



CEE MARKET SIGNAL

Issue 2

30 September 2026

CEE'S SAVINGS POOL: IS IT REACHING PRODUCTIVE INVESTMENT?

Household and pension savings are growing across Central and Eastern Europe, but this growth does not necessarily translate into more long-term investment. Much of households' savings remains in bank deposits, while pension funds invest both domestically and internationally. Broadening households' access to long-term investment products and developing deeper capital markets with more opportunities for institutional investors could help turn these growing savings into productive investment.

At European level, nearly €10 trillion- around one-third of euro-area household financial assets -remains in cash and bank deposits, while around 80% of households do not own stocks or other market-based financial instruments, according to the European Central Bank.

For CEE, however, the objective is not simply to move savings out of banks or redirect pension assets towards domestic markets, but to expand the range of suitable long-term investment opportunities.

Figure 1.

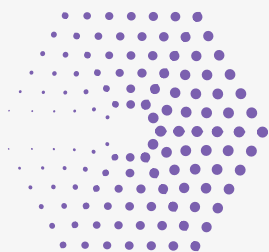
SELECTED SIGNALS FROM CEE'S GROWING SAVINGS POOL



Figure 1. Selected indicators illustrating the scale and allocation of household and pension savings across CEE.

Note: Indicators refer to different types of household and institutional savings and are not directly comparable.

Sources: Bank of Lithuania; Eesti Pank; Croatian Ministry of Finance; Association of Pension Companies of the Czech Republic.



FOUR SIGNALS TO WATCH

LITHUANIA

Household savings are growing, but remain concentrated in deposits

Lithuanian household deposits reached €30.8 billion in July 2026, increasing by 16.3% year-on-year, according to the [Bank of Lithuania](#). Yet the composition of those savings remains heavily tilted towards liquidity: households held €22.5 billion in overnight deposits, compared with €8 billion in deposits with agreed maturity.

The figures point to a rapidly growing household savings pool, but one that remains concentrated in bank deposits rather than longer-term investment products. Deposits remain an important source of funding for bank lending, particularly in bank-based CEE economies, but mobilising a greater share of willing households towards longer-term investment requires a separate set of products, incentives and distribution channels.



ESTONIA

Pension assets are growing, but domestic investment remains limited

Estonian investment and pension fund assets reached €11.8 billion at the end of Q2 2026, up 24% year-on-year, according to [Eesti Pank](#).

Second- and third-pillar pension assets stood at €9.08 billion, increasing by 28% and 45% respectively. Index funds accounted for 35% of second-pillar and 62% of third-pillar assets, illustrating the significant role of passive investment strategies.

However, only 9% of second-pillar and 3% of third-pillar investments were placed in Estonia, with both shares declining over the year. This suggests that while Estonia is successfully accumulating long-term pension savings, only a relatively small share of pension assets is invested domestically.

CROATIA

Retail participation is opening another route beyond deposits

Croatian citizens now hold more than 8.5% of public debt, having submitted over 538,000 offers worth €20.4 billion through retail government-security issues over the past three years, according to the [Croatian Ministry of Finance](#).



While government securities do not directly finance companies, they provide an accessible entry point into market-based investment.

Meanwhile, mandatory second-pillar pension funds held €28.8 billion in assets in July 2026, with 55.18% invested in bonds, 14.7% in domestic equities and 11.5% in foreign equities, according to HANFA. The domestic equity allocation indicates a stronger connection with the local capital market than in Estonia, although the geographical allocation of the bond portfolio remains unclear.

CZECHIA

A growing pension pool raises the question of investable opportunities

Assets held for participants in Czech pension schemes exceeded CZK 700 billion at the end of Q2 2026, increasing by approximately CZK 40 billion during the quarter, according to the Association of Pension Companies of the Czech Republic (APS ČR).

The growing pool of long-term institutional capital could support domestic capital markets, but its impact depends on the availability of suitable investment opportunities. Scale, liquidity, risk and long-term returns will determine how far pension savings can translate into financing for companies and productive assets.



CEE PERSPECTIVE

The four cases highlight two sides of CEE's savings-investment challenge: broadening households' participation in capital markets and expanding the investment opportunities available to growing institutional savings. Pension funds require assets offering sufficient scale, liquidity and appropriate long-term returns, making international diversification important where domestic opportunities are limited.

For smaller CEE markets, deeper regional integration under the Savings and Investments Union could expand the range of investable assets and strengthen the connection between the region's growing savings pools and productive investment.

What to watch next

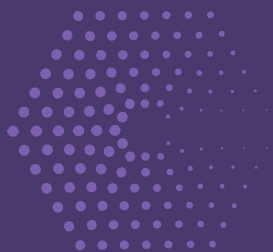
The next signals will come from:

- the development and take-up of **Savings and Investment Accounts** and other retail investment initiatives;
- whether Croatia's growing retail participation in government securities broadens towards other market-based savings and investment products;
- whether initiatives to deepen and integrate EU capital markets expand the range of investable assets available to pension funds and other long-term investors



CEE MARKET SIGNAL

Issue 2



CEE PERSPECTIVE



www.ceeperspective.eu



secretariat@ceeperspective.com