
Q2 2022 overview of investment fund sector

There are nine investment firms operating under an authorisation issued by Finantsinspeksioon, of which four received their authorisation in 2021 or 2022.

The client assets managed by investment firms shrank by 23% in the quarter and were down 62% on the end of the year.

Key indicators	Q1 2022	Change	Q2 2022
Value of client assets	259 mln €	?	200 mln €
Value of assets of investment firms	112 mln €	?	131 mln €
Profit/loss	11 mln €	?	12 mln €
Net income	18 mln €	?	19 mln €
Return on equity (sliding year)	20.9%	?	32.9%

The balance sheet assets of investment firms increased by 17% in the second quarter to 131 million euros. The growth in assets was driven by large profits and intra-group settlements. Loans to different counterparties, including loans to clients backed by securities and intra-group loans, made up 20% of the assets of the sector. This was a notably smaller share than at the end of 2021. Demand deposits in banks and financial institutions make up 51% of assets, which is about the same amount as at the start of the quarter.

Investment firms earned 19 million euros in net income in the second quarter, which is about the same amount as in the first quarter. This represented strong growth over last year, when an average of 8 million euros was earned in a quarter. The majority of the income of the sector and a large part of the growth in income over last year came from trading in instruments measured at fair value.

The sector earned net profit of 12 million euros in the quarter, which is about the same amount as in the first quarter, but substantially more than the average quarterly profit earned in 2021.

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