



BANCO DE PORTUGAL
EUROSISTEMA

BANK LENDING SURVEY | Results for Portugal | July 2017

I. Overall assessment

According to the results of the July survey conducted on the five banking groups included in the Portuguese sample, credit standards applied to the non-financial private sector remained broadly stable in the last three months, in comparison with the previous quarter. For the third quarter of 2017, none of the surveyed banks foresee changes in the respective credit standards applied on credit to the non-financial private sector.

With regard to demand, in the second quarter of 2017 there was a slight increase in the demand for loans from firms, especially from SME and with a focus on long-term loans. Three institutions reported financing needs for investment as having positively affected the demand for loans. In addition, one institution also identified the positive effect of inventories financing and working capital requirements, as well as the impact of loans from other banking institutions. In the case of households, banks reported a slight increase in demand overall. Three institutions indicated a slight increase in the demand for loans for house purchase, with only two institutions indicating a slight increase in demand for consumption and other purposes. For the next three months, most banks do not anticipate significant changes in demand for loans from companies, with only one institution reporting an expectation of a slight increase. Regarding the household segment, three institutions anticipate slight increases in demand, both for housing and for consumption and other purposes.

II. Presentation of the results

Supply

In the second quarter of 2017, all institutions reported that the criteria for granting loans or lines of credit to companies remained unchanged from those observed in the previous quarter.

Most of the surveyed banks did not identify changes in the main factors with potential impact on the criteria. Nevertheless, one institution reported a slight improvement in the assessment of risks related to the general economic situation and outlook, as well as the risks for specific sectors of activity or companies. The pressure exerted by competition from other banking institutions was also identified by the same institution as having contributed to a less restrictive credit policy. According to that institution, these developments were particularly evident in the SME segment. Regarding the terms and conditions applied, one institution reported a slight aggregate decrease with a focus in the level of spreads applied in medium-risk loans mainly in the SME segment. All institutions indicated that they did not change the proportion of loans completely rejected.

In the case of loans to households, for the second quarter of the year all institutions indicated that their credit criteria were maintained both in the segment for the acquisition of housing and in the segment for consumption and other purposes.

Despite this stability, one institution

indicated that the pressure exerted by competition between banking institutions and, in the case of the consumer segment, competition from non-banking institutions were reported as having contributed to the adoption of less restrictive credit criteria. In the segment of loans for house purchase, one bank also reported a more favourable assessment of the housing market outlook. In the second quarter, terms and conditions applied to loans to households remained relatively unchanged. Only one institution reported a slight decrease in maturity constraints, as well as a slight reduction in spreads, particularly in medium-risk loans also explained by the pressure exerted by competition. No changes were mentioned in the proportion of loans rejected to the household sector.

For the third quarter of 2017, none of the institutions anticipates changes in the criteria for granting credit to the non-financial private sector.

Demand

With regard to demand for credit in the second quarter of 2017, three institutions reported a stabilization in demand for loans by firms, while one institution reported a slight increase in all segments and another institution reported an increase mainly in loans to SME and in longer maturities.

According to three of the institutions surveyed, financing of new investment contributed to a slight increase in demand over the period under review. Funding of inventories and cash management needs, the general level of interest rates and loans granted by other banks were also signalled with a similar impact on the evolution of demand for one institution.

In the household segment, three institutions indicated a slight increase in the demand for housing loans for the second quarter of the year, and two registered a similar evolution in the segment of consumer loans and other purposes. For the remaining

participating institutions, demand remained stable. The results suggest that the increase in the demand for loans by households was explained by an increase in consumer confidence and the general level of interest rates, especially in the segment of housing purchase, while for consumption the general level of interest rates was reported as not having a significant impact. Still in the housing segment, one institution reported that the housing market prospects, including price developments, also had a positive impact on demand.

For the third quarter of 2017, in aggregate terms, only one institution anticipates a slight increase in demand for loans from firms. For the same period, three of the five institutions surveyed also anticipate an increase in the demand for loans from households, both in the segment for housing purchase and for consumption and other purposes.

III. *Ad hoc* questions

In line with previous surveys, this survey includes a set of *ad hoc* issues 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, two questions on the impact of EU regulatory or supervisory actions on capital, leverage or liquidity requirements, as well as three issues related to the ECB's targeted longer-term refinancing operations (TLTRO).

The first *ad hoc* issue 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 aggregate terms, the institutions reported a slight improvement in retail financing, particularly through short-term deposits in the last three months. One institution reported a slight deterioration in funding through long-term deposits and other retail financing instruments. Two institutions reported a slight improvement in financing conditions through

medium and long-term debt securities. For the third quarter of 2017, the institutions expect slight improvements in the level of retail financing, more specifically in the financing through short- and long-term deposits and other retail financing instruments, while one institution anticipates a slight deterioration in this last segment. In addition, two institutions also anticipate slight improvements in the very short money market, with one institution anticipating a similar effect in the short-term money market. Finally, one institution also reported the expectation of an improvement in the ability to securitize loans to firms and for house purchase.

The second question assesses the impact of EU legislative proposals on capital requirements and other specific regulatory or supervisory measures on capital, leverage or liquidity requirements. Overall, banks reported that total assets, risk weighted assets, equity and financing conditions remained stable, a trend that is expected to remain in the next six months. Nevertheless, one institution reported a slight reduction in total assets, risk-weighted assets and own funds and anticipates a similar trend for the next six months. One institution reported slight improvements in risk-weighted assets and expects the same evolution for the next semester. One institution also reported that equity capital increased significantly due to the issuance of capital, with undistributed profits having a considerable impact but in the opposite direction. Lastly, two institutions have also reported slightly less restrictive conditions in the banks' financing conditions in the last six months, with similar expectations for the following six months.

In the same topic, banks reported that in the last six months the loan approval criteria did not change significantly due to legislative changes, with one institution indicating that they became slightly less restrictive in consumer credit and other loans, expecting a similar evolution for the next semester. On the other hand, one institution anticipates a slight tightening of lending to households

both for house purchase and consumption and other loans. Regarding spreads, in the last six months, the trend was also stable, with one institution reporting a slight increase in spreads for house purchase loans. On the other hand, there was a slight decrease in spreads on loans to SME and consumer credit by different institutions. For the next six months, one institution anticipates slight improvements in the consumer segment and in loans to SME, the latter being also referred to by another institution.

The following three *ad hoc* issues focus on banks participation in the ECB's TLTRO, the purposes for which the funds were used and the impact they have had on different domains, such as banks' financial situation and their terms and conditions for granting loans. Only two institutions reported having participated in the most recent targeted TLTRO, indicating as a reason for participation the most appropriate compliance with the regulatory liquidity requirements and as a precautionary measure. Non-participating institutions pointed to the absence of funding constraints, concerns both with insufficient borrowing and with the ratio between Eurosystem's financing and assets.

Four of the institutions surveyed indicated that the operations already undertaken have contributed considerably to replace other Eurosystem liquidity-providing operations, as well as to replace overdue debt and as an alternative to interbank lending. All institutions reported that TLTRO also contributed to increase lending to firms, with two institutions reporting a significant impact. In addition, three institutions reported slight contributions in lending to households, both for housing acquisition and for consumption and other purposes. Finally, one institution reported a considerable impact of TLTRO on the acquisition of national sovereign bonds.

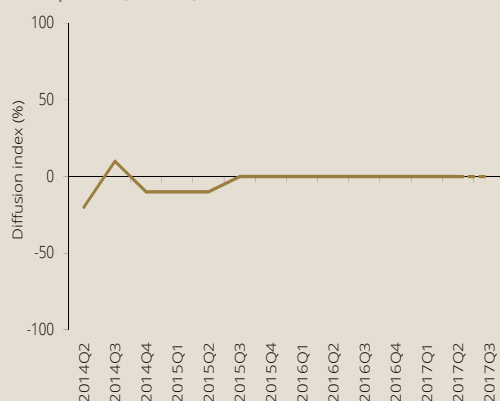
Concerning the impact of the operations already carried out on the banks' financial situation, most institutions indicated that they contributed to increase profitability (with one institution having reported a considerable

impact in this regard) and to improve the liquidity position. With regard the impact on lending criteria and terms and conditions, most banks considered that the TLTRO did not have a relevant impact, an opinion not shared by one institution that reported a slight contribution to making them less restrictive to firms and households. Additionally, regarding the terms and conditions of loans to firms, three institutions also reported a slight contribution to the reduction in restrictiveness.

Main results

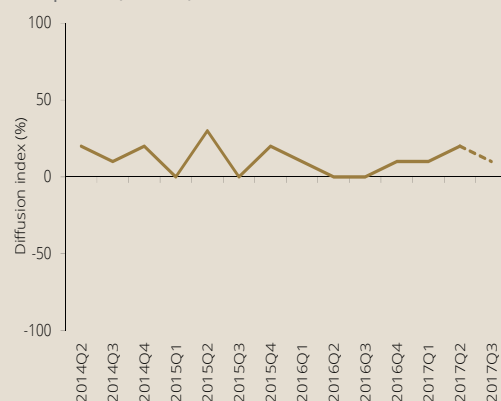
Credit supply

Enterprises (overall)

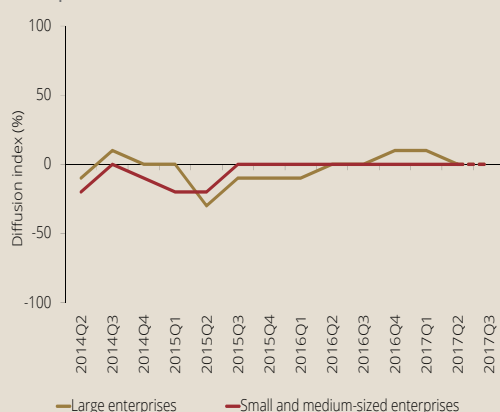


Credit demand

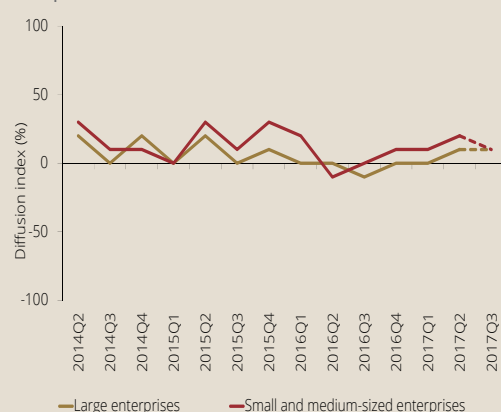
Enterprises (overall)



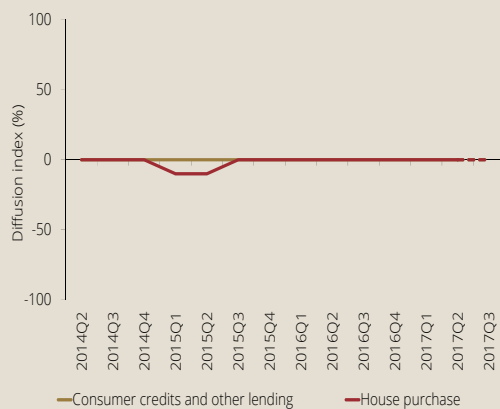
Enterprises



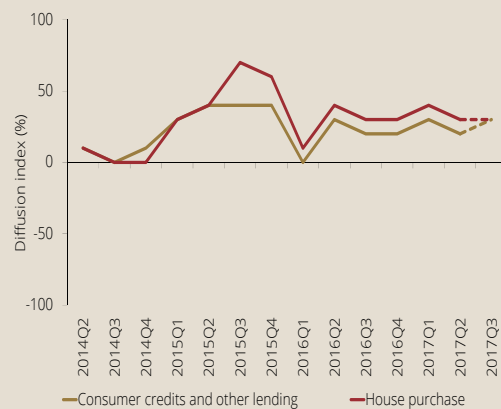
Enterprises



Households



Households



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

Annex^(a)

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

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

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

- The number of banks choosing each option;
- The diffusion index of the options chosen by the banks, calculated using a scale (from -100 to 100) to aggregate individual replies, according to which 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						
Diffusion Index %	Jul.17	0	0	0	0	0
	Apr.17	0	0	10	0	0

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

- = contributed considerably to tightening of credit standards
- = contributed somewhat to tightening of credit standards
- ° = contributed to keeping credit standards basically unchanged
- + = contributed somewhat to easing of credit standards
- ++ = contributed considerably to easing of credit standards
- N/A = not applicable

	Overall impact on your bank's credit standards							Diffusion index %	
	--	-	°	+	++	N/A		Jul.17	Apr.17
a) Cost of funds and balance sheet constraints									
Costs related to your bank's capital position			5					0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5					0	0
Your bank's liquidity position			5					0	0
b) Pressure from competition									
Competition from other banks			4	1				-10	-10
Competition from non-banks			5					0	0
Competition from market financing			5					0	0
c) Perception of risk									
General economic situation and outlook			4	1				-10	-10
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1				-10	-10
Risk related to the collateral demanded			5					0	0
d) Your bank's risk tolerance									
Your bank's risk tolerance			5					0	10

	Impact on your bank's credit standards for loans to small and medium-sized enterprises						Diffusion index %	
	--	-	°	+	++	N/A	Jul.17	Apr.17
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
b) Pressure from competition								
Competition from other banks			4	1			-10	-10
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook			4	1			-10	-10
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1			-10	-10
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	10

	Impact on your bank's credit standards for loans to large enterprises						Diffusion index %	
	--	-	°	+	++	N/A	Jul.17	Apr.17
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
b) Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook			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	10

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

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

	Overall						Diffusion index %	
	--	-	°	+	++	N/A	Jul.17	Apr.17
a) Overall terms and conditions								
Overall terms and conditions			4	1			-10	-10
b) Margins (<i>i.e.</i> the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			4	1			-10	-10
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges			5				0	-10
Size of the loan or credit line			5				0	0
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

	Loans to small and medium-sized enterprises						Diffusion index %	
	--	-	°	+	++	N/A	Jul.17	Apr.17
a) Overall terms and conditions								
Overall terms and conditions			4	1			-10	-10
b) Margins (<i>i.e.</i> the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			4	1			-10	-10
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges			5				0	-10
Size of the loan or credit line			5				0	0
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

	Loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Jul.17	Apr.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	0
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges			5				0	0
Size of the loan or credit line			5				0	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	Jul.17	Apr.17
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	-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	Jul.17	Apr.17
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		1	4				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	Jul.17	Apr.17
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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		
Diffusion Index %	Jul.17	0
	Apr.17	10

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

		Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Decreased considerably						
Decreased somewhat						
Remain basically unchanged		3	3	4	4	3
Increased somewhat		2	2	1	1	2
Increased considerably						
Diffusion Index %	Jul.17	20	20	10	10	20
	Apr.17	10	10	0	10	0

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

- = contributed considerably to tightening of credit standards
- = contributed somewhat to tightening of credit standards
- ° = contributed to keeping credit standards basically unchanged
- + = contributed somewhat to easing of credit standards
- ++ = contributed considerably to easing of credit standards

N/A = not applicable

	--	-	°	+	++	NA	Diffusion index %	
							Jul.17	Apr.17
a) Financing needs / underlying drivers on purpose of loan demands								
Fixed investment			2	3			30	20
Inventories and working capital			4	1			10	10
Mergers / acquisitions and corporate restructuring			5				0	0
General level of interest rates			4	1			10	10
Debt refinancing / restructuring and renegotiation			5				0	0
b) Use of alternative finance								
Internal financing			5				0	0
Loans from other banks			4	1			10	10
Loans from non-banks			5				0	0
Issuance of debt securities			5				0	0
Issuance of equity			5				0	0

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

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

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

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

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 %	Jul.17	0
	Apr.17	0

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

- = contributed considerably to tightening of credit standards
- = contributed somewhat to tightening of credit standards
- ° = contributed to keeping credit standards basically unchanged
- + = contributed somewhat to easing of credit standards
- ++ = contributed considerably to easing of credit standards
- N/A = not applicable

	--	-	°	+	++	N/A	Diffusion index %	
							Jul.17	Apr.17
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	-20
Competition from non-banks			5				0	0
c) Perception of risk								
General economic situation and outlook			5				0	0
Housing market prospects, including expected house price developments			4	1			-10	-10
Borrower's creditworthiness			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

12. Over the past three months, how have your **bank's terms and conditions for new loans to households for house purchase** changed? Please rate the overall terms and conditions for this loan category and each factor using the following scale:

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

N/A – not applicable

	--	-	°	+	++	N/A	Diffusion index %	
							Jul.17	Apr.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	0
Your bank's loan margin on riskier loans			5				0	0
c) Other terms and conditions								
Collateral requirements			5				0	0
Loan-to-value ratio			5				0	0
Other loan size limits			5				0	0
Maturity			4	1			-10	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	Jul.17	Apr.17
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	Jul.17	Apr.17
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	-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	Jul.17	Apr.17
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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

- = contributed considerably to tightening of credit standards
- = contributed somewhat to tightening of credit standards
- ° = 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	Jul.17	Apr.17
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
Competition from non-banks			4	1			-10	-10
c) Perception of risk								
General economic situation and outlook			5				0	-10
Creditworthiness of consumers			5				0	0
Risk on the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

15. Over the past three months, how have your **bank's terms and conditions for new consumer credit and other lending to households** changed? Please rate the overall terms and conditions for this loan category and each factor using the following scale:

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

	--	-	°	+	++	N/A	Diffusion index %	
							Jul.17	Apr.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			4	1			-10	0
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	Jul.17	Apr.17
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	-10
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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

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

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

	Share of rejected applications	
	Loans for house purchase	Consumer credit and other lending
Decreased considerably		
Decreased somewhat		
Remained basically unchanged	5	5
Increased somewhat		
Increased considerably		
Diffusion Index %	Jul.17	0
	Apr.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	2	3
Increased somewhat	3	2
Increased considerably		
Diffusion Index %	Jul.17	20
	Apr.17	30

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 %	
							Jul.17	Apr.17
a) Financing needs / underlying drivers or purpose of loan demand								
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) Use of alternative sources for housing finance (substitution effects)								
Internal finance of house purchase out of savings / down payment (i.e. share financed via the household's own funds)			5				0	0
Loans from other banks			5				0	0
Other sources of external finance			5				0	0

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

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

	--	-	°	+	++	N/A	Diffusion index %	
							Jul.17	Apr.17
a) Financing needs / underlying drivers or purpose of loan demand								
Spending on durable consumer goods, such as cars, furniture, etc.			5				0	0
Consumer confidence			3	2			20	20
General level of interest rates			5				0	10
Consumption expenditure financed through real-estate guaranteed loans ("mortgage equity withdrawal")			5				0	0
b) Use of alternative finance								
Internal finance out of savings			5				0	0
Loans from other banks			5				0	0
Other sources of finance			5				0	0

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

	Loans for house purchase		Consumer credit and other lending	
Tighten considerably				
Tighten somewhat				
Remain basically unchanged	5		5	
Ease somewhat				
Ease considerably				
Diffusion Index %	Jul.17	0	Jul.17	0
	Apr.17	-10	Apr.17	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	2		2	
Increase somewhat	3		3	
Increase considerably				
Diffusion Index %	Jul.17	30	Jul.17	30
	Apr.17	40	Apr.17	30

Ad hoc question on retail and wholesale funding ⁽¹⁾

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

-- = deteriorated considerably / will deteriorate considerably

- = deteriorated somewhat / will deteriorate somewhat

o = remained unchanged / will remain unchanged

+ = eased somewhat / will ease somewhat

++ = eased considerably / will ease considerably

N/A = not applicable

	Over the past three months						Over the next three months					
	--	-	o	+	++	N/A ⁽²⁾	--	-	o	+	++	N/A ⁽²⁾
a) Retail funding												
Short-term deposits (up to one year)			3	2					3	2		
Long-term (more than one year) deposits and other retail funding instruments		1	3	1				1	2	2		
b) Inter-bank unsecured money market												
Very short term money market (up to 1 week)			5						3	2		
Short-term money market (more than 1 week)			5						4	1		
c) Wholesale debt securities ⁽³⁾												
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					5			
d) Securitisation ⁽⁴⁾												
Securitisation of corporate loans			5						4	1		
Securitisation of loans for house purchase			5						4	1		
e) Ability to transfer credit risk off balance sheet ⁽⁵⁾												
Ability to transfer credit risk off balance sheet			4			1			4			1

(1) Please also take into account any effect of state guarantees for debt securities and recapitalisation support.

(2) Please select "N/A" (not applicable) if and only if the source of funding is not relevant for your bank.

(3) Usually involves on-balance sheet funding.

(4) Usually involves the sale of loans from banks' balance sheets, i.e. off-balance sheet funding

(5) Usually involves the use of credit derivatives, with the loans remaining on banks' balance sheets.

Ad hoc questions on the impact of the Capital Requirements Regulation / Capital Requirements Directive IV (CRR/CRD IV) and other specific regulatory or supervisory actions relating to capital, leverage or liquidity requirements

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

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

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

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

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

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

° = remained / will remain basically unchanged

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

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

N/A=Not applicable

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

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

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

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

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

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

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

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

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

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

a) Credit standards

	Loans and credit lines to enterprises		Loans to households	
	Small and medium-sized enterprises	Large enterprises	For house purchase	Consumer credit and other lending
Over the past six months	--			
	-			
	°	5	5	4
	+			1
	++			
Over the next six months	--			
	-		1	1
	°	5	4	3
	+			1
	++			

b) Credit margins

	Loans and credit lines to enterprises		Loans to households	
	Small and medium-sized enterprises	Large enterprises	For house purchase	Consumer credit and other lending
Over the past six months	--			
	-		1	
	°	4	5	4
	+	1	4	1
	++			
Over the next six months	--			
	-			
	°	3	5	4
	+	2	5	1
	++			

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

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

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

Please answer all questions, even if you did not participate past LTROs.

For questions 5 and 6: please use the category “N/A” only if you did not participate in any of the past TLTROs or if you do not have any business / exposure in this category.

Please consider yourself as having participated if you have received funds under the conditions set by the ECB, even if indirectly via participation in a TLTRO group.

4. Did your bank participate in the most recent TLTRO? .

a) Participation

	Yes	No
In the most recent TLTRO	2	3

b) Reasons

Please choose the category which applies most:

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

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

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

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

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

(2) Following the comprehensive assessment.

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

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

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

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

(2) This includes the replacement of the three-year LTRO funds and funds borrowed under the first series of TLTROs.

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

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

a) Financial situation of your bank

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

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

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

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

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