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Financial Stability Report

6th OPSG meeting
Frankfurt, 26 April 2017

- Published semi-annually
- Comprise all identified risk and their assessments
 - Part I – regular analysis and assessment
 - Part II – thematic articles
- In addition to the regular analysis and assessment of risks, thematic articles aimed at deeper analysis of specific issues or broader policy discussions
- The reports also discuss the new methodological work for financial stability assessment
- <https://eiopa.europa.eu/financial-stability-crisis-prevention/financial-stability/financial-stability-reports>

Financial Stability Report

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- The global reinsurance sector
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- Background information and Data description

Part II – thematic articles

- The Impact of the Monetary Policy Interventions on the Insurance Industry
- Updating the Long Term Rate in Time: A Possible Approach

European Pension Sector Market Differences

- The importance of occupational pension fund sector substantially differ among countries

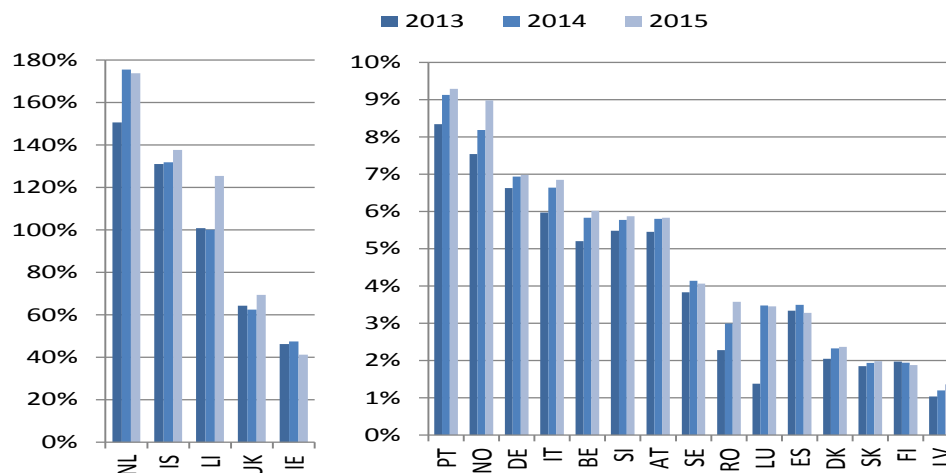
Total assets per country as a share of total assets reported for 2015

UK	NL	DE	IT	IE	ES	NO	BE	IS	AT	SE	PT	DK
49.82%	32.75%	5.90%	3.13%	2.94%	0.98%	0.87%	0.69%	0.58%	0.55%	0.51%	0.46%	0.18%
LI	RO	FI	SI	LU	SK	GR	PL	LV	HR	BG	MT	HU
0.17%	0.16%	0.11%	0.06%	0.05%	0.04%	0.03%	0.01%	0.009%	0.003%	0.0001%	0.00004%	0.00002%

Source: EIOPA

Note: Figure for UK contains DB and HY schemes only

Penetration rates (total assets as per cent of GDP)

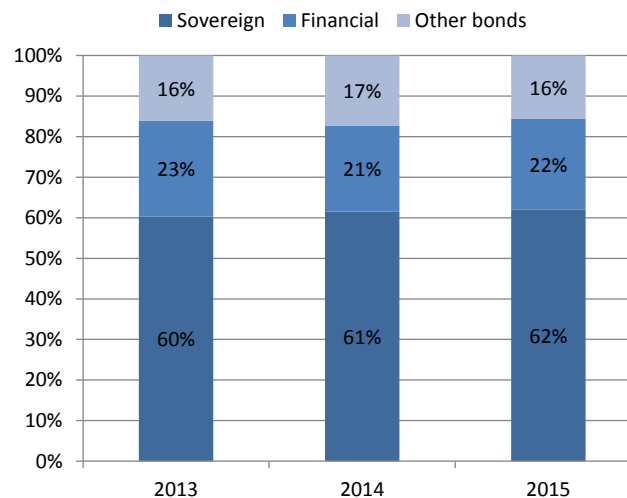
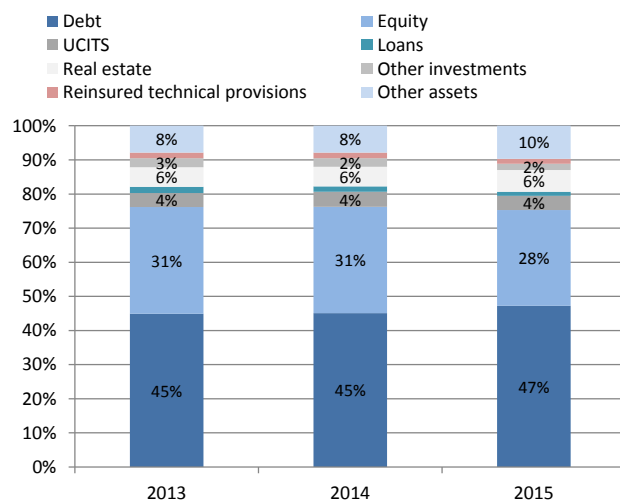


Source: EIOPA

Note: Penetration rates for GR, HR, PL, MT, BG and HU are lower than 1 per cent. LHS stands for left hand side and RHS for right hand side

European Pension Sector Investment Allocation

Investment Allocation for 2013 to 2015 (in per cent) *Bond investments breakdown for 2013 to 2015 (in per cent)*

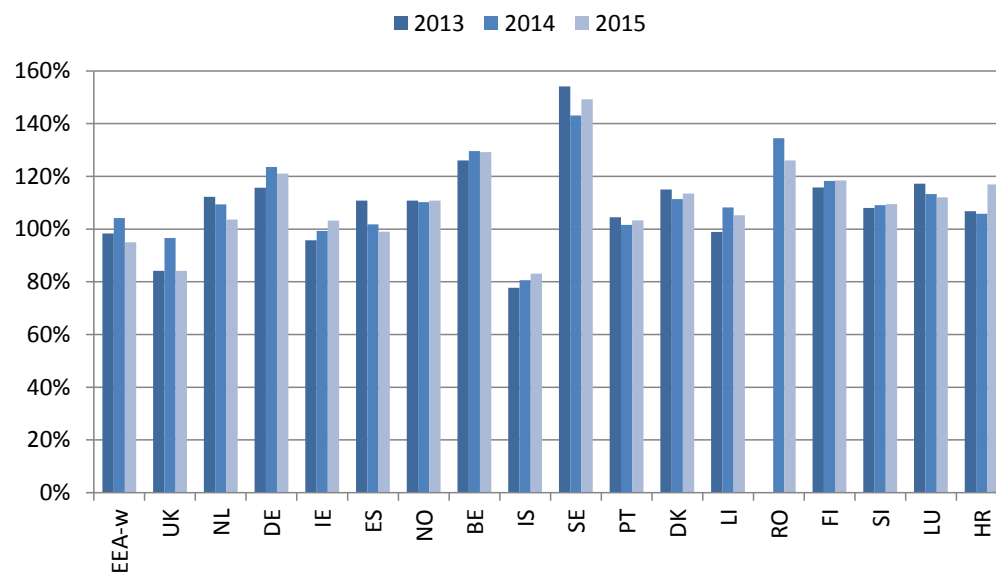


Source: EIOPA

Note: UCITS stands for Undertakings for Collective Investment in Transferable Securities. For all variable definitions please refer to the statistical annex published at: <https://eiopa.europa.eu/financial-stability-crisis-prevention/financial-stability/statistics>

European Pension Sector Cover ratio

Cover ratio (in per cent)



Source: EIOPA

Notes:

(1) Cover ratios refer to DB schemes. Countries with pure DC schemes present are not included in the chart and in the average calculations.

(2) Both the weighted and un-weighted averages for the cover ratio were calculated on the basis of the 17 countries depicted in the chart. The weighting was based on total assets.

(3) Due to different calculation methods and legislation, the reported cover ratios are not comparable across jurisdictions.

European Pension Sector Stress Test



- The most complex risk assessment tool for the European insurance and IORPs sectors
- Aiming to assess:
 - potential vulnerabilities and resilience of the sectors against adverse market scenarios and/or pension specific risks;
 - to assess potential impacts of adverse development on IORPs' sponsors, the real economy and overall financial stability
- The results of the IORPs ST 2017 could provide more insights into IORPs vulnerabilities and financial stability risks

- What is the OPSG view on the presentation of IORP sector in the financial stability report?