



Bank Lending Survey  
- important tool in assessing credit developments

Cătălin Dumitrescu  
Financial Stability Department  
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**BANCA NAȚIONALĂ ROMÂNIEI**



# Bank Lending Survey – important tool in assessing credit developments

- ❑ Bank Lending Survey in European Union
- ❑ Structure of BLS
- ❑ Credit supply and demand in Romania
- ❑ Comparative analysis between Romania and euro area, respectively CESEE countries
- ❑ Conclusions

# Bank lending survey in Europe

Country/area	Frequency	Starting point*
Euro area**	quarterly	Q1/2003
Poland	quarterly	Q1/2004
United Kingdom	quarterly	Q3/2007
Romania	quarterly	Q4/2007
Norway	quarterly	Q4/2007
Czech Republic	quarterly	Q2/2010
Albania	quarterly	H2/2008***
Lithuania	households - yearly****	2007
	companies - biannual	H1/2006
Hungary	biannual	H2/2003
Latvia	biannual	H2/2009

\*the period for which BLS was first published

\*\*for the euro area, ECB is publishing BLS at aggregate level; NCBs of the member states can also decide whether to publish BLS at country level, compiled after the data reported by the domestic banks from the euro area banks pool

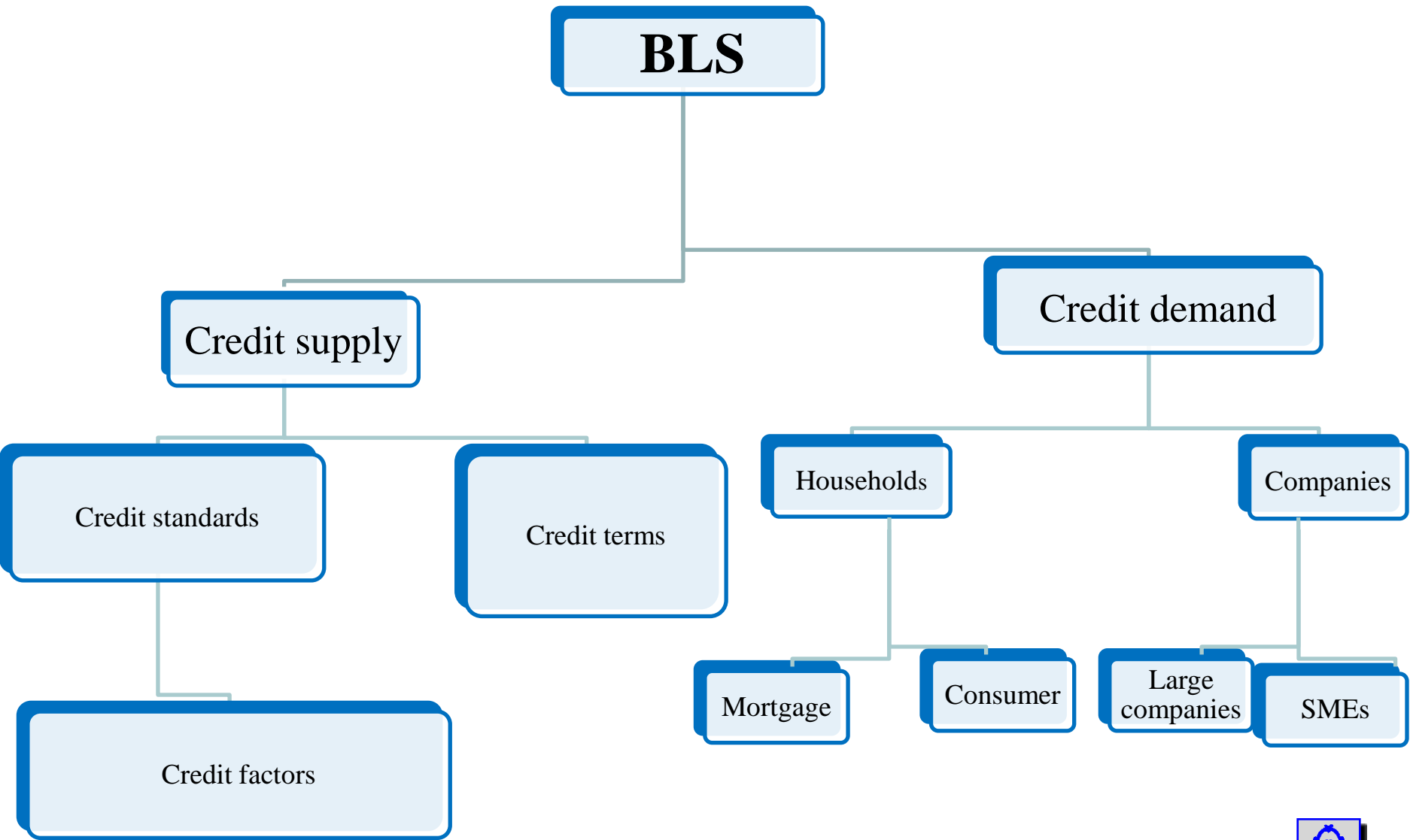
\*\*\*first edition was on a biannual basis (H2/2008), the second edition (Q1/2009) and the following had quarterly frequency

\*\*\*\*only on mortgage lending and mortgage backed consumer lending

Note: Some countries may use another name, other than BLS, under which is published

Source: ECB website, European NCBs websites

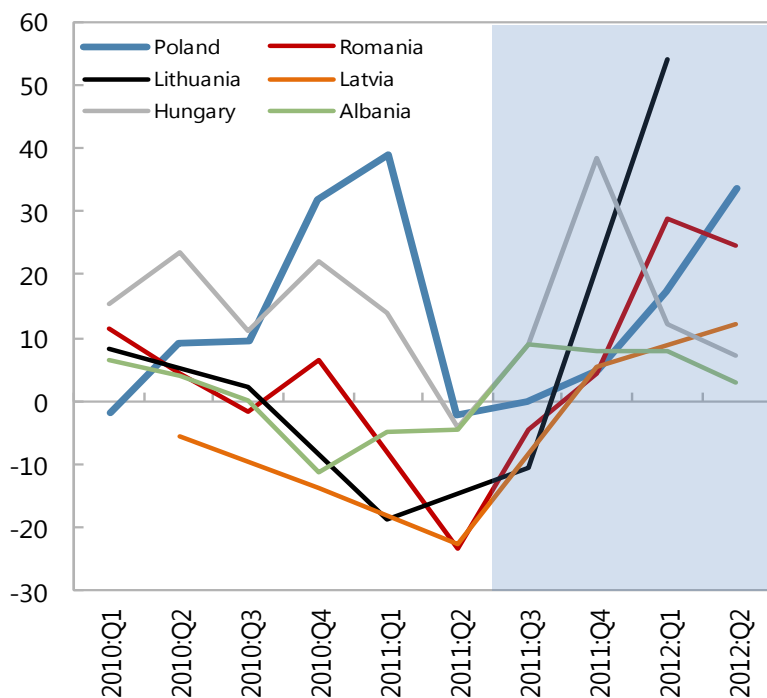
# Core structure of the BLS in Europe



# The evolution of credit supply and demand conditions from the BLS

## Supply Conditions

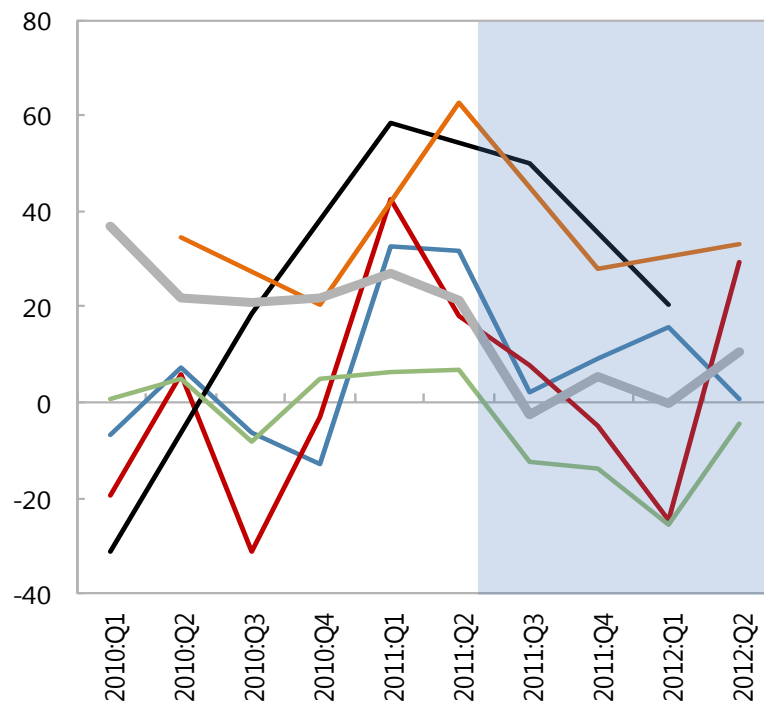
(Net percentage; positive values indicate tightening compared to previous period; average of conditions applied to enterprises and households)



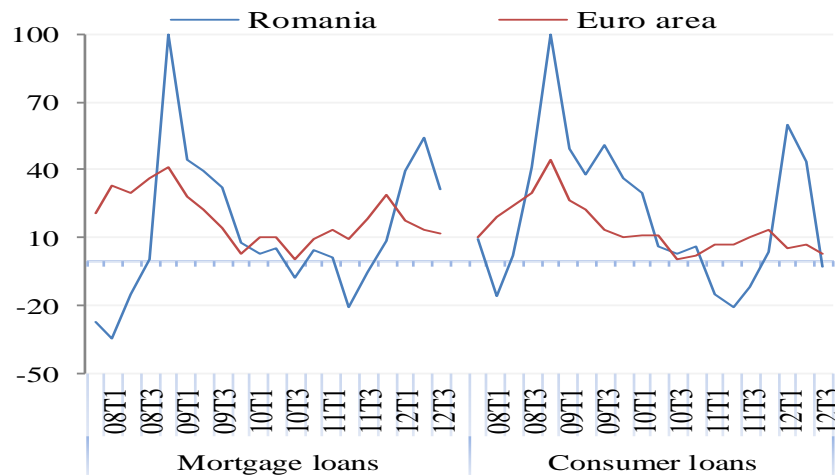
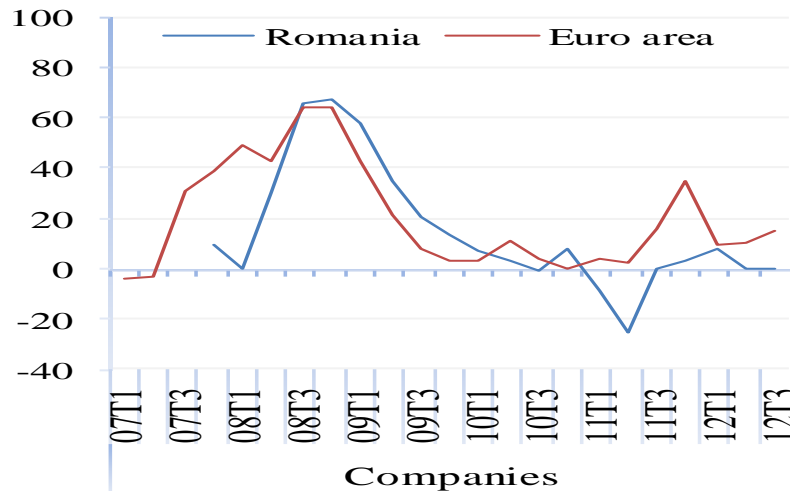
Sources: Lending surveys of central banks; and IMF staff calculations.

## Demand Conditions

(Net percentage; positive values indicate higher demand compared to previous period; average of conditions applied to enterprises and households)



# Credit supply in euro area and Romania

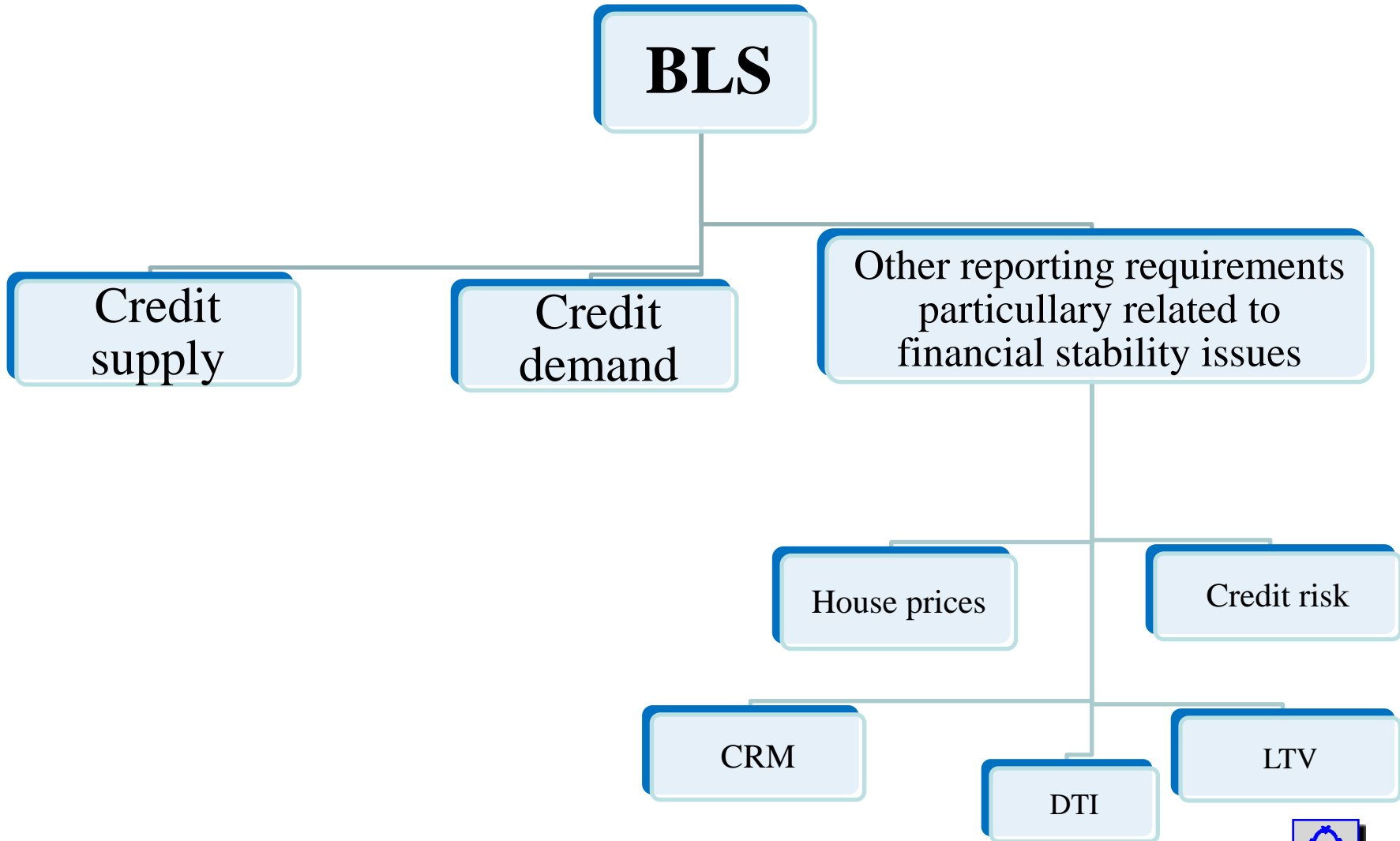


The comparative analysis between euro area and Romania reveals that the credit supply, both for companies and households, had relatively similar dynamics but with different intensities, after the starting point of the crisis in European Union.

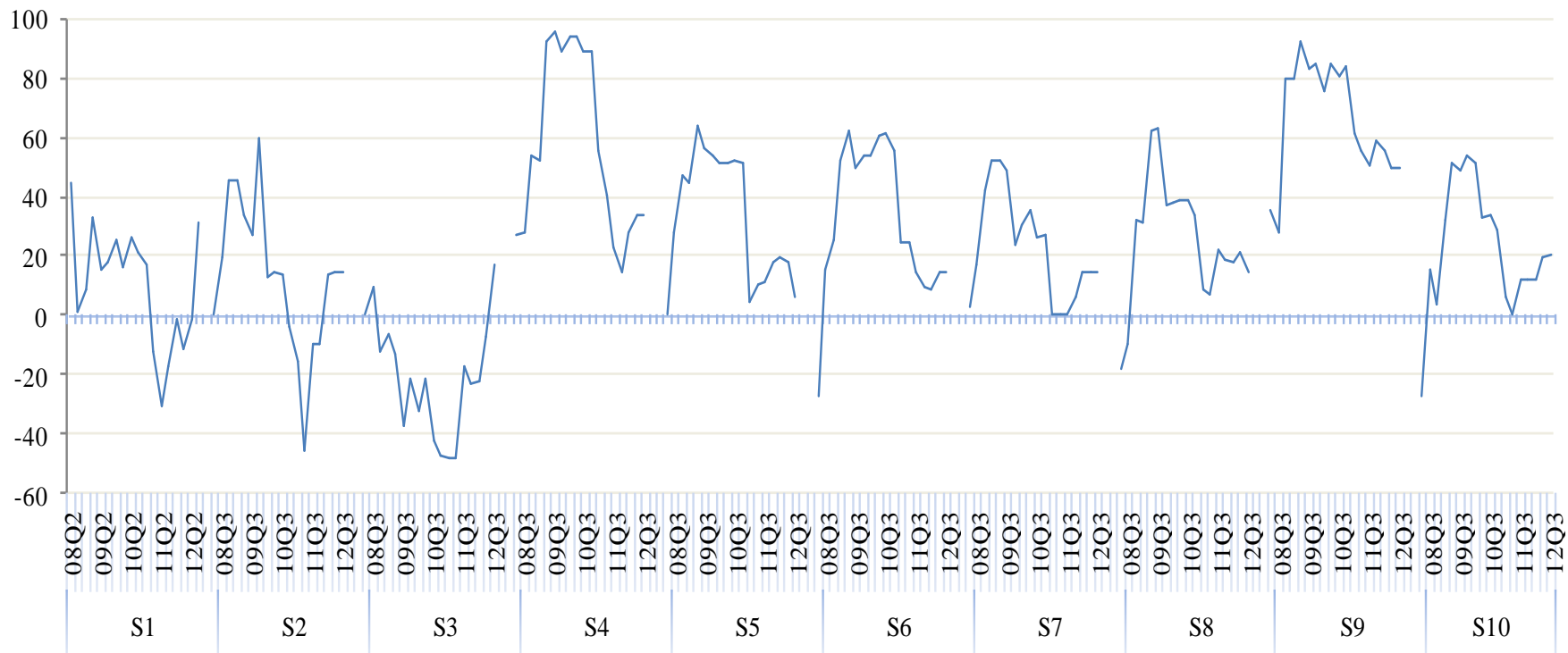
Sources: NBR – Bank Lending Survey, November 2012

ECB – The Euro Area Bank Lending Survey, October

# Structure of the BLS in Romania



# Credit risk perceived by banks on activity sectors















S1 – Agriculture S2 – Industry S3 - Energy S4 – Construction S5 – Trade S6 – Tourism S7 – Transport  
 S8 – Financial intermediation S9- Real estate transactions S10 – Other services

Source: NBR – Bank Lending Survey, November 2012



# Credit supply and demand in Romania from the BLS

Summary on banks' opinions regarding loan supply and demand developments in Q3/2012

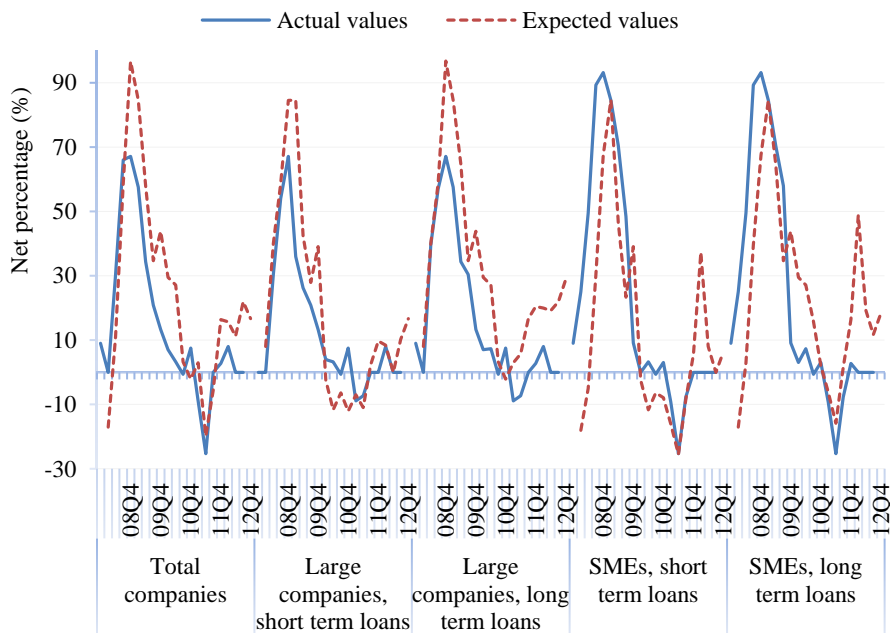
Lending segment		Supply		Demand	
		Q3/2012	Q4/2012 (expectations)	Q3/2012	Q4/2012 (expectations)
Household sector	Mortgage				
	Consumer				
Companies sector					

Note: For loan supply, the *up/down/horizontal arrow* denotes the *easing/tightening/constant* credit standards. For loan demand, the *up/down/horizontal arrow* denotes an *increasing/decreasing/constant* demand, as perceived by banks (in the last three months and the expectations for the next three months, respectively). The *blue* colour indicates marginal amplitude changes, while the *red* colour indicates moderate or significant changes.

Source: NBR – Bank Lending Survey, November 2012

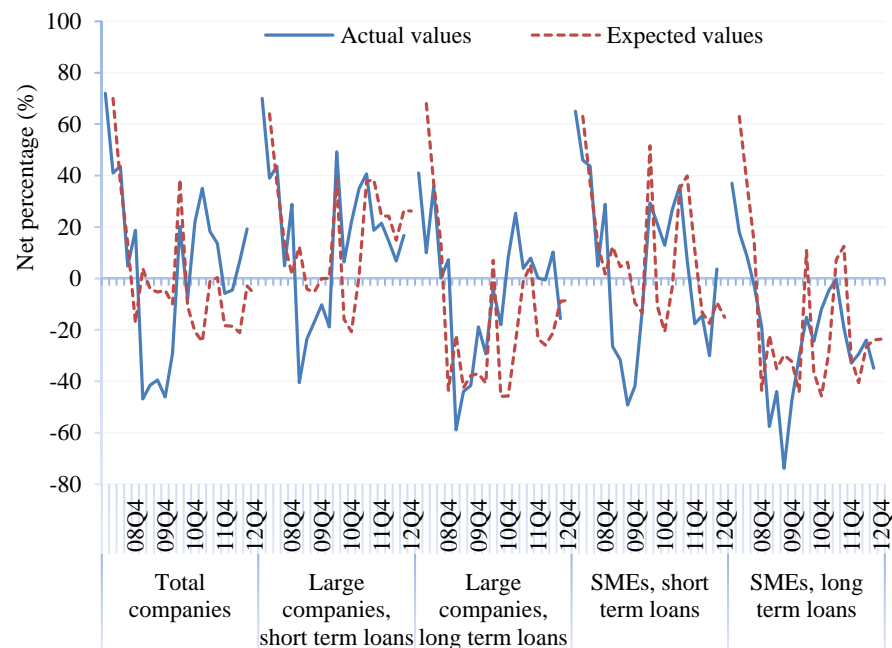
# Credit supply and demand evolution in Romania – companies sector

## Changes in companies credit standards



Note: Net percentage - positive values indicate a tightening of lending standards

## Changes in companies loan demand

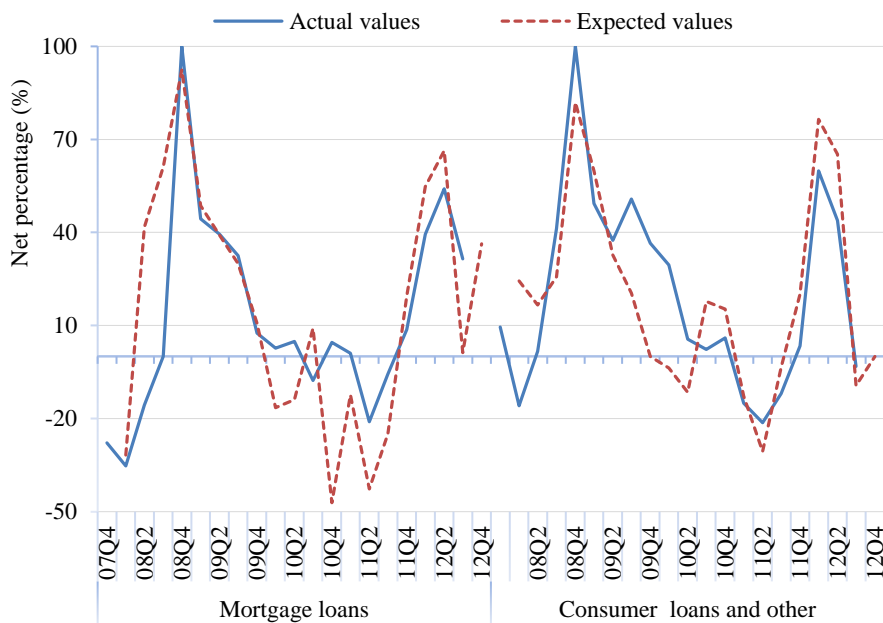


Note: Net percentage - positive values indicate an increase in demand

Source: NBR – Bank Lending Survey, November 2012

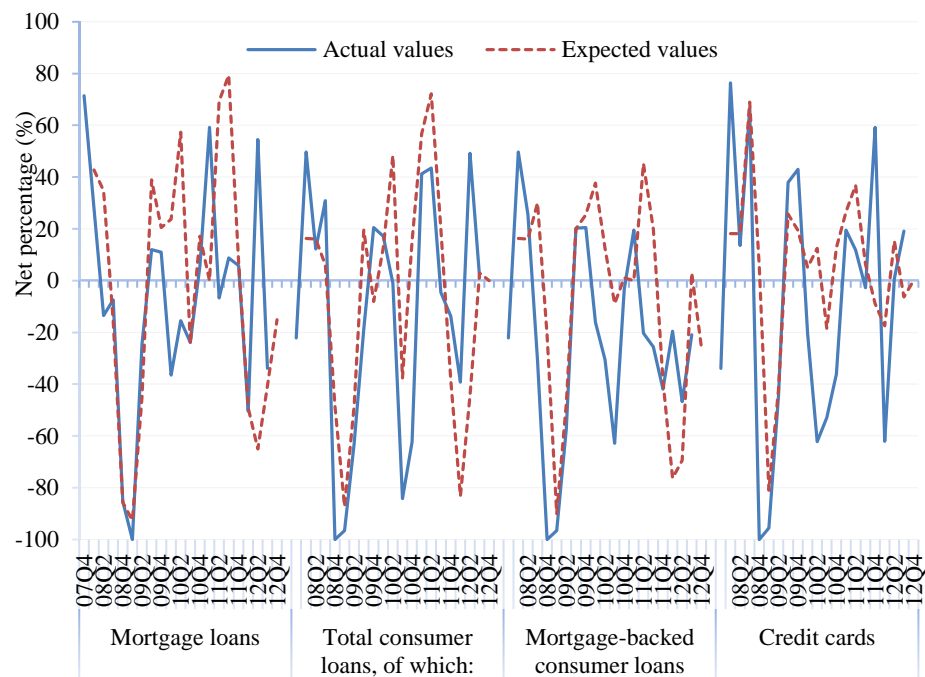
# Credit supply and demand evolution in Romania – households sector

## Changes in households credit standards



Note: Net percentage - positive values indicate a tightening of lending standards

## Changes in households loan demand



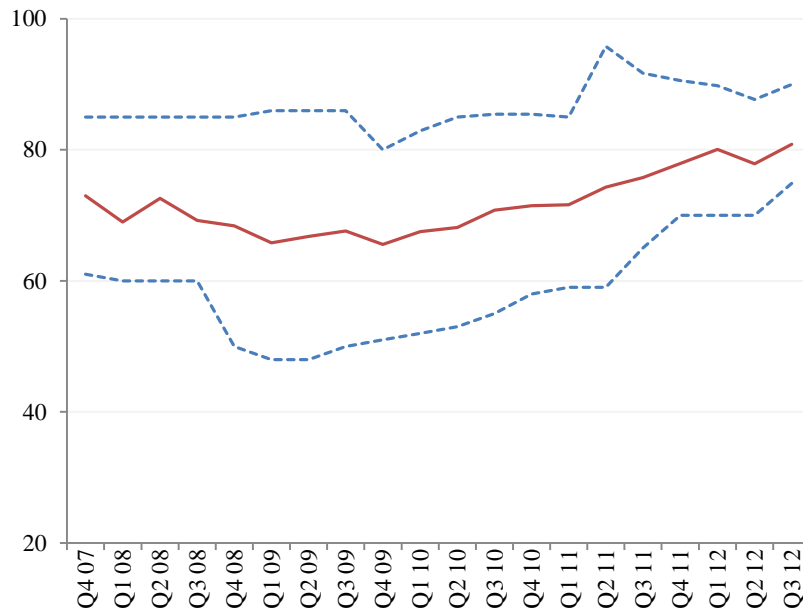
Note: Net percentage - positive values indicate an increase in demand

Source: NBR – Bank Lending Survey, November 2012

# LTV and DTI evolution

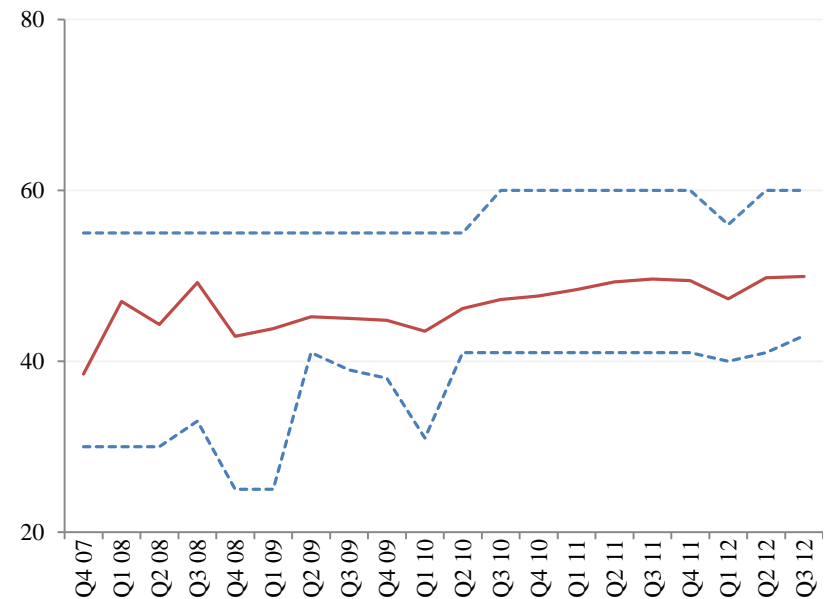
## LTV for outstanding households loans

percent



## DTI for outstanding households loans

percent



Red line – average

Blue line – variation interval

Source: NBR – Bank Lending Survey, November 2012

# Conclusions

- ❖ Bank lending surveys are useful tools for financial stability and monetary policy purposes in order to fill in information needs about credit developments and the risks embedded in such developments
- ❖ There is a gap between the intensities of the observed and forecasted evolutions of the credit and demand supply, even though these are broadly following a similar pattern
- ❖ The changes in supply and demand for loans follow relatively the same trend within the European banking sectors (but with different amplitudes)

**THANK YOU!**