

DANMARKS NATIONALBANK

27 OCTOBER 2022

BANKING AND MORTGAGE LENDING, INTERESTS, SEPTEMBER 2022

Positive interest rate on private customers' deposits

The Danes' deposits had an interest rate of 0.17 per cent in average in September and is thus positive for the first time since January 2021. The increase in the interest rate in deposits happens in the wake of Danmarks Nationalbank's increase in interest rates over the last months. This have lead banks to gradually remove negative interest rates on private customers' deposits.

Kr. 1.4 billion in negative interests since 2021

In the period where the average interest rate on deposits have been negative, Danish private customers have paid net kr. 1.4 billion in total interests on their deposits. In the same period the Danes' total deposit

increased from kr. 1,007 billion to kr. 1,083 billion. Negative interest rates on private customers' deposit have primarily been on a part of each customers deposit above a certain threshold.

Interest rates increased to follow Nationalbanken

In Denmark the monetary policy rates are devoted to keeping the exchange rate between the Danish kroner and the euro stable. Shortly after the European Central Bank and Danmarks Nationalbank increased their interest rates in July and September, most Danish banks announced that they would increase their interest rates. The banks' higher interest rates on deposits have resulted in private customers earning kr. 115 million in interests on their deposit in September.

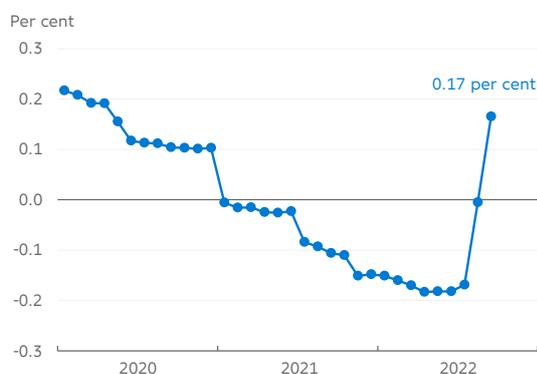
Higher interest rates on deposits

The interest rate increase from Danmarks Nationalbank in July quickly lead to higher interest rates on deposits in the majority of banks in Denmark. Simultaneously, multiple banks announced higher interest rates on loans for private customers. However, most of the increases in interest rates on loans will not be effective until October.

The difference between banks' interest rates on loans and deposits is called the interest margin. This margin depicts banks' earnings from lending out their customers' deposits. The interest margin for private customers have been reduced during the low interest rate levels in recent years.

MORE INFORMATION ON THE STATISTICS HERE

For the first time since 2020 the average interest rate on Danish private customers' deposits is positive



Note: Average effective interest rate on Danish private households' (sector 1430) deposits excl. pooling schemes in Danish kroner. Find data here ([link](#)).