

# DANMARKS NATIONALBANK

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BANKING AND MORTGAGE LENDING, BALANCES, DECEMBER 2020

## Negative interest on Danes' deposits of kr. 136 billion

In October 2020, 13.4 per cent of Danes' deposits earned negative interest, equivalent to deposits of about kr. 136 billion, up about kr. 100 billion on the latest survey in February 2020. These figures are from Danmarks Nationalbank's latest survey of the prevalence of negative deposit rates, covering 18 of Denmark's medium-sized and large banks.<sup>1</sup>

### Substantial adjustment of thresholds since October

The figures are new, but much has happened since October 2020. Most of the banks surveyed have lowered the threshold for when negative rates kick in for Danes' deposits. Now, the typical thresholds are kr. 100,000 or kr. 250,000. In October, the typical threshold was kr. 250,000, while e.g. Nordea and Nykredit Bank had thresholds of kr. 750,000 and Danske Bank's threshold was kr. 1.5 million. From January 2021, these three banks have lowered their thresholds to kr. 250,000.

### Substantially larger amounts with negative rates

With the lowering of thresholds, considerably larger deposits are expected to earn negative interest than in October 2020. Data for the distribution of Danish household deposits at the start of 2021 indicates that the volume of deposits earning negative interest has more than doubled since October.

### Deposit size is not the only factor

Other determinants of whether deposits earn negative interest are the type of deposit account (e.g. pension, child savings, student or joint account) and whether the customer has his NemKonto attached or is a primary customer. And for some account types, the threshold for negative interest is kr. 0.

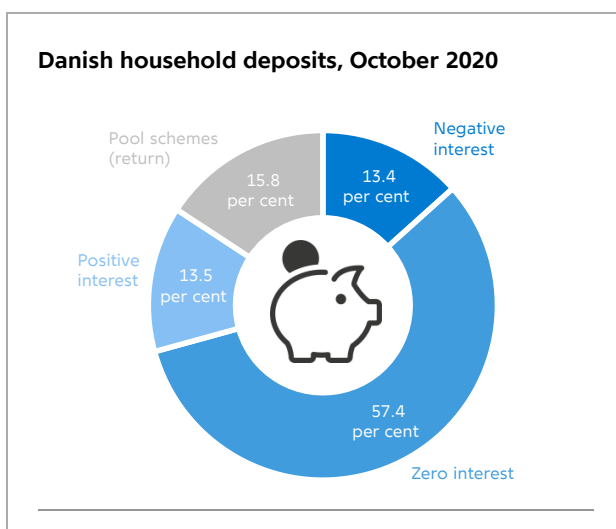
### More survey results

The survey also covers the prevalence of negative interest on deposits from other sectors, showing, e.g. that negative interest applies to more than 80 per cent of NFC deposits. All results are available on Danmarks Nationalbank's website ([link](#)).

### Overall deposits reduced slightly since October

At end-2020, Danish household deposits totalled kr. 1,010 billion, having increased by kr. 50 billion during 2020. However, since October 2020, when deposits peaked, household customers have reduced their deposits by close to kr. 12 billion.

[CLICK HERE FOR FURTHER INFORMATION](#)



<sup>1</sup> The respondent banks cover 84 per cent of total Danish deposits, excl. household customer pooling schemes. Data was compiled in December 2020 following the banks' monthly reporting to Danmarks Nationalbank's statistics for banking and mortgage lending.