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# Financing the real economy

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April 2015, Bucharest

# Summary

1.

Financial markets dimension in the economy

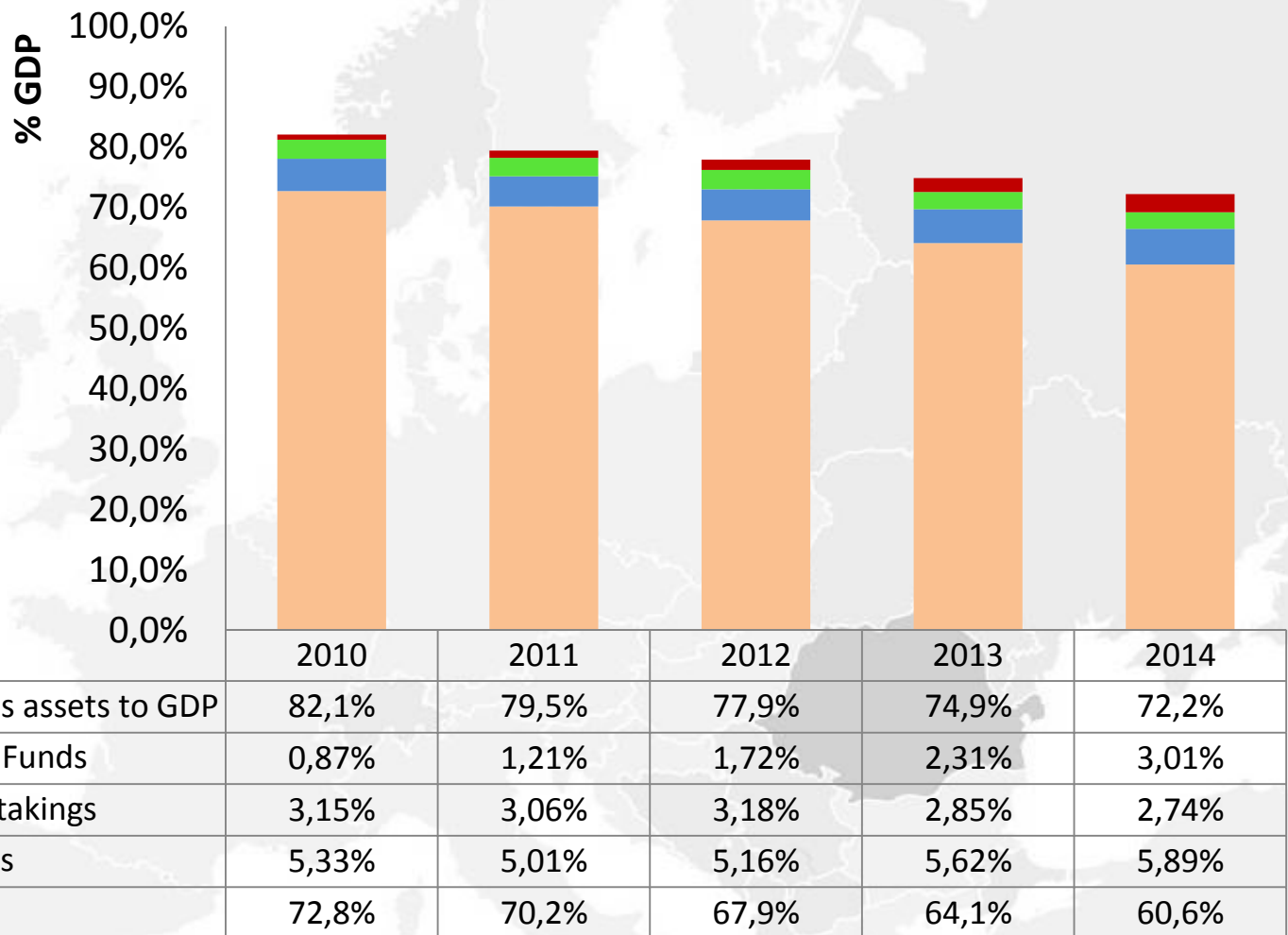
2.

ASF main projects to support financing the real economy

3.

Q&A

# Structure of financial system's assets to GDP



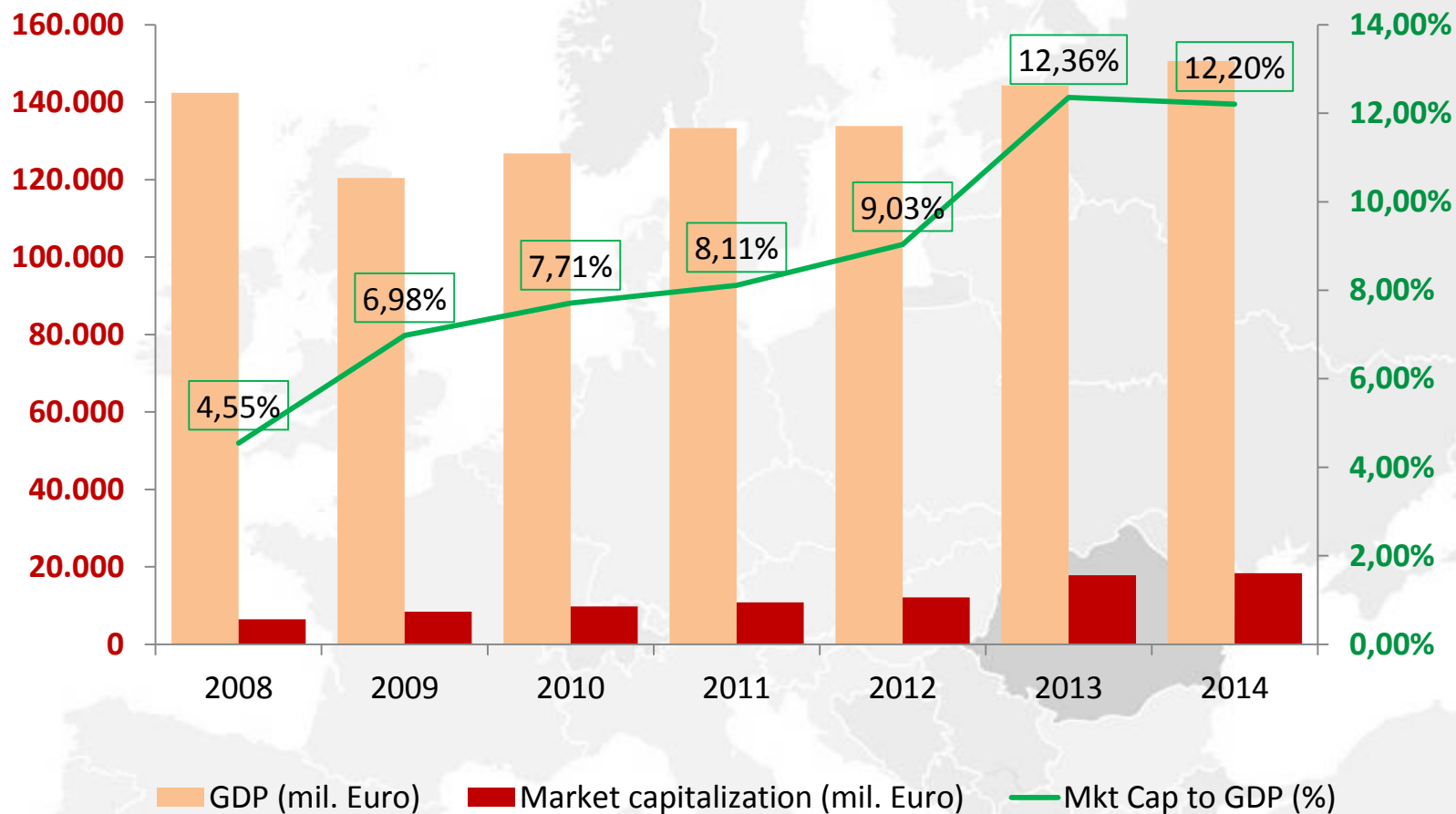
Source: INS. BNR. ASF Calculations

# Non-banking financial sector contribution to financing government debt

Financial entities	Internal Government Debt (%)	
	2013	2014
Insurance undertakings	3,4%	3,3%
Pension funds	7,2%	9,2%
Investment funds	3,3%	4,2%
<b>Total</b>	<b>13,9%</b>	<b>16,6%</b>

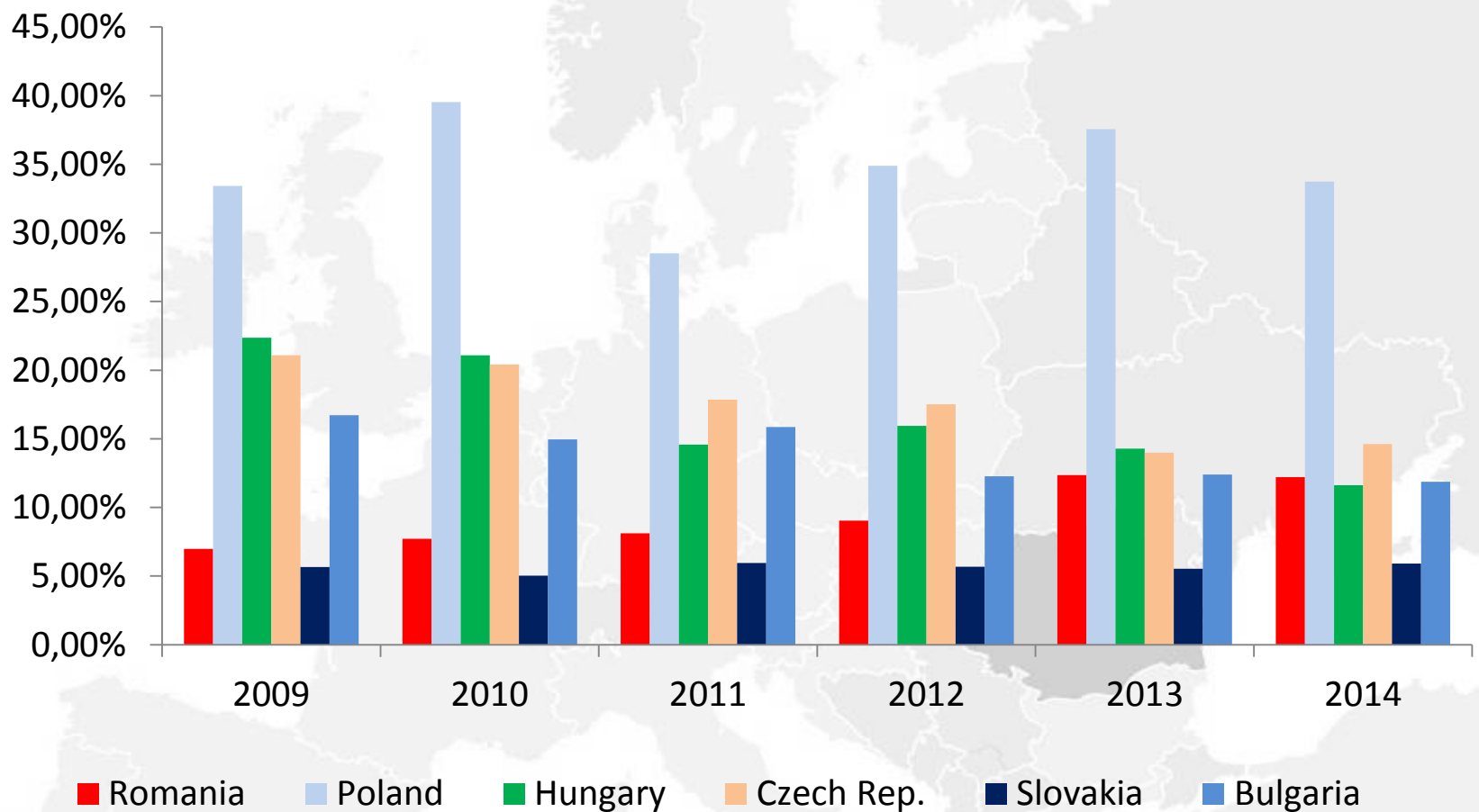
Source: MFP, ASF, ASF Calculations

# Capital Markets: Capitalization to GDP



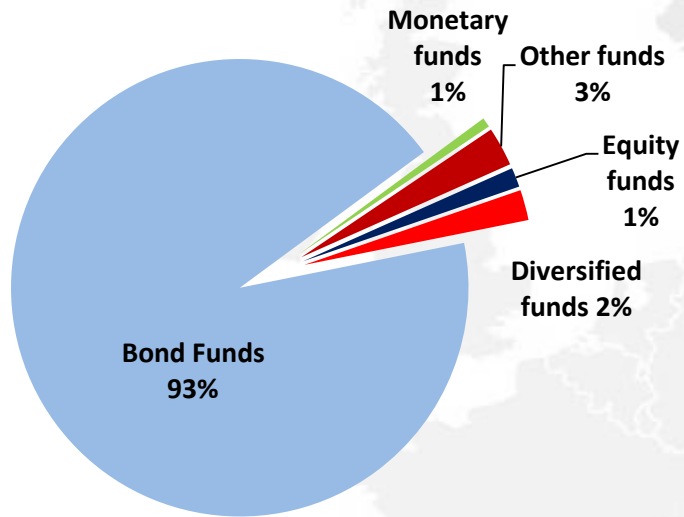
Source: Eurostat, ASF Calculations

# Capital Markets: Regional capitalization to GDP



Source: Eurostat, ASF Calculations

# Capital Markets: Open-end funds have high appetite for bonds

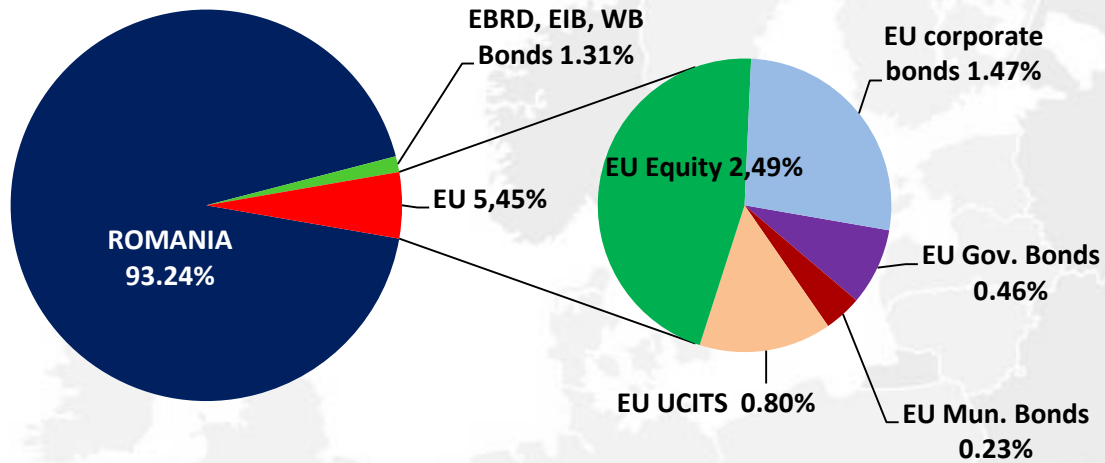


Open-end funds	Net Assets 31.12.2013 (lei)	Net Assets 31.12.2014 (lei)
Equity funds	210.191.182,65	251.289.791,43
Diversified funds	286.528.920,70	392.304.399
Bond Funds	12.266.327.136,31	17.011.754.793,82
Monetary funds	77.414.198,29	123.951.729,29
Other funds	147.273.053,02	504.029.422,68
<b>TOTAL</b>	<b>12.987.734.490,97</b>	<b>18.283.330.136,21</b>

Source: ASF

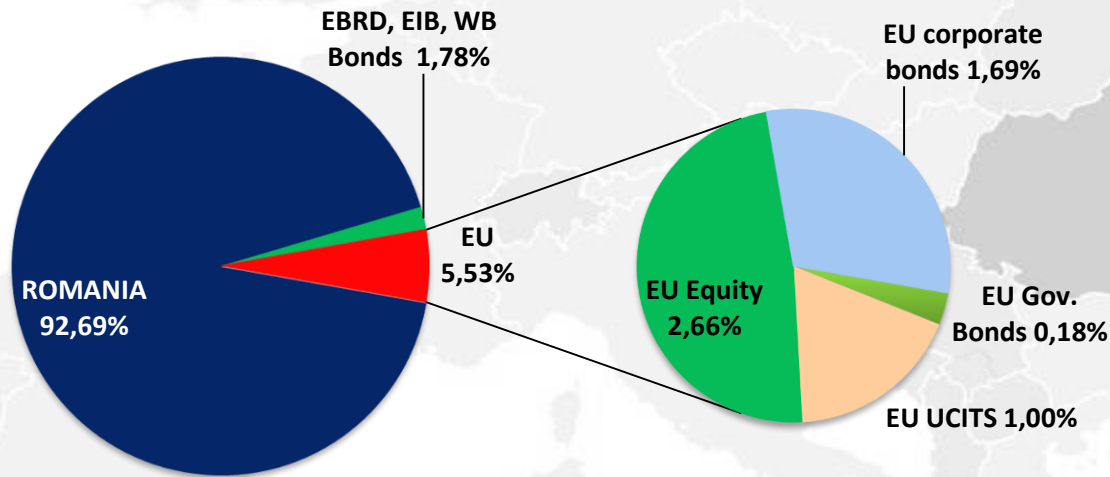
# Private pensions: Assets allocation

2<sup>nd</sup> Pillar



Romanian Government bonds are predominant

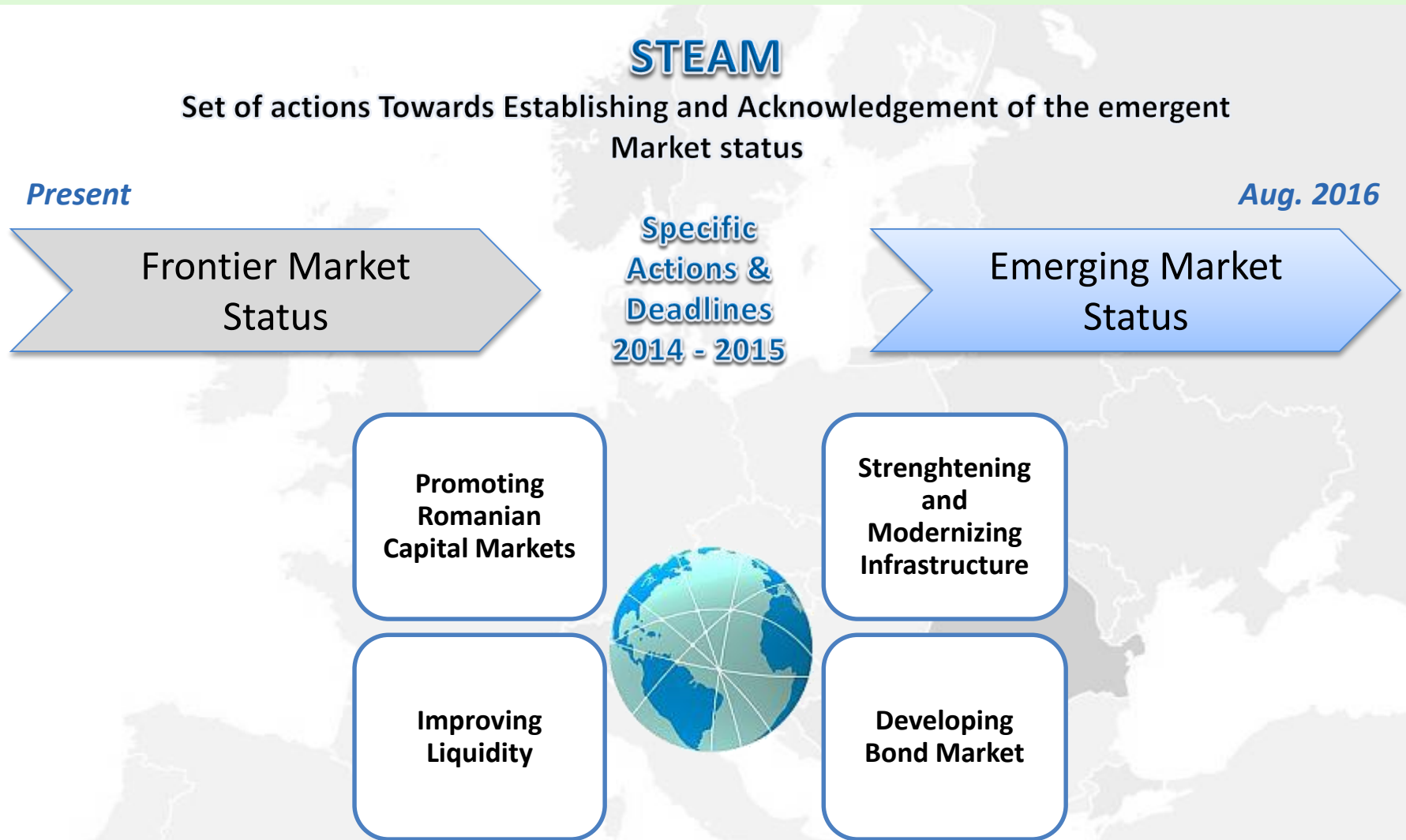
3<sup>rd</sup> Pillar



Source: ASF



# Capital markets: STEAM project (1)



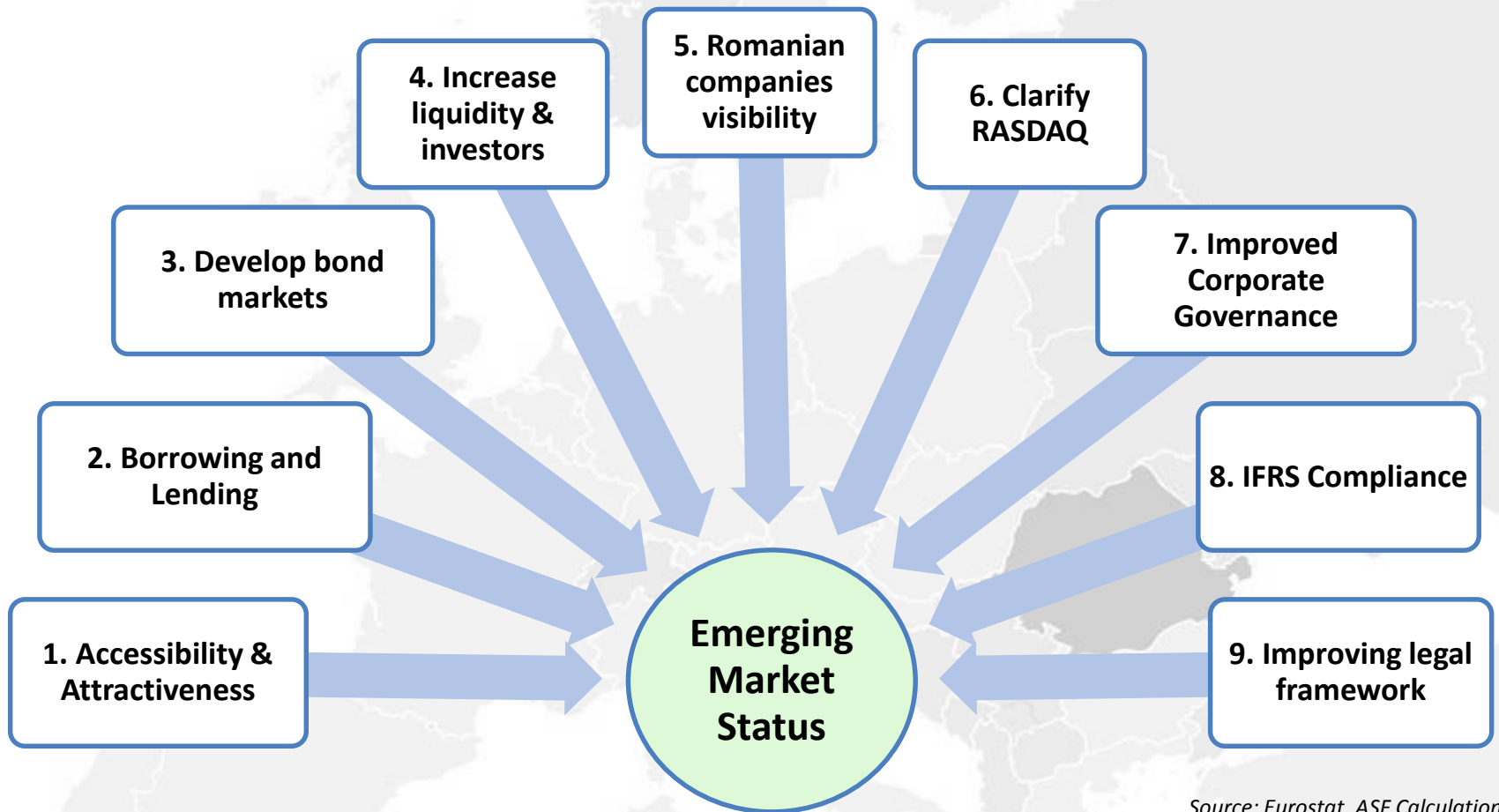
1.

2. ASF main projects to support financing the real economy

3.

# Capital markets: STEAM project (2)

Connecting local market to global markets



Source: Eurostat, ASF Calculations

1.

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# Insurance sector: Balance Sheet Review exercise

Started 2014 ...

Recalibrating financial discipline: IFRS, financial audit, supervision, operational risks control

Restoring core insurance activity: MTPL, reserves, risk coverage, consumer protection, aiming at reducing costs.

Launching Balance Sheet Review: auditing assets and liabilities for 85% of insurance market. Deadline: H1 2015

Setting legal framework for implementing Solvency II starting January 1<sup>st</sup> 2016

... Continues in 2015

Transposing Solvency II Directive no. 2009/138 in national legislation

Preparing the insurance market to apply Solvency II starting 1<sup>st</sup> January 2016

Finalizing Balance Sheet Review exercise

Improved continue risk-based supervision

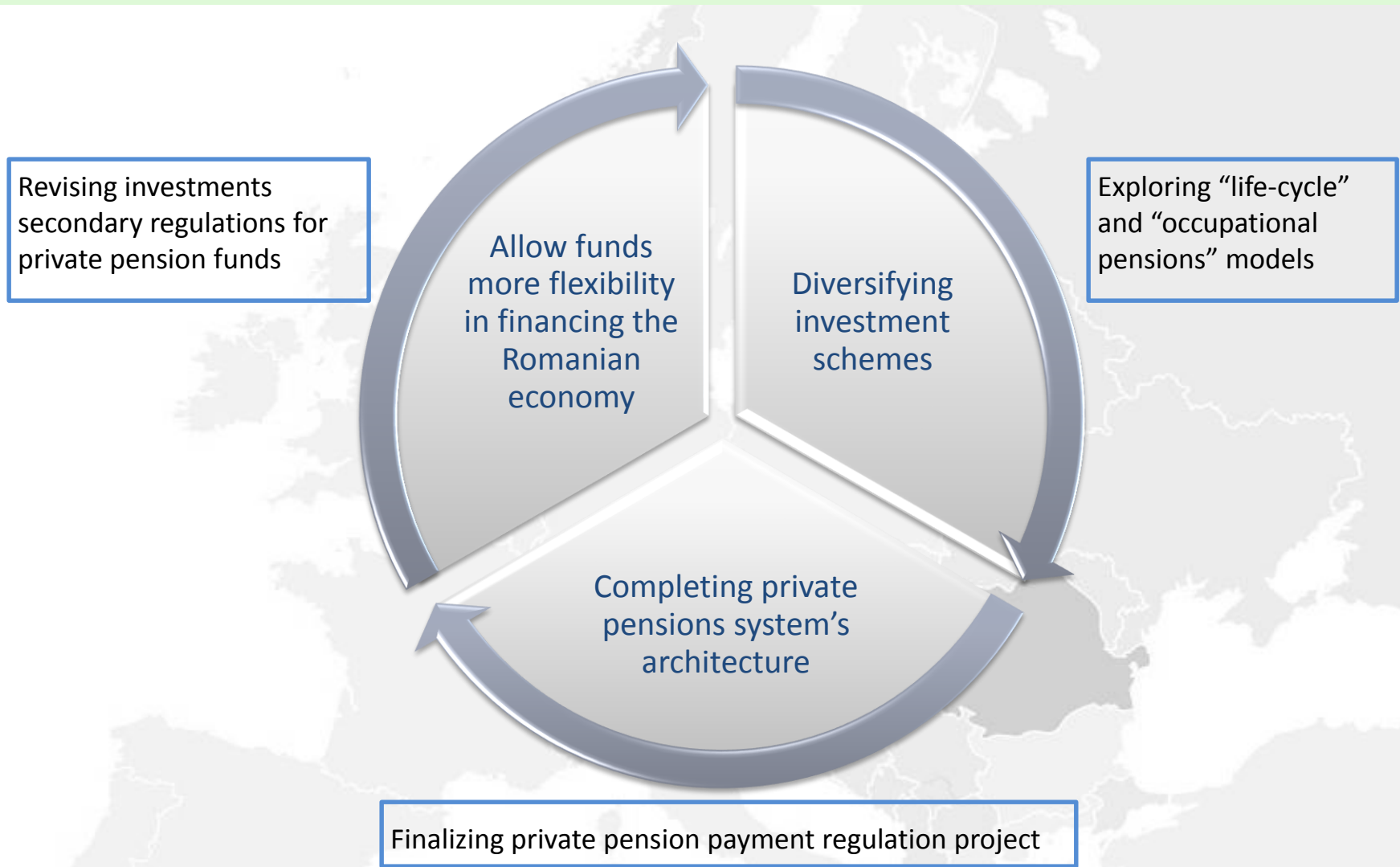
Setting resolution framework for distressed undertakings

1.

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# Private pensions system: Improving investments secondary regulations



1.

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3.



1.

2.

3. Q & A



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Thank you!



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