

# PRESS RELEASE

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## Statistics on Euro Area Insurance Corporations and Pension Funds:

### Second Quarter 2016

*In the second quarter of 2016, the total financial assets of euro area insurance corporations and pension funds increased to €9,541 billion, from €9,385 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 €7,965 billion, from €7,852 billion. This increase was partly due to an increase in transactions by €53 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 <sup>1</sup>
	2015		2016		
	Q3	Q4	Q1	2016 Q2	
Total financial assets	9,008	9,134	9,385	9,541	n.a.
Insurance technical reserves <sup>2</sup>	7,543	7,622	7,852	7,965	53
net equity of households in life insurance reserves	3,858	3,912	3,996	4,061	32
net equity of households in pension fund reserves	2,748	2,776	2,911	2,966	16
prepayments of insurance premiums and reserves for outstanding claims	937	934	945	938	5

<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.

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 41% of the sector's total financial assets at end-June 2016. The second largest category of holdings were **investment fund shares**, which contributed 27% to the total financial assets. Finally, **shares and other equity** accounted for 10% 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 second quarter of 2016. The **net equity of households in pension fund reserves** increased by €16 billion in the same quarter, while transactions in **prepayments of insurance premiums and reserves for outstanding claims** increased by €5 billion.

Regarding the contributions of the two sub-sectors, **insurance corporations' total financial assets** accounted for €7,208 billion at end-June 2016, representing 76% of the aggregated balance sheet of the insurance corporations and pension funds sector, while the **pension funds' total financial assets** amounted to €2,332 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>)

	2015 Q3	2015 Q4	2016 Q1	2016 Q2
<b>Total financial assets</b>	9,008	9,134	9,385	9,541
<b>Currency and deposits</b>	721	715	716	691
<i>of which:</i> Deposits with euro area MFIs	669	661	659	634
<i>of which:</i> Deposits with non-euro area residents	51	52	55	54
<b>Loans</b>	522	524	539	545
To euro area residents	494	494	507	514
MFIs	18	16	17	19
General government	152	150	155	154
Other financial intermediaries	26	25	34	32
Insurance corporations and pension funds	96	96	92	94
Non-financial corporations	59	61	62	65
Households	142	145	147	150
To non-euro area residents	28	30	32	31
<b>Debt securities</b>	3,647	3,693	3,831	3,932
Issued by euro area residents	2,965	2,984	3,096	3,170
MFIs	666	665	658	660
General government	1,776	1,778	1,879	1,936
Other financial intermediaries	272	280	284	295
Insurance corporations and pension funds	14	15	15	16
Non-financial corporations	237	246	260	263
Issued by non-euro area residents	682	709	735	762
<b>Shares and other equity</b>	960	991	977	984
Quoted shares	397	418	409	418
<i>of which:</i> Issued by euro area MFIs	17	16	13	11
Unquoted shares	562	572	568	566
<b>Investment fund shares/units</b>	2,455	2,527	2,546	2,614
<i>of which:</i> Issued by euro area residents	2,334	2,406	2,440	2,504
<b>Money market fund shares</b>	106	105	125	116
<i>of which:</i> Issued by euro area MFIs	102	101	120	112
<b>Prepayments of insurance premiums and reserves for outstanding claims <sup>2)</sup></b>	317	321	328	331
<i>of which:</i> Euro area residents	281	283	292	281
<b>Other accounts receivable/payable and financial derivatives</b>	280	257	322	328
<b>Non-financial assets</b>	163	167	174	174
<b>Total liabilities</b>	8,765	8,853	9,137	9,232
<b>Loans</b>	296	299	294	300
<b>Debt securities</b>	60	65	64	62
<b>Shares and other equity</b>	588	606	632	606
Quoted shares	159	178	160	138
Unquoted shares	429	428	471	468
<b>Insurance technical reserves</b>	7,543	7,622	7,852	7,965
Net equity of households in life insurance reserves	3,858	3,912	3,996	4,061
Net equity of households in pension fund reserves	2,748	2,776	2,911	2,966
Prepayments of insurance premiums and reserves for outstanding claims <sup>3)</sup>	937	934	945	938
<b>Other accounts receivable/payable and financial derivatives</b>	277	262	296	300
<b>Net worth <sup>4)</sup></b>	406	448	421	482

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**

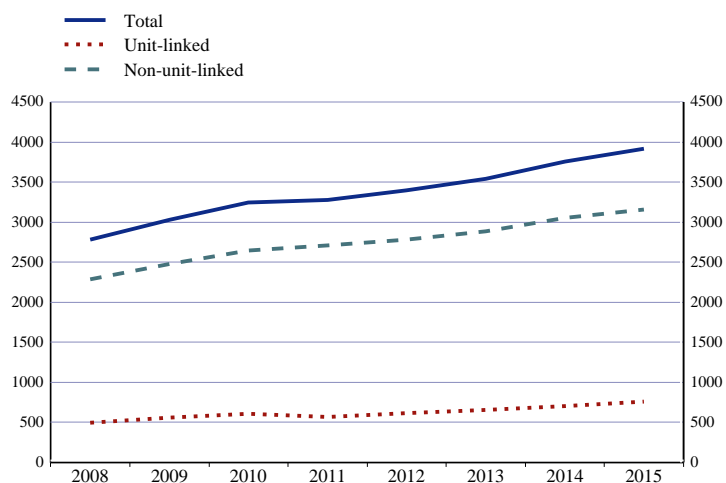
 (EUR billions; not seasonally adjusted; amounts outstanding at the end of the period <sup>1)</sup>)

	Insurance corporations		Pension funds	
	2016 Q1	2016 Q2	2016 Q1	2016 Q2
<b>Total financial assets</b>	7,118	7,208	2,267	2,332
Currency and deposits	523	501	193	190
Loans	471	477	68	67
Debt securities	3,257	3,334	575	598
Shares and other equity	706	710	266	274
Investment fund shares/units	1,566	1,595	980	1,019
Money market fund shares	112	105	12	12
Prepayments of insurance premiums and reserves for outstanding claims	301	305	28	27
Other accounts receivable/payable and financial derivatives	177	181	145	147
<b>Non-financial assets</b>	130	131	43	44
<b>Total liabilities</b>	6,816	6,858	2,322	2,375
Loans	264	269	30	31
Debt securities	64	62	0	0
Shares and other equity	621	596	11	10
Net equity of households in life insurance reserves	3,996	4,061	0	0
Net equity of households in pension fund reserves	717	723	2,193	2,242
Prepayments of insurance premiums and reserves for outstanding claims	944	937	1	1
Other accounts receivable/payable and financial derivatives	209	209	87	91
<b>Net worth</b>	433	481	-12	1

1) For footnotes, see Table 1.

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

(EUR billions)



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.

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

(percentage of total; end-December 2015)

