Bank Lending Survey Report
Quarter Three - FY 2025/26

STATISTICS DEPARTMENT
BANK OF UGANDA

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Executive Summary

Statistics Department conducted the lending survey for supervised financial institutions, for the quarter ended March 2026. The objectives of the survey were to: enhance BOU's understanding of credit supply terms and conditions including loan financing conditions among deposit-taking financial institutions, capture leading information on developments in the credit market during the quarter ended March 2026 and expectations for the quarter to June 2026.

Credit Standards

In the quarter to March 2026, credit standards on loans to enterprises remained broadly unchanged with a bias towards tightening for both enterprises and households on a net basis.

In terms of the outlook for the quarter to June 2026, banks expect to tighten credit standards to both enterprises and households on a net basis.

Credit Standards by Economic Sector

In the quarter ending March 2026, most banks reported to have kept credit standards for all sectors unchanged, with a bias towards tightening for most of the sectors. Specifically, banks reported to have a net tightening for Building, mortgage, construction, and real estate (20.4 percent), Agriculture (13.5 percent), Personal & household (8.0 percent) and Business services (3.9 percent).

Outlook on Demand for credit

In the quarter to June 2026, banks anticipate an increase in demand for credit for both enterprises and households.

Outlook on Terms & Conditions for credit

Banks expect to keep both their price and non-price terms and conditions for consumer credit largely unchanged with a bias towards tightening, except for loan size and maturity, which are expected to be eased on a net basis in June 2026.

Demand for Credit by Households

Household credit demand is anticipated to increase over the three months leading up to June 2026, which is consistent to the previous increase observed. Specifically, (85.9 percent) of respondents anticipate an increase in demand, compared to the (30.9 percent) in the prior survey, which had projected a more moderate increase.

Outlook on the default rate on loans

Overall, majority of the banks expect the default rate on loans to enterprises to broadly remain unchanged. However, banks registered a higher net increase (54.9 percent) in default rate expectation compared to the (36.5 percent) net increase in default rate registered in the previous survey results.

The net increase in default rate on loans to enterprises was primarily driven by the escalating conflict in the Middle East, where rising geopolitical tensions and resulting supply-chain disruptions are expected to weaken the ability of some borrowers to meet repayment obligations (18.2 percent).

Regarding households, banks registered 26.2 percent net increase in the default rate in the quarter to March 2026. This is consistent but a much lower outturn compared to the 75.4 percent that was anticipated in the previous survey.

The anticipated increase in default rate on household was attributed to,

a) Delays in the payment of government salaries, which significantly constrained borrowers' cashflows (9.1 percent).
b) Rising unemployment levels and a continued reduction in foreign aid, both of which are expected to limit household disposable incomes and weaken borrowers' capacity to prioritize loan repayment (9.1 percent).

Interest Rate Expectations

The results revealed that majority of the banks (52.9 percent) anticipated their lending rates to increase, with 44.7 percent expecting the lending rates to remain unchanged while the remaining 2.4 percent expected a decline in the lending rates during the quarter to June 2026.

Expectation on the monetary policy stance
Banks were asked about their expectations on the monetary policy stance for the quarter to end June 2026 in relation to the prevailing economic situation.

Most banks (61.3 percent) anticipate a tightening of the monetary policy stance, citing heightened geopolitical uncertainty stemming from the Middle East conflict and the resulting rise in inflationary pressures driven by higher oil and gas prices.

Conversely, 38.7 percent expect the monetary policy stance to remain unchanged, attributing it to stable exchange rates and expectations that the CBR will be maintained around its current level to support balanced economic growth.

Introduction

The quarterly bank lending survey conducted by the Statistics Department of the Bank of Uganda captures current, 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 credit supply terms and conditions, including loan financing conditions among the deposit-taking institutions; and

ii) Capture leading information on credit developments.

The survey covered the outturns for the quarter ended March 2026 and expectations for the quarter to June 2026. Questionnaires were completed by all 22 commercial banks and 9 non-bank deposit-taking financial institutions in Uganda.

This report presents the findings from the analysis of the responses received from the commercial banks only. The methodology used in the analysis is explained in *Appendix 3*. *Detailed summary results of Non-Bank Financial Institutions (NBFIs) are presented in Appendix 2.*

Survey Findings

1.1 Enterprises

1.1.1 Credit Standards to Enterprises

Credit standards consist of internal banking rules/criteria/guidelines, which determine (based on classifications by sector, area, size, duration, financial indicators, etc.) the type of loans (collaterized, non-collaterized, investments, overdrafts, etc.) and amounts to be provided, and to which clients. This survey measures changes in such standards including cases where banks have introduced new lending policies or amended existing ones.

In the quarter ending March 2026, credit standards on loans to enterprises remained broadly unchanged with a bias towards tightening signalled by the measure of net tightening of 2.5 percent (*See*, Figure 1).

This direction is consistent with the net tightening expectation for quarter ended March 2026, which was reported in the second quarter (2025/26Q2) survey (*See, Tables 1 & 2)*.

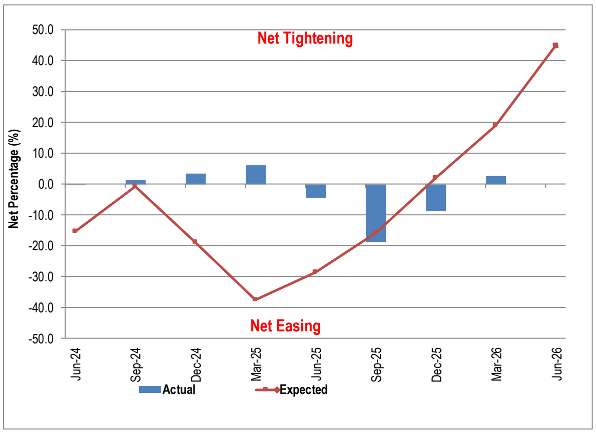
The major reasons cited by banks that reported to have maintained their credit standards was the stable macroeconomic outlook and stable inflation rates. This stability was reinforced by steady economic activity and minimal changes in the business environment.

On the other hand, respondents who reported a net tightening of credit standards attributed this to the volatile global economic and geopolitical tensions following the Middle East conflict, leading to supply disruptions, and the delayed payment of contractors by government.

Similarly, the overall credit standards across firm sizes remained broadly unchanged with a bias towards tightening for both SMEs and large enterprises over the quarter.

In the quarter leading up to March 2026, credit standards were eased for short-term loans but tightened for long-term loans. The easing of short-term loans exhibited a consistent trend with the previous survey results. In contrast, the tightening of long-term loans represented a reversal from the previous survey results. (*See, Table 1*).

Figure 1: Overall Credit standards to enterprises.



Source: *Bank of Uganda*

Notes:

(a). Net percentage balances are calculated by obtaining the difference between the percentages 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	**Dec-25**	**Mar-26**	**Dec-25**	**Mar-26**	**Dec-25**	**Mar-26**	**Dec-25**	**Mar-26**	**Dec-25**	**Mar-26**
Tightened(A)	0.3	23.4	0.3	24.8	0.3	23.4	0.0	13.5	0.3	23.4
Unchanged	90.7	55.6	76.6	65.2	98.5	56.3	83.7	55.8	95.7	65.6
Eased(B)	9.1	20.9	23.2	10.0	1.3	20.3	16.3	30.7	4.1	10.9
Net % (A-B)	**-8.8**	**2.5**	**-22.9**	**14.8**	**-1.0**	**3.1**	**-16.3**	**-17.1**	**-3.8**	**12.5**

Source: *Bank of Uganda*

Majority of the banks expect to keep their overall credit standards unchanged with a bias towards tightening in the quarter to June 2026. Banks expect to tighten credit standards for both firm size and loan duration on a net basis. (*See, Figure 1 and Table 2*).

Banks that expect credit standards to remain broadly unchanged cited stable political environment and low inflation levels, which support greater consumer spending and short-term borrowing.

The anticipated tightening of credit standards is largely attributed to heightened global geopolitical tensions following the Middle East conflict, which has necessitated more stringent appraisal processes, particularly for clients whose business operations may be vulnerable to the developments. In addition, increased defaults among contractors and disruptions of foreign direct investments have amplified the lenders' risk perceptions.

On the other hand, banks that anticipated an easing of credit standards attributed this to their intention to accommodate more borrowers, particularly underserved segments. Banks also highlighted a strategic focus on personal lending products, mortgages and the expanding digital credit space. Additionally, increased financing needs for educational institutions contributed to the expected easing.

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	**Mar-26**	**Jun-26**	**Mar-26**	**Jun -26**	**Mar-26**	**Jun -26**	**Mar-26**	**Jun -26**	**Mar-26**	**Jun-26**
Tighten (A)	24.0	55.2	16.5	59.7	22.5	50.5	0.0	48.5	15.3	44.2
Unchanged	70.9	34.5	73.6	31.5	62.9	32.3	62.9	32.2	80.2	43.2
Ease (B)	5.0	10.4	9.9	8.8	14.5	17.1	37.1	19.3	4.4	12.6
Net %(A-B)	**19.0**	**44.8**	**6.6**	**50.9**	**8.0**	**33.4**	**-37.1**	**29.2**	**10.9**	**31.6**
Interpretation: Negative-net easing, positive-net tightening										

Source: *Bank of Uganda*

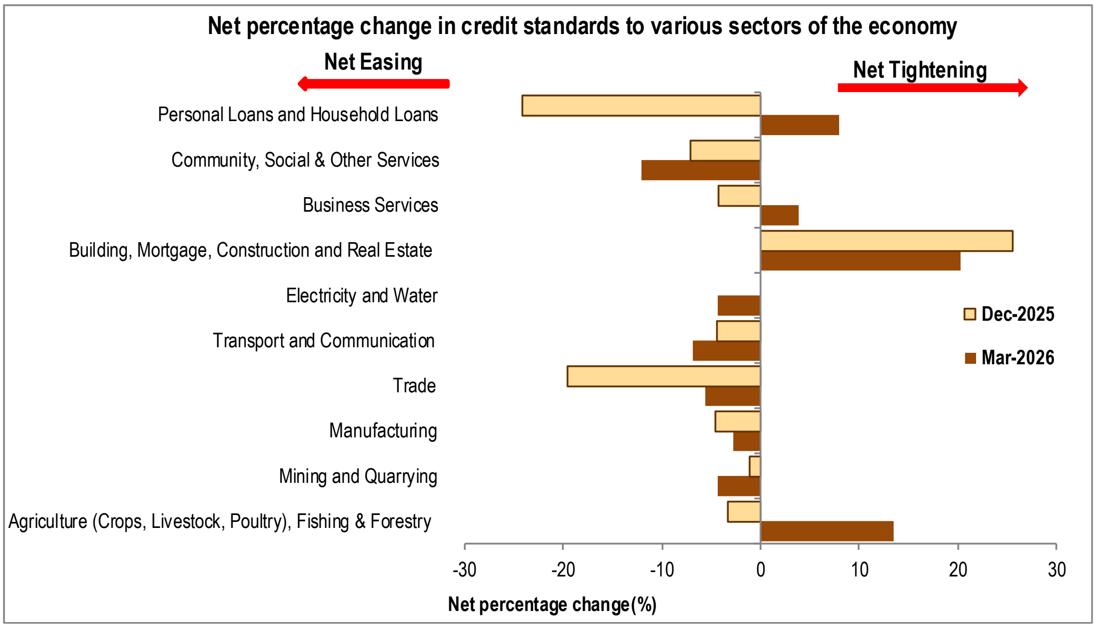
1.1.2 Credit Standards by Economic Sector

In the quarter ending March 2026, most banks reported to have kept credit standards for all sectors unchanged, with a bias towards tightening for most of the sectors. Specifically, banks reported to have a net tightening for Building, mortgage, construction, and real estate (20.4 percent), Agriculture (13.5 percent), Personal & household (8.0 percent) and Business services (3.9 percent) was attributed to the escalating global geopolitical tensions in the Middle East which have disrupted the supply chains and driven up energy prices, thereby putting pressure on business operating costs. This, coupled with increased borrower risk and repayment challenges arising from increases in cost of production.

Conversely, banks reported an easing in their credit standards for Community, social and other services (12.1 percent), Transport and communication (6.9 percent), Trade (5.5 percent), Electricity and water (4.3 percent), Minning and quarrying (4.3 percent) and Manufacturing (2.8 percent) as illustrated in Figure 2.

This was primarily driven by post-election stabilization which improved business activity, and the seasonal demand for transport services during the holiday period, leading to higher lending in the transport and communication sector.

Figure 2: Changes in Credit Standards by Economic Sector (Dec 2025 & Mar 2026)



Source: *Bank of Uganda*

1.1.3 Expectations in the Terms and Conditions[1] for Credit to Enterprises

Overall, majority of the banks anticipate keeping the terms and conditions broadly unchanged with a bias towards tightening in price terms for prime borrowers, average and riskier loans[2] in the quarter to June 2026[3] (*S*ee, Figure 3).

The expected net tightening in price terms was largely attributed to the expected increase in the CBR and bond yields to address the expected increase in imported inflation due to the Middle East conflict.

Similarly, majority of the banks expect to maintain their non-price terms and conditions unchanged, with a tendency towards tightening for loan maturity, non-interest rate charges and collateral requirements. However, some banks expect a net easing in terms of loan size during the quarter to June 2026 (*See*, Figure 3).

The major reasons cited by banks for the expected net tightening were the anticipated escalations from the ongoing conflicts in the Middle East, which could heighten global uncertainty and increase credit risk and the tightening of collateral requirements to cushion against potential

[1] Credit terms and conditions refer to the specific obligations agreed upon by the lender and the borrower.

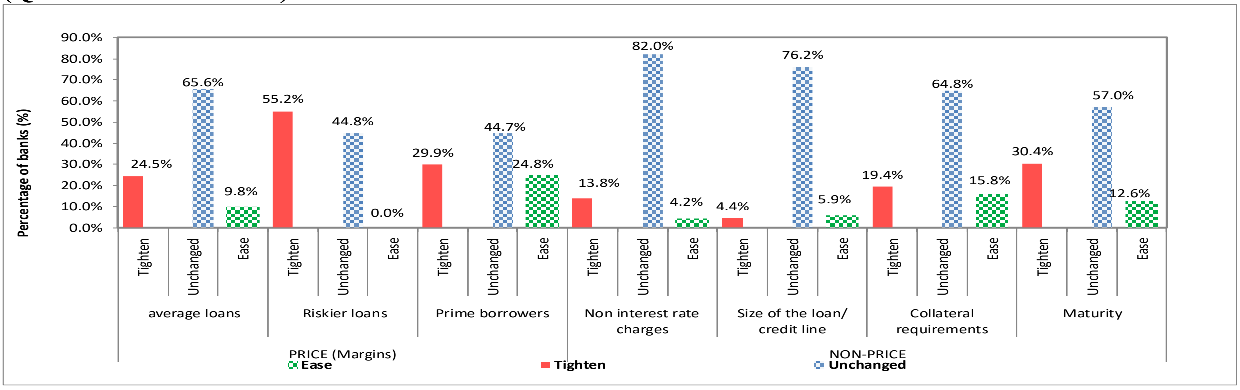
[2] Loans that banks assume to have a high probability of default.

[3] The borrowers are classified as prime, average, and riskier depending on the repayment history. Risker borrowers are those customers who are new to the lender or whose repayment history has not been good.

borrower vulnerabilities amid the uncertain operating environment.

The net easing in terms of loan size was driven by a strategic shift toward cash flow-based lending, enabling higher loan values to support clients' businesses. Banks also cited improved political stability following the elections, which have boosted demand for larger loans, as well as the deliberate efforts to lower loan collateral requirements to make loans more attractive. I addition, the availability of cheaper funds through Grow, Agriculture Credit Facility (ACF) and Small Business Recovery Fund (SBRF) are anticipated to enhance affordability and allow banks to offer more competitive rates to borrowers.

Figure 3: Expected Changes in Terms & Conditions for Approval of Loans to Enterprises (Quarter to June 2026)



Source: *Bank of Uganda*

1.1.4 Demand for Credit by Enterprises

In the quarter to June 2026, banks anticipate an overall increase in demand for credit contrary to the results of the previous survey as shown in Table 3 below. Notably, the net increase in credit demand is expected to cut across firm size and loan duration.

The primary reason cited for this anticipated increase in credit demand is the stabilization of business and trading activities following the recently concluded elections, which is expected to drive higher demand for working capital and short-term financing. Seasonal business activity and expected government spending will further support this trend. In addition, demand is projected to rise during the upcoming Easter festive season, as increased consumption heightens the need for financing among businesses preparing for peak sales. Banks also highlighted heightened credit demands to support project execution, trade operations and the purchase of raw materials, particularly within the manufacturing sector.

Furthermore, demand for credit is expected to be boosted by the introduction of Grow, ACF and SBRF facilities, whose more favourable interest rates are anticipated to make borrowing more affordable for clients.

Table 3: Demand expectations for the next three months

	Overall		**Loans to SMEs**		**Large enterprises**		**Short-term Loans**		**Long-term Loans**	
Bank's expected action	**Mar-26**	**Jun-26**	**Mar-26**	**Jun -26**	**Mar-26**	**Jun -26**	**Mar-26**	**Jun -26**	**Mar-26**	**Jun -26**
Increase(A)	12.8	51.5	17.6	51.5	5.3	37.1	27.1	55.3	8.2	27.6
Unchanged	32.3	35.6	38.7	35.6	42.8	48.5	42.1	41.5	46.8	59.4
Decrease(B)	54.9	12.9	43.7	12.9	49.1	14.4	30.8	3.2	45.0	12.9
Net %(A-B)	**-42.1**	**38.5**	**-26.1**	**38.5**	**-43.8**	**22.7**	**-3.7**	**52.1**	**-36.8**	**14.7**
Interpretation: Negative-net decrease, positive-net increase										

Source: *Bank of Uganda*

1.2 Households

1.2.1 Credit Standards to Households

The findings indicate that in the quarter ending March 2026, banks relaxed credit standards for households, as evidenced by a net percentage easing of 14.4 percent, which is slightly lower but consistent to the easing of 23.5 percent recorded in the previous quarter (See, Appendix1).

The easing was driven by the banks' target to grow the retail segment, following the revamping of their retail lending proposition to remain competitive. This included widening of unsecured loan products to accommodate more households. Demand was further supported by back-to-school requirements alongside the restored confidence in investment and short-term borrowing following the successful completion of the election cycle.

Similarly, in the quarter to June 2026, banks expect to ease credit standards to households as indicated by the net easing of 22.1 percent, a much higher increase from the previously anticipated easing of 7.4 percent for the quarter ending March 2026.

This expected easing was attributed to the stable economic environment after the recently concluded elections which supported business activity and credit access.

1.2.2 Outlook on Terms and Conditions for Credit to Households

Banks expect to keep both their price and non-price terms and conditions for consumer credit largely unchanged with a bias towards tightening for the majority, except for loan size and maturity, which are expected to be eased on a net basis in June 2026 (See, Appendix 1).

The anticipated tightening by majority of the price and non-price terms and conditions for consumer credit was attributed to the uncertainties resulting from the Middle East conflict which could affect the CBR and monetary policy due to inflationary pressures.

On the other hand, the anticipated easing of terms and conditions for households, especially for loan size and maturity, is attributed to the extension of maximum salary-loan tenures by several banks, a renewed focus on expanding the retail segment, and ongoing loan campaigns targeting salaried customers. Banks also highlighted the growing use of digital and mobile-wallet lending platforms that offer easier access to credit with fewer collateral requirements, as well as the seasonal increase in demand for school-fees financing following the reopening of schools.

Demand for Credit by Households

Household credit demand is anticipated to increase over the three months leading up to June 2026, which is consistent to the previous increase observed. Specifically, (85.9 percent) of respondents anticipate an increase in demand, compared to the (30.9 percent) in the prior survey, which had projected a more moderate increase.

The anticipated increase in household credit demand was attributed to the seasonal factors, including increased spending around the Idd and Easter celebrations, as well as financing needs associated with the reopening of schools.

1.2.3 Expected Default Rate on Loans to Enterprises and Households

Overall, majority of the banks expect the default rate on loans to enterprises to broadly remain unchanged. However, banks registered a higher net increase (54.9 percent) in default rate expectation compared to the (36.5 percent) net increase in default rate registered in the previous survey results.

The net increase in default rate on loans to enterprises was primarily driven by the escalating conflict in the Middle East, where rising geopolitical tensions and resulting supply-chain disruptions are expected to weaken the ability of some borrowers to meet repayment obligations (18.2 percent).

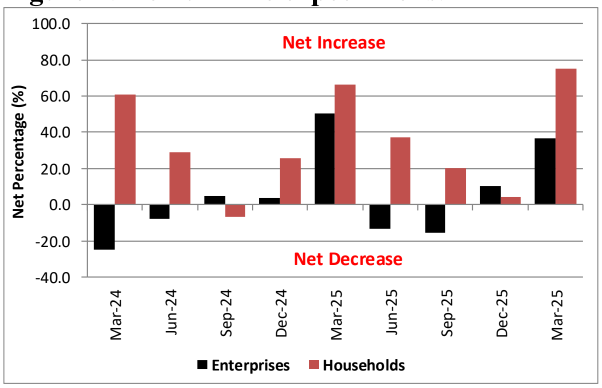
Regarding households, banks registered 26.2 percent net increase in the default rate in the quarter to March 2026. This is consistent but a much lower outturn compared to the 75.4 percent that was anticipated in the previous survey. (see, Appendix 1).

The anticipated increase in default rate on household was attributed to,

c) Delays in the payment of government salaries, which significantly constrained borrowers' cashflows (9.1 percent).

d) Rising unemployment levels and a continued reduction in foreign aid, both of which are expected to limit household disposable incomes and weaken borrowers' capacity to prioritize loan repayment (9.1 percent).

Figure 4: Default rate expectations.



Source: *Bank of Uganda*

1.3 Interest Rate Expectations for Q3 FY 2025/26

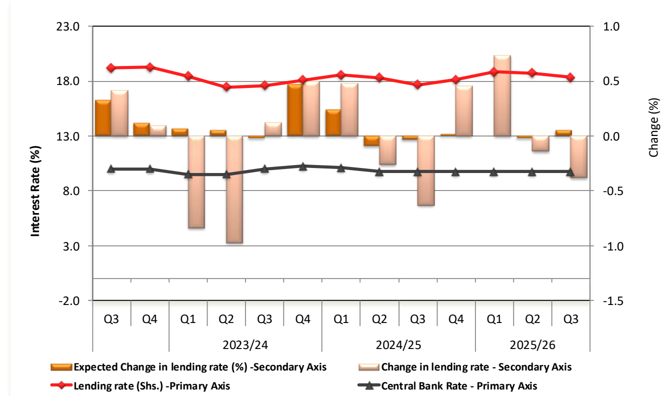
To understand the direction of interest rates from the lender's point of view, banks were requested to indicate the direction and magnitude of the change in their expected lending rates in the quarter to June 2026.

The results revealed that majority of the banks, 52.9 percent anticipated their lending rates to increase, with 44.7 percent expecting the lending rates to remain unchanged while the remaining 2.4 percent expected a decline in the lending rates during the quarter to June 2026.

Banks that expect lending rates to rise attributed this to the Middle East crisis, which has contributed to imported inflation through higher fuel prices. They also pointed out the likelihood of tighter monetary policy, which would prompt upward adjustments in loan pricing. Additionally, some institutions highlighted market speculation about a possible increase in the CBR and emerging liquidity challenges as further drivers of expected rate increases.

The banks that expect the lending rates to remain unchanged cited the stable prices as illustrated in Figure 5.

Figure 5: Changes in Interest rates vis-à-vis Net Expectations



Source: *Bank of Uganda*

Notes: *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 to be comparable with the actual outturns.*

1.4 Expectation on the monetary policy stance

Banks were asked about their expectations on the monetary policy stance for the quarter to end June 2026 in relation to the prevailing economic situation.

Most banks (61.3 percent) anticipate a tightening of the monetary policy stance, citing heightened geopolitical uncertainty stemming from the Middle East conflict and the resulting rise in inflationary pressures driven by higher oil and gas prices.

Conversely, 38.7 percent expect the monetary policy stance to remain unchanged, attributing it to stable exchange rates and expectations that the CBR will be maintained around its current level to support balanced economic growth.

1.5 Conclusion

The bank lending survey results indicate that in the quarter ending March 2026, overall credit standards to enterprises and households remained broadly unchanged with a bias towards tightening for both enterprises and households on a net basis.

In terms of the outlook for the quarter to June 2026, banks expect to tighten credit standards to both enterprises and households on a net basis.

The default rate on loans is projected to increase for both enterprises and households during the quarter to June 2026.

APPENDICES

Appendix 1: Summary of Bank Lending Survey results - Commercial Banks

Appendix 1: 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		2022/23				2023/24				2024/25				2025/26		
Part I: Enterprises		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
loans or credit lines to enterprises																
Overall	Past three months	3.0	6.0	9.3	18.9	14.8	1.7	7.6	-0.3	1.2	3.4	6.0	-4.5	-18.8	-8.8	2.5
	Next three months	15.9	3.6	5.9	11.4	8.3	-19.0	-15.4	-0.9	-19.0	-37.6	-28.6	-16.0	1.8	19.0	44.8
SMEs	Past three months	4.6	7.3	10.5	10.1	16.7	2.9	10.4	0.8	-2.2	7.2	8.6	1.6	-19.2	-22.9	14.8
	Next three months	1.1	-2.7	1.2	1.6	3.3	-20.6	-1.0	12.3	-13.4	-9.4	-24.4	-17.6	-5.8	6.7	50.9
Large enterprises	Past three months	9.4	11.8	21.9	17.8	21.3	5.0	10.6	-2.6	3.5	-7.3	11.9	-1.0	-1.1	-1.0	3.1
	Next three months	13.3	10.8	18.9	19.8	12.9	-8.9	6.5	2.7	-3.8	-16.8	-4.5	-7.8	-6.8	8.0	33.4
Short term loans	Past three months	-14.5	-9.8	4.0	11.3	10.9	-7.9	-1.4	-8.0	-8.5	-11.7	5.2	-5.5	-10.5	-16.3	-17.1
	Next three months	-10.8	-13.7	0.1	9.3	3.0	-21.2	-19.2	-8.9	-41.2	-22.4	-22.4	-34.1	-19.6	-37.1	29.2
Long term loans	Past three months	16.3	10.1	18.2	18.1	19.8	7.5	14.4	1.5	-4.6	2.6	8.3	-4.5	-11.6	-3.8	12.5
	Next three months	13.3	8.0	18.5	19.7	21.9	-9.2	18.4	16.0	-1.8	-19.3	-3.3	3.7	9.9	10.9	31.6
loans or credit lines to enterprises to																
Agriculture (Crops, Livestock, Poultry), Fishing &	Past three months	-8.7	-9.7	-12.3	-8.1	11.4	-7.5	25.4	-4.6	4.5	3.3	9.4	-5.6	-5.4	-3.4	13.5
Mining and Quarrying	Past three months	-2.1	8.0	-2.5	6.8	1.8	0.2	2.8	1.9	3.1	9.1	14.4	0.0	0.0	-1.2	-4.3
Manufacturing	Past three months	-7.7	-4.9	-0.7	-0.6	8.2	-3.5	10.1	-3.2	-1.5	-13.6	7.9	-10.3	-7.3	-4.7	-2.8
Trade	Past three months	-11.3	-15.6	-16.2	-13.9	14.8	-7.0	-16.8	-10.2	-15.5	-31.4	-6.1	-5.5	-6.1	-19.5	-5.5
Transport and Communication	Past three months	0.8	3.6	-4.6	5.1	19.9	0.5	8.7	0.4	0.4	9.5	19.7	4.3	5.3	-4.4	-6.9
Electricity and Water	Past three months	-2.0	-1.1	-0.7	0.0	-1.8	0.0	-1.6	0.0	0.0	0.0	14.4	0.0	0.0	0.0	-4.3
Building, Mortgage, Construction and Real Estate	Past three months	6.0	26.3	40.6	39.4	30.0	11.3	50.2	13.9	24.0	25.0	37.8	19.5	25.0	25.6	20.4
Business Services	Past three months	-10.0	-8.8	-10.2	-6.8	8.4	-3.8	-2.2	-2.3	-4.6	-3.4	1.8	-4.5	-4.2	-4.3	3.9
Community, Social & Other Services	Past three months	-0.9	0.9	0.4	-9.5	9.4	-4.1	-15.4	-6.5	-8.6	-9.9	28.4	-15.7	-10.6	-7.2	-12.1
Personal Loans and Household Loans	Past three months	-11.5	-33.4	-28.8	-38.8	2.8	-16.9	-14.4	-24.1	-10.6	-12.0	-11.6	-17.3	-14.2	-24.1	8.0
credit lines to enterprises																
Margin on average loans	Next three months	45.5	33.7	19.5	21.9	-10.2	14.6	16.3	5.3	-8.3	-4.9	-1.7	-4.2	-1.9	-7.5	14.7
Margin on riskier loans	Next three months	50.8	42.0	39.2	37.1	43.5	32.9	48.1	52.8	36.0	44.4	22.2	26.4	35.0	28.7	55.2
margin on prime borrowers	Next three months	36.9	3.7	-5.8	-3.8	2.5	24.0	-14.0	-24.8	-8.3	-13.2	-24.1	-11.1	-22.2	-23.1	5.1
Non-interest rate charges	Next three months	0.8	3.4	0.2	-0.5	-0.7	-0.1	1.4	1.3	0.4	-2.7	-0.5	-7.6	-0.4	-2.0	9.6
Size of the loan or credit line	Next three months	15.2	18.0	-4.4	0.3	2.2	-5.2	-13.8	-3.8	-11.3	-9.2	-7.7	-5.4	-9.2	9.2	-1.5
Collateral requirements	Next three months	19.0	8.8	9.1	4.6	8.2	-5.7	-0.5	1.0	3.6	24.8	23.1	1.4	8.3	-5.0	3.6
Maturity	Next three months	6.3	13.7	4.2	-2.2	21.0	-1.4	5.0	11.7	10.3	23.0	2.2	-3.5	-4.4	-0.3	17.8
Expected demand for loans or credit lines by enterprises(apart from normal seasonal																
Overall	Next three months	52.9	43.4	66.9	64.5	86.2	59.9	62.8	48.4	66.8	33.3	40.2	40.1	57.3	-42.1	38.5
SMEs	Next three months	45.9	41.1	57.4	76.0	81.0	53.0	53.0	43.5	44.8	-7.4	33.4	25.5	45.5	-26.1	38.5
Large enterprises	Next three months	52.1	36.7	48.6	58.4	65.0	45.1	56.7	38.3	42.5	48.4	30.3	30.5	42.0	-43.8	22.7
Short term loans	Next three months	73.1	62.7	70.8	67.8	79.8	58.8	74.9	54.2	68.0	35.3	46.1	41.1	54.1	-3.6	52.1
Long term loans	Next three months	49.0	31.1	47.9	51.1	59.9	31.1	60.0	46.6	44.0	38.1	0.3	12.1	27.2	-36.8	14.7
Default rate on loans to enterprises																
Overall	Next three months	79.5	69.3	38.0	21.7	-16.0	-24.6	-7.9	4.6	3.7	50.5	-13.2	-15.5	10.1	36.5	54.9
SMEs	Next three months	84.6	64.1	-13.6	25.5	6.9	-7.4	3.5	-1.7	-5.5	23.1	-23.7	-13.5	-6.6	48.3	46.3
Large enterprises	Next three months	53.6	44.5	14.0	0.6	-3.7	-23.4	-7.2	-16.4	-3.9	16.2	-28.9	-19.5	3.2	-2.1	18.4
Short term loans	Next three months	36.9	36.9	-27.6	-7.2	-14.8	-30.4	0.9	-14.7	-32.7	59.1	-11.3	-3.2	-10.4	33.9	43.3
Long term loans	Next three months	78.3	69.2	35.5	23.7	1.3	-25.2	-3.1	-7.9	25.5	27.1	-19.1	-13.2	13.7	27.7	25.1
Period		2022/23				2023/24				2024/25				2025/26		
Part II: Households		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Credit policy as applied to the approval of loans to households and non-enterprises	Past three months	6.9	-27.1	-15.6	-2.3	-12.7	-16.9	-13.0	-13.0	-33.2	-52.2	-17.1	-8.6	-39.0	-23.5	-14.4
	Next three months	6.1	-14.2	-29.4	-17.7	-30.1	-32.5	-11.8	9.2	-15.8	-21.7	-22.3	11.3	-5.9	-7.4	-22.1
Demand for loans to households and non-enterprises (for purposes of consumer	Next three months	17.1	63.2	62.0	62.5	94.6	90.9	39.8	23.7	92.1	37.2	14.6	-11.1	39.2	30.9	85.9
Terms and conditions for approving loans or credit lines to households																
Margin on average loans	Next three months	23.7	16.8	7.3	1.8	-1.8	3.3	20.9	9.0	7.7	-0.2	11.5	13.1	-14.6	-3.0	28.3
Margin on riskier loans	Next three months	28.0	47.7	30.2	30.3	19.8	36.0	55.2	29.8	55.2	33.8	47.0	39.7	51.4	47.7	57.5
Margin on prime borrowers	Next three months	-2.5	-4.8	-8.6	-15.6	-12.6	-0.8	11.1	5.3	-24.4	-12.8	-25.2	-15.7	-12.3	-26.0	17.9
Non-interest rate charges	Next three months	5.3	3.4	-16.3	0.8	1.4	-1.9	1.5	2.9	1.4	-6.0	1.0	2.1	15.8	9.5	7.8
Size of the loan or credit line	Next three months	20.3	-18.3	-24.7	-22.2	-16.1	-16.2	13.7	-16.2	-13.4	-9.6	-16.8	-11.5	-0.3	-15.0	-22.2
Collateral requirements	Next three months	22.5	17.7	3.3	1.3	0.7	-4.1	22.5	0.5	0.9	-2.5	4.1	11.4	19.2	-4.1	10.1
Maturity	Next three months	5.8	3.0	-12.4	-11.5	0.7	-15.6	-4.4	-1.6	-7.4	-25.8	-5.4	-0.7	-12.5	-18.2	-28.4
Default rate on loans to households	Next three months	72.1	70.8	11.6	26.2	25.4	60.8	29.3	-6.7	25.7	66.4	37.0	20.1	4.2	75.4	26.2
Period		2022/23				2023/24				2024/25				2025/26		
Part III: Occassional Questions		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Lending rates expectation																
Increae(+)/Decrease(-)	Next three months	71.4	33.1	11.4	6.1	5.2	-1.6	56.2	26.3	-8.7	-6.3	2.3	8.8	-3.2	3.3	50.5
Percentage change	Next three months	0.69	0.32	0.12	0.07	0.05	-0.02	0.47	0.24	-0.09	-0.03	0.02	0.00	-0.02	0.05	0.00

percentage balances are calculated by the difference between the weighted balance of lenders reporting that, demand was reported/expected demand/default rate to be higher than over the

Appendix 2: Summary of Bank Lending Survey results-NBFIs

Appendix 2: Non bank Financial Institutions

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.

Part I: Enterprises		**Dec-21**	**Mar-22**	**Jun-22**	**Sep-22**	**Dec-22**	**Mar-23**	**Jun-23**	**Sep-23**	**Dec-23**	**Mar-24**	**Jun-24**	**Sep-24**	**Dec-24**	**Mar-25**	**Jun-25**	**Sep-25**	**Dec-25**	**Mar-26**
Credit policy as applied to the approval of loans or credit lines to enterprises																			
Overall	Past three months	-3.2	-3.2	-6.7	29.7	-29.0	14.3	6.3	-30.0	15.4	18.4	-27.3	-18.3	-0.9	-10.1	-1.1	25.7	19.4	-22.3
	Next three months	-46.7	-46.9	26.8	-40.1	7.6	1.3	-1.8	-35.6	22.1	15.2	32.8	-65.9	-4.8	26.1	-21.5	16.1	72.5	2.7
SMEs	Past three months	24.9	22.8	22.1	29.7	4.5	14.3	8.1	6.9	23.0	18.4	-27.3	-46.8	-1.1	-10.1	-1.1	30.3	20.9	7.1
	Next three months	-21.7	-5.4	-6.9	-7.2	10.2	2.8	0.5	-35.6	24.7	15.2	2.7	-55.3	-21.2	2.7	-48.2	16.1	77.0	29.1
Large enterprises	Past three months	28.1	28.2	29.0	30.8	2.6	12.8	6.3	-32.2	15.4	16.4	1.6	-46.8	0.9	3.6	1.4	-4.9	-20.5	7.1
	Next three months	-21.7	-8.7	0.0	0.0	8.3	2.8	2.3	-34.6	29.8	15.2	2.7	0.0	9.1	28.9	-20.4	17.8	10.7	7.1
Short term loans	Past three months	-6.0	14.2	27.0	25.3	-32.8	8.5	3.9	4.6	15.4	16.4	-0.3	-60.0	-19.0	-12.2	-2.5	23.5	-72.6	-34.9
	Next three months	-46.7	-8.7	0.0	-32.9	8.3	-1.5	-1.8	-3.3	38.9	11.3	0.6	-31.2	-23.2	5.1	-25.3	-18.6	28.2	-27.9
Long term loans	Past three months	21.7	20.8	31.0	33.1	-29.0	-14.3	5.7	5.0	32.2	18.4	2.7	-18.3	12.2	-0.7	-1.1	0.0	-20.5	1.5
	Next three months	-23.3	3.3	2.0	-30.6	10.2	-24.3	-1.8	1.3	38.9	15.2	-27.3	31.5	-9.3	7.2	-36.4	-9.6	-11.8	17.5
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	19.0	31.5	31.0	33.1	10.2	4.3	-5.5	3.7	20.4	32.7	-0.3	-50.5	-38.6	9.8	11.0	2.8	-21.1	-17.9
Mining and Quarrying	Past three months	20.2	28.2	29.0	27.5	0.0	0.0	3.9	40.5	15.4	3.2	1.6	0.0	0.0	0.0	1.2	25.7	-25.0	0.0
Manufacturing	Past three months	21.7	31.5	27.0	25.3	-1.9	-1.5	0.0	3.7	3.6	3.2	14.8	-2.6	-0.3	1.5	1.2	25.7	0.0	0.0
Trade	Past three months	2.7	7.5	-6.7	20.5	2.6	2.8	6.3	3.7	3.6	3.2	31.7	-62.7	-13.7	-1.8	6.9	23.3	-6.2	4.9
Transport and Communication	Past three months	27.7	-1.2	1.4	26.1	4.5	9.3	8.1	1.4	6.2	3.2	32.8	31.5	0.3	12.8	2.6	-2.5	-72.6	0.0
Electricity and Water	Past three months	-3.2	31.5	27.0	25.3	-1.9	0.0	0.0	3.7	3.6	3.2	1.6	0.0	0.0	9.8	0.0	0.0	-25.0	0.0
Building, Mortgage, Construction and Real Estate	Past three months	19.0	38.3	31.0	29.7	2.6	7.8	5.7	3.7	3.6	3.2	2.7	-2.6	17.8	9.1	-2.3	13.9	-53.9	-5.6
Business Services	Past three months	21.7	-9.9	-6.7	25.3	0.7	1.3	3.9	6.0	3.6	5.1	1.6	-31.5	-1.8	7.0	-1.3	-13.0	-55.1	27.9
Community, Social & Other Services	Past three months	21.7	-1.2	-2.6	29.7	4.5	1.5	3.9	6.0	3.6	5.1	2.7	-15.3	-11.9	-1.2	2.6	32.5	19.4	0.0
Personal Loans and Household Loans	Past three months	19.0	31.5	27.0	29.7	-1.9	-1.5	3.9	1.4	3.6	1.2	31.7	13.5	-14.0	-2.4	-1.3	-17.3	-10.7	26.4
Terms and conditions for approving loans or credit lines to enterprises																			
Margin on average loans	Next three months	-10.2	0.0	0.0	17.6	0.0	0.0	-1.8	26.5	38.9	0.0	-2.0	-31.2	16.5	-5.4	6.1	1.8	21.7	4.9
Margin on riskier loans	Next three months	21.7	12.0	6.1	23.2	10.2	9.3	8.1	43.1	61.7	5.1	59.3	28.6	31.2	22.8	22.8	47.6	59.8	16.0
margin on prime borrowers	Next three months	17.5	-8.7	0.0	17.6	0.0	-5.0	-1.8	26.5	-1.3	0.0	-45.1	-2.1	-1.7	-30.5	-30.3	-68.7	-28.6	4.9
Non-interest rate charges	Next three months	-7.5	16.3	0.0	0.0	-33.5	0.0	-3.9	22.9	-4.7	-3.2	31.7	0.0	10.2	-4.3	7.3	-5.5	24.9	10.4
Size of the loan or credit line	Next three months	17.5	-16.3	0.0	-29.5	-30.9	7.8	-10.0	-64.0	-37.8	-8.1	-44.6	-55.3	-2.9	-10.4	-20.4	-49.3	-25.0	39.5
Collateral requirements	Next three months	21.7	3.3	6.1	-27.3	1.9	1.5	8.1	-3.4	33.4	5.1	-27.3	-37.3	-9.3	-36.6	-36.4	-34.1	-22.6	33.9
Maturity	Next three months	19.0	3.3	2.0	-30.6	-29.0	4.3	-10.0	0.0	0.0	0.0	0.0	0.0	1.2	-12.5	-30.0	-26.0	-45.0	0.0
Demand for loans or credit lines by enterprises(apart from normal seasonal fluctuations)?																			
Overall	Next three months	94.1	91.3	-10.8	12.5	-19.3	75.0	79.4	80.7	-9.4	81.7	100.0	97.4	-11.9	79.3	72.4	100.0	-2.0	43.9
SMEs	Next three months	69.1	58.5	27.0	-14.8	16.1	90.7	100.0	88.0	-11.7	79.8	100.0	86.8	-11.9	79.3	72.4	100.0	-27.0	-35.3
Large enterprises	Next three months	69.1	58.5	22.9	-20.3	14.2	38.5	77.6	64.0	-5.3	55.3	69.9	46.8	-43.4	49.4	69.2	62.6	-75.8	-23.0
Short term loans	Next three months	69.1	58.5	-10.8	18.1	21.8	47.7	79.4	43.8	16.6	83.7	84.9	60.0	30.5	73.1	66.7	100.0	-2.0	43.9
Long term loans	Next three months	69.1	58.5	22.9	44.5	49.6	70.7	77.6	27.1	-2.8	75.4	70.5	5.5	-48.9	51.6	71.6	89.1	-75.8	16.0
Default rate on loans to enterprises																			
Overall	Next three months	-91.4	-79.2	22.1	-81.8	45.0	-60.8	-97.7	-81.0	62.2	-26.8	-44.8	-84.1	24.5	-24.3	-25.8	-55.7	151.6	-22.3
SMEs	Next three months	-66.5	-46.5	-11.6	-81.8	8.9	-63.6	-58.6	-81.0	81.5	-43.1	-44.8	-60.0	36.3	-25.2	-25.8	-55.7	151.6	5.6
Large enterprises	Next three months	-69.2	-49.8	-17.7	-54.5	7.0	-62.1	-60.9	-81.0	62.2	-26.8	-44.8	-31.5	24.2	-6.6	-25.8	-55.7	105.6	5.6
Short term loans	Next three months	-91.4	-82.5	16.0	-86.3	41.2	-60.8	-60.9	-76.0	64.7	-43.1	-15.8	-46.8	22.7	-25.4	-26.0	-64.6	31.9	-22.3
Long term loans	Next three months	-66.5	-46.5	-15.7	-87.4	9.6	-59.3	-59.1	-81.0	62.2	-43.1	-14.8	-31.5	24.2	-23.9	19.5	-55.7	55.1	16.0
Period		**Dec-21**	**Mar-22**	**Jun-22**	**Sep-22**	**Dec-22**	**Mar-23**	**Jun-23**	**Sep-23**	**Dec-23**	**Mar-24**	**Jun-24**	**Sep-24**	**Dec-24**	**Mar-25**	**Jun-25**	**Sep-25**	**Dec-25**	**Mar-26**
Part II: Households																			
Credit policy as applied to the approval of loans to households and non-enterprises	Past three months	46.7	3.3	2.0	2.2	0.7	1.3	3.9	3.7	-5.6	3.2	1.6	-28.6	17.5	-40.3	-28.3	24.1	-2.3	33.5
	Next three months	-10.7	0.0	0.0	-7.0	-5.7	-14.4	-14.3	1.4	-1.7	1.2	31.7	-15.3	-12.2	24.3	7.3	20.8	23.4	-4.9
Demand for loans to households and non-enterprises (for purposes of consumer credit)	Next three months	69.1	41.1	27.3	96.7	-7.2	62.1	60.9	62.1	85.7	45.1	47.9	46.8	67.3	30.9	67.3	74.9	91.6	5.6
Terms and conditions for approving loans or credit lines to households																			
Margin on average loans	Next three months	-10.2	0.0	0.0	17.6	0.0	0.0	2.1	27.5	15.5	-13.2	0.0	0.0	28.3	7.0	7.3	4.7	24.9	0.0
Margin on riskier loans	Next three months	23.7	5.3	6.1	23.2	7.6	6.5	6.3	33.5	59.1	32.7	47.9	49.5	42.3	22.2	13.1	27.2	9.3	5.6
Margin on prime borrowers	Next three months	17.5	0.0	0.0	17.6	-2.6	-2.8	-1.8	27.5	19.6	-3.1	0.0	-18.0	-12.2	-13.7	-4.4	2.5	21.7	-5.6
Non-interest rate charges	Next three months	17.5	16.3	0.0	0.0	0.0	0.0	-5.7	23.8	4.5	-3.2	31.7	-13.2	-0.3	-2.8	-12.2	-0.2	-26.4	0.0
Size of the loan or credit line	Next three months	20.2	-16.3	0.0	0.0	0.0	0.0	0.0	-26.1	-37.9	-10.0	-29.5	-18.0	-12.4	-15.2	-15.5	-3.7	-4.0	5.6
Collateral requirements	Next three months	21.7	3.3	2.0	2.2	1.9	1.5	3.9	31.2	30.8	-10.0	31.7	0.0	-0.1	-11.0	-2.5	-11.7	-0.7	0.0
Maturity	Next three months	20.2	0.0	0.0	0.0	0.0	0.0	3.9	-3.7	-3.4	-3.2	1.6	0.0	-0.3	-2.8	-2.5	-0.2	-0.7	0.0
Default rate on loans to households	Next three months	-66.3	-41.1	-18.8	-59.3	20.3	-49.3	-60.9	-43.1	-13.5	-43.1	-31.7	-84.1	17.0	-31.4	-50.9	-32.7	58.5	-22.3

(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.

APPENDIX 3: 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 considers 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 (January 2026 - March 2026), 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, 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 →