

# DANMARKS NATIONALBANK

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BANKING AND MORTGAGE LENDING, BALANCES, APRIL 2019

## Danes now have over kr. 900 billion in the banks

In April, total bank deposits by Danish private customers reached kr. 921 billion, corresponding to an increase of kr. 46 billion over the past year. In March and April alone, deposits increased by kr. 26 billion due to pay-outs of dividends, excess tax and holiday pay.

The large deposits correspond to each adult Dane having an average of kr. 198,000 in the bank. However, there is considerable variation in the Danes' savings; hence there are also large differences in their bank deposits. The latest figures on the distribution of deposits show that approximately 75 per cent is placed by the wealthiest half of Danes.<sup>1</sup>

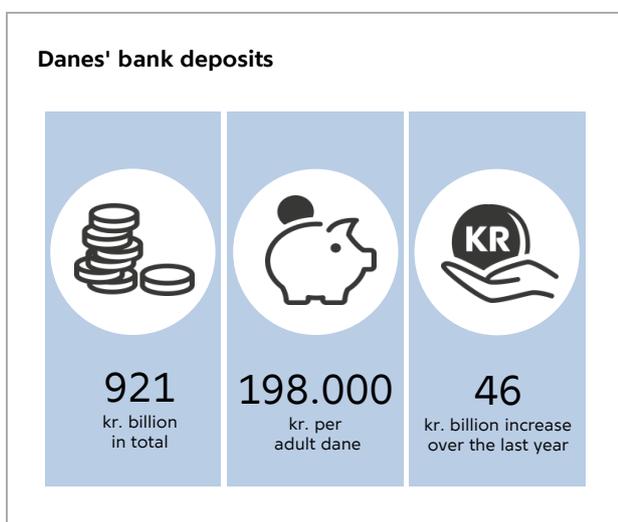
The Danes' deposits increase every year, even though the majority accrues zero-interests. A large part of the increase can, however, be explained by rising income along with a decreasing difference between the interest rate on deposits and bonds<sup>2</sup>.

There are several alternatives to depositing money in the bank, e.g. buying securities such as stocks and investment fund shares. For these alternatives, the return along with the associated risk depends on the underlying investment. Danes' bank deposits, on the other hand, are protected by the deposit guarantee, which ensures the value up to kr. 750,000. Deposits are therefore not necessarily an unattractive form of savings compared to the alternatives, which are often more risky.

Deposits still account for a majority of the Danes' available funds<sup>3</sup>, but their share has declined over the past 10 years, even though the total deposit has increased. In particular, the proportion of available funds in equities and investment fund shares has increased, mainly due to favourable stock market returns.

Additional data on the extent of negative lending rates in Denmark can be found on Nationalbanken's homepage ([link](#)). New results from this biannual interest rate survey are published in June.

[CLICK HERE FOR FURTHER INFORMATION](#)



<sup>1</sup> Statistics Denmark, tabel Formue3.

<sup>2</sup> Cf. Danmarks Nationalbank, Low interest rates boost bank deposits, Danmarks Nationalbank Analysis, no. 9, July 2018 ([link](#))

<sup>3</sup> Available funds refer to Danes' financial assets excluding wealth in insurance corporations and pension funds