

### **The Effects of a Large Energy Price Shock on Firm Credit**

**Niels Framroze Møller (Danmarks Nationalbank) and Johannes Poeschl Ketelsen (Danmarks Nationalbank)**

We investigate how credit to Danish firms responded to the energy price shock triggered by the Russian invasion of Ukraine by comparing the credit growth of similar firms with different energy intensities before and after the shock. Credit growth of energy-intensive firms declined by three to four percent relative to non-energy-intensive firms. This decline stems mainly from lower utilization of credit lines, and it is more pronounced for ex-ante riskier firms. Loan terms did not change significantly for energy-intensive firms compared to non-energy-intensive firms. Together, these results suggest that the decline in credit is due to a decline in credit demand, not credit supply.