



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

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Statistics on Euro Area Insurance Corporations and Pension Funds:

First Quarter 2016

In the first quarter of 2016, the total financial assets of euro area insurance corporations and pension funds increased to €9,361 billion, from €9,128 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 €7,833 billion, from €7,597 billion. This increase was partly due to an increase in transactions by €96 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
	2015				
	Q2	Q3	Q4		
Total financial assets	9,037	9,009	9,128	9,361	n.a.
Insurance technical reserves ²	7,449	7,521	7,597	7,833	96
net equity of households in life insurance reserves	3,856	3,861	3,904	4,007	40
net equity of households in pension fund reserves	2,661	2,728	2,765	2,892	17
prepayments of insurance premiums and reserves for outstanding claims	932	933	929	935	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.

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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-March 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 €40 billion in the first quarter of 2016. The **net equity of households in pension fund reserves** increased by €17 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 €7,113 billion at end-March 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 €2,248 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 Q2	2015 Q3	2015 Q4	2016 Q1
Total financial assets	9,037	9,009	9,128	9,361
Currency and deposits	735	723	718	711
<i>of which:</i> Deposits with euro area MFIs	679	669	662	655
<i>of which:</i> Deposits with non-euro area residents	54	52	54	54
Loans	520	526	529	548
To euro area residents	483	489	490	507
MFIs	19	18	18	18
General government	151	151	150	156
Other financial intermediaries	25	29	28	38
Insurance corporations and pension funds	90	89	87	87
Non-financial corporations	58	60	61	62
Households	140	142	145	146
To non-euro area residents	37	37	39	41
Debt securities	3,613	3,657	3,696	3,819
Issued by euro area residents	2,937	2,975	2,988	3,082
MFIs	684	678	675	668
General government	1,736	1,775	1,774	1,863
Other financial intermediaries	273	274	281	285
Insurance corporations and pension funds	14	13	15	15
Non-financial corporations	231	234	242	251
Issued by non-euro area residents	675	682	708	736
Shares and other equity	973	957	987	974
Quoted shares	421	397	417	416
<i>of which:</i> Issued by euro area MFIs	18	17	16	13
Unquoted shares	552	560	570	558
Investment fund shares/units	2,505	2,448	2,522	2,544
<i>of which:</i> Issued by euro area residents	2,377	2,329	2,403	2,437
Money market fund shares	102	108	106	122
<i>of which:</i> Issued by euro area MFIs	99	103	102	119
Prepayments of insurance premiums and reserves for outstanding claims ²⁾	311	313	316	323
<i>of which:</i> Euro area residents	275	278	278	287
Other accounts receivable/payable and financial derivatives	279	276	254	319
Non-financial assets	163	164	168	174
Total liabilities	8,690	8,743	8,836	9,116
Loans	302	292	294	292
Debt securities	61	60	65	60
Shares and other equity	592	589	614	629
Quoted shares	161	159	178	159
Unquoted shares	431	430	436	470
Insurance technical reserves	7,449	7,521	7,597	7,833
Net equity of households in life insurance reserves	3,856	3,861	3,904	4,007
Net equity of households in pension fund reserves	2,661	2,728	2,765	2,892
Prepayments of insurance premiums and reserves for outstanding claims ³⁾	932	933	929	935
Other accounts receivable/payable and financial derivatives	285	280	266	302
Net worth ⁴⁾	511	430	460	419

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

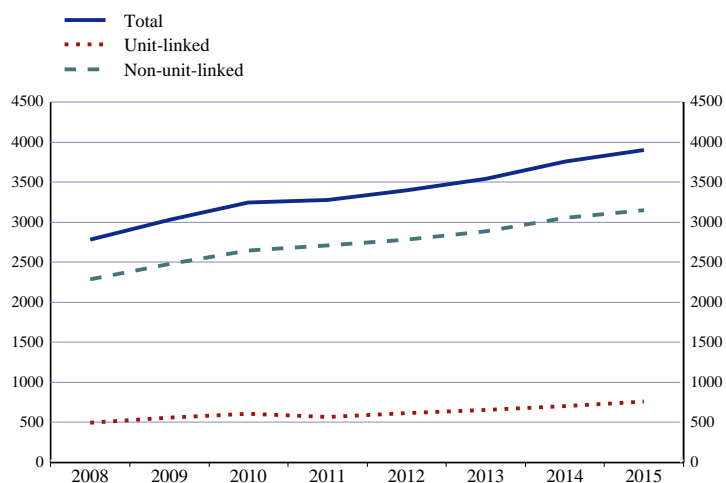
 (EUR billions; not seasonally adjusted; amounts outstanding at the end of the period ¹⁾)

	Insurance corporations		Pension funds	
	2015 Q4	2016 Q1	2015 Q4	2016 Q1
Total financial assets	6,958	7,113	2,169	2,248
Currency and deposits	519	514	199	197
Loans	467	478	62	70
Debt securities	3,153	3,252	543	567
Shares and other equity	718	714	264	260
Investment fund shares/units	1,554	1,569	968	975
Money market fund shares	96	111	10	12
Prepayments of insurance premiums and reserves for outstanding claims	288	296	28	27
Other accounts receivable/payable and financial derivatives	157	179	97	141
Non-financial assets	125	132	42	43
Total liabilities	6,685	6,820	2,151	2,296
Loans	270	263	24	29
Debt securities	65	60	0	0
Shares and other equity	602	618	11	11
Net equity of households in life insurance reserves	3,904	4,007	0	0
Net equity of households in pension fund reserves	719	725	2,045	2,166
Prepayments of insurance premiums and reserves for outstanding claims	927	934	1	1
Other accounts receivable/payable and financial derivatives	197	213	69	89
Net worth	399	424	61	-5

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)

