



**BANCO DE PORTUGAL**  
EUROSISTEMA

## BANK LENDING SURVEY | Results for Portugal | January 2018

### I. Overall assessment

According to the results of the January 2018 survey to the five banks included in the Portuguese sample, credit standards applied on loans to firms and households remained broadly stable in the last quarter of 2017, as compared with the former quarter. Even so, one bank reported a slight easing of credit standards, in particular on loans to small and medium sized firms (SME) and on short-term loans. Competitive pressures and a more favourable assessment of risks related to the general economic situation and outlook and to the housing market prospects were considered by this institution as contributing to less restrictive credit standards.

As regards credit demand by firms, most banks did not report any relevant changes in the fourth quarter of 2017. Nevertheless, two institutions indicated a slight increase in the demand for loans by firms, especially by the SME and for long-term loans. Both institutions pointed the financing needs for fixed and for inventories and working capital, as drivers for a higher demand for credit. As regards households, banks reported a slight increase in the demand for credit in the last quarter of the year, for house purchase and for consumption and other purposes. They pointed the improvement in consumer confidence as the main factor underlying this increase. The general level of interest rates was also considered as an important factor contributing to the increase in demand in the house purchase segment.

For the first quarter of 2018, the overall surveyed institutions do not anticipate adjustments in credit standards applied on loans to firms and households. For the same

period, the majority of banks do not foresee significant changes in the demand for loans by firms, whereas in the case of households, four institutions anticipate a slight increase in the demand for loans in both segments.

### II. Presentation of the results

#### Supply

In the fourth quarter of 2017, credit standards applied on loans or credit lines to firms remained broadly similar to those observed in the previous quarter. Even so, one bank reported a slight easing of credit standards, namely to the SME and on short-term loans. The competitive pressures from other banks and a more favourable assessment of risks, related both to the economic situation and outlook and to industry or firm-specific situations, were signalled by this bank as contributing to a less restrictive credit policy, in particular in the SME segment.

Regarding terms and conditions applied on loans to firms, most institutions did not record relevant adjustments. However, one institution reported a slight increase in overall terms and conditions, and also on non-interest rate charges. On the contrary, another institution indicated a slight easing on its overall terms and conditions and also a slight decrease in the spreads applied on average risk loans, namely to the SME. This institution also reported a slight increase in the size of loans or credit lines, both for SME and large firms. The pressures from competition, which led to a slight decrease in the

spreads, both in average and higher risk loans, favoured the adoption of slightly less restrictive terms and conditions by this institution.

In the last quarter of 2017, four banks indicated that the share of firms' loan applications that were completely rejected remained unchanged, whereas one bank indicated a slight increase in the ratio.

In the segment of households and in the last quarter of 2017, all participating institutions reported basically unchanged credit standards applied on loans, as compared with the former quarter. Despite the relative stability of the applied criteria, one bank reported that pressures from competition from other banks and more favourable housing market prospects, including expected house price developments, have contributed somewhat to the easing of credit standards in the case of loans for house purchase. Also, in the case of loans for consumption and other purposes, one bank reported that pressures from competition, either from other banks or from non-banks, as well as a more favourable general economic situation and outlook, contributed to less restrictive credit standards.

In the last quarter of 2017, the five participating institutions reported terms and conditions applied on loans to households basically unchanged. Even so, on loans for house purchase, two institutions indicated a slight decline in the spreads applied on medium-risk loans due to competition pressures. A similar development was reported by one bank for consumption and other purposes loans.

With regard to the share of loans applications that were completely rejected, in the households' credit segments, no changes were reported, in line with the remaining quarters of the year.

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

## Demand

According to the survey results, in the last quarter of 2017 most institutions reported basically unchanged demand for loans or credit lines by firms, as compared with the former quarter. Nevertheless, two banks reported a slight increase in demand, in particular, by the SME and for long-term loans. One of the banks also signalled a slight increase in credit demand by large firms and for short-term loans. Underlying the increase in demand, two institutions pointed as factors the increase in the financing needs related both with fixed investment and with inventories and working capital. One of the institutions indicated as well the general level of interest rates and a lesser use of alternative financing as contributing to a slight increase in credit demand by firms in this quarter.

In the households segment, three banks reported a slight increase in the demand for loans in the last quarter of 2017, both for house purchase and for consumption and other purposes. A similar development was reported by one bank just for house purchase loans, and by another bank just for consumption and other purposes loans. The improvement in consumer confidence and the general level of interest rates were considered by the majority of institutions as contributing slightly to an increase in the demand for house purchase loans. In this segment, better housing market prospects, including expected house price developments, was also considered by one bank as contributing to a higher demand. In the segment for consumption and other purposes loans, the improvement in consumer confidence was considered by two

institutions as contributing somewhat to a higher demand, one of which also signalled the financing needs to satisfy consumer durables expenses.

For the first quarter of 2018, most banks foresee that credit demand by firms will remain basically unchanged. Even so, one bank expects a slight increase in the demand by firms, in the first three months of 2018, while another bank expects the same but only for the SME. Regarding the households, for the same period, most banks foresee a slight increase in the demand for loans, both for house purchase and for consumption and other purposes. Only one bank foresees credit demand by households to remain basically unchanged.

### III. *Ad hoc* questions

In line with previous surveys, this survey includes a set of *ad hoc* questions aimed at assessing the development of banks' financing and lending conditions following specific or time-based events. In particular, this survey included an *ad hoc* question on market access for retail and wholesale financing and two questions on the impact of new regulatory or supervisory measures relating to capital, leverage, liquidity or provisioning on the banks' lending policies.

The first *ad hoc* question assesses the impact of the situation of the financial markets on banks' access to finance and their ability to transfer credit risk off the balance sheet. In general, banks reported stable funding conditions in the fourth quarter of 2017. Even so, two banks reported a slight improvement in retail financing, one of which reported a considerable improvement, while the other indicated a slight improvement. Two institutions signalled a slight improvement in financing conditions through medium and long-term debt securities, one of which also indicated an improved ability to transfer credit risk off the balance sheet. For the first quarter of 2018, in overall terms, banks expect similar

impacts as those for the last quarter of 2017. Nevertheless, most institutions foresee a slight improvement in financing conditions through medium to long term debt securities. Additionally, one bank anticipates a slight improvement in the ability to securitize loans to firms and for house purchase, while another, on the contrary, expects a slight deterioration in its long-term retail funding conditions.

The second and third *ad hoc* questions address the extent to which the new regulatory or supervisory measures, that have recently been approved or that are expected to be approved in the near future, relating to capital, leverage, liquidity or provisioning have impacted, or will impact, on the lending policies of the institutions. Overall, regarding the second half of 2017, banks reported that total assets, equity and financing conditions remained relatively stable, although some institutions have indicated a few negative or positive impacts in certain items. One institution indicated that, in the last six months, total assets and risk-weighted assets, in particular, riskier loans, decreased considerably due to the new measures. The same institution also reported a substantial reduction in its own funds related to undistributed profits, but, on the other hand, signalled a positive impact on equity capital due to the issuance of capital. On the contrary, one bank indicated that the new regulatory or supervisory measures contributed to increase considerably risk-weighted assets. For the first semester of 2018, in overall terms, banks' expectations are in line with the recent past, although the impacts foreseen are more mitigated than the ones recorded in the last six months.

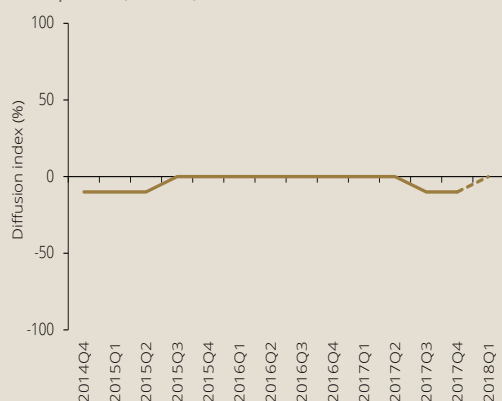
In the same topic, banks reported that, in the last six months, the loan approval criteria did not change significantly due to the new regulatory or supervisory measures. For the next six months, one institution anticipates a slight increase in the tightening of lending criteria to households, due to the new measures, while another institution anticipates that the

tightening of lending criteria to this sector will be considerable. The remaining banks do not foresee changes. Regarding spreads applied to firm and household loans in the second semester of 2017, the trend was also stable, with one institution reporting a slight increase in spreads for house purchase loans, while another institution indicated a slight decrease in spreads for consumption and other purposes loans, due to the new regulatory or supervisory measures. For the first semester of 2018, in this context, banks do not anticipate significant changes in spreads applied on loans to firms and households. Only one bank foresees a slight reduction of spreads applied on loans for house purchase.

# Main results

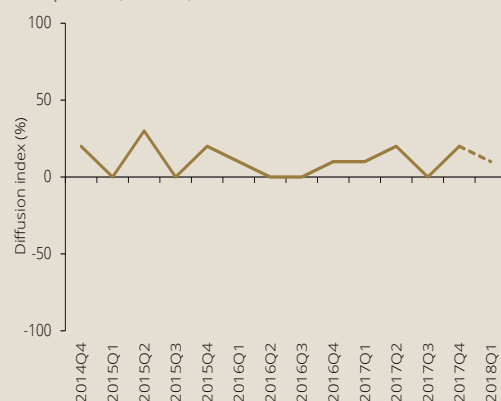
## Credit supply

### Enterprises (overall)

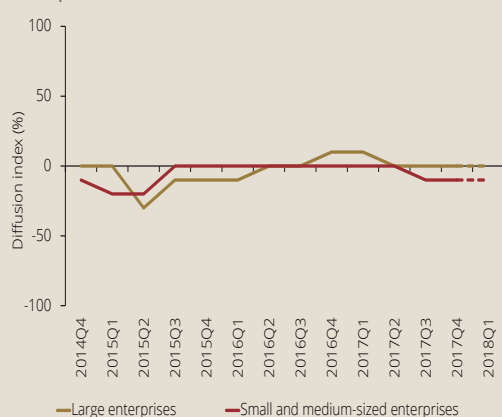


## Credit demand

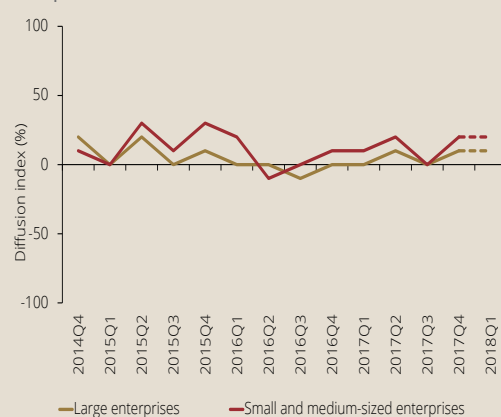
### Enterprises (overall)



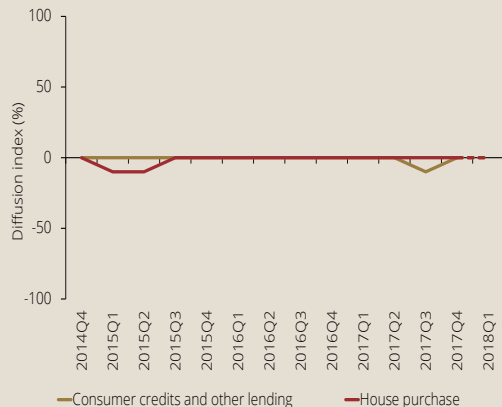
### Enterprises



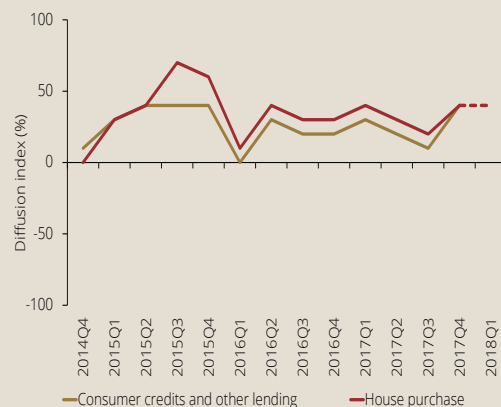
### Enterprises



### Households



### Households



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

## Annex<sup>(a)</sup>

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

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

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

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

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

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

## I • Loans or credit lines to enterprises

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

		Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Tightened considerably						
Tightened somewhat						
Remained basically unchanged		4	4	5	4	5
Eased somewhat		1	1		1	
Eased considerably						
Diffusion Index %	Jan.18	-10	-10	0	-10	0
	Oct.17	-10	-10	0	-10	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.18	Oct.17
<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	-10
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			4	1				-10	-10
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1				-10	-10
Risk related to the collateral demanded			5					0	0
<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	Jan.18	Oct.17
<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	-10
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			4	1			-10	-10
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1			-10	-10
Risk related to the collateral demanded			5				0	0
<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	Jan.18	Oct.17
<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. 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.18	Oct.17
<b>a) Overall terms and conditions</b>								
Overall terms and conditions		1	3	1			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			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		1	4				10	10
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

	Loans to small and medium-sized enterprises						Diffusion index %	
	--	-	°	+	++	N/A	Jan.18	Oct.17
<b>a) Overall terms and conditions</b>								
Overall terms and conditions		1	3	1			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			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		1	4				10	10
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

	Loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Jan.18	Oct.17
<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	0
<b>c) Other conditions and terms</b>								
Non-interest rate charges		1	4				10	10
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.18	Oct.17
<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	-10
<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.18	Oct.17
<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	-10
<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.18	Oct.17
<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

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.18	10
	Oct.17	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		3	3	4	4	3
Increased somewhat		2	2	1	1	2
Increased considerably						
Diffusion Index %	Jan.18	20	20	10	10	20
	Oct.17	0	0	0	0	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 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 %	
							Jan.18	Oct.17
<b>a) Financing needs / underlying drivers on purpose of loan demands</b>								
Fixed investment			3	2			20	10
Inventories and working capital			3	2			20	10
Mergers / acquisitions and corporate restructuring			5				0	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
<b>b) Use of alternative finance</b>								
Internal financing			4	1			10	0
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

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

		Overall	Loans to small and medium- sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Tightened considerably						
Tightened somewhat						
Remained basically unchanged		5	4	5	5	5
Eased somewhat			1			
Eased considerably						
Diffusion Index %	Jan.18	0	-10	0	0	0
	Oct.17	0	0	0	0	0

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

		Overall	Loans to small and medium- sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Decrease considerably						
Decrease somewhat						
Remain basically unchanged		4	3	4	3	3
Increase somewhat		1	2	1	2	2
Increase considerably						
Diffusion Index %	Jan.18	10	20	10	20	20
	Oct.17	10	10	10	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.18	0
	Oct.17	-10

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.18	Oct.17
<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.18	Oct.17
<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			5				0	0
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.18	Oct.17
<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	-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 %	
	--	-	°	+	++	N/A	Jan.18	Oct.17
<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	-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 %	
	--	-	°	+	++	N/A	Jan.18	Oct.17
<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
- ° = 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 %	
	--	-	°	+	++	N/A	Jan.18	Oct.17
<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			4	1			-10	-10
<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	-10



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 – not applicable

	--	-	o	+	++	N/A	Diffusion index %	
							Jan.18	Oct.17
a) Overall terms and conditions								
Overall terms and conditions			5				0	0
b) Margins (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			5				0	-20
Your bank's loan margin on riskier loans			5				0	0
c) Other terms and conditions								
Collateral requirements			5				0	0
Size of the loan			5				0	0
Maturity			5				0	0
Non-interest rate charges			5				0	0

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

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

	Overall impact on your bank's credit terms and conditions						Diffusion index %	
	--	-	°	+	++	N/A	Jan.18	Oct.17
<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	-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

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Jan.18	Oct.17
<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	-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

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Jan.18	Oct.17
<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	5	5
Increased somewhat		
Increased considerably		
Diffusion Index %	Jan.18	0
	Oct.17	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	1	1
Increased somewhat	4	4
Increased considerably		
Diffusion Index %	Jan.18	40
	Oct.17	20
		10

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.18	Oct.17
<b>a) Financing needs / underlying drivers or purpose of loan demand</b>								
Housing market prospects, including expected house price developments			4	1			10	10
Consumer confidence			2	3			30	30
General level of interest rates			2	3			30	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)			5				0	0
Loans from other banks			5				0	0
Other sources of external finance			5				0	0

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

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

	--	-	°	+	++	N/A	Diffusion index %	
							Jan.18	Oct.17
<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	0
Consumer confidence			3	2			20	10
General level of interest rates			5				0	0
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 external finance			5				0	0

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

		Loans for house purchase	Consumer credit and other lending
Tighten considerably			
Tighten somewhat			
Remain basically unchanged		5	5
Ease somewhat			
Ease considerably			
Diffusion Index %	Jan.18	0	0
	Oct.17	0	0

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

		Loans for house purchase	Consumer credit and other lending
Decrease considerably			
Decrease somewhat			
Remain basically unchanged		1	1
Increase somewhat		4	4
Increase considerably			
Diffusion Index %	Jan.18	40	40
	Oct.17	30	30

**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

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

### **Ad hoc questions on the impact of new regulatory or supervisory requirements relating to capital, leverage, liquidity or provisioning**

These questions address the extent to which new regulatory or supervisory requirements relating to capital, leverage, liquidity or provisioning (\*) have impacted, or will impact, on your lending policies (via the measures taken to adjust your bank's capital, leverage, liquidity position or provisioning 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>	1		4				1		4			
Of which: Liquid assets <sup>(1)</sup>	1		4				1		4			
<b>Risk-weighted assets</b>	1		3		1		1		3		1	
Of which: Average loans			1		3				4		1	
Riskier loans	1	1	2		1		1	1	2		1	
<b>Capital</b>			5						5			
Of which: Retained earnings	1		4				1		4			
Capital issuance <sup>(2)</sup>			4		1				4		1	
<b>Impact on your bank's funding conditions</b>			5						5			

(\*) Please consider 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
	+			
	++			
Over the next six months	--		1	1
	-		1	1
	°	5	3	3
	+			
	++			

#### 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	4	4
	+			1
	++			
Over the next six months	--			
	-			
	°	5	4	5
	+		1	
	++			

(\*) Please consider regulatory or supervisory actions that have recently been approved/implemented or that are expected to be approved/implemented in the near future.