

DANMARKS NATIONALBANK

8 JULY 2020

LENDING SURVEY, 2ND QUARTER 2020

Unchanged loan demand from NFCs

Danmarks Nationalbank's lending survey shows that the loan demand from the banks' existing corporate customers is overall unchanged from 1st to 2nd quarter of 2020 (net figure is 1.7). This is in contrast to the credit managers having a clear expectation that the demand would increase. Several of the banks mention i.a. the public aid packages as a possible explanation to the expectations not being fulfilled. 7 banks expect, however, that the loan demand increases in 3rd quarter, while 10 banks expect that the demand is unchanged.

In regards to new corporate customers, 12 banks answer that the demand has decreased from 1st to 2nd quarter. In total, the demand from new corporate customers has decreased corresponding to a

net figure of -21.2. This is a larger decrease than the banks expected and indicates that corporate customers are looking for another bank to a lesser extent than previous.

Changed loan demand at the individual banks

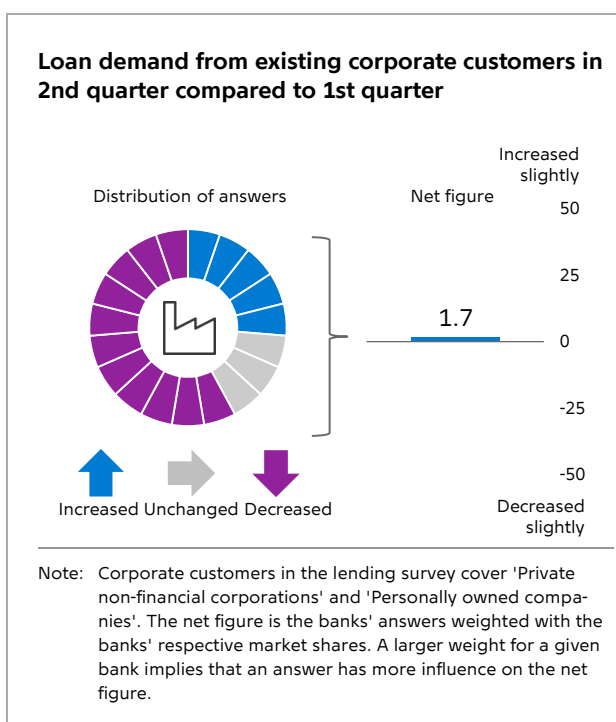
Even though the loan demand is overall unchanged from 1st to 2nd quarter, it is only 3 of the 19 surveyed banks that report unchanged demand. 11 of the banks answer that the demand from existing corporate customers has decreased. The remaining 5, especially large banks, answer that the demand has increased in line with their expectation, which explains why the demand is overall unchanged.

Lower bank loans to Danish corporate customers

During April and May, the banks' loans to corporate decreased with a total of kr. 18.8 billion. The total bank loans are kr. 428 billion.¹

Fewer report increased losses on loans than expected

In 1st quarter, all of the surveyed banks expected that their losses² on corporate loans would increase in 2nd quarter compared to 1st quarter, which resulted in an expected net figure of an entire 57.4. The net figure for 2nd quarter ended somewhat lower on 10.8. This seems to indicate that several of the banks did not experience an increase in losses as first expected. Around half of the banks expect that the losses increase in the upcoming quarter, while the other half expects that the losses are unchanged.



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¹ Exclusive unutilized credit limits and standby credit, but inclusive loans granted by the two public funds EKF Denmark's Export Credit Agency and Vækstfonden.

² Increase in the proportion of impairments and losses.