



Chart in focus

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Regional banks gain market share in retail deposits in 2023

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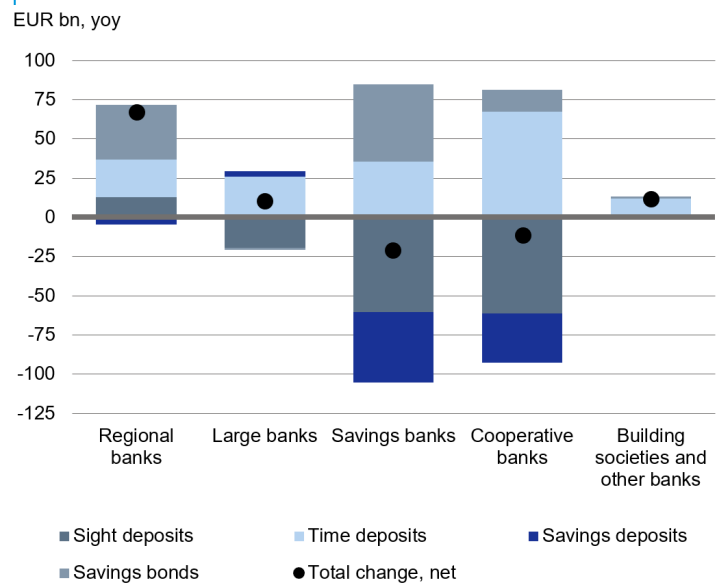
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Tighter monetary policy has shaken the market for retail deposits in Germany. Competition for deposits is back among banks: clients reshuffled their funds in 2023, taking advantage of attractive interest rate offerings. Against a backdrop of overall lower traditional deposits and a surge in savings bonds as a close substitute (see our Germany Monitor Household Finance), the major banking groups have coped quite differently with the new environment.

Regional banks gained retail deposits in a weaker market in 2023



Sources: Deutsche Bundesbank, Deutsche Bank Research

Regional banks – including many foreign-owned institutions – gained a staggering net EUR 32 bn in deposits in 2023, plus EUR 35 bn in savings bonds. Large banks, which do not rely on savings bonds, attracted a net EUR 10 bn in deposits. By contrast, the dominant players in German retail banking, savings banks and cooperative banks, recorded significant net deposit outflows of EUR 70 bn and EUR 25 bn, respectively. New savings bonds could not compensate this, despite an issuance of EUR 50 bn by savings banks and EUR 14 bn by cooperative banks. Regional banks now account for 17% of total retail “deposits” in Germany (including savings bonds),



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overtaking large banks (15%) for the first time. Savings banks hold 33% (-1.5 pp yoy) and cooperative banks 24% (-1 pp) of the market.

[Germany Monitor Household finance: Drastic shifts in savings and borrowing in 2023 – mortgages could pick up in 2024](#)



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