



Press release

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Insurance companies and pension funds invest more in foreign bonds

Dutch pension funds and insurance companies increased their foreign bond holdings by 13 billion euro to 238 billion euro in the third quarter of 2004. The balance sheet total of insurance companies and pension funds rose by 12 billion euro to 842 billion euro, according to the latest figures from Statistics Netherlands.

Foreign bonds popular

In the third quarter of 2004 investments in foreign bonds of both insurance companies and pension funds increased particularly strongly. Insurance companies increased their holdings of foreign bonds by nearly 5 billion euro to 70 billion euro, while domestic bond holdings grew by nearly 2 billion euro to just over 36 billion euro.

The value of foreign bonds held by Dutch pension funds increased by 8 billion euro, bringing their total holdings in foreign bonds to 168 billion euro. The value of Dutch bonds decreased by 1 billion euro to just under 35 billion euro.

Some two-thirds of the 238 billion euro insurance companies and pension funds held in foreign bonds at the end of the third quarter was in the eurozone. The increase of 11 billion euro in the eurozone accounted for the largest part of the increase in the value of foreign bonds .

Both purchases of new bonds and higher values of those already in the portfolios contributed to the increase in the total value of foreign bond holdings. Insurance companies and pension funds bought a net 8 billion euro worth of foreign bonds, while increased prices pushed up the value of existing holdings by 5 billion euro.

No net change in other investments

There was hardly any change in insurance companies' investments in other securities in the third quarter.

Share holdings by pension funds fell by 5 billion euro to 243 billion euro, and their fixed period deposits rose relatively strongly: by 4 billion euro to 15 billion euro. Pension funds' investments in other securities hardly changed.