

14th April 2020

Financial investments of Insurance Corporations – France • 4th quarter 2019

Insurers' financial holdings rise by €205 billion in 2019

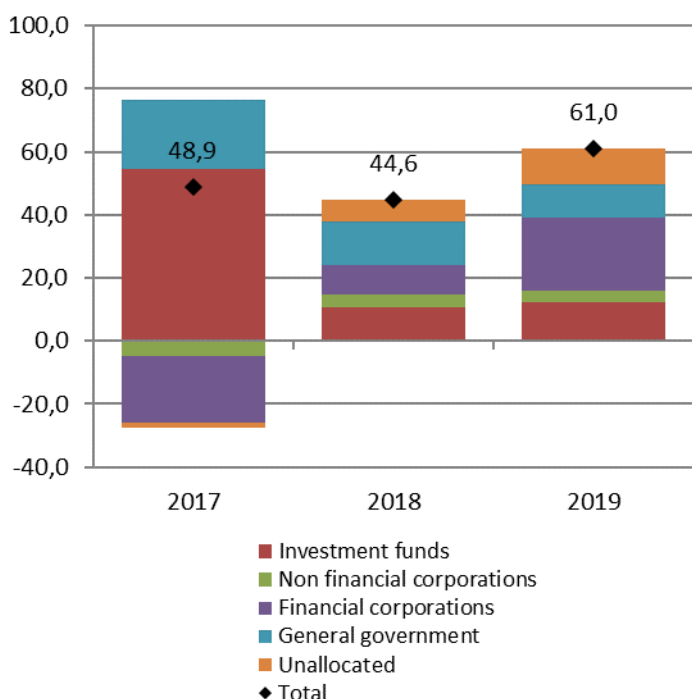
At the end of 2019, French insurers' financial holdings reach €2,703 billion, up €205 billion over the year. This increase results both from the positive evolution of assets prices (+ €130 billion) and net financial investments flows (+ €69 billion) up significantly compared to previous years.

The valuations of non-money market funds (+ €61.1 billion) and listed shares (+ €17.0 billion) increase strongly in parallel with the rise in equity markets. The valuation of long-term debt securities rises as well (+ €47.0 billion) due to the easing of long-term interest rates in 2019.

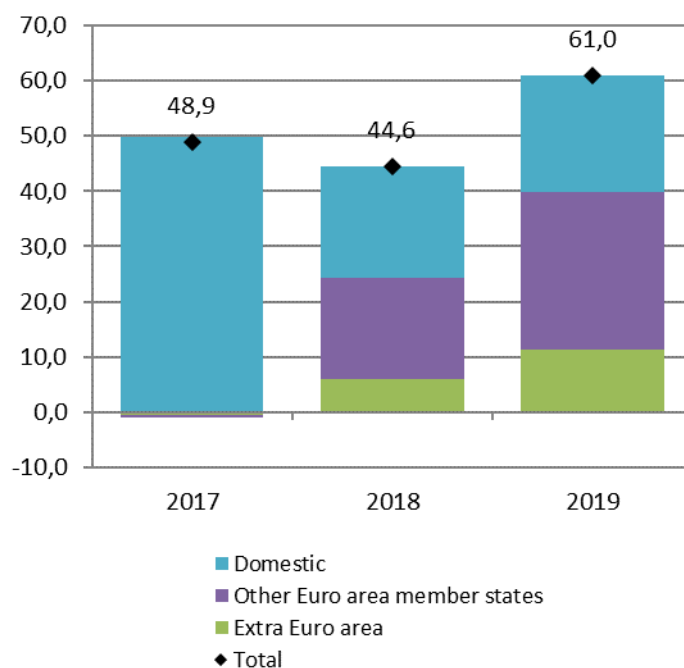
In 2019, insurers focus their net purchases on long-term debt securities (+ €51.4 billion) and reduce those on short-term debt securities (- €10.3 billion). They are also net purchasers of bond funds (+ €10.6 billion) and real estate funds (+ €7.2 billion) as well as unlisted and other shares (+ €9.9 billion) while they are net sellers of listed shares (- €2.2 billion) and equity funds (- €9 billion). Finally, they strengthen their net purchases of securities issued by non-residents (+ €39.8 billion, after + €24.4 billion in 2018) and by financial corporations (+ €23.3 billion, after + €9.3 billion).

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.

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STAT INFO – 4th quarter 2019
Financial assets of insurance corporations

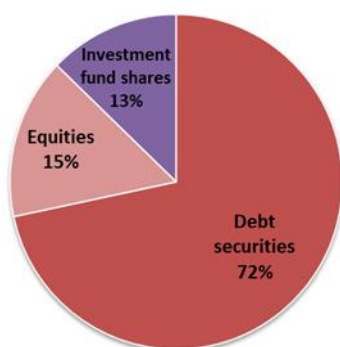
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Financial assets of insurance corporations – during 2019

(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		2,9	0,0	32	1,9	0,0	13	4,8	0,0	46
Debt securities	≤ 1 year (original maturity)	-10,5	0,0	14	0,1	0,0	0	-10,3	0,0	15
	> 1 year (original maturity)	54,8	44,3	1 481	-3,4	2,8	114	51,4	47,0	1 595
Loans		3,3	0,0	45	0,1	0,0	9	3,4	0,0	55
Equity	Listed shares	-1,6	13,9	78	-0,6	3,1	15	-2,2	17,0	93
	Unlisted shares	4,3	2,3	60	1,7	0,2	30	6,0	2,5	90
	Other shares	3,1	0,8	23	0,8	2,3	27	3,9	3,2	50
Investment	Money market funds	1,7	-0,4	78	1,1	0,0	8	2,9	-0,4	85
	Non money market funds	9,8	58,7	633	-0,5	2,4	37	9,3	61,1	670
Financial derivatives		-0,1	0,0	5	0,1	0,0	0	-0,1	0,0	5
Total		67,8	119,6	2 450	1,3	10,7	253	69,1	130,4	2 703

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

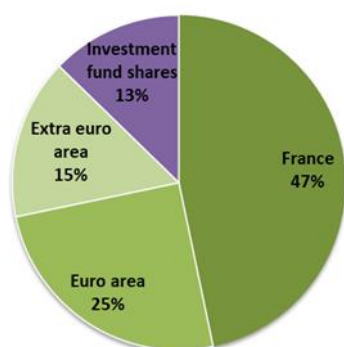


After the implementation of a look-through approach³, debt securities account for 72% of insurers' portfolio (down 1 percentage point compared to the end of 2018), equities represent 15% (up 1 point essentially due to valuation effects) and the remaining 13% is made up of mutual fund shares.

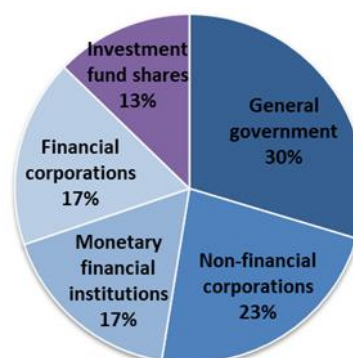
47% of the portfolio is invested in assets issued by residents (- 1 point), 40% in assets issued by non-residents (+ 1 point) and 13% in unallocated mutual fund shares.

Investments finance mainly general government (30%, + 1 point), non-financial corporations (23%), banks and other monetary financial institutions MFIs (17%, - 2 points), and financial corporations (17%, + 1 point).

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 +6 basis points (9% to 15%) and the one of debt securities by +12 basis points (60% to 72%).

Date of next publication: 10 July 2020