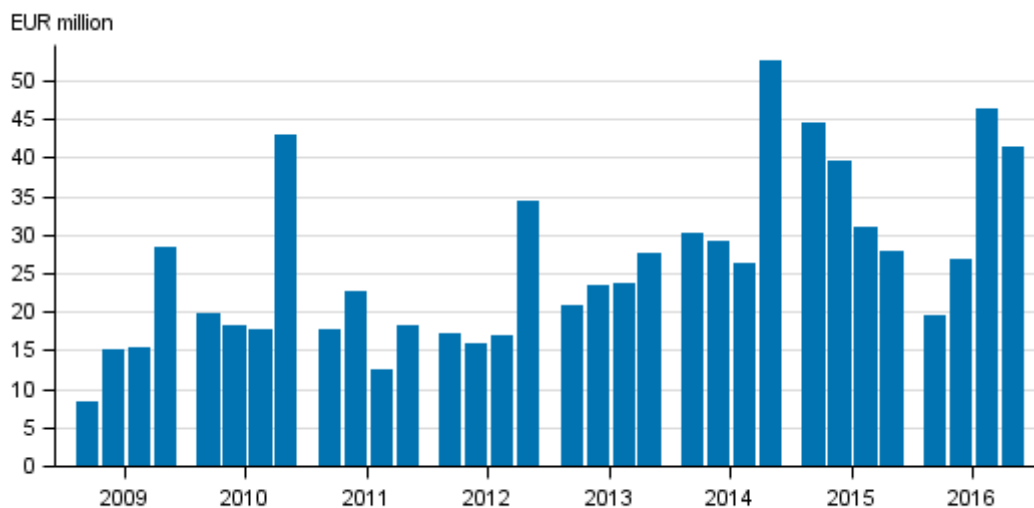
# Investment service companies

2016, 4th quarter

## Net operating profit of investment service companies grew from the previous year's October to December

The net operating profit of investment service companies was EUR 41 million in the fourth quarter of 2016. The net operating profit increased by EUR 14 million compared to the corresponding quarter last year. The operating profit for the whole year dropped from the previous year's EUR 143 million to EUR 134 million. 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

Commission income is the biggest income item of investment service companies. In the fourth quarter of 2016, commission income increased by 9.5 per cent to EUR 121 million from EUR 110 million in the corresponding quarter of the previous year. Compared with the previous quarter, commission income grew by EUR 27 million and by 28.9 per cent. Over the year, interest income received amounted to EUR 397

million, which was EUR 32 million less than one year previously. Commission expenses were EUR 27 million, which is on level with the corresponding period of the previous year. Compared to the previous quarter, the growth amounted to EUR three million. Over the year, interest expenses amounted to EUR 99 million, which was EUR three million less than one year previously.

## Dividend income

The dividend income of investment service companies amounted to EUR 3.9 million in 2016. In the previous year, dividend income was EUR 11.0 million and in 2014, EUR 2.0 million. In the last quarter, investment service companies received dividend income to the tune of EUR 1.7 million. In the previous year, dividend income in the fourth quarter remained under EUR 0.1 million.

## Administrative expenses

The largest expenditure item of investment service companies was administrative expenses, which in the fourth quarter of 2016 amounted to EUR 57 million, which is EUR four million more than in the previous year. Compared with the previous quarter, administrative expenses rose by EUR 15 million. Of the administrative expenses, personnel expenses amounted to EUR 33 million, or 58 per cent of total administrative expenses. Other administrative expenses amounted to EUR 24 million, which is EUR three million more than one year previously.

On the annual level, the administrative expenses of investment service companies fell by 2.3 per cent from the previous year's EUR 198 million to EUR 193 million.

## Balance sheets

The aggregate value of the balance sheets was EUR 393 million. Compared to the corresponding quarter of the previous year, the increase was EUR three million. The share of own equity in the total of the balance sheets was 62 per cent.

At the end of the fourth quarter of 2016, there were 65 investment service companies operating in Finland, of which 53 generated a positive result during the accounting year.

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# Appendix tables

**Appendix table 1. Profit and loss accounts of investment firms 1.1.- 31.12.2016, EUR thousands**

	1.1.- 31.3.2016	1.1.- 30.6.2016	1.1.- 30.9.2016	1.1.- 31.12.2016
Interest income	208	469	681	929
Interest expenses	81	166	250	384
NET INCOME FROM FINANCIAL OPERATIONS	127	303	431	545
(Expenses on share capital repayable on demand)	.. <sup>1)</sup>	..	..	..
Dividend income	1 940	2 092	2 107	3 867
Fee and comission income	89 663	183 073	276 597	397 135
(Fee and comission expenses)	23 694	47 472	71 763	98 592
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	..	..	158	201
Gains or (-) losses on financial assets and liabilities held for trading, net	7	179	763	1 871
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	77	172	417	215
Gains or (-) losses from hedge accounting, net	..	..	..	..
Exchange differences [gain or (-) loss], net	17	65	200	335
Gains or (-) losses on derecognition of non financial assets, net	..	..	-230	..
Other operating income	6 310	12 170	21 146	44 772
(Other operating expenses)	6 506	8 689	12 759	17 885
TOTAL OPERATING INCOME, NET	67 831	142 117	217 501	332 990
(Administrative expenses)	47 205	93 785	136 172	193 122
of which: Wages, salaries and fees (including staff-related cost)	27 648	54 591	79 757	112 989
of which: Other administrative expenses	19 558	39 194	56 415	80 134
(Depreciation)	1 034	2 052	2 934	4 443
(Provisions or (-) reversal of provisions)	..	..	..	..
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	..	..	-50	506
(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	19 617	46 382	92 586	134 048
(Appropriations)	..	2 839	4 839	..
(Tax expense or (-) income related to profit or loss from continuing operations)	..	8 965	17 717	..
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	16 202	34 578	70 030	114 652
Extraordinary profit or (-) loss after tax	..	..	..	..
PROFIT OR (-) LOSS AFTER TAX FROM DISCONTINUING OPERATIONS	..	..	..	..

	1.1.- 31.3.2016	1.1.- 30.6.2016	1.1.- 30.9.2016	1.1.- 31.12.2016
PROFIT OR (-) LOSS FOR THE YEAR	16 202	34 576	70 030	114 638

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

**Appendix table 2. Balance sheet of investment firms 1.1.- 31.12.2016, EUR thousands**

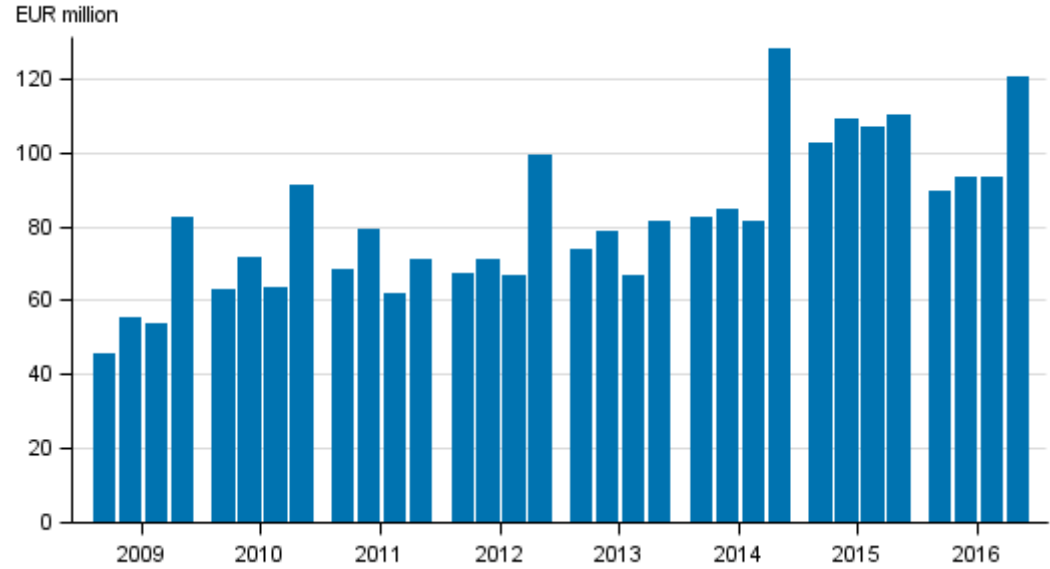
	1.1.- 31.3.2016	1.1.- 30.6.2016	1.1.- 30.9.2016	1.1.- 31.12.2016
<b>ASSETS</b>	.	.	.	.
Cash, cash balances at central banks and other demand deposits	116 433	136 270	160 373	157 822
Financial assets held for trading	4 579	4 506	3 969	4 210
Financial assets designated at fair value through profit or loss	608	1 106	1 366	2 877
Available-for-sale financial assets	15 525	24 024	14 073	8 988
Loans and receivables	4 820	3 697	7 617	6 240
Held-to-maturity investments	2 146	1 647	1 647	.. <sup>1)</sup>
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	13 001	13 686	12 443	13 923
Investments of investment service companies in subsidiaries, joint ventures and associates	..	..	..	..
Tangible assets	6 247	6 437	6 413	6 082
Intangible assets	12 112	12 288	12 237	14 929
Other assets	129 091	98 857	124 524	146 218
Non-current assets held for sale and transferable item groups	..	..	..	..
Tax assets	5 106	5 721	5 731	3 859
<b>TOTAL ASSETS</b>	<b>335 442</b>	<b>323 021</b>	<b>382 805</b>	<b>392 869</b>
<b>LIABILITIES</b>	.	.	.	.
Financial liabilities held for trading	..	..	..	..
Financial liabilities designated at fair value through profit or loss	..	..	..	..
Financial liabilities measured at amortised cost	2 088	2 758	2 362	3 497
Derivatives - Hedge accounting (liabilities)	..	..	..	..
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	..	..	..	..
Provisions	1 064	1 719	1 556	7 489
Tax liabilities	2 187	876	4 702	2 194
Share capital repayable on demand	..	..	..	..
Other Liabilities	99 735	75 063	86 897	108 182
Liabilities included in disposal groups classified as held for sale	..	..	..	..
Depreciation difference	69	36	69	..
Voluntary provisions	..	..	..	..
<b>TOTAL LIABILITIES</b>	<b>131 144</b>	<b>103 555</b>	<b>135 425</b>	<b>150 392</b>
Equity	39 462	40 551	40 022	40 121
Share premium	6 617	7 317	7 317	7 317
Equity instruments issued other than capital	..	..	..	..
Other equity	5 050	4 105	4 105	7 703
Accumulated other comprehensive income	220	173	918	-3 610
Retained earnings	86 656	98 920	133 884	155 390
Revaluation reserves	..	..	..	494
Other reserves	66 906	68 967	69 313	43 007
(-) Treasury shares	..	..	..	..

	1.1.- 31.3.2016	1.1.- 30.6.2016	1.1.- 30.9.2016	1.1.- 31.12.2016
Profit or loss allocated to shareholders of the parent company	..	..	..	..
(-) Interim dividends	..	..	..	..
Minority interests (non-controlling owners interests)	..	..	..	..
<b>TOTAL EQUITY</b>	<b>204 298</b>	<b>219 465</b>	<b>247 380</b>	<b>242 476</b>
<b>TOTAL EQUITY AND TOTAL LIABILITIES</b>	<b>335 442</b>	<b>323 020</b>	<b>382 805</b>	<b>392 868</b>

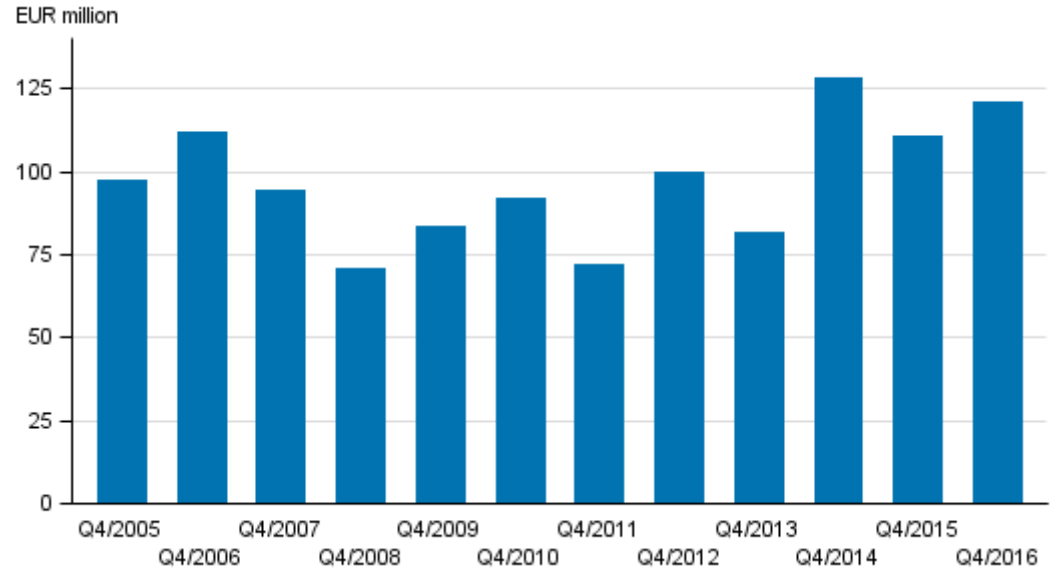
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# Figures

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



**Appendix figure 2. Investment firms' commission income by quarter, 4th quarter 2005-2016, EUR million**





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Source: Investment firms, Statistics Finland