



## NATIONAL BANK OF KAZAKHSTAN

### ***Survey of banks: the total number of loan applications in the II Quarter from large businesses increased to 190***

***Comment by Deputy Director of the NBK Financial Stability and Research Department Zhandos Ybrayev on the results of a survey of banks on lending for Q2, 2024***

*Astana*

*August 20, 2024*

#### ***Lending to large, medium and small businesses***

According to the survey results for the II Quarter, the positive dynamics of demand for loans from business entities remained stable.

The demand index from large businesses slightly increased. According to majority of large banks, this is due to the further decrease in the cost of credit resources. In addition, the intensification of a number of large investment projects in the mining, oil and gas, and construction industries also influenced the increase in demand for loans. Thus, the total number of loan applications from large businesses increased by 12% q/q (Quarter to Quarter), to 190.

The increase in demand from medium-sized businesses is the result of the resumption and launch of a number of state programs for preferential lending, including the lending of agro-industrial complex entities. Particular large banks also noted the impact of a slight decrease in interest rates on loans. As a result, the total number of loan applications from medium-sized businesses increased by 25% (Q/Q), to 7.7 thousand.

Financing within the framework of government programs through the provision of subsidies and guarantees continues to support demand from small businesses. Despite the temporary tightening in scoring products associated with these programs, some banks also noted the positive effect of the development of online products. Thus, the total number of loan applications by small businesses increased by 4% (Q/Q) and amounted to 821 thousand.

The approval ratio for loan applications of small and medium-sized businesses remained at the level of the previous Quarter comprising 36% and 38%, respectively, while for large businesses this indicator decreased by 8 percentage points and amounted to 43%.

In the II Quarter, banks did not make significant changes in terms of lending conditions, with the exception of a slight decrease in interest rates, mainly for medium and large businesses.

In the next Quarter, banks expect that demand from all types of business entities will remain at the level of the reporting quarter and do not plan to make noticeable changes to lending conditions.

#### ***Mortgage and consumer loans, car loans***

Demand for mortgages from individuals slightly decreased in the II Quarter, while demand for consumer loans increased.

The decrease in demand for mortgage is explained by the tightening of certain lending conditions in the previous Quarter, as well as a decrease in the willingness of a particular medium-sized bank to lend due to the current trend in the real estate market. At the same time, this decrease provided an opportunity for other banks to slightly increase the flow and quality of incoming clients. As a result, the total number of loan applications decreased by 3% (Q/Q) to 210 thousand.

Demand for consumer loans secured by collateral continued to increase despite some tightening in lending conditions by individual banks. This growth was due to the more active promotion of this type of loan, as well as the improvement of decision-making and application monitoring processes in a number of banks. This resulted in an increase in the number of loan applications received by 20% (Q/Q), to 46 thousand.

Banks noted an increase in demand for unsecured consumer loans due to attracting customers through marketing promotions. At the same time, banks did not make significant changes to lending terms. Thus, the number of applications received amounted to 21.8 million, which is 1% more than in the previous quarter.

The increase in demand for car loans, according to banks, was the result of marketing promotions by partner car dealerships and offering of a number of promotional products, partially subsidized by such partners. As a result, the number of loan applications increased by 10% (Q/Q), to 997 thousand.

Approval ratio for mortgage products increased by 7 percentage points (up to 40%) compared to the previous Quarter. The approval ratio for unsecured loans remained at 27%, the same for secured consumer loans and car loans having decreased by 5 percentage points and 2 percentage points, amounting to 34% and 15%, respectively.

In the III Quarter of 2024, banks forecast an increase in demand for car loans and unsecured consumer loans, whereas, in their opinion, an increase in demand for mortgages and consumer loans with collateral is not expected.

19 second-tier banks participated in the [Bank Lending Survey](#) for the II Quarter, 2024. The survey is conducted by the National Bank on a quarterly basis in order to assess changes in the supply and demand of credit resources.

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