



## BANK LENDING SURVEY | Results for Portugal | January 2017

### I. Overall assessment

According to the results of the January survey conducted on the five banking groups included in the Portuguese sample, credit standards applied to the non-financial private sector remained broadly stable in the last three months, in comparison with the previous quarter. Nevertheless, some institutions identified the pressure from competition as a factor contributing to an easing of credit standards. One institution also reported that a more favourable assessment of risks related to the housing market prospects, including expected house price developments, and the general economic situation contributed to an easing of credit standards applied on loans to households. By contrast, one institution reported its risk tolerance as a factor contributing to a tightening of credit standards applied on loans or credit lines to enterprises. Looking at the terms and conditions applied on credit, two banks reported a slight narrowing in spreads of average risk loans to enterprises and to households for house purchase and one bank reported a similar evolution in the case of loans for consumption and other purposes. For the first quarter of 2017, none of the surveyed banks foresee changes in the respective credit standards applied on credit to the non-financial private sector.

As far as demand is concerned, most of the participating institutions reported a stability in loan demand by firms in the last quarter of 2016. Only one institution reported a slight increase in the demand by firms citing as factors for this evolution higher financial needs related to inventories and working capital and the evolution of loans granted by other

financial institutions. In the households segment, most banks reported a slight increase in the demand. Three banks reported an increase in the demand for loans for house purchase and two banks in the demand for loans for consumption and other purposes. The improvement in consumer confidence, housing market prospects, as well as the general level of interest rates and the expenditure on durable consumer goods were the factors highlighted for this evolution. For the next quarter, most surveyed banks do not anticipate sizable changes to loan demand. In the case of firms, one bank expects a slight increase in the overall demand and two banks in the demand by SMEs. In the households segment, two institutions foresee a slight increase in loan demand both for house purchase and for consumption and other purposes.

### II. Presentation of the results

#### Supply

In the fourth quarter of 2016, the surveyed institutions did not report changes in the overall credit standards applied on loans or credit lines to enterprises. However, one institution indicated credit standards on loans to large enterprises were tightened somewhat. This institution pointed that its risk tolerance contributed somewhat to a tightening of credit standards to firms. By contrast, another institution indicated that the competition from other banks contributed to an easing of credit standards. Looking at terms and conditions, all participating

banks reported unchanged overall terms and conditions. Two banks reported a narrowing in spreads applied on average risk loans for firms and one bank reported an increase in the size of the loans or credit lines. These institutions indicated that the pressure from competition contributed to the easing of the terms and conditions.

Concerning households, according to the five participating banks credit standards remained broadly stable in the fourth quarter of 2016. However, some institutions identified pressure from competition, housing market prospects, including expected house price developments, and the general economic situation and outlook as factors contributing to an easing of standards. As far as terms and conditions are concerned, two banks reported a slight decline in the spreads of average risk loans for house purchase and one bank reported a similar evolution in the case of loans for consumption and other purposes.

Also in the fourth quarter, the share of rejected loans applications to firms and households increased somewhat according to one bank and remained broadly unchanged according to the remaining banks.

For the first quarter of 2017, the five banks do not expect changes in the credit standards applied on loans in the segments under analysis.

### Demand

According to the results of the survey, in the fourth quarter of 2016, the demand for loans or credit lines by firms remained broadly stable. Only one institution reported a slight increase in the segment of SMEs and in the short-term loans. For this evolution it has contributed the financing needs related with Inventories and working capital as well as the evolution of loans from other banks.

In the segment of households, three

institutions reported a slight increase in loan demand for house purchase and two institutions a slight increase in loan demand for consumption purpose and other loans. This behaviour was driven by an increase in consumers' confidence, by the more favourable housing market prospects, including expected house price developments, and, to a smaller extent, by the general level of interest rates and by a slight increase in expenditures on durable consumer goods.

For the following three months, one institution foresees a slight increase in the overall demand for loans or credit lines by enterprises, and two institutions foresee a slight increase in the demand by SMEs. In the households segment, three institutions anticipate an increase of demand for loans for house purchase and two institutions in the demand for consumption or other purposes.

### III. *Ad hoc* questions

In line with the previous surveys, the current survey includes some *ad hoc* questions which aim to assess the impact of specific and/or time-constrained events on bank funding conditions and on the credit policy. In this context, this survey includes a question related to the financing conditions in the retail and wholesale markets and two questions on the impact of the regulatory framework. This survey also includes three questions related to the targeted longer-term refinancing operations (TLTRO) conducted or to be conducted by the European Central Bank (ECB).

The first question assesses the impact of the situation in financial markets on banks' access to credit and their ability to transfer credit risk from the balance sheet. In general, banks reported a slight improvement in retail funding in the fourth quarter of 2016, namely through short-term deposits. Nevertheless, one institution reported a slight deterioration in the funding with long-term deposits and other retail instruments. For the remaining funding types as well as for the ability

to transfer credit risk from the balance sheet, most institutions do not report changes. Two institutions reported however a slight deterioration in the access to funding with medium to long term debt securities. For the first quarter of 2017, banks reported diversified expectations for retail financing, which in aggregate terms translates in an improvement of funding in short-term deposits and a stabilization of funding in long-term deposits and other retail instruments. For the remaining sources of funding most institutions do not expect changes in their market access.

The second set of questions intends to assess the impact of the capital requirements regulation set by the European Union on own funds, as well as other regulatory requirements related to capital, leverage or liquidity. Regarding the impact during the second half of 2016, there is a significant heterogeneity in banks' answers. Nevertheless, most of the institutions surveyed reported a decline in total assets and in risk-weighted assets and did not report effects on capital and funding conditions. For the first half of 2017, most institutions do not expect impacts of the new regulatory or supervisory measures on assets, financing conditions and capital, although some banks reported negative impacts on these aspects. In the opposite direction, three institutions anticipate a positive impact on capital issuance.

Also on this topic, participating banks did not report changes to credit standards applied on credit to the non-financial private sector due to changes in regulatory rules during the second half of 2016. For the next semester, one institution foresees a slight easing of the credit standards applied to SMEs, but the remaining banks do not anticipate changes. Regarding spreads on loans to the non-financial private sector, most banks did not report changes in the last semester and do not anticipate changes in the future.

The last *ad hoc* questions are related to the participation in the targeted longer-term refinancing operations (TLTRO) conducted or to be conducted by the ECB and aim to

understand the impact of these operations on banks' financial position as well as on credit policies. Only one of the surveyed banks participated in the last TLTRO and the main reason for this participation was the fulfilment of regulatory liquidity requirements. The absence of funding constraints and the concerns about insufficient loan demand or with the ratio of Eurosystem funding over assets were the reasons pointed by the other banks for not having participated. Looking forward, two banks intend to participate in future operations. The conditions applied on these operations and the fulfilment of regulatory liquidity requirements are the main reason behind their intention to participate. One bank does not intend to participate due to concerns about insufficient loan demand. The remaining two banks are currently undecided about their participation. Both institutions consider the main motive to participate to be the attractiveness of the TLTRO conditions, but one of them reported no funding constraints and the other one reported concerns about the ratio of Eurosystem funding over assets.

According to all banks, the funds obtained from the past TLTRO contributed considerably towards substituting other Eurosystem liquidity operations. Most banks also believe that past operations contributed to replace maturing debt and interbank lending. Additionally, these funds contributed positively to loans granted to firms, according to four banks, to household loans for consumption and other purposes, according to three banks, and to household loans for house purchase, according to two banks. Banks consider future operations will continue to contribute considerably to the substitute other Eurosystem liquidity operations. Some banks also anticipate other impacts on refinancing given that funds will be used to substitute interbank lending and maturing debt. As concerns the impact on assets, three banks anticipate a positive impact on loans to non-financial corporations, two banks anticipate a positive impact on loans to households for consumption, one bank on loans for house

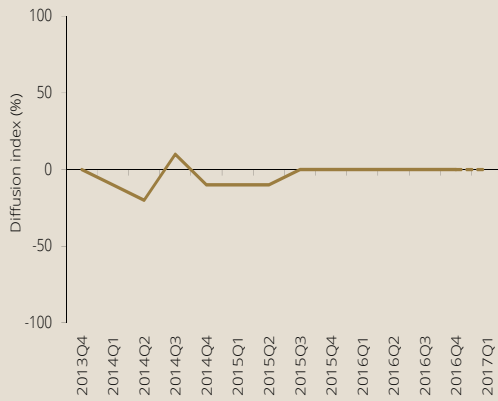
purchase and one bank considers it might use the funds to the purchase of sovereign debt or other financial assets.

Looking at the impact of past operations on banks financial situation, the majority of participating banks reported positive effects on profitability and on the liquidity position. One bank also considered these operations had a positive impacts on the capital position (via retained earnings). For future operations, banks anticipate, in general, similar impacts on their financial situation. As far as credit standards as well as loans terms and conditions are concerned, the majority of banks consider that past operations have contributed and that future operations will continue to contribute to an easing of credit standards and conditions on loans to firms. Two banks make a similar evaluation of the impact on loans to households.

# Main results

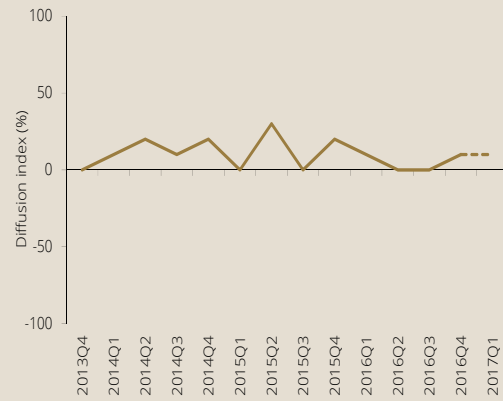
## Credit supply

Enterprises (overall)

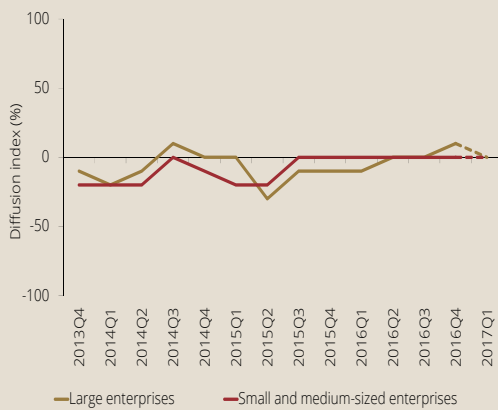


## Credit demand

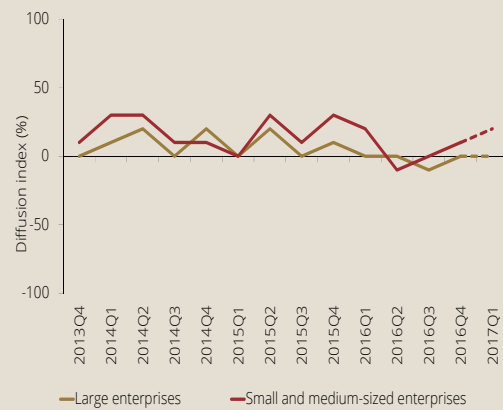
Enterprises (overall)



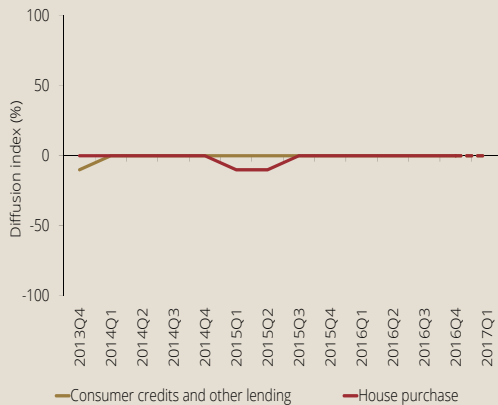
Enterprises



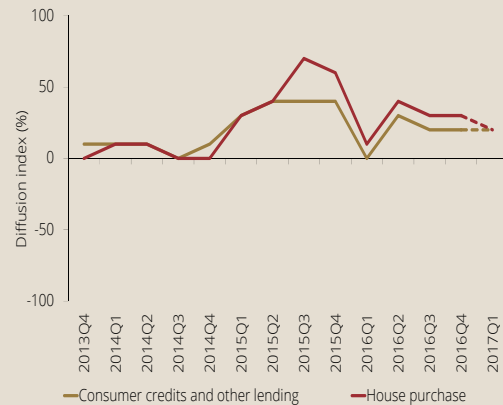
Enterprises



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<sup>(a)</sup>

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 zero corresponds to “remained basically unchanged”. For questions concerning supply, values of less than zero mean a loosening of the criteria or the impact of factors in the sense of lower restrictiveness.

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

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

## I • Loans or credit lines to enterprises

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

		Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Tightened considerably						
Tightened somewhat				1		
Remained basically unchanged		5	5	4	5	5
Eased somewhat						
Eased considerably						
Diffusion Index %	Jan.17	0	0	10	0	0
	Oct.16	0	0	0	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	Jan.17	Oct.16
<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			4	1			-10	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			1	4			10	0



	Impact on your bank's credit standards for loans to small and medium-sized enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Jan.17	Oct.16
<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			4	1			-10	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		1	4				10	0

	Impact on your bank's credit standards for loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Jan.17	Oct.16
<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		1	4				10	0



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

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

	Overall						Diffusion index %	
	--	-	°	+	++	N/A	Jan.17	Oct.16
<b>a) Overall terms and conditions</b>								
Overall terms and conditions			5				0	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			3	2			-20	-40
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			4	1			-10	-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	Jan.17	Oct.16
<b>a) Overall terms and conditions</b>								
Overall terms and conditions			5				0	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			3	2			-20	-40
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			4	1			-10	-10
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

	Loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Jan.17	Oct.16
<b>a) Overall terms and conditions</b>								
Overall terms and conditions			5				0	0
<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			3	2			-20	-30
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			4	1			-10	0
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	Jan.17	Oct.16
<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			3	2			-20	-40
<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	0

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Jan.17	Oct.16
<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			3	2			-20	-40
<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	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Jan.17	Oct.16
<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	0

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

	Share of rejected applications	
Decrease considerably		
Decrease somewhat		
Remain basically unchanged		4
Increase somewhat		1
Increase considerably		
Diffusion Index %	Jan.17	10
	Oct.16	0

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 %	Jan.17	10	10	0	10	0
	Oct.16	0	0	-10	-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 %	
							Jan.17	Oct.16
<b>a) Financing needs / underlying drivers on purpose of loan demands</b>								
Fixed investment				5			0	10
Inventories and working capital				4	1		10	10
Mergers / acquisitions and corporate restructuring				5			0	10
General level of interest rates				5			0	10
Debt refinancing / restructuring and renegotiation				5			0	0
<b>b) Use of alternative finance</b>								
Internal financing				5			0	0
Loans from other banks				4	1		10	0
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						
Remained basically unchanged		5	5	5	5	5
Eased somewhat						
Eased considerably						
Diffusion Index %	Jan.17	0	0	0	0	0
	Oct.16	0	0	10	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		4	3	5	4	5
Increase somewhat		1	2		1	
Increase considerably						
Diffusion Index %	Jan.17	10	20	0	10	0
	Oct.16	0	0	0	-10	-10

## 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 %	Jan.17	0	0
	Oct.16	0	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 %	
							Jan.17	Oct.16
<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			4	1			-10	-10
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			4	1			-10	-10
Borrower's creditworthiness			5				0	0
<b>d) Your bank's risk tolerance</b>								
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 %	
							Jan.17	Oct.16
<b>a) Overall terms and conditions</b>								
Overall terms and conditions			5				0	0
<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			3	2			-20	-20
Your bank's loan margin on riskier loans			5				0	0
<b>c) Other terms and conditions</b>								
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	Jan.17	Oct.16
<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	-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

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Jan.17	Oct.16
<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	-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

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Jan.17	Oct.16
<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

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	Jan.17	Oct.16
<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			3	2			-20	0
Competition from non-banks			4	1			-10	0
<b>c) Perception of risk</b>								
General economic situation and outlook			4	1			-10	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			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 %	
							Jan.17	Oct.16
<b>a) Overall terms and conditions</b>								
Overall terms and conditions			5				0	0
<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			4	1			-10	-10
Your bank's loan margin on riskier loans			5				0	0
<b>c) Other terms and conditions</b>								
Collateral requirements			5				0	0
Size of the loan			5				0	0
Maturity			5				0	0
Non-interest rate charges		1	4				10	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	Jan.17	Oct.16
<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	-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

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Jan.17	Oct.16
<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	-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

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Jan.17	Oct.16
<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

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	4	5
Increased somewhat	1	
Increased considerably		
Diffusion Index %	Jan.17	0
	Oct.16	0

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	2	3
Increased somewhat	3	2
Increased considerably		
Diffusion Index %	Jan.17	20
	Oct.16	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 %	
							Jan.17	Oct.16
<b>a) Financing needs / underlying drivers or purpose of loan demand</b>								
Housing market prospects, including expected house price developments			3	2			20	0
Consumer confidence			3	2			20	0
General level of interest rates			4	1			10	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>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)			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 %	
							Jan.17	Oct.16
<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			3	2			20	10
General level of interest rates			4	1			10	10
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			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		5		5
Ease somewhat				
Ease considerably				
Diffusion Index %	Jan.17	0		0
	Oct.16	-10		-10

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		3		3
Increase somewhat		2		2
Increase considerably				
Diffusion Index %	Jan.17	20		20
	Oct.16	30		20

**Ad hoc question on retail and wholesale funding <sup>(1)</sup>**

1. 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

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 <sup>(2)</sup>	--	-	o	+	++	N/A <sup>(2)</sup>
<b>a) Retail funding</b>												
Short-term deposits (up to one year)			2	3			1	1	3			
Long-term (more than one year) deposits and other retail funding instruments		1	2	2			2	1	2			
<b>b) Inter-bank unsecured money market</b>												
Very short term money market (up to 1 week)			5					4	1			
Short-term money market (more than 1 week)		1	4					5				
<b>c) Wholesale debt securities <sup>(3)</sup></b>												
Short-term debt securities (e.g. certificates of deposit or commercial paper)			4	1				5				
Medium to long term debt securities (incl. covered bonds)		2	3					4	1			
<b>d) Securitisation <sup>(4)</sup></b>												
Securitisation of corporate loans		1	3	1				5				
Securitisation of loans for house purchase			5					5				
<b>e) Ability to transfer credit risk off balance sheet <sup>(5)</sup></b>												
Ability to transfer credit risk off balance sheet		1	3			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 questions on the impact of the Capital Requirements Regulation / Capital Requirements Directive IV (CRR/CRD IV) and other specific regulatory or supervisory actions relating to capital, leverage or liquidity requirements

These questions address the extent to which the new regulatory capital requirements set out in the CRR/CRD IV, as well as other specific regulatory or supervisory actions relating to capital, leverage or liquidity requirements(\*), have impacted, or will impact, on your lending policies (via the actions taken to adjust your bank's capital, leverage or liquidity position and the potential impact on funding conditions).

2. In connection with the new regulatory or supervisory actions, has your bank:

- increased / decreased total assets
- increased / decreased risk-weighted assets
- increased / decreased its capital position
- experienced an easing / tightening of its funding conditions

over the past six months, and / or does it intend to do so over the next six months?

-- = decreased / will decrease considerably; experienced / will experience a considerable tightening of funding conditions

- = decreased / will decrease somewhat; experienced / will experience a moderate tightening of funding conditions

° = remained / will remain basically unchanged

+ = increased / will increase somewhat; experienced / will experience a moderate easing of funding conditions

++ = increased / will increase considerably; experienced / will experience a considerable easing of funding conditions

N/A=Not applicable

	Over the past six months						Over the next six months					
	--	-	°	+	++	N/A	--	-	°	+	++	N/A
<b>Total assets</b>		3	1	1				2	3			
Of which: Liquid assets <sup>(1)</sup>		2	2	1				1	4			
<b>Risk-weighted assets</b>		3	2					1	4			
Of which: Average loans		3	2					1	4			
Riskier loans		2	3					1	4			
<b>Capital</b>		2	3					1	3	1		
Of which: Retained earnings		1	3			1		1	3			1
Capital issuance <sup>(2)</sup>			3	1		1			2	3		
<b>Impact on your bank's funding conditions</b>		1	4					1	4			

(\*) Please consider the regulatory requirements set out in the CRR/CRD IV, as adopted by the European Parliament in April 2013, which can be found at <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0114+0+DOC+XML+V0//EN> and <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0115+0+DOC+XML+V0//EN&language=EN>, as well as the requirements resulting from the comprehensive assessment to be conducted by the ECB and the participating national competent authorities in accordance with the provisions of the Regulation on the single supervisory mechanism, or those resulting from any other specific regulatory or supervisory actions that have recently been approved / implemented or that are expected to be approved / implemented in the near future.

(1) Liquid assets should be defined as freely transferable assets that can be converted quickly into cash in private markets within a short time frame and without significant loss in value, in line with the European Commission Delegated Act of 10.10.2014 to supplement Regulation (EU) 575/2013 with regard to liquidity coverage requirement for Credit Institutions (C (2014) 7232 final).

(2) Capital issuance includes the issuance of shares and hybrid instruments, as well as capital injections by, inter alia, national or supra-national public authorities.

3. Have any adjustments been made, or will any be made, to your bank's credit standards / margins for loans over the past / next six months, owing to the new regulatory or supervisory actions(\*)?

-- = credit standards / margins have been tightened / will be tightened considerably

- = credit standards / margins have been tightened / will be tightened somewhat

° = the requirements have basically not had / will not have any impact on credit standards / margins

+ = credit standards / margins have been eased / will be eased somewhat

++ = credit standards / margins have been eased / will be eased considerably

#### a) Credit standards

		Loans and credit lines to enterprises		Loans to households	
		Small and medium-sized enterprises	Large enterprises	For house purchase	Consumer credit and other lending
Over the past six months	--				
	-				
	°	5	5	5	5
	+				
	++				
Over the next six months	--				
	-				
	°	4	5	5	5
	+	1			
	++				

#### b) Credit margins

		Loans and credit lines to enterprises		Loans to households	
		Small and medium-sized enterprises	Large enterprises	For house purchase	Consumer credit and other lending
Over the past six months	--				
	-			1	
	°	5	5	4	4
	+				1
	++				
Over the next six months	--				
	-				
	°	4	5	5	5
	+	1			
	++				

(\*) Please consider the regulatory requirements set out in the CRR/CRD IV, as adopted by the European Parliament in April 2013, which can be found at <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0114+0+DOC+XML+V0//EN> and <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0115+0+DOC+XML+V0//EN&language=EN>, as well as the requirements resulting from the comprehensive assessment conducted by the ECB and the participating national competent authorities in accordance with the provisions of the Regulation on the single supervisory mechanism, or those resulting from any other specific regulatory or supervisory actions that have recently been approved / implemented or that are expected to be approved / implemented in the near future.

### Ad hoc questions on the targeted longer-term refinancing operations (TLTROs).

These *ad hoc* questions are aimed at gauging the impact of the targeted longer-term refinancing operations (TLTROs) conducted by the Eurosystem between September 2014 and June 2016 as well as the TLTRO II operations conducted between June 2016 and March 2017.

Please answer all questions, even if you did not participate past LTROs and have not yet decided whether to participate in the future LTROs.

For questions 5 and 6; please use the category "N/A" in the left-hand panel only if you did not participate in any of the past TLTROs. In addition, please use the category "N/A" in the right-hand panel only if you have decided not to participate in any future TLTROs or if you do not have any business / exposure in this category.

Please consider yourself as having participated (or assume that you will participate) if you have received (or receive) funds under the conditions set by the ECB, even if indirectly via participation in a TLTRO group.

4. Did your bank participate in the most recent TLTRO? And does your bank intend to participate in the future TLTROs? Please explain the reasons behind your decisions.

#### a) Participation

	Yes	No	Currently undecided about participation
In the most recent TLTRO (please refer to TLTRO II)	1	4	
In the future TLTROs	2	1	2

#### b) Reasons

Please choose the category which applies most:

If your bank participated or intends to participate (even if still uncertain):

	Attractive TLTRO conditions (profitability motive)	Precautionary motive (to reduce current and/or prevent future funding difficulties)	To enhance the fulfilment of regulatory liquidity requirements <sup>(1)</sup>	Reduction of uncertainty regarding the fulfilment of regulatory requirements <sup>(2)</sup>
In the most recent TLTRO (please refer to TLTRO II)			1	
In the future TLTROs	3		1	

If your bank did not participate or does not intend to participate (even if still uncertain):

	No funding constraints or comfortable liquidity position	Concerns about insufficient loan demand <sup>(3)</sup>	Funding mix considerations	Collateral constraints	Concerns about market stigma	Cost of holding liquidity due to negative ECB deposit facility rate	Less attractive TLTRO conditions compared with market funding conditions
In the most recent TLTRO (please refer to TLTRO II)	2	1					
In the future TLTROs	1	1					

(1) The long-term TLTRO funds may enhance the fulfilment of the net stable funding ratio.

(2) Following the comprehensive assessment.

(3) This includes concerns about the fulfilment of the required TLTRO net lending benchmark.



5. For which purposes did or will your bank use funds obtained from the past TLTROs? For which purposes does your bank intend to use funds obtained from future TLTROs?

	Past TLTROs			Future TLTROs				
	Have contributed or will contribute considerably to this purpose	Have contributed or will contribute somewhat to this purpose	Have had or will have basically no impact	N/A <sup>(1)</sup>	Will or would increase considerably	Will or would contribute somewhat to this purpose	Will or would basically have no impact	N/A <sup>(2)</sup>
<b>For refinancing</b>								
For substituting deposit shortfalls			5				4	1
For substituting maturing debt		4	1			2	2	1
For substituting interbank lending		3	2			2	2	1
For substituting other Eurosystem liquidity operations <sup>(3)</sup>	5				3		1	1
<b>For granting loans</b>								
Loans to non-financial corporations		4	1		1	2	1	1
Loans to households for house purchase		2	3			1	3	1
Consumer credit and other lending to households		3	2			2	2	1
<b>For purchasing assets</b>								
Domestic sovereign bonds			5			1	3	1
Other financial assets <sup>(4)</sup>			5			1	3	1

(1) Please use the category "N/A" only if you did not participate in the initial September and December 2014 TLTROs or if you do not have any business / exposure in this category.

(2) Please use the category "N/A" only if you have decided not to participate in the additional TLTROs or if you do not have any business / exposure in this category.

(3) This includes the replacement of the three-year LTRO 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.

6. Did or will the past TLTROs improve your financial situation in the following areas and did or will this have an impact on your lending behaviour? Will the future TLTROs improve your financial situation in the following areas and, if so will this have an impact on your lending behaviour?

a) Financial situation of your bank

	Past TLTROs			N/A <sup>(1)</sup>	Future TLTROs			N/A <sup>(2)</sup>
	Have improved or will improve considerably	Have improved or will improve somewhat	Have had or will have basically no impact		Will or would increase considerably	Will or would improve somewhat	Will or would basically have no impact	
Your liquidity position		3	2			3	1	1
Your market financing conditions		1	4			1	3	1
Your ability to improve your profitability	1	3	1		1	2	1	1
Your ability to improve your capital position (via retained earnings)		1	4			1	3	1
	Have decreased or will decrease considerably	Have decreased or will decrease somewhat	Have had or will have basically no impact	N/A <sup>(1)</sup>	Will or would decrease considerably	Will or would decrease somewhat	Will or would basically have no impact	N/A <sup>(2)</sup>
Your need to deleverage <sup>(3)</sup>			5				4	1

## b) Impact on your bank's credit standards and terms and conditions

	Past TLTROs			Future TLTROs			N/A <sup>(2)</sup>
	Have contributed or will contribute considerably to easing credit standards / terms and conditions	Have contributed or will contribute somewhat to easing credit standards / terms and conditions	Have had or will have basically no impact on credit standards / terms and conditions	Will or would contribute considerably to easing credit standards / terms and conditions	Will or would contribute somewhat to easing credit standards / terms and conditions	Will or would have basically no impact on credit standards / terms and conditions	
<b>Credit standards</b>							
On loans to enterprises		3	2		3	1	1
On loans to households for house purchase		2	3		2	2	1
On consumer credit and other lending to households		2	3		2	2	1
<b>Terms and conditions</b>							
On loans to enterprises		4	1		4		1
On loans to households for house purchase		2	3		2	2	1
On consumer credit and other lending to households		2	3		2	2	1

(1) Please use the category "N/A" only if you did not participate in the most recent TLTROs or if you do not have any business / exposure in this category.

(2) Please use the category "N/A" only if you have decided not to participate in the additional TLTROs or if you do not have any business / exposure in this category.

(3) A decrease in your need to deleverage should be understood as a mitigation of pressures to reduce your asset side on account of funding or capital constraints.