



BANK LENDING SURVEY | Results for Portugal | April 2017

I. Overall assessment

According to the results of the April bank lending survey, of the five banks included in the Portuguese sample, the credit supply to the non-financial private sector remained stable in the first quarter of the year, in comparison to the last quarter of 2016. The credit standards applied on loans, in general, as well as terms and conditions adopted remained unchanged. Only one institution reported changes, namely a decrease in the costs applied on loans or credit lines to firms. Despite this relative stability, some factors were cited by some banks as inducing a slightly less restrictive credit policy, in particular the pressure of competition from other banks and more a favourable perception of risks.

In the same period, credit demand by firms remained essentially unchanged for most institutions, with one institution reporting an increase. In the household segment, the demand increased somewhat, mainly in the segment of loans for house purchase. Improvements in consumer confidence and the general level of interest rates should be the main factors underlying these developments.

Regarding the second quarter of 2017, participating institutions do not foresee, in general, changes in the credit standards applied on the approval of credit to firms and households. Concerning demand, for the same period, two institutions expect a slight increase in the segment of firms, while the remaining institutions do not anticipate sizeable changes. For households, most institutions expect a slight increase, in particular for loans for house purchase.

II. Presentation of the results

Supply

In the first quarter of 2017, the credit standards applied on loans or credit lines to firms remained broadly similar to those observed in the previous quarter. Only one bank reported changes, towards a slight tightening in its standards, namely for large firms.

Most institutions did not identify changes in factors with potential impact on credit standards. Even so, one bank reported a slight improvement in its assessment of risks related to the general economic situation and outlook and risks related to industry or firm-specific situations. The competitive pressure from other banks was also signalled as contributing to a less restrictive credit policy. With the opposite impact, one institution reported its risk tolerance decrease. Regarding terms and conditions applied on loans, in general, they did not record relevant adjustments. However, it should be noted that one institution reported a slight decrease in spreads applied on average risk loans and a decrease in non-interest charges. The decrease of these costs should be more relevant for the segment of small and medium sized enterprises (SMEs). Continuing with credit to firms, four banks did not mark changes in the share of loans that were completed rejected, while the remaining institution reported a slight increase.

In the segment of households, all participating institutions reported the maintenance of the respective credit standards applied on loans for house purposes and for consumption and other purposes in the first three months of the year.

The general stability, in both segments, the competition from other banking institutions, and an improvement on banks' fund costs or balance sheet constraints were reported as inducing the adoption of easing credit standards by some banks. In the segment of loans for house purchase, one institution also indicated the impact of housing market prospects, including expected house price developments, while in the segment of loans for consumption and other purposes the general economic situation and outlook was noted. In the first quarter of the year, terms and conditions applied on loans to households remained broadly unchanged. In the same line, the share of household loans applications that were completely rejected stayed relatively stable.

In the second quarter of 2017, in general terms, the surveyed institutions do not anticipate adjustments in the credit standards applied to loans to the non-financial private sector. Indeed, only one institution foresees a slight tightening in the segment of large enterprises. In the opposite direction, one institution expects a slight decrease in the tightening of its credit standards for loans for house purchase .

Demand

As far as demand is concerned, in the first quarter of 2017, four institutions reported stable demand for loans by firms, while the other participating bank reported a slight increase, mainly in the segments of SMEs and short-term loans.

According to two banks, financing needs related to fixed investment contributed to a small increase in loan demand in the period under analysis. Financial needs related to inventories and working capital, in addition to the general level of interest rates, were also reported as having a positive impact on demand, with each factor reported by one institution.

In the segment of households, four banks marked a slight increase in the demand for loans for house purchase in the first months of the year, and three indicated similar developments

in the segment of loans for consumptions and other purposes. For the remaining surveyed institutions, demand remained stable in both loans segments. The results suggest that the increase in demand was related to an improvement in consumer confidence and the global low levels of interest rates, mainly in the segment of loans for house purchase. In this segment, housing market prospects, including expected house price, was also reported with a positive effect on loan demand by one of the institutions.

In the second quarter of 2017, in aggregate terms, a slight increase in credit demand by firms is expected. This change, according to two institutions, should occur mainly in the segments of loans to SMEs and loans with longer maturity. For the same period, most of the surveyed institutions also foresee a slight increase in the demand for loans for house purchase and, to a lesser degree, in the demand for loans for consumption and other purposes.

III. *Ad-hoc* questions

As in previous surveys, the April questionnaire included a set of some *ad hoc* questions. In particular, it included questions related to the funding of banks, the impact of the European Central Bank (ECB)'s expanded asset purchase programme, and the impact of the ECB's negative deposit facility rate. The questionnaire also included a question related to the path of the level of credit standards applied to loans to the non-financial private sector.

The first *ad hoc* question is intended to assess the impact of the situation in financial markets on the access of banks to funding and on their ability to transfer credit risk off balance sheet. In general, banks reported stable funding conditions over the last three months. However, one bank reported a slight improvement in its funding conditions, observed in retail funding in both the short and long term, while another institution reported a slight deterioration. Two banks reported a slight improvement in the access to the market for medium to long term debt securities. For the next quarter, in general, the participating banks do not

anticipate changes in their funding conditions or in the ability to transfer credit risk. Nevertheless, one institution foresees a slight improvement in the markets of debt securities and in securitization operations. In the retail funding, while one bank expects favourable developments in obtaining short and long term deposits, another institution anticipates the opposite development.

The second *ad hoc* question is aimed at evaluating the credit standards levels to the non-financial private sector over the last years. According to the results obtained, the current level of credit standards are moderately tighter than the midpoint recorded from 2003 and now. In the households segment, the current levels are considerably tighter than the reference level for two institutions. Regarding the most recent period, based on the midpoint for the period between the second quarter of 2010 (when the euro area sovereign debt crisis intensified) and now, the current level of credit standards applied on loans to firms are moderately looser than the midpoint, according to two banks. For the remaining institutions, there is some heterogeneity: one reported that the current levels are considerably looser, other assessed the current levels as identical, while the remaining bank signalled that the current levels are moderately tighter than the midpoint of the range. In the segment of households, the current level of credit standards are moderately looser than the reference level, according to three institutions. For the other banks, the levels of credit standards applied nowadays are in line with the midpoint or are at levels moderately tighter than it.

The following *ad hoc* questions explored the impact of the expanded asset purchase programme conducted by the ECB on banks' financial and capital positions, on additional liquidity, and on credit activity. The results suggest that, in the last six months, the expanded asset purchase programme was not translated to bank's total assets, nor to the other dimensions under analysis, namely liquidity position, market funding conditions, profitability, and capital. Nevertheless, two institutions reported positive impacts on market funding conditions of asset back securities, while other bank reported the same effect on the market of covered bonds. One institution also

reported a positive impact on total assets and on the respective liquidity position. Still on this topic, one bank signalled the negative impact of the programme on its net interest margin. For the next six months, most of the surveyed institutions do not expect sizeable changes, with the exception of market funding conditions, mainly on the market of covered bonds (expectations towards a slight improvement). Although in a scattered way, most institutions foresee a slight positive effect on some of the items in analysis, such as profitability, liquidity position, and total assets.

Concerning liquidity from the ECB's programme related to the sale of marketable assets, banks did not identify any impact. It should be mentioned that this result reflects a small perceived effect and, in the current context, it is also due to the low ability of banks to isolate the impact. Therefore, the additional liquidity was used, when relevant, as an alternative source to the interbank lending and to the Eurosystem liquidity operations. It was also applied towards credit granted to firms. In turn, regarding the liquidity related to an increase in enterprises and households' deposits, two of the participating institutions reported the acquisition of euro area marketable assets. For one of the banks, the additional liquidity allowed to the replacement of some debt instruments and credit activity. Regarding the following six months, the expectations indicate similar impacts to those reported for the last months.

Finally, none of the participating banks reported changes in the respective lending behaviour due to the ECB's expanded asset purchase programme, nor on the credit conditions adopted. In a forward looking analysis, for the next six months, banks do not expect changes either on credit standards nor on credit conditions, with the exception of one institution that foresees a slight easing of the credit conditions.

Concerning the impact of the ECB's negative deposit facility rate, the last *ad hoc* question in the survey, all banks reported a negative effect on the net interest margin, which was considerably high for four of them. Additionally, the negative rates contributed to a reduction in lending rates applied on loans to firms and to households for house purchase. A similar impact was reported by two

banks on lending rates on loans for consumption and other purposes. As far as spreads are concerned, only one institution pointed out a reduction of this component (in the three segments in analysis). On the other hand, according to one institution, the negative interest rate contributed to an increase of non-interest rate charges both in the segments of firms and households. Regarding credit amounts, in aggregate terms, the negative interest rates did not have any impact on lending volumes (even though some effects have been reported in some segments). For the following six months, institutions expect impacts similar to the ones reported for the most recent period.

Main results

Credit supply

Enterprises (overall)



Credit demand

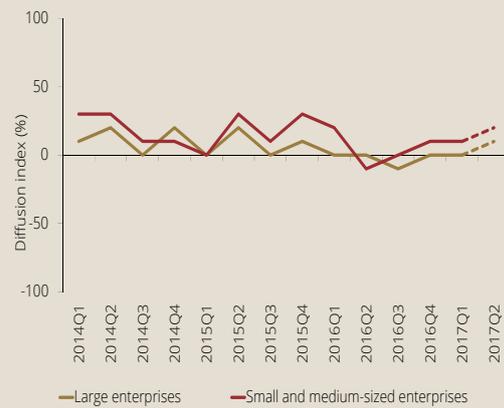
Enterprises (overall)



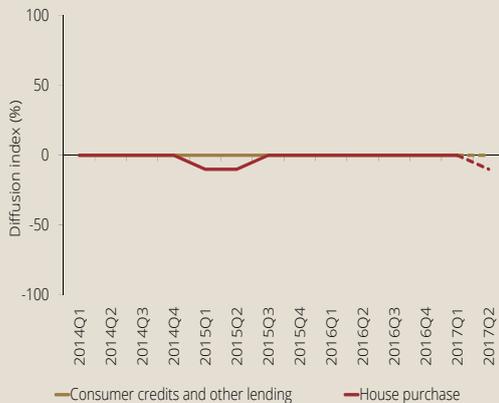
Enterprises



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 bank's expectations.

Annex^(a)

The following tables include the results for Portugal of the Bank Lending Surveys 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 0 corresponds to “remained basically unchanged”. For questions concerning supply, values of less than 0 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 0, the slighter it will be the change) while -100 stands for a considerable change in the sense of lower restrictiveness. In turn, values exceeding 0 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				1		
Remained basically unchanged		5	5	4	5	5
Eased somewhat						
Eased considerably						
Diffusion Index %	Apr.17	0	0	10	0	0
	Jan.17	0	0	10	0	0

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.17	Jan.17
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			4	1			-10	-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	0
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1			-10	0
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			1	4			10	10



	Impact on your bank's credit standards for loans to small and medium-sized enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Apr.17	Jan.17
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			4	1			-10	-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	0
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1			-10	0
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	10

	Impact on your bank's credit standards for loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Apr.17	Jan.17
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			4	1			-10	0
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1			-10	0
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	10

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.17	Jan.17
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			4	1			-10	-20
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges			4	1			-10	0
Size of the loan or credit line			5				0	-10
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

	Loans to small and medium-sized enterprises					Diffusion index %		
	--	-	°	+	++	N/A	Apr.17	Jan.17
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			4	1			-10	-20
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges			4	1			-10	0
Size of the loan or credit line			5				0	-10
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

	Loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Apr.17	Jan.17
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	-20
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges			5				0	0
Size of the loan or credit line			5				0	-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.17	Jan.17
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	-20
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	10

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Apr.17	Jan.17
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	0
b) Pressure from competition								
Pressure from competition			3	2			-20	-20
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	10

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Apr.17	Jan.17
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	10

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		
Diffusion Index %	Apr.17	10
	Jan.17	10

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		4	4	5	4	5
Increased somewhat		1	1		1	
Increased considerably						
Diffusion Index %	Apr.17	10	10	0	10	0
	Jan.17	10	10	0	10	0

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 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

		--	-	°	+	++	NA	Diffusion index %	
								Apr.17	Jan.17
a) Financing needs / underlying drivers on purpose of loan demands									
Fixed investment				3	2			20	0
Inventories and working capital				4	1			10	10
Mergers / acquisitions and corporate restructuring				5				0	0
General level of interest rates				4	1			10	0
Debt refinancing / restructuring and renegotiation				5				0	0
b) Use of alternative finance									
Internal financing				5				0	0
Loans from other banks				4	1			10	10
Loans from non-banks				5				0	0
Issuance of debt securities				5				0	0
Issuance 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				1		
Remained basically unchanged		5	5	4	5	5
Eased somewhat						
Eased considerably						
Diffusion Index %	Apr.17	0	0	10	0	0
	Jan.17	0	0	0	0	0

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		3	3	4	5	3
Increase somewhat		2	2	1		2
Increase considerably						
Diffusion Index %	Apr.17	20	20	10	0	20
	Jan.17	10	20	0	10	0

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		
Diffusion Index %	Apr.17	0
	Jan.17	0

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
- ° = 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

	--	-	°	+	++	N/A	Diffusion index %	
							Apr.17	Jan.17
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	0
b) Pressure from competition								
Competition from other banks			3	2			-20	-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.17	Jan.17
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	-20
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			5				0	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.17	Jan.17
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	0
b) Pressure from competition								
Pressure from competition			3	2			-20	-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.17	Jan.17
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			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.17	Jan.17
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.17	Jan.17
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	0
b) Pressure from competition								
Pressure from competition			3	2			-20	-20
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.17	Jan.17
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	-10
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	10

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.17	Jan.17
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.17	Jan.17
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.17	Jan.17
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		
Diffusion Index %	Apr.17	0
	Jan.17	10

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		
Remained basically unchanged	1	2
Increased somewhat	4	3
Increased considerably		
Diffusion Index %	Apr.17	30
	Jan.17	20

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.17	Jan.17
a) Financing needs / underlying drivers or purpose of loan demand								
Housing market prospects, including expected house price developments			4	1			10	20
Consumer confidence			2	3			30	20
General level of interest rates			3	2			20	10
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
- o = contributed to keeping demand basically unchanged
- + = contributed somewhat to higher demand
- ++ = contributed considerably to higher demand
- N/A = not applicable

	--	-	o	+	++	N/A	Diffusion index %	
							Apr.17	Jan.17
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			4	1			10	10
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 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		4	5
Ease somewhat		1	
Ease considerably			
Diffusion Index %	Apr.17	-10	0
	Jan.17	0	0

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			
Diffusion Index %	Apr.17	40	30
	Jan.17	20	20

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)		2	2	1				1	3	1		
Long-term (more than one year) deposits and other retail funding instruments		2	2	1				1	3	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)				5						4	1	
Medium to long term debt securities (incl. covered bonds)				3	2					4	1	
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				4		1

(1) Please also take into account any effect of state guarantees for 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				2	2
Moderately tighter than the midpoint of the range	5	5	5	3	3
Basically identical to the midpoint of the range					
Moderately looser than the midpoint of the range					
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					

(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	1	2	1	1
Basically identical to the midpoint of the range	1	1		1	1
Moderately looser than the midpoint of the range	2	2	2	3	3
Considerably looser than the midpoint of the range	1	1	1		
At the tightest level during this period					
Levels have remained constant during this period					
At the loosest level during this period					

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.

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				4	1			
b) Your bank's liquidity position												
Your bank's overall liquidity position			4	1				4	1			
owing to:												
sales of marketable assets			4	1				4	1			
an increase in deposits from enterprises ⁽²⁾ and households			5					5				
c) Your bank's market financing conditions												
Your bank's overall market financing conditions			4	1				2	3			
of which financing via:												
asset-backed securities			3	2				3	2			
covered bonds			4	1				2	3			
unsecured bank bonds			5					4	1			
equity issued			4			1		3				2
d) Your bank's profitability												
Your bank's overall profitability			5					3	2			
owing to:												
net interest margin ⁽³⁾		1	4					1	3	1		
capital gains / losses			5						5			
of which: capital gains / losses out of sales of marketable assets			5						5			
e) Your bank's capital position												
Your bank's capital ratio ⁽⁴⁾			5					4	1			
owing to capital release ⁽⁵⁾			5					5				
Your bank's leverage ratio ⁽⁶⁾			5					5				

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

(2) Enterprises are defined as non-financial corporations.

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

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

(5) That is, on account of the ABSPP.

(6) 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, for what purposes has your bank used the additional liquidity arising from the ECB's expanded asset purchase programme? And for what purposes will such liquidity be used over the next six months?

	Over the past six months				Over the next six months			
	Has contributed considerably to this purpose	Has contributed somewhat to this purpose	Has had basically no impact	N/A ⁽¹⁾	Will contribute considerably to this purpose	Will contribute somewhat to this purpose	Will basically have no impact	N/A ⁽¹⁾
a) Increased liquidity resulting from your bank's sales of marketable assets								
For refinancing:								
For substituting deposit shortfalls			2	3			2	3
For substituting maturing debt			2	3			2	3
For substituting interbank lending		1	1	3		1	1	3
For substituting other Eurosystem liquidity operations		1	1	3		1	1	3
For granting loans:								
Loans to enterprises		1	1	3		1	1	3
Loans to households for house purchase			2	3			2	3
Consumer credit and other lending to households			2	3			2	3
For purchasing assets:								
Euro area marketable assets, excluding sovereign bonds			2	3			2	3
Non-euro area marketable assets			2	3			2	3
b) Increased liquidity owing to an increase in customer deposits from enterprises ⁽²⁾ and households								
For refinancing:								
For substituting maturing debt			3	2			3	2
For substituting interbank lending		1	2	2		1	2	2
For substituting other Eurosystem liquidity operations		1	2	2		1	2	2
For granting loans:								
Loans to enterprises		1	2	2		1	2	2
Loans to households for house purchase		1	2	2		1	2	2
Consumer credit and other lending to households		1	2	2		1	2	2
For purchasing assets:								
Euro area marketable assets, excluding sovereign bonds		2	1	2		2	1	2
Non-euro area marketable assets			3	2			3	2

(1) Please use "N/A" only if you do not have any business / exposure in this category or if you did not have any additional liquidity.

(2) Enterprises are defined as non-financial corporations.

5. Over the past six months, how has the ECB's expanded asset purchase programme affected your bank's lending behaviour? And what will be its impact on lending behaviour over the next six months?

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

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

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

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

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

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				5					4		1	
For loans to households for house purchase				5					4		1	
For consumer credit and other lending to households				5					4		1	

(1) Please use "N/A" only if you do not have any business in this category.

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

6. 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⁾
a) Impact on your bank's net interest income												
Impact on your bank's net interest income ⁽³⁾	4	1					4	1				
b) Loans to enterprises												
Impact on your bank's lending rates	1	3	1				2	2	1			
Impact on your bank's loan margin ⁽⁴⁾		1	4				1		4			
Impact on your bank's non-interest rate charges			4	1					4	1		
Impact on your bank's lending volume			4	1					4	1		
c) Loans to households for house purchase												
Impact on your bank's lending rates	1	3	1				1	3	1			
Impact on your bank's loan margin ⁽⁴⁾		1	4					1	4			
Impact on your bank's non-interest rate charges			4	1					4	1		
Impact on your bank's lending volume			4	1					4	1		
d) Consumer credit and other lending to households												
Impact on your bank's lending rates		2	3				2	3				
Impact on your bank's loan margin ⁽⁴⁾		1	4				1	4				
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 use the category "N/A" only if you do not have any business in this 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.