



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

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Statistics on Euro Area Insurance Corporations and Pension Funds:

Third Quarter 2015

In the third quarter of 2015, the total financial assets of euro area insurance corporations and pension funds decreased to €9,037 billion, from €9,069 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 €7,524 billion, from €7,447 billion. This increase was partly due to an increase in transactions by €42 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	2015			
	Q4	Q1	Q2	2015 Q3	
Total financial assets	8,850	9,431	9,069	9,037	n.a.
Insurance technical reserves ²	7,259	7,648	7,447	7,524	42
net equity of households in life insurance reserves	3,764	3,912	3,874	3,886	25
net equity of households in pension fund reserves	2,595	2,799	2,640	2,716	15
prepayments of insurance premiums and reserves for outstanding claims	894	932	933	922	1

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.

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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** accounted for 41% of the sector's total financial assets at end-September 2015. The second largest category of holdings were **investment fund shares/units**, 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 €25 billion in the third quarter of 2015. The **net equity of households in pension fund reserves** increased by €15 billion in the same quarter, while transactions in **prepayments of insurance premiums and reserves for outstanding claims** increased by €1 billion.

Regarding the contributions of the two sub-sectors, **insurance corporations' total financial assets** accounted for €6,898 billion at end-September 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 €2,139 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⁾)

	2014 Q4	2015 Q1	2015 Q2	2015 Q3
Total financial assets	8,850	9,431	9,069	9,037
Currency and deposits	738	756	735	720
<i>of which:</i> Deposits with euro area MFIs	693	699	679	667
<i>of which:</i> Deposits with non-euro area residents	43	55	54	51
Loans	515	536	521	528
To euro area residents	479	499	485	491
MFIs	19	20	19	19
General government	144	152	151	151
Other financial intermediaries	31	35	23	27
Insurance corporations and pension funds	87	92	90	90
Non-financial corporations	58	59	60	61
Households	140	141	142	143
To non-euro area residents	36	36	37	37
Debt securities	3,606	3,785	3,631	3,673
Issued by euro area residents	2,971	3,098	2,954	2,992
MFIs	699	712	699	692
General government	1,747	1,847	1,731	1,773
Other financial intermediaries	281	288	279	279
Insurance corporations and pension funds	14	14	14	13
Non-financial corporations	230	236	231	234
Issued by non-euro area residents	635	687	677	681
Shares and other equity	923	988	978	966
Quoted shares	382	432	424	414
<i>of which:</i> Issued by euro area MFIs	17	19	19	18
Unquoted shares	541	556	554	552
Investment fund shares/units	2,362	2,576	2,506	2,450
<i>of which:</i> Issued by euro area residents	2,233	2,433	2,377	2,329
Money market fund shares	101	106	102	102
<i>of which:</i> Issued by euro area MFIs	97	102	98	98
Prepayments of insurance premiums and reserves for outstanding claims ²⁾	298	310	311	314
<i>of which:</i> Euro area residents	264	274	275	279
Other accounts receivable/payable and financial derivatives	307	375	283	284
Non-financial assets	162	163	164	165
Total liabilities	8,472	8,968	8,683	8,747
Loans	292	311	303	294
Debt securities	60	62	61	59
Shares and other equity	569	610	587	590
Quoted shares	159	186	161	159
Unquoted shares	410	424	425	430
Insurance technical reserves	7,259	7,648	7,447	7,524
Net equity of households in life insurance reserves	3,764	3,912	3,874	3,886
Net equity of households in pension fund reserves	2,595	2,799	2,640	2,716
Prepayments of insurance premiums and reserves for outstanding claims ³⁾	894	932	933	922
Other accounts receivable/payable and financial derivatives	291	337	284	280
Net worth ⁴⁾	539	626	549	454

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 Q2	2015 Q3	2015 Q2	2015 Q3
Total financial assets	6,893	6,898	2,176	2,139
Currency and deposits	536	524	199	196
Loans	464	467	57	61
Debt securities	3,093	3,127	538	545
Shares and other equity	702	711	271	255
Investment fund shares/units	1,537	1,511	970	939
Money market fund shares	91	92	11	10
Prepayments of insurance premiums and reserves for outstanding claims	283	286	27	30
Other accounts receivable/payable and financial derivatives	182	180	102	102
Non-financial assets	123	124	40	41
Total liabilities	6,629	6,626	2,053	2,122
Loans	273	272	30	22
Debt securities	61	59	0	0
Shares and other equity	577	580	10	10
Net equity of households in life insurance reserves	3,874	3,886	0	0
Net equity of households in pension fund reserves	700	702	1,940	2,013
Prepayments of insurance premiums and reserves for outstanding claims	930	918	4	4
Other accounts receivable/payable and financial derivatives	213	208	70	72
Net worth	387	396	163	58

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)

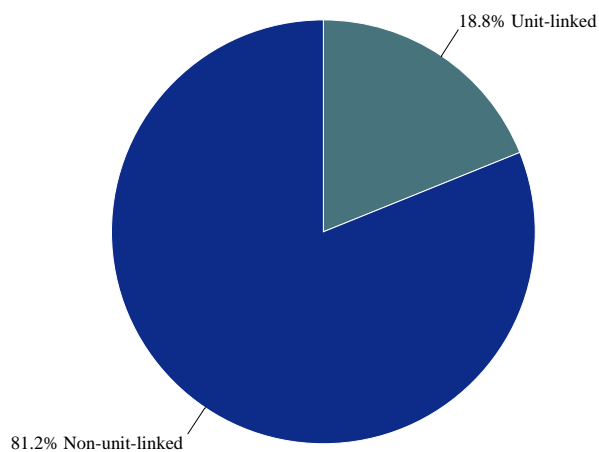
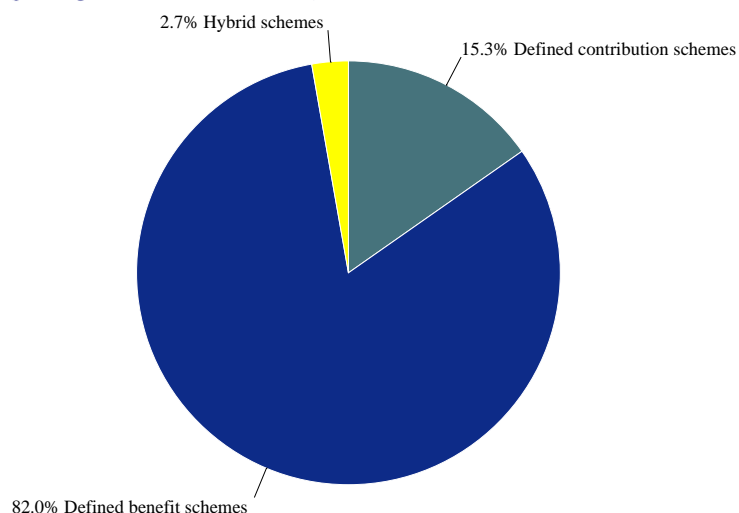


Chart 2: Net equity of households in pension fund reserves: breakdown by type of plan

(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.