Appendix for Online Publication

The Impacts of Microcredit: Evidence from Bosnia and Herzegovina

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Appendix - Characteristics of marginal clients

When identifying marginal clients loan officers followed our MFI's regular screening procedures as closely as possible. Since the decision on whether a loan applicant was marginal or not was not based on a credit-scoring system but on the loan officers' judgment, we asked loan officers to fill in a questionnaire about each marginal client. This questionnaire elicited a number of both objective and subjective assessments in order to help us better understand the composition of our population.

First, loan officers had to indicate whether they thought that the client conformed with our MFI's requirements regarding the amount of available collateral, repayment capacity (based on estimated cash flows), the client's overall creditworthiness, his or her business capacity, and finally the client's credit history (if any). We find that the average marginal applicant did not meet 2.6 out of six main requirements of our MFI. Table A2 shows that most marginal credit applicants were considered marginal because they did not possess sufficient collateral (77 percent) or did not meet one or more of the 'other' requirements, which include an assessment of the applicant's character. About one in three marginal clients were judged to have a weak business proposal while loan officers worried about repayment capacity in about a quarter of the marginal applications. Loan officers were also asked which aspects of a potential marginal client they thought were most and least worrisome. The last two columns of Table A2 show that (a lack of) collateral was seen as most worrisome. On the other hand, loan officers report to be least concerned about credit history, which is less relevant for first-time borrowers, or the client's repayment and business capacity.

Second, because the loan officer's view of the applicant's character also feeds into the decision to provide a loan or not, we asked loan officers to rate a number of personality traits on a scale of 1 to 5 (1 representing total agreement and 5 total disagreement). These traits included whether they perceived the marginal client to be competent, reliable, aggressive, trustworthy, etc. Table A9 shows descriptive statistics for a summary indicator where agreement ('totally agree' and 'agree') is coded as one and disagreement ('somewhat agree', 'disagree', and 'totally disagree') as zero. The biggest 'gaps' are perceived to be in the applicants' knowledge (almost 50 percent are not perceived as knowledgeable) and their integration into society (more than 50 percent are not seen as well integrated).

We also asked loan officers whether each of these character traits would influence the prospective client's business success. Column 2 indicates, for instance, that if a marginal client was perceived to be insecure, loan officers typically believed this insecurity would have an impact

on the client's business. Likewise, if a client was characterized as a risk-taker, then loan officers thought in about 70 percent of the cases that this trait would influence the success of the business. Interestingly, however, loan officers thought that their own ex ante judgment of an applicant's 'competence' and 'trustworthiness' would not matter much for subsequent business risk. Yet, in Table 9 in the paper we show that these two traits were in fact important predictors of loan default.

Appendix - Figures

Figure A1: Geographical location of participating branches (top) and treatment and control households (bottom)

Notes: The first map shows the location and names of the 14 branches that participated in the experiment (the partner MFI operates 14 branches in total). The second map shows the localities with one or more treatment (dark blue dots) or control (light blue squares) households.

Appendix - Tables

Table A1 Variable Definitions

Activity of household members	# attending school	No of HH members attending school	x
	# employed	No of HH members whose economic status is "employed"	x
	# unemployed	No of HH members whose economic status is "unemployed"	x
	# retired	No of HH members whose economic status is "retired"	x
Age		Age of the respondent in years	x
Age2		Square of the age of the respondent in years	
Amount borrowed		The total original loan amount of the outstanding loans at endline (in BAM)	
Amount borrowed from bank		The original loan amount of the outstanding loans to any bank at endline (in BAM)	
Amount borrowed from MFI		The original loan amount of the outstanding loans to any MFI at endline (in BAM)	
Any loan outstanding		Dummy variable (=1) if HH had one or more loans outstanding at endline	
Applicant is perceived as...	...competent	Dummy variable (=1) if loan officer at baseline perceived marginal applicant to be competent	
	...clever	Dummy variable (=1) if loan officer at baseline perceived marginal applicant to be clever	
	...trustworthy	Dummy variable (=1) if loan officer at baseline perceived marginal applicant to be trustworthy	
	...aggressive	Dummy variable (=1) if loan officer at baseline perceived marginal applicant to be aggressive	
Assets		Log of total value (BAM) of all assets owned by the HH	
Asset value		Current market value of the household's assets (in BAM)	
At least one loan outstanding to an MFI		Dummy variable (=1) if the HH has at least one loan outstanding to any MFI at endline	
At least one loan outstanding to a bank		Dummy variable (=1) if the HH has at least one loan outstanding to a bank at endline	
Av. % of main three loans used for business investments		Average percentage that households had used of their three main outstanding loans for business investment	
Business expenses		Amount (BAM) of expenses made by the respondent's main business	
Business in agriculture		Dummy variable (=1) if the respondent's main business is in agriculture	
Business in services		Dummy variable (=1) if the respondent's main business is in services	
Business ownership		Dummy variable (=1) if the respondent owns a business	x
Business profit		Amount (BAM) of profits from the respondent's main business	
Business revenue		Amount (BAM) of revenues from the respondent's business	
Consumption	Cigarettes and alcohol	Amount (BAM) spent on cigarettes and alcohol by the HH in the last week	
	Durables	Amount (BAM) spent on non-durable items by the HH in the last year (education expenses, furniture, carpets, textiles, repairs, HH appliances, purchase of vehicles,	
	Food	Amount (BAM) spent on food (inside and outside the house) by the HH in the last week	
	Food, inside	Amount (BAM) spent on food consumed by the HH at home in the last week	
	Food, outside	Amount (BAM) spent on food consumed by the HH outside the home in the last week	
	Other non-durables	Amount (BAM) spent on non-durable items by the HH in the last month (rent, combustibles, transport services, clothes/shoes, recreation, magazines, newspaper,	
	Total	Amount (BAM) spent on durable and non-durable consumption in the last year	
Disbursement timing		Time (in days) between start of the experiment and loan disbursement	
Dwelling house		Dummy variable (=1) if the HH's main dwelling is a house	
Dwelling owned		Dummy variable (=1) if the HH owns its dwelling	
Employed		Dummy variable (=1) if the respondent is employed	x
Ever late		Dummy variable (=1) if the respondent was at least once late with repaying the loan	
Female		Dummy variable (=1) if the respondent is female	x
Has started a business in the last 14 months		Dummy variable (=1) if the HH started a business since the baseline survey	
Has closed a business in the last 14 months		Dummy variable (=1) if the HH closed a business since the baseline survey	
Highest education		Dummy variable (=1) if the highest grade completed by the respondent is...	
	Primary	...Grade IX or lower	x
	Secondary	...between Grade X and Grade XIII including	x
	University	...at least one year at university	x
Hours worked	Household level	Number of hours worked by all HH members in the last week	
Household, working age	Household level	Number of hours worked by all HH members age 16-64 years (in the last week)	
Hours worked, per member	Household level	Number of hours worked by all HH members/the number of HH members (in the last week)	
Household, per member of working age	Household level	Number of hours worked by all HH members age 16-64 years (in the last week)/the number of HH members of the same age	
Hours worked	Individual level	Number of hours worked by a particular HH member in the last week	
Hours worked on business	Household level	Number of hours worked on the business by all HH members in the last week	
Hours worked on business, per member	Household level	Number of hours worked on the business by all HH members/the number of HH members (in last week)	
Hours worked on business	Individual level	Number of hours worked on the business by a particular HH member in the last week	
Household composition	# male	Number of male HH members	x
	# female	Number of female HH members	x
	# kids aged 0-5	Number of children aged 0-5 years living in the HH	x
	# kids aged 6-10	Number of children aged 6-10 years living in the HH	x
	# kids aged 11-15	Number of children aged 11-15 years living in the HH	x
	# kids aged 16-19	Number of children aged 16-19 years living in the HH	x
	# elderly (>64)	Number of elderly aged 64 years and above living in the HH	x

Household income	Total	Total income (BAM) of HH in previous year (wages from self-employment, agricultural work, shop/market work, financial services, manufacturing, tourism, other private business, government, migration/remittances, government benefits, pensions, rental	
	Agriculture	Amount (BAM) HH earned in the previous year from agricultural work	
	Self-employment	Amount (BAM) HH earned in the previous year through self-employment	
Household income sources		Dummy variable (=1) if the respondent gets income from...	
	Self-employment	...self-employment	
	Agriculture	...agriculture	
	Shop	...shop/market	
	Manufacturing	...manufacturing	
	Private business	...other private business	
	Government	...government employment	
	Remittances	...remittances	
	Benefits	...social benefits	
	Pension	...pension	
	Rent	...rent	
Household has savings		Dummy variable (=1) if the HH has any savings	
Household contributes weekly		Dummy variable (=1) if the HH adds to savings on a weekly basis	
Household saves for education		Dummy variable (=1) if the HH saves for education	
Interest rate		Interest rate (%) charged by our partner MFI	
Late payment		Dummy variable (=1) if loans where at least one of the monthly installments was paid	
Loan default		Dummy variable (=1) if borrower defaulted on its loan	
Loan maturity		Maturity of the loan in years	
Loan size		Size of loan in '000s of BAM	
Marginal borrower		Dummy (=1) if the borrower is a marginal borrower (=0 for regular borrowers)	
Married	Marital status	Dummy variable (=1) if the respondent is married	x
MFI requirements met...	...sufficient collateral	Dummy variable (=1) if the respondent met our MFI's collateral requirement	
	...repayment capacity	Dummy variable (=1) if the respondent met repayment capacity based on the estimated	
	...creditworthiness	Dummy variable (=1) if the respondent is creditworthy	
	...business capacity	Dummy variable (=1) if the respondent's suggested business met the quality requirements of our MFI	
	...credit history	Dummy variable (=1) if the respondent's credit history is in line with our MFI's	
No. loans outstanding		Number of loans HH had outstanding at the time of the baseline survey	
Ownership of inventory		Dummy variable (=1) if the HH owns inventory	
Rate of return	Internal	Discount rate that makes the net present value (NPV) of the credit program equal to zero	
	Overall	NPV calculated by the overall weighted discount rate, divided by the total amount of loans	
	Commercial	NPV calculated by the weighted commercial discount rate, divided by the total amount of	
	Concessional	NPV calculated by the weighted concessional discount rate, divided by the total amount of	
Repaid		Percentage of loans that were repaid	
Savings		Amount (BAM) of HH savings. Amounts were reported in bands (<1,000BAM; 1,000-2,000 BAM; 2,001-4,000 BAM; 4,001-10,000 BAM; > 10,000 BAM) and the mid-point was chosen	
Self-employment		Dummy variable (=1) if at least one HH member is self-employed	
School attendance		Dummy variable (=1) if a HH member...	
	Aged 7-19	...aged 7-19 years attends school	
	Aged 7-15	...aged 7-15 years attends school	
	Aged 16-19	...aged 16-19 years attends school	
Shocks experienced		Dummy variable (=1) if the HH experienced...	
	Job loss	... a job loss in the previous year	
	Bad harvest	...a bad harvest in the previous year	
	Illness, earning	...an illness of an earning HH member in the previous year	
	Illness, non-earning	...an illness of a non-earning HH member in the previous year	
	Death, earning	...death of an earning HH member in the previous year	
	Death, non-earning	...death of a non-earning HH member in the previous year	
	Employee left	...an employee left in the previous year	
	Crime	...a crime in the previous year	
	Competition	...increased competition in the previous year	
	Other loss	...some other significant loss in the previous year	
	Other gain	...some other significant gain in the previous year	
Sufficient collateral		Loan officer indicated at baseline that respondent could pledge sufficient collateral	
Sufficient repayment capacity		Loan officer indicated at baseline that respondent was expected to have sufficient	
Type of business		Dummy variable (=1) if the respondent's business is in...	
	Trade	...trade	
	Services	...services	
	Agriculture	...agriculture	
	Production	...production and manufacturing	
Unemployed		Dummy variable (=1) if the respondent is unemployed	
Unemployment		Dummy variable (=1) if at least one HH member is unemployed	
Value three main loans		Total value in BAM of the three largest loans of the HH at the time of the baseline survey	
Written off		Percentage of loans that were written off	

Notes: This table provides variable definitions in alphabetical order. The last column indicates whether the variable is one of the standard covariates in the regression estimates. HH: household. BAM: Bosnia and Herzegovina convertible mark.

Table A2 Marginal applicants: Unmet requirements

	Mean (1)	Std.Dev. (2)	Mean (3a)	Mean (3b)
Number of requirements not met:	2.55	1.24		
<i>Requirements:</i>			<i>Most</i>	<i>Least</i>
			<i>worrisome</i>	
Sufficient collateral	0.766	0.424	0.632	0.072
Repayment capacity	0.244	0.430	0.130	0.203
Creditworthiness	0.196	0.397	0.164	0.086
Business capacity	0.377	0.485	0.174	0.177
Credit history	0.141	0.348	0.026	0.445
Other (incl. characteristics)	0.838	0.369	0.022	0.017

Notes: The first line of this table shows the mean and standard deviation of the number of lending requirements that the marginal loan applicants did not meet according to their loan officer at the time of the baseline survey. For each requirement the table then shows the proportion of clients that did not meet it (column 1) and the proportion of cases where the loan officer judged this deficiency to be either the most (3a) or the least (3b) worrisome.

Table A3 Baseline and follow-up interviews

Survey	Interview status	#
Baseline	Submitted by implementing agency	1,241
	Refused	33
	Unavailable	2
	Total interviewed	1,206
	Eliminated after interview	8
	Double count	1
	Incomplete	1
	<i>Total interviewed and eligible for follow-up</i>	<i>1,196</i>
Follow-up	Refused	100
	Invalid contact information/no answer	88
	Working abroad/moved	7
	Incomplete interview	3
	Hospitalized or dead	3
	<i>Full response</i>	<i>995</i>

Notes: This table provides information on the number of interviews during the baseline and follow-up surveys and the reasons why certain potential respondents were not (re-)interviewed.

Table A4. Attrition

Dependent variable: Respondent attrited between baseline and endline survey					
Loan officer thought the applicant was...	(1)	(2)	(3)	(4)	(5)
...competent	0.004 (0.037)	0.004 (0.037)	-0.010 (0.037)	-0.011 (0.037)	-0.011 (0.041)
...reliable	-0.043 (0.044)	-0.037 (0.043)	-0.052 (0.043)	-0.046 (0.043)	-0.034 (0.046)
...trustworthy	0.005 (0.042)	-0.007 (0.042)	0.005 (0.042)	-0.006 (0.042)	-0.022 (0.046)
...knowledgeable	0.039 (0.034)	0.049 (0.034)	0.046 (0.033)	0.055 (0.034)	0.049 (0.036)
...experienced	-0.028 (0.037)	-0.030 (0.037)	-0.032 (0.036)	-0.033 (0.037)	-0.026 (0.040)
...well-integrated into society	0.029 (0.036)	0.033 (0.035)	0.033 (0.035)	0.036 (0.035)	0.044 (0.037)
...clever	0.038 (0.033)	0.039 (0.033)	0.047 (0.033)	0.046 (0.033)	0.059* (0.036)
...a risk-taker	0.018 (0.034)	0.013 (0.034)	0.025 (0.034)	0.021 (0.034)	0.015 (0.035)
...a fighter	-0.008 (0.035)	-0.002 (0.035)	-0.010 (0.034)	-0.005 (0.034)	-0.028 (0.038)
...aggressive	0.004 (0.056)	-0.010 (0.054)	-0.018 (0.055)	-0.030 (0.053)	-0.008 (0.061)
...stable	0.001 (0.037)	-0.007 (0.037)	0.000 (0.037)	-0.006 (0.037)	-0.001 (0.042)
...insecure	0.027 (0.056)	0.031 (0.055)	0.019 (0.056)	0.023 (0.054)	0.039 (0.062)
Treatment			-0.140*** (0.033)	-0.134*** (0.032)	-0.121*** (0.036)
Covariates (HH composition)	No	Yes	No	Yes	Yes
Covariates (other)	No	No	No	No	Yes
Observations	681	681	681	681	594
R-squared	0.011	0.027	0.042	0.056	0.087
F-Stat - incl treatment			2.05	2.12	1.76
Prob>F			0.015	0.004	0.006
F-Stat - excl treatment	0.64	1.28	0.87	1.32	1.4
Prob>F	0.813	0.196	0.579	0.171	0.075

Notes: This table presents the results of joint significance tests to determine whether attrition status was systematically related to standard respondent covariates as well as soft baseline characteristics of the respondents as judged by the loan officer. The unreported covariates are those marked x in Table A1. Data source: Baseline household survey. Unit of observation: household. Coefficients and robust standard errors (in parentheses) from a linear regression where the dependent variable is an indicator of whether the household attrited or not. F-stats at the bottom of the table are test of joint significance.

Table TA5. Attrition: DiNardo, Fortin and Lemieux (1996) reweighted results for selected outcomes

	(1) Any loan outstanding	(2) Nr of loans outstanding	(3) At least one loan outst. from an MFI	(4) At least one loan outst. from a bank	(5) Ownership of inventory [Yes=1]	(6) Any income self-employment (HH) [Yes=1]	(7) Business ownership [Yes=1]
Treated	0.195*** (0.0259)	0.435*** (0.0644)	0.441*** (0.0288)	-0.0552*** (0.0166)	0.0502** (0.0200)	0.0599** (0.0294)	0.0568* (0.0312)
Obs	994	994	994	994	994	994	994
C mean	0.089	0.085	0.218	0.029	0.025	0.037	0.073
	(8) Wages (likelihood)	(9) Benefits (likelihood)	(10) Total cons. per capita (BAM)	(11) Home durable good index	(12) Savings (BAM) (BAM)	(13) Hrs worked on business (16-19 yr old)	(14) Share of kids aged 16-19 in school
Treated	-0.0800*** (0.0287)	-0.0563** (0.0278)	-638.2* (329.6)	-0.0698** (0.0283)	-418.4** (174.5)	0.536** (0.229)	-0.0900* (0.0538)
Obs	994	994	994	994	994	994	235
C mean	0.118	0.100	0.096	0.080	0.050	0.050	0.154

Notes: This table shows, for selected outcomes, reweighted impacts following DiNardo, Fortin and Lemieux (1996). The propensity to be observed is estimated based on the covariates also used in the baseline impact regressions.

Table A6. Attrition: Stayers versus attritors

	Obs	Stayers group			Treated		Control	
					Stayers - Attritors		Stayers - Attritors	
		Coeff.	<i>p-value</i>	Coeff.	<i>p-value</i>			
Panel A. Post-attrition household sample								
<i>Household composition</i>								
# members	1,196	995	3.55	1.50	-0.30	<i>0.098</i>	-0.10	<i>0.436</i>
# adults (>=16 years old)	1,196	995	2.62	1.08	0.04	<i>0.789</i>	0.07	<i>0.515</i>
# children (<16 years old)	1,196	995	0.87	1.04	-0.33	<i>0.001</i>	-0.19	<i>0.038</i>
Male respondent	1,196	995	0.590	0.492	0.050	<i>0.394</i>	0.061	<i>0.206</i>
Respondent age	1,196	994	37.81	12.03	-3.95	<i>0.010</i>	1.01	<i>0.451</i>
Respondent with at most primary education	1,196	995	0.333	0.471	-0.061	<i>0.272</i>	-0.035	<i>0.442</i>
<i>Access to credit:</i>								
Any type of loan	1,196	995	0.573	0.495	-0.032	<i>0.599</i>	-0.087	<i>0.085</i>
Number of outstanding loans	1,196	995	0.785	0.869	-0.087	<i>0.403</i>	-0.186	<i>0.015</i>
% with loan outstanding from an MFI	673	570	0.572	0.495	0.010	<i>0.907</i>	-0.110	<i>0.120</i>
% with loan outstanding from a bank	673	570	0.528	0.500	-0.015	<i>0.857</i>	0.099	<i>0.153</i>
% of loans used for business investment++	666	564	46.321	43.901	7.481	<i>0.304</i>	0.009	<i>0.999</i>
<i>Amount borrowed (in BAM):</i>								
Total amount (three main outstanding loans)	1,196	995	3,622	7,762	364	<i>0.710</i>	-896	<i>0.247</i>
Average amount borrowed from MFI	1,196	991	1,070	2,647	-174	<i>0.340</i>	-65	<i>0.900</i>
Average amount borrowed from bank	1,196	991	2,563	7,383	598	<i>0.555</i>	-817	<i>0.155</i>
<i>Self-employment activities</i>								
# of income sources	1,196	995	2.553	1.039	0.022	<i>0.867</i>	-0.005	<i>0.964</i>
Total HH income (last year) (BAM)	1,196	995	17,000	13,000	2,944	<i>0.129</i>	2,213	<i>0.222</i>
Income from self-employment (BAM)	1,196	995	7,122	11,000	3,047	<i>0.077</i>	2,760	<i>0.122</i>
Income from agriculture (BAM)	1,196	995	327	1,366	45	<i>0.754</i>	-177	<i>0.136</i>
Nr of HH members unemployed	1,196	995	0.696	0.900	-0.135	<i>0.196</i>	0.139	<i>0.133</i>
Nr of HH members retired	1,196	995	0.313	0.540	-0.117	<i>0.022</i>	-0.001	<i>0.985</i>
Nr of hrs worked by respondent, last week	1,196	987	48.3	27.4	5.0	<i>0.083</i>	-0.5	<i>0.848</i>
Nr of hrs worked on business by resp., last week	1,196	862	33.2	27.8	1.6	<i>0.661</i>	3.5	<i>0.223</i>
<i>Consumption (in BAM)</i>								
Food consumption	1,196	995	106	85	13	<i>0.280</i>	19	<i>0.110</i>
Non-durables consumption	1,196	995	257	1,188	-7	<i>0.960</i>	105	<i>0.390</i>
Durables consumption	1,196	989	2,339	4,856	27	<i>0.970</i>	-240	<i>0.580</i>
<i>Notes:</i> Data source: Baseline household survey. Unit of observation: household. Sample includes all households surveyed at baseline. ++ Average of three mains loans outstanding								

Table A7. Business growth: Heterogeneous impacts

		(1) Business revenues (BAM)	(2) Business revenues<99th perc (BAM)	(3) Business profit (BAM)	(4) Business profit<99th perc (BAM)
Treated		1,384 (981.4)	1,539** (639.1)	671.9 (541.3)	858.9** (405.3)
Quantile regressions	q=0.1	0 (134.1)	0 (100.8)	0 (101.1)	0 (94.17)
	q=0.2	0 (130.2)	0 (97.76)	0 (98.30)	0 (91.46)
	q=0.3	0 (127.7)	0 (95.73)	0 (96.48)	0 (89.66)
	q=0.4	351.2** (146.0)	240.0** (116.4)	502.9*** (177.9)	109.4 (103.2)
	q=0.5	1,095** (484.1)	1,089** (481.9)	662.2* (355.2)	743.9** (345.2)
	q=0.6	922.1 (644.4)	890.1 (616.3)	870.4** (441.3)	856.3** (433.5)
	q=0.7	1,372* (748.4)	1,284* (725.1)	1,017** (494.0)	1,109** (484.9)
	q=0.8	1,990** (1,011)	1,771** (875.5)	1,221 (796.6)	1,433** (709.8)
	q=0.9	2,850** (1,444)	3,042** (1,441)	1,738* (979.2)	1,637* (940.2)
	q=1.0	7,910** (3,674)	10,219** (5,151)	3,382 (2,132)	7,430*** (1,635)
Intended loan use:	Consume all	-1,005 (3,412)	-160.6 (828.0)	-1,455 (1,376)	-521.0 (1,015)
	Some or all for business	1,898** (917.2)	1,821** (750.7)	1,113* (581.4)	1,137*** (430.5)

Notes: Data source: Endline household survey. Coefficients and robust standard errors (in parentheses) from an OLS regression of the variable on a treatment dummy, controlling for covariates as in Table 2. The table shows the estimated impact on business revenues, expenses, and profits (in BAM) for the full sample (Panel A) and for a sample where values higher than the 99th percentile are trimmed (Panel B). Panel A also shows coefficient estimates for the 70th, 80th, and 90th quantile regression. Both panels also show separate results for borrowers that indicated at baseline that they would use credit partly for consumption and those that intended to use the full loan amount for business purposes. Table A1 in the Appendix contains all variable definitions. BAM: Bosnia and Herzegovina convertible mark. The exchange rate at baseline was USD 1 to BAM 1.634. ***, **, * indicate significance at 1, 5, and 10%.

Table TA8. Loan use

Type of investment	Lumpiness of investment					
	Obs.		Mean		Obs. for	
	% of borrowers		%		which 100%	
	(1)	(2)	(3)	(4)	(5)	(6)
Purchase of livestock	139	23.6%				
Investment in seed, fertilizer, etc.	85	14.4%				
Purchase of engine, tools, etc.	73	12.4%				
Investment in developing own work	55	9.3%				
Purchase of goods	50	8.5%				
Private purpose	50	8.5%				
Investment in real estate	15	2.5%				
Buying and maintaining cars/fuel	14	2.4%				
Other	109	18.5%				
<i>Total</i>	<i>590</i>	<i>100%</i>				
			Existing enterprise			
			- <i>Main</i>			
			734	93%	562	77%
			- <i>Secondary</i>			
			88	72%	25	28%
			New enterprise			
			325	91%	227	70%
			<i>1,147</i>	<i>91%</i>	<i>814</i>	<i>75%</i>

Notes: Columns 1-2 summarize the main types of investment made by the treatment group. Source: follow-up survey. Columns 3-6 show for the full sample the number of respondents that planned to invest in an existing or new business (column 3); the average percentage of the loan amount they indicated to invest in this business (column 4); and the number and percentage of respondents that indicated they would put the full loan amount towards a business (columns 5-6). Source: baseline survey.

Table A9. Loan officers' judgment of loan applicant characteristics

Loan officer perceives applicant to be...	Proportion	Impacts business risk?
	(1)	(2)
...reliable	0.70	0.03
...a fighter	0.70	0.03
...competent	0.68	0.03
...trustworthy	0.66	0.05
...clever	0.65	0.01
...stable	0.64	0.03
...experienced	0.64	0.14
...knowledgeable	0.51	0.09
...well-integrated into society	0.48	0.27
...a risk-taker	0.44	0.70
...insecure	0.09	1.00
...aggressive	0.07	0.01

Notes: Column 1 shows the proportion of marginal loan applicants that according to their loan officer displayed a particular personality trait at the time of the baseline survey. Column 2 shows, conditional on having this characteristic, whether the loan officer believed that it would influence business risk.

Table A10. Comparison of impacts based on full and trimmed datasets (all variables expressed in BAM)

		Asset value	Main business of respondent			Income			
			Business expenses	Business revenues	Business profit	Wages	Remittances	Benefits	
Baseline results		-4,388 (8,346)	601.4 (592.9)	1,384 (981.4)	671.9 (541.3)	322.9 (569.7)	-1.761 (135.2)	-167.3** (78.93)	
Trimmed	1%	2,265 (6,326)	552.7** (249.8)	1,539** (639.1)	858.9** (405.3)	-235.5 (446.3)	-41.27 (84.73)	-94.58 (64.61)	
		2%	-2,451 (5,878)	323.4** (159.2)	1,032** (470.7)	896.7** (351.2)	-236.6 (409.6)	18.85 (65.64)	-54.03 (58.61)
	3%	-414.5 (5,390)	260.8** (129.4)	744.1* (403.1)	648.0** (301.5)	-346.7 (395.0)	18.85 (65.64)	-45.11 (52.42)	
		Consumption							
			Total per capita	Durables	Non- durable	Food	Education	Cigarettes and alcohol	Recreation
	Baseline results		-647.9** (327.6)	18.93 (366.1)	-16.24 (15.43)	-4.103 (5.821)	-85.44 (79.36)	-2.427* (1.333)	-4.260 (14.59)
Trimmed	1%	-379.4** (190.2)	-225.5 (216.3)	-12.38 (13.02)	-3.465 (5.091)	-37.49 (64.18)	-0.697 (1.005)	-10.28 (8.687)	
		2%	-307.4* (166.7)	-333.5* (180.7)	-9.036 (11.83)	-3.187 (4.803)	-30.26 (42.77)	-0.715 (0.863)	0.256 (6.018)
	3%	-394.3** (156.0)	-209.0 (157.8)	-5.111 (10.83)	-2.503 (4.586)	-27.40 (35.85)	-0.572 (0.808)	0.256 (6.018)	
		Notes: Source: follow-up survey. This table provides trimmed results for all other BAM-amount out-comes as an additional robustness test.							