
Q4 2021 overview of fund managers sector

The volume of pension funds started to grow again after the payouts from the second pillar pension funds, and the growth in assets in the fourth quarter was 5.8%. The value of assets of pension funds increased by 314 million euros, but the decline in equity funds of 147 million euros sharply slowed the growth in the total volume of funds. The aggregate volume of the funds increased by 214 million euros, or 3.8%, in the fourth quarter.

Key indicators	Q3 2021	Change	Q4 2021
Value of assets managed,	6.71 bln €	?	6.9 bln €
of which assets of funds (including non-open funds)	5.63 bln €	?	5.84 bln €
Quarterly growth in the market value of funds	-18.1%	?	+3.8%
Value of balance-sheet assets of fund managers	103.5 mln €	?	102.4 mln €
Profit	3.78 mln €	?	6.19 mln €
Annualised return on equity	10.9%	?	15.1%
Equity coverage ratio	358%	?	246%

There was a total of 6.9 billion euros of funds under management at the end of 2021, of which 5.8 billion euros was under the fund management business line.

The volume of fund asset investment services decreased by 1.9% in the fourth quarter. The portfolio of fund managers declined by 17.6 million euros in total, and stood at 928.8 million euros at the end of the fourth quarter.

The aggregate profit of fund managers was 6.2 million euros in the fourth quarter of 2021, making it the most profitable quarter of the year. Despite the shrinking volume of the second pillar pension funds, net service fee income in the fourth quarter was 9.6 million euros. Indicators for pension fund managers show that the profit in the fourth quarter of 2021 was 114% larger than that in the third quarter. Growth in the profits of other fund managers was more modest at 4%. The return on equity of the sector rose in the fourth quarter from 4.2% to 15.1%, which occurred mainly through an improvement in the return on equity of pension fund managers. Coverage of the equity requirement decreased by 103 percentage points in the fourth quarter of 2021 to 246%, which is the lowest coverage rate recorded.

Payouts from the second pillar pensions meant the total volume of pension funds declined in September by around a quarter, and the service fee income and profit of pension fund managers were expected to fall in consequence. Although the funds shrank in volume as clients departed the second pillar pension, the net service fee income and profit in the fourth quarter were the highest of the year. Several pension fund managers stood out for earning larger net service fee income than in the third quarter. The net service fee income of pension fund managers grew by 53% over the previous quarter, and profit grew by 114%.

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