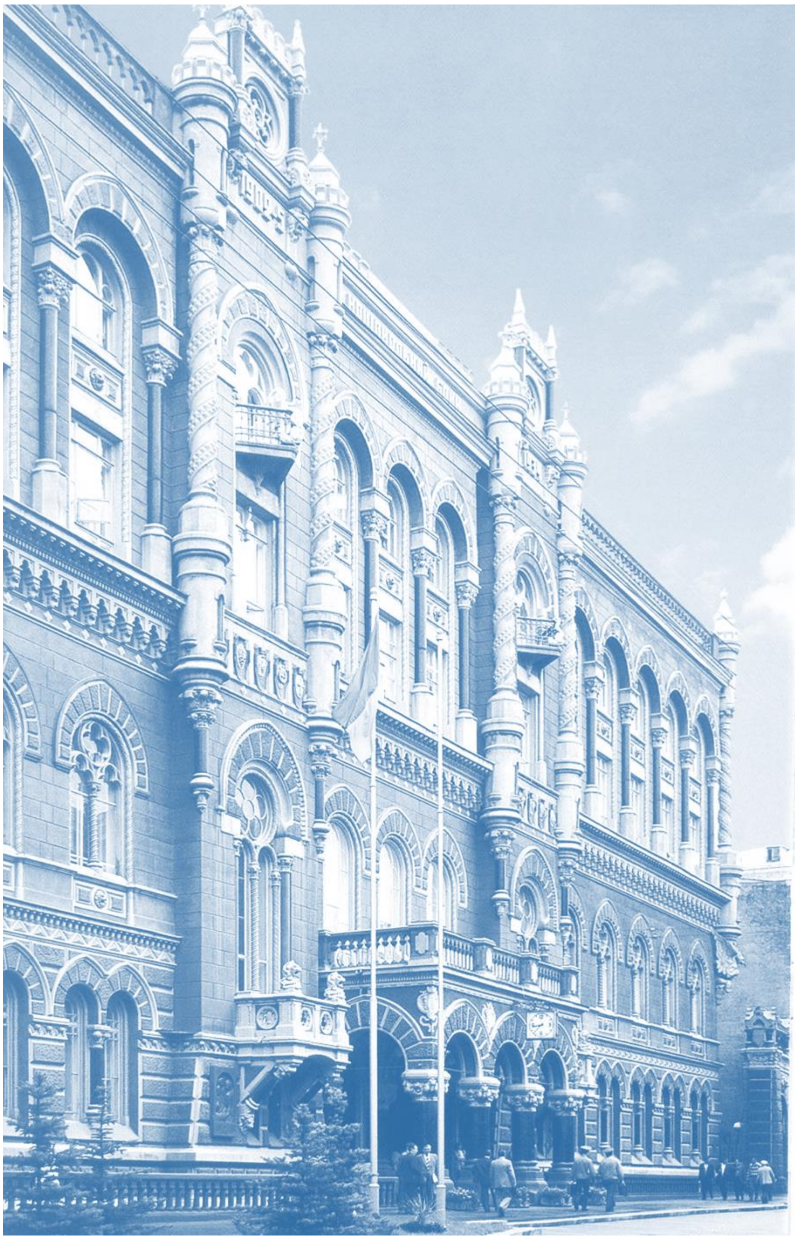
Lending Survey

НАЦІОНАЛЬНИЙ
БАНК
УКРАЇНИ

Q4 2017

November 2017



Lending Survey

Q4 2017 Issue 12 (24)

The 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 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 Q3 2017, and gives respondents' expectations for Q4 2017. This survey of credit managers was conducted between 21 September 2017 and 9 October 2017. Survey answers were provided by 67 banks, or 100% of those contacted. These banks account for 97% 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 Lending Survey on expectations of lending conditions for Q1 2018 will be published in January 2018.

This report presents the results of Q3 2017 lending survey and expected changes in Q4 2017. 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.

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Q4 2017 Issue 12 (24)

KEY INDICATORS FOR THE NEXT 12 MONTHS

- Banks expect lending to pick up in all the main market segments. In Q3, the largest proportion of respondents, 76% (80%)[1] said that corporate lending would grow. An increase in consumer lending was expected by 64% (96%) of those surveyed. While generally banks anticipate that the quality of the retail loan portfolio will improve, some large banks say that the quality of corporate loans will deteriorate. Banks still have high expectations of a deposit inflow, with 61% (91%) of respondents expecting a rise in retail deposits, and 66% (75%) expecting a rise in corporate deposits.

LENDING CONDITIONS

- In Q3, 68% (43%) respondents said that corporate lending standards remained unchanged. Contrary to last quarter's expectations of an easing, lending standards tightened for loans to SMEs and for long-term and FX loans. Respondents anticipate that the criteria for approving corporate loan applications will soften in Q4, primarily for hryvnia and short-term loans.
- In Q3, some large banks significantly tightened consumer lending standards. This was due to, among other things, weaker market competition, capital and liquidity factors, and worsening expectations of borrowers' solvency. As a result, although most banks did not alter their criteria, the weighted average criteria for approving loan applications for consumer loans tightened across the banks in Q3 for the first time since early 2015. Banks have been relaxing mortgage lending standards for four quarters running. Most banks expect that both consumer and mortgage lending standards will either ease or remain unchanged in the coming quarter.
- Q3 saw an increase in loan application approval rates for all types of corporate loans compared to the previous quarter. This was especially the case for short-term and hryvnia loans, as well as loans to large businesses. Although loan rates have been falling for two years running, the lending conditions outlined in lending agreements are becoming increasingly harsher.
- There was a slight increase in the approval rate for household loans.

DEMAND

- In Q3, demand for corporate loans increased. However, fewer banks reported this increase in spite of a further drop in interest rates.
- Demand for mortgage loans grew markedly (with the balance of weighted average responses being 37%), while that for consumer loans increased only slightly (with the balance of responses being 5%). Demand recovered due to a cut in loan rates, better consumer sentiment, and a revival of the real estate market.
- In Q3, banks expected that demand for both corporate (62% (78%) of respondents) and retail loans would increase, and especially for consumer loans (53%) (78%).
- Banks improved their leverage assessments for businesses as a whole (the balance of responses was 1% compared to 17% in the last quarter), and for large businesses in particular (19% compared to 28%). A total of 67% (70%) of respondents said the debt burden of households was moderate.

RISKS

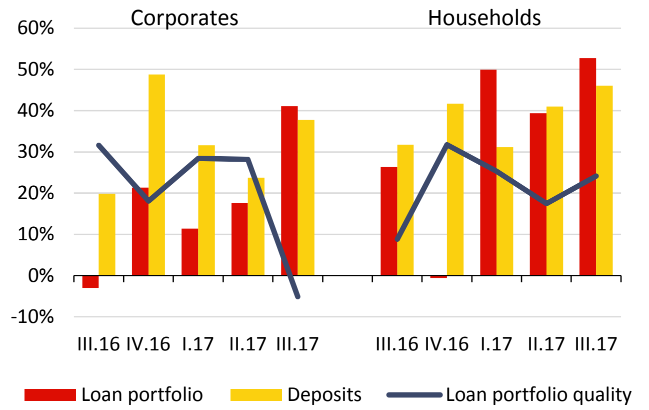
- Banks said that credit and foreign exchange risks had risen in Q3. In contrast, interest rate and liquidity risks subsided, and operational risk remained unchanged. Credit, foreign exchange and operational risks were expected to increase, while interest rate risk was expected to drop in Q4.

[1]Here and below respondents' replies are given non-weighted, with one bank equaling one response. Weighted responses are given in brackets (for more details, see the annex on page 8).

I. Expectations for the next 12 months

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

Balance of responses [1]



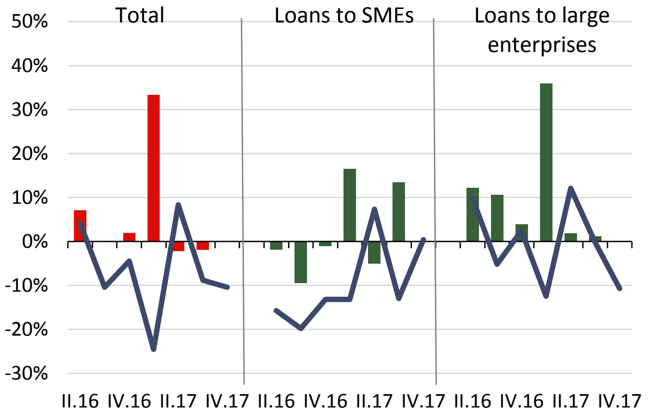
[1] A positive balance of responses indicates expectations of growth for the respective indicator.

Banks retained optimistic expectations in Q3. 76% of respondents said that corporate lending would grow. The balance of responses was 41%, the highest reading since 2015. Growth in consumer lending was expected by 64% of respondents (a balance of responses of 96%). About a third of banks said that the quality of their corporate and retail loan portfolio would improve (39% and 33% of respondents respectively). However, the balance of responses, at (-5%), was negative, due to the pessimistic expectations of some large banks. Banks also expected an increase in both corporate and retail deposits s in the next 12 months, with balances of responses of 38% and 46% respectively (see Figure 1).

II. Corporate Loans

Figure 2. Changes in the criteria for approving corporate loan applications[a]

Balance of responses [b]

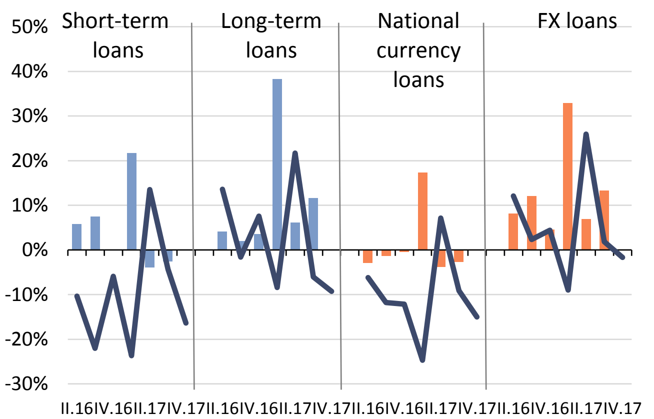


[a] Here and below, bars show the balance of responses for the quarter. A dark line shows expectations in the quarter following the reporting quarter.

[b] A positive balance of responses indicates a tightening of the criteria 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 a tightening of the criteria for approving loan applications.

Over two thirds of respondents reported that the criteria for approving loan applications by corporations were unchanged in Q3 (the balance of responses being -1.9%). Banks slightly tightened their criteria for lending SMEs, as well as for long-term and FX loans.

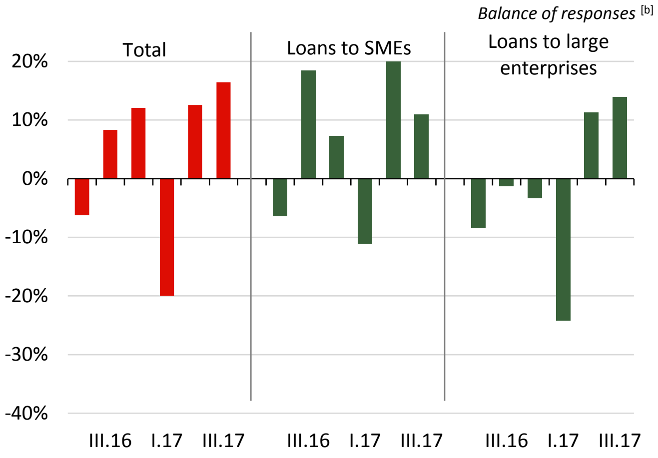
Banks said that a drop in their capital and deteriorated exchange rate expectations were the factors that forced them to introduce stricter lending criteria for corporate customers. Stronger competition among the banks and higher expectations of better performance of some economic sectors mitigated the effect of these factors (for more details, see Section III in the Annex).

Banks expected that lending standards would ease the next quarter, and mainly for hryvnia and short-term loans (see Figures 2 and 3).

Q3 witnessed an increase in the loan application approval rate compared to the previous quarter, with the balance of responses going up from 13% to 16%. The largest increases were seen in the approval rates for short-term and hryvnia loans, as well as for loans to large businesses (see Figures 4 and 5).

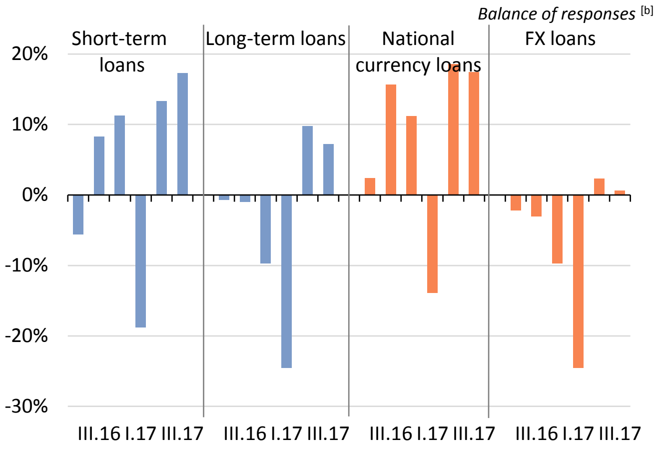
A drop in interest rates was the main factor that benefited corporate lending developments in Q3. Another factor was a cut in non-interest payments. At the same time, banks introduced tougher lending agreement restrictions for corporate borrowers, and mainly for large businesses (for more details, see Section

Figure 4. Change in the corporate loan application 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.

III of the Annex).

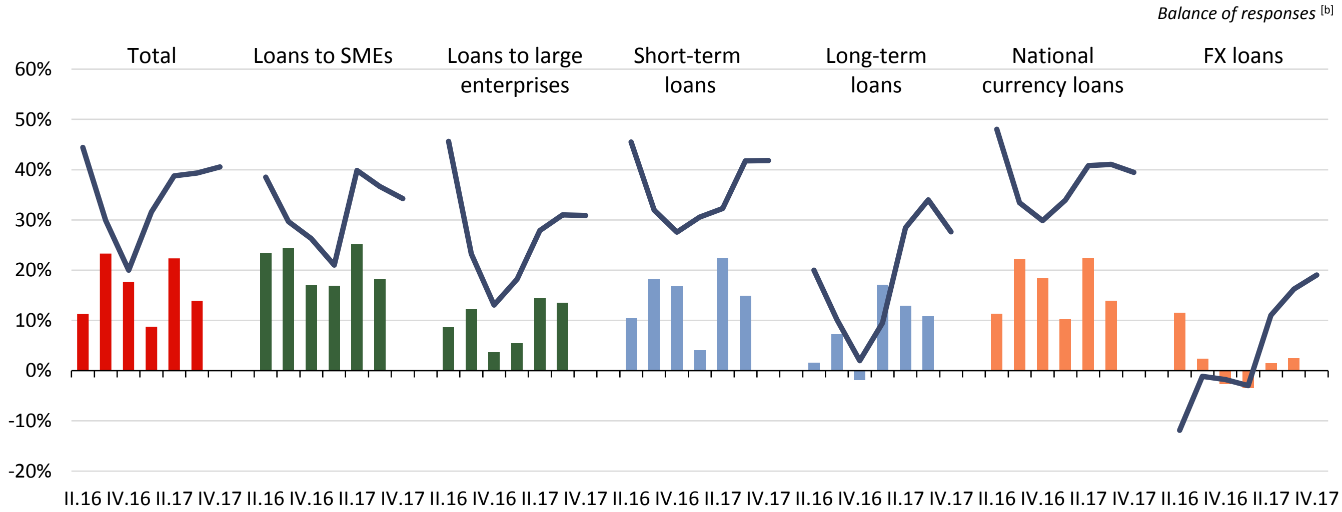
Although reported by fewer respondents than a quarter ago, demand for corporate loans continued to grow in Q3. This was the case for all types of corporate loans (see Figure 6).

Demand for corporate loans was driven by working capital and investment needs, lower interest rates, as well as the need to restructure debts (for more details, see Section III of the Annex).

Next quarter may see further growth in demand for all types of corporate loans.

Although respondents assessed corporate sector leverage in Q3 as significant, the proportion of respondents that reported high leverage dropped to 28% (down from 34% last quarter). The leverage of large businesses remained significant (reported by 39% of respondents compared to 47% last quarter). A total of 72% of surveyed banks referred to the leverage of SMEs as moderate.

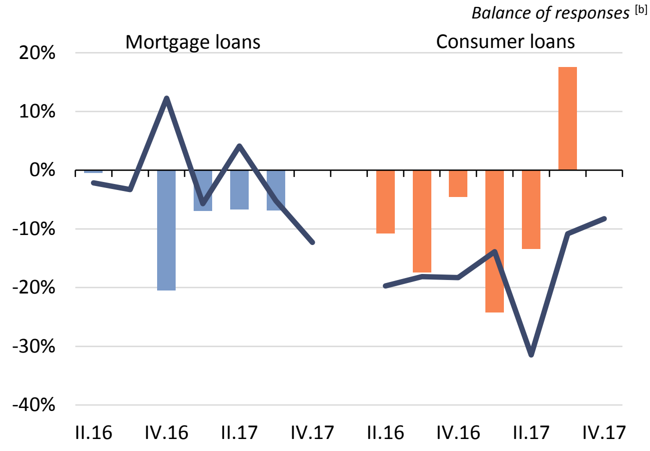
Figure 6. Change in corporate demand for loans



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

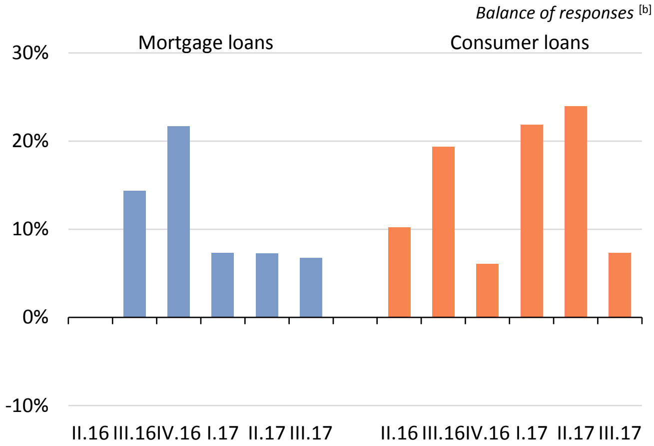
III. Loans to households

Figure 7 Change in the criteria for approving loan applications



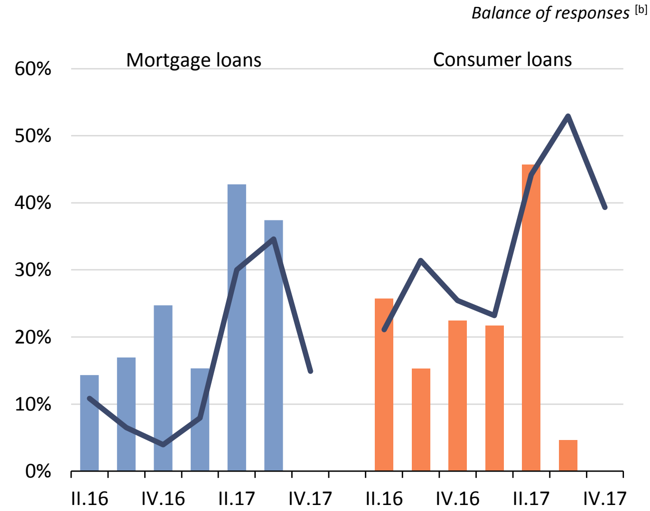
[b] A positive balance of responses indicates a tightening of the criteria for approving loan applications.

Figure 8 Change in the number of approved household loan applications



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

Figure 9 Change in household demand for loans



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

Some large banks significantly tightened their lending standards and underwriting criteria for consumer loans in Q3. As a result, the balance of responses to the question of whether the criteria for approving consumer loans applications have changed went up to 18%. That said, a quarter of respondents eased their criteria, while 65% of respondents left them unchanged.

Some large banks said they had tightened their lending standards in response to weaker competition, a drop in their capital and liquidity position, the expected deterioration in borrowers' solvency and higher collateral risk. In contrast, most respondents reported no change in all the above factors in Q3.

The criteria for approving mortgage loan applications have been easing for four quarters in a row, the balance of responses being -5%.

Banks expected that retail lending standards for both consumer and mortgage loans would be slightly relaxed in Q4. These expectations were reported by 32% and 22% of respondents respectively, with balances of responses of -8% and -12% (see Figure 7).

Banks' approval rates for both mortgage and consumer loan applications increased in Q3, the balance of responses being 7% for each loan type (see Figure 8). The main driver was a drop in interest rates.

Households' demand for loans rose further. Higher demand for mortgage loans was reported by 36% of respondents, and by 42% for consumer loans. Demand for mortgage loans was mainly driven by a recovering real estate market and lower rates, while that for consumer loans was boosted by improved consumer sentiment (see Figure 9 and Section IV of the Annex).

Banks expected that demand for consumer and mortgage loans would grow further in Q4, the balances of responses being 39% and 15% respectively.

Most banks (67% of respondents) said that the debt burden on households was moderate.

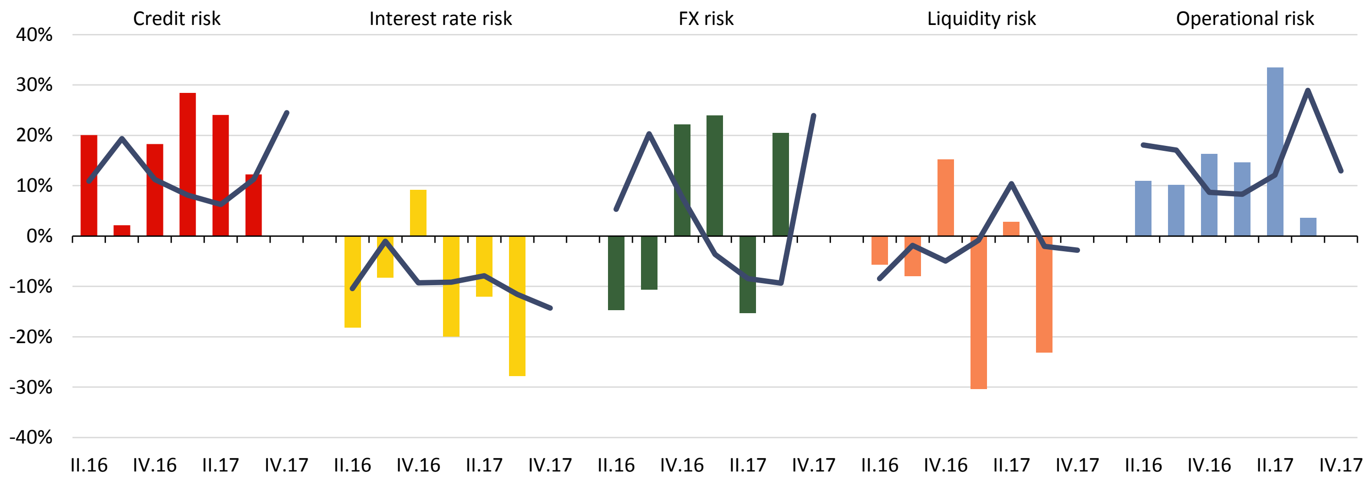
IV. Risk assessment

In Q3, 28% of banks reported an increase in credit risk. The balance of responses was 12%, which was in line with previous quarter's expectations. FX risk reversed its trend and rose contrary to expectations of a decrease. This was due to the moderate depreciation and volatility seen in the exchange rate at the end of the quarter. Interest rate risk has been subdued for three quarters running. 22% of banks said that liquidity risk had subsided. Having dealt with the repercussions of June's cyberattack, most banks (81%) reported that operational risk had remained unchanged.

Banks expected that credit, foreign exchange and operational risks would grow in Q4, the balances of responses being 25%, 24% and 13% respectively. Meanwhile, respondents expected interest rate risk to drop, and liquidity risk to remain unchanged (Figure 10).

Figure 10. Change in banks' risks

Balance of responses [b]



[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	Q2	Q3
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
Deposits	—	—	—	—	—	7.0	17.2	30.4	34.9	39.3	40.2	19.8	48.8	31.6	23.8	37.7
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
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
Deposits	—	—	—	—	—	11.1	29.9	23.8	32.4	36.6	13.9	31.7	41.7	31.1	41.0	46.1
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
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
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
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
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
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
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
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
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
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
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

Balance of responses, %

	2013	2014				2015				2016				2017		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
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
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
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
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
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
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
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
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
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
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
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	0.0	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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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

Balance of responses, %

	2013	2014				2015				2016				2017		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
How do you assess corporates' leverage in the past quarter?																
Total	—	—	—	—	—	—	—	—	—	—	—	13.5	15.5	10.6	16.5	1.0
SMEs	—	—	—	—	—	—	—	—	—	—	—	-4.1	-2.1	-4.9	10.0	-10.8
Large enterprises	—	—	—	—	—	—	—	—	—	—	—	25.7	22.5	23.8	28.1	19.2
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
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
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
Competition with other banks	—	—	—	—	—	-2.2	0.8	-2.2	-15.0	—	-9.8	-19.9	-29.1	-10.6	-10.3	-15.5
Competition with non-bank institutions	—	—	—	—	—	0.7	-3.5	0.0	-9.4	—	0.0	0.0	-4.9	-0.3	-3.7	-4.0
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
Inflation expectations	—	—	—	—	—	46.2	37.1	19.5	-3.5	—	-6.7	-8.2	2.2	-0.1	-1.9	-6.0
Exchange rate expectations	—	—	—	—	—	44.0	29.7	13.7	-2.0	—	-3.3	-5.0	2.8	0.1	0.4	-6.0
Real estate market expectations	—	—	—	—	—	33.1	20.5	15.5	-10.1	—	-2.9	-2.5	0.1	-3.9	-4.0	-1.9
Borrowers' solvency expectations	—	—	—	—	—	48.7	46.3	24.8	-8.6	—	-8.1	-9.5	-3.0	-5.8	-7.8	-2.9
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
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

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

Balance of responses, %

	2013	2014				2015				2016				2017		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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
How do you assess household leverage in the past quarter?																
Total	—	—	—	—	—	—	—	—	—	—	—	2.9	0.1	-1.0	6.3	6.0