



Interest Rate & Deposit Spotlight

July 2022

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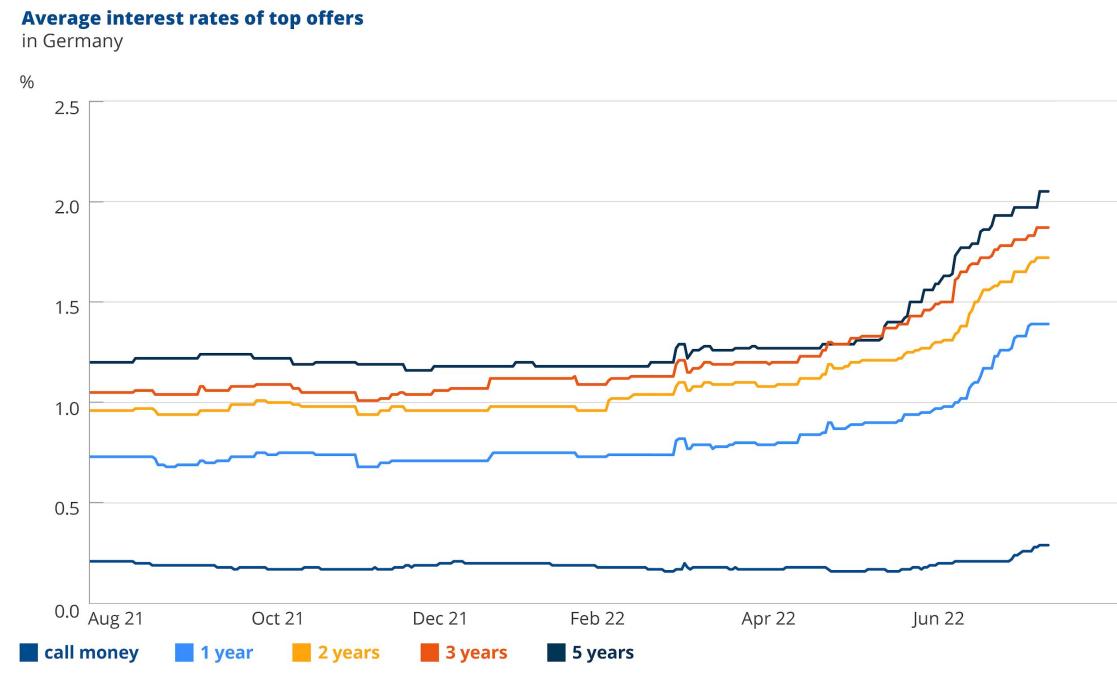
Katharina Lüth, Chief Client Officer, Raisin



"The announced increase in the key interest rate by the ECB is already having an effect: interest rates are rising significantly. Nevertheless, around 60 percent of Eurozone savings are still held in overnight accounts, which usually yield no or hardly any interest. Especially when the money needs to be available at short notice and an investment in the stock market is too risky due to the current high volatility, savers should embrace interest bearing term deposits or at least call money accounts to mitigate inflation where possible."

Germany: top interest rates take off

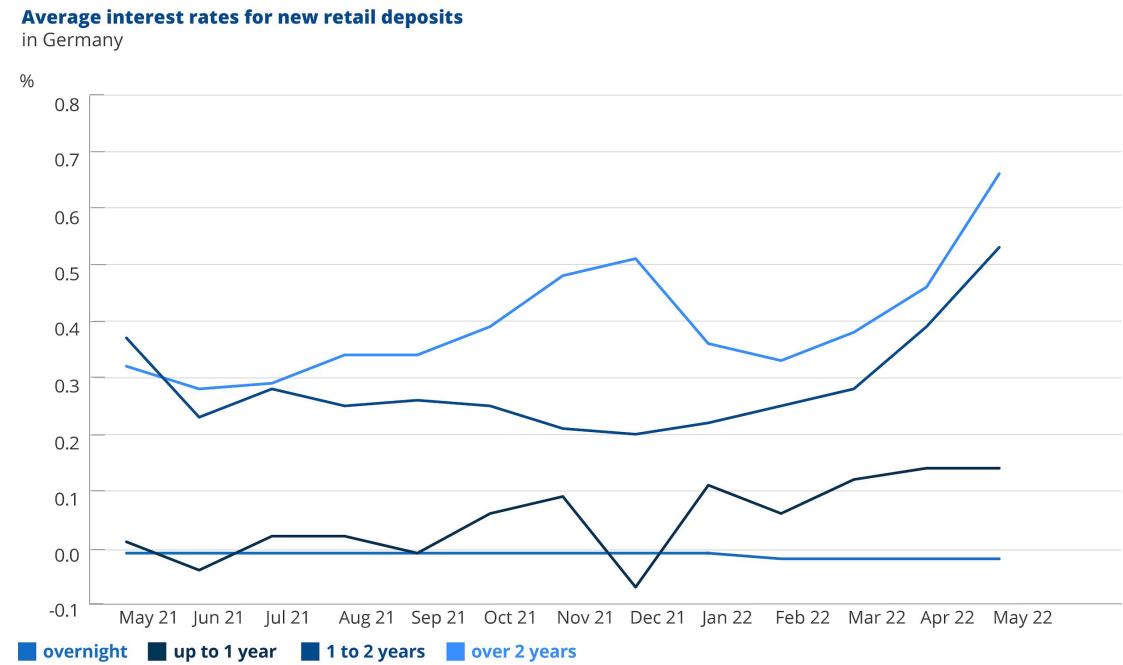
- Interest rates for call money deposits remained largely unchanged until making a jump in the last weeks.
- Since June, top interest rates for fixed term deposits increased by around or more than 0.4%.
- 5 year term deposits have crossed the 2% threshold.



Source: kritische-anleger.de, as of 11/07/2022

Germany: average rates start catching up

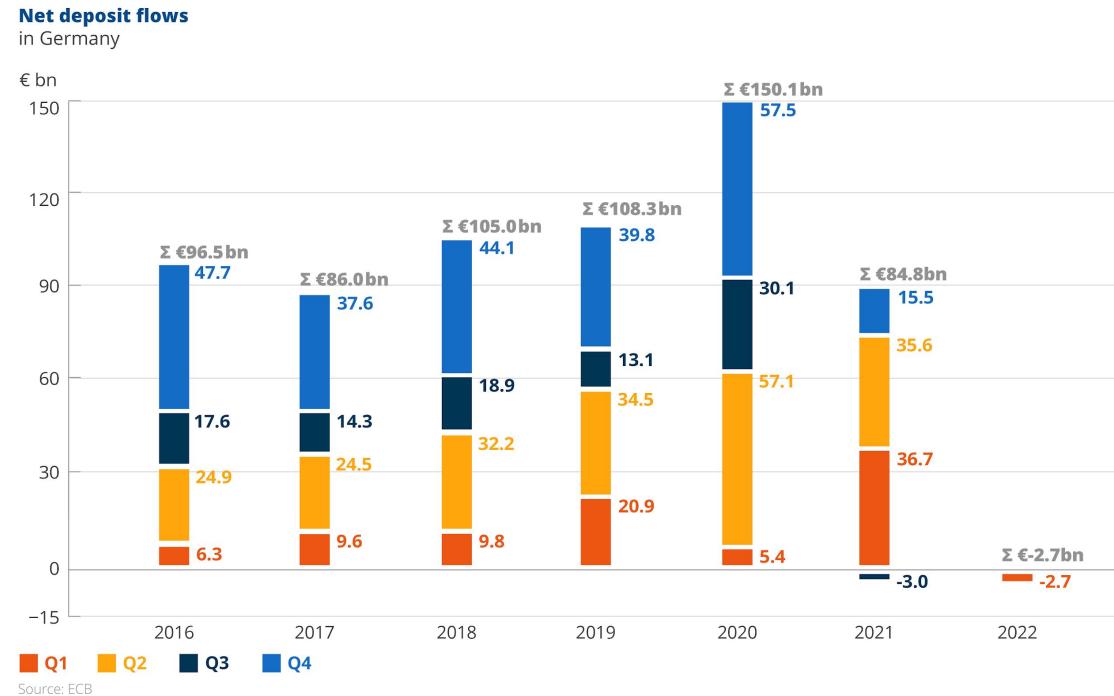
- Average rates for deposits with a maturity of over 1 to 2 years and over 2 years are increasing sharply, yielding 0.53% and 0.66% in May 2022.
- Deposits with maturities of up to one year have been stagnant at 0.14%.
- Overnight deposits remain unchanged at -0.02%.



Source: ECB

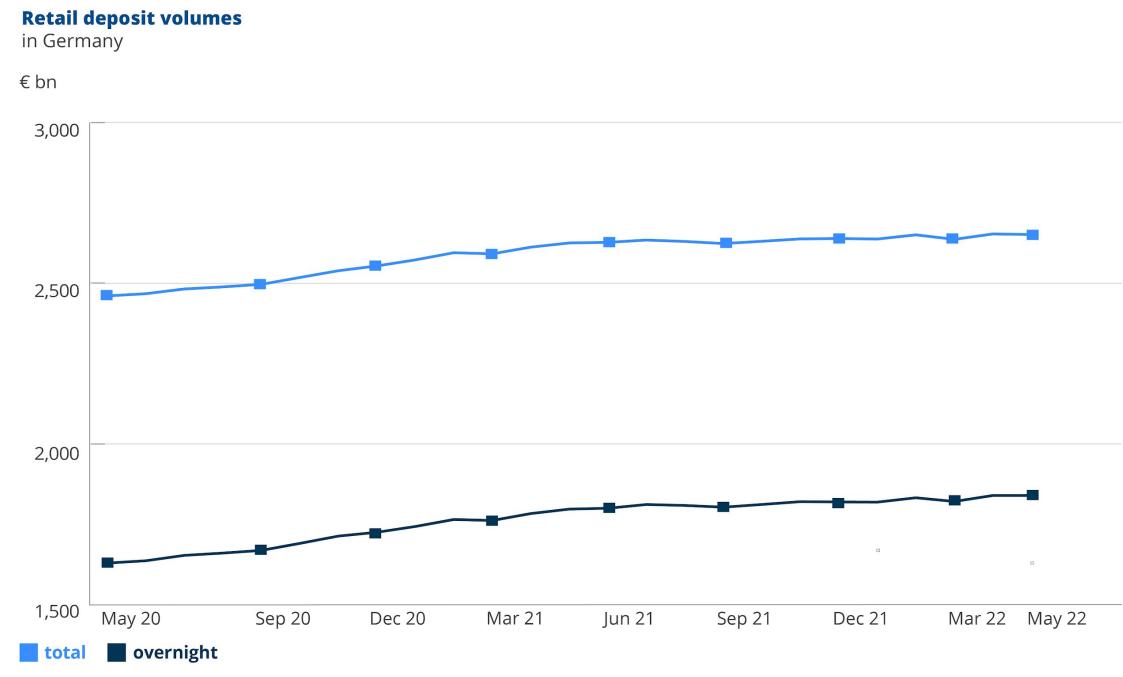
Germany: savings decline in Q1 2022

- In 2021, Germany saw the lowest net deposit inflows since 2017 with around EUR 85bn.
- Over Q3 2021 and Q1 2022 Germans withdrew EUR 3bn and EUR 2.7bn from their accounts.
- Q1 2022 is the first Q1 in five years with negative net inflows.



Germany: deposit growth slows down

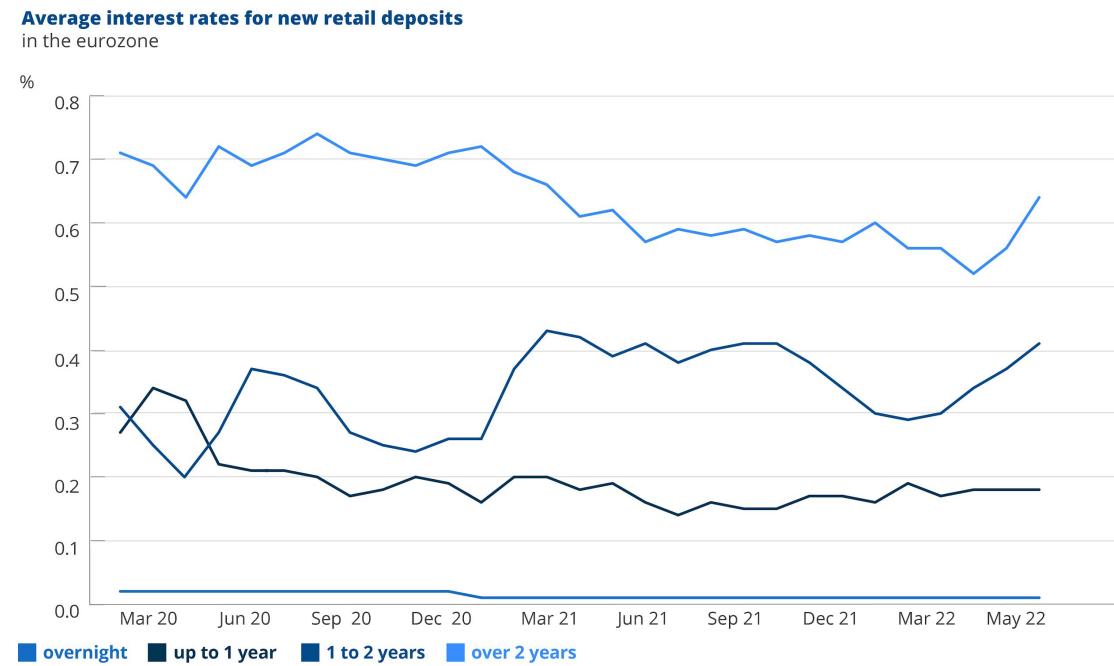
- After a small slump in Q1, April's EUR 16bn recovery came to a halt in May.
- From May 2021 to May 2022 deposit volumes in Germany increased by around 1%. The year before it had been around 6.7%.
- 1,840bn (or 69%) of the total 2,652bn in deposits are still in overnight accounts.



Source: ECB

Eurozone: long-term interest rates increase

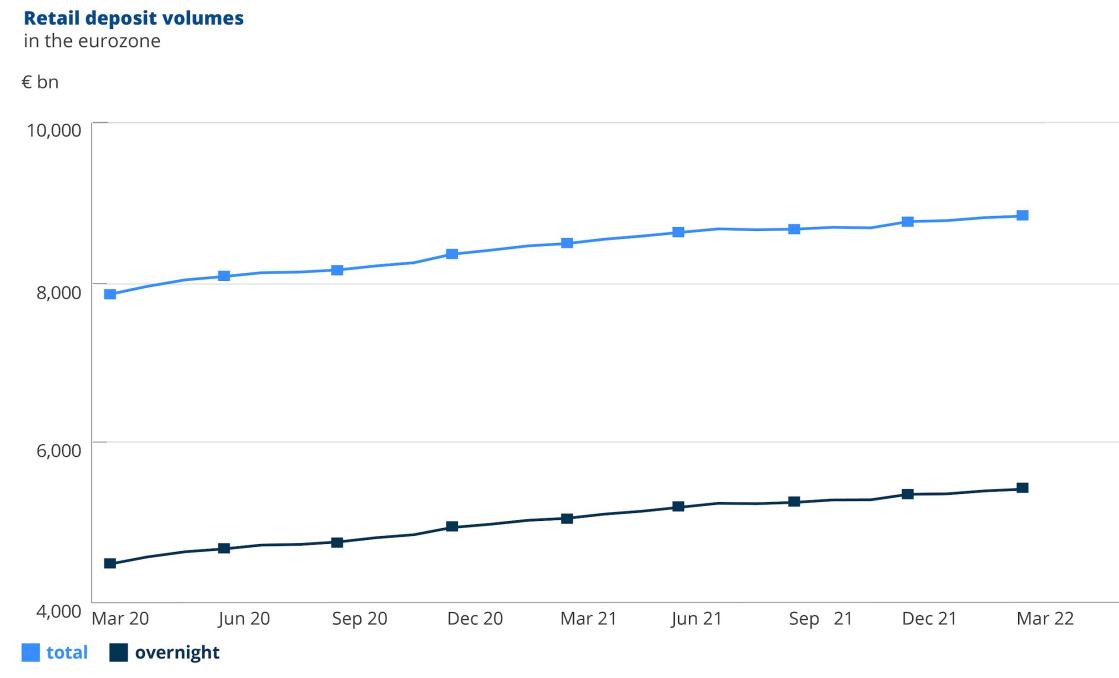
- Average rates for deposits with maturities of over 1 to 2 years and over 2 years have started to increase, now yielding 0.41% and 0.64% respectively.
- Deposits with maturities of up to one year are relatively stable at 0.18%.
- Overnight deposits remain unchanged and slightly above zero with 0.01%.



Source: ECB

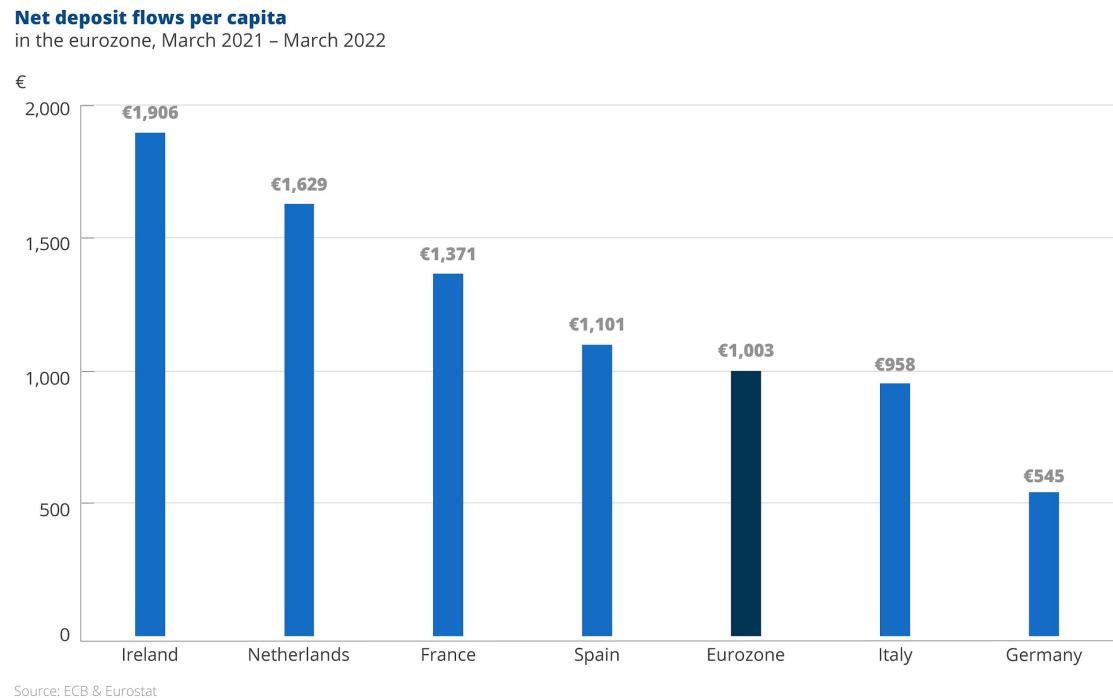
Eurozone: retail deposits grow slower

- Total savings volumes keep rising in the Eurozone and amounted to 8.834bn by the end of Q1 2022.
- Growth has slowed down considerably. From Q1 2021 to Q1 2022 total volumes increased by 4.1%, Q1 2020 to Q1 2021 had seen 8.1%.
- Overnight deposits make up for about 60% of total savings.



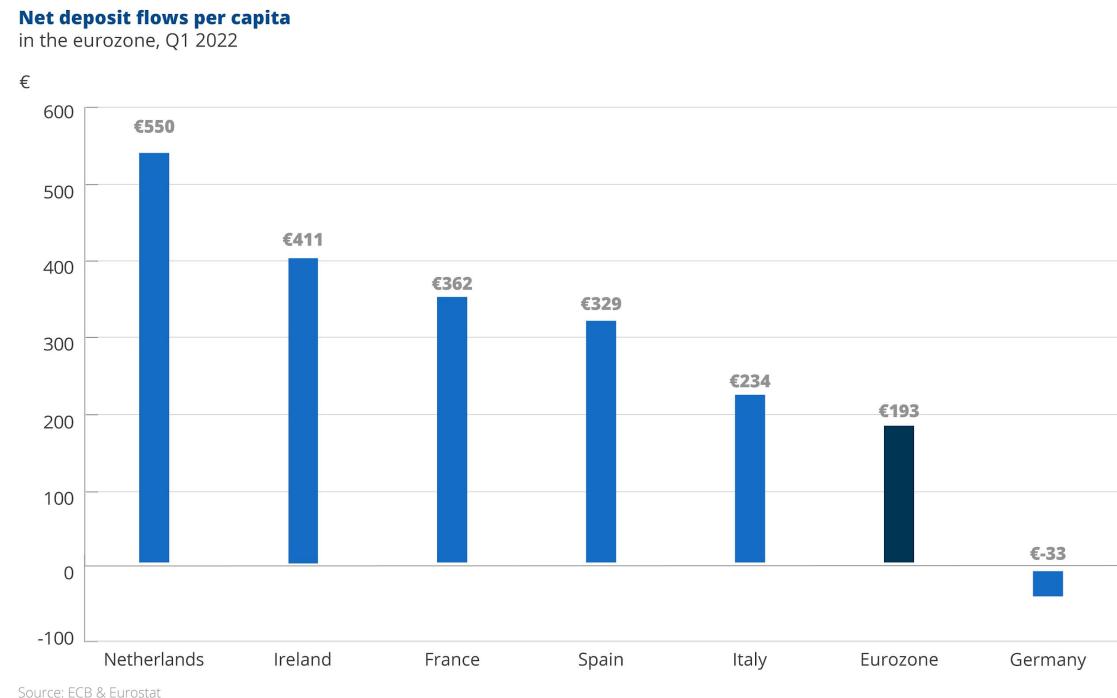
Europe: Irish saved most, Germans least

- On average, each Eurozone citizen saved EUR 1,003 between March 2021 and March 2022.
- In EU's top economies the Dutch saved the most with EUR 1,629.
- French (EUR 1,371) and Spanish (EUR 1,101) saved more than the average Eurozone citizen.
- Germans only saved EUR 545 in the observed time.



Europe: Dutch saved most in Q1

- Germany was the only country to record net outflows in Q1 2022. On average each German withdrew EUR 33.
- Netherlands and France lead the way in per capita inflows among the big eurozone economies.
- Italy, with EUR 234, found itself slightly above the Eurozone average of around EUR 193 per capita.



Europe: Germans with highest savings

- Germans are still first in per capita savings among the EU's biggest economies. The Dutch are in second place with EUR 31,313.
- Per capita Eurozone savers hold EUR 25,764 in their accounts.
- France and Ireland are above average with EUR 28,600 and EUR 26,772 per capita.
- Spain and Italy are far below average, holding EUR 21,980 EUR and EUR 20,737.

Deposit volumes per capita

in the eurozone, Q1 2022



Source: ECB & Eurostat

Methodology

The average of the top offers was calculated with the help of information from kritische-anleger.de. For term deposits, the best five offers were used, for call money deposits the best ten. The data on account balances, inflows and average interest rates are sourced from the ECB. Per capita values were calculated using Eurostat data on current population figures.

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