

## **Gabriel Makhlouf: Opening remarks - Savings and Investment Forum**

Opening remarks by Mr Gabriel Makhlouf, Governor of the Central Bank of Ireland, for the Savings and Investment Forum, 31 March 2026.

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Good morning and welcome to Central Bank of Ireland. Thank you for joining us for this inaugural gathering of the Savings and Investment Forum.

I want to extend a particular welcome to the Tánaiste.

Today marks an important milestone. The Department of Finance's 2024 Funds Review recognised the importance of enabling more retail investment in Ireland. It recommended establishing this Forum to address that challenge and today provides a timely opportunity to do so.

Let me place this initiative within a broader European context.

Last week I spoke about the fact that European households and institutions collectively held substantial savings. In the euro area alone, the stock of deposits is nearing €10 trillion. Yet investment has not kept pace with the growth in savings. European Central Bank survey data shows that only a fraction of EU household wealth is held directly in capital markets instruments. This matters because in order to fund the investments our European economies need – be that for innovation, infrastructure, or the digital and green transitions – we need strong capital markets to complement a strong banking sector in financing a more productive and competitive Europe.

The Savings and Investments Union agenda speaks directly to this challenge. It recognises that unlocking retail participation in capital markets is not merely a financial services matter. It is central to Europe's economic and financial resilience and the welfare of our people.

Ireland's position within this narrative is distinctive. Irish household wealth is heavily concentrated in housing, accounting for roughly two-thirds of total net wealth. Where households do hold financial assets, these are indirectly in occupational pensions and life insurance and, most importantly, approximately €170 billion sit idle in deposits in Irish banks.

The result is that Irish retail participation in financial markets is very limited, even compared to our European peers. As outlined in our research on retail investor participation, published at the end of last year, Irish households hold just 2.3% of their financial assets in direct investments such as listed equity and debt securities, compared to the EU average of 7.5%. And Ireland has one of the lowest levels of direct holdings in investment funds in the EU at just above 2.2%, despite being an international financial hub and one of the largest global centres for investment funds, with over €5 trillion in assets under management domiciled here.

This low level of direct retail participation reflects a complex interplay of historical, cultural, and structural factors that have shaped how we think about savings and

investment. Yet our research shows that Irish consumers are motivated to invest. They recognise the importance of securing retirement income, providing for their children's futures, and building long-term financial security.

However, significant barriers persist. Psychological and emotional barriers are deeply rooted, perhaps in Ireland's economic history and the financial crises we have experienced. There are knowledge and understanding gaps, including a perception that investment is complex, the preserve of the wealthy and a sense that the investment ecosystem does not serve the full spectrum of potential retail investors.

Given the complexity of the issue, no one intervention is enough and it probably requires multiple and sustained efforts from many stakeholders.

From my point of view there are three important ingredients to enhancing retail investor participation in Ireland: first, the availability of suitable products; second, that retail investors have the financial education, autonomy and advice to invest; and, third, that retail investors are protected when they do invest, with strong consumer protection frameworks and firms securing their interests.

I am heartened by the efforts of policymakers and regulators – domestically and in the rest of Europe – to progress and reinforce these ingredients. The Central Bank supports efforts to reduce barriers to retail investment. Products to encourage investment need to be flexible enough to allow product producers to design bespoke offerings that meet genuine consumer needs whilst maintaining sufficient standardisation to ensure comparability and reduce administrative burdens.

In my view such endeavours should be accompanied by sustained efforts to improve financial literacy and investment knowledge. Consumers need to understand not only what they are investing in, but how any investment aligns with their financial goals, and what risks they are taking. In short, I suggest it must be part of a broader effort to build financial literacy, foster a positive investment culture, and restore public trust and confidence in capital markets.

The Government's National Financial Literacy Strategy, launched just over a year ago, recognises this challenge and commits to building the financial capability of Irish citizens. That strategy will be essential to the success of any initiative aimed at broadening retail participation. Research has shown that financial literacy levels can play an important role in shaping household financial behaviour. The Central Bank is committed to playing its part, including through our consumer protection framework and supervisory engagements.

This Forum is the right place to work through these considerations, bringing together policymakers, regulators, consumer advocates, and industry participants, all of whom have a role to play in contributing to this initiative.

We will play our role in supporting the Savings and Investments Union agenda, in line with our mission to ensure the financial system is operating in the best interests of consumers and the wider economy. For me this means that the regulatory framework

supports retail investment, that consumer protections are robust and that trust and confidence in capital markets are restored and sustained. And, to that end, we are committed to working collaboratively with our colleagues at home and abroad.

I am sure today's discussions will make a valuable contribution to the delivery of better outcomes for our citizens and our economy.

Thank you.