



Survey of banks: the share of loan approvals for medium and large businesses has increased

Comment by Director of the NBK Financial Stability and Research Department Olzhas Kubenbayev on the results of a survey of banks on lending for Q3,2024

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Lending to large, medium and small businesses

According to the survey results for the Q3, the demand for loans from business entities remained at the level of the previous quarter, while its structure demonstrates a multidirectional dynamic.

According to banks, the sustained positive demand from large businesses is attributed to a gradual decline in the cost of credit resources. Some large banks also note the activation of a number of investment projects that require debt financing as an influence factor. As a result, the total number of loan applications from large businesses increased by 3% quarter-to-quarter (q/q), to 196.

On the other hand, the decline in demand from small and medium-sized businesses is mainly explained by the suspension of financing within the framework of state programs due to the utilization of limits for 2024. Additionally, some major banks report a trend of reduced activity and lower turnover among medium-sized businesses in certain industries, while for small businesses, lending conditions for individual entrepreneurs are noted as a significant influencing factor. At the same time, during the third quarter, some banks launched new products for small businesses. Thus, the total number of small business loan applications increased by 3% (q/q) and amounted to 845 thousand, while medium-sized businesses decreased by 40% (q/q) to 4.6 thousand.

According to the results of the third quarter, the share of approval of loan applications from small businesses remained at the level of 35%, while for medium and large businesses it increased to 41% and 51% (q/q), respectively.

In the upcoming quarter, banks anticipate a rebound in demand from small and medium-sized businesses driven by the reinstatement of government program financing. Additionally, they foresee continued growth in demand from large businesses.

Mortgage and consumer loans, car loans

Demand for mortgages and car loans from individuals increased slightly in the third quarter, while demand for unsecured loans and secured consumer loans decreased.

Banks explain the increase in demand for mortgages by additional collection of applications within the framework of government programs and interaction with developers. Furthermore, the rise in demand for mortgage products at one particular bank was influenced by competitors tightening their collateral requirements. Consequently, the total number of loan applications grew by 31% (q/q), reaching 274 thousand.

According to banks, there has been a slight decline in demand for consumer loans with collateral following a prolonged period of growth. This decrease is attributed to stricter requirements for collateral. At the same time, the number of applications submitted increased by 6% (q/q), reaching 48 thousand, driven by a surge in applications at certain banks.

Banks note a slight decrease in demand for unsecured consumer loans against the background of [regulatory changes](#). However, according to the banks, the decrease in demand was not solely due to the requirements themselves, but to a greater extent to temporary technical issues of their

implementation. Thus, the number of applications received amounted to 21.8 million, 5% more than the previous quarter.

The slight increase in demand for car loans, according to banks, is largely due to marketing promotion by car dealership partners and the offer of a number of promotional products partially subsidized by them. As a result, the number of loan applications increased by 10% (q/q) to 1.1 million.

In Q4, 2024, banks anticipate an increase in demand for car loans and consumer unsecured loans, while demand for mortgages and consumer loans with collateral is not projected to increase.

19 second-tier banks participated in the [survey of banks](#) on lending for the 3rd quarter of 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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