

DANMARKS NATIONALBANK

30 APRIL 2020

BANKING AND MORTGAGE LENDING, INTERESTS, MARCH 2020

Private deposits for kr. 34 billion at a negative rate

3.5 per cent of private customers' deposits had in February negative interest rates, corresponding to deposits of approximately kr. 34 billion. The results are from a new survey by Danmarks Nationalbank covering the medium-sized and large banks.¹ For medium-sized banks, the percentage of deposits with negative interest rates was 3.0, while for the largest banks the share was 4.2 per cent.

Since Jyske Bank in December 2019 launched the first negative interest rates on certain deposits from private customers, several banks have followed, and the volume of deposits with negative interest rates has thus increased accordingly.

125,000 negative rate accounts in the large banks

Several of the banks have also reported the number

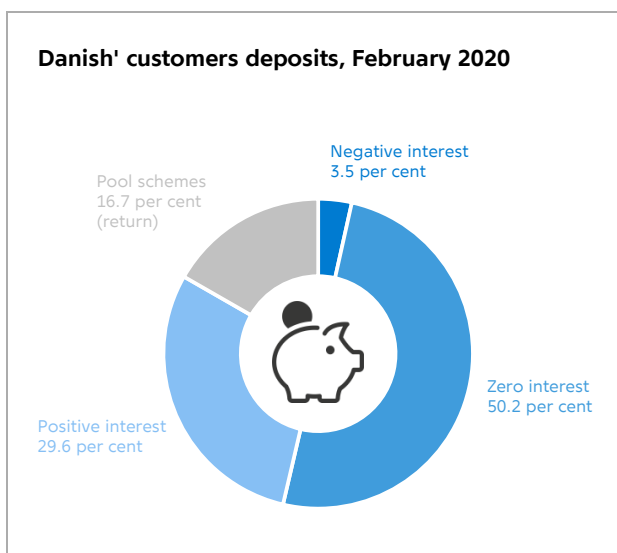
of deposit accounts, excl. pool schemes, with an average of negative, zero or positive interest, respectively.² Private customers in the largest banks had a total of 10.6 million deposit accounts in February. Interests on 125,000 accounts were negative on average, corresponding to 1.2 per cent. Interests on around 9 million accounts were 0 per cent, while the interest on the remaining 1.5 million accounts was positive on average.

Affects the average interest rate

The combination of negative interest rate and an increasing share of zero interest deposits caused a fall in the average deposit rates to 0.21 per cent in February.

The interest rate level is kept artificially high due to loan-related deposits, which comprise deposits corresponding to the unutilised part of the loan framework, for ex-ample on a mortgage loan. The loan-related de-positions typically have an interest rate which reflects the interest rate level on the associated loan. Excluding the lending-related deposits and time deposits, the interest rate in February was on average only marginally higher than 0 per cent.

[CLICK HERE FOR FURTHER INFORMATION](#)



¹ Large banks consist of the Danish FSA's Group 1 and Nordea, while medium-sized banks are the FSA's Group 2 and branches of foreign banks. The participating banks cover a total of 91 per cent of total deposits excl. pool schemes from Danish private customers.

² Not equal to number of customers as a customer typically has multiple accounts. Some banks ascribe the negative interest to the negative interest account, while others ascribe the customer's total interest to the customer's easy account, for example. The latter may mean that the number of negative interest accounts is underestimated.