

8th April 2022

Financial investments of Insurance Corporations – France • 4th quarter 2021

In 2021, insurers' investments are up by 66 billion euros

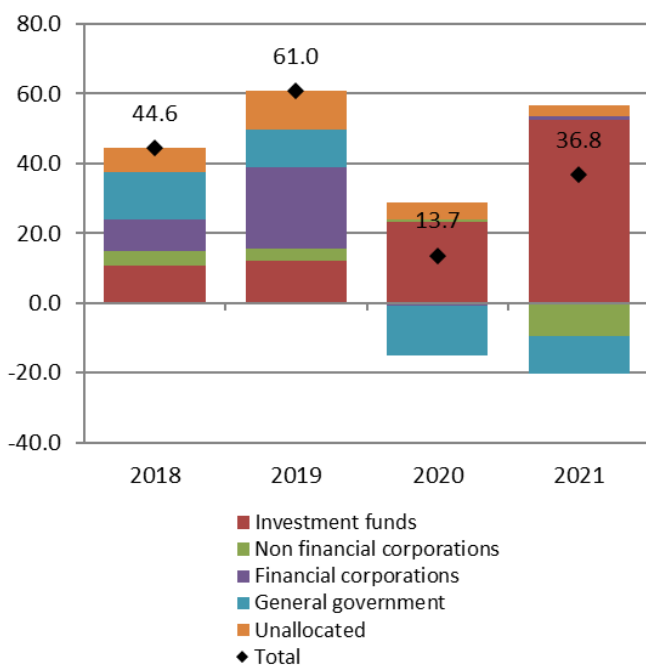
At end 2021, insurers' financial investments amount to €2,806 billion, up + €66 billion over the year. This increase is primarily the result of net investment flows (+ €38 billion in 2021, after + €18 billion in 2020) but also of a revaluation of asset prices (+ €27 billion). These net investments double compared to 2020 due to a life insurance net inflow being positive again in 2021 and less asset sales by insurers that have opted for a prudential regime dedicated to retirement savings through the creation of ORPS (Organismes de Retraite Professionnelle Supplémentaire, - €10 billion over the year 2021, versus - €20 billion over the year 2020).

Insurers are mainly net buyers of non-money market funds shares (+ €47 billion), in particular of bond funds (+ €12 billion), of other funds (+ €12 billion) and of equity funds (+ €11 billion). They are also net buyers of unlisted shares (+ €9 billion) and money market funds shares (+ €5 billion). By contrast insurers are net sellers of debt securities (- €27 billion), mainly issued by MFIs (- €20 billion), general government (- €11 billion) and non-financial corporations (- €10 billion). All securities combined, net purchases relate mainly to securities from the euro zone outside France (+ €24 billion).

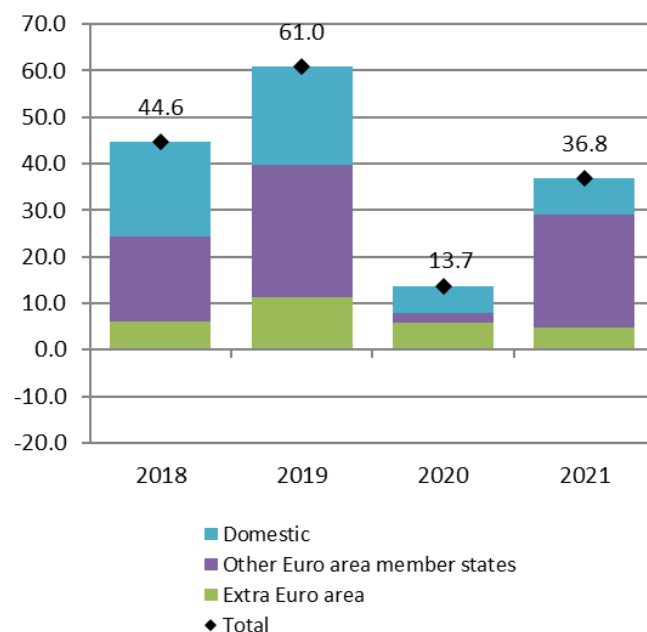
The main increases in valuations concern non-money market funds (+ €58 billion), mainly equity funds (+ €38 billion) and mixed funds (+ €15 billion), as well as listed shares (+ €17 billion) in connection with the rise in equity markets over the year (rise by + 29 % in the CAC 40). The valuation of long-term debt securities (- €55 billion) decreases in connection with the rise in long-term rates (+ 54 basis points for the 10-year OAT between end-2020 and end-2021).

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 2021
Financial assets of insurance corporations

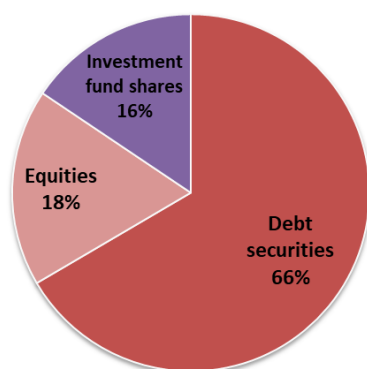
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Financial assets of insurance corporations during 2021

(EUR billion, outstanding amounts at market prices at end of period, 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	32	-0.6	0.0	13	0.8	0.0	45
Debt securities	≤ 1 year (original maturity)	0.2	0.0	21	-0.1	0.0	5	0.1	0.0	26
	> 1 year (original maturity)	-32.0	-51.0	1 393	5.4	-3.8	115	-26.6	-54.7	1 509
Loans		0.9	0.0	50	0.7	0.0	10	1.6	0.0	60
Equity	Listed shares	1.4	13.4	86	0.1	3.4	16	1.5	16.7	102
	Unlisted shares	5.1	2.2	71	4.0	3.6	38	9.0	5.8	109
	Other shares	0.1	0.5	25	0.4	1.5	28	0.4	2.1	54
Investment	Money market funds	4.7	-0.4	87	0.6	0.0	8	5.2	-0.4	94
	Non money market funds	46.0	55.8	759	1.2	2.1	43	47.1	57.8	802
Financial derivatives		-1.1		5	0.0		0	-1.2		5
Total		26.7	20.5	2 530	11.4	6.8	277	38.1	27.3	2 806

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

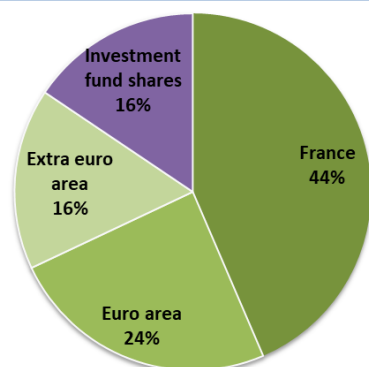


After the implementation of a look-through approach³, debt securities account for 66% of insurers' portfolio, equities represent 18% and the remaining 16% is made up of mutual fund shares.

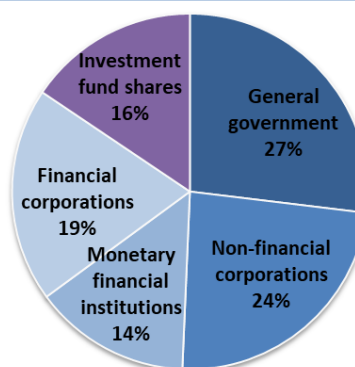
All instruments combined, 44% of the portfolio is invested in assets issued by residents, 40% in assets issued by non-residents and 16% in unallocated mutual fund shares.

Investments primarily finance the financial sector (33%, i.e. 14% for monetary financial institutions and 19% for financial corporations), general government (27%) and non-financial corporations (24%).

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 16% 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 +9 basis points (9% to 18%) and the one of debt securities by +11 basis points (55% to 66%).

Date of next publication: 8th July 2022

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