NATIONAL BANK OF ROMANIA

SURVEY ON THE ACCESS TO FINANCE OF NON-FINANCIAL CORPORATIONS IN ROMANIA, IN THE PERIOD FROM APRIL TO SEPTEMBER 2014, AND THEIR CAPACITY TO WITHSTAND ADVERSE FINANCIAL CONDITIONS

A. ENTERPRISES ACCESS TO FINANCE

A.1. How would you assess the evolution of the company's following financial indicators, in the past 6 months?

Please evaluate the dynamic of the indicators based on the following grading scale:

1 - increased; 2 - remained unchanged; 3 - decreased

a)	Turnover	
b)	Labour costs (including social contributions)	
c)	Other costs (costs of production: materials, energy, etc.)	
d)	Monthly loan expenses (it shall be graded 2 if the company has no loans)	
e)	Profit (net income after taxes)	
f)	Profit margin (net income after taxes divided by turnover)	

A.2. What are the most pressing problems your company faced, in the past 6 months?

Please evaluate the intensity of the problems based on the following grading scale:

1 - great; 2 - high; 3 - moderate; 4 - low; 5 - very low or without impact

a)	Finding customers	
b)	Competition	
c)	Access to finance	
d)	Costs (of production, etc.)	
e)	Availability of skilled staff	
f)	Regulation (i.e.: EU and national law, industrial regulations)	
g)	Insolvency (affecting one's own company or commercial partners)	
h)	Payment discipline (the period of time in which the company cashes in receivables from commercial partners, public authorities, etc.)	
i)	Level of taxation	

A.3. How would you assess the debt-to-assets ratio (share of total debt in total asset value) of the company, <u>in the past 6 months</u>?
Please choose only one of the following:

a)	Increased	☐
b)	Remained constant	☐
c)	Decreased	☐
d)	The company has not incurred debt to third parties (e.g.: to authorities, commercial partners, etc.)	☐

A.4. To which of the following sources of financing did you resort <u>in the past 6 months</u>, in order to finance day-to-day business operations, investments or other projects?
Please choose one or more of the following:

a)	Retained earnings or sale of assets	☐
b)	Loans from shareholders or capital increases	☐
c)	Loans secured by credit guarantee funds	☐
d)	Bank overdraft (negative balance of a bank account), credit lines (pre-arranged loans that can be used at discretion and with limited advance warning) or credit cards overdraft (negative balance on credit cards)	☐
e)	Cash flow loan (loan aimed at countervailing the mismatch between registration of payments and cash in of payments)	☐
f)	Investment loan (loan for a project regarding business development)	☐
g)	Trade credit (buying goods and services from suppliers without immediate cash payment)	☐
h)	Financial leasing (acquisition of a fixed asset by the means of regular payments without immediate property right over it) or factoring (sale of receivables in exchange for a portion of their actual value)	☐
i)	Capital market financing through debt securities (papers issued by a company to borrow money from lenders who are guaranteed payment of the original investment plus interest) or equity	☐
j)	Government financing programmes (Kogălniceanu program, minimis scheme etc.)	☐
k)	Other:	☐

☐

A.5. Could you please indicate the reasons for which you accessed one or more particular sources of financing <u>in the past 6 months</u>?
Please choose one or more of the following:

a)	Bank debt refinancing	
b)	Working capital (inventory, equipment etc.) or payment to suppliers	
c)	Investment in a higher degree of innovation (patent and licenses purchases etc)	
d)	Investments in business development	
e)	Liquidity buffer for exceptional situations	
f)	Lower availability of internal funding (e.g.: retained earnings, sale of assets or loans/equity from shareholders)	
g)	Other	
h)	You have not accessed external financing over the past 6 months	

A.6. Regarding access to finance from banks and non-bank financial institutions, please indicate which of the following situations correspond to your experience, <u>in the past 6 months</u>:
Please choose one or more of the following:

a)	Applied for a loan, received approval for the entire requested amount and got the loan	
b)	Applied for a loan, received approval for a part of the requested amount and got the loan	
c)	Applied for a loan, received approval only for a part of the requested amount and rejected the loan	
d)	Applied for a loan, received approval for the entire requested amount, but refused the loan because the cost was too high	
e)	Applied for a loan but was rejected	
f)	Did not apply for a loan because of possible rejection	
g)	Did not apply for a loan because other sources of financing, internal or external to the company, other than those provided by banks or non-bank financial institutions, were sufficient	
h)	Did not apply for a loan because of other reasons	
i)	Applied for a loan, but the application is still pending	

Note: If you applied for more loans, please choose an option for every loan application. If the situation is similar for more applicatios, please choose the option that refers to that particular situation.

A.7. How do you perceive your relationship, <u>in the past 6 months,</u> with the banks and non-bank financial institutions from which you took loans (outstanding loans, irrespective of age)?
Please choose only one of the following:

a)	Improved	
b)	Remained unchanged	
c)	Deteriorated	
d)	No outstanding loans	

A.8. What is your opinion regarding the evolution, <u>in the past 6 months,</u> of the terms and conditions applied by banks and non-bank financial institutions to loans you have in stock?
Please evaluate the dynamic of the terms based on the following grading scale:
1 - increased; 2 - remained unchanged; 3 - decreased;
4 - the company did not take credit from banks and non-bank financial institutions

a)	Interest rate levels	
b)	Level of financing cost, other than interest rates (e.g.: bank fees, taxes)	
c)	Available size of loan or credit line	
d)	Maturity of loan or credit line	
e)	Requirements for the collateral value or type	

Note: If you do not have loans please choose 4 for all the terms

A.9. Please indicate how the availability of the following sources of financing evolved for the company, <u>in the past 6 months</u>?
Please evaluate the availability of financing based on the following grading scale:
1 - increased; 2 - remained unchanged; 3 - decreased;
4 - the company did not need this type of financing

a)	Retained earnings or sale of assets	
b)	Loans from shareholders or capital increases	
c)	Bank overdraft (negative balance of a bank account), credit lines (pre-arranged loans that can be used at discretion and with limited advance warning) or credit cards overdraft (negative balance on credit cards)	
d)	Cash flow loan (loan aimed at countervailing the mismatch between registration of payments and cash in of payments)	
e)	Investment loan (loan for a project regarding business development)	
f)	Trade credit (buying goods and services from suppliers without immediate cash payment)	
g)	Financial leasing (acquisition of a fixed asset by the means of regular payments without immediate property right over it) or factoring (sale of receivables in exchange for a portion of their actual value)	

A.10. Please indicate how you believe future availability of the following sources of financing will evolve for the company, <u>in the next 6 months</u>?

Please evaluate the availability of financing based on the following grading scale:
1 - will increase; 2 - will remain unchanged; 3 - will decrease

a)	Retained earnings or sale of assets	
b)	Loans from shareholders or capital increases	
c)	Bank overdraft (negative balance of a bank account), credit lines (pre-arranged loans that can be used at discretion and with limited advance warning) or credit cards overdraft (negative balance on credit cards)	
d)	Cash flow loan (loan aimed at countervailing the mismatch between registration of payments and cash in of payments)	
e)	Investment loan (loan for a project regarding business development)	
f)	Trade credit (buying goods and services from suppliers without immediate cash payment)	
g)	Financial leasing (aquisition of a fixed asset by the means of regular payments without immediate property right over it) or factoring (sale of receivables in exchange for a portion of their actual value)	

Note: If you do not intend to access a certain source of financing in the next 6 months, please choose 2 for that respective option.

A.11. With concern to business development using European Union funding, please assess your experience:
Please choose one or more of the following:

a)	Applied for an EU-funded project, but was rejected, in the past 6 months	
b)	Applied successfully for an EU-funded project, in the past 6 months	
c)	Received reimbursements from an EU-funded project, in the past 6 months	
d)	You applied for a loan in order to co-finance an EU funded project, in the past 6 months	
e)	No resort to EU funding for business development, in the past 6 months	
f)	Applied for an EU-funded project, in the past 6 months, but the application is still pending,	
g)	Received reimbursements from an EU-funded project, **<u>before the last 6 months</u>** (if you selected this answer please indicate in the box below the year in which you first received reimbursements)	

A.12 Please assess the major obstacles you faced in accessing finance from banks and non-bank financial institutions, <u>in the past 6 months</u>?

Please evaluate the impact of the factors based on the following grading scale:
1 - great; 2 - significant; 3 - moderate; 4 - low; 5 - very low or without impact

a)	Requirements for the collateral value or type	
b)	Overly high level of interest rates and commissions	
c)	Contractual clauses (other than those regarding interest rate, commissions or collateral)	
d)	Age of the company	
e)	The company's credit history	
f)	The company's business plan and/or the purpose of financing	
g)	Required low level of indebtedness	
h)	Lack of the lending product in the requested currency	
i)	Bureaucracy (e.g.: necessary time for the evaluation of the application, requested documentation)	
j)	Inadequate skills of the financial institution's staff	
k)	Lack of transparency from the financial institution	

A.13 Please indicate the reasons for which you chose the financial institutions (banks or NBFIs) form which your company contracted loans <u>in the past 6 months</u>?
Please choose one or more of the following:

a)	Reputation or notoriety of the financial institution	
b)	The business relationship the company is already having with the financial institution (open accounts, deposits, etc.)	
c)	The desired product was not offered by another financial institution you contacted in order to take the loan (credit type or currency)	
d)	Lower costs as compared with other financial institutions	
e)	More attractive lending terms and conditions or contractual clauses (other than loan costs: maturity, higher approved amount, low bureaucracy or shorter approval time, etc.)	
f)	In case your firm is a foreign company branch, the choice of the financial institution is made by the parent company	
g)	In case your company has majority foreign capital, but it is a Romanian legal entity, the choice of the financial institution is made based on the country of origin of the capital	
h)	The company did not take any loans in the past 6 months	

A.14. Regarding the management of the company please evaluate the following:

A.14.1. Regarding the options below please indicate the numer of years:

a)	Indicate the number of years for which the company has had the current manager	
b)	Indicate the age of the manager of the company	
c)	The experience of the current manager in corporate management (in number of years)	
d)	The experience of the current manager in the company's business sector (in number of years)	

A.14.2. Regarding the options below please choose the one(s) which are true:

a)	University undergraduate or graduate studies relevant for the company's business sector	
b)	University undergraduate or graduate studies in business or economics	

A.14.3. Regarding the options below please choose a grade from a rating scale from 1 to 3, where 1-high, 2- moderate, 3-low

a)	The degree of fulfilment by the executive management of the goals set by the firm's shareholders/owners for the past 12 months	

Note: management/manager refers to the person who holds the highest position in the administration of the current activity of the company

B. COMPANY RESILIENCE TO NEGATIVE EVOLUTIONS OF INTEREST RATE OR EXCHANGE RATE

B.1. How would you assess the current cost of financing if you had the intention to apply for a loan from a bank or a non-bank financial institution?
Please choose only one of the following:

a)	The cost would affect the company's capacity to reimburse the loan and/or its activity	
b)	The cost would not affect the company's capacity to reimburse the loan and/or its activity	
c)	The cost would not affect the decision to access finance because the company depends on this financing	
d)	The company does not need financing from banks or non-bank financial institutions	

B.2. How much should the maximum interest rate be, in order for the company to be willing to take a loan?

B.2.1. Maximum interest rate for a leu-denominated loan :
Please choose only one of the following:

a)	The company intends to lower its indebtness level so would not take a loan irrespective of its cost	
b)	Between 0,1% and 5%	
c)	Between 5% and 10%	
d)	Between 10% and 15%	
e)	Between 15% and 20%	
f)	The company would be willing to take a loan irrespective of its cost	

B.2.2. Maximum interest rate for a EUR-denominated loan:
Please choose only one of the following:

a)	The company intends to lower its indebtness level so would not take a loan irrespective of its cost	
b)	Between 0,1% and 3%	
c)	Between 3% and 5%	
d)	Between 5% and 8%	
e)	Between 8% and 10%	
f)	The company would be willing to take a loan irrespective of its cost	

B.3. How much should the monthly installment be (in lei), so that you would consider acceptable a loan for your company?
Please express the amount as positive number, without decimals:

B.4. Compared with the current level, how much should the exchange rate, of the national currency against the euro, change so that for the company's activity and/or its ability to reimburse its loans be significatly affected?

B.4.1. In case of a depreciation of the national currency against the euro:
Please choose only one of the following:

a)	The current exchange rate level is already affecting the company	
b)	An EURRON between 4,5 and 4,6	
c)	An EURRON between 4,6 and 4,8	
d)	An EURRON between 4,8 and 5,1	
e)	An EURRON over 5,1	
f)	No level of depreciation would affect the company	

B.4.2. In case of an appreciation of the national currency against the euro:
Please choose only one of the following:

a)	The current exchange rate level is already affecting the company	
b)	An EURRON between 4,2 and 4,3	
c)	An EURRON between 4,1 and 4,2	
d)	An EURRON between 3,8 and 4,1	
e)	An EURRON below 3,8	
f)	No level of appreciation would affect the company	

B.5. Between what values would you place the average interest rate on your current leu-denominated loans ?
Please choose only one of the following:

a)	Below 5%	
b)	Between 5% and 7%	
c)	Between 7% and 9%	
d)	Between 9% and 11%	
e)	Over 11%	
f)	The company does not have lei-denominated loans (including leasing)	

B.6. Compared with the current average interest rate on the company's leu-denominated loans (according to the answer to question B.5.), by how much should the interest rate change, in order for the company's activity and/or its ability to reimburse its loans to be significantly affected?
Please choose only one of the following:

a)	Increase of up to one percentage point (e.g.: from 7% to a maximum of 8%)	
b)	Increase between 1 and 3 percentage points (e.g.: from 7% to a level between 8% and a maximum of 10%)	
c)	Increase between 3 and 5 percentage points (e.g.: from 7% to a level between 10% and a maximum of 12%)	
d)	Increase of over 5 percentage points (e.g.: from 7% to a over 12%)	
e)	No interest rate change for lei-denominated loans would affect the company (including the case of a company with no loans denominated in lei)	
f)	The current level of the interest rate is already affecting the company	
g)	The company is affected by an interest rate decrease, rather than an interest rate increase, because the company has deposits in lei in excess of loans in lei	

B.7. Between what values would you place the average interest rate on your current EUR-denominated loans?

Please choose only one of the following:

a)	Under 3%	
b)	Between 3% şi 5%	
c)	Between 5% şi 7%	
d)	Between 7% şi 9%	
e)	Over 9%	
f)	The company does not have EUR-denominated loans (including leasing)	

B.8. Compared with the current average interest rate on the company's EUR-denominated loans (according to the answer to question B.7.), by how much should the interest rate change, in order for the company's activity and/or its ability to reimburse its loans to be significantly affected?

Please choose only one of the following:

a)	Increase of up to one percentage point (e.g.: from 5% to a maximum of 6%)	
b)	Increase between 1 and 3 percentage points (e.g.: from 5% to a level between 6% and a maximum of 8%)	
c)	Increase between 3 and 5 percentage points (e.g.: from 6% to a level between 8% and a maximum of 10%)	
d)	Increase of over 5 percentage points (e.g.: from 5% to a over 10%)	
e)	No interest rate change for EUR-denominated loans would affect the company (including the case of a company with no loans denominated in euro)	
f)	The current level of the interest rate is already affecting the company	
g)	The company is affected by an interest rate decrease, rather than an interest rate increase, because the company has deposits in euros in excess of loans in euros	