

10th January 2024

Financial investments of Insurance Corporations and Pension Funds – France • 3rd quarter 2023

Investments of insurance corporations and pension funds remain stable overall in the third quarter 2023

At the end of September 2023, financial investments of insurance corporation and pension funds amount to €2559 billion, down €37 billion.

This decline was due to negative asset valuations (-37 billion). Rising long-term interest rates (+48 basis points for the 10-year OAT over the quarter) had a negative impact on the valuation of bond portfolios (-25 billion). Non-money market funds and listed shares also recorded negative valuations (-11 billion and -2 billion respectively), in line with the CAC40's 3% decline this quarter.

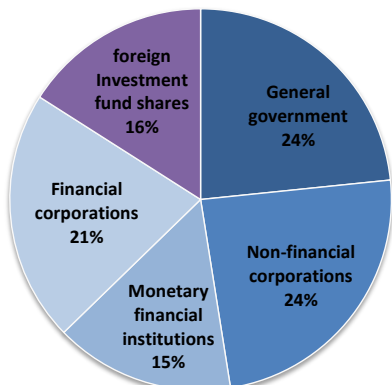
Life and composite insurers recorded negative flows of -3.5 billion, due to sales of debt securities (- 3 billion) and non-money-market fund units (- 3.2 billion), partly offset by flows in currency and deposits (+ 3.4 billion). Pension funds also posted slightly negative flows (-0.3 billion). Non-life insurers recorded net acquisitions of +3.4 billion, notably in money market funds (+1.6 billion).

Financial assets of insurance corporations – 3rd quarter 2023

(EUR billion, outstanding amounts at market prices at end of period, transactions, valuation effects during period)

| | Life and composite IC | | | Pension funds | | | Non-life IC | | |
|------------------------------|-----------------------|------------------|----------------|---------------|------------------|--------------|-------------|------------------|--------------|
| | Net flows | Valuation effect | Stocks | Net flows | Valuation effect | Stocks | Net flows | Valuation effect | Stocks |
| Currency and deposits | 3,4 | 0,0 | 37,8 | -1,1 | 0,0 | 5,7 | 0,0 | 0,0 | 14,0 |
| Debt securities | -3,0 | -20,7 | 1 071,2 | 0,7 | -2,8 | 93,7 | 0,9 | -1,4 | 109,7 |
| ≤ 1 year (original maturity) | -1,8 | 0,0 | 24,3 | 0,0 | 0,0 | 0,0 | -1,0 | 0,0 | 0,5 |
| > 1 year (original maturity) | -1,2 | -20,7 | 1 046,9 | 0,7 | -2,8 | 93,7 | 1,9 | -1,4 | 109,2 |
| Loans | -0,3 | 0,0 | 61,9 | 0,0 | 0,0 | 1,2 | 0,0 | 0,0 | 14,6 |
| Equity | -1,0 | -3,0 | 186,3 | -0,3 | -0,2 | 13,3 | 0,8 | 1,3 | 85,7 |
| listed shares | -0,8 | -1,9 | 63,6 | -0,2 | -0,1 | 6,0 | 0,0 | 0,2 | 13,7 |
| unlisted shares | -0,2 | -0,8 | 68,7 | -0,1 | 0,0 | 2,2 | 0,8 | 0,3 | 39,7 |
| other shares | 0,0 | -0,3 | 54,1 | -0,1 | 0,0 | 5,1 | 0,0 | 0,9 | 32,3 |
| Investment | -3,5 | -8,9 | 752,4 | 0,6 | -0,8 | 58,2 | 1,6 | -0,1 | 47,2 |
| Money market funds | -0,2 | 0,6 | 90,6 | 0,2 | 0,0 | 4,4 | 1,6 | 0,1 | 9,4 |
| Non-money market funds | -3,2 | -9,5 | 661,8 | 0,4 | -0,9 | 53,9 | 0,0 | -0,2 | 37,8 |
| equity funds | -1,3 | -5,1 | 211,9 | 0,1 | -0,4 | 17,6 | 0,1 | -0,2 | 7,8 |
| bond funds | 1,6 | -0,5 | 125,0 | 0,3 | 0,0 | 6,9 | 0,0 | 0,0 | 10,7 |
| mixed funds | -2,7 | -2,2 | 170,0 | -0,1 | -0,3 | 20,4 | -0,1 | 0,0 | 8,4 |
| Financial derivatives | 0,7 | 7,2 | 7,2 | -0,2 | 0,0 | -1,3 | 0,1 | 0,0 | 0,1 |
| Total | -3,5 | -32,5 | 2 116,8 | -0,3 | -3,8 | 170,9 | 3,4 | -0,3 | 271,3 |

Breakdown of outstanding amounts of security portfolio by category of issuers (after making UCIs transparent)

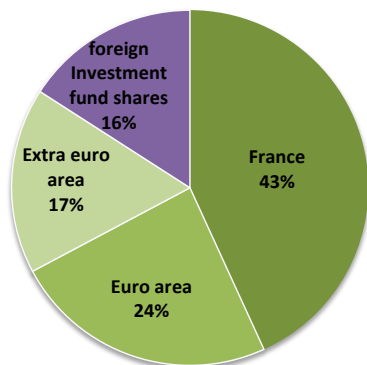


After making French UCIs transparent¹, the stock of securities held by insurers and pension funds primarily finance the financial sector excluding mutual funds (37%, including 16% for monetary financial institutions and 21% for financial companies), non-financial companies (24%) and general government (23%).

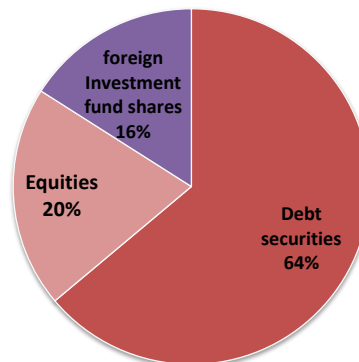
Debt securities make up 64% of the portfolio, while equities account for 20%. The remaining 16% correspond to investment fund shares issued abroad for the most part.

The looked-through portfolio is made up of 43% securities issued in France, 41% securities issued abroad and 16% unallocated investment fund shares.

Breakdown of outstanding amounts of security portfolio by geographical area (after making UCIs transparent)



Breakdown of outstanding amounts of security portfolio by type of securities (after making UCIs transparent)

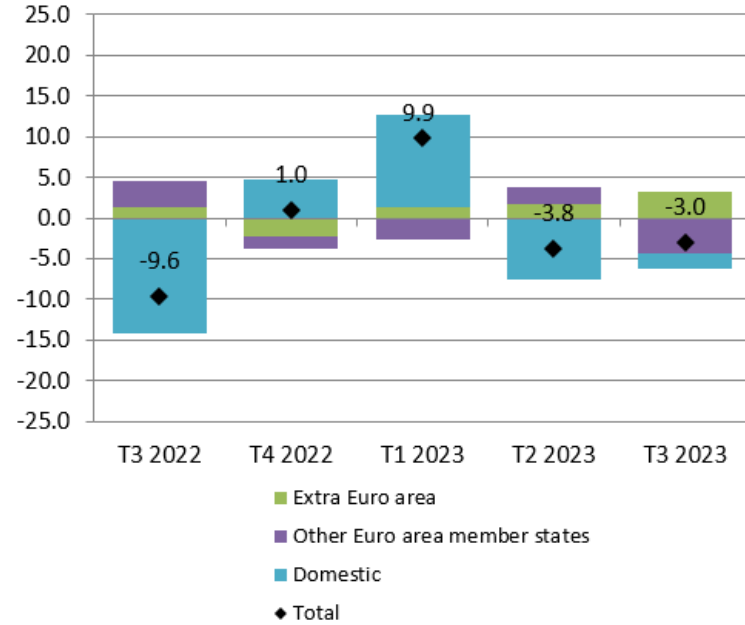
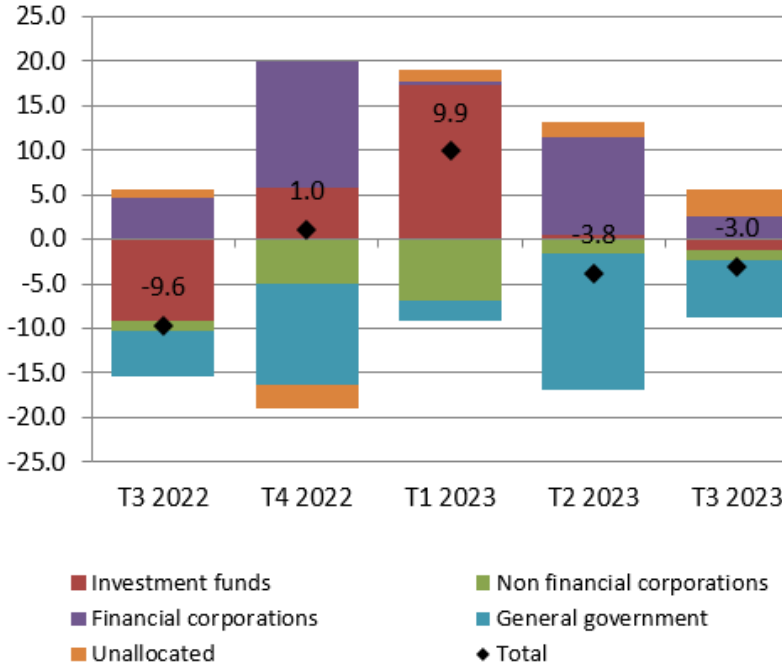


¹ The look-through approach consists, when the information is available, in replacing the French mutual funds shares in the insurance portfolios by the final investments of mutual funds. The 16% residual amount correspond to these mutual funds shares (mainly foreign) which cannot be allocated with this approach. After a look-through approach, the share of equities increases by + 9 percentage points (11% to 20%) and the one of debt securities by + 14 percentage points (50% to 64%).

Security portfolio transactions² of insurance corporations (in billions of euros)

By category of issuers³

By geographical area



² Debt securities, equities and investment fund shares

³ "Unallocated" is composed of bonds and equities issued outside the euro area.

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