
Q2 2022 overview of fund managers sector

The volume of assets managed by fund managers continued to decline in the second quarter of 2022, losing 10.1%. There were 6.03 billion euros of assets under management in the second quarter, of which 5.4 billion was under fund management, 130 million was under securities portfolio management, and 542 million was under the fund asset investment business line. This meant that volumes were down in all the business lines, by 7.4%, 2.6% and 31.1% respectively.

Key indicators	Q1 2022	Change	Q2 2022
Value of assets managed	6.6 mlrd €	?	6.03 mlrd €
of which assets of funds (including non-open funds)	5.7 mlrd €	?	5.4 mlrd €
Quarterly growth in the market value of funds	-2%	?	-7.4%
Value of balance-sheet assets of fund managers	81.6 €	?	74.5 mln €
Profit	-0.62 mln €	?	-0.68 mln €
Annualised return on equity	3%	?	3.6%
Equity coverage ratio	253%	?	259%

The fund management business line was down because of withdrawals from mandatory pension funds and the fall in stock markets. There was a sharp decline in the fund asset management service as the volume of assets of one large fund manager dropped by 69.7% as assets were transferred to clients located abroad.

The aggregate balance sheet of fund managers was down by 8.8% in second quarter of 2022, and the volume of assets of fund managers was 74.5 million euros. The biggest impact on the balance sheet came from the decline in cash and cash equivalents, which were down 18% on the previous quarter. The volume of own shares in mandatory pension funds was down by 13.5%, and that in voluntary pension funds was down 11.2%.

Fund managers again made a loss in the second quarter of the year, and the aggregate loss of the sector was 675,000 euros. The biggest contributors to this loss were pension fund managers. Payouts were made at the start of May to clients leaving the second pillar, and this reduced the volume of pension funds and consequently also the service fee income. Stock markets fell further in the second quarter and the costs of the fall in the value of financial investments caused losses at

most pension fund managers. The return on equity (ROE) of the whole sector was also negative in the second quarter and was down 0.5 percentage point at -3.6%. The deterioration in the ROE of pension funds was a factor in this, as their losses meant that their ROE was -11%. The indicator for other market participants improved significantly over the quarter though, rising from 3% to 26%.

The coverage of the own funds requirements by fund managers increased a little during the quarter to around 259%.

The trend in the total volume of funds was upwards from 2011 until the third quarter of 2021. Covid-19 caused a temporary decline in the first quarter of 2020, which mainly reduced the volumes of pension funds and equity funds. The total volume of funds has been volatile from quarter to quarter since the third quarter of 2021 however, as it has been affected by withdrawals from pension funds and the falls in stock markets. The volume of mandatory pension funds in the second quarter of 2022 was the same as in the fourth quarter of 2018 at around 4 billion euros. Withdrawals by those exiting the second pillar have in the meantime reduced the volume of pension funds by 1.6 billion euros. The change in the volume of equity funds is particularly eye-catching as they have shrunk in a few quarters from 241.6 million euros to 66.6 million.

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