

Financial investments of Insurance Corporations – France • 2nd quarter 2022

Further decrease in valuations by 146 billion euros in the second quarter of 2022

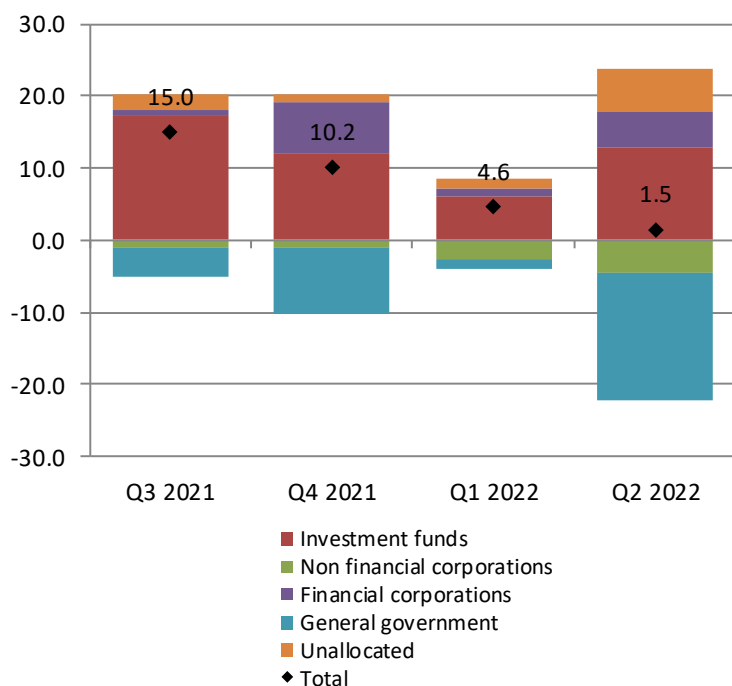
At end-June 2022, financial assets of insurance corporations amount to €2,562 billion, down €142 billion over the quarter due to the sharp fall in assets valuation (- 146 billion) and more marginally an increase of positive net investments (+ 4 billion).

The decrease in valuations firstly concerns long-term debt securities (-92 billion) linked to a further rise in long-term rates (+97 basis points increase in the 10-year OAT in the second quarter). Valuations decline as well for non-money market fund shares (- €43 billion, of which - €36 billion in equity and mixed funds) and listed shares (- €10 billion) in connection with the downturn in equity markets in the second quarter (fall by -11% in the CAC40 index).

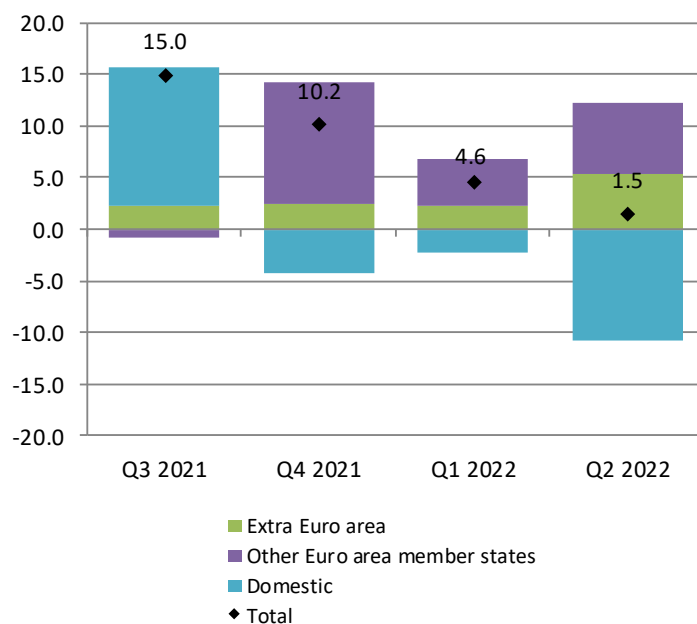
Net investments are mainly in non-money market fund shares for + 7 billion (in particular mixed funds and other funds, each for + 3 billion) and in money market fund shares for + 6 billion. Net sales are almost exclusively in debt securities (- 13 billion) mainly issued in France by general government.

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

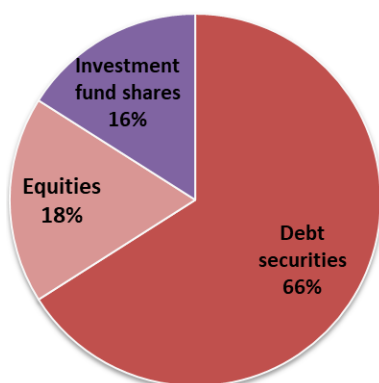
2. "Unallocated" is composed of bonds and equities issued outside the euro area.

Financial assets of insurance corporations – 2nd quarter 2022

(EUR billion, outstanding amounts at market prices at end of period, 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	2.0	0.0	35	-0.5	0.0	14	1.5	0.0	50	
Debt securities	≤ 1 year (original maturity)	-3.0	0.0	19	-3.2	0.0	2	-6.1	0.0	21
	> 1 year (original maturity)	-7.9	-85.3	1 223	1.3	-6.8	108	-6.6	-92.2	1 331
Loans	-1.0	0.0	50	0.4	0.0	11	-0.6	0.0	60	
Equity	Listed shares	-0.4	-7.7	72	-0.2	-2.3	13	-0.6	-10.0	84
	Unlisted shares	2.1	-0.1	76	0.1	-0.1	39	2.2	-0.3	115
	Other shares	-0.2	0.2	26	0.2	-0.4	28	-0.1	-0.2	54
Investment	Money market funds	4.1	-0.1	85	1.9	0.0	10	6.0	-0.1	95
	Non money market funds	6.7	-41.6	705	0.0	-1.5	40	6.7	-43.1	745
Financial derivatives	1.6		6	0.0		0	1.7		6	
Total	4.0	-134.7	2 297	0.1	-11.1	265	4.0	-145.8	2 562	

Breakdown of outstanding amounts of security portfolio by type of securities

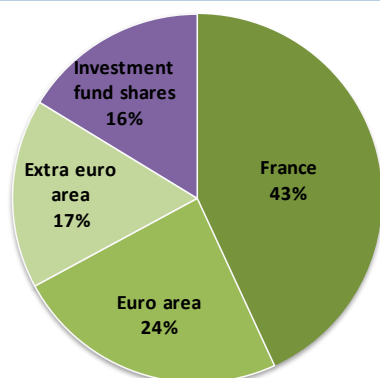


After the implementation of a look-through approach³, debt securities account for 66% of insurers' portfolio, equities represent 18% and the remaining 16% is made up of mutual fund shares.

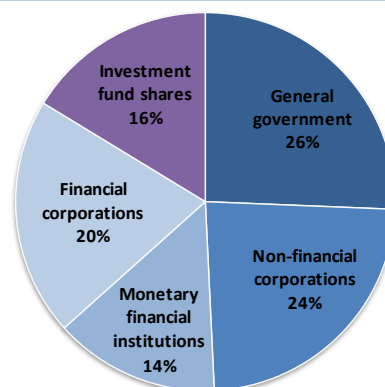
All instruments combined, 43% of the portfolio is invested in assets issued by residents, 41% in assets issued by non-residents and 16% in unallocated mutual fund shares.

Investments primarily finance the financial sector (34%, i.e. 14% for monetary financial institutions and 20% for financial corporations), general government (26%) and non-financial corporations (24%).

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 16% 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 (10% to 18%) and the one of debt securities by +12 basis points (54% to 66%).

Date of next publication: 6th January 2023

To read more : [long series](#), [calendar](#)

All series published by Banque de France are available here : [Webstat Banque de France](#)

Also available on [Apple](#) and [Android](#) Apps

STAT INFO – 2nd quarter 2022
Financial assets of insurance corporations

Contact : [Statistics personal guide](#)