

DANMARKS NATIONALBANK

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BANKING AND MORTGAGE LENDING, BALANCES, SEPTEMBER 2017

Lending to private customers increases for medium-sized banks

In September 2017 the largest Danish banks' decreased their lending to private customers by DKK 24 bn (10 pct.) compared with the previous year. In contrast, the medium-sized banks increased their lending to private customers by DKK 9 bn (8 pct.).

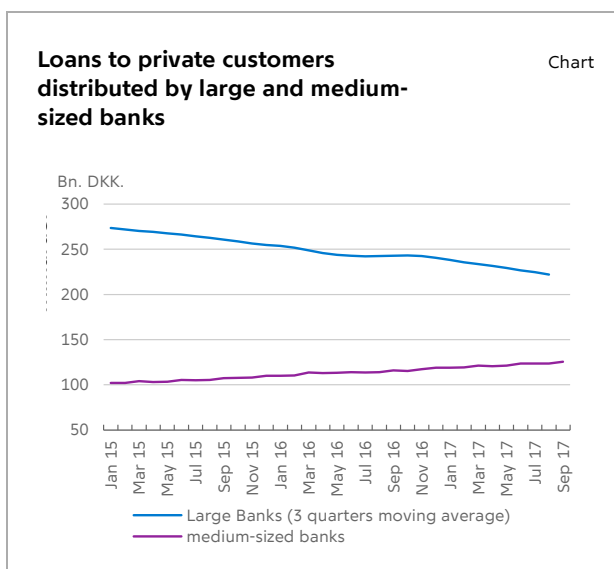
In the most recent Bank Lending Surveys, credit managers of the medium sized banks in general reported a rise in competition contributing to an easing of credit standards. The increase in lending is consistent with this development.

Loans secured by real estate constitute the largest part of the decline in lending for large banks. Since

September last year this type of loans has decreased by DKK 18 bn of the DKK 24 bn in total – this being coincident with the increase in mortgage banks' lending to households. For the medium-sized banks, real estate secured lending has increased by DKK 7 bn while loans for consumption have increased by DKK 3 bn.

The compositions of medium-sized and large banks' lending to private customers vary. The large banks thus have a 13 percentage point larger share of real estate secured lending to total lending than the medium-sized banks – whereas the medium sized banks have larger shares of loans for consumption.

Given the recent decrease in bank lending to private customers and an increase in loans to businesses, the share of the largest banks' loans to private businesses is now larger than the share of loans to private customers. The medium-sized banks, on the contrary, have in general increased shares of lending to private customers.



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