



INSURANCE ASSET MANAGEMENT

CEPS Asset Allocation Task Force Meeting

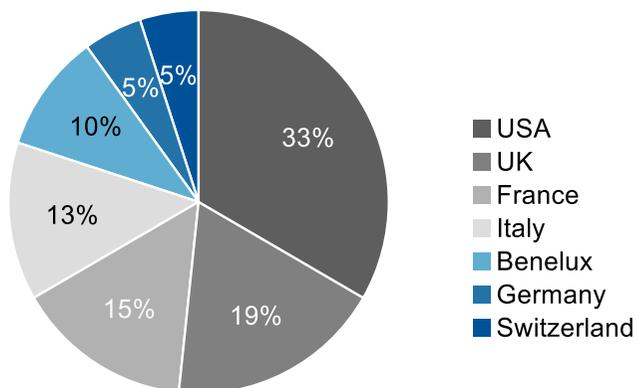
CLAUDIO BOCCI
PARTNER

“European insurance market: the asset managers’ perspective” (Prometeia survey)

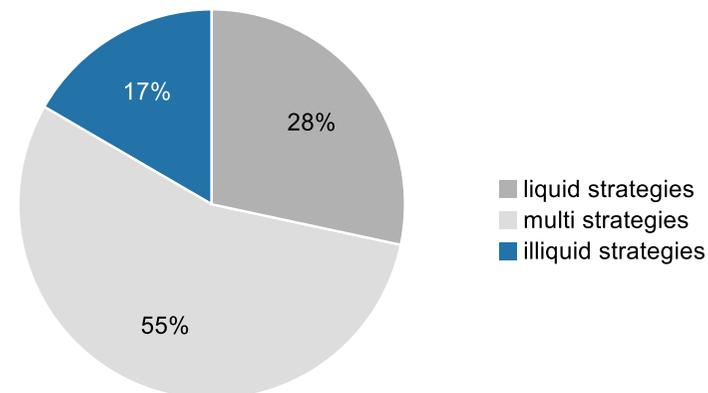
RESPONDENTS BASE

60 asset managers (~22 trn Euro AUM)

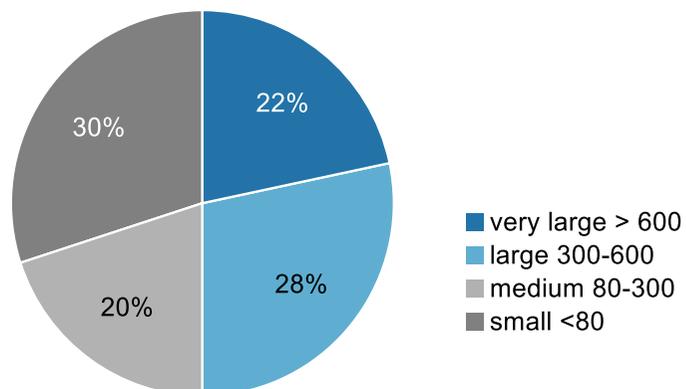
Breakdown by AM domicile



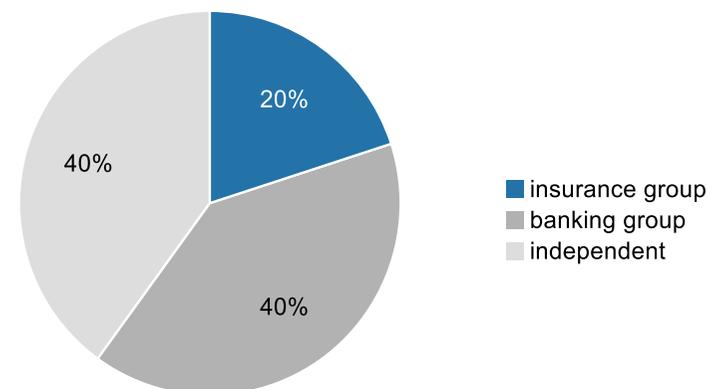
Breakdown by AM expertise



Breakdown by AM size (€/bln)



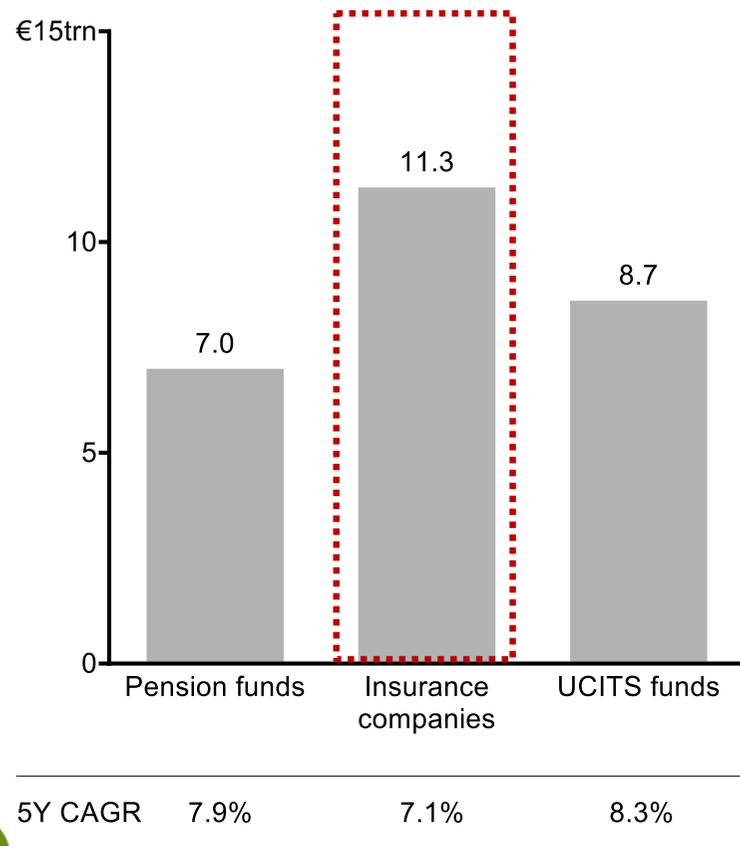
Breakdown by AM shareholder base



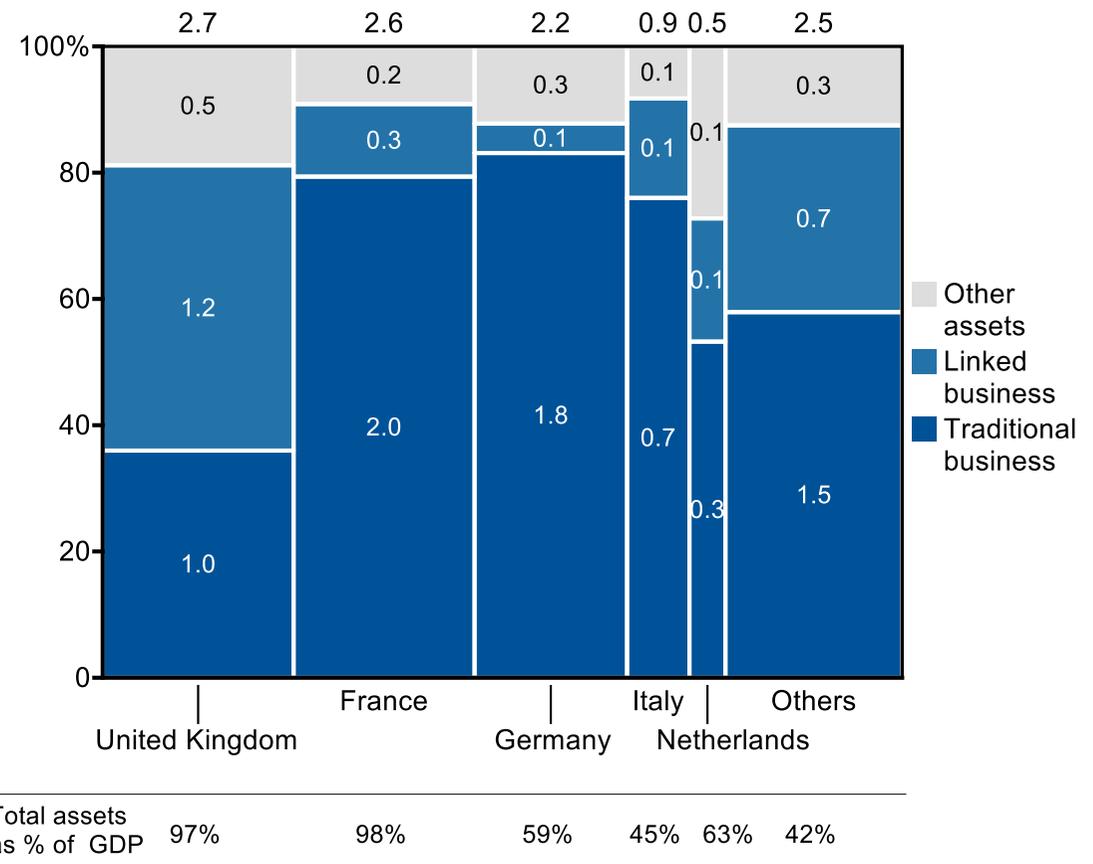
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Insurance market context: 11 trn of total assets, with traditional business accounting for about 2/3

European market framework Total assets



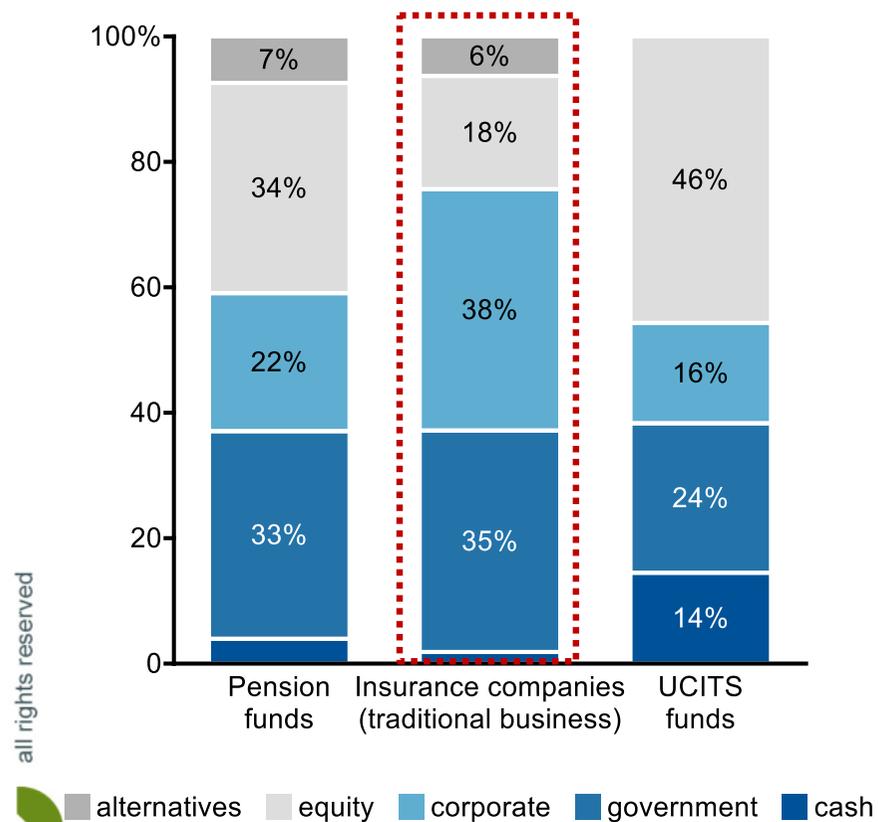
Insurance companies assets by business line Top 5 countries



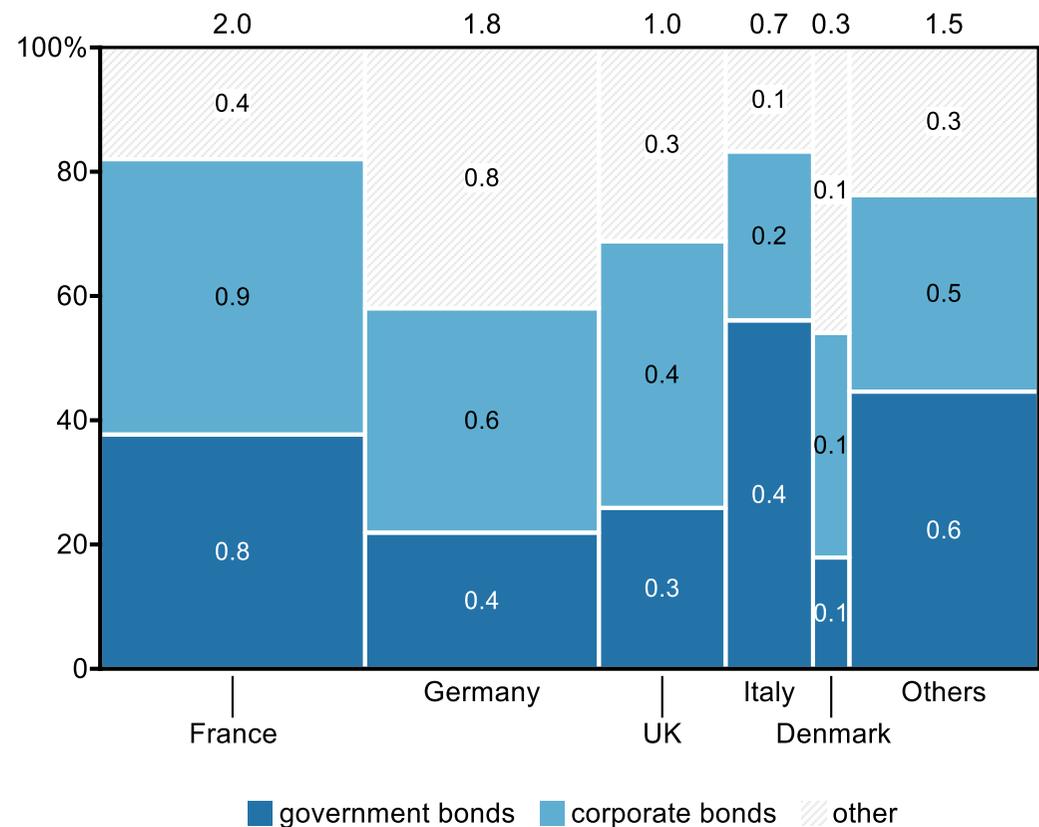
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Traditional business: large allocation to government bonds (35%) and credit (38%)

Asset allocation
Investment portfolio



Incidence of bonds in insurers' traditional business
Top 5 countries



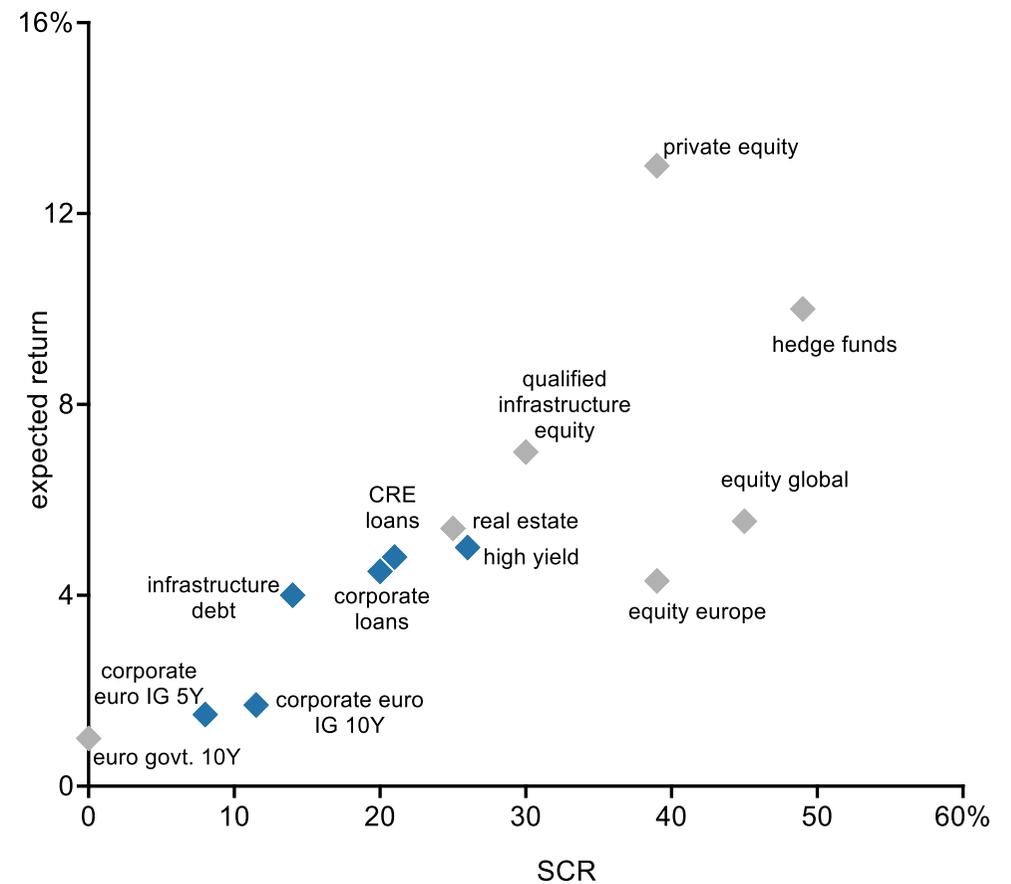
Diversification and yield improvement in the fixed income space will drive the evolution in asset allocation

Most requested asset classes by insurers

| Asset class | Asset class relevance | % of first or second choices |
|--|-----------------------|------------------------------|
| OECD government bonds | 4 | 6% |
| non-OECD government bonds | 5 | 4% |
| investment grade corporate bond | 8 | 11% |
| high yield bonds | 9 | 9% |
| multi asset fixed income | 7 | 10% |
| balanced & multiassets | 6 | 6% |
| liquid alternatives | 9 | 9% |
| OECD equities | 3 | 1% |
| non-OECD equities | 1 | 0% |
| bank loans | 9 | 10% |
| infrastructure debt | 10 | 11% |
| real estate debt | 7 | 8% |
| SME lending | 3 | 5% |
| real estate core | 4 | 3% |
| infrastructure equity | 4 | 3% |
| real estate value added & development | 2 | 1% |
| private equity & venture capital | 3 | 3% |
| hedge funds | 2 | 0% |

SCR vs. expected return

ILLUSTRATIVE

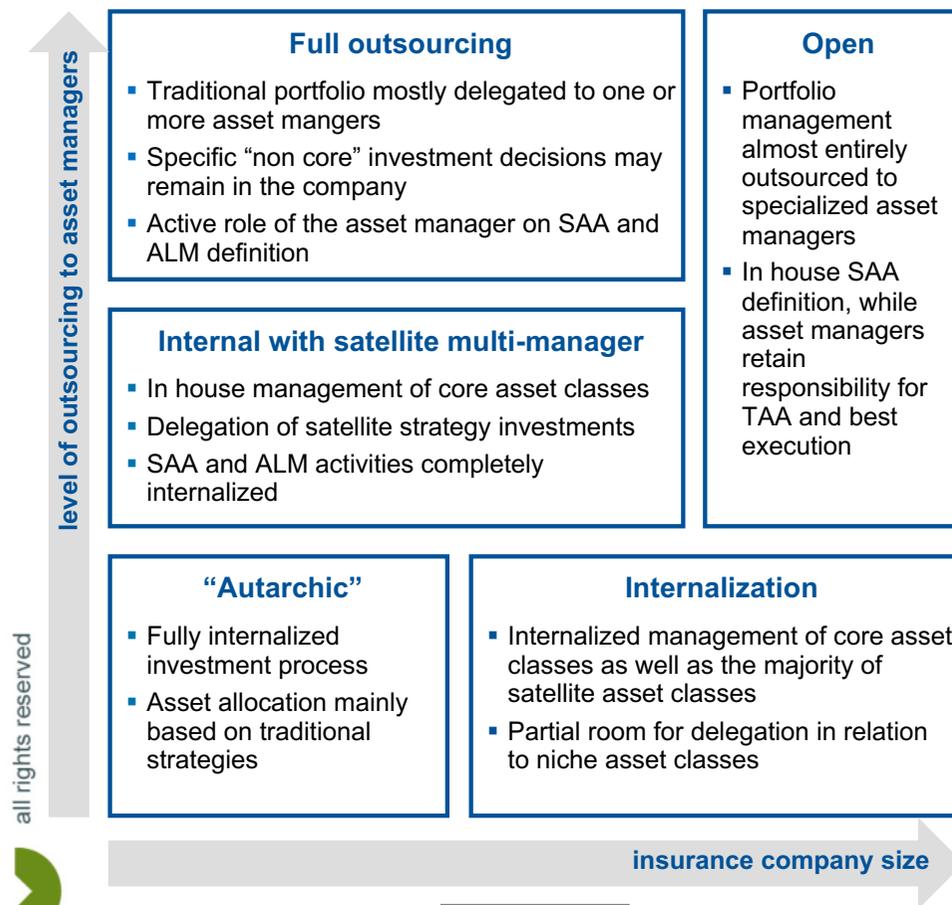


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Note: score from 0-10 (max) based on respondents' answers; aggregate asset class relevance based on number of respondents' answers

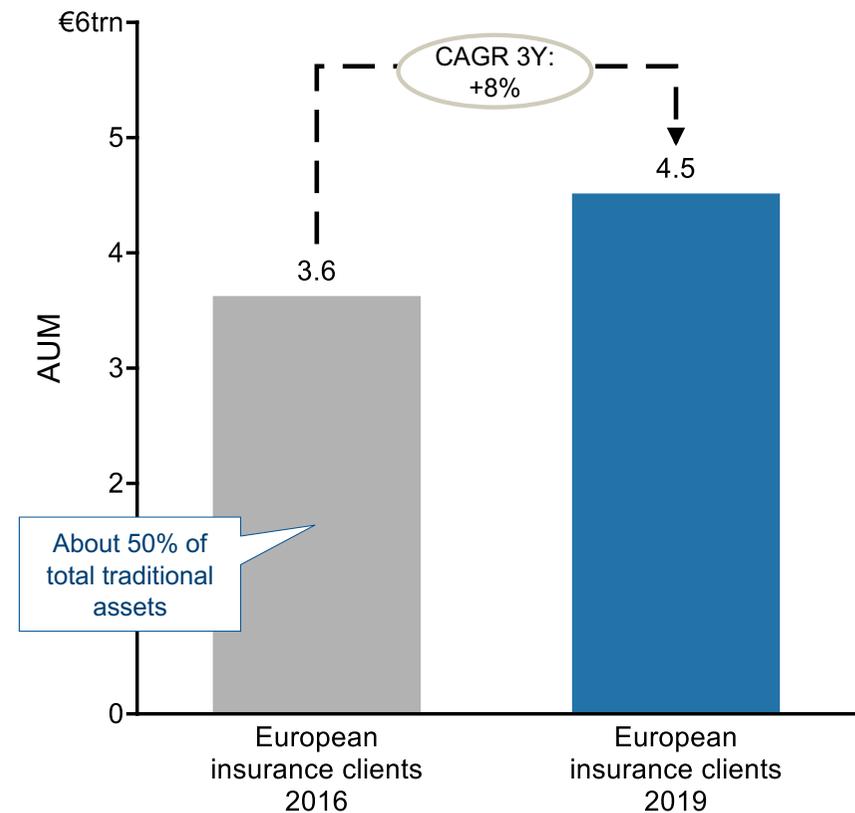
Increasing demand for specialized services and investment skills provided by asset managers

Insurance companies: asset management models



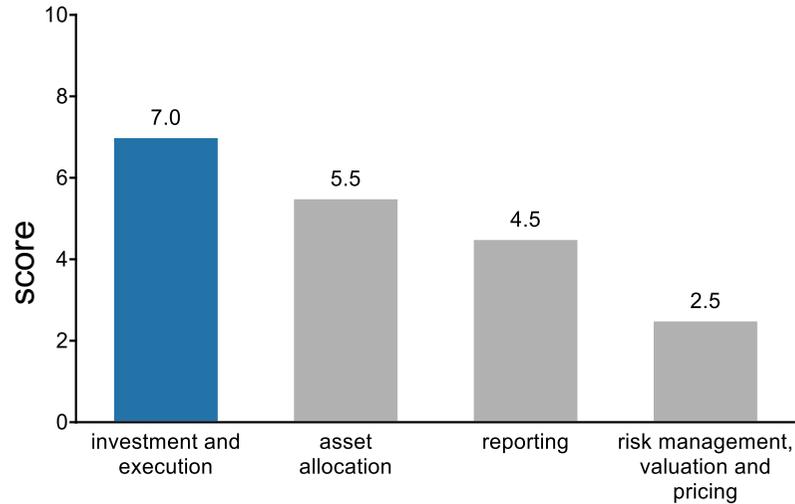
ILLUSTRATIVE

European insurers’ assets managed by asset managers

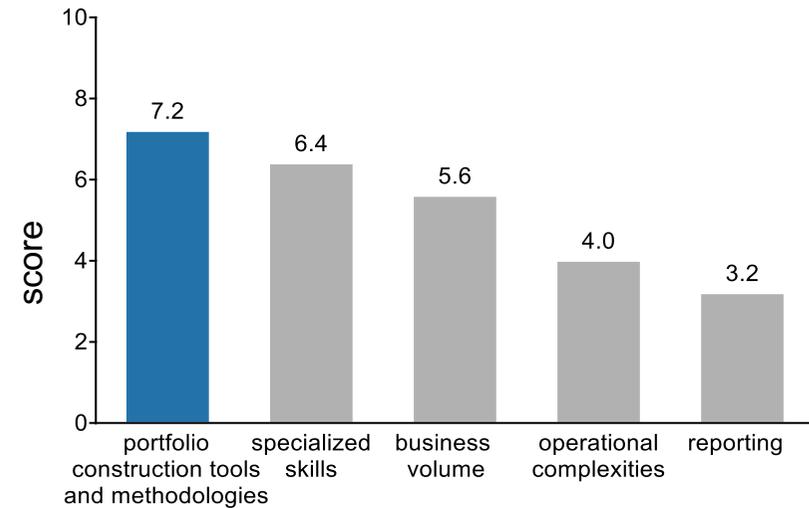


Asset managers are adapting to the specific needs of the insurance market (products and services)

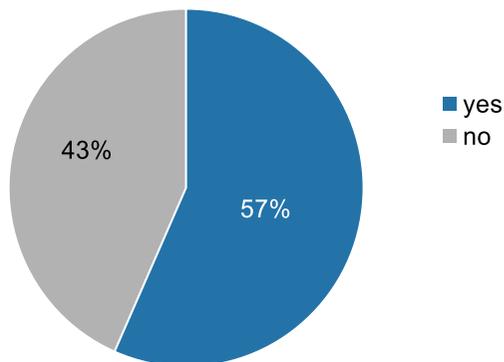
Value proposition for insurance companies
(10=higher interest, 1=lower interest)



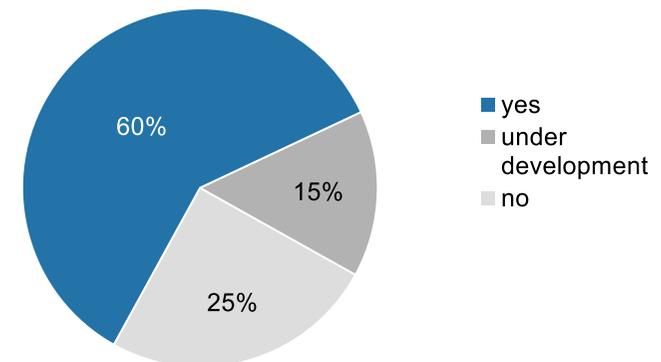
Main challenges for asset managers
(10=higher effort, 1=lower effort)



Presence of teams dedicated to insurance within asset managers



Presence of at least one “Solvency II optimized” strategy in the AM offering

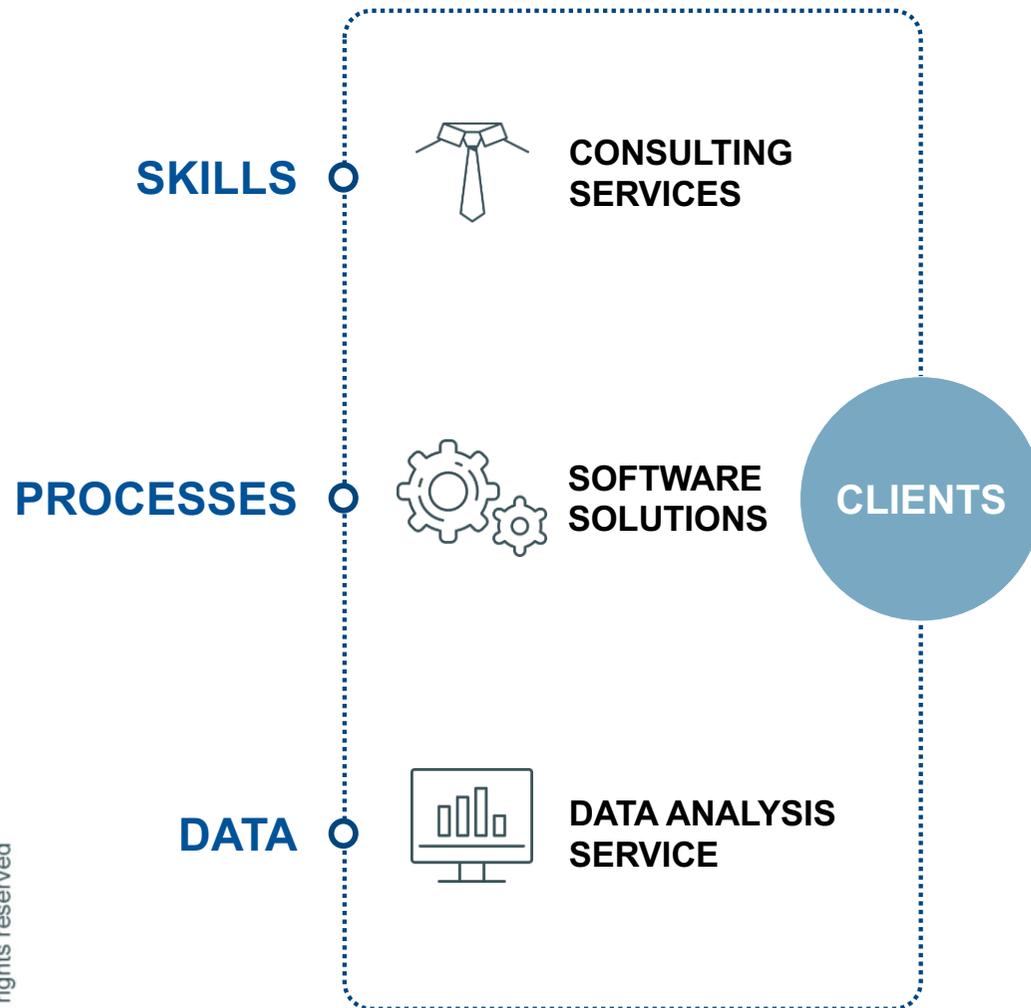


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prometeia

Prometeia: company profile



- **Market leader** in consulting, design and software for the **Wealth & Asset Management** industries
- **Unique mix of skills** in risk management, wealth management, business consulting and investment advice
- **700+ professionals**
- **200 financial institutions as clients** (banks, asset managers, insurance companies, institutional investors) in Europe

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