



# Press release

Statistics Netherlands

PR99-53  
5 March 1999  
9.30 hrs

## ***Institutional investment up 13% in 1998***

Investment by pension funds and the main insurance companies was 13% higher at the end of last year than at the end of 1997. Some 61 billion of the 136 billion guilder increase was based on higher stock market values. The share portfolios rose by most, although foreign investments also paid off well. Sales of life insurance investment policies were very popular.

### ***Two-thirds of investment by pension funds***

The total amount of investment by institutional investors increased from 1,026 billion guilders in 1997 to 1,162 billion in 1998. Two-thirds of this was on the accounts of pensions funds (774 billion guilders), one third for the large insurance companies (388 billion guilders). The relative increase in both groups is about the same.

### ***Stock market gains down on 1997***

Profits based on rises in share prices show were capricious in 1998, with the first quarter most and the third quarter least successful. For the whole of 1998 profits made from higher prices were 60.6 billion guilders, mostly from shares but also from bonds and real estate. Of this total, 41 billion guilders was realised by pension funds and 19.6 billion by insurance companies. The dip in the third quarter curbed profits compared with 1997 (75.6 billion guilders).

### ***Active share management***

Actively buying and selling shares helped to realise the large profits. In the fourth quarter the level of share transactions by institutional investors (sum of shares bought and shares sold: 148 billion guilders) was higher than in the whole of 1996 (139 billion guilders). The level of transactions for the whole of 1998 (420 billion guilders) was higher than that of 1996 and 1997 together (404 billion guilders).

Statistics Netherlands  
Press Office

P.O. Box 4000  
2270 JM Voorburg  
The Netherlands  
tel. +31 70 337 58 16  
fax +31 70 337 59 71  
e-mail:  
persdienst@cbs.nl

Statistics Netherlands  
is a department of  
the Ministry of  
Economic Affairs

### ***Shares increasingly important***

For some years now bonds have been losing out to shares, which are easier to buy and sell. At the end of 1998 shares accounted for 39% of total institutional investment, compared with 34% one year previously. Pension funds invest relatively more in shares than insurance companies (41% and 36% respectively).

### ***Strong rise in foreign investment***

Foreign investment accounts for an increasing part of the institutional portfolios. On 31 December 1998 one third was invested outside the Netherlands. Indeed foreign investment is the fastest growing sector of investment : +38% up on the previous year. Investment in public sector and banks fell both absolutely and relatively.

### ***Investment policies popular***

Life insurance in investment units sold well last year: 44% more than in 1997.

Sales of mortgage insurance policies were 4% up on 1997, again more in the form of investment (+53%) than in guilders (-21%).

For further information, please contact C. Schmitz, tel. 070 337 4609, e-mail: cstz@cbs.nl.