

DANMARKS NATIONALBANK

9 JANUARY 2023

LENDING SURVEY, 4TH QUARTER 2022

Decrease in loan demand from private customers

In Danmarks Nationalbank's lending survey for the 4th quarter 2022, 16 of the 19 largest banks and mortgage institutions report that loan demand from private customers has decreased. In the 3rd quarter 2022 slightly more than half of the 19 institutes experienced decreasing demand from private customers. This means that the lower demand is now more prevalent among the institutes.

The institutes primarily explain the lower demand with the fact that the number of housing transactions has decreased. Approximately half of the institutes assess that the demand will not decrease further in the coming quarter.

Demand from corporates is experienced differently

There is not the same clear experience of the change in loan demand from corporate customers. Half of the institutes experience unchanged demand while the other half is equally divided between experiencing increased or decreased demand in the 4th quarter.

Several institutes observe that some corporate customers need more liquidity for their working capital. Some reasons for this are that several corporates have built up larger inventories as a result of the supply problems, debtors are postponing payments, and suppliers are demanding shorter payment terms. If the earnings of the corporates are simultaneously under pressure as a result of price increases on energy, raw materials, and lower turnover in general, the liquidity pressure will increase, all else being equal.

The institutes that experience decreased demand assess that this is generally due to a lack of desire to invest among the corporate customers, due to the current level of interest rates and inflation.

Impairments on private customers are increasing

8 out of the 19 banks and mortgage institutions have increased their impairments on private customers in the 4th quarter. However, it looks like the institutes expect that the situation may worsen in the 1st quarter 2023, where slightly more than half of the institutes expect increased impairments.

16 out of the 19 largest banks and mortgage institutions experience decreased loan demand from private costumers

Change in loan demand from 3rd to 4th quarter 2022



Note: In the lending survey, private customers cover 'Employees, pensioners, etc.

[MORE INFORMATION ABOUT THE STATISTICS HERE](#)