

In 2025, insurers and pension funds redirected their investment flows to benefit from the increase in long-term interest rates

In 2025, insurers and pension funds redirected their investment flows into debt securities and non-money market collective investment undertakings (CIUs), at the expense of money market instruments and directly held equities. This reallocation took place amidst falling key interest rates and rising long-term rates, which boosted the attractiveness of long-term bond investments. The renewal of bond portfolios continued apace, leading to an increase in yields. Portfolios remain predominantly invested in euro-denominated products. Their exposure to foreign currencies and to non-euro area issuers remains limited and stable compared with 2024.

Frédéric Ahado, Liliana Arias, Laure Chantrelle
General Secretariat of the *Autorité de contrôle prudentiel et de résolution*
Research and Risk Analysis Directorate

JEL Code
G22

Andréa Barnava, Noorida Husain
Directorate General Statistics, Economics and International
Monetary and Financial Statistics Directorate

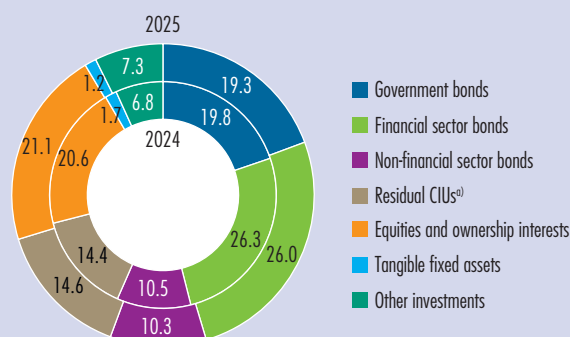
End-2025

EUR 3,109 billion
the market value of investments
held by French insurers and pension funds

56%
the share of bonds, which remain the preferred
investment of insurers and pension funds

Structure of investments held by French insurers and pension funds at end-2024 and end-2025

(% of total investments)



Sources: *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority), Banque de France.
a) Residual CIUs: After applying the look-through approach to CIUs (see Chart 1).

1 In 2025, investments by insurers and pension funds continued to grow, buoyed by life insurance inflows

Growth in outstandings has accelerated, driven mainly by higher net acquisitions

At end-2025, the market value of investments held by insurers and pension funds stood at EUR 3,109 billion, compared with EUR 2,950 billion the previous year, i.e. an increase of 5.4%.¹ Of this total, 76% is held by life insurers, 17% by non-life insurers² and 7% by pension funds.

The growth in outstandings, which was more pronounced than in 2024 (up 3.4%), resulted from higher net acquisitions (EUR 91 billion, compared with EUR 55 billion in 2024) and more favourable valuation effects (EUR 44 billion, up from EUR 38 billion). Net life insurance inflows reached an exceptional level in 2025, and very rapid growth in non-life insurance premiums underpinned net acquisitions.

Life insurance and retirement savings accounted for 32.9% of the financial wealth of French households at the end of 2025, equivalent to EUR 2,154 billion (Coron and Yang, 2026). According to the latest available data from the *Institut national de la statistique et des études économiques* (INSEE – the French National Institute of Statistics and Economic Studies) for 2024 (INSEE, 2025), 42% of households had a life insurance policy and 19% held a retirement savings product, confirming life insurance as one of the most widely-used financial investment vehicles in France, just behind savings accounts.

In 2025, French households maintained a high level of savings, a significant proportion of which was channelled into life insurance policies. Net inflows into these policies (excluding retirement savings) amounted to EUR 44 billion, their highest level since 2011 and almost double the figure for 2024 (EUR 22.8 billion). These inflows continued to

be driven by unit-linked funds, which accounted for 85% of the total, or EUR 37.6 billion. Following a period of sustained outflows between 2020 and 2024, net flows into euro-denominated products returned to positive territory in 2025, amounting to +EUR 6.4 billion, compared with –EUR 2.7 billion in 2024. This was driven by revaluation rates which were maintained at attractive levels. In 2025, the average rate stabilised at 2.6% (Coron and Ahado, 2026),³ while the rate on Livret A passbook accounts – the main benchmark rate for savers – fell significantly from 2.4% to 1.7% during 2025.

Insurers and pension funds continued to prioritise investment in debt securities

In 2025, investment flows from insurers and pension funds followed the trends that had already begun in 2024, amidst geopolitical and economic uncertainty, coupled with continued monetary easing. In the wake of the monetary tightening of 2022-23, the European Central Bank (ECB) cut its main key rate from 4% in early June 2024 to 2% in mid-June 2025, as inflation in the euro area had fallen back to close to 2%. At the same time, long-term government bond yields continued to rise: the French 10-year Treasury bond (OAT) rate and the German Bund 10-year rate increased by 35 and 45 basis points between end-2024 and end-2025, to 3.56% and 2.81%, respectively. Consequently, the steepening of the yield curve already observed in 2024, intensified: in France, the spread between 10-year and 2-year OAT yields widened, rising from 91 basis points at the end of 2024 to 127 basis points at the end of 2025. In this context, yields at the long end of the curve have become attractive. Debt securities drew high net inflows (EUR 50 billion) at the expense of money market funds (–EUR 3.0 billion) (see Chart 1). At the same time, the rise in long-term interest rates weighed on bond portfolio valuations (see below).

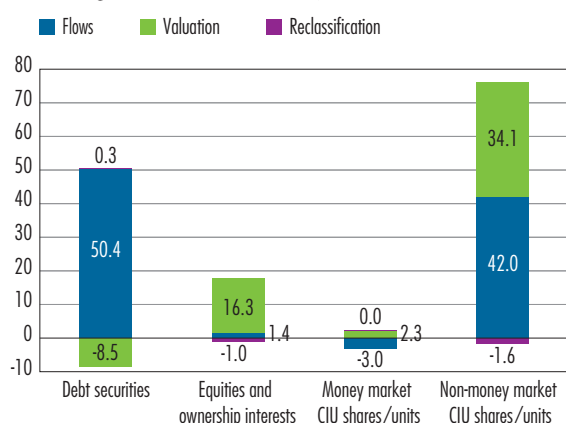
¹ Due to a methodological change regarding the application of the look-through approach to insurers' exposure to CIUs (see Appendix 1), the data presented in this publication for 2024 and 2025 are comparable with each other, but not strictly comparable with those in last year's publication based on data at end-2024 (Ahado et al., 2025).

² For the purposes of this Bulletin, life insurers refer to life and composite insurers, while non-life insurers also include reinsurers (see the definition of the survey population in Appendix 1 on methodology).

³ Net of levies on outstandings and before social security contributions.

C1 Structure of investments held by French insurers and pension funds between end-2024 and end-2025

(EUR billions, before applying the look-through approach to CIUs and including unit-linked investments)



Sources: *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority), Banque de France.

Note: Applying the look-through approach replaces collective investment undertaking (CIU) shares/units with the underlying assets held by these CIUs. This process identifies the final beneficiaries of the investments made by CIUs (see Appendix 1).

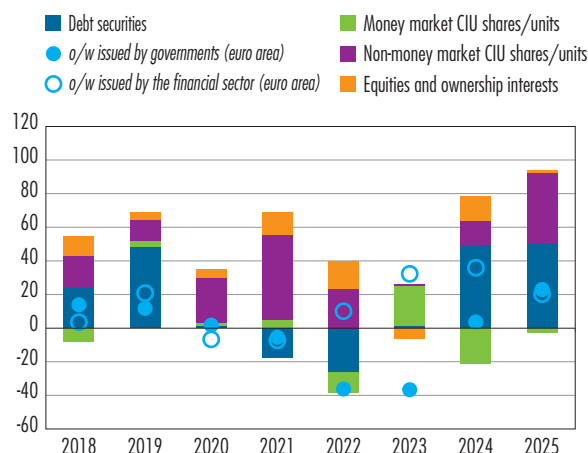
CIUs generated net inflows of EUR 39 billion in 2025 after net outflows of EUR 6 billion in 2024. Non-money market CIUs accounted for all net inflows, totalling EUR 42 billion (compared with EUR 15 billion in 2024), while money market CIUs continued to record net outflows (–EUR 3 billion, following –EUR 21 billion) (see Chart 2).

Flows into debt securities were mainly directed towards government bonds (+EUR 23 billion, compared with +EUR 4 billion in 2024). Against a backdrop of high public sector borrowing requirements, rising yields have boosted their appeal. These securities combine attractive returns, high liquidity and limited credit risk, enabling them to absorb investments from insurers and pension funds while preserving capital guarantees for euro-denominated funds.

Financial sector bonds continued to attract significant inflows (+EUR 20 billion in 2025, compared with +EUR 36 billion in 2024), despite a slowdown attributable to narrowing credit spreads reflecting the sector's financial strength. Conversely, debt securities issued by non-financial corporations continued to generate net outflows

C2 Flows of investments held by French insurers and pension funds

(annual flows, EUR billions, before applying the look-through approach to CIUs)



Sources: *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority), Banque de France.

Note: CIUs – collective investment undertakings.

(–EUR 1.7 billion), as insurers favoured segments offering greater liquidity and greater visibility over credit risk.

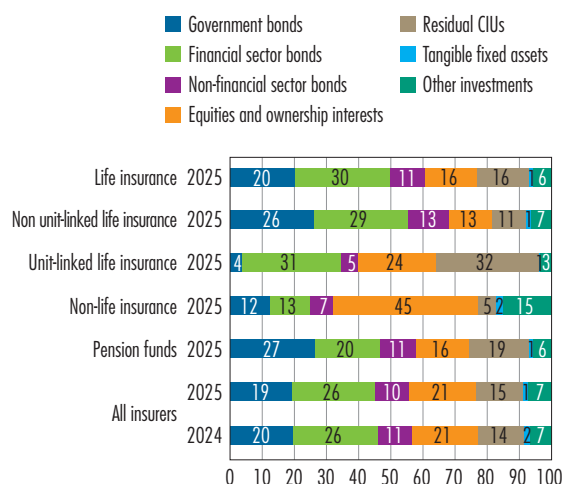
After applying the look-through approach, the share of bonds fell slightly in 2025

In 2025, bonds accounted for 55.7% of insurers' and pension funds' investments after applying the look-through approach to CIUs (see Appendix 1), a slight decline compared with 2024 (56.6%), despite sustained net inflows into this asset class. Portfolios remained heavily weighted in favour of government bonds (19.3% of investments) and financial sector bonds (26%), which combine liquidity, security and healthy yields. Government bonds, in particular, satisfy the liquidity needs of life insurers, while financial sector securities help to enhance the returns on euro-denominated funds thanks to their yield premium compared with sovereign bonds.

The proportion of assets backed by unit-linked policies remained stable at 20% of investments in 2025 (same as 2024) and has risen sharply since 2016 (from 12% to 20%). This increase, driven by insurers' marketing strategies favouring unit-linked products, has helped to moderate the weighting of bonds within portfolios.

C3 Breakdown of investments held by French insurers and pension funds by product

(%, after applying the look-through approach to CIUs)



Sources: *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority), Banque de France.

Note: The high proportion of equities in non-life insurers' assets is due to the significant value of ownership interests (41% of total assets) resulting from the inclusion of reinsurance holding companies within the scope of "non-life insurance and reinsurers".

Unit-linked assets continued to be buoyed by the strong performance of the equity markets, while euro-denominated funds enjoyed renewed appeal thanks to higher yields and lower returns on regulated savings (see Chart 3).

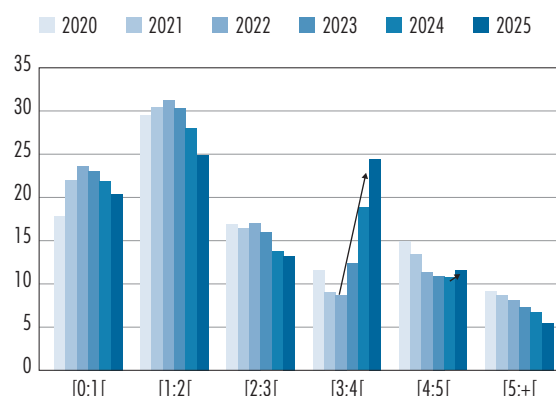
Portfolios are currently adjusting towards higher levels of returns

Insurers' and pension funds' shift towards longer-dated, higher-yielding bonds is gradually being reflected in their portfolios. At end-2025, 36% of bonds provided a yield of between 3% and 5% (compared with 30% in 2024), while 59% earned a return of less than 3%, down from 64% in 2024. The proportion of securities paying a coupon of over 5% continued to decline as they gradually matured (see Chart 4). Consequently, the average yield on fixed-rate bonds improved slightly in 2025 to 2.39%, up from 2.30% in 2024.

As a natural extension of their bond reallocation, insurers increased their allocation to CIUs, with inflows returning to clearly positive levels in 2025 (+EUR 39 billion,

C4 Changes in bond investments held by French insurers and pension funds based on their coupon between end-2020 and end-2025

(%)

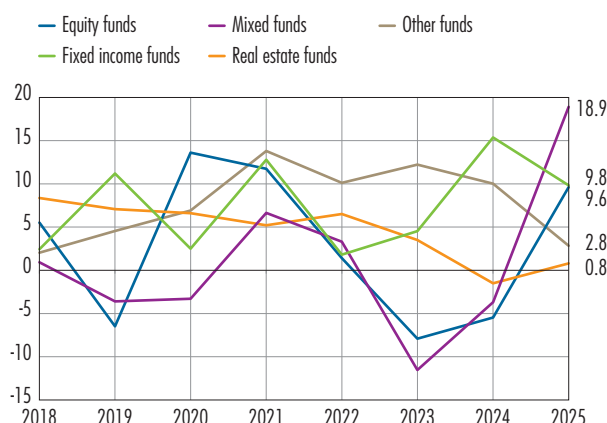


Sources: *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority), Banque de France.

compared with –EUR 6 billion in 2024), mainly into non-money market CIUs (+EUR 42 billion). At the same time, direct investments in equities and ownership interests slowed significantly (+EUR 1.4 billion, compared with +EUR 14 billion), reflecting more of a structural shift away from direct holdings and indirect exposure via non-money market CIUs than divestment of equity products.

C5 Flows of investments in non-money market CIU shares/units held by French insurers and pension funds

(annual flows, EUR billions, before applying the look-through approach)



Sources: *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority), Banque de France.

Note: CIUs – collective investment undertakings.

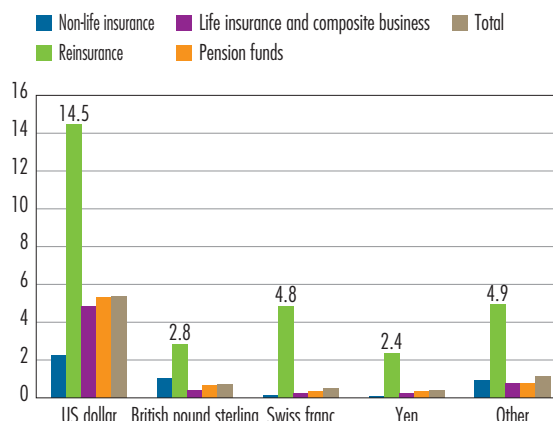
Within non-money market CIUs, mixed funds accounted for the bulk of inflows (+EUR 19 billion, compared with –EUR 3.7 billion in 2024), ahead of bonds held in CIUs (+EUR 9.8 billion) and equity funds (+EUR 9.6 billion). Flows into real estate funds returned to slightly positive territory (+EUR 0.8 billion, after –EUR 1.5 billion), signalling the start of a recovery after several years of either negative or zero flows in the wake of the correction in property valuations (see Chart 5 above).

Investments mainly concentrated in French and European assets

Insurers and pension funds focused the bulk of their investments on issuers domiciled in France and in other European Union (EU) Member States more broadly, which accounted for 48% and 36%, respectively. Their exposure to markets outside the EU remained modest, at 6% for the United States and 2% for the United Kingdom (see Chart 6).⁴ Investments in foreign currencies remained limited, with the US dollar accounting for the main exposure (5.3% of assets), whilst other currencies were of marginal importance (see Chart 7), meaning that currency risk is moderate.

C7 Breakdown of French insurer and pension fund assets denominated in foreign currencies by type of undertaking at end-2025

(% of total investments, after applying the look-through approach to CIUs)



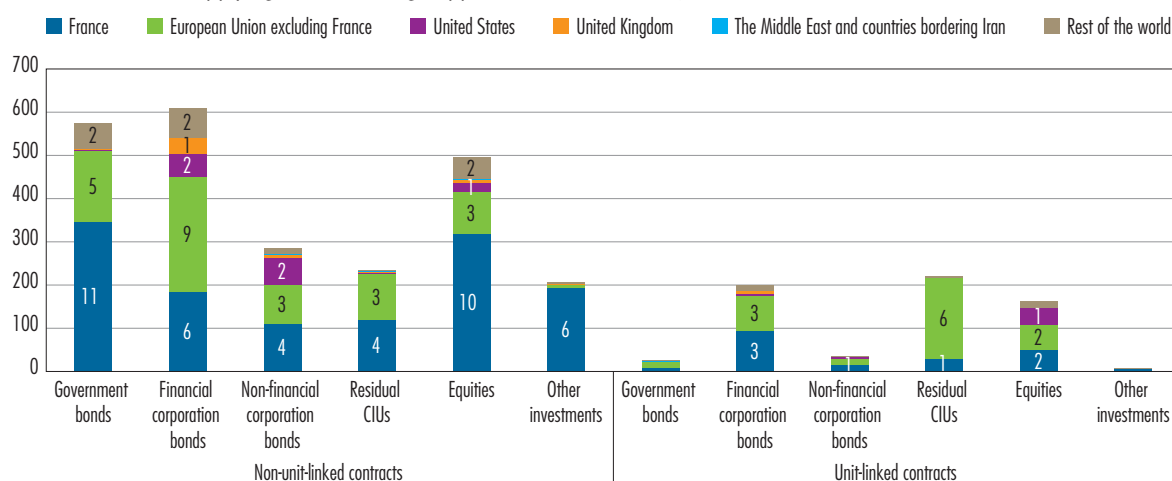
Sources: *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority), Banque de France.

Guide: In 2025, 2.2% of non-life insurers' investments were denominated in US dollar.

A significant proportion of these assets consisted of ownership interests in related companies or investments backed by unit-linked liabilities, for which the risk is borne

C6 Geographical breakdown of all investments held by French insurers and pension funds at end-2025

(EUR billions and %, after applying the look-through approach to resident CIUs)



Sources: *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority), Banque de France.

Guide: 11% of investments are in French government bonds, excluding unit-linked contracts.

Notes: The look-through approach is applied to resident CIUs. In the absence of security-by-security data on portfolios of non-resident CIUs, these are not subject to the look-through approach and are classified under the CIU shares/units category (residual CIUs).

CIUs – collective investment undertakings.

⁴ This breakdown excludes non-resident CIUs not subject to the look-through approach, which may include international assets.

by policyholders. For euro-denominated liabilities, assets and liabilities are matched mainly via the profit-sharing mechanism, which links the value of technical provisions to investment performance. Any residual exposures may also be hedged using derivatives. Lastly, Solvency II

regulations provide a framework for this risk by requiring prudent investment management and specific capital requirements. Reinsurers may, however, be relatively more exposed to foreign exchange risk, as they frequently cover risks underwritten in several countries.

BOX

Responsible and diversified investment

“Responsible” investments in life insurance: green, sustainability and social bonds, and labelled investment funds

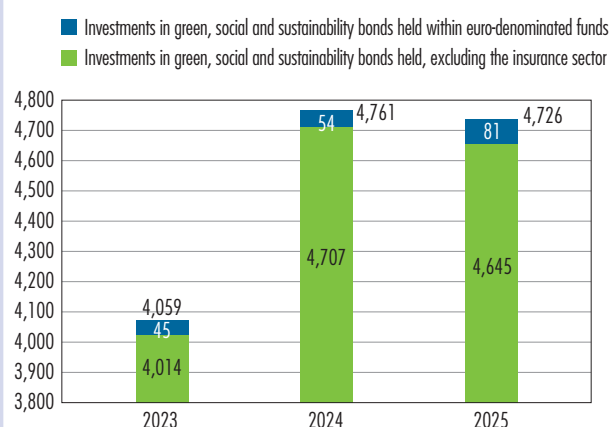
Responsible investments (see Appendix 2) reconcile financial performance with social or environmental impact. For euro-denominated funds, these are denoted by Eurosystem green bonds, and for unit-linked funds (UC), by funds with the SRI, Greenfin, Relance or Finansol labels.

Between 2023 and 2025, responsible investments held by insurers grew faster than those held by other economic sectors: an 80% increase in euro-denominated funds, whereas total outstanding investments in green bonds rose by only 16%, and a 0.5% increase in unit-linked funds, compared with a 15% decline in labelled funds, which suffered as a result of the SRI label reform (Barnava, 2026).

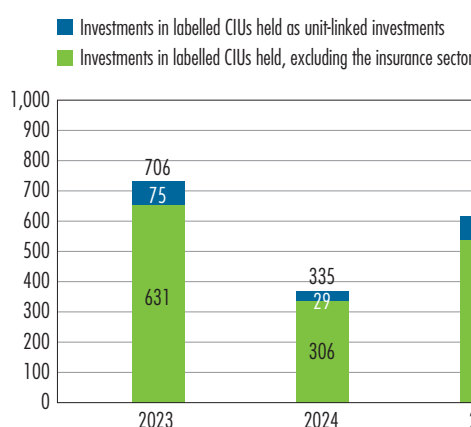
CA Responsible investments in life insurance by French insurers as a proportion of their investment universe

(EUR billions, 2023-25)

a) ESG bonds (euro-denominated funds)



b) Labelled CIUs (unit-linked funds)



Sources: Centralised Securities Database (CSDB), Banque de France.

Notes: The investment universe comprises all ESG debt securities identified within the global scope of the CSDB. For labelled CIUs, the investment universe comprises funds governed by French law within OPC2 (the new CIU data collection scheme).

ESG – environmental, social and governance; CIUs – collective investment undertakings.

Green, sustainability and social bonds accounted for 7.8% of euro-denominated funds’ bond investments in 2025, compared with 4.2% in 2022. Within this group, green bonds continued to account for the bulk of investments (nearly 80%), ahead of sustainability bonds (14%) and sustainability-linked bonds (6%), while social bonds remained of marginal importance.

.../...

The proportion of labelled CIUs held as unit-linked investments stood at 19.6% in 2025 (EUR 76 billion out of EUR 386.4 billion in CIU outstandings backed by unit-linked life insurance). This proportion is in line with the requirements introduced by the PACTE Act in France, which has required the inclusion of at least one unit-linked product falling within the categories of “socially responsible investment” (SRI), “energy and ecological transition” or “solidarity-based investment” in new multi-vehicle contracts since 2022. The SRI label accounted for the bulk of these outstandings (18.5 percentage points out of 19.6), with the Greenfin, Finansol and Relance labels making up the remainder.

Diversification assets continued to grow in 2025, driven by structured finance

Diversification assets include investments such as real estate, infrastructure, certain alternative funds and private credit. They enable insurers and pension funds to diversify their sources of yield and to invest over the long term. In 2025, investments in diversification assets reached nearly EUR 530 billion, up 2.4% year-on-year. However, this was less than the growth in the total investments of insurers and pension funds (up 5.4%). Trends varied across asset classes, with investors favouring investments that offer the least volatile returns at the expense of those most sensitive to changes in long-term interest rates.

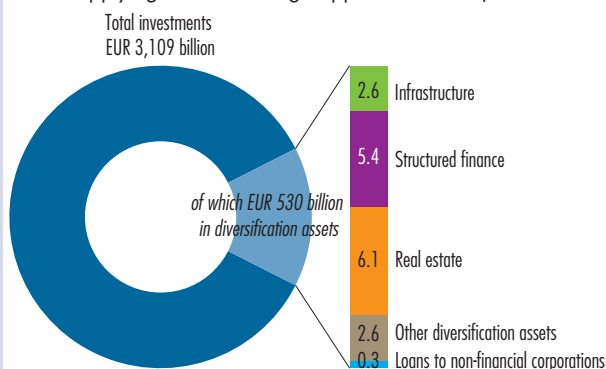
Structured finance (see Appendix 2) was the main driver of growth in diversification assets in 2025 (up 13.4% to EUR 167.2 billion), buoyed by the search for higher returns than those offered by traditional bonds. However, other structured securities – mainly covered bonds – remained the largest component of this segment (EUR 159.2 billion). Conversely, exposures to infrastructure investments fell by 8.7% to EUR 82.2 billion due to valuation adjustments linked to the sensitivity of these long-term assets to rising interest rates.

Real estate assets again declined in 2025 (by 3.6%, to EUR 188.4 billion), continuing the decrease observed since 2022. Conversely, alternative funds and private equity rose by 12.5% (to EUR 61 billion), reflecting the appeal of assets that offer an illiquidity premium in return for a longer investment horizon.

French insurers’ exposure to private credit remains limited to between 0.6% and 3.4% of investments, depending on the scope of the analysis. Funds specialising in private credit, securitised instruments or other structured credit products each accounted for around 0.6% of investments.

CB Breakdown of outstanding diversification investments of French insurers and pension funds at 31 December 2025

(outstanding amounts in EUR billions, shares in %, before applying the look-through approach to CIUs)



Sources: *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority), Banque de France.

Notes: For the definition of the look-through approach, see Appendix 1.

CIUs – collective investment undertakings.

2 A portfolio still recording unrealised gains, renewed more rapidly thanks to strong net inflows

Unrealised capital gains despite a decline in the valuations of sovereign bonds

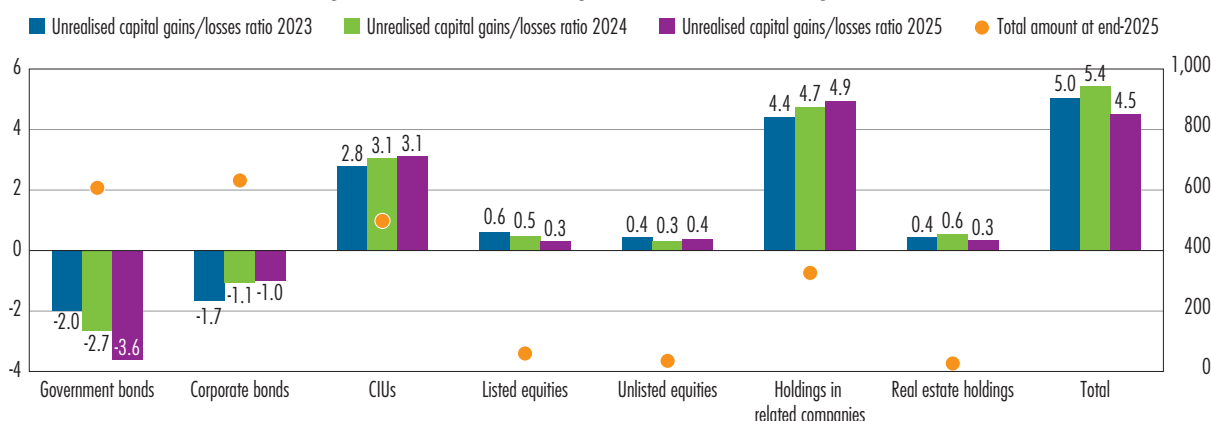
While the overall valuation effect amounted to EUR 44 billion, its breakdown by asset class presented a contrasting picture. On the one hand, debt securities suffered a negative valuation effect (–EUR 8.5 billion), linked to the rise in long-term sovereign yields, compared with a virtually neutral effect in 2024 (+EUR 0.5 billion). On the other hand, non-money market CIUs (EUR 34 billion, same as in 2024) and equities and ownership interests (EUR 16 billion, a marked improvement following –EUR 0.3 billion in 2024) accounted for the bulk of capital gains, underpinned by strong equity market performance in 2025 (the CAC 40 in France posted growth of 10.5%, Euro Stoxx 50 was up 18.3% and S&P 500 rose by 16.4%).⁵

Lastly, money market funds made a positive but modest contribution to the increase in value (EUR 2.3 billion, compared with EUR 3.7 billion in 2024). These are mainly invested in short-term financial instruments and they benefited from the easing of money market rates in the wake of cuts to the ECB's key interest rates, with the deposit facility rate dropping to 2.0% at the end of 2025, following cumulative cuts of 100 basis points over the year.⁶

Due to cumulative valuation effects on securities since their acquisition date, insurers' and pension funds' portfolios (excluding unit-linked products) continued to record unrealised capital gains of 4.5% on their total investments. Directly held sovereign bonds still posted unrealised losses of –3.6% relative to their net book value, compared with –2.7% at the end of 2024. Corporate bonds issued by companies in the financial and non-financial sectors recorded less pronounced and more stable unrealised losses of –1.0% in 2025, compared with –1.1% in 2024.

C8 Unrealised gains or losses for French insurers and pension funds since 2023, and outstanding balances of main investments at end-2025

(left-hand scale: unrealised gains or losses as a percentage of the total net book value of assets held, before applying the look-through approach to French CIUs and excluding unit-linked investments; right-hand scale: outstanding amounts in EUR billions at market value)



Sources: *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority), Banque de France.

Notes: Unlike Chart 1, this chart relates to the general fund, excluding unit-linked products, and shows unrealised capital gains or losses, i.e. the difference between the market and the net book value (value at the date of acquisition of the securities); see Appendix 1.

CIUs – collective investment undertakings.

⁵ Performance expressed in US dollar, unadjusted for the EUR/USD exchange rate impact.

⁶ Money market funds invest primarily in short-term financial instruments, such as Treasury bills, deposit certificates or commercial paper. These funds are designed to offer investors secure and liquid cash management, with returns generally in line with central bank key rates. They are used especially by companies to manage short-term surplus cash.

Other asset categories made a positive albeit relatively small contribution to total unrealised capital gains: collective investment undertakings contributed 3.1% (the same as in 2024); and investments in affiliated companies⁷ contributed 4.9%, up slightly compared with 4.7% in 2024. The performance of equities was relatively stable at +0.7% (see Chart 8 above).

Liquidity remained strong against a backdrop of a decline in life insurance surrenders

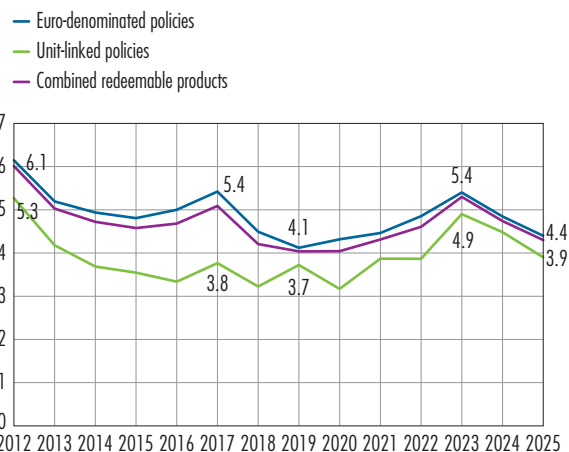
In 2025, the French insurance sector benefited from favourable momentum driven by strong premium inflows, coupled with improved returns on life insurance, and by reinforced financial soundness, as reflected in higher solvency levels.

This performance reflected both higher premiums and a significant decrease in surrenders. Surrenders of euro-denominated policies totalled EUR 50.8 billion, down 7.1% compared with 2024, while surrenders of unit-linked policies dropped by 4.3% to EUR 20.2 billion. The surrender rate⁸ declined across all types of policies. It came in at 4.4% in 2025, down from 4.8% in 2024 for euro-denominated policies, and at 3.9%, down from 4.5% for unit-linked policies (see Chart 9).

As regards non-life insurance, underwriting profitability has improved. The combined ratio – a key indicator measuring the balance between premiums and claims – stood at 95.3% at end-2025, down 1.3 percentage points year-on-year, reflecting better control over costs and risks. This improvement was attributable to sustained growth in activity: direct-business earned premiums rose by 5.6%, while the increase in claims was more moderate at 1.4%. This favourable gap between the rise in income and in expenses directly contributed to the recovery in the sector's profitability.

C9 Surrender rate of life insurance policies in France

(%)



Sources: *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority), Banque de France.

To manage liquidity risk,⁹ insurers and pension funds generally hold a significant proportion of securities that can easily and immediately be converted into cash. At the end of 2025, the proportion of risky, so-called “high-yield”, investments¹⁰ in the bond portfolios of insurers and pension funds remained marginal at 2% for all undertakings, unchanged compared with end-2024. The proportion of BBB-rated securities also remained stable at 18%, down from 19% the previous year. Conversely, the rating structure of the bond portfolio shifted significantly from AA to A. For all undertakings combined, the proportion of securities rated AA– to AA+ fell from 35% to 11%, while the share of securities rated A– to A+ rose from 34% to 60%. This significant shift was largely due to the mechanical effect of the downgrade of France’s sovereign rating¹¹ rather than any marked reallocation of the bond portfolios held by insurers and pension funds (see Chart 10 below).

⁷ An “affiliated company” is either a subsidiary or another company in which a stake is held.

⁸ Surrenders as a proportion of outstanding liabilities in euro and unit-linked policies.

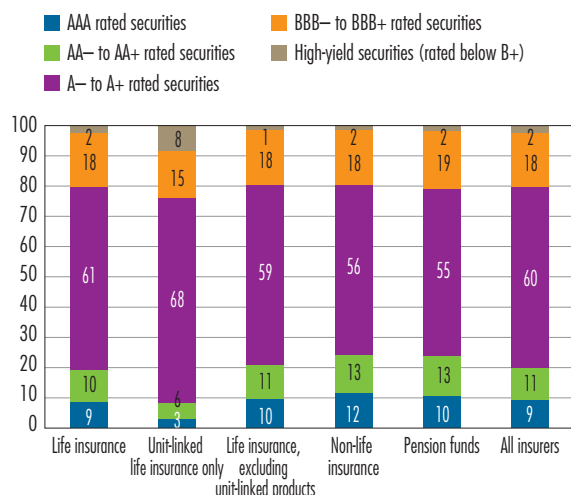
⁹ Particularly during periods of rising interest rates, insurers face the risk of having to sell assets at a loss in the event of significant surrenders of euro-denominated life insurance policies by investors seeking higher yields.

¹⁰ High-yield bonds refer to debt securities with a credit rating below “investment grade”, i.e. a rating strictly below BBB– from S&P and Fitch, or below Baa3 from Moody’s. These securities involve a higher risk of default than investment-grade bonds and therefore generally offer higher yields.

¹¹ Fitch Ratings and S&P Global Ratings downgraded France’s sovereign rating from AA– to A+ on 12 September and 17 October 2025, respectively. Moody’s maintained its rating at Aa3 on 24 October 2025 but revised its outlook from stable to negative.

C10 Rating of bonds held by French insurers and pension funds at end-2025

(%, after applying the look-through approach to CIUs)



Sources: *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority), Banque de France.

Note: CIUs – collective investment undertakings.

The average liquidity ratio of assets held by life insurers and pension funds stood at around 50%, very close to the ratio at the end of 2024 (according to the methodology used for banking supervision; see Appendix 1).

In order to be able to meet any immediate liquidity requirements, particularly in the event of a sharp rise in life insurance policy surrenders, insurers maintain a proportion of bonds with short residual maturities in their portfolios. At end-2025, the proportion of securities with a residual maturity of less than two years had returned to a level close to that observed at the end of 2020, i.e. 16%. This proportion varies relatively little due to the high inertia of the investment portfolio, which insurers renew mainly over long maturities of more than ten years. The share of these assets was 32% in 2025, compared with 28% in 2024.

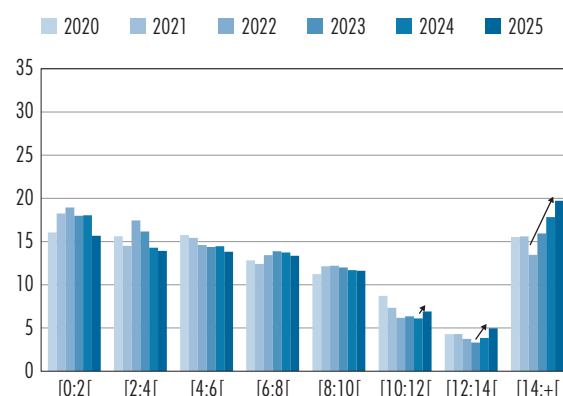
Pension funds appear less exposed to liquidity risk due to the non-redeemable nature of a large proportion of their pension liabilities. For the bond component of their investment portfolio, this feature results in an allocation towards bonds with longer maturities than those held by insurers. Therefore, at end-2025, securities maturing in

over 14 years accounted for 35% of their bond portfolio, versus 20% for insurers. Conversely, the proportion of bonds with shorter maturities remained more limited. Securities with maturities of less than six years accounted for 28% of portfolios, compared with 43% for insurers (see Chart 11).

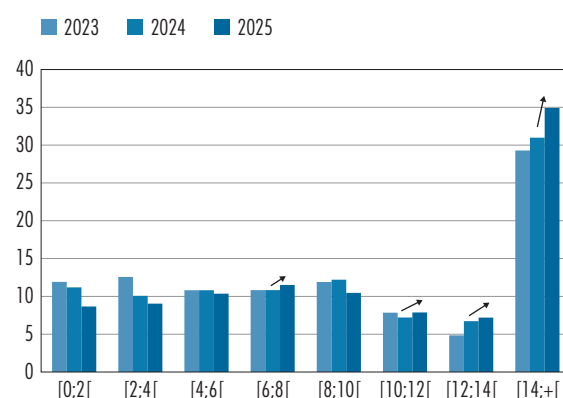
C11 Changes in the breakdown of bond investments held by French insurers and pension funds based on their maturity between end-2020 and end-2025

(%)

a) Insurers



b) Pension funds



Sources: *Autorité de contrôle prudentiel et de résolution* (ACPR – Prudential Supervision and Resolution Authority), Banque de France.

References

Ahado (F.), Barnava (A.), Chantrelle (L.),
Chevallier (A.) and Desseaux (L.) (2025)

"In 2024, insurers and pension funds maintained diversified portfolios in an uncertain economic environment", *Bulletin de la Banque de France*, No. 260/2, September-October.

[Download the document](#)

Barnava (A.) (2026)

"ESG funds: resilient investments in a less favourable environment", *Eco Notepad*, blog post No. 394, Banque de France, 10 February.

[Download the document](#)

Coron (J.-L.) and Ahado (F.) (2026)

"Revalorisation 2025 des contrats d'assurance-vie et de capitalisation", *Analyses et synthèses*, No. 180, *Autorité de contrôle prudentiel et de résolution* (ACPR), June (French only).

[Download the document](#)

Coron (J.-L.) and Yang (C.) (2026)

"L'assurance-vie en 2025", *Analyses et synthèses*, No. 179, *Autorité de contrôle prudentiel et de résolution* (ACPR), April (French only).

[Download the document](#)

INSEE, *Institut national de la statistique et des études économiques* (2025)

"Household wealth ownership in 2024", coll. "*INSEE Focus*", No. 354, May.

Appendix 1 Methodology

Legal forms of insurers and pension funds

Insurers take several legal forms:

- insurance companies and mutual insurance companies governed by the French Insurance Code (*Code des assurances*);
- mutual societies governed by Book II of the French Mutual Insurance Code (*Code de la mutualité*), which mainly insure health risks;
- provident institutions governed by the French Social Security Code (*Code de la sécurité sociale*).

Historically, provident institutions, which are joint governance structures, have specialised in health and provident risk group insurance (companies or professional branches). Mutual insurance companies, mutual societies and provident institutions are non-profit structures. Mutual societies and provident institutions essentially insure individuals.

As regards the pension funds mentioned, these are mainly dedicated to covering pension liabilities. They fall under the category of undertakings for supplementary occupational retirement provision and may be governed by the French Insurance Code, Mutual Insurance Code or Social Security Code. Traditionally, pension fund portfolios have largely been derived from portfolio transfers from insurance undertakings. These companies account for nearly two-thirds of the supplementary pension market in France.

Survey population

The sample used in the 2025 study includes the 445 active insurers subject to the Solvency II Directive and its implementing legislation (mainly due to the criterion of balance sheet size) together with the 23 pension funds. The undertakings used in this survey are those subject to ACPR supervision.

In this survey, insurers are divided into two categories.

- **Life insurers**, referring to life and composite insurers, which manage the bulk of euro-denominated contracts and all unit-linked contracts. Their liabilities are essentially long-term.
- **Non-life insurers**, which includes **reinsurers**. Non-life (or property and casualty) insurers cover property damage, personal injury and civil liability. Their liabilities are essentially short term as generally, with a few exceptions such as civil liability, surety and construction insurance, they settle claims in less than two years.

Survey data

The reference closing date is 31 December 2025 and, unless otherwise stated, the investment data used are those taken from annual reporting templates S.06.02 and PFEF.06.02 ("list of assets"). Investment values are disclosed at market value and quarterly reporting is also used.

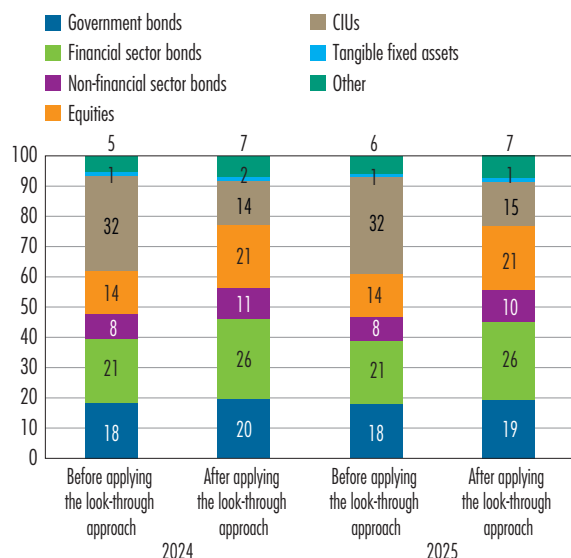
Look-through approach for CIUs

The look-through approach is applied to insurers' and pension funds' shares/units in CIUs using Banque de France databases (mainly investment fund reporting) to identify the ultimate beneficiaries of investments: the CIU shares/units in insurers' portfolios are replaced by the underlying products in which the CIUs invest.

Compared with previous publications, the methodology for calculating investments after applying the look-through approach has changed. The scope of investments has been broadened: first, "Other investments" now include directly held deposits and loans, as well as the non-securities financial components of CIUs held indirectly – cash, deposits, loans, borrowings, derivatives and other financial receivables or liabilities – measured at net value;

Structure of investments held by French insurers and pension funds before and after applying the look-through approach

(%)



Source: Banque de France.

Note: CIUs – collective investment undertakings.

second, “real estate” investments now include real estate held indirectly via the CIU portfolio. Unlike Stats Info publications on the financial investments of insurance companies and pension funds, since the third quarter of 2025, the methodology used does not include an estimate of investments channelled through foreign CIUs, thereby reducing the residual share in CIUs for the breakdown by instrument category. This is because the level of detail in the analyses specific to this publication does not lend itself to the use of such an estimate.

Method for calculating the share of liquid assets

The calculation is based on the standards developed by the Basel Committee on Banking Supervision, within the framework of Basel III, which introduced a liquidity coverage ratio (LCR) to strengthen banks’ short-term resilience to liquidity risk. This calculation, used in particular by the European Insurance and Occupational Pensions Authority (EIOPA), is the ratio of unencumbered high-quality liquid assets (HQLA), easily and immediately convertible into liquidity on the private markets in the event of a liquidity crisis lasting three calendar days, to total investments.

Method for calculating flows

The flows, revaluations and reclassifications are calculated on the basis of data reported by insurers in the detailed asset reporting templates (S.06.02 and PFEF.06.02), supplemented by data collected from CIUs and other available reference frameworks (CSDB 1, etc.). The change in outstandings is broken down into flows (economic transactions), valuation effects (price effects) and reclassifications according to the following formula:

$$Outstandings_t - Outstandings_{t-1} = Flows_t + Valuations_t + Reclassifications_t$$

Flows, reclassifications and valuations are calculated on a security-by-security basis and then aggregated. Outliers (in terms of valuation and/or flows) resulting from the calculation are removed.

Flows and reclassifications are calculated initially and valuations are then calculated as the change in outstanding amounts minus flows and reclassifications. For euro-denominated equities, the formula for calculating flows is as follows:

$$Flows_t = (Quantity_t - Quantity_{t-1}) \times (Price_{t-1} + Price_t) / 2$$

Where $Quantity_t$ is the amount of securities held at time t and $Price_t$ is the security’s unit price at market value. For debt securities, flows are calculated as the change in the quantity of securities at an average price net of accrued interest (“clean price”) plus interest income for all securities held at the end of the period under review. A negative flow may correspond either to the sale of a security or to the non-renewal of a security that has reached maturity.

When a characteristic of a security changes (e.g. its issuing sector), and in the absence of corrective submissions on previous outstanding amounts, the break in series is managed through a reclassification.

Method for calculating unrealised gains or losses

Unrealised gains or losses are calculated based on information reported by insurers in their regulatory

statements, in particular prudential balance sheet S.02. They correspond to the difference between the market value and net book value of the assets held. For each asset, this is calculated as the difference between its fair value (market value) and net book value as shown on the balance sheet.

To ensure that the results can be analysed in a consistent and comparable manner, unrealised gains and losses are expressed as a percentage of the total net book value of the assets held. This ratio measures the relative weight of valuation differences across the entire portfolio. Thus, the indicator reflects the unrealised potential change in the value of the assets and serves as an indicator of the balance sheet's sensitivity to fluctuations in the financial markets.

Unrealised gains or losses ratio

Unrealised gains/losses reflect the difference between:

- the **market value (MV)** of the assets, as recognised in the Solvency II balance sheet;
- and their **net book value (NBV)** based on the applicable accounting standards (in the company accounts or under International Financial Reporting Standards, IFRS).

The unrealised gains or losses ratio represents the difference between the market value and net book value of the securities held, expressed as a percentage of the net book value of all assets held.

Appendix 2

Definitions

Collective investment undertakings (CIUs)

A collective investment undertaking is an investment vehicle that raises funds from a number of investors in order to invest them collectively in various financial assets (equities, bonds, money market instruments, etc.).

Credit spread

The credit spread corresponds to the difference between corporate bond yields and a risk-free yield curve of comparable maturity (swap or sovereign) and is measured using the main market indices for investment-grade financial bonds denominated in euro, notably the iBoxx € Financials.

Diversification assets

Diversification assets (also known as “alternative” assets) are investments that fall outside the usual broad categories of financial investments (shares, bonds), or whose performance is not as closely linked to movements in stock market indices and interest rates.

They include investments in infrastructure, structured securities, real estate (listed and unlisted), diversification assets (alternative funds, private equity, convertible and hybrid bonds) and loans to unrelated companies.

Green, sustainability and social bonds

There is no single, legally binding definition of green, social, sustainability and sustainable development bonds. Issuers may refer to the principles and guidelines of the International Capital Market Association (ICMA), which serve as a market benchmark. They may also seek an external assessment, notably in the form of an independent pre-issuance opinion or, for certain bonds, a certification.

Sustainability bonds are identified based on ESG attributes set out in the Centralised Securities Database (CSDB), in accordance with the approach adopted by the Eurosystem. They fall into four categories: green bonds, social bonds, sustainability bonds (financing both green and social projects) and sustainable development bonds, for which the issuer commits to sustainability objectives.

Non-money market CIUs

A non-money market CIU is any CIU whose investment strategy is not focused on the money market (e.g. equity CIUs, bond CIUs, diversified CIUs, real estate CIUs, etc.). Conversely, a money market CIU invests primarily in money market instruments, i.e. short-term, low-risk investments (e.g. Treasury bills, certificates of deposit, commercial paper, repurchase agreements [repos], etc.).

Private credit

Private credit refers to financing provided directly to companies by institutional investors (insurers, pension funds, investment funds), without recourse to listed bond markets or traditional bank lending.

Responsible investment

This term refers to any “investment which aims to reconcile economic performance with social and environmental impact by funding companies [...] that contribute to sustainable development” (AFG-FIR, 2013). They are therefore based on the list of labelled investment funds published online, for information purposes, by the Banque de France (<https://www.banque-france.fr/en/publications-and-statistics/publications>), and on green, social or sustainability bonds held, whose ESG classification is set out in the CSDB.

Sovereign bonds

These are government bonds issued with various maturities, traded on the markets, and intended to finance central government.

Steepening of the yield curve

The steepening of the yield curve refers to a situation where the spread between long and short-term interest rates widens.

Structured finance

Hybrid securities that combine a fixed-income instrument with a series of derivatives.

Published by
Banque de France

Managing Editor
Claude Piot

Editor-in-Chief
Claude Blandin-Cornélis

Editor
Nelly Noulin

Translator/English Editor
Neil O'Brien

Technical production
Studio Creation
Press and Communication

ISSN 1952-4382

To subscribe to the Banque de France's publications
<https://www.banque-france.fr/en/subscriptions>

