

## Financial investments of Insurance Corporations – France • 1<sup>st</sup> quarter 2021

### Insurers' investment outstandings rise by 7 billion

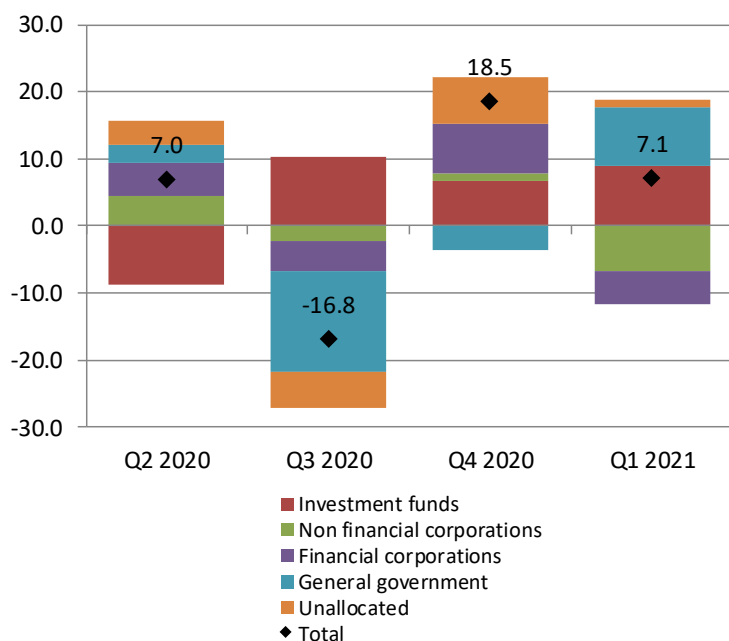
At end-March 2021, insurers' financial investments amount to €2,747 billion, up €7 billion. This increase is mainly the result of positive net investments (+ 11 billion) reduced by a fall in valuations (-€4 billion). Since the Sapin II law allowing the creation of Organismes de Retraites Professionnelles Supplémentaires under French law (so-called ORPS which are pension funds), part of insurers' assets related to retirement savings has been transferred to these dedicated entities whose assets reach 35 billion at end-March 2021.

Net purchases relate mainly to non money market funds (+ 7 billion), in particular equity funds (+ 4 billion) and other funds (+ 2 billion) and mainly foreign (+ 5 billion). The other positive net investments correspond to deposits (+ 3 billion) and loans (+ 3 billion). Insurers acquire debt securities issued by general government (+ 9 billion) but sell those issued by non-financial corporations (- 6 billion) and by financial corporations (- 6 billion).

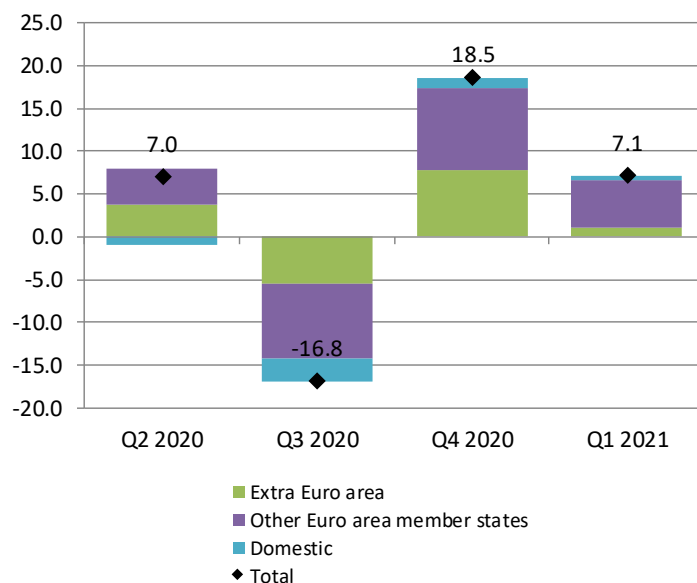
The rise in long-term interest rates (+29 basis points for the 10-year OAT over the quarter) has a negative impact on the valuation of the debt securities portfolio (- 29 billion). Conversely, those of non money market funds (+ 17 billion) and of listed shares (+ 6 billion) in particular increase strongly (rise by 9% in the CAC40 over the quarter).

### Transactions of financial portfolio assets<sup>1</sup> of insurance corporations (in billions of euros)

#### By category of issuers<sup>2</sup>



#### By geographical area



1. Debt securities, equities and investment fund shares

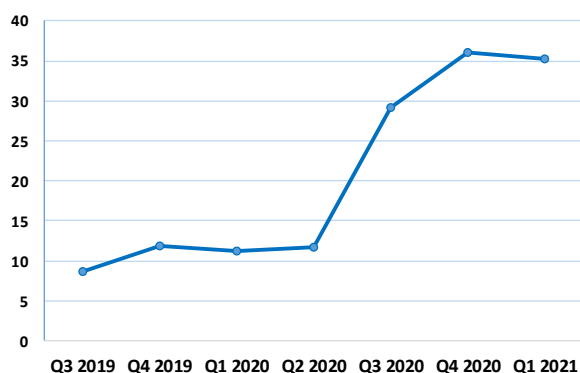
2. "Unallocated" is composed of bonds and equities issued outside the euro area.

## Financial assets of insurance corporations – 1<sup>st</sup> quarter 2021

(EUR billion, outstanding amounts at market prices at end of period, variations, transactions, valuation effects during period)

		Life and composite IC			Non-Life IC			Total IC		
		Net flows	Valuation effect	Stocks	Net flows	Valuation effect	Stocks	Net flows	Valuation effect	Stocks
Currency and deposits		1.5	0.0	33	1.6	0.0	15	3.1	0.0	47
Debt securities	≤ 1 year (original maturity)	-0.8	0.0	19	0.0	0.0	5	-0.9	0.0	24
	> 1 year (original maturity)	-2.4	-27.0	1 448	1.1	-2.0	113	-1.3	-28.9	1 560
Loans		2.1	0.0	51	0.7	0.0	10	2.8	0.0	61
Equity	Listed shares	-0.4	4.7	75	-0.1	1.4	14	-0.5	6.1	90
	Unlisted shares	0.7	0.2	64	0.1	2.0	32	0.8	2.2	96
	Other shares	0.1	0.3	25	0.0	0.2	26	0.1	0.5	51
Investment	Money market funds	1.0	-0.1	83	1.1	0.0	8	2.1	-0.1	91
	Non money market funds	7.1	16.3	680	-0.3	0.3	41	6.7	16.6	721
Financial derivatives		-1.7		5	-0.1		0	-1.8		5
<b>Total</b>		<b>7.0</b>	<b>-5.5</b>	<b>2 483</b>	<b>4.0</b>	<b>1.9</b>	<b>263</b>	<b>11.0</b>	<b>-3.6</b>	<b>2 747</b>

### ORPS' total outstanding amount (in EUR billion)

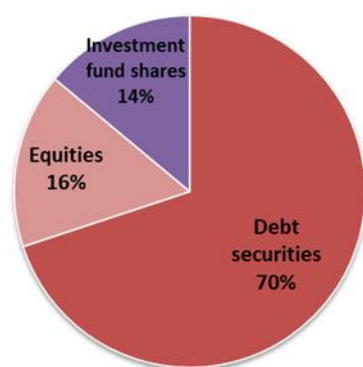


After the implementation of a look-through approach<sup>3</sup>, debt securities account for 70% of insurers' portfolio, equities represent 16% and the remaining 14% is made up of mutual fund shares.

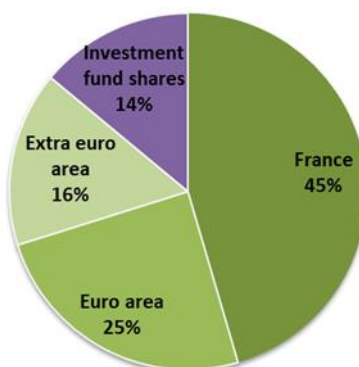
All instruments combined, 45% of the portfolio is invested in assets issued by residents, 41% in assets issued by non-residents and 14% in unallocated mutual fund shares.

Investments primarily finance the financial sector (33%, i.e. 15% for banks and other monetary financial institutions and 18% for financial corporations), general government (30%) and non-financial corporations (23%).

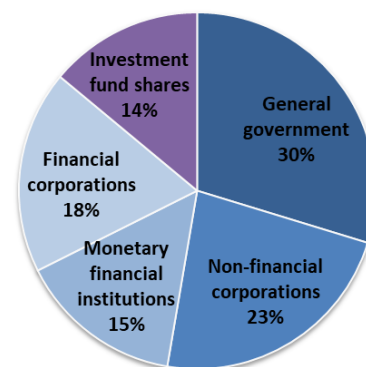
### Breakdown of outstanding amounts of financial portfolio assets by type of assets



### Breakdown of outstanding amounts of financial portfolio assets by geographical area



### Breakdown of outstanding amounts of financial portfolio assets by category of issuers



3. The look-through approach consists, when the information is available, in replacing the resident mutual funds shares in the insurance portfolios by the final investments of mutual funds. The 14% residual amount correspond to these mutual funds shares (mainly non-resident) which cannot be allocated with this approach. After a look-through approach, the share of equities increases by +7 basis points (9% to 16%) and the one of debt securities by +12 basis points (58% to 70%).

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