

## Financial investments of Insurance Corporations – France • 1<sup>st</sup> quarter 2023

### The outstanding amount of insurers' investments increases by 53 billion in the first quarter of 2023

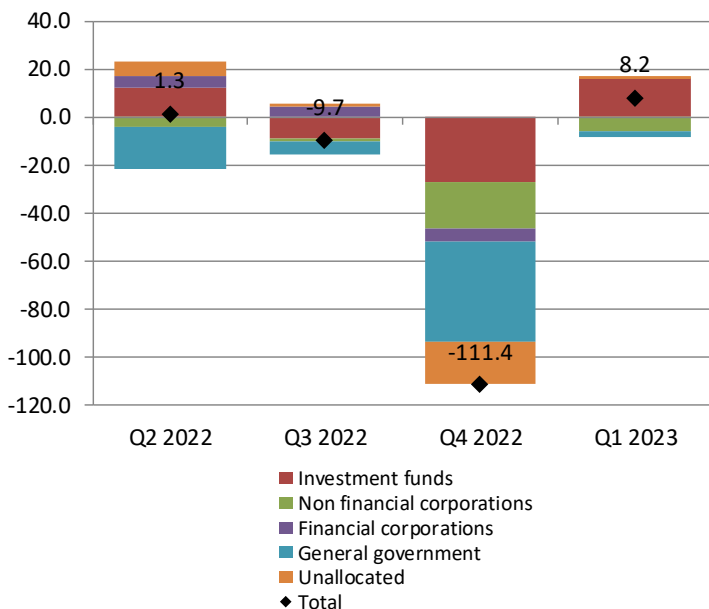
At end-March 2023, financial investments of insurance corporations amount to €2,422 billion, up + €53 billion in the first quarter of 2023. The increase comes mainly from a positive revaluation of investments (+ 39 billion) and, to a lesser extent, from positive net investment flows (+ 14 billion).

Positive net investment flows mainly concern money market fund shares (+ 15 billion) and currency and deposits (+ 6 billion). Listed shares and short-term debt securities record net sales (respectively - 5 billion and - 3 billion). Net purchases of securities (+ 8 billion) are primarily in securities issued by domestic counterparties (+ 10 billion), while securities issued by non-residents record net sales (- 2 billion).

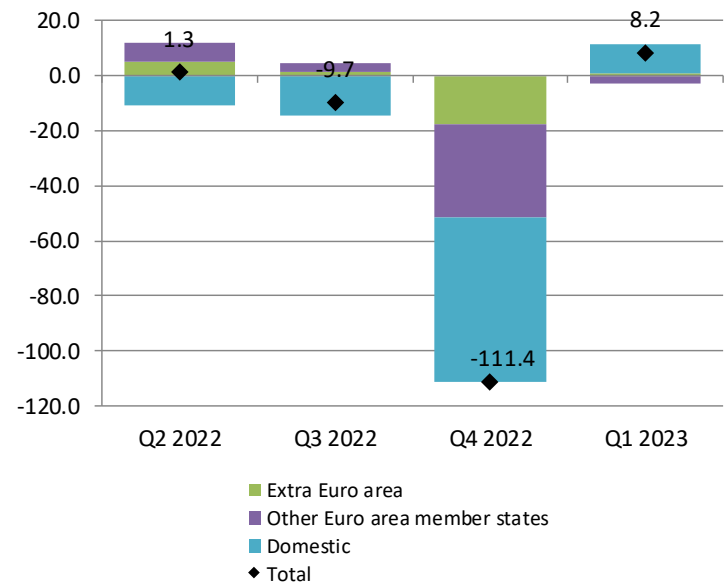
The rise in valuations is driven both by non-money market fund shares (+ 16 billion) – in particular equity funds (+ 11 billion) and mixed funds (+ 4 billion), both favored by the rise in stock markets (+ 13 % for the CAC 40 index in the first quarter) – and by debt securities (+ 15 billion) in connection with the fall in French long-term rates (- 32 basis points for the 10-year OAT in the first quarter).

### Security portfolio transactions<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

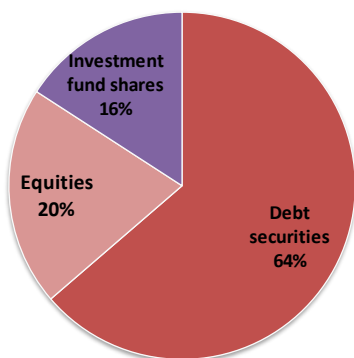
2. "Unallocated" is composed of bonds and equities issued outside the euro area.

## Financial assets of insurance corporations – 1<sup>st</sup> quarter 2023

(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	4.6	0.0	32	1.8	0.0	12	6.4	0.0	44
Debt securities	≤ 1 year (original maturity)	-2.8	0.0	22	-0.6	0.0	-3.4	0.0	24
	> 1 year (original maturity)	-0.8	14.1	1 082	2.7	1.3	2.0	15.4	1 191
Loans	1.0	0.0	62	0.1	0.0	14	1.1	0.0	76
Equity	Listed shares	-4.1	5.6	67	-0.4	1.1	-4.5	6.6	81
	Unlisted shares	1.0	0.0	71	0.7	0.8	1.7	0.8	109
	Other shares	-3.0	0.5	54	0.0	0.0	-3.0	0.5	86
Investment	Money market funds	13.8	0.3	85	0.8	0.1	14.5	0.4	94
	Non-money market funds	1.6	14.9	672	-0.6	0.7	1.0	15.6	710
Financial derivatives	-2.0		6	0.0		0	-2.1		6
<b>Total</b>	<b>9.2</b>	<b>35.5</b>	<b>2 153</b>	<b>4.4</b>	<b>3.9</b>	<b>269</b>	<b>13.7</b>	<b>39.3</b>	<b>2 422</b>

### Breakdown of outstanding amounts of security portfolio by type of securities

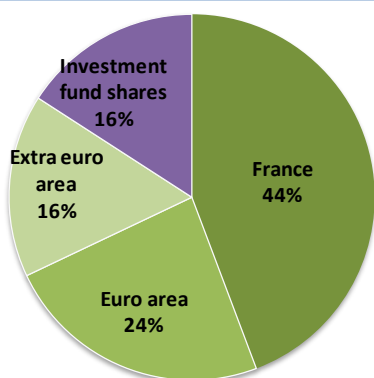


After the implementation of a look-through approach<sup>3</sup>, debt securities account for 64% of insurers' portfolio, equities represent 20% and the remaining 16% is made up of mutual fund shares.

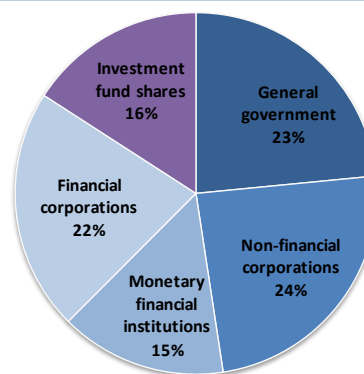
All instruments combined, 44% of the portfolio is invested in assets issued by residents, 40% in assets issued by non-residents and 16% in unallocated mutual fund shares.

Investments primarily finance the financial sector excluding investment funds (37%, i.e. 15% for monetary financial institutions and 22% for financial corporations), general government (23%) and non-financial corporations (24%).

### Breakdown of outstanding amounts of security portfolio by geographical area



### Breakdown of outstanding amounts of security portfolio by category of issuers



3. 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%).

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