Bank Lending Survey Report
First Quarter - FY 2016/17

STATISTICS DEPARTMENT, BANK OF UGANDA

Table of Contents

List of Figures

List of Tables

Executive Summary

Statistics Department conducted the lending survey for supervised deposit-taking financial institutions, for the quarter ended September 2016. The objectives of the survey were to: enhance BOU's understanding of the lending behavior and loan financing conditions among deposit-taking financial institutions; capture leading information on credit developments and bank lending on the Ugandan market during the quarter ended September 2016 and expectations for the quarter ending December 2016.

Credit Standards

In the first quarter of FY 2016/17, credit standards on loans to enterprises were tightened at a higher pace compared to the previous quarter. This was due to the banks' deliberate efforts to improve and maintain the quality of the loan book, high default rates particularly from large enterprises; scarcity of long term deposits and tight liquidity conditions in the market.

Across firm size, credit standards were tightened at a higher pace compared to the previous quarter for both SMEs and large enterprises in net terms. In terms of loan duration, banks also tightened credit standards for both short and long term loans, on net basis, in the quarter ended September 2016.

In the quarter to December 2016, banks expect to further tighten credit standards across enterprises and duration except for short term loans. The main reasons cited by banks included: increase in default rate, inadequate capital for large enterprises and long term facilities. The easing of short term credit standards was expected from the anticipated further decline in Central Bank Rate (CBR) expected and higher demand from clients for working capital in preparation for the festive season.

Banks eased credit standards to households and individuals on a net basis and expect to further ease the standards in the quarter to December 2016 due to improvement in the macroeconomic conditions and the banks' strategy to retain stable income flows arising from salary earners.

Outlook on Demand for credit

In the quarter to December 2016, banks anticipate an overall increase in demand for credit from both enterprises and households. The increase in demand will be driven by relatively stable macroeconomic environment and outlook with the expected reduction in interest rates resulting from the decline in the CBR, the need for businesses to stock up in preparation for the festive season and increase in demand for education loan.

Outlook on Terms & Conditions for credit

In the quarter to December 2016, on a net basis, most banks expect to tighten the margins on riskier loans while easing conditions for prime borrowers to enterprises and households. The expectations will be driven by banks' focus on customers with higher credit worthiness (tightening), the continued reduction in CBR and competition in the lending market (easing).

All non-price terms and conditions (size of the loan, collateral requirements and maturity period) to enterprises and households are expected to tighten due to the desire to; focus on short term facilities given the tight liquidity conditions, improve the quality of loan portfolio, and the decline in property values and difficulty in disposing of property; new regulatory requirement on higher Loan to Value (LTV) ratio, reconsideration of loan tenor in light of risks for some categories of employers and lack of long term funding.

Outlook on the default rate on loans

On a net basis, banks expect default rates on loans to both enterprises and households to increase in the coming three months. The expected increase in default rate for enterprises is on account of the lagged effects of the previous high interest rate period, coupled with a tighter taxation regime. The change in prioritisation away from credit serving towards consumption on good and services related to the festive season and education accounts for the expected increase in default rate for households.

Interest Rate Expectations

The survey results indicate that the majority of banks expect their lending rates to remain unchanged over the next quarter to December 2016 while the rest expect to reduce their lending rates.

Introduction

Objectives of the Survey

The lending survey conducted by Statistics Department captures 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 2016 and expectations for the quarter ending December 2016. Questionnaires were sent to all 25 commercial banks in Uganda, yielding a response rate of 100 percent.

This survey report presents the findings from the analysis of the responses received from the commercial banks only. <u>The methodology used in the analysis is detailed in *Appendix 2*.</u>

1. Survey Findings

1.1 Enterprises

1.1.1 Credit Standards to Enterprises

Credit standards consist of internal banking rules/criteria/guidelines which will determine (based on the classification by sector, area, size, financial indicators, etc.) what types of loans (collaterised, non-collaterised, investment, overdraft etc.) and amount to be provided and to which clients. This survey measures changes in such standards including cases when a bank has introduced new lending policy or amended the implementation of an existing lending policy.

In the first quarter of FY 2016/17, credit standards on loans to enterprises were tightened at a higher pace compared to the previous quarter.

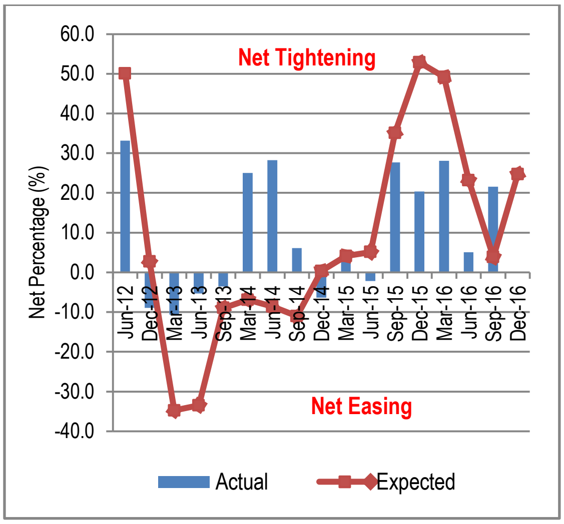
Banks reported tightened credit standards in net terms at 21.6 percent in the quarter ended September 2016 compared to 5.1 percent in June 2016. The net tightening was also higher than what banks had anticipated (3.8 percent) in the previous survey (*See Table 1 & 2 and Figure 1)*.

Across firm size, credit standards were tightened at a higher pace compared to the previous quarter for both SMEs (31.7 percent) and large enterprises (20.2 percent) in net terms.

In terms of loan duration, banks also tightened credit standards for both short and long term loans, on net basis, in the quarter ended September 2016 (*See Table 1*).

Key reasons cited for the tightening include: deliberate efforts to improve and maintain the quality of the loan book, high default rates particularly from large enterprises; scarcity of long term deposits and tight liquidity conditions in the market.

<u>Figure 1: Overall Credit standards to enterprises</u>



Source: **Bank of Uganda**

<u>Notes:</u>

(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	
Bank's action	**Jun-16**	**Sep-16**	**Jun-16**	**Sep-16**	**Jun-16**	**Sep-16**	**Jun-16**	**Sep-16**	**Jun-16**	**Sep-16**
Tightened(A)	5.1	22.1	14.0	32.9	5.0	20.2	3.9	12.8	18.1	34.9
Unchanged	94.9	77.5	85.1	65.9	95.0	9.8	94.9	81.6	81.9	64.7
Eased (B)	0.0	0.4	0.9	1.2	0.0	0.0	1.2	5.7	0.0	0.4
Net %(A-B)	**5.1**	**21.6**	**13.1**	**31.7**	**5.0**	**20.2**	**2.7**	**7.1**	**18.1**	**34.5**
Interpretation: Negative-net easing, positive-net tightening										

Source: Bank of Uganda

In the quarter to December 2016, banks expect to further tighten credit standards across enterprises and duration except for short term loans (*See Figure 1 and Table 2*).

The main reasons cited by banks for the expected tightening in credit standards, in the quarter to December 2016 include: increase in default rate, inadequate capital for large enterprises and long term facilities.

The easing of short term credit standards is expected from the further decline expected in the Central Bank Rate (CBR) and higher demand from clients for working capital in preparation for the festive season.

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	
Bank's expected action	**Sep-16**	**Dec-16**	**Sep-16**	**Dec-16**	**Sep-16**	**Dec-16**	**Sep-16**	**Dec-16**	**Sep-16**	**Dec-16**
Tighten (A)	9.1	29.7	18.8	39.9	16.0	30.1	9.1	0.2	23.9	42.2
Unchanged	85.7	65.4	69.6	49.7	82.7	69.5	80.1	84.9	70.9	57.4
Ease (B)	5.3	5.0	11.5	8.6	1.2	0.4	10.8	14.8	5.3	0.4
Net %(A-B)	3.8	24.7	7.3	31.3	14.8	29.7	-1.8	-14.6	18.6	41.8
Interpretation: Negative-net easing, positive-net tightening										

Source: Bank of Uganda

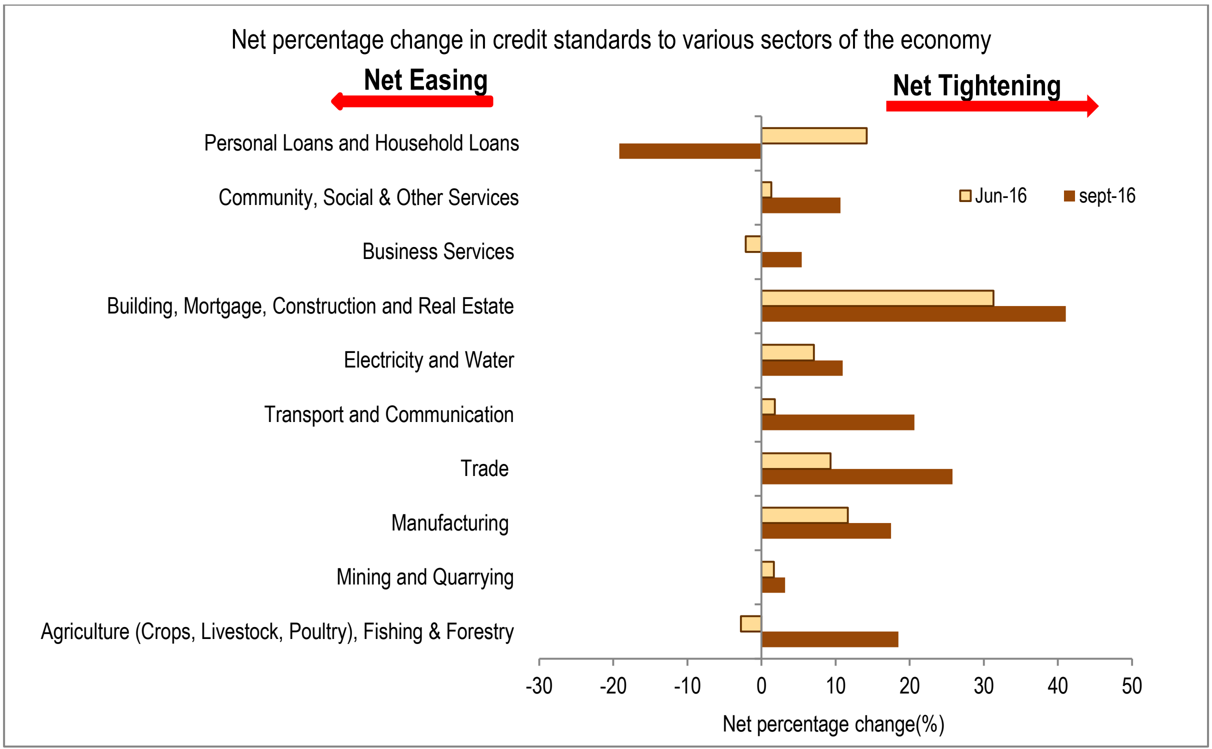
1.1.2 Credit Standards by Economic Sector

Banks were asked to indicate how their credit standards had changed for the different sectors of the economy. Compared to June 2016, all sectors except personal and house hold sector registered a net tightening in credit standards in September 2016 (*See Figure 2*).

The net easing in credit standards for the personal and household sector was on account of easing of the interest rates for facilities in the sector as a result of anticipated reduction in CBR.

The building, mortgage, construction and real estate sector registered the highest net tightening due to; delayed payments to contractors, most projects in this sector require long term funding yet liquidity conditions are tight in the market. The increased prices of construction materials resulting into high rental fees and unoccupied buildings has also impacted on the sector leading to increase in default rate.

Figure 2: Changes in credit standards by economic sector



Source: Bank of Uganda

1.1.3 Expectations in the Terms and Conditions for Credit to Enterprises

Credit terms and conditions refer to the specific obligations agreed upon by the lender and the borrower. In the context of this survey, they consist of:

a) Price-related terms and conditions that include the direct price or interest rate.

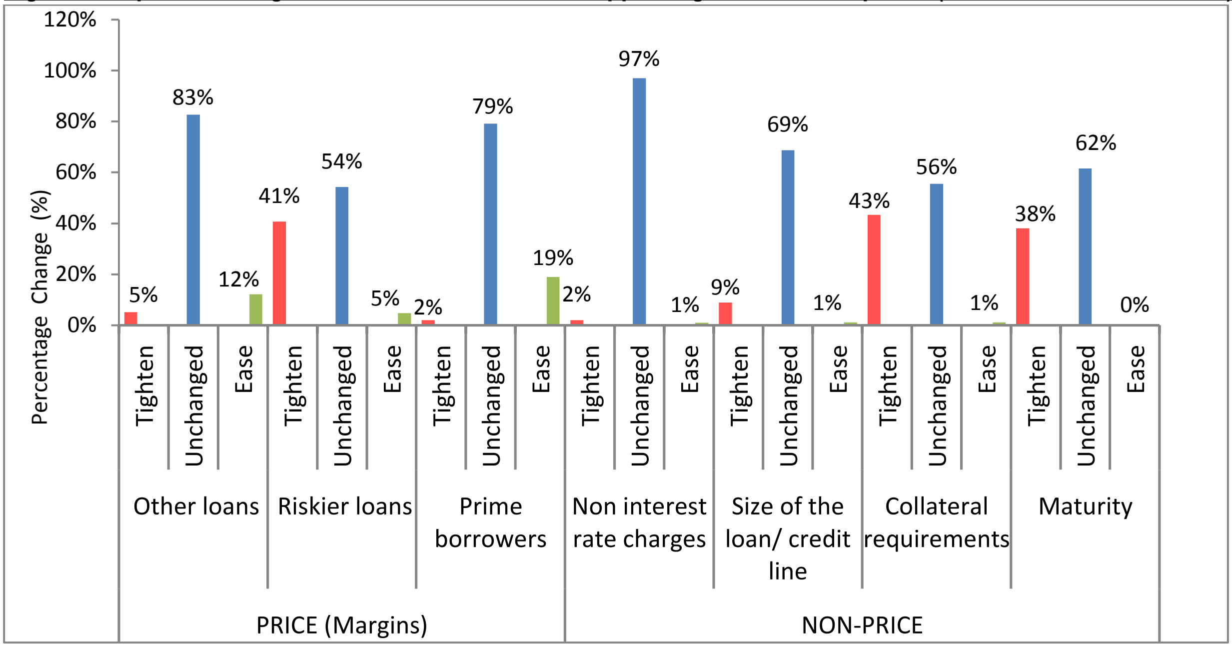
b) Non-price related terms and conditions that include the maximum size of the loan, the access conditions as well as other terms and conditions in the form of: non-interest charges (e.g. fees); collateral requirements (including compensating balances); loan covenants and maturities (short-term versus long-term).

In the quarter to December 2016, the percentage of banks that expect to keep both price and non-price terms unchanged exceed 50 percent for the different price and non-price terms and conditions.

On a net basis however, most banks expect to tighten the margins on riskier while easing conditions for prime borrowers and other loans. This is driven by banks' focus on customers with higher credit worthiness and expected reduction in interest rates, respectively.

All the non-price terms and conditions except non interest rate charges are expected to be tightened. The net tightening particularly in regards to collateral requirement and maturity period is due to lenders' desire to improve the quality of loan portfolio and focus on short term facilities given the tight liquidity conditions (see figure 3).

Figure 3: Expected changes in terms & conditions for approving loans to enterprises (October – December 2016)



Source: Bank of Uganda

1.1.4 Demand for Credit by Enterprises

In the quarter to December 2016, 74.7 percent of banks anticipate an overall increase in demand for credit while 25.3 percent expect demand to remain unchanged. The expected increase in demand cuts across all enterprises and duration of the loans (*See Table 3* below).

Some of the major reasons given for the expected increase in demand by enterprises above include:

a) The relatively stable macroeconomic environment and outlook, with the expected reduction in interest rates resulting from the decline in the CBR.

b) The need for businesses to stock up in preparation for the festive season.

Table 3: Demand expectations for the next three months (October-December 2016)

	Overall		Loans to SMEs		Large enterprises		Short-term Loans		Long-term Loans	
Bank's expected action	**Sep-16**	**Dec-16**	**Sep-16**	**Dec-16**	**Sep-16**	**Dec-16**	**Sep-16**	**Dec-16**	**Sep-16**	**Dec-16**
Increase(A)	30.4	74.7	34.4	75.7	29.4	59.9	39.0	74.4	19.8	48.3
Unchanged	60.4	25.3	57.4	24.3	62.0	40.1	56.1	25.6	62.0	51.7
Decrease(B)	0.3	0.0	3.3	0.0	3.6	0.0	0.0	0.0	10.1	0.0
Net %(A-B)	**30.1**	**74.7**	**31.1**	**75.7**	**25.8**	**59.9**	**38.8**	**74.4**	**9.7**	**48.3**
Interpretation: Negative-net decrease, positive-net increase										

Source: Bank of Uganda

1.2 Households and Individuals

1.2.1 Credit standards to households

Contrary to enterprises, banks eased credit standards to households and individuals on a net basis. This is contrary to net tightening observed in the previous period (*See Appendix 1*).

Banks noted the relative stable economy and use of credit reference bureau to reward borrowers with good credit records as the major reasons for easing credit standards

In the quarter to December 2016, banks expect to further ease credit policy to households, a net easing of 11.6 percent compared to outturn of 8.7 percent in the quarter ended September 2016 (*See Appendix 1*). The further easing is attributed to improvement in the macroeconomic conditions and the banks' strategy to retain stable income flows arising from salary earners.

1.2.2 Outlook on Terms and Conditions for Credit to Households

Although both price and non-price terms and conditions for consumer credit are expected to remain largely unchanged over the next three months to December 2016, banks indicated that on a net basis, they expect to ease interest rate margins on average loans and prime borrowers and widen margins of riskier borrowers. Banks also indicated that they expect to increase non interest rate charges and tighten both maturity period and collateral requirements for the household sector (*See Appendix 1*).

The key reason cited for the net ease in price terms and conditions include: the continued reduction in CBR; competition in the lending market. On the other hand, the reasons cited for the net tightening of non-price terms and conditions include: the decline in property values and difficulty in disposing of defaulter's property (Collateral); new regulatory requirement on higher Loan to Value (LTV) ratio and reconsideration of loan tenor in light of risks for some categories of employers.

1.2.3 Demand for Credit by households

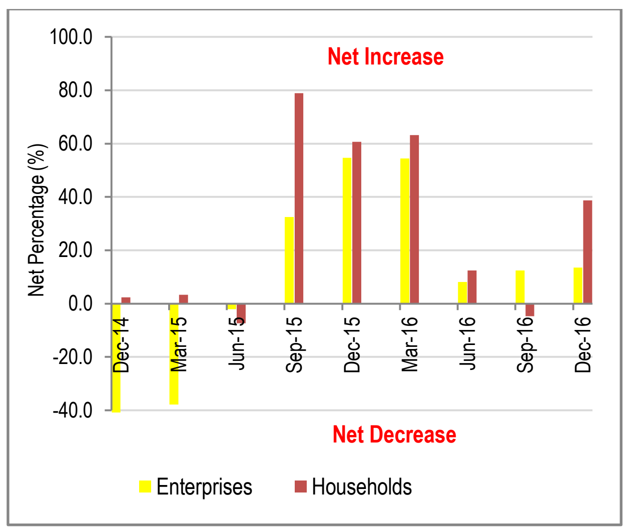
Credit demand by households is expected to increase in the three months to December 2016. Over 50 percent of banks indicated increased demand driven by the reduction in interest rates, improvement in general economic conditions, increased demand for education loan and the need to meet the demands for consumption during the festive season.

1.3 Expected Default rate on loans to enterprises and households

Banks were asked to report their expectations on the change in default rates on loans to enterprises and households over the quarter to end December 2016. On a net basis, 13.5 percent of the banks expect default rates on loans to enterprises to increase and 38.4 percent expect default rate on loans to households to increase in the coming three months (See Appendix 1).

The expected increase in default rate for enterprises is on account of the lagged effects of the previous high interest rate period, coupled with a tighter taxation regime. The change in prioritisation away from credit serving towards consumption on good and services a head of to the festive season and education funding accounts for the expected increase in default rate for households.

Figure 4: Default rate expectations



Source: Bank of Uganda

1.4 Interest Rate Expectations for Q2 FY 2016/17

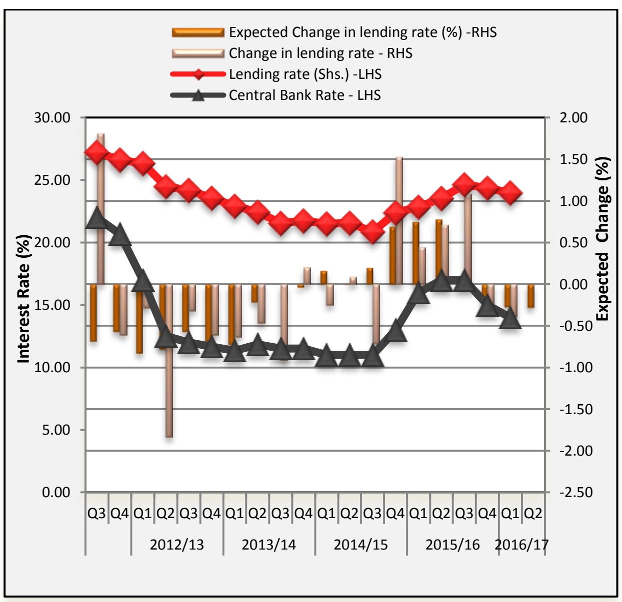
In an effort to understand the direction of lending interest rates from lenders, banks were asked to indicate the direction and magnitude of the change in lending rate in the coming three months.

The survey results indicate that over 54.7 percent of banks expect their lending rates to remain unchanged over the next quarter to December 2016 while the rest expect to reduce their lending rates.

The average percentage decrease in lending rates over the next quarter to December 2016 is estimated at 0.14 percentage points. It is important to note that, in the previous quarter, lenders expected to change the lending rate by 0.27 percentage points (See *Figure 5)*.

The anticipated decline will largely be driven by the downward trend in the CBR, relative stability in the exchange rate and pick up in the economy.

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



Source: Bank of Uganda

<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.

1.5 Monetary Policy Stance

In light of the current economic situation, banks were asked to indicate their expectations on the monetary policy stance in the next three months to December 2016.

Banks expect the monetary policy stance to ease in the three months to December 2016, mainly driven by anticipated decline in inflation levels and the need to boost economic growth.

2. Conclusion

The bank lending survey results indicated that banks tightened their credit standards at a higher pace to enterprises and eased credit standards to households in Q1 FY 2016/2017.

The tightening to enterprises was due to deliberate efforts to maintain the quality of the loan book, high default rates particularly from large enterprises; scarcity of long term deposits and tight liquidity conditions in the market. In the coming months to December 2016, banks expect to further tighten credit standards for enterprises and duration but ease policy for short term loans.

Easing to Households was based on the relative stable economy and the use of credit reference bureau to reward borrowers with good credit records. Banks also expect to further ease credit policy to households due to improvement in the macroeconomic conditions and the banks' strategy to retain stable income earners.

The demand for credit and default rate is expected to increase for both enterprises and households.

The survey results indicate that the majority of banks expect their lending rates to remain unchanged over the next quarter to December 2016. The banks that expect lending rates to ease cited the downward trend of CBR as the key factor.

APPENDICES

Appendix 1: Summary of Bank Lending Survey results

Period		2014/15				2015/16				2016/17
Part I: Enterprises		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Credit policy as applied to the approval of loans or credit lines to enterprises										
Overall	Past three months	6.1	-6.3	3.9	-2.2	27.7	20.4	28.1	5.1	21.6
	Next three months	0.3	5.8	5.1	35.1	52.8	49.2	23.2	3.8	24.7
SMEs	Past three months	2.5	14.3	19.8	18.2	35.8	51.2	45.7	13.1	31.7
	Next three months	4.8	-0.7	7.3	37.3	48.8	45.5	34.5	7.3	31.3
Large enterprises	Past three months	8.1	-6.3	11.8	4.8	28.8	34.3	33.1	5.0	20.2
	Next three months	4.4	4.9	5.1	20.4	36.3	42.7	34.5	14.8	29.7
Short term loans	Past three months	-25.7	-12.3	2.7	-4.3	25.5	4.4	-3.2	2.7	7.1
	Next three months	-26.7	-44.9	-17.0	12.2	7.7	25.1	19.1	-1.8	-14.6
Long term loans	Past three months	32.5	26.6	20.8	16.4	44.6	45.3	24.0	18.1	34.5
	Next three months	1.5	38.2	22.0	39.0	55.1	53.3	46.5	18.6	41.8
Credit policy as applied to the approval of loans or credit lines to enterprises to different sectors										
Agriculture (Crops, Livestock, Poultry), Fishing & Forestry	Past three months	-14.6	-3.5	12.2	0.7	0.3	13.7	23.2	-2.8	18.5
Mining and Quarrying	Past three months	3.6	5.8	3.3	0.9	6.9	15.1	22.0	1.7	3.2
Manufacturing	Past three months	-3.9	-6.7	1.6	3.8	6.0	33.2	39.1	11.6	17.5
Trade	Past three months	-2.5	-1.2	2.7	1.8	5.6	19.7	31.7	9.3	25.8
Transport and Communication	Past three months	10.8	-5.0	16.5	0.4	11.5	30.6	40.4	1.8	20.6
Electricity and Water	Past three months	-2.7	-10.1	0.0	2.9	4.1	9.8	25.2	7.1	11.0
Building, Mortgage, Construction and Real Estate	Past three months	31.8	29.3	30.0	37.3	38.4	46.2	43.0	31.3	41.1
Business Services	Past three months	-3.7	-15.1	2.0	0.0	2.0	-2.1	23.3	-2.1	5.4
Community, Social & Other Services	Past three months	-3.5	-13.3	-0.5	-4.2	13.9	7.9	26.3	1.3	10.7
Personal Loans and Household Loans	Past three months	0.6	-9.3	0.3	-1.0	2.7	10.5	8.2	14.2	-19.2
Terms and conditions for approving loans or credit lines to enterprises										
Margin on average loans	Next three months	-25.7	4.1	17.5	4.1	17.5	33.9	10.6	0.0	-7.0
Margin on riskier loans	Next three months	56.1	58.9	58.9	58.9	58.9	58.8	51.6	30.2	35.9
margin on prime borrowers	Next three months	-21.1	-22.2	13.0	-22.2	13.0	23.1	-5.0	-6.8	-17.0
Non-interest rate charges	Next three months	-2.8	6.7	9.0	6.7	9.0	16.6	1.8	-0.3	0.9
Size of the loan or credit line	Next three months	-2.8	2.7	13.4	2.7	13.4	52.2	40.7	27.9	7.7
Collateral requirements	Next three months	31.3	39.3	25.3	39.3	25.3	38.6	26.4	28.8	42.2
Maturity	Next three months	4.3	32.3	29.1	32.3	29.1	43.5	30.9	33.5	37.6
Demand for loans or credit lines by enterprises(apart from normal seasonal fluctuations)?										
Overall	Next three months	58.4	26.2	30.4	34.8	-38.9	-37.9	68.1	30.1	74.7
SMEs	Next three months	29.0	27.0	34.5	32.2	-40.2	-34.4	85.7	31.1	75.7
Large enterprises	Next three months	48.3	42.1	27.9	32.8	-52.0	-43.9	30.3	25.8	59.9
Short term loans	Next three months	53.2	35.4	36.4	42.9	1.1	-21.8	88.3	39.0	74.4
Long term loans	Next three months	1.1	-3.4	28.2	33.2	-17.5	-46.4	25.4	9.7	48.3
Default rate on loans to enterprises										
Overall	Next three months	-43.3	-37.9	-2.0	32.5	54.7	54.4	8.1	12.0	13.5
SMEs	Next three months	-18.6	-12.6	16.8	35.3	49.5	54.4	26.4	12.0	14.6
Large enterprises	Next three months	-37.7	-35.2	0.6	13.9	24.8	34.7	14.7	16.6	17.7
Short term loans	Next three months	-52.8	-41.3	-2.5	6.0	33.3	51.3	27.4	13.5	13.8
Long term loans	Next three months	-41.1	-35.8	-2.9	12.2	47.8	37.9	19.7	21.2	13.4
Period		2014/15				2015/16				2016/17
Part II: Households		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Credit policy as applied to the approval of loans to households and non-enterprises	Past three months	-26.3	5.1	-10.4	-0.9	6.9	26.8	-13.0	12.7	-8.7
	Next three months	-35.5	-51.8	-6.6	-17.6	42.7	48.7	0.2	22.9	-11.6
Demand for loans to households and non-enterprises (for purposes of consumer credit)	Next three months	58.5	73.9	0.7	32.7	-35.0	-52.5	8.3	62.5	56.4
Terms and conditions for approving loans or credit lines to households										
Margin on average loans	Next three months	-11.0	-2.2	36.8	22.7	28.8	40.1	5.6	-9.4	-15.9
Margin on riskier loans	Next three months	9.3	21.0	38.3	31.0	32.2	43.6	10.7	6.7	4.0
Margin on prime borrowers	Next three months	-9.7	-3.1	-10.1	9.6	12.9	30.4	5.9	-10.5	-29.5
Non-interest rate charges	Next three months	21.8	-2.8	-8.3	2.6	8.8	24.2	5.4	2.2	2.0
Size of the loan or credit line	Next three months	-27.7	-24.1	-12.0	11.6	23.3	42.1	18.8	5.6	-6.4
Collateral requirements	Next three months	2.5	9.9	-4.6	13.1	15.1	27.4	7.1	6.9	9.2
Maturity	Next three months	1.2	22.9	21.9	8.8	10.6	21.8	5.4	4.5	14.7
Default rate on loans to households	Next three months	2.4	3.3	-7.3	78.9	60.7	63.2	12.5	-5.0	38.4
Period		2014/15				2015/16				
Part III: Occassional Questions		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Lending rates expectation										
Increae(+)/Decrease(-)	Next three months	0.3	7.5	53.1	78.3	37.8	45.8	-21.4	-39.4	-43.6
Percentage change	Next three months	0.00	0.20	0.69	0.75	0.78	0.02	0.25	0.27	0.14

Note: All figures are on net basis except where stated. 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.

APPENDIX 2: 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 (July – September 2016), 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.

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 →