

PSVaG

PENSIONS-SICHERUNGS-VEREIN
Mutual insurance association

Report on the
2016 Financial Year

Issued by:
PENSIONS-SICHERUNGS-VEREIN
Mutual insurance association

Bahnstraße 6, 50996 Cologne, Germany
Tel: +49 221 93659 202
Fax: +49 221 93659 194
<http://www.psvag.de>
E-mail: info@psvag.de

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The full version of the 2016 Annual Report
is available in German.

Table of contents

	Page
Supervisory Board and Board of Management	5
Management Report	7
Annual Financial Statements	
Balance Sheet as at 31 December 2016	22
Profit and Loss Account for the period from 1 January 2016 to 31 December 2016	25
Overview of the historical development of the PSVaG from 1975 to 2016	26
Members of the Consortium for the PSVaG	28

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Board of Management

Dr. Marko Brambach, Lawyer (from 1 January 2017), Cologne

Hans H. Melchior, Graduate economist, Cologne

Dr. Hermann Peter Wohlleben, Lawyer (until 31 December 2016), Cologne

Management Report

The remit of the PENSIONS-SICHERUNGS- VEREIN – Object of the insurance

The PENSIONS-SICHERUNGS-VEREIN Versicherungsverein auf Gegenseitigkeit (PSVaG) is the statutory agency providing insolvency protection for occupational pension schemes. The sole purpose of this mutual insurance association is to guarantee occupational pensions in the event of an employer becoming insolvent in the Federal Republic of Germany, where this guarantee function is fulfilled pursuant to the Fourth Section of the German Law on the Improvement of Occupational Old-age Pensions (BetrAVG), and in the Grand Duchy of Luxembourg.

The insolvency insurance covers all schemes where the fulfilment of earned claims to an occupational pension is jeopardised by the employer becoming insolvent. Such schemes include:

1. direct pension commitments, also referred to as direct commitments
2. indirect pension commitments through
 - a) pension relief funds,
 - b) direct pension insurance plans – only in the case of revocable rights or irrevocable entitlements if these have been assigned, presented as security or pledged – and
 - c) pension funds.

On the basis of a General Agreement (Section 8, para. 1 of BetrAVG in conjunction with Section 2, para 2 of its Articles of Association), the PSVaG transfers old-age pension obligations assumed as a result of an employer becoming insolvent to a consortium currently numbering 49 life insurance undertakings (cf. list on page 28). The executive insurer of the Consortium for the PSVaG is Allianz Lebensversicherungs-AG, Stuttgart.

Source of funds, Financing procedure

The funds used to cover insolvency insurance claims are raised pursuant to Section 10 of BetrAVG in the form of statutory contributions from those employers who provide occupational old-age pensions through one of the schemes subject to compulsory insolvency insurance. Since the amendment

to Section 10, para. 2 of BetrAVG, which entered into force in 2006, the contributions must be sufficient to cover the following:

- the cash value of claims to insolvency insurance benefits that arise during the current calendar year (base accounting interest rate pursuant to Section 235, para. 1 no. 4 of the Insurance Supervision Act - VAG)
- the difference between the cash value of the entitlements to benefits forming the subject of claims due to insolvency cases at the end of the calendar year and the equivalent cash value at the end of the previous year (base accounting interest rate one third higher than than applied to current benefits)
- administrative and other costs
- payments made into a compensation fund designated by the German Federal Financial Supervisory Authority (BaFin) and
- payments into a loss reserve account pursuant to Section 193 of VAG.

The capitalised values of both the pensions requiring continued payment and the insurable pension entitlements are financed in the year of insolvency from the contributions received by the PSVaG.

The required levels of contributions are calculated at the end of the year and apportioned to all of the employers subject to compulsory contributions. A characteristic feature of this process is the fact that the contribution rates reflect differences in claim volumes from one year to the next.

Retroactive financing of "old claims" through one-off contributions

Beginning in 2007, "old claims" of around € 2.2 billion, i.e. non-forfeitable entitlements from insolvencies up to and including 2005 that were insurable but had not yet been financed, were financed retroactively through a one-off contribution (cf. 2007 Annual Report). This one-off contribution, set at rate of 0.866 per cent, is generally payable in 15 equal annual payments with instalments due on 31 March of each year from 2007 to 2021. Alternatively, all future instalments can be paid early as one lump sum on a voluntary basis, in which case interest is deducted from all future instalments at an accounting interest rate set one third higher than the rate applicable at the time of payment in accordance with Section 235, para. 1 no. 4 of VAG (2016: 1.67%, 2017 onwards: 1.2%).

A total of € 70.7 million was payable for the tenth instalment due on 31 March 2016. A further 380 or so instalment payers took advantage of the option of voluntary early repayment in 2016, paying a total of € 7.7 million after deduction of the statutory discount. Approximately 11,300 employers remain who are obliged to pay annual instalments totalling € 69.1 million over the period from 2017 to 2021.

Cash value of the insured entitlements

Insured entitlements to future benefits as a result of insolvencies occurring up to 31 December 2016 numbered approximately 177,000. The total cash value of these entitlements is in the region of € 3,022.5 million. These values were calculated using the 2005 G Heubeck guide tables with the statutory base accounting interest rates.

The base accounting rate used to value the entitlement depends on the year in which the insolvency occurs and is as follows:

For the insolvency year	Interest rate
Up to 2006	3.67%
2007 – 2011	3.00%
2012 – 2014	2.33%
2015 – 2016	1.67%

The amount available to cover insured entitlements is € 2,654.0 million (previous year: € 2,623.4 million), as reported in the balance sheet items "Contributions carried forward" and "Provisions for insurance claims outstanding". This meant that 87.8% (previous year: 85%) of the insured entitlements was covered by capital provisions as at 31 December 2016.

Contribution peaks

Contribution peaks may be alleviated by making use of the compensation fund or by applying a smoothing method. Where a higher contribution rate applies, the compensation fund may be used with the German Federal Financial Supervisory Authority's consent to reduce that rate. The smoothing process may be used to distribute the annual contributions required over the current and up to four subsequent calendar years. This option of using the smoothing process has been used once to date, in 2009.

**Assessment of contributions,
Total contributions**

On the basis of the financing scheme prescribed by law, contributions are calculated by the PSVaG in the following manner:

On the expenses side:

- Claim volume extrapolated for the full year
(minus income as defined in Section 9 of BetrAVG)
- PSVaG administrative costs
- Allocation to the compensation fund
- Allocation to the loss reserve

On the income side:

- Investment income minus investment expenses and charges
- Offsetting of the previous year's provision for contribution reimbursements
- Dividends from the consortium for the previous year
- Any amounts drawn from the compensation fund
- Required contributions

The favourable development of claims, combined with further aspects that have eased the burden such as income from insolvency claims, dividends from the consortium of life insurers and the previous year's provision for contribution reimbursements, meant that, for the first time since PSVaG commenced operations in 1975, no contribution was required for the current financial year.

The weighted average contribution rate for the past five years is 0.17 per cent, with a weighted average for the past ten years of 0.3 per cent. The average for all 42 previous financial years is 0.28 per cent. Total contributions in 2016 – excluding one-off contributions – amounted to € 2.0 million (previous year: € 787.0 million). This figure relates to payments for earlier years.

A decision regarding the charging of an advance payment for 2017 will be taken during the first half of 2017.

Assets, financial position and earnings

The calculation of contributions carried out in October 2016 reflected anticipated developments for the full 2016 year, based on the development up until that point. As is the case every year, it was necessary to include estimates and extrapolations for the final months to the year-end.

Following the contribution calculation, higher income pursuant to Section 9 of BetrAVG was generated in November and December than had been expected. Total benefits relating to insolvencies during the final months of 2016 were lower than calculated as many of the insolvency proceedings for which applications were made during the fourth quarter of 2016 did not actually commence until 2017. This also impacted on obligations resulting from insured entitlements, which fell compared with the previous year.

€ 117.9 million was allocated to the provision for contribution reimbursements. This will be used to reduce the contributions payable in 2017.

Claim volume

The total claim volume was € 506.8 million and corresponds to the expenditure for insurance benefits as reported in the Profit and Loss Statement.

Capital investments

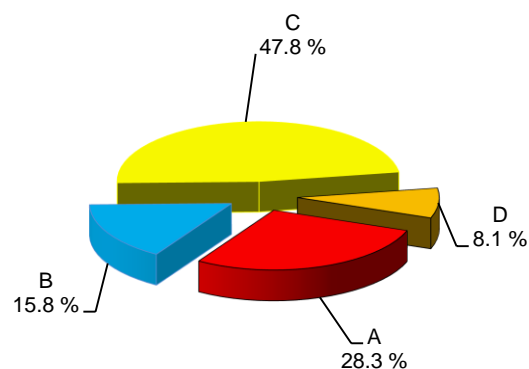
The book value of capital investments rose by € 43.8 million to total € 5,292.1 million (previous year: € 5,248.3 million) during the year under review. All capital investments measured at amortised cost were valued according to the strict principle of the lower of cost or market. Registered bonds, promissory notes and bank deposits were reported at their nominal value in the balance sheet. It was

not necessary to make use of the option of applying the modified principle of the lower of cost or market.

As in previous years, the PSVaG pursued a cautious investment policy focused on the sound financial standing of issuers/issues in the direct portfolio in particular, namely in relation to bearer and registered bonds and promissory notes, and with a consistent "buy and hold" strategy. Investments in investment certificates are restricted to special funds (special AIF with fixed investment conditions) in which the PSVaG is the sole investor. These serve not only to diversify capital investments but also to increase the return prospects. Deposits at banks are largely required for the settlement of claims in 2017 and have corresponding maturity dates. Given interest rate levels in relation to short-term investments, promissory note loans with short maturities were repeatedly acquired on a significant scale for the purposes of liquidity management. Investments that were not required for settling claims were successively invested in the direct portfolio and the investment fund.

During the reporting year a total of € 486.8 million (previous year: € 340.0 million) was invested in bonds with maturities in the years 2024 to 2027, with securities totalling € 395.3 million falling due in 2016. Further securities worth € 20.0 million were sold before maturity. Relatively small amounts totalling € 6.7 million were invested in securities due to mature from 2019 to 2021. The net investment in the fund was € 228.0 million, of which € 150 million in the master fund in a new segment with hedged US bonds.

Structure of capital investments



- A = investment fund units
- B = bearer bonds
- C = registered bonds and promissory notes
- D = bank deposits (time deposits)

The net income from investments totalled € 72.3 million (previous year: € 93.2 million).

Membership

The number of members rose to 94,482 (previous year: 94,078) as at 31 December 2016. The addition of 3,119 new members and the loss of 2,715 members resulted in an overall net membership increase of 404. The new additions primarily related to employers who were required to have insolvency insurance protection as a result of benefits becoming vested or following the payment of a pension for the first time, or as a result of a company split or spin-off. Most of the terminated memberships related to mergers, insolvencies, suspensions of membership following clarification of obligations or the termination of occupational pension schemes due to the fulfilment of pension obligations or the death of the last person with entitlement under the scheme.

Insurance cover for non-members

Insurance cover with the PSVaG is taken out on the basis of a statutory obligation. Section 3, para. 4 of its Articles of Association provides for this insurance being taken out with the PSVaG without acquiring membership. Three employers with very low contribution assessment bases currently avail themselves of this option. For the sake of simplicity, these employers have not been shown separately in the membership numbers.

Number of persons entitled to benefits

The number of persons reported by the members as being entitled to benefits and covered by insolvency insurance fell by around 82,000 in 2016 and now totals:

	<u>2016</u>	<u>2015</u>
Persons entitled to benefits with non-forfeitable entitlement	6,812,573	6,806,709
Pensioners	<u>4,037,976</u>	<u>4,125,855</u>
Total	<u>10,850,549</u>	<u>10,932,564</u>

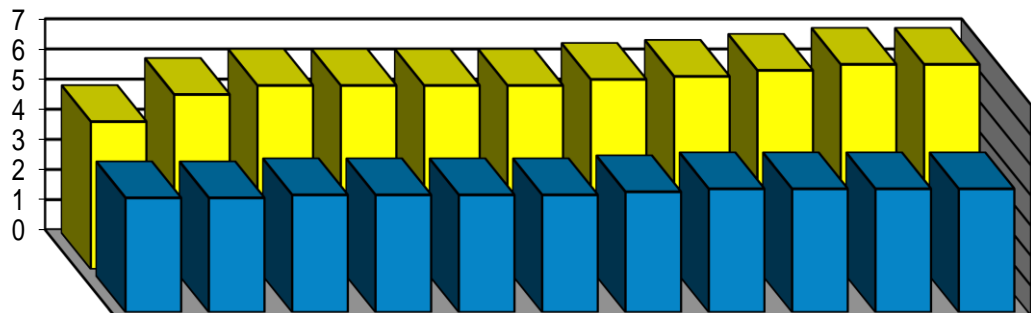
If an employer offers multiple pension schemes, beneficiaries may be counted more than once.

The above figures have developed as follows over the past ten years:

Persons entitled to benefits and covered by insolvency insurance

in millions

■ Pensioners
■ Entitlements

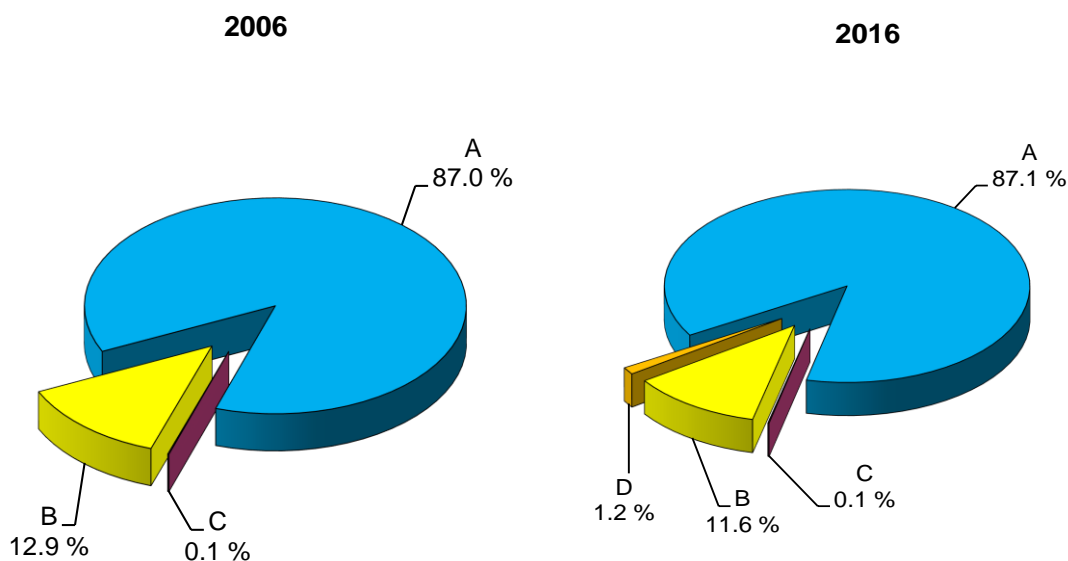


	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total	9.6	10.0	10.0	10.0	10.0	10.3	10.5	10.7	10.9	10.9	10.8
of which:											
Entitlements	5.8	6.1	6.1	6.1	6.1	6.3	6.4	6.6	6.8	6.8	6.8
Pensioners	3.8	3.9	3.9	3.9	3.9	4.0	4.1	4.1	4.1	4.1	4.0

Breakdown of individual contribution assessment bases

A comparison of the relative shares of the different pension schemes in the total contribution assessment bases for the years 2006 (total of € 264 billion) and 2016 (total of € 333 billion) shows a slight shift towards pension fund commitments subject to insolvency insurance requirements since 2002, which were not yet reflected in the 2006 figures due to their small volume.

Shares of the individual pension schemes



A = direct pension commitments
 B = relief fund commitments
 C = revocable direct policies or direct policies presented as security
 D = pension fund commitments

Distribution of contribution assessment bases in 2016

Contribution assessment base € millions		Percentage shares	
		of member base	of total base
up to	0.1	60.0	0.5
0.1 –	0.5	19.8	1.3
0.5 –	1.0	5.9	1.2
1.0 –	5.0	8.9	5.5
over	5.0	<u>5.4</u>	<u>91.5</u>
		<u>100.0</u>	<u>100.0</u>

As indicated, there were no significant volume changes to the distribution of contribution assessment bases. Around 5% of members accounted for around 90% of the total contribution assessment base.

Corporate governance

The German Corporate Governance Code contains nationally and internationally recognised standards for good and responsible corporate management. These standards are primarily aimed at listed companies. In its capacity as a self-help institution within the German economy, the PSVaG adheres to the Code's principles and observes its recommendations and suggestions to the extent that they are applicable to and support the specific statutory function of the mutual insurance association.

Website

The PSVaG's website at www.psvag.de contains general information on the PSVaG, its Articles of Association, the General Terms and Conditions of Insolvency Insurance for Corporate Old-Age Pensions (AIB), German versions of the Annual Report, summaries of the Annual Report in English, the most recent versions of all PSVaG leaflets and a list of publications. It also contains forms for use in complying with reporting obligations and for matters relating to contributions and benefits. The PSVaG's general e-mail address is info@psvag.de. To contact a specific member of staff by e-mail, the prefix "info" should be replaced by the name of the staff member in question using the format "first name.surname".

Employees

	<u>Number on 01/01/17</u>	<u>Number on 01/01/16</u>
Actively employed: (including semi-retired part-time)		
– Full-time	153	159
– Part-time	<u>63</u>	<u>53</u>
	<u>216</u>	<u>212</u>
Suspended employment:		
– Parental leave	7	9
– Passive phase of semi-retirement	<u>2</u>	<u>0</u>
	<u>9</u>	<u>9</u>
Total number of employees	<u><u>225</u></u>	<u><u>221</u></u>
Effective no. of employees i.e. on a full-time equivalent basis	193.9	193.2

Outlook for 2017

The volume of claims during the first few weeks of 2017 reflects the impact of insolvencies reported at the end of 2016. It is not currently possible to forecast future developments, even if the level of insolvencies is expected to remain low based on generally accessible sources. General insolvency levels can only be used to a very limited extent to draw conclusions regarding claim volumes and contributions, as the type and quality of the occupational pension schemes operated by the member companies vary greatly. Even if the level of insolvencies in 2017 remains low, the claim volume could still be considerably higher than in 2016.

Insolvency insurance for occupational old-age pension commitments is highly dependent on individual events, with the result that no reliable estimate of claim volumes can be provided at this time. Individual large-scale claims are therefore likely to have a direct impact, pushing up contributions.

A forecast regarding the development of the contribution rate for the current financial year is generally made in the middle of the year, with the member organisations being notified by means of a circular.

Dividends from the consortium for the PSVaG have a direct impact on the contribution rate. These are expected to be slightly down on the 2016 level during the coming year. Net income from investments will also be slightly lower on a year-on-year basis in 2017 as a result of low interest rates. Operating expenses are expected to be slightly higher during the coming year compared with 2016.

Insolvency and benefit payments

The general level of insolvencies in the corporate sector continued to wane during 2016. Showing a total of 21,518 company insolvencies, the figures provided by the German Federal Statistical Office point to a fall of 6.9% compared with the previous year.

The number of insolvencies affecting the PSVaG also decreased further to well below the average figure for the last ten years. Both the number of beneficiaries and the total benefits paid to recipients fell markedly compared with the previous year. This is essentially due to there being far fewer large-scale insolvencies than in 2015.

The relevant figures for the PSVaG are provided in the following table and described below. When comparing the figures in the table "Overview of insolvency cases affecting PSVaG" for the individual years it is important to remember that the figures for earlier years are updated figures (see Note 1 under the table).

Overview of insolvency cases affecting PSVaG

Year of insolvency	2014 ¹	2015 ¹	2016	1975 – 2016
I. Insolvencies	597	502	399	17,892
of which:				
1. Insolvency proceedings including dismissal due to lack of assets ²	597	500	398	17,664
2. Out-of-court settlements	0	2	1	228
II. Persons entitled to benefits				
1. Registered pensioners				
a) Number	4,192	8,540	5,085	663,359
b) Total benefits € millions	151	473	191	16,330
c) Average monthly pension €	195	281	192	–
2. Registered persons with non-forfeitable entitlement	6,874	10,422	7,828	741,674

¹ The changes in the figures stated under I. and II. compared with the figures quoted in the 2015 Annual Report are due to the subsequent reporting in the 2016 financial year of additional insolvencies in the respective years and to the ongoing updating of information based on the subsequent receipt of reports containing more precise data on individual insolvencies.

² Including bankruptcy and judicial settlement procedures (up to 1999) and cases of the complete termination of operations where bankruptcy proceedings are not initiated due to an obvious lack of assets.

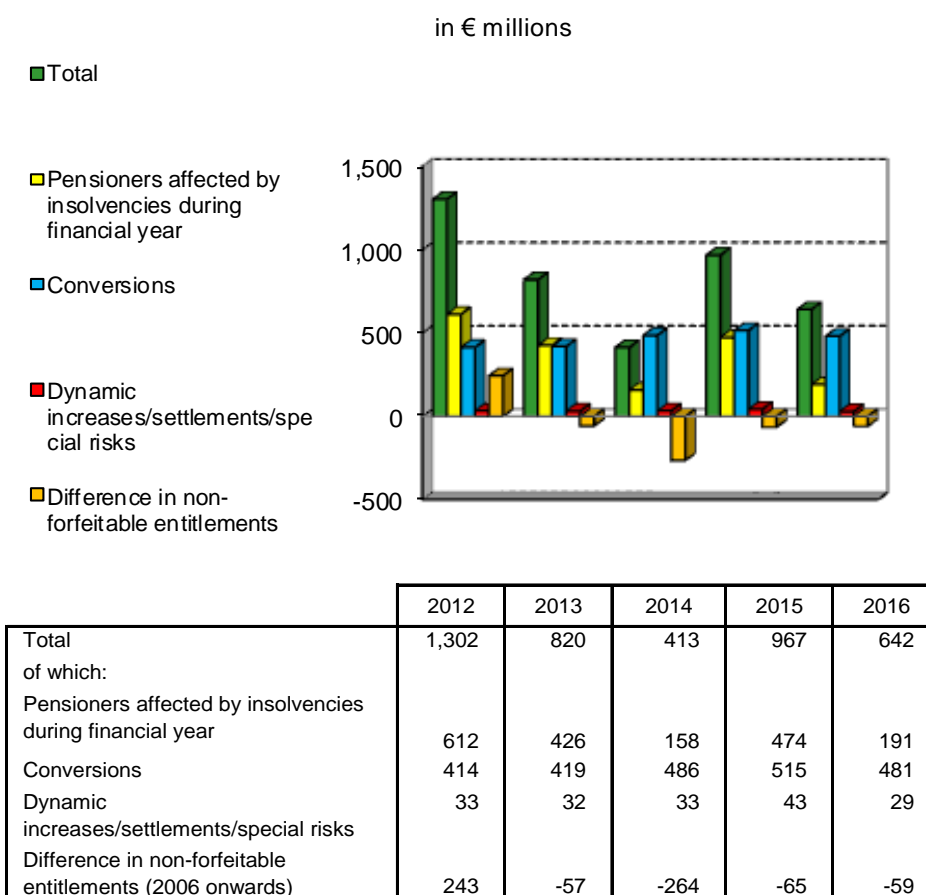
During the reporting year the PSVaG was affected by 399 (previous year: 467)^{*} insolvencies (insurable cases as defined in Section 7, para. 1 BetrAVG) involving 5,085 (previous year: 8,477) recipients of benefits and 7,828 (previous year: 10,190) persons with non-forfeitable benefit entitlements. This equates to a decrease of 14.6% (decrease of 15.4% during previous year) in the number of

^{*} Here, in the following text and in the graph below, this figure does not take account of the ongoing updating of the overall insolvency situation.

insolvency cases and a fall of 30.8% (increase of 64.3% during previous year) in the number of persons entitled to benefits.

The anticipated cost of taking over pension payments from insolvency cases during the financial year is € 191 million (previous year: € 474 million). Expenses associated with converted entitlements amount to € 481 million (previous year: € 515 million). Benefit costs relating to pension adjustments in line with contractual adjustment clauses, lump-sum settlements pursuant to Section 8, para. 2 of BetrAVG and late claims total € 29 million (previous year: € 43 million). As in the previous year, no provisions for special risks were required. Taking into account the difference of € -59 million (previous year: € -65 million) between the cash value of the insured entitlements at the end of the current year and the value at the end of the previous calendar year, gross benefit expenses for 2016 totalled € 642 million (previous year: € 967 million) (see overview below). This figure does not yet include claim adjustment costs, settlement income from earlier years or income as defined in Section 9 of BetrAVG.

Composition of gross benefit expenses *



* See footnote on p.17

The PSVaG posted income of € 269.0 million in 2016 (previous year: € 232.7 million) from insolvency quota payments, transferred relief fund assets and other claims. This income offsets a large portion of the costs relating to insurance claims and thus the contribution charge payable by the member companies.

The PSVaG is frequently one of the largest creditors in insolvency proceedings due to the statutory subrogation of claims from the occupational pension provision that it insures. Particularly in economically significant cases, it is involved in the work of the credit representation bodies (creditor assembly and creditor committee) to pursue claims. The resulting close cooperation with insolvency executors and trustees is ultimately conducive to the fulfilment of the tasks for which the PSVaG is responsible.

During the 2016 reporting period, a total of 29,956 (previous year: 39,159) cases of benefit entitlements from all claim years were processed. Of these, 16,639 (previous year: 22,085) were old-age pension entitlements, including 10,689 conversions (previous year: 13,249). Some 13,317 (previous year: 17,074) processed cases related to benefit entitlements with regard to which the PSVaG has issued a final notice of intent to pay. The total number of processed cases in 2016 that resulted in a final notice of intent to pay, calculated after adding 11,539 (previous year: 10,498) cases of pension increases based on contractual adjustment clauses and other cases of retroactive insurance, was therefore 41,495 (previous year: 49,657).

Overview of pension and entitlement cases still pending

Year of insolvency	1975-2010	2011	2012	2013	2014	2015	2016	Total
1. Pension cases	41	0	2	2	63	57	1,140	1,305
2. Entitlement cases	775	128	712	1,202	1,934	6,564	7,490	18,805
3. Conversion cases	1,728							1,728

The figures shown in the above table for pending pension and entitlement cases also include cases that cannot yet be processed, due to missing documents etc.

The number of outstanding cases involving recipients of benefits as at the year-end was 1,305 (previous year: 1,991). Pension cases from earlier years that are yet to be processed are primarily based on late claims, late registrations and previously disputed cases on which a ruling was reached shortly before the year-end.

The number of entitlement cases still to be settled as at the balance sheet date was 18,805 (previous year: 25,560). There are still 2,817 (previous year: 10,218) entitlement cases outstanding from the financial years up to 2013. Those entitled to benefits will suffer no disadvantage as a result of this situation, however.

In conversion cases, the PSVaG is required to pay benefits to those persons who are entitled to benefits and whose entitlements were still pending on the date of insolvency as of the date on which benefits fall due for the first time.

In order to minimise interruptions in benefit payments resulting from insolvency, highest priority is given to the timely processing of pension claims once insolvency has been reported.

High priority is also given to the timely processing of conversion cases. The PSVaG also makes every effort to reduce the number of outstanding entitlement cases from previous years. However, due to the irregular incidence and unforeseeable consequences of insolvencies, relatively long processing times are likely to remain unavoidable, particularly with regard to entitlement cases.

Annual Financial Statements

Balance Sheet

Assets	€	€	€	Previous year € thousands
A. Intangible assets			121,987.—	122
B. Investments				
Other financial investments				
1. Shares, investment fund units and other variable-yield securities		1,501,825,394.56		1,273,825
2. Bearer bonds and other fixed-income securities		834,885,519.70		709,570
3. Other loan receivables				
a) Registered bonds	1,820,000,000.—			
b) Promissory notes and loans	<u>712,344,625.45</u>	2,532,344,625.45		2,534,942
4. Bank deposits		<u>423,000,000.—</u>		730,000
			5,292,055,539.71	(5,248,337)
C. Receivables				
I. Accounts receivable on direct written insurance business from				
Policyholders		1,651,247.78		85,065
II. Other receivables		<u>144,857.88</u>		502
			1,796,105.66	(85,567)
D. Other assets				
I. Tangible assets and stock (inventories)		1,050,498.—		1,145
II. Cash at bank in current accounts, cheques and cash in hand		<u>28,450,917.26</u>		147,891
			29,501,415.26	(149,036)
E. Prepayments and accrued income				
I. Accrued interest and rent		24,206,991.12		24,340
II. Other prepayments and accrued income		<u>7,630,555.15</u>		3,381
			31,837,546.27	(27,721)
Total assets			5,355,312,593.90	5,510,783

as at 31 December 2016

Liabilities	€	€	Previous year € thousands
A. Capital and reserves			
Revenue reserves			
Loss reserve pursuant to Section 193 VAG		129,480,000.—	114,360
B. Technical provisions			
I. Contributions carried forward	364,115,735.54		421,516
II. Provision for insurance claims outstanding	2,711,936,907.90		2,730,381
III. Provision for bonuses and rebates	117,857,880.96		248,698
IV. Other technical provisions (Compensation fund - Section 5 para. 2 Articles of Association)	<u>1,998,000,000.—</u>		1,962,000
		5,191,910,524.40	(5,362,595)
C. Provisions for other risks and charges			
I. Provisions for pensions and similar obligations	31,877,947.—		30,530
II. Other provisions	<u>1,357,542.—</u>		1,268
		33,235,489.—	(31,798)
D. Other liabilities			
I. Accounts payable on direct written insurance business to			
Policyholders	238,330.79		757
II. Other liabilities			
- of which for taxes: € 300,903.15 (2015: € 899,921.14)	<u>381,398.46</u>		1,197
		619,729.25	(1,954)
E. Accruals and deferrals			
		66,851.25	76
Total liabilities		<u>5,355,312,593.90</u>	<u>5,510,783</u>

Profit and Loss Account
for the period from 1 January 2016 to 31 December 2016

Items	€	€	Previous year € thousands
I. Technical account			
1. Earned premiums			
a) Premiums written	80,389,564.76		871,312
b) Change in contributions carried forward (release)	57,400,805.94		49,339
c) Amount released from the previous year's provision for bonuses and rebates pursuant to Section 6 of the Articles of Association	248,697,554.39		58,171
		386,487,925.09	
2. Other technical income		225,890,948.08	228,103
3. Expenses for insurance claims			
a) Payments for insurance claims	525,279,885.75		678,500
b) Change in provision for claims outstanding (release, allocation in 2015)	-18,443,993.07		183,456
		506,835,892.68	
4. Change in other technical provisions (allocation to compensation fund)		36,000,000.—	163,700
5. Expenses for bonuses and rebates		117,857,880.96	248,698
6. Operating expenses		6,930,429.10	7,888
7. Other technical charges		113,485.69	203
8. Balance of the technical account		-55,358,815.26	-75,520
II. Non-technical account			
1. Investment income			
a) Income from other investments	78,265,847.43		95,550
b) Income from value readjustments on investments	69,600.—		
c) Gains on the realisation of investments	1,870,000.—		306
		80,205,447.43	
2. Investment expenses and charges			
a) Investment management expenses, interest on borrowings and other investment-related expenses	1,413,878.55		1,385
b) Value adjustments on investments	5,880,671.62		264
c) Losses on the realisation of investments	598,450.70		1,025
		7,893,000.87	
3. Other income		179,890.64	71
4. Other expenses		2,013,521.94	2,323
5. Profit for the year (operating profit from ordinary activities)		15,120,000.—	15,410
6. Transfers to revenue reserves, loss reserve pursuant to Section 193 VAG		15,120,000.—	15,410
7. Balance sheet profit / Balance sheet loss		—,—	—

Overview

of the development of the PENSIONS-SICHERUNGS-VEREIN

from 1 January 1975 (commencement of business operations) to 31 December 2016

Financial year	Members	Advance contribution rate	Final contribution rate	Contribution assessment base	Total contributions	Insurable insolvency cases	Claim volume	Benefit recipients reported	Persons reported with non-forfeitable entitlements to benefits	Total assets	Investments	Compensation fund	PSVaG employees ¹
	No. ³ (31 Dec.)	%	%	€ billions	€ millions	No.	€ millions	No.	No.	€ millions (31 Dec.)	€ millions (31 Dec.)	€ millions (31 Dec.)	No. ²
1975	31,045	1.5	1.5	37.3	56.5	249	38.2	5,060	7,290	47.6	42.4	17.6	36
1976	31,685	1.5	1.9	42.4	81.6	267	83.7	8,614	8,795	61.7	50.9	17.9	41
1977	32,102	1.7	1.9	46.5	87.4	246	65.5	4,745	5,808	101.5	89.5	45.2	42
1978	32,778	1.7	0.7	50.1	36.5	187	39.7	4,765	6,785	151.0	145.8	52.0	43
1979	32,518	0.5	1.1	55.2	60.9	154	65.2	5,346	8,116	135.6	117.0	58.4	48
1980	32,547	0.8	1.4	61.4	85.9	161	87.3	6,879	6,985	177.3	160.8	68.3	50
1981	33,895	0.9	2.0	68.5	137.5	246	141.6	11,780	13,228	243.9	233.4	79.8	59
1982	33,977	1.4	6.9	74.1	512.5	363	623.9	39,564	55,498	661.6	552.0	5.7	71
1983	33,746	--	3.7	76.2	281.6	322	264.3	10,689	14,992	339.2	318.3	65.6	81
1984	33,968	1.8	2.6	83.9	218.6	369	200.2	8,036	15,601	375.3	358.2	137.8	85
1985	34,662	1.6	1.4	92.0	135.6	366	194.0	7,461	9,746	415.5	402.8	141.1	88
1986	34,848	1.0	1.1	98.2	116.4	332	191.0	8,135	13,448	436.8	419.9	171.8	97
1987	35,725	0.6	1.8	107.4	244.4	307	299.5	15,891	19,873	522.8	501.0	183.0	99
1988	35,813	1.2	0.9	112.0	103.3	200	158.8	4,460	7,606	489.2	473.8	188.2	103
1989	36,051	0.6	0.6	117.6	72.8	173	143.4	4,943	7,872	461.0	445.3	190.0	101
1990	36,712	--	0.3	123.7	38.8	158	170.1	7,323	6,241	402.2	373.5	190.5	100
1991	37,282	--	0.9	131.4	116.0	162	201.5	6,165	6,355	419.7	398.0	191.3	100
1992	37,758	0.3	0.8	140.6	115.5	207	216.7	10,487	11,192	448.3	429.8	191.3	99
1993	38,115	0.3	3.1	150.8	467.5	328	703.9	34,349	27,830	718.7	661.8	53.3	101
1994	38,179	1.0	2.3	157.0	363.3	348	425.4	18,414	21,506	785.6	755.6	139.8	109
1995	38,573	1.0	2.6	163.6	426.7	386	489.3	15,228	19,639	729.0	697.5	189.1	121
1996	39,045	1.0	2.8	171.3	481.2	404	724.6	41,948	29,674	790.1	756.0	51.1	131
1997	39,233	1.0	2.7	178.4	482.6	406	422.8	12,737	15,088	786.7	743.0	151.9	138
1998	39,737	1.0	1.2	184.6	223.6	399	387.7	11,763	16,033	757.3	737.3	219.5	133
1999	39,774	0.5	2.8	189.2	530.5	394	610.6	27,751	18,980	936.5	896.7	281.0	130
2000	39,778	1.0	2.1	208.6	439.9	442	548.1	14,898	18,467	801.8	763.8	332.5	129
2001	39,893	1.0	2.5	218.0	546.0	479	614.1	17,339	18,398	848.6	806.8	369.4	130
2002	40,643	1.0	4.5	225.0	1,016.8	705	1,481.4	43,565	41,696	1,271.6	1,203.6	70.7	136
2003	45,858	1.5	4.4	235.0	1,036.1	726	877.2	29,125	25,798	959.7	913.7	221.8	149
2004	53,102	1.5	3.6	243.0	881.8	753	760.6	19,507	16,866	951.2	923.7	348.7	157

Financial year	Members	Advance contribution rate	Final contribution rate	Contribution assessment base	Total contributions	Insurable insolvency cases	Claim volume	Benefit recipients reported	Persons reported with non-forfeitable entitlement to benefits	Total assets	Investments	Compensation fund	PSVaG employees ¹
	No. ³ (31 Dec.)	‰	‰	€ billions	€ millions	No.	€ millions	No.	No.	€ millions (31 Dec.)	€ millions (31 Dec.)	€ millions (31 Dec.)	No. ²
2005	59,636	1.5	4.9	251.0	1,237.7	745	1,234.0	29,326	27,653	1,001.8	962.6	477.7	160
2006	64,696	1.5	3.1	264.0	825.7	654	791.5	13,863	13,634	1,321.0	1,289.2	588.0	161
2007	69,376	1.0	3.0	272.0	822.6	530	943.5	11,873	17,411	2,100.7	2,038.4	654.7	166
2008	73,093	1.0	1.8	277.0	506.1	544	591.8	7,491	9,430	2,242.2	2,194.0	696.6	170
2009	76,029	--	14.2	285.0	4,068.3	971	4,356.3	79,871	89,242	4,036.5	3,370.5	874.0	179
2010	83,322	--	1.9	289.0	549.2	679	648.7	9,434	11,346	3,795.6	3,568.5	992.5	190
2011	90,740	--	1.9	295.0	569.3	616	626.1	7,188	11,619	3,567.3	3,296.0	1,080.7	206
2012	93,031	--	3.0	304.0	916.8	670	1,264.8	17,382	24,870	4,097.5	3,745.8	1,164.1	221
2013	93,765	--	1.7	312.0	544.2	746	780.7	12,147	15,939	4,783.8	4,436.1	1,238.3	230
2014	94,034	--	1.3	320.0	419.2	597	398.6	4,192	6,874	5,001.2	4,853.3	1,798.3	232
2015	94,078	--	2.4	327.0	787.0	502	862.0	8,540	10,422	5,510.8	5,248.3	1,962.0	228
2016	94,482	--	0.0	333.0	2.0	399	506.8	5,085	7,828	5,355.3	5,292.1	1,998.0	226
					20,645.9	17,892	24,235.10	663,359	741,674				

Total
1,405,033
Persons entitled to benefits

1 Average no. of employees including part-time employees or those whose employment has been suspended (parental leave, semi-retirement) – cf. p.15

2 Up to 1986: number of employees as at 31 Dec. including members of the Board of Management; from 1987 onwards: yearly average in accordance with the Accounting Directives Act of 19 December 1985

3 Figures from 2013 onwards include insured non-members – cf. p.12

Members of the Consortium for the PSVaG

As at 31 December 2016, the following 49 life insurance companies were sponsoring members of the Consortium for the PSVaG (sponsoring share given in % in brackets):

AachenMünchener Lebensversicherung AG (2.7)	HDI Lebensversicherung AG (4.2)
Allianz Lebensversicherungs-AG (16.8)	HUK-COBURG-Lebensversicherung AG (0.1)
ALTE LEIPZIGER Lebensversicherung auf Gegenseitigkeit (2.5)	IDEAL Lebensversicherung a.G. (0.3)
ARAG Lebensversicherungs-AG (0.6)	IDUNA Vereinigte Lebensversicherung aG für Handwerk, Handel und Gewerbe (3.9)
Athene Lebensversicherung AG (2.0)	INTER Lebensversicherung AG (0.3)
AXA Lebensversicherung AG (8.1)	Landeslebenshilfe V.V.a.G. (0.1)
Barmenia Lebensversicherung a. G. (0.7)	Lebensversicherung von 1871 a. G. Munich (0.3)
Basler Leben AG Direktion für Deutschland (0.7)	LVM Lebensversicherungs-AG (0.1)
Basler Lebensversicherungs-AG (2.0)	Mecklenburgische Lebensversicherungs-Aktiengesellschaft (0.1)
Bayerische Beamten Lebensversicherung a.G. (1.2)	Münchener Verein Lebensversicherung AG (0.3)
Bayern-Versicherung Lebensversicherung Aktiengesellschaft (2.2)	neue leben Lebensversicherung AG (0.1)
Concordia oeco Lebensversicherungs-AG (0.1)	NÜRNBERGER Lebensversicherung AG (3.1)
Condor Lebensversicherungs-Aktiengesellschaft (0.5)	Öffentliche Lebensversicherung Berlin Brandenburg AG (0.1)
Continentale Lebensversicherung AG (0.4)	Öffentliche Lebensversicherung Braunschweig (0.2)
Cosmos Lebensversicherungs-Aktiengesellschaft (0.2)	Öffentliche Lebensversicherungsanstalt Oldenburg (0.1)
ERGO Lebensversicherung AG (10.2)	Provinzial NordWest Lebensversicherung AG (1.2)
Familienfürsorge Lebensversicherung AG im Raum der Kirchen (0.2)	Provinzial Rheinland Lebensversicherung AG (1.4)
Generali Lebensversicherung AG (9.5)	R+v Lebensversicherung AG (2.8)
Gothaer Lebensversicherung AG (2.7)	RheinLand Lebensversicherung AG (0.2)
Hannoversche Lebensversicherung AG (0.7)	SAARLAND Lebensversicherung AG (0.1)
HanseMercur Lebensversicherung AG (0.5)	Swiss Life AG, Niederlassung für Deutschland (1.0)
	Stuttgarter Lebensversicherung a.G. (0.7)
	SV Sparkassenversicherung Lebensversicherung AG (2.0)
	VGH Provinzial Lebensversicherung Hannover (0.6)
	VOLKSWOHL BUND Lebensversicherung a.G. (0.8)
	Württembergische Lebensversicherung AG (5.0)
	WWK Lebensversicherung a. G. (1.2)
	Zurich Deutscher Herold Lebensversicherung Aktiengesellschaft (5.2)

The executive insurer of the Consortium for the PSVaG is Allianz Lebensversicherungs-AG, Stuttgart.