Etudes Eco

Households' long-term savings and stock market participation in Europe

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AFG

CONTENT

KEY FINDINGS

- **In countries where private pension funds are more developed,** households' financial wealth is higher. **These financial assets provide permanent financing to companies** via stocks and bonds. In countries where pay-as-you-go public pension schemes are predominant, the share of liquid and non-financial assets is higher. Financing of companies by financial markets is relatively limited compared to financing by debts and bank loans.

- **The share of listed stocks held directly** in households' financial assets is relatively low in all European countries. On average, direct holdings account for 6% of households' financial assets in the euro area. **The share of stocks held indirectly**, through direct investment in investment funds or through institutional investor saving products i.e. life insurance and pension funds, is predominant in all European countries. Overall, the average holding of stocks by households in the euro area represents 21% of financial assets. **Nevertheless, the share of listed stocks held directly and indirectly** is lower in countries where the pension system mainly relies on pay-as-you-go public schemes, such as France, Germany and Italy.

- There is **one country, where households' stock market participation is significantly higher than in other countries: Sweden**. This can be partly explained by fiscal incentives for domestic stock purchases that were launched in the 80's and that coincided with bull markets, which contributed to the introduction of the stock buying habit in Swedish households' culture. Public pensions reform with the Premium Pension System where 2.5% of your salary is invested in investment funds of your choice has increased knowledge and familiarity of investment funds. Employees can also benefit from supplementary company schemes (90% of employees covered).

- **Incentives to improve stock market participation** with some degree of liquidity, such as the French PEA *(Plan d'Épargne Action)* or the Swedish ISK *(Investeringssparkontot)*, which aim to promote holding of listed stocks, directly or indirectly in investment funds, through simplification and tax advantages seem to be effective. However, the spread of these products remains limited in some countries. Nearly half the adult population in Sweden (ISK), 13% in France (PEA), 1.5% in Italy (PIR).

- **The impact of incentives designed to promote voluntary long-term savings for retirement**, such as the French PER *(Plan d'Épargne Retraite)* or the German Riester pension, **is limited if the benefits offered are not sufficient to outweigh the loss of liquidity**. Significant benefits can include additional allowance from the employer or the state. The level of complexity, sometimes imposed by law, as in Riester pension's case with the required guarantee, can also act as a brake on the development of these products. Conversely, some options (nudges) can improve household participation in these retirement plans. In France, two-thirds of corporate PER investors have chosen target-date funds. In 2023, 51% of the retirement savings assets of investors under the age of 30 will be managed in this way. In this category, 63% of portfolios are invested in equities.

- In the countries reviewed in our study, these existing incentives often have a **limited impact on households' stock market participation** because citizens' participation in retirement products is still limited and some of these products are still predominantly invested in bonds.

- **The lack of school-based financial education programs in most European countries** is also an obstacle to the development of a long-term investment habit. The allocation of financial assets, with insufficient investment in equities, is suboptimal, both in meeting the need for additional retirement income, and in providing companies with the equity capital required for growth and innovation financing.

INTRODUCTION

Recent reports, specifically the NOYER[1], the LETTA[2] and the DRAGHI[3] reports on the European Capital Market Union and European competitiveness, have highlighted **two significant challenges facing European countries in the coming years:**

- the need to finance, more than today, the European economy's competitiveness and the ecological and digital transitions through private savings oriented to the markets, and specially equity markets. The European Commission estimates the need to finance transitions in the EU at 750 billion euros per year.
- the need for households to build substantial additional long-term savings in a context where retirement systems are predominantly pay-as-you-go, populations are ageing, and replacement rates from public systems are expected to decrease.

To respond to these challenges, incentives to boost household long-term savings can play a key role to channel private funds towards European companies and the ecological and digital transitions.

Europe must mobilize its vast surplus of savings: the surplus of European private savings, companies and households combined, represents more than 4% of the EU's Gross Domestic Product in 2023. In balance, after deducting public deficits, the EU's financing capacity reaches almost 2% of GDP, and more than 300 billion euros. This is the annual flow of European savings currently invested in the rest of the world[4].

In this report, we analyze the various incentives existing in a selection of European countries. Learning from those various experiences should assist in identifying what can be done, at national and European levels, to further promote household stock market participation.

1) *« Developing European Capital Markets to finance the Future - Proposals for a Savings and Investments Union » – April 2024 https://www.tresor.economie.gouv.fr/Articles/e3283a8f-69de-46c2-9b8a-4b8836394798/files/6b8593b5-ca31-45a3-b61c-11c95cf0fc4b*

2) *« Much more than a Market - Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens » – April 2024 https://www.consilium.europa.eu/media/ny3j24sm/much-more-than-a-market-report-by-enrico-letta.pdf*

3) *« The future of European competitiveness - A competitiveness strategy for Europe » – September 2024 https://commission.europa.eu/topics/strengthening-european-competitiveness/eu-competitiveness-looking-ahead_en#paragraph_470 59*

4) *Banque de France – « France and Europe: from crisis management to longer-term ambitions » – April 2024.*

The report starts with an overview of the impact of social models on the economy's financing channels, and on the ability of private savings to provide financing for companies via financial markets. The second part analyzes the influence of various factors on savings behaviors in European countries and the distribution of savings between different asset classes. Finally, in the last section of the report, we analyze the different incentives that currently exist in a selection of European countries to promote stock market participation and long-term savings on a voluntary basis.

We have chosen to focus on six countries: France, Germany, Italy, Netherlands, Poland and Sweden. These countries were selected for the following reasons:

1. **Their added GDPs account for approximately two thirds of the EU's GDP** and four fifths of the eurozone's GDP.
2. **They have diverse pension systems.** The French Pensions Advisory Council (*Conseil d'orientation des retraites*, COR), in its publication[5] on pension systems in France and abroad, distinguishes three groups of countries based on the institutional structure of pension schemes.
   - a) The Netherlands belongs to the first group of countries, characterized by a low reliance on the public system and well-developed private pension funds.
   - b) Sweden and Poland are part of the second group, with a reliance on both the public system and private pension funds.
   - c) Germany and Italy are part of the third group along with France, where the public system is contributory and significant, with minimal intervention from private pension funds.

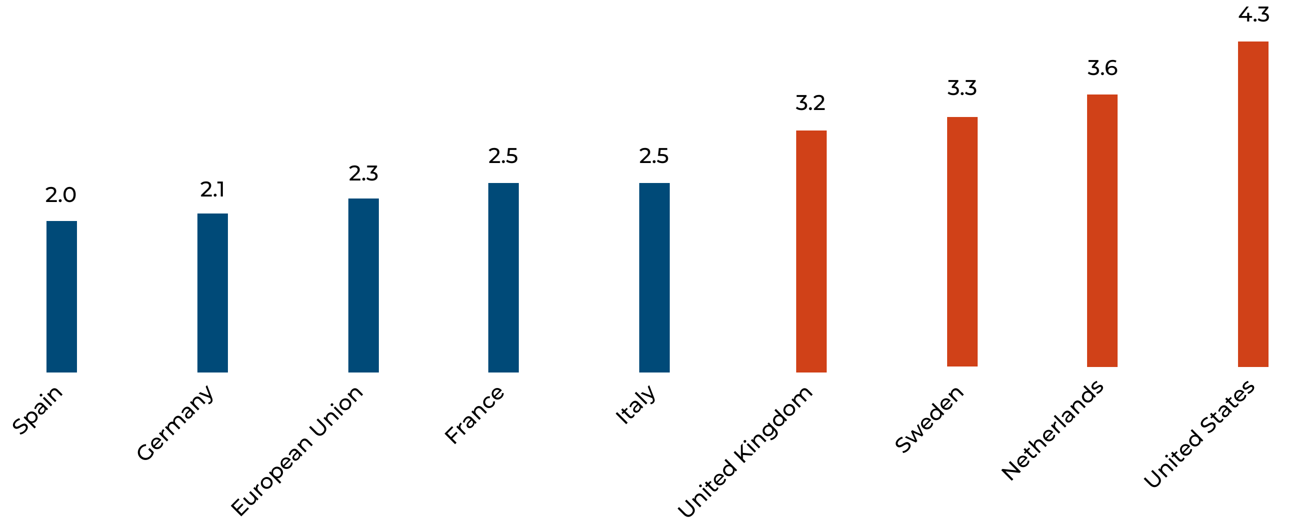
   They have different basic, collective and mandatory pension systems. Here again, the COR distinguishes several groups of countries according to the uniqueness or multiplicity of mandatory schemes.
   - d) Italy has a scheme characterized by uniform rules for all categories of insured persons.
   - e) The Netherlands and Sweden have formally distinct schemes for civil servants, but with common rules on retirement ages, pension calculation methods and contribution rates.
   - f) Germany and France have several schemes, each with their own rules on retirement ages, pension calculation methods or contribution rates.

5) Conseil d'Orientation des Retraites (COR) – « Panorama des systèmes de retraite en france et à l'étranger Quinzième rapport » – 17 décembre 2020 https://www.cor-retraites.fr/sites/default/files/2020-12/Rapport_international_2020.pdf

CHAPTER 1.
Key role played by household savings in financing the economy

In Europe, household participation in the stock markets remains relatively low, especially in countries where the retirement system is mainly based on the first pillar such as, France, Germany, Italy, or Spain. In countries with pension funds, the share of households' assets invested in equities is higher. In addition, since retirement contributions are valued in assets, the volume of financial assets is 1.5 to 2 times higher (in relation to the respective GDPs) in these countries. Long-term private savings thus consistently and continuously feed the financing needs of companies.

GRAPH 1. Ratio of households' financial wealth to GDP



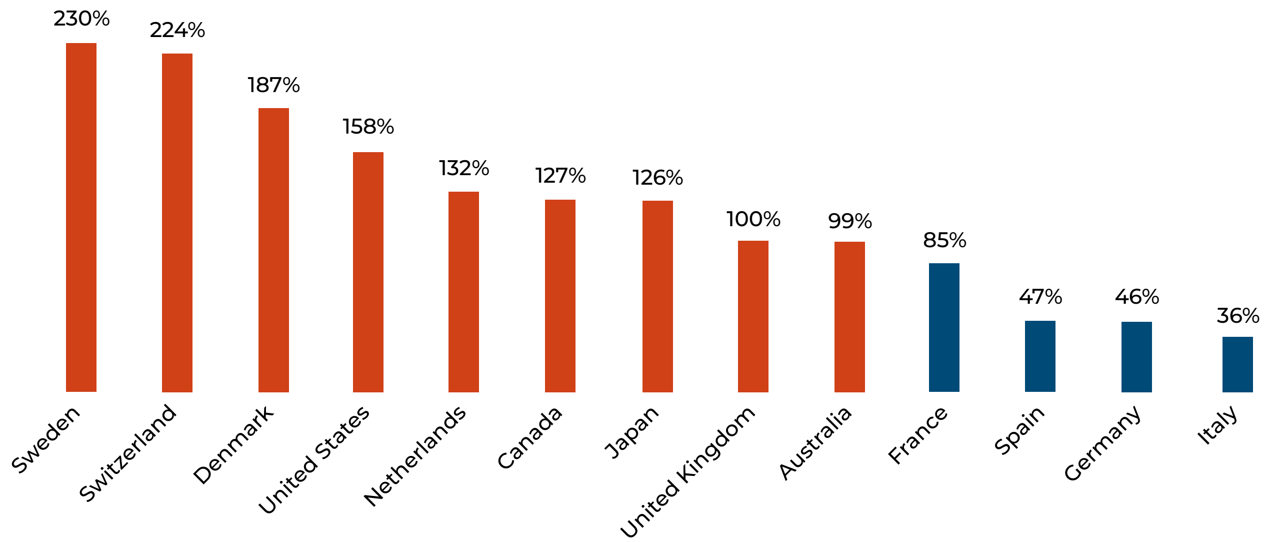
Source: Eurostat, FED, compilation and calculation by IEM Finance - Data for the year 2019

In addition to bank financing, the investment of private savings in the economy via financial markets is a powerful lever for the growth and valuation of companies. Nevertheless, **the level of medium/long-term savings in the EU is far too low. Indeed, it accounts for 90% of GDP, as compared to 310% of GDP in the United States** *(source: AFME - 2023 data).*

Institutional investors, such as investment funds, insurance companies and pension funds, generally provide the depth and liquidity of capital markets. Private pension funds in France, Germany and Italy are small compared with those in the Netherlands and Sweden, reflecting the significant differences in the pension systems of these countries. **The strengthening of funded supplementary pensions could increase the amount of capital collected and ensure high investment volumes over the long term.**

A high level of long-term investment in stocks promotes domestic companies' equity financing, and thus drives their investments and ability to innovate. This massive inflow of savings into domestic companies increases their capitalization and reduces their cost of capital (with comparable profits, the PER – Price Earnings Ratio – being on average higher). Foreign capital inflows, attracted by higher valuation prospects, reinforce this positive dynamic. As highlighted in graph 2, the ratio of stock market capitalization to GDP is higher in countries with well-developed private pension funds.

GRAPH 2. Ratio of stock market capitalization to GDP

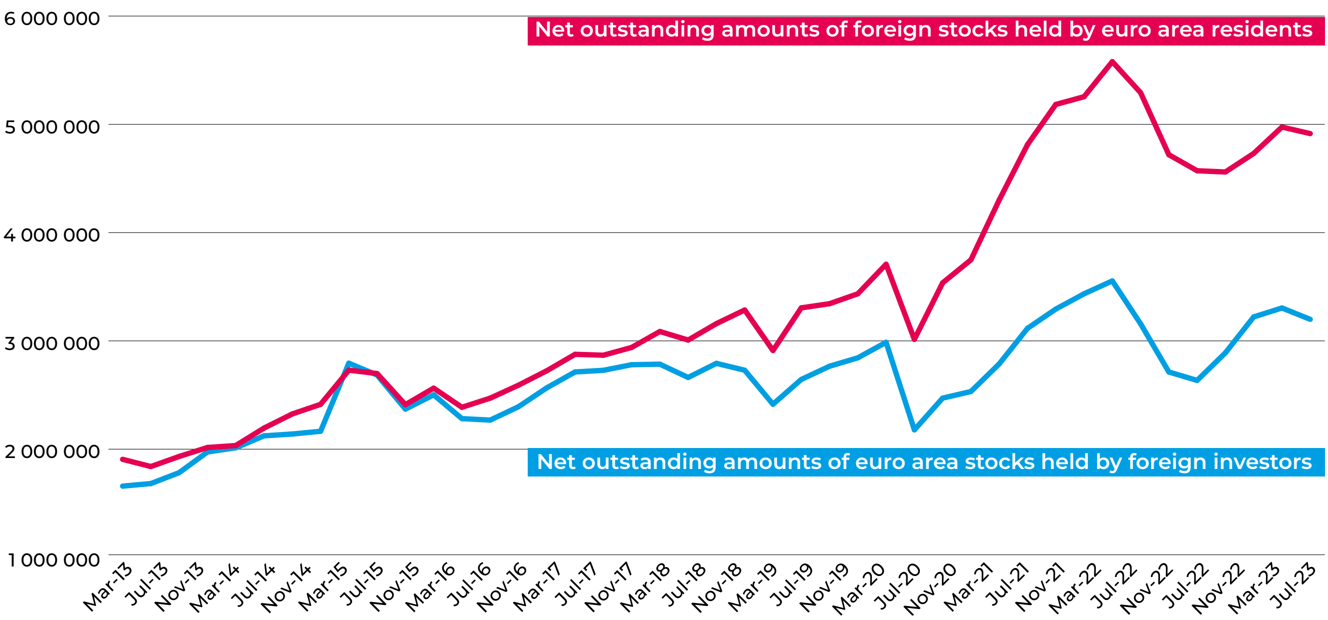


Source: World Bank - End 2022/23

With a low level of long-term savings in many European countries, there is a risk of economic attractiveness deficit and capital flight outside the EU, leading to relocations of enterprises in geographical areas where they can raise capital at all their development stages.

This capital flight phenomenon is illustrated, within the euro area, by the significant increase in the outstanding number of foreign shares, mainly American, held by residents. This leads to an undervaluation of listed companies in the euro area. The gap between flows into and out of the euro area has widened in recent years.

GRAPH 3. Attractiveness of stock markets according to the economic areas

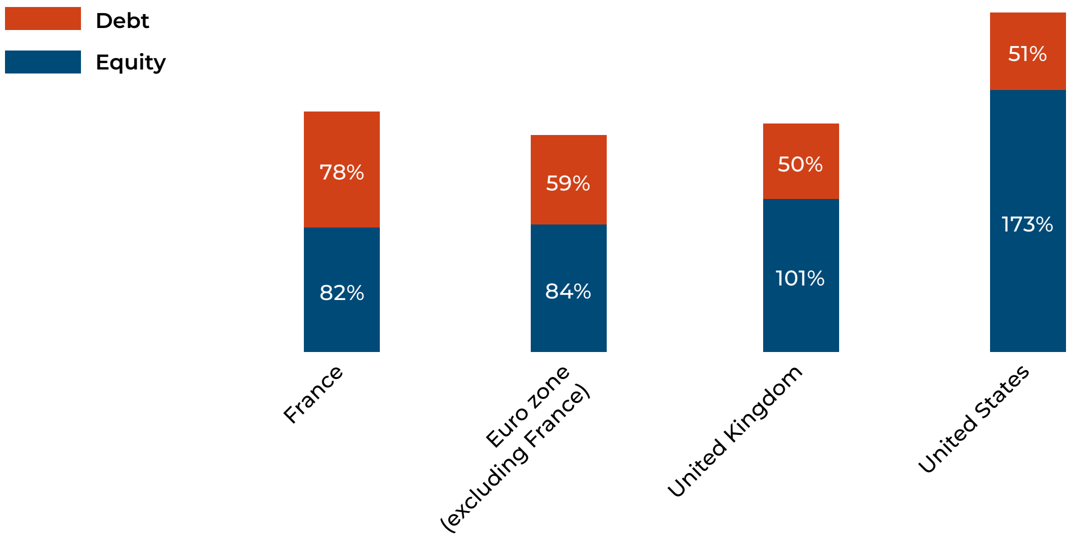


Source: ECB - Balance of payments – Mo€

Sectors linked to ecological and digital transitions, that are characterized by a high need for research and development, are the first to be affected by the low access to affordable capital (biotechnologies, digital, artificial intelligence, energy transition, etc.): consequently, the number of patents related to information and communication technologies, is almost twice as high in the US as in Europe between 2015 and 2020[6]. In terms of adoption too, companies, particularly SMEs (Small and Medium-sized Enterprises), tend to have lower levels of digitization than in the US, and hence lower growth in total factor productivity. **Capital markets are best placed to finance innovative and risky sectors.** As an illustration, the size of stock markets in the US is twice as high as in the EU in terms of market capitalization to GDP ratio *(source: ECB)*. The overall volume of venture capital investment relative to GDP also remains significantly lower than in the US, with France and Germany five and eight times lower, respectively.

As a result, In Europe, companies, in particular small and medium-sized enterprises, are still primarily financed through bank loans and debts. The equity financing of companies is thus twice higher (in terms of percentage to GDP) in the US than in France or Germany.

GRAPH 4. Liabilities of non-financial companies: net equity and financial debt



Source: Banque de France, Eurostat, BCE, BEA - As % of GDP - Q3 2023

6) *OECD, Patents by technology*

CHAPTER 2.
Overview of savings allocation in various European countries

As we can observe in the following graph (graph 5), there are discrepancies from one country to another in Europe regarding the level of households' financial wealth. This can be explained by various factors, some of which we are focusing on in this section of the report, but let's first remember how households' wealth is formed.

Households' financial wealth is mainly made up of funds accumulated through savings, *i.e.* the unconsumed portion of income, over the years. Therefore, savings and consumption behaviors have a significant impact, in the long run, on households' financial wealth.

Moreover, there is a close link between the savings market and credit market. In national account's households' table of resources and expenditures, there are two types of resources, savings and net credit flows, that feed two types of expenditures, financial and non-financial investments.

2.1 Household savings behaviors and role of the welfare state

There are three main types of motivations for households to save money:

1. to build up additional income for retirement, we refer to retirement savings;

2. to cope with unexpected expenses, we refer to precautionary savings;

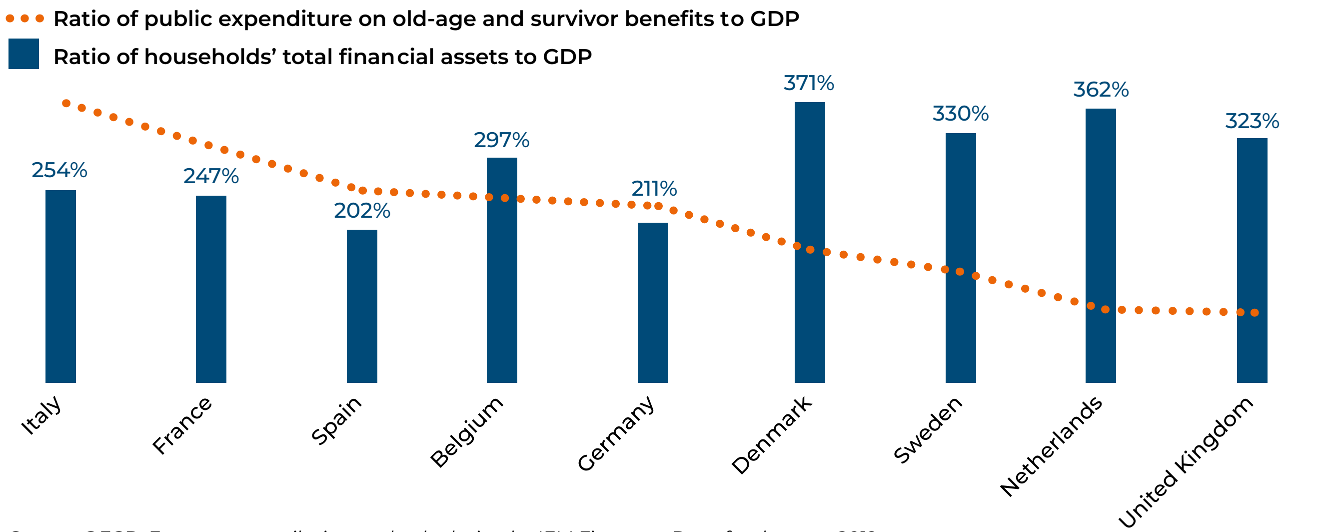
3. or to finance projects, we refer to project savings.

For the first two categories of savings, there is a close link between the strength of the welfare state and the savings needs and behaviors of households. Indeed, in a country where the public pays-as-you-go pension system and the social protection system are generous, households need to rely less on their savings to finance life's hazards (such as health problems), unemployment or retirement.

In countries where the pension system relies mainly (such as the Netherlands) or partly (such as Sweden) on private pension funds, households are saving more money for retirement, through pension funds, in particular. Among the selected countries under review, the Netherlands and Sweden are the two countries where households have the highest financial wealth, while the ratio of public pension spending to total government spending is lower in those two countries than in other countries.

By contrast, in Italy, France and Germany, where public spending for retirement is higher, household financial wealth per inhabitant is lower than in Sweden or in the Netherlands.

GRAPH 5. Public expenditure for retirement and households' financial wealth



Source: OECD, Eurostat, compilation and calculation by IEM Finance - Data for the year 2019

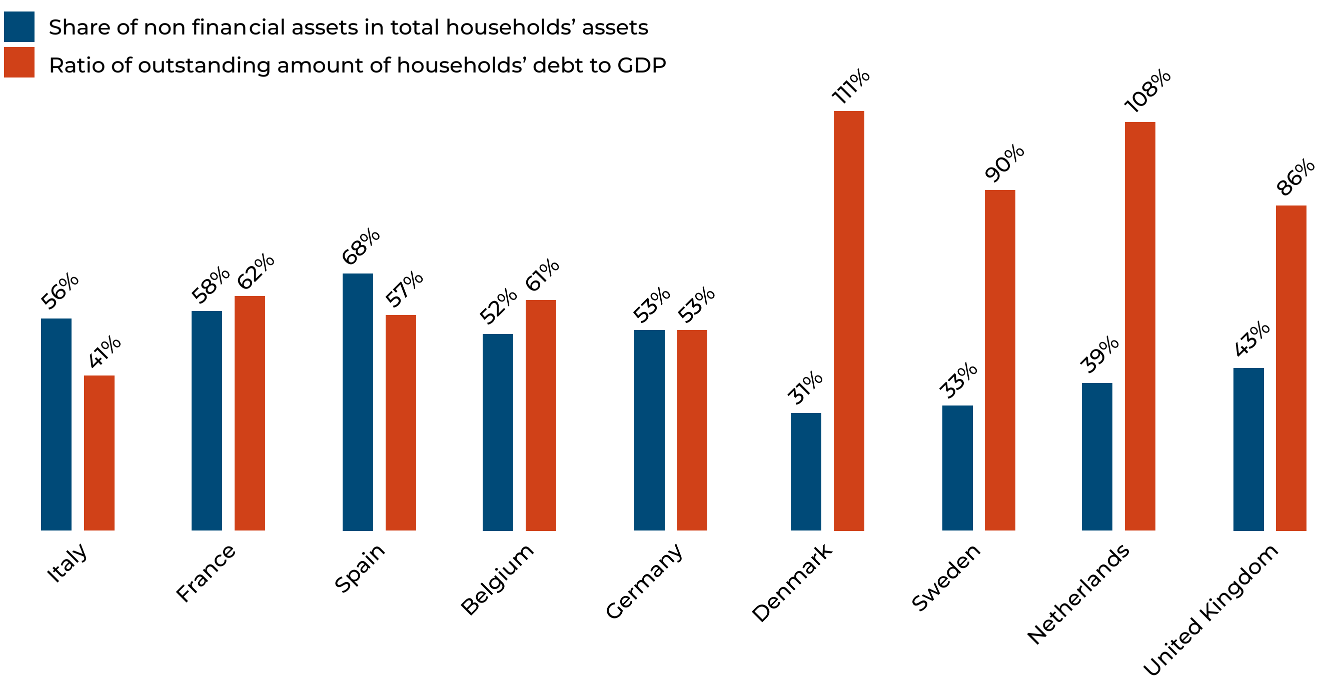
2.2 Non-financial assets and indebtedness

Regarding the third category of saving motivation, namely project savings; among the projects that require savings needs, the main project is, in general, the purchase of the main residence. Indeed, the latter is generally financed partly by the accumulated capital thanks to savings and partly by housing loans.

Therefore, the project saving market is sensitive to the level of interest rates and real estate prices, while precautionary savings market depends more on households' risk aversion. Retirement savings market should be in strong connection with stock market, that offer the best return on the long run.

As we can see in the following graph, in countries with predominant pay-as-you-go public pension system, namely Germany, France and Italy, non-financial assets (dwellings and lands) account for more than half of total households' assets. This percentage is lower in countries with private pension funds. Nevertheless, the gap between the two groups of countries remains limited since households have also more credits in the Netherlands and in Sweden.

GRAPH 6. Households' non-financial assets and debts



Source: Eurostat, compilation and calculation by IEM Finance – Data for the year 2019

It should be noted that the high share of non-financial assets in total households' assets can also be attributed to high real estate prices. It's difficult to compare house prices from one country to another, in absolute terms. Nevertheless, if we look at the evolution of prices (Eurostat house price index for purchases of existing dwellings), over a five-year period between 2017 and 2022, we can see that France experienced the highest increase (+5.8%), while prices decreased in the Netherlands (-1.8%) over the same period and increased by only 1.1% in Sweden.

Lastly, there are several other factors that can explain discrepancies observed in households' savings, consumption and indebtedness behaviors, such as:

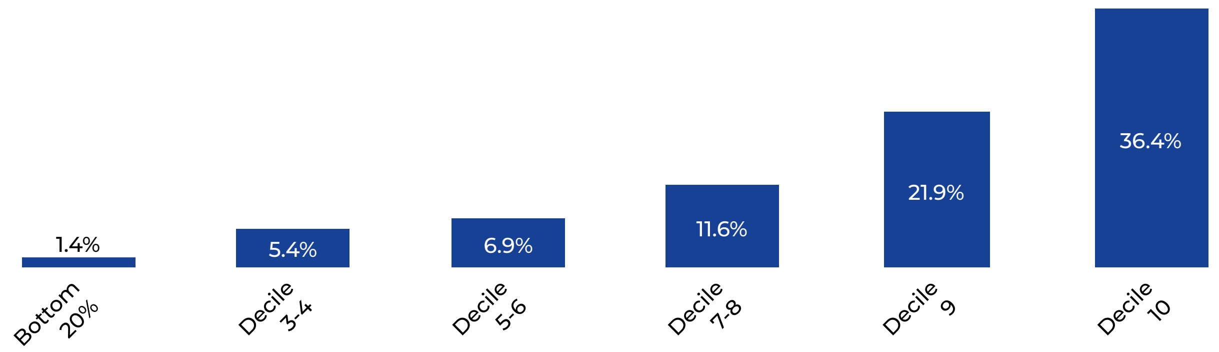
- some socio-cultural factors that can explain different attitudes of households towards credit, financial investment and home purchase.
- the risk aversion and therefore the propensity to buy riskier financial assets or to take out a loan.
- fiscal incentives or the way financial products are marketed or financial education.

2.3 Factors determining risky assets and listed shares holdings

Households' risky asset holding is correlated with several factors, such as income, wealth, level of financial literacy or risk aversion perception.

ECB's data from Household Finance and Consumption Survey (HFCS) and Distributional Wealth account (DWA) highlights the high discrepancies of shareholdings according to the level of income or wealth. Data from the HFCS survey (wave 2021) shows that 36% of the wealthiest 10% of households own shares (quoted and unquoted), compared with an average of less than 10% of households below decile 7 in eurozone countries. Direct share ownership is not widespread among the populations of most European countries, with only a significant proportion of the richest households holding shares. **Long-term savings and retirement savings make it possible to democratize share ownership. Intermediation via direct investment funds, or through savings products such as life insurance contracts or pension funds, significantly increases equity ownership and reduces risk through diversification.**

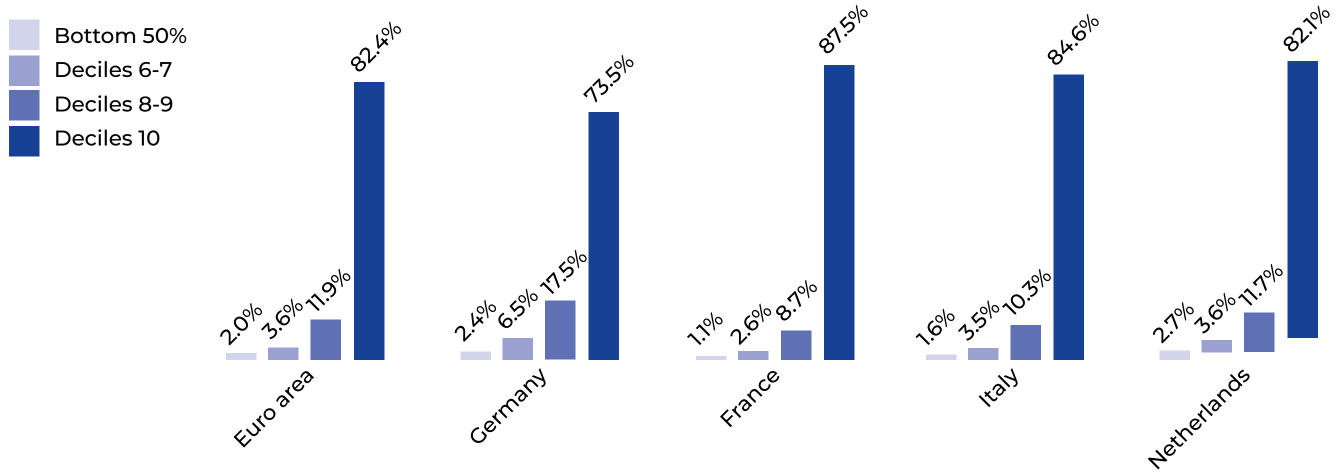
GRAPH 7. Eurozone households: equity ownership rate for each wealth decile



Source: ECB – HFCS – Wave 2021

There is clearly a gap between the wealthiest and the poorest households. The wealthiest 10% of households own 82% of listed equities held directly in the Euro-area countries. The concentration of direct shareholding among the wealthiest 10% of households is above the eurozone average in France and Italy, and below average in Germany and the Netherlands. However, as we have already seen, direct shareholding is relatively low in relation to total household financial assets in the countries analyzed in this study. Households mainly hold equities via direct investment funds or institutional investors. The mechanisms that encourage the spread of these individual or collective long-term investment schemes enable all households to benefit more fully from the performance of the equity markets, within a secure regulatory framework.

GRAPH 8. Breakdown of listed share holdings by decile of wealth at end-2023



Source: ECB DWA data – Compilation and calculation by IEM Finance

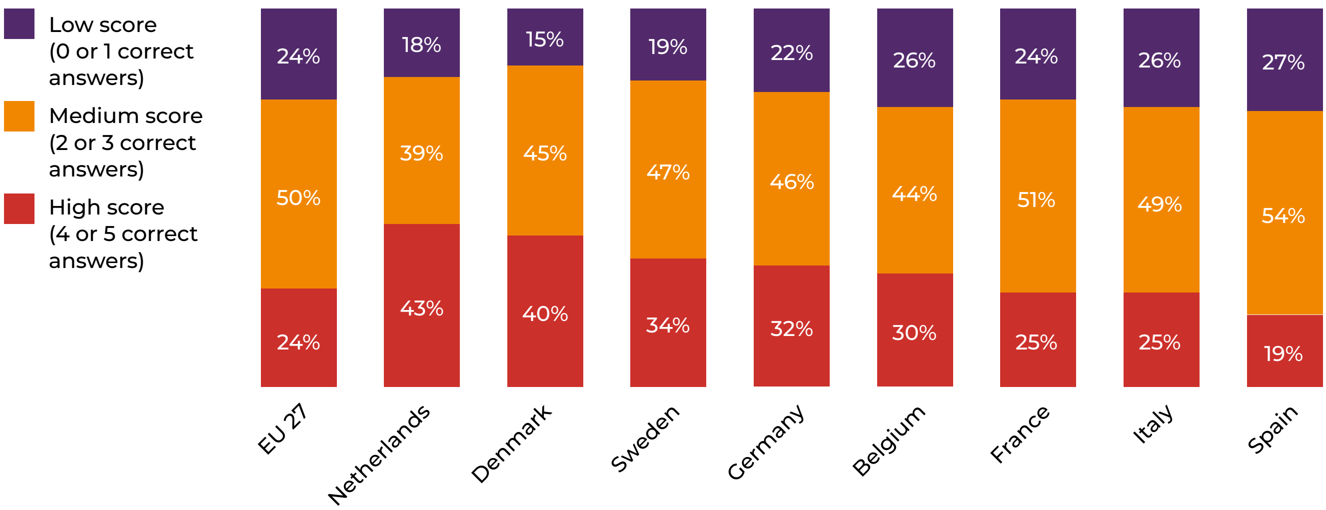
Financial literacy is also an important factor which impacts households' risky assets and shareholdings. **The more financially educated an individual is, the more willing he is to take risks, and therefore to hold more risky assets.** In a recent project research "Investment Skills and Wealth Inequality" composed of two papers financed by the European Savings Institute (the OEE)[7], Raffaele Corvino and al. study the link between individual skills, education, and wealth inequality through the channel of financial investment decisions. In a first paper, using individual-level data from the Dutch Household Survey (DHS), researchers show a positive and sizeable effect of education on both the level and returns to wealth due to the impact of education on stock market participation. They develop a model which reveals that education improves individuals' evaluation skills and prevents otherwise unskilled investors from making detrimental investment decisions, thus closing the gap between the top and bottom tails of wealth distribution. In a second article, they use data from the Survey on Household Income and Wealth (SHIW) by the Bank of Italy. They find that college-graduated individuals earn annual returns to wealth that are 3.7% higher than those of their non-college-graduated peers, and around 19% of the extra-returns (0.7%) is due to the higher propensity to invest in the stock market.

They also find that a university degree delivers 0.4% extra-returns to wealth because of the larger risky assets share of financial wealth held by college-graduated individuals.

In countries where savings systems encourage greater participation by households in financial markets (*i.e.* where listed shares and investment funds account for a larger proportion of financial assets), **financial education programs are more widely disseminated among the population**. For example, in Sweden, financial education is an ongoing project as it is part of the school curriculum from the first grade onwards. Many activities are organized to raise children's and young people's knowledge in private economics. **These initiatives help to develop a financial culture and a better understanding of how to save and invest, particularly for medium and long-term objectives.**

The European Commission[8] measures the level of financial education of citizens in European countries by using a set of 5 questions on understanding how interest rates are calculated, the impact of inflation on savings, the impact of changes in interest rates on bond prices, the link between diversification and risk reduction, and between return and risk. In 2023, the Netherlands followed by Denmark and Sweden, are among the best performers where more than four in ten respondents display a high level of financial knowledge.

GRAPH 9. Financial knowledge score - Number of correct responses to the five financial knowledge questions (% by country)



Source: European Commission – Flash Eurobarometer

7) *Research reports available at OEE'S website https://www.oee.fr/wp-content/uploads/2024/10/202409-Skills-Education-Wealth-Inequality-Corvino-and-al.pdf*

8) *European Commission "Monitoring the level of financial literacy in the EU", 2023*

2.4 Composition of households' financial wealth and the importance of stock holdings

The composition of households' financial wealth can also differ significantly from one country to another as it is highlighted in the following table (table 1).

TABLE 1. Composition of households' financial wealth

(Bn€ and % of total households' financial wealth excluding non-listed shares and other participations)

	Euro area		Germany		France		Italy		Netherlands		Poland		Sweden	
	Bn€	%	Bn€	%	Bn€	%	Bn€	%	Bn€	%	Bn€	%	Bn€	%
Currency, deposits, bonds and monetary funds	11,316	47%	3,522	47%	2,142	44%	2,019	51%	607	24%	381	74%	256	21%
Listed shares held directly	1,466	6%	544	7%	377	8%	153	4%	49	2%	24	5%	146	12%
Non monetary investment fund shares	2,969	12%	1,060	14%	332	7%	692	17%	108	4%	34	7%	173	14%
Unit linked life insurance contracts	1,414	6%	182	2%	489	10%	285	7%	55	2%	9	2%	25	2%
Non-unit linked life insurance contracts	3,407	14%	975	13%	1,483	31%	522	13%	106	4%	5	1%	93	8%
Defined Contribution pension funds	681	3%	8	0%	0	0%	301	8%	78	3%	63	12%	430	35%
Defined Benefit pension funds	2,939	12%	1,136	15%	0	0%	4	0%	1,489	60%	0	0%	117	9%
MAIN FINANCIAL INVESTMENTS	**24,192**	**100%**	**7,427**	**100%**	**4,823**	**100%**	**3,976**	**100%**	**2,491**	**100%**	**517**	**100%**	**1,241**	**100%**
MAIN FINANCIAL INVESTMENTS PER INHABITANT			**88 k€**		**71 k€**		**67 k€**		**140 k€**		**14 k€**		**118 k€**	
MAIN FINANCIAL INVESTMENTS / GDP		**167%**		**177%**		**171%**		**187%**		**233%**		**69%**		**230%**
Listed shares held directly	1,466	6%	544	7%	377	8%	153	4%	49	2%	24	5%	146	12%
Listed shares through investment funds (1)	1,276	5%	407	5%	138	3%	271	7%	57	2%	15	3%	75	6%
Shares through unit linked life insurance contracts (2)	735	3%	112	2%	199	4%	149	4%	20	1%	5	1%	17	1%
Shares through non-unit linked life insurance contracts (2)	384	2%	153	2%	178	4%	16	0%	9	0%	1	0%	16	1%
Shares through DC pension funds (3)	360	1%	4	0%	0	0%	100	3%	35	1%	33	6%	330	27%
Shares through DB pension funds (3)	941	4%	364	5%	0	0%	1	0%	414	17%	0	0%	45	4%
Shares held directly and through dedicated products (4)	3,837	16%	1 067	14%	715	15%	673	17%	162	6%	77	15%	568	46%
Total shares held directly and indirectly	**5,162**	**21%**	**1 584**	**21%**	**893**	**19%**	**690**	**17%**	**585**	**23%**	**77**	**15%**	**629**	**51%**

Source: Eurostat, ECB, EIOPA, France Assureurs – Compilation and calculation by IEM Finance

(1) Estimation using ECB statistics. For euro area, PL and SE estimation based on the average share of listed shares held through non-monetary investment funds in total amount of investment fund shares in other countries (43%)

(2) Estimation using EIOPA insurance statistics (Exposure data), the share of equity, equity funds and 40% of mixed funds in total assets for unit-linked life insurance portfolios and non-unit linked

For FR, estimation is based on France Assureurs statistics (41%) for unit linked contracts. It should be noted, though, that it was relatively close to the one made for France with EIOPA statistics (44%)

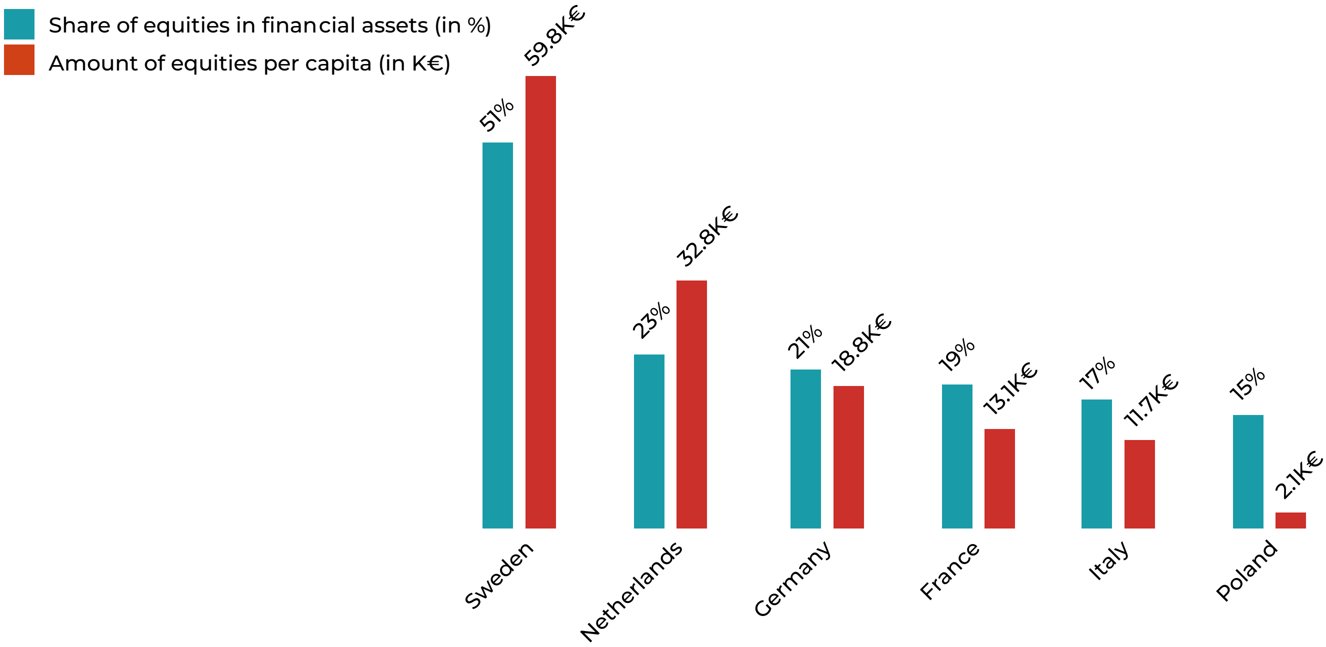
For PL and Euro Zone, EIOPA statistics are not available. We used the average percentage observed in other countries i.e. 52% for unit-linked contracts and 11% for non-unit linked contracts.

(3) Estimation using EIOPA IORP statistics (Exposure data), the share of equity, equity funds and 40% of mixed funds in total assets for DC & DB pension funds.

For DE, PL and Euro Zone, EIOPA statistics are not available. We used the average percentage observed in other countries i.e. 53% for DC pension funds and 32% for DB pension funds.

(4) Through investment funds, unit linked life insurance contracts and defined contribution pension funds.

GRAPH 10. Direct and indirect shareholdings by households



Source: Eurostat, ECB, EIOPA, France Assureurs – Compilation and calculation by IEM Finance

In all the countries reviewed, the primary components of households' financial wealth are liquid assets, such as currency and deposits, which often do not bear interest. The share of these liquid assets in households' financial portfolios varies significantly: it is less than one quarter in countries with substantial pension funds (Netherlands and Sweden) and as high as three quarters in Poland. Germany, France and Italy fall in between, with a ratio of around 50%.

Holding excessive liquid assets poses a significant risk for households, as their financial wealth may lose value in real terms during period of inflation. This risk has been underscored by an index[9] recently launched by the European Savings Institute (the OEE), which measures the performance of French households' financial savings.

Over the past thirty years[10], returns have been much lower for investments in fixed-income assets, including insurance products and debt securities, than for portfolios invested in equities. For example, the Bundesbank estimates that a German household that invested €100 in equities at the end of 1995 would hold €710 at the end of 2023 (i.e. an average annual performance of +7.3%), compared with €148 if it had kept these funds in cash and bank deposits (i.e. an average annual performance of +1.4%). If we look at asset returns over the last 150 years, we see that average annual returns on equities have been more than 10%, a level equivalent to that on residential property. Although investing in residential property offers similar returns to equities with lower volatility, it is much more difficult to diversify into this sector.

Regarding listed shares, the proportion held directly in households' financial wealth remains relatively modest, ranging from 2% in the Netherlands to 12% in Sweden.

Directly held listed shares constitute a relatively small proportion of households' financial wealth, but households primarily hold shares and bonds through three different vehicles:

1. Investment funds (UCITS, AIFs)
2. Life insurance contracts (mainly unit-linked contracts) directly or via investment funds
3. Pension funds (defined contributions and defined benefit pension funds) directly or via investment funds

9) https://www.oee.fr/performance-of-financial-saving-index/?lang=en

10) Conseil d'analyse économique (France) and German council of economic experts, "Strengthening the EU's capital markets"

Intermediation via direct investment funds, or through savings products such as life insurance contracts or pension funds, significantly increases equity ownership and reduces risk through diversification. **Institutional investors are playing a key role in financing pensions directly, by managing public pension funds, or indirectly, by collecting long-term savings from households.** Their management strategy has a significant impact on asset allocation of household savings.

Table 1 shows that the estimated outstanding amount of shares, held directly and indirectly through dedicated products (investment funds, unit-linked life insurance contracts and defined contributions pension funds) are comparable in countries where the pension system mainly relies on the first pillar, namely, Germany, France and Italy. It accounts for about 15% of households' main financial investments. Nevertheless, it is much lower in the Netherlands (6%), where household savings are concentrated on defined benefit pension funds and it's much higher in Sweden (46%), where households are holding stocks through all types of savings vehicles, whether voluntary or mandatory.

If we now consider the total amount of shares held directly and indirectly by households, meaning that we also consider the indirect holdings of stocks through non-unit linked life insurance contracts and defined benefit pension funds, the lowest percentages are observed in Poland, Italy and France, where second pillar pension products are underdeveloped. In the Netherlands, where pension system mainly relies on private pension funds, households are holding more stocks than in all other Euro area countries. Sweden remains an exception with an impressive high share of stocks in households' portfolios.

It's important to keep in mind, as it will be analyzed in more detail in the following section of the report, that there are different tax wrappers for financial investments that can differ from financial vehicles. The tax wrappers or savings products are categorized in a national accounts category (investment fund, life insurance contract or pension fund) depending on how they are structured. For example, in France, PER can be originated by asset managers or insurance companies. In the former case they are classified as investment funds, while in the latter, they are classified as life insurance contracts in the national accounts.

For table 1 and graph 10, ECB statistics helped us to identify shares held through investment funds by households.

For the indirect holding of shares through life insurance contracts and pension funds, we made estimations using primarily EIOPA insurance[11] and European Institutions for Occupational Retirement Provision (IORPs)[12] statistics (exposure data).

11) https://www.eiopa.europa.eu/tools-and-data/insurance-statistics_en

12) https://www.eiopa.europa.eu/tools-and-data/occupational-pensions-statistics_en

CHAPTER 3.
Incentives to boost stock market participation on a voluntary basis

In this section of the report, we provide a more in-depth analysis of savings products or tax wrappers offered to savers in various countries on a voluntary basis and that should have a role to play in boosting household stock market participation.

We are distinguishing three product categories:

1. Products with some degree of liquidity
2. Unit linked life insurance products
3. Voluntary retirement savings products

3.1 Products with some degree of liquidity

FRANCE

In France, the PEA *(Plan d'Épargne Action)*, introduced in 1992, allows savers to invest up to €150,000 (and €250,000 in combination with the PEA-PME, see below) in stocks with a tax benefit. Capital gains are exempt from income tax (but subject to 17.2% social contributions) after a period of five years, but any withdrawals before this point results in the closure of the PEA, except in limited circumstances. Only European stocks and investment funds that invest 75% of their assets in the EU are eligible to the PEA.

At the end of 2023, the outstanding amount of French households' PEA amounted to €113 billion (excluding PEA-PME for SMEs, 70% invested in equities and 30% in investment funds), representing 2% of their financial wealth.

Two relatively similar products exist in the countries under review:

- the *Piani Individuali di Risparmio (PIR)* in Italy; and
- the *Investeringssparkontot (ISK)* in Sweden.

ITALY

The PIR was recently introduced in Italy in 2017 and is developing favorably. The amount invested in a PIR each year cannot exceed €40,000 and the overall amount invested cannot exceed €200,000. Gains are fully tax-exempt, and assets held in a PIR are excluded from inheritance tax. To benefit from the tax relief, various conditions must be met, including ensuring that at least 70 percent of the portfolio is invested in shares and bonds issued by companies' resident in Italy as well as companies' resident in EU or EEA countries with a permanent establishment in Italy, and maintaining the investment in PIR for at least five years.

The outstanding amount of PIR amounts to €17 billion (excluding "Alternative" PIR, see below) representing only 0.5% of households' financial wealth. It should be noted that equities account for only half of the overall allocation of PIRs.

SWEDEN

Sweden is the country, among those reviewed, where households hold the highest amount of shares. As noted at the beginning of the report, directly and indirectly held listed shares account for 51% of households' financial wealth, compared to 21% on average in the Eurozone.

The equivalent of the PEA and PIR in Sweden is the ISK *(Investeringssparkontot)*. Unlike in France and Italy, there is no limit to the number of ISK accounts one can hold and no ceiling.

The ISK, created in 2012, already accounts with an amount reaching €150 billion in 2023, for a much higher share of households' financial wealth (12%). Half of ISK assets are invested in investment funds and the other half directly in equities. Among investment funds, equity and diversified funds account for 88% of assets.

Though the ISK was launched relatively recently (2012), we can consider that it follows initiatives taken by the Swedish government during the 1980s to increase households' savings rate, which was considered too low at the time. Two types of savings products were then launched: bank accounts and equity funds that invested in Swedish companies. To encourage those products, capital gains were initially not taxed.

In the 1970s, stock markets did not offer significant returns, but in the 1980s, bull markets with average returns reaching 30% per year, coincided with the launch of these equity funds. Many people started saving in these funds and obtained substantial returns. This ingrained the practice of investing in stocks in Swedish households' culture, which continues today despite the withdrawal of tax incentives.

It should be noted that in France and Italy, these products also include incentives to invest into SMEs.

In France, the PEA-PME was launched in 2014 to allow the purchase of SME listed shares, non-listed shares, corporate bonds, dedicated mutual funds or crowdfunding instruments with tax benefits. However, the outstanding amounts remain limited: €2.7 billion at the end of 2023 or 2.4% of the outstanding amounts of PEA.

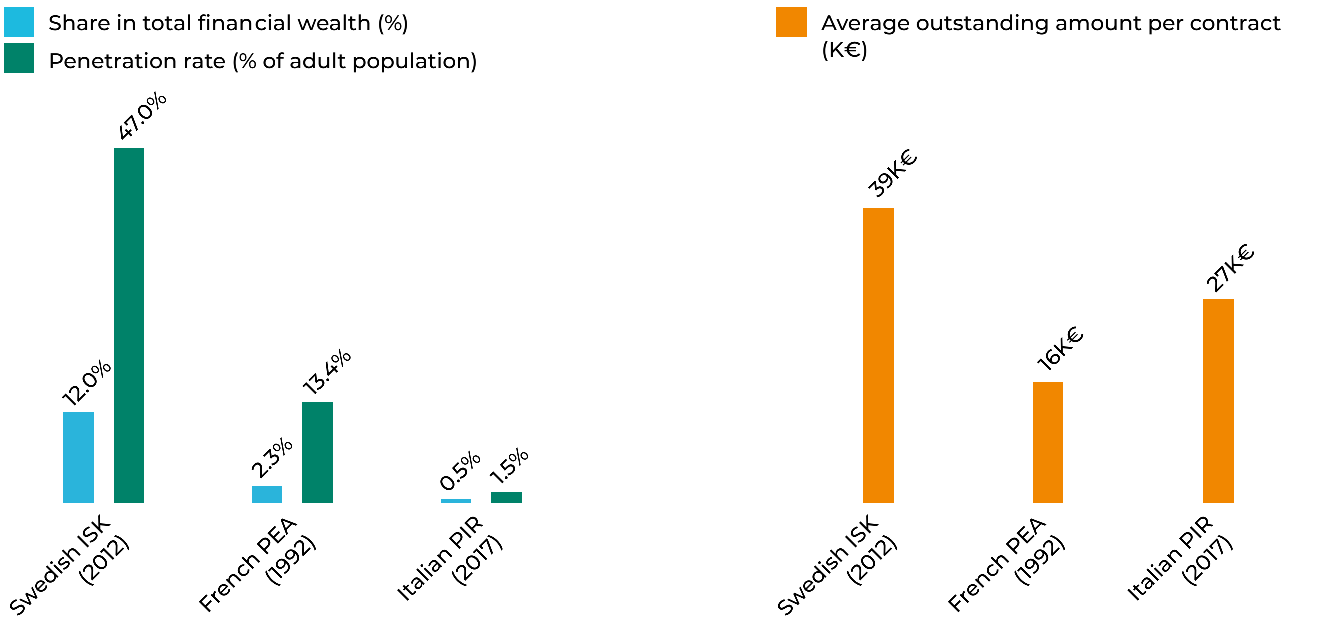
In Italy, there are two different types of PIR: "Ordinary" PIRs and "Alternative" PIRs. "Alternative" PIRs aims to promote investment in unlisted companies and listed SMEs with a permanent link to Italy (€1.7 billion).

TABLE 2. Main characteristics of savings products aiming at improving stock market participation with some degree of liquidity

	Swedish ISK	French PEA	Italian PIR
Introduction year	2012	1992	2017
Ceiling	No ceiling	150k€	200k€
Assets eligibility	Financial instruments listed on a regulated market.	European stocks and mutual funds that invest 75% of their assets in Europe.	70% of the portfolio invested in shares and bonds issued by companies' resident in Italy or in EU/EEA countries with a permanent establishment in Italy.
Tax benefit	Flat rate based on government borrowing rate instead of capital gain taxation.	Capital gains are subject to 17.2% social contributions.	Gains are fully tax-exempt, and assets held in a PIR are excluded from inheritance tax if conditions are respected.

For more details, please refer to the Appendixes of the report.

GRAPH 11. Weight of savings products aiming at boosting stock market participation with some degree of liquidity



For more details, please refer to the Appendixes of the report. For calculation of the penetration rate in Sweden, we used the total number of contracts though the same individual can open several ISK contracts.

Focus: the new British ISA, launched in 2024, an example of initiative aiming at promoting investment in domestic shares

Like in France, regulated savings products have an important weight in households' financial wealth in the United Kingdom, with Investment Saving Accounts (ISA), introduced by the UK government in 1999 to encourage savings and investment.

British households are holding nearly £750 billion in ISAs (about 13% of their financial wealth excluding non-listed shares and other participations), of which approximately £456 billion in Stocks and Shares ISAs, £285 billion in cash ISAs and £9 billion in Junior ISAs.

Everyone has an annual ISA allowance (maximum contribution) across all ISAs each tax year. For the 2023/2024 tax year, the ISA allowance was £20,000. This amount can be split between different types of ISAs but cannot exceed the total allowance.

In 2024, the UK government introduced a new type of ISA, the "British ISA" to boost investment in the UK economy and support UK businesses, echoing older schemes like the Personal Equity Plan (PEP) that were replaced by ISAs in 1999.

It provides an additional £5,000 annual tax-free allowance, on top of the existing £20,000 ISA limit, specifically for investing in UK-focused assets such as UK shares. As with other ISAs, savers will not be subject to taxes on interest, dividends, or capital gains earned within their ISA.

3.2 Unit linked life insurance products

Generally, life-insurance products in countries like France are not dedicated to retirement per se but they are quite often used as such because they are popular long-term savings products in many European countries.

In France, life-insurance products account for 41% of total households' financial wealth (compared to 20% in Italy and 15% in Germany) and 74% of non-liquid financial wealth (compared to 41% in Italy and 30% in Germany).

The success of life-insurance products in France can be attributed to tax advantages (on capital gains after eight years of ownership and on successions before age 70) and promotion of these products by most distribution networks.

However, life-insurance products in France are not truly retirement products for two main reasons:

- asset allocation is not designed in reference to the retirement date (guaranteed provision – *fonds euro* – on 75% of assets; unit-linked contracts, only account for 25% of the outstanding amounts of life-insurance products and there are no constraints on the allocation of assets; and
- withdrawals can be made at any time.

In Germany, there are more incentives to keep money in life-insurance contracts for a longer period and to use the product as a retirement vehicle. Tax benefits on capital payout are available after 12 years of ownership and before age 60. For annuity payout, only the "income revenue" portion is taxed.

3.3 Voluntary retirement savings products

With an ageing population and a predicted decrease in the replacement rate from public pay-as-you-go pension schemes, many European governments are launching initiatives or reforms to promote long-term additional savings for retirement.

FRANCE

In France, the 2019 PACTE law aimed to simplify existing individual and collective retirement savings products. The new PERs *(Plan d'Épargne Retraite)* were launched with both individual and collective versions.

There are no constraints on asset allocation for PER, except for collective PER, which requires ESG-labelled and solidarity-based funds to be listed and to enable employers to benefit from reduced taxation if a share of PER assets is invested in SMEs. Recent measures, notably for life cycle funds, require the inclusion of non-listed assets (private equity, private debt) in the allocation of PERs. The default management option, a life cycle portfolio management where exposure to stock markets decreases with age, is strongly encouraged.

At retirement date, beneficiaries have a flexible choice for the payout phase.

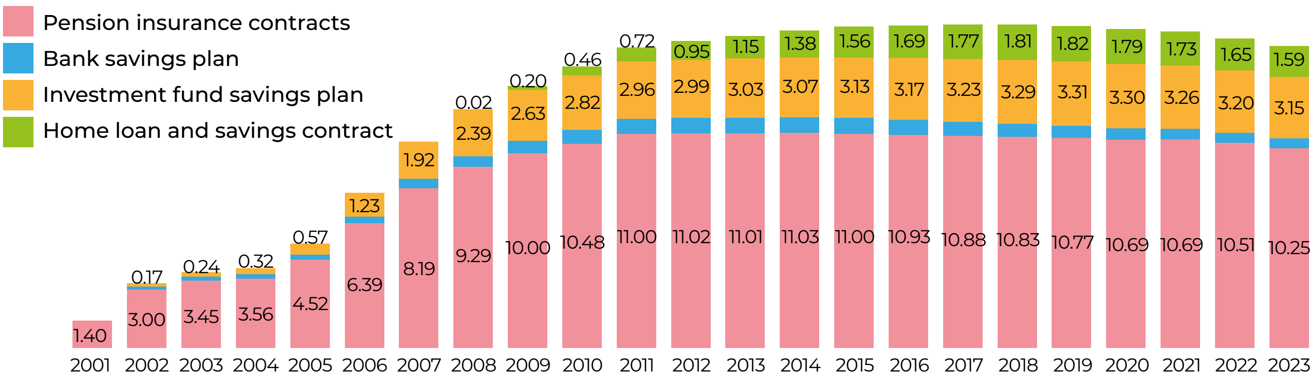
The success of PER is good news for individuals and for companies' equity financing. It now accounts for €100 billion out of the €300 billion of retirement savings (3rd Pillar) in France.

GERMANY

In Germany, the Riester Pension introduced by Federal Minister of Labour Walter Riester in 2002 saw significant growth from 2005 due to increased state allowance and changes in distribution remuneration rules. Another boost came in 2008 with the inclusion of home loan savings plans (Wohn-Riester). By 2017, Riester Pension number of contracts reached 16.6 million but have since declined, partly due to low returns explained by the guarantee required, the high level of complexity and the fact that state allowances have not increased since 2018.

Unlike the French PER, the Riester Pension, doesn't promote stock market participation. It includes a 100% minimum return guarantee on gross premiums paid until the payout phase

GRAPH 12. Trend in the number of Riester contracts



Source: Bundesministerium für Arbeit und Soziales

requires significant fixed-income security investments during the contribution phase. The main objective of Riester Pension was promotion of long-term savings for retirement to compensate decreasing replacement rates from the public system.

In July 2023, the "Focus Group on Private Pensions" set up by the Federal Government completed its work and submitted its final report with recommendations for a reform of private pensions in Germany. The Focus Group recommended that private pension products should dispense with guarantees and annuitization in the future and be able to flexibly structure the payout phase. In addition to existing products, it proposed funds to be permitted in an eligible retirement savings account. Furthermore, it advised not to pursue the idea of a public-sector fund for the third pillar in the future.

In October 2024, the German Federal Ministry of Finance published its draft bill to reform the private pension system[13]. The draft bill confirmed that, in addition to the security-oriented guaranteed products with guaranteed capital, an eligible and certified pension deposit without a guarantee will be permitted, within the framework of which it is possible to invest in funds, as well as in other asset classes suitable for small investors. The maximum amount to be invested tax-privileged in the Riester retirement plan each year, currently fixed at €2,100 should increase to €3,000, and further to €3,500 from 2030. The main parts of the reform are to apply from January 1, 2026.

ITALY

In Italy, the *Piani Individuali Pensionistici (PIP)* is similar to the French PER and German Riester Pension. PIPs offered by insurance companies are mainly invested in debt securities, including Italian government bonds and do not significantly promote households' stock market participation.

There are two different types of PIPs: the "with-profit" PIPs (72% of the assets) and the unit-linked PIPs (28% of the assets). Only unit-linked PIPs do not have a capital guarantee and are more invested in equity. In 2023, debt securities accounted for 68% of "New" PIPs portfolio allocation.

SWEDEN

In Sweden, there are classic 2nd pillar pension funds but there is also an individual pension savings product called *Individuellt pensionssparande (IPS)* with a relatively low level of assets (€11.9 billion).

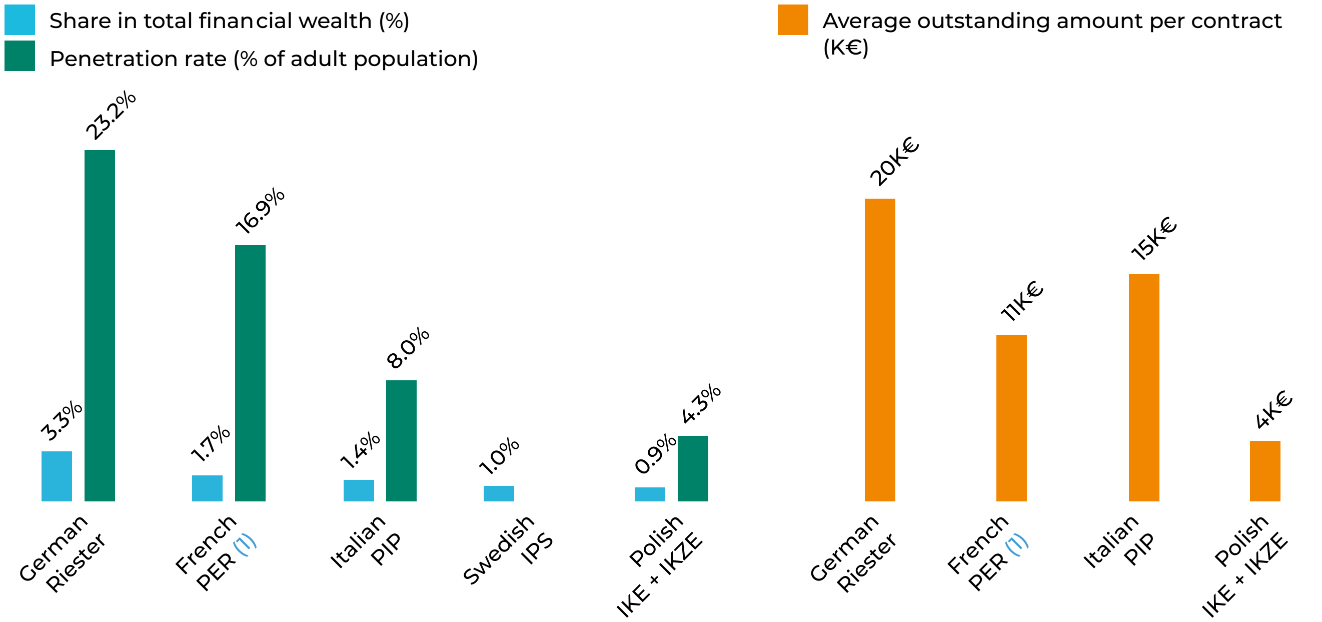
POLAND

In Poland two recent products, the *lindywidualne Konto Emerytalne (IKE)* and the *Indywidualne Konto Zabezpieczenia Emerytalnego (IKZE)* were launched in 2004 and 2012, respectively. Both offer tax relief and have significant equity investments, averaging 35% of total assets.

Those two products seem quite useful in promoting stock market participation as equities account for 35% of total assets on average for these two products. However, the outstanding amount per inhabitant is much lower than in other reviewed countries, partly due to low contribution ceilings.

13) *German Ministry of Finance shares draft bill on private pension reform - European Pensions*

GRAPH 13. Voluntary retirement savings products



For more details, please refer to the Appendixes of the report.
(1) Non-mandatory PER

TABLE 3. Main characteristics of voluntary retirement savings products

	GERMAN Riester Pension	SWEDISH IPS	FRENCH PER	ITALIAN PIP	POLISH IKE & IKZE
Introduction year	2002		2019	2022 for new PIP	2004 & 2012
Contribution ceilings					Yes
Income tax deductibility	Yes	Abolished in 2016	Yes		Yes
Incentive for stocks	No		Yes, with default management option	Yes, with new PIP (unit-linked)	
State allowance	Yes	No	No	No	No
Blocking period	Retirement age	55 years old	Retirement age		60 years old for IKE and 65 years old for IKZE
Anticipated withdrawals possible under certain conditions			Yes	Yes	
Annuity or a cash settlement	Both	Both	Both		Both
Distributors	Insurance companies, asset managers, banks and real estate companies		Asset managers, banks, financial advisors and insurance companies	Insurance companies	Asset managers, insurance companies, brokerage houses, banks and pension funds

For more details, please refer to the Appendixes of the report.

Focus: Dutch Pension Funds

As previously highlighted, the Netherlands distinguishes itself from other EU countries by its retirement system, which primarily relies on the second pillar—mandatory occupational pension funds.

This heavy weight of private pension in the Netherlands, leads to higher households' financial wealth than in other EU countries. In per capita terms, households' main financial investments (reported in the table 1) amount to 140K€ in the Netherlands against 88K€ in Germany, 71K€ in France, 67K€ in Italy and 14K€ in Poland.

Nevertheless, the high weight of pension funds, that account for 83% of households' non-liquid financial assets (excluding non-listed shares and other participations) leaves little room for other financial products, in particular for voluntary savings products.

As we can see in table 1, listed shares and non-monetary investment funds held directly only account for 6% of households' financial investments (against 18% on average in the euro area). Life insurance contracts (both unit-linked and non-unit linked) also account for 6% of households' financial investments, against 20% in the euro area and 41% in France.

Besides, private pension funds that benefit from mandatory enrolment rule that applies in most economic sectors, tax incentives for voluntary savings products are limited.

The Dutch tax authority determines an annual maximum amount that any inhabitant of the Netherlands can pay towards their pension savings; this maximum amount is supposed to ensure an acceptable retirement income. If, for any reason, an individual's annual contributions fall below the maximum amount allowed, then they are considered to a pension shortfall and can make a deposit into a savings account for requirement income that is equal to the difference between the maximum allowed amount and the amount already paid towards other pension savings vehicles. A tax benefit applies: contributions can be deducted from the taxable income, effectively reducing the amount of income tax that one has to pay. Moreover, payouts upon retirement are taxed at a lower rate than current income *(source: Better Finance – The Real Return of Long-term and Pension Savings – 2023 Edition)*.

CONCLUSION

In a context where governments are increasingly indebted and companies have growing financing needs, particularly to finance the ecological and digital transitions, private savings are set to play a major role. Therefore, to meet the challenges our economies are facing, **it is important to find ways to promote long-term private savings and to successfully direct those savings towards companies in need of financing.**

Ensuring the competitiveness of the EU economy won't be possible without easy access to affordable capital.

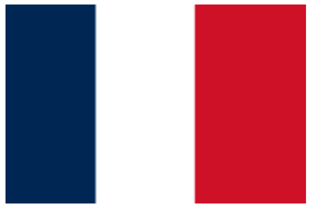
As it has been highlighted in the report, households' stock market participation remains limited in Europe as compared to the United States, and this is even more marked in countries with public pas-as-you-go pension system. Therefore, financing of companies by financial markets is also limited compared to financing by debts and bank loans.

There are several factors explaining the abundance or absence of savings in a specific country as well as the allocation by asset class of these savings, such as the role of the welfare state, real estate and credit market conditions, socio-cultural factors, wealth, risk aversion perception or financial literacy.

Nevertheless, the main factor probably remains public authority incentives. For example, the impressive level of household stock market participation in Sweden seems to be, at least partly, explained by fiscal incentives for domestic stock purchases that were launched in the 80's. In France, since the launch of the PER *(Plan d'Épargne Retraite)* with the PACTE law in 2019, 10 million PER were opened in four years and outstanding amounts reached 103 billion euros. In Germany, in the early years of Riester Pension, the number of subscribers was multiplied by 3 from 2004 to 2008, going from 4.1 million to 12.2 million in four years. Several other examples could be provided from the in-depth product analysis conducted in this report.

Public authorities should focus on these key levers to further promote long-term savings and stock market participation. Measures could include offering greater tax incentives, increased flexibility, higher contribution limits, or additional allowances provided by employers or the state.

APPENDIX 1 - FRANCE



GDP (2023): €2.822 billion
Population: 68M
Household saving rate (2022): 17%
Gross pension replacement rate (mandatory public schemes): 57.6%
Households' financial wealth per inhabitant: 71k€
Retirement system: Prevalence of 1st pillar

Name	PEA (Equity savings plan)	PER (Retirement Savings Plan)	United-linked life insurance contracts
Description	Introduced in 1992, the PEA allows savers to invest up to 150 000 EUR in stocks with a tax benefit.	The PER is a new retirement savings product, introduced on October 1, 2019 and is gradually replacing other retirement savings plans. The PER is available in 3 forms: an individual PER and two company PER types. 1. The individual PER replaces the Perp and the Madelin contract. 2. The collective company PER replaces the PERCO. 3. The mandatory company PER follows the article 83 contract. One can transfer savings from old plans already opened to new PER. The management of a PER can take two forms: - A share-account PER (PERCol) - An insurance PER (with Euro account and/or Unit-Linked contracts), either individual or collective	
Source	www.economie.gouv.fr	www.service-public.fr	
Fiscal treatment and benefits	Capital gains are exempt from income tax after five years, but are subject to social contributions of 17.2%	**Individual PER** Contributions made to an individual PER within a given year can be deducted from that year's taxable income, subject to an overall limit established for each member of the tax household. The tax treatment of annuities or capital differs depending on whether or not you deducted voluntary payments from your taxable income. **Collective company PER** Voluntary and mandatory contributions made to a company PER within a given year may be deductible from your taxable income for that year, subject to an overall ceiling set for each member of the tax household. This ceiling will be the higher of the following two amounts: 10% of your annual professional income, net of social contributions and professional expenses, with a maximum deduction of €37.094, or €4.399 if this amount is higher (in 2022).	The attractiveness of life insurance is partly due to its favorable tax treatment. After a savings period of more than eight years, savers may be exempt from income tax on their earnings. Only earnings, such as interest and capital gains, are subject to taxation when withdrawals are made. The taxation of life insurance depends on several factors: - the duration of the capital investment, - the date of payment of the capital, - the amount of the payments. The introduction of the single flat-rate tax, also called the flat tax, has profoundly changed the taxation of life insurance. The flat tax applies to all payments made from September 27, 2017.

		If you choose not to deduct voluntary payments from your taxable income, you will be taxed only on capital gains at the time of liquidation of the savings. Contributions to a PER of amounts and entitlements arising from company wage savings (profit-sharing, participation, employer contributions) are exempt from income tax. **Exit taxation** The exit tax depends on the nature of the contributions made to the RIP, and the method of with-drawing the savings (annuity or lump sum).	
Source	www.economie.gouv.fr	www.service-public.fr	www.economie.gouv.fr
Entry and exit terms	Any withdrawals before five years will result in the closure of the PEA, except in limited circumstances.	At retirement, the saver can request that the savings in his PER be paid: • in a capital, • or in annuities, • or partly in capital and annuity. For individual PER, the saver can recover his capital savings early only under specific circumstances, such as: • Disability (applicable to you, your children, your spouse or Civil partnership partner) • Death of your spouse or Civil partnership partner • Exhaustion of unemployment benefit benefits • Over-indebtedness (in this case, the over-indebtedness commission must make the request) • Termination of self-employed activity following a court - ordered winding up • Purchase of a principal residen-ce (except for rights arising from compulsory payments).	Withdrawing the entire capital will lead to the closure of the life insurance policy.
Source	www.economie.gouv.fr	www.service-public.fr	
Eligibility of investment supports & asset allocation	European Union listed stocks and mutual funds that invest 75% of their assets in Europe are eligible to the PEA.	There are no restrictions on asset allocation for PERs, except for collective PERs, which must list socially responsible funds and offer tax benefit to employers if a portion of the PER assets is invested in SMEs. The default management option, which is strongly encou-raged, follows a life cycle portfolio strategy gradually reducing exposure to stock markets as the saver approaches retirement age.	
Source	www.economie.gouv.fr	www.service-public.fr	
Target customers and penetration rate	7 billion PEA of which 0.27 billion PEA-PME	5,8 million individuals are covered by an insurance PER (either individual or collective) 3 million of employees covered by a PERCol (share-account PER)	
Source	Banque de France	France Assureurs Key data on French Insurance –2023 AFG – Employee Savings and Collective Retirement Savings -– Survey Data as of Year-end 2023	

Outstanding amounts	€113 billion for PEA in 2023 €2.7 billion for PEA-PME in 2023	**Insurance PER:** €75,4 billion in 2023 of which: - €57.8 billion in individual PER - €17.3 billion in mandatory company PER - €0.3 billion in PERCol €30.6 Billion were invested in Unit-Linked contracts **Share-account PER** (exclusive to PERCol): €23 billion in 2023, representing 77% of the total outstanding amounts in collective retirement savings pro-ducts. Older PERCO are gradually being replaced by PER.	€489.5 billion in 2021 €466.5 billion in 2022 € 535.1 billion in 2023
Source	Banque de France	France Assureurs Key data on French Insurance –2023 AFG – Employee Savings and Collective Retirement Savings -– Survey Data as of Yearend 2023	France Assureurs Unit-Linked Life Insurance – Year 2023

APPENDIX 2 - GERMANY

GDP (2023): €4.186 billion
Population: 84 M
Household saving rate (2022): 20%
Gross pension replacement rate (mandatory public schemes): 43.9%
Households' financial wealth per inhabitant: 88k€
Retirement system: Prevalence of 1st pillar

Name	Riester Pensions	Rürup Pensions	Betriebliche Altersvorsorge or BAV Company pension scheme	United-linked life insurance contracts
Descrip- -tion	"Riester-Pension" was introduced in 2002 to supplement the first pillar' statutory pension insurance. Encouraging equity investments in Europe was not a goal of Riester. It is a capital-based system which is supported primarily by state contributions and tax deductions. "Riester" Providers can be insurance companies, fund managers, banks and building associations.	"Rürup–Pension" (introduced in 2005) is an optional funded scheme that resembles the first pillar's statutory system. Encouraging equity investments in Europe was not a goal of Rürup. It is open to all taxpayers under German law, i.e. self-employed people as well as employees and civil servants. Only insurance companies and some asset management companies provide "Rürup" Contracts.	Employees can also make additional retirement provisions through their employer. There are two concepts: With the classic, purely employer-financed company pension, the employer invests contributions from which it later pays out a company pension to its employees. Then there is also the option of saving for retirement with your own contributions through the company: the so-called deferred compensation.	In Germany, unlike in France, life insurance is not conceived as a medium-term financial investment but rather as a retirement savings product, with preferential taxation arrangements on payout. Life insurance policies are an essential part of private households' financial planning. They offer financial security in old age through regular pension payments or lump sum payout. At the same time, they cover biometric risks such as death or disability.
Source	BVI	BVI	Stiftung Warentest	NOYER Report & GDV
Fiscal treatment and benefits	4% of taxable income can be deducted with a cap of €2.100 per year. All payouts in retirement are taxable. Primarily these benefits are granted to employees (members of the first pillar pension system) and civil servants.	It is supported only by fiscal deductions (annual tax deductible: amounted to €27,500 for single person, €55,000 for married persons in 2024, minus contributions to first pillar systems).	Investments are exempt from social security contributions and taxes up to a certain limit. The maximum tax-free contribution of the company pension scheme is currently €7.550 per year (8.0% of the contribution assessment limits of the statutory pension insurance). This means that up to €604 can be invested tax-free and up to €302 without social security contributions per month (as of 2024).	For a capital payout, tax is only due on 50% of the income revenue (at the income revenue rate of 25%) if: (i) the policy is taken out for 12 years or more, and (ii) the policyholder is aged 60 or over at the time of the payout. For an annuity payout, only the "income revenue" portion is subject to tax, on a monthly basis, at the standard rate of income tax.
Source	BVI	BVI	Weltsparen	NOYER Report
Entry and exit terms	At the age of retirement (earliest 60 respectively 62 for contracts signed from 2012) 30% of the savings can be withdrawn as a lump sum from the "Riester contract". With the remaining capital providers have to ensure lifelong payments. Withdrawals of capital from the contract before the age of 60, induce refunding of state benefits.	At retirement age (earliest 60/62 for contracts signed from 2012 on) benefits are granted exclusively in form of lifetime annuities. Neither during the accumulation phase, nor during payout phase, lump sum withdrawals are eligible.	When you start to retire, you receive an additional pension in addition to your state pension, which is called a company pension. Employees receive company pension payments, for example, as one-off payment or monthly until the end of their lives. The pension amount is calculated from the amount that has been paid over the years and the return that was generated.	
Source	BVI	BVI	Weltsparen	

Other possible condit- -ions	All Providers have to guarantee that, at the beginning of the payout-phase, at least the payment in contributions are available and will be used for old age benefits.	Rürup-Pension" is highly regulated by law and has to comply with a lot of product requirements in order to achieve fiscal deductions, e.g. claims are not hereditary, transferable, lendable and cannot be capitalized.		
Source	BVI	BVI		
Eligibility of invest- -ment supports & asset allocatio n	The Riester products include various types of funds: equities, bonds, mixed funds, and sustainability-focused funds. The funds vary according to the savings and distribution phases, with options allowing investors to choose portfolios based on their risk tolerance and financial goals.	In the case of unguaranteed capital, it is possible to open Rürup contracts in which funds and ETFs are inserted		There are no particular rules on the allocation of life insurance assets in Germany.
Source	BVI	Weltsparen		NOYER Report
Target custo- -mers and penetra- -tion rate	All employees and civil servants. 15.9 million contracts in 2022 vs 1.4 million in 2001. • 10 million in insurance • 3 million in fund savings plan • 500k in bank savings contracts • 1.6 million Wohn-riester (data for all German Bausparkasse): Insurance Riester contracts: 0.4 million in 2001 9.8 million in 2009 10.8 million in 2013 10.3 million in 2022 Proportion of employees with existing entitlements: 35% in 2011 35% in 2015 30% in 2019	Generally, all working person, and also self-employed can subscribe Rürup. 2,6 million contracts in 2022 vs 0,148 million in 2005	16,6 million contracts in 2023 Direct insurance: 8.8 million in 2022 7.9 million in 2019 7.6 million in 2014 Reinsurance: 3.66 million in 2022 3.52 million in 2019 3.17 million in 2014 Proportion of employees with existing entitlements: 56% in 2011 57% in 2015 54% in 2019 Life insurers also play an important role in company pension schemes (bAV): They are involved in all five implementation channels - either directly as a provider of an implementation channel or indirectly through the reinsurance of pension commitments. Life insurers therefore have a significant responsibility for securing future pensioners. In order to make pension provision future-proof, company and private pension schemes must be used more widely and for more people - as stable pillars alongside the statutory pension.	81.8 million contracts in 2022 vs 87.6 million in 2000 (all life insurance).
Source	Bundesministerium für Arbeit und Soziales (BMAS) and GDV	Better finance	Statista	German Insurance Association (GDV)

Outstan--ding amounts	In insurance Riester contracts: €2.6 billion in 2001 €113 billion in 2009 €139 billion in 2013 €168 billion in 2022 Wohn-riester at the end of the 1st quarter 2023 (data for all German Bausparkassen): €74.2	NA	Direct insurance: €270 billion in 2022 €249 billion in 2019 €208 billion in 2014 Reassurance: €124 billion in 2022 €120 billion in 2019 €117 billion in 2014	€154.2 billion (united-linked) in 2022 (GDV) €190.5 billion in 2023 €159.5 billion in 2022 €136.1 billion in 2021 €131.5 billion in 2020 €126.8 billion in 2019 €103.4 billion in 2018 €111 billion in 2017 €100.9 billion in 2016 (Eurostat)
Source	German Insurance Association (GDV)		German Insurance Association (GDV)	German Insurance Association (GDV) + Eurostat

APPENDIX 3 - ITALY

GDP (2023): €2.128 billion
Population: 59 M
Household saving rate (2022): 10%
Gross pension replacement rate (mandatory public schemes): 76.1%
Households' financial wealth per inhabitant: 67k€
Retirement system: Prevalence of 1st pillar

Name	Piani Individuali di Risparmio (PIR) Individual Savings Plans	Piani Individuali Pensionistici (PIP) Individual pension plans	United-linked life insurance contracts
Descrip-tion	Individual Long-Term Savings Plans ("Piani individuali di risparmio a lungo termine" - PIR) are a form of financial investment that allows you to benefit from a significant tax advantage. PIR is a tax-efficient investment wrapper that allows individuals resident in Italy to benefit from tax exemption on investment returns, provided that certain requirements regarding portfolio composition, investment holding period and investable amounts are met. There are two types of PIR: - "Ordinary" PIR, whose objective is to channel private savings into companies with a permanent link to Italy (residency/permanent establishment). - "Alternative" PIR, which aims at promoting investment in unlisted companies and listed SMEs with a permanent link to Italy.	Individual pension plans offered by insurance companies. According to the Italian committee for financial education, these products can be used to accumulate savings for major projects or unforeseen events and for pension savings. Two main types of contracts are offered: "with-profit" contracts (74.9% of AuM in "new" PIP in 2022) or unit-linked contracts (25.1% of AuM). "With-profit" contracts guarantee a minimum rate of return (guaranteed and consolidated in the company's accounts) which is added to a quota related to the financial performance. The unit-linked contracts do not have a guarantee. Their performance depends on the value of the units in which contributions are invested.	
Source	Banca d'Italia	Better Finance	
Fiscal treatment and benefits	Gains are fully tax-exempt and assets held in a PIR are excluded from inheritance tax. To benefit from the tax relief, however, numerous conditions must be respected, including ensuring that at least 70 percent of the portfolio is invested in shares and bonds issued by companies resident in Italy as well as companies resident in EU or EEA countries with a permanent establishment in Italy, and maintaining the investment in PIR for at least 5 years.		Tax regime of amounts paid in the event of life or withdrawal: The amounts paid in case of life or withdrawal in the form of capital constitute income subject to tax at a rate of 26%, on the realized gain (difference between the amount received and the premiums paid, possibly scaled down in case of partial withdrawals) less 51.92% of the share of the gain at a flat rate based on the proceeds from bonds and other securities as per Article 31 of D.P.R. 601/1973 and equivalents and of bonds issued by the states included in the list referred to in the Decree issued pursuant to Article 168-bis of D.P.R. 917/1986 ("white list states"). The tax on life insurance gains is applied by the company as a withholding agent. In case of subscription of a policy through a "fiduciaria", the tax treatment applicable to the policy is the tax treatment applicable to the trustor ("fiduciante"). It should also be noted that the payment of premiums for policies whose beneficiaries are third parties other than the policyholder, resident in Italy, even when the policies are subscribed abroad, could constitute indirect donations of the sums corresponding to the premiums paid and be subject to gift tax at the rates and deductibles provided for, on the basis of any

			family relationship with the policyholder. Tax regime for amounts paid in the event of death The amounts paid by the insurance company in the event of death of the life assured did not constitute taxable income and were therefore exempt from personal income tax (PIT) independently of the deduction of premiums until 31 December 2014. As from 1 January 2015 only the quota paid in relation to the biometric risk cover of the abovementioned amounts is exempt from personal income tax (PIT). The amounts paid in the event of death of the life assured are not subject to inheritance tax.
Source	NOYER Report + Assogestioni		Allianz LU
Entry and exit terms	Characteristics of the subscribers. - PIRs can only be signed by natural persons resident in Italy (the only exception to this rule is represented by social security institutions and pension funds which however benefit from the tax exemption to a limited extent). Even minors can be holders of a PIR.	Anticipated withdrawals are possible in case to pay for extraordinary health expenses, for first-home purchase and renovation, or for "personal and family motives", the latter two are possible only after 8-year holding period). An anticipated pension may also be requested in the RITA framework. Full withdrawals are also possible in case of permanent invalidity, unemployment longer than 48 months, resignation or dismissal and death of the investor.	
Source	Assogestioni	Better Finance	
Eligibility of investment supports & asset allocation	**Ordinary PIRs:** For PIRs, the following two conditions apply, aimed at guaranteeing that a significant portion of the funds is invested in companies with a permanent link with Italy: *at least 70% of the plan must be invested in financial instruments issued by Italian companies (or EU and EEA companies with a permanent establishment in Italy); *of this 70% at least 25% must be invested in companies not included in the FTSE MIB stock index (or equivalent indices) and 5% in companies not included in the FTSE MIB and FTSE Mid Cap indices (or equivalent). Furthermore, no more than 10% of the PIR can be invested in a single issuing company. The investment can be made directly or indirectly, through investment funds or life insurance policies/capitalization contracts. To benefit from the tax exemption, there is a limit to the maximum amount of funds that each saver can invest in PIR. Each natural person can own only one PIR, unless they have several PIRs with the same financial intermediary or insurance company, in which they can invest no more than 40,000 euros per year, within an overall limit of 200,000 euros. The rules require the saver to maintain the investment in the PIR for at least five years. The early sale of the financial instruments included in the PIR does not entail the loss of tax benefits if the proceeds of the sale are reinvested within 90 days in equivalent financial instruments. The	Assets are allocated very differently under the two types of PIP. PIP "with profit" (=ramo I) are massively invested in debt securities (84% in 2022, of which 38.3% in Italian government bonds) and virtually do not invest in equities (2.4%). By contrast, in PIP unit-linked, equity represents more than a third of investments, while debt securities only account for a fourth of AuM. We should further note that the allocation of assets varies within the unit-linked category, where there exists three main sub-types: the obbligazionaria, the bilanciata and the azionaria. The obbligazionaria invests close to 70% of assets in government bonds (68.7% in 2022) and nothing in equity. By contrast, in the azionaria type, assets are invested for more than 70% in direct equity holdings (71.7% in 2022) and only a tiny fraction of assets are invested in debt securities (4.4% in 2022). **Portfolio allocation 'New' PIPs end-2023 data** COVIP 2023 (Table 17) Cash and deposit: 1.9% Sovereign bonds: 46.5% of which domestic: 25.7% Other debt securities: 21.2% Equities: 12.1% UCITS: 13.6% Other mutual funds: 3.2% Other: 1.4%	

	same rules apply to early redemptions. **Alternative PIRs:** Alternative PIRs contain a higher share of securities issued by smaller companies and traded on less liquid markets (for example the Euronext Growth Milan of the Italian Stock Exchange) or not even listed on any market. At least 70 percent of the plan must be invested in financial instruments issued by Italian companies (or EU and EEA companies with a permanent establishment in Italy) not included in the FTSE MIB, FTSE Mid-Cap or equivalent stock indices as well as in loans and credits granted to the above companies. Furthermore, no more than 20% of the PIR can be invested in a single issuing company. The investment can be made directly or indirectly, through investment funds or life insurance policies/capitalization contracts. They are therefore more illiquid and risky instruments than ordinary PIRs. For this reason, alternative PIRs are suitable for being established through the subscription of closed-end mutual funds and are aimed at investors with greater financial knowledge and a relatively high capital capacity. The maximum investment limits are in fact much higher than ordinary PIRs: €300,000 per year, for a total value not exceeding €1,500,000. Everyone can own more alternative PIRs, provided that the investment limits are met. The rules require the saver to maintain the investment in the PIR for at least five years. The early sale of the financial instruments included in the PIR does not entail the loss of tax benefits if the proceeds of the sale are reinvested within 90 days in equivalent financial instruments. The same rule applies to early redemptions. In 2023 Q4: #66 Traditional PIR funds + #17 Alternative PIR funds		
Source	Assogestioni	BETTER FINANCE+ COVIP 2023	
Geographical allocation of investments	≥70 % in Italian equities and Italian corporate bonds Traditional PIR Funds €16.9 billion 2023 Q4 8.0 in Italian equities 5.5 in Italian corporate bonds 3.4 Cash&Other (Gov. Bond+Foreign Eq./Bonds) Alternative PIR Funds €1.7 billion 2023 Q4 €0.7 billion invested in Italian unlisted SMEs	"With profit" PIP are massively invested in debt securities (84% in 2022, of which 38.3% in Italian government bonds New PIP (ramo III) 2022 (€11 billion) - Fixed income: 42.3% Italy: 14.7% Other countries in EMU: 19.4% Other countries in UE: 0.7% US: 2.8% Japan: 0.5% OECD: 2.6% ex OECD: 1.6% Equity: 57.7% Italy: 0.8% Other countries in EMU: 11.7% Other countries in UE: 0.6% US: 29.2% Japan: 2.9% OECD: 8.8% ex OECD: 2.9%	

Source	Assogestioni, internal sources.	Better Finance	
Target customers and penetration rate	715.000 investors, 2023 Q4	3,602,587 members in 2023 for existing PIPs and 294,063 members for old PIPs. Participation rate in % of labour force (25,527,000): 14.1%	
Source	Assogestioni, internal sources.	COVIP 2023 Table 3 & 4	
Outstanding amounts	€18.6 billion 2023 Q4: €16.9 billion Traditional PIR funds +€1.7 billion Alternative PIR funds 2% of Italian investment funds market (€1,067 billion 2023 Q4)	Net Assets in 2023: "New" PIPs: €49.9 billion Old PIPs: €6.8 billion Net Assets in 2022 New PIP: €45.5 billion (with-profit PIP: €34 billion, unit linked €11 billion) Old PIP: €6.6 billion Net Assets in 2021 New PIP: €43.9 billion Old PIP: €7.3 billion	€257.4 billion in 2023 €239.8 billion in 2022 €259.6 billion in 2021 €226.2 billion in 2020 €209.3 billion in 2019 €179.0 billion in 2018 €180.1 billion in 2017 €136.4 billion in 2016
Source	Assogestioni, internal sources.	COVIP 2023 Table 1	Eurostat

APPENDIX 4 - NETHERLANDS

GDP (2023): €1.068 billion
Population: 18 M
Household saving rate (2022): 14%
Gross pension replacement rate (mandatory public schemes): 29.1%
Households' financial wealth per inhabitant: 140k€
Retirement system: Prevalence of 2nd pillar

Name	United-linked life insurance contracts
Description	The Dutch private pension system relies heavily on occupational pension funds, which cover nearly all the active population in the country due to the mandatory enrolment rule that applies in most economic sectors. This large Pillar II is supplemented by a much smaller set of Pillar III products, such as life insurance contracts, which Dutch residents can use as pension savings vehicles under limited conditions.
Source	Better Finance - Will you afford to retire? | The Real Return of Long-term and Pension Savings | 2023 Edition
Fiscal treatment and benefits	The Dutch tax authority determines an annual maximum amount that any inhabitant of the Netherlands can pay towards their pension savings; this maximum amount is supposed to ensure an acceptable retirement income. If, for any reason, an individual's annual contributions fall below the maximum amount allowed, then they are considered to a pension shortfall and can make a deposit into a savings account for requirement income that is equal to the difference between the maximum allowed amount and the amount already paid towards other pension saving vehicles. A tax benefit applies: contributions can be deducted from the taxable income, effectively reducing the amount of income tax that one has to pay. Moreover, payouts upon retirement are taxed at a lower rate than current income.
Source	Better Finance - Will you afford to retire? | The Real Return of Long-term and Pension Savings | 2023 Edition
Entry and exit terms	Amounts deposited in the context of a shortfall in pension (pensioentekort) cannot, however, be withdrawn before retirement.
Source	Better Finance - Will you afford to retire? | The Real Return of Long-term and Pension Savings | 2023 Edition
Outstanding amounts	€34.7 billion in 2023 €33.9 billion in 2022 €41.5 billion in 2021 €44.4 billion in 2020 €45.7 billion in 2019 €41.4 billion in 2018 €45.5 billion in 2017 €48.5 billion in 2016
Source	Eurostat

APPENDIX 5 - POLAND

GDP (2023): €751 billion
Population: 37 M
Household saving rate (2022): -1%
Gross pension replacement rate (mandatory public schemes): 29.3%
Households' financial wealth per inhabitant: 14k€
Retirement system: Mix of 1st and 2nd pillar

Name	Iindywidualne Konto Emerytalne (IKE) Individual Retirement Accounts	Indywidualne Konto Zabezpieczenia Emerytalnego (IKZE) Individual Retirement Security Accounts	Pracownicze Plany Kapitałowe (PPK) Employee Capital Plans	Pracownicze Programy Emerytalne (PPE) Employee (occupational) Pension Programs
Descrip--tion	Introduced in 2004 to offer people the possibility to save individually for retirement. They are offered by various financial institutions such as asset management companies, life insurers, brokerage houses, banks and pension societies.	Introduced in 2012, IKZE are offered in the same form as individual retirement accounts (IKE) but have other contribution ceilings and offer a different form of tax relief.	Introduced in 2019, PPK are organized by employers but they use auto-enrollment and matching defined contribution mechanisms. They started to operate in 2019 and their full implementation was staggered in accordance to the given below dates and depending on the company size: · since 1 July 2019 – companies employing at least 250 people; · since 1 January 2020 – companies with at least 50 employees, · since 1 July 2020 – companies having at least 20 employees, · since 1 January 2021 – remaining companies, including the entities financed from state budget.	Employee pension programs (pracownicze programy emerytalne, PPE) are plans organized by employers for their employees. PPE settlement happens after an employer agrees with the representatives of the employees on the plan's operational conditions, signs the contract on asset management with a financial institution (or decides to manage assets himself) and registers a program with the Financial Supervisory Commission (Komisja Nadzoru Finansowego, KNF).
Source	Better Finance	Better Finance	Better Finance	Better Finance
Fiscal treatment and benefits	An individual can only gather money on one retirement account at the time but is free to change the form and the institution during the accumulation phase. Contributions are paid from the net salary with a ceiling of 3 times the average wage (PLN 17 766 - €3 795.51 - in 2022). Returns are exempt from capital gains tax and the benefits are not subject to taxation.	Premiums paid to the account can be deducted from the personal income tax base. Contributions and returns are exempt from taxation, but the benefits are subject to taxation at a reduced rate.	The employee and employer contributions are taxed while the state subsidies remain exempt from taxation both at the accumulation and decumulation stage. PPK's returns are exempt from capital gains tax.	Participants to the program can pay in additional contributions deducted from their net (after-tax) salaries. PPE's returns are exempt from capital gains tax.
Source	Better Finance	Better Finance	Better Finance	Better Finance
Entry and exit terms	When a saver reaches 60 years of age (or 55 years, if he/she is entitled by law to retire early), money is paid in the form of a lump sum or a programmed withdrawal.	Savings accumulated in IKZE are paid to the individual as a lump sum or as a programmed withdrawal after the saver reaches the age of 65.	The employees may withdraw all their money from the ECP account free of charge, once they reach the age of 60. The money may be partly paid out earlier only when the employee is in a difficult situation or wishes to finance his or her own contribution to the purchase of an apartment.	The basic contribution (up to 7 % of an employee's salary) is financed by the employer but an employee must pay personal income tax on this. Benefits are not taxable and can be paid as a lump sum or as a programmed withdrawal after the saver reaches 60 years.
Source	Better Finance	Better Finance	Generali	Better Finance

Other possible conditions	Maximum amount in 2024: 23 472 PLN	The limit for IKZE contributions is 120% of the average wage (PLN 7 106.405 – € 1518.20 in 2022).	The employee contribution amounts to 2-4% of the gross salary. The minimum matching contribution financed by employer is 1.5% of the gross salary but can be higher on a voluntary basis (up to 4%). People earning 120% or less of the average income can save less, namely a minimum of 0.5% of the gross salary. In order to encourage individuals to save in PPK, the state budget offers the PLN 250 kick-start payment (€56.41) and a regular annual state subsidy amounting to PLN 240 (€51.27).	There is a yearly quota limit for additional contribution amounting to 4.5 times the average wage (PLN 26 649 - €5 693.26 - in 2022).
Source	BNP Paribas	Better Finance	Better Finance	Better Finance
Eligibility of investment supports & asset allocation	Example Esaliens: 35% of stocks and 65% of bonds and money market instruments	Example Esaliens: 35% of stocks and 65% of bonds and money market instruments		35.8% of Equities (TBC)
Source	ESALIENS	ESALIENS		KNF, 2023; Calculations: Better Finance
Target customers and penetration rate	800.1 thousand participants at the end 2022 i.e. about 4,6% of the number of employed persons +0.5% in 2022 vs 2021	475.5 thousand participants at the end 2022 i.e. about 2,7% of the number of employed persons +2.8% in 2022 vs 2021	2 999.7 thousand participants at the end of 2022 i.e. about 17,3% of the number of employed persons +17.7% in 2022 vs 2021	652.2 thousand participants at the end 2022 i.e. about 3,8% of the number of employed persons +1.7% in 2022 vs 2021
Source	The Polish Financial Supervision Authority (UKNF)	The Polish Financial Supervision Authority (UKNF)	The Polish Financial Supervision Authority (UKNF)	The Polish Financial Supervision Authority (UKNF)
Outstanding amounts	14 117.4 Mil. PLN i.e. 3 247 Mil. EUR at the end of 2022 +4.8% in 2022 vs 2021 0.45% of households' total financial wealth	6 623.5 Mil. PLN i.e. 1 523 Mil. EUR at the end of 2022 +10.8% in 2022 vs 2021 0.21% of households' total financial wealth	11 994.3 Mil. PLN i.e. 2 759 Mil. EUR at the end of 2022 +56.5% in 2022 vs 2021 0.38% of households' total financial wealth	19 129.7 Mil. PLN i.e. 4 400 Mil. EUR at the end of 2022 +1.1% in 2022 vs 2021 0.61% of households' total financial wealth
Source	The Polish Financial Supervision Authority (UKNF)	The Polish Financial Supervision Authority (UKNF)	The Polish Financial Supervision Authority (UKNF)	The Polish Financial Supervision Authority (UKNF)

APPENDIX 6 - SWEDEN

GDP (2023): €541 billion
Population: 11 M
Household saving rate (2022): 15%
Gross pension replacement rate (mandatory public schemes): 49%
Households' financial wealth per inhabitant: 118k€
Retirement system: Mix of 1st and 2nd pillar

Name	Investeringssparkontot (ISK) Investment and Savings Account	Individuellt pensionssparande (IPS) Individual Pension Savings Account	Private Pension Insurance
Description	Introduced in January 2012, with the aim to encourage greater retail investor participation in capital market through savings accounts with tax advantages.		
Source	ECMI		
Fiscal treatment and benefits	ISK was introduced with the aim to make it easier for consumers to save in shares and funds. The special template taxation model compared to conventional taxation calculated to impact the public finances negatively with SEK 2.0 billion long-term. The GDP in 2015 – €447billion Taxation is simple and low. Taxation is related to government borrowing rate encouraging risk taking	The deduction for private pension savings has been reduced over the years. From 1 January 2015 it was reduced from €1.195 to €179 (SEK 12 000 to SEK 1 800) per year, equivalent to €15 (SEK 150) in monthly savings. On January 1, 2016, the deduction was abolished. The motive for this is that the deduction favors high-income earners.	The deduction for private pension savings has been reduced over the years. From 1 January 2015 it was reduced from €1. 195 to €179 (SEK 12 000 to SEK 1 800) per year, equivalent to €15 (SEK 150) in monthly savings. OnJanuary 1, 2016, the deduction was abolished. The motive for this is that the deduction favors high-income earners.
Source	Nordea	Better Finance	Better Finance
Entry and exit terms	No binding period, and withdrawals can be made free of charge at any given time.	Money is locked until the age of 55. After that the individual can choose over how many years the pension should be paid out. The minimum payout is 5 years. However, only money in private pension insurance can be paid out for life (annuity).	Money is locked until the age of 55. After that the individual can choose over how many years the pension should be paid out. The minimum payout is 5 years. However, only money in private pension insurance can be paid out for life (annuity).
Source	Better Finance	Better Finance	Better Finance
Other possible conditions	No ceiling on savings (annual or total amount) in ISK		
Source	Nordea		
Eligibility of investment supports & asset allocation	Investment assets in an ISK are limited to the following securities: 1) Financial instruments that are admitted to trading on a regulated market or an equivalent market outside the EEA; 2) Financial instruments traded on a trading platform in the EEA; and 3) Units in investment funds (fund units) In 2016: 21.6% of Equity & SP; 75.7% of Funds and 2.7% of cash. Asset allocation in ISK – Investment funds end 2017: - 37% Equity - 49% Balanced - 11% Bonds - 3% Other		
Source	Nordea + Swedish Investment Fund Association		
Target customers and penetration rate	Number of ISK account holders (unique holders) increased from 223k in 2012 to 3.8 million in 2023.	In 2015, the share of private pension savers dropped to 24.2%.	In 2015, the share of private pension savers dropped to 24.2%.
Source	Better Finance	Better Finance	Better Finance

Outstanding amounts	1 665 billion SEK in 2023 – €149.5 billion	€11.9 billion in 2022 (2.2% of household fund assets) - It's marginal as compared to the total outstanding amount of DC Pension Funds	€121.3 billion in 2022 (22.7% of household fund assets) - Corresponds more or less to the total unit-linked + non-unit-linked life insurance contracts.
Source	Swedish Investment Fund Association	Swedish Investment Fund Association	Swedish Investment Fund Association

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Etudes Eco

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Publication produced by the Economic Research Department of AFG

- Thomas Valli, head of Economic Research | t.valli@afg.asso.fr | +33 (0)1 44 94 94 03
- Stéphanie Karam, economist | s.karam@afg.asso.fr | +33 (0)1 44 94 94 04

41 rue de la Bienfaisance | 75008 Paris | T : +33 (0)1 44 94 94 00
Avenue des Arts 56 | 1000 Bruxelles

www.afg.asso.fr