Freshfields Corporate Cash Barometer Europe 2023
Corporate Cash With First Decline in History

November 2023
Gentlemen, we have run out of money; now we have to think.

Winston S. Churchill,
Prime Minister of the United Kingdom
Summary
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

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

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
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, $\sum$ 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, Σ of Sight, Daily Payable, Term & Other Deposits, by Country

- 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, ∑ 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.
Real Interest Income from Bank Deposits

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

- 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.

Real Interest Income

Netherlands: 6.0
Belgium: 0.4
Austria: -3.6
Spain: -7.1
Italy: -18.8
Germany: -21.7
France: -32.2
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
Growth 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

- 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

- 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
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
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
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
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, \( \sum \) of Sight, Daily Payable, Term & Other 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
Real Interest Rates of Corporate Deposits

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%

- Real Interest Rates of Bank Deposits

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

Real Interest Income from Bank Deposits

In €bn., annualised, Germany, Corporates, ∑ 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 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

- 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
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

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
Interest Income From Deposits at Post Financial Crisis High

- 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
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%
Real Interest Income from Bank Deposits

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

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

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

Interest Income from Bank Deposits
Cost of Corporate Cash III

Real Interest Income from Bank Deposits

In €bn., cumulated, Austria, Corporates, Σ 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

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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 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

- 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
Corporate Cash in % of GDP

Total Corporate Deposits & Cash, Austria, in % of nominal 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
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 July 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, ∑ of Sight, Daily Payable, Term & Other 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

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
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 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, ∑ 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

- Corporate cash with decrease of €0.7bn YTD

- Corporate Cash Started to Decline

*) January 2023 to September 2023
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

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, ∑ of Sight, Daily Payable, Term & Other 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, ∑ 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

![Graph showing growth of corporate cash from 2004 to 2023. The graph displays data points indicating growth, with a peak at 29.5% in July 2021 and a dip to -4.5% in September 2023.](image-url)
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
Corporate Cash in % of GDP

Current Corporate Cash in France stands at 29.8% of nominal GDP, slightly below the high of 35.4% in March 2021.

Corporate Cash in Relation to GDP Still at Elevated Level
Italy

Country Profile
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, ∑ 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

5.4
Oct. 08

2.4
Dec. 11

4.6
Sep. 23

0.14
Apr. 22
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, \( \sum \) of Sight, Daily Payable, Term & Other 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.
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

- Corporate cash with substantial decrease of €8.6bn YTD
- Corporate Cash Growth Has Turned Strongly Negative

*) January 2023 to September 2023
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
Netherlands

Country Profile
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
Interest Income from Bank Deposits

In €bn., annualised, Netherlands, Corporates, ∑ of Sight, Daily Payable, Term & Other 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, ∑ 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

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*) Reporting Change December 2014

***) January 2023 to September 2023
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 in % of GDP in September 2023 and November 2022

*) Reporting Change December 2014
Spain
Country Profile
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
Interest Income from Bank Deposits

In €bn., annualised, Spain, Corporates, ∑ of Sight, Daily Payable, Term & Other 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

- 6.4 Oct. 08
- 3.5 June 11
- 3.0 Sep. 23
- 0.16 Feb. 21
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, ∑ 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

- 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

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!