

CHART OF THE WEEK

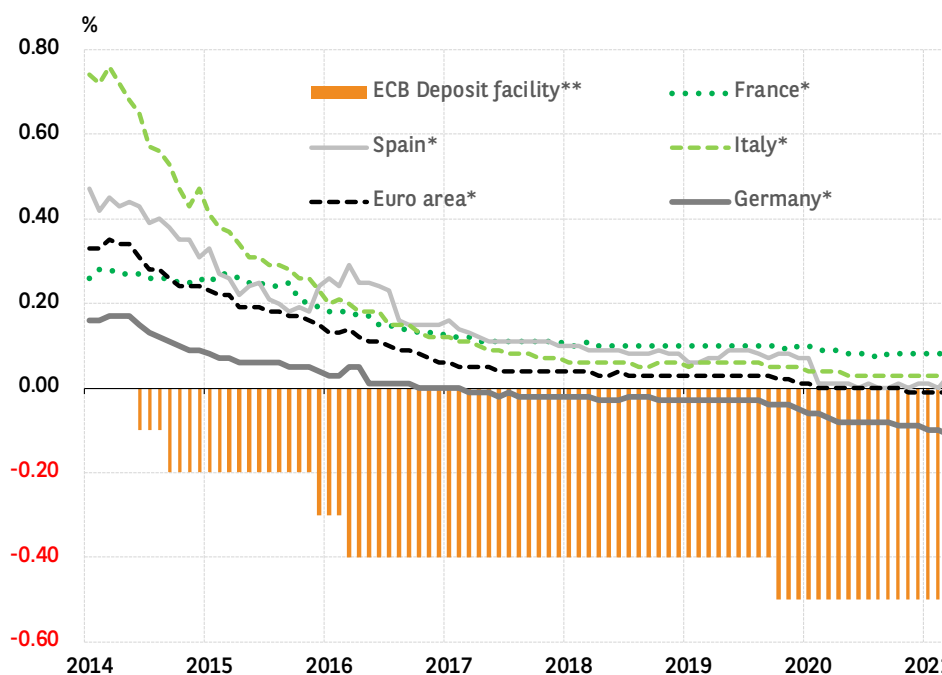


19 May 2021

FRANCE: ECB RATE HAS LESS OF AN IMPACT ON THE REMUNERATION OF NFC SIGHT ACCOUNTS

Laure Baquero

Annualised agreed rate by Monetary and Financial Institutions to NFCs' overnight deposits



* Average of observations through period ** End of period observations

Source: ECB

Having been rising for several years now, non-financial company (NFC) sight deposits have been boosted to new record levels in the euro area under the influence of the health crisis and government measures to support company financing. Their outstanding amount reached EUR 2,591 bn for the euro area as a whole in March 2021 (of which 26% in France, 23% in Germany, 14% in Italy and 11% in Spain). Meanwhile, and in keeping with the decrease in deposit facility rate by the ECB, the average return on these deposits continued to decline until 2017, to a greater or lesser extent, depending on the country before stabilizing in the recent period, except in Germany where banks pass more negative rates on to their large corporates and private clients, especially since the further lowering of deposit facility rate from -0.40% to -0.50% in September 2019.

In France, the average interest on sight deposits remains positive and significantly higher than in other euro area countries.

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