



BANK LENDING SURVEY | Results for Portugal | October 2015

I. Overall assessment

According to the results of the five banking groups surveyed in October, the credit standards applied to the non-financial private sector remained broadly stable in the last three months. However, some institutions reported that a more favourable assessment of the general economic situation and pressure from competition have slightly contributed to lower the level of restrictiveness. Looking at the terms and conditions applied to credit contracts, there was a reduction in the spreads of average risk loans for both small and medium-sized enterprises (SMEs) and large enterprises. In the households sector, some institutions reported a reduction in loan spreads for both house purchase and consumption and other purposes. Overall, most institutions do not foresee changes in the credit standards applied to the non-financial private sector in the fourth quarter of 2015. However, a slight reduction in restrictiveness could be observed for loans to small and medium-sized enterprises and for longer maturities, as well as loans to households.

Although most of the institutions reported relative stable demand for loans or credit lines from enterprises during the last quarter, some pointed out an increase in loan demand, both for shorter and longer maturities, as well as for SMEs. In the household segment, all institutions reported either a slight or a significant increase in loan demand for house purchase and most recorded a slight increase in demand for loans for consumption and other purposes.

For the next quarter, surveyed institutions foresee a slight increase in demand for loans or credit lines from enterprises, particularly for SMEs and for longer maturities. In the household segment, most institutions expect an increase in loan demand, particularly for loans for house purcha-

se, for which some institutions anticipate a significant increase.

II. Presentation of the results

Supply

In the last three months, the credit standards remained broadly unchanged in comparison to the previous quarter, even though one institution reported a slight reduction in the restrictiveness levels for loans to large enterprises. The main drivers of this trend were competition from other banks and a more favourable assessment of the general economic situation and outlook, both for SMEs and larger enterprises. Similarly, improvements in the costs of raising capital, the liquidity position, and in the assessment of the industry or firm-specific situation were also relevant factors for some institutions.

Looking at terms and conditions of credit contracts to enterprises, four institutions reported lower spreads for average risk loans, both for SMEs and large enterprises, while one institution noted slightly higher spreads to average risk loans. Two institutions reported a reduction in the restrictiveness levels of the general terms and conditions. Additionally, one institution reported a reduction in the restrictiveness levels for other components, namely non-interest rate charges, size and maturity of loans, required guarantees, and other non-monetary conditions. All banks cited pressure from competition as one of the factors underlying these adjustments. One institution also reported a positive impact driven by improvements in costs of funds and balance sheet constraints, in particular in

spreads applied to average risk loans.

In the households segment, none of the participating banks reported a change in credit standards applied on loans to households, both for house purchase and consumption. Despite this relative stability, according to some institutions a more favourable assessment both for the general economy and the real estate market have also contributed to lower restrictiveness in loans to households, as well as improvements in costs of funds and balance sheet constraints. In the segment of consumption loans, only one institution reported a more favourable assessment for the general economic situation as the factor that has contributed to reduce the restrictiveness levels, while other institution identified improvements in costs of funds and balance sheet constraints. Looking at the terms and conditions applied on loans for house purchase, three institutions reported lower spreads on average risk loans for house purchase. In the segment of loans for consumption and other purposes, two banks also noted a reduction in spreads. Pressure from competition, costs of funds and balance sheet constraints and perception of risks were the main drivers for this reduction in spreads applied on loans, both for house purchase and consumption.

In the last quarter, the share of rejected applications of loans remained broadly unchanged in comparison to the previous quarter for enterprises, even though it increased for one bank and decreased for another. In the household loans segment only one institution reported a slight decrease in loan rejections.

For the third quarter of 2015, in general terms, banks do not expect sizable changes in credit standards for loan approval. Nonetheless, regarding loans or credit lines to enterprises, one institution foresees a decrease in the restrictiveness of the criteria applied to all segments of loans from enterprises, while another institution anticipates a similar adjustment for loans with short-term maturities and for SMEs. In the households segment, one bank also forecasts adopting less restrictive credit

standards while the remaining institutions do not foresee changes.

Demand

According to the results of the survey, in the last quarter, the demand for loans or credit lines from enterprises remained relatively stable. However, some institutions reported an increase in loans for SMEs and in loans with longer maturities. The increase in loan demand was essentially supported by higher financial needs related with inventories and working capital and the general level of interest rates. One institution also pointed out the increase in financial needs for mergers/acquisitions and corporate restructuring and the fact that it represents an alternative to loans granted by other financial institutions as contributing positively to their loan demand growth.

In the households segment, most participating institutions pointed out a slight increase both for house purchase or consumption and other purposes, although two of them reported a significant increase in loan demand for house purchase. It should be highlighted that only one bank did not report changes in loan demand for consumption and other purposes. The increase in loan demand for house purchase was related to the increase in consumer confidence (identified by all banks), the general level of interest rates, and more favourable real estate market prospects, including expected house price developments. Regarding loans for consumption and other purposes, four institutions reported the positive role of consumer confidence, while three of them also identified the positive impact of an increase in spending on durable consumer goods and the general level of interest rates.

Next quarter the institutions surveyed do not foresee significant overall changes in the demand for loans or credit lines from enterprises, even though two banks expect a slight increase, particularly in loans for SMEs and with longer maturities. In the households segment, only one bank does not anticipate changes in demand, while the remaining institutions foresee a slight increase in loan demand, both for house purchase and consumption and other purposes. In fact, one of these institutions expects a significant increase in loan demand for house purchase.

III. *Ad-hoc* questions

In line with previous surveys, the current bank lending survey includes some ad-hoc questions to assess the impact of specific and/or time-constrained events on bank credit conditions to firms and households. In particular, this survey included one question related to the access to both the wholesale and retail financial market and three questions related to ECB's expanded asset purchase program.

The first question assesses the impact of financial market conditions on banks' access to credit and their ability to transfer credit risk from the balance sheet. In general, the financing conditions in markets and the ability to transfer risk remained relatively stable in the last three months. However, one institution reported slight improvements in the ability to securitize loans from enterprises and for house purchase, as well as in its financing capacity through short-term deposits. For the next quarter, participating institutions foresee developments in line with those recorded recently, even though two institutions anticipate slight improvements, particularly in the securitization of corporate loans and in the financing capacity through long-term debt securities.

The remaining three questions focused on the ECB's expanded asset purchase program, namely in its impact on assets held by banks, as well as in the use of the additional liquidity provided by the program.

The results obtained suggest that ECB's expanded asset purchase program did not significantly change either assets value or overall liquidity position of surveyed banks. However, some institutions reported slight improvements on general funding conditions, driven essentially by both asset backed securities and covered bonds and overall profitability of banks. For the next six months, although most institutions do not anticipate significant changes, one participating institution expects a decrease in its total assets due to a decrease on holdings of sovereign bonds of the Euro Zone, while other institutions foresee an increase in their total assets as well as on holdings of sovereign bonds of the Euro Zone. Additionally, some institutions anticipate a slight improvement in general conditions of the funding market, driven

essentially by developments in funding conditions through asset backed securities and covered bonds. Finally, some banks also reported favourable prospects about bank's overall profitability and capital position.

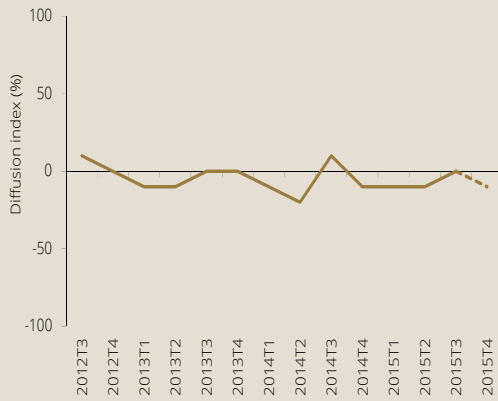
All banks considered that the additional liquidity obtained through the expanded assets purchase program did not have a significant impact either on their financing policy or on their lending policy in the last six months. According to one institution, the increased liquidity owing to an increase in customer deposits from enterprises and households contributed to substitute for both deposit shortfalls and interbank lending. Additionally, it had a slight positive impact on granting loans. For the next six months, some institutions anticipate that the increased liquidity resulting from sales of marketable assets could contribute to substitute for maturing debt, while the increased liquidity due to an increase in customer deposits may be used as an alternative to interbank lending and in the for granting loans to enterprises and households, both for house purchase loans and consumption credit.

The last question aims to assess whether the ECB's expanded asset purchase program affected bank's lending behaviour in the last six months. Two institutions reported slight lower restrictiveness on the terms and conditions for loans to enterprises and households for house purchase. For the next semester, some institutions expect a lower restrictiveness on credit standards for loans to enterprises, as well as on terms and conditions for loans, particularly to enterprises and households for house purchase.

Main results

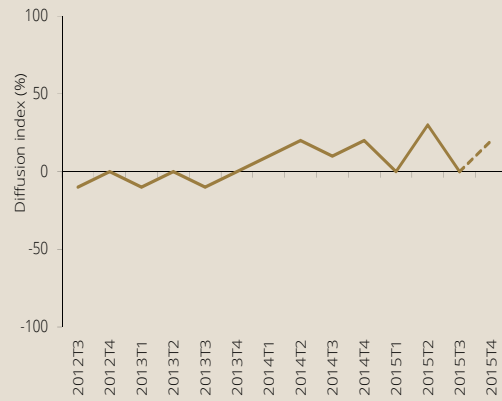
Credit supply

Enterprises (overall)

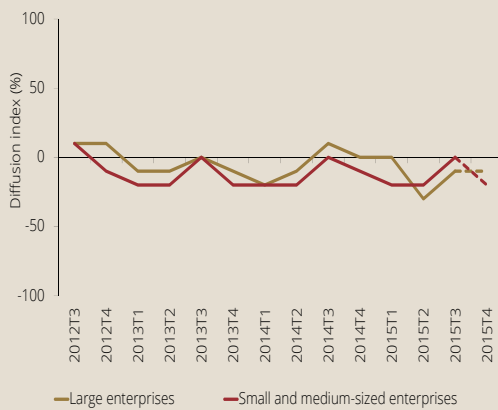


Credit demand

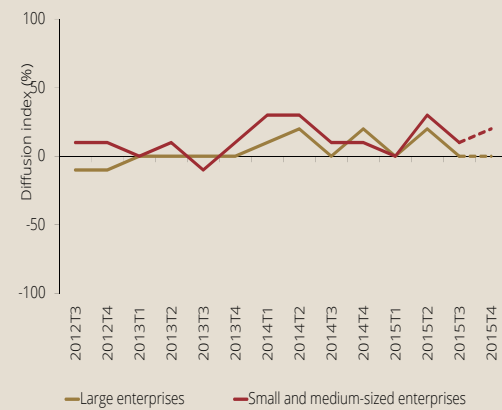
Enterprises (overall)



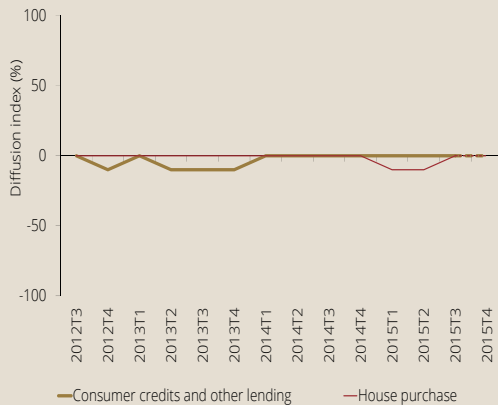
Enterprises



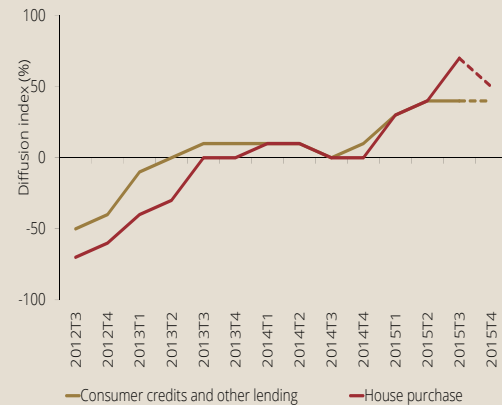
Enterprises



Households



Households



Notes: The diffusion index varies between -100 and 100. Values of less (more) than zero means a loosening (tightening) of the criteria in the case of the credit supply and a decrease (increase) in the case of credit demand. Figures for the last quarter are 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 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	4	5	5
Eased somewhat				1		
Eased considerably						
Diffusion Index %	Oct.15	0	0	-10	0	0
	Jul.15	-10	-20	-30	-10	-10

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	Oct.15	Jul.15
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position			4	1			-10	-10
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	-10
Your bank's liquidity position			4	1			-10	0
b) Pressure from competition								
Competition from other banks			3	2			-20	-20
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook			3	2			-20	-10
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1			-10	-20
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's credit standards for loans to small and medium-sized enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Oct.15	Jul.15
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position			4	1			-10	-10
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	-10
Your bank's liquidity position			4	1			-10	0
b) Pressure from competition								
Competition from other banks			3	2			-20	-20
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook			3	2			-20	-10
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1			-10	-20
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's credit standards for loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Oct.15	Jul.15
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position			4	1			-10	-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			4	1			-10	-20
b) Pressure from competition								
Competition from other banks			3	2			-20	-30
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			5				0	-20
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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

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

	Overall						Diffusion index %	
	--	-	°	+	++	N/A	Oct.15	Jul.15
a) Overall terms and conditions								
Overall terms and conditions			3	2			-20	-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		1		4			-30	-50
Your bank's loan margin on riskier loans			5				0	-10
c) Other conditions and terms								
Non-interest rate charges			4	1			-10	0
Size of the loan or credit line			4	1			-10	-10
Collateral requirements			4	1			-10	0
Loan covenants			4	1			-10	0
Maturity			4	1			-10	0

	Loans to small and medium-sized enterprises						Diffusion index %	
	--	-	°	+	++	N/A	Oct.15	Jul.15
a) Overall terms and conditions								
Overall terms and conditions			3	2			-20	-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		1		4			-30	-60
Your bank's loan margin on riskier loans			5				0	-30
c) Other conditions and terms								
Non-interest rate charges			5				0	-10
Size of the loan or credit line			4	1			-10	-20
Collateral requirements			4	1			-10	-10
Loan covenants			5				0	-10
Maturity			5				0	-10

	Loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Oct.15	Jul.15
a) Overall terms and conditions								
Overall terms and conditions			4	1			-10	-10
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		1		4			-30	-50
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	-20
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	-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	Oct.15	Jul.15
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	-20
b) Pressure from competition								
Pressure from competition				5			-50	-50
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	Oct.15	Jul.15
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	-20
b) Pressure from competition								
Pressure from competition				5			-50	-50
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	Oct.15	Jul.15
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	-10
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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		1
Remain basically unchanged		3
Increase somewhat		1
Increase considerably		
Diffusion Index %	Oct.15	0
	Jul.15	0

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

		Overall	Loans to small and medium- sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Decreased considerably						
Decreased somewhat						
Remain basically unchanged		5	4	5	4	3
Increased somewhat			1		1	2
Increased considerably						
Diffusion Index %	Oct.15	0	10	0	10	20
	Jul.15	30	30	20	40	40

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 %	
								Oct.15	Jul.15
a) Financing needs / underlying drivers on purpose of loan demands									
Fixed investment				5				0	20
Inventories and working capital				2	3			30	40
Mergers / acquisitions and corporate restructuring				4	1			10	10
General level of interest rates				3	2			20	30
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	20
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		4	3	4	3	4
Eased somewhat		1	2	1	2	1
Eased considerably						
Diffusion Index %	Oct.15	-10	-20	-10	-20	-10
	Jul.15	0	0	-10	0	-10

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		3	3	5	4	3
Increase somewhat		2	2		1	2
Increase considerably						
Diffusion Index %	Oct.15	20	20	0	10	20
	Jul.15	50	50	20	20	40

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 %	Oct.15	0
	Jul.15	-10

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

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

	--	-	°	+	++	N/A	Diffusion index %	
							Oct.15	Jul.15
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	-10
b) Pressure from competition								
Competition from other banks			5				0	-10
Competition from non-banks			5				0	0
c) Perception of risk								
General economic situation and outlook			2	3			-30	-30
Housing market prospects, including expected house price developments			4	1			-10	-10
Borrower's creditworthiness			4	1			-10	-10
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	-10

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

	--	-	o	+	++	N/A	Diffusion index %	
							Oct.15	Jul.15
a) Overall terms and conditions								
Overall terms and conditions			5				0	-10
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			2	3			-30	-40
Your bank's loan margin on riskier loans			5				0	-10
c) Other terms and conditions								
Collateral requirements			5				0	0
Loan-to-value ratio			5				0	10
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
- 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	Oct.15	Jul.15
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	-10
b) Pressure from competition								
Pressure from competition			4	1			-10	-10
c) Perception of risk								
Perception of risk			4	1			-10	-10
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	-10

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	°	+	++	N/A	Oct.15	Jul.15
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	-10
b) Pressure from competition								
Pressure from competition			3	2			-20	-30
c) Perception of risk								
Perception of risk			4	1			-10	-10
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	Oct.15	Jul.15
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	-10
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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	Oct.15	Jul.15
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	-10
b) Pressure from competition								
Pressure from competition			5				0	0
Competition from non-banks			5				0	0
c) Perception of risk								
General economic situation and outlook			4	1			-10	-20
Creditworthiness of consumers			5				0	-10
Risk on the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	-10

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

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

	--	-	°	+	++	N/A	Diffusion index %	
							Oct.15	Jul.15
a) Overall terms and conditions								
Overall terms and conditions			4	1			-10	-10
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	-10
Your bank's loan margin on riskier loans			5				0	0
c) Other terms and conditions								
Collateral requirements			5				0	0
Size of the loan			5				0	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	Oct.15	Jul.15
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	-10
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk			4	1			-10	-10
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	Oct.15	Jul.15
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		-20	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

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Oct.15	Jul.15
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	1	1
Remained basically unchanged	4	4
Increased somewhat		
Increased considerably		
Diffusion Index %	Oct.15	-10
	Jul.15	-10

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

	Loans for house purchase	Consumer credit and other lending
Decreased considerably		
Decreased somewhat		
Remained basically unchanged		1
Increased somewhat	3	4
Increased considerably	2	
Diffusion Index %	Oct.15	70
	Jul.15	40

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 %	
							Oct.15	Jul.15
a) Financing needs / underlying drivers or purpose of loan demand								
Housing market prospects, including expected house price developments			2	3			30	20
Consumer confidence					5		50	30
General level of interest rates			2	3			30	30
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
- o = contributed to keeping demand basically unchanged
- + = contributed somewhat to higher demand
- ++ = contributed considerably to higher demand
- N/A = not applicable

	--	-	o	+	++	N/A	Diffusion index %	
							Oct.15	Jul.15
a) Financing needs / underlying drivers or purpose of loan demand								
Spending on durable consumer goods, such as cars, furniture, etc.			2	3			30	40
Consumer confidence			1	4			40	30
General level of interest rates			2	3			30	20
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		4	4
Ease somewhat		1	1
Ease considerably			
Diffusion Index %	Oct.15	-10	-10
	Jul.15	-10	-10

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

		Loans for house purchase	Consumer credit and other lending
Decrease considerably			
Decrease somewhat			
Remain basically unchanged		1	1
Increase somewhat		3	4
Increase considerably		1	
Diffusion Index %	Oct.15	50	40
	Jul.15	40	40

Ad-hoc question on retail and wholesale funding

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

Ad hoc questions on the ECB's expanded asset purchase programme

1. Over the past six months, has the ECB's expanded asset purchase programme led to a change in your bank's assets or affected (either directly or indirectly) your bank in any of the following areas? Is it likely to have an impact here over the next six months?

-- = has contributed considerably to a decrease or deterioration / will contribute considerably to a decrease or deterioration

- = has contributed somewhat to a decrease or deterioration / will contribute somewhat to a decrease or deterioration

° = has had basically no impact / will have basically no impact

+ = has contributed somewhat to an increase or improvement / will contribute somewhat to an increase or improvement

++ = has contributed considerably to an increase or improvement / will contribute considerably to an increase or improvement

N/A = not applicable

	Over the past six months					N/A	Over the next six months					N/A
	--	-	°	+	++		--	-	°	+	++	
a) Your bank's total assets												
Your bank's total assets (non-risk weighted volume)			5					1	3	1		
of which: euro area sovereign bond holdings			5					1	3	1		
b) Your bank's liquidity position												
Your bank's overall liquidity position			5					4	1			
owing to: sales of marketable assets			5					5				
an increase in deposits from enterprises and households			4	1				5				
c) Your bank's market financing conditions												
Your bank's overall market financing conditions			3	2				3	2			
of which financing via:												
asset-backed securities			3	2				3	2			
covered bonds			3	2				2	3			
unsecured bank bonds			5					5				
equity issued			4			1		4			1	
d) Your bank's profitability												
Your bank's overall profitability			3	2				4	1			
owing to: net interest margin			4	1				4	1			
capital gains / losses			4	1				4	1			
of which: capital gains / losses out of sales of marketable assets			4	1				4	1			
e) Your bank's capital position												
Your bank's capital ratio			5					4	1			
owing to capital release			5					4	1			
Your bank's leverage ratio			4	1				4	1			

2. Over the past six months, for what purposes has your bank used the additional liquidity arising from the ECB's expanded asset purchase programme? And for what purposes will such liquidity be used over the next six months?

	Over the past six months				Over the next six months			
	Has contributed considerably to this purpose	Has contributed somewhat to this purpose	Has had basically no impact	N/A	Will contribute considerably to this purpose	Will contribute somewhat to this purpose	Will basically have no impact	N/A
a) Increased liquidity resulting from your bank's sales of marketable assets								
For refinancing:								
For substituting deposit shortfalls			3	2			3	2
For substituting maturing debt			3	2		1	2	2
For substituting interbank lending			3	2			3	2
For substituting other Eurosystem liquidity operations			3	2			3	2
For granting loans:								
Loans to enterprises			3	2			3	2
Loans to households for house purchase			3	2			3	2
Consumer credit and other lending to households			3	2			3	2
For purchasing assets:								
Euro area marketable assets, excluding sovereign bonds			3	2			3	2
Non-euro area marketable assets			3	2			3	2
b) Increased liquidity owing to an increase in customer deposits from enterprises and households								
For refinancing:								
For substituting maturing debt	1		3	1			4	1
For substituting interbank lending	1	1	2	1		1	3	1
For substituting other Eurosystem liquidity operations		1	3	1			4	1
For granting loans:								
Loans to enterprises		1	3	1		2	2	1
Loans to households for house purchase		2	2	1		2	2	1
Consumer credit and other lending to households		1	3	1		1	3	1
For purchasing assets:								
Euro area marketable assets, excluding sovereign bonds			4	1			4	1
Non-euro area marketable assets			4	1			4	1

3. Over the past six months, how has the ECB's expanded asset purchase programme affected your bank's lending behaviour? And what will be its impact on lending behaviour over the next six months?

-- = has contributed considerably to tightening credit standards/terms and conditions / will contribute considerably to tightening credit standards / terms and conditions

- = has contributed somewhat to tightening credit standards/terms and conditions / will contribute somewhat to tightening credit standards / terms and conditions

° = has had basically no impact on credit standards/terms and conditions / will have basically no impact on credit standards / terms and conditions

+ = has contributed somewhat to easing credit standards/terms and conditions / will contribute somewhat to easing credit standards / terms and conditions

++ = has contributed considerably to easing credit standards/terms and conditions / will contribute considerably to easing credit standards / terms and conditions

N/A = not applicable

	Over the past three months						Over the next three months					
	--	-	°	+	++	N/A	--	-	°	+	++	N/A
a) Credit standards												
For loans to enterprises				5					4	1		
For loans to households for house purchase				5					5			
For consumer credit and other lending to households				5					5			
b) Terms and conditions												
For loans to enterprises				3	2				2	3		
For loans to households for house purchase				3	2				3	2		
For consumer credit and other lending to households				4	1				4	1		