Bank Lending Survey

IV/2025

Czech National Bank —— Bank Lending Survey —— IV/2025

CZECH NATIONAL BANK

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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 Q3 and their expectations in these areas for 2025 Q4. Nineteen banks, accounting for a major share of the bank credit market, took part in the survey, which was conducted between 2 and 15 September 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/

I. SUMMARY

The results of the current Bank Lending Survey show that credit standards for loans to non-financial corporations remained largely unchanged overall in 2025 Q3. Corporate demand for loans rose in line with expectations, especially for loans to large firms. However, according to banks, firms remain cautious about investing due to global uncertainty. The slightly higher demand for loans for fixed investment was related to the financing of new energy-saving technologies and commercial property. Credit standards for loans to households for house purchase also remained largely unchanged, while those for consumer credit eased. Demand for housing loans and consumer credit increased further. The increase in demand for housing loans was mainly due to expectations of further growth in property prices. The rise in demand for consumer credit mainly reflected higher household consumption expenditure. Lower domestic interest rates contributed to growth in demand for loans in all the above credit market segments. In 2025 Q4, banks expect continued growth in demand for corporate loans and for housing loans among households. In Q4, banks do not expect any major changes in credit standards for corporate loans, while part of the banking market indicates an easing for housing loans. Only a smaller section of the market expects an increase in the rate of credit losses in the following period for corporate loans and loans to households for consumption.

II. CREDIT STANDARDS AND DEMAND FOR LOANS

II.1 NON-FINANCIAL CORPORATIONS

Credit standards (representing banks' internal lending policy criteria) were largely unchanged overall for loans to non-financial corporations in 2025 Q3 (credit standards only eased for an NP of 2% of the banking market). This was evident for both large and smaller corporations and in terms of the maturity of short-term loans. In the case of long-term loans, the easing of standards was somewhat more pronounced. The easing of standards was fostered by increased competition from other banks and from market financing (bond issues of some large corporations), with NPs of 11% and 16% respectively. The terms and conditions for approving corporate loans were largely unchanged overall. However, within their structure, the terms and conditions eased especially for large corporations. Loan size requirements decreased due, among other things, to slightly stronger economic growth and the easing of the effects of inflation from the previous period (an NP of 35%). Banks also lowered their requirements for non-interest charges (an NP of 19%). On the other hand, banks tightened conditions relating to loan maturity, average interest margins and margins on riskier loans (8%, 14% and 19% respectively). According to banks, credit standards will remain unchanged in 2025 Q4.

Corporate demand for loans rose further in line with banks' expectations in 2025 Q3 (an NP of 31%). An increase in demand was recorded for large corporations and for short-term loans (usually revolving credit lines), while demand from SMEs and demand for long-term loans remained broadly unchanged. The rise in demand for loans was driven by a greater need to finance working capital and mergers and acquisitions of corporations, including their restructuring (NPs of 25%, 26% and 19% respectively). Demand for financing fixed investment also increased (an NP of 13%), particularly for commercial property and the renewal of corporate technologies. Lower domestic interest rates also contributed to higher demand for loans (an NP of 15%). However, according to banks, firms remain cautious about investing, mainly due to global uncertainty. This was partially offset by increased demand for fixed investment driven by ESG requirements. However, these investments are mainly aimed at saving energy or changing the energy mix and do not contribute to production growth and corporate revenues. Economic activity is rising, but the current economic environment has been affected by significant negative external factors (US tariffs, the conflict in the Middle East, Ukraine, etc.). These factors are giving rise to uncertainty and are reducing demand for fixed investment. The continued use of alternative financing by some large corporations in the form of bond issuance and financing by some corporations from their own resources have also decreased demand for loans (NPs of 18% and 11% respectively). In the September survey, banks expected continued growth in demand for loans (an NP of 33%) in 2025 Q4.

II.2 HOUSEHOLDS

Credit standards and bank lending conditions for loans to households for house purchase remained unchanged in Q3. From a longer-term perspective, after the tightening which started in 2022 and the subsequent easing in 2023, credit standards have remained largely unchanged since the end of 2024. However, an easing of standards is being fostered by increased competition in the banking market, while growth in banks' cost of funds as a result of an increase in market interest rates with longer maturities is acting in the opposite direction. However, this was not reflected in mortgage interest rates, with the average interest margin of banks contributing to an easing of conditions in this credit market segment.

On the other hand, part of the banking market tightened credit conditions as a result of a revision of the economic model used for assessing client creditworthiness. An easing of credit standards for housing loans is expected in 2025 Q4 (an NP of 26%).

Households' demand for loans for house purchase rose further (an NP of 20%), broadly in line with banks' expectations from the previous round of the survey. This indicates continued growth in the mortgage market. The increase in demand was fostered mainly by expected further growth in the property market accompanied by rising residential property prices and lower mortgage interest rates (NPs of 35% and 22% respectively). An improvement in household consumer confidence also acted in the same direction. According to the banks' expectations, demand for housing loans will rise further in 2025 Q4 (an NP of 12%).

Credit standards applied to consumer credit eased in Q3 (an NP of 42%). This reflected reduced perceptions of risks associated with expectations regarding overall economic activity and improved client creditworthiness, as well as increased competition in the banking market. By contrast, a tightening of credit standards is expected in part of the banking market in 2025 Q4 (an NP of 11%). Demand for consumer credit rose further in 2025 Q3 (an NP of almost 60%). This mainly reflected increased financing of households' consumption expenditure (an NP of 32%), lower interest rates and encouragement by some banks for the sale of consumer credit. Demand for consumer credit will remain largely unchanged in 2025 Q4.

Credit standards for loans to sole proprietors were unchanged and demand for loans continued to rise (an NP of 31%). In 2025 Q4, banks also do not expect credit standards to change but anticipate continued growth in demand for loans (an NP of 46%).

Additional questions on expected credit losses suggest that a smaller section of the banking market is expecting an overall increase in the credit loss rate for corporate loans and for consumer credit in the period ahead, while anticipating a decline for housing loans.

III. 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)

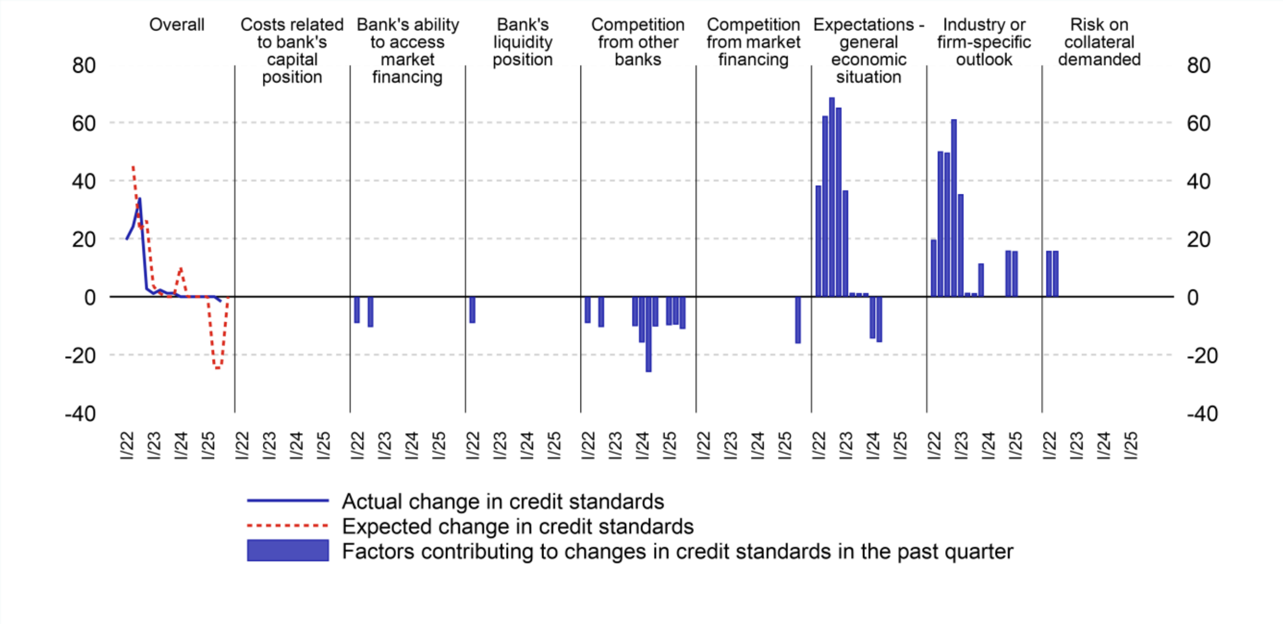


Chart 2 Changes in terms and conditions for approving loans to non-financial corporations (question 3)

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

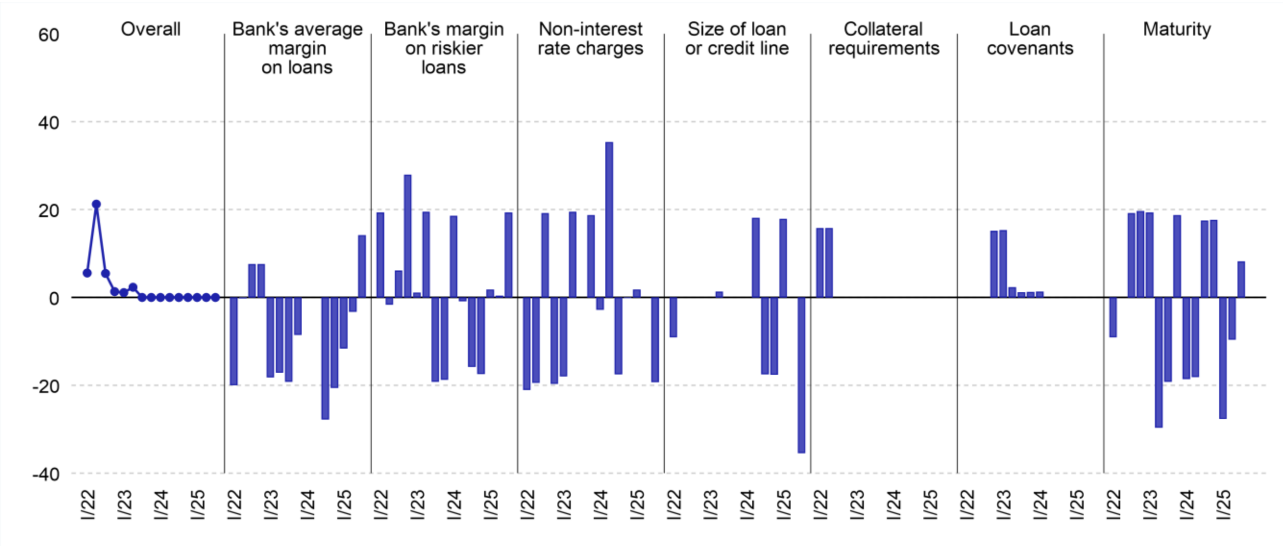


Chart 3 Changes in non-financial corporations' demand for loans (questions 4, 5 and 7)

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

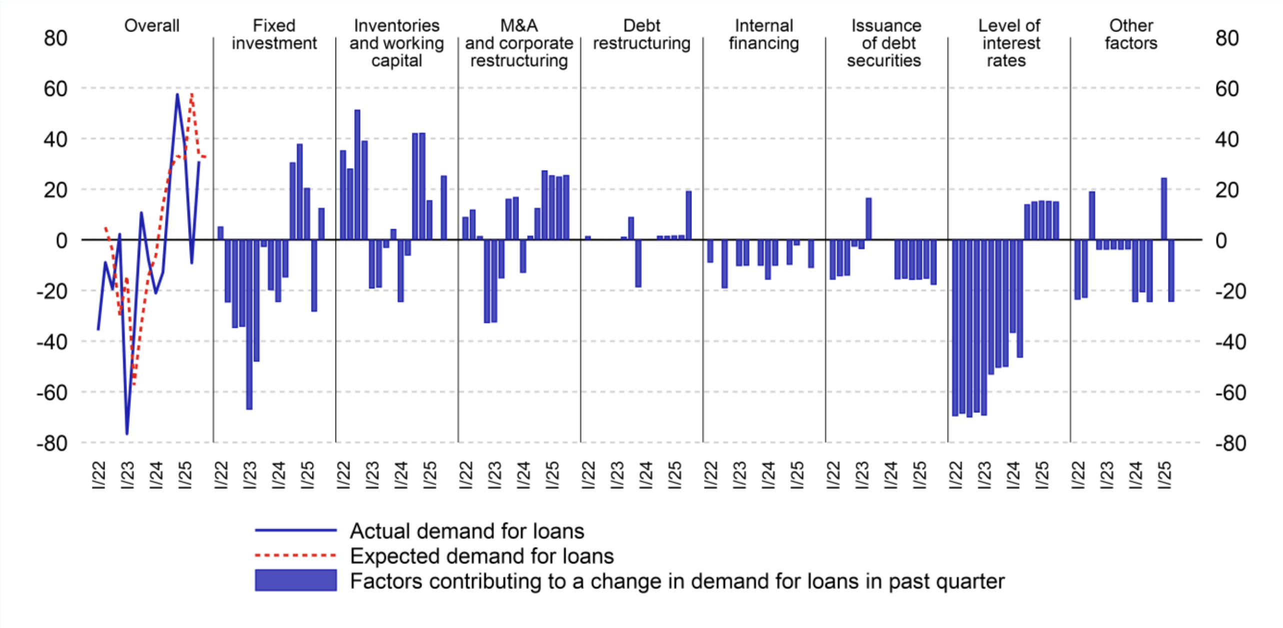


Chart 4 Changes in credit standards applied to loans for house purchase (questions 8, 9 and 16)

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

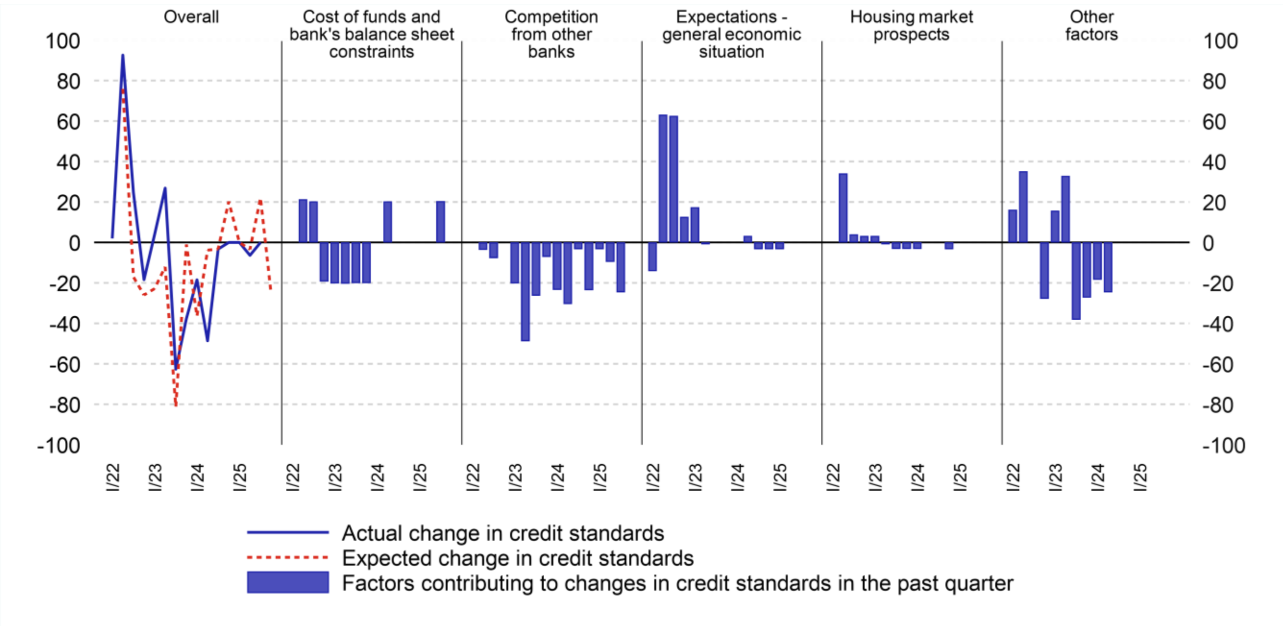


Chart 5 Changes in terms and conditions for approving loans for house purchase (question 10)

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

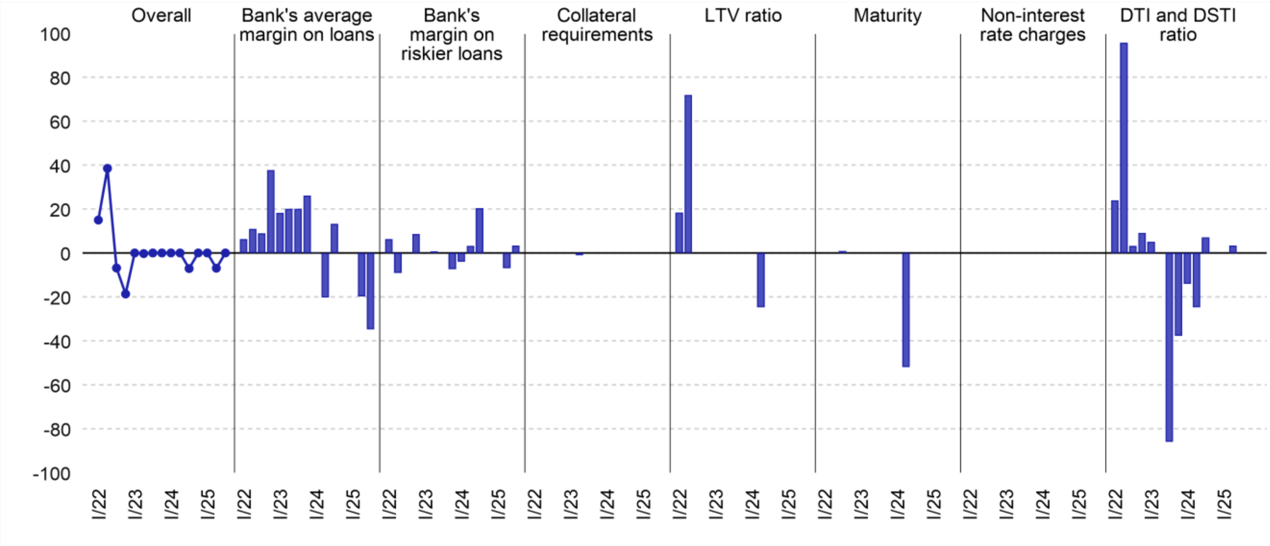


Chart 6 Changes in households' demand for loans for house purchase (questions 13, 14 and 17)

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

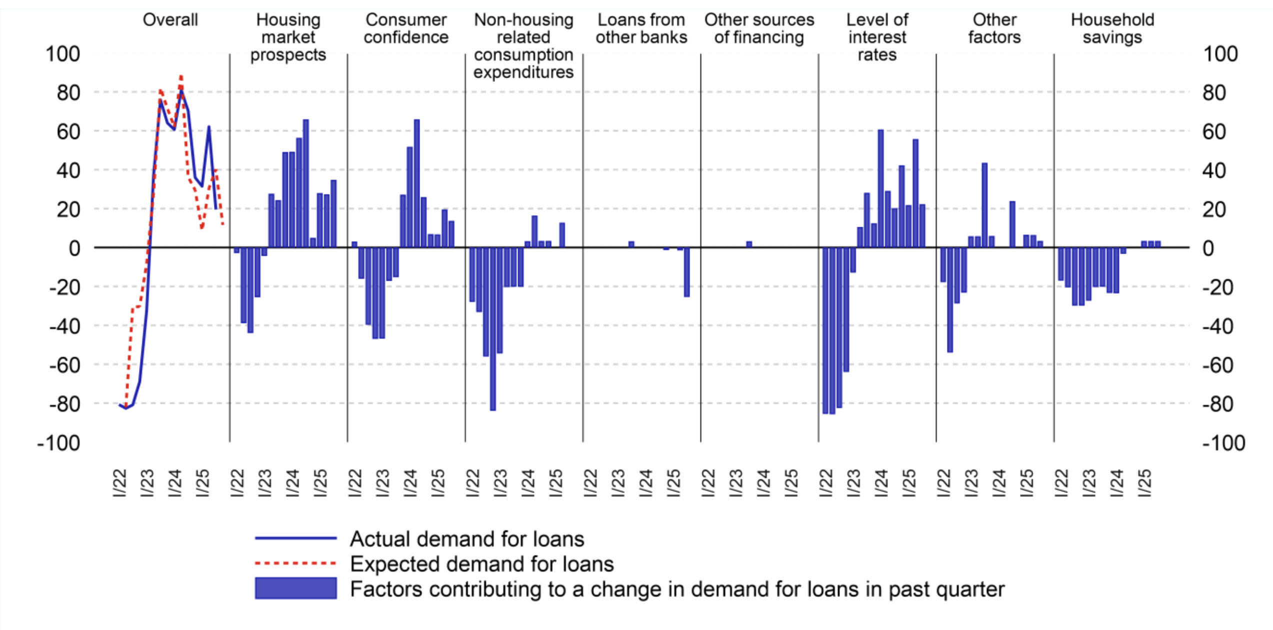


Chart 7 Changes in credit standards applied to consumer credit (questions 8, 11 and 16)

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

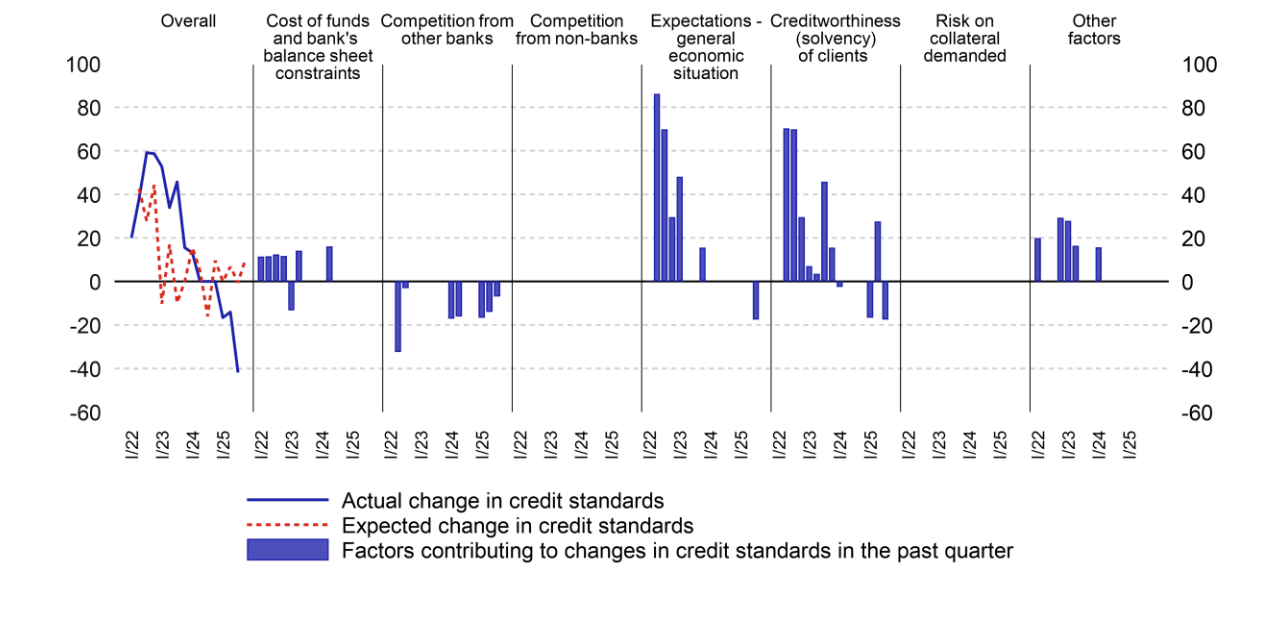


Chart 8 Changes in terms and conditions for approving consumer credit (question 12)

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

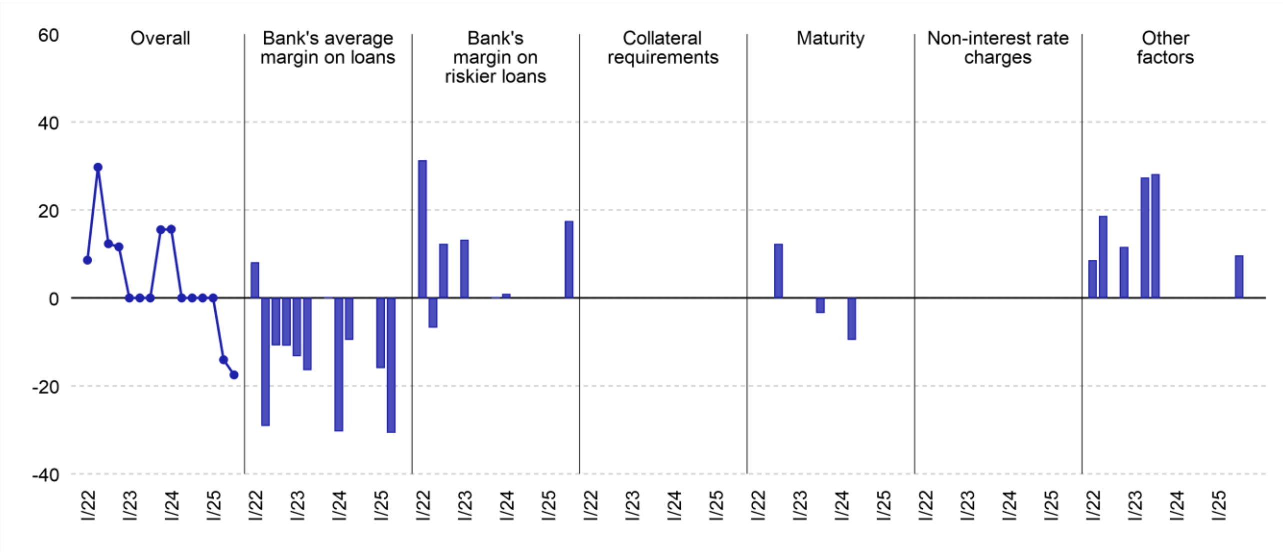
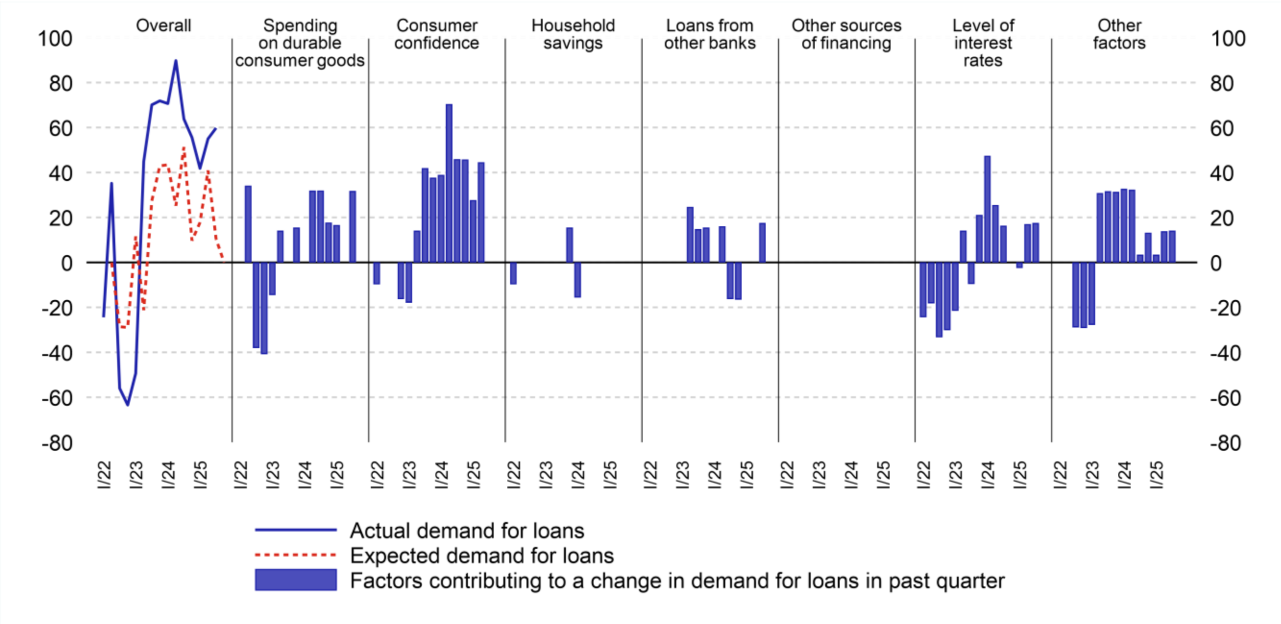


Chart 9 Changes in households' demand for consumer credit (questions 13, 15 and 17)

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



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