



Bank Lending Survey

Results for Portugal | October 2018

1 Overall assessment

According to the results of the October survey to the five banks included in the Portuguese sample, the credit standards and the terms and conditions applied on loans to firms remained broadly stable in the third quarter of 2018. Even so, three banks reported a slight decrease in spreads applied to average loans, both for SME and large firms. With regard to loans to households, most institutions reported tighter credit standards, both in loans for house purchase and consumer credit. The main factor that the banks indicated to explain the greater restrictiveness in the credit to households was the compliance with the macroprudential measure applied by Banco de Portugal on new credit agreements for consumers.

Most institutions indicated that in the third quarter of 2018 demand for credit by companies remained broadly unchanged. However, one bank reported a slight increase in demand for loans by large enterprises, and two banks reported slightly higher demand for long-term loans. In the households sector, most institutions reported an increase in the demand for loans for house purchase and a stabilization in demand for consumer credit. The increase in consumer confidence, housing market prospects and the level of interest rates were the main factors underlying the evolution of demand for loans for house purchase.

For the last quarter of the year, reporting institutions do not anticipate changes in the credit standards to companies and some institutions anticipate tighter credit standards for households. Most institutions do not anticipate changes in the demand for loans from companies. In the households sector, two banks expect a reduction in demand for loans for house purchase.

2 Presentation of the results

2.1 Supply

In the third quarter of 2018, the credit standards for loans or credit lines to enterprises remained practically unchanged from those applied in the previous quarter. However, some factors contributed to the easing of credit standards. This was the case for a slight improvement in the perception of risks related to the general economic situation and outlook, as well as industry or firm-specific situation and outlook for one institution and the pressure from competition from other banks for another.

All institutions indicated that the overall terms and conditions applied on new loans to enterprises, remained unchanged. Nevertheless, three institutions reported a slight decrease in the spreads

applied to average loans, both for SME and large firms. For the same two segments, one institution reported a slight increase in non-interest rate charges. However, another institution reported a decrease in these non-interest rate charges. Two banks indicated that pressure from competition resulted in a slight decrease in spreads, especially spreads applied to average loans and, to a lesser extent, spreads associated with riskier loans. One of the banks also pointed out that the cost of funds and balance sheet constraints slightly contributed to a decrease in the spread for average loans.

In the third quarter, four institutions slightly tightened the credit standards for loans for house purchase. The four banks reported that the main factor that contributed to the tightening was the compliance with the macroprudential measures applied by Banco de Portugal on new credit agreements for consumers. Nevertheless, according to one institution, pressure from competition from other banks and cost of funds and balance sheet constraints have slightly contributed to an easing of credit standards. In the segment of consumer credit and other lending three banks reported tighter credit standards, justified by the compliance with the macroprudential measures applied by Banco de Portugal.

In the third quarter of 2018, most institutions applied tighter terms and conditions for loans for house purchase, particularly the loan-to-value ratio, other loan size limits and maturity of the loan. Even so, spreads remained broadly unchanged for most banks and one institution decreased the spreads applied on average loans. Most institutions reported tighter terms and conditions for loans for house purchase in order to comply with the macroprudential measures applied by Banco de Portugal. Even though, some banks pointed out that pressure from competition induced a slight decrease in spreads. In the consumer credit segment, two institutions reported tighter terms and conditions, also motivated by the macroprudential measures and one of these banks pointed out that pressure from competition contributed slightly to a decrease in average loans spreads.

In this quarter, most banks reported that the share of completely rejected loan applications from enterprises and households remained unchanged. Only one institution reported a slight increase in the ratio in both segments.

For the last three months of 2018, the surveyed institutions do not anticipate adjustments in credit standards applied on loans to firms, with the exception of one bank which considers that the credit standards will ease for loans to SME. In the segment of loans for house purchase, one institution foresees that the credit standards will become tighter and another institution foresees it to become considerably tighter.

2.2 Demand

In the third quarter of 2018, most of the participating institutions considered that the demand for loans or credit lines to enterprises remained broadly unchanged. Nevertheless, one institution reported a slight increase in demand for loans to large enterprises and two other institutions pointed out a slight increase in the demand for long-term loans. The factors underlying the increase in demand were the financing needs related with fixed investment as well as the general level of interest rates. The same bank considered that the decrease in financing needs related to debt refinancing/restructuring and renegotiation resulted in a slight reduction in demand. Another institution indicated that the financing needs for mergers/acquisitions and corporate restructuring increased slightly the demand for loans.

In the households' segment, three institutions reported a slight increase in the demand for loans for house purchase. The improvement in consumer confidence and the housing market prospects contributed somewhat to a higher demand. Only two of these banks reported that the general level of interest rates also contributed slightly to the increase in demand. Another bank indicated that the regulatory and fiscal regime of housing markets contributed considerably to lower demand and that the internal finance out of savings also contributed to slightly reduce demand. In the segment of loans for consumption and other purposes, only one bank indicated a slight increase in demand. However, most banks considered that the improvement in consumer confidence contributed to an increase in the demand. In addition, two banks pointed out a slight increase in demand, which was due to the general level of interest rates for one of the banks and to spending on durable consumer goods for the other.

For the fourth quarter of 2018, most banks foresee demand to remain unchanged for loans to enterprises. Nevertheless, one institution expects a slight increase and another institution a slight decrease in demand. In the households' segment, one bank foresees the demand for loans for house purchase to decrease considerably and another bank considers that it will only decrease slightly. Regarding consumer credit, one bank expects a decrease in demand and another two banks foresee an increase.

2.3 *Ad hoc* questions

As in previous surveys, the questionnaire included a set of ad hoc questions. In particular, it included questions related to bank funding, 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 assessed 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 2018. However, one bank reported a slight improvement in its short-term and long-term retail funding conditions and another bank reported also an improvement in the ability to transfer credit risk off balance sheet. 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 improvement in the securitisation of corporate loans.

The next two *ad hoc* questions explored the impact of the expanded asset purchase programme conducted by the ECB on banks' financial and capital positions and on credit activity. The banks indicated that, in the last six months, the expanded asset purchase programme did not have an impact on banks' total assets nor on the other dimensions under analysis, namely their liquidity position or their capital position. One institution reported a slight improvement in the bank's market financing conditions via asset-backed securities and a deterioration in the bank's overall profitability owing to a deterioration on the net interest margin. For the next six months, most of the surveyed institutions do not expect sizeable changes. However, one bank foresees a slight positive effect on the overall market funding conditions via covered bonds.

In the question on the impact of ECB's expanded asset purchase programme on the bank's lending policy, one bank indicated that the program has contributed somewhat to a tightening of the credit standards, the terms and conditions and the lending volumes, exclusively in loans to households for house purchase. For the next six months, banks do not expect changes in their lending behaviour related with the programme.

The last *ad hoc* question concerns the impact of the ECB's negative deposit facility rate. All banks reported a negative effect on the net interest margin, which was considerable for three of them. Additionally, one bank indicated 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 reported a similar impact on lending rates to consumption and other purposes. Two institutions pointed out that the negative deposit facility rate contributed to a decrease of spreads on loans to enterprises and one bank indicated that it contributed to a decrease on bank's non-interest rate charges in all segments. In general terms, for the following six months, the institutions expect similar impacts to the ones reported for the most recent period.

2.4 Main results

Gráfico 2.1 • Credit supply

Enterprises (overall)

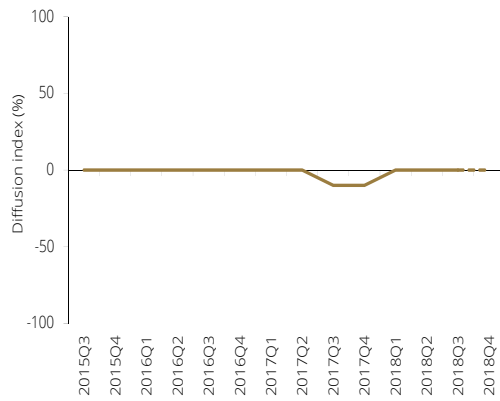
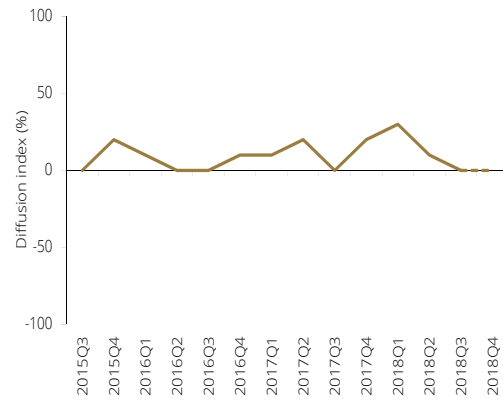
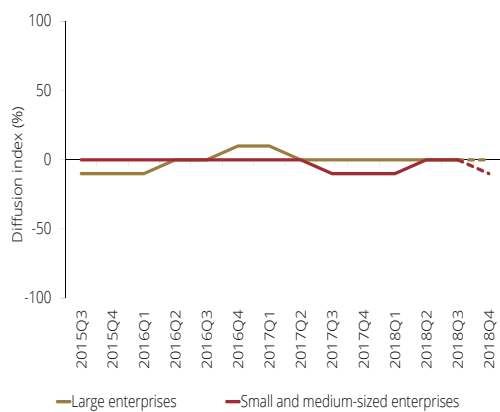


Gráfico 2.2 • Credit demand

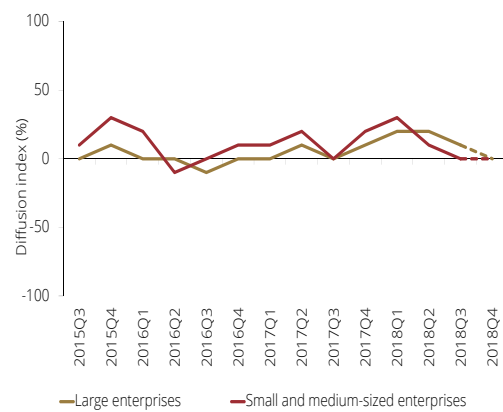
Enterprises (overall)



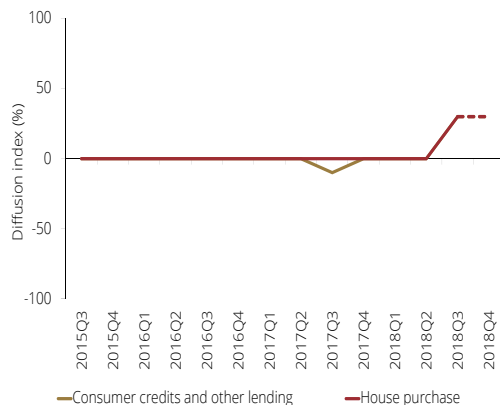
Enterprises



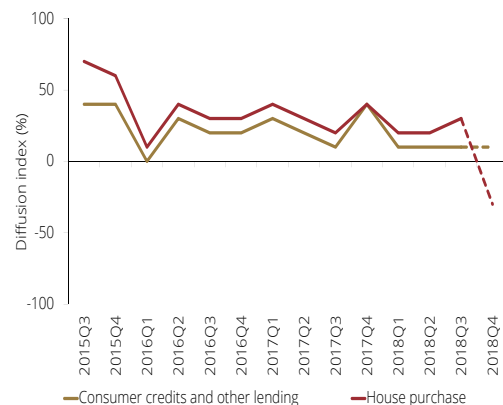
Enterprises



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 banks' expectations.

Annex^(a)

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

- The number of banks choosing each option;
- The diffusion index of the options chosen by the banks, calculated using a scale (from -100 to 100) to aggregate individual replies, according to which zero corresponds to “remained basically unchanged”. For questions concerning supply, values of less than zero mean a loosening of the criteria or the impact of factors in the sense of lower restrictiveness. The -50 figure corresponds to a “slight” change (the closer the diffusion index is to zero, the slighter it will be the change) while -100 stands for a considerable change in the sense of lower restrictiveness. In turn, values exceeding zero indicates an increase in restrictiveness or in the impact of factors supporting it. The 50 figure corresponds to a “slight” change while 100 stands for a considerable increase in restrictiveness. In the questions about demand, the same scale applies, with negative figures standing for decreases in demand and positive figures signaling the opposite evolution (or the impact of factors affecting it).

Note: (a) For clarification of terms and definitions used in the survey, see the document “General guidelines for the completion of the bank lending survey questionnaire”.

I • Loans or credit lines to enterprises

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

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Tightened considerably					
Tightened somewhat					
Remained basically unchanged	5	5	5	5	5
Eased somewhat					
Eased considerably					
N/A*					
Diffusion Index %	Oct.18	0	0	0	0
	Jul.18	0	0	0	0

*N/A = not applicable

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
- 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

	Overall impact on your bank's credit standards						Diffusion index %	
	--	-	o	+	++	N/A	Oct.18	Jul.18
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.18	Jul.18
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.18	Jul.18
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

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.18	Jul.18
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	-10
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges		1	3	1			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

	Loans to small and medium-sized enterprises						Diffusion index %	
	--	-	°	+	++	N/A	Oct.18	Jul.18
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	-10
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges		1	3	1			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

	Loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Oct.18	Jul.18
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			2	3			-30	10
Your bank's loan margin on riskier loans			5				0	0
c) Other conditions and terms								
Non-interest rate charges		1	3	1			0	10
Size of the loan or credit line			5				0	0
Collateral requirements			5				0	0
Loan covenants			5				0	0
Maturity			5				0	0

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.18	Jul.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	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.18	Jul.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	0
b) Pressure from competition								
Pressure from competition			3	2			-20	0
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Oct.18	Jul.18
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		4
Increase somewhat		1
Increase considerably		
N/A*		
Diffusion Index %	Oct.18	10
	Jul.18	10

*N/A = not applicable

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

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans	
Decreased considerably						
Decreased somewhat						
Remain basically unchanged	5	5	4	5	3	
Increased somewhat			1		2	
Increased considerably						
N/A*						
Diffusion Index %	Oct.18	0	0	10	0	20
	Jul.18	10	10	20	10	20

*N/A = not applicable

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 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

	--	-	°	+	++	NA	Diffusion index %	
							Oct.18	Jul.18
a) Financing needs/underlying drivers on purpose of loan demands								
Fixed investment			4	1			10	10
Inventories and working capital			5				0	0
Mergers/acquisitions and corporate restructuring			4	1			10	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)		1	4				-10	-10
b) Use of alternative finance								
Internal financing			5				0	0
Loans from other banks			5				0	20
Loans from non-banks			5				0	0
Issuance/redemption of debt securities			5				0	0
Issuance/redemption of equity			5				0	0
c) Other factors*								
			1					

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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	4	5	5	5
Eased somewhat			1			
Eased considerably						
N/A*						
Diffusion Index %	Oct.18	0	-10	0	0	0
	Jul.18	0	-10	0	0	0

*N/A = not applicable

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	1	1
Remain basically unchanged		3	3	3	3	3
Increase somewhat		1	1	1	1	1
Increase considerably						
N/A*						
Diffusion Index %	Oct.18	0	0	0	0	0
	Jul.18	20	20	20	20	20

*N/A = not applicable

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		4	3
Remained basically unchanged			2
Eased somewhat		1	
Eased considerably			
N/A*			
Diffusion Index %	Oct.18	30	30
	Jul.18	0	0

*N/A = not applicable

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.18	Jul.18
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	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			5				0	0
Borrower's creditworthiness			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
e) Other factors*								
			4					

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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.18	Jul.18
a) Overall terms and conditions								
Overall terms and conditions	1	1	3				30	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	-10
Your bank's loan margin on riskier loans			5				0	-10
c) Other terms and conditions								
Collateral requirements		1	4				10	0
"Loan-to-value" ratio	1	1	3				30	0
Other loan size limits	1	2	2				40	0
Maturity	1	2	2				40	0
Non-interest rate charges			5				0	0
d) Other factors*		2						

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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.18	Jul.18
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	-20
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	-10
e) Other factors*		3						

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Oct.18	Jul.18
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	-20
c) Perception of risk								
Perception of risk			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	-10
e) Other factors*			3					

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Oct.18	Jul.18
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	-10
e) Other factors*			3					

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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.18	Jul.18
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			5				0	-10
Competition from non-banks			5				0	-10
c) Perception of risk								
General economic situation and outlook			5				0	-10
Creditworthiness of consumers			5				0	0
Risk on the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
e) Other factors*			3					

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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.18	Jul.18
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		1	4				10	0
Maturity			5				0	0
Non-interest rate charges			5				0	0
d) Other factors*		1						

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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.18	Jul.18
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
e) Other factors*		2						

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	°	+	++	N/A	Oct.18	Jul.18
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
e) Other factors*								
		1	1					

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	°	+	++	N/A	Oct.18	Jul.18
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
e) Other factors								
		1	1					

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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	4	4
Increased somewhat	1	1
Increased considerably		
N/A*		
Diffusion Index %	Oct.18	10
	Jul.18	0

*N/A = not applicable

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	4
Increased somewhat	3	1
Increased considerably		
N/A*		
Diffusion Index %	Oct.18	30
	Jul.18	20
		10

*N/A = not applicable

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.18	Jul.18
a) Financing needs/underlying drivers or purpose of loan demand								
Housing market prospects, including expected house price developments			2	3			30	10
Consumer confidence			2	3			30	10
General level of interest rates			3	2			20	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	1		4				-20	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)		1	4				-10	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

						Diffusion index %		
	--	-	°	+	++	N/A	Oct.18	Jul.18
a) Financing needs/underlying drivers or purpose of loan demand								
Spending on durable consumer goods, such as cars, furniture, etc.			4	1			10	0
Consumer confidence			1	4			40	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 external 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		1		1
Tighten somewhat		1		1
Remain basically unchanged		3		3
Ease somewhat				
Ease considerably				
N/A*				
Diffusion Index %	Oct.18	30	Oct.18	30
	Jul.18	50	Jul.18	30

*N/A = not applicable

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		1		
Decrease somewhat		1		1
Remain basically unchanged		3		2
Increase somewhat				2
Increase considerably				
N/A*				
Diffusion Index %	Oct.18	-30	Oct.18	10
	Jul.18	-10	Jul.18	-10

*N/A = not applicable

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
- ° = 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					
	--	-	°	+	++	N/A ⁽²⁾	--	-	°	+	++	N/A ⁽²⁾
a) Retail funding												
Short-term deposits (up to one year)			4	1			4	1				
Long-term (more than one year) deposits and other retail funding instruments			4	1			4	1				
b) Inter-bank unsecured money market												
Very short term money market (up to 1 week)			5				5					
Short-term money market (more than 1 week)			5				5					
c) Wholesale debt securities⁽³⁾												
Short-term debt securities (e.g. certificates of deposit or commercial paper)			4			1	4					1
Medium to long term debt securities (incl. covered bonds)			5				5					
d) Securitisation⁽⁴⁾												
Securitisation of corporate loans			5				4	1				
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			3	1		1	4					1

(1) Please also take into account any effect of state guarantees *vis-à-vis* 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 past six months					
	--	-	o	+	++	N/A ⁽¹⁾	--	-	o	+	++	N/A ⁽¹⁾
Your bank's total assets												
Your bank's total assets (non-risk weighted volume)			5						5			
Of which: Euro area sovereign bond holdings			5						5			
Your bank's liquidity position												
Your bank's overall liquidity position			5						5			
Your bank's market financing conditions												
Your bank's overall market financing conditions			5					4		1		
of which financing via:												
asset-backed securities			4	1				5				
covered bonds			5					4		1		
unsecured bank bonds			5					5				
equity issued			4			1		4				1
Your bank's profitability												
Your bank's overall profitability		1	4					5				
Owing to:												
net interest margin ⁽²⁾		1	4					5				
capital gains/losses			5					5				
Your bank's capital position												
Your bank's capital ratio ⁽³⁾			5					5				
Your bank's leverage ratio ⁽⁴⁾			5					5				

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

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

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

(4) 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, how has the ECB's expanded asset purchase programme affected your bank's lending policy and lending volumes? And what will be the impact over the next six months?

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

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

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

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

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

N/A = not applicable

	Over the past six months						Over the past six months					
	--	-	°	+	++	N/A ⁽¹⁾	--	-	°	+	++	N/A ⁽¹⁾
Your bank's credit standards												
For loans to enterprises			5						5			
For loans to households for house purchase		1	4					1	4			
For consumer credit and other lending to households			5						5			
Your bank's terms and conditions												
For loans to enterprises			5						5			
For loans to households for house purchase		1	4					1	4			
For consumer credit and other lending to households			5						5			
Your bank's lending volumes												
For loans to enterprises			5						5			
For loans to households for house purchase		1	4					1	4			
For consumer credit and other lending to households			5						5			

(1) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective lending category.

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

(1) Independent of whether your bank has excess liquidity.

(2) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective lending 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.