Šetření úvěrových podmínek bank duben 2013

Česká národní banka
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BANK LENDING SURVEY
APRIL

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Financial Stability Department

Monetary and Statistics Department
Monetary Policy and Fiscal Analyses Division

CZECH NATIONAL BANK

I. INTRODUCTION AND SUMMARY

The *Bank Lending Survey* captures banks' opinions regarding the change in the supply of loans by means of credit standards and the terms and conditions for approving loans, and regarding the change in non-financial corporations' and households' demand for loans.

The fourth round of the survey, the results of which are summarised in this document, covers the evolution of the above aspects of the credit market from banks' perspective in 2013 Q1 and banks' expectations in these areas for 2013 Q2. Eighteen banks, accounting for a major share of the bank credit market, took part in the survey.[1]

The survey reveals that banks made no major changes to their credit standards for loans to non-financial corporations and for consumer credit in 2013 Q1. Standards for loans for house purchase were eased. At the same time, quite a large part of the credit market saw an increase in margins on riskier corporate loans. By contrast, margins on loans for house purchase decreased. The average margin on consumer credit increased, but banks eased the terms and conditions for approving loans by reducing non-interest charges. Demand for loans rose in all credit market segments, although in the case of households the growth in demand was weaker than at the end of 2012.

In 2013 Q2, banks expect credit standards to tighten for corporate loans and consumer credit and to ease further for loans for house purchase. According to banks, corporate demand for loans will remain broadly unchanged, household demand for loans for house purchase will increase and demand for consumer credit will fall again.

II. CREDIT STANDARDS AND DEMAND FOR LOANS

II.1 NON-FINANCIAL CORPORATIONS

Banks' credit standards for approving **loans to non-financial corporations** were unchanged for small, medium-sized and large corporations in 2013 Q1. Three months earlier, banks had been expecting a further tightening of standards. According to a large part of the credit market (a 49% net percentage, NP[2]), the main factor behind the tightening of credit standards is again the unfavourable outlook in some sectors. By contrast, an improvement in banks' liquidity contributed to an easing of credit standards. Turning to the terms and conditions for approving loans, margins on riskier loans increased in a relatively large part of the credit market, the assessment of loan size was tightened and non-interest charges were increased.

[1] Four large banks, three medium-sized banks, three small banks, three foreign bank branches and five building societies took part in the survey. The fourth round of the survey was conducted between 12 and 26 March 2013. The questionnaire contained 17 standard questions. Data in Excel files, along with the questionnaire, a glossary and methodological guidelines, are available on the CNB website: (http://www.cnb.cz/en/bank_lending_survey/index.html). Questions regarding the survey can be e-mailed to bls@cnb.cz.

[2] In the text and charts, the responses to the questions are expressed in the form of net percentages on the aggregate level. Net percentages are calculated as the difference between the percentage share of loans provided by banks reporting that standards/conditions have been tightened (or demand increased) and the percentage share of loans provided by banks reporting that standards/conditions have been eased (or demand decreased). The individual responses are thus weighted by the bank's market share in loans provided in the given segment. A positive (negative) net percentage indicates an overall tightening (easing) of standards/conditions or an overall increase (decrease) in demand.

At the same time, banks eased their terms and conditions relating to the maturity of loans to large enterprises. Banks' collateral requirements were unchanged for loans to large enterprises and increased for loans to small and medium-sized enterprises.

Despite having been expected to fall, non-financial corporations' overall demand for loans increased (an NP of 23% of the credit market). Large enterprises showed a rise in demand, whereas small and medium-sized enterprises saw a decline. Demand for long-term loans for financing mergers/acquisitions and restructuring of corporations increased in large enterprises, particularly in the energy and gas supply industry. By contrast, a decline in demand for loans was recorded in a major part of the bank credit market owing to a reduced need to finance fixed investment (NP -68%) and in a smaller part of the market as a result of increased issuance of debt securities. The effect of other factors affecting demand was negligible.

In 2013 Q2, banks expect a tightening of credit standards, although only equal to a 9% net percentage of the credit market. This should manifest itself in long-term loans to large enterprises, whereas standards for short-term loans and loans to smaller enterprises are expected to ease. According to banks, corporate demand for loans will not change significantly overall. It will decline for long-term loans and rise for short-term loans.

II.2 HOUSEHOLDS

Banks' credit standards for approving **loans for house purchase** eased in 2013 Q1, although to a much lesser extent than in the previous period (NP -6 % compared to -28% in 2012 Q4). This was in line with banks' expectations recorded three months ago. The easing of standards was aided by a reduction in financing costs and an easing of constraints in banks' balance sheet items and by increased competition. The outlook for overall economic activity and the residential property market had a neutral effect. The easing of the terms and conditions for providing loans for house purchase continued to be reflected in a declining average margin and margin on riskier loans and a stronger fall in non-interest charges. Demand for loans for house purchase rose (although NP was only 12%). Higher non-housing related consumption expenditure by households continued to adversely affect demand. In 2013 Q2, banks expect credit standards to ease further and demand for loans for house purchase to rise (NP -26% and 17% respectively).

In line with banks' expectations, credit standards for **consumer credit** to households were little changed. As regards the terms and conditions for approving consumer credit, increased average margins had a restrictive effect, but were offset by a decrease in non-interest charges. Demand for consumer credit was almost unchanged in 2013 Q1. For 2013 Q2 banks expect credit standards to tighten and household demand for consumer credit to fall again (NP 30% and -7% respectively).

SUPPLY AND DEMAND CONDITIONS FOR LOANS TO NON-FINANCIAL CORPORATIONS

Chart 1 Changes in credit standards applied to loans to non-financial corporations (questions 1, 2 and 6)
(net percentage, positive value = tightening, negative value = easing)

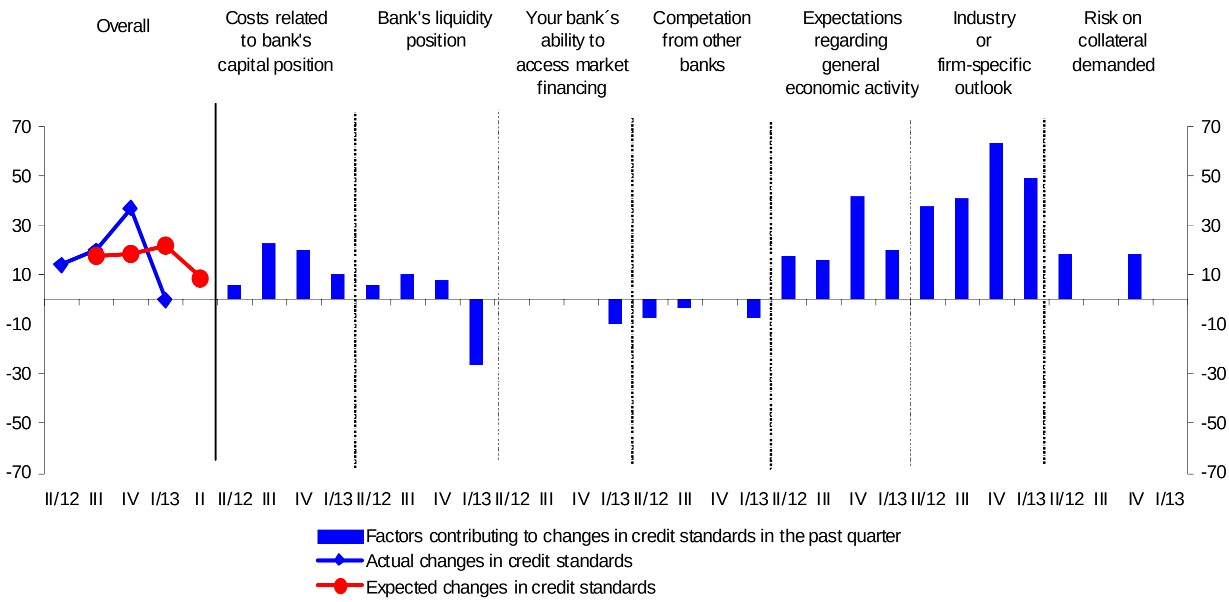


Chart 2 Changes in terms and conditions for approving loans to non-financial corporations (question 3)
(net percentage, positive value = tightening, negative value = easing)

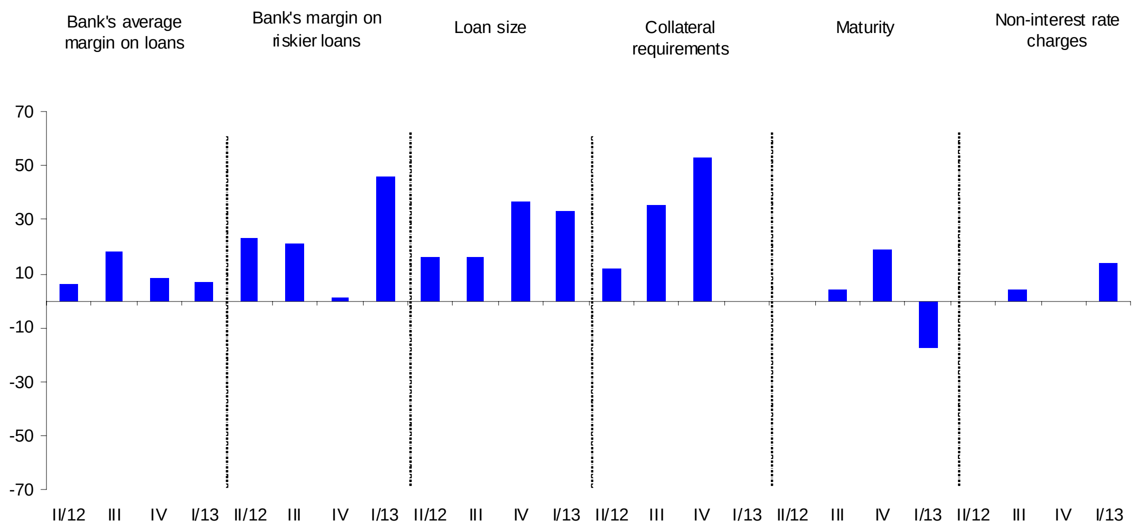
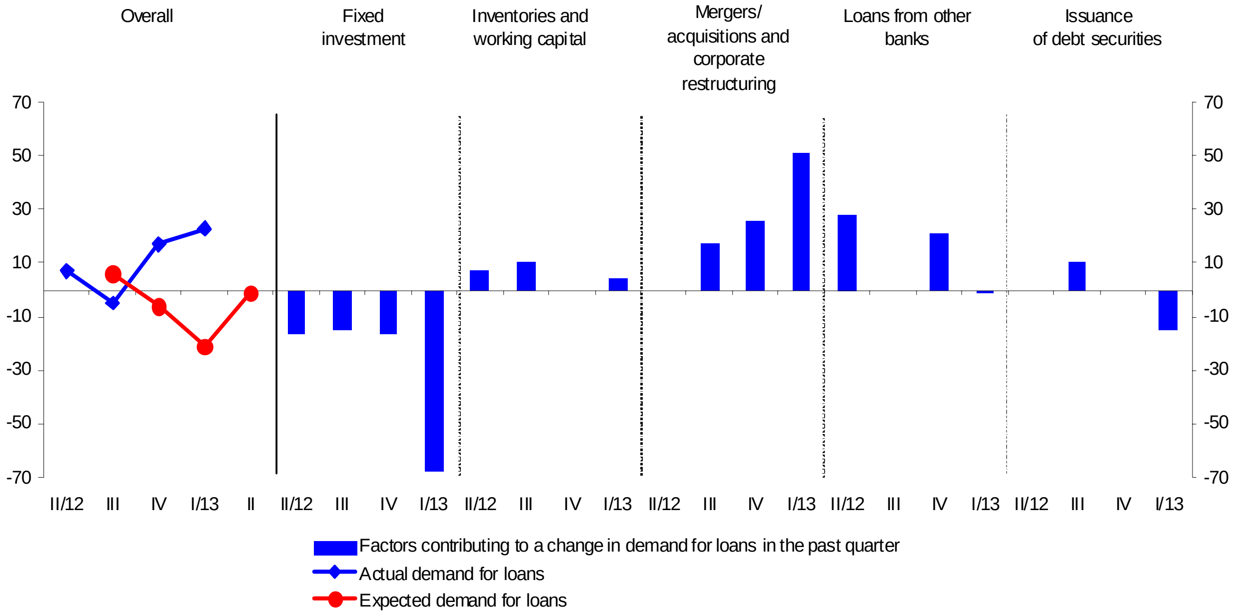


Chart 3 Changes in non-financial corporations' demand for loans (questions 4, 5 and 7)
(net percentage, positive value = demand growth, negative value = demand decrease)



SUPPLY AND DEMAND CONDITIONS FOR LOANS FOR HOUSE PURCHASE

Chart 4 Changes in credit standards applied to loans for house purchase (questions 8, 9 and 16)
(net percentage, positive value = tightening, negative value = easing)

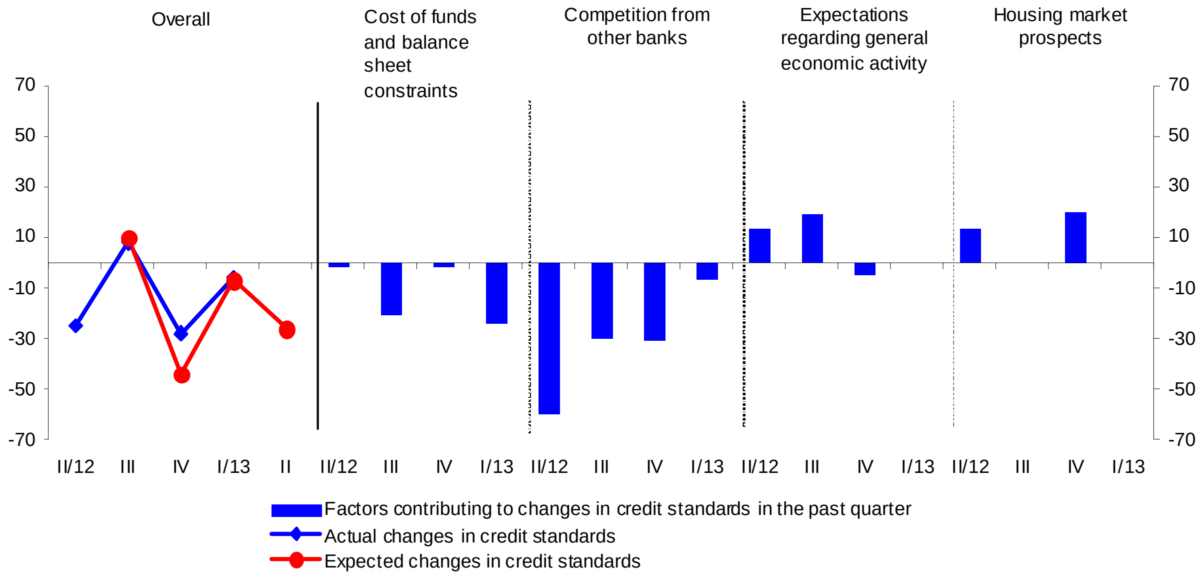


Chart 5 Changes in terms and conditions for approving loans for house purchase (question 10)
(net percentage, positive value = tightening, negative value = easing)

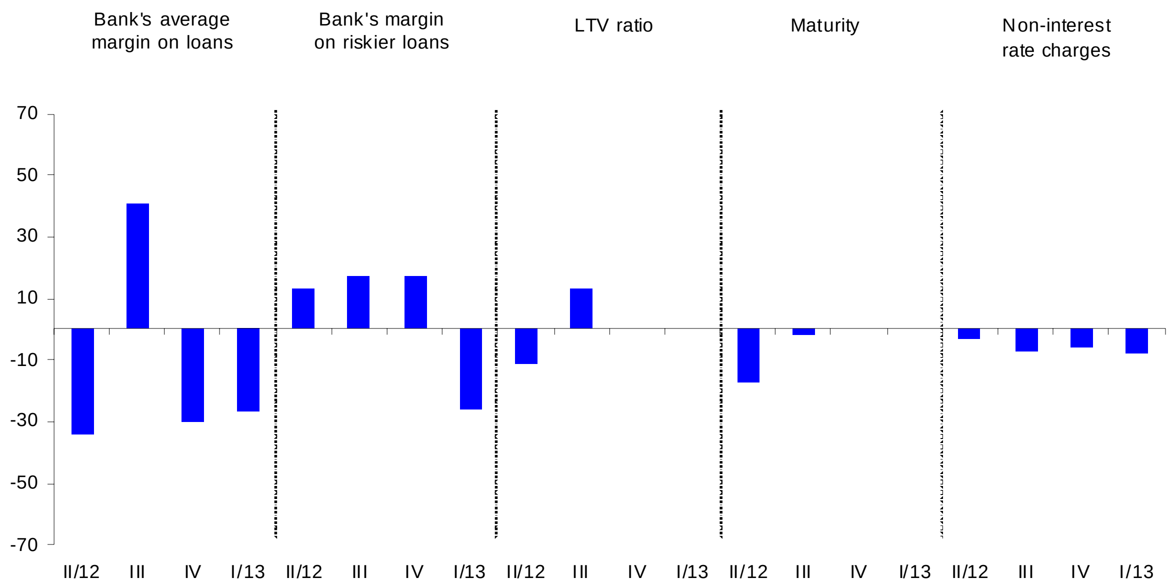
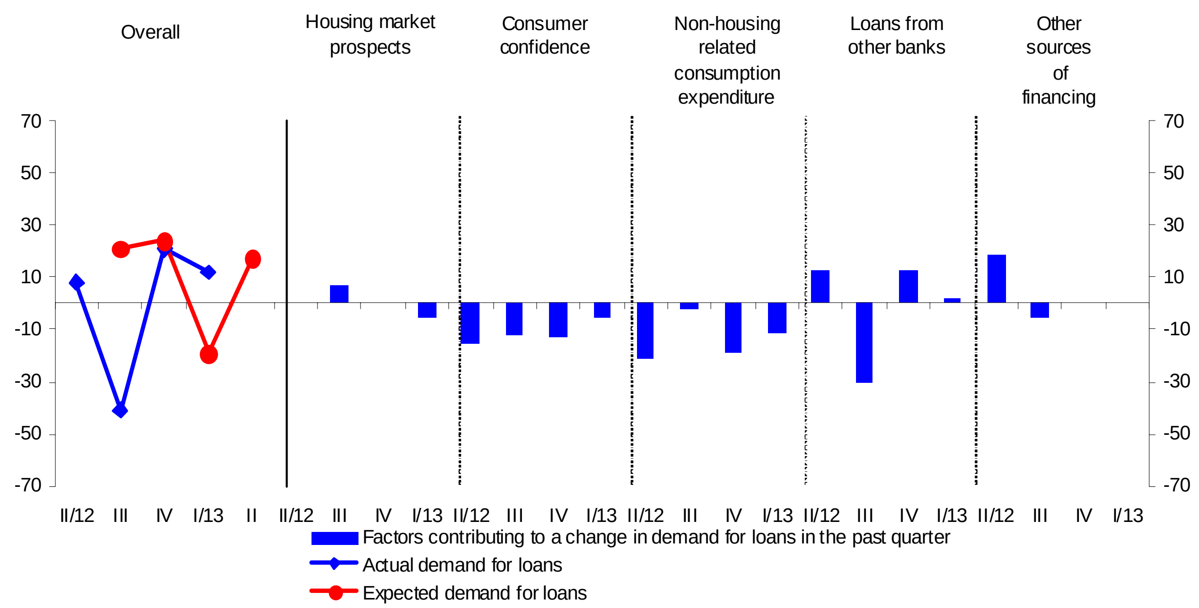


Chart 6 Changes in households' demand for loans for house purchase
(questions 13, 14 and 17)
(net percentage, positive value = demand growth, negative value = demand decrease)



SUPPLY AND DEMAND CONDITIONS FOR CONSUMER CREDIT

Chart 7 Changes in credit standards applied to consumer credit (questions 8, 11 and 16)
(net percentage, positive value = tightening, negative value = easing)

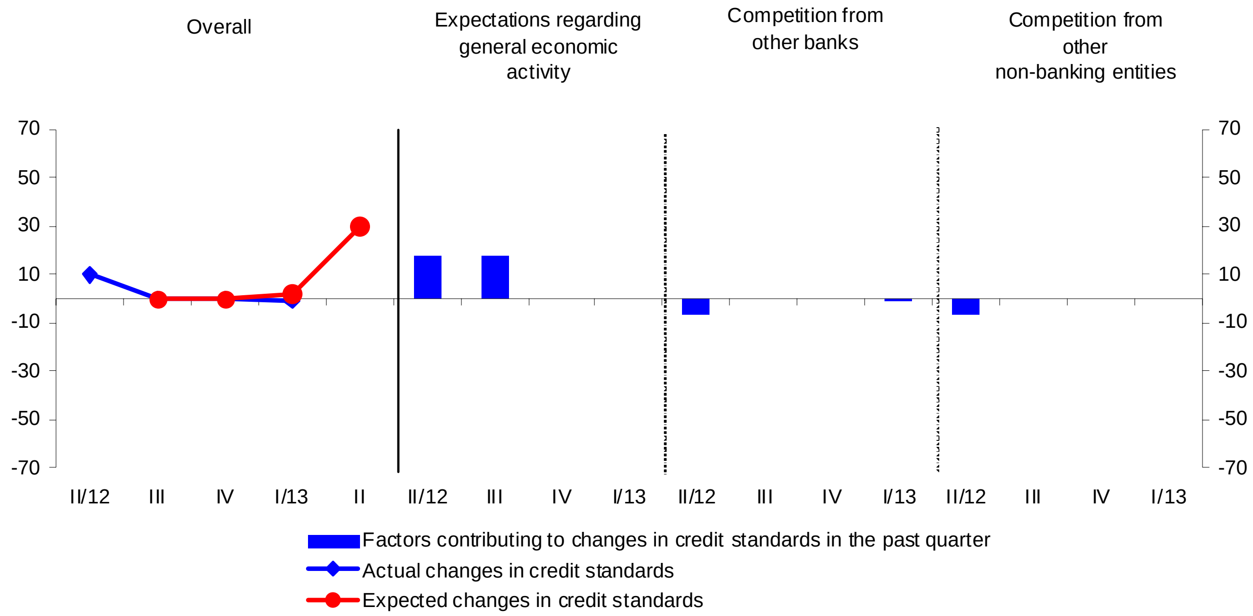


Chart 8 Changes in terms and conditions for approving consumer credit (question 12)
(net percentage, positive value = tightening, negative value = easing)

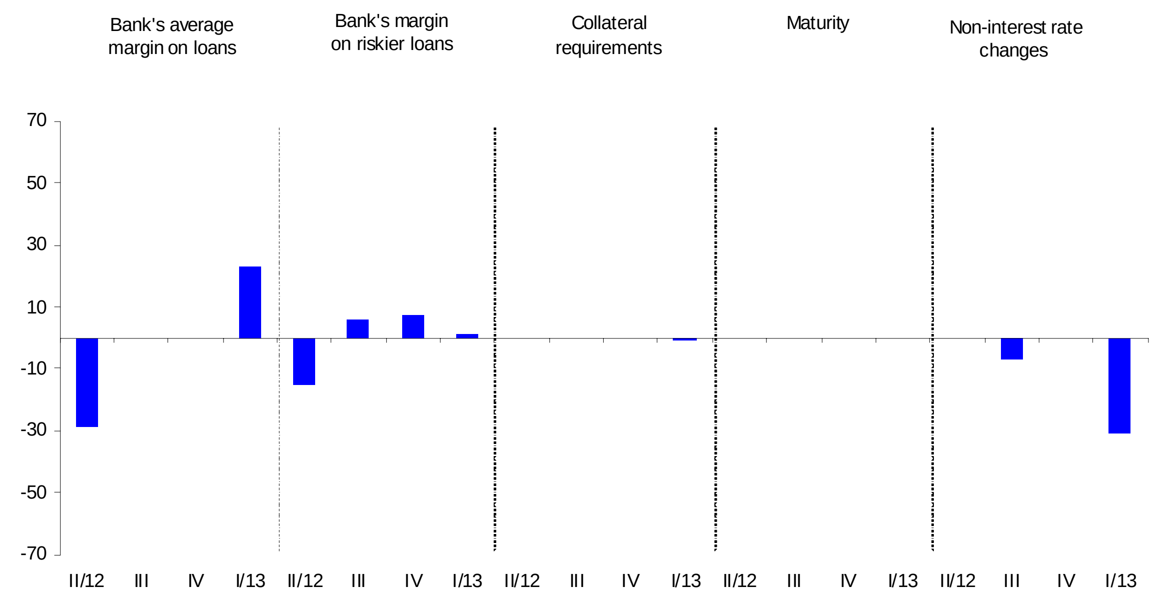


Chart 9 Changes in households' demand for consumer credit (questions 13, 15 and 17)
(net percentage, positive value = demand growth, negative value = demand decrease)