

DANMARKS NATIONALBANK

14 JANUARY 2020

LENDING SURVEY, 4TH QUARTER 2019

Slightly tighter credit standards

In Danmarks Nationalbank's lending survey for the 4th quarter 2019¹, 4 of the 17 credit managers in the surveyed banks report that they have tightened the credit standards slightly compared to last quarter. When the credit managers' answers are weighted with the market share of their respective bank, the credit standards for lending to corporate and private customers on average are tightened by approximately -6 and -3, respectively (where 0 corresponds to unchanged credit standards and -50 corresponds to all the banks having tightened slightly).

Some tighten, and none eases

The credit managers in 4 of the 17 surveyed banks have reported smaller tightenings in credit stand-

ards for lending to corporate customers, while it is a matter of 3 banks for lending to private customers. None of the credit managers' report that their overall credit standards have been eased.

Competition put pressure on the credit standards

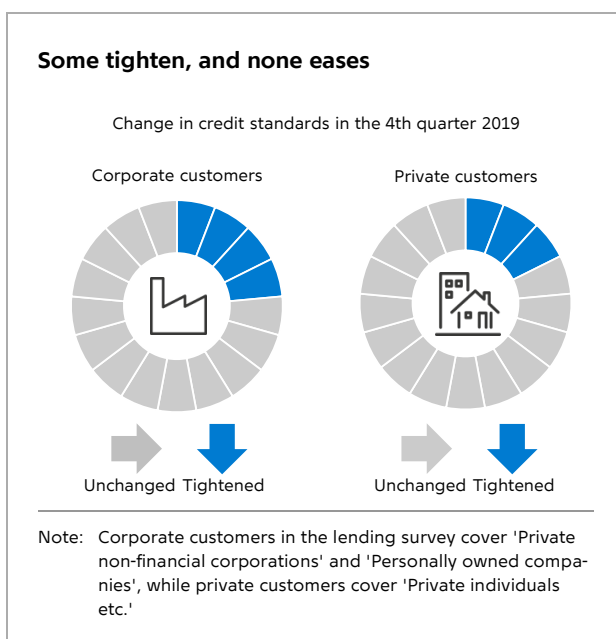
As it has been in general since 2013, more of the banks' credit managers' report that the behaviour of the competitors has affected the bank's credit standards towards more easing for lending to especially corporate customers in the 4th quarter. However, the increased competition has not caused easing in the banks' total credit standards.

Lower demand, especially from existing customers

4 banks report lower demand for loans from their existing corporate customers. No banks report increased demand. The banks' answers regarding the demand for loans from new corporate customers point in opposite directions, yet the majority points towards lower demand.

Conversion wave affects

A few banks also report that the demand for bank loans from private customers has decreased in the 4th quarter. The decrease is i.a. a direct consequence of more borrowers have increased their mortgage loan in connection with the conversion at the expense of their bank loan. The banks' loans to private customers have reduced by about kr. 16 billion in 2019 corresponding to 4 per cent.



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¹ The answers to the lending survey are received in the period 5th to 19th December 2019.