

Financial investments of Insurance Corporations – France • 2nd quarter 2021

14 billion euro rise in valuations in the second quarter of 2021

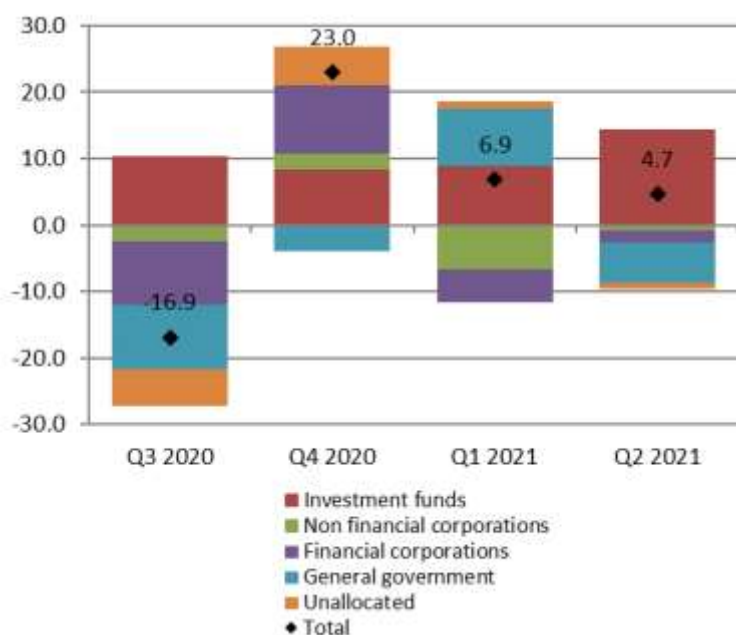
At end-June 2021, insurers' financial investments reach €2,766 billion, up €18 billion. This increase results from a revaluation of their portfolio (+€14 billion) as well as from positive net investments (+€4 billion).

The rise in valuations comes mainly from non-money market funds (+ 19 billion), in particular equity funds (+ 12 billion) and mixed funds (+ 5 billion), but also from listed shares (+ 4 billion) in connection with the rise in the stock markets (rise by 7% in the CAC40 in the second quarter of 2021). In contrast, the valuation of the bond portfolio decreases by 10 billion in connection with the rise in long-term rates (19 basis points increase in the 10-year OAT over the quarter).

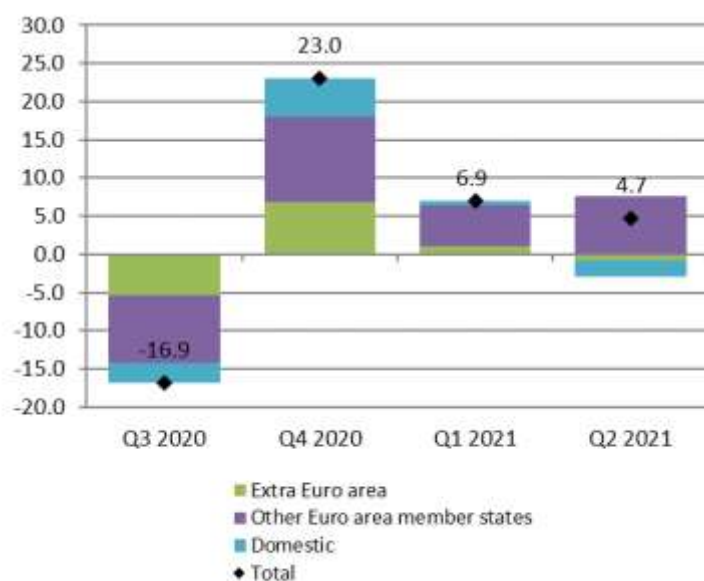
Insurers are mainly net buyers of shares in non-money market funds (+ 12 billion), in particular of other funds, bond funds and equity funds (+ 3 billion each). They are also net buyers of shares in money market funds (+ 2 billion) as well as unlisted shares (+ 2 billion). Insurers are net buyers only of securities issued in the euro zone outside France (+ 8 billion). In contrast they are net sellers of debt securities (- 12 billion), mainly issued by general government (- 6 billion) and by MFIs (- 6 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

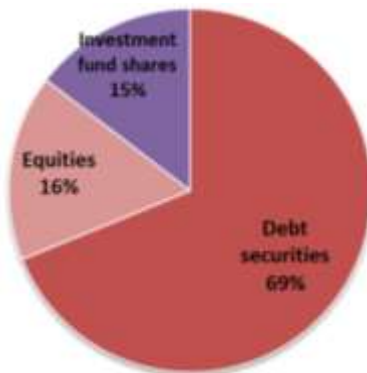
2. "Unallocated" is composed of bonds and equities issued outside the euro area.

Financial assets of insurance corporations – 2nd quarter 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		0.9	0.0	33	0.0	0.0	15	0.9	0.0	49
Debt securities	≤ 1 year (original maturity)	-0.9	0.0	18	-0.5	0.0	5	-1.5	0.0	23
	> 1 year (original maturity)	-11.4	-9.7	1 427	0.8	-0.4	113	-10.6	-10.1	1 540
Loans		-1.0	0.0	50	-0.1	0.0	10	-1.2	0.0	60
Equity	Listed shares	0.7	3.9	80	0.2	-0.1	14	0.9	3.9	94
	Unlisted shares	1.3	0.7	67	0.3	0.4	32	1.6	1.0	99
	Other shares	-0.2	-0.1	25	0.1	0.6	27	-0.1	0.5	52
Investment	Money market funds	0.7	-0.1	84	1.7	0.0	10	2.4	-0.1	94
	Non money market funds	12.0	18.0	711	0.0	0.7	42	12.0	18.7	752
Financial derivatives		-0.2		4	0.0		0	-0.2		4
Total		1.8	12.6	2 498	2.5	1.2	268	4.3	13.9	2 766

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



After the implementation of a look-through approach³, debt securities account for 69% of insurers' portfolio, equities represent 16% and the remaining 15% is made up of mutual fund shares.

All instruments combined, 45% of the portfolio is invested in assets issued by residents, 40% in assets issued by non-residents and 15% in unallocated mutual fund shares.

Investments primarily finance the financial sector (33%, i.e. 14% for banks and other monetary financial institutions and 19% for financial corporations), general government (29%) 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 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 +7 basis points (9% to 16%) and the one of debt securities by +13 basis points (56% to 69%).

Date of next publication: 7th January 2022

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 2021
Financial assets of insurance corporations

Contact : [Statistics personal guide](#)