

Financial investments of Insurance Corporations – France • 2nd quarter 2020

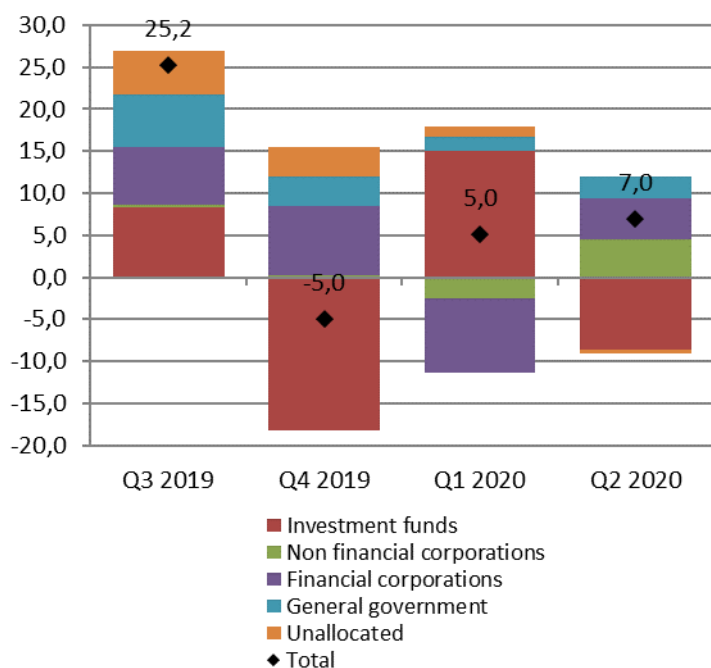
Insurers' assets gain 83 billion in the 2nd quarter 2020, i.e. an increase of 3% over the quarter

At end-June 2020, insurers' financial investments amount to €2,672 billion, up €83 billion through positive valuation effects (+€74 billion) that significantly offset the decline in the first quarter (-€129 billion).

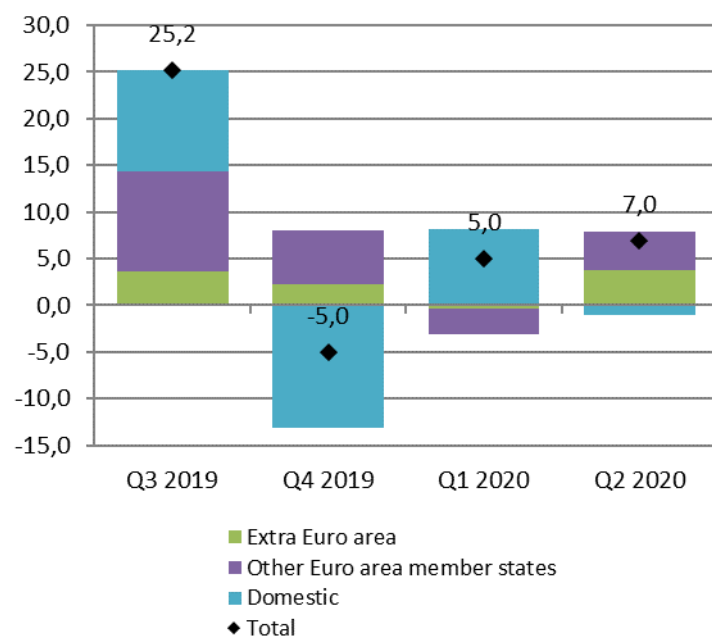
In terms of transaction flows, insurers record net investments of €9 billion. They are net buyers of short-term debt securities (+€11 billion) and, to a lesser extent, of non-money market funds (+€6 billion). On the other hand, they sell shares in money market funds (-€15 billion). Net investments in securities (+€7 billion) are relatively well distributed among financial institutions (+€5 billion), non-financial companies (+€4 billion) and general government (+€3 billion), but only in favour of non-resident issuers (+€8 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

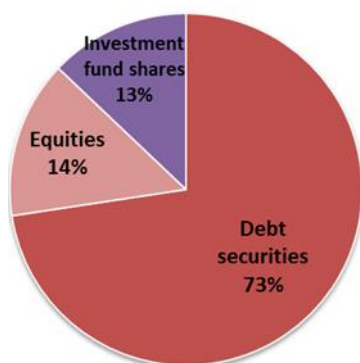
2. "Unallocated" is composed of bonds and equities issued outside the euro area.

Financial assets of insurance corporations – 2nd 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	1,4	0,0	36	-0,2	0,0	15	1,2	0,0	52
Debt securities	≤ 1 year (original maturity)	6,9	0,0	20	4,1	0,0	11,0	0,0	24
	> 1 year (original maturity)	5,5	29,9	1 474	-0,3	2,3	5,2	32,2	1 586
Loans	1,9	0,0	48	0,1	0,0	9	2,0	0,0	57
Equity	Listed shares	-0,8	5,9	63	-0,6	1,5	-1,4	7,4	75
	Unlisted shares	0,2	-0,3	60	0,1	0,1	0,3	-0,2	88
	Other shares	0,4	-0,5	24	0,3	-0,1	0,7	-0,6	49
Investment	Money market funds	-12,3	-0,1	76	-2,3	0,0	-14,6	-0,1	82
	Non money market funds	6,2	34,4	613	-0,3	1,4	5,9	35,8	651
Financial derivatives	-1,1		7	-0,2		0	-1,3		7
Total	8,2	69,3	2 421	0,7	5,1	250	8,9	74,5	2 672

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

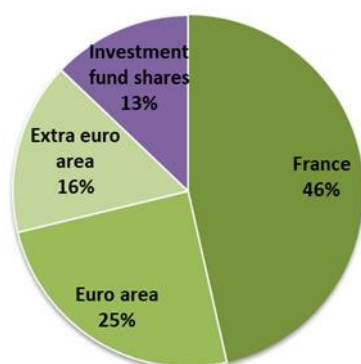


After the implementation of a look-through approach³, debt securities account for 73% of insurers' portfolio, equities represent 14% and the remaining 13% is made up of mutual fund shares.

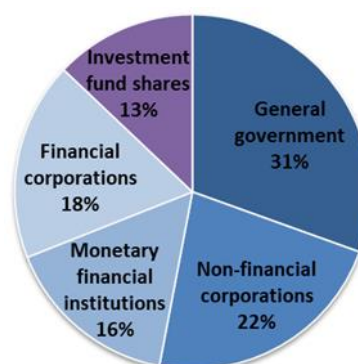
All instruments combined, 46% of the portfolio is invested in assets issued by residents, 41% in assets issued by non-residents and 13% in unallocated mutual fund shares.

Investments primarily finance the financial sector (34%, i.e. 16% for banks and other monetary financial institutions and 18% for financial corporations), general government (31%) and non-financial corporations (22%).

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 (8% to 14%) and the one of debt securities by +13 basis points (60% to 73%).

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