Deutscher Fondsverband

BVI

Research

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NEW DATA ON ETFS HELD IN GERMANY

BVI launches research series on the German ETF market

With this publication, BVI is launching a new series of research papers dedicated to the German market for exchange-traded funds (ETFs). The objective is to present developments in this dynamic segment on a robust data basis and to make them accessible to a wider audience. This initial paper provides an overview of market size, its current development, and Germany's position within the European and global context.

A distinctive feature of this series is its underlying data. In cooperation with Clearstream, BVI began compiling a new ETF statistic in January 2025, offering detailed insights into German investors' holdings and net inflows attributable to the German market. For the first time, this enables an accurate and comprehensive analysis of the German ETF market's structure, with a level of detail previously unavailable. Earlier studies could only approximate the German market using European aggregates or selective samples; now, a consistent data source focused on ETFs distributed in Germany is available. This material is unique in Europe and allows key questions regarding investor behaviour and market trends to be addressed.

To ensure the most complete picture possible, these statistics are supplemented by additional sources where appropriate, such as data from Deutsche Bundesbank, the European Central Bank, or private providers like Morningstar. In the coming months, further papers will be published, examining central aspects of the German ETF market in greater detail. These analyses will be based on data reported to BVI. Topics will include investment behaviour by asset class, region and sector, the indices used, cost structures, and the development of active ETFs. The underlying data sources and methodology will also be explained. In this way, a comprehensive picture of the German ETF market, its structure, and its dynamics will gradually emerge.

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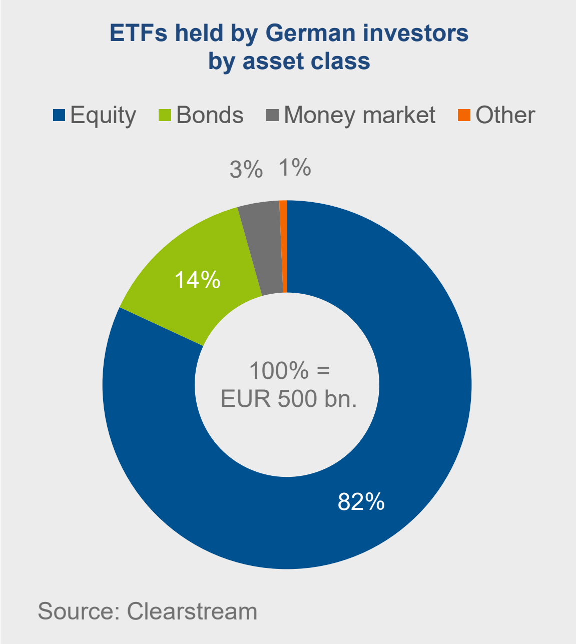
German ETF market grows by around EUR 200 billion in just two years

Over the past two years, the German market for exchange-traded funds (ETFs) has expanded significantly. Between June 2023 and June 2025, assets managed for German investors[1] increased from EUR 309 billion to EUR 500 billion—a rise of 62 per cent. In comparison, other open-ended retail funds grew by just 13 per cent during the same period. This growth was driven by consistently high net inflows and a favourable market environment, particularly for equities. Based on our estimates, the overall increase was almost evenly split between net inflows (approximately EUR 110 billion) and performance gains (around EUR 80 billion).

Just 25 years after the first ETF was launched in Europe, a quarter of all retail fund assets held by German investors are now in ETFs. Initially, institutional investors such as insurers and pension funds were the primary users of index-tracking exchange-traded funds, valuing their efficiency and liquidity for portfolio construction. In recent years, both the investor base and product range have broadened considerably. Retail investors have become increasingly important: by spring 2024, according to a BlackRock analysis[2], 10.5 million people in Germany held ETF shares. Millions of ETF savings plans at banks and savings banks are also ensuring steady inflows, reflecting the long-term approach of many investors. At the same time, the range of available products has grown substantially. While standard products for core portfolio allocation remain popular, there is now a wide variety of strategies. For example, more than 2,500 products from over 40 product families are tradable on Xetra, including over 300 actively managed ETFs[3].

[1] The figures relating to ETF assets mentioned in this section are based on data from Clearstream. These represent the holdings held in custody at Clearstream that are attributed to German clients. As at 30 June 2025, these totalled EUR 500 billion. Since the beginning of 2025, BVI has also been publishing ETF data based on Clearstream's figures; however, not all ETF issuers are currently participating in this additional data collection. For this reason, the BVI statistics show assets of EUR 423 billion for the same reporting date. As ETF units held by German clients may also be held with other central securities depositories, the actual assets of German investors could even exceed the EUR 500 billion stated here.
[2] BlackRock. People & Money The trends shaping investing in Germany. October 2024 (Link)
[3] Xetra. List of tradable ETFs and ETPs. As of September 2025 (Link)

Equity ETFs dominate the market



Equity products have historically dominated the ETF market. In both the United States and Europe, the first exchange-traded funds tracked prominent equity indices such as the S&P 500, the Euro Stoxx 50, or the DAX, enabling investors to participate in overall market performance in a cost-effective and transparent way. As at 30 June 2025, more than four-fifths of the total EUR 500 billion attributable to German investors was invested in equity ETFs. In recent years, these products have benefited not only from substantial net inflows but also from the strong performance of global equity markets.

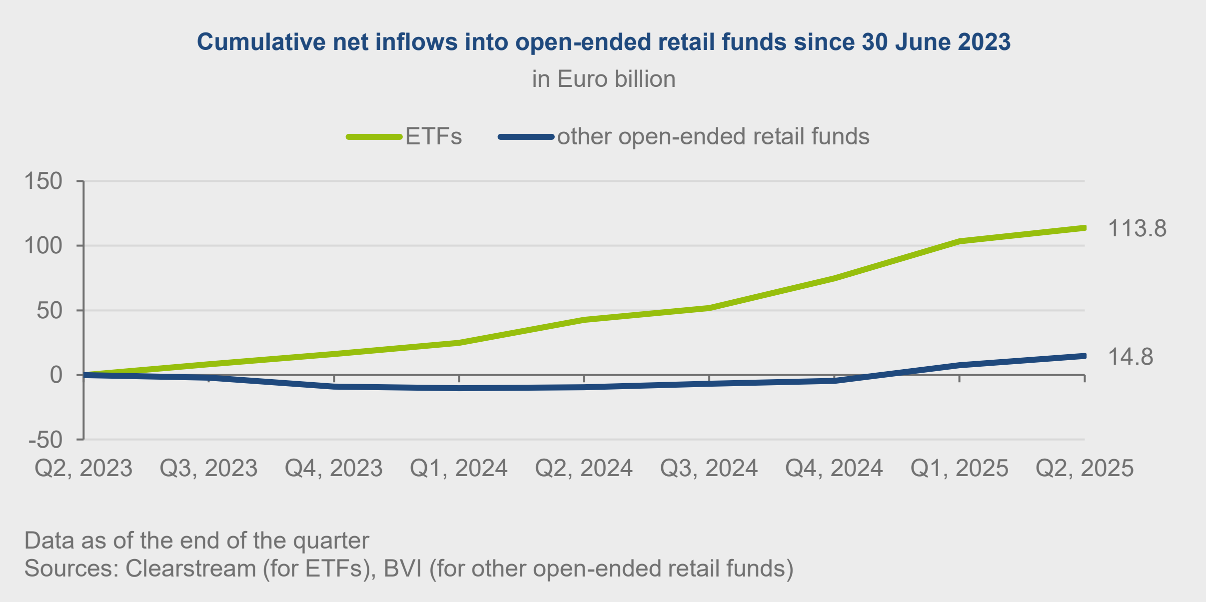
Bond ETFs are more complex in structure, given the broad range of bonds in the market and the limited maturities typical of fixed income securities. Although they gained significance at a later stage, they have now become widespread. Currently, bond ETFs manage EUR 69 billion for investors, representing 14 per cent of the ETF market. Following the sharp rise in interest rates and the associated decline in fixed income security prices, assets under management remained largely unchanged until the end of 2023, as inflows were offset by valuation losses. Since then, however, assets under management have increased substantially.

Money market products represent the third largest asset class. These were long unattractive in the ultra-low-interest rate environment; two years ago, assets managed for German clients amounted to just EUR 3 billion. With the rise in interest rates, however, money market ETFs have experienced a resurgence—higher rates and strong demand for liquid investments have led to persistently high new business. By mid-2025, total volume had reached EUR 18 billion (a market share of 3 per cent). Products in other asset classes, including commodity ETFs, continue to play only a minor role in the German market, together accounting for assets under management of around EUR 3 billion.

ETFs account for almost 90 per cent of net inflows in open-ended retail funds

In terms of net inflows, exchange-traded funds have significantly outperformed traditional retail funds. Between June 2023 and June 2025, nearly 90 per cent of all net new money in retail funds was allocated to ETFs. According to Clearstream data, these products attracted EUR 114 billion on a net basis during this period. Equity ETFs were especially popular, accounting for over 70 per cent of the total, while bond and money market ETFs also recorded net inflows in the double-digit billions. By contrast, other open-ended retail funds recorded only EUR 15 billion in net new money, with positive figures limited to bond and money market funds. Traditional equity, mixed, and property funds experienced net outflows.

More nuanced trends have emerged over time. From mid-2023 to mid-2024, ETFs attracted net inflows of around EUR 40 billion, while investors withdrew a net EUR 9 billion from traditional funds. In the subsequent twelve months, the pace of net inflows to ETFs accelerated further, reaching over EUR 70 billion within a single year. Simultaneously, other retail funds attracted EUR 24 billion in net new money as well. Even active equity funds, previously unpopular among investors, saw modest net inflows in the first half of 2025. These figures indicate that, while investors continue to selectively choose traditional, active products—particularly in the bond segment—ETFs currently dominate fund distribution in the German market.



Germany is the largest ETF market in Europe

According to our analysis, Germany is the leading market for exchange-traded funds in Europe. As of mid-2025, German investors held at least EUR 500 billion in ETFs, out of approximately EUR 2.2 trillion issued in the Euro area, according to the European Central Bank. This represents a market share of 23 per cent. Germany's actual significance may be even greater, as Clearstream captures most, but not all, of German investors' holdings. While comparable figures for other European countries are unavailable, estimates and surveys indicate that ETF ownership is exceptionally high in Germany. Notably, Germany also accounts for at least 23 per cent of cumulative net new money invested in all Euro area-issued products over the past two years.

A look at the US market illustrates what may lie ahead for Germany. According to the Investment Company Institute (ICI), ETF assets in the United States amounted to around USD 11.5 trillion as of mid-2025. Net new business in the first half of 2025 alone exceeded USD 500 billion. The widespread adoption of ETFs in the US is partly due to their tax advantages over mutual funds. In addition, exchange-traded funds in the US have long been used not only as pure index products, but also in active or hybrid strategies.

In Europe, the use of ETFs as vehicles for active strategies (for example, “defined outcome”) is beginning to emerge, although it remains in its early stages. ETFs are also gaining importance for the pension systems of various countries. Against this backdrop, there is significant potential for growth in Germany and Europe, beyond the strong increases seen in recent years.