



Bank Lending Survey

Results for Portugal | January 2019

1 Overall assessment

According to the results of the January 2019 survey to the five banks included in the Portuguese sample, credit standards and overall terms and conditions applied on loans to firms and households remained broadly stable in the last quarter of 2018, as compared with the former quarter.

As regards credit demand some institutions indicated a slight increase in the demand for loans by firms, both by SME and large enterprises, mainly for long-term loans. As regards households, some banks reported a slight increase in the demand for credit for house purchase and for consumption and other purposes, in the last quarter of the year.

For the first quarter of 2019, the overall surveyed institutions do not anticipate adjustments in credit standards applied on loans to firms and households, as well as, do not foresee significant changes in the demand for loans by both segments.

2 Presentation of the results

2.1 Supply

In the fourth quarter of 2018, credit standards and overall terms and conditions applied on loans or credit lines to firms remained broadly similar to those observed in the previous quarter. Even so, two banks reported a slight decrease in the spreads applied on average risk loans, namely to SME and large enterprises. On the contrary, one institution indicated a slight tightening on its non-interest rate charges, in both segments. To justify the easing of credit terms and conditions, one institution indicated pressures from competition, which contributed to a slight decrease in the spreads applied on average and riskier loans.

In the segment of households most 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 tighter credit standards, justified by the regulatory conditions. Another institution reported that pressures from competition

from other banks and a more favorable general economic situation and outlook have contributed somewhat to the easing of credit standards in the case of loans for house purchase.

Most banks reported broadly unchanged terms and conditions applied on loans to households, as compared to the third quarter of 2018. However, on loans for house purchase, one bank reported slightly tighter overall terms and conditions justified by the regulatory conditions, which contributed to tighter conditions related to maturities and other loan size limits. On the other hand, one institution pointed to a slight decrease in the spreads applied by the bank. According to this institution, pressure from competition contributed to a decrease in the spreads applied on average risk loans. Another bank indicated an easing related to the loan-to-value ratio.

In this quarter, most banks indicated that the share of loan applications that were completely rejected remained unchanged, both for firms and households. Only one bank reported a slight increase in the ratio in both household segments.

For the first quarter of 2019, the reporting institutions, overall, do not anticipate adjustments in credit standards applied on loans to firms and households. Only one bank foresees a slight tightening of credit standards applied on loans to households.

2.2 Demand

In the last quarter of 2018, some institutions reported a slight increase in the demand for credit by firms, in both SME and large firms segments. The majority of the surveyed institutions indicated an increase in demand for long-term loans. Underlying this evolution, three banks indicated a slightly increase in the demand for fixed investment.

In the households segment, some banks reported a slight increase in the demand for loans in the last quarter of 2018, both for house purchase and for consumption and other purposes. For the remaining institutions, in the segment of loans for house purchase, two banks indicated that the demand for loans remained unchanged and one bank considered that the demand slightly decreased. In the segment of credit for consumption, the remaining institutions reported a stable demand for this type of loans. The improvement in consumer confidence and, at a lower level, the general level of interest rates contributed to an increase in demand. The favourable housing market prospects, including expected house price developments, contributed somewhat to a higher demand for loans to households for house purchase.

For the first quarter of 2019, most banks foresee demand to remain unchanged for loans to firms. Nevertheless, one institution expects a slight decrease in demand by all firms' segments. In the opposite direction, another institution expects a slight increase in demand by SME and for long-term loans. In the households' segment, the majority of the banks also foresee the demand to remain unchanged. However, one bank expects a slight decrease

in both segments and another bank, on the other hand, anticipates a slight increase in the demand for consumer credit and other lending.

2.3 *Ad hoc* questions

As regards the first *ad hoc* question on retail and wholesale funding, in the last quarter of 2018, the participating institutions, in overall terms, reported stable market funding conditions. However, two institutions reported a slight deterioration in the access to the market for medium to long-term debt securities. On the contrary, one bank reported a slight improvement in its retail funding conditions and another institution indicated a slight improvement in the ability to transfer credit risk off the balance sheet. For the first quarter of 2019, in overall terms, participating banks expect similar conditions as those of the previous quarter. Nevertheless, one bank expects a slight deterioration in its capacity of securitization of both corporate and house purchase loans.

The second and third *ad hoc* questions address the extent to which the new regulatory or supervisory measures have impacted, or will impact, on the lending policies of the institutions. The majority of banks reported that, in the second half of 2018, their assets, equity and financing conditions remained broadly stable in face of the new measures. Nevertheless, two institutions indicated a slight decrease in their total assets. One of the institutions, however, indicated a considerable increase in its liquid assets and a slight improvement of its funding conditions. This bank also indicated a slightly decrease of its risk-weighted assets and capital. On the contrary, another bank indicated a slight increase of its risk-weighted assets and capital, via retained earnings, and a slight deterioration of the bank's funding conditions. For the first semester of 2019, in overall terms, banks expectations are in line with the impacts recorded in the last six months.

In the same topic, banks reported that, in the last six months, the loan approval criteria for firms did not change significantly due to the new regulatory or supervisory measures. In the households segment the majority of the institutions indicated tighter credit standards on loans for house purchase. Two banks considered to have implemented tighter credit standards for loans for consumer credit and other lending. For the first semester of 2019, the majority of the banks do not anticipate significant changes in the credit standards applied on loans to firms and households, due to the new regulatory or supervisory measures. Only one bank foresees tighter credit standards for new loans to firms. All banks indicated practically no impact of the new regulatory measures on the spreads applied on loans to firms and households in the second semester of 2018. For the first semester of 2019, all the banks did not foresee any impact on the spreads.

The last *ad hoc* question assesses the impact of the non-performing loans ratio (NPL) on the change of criteria, terms and conditions applied on new loans to firms and households. The majority of the banks considered that in the second semester of 2018, the NPL ratio had no impact on the change of criteria, terms and conditions applied on new loans

to the firms and households. Nevertheless, one bank considered that the NPL ratio translated into tighter criteria and tighter terms and conditions in all segments. Another bank indicated a similar impact, but only for consumer credit. As regards the factors through which the NPL ratio affects the institutions' lending policy, the majority of the banks indicated that in the second half of 2018 the pressure related to supervisory or regulatory requirements and the perception and tolerance of risks contributed to a tightening of the respective lending policy. The NPL ratio also contributed to a tightening of the lending policy, by limiting the banks' access to market financing. For the first half of 2019, participating banks generally anticipate similar impacts and contributions as those reported in the previous half year. However, there is one more bank to foresee slightly more restrictive criteria, terms and conditions in lending to firms and for households to house purchase.

2.4 Main results

Gráfico 2.1 • Credit supply

Enterprises (overall)

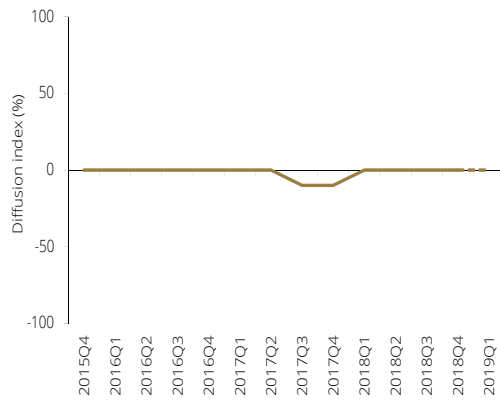
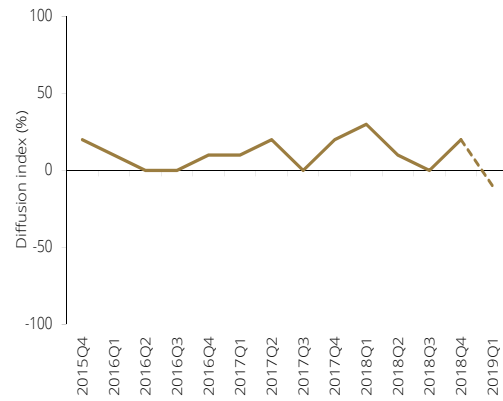
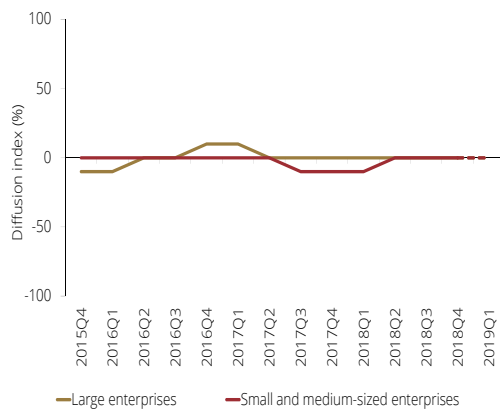


Gráfico 2.2 • Credit demand

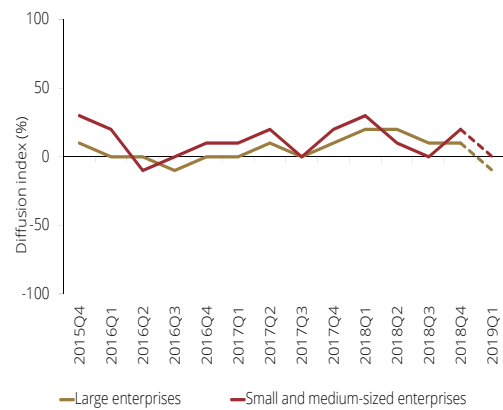
Enterprises (overall)



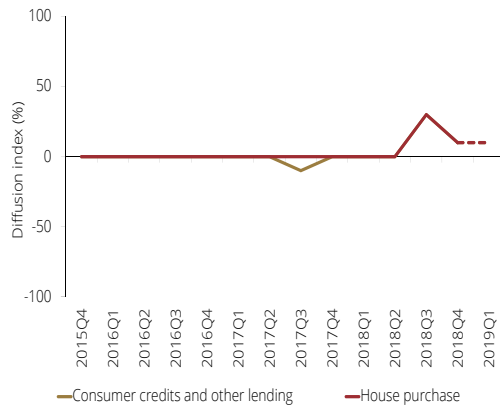
Enterprises



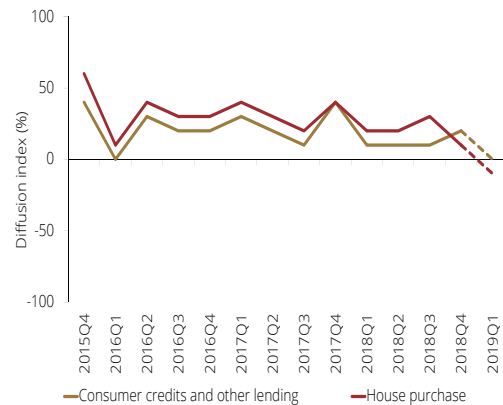
Enterprises



Households



Households



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

Annex^(a)

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

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

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

- The number of banks choosing each option;
- The diffusion index of the options chosen by the banks, calculated using a scale (from -100 to 100) to aggregate individual replies, according to which zero corresponds to “remained basically unchanged”. For questions concerning supply, values of less than zero mean a loosening of the criteria or the impact of factors in the sense of lower restrictiveness. The -50 figure corresponds to a “slight” change (the closer the diffusion index is to zero, the slighter it will be the change) while -100 stands for a considerable change in the sense of lower restrictiveness. In turn, values exceeding zero indicates an increase in restrictiveness or in the impact of factors supporting it. The 50 figure corresponds to a “slight” change while 100 stands for a considerable increase in restrictiveness. In the questions about demand, the same scale applies, with negative figures standing for decreases in demand and positive figures signaling the opposite evolution (or the impact of factors affecting it).

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

I • Loans or credit lines to enterprises

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

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Tightened considerably					
Tightened somewhat					
Remained basically unchanged	5	5	5	5	5
Eased somewhat					
Eased considerably					
N/A*					
Diffusion Index %	Jan.19	0	0	0	0
	Oct.18	0	0	0	0

*N/A = not applicable

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

- = contributed considerably to tightening of credit standards
- = contributed somewhat to tightening of credit standards
- 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

	Overall impact on your bank's credit standards						Diffusion index %	
	--	-	o	+	++	N/A	Jan.19	Oct.18
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
b) Pressure from competition								
Competition from other banks			5				0	-10
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook			5				0	-10
Industry or firm-specific situation and outlook/borrower's creditworthiness			5				0	-10
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's credit standards for loans to small and medium-sized enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Jan.19	Oct.18
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
b) Pressure from competition								
Competition from other banks			5				0	-10
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook			5				0	-10
Industry or firm-specific situation and outlook/borrower's creditworthiness			5				0	-10
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's credit standards for loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Jan.19	Oct.18
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
b) Pressure from competition								
Competition from other banks			5				0	-10
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook			5				0	-10
Industry or firm-specific situation and outlook/borrower's creditworthiness			5				0	-10
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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

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

	Overall						Diffusion index %	
	--	-	°	+	++	N/A	Jan.19	Oct.18
a) Overall terms and conditions								
Overall terms and conditions			5				0	0
b) Margins (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			3	2			-20	-30
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges		1	4				10	0
Size of the loan or credit line			5				0	0
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

	Loans to small and medium-sized enterprises						Diffusion index %	
	--	-	°	+	++	N/A	Jan.19	Oct.18
a) Overall terms and conditions								
Overall terms and conditions			5				0	0
b) Margins (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			3	2			-20	-30
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges		1	4				10	0
Size of the loan or credit line			5				0	0
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

	Loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Jan.19	Oct.18
a) Overall terms and conditions								
Overall terms and conditions			5				0	0
b) Margins (<i>i.e.</i> the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			3	2			-20	-30
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges		1	4				10	0
Size of the loan or credit line			5				0	0
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

4 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.19	Oct.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	-10
b) Pressure from competition								
Pressure from competition			4	1			-10	-20
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	°	+	++	N/A	Jan.19	Oct.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	-10
b) Pressure from competition								
Pressure from competition			4	1			-10	-20
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	°	+	++	N/A	Jan.19	Oct.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	-10
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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		5
Increase somewhat		
Increase considerably		
N/A*		
Diffusion Index %	Jan.19	0
	Oct.18	10

*N/A = not applicable

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

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans	
Decreased considerably						
Decreased somewhat			1			
Remain basically unchanged	3	3	2	4	1	
Increased somewhat	2	2	2	1	4	
Increased considerably						
N/A*						
Diffusion Index %	Jan.19	20	20	10	10	40
	Oct.18	0	0	10	0	20

*N/A = not applicable

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

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

	--	-	°	+	++	NA	Diffusion index %	
							Jan.19	Oct.18
a) Financing needs/underlying drivers on purpose of loan demands								
Fixed investment			2	3			30	10
Inventories and working capital			4	1			10	0
Mergers/acquisitions and corporate restructuring			4	1			10	10
General level of interest rates			5				0	10
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)		1	4				-10	-10
b) Use of alternative finance								
Internal financing			5				0	0
Loans from other banks			4	1			10	0
Loans from non-banks			4	1			10	0
Issuance/redemption of debt securities			5				0	0
Issuance/redemption of equity			5				0	0
c) Other factors*								
				1				

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

8 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						
N/A*						
Diffusion Index %	Jan.19	0	0	0	0	0
	Oct.18	0	-10	0	0	0

*N/A = not applicable

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

		Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Decrease considerably						
Decrease somewhat		1	1	1	1	1
Remain basically unchanged		4	3	4	4	3
Increase somewhat			1			1
Increase considerably						
N/A*						
Diffusion Index %	Jan.19	-10	0	-10	-10	0
	Oct.18	0	0	0	0	0

*N/A = not applicable

II • Loans to households

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

		Loans for house purchase	Consumer credit and other lending
Tightened considerably			
Tightened somewhat		1	1
Remained basically unchanged		4	4
Eased somewhat			
Eased considerably			
N/A*			
Diffusion Index %	Jan.19	10	10
	Oct.18	30	30

*N/A = not applicable

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

- = contributed considerably to tightening of credit standards
- = contributed somewhat to tightening of credit standards
- ° = 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.19	Oct.18
a) Cost of funds and balance sheet constraints									
	Cost of funds and balance sheet constraints			5				0	-10
b) Pressure from competition									
	Competition from other banks			4	1			-10	-10
	Competition from non-banks			5				0	0
c) Perception of risk									
	General economic situation and outlook			4	1			-10	0
	Housing market prospects, including expected house price developments			5				0	0
	Borrower's creditworthiness			5				0	0
d) Your bank's risk tolerance									
	Your bank's risk tolerance			5				0	0
e) Other factors*									
				1					

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

12 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.19	Oct.18
a) Overall terms and conditions								
Overall terms and conditions		1	4				10	30
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			4	1			-10	-10
Your bank's loan margin on riskier loans			4	1			-10	0
c) Other terms and conditions								
Collateral requirements			5				0	10
"Loan-to-value" ratio			4	1			-10	30
Other loan size limits		1	4				10	40
Maturity		1	4				10	40
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.19	Oct.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	-20
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
e) Other factors*								
		1						

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Jan.19	Oct.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	-20
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
e) Other factors*			1					

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Jan.19	Oct.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	-10
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
e) Other factors*			1					

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

14 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.19	Oct.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
c) Perception of risk								
General economic situation and outlook			5				0	0
Creditworthiness of consumers			5				0	0
Risk on the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
e) Other factors*			1					

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

15 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.19	Oct.18
a) Overall terms and conditions								
Overall terms and conditions			5				0	0
b) Margins (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			5				0	-10
Your bank's loan margin on riskier loans			5				0	0
c) Other terms and conditions								
Collateral requirements			5				0	0
Size of the loan			5				0	10
Maturity			5				0	0
Non-interest rate charges			5				0	0
d) Other factors*								
						1		

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

16 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.19	Oct.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	-10
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	°	+	++	N/A	Jan.19	Oct.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	-10
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	°	+	++	N/A	Jan.19	Oct.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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

	Share of rejected applications	
	Loans for house purchase	Consumer credit and other lending
Decreased considerably		
Decreased somewhat		
Remained basically unchanged	4	4
Increased somewhat	1	1
Increased considerably		
N/A*		
Diffusion Index %	Jan.19	10
	Oct.18	10

*N/A = not applicable

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

	Loans for house purchase	Consumer credit and other lending
	Decreased considerably	
Decreased somewhat	1	
Remained basically unchanged	2	3
Increased somewhat	2	2
Increased considerably		
N/A*		
Diffusion Index %	Jan.19	10
	Oct.18	30

*N/A = not applicable

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

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

	--	-	°	+	++	N/A	Diffusion index %	
							Jan.19	Oct.18
a) Financing needs/underlying drivers or purpose of loan demand								
Housing market prospects, including expected house price developments			2	3			30	30
Consumer confidence			2	3			30	30
General level of interest rates			3	2			20	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		1	4				-10	-20
b) Use of alternative sources for housing finance (substitution effects)								
Internal finance of house purchase out of savings/down payment (i.e. share financed via the household's own funds)		1	4				-10	-10
Loans from other banks		1	4				-10	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.19	Oct.18
a) Financing needs/underlying drivers or purpose of loan demand								
Spending on durable consumer goods, such as cars, furniture, etc.			4	1			10	10
Consumer confidence			1	4			40	40
General level of interest rates			3	2			20	10
Consumption expenditure financed through real-estate guaranteed loans ("mortgage equity withdrawal")			5				0	0
b) Use of alternative finance								
Internal finance out of savings			5				0	0
Loans from other banks			5				0	0
Other sources of 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		1	1
Remain basically unchanged		4	4
Ease somewhat			
Ease considerably			
N/A*			
Diffusion Index %	Jan.19	10	10
	Oct.18	30	30

*N/A = not applicable

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

		Loans for house purchase	Consumer credit and other lending
Decrease considerably			
Decrease somewhat		1	1
Remain basically unchanged		4	3
Increase somewhat			1
Increase considerably			
N/A*			
Diffusion Index %	Jan.19	-10	0
	Oct.18	-30	10

*N/A = not applicable

Ad hoc question on retail and wholesale funding⁽¹⁾

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

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

o = 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 past six months					
	--	-	o	+	++	N/A ⁽³⁾	--	-	o	+	++	N/A ⁽³⁾
Total assets		2	3					2	3			
Of which: Liquid assets ⁽¹⁾			4			1			4	1		
Risk-weighted assets		1	3	1				1	3	1		
Of which: Average loans		2	2	1				1	3	1		
Riskier loans		2	2	1				2	2	1		
Capital		1	3	1				1	3	1		
Of which: Retained earnings			3	1		1			3	1		1
Capital issuance ⁽²⁾			3			2		1	3			
Impact on your bank's funding conditions		1	3	1					4	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.

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

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	--				
	-			3	2
	°	5	5	2	3
	+				
	++				
	N/A ⁽¹⁾				
Over the next six months	--				
	-	1	1		
	°	4	4	5	5
	+				
	++				
	N/A ⁽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	--				
	-				
	°	5	5	5	5
	+				
	++				
	NA ⁽¹⁾				
Over the next six months	--				
	-				
	°	5	5	5	5
	+				
	++				
	NA ⁽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.

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

Ad hoc question on the impact of banks' non-performing loan ratios

Given the importance of sound bank balance sheets for the transmission of monetary policy, this *ad hoc* question addresses the impact of banks' non-performing loans (NPLs) on banks' lending policies. Specifically, it aims at gauging the impact of your bank's NPL ratio on your bank's lending policy and the contribution of each factor through which the NPL ratio affects your bank's lending policy.

4 Please indicate the impact of your bank's non-performing loan (NPL) ratio⁽¹⁾ on your lending policy. In addition, please indicate the contribution of each factor through which the NPL ratio has affected or will affect your bank's lending policy.

-- = has contributed considerably or will contribute considerably to tightening

- = has contributed somewhat or will contribute somewhat to tightening

o = has not had/will not have an impact

+ = has contributed somewhat or will contribute somewhat to easing

++ = has contributed considerably or will contribute considerably to easing

N/A = not applicable

	Over the past six months					
	--	-	o	+	++	N/A ⁽²⁾
Impact of NPL ratio on the change in your bank's credit standards						
Loans and credit lines to enterprises		1	4			
Loans to households for house purchase		1	4			
Consumer credit and other lending to households		2	3			
Impact of NPL ratio on the change in your bank's credit terms and conditions						
Loans and credit lines to enterprises		1	4			
Loans to households for house purchase		1	4			
Consumer credit and other lending to households		2	3			
Contribution of factors through which the NPL ratio affects your bank's policy on lending to enterprises and households (change in your bank's credit standards and credit terms and conditions)						
Contribution of your bank's cost of funds and balance sheet constraints to the NPL-related impact on your bank's lending policy						
Costs related to your bank's capital position		1	4			
Costs related to your bank's balance sheet clean-up operations ⁽³⁾		1	3	1		
Pressure related to supervisory or regulatory requirements ⁽⁴⁾		3	2			
Your bank's access to market financing	1	1	3			
Your bank's liquidity position		1	4			
Contribution of your bank's perception of risk and risk tolerance to the NPL-related impact on your bank's lending policy						
Your bank's perception of risk ⁽⁵⁾		3	2			
Your bank's risk tolerance	1	2	2			

	Over the next six months					N/A ⁽²⁾
	--	-	o	+	++	
Impact of NPL ratio on your bank's credit standards						
Loans and credit lines to enterprises		2	3			
Loans to households for house purchase		2	3			
Consumer credit and other lending to households		1	4			
Impact of NPL ratio on your bank's credit terms and conditions						
Loans and credit lines to enterprises		2	3			
Loans to households for house purchase		2	3			
Consumer credit and other lending to households		2	3			
Contribution of factors through which the NPL ratio affects your bank's policy on lending to enterprises and households (credit standards and credit terms and conditions)						
Contribution of your bank's cost of funds and balance sheet constraints to the NPL-related impact on your bank's lending policy						
Costs related to your bank's capital position		1	4			
Costs related to your bank's balance sheet clean-up operations ⁽³⁾		1	3	1		
Pressure related to supervisory or regulatory requirements ⁽⁴⁾		3	2			
Your bank's access to market financing	1		4			
Your bank's liquidity position		1	4			
Contribution of your bank's perception of risk and risk tolerance to the NPL-related impact on your bank's lending policy						
Your bank's perception of risk ⁽⁵⁾		3	2			
Your bank's risk tolerance		3	2			

1) The NPL ratio is defined as the stock of gross non-performing loans on your bank's balance sheet as a percentage of the gross carrying amount of loans. Changes in credit standards and/or terms and conditions can be caused by changes in the NPL ratio or by changes in regulation or in the bank's assessment of the level of the NPL ratio, even if the NPL ratio has remained unchanged.

(2) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective lending category (as regards credit standards), if you have not granted any new loans in the respective lending category during the period specified (as regards credit terms and conditions), or if you do not have any non-performing loans.

(3) This may include costs due to the need for additional provisions and/or write-offs exceeding the previous stock of provisions.

(4) This may include expectations of or uncertainty about future supervisory or regulatory requirements.

(5) Your bank's perception of risk regarding the general economic situation and outlook, borrowers' creditworthiness and of the risk related to collateral demanded.