



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-RESTRICTED

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Monetary & Financial Statistics

# Insurance corporations statistics at the ECB

Conférence annuelle –  
Le reporting réglementaire

*Paris, 5 December 2016*

Presentation includes personal views of the author

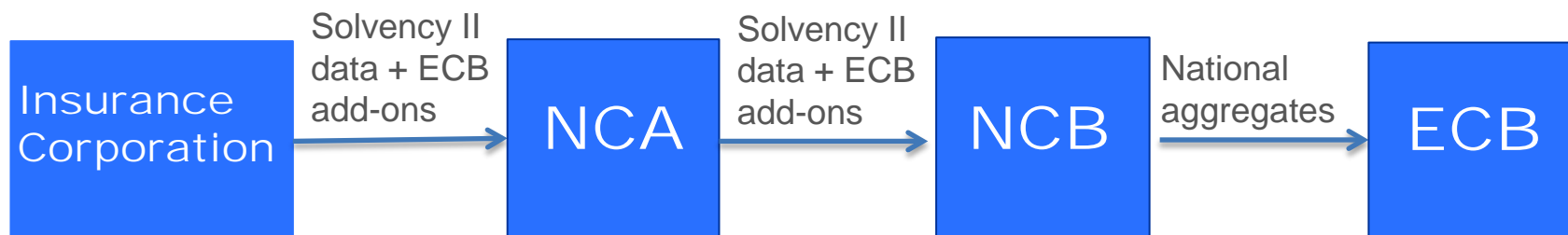
Not official position of ECB

- Regulation ECB/2014/50 on insurance corporations statistics
  - *Solo entities*
  - *Balance sheet items*, by geographic area, sector, maturity (*quarterly*)
  - *Outstanding amounts* and *transactions*
  - Premiums, claims and commissions (*annual*; first reporting in 2017)
- Guideline ECB/2014/15 addressed to national central banks
  - Reflects items in the Regulation - for checking and transmission
  - Breakdown by type: reinsurance, life, non-life, composite

- Recital 5 of the Regulation

*“in order to minimise the reporting burden on insurance corporations, NCBs may derive the data required from data collected under Directive 2009/138/EC (Solvency II)”*

- ECB statistical requirements *included in Solvency II reporting* and the XBRL taxonomy includes *ECB add-ons*
- Flexibility on (single) *data flow* at *national level*, usually:



- *First data* to ECB *in July 2016* *Day 1* *ref. 2015 Q4 + ref. 2016 Q1*  
second transmission *in Sept. 16* *ref. 2016 Q2*
- *Timeliness:* no major shortcomings
- *Coverage of reporters:* no major shortcomings identified
- *Quarterly data almost complete*
- *Consistency checks* show quality issues: failing checks often large
- *Quality issues* with *list of assets* template raised by NCBs
  - *Data gaps for instrument classification, issuer country, issue and maturity dates, par amount, CIC codes, counterpart sector*
  - *Erroneous reporting of price and quantity information*
  - *Where validation checks set out in XBRL taxonomy: overall better quality*

- Data on insurance corporations support the performance of ESCB tasks in particular in the fields of *monetary policy* and *financial stability*
- High quality data on insurance corporations are inter alia used for
  - *Monitoring and analysing changes in financial intermediation*
  - *Conducting scenario analyses for Eurosystem forecasting exercises*
  - *Assessing and monitoring impact of standard and non-standard monetary policy measures on the monetary transmission mechanism*
  - *Monitoring funding and interconnectedness as part of financial stability and financial integration analyses*

**MERCI**

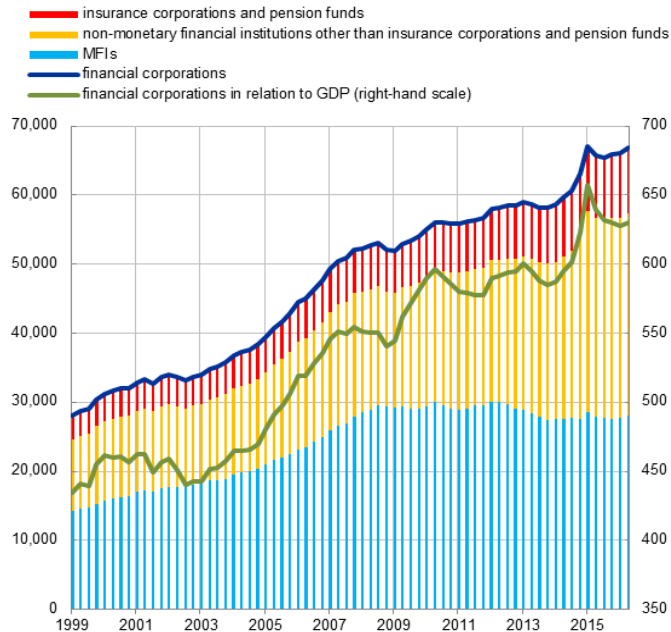
**Pour votre  
attention !**

***Questions***



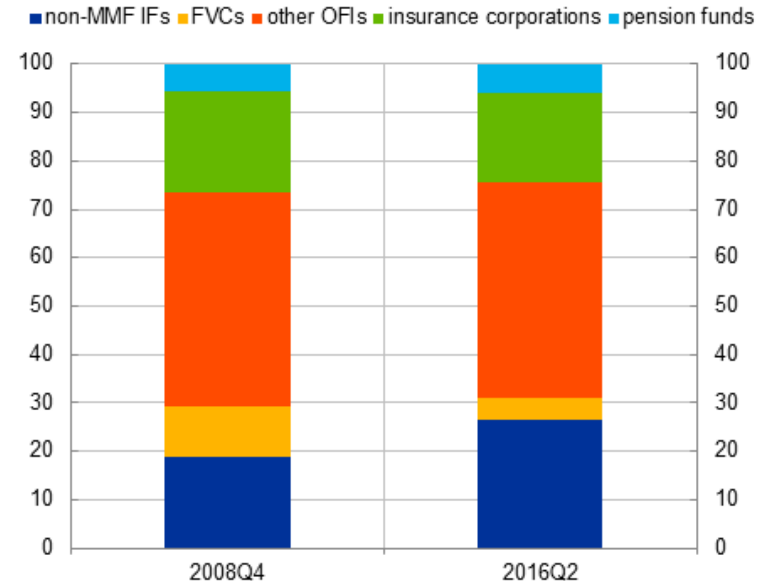
# (i) Monitoring & analysing changes in financial **intermediation**

## Total financial assets held by EA fin. corp. (outstanding amounts; lhs: € bn; rhs: % of nominal GDP)



Source: ECB. Notes: Financial corporations and MFIs excluding the Eurosystem. Last observation refers to Q2 2016.

## Share of total financial assets held by euro area non-MFIs by sub-sector (outstanding amounts; percentages)



Source: ECB. Notes: assets held by other OFIs calculated by subtracting from assets held by the aggregate OFI sector the assets held by IFs and FVCs. Latest observation refers to Q2 2016.

The size of the financial sector has increased after the financial crisis

=> banking crisis has increased the role of non-MFIs in financial intermediation

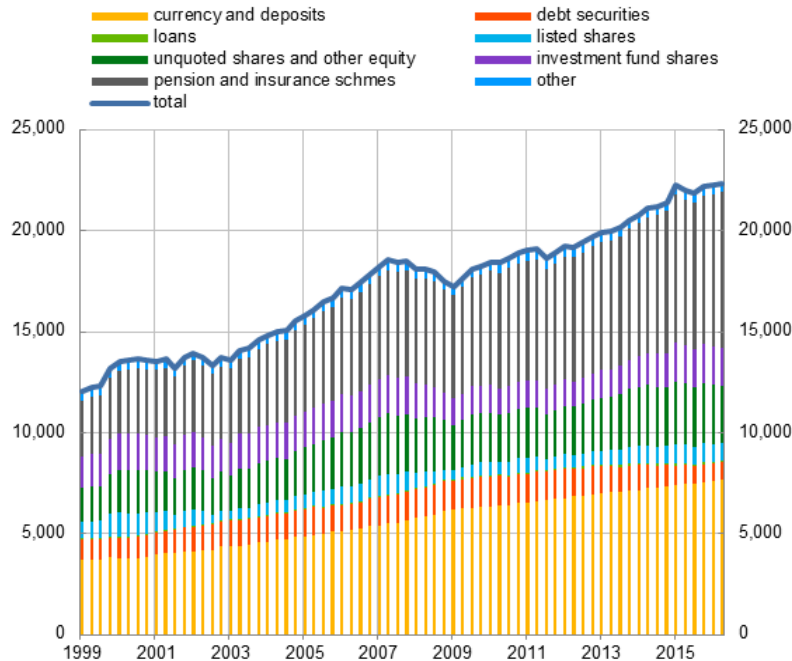
ICs hold around 20% of total financial assets of non-MFIs

=> which highlights their importance in financial intermediation in the euro area

# (ii) Estimating the impacts of wealth effects on consumption

## Financial assets held by EA Households

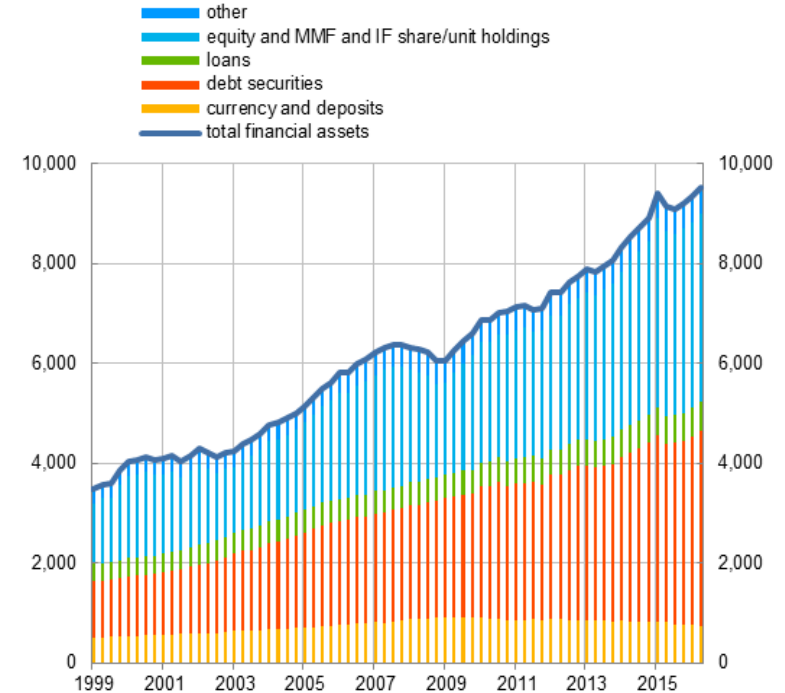
(outstanding amounts; € bn)



Source: ECB. Latest observation refers to Q2 2016.

## Financial assets held by EA ICPFs

(outstanding amounts; € bn)



Source: ECB. Latest observation refers to Q2 2016.

Households keep 1/3 of their financial assets in life insurance and pension products

- necessary to look at the asset side of IC balance sheet to quantify the impacts of possible changes in financial prices on the household net worth and consumption

More detailed information on IC holdings of debt securities and shares (IFs) helps

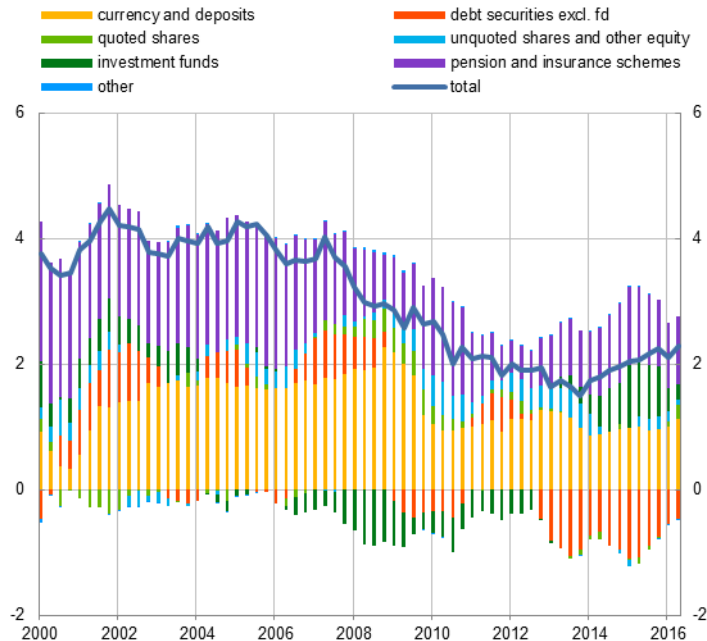
- by maturity structure, issuing sector, currency, geographical location, IF type



# (iii) Assessing impacts of standard & non-standard mon. pol.

## Financial investment by EA households

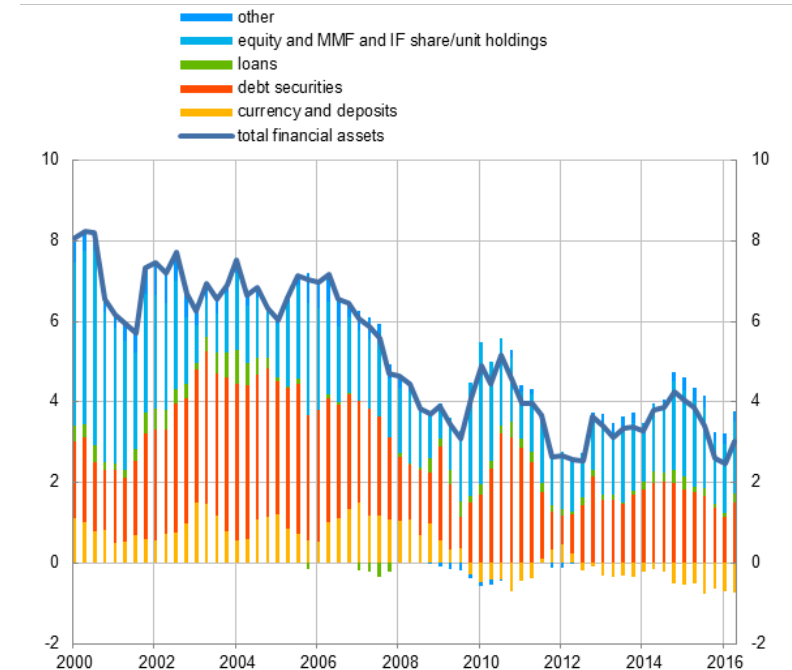
(annual % changes; % point contributions)



Source: ECB. Latest observation refers to Q2 2016.

## Financial investment by EA ICPFs

(annual % changes; % point contributions)



Source: ECB. Latest observation refers to Q2 2016.

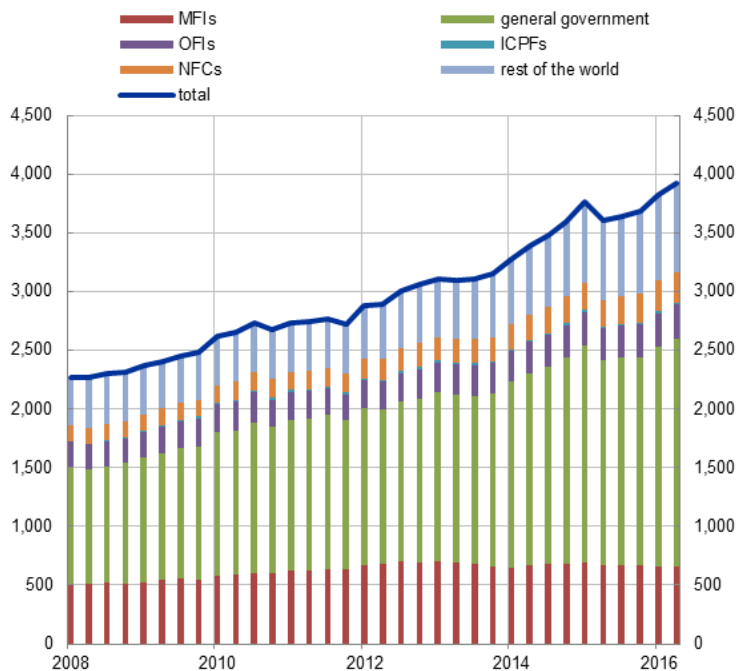
Sectoral data/approach for a better understanding of transmission mechanism

⇒ *direct*: monetary policy affects prices and quantities, thus sectoral asset holdings/allocation

⇒ *indirect*: sectoral inter-linkages between households and ICs reinforce impact of mon. pol.

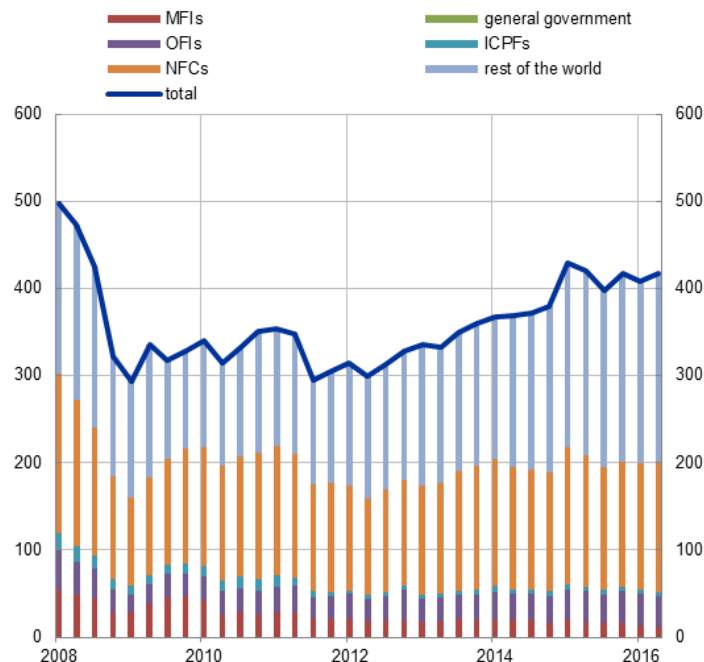
# (iv) Analysing changes in financing: stocks

## EA ICPFs' holdings of debt securities by issuing sector (outstanding amounts; € bn)



Source: ECB. Latest observation refers to Q2 2016.

## EA ICPFs' holdings of listed shares by issuing sector (outstanding amounts; € bn)

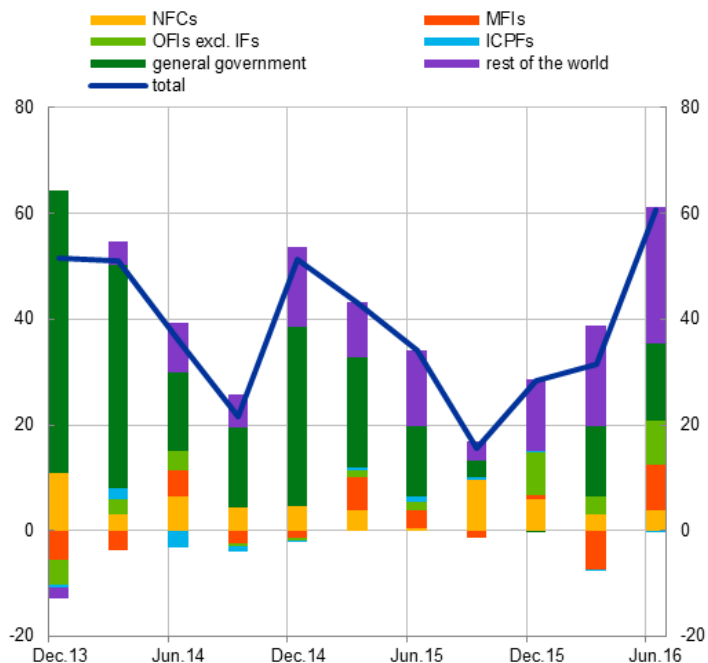


Source: ECB. Latest observation refers to Q2 2016.

ICs are large holders of debt securities issued by General Government, NFCs and MFIs, but also of listed shares issued by NFCs

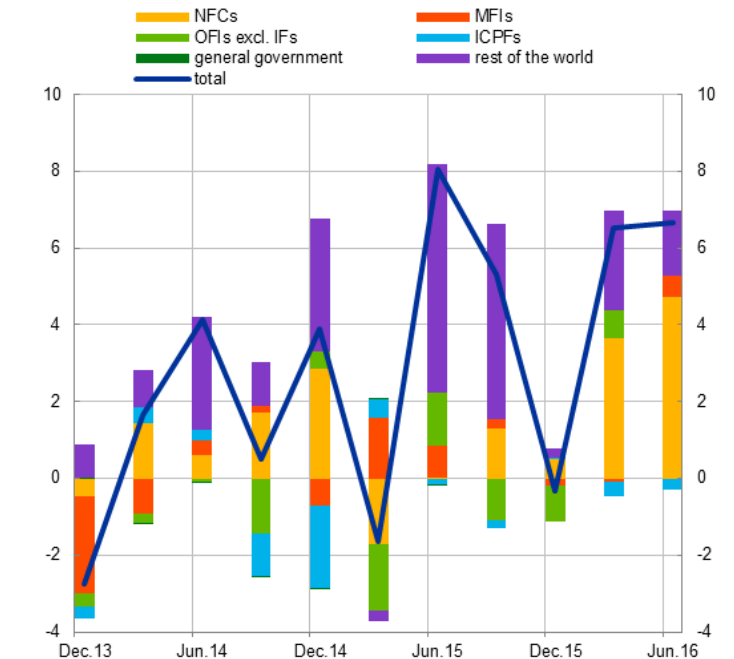
# (iv) Analysing changes in financing: flows

## Net purchases of debt securities by euro area ICPFs, by issuing sector (quarterly flows; € bn)



Source: ECB. Latest observation refers to Q2 2016.

## Net purchases of listed shares by euro area ICPFs, by issuing sector (quarterly flows; € bn)



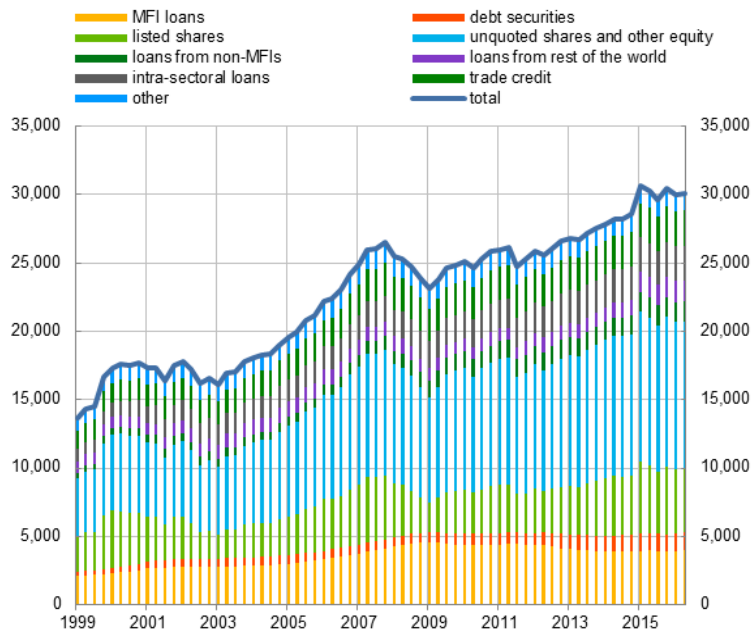
Source: ECB. Latest observation refers to Q2 2016.

Recently, ICPFs have increased their holdings of debt securities issued by General Government less than in the past, while increasing at a faster pace the purchases of listed shares issued by NFCs

=> highlighting how monetary policy (with other factors) affected financial investment of ICs

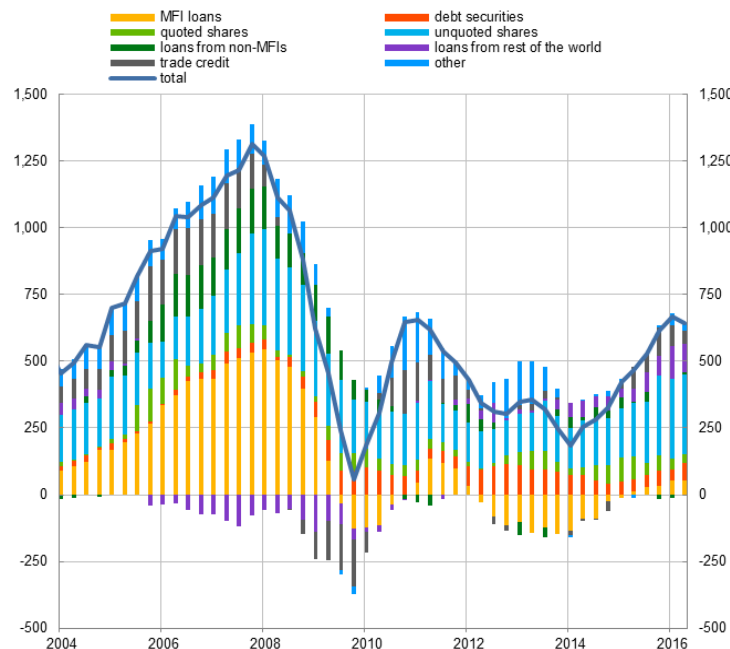
# (iv) Analysing changes in NFC financing

## The balance sheet structure of euro area NFCs (outstanding amounts; € bn)



Source: ECB. Latest observation refers to Q2 2016.

## External financing of euro area NFCs (four quarter flows; € bn)



Source: ECB. Latest observation refers to Q2 2016.