National Bank of Ukraine

# Bank Lending Survey

## Q2 2018

(April 2018)

**Key indicators for the next 12 months.** Banks expected lending to pick up[1]. A total of 76% (balance of responses was 47%[2]) of respondents said in Q1 2018 that corporate lending would grow over the next 12 months, while 69% (48%) of those surveyed expected an increase in consumer lending. Most banks anticipated the quality of the retail and corporate loan portfolio to be unchanged. But some large banks expected the quality of their corporate portfolio to increase. Banks further expected a deposit inflow, with 52% (42%) of respondents projecting a rise in retail deposits, and 65% (36%) expecting a hike in corporate deposits.

**Demand.** Demand for corporate loans grew in Q1 2018 as reported by 52% (9%) of respondents mainly from small and medium banks. Growth in demand was mostly driven by the need to replenish working capital and fixed investment needs. Demand increased for all types of corporate loans, except for loans to large enterprises.

Demand for retail loans continued to grow, primarily for consumer loans. Some 45% (40%) of respondents reported so. Large banks also expected stronger demand for mortgages. The growth was driven by rising household savings, increase of spending on durable goods, and improved consumer sentiment.

Banks expected demand for both corporate and retail loans to rise in Q2 2018. Respondents were most optimistic about consumer loans (56% (40%)), hryvnia loans (62% (38%) and loans to SMEs (62% (40%)).

Banks noted the overall high leverage of businesses. The percentage of banks that referred to the leverage of large enterprises as significant was 45%, up by 7 pp. The leverage of SMEs was moderate. Several large banks assessed debt burden of households as significant.

**Lending Conditions.** In Q1 2018, most banks maintained the same corporate lending standards. Nevertheless, some large banks eased their lending standards, mainly for short-term and hryvnia loans, as well as loans to SMEs. The respondents expect the standards in these lending areas to ease in Q2 as well.

Retail lending standards remained almost unchanged. A quarter of respondents, mostly small banks, continued to ease consumer lending standards. The easing was due to stronger competition among banks and non-bank institutions, economic upturn, and lower inflation expectations. In Q2, banks plan to ease retail lending standards, primarily consumer lending.

Q1 saw an increase in loan application approval rates for loans to small and medium enterprises. At the same time, banks imposed stricter collateral requirements, and large banks tightened restrictions outlined in lending agreements, especially for large enterprises.

There was a significant increase in the approval rate for consumer loans, largely thanks to lower interest rates and lower requirements for maturity and size of loans. The approval rate for mortgages remained unchanged.

**Risks.** Banks said that in Q1 credit, interest rate and FX risks remained unchanged. Large banks expected reduction of credit, interest rate and FX risks in Q2, and operational risk to grow.

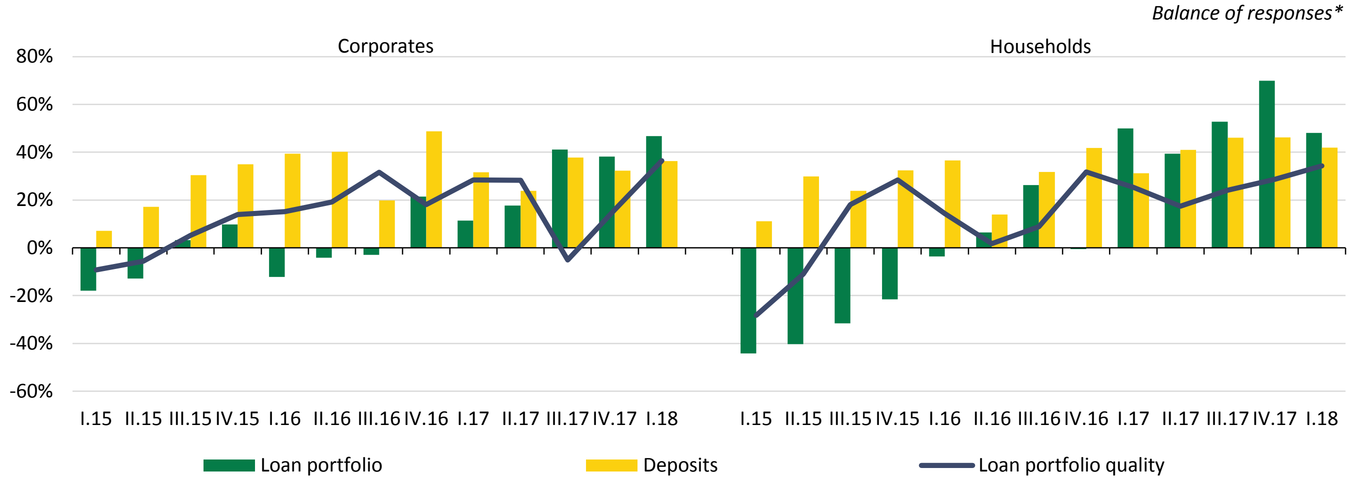
[1] For the survey objective and methodology, see page 10.

[2] Hereinafter, respondents' replies are given non-weighted, with one bank counting for one response. Weighted responses, calculated according to the methodology outlined in the annex, are given in brackets (for more details, see page 6).

## Expectations for the next 12 months

In Q1 2018, banks retained optimistic expectations about future lending. Total of 69% of respondents said they plan to increase retail lending and 76% expect corporate lending to grow over the next 12 months. Banks have been forecasting an increase in corporate lending for a year and a half; in Q1 the balance of responses reached a maximum of 47% for this period. Banks projected that the quality of corporate (95% of respondents) and retail (97%) loans would not deteriorate, while some large banks expected improvements in corporate loans quality. Most banks expected an inflow of corporate and retail deposits over the next 12 months (balances of responses of 36% and 42% respectively) (Figure 1).

*Figure 1. Expectations of changes in key bank indicators over the next 12 months*

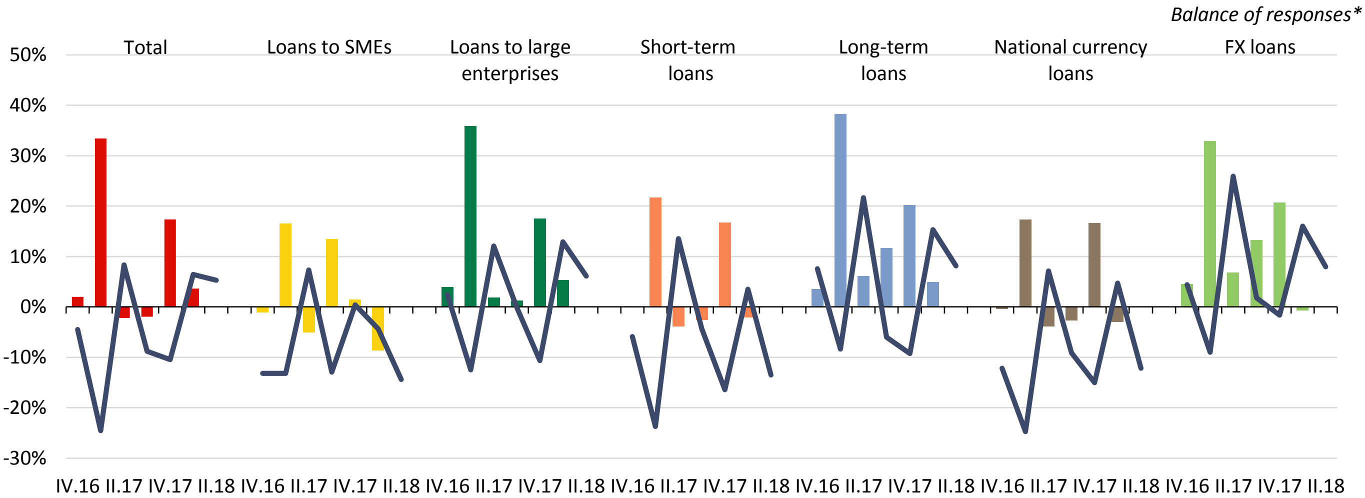



**A positive balance of responses indicates expectations of growth for the respective indicator.*

## Corporate Loans

In Q1 2018, three quarters of respondents maintained the same standards for corporate lending, the balance of responses being 4%. Some large banks eased lending standards for loans to SMEs, short-term and hryvnia loans, while for other types of loans the standards remained almost unchanged (Figure 2).

*Figure 2. Changes in standards of approval of corporate loan application [1]*




*[1] Hereinafter, the bars show the balance of responses for the quarter. A dark line shows expectations in the quarter following the reporting quarter.*

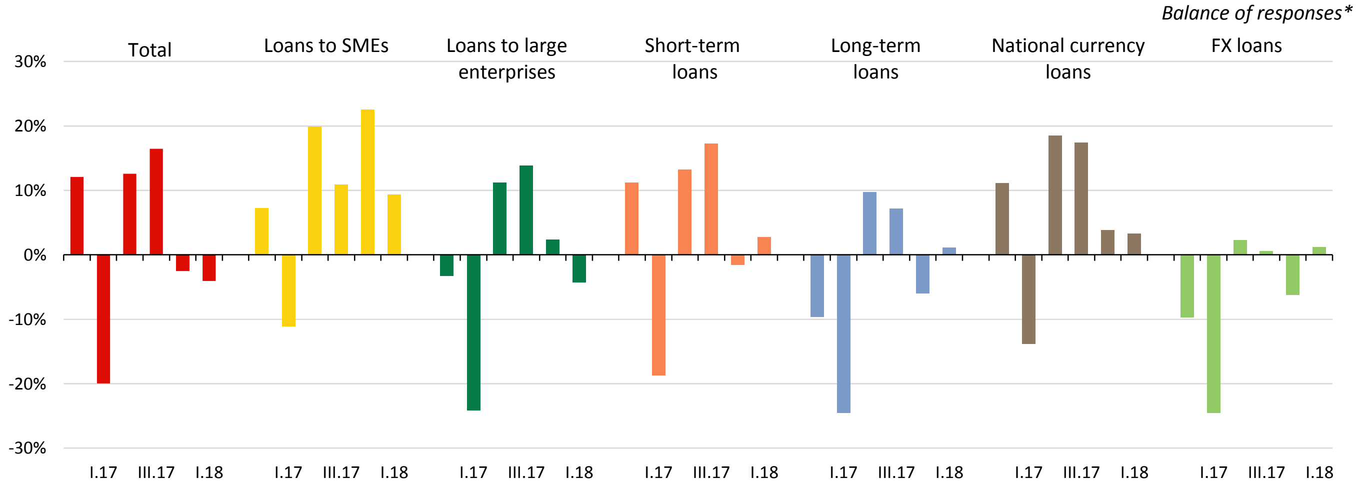
**A positive balance of responses indicates tightening of the standards for loan application approval.*

Banks said that competition with other banks and an increase in their capital and liquidity were the key drivers behind softer lending criteria for corporate customers. At the same time, negative exchange rate expectations prevented banks from stronger easing of corporate lending standards (for more details, see Section III of the Annex).

In Q2, banks do not plan to ease lending standards for big companies. However, banks anticipate more lenient terms and conditions for SMEs, short-term and hryvnia loans (balances of responses 22%, 18% and 17% respectively).

Q1 2018 saw a rise in approval rates for loan applications by SMEs, with the balance of responses being 9%. There was no change in approval rates for loan applications from large businesses (Figure 3).

*Figure 3. Change in the corporate loan application approval rate*




**A positive balance of responses indicates an increase in the number of approved loan applications.*

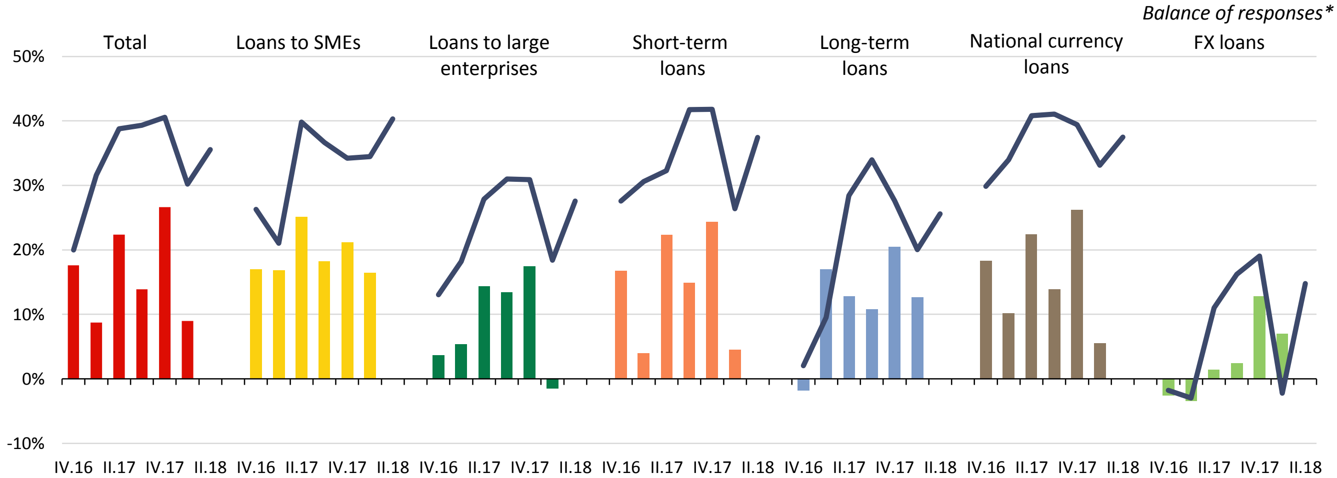
A drop in interest rates and extended loan maturity produced the major support to dynamics of lending to SMEs in Q1. At the same time, financial institutions tightened collateral requirements for corporate loans and large banks introduced tougher lending agreement restrictions, for large businesses in particular (for more details, see Section III of the Annex).

A total of 52% of respondents vs 44% in the previous quarter reported a rise in demand for corporate loans in Q1. Large banks reported increased demand for all types of loans, except for loans to large enterprises (Figure 4).

Growth in demand was mainly driven by the need to replenish working capital and fixed investment needs. Some large banks reported stronger competition from other financial institutions, which pushed down the demand for their loans (Section III of the Annex).

Banks expect demand for all types of corporate loans to grow further in Q2 2018.

*Figure 4. Change in corporate demand for loans*




**A positive balance of responses indicates an increase in demand. The columns represent quarterly data, with the lines showing expectations for the next quarter.*

## Loans to households

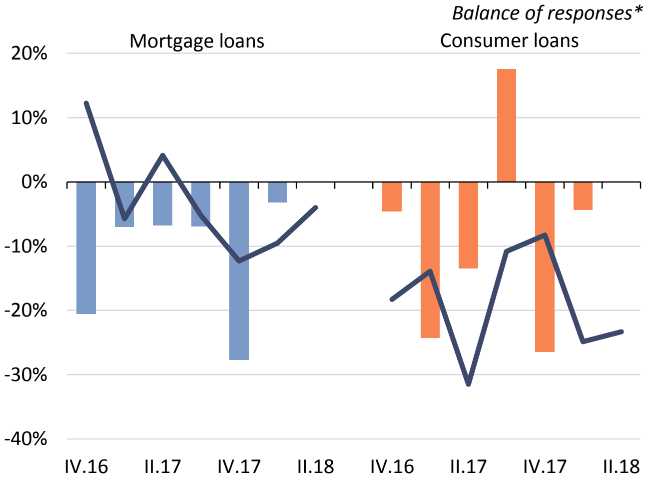
In Q1 2018, consumer and mortgage lending remained almost unchanged, as reported by around three-fourths of banks, with the balance of responses being (-4%). Some large banks somewhat tightened their retail lending standards due to higher funding costs and balance sheet restrictions. A quarter of respondents, mostly small banks, continued to ease consumer lending standards.

The easing in standards was due to stronger competition among banks and non-bank institutions, economic upturn, and lower inflation expectations. Large banks said they had tightened their lending standards in response to the higher collateral risk and expected deterioration in borrowers' solvency.

In Q2, banks expect consumer lending standards to ease and mortgage lending standards to remain unchanged. The balances of responses were (-23%) and (-4%) respectively (Figure 5).

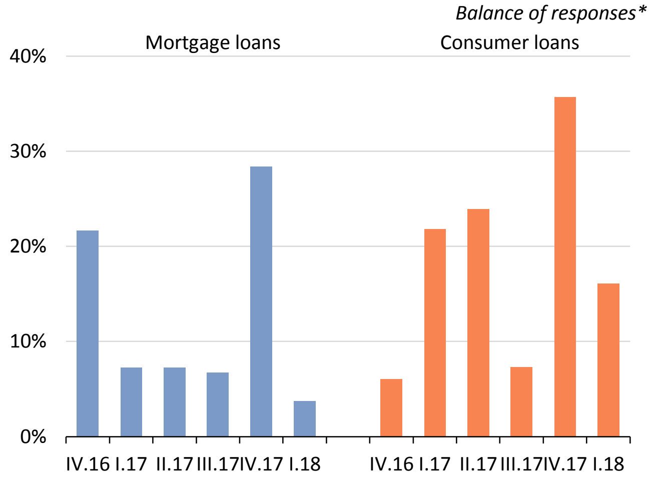
In Q1 2018, banks' approval rates for consumer loan applications increased, while mortgage loan applications remained unchanged. The balances of responses were 16% and (-4%) respectively. The softening of large banks' lending policies was due to lower interest rates and extended maturity and size of loans (Figure 6).

*Figure 5. Change in standards for approval of households' loan applications*




**A positive balance of responses indicates tightening of the standards for loan application approval. The columns represent quarterly data, with the lines showing expectations for the next quarter.*

*Figure 6. Change in the number of approved household loan applications*

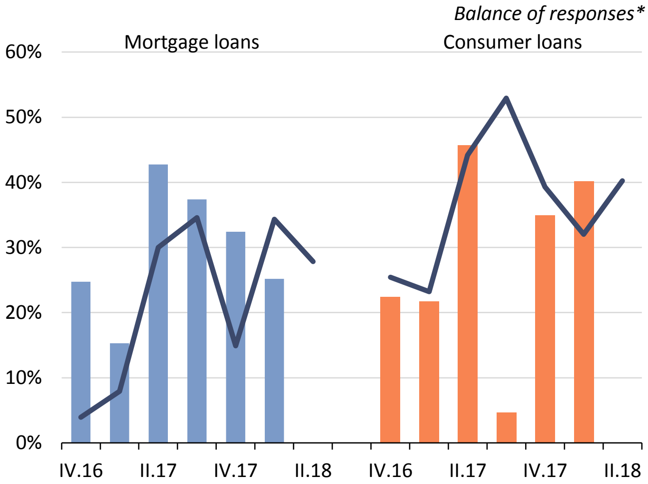



** The positive balance of responses indicates the increased level of loan applications approval.*

Households' demand for loans continues to rise. Higher demand for consumer loans was reported by 45%. A number of large banks reported higher demand for mortgages, with the balance of responses being 25%. Consumer lending was mainly fueled by growth of household savings, expenditures on durable goods and improved consumer sentiment (Figure7 and Section IV of the Annex).

Banks expected that demand for consumer and mortgage loans would grow further in Q2, the balances of responses being 40% and 28% respectively.

*Figure 7. Change in households' demand for loans*

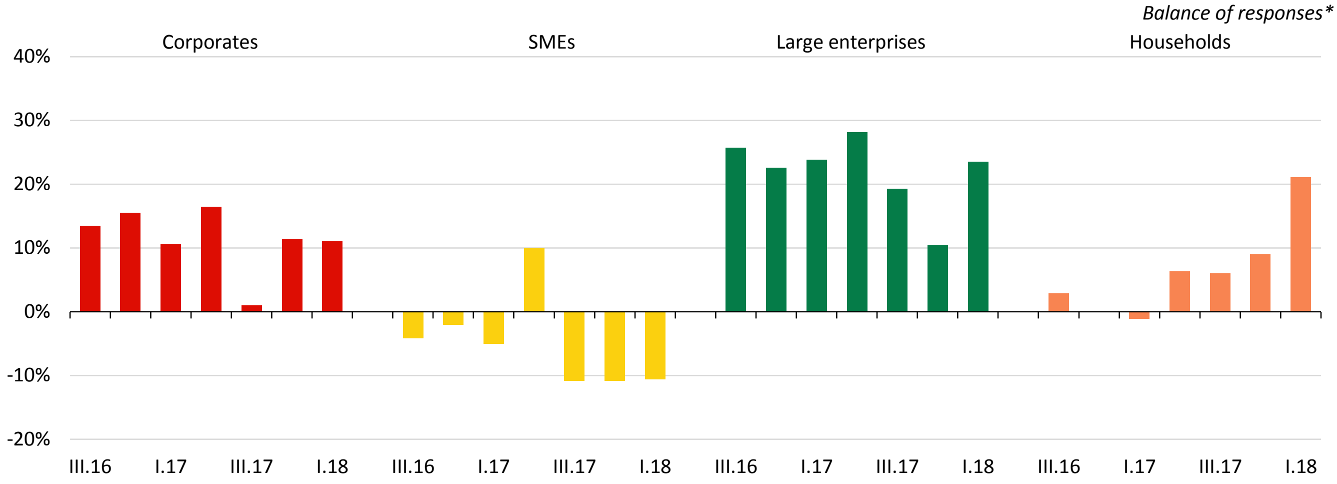



**A positive balance of responses indicates an increase in demand. The columns represent quarterly data, with the lines showing expectations for the next quarter.*

## Assessment of the debt burden

Starting from Q3 2016, banks have been assessing leverage of their corporate customers, as well as debt burden of households. In Q1 2018, the respondents assessed corporate sector leverage as significant. The percentage of banks that referred to the leverage of large enterprises as significant was 45 %, up by 7 pp. According to 94% of surveyed banks, debt load on SMEs was estimated as either low or average, the balance of responses being (-11%). Some large banks assessed debt burden of households as significant, which affected the overall balance of responses – 21% (Figure 8).

*Figure 8. Assessment of the current debt burden*



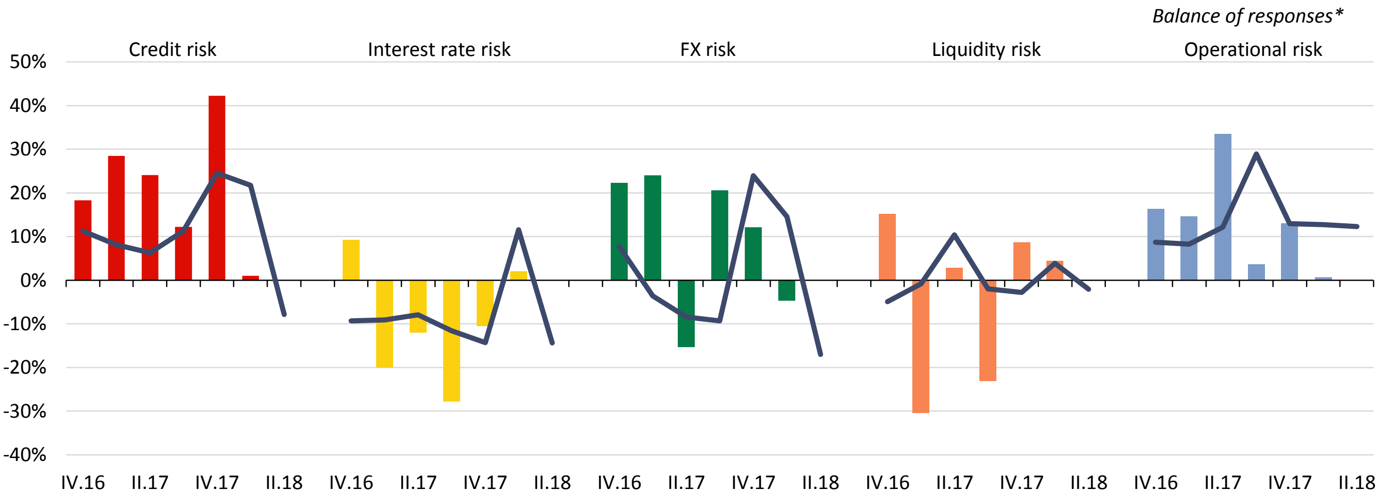

** The higher balance of responses corresponds to higher estimation of leverage. Positive value indicates a high level of leverage, the negative one indicates low leverage.*

## Risk assessment

In Q1 2018, banks were close to unanimity in their risk assessments. Credit, interest rate, and FX risk remained unchanged despite the negative expectations reported by respondents a quarter ago. The gradual strengthening of the hryvnia in Q1 mitigated FX risk, so the balance of responses was negative (-5%). Liquidity risk was a concern primarily for small banks, instead large financial institutions reported no change. Most banks (79%) indicated the same level of operational risk.

Big institutions were counting on a decline in credit, interest rate and FX risks in Q2 (balances of responses were ((-7%), (-14%) and (-17%) respectively). Respondents were forecasting no change in liquidity risk and a slight increase in operational risk (Figure 9).

*Figure 9. Expectations of changes in key bank indicators over the next 12 months*




**A positive balance of responses indicates an increase in risks. The columns represent quarterly data, with the lines showing expectations for the next quarter.*

## Annex: Survey Findings

Each respondent bank was represented by a credit manager who filled out an electronic questionnaire. The questionnaire included three types of questions:

- questions with open responses (without multiple choice);
- multiple choice questions;
- multiple choice questions where responses are presented on an ordinal scale.

For questions where responses were on an ordinal scale (e.g., from "significantly increased" to "significantly decreased"), the indicator “balance of responses” was calculated (BR). For the purposes of the survey, the terms used shall have the following meaning:

- lending standards are the internal regulations and criteria governing the lending policies of a bank;
- lending conditions are the lending terms and conditions agreed on between a bank and a borrower.

The questionnaire covers changes in the past three months and expected changes over the next three months (i.e. for the quarter following the reporting quarter).

To calculate aggregated results for all banks, each response is assigned a score based on the respondent's answers and their weight in the total sample. The scores are presented on a range from -1 to 1 depending on the direction of indicator change. Responses indicating a significant change of the indicator are assigned a higher score than responses reflecting an insignificant change. The response “grew considerably” will have a score of 1, and the response “grew slightly” - a score of 0.5. Each score is weighted on the share of the respective respondent in the total sample depending on its share in assets or its loan portfolio of corporate sector/households of this sample. The summary score for all banks is the BR that can also be interpreted as the difference between the weighted share of respondents reporting an "increase" of a certain index, and the weighted share of respondents reporting a "decrease" of the index. The BR can vary within the range of ± 100. A positive balance indicates that respondents generally assess/expect a change in the index (of the standards of loan applications approval/loan applications approval rate/demand for loans/risks, etc.) towards an increase/strengthening compared with the previous quarter/next quarter. Detailed information about how to interpret the balance of responses to each question is given in the notes to the relevant Figures.

For the questionnaire’s data in Excel, please, refer to the official website of the National Bank of Ukraine at https://bank.gov.ua/control/en/publish/category?cat_id=20741795

**Balance of responses, %**

| | 2013 | 2014 | | | | 2015 | | | | 2016 | | | | 2017 | | | | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| **I. Expectations for the next 12 months: key indicators** | | | | | | | | | | | | | | | | | | |
| **How, in your opinion, will the following corporates’ indicators change in your bank over the next 12 months?** | | | | | | | | | | | | | | | | | | |
| Loan portfolio | — | — | — | — | — | -18.0 | -12.9 | 3.2 | 9.7 | -12.2 | -4.2 | -3.0 | 21.4 | 11.4 | 17.6 | 41.1 | 38.2 | 46.8 |
| Deposits | — | — | — | — | — | 7.0 | 17.2 | 30.4 | 34.9 | 39.3 | 40.2 | 19.8 | 48.8 | 31.6 | 23.8 | 37.7 | 32.3 | 36.3 |
| Loan Portfolio Quality | — | — | — | — | — | -9.2 | -5.6 | 5.2 | 13.9 | 15.1 | 19.1 | 31.6 | 18.0 | 28.4 | 28.2 | -5.1 | 16.0 | 36.4 |
| **How, in your opinion, will the following households’ indicators change in your bank over the next 12 months?** | | | | | | | | | | | | | | | | | | |
| Loan portfolio | — | — | — | — | — | -44.2 | -40.3 | -31.6 | -21.5 | -3.6 | 6.4 | 26.3 | -0.6 | 49.9 | 39.4 | 52.7 | 70.0 | 48.1 |
| Deposits | — | — | — | — | — | 11.1 | 29.9 | 23.8 | 32.4 | 36.6 | 13.9 | 31.7 | 41.7 | 31.1 | 41.0 | 46.1 | 46.2 | 42.0 |
| Loan Portfolio Quality | — | — | — | — | — | -28.3 | -11.0 | 18.1 | 28.4 | 14.4 | 1.8 | 8.8 | 31.7 | 25.3 | 17.5 | 24.1 | 28.7 | 34.3 |
| **II. Risk assessment** | | | | | | | | | | | | | | | | | | |
| **How did the risks for your banks change within the last quarter?** | | | | | | | | | | | | | | | | | | |
| Credit risk | -3.1 | 37.6 | 37.9 | 37.6 | 37.0 | 39.5 | 38.5 | 11.4 | 23.0 | 14.5 | 20.0 | 2.2 | 18.3 | 28.4 | 24.0 | 12.2 | 42.2 | 1.0 |
| Interest rate risk | 11.1 | 38.3 | 19.4 | 37.0 | 25.0 | 24.3 | 27.9 | 1.5 | 0.1 | -7.1 | -18.1 | -8.3 | 9.2 | -20.0 | -12.0 | -27.8 | -10.5 | 1.9 |
| Currency risk | 14.1 | 64.3 | 44.4 | 60.5 | 46.0 | 41.2 | 15.0 | -23.3 | 13.3 | -2.8 | -14.7 | -10.7 | 22.2 | 24.0 | -15.2 | 20.5 | 12.1 | -4.6 |
| Liquidity risk | 16.1 | 38.1 | 31.6 | 2.6 | 19.5 | 34.7 | 7.6 | -30.9 | -17.3 | -10.4 | -5.7 | -8.0 | 15.2 | -30.3 | 2.8 | -23.1 | 8.6 | 4.3 |
| Operational risk | -1.1 | -2.3 | 20.1 | 21.7 | 2.3 | -0.1 | 11.6 | 11.6 | 10.1 | 3.9 | 10.9 | 10.2 | 16.3 | 14.6 | 33.5 | 3.6 | 13.0 | 0.6 |
| **What changes do you expect in the risks for your bank over the next quarter?** | | | | | | | | | | | | | | | | | | |
| Credit risk | 2.5 | 19.6 | 22.8 | 27.9 | 25.9 | 24.4 | 22.3 | 2.2 | 10.9 | 10.9 | 19.4 | 11.3 | 8.1 | 6.3 | 11.3 | 24.5 | 21.7 | -7.9 |
| Interest rate risk | -5.0 | 15.6 | 13.5 | 8.0 | 16.9 | 25.1 | 18.5 | -8.9 | -8.4 | -10.4 | -1.0 | -9.3 | -9.1 | -7.9 | -11.6 | -14.3 | 11.6 | -14.3 |
| Currency risk | 5.7 | 42.3 | -15.1 | 29.5 | 29.7 | 10.5 | 18.9 | -2.0 | -3.2 | 5.3 | 20.3 | 7.7 | -3.6 | -8.4 | -9.3 | 23.9 | 14.5 | -17.0 |
| Liquidity risk | -3.6 | 13.4 | -6.1 | 27.1 | 25.1 | -3.9 | 19.4 | 9.0 | -4.9 | -8.4 | -1.9 | -4.9 | -0.8 | 10.4 | -2.0 | -2.8 | 3.9 | -2.1 |
| Operational risk | -6.0 | -6.8 | -7.4 | 0.3 | -4.5 | 6.6 | 9.2 | 10.3 | 18.0 | 18.1 | 17.0 | 8.7 | 8.3 | 12.1 | 28.9 | 12.9 | 12.7 | 12.3 |

## III. Corporate Loans

**How did the standards for approval of corporate loan applications change within the last quarter?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | 11.3 | 50.0 | 56.0 | 47.1 | 47.3 | 42.7 | 30.2 | 3.1 | 16.9 | -0.9 | 7.1 | 0.0 | 2.0 | 33.4 | -2.2 | -1.9 | 17.4 | 3.7 |
| Loans to SMEs | 0.8 | 48.2 | 55.5 | 45.5 | 46.4 | 40.6 | 25.2 | 8.5 | 4.2 | -3.9 | -1.8 | -9.5 | -1.1 | 16.5 | -5.1 | 13.5 | 1.4 | -8.6 |
| Loans to large enterprises | 13.2 | 39.2 | 30.2 | 38.5 | 35.6 | 40.4 | 34.3 | 7.3 | 22.2 | 11.0 | 12.2 | 10.7 | 3.9 | 35.9 | 1.9 | 1.2 | 17.5 | 5.3 |
| Short-term loans | 4.6 | 45.3 | 33.5 | 41.6 | 43.3 | 37.4 | 26.4 | 1.3 | 15.5 | -3.6 | 5.8 | 7.4 | -0.1 | 21.7 | -3.9 | -2.6 | 16.8 | -2.1 |
| Long-term loans | 18.1 | 51.8 | 41.2 | 42.7 | 38.9 | 50.8 | 37.2 | 19.7 | 30.1 | 16.5 | 4.1 | 2.0 | 3.5 | 38.2 | 6.1 | 11.6 | 20.2 | 4.9 |
| Loans in domestic currency | 5.4 | 43.7 | 37.9 | 41.7 | 44.0 | 38.4 | 27.2 | 2.2 | 3.8 | -9.0 | -2.9 | -1.3 | -0.4 | 17.3 | -3.8 | -2.6 | 16.7 | -3.0 |
| Loans in foreign currency | 17.0 | 52.8 | 47.0 | 51.7 | 52.0 | 56.8 | 44.3 | 21.9 | 22.5 | 39.6 | 8.1 | 12.0 | 4.5 | 32.9 | 6.8 | 13.3 | 20.7 | -0.7 |

**What was the impact of the factors listed below on changes in standards for approval of corporate loan applications within the last quarter?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bank's capitalization | 2.4 | 33.0 | 28.8 | 33.1 | 22.8 | 26.9 | 13.5 | 6.1 | 13.2 | 6.5 | 6.4 | 1.6 | 0.3 | 6.4 | 12.4 | 11.6 | 12.4 | -7.1 |
| Bank's liquidity position | 10.3 | 36.2 | 23.3 | 23.6 | 23.7 | 22.8 | 23.8 | 6.5 | 7.2 | -7.1 | -0.9 | -8.4 | -1.0 | 5.9 | -0.4 | -1.6 | 1.9 | -9.3 |
| Competition with other banks | -6.5 | 1.5 | -0.2 | -10.5 | -5.9 | 14.6 | 0.0 | -5.5 | -0.5 | -10.9 | -1.0 | -10.1 | -12.6 | -11.2 | -17.9 | -15.3 | -3.1 | -10.3 |
| Competition with nonbank institutions | 0.0 | 8.6 | 0.7 | 3.2 | 3.8 | 3.6 | 0.2 | 0.9 | 2.1 | -1.1 | 3.2 | 0.0 | 0.0 | 0.1 | 0.0 | 0.4 | 0.4 | 0.4 |
| Expectations of general economic activity | 22.9 | 62.1 | 59.3 | 53.6 | 49.4 | 48.9 | 45.1 | 33.1 | 35.5 | 3.8 | 9.9 | 0.1 | -4.6 | -3.4 | -13.3 | 1.5 | 4.9 | -5.3 |
| Inflation expectations | 12.9 | 52.2 | 41.0 | 47.6 | 38.1 | 34.9 | 36.2 | 35.3 | 48.6 | 20.8 | 7.9 | 2.7 | -1.0 | -3.2 | -1.2 | -0.9 | 6.6 | 8.9 |
| Exchange rate expectations | 22.1 | 65.8 | 62.6 | 64.8 | 53.1 | 45.9 | 46.6 | 38.7 | 41.7 | 26.9 | 11.1 | 4.4 | 6.1 | 8.1 | 8.4 | 4.8 | 9.7 | 11.0 |
| Expectations of industry or a specific enterprise development | 12.9 | 42.0 | 31.4 | 42.0 | 34.1 | 29.3 | 37.2 | 32.9 | 27.4 | -7.6 | 7.7 | 2.5 | -8.0 | -5.7 | -12.4 | -6.6 | 3.3 | 0.6 |
| Collateral risk | 14.3 | 34.6 | 24.2 | 36.5 | 29.2 | 26.5 | 34.1 | 33.3 | 23.2 | 14.3 | 13.5 | 5.9 | 13.5 | 8.1 | -3.1 | -3.0 | -3.3 | 0.9 |

**What changes do you expect in the standards for approval of corporate loan applications over the next quarter?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | 3.5 | 35.6 | 26.5 | 26.5 | 26.8 | 16.8 | 15.9 | 3.4 | 6.6 | 4.1 | -10.4 | -4.5 | -24.5 | 8.3 | -8.8 | -10.4 | 6.4 | 5.3 |
| Loans to SMEs | -0.2 | 33.9 | 25.4 | 25.8 | 32.0 | 16.6 | 16.7 | 3.3 | -19.3 | -15.7 | -19.8 | -13.2 | -13.2 | 7.3 | -12.9 | 0.4 | -4.4 | -14.4 |
| Loans to large enterprises | 4.4 | 37.4 | 26.3 | 30.5 | 26.5 | 19.8 | 15.8 | 7.3 | 6.7 | 9.9 | -5.1 | 2.5 | -12.5 | 12.1 | -0.1 | -10.7 | 12.9 | 6.1 |
| Short-term loans | 2.2 | 31.0 | 24.5 | 19.6 | 25.4 | 16.4 | 13.2 | 1.0 | -7.6 | -10.3 | -22.0 | -5.9 | -23.7 | 13.5 | -4.4 | -16.4 | 3.5 | -13.5 |
| Long-term loans | 12.0 | 46.2 | 34.7 | 31.0 | 38.2 | 27.0 | 21.1 | 13.6 | 20.0 | 13.6 | -1.6 | 7.6 | -8.4 | 21.7 | -6.0 | -9.3 | 15.3 | 8.2 |
| Loans in domestic currency | 1.3 | 30.6 | 22.6 | 20.7 | 24.3 | 15.2 | 13.1 | 1.8 | -0.7 | -6.2 | -11.8 | -12.2 | -24.7 | 7.1 | -9.1 | -15.0 | 4.7 | -12.1 |
| Loans in foreign currency | 8.7 | 53.9 | 28.3 | 31.8 | 44.0 | 30.2 | 20.1 | 20.6 | 23.6 | 12.1 | 2.3 | 4.4 | -9.0 | 25.9 | 1.8 | -1.7 | 16.0 | 7.9 |

**How did the level of approval of corporate loan applications change within the last quarter?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | -6.2 | -33.5 | -20.7 | -29.5 | -18.2 | -8.4 | -22.8 | 5.5 | -10.3 | 6.3 | -6.3 | 8.3 | 12.1 | -20.0 | 12.6 | 16.4 | -2.5 | -4.1 |
| Loans to SMEs | -0.3 | -31.5 | -16.3 | -20.9 | -12.9 | -5.8 | -19.2 | 4.6 | 7.5 | -6.8 | -6.4 | 18.5 | 7.3 | -11.1 | 19.9 | 10.9 | 22.5 | 9.4 |
| Loans to large enterprises | -2.9 | -31.2 | -20.0 | -27.9 | -18.3 | -11.7 | -22.6 | -0.6 | -11.3 | 6.6 | -8.4 | -1.2 | -3.3 | -24.2 | 11.3 | 13.9 | 2.3 | -4.3 |
| Short-term loans | -1.2 | -22.0 | -14.8 | -21.3 | -12.8 | -6.7 | -20.6 | 7.1 | 10.5 | 0.7 | -5.6 | 8.3 | 11.3 | -18.7 | 13.3 | 17.3 | -1.6 | 2.8 |
| Long-term loans | -7.7 | -46.2 | -32.7 | -31.3 | -27.4 | -20.8 | -28.0 | -8.9 | -31.4 | -5.5 | -0.7 | -1.0 | -9.7 | -24.5 | 9.8 | 7.2 | -6.0 | 1.1 |
| Loans in domestic currency | -0.9 | -23.4 | -11.8 | -16.9 | -13.0 | -8.0 | -21.4 | 6.1 | 4.3 | 6.6 | 2.3 | 15.6 | 11.2 | -13.9 | 18.5 | 17.4 | 3.9 | 3.3 |
| Loans in foreign currency | -11.3 | -48.9 | -25.9 | -42.9 | -26.1 | -22.1 | -29.6 | -17.8 | -20.9 | -9.2 | -2.2 | -3.1 | -9.7 | -24.5 | 2.3 | 0.6 | -6.2 | 1.2 |

**What changed in price and non-price conditions of approval of applications for loans to the corporate sector within the last quarter?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Interest rates (increase - stricter conditions, decrease - softer conditions)* | | | | | | | | | | | | | | | | | | |
| Total | 26.7 | 39.4 | 29.2 | 31.7 | 30.6 | 58.7 | 43.3 | 10.5 | -19.8 | -25.7 | -22.3 | -31.7 | -16.7 | -40.9 | -33.6 | -38.3 | 0.4 | 11.1 |
| SMEs | 18.9 | 41.2 | 30.9 | 30.9 | 30.2 | 60.1 | 39.4 | 10.0 | -20.7 | -19.1 | -25.5 | -18.3 | -13.2 | -41.3 | -39.9 | -31.6 | -26.6 | -3.5 |
| Large enterprises | 25.4 | 39.1 | 28.5 | 30.9 | 30.8 | 59.8 | 42.8 | 11.1 | -13.6 | -30.9 | -15.3 | -31.6 | -17.7 | -40.5 | -33.4 | -38.2 | 0.3 | 11.5 |
| *Changes in non-interest rate payments* | | | | | | | | | | | | | | | | | | |
| Total | 3.6 | 15.6 | 12.0 | 9.1 | 16.8 | 11.6 | 6.7 | 1.5 | 2.0 | 4.6 | 2.9 | 7.7 | -1.4 | -0.2 | -1.4 | -7.1 | 0.1 | -0.1 |
| SMEs | 3.6 | 15.8 | 11.6 | 7.3 | 16.0 | 11.0 | 5.4 | 1.5 | -3.9 | 3.7 | 3.2 | 7.8 | -1.4 | -0.2 | 5.3 | -1.1 | -6.5 | -2.4 |
| Large enterprises | 3.6 | 14.2 | 11.6 | 9.2 | 15.4 | 13.0 | 7.7 | 1.5 | 1.4 | 4.8 | 3.2 | 1.5 | 0.3 | -0.2 | -1.4 | -7.1 | 0.1 | 0.0 |
| *Loan or facility amount* | | | | | | | | | | | | | | | | | | |
| Total | 6.5 | 32.8 | 29.7 | 44.0 | 39.7 | 45.6 | 27.8 | 16.4 | 13.8 | 3.1 | 1.1 | 0.3 | 6.8 | 25.8 | -3.3 | -0.1 | 5.2 | 4.1 |
| SMEs | 1.5 | 30.4 | 24.6 | 34.6 | 36.7 | 33.2 | 24.3 | 4.0 | 8.3 | 5.3 | -1.8 | -3.7 | -3.0 | 22.8 | 3.0 | 0.0 | -18.9 | -5.1 |
| Large enterprises | 6.4 | 23.9 | 29.7 | 43.9 | 38.6 | 48.2 | 27.8 | 17.5 | 14.0 | 3.5 | 1.6 | 0.3 | 7.0 | 26.2 | -3.0 | -0.1 | 5.3 | 4.2 |
| *Collateral eligibility requirements* | | | | | | | | | | | | | | | | | | |
| Total | 9.2 | 30.1 | 32.8 | 32.3 | 30.0 | 35.1 | 29.5 | 27.1 | 17.9 | 8.3 | 8.5 | 16.0 | 11.7 | 11.6 | -1.0 | -2.7 | 15.1 | -6.4 |
| SMEs | 12.2 | 30.0 | 32.1 | 26.2 | 27.9 | 36.1 | 25.6 | 26.5 | 17.0 | 18.9 | 9.9 | 5.4 | 4.4 | 8.8 | -3.6 | 9.9 | 7.6 | -6.4 |
| Large enterprises | 9.3 | 30.0 | 32.9 | 32.2 | 28.6 | 37.5 | 29.5 | 16.2 | 18.2 | 8.2 | 8.3 | 25.8 | 11.6 | 18.2 | 5.4 | -2.9 | 13.9 | -5.7 |
| *Restrictions imposed by the loan agreement on the borrower* | | | | | | | | | | | | | | | | | | |
| Total | 15.0 | 27.4 | 30.6 | 25.3 | 29.6 | 18.2 | 26.6 | 13.1 | 15.7 | 15.3 | 9.4 | 13.3 | 17.3 | 26.3 | 23.7 | 19.4 | 3.1 | 12.0 |
| SMEs | 15.0 | 25.8 | 30.8 | 20.8 | 25.8 | 18.2 | 21.8 | 11.6 | 14.4 | 14.8 | 8.9 | 9.6 | 15.9 | 40.6 | 17.7 | 11.3 | 5.2 | 12.1 |
| Large enterprises | 15.8 | 27.4 | 30.8 | 27.1 | 26.8 | 22.1 | 26.4 | 13.1 | 15.8 | 15.3 | 9.5 | 13.3 | 17.2 | 26.4 | 24.1 | 19.4 | 3.1 | 18.7 |
| *Loan maturity* | | | | | | | | | | | | | | | | | | |
| Total | 6.8 | 27.8 | 21.1 | 29.0 | 26.1 | 25.2 | 15.7 | 10.1 | 7.7 | 8.7 | 7.2 | 7.0 | 6.9 | 2.9 | -8.1 | 0.9 | 0.8 | -0.6 |
| SMEs | 7.9 | 23.9 | 16.0 | 22.4 | 21.6 | 24.1 | 13.8 | 10.1 | 7.8 | 8.9 | 3.5 | 3.5 | 3.6 | 2.0 | -1.9 | 0.9 | -5.7 | -0.6 |
| Large enterprises | 7.0 | 24.0 | 22.1 | 28.9 | 23.9 | 28.7 | 16.4 | 12.6 | 8.1 | 8.8 | 7.4 | 9.2 | 6.9 | 2.9 | -6.3 | 2.4 | -5.6 | -0.6 |

**How the corporate sector's demand changed within the last quarter, disregarding the seasonal changes?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | 7.6 | 15.7 | 12.7 | 21.3 | 19.7 | 25.5 | 3.1 | 9.4 | 12.3 | 25.0 | 11.3 | 23.3 | 17.6 | 8.8 | 22.4 | 13.9 | 26.6 | 9.0 |
| Loans to SMEs | 11.6 | 15.1 | 10.4 | 18.8 | 23.5 | 21.5 | 1.6 | 10.7 | 32.4 | 28.7 | 23.3 | 24.4 | 16.9 | 16.9 | 25.1 | 18.2 | 21.2 | 16.5 |
| Loans to large enterprises | 15.4 | 11.7 | 14.7 | 14.8 | 19.2 | 14.9 | 2.9 | 9.3 | 5.7 | 18.1 | 8.6 | 12.2 | 3.7 | 5.4 | 14.4 | 13.5 | 17.4 | -1.5 |
| Short-term loans | 14.7 | 20.4 | 18.9 | 28.0 | 26.3 | 18.8 | 3.3 | 11.1 | 12.7 | 17.7 | 10.4 | 18.2 | 16.7 | 4.0 | 22.4 | 14.9 | 24.4 | 4.5 |
| Long-term loans | -14.4 | -4.2 | 9.3 | -3.9 | 10.5 | 0.2 | -8.6 | 4.7 | 3.2 | 7.2 | 1.5 | 7.2 | -1.8 | 17.0 | 12.8 | 10.8 | 20.5 | 12.7 |
| Loans in domestic currency | 3.1 | 22.7 | 18.0 | 23.6 | 25.9 | 24.4 | 3.7 | 12.5 | 18.4 | 25.5 | 11.3 | 22.2 | 18.3 | 10.2 | 22.4 | 13.9 | 26.2 | 5.5 |
| Loans in foreign currency | 11.3 | -13.0 | -15.2 | -31.9 | -36.3 | -47.5 | -35.4 | -19.0 | -10.7 | -19.9 | 11.5 | 2.3 | -2.6 | -3.4 | 1.4 | 2.4 | 12.8 | 7.0 |

**What was the impact of the factors listed below on changes in corporate demand for loans within the last quarter?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Interest rates | -16.1 | -23.7 | -20.4 | -10.4 | -11.9 | -26.0 | -32.4 | -18.0 | 2.1 | 15.2 | 25.7 | 18.0 | 14.9 | 15.7 | 21.1 | 19.7 | 6.8 | -5.5 |
| Capital investment needs | 2.3 | -29.6 | -24.6 | -18.7 | -11.4 | -11.1 | -0.6 | 4.9 | 2.8 | 14.0 | 8.3 | 5.9 | 8.9 | 8.3 | 20.6 | 13.4 | 15.1 | 14.2 |
| Working capital needs | 5.2 | -3.2 | 0.1 | 13.8 | 14.5 | 28.7 | 36.2 | 32.1 | 22.1 | 36.7 | 22.5 | 25.6 | 17.1 | 17.4 | 23.8 | 24.2 | 23.8 | 19.7 |
| Debt restructuring | 4.2 | 10.9 | 19.0 | 24.4 | 15.7 | 31.4 | 22.8 | 19.1 | 28.2 | 24.9 | 12.9 | 20.3 | 16.3 | 17.3 | 20.6 | 15.2 | 7.2 | -1.2 |
| Internal financing | -0.3 | -16.5 | 1.5 | 2.6 | -8.8 | 4.4 | 8.1 | 9.6 | 4.1 | 2.3 | 4.1 | 6.6 | 8.9 | 3.8 | 8.2 | -4.4 | -5.6 | -2.9 |
| Loans from other banks | -3.6 | -8.7 | 3.9 | 5.7 | -2.8 | 6.8 | 9.5 | 4.6 | 8.5 | -6.0 | -8.9 | -7.5 | 1.1 | -12.8 | -10.0 | 2.2 | -9.7 | -10.9 |
| Asset sale | -2.3 | -9.3 | -11.3 | -15.0 | -13.1 | 2.0 | -1.8 | 3.2 | 1.3 | 2.1 | 1.9 | 1.7 | 1.8 | 1.6 | 1.5 | 0.0 | 0.0 | 0.0 |

**How will the corporate demand for loans change over the next quarter, disregarding the seasonal changes, in your opinion?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | 24.7 | 11.8 | 16.3 | 8.2 | 10.3 | 25.3 | 9.9 | 6.0 | 7.1 | 44.4 | 29.9 | 20.0 | 31.6 | 38.8 | 39.3 | 40.6 | 30.2 | 35.5 |
| Loans to SMEs | 20.3 | 7.2 | 16.9 | 5.0 | 16.3 | 24.3 | 10.4 | 5.8 | 25.6 | 38.5 | 29.6 | 26.3 | 21.0 | 39.8 | 36.7 | 34.2 | 34.5 | 40.3 |
| Loans to large enterprises | 15.2 | 11.7 | 13.1 | 5.9 | 7.3 | 22.6 | 11.8 | -3.8 | 12.9 | 45.6 | 23.2 | 13.1 | 18.2 | 27.9 | 31.0 | 30.9 | 18.4 | 27.6 |
| Short-term loans | 24.4 | 19.4 | 15.5 | 16.3 | 15.2 | 26.0 | 11.3 | 6.7 | 23.4 | 45.5 | 31.9 | 27.6 | 30.6 | 32.3 | 41.7 | 41.8 | 26.4 | 37.4 |
| Long-term loans | 5.4 | -5.9 | 8.4 | -4.5 | 0.8 | 9.5 | 0.6 | 6.7 | 0.9 | 20.0 | 10.2 | 2.0 | 9.5 | 28.4 | 34.0 | 27.6 | 20.1 | 25.6 |
| Loans in domestic currency | 26.5 | 16.7 | 13.4 | 14.1 | 13.7 | 24.2 | 10.4 | 8.5 | 22.1 | 48.0 | 33.4 | 29.8 | 33.9 | 40.8 | 41.1 | 39.4 | 33.1 | 37.5 |
| Loans in foreign currency | -4.6 | -17.8 | -3.7 | -29.5 | -14.2 | -8.7 | -29.7 | -36.9 | -8.2 | -11.9 | -1.1 | -1.8 | -3.0 | 11.0 | 16.2 | 19.1 | -2.2 | 14.8 |

**How do you assess corporates' leverage in the past quarter?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | — | — | — | — | — | — | — | — | — | — | — | — | 13.5 | 15.5 | 10.6 | 16.5 | 1.0 | 11.4 | 11.0 |
| SMEs | — | — | — | — | — | — | — | — | — | — | — | — | -4.1 | -2.1 | -4.9 | 10.0 | -10.8 | -10.9 | -10.6 |
| Large enterprises | — | — | — | — | — | — | — | — | — | — | — | — | 25.7 | 22.5 | 23.8 | 28.1 | 19.2 | 10.5 | 23.5 |

## IV. Loans to households

**How did the standards for approval of retail loan applications changed within the last quarter?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mortgage loans | -0.8 | 39.2 | 22.4 | 12.6 | 32.3 | 25.6 | 19.0 | 0.9 | -13.4 | 0.2 | -0.5 | 0.1 | -20.5 | -7.0 | -6.7 | -6.9 | -27.6 | -3.1 |
| Consumer loans | -4.9 | 53.3 | 30.3 | 34.4 | 39.6 | 39.7 | 19.0 | -6.4 | -24.5 | -8.1 | -10.8 | -17.4 | -4.6 | -24.3 | -13.5 | 17.6 | -26.4 | -4.4 |

**What was the impact of the factors listed below on changes in standards for approval of retail loan applications within the last quarter?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Value of resources and balance sheet restrictions | — | — | — | — | — | 22.9 | 35.7 | 6.2 | 5.0 | — | -7.4 | -8.2 | -4.4 | -9.2 | -4.2 | -22.5 | -19.5 | -1.5 |
| Competition with other banks | — | — | — | — | — | -2.2 | 0.8 | -2.2 | -15.0 | — | -9.8 | -19.9 | -29.1 | -10.6 | -10.3 | -15.5 | -17.3 | -33.4 |
| Competition with nonbank institutions | — | — | — | — | — | 0.7 | -3.5 | 0.0 | -9.4 | — | 0.0 | 0.0 | -4.9 | -0.3 | -3.7 | -4.0 | -4.1 | -18.0 |
| Expectations of general economic activity | — | — | — | — | — | 41.8 | 36.0 | 16.3 | -12.7 | — | -13.7 | -17.4 | -1.2 | -16.8 | -4.7 | -12.2 | -13.1 | -14.7 |
| Inflation expectations | — | — | — | — | — | 46.2 | 37.1 | 19.5 | -3.5 | — | -6.7 | -8.2 | 2.2 | -0.1 | -1.9 | -6.0 | -3.9 | -8.6 |
| Exchange rate expectations | — | — | — | — | — | 44.0 | 29.7 | 13.7 | -2.0 | — | -3.3 | -5.0 | 2.8 | 0.1 | 0.4 | -6.0 | -2.0 | 0.1 |
| Real estate market expectations | — | — | — | — | — | 33.1 | 20.5 | 15.5 | -10.1 | — | -2.9 | -2.5 | 0.1 | -3.9 | -4.0 | -1.9 | 0.0 | -4.5 |
| Borrowers' solvency expectations | — | — | — | — | — | 48.7 | 46.3 | 24.8 | -8.6 | — | -8.1 | -9.5 | -3.0 | -5.8 | -7.8 | -2.9 | -14.1 | 6.4 |

**What changes do you expect in the standards for approval of retail loan applications over the next quarter?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mortgage loans | 8.7 | 19.5 | 8.6 | 14.6 | 25.4 | 17.1 | -6.6 | -13.9 | -11.5 | -2.2 | -3.3 | 12.3 | -5.7 | 4.1 | -5.2 | -12.3 | -9.5 | -4.0 |
| Consumer loans | -6.0 | 33.0 | 8.5 | 13.9 | 33.1 | 21.9 | -6.7 | -11.2 | -5.6 | -19.7 | -18.1 | -18.3 | -13.9 | -31.5 | -10.8 | -8.3 | -24.9 | -23.3 |

**How did the level of approval of retail loan applications changed within the last quarter?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mortgage loans | -1.9 | -35.1 | -16.9 | -5.6 | -41.0 | -10.8 | -14.9 | -3.3 | 15.0 | -0.1 | 0.0 | 14.4 | 21.7 | 7.3 | 7.3 | 6.8 | 28.4 | 3.8 |
| Consumer loans | -4.1 | -59.2 | -41.3 | -22.3 | -45.3 | -28.2 | -15.4 | 11.6 | 28.7 | -2.0 | 10.2 | 19.3 | 6.0 | 21.8 | 23.9 | 7.3 | 35.7 | 16.1 |

**What changed in price and non-price conditions of approval of applications for retail loans within the last quarter?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Mortgage loans* | | | | | | | | | | | | | | | | | | |
| Interest rates on loans | -1.0 | 25.8 | 16.7 | 9.5 | 9.0 | 19.5 | 38.0 | 12.2 | -3.9 | -2.5 | -13.8 | -2.6 | -24.8 | 9.3 | -7.5 | -13.4 | -28.0 | -3.5 |
| Collateral eligibility requirements | 9.9 | 10.6 | 11.1 | 4.0 | 13.2 | 6.9 | 4.5 | 0.8 | 0.4 | 0.1 | -0.5 | 0.0 | 0.0 | -2.3 | 19.8 | 0.1 | -24.4 | 3.2 |
| Loan maturity | -3.2 | 2.5 | 3.4 | 3.5 | 0.8 | 1.7 | 8.9 | 0.4 | 0.5 | 0.1 | 0.1 | -0.1 | 0.1 | 0.0 | 0.0 | -0.1 | 0.4 | 0.3 |
| Changes in non-interest rate payments | 6.3 | 1.9 | 2.9 | 2.3 | 0.9 | 3.6 | -1.3 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.2 |
| Loan-to-value ratio (LTV) | -1.3 | 7.5 | 6.1 | 6.3 | 12.5 | 6.0 | 2.4 | 0.4 | 0.2 | 0.4 | -0.5 | -4.1 | 0.0 | 0.0 | 0.2 | 0.1 | 0.0 | -0.3 |
| *Consumer loans* | | | | | | | | | | | | | | | | | | |
| Interest rates on loans | -8.3 | 21.5 | 20.3 | 32.1 | 14.4 | 36.6 | 46.1 | 3.5 | -15.7 | -6.0 | -6.3 | -4.7 | -12.8 | -29.0 | -20.9 | -21.1 | -28.5 | -13.7 |
| Collateral eligibility requirements | 0.6 | 4.5 | 5.6 | 4.5 | 15.5 | 6.9 | 5.1 | -0.8 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | -2.2 | -17.9 | -6.9 |
| Loan maturity | -7.5 | 5.3 | 3.2 | 6.0 | 5.0 | 0.5 | 4.9 | -0.1 | -2.5 | -2.7 | -14.2 | -9.7 | -14.0 | -6.5 | -7.7 | -3.1 | -3.5 | -12.5 |
| Changes in non-interest rate payments | 2.4 | 3.9 | 6.1 | 6.1 | 13.1 | 10.0 | 11.1 | 6.0 | -3.8 | 3.0 | -2.9 | 0.8 | -3.1 | -3.0 | -1.1 | -5.4 | -3.7 | -5.2 |
| Loan amount | -5.5 | 23.3 | 23.9 | 8.5 | 20.5 | 18.0 | 7.3 | 2.6 | -11.3 | -15.4 | -15.6 | -24.3 | -11.4 | -9.3 | -18.3 | -22.4 | -9.1 | -19.5 |

**How the households' demand changed within the last quarter, disregarding the seasonal changes?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mortgage loans | -5.4 | -29.7 | -31.3 | -29.3 | -34.3 | -23.7 | -6.1 | -5.2 | 2.8 | -0.4 | 14.3 | 16.9 | 24.7 | 15.3 | 42.8 | 37.4 | 32.4 | 25.2 |
| Consumer loans | 18.9 | -6.8 | -39.5 | -17.8 | -37.0 | -36.1 | -9.0 | 7.7 | 23.6 | 20.2 | 25.7 | 15.3 | 22.4 | 21.7 | 45.7 | 4.6 | 35.0 | 40.1 |

**What was the impact of the factors listed below on changes in the households' demand for loans within the last quarter?**

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Mortgage loans* | | | | | | | | | | | | | | | | | | |
| Interest rates | 0.3 | -22.1 | -26.4 | -5.0 | -11.5 | -5.7 | -15.8 | -11.2 | -9.7 | 0.0 | 11.2 | 2.8 | 24.8 | 24.5 | 10.5 | 14.3 | 32.1 | 3.6 |
| Real Estate Market Outlook | -8.5 | -15.1 | -4.0 | -39.8 | -16.0 | -11.1 | -12.7 | -4.2 | 0.4 | 0.0 | 0.5 | 2.7 | 3.0 | 12.4 | 15.2 | 15.4 | 5.1 | 7.4 |
| Consumer confidence | -14.3 | -24.1 | -25.2 | -38.1 | -13.0 | -38.4 | -14.1 | -10.0 | -0.8 | -13.0 | 0.4 | 2.7 | 2.8 | 6.0 | 8.9 | 8.4 | 7.8 | 6.8 |
| Households savings | 9.6 | -13.4 | -41.2 | 9.4 | -2.5 | -22.6 | 1.1 | -10.0 | -0.2 | -12.5 | -2.9 | 0.1 | 3.1 | 5.3 | 7.6 | 3.2 | 3.6 | 6.9 |
| Loans from other banks | 8.2 | 5.7 | -0.8 | -2.8 | -2.7 | -3.5 | 1.2 | 1.4 | 0.7 | 0.1 | 0.0 | 2.5 | 0.4 | 9.0 | 0.9 | 2.7 | -3.4 | 1.3 |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Consumer loans* | | | | | | | | | | | | | | | | | | |
| Interest rates | 17.6 | -18.8 | -34.6 | -8.9 | -14.5 | -28.6 | -18.9 | -7.9 | 2.7 | -7.1 | 8.9 | 5.0 | 9.0 | 24.0 | 24.9 | 25.8 | 38.1 | 9.3 |
| Consumer confidence | 5.4 | -22.8 | -58.5 | -28.8 | -20.5 | -19.1 | -27.5 | -4.5 | 8.1 | 12.2 | 8.7 | 13.8 | 19.1 | 13.4 | 27.2 | 24.3 | 16.2 | 31.0 |
| Expenses on long-term use goods | 8.9 | -2.4 | -12.6 | -26.5 | -19.1 | 6.8 | -5.2 | 7.4 | 15.5 | 23.6 | 13.1 | 1.5 | 12.9 | 19.2 | 17.5 | 10.5 | 12.1 | 31.6 |
| FX purchase | 0.8 | 18.3 | -18.5 | -23.5 | -4.9 | 5.9 | 1.1 | 4.4 | 7.8 | 10.9 | 8.4 | 3.3 | -2.5 | 2.0 | 9.2 | -0.9 | -0.9 | 13.4 |
| Households savings | 9.1 | -3.1 | -44.2 | -25.2 | -3.6 | -26.0 | -1.4 | -10.1 | 2.8 | 3.6 | 3.7 | 1.5 | 18.9 | 6.4 | 5.8 | 4.6 | -0.3 | 32.1 |
| Loans from other banks | -6.6 | 8.8 | 0.7 | -7.9 | 1.5 | -3.0 | -1.0 | -4.5 | 5.9 | 0.0 | 0.2 | 1.1 | 2.5 | 11.7 | -1.6 | -9.2 | -1.4 | -9.4 |
| **How will the households' demand for loans change over the next quarter, disregarding the seasonal changes, in your opinion?** | | | | | | | | | | | | | | | | | | |
| Mortgage loans | 11.2 | -23.0 | 12.9 | -19.6 | -12.1 | 4.1 | 0.3 | -2.5 | 0.0 | 10.9 | 6.5 | 3.9 | 7.9 | 30.0 | 34.6 | 14.9 | 34.3 | 27.9 |
| Consumer loans | 21.4 | -15.8 | 24.0 | -3.3 | 5.4 | 1.3 | 4.5 | 17.5 | -0.5 | 21.1 | 31.4 | 25.4 | 23.2 | 44.2 | 52.9 | 39.3 | 32.0 | 40.3 |
| **How do you assess household leverage in the past quarter?** | | | | | | | | | | | | | | | | | | |
| Total | — | — | — | — | — | — | — | — | — | — | — | 2.9 | 0.1 | -1.0 | 6.3 | 6.0 | 9.0 | 21.1 |

## Information about survey

**The Ukrainian Bank Lending Survey** is an analytical report on the survey of banks compiled by the National Bank of Ukraine on a quarterly basis. The survey aims to promote better understanding of lending market conditions and trends by the central bank and other banking sector stakeholders. The survey provides general estimates and forecasts of changes in lending standards and conditions for the corporate sector and households, as well as fluctuations in demand for borrowing funds, etc.

This survey assesses the state of the credit market in Q1 2018, and gives respondents' expectations for Q2 2018. The credit managers of 64 banks were invited to participate in the survey between 20 March and 10 April 2018. Survey answers were provided by all respondents, or of those contacted. These banks account for 98% of the banking system's total assets. The survey results reflect the views of respondents, and are not necessarily the assessments or forecasts of the National Bank of Ukraine.

This report, questionnaires and additional background information are available at the official website of the National Bank of Ukraine at:

https://bank.gov.ua/control/en/publish/category?cat_id=20741795

The next Bank Lending Survey on expectations of lending conditions for Q3 2018 shall be released in July 2018.

This report presents the results of Q1 2018 lending survey and expected changes in Q2 2018. Respondents' replies are presented on a consolidated basis as a balance of responses. The balance of responses can be interpreted as the difference between the weighted percentage of respondents who reported an "increase" of a indicator, and those who reported a “decrease" of the same indicator. Balances of responses can lie between ±100. A positive balance indicates that, on the whole, respondents report that an indicator has increased/strengthened compared to the previous quarter, or expect that it will increase/strengthen in the coming quarter. For a more detailed explanation of the methodology, please refer to the Annex to this report.