



BANCO DE PORTUGAL
EUROSISTEMA

BANK LENDING SURVEY | Results for Portugal | October 2017

I. Overall assessment

According to the results of the bank lending survey conducted in October to the five banks included in the Portuguese sample, the credit standards and the terms and conditions applied on loans to firms and households remained broadly stable in the third quarter of 2017. Even so, one bank reported a slight easing of credit standards on loans granted to firms, in particular to small and medium firms and on short-term loans, and another bank reported a similar change in the segment of loans to households for consumption and other purposes.

For the last quarter of 2017, the surveyed institutions do not anticipate adjustments in credit standards applied on loans to firms and households.

In the third quarter of 2017, credit demand by firms remained essentially unchanged for most institutions, with one bank reporting a slight decline and another one reporting a slight increase. In the segment of households, most banks also reported basically unchanged demand for loans. Nevertheless, two banks reported a slight increase in the demand for loans for house purchase and one bank a slight increase in the demand for loans for consumption and other purposes. The improvement in consumer confidence and the general level of interest rates were the main factors underlying the increase in the demand for loans for house purchase.

For the fourth quarter of 2017, participating institutions do not foresee, in general, changes in firms' demand for loans. Only one bank expects an increase in firms' demand. In the case of households, three institutions expect a slight increase in the demand for loans for

house purchase and for consumption and other purposes.

II. Presentation of the results

Supply

In the third quarter of 2017, credit standards applied on loans or credit lines to firms remained broadly similar to those observed in the previous quarter. Only one bank reported a slight easing of credit standards, namely to small and medium sized enterprises (SME) and on short-term loans.

In this quarter, most institutions did not identify changes in factors with potential impact on credit standards to firms. Even so, one bank reported a slight improvement in its assessment of risks related to the general economic situation and to industry or firm-specific situations. The competitive pressure from other banks was also signalled as contributing to a less restrictive credit policy by one of the surveyed banks. In line with the previous quarter, these changes had an impact essentially on the criteria applied to the SME segment.

Regarding terms and conditions applied on loans to firms, most institutions did not record relevant adjustments. However, one institution reported a slight decrease in spreads applied on average risk loans, namely to the SME, while another institution reported a slight increase both for SME and large firms. This last institution also reported a slight increase in the non-interest rate charges for both firms' segments.

In the third quarter of 2017, in line with the previous quarter, all banks indicated that the share of firms' loan applications that were completely rejected remained unchanged.

In the segment of households, all participating institutions reported basically unchanged credit standards applied on loans for house purposes. Regarding loans for consumption and other purposes, four banks reported basically unchanged credit standards and one bank reported a slight easing.

Despite the relative stability of the applied criteria, one bank reported that the pressure from competition has contributed somewhat to the easing of credit standards in both households' segments. One bank also considered the housing market prospects, in the case of loans for house purchase, and the bank risk tolerance, in the case of loans for consumption and other purposes, as having a similar contribution to credit standards. In the third quarter of 2017, terms and conditions applied on loans to house purchase remained basically unchanged. On loans for consumption and other purposes, two institutions reported a slight decline in spreads applied on average risk loans due to competition pressures.

With regard to the share of loans applications that were completely rejected, no changes were also reported in the households' segments, in line with the previous quarter.

For the last quarter of 2017, the surveyed institutions do not anticipate adjustments in credit standards applied on loans to firms and households.

Demand

In the third quarter of 2017, most institutions reported basically unchanged demand for loans by firms. Nevertheless, one bank reported a slight decline in demand, while another bank reported a slight increase. According to this last institution, the factors underlying the increase in demand were the financing needs related both with fixed investment and with inventories and working capital as well as the general level of interest rates and the substitution of loans from other banks.

In the segment of households, most banks also reported basically unchanged demand for loans. Nevertheless, two banks reported

a slight increase in the demand for loans for house purchase and one bank a slight increase in the demand for loans for consumption and other purposes. The improvement in consumer confidence contributed to an increase in the demand for loans for house purchase, according to three banks, and to an increase in the demand for loans for consumption and other purposes, according to one bank. In the segment of loans for house purchase, two banks also reported the general level of interest rates and one bank the housing market prospects as factors contributing somewhat to higher demand.

For the fourth quarter of 2017, most banks foresee that credit demand by firms will remain basically unchanged. Only one bank expects a slight increase in demand.

By contrast, regarding the households, three banks foresee a slight increase in the demand for loans, both for house purchase and for consumption and other purposes, while the remaining two banks foresee demand to remain basically unchanged.

III. *Ad hoc* questions

As in previous surveys, the October questionnaire included a set of *ad hoc* questions. In particular, it included questions related to the funding of banks, the impact of the European Central Bank (ECB)'s expanded asset purchase programme and the impact of the ECB's negative deposit facility rate.

The first *ad hoc* question intended to assess the impact of the financial markets' situation on the access of banks to funding and on their ability to transfer credit risk off-balance sheet. In general, banks reported stable funding conditions in the third quarter of 2017. However, one bank reported a slight improvement in its short-term and long-term retail funding conditions and another bank reported also an improvement but only on the funding with short-term deposits. On the contrary, one institution reported a slight deterioration of the long-term retail funding conditions. Regarding medium to long-term debt securities, two banks reported a slight improvement in the access to this market. For the next quarter, most banks do not anticipate changes in their funding conditions or in the ability to transfer credit risk. Nevertheless, one institution expects a slight improvement in both short-term and long-term retail funding, and another institution foresees a slight deterioration in the long-term retail funding. In addition, two banks foresee a favourable evolution in the access to the very short-term money market and in the access to the medium to long-term debt securities.

The three following *ad hoc* questions explored the impact of the expanded asset purchase programme conducted by the ECB on banks' financial and capital positions, on additional liquidity and on credit activity. The results suggest that, in the last six months, the expanded asset purchase programme was not translated to bank's total assets nor to other dimensions under analysis, namely profitability and capital. Regarding the liquidity position and market financing conditions, some banks reported a slight improvement. One institution reported a slight improvement in the liquidity position

owing to an increase in deposits from firms and households. Some institutions reported positive effects on bank's overall market financing conditions. Most institutions reported positive impacts on funding conditions in some type of instruments, namely asset backed securities, covered bonds and unsecured bank bonds. For the next six months, most of the surveyed institutions do not expect sizeable changes. However, two banks foresee a slight positive effect on the overall market funding conditions and in the funding with covered bonds. One bank expects also a slight positive impact on profitability due to the net interest margin and in the capital position owing to capital releases. Another institution foresees a slight increase in the euro area sovereign bond holdings.

Concerning liquidity from the ECB's programme most banks did not identify any impact. It should be mentioned that this result reflects a small perceived effect and, in the current context, it is also due to the low ability of banks to isolate the impact. According to one bank, the additional liquidity contributed considerably to substitute the Eurosystem liquidity operations and, according to some banks, it contributed somewhat to substitute interbank lending and maturing debt. Two banks reported that the liquidity related to an increase in firms and households' deposits was applied for granting loans to these segments. Regarding the following six months, the expectations indicate similar impacts to those reported for the last six months.

Finally, only one bank reported changes in the respective lending behaviour due to the ECB's expanded asset purchase programme, referring a slight tightening of the credit standards. For the next six months, banks do not expect changes in their lending behaviour.

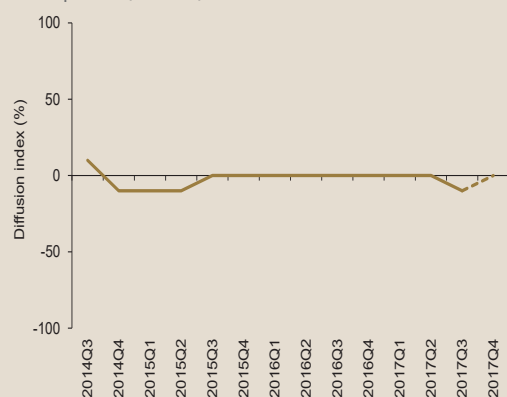
The last *ad hoc* question concerns the impact of the ECB's negative deposit facility rate. The responses of the institutions regarding the last six months show mixed impacts. Nevertheless, all banks reported a negative effect on the net interest margin, which was considered high for three of them. Additionally, one bank considered that the negative deposit facility contributed

considerably to a decline in the lending rates to firms and households for house purchase. Two other banks reported a slight contribution to the decline in lending rates in these segments and one bank reported a similar impact on lending rates to consumption and other purposes. As far as spreads are concerned, only one institution pointed out a reduction of this component (in the three segments in analysis). On the other hand, according to one institution, the negative interest rate contributed to an increase of non-interest rate charges both in firms and households' segments. In general terms, for the following six months, institutions expect similar impacts to the ones reported for the most recent period.

Main results

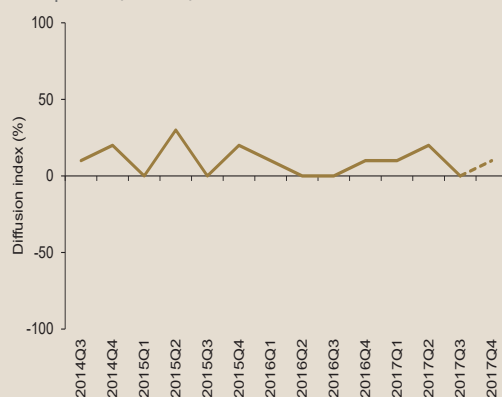
Credit supply

Enterprises (overall)

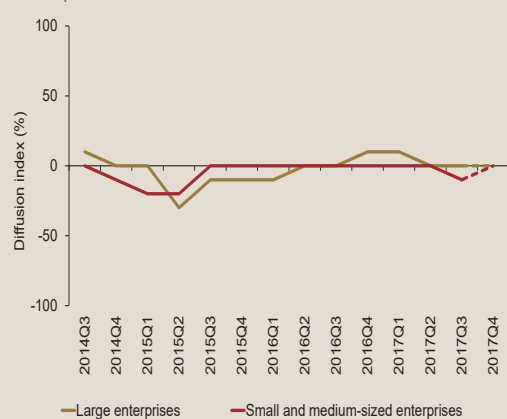


Credit demand

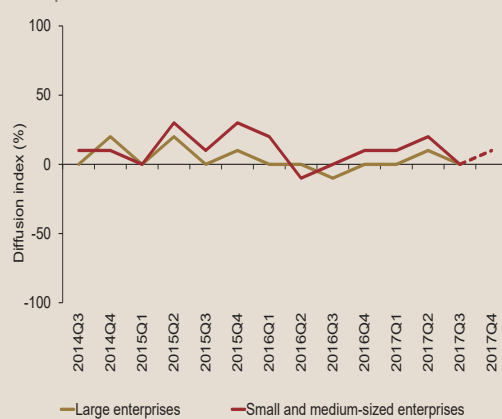
Enterprises (overall)



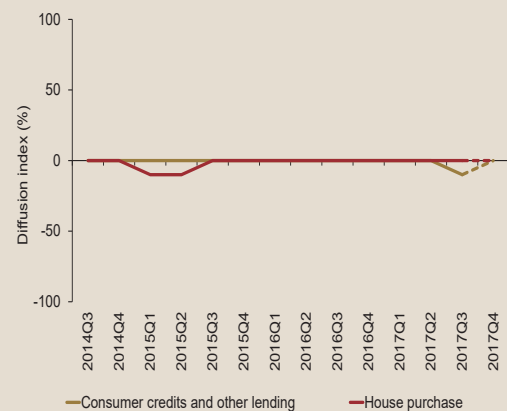
Enterprises



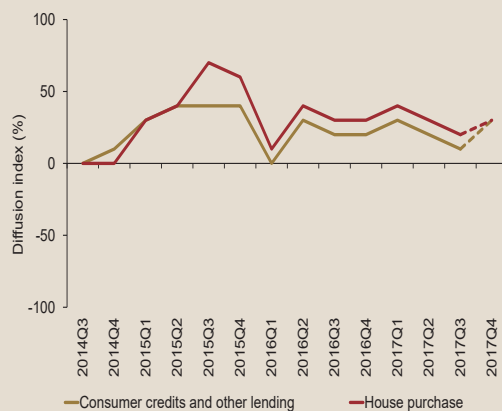
Enterprises



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		4	4	5	4	5
Eased somewhat		1	1		1	
Eased considerably						
Diffusion Index %	Oct.2017	-10	-10	0	-10	0
	Jul.2017	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.2017	Jul.2017
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
b) Pressure from competition								
Competition from other banks			4	1			-10	-10
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook			4	1			-10	-10
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1			-10	-10
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's credit standards for loans to small and medium-sized enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Oct.2017	Jul.2017
a) Cost of funds and balance sheet constraints								
Costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
b) Pressure from competition								
Competition from other banks			4	1			-10	-10
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook			4	1			-10	-10
Industry or firm-specific situation and outlook / borrower's creditworthiness			4	1			-10	-10
Risk related to the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's credit standards for loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Oct.2017	Jul.2017
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	0
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.2017	Jul.2017
a) Overall terms and conditions								
Overall terms and conditions		1	3	1			0	-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	3	1			0	-10
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges		1	4				10	0
Size of the loan or credit line			5				0	0
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

	Loans to small and medium-sized enterprises						Diffusion index %	
	--	-	°	+	++	N/A	Oct.2017	Jul.2017
a) Overall terms and conditions								
Overall terms and conditions		1	3	1			0	-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	3	1			0	-10
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges		1	4				10	0
Size of the loan or credit line			5				0	0
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

	Loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Oct.2017	Jul.2017
a) Overall terms and conditions								
Overall terms and conditions		1	4				10	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		1	4				10	0
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges		1	4				10	0
Size of the loan or credit line			5				0	0
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

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

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

	Overall impact on your bank's credit terms and conditions						Diffusion index %	
	--	-	o	+	++	N/A	Oct.2017	Jul.2017
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			4	1			-10	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.2017	Jul.2017
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	10
c) Perception of risk								
Perception of risk			4	1			-10	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.2017	Jul.2017
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

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.2017	0
	Jul.2017	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	3	3	3
Increased somewhat		1	1	1	1	1
Increased considerably						
Diffusion Index %	Oct.2017	0	0	0	0	0
	Jul.2017	20	20	10	10	20

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.2017	Jul.2017
a) Financing needs / underlying drivers on purpose of loan demands								
Fixed investment			4	1			10	30
Inventories and working capital			4	1			10	10
Mergers / acquisitions and corporate restructuring			5				0	0
General level of interest rates			4	1			10	10
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)			5				0	0
b) Use of alternative finance								
Internal financing			5				0	0
Loans from other banks			4	1			10	10
Loans from non-banks			5				0	0
Issuance / redemption of debt securities			5				0	0
Issuance / redemption of equity			5				0	0

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

		Overall	Loans to small and medium- sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Tightened considerably						
Tightened somewhat						
Remained basically unchanged		5	5	5	5	5
Eased somewhat						
Eased considerably						
Diffusion Index %	Oct.2017	0	0	0	0	0
	Jul.2017	0	0	0	0	0

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

		Overall	Loans to small and medium- sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Decrease considerably						
Decrease somewhat						
Remain basically unchanged		4	4	4	4	4
Increase somewhat		1	1	1	1	1
Increase considerably						
Diffusion Index %	Oct.2017	10	10	10	10	10
	Jul.2017	10	10	10	10	10

II • Loans to households

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

		Loans for house purchase	Consumer credit and other lending
Tightened considerably			
Tightened somewhat			
Remained basically unchanged		5	4
Eased somewhat			1
Eased considerably			
Diffusion Index %	Oct.2017	0	-10
	Jul.2017	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.2017	Jul.2017
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	-10
Competition from non-banks			5				0	0
c) Perception of risk								
General economic situation and outlook			5				0	0
Housing market prospects, including expected house price developments			4	1			-10	-10
Borrower's creditworthiness			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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

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

	--	-	°	+	++	N/A	Diffusion index %	
							Oct.2017	Jul.2017
a) Overall terms and conditions								
Overall terms and conditions			5				0	0
b) Margins (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans			5				0	0
Your bank's loan margin on riskier loans			5				0	0
c) Other terms and conditions								
Collateral requirements			5				0	0
Loan-to-value ratio			5				0	0
Other loan size limits			5				0	0
Maturity			5				0	-10
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.2017	Jul.2017
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	-10
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Oct.2017	Jul.2017
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			4	1			-10	-10
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Oct.2017	Jul.2017
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

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

- = contributed considerably to tightening of credit standards
- = contributed somewhat to tightening of credit standards
- 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.2017	Jul.2017
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	-10
Competition from non-banks			4	1			-10	-10
c) Perception of risk								
General economic situation and outlook			5				0	0
Creditworthiness of consumers			5				0	0
Risk on the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			4	1			-10	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 – not applicable

	--	-	°	+	++	N/A	Diffusion index %	
							Oct.2017	Jul.2017
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	-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.2017	Jul.2017
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			3	2			-20	-10
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Oct.2017	Jul.2017
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			3	2			-20	-10
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Oct.2017	Jul.2017
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.2017	0	0
	Jul.2017	0	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	3	4
Increased somewhat	2	1
Increased considerably		
Diffusion Index %	Oct.2017	20
	Jul.2017	30
		10
		20

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.2017	Jul.2017
a) Financing needs / underlying drivers or purpose of loan demand								
Housing market prospects, including expected house price developments			4	1			10	10
Consumer confidence			2	3			30	30
General level of interest rates			3	2			20	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
- ° = 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.2017	Jul.2017
a) Financing needs / underlying drivers or purpose of loan demand								
Spending on durable consumer goods, such as cars, furniture, etc.			5				0	0
Consumer confidence			4	1			10	20
General level of interest rates			5				0	0
Consumption expenditure financed through real-estate guaranteed loans ("mortgage equity withdrawal")			5				0	0
b) Use of alternative finance								
Internal finance out of savings			5				0	0
Loans from other banks			5				0	0
Other sources of finance			5				0	0

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

		Loans for house purchase	Consumer credit and other lending
Tighten considerably			
Tighten somewhat			
Remain basically unchanged		5	5
Ease somewhat			
Ease considerably			
Diffusion Index %	Oct.2017	0	0
	Jul.2017	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	2
Increase somewhat		3	3
Increase considerably			
Diffusion Index %	Oct.2017	30	30
	Jul.2017	30	30

Ad hoc question on retail and wholesale funding ⁽¹⁾

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

-- = deteriorated considerably / will deteriorate considerably

- = deteriorated somewhat / will deteriorate somewhat

o = remained unchanged / will remain unchanged

+ = eased somewhat / will ease somewhat

++ = eased considerably / will ease considerably

N/A = not applicable

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

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

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

(3) Usually involves on-balance sheet funding.

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

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

Ad hoc questions on the 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

o = 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						Over the next six months					
	--	-	o	+	++	N/A ⁽¹⁾	--	-	o	+	++	N/A ⁽¹⁾
a) Your bank's total assets												
Your bank's total assets (non-risk weighted volume)			5						5			
of which: euro area sovereign bond holdings			5						4	1		
b) Your bank's liquidity position												
Your bank's overall liquidity position			5						5			
owing to:												
sales of marketable assets			5						5			
an increase in deposits from enterprises ⁽²⁾ 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					5			
covered bonds			3	2					3	2		
unsecured bank bonds			4	1					5			
equity issued			4			1			4			1
d) Your bank's profitability												
Your bank's overall profitability			5						5			
owing to:												
net interest margin ⁽³⁾			5						4	1		
capital gains / losses			5						5			
of which: capital gains / losses out of sales of marketable assets			5						5			
e) Your bank's capital position												
Your bank's capital ratio ⁽⁴⁾			5						5			
owing to capital release ⁽⁵⁾			5						4	1		
Your bank's leverage ratio ⁽⁶⁾			5						5			

(1) Please use "N/A" only if you do not have any business / exposure in this category.

(2) Enterprises are defined as non-financial corporations.

(3) Interest income minus interest paid, relative to the amount of interest-bearing assets.

(4) Defined in accordance with the regulatory requirements set out in the CRR/CRD IV, including both tier 1 capital and tier 2 capital.

(5) That is, on account of the ABSPP.

(6) Defined in accordance with the delegated act under the Capital Requirements Regulation adopted by the European Commission on 10 October 2014.

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

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

(2) Enterprises are defined as non-financial corporations.

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

o = 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 six months						Over the next six months					
	--	-	o	+	++	N/A ⁽¹⁾	--	-	o	+	++	N/A ⁽¹⁾
a) Credit standards												
For loans to enterprises		1	4						5			
For loans to households for house purchase		1	4						5			
For consumer credit and other lending to households		1	4						5			
b) Terms and conditions												
For loans to enterprises				5					5			
For loans to households for house purchase				5					5			
For consumer credit and other lending to households				5					5			

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

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

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.