

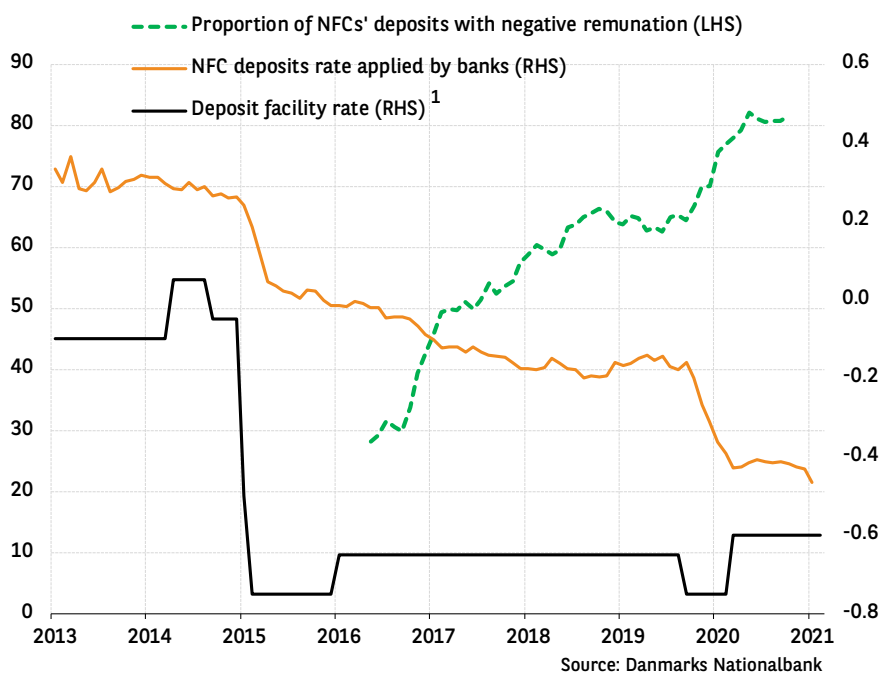
# CHART OF THE WEEK



17 March 2021

## DENMARK: NEGATIVE RATES ARE APPLIED TO MORE THAN 80% OF CORPORATE DEPOSITS OUTSTANDING

Laure Baquero



Since dropping below 0% in 2015, the average deposit rate applied by Danish banks to the country's non-financial companies (NFC) has continued to slide into negative territory (-0.47% in January 2021) as the banks recover the deposit facility rate applied by the Danmarks Nationalbank<sup>1</sup>.

At the same time, the almost continuous increase in Danish NFC deposits outstanding was amplified in 2020 by public support measures to boost the liquidity of Danish companies during the health crisis. Similar measures were observed in the Eurozone member countries.

The share of Danish NFC deposits with negative rates increased to 81.5% in October 2020.

<sup>1</sup> Called the "rate on certificates of deposits" by the Danmarks Nationalbank, we use the term "deposit facility rate" since this is the purpose it serves. It also avoids confusion with French "certificates of deposit" (certificats de dépôts), which designate short-term marketable securities issued by banks (titres de créance négociables à court terme).

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