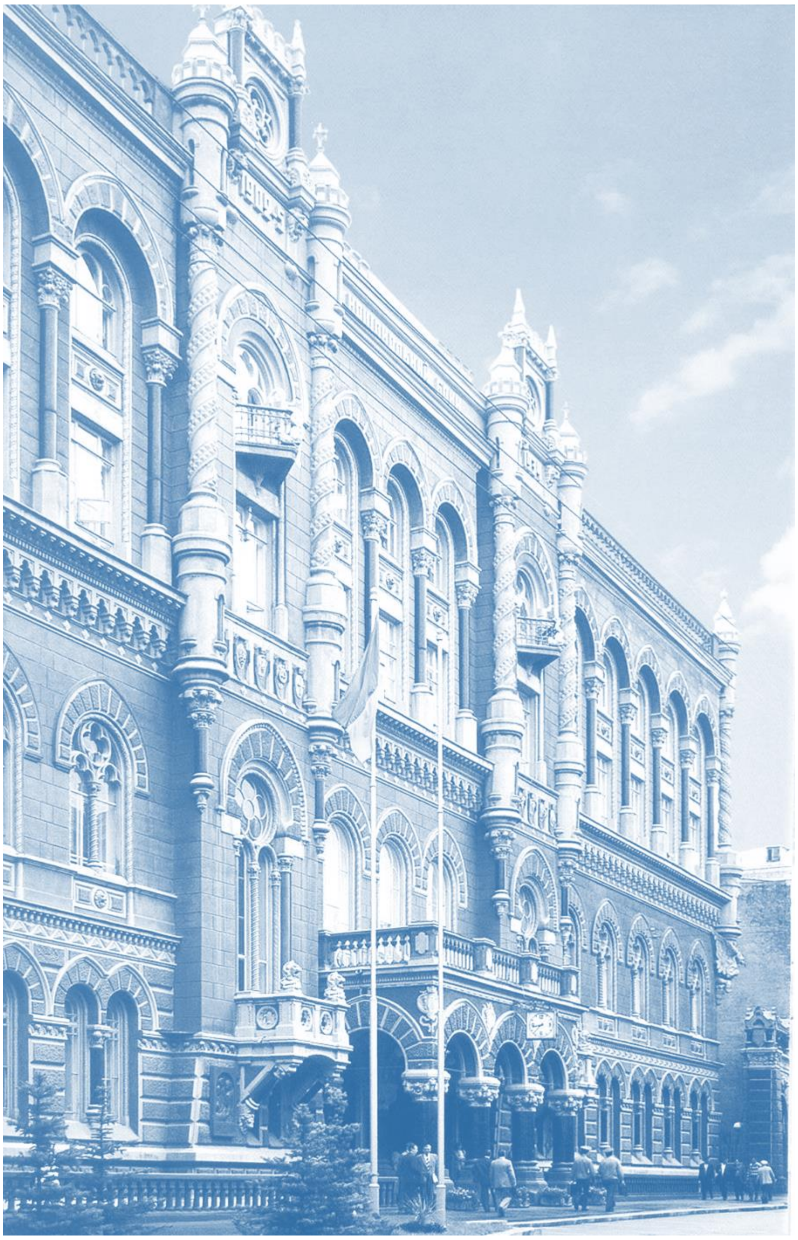
Lending Survey

NATIONAL BANK OF UKRAINE

Q2 2017

April 2017



Lending Survey

Q2 2017 Issue 10(22)

Ukrainian Lending Survey is an analytical report on the survey of banks compiled by the National Bank of Ukraine on a quarterly basis. The survey's objective is to promote better understanding of credit 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, the demand for borrowing developments, etc.

This survey assesses the state of the credit market in Q1 2017, and gives respondents' expectations for Q2 2017. The credit managers of 70 banks were invited to participate in the survey between 22 March and 7 April 2017. Survey answers were provided by 70 banks, or 100% of those contacted. These banks account for 97% of the banking system's total assets. The survey results reflect the assessments of respondents and are not the assessments or forecasts of the National Bank of Ukraine.

This analytical report, questionnaire data and additional information about the survey are available at the official website of the National Bank of Ukraine at
http://bank.gov.ua/control/uk/publish/category?cat_id=20231434

The next Lending Survey on expectations of lending conditions for Q3 2017 shall be released in July 2017.

The report presents the results of lending survey in Q1 2017 and expected changes in Q2 2017. The 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 certain indicator, and those who reported a "decrease" of the indicator. The balance of responses can vary within the range of ±100. A positive balance indicates that, on the whole, respondents assess/expect the change of indicator towards an increase/strengthening compared with the previous quarter/in the following quarter. For a more detailed explanation of the methodology, please refer to the Annex to this report.

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KEY INDICATORS FOR THE NEXT 12 MONTHS

- Banks are optimistic about changes in key indicators of banking sector over the next 12 months. 88% of the surveyed banks expect consumer lending growth over the year, while 61% of respondents forecast corporate lending recovery. Quality of corporate and retail loan portfolios should be improving according to nearly half of the respondents, with the balances of responses being 28% and 25%. About 76% of the polled banks expect a further deposit inflow from corporations and 67% from households.

LENDING CONDITIONS

- In Q1, lending standards tightened according to 43% of the respondents versus 4% in Q4 2016. Standards were the toughest for long-term loans, FX loans and loans to large enterprises. Banks expect the standards for corporate lending to tighten in Q2 2017, giving this kind of response for the first time since Q1 2016.
- Conditions for retail lending softened further in Q1. Bank have been easing the requirements for mortgage lending for the second quarter in a row, while for consumer lending application approval standards have been softening since mid-2015. This trend was mainly driven by higher expectations of economic growth, increasing competition among the banks, and declining cost of funding. Banks expect the easing of consumer lending standards to continue in Q2 2017. Moreover, they note that interest rates may hold back the mortgage market development.
- Banks noted that corporate applications for all loan types received considerably less approvals, primarily, due to standards tightening. The interest rates have being falling during the last six quarters; nevertheless, this does not result in a sizable increase in loan portfolios due to loan agreement constraints and reduction in loan maturities and size.
- The application approval rate for retail increased; in the respondents' view, this was primarily caused by a reduction in the interest rates. According to banks, factors hindering an increase in loan portfolios were loan agreement constraints and loan size and maturity restrictions. Non-price conditions had a little impact on lending to households.

DEMAND

- Demand for corporate sector loans continued to grow. The key drivers remained the same: lower interest rates and the need for working capital funding and debt restructuring. The demand for FX loans remained almost the same. The households' demand for consumer and mortgage loans expanded, owing to lower interest rates, increased costs of durable goods, and stronger consumer confidence.
- Banks expect demand for corporate and household loans to increase in Q2 2017.
- Banks point to a high indebtedness of large enterprises (the balance of responses is 24%) and a relatively low leverage of SMEs (-5%). Debt burden on households is moderate according to 81% of respondents.

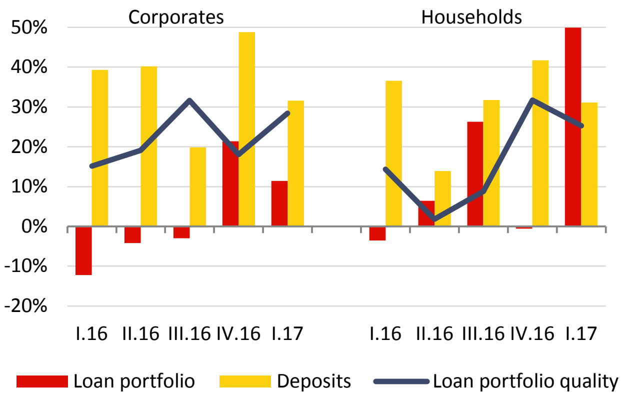
RISKS

- In Q1, banks reported an increase in the credit and FX risks. The operational risk remained high. The interest rate and liquidity risks declined in the reporting quarter. In Q2, a moderate increase is expected in credit and operational risks; at the same time, banks expect the FX and interest rate risks to decrease.

I. Expectations for the next 12 months: key indicators

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

Balance of responses [1]



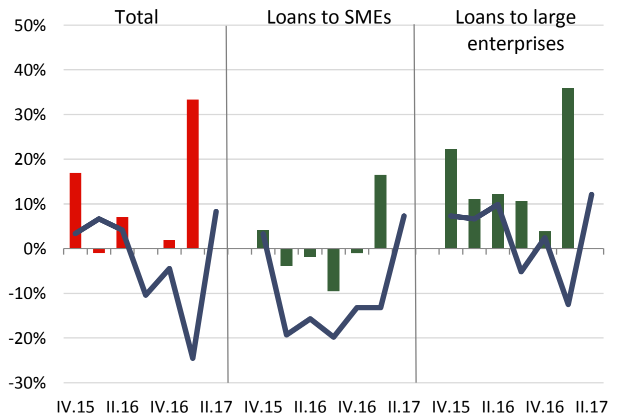
[1] A positive balance of responses indicates expectations of growth for the respective indicator.

In Q1, 88% of the respondents expected recovery in consumer lending over the next 12 months. The balance of responses was 50% – the highest reading since the beginning of 2015. According to the respondents, corporate lending will also increase, though banks' expectations were more conservative this time (61% of respondents against 71% in the previous quarter). Percentages of the respondents forecasting the improvement of quality of both corporate and retail loan portfolios were nearly the same (28% and 25%, respectively). Banks expect corporate and retail deposits to increase in the next 12 months (the balances of responses were 32% and 31%, respectively) (Figure 1).

II. Corporate Loans

Figure 2. Changes in standards of approval of corporate loan applications[a]

Balance of responses [b]

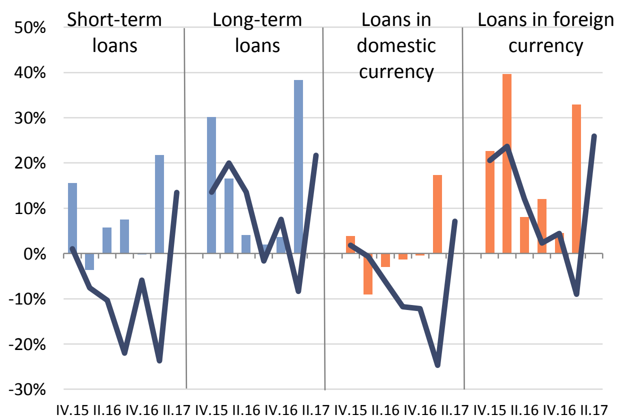


[a] Hereinafter, the bars show the balance of responses for the quarter. A dark line shows expectations in the quarter following the reporting quarter.

[b] A positive balance of responses indicates tightening of the standards for loan application approval.

Figure 3. Change in standards for approval of corporate loan applications

Balance of responses [b]



[b] A positive balance of responses indicates tightening of the standards for loan application approval.

In Q1, banks reported tightening of corporate lending standards: the balance of responses grew to 33% from 2% in Q4 2016. Such changes came despite expectations of standards' easing registered in the last three quarters (even for FX lending).

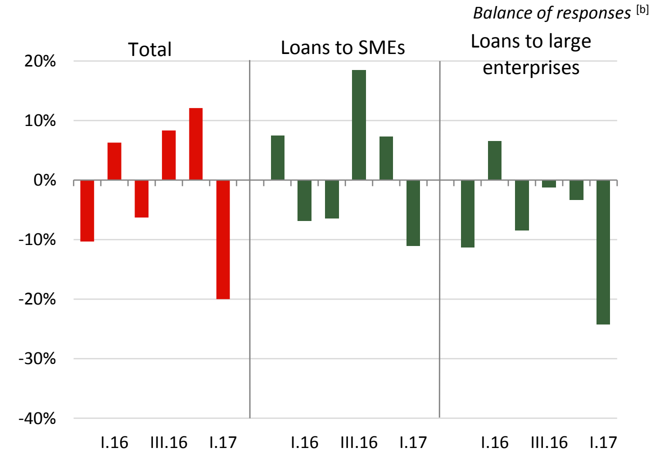
The standards were tightened the most for long-term FX lending to large enterprises. Those for short-term hryvnia lending were tightened in a lesser degree. The respondents projected tightening of the standards in Q2 for the first time in the last 12 months (Figures 2 and 3).

According to the respondents, collateral-related risks, exchange rate expectations, and shrinking banks' capital were the key factors behind tightening loan application approval standards. Stronger competition among banks was the main factor behind relaxing internal regulations and criteria guiding credit policies of banks (details on impact of specific factors are provided in Section III of the Annex hereto).

In Q1, there were considerably less approved applications for all types of loans (Figures 4 and 5).

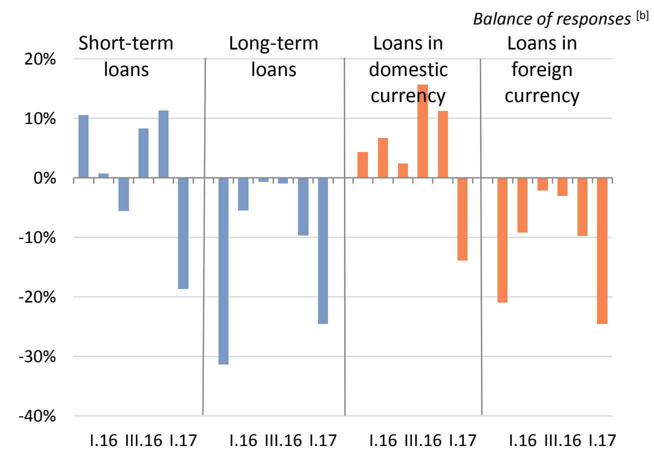
With interest rates decreasing (the balance of responses was 41%), non-price conditions for application approvals became tighter. Among the factors restraining the growth of loan portfolios were banks' internal regulations, such as loan agreement restrictions, caps on loan amounts,

Figure 4. Change in corporate loan applications approval rate



[b] A positive balance of responses indicates an increase in the approval rate for loan applications.

Figure 5. Change in the number of approved corporate loan applications



[b] A positive balance of responses indicates an increase in the number of approved loan applications.

and stronger collateral requirements (see Section III of the Annex to the Survey).

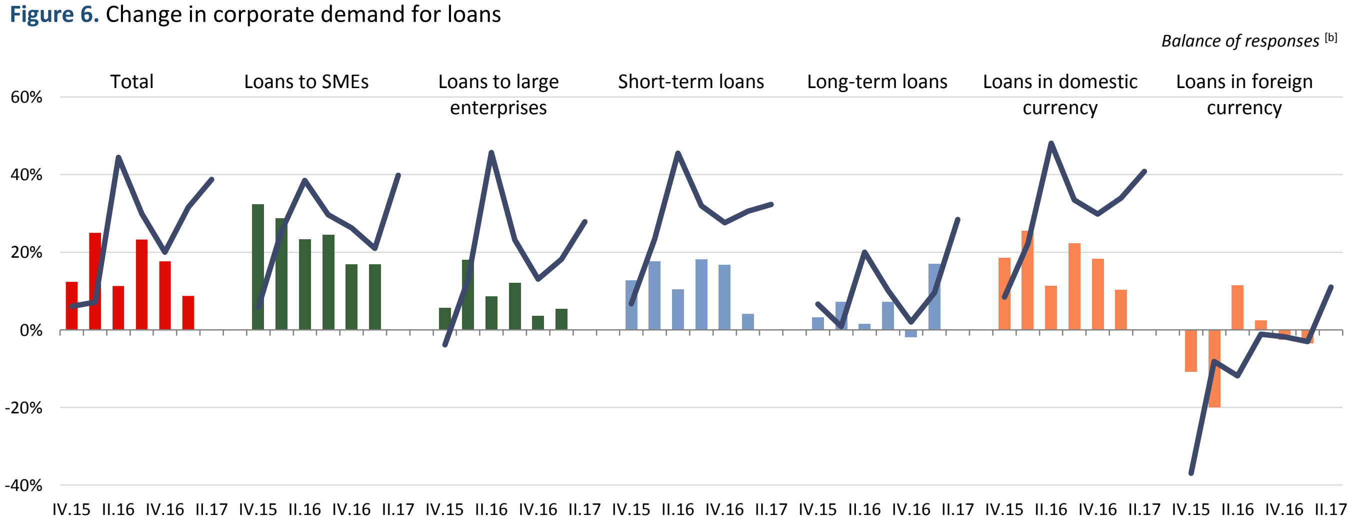
In Q1, demand for corporate loans continued to increase. In banks' estimation, the rate of increase was slower than in the previous quarter (the balance of responses was 9% against 18%). Higher demand was seen for all types of loans, except for FX ones (Figure 6).

Working capital needs, willingness to restructure debts, and lower interest rates were the main drivers of expanding demand for loans at the beginning of 2017 (Section III of the Annex to the Survey).

In the next quarter, banks expect the further growth in demand for all types of business loans.

In Q1, the respondents assessed the debt burden on the corporate sector as high (nevertheless, the balance of responses decreased slightly to 11% from 16% over the quarter). Indebtedness of large enterprises remained high (the balance of responses was 24%). The leverage of SMEs was moderate (the balance was -5%).

Figure 6. Change in corporate demand for loans

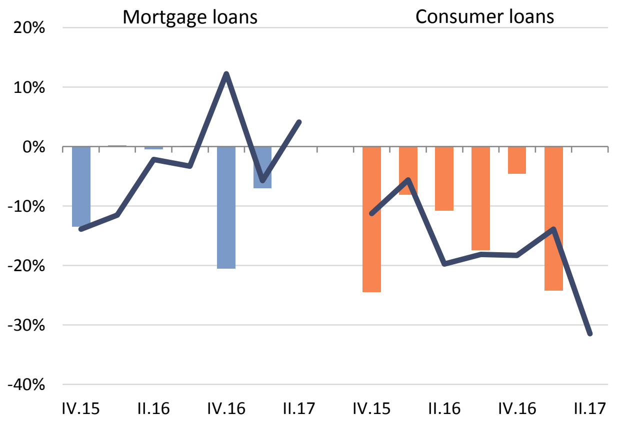


[b] A positive balance of responses indicates an increase in demand.

III. Loans to households

Figure 7 Change in standards for approval of households' loan applications

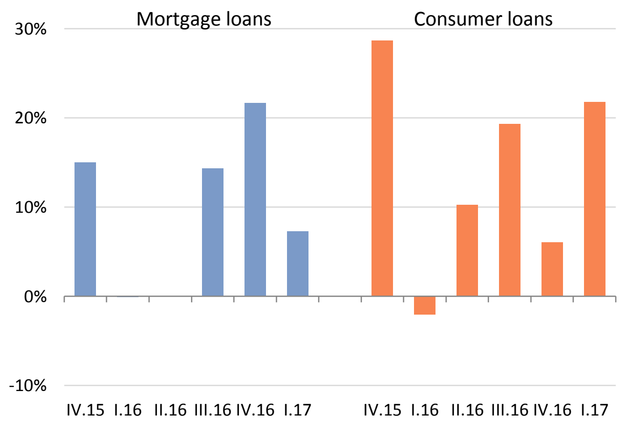
Balance of responses [b]



[b] A positive balance of responses indicates tightening of the standards for loan application approval.

Figure 8 Change in the number of approved household loan applications

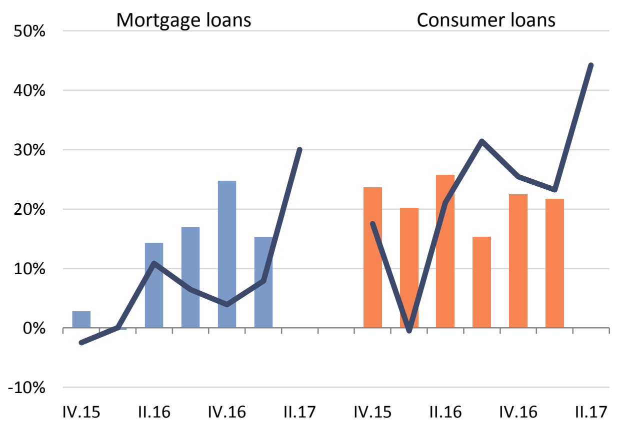
Balance of responses [b]



[b] A positive balance of responses indicates an increase in the number of approved loan applications.

Figure 9 Change in households' demand for loans

Balance of responses [b]



[b] A positive balance of responses indicates an increase in demand for loans.

In Q1, consumer lending standards eased (balance -24%). This trend has been holding since mid-2015. Mortgage lending standards have been softening for the second quarter in a row (-7%); nevertheless, the banks forecast their tightening in Q2 2017. In the next quarter, consumer lending standards are expected to ease according to 67% of respondents (Figure 7).

In Q1, lending standards for households softened mostly on the back of positive expectations concerning business activity, increased competition, and lower cost of funding (Section IV of the Annex to the Survey).

The respondents indicated that in Q1, there were more approved applications for mortgages and consumer loans (the balances of responses were 7% and 22%, respectively, Figure 8). Interest rates on consumer loan lowered further, though some banks informed about a slight rise in mortgage interest rates.

Households' demand for loans went up further, with balances of responses being 15% for mortgage lending and 22% for consumer lending. Lower loan rates and recovery of the real estate market were the main factors behind the increase in demand for mortgages. Increase in spending on durable goods, consumer confidence and lower rates were the main drivers of increased demand for consumer loans (Figure 9 and Section IV of the Annex to the Survey).

In Q2 2017, banks expect growth of demand for both consumer and mortgage loans, the balance of responses 44% and 30%, respectively.

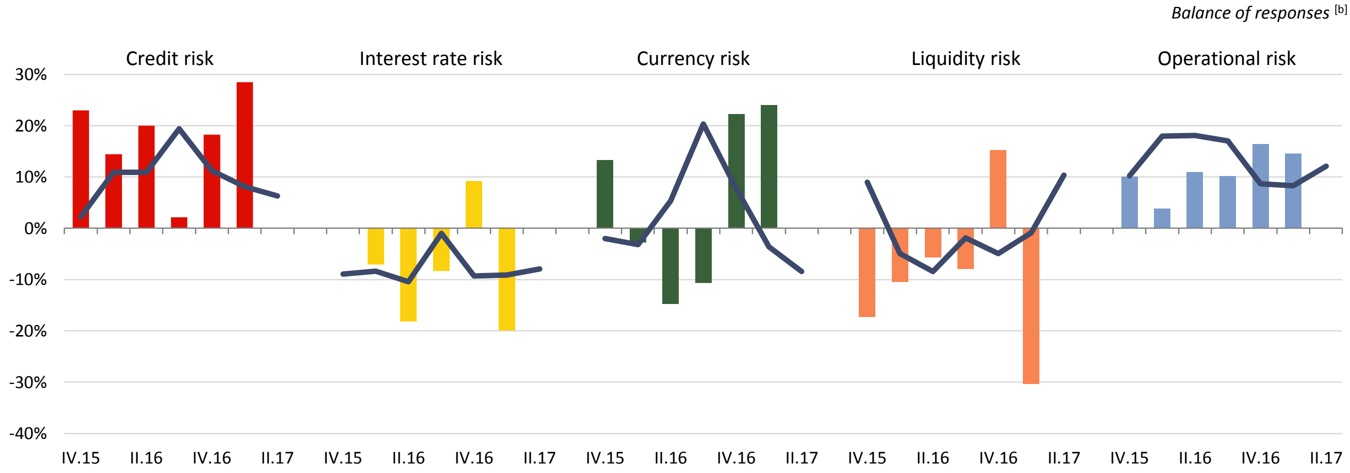
According to the banks, debt burden on households did not change in Q1 compared to the previous quarter and stayed at an average level (81% of the responses).

IV. Risk assessment

In Q1, the banks' risks changed both ways. According to respondent banks, the credit and FX risks remained high during the last two quarters (in Q1, the balance of responses was 29% and 24%, respectively). Despite their increase in Q4 2016, the interest rate and liquidity risks declined in Q1, having returned to the traditionally low levels (-20% and -30%, respectively). The operational risk kept on climbing up.

The banks expect the credit and operational risks to increase further in the next quarter (32% and 24% of respondents, respectively). According to the respondents, in Q2, the interest rate and FX risks will decrease, and the liquidity risk will marginally increase (21% of responses, Figure 10).

Figure 10. Change in banks' risks



[b] A positive balance of responses indicates an increase in risks.

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 the responses are presented in 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 http://bank.gov.ua/control/uk/publish/category?cat_id=20231434

Balance of responses

	2013	2014				2015				2016				2017
	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
Deposits	—	—	—	—	—	7.0	17.2	30.4	34.9	39.3	40.2	19.8	48.8	31.6
Loan Portfolio Quality	—	—	—	—	—	-9.2	-5.6	5.2	13.9	15.1	19.1	31.6	18.0	28.4
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
Deposits	—	—	—	—	—	11.1	29.9	23.8	32.4	36.6	13.9	31.7	41.7	31.1
Loan Portfolio Quality	—	—	—	—	—	-28.3	-11.0	18.1	28.4	14.4	1.8	8.8	31.7	25.3
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
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
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
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
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
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
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
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
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
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

	Balance of responses													
	2013	2014				2015				2016				2017
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
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
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
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
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
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
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
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
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
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
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
Competition with non-bank 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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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

Balance of responses

	2013	2014				2015				2016				2017
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
How do you assess corporates' leverage in the past quarter?														
Total	—	—	—	—	—	—	—	—	—	—	—	13.5	15.5	10.6
SMEs	—	—	—	—	—	—	—	—	—	—	—	-4.1	-2.1	-4.9
Large enterprises	—	—	—	—	—	—	—	—	—	—	—	25.7	22.5	23.8
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
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
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
Competition with other banks	—	—	—	—	—	-2.2	0.8	-2.2	-15.0	—	-9.8	-19.9	-29.1	-10.6
Competition with non-bank institutions	—	—	—	—	—	0.7	-3.5	0.0	-9.4	—	0.0	0.0	-4.9	-0.3
Expectations of general economic activity	—	—	—	—	—	41.8	36.0	16.3	-12.7	—	-13.7	-17.4	-1.2	-16.8
Inflation expectations	—	—	—	—	—	46.2	37.1	19.5	-3.5	—	-6.7	-8.2	2.2	-0.1
Exchange rate expectations	—	—	—	—	—	44.0	29.7	13.7	-2.0	—	-3.3	-5.0	2.8	0.1
Real estate market expectations	—	—	—	—	—	33.1	20.5	15.5	-10.1	—	-2.9	-2.5	0.1	-3.9
Borrowers' solvency expectations	—	—	—	—	—	48.7	46.3	24.8	-8.6	—	-8.1	-9.5	-3.0	-5.8
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
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
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
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

Balance of responses

	2013	2014				2015				2016				2017
	Q4	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**	**Q1**
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
How do you assess household leverage in the past quarter?														
Total	—	—	—	—	—	—	—	—	—	—	—	2.9	0.1	-1.0