ČNB ČESKÁ NÁRODNÍ BANKA

BANK LENDING SURVEY III/2025

INTRODUCTION

The Bank Lending Survey captures banks' opinions regarding the change in supply and demand for loans to non-financial corporations and households. This publication summarises the results of the current round of the survey, i.e. banks' views on the evolution of the standards and conditions in 2025 Q2 and their expectations in these areas for 2025 Q3. Nineteen banks, accounting for a major share of the bank credit market, took part in the survey, which was conducted between 1 and 15 June 2025.[1] The CNB's Bank Lending Survey is performed by a team made up of representatives of the Monetary Department and the Financial Stability Department.

[1] The survey contained 22 questions that related to 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. Data in Excel files, along with the questionnaire, a glossary and methodological guidelines, is available on the CNB website: https://www.cnb.cz/en/statistics/bank-lending-survey/

1 SUMMARY

The results of the current Bank Lending Survey show that credit standards and lending conditions for loans to non-financial corporations remained unchanged in 2025 Q2. Non-financial corporations' demand for loans as perceived by banks declined overall and in a small section of the banking market. According to banks, corporations are cautious about investing, mainly due to increased global and geopolitical uncertainty. Some banks consider the level of domestic interest rates to be a factor contributing to growth in demand. A small section of the banking market eased credit standards and lending conditions for loans to households for house purchase. Demand for these loans increased again. The growth was due to slightly lower interest rates on mortgage loans, the prospects for the residential property market (expectations of continued growth in prices) and an improvement in consumer confidence. A smaller section of the banking market eased credit standards and lending conditions for loans to households for consumption. Demand for these loans also increased again. Households' appetite for loans as perceived by banks reflected improved consumer confidence, lower interest rates and renewed support for the sale of consumer credit by some banks.

2 CREDIT STANDARDS AND DEMAND FOR LOANS

2.1 NON-FINANCIAL CORPORATIONS

Credit standards (representing banks' internal lending policy criteria) remained unchanged for loans to non-financial corporations in 2025 Q2. This held true for loans to both large and smaller corporations and across all maturities. From the longer-term perspective, the overall credit standards have been broadly unchanged on the whole for ten quarters (since 2023 Q1). In the current round of the Survey, a small section of the banking market (an NP of 10%) reported a favourable liquidity situation as a factor that had contributed to an easing of credit standards for loans to both SMEs and large corporations. In 2025 Q3, banks expect credit standards to ease (an NP of 25%; slightly higher in the case of long-term loans).

The overall lending conditions (the arrangements between lender and borrower) were also unchanged. Within their structure, average interest margins continued to fall and loan maturity conditions continued to ease to only a small extent (NPs of 3% and 10% respectively).

Corporations' demand for loans decreased overall in 2025 Q2 (an NP of 9%). Demand for individual loan types showed mixed trends. It increased in the SME and short-term loans segments (NPs of 15% and 24% respectively) but declined in the segment of loan-term loans (an NP of 27%). The decline in total demand was due mainly to corporations' reduced need to finance fixed investment and the interest of some large corporations in financing through bond issues (NPs of 28% and 15% respectively). According to some banks, corporations are cautious about investing, as the current economic environment has been affected by negative external factors (US tariffs and the conflicts in the Middle East and Ukraine, i.e. generally increased geopolitical uncertainty). These factors are giving rise to uncertainty and are reducing demand for investment. By contrast, banks currently regard the level of domestic interest rates as a factor fostering growth in demand (an NP of 15%). Corporations' interest in financing for mergers, acquisitions and restructuring is also having an upward effect on demand (an NP of 25%). About one-third of the banking market expects total demand for loans, including long-term ones, to rise in 2025 Q3. To a somewhat smaller extent, banks expect an increase in demand for short-term loans and loans to large corporations (an NP of 24% in both cases).

2.2 HOUSEHOLDS

A small section of the banking market eased credit standards and lending conditions for loans to households for house purchase (NPs of 6% and 7% respectively). In the case of standards, a small part of the banking market indicated an easing due to increasing competition from other banks. In the case of conditions, about one-fifth of the banking market lowered the average margin – even for riskier loans to a small extent.

Households' demand for loans for house purchase increased (an NP of 62%). This NP is almost twice as high compared to the previous quarter and higher than banks had expected in the previous round of the Survey. The growth in demand was due mainly to slightly lower interest rates on mortgage loans, and also to the prospects for the residential property market (expectations of continued growth in property prices) and an improvement in consumer confidence (NPs of 56%, 27% and 20% respectively). According to the Survey, demand for housing loans will continue to grow in 2025 Q2 (an NP of 40%).

Credit standards for loans to households for consumption eased in 2025 Q2 (an NP of 14%), due mainly to increased competition on the banking market. By contrast, a section of the banking market assessed clients' creditworthiness as a factor fostering a tightening of standards.

Banks eased the overall lending conditions in an NP of 14% of the credit market. They took a differentiated approach to adjusting loan prices through the average interest margin. Overall, almost one-third of the market lowered the average margin on consumer credit. Demand for consumer credit increased more than in the previous quarter (an NP of 55%). The continued appetite for loans reflected improved consumer confidence, lower interest rates and renewed support for the sale of consumer credit by some banks (NPs of 45%, 17% and 14% respectively). Banks expect demand for consumer credit to grow in 2025 Q3 (an NP of 10%).

Banks left their credit standards for loans to sole proprietors unchanged. Only a very small section of the banking market expects these standards to be eased in the next quarter. Demand for loans as perceived by banks increased overall (an NP of 29%). According to banks' expectations, it will also grow in the coming quarter (an NP of 45%).

Additional questions on expected credit losses indicate that banks expect a drop in credit losses on housing loans and, overall, on loans for consumption in the period ahead (NPs of 10% and 28% respectively). By contrast, overall they expect an increase in credit losses on loans to non-financial corporations (an NP of 6%).

3 GRAPHICAL PRESENTATION OF SUPPLY AND DEMAND CONDITIONS IN SEGMENTS

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)

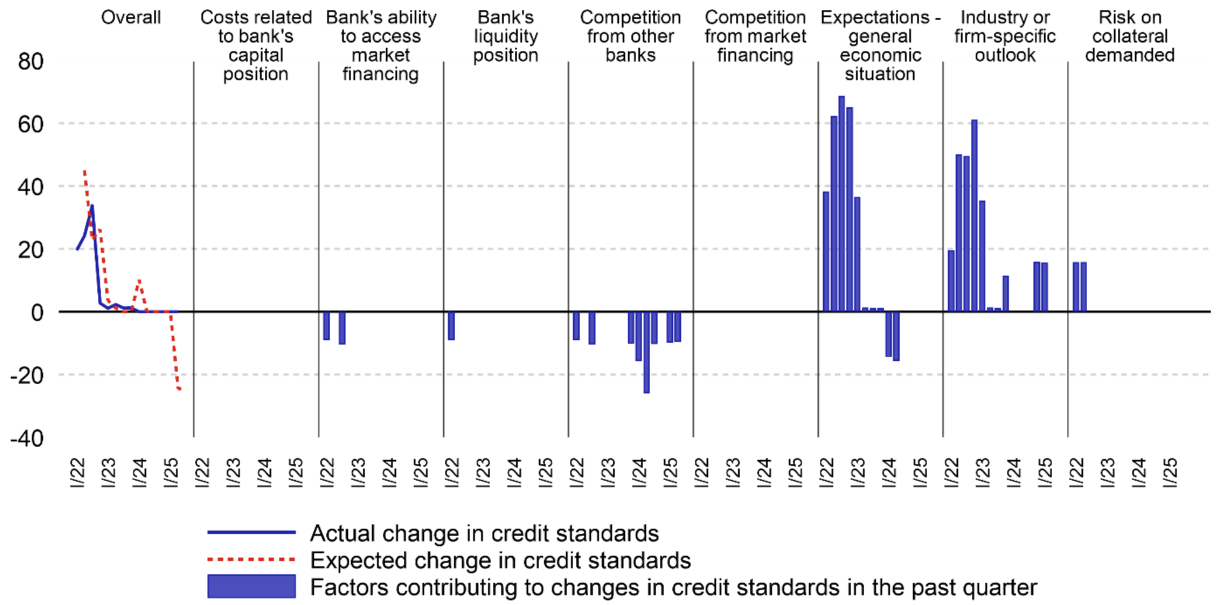


Chart 2

Changes in terms and conditions for approving loans to non-financial corporations (question 3)

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

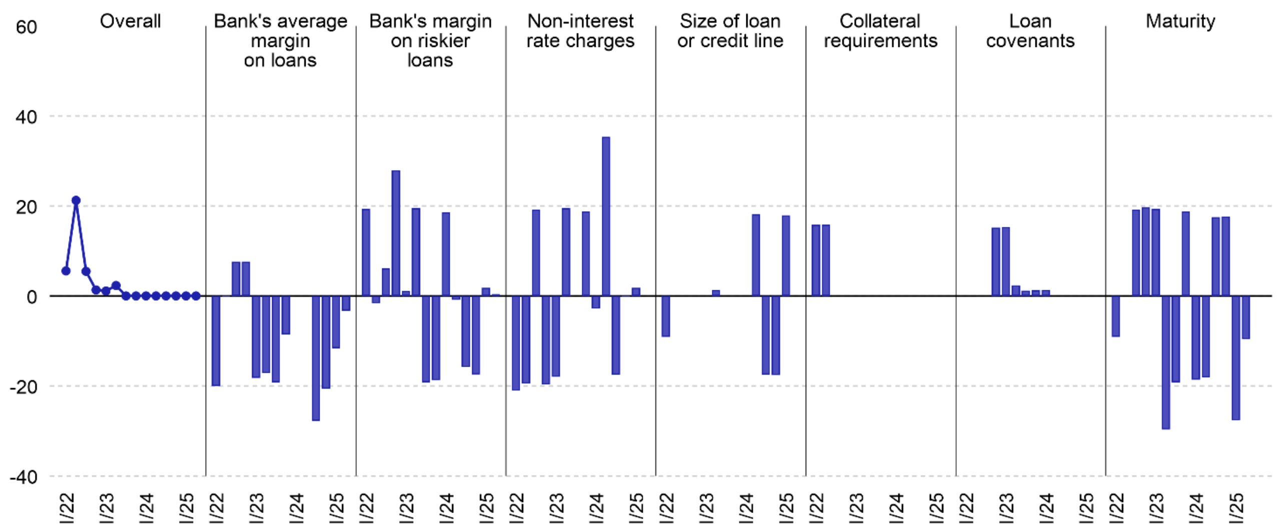


Chart 3
Changes in non-financial corporations' demand for loans (questions 4, 5 and 7)

(net percentages, positive value = demand growth, negative value = demand decrease)

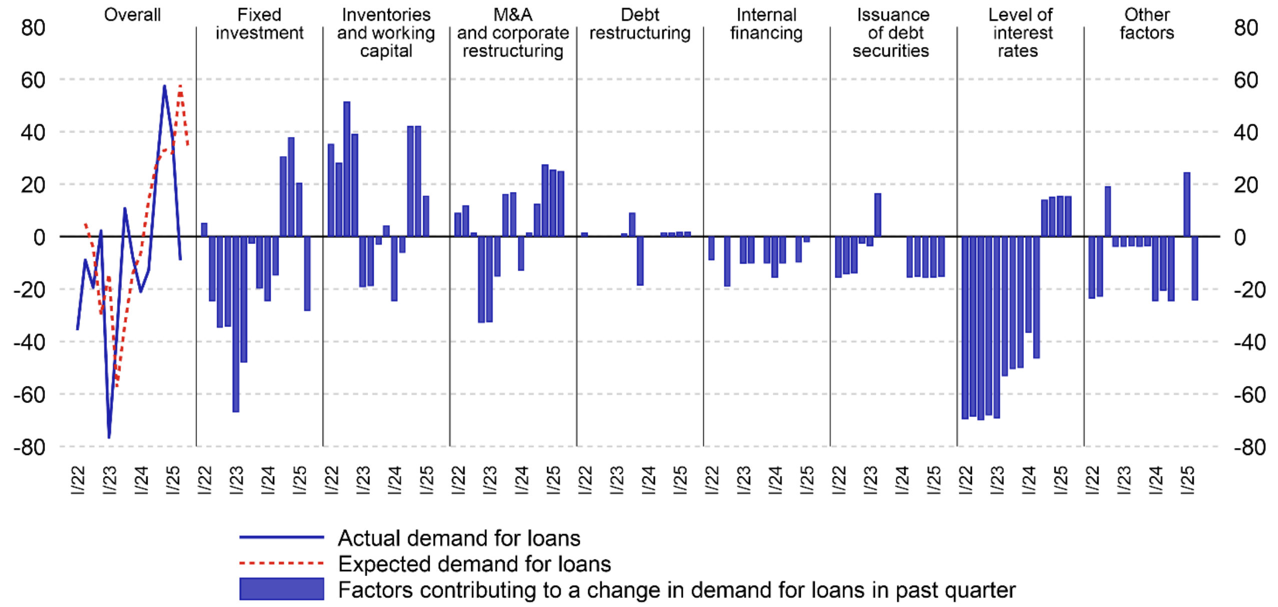


Chart 4
Changes in credit standards applied to loans for house purchase (questions 8, 9 and 16)

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

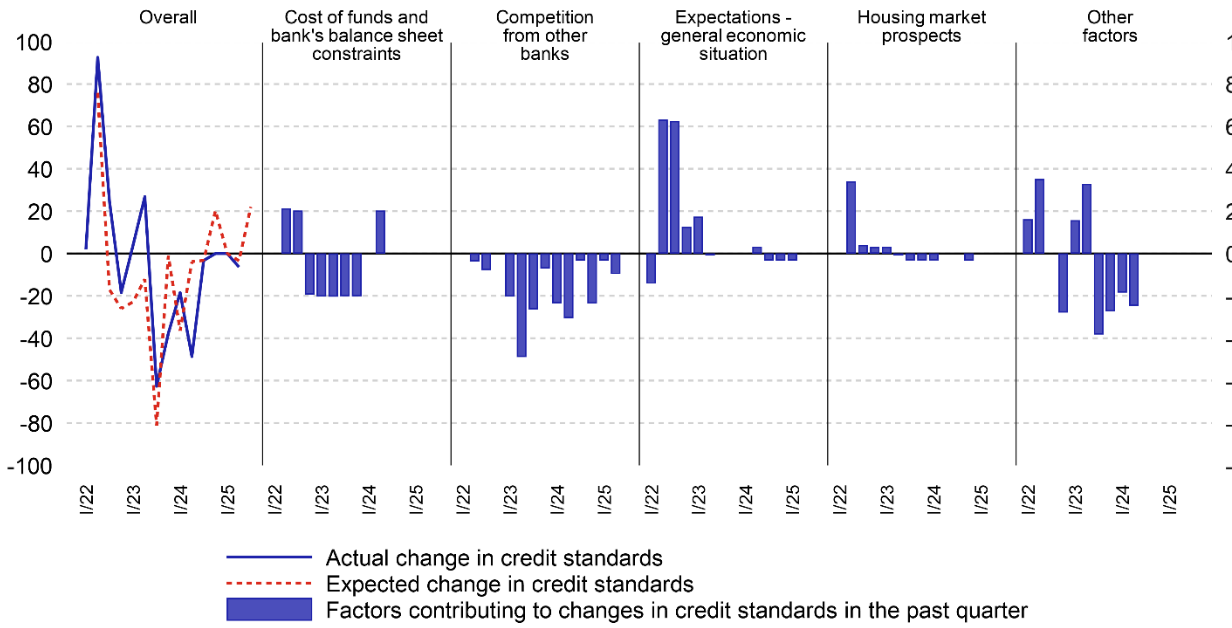


Chart 5
Changes in terms and conditions for approving loans for house purchase (question 10)

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

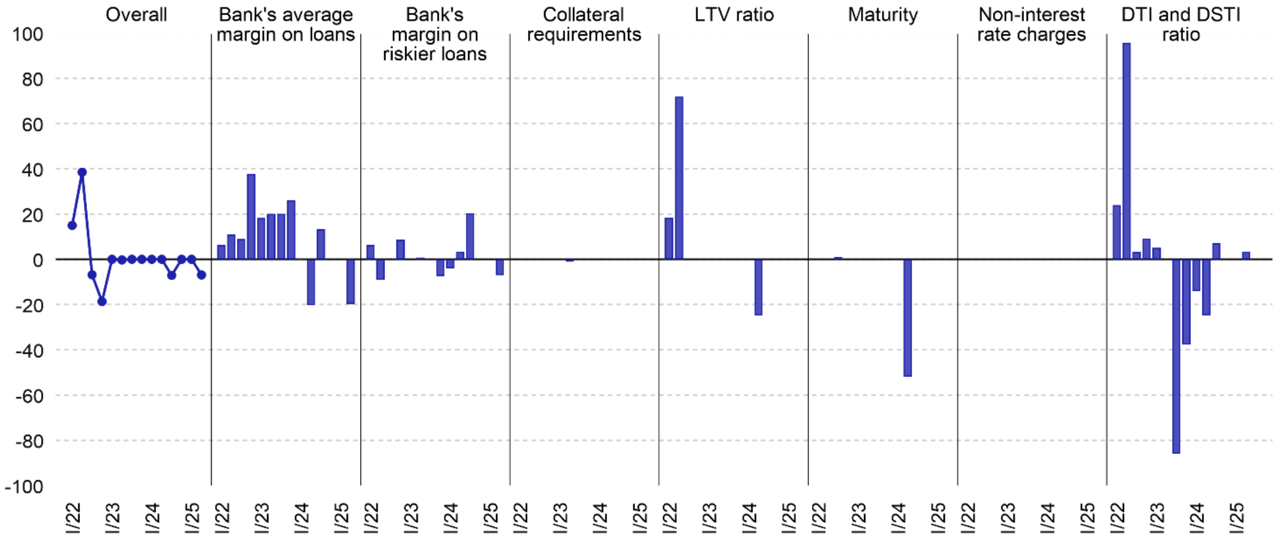


Chart 6
Changes in households' demand for loans for house purchase (questions 13, 14 and 17)

(net percentages, positive value = demand growth, negative value = demand decrease)

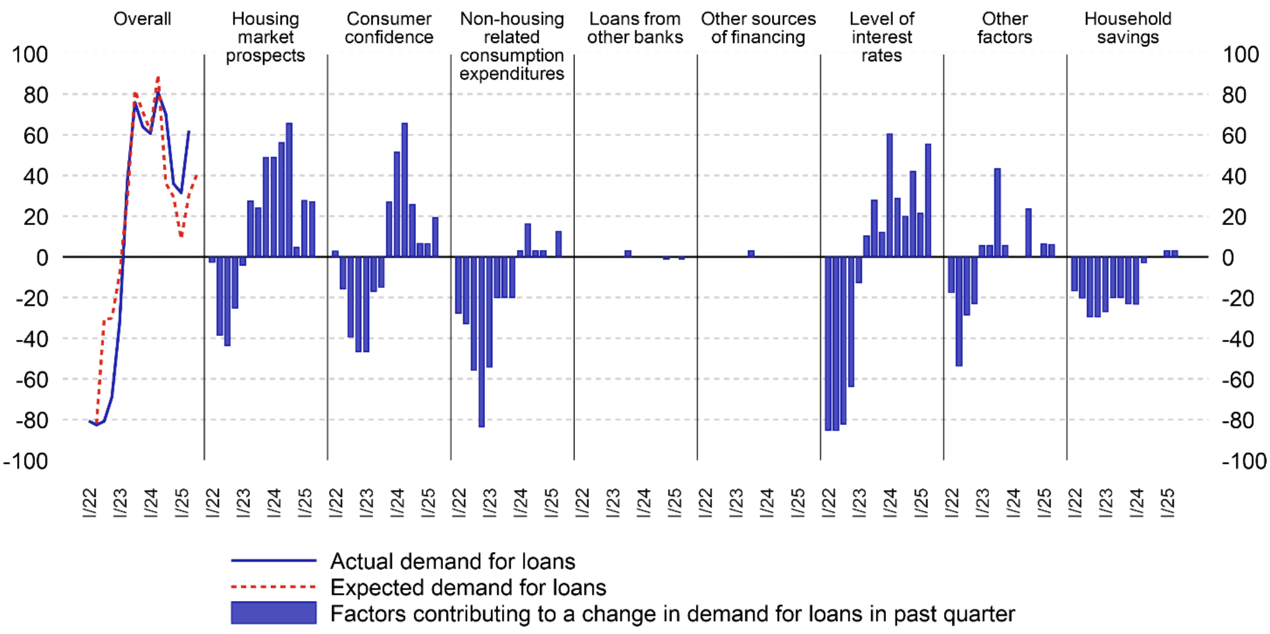


Chart 7
Changes in credit standards applied to consumer credit (questions 8, 11 and 16)

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

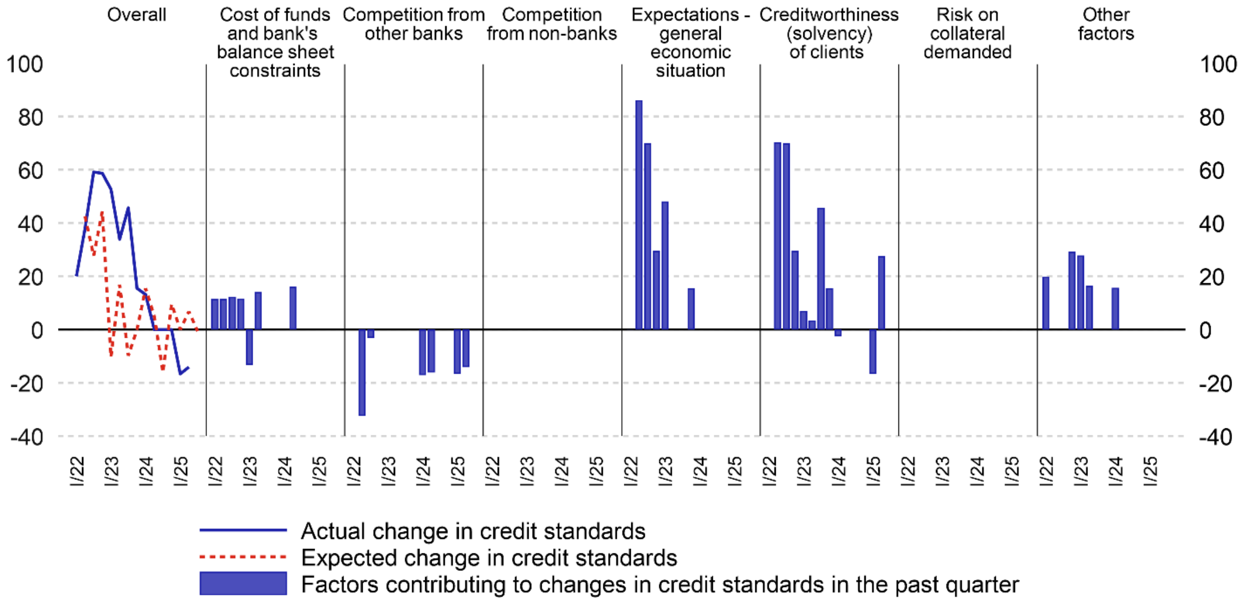


Chart 8
Changes in terms and conditions for approving consumer credit (question 12)

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

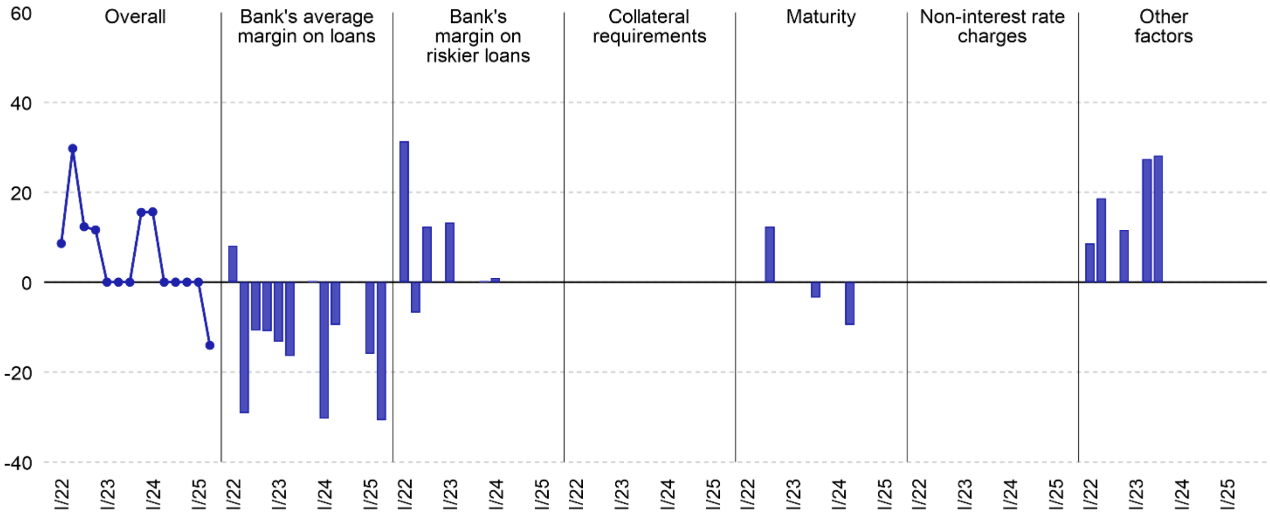
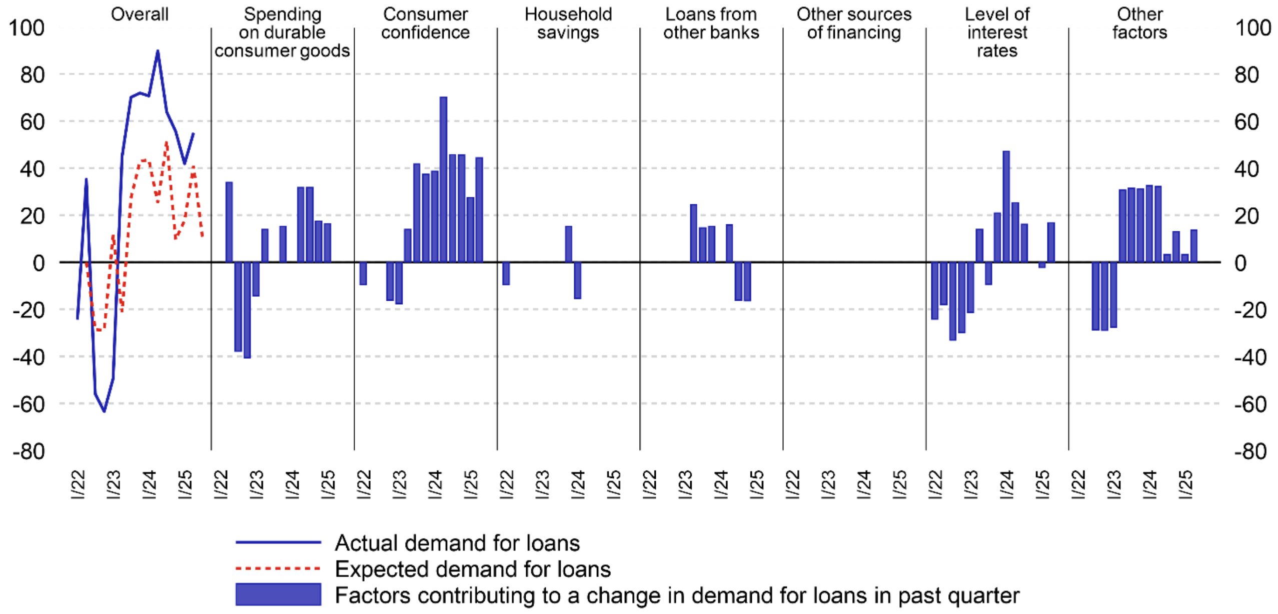


Chart 9
Changes in households' demand for consumer credit (questions 13, 15 and 17)
(net percentages, positive value = demand growth, negative value = demand decrease)



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