



BANK LENDING SURVEY | Results for Portugal | April 2018

I. Overall assessment

According to the results of the April 2018 survey of the five banks included in the Portuguese sample, credit standards applied on loans to firms and households, in the first quarter of 2018, remained broadly stable. One of the banks signalled a slight easing of credit standards on loans to small and medium sized enterprises (SME) and on long-term loans. Additionally, two institutions reported that the terms and conditions, on credit to firms, slightly eased. Changes in the supply of credit were mainly due to competitive pressures and a more favourable perception of risks.

As regards credit demand, three institutions reported a slight increase in the demand for loans or credit lines by firms, especially by SMEs. Two banks pointed out that the financing needs for fixed capital accounted for this development in firms' demand for credit. As regards households, three banks signalled a slight increase in the demand for credit for house purchase, two of which reported a similar development in the demand for loans for consumption and other purposes. On the contrary, one bank indicated a slight decrease in the demand in both household credit segments.

For the second quarter of 2018, the surveyed institutions, overall, do not anticipate adjustments in credit standards applied on loans to firms and households. Three institutions foresee a slight increase in the demand for loans by firms, and in the case of households, three institutions anticipate a slight increase in the demand for loans in both segments.

II. Presentation of the results

Supply

In the first quarter of 2018, credit standards applied on loans or credit lines to firms remained broadly similar to those observed in the last three months of 2017. Only one bank reported a slight easing of credit standards to the SMEs and on long-term loans. This institution pointed to the competitive pressures from other banks as contributing to this development, in particular in the SME segment. A similar development, i.e. easing of credit standards, was reported by another bank that also considered the more favourable assessment of risks, related to both the economic situation and outlook and to industry or firm-specific situations.

In this quarter, one institution reported a slight easing on its overall terms and conditions, namely to the SMEs. Two banks signalled a slight decrease in the spreads applied on average risk loans, both for SMEs and large firms. One of the banks also reported a slight decrease in the spreads applied on riskier loans. Other banks indicated a slight easing on other terms and conditions, such as the non-interest rate charges, the size of loans or credit lines and the maturity of loans. On the contrary, one bank indicated a slight increase in the non-interest rate charges, in both segments of firms.

Two institutions reported that pressures from competition, which led to a slight decrease in the spreads (mainly on average risk loans and, to a less extent, on riskier loans), favoured the adoption of slightly less restrictive terms and conditions. One of the banks also indicated

that a more favourable perception of risk contributed slightly to a decrease in the spreads applied both on average risk loans and on riskier loans.

In the household sector, all participating institutions reported, broadly, unchanged credit standards applied on loans, as compared to the last quarter. Nevertheless, one bank reported that pressures from competition from other banks and more favourable housing market prospects have contributed somewhat to the easing of credit standards in the case of loans for house purchase. In the case of loans for consumption and other purposes, one institution signalled less restrictive credit standards due to pressures from competition from other banks and from non-banks, as well as to a more favourable general economic situation and outlook.

Most banks reported, broadly, unchanged terms and conditions applied on loans to households, as compared to the last quarter of 2017. However, on loans for house purchase, one bank reported a slight easing with regard to the “loan-to-value” ratio. For both household segments, this institution pointed to the competitive pressures as contributing to a slight easing on its terms and conditions, namely to a decline in the spreads applied on average risk loans.

Most banks indicated that the share of loan applications that were completely rejected remained unchanged, both for firms and households. Only one bank reported a slight increase in the ratio in the firms’ segment.

For the second quarter of 2018, the surveyed institutions, overall, do not anticipate adjustments in credit standards applied on loans to firms and households. Only one bank foresees a slight easing of credit standards applied on loans to the SMEs.

Demand

According to the survey results of the first quarter of 2018, three participant institutions reported a slight increase in the demand for loans or credit lines by firms, as compared to the last quarter. One of the banks signalled the increase in credit demand both from SMEs and large firms and for short-term and long-term loans. For the two other banks, one indicated the increase in credit demand mainly for short-term loans, while the other signalled the increase, predominantly, by SMEs and for long-term loans.

Underlying this development in the demand of credit by firms, two institutions pointed out the increase in the financing needs related to fixed investment, while another indicated higher financing needs related to mergers/acquisitions and corporate restructuring. Two of the three institutions also reported a lesser use of alternative financing, namely loans from other banks, as contributing to a slight increase in credit demand.

In the household segment, three banks reported a slight increase in the demand for loans for house purchase. Two of the banks also reported a similar development on the demand for loans for consumption and other purposes. On the contrary, one bank signalled a slight decline in the demand for credit in both segments of the household sector.

The improvement in consumer confidence was considered by two institutions as contributing slightly to an increase in the demand for house purchase loans. One of the banks indicated better housing market prospects, while the other bank reported the general level of interest rates. In the consumption and other purposes credit segment, the improvement in consumer confidence was considered by two institutions as contributing, somewhat, to a higher demand.

For the second quarter of 2018, three institutions foresee a slight increase in the demand for loans or credit lines by firms, especially by SMEs and long-term loans. Two of these institutions also expect an increase in the demand for credit by large firms and on short-term loans. Regarding households, three banks foresee a

slight increase in the demand for loans, both for house purchase and for consumption and other purposes, while another bank foresees a similar development only for house purchase loans.

III. *Ad hoc* questions

The *ad hoc* questions aim at assessing the development of banks' financing and lending conditions following specific or time-based events. The first *ad hoc* question assesses the impact of the financial markets situation on banks' access to finance and their ability to transfer credit risk off the balance sheet. The second *ad hoc* question is aimed at evaluating the path of the credit standards level to firms and households over the last years. The following *ad hoc* questions explore the impact of the European Central Bank (ECB)'s expanded asset purchase programme and the impact of the ECB's negative deposit facility rate.

As regards the first *ad hoc* question, most participating institutions reported stable market funding conditions in the first quarter of 2018. One bank reported a slight improvement in its short-term and long-term retail funding conditions, and another bank signalled a slight improvement in the access to the market for medium to long-term debt securities. For the second quarter of 2018, in overall terms, participating banks expect similar conditions as those of the first quarter of 2018. Moreover, more institutions foresee favourable developments in obtaining short-term deposits and in the market for medium to long-term debt securities. Additionally, two institutions anticipate a slight improvement in the ability to transfer credit risk off the balance sheet. One of the banks also expects a slight improvement in the ability to securitize loans to firms and to households for house purchase.

On the second *ad hoc* question, most institutions consider the current level of credit standards to firms as moderately tighter than the midpoint recorded between 2003 and now. The remaining institutions signalled that they are basically the same. For the SME segment, one institution reported the level of credit standards applied nowadays as moderately looser than the reference level. In

the household segment, two institutions consider the current level of credit standards in line with the midpoint recorded since 2003, while, according to two other institutions, it is moderately tighter. One bank considered the current level considerably tighter than the midpoint recorded between 2003 and now.

Comparing the midpoint of credit standards recorded between the second quarter of 2010 and now and the current level, applied on loans to firms, most banks considered as basically similar. However, one bank considered it as moderately tighter, for large firms. In the household segment, three institutions considered the current level of credit standards as moderately looser than the reference level for the period since 2010, and the other two institutions considered them as broadly similar.

On the *ad hoc* question on the impact of the expanded asset purchase programme conducted by the ECB, the majority of banks reported that, in the last six months, the programme did not have a substantial effect on banks' total assets, liquidity position, market financing conditions, profitability and capital position. One of the banks considered that the ECB programme contributed to slightly increase its euro area sovereign bond holdings, as well as to improve its liquidity position. On the contrary, another bank signalled a negative impact of the ECB programme on its overall profitability, namely on the net interest margin. For the next six months, overall, most of the surveyed institutions do not expect sizeable changes, with the exception of market financing conditions. One bank foresees a slight positive effect on its overall market funding conditions, namely on the market for covered bonds, while another bank expects a slight deterioration of its respective overall market funding conditions, in particular, through unsecured bank bonds.

As regards the impact of the ECB's expanded asset purchase programme on banks' lending behaviour, only one bank reported the adoption of slightly eased terms and conditions both for firms and households, as well as a slight increase in lending volumes for households. For the next six months, the participating banks do not expect

changes in their credit standards or terms and conditions applied to loans or lending volumes.

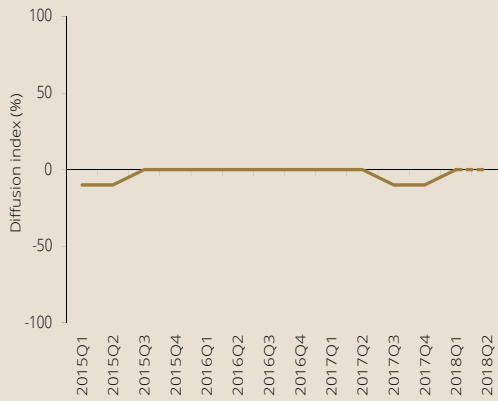
On the last *ad hoc* question, about the impact of the ECB's negative deposit facility rate, all participating banks reported a negative effect on the net interest margin, in the last six months. For four of them the impact was considerably high. The majority of banks considered that the negative deposit facility rate did not have much impact on the lending rates to firms and households. One of the banks reported that the negative rates could have

slightly contributed to the decline in the lending rates in these segments. Another bank signalled a considerable contribution of negative rates on the lending rates to firms and households, but only for house purchase loans. On the contrary, according to one bank, the negative interest rate contributed slightly to an increase of non-interest rate charges both in firms and household segments. For the next six months, the institutions expect similar impacts to the ones reported for the most recent period.

Main results

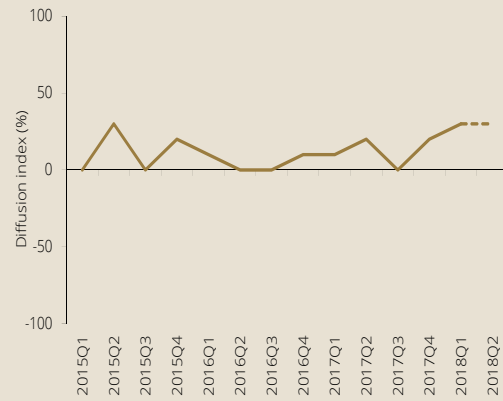
Credit supply

Enterprises (overall)

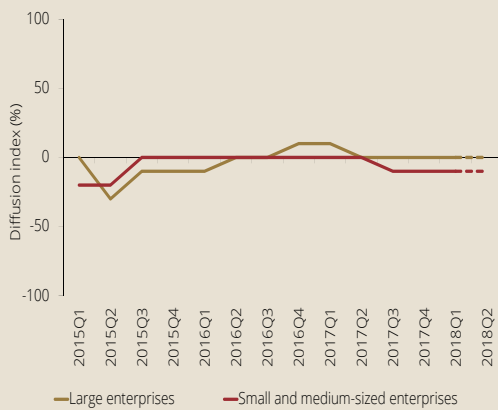


Credit demand

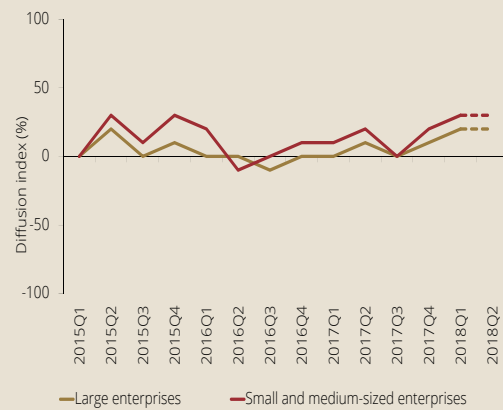
Enterprises (overall)



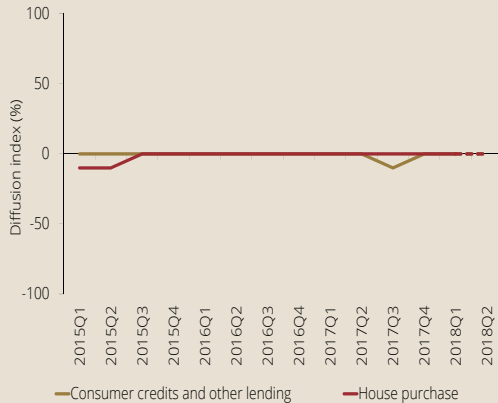
Enterprises



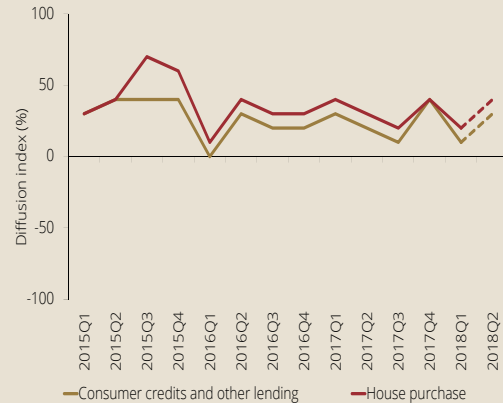
Enterprises



Households



Households



Notes: The diffusion index varies between -100 and 100. Values of less (more) than zero means a loosening (tightening) of the criteria in the case of the credit supply and a decrease (increase) in the case of credit demand. Figures for the last quarter are banks' expectations.

Annex^(a)

The following tables include the results for Portugal of the Bank Lending Survey for this quarter. Two sets of tables are included in the survey: the first set is about loans and credit lines to non financial enterprises while the second one is on loans to households. In the case of enterprises two sorts of segmentations have been undertaken: small and medium sized (SME) versus large enterprises, and short-term versus long-term loans. For households, a distinction between loans for house purchase and consumer credit and other lending has been made.

For each sector – enterprises and households – the questions are focused on: i) the current and the prospective assessment of credit standards, conditions and terms for lending approval, on the one hand, and on demand trends, on the other; and ii) the appraisal of factors affecting credit standards, conditions and terms, and those underlying developments in demand.

Tables on the first set of questions have five possible options, for each segment, according to the trend and rate of the changes reported (either occurred or foreseen); replies are shown along columns. Answers to tables on factors' appraisal are along the rows; six options are available – including NA (not applicable) – according to their contribution to either supply or demand conditions. The results of the survey are as follows:

- The number of banks choosing each option;
- The diffusion index of the options chosen by the banks, calculated using a scale (from -100 to 100) to aggregate individual replies, according to which zero corresponds to “remained basically unchanged”. For questions concerning supply, values of less than zero mean a

loosening of the criteria or the impact of factors in the sense of lower restrictiveness. The -50 figure corresponds to a “slight” change (the closer the diffusion index is to zero, the slighter it will be the change) while -100 stands for a considerable change in the sense of lower restrictiveness. In turn, values exceeding zero indicates an increase in restrictiveness or in the impact of factors supporting it. The 50 figure corresponds to a “slight” change while 100 stands for a considerable increase in restrictiveness. In the questions about demand, the same scale applies, with negative figures standing for decreases in demand and positive figures signaling the opposite evolution (or the impact of factors affecting it).

Note: (a) For clarification of terms and definitions used in the survey, see the document “General guidelines for the completion of the bank lending survey questionnaire”.

I • Loans or credit lines to enterprises

1. Over the past three months, how have your bank's **credit standards as applied to the approval of loans or credit lines to enterprises** changed? Please note that we are asking about the change in credit standards, rather than about their level.

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans	
Tightened considerably						
Tightened somewhat						
Remained basically unchanged	5	4	5	5	4	
Eased somewhat		1			1	
Eased considerably						
N/A*						
Diffusion Index %	Apr.18	0	-10	0	0	-10
	Jan.18	-10	-10	0	-10	0

*N/A = not applicable

2. Over the past three months, how have the following **factors** affected your bank's **credit standards as applied to the approval of loans or credit lines to enterprises**? Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

- = contributed considerably to tightening of credit standards
- = contributed somewhat to tightening of credit standards
- ° = contributed to keeping credit standards basically unchanged
- + = contributed somewhat to easing of credit standards
- ++ = contributed considerably to easing of credit standards

N/A = not applicable

	Overall impact on your bank's credit standards						Diffusion index %	
	--	-	°	+	++	N/A	Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position				5			0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)				5			0	0
Your bank's liquidity position				5			0	0
b) Pressure from competition								
Competition from other banks			3	2			-20	-10
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook			4	1			-10	-10
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1			-10	-10
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0



	Impact on your bank's credit standards for loans to small and medium-sized enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
b) Pressure from competition								
Competition from other banks			3	2			-20	-10
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook			4	1			-10	-10
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1			-10	-10
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's credit standards for loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
b) Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook			5				0	0
Industry or firm-specific situation and outlook / borrower's creditworthiness			5				0	0
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

3. Over the past three months, how have your bank's **terms and conditions for new loans or credit lines to enterprises** changed? Please rate the overall terms and conditions for this loan category and each factor using the following scale:

- = tightened considerably
- = tightened somewhat
- ° = remained basically unchanged
- + = eased somewhat
- ++ = eased considerably
- N/A = not applicable

	Overall					Diffusion index %		
	--	-	°	+	++	N/A	Apr.18	Jan.18
a) Overall terms and conditions								
Overall terms and conditions			4	1			-10	0
b) Margins (<i>i.e.</i> the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			3	2			-20	-10
Your bank's loan margin on riskier loans			4	1			-10	0
c) Other conditions and terms								
Non-interest rate charges		1	3	1			0	10
Size of the loan or credit line			4	1			-10	-10
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			4	1			-10	0

	Loans to small and medium-sized enterprises					Diffusion index %		
	--	-	°	+	++	N/A	Apr.18	Jan.18
a) Overall terms and conditions								
Overall terms and conditions			4	1			-10	0
b) Margins (<i>i.e.</i> the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			3	2			-20	-10
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges		1	3	1			0	10
Size of the loan or credit line			4	1			-10	-10
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			4	1			-10	0

	Loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Apr.18	Jan.18
a) Overall terms and conditions								
Overall terms and conditions			5				0	10
b) Margins (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			3	2			-20	0
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges	1	3	1				0	10
Size of the loan or credit line			4	1			-10	-10
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

4. Over the past three months, how have the following **factors** affected your bank's **credit terms and conditions as applied to new loans or credit lines to enterprises**? Please rate the contribution of the following factors to the tightening or easing of credit terms and conditions using the following scale:

- = contributed considerably to tightening of credit terms and conditions / contributed considerably to widening of margins
- = contributed somewhat to tightening of credit terms and conditions / contributed somewhat to widening of margins
- o = contributed to keeping credit terms and conditions basically unchanged / contributed to keeping margins basically unchanged
- + = contributed somewhat to easing of credit terms and conditions / contributed somewhat to narrowing of margins
- ++ = contributed considerably to easing of credit terms and conditions / contributed considerably to narrowing of margins
- N/A = not applicable

	Overall impact on your bank's credit terms and conditions						Diffusion index %	
	--	-	o	+	++	N/A	Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			3	2			-20	-10
c) Perception of risk								
Perception of risk			4	1			-10	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			3	2			-20	-10
c) Perception of risk								
Perception of risk			4	1			-10	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	-10
c) Perception of risk								
Perception of risk			4	1			-10	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

5. Over the past three months (apart from normal seasonal fluctuations), has the **share of enterprise loan applications that were completely rejected** by your bank increased, remained unchanged or decreased (loan volume, relative to the total volume of loan applications in that loan category)?

	Share of rejected applications	
Decrease considerably		
Decrease somewhat		
Remain basically unchanged		4
Increase somewhat		1
Increase considerably		
N/A*		
Diffusion Index %	Apr.18	10
	Jan.18	10

*N/A = not applicable

6. Over the past three months (apart from normal seasonal fluctuations), how has the **demand for loans or credit lines to enterprises** changed at your bank? Please refer to the financing need of enterprises independent of whether this need will result in a loan or not.

		Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Decreased considerably						
Decreased somewhat						
Remain basically unchanged		2	2	3	3	3
Increased somewhat		3	3	2	2	2
Increased considerably						
N/A*						
Diffusion Index %	Apr.18	30	30	20	20	20
	Jan.18	20	20	10	10	20

*N/A = not applicable

7. Over the past three months, how have the following **factors affected the overall demand for loans or credit lines to enterprises**? Please rate each possible factor using the following scale:

- = contributed considerably to lower demand
- = contributed somewhat to lower demand
- ° = contributed to keeping demand basically unchanged
- + = contributed somewhat to higher demand
- ++ = contributed considerably to higher demand

N/A = not applicable

		--	-	°	+	++	NA	Diffusion index %	
								Apr.18	Jan.18
a) Financing needs / underlying drivers on purpose of loan demands									
Fixed investment				3	2			20	20
Inventories and working capital				5				0	20
Mergers / acquisitions and corporate restructuring				4	1			10	0
General level of interest rates				5				0	10
Debt refinancing / restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)				5				0	0
b) Use of alternative finance									
Internal financing				5				0	10
Loans from other banks				3	2			20	10
Loans from non-banks				5				0	0
Issuance/redemption of debt securities				5				0	0
Issuance/redemption of equity				5				0	0

8. Please indicate how you **expect your bank's credit standards as applied to the approval of loans or credit lines to enterprises** to change over the next three months. Please note that we are asking about the change in credit standards, rather than about their level.

		Overall	Loans to small and medium- -sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Tightened considerably						
Tightened somewhat						
Remained basically unchanged		5	4	5	5	5
Eased somewhat			1			
Eased considerably						
N/A*						
Diffusion Index %	Apr.18	0	-10	0	0	0
	Jan.18	0	-10	0	0	0

*N/A = not applicable

9. Please indicate how you **expect demand for loans or credit lines to enterprises** to change at your bank over the next three months (apart from normal seasonal fluctuations)? Please refer to the financing need of enterprises independent of whether this need will result in a loan or not.

		Overall	Loans to small and medium- -sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Decrease considerably						
Decrease somewhat						
Remain basically unchanged		2	2	3	3	2
Increase somewhat		3	3	2	2	3
Increase considerably						
N/A*						
Diffusion Index %	Apr.18	30	30	20	20	30
	Jan.18	10	20	10	20	20

*N/A = not applicable

II • Loans to households

10. Over the past three months, how have your **bank's credit standards** as applied to the **approval of loans to households** changed? Please note that we are asking about the change in credit standards, rather than about their level.

		Loans for house purchase	Consumer credit and other lending
Tightened considerably			
Tightened somewhat			
Remained basically unchanged		5	5
Eased somewhat			
Eased considerably			
N/A*			
Diffusion Index %	Apr.18	0	0
	Jan.18	0	0

*N/A = not applicable

11. Over the past three months, how have the following **factors affected your bank's credit standards as applied to the approval of loans to households for house purchase**? Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

- = contributed considerably to tightening of credit standards
- = contributed somewhat to tightening of credit standards
- o = contributed to keeping credit standards basically unchanged
- + = contributed somewhat to easing of credit standards
- ++ = contributed considerably to easing of credit standards
- N/A = not applicable

	--	-	o	+	++	N/A	Diffusion index %	
							Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Competition from other banks			4	1			-10	-10
Competition from non-banks			5				0	0
c) Perception of risk								
General economic situation and outlook			5				0	0
Housing market prospects, including expected house price developments			4	1			-10	-10
Borrower's creditworthiness			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

12. Over the past three months, how have your **bank's terms and conditions for new loans to households for house purchase** changed? Please rate the overall terms and conditions for this loan category and each factor using the following scale:

- = tightened considerably
- = tightened somewhat
- ° = remained basically unchanged
- + = eased somewhat
- ++ = eased considerably
- N/A = not applicable

	--	-	°	+	++	N/A	Diffusion index %	
							Apr.18	Jan.18
a) Overall terms and conditions								
Overall terms and conditions			5				0	0
b) Margins (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			5				0	0
Your bank's loan margin on riskier loans			5				0	0
c) Other terms and conditions								
Collateral requirements			5				0	0
"Loan-to-value" ratio			4	1			-10	0
Other loan size limits			5				0	0
Maturity			5				0	0
Non-interest rate charges			5				0	0

13. Over the past three months, how have the following **factors affected your bank's credit terms and conditions as applied to new loans to households for house purchase**? Please rate the contribution of the following factors to the tightening or easing of credit terms and conditions using the following scale:

- = contributed considerably to tightening of credit terms and conditions / contributed considerably to widening of margins
- = contributed somewhat to tightening of credit terms and conditions / contributed somewhat to widening of margins
- ° = contributed to keeping credit terms and conditions basically unchanged / contributed to keeping margins basically unchanged
- + = contributed somewhat to easing of credit terms and conditions / contributed somewhat to narrowing of margins
- ++ = contributed considerably to easing of credit terms and conditions / contributed considerably to narrowing of margins
- N/A = not applicable

	Overall impact on your bank's credit terms and conditions						Diffusion index %	
	--	-	°	+	++	N/A	Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	-20
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	-20
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

14. Over the past three months, how have the following **factors affected your bank's credit standards as applied to the approval of consumer credit and other lending to households?** Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

- = contributed considerably to tightening of credit standards
- = contributed somewhat to tightening of credit standards
- o = contributed to keeping credit standards basically unchanged
- + = contributed somewhat to easing of credit standards
- ++ = contributed considerably to easing of credit standards
- N/A = not applicable

							Diffusion index %	
	--	-	o	+	++	N/A	Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Competition from other banks			4	1			-10	-10
Competition from non-banks			4	1			-10	-10
c) Perception of risk								
General economic situation and outlook			4	1			-10	-10
Creditworthiness of consumers			5				0	0
Risk on the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

15. Over the past three months, how have your **bank's terms and conditions for new consumer credit and other lending to households** changed? Please rate the overall terms and conditions for this loan category and each factor using the following scale:

- = tightened considerably
 - = tightened somewhat
 ° = remained basically unchanged
 + = eased somewhat
 ++ = eased considerably
 N/A = not applicable

	--	-	°	+	++	N/A	Diffusion index %	
							Apr.18	Jan.18
a) Overall terms and conditions								
Overall terms and conditions			5				0	0
b) Margins (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			5				0	0
Your bank's loan margin on riskier loans			5				0	0
c) Other terms and conditions								
Collateral requirements			5				0	0
Size of the loan			5				0	0
Maturity			5				0	0
Non-interest rate charges			5				0	0

16. Over the past three months, how have the following **factors** affected your **bank's credit terms and conditions as applied to new consumer credit and other lending to households**? Please rate the contribution of the following factors to the tightening or easing of credit terms and conditions using the following scale:

- = contributed considerably to tightening of credit terms and conditions / contributed considerably to widening of margins
 - = contributed somewhat to tightening of credit terms and conditions / contributed somewhat to widening of margins
 ° = contributed to keeping credit terms and conditions basically unchanged / contributed to keeping margins basically unchanged
 + = contributed somewhat to easing of credit terms and conditions / contributed somewhat to narrowing of margins
 ++ = contributed considerably to easing of credit terms and conditions / contributed considerably to narrowing of margins
 N/A = not applicable

	Overall impact on your bank's credit terms and conditions						Diffusion index %	
	--	-	°	+	++	N/A	Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	-10
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	-10
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Apr.18	Jan.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

17. Over the past three months (apart from normal seasonal fluctuations), has the **share of household loan applications that were completely rejected** by your bank increased, remained unchanged or decreased (loan volume, relative to the total volume of loan applications in that loan category)?

	Share of rejected applications	
	Loans for house purchase	Consumer credit and other lending
Decreased considerably		
Decreased somewhat		
Remained basically unchanged	5	5
Increased somewhat		
Increased considerably		
N/A*		
Diffusion Index %	Apr.18	0
	Jan.18	0

*N/A = not applicable

18. Over the past three months (apart from normal seasonal fluctuations), how has the **demand for loans to households** changed at your bank? Please refer to the financing need of households independent of whether this need will result in a loan or not.

	Loans for house purchase	Consumer credit and other lending
Decreased considerably		
Decreased somewhat	1	1
Remained basically unchanged	1	2
Increased somewhat	3	2
Increased considerably		
N/A*		
Diffusion Index %	Apr.18	20
	Jan.18	40

*N/A = not applicable

19. Over the past three months, how have the following **factors affected the demand for loans to households for house purchase**? Please rate each factor using the following scale:

- = contributed considerably to lower demand
- = contributed somewhat to lower demand
- ° = contributed to keeping demand basically unchanged
- + = contributed somewhat to higher demand
- ++ = contributed considerably to higher demand

N/A = not applicable

	--	-	°	+	++	N/A	Diffusion index %	
							Apr.18	Jan.18
a) Financing needs / underlying drivers or purpose of loan demand								
Housing market prospects, including expected house price developments			4	1			10	10
Consumer confidence			3	2			20	30
General level of interest rates			4	1			10	30
Debt refinancing / restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)			5				0	0
Regulatory and fiscal regime of housing markets			5				0	0
b) Use of alternative sources for housing finance (substitution effects)								
Internal finance of house purchase out of savings / down payment (i.e. share financed via the household's own funds)			5				0	0
Loans from other banks			5				0	0
Other sources of external finance			5				0	0

20. Over the past three months, how have the following **factors affected the demand for consumer credit and other lending to households**? Please rate each factor using the following scale:

- = contributed considerably to lower demand
- = contributed somewhat to lower demand
- ° = contributed to keeping demand basically unchanged
- + = contributed somewhat to higher demand
- ++ = contributed considerably to higher demand
- N/A = not applicable

	--	-	°	+	++	N/A	Diffusion index %	
							Apr.18	Jan.18
a) Financing needs / underlying drivers or purpose of loan demand								
Spending on durable consumer goods, such as cars, furniture, etc.			5				0	10
Consumer confidence			3	2			20	20
General level of interest rates			5				0	0
Consumption expenditure financed through real-estate guaranteed loans ("mortgage equity withdrawal")			5				0	0
b) Use of alternative finance								
Internal finance out of savings			5				0	0
Loans from other banks			5				0	0
Other sources of external finance			5				0	0

21. Please indicate how you **expect your bank's credit standards as applied to the approval of loans to households** to change over the next three months. Please note that we are asking about the change in credit standards, rather than about their level.

		Loans for house purchase	Consumer credit and other lending
Tighten considerably			
Tighten somewhat			
Remain basically unchanged		5	5
Ease somewhat			
Ease considerably			
N/A*			
Diffusion Index %	Apr.18	0	0
	Jan.18	0	0

*N/A = not applicable

22. Please indicate how you **expect demand for loans to households** to change over the next three months at your bank (apart from normal seasonal fluctuations). Please refer to the financing need of households independent of whether this need will result in a loan or not.

		Loans for house purchase	Consumer credit and other lending
Decrease considerably			
Decrease somewhat			
Remain basically unchanged		1	2
Increase somewhat		4	3
Increase considerably			
N/A*			
Diffusion Index %	Apr.18	40	30
	Jan.18	40	40

*N/A = not applicable

Ad hoc question on retail and wholesale funding ⁽¹⁾

1. As a result of the situation in financial markets ⁽¹⁾, has your market access changed when tapping your usual sources of wholesale and retail funding and/or has your ability to transfer risk changed over the past three months, or are you expecting this access / activity to change over the next three months? Please rate each factor using the following scale:

-- = deteriorated considerably / will deteriorate considerably

- = deteriorated somewhat / will deteriorate somewhat

o = remained unchanged / will remain unchanged

+ = eased somewhat / will ease somewhat

++ = eased considerably / will ease considerably

N/A = not applicable

	Over the past three months					Over the next three months						
	--	-	o	+	++	N/A ⁽²⁾	--	-	o	+	++	N/A ⁽²⁾
a) Retail funding												
Short-term deposits (up to one year)			4	1					3	2		
Long-term (more than one year) deposits and other retail funding instruments			4	1					4	1		
b) Inter-bank unsecured money market												
Very short term money market (up to 1 week)				5						5		
Short-term money market (more than 1 week)				5						5		
c) Wholesale debt securities ⁽³⁾												
Short-term debt securities (e.g. certificates of deposit or commercial paper)			4			1			4			1
Medium to long term debt securities (incl. covered bonds)			4	1					3	2		
d) Securitisation ⁽⁴⁾												
Securitisation of corporate loans				5					4	1		
Securitisation of loans for house purchase				5					4	1		
e) Ability to transfer credit risk off balance sheet ⁽⁵⁾												
Ability to transfer credit risk off balance sheet			4			1			2	2		1

(1) Please also take into account any effect of state guarantees *vis-à-vis* debt securities and recapitalisation support.

(2) Please select "N/A" (not applicable) if and only if the source of funding is not relevant for your bank.

(3) Usually involves on-balance sheet funding.

(4) Usually involves the sale of loans from banks' balance sheets, *i.e.* off-balance sheet funding

(5) Usually involves the use of credit derivatives, with the loans remaining on banks' balance sheets.

Ad hoc question on the level of credit standards ⁽¹⁾

2. How would you describe the current level of your bank's credit standards for each of the listed loan categories, relative to the range of your bank's credit standards in the time periods specified below?

(i) Current level compared with the range of your bank's credit standards between the **first quarter of 2003 and now**:

	Loans to enterprises			Loans to households	
	Overall loans to enterprises	Loans to small and medium-sized enterprises-	Loans to large enterprises	For house purchase	Consumer credit and other lending
Considerably tighter than the midpoint of the range				1	1
Moderately tighter than the midpoint of the range	3	3	3	2	2
Basically identical to the midpoint of the range	2	1	2	2	2
Moderately looser than the midpoint of the range		1			
Considerably looser than the midpoint of the range					
At the tightest level during this period					
Levels have remained constant during this period					
At the loosest level during this period					
N/A ⁽¹⁾					

(ii) Current level compared with the range of your bank's credit standards between the **second quarter of 2010 and now**:

	Loans to enterprises			Loans to households	
	Overall loans to enterprises	Loans to small and medium-sized enterprises-	Loans to large enterprises	For house purchase	Consumer credit and other lending
Considerably tighter than the midpoint of the range					
Moderately tighter than the midpoint of the range			1		
Basically identical to the midpoint of the range	3	3	2	2	2
Moderately looser than the midpoint of the range	2	2	2	3	3
Considerably looser than the midpoint of the range					
At the tightest level during this period					
Levels have remained constant during this period					
At the loosest level during this period					
N/A ⁽¹⁾					

Note: The "midpoint of the range" of credit standards is defined as the midpoint between the maximum and the minimum level of credit standards during this time period.

(1) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective lending category.

Ad hoc questions on the ECB's expanded asset purchase programme

3. Over the past six months, has the ECB's expanded asset purchase programme led to a change in your bank's assets or affected (either directly or indirectly) your bank in any of the following areas? Is it likely to have an impact here over the next six months?

-- = has contributed considerably to a decrease or deterioration / will contribute considerably to a decrease or deterioration

- = has contributed somewhat to a decrease or deterioration / will contribute somewhat to a decrease or deterioration

o = has had basically no impact / will have basically no impact

+ = has contributed somewhat to an increase or improvement / will contribute somewhat to an increase or improvement

++ = has contributed considerably to an increase or improvement / will contribute considerably to an increase or improvement

N/A = not applicable

	Over the past six months					Over the next six months						
	--	-	o	+	++	N/A ⁽¹⁾	--	-	o	+	++	N/A ⁽¹⁾
a) Your bank's total assets												
Your bank's total assets (non-risk weighted volume)			5						5			
of which: euro area sovereign bond holdings			4	1					5			
b) Your bank's liquidity position												
Your bank's overall liquidity position			4	1				4		1		
c) Your bank's market financing conditions												
Your bank's overall market financing conditions			5				1	3		1		
of which financing via:												
asset-backed securities			5						5			
covered bonds			5					4		1		
unsecured bank bonds			5				1	4				
equity issued			4			1		4				1
d) Your bank's profitability												
Your bank's overall profitability			1	4					5			
owing to:												
net interest margin ⁽²⁾			1	4					5			
capital gains / losses			5						5			
e) Your bank's capital position												
Your bank's capital ratio ⁽³⁾			5						5			
Your bank's leverage ratio ⁽⁴⁾			5						5			

(1) Please select "N/A" (not applicable) only if you do not have any business in or exposure to this category.

(2) Interest income minus interest paid, relative to the amount of interest-bearing assets.

(3) Defined in accordance with the regulatory requirements set out in the CRR/CRD IV, including both tier 1 capital and tier 2 capital.

(4) Defined in accordance with the delegated act under the Capital Requirements Regulation adopted by the European Commission on 10 October 2014.

4. Over the past six months, how has the ECB's expanded asset purchase programme affected your bank's lending policy and lending volumes? And what will be the impact over the next six months?

-- = has contributed considerably to tightening credit standards/tightening terms and conditions/decreasing lending volumes / will contribute considerably to tightening credit standards/tightening terms and conditions/decreasing lending volumes

- = has contributed somewhat to tightening credit standards/tightening terms and conditions/decreasing lending volumes / will contribute somewhat to tightening credit standards/tightening terms and conditions/decreasing lending volumes

° = has had basically no impact on credit standards/terms and conditions/lending volumes / will have basically no impact on credit standards/terms and conditions/lending volumes

+ = has contributed somewhat to easing credit standards/easing terms and conditions/increasing lending volumes / will contribute somewhat to easing credit standards/easing terms and conditions/increasing lending volumes

++ = has contributed considerably to easing credit standards/easing terms and conditions/increasing lending volumes / will contribute considerably to easing credit standards/easing terms and conditions/increasing lending volumes

N/A = not applicable

	Over the past six months						Over the next six months					
	--	-	°	+	++	N/A ⁽¹⁾	--	-	°	+	++	N/A ⁽¹⁾
a) Credit standards												
For loans to enterprises				5							5	
For loans to households for house purchase				5							5	
For consumer credit and other lending to households				5							5	
b) Terms and conditions												
For loans to enterprises				4	1						5	
For loans to households for house purchase				4	1						5	
For consumer credit and other lending to households				4	1						5	
c) Lending volumes												
For loans to enterprises				5							5	
For loans to households for house purchase				4	1						5	
For consumer credit and other lending to households				4	1						5	

(1) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective lending category.

Ad hoc question on the impact of the ECB's negative deposit facility rate

5. Given the ECB's negative deposit facility rate, did or will this measure, either directly or indirectly⁽¹⁾, contribute to:

- a decrease/increase of your bank's net interest income
- a decrease/increase of your bank's lending rates
- a decrease/increase of your bank's loan margin (narrower spread = decrease; wider spread = increase)
- a decrease/increase of your bank's non-interest rate charges
- a decrease/increase of your bank's lending volume

over the past or next six months?

-- = contributed/will contribute considerably to a decrease

- = contributed/will contribute somewhat to a decrease

o = did not/will not have an impact

+ = contributed/will contribute somewhat to an increase

++ = contributed/will contribute considerably to an increase

N/A= not applicable

	Over the past six months						Over the next six months					
	--	-	o	+	++	N/A ⁽²⁾	--	-	o	+	++	N/A ⁽²⁾
Impact on your bank's net interest income												
Impact on your bank's net interest income ⁽³⁾	4	1					4	1				
Loans to enterprises												
Impact on your bank's lending rates	1	1	3				1	1	3			
Impact on your bank's loan margin ⁽⁴⁾				5					5			
Impact on your bank's non-interest rate charges				4	1				4	1		
Impact on your bank's lending volume				5					5			
Loans to households for house purchase												
Impact on your bank's lending rates	1	1	3				1	1	3			
Impact on your bank's loan margin ⁽⁴⁾				5					5			
Impact on your bank's non-interest rate charges				4	1				4	1		
Impact on your bank's lending volume				5					5			
Consumer credit and other lending to households												
Impact on your bank's lending rates		1	4					1	4			
Impact on your bank's loan margin ⁽⁴⁾				5					5			
Impact on your bank's non-interest rate charges				4	1				4	1		
Impact on your bank's lending volume				5					5			

(1) Independent of whether your bank has excess liquidity.

(2) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective lending category.

(3) The net interest income is defined as the difference between the interest earned and interest paid on the outstanding amount of interest-bearing assets and liabilities by the bank.

(4) The loan margin is defined as the spread of the bank's lending rates on new loans over a relevant market reference rate.