



BANK LENDING SURVEY | Results for Portugal | October 2016

I. Overall assessment

According to the results of the October's 2016 survey to the five Portuguese banking groups, the credit standards applied remained stable during the last three months when compared with the previous three. Nonetheless, one institution reported that pressure from competition and a more favorable assessment of the general economic situation contributed to a slight restrictiveness reduction in loans for house purchase. Regarding terms and conditions applied to credit contracts, the surveyed institutions reported a narrowing of spreads on average risk loans to enterprises as well as households but with less intensity. Overall, most institutions do not foresee changes in the credit standards applied to both enterprises and households in the fourth quarter of 2016 with the exception of one institution which reported that it expects a slight increase in restrictiveness for large companies. With respect to households, expectations are similar, even though one institution foresees slightly less restrictive criteria.

Regarding demand in the third quarter of 2016, there was a general stabilization in demand for loans or credit lines to enterprises and a slight increase to households. Nonetheless, one institution reported a slight increase in demand by SMEs and in longer maturities, while another institution reported a slight decrease in all segments. Among the factors underlying this evolution, the institutions highlighted, in the case of enterprises, the general level of interest rates and, to a lesser extent, the fixed investment financing and to meet inventories levels and working capital; in the case of individuals, the institu-

tions mentioned the increase in consumer confidence. For the next three months, the surveyed banks do not anticipate significant changes in demand for loans or credit lines by enterprises. Only one institution reported expectations of a slight decrease by SMEs in short and long term maturities. In the households segment, three out of the five institutions expect a slight increase in demand of loans for house purchase; for consumption and other purposes two out of the five institutions anticipate a similar evolution, whereas the remaining institutions do not anticipate significant changes in these two segments.

II. Presentation of the results

Supply

In the third quarter of 2016, the institutions surveyed reported no change in the criteria for granting loans or credit lines to companies. With regard to the terms and conditions, four institutions reported a slight reduction of spreads applied to average risk loans, especially in the segment of small and medium enterprises. The main reason for this evolution was greater competitive pressure. In the segment of households, according to all five participating institutions, the lending criteria remained virtually unchanged in the last quarter, both for house purchase and for consumption and other purposes. Nevertheless, some institutions indicated that pressure from other banks and the best prospects for the housing market, including the expected development of

housing prices, contributed to a reduction in restrictiveness in lending to households. With regard to the terms and conditions, two institutions indicated a slight decrease in spreads on average risk loans to households for house purchase, and one institution reported a similar evolution in the case of loans for consumption and other purposes.

Still for the third quarter, the proportion of rejected applications for loans remained unchanged, both in loans to enterprises and for households.

For the fourth quarter 2016, the five participating banks do not anticipate changes in lending criteria in the segments in question. The exception is one institution that anticipates a slight increase in restrictiveness in lending to large companies.

Demand

According to the survey, the demand for loans and credit lines by enterprises remained relatively stable in the third quarter 2016. However, two institutions differed from this trend, with one institution reporting a slight decrease in demand in all segments and another institution indicating a slight increase in demand for loans to SMEs and longer maturities. Despite the relative stability, some factors were reported to have contributed to a slight increase in demand, particularly the general level of interest rates, the demand for fixed investment financing, to meet inventories levels and working capital needs and also to finance mergers/acquisitions and corporate restructuring.

In the households segment, most institutions surveyed reported a slight increase in demand being particularly relevant in demand for house purchase. This evolution was mostly driven by the general level of interest rates as well as by increased consumer confidence and the need to finance consumer spending on durable goods.

For the next three months, only one institution anticipates a slight increase in demand

for loans and credit lines by enterprises, especially from SMEs. Conversely, one institution anticipates a slight reduction in demand from SMEs and across the entire maturity spectrum (short and long term). For the same period and overall, institutions anticipate a slight increase in demand for loans to house purchase and for loans to consumption and other purposes.

III. *Ad hoc* questions

In line with previous surveys, this questionnaire included a set of *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 a question on access to retail and wholesale funding market, three questions on the expanded assets purchase program, and a question on the impact of negative interest rate applied by the ECB to the deposit facility.

The first *ad hoc* question assessed 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 institutions reported no significant changes in the last three months. However, one institution reported a slight improvement in retail financing and other institution indicated an improvement in the very short-term inter-bank unsecured money market. Conversely, one institution reported a slight deterioration in financing through wholesale debt securities, as well as in the ability to transfer credit risk off balance sheet, the latter also signed by another institution. For the fourth quarter, the institutions do not anticipate changes in the conditions recorded in the previous quarter. Exceptions occurred in retail financing, where two institutions anticipate a slight improvement, while another institution anticipates a slight deterioration.

The following three *ad hoc* questions concern the ECB's expanded assets purchase programme. These questions seek to assess how, in the last six months, this program

changed the asset structure of the institutions, how the additional liquidity provided by the program was used, and the impact the program had on lending.

For the last six months, the assessment of the institutions surveyed is that the ECB's expanded asset purchase program had a very small to slightly positive impact on bank assets.

In this view, one institution reported slight improvements to total assets held by the institution, as well as to the global financing conditions in the market, specifically through securities with underlying assets and covered bonds. Another institution reported better overall funding, with the same institution also reporting a slight improvement in the liquidity position arising from the sale of marketable assets. On the other hand, one institution reported a slight deterioration in total assets relating to sovereign bonds in the euro area and in the bank's market financing conditions regarding unsecured bank bonds, as well as on profitability due to a decrease in net interest margin. For the next six months, some institutions anticipate slight improvements in various areas. In this regard, four institutions anticipate slight improvements in global financing conditions and especially in securities with underlying assets and covered bonds. Note that only one institution anticipates a slight deterioration in profitability in the net interest margin and in total assets related to sovereign bonds of the euro area.

With regard to the purposes for which the various institutions used the extra liquidity provided by the ECB's program in the past six months, the responses of the surveyed institutions vary substantially. However, in general, the banks indicated a significant impact on lending to enterprises and households and as an alternative to financing from the Eurosystem liquidity operations and deposit shortfalls from the increased liquidity due to the sales of marketable assets. The institutions also reported significant contributions of more liquidity from deposits of companies and households as an alternative to

interbank lending and in promoting lending to households for house purchase. For the next six months, banks have expectations of a positive impact, although slighter than in the past, especially in refinancing and lending (due to increased liquidity resulting from sales of marketable assets).

Finally, the majority of institutions surveyed reported that over the past six months, the expanded asset purchase program did not affect the lending criteria or the terms and conditions applied to loans, with one institution referring a slight reduction of tightening in the latter. Regarding the next six months, institutions foresee that the programme will continue to have a non-significant impact on lending criteria. However, one institution reported that it anticipates a slight reduction of tightening the terms and conditions; another institution anticipates a similar behaviour, but only in loans to enterprises.

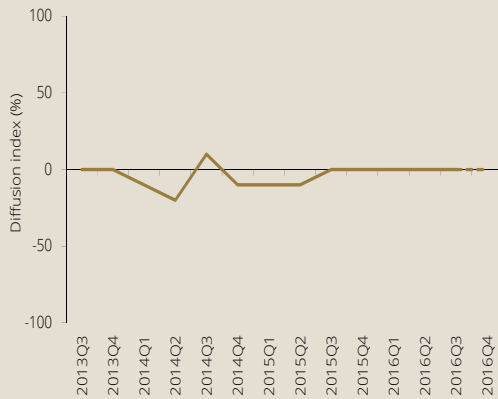
The last question focuses on the impact of the negative deposit facility rate of the ECB. The answers of the institutions surveyed regarding the last six months show different impacts. Two institutions reported that this measure had a significant impact on the decrease in net interest income of the bank, and two institutions reported an impact in the same direction but slighter. Conversely, one institution reported a slightly positive impact on this very aspect. One institution also reported a considerable contribution to the reduction of lending rates on loans to enterprises and in house purchase for households. This dynamic was also reported by two more institutions but having a lighter impact, with these two institutions reporting also an impact in terms of spreads applied by the bank. Conversely, an institution reported a slight contribution towards an increase in lending rates on loans to enterprises and for house purchase in households. For the next six months, the assessment of the reported institutions remains as it was for the six previous months. In this sense, four institutions anticipate that this measure will contribute to a decrease in net interest income of the

bank, with two of the institutions anticipating a considerable impact in this regard. One institution anticipates a slight impact but in the opposite direction. As recorded for the last six months, one institution anticipates that for the next six months the measure will have a significant contribution in the reduction of lending rates on loans to companies and to households for house purchase. It should also be noted that two institutions anticipate slight increases on the bank's non-interest rate charges as a result of the measure applied by the ECB, but also a slightly positive contribution in the volume of loans to companies and to households for consumption and other purposes.

Main results

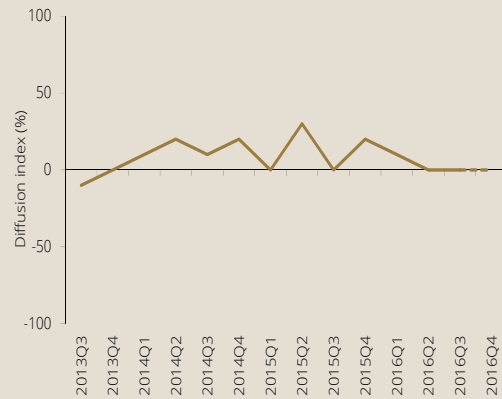
Credit supply

Enterprises (overall)

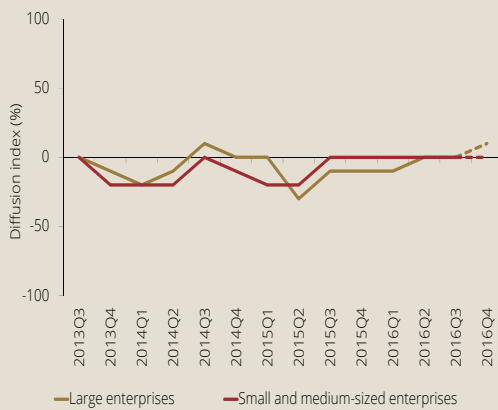


Credit demand

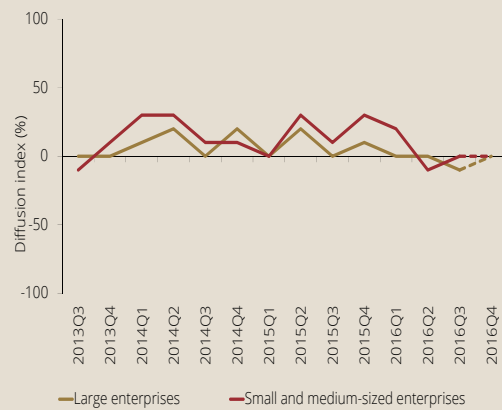
Enterprises (overall)



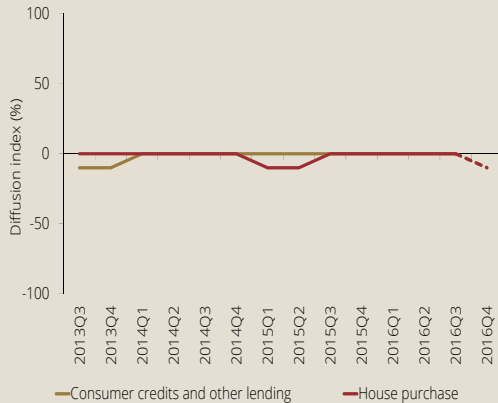
Enterprises



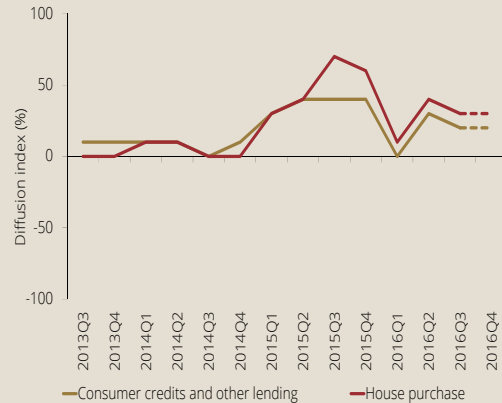
Enterprises



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	5	5	5
Eased somewhat						
Eased considerably						
Diffusion Index %	Oct.16	0	0	0	0	0
	Jul.16	0	0	0	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	Oct.16	Jul.16
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
b) Pressure from competition								
Competition from other banks			5				0	-10
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook			5				0	0
Industry or firm-specific situation and outlook / borrower's creditworthiness			5				0	-10
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0



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

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

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

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

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

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

	Loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Oct.16	Jul.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			2	3			-30	0
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges			5				0	0
Size of the loan or credit line			5				0	0
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	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.16	Jul.16
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			1	4			-40	-30
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.16	Jul.16
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			1	4			-40	-30
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.16	Jul.16
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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

	Share of rejected applications	
Decrease considerably		
Decrease somewhat		
Remain basically unchanged		5
Increase somewhat		
Increase considerably		
Diffusion Index %	Oct.16	0
	Jul.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	1	1	1	1
Remain basically unchanged		3	3	4	4	3
Increased somewhat		1	1			1
Increased considerably						
Diffusion Index %	Oct.16	0	0	-10	-10	0
	Jul.16	0	-10	0	0	0

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

- = contributed considerably to 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.16	Jul.16
a) Financing needs / underlying drivers on purpose of loan demands								
Fixed investment				4	1		10	0
Inventories and working capital				4	1		10	0
Mergers / acquisitions and corporate restructuring				4	1		10	0
General level of interest rates				4	1		10	10
Debt refinancing / restructuring and renegotiation				5			0	10
b) Use of alternative finance								
Internal financing				5			0	0
Loans from other banks				5			0	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				1		
Remained basically unchanged		5	5	4	5	5
Eased somewhat						
Eased considerably						
Diffusion Index %	Oct.16	0	0	10	0	0
	Jul.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			1		1	1
Remain basically unchanged		5	3	5	4	4
Increase somewhat			1			
Increase considerably						
Diffusion Index %	Oct.16	0	0	0	-10	-10
	Jul.16	0	10	0	0	0

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.16	0	0
	Jul.16	0	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 %	
							Oct.16	Jul.16
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Competition from other banks			4	1			-10	-20
Competition from non-banks			4			1	0	0
c) Perception of risk								
General economic situation and outlook			5				0	0
Housing market prospects, including expected house price developments			4	1			-10	-10
Borrower's creditworthiness			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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

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

	--	-	°	+	++	N/A	Diffusion index %	
							Oct.16	Jul.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	-20
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	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	Oct.16	Jul.16
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	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 average loans						Diffusion index %	
	--	-	o	+	++	N/A	Oct.16	Jul.16
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	-10
b) Pressure from competition								
Pressure from competition			4	1			-10	-20
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Oct.16	Jul.16
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	-10
b) Pressure from competition								
Pressure from competition			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
- 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	Oct.16	Jul.16
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	-10
b) Pressure from competition								
Pressure from competition			5				0	-20
Competition from non-banks			5				0	-20
c) Perception of risk								
General economic situation and outlook			5				0	-10
Creditworthiness of consumers			5				0	0
Risk on the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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

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

	--	-	°	+	++	N/A	Diffusion index %	
							Oct.16	Jul.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			4	1			-10	0
Your bank's loan margin on riskier loans			5				0	0
c) Other terms and conditions								
Collateral requirements			5				0	0
Size of the loan			5				0	0
Maturity			5				0	0
Non-interest rate charges		1	4				10	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.16	Jul.16
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	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 average loans						Diffusion index %	
	--	-	o	+	++	N/A	Oct.16	Jul.16
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	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.16	Jul.16
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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

	Share of rejected applications	
	Loans for house purchase	Consumer credit and other lending
Decreased considerably		
Decreased somewhat		
Remained basically unchanged	5	5
Increased somewhat		
Increased considerably		
Diffusion Index %	Oct.16	0
	Jul.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	3
Increased somewhat	3	2
Increased considerably		
Diffusion Index %	Oct.16	20
	Jul.16	30

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

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

	--	-	°	+	++	N/A	Diffusion index %	
							Oct.16	Jul.16
a) Financing needs / underlying drivers or purpose of loan demand								
Housing market prospects, including expected house price developments			5				0	20
Consumer confidence			5				0	20
General level of interest rates			4	1			10	10
Debt refinancing / restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)			5				0	0
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.16	Jul.16
a) Financing needs / underlying drivers or purpose of loan demand								
Spending on durable consumer goods, such as cars, furniture, etc.			4	1			10	10
Consumer confidence			4	1			10	20
General level of interest rates			4	1			10	10
Consumption expenditure financed through real-estate guaranteed loans ("mortgage equity withdrawal")			5				0	0
b) Use of alternative finance								
Internal finance out of savings			5				0	0
Loans from other banks			5				0	0
Other sources of finance			5				0	0

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

		Loans for house purchase	Consumer credit and other lending
Tighten considerably			
Tighten somewhat			
Remain basically unchanged		4	4
Ease somewhat		1	1
Ease considerably			
Diffusion Index %	Oct.16	-10	-10
	Jul.16	0	0

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

		Loans for house purchase	Consumer credit and other lending
Decrease considerably			
Decrease somewhat			
Remain basically unchanged		2	3
Increase somewhat		3	2
Increase considerably			
Diffusion Index %	Oct.16	30	20
	Jul.16	30	30

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			1	2	2			
Long-term (more than one year) deposits and other retail funding instruments			4	1			1	2	2			
b) Inter-bank unsecured money market												
Very short term money market (up to 1 week)			4	1					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)		1	4						5			
Medium to long term debt securities (incl. covered bonds)		1	4						5			
d) Securitisation												
Securitisation of corporate loans			5						5			
Securitisation of loans for house purchase			5						5			
e) Ability to transfer credit risk off balance sheet												
Ability to transfer credit risk off balance sheet		2	2			1			4			1
e) Other markets												
Repo market			1			4			1			4

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

2. 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)			4	1				3	2			
of which: euro area sovereign bond holdings		1	3	1			1	2	2			
b) Your bank's liquidity position												
Your bank's overall liquidity position			4	1				3	2			
owing to: sales of marketable assets			4	1				3	2			
an increase in deposits from enterprises and households			5					5				
c) Your bank's market financing conditions												
Your bank's overall market financing conditions			3	2				1	4			
of which financing via:												
asset-backed securities			3	2				2	3			
covered bonds			3	2				1	4			
unsecured bank bonds		1	3	1				3	2			
equity issued			4			1		3	1		1	
d) Your bank's profitability												
Your bank's overall profitability			4	1				2	3			
owing to: net interest margin		1	4				1	2	2			
capital gains / losses			5					3	2			
of which: capital gains / losses out of sales of marketable assets			5					3	2			
e) Your bank's capital position												
Your bank's capital ratio			5					4	1			
owing to capital release			4	1				3	2			
Your bank's leverage ratio			5					4	1			

3. 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	1		2	2		1	2	2
For substituting maturing debt				3	2		2	1
For substituting interbank lending		2	1	2		1	2	2
For substituting other Eurosystem liquidity operations	1	1	1	2	1		2	2
For granting loans:								
Loans to enterprises	1	1	1	2		2	2	1
Loans to households for house purchase	1	1	1	2		2	2	1
Consumer credit and other lending to households	1	1	1	2		2	2	1
For purchasing assets:								
Euro area marketable assets, excluding sovereign bonds		1	2	2		1	3	1
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		2	2	1		3	1	1
For substituting interbank lending	1	1	2	1	1	1	2	1
For substituting other Eurosystem liquidity operations		2	2	1		2	2	1
For granting loans:								
Loans to enterprises		1	2	2	1		3	1
Loans to households for house purchase	1		2	2	1		3	1
Consumer credit and other lending to households		1	2	2		1	3	1
For purchasing assets:								
Euro area marketable assets, excluding sovereign bonds			4	1			4	1
Non-euro area marketable assets			3	2			3	2

4. 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			4	1			3	2				
For loans to households for house purchase			4	1			4	1				
For consumer credit and other lending to households			4	1			4	1				

Ad hoc question on the impact of the ECB's negative deposit facility rate

5. Given the ECB's negative deposit facility rate, did or will this measure, either directly or indirectly⁽¹⁾, contribute to:

- a decrease/increase of your bank's net interest income
- a decrease/increase of your bank's lending rates
- a decrease/increase of your bank's loan margin (narrower spread = decrease; wider spread = increase)
- a decrease/increase of your bank's non-interest rate charges
- a decrease/increase of your bank's lending volume

over the past or next six months?

-- = contributed/will contribute considerably to a decrease

- = contributed/will contribute somewhat to a decrease

o = did not/will not have an impact

+ = contributed/will contribute somewhat to an increase

++ = contributed/will contribute considerably to an increase

N/A = not applicable

	Over the past six months					N/A ⁽²⁾	Over the next six months					N/A ⁽²⁾
	--	-	o	+	++		--	-	o	+	++	
Impact on your bank's net interest income												
Impact on your bank's net interest income ⁽³⁾	2	2		1			2	2		1		
Loans to enterprises												
Impact on your bank's lending rates	1	2	1	1			1	2	1	1		
Impact on your bank's loan margin ⁽⁴⁾		1	4					1	4			
Impact on your bank's non-interest rate charges			5						3	2		
Impact on your bank's lending volume			5						4	1		
Loans to households for house purchase												
Impact on your bank's lending rates	1	2	1	1			1	2	1	1		
Impact on your bank's loan margin ⁽⁴⁾		1	4					1	4			
Impact on your bank's non-interest rate charges			5						4	1		
Impact on your bank's lending volume			5						5			
Consumer credit and other lending to households												
Impact on your bank's lending rates		2	2	1				2	2	1		
Impact on your bank's loan margin ⁽⁴⁾		1	4					1	4			
Impact on your bank's non-interest rate charges			5						3	2		
Impact on your bank's lending volume			5						4	1		

1) Independent of whether your bank has excess liquidity.

2) Please use the category "N/A" only if you do not have any business in this category.

3) The net interest income is defined as the difference between the interest earned and interest paid on the outstanding amount of interest-bearing assets and liabilities by the bank.

4) The loan margin is defined as the spread of the bank's lending rates on new loans over a relevant market reference rate.