

Financial investments of Insurance Corporations – France • 3rd quarter 2021

16 billion euros in net investments in the third quarter of 2021

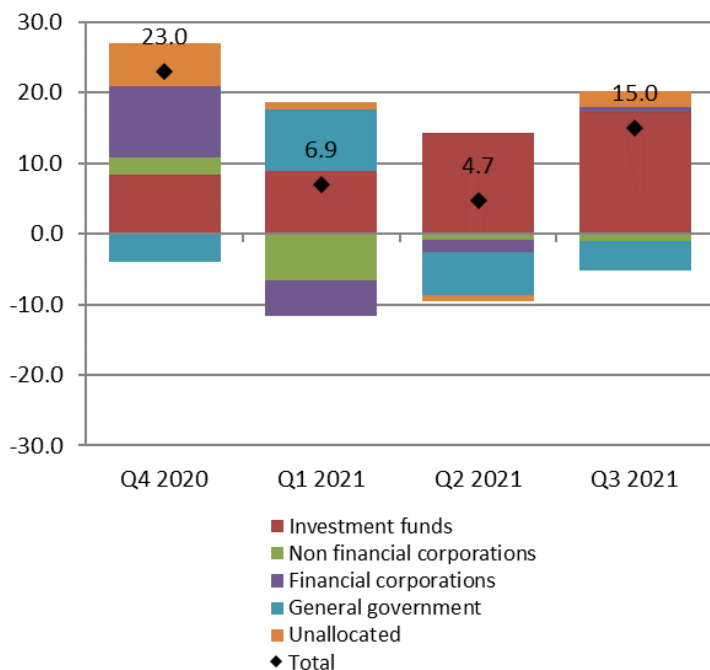
At end-September 2021, financial assets of insurance corporations amount to €2,785 billion, up +€19 billion. This significant increase comes mainly from positive net investments (+ 16 billion) and more marginally from an increase in the valuation of their investments (+ 3 billion).

Net investments are mainly in non-money market fund shares (+ 12 billion), well distributed between bond funds (+ 4 billion) but also mixed funds, equity funds, other funds and real estate funds (each for about + 2 billion). The main net investments are also in unlisted shares (+ 4 billion) as well as in liquid investments with money market fund shares (+ 6 billion), short-term debt securities (+ 2 billion) and currency and deposits (+ 2 billion). Insurers are mainly net buyers of securities issued in France (+ 13 billion), above all investment fund shares issued by residents (+ 11 billion). In contrast, insurers are net sellers of long-term debt securities (- 9 billion). Net sales are of debt securities issued in the euro area (- 9 billion) and mainly related to MFIs (- 6 billion) and general government (- 4 billion).

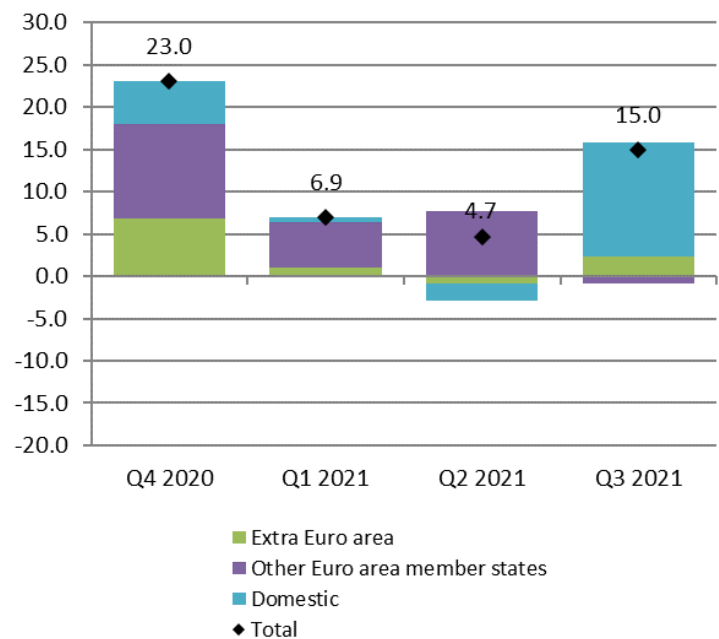
The increase in valuations is essentially driven by non-money market funds (+ 5 billion), in particular equity funds (+ 2 billion), mixed funds and other funds (each for + 1 billion). Valuations also rise for listed and unlisted shares (each for + 1 billion). In contrast, the valuation of the bond portfolio decreases by 5 billion.

Security portfolio transactions¹ of insurance corporations (in billions of euros)

By category of issuers²



By geographical area



1. Debt securities, equities and investment fund shares

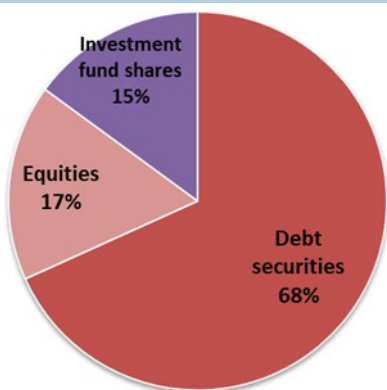
2. "Unallocated" is composed of bonds and equities issued outside the euro area.

Financial assets of insurance corporations – 3rd 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		1.7	0.0	35	0.3	0.0	16	1.9	0.0	51
Debt securities	≤ 1 year (original maturity)	1.7	0.0	20	0.6	0.0	5	2.3	0.0	25
	> 1 year (original maturity)	-11.0	-4.3	1 411	1.6	-0.4	115	-9.4	-4.7	1 526
Loans		-0.8	0.0	49	0.0	0.0	10	-0.8	0.0	59
Equity	Listed shares	0.6	0.5	81	0.1	0.8	15	0.7	1.3	96
	Unlisted shares	0.4	0.8	68	3.7	0.3	37	4.0	1.0	105
	Other shares	0.1	0.1	25	0.0	-0.2	27	0.1	-0.1	52
Investment	Money market funds	7.7	-0.1	91	-2.2	0.0	8	5.5	-0.1	99
	Non money market funds	10.9	4.9	726	0.9	0.2	42	11.7	5.1	768
Financial derivatives		0.4		5	0.0		0	0.4		5
Total		11.6	1.8	2 512	4.8	0.8	274	16.5	2.5	2 785

Breakdown of outstanding amounts of security portfolio by type of securities

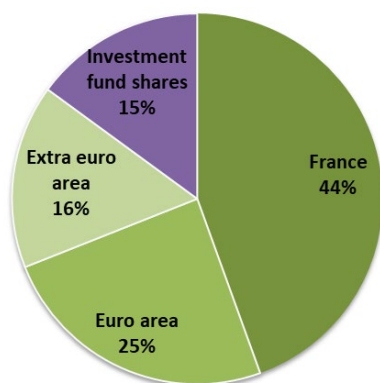


After the implementation of a look-through approach³, debt securities account for 68% of insurers' portfolio, equities represent 17% and the remaining 15% is made up of mutual fund shares.

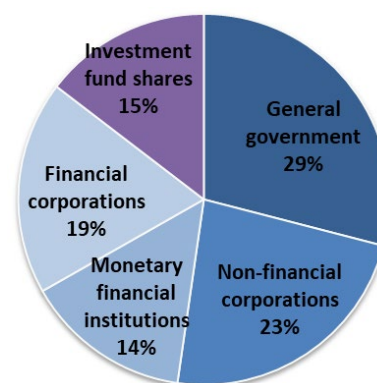
All instruments combined, 44% of the portfolio is invested in assets issued by residents, 41% in assets issued by non-residents and 15% in unallocated mutual fund shares.

Investments primarily finance the financial sector (33%, i.e. 14% for monetary financial institutions and 19% for financial corporations), general government (29%) and non-financial corporations (23%).

Breakdown of outstanding amounts of security portfolio by geographical area



Breakdown of outstanding amounts of security portfolio 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 15% 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 +8 basis points (9% to 17%) and the one of debt securities by +12 basis points (56% to 68%).

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