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Financial Results of Open Pension Funds and General Pension Societies in 2019

15,7

Open Pension Funds members in million in 2019

The financial result of Open Pension Funds (OFE) in 2019 amounted to PLN 1.4 billion, compared to a loss of PLN 17.0 billion in 2018. Net assets of OFE at the end of 2019 amounted to PLN 154.8 billion, which means a decrease by PLN 2.5 billion during the year.

OPEN PENSION FUNDS

Table 1. Open Pension Funds members and members' accounts managed by Open Pension Funds

SPECIFICATION	2018	2019	2018=100
Open Pension Funds members	15 901 894	15 670 382	98.5
Members' accounts managed by Open Pension Funds	16 209 063	15 991 816	98.7

Open Pension Funds members

According to Central Register of OFEs' members in Social Insurance Institution (ZUS), 2019, 15.7 million members of Open Pension Funds were registered as of December 31, i.e. 1.5% less than the year before. The number of members decreased by 231,512 persons.

Members accounts managed by Open Pension Funds

Number of members' accounts¹ managed by Open Pension Funds amounted to 16.0 million as of December 31, 2019.

Contributions and interests

ZUS transferred PLN 3.5 billion of contributions and PLN 5.4 million of interest to OFE in 2019. The amount of contributions² paid to OFE was higher by PLN 143.4 million and the amount of interest paid was higher by PLN 0.3 million compared to 2018. In the period from May 19, 1999 to December 31, 2019, the ZUS transferred PLN 219.6 billion of contributions and PLN 3.7 billion of interest to OFE.

The number of members of Open Pension Funds decreased by almost 232 thous. persons in 2019.

Number of members' accounts amounted to 16.0 million.

In the period from May 19, 1999 to December 31, 2019, the ZUS transferred PLN 223.3 billion of contributions and interest.

¹ The difference between the number of accounts in OFE and the number of OFE members registered by ZUS results from various mechanisms of their registration, including dead accounts.

² According to the Act of 25 March 2011 amending acts related to the social insurance system (Journal of Laws No. 75, item 398), contributions to OFE for retirement insurance up to 30 April 2011 amounted to 7.3%, from May 1, 2011 to December 31, 2012 - 2.3%, from January 1, 2013 to December 31, 2013 - 2.8%, and from January 1, 2014 to January 31, 2014 - 3.1% of the contribution assessment base. According to the legal regulation since February 1, 2014, the ZUS on the basis of the members' declaration of intent transmits 2.92% of contribution to pension funds, while the remaining part (4.38%) is recorded on the subaccounts in the ZUS. For the other persons, who have not submitted their declaration of intent, the entire contribution (7.30%) is recorded on the subaccounts in the ZUS.

Chart 1. Open Pension Funds' members by age and sex

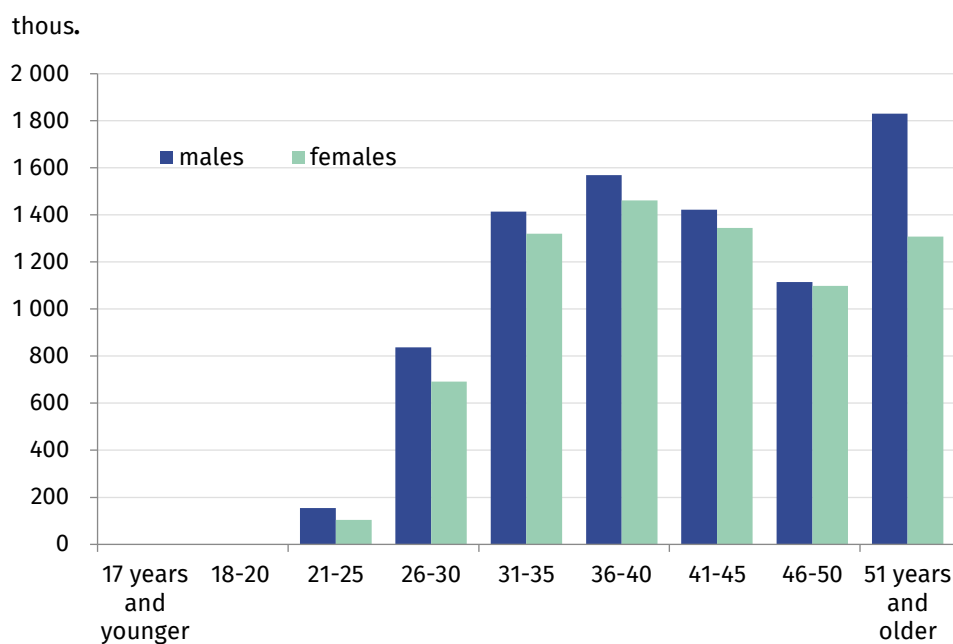


Table 2. Selected items of Open Pension Funds balance sheets

SPECIFICATION	2018	2019	2018=100
	in million PLN		
Assets	157 511.3	154 968.0	98.4
Creditors	177.3	151.9	85.7
Net assets	157 333.9	154 816.1	98.4
Fund's capital	22 604.0	18 669.6	82.6
Reserve capital	-108.7	-109.0	x
Accumulated undistributed financial result	134 835.4	136 254.6	101.1
Total capital and accumulated undistributed financial result	157 333.9	154 816.1	98.4

Open Pension Funds assets

The value of managed net assets of Open Pension Funds amounted to PLN 154.8 billion at the end of 2019. The investment portfolio showed the largest share in assets - 99.0%

OFE net assets decreased by PLN 2.5 billion in 2019.

Weighted average rate of return

Weighted average rate of return of Open Pension Funds for a three year period from March 31, 2016 to March 29, 2019 amounted to 19.74%, while for the period from September 30, 2016 to September 30, 2019 was 15.94%. Two funds achieved a better result than the weighted average rate of return in the second period, while a worse result - 8 funds.

Table 3. Open Pension Funds investment portfolio

SPECIFICATION	2018	2019	2018=100
	in million PLN		
Investment portfolio, of which:	156 586.7	153 345.8	97.9
shares of companies listed on regular market	134 047.4	127 446.0	95.1
bank deposits	8 973.6	11 067.7	123.3
other	3 148.6	3 273.8	104.0
bonds	10 417.1	11 558.3	111.0

Investment portfolio

Domestic equity instruments constituted the dominant position in OFE portfolios. The investment portfolio of OFE was dominated by shares of companies listed on the regulated stock market - PLN 127.4 billion (including PLN 117.0 billion on the territory of Poland), and their share decreased by 2.7 pp. during the year. Shares valued as at December 31, 2019 were worth: for shares of the financial macrosector entities³ - PLN 48.5 billion, oil & energy - PLN 23.4 billion, chemicals & materials - PLN 10.0 billion, consumer goods - 9.1 PLN billion, trade & services - PLN 10.5 billion.

The shares of companies listed on the regulated stock market dominated in the investment portfolio of OFE.

Table 4. Selected items of Open Pension Funds profit and loss accounts

SPECIFICATION	2018	2019	2018=100
	in million PLN		
Operating income	4 310.6	4 803.8	111.4
Operating costs	968.2	945.6	97.7
Result on investments	3 342.4	3 858.2	115.4
Realised and unrealised profit (loss)	-20 353.6	-2 439.0	x
Financial result	-17 011.2	1 419.2	x

The income from investments portfolio in the amount of PLN 4.77 billion was the main item in operating income.

Open Pension Funds operating income and costs

Operating income of Open Pension Funds amounted to PLN 4.8 billion in 2019. The main item was the income from investments portfolio, which constituted 99.2% of operating income.

Open Pension Funds financial result

The financial result of Open Pension Funds was PLN 1.4 billion in 2019, compared to loss PLN 17.0 billion a year ago. This result was comprised of: result on investments of PLN 3.9 billion and realized and unrealised profit (loss) of *minus* PLN 2.4 billion.

The total financial result of Open Pension Funds amounted to PLN 1.4 billion in 2019.

³ Sectoral division in accordance with the Warsaw Stock Exchange, <https://www.gpw.pl/>

GENERAL PENSION SOCIETIES

Table 5. General Pension Societies' assets and liabilities

SPECIFICATION	2018	2019	2018=100
	in million PLN		
Total assets, of which:	2 929.1	2 859.0	97.6
Fixed assets	2 009.0	2 068.7	103.0
Current assets	920.1	790.3	85.9
Total liabilities, of which:	2 929.1	2 859.0	97.6
Entity's own capital, of which:	2 482.4	2 418.3	97.4
stated capital	859.7	859.7	100.0
Creditors and reserves for creditors	446.7	440.7	98.7

General Pension Societies' assets and liabilities

Assets of General Pension Societies (PTEs) amounted to PLN 2.9 billion at the end of December 2019, which meant a decrease by 2.4%. The value of liabilities in 84.6% was shaped by entity's own capital, which amounted to PLN 2.4 billion (a decrease by 2.6% compared to 2018).

Total PTEs assets decreased by 2.4% in 2019.

Table 6. General Pension Societies' profit and loss accounts

SPECIFICATION	2018	2019	2018=100
	in million PLN		
Revenues from OFE's and DFE's management	1 040.9	966.0	92.8
Costs arising from OFE's	364.0	383.5	105.4
Technical profit/loss	676.9	582.5	86.1
Net profit/loss	562.4	493.9	87.8

General Pension Societies' revenues and costs

Revenues of PTEs resulting from the Open Pension Fund management (including revenues/costs resulting from the Occupational Pension Fund management) amounted to PLN 1.0 billion, and costs PLN 0.4 billion.

Revenues of PTEs resulting from the OFE and DFE management amounted to PLN 1.0 billion.

General Pension Societies' financial result

General pension societies closed 2019 with a net profit of PLN 0.5 billion, while in 2018 net profit amounted to PLN 0.6 billion.

PTE net financial result amounted to PLN 0.5 billion in 2019.

This news releases has been prepared on data received on 01/04/2020 from the Polish Financial Supervision Authority. Data include 10 OFEs and 10 PTEs operating in 2018 and 2019.

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Terms used in official statistics

[Open Pension Fund](#)

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