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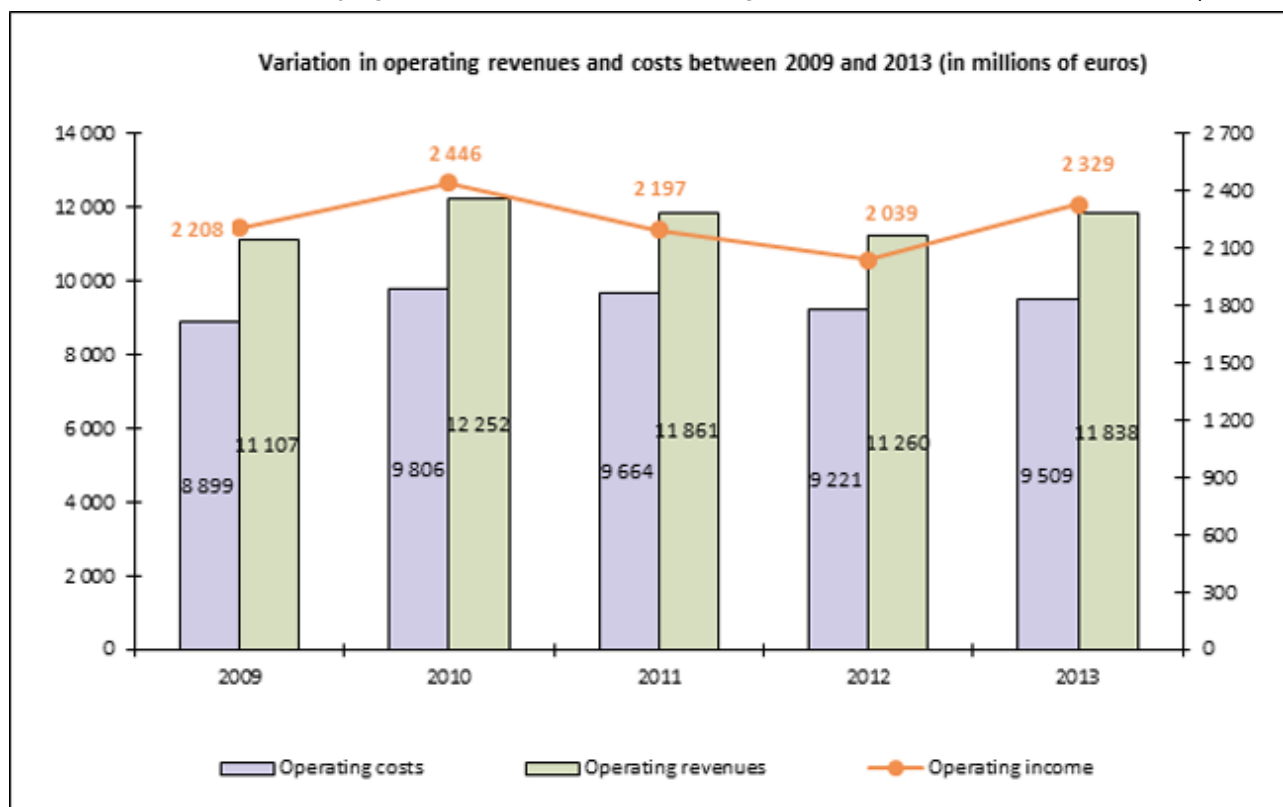
12 November 2014

Key figures on revenues for asset management in 2013: turnover of €11.8 billion

The French asset management market recorded an increase in turnover in 2013 (+5%) after a disappointing 2012 (-5%). This growth in revenue offset the increase in operating expenditure, resulting in a rise in operating income (+14%), the first since 2010.

Higher revenue in 2013

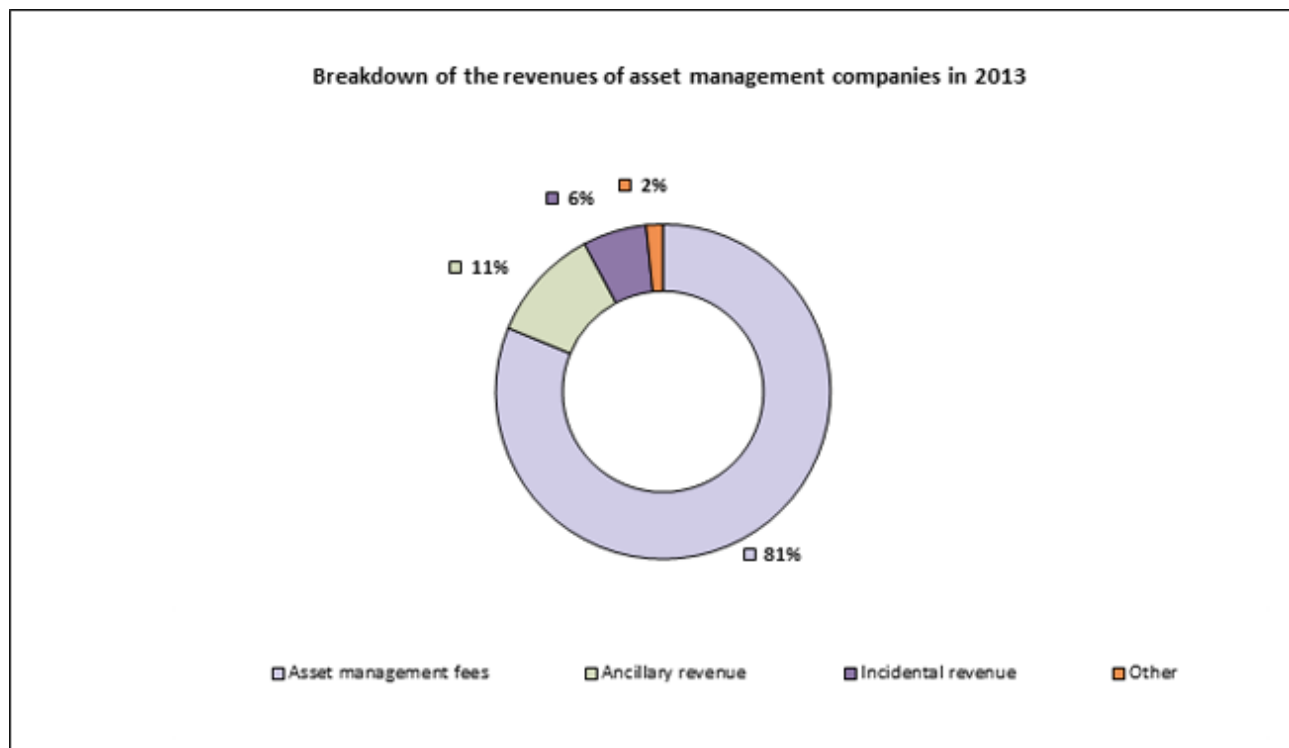
The turnover of investment management firms came to €11,838 million in 2013, up 5% on 2012. This increase in revenue offset the rise in operating costs, which stood at €9,509 million in 2013 (+3% against 2012). For the first time since 2010 an increase in operating income was recorded, with €2,329 million, up 14% on 2013.



Source: AMF

Spotlight on...the structure of revenues

An analysis of operating revenues shows that as in previous years, asset management fees were predominant in the revenues of investment management firms. Asset management fees remain the main revenue stream of investment management firms, contributing 81%. Collective asset management accounted for 91% of these fees, with the remainder generated by discretionary portfolio management.



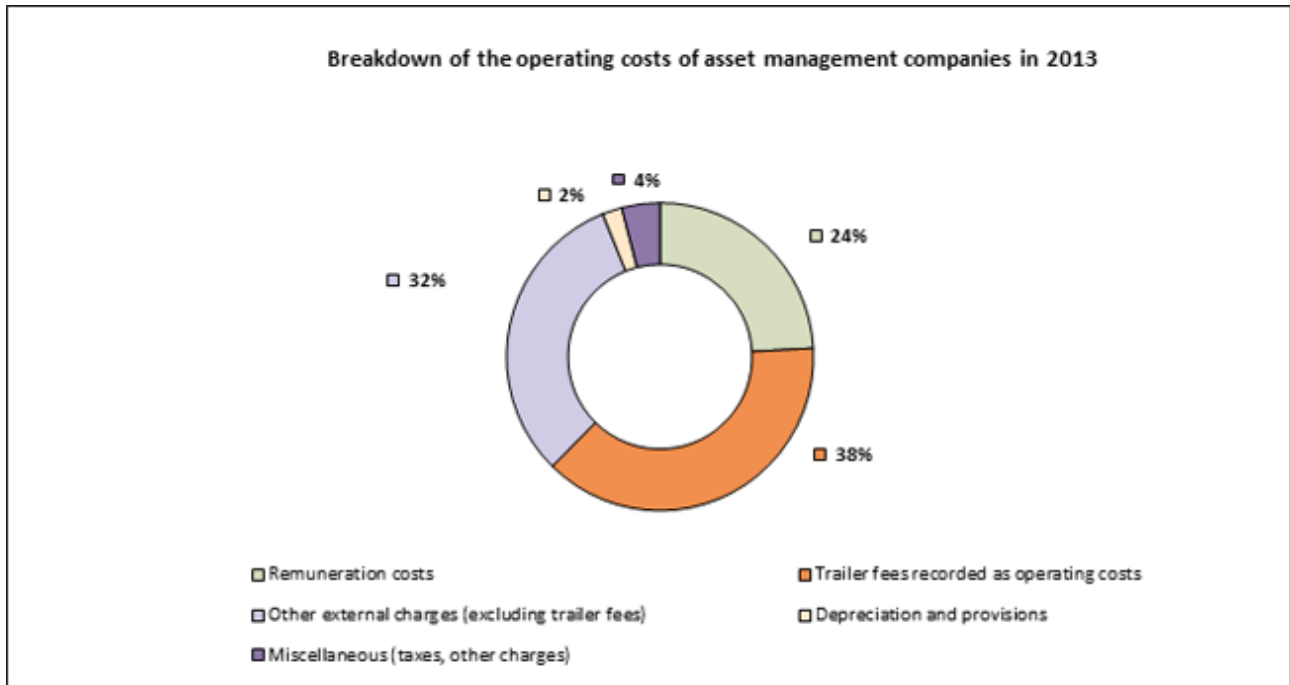
The other revenue streams include ancillary revenue(1), incidental revenue(2) and other revenue(3), generating 19% of all revenues.

A breakdown of the revenue items shows that the contributions to turnover differed according to the type of ownership structure. For example, investment management firms that are subsidiaries of credit institutions (18% of all firms) accounted for 57% of all assets under management and contributed 50% of revenues. Boutique firms, representing 64% of investment management firms, managed 6% of assets and generated 30% of operating revenues.

Lastly, it should be noted that the share of turnover operational fees and outperformance fees only represented 4.5% and 4.8% of revenues respectively.

Spotlight on... the operating costs of asset management companies in 2013

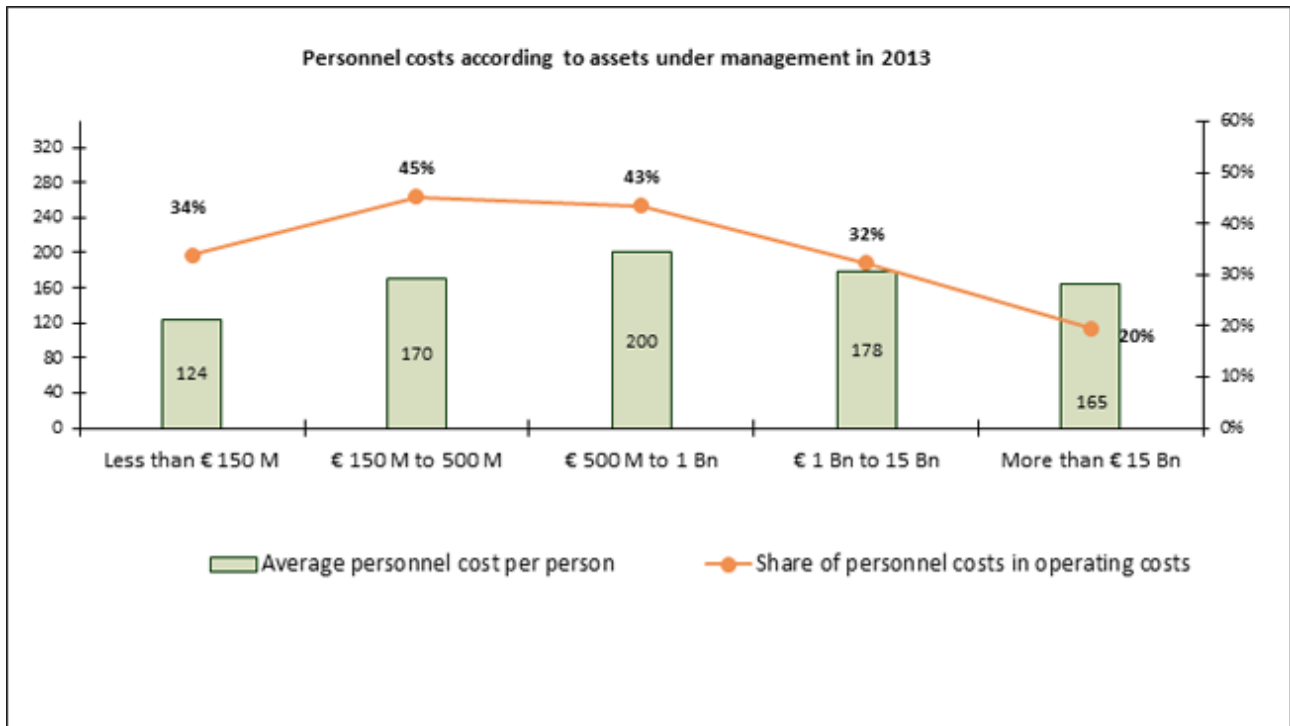
Operating costs came to €9,509 million for the year 2013, up 3% on 2012. This variation was due to an increase in all cost items, particularly the "external charges" and "remuneration costs" items. External charges, which are essentially composed of trailer fees recorded as operating costs(4), remain the largest cost item for investment management firms with a 70% share, a figure that was stable compared with 2012.



Source: AMF

Spotlight on... the remuneration costs of asset management companies

Remuneration costs, which encompass fixed wages, variable compensation and social contributions, grew by 3% compared with 2012, standing at €2,284 million(5) at end 2013.



Source: AMF

Average remuneration costs (defined as the ratio of all remuneration costs to the total headcount of investment management firms) stood at €191,908 at end 2013(6). One observation is that the share of personnel costs in operating costs diminishes for companies that manage an average of more than €500 million. This economy of scale can be explained, among other things, by the fact that the human resources used by investment management firms (in particular the proportion of financial managers) falls as business grows.

Source

As part of its supervision of the asset management sector, the AMF receives annual disclosures from investment management firms. These filings contain quantitative data on the assets managed and on the revenues and costs relating to asset management business conducted in France. The Authorisation and Supervision Division of the AMF's Asset Management Directorate uses this information to perform analyses. Despite the care taken in compiling and processing the data, there may still be a few inaccuracies due to late filing and data entry errors.

Reminder: key figures for asset management in 2013 – published and forthcoming
In early July 2014 the AMF launched this series of publications titled "Key figures for asset management". The four reports already published are available in Publications > Reports, research & analysis > Savings & service providers
The latest issue of "Key figures for asset management" will look at the theme of profitability and equity.
In November, a compilation of these reports enriched with further data and tables will be published.

(1) These are turnover operational fees, subscription and redemption fees, and trailer fees on mutual funds.

(2) This revenue includes fees charged for consultancy, subcontracting, order reception and transmission, and marketing services.

(3) This includes reversals of provisions, transfers of expenses and operating subsidies.

(4) Fees retroceded to distributors of the investment firm's products.

(5) Excluding intra-group rebilling and profit-sharing for employees.

(6) This figure does not include compensation through service provisions contracts. In this respect it should be remembered that this sort of scheme is only accepted for the corporate officers of investment management firms that benefit from an exclusive service provisions contract for the account of the asset management company.

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