



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

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Statistics on euro area Insurance corporations and pension funds: first quarter 2015

In the first quarter of 2015, the total financial assets of euro area insurance corporations and pension funds increased to €9,444 billion, from €8,858 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 €7,630 billion, from €7,222 billion. This increase was largely due to an increase in value of corresponding assets, but also to transactions by €123 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
	2014				
	Q2	Q3	Q4		
Total financial assets	8,466	8,653	8,858	9,444	n.a.
Insurance technical reserves ²	6,937	7,078	7,222	7,630	123
net equity of households in life insurance reserves	3,640	3,692	3,745	3,903	45
net equity of households in pension fund reserves	2,409	2,497	2,589	2,811	38
prepayments of insurance premiums and reserves for outstanding claims	888	889	888	916	39

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.

European Central Bank Directorate General Communications
Global Media Relations Division, Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, e-mail: media@ecb.europa.eu, website: www.ecb.europa.eu

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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-March 2015. 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 €45 billion in the first quarter of 2015. 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** increased by €39 billion.

Regarding the contributions of the two sub-sectors, **insurance corporations' total financial assets** accounted for €7,127 billion at end-March 2015, representing 75% of the aggregated balance sheet of the insurance corporations and pension funds sector, while the **pension funds' total financial assets** amounted to €2,317 billion.

For media queries, please contact Ronan Sheridan, tel.: +49 69 1344 7416.

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 I - 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⁾)

	2014 Q2	2014 Q3	2014 Q4	2015 Q1
Total financial assets	8,466	8,653	8,858	9,444
Currency and deposits	760	757	747	757
<i>of which:</i> Deposits with euro area MFIs	711	709	698	699
<i>of which:</i> Deposits with non-euro area residents	47	46	47	55
Loans	493	489	511	535
To euro area residents	460	456	478	502
MFIs	11	10	21	23
General government	148	146	145	153
Other financial intermediaries	28	24	30	32
Insurance corporations and pension funds	81	83	84	92
Non-financial corporations	52	52	56	59
Households	140	140	142	143
To non-euro area residents	33	32	33	33
Debt securities	3,411	3,497	3,591	3,780
Issued by euro area residents	2,846	2,907	2,977	3,114
MFIs	689	693	688	708
General government	1,640	1,684	1,758	1,862
Other financial intermediaries	282	287	290	296
Insurance corporations and pension funds	13	14	14	14
Non-financial corporations	222	230	227	234
Issued by non-euro area residents	565	590	613	667
Shares and other equity	901	915	939	1,008
Quoted shares	383	389	396	443
<i>of which:</i> Issued by euro area MFIs	21	20	18	20
Unquoted shares	517	526	543	565
Investment fund shares/units	2,244	2,325	2,366	2,586
<i>of which:</i> Issued by euro area residents	2,132	2,206	2,244	2,450
Money market fund shares	86	89	96	97
<i>of which:</i> Issued by euro area MFIs	86	88	93	95
Prepayments of insurance premiums and reserves for outstanding claims ²⁾	290	292	293	305
<i>of which:</i> Euro area residents	256	258	260	268
Other accounts receivable/payable and financial derivatives	282	290	314	377
Non-financial assets	159	160	163	164
Total liabilities	8,066	8,249	8,409	8,946
Loans	290	308	282	305
Debt securities	54	56	57	59
Shares and other equity	537	550	569	624
Quoted shares	149	151	159	186
Unquoted shares	388	399	409	438
Insurance technical reserves	6,937	7,078	7,222	7,630
Net equity of households in life insurance reserves	3,640	3,692	3,745	3,903
Net equity of households in pension fund reserves	2,409	2,497	2,589	2,811
Prepayments of insurance premiums and reserves for outstanding claims ³⁾	888	889	888	916
Other accounts receivable/payable and financial derivatives	247	257	279	328
Net worth ⁴⁾	559	565	612	662

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	
	2014 Q4	2015 Q1	2014 Q4	2015 Q1
Total financial assets	6,734	7,127	2,122	2,317
Currency and deposits	547	556	198	201
Loans	445	468	66	68
Debt securities	3,073	3,219	518	562
Shares and other equity	683	729	252	279
Investment fund shares/units	1,441	1,575	925	1,011
Money market fund shares	86	89	9	8
Prepayments of insurance premiums and reserves for outstanding claims	267	278	27	27
Other accounts receivable/payable and financial derivatives	186	215	128	162
Non-financial assets	122	122	41	42
Total liabilities	6,393	6,687	2,016	2,259
Loans	258	274	25	31
Debt securities	57	59	0	0
Shares and other equity	559	613	9	11
Net equity of households in life insurance reserves	3,745	3,903	0	0
Net equity of households in pension fund reserves	692	704	1,896	2,107
Prepayments of insurance premiums and reserves for outstanding claims	883	911	5	5
Other accounts receivable/payable and financial derivatives	197	223	82	105
Net worth	463	563	147	99

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)

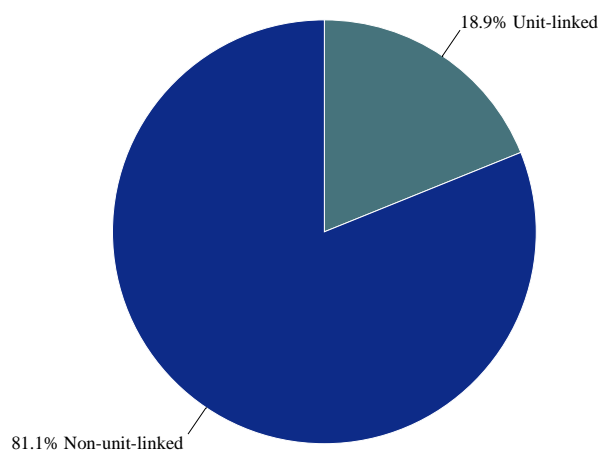
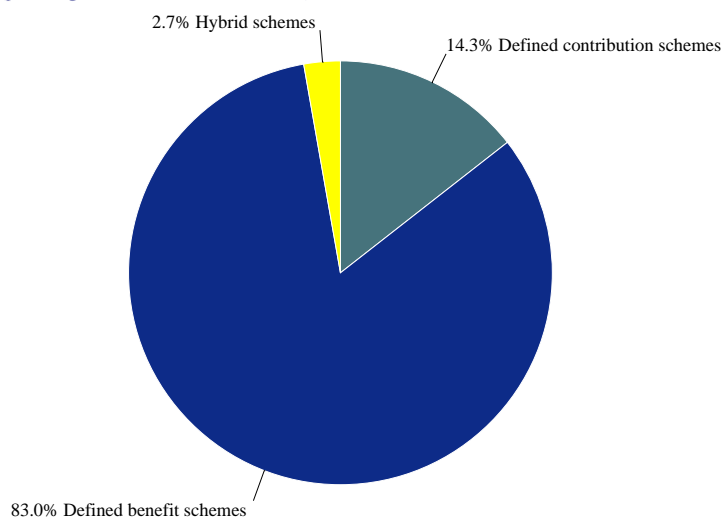


Chart 2: Net equity of households in pension fund reserves: breakdown by type of plan

(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.