

DANMARKS NATIONALBANK

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LENDING SURVEY, 3RD QUARTER 2019

Lower demand and increased competition

In Danmarks Nationalbank's lending survey for the 3rd quarter 2019, 5 of the 17 surveyed banks report that they have experienced lower loan demand from corporate customers compared to the previous quarter. In particular, the demand from new corporate customers has been lower, according to the banks. The banks report that lower demand applies to large as well as small and medium-sized corporate customers. At the same time, the banks report increased competition for these customers.

Lower demand from new and existing customers

Falling demand applies not only to new corporate customers. As regards the banks' existing corporate

customers, 3 of the 17 banks respond that demand was lower in 3rd quarter compared to 2nd quarter. Here, however, the demand from small and medium-sized business customers in particular has been lower.

Divided expectations for 4th quarter

The Banks have also reported how they expect demand to develop in 4th quarter. Contrary to the trend in 3rd quarter, opinions vary as to whether demand will rise, fall or remain unchanged relative to the current quarter.

Competition for customers

On the other hand, there is a relatively broad agreement among the banks that they compete for corporate customers. Seven large and medium-sized banks report that competition has sharpened further in the 3rd quarter, and several banks expect this development to continue in the 4th quarter.

Limited change in bank lending

The banks' total lending to their Danish business customers has been reduced by approximately 1 per cent. The loan is thus kr. 438 billion at the end of August 2019. Of these, the surveyed banks accounted for kr. 393 billion corresponding to 90 per cent.

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