



EUROPEAN CENTRAL BANK

EUROSYSTEM

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

In the fourth quarter of 2015, the total financial assets of euro area insurance corporations and pension funds increased to €9,133 billion, from €9,016 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, increased to €7,585 billion, from €7,521 billion. This increase was mainly due to transactions amounting to €55 billion.

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 ¹
	2015				
	Q1	Q2	Q3		
Total financial assets	9,417	9,046	9,016	9,133	n.a.
Insurance technical reserves ²	7,647	7,449	7,521	7,585	55
net equity of households in life insurance reserves	3,916	3,871	3,863	3,928	32
net equity of households in pension fund reserves	2,802	2,647	2,727	2,745	28
prepayments of insurance premiums and reserves for outstanding claims	929	931	931	912	-6

¹ Transactions are available only for euro area insurance technical reserves.

² 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.

Regarding the breakdown of the assets of the aggregated balance sheet of euro area insurance corporations and pension funds, holdings of **debt securities** accounted for 40% of the sector's total

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financial assets at end-December 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 €32 billion in the fourth quarter of 2015. The **net equity of households in pension fund reserves** increased by €28 billion in the same quarter, while transactions in **prepayments of insurance premiums and reserves for outstanding claims** decreased by €6 billion.

Regarding the contributions of the two sub-sectors, **insurance corporations' total financial assets** accounted for €6,956 billion at end-December 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 €2,176 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 ¹⁾)

	2015 Q1	2015 Q2	2015 Q3	2015 Q4
Total financial assets	9,417	9,046	9,016	9,133
Currency and deposits	755	735	723	714
<i>of which:</i> Deposits with euro area MFIs	698	679	669	659
<i>of which:</i> Deposits with non-euro area residents	55	54	52	53
Loans	535	521	527	530
To euro area residents	499	484	490	493
MFIs	20	19	18	18
General government	152	152	152	150
Other financial intermediaries	35	23	27	26
Insurance corporations and pension funds	92	90	89	89
Non-financial corporations	59	60	61	63
Households	141	141	143	146
To non-euro area residents	36	37	37	37
Debt securities	3,772	3,612	3,652	3,684
Issued by euro area residents	3,085	2,936	2,969	2,976
MFIs	703	687	680	675
General government	1,848	1,731	1,767	1,767
Other financial intermediaries	284	273	274	281
Insurance corporations and pension funds	14	14	13	15
Non-financial corporations	236	231	235	239
Issued by non-euro area residents	687	677	683	708
Shares and other equity	986	976	959	999
Quoted shares	433	424	399	432
<i>of which:</i> Issued by euro area MFIs	19	19	17	14
Unquoted shares	554	552	560	568
Investment fund shares/units	2,574	2,505	2,451	2,534
<i>of which:</i> Issued by euro area residents	2,431	2,375	2,333	2,414
Money market fund shares	108	102	107	95
<i>of which:</i> Issued by euro area MFIs	104	99	103	93
Prepayments of insurance premiums and reserves for outstanding claims ²⁾	311	312	314	318
<i>of which:</i> Euro area residents	275	276	278	279
Other accounts receivable/payable and financial derivatives	375	284	281	260
Non-financial assets	163	163	164	167
Total liabilities	8,968	8,690	8,743	8,815
Loans	312	303	293	295
Debt securities	62	61	60	62
Shares and other equity	609	591	589	606
Quoted shares	186	161	159	178
Unquoted shares	423	429	430	428
Insurance technical reserves	7,647	7,449	7,521	7,585
Net equity of households in life insurance reserves	3,916	3,871	3,863	3,928
Net equity of households in pension fund reserves	2,802	2,647	2,727	2,745
Prepayments of insurance premiums and reserves for outstanding claims ³⁾	929	931	931	912
Other accounts receivable/payable and financial derivatives	338	285	280	266
Net worth ⁴⁾	611	519	436	485

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

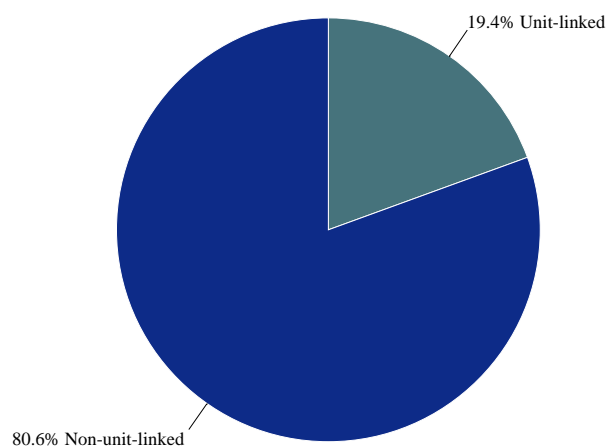
 (EUR billions; not seasonally adjusted; amounts outstanding at the end of the period ¹⁾)

	Insurance corporations		Pension funds	
	2015 Q3	2015 Q4	2015 Q3	2015 Q4
Total financial assets	6,869	6,956	2,146	2,176
Currency and deposits	527	516	196	198
Loans	466	470	61	60
Debt securities	3,105	3,137	547	546
Shares and other equity	696	732	258	267
Investment fund shares/units	1,510	1,564	941	969
Money market fund shares	97	85	11	10
Prepayments of insurance premiums and reserves for outstanding claims	285	289	29	28
Other accounts receivable/payable and financial derivatives	177	163	104	97
Non-financial assets	123	125	41	42
Total liabilities	6,614	6,679	2,129	2,136
Loans	270	271	22	24
Debt securities	60	62	0	0
Shares and other equity	579	595	10	11
Net equity of households in life insurance reserves	3,863	3,928	0	0
Net equity of households in pension fund reserves	704	713	2,023	2,030
Prepayments of insurance premiums and reserves for outstanding claims	930	911	1	1
Other accounts receivable/payable and financial derivatives	208	197	72	69
Net worth	378	402	58	83

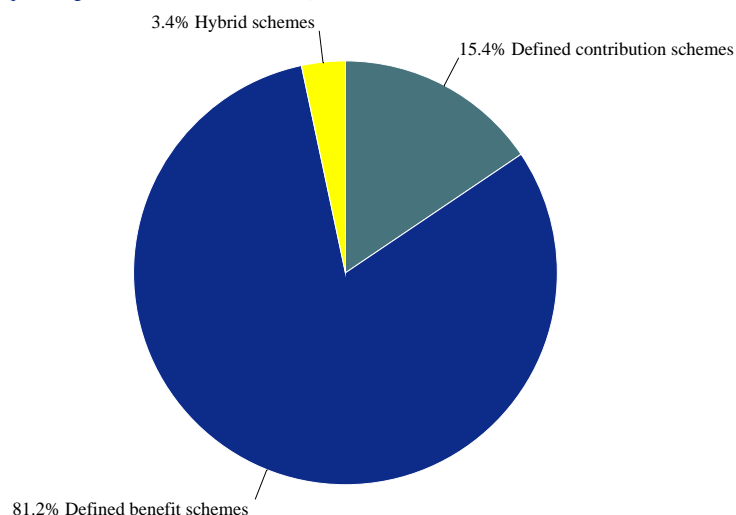
1) For footnotes, see Table 1.

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

(percentage of total; end-December 2015)


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

(percentage of total; end-December 2015)



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.