EIOPA Occupational Pensions Statistics

Frequently Asked Questions

General questions about the statistics

1. What are the EIOPA Occupational Pensions Statistics??

The publication of aggregated Occupational Pensions Statistics supports EIOPA's key strategic objectives in fostering the protection of policyholders as well as its contribution to ensure the orderly functioning of the financial system.

EIOPA's Occupational Pensions Statistics are based on Pensions Data reports from IORPs in the European Union and the European Economic Area (EEA). These statistics provide the most up-to-date and comprehensive picture of the European Pensions sector, including country breakdowns and distributions of key variables, allowing for the comparability of high-quality data.

2. Which Institutions for occupational pension provision are included in EIOPA's Occupational Pensions Statistics?

The reported information covers institutions for occupational retirement provision (IORP) and the occupational retirement provision business of life insurance undertakings in case of Article 4 of Directive (EU) 2016/2341.

In general, the tables refer to data as of the calendar year.

3. How often are EIOPA Occupational Pensions Statistics updated?

The statistics are published on a quarterly and an annual basis.

4. What data is published?

The Occupational Pensions Statistics currently include the following types of information:

Statistics	Source template	Frequency
Basic Information	PF.01	Annual
Balance Sheet	PF.02	Quarterly, Annual
Exposures	PF.06	Quarterly, Annual
Expenses	PF.05	Annual
Member Data	PF.50	Annual
Contributions, benefits paid & transfers	PF.51	Annual

5.   How many IORPs are included in EIOPA's Occupational Pensions Statistics?

The Basic Information statistics for each reference period details the number of IORPs & schemes covered by the data.

6.   Will more IORPs data be published by EIOPA in the future?

Yes, over time EIOPA intends to increase the scope of its statistics.

7.   Do the statistics disclose information at individual company level?

No, all information is aggregated by country and only published if it comprises data on at least three reporting entities. Individual financial institutions cannot be identified.

8.   Is it possible to suggest data items to be included in future publications of the statistics?

Yes, over time EIOPA is aiming to expand the coverage and detail of its statistics. We therefore welcome any constructive suggestions by email to info@eiopa.europa.eu.

9.   Is the historic Occupational Pensions Statistics information available?

The former statistical annex based on the previous pension data reporting regime can be obtained via EIOPA's website, but it is no longer updated.

Questions on methodological aspects of the statistics

10.   How is each item in the statistics defined?

Every published data item is clearly defined in the Annotated templates & associated instructions of the Pension Data reporting templates[1].

11.   Which exchange rate does EIOPA use for the Occupational Pensions Statistics?

EIOPA uses exchange rates published by the European Central Bank for each reference date to convert values reported by reporting entities in another currency to euro (see also point c) of the answer to question 17).

12.   How is the data from individual undertakings aggregated in EIOPA Occupational Pensions Statistics?

EIOPA receives pension data on an individual basis, aggregated basis or both from each member state. Where aggregated data is received we use this dataset as the basis for the statistics. If EIOPA only receives individual data, then EIOPA aggregates these submissions to national level by simple summation

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[1] Available here

13. Does EIOPA adjust the underlying data in any way before publication?

No, data from pension providers is forwarded from national competent authorities (NCAs) to EIOPA on either an individual or aggregated basis. EIOPA aggregates the data before publication, but does not carry out any other adjustments to the data

14. 14. Why is the value of the total assets in the Balance Sheet not always equal to the sum of the liabilities, regulatory own funds, reserves and profit reserves?

Normally, one would expect that assets equals the sum of liabilities, regulatory own funds, reserves and profit reserves. However, this rule doesn't always apply due to two reasons:

- Different valuation method for assets and liabilities
- Lower frequency to value liabilities.

The <u>valuation method</u> for assets and liabilities differ in some Member States. Typically, assets are almost always being valued according to (daily) market prices. The valuation of liabilities on the other hand, and especially the technical provisions, is almost always being based on a formula that takes into account variables like interest rates and mortality tables.

Furthermore, in some countries valuing technical provisions takes place with a <u>lower frequency</u> than valuing the assets. Typically, technical provisions are being valued annually, whereas assets are being valued on a daily/monthly basis. Some countries report quarterly to EIOPA the technical provisions as valued at the end of the previous year.

15. Does EIOPA revise historical data series included in each publication of the Occupational Pensions Statistics?

Yes, the historical time series included in EIOPA statistical releases are updated whenever new data for that time series are published

16. Why does EIOPA revise historical data series?

Changes in historical series generally stem from corrections and resubmissions from NCAs.

As the information contained in previous releases may differ from the most recent release of historical data, the previous statistical release is available on EIOPA's website.

17. Why are some specific country aggregates in EIOPA's Occupational Pensions Statistics not identical to those published by national authorities?

Several national authorities publish data for their national markets based on their national supervisory and/or statistical reporting framework.

Occupational Pension statistics published by EIOPA may differ in methodology, scope and source from statistics published by national authorities. As a result, the funding ratio as calculated from EIOPA statistics is not necessarily equivalent to national funding ratios -

stakeholders should refer to national statistics for funding ratios applicable to the national supervisory framework.

a) Methodological differences

EIOPA publishes data on a fully consistent basis across all countries in the sample. However, national authorities may use different methodologies, possibly also using information not available to EIOPA on a structured basis.

National authorities may also adjust their statistics for cross-border business. This can be done to account for business done by foreign undertakings in their country (or vice versa) via branches or freedom to provide services. EIOPA applies the so-called "home approach" in its statistics, meaning that it does not adjust for cross-border business in this manner.

b) Sample of IORPs included in the aggregations

NCAs are allowed to exclude the smallest IORPs from quarterly reporting and from reporting the 'List of assets' (PF.06.02.24) item_by_item, if at least 80% (75% until 2022) of the sector, in terms of balance sheet total, is covered by the full set of annual reporting.

In addition, NCAs may on a quarterly basis exempt from the full set of reporting the smallest IORPs in the corresponding Member States if the total assets are less than EUR 25 million or the number of its members including beneficiaries is fewer than 100, until 20% (25% until 2022) of the sector, in terms of balance sheet total, is reached. NCAs shall report a specific set of data of such exempted IORPs for the annual reporting.

c) Use of different exchange rates

EIOPA uses exchange rates published by the European Central Bank (ECB) for each reference date to convert values reported by reporting entities in another currency to euro. National authorities may either use a different source or a different number of decimals in the conversion that will lead to slight differences. Moreover, national authorities could also choose to use, for instance, average exchange rates instead of rates as of a specific reference date, which would also lead to slight differences in the published data. Finally, national authorities from non-euro-zone countries would convert values in foreign currency to domestic currency instead of to euro. The described differences are expected to have a negligible impact at pan-European scale.

d) Annual frequency of valuing technical provisions

Some countries report quarterly to EIOPA the technical provisions as valued at the end of the previous year, which impacts, among others, the funding ratio.

18. Why is the data in EIOPA's Occupational Pensions Statistics not identical to those published by the ECB?

The ECB's statistics is based on input from national authorities on an aggregated basis. This means that most differences are due to different methodology as described in the answer to question 17 and to a different definition of the samples.

19. Why are the value of investments in the Assets Exposure statistics not always fully aligned with the values in the aggregated Balance sheet statistics?

The information on asset exposure and balance sheet information is collected through two different reporting templates. Differences in the values can occur because some companies are exempted (as explained in question 17 part b) from reporting the list of assets used for the assets exposure statistics, but still report the balance sheet template.

The decision to exempt certain companies from particular reporting obligations lies with individual national competent authorities.

The differences can also stem from other factors:

- Not all elements of the balance sheet item Investments are reported in the List of Assets templates i.e. derivatives
- Not all categories in the balance sheet template are directly traceable to the asset by asset template. For instance, certain categorisations of the assets may lead to differences between the two templates (e.g. some equity exposures are categorised as participations (so not as equity) in the balance sheet templates).

20. Why are some items on the asset side of the balance sheet negative?

It could be that some items on the asset side get a negative value. According to existing (local) accounting rules (like local GAAP) some balance sheet items could be netted on the asset side of the balance sheet. This applies mainly for derivatives and cash positions. Negative values for cash positions could be the result of a negative balance on a bank accounts. Alternatively, cash collateral related to portfolio investment positions (e.g. in the case of securities lending, or derivative positions) could also be reported as negative cash positions

21. What is the methodology behind the asset exposure statistics?

The asset exposure statistics consist of a subsection of the information reported in template PF.06.02 in the European Economic Area (EEA). This reported information is extracted, converted into euro where applicable (using the European Central Bank exchange rate for the specified reference date) and aggregated at a country level.

The exposure data is based on the following reported fields in the PF.06 reporting template:

- C0170 Issuer sector
- C0230 Complimentary Identification Code (CIC) category and sub-category
- C0030 Pension Scheme Type

- C0100 Market Asset Value

In addition, the following data fields are constructed:

- Exposure Country: The field used for ascertaining the location of the exposure is constructed according to the following rules: for all CIC codes excluding 9 this will be the country listed in PF.06.02 - C0210 (country of issuer), for CIC 9 this will be the country listed in PF.06.02 - C0040 (country of custody), for CIC 84 (where it is a loan to natural persons), CIC 87 and CIC 88 the country of exposure is not identifiable. All EEA countries and the United States, United Kingdom, Australia, Switzerland, Canada and Japan are shown individually. All exposures with a country outside of this set are grouped under the label, "z01 Rest of the world or unassigned". Assets which are not required to have an exposure country assigned in either C0210 or C0040 will be grouped under the label, "z02 Not reported".
- Real estate indicators: Flags for identifying real estate exposures are added. The methodology is described in question 22.
- CIC Not reported: "z01 Not reported" is used when the CIC code is either empty or invalid (e.g. due to an invalid country code used by the reporting entity).

22. How do you identify real estate exposure and separate commercial and residential exposures in the asset exposure statistics?

The real estate assets held by undertakings are flagged according to a mapping based on CIC and NACE[2] codes. In detail, real estate exposures are flagged according to these rules:

1. CIC category (third and fourth position) 32 "equity of real estate related corporation", 45 "investment funds - collective investment undertakings: real estate funds", CIC category 55 "structured notes: real estate risk" and CIC category 65 "collateralised securities: real estate risk" shall be included as real estate exposures irrespective of NACE code.

2. CIC categories (third position) 2 "corporate bonds" and 0 "other investments" shall be assessed by referring to the NACE code associated with the asset. Where the NACE code is 'F.41.2' or 'F.41.2.0' (construction of residential and non-residential buildings) or 'L' (real estate activities) these assets will be flagged as real estate exposures.

3. CIC category (third and fourth position) 84 "mortgages", 87 "Loans to AMSB members", 88 "Loans to other natural persons" and CIC category (third position) 9 "property" will be flagged as real estate exposures.

The real estate flag further classify the exposures related to real estate identified above in the following three categories (based on CIC codes):

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[2] See this NACE Rev. 2 - methodology and http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Statistical_classification_of_economic_activities_in_the_European_Community_%28NACE%29

1. Real estate exposure (own use): CIC 93, 95 and 96

2. Real estate exposure (indirect): CIC 55, 65, 84, 87 and 88

3. Real estate exposure (general): All other real estate exposures identified according to the rules above

In addition, a further identifier will be used to distinguish between Commercial Real Estate (CRE) & Residential Real Estate (RRE) for the following items where this can be determined[3]:

CIC	Category	Description	Commercial (CRE) or Residential (RRE) real estate
9	**Property**	**Buildings, land, other constructions that are immovable and equipment**	
91	Property (office and commercial)	Office and commercial building used for investment	CRE
92	Property (residential)	Residential buildings used for investment	RRE
93	Property (for own use)	Real estate for the own use of the undertaking	CRE
94	Property (under construction for investment)	Real estate that is under construction, for future usage as investment	
95	Plant and equipment (for own use)	Plant and equipment for the own use of the undertaking	CRE
96	Property (under construction for own use)	Real estate that is under construction, for future own usage	CRE
99	Other	Other real estate, not classified under the above categories	
8	**Mortgages and loans**	**Financial assets created when creditors lend funds to debtors, with collateral or not, including cash pools.**	
84,	Mortgages	Loans made with collateral in the form of real estate	**For data until 2023Q3:** **RRE** if C0200 in S.06.02. = "Loans to AMSB members **/** natural persons".

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[3] For other real estate exposures, this field will be "unassigned"

				CRE if C0200 in S.06.02. = Others
87, 88	Loans to AMSB members and natural persons			**For data starting from 2025:** CIC84 is unassigned CIC87 and 88 are considered residential exposures