Šetření úvěrových podmínek bank červenec 2015

Česká národní banka
2015

BANK LENDING SURVEY
JULY

2015

Financial Stability Department

Monetary 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. This document summarises the results of the thirteenth round of the survey, i.e. banks' views on the evolution of the standards and conditions in 2015 Q2 and their expectations in these areas for 2015 Q3. Eighteen banks, accounting for a major share of the bank credit market, took part in the survey, which was conducted between 4 and 19 June 2015.[1,2]

The survey reveals that banks further eased their credit standards in all segments of the credit market in 2015 Q2. The easing was mostly due to competitive pressure and better expectations regarding future economic developments. Average interest margins decreased across the board. Demand for loans increased in all credit market segments in 2015 Q2. Non-financial corporations' demand for loans increased for the fifth quarter in a row, mainly due to fixed investment financing and mergers and acquisitions and business restructuring. Household demand for loans for house purchase and consumption also rose, mainly on the back of a favourable outlook for the residential property market, growth in consumer confidence and higher household spending on durable goods. In 2015 Q3, banks expect demand for loans to rise further in all credit market segments.

II. CREDIT STANDARDS AND DEMAND FOR LOANS

II.1 NON-FINANCIAL CORPORATIONS

Credit standards for **loans to non-financial corporations** continued to be eased in 2015 Q2 (an NP of 36% of the market). The easing was recorded mainly for long-term loans and loans to large corporations. Strong competitive pressure and a favourable overall economic outlook were the main factors behind the easing of standards. Together with credit standards, banks also eased the terms and conditions for providing loans, as more than half of the banking market lowered average interest margins (an NP of as much as 76% for loans to large corporations). A smaller part of the banking market also eased the non-interest conditions.

Non-financial corporations' demand for loans increased overall (an NP of 14% of the market), most notably among small and medium-sized enterprises and for long-term loans. It thus grew for the fifth quarter in a row, thanks mainly to demand for fixed investment financing and mergers, acquisitions and restructuring. The use of alternative forms of financing in the form of debt securities and the use of internal resources of corporations acted in the opposite direction.

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[1] Four large banks, four medium-sized banks, two small banks, three foreign bank branches and five building societies took part in the survey. 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).

[2] The questionnaire contained 17 questions regarding banks' credit standards, terms and conditions for approving loans and demand for loans perceived by banks, including the relevant factors. In the text and charts, the responses to the questions are expressed in the form of net percentages (NP) on the aggregate level. Net percentages are calculated as the difference between the market share of loans provided in the given segment by banks reporting that standards/conditions have been tightened (or demand increased) and the market share of loans provided in the given segment by banks reporting that standards/conditions have been eased (or demand decreased). A positive (negative) net percentage indicates an overall tightening (easing) of standards/conditions or an overall increase (decrease) in demand.

Banks expect credit standards for all types of corporate loans to ease further in 2015 Q3 (an NP of 35% of the market). According to banks' expectations, total corporate demand for loans will rise (an NP of 34%), most of all among large corporations.

II.2 HOUSEHOLDS

Banks' credit standards for **loans to households for house purchase** were eased in part of the market in 2015 Q2 (an NP of 23% of the market). In particular, competitive pressure from other banks and, to a lesser extent, rising optimism regarding future developments acted in this direction. By contrast, bank financing costs fostered a tightening of standards. Banks do not expect credit standards to be changed in the next quarter. As regards the terms and conditions for approving loans, average interest margins decreased and banks were willing to accept a higher LTV. Household demand for loans for house purchase increased overall in Q2 (an NP of 69% of the market). Demand was favourably affected by the outlook for the residential property market and consumer confidence. Almost half of the market expects demand to grow further in 2015 Q3.

Credit standards for **consumer credit** to households were relaxed further in 2015 Q2 (an NP of 31%). This was due mainly to competitive pressure and positive expectations regarding the future economic situation. As for the terms and conditions for approving loans, all banks reduced their average interest margins and part of the market also lowered margins on riskier loans. Household demand for consumer credit rose in only a small part of the banking market (an NP of 12% of the market). Financing of households' spending on durable goods and rising consumer confidence had a positive effect on demand. Banks expect standards and demand for consumer credit to follow a similar pattern in Q3.

PODMÍNKY NABÍDKY A POPTÁVKY U ÚVĚRŮ NEFINANČNÍM PODNIKŮM

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

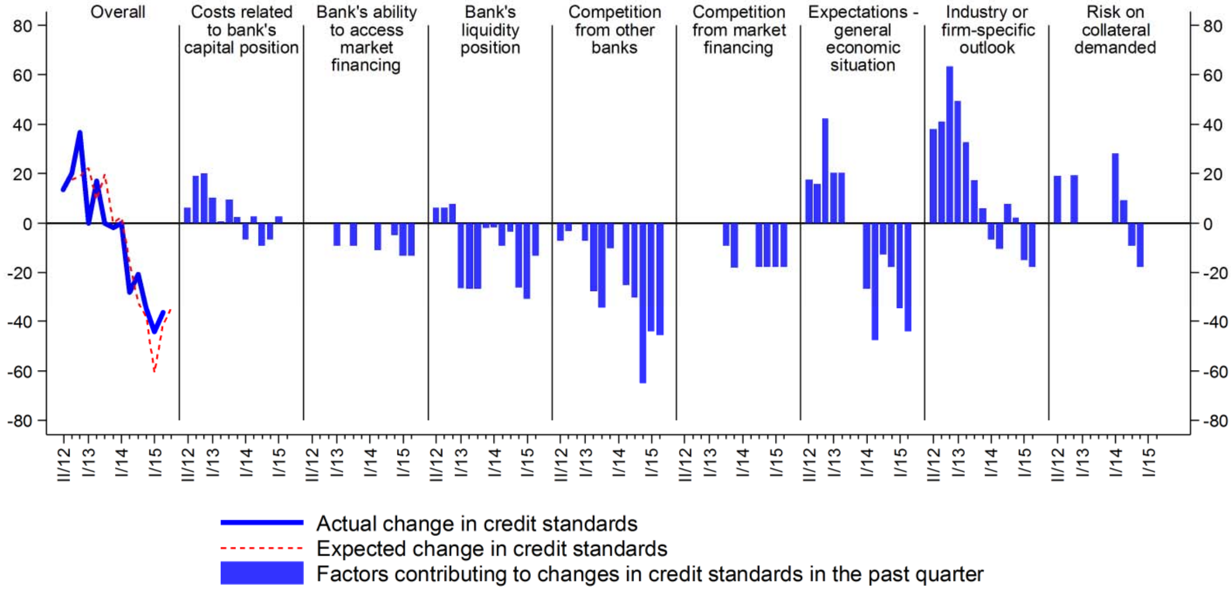


Chart 2 Changes in terms and conditions for approving loans to non-financial corporations (question 3)
(net percentages, positive value = tightening, negative value = easing)

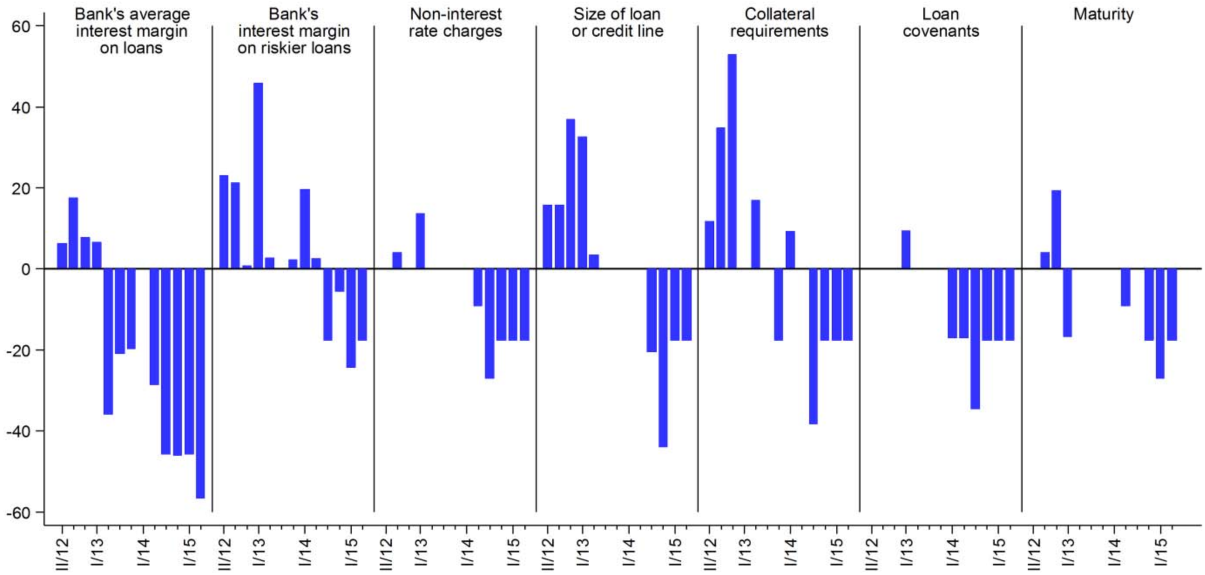
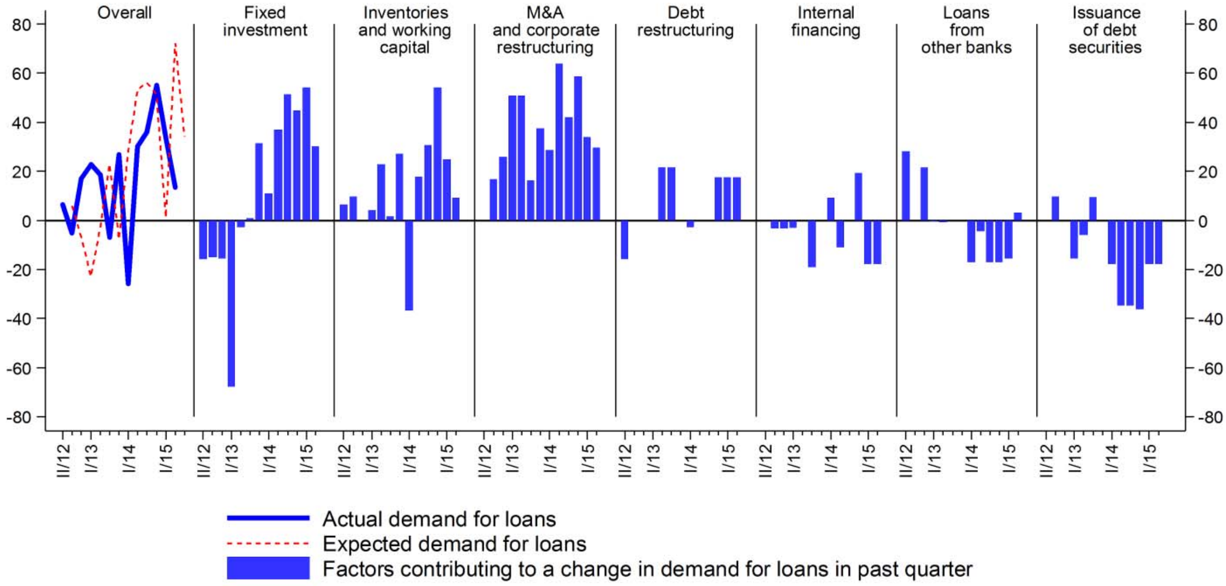


Chart 3 Changes in non-financial corporations' demand for loans (questions 4, 5 and 7)
(net percentages, positive value = demand growth,
negative value = demand decrease)



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 percentages, positive value = tightening, negative value = easing)

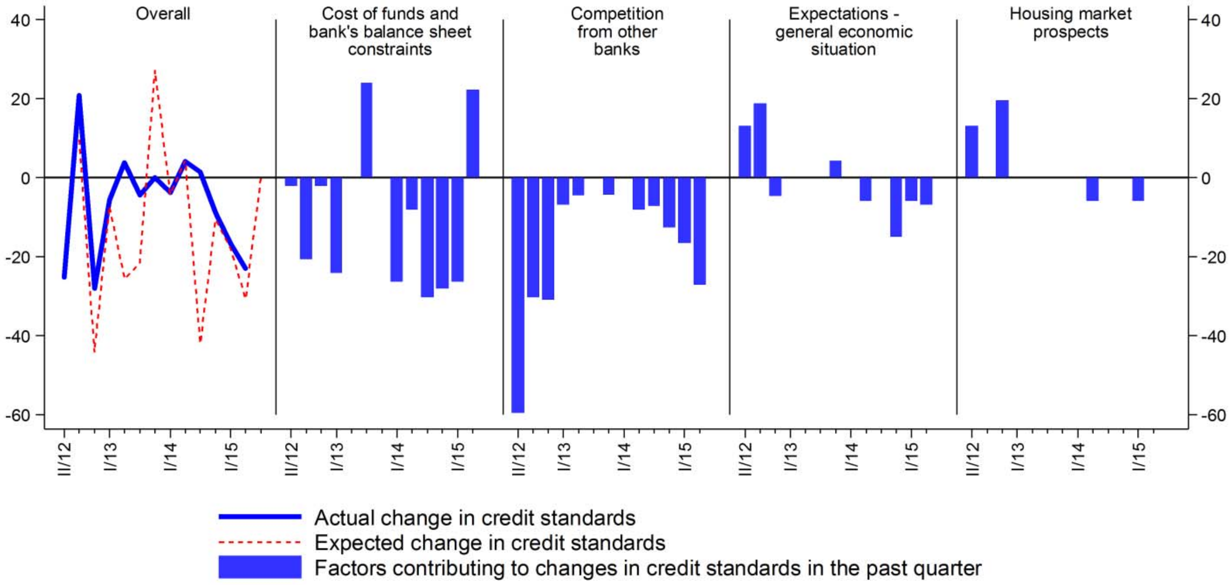


Chart 5 Changes in terms and conditions for approving loans for house purchase (question 10)
(net percentages, positive value = tightening, negative value = easing)

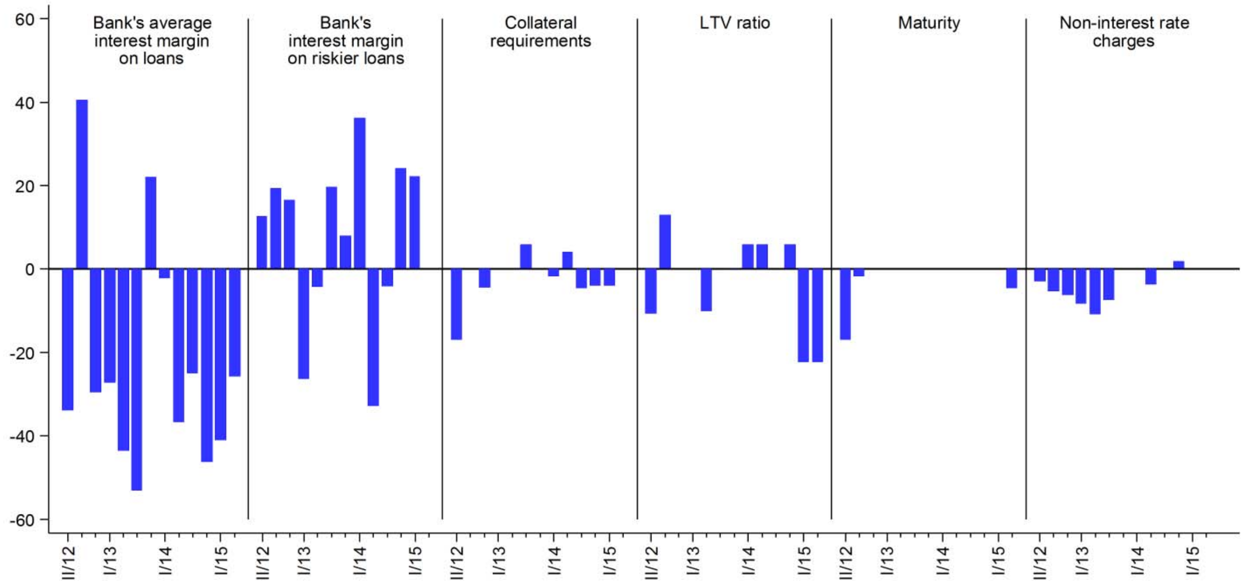
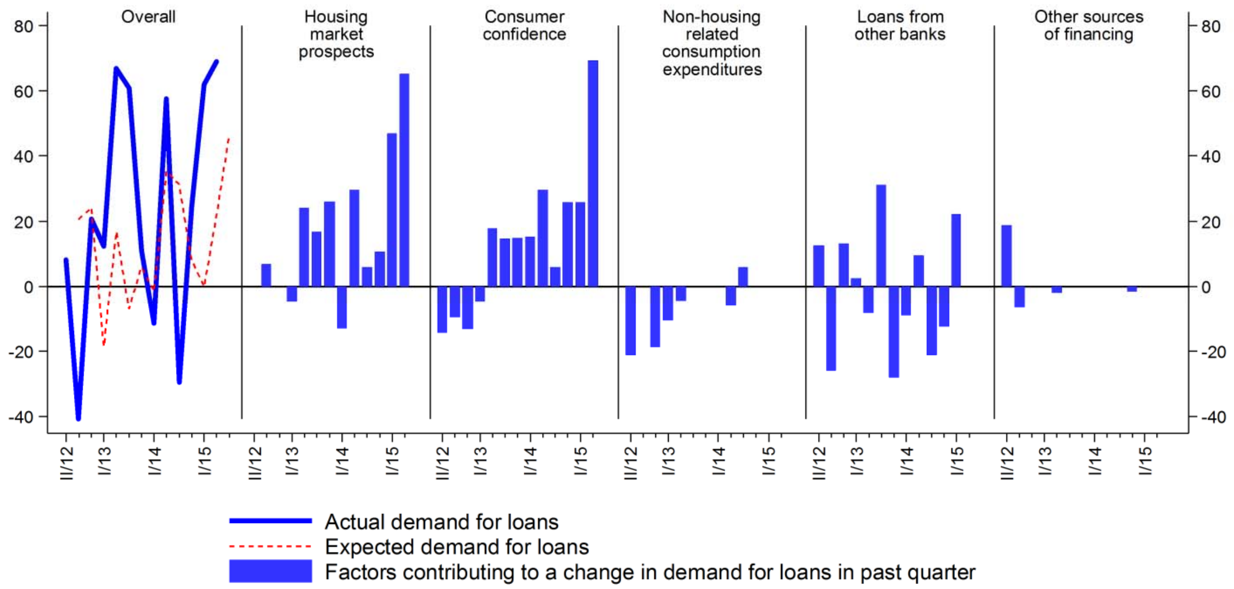


Chart 6 Changes in households' demand for loans for house purchase
(questions 13, 14 and 17)
(net percentages, positive value = demand growth,
negative value = demand decrease)



SUPPLY AND DEMAND CONDITIONS FOR CONSUMER CREDIT

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

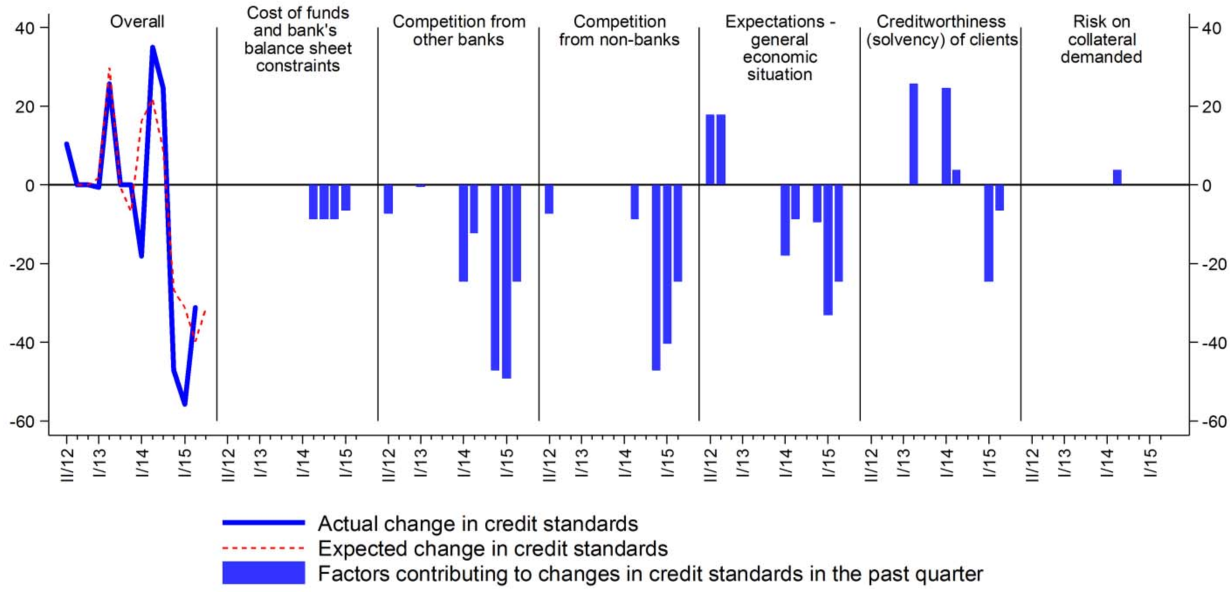


Chart 8 Changes in terms and conditions for approving consumer credit (question 12)
(net percentages, positive value = tightening, negative value = easing)

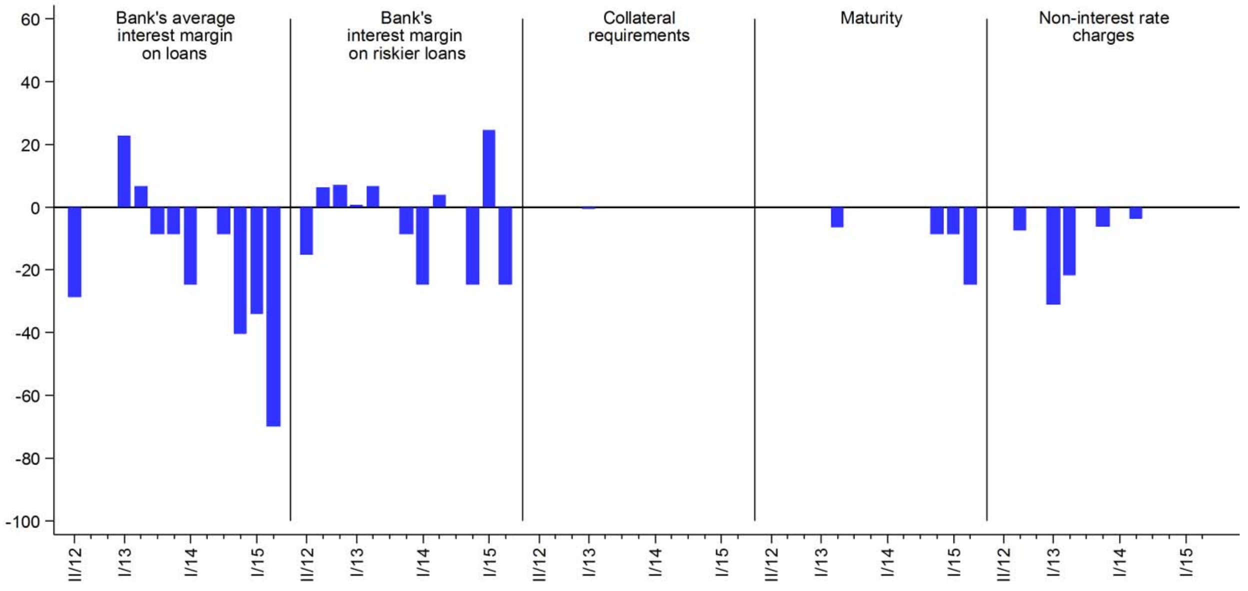


Chart 9 Changes in households' demand for consumer credit (questions 13, 15 and 17)
(net percentages, positive value = demand growth,
negative value = demand decrease)