

DANMARKS NATIONALBANK

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BANKING AND MORTGAGE LENDING, INTERESTS, NOVEMBER 2019

The Danes' deposit rate approaches 0 per cent

The interest rate on Danish customers' ordinary deposits, which can be immediately withdrawn or used for payments, has been reduced further in the past year. The rate is approaching 0 per cent on average, when you disregard loan-related deposits¹.

The interest rate has come even closer to 0

The information comes from Danmarks Nationalbank's survey of loan-related deposits, most recently completed for April 2019. Combining the results with the development of the average deposit rate, the interest rate on customers' ordinary deposits in November is down to 0.02 per cent on average.

The deposit rate is typically 0 per cent

A deposit rate marginally greater than 0 per cent

may seem low. However, this is still higher than the 0 per cent rate that customers typically earn on their regular payroll account. An average interest rate greater than 0 per cent reflects that special rates accounts still exist for some types of customers.

Several banks have taken the negative step

Several banks have already announced that parts of their private customers' deposits will have a negative interest rate (depending on the type and size of the deposits) among other Jyske Bank, Nordea, Sydbank, Spar Nord and Ringkjøbing Landbobank which together cover approximately 40 per cent of private customers' deposits.

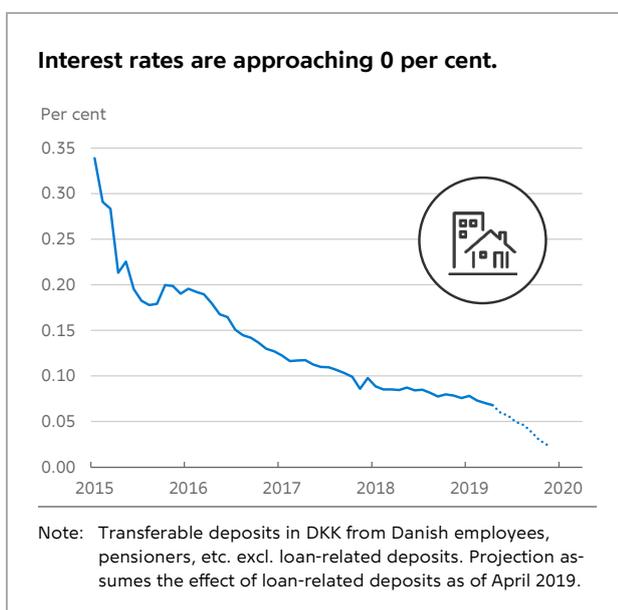
The effect of negative rates can soon be observed

Banks must notify interest rate changes that are not in the customer's favor before they can take effect. The announced changes will therefore first be included in the statistics as of the data for December 2019, when Jyske Bank's change comes into force. The other banks' changes will take effect in January 2020, except Nordea that is by February 2020.

More information in the new year

In March 2020, Danmarks Nationalbank will conduct the survey again. The study will, in addition to an updated interest rate on customers' ordinary deposits cover information on the percentage of private customers' deposits with a negative interest rate.

[CLICK HERE FOR FURTHER INFORMATION](#)



¹ Deposits on accounts directly related to a loan, such as a bank mortgage loan. The interest rate on loan-related deposits will typically reflect the somewhat higher interest rate level on the associated loan.