

**The World Bank**  
**Questionnaire on Bank Financing to SMEs**  
**This version: December 8, 2006**

**Bank:**  
**Staff interviewed:**  
**Interviewers:**  
**Date:**

This questionnaire is focused on credit to small and medium enterprises (SMEs) but, where appropriate, please distinguish your responses by small enterprises (SEs) and medium enterprises (MEs).

This questionnaire is designed to try to answer 3 broad areas.

1. Involvement of the bank with SMEs.
2. Determinants of the degree of the bank's financing to SMEs.
  - a. Demand factors
  - b. Competition
  - c. Corporate strategy
  - d. Macroeconomic, regulatory, institutional factors
3. Business model when dealing with SMEs, given the context (macroeconomic, regulatory, and institutional environment).
  - a. Financing – How is financing promoted (sold)?
  - b. Cost – How are costs minimized?
  - c. Credit risk management – How are risks controlled?

Different parts of the questionnaire could be better answered by different managers of the banks. Section I (Involvement with SMEs) could be better answered by a person that has the overview of the bank's business. Section II (Mechanics in dealing with SMEs) could be shared by the SME business manager and the credit risk manager.

To complement the questionnaire, a data request has been submitted in a separate file.

**Notes on bank's background:**

## I. Involvement with SMEs

The questions in this section need to be addressed to the bank's general manager, unless noted otherwise.

This section tries to understand the extent of the involvement with SMEs and the reasons behind it.

### a) Assessing the bank's involvement with SMEs

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<b>1.</b> Specifically provide your Bank's definition criteria for a SE. [Put an X (by double-clicking on the box) next to the appropriate response.]			
<input type="checkbox"/>	Client size in terms of average sales:	from	to USD
<input type="checkbox"/>	Client size in terms of total assets:	from	to USD
<input type="checkbox"/>	Client size in terms of total employees:	from	to
<input type="checkbox"/>	Other, please specify:		

Notes:

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<b>2.</b> Specifically provide your Bank's definition criteria for a ME. [Put an X (by double-clicking on the box) next to the appropriate response.]			
<input type="checkbox"/>	Client of average sales:	from	to USD
<input type="checkbox"/>	Client size in terms of total assets:	from	to USD
<input type="checkbox"/>	Client size in terms of total employees:	from	to
<input type="checkbox"/>	Other, please specify:		

Notes:

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<b>3.</b> Does the bank currently have SMEs among its clients? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
a) If yes, does the bank have a separate unit managing the banking relation with SMEs? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
b) If not, which unit oversees?	
<input type="checkbox"/>	Small enterprise (SE) clients
<input type="checkbox"/>	Medium enterprise (ME) clients

Notes:

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<b>4.</b> What type of involvement do you have with SMEs? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	The bank primarily offers deposits and cash management products
<input type="checkbox"/>	The bank primarily offers loan product
<input type="checkbox"/>	The banks offers both deposits and loan products
<input type="checkbox"/>	Other, please specify:

**Notes:**

<b>4.i.</b> List main lending products you offer to SMEs?	
1.	
2.	
3.	
4.	
5.	

**Notes:**\*\*\* **Ask to SME manager**

<b>5.</b> How much do SMEs contribute to the bank's net income (relative to total income)?	
	If possible, add in parenthesis the figure for SEs:

**Notes:**\*\*\* **Ask to SME manager**

<b>6.</b> Of the revenues that SMEs generate, indicate the breakdown (in percent)	
Credit:	%
Deposit/account management:	%
Other transactions & fee based services:	%
Total SME revenue:	100 %
If different for SEs and MEs, provide figures separately.	

**Notes:**\*\*\* **Ask to SME manager**

<b>7.</b> How much do SMEs contribute to the bank's costs (as a percentage of total costs)?	
	If possible, add in parenthesis the figure for SEs:

**Notes:**

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<b>8.</b> What is your exposure to SMEs in terms of loans?	
	SME share of total value of loans outstanding:
	SME share of total number of loans outstanding:
	If possible, add in parenthesis the figure for SEs.

**Notes:**

**SKIP**

<b>9.</b> Do you have any assessment of how much SMEs contribute to the bank's risks (relative to total risks)? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
	If so, please describe and quantify:

**Notes:**

<b>10.</b> Does the bank have a sector-specific focus in dealing with SMEs? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
	If yes, what are the top sectors pursued?

**Notes:**

<b>11.</b> Does the bank have a specific geographic focus in dealing with SMEs? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
	If yes, please explain

**Notes:****\*\*\* Ask before question 30**

<b>12.</b> To what degree is your involvement with SMEs driven by the following? [Put an X under the appropriate column.]					
	Not significant	Marginally significant	Significant	Very significant	Extremely significant / crucial
Perceived profitability in the SME segment					
Intense competition for large corporates					
Intense competitions for retail customers					
Excessive exposure to large corporates					
Excessive exposure to retail customers sector					
Possibility to seek out SMEs through existing relations with large clients (e.g., reverse factoring)					
Others (specify)					
_____					
_____					
_____					

**Notes:**

## \*\*\* Ask before question 30

13. Indicate to what degree the following factors are important <u>obstacles</u> to your exposure to SMEs. Rate [by putting an X under the appropriate column.] under each heading and specify up to the 3 most important aspects within these categories.					
	Not significant	Marginally significant	Significant	Very significant	Extremely significant / crucial
<p><b>Macroeconomic (economy-wide) factors</b> E.g. macroeconomic instability, small size of the SME sector, high interest rates, exchange rate risk List up to 3 most important factors: _____ _____ _____</p> <p><b>Notes:</b></p>					
<p><b>Regulations</b> E.g. Basel , anti-money laundering (AML), domestic regulations, interest rate ceiling List up to 3 most important factors: _____ _____ _____</p> <p><b>Notes:</b></p>					
	Not significant	Marginally significant	Significant	Very significant	Extremely significant / crucial
<p><b>Legal and contractual environment</b> E.g. collateral law, bankruptcy regime, contract enforcement, judicial efficiency List up to 3 most important factors: _____ _____ _____</p> <p><b>Notes:</b></p>					
<p><b>Bank specific factors</b> E.g. hierarchical bank organizational structure, lack of interest at the highest level of the bank, lack of expertise in the segment, limited of geographic coverage within country (number of branches, rural presence), bank size, inability to diversify risk across borrowers, lack of</p>					

	Not significant	Marginally significant	Significant	Very significant	Extremely significant / crucial
<p>appropriate information technology tools (scoring models, rating models), difficulty in designing product matching segment needs</p> <p>List up to 3 most important factors:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p><b>Notes:</b></p>					
<p><b>SME-specific factors</b></p> <p>E.g. poor quality of financial statements, inability of SMEs to manage risk, informality, inability to prosecute owner in case of default, lack of adequate collateral</p> <p>List up to 3 most important factors:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p><b>Notes:</b></p>					
<p><b>Nature of the lending technology to SMEs</b></p> <p>E.g. high entry cost, high fixed costs per transaction (relative to loan size), difficulty in standardizing products and procedures (screening, origination, monitoring, risk management), difficulty in attaining scale economies</p> <p>List up to 3 most important factors:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p><b>Notes:</b></p>					
<p><b>Competition in the SME segment</b></p> <p>E.g. presence of public banks, presence of niche players, overall narrow margins</p> <p>List up to 3 most important factors:</p> <p>_____</p> <p><b>Notes:</b></p>					

	Not significant	Marginally significant	Significant	Very significant	Extremely significant / crucial
<p><b>Lack of adequate demand</b>                      E.g. lack of sufficient demand, there is demand but from customers that are not credit worthy                      List up to 3 most important factors:                      _____                      _____                      _____</p> <p><b>Notes:</b></p>					

**Notes:**

**\*\*\* From 14 to 19 ask to SME or credit risk person  
 Instead here ask the following questions**

<b>Pre-14.i.</b> Provide your assessment of the risk, profitability and cost of the SME financing relative to the other loans of your banks.			
	SME loans are less ... than others	SME loans are equally ... than others	SME loans are more ... than others
Profitable			
Risky			
Costly			

**Notes:**

**SKIP**

<b>Pre-14.ii.</b> How do you mitigate risks and costs of SME loans relative to those of other loans?	
Risk	
Cost	

**Notes:**

**\*\*\* From 14 to 19 ask to SME or credit risk person**

<b>14.</b> Provide your assessment of the risk (in terms of default probability) of the average SME loan relative to the average loan of other type. If different for SEs and MEs provide SE figures in parentheses and ME figures without parentheses. [Put an X under the appropriate column.]			
	SME loans are less risky than	SME loans are equally risky than	SME loans are more risky than
Large corporates			
Consumers (credit card or overdraft, non-collateralized)			
Housing			
Microfinance			

**Notes:****\*\*\* From 14 to 19 ask to SME or credit risk person**

<b>15.</b> Provide your assessment of the risk (in terms of percent loss after default) of the average SME loan relative to the average loan of other type. If different for SEs and MEs provide SE response in parentheses and ME response without parentheses. [Put an X under the appropriate column.]			
	SME loans are less risky than	SME loans are equally risky than	SME loans are more risky than
Large corporates			
Consumers (credit card or overdraft, non-collateralized)			
Housing			
Microfinance			

**Notes:****\*\*\* From 14 to 19 ask to SME or credit risk person****SKIP**

<b>16.</b> How do you mitigate SME risk?	
	If possible, add in parenthesis the response for SEs.

**Notes:****\*\*\* From 14 to 19 ask to SME or credit risk person**

<b>17.</b> To what extent are the risks of loans to SMEs diversifiable relative to loans to other segments? If different for SEs and MEs provide SE response in parentheses and ME response without parentheses. [Put an X under the appropriate column.]			
	SMEs risks are less diversifiable than	SMEs risks are equally diversifiable than	SMEs risks are more diversifiable than
Large corporates			
Consumers (credit card or overdraft, non-collateralized)			
Housing			
Microfinance			

**Notes:**

**\*\*\* From 14 to 19 ask to SME or credit risk person**

<b>18.</b> Provide your assessment of the administrative cost of SME loans (as a fraction of loan size) relative to other loan types. If different for SEs and MEs provide SE figures in parentheses and ME figures without parentheses. [Put an X under the appropriate column.]			
	SME loans are less costly than	SME loans are equally costly than	SME loans are more costly than
Large corporates			
Consumers (credit card or overdraft, non-collateralized)			
Housing			
Microfinance			

**Notes:****\*\*\* From 14 to 19 ask to SME or credit risk person**

<b>19.</b> How do you try to reduce the administrative cost of lending to SMEs?	

**Notes:**

**b) Competitive environment for SME lending**

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<b>20.</b> What is your view on the size and prospects for the SME market in general, not just for your bank? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	The SME market is small and prospects are bleak
<input type="checkbox"/>	The SME market is small but prospects are good
<input type="checkbox"/>	The SME market is big but prospects are bleak
<input type="checkbox"/>	The SME market is big and prospects are good
<input type="checkbox"/>	Other, please specify:

**Notes:**

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<b>21.</b> How competitive is the market for SME lending? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	The market is not competitive and the entry costs are high
<input type="checkbox"/>	The market is not competitive but the entry costs are low
<input type="checkbox"/>	The market is competitive and saturated
<input type="checkbox"/>	The market is competitive but not saturated
<input type="checkbox"/>	Other, please specify:

**Notes:**

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<b>22.</b> What is the market structure of the SME loan market? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	A small number of banks dominate the market
<input type="checkbox"/>	The market is very segmented (e.g. there is a small number of banks with national reach and a large number of regional or sector specific players)
<input type="checkbox"/>	The market is atomized (many banks are active and target similar SMEs)
<input type="checkbox"/>	Other, please specify:

**Notes:**

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<b>23.</b> Who are the main players in SME financing? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Small banks
<input type="checkbox"/>	Large banks
<input type="checkbox"/>	Niche banks (region specific, sector specific)
<input type="checkbox"/>	Public banks
<input type="checkbox"/>	Other financial intermediaries outside the banking system
<input type="checkbox"/>	Other, please specify:

**Notes:**

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<b>24.</b> Have there been significant changes over time in bank SME lending in terms of competition, consolidation, and entry? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
	If yes, please explain:

**Notes:**

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<b>25.</b> Do banks lend to SMEs after seeing other banks do so? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

**Notes:**

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<b>26.</b> Is there a first mover's advantage? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
	If yes, which one?

**Notes:**

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<b>27.</b> What is the outlook for SME financing in you bank? In particular, what is your long-term target for the SME segment as a percentage of the total bank		
	Volume of outstanding loan portfolio	%
	Number of outstanding loans	%
	Volume of deposits	%
	Number of deposit accounts	%
	Number of clients	%
	Banking income	%

**Notes:**

**For international banks only:**

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**28.** How does the bank's loan exposure to SMEs in your host country differ to that in other countries? [Put an X under the appropriate column.]

Exposure in	Much lower than	Lower than	Equal to	More than	Much more than
Argentina					
Brazil					
Chile					
Mexico					
Average Latin America					
Average developing countries					
Average developed countries					

**Notes:****SKIP**

**29.** If exposure to SMEs in the host country is significantly different than that in other countries in the region, indicate which of the factors below explain this difference. [Put an X under the appropriate column.]

	More of an obstacle in host country	Less of an obstacle in host country
<b>Macroeconomic (economy-wide) factors</b> E.g. macroeconomic instability, small size of the SME sector, high interest rates, exchange rate risk		
<b>Domestic banking regulations</b> E.g. higher capital requirements, higher provisioning rules		
<b>Legal and contractual environment</b> E.g. collateral law, bankruptcy regime, contract enforcement, judicial efficiency		

	More of an obstacle in host country	Less of an obstacle in host country
<b>SME-specific factors</b> E.g. poor quality of financial statements, poor debtor information systems, inability of SMEs to manage risk, informality, inability to prosecute owner in case of default, lack of adequate collateral		
<b>Competition in the SME segment</b> E.g. presence of public banks, presence of niche players, overall narrow margins		
<b>Lack of adequate demand</b> E.g. Lack of sufficient demand, there is demand but from customers that are not credit worthy		

**Notes:**

### c) Government programs and actions affecting SME lending

**Pre-30.** Please list the government programs that you are familiar with that directly or indirectly affect your involvement with SMEs and discuss (a) their additionality in terms of increased financing (new loans and interest rates) and (b) the degree of risk sharing with the public sector.

Programs	Additionality	Risk sharing

**Notes:**

**\*\*\* Ask questions 12 and 13 here**

**30.** If you think government programs affect your involvement with SMEs, qualify the effect. [Put an X (by double-clicking on the box) next to the appropriate response.]

<input type="checkbox"/>	Overall Positively
<input type="checkbox"/>	Overall Negatively
<input type="checkbox"/>	Inconsequential
	Please list up to 3 programs and qualify their impact:

**Notes:**

**\*\*\* From here on focus first on questions 34, 39, 41. Only get into the other questions to the extent that they are not already covered.**

**31.** For Chile, what is the impact, if any, of the following government programs? [Put an X under the appropriate column.]

	Positive	Negative
FOGAPE		
FECU-PYME		
Subsidio Corfo		
Others (specify):		

**Notes:**

**32.** To what extent do you lend to SMEs based on local credit enhancement programs? [Put an X (by double-clicking on the box) next to the appropriate response.]

<input type="checkbox"/>	Extremely significant
<input type="checkbox"/>	Very significant
<input type="checkbox"/>	Significant
<input type="checkbox"/>	Marginally significant
<input type="checkbox"/>	Not significant
	If at all significant, please enumerate the programs and explain which parts you find to be particularly useful:

**Notes:**

**SKIP**

<b>33.</b> How does prudential regulation affect your involvement with SMEs? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Positively
<input type="checkbox"/>	Negatively
<input type="checkbox"/>	Inconsequential
	Please explain:

**Notes:**

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<b>34.</b> Give your impression on the burden posed by regulatory documentation requirements (if any) for commercial lending (like audited accounts) to SMEs. [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Excessive in almost all products
<input type="checkbox"/>	Excessive only for some products If so, explain which ones:
<input type="checkbox"/>	Appropriate and beneficial
<input type="checkbox"/>	Inconsequential
<input type="checkbox"/>	Other, please specify:

**Notes:****SKIP**

<b>35.</b> Are there differences in the required documentation for commercial lending (like audited accounts) based on the size of the loan? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No

**Notes:****SKIP**

<b>36.</b> Do you consider that the regulatory definition of secured loans (in terms of collateral) inhibits SME lending? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
	Please explain:

**Notes:****SKIP for Argentina**

<b>37.</b> If there are maximum regulatory lending rates, do they have an impact on your appetite for SME lending? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
	Please explain:

**Notes:**

<b>38.</b> Are there issues in registering collateral (especially movable collateral) that inhibit SMEs secured lending? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
	Please explain:

**Notes:**

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<b>39.</b> Do any tax related issues affect your appetite for SME lending? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes, positively (incentives to lend)
<input type="checkbox"/>	Yes, negatively (disincentives to lend)
<input type="checkbox"/>	No
	Please explain:

**Notes:**

<b>40.</b> Does the existence of a public credit bureau facilitate SME lending? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
	If it needs to be improved, explain how:

**Notes:****SKIP**

<b>41.</b> Do you think the government could increase the appeal of SME lending through actions in the following areas? [Put an X (by double-clicking on the box) next to the appropriate response and explain how.]	
<input type="checkbox"/>	Legal
<input type="checkbox"/>	Regulatory
<input type="checkbox"/>	Institutional
<input type="checkbox"/>	Guarantees
<input type="checkbox"/>	Subsidies
<input type="checkbox"/>	Credit bureaus
<input type="checkbox"/>	Judicial
<input type="checkbox"/>	Other, please specify:

**Notes:**

**SKIP****For private banks only:****SKIP**

**42.** How would you qualify the impact, if any, of public banks on your appetite for SME lending? [Put an X (by double-clicking on the box) next to the appropriate response.]

<input type="checkbox"/>	Positive
<input type="checkbox"/>	Negative
<input type="checkbox"/>	Inconsequential
	Please explain:

**Notes:**

## II. Mechanics in dealing with SMEs

To the extent that banks deal with SMEs and given the constraints exogenous to the bank, this section tries to understand how the bank organizes itself to provide financing to SMEs, reduce the costs of financing SMEs, and mitigate the associated risks.

### a) Bank policies and procedures to finance to SMEs and reduce the associated costs

The questions in this section need to be addressed to the bank's SME manager.

\*\*\* Ask here questions 5, 6, 7. Also ask here or to the credit risk person questions 14 to 19.

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43. What aspects of the SME banking business are centralized and at what level? [Put an X under the appropriate column.]										
	Only done at headquarters		Only done at branches		Done primarily at headquarters		Done primarily at the branches		Done both at headquarters or branches (bank allows for both)	
	SEs	MEs	SEs	MEs	SEs	MEs	SEs	MEs	SEs	MEs
Sale of non-lending products										
Loan pre-screening										
Loan approval										
Risk management										
Non-performing loan recovery										

Notes:

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44. What is the role of branches? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Branches are only delivery and client servicing channels
<input type="checkbox"/>	Branches also perform some back-office functions
<input type="checkbox"/>	Branches are small banks within the bank (front-office and back office tasks are processed locally)
<input type="checkbox"/>	Other, please specify:

Notes:

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<b>45.</b> Does the bank have a well-defined process to determine the SME target market and sectors? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes, for small firms
<input type="checkbox"/>	No, for small firms
<input type="checkbox"/>	Yes, for medium-sized firms
<input type="checkbox"/>	No, for medium-sized firms
If yes, please explain:	

**Notes:**

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<b>46.</b> Which particular criteria does the bank use to determine the SEs and MEs it will target? [Rank the top 3 among the following that are the most important (1= most important)]		
	SEs	MEs
Company size		
Geographic area where firm operates		
Industry sector to which firm belongs		
Product needs		
Expected profitability		
Exposure size		
Credit quality		
Other, please specify:		
Elaborate on the top 3 criteria identified above: _____ _____ _____		

**Notes:**

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<b>47.</b> How much reaching out to SMEs does the bank have to do? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	The bank has a strong demand so no reaching out is required to SMEs
<input type="checkbox"/>	Despite strong demand for our SME products we still do a fair amount of reaching out
<input type="checkbox"/>	Demand is weak so we have to actively seek clients by reaching out to them
<input type="checkbox"/>	Other, please specify:

**Notes:**

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<b>48.</b> How do you identify potential SME clients? [Rank the top 3 among the following that are the most important (1= most important).]	
Factors	Ranking
Rely on existing deposit clients	
Use information from existing firm databases (eg., credit bureaus)	
Attracting clients with bank credit	
Focus on attracting SMEs that are clients/suppliers of your existing clients	
Other, please specify:	

**Notes:**

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<b>49.</b> In targeting new clients, is there a specific sequencing in how you offer products? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	The bank first offers deposits and cash management products
<input type="checkbox"/>	There is no particular sequencing between deposits and loan products
<input type="checkbox"/>	Other, please specify:

**Notes:**

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<b>50.</b> Describe the incentives to sales personnel to lend to SMEs, in terms of how they are evaluated. [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	By loan volume granted
<input type="checkbox"/>	By number of clients
<input type="checkbox"/>	By profitability
<input type="checkbox"/>	By market share target
<input type="checkbox"/>	By non-performing loans
<input type="checkbox"/>	By successful cross-sale of other banking products
<input type="checkbox"/>	Other, please specify:

**Notes:**

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<b>51.</b> List and provide the following information for the main financing products offered to SMEs, ranked from the most profitable to the least profitable. (If different for SEs and MEs, specify.)				
Product	<b>SKIP</b> # of days to process a disbursement under pre-approved client limit	# of days to process a request without pre-approved limit	Specific documentation needed to process a disbursement	Collateral required as % of financing
1.				
2.				
3.				
4.				
5.				

**Notes:**

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<b>52.</b> Indicate the most relevant statement regarding the standardization of your SME products. [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	MEs are mostly offered fully standardized products
<input type="checkbox"/>	MEs are mostly offered some tailored products
<input type="checkbox"/>	MEs are offered a similar proportion of standardized and tailored products
<input type="checkbox"/>	SEs are mostly offered fully standardized products
<input type="checkbox"/>	SEs are mostly offered some tailored products
<input type="checkbox"/>	SEs are offered a similar proportion of standardized and tailored products
<input type="checkbox"/>	Other, please specify:

**Notes:**

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**53.** Indicate the most relevant statement for your bank when it comes to product pricing. [Put an X (by double-clicking on the box) next to the appropriate response.]

<input type="checkbox"/>	Pricing for SME products is fully standardized
<input type="checkbox"/>	Sales personnel have limited flexibility in pricing SME products
<input type="checkbox"/>	Sales personnel have full flexibility in pricing SME products
<input type="checkbox"/>	Other, please specify:

**Notes:**

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**54.** Describe collateral requirements across segments. Fill each cell, separating SEs and MEs if possible.

Segments	Does borrower need to pledge collateral?	Percentage of loans requiring collateral	Collateral required as proportion of each loan	Is movable collateral (excluding guarantees) acceptable?	Which type of immovable collateral is acceptable?
SMEs					
SEs (if possible)					
MEs (if possible)					
Large corporates					
Consumers (credit card or overdraft, non-collateralized)					
Microfinance					

**Notes:****SKIP**

**55.** Are there any other policies regarding collateral? [Put an X (by double-clicking on the box) next to the appropriate response.]

<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
	If yes, please describe:

**Notes:****SKIP**

**56.** If collateral requirements are higher for SMEs than for large corporates, indicate which of the reasons below apply or list up to 3 other factors. [Put an X (by double-clicking on the box) next to the appropriate response.]

<input type="checkbox"/>	SMEs are more unstable
<input type="checkbox"/>	SMEs are more informal
<input type="checkbox"/>	SMEs have worse management
<input type="checkbox"/>	SMEs are harder to evaluate
<input type="checkbox"/>	SMEs are harder to prosecute. Explain why.
<input type="checkbox"/>	SMEs' collateral more difficult to seize in case of default
<input type="checkbox"/>	Other, please specify:
<input type="checkbox"/>	Other, please specify:
<input type="checkbox"/>	Other, please specify:

**Notes:**

**SKIP**

<b>57.</b> To the extent that collateral requirements are higher for SMEs than for consumers (credit card or overdraft, non-collateralized), indicate which of the reasons below apply or list up to 3 other factors. [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	SME risk is more difficult to diversify
<input type="checkbox"/>	SME loans are larger
<input type="checkbox"/>	SMEs default probability are harder to evaluate
<input type="checkbox"/>	SMEs collateral is more difficult to seize in case of default
<input type="checkbox"/>	Other, please specify:
<input type="checkbox"/>	Other, please specify:
<input type="checkbox"/>	Other, please specify:

**Notes:**

**b) Credit risk management process**

**The questions in this section need to be addressed to the bank's credit risk manager**

\*\*\* Ask here or to the SME person questions 14 to 19.

\*\*\*

<b>58.</b> How is the credit risk management function organized in your bank? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Risk management is separated from sales (different persons)
<input type="checkbox"/>	Risk management and sales are performed by the same person/group
<input type="checkbox"/>	Risk management is largely automated (e.g., through scoring)
<input type="checkbox"/>	Risk management is mostly done by a credit risk analyst
<input type="checkbox"/>	Risk management is done primarily from headquarters
<input type="checkbox"/>	Risk management is done primarily at the branch level
<input type="checkbox"/>	Other, please specify:

**Notes:**

\*\*\*

<b>59.</b> Does the bank have an annual approval cycle for credit limits? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes, limits exist for the overall bank SME portfolio
<input type="checkbox"/>	Yes, limits exist per sector of activity of SMEs
<input type="checkbox"/>	Yes, limits exist per lending product
<input type="checkbox"/>	Yes, limits exist per SME
<input type="checkbox"/>	Yes, limits exist per individual loan per SME
<input type="checkbox"/>	No set limits exist
	If no limits exist, please explain how bank manages its credit risk:

**Notes:**

\*\*\*

<b>60.</b> Who has the authority to change limits? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Credit risk analysts can override limits if considered necessary
<input type="checkbox"/>	Credit risk analysts must always adhere to limits and limits can only be changed by top management
<input type="checkbox"/>	Credit risk analysts must always adhere to limits but limits can be changed by low-level management
<input type="checkbox"/>	Other, please specify:

**Notes:**

**SKIP**

<b>61.</b> How often are exposures relative to limits monitored? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Weekly
<input type="checkbox"/>	Monthly
<input type="checkbox"/>	Quarterly
<input type="checkbox"/>	Other, please specify:

**Notes:**

**SKIP**

**62.** What actions are taken in the case of excesses in credit limits and by whom?

**Notes:****SKIP**

**63.** How many days on average does it take to put in place credit limits for an SME?

\_\_\_\_\_ days

**Notes:**

\*\*\*

**64.** Does your bank use scoring models to select SMEs? [Put an X (by double-clicking on the box) next to the appropriate response.]

- Yes  
If yes, what weight do you give to scoring in your lending decision? Distinguish by MEs and SEs.
- No  
If no, is this due to a bank specific decision or is it affected by regulation?

**Notes:**

\*\*\*

**65.** If your bank uses scoring models, put an X (by double-clicking on the box) next to the appropriate response.

- The model is country specific
- The model is sector specific
- The variables used are mostly collected from credit bureaus
- The variables used are mostly collected from other public sources
- The variables used are mostly collected from internal sources
- The variables used are submitted by the client
- We score just the SME
- We score just the owner
- We score both the owner and the SME
- Other, please specify:

**Notes:**

\*\*\*

**66.** If your bank uses scoring models, list the main (up to 5) variables used in your models.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**Notes:**

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<b>67.</b> In your scoring models, how important is information about the SME compared to information about the SME owner(s)? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Information on the firm is as important as information on the owner
<input type="checkbox"/>	Information on the firm more important than information on the owner
<input type="checkbox"/>	Information on the firm less important than information on the owner
<input type="checkbox"/>	It depends, please specify:

**Notes:**

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<b>68.</b> If your bank does not use scoring models, does the credit analysis rely on qualitative assessments? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
a) If yes, which of the following statements best describes your bank? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Rating the quality of SME management
<input type="checkbox"/>	Strength, weaknesses, opportunities, and threats (SWOT) analysis of the SME
<input type="checkbox"/>	Other, please specify:

**Notes:**

\*\*\*

<b>69.</b> If your bank does not use scoring models, does the credit analysis rely on quantitative assessments? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
a) If yes, does the bank uses one of the following? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Financial analysis of the SME
<input type="checkbox"/>	Projected sector trends/indicators
<input type="checkbox"/>	Financial projections of the SME
<input type="checkbox"/>	Financial analysis of the SME owner(s)
<input type="checkbox"/>	Other, please specify:

**Notes:**

<b>69.i.</b> In terms of provisioning and capital, does your scoring or rating model affect you loan-loss provisioning and capital charges?	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
a) If not, do you just follow the regulatory requirements?	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
b) If not to (a), how more stringent are your policies relative to those suggested by the regulators? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Much more stringent
<input type="checkbox"/>	More stringent
<input type="checkbox"/>	Marginally more stringent
<input type="checkbox"/>	Actually more relaxed, not more stringent

**Notes:**

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<b>70.</b> Does the bank manage the credit exposure to SMEs using a portfolio approach? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
a) If yes, does your bank seek portfolio diversification effect through any of the following? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Sector allocation
<input type="checkbox"/>	Geographic allocation
<input type="checkbox"/>	Scale
<input type="checkbox"/>	Other, please specify:

**Notes:**

<b>71.</b> Which of the following characterize some of the ways the bank monitors credit risk outlook over time for each particular SME? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	There are preventive indicators/triggers that are monitored to detect a possible deterioration in the credit outlook of an SME
<input type="checkbox"/>	Some indicators/triggers are automatically generated for monitoring purposes
<input type="checkbox"/>	Monitoring of client health relies on the diligence of the relationship manager/credit analyst
<input type="checkbox"/>	Other, please specify:
a) Which of the following items are monitored by the bank? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Evergreens in overdraft lines
<input type="checkbox"/>	Switching practices, i.e. debt from a bank is used to repay another bank
<input type="checkbox"/>	Deterioration in the cash-flow/sales receivables recovery of the SME
<input type="checkbox"/>	Total debt outstanding (from the banking system and others) to detect possible overindebttness
<input type="checkbox"/>	Repayment frequency is a means to check on ongoing solvency of the SME
<input type="checkbox"/>	Outstanding exposure always close to the exposure limit

<input type="checkbox"/>	Regular visits to the SMEs
<input type="checkbox"/>	Regular reporting from the SME on its year-to-date performance
<input type="checkbox"/>	Other, please specify:

**Notes:**

\*\*\*

<b>72.</b> If you do not monitor the credit outlook per SME, but rather portfolio of SMEs exposure, indicate how do you do so. [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	The portfolio as a whole
<input type="checkbox"/>	The portfolio per economic sector
<input type="checkbox"/>	The portfolio per geographic location
<input type="checkbox"/>	The portfolio per credit product
<input type="checkbox"/>	Other, please specify:

**Notes:**

<b>73.</b> Mention at least 3 indicators you would monitor at portfolio level:	
	1.
	2.
	3.

**Notes:**

\*\*\*

<b>74.</b> Do you run any of the below mentioned stress test exercises on the SME portfolio? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Currency shocks
<input type="checkbox"/>	Interest rate shocks
<input type="checkbox"/>	Slow-down in a particular sector
<input type="checkbox"/>	Commodity price shock (when relevant)
<input type="checkbox"/>	GDP shock (when relevant)
<input type="checkbox"/>	Other, please specify:

**Notes:**

<b>75.</b> Explain how the stress test outcome can affect your future involvement with SMEs.	

**Notes:****For international banks only:**

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<b>76.</b> In case of international banks, do you work with credit limits for each country? [Put an X (by double-clicking on the box) next to the appropriate response.]	
<input type="checkbox"/>	Yes
<input type="checkbox"/>	No
	If yes, what factors does your bank use to decide the sub-limits for SMEs? Is this different for large firms?

**Notes:**

### c) Bad Loans Recovery

\*\*\*

77. After how many days is a non-serviced SME loan considered overdue?

	days
--	------

Notes:

\*\*\*

78. After how many days is a non-serviced SME loan moved to non-accrual?

	days
--	------

Notes:

\*\*\*

79. What are the top 3 actions typically undertaken once an SME loan is overdue?

	1.
	2.
	3.

Notes:

\*\*\*

80. What is the policy for restructuring SME loans?

--	--

Notes:

\*\*\*

81. Do you have a dedicated SME loan recovery unit? [Put an X (by double-clicking on the box) next to the appropriate response.]

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

Notes:

\*\*\*

82. Do you outsource SME loan recovery operations? [Put an X (by double-clicking on the box) next to the appropriate response.]

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

Notes:

\*\*\*

83. What are the top 3 actions typically undertaken once an SME debtor is declared bankrupt?

	1.
	2.
	3.

Notes:

\*\*\*

**84.** Do you keep track of the loss given default on SMEs? [Put an X (by double-clicking on the box) next to the appropriate response.]

Yes

No

**Notes:****SKIP**

**85.** Do you systematically keep track of the amounts recovered vs. amounts under default? [Put an X (by double-clicking on the box) next to the appropriate response.]

Yes

No

**Notes:**

\*\*\*

**86.** Do you keep track of the length of time it takes to recover a non-performing loan? [Put an X (by double-clicking on the box) next to the appropriate response.]

Yes

No

**Notes:**

\*\*\*

**87.** Do you keep track of the costs to recover a non-performing loan (legal, human, etc.)? [Put an X (by double-clicking on the box) next to the appropriate response.]

Yes

No

\*\*\*

**88.** Do past losses feed systematically into some model/estimate of minimum interest rate spread to cover expected loss? [Put an X (by double-clicking on the box) next to the appropriate response.]

Yes

No

**Notes:**

\*\*\*

**89.** Do the past default experiences feed into the model/estimate of capital requirement? [Put an X (by double-clicking on the box) next to the appropriate response.]

Yes

No

**Notes:**

\*\*\*

**90.** What is the average number of months it takes to recover an SME loan?

\_\_\_\_\_ months

**Notes:**

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<b>91.</b> What is the average percent share of SME loans recovered?	
<input type="text"/>	%

**Notes:**

\*\*\*

<b>92.</b> What is the average cost to recover an SME loan?	
<input type="text"/>	USD

**Notes:**