



Working Paper

A Survey of Bank Lending Conditions in Jamaica

A Proposal

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Abstract

This paper proposes that the Bank of Jamaica implement a survey of bank lending conditions in order to deepen its macro-financial analysis of Jamaica's credit market. A survey of bank lending conditions entails a structured approach to the collection and analysis of qualitative data, from the perspective of lenders, on credit conditions and developments in the market. The paper advances the view that a quarterly survey on both price and non-price terms and conditions of personal, small, medium and large corporate lending would fill a critical gap in the Central Bank's current suite of information on credit aggregates and would broaden the information set on which it relies in conducting monetary policy and assessments of systemic risk. The scope and structure of this survey as well as its administration, reporting and metrics are discussed in this paper. These are prefaced by a review of the theoretical and empirical issues on monetary transmission, and a review of similar surveys of bank lending by other central banks. The survey instrument for each targeted segment of the domestic bank lending market as well as a consultation document and compilation guide are presented in the appendixes.

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Keywords: bank lending, credit conditions, monetary transmission, surveys

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1.0 Introduction & Summary

This paper proposes that the Bank of Jamaica (BOJ) implements a quarterly *Survey of Bank Lending Conditions*, targeted at senior banking officers and risk analysts within deposit taking institutions in Jamaica, the aim being to monitor changes in credit market conditions and developments. To the extent that growth in bank credit to the private sector is an important determinant of expansions in money supply and, potentially, inflation and/or GDP growth, the non-monetary factors that drive changes in credit are of interest to the Central Bank. A tightening of lending standards within financial institutions may, for example, result in a slowing in the growth of credit to the private sector, even while monetary policy is loosening. The proposed survey is therefore designed to broaden the range of information around the existing credit statistics on which the Bank relies in its analysis of inflation/growth risks.

Typical explanations of the transmission mechanism suggest that innovations in money supply impact a range of variables before ultimately affecting inflation and/or GDP growth. Shocks to monetary policy translate into future inflation either through its impact on interest rates, a cash balance effect or via a credit channel. There is support in the empirical literature for the existence of healthy credit channels of monetary policy. However, for Jamaica, this channel appears weak, implying that the models used to evaluate the efficacy of the credit channel may not have accounted for factors such as credit conditions.

The proposed survey is similar in design to surveys of bank lending or credit conditions conducted by major central banks, such as the US Federal Reserve, the Bank of England, the European Central Bank and the Bank of Canada. The results of these surveys are included as inputs in the monetary policy decisions of these jurisdictions and are routinely published.

Consistent with what obtains in other jurisdictions, the proposed survey would be:

- *Quarterly*: conducted during the first week following the end of the review quarter.
- *Targeted* at senior loan officers, marketing research and risk management staff.
- *Qualitative*: typically requiring a judgment as to whether variables have changed.
- *Standardized* with four separate instruments for key segments of the domestic bank lending market: (i) personal lending (ii) small business lending (iii) medium-sized firms and (iv) large corporate & commercial lending.

- *Backward and forward looking:* require that respondents provide a review of bank lending conditions and market developments over the most recent quarter as well as their assessment of likely changes over the next quarter.

The responses will be reported using net balance, diffusion and credit conditions indices.

In what follows, the paper reviews (i) the theoretical framework underpinning the proposed survey (ii) bank lending surveys in other jurisdictions (iii) the scope and structure of the proposed survey (iv) the administration and reporting and metrics of the survey and (v) the conclusions. The appendices contain the proposed survey instruments, a compilation guide as well as a proposed consultation document for its initial implementation.

2.0 The Bank Lending Channel – A Review of the Literature

Why is information about credit conditions and credit standards of importance to a central bank? Typical explanations of the monetary transmission mechanism suggest that innovations in monetary policy affect a range of variables before ultimately affecting inflation and/or GDP growth. Shocks to monetary policy translate into future inflation either through its impact on interest rates, a cash balance effect or via a credit channel. The intellectual divide on the relative strength of the various elements of the transmission mechanism has been well treated elsewhere (see Keynes (1936); Friedman (1968); Friedman & Schwartz (1963)). What has received little attention in Jamaica, however, is how important decisions in the banking system have been to the propagation/mitigation of monetary shocks on GDP and inflation. As a motivation for the proposed survey, this section presents a brief review of the literature on the credit and bank lending channels as well as empirical studies on the information content of bank lending surveys.

2.1 The Credit Channel

The credit channel of monetary transmission represents a set of economic linkages which serves to amplify and propagate, through banks, the effects of changes in monetary policy on the economy. Bernanke and Gertler (1995) was the first to promote a search for this alternative transmission mechanism to the interest rate channel.¹ There are two avenues

¹ In their view, the existence of a credit channel is premised on the existence of frictions in financial markets, such as imperfect information or costly enforcement of contracts. In this regard, a gap would exist between the cost of funds raised externally and the opportunity cost of internal funds. Bernanke and Gertler (1995) called

within the credit channel through which monetary policy can affect credit and spending decisions: the *balance sheet channel* and *bank lending channel*. The latter channel purports that a tightening of monetary policy or credit conditions can precipitate an increase in bank's intermediation costs, thus triggering a rise in the *efp*. This in turn drives away risk-averse projects from the credit market, thus leading to a reduction in credit growth.

In addition to monetary policy, there are other sources of shocks to credit markets such as the exchange rate, country risk and asset prices. Changes in these variables can change the net worth of firms and thereby their access to credit through the balance sheet channel or affect the availability of bank loans via the bank lending channel.

There is support in the empirical literature for the existence of healthy credit channels of monetary policy. Using data on the UK household sector, Chrystal & Mizen (2005) found that credit growth contains useful information for predicting consumer expenditure beyond that contained in the money stock. Fernandez (2005), using data on nineteen banks between 1999 and 2002, tested for the existence of a bank lending channel in Chile. She concluded that a bank lending channel existed in Chile and that banks responded differently to monetary shocks depending on their characteristics.

Interest in the role of credit conditions in macro-financial linkages, particularly following the global financial crisis of 2008 – 2009, has deepened.² Lown & Morgan (2006) examined the correlation between reported changes in lending standards and the subsequent fluctuations in lending and spending in the U.S. They also examined the extent to which lending standards, rather than lending rates, affected the allocation of business loans by US banks. They found that shocks to credit standards accounted for most of the changes in business loans and a significant proportion of the variation in output. Swiston (2008) suggested that a net tightening in lending standards in the US by 20 percentage points reduced economic activity by $\frac{3}{4}$ per cent after one year and $1\frac{1}{4}$ per cent after two years. Bayoumi & Darius (2011) noted that credit supply conditions dominated other financial market variables in explaining changes in asset prices in the aftermath of the crisis.

this gap the external finance premium (*efp*). Changes in the *efp* therefore serve to stimulate/stymie credit growth, spending and ultimately inflation/GDP growth.

² Macro-financial linkages refer to the interactions between the financial sector and the macro-economy, particularly the role bank balance sheets in transmitting shocks to the real sector.

Credit conditions have also been found to influence inflation. Calza & Sousa (2006) used a threshold VAR to determine whether output and inflation responded asymmetrically to lending supply conditions over the lending cycle.³ The underlying premise was that credit markets may act as non-linear propagators of the impact of monetary shocks on the macro economy. They found evidence of threshold effects related to credit conditions as well as asymmetric responses to shocks to real credit growth over the lending cycle. Roffia & Zaghini (2007) examined the relationship between short-run money growth and inflation dynamics in fifteen (15) industrialised countries. Their analysis considered whether shocks to various financial variables during episodes of excess money growth predicted inflation. Their results suggested that shocks to asset prices and credit conditions affected the dynamics of inflation over a three-year horizon. In particular, excess money growth, when accompanied by significant increases in stock prices, house prices and loose credit conditions, increased the probability of an acceleration in inflation.

The issue of the behaviour of the market for bank loans over the business cycle is also important for monetary policy. Firstly, the demand for loans changes over the business cycle, which in turn affects spending. Lending propensities also change over the cycle and influence the money stock and spending. Cyclical features in bank lending are therefore important to central banks, since procyclicality can exacerbate the business cycle, increase systemic risks and result in the misallocation of lending resources. In particular, during troughs, banks are more likely to ration credit when faced with adverse market conditions characterised by greater information asymmetry and higher risks. Banks on the other hand are likely to relax borrowing constraints more than proportionately during an economic upturn. As a consequence, credit is likely to grow by more than the increase in the market value of collateralized assets, leading to a credit boom.

Gruss & Sgherri (2009) examined the effects of procyclicality in bank lending standards. They found that (i) changes in firms' borrowing tend to be more sensitive to changes in asset prices in those economies where firms' leverage co-moves with the business cycle; (ii) a higher degree of procyclicality in firms' leverage tends to be associated with higher volatility in private investment; and (iii) oversensitivity of credit availability to asset price changes,

³ Lending or credit cycles refer to the sequence of credit booms and credit crunches. Credit cycles differ from business cycles in their frequency and amplitude. Movements in the value of collateral can influence change in the credit cycle, which in turn can act as a financial accelerator for the business cycle.

greater procyclicality in firms' leverage, and higher investment volatility are likely to characterize economies where growth fluctuations are more "vulnerable to changes in bank lending conditions" (p.21) They suggested that banking regulation might reduce the impact of procyclicality in lending standards by influencing the behaviour of banks' capital buffers.

2.2 Lending Conditions and Financial Stability

Bank lending surveys have been used by other central banks to support the maintenance of financial stability. This section briefly explores the literature on the relationship between lending conditions and financial stability.

Deshmukh, Greenbaum, & Kanatas (1983) suggested that the lending decisions of financial intermediaries are based on differences in their risk appetites. Increased turbulence in financial markets may induce banks to alter their borrowing and lending practices because of their desire to limit their risk exposure. This "adaptive reduction in risk exposure" may impact significantly on the credit allocation decisions of financial intermediaries.

Dell'Ariccia & Marquez (2006) showed theoretically how bank lending standards are affected by the interaction of their strategic behaviour and the information structure of loan markets. This information structure plays a crucial role in determining banks' lending standards and consequently has important implications for systemic stability and the volume of credit provided to the economy.

2.3 The Credit Channel in Jamaica

Empirical studies for Jamaica point to the existence of a credit channel of monetary policy, albeit weak. Robinson & Robinson (1997) reported that the balance sheets of commercial banks were potentially impacted by monetary policy shocks. They indicated that the Central Bank's leverage over short-term interest rates induced changes in commercial banks' asset and liability composition as well as the *efp*, both of which impact the supply of and demand for credit. However, Robinson & Robinson (1997) suggested that the underlying mechanism relating to the price of credit, in which monetary policy induced changes in lending rates, and thereby the *efp* of firms, did not "adequately explain the credit channel in Jamaica". They

also suggested that non-price aspects of credit may be important to monetary policy. In this regard, they noted that “the nature of credit arrangements also reinforces monetary policy effects. Two important features highlighted were the maturity/ interest rate structure of credit arrangements and the currency composition of credit contracts” (p.12).

Serju (2003), in characterising the response of different sectors of the Jamaican economy to monetary policy shocks, also suggested that the credit channel in Jamaica was weak or non-existent, corroborating the results of Allen, Hall, & Robinson (2002).

One potential explanation for the low explanatory power of the credit channel for both inflation and growth in the two referenced studies on Jamaica was that the models used may not have accounted for factors such as credit conditions. Given the importance of bank-mediated credit to the domestic economy as well as the information structure of this market, a tightening of lending standards may, for example, result in a slowing in the growth in private sector credit, even while monetary policy is loosening.

3.0 Surveys of Bank Lending in Other Jurisdictions

This section reviews the experience of selected central banks, in particular the US Federal Reserve, the Bank of Canada, the European Central Bank and the Bank of England in conducting bank lending surveys. Table 1 at the end of this section provides a summary of the information presented here.

3.1 The US Federal Reserve

Overview

The US Federal Reserve *Senior Loan Officers Opinion Survey on Bank Lending Practices* was initially implemented in 1964 and is conducted four times per year.⁴ The survey provides qualitative and limited quantitative information on financial institutions views about credit availability, the demand for credit as well as developments in lending practices.

⁴ The survey was actually conducted between four and six times per year between 1985 and 1991. Since that time, it has been conducted four times every year, except for 1998 and 2001, in which the survey was conducted five times.

Survey Administration

The survey is conducted by senior staff at the reserve banks, generally through telephone interviews. The staff supplies the survey questions to respondents in advance of the initial telephone contact. On average, a typical telephone interview takes about two hours. The reserve banks then electronically transmit survey responses to the Federal Reserve Board, where the data are tabulated and summarized for public release on the Federal Reserve's website.

Survey Respondents

The panel of survey respondents (the reporting panel) is comprised of 60 large domestically chartered commercial banks and 24 large U.S. branches and agencies of foreign banks. However, if appropriate, other types of respondents, such as other depository institutions, bank holding companies, or other financial entities, may be surveyed.

(i) Domestic Bank Reporting Panel

There are two groups of survey respondents; namely a reporting panel of domestic banks and a similar panel of foreign respondents. To ensure adequate geographical coverage, the reporting panel of domestic banks spans all Federal Reserve Districts and is weighted toward very large banks. This practice is based on the premise that large banks are important to developing and implementing new banking techniques. The panel also includes a number of large and medium-sized regional banks which allows for a greater diversity of responses and provides a broader view of the banking system.

The composition of the panel is determined by size, geographic diversity, and mutual independence. In relation to size, the Federal Reserve eliminates banks having less than \$3 billion in assets or for which commercial and industrial (C&I) loans are less than 5 per cent of total loans. With regard to geographic diversity: the Federal Reserve includes responses from a range of two to ten banks in each District. For mutual independence, a large bank in a District may not be included if that bank is part of a holding company that is already represented in another District.

(ii) Foreign Bank Reporting Panel

As of September 30, 2008, the panel of foreign respondents contained 23 institutions, 17 of which were located in the New York District. These respondents held \$184.8 billion or 57 per

cent of the total C&I loans held by all U.S. branches and agencies of foreign banks. To keep the panel representative, branches and agencies are added to the panel based on location of the parent bank as well as size.

Survey Data

The survey generally provides qualitative information on the following areas:

1. Commercial and industrial (C&I) Lending

- a. Changes in the lending standards for domestic banks & agencies of foreign banks.
- b. Changes in pricing terms.
- c. The impact of competition on changes in price terms. The survey assesses the banks' economic outlook as a factor underpinning changes in the terms on C&I loans.
- d. The maximum size and cost of credit lines for foreign banks and changes in lending terms for foreign banks related to current or expected liquidity conditions.⁵
- e. Enquiries for new or increased credit lines as well as loan demand related to funding for inventories, accounts receivable, and mergers and acquisitions; reduced funding needs for capital investments.
- f. Lending to firms with European exposures as well as banks headquartered in Europe and their affiliates and subsidiaries. The survey also examines changes in standards on loans to European banks, their affiliates and subsidiaries.
- g. Changes in the maximum CRE loan sizes, loan rate spreads and changes in maximum loan maturities. In terms of foreign banks, it attempts to determine the debt service coverage ratios and the maximum loan size.

2. Lending to Households

The survey gathers information relevant to household lending, specifically:

- a. Changes in lending standards and the demand from prime borrowers for various categories of loans:
 - i. residential real estate
 - ii. consumer lending
 - iii. credit card, auto and
 - iv. other consumer loans.

⁵ In the January 2012, the US Fed Reserve Senior Loan Officer Opinion Survey of Bank Lending Practices reported that 80 per cent of the foreign respondents cited deterioration in their current or expected liquidity position as the reason for having tightened their standards or terms on C&I loans.

- b. Loan rate spreads and changes in maximum maturities on auto loans.
- c. The outlook for asset quality (delinquencies and charge-offs) across major loan categories.

3. Important Banking Topics

Another objective of the survey is to gather information on important issues in US credit markets. The developments identified by recent surveys include:

- a. Changes in banks' lending policies on backup lines of credit for commercial paper programs.⁶
- b. Banks' involvement in the syndicated loan market,
- c. Banks' expectations about changes in asset quality and credit standards
- d. Developments in consumer lending, e.g. the securitization of loans.

4. Quantitative Questions

Although the survey questions are largely qualitative, the Federal Reserve includes quantitative content to facilitate an adequate understanding of some issues. Quantitative questions generally require the provision of estimates, usually in terms of percentages rather than dollar amounts. An example of a quantitative question is presented below:

Box1: Example of a Quantitative Question (Federal Reserve Survey)

Question 26 asks about the share of loans that financed the purchase of used vehicles.

26. About what share of the dollar volume of auto loans currently on your bank's books financed the purchase of used vehicles by individuals or households?

	All Respondents		Large Banks		Other Banks	
	Banks	Percent	Banks	Percent	Banks	Percent
Less than 5 percent	5	11.4	2	8.7	3	14.3
Between 5 and 15 percent	3	6.8	0	0.0	3	14.3
Between 15 and 30 percent	4	9.1	2	8.7	2	9.5
Between 30 and 50 percent	10	22.7	6	26.1	4	19.0
Between 50 and 75 percent	15	34.1	9	39.1	6	28.6
75 percent or more	7	15.9	4	17.4	3	14.3
Total	44	100.0	23	100.0	21	100.0

1. The sample is selected from among the largest banks in each Federal Reserve District. In the table, large banks are defined as those with total domestic assets of \$20 billion or more as of December 31, 2010. The combined assets of the 30 large banks totaled \$6.6 trillion, compared to \$6.9 trillion for the entire panel of 55 banks, and \$10.5 trillion for all domestically chartered, federally insured commercial banks.

Use of the Data

Information from the survey is reported to the Board of Governors and to the Federal Open Market Committee. It is also included in the appendix to the Green Book and other internal

⁶ The provision by a bank of a guarantee for issued commercial paper. The bank is paid a fee by the issuing firm.

briefing materials. Survey results are available to the public on the Federal Reserve Board's website while selected information from the surveys is published annually in a *Federal Reserve Bulletin* article. The results are also included in the Federal Reserve Board's report to Congress on *Credit Availability for Small Businesses and Small Farms*, which is produced every five years pursuant to Section 477 of the Federal Deposit Insurance Corporation Improvement Act of 1991.

Legal Framework

The Federal Reserve Board's Legal Division reported that the *Senior Loan Officer Opinion Survey on Bank Lending Practices* is authorized by Sections 2A and 11(a)(2) of the Federal Reserve Act (12 U.S.C. §§ 225a, 248(a)(2), and Section 7(c)(2) of the International Banking Act 3105(c)(2)) and is voluntary. The individual bank information provided by each respondent is accorded confidential treatment under authority of exemption four (4) of the Freedom of Information Act (5 U.S.C. §552 (b) (4)).

3.2 The Bank of Canada

Overview

The Bank of Canada (BOC) conducts a *Senior Loan Officer Survey (SLOS) on Business-Lending Practices* on a quarterly basis. The survey was first conducted in 1999 and the results first published in October 2008 in order to share “important information on credit conditions with analysts and market participants” (Faruqui, Gilbert, & Kei (2008), p.2). The survey elicits the views of financial institutions on price and non-price aspects of business lending, various credit-market developments, the impact of economic or financial conditions on business lending; and other topical issues of interest to the Bank of Canada.

This survey complements information on lending conditions from the borrowers’ perspective, which is currently collected in the Bank of Canada’s Business Outlook Survey. It provides insights into future changes in credit growth and economic activity.

Survey Administration

The survey is completed by senior banking officers responsible for corporate, commercial, and small business lending of eleven (11) financial institutions in Canada. It is conducted two

weeks before the end of each quarter, and is timed to allow simultaneous publication of two Bank of Canada surveys. The stages involved in preparing and conducting the survey are:

- a. The finalization of the topical questions for the upcoming survey based on internal consultations before distribution to participating financial institutions.⁷
- b. The conduct of individual discussions with respondents following receipt of the completed questionnaires. These discussions allow respondents to qualify answers and to provide responses to follow-up questions posed by the Bank of Canada staff and to clarify developments in business-lending conditions.
- c. Aggregation of the survey results to preserve anonymity of individual respondents.

Survey Questions

The survey comprises standard questions covering lending practices for three types of business borrowers: corporate, commercial and small businesses. These questions focus on qualitative changes to both the price and non-price aspects of lending over the current quarter (compared with the previous quarter). Where changes have been noted, respondents are asked to indicate the reasons for the tightening or easing of relevant terms (see Box 2). These questions are supplemented in each quarterly survey with one or two topical questions focusing on how changes to specific economic or financial factors are affecting business lending.

Box 2: Bank of Canada Senior Loan Officer Survey

Box 2: Senior Loan Officer Survey Question on Business-Lending Conditions

The *Senior Loan Officer Survey* asks financial institutions: "How have your institution's general standards (i.e., your appetite for risk) and terms for approving credit changed in the past three months?"

Respondents indicate that their practices have tightened, remain unchanged, or eased with respect to each of the following conditions:

- (i) pricing of credit (spreads over base rates, fees)
- (ii) general standards
- (iii) limit of capital allocation, and
- (iv) terms of credit (collateral, covenants, etc.).

This question is asked about corporate loans and commercial and small business loans. In the latter two cases, responses are provided for five regions: British Columbia, the Prairies, Ontario, Quebec, and the Atlantic provinces.

Corporate, commercial, and small business borrowers are differentiated by the size of the loans authorized for each, using the following suggested definitions: corporate—over \$50 million; commercial—between \$2 and \$50 million; and small business—less than \$2 million. Respondents are allowed to answer based on internal reporting definitions, which may differ from the definitions suggested.

⁷ The method of distribution of the questionnaires, whether by mail or email, was not disclosed by Faruqi, Gilbert, & Kei (2008)

Survey Metrics & Reporting

Credit Conditions Index

The Bank of Canada combines the responses to produce a single metric, called a credit conditions index, which is published externally on a special designated section of this central bank's website.⁸

3.3 The Bank of England

Overview

The Bank of England undertakes a *Credit Conditions Survey* of the lending activities of UK banks, building societies and other (non-bank) specialist lenders in three markets: (1) secured lending to households and small businesses; (2) unsecured lending to households and small businesses; and (3) lending to the corporate sector.⁹ The objectives of the survey are to assess the trends in credit terms and conditions, improve the analysis of developments in credit markets and assess the relative influence of demand and supply factors on aggregate bank credit. The survey was initially conducted in 2007 following several years of discussions on credit markets trends with major UK lenders and money market participants.

Another important objective of the survey is its contribution to assessing the implications of changes in lending conditions for systemic risk. This was reflected in a recent Bank of England Systemic Risks Survey, which found that borrower default, pressures in funding markets and tight credit conditions were among the most important sources of systemic risk (Bank of England, 2011).

Survey Administration

The survey is conducted on a quarterly basis to facilitate the Monetary Policy Committee's (MPC) quarterly projections and the preparation of the Bank's *Inflation Report*. The survey instrument comprises three questionnaires, one for each of the above noted market segments.

Survey Data

The survey captures both backward-looking and forward-looking indicators of credit as it seeks to identify changes in selected indicators over the past three months (relative to the previous three months) and expected movements in these variables over the next three. The

⁸ All the reporting metrics described in this section will be explained in detail in a subsequent section.

⁹ Questions from this survey on lending to the corporate sector do not distinguish between secured and unsecured lending

forward-looking indicators include changes in borrowers' demand for credit, the availability of credit/ lenders willingness to supply and the factors driving these movements.

Given that lending rates may understate the 'true' price of credit due to the existence of fees and other non-price terms, the survey examines changes in both price and non-price credit terms. With regard to the latter set of factors, the survey assesses the maximum loan to value and loan to income ratios; credit card limits, minimum monthly repayments; collateral requirements and loan covenants. The impact of loan default rates as well as loss given default rates on lending terms are also identified by the survey. In addition, changes in credit scoring criteria, which may vary over time as lenders change their models, are monitored. There may also be changes in the quality of credit applicants as well as the approval rates on loans. Changes in these factors may offset or amplify movements in interest rate spreads.

The survey also includes market-specific questions. For example, questions on the demand for, and terms on, lending to medium and large private, non-financial corporations (PNFCs) as well as other financial corporations (OFCs) are reflected only in the corporate lending questionnaire. There are sometimes questions about the use of securitisation as a tool in risk management.

Survey Metrics

In reporting the results of the survey, the BOE uses the weighted net percentage balance statistic. Each lender in the sample is assigned a score based on their response. Lenders who report that credit conditions have changed 'a lot' are assigned twice the score of those who report that conditions have changed 'a little'. The scores are weighted by the lenders' market shares and aggregated to produce net percentage balances. The quarterly report of the survey results shows the weighted aggregate net percentage balances for each question along with a short descriptive summary of the results.

3.4 European Central Bank

Overview

The ECB also undertakes a quarterly survey of bank lending, the primary objective of which is to enhance the Euro system's knowledge of financing conditions and to provide information on monetary and economic developments as an input into monetary policy decisions of the Governing Council of the ECB. The survey investigates trends and

developments related to (i) credit standards for approving loans; (ii) credit terms and conditions applied to enterprises and household; (iii) other factors affecting credit availability and (iv) credit demand conditions. Information from the survey complements existing statistics on retail bank interest rates and credit flows.

Survey Administration

The survey is administered to senior loan officers of a representative sample of Euro area banks. The sample group comprises 131 banks, representing all of the euro area countries, and takes into account the characteristics of their respective national banking structures. Since the banks in the sample group differ considerably in size, the survey results are weighted according to the national shares in total lending to residents.

Survey Questions

The survey comprises 17 specific questions on past and expected credit market developments. The former examines developments over the past three months while the latter focuses on the next three months. Questions are classified according to the characteristics of the borrowing enterprises and households, and include coverage of both loan demand and supply. The definitions and classifications used in the survey are consistent with other ECB statistics. For the household related questionnaire, three loan categories are identified: loans or credit lines to enterprises; loans to households for house purchase; and consumer credit and other lending to households. Each category consists of questions on the standards for approving loans; credit terms and conditions; as well as credit demand and the factors influencing it.

Ten (10) questions address supply factors, of which seven examine credit standards while three review loan terms and conditions. Three questions assess specific factors affecting banks' credit standards as applied to the approval of loans to both enterprises and households. Seven (7) questions investigate loan demand, of which three examine the demand from households. Factors underpinning changes in demand such as financing needs for specific purposes and the use of alternative sources of funding are also addressed.

The survey also allows participating banks to give free-formatted comments in response to an open-ended question. Two non-standard/special questions were asked in the April 2012 ECB

Bank lending survey: one question addressed the impact of the financial turmoil on access to retail and wholesale funding, and another assessed the impact of the sovereign debt crisis.

Survey Metrics

The ECB's survey of bank lending utilizes a five-point Likert scale; a method of assigning values to qualitative data to facilitate statistical analysis.¹⁰ A typical 5-point scale has the following choices: (1) strongly agree, (2) agree, (3) neutral, (4) disagree, (5) strongly disagree. The survey results are summarised through balance of opinion metrics (BOMs) and Diffusion Indexes (DIs).

¹⁰ Likert scales can range between any number of points, but are typically five points scales, representing five choices.

Table 1: Summary of Credit Conditions Surveys in Selected Central Banks

Central Bank	Sample	Data Collected	Reporting Metrics & Use of Survey Results	Survey Administration
<p>The US Federal Reserve <i>Senior Loan Officers Opinion Survey on Bank Lending Practices.</i></p> <p>Quarterly</p> <p>Qualitative (5 - Point Likert Scale)</p> <p>Initially conducted in 1967</p>	<p>60 large domestic commercial banks</p> <p>24 large U.S. branches/agencies of foreign banks.</p>	<p>Backward Looking</p> <p>i. Business Lending.</p> <p>ii. Lending to Households</p> <p>iii. Special Banking Topics</p>	<p>Net Percentage Balance statistics</p> <p>Survey results reported regularly to:</p> <p>The Board of Governors</p> <p>The Federal Open Market Committee (FOMC)</p>	<p>2 hour telephone survey conducted by staff at the Reserve banks;</p> <p>Respondents given questions in advance.</p> <p>Completed surveys transmitted back to the Federal Reserve Board economists for tabulation.</p> <p>The response rate is virtually 100%.</p>
<p>Bank of England. <i>Credit Conditions Survey</i></p> <p>Quarterly</p> <p>Qualitative (5 -point Likert Scale).</p> <p>Initially conducted in 2007</p>	<p>i. Banks,</p> <p>ii. Building societies</p> <p>iii. Other specialist lenders which account for at least 1% of their respective markets</p>	<p>Backward-looking and forward-looking</p> <p>i. Secured lending to households and small businesses;</p> <p>ii. Unsecured lending to households and small businesses;</p> <p>iii. Lending to the corporate sector</p>	<p>Net Percentage Balance Statistics</p> <p>The survey supplements the BOE's market intelligence activities.</p> <p>Facilitates the Monetary Policy Committee's (MPC) quarterly projections and the preparation of the Bank's Inflation Report</p>	<p>Survey questionnaires presented in Excel and distributed via Email. Completed Responses are returned via email</p>
<p>European Central Bank. <i>Survey of Bank Lending</i></p> <p>Quarterly</p> <p>Qualitative (5-point Likert Scale).</p> <p>Initially conducted in 2003</p>	<p>Sample of 131 banks represents all euro area countries survey results weighted according to national shares in total lending</p>	<p>Backward-looking and forward-looking</p> <p>17 specific questions on past and expected credit market developments.</p> <p>Three loan categories:</p> <p>i. loans/credit lines to enterprises;</p> <p>ii. loans to households for house purchase;</p> <p>iii. consumer credit and other lending to households.</p>	<p>Diffusion Indices</p> <p>Used to enhance the Euro system's knowledge of financing conditions</p> <p>Used as an input in the monetary policy decisions of the Governing Council of the ECB.</p>	<p>Survey is administered to senior loan officers of a representative sample of Euro area banks.</p>
<p>Bank of Canada <i>Senior Loan Officer Survey (SLOS) on Business-Lending</i></p> <p>Quarterly</p> <p>Qualitative (5-point Likert Scale).</p> <p>Initially conducted in 1999</p> <p>Results first published in 2008</p>	<p>Sample of 11 major financial institutions in Canada</p> <p>Composition of the sample remains unchanged since 1999</p>	<p>Backward Looking</p> <p>Price & Non-price Lending Conditions for three business categories:</p> <p>Corporate, commercial, and small businesses</p> <p>For Canada, business lending by financial institutions is defined as the sum of short- and long-term business loans, non-residential mortgage loans, leasing receivables, bankers' acceptances, and foreign currency business loans by chartered banks and non-banks</p>	<p>Balance of Opinion</p> <p>Credit Conditions Index</p> <p>Provides leading information on the borrowing and business investment decisions of firms</p> <p>Survey results correlated with business investment, total business credit and business credit provided by banks</p>	<p>Survey is administered to senior loan officers</p> <p>Conducted over the two week period near the end of the quarter and pertains to the same quarter</p>

4.0 The Framework and Process of Monetary Analysis in Jamaica

4.1 Monetary Analysis in the Bank of Jamaica

The BOJ's monetary policy strategy is based on an inflation targeting *lite* regime, where the *de facto* anchor for monetary policy is the rate of movement in the exchange rate. More recently, for policy decisions, greater focus has been placed on the outlook for inflation relative to the target. In this context, monetary analysis in the Bank of Jamaica, as part of the framework for evaluating inflation risks, involves defining and explaining the latest monetary developments and developing a view of the underlying trends in monetary dynamics as well as a forward looking assessment of the risks to price stability.

Recommendations for changes in monetary policy, from the perspective of the monetary accounts, flow from examinations of the selected monetary indicators: (i) base money; (ii) broad money and its components; (iii) credit aggregates and credit risk; (v) nominal and real interest rates; (vi) indicators of exchange rate risk and sovereign risk and (iv) financing gaps. The framework and tools used to assess these indicators are briefly explained below.

On a monthly basis, the most recent movements in the monetary aggregates are assessed, relative to forecast, and the factors underpinning these movements are evaluated. The projections are grounded in standard money demand frameworks, where the difference between the outcome and the forecast is an indication of either the state of the underlying economy, or incomes, as well as expectations. Money gaps also have information about the future state of inflation (see for example Christie & Stennett, 2006) and Whyte (2011).

Monetary forecasts are produced to ensure accounting consistency. This implies that the forecasts of the assets and liabilities of the banking system reflect the same assumptions. The evolution of total, sectoral and foreign currency-denominated credit aggregates are defined and monitored to ensure that there are enough resources available to the public and private sectors. Where financing gaps (the difference between the demand for financing and the available supply) are identified ex-ante, this reflects an early warning signal of potential changes in real market interest rates.

The Bank's analysis of credit aggregates seeks to identify likely changes in business and consumer spending and the implications for growth and/or inflationary pressures. Movements in lending rates and their spreads are used to assess the underlying risks of various classes of

borrowers. In addition, private sector credit has been used in developing a fiscal stress index, which gauges the level of exposure of the central government to fiscal and debt sustainability risks. The six months change in the real private sector credit has been used as a component of a composite leading economic indicator.

4.2. Current Status of Bank of Jamaica's Credit Information

To facilitate the process of policy formulation, financial institutions supervised by the BOJ are required to provide weekly and monthly information on the value of credit extended to various sectors, retail interest rates and other financial statistics. The BOJ's current suite of information on bank lending therefore includes sectoral and currency allocation of loans and advances of commercial and specialist banks as well as non-performing loans (total, by sector and by bank).

4.3 Information Gap

There is a dearth of information in Jamaica on changes in non-price credit conditions which underpin movement in the credit aggregates. This constrains economic interpretation of the monetary statistics. In particular, it is difficult to isolate the effects of a tightening or relaxation of lending terms and conditions (if there have been any) on credit growth and ultimately aggregate demand and inflation.¹¹ It is also difficult to discern when changes in non-price credit terms offset or amplify the impact of changes in loan rates.

In this context, the survey results could deepen the BOJ's analysis of changes in private sector credit by providing information on market conditions and developments affecting all categories of private sector credit. In addition, the information from the survey could provide insights into the extent to which shifts in the demand and supply of credit are related to the banks' price and non-price competitive strategies, changes in macroeconomic conditions or credit cycles. This information may be useful for the Bank's assessment of future inflationary

¹¹ As an example of this lacuna, recall that during the five-year period December 2002 – 2007, prior to the global financial crisis, annual growth in private sector credit averaged 27.1 per cent. Subsequent to the crisis, between December 2009 and 2011, credit growth slowed to an annual average of 4.7 per cent. The extent to which the changes observed in credit growth were driven by changes in the demand or the supply of credit is yet to be determined.

pressures and systemic risk. Finally, the forward-looking information on bank lending policies from the survey can aid in forecasting private sector credit.¹²

Improving its assessment of developments in this market and enhancing the Bank's monetary policy formulation therefore requires that the BOJ complements its current information set on monetary aggregates and interest rates with information on credit market developments.

5.0 The Proposed BOJ Survey of Bank Lending - Scope and Structure

5.1 Overview

This paper proposes that the BOJ implements a quarterly *Survey of Bank Lending* targeted at all commercial banks, building societies and merchant banks in Jamaica. The data collected by the survey will be used to assess, from the perspective of lenders, changes in (i) credit market conditions, including bank lending policies and (ii) credit market developments in relation to four segments of the domestic bank lending market – personal, small business, medium-sized and large corporate and commercial lending. The survey will also be forward-looking – assessing the institutions' expectations of changes in these variables over the near term. The following section defines these variables.

5.2 Definitions of Survey Data

Credit Market Conditions

Credit market conditions refer to the level of demand and supply in the market for bank loans, as well as the factors which influence changes in these variables.

Loan Demand

Loan demand refers to the value of new loan applications from qualified borrowers. The information to be requested by the survey relates to changes with respect to the following:

- a. Unsecured and secured loans by type:
 - i. Personal loans – for house purchase, mortgage re-financing, motor cars, other loans secured on real estate, education, debt consolidation;

¹² If BOJ is unaware of an intended easing of credit conditions in the near term, a forecast of credit growth could be underestimated, leading to incorrect policy decisions.

- ii. Loans to small and medium sized and corporate enterprises (SMCEs) – for inventory finance, other working capital support, plant & equipment, real estate, other fixed assets.
- b. Currency denomination of loans (for SMCEs)
- c. Economic sector (for SMCEs)
- d. Demand factors – the drivers of changes in loan demand including changes in income, business activity, exchange rate, interest rate, and collateral values.

Loan Supply

The survey will elicit information on loan approval rates (the value of loans approved relative to the value of loans applied for) and factors impacting credit availability – (a) changes in economic outlook, (b) market share objectives, (c) changes in cost of funds, (d) bank lending policies and (e) credit risk management.

Bank Lending Policies

Bank lending policies consist of the credit standards (the internal guidelines/criteria such as credit scoring criteria) that guide a bank's lending. These standards are used by institutions to determine and rank loan applicants' credit worthiness as well as to establish the terms and conditions of loan agreements. Both price and non-price terms and conditions are included in the latter. Price-related terms include spreads and fees. Non-price terms and conditions include collateral requirements, maximum loan to value ratio, maximum loan to income ratio, maximum loan size and loan maturity. Both price and non-price terms relate to borrower risk as well as banks' target rates of return.

Bank lending policies are related to economic and strategic factors. For example, changes in lending policies may reflect competitive strategies in market segments to achieve target market shares. Changes in lending standards may also be cyclical.

Credit Risk Management

The survey will elicit the views of banks on their credit risk exposures and risk management practices. Banks' credit risk exposures and risk aversion influence their expected returns, capital positions and their willingness to lend. For example, banks which face rising non-performing loans may reduce the availability of credit by tightening their credit scoring criteria. In this context, banks' willingness to lend may be influenced by their ability to

manage credit risks. In this regard, the survey request information on changes in the loan default rates, the loss given default and the use of loss mitigation tools by banks.

Credit Market Developments

Credit market developments refer to banking regulatory, financial and other industry or market-wide developments which lead to shifts in loan supply and demand. For example, changes in loan supply may be related to financial sector reform, or changes in the business cycle. Other market developments which may impact the supply of loans include the changes in the degree of competition in the banking sector, banks' rate-setting strategies and financial soundness. From the perspective of BOJ, the impact of these changes is of interest when and as they arise.

5.3 Scope & Objectives

The proposed survey has been designed and will be administered along lines similar to other surveys on bank lending conditions conducted by the US Federal Reserve Board, the Bank of England, and the ECB. The detailed results from this survey will be presented to the Economic Policy Committee (EPC) and the Governor as well as used in internal analysis and forecasts. It is envisaged that the results of the survey will be published at some point in the future.

It is proposed that the survey have the following features:

- **Quarterly:** conducted during the first week following the end of the review quarter.
- **Targeted:** The targeted respondents will be senior loan officers, marketing research and risk management staff in each commercial and specialised bank.
- **Qualitative:** The survey provides qualitative (and limited quantitative) information on credit demand, the availability of credit as well as lending policies and market developments which impact on credit growth. Respondents will be typically asked for their judgment or opinion as to whether, for example, lending terms had eased or tightened or were broadly unchanged, and the factors underlying those developments. A five-point rating scale will be used to gauge responses. This scale enables fine grained assessments, without being unduly challenging for respondents.

- **Standardized:** The survey will consist of separate sections for key segments of the domestic bank lending market: (i) personal lending, (ii) small business lending; (iii) lending to medium-sized enterprises and (iv) large corporate & commercial lending.¹³ These segments are characterised by different credit risk exposures, bank lending policies and competitive strategies. Except for small business lending, a similar segmentation of the bank lending market is used by other central banks. Small business lending has been added because of its relative importance to the Jamaican economy. A fourth section examines risk management issues. In addition, from time to time, the Bank would add questions on areas of current interest.
- **Backward and forward looking:** The survey will request that respondents provide a review of bank lending conditions and market developments over the most recent quarter as well as their assessment of likely changes over the next quarter.

6.0 Survey Administration, Reporting & Metrics

6.1 Administration Framework

The survey will be similar in design to typical business surveys, but will use the population of regulated banking firms, rather than a sample. While this eliminates sampling errors, the possibility of other sources of error remain, the most important of which is a lack of incentive for accurate completion of the survey. However, this risk may be mitigated since it is proposed that the survey be administered within the regulatory ambit of the Financial Institutions Supervisory Division (FISD) of the Bank, which has responsibility for supervision of the banking system.

6.2 Respondents

The survey will be administered via a web-based portal to the 13 financial institutions comprising all commercial and specialist banks, and should be completed by senior banking officers responsible for personal, small and medium businesses, commercial and corporate lending as well as risk management. Respondents will be asked to log in to a specially

¹³According to a policy paper prepared by the Mona School of Business, small businesses have annual sales/turnover of > \$10 million ≤ J\$50 million, and employ 6 – 20 workers. Medium-sized firms have annual sales/turnover of > J\$50 million ≤ J\$150 million, and employ 21 – 50 workers. Large firms have annual sales/turnover of >J\$150 million, and employ >50 workers

designed portal on the Bank’s website in order to access and complete the questionnaire. The survey will be conducted in the first week following the end of the review quarter.

6.3 Initial Survey Implementation

The initial implementation of the survey is expected to involve several stages. These will ensure that all legal, administrative and information technology requirements are met prior to full implementation. The key stages and associate deadlines are set out below:

Table 1. Proposed Timeline: Initial Implementation of the Credit Conditions Survey

a. Review of Proposal by Division Chief/Deputy Governor, Research and Economic Programming Division (REPD)	End July 2012
b. Consultations with Financial Institutions Supervisory Division (FISD)	Mid -August 2012.
c. Development and pre-testing of internet-based BOJ portal	End-August 2012
d. Sensitization of the banking community at Bankers’ Committee Meeting	12 September 2012
e. Consultation with prospective respondents	End September 2012
f. Orientation and training of designated respondents representing each bank.	First week of October 2012
g. Full implementation	First week of October 2012

6.4 Consultation with prospective respondents

Prospective participants in the survey will be consulted on the proposal and the details of its implementation. It is proposed to have a training seminar with the target group to explain the requirements of the survey. Drafts of the questionnaires will also be available on the Bank’s website, in addition to explanatory and guidance notes to facilitate their completion.

6.5 Continuing Survey Administration

It is suggested that the stages in the preparation and presentation of the survey in each quarter should be as follows:

- a. The finalization of the topical questions for the upcoming survey based on internal consultations.

- b. Completion of the survey by participating financial institutions via the Bank’s special portal.
- c. The conduct of individual discussions with respondents, following receipt of the completed questionnaires. These discussions allow respondents to qualify answers and to provide responses to follow-up questions posed by the Bank’s staff, especially those related to important market developments.
- d. Aggregation of the survey results to preserve anonymity of individual respondents.

6.6 Summary Statistics and Reporting

Net balance statistics as well as diffusion and credit conditions indices will be used to summarise and present the results of the survey.

6.6.1 Net Percentage Balance/Balance of Opinion Metric

The Balance of Opinion Metric (BOM) provides a single figure as a summary of responses to each question. It is calculated as the difference between the proportion of banks reporting an improvement or upward movement in a particular indicator and those reporting deterioration or a downward movement.

$$BOM = (ss + ms) - (sw + mw)$$

ss = percentage of respondents selecting “substantially stronger” or “substantially tightened”

ms = percentage of respondents selecting “moderately stronger” or “moderately tightened”

sw = percentage of respondents selecting “substantially weaker” or “substantially eased”

mw = percentage of respondents selecting “moderately weaker” or “moderately eased”

Positive net balances indicate that the majority of the respondents reported that the variable in question increased over the reference period while negative net balances indicate that the majority of respondents reported a decrease. The aggregated result is scaled to lie between +100 and -100. Responses falling at either extreme of this range would indicate that all of the respondents agreed on the direction of the change in business lending conditions. An example of the computation of the net balance statistic (taken from section 3.3 *Survey Metrics & Reporting* of the Bank of England) is provided below:

Box 3: Computing the Net Balance Statistic

		Net percentage balances ^(a)											
		2009			2010				2011			2012	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How have spreads on credit cards changed? ^(a)	Past three months	-5.8	-13.9	-1.5	-0.6	-0.2	-6.4	0.2	-6.1	-1.4	7.2	1.5	2.3
	Next three months	19.0	0.7	13.5	0.6	-8.6	0.0	-8.6	1.5	0.0	0.1	-11.1	1.5

Lenders reported that, on net, spreads on credit card lending increased marginally (2.3%) over the past three months and were expected to increase marginally (1.5%) over the next quarter (Q2)

It is important to note that while this measure (as well as the other measures) indicates the direction of the change in the variable in question and the level of agreement among the respondents, it does not provide any information on the magnitude of the change.

6.6.2 Bank Lending Diffusion Index (DI)

The Diffusion Index (DI) is the preferred reporting measure. This is the weighted difference between the shares of banks reporting an upward change and those reporting a downward change. For any single question relating to banks views about how a variable (say loan demand) has changed, the DI value is calculated as

$$DI = (ss + 0.5 \times ms) - (sw + 0.5 \times mw)^{14}$$

The interpretation of the diffusion indices follows the same logic as the interpretation of balance of opinion metric discussed in the example above. As with the BOM, by construction, the DI metric always ranges between -100 and +100. A negative DI indicates that the majority of the respondents view the variable in question as getting weaker/easing.

¹⁴ The use of the fixed weight (0.5) relating to the proportion of respondents selecting either moderately stronger or moderately weaker distinguishes between the level of conviction in the respondents answers. The weight makes the views of those claiming substantial changes twice as important to the direction of the overall change in the index, relative to those claiming moderate changes.

6.6.3 Credit Conditions Index¹⁵

A credit conditions index (CCI) is primarily used to assess banks' views about how their lending policies have changed over the reference period. This index is formed by averaging the sub-indices relating to all the loan categories (c) under consideration. Formally, a credit conditions index is defined as follows:

$$CCI = \sum_{c=1}^k \theta_c CCI_c \quad (1)$$

where k is the number of sub-indices under consideration and θ is the weight associated with each loan category, calculated as the ratio of the value of each loan category to the total value of loans by the system.

Each loan category can be further decomposed into price and non-price dimensions of lending.¹⁶ The credit condition index for each loan category is therefore defined as the simple average of the price and non-price sub-indices for selected questions:

$$CCI_c = (SI_c^P + SI_c^{NP})/2 \quad (2)$$

where SI_c^P and SI_c^{NP} are the respective sub-indices corresponding to the price and non-price dimensions of lending for loan category c .

Each of the sub-indices (SI_c^P, SI_c^{NP}) are, in turn, averages of weighted DIs for the loan types/classes constituting loan category c . For example, the personal loans category (pl) can be broken down into secured (s) and unsecured (u) loans. Unsecured loans can be further decomposed into credit card (uc) and non-credit card (unc) loans. The sub-index SI_{pl}^P is therefore defined as follows:

¹⁵ The construction of the Credit Conditions index closely follows the summary reporting metrics used to report the results of the Bank of Canada's Senior Loan Officer Survey.

¹⁶ In the case of Jamaica, we propose to consider four loan categories: (i) personal loans, loans to (ii) small, (iii) medium and (iv) large corporate enterprises. Each broad question can also be decomposed into sections that cover the institution's view on past or future changes in price-related variables such interest rates and fees vis-à-vis changes in non-price variables such as exposure limits and collateral requirements, etc. These two areas are referred to as price and non-price conditions of lending.

$$SI_{pl}^P = \sum_t^{uc,unc,s} \sigma_t DI_t^P \quad (3)$$

where σ_t is the value of each sub-category of loan category pl , relative to the total value of loan category pl . An important point to note is that the price-dimension of a lending category can relate to interest rate changes (r), changes in fees (f) or both. For example, the DI for the price dimension relating to unsecured non-credit card personal loans is the simple average of DIs corresponding to the two price dimensions:

$$DI_{unc}^P = (DI_{unc,f}^P + DI_{unc,r}^P)/2 \quad (4)$$

For any of the lending dimensions and sub-category within a loan category, the DI is computed as the difference between the market-share weighted “tightened” responses and the market-share weighted “eased” responses. Stated differently, the DI of dimension D (= P, NP) for a loan type/class (τ) is given by

$$DI_{\tau}^D = S_{\tau}^D - K_{\tau}^D \quad (5)$$

where

$$S_{\tau}^D = \alpha_{ss} \times ss + (0.5 \alpha_{ms} \times ms) \quad (6)$$

$$K_{\tau}^D = \alpha_{sw} \times sw + (0.5 \alpha_{mw} \times mw) \quad (7)$$

α_{ss}/α_{sw} is the market share of loan asset-class τ of the respondents selecting substantially stronger/weaker, α_{ms}/α_{mw} is the market share of loan assets in the particular market segment of the respondents selecting moderately stronger/weaker and P and i relate to the individual question on the price dimension and the loan asset class, respectively.

The table below summarises the structure and sub-indices of the credit conditions index

Table 2: Stylised representation of Sub-indices/Credit Conditions Indices by Loan Category

Loan Category	Price Dimension Sub-Index	Non-Price Dimension Sub-Index	Credit Conditions Index
Personal	SI_{pl}^P	SI_{pl}^{NP}	CCI_{pl}
Small and Micro Enterprises	SI_s^P	SI_s^{NP}	CCI_s
Medium Sized Enterprises	SI_m^P	SI_m^{NP}	CCI_m
Large Corporates	SI_l^P	SI_l^{NP}	CCI_l
Overall/Total	SI^P	SI^{NP}	CCI

7.0 Conclusions

Similar to the surveys conducted by other central bank in developed economies, this paper motivates and recommends the implementation of a survey of bank lending conditions for Jamaica. The Bank's current suite of information on credit aggregates, sectoral loan distribution and interest rates does not adequately explain the behaviour of banks, households and business. The proposed quarterly survey is expected to elicit qualitative information on credit market conditions and developments, including bank lending policies and credit risk management, in the personal, small, medium sized and corporate segments of the lending market. The survey is expected to contribute important information to the Bank's understanding of the credit channel in Jamaica. In this regard, information from the survey will enhance the Bank's core purposes of monetary policy formulation and the maintenance of financial stability.

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APPENDICES

Survey Consultation Document

A SURVEY OF BANK LENDING CONDITIONS

A Consultation Document by the Bank of Jamaica

Summary

1. The Bank of Jamaica (BOJ) appraises a wide range of data on financial markets and has elected to undertake a regular survey of Jamaica's credit market conditions, to support its analysis of monetary conditions and financial stability. The proposed survey will be conducted quarterly. The Bank is consulting on the overall proposal and on the detailed design of the survey, and welcomes input from all interested parties. Views should be sent to the Bank by 26th September 2012.

Introduction

2. To the extent that growth in bank credit to the private sector is an important determinant of expansions in money supply and, potentially, inflation and/or GDP growth, the factors that drive changes in private sector credit are of interest to the Central Bank. The proposed survey will broaden the range of information on which the Bank relies in this regard. Bank lending conditions may also be important to an assessment of systemic risk. Information from the proposed survey is also useful to the Bank's second core purpose of formulating policy to maintain the stability of the financial system.

3. For these purposes, the survey is designed to elicit information on trends and developments in key market segments such as personal, small business and corporate & commercial lending and the terms on which credit is provided. These trends are important influences on the economic activities of households and businesses, and hence on the overall economic outlook. Given the importance of banks' credit risk exposure to credit market conditions, the survey also elicits information on risk management issues relevant to bank lending.

4. Results from this survey will be presented to the Bank's Economic Policy Committee (EPC) to support its monetary policy decisions. Survey findings will, ultimately, also be reflected in the Bank's *Quarterly Monetary Policy Report* and *Financial Stability Report*.

5. Similar surveys conducted in other jurisdictions support the evolution of monetary policy and assessments of systemic risk. The Federal Reserve (since 1967), the Bank of England and more recently the ECB (since 2003) and the Bank of Canada (since 1999) all conduct formal surveys of current bank lending behaviour, encompassing a wide range of different ² lenders

in their countries. Each survey is conducted quarterly and aggregated responses are also published¹⁷.

The Bank of Jamaica invites your input in the design and conduct of this proposed survey, in light of the foregoing and the critical role of bank-mediated credit to the domestic economy.

Proposal

6. Consistent with what obtains in other jurisdictions, the BOJ proposes that the survey should have the following features:

- **Quarterly:** conducted during the last two weeks of each quarter and timed to feed into the Bank's *Quarterly Monetary Policy* Committee meetings.
- **Targeted** to senior loan officers, marketing research staff and risk management staff
- **Qualitative:** typically a judgment or opinion as to whether, for example, lending terms had eased or tightened or were broadly unchanged, and the factors underlying those developments. A five-point rating scale will be primarily used to gauge responses. This scale enables fine grained assessments, without being unduly challenging for respondents.
- **Standardized** with separate sections for each key segment of the domestic bank lending market: (i) personal lending, (ii) small business lending, (iii) lending to medium sized business and (iii) corporate & commercial lending. A fourth section examines risk management issues relevant to bank lending. In addition, from time to time the Bank would add questions on areas of current interest.
- **Backward and forward looking:** requesting that respondents provide a review of bank lending conditions and developments over the most recent quarter as well as their assessment of likely changes over the next quarter

Forward-looking indicators of credit market developments would facilitate comparison of aggregate outturns with expectations three months earlier. Information from the survey could also aid in producing better forecasts of credit aggregates.

7. The survey is designed and administered by the BOJ to ensure that: (i) the views of all domestic lenders which make a material contribution to current developments in each market are reflected; and (ii) the confidentiality of individual responses is protected by aggregating the survey results. Preliminary assessments suggest that all lenders in each of the three market segments would be invited to participate.

¹⁷ See: *Senior Loan Officer Opinion Survey on Bank Lending Practices*, Federal Reserve Board, available from FRB: [Senior Loan Officer Opinion Survey on Bank Lending Practices](http://www.frb.org/lending/practices) *The euro area bank lending survey*, ECB, available from <http://www.ecb.int/stats/money/lend/html/index.en.html> and *Senior Loan Officer Opinion Survey on Bank Lending Practices at Large Japanese Banks* <http://www.boj.or.jp/en/statistics/dl/loan/loos/>

Benefits of the Quarterly Survey of Bank Lending Conditions

8. The Bank anticipates that several benefits would follow from conducting a regular survey on conditions and developments in the domestic bank lending market.

9. It is expected that the survey information will contribute to deepening the BOJ's economic analysis and reporting of changes in banking system credit to the private sector credit by providing:

- i. Detailed backward and forward looking information on market conditions and developments affecting the supply of all categories of private sector credit in the banking sector i.e. business loans, consumer loans, real estate and mortgage lending. This information is not readily observed from data currently reported to the Central Bank.
- ii. insights into the extent to which shifts in the demand for and supply of credit are related to:
 - a. the price and non-price competitive strategies of banks operating in each segment;
 - b. changes in macroeconomic conditions
 - c. credit cycles
- iii. information important for the Bank's assessment of future inflationary pressures and systemic risk.

10. Given the broad group of participating lenders, the survey will produce better quality information, enhancing the Bank's assessment of financial market conditions generally, and the bank lending market, in particular.

12. Participation in these surveys will be compulsory. Individual information will be treated confidentially.

13.. Drafts of the questionnaires are available on the Bank's website²; and in the light of the current consultation, the Bank also provides online, guidance notes to facilitate their completion.

Issues for consultation

14. The Bank welcomes written comments on the design and administration of the proposed survey and in particular on the following questions:

(a) General

Do you support the broad approach being proposed to assess conditions and developments in the domestic bank lending market?

(b) Specific

In relation to the draft questionnaires:

- Will it be feasible to complete these questionnaires each quarter, similar to the practice in other countries?
- Is it agreed that small and micro businesses are best covered as part of small business lending?
- The questionnaire will be accessible in electronic format on the Bank's website. Will it be feasible for all participating institutions to complete the questionnaire online?
- Are there any other detailed comments on the draft questionnaires?

Anyone wishing to comment should write by - 26 September 2012 to:

Chief Economist,
Monetary Analysis & Programming,
Research & Economic Programming Division,
Bank of Jamaica,
Nethersole Place,
P.O. Box 621, Kingston
Jamaica

Survey Compilation Guidelines

Survey of Bank Lending Compilation Guidelines

In order to meet its core purposes of monetary and financial stability, the BOJ remains alert to and welcomes information on short term developments in the growth of credit as well as the terms and conditions on which it is provided. These developments are important influences on the behaviour of households and corporate firms, and hence on the overall economic outlook. They also contribute to the assessment of systemic risks.

The Bank therefore appraises a wide range of data on domestic markets. It supports this surveillance with a regular qualitative Survey of Bank Lending Conditions. This exercise is conducted on a quarterly basis, and covers important segments such as personal lending, small business lending, corporate and commercial lending.

This guide is intended to help survey participants complete the questionnaires. This is a compulsory exercise, and as such responses will be verified against other returns.

Nonetheless, the Bank greatly appreciates respondents completing the survey as accurately as possible, and is grateful for your participation.

For additional information, please contact:

Chief Economist,
Monetary Analysis & Programming,
Research & Economic Programming Division,
Bank of Jamaica,
Nethersole Place,
P.O. Box 621, Kingston
Jamaica

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1.0 Notes on Accessing the Survey

1.1 The survey is conducted on a quarterly basis during March, June, September and December. Participants will be notified that the survey is available online for completion via the Bank of Jamaica's website. Participants will be asked to complete the survey within two weeks.

1.2 The survey questionnaires are presented in electronic format and are available on the Bank's website. Participants are asked to report on past and expected changes in lending demand and supply as well as related terms and conditions, by selecting from a range of qualitative options provided for each question. Participants should complete all questions, even if there has been no change in their outlook. Participants are asked to check the 'n/a' boxes where appropriate.

2.0 Background

2.1 The Survey of Bank Lending Conditions is qualitative in nature and is intended to assess lending activity to Jamaican resident households, small businesses and corporates (both domestic and foreign currency) conducted by regulated institutions operating in Jamaica. The survey comprises four individual questionnaires: one each for personal lending, small business lending, corporate & commercial lending and risk management

2.2 The Bank of Jamaica is primarily interested in credit conditions, including the levels of demand and supply and bank lending policies, as well as and market developments over a three-month horizon as this falls within the Bank's forecast and Quarterly Monetary Policy Reporting framework. This is similar to surveys by the Bank of England, the Federal Reserve, the European Central Bank and the Bank of Japan which also seek to determine changes in the latest three-month period relative to the previous three months.

2.4 The questions relate to changes over the past three months relative to the previous three months and over the next three months relative to the current three months. For instance, for the March survey, backward-looking questions review changes in the period between January and March relative to the period between October and December. The forward-looking question would forecast expected changes during the period between April and June relative to the period between January and March.

2.5 When answering the questions, respondents should choose from a series of options ranging from 'up a lot' to 'down a lot'. As the survey is

qualitative in nature, no quantitative guidelines are provided to respondents as to what constitutes 'a lot' and 'a little'. Respondents are required to use the available response options accordingly and to refer to their responses to previous surveys when judging whether demand, supply and other conditions have changed 'a little' or 'a lot'. Participants may request to see their previous survey responses. Requests for this information should be sent to the Chief Economist, Monetary Analysis & Programming Department, Research & Economic Programming Division, Bank of Jamaica, Nethersole Place, Kingston, Jamaica P.O. Box 621.

2.6 The Bank will hold previous survey results for six years.

2.7 The Bank welcomes the timeliest data available, but notes that it may be difficult for participants to provide information precisely on their activity over the past three months. As such, participants may answer questions flexibly.

2.8 Participants are asked to report changes in bank lending conditions and market developments. The questionnaire requests information on changes in the value of new approved lending originated, after taking into account normal seasonal variations. So if conditions have been, or are expected to remain, broadly unchanged in the past three months relative to the previous three months, lenders are asked to check the 'unchanged' box, even if conditions are tight/loose relative to longer-term trends.

2.9 Participants are asked to take account of seasonality when answering the questions. For example, demand for unsecured personal loans may always be strong in the three months to December due to the impact of Christmas on consumer spending patterns. Participants are asked to abstract from these effects.

2.10 Changes in lending driven by one-off factors such as the acquisition/disposal of a portfolio or business should be reported in the survey responses. In such cases, the comment boxes should be used to alert the Bank to these factors.

3.0 How to complete the questionnaires

3.1 For each question, respondents are asked to check one of the boxes provided. Unanswered questions will remain highlighted. If the question is not appropriate, please check the 'n/a' box.

3.2 The following screenshot shows how the Survey of Bank Lending Conditions will appear on screen.

A Survey of Bank Lending Conditions in Jamaica

Participants should click on one of the options presented. Uncompleted fields will be marked with a coral red shade. Questions that have not been completed will appear in red text, with a note at the

SECURED LENDING CONDITIONS
SECURED LOAN DEMAND (LOCAL CURRENCY); HOUSEHOLDS

1a. How has demand for the following types of local currency secured lending from HOUSEHOLDS changed over the LATEST 3 MONTHS relative to the previous 3 months? And what do you expect over the NEXT 3 MONTHS relative to the latest 3 months?

HELP

	Latest 3 Months	Next 3 Months
House purchase:	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A
of which:		
Prime Lending:	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A
Other:	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A
Re-mortgaging:	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A
Other lending secured on dwellings:	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A
Do you have additional comments?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Other Comments (optional)	<input type="text"/>	

PARTS OF THIS QUESTION ARE UNANSWERED. PLEASE FILL IN THE RED SHADED BOXES

end of the question reminding users that there are still uncompleted fields on the page (see ringed sections in screenshot above). On completion of all questions on a page, this reminder will disappear and be replaced by a link to the next question in the survey (see screenshot which follows).

SECURED LENDING CONDITIONS
SECURED LOAN DEMAND (LOCAL CURRENCY); HOUSEHOLDS

1a. How has demand for the following types of local currency secured lending from HOUSEHOLDS changed over the LATEST 3 MONTHS relative to the previous 3 months? And what do you expect over the NEXT 3 MONTHS relative to the latest 3 months?

HELP

	Latest 3 Months	Next 3 Months
House purchase:	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A
of which:		
Prime Lending:	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A
Other:	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A
Re-mortgaging:	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A
Other lending secured on dwellings:	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A	<input type="radio"/> Up a lot <input type="radio"/> Up a little <input type="radio"/> Same <input type="radio"/> Down a little <input type="radio"/> Down a lot <input type="radio"/> N/A
Do you have additional comments?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Other Comments (optional)	<input type="text"/>	

[NEXT QUESTION](#)

3.3 Participants can also navigate between questions by using the tabs in Excel. Each question is contained in a separate tab.

3.4 Additional written comments explaining the answers are welcomed. These may be included in the comments boxes at the end of each question. There is no word limit to the content of the comment boxes, although only 750 characters will be visible in the comments box on screen. If lenders wish to provide more detailed comments, we are happy to receive these via email, mail or fax.

3.5 The Bank may on occasion add *ad hoc* questions to the survey.

4.0 Troubleshooting

4.1 Participants should not feel obliged to complete the entire questionnaire at once. By saving the file, participants are able to retrieve a partially completed survey at a later date, or to forward the partially completed questionnaire to colleagues. However, participants are asked to ensure that they complete the questionnaire by the end of the two week period.

5.0 Frequently asked questions

5.1 **Question:** Will my institution’s inclusion in the sample be publicized? Will the market shares be made known?

Answer: No. The Bank will not publish details of the sample sizes, the sample members or the weights applied to each respondent’s results.

5.2 **Question:** How do participants benefit?

Answer: This survey will increase the Economic Policy Committee’s understanding of trends and other changes in in lending quantities and conditions, and hence help promote macroeconomic stability. Participants may also find the aggregate results useful in their own analyses. The fullest participation is encouraged so as to improve the accuracy of the results.

Section I - Personal Lending

This section provides question-by-question guidance on the content of the personal lending questionnaire. Personal lending is likely to be made under different terms and conditions from lending to small businesses.

Questions elicit information on the demand for unsecured and secured personal loans; the factors underpinning loan demand; loan approvals rates, the price and non-price terms of lending; credit availability; and loan default.

Where the survey requests information about changes in demand or supply of lending, it refers to changes in the value of domestic and foreign currency lending.

Participants should complete all questions, even if there has been no change in their outlook. Participants are asked to check the ‘n/a’ boxes

where appropriate. Comment boxes are available for additional detail, if required.

1, 2 Demand for unsecured and secured personal loans

Unsecured personal Lending – Mainly comprises lending on credit cards, personal loans and overdrafts.

Non-credit card – includes personal loans, overdrafts and hire-purchase deals.

Lending for house purchase — new lending specifically for the purpose of house purchase.

Re-mortgaging — lending which occurs when a borrower refinances all or part of their existing mortgage with a new loan secured on the same property. Borrowing exceeding customers' previous mortgages should be recorded as *other lending secured on dwellings*.

Other lending secured on real estate— this concept is intended to measure any lending secured on residential property which is to finance consumption (e.g. to buy home entertainment equipment or to repay other debt. It includes additional borrowing arising when a borrower increases their overall mortgage debt with the same lender.

Motor cars — lending secured on motor cars.

Household Goods — this includes furniture, computer and electronic home equipment, and home appliances.

Consolidation of Debt – Loans for the purpose of consolidating debt.

Education – Loans for educational purposes.

Other secured Loans

It may be difficult for participants to distinguish between re-mortgaging and other lending secured on real estate. Where this is the case, participants are asked to report their estimates for the trends in these two types of secured lending activity.

3 Factors driving demand for personal loans

The demand for secured lending from households may be driven by several factors:

Household Consumption - This measures the extent of stronger/lesser demand related to the purchase of goods and services for daily use.

Housing Investment - This measures the extent of loan demand related to increased/decreased investment opportunities in the residential housing market.

4. Loan approval rates

This question is designed to gauge the overall effects of loan demand and supply on the approval rate. Changes in criteria may alter the approval rate for a given level of demand. Alternatively changes in the quality of demand as well as maintaining the criteria may also alter the approval rate. This question is aimed at gauging the net effect of these two factors.

5. Lending terms – unsecured & secured loans

Spreads over the official Bank Rate — the difference between the rate charged by the lender and the official Bank Rate *of which*:

Spreads on credit card lending — the difference between the rate charged by the lender on credit card lending and the official Bank Rate/the relevant swap rate.

Spreads on non-credit card lending — the difference between the rate charged by the lender on other secured lending and the official Bank Rate/the relevant swap rate.

Credit card limits – The maximum amount which can be borrowed on a credit card

Fees — Fixed charges incurred when a new loan is accessed.

Minimum proportion of balance paid: the required minimum payment (either in percentage or in absolute terms)

Maximum maturities on loans – The maximum duration of credit that is extended to a customer

Maximum LTVs (Loan to value ratio) — the highest ratio of the amount borrowed to the appraisal or market value of the underlying *collateral*, usually taken into consideration in relation to loans secured on real estate. *Collateral* - the security given by a borrower to a lender as a pledge for repayment of a loan.

Maximum LTIs (Loan to income ratio) — the highest ratio of the amount borrowed to the estimated or reported income of the customer,

usually taken into consideration in relation to loans secured on real estate. Some participants consider a more general concept of 'affordability'. These participants should interpret this question as asking whether their affordability criteria have/are expected to change.

6. Availability of credit

Changing economic outlook — this refers to changes in the outlook for output, income, employment and inflation. Any economic factors not encompassed by this list, but which are thought to affect credit availability, can be explained in the comments box provided.

Market share objectives — this question asks about changes in activity/loan supply that are driven by changes in competitive objectives and behaviour, as opposed to underlying fundamentals. For example, some lenders may adjust their spreads, or change the level of promotional activity, relative to the other lenders in the market.

Changing appetite for risk — this question asks about changes in lending behaviour that are attributable to changes in lenders' risk preferences.

Changing cost/availability of funds — this question asks about the impact on loan supply of changes in wholesale funding markets.

7. Changes in default rates

Default rate — this question asks about the proportion of loans that have fallen/are expected to fall into default. In line with the Basel accord, a default is deemed to have occurred when either or both of the two following events have taken place:

- The lender considers that the borrower is unlikely to pay their credit obligations in full, without recourse by the lender to actions such as realizing security.
- The borrower is past due more than 90 days on any material credit obligation.

Section II - Small Business Lending

This section provides question-by-question guidance on the content of the small business lending questionnaire. Small business lending mainly comprises unsecured and secured lending to micro and small businesses. Micro businesses have total annual sales of less than J\$10 million. Small businesses have an annual turnover of J\$10 million to J\$50 million and employ between 6 and 20 persons. Small businesses include sole traders and unincorporated businesses

Questions elicit information on the demand for domestic and foreign currency loans; credit scoring criteria; loan approval rates, loan terms, credit availability; and loan default.

Where the survey asks about changes in demand or supply of lending, it refers to changes in the value of domestic and foreign currency lending.

Comment boxes are available for additional detail, if required.

Several of the questions in this section ask participants to report separately conditions in the credit card market and the non-credit card market (covering personal loans, overdrafts, hire-purchase deals etc).

We acknowledge that trends in the non-credit card market can be very different, so we ask lenders to make a judgment as to the overall trend in this market.

1, 2, 4, 5 Demand for unsecured and secured loans for Small businesses

Unsecured local/foreign currency small business loans – Mainly comprises lending on credit cards, loans and overdrafts.

Non-credit card – includes revolving loans, overdrafts, non-revolving loans and demand loans.

Secured Lending for small businesses — new lending specifically for the purpose of:

Inventory – Lending secured on inventory. For maintaining/acquiring raw materials, work-in-process and finished goods inventory.

Other working capital support – financing accounts payable

Plant & Equipment – loans for acquiring plant & Equipment

Commercial motor vehicles - — lending secured on commercial motor vehicles.

Commercial real estate - new lending specifically for the purpose of acquiring commercial real estate
Other fixed assets – loans for the purpose of acquiring other fixed assets

Other lending – this includes debt consolidation

3, 6. Factors driving demand for small business loans (local & foreign currency)

The demand for secured lending from households may be driven by several factors:

Growth in Business Activity - This measures the extent of stronger/lesser demand related to economic activity/goods and services for daily use.

Business risk - The risks associated with undertaking business activity.

Collateral value – the value of fixed assets or other security against which loans may be pledged

Exchange rate stability – the relative stable movement in the exchange rate

Other factors – includes greater/lesser government facilitation of small businesses; greater/lesser ease in doing business; more/less marketing of foreign currency loan products; changes in restrictions on foreign currency

7. Approval rates on unsecured and secured loans to small businesses

This question is designed to gauge the overall effects of demand and supply on the approval rate for loans to small businesses. Changes in criteria may alter the approval rate for a given level of demand. Alternatively changes in demand, holding criteria fixed, may also alter the approval rate. This question asks about the net effect of both these factors.

8,9 Price and non-price terms on new loan applications for small businesses (secured & unsecured)

Spreads over the official Bank Rate — the difference between the rate charged by the lender and the official Bank Rate, *of which*:

Spreads on credit card lending — the difference between the rate charged by the lender on credit card lending and the official Bank Rate/the relevant swap rate.

Spreads on non-credit card lending — the difference between the rate charged by the lender on other secured lending and the official Bank Rate/the relevant swap rate.

Credit card limits — the maximum amount a customer can borrow on a specified credit card.

Maximum loan maturities — this question refers to the maximum duration of credit that is extended to the customer.

Loan Fees — Fixed charges incurred when a new loan is accessed.

Maximum LTVs (Loan to value ratio) — the highest ratio of the amount borrowed to the appraisal or market value of the underlying *collateral*, usually taken into consideration in relation to loans secured on real estate. *Collateral* - the security given by a borrower to a lender as a pledge for repayment of a loan.

Maximum LTIs (Loan to income ratio) — the highest ratio of the amount borrowed to the estimated or reported income of the customer, usually taken into consideration in relation to loans secured on real estate. Some participants consider a more general concept of ‘affordability’. These participants should interpret this question as asking whether their affordability criteria have/are expected to change.

10. Availability of credit

Changing economic outlook — changes in the outlook for output, income, employment and inflation. Any economic factors not encompassed by this list, but which are thought to be affecting credit availability, can be explained in the comments box provided.

Market share objectives — changes in activity/loan supply that are driven by changes in competitive objectives and behaviour, as opposed to underlying fundamentals. For example, lenders may adjust their spreads, or change the level of promotional activity, relative to the other lenders in the market.

appetite for risk — changes in lending behaviour that are attributable to changes in lenders’ risk preferences.

cost/availability of funds — how changes in wholesale funding markets impact on lenders’ credit supply.

Monitoring requirements – a condition in which the lender obtains information relating to the credit eligibility of the loan applicant at regular intervals as a condition of the loan.

11. Changes in default rates

Default rate — the proportion of loans that have fallen/are expected to fall into default. In line with the Basel framework, a default is deemed to have occurred when either or both of the two following events have taken place:

- The lender considers that the borrower is unlikely to pay their credit obligations in full.
- The borrower is past due more than 90 days on any material credit obligation. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than current outstanding.

Section III - The Corporate & Commercial Lending

This section provides question-by-question guidance on the content of the corporate & commercial lending questionnaire.

Responses should cover all lending activity to Jamaican resident companies in both domestic and foreign currency.

The survey mainly covers local and foreign lending to *private non-financial firms* classified by economic/industrial sectors. Some questions ask about individual factors that have driven, or are expected to drive changes in lending, terms and conditions. Participants should complete all questions, even if there has been no change in their outlook. Participants are asked to check the 'n/a' boxes where appropriate. Comment boxes are available for additional detail, if required. Some questions in the corporate questionnaire differentiate between medium-sized corporates and large corporates.

Medium-sized firms are defined as those with an annual turnover of between J\$50 million and J\$150 million. *Large firms* are defined as those with an annual turnover of more than J\$150 million.

At times participants may not have adequate information to distinguish between medium and large corporates based on the above criteria. In such cases, the respondent may apply discretion in the classification, but should report these cases to the Bank, and report on the same basis each quarter.

We appreciate that some lenders operate in several different business units. As a result, the responses in the questionnaire represent a weighted average of activity in these different business units.

Question 11 allows respondents to provide more detail in the case that the aggregate survey results mask different trends in different markets.

1. Demand for lending by private non-financial corporations (PNFCs)

A *private non-financial corporation (PNFC)* is defined as a corporation which exists to produce goods and/or provide non-financial services. They are mainly public limited companies, private companies and partnerships where these are distinct from their owners and not owned by government.

Medium-sized firms are defined as those with an annual turnover of between J\$50 million and J\$150

million. *Large firms* are defined as those with an annual turnover of more than J\$150 million.

Any significant developments in lending to public non-financial corporations can be reported in the comments boxes provided, but should not be taken into account when answering the questions.

2. Demand for domestic and foreign currency lending by firms classified by industry

This question asks about actual/expected changes in the value of local and foreign currency lending in relation individual industrial sectors of the economy. Appendix A contains a detailed definition of each sector.

3. Drivers of demand for borrowing

Mergers and Acquisitions — this question asks about the extent to which corporate borrowing is being used to finance Mergers and Acquisitions, of both domestic and foreign companies.

Capital investment — this question asks about the extent to which corporate borrowing is being used to finance investment in plant, machinery, equipment etc.

Inventory finance — this question asks about the extent to which corporate borrowing is being used to finance inventories. Alternatively it asks whether there has been any change in the proportion of stocks purchased using externally raised funds (eg loans and overdrafts) as opposed to internally raised funds (eg retained profit).

Balance sheet restructuring — this question asks about the extent to which corporate borrowing is being used to restructure their portfolio of liabilities (for example are companies using bank loans to finance existing loans).

Commercial real estate (CRE) — the commercial real estate sector encompasses non-residential property, including retail, office and industrial property.

4a. Availability of private sector credit

Changes in aggregate credit extended to the private non-financial corporations in all industries

4b. Availability of credit

Commercial real estate (CRE) — the commercial real estate sector encompasses non-residential property, including retail, office and industrial property.

5. Conditions affecting availability of credit

Changing economic outlook — this usually refers to changes in the outlook for output, income, employment and inflation. Any economic factors not encompassed by this list, but which are thought

to be affecting credit availability, can be explained in the comments box provided.

Changing industry-specific risks — this question asks about the impacts of any sector-specific developments (for example developments on the high street, or in the energy sector) on the particular risks/rewards of lending to a particular sector.

Market share objectives — this question asks about changes in activity/loan supply that are driven by changes in competitive objectives and behaviour, as opposed to underlying fundamentals. For example, lenders may adjust their spreads relative to the other lenders in the market.

Market pressures from capital markets — this question asks about changes in the extent to which capital market activity is competing with lenders to supply credit, either through spreads or the flow of business.

Changing appetite for risk — this question asks about changes in lending behaviour that are attributable to changes in lenders' risk preferences.

Changing cost/availability of funds — this question asks about the impact on credit supply of changes in interest rates/liquidity in the swap/wholesale markets.

6. Proportion of corporate loan applications being approved/approval rate

This question is designed to gauge the overall effects of demand and supply on the approval rate. Changes in criteria may alter the approval rate for a given level of demand. Alternatively changes in demand, holding criteria fixed, may also alter the approval rate. This question asks about the net effect of both these factors.

7a–c. Price and non-price terms on new loan applications

Spreads over GOJ 30-day Treasury Bill Rate — the difference between the rate charged by the lender and the GOJ 30-day T/Bill rate for the same term.

Commitment fees — fixed charges incurred when taking out new loan products.

Collateral — this refers to the security given by a borrower to a lender as a pledge for repayment of a loan. This could include certain financial securities, such as equity or debt securities, real estate or *compensating balances*.

Credit line — this question is intended to assess changes in total credit lines (drawn or not). The term credit line refers to a facility with a stated maximum amount, which a corporate is entitled to borrow from an institution at any given time.

Conceptually, the question could be aimed at gauging one of three things — (a) the total amount of the facility (drawn or not); (b) the amount of the undrawn facility; or (c) the amount of the facility

that is drawn. Responses to (a) would be a useful proxy for changes in bank lending supply. Responses to (b) would indicate whether corporates had a greater or smaller cushion of finance to use should they experience a negative shock. And responses to (c) would shed more light on the use of bank lending in corporates' financing decisions. Each of these questions has its own distinct merits. But as this is a survey designed to capture trends in bank lending and Senior Loan Officers' Survey of Credit Conditions, the question is intended to assess changes in the total amount of the facility (drawn or not).

Covenant — this refers to an agreement or stipulation expressed in loan contracts by which the borrower pledges to take certain action (an affirmative covenant) or to refrain from taking a certain action (a negative covenant), and is consequently part of the *terms and conditions* of the loan.

Section IV - Risk Management

Credit scoring criteria — This question asks whether or not criteria have become/are expected to become tighter or looser. This could be due to changes in cut-off scores, changes in the weights placed on existing indicators, or a change in the indicators used

Changes in default rates

Default rate — the proportion of loans that have fallen/are expected to fall into default. In line with the Basel framework, a default is deemed to have occurred when either or both of the two following events have taken place:

- The lender considers that the borrower is unlikely to pay their credit obligations in full.
- The borrower is past due more than 90 days on any material credit obligation. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than current outstandings.

Changes in loss given default

Loss given default (LGD) — a loan's LGD is the economic loss on a defaulted exposure as a percentage of exposure at default, *given economic conditions over the past three months/expected conditions over the next three months* (as opposed to downturn economic conditions as discussed in the Basel Accord). Given an earlier question on lenders' *collateral requirements* this measure should take into account the value of any collateral taken against a loan as well as lenders' views on the state of borrowers' balance sheets.

Use of loss mitigation tools

Appendix A – Description Of Industry Sectors

AGRICULTURE

Production

- (i) Sugar Cane--include lending to estates for sugar cane cultivation;
- (ii) Other Domestic Food Crops--include vegetables, tree crops, tubers and crops other than those listed
- (iii) Livestock--include poultry and bee-keeping;
- (iv) Other--include forestry, logging and services related to agricultural production, e.g. land preparation, irrigation, spraying and packaging.

Marketing

Include credit granted for the marketing of export crops as well as crops for domestic consumption.

Land Acquisition

(Agricultural Land) -- credit granted for the acquisition of land for agricultural purposes.

MINING, QUARRYING AND PROCESSING

Include processing of alumina; do not include mining where it forms a minor part in manufacturing process, e.g. gypsum.

MANUFACTURING

Include credit for the purpose of processing and manufacturing the products listed.

- (i) Sugar, Rum and Molasses--exclude advances to estates for sugar cane cultivation.
- (ii) Other Food and Drink--include credit for the manufacture of beer, aerated waters and other kinds of bottled drinks other than rum; also for the manufacture of animal and poultry feeds and of food for human consumption, e.g. the slaughtering, preparation and preserving of meat; the canning and preserving of fruits, vegetables and fish and other sea foods; and the manufacture of bakery, dairy and grain mill products;
- (vi) Furniture, Fixtures and Wood Products--include credit for the manufacture of furniture, metal and wooden; also for the processing of wood and manufacture of other wooden products;
- (viii) Cement and Clay Products--include loans for the manufacture of cement, building blocks, bricks, tiles, glass, pottery, etc;
- (ix) Chemicals and Chemical Products--include credit for the manufacture of such products as dyes and dye-stuffs, disinfectants, fertilizers, plastic, synthetic materials, pharmaceuticals and drugs, paints and varnishes, sulphuric acid, soaps, cosmetics, and candles and oil refining.

CONSTRUCTION AND LAND DEVELOPMENT

- (i) Construction--include credit to establishments engaged in the construction, repair and demolition of buildings, highways and streets; the heavy construction of such projects as sewers and water mains, piers, bridges, dams, drainage projects, irrigation and flood control projects, hydroelectric plants, other industrial plants; marine construction, such as dredging, pile driving, land reclamation and harbor construction; airport construction and all other construction;
- (ii) Land Development--include loans for the development of land for commercial, industrial or residential purposes;
- (iii) Land Acquisition--credit granted for the acquisition of undeveloped land for purposes other than agriculture.

TRANSPORT, STORAGE AND COMMUNICATION

Include credit to enterprises engaged in providing transportation by land, water and air, harbour facilities, storage and warehousing, telephone, wireless and other means of communications.

ELECTRICITY, GAS AND WATER

Include credit to enterprises engaged in providing electric light and power, water and the manufacturing and distribution of gas for industrial, commercial and domestic use.

DISTRIBUTION

Include loans to persons and institutions engaged in retail and wholesale business and to importers and exporters. Credit for the marketing of agricultural production is classified with Agriculture

TOURISM

Include loans to establishments which cater for guests (whether local or overseas), e.g. hotel and guest houses.

ENTERTAINMENT

Include credit to establishments or persons engaged in the entertainment field, e.g. cinemas, clubs, theatres, radio and television broadcasting, phonograph recording, sports and exhibitions, racing, circuses and amusement centres.

PROFESSIONAL AND OTHER SERVICES

- i) Professional and Business Services--include loans for the provision of professional and business services, e.g. legal, accounting, auditing, engineering, architectural and technical services; medical and dental services; advertising, real estate and data processing services;
- ii) Real Estate Services--include buying, selling, renting, managing and appraising real estate on a contract or fee basis;
- iv) Other services--include services provided by educational, religious, health and welfare institutions and trade associations.

PERSONAL

Include loans to individuals for non-business purposes only, e.g. for home improvement, education, purchase of motor cars for private use, purchase of other consumer durables, consolidation of debts. Loans to individuals for business purposes should be put under other categories according to the nature of the business activity engaged in. These instructions are applicable whether the loans are on an instalment basis or not.

LOANS TO OVERSEAS RESIDENTS

This should reflect total credit extended to overseas residents. Overseas residents cover all persons not permanently residing in Jamaica and institutions incorporated or registered abroad which, though possibly represented, do not carry on business or non-profit activities in Jamaica.

Survey Instruments

BANK OF JAMAICA

QUARTERLY SURVEY OF BANK LENDING

PERSONAL LENDING

You are being asked to complete and submit this survey by end April 2012.

For all the questions in this survey, the term “latest 3-months” refers to the period January – March 2012, while the term “next 3-months” refers to the period April – June 2012.

The Bank of Jamaica will not disseminate the information on individual financial institutions. Aggregated and summarised results may be published.

1. What proportion of your personal loan portfolio as at the end of the last month is comprised of unsecured personal loans?

DEMAND¹ FOR UNSECURED² PERSONAL LOANS

2a. How has the value and number of new loan applications from qualified borrowers for the following types of UNSECURED PERSONAL LOANS changed over the LATEST 3 MONTHS⁴ relative to the PREVIOUS 3 months? And what are your expectations for the NEXT 3 MONTHS relative to the latest 3 months?

	LATEST 3 Months	NEXT 3 Months																				
Credit card	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center; font-size: x-small;">Up a lot</td> <td style="width: 20%; text-align: center; font-size: x-small;">Up a little</td> <td style="width: 20%; text-align: center; font-size: x-small;">Same</td> <td style="width: 20%; text-align: center; font-size: x-small;">Down a little</td> <td style="width: 20%; text-align: center; font-size: x-small;">Down a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center; font-size: x-small;">Up a lot</td> <td style="width: 20%; text-align: center; font-size: x-small;">Up a little</td> <td style="width: 20%; text-align: center; font-size: x-small;">Same</td> <td style="width: 20%; text-align: center; font-size: x-small;">Down a little</td> <td style="width: 20%; text-align: center; font-size: x-small;">Down a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Down a little	Down a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Up a lot	Up a little	Same	Down a little	Down a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		

	LATEST 3 Months	NEXT 3 Months																				
Non-credit card ³ :	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center; font-size: x-small;">Up a lot</td> <td style="width: 20%; text-align: center; font-size: x-small;">Up a little</td> <td style="width: 20%; text-align: center; font-size: x-small;">Same</td> <td style="width: 20%; text-align: center; font-size: x-small;">Down a little</td> <td style="width: 20%; text-align: center; font-size: x-small;">Down a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%; text-align: center; font-size: x-small;">Up a lot</td> <td style="width: 20%; text-align: center; font-size: x-small;">Up a little</td> <td style="width: 20%; text-align: center; font-size: x-small;">Same</td> <td style="width: 20%; text-align: center; font-size: x-small;">Down a little</td> <td style="width: 20%; text-align: center; font-size: x-small;">Down a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Down a little	Down a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Up a lot	Up a little	Same	Down a little	Down a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		

	Additional Comments				
Do you have additional comments?	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center; font-size: x-small;">Yes</td> <td style="width: 50%; text-align: center; font-size: x-small;">No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Yes	No	<input type="checkbox"/>	<input type="checkbox"/>
Yes	No				
<input type="checkbox"/>	<input type="checkbox"/>				

Other Comments (optional)

- Notes**
1. Demand refers to the value of new loan applications
 2. Unsecured Lending - mainly comprises lending on credit cards, overdrafts and other loans
 3. Non-credit card market - includes overdrafts and other loans

A Survey of Bank Lending Conditions in Jamaica

DEMAND¹ FOR SECURED PERSONAL LOANS

3. How has the value and number of new loan applications from qualified borrowers for the following types of SECURED PERSONAL loans, changed over the LATEST 3 MONTHS relative to the PREVIOUS 3 months? And what are your expectations for the NEXT 3 MONTHS relative to the LATEST 3 months?

[HELP](#)

	LATEST 3 Months					Next 3 Months				
House purchase ² :	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Down a little	Down a lot	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>									
Re-mortgaging ³ :	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Down a little	Down a lot	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>									
Motor Cars	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Down a little	Down a lot	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>									
Household Goods	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Down a little	Down a lot	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>									

Notes

1. Demand refers to the value of new loan applications
2. House Purchase - lending specifically for the purposes of house purchase
3. Re-mortgaging- the re-financing of all or part of an existing mortgage with a new loan secured on the property

A Survey of Bank Lending Conditions in Jamaica

DEMAND¹ FOR SECURED PERSONAL LOANS

3. Cont'd

How has the value and number of new loan applications from qualified borrowers for the following types of SECURED PERSONAL loans, changed over the LATEST 3 MONTHS relative to the PREVIOUS 3 months? And what are your expectations for the NEXT 3 MONTHS relative to the LATEST 3 months?

[HELP](#)

	LATEST 3 Months					Next 3 Months				
Consolidation of Debt	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	Up a lot	Up a little	Same	Dow n a little	Dow n a lot
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Education:	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	Up a lot	Up a little	Same	Dow n a little	Dow n a lot
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Secured Loans:	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	Up a lot	Up a little	Same	Dow n a little	Dow n a lot
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you have additional Comments	Additional Comments									
	Yes	No								
	<input type="checkbox"/>	<input type="checkbox"/>								
	Other Comments (optional)									

1. Demand refers to the value of new loan applications

A Survey of Bank Lending Conditions in Jamaica

4a. If the value and number of new applications for UNSECURED PERSONAL loans has changed at your bank, to what factors do you attribute this change?

Please rate each possible reason using the following scale: important, somewhat important, not important

[HELP](#)

Increase in demand			Decrease in demand				
Increase in Income	LATEST 3 Months			Decrease in Income	LATEST 3 Months		
	Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Decrease in Income	LATEST 3 Months			Increase in Income	LATEST 3 Months		
	Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Rise in employment	LATEST 3 Months			Rise in unemployment	LATEST 3 Months		
	Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Decline in Interest rates	LATEST 3 Months			Rise in Interest rates	LATEST 3 Months		
	Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Change in Government Policy	LATEST 3 Months			Change in Government Policy	LATEST 3 Months		
	Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Increase in Collateral Value	LATEST 3 Months			Decrease in Collateral Value	LATEST 3 Months		
	Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Unexpected Developments Associated with an Economic Sector	LATEST 3 Months			Unexpected Developments Associated with an Economic Sector	LATEST 3 Months		
	Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Other Factors	LATEST 3 Months			Other Factors	LATEST 3 Months		
	Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somew hat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Do you have additional comments	Additional Comments						
	Yes <input type="checkbox"/>	No <input type="checkbox"/>					

Other Comments (optional)

Notes
1. Demand refers to the value of new loan applications

A Survey of Bank Lending Conditions in Jamaica

4b. If the value and number of new applications for SECURED PERSONAL loans has changed at your bank, to what factors do you attribute this change?

Please rate each possible reason using the following scale: important, somewhat important, not important

[HELP](#)

	Increase in demand				Decrease in demand		
Increase in Income	LATEST 3 Months			Decrease in Income	LATEST 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Decrease in Income	LATEST 3 Months			Increase in Income	LATEST 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Rise in employment	LATEST 3 Months			Rise in unemployment	LATEST 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Decline in Interest rates	LATEST 3 Months			Rise in Interest rates	LATEST 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Change in Government Policy	LATEST 3 Months			Change in Government Policy	LATEST 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Increase in Collateral Value	LATEST 3 Months			Decrease in Collateral Value	LATEST 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Unexpected Developments Associated with an Economic Sector	LATEST 3 Months			Unexpected Developments Associated with an Economic Sector	LATEST 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Other Factors	LATEST 3 Months			Other Factors	LATEST 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>		Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Do you have additional comments	Additional Comments						
	Yes <input type="checkbox"/>	No <input type="checkbox"/>					

Other Comments (optional)

Notes

- 1. Demand refers to the value of new loan applications
- 2. Collateral values - e.g. land prices

A Survey of Bank Lending Conditions in Jamaica

5. How has the approval rate for PERSONAL loans (relative to the value of loan applications received), changed over the LATEST 3 MONTHS relative to the PREVIOUS 3 months? And how do you expect your approval rate to change over the NEXT 3 MONTHS relative to the LATEST 3 months?

		LATEST 3 months				
		LATEST 3 Months				
		Up a lot	Up a little	Same	Down a little	Down a lot
Unsecured Loans	Credit Card	<input type="checkbox"/>				
	Non-Credit Card	<input type="checkbox"/>				
Secured Loans	Mortgages	<input type="checkbox"/>				
	Motor Cars	<input type="checkbox"/>				
	Debt Consolidation	<input type="checkbox"/>				

		Next 3 months				
		NEXT 3 Months				
		Up a lot	Up a little	Same	Down a little	Down a lot
Unsecured Loans	Credit Card	<input type="checkbox"/>				
	Non-Credit Card	<input type="checkbox"/>				
Secured Loans	Mortgages	<input type="checkbox"/>				
	Motor Cars	<input type="checkbox"/>				
	Debt Consolidation	<input type="checkbox"/>				

Additional Comments

Do you have additional comments

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

A Survey of Bank Lending Conditions in Jamaica

6a. How have the following price and non-price terms on NEWLY APPROVED UNSECURED PERSONAL LOANS changed over the LATEST 3 MONTHS relative to the previous 3 months? And how do you expect them to change over the NEXT 3 MONTHS relative to the latest 3 months?

	LATEST 3 months LATEST 3 Months					Next 3 months NEXT 3 Months					
Interest rates on credit card lending	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	
Minimum proportion of balance paid ¹ :	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	
Credit card limits ² :	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	
Interest rates on non-credit card lending:	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	
Maximum repayment period	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	
Fees applicable to unsecured loans	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	
Do you have additional comments	Additional Comments										
	Yes <input type="checkbox"/>	No <input type="checkbox"/>									
Other Comments (optional)											

1. Minimum proportion of balance paid - this refers to the changes in the required minimum payment (either in percentage terms or in absolute terms)
2. Credit card limits - The maximum amount a customer can borrow on his/her credit card
3. Maximum loan repayment period -this refers to the maximum duration of credit that is extended to the customer

A Survey of Bank Lending Conditions in Jamaica

6b. How have the following price and non-price terms on **NEWLY APPROVED SECURED PERSONAL LOANS** changed over the **LATEST 3 MONTHS** relative to the previous 3 months? And how do you expect them to change over the **NEXT 3 MONTHS** relative to the latest 3 months?

	LATEST 3 months					Next 3 months					
	LATEST 3 Months					NEXT 3 Months					
Interest rates	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	
Fees ¹ applicable to secured loans:	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	
Maximum LTV's ² :	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	
Maximum LTI's ³ :	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	
Collateral Requirements	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	
Do you have additional comments	Additional Comments										
	Yes <input type="checkbox"/>	No <input type="checkbox"/>									
	Other Comments (optional)										

- 1. Fees - fixed charges incurred when taking out new loan products.
- 2. Loan to value ratio - the ratio of the amount borrowed to the appraisal or market value of the underlying collateral, for loans secured on dwellings
- 3. Loan to income ratio - the ratio of the amount borrowed to the estimated or reported income of the customer, for loans secured on dwellings

A Survey of Bank Lending Conditions in Jamaica

7. Indicate the relative importance of each of the following factors in influencing your decision to change credit availability over the LATEST 3 months relative to the PREVIOUS 3 months? What are your expectations for the next 3 months ?

Changing economic outlook¹

	LATEST 3 months		
	Important	Somewhat Important	Not Important
unsecured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
secured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Next 3 months

	NEXT 3 Months		
	Important	Somewhat Important	Not Important
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Changing economic policy²

	LATEST 3 Months		
	Important	Somewhat Important	Not Important
unsecured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
secured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NEXT 3 Months

	Important	Somewhat Important	Not Important
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Market share objectives³

	LATEST 3 Months		
	Important	Somewhat Important	Not Important
unsecured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
secured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NEXT 3 Months

	Important	Somewhat Important	Not Important
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Changing appetite for risk⁴

	LATEST 3 Months		
	Important	Somewhat Important	Not Important
unsecured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
secured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NEXT 3 Months

	Important	Somewhat Important	Not Important
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Changing cost of funds⁵

	LATEST 3 Months		
	Important	Somewhat Important	Not Important
unsecured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
secured	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NEXT 3 Months

	Important	Somewhat Important	Not Important
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Additional Comments

Do you have additional comments	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

- Notes**
1. Changing economic outlook — changes in the outlook for output, income, employment and inflation. Other factors impacting on credit availability are noted in "Other Comments"
 2. Changing economic policy — changes in monetary and/or fiscal policy or other aspects of the government's program for economic management
 3. Market share objectives — changes in loan supply that are driven by changes in competitive strategy
 4. Changing appetite for risk - changes in lending behaviour that are attributable to changes in lenders' risk preferences.
 5. Changing cost/availability of funds - assesses the impact on loan supply of changes in the wholesale market.

8. How is the Credit Reporting Act (2010) likely to impact on credit terms and conditions and/or credit availability with respect to each of the following:

Unsecured Loans

Secured Loans

Additional Comments

Do you have additional comments

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

BANK OF JAMAICA

QUARTERLY SURVEY OF BANK LENDING

SMALL BUSINESS LENDING

You are being asked to complete and submit this survey by end April 2012.

For all the questions in this survey, the term “latest 3-months” refers to the period January – March 2012, while the term “next 3-months” refers to the period April – June 2012.

The Bank of Jamaica will not disseminate the information on individual financial institutions. Aggregated and summarised results may be published.

This section applies to loans extended to **small businesses, which are defined as having**
Turnover/Sales > \$10 million ≤ J\$50 million
Number of Employees 6 – 20 persons

1. What proportion of your business loan portfolio is comprised of loans to small businesses

A Survey of Bank Lending Conditions in Jamaica

2. How has the value and number of new loan applications from **SMALL BUSINESSES** for local currency **UNSECURED** loans, changed over the the **LATEST 3 MONTHS** relative to previous 3 months? And what are your expectations for the **NEXT 3 MONTHS** relative to the latest 3 months?

Latest 3 months

Next 3 months

Credit card:

LATEST 3 Months

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Non-credit card

LATEST 3 Months

NEXT 3 Months

revolving
loans/overdrafts

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

non-revolving/demand
loans

LATEST 3 Months

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Additional Comments

Do you have additional
comments?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes

1. Demand refers to the value of new loan applications

A Survey of Bank Lending Conditions in Jamaica

3. How has the number and value of new applications for domestic and foreign currency loans from **SMALL BUSINESSES CLASSIFIED BY INDUSTRY** changed over the latest 3 months relative to the previous 3 months and what do you expect over the next 3 months relative to the latest 3 months?

	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	Up a lot	Up a little	Same	Dow n a little	Dow n a lot
<u>Agriculture & Fishing</u>										
local currency	<input type="checkbox"/>									
foreign currency	<input type="checkbox"/>									
<u>Mining</u>										
local currency	<input type="checkbox"/>									
foreign currency	<input type="checkbox"/>									
<u>Manufacturing</u>										
local currency	<input type="checkbox"/>									
foreign currency	<input type="checkbox"/>									
<u>Construction & Real Estate</u>										
local currency	<input type="checkbox"/>									
foreign currency	<input type="checkbox"/>									
<u>Transport & Communication</u>										
local currency	<input type="checkbox"/>									
foreign currency	<input type="checkbox"/>									

A Survey of Bank Lending Conditions in Jamaica

3. Cont'd

How has the value and number of new applications for domestic and foreign currency loans from **SMALL BUSINESSES CLASSIFIED BY INDUSTRY** changed over the latest 3 months relative to the previous 3 months and what do you expect over the next 3 months relative to the latest 3 months?

	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Down a little	Down a lot	Up a lot	Up a little	Same	Down a little	Down a lot
<u>Tourism</u>										
local currency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
foreign currency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Distribution</u>										
local currency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
foreign currency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Professional & Other Services</u>										
local currency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
foreign currency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Electricity Gas & Water</u>										
local currency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
foreign currency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Entertainment</u>										
local currency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
foreign currency	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you have additional comments?	Additional Comments									
	Yes	No								
	<input type="checkbox"/>	<input type="checkbox"/>								
	Other Comments (optional)									

A Survey of Bank Lending Conditions in Jamaica

4. How has the value and number of new applications from SMALL BUSINESSES for the following types of local currency SECURED loans, changed over the LATEST 3 MONTHS relative to the previous 3 months? And what are your expectations for the NEXT 3 MONTHS relative to the latest 3 months?

[HELP](#)

Latest 3 Months

Next 3 Months

Inventory:	LATEST 3 Months					NEXT 3 Months				
	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Dow n a little <input type="checkbox"/>	Dow n a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Dow n a little <input type="checkbox"/>	Dow n a lot <input type="checkbox"/>

Other Working Capital Support:	LATEST 3 Months					NEXT 3 Months				
	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Dow n a little <input type="checkbox"/>	Dow n a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Dow n a little <input type="checkbox"/>	Dow n a lot <input type="checkbox"/>

Plant & Equipment:	LATEST 3 Months					NEXT 3 Months				
	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Dow n a little <input type="checkbox"/>	Dow n a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Dow n a little <input type="checkbox"/>	Dow n a lot <input type="checkbox"/>

Commercial Motor vehicles	LATEST 3 Months					NEXT 3 Months				
	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Dow n a little <input type="checkbox"/>	Dow n a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Dow n a little <input type="checkbox"/>	Dow n a lot <input type="checkbox"/>

Do you have additional comments?	Additional Comments	
	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Other Comments (optional)

1. Demand refers to the value of new loan applications

A Survey of Bank Lending Conditions in Jamaica

4. (Cont'd)

How has the value and number of new applications from **SMALL BUSINESSES** for the following types of local currency **SECURED** loans changed over the **LATEST 3 MONTHS** relative to the previous 3 months? And what are your expectations for the **NEXT 3 MONTHS** relative to the latest 3 months?

[HELP](#)

	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Down a little	Down a lot	Up a lot	Up a little	Same	Down a little	Down a lot
Commercial Real Estate	<input type="checkbox"/>									

	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Down a little	Down a lot	Up a lot	Up a little	Same	Down a little	Down a lot
Other Fixed Assets	<input type="checkbox"/>									

	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Down a little	Down a lot	Up a lot	Up a little	Same	Down a little	Down a lot
Other Lending ²	<input type="checkbox"/>									

Additional Comments

Do you have additional comments?	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes

1. Demand refers to the value of new loan applications
2. Other lending for small businesses includes debt consolidation

A Survey of Bank Lending Conditions in Jamaica

5. If the value and number of new loan applications from SMALL BUSINESSES for local currency loans, has changed at your bank, to what factors do you attribute this change? Please rate each possible reason using the following scale: important, somewhat important, not important

[HELP](#)

Increase in demand

Decrease in demand

Growth in business activity

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Growth in business activity

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Contraction in business activity

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Contraction in business activity

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Unexpected developments in other economic sectors

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Unexpected developments in other economic sectors

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Increase in collateral value/reduction in collateral requirements

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Decrease in collateral value/increase in collateral requirements

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Decline in Interest Rates

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Rise in Interest Rates

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Change in Government Policy

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Change in Government Policy

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other Factors²

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other Factors²

LATEST 3 Months		
Important	somew hat Important	Not important
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Do you have additional comments?

Additional Comments	
Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes
 1. Demand refers to the value of new loan applications
 2. Other factors include greater/lesser convenience of doing business, more/less marketing of loan products

A Survey of Bank Lending Conditions in Jamaica

6a. How has the value and number of new applications from SMALL BUSINESSES for foreign currency UNSECURED loans, changed over the LATEST 3 MONTHS relative to the PREVIOUS 3 months? And what are your expectations for the NEXT 3 MONTHS relative to the latest 3 months?

Latest 3 months

Next 3 months

Credit card:

LATEST 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Non-credit card revolving loans/overdrafts

LATEST 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

non-revolving/demand loans

LATEST 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Do you have additional comments?

Additional Comments	
Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

6b. How has the value and number of new applications from SMALL BUSINESSES for the following types of foreign currency SECURED loans, changed over the LATEST 3 MONTHS relative to the previous 3 months? And what are your expectations for the NEXT 3 MONTHS relative to the latest 3 months?

Latest 3 Months

Next 3 Months

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Commercial Motor vehicles

Inventory:

Other Working Capital Support

Plant & Equipment:

6b. Cont'd

How has the value and number of new applications from **SMALL BUSINESSES** for the following types of foreign currency **SECURED** loans, changed over the **LATEST 3 MONTHS** relative to the previous 3 months? And what are your expectations for the **NEXT 3 MONTHS** relative to the latest 3 months?

	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	Up a lot	Up a little	Same	Dow n a little	Dow n a lot
Commercial Real Estate	<input type="checkbox"/>									

	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	Up a lot	Up a little	Same	Dow n a little	Dow n a lot
Other Fixed Assets	<input type="checkbox"/>									

	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	Up a lot	Up a little	Same	Dow n a little	Dow n a lot
Other Lending	<input type="checkbox"/>									

Additional Comments

Do you have additional comments?	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

A Survey of Bank Lending Conditions in Jamaica

7. If the value and number of new applications from SMALL BUSINESSES for foreign currency loans has changed at your bank, to what factors do you attribute this change? Please rate each possible reason using the following scale: important, somewhat important, not important

		Increase in demand		
		LATEST 3 Months		
		Important	somewhat Important	Not important
Growth in business activity ²		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contraction in business activity ²		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change in economic policy		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unexpected Developments in other economic sectors		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increase in collateral value/reduction in collateral requirements		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decline in Interest Rates		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change in Government Policy		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exchange rate stability		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Factors ³		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you have additional comments?	Additional Comments	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

		Decrease in demand		
		LATEST 3 Months		
		Important	somewhat Important	Not important
Growth in business activity ²		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contraction in business activity ²		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change in economic policy		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unexpected Developments in other economic sectors		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decrease in collateral value/reduction in collateral requirements		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rise in Interest Rates		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change in Government Policy		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exchange rate volatility		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other Factors ³		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

1. Demand refers to the value of new loan applications
 2. Growth/Contraction in Business Activity includes improvement/deterioration in foreign market conditions
 3. Other factors include greater/lesser ease and convenience of doing business; more/less marketing of foreign currency loan products; changes in restrictions on foreign currency borrowing

8. How has the approval rate for loan applications from SMALL BUSINESSES changed over the LATEST 3 MONTHS relative to the previous 3 months? And how do you expect your approval rate to change over the NEXT 3 MONTHS relative to the latest 3 months?

Latest 3 months

Next 3 months

LATEST 3 Months

NEXT 3 Months

unsecured loans

Up a lot	Up a little	Same	Dow n a little	Dow n a lot
<input type="checkbox"/>				

Up a lot	Up a little	Same	Dow n a little	Dow n a lot
<input type="checkbox"/>				

secured loans

LATEST 3 Months

NEXT 3 Months

Up a lot	Up a little	Same	Dow n a little	Dow n a lot
<input type="checkbox"/>				

Up a lot	Up a little	Same	Dow n a little	Dow n a lot
<input type="checkbox"/>				

Do you have additional
comments?

Additional Comments

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

A Survey of Bank Lending Conditions in Jamaica

9. How have the following price and non-price terms on approved new UNSECURED loans to SMALL BUSINESSES changed over the LATEST 3 MONTHS relative to the previous 3 months? And what do you expect for the NEXT 3 MONTHS relative to the latest 3 months?

Interest rates on credit card lending	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
Minimum proportion of balance paid ¹ :	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
Credit card limits ² :	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
Interest rates on non-credit card lending	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	revolving loans	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	
non-revolving loans	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>		
Maximum repayment period on loans ³	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
Fees applicable to unsecured loans	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
Do you have additional comments?	Additional Comments											
	Yes <input type="checkbox"/>						No <input type="checkbox"/>					
Other Comments (optional)												

Notes
 1. Minimum proportion of balance paid - this refers to the changes in the required minimum payment (either in percentage terms or in absolute terms)
 2. Credit card limits - The maximum amount a customer can borrow on their credit card
 3. Maximum repayment terms -this refers to the maximum duration of credit that is extended to the customer

A Survey of Bank Lending Conditions in Jamaica

10. How have the following price and non-price terms on approved new **SECURED** loans to **SMALL BUSINESSES** changed over
And what do you expect for the **NEXT 3 MONTHS** relative to the **LATEST 3 months**?

	Latest 3 months		Next 3 months																				
	LATEST 3 Months		NEXT 3 Months																				
Interest Rates	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>		<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Down a little	Down a lot																			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																			
Up a lot	Up a little	Same	Down a little	Down a lot																			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																			
Loan Fees	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>		<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Down a little	Down a lot																			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																			
Up a lot	Up a little	Same	Down a little	Down a lot																			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																			
Maximum LTV's¹	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>		<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Down a little	Down a lot																			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																			
Up a lot	Up a little	Same	Down a little	Down a lot																			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																			
Maximum LTI's²:	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>		<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Down a little	Down a lot																			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																			
Up a lot	Up a little	Same	Down a little	Down a lot																			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																			
Maximum repayment period on loans	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>		<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Down a little	Down a lot																			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																			
Up a lot	Up a little	Same	Down a little	Down a lot																			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																			
Do you have additional comments?	<table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Additional Comments</td> </tr> <tr> <td>Yes</td> <td>No</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>			Additional Comments		Yes	No	<input type="checkbox"/>	<input type="checkbox"/>														
Additional Comments																							
Yes	No																						
<input type="checkbox"/>	<input type="checkbox"/>																						
	<table border="1" style="width: 100%; height: 50px;"> <tr> <td style="text-align: center;">Other Comments (optional)</td> </tr> </table>			Other Comments (optional)																			
Other Comments (optional)																							

1. Loan to value ratio - the ratio of the amount borrowed to the appraisal or market value of the underlying collateral, for loans secured on residential real estate
2. Loan to income ratio - the ratio of the amount borrowed to the estimated or reported income of the customer, for loans secured on residential real estate

A Survey of Bank Lending Conditions in Jamaica

11. Indicate the relative importance of each of the following factors in influencing your decision to change credit availability over the LATEST 3 months relative to the PREVIOUS 3 months? What are your expectations for the next 3 months ?

	LATEST 3 months			Next 3 months		
	LATEST 3 Months			NEXT 3 Months		
	Important	somew hat Important	Not important	Important	somew hat Important	Not important
Changing economic outlook¹						
unsecured	<input type="checkbox"/>					
secured	<input type="checkbox"/>					
Changing economic policy²						
unsecured	<input type="checkbox"/>					
secured	<input type="checkbox"/>					
Market share objectives³						
unsecured	<input type="checkbox"/>					
secured	<input type="checkbox"/>					
Changing appetite for risk⁴						
unsecured	<input type="checkbox"/>					
secured	<input type="checkbox"/>					
Changing cost of funds⁵						
unsecured	<input type="checkbox"/>					
secured	<input type="checkbox"/>					
Monitoring Requirements						
unsecured	<input type="checkbox"/>					
secured	<input type="checkbox"/>					
Do you have additional comments	Additional Comments					
	Yes	No				
	<input type="checkbox"/>	<input type="checkbox"/>				

Other Comments (optional)

Notes
 1. Changing economic outlook — changes in the outlook for output, income, employment and inflation. Other factors impacting on credit availability are noted in "Other Comments"
 2. Changing economic policy — changes in monetary and/or fiscal policy or other aspects of the government's program for economic management
 3. Market share objectives — changes in loan supply that are driven by changes in competitive strategy
 4. Changing appetite for risk - changes in lending behaviour that are attributable to changes in lenders' risk preferences.
 5. Changing cost/availability of funds - assesses the impact on loan supply of changes in the wholesale market.

BANK OF JAMAICA

QUARTERLY SURVEY OF BANK LENDING

MEDIUM-SIZED BUSINESS LENDING

You are being asked to complete and submit this survey by end April 2012.

For all the questions in this survey, the term “latest 3-months” refers to the period January – March 2012, while the term “next 3-months” refers to the period April – June 2012.

The Bank of Jamaica will not disseminate the information on individual financial institutions. Aggregated and summarised results may be published.

This section applies to loans extended to medium-sized businesses, which are defined as having

Turnover/Sales

> J\$50 million ≤ J\$150 million

Number of Employees

21 – 50 persons

1. What proportion of your business loan portfolio is comprised of loans to medium sized businesses

2. How has the value and number of new loan applications from medium sized NON-FINANCIAL FIRMS changed over the LATEST 3 MONTHS relative to the previous 3 months? And what do you expect over the NEXT 3 MONTHS relative to the latest 3 months?

Latest 3 months

Next 3 months

LATEST 3 Months

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Additional Comments

Do you have additional comments?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes

1. Demand refers to the value of new loan applications
2. medium sized borrowers are firms/entities which exists to produce goods and/or provide non-financial services. They are public limited companies, private companies and partnerships where these are distinct from their owners and are not owned by government

A Survey of Bank Lending Conditions in Jamaica

3. How has the value and number of new loan applications for domestic and foreign currency loans from medium-sized NON-FINANCIAL FIRMS CLASSIFIED BY INDUSTRY changed over the latest 3 months relative to the previous 3 months and what do you expect over the next 3 months relative to the latest 3 months?

	LATEST 3 Months					NEXT 3 Months				
	Up a lot	Up a little	Same	Down a little	Down a lot	Up a lot	Up a little	Same	Down a little	Down a lot
<u>Agriculture & Fishing</u>										
local currency	<input type="checkbox"/>									
foreign currency	<input type="checkbox"/>									
<u>Mining</u>										
local currency	<input type="checkbox"/>									
foreign currency	<input type="checkbox"/>									
<u>Manufacturing</u>										
local currency	<input type="checkbox"/>									
foreign currency	<input type="checkbox"/>									
<u>Construction & Real Estate</u>										
local currency	<input type="checkbox"/>									
foreign currency	<input type="checkbox"/>									
<u>Transport & Communication</u>										
local currency	<input type="checkbox"/>									
foreign currency	<input type="checkbox"/>									

A Survey of Bank Lending Conditions in Jamaica

3. Cont'd

How has the value and number of new applications for domestic and foreign currency loans from medium sized NON-FINANCIAL FIRMS CLASSIFIED BY INDUSTRY changed over the latest 3 months relative to the previous 3 months and what do you expect over the next 3 months relative to the latest 3 months?

Tourism

LATEST 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
local currency	<input type="checkbox"/>				
foreign currency	<input type="checkbox"/>				

NEXT 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>				
	<input type="checkbox"/>				

Distribution

LATEST 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
local currency	<input type="checkbox"/>				
foreign currency	<input type="checkbox"/>				

NEXT 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>				
	<input type="checkbox"/>				

Professional & Other Services

LATEST 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
local currency	<input type="checkbox"/>				
foreign currency	<input type="checkbox"/>				

NEXT 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>				
	<input type="checkbox"/>				

Electricity Gas & Water

LATEST 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
local currency	<input type="checkbox"/>				
foreign currency	<input type="checkbox"/>				

NEXT 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>				
	<input type="checkbox"/>				

Entertainment

LATEST 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
local currency	<input type="checkbox"/>				
foreign currency	<input type="checkbox"/>				

NEXT 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>				
	<input type="checkbox"/>				

Do you have additional comments?

Additional Comments

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

A Survey of Bank Lending Conditions in Jamaica

4. What have been the main drivers of any changes in the demand for borrowing over the latest 3 months relative to the previous 3 months? And what do you expect over the NEXT 3 MONTHS relative to the latest 3 months?

Latest 3 months:

Next 3 months:

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Notes

1. Mergers and Acquisitions - this refers to the extent to which MEDIUM-SIZED BUSINESS borrowings being used to finance mergers and acquisitions of both domestic and foreign firms

2. Capital Investment - this refers to the extent to which MEDIUM-SIZED BUSINESS borrowings being used to finance investment in plant, machinery, equipment

A Survey of Bank Lending Conditions in Jamaica

4. Cont'd

What have been the main drivers of any changes in the demand for borrowing over the latest 3 months relative to the previous 3 months? And what do you expect over the NEXT 3 MONTHS relative to the latest 3 months?

Inventory Finance ¹	LATEST 3 Months					NEXT 3 Months				
	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>

Other working capital ²	LATEST 3 Months					NEXT 3 Months				
	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>

Balance Sheet Restructuring ³	LATEST 3 Months					NEXT 3 Months				
	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>

Commercial Real Estate ⁴	LATEST 3 Months					NEXT 3 Months				
	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>

Do you have additional comments?	Additional Comments	
	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Other Comments (optional)

Notes

- 1. Inventory finance - this refers to the extent to which MEDIUM-SIZED BUSINESS borrowings being used to finance inventories
- 2. Other working capital - this refers to the extent to which MEDIUM-SIZED BUSINESS borrowings being used to finance inventories
- 3. Balance Sheet Restructuring - this refers to the extent to which corporate borrowings is being used to restructure their portfolio of liabilities
- 4. Commercial Real Estate - the commercial real estate sector encompasses non-residential property, including retail office and industrial property

5. How has the availability of credit you provide to the **MEDIUM-SIZED NON-FINANCIAL FIRMS CLASSIFIED BY INDUSTRY** changed over the **LATEST 3 MONTHS** relative to the previous 3 months? What are the prospects for the **NEXT 3 months** relative to the latest 3 months?
 Indicate changes in industry-specific risks which impact on the availability of credit

<p>Latest 3 months: Credit Available</p> <p>Latest 3 Months</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 16.6%;">Much less</th> <th style="width: 16.6%;">A Little Less</th> <th style="width: 16.6%;">No Change</th> <th style="width: 16.6%;">A Little More</th> <th style="width: 16.6%;">Much more</th> <th style="width: 16.6%;">N/A</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td colspan="6"><i>changes in industry specific risks</i></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Much less	A Little Less	No Change	A Little More	Much more	N/A	<input type="checkbox"/>	<i>changes in industry specific risks</i>						<input type="checkbox"/>	<p>Next 3 months Credit Available</p> <p>Latest 3 Months</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th style="width: 16.6%;">Much less</th> <th style="width: 16.6%;">A Little Less</th> <th style="width: 16.6%;">No Change</th> <th style="width: 16.6%;">A Little More</th> <th style="width: 16.6%;">Much more</th> <th style="width: 16.6%;">N/A</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>	Much less	A Little Less	No Change	A Little More	Much more	N/A	<input type="checkbox"/>																					
Much less	A Little Less	No Change	A Little More	Much more	N/A																																						
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<i>changes in industry specific risks</i>																																											
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																						
Much less	A Little Less	No Change	A Little More	Much more	N/A																																						
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																																						
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<p><u>Agriculture & Fishing</u></p>	<p><u>Mining</u></p>																																										
<p><u>Manufacturing</u></p>	<p><u>Transport & Communication</u></p>																																										

A Survey of Bank Lending Conditions in Jamaica

5. Cont'd

How has the availability of credit you provide to **MEDIUM-SIZED BUSINESSES BY INDUSTRY** changed over the **LATEST 3 MONTHS** relative to the previous 3 months? What are the prospects for the **NEXT 3 months** relative to the latest 3 months? Indicate changes in industry-specific risks which impact on the availability of credit

Tourism <i>changes in industry specific risks</i>	Latest 3 Months						Latest 3 Months					
	Much less	A Little Less	No Change	A Little More	Much more	N/A	Much less	A Little Less	No Change	A Little More	Much more	N/A
	<input type="checkbox"/>											
	<input type="checkbox"/>											

Distribution <i>changes in industry specific risks</i>	Latest 3 Months						Latest 3 Months					
	Much less	A Little Less	No Change	A Little More	Much more	N/A	Much less	A Little Less	No Change	A Little More	Much more	N/A
	<input type="checkbox"/>											
	<input type="checkbox"/>											

Professional & Other Services <i>changes in industry specific risks</i>	Latest 3 Months						Latest 3 Months					
	Much less	A Little Less	No Change	A Little More	Much more	N/A	Much less	A Little Less	No Change	A Little More	Much more	N/A
	<input type="checkbox"/>											
	<input type="checkbox"/>											

Electricity, Gas & Water <i>changes in industry specific risks</i>	Latest 3 Months						Latest 3 Months					
	Much less	A Little Less	No Change	A Little More	Much more	N/A	Much less	A Little Less	No Change	A Little More	Much more	N/A
	<input type="checkbox"/>											
	<input type="checkbox"/>											

Entertainment <i>changes in industry specific risks</i>	Latest 3 Months						Latest 3 Months					
	Much less	A Little Less	No Change	A Little More	Much more	N/A	Much less	A Little Less	No Change	A Little More	Much more	N/A
	<input type="checkbox"/>											
	<input type="checkbox"/>											

Do you have additional comments?

Additional Comments	
Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes

1. Commercial Real Estate - the commercial real estate sector encompasses non-residential property, including retail office and industrial property
2. Changing Industry Specific Risks - the impact of any sector specific developments on the particular risks/rewards of lending to a specific sector or industry

A Survey of Bank Lending Conditions in Jamaica

6. Which of the following possible factors have been/are likely to be important reasons for the change in MEDIUM-SIZED BUSINESS lending in aggregate?

Changing economic outlook ¹ :	LATEST 3 Months			NEXT 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Changing economic policy ² :	LATEST 3 Months			NEXT 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Market share objectives ³ :	LATEST 3 Months			NEXT 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Changes in the Loan Portfolio Mix	LATEST 3 Months			NEXT 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Market pressure from Capital Markets ⁴ :	LATEST 3 Months			NEXT 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Changing appetite for risk ⁴	LATEST 3 Months			NEXT 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Changing cost of funds ⁵ :	LATEST 3 Months			NEXT 3 Months		
	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>	Important <input type="checkbox"/>	somewhat Important <input type="checkbox"/>	Not important <input type="checkbox"/>
Do you have additional comments?	Additional Comments					
	Yes <input type="checkbox"/>	No <input type="checkbox"/>				

Other Comments (optional)

- Notes**
1. Changing Economic Outlook - Changes in the outlook for output, income, employment, and inflation.
 2. Changing economic policy — changes in monetary and/or fiscal policy or other aspects of the government's program for economic management
 3. Market Share Objectives - changes in loan supply that are driven by changes in competitive objectives, strategies and behavior rather than the underlying fundamentals
 4. Market Pressures from Capital Markets - the extent to which capital market activity either through spreads or flow of business competes with lenders to supply credit
 5. Changing appetite for risk - changes in lending behaviour which are caused by changes in the risk preferences of lenders
 6. Changing Cost/Availability of Funds - the impact on credit supply of changes in interest rates/liquidity in the swap/wholesale markets

7. How has the loan approval rate on loan applications from **MEDIUM-SIZED BUSINESS** borrowers changed over the **LATEST 3 MONTHS** relative to the **PREVIOUS 3 months** And how do you expect your approval rate to change over the **NEXT 3 MONTHS** relative to the latest 3 months?

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Do you have additional comments?

Additional Comments

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes

- The proportion of loans approved may be affected by changes in loan supply conditions e.g. lending criteria, lending rates as well as loan demand.
Please indicate the net effect of these factors on the proportion of loans being approved

A Survey of Bank Lending Conditions in Jamaica

8. How have the following price and non-price terms on approved new loan applications by MEDIUM-SIZED FIRMS changed over the LATEST 3 months relative to the PREVIOUS 3 MONTHS
How do you expect terms to change over the NEXT 3 MONTHS relative to the latest 3 months?

Interest rates	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
Loan Fees ¹	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
Collateral Requirements ²	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
Maximum Size of Credit Lines ³	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
Loan Covenants ⁴	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
Loan Monitoring Requirements ⁵	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	NEXT 3 Months	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
Do you have additional comments?	Additional Comments											
	Yes <input type="checkbox"/>	No <input type="checkbox"/>										

Other Comments (optional)

Notes

1. Loan Fees - Fixed fees charged when a new loan is being taken out .
2. Collateral Requirements - security given by the borrower as a pledge for repayment of a loan;
3. Maximum size of credit lines - facilities with a stated maximum amount, which a corporate is entitled to borrow (drawn or not) from an institution at any given time.
4. Loan covenants - an agreement or stipulation expressed in loan contracts by which the borrower pledges to take certain action (an affirmative covenant) or to refrain from taking a certain action (a negative covenant), and is consequently part of the terms and conditions of the loan
5. Loan monitoring requirements - e.g. regular reporting of inventory margins

BANK OF JAMAICA

QUARTERLY SURVEY OF BANK LENDING

LARGE CORPORATE & COMMERCIAL LENDING

You are being asked to complete and submit this survey by end April 2012.

For all the questions in this survey, the term “latest 3-months” refers to the period January – March 2012, while the term “next 3-months” refers to the period April – June 2012.

The Bank of Jamaica will not disseminate the information on individual financial institutions. Aggregated and summarised results may be published.

This section applies to loans extended to large businesses, which are defined as having
Turnover/Sales >J\$150 million
Number of Employees > 50 persons

1. What proportion of your business loan portfolio is comprised of loans to large businesses

A Survey of Bank Lending Conditions in Jamaica

2. How has the value and number of new loan applications from large NON-FINANCIAL FIRMS changed over the LATEST 3 MONTHS relative to the previous 3 months? And what do you expect over the NEXT 3 MONTHS relative to the latest 3 months?

Latest 3 months

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Next 3 months

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Additional Comments

Do you have additional comments?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes

1. large borrowers are firms/entities which exists to produce goods and/or provide non-financial services. They are public limited companies, private companies and partnerships where these are distinct from their owners and are not owned by government

A Survey of Bank Lending Conditions in Jamaica

3. How has the value and number of new applications for domestic and foreign currency loans from large **NON-FINANCIAL FIRMS CLASSIFIED BY INDUSTRY** changed over the latest 3 months relative to the previous 3 months and what do you expect over the next 3 months relative to the latest 3 months?

Agriculture & Fishing

LATEST 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
local currency	<input type="checkbox"/>				
foreign currency	<input type="checkbox"/>				

NEXT 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>				
	<input type="checkbox"/>				

Mining

LATEST 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
local currency	<input type="checkbox"/>				
foreign currency	<input type="checkbox"/>				

NEXT 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>				
	<input type="checkbox"/>				

Manufacturing

LATEST 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
local currency	<input type="checkbox"/>				
foreign currency	<input type="checkbox"/>				

NEXT 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>				
	<input type="checkbox"/>				

Construction & Real Estate

LATEST 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
local currency	<input type="checkbox"/>				
foreign currency	<input type="checkbox"/>				

NEXT 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>				
	<input type="checkbox"/>				

Transport & Communication

LATEST 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
local currency	<input type="checkbox"/>				
foreign currency	<input type="checkbox"/>				

NEXT 3 Months

	Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>				
	<input type="checkbox"/>				

A Survey of Bank Lending Conditions in Jamaica

3. Cont'd

How has the value and number of new applications for domestic and foreign currency loans from large NON-FINANCIAL FIRMS CLASSIFIED BY INDUSTRY changed over the latest 3 months relative to the previous 3 months and what do you expect over the next 3 months relative to the latest 3 months?

Tourism

local currency
foreign currency

LATEST 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				
<input type="checkbox"/>				

NEXT 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				
<input type="checkbox"/>				

Distribution

local currency
foreign currency

LATEST 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				
<input type="checkbox"/>				

NEXT 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				
<input type="checkbox"/>				

Professional & Other Services

local currency
foreign currency

LATEST 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				
<input type="checkbox"/>				

NEXT 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				
<input type="checkbox"/>				

Electricity Gas & Water

local currency
foreign currency

LATEST 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				
<input type="checkbox"/>				

NEXT 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				
<input type="checkbox"/>				

Entertainment

local currency
foreign currency

LATEST 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				
<input type="checkbox"/>				

NEXT 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				
<input type="checkbox"/>				

Do you have additional comments?

Additional Comments	
Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

A Survey of Bank Lending Conditions in Jamaica

4. What have been the main drivers of any changes in the demand for borrowing from large NON-FINANCIAL FIRMS over the latest 3 months relative to the previous 3 months? And what do you expect over the NEXT 3 MONTHS relative to the latest 3 months?

Latest 3 months:

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Growth in business activity

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Market lending rates

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Macro-economic risks

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Mergers & Acquisitions¹

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Capital Investment²

Next 3 months:

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Notes

1. Mergers and Acquisitions - this refers to the extent to which corporate and commercial borrowings being used to finance mergers and acquisitions of both domestic and foreign firms

2. Capital Investment - this refers to the extent to which corporate and commercial borrowings being used to finance investment in plant, machinery, equipment

A Survey of Bank Lending Conditions in Jamaica

4. Cont'd

What have been the main drivers of any changes in the demand for borrowing from large NON-FINANCIAL FIRMS over the latest 3 months relative to the previous 3 months? And what do you expect over the NEXT 3 MONTHS relative to the latest 3 months?

	<p>Latest 3 months: LATEST 3 Months</p> <table border="1"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>	<p>Next 3 months: NEXT 3 Months</p> <table border="1"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Down a little	Down a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Up a lot	Up a little	Same	Down a little	Down a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Inventory Finance ¹																						
	<p>LATEST 3 Months</p> <table border="1"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>	<p>NEXT 3 Months</p> <table border="1"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Down a little	Down a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Up a lot	Up a little	Same	Down a little	Down a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Other working capital ²																						
	<p>LATEST 3 Months</p> <table border="1"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>	<p>NEXT 3 Months</p> <table border="1"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Down a little	Down a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Up a lot	Up a little	Same	Down a little	Down a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Balance Sheet Restructuring ³																						
	<p>LATEST 3 Months</p> <table border="1"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>	<p>NEXT 3 Months</p> <table border="1"> <tr> <td>Up a lot</td> <td>Up a little</td> <td>Same</td> <td>Down a little</td> <td>Down a lot</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Down a little	Down a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Up a lot	Up a little	Same	Down a little	Down a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Commercial Real Estate ⁴																						
Do you have additional comments?	<p>Additional Comments</p> <table border="1"> <tr> <td>Yes</td> <td>No</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	Yes	No	<input type="checkbox"/>	<input type="checkbox"/>																	
Yes	No																					
<input type="checkbox"/>	<input type="checkbox"/>																					
	<p>Other Comments (optional)</p> <div style="border: 1px solid black; height: 50px; width: 100%;"></div>																					

Notes

1. Inventory finance - this refers to the extent to which corporate and commercial borrowings is being used to finance inventories
2. Other working capital - this refers to the extent to which corporate and commercial borrowings is being used to finance inventories
3. Balance Sheet Restructuring - this refers to the extent to which corporate borrowings is being used to restructure their portfolio of liabilities
4. Commercial Real Estate - the commercial real estate sector encompasses non-residential property, including retail office and industrial property

A Survey of Bank Lending Conditions in Jamaica

5. How has the availability of credit you provide to the large **NON-FINANCIAL FIRMS CLASSIFIED BY INDUSTRY** changed over the **LATEST 3 MONTHS** relative to the previous 3 months? What are the prospects for the **NEXT 3 months** relative to the latest 3 months?
 Indicate changes in industry-specific risks which impact on the availability of credit

Latest 3 months: Credit Available

Latest 3 Months

Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Agriculture & Fishing

changes in industry specific risks

Next 3 months Credit Available

Latest 3 Months

Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Latest 3 Months

Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Mining

changes in industry specific risks

Latest 3 Months

Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Latest 3 Months

Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Manufacturing

changes in industry specific risks

Latest 3 Months

Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Latest 3 Months

Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Transport & Communication

changes in industry specific risks

Latest 3 Months

Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

A Survey of Bank Lending Conditions in Jamaica

5. Cont'd

How has the availability of credit you provide to large **BUSINESSES BY INDUSTRY** changed over the **LATEST 3 MONTHS** relative to the previous 3 months? What are the prospects for the **NEXT 3 months** relative to the latest 3 months? Indicate changes in industry-specific risks which impact on the availability of credit

Tourism
changes in industry specific risks

Latest 3 Months					
Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Latest 3 Months					
Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Distribution
changes in industry specific risks

Latest 3 Months					
Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Latest 3 Months					
Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Professional & Other Services
changes in industry specific risks

Latest 3 Months					
Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Latest 3 Months					
Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Electricity, Gas & Water
changes in industry specific risks

Latest 3 Months					
Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Latest 3 Months					
Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Entertainment
changes in industry specific risks

Latest 3 Months					
Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Latest 3 Months					
Much less	A Little Less	No Change	A Little More	Much more	N/A
<input type="checkbox"/>					
<input type="checkbox"/>					

Do you have additional comments?

Additional Comments	
Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes

1. Commercial Real Estate - the commercial real estate sector encompasses non-residential property, including retail office and industrial property
2. Changing Industry Specific Risks - the impact of any sector specific developments on the particular risks/rewards of lending to a specific sector or industry

A Survey of Bank Lending Conditions in Jamaica

6. Which of the following possible factors have been/are likely to be important reasons for the change in large corporate and commercial lending in aggregate?

	LATEST 3 Months			NEXT 3 Months		
Changing economic outlook ¹ :	Important	somew hat Important	Not important	Important	somew hat Important	Not important
	<input type="checkbox"/>					

	LATEST 3 Months			NEXT 3 Months		
Changing economic policy ² :	Important	somew hat Important	Not important	Important	somew hat Important	Not important
	<input type="checkbox"/>					

	LATEST 3 Months			NEXT 3 Months		
Market share objectives ² :	Important	somew hat Important	Not important	Important	somew hat Important	Not important
	<input type="checkbox"/>					

	LATEST 3 Months			NEXT 3 Months		
Changes in the Loan Portfolio Mix	Important	somew hat Important	Not important	Important	somew hat Important	Not important
	<input type="checkbox"/>					

	LATEST 3 Months			NEXT 3 Months		
Market pressure from Capital Markets ³ :	Important	somew hat Important	Not important	Important	somew hat Important	Not important
	<input type="checkbox"/>					

	LATEST 3 Months			NEXT 3 Months		
Changing appetite for risk ⁴	Important	somew hat Important	Not important	Important	somew hat Important	Not important
	<input type="checkbox"/>					

	LATEST 3 Months			NEXT 3 Months		
Changing cost of funds ⁵ :	Important	somew hat Important	Not important	Important	somew hat Important	Not important
	<input type="checkbox"/>					

Do you have additional comments?	Additional Comments	
	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

- Notes**
1. Changing Economic Outlook - Changes in the outlook for output, income, employment, and inflation.
 2. Changing economic policy — changes in monetary and/or fiscal policy or other aspects of the government's program for economic management
 3. Market Share Objectives - changes in loan supply that are driven by changes in competitive objectives, strategies and behavior rather than the underlying fundamentals
 4. Market Pressures from Capital Markets - the extent to which capital market activity either through spreads or flow of business competes with lenders to supply credit
 5. Changing appetite for risk - changes in lending behaviour which are caused by changes in the risk preferences of lenders
 6. Changing Cost/Availability of Funds - the impact on credit supply of changes in interest rates/liquidity in the swap/wholesale markets

7. How has the loan approval rate on loan applications from large corporate and commercial borrowers changed over the LATEST 3 MONTHS relative to the PREVIOUS 3 months And how do you expect your approval rate to change over the NEXT 3 MONTHS relative to the latest 3 months?

LATEST 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Additional Comments

Do you have additional
comments?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

A Survey of Bank Lending Conditions in Jamaica

8. How have the following price and non-price terms on approved new loan applications by large FIRMS changed over the LATEST 3 months relative to the PREVIOUS 3 MONTHS
How do you expect terms to change over the NEXT 3 MONTHS relative to the latest 3 months?

	LATEST 3 Months					NEXT 3 Months				
Interest rates	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months					NEXT 3 Months				
Loan Fees ¹	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months					NEXT 3 Months				
Collateral Requirements ²	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months					NEXT 3 Months				
Maximum Size of Credit Lines ³	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months					NEXT 3 Months				
Loan Covenants ⁴	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
	LATEST 3 Months					NEXT 3 Months				
Loan Monitoring Requirements ⁵	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>	Up a lot <input type="checkbox"/>	Up a little <input type="checkbox"/>	Same <input type="checkbox"/>	Down a little <input type="checkbox"/>	Down a lot <input type="checkbox"/>
Do you have additional comments?	Additional Comments									
	Yes <input type="checkbox"/>	No <input type="checkbox"/>								
	Other Comments (optional)									

Notes

1. Loan Fees - Fixed fees charged when a new loan is being taken out .
2. Collateral Requirements - security given by the borrower as a pledge for repayment of a loan;
3. Maximum size of credit lines - facilities with a stated maximum amount, which a corporate is entitled to borrow (drawn or not) from an institution at any given time.
4. Loan covenants - an agreement or stipulation expressed in loan contracts by which the borrower pledges to take certain action (an affirmative covenant) or to refrain from taking a certain action (a negative covenant), and is consequently part of the terms and conditions of the loan
5. Loan monitoring requirements - e.g. regular reporting of inventory margins

BANK OF JAMAICA

QUARTERLY SURVEY OF BANK LENDING

RISK MANAGEMENT

You are being asked to complete and submit this survey by end April 2012.

For all the questions in this survey, the term “latest 3-months” refers to the period January – March 2012, while the term “next 3-months” refers to the period April – June 2012.

The Bank of Jamaica will not disseminate the information on individual financial institutions. Aggregated and summarised results may be published.

A Survey of Bank Lending Conditions in Jamaica

1. How have your credit-scoring standards for evaluating PERSONAL LOANS changed over the LATEST 3 MONTHS relative to the previous 3 months? And how do you expect them to change over the NEXT 3 MONTHS relative to the latest 3 months?

Latest 3 months: Implications for getting credit

LATEST 3 Months

Much harder	A little harder	Same	A little easier	Much easier	N/A
<input type="checkbox"/>					

Secured Loans

Next 3 months: Implications for getting credit

LATEST 3 Months

Much harder	A little harder	Same	A little easier	Much easier	N/A
<input type="checkbox"/>					

Unsecured Loans
of which

Credit card:

LATEST 3 Months

Much harder	A little harder	Same	A little easier	Much easier	N/A
<input type="checkbox"/>					

LATEST 3 Months

Much harder	A little harder	Same	A little easier	Much easier	N/A
<input type="checkbox"/>					

Non-credit card:

LATEST 3 Months

Much harder	A little harder	Same	A little easier	Much easier	N/A
<input type="checkbox"/>					

LATEST 3 Months

Much harder	A little harder	Same	A little easier	Much easier	N/A
<input type="checkbox"/>					

Additional Comments

Do you have additional
comments?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes

1. Assesses whether or not standards have become/are expected to become more or less stringent. This could be due to changes in cut-off scores; changes in the weights placed on existing indicators; or a change in the indicator used.

A Survey of Bank Lending Conditions in Jamaica

2. Has there been any change in the probability of default¹ on PERSONAL LOANS over the LATEST 3 MONTHS relative to the previous 3 months? What are your expectations for the NEXT 3 MONTHS relative to the latest 3 months?

	LATEST 3 Months						NEXT 3 Months				
Secured Loans:	Up a lot	Up a little	Same	Down a little	Down a lot		Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>		<input type="checkbox"/>								

Unsecured Loans of which	LATEST 3 Months						NEXT 3 Months				
Credit card:	Up a lot	Up a little	Same	Down a little	Down a lot		Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>		<input type="checkbox"/>								

Non-credit card:	LATEST 3 Months						NEXT 3 Months				
	Up a lot	Up a little	Same	Down a little	Down a lot		Up a lot	Up a little	Same	Down a little	Down a lot
	<input type="checkbox"/>		<input type="checkbox"/>								

Do you have additional comments?	Additional Comments	
	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes

1. The Probability of Default - the probability associated with the proportion of loans that have fallen/are expected to fall into default.

A default is deemed to have occurred when either or both of the following events have taken place:

- (a) The lender considers that the borrower is unlikely to pay their credit card obligations in full
- (b) The borrower is past due more than 90 days on any material credit obligation.

3. Has there been any change in the Loss Given Default on PERSONAL LOANS over the LATEST 3 MONTHS relative to the previous 3 months? What are your expectations for the NEXT 3 MONTHS relative to the latest 3 months?

Latest 3 Months

Next 3 Months

LATEST 3 Months

NEXT 3 Months

Secured Loans:

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Unsecured Loans
of which

LATEST 3 Months

NEXT 3 Months

Credit card:

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Non-credit card:

LATEST 3 Months

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Do you have additional
comments?

Additional Comments

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

4. Has there been any change in your use of loss mitigation tools in your PERSONAL LOANS portfolio over the LATEST 3 MONTHS relative to the previous 3 months? What are your expectations for the NEXT 3 MONTHS relative to the latest 3 months?

State the loss mitigation tools used and its applications to the following types of loans

	Latest 3 months	Next 3 months																				
Loss Mitigation tool used																						
<u>Applied to</u>	LATEST 3 Months	NEXT 3 Months																				
Secured Loans	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Dow n a little</td> <td style="padding: 2px;">Dow n a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	<input type="checkbox"/>	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Dow n a little</td> <td style="padding: 2px;">Dow n a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Dow n a little	Dow n a lot																		
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Up a lot	Up a little	Same	Dow n a little	Dow n a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Unsecured Loans <i>of which</i>	LATEST 3 Months	NEXT 3 Months																				
Credit card:	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Dow n a little</td> <td style="padding: 2px;">Dow n a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	<input type="checkbox"/>	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Dow n a little</td> <td style="padding: 2px;">Dow n a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Dow n a little	Dow n a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Up a lot	Up a little	Same	Dow n a little	Dow n a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Non-Credit card:	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Dow n a little</td> <td style="padding: 2px;">Dow n a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	<input type="checkbox"/>	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Dow n a little</td> <td style="padding: 2px;">Dow n a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Dow n a little	Dow n a lot																		
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Up a lot	Up a little	Same	Dow n a little	Dow n a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Do you have additional comments?	Additional Comments																					
	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Yes</td> <td style="padding: 2px;">No</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Yes	No	<input type="checkbox"/>	<input type="checkbox"/>																	
Yes	No																					
<input type="checkbox"/>	<input type="checkbox"/>																					
	Other Comments (optional)																					

A Survey of Bank Lending Conditions in Jamaica

5. How have your credit scoring standards for evaluating loan applications from **SMALL BUSINESSES** changed over the **LATEST 3 MONTHS** relative to the previous 3 months?

And how do you expect them to change over the **NEXT 3 MONTHS** relative to the latest 3 months?

Latest 3 months: Implications for getting credit

LATEST 3 Months

Much harder	A little harder	Same	A little easier	Much easier	N/A
<input type="checkbox"/>					

unsecured loans

Next 3 months: Implications for getting credit

LATEST 3 Months

Much harder	A little harder	Same	A little easier	Much easier	N/A
<input type="checkbox"/>					

LATEST 3 Months

Much harder	A little harder	Same	A little easier	Much easier	N/A
<input type="checkbox"/>					

secured loans

LATEST 3 Months

Much harder	A little harder	Same	A little easier	Much easier	N/A
<input type="checkbox"/>					

Additional Comments

Do you have additional comments?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes

1. Assesses whether or not criteria have become/are expected to become more or less stringent. This could be due to changes in cut-off scores; changes in the weights placed on existing indicators; or a change in the indicator used.

6. Has there been any change in the probability of default on loans to SMALL BUSINESSES over the LATEST 3 MONTHS relative to the previous 3 months? What are your expectations for the NEXT 3 MONTHS relative to the latest 3 months?

	Latest 3 months	Next 3 months																				
	LATEST 3 Months	NEXT 3 Months																				
unsecured loans	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Dow n a little</td> <td style="padding: 2px;">Dow n a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	<input type="checkbox"/>	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Dow n a little</td> <td style="padding: 2px;">Dow n a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	<input type="checkbox"/>								
Up a lot	Up a little	Same	Dow n a little	Dow n a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
Up a lot	Up a little	Same	Dow n a little	Dow n a lot																		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																		
secured loans	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Dow n a little</td> <td style="padding: 2px;">Dow n a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	<input type="checkbox"/>	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Dow n a little</td> <td style="padding: 2px;">Dow n a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Dow n a little	Dow n a lot	<input type="checkbox"/>								
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Notes

1. probability of default - the proportion of loans that have fallen or are expected to fall into default. A default occurs when (i) the lender considers that the borrower is unlikely to pay their credit obligations in full, without recourse by the lender to actions such as realising security or (ii) the borrower is past due more than 90 days

A Survey of Bank Lending Conditions in Jamaica

7. Has there been any change in the Loss Given Default on lending to SMALL BUSINESSES over the LATEST 3 MONTHS relative to the previous 3 months? What are your expectations for the NEXT 3 MONTHS relative to the latest 3 months?

Latest 3 months

Next 3 months

LATEST 3 Months

NEXT 3 Months

unsecured

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

secured

LATEST 3 Months

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Do you have additional comments?

Additional Comments

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes

1. Changes in loss given default - a loan's LGD is the economic loss on a defaulted exposure as a percentage of exposure at default, given economic conditions over the past three months/expected conditions over the next three months. any collateral taken against a This measure should take into account the value of outstanding loans as well as lenders' views on the state of borrowers' balance sheets.

8. Has there been any change in your use of loss mitigation tools in your **SMALL BUSINESS LOANS** portfolio over the **LATEST 3 MONTHS** relative to the previous 3 months? What are your expectations for the **NEXT 3 MONTHS** relative to the latest 3 months? State the loss mitigation tools used and its applications to the following types of loans

	Latest 3 months	Next 3 months																				
Loss Mitigation tool used																						
Applied to	LATEST 3 Months	NEXT 3 Months																				
Secured Loans	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Down a little</td> <td style="padding: 2px;">Down a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Down a little</td> <td style="padding: 2px;">Down a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
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Unsecured Loans <i>of which</i>	LATEST 3 Months	NEXT 3 Months																				
Credit card:	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Down a little</td> <td style="padding: 2px;">Down a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>	<table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Up a lot</td> <td style="padding: 2px;">Up a little</td> <td style="padding: 2px;">Same</td> <td style="padding: 2px;">Down a little</td> <td style="padding: 2px;">Down a lot</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
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Non-Credit card:	LATEST 3 Months	NEXT 3 Months																				
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Do you have additional comments?	Additional Comments																					
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Yes	No																					
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	Other Comments (optional)																					

9. Has there been any change in the probability of default¹ on loans to NON-FINANCIAL FIRMS over the LATEST 3 MONTHS relative to the previous 3 months? What are your expectations for the NEXT 3 MONTHS relative to the latest 3 months?

Latest 3 Months

Next 3 Months

LATEST 3 Months

NEXT 3 Months

Medium sized Firms

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Large Corporate & Commercial Firms

LATEST 3 Months

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Do you have additional comments?

Additional Comments

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes

1. probability of default - the proportion of loans that have fallen/are expected to fall into default. A default is deemed to have occurred when either or both of the following events have taken place:

- (a) The lender considers that the borrower is unlikely to pay their credit card obligations in full
- (b) The borrower is past due more than 90 days on any material credit obligation.

10. Has there been any change in the Loss Given Default¹ on lending to medium-sized and large NON-FINANCIAL FIRMS over the LATEST 3 MONTHS relative to the previous 3 months? What are your expectations for the NEXT 3 MONTHS relative to the latest 3 months?

Latest 3 months

Next 3 months

Medium sized Firms

LATEST 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Large Corporate & Commercial Firms

LATEST 3 Months				
Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

NEXT 3 Months

Up a lot	Up a little	Same	Down a little	Down a lot
<input type="checkbox"/>				

Do you have additional comments?

Additional Comments	
Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

Other Comments (optional)

Notes

1. Changes in loss given default - a loan's LGD is the economic loss on a defaulted exposure as a percentage of exposure at default, given economic conditions over the past three months/expected conditions over the next three months. This measure should take into account the value of any collateral taken against a loan as well as lenders' views on the state of borrowers' balance sheets.

A Survey of Bank Lending Conditions in Jamaica

11. Has there been any change in your use of loss mitigation tools in your MEDIUM-SIZED AND LARGE FIRM LOANS portfolio over the LATEST 3 MONTHS relative to the previous 3 months? What are your expectations for the NEXT 3 MONTHS relative to the latest 3 months? State the loss mitigation tools used and its applications to the following types of loans

	Latest 3 months	Next 3 months																				
Loss Mitigation tool used																						
Medium sized Firms	<p style="text-align: center; margin: 0;">LATEST 3 Months</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="padding: 5px;">Up a lot</td> <td style="padding: 5px;">Up a little</td> <td style="padding: 5px;">Same</td> <td style="padding: 5px;">Down a little</td> <td style="padding: 5px;">Down a lot</td> </tr> <tr> <td style="padding: 5px;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>	<p style="text-align: center; margin: 0;">NEXT 3 Months</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="padding: 5px;">Up a lot</td> <td style="padding: 5px;">Up a little</td> <td style="padding: 5px;">Same</td> <td style="padding: 5px;">Down a little</td> <td style="padding: 5px;">Down a lot</td> </tr> <tr> <td style="padding: 5px;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
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Large Corporate & Commercial Firms	<p style="text-align: center; margin: 0;">LATEST 3 Months</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="padding: 5px;">Up a lot</td> <td style="padding: 5px;">Up a little</td> <td style="padding: 5px;">Same</td> <td style="padding: 5px;">Down a little</td> <td style="padding: 5px;">Down a lot</td> </tr> <tr> <td style="padding: 5px;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>	<p style="text-align: center; margin: 0;">NEXT 3 Months</p> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="padding: 5px;">Up a lot</td> <td style="padding: 5px;">Up a little</td> <td style="padding: 5px;">Same</td> <td style="padding: 5px;">Down a little</td> <td style="padding: 5px;">Down a lot</td> </tr> <tr> <td style="padding: 5px;"><input type="checkbox"/></td> </tr> </table>	Up a lot	Up a little	Same	Down a little	Down a lot	<input type="checkbox"/>								
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