

Romania: Lending speeds up in October

Adjusted for FX effects, credit growth expanded by 7.1% year-on-year. Corporate FX loans could be back in vogue as the EUR/RON remains remarkably stable

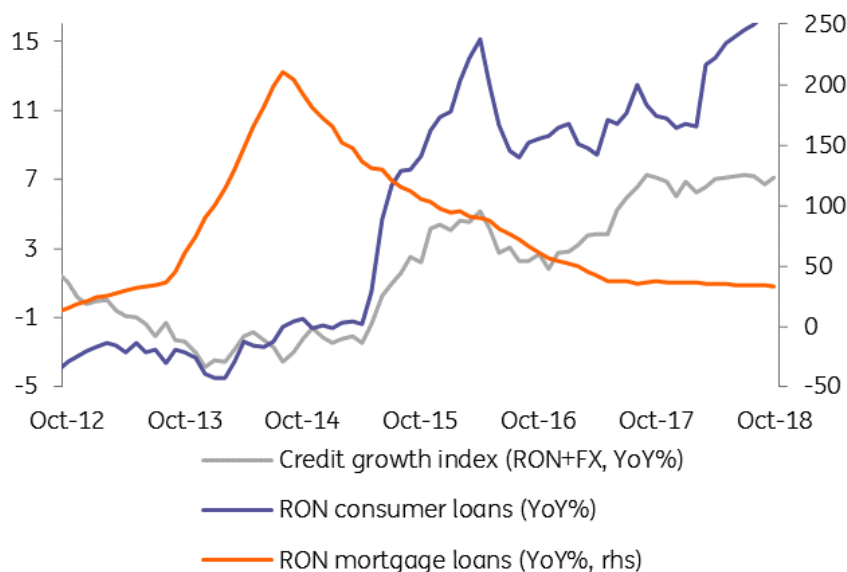


Source: NIS, Bloomberg, ING

Retail lending remains robust but it's not all rosy

Retail loans grew 11.3% year-on-year and the share of RON lending in total retail loans reached a record 71.2% in October. Consumer loans in local currency accelerated by 18.9% YoY, the fastest pace since December 2015. RON mortgage lending on the other side - despite still holding strong at 33.4% YoY growth - marked the ninth consecutive slowdown, now reaching growth levels last seen in mid-2013.

Retail lending growth by currency

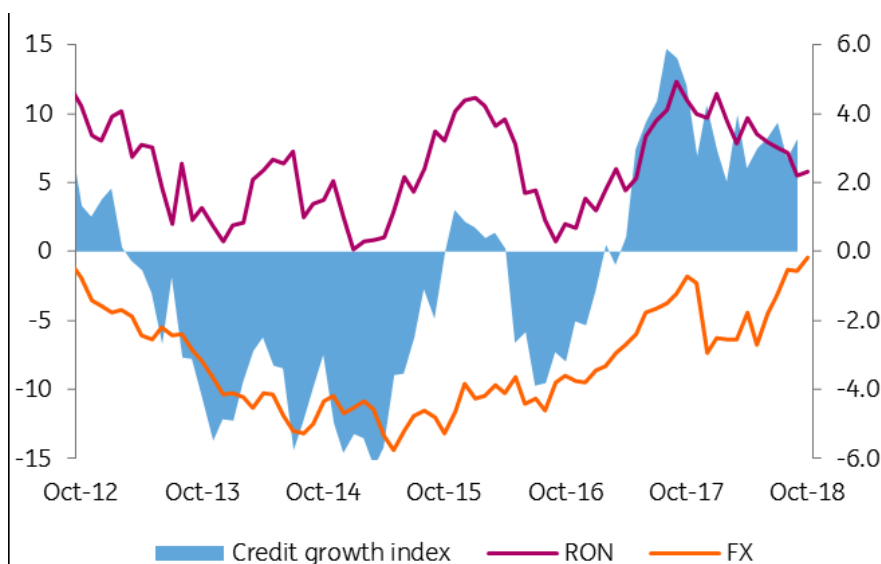


Source: NBR, ING

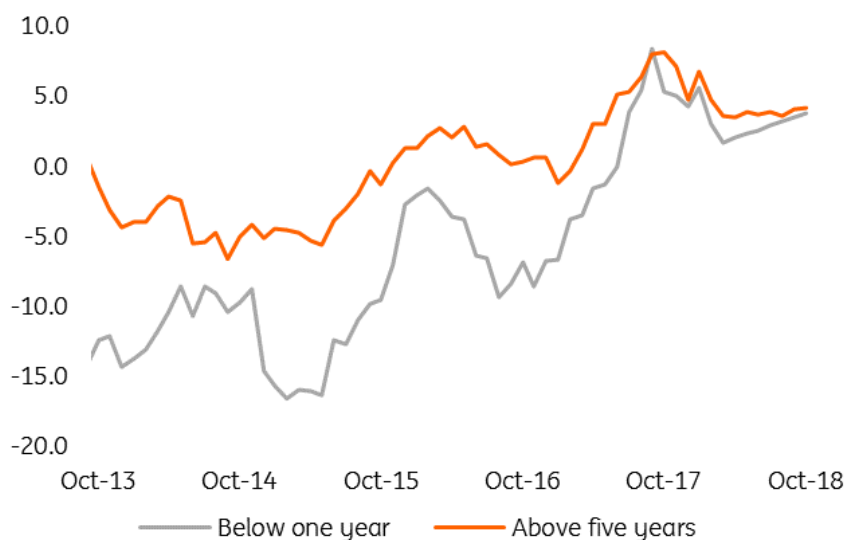
Corporate loans rise

Corporate loans accelerated 3.3% year-on-year in October from 2.7% in the previous month. This is mainly on the back of better hard currency loans, where the contraction slowed to just -0.4%, a number similar to that seen in late 2012. This increased the share of FX lending in total corporate loans from 40.6% in September to 41.0% in October, so far validating [our call](#) for a mild recovery in hard currency loans.

Corporate lending



Source: NBR, ING



Source: NBR, ING

Again and again, this year's lending data has confirmed that central bank tightening hasn't appeared to have much effect on lending but has cooled down inflation to some extent. A rush on consumer loans is still possible before the macro-prudential measures aimed at limiting retail clients indebtedness go into effect starting 1 January 2019.

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