



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

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Statistics on euro area insurance corporations and pension funds

- In the fourth quarter of 2016, total assets of euro area insurance corporations decreased to €7,768 billion, from €7,878 billion in the previous quarter
- Over the same period, total assets of euro area pension funds decreased to €2,422 billion, from €2,462 billion in the previous quarter
- New information on transactions in insurance corporations statistics

Regarding the breakdown of the assets of the aggregated balance sheet of euro area insurance corporations, holdings of debt securities amounted to 44% of the sector's total assets at end-December 2016. The second largest category of holdings was investment fund shares (24%), followed by equity (10%) and loans (8%).

In the fourth quarter of 2016, holdings of debt securities decreased to €3,404 billion, from €3,476 billion in the previous quarter. New information on transactions shows that this was due to a decrease in value of corresponding assets, marginally offset by transactions amounting to €4 billion. During the same period holdings of investment fund shares increased to €1,836 billion, from €1,808 billion due to transactions by €29 billion.

Total insurance technical reserves of insurance corporations amounted to €5,891 billion in the fourth quarter of 2016, with life insurance technical reserves representing 91%.

In the fourth quarter of 2016, the amount outstanding of pension entitlements, the main liabilities of pension funds, decreased to €2,235 billion from €2,320 billion in the previous quarter. Looking at the breakdown of assets on the aggregated balance sheet of euro area pension funds, holdings of investment fund shares accounted for 44% of the sector's total assets at end-December 2016. The second largest

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category of holdings was debt securities, which made up 24% of total assets, while equity accounted for 13%.

Turning to transactions in the main types of pension funds' pension entitlements, transactions in defined benefit schemes amounted to €11 billion, in defined contribution schemes €4 billion and in hybrid schemes close to nil in the fourth quarter of 2016.

This is the last press release covering both insurance corporations and pension funds statistics. As of reference first quarter of 2017 a regular quarterly press release will be issued for the harmonised euro area statistics on insurance corporations. Pension funds statistics will continue to be released on a quarterly basis on the ECB website, although without a dedicated press release, until harmonised euro area data on pension funds become available – expected in the second half of 2019.

For more information please refer to the background information available on the ECB website.

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Note:

- *Further predefined tables, statistical data including data at a monthly frequency, methodological notes, as well as the advance release calendar, are available in the statistics section of the ECB's website under [Insurance corporation statistics](#) and [Pension fund statistics](#).*

Table 1. 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 unless otherwise specified ¹⁾)

	Insurance corporations		Pension funds	
	2016 Q3	2016 Q4	2016 Q3	2016 Q4
Total assets/liabilities	7,878	7,768	2,462	2,422
Assets				
Currency and deposits	523	496	194	193
Loans	641	615	68	59
Debt securities	3,476	3,404	607	585
Equity	712	768	299	313
<i>of which: listed shares</i>	199	207	236	248
Non-money market fund investment fund shares	1,693	1,729	1,049	1,070
Money market fund shares	116	107	11	10
Insurance technical reserves and related claims ²⁾	241	224	27	26
Financial derivatives	59	42	120	83
Non-financial assets	124	123	43	45
Remaining assets	294	259	44	33
Liabilities				
Loans	230	215	30	31
Debt securities issued	128	128	0	0
Equity	966	1,045	21	84
Insurance technical reserves (ITRs)	6,065	5,891	2,320	2,236
<i>of which: pension entitlements ^{3) 4)}</i>	-	-	2,320	2,235
defined contribution schemes ^{3) 4)}	-	-	214	218
defined benefit schemes ^{3) 4)}	-	-	1,891	1,817
hybrid schemes ^{3) 4)}	-	-	93	89
Financial derivatives	30	27	40	41
Remaining liabilities	460	463	51	31
Selected transactions - assets				
Debt securities	-	4	-2	-3
Equity of which: listed shares ⁴⁾	-	0	-	-
Non-money market fund investment fund shares	-	38	12	8
Money market fund shares	-	-9	1	-1
Selected transactions - liabilities				
ITRs of which: pension entitlements ^{3) 4)}	-	-	9	15
defined contribution schemes ^{3) 4)}	-	-	4	4
defined benefit schemes ^{3) 4)}	-	-	6	11
hybrid schemes ^{3) 4)}	-	-	0	0

Source: ECB.

1) Figures may not add up due to rounding.

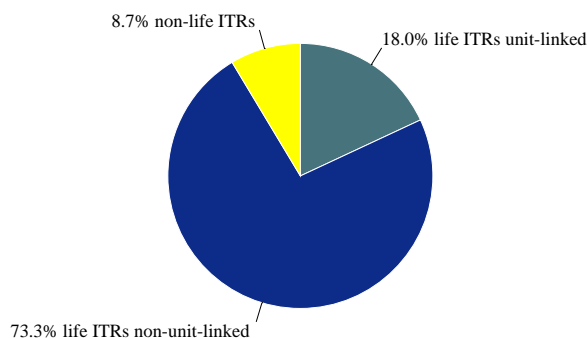
2) May include non-life insurance technical reserves, claims of insurance corporations and pension funds on pension managers and provisions for calls under standardised guarantees.

3) Pension entitlements contain the provisions against policyholders or beneficiaries set aside by pension funds to meet future obligations.

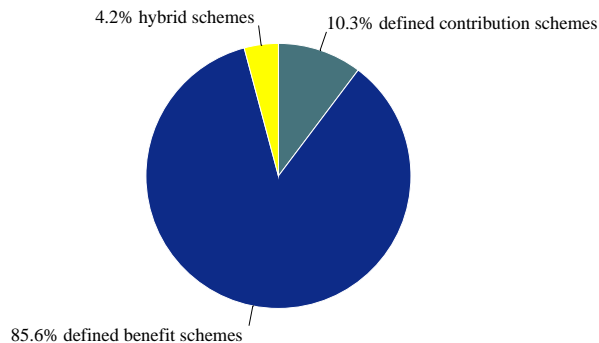
4) Data on pension entitlements of insurance corporations and transactions data on equities on the asset side of pension funds are not available.

Chart 1: Insurance corporations - insurance technical reserves (ITRs), breakdown by type

(percentage of total; end-December 2016)


Chart 2: Pension funds - pension entitlements, breakdown by type of plan

(percentage of total; end-December 2016)



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. The policyholder's future claims under a non-unit-linked life insurance contract do not depend on the performance of any defined pool of assets.

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.