
Q4 2020 overview of fund managers sector

The total volume of assets managed by the fund management sector increased by 6.8% in the fourth quarter of 2020, or in monetary terms by around 500 million euros, to stand at 7.87 billion euros at the end of 2020. This meant that the volume of assets under management was 383 million euros more than before the pandemic crisis. Markets continued to recover in the final quarter of the year and volumes increased at all the business lines offered by fund managers. The fund management line grew by 5.3% in the fourth quarter, which is a little below the growth in the second quarter. Some 331 million euros in assets were added to this business line and it saw the largest growth in volume in 2020. Investment in the assets of other funds grew by 15.3%, but a fall in the meantime meant that the total volume was lower than before the crisis. The securities portfolio management business line was 24.5% larger in volume than a year earlier at 132 million euros.

Key indicators	Q3 2020	Change	Q4 2020
Value of assets managed	7.36 billion €	?	7.87 billion €
of which assets of funds (including non-open funds)	6.20 billion €		6.53 billion €
Quarterly growth in the market value of funds	3.4%	?	5.3%
Value of balance-sheet assets of fund managers	123.4 million €	?	116.4 million €
Profit	4.0 million €	?	6.14 million €
Annualised return on equity	13.9%	?	12%
Equity coverage ratio	438%	?	344%

The volume of assets on the balance sheets of fund managers fell by 6% in the fourth quarter to 116.4 million euros, which was the lowest result since 2011. This was mainly because of reductions of 25% in monetary funds because of dividends paid out. The profit in the fourth quarter was the largest of 2020 at 6.14 million euros, which was 2.14 million euros larger than in the previous quarter. Despite the growth in the fourth quarter, the total profit for 2020 was 27% smaller than that in 2019. The profit was 13.4 million euros, which had already been achieved by the third quarter in the previous year. The return on capital in the fourth quarter was 12%, which was 3.5% better than in the third quarter, but 2.4% less than a year earlier.

Main development trends and risks

- The impact of the Covid-19 crisis on fund managers and funds weakened in the fourth quarter, and almost all the fund managers were in profit. Despite the good profit in the fourth quarter, the results for 2020 were still worse than in the previous year. It is unclear how the Covid-19 crisis will affect the results for 2021. The biggest risk is an increase in volatility and the consequent liquidity and market risks.
- The most important event in the pensions funds sector and a new source of risk is the pension reform that was launched in 2021.

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