

DANMARKS NATIONALBANK

27 MARCH 2018

BANKING AND MORTGAGE LENDING, BALANCES, FEBRUARY 2018

Fewer losses on bank loans to agriculture

In 2017, Danish banks had losses for kr. 392 million on their loans to Danish agriculture etc. This corresponds to approximately 0.6 per cent or kr. 6,000 per lent million to the industry.

The losses are significantly smaller than in the previous year, where the level in 2016 reached kr. 2.3 billion. The lower losses reflect that 2017 was a good year for Danish agriculture, among other things characterised by high prices on milk and pork.

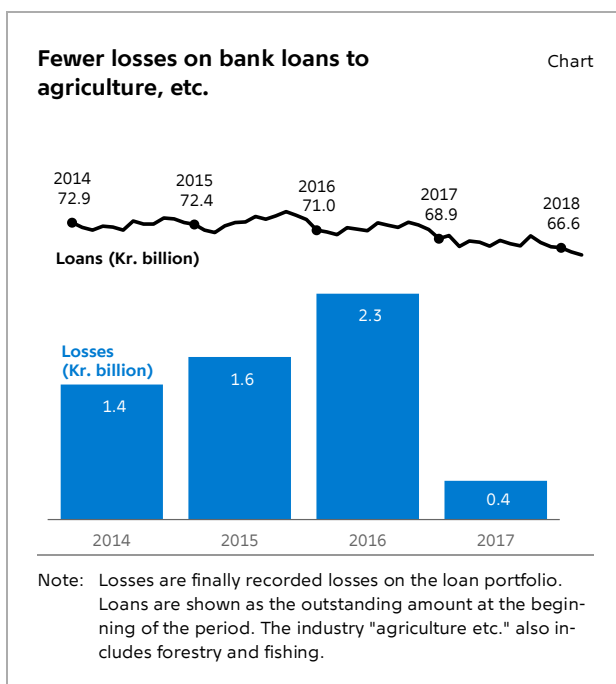
For the first two months of 2018, banks have had losses for kr. 194 million. As a consequence of the transition to the new IFRS 9-accounting rules, the

losses are based on expected losses and not as previously realised losses. Hence, by the end of 2017, the banks in general expected that losses would increase in the first quarter of 2018, cf. Danmarks Nationalbank's lending survey¹.

Almost half of Danish agriculture's total bank loans of around kr. 65 billion have been granted by the large banks. The remaining loans appear on the balance sheets of the small and medium-sized banks, on average representing 8 per cent of their total lending. A larger number of the small and medium-sized banks have a share that is somewhat above the average, and they are therefore particularly exposed to the industry's results. The corresponding share for the large banks is on average about 4 per cent.

In addition to bank loans, Danish agriculture has mortgage loans for kr. 246 billion. This amounts to a total bank and mortgage debt of kr. 311 billion.

[CLICK HERE FOR FURTHER INFORMATION](#)



¹ [Danmarks Nationalbank, Fewer losses on bank and mortgage loans. Danmarks Nationalbank Statistics \(Lending survey, 4th quarter 2017\) 9 Jan. 2018.](#)