Šetření úvěrových podmínek bank - leden 2016

Česká národní banka
2016

BANK LENDING SURVEY JANUARY

2016

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 fifteenth round of the survey, i.e. banks' views on the evolution of the standards and conditions in 2015 Q4 and their expectations in these areas for 2016 Q1. Eighteen banks, accounting for a major share of the bank credit market, took part in the survey, which was conducted between 26 November and 15 December 2015.[1,2]

The survey reveals that banks further eased their credit standards for loans to non-financial corporations and for consumer credit in 2015 Q4. By contrast, credit standards for loans to households for house purchase were unchanged for the second consecutive quarter. The easing of standards for corporate loans and consumer credit was fostered mainly by competitive pressure and improved risk perceptions regarding expected economic developments. Average interest margins continued to decrease across the board in these two segments. Loan demand increased in all segments of the credit market. Here again, this was due to positive news from the economy, reflected mainly in rising corporate demand for long-term investment loans. Among other factors, rising consumer confidence played a role in the case of household demand. In 2016 Q1, banks expect credit standards to ease further and demand for corporate loans and consumer credit to increase. As regards loans for house purchase, credit standards and demand are expected to remain unchanged.

II. CREDIT STANDARDS AND DEMAND FOR LOANS

II.1 NON-FINANCIAL CORPORATIONS

Banks' credit standards for **loans to non-financial corporations** were eased further in 2015 Q4 (an NP of 38% of the market). This easing of standards pertained to loans to SMEs and large corporations alike, and from the maturity perspective also to long-term loans. The easing was fostered by banks' good liquidity situation, persisting competitive pressure and lower risk perceptions regarding future economic developments. These factors were also reflected in more favourable terms and conditions applied to loans. Average interest margins decreased across the board (an NP of 64%). A smaller part of the banking market also lowered interest margins on riskier loans and eased the non-interest conditions.

In line with expectations, corporate demand for loans rose in 2015 Q4 (an NP of 66%). This rise was observed in all market segments, albeit more widely for SMEs and long-term loans. Banks attributed the demand growth mainly to a need to finance mergers and acquisitions and

[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.

business restructuring, as well as fixed investment and, in a smaller part of the market, inventories and working capital. The use of alternative forms of financing, e.g. debt securities, again had an adverse impact on demand for loans.

Part of the banking market expects credit standards for all types of corporate loans to ease further in 2016 Q1. According to banks, total corporate demand for loans will rise (an NP of 40%), more widely among large corporations.

II.2 HOUSEHOLDS

Banks' credit standards for loans to households for house purchase were unchanged in 2015 Q4. As regards the terms and conditions for approving loans, average interest margins increased in a small part of the market, whereas interest margins on riskier loans declined. Some banks stated that they had implemented the CNB's recommendation regarding LTV (loan-to-value) limits for new loans.

Household demand for loans for house purchase continued to rise in 2015 Q4 (an NP of 46%). The demand growth was driven chiefly by a recovery on the residential property market amid still low interest rates, as well as by rising consumer confidence. In 2016 Q1, the banking market expects no further changes in credit standards and stabilisation of demand growth at the current level.

Credit standards for consumer credit to households were relaxed further in 2015 Q4 (an NP of 42% of the market). This was due above all to a more favourable outlook for the overall economic situation and the creditworthiness of clients, which was also reflected in strong competitive pressure from other banks. Almost one-half of the banking market lowered average interest margins.

Following a previous decline, household demand for consumer credit increased in 2015 Q4 (an NP of 62% of the market). Demand was favourably affected by higher spending on durable goods and improved consumer confidence. In 2016 Q1, banks expect similar trends in this segment, i.e. a further easing of credit standards and growth in household demand.

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)

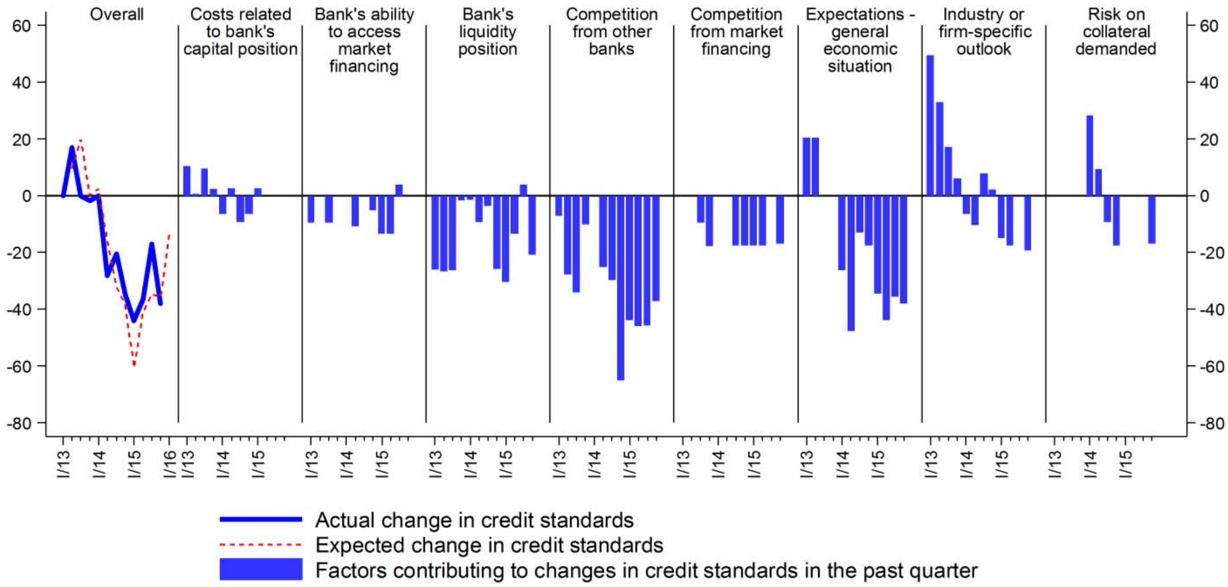


Chart 2 Changes in terms and conditions for approving loans to non-financial corporations
(question 3)
(net percentages, positive value = tightening, negative value = easing)

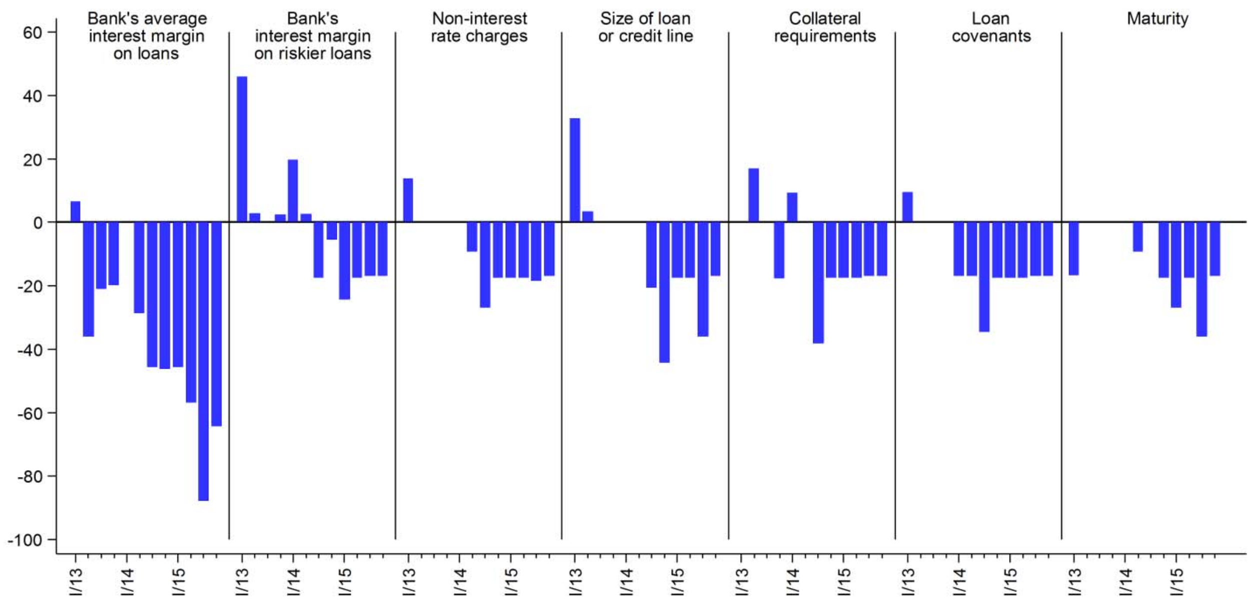
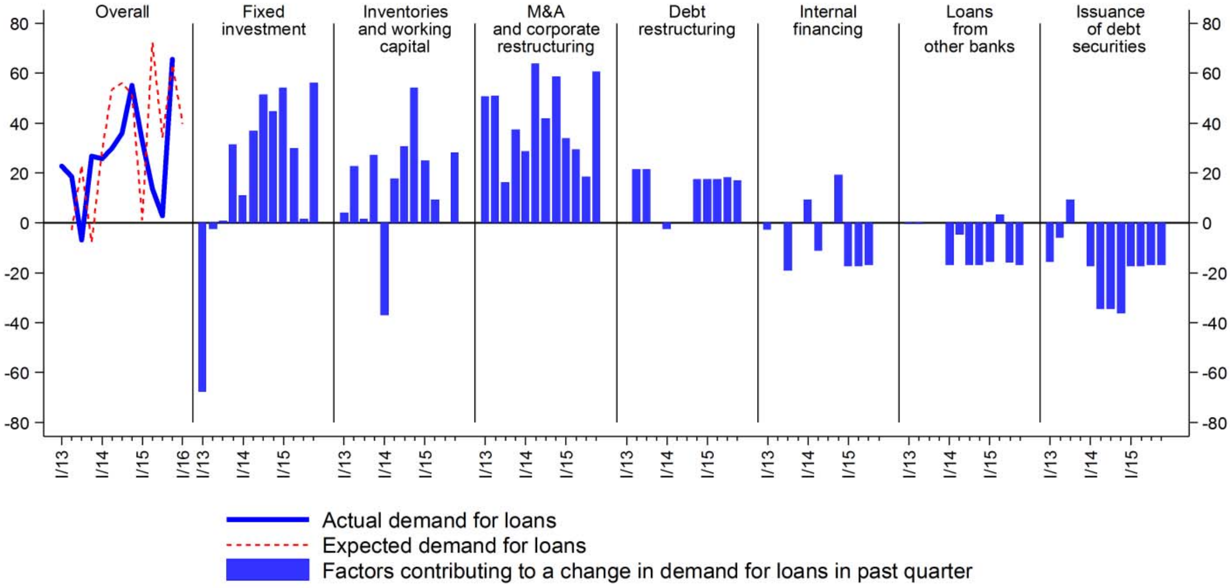


Chart 3 Changes in non-financial corporations' demand for loans (questions 4, 5 and 7)
(net percentages, positive value = demand growth,
negative value = demand decrease)



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)

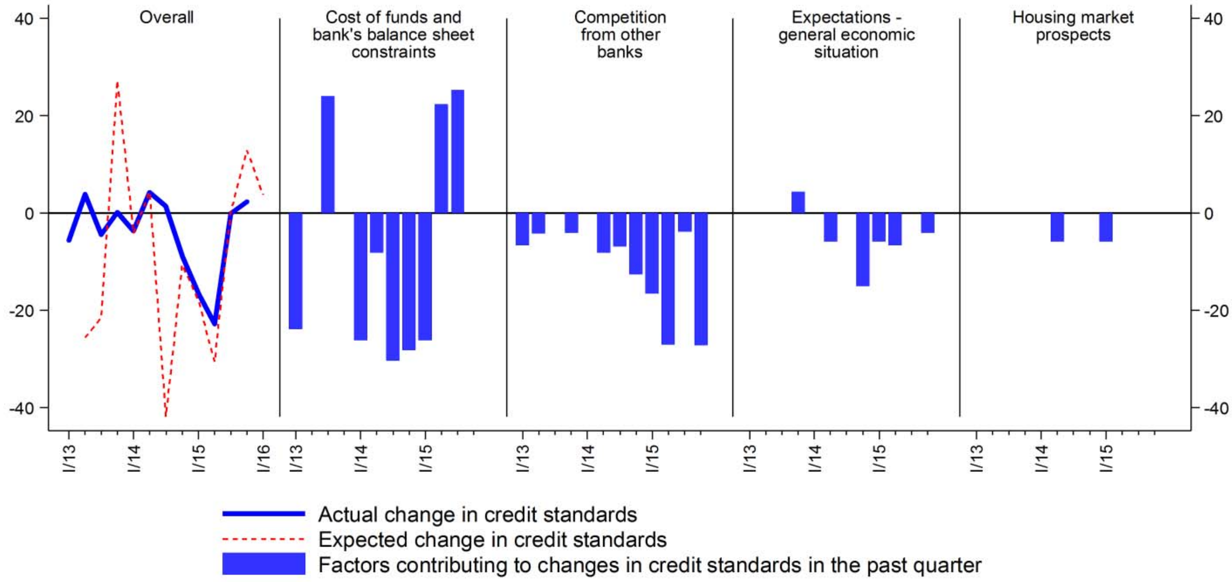


Chart 5 Changes in terms and conditions for approving loans for house purchase ([question 10]())
(net percentages, positive value = tightening, negative value = easing)

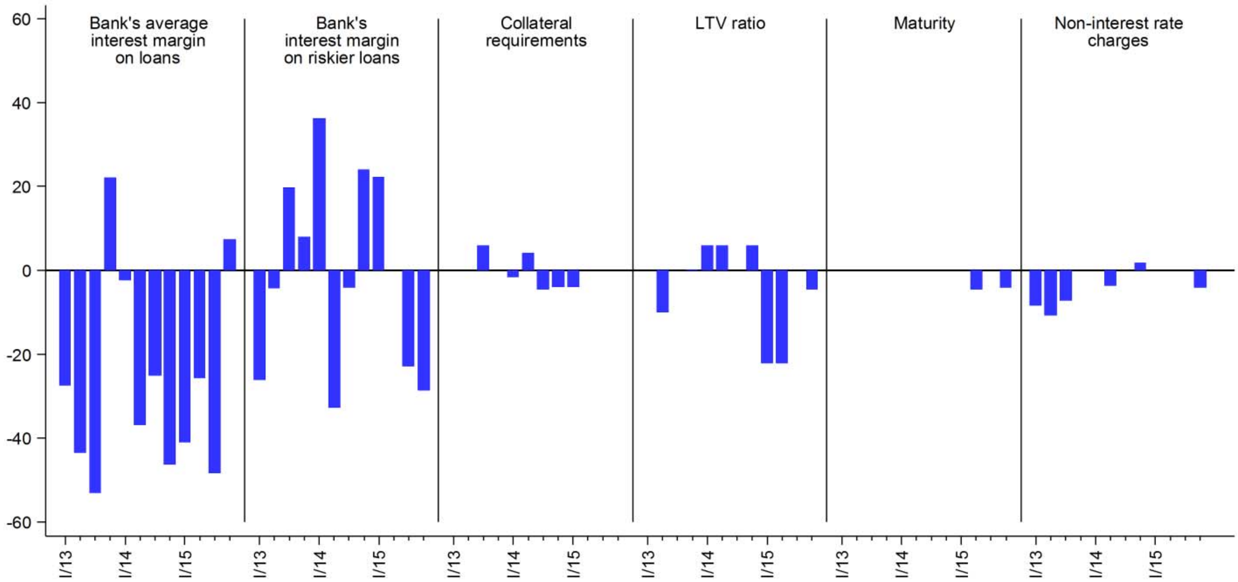
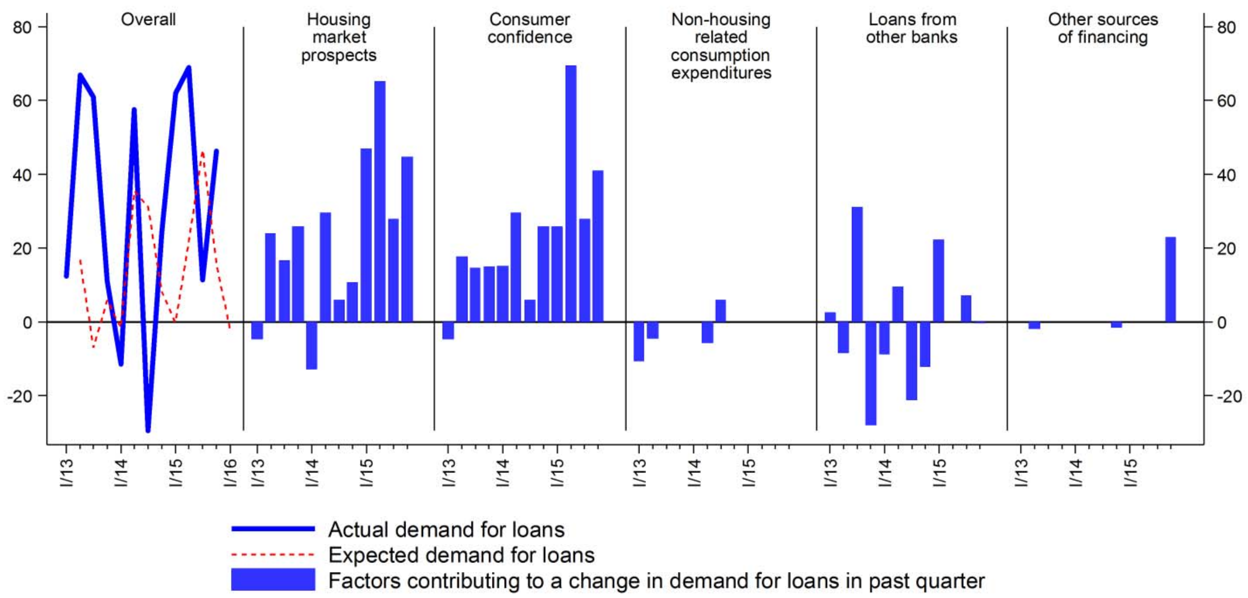


Chart 6 Changes in households' demand for loans for house purchase
([questions 13, 14 and 17]())
(net percentages, positive value = demand growth,
negative value = demand decrease)



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)

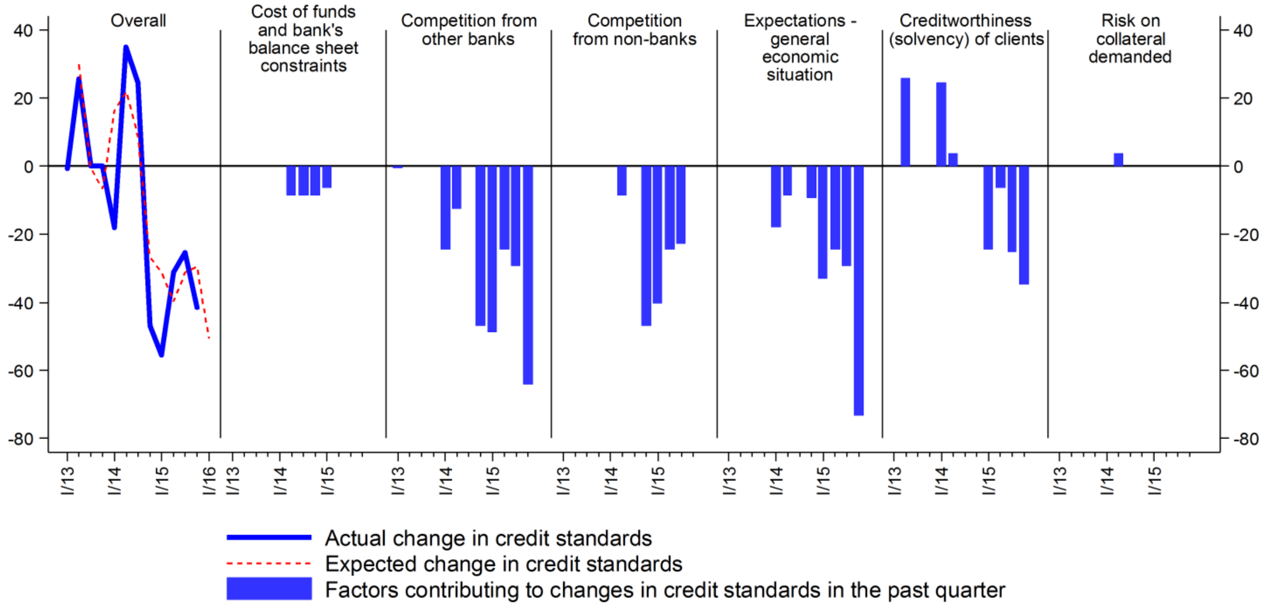


Chart 8 Changes in terms and conditions for approving consumer credit (question 12)
(net percentages, positive value = tightening, negative value = easing)

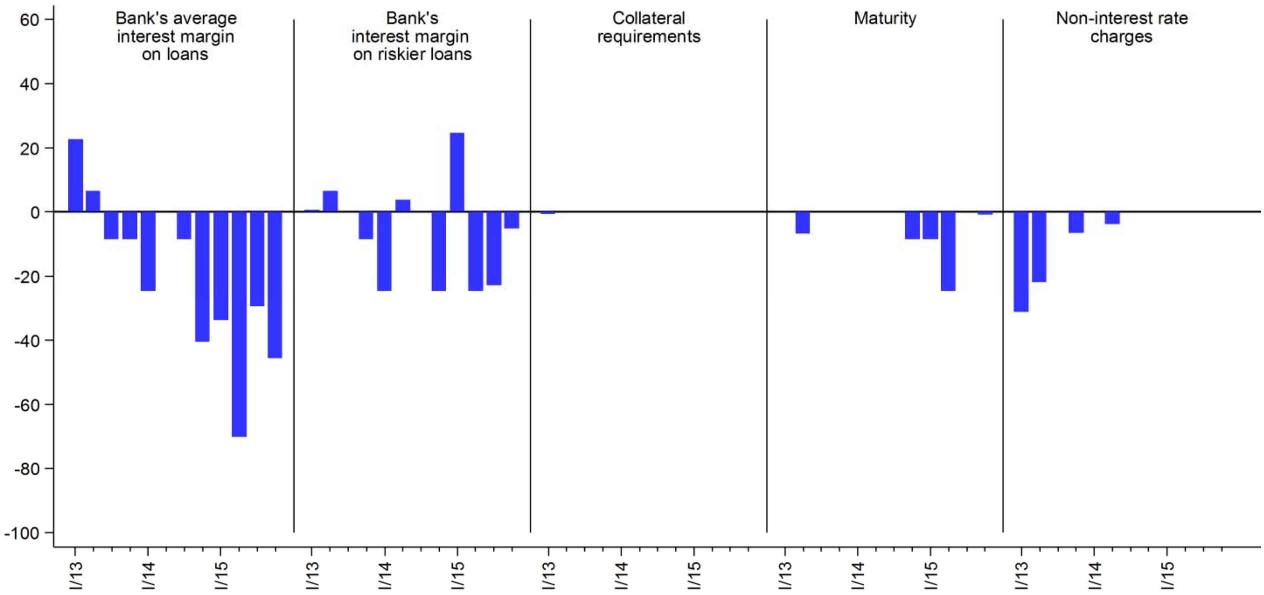


Chart 9 Changes in households' demand for consumer credit (questions 13, 15 and 17)
(net percentages, positive value = demand growth,
negative value = demand decrease)