

# DANMARKS NATIONALBANK

26 MARCH 2020

BANKING AND MORTGAGE LENDING, INTERESTS, FEBRUARY 2020

## Corporations' deposit rates were record low

Deposit rates vis-à-vis non-financial corporations and personally owned companies have fallen by 0.21 and 0.27 percentage points, respectively, over the past 12 months. The decline has been particularly marked since September 2019. At the end of February, average deposit rates reached -0.38 and -0.14 per cent respectively.

### Corporations are increasing their deposits

Corporations continued to increase their deposits despite falling deposit rates. Thus, deposits have been increased by kr. 21 billion over the past 12 months and totalled kr. 426 billion at the end of February.

The non-financial corporations accounted for kr. 337 billion. Personally owned companies deposited the remaining kr. 89 billion.

### Expenses of almost three quarters of a billion

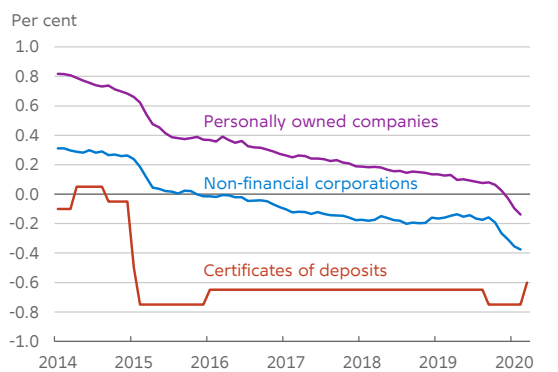
The negative interest rates have led to non-financial companies' interest expenses on bank deposits of kr. 716 million in the past year. At the same time, the personally owned companies had interest income of kr. 32 million. The average interest income of the privately owned companies in the past year is due to the fact that the average deposit rate against this type of business did not become negative until December 2019. These companies have previously been largely exempted from the negative interest rates.

### Same interest rate level as the I&P sector

With the recent shift in level of average deposit rates, non-financial corporations have come down to the same interest rate level as the I&P sector, which has an average deposit rate of -0.38 per cent. This also means that the average level of interest rates for the non-financial corporations is lower than for many of the other financial companies, e.g. investment funds.

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### The average interest rates on deposits for corporations were record low



Note: The term corporations is used here as a common term for the non-financial corporations and personally owned companies. The last observation for the certificates of deposit rate is from 24 March 2020, while the last observations for the average deposit rates are from February 2020.

This release addresses the latest figures in the statistics for 'Banking and mortgage lending, interests' which are from February 2020. Since then, extraordinarily large changes in the economy have occurred due to covid-19. At the end of April, Danmarks Nationalbank will update this statistics with the figures for March.