

## Financial investments of Insurance Corporations – France • 3<sup>rd</sup> quarter 2019

### Insurers' financial investments pass the €2,700 billion mark

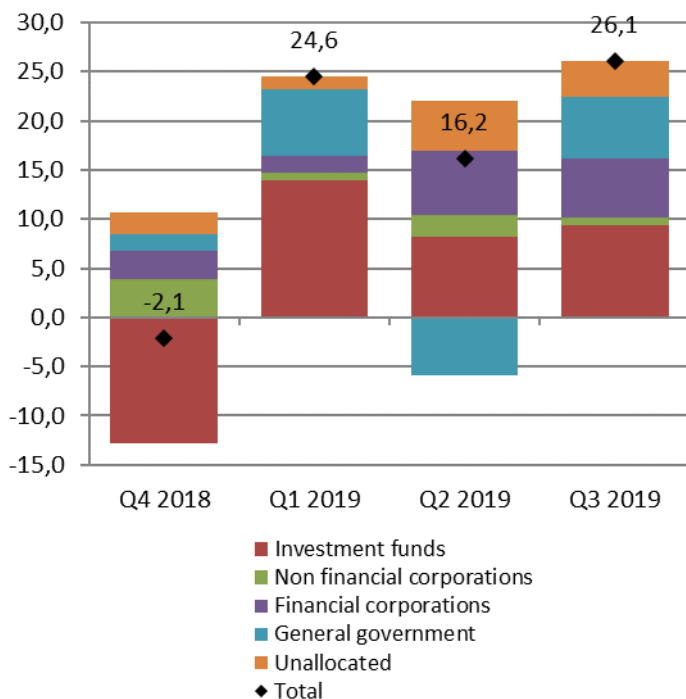
At the end of September 2019, the outstanding amount of French insurance companies' financial investments reaches a new high of €2,718 billion. The increase of €66 billion is evenly distributed between rise in assets prices (+ €35 billion) and net purchases (+ €31 billion).

The valuation of long-term debt securities rises particularly (+ €23 billion) due to a further easing of long-term interest rates (decrease by 27 basis points in the 10-year OAT in the third quarter). The valuations of non-money market funds (+ €10.1 billion) and listed shares (+ €3.1 billion) also increase with the rise in equity markets.

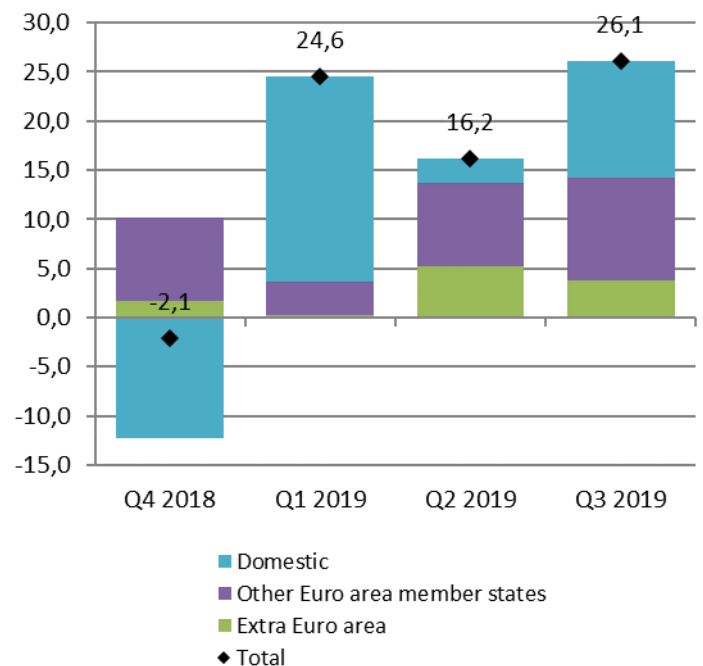
Net purchases of long-term debt securities strengthen (+ €20.5 billion, after + €5.9 billion), as do net sales of short-term debt securities (- €4.1 billion, after - €1.4 billion). Insurers are still net purchasers of investment fund shares (+ €9.4 billion, after + €8.2 billion). Net purchases of financial investments in securities issued by residents rebound this quarter (+ €11.9 billion) after a lackluster 2<sup>nd</sup> quarter (+ €2.4 billion), while net purchases of securities issued by general government return to positive territory (+ €6.3 billion, after - €5.9 billion).

### Transactions of financial portfolio assets<sup>1</sup> of insurance corporations (in billions of euros)

#### By category of issuers<sup>2</sup>



#### By geographical area



1. Debt securities, equities and investment fund shares

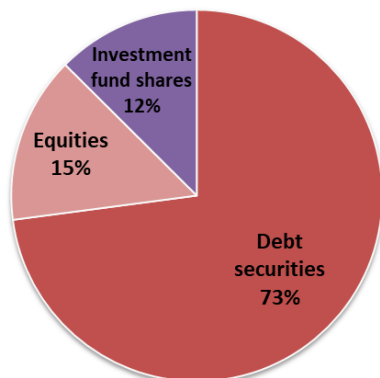
2. The unallocated of the graph by category of issuers corresponds to bonds and equities issued outside the euro area.

## Financial assets of insurance corporations – 3rd quarter 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		1,5	0,0	34	1,3	0,0	16	2,8	0,0	50
Debt securities	≤ 1 year (original maturity)	-4,1	0,0	19	0,0	0,0	1	-4,1	0,0	20
	> 1 year (original maturity)	22,2	22,2	1 492	-1,7	1,0	118	20,5	23,2	1 609
Loans		1,1	0,0	44	0,1	0,0	10	1,3	0,0	54
Equity	Listed shares	-0,3	2,9	75	-0,2	0,2	14	-0,5	3,1	90
	Unlisted shares	0,7	0,4	57	-0,1	-1,2	25	0,6	-0,8	82
	Other shares	0,2	0,0	22	0,0	-0,1	23	0,2	-0,1	45
Investment	Money market funds	0,5	-0,2	98	2,4	0,0	10	2,9	-0,2	108
	Non money market funds	6,2	9,7	618	0,2	0,4	37	6,5	10,1	654
Financial derivatives		0,8		6	0,0		0	0,8		6
<b>Total</b>		<b>28,8</b>	<b>35,1</b>	<b>2 465</b>	<b>2,1</b>	<b>0,3</b>	<b>252</b>	<b>30,9</b>	<b>35,3</b>	<b>2 718</b>

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

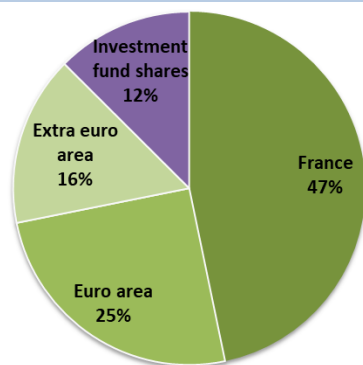


After the implementation of a look-through approach<sup>3</sup>, debt securities account for 73% of insurers' portfolio, equities represent 15% and the remaining 12% is made up of mutual fund shares.

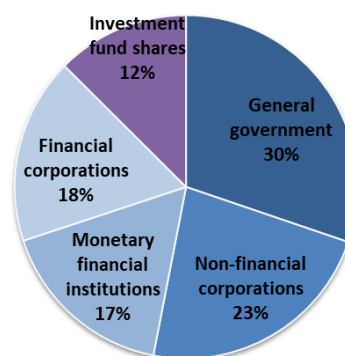
47% of the portfolio is invested in assets issued by residents, 41% in assets issued by non-residents and 12% in unallocated mutual fund shares.

Investments finance mainly general government (30%), non-financial corporations (23%), banks and other monetary financial institutions MFIs (17%), and financial corporations (18%).

### 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 12% 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 +13 basis points (60% to 73%).

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