



EUROPEAN CENTRAL BANK

EUROSYSTEM

# PRESS RELEASE

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## Statistics on euro area insurance corporations and pension funds:

### Fourth quarter 2014

In the fourth quarter of 2014, the total financial assets of euro area insurance corporations and pension funds increased to €8,842 billion, from €8,649 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 €7,226 billion, from €7,085 billion. This increase was in part due to an increase of €70 billion in transactions.

### 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				
	Q1	Q2	Q3		
Total financial assets	8,221	8,462	8,649	8,842	n.a.
Insurance technical reserves <sup>2</sup>	6,813	6,946	7,085	7,226	70
net equity of households in life insurance reserves	3,611	3,653	3,711	3,779	34
net equity of households in pension fund reserves	2,331	2,405	2,485	2,571	38
prepayments of insurance premiums and reserves for outstanding claims	870	888	889	876	-1

<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 **debt securities** (securities other than shares) accounted for 41% of the sector's total financial assets at end-December 2014. 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 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 €34 billion in the fourth quarter of 2014. The **net equity of households in pension fund reserves** increased by €38 billion in the same quarter, while transactions in **prepayments of insurance premiums and reserves for outstanding claims** decreased by €1 billion.

Regarding the contributions of the two sub-sectors, **insurance corporations' total financial assets** accounted for €6,719 billion at end-December 2014, representing 76% of the aggregated balance sheet of the insurance corporations and pension funds sector, while the **pension funds' total financial assets** amounted to €2,123 billion.

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>.*

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**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 Q1	2014 Q2	2014 Q3	2014 Q4
<b>Total financial assets</b>	8,221	8,462	8,649	8,842
<b>Currency and deposits</b>	769	766	763	746
<i>of which:</i> Deposits with euro area MFIs	719	716	714	697
<i>of which:</i> Deposits with non-euro area residents	48	49	47	47
<b>Loans</b>	491	493	489	511
To euro area residents	458	460	456	479
MFIs	12	11	10	21
General government	150	148	146	145
Other financial intermediaries	25	28	24	30
Insurance corporations and pension funds	82	81	83	85
Non-financial corporations	51	52	52	56
Households	138	140	140	142
To non-euro area residents	33	33	32	33
<b>Securities other than shares</b>	3,295	3,400	3,485	3,582
Issued by euro area residents	2,752	2,834	2,895	2,969
MFIs	677	689	693	690
General government	1,567	1,618	1,662	1,738
Other financial intermediaries	269	282	287	290
Insurance corporations and pension funds	16	13	14	14
Non-financial corporations	224	232	239	237
Issued by non-euro area residents	543	566	590	614
<b>Shares and other equity</b>	881	901	915	935
Quoted shares	369	383	388	395
<i>of which:</i> Issued by euro area MFIs	21	21	20	18
Unquoted shares	512	518	527	540
<b>Investment fund shares/units</b>	2,151	2,244	2,326	2,368
<i>of which:</i> Issued by euro area residents	2,042	2,128	2,202	2,245
<b>Money market fund shares</b>	84	86	89	91
<i>of which:</i> Issued by euro area MFIs	83	86	88	90
<b>Prepayments of insurance premiums and reserves for outstanding claims <sup>2)</sup></b>	286	289	292	293
<i>of which:</i> Euro area residents	254	257	260	261
<b>Other accounts receivable/payable and financial derivatives</b>	264	283	290	314
<b>Non-financial assets</b>	159	160	161	163
<b>Total liabilities</b>	7,920	8,057	8,235	8,410
<b>Loans</b>	279	275	291	285
<b>Securities other than shares</b>	48	54	56	55
<b>Shares and other equity</b>	540	535	546	565
Quoted shares	158	149	151	159
Unquoted shares	382	386	395	406
<b>Insurance technical reserves</b>	6,813	6,946	7,085	7,226
Net equity of households in life insurance reserves	3,611	3,653	3,711	3,779
Net equity of households in pension fund reserves	2,331	2,405	2,485	2,571
Prepayments of insurance premiums and reserves for outstanding claims <sup>3)</sup>	870	888	889	876
<b>Other accounts receivable/payable and financial derivatives</b>	240	247	257	279
<b>Net worth <sup>4)</sup></b>	460	565	574	595

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**

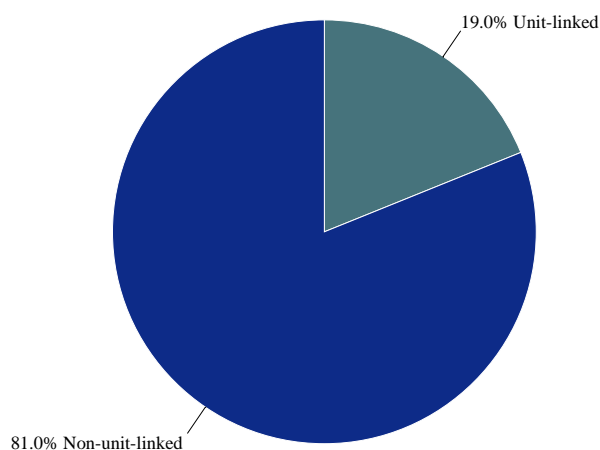
(EUR billions; not seasonally adjusted; amounts outstanding at the end of the period <sup>1)</sup>)

	Insurance corporations		Pension funds	
	2014 Q3	2014 Q4	2014 Q3	2014 Q4
<b>Total financial assets</b>	6,608	6,719	2,041	2,123
Currency and deposits	565	545	197	202
Loans	429	445	60	66
Securities other than shares	2,990	3,065	495	518
Shares and other equity	676	683	234	252
Investment fund shares/units	1,411	1,446	915	922
Money market fund shares	80	83	9	9
Prepayments of insurance premiums and reserves for outstanding claims	266	267	26	26
Other accounts receivable/payable and financial derivatives	187	186	103	128
<b>Non-financial assets</b>	121	122	40	41
<b>Total liabilities</b>	6,303	6,391	1,932	2,019
Loans	264	260	28	25
Securities other than shares	56	55	0	0
Shares and other equity	537	556	9	9
Net equity of households in life insurance reserves	3,711	3,779	0	0
Net equity of households in pension fund reserves	661	672	1,824	1,898
Prepayments of insurance premiums and reserves for outstanding claims	885	872	4	4
Other accounts receivable/payable and financial derivatives	189	197	68	82
<b>Net worth</b>	426	450	148	145

1) For footnotes, see Table 1.

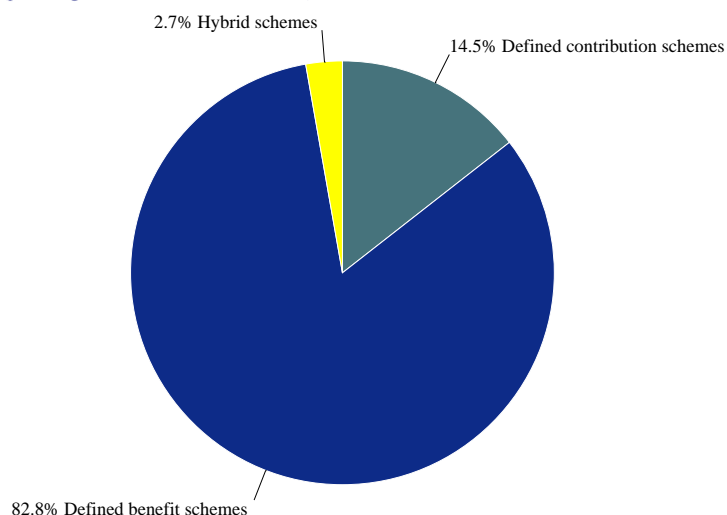
**Chart 1: Net equity of households in life insurance reserves: breakdown by type of policy**

(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.