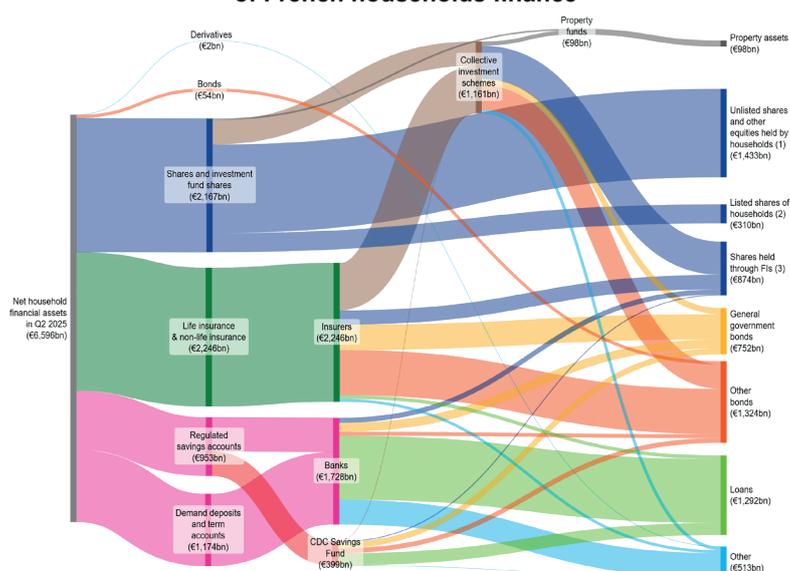


What Do the Financial Savings of French Households Finance?

Alisée Koch and Thomas Faria

- Net assets of French households primarily comprise property but also include a diverse range of financial assets which are a reflection of households' longstanding appetite for liquid, secure assets. Financial assets include low-risk investments (deposits, savings accounts, euro-denominated life insurance products) and higher-risk assets such as financial securities (shares and bonds) that are held either directly by households or indirectly through financial intermediaries (FIs), as well as equity interests in their businesses.
- Investments made by households through intermediaries help fund the economy as banks, insurance companies and investment funds use these investments to issue loans and purchase shares and bonds. 60% of these products come from France and 80% from the euro area.
- A look-through approach was applied to financial intermediaries to examine what is ultimately financed by household savings. For every €10 of household financial assets, €4 is used for equities in businesses – half of which for business assets – €3 to invest in bonds, of which €1 relating to general government bonds (mostly in France), and €2 to issue loans.
- Other stakeholders (particularly businesses and non-residents) also make investments through financial intermediaries that help fund the economy and are not covered in this paper. This paper only covers the financial assets of households, which only represent a portion of the assets of financial intermediaries.

Breakdown of what the net financial assets of French households finance



Source: DG Trésor.

NB: There are various ways for households to have holdings in businesses (see Box 1): (1) chiefly relates to business assets; (2) relates to ordinary securities accounts (CTO) and equity savings plans (PEA); and (3) covers listed and unlisted shares held through financial intermediaries. Only a portion of the assets of financial intermediaries and particularly those of banks are shown here, i.e. up to the proportion represented by households in the liabilities of the financial intermediaries (see Box 2 on the methodology).

1. Savings are put towards financial assets, the breakdown of the latter revealing a preference for liquid, secure capital

1.1 Financial assets of French households

Around 60% of assets owned by households in France¹ are non-financial while 40% are financial. Whereas property is a tangible asset (e.g. housing), financial assets are less concrete and come in the form of households owning their own businesses or owning financial products that are found on the market (e.g. regulated savings accounts, life insurance products). They are either held by households directly or via an investment managed by financial institutions.

The net financial assets of French households totalled €6,596bn in Q2 2025. This is driven by remarkably high financial savings flows since the COVID-19 pandemic,² accounting for 10.5% of gross disposable income in Q2 2025 (up 4.0 pp on the 2015-2019 average) and exceeding the rate for German households for the first time since 2000.

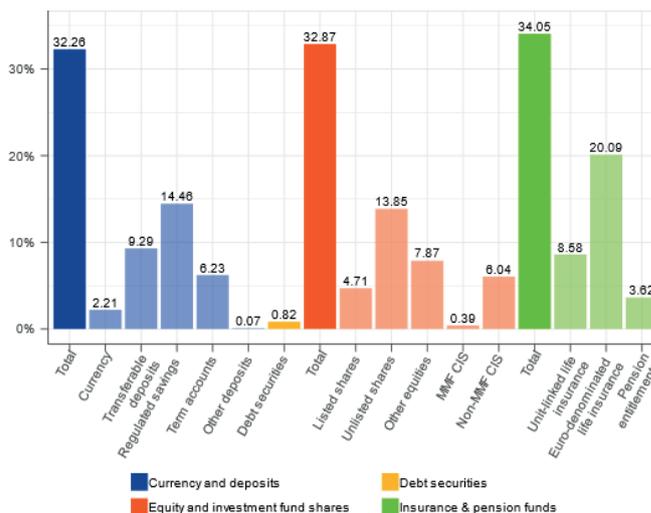
Financial savings allow households to invest in securities, make investments that are then managed by financial intermediaries, and set up and own their own businesses. The financial assets owned by French households break down relatively evenly³ between bank deposits (€2,127bn in Q2 2025) – accounting for 40% of all deposits made by banks – and insurance products (€2,246bn) and securities (€2,167bn) (see Chart 1).

In addition to investments managed by financial intermediaries, households directly own bonds (€54bn), listed shares (€310bn), unlisted shares⁴ (€913bn) and other equities (€519bn). Caution should be exercised when examining the last two categories as they are very diverse: unlisted shares cover for example interest

in businesses held directly by households (private companies, SMEs, start-ups) and equity refers to all forms of equity which are not shares, i.e. units not issued by joint-stock companies, public limited companies, partnerships limited by shares or simplified joint-stock corporations.⁵ As a result, the amounts of these two categories can only be interpreted to a limited extent (see Box 1).

The breakdown of financial investments mirrors the engrained savings habits of French households which prioritise liquid, secure capital (see Chart 1): fixed-income products represent two thirds of investments (deposits and insurance products)⁶ while equity products, either held directly or through financial intermediaries, account for the remaining third.

Chart 1: Breakdown of financial assets held by households



Source: Banque de France.

- (1) Since the early 2000s, net aggregate household assets had sharply increased to stand at €14,616bn in late 2022, the equivalent of 9.6 years of net disposable income versus 5.8 years in 2001. In late 2022, household assets totalled €16,590bn and their liabilities €1,974bn (Insee, National Institute of Statistics and Economic Studies, in French only).
- (2) M. Bachelet (2025), “Flash Conjoncture Pays avancés – Analyse de la persistance d’un taux d’épargne élevé dans les économie européenne”, Direction Générale du Trésor (in French only).
- (3) The Quarterly Financial Accounts produced by the Banque de France (in French only) provide information on the financial investments of French households. They can then be used to determine the liabilities assumed by financial institutions.
- (4) The difference between unlisted shares (F.512) and other equities (F.519) lies in the legal distinction between unlisted shares (actions) and units (*parts sociales*).
- (5) Family-owned property holding companies are included in the property assets owned by households (not within the scope of financial assets explored in this paper) while equity in property holding companies with a SIREN number are classified under “Other equities” (F.519).
- (6) Euro-denominated funds offer a capital guarantee and a steady return, while funds denominated in units of account pose loss risks but can secure a greater return in the long term. These two methods are used concurrently in life insurance policies.

1.2 Financial intermediaries' role in financing the French economy

Financial intermediaries include banks, insurance companies, investment funds and collective investment schemes. In their financial statements, households' investments are recorded on the liabilities side while asset side, the intermediaries purchase shares or bonds. This is how household investments finance the economy through financial intermediaries.

Ultimately, French financial institutions primarily finance domestic projects. This preference⁷ debunks the theory put forward by Markowitz (1952) on portfolio diversification⁸ (Modern Portfolio Theory), and is attributed to political risks, information asymmetry in relation to other countries and international securities market failures. Household investments made through financial institutions (€4,770bn in Q2 2025) are mainly invested in France (58%), followed by the euro area (19%) and the non-euro area (23%).

More specifically, French securities account for 43% of the balance sheets of insurers and pension funds.

French bank exposures stand at 75% in France⁹ and 85% in the euro area. Banks grant more loans in France than deposits they receive, meaning that savings are used almost exclusively to finance loans in France.

The Caisse des Dépôts et des Consignations (CDC) Savings Fund plays a key role in leveraging the savings of French households since it centralises a portion of the deposits of regulated savings accounts to turn them into long-term financing. This model, the only of its kind in Europe, makes the Savings Fund a key intermediary despite the small proportion it represents of total banking exposures. On the asset side, the Savings Fund has €219bn in loans (for the social housing and local public sectors) and an asset management portfolio of €222bn, of which 96% is invested in Europe (88% in the euro area and 70% in France).

There is a dearth of information on the directly held assets of households and non-profit institutions serving households.

Box 1: The various ways households hold equity in businesses

There are various ways households hold equity in businesses, and they do not all finance the economy in the same manner. The two main methods are (i) equity directly held by households in businesses and (ii) equity indirectly held by households via financial intermediaries, e.g. collective investment schemes and unit-linked life insurance products.

The French national accounts set out three main categories for the first method:

1. Directly held listed shares (F.511) are exchange-traded securities. Households can purchase these via a share savings plan (PEA) or an ordinary securities account (CTO). These financial securities primarily finance major listed businesses. In Q2 2025, they accounted for just under 5% of household financial assets.
2. Directly held unlisted shares (F.512) cover all shares in private unlisted companies. They mainly comprise business assets: units in family-owned SMEs, private companies (e.g. limited companies – SA, simplified joint-stock corporations – SAS, simplified joint-stock corporations with a sole shareholder – SASU) and equity in start-ups. This category therefore covers a wide variety of companies, from small local shops to major unlisted companies, and involves more cases of business ownership by entrepreneurs. However, savings investments via share savings plans for SMEs account for a small portion of this category. In Q2 2025, directly held unlisted shares accounted for just over 14% of household financial assets in France.
3. “Other equity” (F.519) covers units in companies that do not issue shares (e.g. limited liability companies – SARL, general partnerships – SNC). One noteworthy inclusion in this group are equities in property holding companies with a SIREN number that finance the property sector rather than the commercial manufacturing industry. Much like directly held unlisted shares, this category covers a broad range of entities. In Q2 2025, “Other equity” accounted for nearly 8% of household financial assets.

(7) This preference is explained by Kenneth R. French and James M. Poterba (1991), “Investor Diversification and International Equity Markets”, *The American Economic Review*, vol. 81, no. 2, pp. 222-226.

(8) H. Markowitz (1952), “Diversification is both observed and sensible; a rule of behavior which does not imply the superiority of diversification must be rejected both as a hypothesis and as a maxim”, *Portfolio Selection*, *The Journal of Finance*, 7(1), pp. 77-91.

(9) According to [Bank for International Settlements](#) data.

For presentation purposes, categories F.512 and F.519 are often grouped together and can be partially classified under business assets.^a

A considerable portion of equity investments made by households goes through financial intermediaries. For example, these intermediaries take out unit-linked life insurance policies and hold non-MMF units in collective investment schemes. These intermediaries invest for the most part in listed shares, thereby financing large businesses, but are also exposed to unlisted businesses through private equity. It is through this method that household financial assets finance the equity of SMEs and start-ups (excluding business assets). In Q2 2025, equity in companies held indirectly by households accounted for 13% of their financial assets.

a. In its quarterly statistical publication [Stat Info](#) on household savings and financial assets, the Banque de France groups together categories F.512 and F.519, citing that they in particular cover business assets

2. Savings finance the economy directly and indirectly through financial intermediaries: loans, shares and bonds

2.1 For every €10 of household financial assets, €4 goes to equity in businesses, and €3 is invested in bonds – €1 of which in general government bonds and €2 for issuing loans

The look-through approach applied to financial intermediaries (see Box 2) shows that in Q2 2025 40% of household financial assets were used to purchase and hold shares and other equities, 31% to invest in bonds, 20% to finance loans and just over 1% to invest in property assets. The remainder went towards the cash assets of financial institutions (3%), derivatives (2%) and other financial assets (2%).

The analysis is conducted within the scope of household financial assets. Therefore, only a portion of the assets held by French financial intermediaries, particularly those of banks, are presented in it, up to the proportion representing the liabilities held by households.

The look-through approach revealed that in Q2 2025 households held €874bn in shares and €2,022bn in bonds through financial institutions. A considerable proportion of bonds are intended to finance general government debt: €752bn (mostly French), i.e. 11% of household financial assets in Q2 2025. These general government bonds are managed for households by the CDC, banks, insurers and numerous collective

investment schemes. Insurers are one of the main categories of private French entities holding French debt securities,¹⁰ directly holding 9.8% of negotiable public debt (€275bn) after the 10.3% held by French banks and ahead of the 1.7% held by French funds.¹¹ The look-through approach calculates the proportions by using the ratio of these amounts to the amounts entrusted to these financial intermediaries by households.

2.2 Where do household savings managed by financial intermediaries go?

The CDC's Savings Fund has €399bn¹² in centralised funds in regulated savings accounts.¹³ This amount originates from household savings, half of which (49% of assets) is used to issue loans granted for social housing and the local public sector. To maintain liquidity, the Savings Fund also has a financial securities portfolio (the remaining 51% of assets). Bonds account for 44% of this portfolio and shares and funds for 4%, with the remainder dedicated to cash assets. Of the bonds held, a large portion (25% of total assets) is invested in sovereign bonds, particularly in inflation-linked bonds.

Funds in regulated savings accounts that are not administered centrally and household deposits total €1,728bn. Banking institutions use them to grant loans

(10) Insurers purchase long-dated sovereign securities (15 years on average) in order to ensure that the average asset duration is consistent with the life insurance product liabilities.

(11) According to data from [Agence France Trésor](#).

(12) Under Article L.221-5 of the [Monetary and Financial Code](#) (in French only), the centralised portion is currently set at 59.5% of the total funds in *Livret A* and responsible sustainable development savings accounts (LDDS) since 30 July 2013 and 50% of the total funds in LEP savings accounts since 1 July 2016.

(13) The [2024 annual report for the Savings Fund of the CDC](#) (in French only) states that €398.1bn is centralised by the CDC, in addition to €42.7bn in equity. The difference between this figure and this study's figure (€399bn) is due to different data sources being used (national quarterly accounts versus fund amounts as at 31 December 2024).

or purchase securities. The 12 main French banks¹⁴ primarily grant loans (60% of their assets), purchase bonds (12%), shares (5%) and derivatives (8%) and build up their cash assets (9%). In particular, general government debt securities (from France and abroad) constitute 8% of their assets.

Insurance companies and pension funds invest the vast majority of household savings on the market or in funds. As at Q2 2025, investments made by insurers and pension funds totalled €2,246bn. 51% of their portfolio is formed by debt securities, 34% by collective investment scheme securities and 10% by shares, with the remainder constituting cash assets and loans. The Prudential Supervisory and Resolution Authority (ACPR), which monitors insurance companies, has applied a look-through approach to the French collective investment scheme securities held by insurers.¹⁵ This look-through approach sets out a breakdown of insurance assets by issuer type, geographical zone and security. The look-through approach has revealed that 65% of the portfolio of insurers and pension funds comprises debt securities, 25% shares and 1% collective investment scheme units, with the latter unable to be further clarified, as for the most part they are foreign in origin. 43% of the portfolio is made up of securities from France, 24% of securities issued in the euro area and 16% of securities issued in the non-euro area. Insurers and pension funds hold the majority of securities issued by the non-collective investment scheme financial sector (40%, 25% of which for financial companies and 15%

for monetary financial institutions), followed by non-financial companies (21%) and general government (21%), particularly sovereign debt.

Of the 34% of collective investment scheme securities held by insurers and pension funds (€764bn), the majority are non-MMF collective investment scheme securities (€683bn), while MMF collective investment scheme securities total just €81bn. As well as holding collective investment scheme securities through insurers, households also directly invest in them: much like insurers, they have a preference for non-MMF collective investment scheme securities (€398bn) over MMF collective investment scheme securities (€26bn). Overall, household savings allocated to collective investment schemes totalled €1,161bn. Compared to MMF collective investment schemes, non-MMF collective investment schemes are longer-term investments with a higher risk and greater return and contribute directly to financing the economy (businesses, infrastructure, etc.). The balance sheet of MMF collective investment schemes is primarily comprised of debt securities (82%), while that of non-MMF collective investment schemes is split between debt securities (30%), shares (40%) and collective investment scheme securities. Data from the French national accounts identify the various types of securities held via non-MMF collective investment schemes: debt securities (€127bn), shares (€177bn) and other investments (€96bn of which €29bn in property funds) in Q2 2025.

Box 2: Methodology for the look-through approach applied to financial intermediary balance sheets

Household financial balance sheets, published on a quarterly basis by Eurostat,^a provide the figures and breakdown of financial assets and liabilities held on a given date. Using the nomenclature of the national accounts, financial assets are split into six main categories: (i) currency and deposits, (ii) debt securities, (iii) loans, (iv) equity and investment fund shares, (v) insurance and pension funds, and (vi) derivatives and employee stock options.

The approach sheds light on the economic destination of these assets,^b i.e. linking household investments to their ultimate use in financing the economy. In practical terms, the exercise involves:

1. breaking down household financial assets by type of financial intermediary (banks, insurers, collective investment schemes, the CDC);

a. Household financial balance sheets can be found on the [Eurostat](#) website.

b. The method is based on a [2017 2° Investing Initiative](#) report (in French only).

(14) On a quarterly basis, the ACPR and the European Central Bank (ECB) draw up a list of [significant entities](#) that they directly supervise: in Q2 2025 there were 12 such banks.

(15) A breakdown of the assets of insurers is published using template S.06.02 provided in the [Solvency II](#) regime. Together with template S.06.03, it provides a clear picture of collective investment schemes. However, the data published by the *Banque de France* is the product of an internal restatement intended to harmonise the classification of collective investment schemes given that insurers' practices vary.

2. factoring the balance sheet structure of each intermediary into the sums invested with them, assuming the fungibility of their balance sheets: each euro deposited or invested equals a financial asset (loan, share, bond, etc.) held by these institutions. Therefore, in this exercise, not all assets held by financial intermediaries are analysed, just the portion “financed” by household investments. The size of this portion varies from intermediary to intermediary: it can account for a small proportion (one fifth of the balance sheet of banks) or almost the entirety of their balance sheet (four fifths of the balance sheet of insurers) depending on the share of liabilities assumed by households.

The centralised portion of regulated savings accounts (*Livret A* savings accounts, responsible sustainable development savings accounts – LDDS, savings accounts for low-income individuals – LEP) is entrusted to the CDC via the Savings Fund, which grants long-term and very-long-term loans (up to 80 years) to finance general-interest programmes (e.g. relating to social housing, urban policy, local authorities’ investments). The annual report of the Savings Fund^c provides the balance sheet figures. As these figures are only calculated annually, quarterly figures had to be extrapolated from the baseline year. With the exception of some equity (€40bn), all of the Savings Fund’s liabilities originate from households.

Bank deposits and the non-centralised funds of regulated savings accounts represent the majority of category (i). Banking institutions use these instruments and funds to grant loans to households and businesses or to acquire financial securities. Data collected and published by the ECB^d under the Single Supervisory Mechanism can help determine the structure of their balance sheets. We have assumed that household deposits break down in the same way. Household deposits only account for a fifth of banks’ liabilities, and so the assets of banks identified in the look-through approach only correspond to a portion of the banks’ assets.

Insurance companies and pension funds, holding the instruments listed in category (v), invest household savings primarily in debt securities and in shares and units in collective investment schemes with a view to long-term investment. Their quarterly balance sheets, published by the ACPR,^e are used for the breakdown of savings. Since 2021, the ACPR has applied a look-through approach to collective investment scheme securities which involves, where information is available, replacing the French collective investment scheme securities in insurers’ portfolios with the investments made by these collective investment schemes.

We directly use this data. For the purposes of this exercise, the breakdown for Q1 2021 is used for pre-2021 data. As for collective investment schemes not covered in the ACPR’s look-through approach (1% of insurers’ balance sheets as at Q2 2025), we use the breakdown provided in the balance sheets for collective investment schemes. Household investments account for nearly 80% of the liabilities of insurers and pension funds.

Lastly, collective investment schemes collect savings from various investors (households, insurers, the CDC) to invest them on a collective basis on financial markets. This lets businesses and the French government secure financing without having to directly go through the banks while spreading out the risks for investors. Some collective investment schemes hold securities in other collective investment schemes, resulting in cross holdings. In order to apply a look-through approach into them, collective investment scheme securities held by the collective investment schemes themselves are broken down again based on the average structure of their balance sheets, excluding the portion invested in collective investment schemes. We have used the balance sheets of collective investment schemes published by the *Banque de France* on a quarterly basis.^f Household investments account for half of the liabilities assumed by collective investment schemes.

a. Household financial balance sheets can be found on the [Eurostat](#) website.

b. The method is based on a [2017 2° Investing Initiative](#) report (in French only).

c. Previous Savings Fund reports can be consulted on the [CDC website](#).

d. The balance sheet for French banks can be consulted in the ECB’s [Supervisory Banking Statistics – SUP](#) dataset.

e. The balance sheet for insurers and pension funds can be consulted on the [Banque de France website](#).

f. The balance sheet for [non-MMF](#) and [MMF collective investment schemes](#) can be consulted on the [Banque de France website](#).

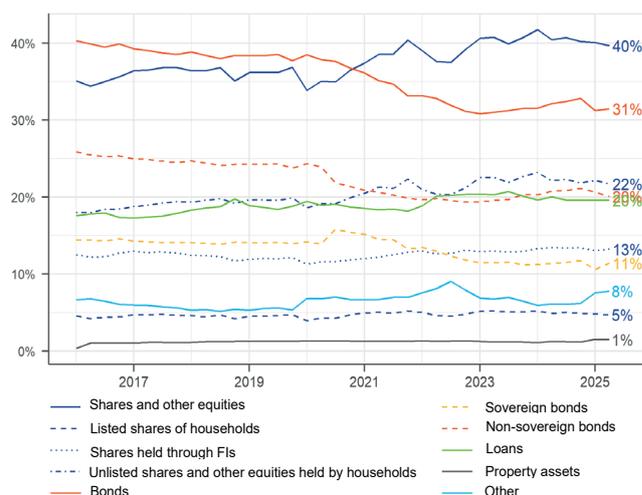
2.3 The breakdown of the end uses of household savings is relatively unchanged, despite reallocations and valuation effects

The breakdown of household financial assets has changed since the COVID-19 pandemic even if these changes are still limited to the overall stock. On one hand, savings flows, although robust (2% of the total at Q2 2025),¹⁶ are slow to bring significant change to the stock of financial assets. On the other hand, financial intermediaries play a role in reallocating flows in this respect, given the asset and liability management of their balance sheet which remains relatively unchanged in the long term.

Since 2019, households shifted the focus of their investments from euro-denominated funds to regulated and non-regulated saving accounts,¹⁷ investment fund shares and unit-linked life insurance products. Following on from the look-through approach applied, the share of savings financing businesses (through shares/units in investment funds) has increased from 36% of financial assets in 2019 to 40% in Q2 2025, primarily as a result of stronger valuation effects (see Chart 2). This increase comes at the expense of bonds, the share of which has shrunk from 26% to 20% for non-sovereign bonds and from 12% to 11% for sovereign bonds. The end uses of household savings (loans, property assets, other) have remained notably unchanged in the long term.

These changes in particular reflect the investment decisions made by households, with no major change to the balance sheets of financial intermediaries.¹⁸ As a result, the reallocation of demand deposits to term accounts, which started in 2023 (see Chart 3), has not changed the share of savings managed by banks acting as intermediaries. Similarly, the increase in funds denominated in units of account and the resulting decrease in euro-denominated funds (see Chart 4) has altered the composition of life insurance policies, and yet insurers continue to convert savings into long-term assets. In addition, since 2020 insurers and pension funds have diversified their investments and reduced their holdings of negotiable public debt.

Chart 2: Change in the end uses of net household financial assets following the look-through approach



Source: Insee, ECB, ACPR, Banque de France. DG Trésor calculations.

How to read this Chart: The dotted lines indicate sub-components. For the purposes of the look-through approach, for pre-2021 data, the breakdown of collective investment scheme securities held by insurance companies and pension funds in Q1 2021 is used. The recent increase in the “Other” category is largely the result of a change in the methodology for applying the look-through approach to these collective investment scheme securities. This change allows for a more detailed breakdown and introduces the new “Other” category.

The increase in shares and other equities in the end uses of household savings is almost entirely attributable to the increase in unlisted shares held by households, from €570bn in 2019 (10% of financial assets) to €913bn in Q2 2025 (14% of financial assets).

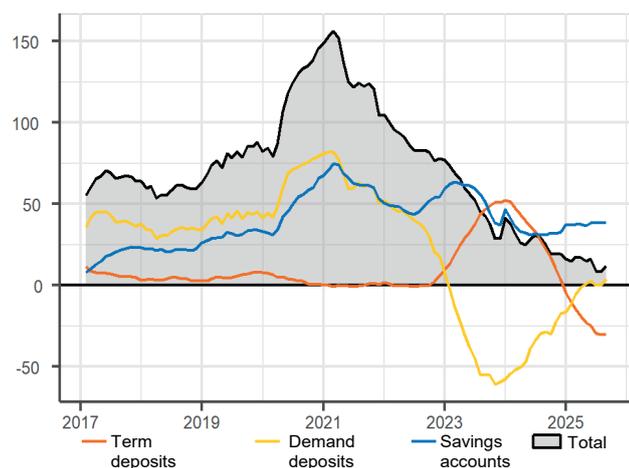
The analysis of the stock of household financial assets is merely a snapshot taken at a single moment. While the sums involved point to a certain stability in the ultimate allocation of savings, there are emerging dynamics that have yet to significantly affect the stock. The emergence of neobrokers has also been observed, indicating a change in the investment habits of households, even if the amounts they handle are meagre for the time being. An analysis of flows will allow for a better understanding of recent trends and their impact on the allocation of savings in the future.

(16) The overall amount of savings flows for four quarters accounts for 2% of the stock of financial savings in Q2 2025.

(17) The significant use of regulated savings accounts is particularly due to households' excess savings as a result of the COVID-19 pandemic and the appeal of *Livret A* rates of return, set at 3% for the period from July 2023 to February 2025 (to be compared with the average rate of return for euro-denominated funds of 2.5% in 2024).

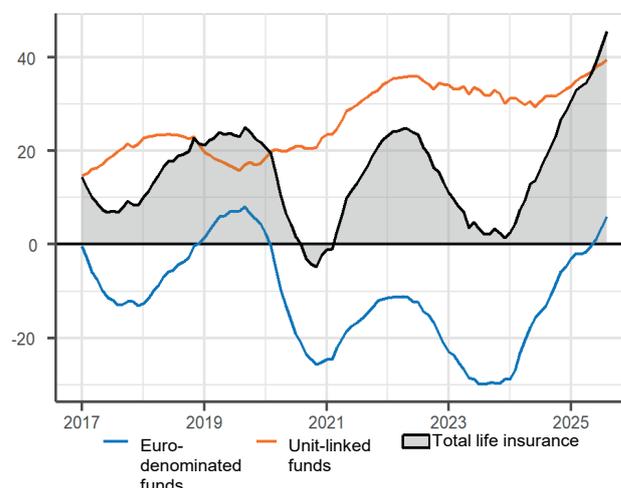
(18) Note that these balance sheets are subject to prudential obligations.

Chart 3: Annual aggregate bank deposits (in €bn)



Source: Banque de France.

Chart 4: Annual aggregate investments in life insurance products (in €bn)



Source: Banque de France.

To date, the look-through approach applied to savings has shown that, despite changes in savings habits and in the methods chosen by households, the end uses of these savings in the economy generally remain unchanged in the long term. In addition, the analysis underscores the key role played by financial

intermediaries in allocating household savings to high-risk and/or long-term products and in doing so contributing to the financing of the economy.

Publisher:

Ministère de l'Économie, des Finances et de la Souveraineté industrielle, énergétique et numérique

Direction générale du Trésor
139, rue de Bercy
75575 Paris CEDEX 12

Publication manager:

Dorothee Rouzet
tresor-eco@dgtresor.gouv.fr

English translation:

Centre de traduction des ministères économique et financier

Layout:

Mimose Mellia
ISSN 1962-400X
eISSN 2417-9698

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