

### Bank deposits in Germany: Foreign banks advance, savings banks retreat

March 22, 2013

Over the past ten years banks in Germany attracted over EUR 900 bn in new deposits from German households and businesses. This increased the market volume by nearly 50% vis-à-vis 2002. Today, public-sector banks hold 37% of total deposits, commercial banks one-third and cooperative banks roughly 20%.

In absolute terms, all banking groups saw a growing deposit volume. However, the relative weights shifted between the three "pillars" of the German market. The public-sector banks lost heavily, indeed nearly five percentage points of their market share. This was mainly due to a decline at the savings banks. By contrast, the commercial banks made significant gains of in total eight percentage points. Here, one of the drivers of growth were the foreign-owned banks. Their share of business with German companies and households rose from a mere 4% in 2002 to 13.5% today. The main reasons were the takeover of Hypovereinsbank by Italy's Unicredit in 2005 and organic growth over the past two and a half years. Against the backdrop of the euro debt crisis, banks from other European economies increasingly boosted efforts to raise new deposits by offering attractive conditions to customers in the country with the richest supply of this stable funding instrument on the continent.

Furthermore, from 2005 to 2010 in particular, domestically-owned regional and other commercial banks also enlarged their market shares. As in the case of the foreign banks it was mainly direct banks that harnessed the growing use of online banking and increasingly made inroads into the territory of the traditional branch networks. The driving forces for the domestic commercial banks were both the financial subsidiaries of German automakers as well as direct banks whose owners belong to the traditional three pillars.

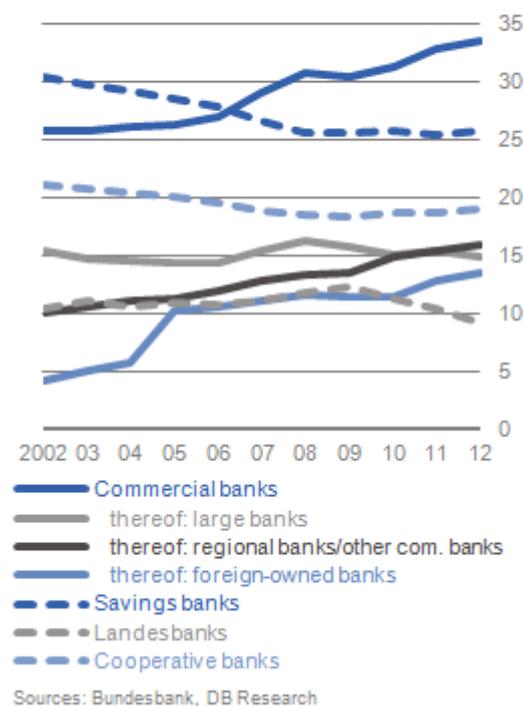
Viewing the decade as a whole, the growth of foreign-owned and direct banks came primarily at the expense of the savings banks, while Landesbanks, cooperative banks and large banks (including Postbank also in 2002) were largely able to hold their own despite minor losses of market share.

See also:

Poised for a comeback: Bank deposits

#### Deposits from the private sector in Germany

Market share in %



Jan Schildbach (+49) 69 910-31717

Felix Karstens

...more information on **Banking, Financial Markets and Regulation**

Chart in focus - Archive

