

# BANK LENDING SURVEY



RESULTS FOR PORTUGAL

APR. 2020



BANCO DE  
PORTUGAL  
EUROSYSTEM



# Bank lending survey

Results for Portugal  
April 2020



**BANCO DE PORTUGAL**  
EUROSYSTEM

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# Presentation of the results

*The questionnaire for this round of the survey was sent to the banks on March 19 and the responses were received by April 3.*

In the first quarter of 2020, the Portuguese banks that participate in the survey reported that credit supply to firms and households remained broadly unchanged from the previous quarter. In the same period, demand for credit increased slightly for firms and decreased slightly for households. For the second quarter of the year, banks foresee tighter credit standards applied on loans to the non-financial private sector, especially to households. As regards loan demand, banks foresee a strong increase in the demand by firms and a strong contraction by households, in particular for house purchase.

## Supply

In the first quarter of 2020, credit standards and terms and conditions applied on loans to firms and households remained, in overall terms, broadly unchanged from the previous quarter (Chart 1). This stabilization was common to all credit segments: loans to SME and to large firms and loans for house purchase and consumer credit and other lending. For the second quarter of the year, banks foresee slightly tighter credit standards on loans to firms, in particular to large firms and long term loans. As regards households, credit standards are expected to become tighter in both types of credit.

## Demand

In the first quarter of 2020, demand for loans by firms, SME and large firms, increased slightly relative to the previous quarter, namely for long term loans. For households, demand for loans decreased slightly (Chart 2). Financing needs related to inventories and working capital may have contributed to the developments in firms' demand for loans. For the second quarter of the year, banks expect a strong increase in the demand for loans by firms, across different types of firms and loan maturities, in particular for short term loans. For households, in contrast, banks anticipate a strong contraction in the demand for loans, especially for house purchase.

*The complete set of the survey results is presented in the annex.*

# Ad hoc questions

*This section presents the results for a set of additional questions of non-permanent nature.*

## On retail and wholesale funding (Question 23 in the annex)

In the first quarter of 2020, banks' access to the market through the usual sources of retail and wholesale funding as well as their ability to transfer credit risk off balance sheet remained broadly unchanged compared to the previous quarter. Nonetheless, there was a slight deterioration in the market access conditions through medium to long-term debt securities and through securitisation of corporate loans. For the second quarter of the year, excluding funding through short-term deposits, banks anticipate a deterioration in access to market conditions, extensive to the usual sources of retail and wholesale funding, as well as on their ability to transfer risk off their balance sheet.

## On the ECB's asset purchase programmes (Questions 24 and 25 in the annex)

Banks reported that in the last six months the ECB's asset purchase programmes (the APP and the pandemic emergency purchase programme) contributed slightly to increase banks' total assets, namely euro area sovereign bonds, and to an improvement of banks' profitability derived from capital gains. For the next six months, banks anticipate an improvement in their overall liquidity position, capital ratio and profitability, even though answers on profitability were heterogeneous across banks. Additionally, banks reported that the programmes have had basically no impact in the last six months on credit standards and terms and conditions applied to loans as well as on lending volumes granted to firms and households. For the next six months, banks expect the programmes to contribute slightly to increase the volume of credit granted to non-financial private sector (see Box for a more comprehensive analysis of the responses of Portuguese and euro area banks to these ad hoc questions).

## On the impact of the ECB's negative deposit facility rate (Question 26 in the annex)

Banks reported that in the past six months the negative deposit facility rate had a negative impact on their net interest income and, consequently, on their overall profitability. Simultaneously, the level of the interest rate on this facility contributed to lowering banks' lending rates applied on both loans to firms and households and, to a less extent, deposits' interest rates of both firms and households. For households, banks also reported a negative impact in the volume of deposits. For the next six months, banks expect, in general, similar impacts to those reported for the previous six months. Banks foresee a slightly more marked decrease in their net interest income and, therefore, in their overall profitability.

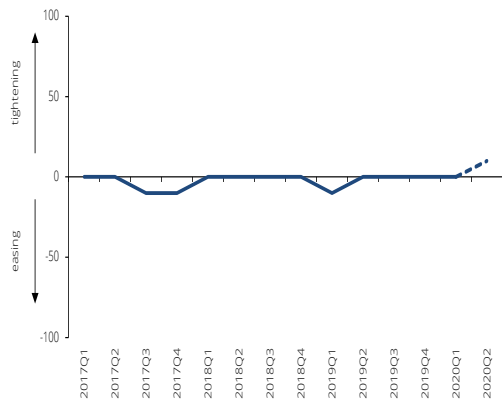
On the ECB's two-tier system for remunerating excess liquidity holdings, participating banks reported that in the last six months this system has contributed to improve their net interest income and liquidity position and, therefore, bank's profitability. In addition, they indicated that the two-tier system had no impact on both lending and deposit interest rates applied to firms and households. For the next six months, banks generally expect similar impacts to those reported for the previous six months.

### On the Eurosystem's third targeted longer-term refinancing operations – TLTRO III (Questions 27, 28 and 29 in the annex)

Two of the reporting banks participated in the targeted longer-term refinancing operations (TLTRO) III of March 2020 and four intend to participate in future TLTRO III operations. Banks that participated in the March operations identified the enhancement of the fulfilment of regulatory or supervisory requirements as the major reason underlying their participation, followed by the need to prevent future funding difficulties and, lastly, the attractive TLTRO conditions. Banks that intend to participate in future TLTRO III operations indicated these last two as the main reasons for their future participation. With regard to the purposes for which the liquidity provided by the TLTRO III was intended in the last six months, banks indicated mainly substitution for TLTRO II funding, as well granting loans to the private non-financial sector. For the next six months, banks envisage using liquidity mainly for the two mentioned purposes, but also as a substitute for interbank lending or for other Eurosystem liquidity operations and for the purchasing of domestic sovereign bonds. Banks reported that in the last six months TLTRO III contributed to improve their ability to fulfil regulatory or supervisory requirements. For the next six months, they foresee that their participation in these operations will contribute to improving their financial situation, namely the ability to fulfil regulatory or supervisory requirements, overall profitability and liquidity position, as well as increasing lending volumes to firms and households.

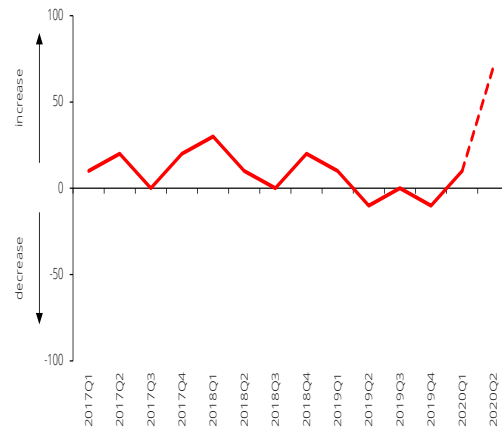
**Chart 1 • Credit supply | Diffusion index**

Enterprises (overall)

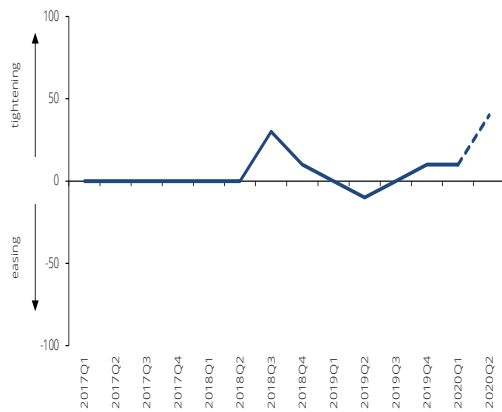


**Chart 2 • Credit demand | Diffusion index**

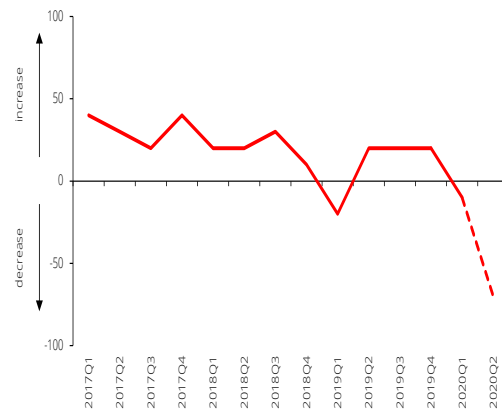
Enterprises (overall)



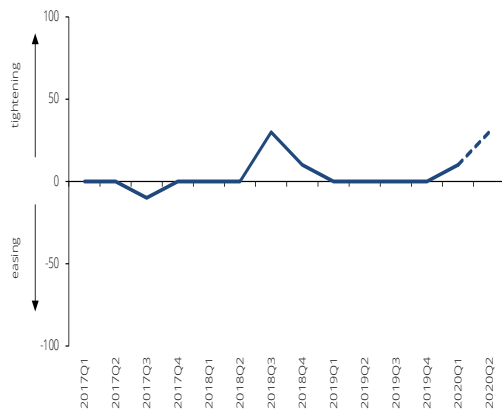
Households - House purchase



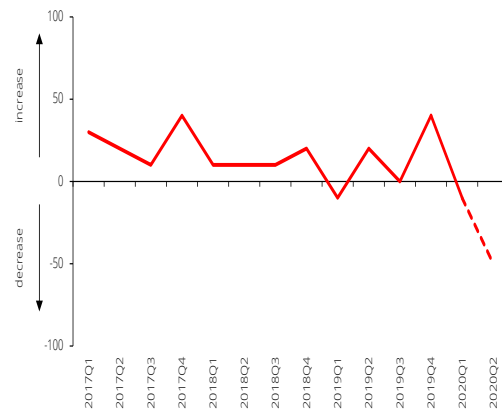
Households - House purchase



Households - Consumer credit and other lending



Households - Consumer credit and other lending



Notes: The credit supply corresponds to the lending standards replied by the banks. 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.



### Box • What is the impact of the ECB's asset purchase programmes on banks?

On the 12th of March 2020, the ECB announced a temporary envelope of additional net asset purchases of 120 billion euros added until the end of the year. On the 18th of March 2020, the ECB launched the Pandemic Emergency Purchase Programme (PEPP) to counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the impact of the coronavirus, COVID-19. This new program will have an overall envelope of 750 billion euros. Purchases will be conducted until the end of 2020 and will include all the asset categories eligible under the existing Asset Purchase Programme (APP). This box intends to discuss how these programmes impact the economy and, in particular, the impact that they have on banks, in their central role in the transmission of the monetary policy through its financial intermediation activity.

Since mid-2014, the ECB has an ongoing Asset Purchase Programme (APP) with the aim of maintaining an accommodative monetary policy stance. The APP includes four asset purchase programmes, the public sector purchase programme (PSPP) being the one that channels most of the funds. The ECB absorbs part of the duration risk through the purchase of public sector securities, which is associated with the excess yield investors demand for holding bonds with a longer residual maturity. This situation puts a downward pressure on longer-term maturities along the yield curve, which makes long-term borrowing more affordable. The purchase of these securities is only realized through the secondary market, which leads to a lower proportion of long-term securities available to private investors, inducing funds to be reallocated to other instruments (portfolio rebalancing) and to an increase in liquidity in most financial markets.<sup>1</sup> In addition to this effect, the APP also influences agents' expectations regarding the future evolution of short-term interest rates (signalling channel) and encourages banks to increase the supply of loans that can be securitised, leading consequently to lower bank lending rates (direct pass-through).<sup>2</sup>

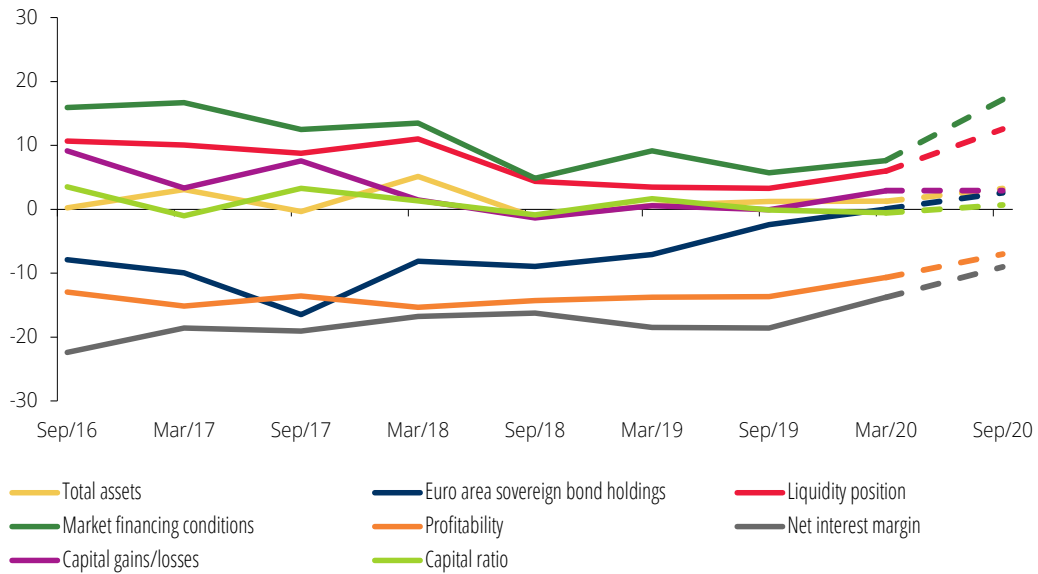
In the Bank Lending Survey, the euro area banks are asked about the impact of the APP has on the bank's financial position. As illustrated in chart C.1, the APP leads to an improvement in banks' market financing conditions and their overall liquidity position. The acquisition of public sector securities under the PSPP could justify the decrease in banks' sovereign bond holdings as a consequence of portfolio rebalancing. The decrease in this effect could be justified by the slowdown of the ECB net asset purchases. Also, the APP puts a downward pressure on the yield curve, which leads banks to report a decrease in profitability owing to a decrease in the net interest margin.

Financial institutions are intermediaries in the transmission of monetary policy, so it is important to understand how these measures affect the monetary and financial conditions of households and non-financial corporations. According to the reporting banks, the asset purchase programmes have generally contributed to an improvement of the terms and conditions applied on loans and to an increase in the lending volumes.

1. For further information regarding this topic, see Box 2 entitled "Euro area monetary policy: recent decisions and future prospects", Economic Bulletin, October 2018.

2. For further information regarding this topic, see Box 1 "Transmission channels for non-standard measures", ECB Economic Bulletin 2015, Issue 7.

**Chart C.1 • The impact of the asset purchase programmes on the Eurosystem banks | Diffusion index**



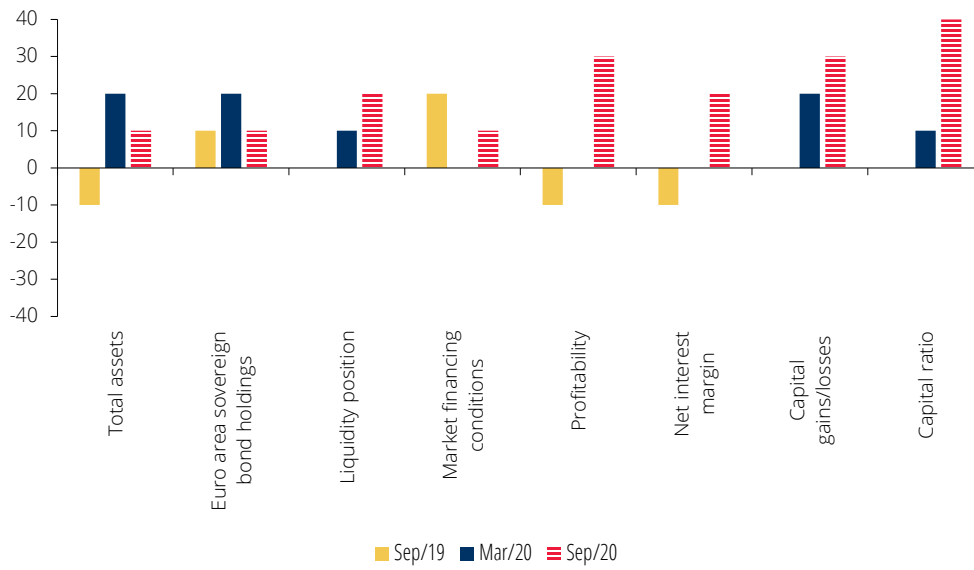
Source: ECB, Bank Lending Survey.

Notes: The diffusion index ranges between -100 and 100. Positive (negative) values indicate an increase/improvement (decrease/deterioration) of the corresponding factor, related to the impact of the ECB's asset purchase programmes in the last six months. Values for September 2020 correspond to banks' expectations as of March 2020 for the next six months.

Chart C.2 illustrates the APP's impact on the Portuguese banks included in the BLS sample during last year, as well as the expectations over the next six months of the recently announced measures. According to banks' responses to the survey, in the last six months the APP and PEPP<sup>3</sup> contributed to a slight increase in total assets, of which euro area sovereign bond holdings. According to the banks, the programmes also improved the market financing conditions and led to an increase in banks' profitability owing to capital gains. For the next six months, banks expect the programmes to have a positive impact on their profitability, both through net interest margin and capital gains. The majority of the banks also expect a positive impact on their capital ratio. Regarding the impact that the ECB's asset purchase programmes have on lending policies, banks expect a slight positive impact on lending volumes, for the next six months.

3. In the last six months, it should be noted that the PEPP only influenced the last days of March.

**Chart C.2 • The impact of the asset purchase programmes on the Portuguese banks | Diffusion index**



Source: ECB, Bank Lending Survey.

Notes: The diffusion index ranges between -100 and 100. Positive (negative) values indicate an increase/improvement (decrease/deterioration) of the corresponding factor, related to the impact of the ECB's asset purchase programmes in the last six months. Values for September 2020 correspond to banks' expectations as of March 2020 for the next six months.

# Annex<sup>1</sup>

The following tables include the results for Portugal of the Bank Lending Survey for the current exercise.

Questions 1 to 9 relate to loans or credit lines to non-financial enterprises and questions 10 to 22 to loans to households. In the case of enterprises a distinction is made between small and medium sized enterprises (SME) and large enterprises and between short-term loans and long-term loans. For households, a distinction between loans for house purchase and consumer credit and other lending is made.

In the survey, questions are asked about the developments on credit standards for approving loans, terms and conditions on new loans and loan demand, as well as the factors that may explain the changes that have occurred in each of these aspects. A question on the share of loan rejections to enterprises and households is also asked. Questions about past developments are expressed in terms of changes between the quarter of the survey and the immediately preceding quarter. Questions on expectations are expressed in terms of changes between the quarter of the survey and the immediately following quarter.

For each sector – enterprises and households – there are two types of tables. In the first type (questions 1, 5, 6, 8 to 10, 17, 18, 21 and 22), responses are shown along the columns and, in the second type (remaining questions), answers are presented along the rows. For all questions there are six possible answers. Five are related to the sign and intensity of the changes reported (either occurred or foreseen) and one covers the option of being not applicable (NA).

Each table presents the number of banks choosing each option and the diffusion index. This index is measured using a scale to aggregate individual responses, according to the sign and intensity of the responses. It varies from -100 to 100, where zero corresponds to “remained basically unchanged”. For questions concerning the supply, values of less (higher) than zero mean less (more) restrictive credit standards, terms and conditions or a contribution of the factors leading to a lower (higher) restrictiveness. In questions on demand, the same scale applies, where positive (negative) values of the diffusion index represent an increase (decrease) in demand for credit or a contribution of factors in the same direction.

Besides the standard questions, the survey may also include *ad hoc* questions which focus on situations of particular interest.

1. For clarification of terms and definitions used in the survey, see document “[BLS presentation and glossary](#)”.

## I • Loans or credit lines to enterprises

### 1 • Enterprises - Credit standards

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	5	5	5	5
Eased somewhat						
Eased considerably						
N/A*						
Diffusion Index %	Apr.20	0	0	0	0	0
	Jan.20	0	0	0	0	0

\*N/A = not applicable

### 2 • Enterprises - Credit standards - Factors

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.20	Jan.20
<b>a) Cost of funds and balance sheet constraints</b>								
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>b) Pressure from competition</b>								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
<b>c) Perception of risk</b>								
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
<b>d) Your bank's risk tolerance</b>								
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.20	Jan.20
<b>a) Cost of funds and balance sheet constraints</b>								
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			4	1			-10	0
<b>b) Pressure from competition</b>								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
<b>c) Perception of risk</b>								
General economic situation and outlook		1	4				10	0
Industry or firm-specific situation and outlook/borrower's creditworthiness		1	4				10	0
Risk related to the collateral demanded			5				0	0
<b>d) Your bank's risk tolerance</b>								
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.20	Jan.20
<b>a) Cost of funds and balance sheet constraints</b>								
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>b) Pressure from competition</b>								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
<b>c) Perception of risk</b>								
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
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0

### 3 • Enterprises - Terms and conditions

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

	Loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Apr.20	Jan.20
<b>a) Overall terms and conditions</b>								
Overall terms and conditions			4	1			-10	0
<b>b) Margins</b> ( <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	0
Your bank's loan margin on riskier loans			5				0	0
<b>c) Other conditions and terms</b>								
Non-interest rate charges			5				0	0
Size of the loan or credit line			5				0	0
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

#### 4 • Enterprises - Terms and conditions - Factors

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.20	Jan.20
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>b) Pressure from competition</b>								
Pressure from competition			4	1			-10	0
<b>c) Perception of risk</b>								
Perception of risk			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0



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

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

## 5 • Enterprises - Rejected applications

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.20	10
	Jan.20	0

\*N/A = not applicable

## 6 • Enterprises - Demand

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	3	3	4	3
Increased somewhat		1	2	2	1	2
Increased considerably						
N/A*						
Diffusion Index %	Apr.20	10	20	20	10	20
	Jan.20	-10	-10	-10	-10	-10

\*N/A = not applicable

## 7 • Enterprises - Demand - Factors

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

\*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

## 8 • Enterprises - Credit standards - Outlook

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						1
Tightened somewhat		2	2	3	2	1
Remained basically unchanged		2	2	1	2	2
Eased somewhat		1	1	1	1	1
Eased considerably						
N/A*						
Diffusion Index %	Apr.20	10	10	20	10	20
	Jan.20	0	0	0	0	0

\*N/A = not applicable

## 9 • Enterprises - Demand - Outlook

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						1
Remain basically unchanged			1			
Increase somewhat		3	2	4	2	3
Increase considerably		2	2	1	3	1
N/A*						
Diffusion Index %	Apr.20	70	60	60	80	40
	Jan.20	0	0	0	0	0

\*N/A = not applicable

## II • Loans to households

### 10 • Households - Credit standards

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		1	1
Remained basically unchanged		4	4
Eased somewhat			
Eased considerably			
N/A*			
Diffusion Index %	Apr.20	10	10
	Jan.20	10	0

\*N/A = not applicable

### 11 • Loans for house purchase - Credit standards - Factors

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.20	Jan.20
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>b) Pressure from competition</b>								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
<b>c) Perception of risk</b>								
General economic situation and outlook			5				0	0
Housing market prospects, including expected house price developments			5				0	0
Borrower's creditworthiness			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance		1	4				10	10
<b>e) Other factors*</b>								
			1					

\*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

## 12 • Loans for house purchase - Terms and conditions

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.20	Jan.20
<b>a) Overall terms and conditions</b>								
Overall terms and conditions		1	4				10	10
<b>b) Margins</b> (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	10
<b>c) Other terms and conditions</b>								
Collateral requirements			5				0	0
"Loan-to-value" ratio		1	4				10	10
Other loan size limits			5				0	0
Maturity			5				0	0
Non-interest rate charges			5				0	0

## 13 • Loans for house purchase - Terms and conditions - Factors

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.20	Jan.20
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>b) Pressure from competition</b>								
Pressure from competition			5				0	-10
<b>c) Perception of risk</b>								
Perception of risk		1	4				10	10
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance		1	4				10	10
<b>e) Other factors*</b>								
		1						

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

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

\*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

#### 14 • Consumer credit and other lending - Credit standards - Factors

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 %	
						Apr.20	Jan.20
<b>a) Cost of funds and balance sheet constraints</b>							
Cost of funds and balance sheet constraints			5			0	0
<b>b) Pressure from competition</b>							
Competition from other banks			5			0	0
Competition from non-banks			5			0	0
<b>c) Perception of risk</b>							
General economic situation and outlook			5			0	0
Creditworthiness of consumers			5			0	0
Risk on the collateral demanded			5			0	0
<b>d) Your bank's risk tolerance</b>							
Your bank's risk tolerance		1	4			10	10
<b>e) Other factors*</b>		1					

\*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

## 15 • Consumer credit and other lending - Terms and conditions

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.20	Jan.20
<b>a) Overall terms and conditions</b>								
Overall terms and conditions		1	4				10	10
<b>b) Margins</b> ( <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			5				0	0
Your bank's loan margin on riskier loans			5				0	0
<b>c) Other terms and conditions</b>								
Collateral requirements		1	4				10	10
Size of the loan			5				0	0
Maturity			5				0	0
Non-interest rate charges			5				0	0
<b>d) Other factors*</b>								
			1					

\*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

## 16 • Consumer credit and other lending - Terms and conditions - Factors

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.20	Jan.20
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>b) Pressure from competition</b>								
Pressure from competition			5				0	0
<b>c) Perception of risk</b>								
Perception of risk			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance		1	4				10	10
<b>e) Other factors*</b>								
		1	1					

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	°	+	++	N/A	Apr.20	Jan.20
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>b) Pressure from competition</b>								
Pressure from competition			5				0	0
<b>c) Perception of risk</b>								
Perception of risk			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0
<b>e) Other factors*</b>								
			2					

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	°	+	++	N/A	Apr.20	Jan.20
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>b) Pressure from competition</b>								
Pressure from competition			5				0	0
<b>c) Perception of risk</b>								
Perception of risk			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0
<b>e) Other factors*</b>								
			2					

\*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.



### 17 • Households - Rejected applications

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		1	
Remained basically unchanged	4	3	
Increased somewhat	1	1	
Increased considerably			
N/A*			
Diffusion Index %	Apr.20	10	0
	Jan.20	10	10

\*N/A = not applicable

### 18 • Households - Demand

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	1	
Decreased somewhat		2	
Remained basically unchanged	3	2	
Increased somewhat	1	1	
Increased considerably			
N/A*			
Diffusion Index %	Apr.20	-10	-10
	Jan.20	20	40

\*N/A = not applicable

## 19 • Loans for house purchase - Demand - Factors

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.20	Jan.20
<b>a) Financing needs/underlying drivers or purpose of loan demand</b>								
Housing market prospects, including expected house price developments		1	3	1			0	-10
Consumer confidence		2	2	1			-10	10
General level of interest rates		1	3	1			0	20
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>b) Use of alternative sources for housing finance (substitution effects)</b>								
Internal finance of house purchase out of savings/down payment (i.e. share financed via the household's own funds)		1	4				-10	-10
Loans from other banks			5				0	0
Other sources of external finance			5				0	0
<b>c) Other factors*</b>	1							

\*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

## 20 • Consumer credit and other lending - Demand - Factors

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.20	Jan.20
<b>a) Financing needs/underlying drivers or purpose of loan demand</b>								
Spending on durable consumer goods, such as cars, furniture, etc.			4	1			10	10
Consumer confidence		2	2	1			-10	20
General level of interest rates			4	1			10	20
Consumption expenditure financed through real-estate guaranteed loans ("mortgage equity withdrawal")			5				0	0
<b>b) Use of alternative finance</b>								
Internal finance out of savings			5				0	0
Loans from other banks		1	4				-10	0
Other sources of external finance			5				0	0
<b>c) Other factors*</b>	1							

\*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

## 21 • Households - Credit standards - Outlook

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		1	
Tighten somewhat		2	3
Remain basically unchanged		2	2
Ease somewhat			
Ease considerably			
N/A*			
Diffusion Index %	Apr.20	40	30
	Jan.20	0	0

\*N/A = not applicable

## 22 • Households - Demand - Outlook

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		2	2
Decrease somewhat		3	2
Remain basically unchanged			
Increase somewhat			1
Increase considerably			
N/A*			
Diffusion Index %	Apr.20	-70	-50
	Jan.20	0	0

\*N/A = not applicable

### 23 • Ad hoc question on retail and wholesale funding

As a result of the situation in financial markets<sup>(1)</sup>, 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
- ° = 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						
	--	-	°	+	++	N/A <sup>(2)</sup>	--	-	°	+	++	N/A <sup>(2)</sup>
<b>Retail funding</b>												
Short-term deposits (up to one year)			4	1				1	4			
Long-term (more than one year) deposits and other retail funding instruments			4	1			1	1	3			
<b>Inter-bank unsecured money market</b>												
Very short term money market (up to 1 week)			5				1	2	2			
Short-term money market (more than 1 week)			5				2	1	2			
<b>Wholesale debt securities<sup>(3)</sup></b>												
Short-term debt securities (e.g. certificates of deposit or commercial paper)			1	3		1		3	1			1
Medium to long term debt securities (incl. covered bonds)	1	1	2	1				4	1			
<b>Securitisation<sup>(4)</sup></b>												
Securitisation of corporate loans	1			3		1		3	1			1
Securitisation of loans for house purchase		1	3			1		3	1			1
<b>Ability to transfer credit risk off balance sheet<sup>(5)</sup></b>												
Ability to transfer credit risk off balance sheet			1	2	1	1		3	1			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.

**24 • Ad hoc question on the ECB's asset purchase programmes - Impact on the bank's financial position**

Over the past six months, has the ECB's asset purchase programmes (APP and PEPP) 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?

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

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

° = have had basically no impact / will have basically no impact

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

++ = have 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						
	--	-	°	+	++	N/A <sup>(1)</sup>	--	-	°	+	++	N/A <sup>(1)</sup>
<b>Your bank's total assets</b>												
Your bank's total assets (non-risk weighted volume)			3	2			1	3			1	
of which: euro area sovereign bond holdings			3	2			1	3			1	
<b>Your bank's cost of funds and balance sheet constraints</b>												
Your bank's overall liquidity position			4	1				3		2		
Your bank's overall market financing conditions	1		3	1			1	2		2		
<b>Your bank's profitability</b>												
Your bank's overall profitability		1	3	1			1	1	2		1	
owing to:												
net interest income <sup>(2)</sup>		1	3	1			1	2	1		1	
capital gains / losses			3	2				3	1		1	
<b>Your bank's capital position</b>												
Your bank's capital ratio <sup>(3)</sup>			4	1				2	2		1	

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

(2) 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.

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

## 25 • Ad hoc question on the ECB's asset purchase programmes - Impact on the bank's lending policy and lending volumes

Over the past six months, how has the ECB's asset purchase programmes (APP and PEPP) affected your bank's lending policy and lending volumes? And what will be the impact over the next six months?

-- = have 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

- = have 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

° = have 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

+ = have 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

++ = have 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 <sup>(1)</sup>	--	-	°	+	++	N/A <sup>(1)</sup>
<b>Credit standards</b>												
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		
<b>Terms and conditions</b>												
For loans to enterprises		1	4					1	2	2		
For loans to households for house purchase		1	4					1	2	2		
For consumer credit and other lending to households		1	4					1	2	2		
<b>Lending volumes</b>												
For loans to enterprises			5						3	2		
For loans to households for house purchase			5						3	2		
For consumer credit and other lending to households			5						3	2		

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

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

(i) Over the past six months, how has the ECB's negative deposit facility rate, either directly or indirectly<sup>(1)</sup>, affected your bank in the following areas? And what will be the impact over the next six months? Consider the overall impact, including the impact of the introduction of the ECB's two-tier system for remunerating excess liquidity holdings.

-- = 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 <sup>(2)</sup>	--	-	o	+	++	N/A <sup>(2)</sup>
<b>Your bank's profitability</b>												
Impact on your bank's overall profitability	1	3		1			2	2	1			
owing to:												
Impact on your bank's net interest income <sup>(3)</sup>	1	3		1			2	2	1			
<b>Loans to enterprises</b>												
Impact on your bank's lending rates	1	2	2				1	2	2			
Impact on your bank's loan margin <sup>(4)</sup>				5					5			
Impact on your bank's non-interest rate charges				4	1				5			
Impact on your bank's lending volume				5					5			
<b>Loans to households for house purchase</b>												
Impact on your bank's lending rates	1	1	3				1	2	2			
Impact on your bank's loan margin <sup>(4)</sup>				5					5			
Impact on your bank's non-interest rate charges				4	1				5			
Impact on your bank's lending volume				5					5			
<b>Consumer credit and other lending to households</b>												
Impact on your bank's lending rates	1	1	3				1	2	2			
Impact on your bank's loan margin <sup>(4)</sup>				5					5			
Impact on your bank's non-interest rate charges				4	1				5			
Impact on your bank's lending volume				5					5			
<b>Deposits held by enterprises</b>												
Impact on your bank's deposit rates		2	3					2	3			
Impact on your bank's non-interest rate charges on deposits				4	1				5			
Impact on your bank's volume of deposits		1	4					1	4			
<b>Deposits held by households</b>												
Impact on your bank's deposit rates		2	3					2	3			
Impact on your bank's non-interest rate charges on deposits				4	1				5			
Impact on your bank's volume of deposits		2	3					1	4			

(ii) Over the past six months, how has the ECB's two-tier system for remunerating excess liquidity holdings affected your bank in the following areas, compared with the situation in which no two-tier system would exist? And how it will affect over the next six months?

- = contributed/will contribute considerably to a decrease or contributed/will contribute considerably to a deterioration  
 - = contributed/will contribute somewhat to a decrease or contributed/will contribute somewhat to a deterioration  
 o = did not/will not have an impact  
 + = contributed/will contribute somewhat to an increase or contributed/will contribute somewhat to an improvement  
 ++ = contributed/will contribute considerably to an increase / contributed/will contribute considerably to an improvement  
 N/A= not applicable

	Over the past six months					Over the next six months						
	--	-	o	+	++	N/A <sup>(2)</sup>	--	-	o	+	++	N/A <sup>(2)</sup>
<b>Your bank's financial situation</b>												
Impact on your bank's overall profitability			1	4				1	4			
owing to:												
Impact on your bank's net interest income <sup>(3)</sup>			1	4				2	3			
Impact on your bank's liquidity position			3	2				3	2			
Impact on your bank's market financing conditions		1	3	1				1	4			
<b>Your bank's lending rates</b>												
Impact on your bank's lending rates for enterprises				5					5			
Impact on your bank's lending rates to households for house purchase				5					5			
Impact on your bank's lending rates for consumer credit and other lending to households				5					5			
<b>Your bank's deposit rates</b>												
Impact on your bank's interest rates on deposits held by enterprises				5					5			
Impact on your bank's interest rates on deposits held by households				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.



**27 • Ad hoc question on the Eurosystem's third targeted longer-term refinancing operations (TLTRO III) – Participation in the TLTRO III operations and reasons to participate**

(i) Did your bank participate in the most recent and next to last TLTRO III operations? And does your bank intend to participate in future TLTRO III operations?

	Yes	No	Currently undecided
In the most recent TLTRO III operation (March 2020)	2	3	-
In the next to last TLTRO III operation (December 2019)	-	-	-
In future TLTRO III operations	4	1	

(ii) Please rate the reasons for your bank's participation in each operation. And what will be the reasons in the future?

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

+ = has contributed somewhat to participation / will contribute somewhat to participation

++ = has contributed considerably to participation / will contribute considerably to participation

N/A = not applicable

	In the most recent TLTRO III operation			
	°	+	++	N/A <sup>(1)</sup>
<b>Your bank's reasons for participation</b>				
Attractive TLTRO conditions (profitability motive)	1		1	3
To reduce current and/or prevent future funding difficulties (precautionary motive)		1	1	3
To enhance the fulfilment of regulatory or supervisory requirements			2	3
	In future TLTRO III operations			
	°	+	++	N/A <sup>(2)</sup>
<b>Your bank's reasons for participation</b>				
Attractive TLTRO conditions (profitability motive)	1	1	2	1
To reduce current and/or prevent future funding difficulties (precautionary motive)		3	1	1
To enhance the fulfilment of regulatory or supervisory requirements	2		2	1

(1) Please select "N/A" (not applicable) only if you did not participate in the respective past TLTRO III operation.

(2) Please select "N/A" (not applicable) only if you have decided not to participate in any of the future TLTRO III operations.

## 28 • Ad hoc question on the Eurosystem's third targeted longer-term refinancing operations (TLTRO III) – Purposes of use of funds

Please indicate why your bank has used the TLTRO III liquidity over the past six months. And what will be the likely reasons for using it over the next six months?

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

+ = has contributed somewhat to this purpose / will contribute somewhat to this purpose

++ = has contributed considerably to this purpose / will contribute considerably to this purpose

N/A = not applicable

	Over the past six months			
	°	+	++	N/A <sup>(1)</sup>
<b>For refinancing</b>				
As a substitute for deposit shortfalls	1	1		3
As a substitute for maturing debt securities	2			3
As a substitute for interbank lending	1	1		3
As a substitute for TLTRO II funding			2	3
As a substitute for other Eurosystem liquidity operations <sup>(3)</sup>	1	1		3
<b>For granting loans, purchasing financial assets or holding liquidity</b>				
For granting loans to the non-financial private sector		2		3
For purchasing domestic sovereign bonds	2			3
For purchasing other financial assets <sup>(4)</sup>	2			3
For holding liquidity with the Eurosystem	1	1		3

	Over the next six months			
	°	+	++	N/A <sup>(2)</sup>
<b>For refinancing</b>				
As a substitute for deposit shortfalls	3	1		1
As a substitute for maturing debt securities	4			1
As a substitute for interbank lending	2	2		1
As a substitute for TLTRO II funding		1	3	1
As a substitute for other Eurosystem liquidity operations <sup>(3)</sup>	2	2		1
<b>For granting loans, purchasing financial assets or holding liquidity</b>				
For granting loans to the non-financial private sector		3	1	1
For purchasing domestic sovereign bonds	2	1	1	1
For purchasing other financial assets <sup>(4)</sup>	4			1
For holding liquidity with the Eurosystem	3	1		1

(1) Please select "N/A" (not applicable) only if you did not participate in any of the past TLTRO III operations or if you do not have any business in or exposure to this category.

(2) Please select "N/A" (not applicable) only if you have decided not to participate in any of the future TLTRO III operations or if you do not have any business in or exposure to this category.

(3) This excludes the replacement of the TLTRO II funds.

(4) "Other financial assets" refer to euro-denominated assets (other than domestic sovereign bonds) and non-euro denominated assets, including loans to other banks and other financial intermediaries.

**29 • Ad hoc question on the Eurosystem's third targeted longer-term refinancing operations (TLTRO III) – Impact on the bank's financial situation and on the respective lending policy and lending volumes**

Over the past six months, how have the Eurosystem's TLTRO III operations affected (either directly or indirectly) your bank's financial situation, lending policy and lending volumes? And what will be the impact over the next six months?

- = has contributed considerably to a deterioration, tightening or decrease / will contribute considerably to a deterioration, tightening or decrease
- = has contributed somewhat to a deterioration, tightening or decrease / will contribute somewhat to a deterioration, tightening or decrease
- ° = has had basically no impact / will have basically no impact
- + = has contributed somewhat to this purpose / will contribute somewhat to this purpose
- ++ = has contributed considerably to this purpose / will contribute considerably to this purpose
- N/A = not applicable

	Over the past six months					
	--	-	°	+	++	N/A <sup>(1)</sup>
<b>Impact on your bank's financial situation</b>						
Your bank's overall liquidity position			4			1
Your bank's overall market financing conditions		1	2	1		1
Your bank's overall profitability			4			1
Your bank's ability to fulfil regulatory or supervisory requirements			2	1	1	1
<b>Impact on your bank's credit standards</b>						
For loans to enterprises			4			1
For loans to households for house purchase			4			1
For consumer credit and other lending to households			4			1
<b>Impact on your bank's terms and conditions</b>						
For loans to enterprises			4			1
For loans to households for house purchase			4			1
For consumer credit and other lending to households			4			1
<b>Impact on your bank's lending volumes</b>						
For loans to enterprises			3	1		1
For loans to households for house purchase			3	1		1
For consumer credit and other lending to households			3	1		1
	Over the next six months					
	--	-	°	+	++	N/A <sup>(1)</sup>
<b>Impact on your bank's financial situation</b>						
Your bank's overall liquidity position			2	3		
Your bank's overall market financing conditions		1	4			
Your bank's overall profitability			3	2		
Your bank's ability to fulfil regulatory or supervisory requirements			3	1	1	
<b>Impact on your bank's credit standards</b>						
For loans to enterprises			5			
For loans to households for house purchase			5			
For consumer credit and other lending to households			5			
<b>Impact on your bank's terms and conditions</b>						
For loans to enterprises			4	1		
For loans to households for house purchase			4	1		
For consumer credit and other lending to households			4	1		
<b>Impact on your bank's lending volumes</b>						
For loans to enterprises			3	2		
For loans to households for house purchase			3	2		
For consumer credit and other lending to households			3	2		

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