

China's banking regulator urges lenders to keep even pace of credit growth

China's banking regulator asked lenders to keep credit growth at reasonable pace in 2010 and vowed to tighten supervision on property loans amid increasing risk of asset bubbles.

"Banks should reasonably control new loans, better manage the pace and try to achieve balanced issuance and steady growth of credit quarter by quarter," Liu Mingkang, chairman of the China Banking Regulatory Commission (CBRC) at a meeting on Tuesday.

Despite regulator's repeated warnings on risks hidden from the record 9.6 trillion yuan of new loans last year, banks rushed to lend more than 1 trillion yuan in the first month of this year in fear of the expected tighter loan policy in 2010 after the credit binge last year as media reported.

An official with the Industrial and Commercial Bank of China told Xinhua the credit growth in the first ten days of January was a little bit fast, and turned smooth in the last days of the month.

According to the statement posted on CBRC's Web site on Wednesday, Liu said the regulator will pay special attention to the changes in the property market, strictly enforce relevant policy, and beef up the "window guidance" over credit to the real estate sector.

But he restated banks should continue to support first-time home buyers.

Liu also told banks to continue lending to fund rural development, small business, consumer spending and environmental protection.

He said banks should keep adequate capital and heed of resurgence of bad loans.

*Source: Xinhua*