

## ANALYSIS OF NEW LOANS GRANTED BY THE CREDIT INSTITUTIONS TO THE POPULATION IN ROMANIA

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### RESEARCH ARTICLE

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#### Abstract

*The paper presents an analysis of new loans granted to households by the Romanian banking system, emphasizing the fact that the volume of new loans accessed by the population increased during the analyzed period, especially for loans granted in the national currency, an aspect that reflects the increase in confidence in the national currency and the reduction of currency risk, materializing in record values for flows in the main categories of loans.*

*Financing granted to the population by banks in lei was the driving force of lending in 2024. The lending process ensures the financing resources that will stimulate the development of the national economy.*

*The methodology involved, along with the collection of statistical data made available by the NBR website database, the study of articles from the specialized literature, an analysis of the information and the creation of graphs.*

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**Keywords:** new loans, banks, population, consumer loans, housing loans

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#### INTRODUCTION

Credit institutions and financial markets, considered elements of the financial system, have been analyzed in various studies and analyses with the aim of highlighting its importance. (Mitu, 2020, Blach, 2011)

Credits are presented as an essential financial instrument for economic development, facilitating access to financial resources for consumers, public institutions and companies. New forms of credit reflect the adaptation of the financial system to current market needs.

The sources for the formation of bank lending funds, based primarily on population deposits, in Romania are at the highest level in the banking system compared to loans obtained by the population from banking institutions, under the conditions of practicing active interest rates that are several times higher compared to passive ones, an aspect that highlights the role of the population as a net creditor. Thus, since 1990, the banking system has chosen to obtain profit based on temporarily available resources, attracted as bank deposits. The banking system aims to teach its clients, companies and the population, to obtain benefits from investments, with the help of financial resources offered by

banks, through access to bank loans. (Stănescu & Nedelescu, 2010)

In recent years, financial innovation and digitalization have led to the emergence of new types of loans. Financial regulations, monetary policies and economic risks directly influence the mechanisms for granting loans. The newest forms of credit respond to these challenges, maintaining a balance between accessibility and financial sustainability.

Credit stimulates inventions and consumption, but can also generate risks for financial instability.

Expanding access to credit raises challenges related to the sustainability of debt and the impact on macroeconomic stability. Therefore, this paper aims to explore the main trends in the field of new lending, highlighting the economic implications, opportunities and related risks.

It is considered that ensuring the growth of economies and the well-being of the population can be ensured by banks that must minimize the constraints related to lending. (Granda et al, 2019)

However, granting excess loans against the background of the positive evolution of the supply of goods can negatively affect consumers and can also endanger the health of the

population, their life and safety. (Ilie&Ungureanu, 2014)

However, a bank ban, obtained by non-financial companies or the population, will teach them to produce other money or in other words to make investments that will have more positive effects on the national economy. (Meilă et al, 2018; Feher et al, 2020; Sîrbulescu et al, 2024, Cocriș & Chirleşan, 2017;)

The analysis of new bans, as well as the identification of their evolution trend by destination and depending on the type of interest and maturity, is the main objective of this article.

## MATERIAL AND METODS

When developing this article, the authors used research methods such as collecting data provided by the NBR website and other web resources, studying specialized literature, analyzing, comparing them, and creating diagrams and listing conclusions.

## RESULTS AND DISCUSSION

In preparing this article, the authors used research methods such as: The increase in consumption, in the context of the increase in real, disposable incomes, due to the increase in nominal wages and pensions, in conjunction with the continuation of the disinflationary process, and the expectations of further growth

in real incomes, contributed to accessing new loans, especially for consumption.

In figure 1, we can observe a significant increase in the total volume of new loans, from approximately 7.64 billion lei in 2020, to over 13.5 billion lei in 2024. Regarding the structure of loans, an accelerated expansion of consumer and housing loans is noted. In 2024, the value of consumer loans (table 1) exceeded 2.7 billion lei, and that of housing loans reached 5.2 billion lei, which indicates a clear growth trend.

Table 2 presents the evolution of new loans granted to households for consumption, highlighting their structure according to the initial fixed interest rate period. A significant increase in the total volume of loans granted in 2024 is observed compared to previous years, with a sharp increase in the segment of loans with a variable rate or with an initial fixed period of up to one year. An important aspect to note is that, although loans with a fixed period between 1 and 5 years recorded a constant increase, those with a fixed period of over 5 years fluctuated, recording a decrease in 2024 compared to the previous year.

Table 3 shows the evolution of new loans to households for house purchase, highlighting their structure by initial fixed interest rate period. The data reveal a general trend of increasing lending, with a significant peak in 2023, followed by a slight adjustment in 2024.

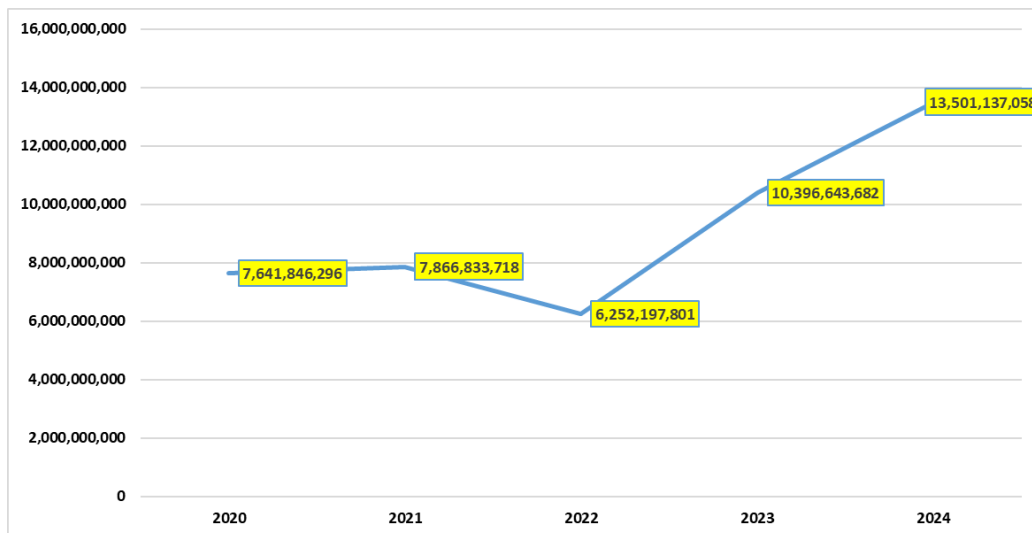


Figure 1. Evolution of new loans in lei

Source: <http://www.bnr.ro>

Year	Total	For consumption	For housing
2020	2,928,385,990	1,232,859,679	1,632,751,510
2021	3,702,107,352	1,700,330,470	1,909,131,548
2022	3,455,276,893	1,362,388,363	2,019,261,133
2023	5,540,563,141	1,899,783,013	3,527,313,193
2024	8,175,373,098	2,739,209,282	5,217,269,992

Source: <http://www.bnr.ro>

Table 2

New consumer loans in lei granted to households (lei)			
Year	with a variable interest rate or with an initial fixed interest rate period of less than or equal to 1 year	with an initial fixed interest rate period of more than 1 year and less than or equal to 5 years inclusive	with an initial fixed interest rate period of more than 5 years
2020	282,077,362	888,397,378	62,384,939
2021	339,789,284	1,307,898,177	53,415,582
2022	261,972,009	1,053,896,620	46,519,734
2023	385,348,492	1,450,358,209	64,076,312
2024	1,075,159,098	1,625,138,956	38,911,228

Source: <http://www.bnr.ro>

Table 3

New housing loans in lei granted to households (lei)				
Year	with a variable interest rate or with an initial fixed interest rate period of less than or equal to 1 year	with an initial fixed interest rate period of more than 1 year and less than 5 years inclusive	with an initial fixed interest rate period of more than 5 years and less than 10 years inclusive	with an initial fixed interest rate period of more than 10 years
2020	1,224,986,285	121,852,606	50,419,229	235,493,390
2021	1,358,140,319	155,325,786	182,953,310	212,712,133
2022	1,089,301,633	449,394,902	66,768,291	413,796,307
2023	1,705,128,041	1,262,015,864	-	192,169,637
2024	1,445,069,274	3,071,528,017	-	356,185,059

Source: <http://www.bnr.ro>

Table 4

New loans in lei for business development and other purposes granted to households (lei)			
Year	with a variable interest rate or with an initial fixed interest rate period of less than or equal to 1 year	with an initial fixed interest rate period of more than 1 year and less than or equal to 5 years	with an initial fixed interest rate period of more than 5 years
2020	50,576,023	9,477,966	2,720,812
2021	82,101,305	-	-
2022	57,788,598	11,803,557	4,035,241
2023	91,652,257	15,993,913	-
2024	170,837,223	34,937,100	-

Source: <http://www.bnr.ro>

A significant increase is noted in loans with variable rates or initial fixed periods of up to one year, as well as in those with fixed periods of over 10 years, indicating a preference for either flexibility or long-term security. In contrast, loans with fixed periods between 5 and 10 years are not reported in 2023 and 2024, suggesting either a decrease in demand for this type of financing or a change in the supply of financial institutions.

An important aspect (Table 4) to note is that, starting in 2021, no loans with an initial fixed period longer than 5 years are reported, and for the 1-5 year category, the volume of lending has increased steadily, reaching a record level in 2024. This trend suggests that beneficiaries prefer shorter-term commitments, probably due to economic uncertainty or changes in the lending policy of financial institutions.

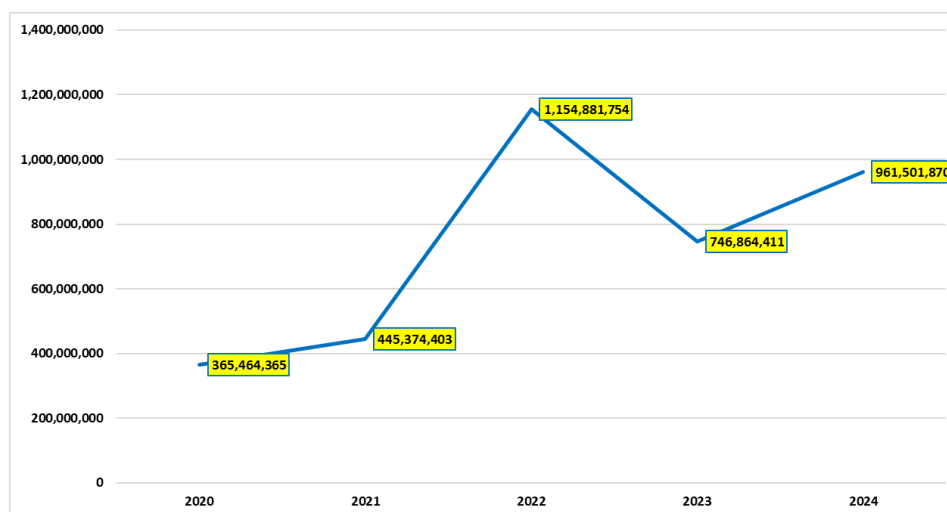


Figure 2. Evolution of new loans in euros

Source: <http://www.bnr.ro>

Table 5

New loans in euros granted to households by destination (Euro)

Year	Total	For consumption	For housing
2020	5,095,144	1,734,417	3,072,552
2021	4,355,228	1,622,019	2,414,579
2022	35,942,553	3,135,908	31,416,906
2023	7,876,101	2,697,862	5,019,332
2024	13,892,990	5,985,034	6,168,145

Source: [www.bnr.ro](http://www.bnr.ro)

Table 6

New consumer loans in euros granted to households (Euro)

Year	with a variable interest rate or with an initial fixed interest rate period of less than or equal to 1 year	with an initial fixed interest rate period of more than 1 year and less than or equal to 5 years inclusive	with an initial fixed interest rate period of more than 5 years
2020	1,403,816	-	166,343
2021	791,014	-	147,163
2022	2,460,936	-	-
2023	2,697,862	-	-
2024	5,985,034	-	-

Source: [www.bnr.ro](http://www.bnr.ro)

In table 5 and figure 2 we can see the evolution of new loans granted to households in euros, highlighting their destination. A significant increase in the total volume of loans in euros is observed, from approximately 365 million in 2020 to over 961 million in 2024. This trend suggests an increasingly pronounced preference for financing in euros, possibly influenced by interest rate differences compared to loans in lei.

A remarkable aspect is the exponential growth of loans granted for consumption in 2022, which reached over 31 million euros, a considerable jump compared to previous years. At the same time, housing loans also recorded an

upward trend, reaching a peak of over 6 million euros in 2024.

The evolution of new loans in euros granted to households for consumption is highlighted. There is a significant increase in the total volume of loans with a variable rate or with an initial fixed period of up to one year, reaching from approximately EUR 1.4 million in 2020 to almost EUR 6 million in 2024. This development suggests an increase in demand for consumer loans in euros, possibly influenced by more advantageous lending conditions compared to those in lei.

A notable aspect is the disappearance of loans with an initial fixed period of over one year after 2021 (Table 6), which indicates either a decrease in the supply of this type of loan or a

clear preference of consumers for loans with a variable interest rate or with a very short-term fixation. This may be a consequence of economic

uncertainty or cost differences between types of financing.

Table 7

New housing loans in euros granted to households (Euro)				
Year	with a variable interest rate or with an initial fixed interest rate period of less than or equal to 1 year	with an initial fixed interest rate period of more than 1 year and less than 5 years inclusive	with an initial fixed interest rate period of more than 5 years and less than 10 years inclusive	with an initial fixed interest rate period of more than 10 years
2020	2,853,285	-	-	174,440
2021	1,963,172	-	-	-
2022	11,254,855	-	644,596	17,562,676
2023	3,844,775	-	-	-
2024	4,471,195	-	-	-

Source: [www.bnr.ro](http://www.bnr.ro)

Table 8

New loans in euro for business development and other purposes granted to households (Euro)			
Year	with a variable interest rate or with an initial fixed interest rate period of less than or equal to 1 year	with an initial fixed interest rate period of more than 1 year and less than or equal to 5 years	with an initial fixed interest rate period of more than 5 years
2020	288,175	-	-
2021	-	-	-
2022	1,279,739	-	-
2023	-	-	-
2024	439,811	-	-

Source: [www.bnr.ro](http://www.bnr.ro)

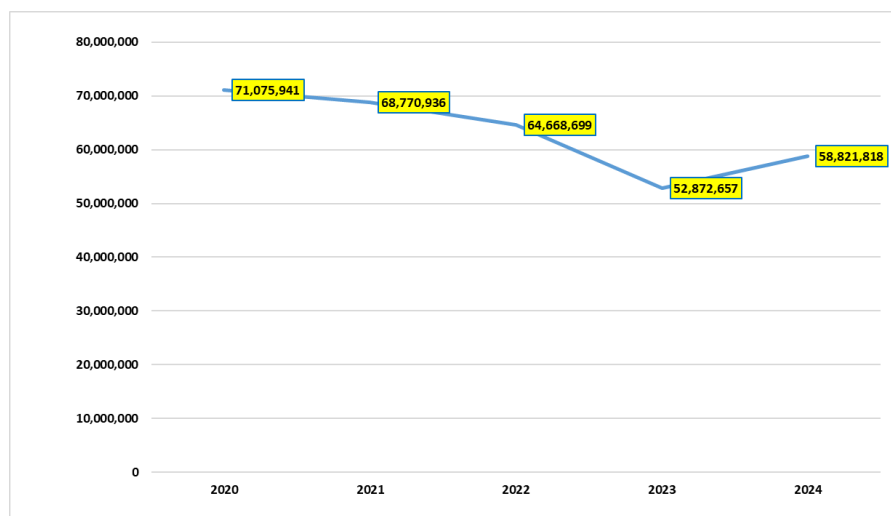


Figure 3. Evolution of new loans in dollars

Source: <http://www.bnr.ro>

Table 7 reflects the evolution of new loans in euro granted to households for housing. The data highlights a significant fluctuation in the total volume of loans, with a notable peak in 2022, when over EUR 11 million were granted for loans with a variable interest rate or with an initial fixed period of up to one year. Also in 2022, we also observe a significant volume of

loans with an initial fixed period of over 10 years, of approximately EUR 17.5 million, which suggests increased confidence in long-term financing during that period.

Analyzing the data in Table 8, we observe a significant fluctuation in the granting of new loans for business development and other purposes in euro. It is important to note this

situation of total absence of loans with an initial fixed duration of more than 1 year, both in the range of 1-5 years and over 5 years. This may indicate either a preference for short-term financing or a lack of long-term offers.

The evolution of new loans granted in dollars between 2020 and 2024 is highlighted in

### CONCLUSIONS

In recent years, we have witnessed a revival of loans granted, especially to the population, compared to those granted to non-financial companies. This aspect can be explained by the population's optimistic perception of job security and increasing wage incomes, with the potential for increasing the level of indebtedness. These aspects were reflected in:

- the orientation of new loans towards real estate purchases, especially as a result of the "First Home" program. Thus, mortgage loans as a share of loans granted to the population registered a considerable advance;
- most loans granted were in lei and increasingly less in foreign currency;
- categories of the population that did not have the courage to apply for loans turned to bank lending products for the first time.

We can conclude that we are witnessing a significant increase in new loans, almost double in volume in 2024, compared to 2020. Regarding the structure of new loans granted to the population, an expansion of consumer and housing loans can be noted. In 2024, consumer loans in lei exceeded 2.7 billion lei, and housing loans recorded 5.2 billion lei, which strengthens the growth trend.

For new loans in euros, we found a significant increase of approximately 3 times in the analyzed period, from 365 million in 2020 to over 961 million in 2024. This increase suggests an increase in the preference for financing in euros, possibly influenced by the differences in interest rates compared to loans in lei.

Figure 3. We observe a gradual decrease in the total volume of new loans in dollars, from approximately \$71 million in 2020 to \$58.8 million in 2024.

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