Bank Lending Survey Report
First Quarter - FY 2015/16

STATISTICS DEPARTMENT, BANK OF UGANDA

EXECUTIVE SUMMARY

The Statistics Department of Bank of Uganda conducted the Lending Survey for Supervised Financial Institutions for the quarter ended September 2015. The objectives of the quarterly survey were to: enhance BOU's understanding of the lending behavior and loan financing conditions among the deposit-taking institutions; and capture leading information on credit developments and bank lending in the Ugandan market during the quarter ended September 2015 and expectations for the quarter ending December 2015.

The key findings from the survey are detailed below.

Credit Standards

Banks reported having tightening credit standards in net terms over the quarter to September 2015. This was consistent with the anticipated net tightening reported by banks in the previous survey round. The bulk of the respondents however maintained their credit standards.

Across firm size, credit standards were tightened for both SMEs and large enterprises in net terms. In terms of the duration of the loans, banks tightened credit standards on both short-term loans and long-term loans in the quarter ended September 2015, albeit at a slower pace for the short term loans

Banks pointed to deliberate efforts to manage credit risk through lowering average exposure per borrower, reduction in long term deposits; rising interest rates, depreciation of the shilling and in general the volatile economic conditions as the major reasons for tightening.

Outlook on Credit Standards

In the next quarter to December 2015, banks expect to further tighten credit standards for loans to enterprises in net terms as well as across all firm sizes and duration of loans to enterprises. The highest tightening is anticipated for long term loan and the least tightening for loans to SME. Banks noted that the observed changes in the macro-economic environment such as; continued depreciation of the local currency, rising interest rates, BOU tight policy stance and an uncertain political landscape as the factors that are likely to impact the borrowers' ability to service their loans, therefore leading banks to undertake cautious policy stance. Banks indicated that the loans to SMEs are easier to monitor hence the slower pace in tightening their credit standards.

On the other hand, banks expect to further tighten credit policy to households on a net basis due to the expected increase in cost of funds which may increase the default rate.

Outlook on Demand for credit

Credit demand from both enterprises and households is expected to decrease over the next three months to December 2015, on a net basis. The increase in borrowing costs due to the anticipated increase in the central bank rate, depreciation in the shilling and volatility of the economic coupled with anxiety in the political environment are some of the reasons highlighted for the expected drop in demand for credit. Banks also pointed to customer sensitivity to rising rates, in addition to the increased rate of job loss expected to affect the appetite for credit by Households.

Outlook on Terms & Conditions

Majority of banks anticipate maintaining their terms and conditions for credit to enterprises and households in the quarter to December 2015. In net terms, both price and non-price terms are skewed towards tightening. Banks expect to widened the margin on riskier loans on account of the current macroeconomic fundamentals suggesting intensification of risk identification by banks in light of rising cost of funds.

Outlook on the default rate on loans

The default rate on loans to both enterprises and households is expected to increase on a net basis in the coming three months. Banks expect the current macroeconomic conditions to impact on SMEs' and large enterprises' ability to repay their loans. With respect to households, banks pointed out that the expected increase in interest rates; high cost of living and observed layoff are likely to worsen default rates.

Interest Rate Expectations

Lending rates are expected to increase over the quarter to end December 2015 owing to the current macroeconomic conditions and direction of BOU policy rate.

Foreign currency lending

The banks reported having decreased their foreign currency lending in the quarter to September 2015**.** However, the majority of the respondents maintained their foreign currency lending**.** Banks anticipate a further decline in their foreign currency lending in the quarter to December 2015 on account of expected increase in the appreciation of the dollar, the rising interest rates and the scarcity in long term deposits.

1. Introduction to the lending survey

Objectives of the Survey

The lending survey is conducted by Statistics Department of Bank of Uganda (BOU) to capture past and prospective developments in the credit market. The survey is designed to complement existing quantitative data on credit and lending rates.

The main objectives of the survey are to:

i) Enhance BOU's understanding of the lending behaviour and loan financing conditions among the deposit-taking institutions; and

ii) Capture leading information on credit developments.

The survey covered the outturn for the quarter ended September 2015 and expectations for the quarter ending December 2015. Questionnaires were sent to all 25 Commercial banks in Uganda and response rate was 80 percent for Commercial banks.

Therefore this survey report covers only the responses received from commercial banks. The methodology used in the analysis is detailed in Appendix 1.

2. Survey Findings

2.1 Enterprises

2.1.1 Credit standards

In the first quarter of FY 2015/16, credit standards on loans to enterprises were tightened contrary to easing observed in the previous quarter.

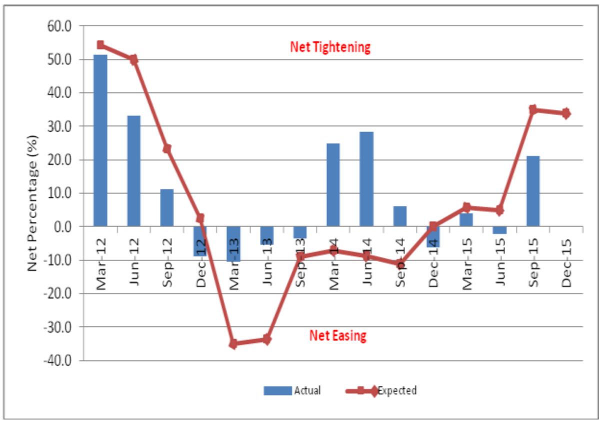
Banks reported having tightened credit standards in net terms (27.7 percent) in September 2015 compared to easing of -2.2 percent in the quarter ended June 2015.The net tightening was rather at a slower pace than anticipated (35.1 percent) in the previous survey. The bulk of the respondents (71.2 percent) however maintained their credit standards. (Table 1 and figure 1).

Across firm size, credit standards were tightened for both SMEs (35.8 percent) and large enterprises (28.8 percent) in net terms.

In terms of the duration of the loans, banks tightened credit standards on both short-term loans and long-term loans in the quarter ended September 2015, albeit at a slower pace for the short term loans (Table 1).

Banks pointed to deliberate efforts to manage credit risk through lowering average exposure per borrower, reduction in long term deposits; rising interest rates, depreciation of the shilling and the volatile economic conditions as the major reasons for tightening.

Figure 1: Overall Credit standards to Enterprises



Notes:

(a) Net percentage balances are calculated by obtaining the difference between the percentage of lenders reporting that, a factor has tightened/increased and those reporting that it has eased/decreased. A negative balance indicates that more credit is available.

(b) The bar graph shows the net percentage over the previous three months. The line graph shows the expectation over the next three months.

(c)Expectations have been moved forward one quarter so that they can be compared with the actual outturn in the following quarter.

Table 1: Credit Standards as applied to approval of loans to Enterprises

	Overall		Loans to SMEs		Large enterprises		Short-term Loans		Long-term Loans	
	Jun-15	Sep-15	Jun-15	Sep-15	Jun-15	Sep-15	Jun-15	Sep-15	Jun-15	Sep-15
Tightened(A)	6.3	27.7	26.7	38.4	11.8	28.8	5.1	25.5	25.0	44.6
Unchanged	85.9	71.2	64.8	59.0	81.2	71.2	85.5	74.5	66.5	55.4
Eased (B)	8.5	0.0	8.5	2.6	7.0	0.0	9.4	0.0	8.5	0.0
Net %(A-B)	-2.2	27.7	18.2	35.8	4.8	28.8	-4.3	25.5	16.5	44.6
Interpretation: Negative-net easing, positive-net tightening										

Source: Bank of Uganda

In the next quarter to December 2015, banks expect to further tighten credit standards for loans to enterprises in net terms. Banks also reported net tightening in the coming quarter across all firm sizes and duration of loans to enterprises with the highest tightening anticipated for long term loan and the least tightening for loans to SME (*See Figure 1 and Table 2*).

Banks noted that the observed changes in the macro-economic environment such as continued depreciation of the local currency against major currencies, rising interest rates, BOU tight policy stance and an uncertain political landscape as the factors that are likely to impact the borrowers' ability to service their loans, therefore leading banks to undertake cautious policy stance. Banks indicated that the loans to SMEs are easier to monitor hence the slower pace in tightening their credit standards.

Table 2: Expectations for Credit Standards as applied to approval of loans to Enterprises

	Overall		Loans to SMEs		Large enterprises		Short-term Loans		Long-term Loans	
Stance	Sep-15	Dec-15	Sep-15	Dec-15	Sep-15	Dec-15	Sep-15	Dec-15	Sep-15	Dec-15
Tighten (A)	35.1	41.3	41.2	48.8	20.4	36.3	20.1	18.3	39.0	55.1
Unchanged	64.9	47.2	54.9	51.2	79.6	63.7	72.0	71.1	61.0	44.9
Ease (B)	0.0	0.0	3.9	0.0	0.0	0.0	7.9	10.6	0.0	0.0
Net %(A-B)	35.1	41.3	37.3	48.8	20.4	36.3	12.2	7.7	39.0	55.1
Interpretation: Negative-net easing, positive-net tightening										

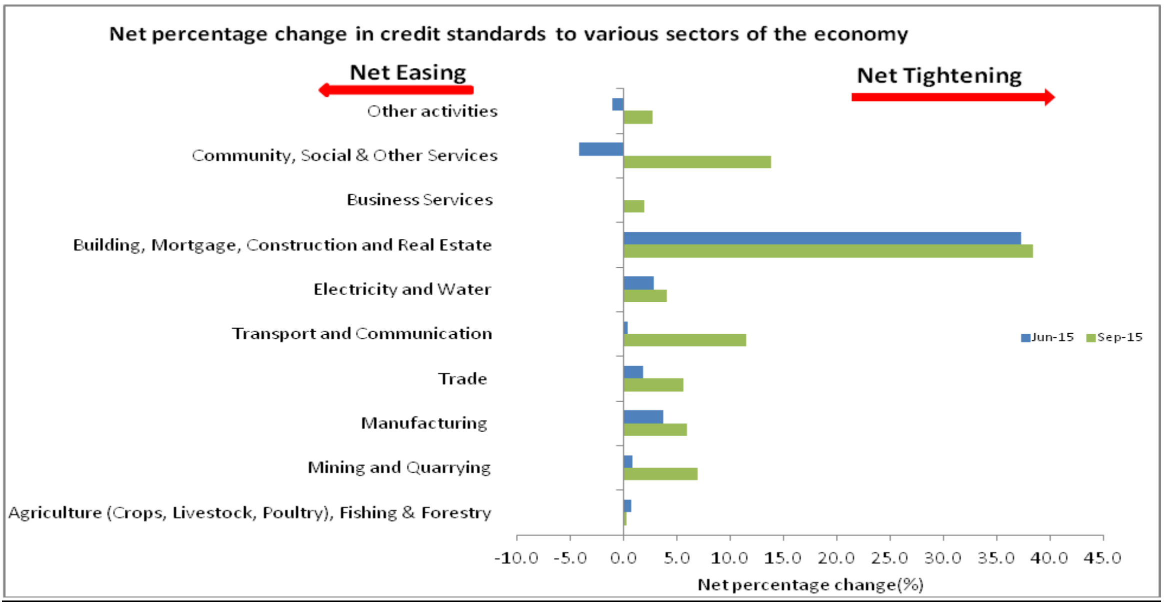
Source: Bank of Uganda

2.1.2 Credit Standards by Sector

In terms of the sectors of the economy, majority of banks reported having kept overall credit standards broadly unchanged in the quarter ended September 2015. On a net basis however, banks further tightened credit standards for loans to the building, mortgage, construction and real estate (38.4 percent); community, social and other services (13.9 percent), transport and communication (11.5 percent) sectors.

The main reasons cited particularly for tightening of credit standards to building, mortgage, construction and real estate sector were: the long-term nature of the projects which require long-term deposits that are currently scarce; delayed payments to contractors for work done which impact on their credit performance and the observed decline in property market value. (*See Figure 2*)

Figure 2: Changes in credit standards by economic sector



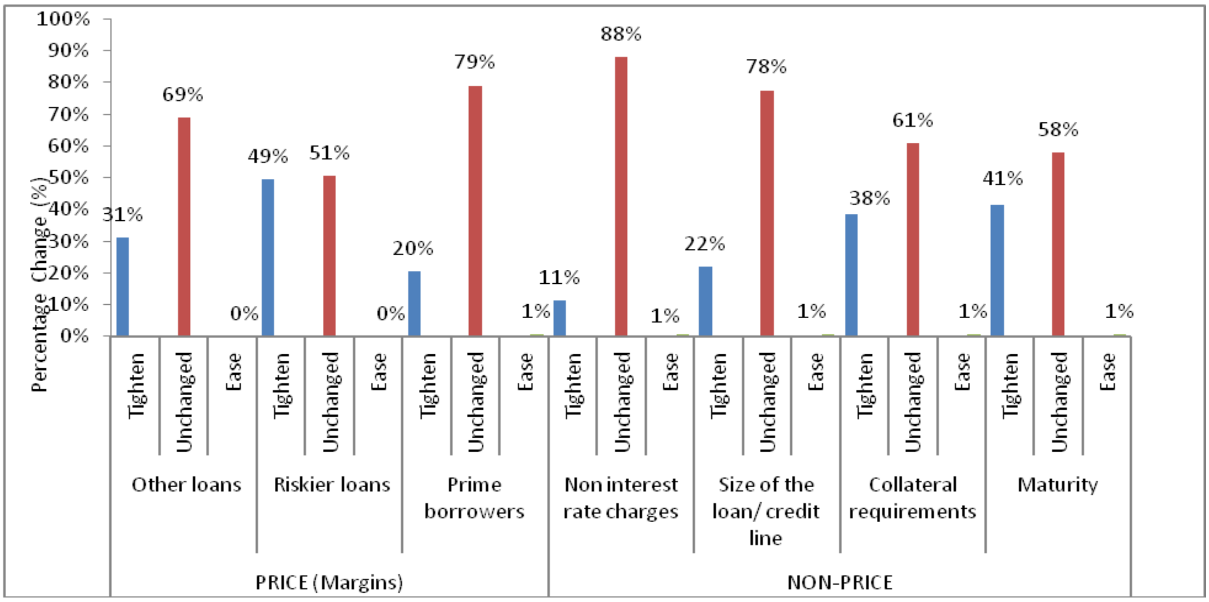
Source: Bank of Uganda

2.1.3 Expectations in the Terms and Conditions for Credit to Enterprises

Although majority of banks anticipate maintaining their terms and conditions unchanged in the quarter to December 2015, in net terms, both price and non-price terms are skewed towards tightening (Figure 3).This suggests anticipated further reduction in financing to enterprises during the quarter to December 2015.

A considerable percentage of banks (49.4 percent) expect to tighten the riskier loans on account of increasing interest rates, expected increase in the central bank rate and inflation effects.

Figure 3: Expected changes in terms & conditions for approving loans to enterprises for Quarter ending December 2015



Source: Bank of Uganda

2.1.4 Demand for Credit by Enterprises

Overall, banks anticipate reduction in demand for credit in the next three months to December 2015.

The highest percentage of reduction in demand is expected from large enterprises (-52.0 percent) (See Table 3).

Table 3: Demand expectations for the next three months (October-December 2015)

	Overall		Loans to SMEs		Large enterprises		Short-term Loans		Long-term Loans	
	Sep-15	**Dec-15**	**Sep-15**	**Dec-15**	**Sep-15**	**Dec-15**	**Sep-15**	**Dec-15**	**Sep-15**	**Dec-15**
Increase(A)	44.5	4.4	44.5	7.6	46.0	0.7	50.0	18.4	42.9	16.3
Unchanged	44.3	51.2	41.7	44.6	39.3	46.5	41.6	64.2	45.9	49.9
Decrease(B)	9.7	43.3	12.3	47.8	13.1	52.7	7.1	17.3	9.7	33.8
Net %(A-B)	**34.8**	**-38.9**	**32.2**	**-40.2**	**32.8**	**-52.0**	**42.9**	**1.1**	**33.2**	**-17.5**
Interpretation: Negative-net decrease, positive-net increase										

Source: Bank of Uganda

Some of the major reasons given for the expectation above are:

a) The increase in borrowing costs due to the anticipated increase in the central bank rate.
b) Depreciation in the shilling that is likely to cause importers to hold back on their import cycle.
c) Volatility of the economy and anxiety in the political environment.

On the other hand, those that anticipate increase in credit demand highlighted the need to target the festive season especially demand for short term loans.

2.2 Households and Individuals

2.2.1 Credit standards to households

In the quarter ended September 2015, banks reported having tightened credit standards, on a net basis, to households and individuals. The majority of banks (61.1 percent) maintained credit standards for loans to households in September 2015. (See appendix 2).

Banks noted that the net tightening in credit policy to households was mainly driven by the high default rate resulting from reduced disposable income induced by the increasing interest rate with no increase in income.

In the quarter to December 2015, banks expect to further tighten credit policy to households on a net basis (42.7 percent) due to the expected increase in cost of funds which may further increase the default rate.

2.2.2 Outlook on Terms and Conditions for Credit to Households

The majority of lenders indicated that they expect to keep their terms and conditions for consumer credit unchanged over the next three months to December 2015. However, on a net basis, there was a bias towards tightening for both price and non-price terms. (See appendix 4).

2.2.3 Demand for Credit

In the three months to December 2015, banks anticipate the demand for credit by households to decrease. 50.5 percent of the respondents noted that the demand would drop compared to 15.4 percent that reported that demand for credit would go up.

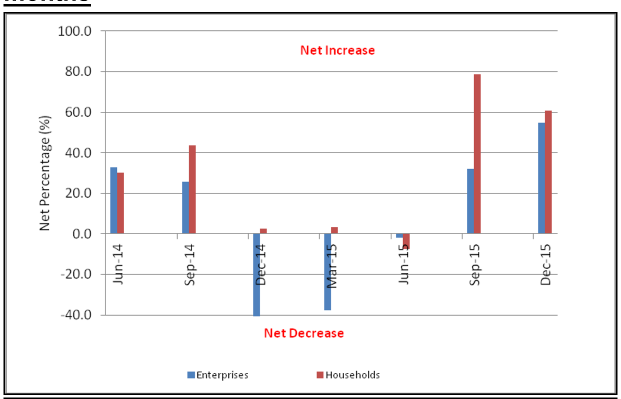
Banks pointed to customer sensitivity to rising rates, the worsening macroeconomic fundamentals (inflation, depreciation of the shilling) in addition to the increased rate of job loss expected to affect the appetite for credit.

2.3 Expected Default rate on loans to enterprises and Households

Banks were asked to report their expectations on the change in the default rates on loans to enterprises and households over the quarter to end December 2015. On a net basis, 54.7 percent and 60.7 percent expect default rates on loans to enterprises and households, respectively, to increase in the coming three months. Banks expect the current macroeconomic conditions to impact on SMEs' and large enterprises' ability to repay their loans.

With respect to households, banks pointed out that the expected increase in interest rates, increased cost of living and observed layoff are likely to worsen default rates.

<u>Figure 4: Default rate expectations for the next three months</u>



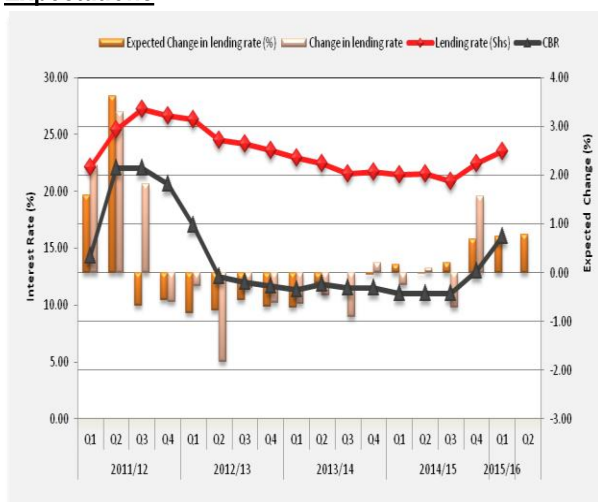
2.4 Interest Rate Expectations for Quarter 2, FY 2015/16

The survey results indicate that the majority of banks expect to increase lending rates over the next quarter to December 2015 as shown in *Figure 5.*

The average percentage increase in lending rates over the next quarter to December 2015 is estimated at 0.78 percentage points.

Banks that expect to increase lending rate noted the increasing yields on government securities and low liquidity position in the market; depreciation of the shilling, rising inflation and the increase in CBR as the major factors for their expectation.

<u>Figure 5: Changes in interest rates vis-à-vis Net Expectations</u>



<u>Notes:</u> The line graphs show actual lending rate and CBR outturns over the quarter. The bar graphs show the average percentage, by which lending rates were expected to increase over the next quarter following the survey and the actual change in lending rates over the quarter. Expectations have been moved forward by one quarter so as to be comparable with the actual outturns.

2.5 Foreign currency Lending

In light of the current trend of exchange rate, banks were asked to indicate their foreign currency lending and expectations. The banks reported having decreased (-12.8 percent their foreign currency lending in the quarter to September 2015. However, the majority of the respondents maintained their foreign currency lending.

Banks anticipate a further decline in their foreign currency lending in the quarter to December 2015 on account of expected increase in the appreciation of the dollar, the rising interest rates and the scarcity of long term deposits.

3. 0 Conclusion

The bank lending survey results indicated that banks tightened credit standards in net terms for both enterprises and households in Q1 FY 2015/2016, although with a large percentage of banks maintaining their credit standards. The net tightening was driven by the current macroeconomic conditions indicating increase in inflation, the central bank rate and the interest rates.

In the coming months to December 2015, the expectation of lenders is towards net tightening of credit standards for both enterprises and households in response to the anticipated changes in macroeconomic environment.

In terms of demand, most lenders anticipate credit demand to decrease. The worsening macroeconomic fundamentals are expected to reduce demand for credit by both enterprises and household.

Lenders expect interest rates to trend upwards over the period to December 2015 in line with the current macroeconomic fundamentals and direction of BOU policy rate.

The banks' foreign currency lending has decreased and is expected to take the same trend during the next quarter to December 2015.

APPENDICES

APPENDIX 1: Methodology

Questions:

The questions in the lending survey questionnaire distinguish between two categories of loans namely: a) loans to enterprises and b) loans to households and individuals. For each category, questions were posed on credit standards for approving loans; credit terms and conditions; default rate; as well as credit demand and its determinants.

Weighting:

The results of the survey were weighted by the respective institutions' market share in the credit market. This approach takes into account the varying sizes and participation of the different respondent institutions in the formal credit market during the period under review. The weights used in the computation were derived by taking the sum of each institution's market share of credit over the three month period (April-May 2015), as represented by each bank's new gross extensions to total new gross extensions of the commercial banking sub sector for the same period.

Analysis of data:

For the analysis of aggregate results, lenders who report that credit conditions have changed 'considerably' are summed together with those who report that conditions have changed 'somewhat'. The results are summarized by calculating '*net percentage balance*' which is the difference between the weighted balances of lenders reporting that, say, demand had increased/ decreased or credit standards were tightened/ eased. The net percentage balances are scaled to a range between -100 and +100.

Positive net percentage balances indicate those lenders that reported/expected demand/default rate to be higher than the previous/current three-month period, or rather that the credit standards/ terms and conditions on which credit was/ will be provided became tighter/ are expected to tighten.(See *illustration below)*

On the other hand, interest rate expectations were derived by asking commercial banks whether they were likely to charge higher or lower lending rates in the next three months, compared to the previous quarter's levels and by how much. The responses were weighted by the responding institutions' market share of the total credit market for the quarter ended June 2015 as shown in *Appendix 3*.

Illustration

'Eased somewhat' + 'Eased considerably' = Eased

'Tightened somewhat' + 'Tightened considerably' = Tightened

Response	**Fraction of total giving response (%)**
Eased / Decreased	X
Unchanged	Y
Tightened / Increased	Z
Net percentage change	Z- X

Interpretation of percentage change

-100 0 +100

Eased / Decreased ← → Tightened / Increased

COMMERCIAL BANKS:

APPENDIX 2: Credit Standards as applied to approval of loans to households by Banks

Banks' Action	Mar-15	Jun-15	Sep-15
Tighten (A)	23.8	3.3	22.0
Unchanged	42.0	73.3	61.1
Eased (B)	34.2	4.2	15.1
Net %(A-B)	**-10.4**	**-0.9**	**6.9**

APPENDIX 3: Household and consumer credit standards-expectations by Banks

Banks' Expectation for quarter ending	Jun-15	Sep-15	Dec-15
Tighten(A)	21.5	12.7	43.4
Unchanged	50.5	57.0	55.9
Ease(B)	28.0	30.3	0.7
Net %(A-B)	**-6.5**	**-17.6**	**42.7**

APPENDIX 4: Expected changes in terms & conditions for approving loans to households by Banks

	Price						Non-price							
Expected Action	Average loans		Riskier loans		Prime borrowers		Non-interest rate		size of loan		collateral		Maturity	
	Sep-15	Dec-15	Sep-15	Dec-15	Sep-15	Dec-15	Sep-15	Dec-15	Sep-15	Dec-15	Sep-15	Dec-15	Sep-15	Dec-15
Tighten(A)	22.7	29.5	31.0	32.2	12.3	13.6	4.9	9.5	11.6	24.0	13.1	15.8	8.8	11.3
Unchanged	76.9	69.8	69.0	67.8	84.6	85.7	92.4	89.8	89.7	75.3	85.2	83.5	91.2	88.0
Ease (B)	0.0	0.7	0.0	0.0	2.7	0.7	2.3	0.7	0.0	0.7	0.0	0.7	0.0	0.7
Net %(A-B)	**22.7**	**28.8**	**31.0**	**32.2**	**9.6**	**12.9**	**2.6**	**8.8**	**11.6**	**23.3**	**13.1**	**15.1**	**8.8**	**10.6**

APPENDIX 5: Household and consumer credit demand expectations by Banks

Banks' expectation	Jun-15	Sep-15	Dec-15
Increase(A)	24.2	57.9	15.4
Unchanged	52.3	17.6	34.1
Decrease(B)	23.5	24.9	50.5
Net %(A-B)	**0.7**	**32.7**	**-35.0**

APPENDIX 6: Household and consumer credit default rate expectations by Banks

Banks' expectation	Jun-15	Sep-15	Dec-15
Increase(A)	21.3	79.7	61.3
Unchanged	50.1	19.4	38.0
Decrease(B)	28.6	0.9	0.7
Net %(A-B)	**-7.3**	**78.9**	**60.7**

Appendix 7: Summary of Bank lending survey results

To calculate aggregate results, lenders who report that credit conditions have changed 'considerably' are summed together with those who report that conditions have changed 'somewhat'.
These scores are then weighted by lenders' market shares. The weights used in the computation were derived by taking an average of each institution's market share
over the three month period , as represented by each bank's outstanding stock of loans to total outstanding loans of the commercial banking sector.
The results are analysed by calculating 'net percentage balances' — the difference between the weighted balance of lenders reporting that, for example, demand was higher/lower or
credit standards were tighter/looser. The net percentage balances are scaled to lie between ±100.
This annex reports the net percentage balance of respondents for each question in the lending survey questionnaire.

Positive balances indicate that lenders, on balance, reported/expected demand/default rate to be higher than over
the previous/current three-month period, or that the credit standards/ terms and conditions on which credit was/ will be provided became tighter/ are expected to tighten.

Period		2013/14				2014/15				2015/16
Part I: Enterprises		Q1	Q2**	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has your bank's credit policy as applied to the approval of loans or credit lines to enterprises changed?										
Overall	Past three months	-3.6	n/a**	25.0	28.3	6.1	-6.3	3.9	-2.2	27.7
	Next three months	-7.0	n/a**	-8.6	-11.0	0.3	5.8	5.1	35.1	41.3
SMEs (b)	Past three months	18.3	n/a**	22.7	26.9	2.5	14.3	19.8	18.2	35.8
	Next three months	-13.1	n/a**	-11.2	-14.2	4.8	-0.7	7.3	37.3	48.8
Large enterprises	Past three months	-5.1	n/a**	5.5	4.0	8.1	-6.3	11.8	4.8	28.8
	Next three months	-9.5	n/a**	2.6	-0.4	4.4	4.9	5.1	20.4	36.3
Short term loans	Past three months	-15.0	n/a**	-19.7	-24.0	-25.7	-12.3	2.7	-4.3	25.5
	Next three months	-17.6	n/a**	-24.2	-32.8	-26.7	-44.9	-17.0	12.2	7.7
Long term loans	Past three months	-2.8	n/a**	24.0	28.2	32.5	26.6	20.8	16.4	44.6
	Next three months	-3.2	n/a**	21.7	23.1	1.5	38.2	22.0	39.0	55.1
How has your institution's credit policy as applied to the approval of loans or credit lines to enterprises changed for the following sectors?										
Agriculture (Crops, Livestock, Poultry), Fishing & Forestry	Past three months	-7.4	n/a**	7.7	-2.5	-14.6	-3.5	12.2	0.7	0.3
Mining and Quarrying	Past three months	1.0	n/a**	1.3	-1.1	3.6	5.8	3.3	0.9	6.9
Manufacturing	Past three months	-28.6	n/a**	19.0	23.1	-3.9	-6.7	1.6	3.8	6.0
Trade	Past three months	-10.0	n/a**	-19.4	-29.1	-2.5	-1.2	2.7	1.8	5.6
Transport and Communication	Past three months	-27.9	n/a**	-12.3	-26.4	10.8	-5.0	16.5	0.4	11.5
Electricity and Water	Past three months	-24.5	n/a**	-18.8	-26.4	-2.7	-10.1	0.0	2.9	4.1
Building, Mortgage, Construction and Real Estate	Past three months	22.4	n/a**	33.9	33.2	31.8	29.3	30.0	37.3	38.4
Business Services	Past three months	-21.3	n/a**	2.1	-2.1	-3.7	-15.1	2.0	0.0	2.0
Community, Social & Other Services	Past three months	-25.8	n/a**	1.1	-1.5	-3.5	-13.3	-0.5	-4.2	13.9
Personal Loans and Household Loans	Past three months	-24.6	n/a**	2.0	-1.1	0.6	-9.3	0.3	-1.0	2.7
How do you expect your institution's terms and conditions for approving loans or credit lines to enterprises to change?										
Margin on average loans	Next three months	-32.2	n/a**	-23.2	-28.3	-25.7	4.1	17.5	12.4	31.1
Margin on riskier loans	Next three months	19.5	n/a**	37.8	44.5	56.1	58.9	58.9	43.6	49.4
margin on prime borrowers	Next three months	-32.5	n/a**	-8.3	-21.8	-21.1	-22.2	13.0	5.0	19.7
Non-interest rate charges	Next three months	-1.0	n/a**	-0.8	-3.1	-2.8	6.7	9.0	4.2	10.6
Size of the loan or credit line	Next three months	-1.2	n/a**	-0.3	-3.9	-2.8	2.7	13.4	11.8	21.1
Collateral requirements	Next three months	21.2	n/a**	25.2	26.6	31.3	39.3	25.3	23.8	37.7
Maturity	Next three months	-21.4	n/a**	-19.6	-22.9	4.3	32.3	29.1	22.3	40.7
Please indicate how you expect demand for loans or credit lines by enterprises to change at your institution?(apart from normal seasonal fluctuations)?										
Overall	Next three months	57.6	n/a**	6.9	26.4	58.4	26.2	30.4	34.8	-38.9
SMEs	Next three months	60.5	n/a**	-9.6	-7.0	29.0	27.0	34.5	32.2	-40.2
Large enterprises	Next three months	46.1	n/a**	-13.0	-8.4	48.3	42.1	27.9	32.8	-52.0
Short term loans	Next three months	78.2	n/a**	28.5	48.3	53.2	35.4	36.4	42.9	1.1
Long term loans	Next three months	46.1	n/a**	-17.7	-9.0	1.1	-3.4	28.2	33.2	-17.5
Please indicate how do you expect the default rate on loans to enterprises to change over the next three months ? ?										
Overall	Next three months	-3.1	n/a**	32.8	25.8	-43.3	-37.9	-2.0	32.5	54.7
SMEs	Next three months	-4.0	n/a**	32.9	24.6	-18.6	-12.6	16.8	35.3	49.5
Large enterprises	Next three months	2.2	n/a**	33.0	22.5	-37.7	-35.2	0.6	13.9	24.8
Short term loans	Next three months	-3.1	n/a**	22.3	26.4	-52.8	-41.3	-2.5	6.0	33.3
Long term loans	Next three months	3.5	n/a**	31.9	24.1	-41.1	-35.8	-2.9	12.2	47.8

Period		2013/14				2014/15				2015/16
Part II: Households		Q1	Q2**	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How have your bank's credit policy as applied to the approval of loans to households and non-enterprises changed?	Past three months	-1.0	n/a**	-25.0	-30.9	-26.3	5.1	-10.4	-0.9	6.9
	Next three months	-31.1	n/a**	-42.5	-46.7	-35.5	-51.8	-6.6	-17.6	42.7
Please indicate how you expect demand for loans to households (for purposes of consumer credit) to change?	Next three months	75.8	n/a**	66.0	56.5	58.5	73.9	0.7	32.7	-35.0
How do you expect your institution's terms and conditions for approving loans or credit lines to households to change?										
Margin on average loans	Next three months	-11.1	n/a**	-36.9	-0.9	-11.0	-2.2	36.8	22.7	28.8
Margin on riskier loans	Next three months	5.3	n/a**	2.6	18.0	9.3	21.0	38.3	31.0	32.2
Margin on prime borrowers	Next three months	-20.6	n/a**	-10.7	-12.1	-9.7	-3.1	-10.1	9.6	12.9
Non-interest rate charges	Next three months	28.5	n/a**	20.5	23.6	21.8	-2.8	-8.3	2.6	8.8
Size of the loan or credit line	Next three months	-15.6	n/a**	-22.2	-26.9	-27.7	-24.1	-12.0	11.6	23.3
Collateral requirements	Next three months	10.8	n/a**	1.3	5.0	2.5	9.9	-4.6	13.1	15.1
Maturity	Next three months	1.2	n/a**	0.1	1.3	1.2	22.9	21.9	8.8	10.6
Please indicate how do you expect the default rate on loans to households to change over the next three months ?	Next three months	42.4	n/a**	30.3	43.7	2.4	3.3	-7.3	78.9	60.7

Period			2013/14			2014/15				
Part III: Occassional Questions		Q1	Q2**	Q3	Q4	Q1	Q2	Q3	Q3	Q4
To what extent have the events in the global financial markets affected your bank's willingness to lend?	Past three months	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**
	Next three months	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**
How do you expect the lending rates at your institution;										
To change?	Next three months	-21.3	n/a**	-3.3	4.9	0.3	7.5	53.1	78.3	37.8
And by how much?(c)	Next three months	-0.22	n/a**	-0.04	0.16	0.00	0.20	0.69	0.75	0.78

* The frequency of the lending survey was increased from bi annual to quarterly in the Q2 FY 2010/11 survey.

** Additional question not asked in survey.

(a) Net percentage balances are calculated by the difference between the weighted balance of lenders reporting that, demand was higher/lower or credit standrads were tighter/looser.

Positive balances indicate that lenders, on balance, reported/expected demand/default rate to be higher than over the previous/current three-month period, or that the credit standards/ terms and conditions on which credit was/ will be provided became tighter/ are expected to tighten.

(b) Small and Medium Enterprises (SMEs) was defined as an enterprise employing less than 100 employees where as large Enterprises are enterprises were defined as those enterprises employing more than 100 employees.

(C) Expected change in lending rates(in percentage points) is calculated by summing up the weighted decreases/increases(got by multiplying the weights and expected change in lending rate) of the respective lenders.

(d) The survey was not conducted in Q2** FY 2013/14