

DANMARKS NATIONALBANK

25 FEBRUARY 2022

BANKING AND MORTGAGE LENDING, BALANCES, JANUARY 2022

Companies borrow significantly more from the banks

With a growth of 12.6 per cent corresponding to kr. 54 billion, the past year has seen the largest increase in lending from the banks to Danish companies since 2008. Credit growth has accelerated since September after several years of subdued credit growth in the wake of the financial crisis and a decline in the months following the outbreak of covid-19. Bank lending to companies amounted to kr. 477 billion at the end of January 2022 and is thus approx. kr. 35 billion above the level before covid-19.

Expiration of government loans has effect ...

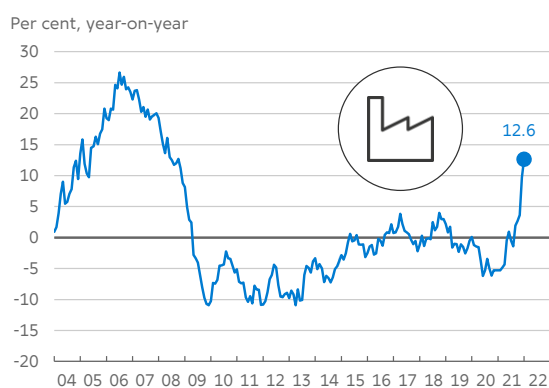
The demand for bank loans has been limited since the outbreak of covid-19, partly due to subdued activity, and partly due to the fact that the government has provided significant liquidity support to companies during the pandemic. Support in the form of deferred tax and VAT as well as government loans

was approx. kr. 90 billion in 2021.¹ A phasing out of government lending to companies is underway: Deferred tax and VAT fell due up to January 2022, and a significant part of tax and VAT loans fall due in April 2022. The phasing out entails a shift from public to private lending via the banks. This change is in line with Danmarks Nationalbank's lending survey, in which several of the banks surveyed at the turn of the year answered that they expect increased lending demand from companies due to the end of government liquidity support.²

... and so does the desire to invest

Part of the credit growth may also be an expression of an incipient desire to invest at Danish companies: Uncertainty associated with the development of the pandemic may have meant that companies have postponed investments, which can now be launched slowly.

Largest increase in bank lending since 2008



Note: The term 'companies' covers non-financial corporations and personally owned companies. Find chart data here ([link](#)).

Mortgages for companies are rising more slowly

Loans from mortgage credit institutions to Danish companies have grown by 3.2 per cent corresponding to kr. 40 billion during the past year. In total, mortgage lending to companies is approx. three times larger than bank lending and amounted to kr. 1,306 billion at the end of January 2022. Overall, this means that Danish companies have borrowed kr. 94 billion more from banks and mortgage credit institutions during the past year, corresponding to a total credit growth of 5.5 per cent.

[CLICK HERE FOR FURTHER INFORMATION](#)

¹ See Danmarks Nationalbank, Increased risks in credit institutions' housing lending, *Danmarks Nationalbank Analysis*, December 2021.

² See Danmarks Nationalbank, Banks expect increased demand from corporates, *Danmarks Nationalbank Statistics*, January 2022.