efama



Ownership of Investment Funds in Europe

February 2019

The European Fund and Asset Management Association

is the voice of the European investment management industry.

ITS MISSION IS:

- To support investor confidence in the asset management industry through the promotion of governance standards, integrity, professionalism and performance throughout the industry;
- To enhance the smooth functioning of a European single market for investment management and a level playing field for saving and investment products;
- To strengthen the competitiveness of the industry in terms of cost and quality;
- To promote the asset management industry and the UCITS brand on a European and worldwide level.

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FOREWORD

This "*Ownership of Investment Funds in Europe*" report, EFAMA's latest publication, aims at addressing three main questions:

- How have holdings of financial assets and investment funds among European investors evolved in recent years?
- Who are the largest holders of investment funds in Europe?
- To what extent do European investors hold cross-border investment funds?

The main findings of the report can be summarised as follows.

Households are the largest holders of financial assets in Europe, with total holdings of EUR 29.1 trillion at the end of 2017. Circa 36% of it is held in bank accounts, 46% is invested in insurance and pension products, with the remainder – 18% – being held in quoted shares, bonds and investment funds.

The assets managed by investment funds held by European investors amounted to EUR 11.7 trillion at end 2017, compared with EUR 4.7 trillion at end 2008. Insurers and pension funds have become the largest holders of European investment funds, with a combined share of 42% in 2017, compared to 32% at end 2008.

At end 2017, 32% of the fund assets held in Europe were managed by cross-border funds, i.e. funds domiciled in a European country other than the country of the investor. This compares with a market share of cross-border funds of 25% at the end of 2008. This increase can be attributed partly to Single Market initiatives such as MiFID and the UCITS and AIFM frameworks, which have provided for more coherent rules for cross-border distribution of investment funds.

These findings show the penetration rate of investment funds in the asset allocation of European investors. They are particularly relevant in view of the European Commission's efforts to strengthen the capacity of EU capital markets and foster retail investment under its flagship CMU project.

European households' significant holdings of bank deposits and limited interest in capital market instruments emphasize the need for CMU, a key objective of which is to offer savers additional opportunities to put their money to work.

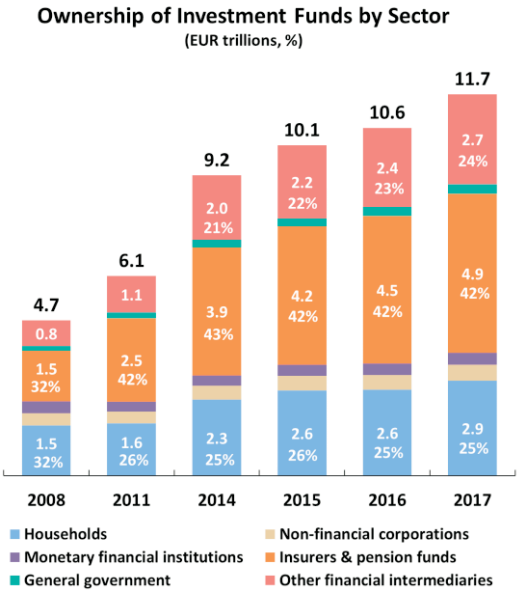
EFAMA has been an early supporter of CMU and calls on the European Commission to keep the momentum going in 2019 and beyond. Ensuring the successful launch of the pan-European Personal Pension Product (PEPP) is particularly important in that context.

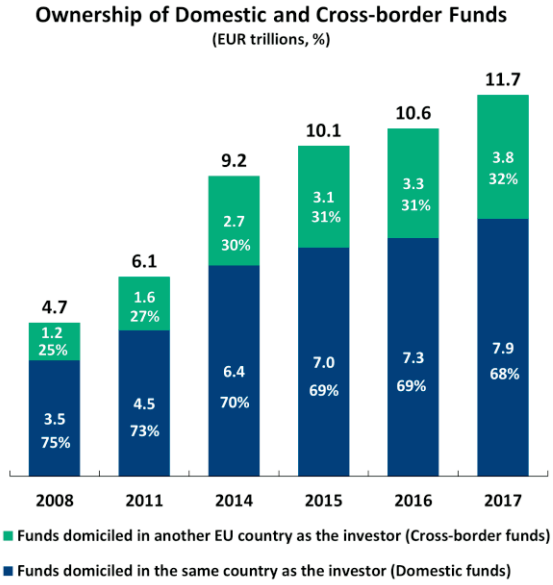
The increase in cross-border fund ownership in Europe over the past decade is a welcome development. We expect this trend to continue in the future, driven by technology-enabled access to a larger pool of foreign fund providers, as well as by the European Commission's proposal of March 2018 on the removal of barriers to cross-border fund distribution. The latter should contribute to a greater use of the passports, thereby further unlocking the potential of a well-functioning CMU.

Tanguy van de Werve
EFAMA Director General

OWNERSHIP OF INVESTMENT FUNDS IN EUROPE: KEY FIGURES

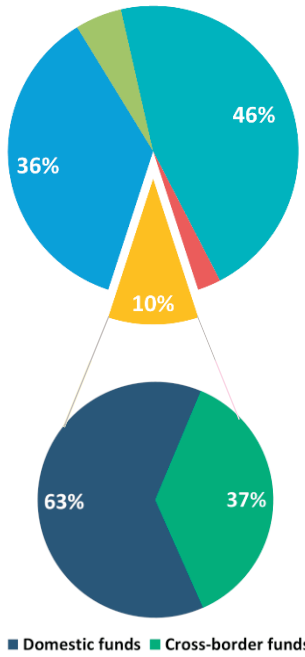
Trends in fund ownership in 2009-2017



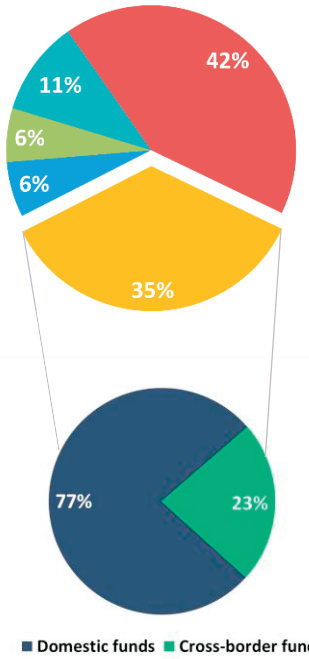


Share of Investment Funds in Financial Assets Allocation at end 2017

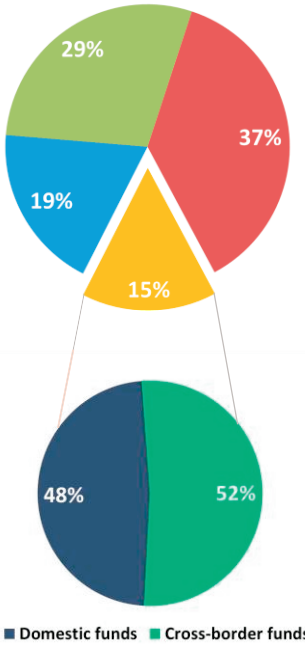
Households



Insurers & Pension Funds



Other Financial Intermediaries



Currency & deposits | Debt securities | Quoted shares | Investment funds | Insurance & pension fund reserves

1. Introduction

This report analyzes the ownership of investment funds by type of investor in Europe.[i] It begins with an overview of the ownership of financial assets by the different categories of investors. The report then analyzes who are the main owners of investment funds in Europe, focusing on the three largest categories of investors in investment funds: households, insurance companies and pension funds, and other financial intermediaries.[ii] In the closing section, the report provides data on the origin of the investment funds held in Europe, i.e. whether investors hold domestic funds or cross-border funds domiciled in another European country.

Throughout the analysis, the report considers the trends in the ownership and acquisition of financial assets and investment funds over the last ten years, and provides a large number of detailed figures on the situation at the country level at end 2017.

The statistics in this report are based on the European System of Accounts (ESA 2010) compiled by the European Central Bank (ECB).[iii] When another data source is used, an explicit reference is inserted.

2. Trends in ownership of financial assets

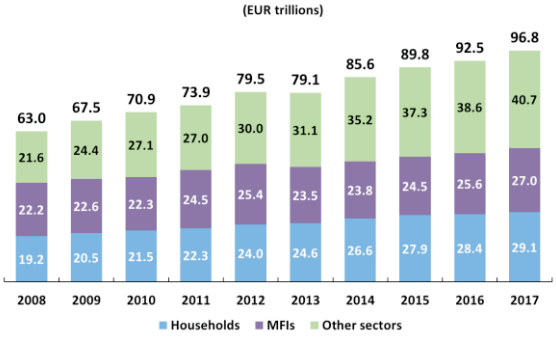
2.1 Overview for Europe

Total financial assets held by European investors at end 2017 reached EUR 96.8 trillion, compared to EUR 63 trillion at end 2008.[iv]

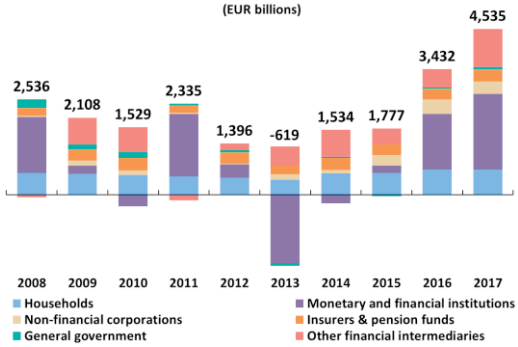
Households were the largest holders of financial assets, with a share of 30.1%. Monetary financial institutions (MFIs)[v] ranked second place with a share of 27.9%, followed by other financial intermediaries (18.5%), insurance companies and pension funds (14.2%), non-financial corporations (6.7%) and governments (2.7%).

Net acquisition of financial assets by all sectors reached EUR 4,535 billion in 2017, a record not seen in the last 10 years. Broken down by main categories of investors, MFIs made the largest acquisition of financial assets in 2017 (EUR 2,072 billion). Other financial intermediaries increased their net acquisitions significantly, to EUR 1,044 billion. Households invested a net amount of EUR 687 billion in 2017, slightly up from EUR 685 billion in 2016. Net acquisitions by insurance companies and pension funds totaled EUR 327 billion.

2.1: **Total Financial Asset Ownership**
(EUR trillions)

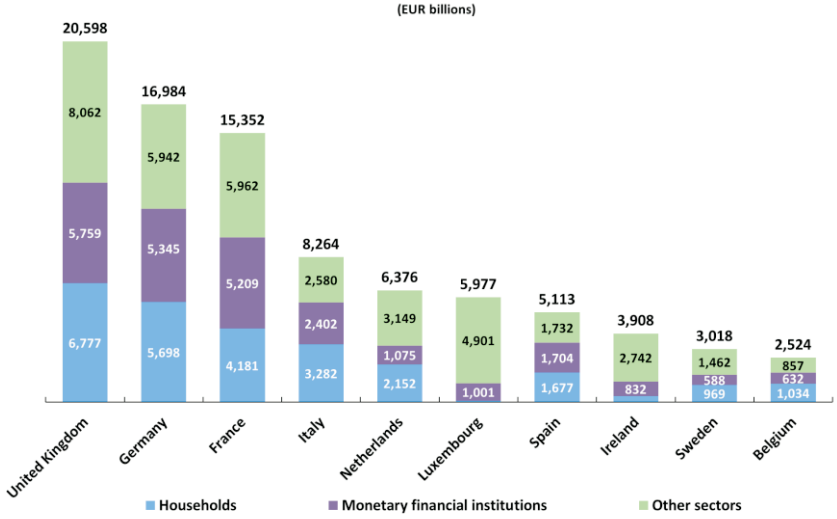


2.2: **Net Acquisition of Financial Assets**
(EUR billions)

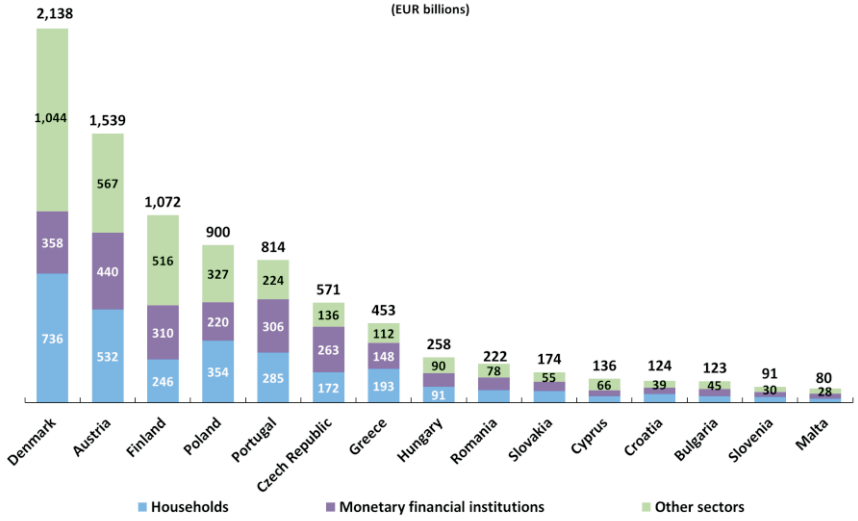


Looking at the country level at end 2017, the highest amount of financial assets were held in the United Kingdom (EUR 20.6 trillion), followed by Germany (EUR 17 trillion) and France (EUR 15.4 trillion). More granular data on financial asset ownership and net acquisitions at national level is provided in the data annex (tables 1 and 2).

2.3: **Total Financial Asset Ownership in European Countries at end 2017**
(EUR billions)



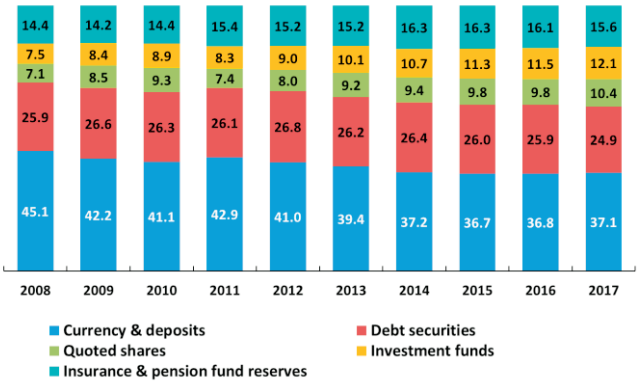
2.4: **Total Financial Asset Ownership in European Countries at end 2017**
(EUR billions)



The next chart shows the evolution of the asset allocation between the various types of financial instruments.

For Europe as a whole, currency and deposits represent the lion's share, with a percentage that has remained more or less constant at 37% over the last 4 years. Currency and deposits are followed by debt securities (24.9%) and insurance and pension fund reserves (15.6%). The share of investment funds has risen constantly since 2011, from 8.3% to 12.1% in 2017.

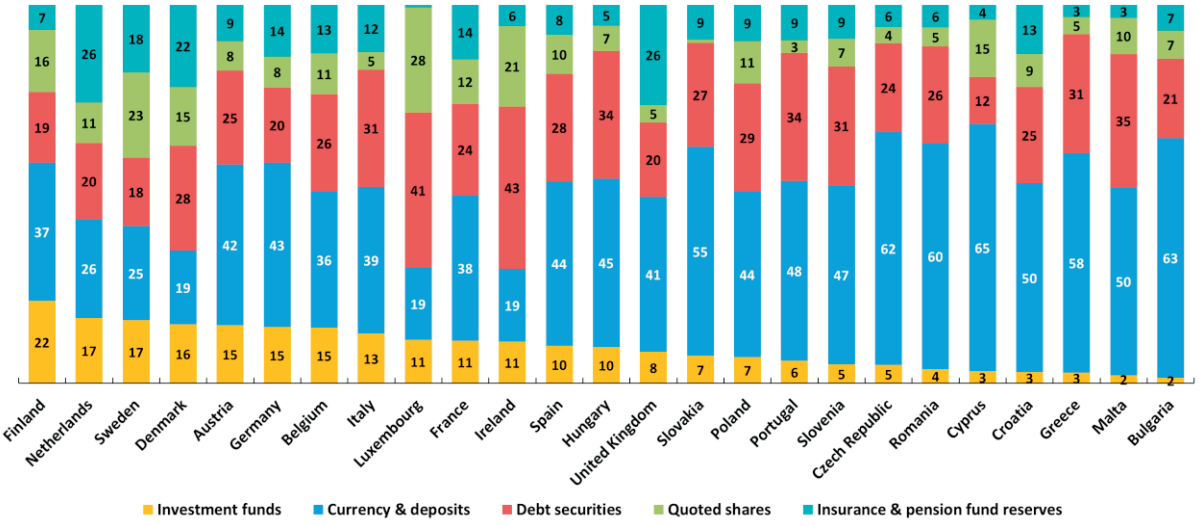
2.5: **Financial Asset Allocation**
(share in percent)



Looking at the national level, there are large differences in the asset allocation between countries. This situation reflects different household saving habits, as well as differences in the depth and sophistication of the financial markets and pension systems.

Finland has the largest percentage of financial assets held in investment funds at end 2017 (22%), followed by the Netherlands (17%) and Sweden (17%).

2.6: **Financial Asset Allocation at end 2017**
(share in percent)

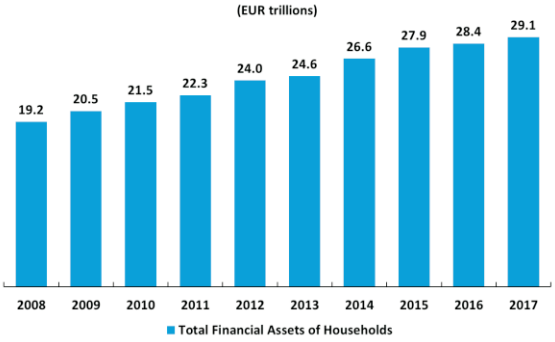


2.2 Ownership of financial assets by European households

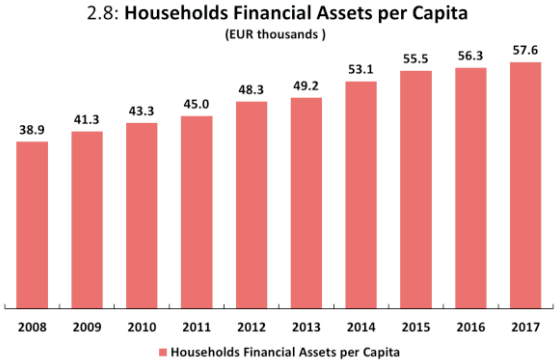
Household wealth consists of a combination of real assets (houses, vehicles, valuables, etc.) and financial assets. According to the most recent ECB household finance survey, real assets represented the large majority of household assets (84.2%), with the household main residence accounting for the lion's share (49.5%) of total assets. Financial assets only accounted for 17.8% of total household assets.[vi]

At end 2017, the amount of financial assets held by households totaled EUR 29.1 trillion, compared to EUR 19.2 trillion in 2008. Per capita, household financial assets grew steadily from EUR 38,900 in 2008 to EUR 57,600 in 2018.

2.7: **Total Financial Assets of Households**

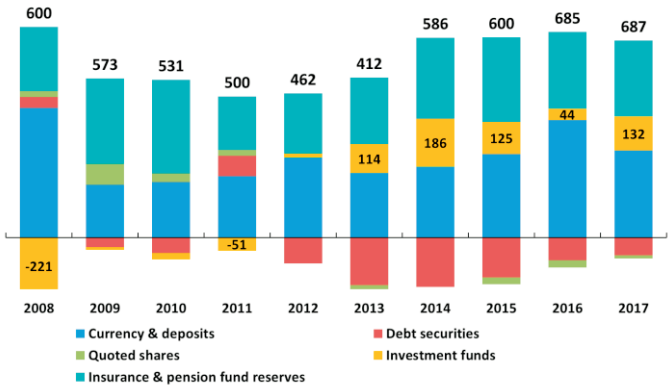


2.8: **Households Financial Assets per Capita**



2017 was a record year in terms of net asset acquisitions by households (EUR 687 billion), including net purchases of investment funds (EUR 132 billion), insurance and pension products (EUR 297 billion) and currency and bank deposits (EUR 340 billion). Debt securities recorded net withdrawals for the sixth consecutive year (EUR 70 billion). Quoted shares also suffered from net withdrawals (EUR 12 billion).

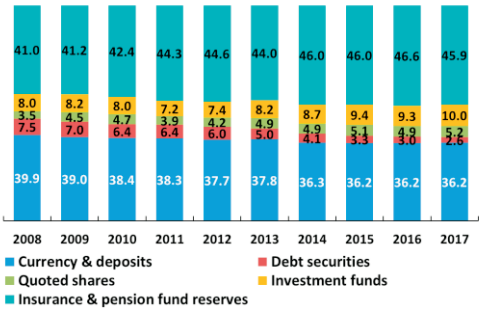
2.9: **Net Asset Acquisition by Households**



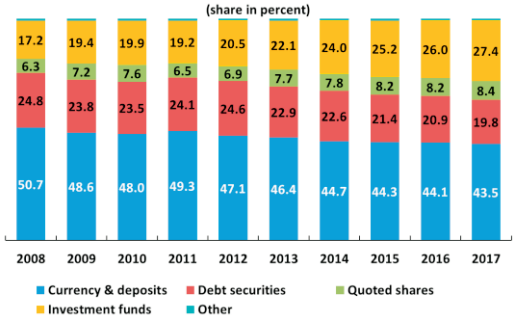
The composition of the households' aggregated portfolio has slowly changed over time, mirroring household investment decisions as well as the effects of market fluctuations. At end 2017, insurance and pension savings accounted for the largest share (45.9%) in the household portfolio, followed by currency and deposits (36.2%) and investment funds (10%). Quoted shares and debt securities accounted for 5.2% and 2.6%, respectively.

Households are not only investing directly in investment funds but also indirectly through their contributions to occupational and personal pension plans, which tend to hold a growing share of their assets in investment funds. The charts below show the share of financial wealth held by households, directly and indirectly, in investment funds and other types of financial assets. By incorporating the financial assets held in life insurance[vii] and pension fund reserves in the households' portfolio, we can estimate the share of direct and indirect holdings of investment funds by European households. At end 2017, this share reached 27.4%, compared to 17.2% at end 2008.

2.10: **Direct Financial Holdings of Households**
(share in percent)



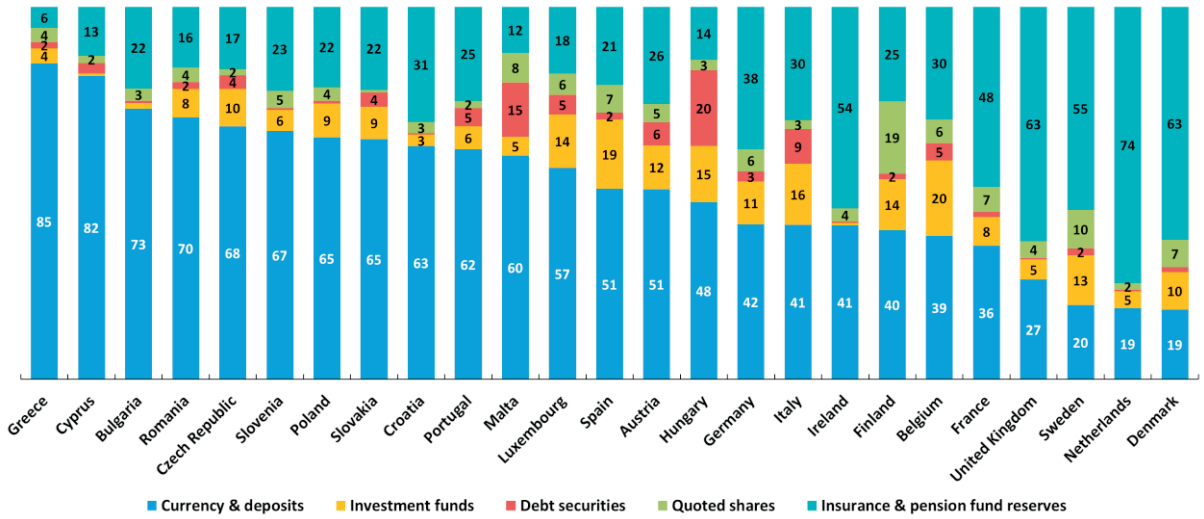
2.11: **Direct and Indirect Financial Holdings of Households**
(share in percent)



Excluding UK

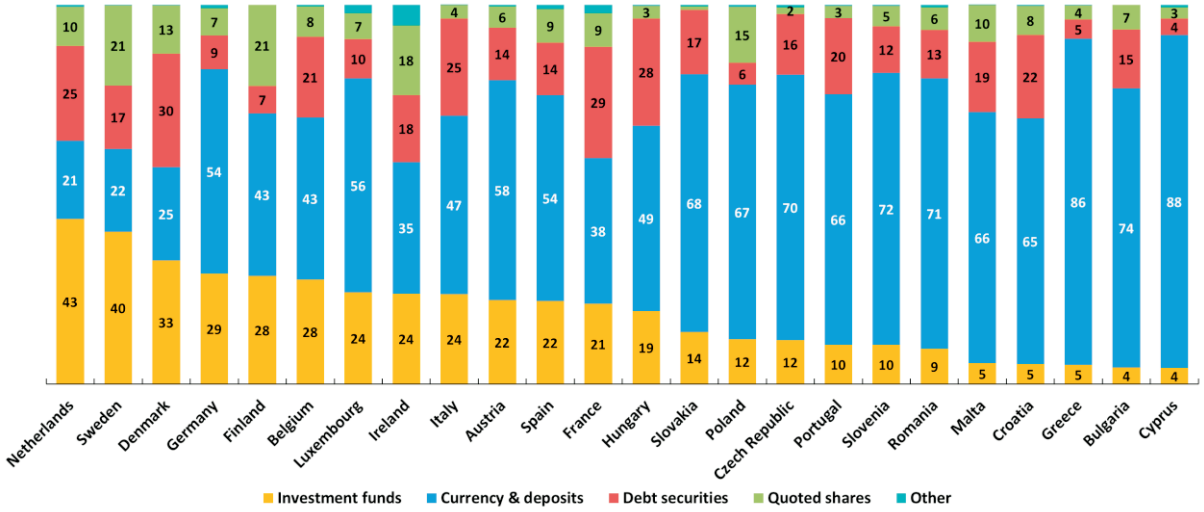
At the national level, the direct financial asset allocation shows large variations across countries. In 18 countries the share of cash and deposits in household financial wealth is greater than 40%. Unsurprisingly, households in countries with well-developed second and third pillar pension systems, such as Denmark, the Netherlands, Sweden and the UK, are holding a large percentage of their financial assets in insurance and pension reserves. More detailed data on the asset allocation of households per country is provided in the data annex (table 3).

2.12: **Direct Financial Holdings of Households - Asset Allocation at end 2017**
(share in percent)



Taking into account the financial assets held by households through their ownership of insurance and pensions reserves, it is possible to highlight the total holdings of investment funds in the different European countries. The chart below shows that the share of investment funds held directly and indirectly by households was greater than 20% in the following countries: the Netherlands, Sweden, Denmark, Germany, Belgium, Finland, Luxembourg, Italy, Ireland, Austria, Spain and France.

2.13: **Direct and Indirect Financial Holdings of Households - Asset Allocation at end 2017**
(share in percent)

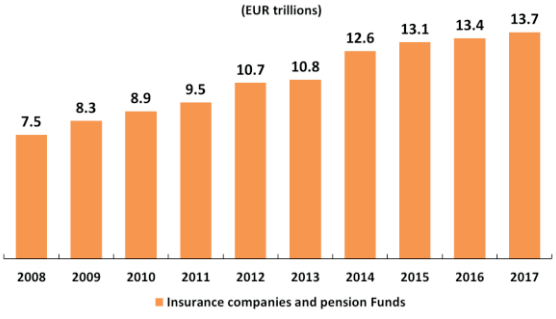


2.3 Ownership of financial assets by European insurers and pension funds

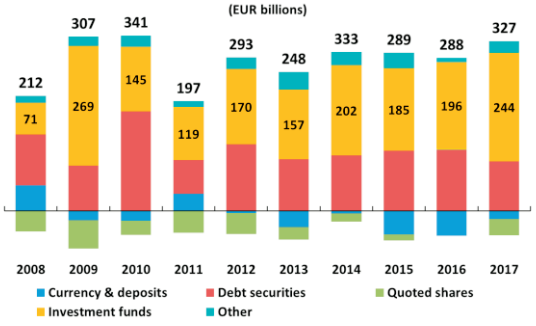
Insurance companies and pension funds (ICPFs) held EUR 13.7 trillion in financial assets at end 2017, compared to EUR 7.5 trillion at end 2008.

Net acquisition of financial assets totaled EUR 2,835 billion over the period 2008-2017. Investment funds recorded the largest cumulated net inflows (EUR 1,758 billion), followed by debt securities (EUR 1,290 billion). The value of the ICPF portfolio increased by 2.8% in 2017, thanks to net acquisitions of EUR 327 billion. Net purchases of investment funds (EUR 244 billion) accounted for 75% of the total net investment in financial assets by ICPFs in 2017.

2.14: **Total Financial Assets of Insurers and Pension Funds**
(EUR trillions)

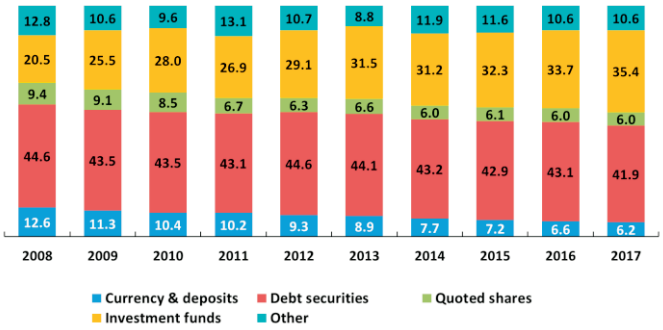


2.15: **Net Asset Acquisition by Insurers & Pension Funds**
(EUR billions)



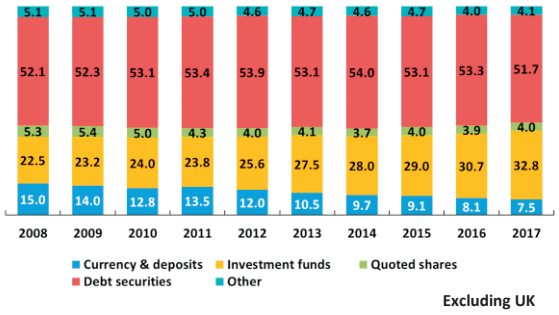
Reflecting the strong demand for investment funds, the share of investment funds in the ICPF portfolio continued to rise in 2017 to reach 35.4%, compared to 20.5% in 2008. This strong increase confirms that investment funds allow insurance companies and pension funds to diversify their exposure to different asset classes in a cost-efficient way.

2.16: **Financial Asset Ownership by Insurers & Pension Funds**
(share in percent)

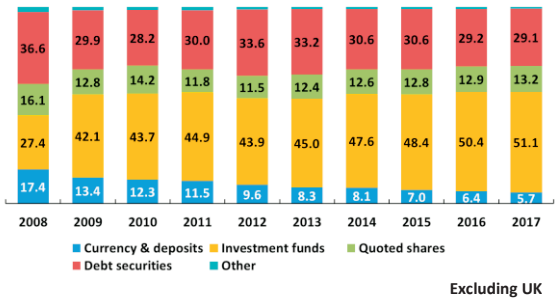


The breakdown of asset holdings between insurers and pension funds shows that insurers hold 51.7% of their portfolio in debt securities and 32.8% in investment funds, whereas the share of investment funds in pension funds' financial assets peaked at 51.1% in 2017.

2.17: **Financial Asset Ownership by Insurers**
(share in percent)

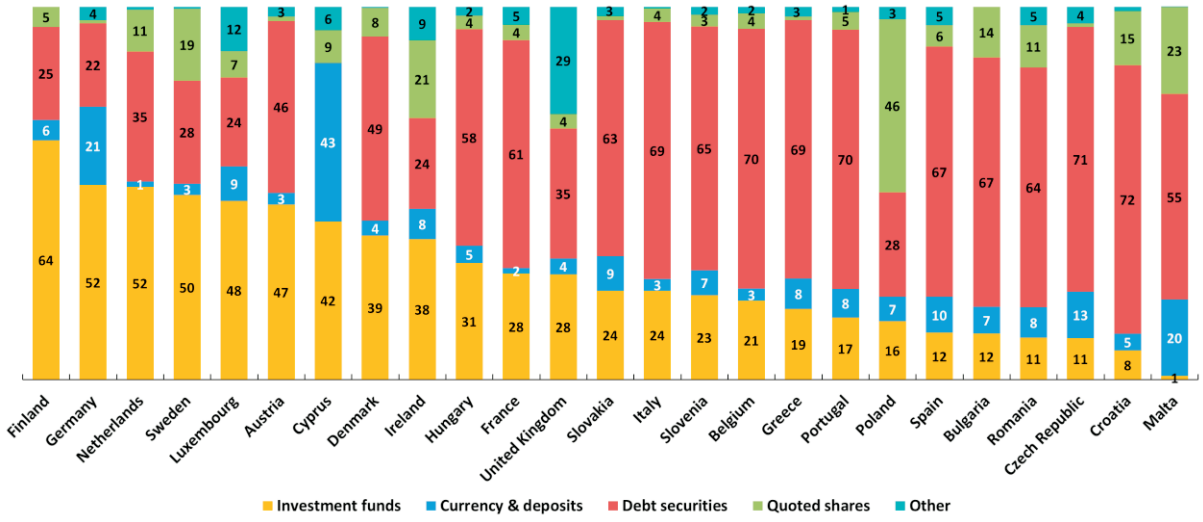


2.18: **Financial Asset Ownership by Pension Funds**
(share in percent)



In general, ICPFs hold a large share of their financial portfolio in debt securities, with a few exceptions such as Poland where pension funds are by law prohibited to invest in government bonds. Countries with a developed insurance and/or pension fund industry tend to hold a higher percentage of financial assets in investment funds. More granular data on the asset allocation of ICPFs is provided in the data annex (table 4).

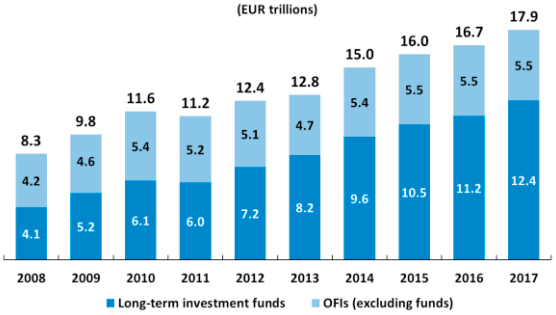
2.19: **Insurers and Pension Funds - Asset Allocation at end 2017**
(share in percent)



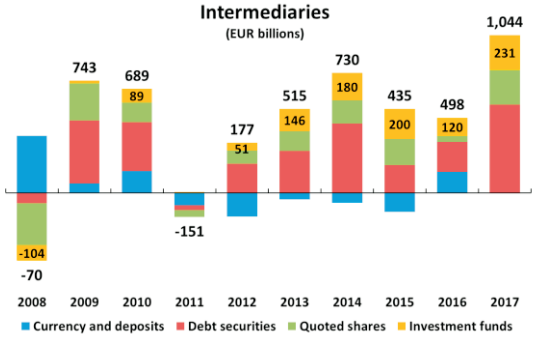
2.4 Ownership of financial assets by European other financial intermediaries

Other financial intermediaries (OFIs)[viii] held EUR 17.9 trillion in financial assets at end 2017, with long-term investment funds holding about 69% of these assets. Net acquisition of financial assets totaled EUR 4,610 billion during the 2008-2017 period, with debt securities recording net inflows of EUR 2,543 billion, followed by investment funds (EUR 937 billion) and quoted shares (EUR 873 billion).

2.20: **Total Financial Asset Ownership of Other Financial Intermediaries**
(EUR trillions)

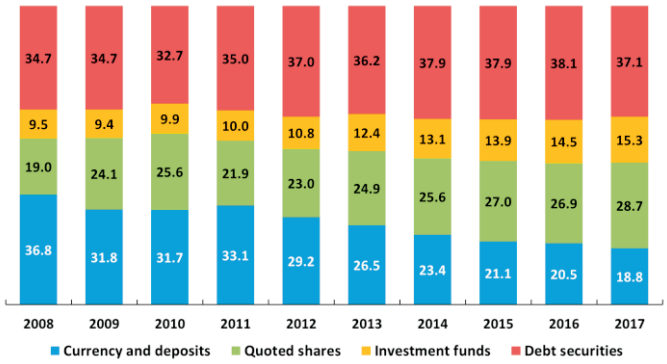


2.21: **Net Asset Acquisition by Other Financial Intermediaries**
(EUR billions)

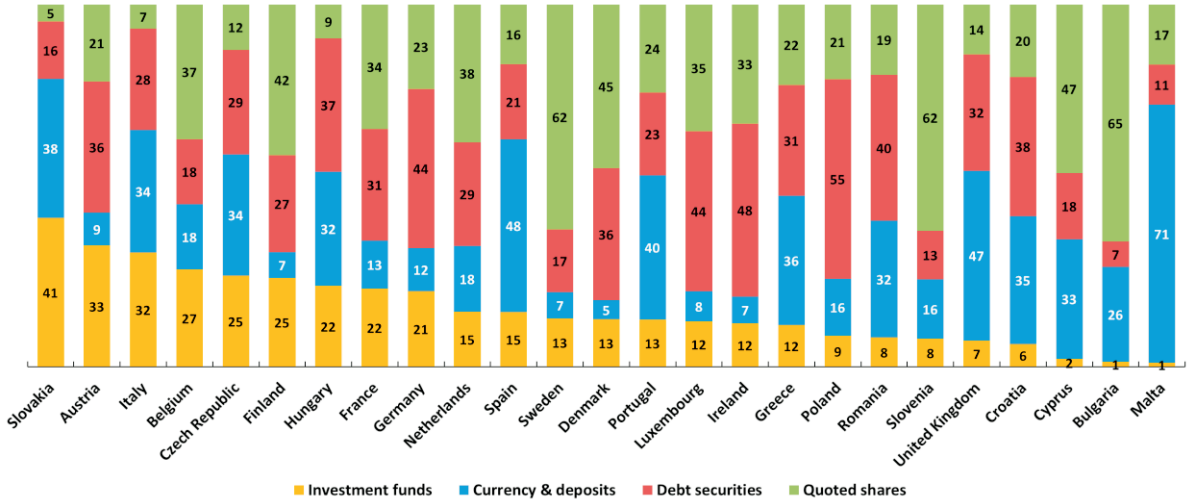


The share of investment funds rose from 9.5% in 2008 to 15.3% at end 2017. This increase was mirrored by the declining share of currency and deposits, which fell from 36.8% in 2008 to 18.8% in 2017. Asset allocation also varies significantly across European countries. The data annex also contains more detailed data on the asset allocation of OFIs per country (table 5).

2.22: **Financial Asset Ownership by Other Financial Intermediaries**
(share in percent)



2.23: **Other Financial Intermediaries - Asset Allocation at end 2017**
(share in percent)



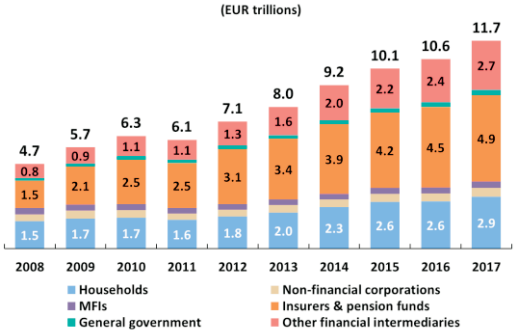
3. Trends in ownership of investment funds

3.1 Overview for Europe

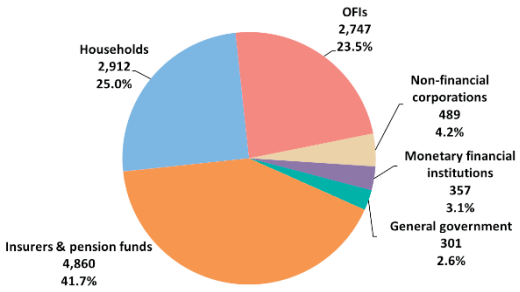
The total amount of investment funds held by European investors amounted to EUR 11,666 billion at end 2017. Investment fund ownership in Europe grew by 150% during the 2008-2017 period.

The three main categories of investors – insurance companies and pension funds (ICPFs), households and other financial intermediaries (OFIs) – held a total of EUR 10,518 billion of investment funds at end 2017. Combined, these groups of investors held 90% of total investment fund assets.

3.1: **Investment Fund Ownership by Sector**
(EUR trillions)



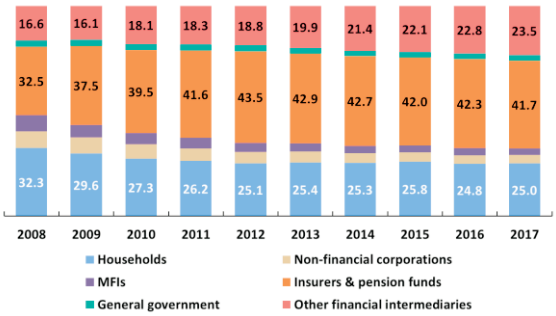
3.2: **Investment Fund Ownership at end 2017**
(EUR billions and share of total)



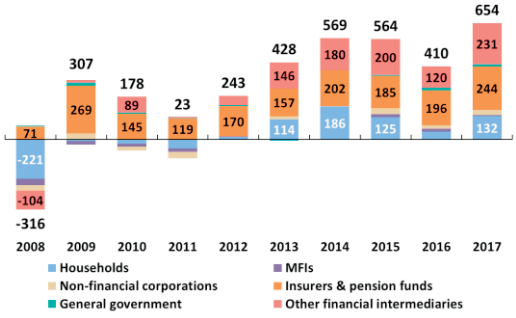
ICPFs remained the largest holders of investment funds in 2017 with a combined share of 41.7%, compared to 32.5% in 2008. Households have seen their share in the pool of investment fund assets decrease from 32.3% in 2008 to 25% in 2017. However, since 2012, this share has remained stable. On the other hand, other financial intermediaries have increased steadily their holdings of investment funds since 2008.

Investment funds registered net inflows each year during the last decade, except in 2008 due to the global financial crisis. 2017 was a record year in terms of net acquisitions of investment fund (EUR 654 billion). Over the last 10 years, insurance companies and pension funds were by far the biggest purchasers of investment funds, accumulating a total of EUR 1,758 billion. Other financial intermediaries and households followed with net purchases of EUR 937 billion and EUR 308 billion, respectively.

3.3: **Investment Fund Ownership by Sector**
(share in percent)



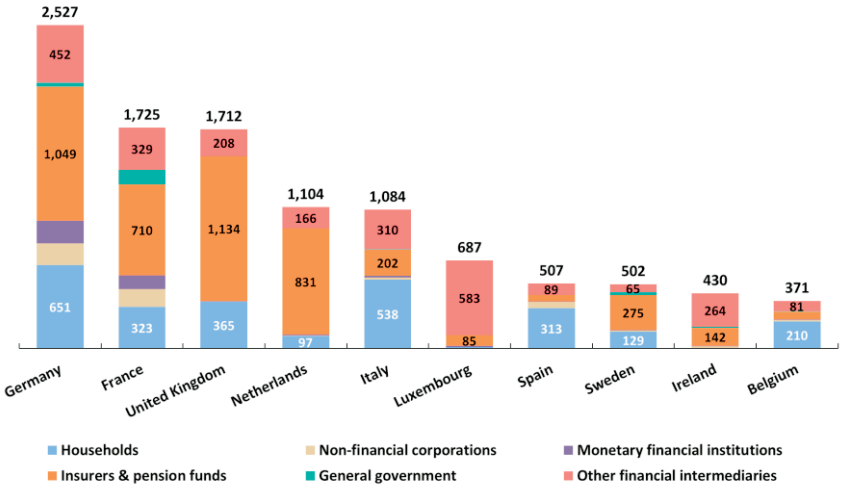
3.4: **Net Acquisition of Investment Funds by Sector**
(EUR billions)



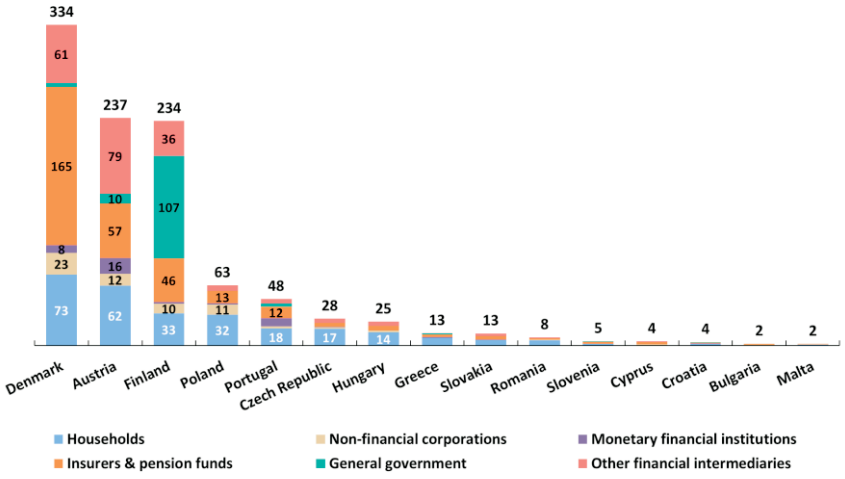
3.2 Investment fund ownership at national level

At the national level at end 2017, the largest amount of investment funds were held in Germany (EUR 2,527 billion), followed by France (EUR 1,725 billion) and the United Kingdom (1,712 billion). The Netherlands (EUR 1,104 billion) and Italy (EUR 1,084 billion) complete the list of countries whose investors held more than EUR 1 trillion of their financial wealth in investment funds at end 2017. More granular data on the investment fund ownership per country can be found in the data annex (table 6).

3.5: **Investment Fund Ownership in European Countries at end 2017**
(EUR billions)

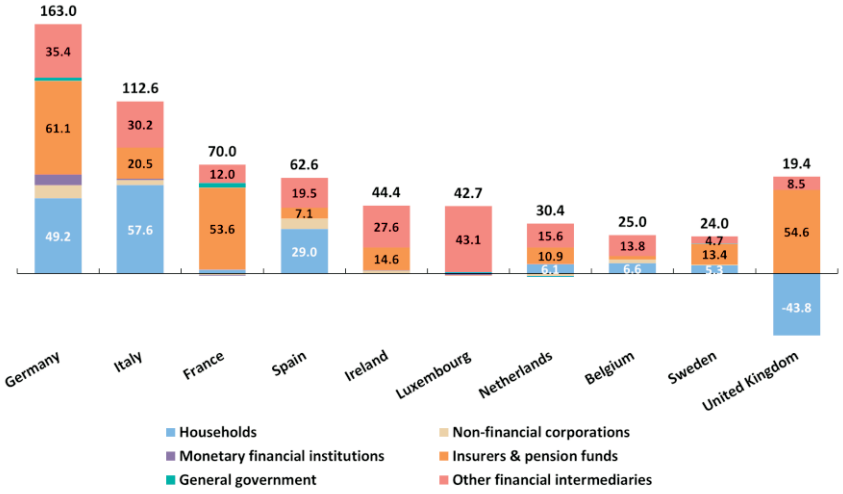


3.6: **Investment Fund Ownership in European Countries at end 2017**
(EUR billions)

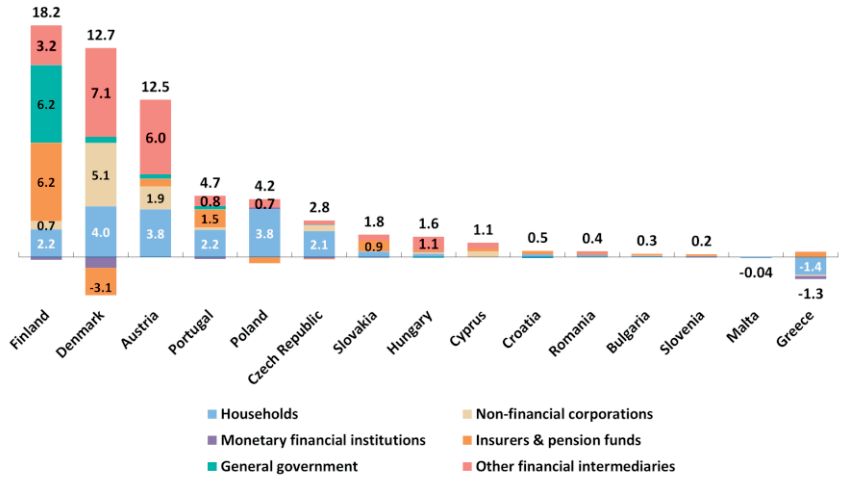


In terms of net acquisitions of investment funds, Germany took the lead in 2017 (EUR 163 billion), with large acquisitions by households and ICPFs. Italy took the second place in this ranking (EUR 113 billion) with households being responsible for almost half of the acquisitions (EUR 58 billion). France followed (EUR 70 billion), mainly thanks to net acquisitions by the insurance sector (EUR 54 billion). More detailed data on the net acquisitions of investment funds per country can be found in the data annex (table 7).

3.7: **Net acquisition of Investment Funds in European Countries in 2017**
(EUR billions)



3.8: **Net acquisition of Investment Funds in European Countries in 2017**
(EUR billions)

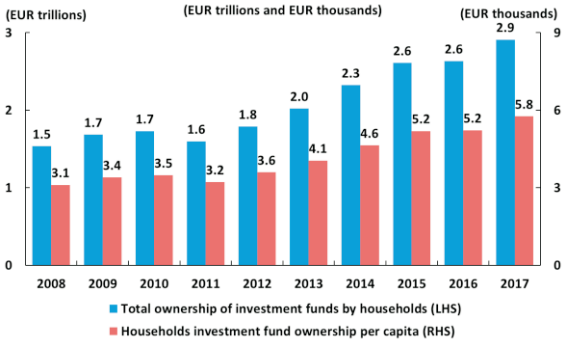


3.3 Ownership of investment funds by households

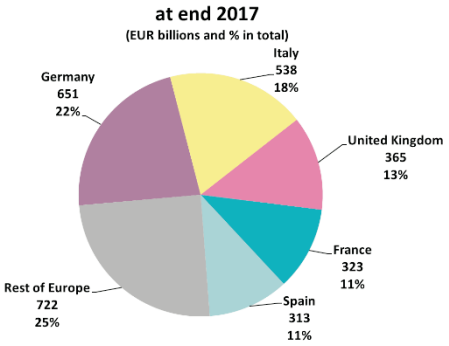
The amount of investment fund assets held by households has consistently increased since 2011, rising from EUR 1.6 trillion in 2011 to reach a record of EUR 2.9 trillion in 2017. Also per capita, investment funds ownership of households has risen in recent years, from EUR 3,200 in 2011 to EUR 5,800 in 2017.

German households owned 22% of the investment funds assets held by European households in 2017. Italian and UK households came second and third in this ranking, with a share of 18% and 13%, respectively.

3.9: **Investment Fund Ownership of Households**



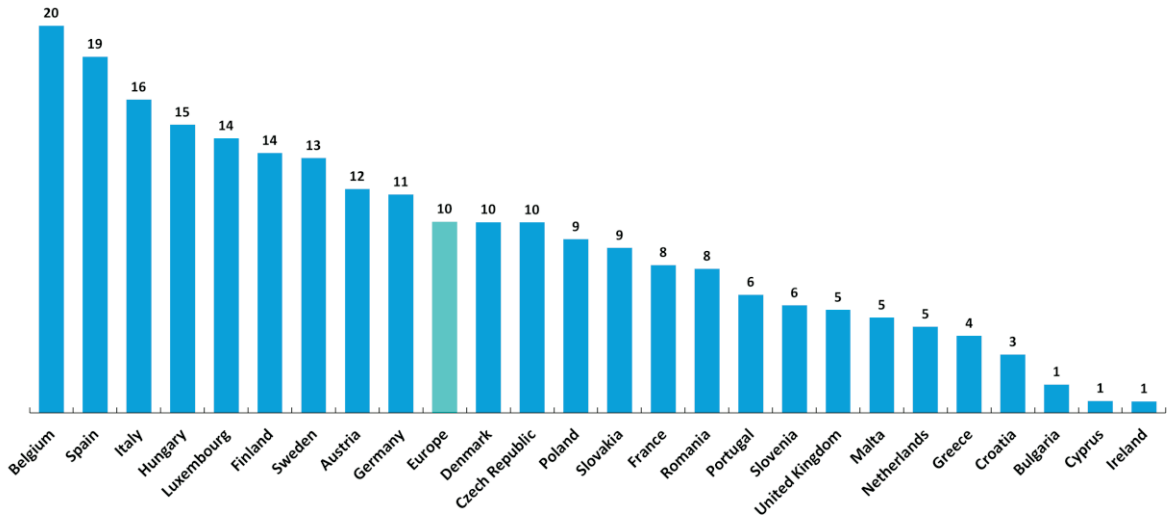
3.10: **Investment Fund Ownership by Households at end 2017**



The chart below shows the share of investment funds in household financial assets at the country level. Belgium has the highest share of investment funds (20%), followed by Spain (19%) and Italy (16%).

3.11: **Household Direct Investment Fund Ownership at end 2017**

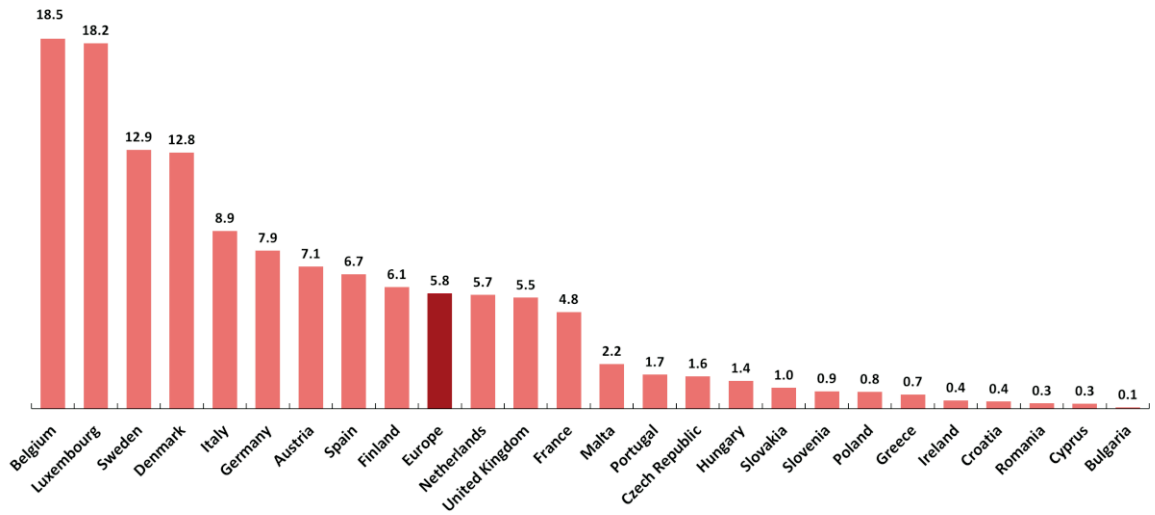
(share in total financial assets)



Expressed per capita, Belgium again took the first place (EUR 18,500), followed by Luxembourg (EUR 18,200), Sweden (EUR 12,900) and Denmark (EUR 12,800).

3.12: **Household Investment Fund Ownership per Capita at end 2017**

(EUR thousands)

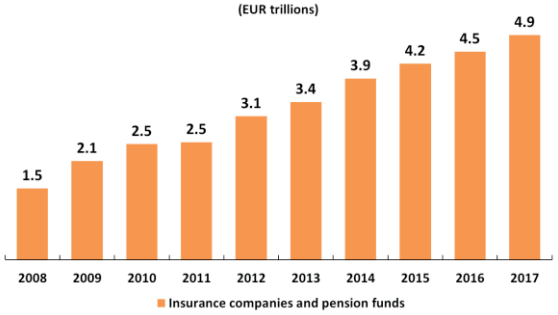


3.4 Ownership of investment funds by insurers and pension funds

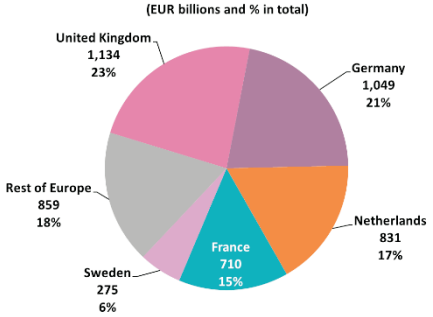
At end 2017, insurance companies and pension funds held EUR 4.9 trillion in investment funds assets, with insurers accounting for around 60% of investment fund ownership and pension funds for 40%.

Insurers and pension funds based in the UK owned the largest amount of investment funds held by European ICPFs (23%) at end 2017. They were followed by ICPFs located in Germany (21%), the Netherlands (17%), France (15%) and Sweden (6%).

3.13: **Investment Fund Ownership by Insurers & Pension Funds**

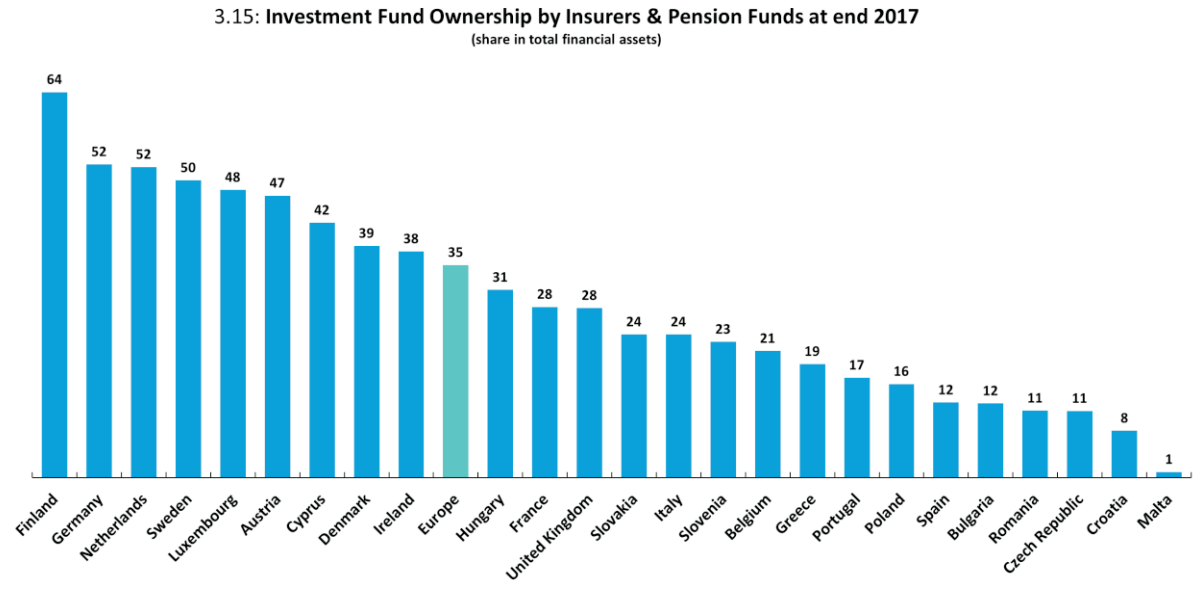


3.14: **Investment Fund Ownership by Insurers & Pension Funds at end 2017**



Looking at the share of investment funds in ICPF total financial assets at national level, Finland took the first place (64%), followed by Germany and the Netherlands (52%).

3.15: **Investment Fund Ownership by Insurers & Pension Funds at end 2017**

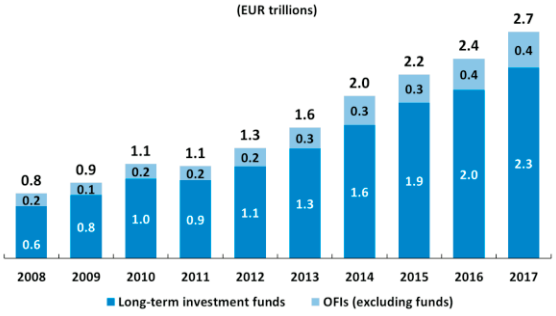


3.5 Ownership of investment funds by other financial intermediaries

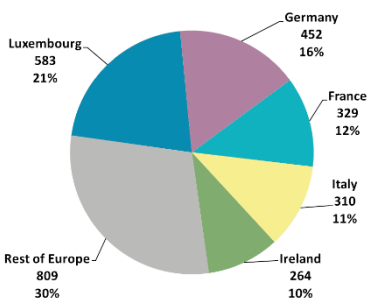
Investment fund assets held by other financial intermediaries (OFIs) rose to EUR 2.7 trillion in 2017, from EUR 0.8 trillion in 2008. OFIs can be subdivided into long-term investment funds and other types of intermediaries. In 2017, long-term investment funds had EUR 2.3 trillion of their assets invested in other investment funds.

Concerning fund ownership by the OFI sector, OFIs in Luxembourg held the largest amount of investment funds in 2017 (21%). They were followed by OFIs in Germany (16%) and France (12%).

3.16: **Investment Fund Ownership by Other Financial Intermediaries**

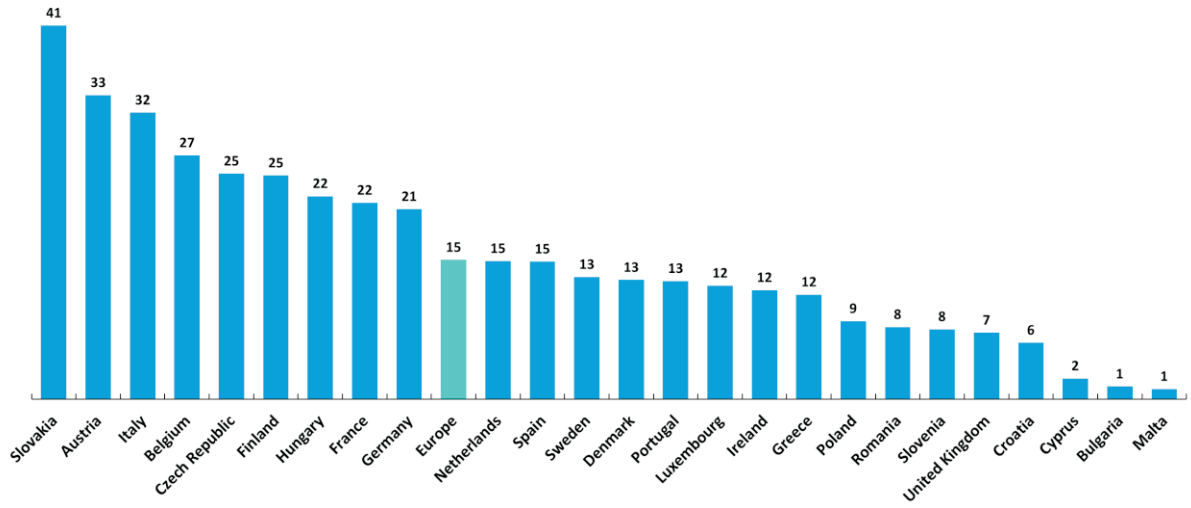


3.17: **Investment Fund Ownership by Other Financial Intermediaries at end 2017**



At the individual country level, Slovakia had the largest share of investment fund ownership in OFI financial assets (41%), followed by Austria (33%) and Italy (32%).

3.18: **Investment Fund Ownership by Other Financial Intermediaries at end 2017**



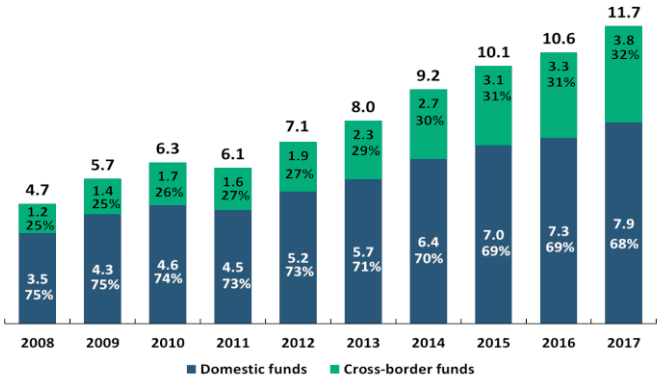
4. Ownership of domestic and cross-border funds

4.1 Overview for Europe

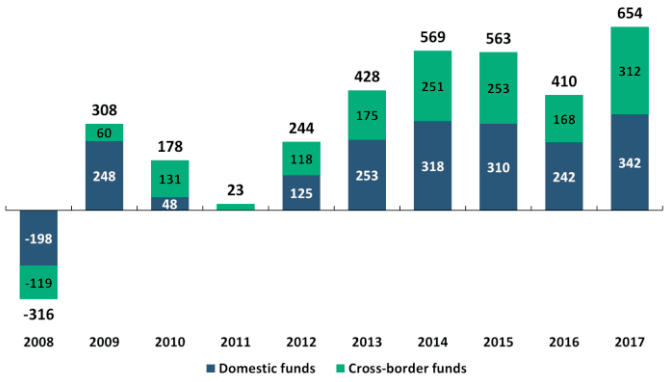
This section analyzes the origin of the investment funds held in Europe by distinguishing between the domestic funds, which are domiciled in the same country as the investors, and the cross-border funds, which are domiciled in another European country.

The total amount of investment funds held by European investors amounted to EUR 11.7 trillion at end 2017. Funds with a total of EUR 7.9 trillion of assets under management, were domiciled in the country of the investors, the remaining EUR 3.8 trillion being managed by funds domiciled in another country. Over the last 10 years, the share of cross-border funds held by European investors has increased, from 25% in 2008 to 32% in 2017.[ix] This trend reflects the increase in cross-border distribution of funds in Europe and the success of the UCITS as the key retail-oriented investment product. This evolution is matched by significant net acquisitions of cross-border funds by European investors. In 2017, these funds collected 48% of total net acquisitions, or EUR 312 billion.

4.1: **Ownership of Domestic and Cross-border Funds**
(EUR trillions, %)



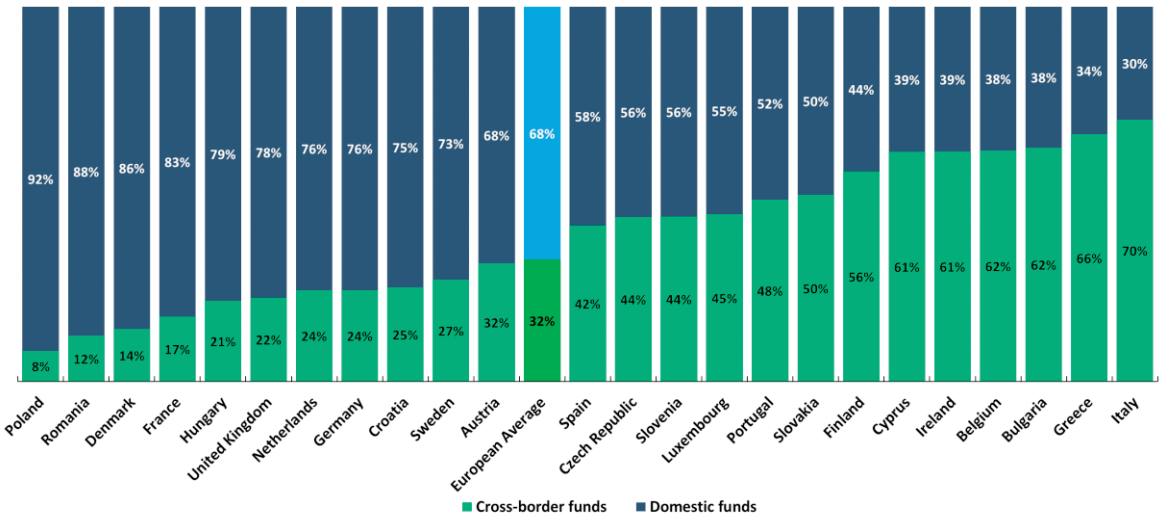
4.2: **Net Acquisition of Domestic and Cross-border Funds**
(EUR billions)



4.2 Ownership of domestic and cross-border funds at national level

At the national level, there is wide variation in the shares of cross-border funds held in each country. Italian investors are holding the largest percentage of cross-border funds (70% at end 2017), whereas the share of cross-border funds held by Polish investors only reached 8%.[x]

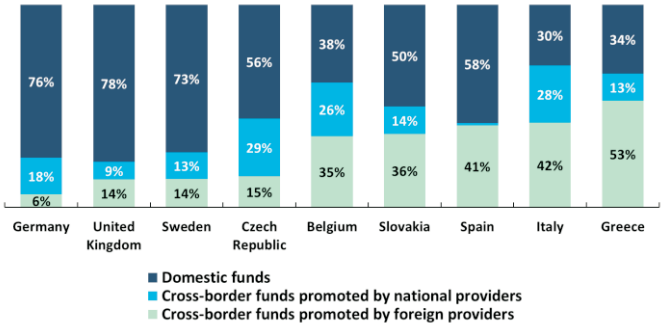
4.3: **Investment Fund Ownership at end 2017**
(share in percent)



Considering whether the funds owned are domiciled domestically or abroad does not fully capture the reality of the European investment fund market, as cross-border funds can be promoted by either national providers or foreign providers. The former category of cross-border funds is often referred to as “round-trip” funds and the latter as “true” cross-border funds.

A number of national associations collect data on cross-border funds promoted by national providers. By combining this data with the data presented above[xi], we can distinguish between three types of funds that can be held by European investors: domestic funds, cross-border funds promoted by national providers and cross-border funds promoted by foreign providers. The chart below shows the breakdown between these three types of funds for the countries for which data is available. It can be seen that a significant portion of the cross-border funds held by investors in the Czech Republic, Italy, and Belgium are ”round-trip” funds. This observation helps to qualify the data presented in the previous chart. More detailed data on the assets of domestic funds, cross-border funds promoted by national providers and cross-border funds promoted by foreign providers can be found in the data annex (table 8).

4.4: **Investment Fund Ownership in Selected Countries at end 2017**
(share in percent)



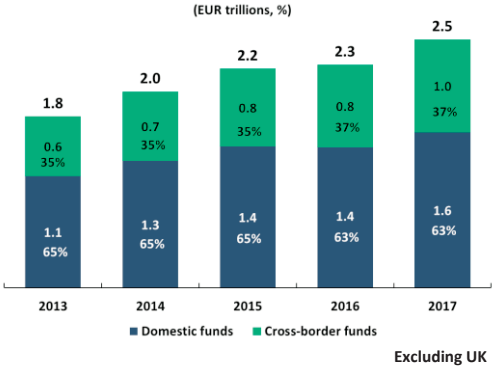
Source: EFAMA and ECB

4.3 Ownership of investment funds by households

At end 2017, European households held 37% of cross-border investment funds. This percentage was slightly higher than in 2013 (35%). Households represent the group of investors with the highest percentage of cross-border funds in their financial wealth (37% compared to 32% on average).

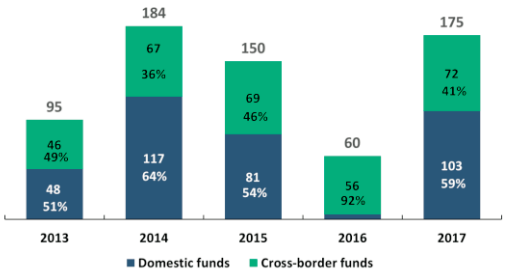
Households also made sustained acquisitions of cross-border funds over the last 5 years. In 2017, they acquired EUR 72 billion of cross-border funds, compared to EUR 103 billion of home-domiciled funds.

4.5: **Investment Fund Ownership by Households**
(EUR trillions, %)



Excluding UK

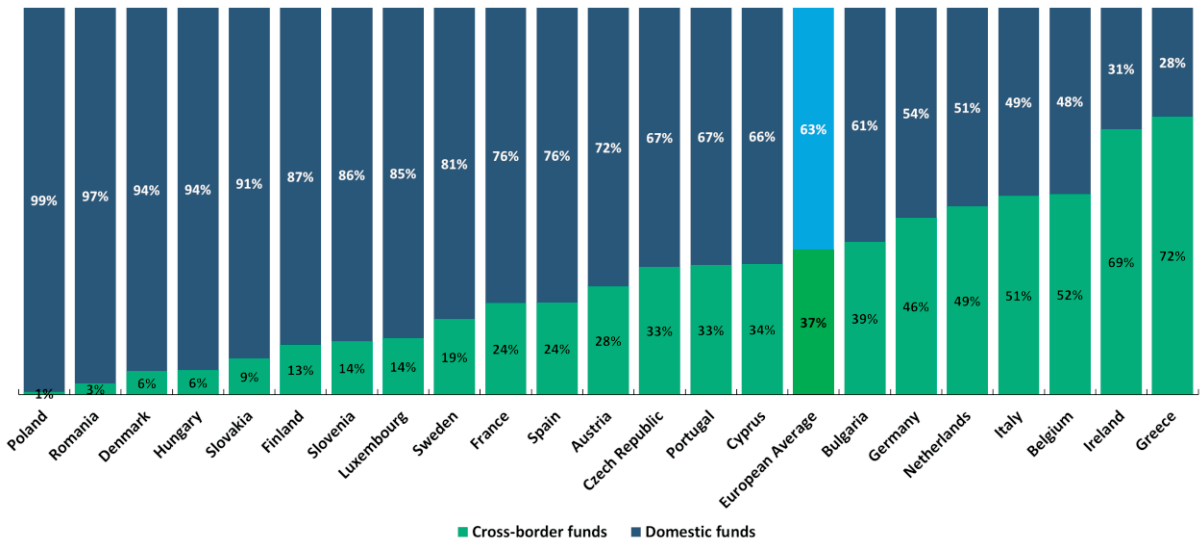
4.6: **Net Acquisition of Investment Funds by Households**
(EUR billions, %)



Excluding UK

Ownership of cross-border funds at the country level varies between 72% for Greek households versus only 1% for Polish households. Different factors can explain these differences, such as the structure of the distribution channels at national level, the local presence of fund managers and the cross-border activities of national fund managers.

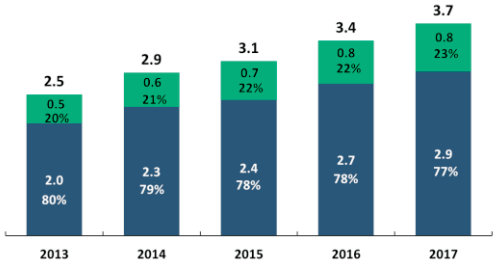
4.7: **Investment Fund Ownership by Households at end 2017**
(share in percent)



4.4 Ownership of investment funds by insurers and pension funds

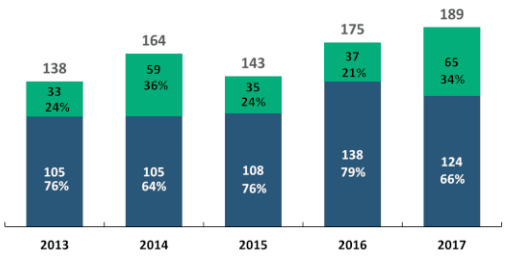
Of all types of investors, insurance companies and pension funds (ICPFs) invest the least in cross-border funds (only 23% of their investment fund holdings at end 2017). Still, this percentage is higher than in 2013 (20%). European ICPFs have also made sustained acquisitions of cross-border funds over the last 5 years.

4.8: **Investment Fund Ownership by Insurers and Pension Funds**
(EUR trillions, %)



Excluding UK

4.9: **Net Acquisition of Investment Funds by Insurers and Pension Funds**
(EUR billions, %)

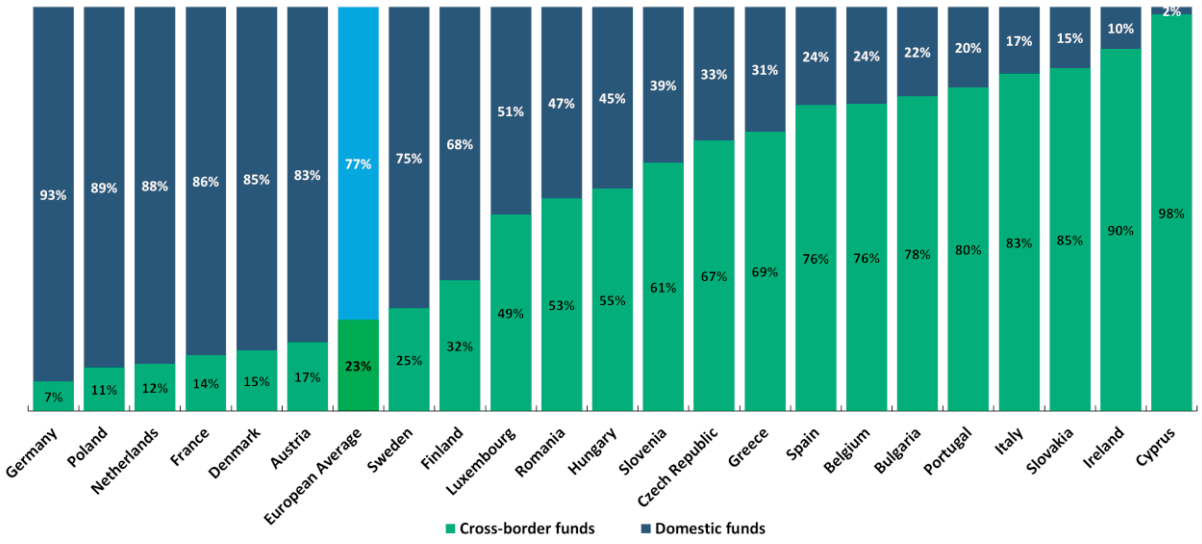


Excluding UK

An explanation for this relatively high share of domestic funds held by ICPFs can be found in the asset allocation targeted by insurance companies and pension funds, which is dominated by fixed-income assets which are used to avoid mismatches between assets and liabilities. In managing their bond portfolio, ICPFs tend to privilege holdings of domestic sovereign debt.

This being said, the chart below shows that in many European countries, the share of cross-border funds is higher than 50%. It can therefore be noted that the relatively low penetration of cross-border funds held by insurance companies and pension funds on average in Europe reflects the particular structure of the market in the two largest countries in Continental Europe, i.e. Germany and France. In Germany, insurers and pension funds tend to invest in the so-called "Spezialfonds", which are domestic investment funds specifically managed for one or a small group of institutional investors, whereas in France, insurance companies play an important role as providers of workplace pension schemes, which also tend to invest mainly in domestic investment funds.

4.10: **Investment Fund Ownership by Insurers and Pension Funds at end 2017**
(share in percent)

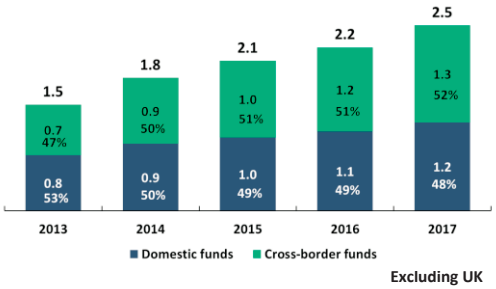


4.5 Ownership of investment funds by other financial intermediaries

Other financial intermediaries are holding the largest amount of cross-border funds, with the majority of funds owned by OFIs being cross-border since 2014. Large holdings of cross-border funds by other funds explain the predominance of cross-border funds in this sector.

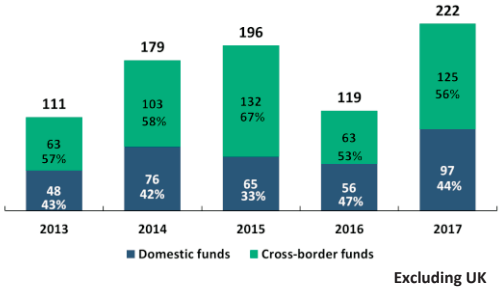
Since 2013, net acquisitions of cross-border funds by OFIs has been higher than domestic funds in every year. In 2017, acquisitions of cross-border funds by OFIs amounted to 56% of total inflows.

4.11: **Investment Fund Ownership by Other Financial Intermediaries**
(EUR trillions, %)



Excluding UK

4.12: **Net Acquisition of Investment Funds by Other Financial Intermediaries**
(EUR billions, %)



Excluding UK

At the national level, the predominance of cross-border fund ownership by OFIs also becomes evident, with cross-border fund ownership by Italian OFIs rising up to 96%, followed by Spanish OFIs (89%) and the Slovak OFI sector (81%).

4.13: **Investment Fund Ownership by Other Financial Intermediaries at end 2017**
(share in percent)

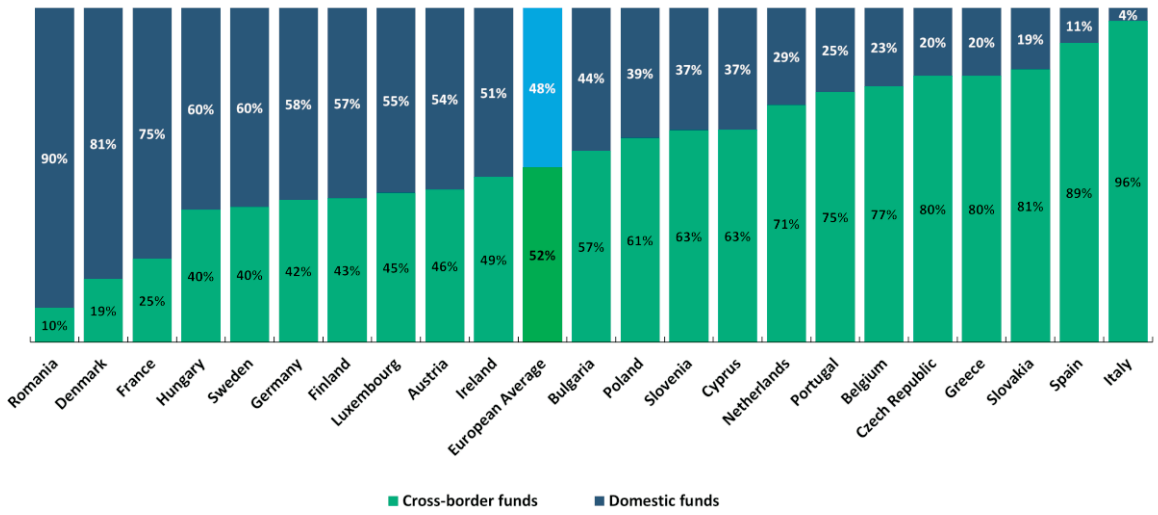


Table 1: **Financial Asset Ownership at end 2017**
(EUR billions, %)

Country	Households		Non financial corporations		Monetary financial institutions		Insurers & pension funds		General government		Other financial intermediaries		Total
United Kingdom	6,777	33%	946	5%	5,759	28%	4,018	20%	247	1%	2,851	14%	**20,598**
Germany	5,698	34%	1,202	7%	5,345	31%	2,012	12%	569	3%	2,159	13%	**16,984**
France	4,181	27%	1,477	10%	5,209	34%	2,500	16%	462	3%	1,523	10%	**15,352**
Italy	3,282	40%	594	7%	2,402	29%	847	10%	158	2%	982	12%	**8,264**
Netherlands	2,152	34%	394	6%	1,075	17%	1,608	25%	57	1%	1,091	17%	**6,376**
Luxembourg	75	1%	29	0%	1,001	17%	177	3%	27	0%	4,669	78%	**5,977**
Spain	1,677	33%	603	12%	1,704	33%	420	8%	124	2%	585	11%	**5,113**
Ireland	335	9%	124	3%	832	21%	377	10%	37	1%	2,203	56%	**3,908**
Sweden	969	32%	244	8%	588	19%	556	18%	182	6%	480	16%	**3,018**
Belgium	1,034	41%	199	8%	632	25%	294	12%	63	3%	301	12%	**2,524**
Denmark	736	34%	98	5%	358	17%	427	20%	55	3%	463	22%	**2,138**
Austria	532	35%	121	8%	440	29%	121	8%	89	6%	236	15%	**1,539**
Finland	246	23%	77	7%	310	29%	71	7%	221	21%	147	14%	**1,072**
Poland	354	39%	109	12%	220	24%	85	9%	68	8%	65	7%	**900**
Portugal	285	35%	55	7%	306	38%	73	9%	59	7%	37	5%	**814**
Czech Republic	172	30%	54	9%	263	46%	35	6%	30	5%	17	3%	**571**
Greece	193	43%	38	8%	148	33%	16	3%	53	12%	5	1%	**453**
Hungary	91	35%	43	17%	77	30%	14	6%	13	5%	20	8%	**258**
Romania	70	32%	30	14%	74	33%	13	6%	24	11%	11	5%	**222**
Slovakia	66	38%	18	10%	53	31%	16	9%	14	8%	6	4%	**174**
Cyprus	35	26%	12	9%	34	25%	5	3%	10	7%	40	30%	**136**
Croatia	49	40%	13	11%	36	29%	16	13%	8	6%	3	2%	**124**
Bulgaria	35	29%	23	19%	43	35%	9	7%	7	5%	7	5%	**123**
Slovenia	32	36%	8	9%	28	31%	9	10%	10	10%	3	4%	**91**
Malta	21	26%	6	7%	31	39%	7	9%	2	2%	14	17%	**80**
Europe	**29,096**	**30%**	**6,515**	**7%**	**26,966**	**28%**	**13,727**	**14%**	**2,587**	**3%**	**17,918**	**19%**	**96,808**

Table 2: **Net Acquisition of Financial Assets in 2017**
(EUR millions)

Country	Households	Non financial corporations	Monetary financial institutions	Insurers & pension funds	General government	Other financial intermediaries	Total
Germany	230,133	60,240	429,663	66,617	8,687	97,246	**892,586**
France	100,477	85,042	517,843	41,221	13,994	58,787	**817,364**
United Kingdom	98,148	58,162	377,213	79,633	15,371	121,404	**749,931**
Luxembourg	3,655	1,856	32,912	-1,257	2,727	390,683	**430,577**
Ireland	8,947	11,188	15,423	21,407	-534	285,576	**342,007**
Italy	72,157	23,485	206,764	37,078	-9,442	4,007	**334,049**
Spain	14,406	33,383	189,017	8,910	6,344	-15,200	**236,860**
Netherlands	31,939	13,932	37,047	43,069	2,571	20,350	**148,908**
Sweden	36,451	6,196	8,422	14,283	14,143	29,873	**109,367**
Czech Republic	9,120	5,695	79,636	2,331	5,660	3,064	**105,507**
Finland	5,335	523	64,972	2,082	7,255	6,817	**86,984**
Denmark	17,082	3,480	19,306	4,670	2,395	16,973	**63,907**
Belgium	7,299	-843	48,459	-1,028	-1,692	1,602	**53,796**
Austria	9,354	7,984	20,301	431	412	7,452	**45,934**
Portugal	6,263	5,768	15,985	705	547	3,211	**32,479**
Poland	17,960	4,638	2,469	-170	303	6,198	**31,398**
Slovakia	3,567	1,047	12,733	307	1,278	265	**19,198**
Romania	6,694	2,565	5,420	1,971	-408	-335	**15,906**
Hungary	6,268	4,485	882	421	371	1,663	**14,090**
Cyprus	369	1,313	5,389	161	50	3,237	**10,519**
Croatia	1,492	471	5,084	1,433	27	373	**8,881**
Bulgaria	2,739	2,603	1,588	912	-447	81	**7,475**
Malta	176	283	5,525	16	175	804	**6,979**
Slovenia	1,247	769	1,562	76	-308	-4	**3,342**
Greece	-4,334	2,415	-31,416	1,627	-1,127	-308	**-33,143**
Europe	**686,944**	**336,680**	**2,072,199**	**326,906**	**68,351**	**1,043,818**	**4,534,899**

Table 3: **Direct Financial Holdings of Households - Asset Allocation at end 2017**
(EUR billions, %)

Country	Currency & deposits		Debt securities		Quoted shares		Investment funds		Insurance & pension fund reserves		Total
United Kingdom	1,816	27%	30	0.4%	305	4%	365	5%	4,262	63%	**6,777**
Germany	2,373	42%	155	3%	341	6%	651	11%	2,177	38%	**5,698**
France	1,499	36%	58	1%	279	7%	323	8%	2,022	48%	**4,181**
Italy	1,361	41%	304	9%	83	3%	538	16%	996	30%	**3,282**
Netherlands	412	19%	8	0%	39	2%	97	5%	1,597	74%	**2,152**
Spain	857	51%	31	2%	125	7%	313	19%	352	21%	**1,677**
Belgium	399	39%	47	5%	66	6%	210	20%	312	30%	**1,034**
Sweden	193	20%	18	2%	100	10%	129	13%	528	55%	**969**
Denmark	138	19%	10	1%	54	7%	73	10%	461	63%	**736**
Austria	272	51%	33	6%	26	5%	62	12%	139	26%	**532**
Poland	230	65%	2	1%	13	4%	32	9%	76	22%	**354**
Ireland	139	41%	1	0%	12	4%	2	1%	181	54%	**335**
Portugal	176	62%	14	5%	6	2%	18	6%	72	25%	**285**
Finland	99	40%	4	2%	48	19%	33	14%	62	25%	**246**
Greece	163	85%	3	2%	7	4%	8	4%	11	6%	**193**
Czech Republic	117	68%	6	4%	2.8	2%	17	10%	29	17%	**172**
Hungary	43	48%	18	20%	2.5	3%	14	15%	13	14%	**91**
Luxembourg	43	57%	4	5%	4.3	6%	11	14%	13	18%	**75**
Romania	49	70%	1	2%	3	4%	5	8%	11	16%	**70**
Slovakia	43	65%	3	4%	0.5	1%	6	9%	15	22%	**66**
Croatia	31	63%	0	0%	2	3%	2	3%	15	31%	**49**
Bulgaria	26	73%	0.2	1%	1.2	3%	1	1%	8	22%	**35**
Cyprus	29	82%	1	3%	1	2%	0.2	1%	5	13%	**35**
Slovenia	22	67%	0.2	1%	1	5%	1.8	6%	7	23%	**32**
Malta	12	60%	3	15%	1.6	8%	1	5%	3	12%	**21**
Europe	**10,539**	**36%**	**756**	**3%**	**1,523**	**5%**	**2,912**	**10%**	**13,366**	**46%**	**29,096**

Table 4: **Insurers and Pension Funds - Asset Allocation at end 2017**
(EUR billions, %)

Country	Currency & deposits		Debt securities		Quoted shares		Investment funds		Other		Total
United Kingdom	172	4%	1,397	35%	161	4%	1,134	28%	1,154	29%	**4,018**
France	38	2%	1,529	61%	102	4%	710	28%	120	5%	**2,500**
Germany	423	21%	451	22%	17	1%	1,049	52%	72	4%	**2,012**
Netherlands	22	1%	562	35%	181	11%	831	52%	12	1%	**1,608**
Italy	27	3%	584	69%	31	4%	202	24%	3	0%	**847**
Sweden	17	3%	153	28%	108	19%	275	50%	3	0%	**556**
Denmark	17	4%	211	49%	33	8%	165	39%	1	0%	**427**
Spain	41	10%	282	67%	24	6%	53	12%	21	5%	**420**
Ireland	31	8%	92	24%	79	21%	142	38%	34	9%	**377**
Belgium	10	3%	205	70%	12	4%	62	21%	5	2%	**294**
Luxembourg	16	9%	42	24%	13	7%	85	48%	21	12%	**177**
Austria	4	3%	56	46%	1	1%	57	47%	3	3%	**121**
Poland	6	7%	24	28%	39	46%	13	16%	3	3%	**85**
Portugal	6	8%	51	70%	3	5%	12	17%	1	1%	**73**
Finland	4	6%	18	25%	4	5%	46	64%	0	0%	**71**
Czech Republic	4	13%	25	71%	0.3	1%	4	11%	2	4%	**35**
Slovakia	2	9%	10	63%	0.2	1%	4	24%	0.4	3%	**16**
Greece	1	8%	11	69%	0.2	1%	3	19%	0.4	3%	**16**
Croatia	1	5%	11	72%	2	15%	1	8%	0.2	1%	**16**
Hungary	1	5%	8	58%	1	4%	5	31%	0.3	2%	**14**
Romania	1	8%	8	64%	1	11%	1	11%	1	5%	**13**
Slovenia	1	7%	6	65%	0.3	3%	2	23%	0.2	2%	**9**
Bulgaria	1	7%	6	67%	1	14%	1	12%	0	0%	**9**
Malta	1	20%	4	55%	2	23%	0.1	1%	0.001	0%	**7**
Cyprus	2	43%	0	0%	0.4	9%	2	42%	0.3	6%	**5**
Europe	**846**	**6%**	**5,748**	**42%**	**817**	**6%**	**4,860**	**35%**	**1,456**	**11%**	**13,727**

Table 5: **Other Financial Intermediaries - Asset Allocation at end 2017**
(EUR billions, %)

Country	Currency & deposits		Debt securities		Quoted shares		Investment funds		Other		Total
Luxembourg	394	8%	2,056	44%	1,636	35%	583	12%	0.03	0%	**4,669**
United Kingdom	1,335	47%	916	32%	392	14%	208	7%	0.1	0%	**2,851**
Ireland	164	7%	1,050	48%	725	33%	264	12%	0	0%	**2,203**
Germany	256	12%	948	44%	503	23%	452	21%	0	0%	**2,159**
France	202	13%	469	31%	523	34%	329	22%	0	0%	**1,523**
Netherlands	198	18%	312	29%	415	38%	166	15%	0.2	0.01%	**1,091**
Italy	332	34%	275	28%	65	7%	310	32%	0	0%	**982**
Spain	279	48%	121	21%	96	16%	89	15%	0	0%	**585**
Sweden	34	7%	83	17%	298	62%	65	13%	0	0%	**480**
Denmark	24	5%	169	36%	209	45%	61	13%	0	0%	**463**
Belgium	54	18%	54	18%	112	37%	81	27%	0	0%	**301**
Austria	21	9%	85	36%	50	21%	79	33%	0	0%	**236**
Finland	10	7%	39	27%	61	42%	36	25%	0	0%	**147**
Poland	10	16%	36	55%	13	21%	6	9%	0.04	0.1%	**65**
Cyprus	13	33%	7	18%	19	46%	1	2%	0.1	0.2%	**40**
Portugal	15	40%	8	23%	9	24%	5	13%	0.2	1%	**37**
Hungary	6	32%	8	37%	2	9%	5	22%	0	0%	**20**
Czech Republic	6	33%	5	28%	2	12%	4	25%	0.2	1%	**17**
Malta	10	71%	2	11%	2	17%	0.2	1%	0	0%	**14**
Romania	4	32%	4	39%	2	19%	1	8%	0.2	2%	**11**
Bulgaria	2	26%	0.5	7%	4	65%	0.1	1%	0.02	0.4%	**7**
Slovakia	2	38%	1	16%	0.3	5%	3	41%	0	0%	**6**
Greece	2	36%	2	30%	1	22%	1	12%	0.01	0.2%	**5**
Slovenia	1	16%	0.4	13%	2	62%	0.3	8%	0.01	0.2%	**3**
Croatia	1	34%	1	38%	1	20%	0.2	6%	0.05	2%	**3**
Europe	**3,376**	**19%**	**6,651**	**37%**	**5,143**	**29%**	**2,747**	**15%**	**1**	**0%**	**17,918**

Table 6: **Investment Fund Ownership at end 2017**
(EUR billions, %)

Country	Households		Non-financial corporations		Monetary financial institutions		Insurers & pension funds		General government		Other financial intermediaries		Total
Germany	651	26%	170	7%	177	7%	1,049	42%	28	1%	452	18%	**2,527**
France	323	19%	139	8%	108	6%	710	41%	115	7%	329	19%	**1,725**
United Kingdom	365	21%	1	0%	3	0%	1,134	66%	0	0%	208	12%	**1,712**
Netherlands	97	9%	3	0%	6	1%	831	75%	0.4	0%	166	15%	**1,104**
Italy	538	50%	17	2%	14	1%	202	19%	4	0%	310	29%	**1,084**
Luxembourg	11	2%	0	0%	8	1%	85	12%	1	0%	583	85%	**687**
Spain	313	62%	52	10%	1	0%	53	10%	0.2	0%	89	17%	**507**
Sweden	129	26%	12	2%	1	0%	275	55%	20	4%	65	13%	**502**
Ireland	2	0%	15	3%	2	0%	142	33%	5	1%	264	61%	**430**
Belgium	210	57%	15	4%	1	0%	62	17%	2	1%	81	22%	**371**
Denmark	73	22%	23	7%	8	2%	165	49%	4	1%	61	18%	**334**
Austria	62	26%	12	5%	16	7%	57	24%	10	4%	79	33%	**237**
Finland	33	14%	10	4%	2	1%	46	20%	107	46%	36	16%	**234**
Poland	32	51%	11	17%	1	2%	13	21%	0	0%	6	9%	**63**
Portugal	18	36%	2	5%	8	17%	12	25%	3	6%	5	10%	**48**
Czech Republic	17	61%	2	7%	1	2%	4	14%	0.1	0%	4	16%	**28**
Hungary	14	55%	2	7%	0.3	1%	5	18%	0.1	0%	5	18%	**25**
Greece	8	60%	0.4	3%	1	4%	3	23%	1	4%	1	5%	**13**
Slovakia	6	45%	0.1	1%	0.2	2%	4	31%	0	0%	3	21%	**13**
Romania	5	62%	1	8%	0.2	2%	1	17%	0	0%	1	10%	**8**
Slovenia	2	40%	0.1	1%	0.005	0%	2	46%	0.3	7%	0.3	6%	**5**
Cyprus	0.2	5%	1	28%	0	0%	2	46%	0	0%	1	21%	**4**
Croatia	2	41%	0.3	8%	0.2	4%	1	34%	0.3	8%	0.2	4%	**4**
Bulgaria	1	28%	0.1	5%	0.1	3%	1	59%	0	0%	0.1	5%	**2**
Malta	1	61%	0.1	6%	0.3	19%	0.1	4%	0	0%	0.2	9%	**2**
Europe	**2,912**	**25%**	**489**	**4%**	**357**	**3%**	**4,860**	**42%**	**301**	**3%**	**2,747**	**24%**	**11,666**

DATA ANNEX

Table 7: **Net Acquisition of Investment Funds in 2017**
(EUR millions)

Country	Households	Non financial corporations	Monetary financial institutions	Insurers & pension funds	General government	Other financial intermediaries	Total
Germany	49,195	8,552	6,899	61,067	1,941	35,356	**163,010**
Italy	57,629	3,548	702	20,477	0	30,207	**112,563**
France	2,569	-824	-464	53,625	3,089	11,963	**69,958**
Spain	28,981	7,040	-2	7,072	-3	19,516	**62,604**
Ireland	272	1,651	422	14,569	-131	27,589	**44,372**
Luxembourg	676	10	-1,022	-296	219	43,104	**42,691**
Netherlands	6,147	-1,789	-252	10,879	-213	15,639	**30,411**
Belgium	6,635	2,649	-238	2,047	91	13,795	**24,978**
Sweden	5,308	698	-188	13,389	38	4,736	**23,981**
United Kingdom	-43,822	33	100	54,622	0	8,465	**19,397**
Finland	2,222	672	-205	6,231	6,155	3,174	**18,249**
Denmark	4,043	5,051	-840	-3,063	480	7,076	**12,746**
Austria	3,792	1,858	7	586	335	5,950	**12,528**
Portugal	2,157	206	-141	1,455	273	795	**4,746**
Poland	3,824	23	111	-481	0	676	**4,154**
Czech Republic	2,089	470	-105	-63	13	359	**2,762**
Slovakia	450	9	-9	852	0	477	**1,780**
Hungary	279	131	42	121	-12	1,066	**1,628**
Cyprus	38	442	0	188	0	478	**1,146**
Croatia	238	4	-28	261	-26	13	**462**
Romania	176	-34	36	95	0	153	**427**
Bulgaria	89	32	7	137	0	20	**285**
Slovenia	111	3	-1	108	23	-2	**241**
Malta	-61	1	13	-0.02	0.01	8	**-39**
Greece	-1,400	-111	-241	399	20	20	**-1,313**
Europe	**131,638**	**30,326**	**4,604**	**244,277**	**12,293**	**230,631**	**653,770**

Table 8: **Ownership of Domestic and Cross-border Funds at end 2017**
(EUR billions)

Country	Domestic Funds	Cross-border Funds		Total
		Promoted by National Providers	Promoted by Foreign Providers	
Germany	1,912	451	164	2,527
United Kingdom	1,329	147	236	1,712
Italy	326	306	452	1,084
Spain	296	6	205	507
Sweden	366	66	70	502
Belgium	142	98	130	371
Czech Republic	16	8	4	28
Greece	4	2	7	13
Slovakia	6	2	5	13

Country	Domestic Funds	Cross-border Funds	Total
France	1,427	298	1,725
Netherlands	835	269	1,104
Luxembourg	381	306	687
Ireland	166	264	430
Denmark	287	47	334
Austria	162	75	237
Finland	103	131	234
Poland	57	5	63
Portugal	25	23	48
Hungary	19	5	25
Romania	7	1	8
Slovenia	3	2	5
Cyprus	2	3	4
Croatia	3	1	4
Bulgaria	1	1	2
Malta	2	n.a.	2
Europe	**7,878**	**3,788**	**11,666**

END NOTES

[i] Europe is defined as all countries that are part of the European Union, with the exception of the 3 Baltic countries: Estonia, Latvia and Lithuania, which are not EFAMA members. Four EFAMA member countries that are not part of the EU (Liechtenstein, Norway, Switzerland and Turkey) are not included in the analysis.

[ii] Households' data includes data for non-profit institutions serving households (NPISHs) such as charities, trade unions, political parties, etc. The economic weight of NPISHs is limited. Other Financial Intermediaries (OFIs) consist of all financial corporations or quasi-corporations – other than insurance companies and pension funds – which are principally engaged in financial intermediation by incurring liabilities in forms other than deposits; as well as those entities engaged primarily in long-term financing.

[iii] ECB data was taken from the ECB statistical data warehouse (http://sdw.ecb.europa.eu/).

[iv] The analysis focuses on financial assets that are freely transferrable on the financial markets and available to households, i.e. currency and deposits, debt securities, quoted shares, investment funds and insurance and pension reserves. The remaining categories of financial assets (monetary gold and SDRs, unlisted shares, loans, financial derivatives and other accounts receivable) are excluded from the analysis.

[v] Monetary financial institutions are mainly deposit-taking corporations such as commercial banks, but also include central banks, other deposit-taking corporations and money market funds.

[vi] Based on the ECB's statistical paper No18: Household Finance and Consumption Survey: results of the second wave.

[vii] We consider the financial assets of the life insurance sector as the sum of financial assets of pure life insurers and 76% of financial assets of composite insurance companies. We estimate on the basis of the liability side of the aggregated balance sheet of the composite insurers sector that 76% of their assets should be allocated to life insurance products.

[viii] OFIs are composed of long-term investment funds (non-money market investment funds), financial vehicle corporations, security and derivative dealers, financial auxiliaries such as central counterparties and stock exchanges, and captive financial institutions, such as holding companies and money lenders.

[ix] A significant portion of funds domiciled in Europe are also sold outside of Europe, reflecting the global success of the UCITS brand. Investment funds sold outside of Europe are not considered under the remit of this report, nevertheless these fund amounted to 19% of total European domiciled funds at end 2017 (EUR 2.7 trillion).

[x] If we consider the euro area as a whole, only 6% of funds held by Euro-area investors are domiciled outside of the euro area.

[xi] We subtract the data on funds domiciled abroad and promoted by national providers from the ECB data on cross-border funds to estimate the cross-border funds promoted by foreign providers.

ABBREVIATIONS AND CONTACTS

Abbreviations

AIF	Alternative Investment Fund
AIFM	Alternative Investment Fund Managers
CMU	Capital Markets Union
ECB	European Central Bank
ESA	European System of Accounts
EU	European Union
ICPF	Insurance Companies and Pension Funds
MMF	Money Market Fund
MFI	Monetary Financial Institution
MiFID	Markets in Financial Instruments Directive
NPISH	Non-profit Institutions Serving Households
OFI	Other Financial Intermediaries
PEPP	Pan-European Personal Pension Product
UCITS	Undertakings for Collective Investment in Transferable Securities

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