

PRESS RELEASE

30 September 2016

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 \in 9,541 billion, from \in 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 \in 7,965 billion, from \in 7,852 billion. This increase was partly due to an increase in transactions by \in 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					
	2015		2016	Amounts outstanding	Transactions ¹	
	Q3	Q4	Q1	2016 Q2		
Total financial assets	9,008	9,134	9,385	9,541	n.a.	
Insurance technical reserves ²	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	

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 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 1)

	2015 Q3	2015 Q4	2016 Q1	2016 Q2
Total financial assets	9,008	9,134	9,385	9,541
	·		·	·
Currency and deposits of which: Deposits with euro area MFIs	721 669	715 661	716 659	691 634
of which: Deposits with non-euro area residents	51	52	55	54
		504	500	- 1-
Loans To euro area residents	522 494	524 494	539 507	545 514
MFIs	18	16	17	19
General government	152	150	155	154
Other financial intermediaries	26	25 96	34 92	32 94
Insurance corporations and pension funds Non-financial corporations	96 59	61	62	65
Households	142	145	147	150
To non-euro area residents	28	30	32	31
Debt securities	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 Other financial intermediaries	1,776 272	1,778 280	1,879 284	1,936 295
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
Shares and other equity	960	991	977	984
Quoted shares	397	418	409	418
of which: Issued by euro area MFIs	17	16	13	11
Unquoted shares	562	572	568	566
Investment fund shares/units	2,455	2,527	2,546	2,614
of which: Issued by euro area residents	2,334	2,406	2,440	2,504
Money market fund shares	106	105	125	116
of which: Issued by euro area MFIs	102	101	120	112
Prepayments of insurance premiums and reserves	317	321	328	331
for outstanding claims 2)	201	202	202	201
of which: Euro area residents	281	283	292	281
Other accounts receivable/payable and financial derivatives	280	257	322	328
Non-financial assets	163	167	174	174
Total liabilities	8,765	8,853	9,137	9,232
Loans	296	299	294	300
Debt securities	60	65	64	62
Shares and other equity	588	606	632	606
Quoted shares	159	178	160	138
Unquoted shares	429	428	471	468
Insurance technical reserves	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 3)	937	934	945	938
Other accounts receivable/payable and financial derivatives	277	262	296	300
Net worth 4	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.

Assets and liabilities of euro area insurance corporations and euro area pension funds

	Insurance c	orporations	Pension funds	
	2016 Q1	2016 Q2	2016 Q1	2016 Q2
Total financial assets	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	301	305	28	27
for outstanding claims				
Other accounts receivable/payable and financial derivatives	177	181	145	147
Non-financial assets	130	131	43	44
Total liabilities	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	944	937	1	1
for outstanding claims				
Other accounts receivable/payable and financial derivatives	209	209	87	91
Net worth	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)

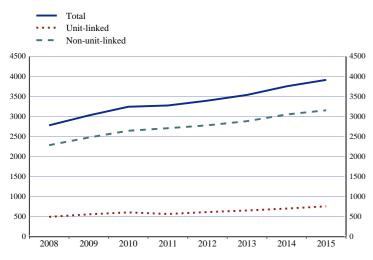
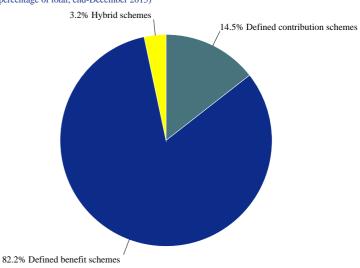


Chart 2: Net equity of households in pension fund reserves: breakdown by type of plan

(percentage of total; end-December 2015)



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.