

Financial investments of Insurance Corporations – France • 3rd quarter 2020

Insurers benefit from a revaluation of their portfolio

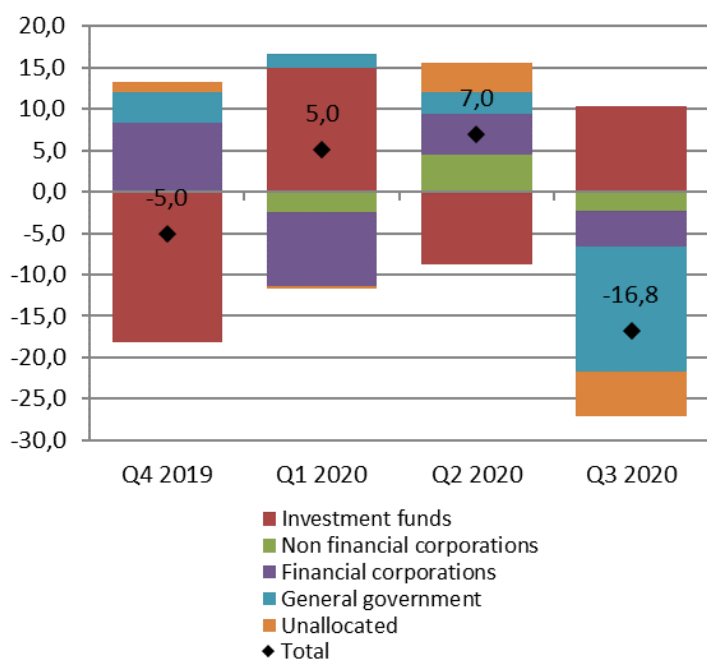
At end-September 2020, insurers' financial investments amount to €2,679 billion, up €7 billion. This increase is mainly due to a revaluation of their portfolio (+€23 billion). Excluding assets transfer *, insurers' net investments are zero overall; in terms of instruments, they are net sellers of long-term debt securities (-€16 billion) and net buyers of money market funds (+€13 billion).

The revaluation of long-term debt securities reaches €15 billion and €2 billion for bond funds in a context of lower long-term interest rates. Equity and mixed funds valuations are up to €9 billion, supported by the rise in the international equity markets.

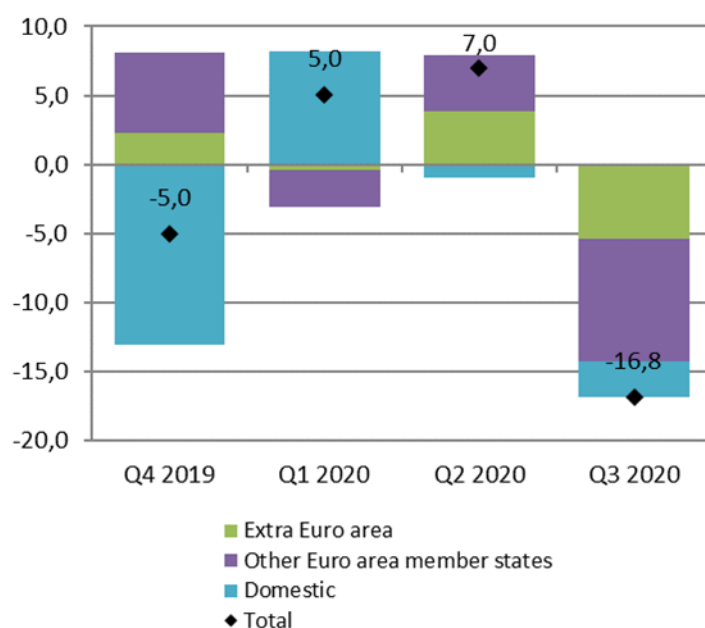
* This transfer (-€16 billion) corresponds to the sale of assets from an insurer to a pension fund (Organisme de Retraite Professionnelle Supplémentaire under French law, ORPS). It could not be reintegrated in the data relating to this publication. These data will be subject to a revision next quarter to reintegrate this flow into insurance statistics.

Transactions of financial portfolio assets¹ of insurance corporations (in billions of euros)

By category of issuers²



By geographical area



1. Debt securities, equities and investment fund shares

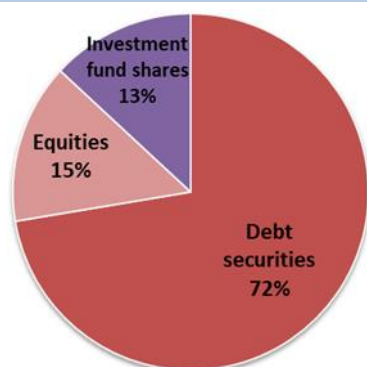
2. "Unallocated" is composed of bonds and equities issued outside the euro area.

Financial assets of insurance corporations – 3rd quarter 2020

(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		-0,4	0,0	36	0,2	0,0	16	-0,2	0,0	52
Debt securities	≤ 1 year (original maturity)	-0,6	0,0	19	0,3	0,0	5	-0,3	0,0	24
	> 1 year (original maturity)	-28,3	13,8	1 460	-0,8	0,9	112	-29,1	14,6	1 571
Loans		1,4	0,0	50	0,0	0,0	9	1,4	0,0	59
Equity	Listed shares	0,5	-1,2	63	0,1	-0,9	11	0,5	-2,1	74
	Unlisted shares	1,2	-0,6	61	0,2	0,0	28	1,4	-0,6	89
	Other shares	0,5	-0,1	24	-0,2	0,3	25	0,3	0,2	49
Investment	Money market funds	11,2	-0,1	87	1,4	0,0	8	12,6	-0,1	94
	Non money market funds	-2,8	10,6	621	0,5	0,5	39	-2,3	11,0	659
Financial derivatives		-0,3	0,0	7	0,0	0,0	0	-0,3	0,0	7
Total		-17,6	22,2	2 426	1,6	0,8	253	-16,0	23,1	2 679

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

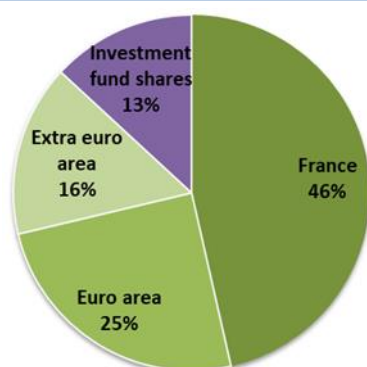


After the implementation of a look-through approach³, debt securities account for 72% of insurers' portfolio, equities represent 15% and the remaining 13% is made up of mutual fund shares.

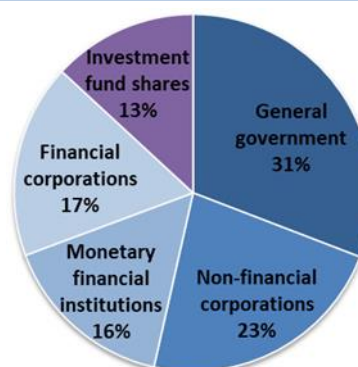
All instruments combined, 46% of the portfolio is invested in assets issued by residents, 41% in assets issued by non-residents and 13% in unallocated mutual fund shares.

Investments primarily finance the financial sector (33%, i.e. 16% for banks and other monetary financial institutions and 17% for financial corporations), general government (31%) and non-financial corporations (23%).

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 13% 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 (8% to 15%) and the one of debt securities by +12 basis points (60% to 72%).

Date of next publication: 9th April 2021