

DANMARKS NATIONALBANK

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BANKING AND MORTGAGE LENDING, BALANCES, JULY 2020

Corporates' deposits are now larger than their loans

While banks previously lent more to corporate customers than they received in deposits, the opposite has been the case since May. In July, the banks' surplus on corporate deposits compared to lending increased by kr. 35.3 billion to kr. 56.6 billion.

Increase in deposits and decrease in loans

The Danish companies increased their deposits by kr. 29.4 billion in July to almost kr. 480 billion. Thus, they have increased their deposits by as much as 23 per cent (kr. 90 billion) since March. The increase is probably partly due to the possibility of deferring VAT and other tax payments for the 2nd quarter. Another explanation may be that many companies have been reluctant to invest and instead have increased their financial buffers. Dividends received by

Danish companies from their investments abroad have also contributed to the increased deposits.

At the same time as deposits have increased markedly since March, banks' lending to Danish companies has been reduced by kr. 32.8 billion during the same period (of which kr. 5.8 billion in July) to kr. 423 billion. However, there may be undrawn credit lines that the companies have not yet used, as the statistics only include disbursed loans and drawn credits.

Especially deposits in Danish kroner have increased

Companies' deposits in Danish kroner have increased in particular. However, corporate deposits in foreign currency have also increased since March (kr. 17.1 billion, of which kr. 9.5 billion in July). Foreign currency deposits are very much driven by increased deposits in dollars, which have doubled.

Increase in private customers' deposits

After private customers in June reduced their deposits in banks by kr. 10.5 billion they have increased the deposit by almost kr. 9 billion in July. Thus, the Danish private customers' total deposits are kr. 997 billion at the end of July. In comparison, private customers have bank loans for kr. 370 billion and loans at mortgage credit institutions for kr. 1,579 billion calculated at nominal value.

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