

# Freshfields Corporate Cash Barometer Europe 2023

Corporate Cash With First Decline in History

November 2023



Freshfields Bruckhaus Deringer

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**Gentlemen, we have run out of  
money; now we have to think.**

Winston S. Churchill,  
Prime Minister of the United Kingdom



Freshfields Bruckhaus Deringer

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# Summary

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# Summary I

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## Interest Rates & Income

- Ø Interest rate for corporate bank deposits in the Eurozone has increased to 1.36% p.a. in September 2023, after a low of minus 0.01% p.a. in May 2022
- This represents a turning point after more than 10 years of falling deposit rates
- The variation between leading Eurozone countries is substantial: France is leading with 1.61% p.a., whereas Belgium is at the bottom with 0.93% p.a.
- Eurozone corporates currently generate €43.1bn of interest income from deposits
- For comparison, at the height of the financial crisis in October 2008, Eurozone corporates generated a record interest income of €43.3bn p.a.

## Real Interest Rates & Income

- Ø Real interest rate of corporate deposits in the Eurozone improved to minus 2.98% p.a. in September 2023, after a record low of minus 10.41% in October 2022
- Negative real interest rates of corporate deposits are rather normal, occurring in 75% of all months since 2003
- Real interest rates peaked at 1.74% p.a. during the financial crisis in November 2008
- Currently real interest rates vary between 1.89% p.a. in the Netherlands and minus 4.52% p.a. in Italy
- The loss of corporate deposits after inflation has decreased to currently around €94bn annually, which is still more than the GDP of Bulgaria (€85bn for 2022)

# Summary II

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## Development of Corporate Deposits & Cash

- Eurozone corporate deposits & cash currently stand at €3.307bn, down from the all-time high of €3.402bn in December 2022
- Growth of corporate cash\* has fallen to minus 1.2% YoY after a peak of 18.9% YoY in October 2020
- This is the first decline in history and substantially below the long-term average of 6.6% YoY
- YTD Eurozone corporates have reduced deposits & cash of a record €95bn
- French corporates with by far highest decline of minus €57bn 2023 YTD, Netherlands at number 2 with minus €15bn
- Meanwhile minimal cash decline in Belgium & Austria

\*) "Corporate cash" also includes deposits throughout this presentation

## Deposits & Corporate Cash in Relation to GDP

- Corporate cash of the Eurozone currently stands at 23.7% of nominal GDP
- Dutch corporates with highest corporate cash in relation to nominal GDP of 32.2%
- France ranks second with 29.8%
- Germany and Austria at the bottom, each with corporate cash at around 19% in relation to nominal GDP
- Corporate cash as a percentage of GDP grows in a fairly linear trend over the long run; After excessive growth during COVID-19 most Eurozone countries now below trend
- French (minus €78bn) and Dutch (minus 58bn) corporates with largest cash shortage vs. trend, Italian corporates still with surplus of €12bn

# Eurozone – Corporate Cash Barometer 2023

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Corporate Cash Development & Country Overview

# Income & Expenses of Corporate Cash I

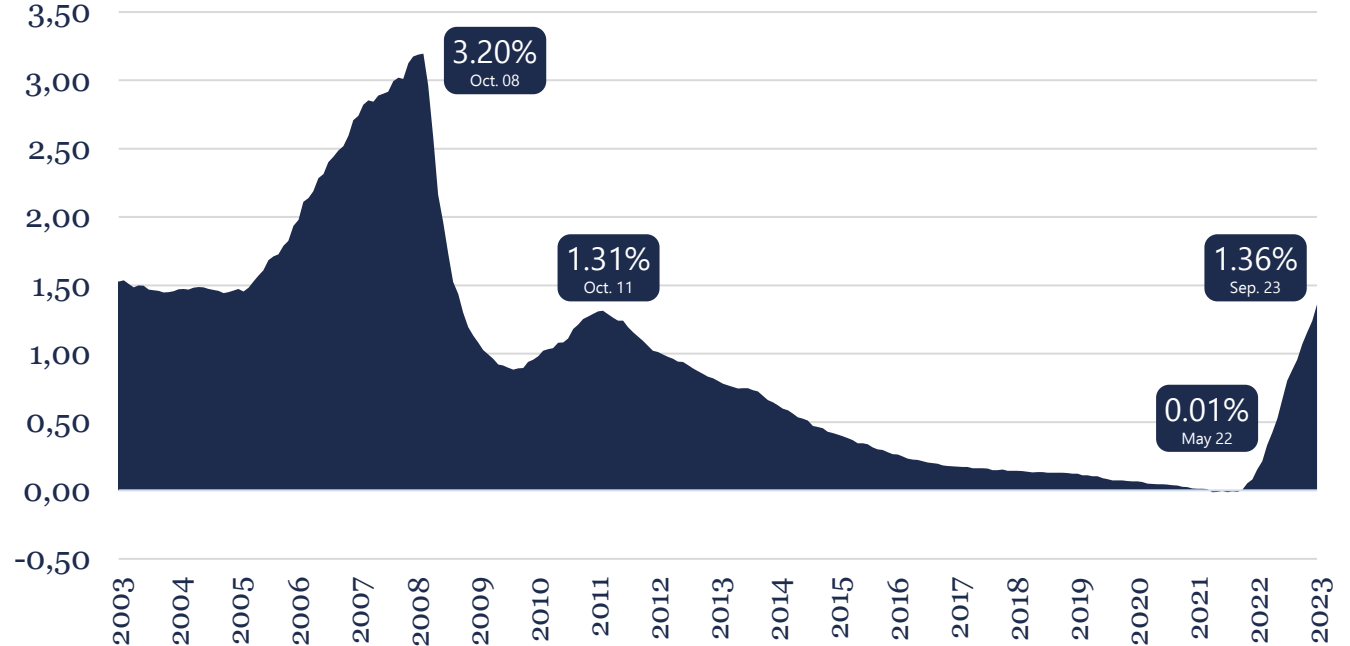
## Interest Rates on Bank Deposits

In % p.a., Eurozone, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Interest Rate Development

- Ø Interest rates for corporate bank deposits have increased to 1.36% p.a.
- ...after a low of minus 0.01% p.a. in May 2022
- Ø Interest rates with peak of 3.20% at height of financial crisis October 2008
- Ø Interest rates with second peak of 1.31% p.a. at high point of financial crisis in October 2011

▶ Ø Interest Rates for Bank Deposits Started to Rise Again in June 2022





# Income & Expenses of Corporate Cash II

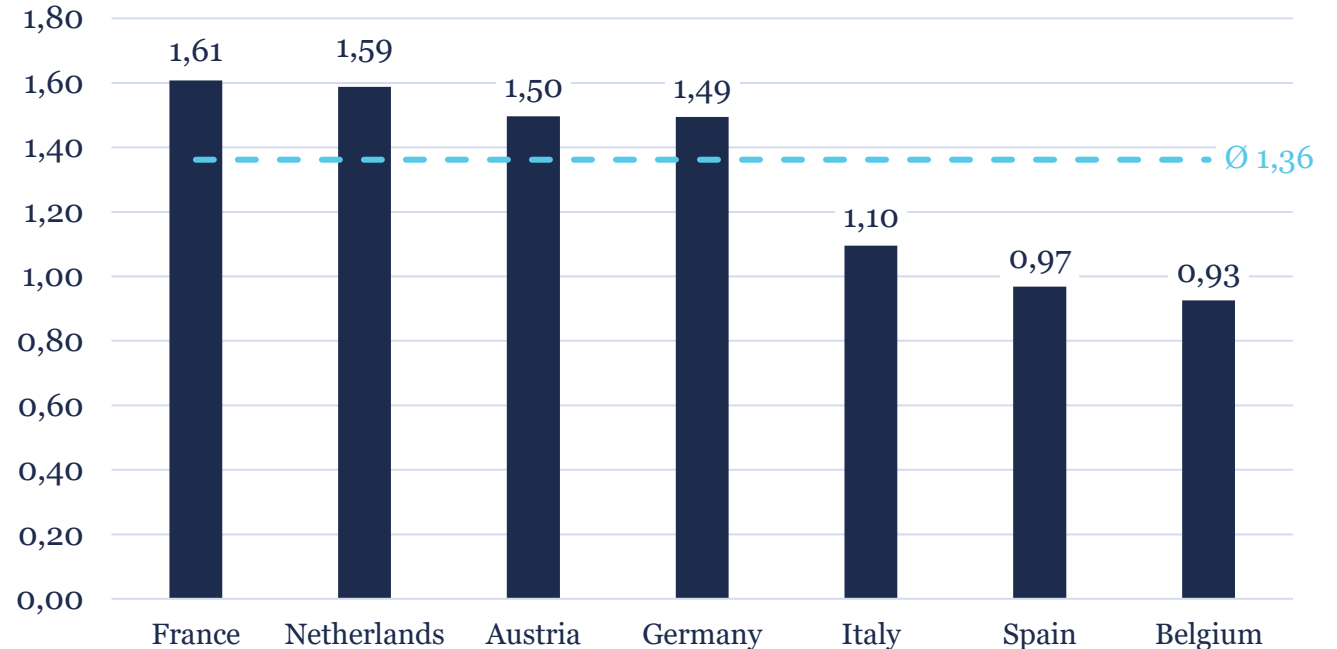
## Interest Rates on Bank Deposits

In % p.a., Eurozone, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits, by Country

### Interest Rate Development

- Ø Interest rates for corporate bank deposits in the Eurozone have increased to 1.36% p.a.
- France with highest interest rates of leading Eurozone countries at 1.61%
- Belgium with lowest interest rates of leading Eurozone countries at 0.93%

▶ Interest Rates for Corporate Bank Deposits in the Eurozone Vary a Lot



# Income & Expenses of Corporate Cash III

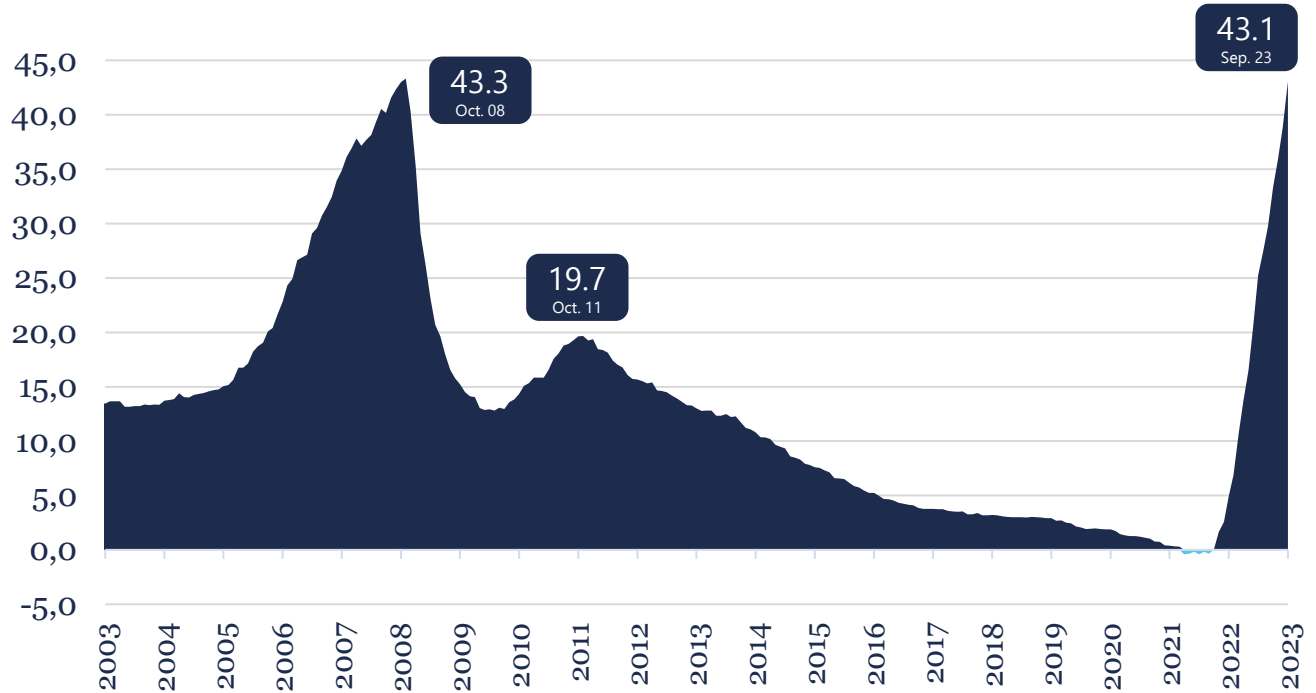
## Interest Income from Bank Deposits

In €bn., annualised, Eurozone, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Eurozone corporates currently generate €43.1bn of interest income from deposits
- At the height of the financial crisis in October 2008, Eurozone corporates generated record interest income of €43.3bn p.a.
- Second peak during the euro crisis at €19.7bn in October 2011

▶ Interest Income From Deposits Close to Record High



# Income & Expenses of Corporate Cash IV

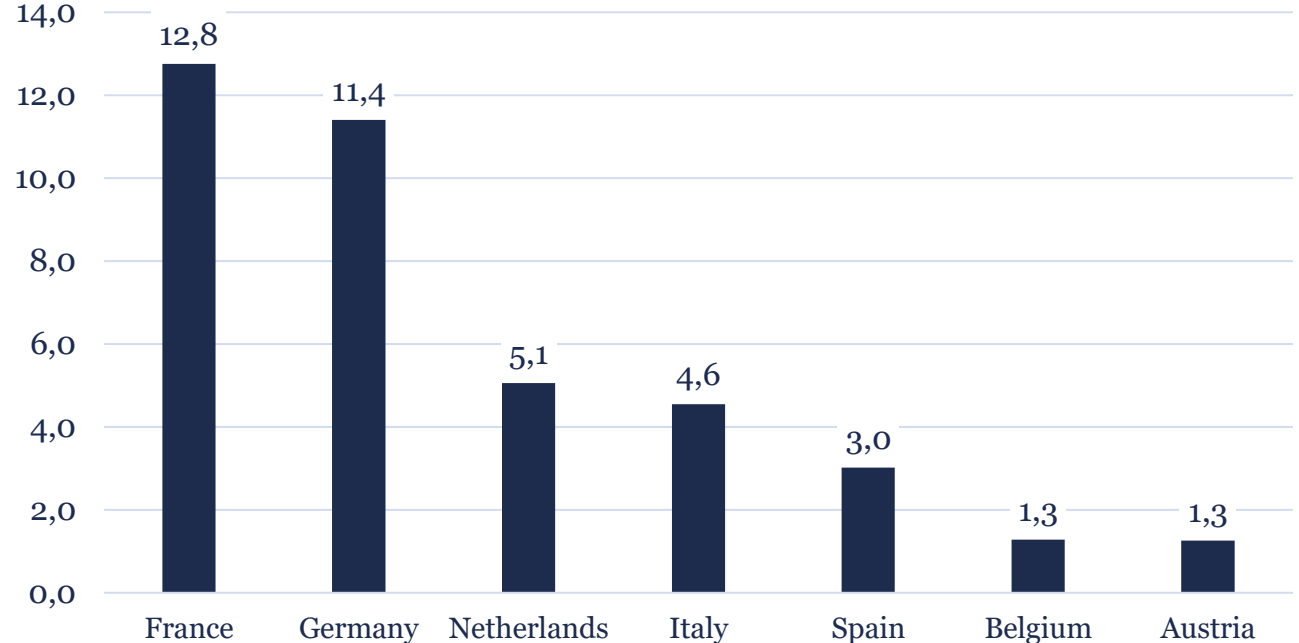
## Interest Income from Bank Deposits

In €bn., annualised, Eurozone, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits, by Country

### Interest Income

- French corporates currently with highest interest income from deposits at €12.8bn
- German corporates currently with interest income from deposits of €11.4bn
- Austrian corporates with interest income of only €1.3bn

▶ **French & German Corporates Generate More Than Half of Eurozone Interest Income**



# Cost of Corporate Cash I

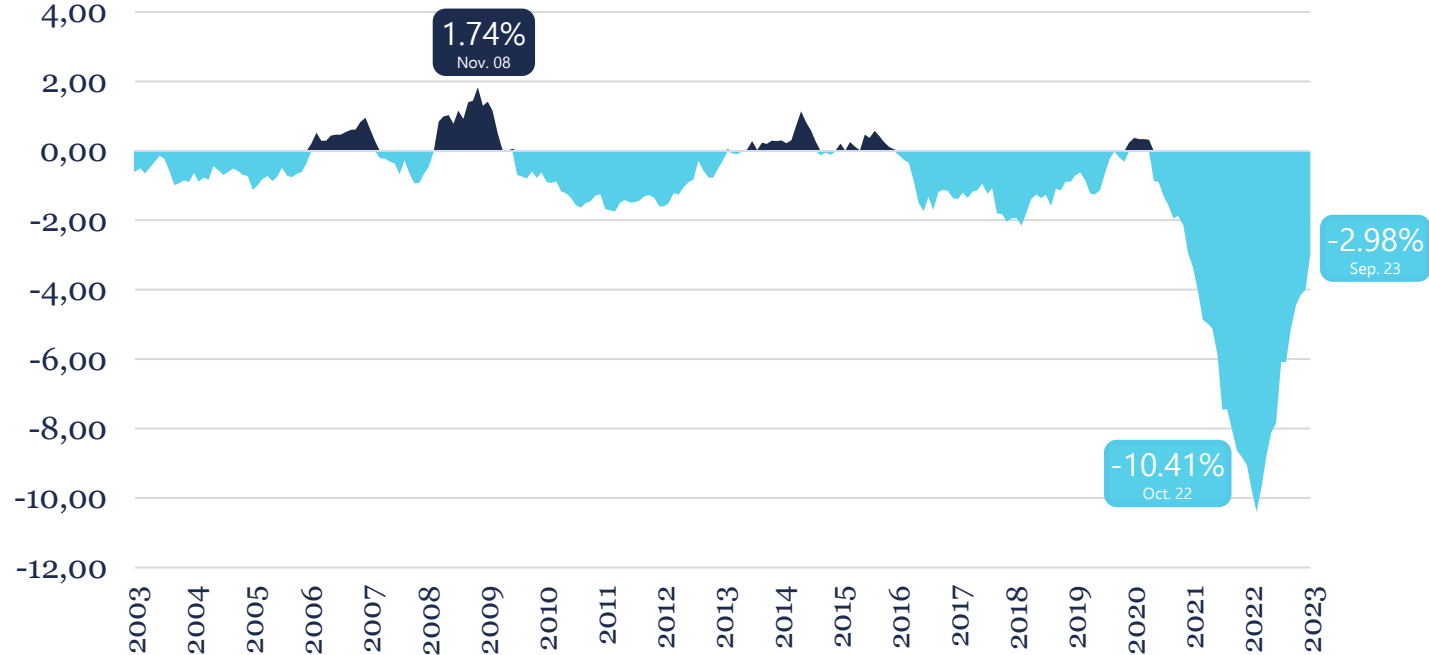
## Real Interest Rates of Bank Deposits

In % p.a. minus Inflation, Eurozone, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Real Interest Rates

- Real interest rates of corporate deposits in the Eurozone at minus 2.98% p.a. in September 2023
- Negative real interest rates of corporate deposits are rather normal, occurring 75% of the time since 2003
- Real interest rates hit a high of 1.74% p.a. during financial crisis in November 2008

▶ **Real Interest Rates of Corporate Deposits Have Improved to minus 2.98%**



# Cost of Corporate Cash II

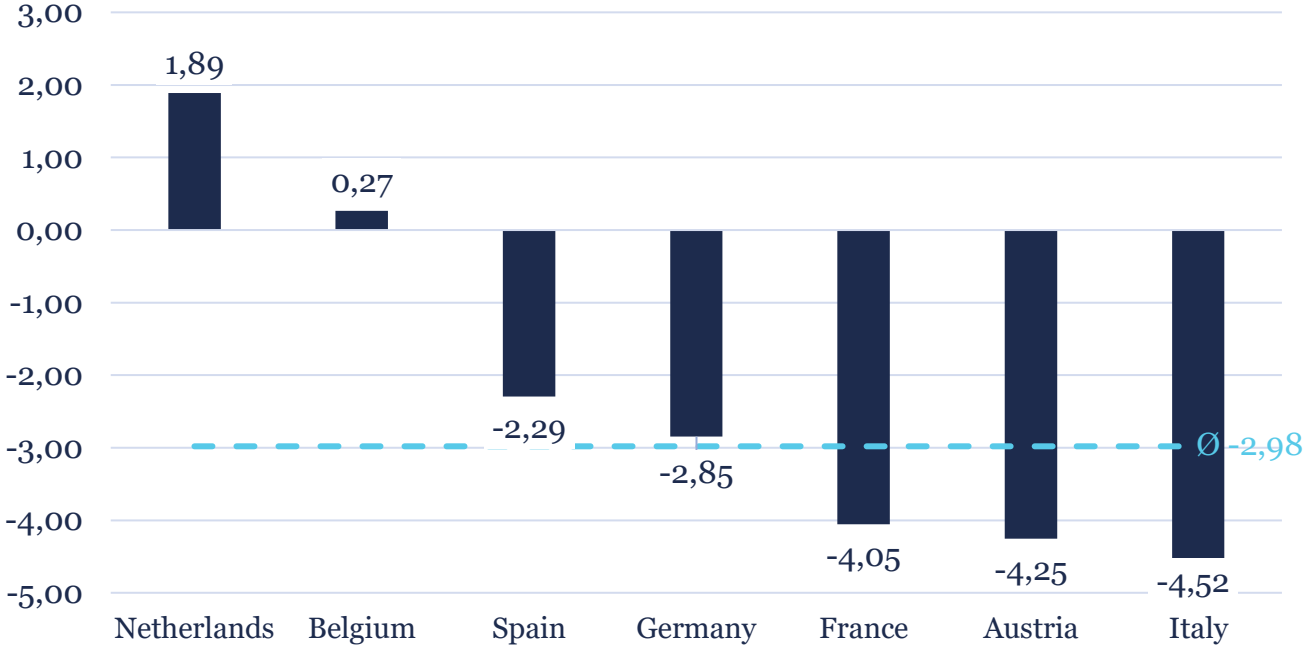
## Real Interest Rates of Bank Deposits

In % p.a. minus Inflation, Eurozone, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits, by Country

### Real Interest Rate Development

- The Netherlands with highest real interest rates of leading Eurozone countries at plus 1.9%
- Italy with lowest real interest rates of leading Eurozone countries at minus 4.5%

▶ Real Interest Rates for Corporate Bank Deposits in the Eurozone Vary a Lot



# Cost of Corporate Cash III

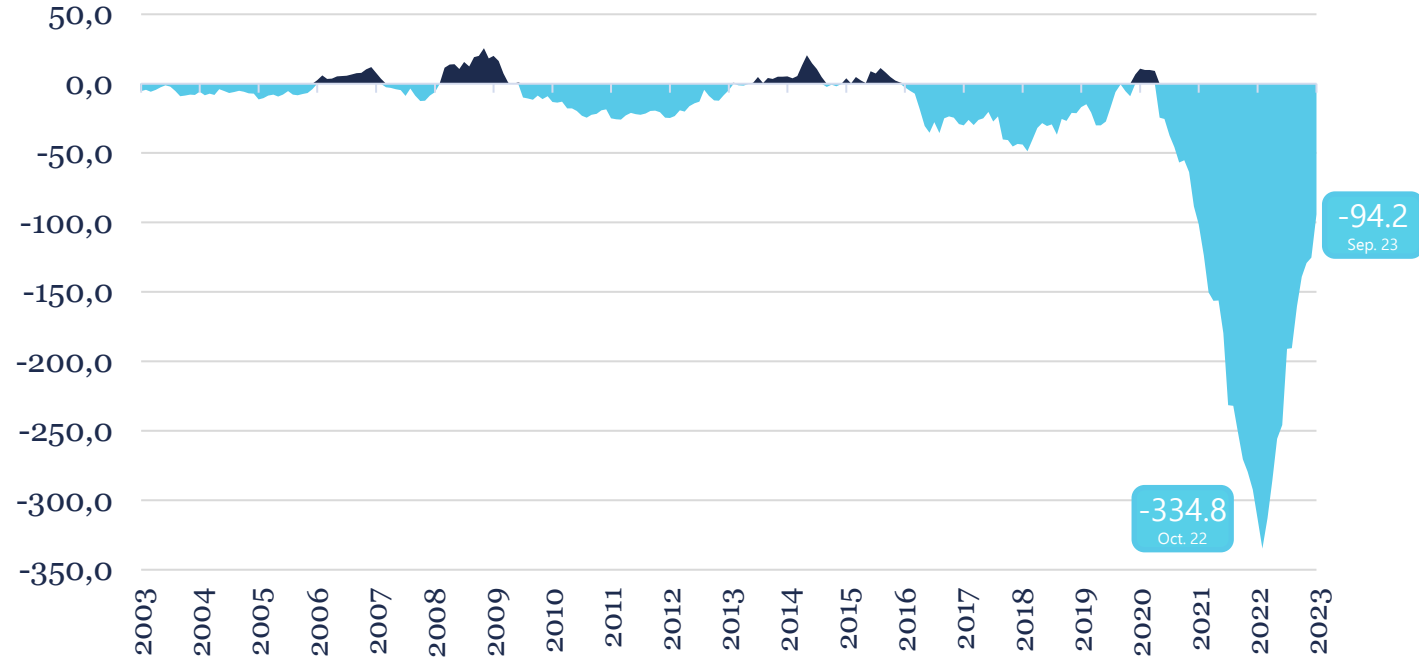
## Real Interest Income from Bank Deposits

In €bn., annualised, Eurozone, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Real interest loss of corporate deposits in the Eurozone stands at minus €94bn p.a. in September 2023

▶ Declining Inflation Leads to Real Corporate Deposit Income at only minus €94bn p.a.



# Income & Expenses of Corporate Cash IV

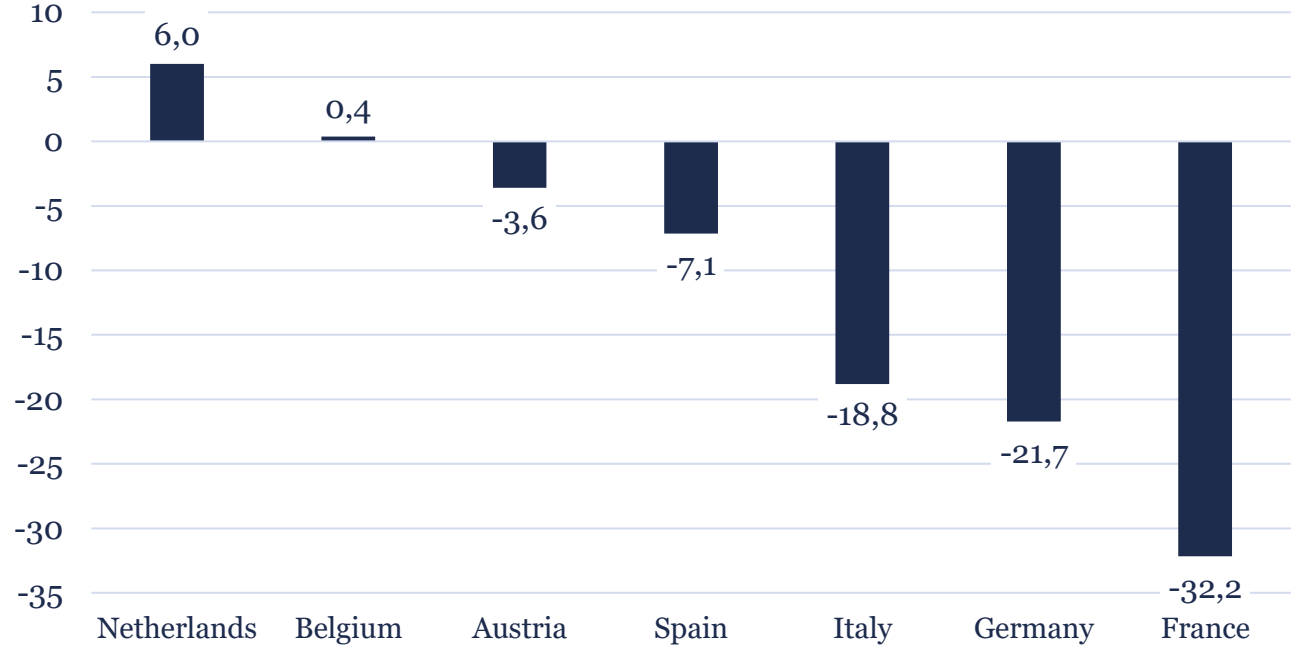
## Real Interest Income from Bank Deposits

In €bn., annualised, Eurozone, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits, by Country

### Real Interest Income

- French corporates with lowest real interest income from deposits at minus €32bn
- Dutch corporates with highest real interest income loss from deposits at €6.0bn among leading Eurozone countries

▶ **French Corporates Generate 34% of Eurozone Real Interest Income Loss**



# Development of Corporate Cash I

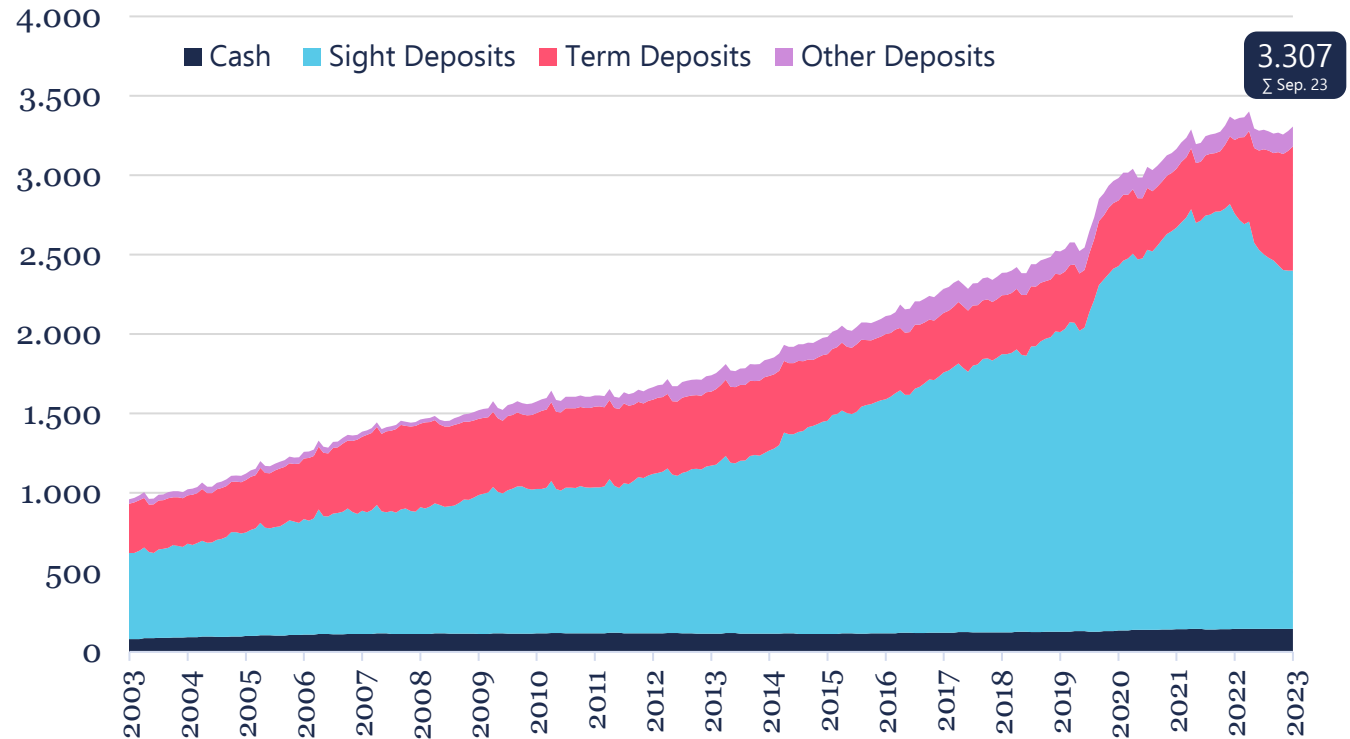
## Volume of Corporate Deposits & Cash

In €bn., Eurozone, Corporate Deposits & Cash

### Corporate Cash

- Corporate cash currently at €3.307bn
- ...down 2.8% from all-time high of €3.402bn in December 2023

▶ Corporate Cash With Largest Decline in History





# Development of Corporate Cash II

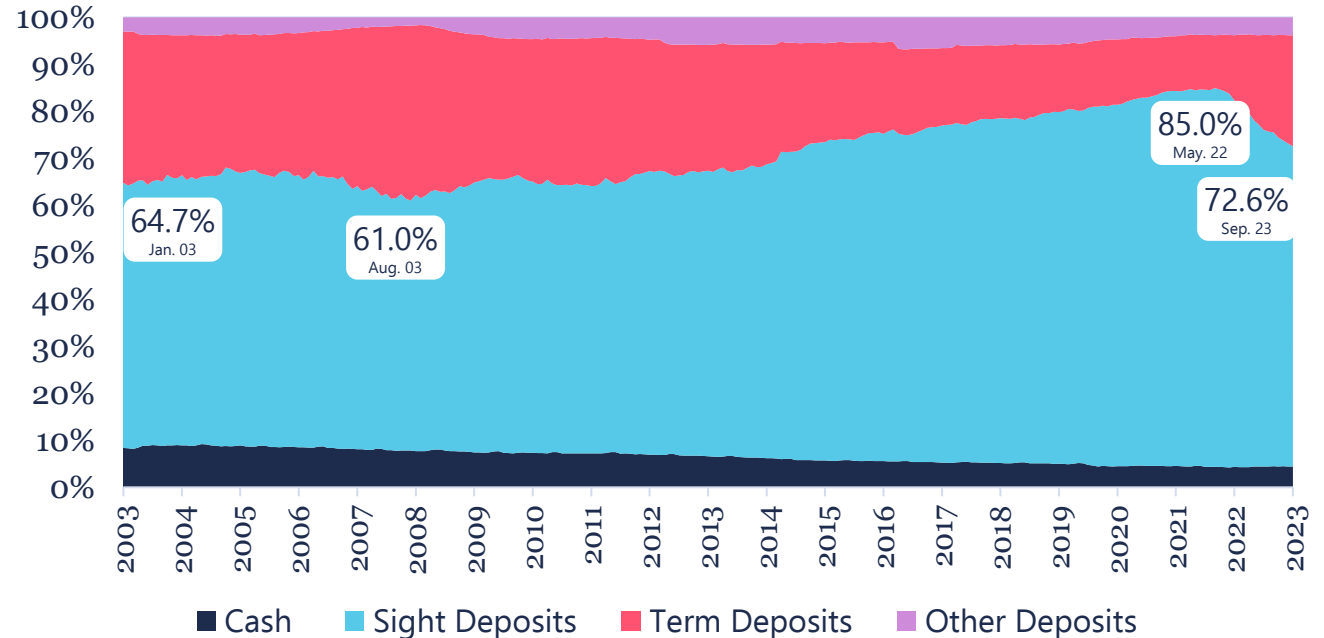
## Volume of Corporate Deposits & Cash

Split in %, Eurozone, Corporate Deposits & Cash

### Composition of Corporate Cash

- Share of daily payable deposits & cash fell to 72.6%
- ...after years of increases up to 85.0% in May 2022
- Share of term deposits at 23.6% doubled since the beginning of 2022

▶ **Rising Interest Rates Lead to Record Increase of Term Deposits**



# Development of Corporate Cash III

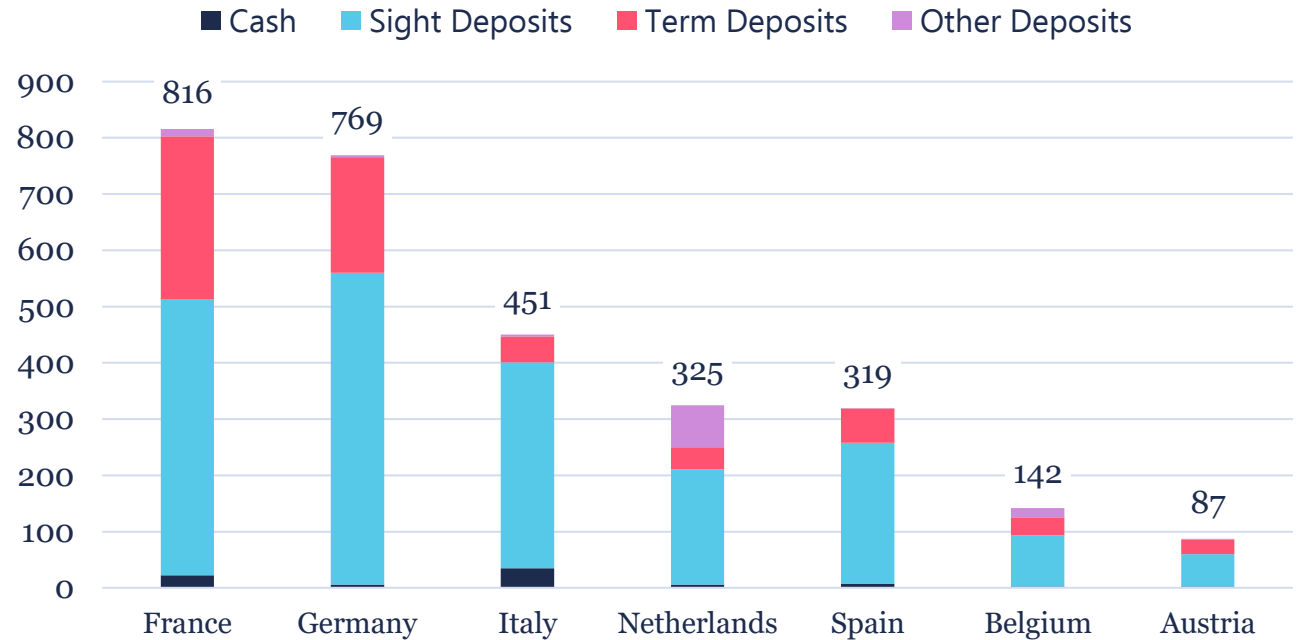
## Volume of Corporate Deposits & Cash

In €bn., Corporate Deposits & Cash, by Country

### Corporate Deposits & Cash by Country

- French corporates with highest corporate deposits & cash of €816bn
- Germany at number two with €769bn
- Austrian corporates with cash of €87bn, placing the lowest among leading Eurozone countries

▶ **French & German Corporates Own 48% of Eurozone Corporate Deposits & Cash**



# Development of Corporate Cash IV

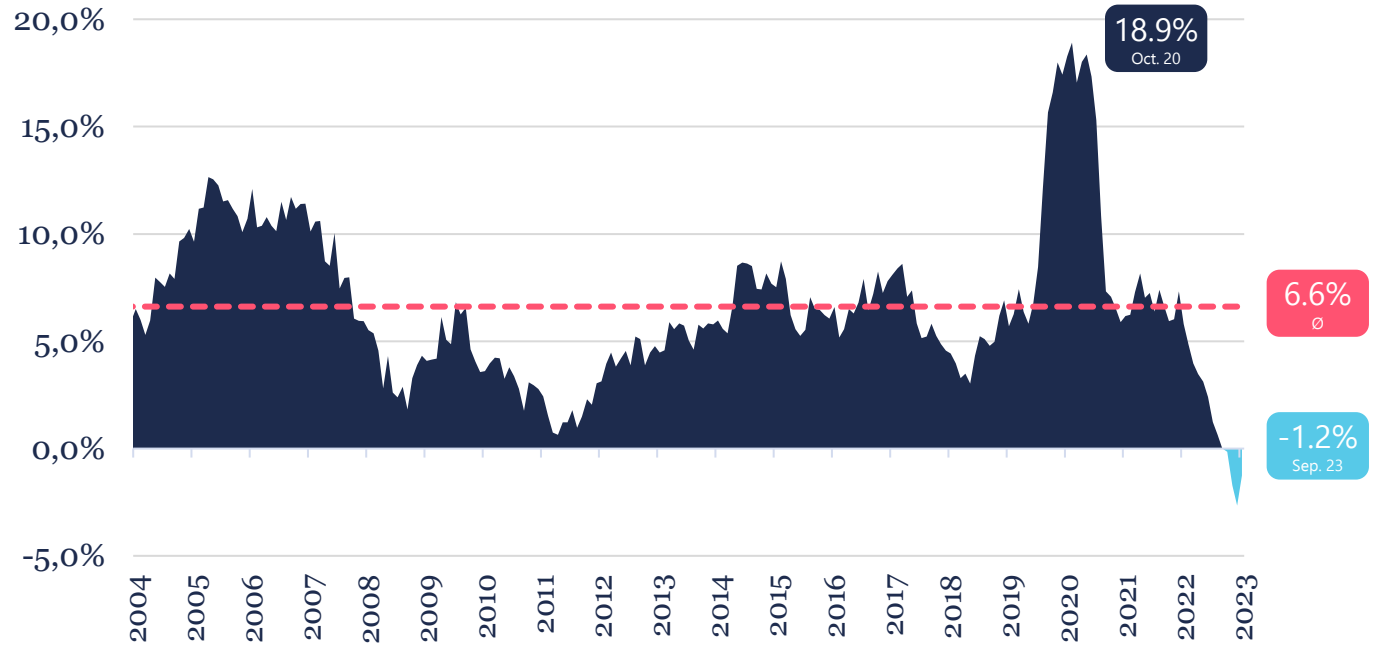
## Growth of Corporate Deposits & Cash

In % YoY, Eurozone, Corporate Deposits & Cash

### Growth of Corporate Cash

- Growth of corporate cash falls to minus 1.2% YoY
- ...strongly below long-term average of 6.6% YoY
- Growth peaked at 18.9% YoY during COVID-19 in October 2020

▶ **Corporate Cash Growth of minus 1.2% in September 2023**



# Development of Corporate Cash V

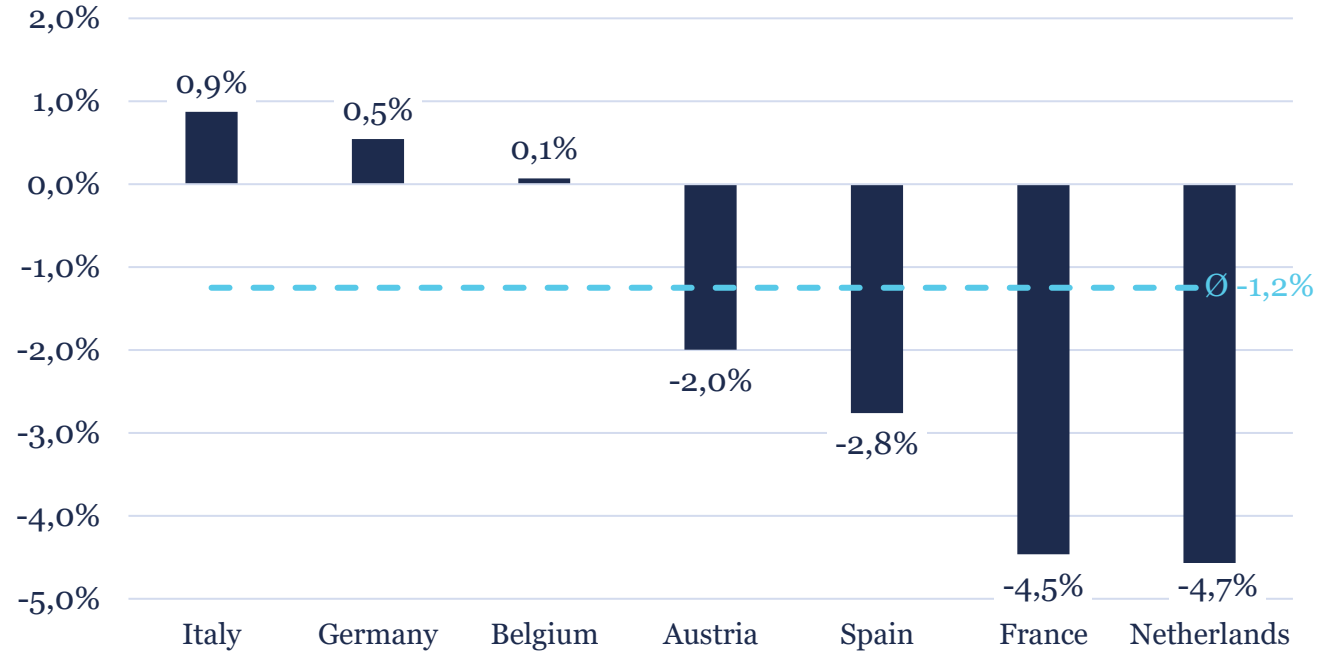
## Growth of Corporate Deposits & Cash

In % YoY, Corporate Deposits & Cash, September 2023, by Country

### Growth of Corporate Cash

- Dutch corporates with largest decline of leading Eurozone countries at minus 4.7% YoY
- French corporates at number 2 with minus 4.5% YoY
- Italian corporates with minimal growth of 0.9% YoY

▶ **Corporate Cash Growth Varies Substantially Among Eurozone Countries**



# Development of Corporate Cash VI

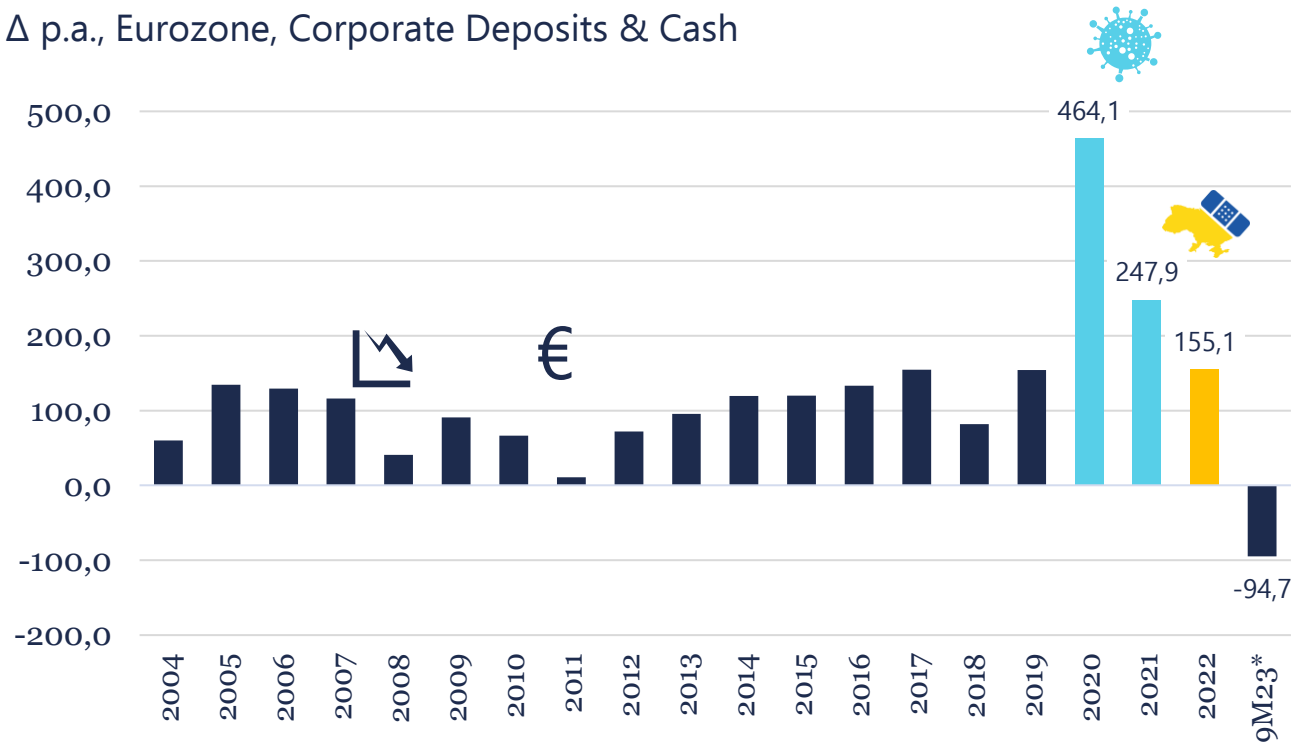
## Growth of Corporate Deposits & Cash

In €bn, Δ p.a., Eurozone, Corporate Deposits & Cash

### Growth of Corporate Cash

- Corporate cash with record decline of €95bn YTD
- This continues a steady decline since a peak during the COVID-19 crisis in 2020

### ▶ Corporate Cash With First Decline in History



\*) January 2023 to September 2023

# Development of Corporate Cash VII

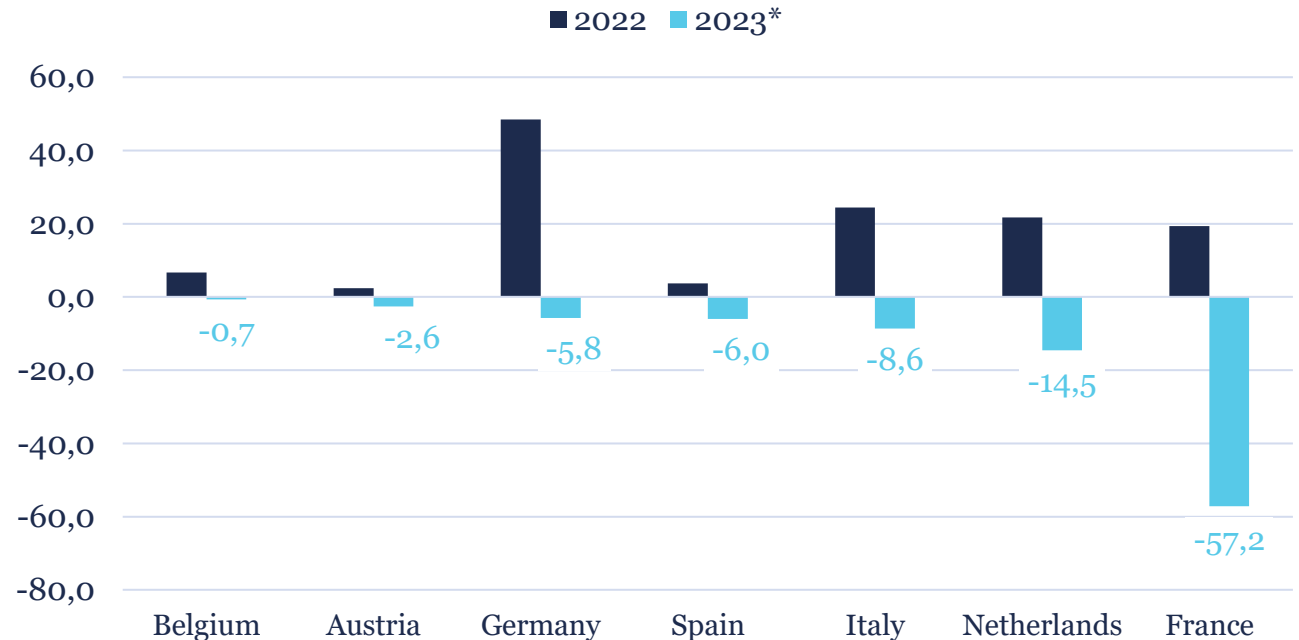
## Growth of Corporate Deposits & Cash

In €bn p.a., Corporate Deposits & Cash, by Country

### Growth of Corporate Cash

- French corporates with by far highest decline of €57bn 2023 YTD, eclipsing cash growth of 2021-2022
- Corporates from the Netherlands with decline of €15bn
- Minimal cash decline in Belgium & Austria on the other hand

▶ **Corporate Cash Growth Negative in All Leading Eurozone Countries**



\*) January 2023 to September 2023

# Development of Corporate Cash VIII

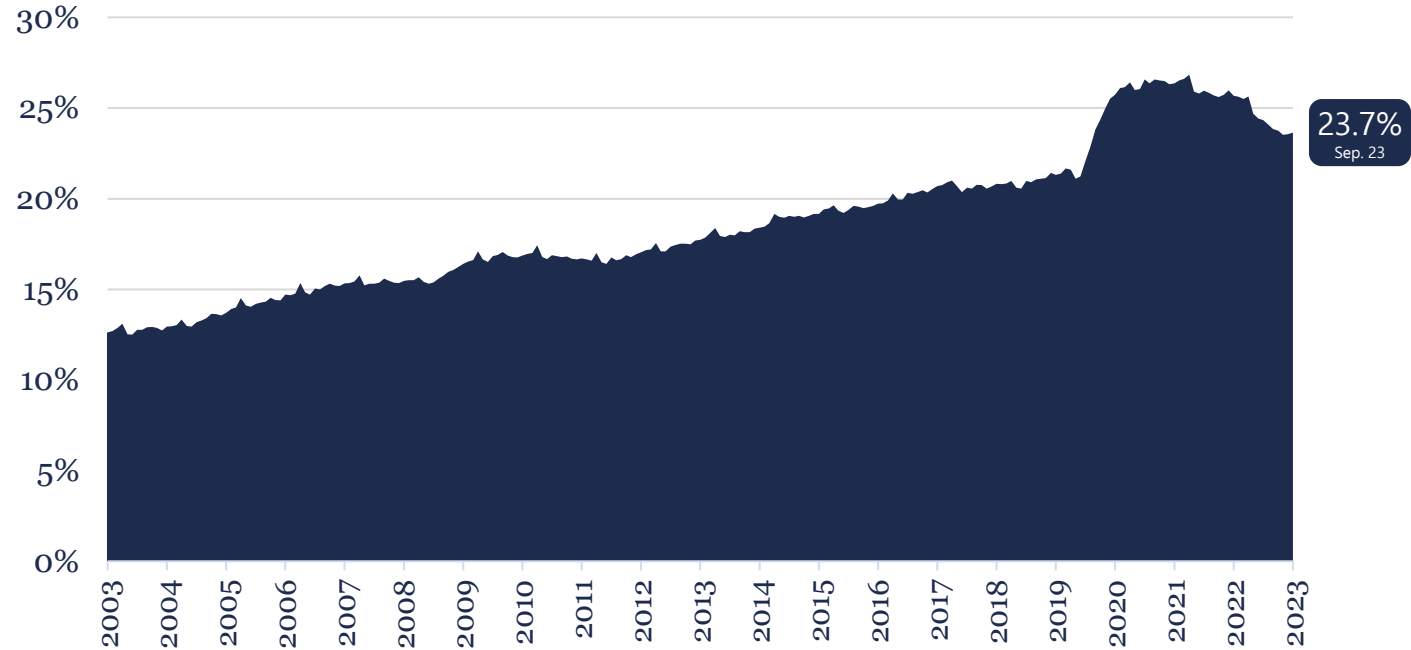
## Corporate Cash in % of GDP

Total Corporate Deposits & Cash, Eurozone, in % of nominal GDP

### Corporate Cash in % of GDP

- Corporate Cash of the Eurozone currently stands at 23.7% of nominal GDP
- Down 2.3 %pt. since August 2022
- COVID-19 leads to jump in corporate cash starting in 2020

▶ **Corporate Cash in Relation to GDP Declining Strongly**



# Development of Corporate Cash IX

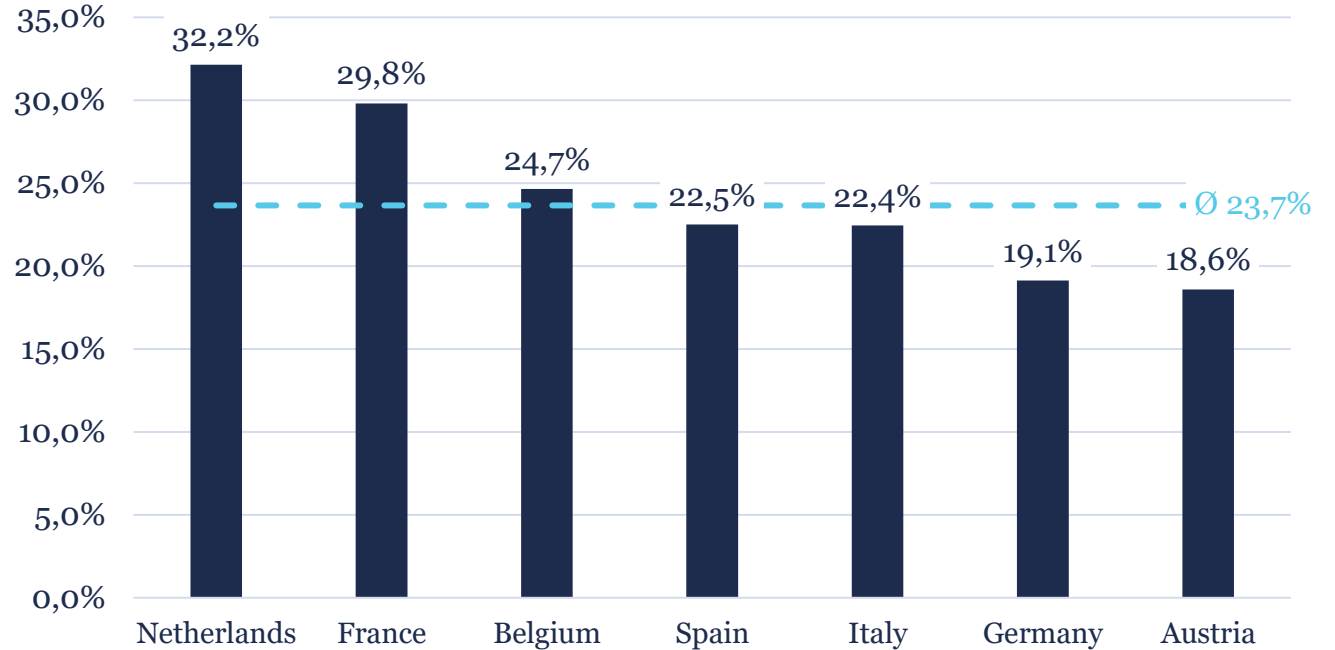
## Corporate Cash in % of GDP

Total Corporate Deposits & Cash, in % of nominal GDP, by Country

### Corporate Cash in % of GDP

- Dutch corporates with highest corporate cash in relation to nominal GDP at 32%
- France ranks second with 30%
- Germany and Austria at the bottom with corporate cash at around 19% in relation to nominal GDP each

▶ Large Differences of Corporate Cash In % of GDP in the Eurozone





# Development of Corporate Cash X

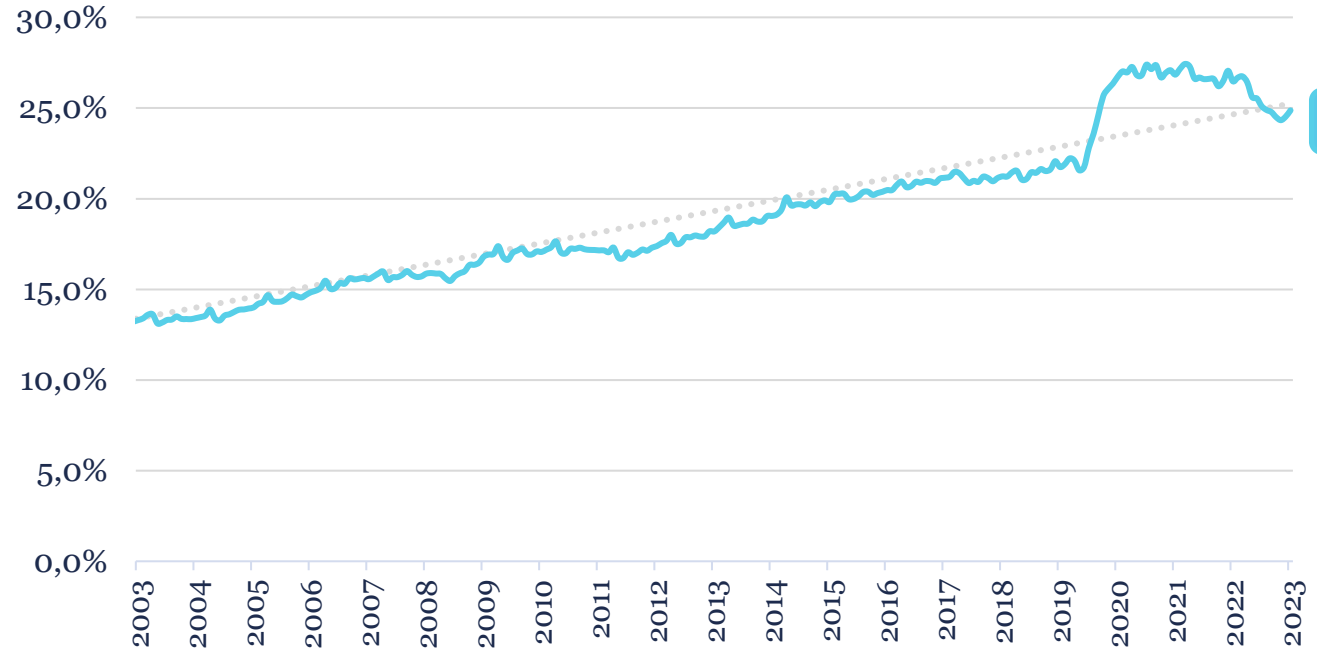
## Corporate Cash in % of GDP

Total Corporate Deposits & Cash, Eurozone, in % of nominal GDP vs. Trend

### Corporate Cash in % of GDP

- The excess cash war chest built up during COVID-19 has been used already

▶ Corporate Cash Gap Currently Stands at (Only) €53bn



-52.9  
Sep. 23

# Development of Corporate Cash XI

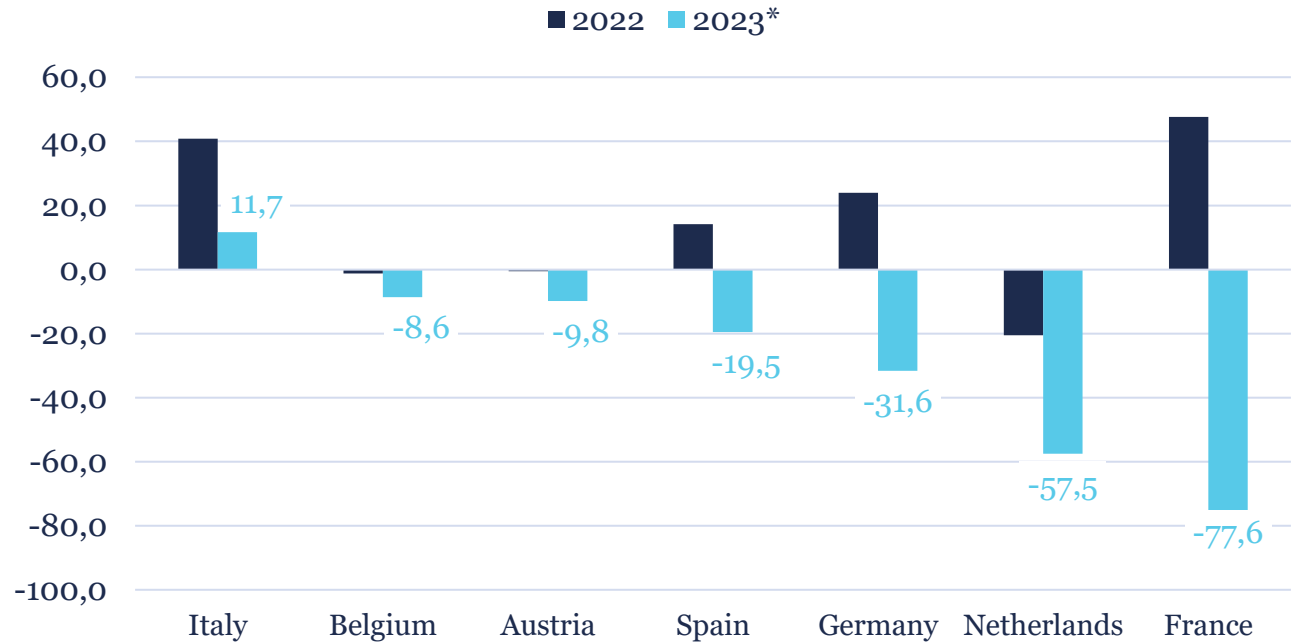
## Corporate Cash in % of GDP

Total Corporate Deposits & Cash, Eurozone, in % of nominal GDP vs. Trend, Difference in €bn

### Corporate Cash Surplus

- French corporates with by far highest cash gap of €78bn
- Corporates from the Netherlands with cash gap of €58bn
- Italian corporates however with cash surplus of €12bn

▶ All Large Eurozone Countries except Italy With Cash Gaps Already



\*) September 2023

# Development of Corporate Cash XII

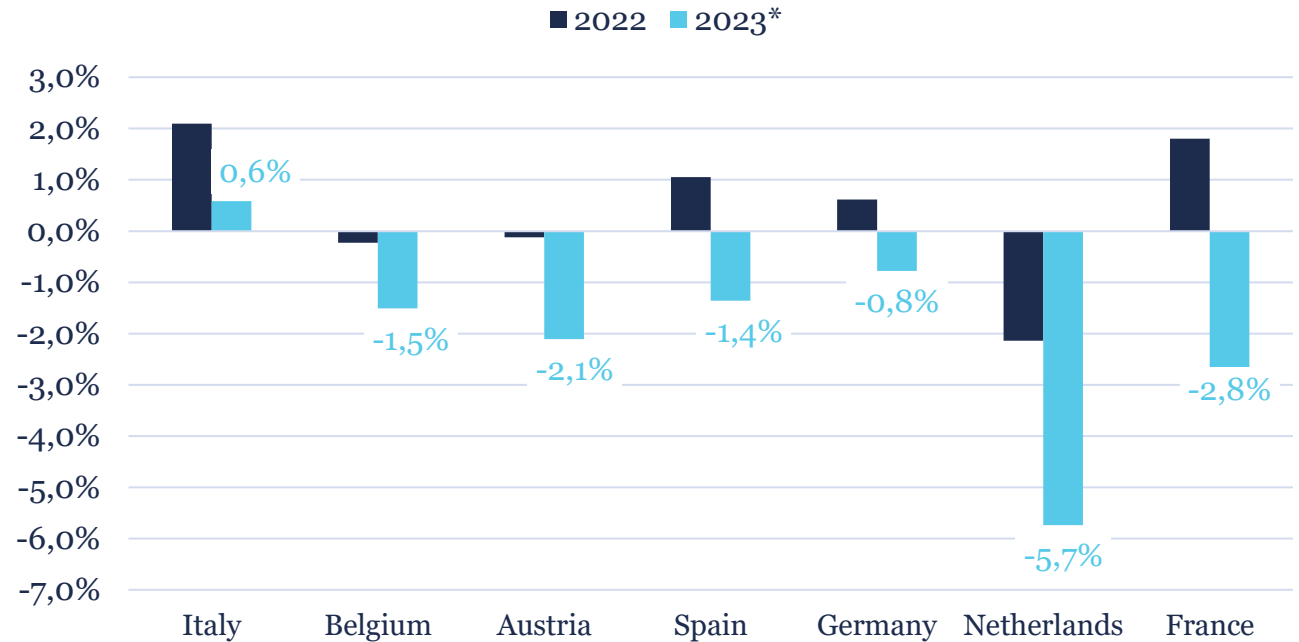
## Corporate Cash in % of GDP

Total Corporate Deposits & Cash, Eurozone, in % of nominal GDP vs. Trend, in % of GDP

### Corporate Cash Surplus

- Dutch corporates with by far highest cash gap of 5.7% of GDP
- Corporates from France with cash gap of 2.8% of GDP
- Italian corporates with cash surplus €12bn

▶ All Large Eurozone Countries except Italy With Cash Gaps Already



\*) September 2023

# Germany

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Country Profile

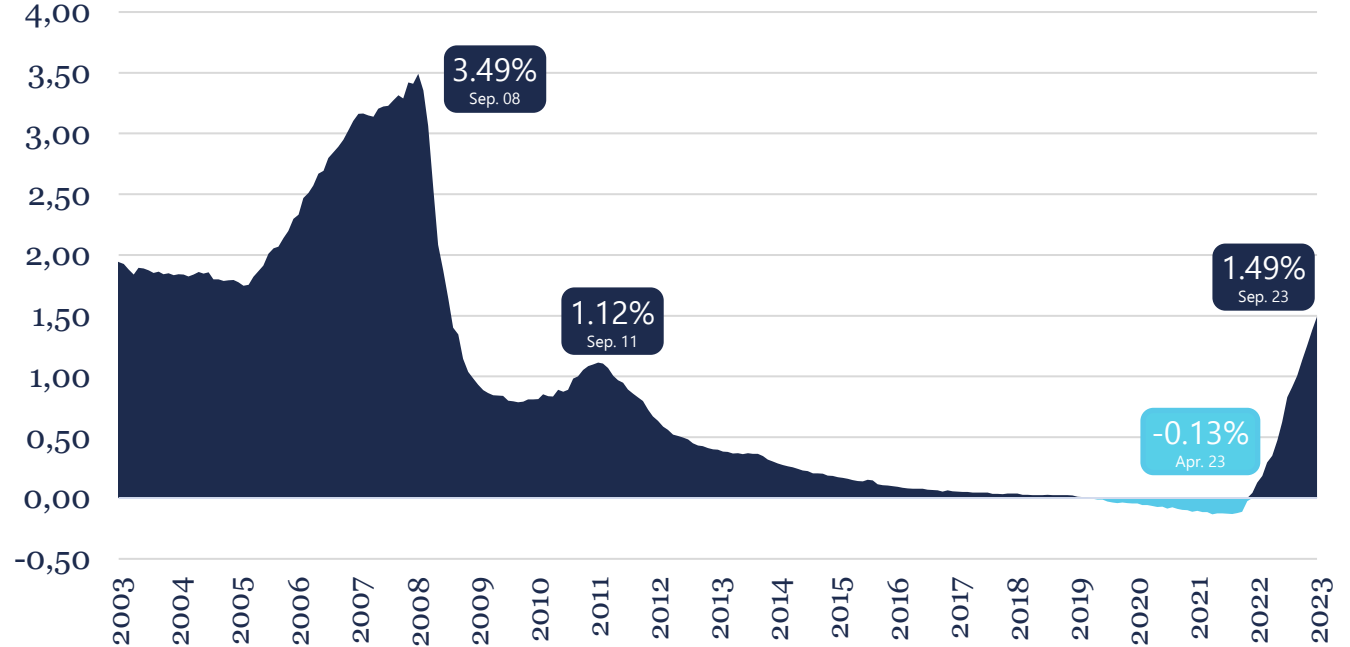
# Income & Expenses of Corporate Cash I

## Interest Rates on Bank Deposits

In % p.a., Germany, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Interest Rate Development

- Ø Interest rates for corporate bank deposits have increased to 1.49% p.a.
  - ...after a low of minus 0.13% p.a. in April 2022
  - Ø Interest rates with high point of 3.49% at height of financial crisis in September 2008
  - Ø Interest rates with second peak of 1.12% p.a. at high point of financial crisis in September 2011
- ▶ Ø Interest Rates for Bank Deposits Started to Rise in May 2022



# Income & Expenses of Corporate Cash II

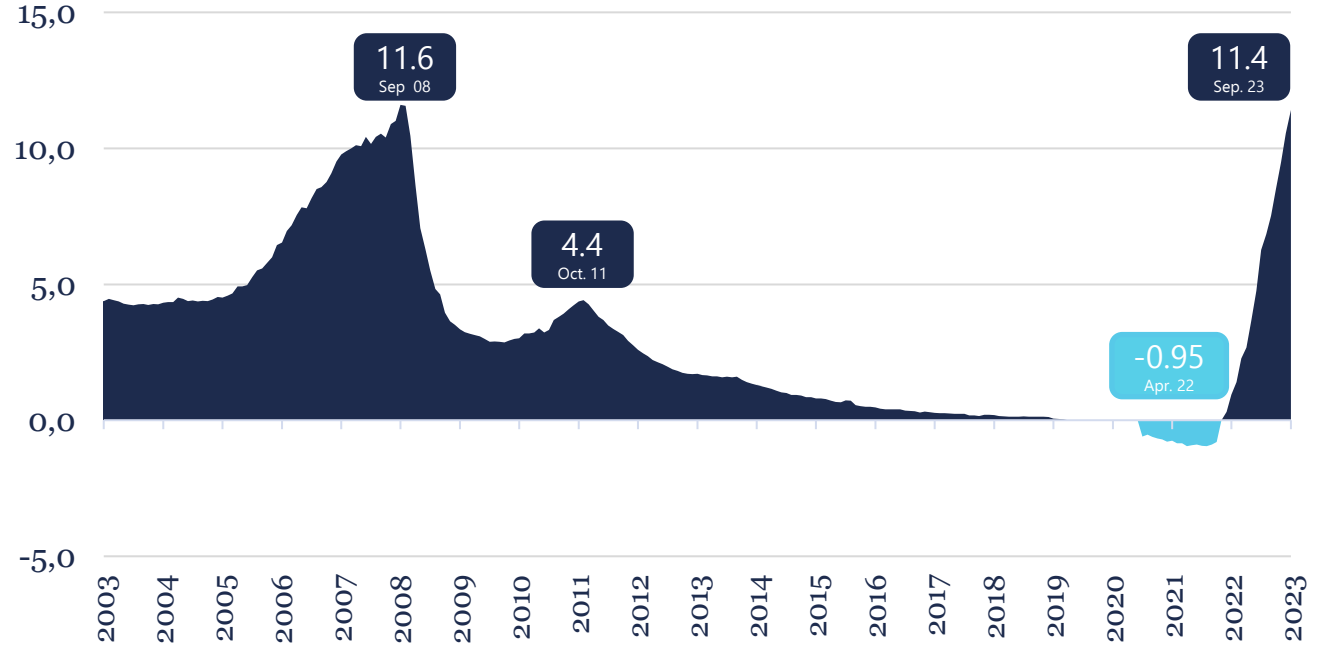
## Interest Income from Bank Deposits

In €bn., annualised, Germany, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- German corporates currently generate €11.4bn of interest income from deposits
- ...after low of minus €1.0bn in April 2022
- At the height of the financial crisis in September 2008, German corporates generated record interest income of €11.6bn p.a.
- Second peak during the Eurozone crisis in October 2011 at €4.4bn

### ▶ Interest Income From Deposits At Record High



# Cost of Corporate Cash I

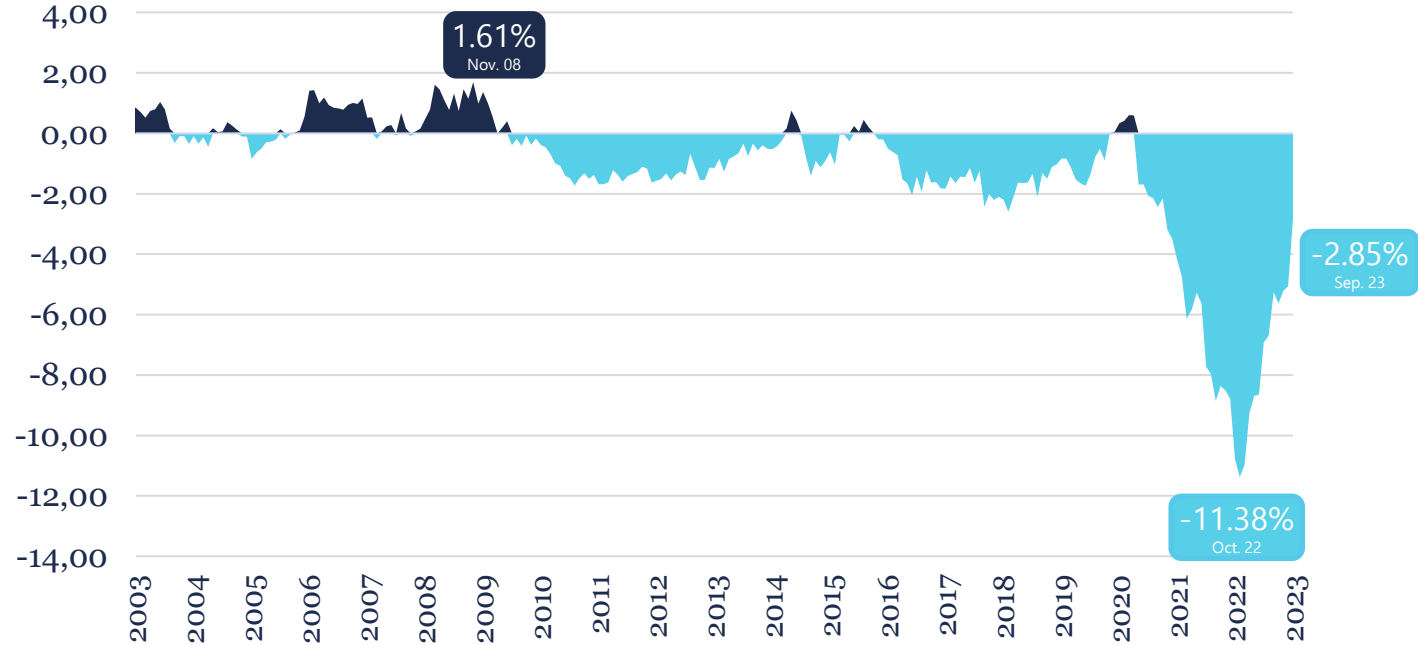
## Real Interest Rates of Bank Deposits

In % p.a. minus Inflation, Germany, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Real Interest Rates

- Real interest rates of corporate deposits in Germany hit record low of minus 11.38% p.a. October 2022
- Real interest rates of corporate deposits have largely been positive until the financial crisis, but negative most of the time thereafter

▶ **Real Interest Rates of Corporate Deposits Now Increased to minus 2.85%**



# Cost of Corporate Cash II

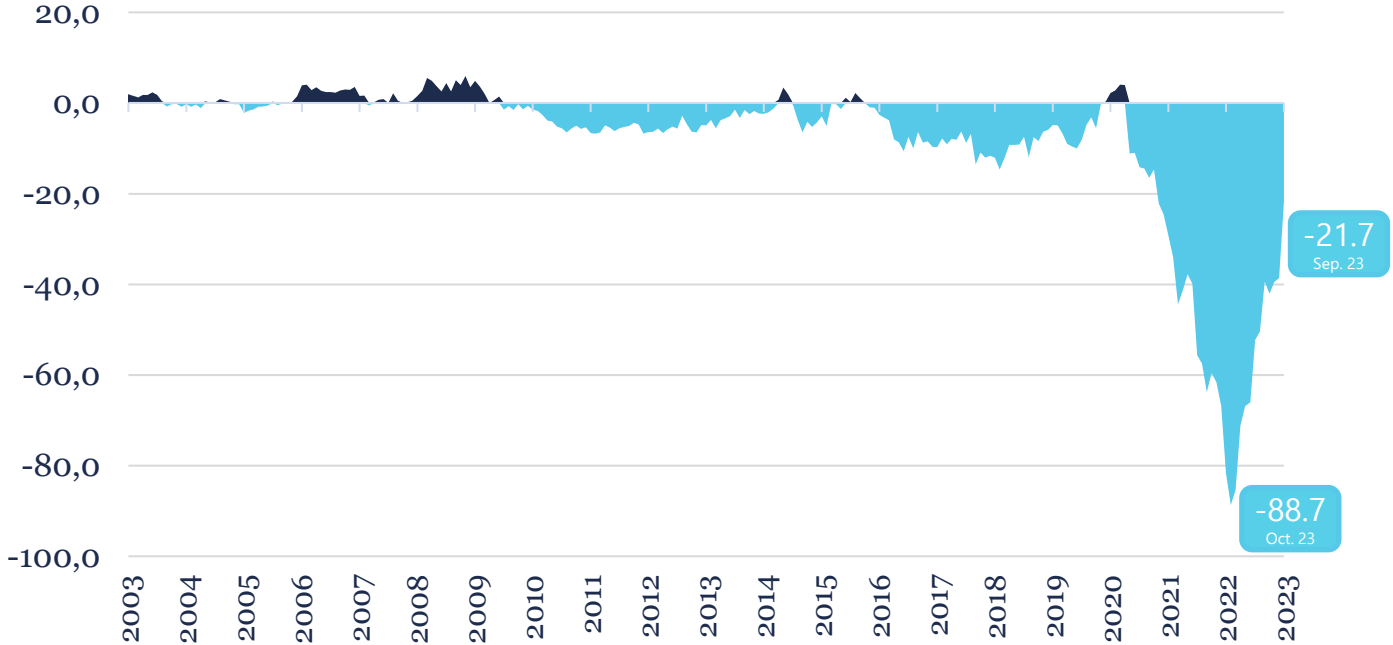
## Real Interest Income from Bank Deposits

In €bn., annualised, Germany, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Real interest income loss of corporate deposits in Germany hit new low of minus €88.7bn p.a. in October 2023

▶ Declining Inflation Leads to Lower Real Loss of Corporate Deposits at minus €21.7bn p.a.





# Development of Corporate Cash I

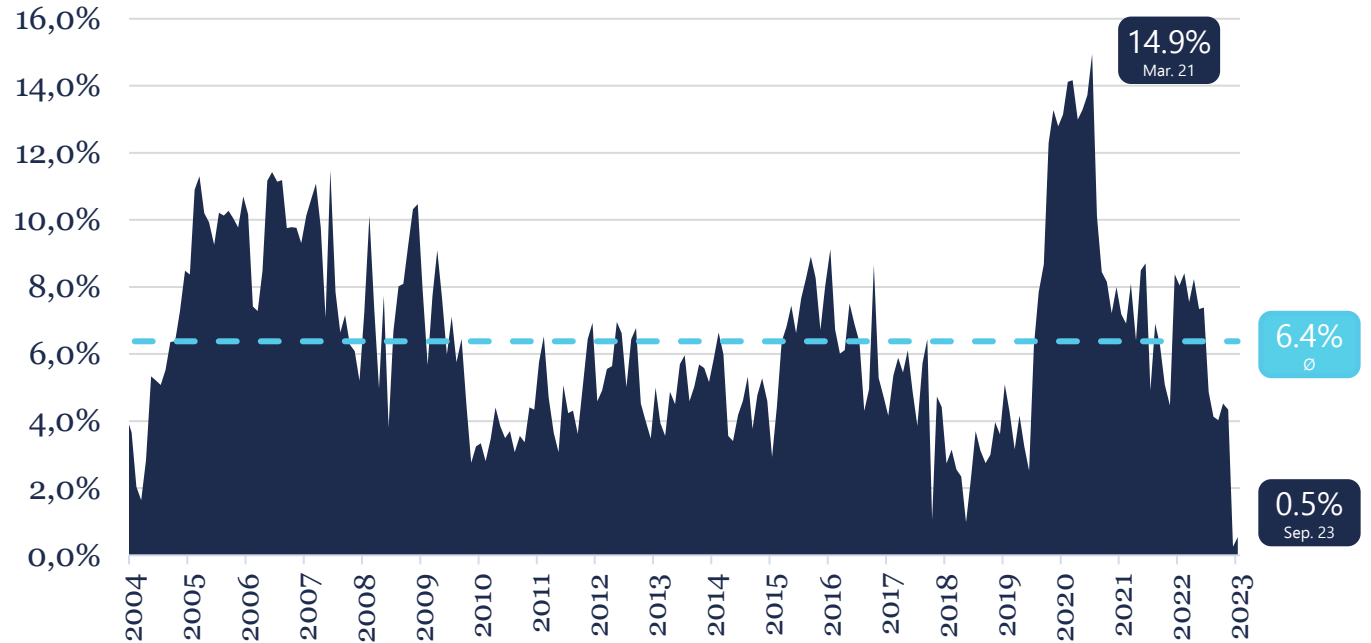
## Growth of Corporate Deposits & Cash

In % YoY, Germany, Corporate Deposits & Cash

### Growth of Corporate Cash

- Growth of corporate cash at 0.5% YoY
- ...and much below long-term average of 6.4% YoY
- Growth peaked at 14.9% YoY during COVID-19 in March 2021

▶ German Corporate Cash Growth Still Marginally Positive



# Development of Corporate Cash II

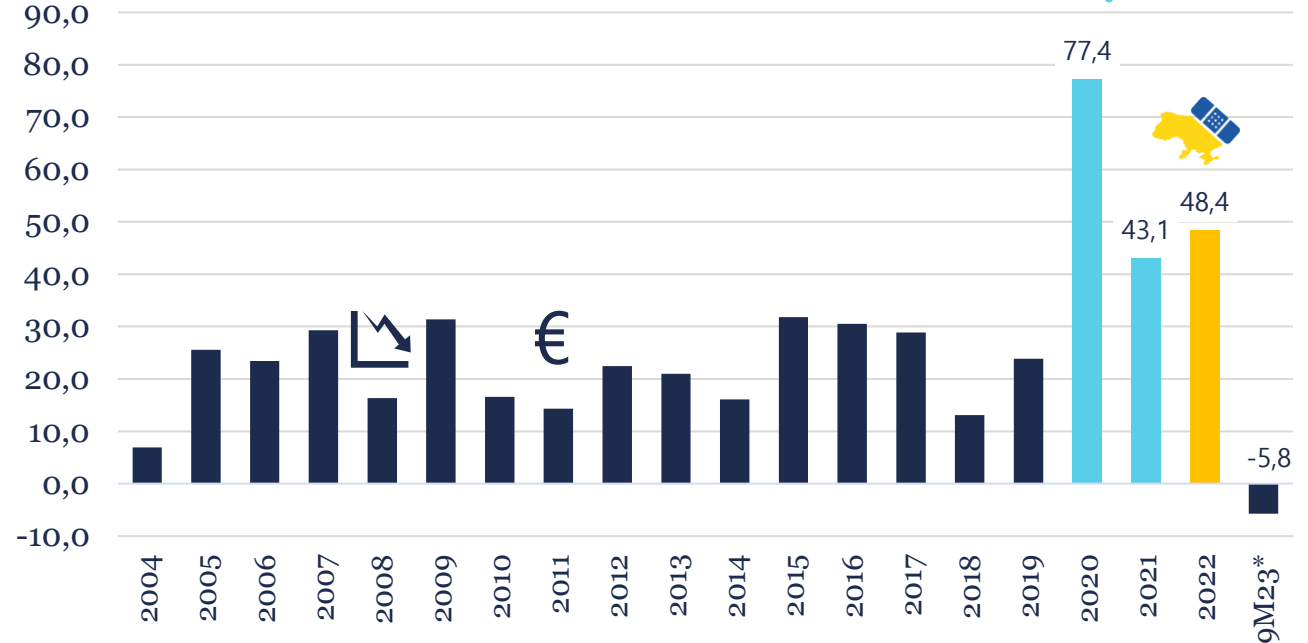
## Growth of Corporate Deposits & Cash

In €bn p.a., Germany, Corporate Deposits & Cash

### Growth of Corporate Cash

- German corporate cash with decline of €5.8bn 2023 YTD
- This follows three years of elevated growth

### ▶ Corporate Cash With First Decline in History



\*) January 2023 to September 2023

# Development of Corporate Cash III

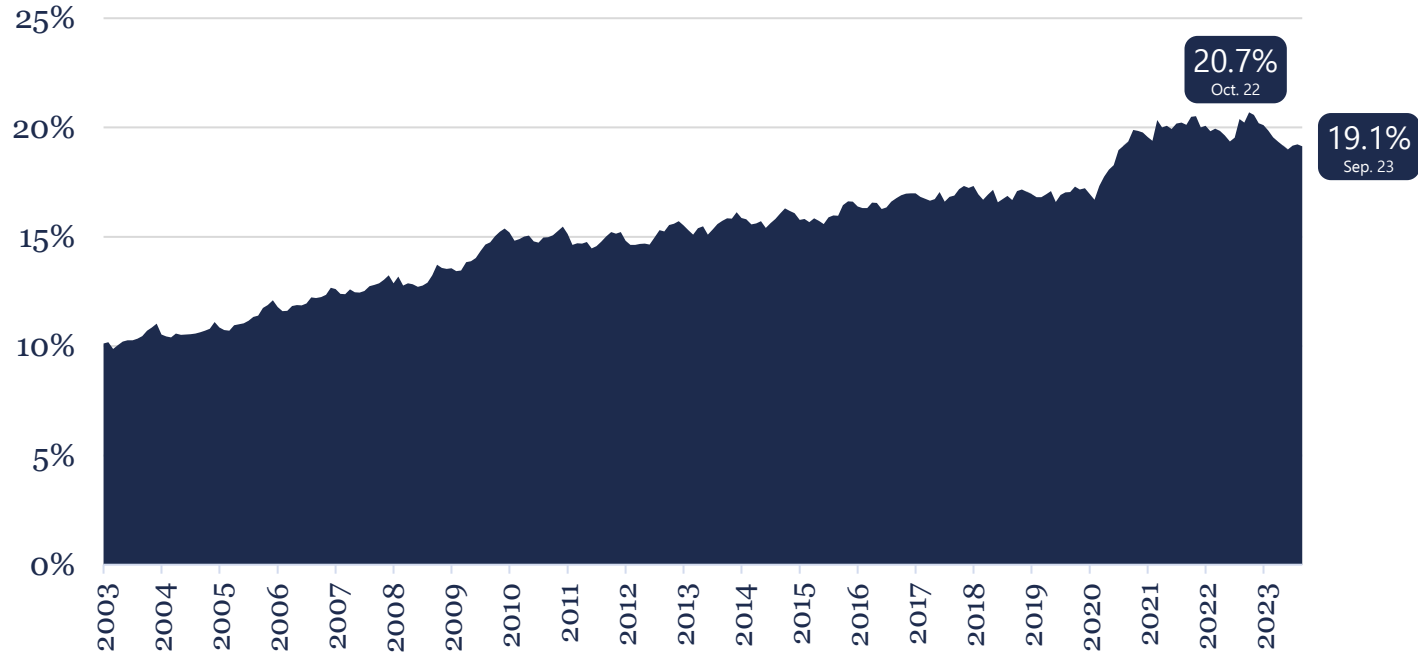
## Corporate Cash in % of GDP

Total Corporate Deposits & Cash, Germany, in % of nominal GDP

### Corporate Cash in % of GDP

- Corporate cash in Germany currently stands at 19.1% of nominal GDP
- Below record high of 20.7% reached in October 2022

▶ Corporate Cash in Relation to GDP Substantially Lower



# Austria

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## Country Profile

# Income & Expenses of Corporate Cash I

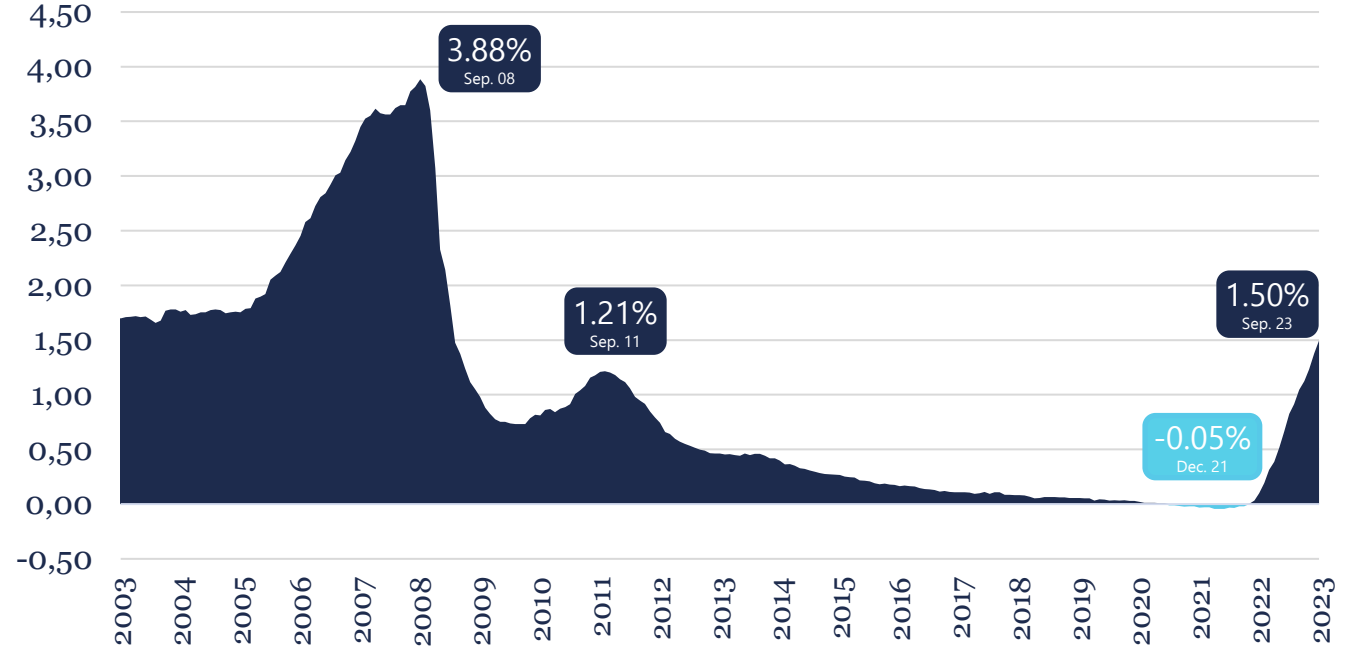
## Interest Rates on Bank Deposits

In % p.a., Austria, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Interest Rate Development

- Ø Interest rates for corporate bank deposits have increased to 1.50% p.a.
- ...after a low of minus 0.05% p.a. in December 2021
- Ø Interest rates with high point of 3.88% at height of financial crisis in September 2008
- Ø Interest rates with a second peak of 1.21% p.a. during financial crisis in September 2011

- ▶ Ø Interest Rates for Bank Deposits Started to Rise in January 2022



# Income & Expenses of Corporate Cash II

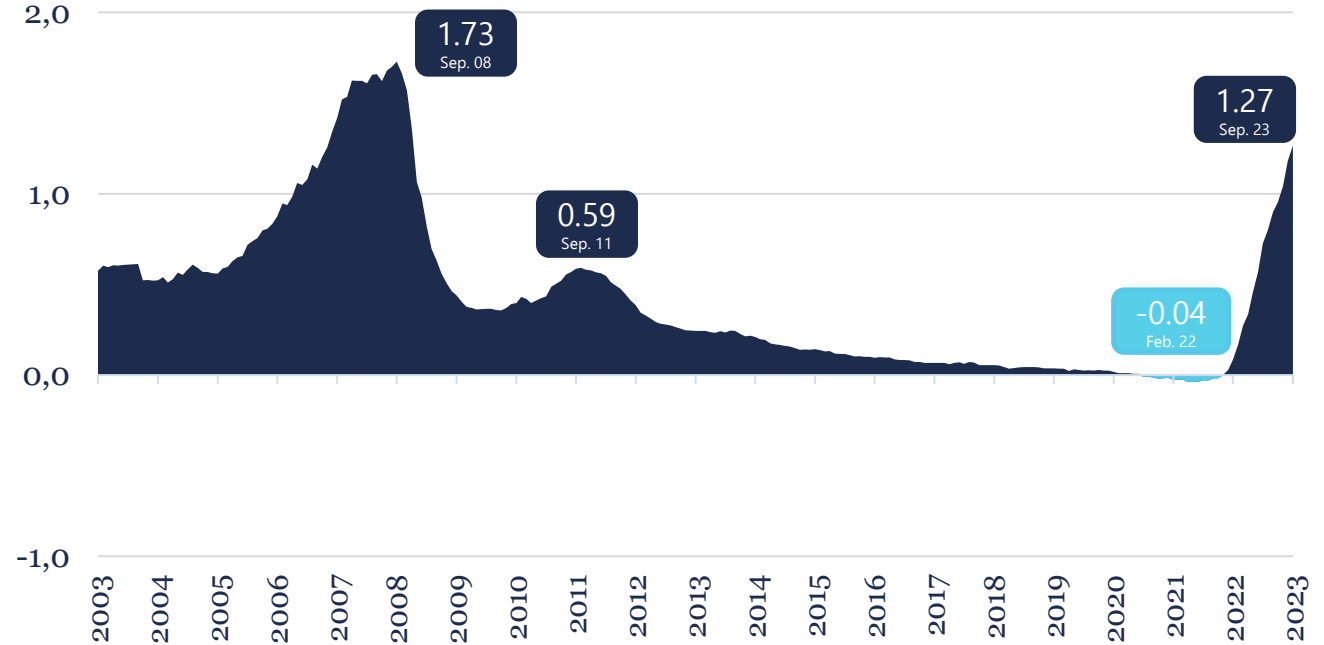
## Interest Income from Bank Deposits

In €bn., annualised, Austria, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Austrian corporates currently generate €1.27bn of interest income from deposits
- ...after a low of minus €0.04bn in February 2022
- At the height of the financial crisis in September 2008, Austrian corporates generated a record interest income of €1.73bn p.a.
- Second peak during the euro crisis in September 2011 at €0.6bn

### ▶ Interest Income From Deposits at Post Financial Crisis High



# Cost of Corporate Cash I

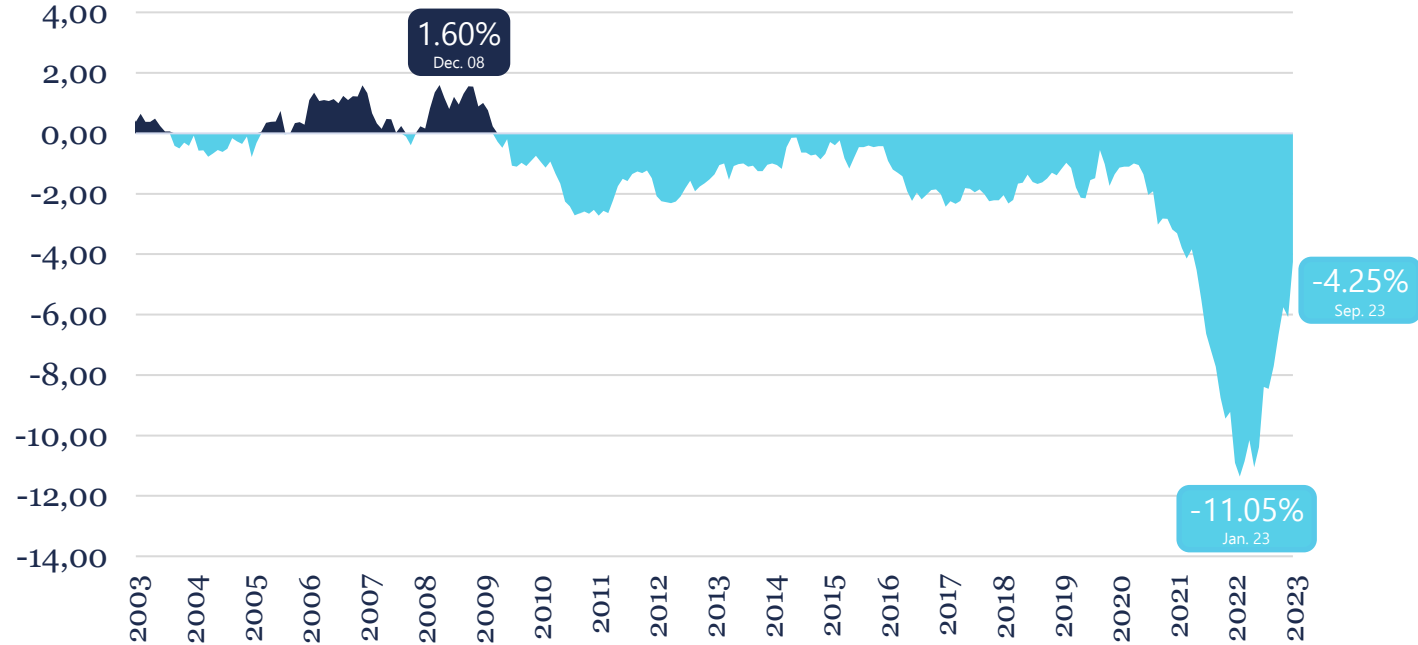
## Real Interest Rates of Bank Deposits

In % p.a. minus Inflation, Austria, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Real Interest Rates

- Real interest rates of corporate deposits in Austria improved to minus 4.3% p.a. in September 2023
- Real interest rates of corporate deposits have largely been positive until the financial crisis, but without exception negative thereafter

▶ **Real Interest Rates of Corporate Deposit Improve to minus 4.3%**



# Cost of Corporate Cash II

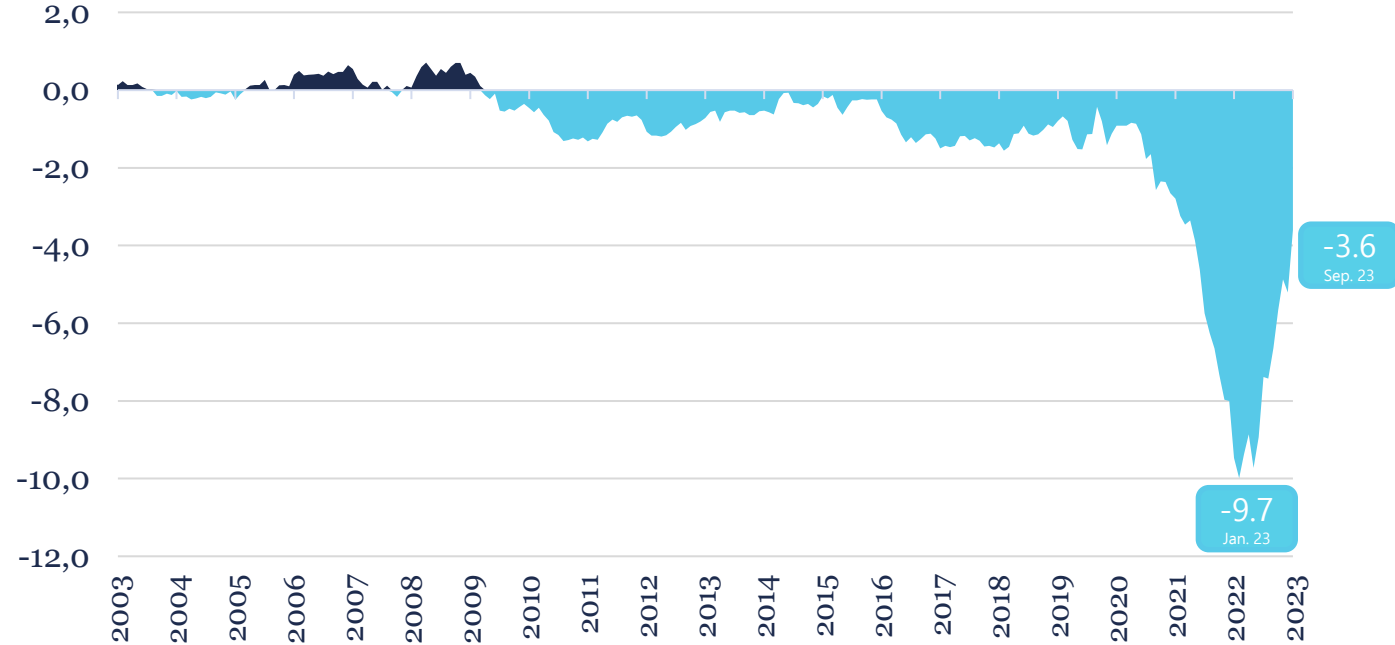
## Real Interest Income from Bank Deposits

In €bn., annualised, Austria, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Real interest loss of corporate deposits in Austria at minus €3.6bn p.a. in September 2023

▶ High Inflation Leads to Real Corporate Deposit Income Improved to minus €3.6bn p.a.





# Cost of Corporate Cash III

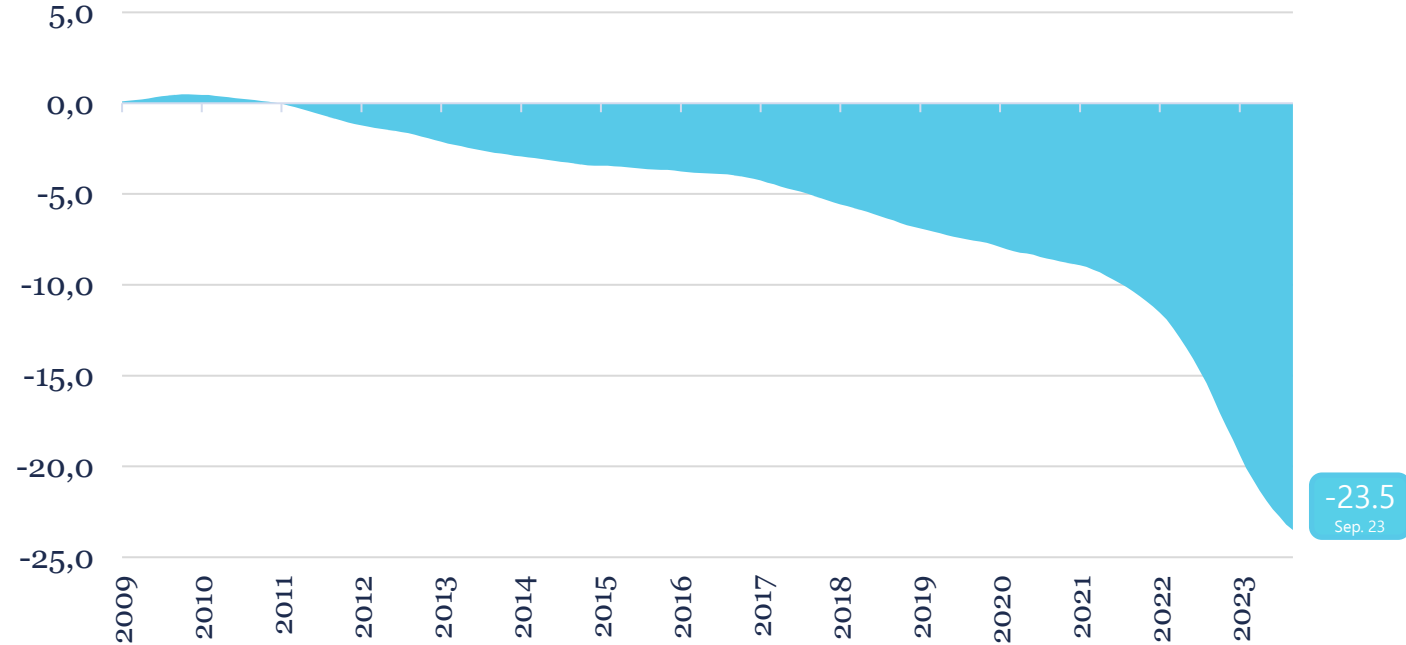
## Real Interest Income from Bank Deposits

In €bn., cumulated, Austria, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Real interest loss of corporate deposits in Austria reached a cumulated loss of minus €23.5bn from January 2009 to September 2023

▶ **High Inflation Leads to Real Corporate Deposit Income loss of minus €23.5bn**



# Development of Corporate Cash I

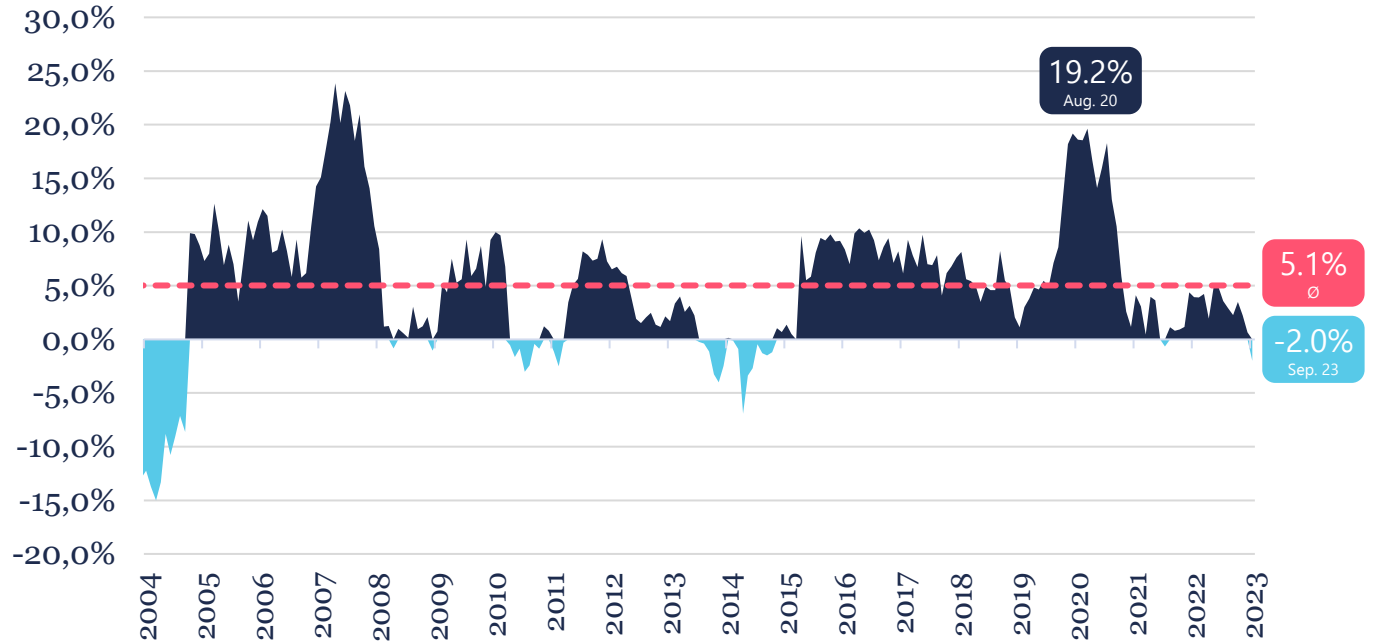
## Growth of Corporate Deposits & Cash

In % YoY, Austria, Corporate Deposits & Cash

### Growth of Corporate Cash

- Growth of corporate cash at minus 2.0% YoY
- ... and thus, below long-term average of 5.1% YoY
- Growth peaked at 19.2% YoY during COVID-19 in August 2020

▶ **Austria Corporate Cash Growth Turned Negative**



# Development of Corporate Cash II

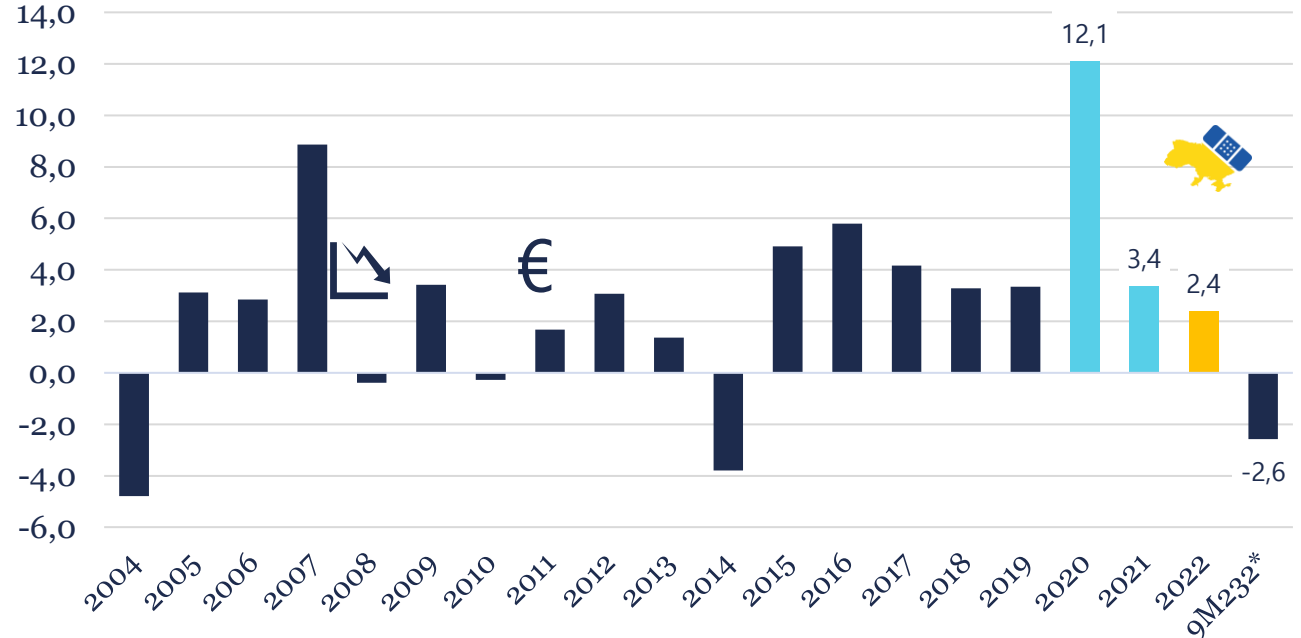
## Growth of Corporate Deposits & Cash

In €bn p.a., Austria, Corporate Deposits & Cash

### Growth of Corporate Cash

- Corporate cash decrease of €2.6bn YTD
- Potentially making 2023 the weakest year since 2014

▶ Corporate Cash Started to Decline



\*) January 2023 to September 2023

# Development of Corporate Cash III

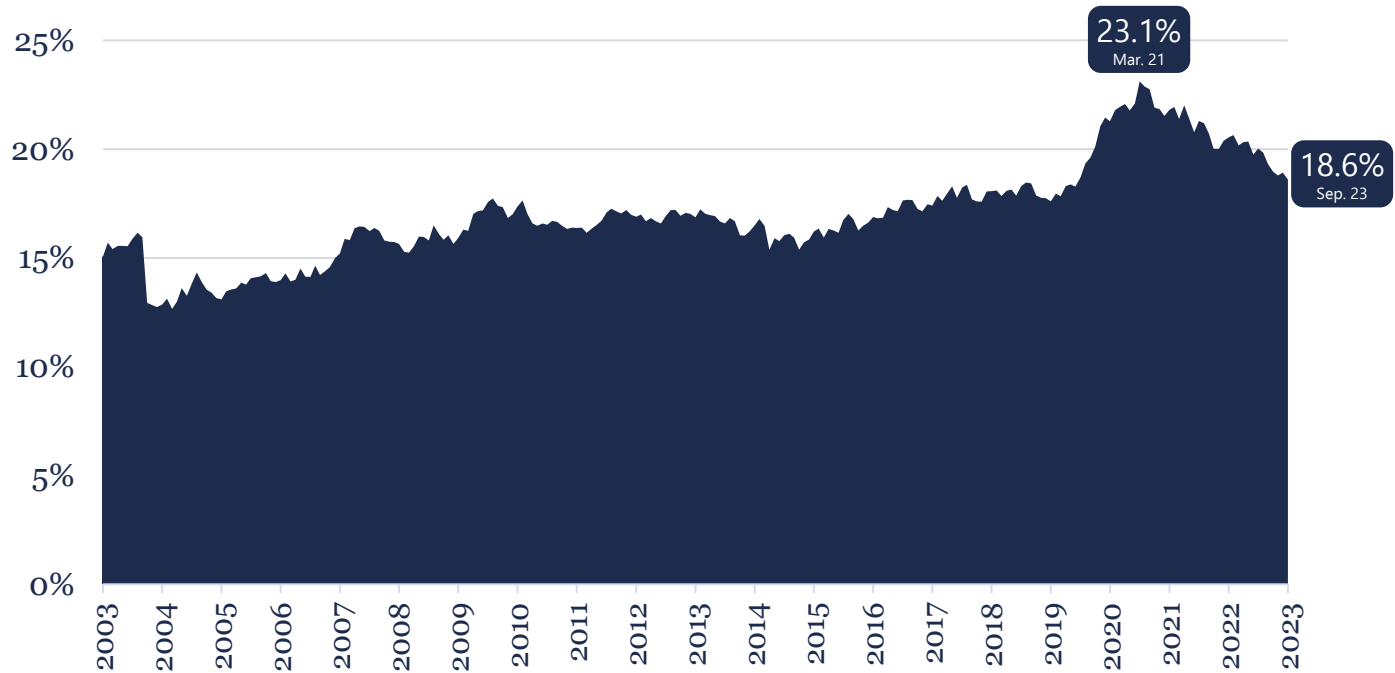
## Corporate Cash in % of GDP

Total Corporate Deposits & Cash, Austria, in % of nominal GDP

### Corporate Cash in % of GDP

- Corporate cash in Austria has declined to 18.6% of nominal GDP
- ...after high point of 23.1% in March 2021

▶ Corporate Cash in Relation to GDP Declining for 2 ½ Years



# Belgium

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## Country Profile

# Income & Expenses of Corporate Cash I

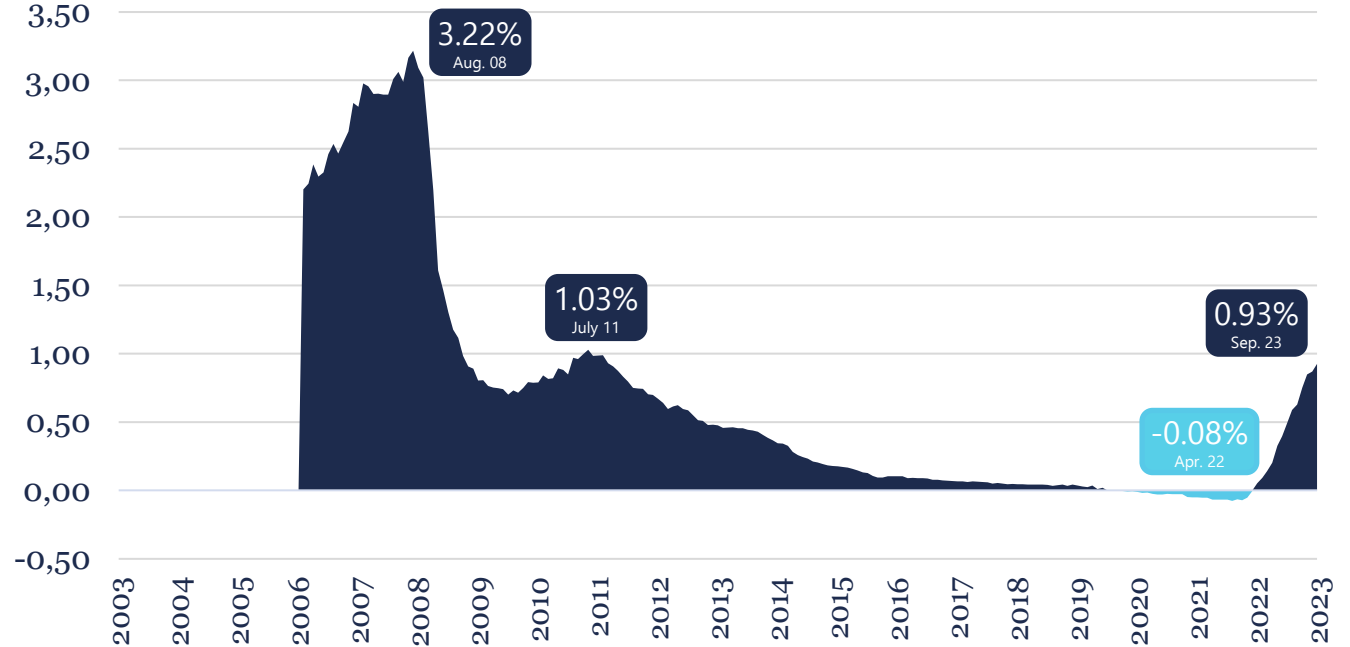
## Interest Rates on Bank Deposits

In % p.a., Belgium, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Interest Rate Development

- Ø Interest rates for corporate bank deposits have increased to 0.93% p.a.
- ...after a low of minus 0.08% in April 2022
- Ø Interest rates with high point of 3.22% at height of financial crisis August 2008
- Ø Interest rates with second peak of 1.03% p.a. at high point of financial crisis in Juli 2011

▶ Ø Interest Rates for Bank Deposits Started to Rise in May 2022



# Income & Expenses of Corporate Cash II

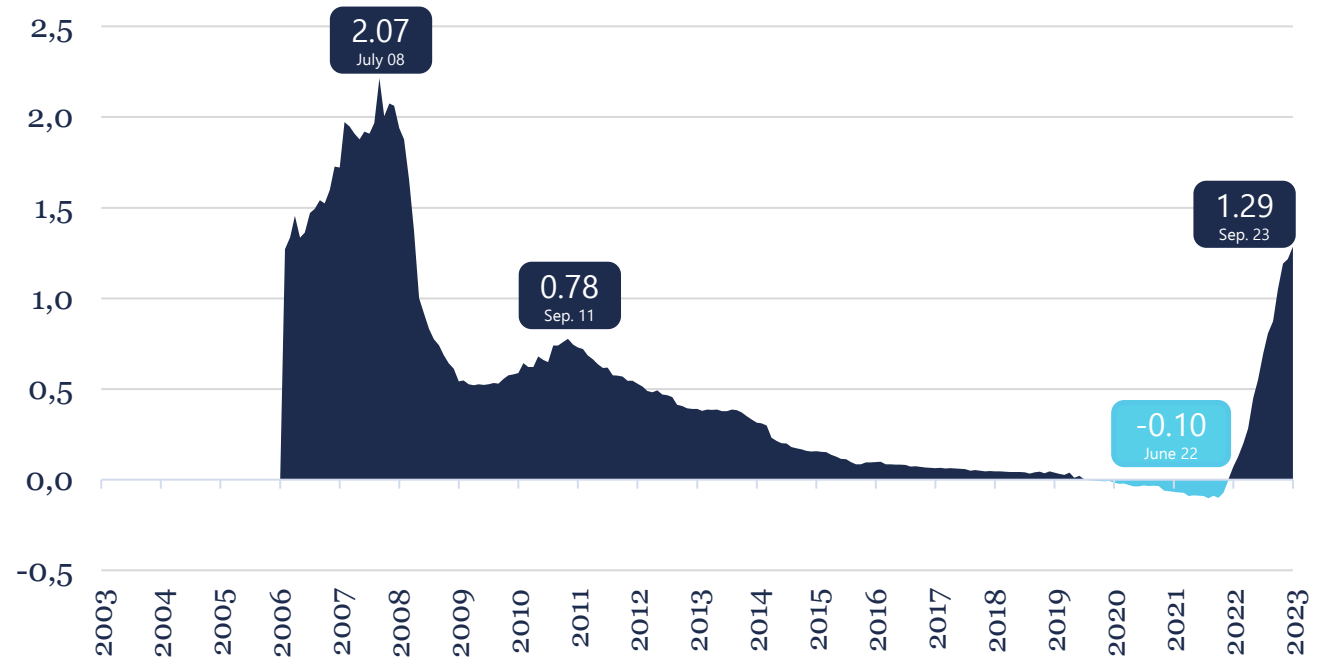
## Interest Income from Bank Deposits

In €bn., annualised, Belgium, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Belgian corporates currently generate €1.29bn of interest income from deposits
- Shortly before the height of the financial crisis in July 2008, Belgian corporates generated record interest income of €2.07bn p.a.
- Second peak during the Euro crisis in September 2011 at €0.78bn

▶ **Belgian Interest Income from Deposits Has Turned Positive Again**



# Cost of Corporate Cash I

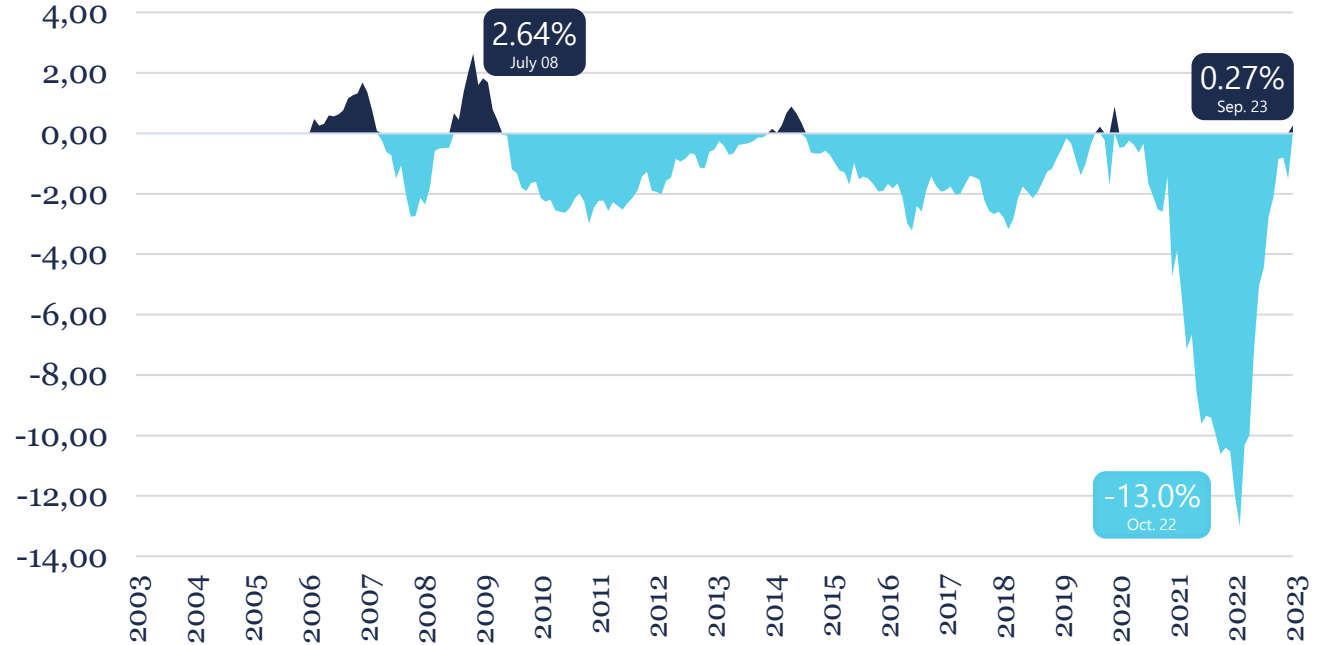
## Real Interest Rates of Bank Deposits

In % p.a. minus Inflation, Belgium, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Real Interest Rates

- Real interest rates of corporate deposits in Belgium at 0.27% p.a. in September 2023
- Real interest rates of corporate deposits have largely been negative after financial crisis

▶ **Belgian Real Interest Rates of Corporate Deposits Started to Rise Again in November 2022**





# Cost of Corporate Cash II

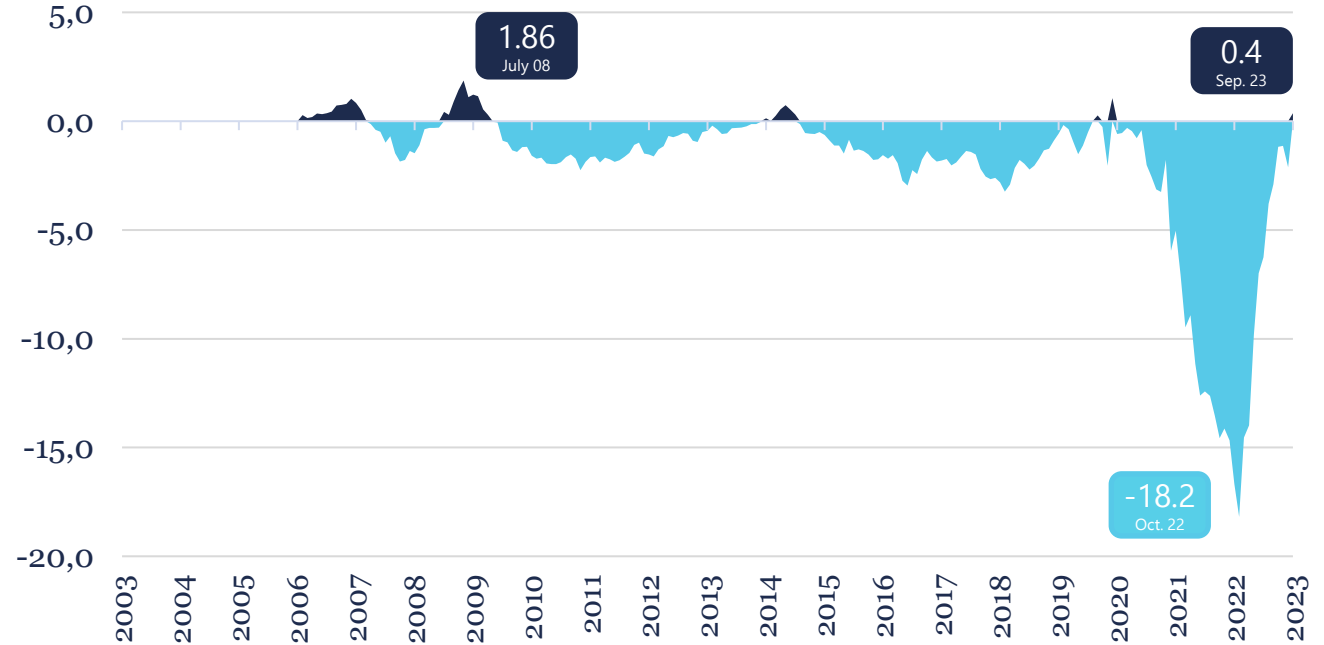
## Real Interest Income from Bank Deposits

In €bn., annualised, Belgium, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Real interest loss of corporate deposits in Belgium at €0.4bn p.a. in September 2023

▶ Interest Income from Deposits Has Turned Positive Again



# Development of Corporate Cash I

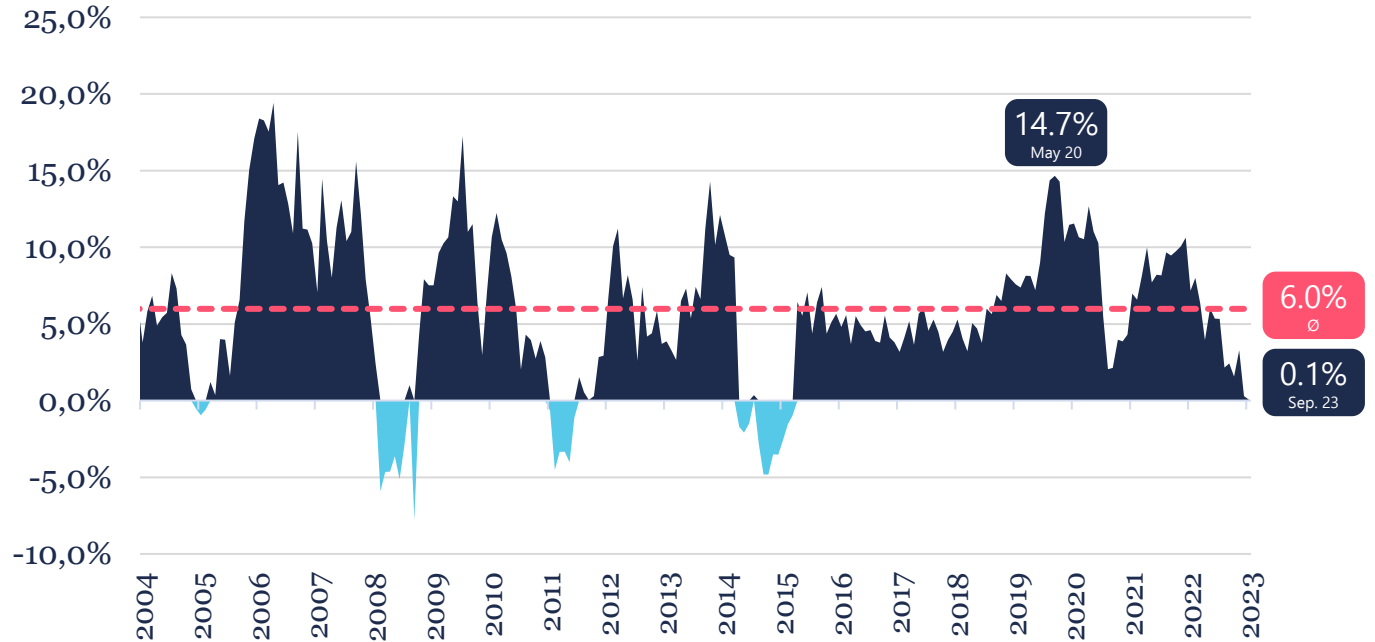
## Growth of Corporate Deposits & Cash

In % YoY, Belgium, Corporate Deposits & Cash

### Growth of Corporate Cash

- Growth of corporate cash at 0.1% YoY
- ...well below long term average of 6.0% YoY
- Growth peaked at 14.7% YoY during COVID-19 in May 2020

▶ **Belgian Corporate Cash Growth Well Below Long-term Average**



# Development of Corporate Cash II

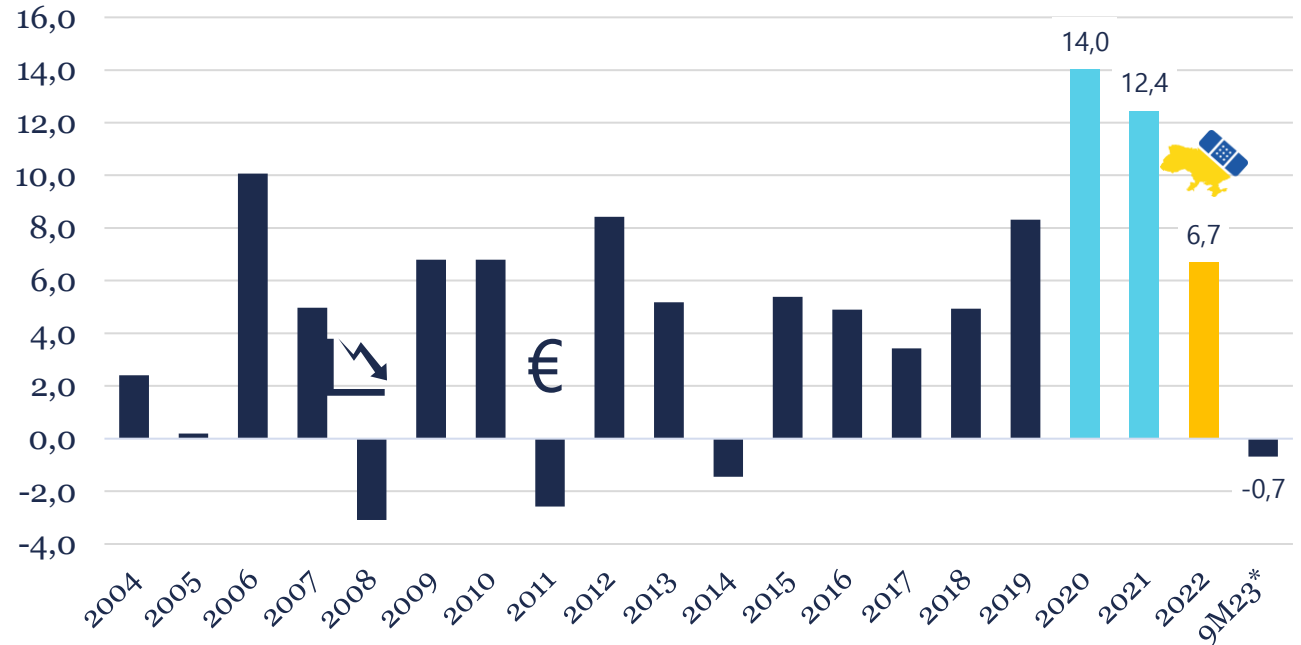
## Growth of Corporate Deposits & Cash

In €bn p.a., Belgium, Corporate Deposits & Cash

### Growth of Corporate Cash

- Corporate cash with decrease of €0.7bn YTD

▶ Corporate Cash Started to Decline



\*) January 2023 to September 2023

# Development of Corporate Cash III

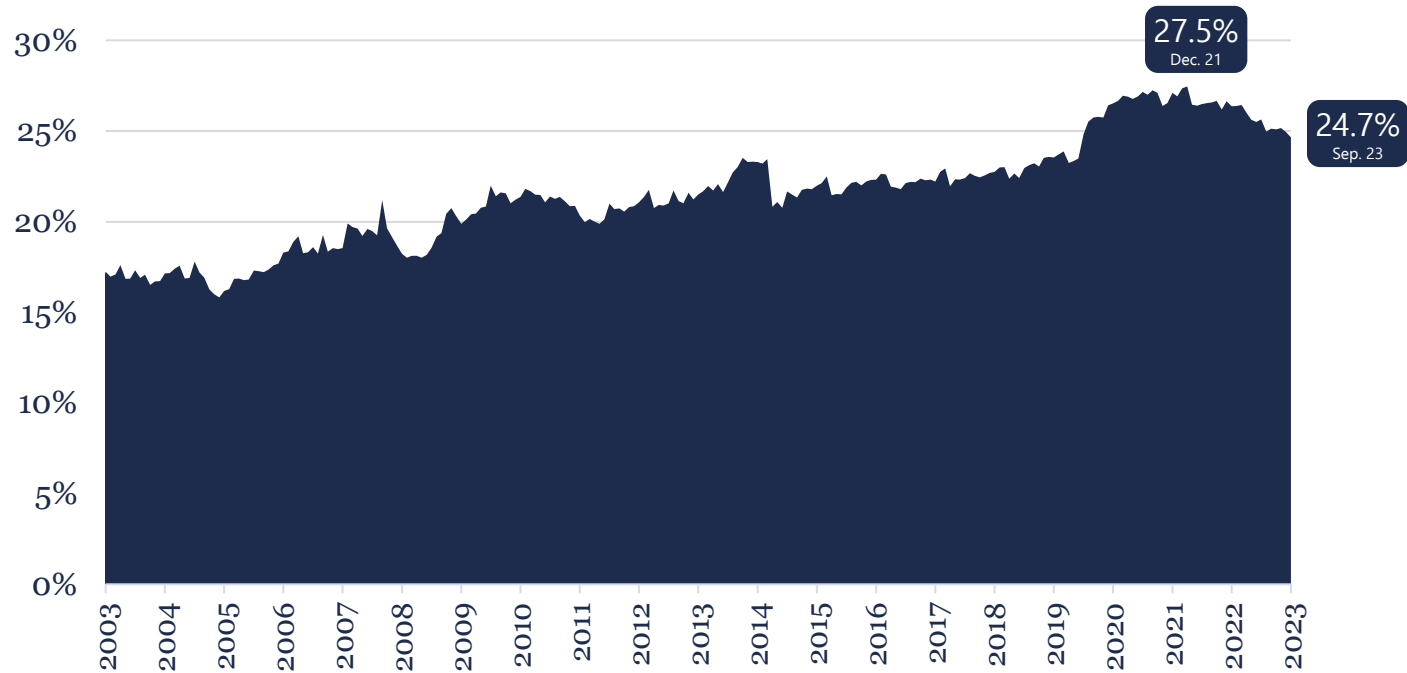
## Corporate Cash in % of GDP

Total Corporate Deposits & Cash, Belgium, in % of nominal GDP

### Corporate Cash in % of GDP

- Corporate cash in Belgium currently stands at 24.7% of nominal GDP
- This follows a high of 27.5% reached in December 2021

▶ Corporate Cash in Relation to GDP Still at Elevated Level



# France

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## Country Profile

# Income & Expenses of Corporate Cash I

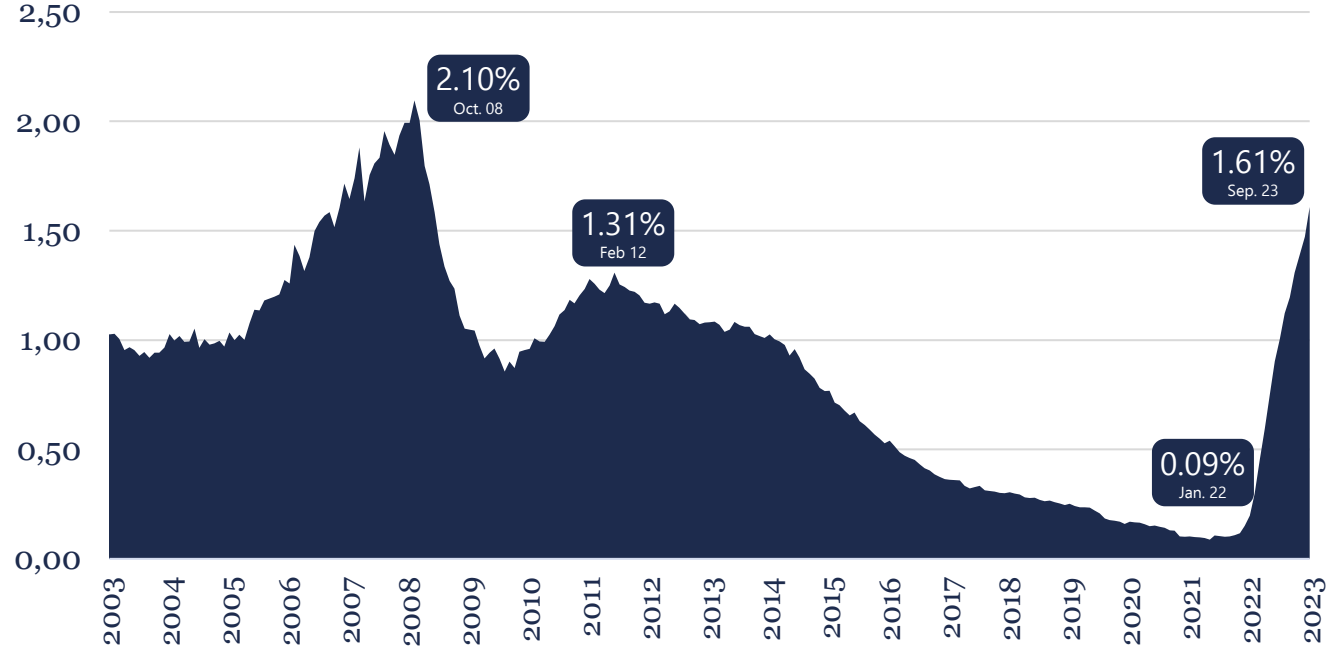
## Interest Rates on Bank Deposits

In % p.a., France, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Interest Rate Development

- Ø Interest rates for corporate bank deposits have increased to 1.61% p.a.
- Ø Interest rates with high point of 2.10% at height of financial crisis October 2008
- Ø Interest rates with second peak of 1.31% p.a. during Euro crisis in February 2012

▶ Ø Interest Rates for Bank Deposits Started to Rise Again to Highest Level of Major Eurozone Countries



# Income & Expenses of Corporate Cash II

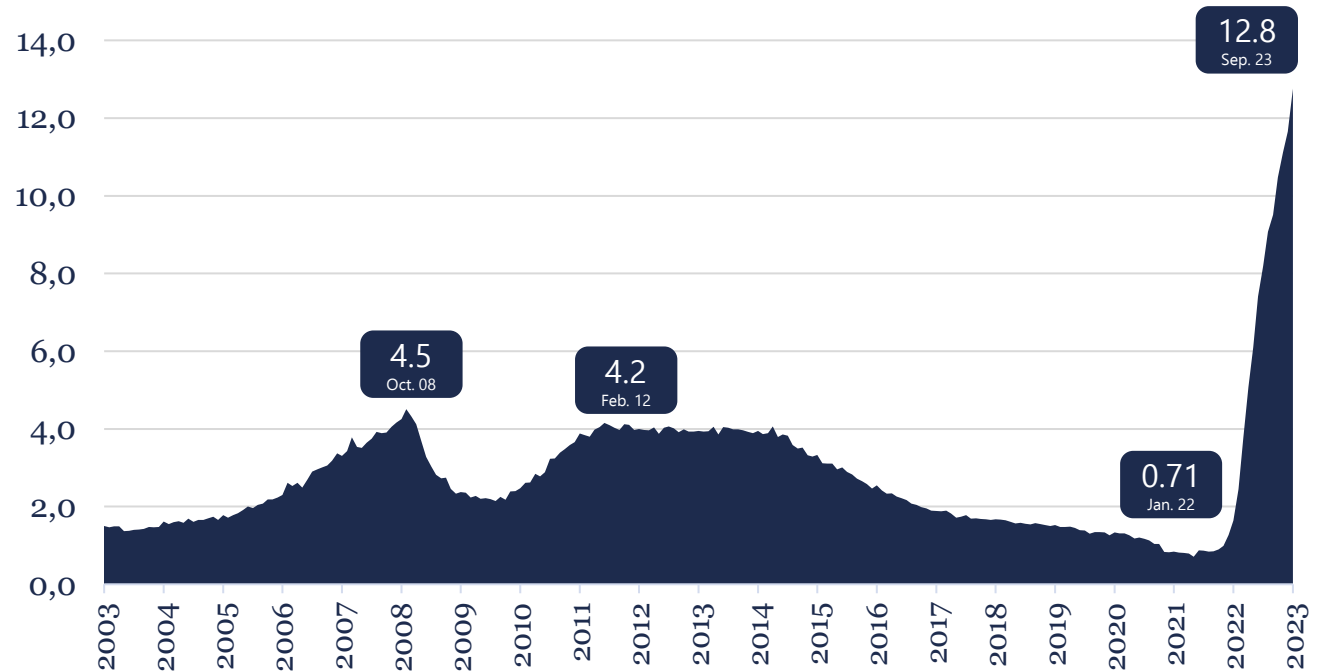
## Interest Income from Bank Deposits

In €bn., annualised, France, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- French corporates currently generate €12.8bn of interest income from deposits
- At the height of the financial crisis in October 2008, French corporates generated record interest income of €4.5bn p.a.
- Second peak during the euro crisis in February 2012 at €4.2bn

▶ **Interest Income from Deposits Has Strongly Turned Positive Again**



# Cost of Corporate Cash I

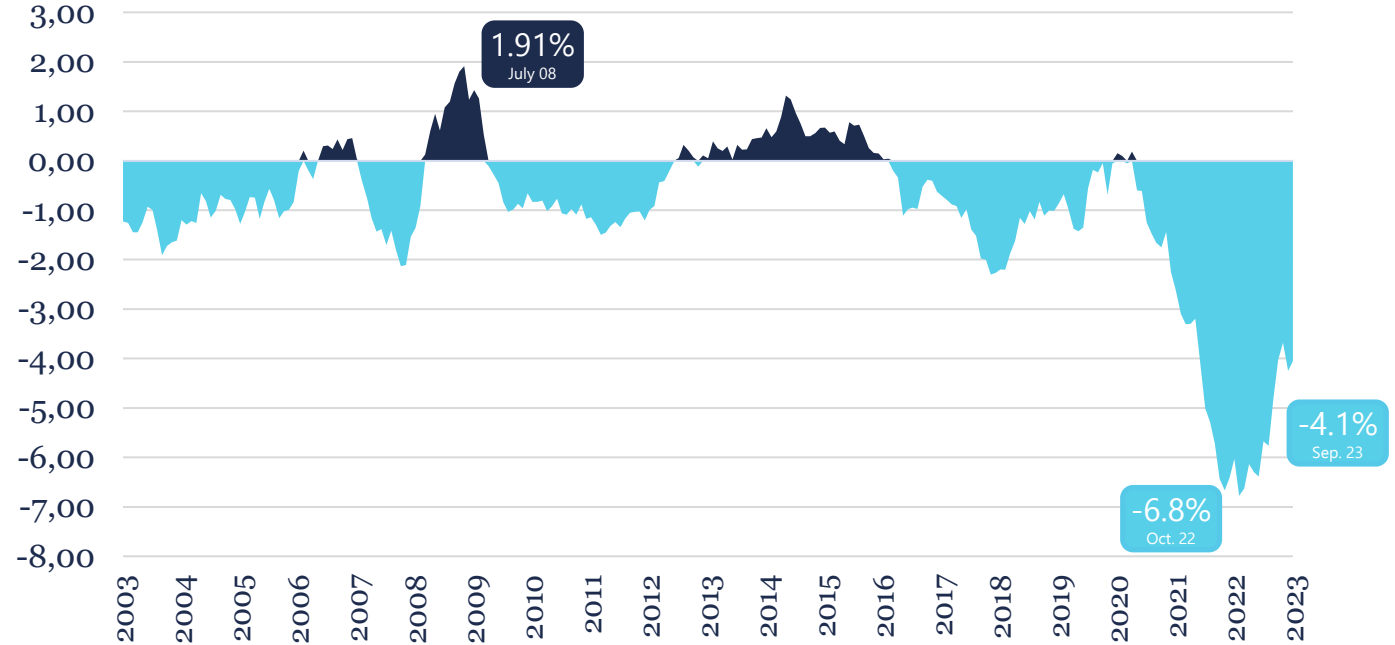
## Real Interest Rates of Bank Deposits

In % p.a. minus Inflation, France, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Real Interest Rates

- Real interest rates of corporate deposits in France at minus 4.1% p.a. in September 2023
- Real interest rates of corporate deposits have largely been negative since 2003

▶ **Real Interest Rates of Corporate Deposits at minus 4.1%**





# Cost of Corporate Cash II

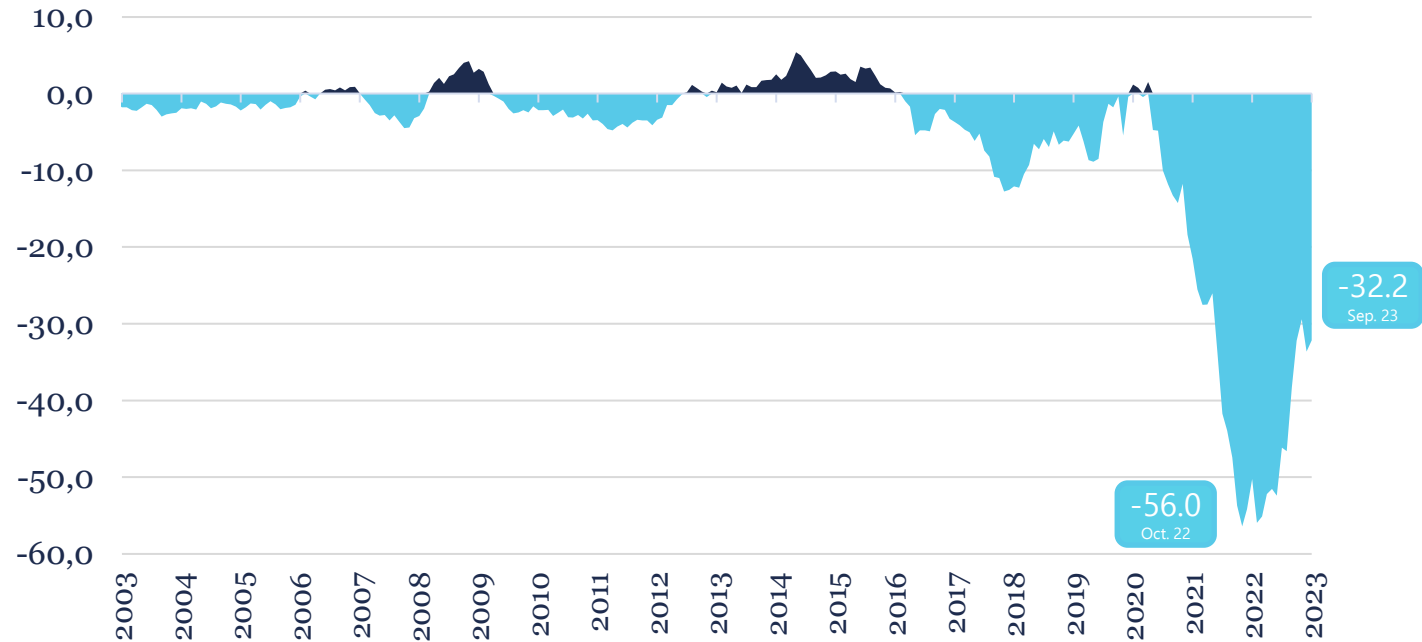
## Real Interest Income from Bank Deposits

In €bn., annualised, France, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Real interest loss of corporate deposits in France at minus €32.2bn p.a. in September 2023

▶ **High Inflation Leads to Real Corporate Deposit Income at minus €32.2bn p.a.**



# Development of Corporate Cash I

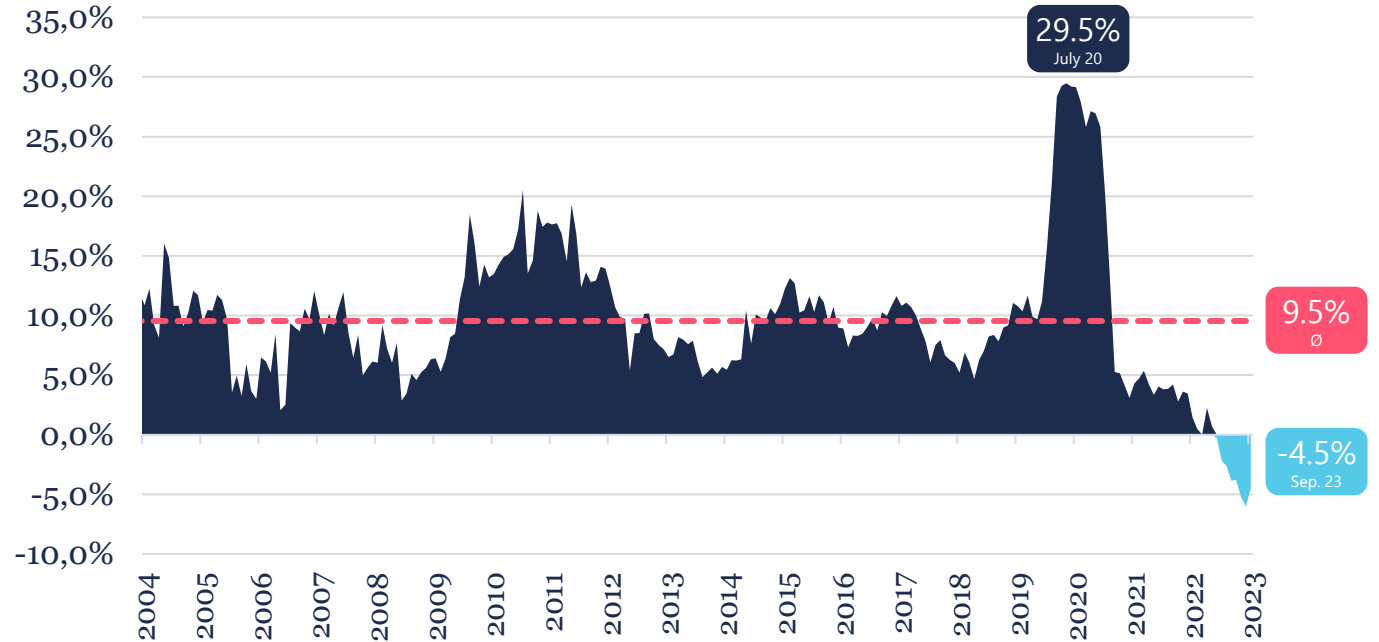
## Growth of Corporate Deposits & Cash

In % YoY, France, Corporate Deposits & Cash

### Growth of Corporate Cash

- Growth of corporate cash at -4.5% YoY
- ...substantially below the long-term average of 9.5% YoY
- Growth peaked at 29.5% YoY during COVID-19 in July 2021

▶ **French Corporate Cash Growth Much Below Long-term Average**



# Development of Corporate Cash II

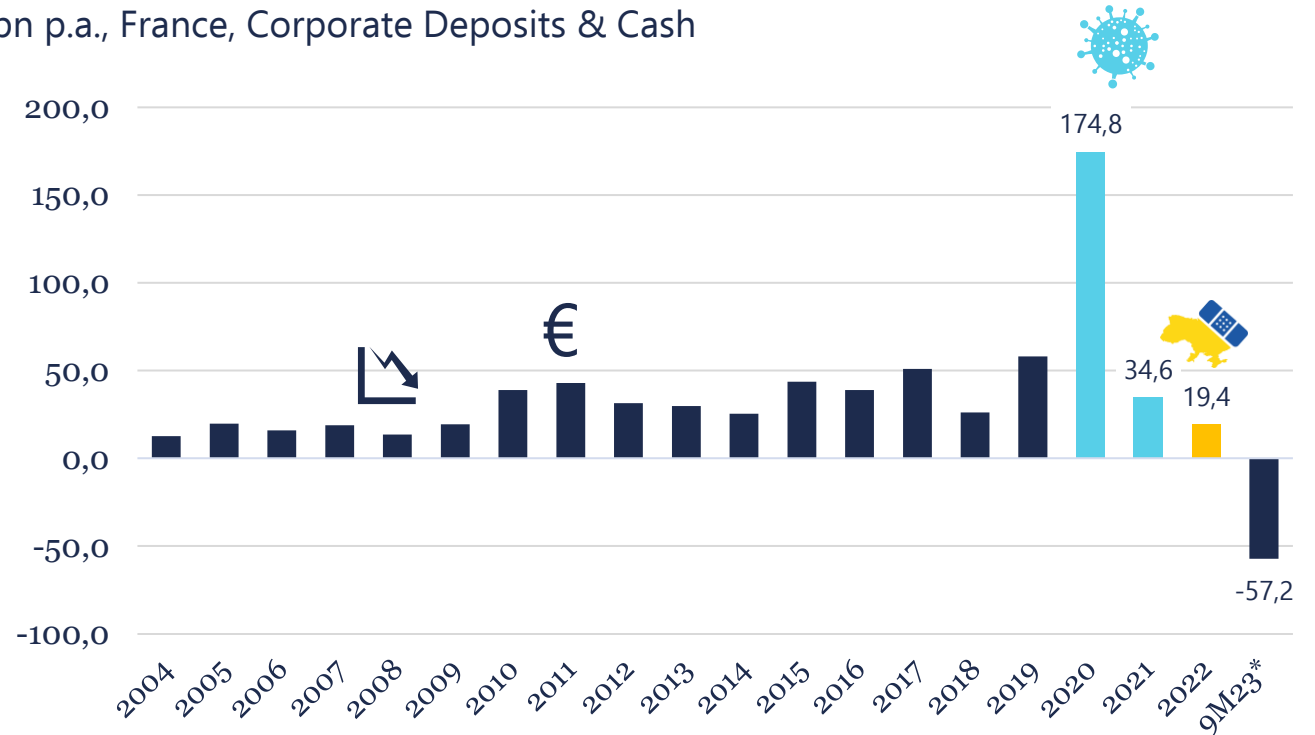
## Growth of Corporate Deposits & Cash

In €bn p.a., France, Corporate Deposits & Cash

### Growth of Corporate Cash

- Corporate cash with sharp decline of €57.2bn YTD
- 2020 was a bumper year with cash growth of €175bn

▶ Corporate Cash Growth Declines a Lot



\*) January 2023 to September 2023

# Development of Corporate Cash III

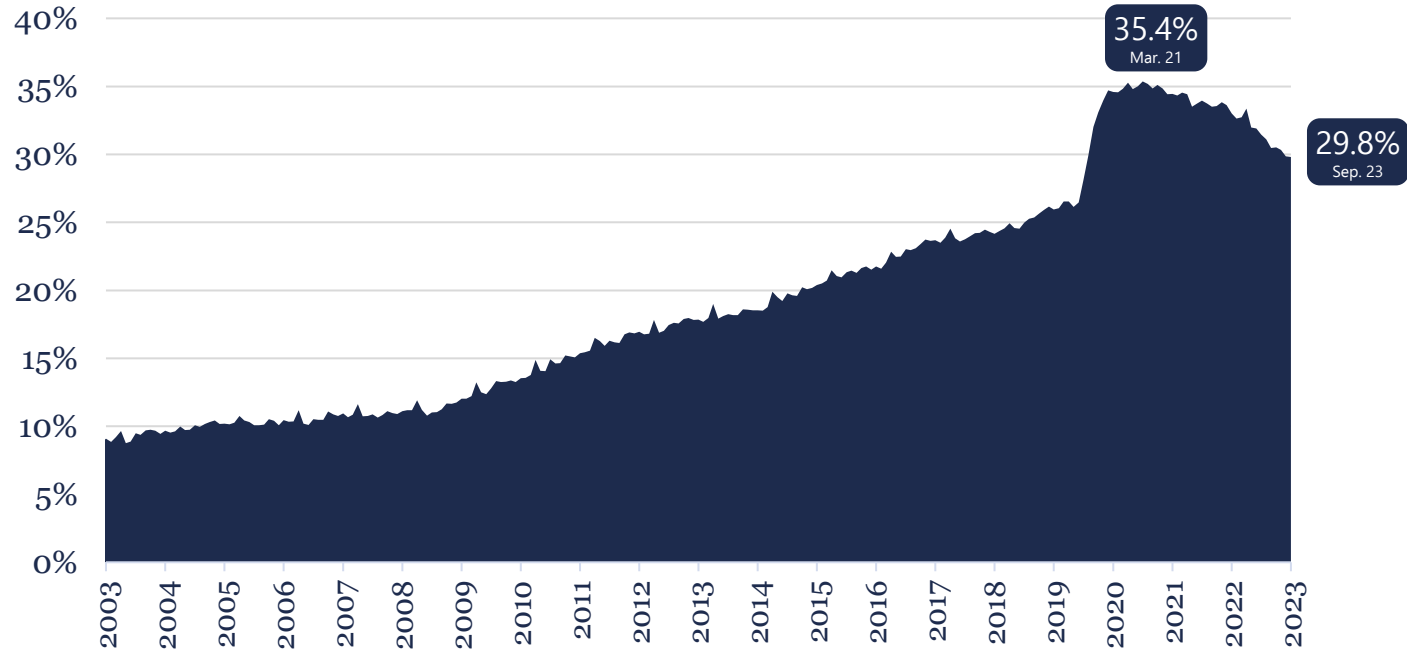
## Corporate Cash in % of GDP

Total Corporate Deposits & Cash, France, in % of nominal GDP

### Corporate Cash in % of GDP

- Corporate cash in France currently stands at 29.8% of nominal GDP
- ...slightly below high of 35.4% in March 2021

▶ Corporate Cash in Relation to GDP Still at Elevated Level



# Italy

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## Country Profile

# Income & Expenses of Corporate Cash I

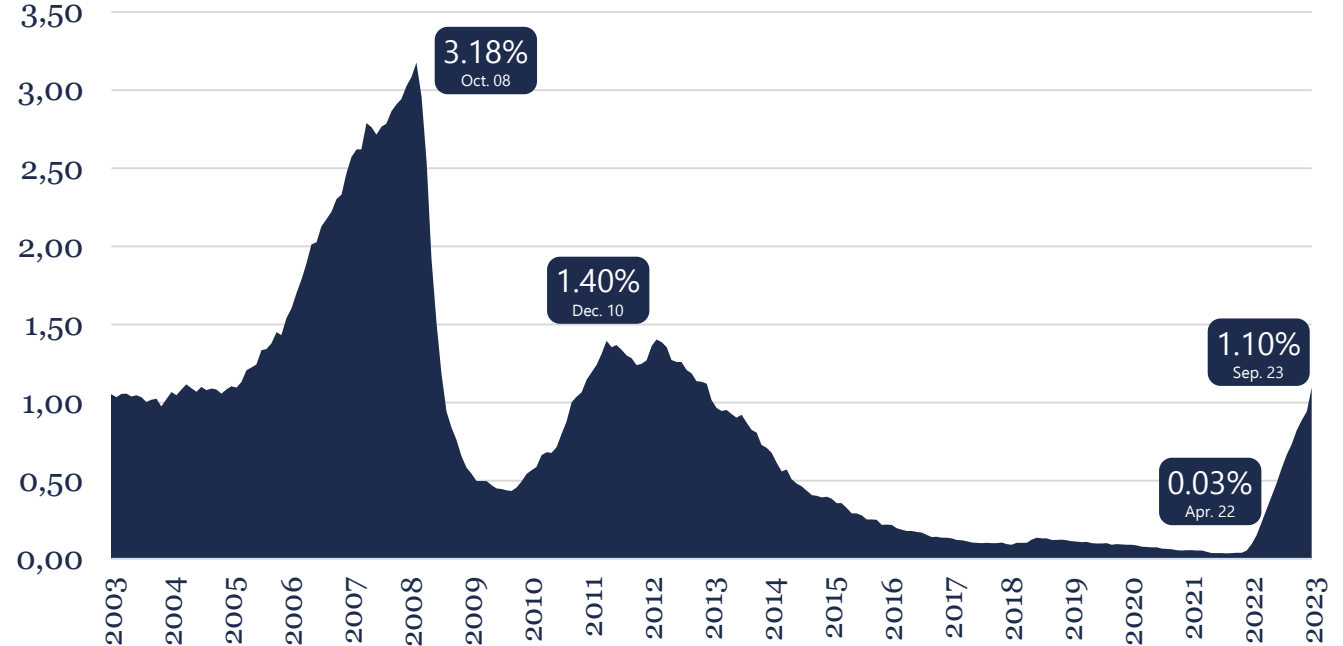
## Interest Rates on Bank Deposits

In % p.a., Italy, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Interest Rate Development

- Ø Interest rates for corporate bank deposits have increased to 1.10% p.a.
- ...after low of plus 0.03% in April 2022
- Ø Interest rates with high point of 3.18% at height of financial crisis in October 2008
- Ø Interest rates with second peak of 1.40% p.a. at high point of financial crisis in December 2010

▶ Ø Interest Rates for Bank Deposits Started to Rise Again in May 2022



# Income & Expenses of Corporate Cash II

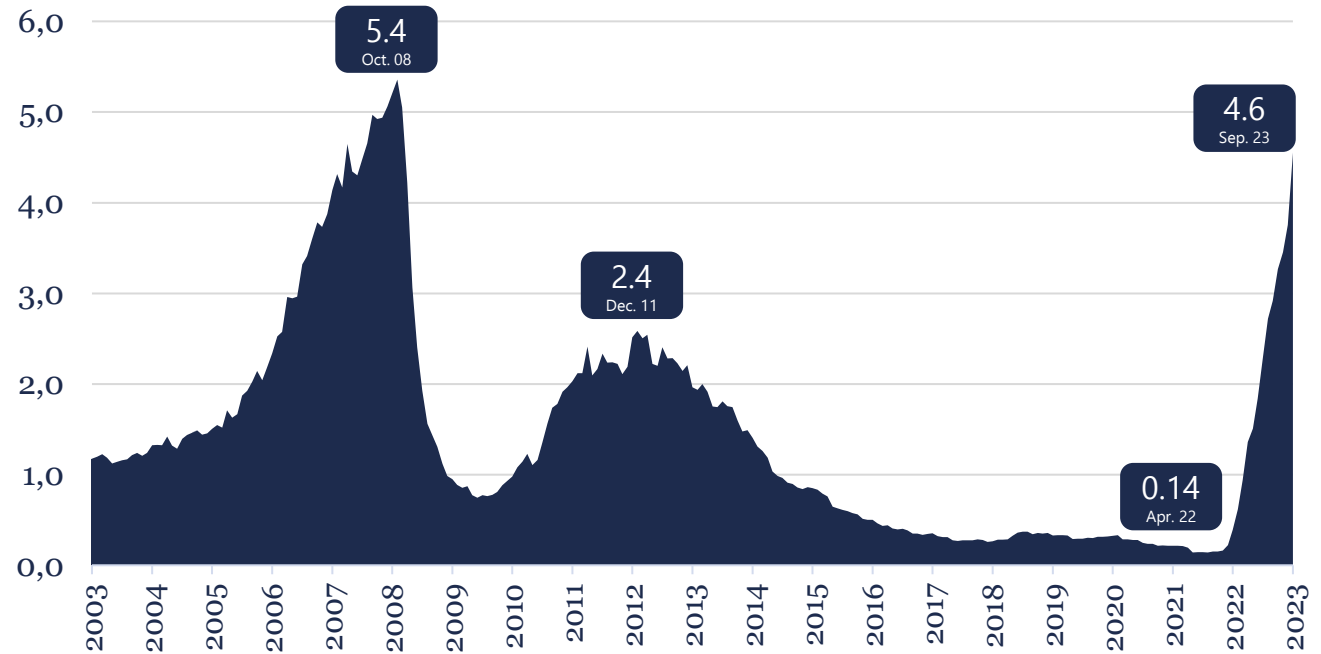
## Interest Income from Bank Deposits

In €bn., annualised, Italy, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Italian corporates currently generate €4.6bn of interest income from deposits
- At the height of the financial crisis in October 2008, Italian corporates generated record interest income of €5.4bn p.a.
- Second peak during the euro crisis in December 2011 at €2.4bn

▶ **Interest Income from Deposits Has Turned Positive Again**



# Cost of Corporate Cash I

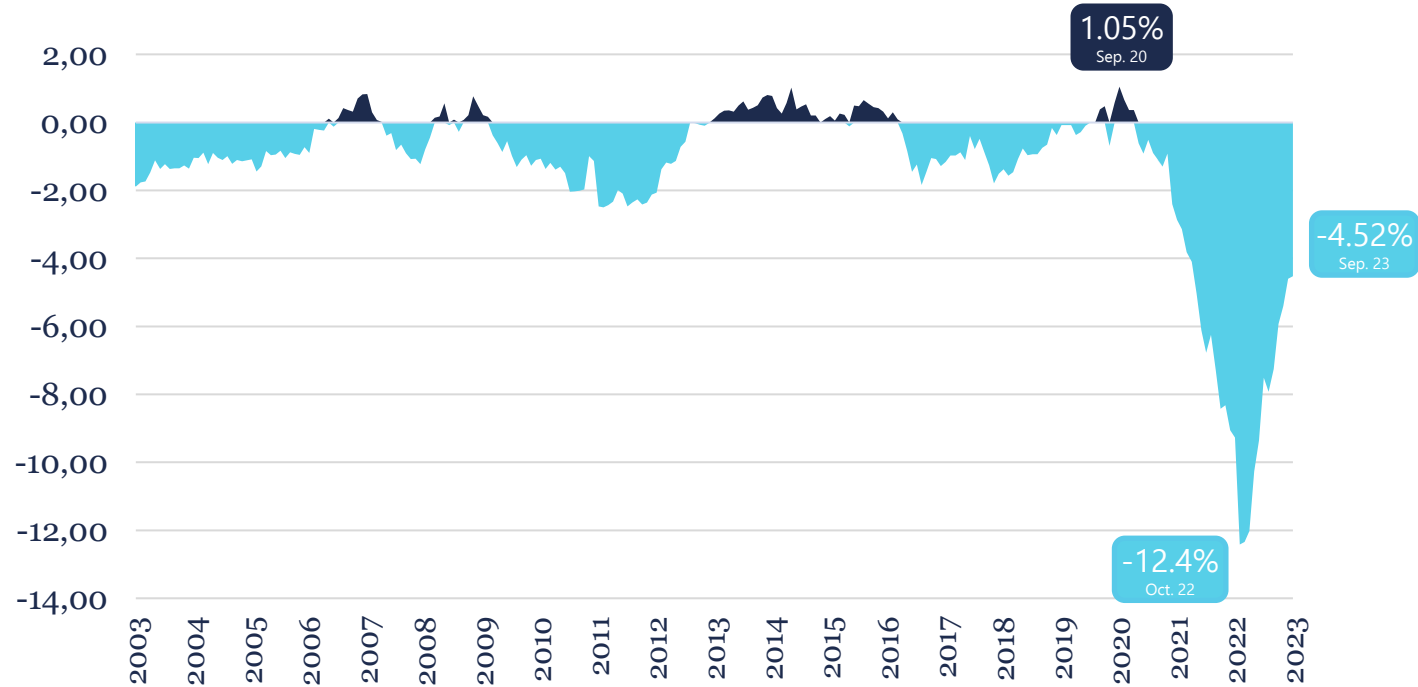
## Real Interest Rates of Bank Deposits

In % p.a. minus Inflation, Italy, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Real Interest Rates

- Real interest rates of corporate deposits in Italy at minus 4.52% p.a. in September 2023
- Real interest rates of corporate deposits have largely been negative since 2003, but had a positive period from September 2013 to November 2016 and during parts of 2020

▶ **Real Interest Rates of Corporate Deposits at minus 4.52%**





# Cost of Corporate Cash II

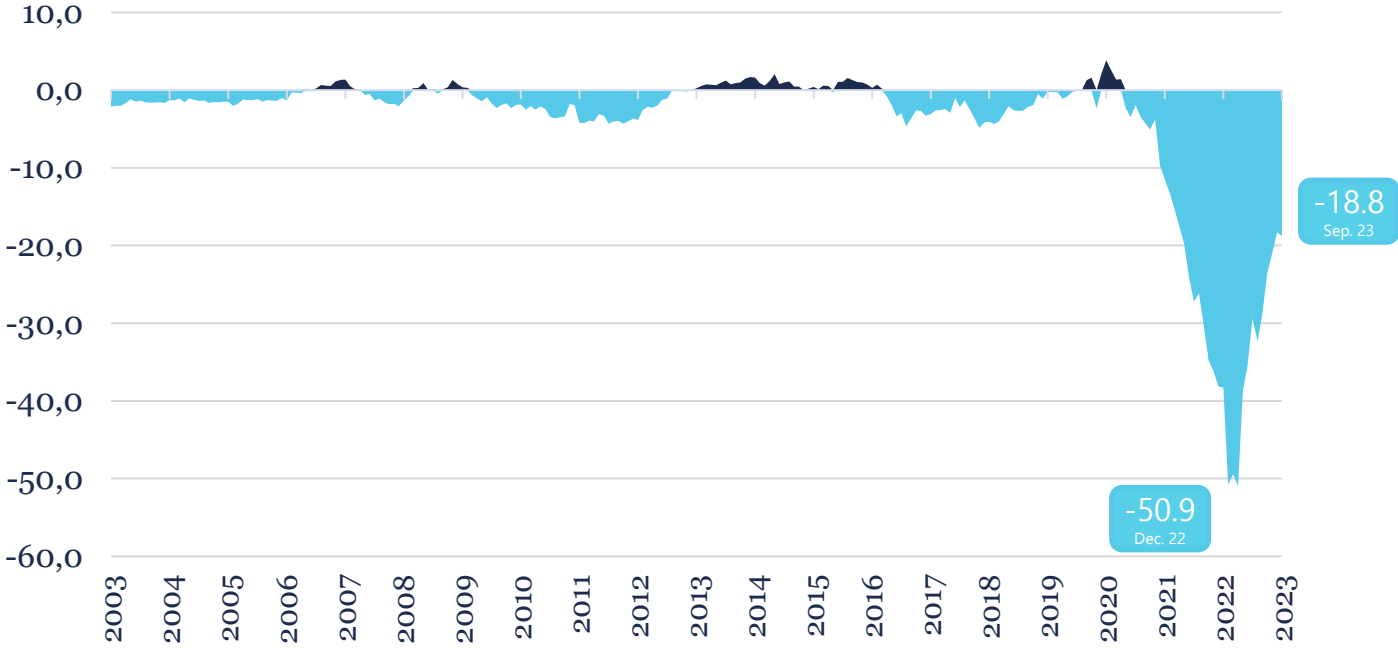
## Real Interest Income from Bank Deposits

In €bn., annualised, Italy, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Real interest loss of corporate deposits in Italy at minus €18.8bn p.a. in September 2023

▶ **Still High Inflation Leads to Real Corporate Deposit Income at minus €18.8bn p.a.**



# Development of Corporate Cash I

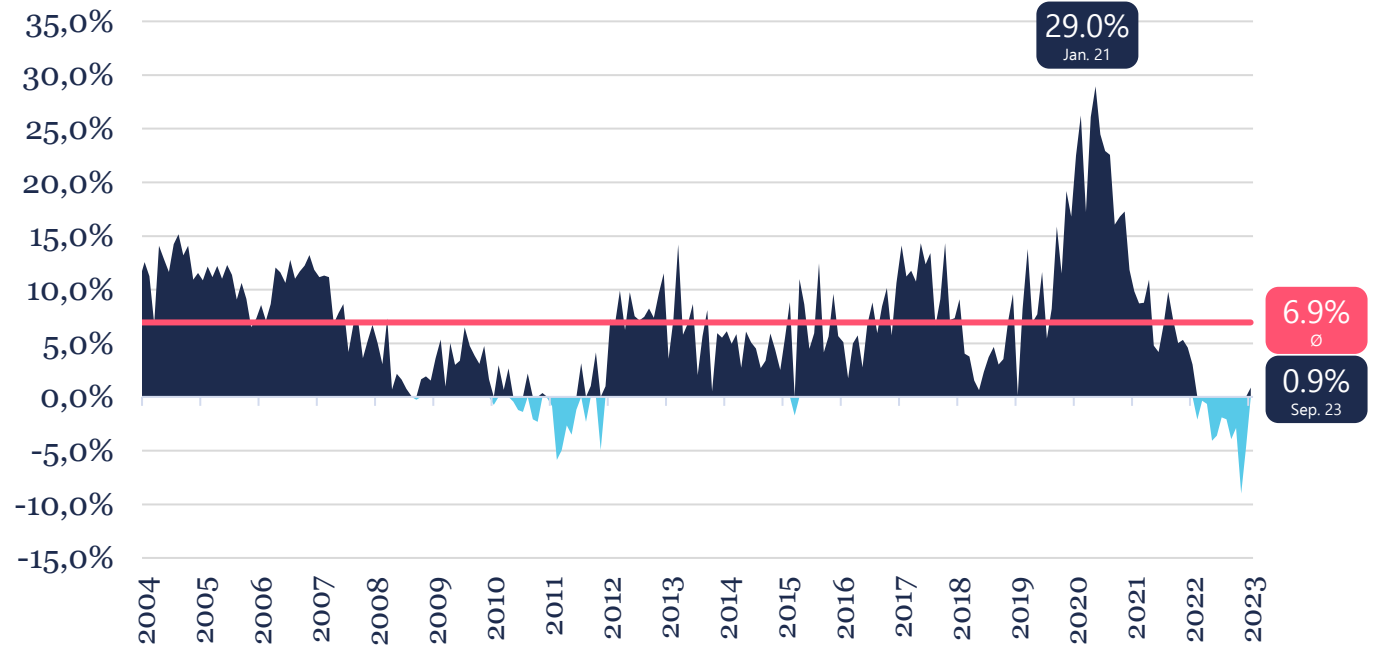
## Growth of Corporate Deposits & Cash

In % YoY, Italy, Corporate Deposits & Cash

### Growth of Corporate Cash

- Growth of corporate cash at 0.9% YoY
- ...substantially below long-term average of 6.9% YoY
- Growth peaked at 29.0% YoY during COVID-19 in January 2021

▶ Corporate Cash Growth Strongly Below Long-Term Average



# Development of Corporate Cash II

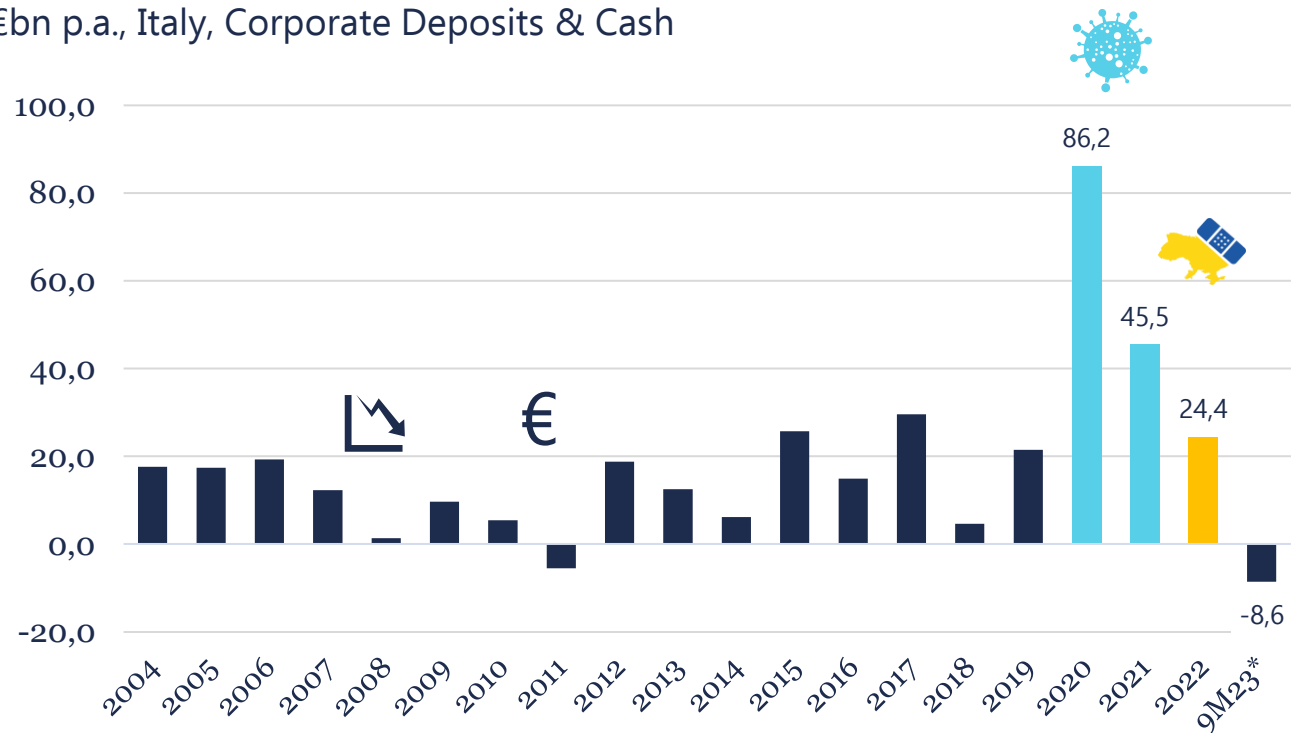
## Growth of Corporate Deposits & Cash

In €bn p.a., Italy, Corporate Deposits & Cash

### Growth of Corporate Cash

- Corporate cash with substantial decrease of €8.6bn YTD

▶ Corporate Cash Growth Has Turned Strongly Negative



\*) January 2023 to September 2023

# Development of Corporate Cash III

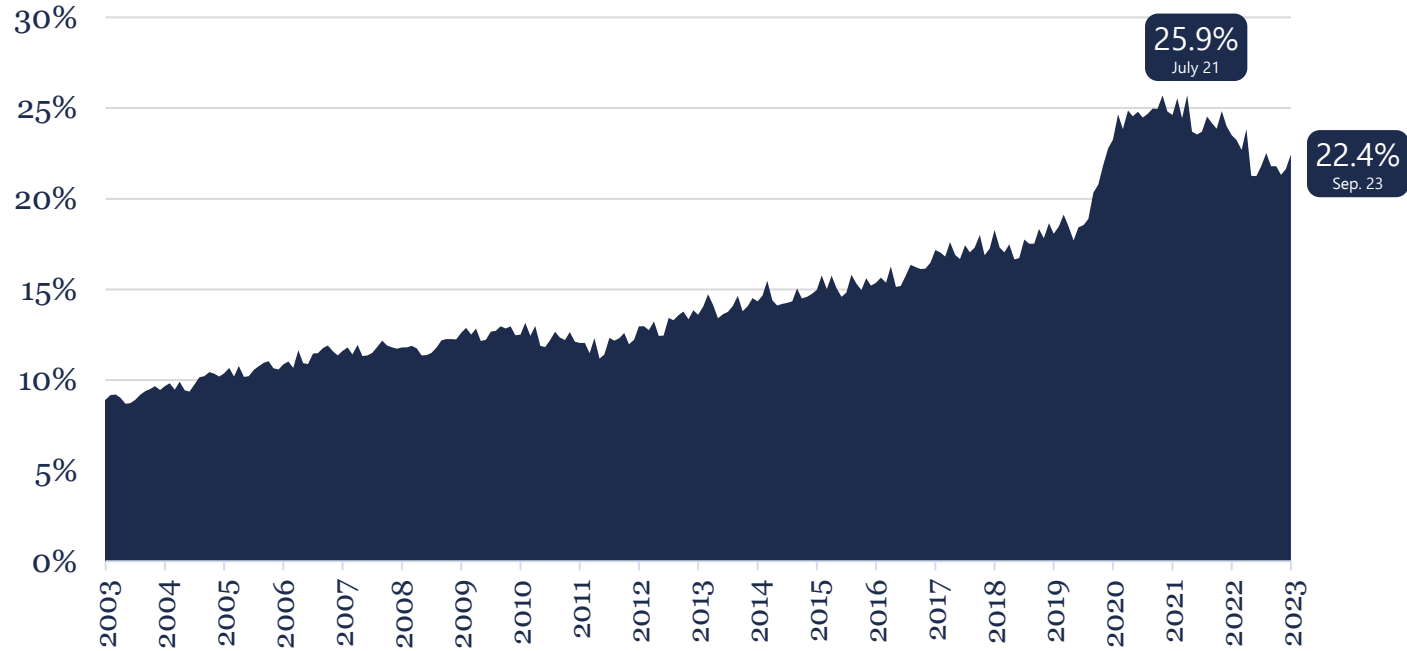
## Corporate Cash in % of GDP

Total Corporate Deposits & Cash, Italy, in % of nominal GDP

### Corporate Cash in % of GDP

- Corporate cash in Italy currently stands at 22.4% of nominal GDP
- ...after a high of 25.9% in July 2021

▶ Corporate Cash in Relation to GDP Still at Elevated Level



# Netherlands

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## Country Profile

# Income & Expenses of Corporate Cash I

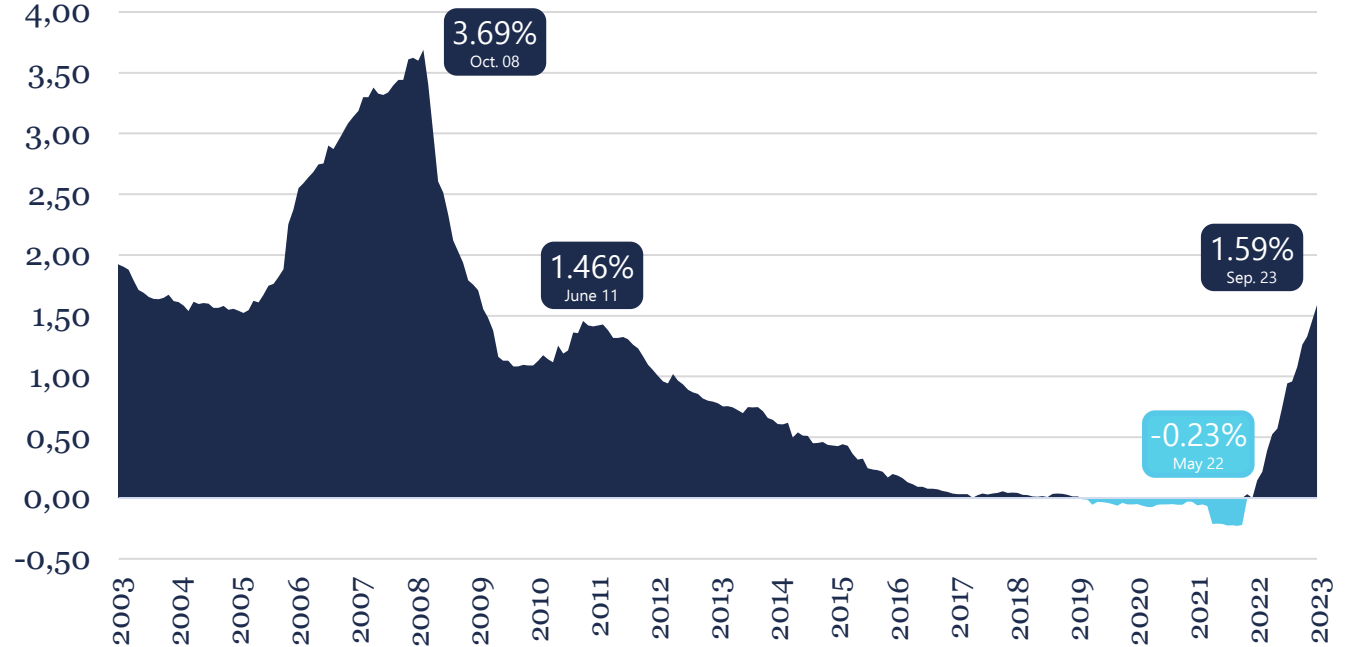
## Interest Rates on Bank Deposits

In % p.a., Netherlands, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Interest Rate Development

- Ø Interest rates for corporate bank deposits have increased to 1.59% p.a.
- ...after a low of minus 0.23% p.a. in May 2022
- Ø Interest rates with high point of 3.69% at height of financial crisis October 2008
- Ø Interest rates with second peak of 1.46% p.a. at high point of financial crisis in June 2011

▶ Ø Interest Rates for Bank Deposits Started to Rise Again in June 2022



# Income & Expenses of Corporate Cash II

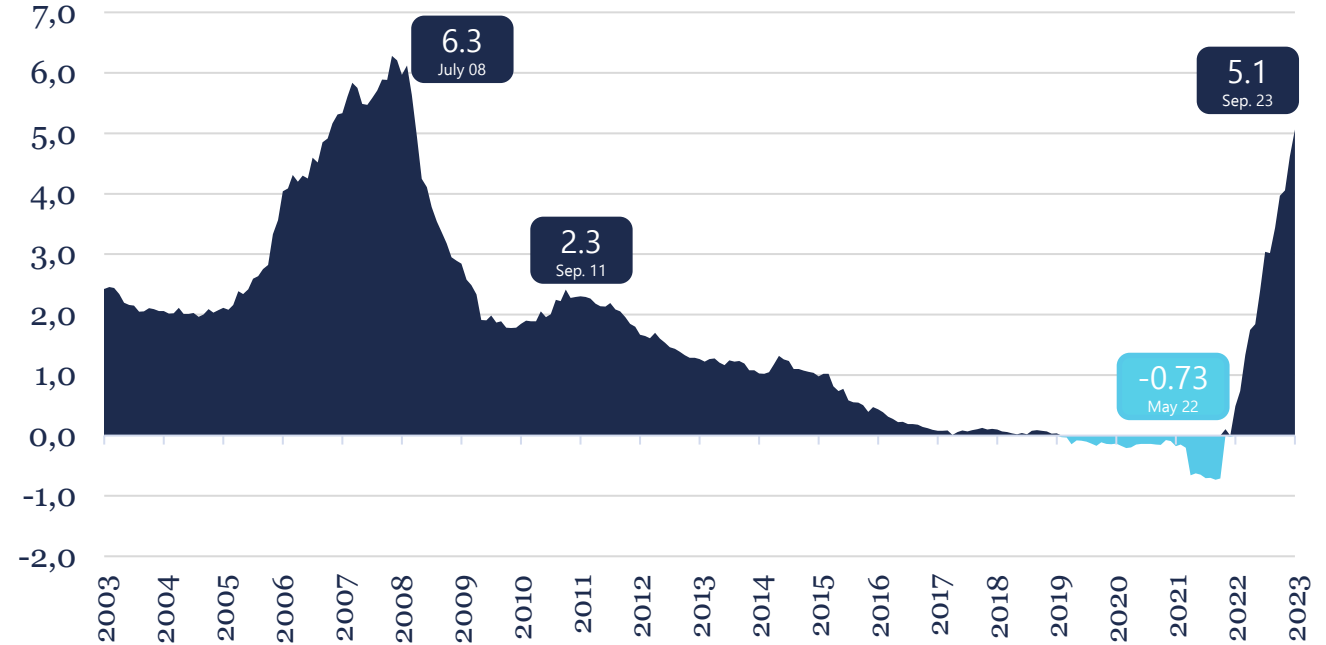
## Interest Income from Bank Deposits

In €bn., annualised, Netherlands, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Dutch corporates currently generate €5.1bn of interest income from deposits
- At the height of the financial crisis in October 2008, Dutch corporates generated record interest income of €6.3bn p.a.
- Second peak during the euro crisis in September 2011 at €2.3bn

▶ **Interest Income from Deposits Has Just Turned Positive in September 2022**



# Cost of Corporate Cash I

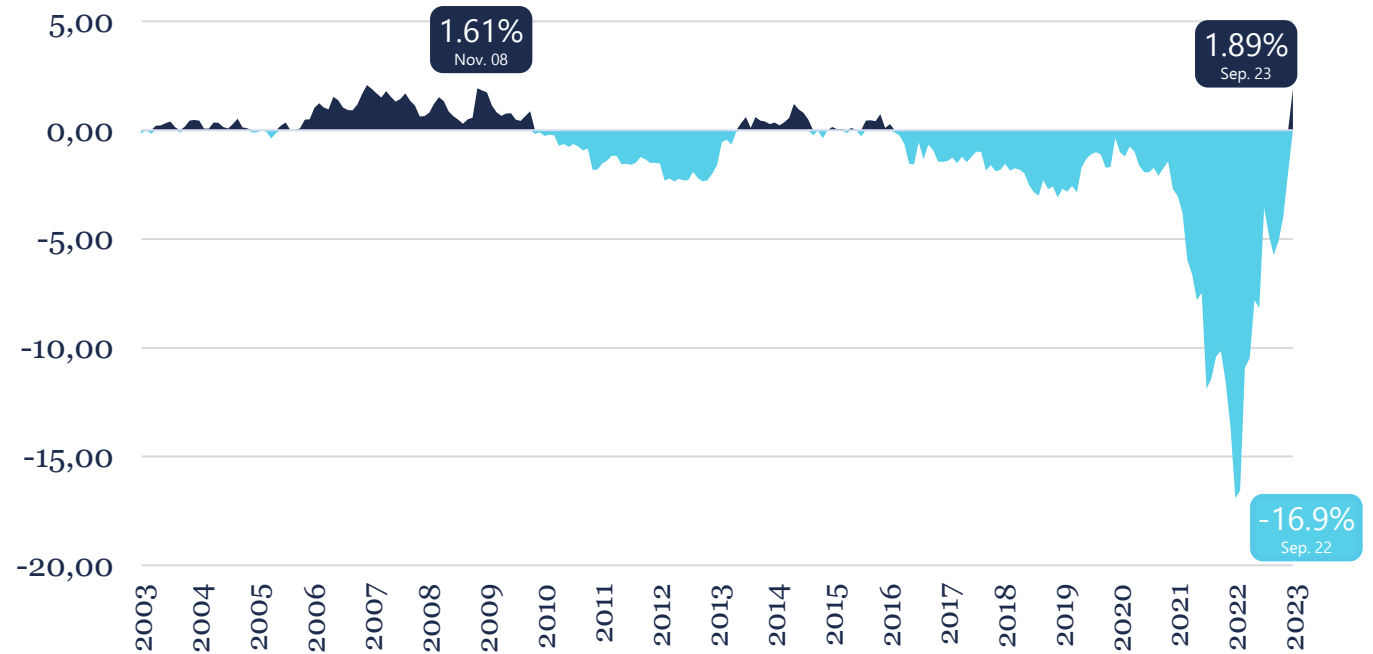
## Real Interest Rates of Bank Deposits

In % p.a. minus Inflation, Netherlands, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Real Interest Rates

- Real interest rates of corporate deposits in the Netherlands hit fresh high of 1.89% p.a. in September 2023
- Real interest rates of corporate deposits have largely been positive until the financial crisis, but negative most of the time thereafter

▶ **Real Interest Rates of Corporate Deposits Hit Fresh Record High at 1.89%**





# Cost of Corporate Cash II

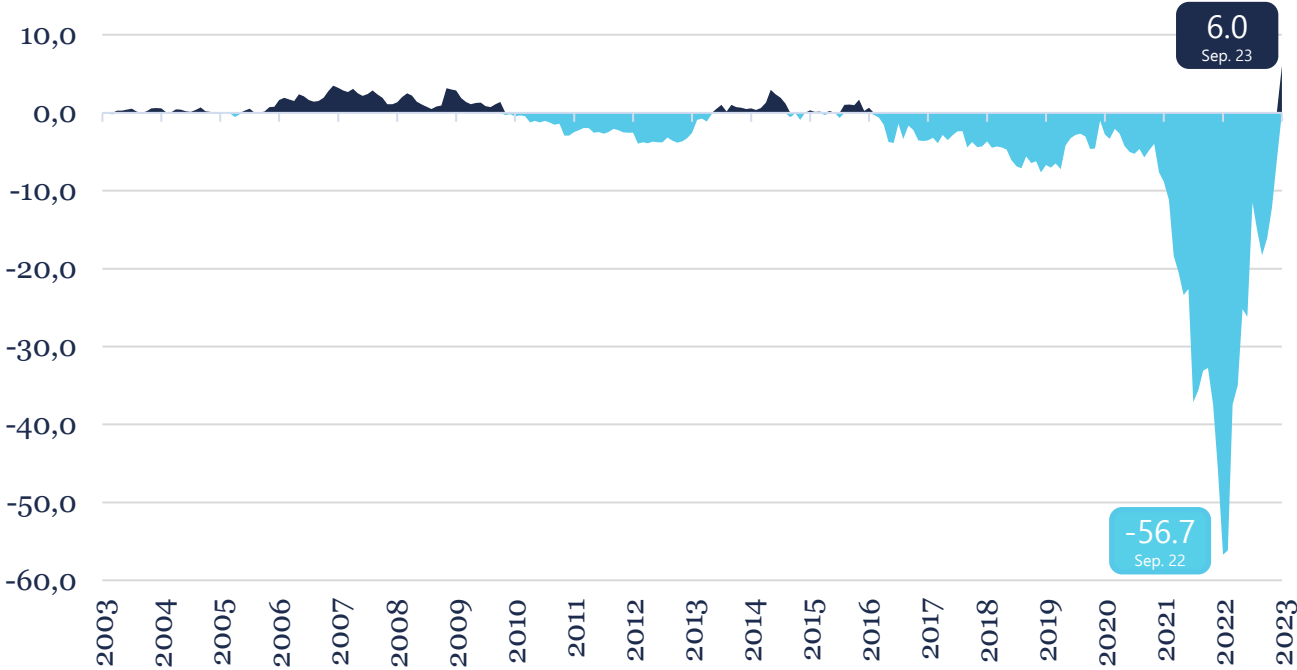
## Real Interest Income from Bank Deposits

In €bn., annualised, Netherlands, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Real interest loss of corporate deposits in the Netherlands hit fresh high of €6.0bn p.a. in September 2023

▶ Real Corporate Deposit Income Has Turned Positive for the First Time Since September 2016



# Development of Corporate Cash I

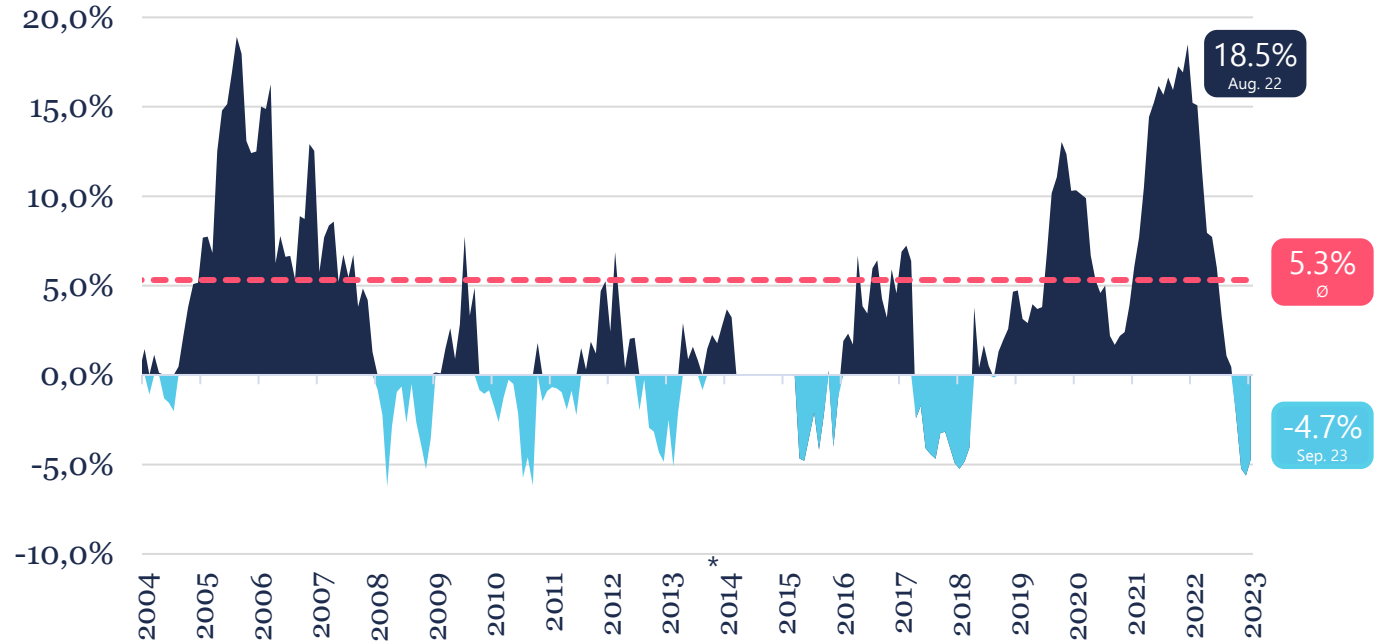
## Growth of Corporate Deposits & Cash

In % YoY, Netherlands, Corporate Deposits & Cash

### Growth of Corporate Cash

- Growth of corporate cash at minus 4.7% YoY
- ... substantially below long-term average of 5.3% YoY
- Growth peaked at 18.5% YoY in August 2022

▶ **Corporate Cash Growth Substantially Below Long-Term Average**



\*) Reporting Change December 2014

# Development of Corporate Cash II

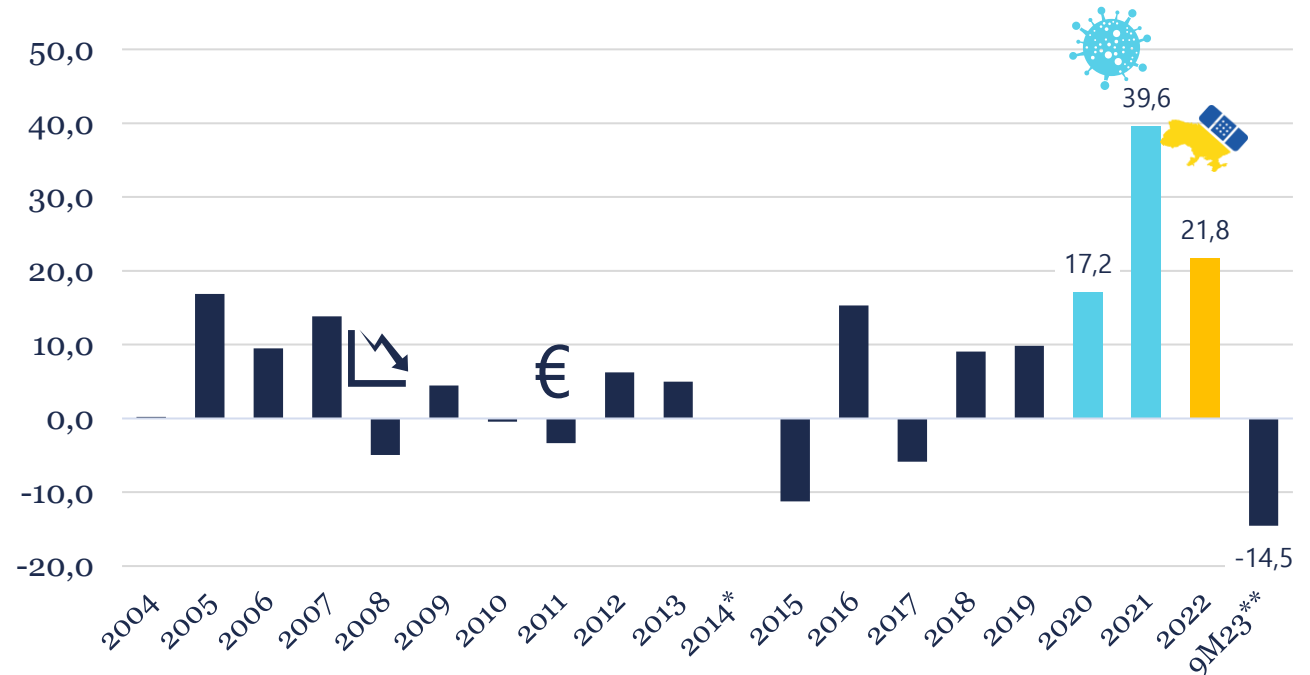
## Growth of Corporate Deposits & Cash

In €bn p.a., Netherlands, Corporate Deposits & Cash

### Growth of Corporate Cash

- Corporate cash with record decline of €14.5bn YTD
- ...after the three record years of 2020, 2021 and 2022 in a row

### ▶ Corporate Cash Growth With Record Decline



\*) Reporting Change December 2014

\*\*) January 2023 to September 2023

# Development of Corporate Cash III

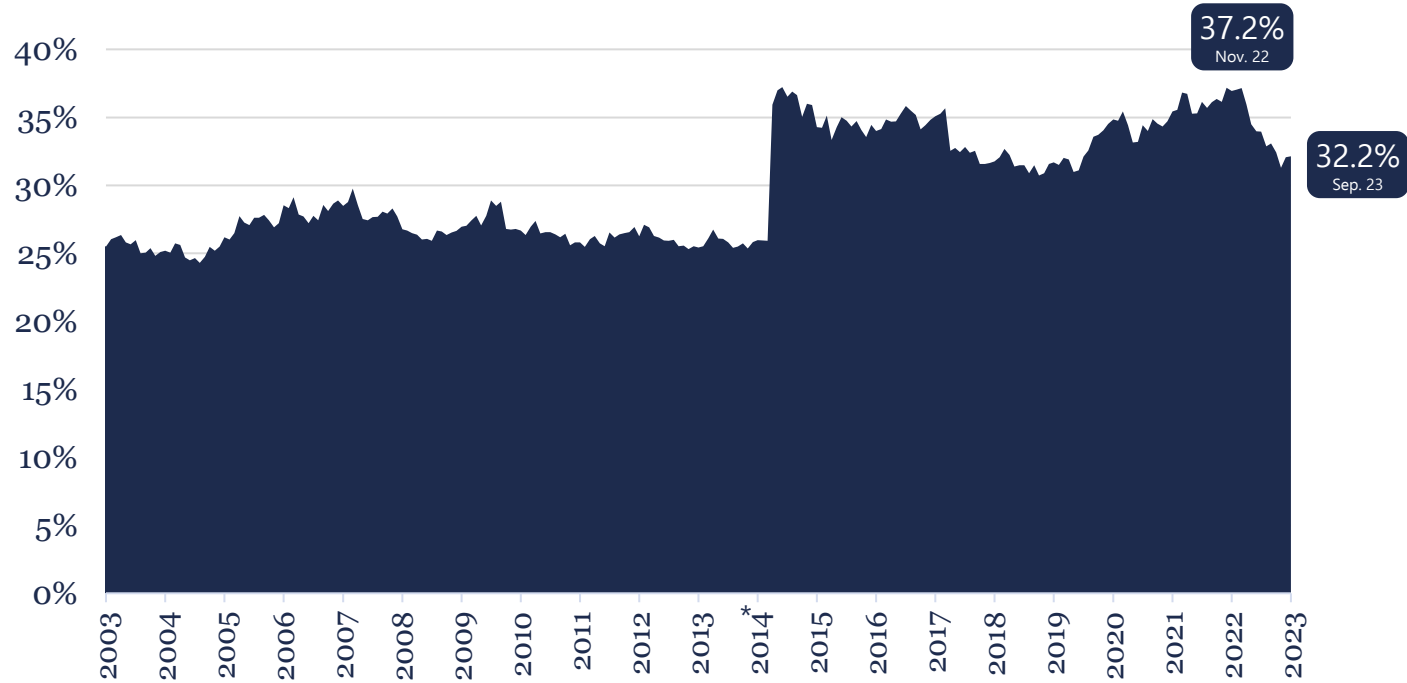
## Corporate Cash in % of GDP

Total Corporate Deposits & Cash, Netherlands, in % of nominal GDP

### Corporate Cash in % of GDP

- Corporate cash in the Netherlands currently stands at 32.2% of nominal GDP
- ...after new record of 37.2% in November 2022

▶ **Corporate Cash at 32.2% in Relation to GDP in September 2023**



\*) Reporting Change December 2014

# Spain

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## Country Profile

# Income & Expenses of Corporate Cash I

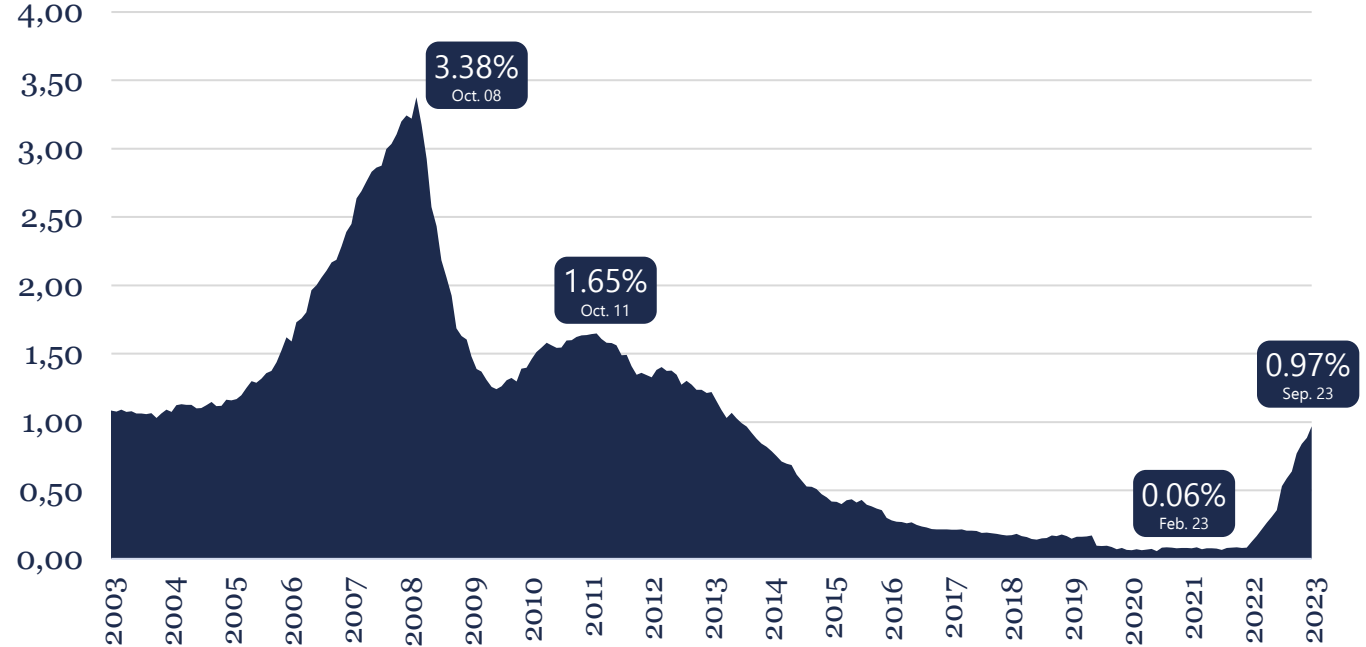
## Interest Rates on Bank Deposits

In % p.a., Spain, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Interest Rate Development

- Ø Interest rates for corporate bank deposits have increased to 0.97% p.a.
- ...after low of plus 0.06% in February 2021
- Ø Interest rates with high point of 3.38% at height of financial crisis October 2008
- Ø Interest rates with second peak of 1.65% p.a. at high point of financial crisis in October 2011

▶ Ø Interest Rates for Bank Deposits Just Started to Really Rise Again in September 2022



# Income & Expenses of Corporate Cash II

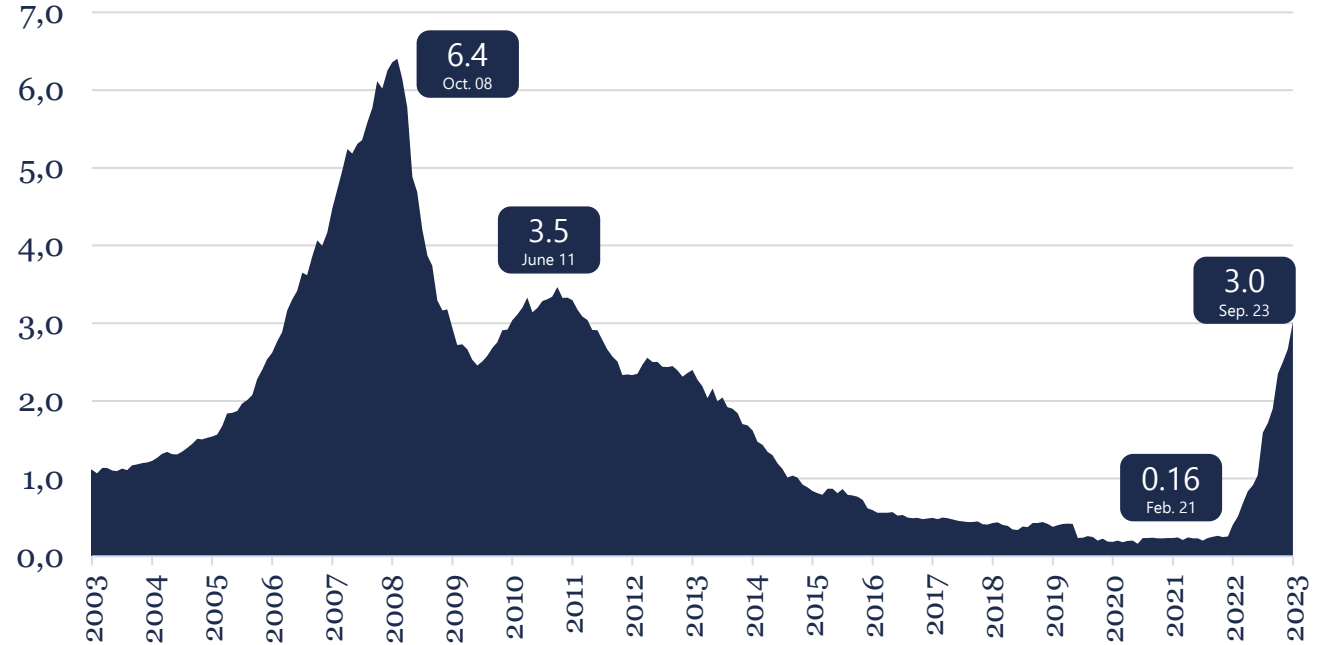
## Interest Income from Bank Deposits

In €bn., annualised, Spain, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Spanish corporates currently generate €3.0bn of interest income from deposits
- At the height of the financial crisis in October 2008 Spanish corporates generated record interest income of €6.4bn p.a.
- Second peak during the euro crisis in June 2011 at €3.5bn

▶ Interest Income From Deposits Has Turned Positive Again



# Cost of Corporate Cash I

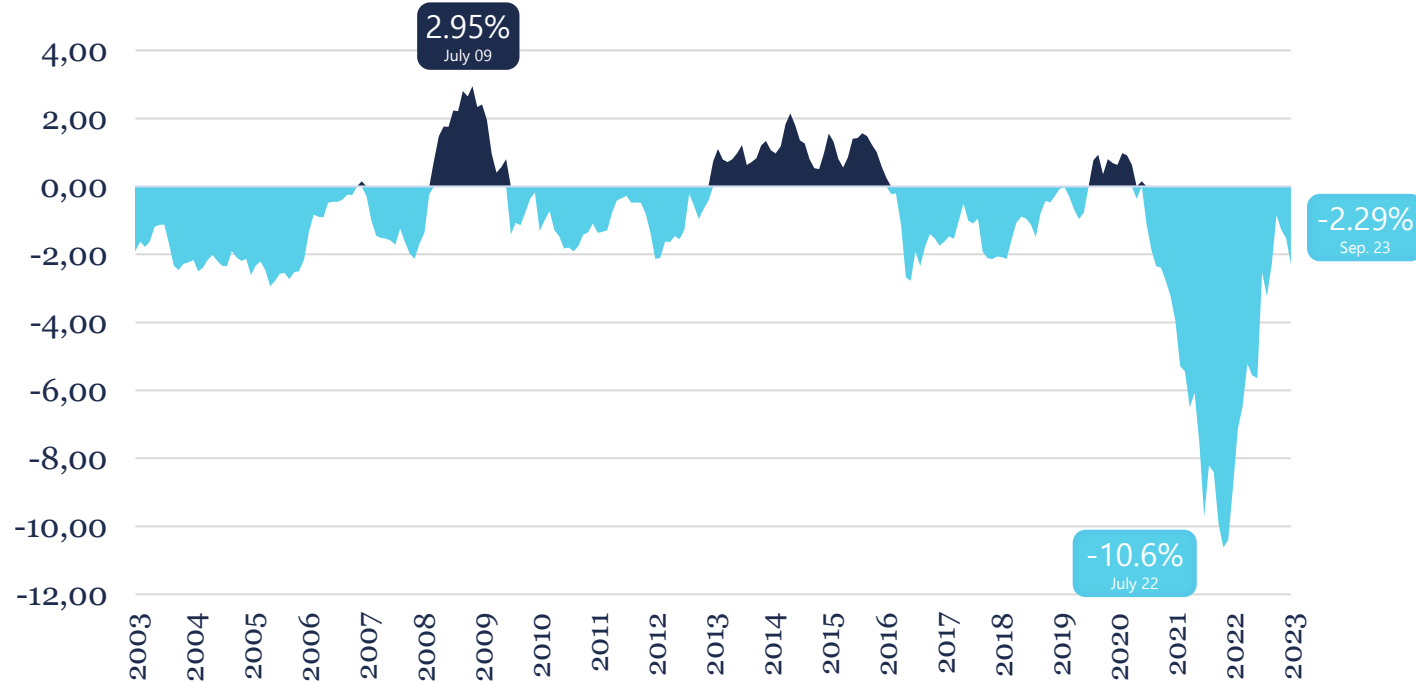
## Real Interest Rates of Bank Deposits

In % p.a. minus Inflation, Spain, Corporates, Ø of Sight, Daily Payable, Term & Other Deposits

### Real Interest Rates

- Real interest rates of corporate deposits in Spain at minus 2.29% p.a. in September 2023
- Real interest rates of corporate deposits have largely been negative since 2003
- ...but had three positive periods in 2008, from September 2013 to September 2016 and during parts of 2020

▶ **Real Interest Rates of Corporate Deposits at minus 2.29% p.a.**





# Cost of Corporate Cash II

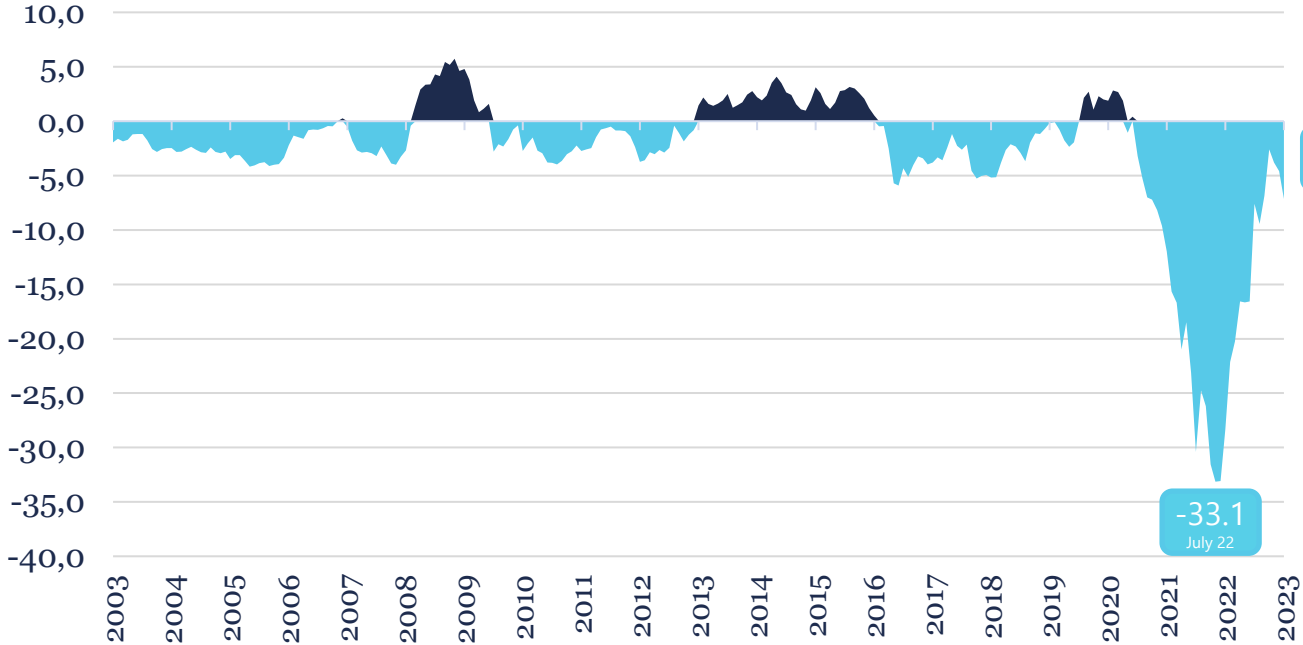
## Real Interest Income from Bank Deposits

In €bn., annualised, Spain, Corporates,  $\Sigma$  of Sight, Daily Payable, Term & Other Deposits

### Interest Income from Bank Deposits

- Real interest loss of corporate deposits in Spain at minus €7.1bn p.a. in September 2023

▶ **Still High Inflation Leads to Real Corporate Deposit Income at minus €7.1bn p.a.**



# Development of Corporate Cash I

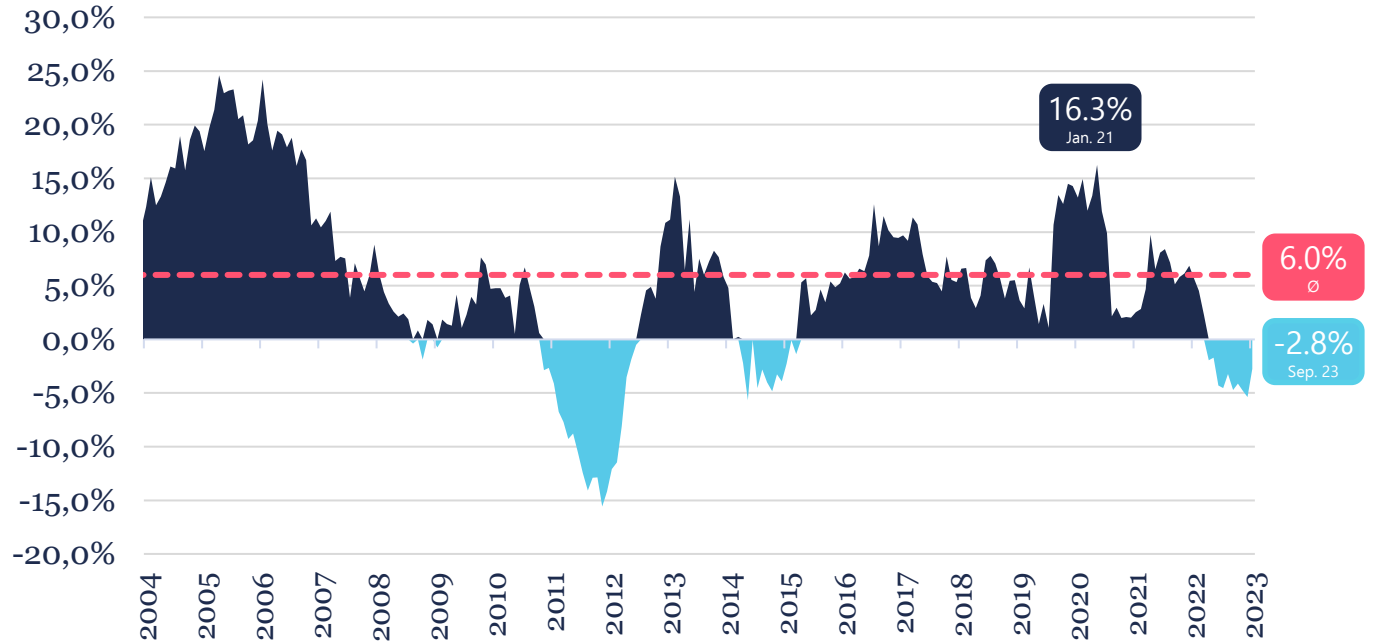
## Growth of Corporate Deposits & Cash

In % YoY, Spain, Corporate Deposits & Cash

### Growth of Corporate Cash

- Growth of corporate cash at minus 2.8% YoY
- ...below long-term average of 6.0% YoY
- Growth peaked at 16.3% YoY during COVID-19 in January 2021

▶ Corporate Cash Growth Below Long-Term Average



# Development of Corporate Cash II

## Growth of Corporate Deposits & Cash

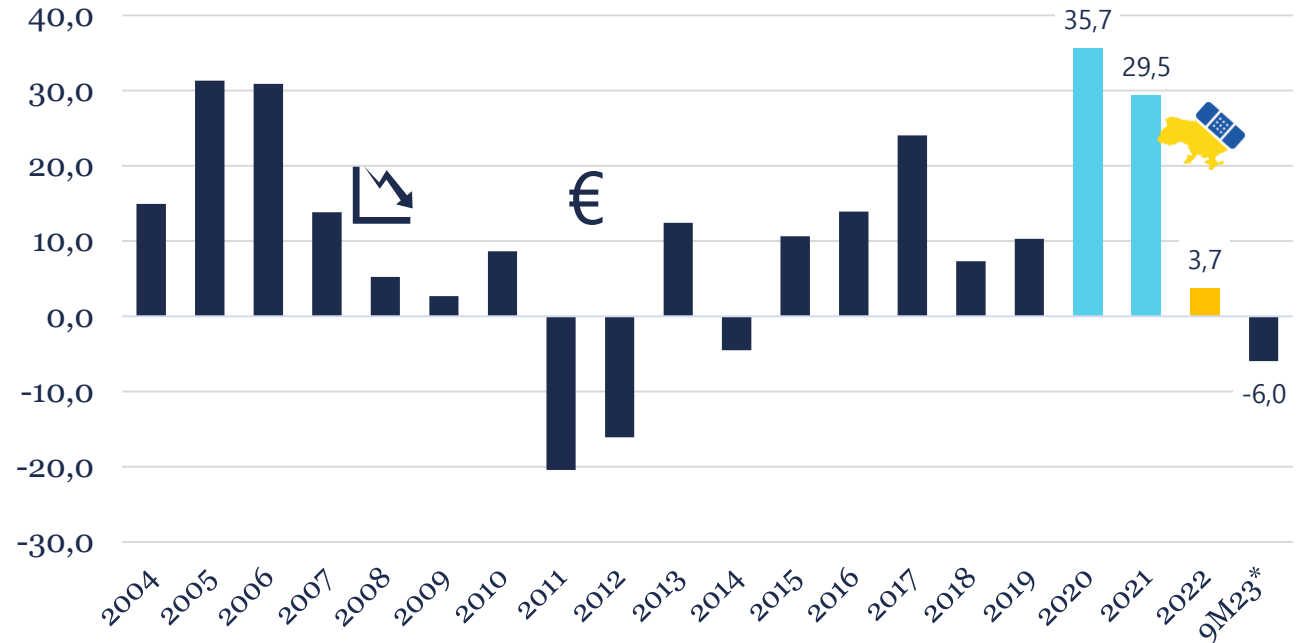
In €bn p.a., Spain, Corporate Deposits & Cash



### Growth of Corporate Cash

- Corporate cash with decrease of €6bn YTD
- Corporate deposits with substantial outflows during 2011 and 2012

▶ Corporate Cash Growth Declines a Lot



\*) January 2023 to September 2023

# Development of Corporate Cash III

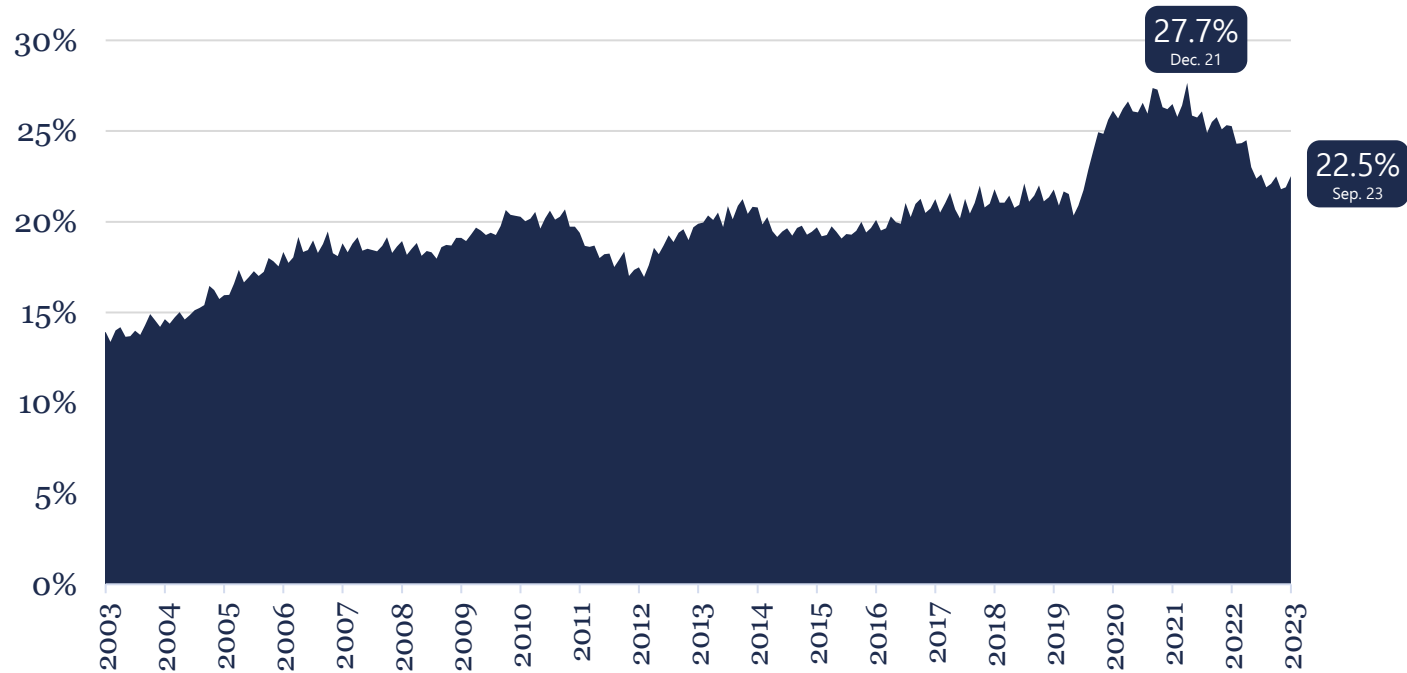
## Corporate Cash in % of GDP

Total Corporate Deposits & Cash, Spain, in % of nominal GDP

### Corporate Cash in % of GDP

- Corporate cash in Spain currently stands at 22.5% of nominal GDP
- ...after record high of 27.7% in December 2021

▶ Corporate Cash in Relation to GDP Still at Elevated Level



# Data

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## Data Sources:

- Deutsche Bundesbank – EMU Interest Rate Statistics
- Deutsche Bundesbank – Counterparty Statistics
- Destatis – GDP Statistics
- European Central Bank – BSI Statistics
- European Central Bank – Monetary Interest Rate Statistics
- European Central Bank – QSA-Statistik
- Eurostat – GDP Statistics
- Barkow Consulting Credit Benchmark Model®

## Data Deadline:

Beginning of November 2023

# Thank You!

Diese Informationen sind nicht als umfassende Darstellung gedacht und können eine individuelle Rechtsberatung nicht ersetzen.

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