DANMARKS NATIONALBANK

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BANKING AND MORTGAGE LENDING, BALANCES, MARCH 2019

Moderate lending growth

The total lending to Danish households and non-financial corporations was kr. 3,546 billion in March 2019. Compared to March 2018, this is a moderate increase of 2.1 per cent.

Mortgage credit institutions have accounted for the majority of the lending growth, while banks' lending growth has been limited. The mortgage credit institutions' lending growth has been positive over the past ten years, while the banks' lending growth has been negative for most of the period. The mortgage
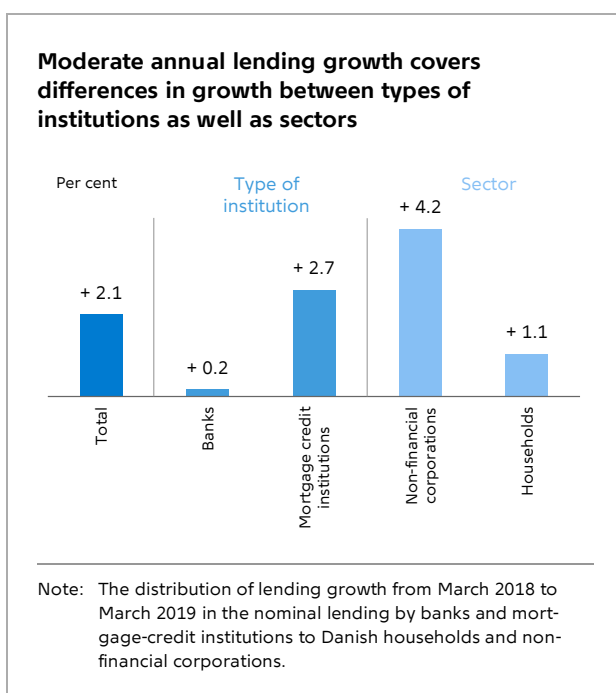
credit institutions account for 76 per cent of the total loans to households and non-financial corporations.

The growth in lending to non-financial corporations has been somewhat higher than the growth in lending to households. Households' growth is mainly driven by increased mortgage loans, while loans from banks have decreased. For comparison, non-financial corporations have increased their loans in both banks and mortgage credit institutions. The households' total lending is somewhat larger than the total lending of non-financial corporations and accounts for 68 per cent of the two sectors' total loans.

The lending growth in recent years has been limited compared to the lending growth prior to the latest crisis. In particular, growth in loans from banks has been limited compared to the period prior to the recent crisis.

Although lending growth is moderate, total debt-to-GDP is now greater than it was up to the recent crisis. In an international comparison, the debt is also large in relation to the size of the economy. However, the high level of lending in Denmark is offset by even larger assets, e.g. due to the households' large assets in pensions and real estate.

In addition to lending to Danish households and non-financial corporations, banks and mortgage credit institutions have lending abroad as well as lending to other domestic sectors, such as the government and other financial institutions.

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Moderate annual lending growth covers differences in growth between types of institutions as well as sectors

Note: The distribution of lending growth from March 2018 to March 2019 in the nominal lending by banks and mortgage-credit institutions to Danish households and non-financial corporations.