

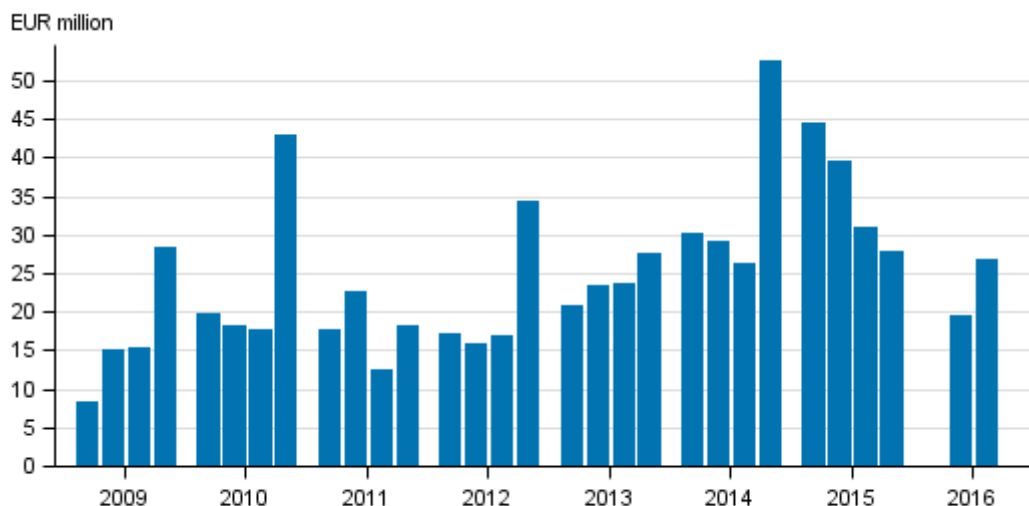
Investment service companies

2016, 2nd quarter

Net operating profit and commission income of investment service companies diminished from the previous year's April to June

The net operating profit of investment service companies was EUR 27 million in the second quarter of 2016. The net operating profit decreased by EUR 13 million compared to the corresponding quarter last year. Good EUR seven 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 2009–2016, EUR million



Commission income and expenses

In the second quarter, investment service companies accrued a total of EUR 93 million in commission income, which is EUR 16 million less than in the corresponding period of 2015. Compared to the previous quarter, commission income went up by EUR 4 million. Commission expenses amounted to EUR 24

million, which is EUR two million less than one year previously. Compared to the previous quarter, commission expenses went up by EUR 0.1 million.

Interest income and expenses

Interest income amounted to EUR 0.3 million, which is two per cent more than one year earlier and 25 per cent less than in the previous quarter. Interest expenses were EUR 0.1 million in the second quarter and they fell by 47 per cent from the previous year's corresponding quarter. Compared with the previous quarter, interest expenses went up by five per cent.

Administrative and operating expenses

The largest expenditure item of investment firms was administrative expenses, which in the second quarter of 2016 amounted to EUR 47 million, which is four per cent more than in the previous year. Compared with the previous quarter, administrative expenses fell by EUR one million. Of the administrative expenses, personnel expenses amounted to EUR 27 million, or 58 per cent of total administrative expenses. Other operating expenses amounted to EUR 20 million, which is EUR two million more than one year previously.

Balance sheets

The aggregate value of the balance sheets was EUR 323 million. The balance sheets grew by 16 per cent year-on-year. The share of own equity in the total of the balance sheets was 68 per cent.

At the end of the second quarter of 2016, there were 63 investment service companies operating in Finland, of which 39 generated a positive operating result.

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Appendix table

Appendix table 1. Profit and loss accounts of investment firms 1.1.- 30.6.2016, EUR thousands

	1.1.- 31.3.2016	1.1.- 30.6.2016
Interest income	208	469
Interest expenses	81	166
NET INCOME FROM FINANCIAL OPERATIONS	127	303
(Expenses on share capital repayable on demand)	- ¹⁾	1
Dividend income	1 940	2 092
Fee and comission income	89 663	183 073
(Fee and comission expenses)	23 694	47 472
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	113	100
Gains or (-) losses on financial assets and liabilities held for trading, net	7	179
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net	77	172
Gains or (-) losses from hedge accounting, net	23	372
Exchange differences [gain or (-) loss], net	17	65
Gains or (-) losses on derecognition of non financial assets, net	-246	-246
Other operating income	6 310	12 170
(Other operating expenses)	6 506	8 689
TOTAL OPERATING INCOME, NET	67 831	142 117
(Administrative expenses)	47 205	93 785
of which: Wages, salaries and fees (including staff-related cost)	27 648	54 591
of which: Other administrative expenses	19 558	39 194
(Depreciation)	1 034	2 052
(Provisions or (-) reversal of provisions)	-25	-42
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit of loss)	-	-60
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)	-	-
(Impairment or (-) reversal of impairment on non-financial assets)	-	-
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	19 617	46 382
(Appropriations)	-661	2 839
(Tax expense or (-) income related to profit or loss from continuing operations)	4 075	8 965
PROFIT OR (-) LOSS AFTER TAX FROM CONTINUING OPERATIONS	16 202	34 578
Profit or (-) loss after tax from discontinued operations	-	-2
PROFIT OR (-) LOSS FOR THE YEAR	16 202	34 576

1) No observations

Appendix table 2. Balance sheet of investment firms 1.1.- 30.6.2016, EUR thousands

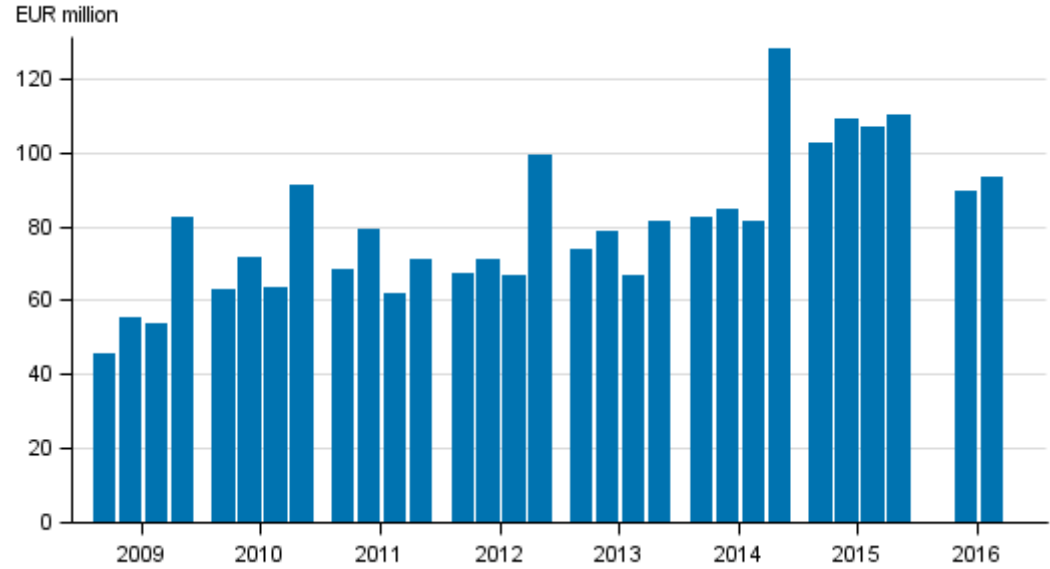
	1.1.- 31.3.2016	1.1.- 30.6.2016
ASSETS	.	.
Cash and cash balances at central banks	116 433	136 270
Financial assets held for trading	4 579	4 506
Financial assets designated at fair value through profit or loss	608	1 106
Available-for-sale financial assets	15 525	24 024

	1.1.- 31.3.2016	1.1.- 30.6.2016
Loans and receivables	4 820	3 697
Held-to-maturity investments	2 146	1 647
Derivatives - Hedge accounting (assets)	25 675	14 330
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	13 686
Tangible assets	6 247	6 437
Intangible assets	12 112	12 288
Tax assets	5 106	5 721
Other assets	129 091	98 857
Non-current assets and disposal groups classified as held for sale	100	453
TOTAL ASSETS	335 442	323 021
LIABILITIES	.	.
Financial liabilities held for trading	25 997	22 839
Financial liabilities designated at fair value through profit and loss	-	-
Financial liabilities measured at amortised cost	2 088	2 758
Derivatives - Hedge accounting (liabilities)	-	-
Fair value changes of the hedge items in portfolio hedge of interest rate risk (liabilities)	-	-
Provisions	1 064	1 719
Tax liabilities	2 187	876
Share capital repayable on demand	-	227
Other liabilities	99 735	75 063
Liabilities included in disposal groups classified as held for sale	-	-
Depreciation difference	69	36
Voluntary provisions	4	38
TOTAL LIABILITIES	131 144	103 555
Capital	39 462	40 551
Share premium	6 617	7 317
Other equity	125	231
Other	5 050	4 105
Accumulated other comprehensive income	220	173
Retained earnings	86 656	98 920
Revaluation reserves	-40	-176
Other reserves	66 906	68 967
(-) Treasury shares	-623	-623
Profit or loss allocated to shareholders of the parent company	-	-
(-) Interim dividends	-75	-
Minority interests (non-controlling owners' interests)	-	-
TOTAL EQUITY	204 298	219 465
TOTAL EQUITY AND TOTAL LIABILITIES	335 442	323 020

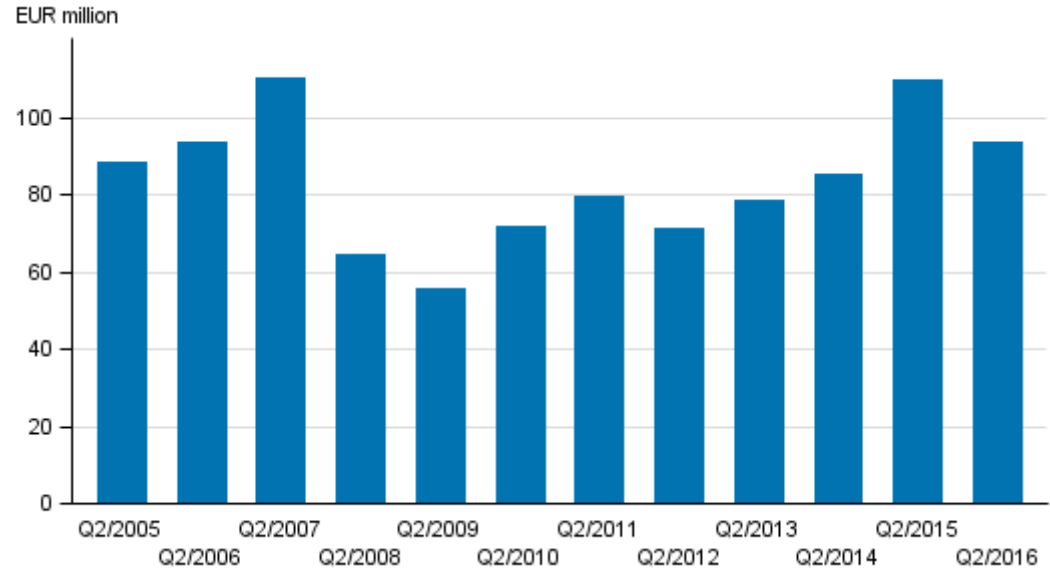
1) No observations

Figures

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



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



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Source: Investment firms, Statistics Finland