



EUROPEAN CENTRAL BANK

EUROSYSTEM

# PRESS RELEASE

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## Statistics on Euro Area Insurance Corporations and Pension Funds: Second Quarter 2015

*In the second quarter of 2015, the total financial assets of euro area insurance corporations and pension funds decreased to €9,077 billion, from €9,461 billion in the previous quarter. Over the same period, the amount outstanding of insurance technical reserves, which are the main liabilities of insurance corporations and pension funds, decreased to €7,464 billion, from €7,653 billion. This decrease was largely due to a decrease in value of corresponding assets.*

### Selected balance sheet items of insurance corporations and pension funds

*(EUR billions; not seasonally adjusted; amounts outstanding at the end of the period; transactions during the period)*

	Amounts outstanding			Amounts outstanding	Transactions <sup>1</sup>
	2014		2015		
	Q3	Q4	Q1	2015 Q2	
Total financial assets	8,660	8,867	9,461	9,077	n.a.
Insurance technical reserves <sup>2</sup>	7,099	7,255	7,653	7,464	20
net equity of households in life insurance reserves	3,700	3,762	3,916	3,900	19
net equity of households in pension fund reserves	2,508	2,604	2,803	2,641	-4
prepayments of insurance premiums and reserves for outstanding claims	892	889	933	923	4

<sup>1</sup> Transactions are available only for euro area insurance technical reserves.

<sup>2</sup> Insurance technical reserves contain the provisions against policyholders or beneficiaries set aside by insurers and pension funds to meet future obligations. This item also includes prepayments of insurance premiums, which are related to non-life insurance and to reinsurance, and reserves for outstanding claims, which are the amounts expected to be paid out in settlement of claims, including disputed claims.

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Regarding the breakdown of the assets of the aggregated balance sheet of euro area insurance corporations and pension funds, holdings of **securities other than shares** accounted for 40% of the sector's total financial assets at end-June 2015. The second largest category of holdings were **investment fund shares**, which contributed 28% to the total financial assets. Finally, **shares and other equity** accounted for 11% of the total financial assets.

Turning to transactions in the main breakdowns of the **insurance technical reserves**, the **net equity of households in life insurance reserves** increased by €19 billion in the second quarter of 2015. The **net equity of households in pension fund reserves** decreased by €4 billion in the same quarter, while transactions in **prepayments of insurance premiums and reserves for outstanding claims** increased by €4 billion.

Regarding the contributions of the two sub-sectors, **insurance corporations' total financial assets** accounted for €6,908 billion at end-June 2015, representing 76% of the aggregated balance sheet of the insurance corporations and pension funds sector, while the **pension funds' total financial assets** amounted to €2,169 billion.

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## **Notes**

*Further predefined tables, statistical data and methodological notes, as well as the advance release calendar, are available on the ECB's website at <http://www.ecb.europa.eu/stats/money/icpf/html/index.en.html>.*

**Table 1. Assets and liabilities of euro area insurance corporations and pension funds**(EUR billions; not seasonally adjusted; amounts outstanding at the end of the period <sup>1)</sup>)

	2014 Q3	2014 Q4	2015 Q1	2015 Q2
<b>Total financial assets</b>	8,660	8,867	9,461	9,077
<b>Currency and deposits</b>	753	743	759	735
<i>of which:</i> Deposits with euro area MFIs	708	697	701	679
<i>of which:</i> Deposits with non-euro area residents	43	44	56	54
<b>Loans</b>	499	510	536	522
To euro area residents	466	477	500	486
MFIs	20	19	20	19
General government	145	144	152	152
Other financial intermediaries	25	31	35	23
Insurance corporations and pension funds	84	85	93	91
Non-financial corporations	54	58	59	60
Households	139	139	141	141
To non-euro area residents	32	33	37	37
<b>Debt securities</b>	3,510	3,607	3,785	3,627
Issued by euro area residents	2,899	2,972	3,098	2,951
MFIs	704	699	713	698
General government	1,676	1,748	1,849	1,733
Other financial intermediaries	275	281	288	278
Insurance corporations and pension funds	14	14	14	14
Non-financial corporations	229	229	234	228
Issued by non-euro area residents	610	635	687	676
<b>Shares and other equity</b>	913	936	1,001	987
Quoted shares	387	394	445	439
<i>of which:</i> Issued by euro area MFIs	20	17	19	19
Unquoted shares	527	542	556	548
<b>Investment fund shares/units</b>	2,315	2,367	2,589	2,513
<i>of which:</i> Issued by euro area residents	2,192	2,239	2,445	2,385
<b>Money market fund shares</b>	96	94	102	93
<i>of which:</i> Issued by euro area MFIs	95	91	98	91
<b>Prepayments of insurance premiums and reserves for outstanding claims <sup>2)</sup></b>	295	296	311	311
<i>of which:</i> Euro area residents	261	263	274	275
<b>Other accounts receivable/payable and financial derivatives</b>	280	314	379	287
<b>Non-financial assets</b>	160	163	163	163
<b>Total liabilities</b>	8,290	8,463	8,972	8,698
<b>Loans</b>	308	284	307	299
<b>Debt securities</b>	56	57	60	59
<b>Shares and other equity</b>	551	570	610	587
Quoted shares	151	159	186	162
Unquoted shares	400	411	424	425
<b>Insurance technical reserves</b>	7,099	7,255	7,653	7,464
Net equity of households in life insurance reserves	3,700	3,762	3,916	3,900
Net equity of households in pension fund reserves	2,508	2,604	2,803	2,641
Prepayments of insurance premiums and reserves for outstanding claims <sup>3)</sup>	892	889	933	923
<b>Other accounts receivable/payable and financial derivatives</b>	276	297	342	289
<b>Net worth <sup>4)</sup></b>	530	567	653	542

Source: ECB.

1) Figures may not add up due to rounding.

2) Includes reinsurance.

3) Prepayments of insurance premiums are related to non-life insurance and to reinsurance. Reserves for outstanding claims are the amounts expected to be paid out in settlement of claims, including disputed claims.

4) The net worth is calculated as the difference between total assets (financial and non-financial) and liabilities, and may also reflect statistical discrepancies.

**Table 2. Assets and liabilities of euro area insurance corporations and euro area pension funds**

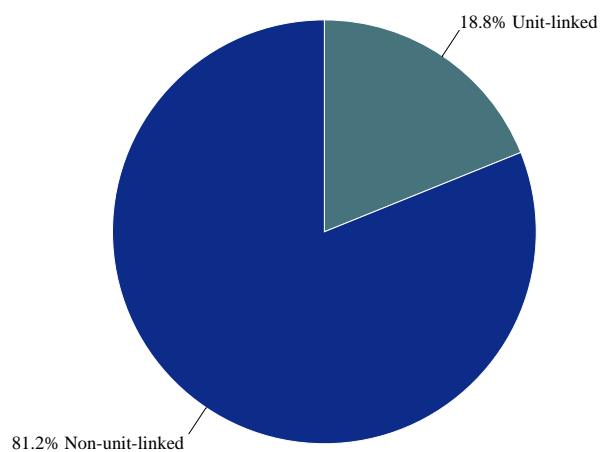
(EUR billions; not seasonally adjusted; amounts outstanding at the end of the period <sup>1)</sup>)

	Insurance corporations		Pension funds	
	2015 Q1	2015 Q2	2015 Q1	2015 Q2
<b>Total financial assets</b>	7,144	6,908	2,317	2,169
Currency and deposits	556	535	203	200
Loans	468	466	69	57
Debt securities	3,226	3,098	559	529
Shares and other equity	722	713	274	274
Investment fund shares/units	1,576	1,544	1,013	969
Money market fund shares	92	82	10	11
Prepayments of insurance premiums and reserves for outstanding claims	282	283	29	28
Other accounts receivable/payable and financial derivatives	217	186	162	101
<b>Non-financial assets</b>	123	123	40	40
<b>Total liabilities</b>	6,719	6,647	2,253	2,051
Loans	275	271	32	29
Debt securities	60	59	0	0
Shares and other equity	599	577	11	10
Net equity of households in life insurance reserves	3,916	3,900	0	0
Net equity of households in pension fund reserves	703	705	2,100	1,936
Prepayments of insurance premiums and reserves for outstanding claims	928	918	5	5
Other accounts receivable/payable and financial derivatives	236	217	106	72
<b>Net worth</b>	548	384	105	158

1) For footnotes, see Table 1.

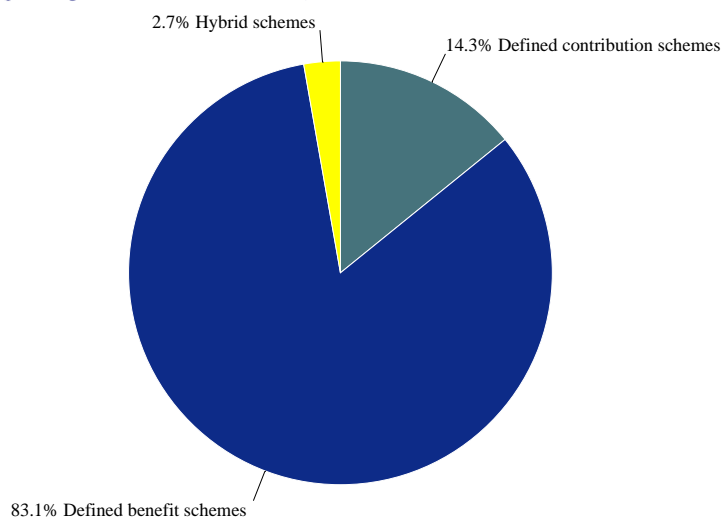
**Chart 1: Net equity of households in life insurance reserves: breakdown by type of policy**

(percentage of total; end-December 2014)



**Chart 2: Net equity of households in pension fund reserves: breakdown by type of plan**

(percentage of total; end-December 2014)



Source: ECB.

Note: Unit-linked insurance contracts do not guarantee a return to the policyholder, but rather offer a return which depends on the performance of the underlying portfolio.

In a defined-contribution pension scheme, the participant's contributions are determined in advance, but the level of pension payments is not.

In a defined-benefit scheme, future pension payments are determined in advance, based, for example, on the wage history and years of service of a participant.

A hybrid scheme is a combination of the two previous types of pension scheme described above.