



**BANCO DE PORTUGAL**  
EUROSYSTEM

# BANK LENDING SURVEY | Results for Portugal | July 2016

## I. Overall assessment

According to the results of the July survey conducted on the five banking groups included in the Portuguese sample, the credit standards applied to the non-financial private sector remained broadly stable in the last three months, in comparison with the previous quarter. Nevertheless, some factors were reported as underlying an easing of the criteria, such as pressure from competition, a more favourable assessment of risks related to the general economic situation, industry or firm-specific situation and outlook, housing market prospects, as well as less restrictive cost of funds and balance sheet constraints. Looking at the terms and conditions applied on credit to enterprises, banks broadly reported a narrowing in spreads of average risk loans, mainly on loans to small and medium-sized enterprises (SMEs). In the segment of households, some institutions reported a reduction in spreads applied on average risk loans for house purchase. For the third quarter of 2016, any inquired bank foresees changes in the respective credit standards applied on credit to the non-financial private sector.

As far as demand is concerned, most of the participating institutions reported a stability in loan demand by firms in the second quarter of 2016 and a slight increase in loan demand by households. Among the factors underlying this path, banks highlighted the general level of interest rates, debt refinancing/restructuring and renegotiation, as well as higher consumer confidence, more favourable prospects for house market, and a slight increase in the expenditure on durable consumer goods. For

the next quarter, surveyed banks do not anticipate sizable changes to loan demand by firms. Only one bank expects a slight increase by SMEs. In the segment of households, most institutions foresees an increase in loan demand.

## II. Presentation of the results

### Supply

In the second quarter of 2016, the surveyed institutions did not reported changes in the credit standards applied on loans or credit lines to enterprises. However, one institution indicated that the competition from other banks, and a more favourable assessment of risks related to industry or firm-specific situation and outlook or to borrower's creditworthiness were factors contributing to an easing of these criteria. Looking at terms and conditions, spreads applied on average risk loans for firms decreased, mostly in the segment of small and medium-sized enterprises (reported by four banks). This path was mainly influenced by competition among banks.

Concerning households, according to the five participating banks, credit standards remained broadly stable in the second quarter of 2016, for loans both for house purchase and for consumption and other purposes. However, in line with the assessment for the corporate segment, some institutions identified some factors as contributing to less restrictive standards. In the segment of loans for house purchase, one bank reported the impact of competition and, to a smaller extent, housing market prospects, including expected house price developments.

In the segment of loans for consumption and other purposes, in addition to pressure from competition, a more favourable assessment of general economic situation and outlook, as well as a positive path on cost of funds and balance sheet constraints were also reported. As far as terms and conditions are concerned, only adjustments in spreads were reported for the last three months. Therefore, in general, spreads applied on loans for house purchase decreased, especially for average risk loans. Pressure from competition, cost of funds and balance sheet constraints have been the factors underlying this trend.

Also in the second quarter, the share of rejected loans applications remained broadly unchanged, in loan both to enterprises and to households.

For the third quarter of 2016, the five banks do not expect changes in the credit standards applied on loans in the segments under analysis.

## Demand

According to the results of the survey, in the second quarter of 2016, the demand for loans or credit lines by firms remained broadly stable. Only one institution reported a slight reduction in the segment of SMEs. Despite the reported stability, some factors were highlighted as contributing to an increase in demand, namely debt refinancing/restructuring and renegotiation purposes, and the general level of interest rates. Another bank noted a positive impact on demand due to the trend in loans granted by other banking institutions.

In the segment of households, most of surveyed institutions reported a slight increase in loan demand. This trend was driven by an increase in consumers confidence and, to a smaller extent, by the general level of interest rates. Moreover, in loans for house purchase, the increase in demand should also be related to more favourable housing market prospects, including expected house price developments. In turn, loans demand for consumption and other purposes should also be influenced by

a slight increase in expenditures on durable consumer goods.

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

## III. *Ad-hoc* questions

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

The first question assesses the impact of the situation in financial markets on banks' access to credit and their ability to transfer credit risk from the balance sheet. In general, banks reported a slight improvement in retail funding in the second quarter of 2016, namely in long-term deposits and other retail funding instruments. Looking at the remaining funding types, most institutions reported a relatively stability in the conditions applied on these markets. Nevertheless, one institution reported a slight deterioration in its ability to transfer risk and to finance by short-term securities, as well as a deterioration on the conditions applied on securitization. For the next quarter, participating institutions do not foresee, in general, changes in the conditions observed in the previous quarter. The exceptions are related to the retail funding, in which some slight improvements are expected at an aggregate level, and to the ability to transfer risk, as one institution expect a slight deterioration.

The second set of questions intends to assess the impact of the capital requirements regulation set by the European Union on own funds, as well as other regulatory requirements related to capital, leverage or liquidity.

Most of surveyed institutions did not report changes related to new measures during the last six months. However, two institutions pointed out that those measures contributed to a reduction of total assets, risk weighted assets and own funds. Concerning funding conditions faced by banks, three institutions reported a deterioration. One of them pointed a considerable tightening of these conditions. For the second half of the year, there is a significant heterogeneity in banks' answers. While two institutions expect a negative impact on assets and own funds, other institution foresees the opposite impact. As far as funding conditions are concerned, two institutions anticipate changes, reflected in a tightening of those conditions.

Also on this topic, the participating banks did not report changes to credit standards applied on credit to the non-financial private sector due to changes in regulamentar rules during the first half of the year. In the same period, spreads applied on loans should have remained broadly unchanged. However, for loans to households for house purchase, one institution reported a slight decrease in spreads, while others noted the opposite adjustment. For the next semester, in this context, credit standards should remain unchanged. Looking at the spreads, one bank expects a slight decrease in the segment of loans granted to households.

The last *ad hoc* questions are related to the targeted longer-term refinancing operations (TLTRO) conducted or to be conducted by the ECB, with the objective to assess the impact on banks' financial position, as well as credit policies.

All of five surveyed banks reported their participation in the last TLTRO. The conditions applied on these operations (with a positive impact on profitability), the fulfilment of regulatory

liquidity requirements and, to a smaller extent, the intention to minimize potential financing need (precautionary purposes) were the main reason behind their participation. Looking forward, two banks intend to participate in future operations, two are currently undecided about their participation, while the other institution does not intend to participate. The factors underlying future participations are again related to the conditions of those operations and the impact on liquidity requirements. Collateral constraints should be related to the reported non-participation.

The funds obtained from the past TLTRO contributed considerably towards substituting other Eurosystem liquidity operations, inter-bank lending, and to replace maturing debt. Additionally, these funds contributed positively to loans granted especially to firms and to households for consumption and other purposes. Loans to households for house purchase also benefited from these funds, even though to a smaller extent. For two banks these funds were also used to purchase national sovereign bonds. Regarding future operations, banks broadly anticipate that the additional funds obtained will be used in a similar way to the previous applications. Thus, the funds will be applied on the loans to firms and to households, mainly for consumption and other purposes, as well as an instrument to manage alternative banks funding sources. Some institutions expect also a slight contribution of these funds in the acquisition of domestic sovereign securities. For one bank, these funds will also contribute to the acquisition of other financial assets

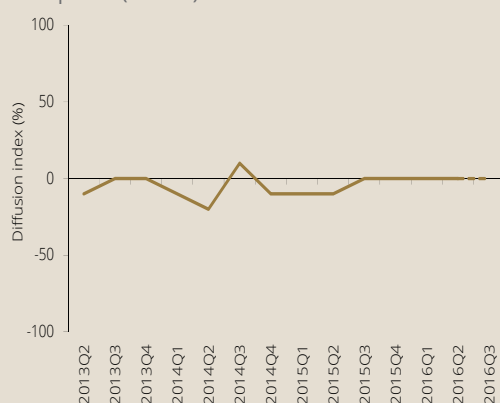
Looking at the impact of past operations on banks financial positions, participating banks reported, on average, a slight improvement in the liquidity position, and positive effects on profitability and capital position. In turn, these operations had no impact on deleveraging. For future operations, banks anticipate, in general, similar impacts to those associated to past TLTROs. As far as credit standards are concerned, three institutions noted that past

operations contributed slightly to an easing of the criteria applied on loans to firms and to households for house purchase. Two institutions also reported a similar impact on loans for consumption and other purposes. Looking at terms and conditions, only one bank did not reported any impact due to past operations toward an easing on terms for loans granted to firms. In the segment of households, the impact was similar, but reported by fewer banks. Finally, banks expect that the impact of future operations on credit standards, as well as on terms and conditions, should be in line with the previous effects.

# Main results

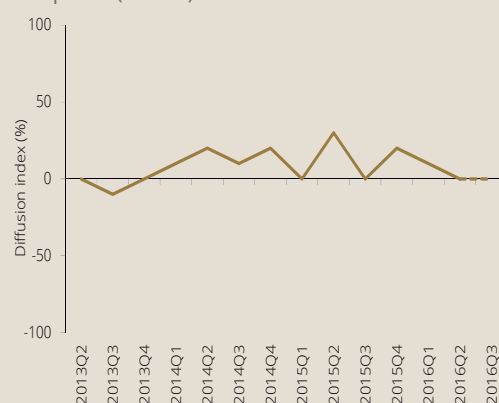
## Credit supply

### Enterprises (overall)

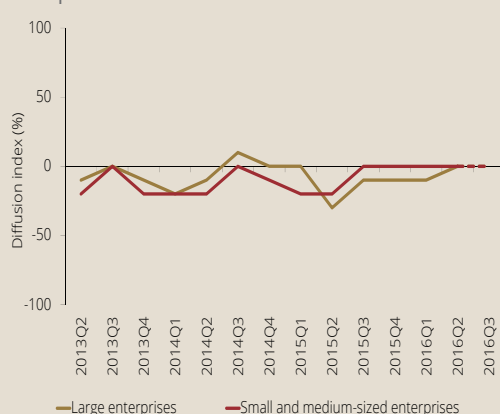


## Credit demand

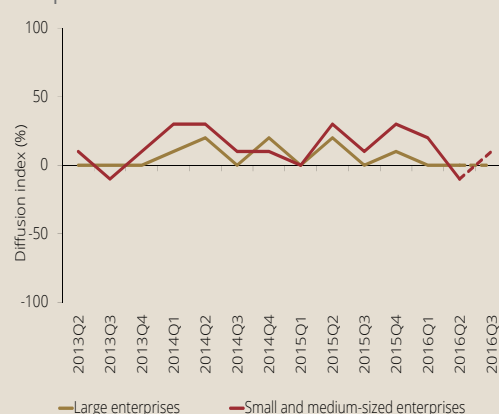
### Enterprises (overall)



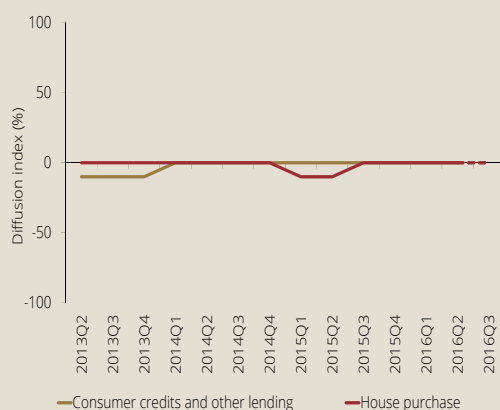
### Enterprises



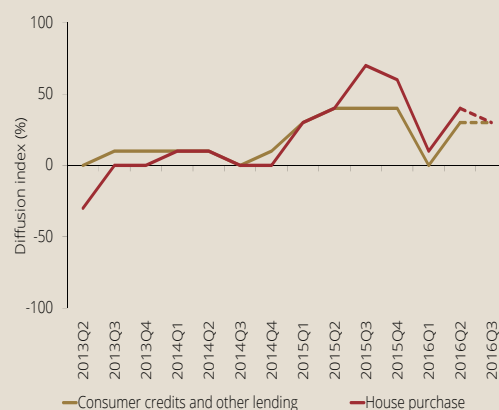
### Enterprises



### Households



### Households



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

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

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

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

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

- The number of banks choosing each option;
- The diffusion index of the options chosen by the banks, calculated using a scale (from -100 to 100) to aggregate individual replies, according to which 0 corresponds to “remained basically unchanged”. For questions concerning supply, values of less than 0 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 0, the slighter it will be the change) while -100 stands for a considerable change in the sense of lower restrictiveness. In turn, values exceeding 0 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. 16	0	0	0	0	0
	Apr. 16	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. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>									
Costs related to your bank's capital position			5					0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5					0	0
Your bank's liquidity position			5					0	-10
<b>b) Pressure from competition</b>									
Competition from other banks			4	1				-10	0
Competition from non-banks			5					0	0
Competition from market financing			5					0	0
<b>c) Perception of risk</b>									
General economic situation and outlook			5					0	0
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1				-10	-10
Risk related to the collateral demanded			5					0	0
<b>d) Your bank's risk tolerance</b>									
Your bank's risk tolerance			5					0	0

	Impact on your bank's credit standards for loans to small and medium-sized enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>								
Costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	-10
<b>b) Pressure from competition</b>								
Competition from other banks			4	1			-10	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
<b>c) Perception of risk</b>								
General economic situation and outlook			5				0	-10
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1			-10	-10
Risk related to the collateral demanded			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0

	Impact on your bank's credit standards for loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>								
Costs related to your bank's capital position			5				0	-10
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	-10
<b>b) Pressure from competition</b>								
Competition from other banks			5				0	-10
Competition from non-banks			5				0	-10
Competition from market financing			5				0	-10
<b>c) Perception of risk</b>								
General economic situation and outlook			5				0	0
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1			-10	-10
Risk related to the collateral demanded			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0



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. 16	Apr. 16
<b>a) Overall terms and conditions</b>								
Overall terms and conditions			5				0	-20
<b>b) Margins</b> ( <i>i.e.</i> the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			2	3			-30	-30
Your bank's loan margin on riskier loans			5				0	0
<b>c) Other conditions and terms</b>								
Non-interest rate charges			5				0	-10
Size of the loan or credit line			4	1			-10	-20
Collateral requirements			5				0	-10
Loan covenants			5				0	-10
Maturity			5				0	-10

	Loans to small and medium-sized enterprises						Diffusion index %	
	--	-	°	+	++	N/A	Jul. 16	Apr. 16
<b>a) Overall terms and conditions</b>								
Overall terms and conditions			5				0	-20
<b>b) Margins</b> ( <i>i.e.</i> the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			1	4			-40	-30
Your bank's loan margin on riskier loans			5				0	0
<b>c) Other conditions and terms</b>								
Non-interest rate charges			5				0	0
Size of the loan or credit line			4	1			-10	-20
Collateral requirements			5				0	-10
Loan covenants			5				0	0
Maturity			5				0	0

	Loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 16	Apr. 16
<b>a) Overall terms and conditions</b>								
Overall terms and conditions			5				0	-20
<b>b) Margins</b> (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans		1	3	1			0	-40
Your bank's loan margin on riskier loans			5				0	0
<b>c) Other conditions and terms</b>								
Non-interest rate charges			5				0	0
Size of the loan or credit line		1	3	1			0	-20
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity		1	4				10	-10

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. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>b) Pressure from competition</b>								
Pressure from competition			2	3			-30	-40
<b>c) Perception of risk</b>								
Perception of risk			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	°	+	++	N/A	Jul. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>b) Pressure from competition</b>								
Pressure from competition			2	3			-30	-40
<b>c) Perception of risk</b>								
Perception of risk			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	°	+	++	N/A	Jul. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>b) Pressure from competition</b>								
Pressure from competition			5				0	-10
<b>c) Perception of risk</b>								
Perception of risk			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0

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

Share of rejected applications		
Decrease considerably		
Decrease somewhat		
Remain basically unchanged		5
Increase somewhat		
Increase considerably		
Diffusion Index %	Jul. 16	0
	Apr. 16	0

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

		Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Decreased considerably						
Decreased somewhat			1			
Remain basically unchanged		5	4	5	5	5
Increased somewhat						
Increased considerably						
Diffusion Index %	Jul. 16	0	-10	0	0	0
	Apr. 16	10	20	0	10	10

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. 16	Apr. 16
<b>a) Financing needs / underlying drivers on purpose of loan demands</b>								
Fixed investment				5			0	10
Inventories and working capital				5			0	20
Mergers / acquisitions and corporate restructuring				5			0	10
General level of interest rates				4	1		10	20
Debt refinancing / restructuring and renegotiation				4	1		10	0
<b>b) Use of alternative finance</b>								
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. 16	0	0	0	0	0
	Apr. 16	0	0	0	0	0

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

		Overall	Loans to small and medium- sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Decrease considerably						
Decrease somewhat						
Remain basically unchanged		5	4	5	5	5
Increase somewhat			1			
Increase considerably						
Diffusion Index %	Jul. 16	0	10	0	0	0
	Apr. 16	10	30	0	10	10

## II • Loans to households

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

	Loans for house purchase	Consumer credit and other lending
Tightened considerably		
Tightened somewhat		
Remained basically unchanged	5	5
Eased somewhat		
Eased considerably		
Diffusion Index %	Jul. 16	0
	Apr. 16	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. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	10
<b>b) Pressure from competition</b>								
Competition from other banks			4		1		-20	-20
Competition from non-banks			5				0	-10
<b>c) Perception of risk</b>								
General economic situation and outlook			5				0	0
Housing market prospects, including expected house price developments			4	1			-10	0
Borrower's creditworthiness			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0

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

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

N/A – not applicable

	--	-	°	+	++	N/A	Diffusion index %	
							Jul. 16	Apr. 16
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	0
Your bank's loan margin on riskier loans			4	1			-10	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			5				0	0
Non-interest rate charges			5				0	0

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

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

	Overall impact on your bank's credit terms and conditions						Diffusion index %	
	--	-	°	+	++	N/A	Jul. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	-10
<b>b) Pressure from competition</b>								
Pressure from competition			5				0	-10
<b>c) Perception of risk</b>								
Perception of risk			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			4	1			-10	-10
<b>b) Pressure from competition</b>								
Pressure from competition			3	2			-20	-10
<b>c) Perception of risk</b>								
Perception of risk			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			4	1			-10	0
<b>b) Pressure from competition</b>								
Pressure from competition			4	1			-10	0
<b>c) Perception of risk</b>								
Perception of risk			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0

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	Jul. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			4	1			-10	-10
<b>b) Pressure from competition</b>								
Pressure from competition			3	2			-20	-10
Competition from non-banks			3	2			-20	-10
<b>c) Perception of risk</b>								
General economic situation and outlook			4	1			-10	0
Creditworthiness of consumers			5				0	0
Risk on the collateral demanded			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	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. 16	Apr. 16
<b>a) Overall terms and conditions</b>								
Overall terms and conditions			5				0	-10
<b>b) Margins</b> (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			5				0	-10
Your bank's loan margin on riskier loans			5				0	0
<b>c) Other terms and conditions</b>								
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. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	-10
<b>b) Pressure from competition</b>								
Pressure from competition			5				0	-10
<b>c) Perception of risk</b>								
Perception of risk			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>b) Pressure from competition</b>								
Pressure from competition			5				0	0
<b>c) Perception of risk</b>								
Perception of risk			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 16	Apr. 16
<b>a) Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>b) Pressure from competition</b>								
Pressure from competition			5				0	-10
<b>c) Perception of risk</b>								
Perception of risk			5				0	0
<b>d) Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0

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. 16	0
	Apr. 16	0

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

	Loans for house purchase	Consumer credit and other lending
Decreased considerably		
Decreased somewhat		
Remained basically unchanged	2	2
Increased somewhat	2	3
Increased considerably	1	
Diffusion Index %	Jul. 16	30
	Apr. 16	0

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. 16	Apr. 16
<b>a) Financing needs / underlying drivers or purpose of loan demand</b>								
Housing market prospects, including expected house price developments			3	2			20	20
Consumer confidence			3	2			20	10
General level of interest rates			4	1			10	20
Debt refinancing / restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)			5				0	0
Regulatory and fiscal regime of housing markets			5				0	0
<b>b) Use of alternative sources for housing finance (substitution effects)</b>								
Internal finance of house purchase out of savings / down payment (i.e. share financed via the household's own funds)			5				0	0
Loans from other banks			5				0	0
Other sources of external finance			5				0	0

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

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

	--	-	°	+	++	N/A	Diffusion index %	
							Jul. 16	Apr. 16
<b>a) Financing needs / underlying drivers or purpose of loan demand</b>								
Spending on durable consumer goods, such as cars, furniture, etc.			4	1			10	30
Consumer confidence			3	2			20	10
General level of interest rates			4	1			10	30
Consumption expenditure financed through real-estate guaranteed loans ("mortgage equity withdrawal")			5				0	0
<b>b) Use of alternative finance</b>								
Internal finance out of savings			5				0	0
Loans from other banks			5				0	0
Other sources of finance			5				0	0

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

	Loans for house purchase		Consumer credit and other lending	
Tighten considerably				
Tighten somewhat				
Remain basically unchanged	5		5	
Ease somewhat				
Ease considerably				
Diffusion Index %	Jul. 16	0	Jul. 16	0
	Apr. 16	-20	Apr. 16	-10

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

	Loans for house purchase		Consumer credit and other lending	
Decrease considerably				
Decrease somewhat				
Remain basically unchanged	3		2	
Increase somewhat	1		3	
Increase considerably	1			
Diffusion Index %	Jul. 16	30	Jul. 16	30
	Apr. 16	40	Apr. 16	40

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

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

-- = deteriorated considerably / will deteriorate considerably

- = deteriorated somewhat / will deteriorate somewhat

o = remained unchanged / will remain unchanged

+ = eased somewhat / will ease somewhat

++ = eased considerably / will ease considerably

N/A = not applicable

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

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

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

(3) Usually involves on-balance sheet funding.

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

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

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

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

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

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

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

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

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

° = remained / will remain basically unchanged

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

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

N/A=Not applicable

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

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

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

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

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

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

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

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

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

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

#### a) Credit standards

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

#### b) Credit margins

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

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

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

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

Please answer all questions, even if you did not participate past LTROs and have not yet decided whether to participate in the future LTROs to be carried out until June 2016.

For question 4: please select only one reason (even if still uncertain), either for participating or for not participating. If you are still completely undecided, you do not need to indicate a reason.

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

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

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

#### a) Participation

	Yes	No	Currently undecided about participation
In the most recent TLTRO (TLTRO II)	5		
In the future TLTROs	2	1	2

#### b) Reasons

Please choose the category which applies most:

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

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

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

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

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

(2) Following the comprehensive assessment.

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



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

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

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

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

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

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

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

a) Financial situation of your bank

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

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

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

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

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

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