EUROPEAN CENTRAL BANK

EUROSYSTEM

# The euro area bank lending survey

## Second quarter of 2017

July 2017

# Contents

# Introduction

The results reported in the July 2017 euro area bank lending survey (BLS) relate to changes during the second quarter of 2017 and expectations for the third quarter. The survey was conducted between 12 and 27 June 2017. The response rate was 99%. In addition to the results for the euro area as a whole, the report contains the results for the five largest euro area countries.[1]

A number of ad hoc questions were included in the July 2017 survey round. They address the impact of the situation in financial markets on banks' access to retail and wholesale funding, the likely impact of ongoing regulatory and supervisory changes on banks' lending policies, and the impact of the ECB's targeted longer-term refinancing operations (TLTROs).

[1] The five largest euro area countries in terms of gross domestic product are Germany, France, Italy, Spain and the Netherlands.

# 1 Overview of the results

According to the July 2017 bank lending survey (BLS), loan growth continues to be supported by increasing demand across all loan categories and by easing credit standards on loans to enterprises and on loans to households for house purchase.

In the second quarter of 2017, credit standards (i.e. banks' internal guidelines or loan approval criteria) for loans to enterprises eased slightly in net terms (net percentage of reporting banks of -3%, after -2% in the previous quarter; see Table A), despite expectations in the previous survey round that they would tighten slightly. Credit standards on loans to households for house purchase also eased (net percentage of reporting banks of -4%, after -5% in the previous quarter), while in the previous survey round banks expected that they would be unchanged. Credit standards on consumer credit and other lending to households were broadly unchanged (1%, after -7%), in line with expectations. For the third quarter of 2017, banks expect a net easing of credit standards on loans to enterprises (-2%), on loans to households for house purchase (-6%) and on consumer credit (-4%).

While most factors contributed to a net easing of credit standards on loans to enterprises in the second quarter of 2017, competitive pressure remained the main contributing factor. For loans to households for house purchase and for consumer credit and other lending to households, competitive pressure and risk perceptions had an easing impact on credit standards.

The net easing of banks' overall terms and conditions (i.e. banks' actual terms and conditions agreed in the loan contract) on new loans continued across all loan categories in the second quarter of 2017, driven largely by a narrowing of margins (defined as the spread over relevant market reference rates) on average loans.

The net percentage share of rejected loan applications decreased for loans to enterprises and for consumer credit, and remained broadly unchanged for house purchase loans.

Net demand for loans to enterprises increased further (15%, after 6% in the previous quarter; see Table A), broadly in line with expectations. Banks expect net demand to increase further in the third quarter of 2017 (17%). For housing loans, net demand continued to increase (19%, after 24%), as it also did for consumer credit (11%, after 15% in the previous quarter). For the third quarter of 2017, banks expect an ongoing increase in net demand for housing loans (15%) and consumer credit (17%).

Merger and acquisition (M&A) activity and fixed investment made an important and increasingly positive contribution to demand for loans to enterprises in the second quarter of 2017. The general level of interest rates and inventories and working capital also continued to have a positive impact on demand. Net demand for housing loans continued to be driven mainly by the low general level of interest rates and favourable housing market prospects. Finally, spending on durable goods, the low general level of interest rates and consumer confidence contributed positively to net demand for consumer credit.

Among the largest euro area countries, credit standards on loans to enterprises eased in Italy and Germany, while they remained unchanged in Spain, France and the Netherlands in the second quarter of 2017 (see Table A). For housing loans, banks eased their credit standards in the Netherlands and Italy, while credit standards remained unchanged in Germany, France and Spain in the second quarter of 2017.

### Table A
Latest developments in BLS results in the largest euro area countries

(net percentages of banks reporting tightening credit standards or positive loan demand)

| | ENTERPRISES | | | | | | HOUSE PURCHASE | | | | | | CONSUMER CREDIT | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Credit standards | | | Demand | | | Credit standards | | | Demand | | | Credit standards | | | Demand | | |
| **Country** | **Q1 17** | **Q2 17** | **AVG** | **Q1 17** | **Q2 17** | **AVG** | **Q1 17** | **Q2 17** | **AVG** | **Q1 17** | **Q2 17** | **AVG** | **Q1 17** | **Q2 17** | **AVG** | **Q1 17** | **Q2 17** | **AVG** |
| **Euro area** | -2 | -3 | 10 | 6 | 15 | -3 | -5 | -4 | 7 | 24 | 19 | 3 | -7 | 1 | 5 | 15 | 11 | 0 |
| **Germany** | -3 | -3 | 4 | 13 | 10 | 3 | -14 | 0 | 3 | 4 | -7 | 8 | -3 | 3 | 0 | 20 | 10 | 9 |
| **Spain** | 10 | 0 | 11 | 10 | 0 | -3 | 0 | 0 | 17 | 11 | 11 | -11 | -30 | 0 | 8 | 10 | 10 | -9 |
| **France** | 0 | 0 | 8 | 0 | 10 | -13 | 0 | 0 | 2 | 68 | 29 | 9 | 0 | 0 | -1 | 0 | 0 | -1 |
| **Italy** | -14 | -10 | 15 | -14 | 20 | 3 | -14 | -20 | 2 | 29 | 10 | 15 | -14 | 0 | 7 | 43 | 30 | 14 |
| **Netherlands** | 0 | 0 | 10 | -20 | 26 | -4 | -2 | -30 | 18 | -10 | 72 | -5 | 0 | 0 | 14 | 0 | 0 | -19 |

Notes: AVG stands for historical averages, which are calculated over the period since the beginning of the survey, excluding the most recent round. For France, Malta, Slovakia and the Netherlands, net percentages are weighted based on the amounts outstanding of loans of the individual banks in the respective national samples.

The July 2017 BLS also included some ad hoc questions. Regarding euro area banks' access to funding, banks reported in net terms that access to both wholesale funding (as regards money markets, debt securities issuance and securitisation) and retail funding improved in the second quarter of 2017.

Euro area banks continued to adjust to regulatory or supervisory action in the first half of 2017 by further strengthening their capital positions. At the euro area level, banks reported an easing impact of regulatory or supervisory action on credit standards and on credit margins, with the exception of house purchase loans where there was a tightening effect on margins and a broadly neutral effect on standards.

With respect to the ECB's TLTROs, 63% of the euro area BLS banks reported that they participated in the fourth and final TLTRO II operation. Participation was again predominantly driven by profitability motives. The main reported effect of the TLTROs continued to be an easing of credit terms and conditions, but an increased share of banks also reported an easing impact on credit standards on loans to enterprises and consumer credit in the most recent survey.

### Box 1
General notes

The bank lending survey (BLS) is addressed to senior loan officers of a representative sample of euro area banks. In the current survey round, the sample group of banks participating in the survey comprises 142 banks (out of the 143 sample banks), representing all the euro area countries, and takes into account the characteristics of their respective national banking structures. The main purpose of the BLS is to enhance the understanding of bank lending behaviour in the euro area.[2]

The questions distinguish between three loan categories: loans or credit lines to enterprises; loans to households for house purchase; and consumer credit and other lending to households. For all three categories, questions are asked on credit standards for approving loans, credit terms and conditions on new loans, credit demand, the factors affecting loan supply and demand conditions, and the share of loan rejections.

The survey questions are generally phrased in terms of changes over the past three months (the second quarter of 2017 in this case) or expectations of changes over the next three months (i.e. in the third quarter of 2017).

The responses to questions related to credit standards are analysed in this report by focusing on the difference ("net percentage") between the share of banks reporting that credit standards applied to the loan approval have been tightened and the share of banks reporting that they have been eased. A positive net percentage indicates that a larger proportion of banks have tightened credit standards ("net tightening"), whereas a negative net percentage indicates that a larger proportion of banks have eased credit standards ("net easing"). Likewise, the term "net demand" refers to the difference between the share of banks reporting an increase in loan demand (i.e. in bank loan financing needs) and the share of banks reporting a decline. Net demand will therefore be positive if a larger proportion of banks have reported an increase in loan demand, whereas negative net demand indicates that a larger proportion of banks have reported a decline in loan demand.

In order to describe the developments in survey replies over time, the report refers to changes in the "net tightening" or "net easing" of credit standards from one survey round to another. For example, a lower net percentage of banks tightening their credit standards between two survey waves would be referred to as a "decline in net tightening". Similarly, higher net percentages of banks indicating a decline in loan demand between two survey waves would be referred to as a "more pronounced net decline in demand".

In addition, an alternative measure of the responses to questions related to changes in credit standards and net demand is included. This measure is the weighted difference ("diffusion index") between the share of banks reporting that credit standards have been tightened and the share of banks reporting that they have been eased. Likewise, regarding the demand for loans, the diffusion index refers to the weighted difference between the share of banks reporting an increase in loan demand and the share of banks reporting a decline. The diffusion index is constructed in the following way: lenders who have answered "considerably" are given a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The interpretation of the diffusion indices follows the same logic as the interpretation of net percentages.

The results of the individual banks participating in the BLS sample are aggregated in two steps: in the first step, individual bank results are aggregated to national results for the euro area countries, and in the second step, the national BLS results are aggregated to euro area BLS results. In the

[2] For more detailed information on the bank lending survey, see the article entitled "A bank lending survey for the euro area", *Monthly Bulletin*, ECB, April 2003, and Köhler-Ulbrich, P., Hempell, H. and Scopel, S., "The euro area bank lending survey", *Occasional Paper Series*, No 179, ECB, 2016.

first step, banks' replies can either be aggregated to national results by applying an implicit weighting through the sample selection or, alternatively, banks' replies can be aggregated by applying an explicit weighting scheme based on the amounts outstanding of loans to non-financial corporations and households of the individual banks in the respective national samples. In the second step, since the number of banks in the national samples differs considerably and does not always reflect the respective share in lending to euro area non-financial corporations and households, the national survey results are aggregated to euro area BLS results by applying an explicit weighting scheme based on the national shares in the amounts outstanding of loans to euro area non-financial corporations and households.

For France, Malta, the Netherlands and Slovakia, net percentages are weighted based on the amounts outstanding of loans of the individual banks in the respective national samples.

Detailed tables and charts based on the responses are provided in Annex 1 for the standard questions and in Annex 2 for the ad hoc questions.

A copy of the questionnaire and a glossary of BLS terms can be found at:
http://www.ecb.europa.eu/stats/money/surveys/lend/html/index.en.html

# 2 Developments in credit standards, terms and conditions, and net demand for loans in the euro area

## 2.1 Loans to enterprises

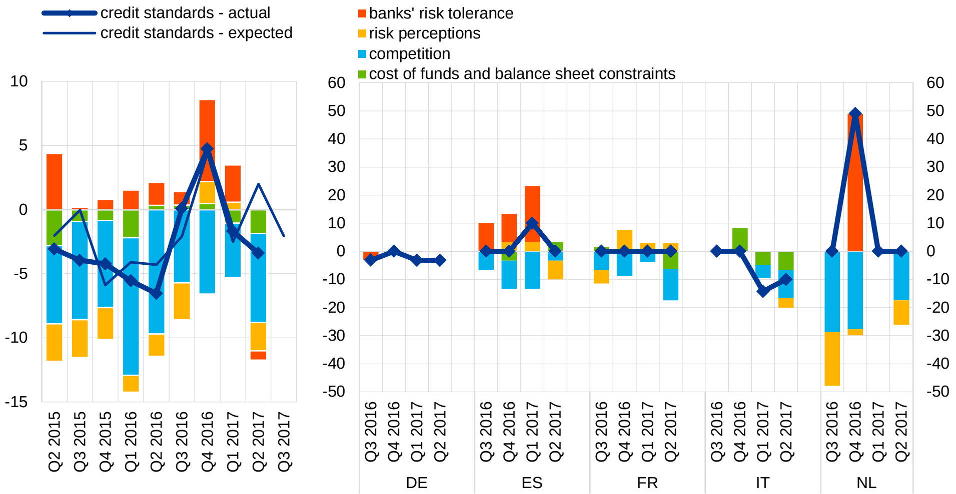
### 2.1.1 Credit standards for loans to enterprises eased slightly

Credit standards (i.e. banks' internal guidelines or loan approval criteria) for loans to enterprises eased slightly in net terms in the second quarter of 2017 (at -3%, after -2% in the previous quarter; see Chart 1 and Table A). The net percentage remained considerably below the historical average since 2003 and was below the expectation in the previous round, where banks reported that they expected a slight tightening. Across firm sizes, credit standards eased for both loans to small and medium-sized enterprises (SMEs; -3%) and loans to large firms (-8%).

**Chart 1**

Changes in credit standards applied to the approval of loans or credit lines to enterprises, and contributing factors

(net percentages of banks reporting tightening credit standards, and contributing factors)




Notes: "Actual" values are changes that have occurred, while "expected" values are changes anticipated by banks. Net percentages are defined as the difference between the sum of the percentages of banks responding "tightened considerably" and "tightened somewhat" and the sum of the percentages of banks responding "eased somewhat" and "eased considerably". The net percentages for responses to questions related to the factors are defined as the difference between the percentage of banks reporting that the given factor contributed to a tightening and the percentage reporting that it contributed to an easing. "Cost of funds and balance sheet constraints" are an unweighted average of "cost related to capital position", "access to market financing" and "liquidity position"; "risk perceptions" are an unweighted average of "general economic situation and outlook", "industry or firm-specific situation and outlook/borrower's creditworthiness" and "risk on collateral demanded"; "competition" is an unweighted average of "bank competition", "non-bank competition" and "competition from market financing".

Banks' reported that competitive pressure was the main factor contributing to the net easing of credit standards on loans to enterprises in the second quarter of 2017.

Banks' cost of funds and balance sheet situation and risk perceptions had a slight easing impact, whereas banks' risk tolerance had a broadly neutral effect.[3]

Across the large euro area countries, credit standards eased in Italy and Germany, and remained unchanged in Spain, France and the Netherlands in the second quarter of 2017.

Looking ahead to the third quarter of 2017, euro area banks expect a slight net easing of credit standards on loans to enterprises (net percentage of -2%).

**Table 1**

Factors contributing to the net tightening of credit standards on loans or credit lines to enterprises

(net percentages)

| | Cost of funds and balance sheet constraints | | Pressure from competition | | Perception of risk | | Banks' risk tolerance | |
|---|---|---|---|---|---|---|---|---|
| **Country** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** |
| **Euro area** | -1 | -2 | -4 | -7 | 1 | -2 | 3 | -1 |
| **DE** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **ES** | 0 | 3 | -13 | -3 | 3 | -7 | 20 | 0 |
| **FR** | 0 | -6 | -4 | -11 | 3 | 3 | 0 | 0 |
| **IT** | -5 | -7 | -5 | -10 | 0 | -3 | 0 | 0 |
| **NL** | 0 | 0 | 0 | -17 | 0 | -9 | 0 | 0 |

Note: See the notes to Chart 1.

## 2.1.2 Terms and conditions for loans to enterprises continued to improve

**Table 2**

Changes in terms and conditions for loans or credit lines to enterprises

(net percentage changes)

| | Overall terms and conditions | | Banks' margins on average loans | | Banks' margins on riskier loans | |
|---|---|---|---|---|---|---|
| **Country** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** |
| **Euro area** | -5 | -7 | -15 | -23 | 1 | -2 |
| **DE** | -12 | -12 | -18 | -18 | -12 | -12 |
| **ES** | 0 | -10 | 0 | 0 | 30 | 20 |
| **FR** | 0 | 0 | -13 | -28 | -2 | 2 |
| **IT** | 0 | -10 | -14 | -30 | 14 | 0 |
| **NL** | 0 | 0 | 0 | -42 | 0 | -16 |

Note: See the notes to Chart 2.

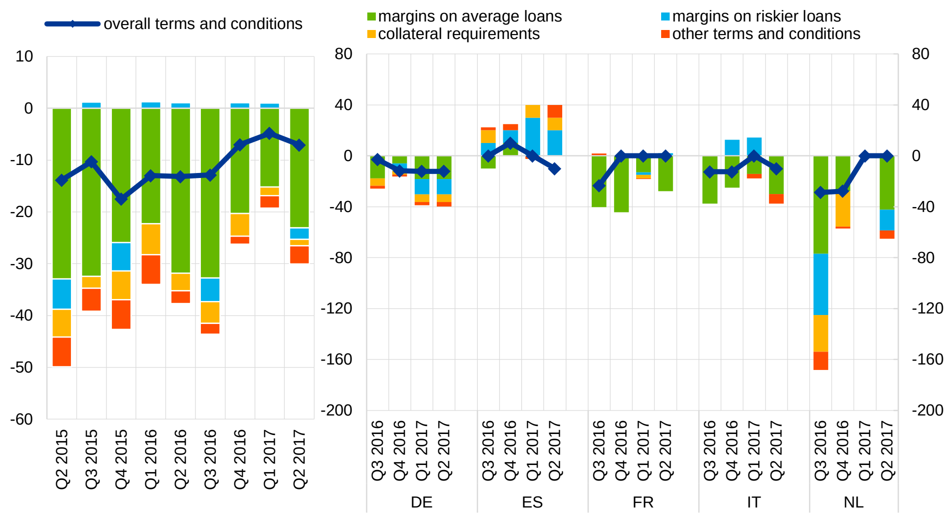
In the second quarter of 2017, overall terms and conditions that banks apply when granting new loans or credit lines (i.e. the actual terms and conditions agreed in the loan contract) to enterprises eased further (see Chart 2 and Table 2). The net easing was driven by a further narrowing of margins on average loans to enterprises, while margins on riskier loans eased only slightly. Collateral requirements remained broadly unchanged, while other terms and conditions (like non-interest rate charges, loan covenants, loan maturity and loan size) also eased further in the second quarter of 2017.

[3] The calculation of a simple average for aggregating some factors to main categories assumes that all factors have the same importance for the banks. This partly explains some inconsistencies in the respective charts between the development of credit standards and the development of the main underlying factor categories.

## Chart 2

Changes in terms and conditions for loans or credit lines to enterprises

(net percentages of banks reporting tightening terms and conditions)




Notes: “Margins” are defined as the spread over a relevant market reference rate. “Other terms and conditions” are an unweighted average of “non-interest rate charges”, “size of the loan or credit line”, “loan covenants” and “maturity”.

Across the largest euro area countries, overall terms and conditions eased in Germany, Spain and Italy, and remained unchanged in France and the Netherlands. As regards loan margins, banks in all large countries reported a further narrowing of margins on average loans in net terms, with the exception of Spain where they were unchanged. Margins on riskier loans widened in net terms in Spain and to a lesser extent in France, but narrowed in the Netherlands and Germany and remained unchanged in Italy.

## Table 3

Factors contributing to the net tightening of terms and conditions for loans or credit lines to enterprises

(net percentages of banks reporting tightening terms and conditions)

| | Cost of funds and balance sheet constraints | | Pressure from competition | | Perception of risk | | Banks’ risk tolerance | |
|---|---|---|---|---|---|---|---|---|
| Country | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 |
| Euro area | -3 | -3 | -20 | -24 | -2 | -6 | 1 | -2 |
| DE | 0 | 0 | -9 | -21 | -3 | 0 | -3 | -3 |
| ES | -10 | 10 | -40 | -30 | -10 | 0 | 20 | 0 |
| FR | -2 | -19 | -14 | -19 | 0 | 0 | 0 | 0 |
| IT | 0 | 0 | -29 | -40 | 0 | -20 | 0 | 0 |
| NL | 0 | 0 | 0 | -26 | 0 | -26 | 0 | 0 |

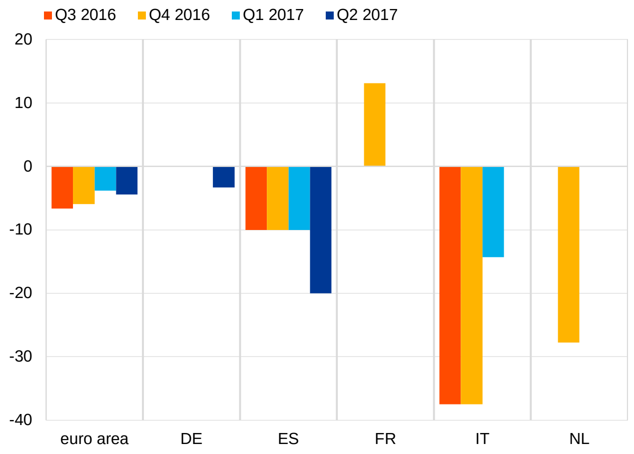
Note: The net percentages for responses to questions related to the factors are defined as the difference between the percentage of banks reporting that the given factor contributed to a tightening and the percentage reporting that it contributed to an easing.

Regarding the factors contributing to changes in overall credit terms and conditions, competitive pressure had a further strong easing impact. Banks’ risk perceptions, cost of funds and balance sheet situation and risk tolerance also had an easing impact (see Table 3). Across the largest euro area countries, the easing impact of competition on overall credit terms and conditions continues to be broad-based, while the contribution of risk perceptions was driven by banks in Italy and the Netherlands. The impact of banks' cost of funds and balance sheet situation was more mixed, with an easing contribution in France, a tightening contribution in Spain and a neutral effect in the other large countries.

### 2.1.3 Rejection rate for loans to enterprises decreased

**Chart 3**
Change in the share of rejected applications for loans to enterprises

(net percentages of banks reporting an increase in the share of rejections)




Note: Share of loan rejections relative to the volume of all loan applications in that loan category.

Euro area banks reduced their rejection rate for loan applications from enterprises (i.e. the difference between the sum of the percentages of banks reporting an increase and that of banks reporting a decline in the share of loan rejections), in net terms, during the second quarter of 2017 (-4%, the same as in the previous quarter; see Chart 3).

Across the largest euro area countries, the rejection rate decreased in Spain and Germany, and was unchanged in France, Italy and the Netherlands.

### Increase in net demand for loans to enterprises

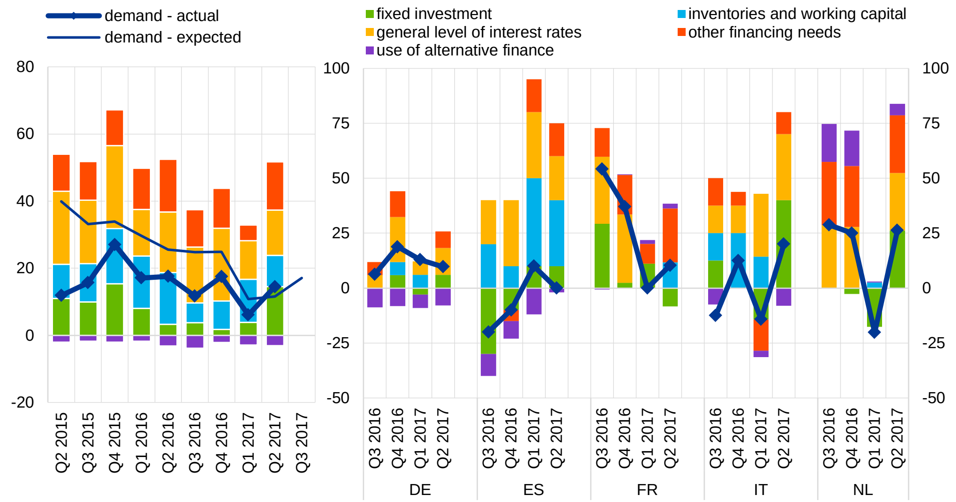
Net demand for loans to enterprises increased further in the second quarter of 2017 (net percentage of 15%, after 6% in the previous quarter; see Chart 4 and Table A), broadly in line with banks' expectations reported in the previous round. Loan demand increased for both loans to SMEs and loans to large firms.

Across the large euro area countries, net demand for loans to enterprises increased in the Netherlands, Italy, France and Germany, and remained unchanged in Spain.

## Chart 4

### Changes in demand for loans or credit lines to enterprises, and contributing factors

(net percentages of banks reporting positive demand, and contributing factors)




Notes: "Actual" values are changes that have occurred, while "expected" values are changes anticipated by banks. Net percentages for the questions on demand for loans are defined as the difference between the sum of the percentages of banks responding "increased considerably" and "increased somewhat" and the sum of the percentages of banks responding "decreased somewhat" and "decreased considerably". The net percentages for responses to questions related to each factor are defined as the difference between the percentage of banks reporting that the given factor contributed to increasing demand and the percentage reporting that it contributed to decreasing demand. "Other financing needs" are an unweighted average of "M&A activity and corporate restructuring" and "debt refinancing/restructuring and renegotiation"; "use of alternative finance" is an unweighted average of "internal financing", "loans from other banks", "loans from non-banks", "issuance/redemption of debt securities" and "issuance/redemption of equity".

M&A activity and fixed investment were important positive contributors to loan demand. The positive contribution of both M&A activity (included in other financing needs; see Chart 4 and Table 4)[4] and fixed investment increased in the second quarter of 2017. Moreover, the general level of interest rates as well as inventories and working capital continued to have a positive impact on demand. The use of alternative finance, driven by firms' internal funds, continued to have a slight dampening effect on net loan demand.

## Table 4

### Factors contributing to net demand for loans or credit lines to enterprises

(net percentages)

| | Fixed investment | | Inventories and working capital | | Other financing needs | | General level of interest rates | | Use of alternative finance | |
|---|---|---|---|---|---|---|---|---|---|---|
| Country | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 |
| Euro area | 4 | 15 | 13 | 9 | 5 | 14 | 12 | 13 | -3 | -3 |
| DE | -3 | 6 | 6 | 0 | 0 | 8 | 6 | 12 | -6 | -8 |
| ES | 10 | 10 | 40 | 30 | 15 | 15 | 30 | 20 | -12 | -2 |
| FR | 11 | -8 | 0 | 12 | 9 | 25 | 0 | 0 | 2 | 2 |
| IT | -14 | 40 | 14 | 0 | -14 | 10 | 29 | 30 | -3 | -8 |
| NL | -18 | 26 | 3 | 0 | 0 | 26 | 0 | 26 | 1 | 5 |

Note: See the notes to Chart 4.

[4] The calculation of a simple average for aggregating some factors to main categories assumes that all factors have the same importance for the banks. This partly explains some inconsistencies between the development of demand for loans and that of the main underlying factor categories.

Across all large euro area countries, other financing needs (including M&A activity and debt restructuring) had a positive impact on net demand for loans to enterprises in the second quarter of 2017. The general level of interest rates also had a positive impact on net demand in all large countries, with the exception of France, where the effect was neutral. Fixed investment made a positive contribution in all large countries, except in France where it had a dampening effect, and the positive contribution was particularly strong in Italy and the Netherlands. Inventories and working capital made a positive contribution in Spain and France and had a neutral impact in the other large countries. Finally, the use of alternative finance had a dampening impact in Germany, Italy and Spain, and a positive impact on demand in the Netherlands and France.

For the third quarter of 2017, banks expect a further increase in loan demand from enterprises (17%).

## 2.2 Loans to households for house purchase

### 2.2.1 Credit standards for loans to households for house purchase eased in the second quarter of 2017

For loans to households for house purchase, credit standards eased in the second quarter of 2017 (-4%, after -5% in the previous quarter; see Chart 5 and Table A), while banks in the previous survey round expected no change in standards. The net percentage is below the historical average since 2003.

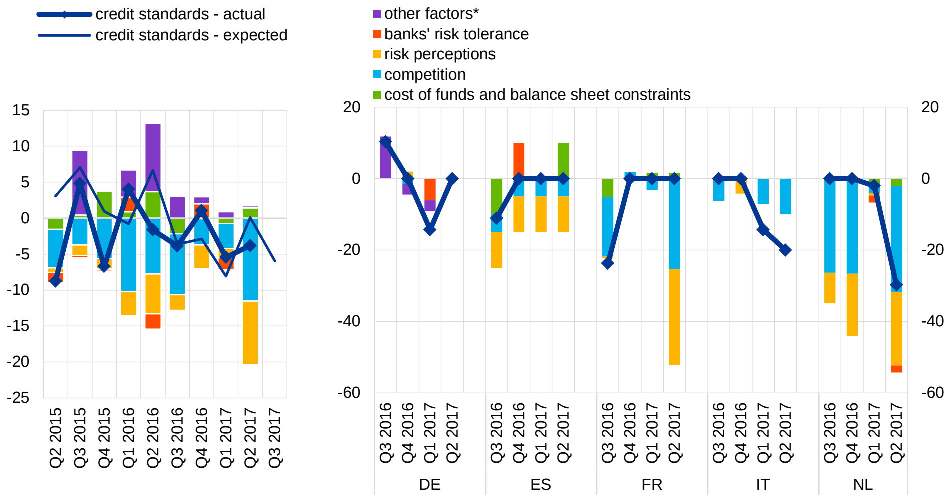
Across the large euro area countries, banks eased their credit standards on housing loans in the Netherlands and Italy, while credit standards remained unchanged in Germany, France and Spain.

Competitive pressure and risk perceptions contributed to the net easing of credit standards on housing loans (see Chart 5 and Table 5).

## Chart 5

### Changes in credit standards applied to the approval of loans to households for house purchase, and contributing factors

(net percentages of banks reporting tightening credit standards, and contributing factors)




Notes: See the notes to Chart 1. "Risk perceptions" are an unweighted average of "general economic situation and outlook", "housing market prospects including expected house price developments" and "borrower's creditworthiness"; "competition" is an unweighted average of "competition from other banks" and "competition from non-banks".
*"Other factors" are provided by banks when none of the above factors are applicable. They are shown as memo items and refer here, in particular, to changes in the regulation and legislation of housing markets.

## Table 5

### Factors contributing to the net tightening of credit standards on loans to households for house purchase

(net percentages)

| | Cost of funds and balance sheet constraints | | Pressure from competition | | Perception of risk | | Banks' risk tolerance | |
|---|---|---|---|---|---|---|---|---|
| **Country** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** |
| **Euro area** | -1 | 1 | -3 | -12 | -1 | -9 | -2 | 0 |
| **DE** | 0 | 0 | 0 | 0 | 0 | 0 | -6 | 0 |
| **ES** | 0 | 10 | -5 | -5 | -10 | -10 | 0 | 0 |
| **FR** | 2 | 2 | -3 | -25 | 0 | -27 | 0 | 0 |
| **IT** | 0 | 0 | -7 | -10 | 0 | 0 | 0 | 0 |
| **NL** | -2 | -2 | -2 | -30 | -1 | -21 | -2 | -2 |

Note: See the notes to Chart 5.

Across the large euro area countries, the easing impact of competitive pressure was widespread, with the exception of Germany where the contribution was neutral. Risk perceptions also made an easing contribution in France, the Netherlands and Spain, and had a neutral effect in Germany and Italy. Cost of funds and balance sheet constraints made a tightening contribution in Spain and, to a lesser extent, France, had a slight easing effect in the Netherlands and had a neutral impact in Germany and Italy. Risk tolerance had a neutral impact in all countries, with the exception of the Netherlands, where it made a slight easing contribution.

Looking ahead, euro area banks expect a further easing of credit standards for housing loans (-6%) in the third quarter of 2017.

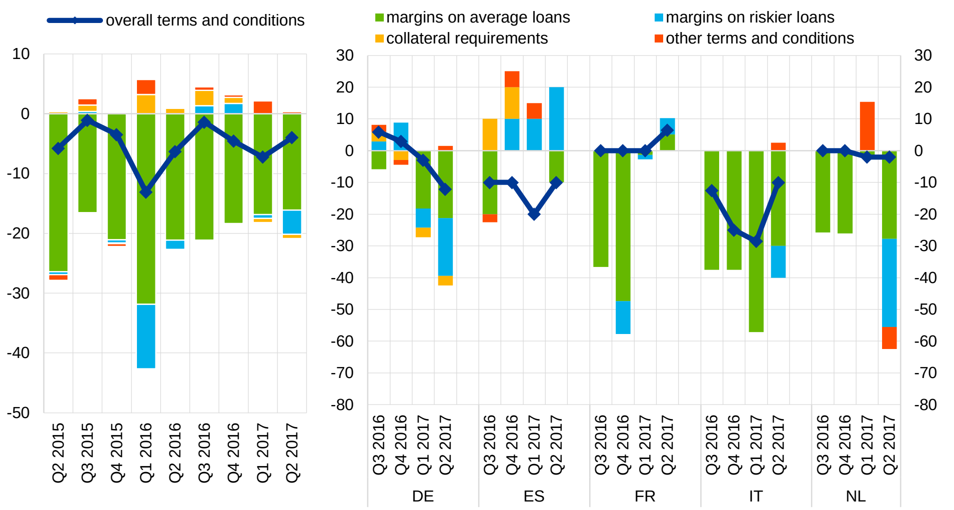
## 2.2.2 Terms and conditions for loans to households for house purchase eased

Overall terms and conditions on loans to households for house purchase continued to ease in the second quarter of 2017 (see Chart 6 and Table 6), mainly driven by narrowing margins on average loans. Margins on riskier loans also eased and the contribution of the other terms and conditions remained broadly unchanged in the second quarter of 2017.

**Chart 6**

Changes in terms and conditions for loans to households for house purchase

(net percentages of banks reporting tightening terms and conditions)




Notes: "Margins" are defined as the spread over a relevant market reference rate. "Other terms and conditions" are an unweighted average of "loan-to-value ratio", "other loan size limits", "non-interest rate charges" and "maturity".

Banks in all of the large euro area countries reported a net easing of overall terms and conditions, except in France where they tightened. Likewise, all large countries reported a narrowing of margins on average loans, with the exception of France where they tightened. Margins on riskier loans widened in net terms in Spain and France, whereas they narrowed in the Netherlands, Germany and Italy.

**Table 6**

Changes in terms and conditions for loans to households for house purchase

(net percentage changes)

| | Overall terms and conditions | | Banks' margins on average loans | | Banks' margins on riskier loans | |
|---|---|---|---|---|---|---|
| Country | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 |
| Euro area | -7 | -4 | -17 | -16 | -1 | -4 |
| DE | -3 | -12 | -18 | -21 | -6 | -18 |
| ES | -20 | -10 | 0 | -10 | 10 | 20 |
| FR | 0 | 7 | -1 | 5 | -1 | 5 |
| IT | -29 | -10 | -57 | -30 | 0 | -10 |
| NL | -2 | -2 | -2 | -28 | 0 | -28 |

Note: See the notes to Chart 6.

Competitive pressure and banks' risk perceptions contributed to the easing of overall terms and conditions of euro area banks, similar to the reported effects on credit standards (see Table 7).

Among the large euro area countries, competitive pressure contributed to an easing of overall credit terms and conditions in all countries. Changes in perceptions of risk contributed to an easing in the Netherlands, Italy and Germany, and had a neutral impact in Spain and France.

**Table 7**

Factors contributing to the net tightening of terms and conditions for loans to households for house purchase

(net percentage changes)

| | Cost of funds and balance sheet constraints | | Pressure from competition | | Perception of risk | | Banks' risk tolerance | |
|---|---|---|---|---|---|---|---|---|
| Country | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 |
| Euro area | -8 | 0 | -14 | -14 | -1 | -4 | -1 | 1 |
| DE | 0 | 0 | -9 | -12 | -3 | -3 | -3 | 3 |
| ES | -20 | -10 | -10 | -20 | 10 | 0 | 0 | 0 |
| FR | -1 | 7 | -9 | -2 | 0 | 0 | 0 | 0 |
| IT | -29 | 0 | -43 | -20 | -14 | -10 | 0 | 0 |
| NL | 0 | 0 | -2 | -30 | 0 | -28 | 0 | 0 |

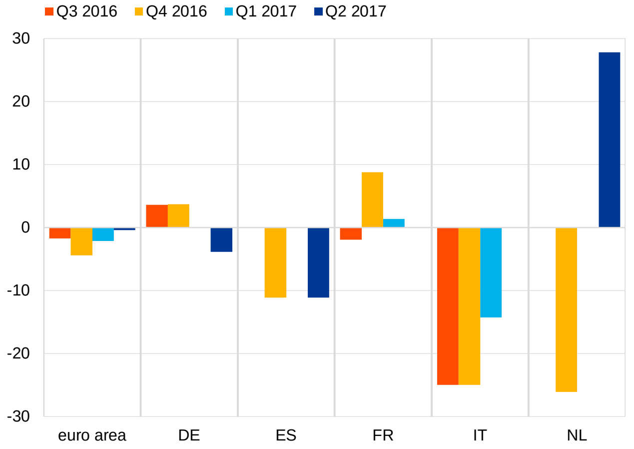
Note: The net percentages for responses to questions related to the factors are defined as the difference between the percentage of banks reporting that the given factor contributed to a tightening and the percentage reporting that it contributed to an easing.

## 2.2.3 Rejection rate for housing loans unchanged

**Chart 7**

Change in the share of rejected applications for loans to households for house purchase

(net percentages of banks reporting an increase in the share of rejections)




Note: Share of loan rejections relative to the volume of all loan applications in that loan category.

According to euro area banks, the net share of rejected applications for loans to households for house purchase was unchanged in the second quarter of 2017 (0%, after -2% in the previous survey round; see Chart 7).

Across the largest euro area countries, there were heterogeneous developments in the rejection rate for housing loans, as it decreased in Spain and Germany, increased in the Netherlands and remained unchanged in France and Italy.

## 2.2.4 Net demand for housing loans increased

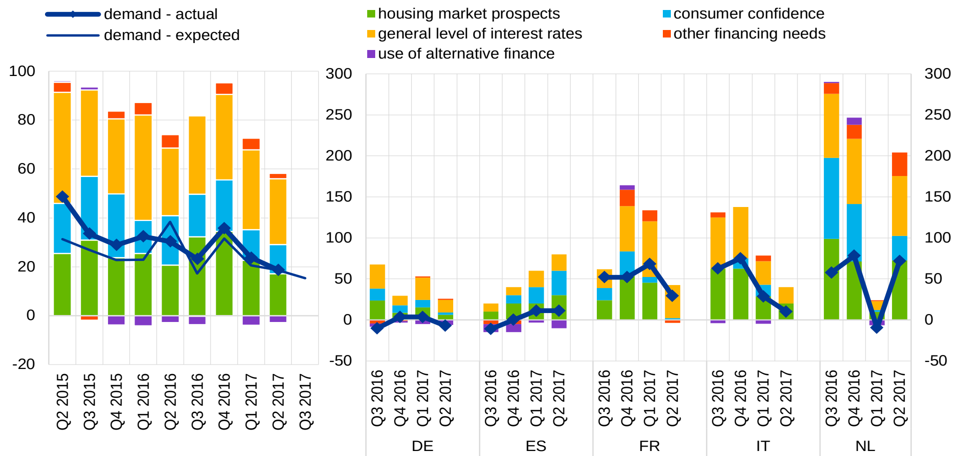
In the second quarter of 2017, a positive net percentage of banks continued to report an increase in demand for housing loans (19%, after 24% in the previous quarter; see Chart 8 and Table A), in line with banks' expectations in the previous survey round and above the historical average.

Among the large euro area countries, net demand for loans for house purchase increased in all large euro area countries, except for Germany.

## Chart 8

### Changes in demand for loans to households for house purchase, and contributing factors

(net percentages of banks reporting positive demand, and contributing factors)




Notes: See the notes to Chart 4. "Other financial needs" are an unweighted average of "debt refinancing/restructuring and renegotiation" and "regulatory and fiscal regime of housing markets"; "use of alternative finance" is an unweighted average of "internal financing out of savings/down payment", "household savings", "loans from other banks" and "other sources of external finance".

Net demand for housing loans was driven predominantly by the low general level of interest rates and favourable housing market prospects (see Chart 8 and Table 8). In addition, banks also reported a positive impact of consumer confidence and of debt refinancing (included in "other financing needs") on demand. On the other hand, the use of alternative finance had a slightly dampening effect on demand.

## Table 8

### Factors contributing to net demand for loans to households for house purchase

(net percentage changes)

| | Housing market prospects | | Consumer confidence | | Other financing needs | | General level of interest rates | | Use of alternative finance | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Country** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** |
| **Euro area** | 23 | 17 | 13 | 12 | 5 | 2 | 33 | 27 | -4 | -3 |
| **DE** | 15 | 6 | 9 | 3 | 2 | 2 | 27 | 15 | -5 | -6 |
| **ES** | 20 | 30 | 20 | 30 | 0 | 0 | 20 | 20 | -3 | -10 |
| **FR** | 45 | 0 | 7 | 2 | 13 | -3 | 68 | 40 | 0 | 0 |
| **IT** | 29 | 20 | 14 | 0 | 7 | 0 | 29 | 20 | -5 | 0 |
| **NL** | 10 | 73 | 2 | 30 | 1 | 29 | 11 | 73 | -7 | 0 |

Note: See the notes to Chart 8.

Across all the large euro area countries, the general level of interest rates continued to have a substantially positive effect on demand. Housing market prospects also made a positive contribution across all large countries, with the exception of France, where it was neutral. Consumer confidence had a positive impact on demand in the Netherlands and Spain in particular, and to a lesser extent in Germany and France, while it remained unchanged in Italy. Other financing needs increased in the Netherlands, mainly driven by an increase in both debt restructuring and the regulatory and fiscal regime, but their contribution was muted in the other large countries. The use of external finance made a dampening contribution in Spain and Germany, but had a neutral effect in the other countries.

For the third quarter of 2017, euro area banks expect a continued increase in net demand for housing loans (15%).

## 2.3 Consumer credit and other lending to households

### 2.3.1 Credit standards for consumer credit and other lending to households remained broadly unchanged

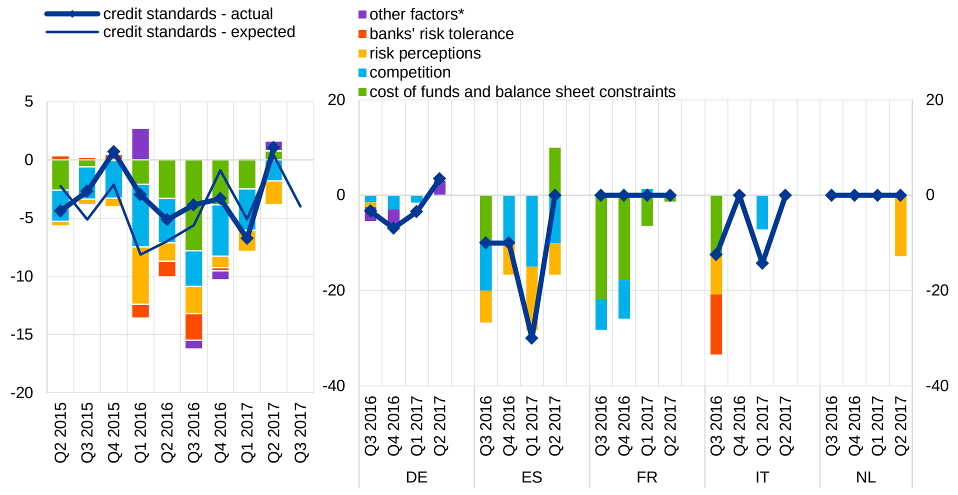
In the second quarter of 2017, credit standards for consumer credit and other lending to households remained broadly unchanged (1%, after -7% in the previous quarter; see Chart 9 and Table A), which is in line with both the historical average and expectations in the previous quarter.

In all of the large euro area countries, credit standards on consumer credit and other lending to households remained unchanged, with the exception of Germany where they tightened slightly.

**Chart 9**

Changes in credit standards applied to the approval of consumer credit and other lending to households, and contributing factors

(net percentages of banks reporting tightening credit standards, and contributing factors)




Notes: See the notes to Chart 1. “Risk perceptions” are an unweighted average of “general economic situation and outlook”, “creditworthiness of consumers” and “risk on collateral demanded”; “competition” is an unweighted average of “competition from other banks” and “competition from non-banks”.
*“Other factors” are provided by banks when none of the above factors are applicable. They are shown as memo items and refer here, in particular, to changes in regulation and legislation.

Competitive pressure and risk perceptions made a marginal easing contribution, while banks’ cost of funds and balance sheet situation as well as risk tolerance had a broadly neutral impact according to euro area banks (see Chart 9 and Table 9).

**Table 9**

Factors contributing to the net tightening of credit standards for consumer credit and other lending to households

(net percentages)

| | Cost of funds and balance sheet constraints | | Pressure from competition | | Perception of risk | | Banks' risk tolerance | |
|---|---|---|---|---|---|---|---|---|
| Country | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 |
| Euro area | -2 | 1 | -4 | -2 | -2 | -2 | 0 | 0 |
| DE | 0 | 0 | -2 | 0 | 0 | 0 | 0 | 0 |
| ES | 0 | 10 | -15 | -10 | -13 | -7 | 0 | 0 |
| FR | -6 | -1 | 1 | 0 | 0 | 0 | 0 | 0 |
| IT | 0 | 0 | -7 | 0 | 0 | 0 | 0 | 0 |
| NL | 0 | 0 | 0 | 0 | 0 | -13 | 0 | 0 |

Note: See the notes to Chart 9.

Across the large euro area countries, the factors reported to be having an impact on credit standards were relatively mixed. Competitive pressure had an easing impact in Spain, but a neutral effect in the other large countries. On the other hand, cost of funds and balance sheet constraints had a tightening impact in Spain, while the effect was neutral for the other large countries. Banks' perception of risk had an easing effect on standards in the Netherlands and Spain, but had no reported impact in the other large countries. Finally, there were no reported changes in the contribution of risk tolerance to credit standards across the large countries.

Looking ahead to the third quarter of 2017, euro area banks expect an easing of credit standards on consumer credit and other lending to households (-4%).

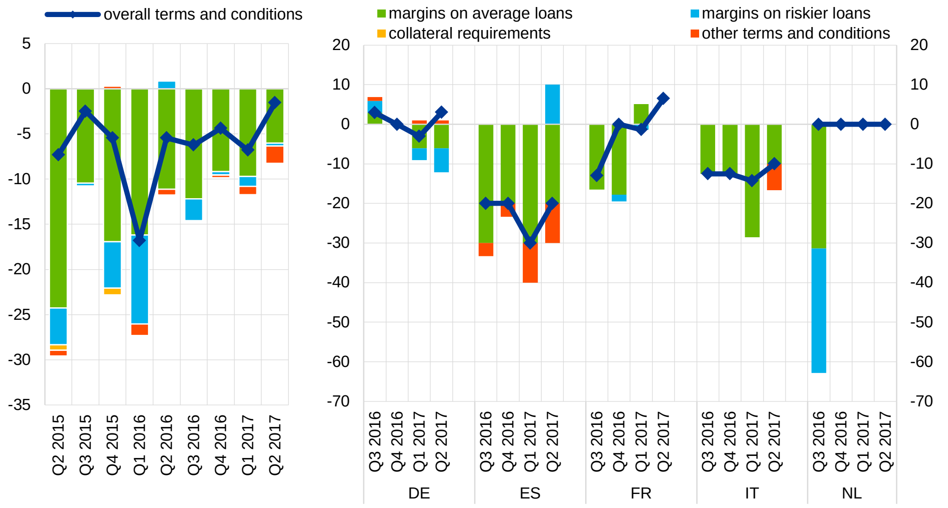
## 2.3.2 Terms and conditions for consumer credit and other lending to households eased slightly

Banks' overall terms and conditions applied when granting new consumer credit and other lending to households eased slightly in the second quarter of 2017. The narrowing of margins on average loans continued to be the main driver of the easing, while margins on riskier loans remained broadly unchanged. Non-price terms and conditions also eased slightly, mainly due to the size and maturity of the loans (see Chart 10).

**Chart 10**

Changes in terms and conditions for consumer credit and other lending to households

(net percentages of banks reporting tightening terms and conditions)




Notes: "Margins" are defined as the spread over a relevant market reference rate. "Other terms and conditions" are an unweighted average of "size of the loan", "non-interest rate charges" and "maturity".

**Table 10**

Changes in terms and conditions for consumer credit and other lending to households

(net percentage changes)

| | Overall terms and conditions | | Banks' margins on average loans | | Banks' margins on riskier loans | |
|---|---|---|---|---|---|---|
| **Country** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** |
| **Euro area** | -7 | -2 | -10 | -6 | -1 | 0 |
| **DE** | -3 | 3 | -6 | -6 | -3 | -6 |
| **ES** | -30 | -20 | -30 | -20 | 0 | 10 |
| **FR** | -1 | 7 | 5 | 0 | -1 | 0 |
| **IT** | -14 | -10 | -29 | -10 | 0 | 0 |
| **NL** | 0 | 0 | 0 | 0 | 0 | 0 |

Note: See the notes to Chart 10.

In the large euro area countries, there were diverse developments in the overall terms and conditions. In Spain and Italy, overall terms and conditions eased, due mainly to average margins in both cases. In France and Germany, overall terms and conditions on consumer credit tightened, while in the Netherlands they remained unchanged.

Competitive pressures remained the predominant factor contributing to the net easing of terms and conditions on new consumer credit. In addition, reduced risk perceptions had an easing impact (see Table 11).

Across the largest euro area countries, competitive pressures had an easing impact on overall terms and conditions in Spain, Italy and Germany, a tightening impact in France and no reported impact in the Netherlands. An easing in risk perceptions was observed only in the Netherlands. Banks across the largest countries reported no changes to terms and conditions due to risk tolerance and only in Germany did a small net percentage of banks report an easing in cost of funds and balance sheet constraints.

**Table 11**

Factors contributing to the net tightening of terms and conditions on consumer credit and other lending to households

(net percentage changes)

| | Cost of funds and balance sheet constraints | | Pressure from competition | | Perception of risk | | Banks' risk tolerance | |
|---|---|---|---|---|---|---|---|---|
| Country | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 | Q1 2017 | Q2 2017 |
| Euro area | -3 | -1 | -12 | -6 | -1 | -3 | -1 | 0 |
| DE | 0 | -3 | -3 | -6 | -3 | 0 | -3 | 0 |
| ES | -20 | 0 | -30 | -30 | 0 | 0 | 0 | 0 |
| FR | -1 | 0 | 0 | 7 | 0 | 0 | 0 | 0 |
| IT | 0 | 0 | -43 | -10 | 0 | 0 | 0 | 0 |
| NL | 0 | 0 | 0 | 0 | 0 | -38 | 0 | 0 |

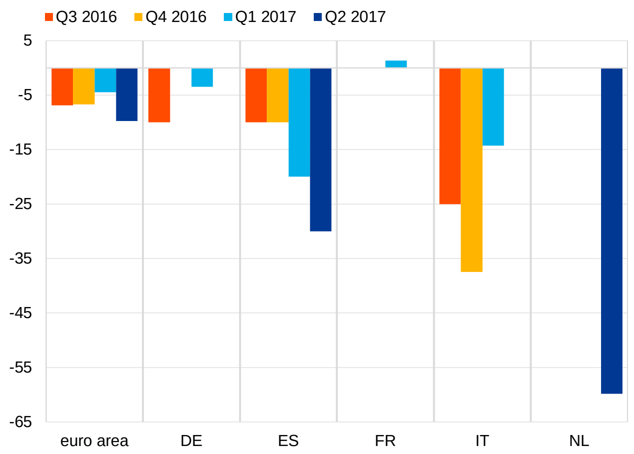
Note: The net percentages for responses to questions related to the factors are defined as the difference between the percentage of banks reporting that the given factor contributed to a tightening and the percentage reporting that it contributed to an easing.

## 2.3.3 Rejection rate for consumer credit and other lending to households decreased

**Chart 11**

Change in the share of rejected applications for consumer credit and other lending to households

(net percentages of banks reporting an increase in the share of rejections)




Note: Share of loan rejections relative to the volume of all loan applications in that loan category.

The net share of rejected applications for consumer credit and other lending to households decreased in the second quarter of 2017 according to reporting banks (-10%, after -5% in the previous survey round; see Chart 11).

Across the largest euro area countries, the rejection rate declined for banks in the Netherlands and Spain, while it remained unchanged elsewhere.

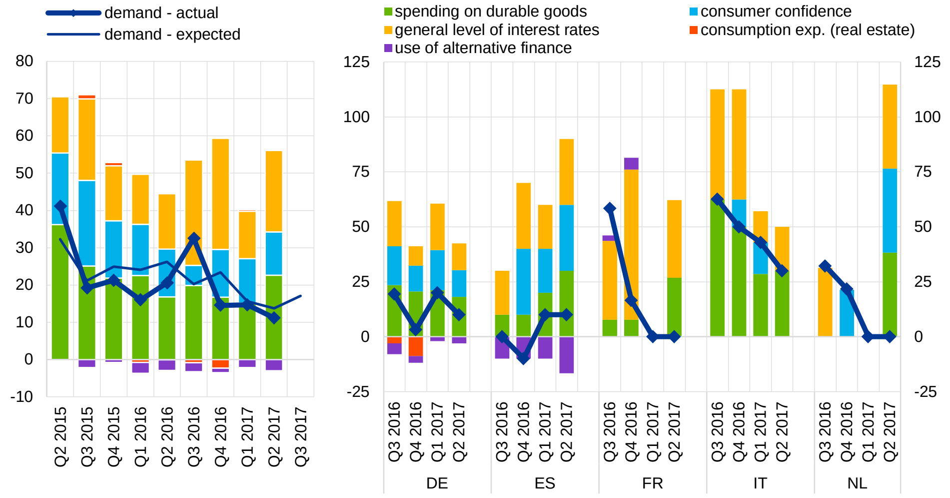
## 2.3.4 Increase in net demand for consumer credit and other lending to households

According to euro area banks, net demand for consumer credit and other lending to households increased in the second quarter of 2017 (net percentage of 11%, down from 15% in the previous quarter; see Chart 12 and Table A), remaining above its historical average, and broadly in line with expectations in the previous survey round.

### Chart 12

Changes in demand for consumer credit and other lending to households, and contributing factors

(net percentages of banks reporting positive demand, and contributing factors)




Notes: See the notes to Chart 4. “Use of alternative finance” is an unweighted average of “internal financing out of savings”, “household savings”, “loans from other banks” and “other sources of external finance”. “Consumption exp. (real estate)” denotes consumption expenditure financed through real estate-guaranteed loans.

Across the large euro area countries, net demand increased in Italy, Germany and Spain, while it remained unchanged again in France and the Netherlands.

Among the factors driving demand at the euro area level, financing needs for spending on durable consumer goods, the low general level of interest rates and consumer confidence continued to contribute to increased demand (see Chart 12 and Table 12).

### Table 12

Factors contributing to net demand for consumer credit and other lending to households

(net percentage changes)

| | Spending on durable goods | | Consumer confidence | | Consumption exp. (real estate) | | General level of interest rates | | Use of alternative finance | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Country** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** | **Q1 2017** | **Q2 2017** |
| **Euro area** | 15 | 23 | 12 | 12 | 0 | 0 | 13 | 22 | -2 | -3 |
| **DE** | 21 | 18 | 18 | 12 | 0 | 0 | 21 | 12 | -2 | -3 |
| **ES** | 20 | 30 | 20 | 30 | 0 | 0 | 20 | 30 | -10 | -17 |
| **FR** | 0 | 27 | 0 | 0 | 0 | 0 | 0 | 35 | 0 | 0 |
| **IT** | 29 | 30 | 14 | 0 | 0 | 0 | 14 | 20 | 0 | 0 |
| **NL** | 0 | 38 | 0 | 38 | 0 | 0 | 0 | 38 | 0 | 0 |

Note: See the notes to Chart 12.

Across the large euro area countries, spending on durable consumer goods and the low general level of interest rates contributed to increased demand in all countries. Consumer confidence contributed to the net increase in demand for consumer credit in the Netherlands, Spain and Germany. The use of alternative finance dampened demand in Spain and Germany, but had no impact in the other large countries.

For the third quarter of 2017, euro area banks expect a further increase in net demand for consumer credit and other lending to households (17%).

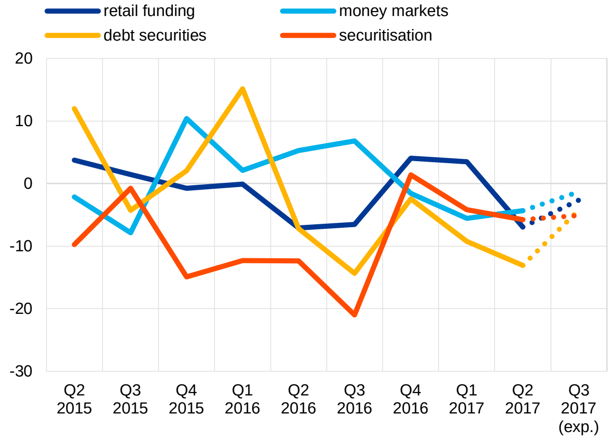
# 3 Ad hoc questions

## 3.1 Banks’ access to retail and wholesale funding

**Chart 13**

Banks’ assessment of funding conditions and the ability to transfer credit risk off balance sheet

(net percentages of banks reporting deteriorated market access)




Notes: The net percentages are defined as the difference between the sum of the percentages for “deteriorated considerably” and “deteriorated somewhat” and the sum of the percentages for “eased somewhat” and “eased considerably”.

As in previous survey rounds, the July 2017 survey questionnaire included a question to assess the extent to which the situation in financial markets affected banks’ access to retail and wholesale funding.[5]

For the second quarter of 2017, euro area banks reported improved access to retail funding and wholesale funding. With regard to wholesale funding, access to debt securities improved the most, but banks also reported improved access to securitisation and money markets (see Chart 13 and Table 13).[6]

Looking ahead to the third quarter of 2017, euro area banks broadly expect improved access to retail and wholesale funding sources.

**Table 13**

Banks’ assessment of funding conditions and the ability to transfer credit risk off balance sheet

(net percentages of banks reporting deteriorated market access)

| | Retail funding | Interbank unsecured money market | Wholesale debt securities | Securitisation |
|---|---|---|---|---|
| **Q1 2017** | 4 | -6 | -9 | -4 |
| **Q2 2017** | -7 | -4 | -13 | -6 |

Note: See the notes to Chart 13.

5 The results shown are calculated as a percentage of the number of banks which did not reply “not applicable”. Except for the results on securitisation, the percentages of “NA” responses were overall limited.

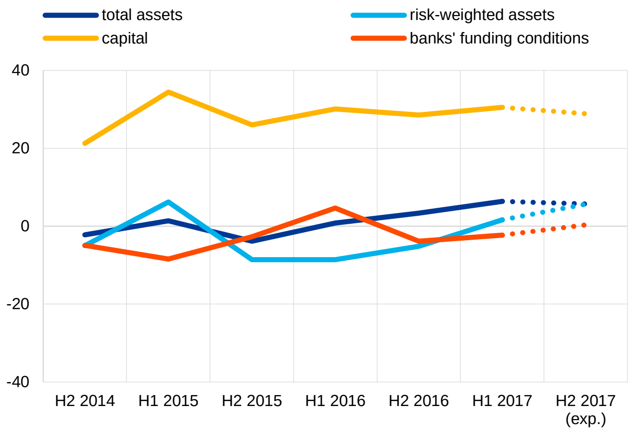
6 However, for the results on securitisation, there are a large number of banks that replied “not applicable”, as this source of funding is not relevant for them (between 49% and 52%, depending on the type of securitisation, in the second quarter of 2017).

## 3.2 Banks' adjustment to regulatory and supervisory action[7]

**Chart 14**

Impact of regulatory or supervisory action on banks' risk-weighted assets, capital and funding conditions

(net percentages of banks)




Notes: For "total assets", "risk-weighted assets" and "capital", the net percentages are defined as the difference between the sum of the percentages for "increased considerably" and "increased somewhat" and the sum of the percentages for "decreased somewhat" and "decreased considerably". For "banks' funding conditions", the net percentages are defined as the difference between the sum of the percentages for "experienced a considerable tightening" and "experienced a moderate tightening" and the sum of the percentages for "experienced a moderate easing" and "experienced a considerable easing".

The July 2017 survey questionnaire included two biannual ad hoc questions to assess the extent to which new regulatory or supervisory requirements affected banks' lending policies via the potential impact on their capital, leverage or liquidity position and the credit conditions that they apply to loans. These new requirements include the regulation set out in the "CRR/CRD IV" package, additional European Banking Authority measures or any other specific national regulations concerning banks' capital, leverage or liquidity position that have recently been approved or are expected to be approved in the near future. Furthermore, banks were also asked to indicate the effects on funding conditions.

Euro area banks replied that, in relation to regulatory or supervisory action, their total assets increased in the first half of 2017 (see Chart 14 and Table 14), and their liquid assets also increased. Banks also reported a marginal increase in their risk-weighted assets, owing to an increase in average loans, while banks continued to report a decrease in riskier loans. Euro area banks also reportedly continued to strengthen their capital position, both through retained earnings and capital issuance. Moreover, they continue to indicate a net easing impact of regulatory or supervisory action on their funding conditions, possibly as markets respond to the improved capital situation.

**Table 14**

Impact of regulatory or supervisory action on banks' risk-weighted assets, capital and funding conditions

(net percentages of banks)

| | Total assets, of which | | Risk-weighted assets, of which | | | Capital, of which | | | Impact on banks' funding conditions |
|---|---|---|---|---|---|---|---|---|---|
| | Total | Liquid assets | Total | Average loans | Riskier loans | Total | Retained earnings | Capital issuance | |
| **H2 2016** | 3 | 8 | -5 | -7 | -15 | 29 | 22 | 17 | -4 |
| **H1 2017** | 6 | 5 | 2 | 6 | -9 | 31 | 24 | 19 | -2 |

Note: See the notes to Chart 14.

The impact of supervisory or regulatory action on banks' credit standards during the first half of 2017 was reported to ease across loan categories, with the exception of house purchase loans where credit standards were broadly unchanged (see Chart 15 and Table 15). The impact of supervisory or regulatory action on loan margins

[7] Some figures were revised due to changes in the weighting scheme for aggregating national results in the Netherlands.

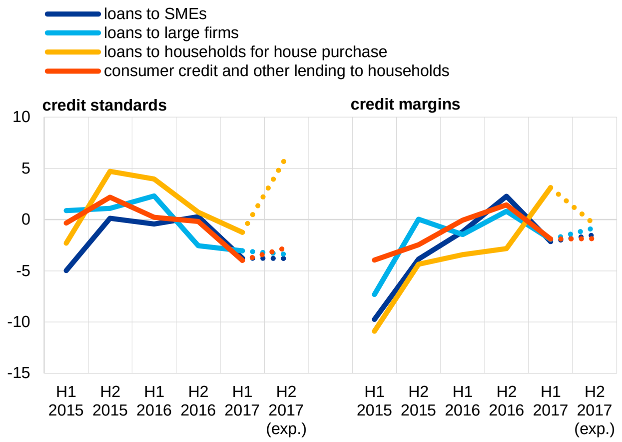
also eased across all loan categories, except for house purchase loans, where the margins increased.

Looking ahead to the second half of 2017, euro area banks expect regulatory or supervisory action to have a tightening impact on credit standards for house purchase loans, while the impact on all other loan categories is expected to ease. With respect to the impact of regulatory and supervisory measures on credit margins, banks expect no change for house purchase loans and a slight easing for other loan categories.

**Chart 15**

Contribution of regulatory or supervisory action to the tightening of banks' credit standards and margins

(net percentages of banks)




Notes: The net percentages are defined as the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat" and the sum of the percentages for "eased somewhat" and "eased considerably". The results shown are calculated as a percentage of the number of banks which did not reply "not applicable".

**Table 15**

Contribution of regulatory or supervisory action to the tightening of banks' credit standards and margins

(net percentages of banks)

| | Impact of regulatory or supervisory action on the tightening of credit | | | |
|---|---|---|---|---|
| | Standards | | Margins | |
| | H2 2016 | H1 2017 | H2 2016 | H1 2017 |
| Impact on loans and credit lines to SMEs | 0 | -4 | 2 | -2 |
| Impact on loans and credit lines to large enterprises | -3 | -3 | 1 | -2 |
| Impact on loans to households for house purchase | 1 | -1 | -3 | 3 |
| Impact on consumer credit and other lending to households | 0 | -4 | 1 | -2 |

Note: See the note to Chart 15.

## 3.3 Analysing the ECB's targeted longer-term refinancing operations[8]

The July 2017 survey included some ad hoc questions on the impact of the targeted longer-term refinancing operations (TLTROs) conducted by the Eurosystem. Banks reported on their participation in the fourth and final TLTRO II operation conducted in March 2017 and were asked about their reasons for participating. In addition, banks were asked about their use of funds obtained through all past TLTROs. Finally, banks provided an assessment of the impact of the TLTROs on their financial situation and their loan supply.

63% of the euro area banks in the BLS sample reported that they participated in the fourth TLTRO II operation (see Chart 16), which was the highest participation rate

[8] Some figures for 2016 were revised due to changes in the weighting scheme for aggregating national results in the Netherlands.

reported since the first TLTRO II operation was reported on in the July 2016 BLS round.[9]

According to banks participating in the fourth TLTRO II operation, participation was predominantly driven by profitability motives (87% of respondents, after 95% in the January 2017 BLS; see Chart 17). The share of banks reporting that precautionary motives played a role increased in this survey round (9%, after 2% in the January 2017 BLS). The main reason for non-participation was again the absence of funding constraints (83%, after 80% in the January 2017 BLS).

**Chart 16**

Participation in the most recent TLTRO

(percentage of respondents)

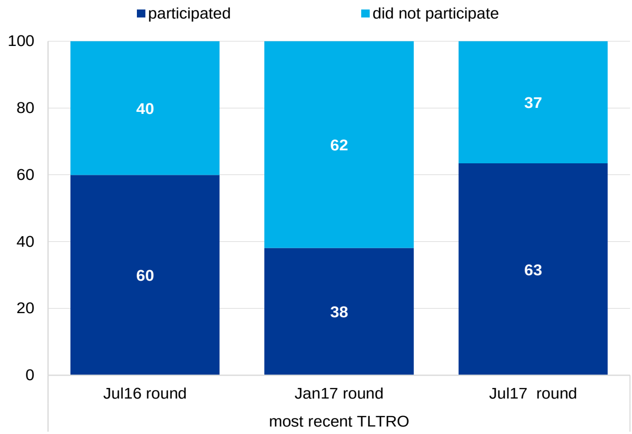
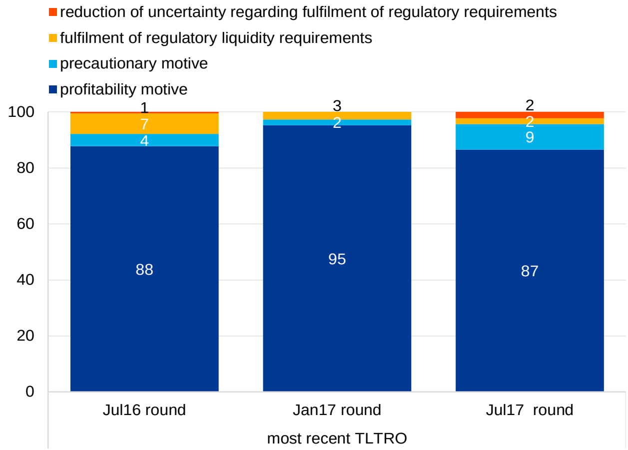



**Chart 17**

Reasons for participation in the most recent TLTRO

(percentage of banks that said they participated)




As regards the use of funds obtained from the past TLTROs, banks continued to report using them for granting loans (61%, broadly unchanged from the January 2017 BLS; see Chart 18), in particular loans to enterprises (88%, broadly unchanged from the January 2017 BLS; not shown in the chart). In addition, 27% (after 25%) of the banks reported that the funds would be used for refinancing purposes as a substitute for other funding sources. The percentage of banks reporting that they would use the funds for purchasing assets increased in the most recent survey round (13%, after 9%).

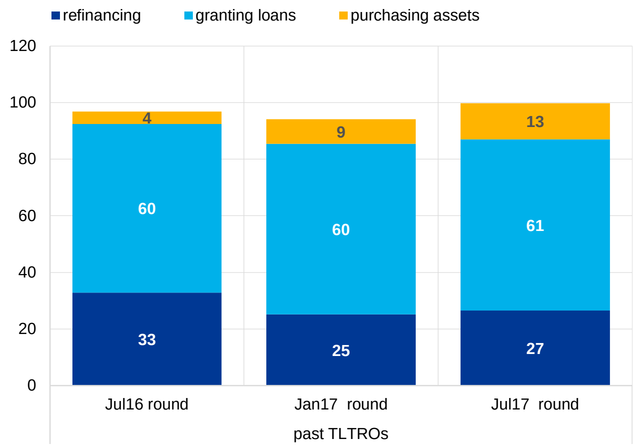
Concerning the use of the past TLTRO funds for refinancing, 41% of banks (after 43% in the January 2017 BLS; see Chart 19) reported that they used the TLTRO funds as a substitute for maturing debt; the replacement of funds borrowed in other Eurosystem liquidity operations was also an important factor (39%, compared with 28% in the January 2017 BLS). In addition, 22% of the euro area banks indicated that they used past TLTRO funds as a substitute for interbank funding (broadly unchanged from the January 2017 BLS), while the substitution of deposit shortfalls continued to play a small role (4%, after 7%).

[9] The participation rate and the related reasons are calculated based on a sample of 138 banks, as some banks did not provide an answer to this question.

**Chart 18**

Use of funds from past TLTROs

(percentage of respondents)

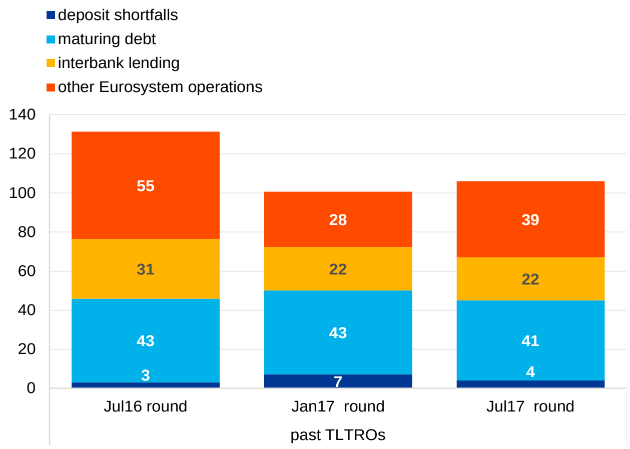



Notes: “Past TLTROs” refer to all TLTROs which took place up until the specified survey round. Values displayed in the chart are the sum of the percentage of banks responding “has contributed or will contribute considerably” and “has contributed or will contribute somewhat”.

**Chart 19**

Use of funds from past TLTROs for refinancing as a substitute for other funding sources

(percentage of respondents)




Note: See notes to Chart 18.

Turning to banks’ assessment of the impact of past TLTROs on their financial situation, the share of banks reporting a positive impact on their profitability increased. This continued to be the most important factor, with 75% of the banks (after 58% in the January 2017 BLS) indicating that the past TLTROs contributed to improving their profitability. In addition, an increasing share of banks indicated an improvement in their liquidity position (58% for past TLTROs, after 42% in the January 2017 BLS). Improved market financing conditions also continued to have a positive impact on banks (41%, broadly unchanged from the January 2017 BLS). The reported positive impact on banks’ capital position (26%, after 14% in the January 2017 BLS) and on deleveraging needs (13%, after 4% in the January 2017 BLS) increased in the most recent round.

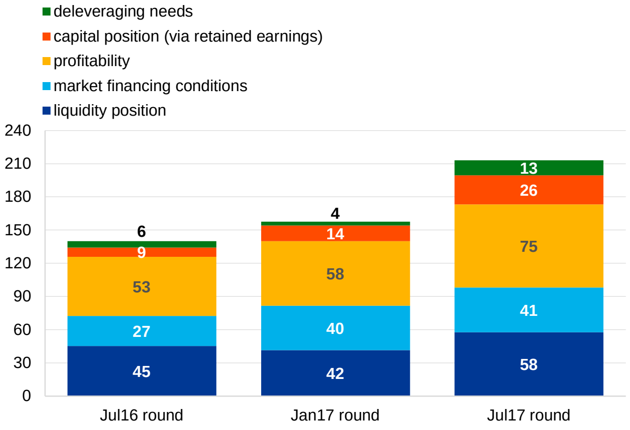
As regards the impact of the past TLTROs on lending conditions, credit terms and conditions continued to be most favourably affected, but the easing impact of the past TLTROs on credit standards on loans to enterprises and consumer credit increased in the July 2017 BLS round.

For loans to enterprises, euro area banks indicated that the TLTROs translated into an easing of credit terms and conditions (39%, compared with 48% in the January 2017 BLS; see Chart 21). In addition, 15% of the banks reported an easing impact on credit standards for loans to enterprises (compared with 9% in the January 2017 BLS; not shown in the chart). With regard to loans to households, a higher share of banks reported an easing impact on credit standards for consumer loans (13%, compared with 8% in the January 2017 BLS; not shown in the chart) and a lower share of banks reported an easing impact for loans to households for house purchase (3%, compared with 8% in the January 2017 BLS; not shown in the chart).

## Chart 20

Contribution of past TLTROs to the improvement in banks' financial situation

(percentage of respondents)

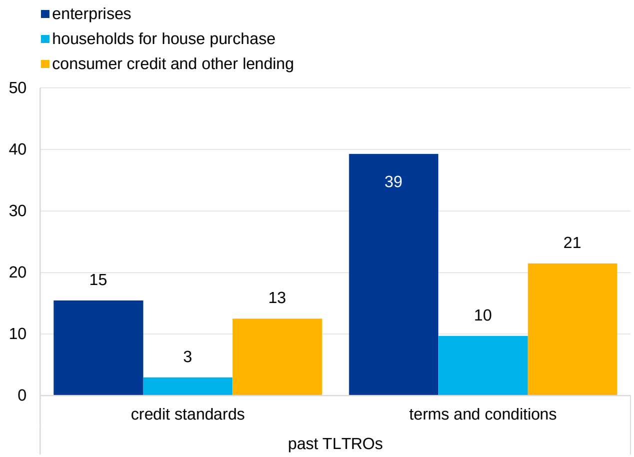



Notes: "Past TLTROs" refer to all TLTROs which took place up until the specified survey round. Values displayed in the chart are the sum of the percentage of banks responding "has improved or will improve considerably" and "has improved or will improve somewhat".

## Chart 21

Impact of past TLTROs on credit standards for loans and on credit terms and conditions

(percentage of respondents)




Notes: "Past TLTROs" refer to all TLTROs which took place up until the specified survey round. Values displayed in the chart are the sum of the percentage of banks responding "has contributed or will contribute considerably to easing credit standards/terms and conditions" and "has contributed or will contribute somewhat to easing credit standards/terms and conditions".

# Annex 1
# Results for the standard questions[10]

## Loans or credit lines to enterprises

### Question 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.

(in percentages, unless otherwise stated)

| | Overall | | Loans to small and medium-sized enterprises | | Loans to large enterprises | | Short-term loans | | Long-term loans | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| Tightened considerably | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tightened somewhat | 1 | 0 | 3 | 2 | 3 | 1 | 1 | 0 | 3 | 0 |
| Remained basically unchanged | 96 | 97 | 94 | 94 | 93 | 90 | 95 | 94 | 95 | 95 |
| Eased somewhat | 3 | 3 | 4 | 5 | 4 | 9 | 4 | 6 | 3 | 5 |
| Eased considerably | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Total* | *100* | *100* | *100* | *100* | *100* | *100* | *100* | *100* | *100* | *100* |
| ***Net percentage*** | **-2** | ***-3*** | **-1** | ***-3*** | **-1** | ***-8*** | **-3** | ***-6*** | **0** | ***-5*** |
| ***Diffusion index*** | **-1** | ***-2*** | **-1** | ***-2*** | **-1** | ***-4*** | **-1** | ***-3*** | **0** | ***-2*** |
| *Mean* | *3.02* | *3.03* | *3.01* | *3.03* | *3.01* | *3.08* | *3.03* | *3.06* | *3.00* | *3.05* |
| ***Number of banks responding*** | ***132*** | ***135*** | ***128*** | ***131*** | ***127*** | ***130*** | ***132*** | ***135*** | ***132*** | ***135*** |

Notes: The net percentage is defined as the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat", and the sum of the percentages for "eased somewhat" and "eased considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

10 Figures might not sum up to 100 due to rounding.

## Question 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?

(in percentages, unless otherwise stated)

**OVERALL**

| | -- | - | ° | + | ++ | NA | NetP Apr 17 | NetP Jul 17 | DI Apr 17 | DI Jul 17 | Mean Apr 17 | Mean Jul 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Costs related to your bank's capital position | 0 | 1 | 94 | 1 | 0 | 3 | -1 | 0 | 0 | 0 | 3.01 | 3.00 |
| Your bank's ability to access market financing | 0 | 0 | 94 | 1 | 0 | 5 | -1 | -1 | 0 | -1 | 3.01 | 3.01 |
| Your bank's liquidity position | 0 | 0 | 93 | 4 | 0 | 3 | -2 | -4 | -1 | -2 | 3.02 | 3.04 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Competition from other banks | 0 | 0 | 79 | 19 | 0 | 3 | -11 | -19 | -6 | -9 | 3.11 | 3.19 |
| Competition from non-banks | 0 | 0 | 94 | 2 | 0 | 3 | 0 | -2 | 0 | -1 | 3.00 | 3.02 |
| Competition from market financing | 0 | 0 | 97 | 0 | 0 | 3 | -1 | 0 | -1 | 0 | 3.01 | 3.00 |
| **C) Perception of risk** | | | | | | | | | | | | |
| General economic situation and outlook | 0 | 1 | 91 | 6 | 0 | 2 | 0 | -6 | 0 | -3 | 3.00 | 3.06 |
| Industry or firm-specific situation and outlook/borrower's creditworthiness | 0 | 1 | 95 | 2 | 0 | 2 | -1 | -2 | -1 | -1 | 3.01 | 3.02 |
| Risk related to the collateral demanded | 0 | 2 | 95 | 1 | 0 | 2 | 3 | 1 | 2 | 0 | 2.97 | 2.99 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 0 | 97 | 1 | 0 | 2 | 3 | -1 | 1 | 0 | 2.97 | 3.01 |

**SMALL AND MEDIUM-SIZED ENTERPRISES**

| | -- | - | ° | + | ++ | NA | NetP Apr 17 | NetP Jul 17 | DI Apr 17 | DI Jul 17 | Mean Apr 17 | Mean Jul 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Costs related to your bank's capital position | 0 | 1 | 89 | 1 | 0 | 8 | -1 | 0 | 0 | 0 | 3.01 | 3.00 |
| Your bank's ability to access market financing | 0 | 0 | 90 | 0 | 0 | 10 | -1 | 0 | 0 | 0 | 3.01 | 3.00 |
| Your bank's liquidity position | 0 | 0 | 91 | 0 | 0 | 9 | -2 | 0 | -1 | 0 | 3.02 | 3.00 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Competition from other banks | 0 | 0 | 84 | 10 | 0 | 6 | -10 | -10 | -5 | -5 | 3.11 | 3.10 |
| Competition from non-banks | 0 | 0 | 92 | 2 | 0 | 6 | -1 | -2 | -1 | -1 | 3.01 | 3.02 |
| Competition from market financing | 0 | 0 | 94 | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |
| **C) Perception of risk** | | | | | | | | | | | | |
| General economic situation and outlook | 0 | 2 | 90 | 4 | 0 | 5 | -1 | -2 | 0 | -1 | 3.01 | 3.02 |
| Industry or firm-specific situation and outlook/borrower's creditworthiness | 0 | 1 | 94 | 0 | 0 | 5 | -1 | 0 | -1 | 0 | 3.01 | 3.00 |
| Risk related to the collateral demanded | 0 | 2 | 93 | 0 | 0 | 5 | 4 | 2 | 2 | 1 | 2.96 | 2.98 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 1 | 91 | 0 | 0 | 7 | 0 | 1 | 0 | 1 | 3.00 | 2.99 |

**LARGE ENTERPRISES**

| | -- | - | ° | + | ++ | NA | NetP Apr 17 | NetP Jul 17 | DI Apr 17 | DI Jul 17 | Mean Apr 17 | Mean Jul 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Costs related to your bank's capital position | 0 | 1 | 90 | 1 | 0 | 7 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |
| Your bank's ability to access market financing | 0 | 0 | 90 | 1 | 0 | 9 | 0 | -1 | 0 | -1 | 3.00 | 3.01 |
| Your bank's liquidity position | 0 | 0 | 89 | 4 | 0 | 7 | -1 | -4 | -1 | -2 | 3.01 | 3.04 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Competition from other banks | 0 | 0 | 75 | 16 | 2 | 7 | -9 | -18 | -4 | -10 | 3.09 | 3.21 |
| Competition from non-banks | 0 | 0 | 88 | 4 | 0 | 8 | 0 | -4 | 0 | -2 | 3.00 | 3.04 |
| Competition from market financing | 0 | 0 | 87 | 5 | 0 | 7 | -1 | -5 | -1 | -3 | 3.01 | 3.05 |
| **C) Perception of risk** | | | | | | | | | | | | |
| General economic situation and outlook | 0 | 1 | 83 | 10 | 0 | 6 | -1 | -10 | -1 | -5 | 3.01 | 3.10 |
| Industry or firm-specific situation and outlook/borrower's creditworthiness | 0 | 1 | 87 | 7 | 0 | 6 | -1 | -6 | -1 | -3 | 3.01 | 3.06 |
| Risk related to the collateral demanded | 0 | 1 | 88 | 5 | 0 | 6 | 2 | -5 | 1 | -2 | 2.98 | 3.05 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 0 | 87 | 7 | 0 | 6 | 0 | -6 | 0 | -3 | 3.01 | 3.07 |

NA = not available; NetP = net percentage; DI = diffusion index.
Notes: The net percentage is defined as the difference between the sum of banks responding "--" (contributed considerably to tightening) and "-" (contributed somewhat to tightening), and the sum of banks responding "+" (contributed somewhat to easing) and "++" (contributed considerably to easing). "°" means "contributed to basically unchanged credit standards". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 3

Over the past three months, how have your bank's terms and conditions for new loans or credit lines to enterprises changed?

(in percentages, unless otherwise stated)

**OVERALL**

| | -- | - | ° | + | ++ | NA | NetP Apr 17 | NetP Jul 17 | DI Apr 17 | DI Jul 17 | Mean Apr 17 | Mean Jul 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A) Overall terms and conditions** | | | | | | | | | | | | |
| Overall terms and conditions | 0 | 4 | 83 | 11 | 0 | 2 | -5 | -7 | -2 | -4 | 3.05 | 3.07 |
| **B) Margins** | | | | | | | | | | | | |
| Your bank's margin on average loans | 0 | 7 | 60 | 30 | 0 | 2 | -15 | -23 | -8 | -12 | 3.17 | 3.23 |
| Your bank's margin on riskier loans | 0 | 3 | 88 | 5 | 0 | 3 | 1 | -2 | 1 | -1 | 2.99 | 3.02 |
| **C) Other conditions and terms** | | | | | | | | | | | | |
| Non-interest rate charges | 0 | 4 | 93 | 2 | 0 | 2 | 1 | 2 | 0 | 1 | 2.99 | 2.98 |
| Size of the loan or credit line | 0 | 2 | 89 | 7 | 0 | 2 | -2 | -4 | -1 | -2 | 3.02 | 3.04 |
| Collateral requirements | 0 | 1 | 94 | 3 | 0 | 2 | -2 | -1 | -1 | -1 | 3.02 | 3.01 |
| Loan covenants | 0 | 0 | 93 | 5 | 0 | 2 | -4 | -5 | -2 | -3 | 3.04 | 3.06 |
| Maturity | 0 | 2 | 87 | 9 | 0 | 2 | -5 | -6 | -2 | -3 | 3.05 | 3.06 |

**SMALL AND MEDIUM-SIZED ENTERPRISES**

| | -- | - | ° | + | ++ | NA | NetP Apr 17 | NetP Jul 17 | DI Apr 17 | DI Jul 17 | Mean Apr 17 | Mean Jul 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A) Overall terms and conditions** | | | | | | | | | | | | |
| Overall terms and conditions | 0 | 4 | 83 | 8 | 0 | 5 | -4 | -4 | -2 | -2 | 3.04 | 3.05 |
| **B) Margins** | | | | | | | | | | | | |
| Your bank's margin on average loans | 0 | 7 | 67 | 22 | 0 | 5 | -11 | -15 | -6 | -7 | 3.13 | 3.15 |
| Your bank's margin on riskier loans | 0 | 4 | 87 | 4 | 0 | 6 | 3 | 0 | 1 | 0 | 2.98 | 3.00 |
| **C) Other conditions and terms** | | | | | | | | | | | | |
| Non-interest rate charges | 0 | 4 | 91 | 1 | 0 | 5 | 1 | 3 | 1 | 1 | 2.99 | 2.97 |
| Size of the loan or credit line | 0 | 2 | 89 | 4 | 0 | 5 | -4 | -1 | -2 | -1 | 3.04 | 3.01 |
| Collateral requirements | 0 | 1 | 92 | 2 | 0 | 5 | -4 | 0 | -2 | 0 | 3.04 | 3.01 |
| Loan covenants | 0 | 0 | 92 | 3 | 0 | 5 | -4 | -3 | -2 | -2 | 3.05 | 3.03 |
| Maturity | 0 | 4 | 86 | 6 | 0 | 5 | -6 | -2 | -3 | -1 | 3.06 | 3.02 |

**LARGE ENTERPRISES**

| | -- | - | ° | + | ++ | NA | NetP Apr 17 | NetP Jul 17 | DI Apr 17 | DI Jul 17 | Mean Apr 17 | Mean Jul 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A) Overall terms and conditions** | | | | | | | | | | | | |
| Overall terms and conditions | 0 | 3 | 82 | 10 | 0 | 6 | -8 | -7 | -4 | -4 | 3.08 | 3.08 |
| **B) Margins** | | | | | | | | | | | | |
| Your bank's margin on average loans | 0 | 4 | 61 | 29 | 0 | 6 | -19 | -25 | -10 | -12 | 3.21 | 3.26 |
| Your bank's margin on riskier loans | 0 | 5 | 82 | 7 | 0 | 6 | -2 | -3 | -1 | -1 | 3.03 | 3.03 |
| **C) Other conditions and terms** | | | | | | | | | | | | |
| Non-interest rate charges | 0 | 3 | 89 | 2 | 0 | 6 | 0 | 1 | 0 | 1 | 3.00 | 2.99 |
| Size of the loan or credit line | 0 | 1 | 86 | 6 | 0 | 6 | -4 | -5 | -2 | -2 | 3.04 | 3.05 |
| Collateral requirements | 0 | 1 | 92 | 0 | 0 | 6 | -3 | 1 | -1 | 1 | 3.03 | 2.99 |
| Loan covenants | 0 | 0 | 88 | 6 | 0 | 6 | -5 | -6 | -3 | -3 | 3.06 | 3.07 |
| Maturity | 0 | 1 | 85 | 8 | 0 | 6 | -5 | -7 | -2 | -3 | 3.05 | 3.07 |

NA = not available; NetP = net percentage; DI = diffusion index.
Notes: The net percentage is defined as the difference between the sum of banks responding "--" (tightened considerably) and "-" (tightened somewhat), and the sum of banks responding "+" (eased somewhat) and "++" (eased considerably). "°" means "basically unchanged credit standards". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 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?

(in percentages, unless otherwise stated)

**OVERALL IMPACT ON YOUR BANK'S CREDIT TERMS AND CONDITIONS**

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 4 | 87 | 7 | 0 | 2 | -3 | -3 | -1 | -2 | 3 | 3.03 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 2 | 70 | 26 | 0 | 2 | -20 | -24 | -10 | -12 | 3 | 3.24 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 1 | 90 | 7 | 0 | 2 | -2 | -6 | -1 | -3 | 3 | 3.06 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 0 | 96 | 2 | 0 | 2 | 1 | -2 | 0 | -1 | 3 | 3.02 |

**IMPACT ON YOUR BANK'S MARGINS ON AVERAGE LOANS**

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 4 | 87 | 7 | 0 | 2 | -3 | -4 | -2 | -2 | 3 | 3.04 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 3 | 69 | 26 | 0 | 2 | -24 | -24 | -12 | -12 | 3 | 3.24 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 0 | 93 | 5 | 0 | 2 | -2 | -5 | -1 | -3 | 3 | 3.05 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 0 | 96 | 2 | 0 | 2 | 1 | -1 | 0 | -1 | 3 | 3.02 |

**IMPACT ON YOUR BANK'S MARGINS ON RISKIER LOANS**

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 1 | 2 | 89 | 5 | 0 | 3 | -1 | -2 | 0 | -1 | 3 | 3.01 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 3 | 83 | 11 | 0 | 3 | -4 | -9 | -2 | -4 | 3 | 3.09 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 2 | 94 | 1 | 0 | 3 | 3 | 1 | 1 | 0 | 3 | 2.99 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 1 | 95 | 2 | 0 | 3 | 3 | -1 | 1 | 0 | 3 | 3.01 |

NA = not available; NetP = net percentage; DI = diffusion index.
Notes: The net percentage is defined as the difference between the sum of banks responding "--" (contributed considerably to tightening) and "-" (contributed somewhat to tightening), and the sum of banks responding "+" (contributed somewhat to easing) and "++" (contributed considerably to easing). "°" means "contributed to basically unchanged credit standards". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 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)?

(in percentages, unless otherwise stated)

| | Share of rejected applications | |
|---|---|---|
| | Apr 17 | Jul 17 |
| Decreased considerably | 0 | 0 |
| Decreased somewhat | 6 | 6 |
| Remained basically unchanged | 92 | 93 |
| Increased somewhat | 2 | 1 |
| Increased considerably | 0 | 0 |
| *Total* | *100* | *100* |
| ***Net percentage*** | ***-4*** | ***-4*** |
| ***Diffusion index*** | ***-2*** | ***-2*** |
| *Mean* | *2.96* | *2.96* |
| ***Number of banks responding*** | ***131*** | ***134*** |

Notes: The net percentage is defined as the difference between the sum of the percentages for "increased considerably" and "increased somewhat", and the sum of the percentages for "decreased somewhat" and "decreased considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 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.

(in percentages, unless otherwise stated)

| | Overall | | Loans to small and medium-sized enterprises | | Loans to large enterprises | | Short-term loans | | Long-term loans | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| Decreased considerably | 0 | 0 | 0 | 0 | 2 | 1 | 0 | 0 | 0 | 0 |
| Decreased somewhat | 12 | 10 | 7 | 10 | 11 | 11 | 7 | 14 | 8 | 9 |
| Remained basically unchanged | 70 | 66 | 72 | 68 | 72 | 69 | 77 | 70 | 75 | 63 |
| Increased somewhat | 18 | 24 | 20 | 22 | 15 | 19 | 16 | 16 | 17 | 28 |
| Increased considerably | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Total* | *100* | *100* | *100* | *100* | *100* | *100* | *100* | *100* | *100* | *100* |
| ***Net percentage*** | **6** | ***15*** | **15** | ***12*** | **2** | ***7*** | **8** | ***2*** | **9** | ***19*** |
| ***Diffusion index*** | **3** | ***7*** | **8** | ***6*** | **0** | ***3*** | **4** | ***1*** | **5** | ***9*** |
| *Mean* | *3.06* | *3.15* | *3.16* | *3.12* | *3.00* | *3.05* | *3.08* | *3.02* | *3.09* | *3.19* |
| ***Number of banks responding*** | ***132*** | ***135*** | ***128*** | ***131*** | ***127*** | ***130*** | ***132*** | ***135*** | ***132*** | ***135*** |

Notes: The net percentage is defined as the difference between the sum of the percentages for “increased considerably” and “increased somewhat”, and the sum of the percentages for “decreased somewhat” and “decreased considerably”. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 7

Over the past three months, how have the following factors affected the overall demand for loans or credit lines to enterprises?

(in percentages, unless otherwise stated)

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Financing needs/underlying drivers or purpose of loan demand** | | | | | | | | | | | | |
| Fixed investment | 0 | 7 | 69 | 22 | 0 | 2 | 4 | 15 | 2 | 7 | 3.04 | 3.15 |
| Inventories and working capital | 0 | 4 | 79 | 14 | 0 | 3 | 13 | 9 | 6 | 5 | 3.13 | 3.09 |
| Mergers/acquisitions and corporate restructuring | 0 | 1 | 79 | 13 | 4 | 3 | 1 | 16 | 1 | 10 | 3.01 | 3.20 |
| General level of interest rates | 0 | 0 | 84 | 10 | 4 | 2 | 12 | 13 | 6 | 9 | 3.12 | 3.17 |
| Debt refinancing/restructuring and renegotiation | 0 | 1 | 82 | 14 | 0 | 2 | 8 | 13 | 4 | 6 | 3.08 | 3.13 |
| **B) Use of alternative finance** | | | | | | | | | | | | |
| Internal financing | 0 | 13 | 83 | 2 | 0 | 2 | -4 | -11 | -2 | -5 | 2.96 | 2.89 |
| Loans from other banks | 0 | 8 | 83 | 7 | 0 | 2 | -2 | -1 | -1 | -1 | 2.98 | 2.99 |
| Loans from non-banks | 0 | 3 | 94 | 1 | 0 | 2 | -1 | -2 | -1 | -1 | 2.99 | 2.98 |
| Issuance/redemption of debt securities | 0 | 6 | 83 | 5 | 0 | 6 | -6 | 0 | -3 | 0 | 2.94 | 3.00 |
| Issuance/redemption of equity | 0 | 3 | 89 | 1 | 0 | 7 | -2 | -1 | -1 | -1 | 2.98 | 2.98 |

NA = not available; NetP = net percentage; DI = diffusion index.

Notes: The net percentage is defined as the difference between the sum of banks responding “+” (contributed somewhat to increasing demand) and “++” (contributed considerably to increasing demand) and the sum of banks responding “-” (contributed somewhat to lowering demand) and “--” (contributed considerably to lowering demand). “°” means “contributed to basically unchanged demand”. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 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.

(in percentages, unless otherwise stated)

| | Overall | | Loans to small and medium-sized enterprises | | Loans to large enterprises | | Short-term loans | | Long-term loans | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| Tighten considerably | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tighten somewhat | 3 | 1 | 4 | 0 | 2 | 1 | 3 | 1 | 1 | 0 |
| Remain basically unchanged | 95 | 95 | 92 | 99 | 95 | 95 | 96 | 93 | 97 | 95 |
| Ease somewhat | 1 | 4 | 4 | 1 | 3 | 4 | 1 | 5 | 1 | 5 |
| Ease considerably | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Total* | *100* | *100* | *100* | *100* | *100* | *100* | *100* | *100* | *100* | *100* |
| ***Net percentage*** | ***2*** | ***-2*** | ***1*** | ***-1*** | ***0*** | ***-2*** | ***1*** | ***-4*** | ***0*** | ***-5*** |
| ***Diffusion index*** | ***1*** | ***-1*** | ***0*** | ***-1*** | ***0*** | ***-1*** | ***1*** | ***-2*** | ***0*** | ***-2*** |
| *Mean* | *2.98* | *3.02* | *2.99* | *3.01* | *3.00* | *3.02* | *2.99* | *3.04* | *2.99* | *3.05* |
| ***Number of banks responding*** | ***131*** | ***134*** | ***127*** | ***130*** | ***126*** | ***129*** | ***131*** | ***134*** | ***131*** | ***134*** |

Notes: The net percentage is defined as the difference between the sum of the percentages for "tighten considerably" and "tighten somewhat", and the sum of the percentages for "ease somewhat" and "ease considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 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.

(in percentages, unless otherwise stated)

| | Overall | | Loans to small and medium-sized enterprises | | Loans to large enterprises | | Short-term loans | | Long-term loans | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| Decrease considerably | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Decrease somewhat | 3 | 1 | 4 | 2 | 4 | 3 | 5 | 3 | 3 | 2 |
| Remain basically unchanged | 81 | 80 | 81 | 80 | 84 | 78 | 83 | 84 | 78 | 77 |
| Increase somewhat | 15 | 18 | 15 | 18 | 12 | 18 | 12 | 12 | 19 | 20 |
| Increase considerably | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| *Total* | *100* | *100* | *100* | *100* | *100* | *100* | *100* | *100* | *100* | *100* |
| ***Net percentage*** | ***12*** | ***17*** | ***12*** | ***17*** | ***8*** | ***16*** | ***8*** | ***10*** | ***17*** | ***19*** |
| ***Diffusion index*** | ***6*** | ***9*** | ***6*** | ***9*** | ***4*** | ***8*** | ***4*** | ***5*** | ***8*** | ***10*** |
| *Mean* | *3.12* | *3.18* | *3.12* | *3.17* | *3.08* | *3.16* | *3.08* | *3.10* | *3.17* | *3.19* |
| ***Number of banks responding*** | ***132*** | ***135*** | ***128*** | ***131*** | ***127*** | ***130*** | ***132*** | ***135*** | ***132*** | ***135*** |

Notes: The net percentage is defined as the difference between the sum of the percentages for "increase considerably" and "increase somewhat", and the sum of the percentages for "decrease somewhat" and "decrease considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

# Loans to households

## Question 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.

(in percentages, unless otherwise stated)

| | Loans for house purchase | | Consumer credit and other lending | |
|---|---|---|---|---|
| | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| Tightened considerably | 0 | 0 | 0 | 0 |
| Tightened somewhat | 2 | 3 | 0 | 3 |
| Remained basically unchanged | 90 | 89 | 93 | 96 |
| Eased somewhat | 8 | 7 | 7 | 2 |
| Eased considerably | 0 | 0 | 0 | 0 |
| *Total* | *100* | *100* | *100* | *100* |
| ***Net percentage*** | ***-5*** | ***-4*** | ***-7*** | ***1*** |
| ***Diffusion index*** | ***-3*** | ***-2*** | ***-3*** | ***1*** |
| *Mean* | *3.05* | *3.04* | *3.07* | *2.99* |
| ***Number of banks responding*** | ***127*** | ***131*** | ***129*** | ***132*** |

Notes: The net percentage is defined as the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat", and the sum of the percentages for "eased somewhat" and "eased considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 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?

(in percentages, unless otherwise stated)

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 2 | 92 | 0 | 0 | 7 | -1 | 1 | 0 | 1 | 3.01 | 2.98 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Competition from other banks | 0 | 1 | 77 | 16 | 0 | 6 | -7 | -15 | -4 | -7 | 3.08 | 3.15 |
| Competition from non-banks | 0 | 0 | 85 | 6 | 2 | 6 | 0 | -8 | 0 | -5 | 3.00 | 3.11 |
| **C) Perception of risk** | | | | | | | | | | | | |
| General economic situation and outlook | 0 | 0 | 85 | 10 | 0 | 6 | -1 | -10 | -1 | -5 | 3.01 | 3.10 |
| Housing market prospects, including expected house price developments | 0 | 1 | 86 | 8 | 0 | 6 | -1 | -7 | -1 | -3 | 3.02 | 3.07 |
| Borrower's creditworthiness | 0 | 1 | 83 | 11 | 0 | 6 | -1 | -10 | -1 | -5 | 3.01 | 3.10 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 0 | 93 | 0 | 0 | 6 | -2 | 0 | -1 | 0 | 3.02 | 3.00 |

NA = not available; NetP = net percentage; DI = diffusion index.
Notes: The net percentage is defined as the difference between the sum of banks responding "--" (contributed considerably to tightening) and "-" (contributed somewhat to tightening), and the sum of banks responding "+" (contributed somewhat to easing) and "++" (contributed considerably to easing). "°" means "contributed to basically unchanged credit standards". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 12

### Over the past three months, how have your bank's terms and conditions for new loans to households for house purchase changed?

(in percentages, unless otherwise stated)

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Overall terms and conditions** | | | | | | | | | | | | |
| Overall terms and conditions | 0 | 3 | 84 | 7 | 0 | 6 | -7 | -4 | -4 | -2 | 3.08 | 3.05 |
| **B) Margins** | | | | | | | | | | | | |
| Your bank's loan margin on average loans | 0 | 4 | 70 | 20 | 0 | 6 | -17 | -16 | -8 | -8 | 3.18 | 3.17 |
| Your bank's loan margin on riskier loans | 0 | 6 | 77 | 10 | 0 | 8 | -1 | -4 | 0 | -2 | 3.01 | 3.04 |
| **C) Other terms and conditions** | | | | | | | | | | | | |
| Collateral requirements | 0 | 0 | 93 | 1 | 0 | 6 | -1 | -1 | 0 | 0 | 3.01 | 3.01 |
| "Loan-to-value" ratio | 0 | 4 | 90 | 0 | 0 | 6 | 7 | 4 | 4 | 2 | 2.92 | 2.95 |
| Other loan size limits | 0 | 1 | 90 | 3 | 0 | 6 | 2 | -2 | 1 | -1 | 2.98 | 3.01 |
| Maturity | 0 | 1 | 92 | 1 | 0 | 6 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |
| Non-interest rate charges | 0 | 1 | 91 | 2 | 0 | 6 | -1 | -1 | 0 | -1 | 3.01 | 3.02 |

NA = not available; NetP = net percentage; DI = diffusion index.
Notes: The net percentage is defined as the difference between the sum of banks responding "--" (tightened considerably) and "-" (tightened somewhat), and the sum of banks responding "+" (eased somewhat) and "++" (eased considerably). "°" means "basically unchanged credit standards". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 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?

(in percentages, unless otherwise stated)

**OVERALL IMPACT ON YOUR BANK'S CREDIT TERMS AND CONDITIONS**

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 3 | 89 | 3 | 0 | 6 | -8 | 0 | -4 | 0 | 3 | 3.00 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 1 | 78 | 15 | 0 | 6 | -14 | -14 | -7 | -7 | 3 | 3.15 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 0 | 89 | 5 | 0 | 6 | -1 | -4 | 0 | -2 | 3 | 3.04 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 1 | 93 | 0 | 0 | 6 | -1 | 1 | 0 | 0 | 3 | 2.99 |

**IMPACT ON YOUR BANK'S MARGINS ON AVERAGE LOANS**

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 3 | 88 | 3 | 0 | 6 | -8 | 0 | -4 | 0 | 3 | 3.00 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 1 | 71 | 19 | 2 | 6 | -18 | -20 | -9 | -11 | 3 | 3.24 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 0 | 90 | 5 | 0 | 6 | -1 | -5 | -1 | -2 | 3 | 3.05 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 1 | 92 | 1 | 0 | 6 | -2 | 0 | -1 | 0 | 3 | 3.00 |

**IMPACT ON YOUR BANK'S MARGINS ON RISKIER LOANS**

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 4 | 87 | 1 | 0 | 8 | 0 | 3 | 0 | 2 | 3 | 2.96 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 1 | 81 | 10 | 0 | 8 | -4 | -9 | -2 | -4 | 3 | 3.10 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 1 | 90 | 0 | 0 | 8 | 2 | 1 | 1 | 0 | 3 | 2.99 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 2 | 90 | 0 | 0 | 8 | 1 | 2 | 0 | 1 | 3 | 2.98 |

NA = not available; NetP = net percentage; DI = diffusion index.
Notes: The net percentage is defined as the difference between the sum of banks responding "--" (contributed considerably to tightening) and "-" (contributed somewhat to tightening), and the sum of banks responding "+" (contributed somewhat to easing) and "++" (contributed considerably to easing). "°" means "contributed to basically unchanged credit standards". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 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?

(in percentages, unless otherwise stated)

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 1 | 94 | 0 | 0 | 5 | -2 | 1 | -1 | 0 | 3.03 | 2.99 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Competition from other banks | 0 | 0 | 94 | 2 | 0 | 4 | -7 | -2 | -3 | -1 | 3.06 | 3.02 |
| Competition from non-banks | 0 | 0 | 92 | 2 | 0 | 7 | -1 | -2 | 0 | -1 | 3.00 | 3.02 |
| **C) Perception of risk** | | | | | | | | | | | | |
| General economic situation and outlook | 0 | 0 | 95 | 1 | 0 | 4 | -4 | -1 | -2 | -1 | 3.04 | 3.01 |
| Creditworthiness of consumers[(1)] | 0 | 0 | 91 | 5 | 0 | 4 | -1 | -5 | -1 | -2 | 3.01 | 3.05 |
| Risk on the collateral demanded | 0 | 0 | 90 | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 0 | 96 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |

NA = not available; NetP = net percentage; DI = diffusion index.
Notes: The net percentage is defined as the difference between the sum of banks responding "--" (contributed considerably to tightening) and "-" (contributed somewhat to tightening), and the sum of banks responding "+" (contributed somewhat to easing) and "++" (contributed considerably to easing). "°" means "contributed to basically unchanged credit standards". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 15

### Over the past three months, how have your bank's terms and conditions for new consumer credit and other lending to households changed?

(in percentages, unless otherwise stated)

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Overall terms and conditions** | | | | | | | | | | | | |
| Overall terms and conditions | 0 | 4 | 87 | 5 | 0 | 4 | -7 | -2 | -3 | -1 | 3.07 | 3.01 |
| **B) Margins** | | | | | | | | | | | | |
| Your bank's loan margin on average loans | 0 | 3 | 83 | 9 | 0 | 4 | -10 | -6 | -5 | -3 | 3.10 | 3.06 |
| Your bank's loan margin on riskier loans | 0 | 3 | 88 | 4 | 0 | 5 | -1 | 0 | -1 | 0 | 3.01 | 3.01 |
| **C) Other terms and conditions** | | | | | | | | | | | | |
| Collateral requirements | 0 | 0 | 91 | 0 | 0 | 9 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |
| Size of the loan | 0 | 0 | 92 | 4 | 0 | 4 | -2 | -4 | -1 | -2 | 3.02 | 3.04 |
| Maturity | 0 | 0 | 93 | 3 | 0 | 4 | -1 | -3 | -1 | -1 | 3.01 | 3.03 |
| Non-interest rate charges | 0 | 1 | 95 | 0 | 0 | 4 | 1 | 1 | 0 | 0 | 2.99 | 2.99 |

NA = not available; NetP = net percentage; DI = diffusion index.
Notes: The net percentage is defined as the difference between the sum of banks responding "--" (tightened considerably) and "-" (tightened somewhat), and the sum of banks responding "+" (eased somewhat) and "++" (eased considerably). "°" means "basically unchanged credit standards". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 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?

(in percentages, unless otherwise stated)

**OVERALL IMPACT ON YOUR BANK'S CREDIT TERMS AND CONDITIONS**

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 1 | 93 | 2 | 0 | 4 | -3 | -1 | -1 | 0 | 3.03 | 3.01 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 1 | 87 | 7 | 0 | 4 | -12 | -6 | -6 | -3 | 3.12 | 3.06 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 0 | 93 | 3 | 0 | 4 | -1 | -3 | 0 | -2 | 3.01 | 3.03 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 0 | 96 | 0 | 0 | 4 | -1 | 0 | 0 | 0 | 3.01 | 3.00 |

**IMPACT ON YOUR BANK'S MARGINS ON AVERAGE LOANS**

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 1 | 92 | 3 | 0 | 4 | -2 | -1 | -1 | -1 | 3.02 | 3.01 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 2 | 81 | 13 | 0 | 4 | -12 | -11 | -6 | -6 | 3.12 | 3.12 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 0 | 93 | 3 | 0 | 4 | 0 | -3 | 0 | -2 | 3.00 | 3.03 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 0 | 95 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |

**IMPACT ON YOUR BANK'S MARGINS ON RISKIER LOANS**

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 2 | 91 | 1 | 0 | 5 | 0 | 1 | 0 | 1 | 3.00 | 2.99 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 2 | 90 | 3 | 0 | 5 | -1 | -1 | 0 | -1 | 3.01 | 3.02 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 0 | 95 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 0 | 95 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |

NA = not available; NetP = net percentage; DI = diffusion index.
Notes: The net percentage is defined as the difference between the sum of banks responding “--” (contributed considerably to tightening) and “-” (contributed somewhat to tightening), and the sum of banks responding “+” (contributed somewhat to easing) and “++” (contributed considerably to easing). “°” means “contributed to basically unchanged credit standards”. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 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)?

(in percentages, unless otherwise stated)

| | Loans for house purchase | | Consumer credit and other lending | |
|---|---|---|---|---|
| | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| Decreased considerably | 0 | 0 | 0 | 0 |
| Decreased somewhat | 4 | 4 | 5 | 11 |
| Remained basically unchanged | 93 | 92 | 94 | 87 |
| Increased somewhat | 2 | 4 | 1 | 2 |
| Increased considerably | 0 | 0 | 0 | 0 |
| *Total* | *100* | *100* | *100* | *100* |
| ***Net percentage*** | ***-2*** | ***0*** | ***-5*** | ***-10*** |
| ***Diffusion index*** | ***-1*** | ***0*** | ***-2*** | ***-5*** |
| *Mean* | *2.98* | *3.00* | *2.96* | *2.90* |
| ***Number of banks responding*** | ***127*** | ***129*** | ***129*** | ***131*** |

Notes: The net percentage is defined as the difference between the sum of the percentages for “increased considerably” and “increased somewhat”, and the sum of the percentages for “decreased somewhat” and “decreased considerably”. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 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.

(in percentages, unless otherwise stated)

| | Loans for house purchase | | Consumer credit and other lending | |
|---|---|---|---|---|
| | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| Decreased considerably | 1 | 0 | 0 | 0 |
| Decreased somewhat | 10 | 12 | 4 | 3 |
| Remained basically unchanged | 55 | 57 | 77 | 82 |
| Increased somewhat | 33 | 28 | 18 | 13 |
| Increased considerably | 1 | 3 | 1 | 2 |
| *Total* | *100* | *100* | *100* | *100* |
| ***Net percentage*** | ***24*** | ***19*** | ***15*** | ***11*** |
| ***Diffusion index*** | ***12*** | ***11*** | ***8*** | ***6*** |
| *Mean* | *3.24* | *3.22* | *3.16* | *3.13* |
| ***Number of banks responding*** | ***128*** | ***131*** | ***130*** | ***133*** |

Notes: The net percentage is defined as the difference between the sum of the percentages for “increased considerably” and “increased somewhat”, and the sum of the percentages for “decreased somewhat” and “decreased considerably”. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 19

Over the past three months, how have the following factors affected the demand for loans to households for house purchase?

(in percentages, unless otherwise stated)

| | -- | - | ° | + | ++ | NA | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Apr 17 | Jul 17 | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| **A) Financing needs/underlying drivers or purpose of loan demand** | | | | | | | | | | | | |
| Housing market prospects, including expected house price developments | 0 | 1 | 75 | 18 | 0 | 6 | 23 | 17 | 11 | 9 | 3.24 | 3.18 |
| Consumer confidence | 0 | 0 | 82 | 12 | 0 | 6 | 13 | 12 | 6 | 6 | 3.14 | 3.13 |
| General level of interest rates | 0 | 0 | 67 | 25 | 2 | 6 | 33 | 27 | 17 | 15 | 3.36 | 3.30 |
| Debt refinancing/restructuring and renegotiation | 0 | 2 | 87 | 5 | 0 | 6 | 10 | 3 | 5 | 1 | 3.10 | 3.03 |
| Regulatory and fiscal regime of housing markets | 0 | 1 | 90 | 3 | 0 | 6 | -1 | 2 | 0 | 1 | 2.99 | 3.02 |
| **B) Use of alternative sources for housing finance** | | | | | | | | | | | | |
| Internal finance of house purchase out of savings/down payment | 0 | 4 | 90 | 0 | 0 | 6 | -3 | -4 | -2 | -2 | 2.96 | 2.95 |
| Loans from other banks | 1 | 5 | 86 | 0 | 1 | 7 | -8 | -4 | -4 | -2 | 2.91 | 2.95 |
| Other sources of external finance | 0 | 0 | 93 | 0 | 0 | 7 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |

NA = not available; NetP = net percentage; DI = diffusion index.
Notes: The net percentage is defined as the difference between the sum of banks responding “+” (contributed somewhat to increasing demand) and “++” (contributed considerably to increasing demand) and the sum of banks responding “-” (contributed somewhat to lowering demand) and “--” (contributed considerably to lowering demand). “°” means “contributed to basically unchanged demand”. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 20

Over the past three months, how have the following factors affected the demand for consumer credit and other lending to households?

(in percentages, unless otherwise stated)

| | -- | - | ° | + | ++ | NA | NetP Apr 17 | NetP Jul 17 | DI Apr 17 | DI Jul 17 | Mean Apr 17 | Mean Jul 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A) Financing needs/underlying drivers or purpose of loan demand** | | | | | | | | | | | | |
| Spending on durable consumer goods | 0 | 0 | 73 | 22 | 1 | 3 | 15 | 23 | 8 | 12 | 3.17 | 3.24 |
| Consumer confidence | 0 | 0 | 85 | 11 | 0 | 3 | 12 | 12 | 6 | 6 | 3.12 | 3.13 |
| General level of interest rates | 0 | 0 | 75 | 19 | 3 | 3 | 13 | 22 | 6 | 13 | 3.13 | 3.26 |
| Consumption expenditure financed through real-estate guaranteed loans | 0 | 0 | 88 | 0 | 0 | 12 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |
| **B) Use of alternative finance** | | | | | | | | | | | | |
| Internal finance out of savings | 0 | 4 | 92 | 1 | 0 | 3 | -3 | -3 | -2 | -2 | 2.97 | 2.96 |
| Loans from other banks | 0 | 4 | 92 | 0 | 0 | 4 | -3 | -4 | -2 | -2 | 2.96 | 2.96 |
| Other sources of external finance | 0 | 2 | 94 | 0 | 0 | 4 | 0 | -2 | 0 | -1 | 3.00 | 2.98 |

NA = not available; NetP = net percentage; DI = diffusion index.
Notes: The net percentage is defined as the difference between the sum of banks responding "+" (contributed somewhat to increasing demand) and "++" (contributed considerably to increasing demand) and the sum of banks responding "-" (contributed somewhat to lowering demand) and "--" (contributed considerably to lowering demand). "°" means "contributed to basically unchanged demand". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 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.

(in percentages, unless otherwise stated)

| | Loans for house purchase Apr 17 | Loans for house purchase Jul 17 | Consumer credit and other lending Apr 17 | Consumer credit and other lending Jul 17 |
|---|---|---|---|---|
| Tighten considerably | 0 | 0 | 0 | 0 |
| Tighten somewhat | 3 | 3 | 0 | 1 |
| Remain basically unchanged | 95 | 88 | 100 | 93 |
| Ease somewhat | 3 | 8 | 0 | 5 |
| Ease considerably | 0 | 1 | 0 | 0 |
| *Total* | *100* | *100* | *100* | *100* |
| ***Net percentage*** | ***0*** | ***-6*** | ***0*** | ***-4*** |
| ***Diffusion index*** | ***0*** | ***-3*** | ***0*** | ***-2*** |
| *Mean* | *3.00* | *3.07* | *3.00* | *3.04* |
| ***Number of banks responding*** | ***128*** | ***131*** | ***129*** | ***132*** |

Notes: The net percentage is defined as the difference between the sum of the percentages for "tighten considerably" and "tighten somewhat", and the sum of the percentages for "ease somewhat" and "ease considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

## Question 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.

(in percentages, unless otherwise stated)

| | Loans for house purchase | | Consumer credit and other lending | |
|---|---|---|---|---|
| | Apr 17 | Jul 17 | Apr 17 | Jul 17 |
| Decrease considerably | 0 | 0 | 0 | 0 |
| Decrease somewhat | 4 | 5 | 1 | 1 |
| Remain basically unchanged | 73 | 76 | 85 | 82 |
| Increase somewhat | 23 | 20 | 14 | 18 |
| Increase considerably | 0 | 0 | 0 | 0 |
| *Total* | *100* | *100* | *100* | *100* |
| ***Net percentage*** | ***19*** | ***15*** | ***14*** | ***17*** |
| ***Diffusion index*** | ***9*** | ***8*** | ***7*** | ***9*** |
| *Mean* | *3.19* | *3.15* | *3.14* | *3.17* |
| ***Number of banks responding*** | ***128*** | ***131*** | ***130*** | ***133*** |

Notes: The net percentage is defined as the difference between the sum of the percentages for “increase considerably” and “increase somewhat”, and the sum of the percentages for “decrease somewhat” and “decrease considerably”. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options.

# Annex 2
# Results for the ad hoc questions

## Question A1

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?

(in percentages, unless otherwise stated)

| | Over the past three months | | | | | | | | Over the next three months | | | | | | | | N/A[2] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | -- | - | ○ | + | ++ | NetP | Mean | Standard deviation | -- | - | ○ | + | ++ | NetP | Mean | Standard deviation | |
| **A) Retail funding** | | | | | | | | | | | | | | | | | |
| Short-term deposits (up to one year) | 0 | 2 | 83 | 11 | 4 | -12 | 3.16 | 0.57 | 0 | 0 | 94 | 6 | 0 | -5 | 3.05 | 0.25 | 13 |
| Long-term (more than one year) deposits and other retail funding instruments | 0 | 5 | 89 | 6 | 0 | -1 | 3.01 | 0.36 | 0 | 4 | 93 | 3 | 0 | 0 | 3.00 | 0.28 | 12 |
| **B) Inter-bank unsecured money market** | | | | | | | | | | | | | | | | | |
| Very short-term money market (up to 1 week) | 0 | 0 | 95 | 5 | 0 | -5 | 3.05 | 0.23 | 0 | 0 | 98 | 2 | 0 | -2 | 3.02 | 0.16 | 9 |
| Short-term money market (more than 1 week) | 0 | 0 | 96 | 4 | 0 | -4 | 3.04 | 0.22 | 0 | 0 | 100 | 0 | 0 | 0 | 3.00 | 0.07 | 9 |
| **C) Wholesale debt securities[3]** | | | | | | | | | | | | | | | | | |
| Short-term debt securities (e.g. certificates of deposit or commercial paper) | 1 | 0 | 91 | 5 | 3 | -7 | 3.08 | 0.48 | 0 | 0 | 99 | 1 | 0 | -1 | 3.01 | 0.09 | 18 |
| Medium to long term debt securities (incl. covered bonds) | 1 | 0 | 78 | 19 | 1 | -19 | 3.20 | 0.54 | 0 | 1 | 89 | 8 | 1 | -8 | 3.09 | 0.37 | 8 |
| **D) Securitisation[4]** | | | | | | | | | | | | | | | | | |
| Securitisation of corporate loans | 0 | 4 | 88 | 8 | 0 | -4 | 3.04 | 0.37 | 0 | 0 | 97 | 3 | 0 | -3 | 3.03 | 0.19 | 49 |
| Securitisation of loans for house purchase | 0 | 5 | 89 | 6 | 0 | 0 | 3.00 | 0.36 | 0 | 0 | 94 | 6 | 0 | -6 | 3.06 | 0.25 | 52 |
| **E) Ability to transfer credit risk off balance sheet[5]** | | | | | | | | | | | | | | | | | |
| Ability to transfer credit risk off balance sheet | 0 | 0 | 88 | 7 | 5 | -12 | 3.17 | 0.62 | 0 | 0 | 93 | 7 | 0 | -7 | 3.07 | 0.26 | 43 |

(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.
Notes: "--" = 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. The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options. Figures may not exactly sum up due to rounding.

## Question A2

In connection with the new regulatory or supervisory actions (*), has your bank: increased/decreased total assets; increased/decreased risk-weighted assets; increased/decreased its capital position; experienced an easing/tightening of its funding conditions over the past six months; and/or does it intend to do so over the next six months?

(in percentages unless otherwise stated)

| | Over the past six months | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | -- | - | ○ | + | ++ | NA | NetP | Mean | Standard deviation |
| Total assets | 0 | 5 | 81 | 12 | 0 | 1 | 6 | 3.1 | 0.45 |
| Of which: Liquid assets[1] | 0 | 5 | 81 | 10 | 0 | 5 | 5 | 3.0 | 0.41 |
| Risk-weighted assets | 1 | 8 | 76 | 11 | 0 | 3 | 2 | 3.0 | 0.52 |
| Of which: Average loans | 0 | 6 | 79 | 12 | 0 | 3 | 6 | 3.1 | 0.47 |
| Riskier loans | 1 | 12 | 78 | 3 | 0 | 6 | -9 | 2.9 | 0.44 |
| Capital | 0 | 1 | 64 | 29 | 3 | 3 | 31 | 3.3 | 0.60 |
| Of which: Retained earnings | 0 | 2 | 68 | 25 | 2 | 4 | 24 | 3.3 | 0.57 |
| Capital issuance[2] | 0 | 1 | 65 | 17 | 3 | 13 | 19 | 3.2 | 0.57 |
| Impact on your bank's funding conditions | 0 | 1 | 93 | 2 | 0 | 3 | -2 | 3.0 | 0.23 |

| | Over the next six months | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | -- | - | ○ | + | ++ | NA | NetP | Mean | Standard deviation |
| Total assets | 0 | 5 | 81 | 11 | 0 | 3 | 6 | 3.1 | 0.42 |
| Of which: Liquid assets[1] | 0 | 2 | 88 | 6 | 0 | 4 | 3 | 3.0 | 0.29 |
| Risk-weighted assets | 1 | 6 | 76 | 13 | 0 | 3 | 6 | 3.1 | 0.54 |
| Of which: Average loans | 0 | 5 | 76 | 13 | 0 | 5 | 9 | 3.1 | 0.46 |
| Riskier loans | 1 | 9 | 81 | 2 | 0 | 6 | -8 | 2.9 | 0.44 |
| Capital | 0 | 1 | 66 | 28 | 2 | 3 | 29 | 3.3 | 0.57 |
| Of which: Retained earnings | 0 | 1 | 68 | 26 | 1 | 4 | 26 | 3.3 | 0.52 |
| Capital issuance[2] | 0 | 0 | 70 | 17 | 1 | 12 | 18 | 3.2 | 0.48 |
| Impact on your bank's funding conditions | 0 | 2 | 94 | 1 | 0 | 3 | 0 | 3.0 | 0.18 |

(*) Please consider the regulatory requirements set out in the CRR/CRD IV as well as the requirements resulting from the comprehensive assessment by the ECB and the participating national competent authorities in accordance with the provisions of the Regulation on the single supervisory mechanism, or those resulting from any other specific regulatory or supervisory actions that have recently been approved/implemented or that are expected to be approved/implemented in the near future.
1) Liquid assets should be defined as freely transferable assets that can be converted quickly into cash in private markets within a short time frame and without significant loss in value, in line with the European Commission Delegated Act of 10.10.2014 to supplement Regulation (EU) 575/2013 with regard to liquidity coverage requirement for Credit Institutions (C (2014) 7232 final).
2) Capital issuance includes the issuance of shares and hybrid instruments, as well as capital injections by, inter alia, national or supra-national public authorities.
Notes: "--" = decreased considerably/will decrease considerably; "-" = decreased somewhat/will decrease somewhat; "o" = remained unchanged/will remain unchanged; "+" = increased somewhat/will increase somewhat; "++" = increased considerably/will increase considerably. The mean and standard deviation are calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

## Question A3

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

(in percentages unless otherwise stated)
(i) Credit standards

| | | Loans and credit lines to enterprises | | Loans to households | |
|---|---|---|---|---|---|
| | | Small and medium-sized enterprises | Large enterprises | For house purchase | Consumer credit and other lending |
| Over the past six months | -- | 0 | 0 | 0 | 0 |
| | - | 0 | 1 | 3 | 0 |
| | = | 96 | 95 | 93 | 95 |
| | + | 4 | 1 | 4 | 4 |
| | + + | 0 | 2 | 0 | 0 |
| | Net Percentage | -4 | -3 | -1 | -4 |
| | Mean | 3 | 3 | 3 | 3 |
| | Standard deviation | 0 | 0 | 0 | 0 |
| Over the next six months | -- | 0 | 0 | 0 | 0 |
| | - | 0 | 0 | 9 | 1 |
| | = | 96 | 96 | 89 | 96 |
| | + | 4 | 3 | 3 | 3 |
| | + + | 0 | 0 | 0 | 0 |
| | Net Percentage | -4 | -3 | 6 | -3 |
| | Mean | 3 | 3 | 3 | 3 |
| | Standard deviation | 0 | 0 | 0 | 0 |

(ii) Credit margins

| | | Loans and credit lines to enterprises | | Loans to households | |
|---|---|---|---|---|---|
| | | Small and medium-sized enterprises | Large enterprises | For house purchase | Consumer credit and other lending |
| Over the past six months | -- | 0 | 0 | 0 | 0 |
| | - | 4 | 5 | 12 | 6 |
| | = | 90 | 87 | 79 | 87 |
| | + | 6 | 5 | 9 | 8 |
| | + + | 0 | 2 | 0 | 0 |
| | Net Percentage | -2 | -2 | 3 | -2 |
| | Mean | 3 | 3 | 3 | 3 |
| | Standard deviation | 0 | 0 | 0 | 0 |
| Over the next six months | -- | 0 | 0 | 0 | 0 |
| | - | 2 | 2 | 3 | 1 |
| | = | 95 | 96 | 94 | 96 |
| | + | 1 | 2 | 3 | 3 |
| | + + | 2 | 0 | 0 | 0 |
| | Net Percentage | -1 | -1 | -1 | -2 |
| | Mean | 3 | 3 | 3 | 3 |
| | Standard deviation | 0 | 0 | 0 | 0 |

(*) Please consider the regulatory requirements set out in the CRR/CRD IV as well as the requirements resulting from the comprehensive assessment by the ECB and the participating national competent authorities in accordance with the provisions of the Regulation on the single supervisory mechanism, or those resulting from any other specific regulatory or supervisory actions that have recently been approved/implemented or that are expected to be approved/implemented in the near future.
Notes: "--" = credit standards/margins have been tightened/will be tightened considerably; "-" = credit standards/margins have been tightened/will be tightened somewhat; "o" = the requirements have basically not had/will not have any impact on credit standards/margins; "+" = credit standards/margins have been eased/will be eased somewhat; "++" = credit standards/margins have been eased/will be eased considerably. The mean and standard deviation are calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

## Question A4

Did your bank participate in the most recent TLTRO?

(in percentages unless otherwise stated)
(i) Participation

| | Yes | No |
|---|---|---|
| In the most recent TLTRO | 63 | 37 |

(ii) Reasons
If your bank participated:

| | Attractive TLTRO conditions (profitability motive) | Precautionary motive (to reduce current and/or prevent future funding difficulties) | To enhance the fulfilment of regulatory liquidity requirements 1) | Reduction of uncertainty regarding the fulfillment of regulatory requirements 2) |
|---|---|---|---|---|
| In the most recent TLTRO | 87 | 9 | 2 | 2 |

If your bank did not participate:

| | No funding constraints | Concerns about insufficient loan demand 3) | Funding mix considerations | Collateral constraints | Concerns about market stigma | Cost of holding liquidity due to negative ECB deposit facility rate | Less attractive TLTRO conditions compared with market funding |
|---|---|---|---|---|---|---|---|
| In the most recent TLTRO | 83 | 1 | 7 | 8 | 0 | 1 | 0 |

1) The long-term TLTRO funds may enhance the fulfilment of the net stable funding ratio.
2) Following the comprehensive assessment.
3) This includes concerns about the fulfilment of the required TLTRO net lending benchmark.

## Question A5

For which purposes did your bank use funds obtained from the past TLTROs?

(in percentages unless otherwise stated)

| | Past TLTROs | | | |
|---|---|---|---|---|
| | Has contributed considerably to this purpose | Has contributed somewhat to this purpose | Has had basically no impact | N/A 1) |
| **For refinancing:** | | | | |
| For substituting deposit shortfalls | 2 | 3 | 96 | 27 |
| For substituting maturing debt | 11 | 30 | 59 | 24 |
| For substituting interbank lending | 3 | 19 | 78 | 25 |
| For substituting other Eurosystem liquidity operations 2) | 20 | 19 | 61 | 27 |
| **For granting loans:** | | | | |
| Loans to non-financial corporations | 37 | 51 | 12 | 21 |
| Loans to households for house purchase | 4 | 35 | 62 | 32 |
| Consumer credit and other lending to households | 9 | 46 | 44 | 24 |
| **For purchasing assets:** | | | | |
| Domestic sovereign bonds | 3 | 18 | 79 | 26 |
| Other financial assets 3) | 0 | 5 | 95 | 26 |

1) Please use the category “N/A” only if you did not participate in any of the past TLTROs or if you do not have any business/exposure in this category.
2) This includes the replacement of the three-year LTRO funds and funds borrowed under the first series of TLTROs.
3) “Other financial assets” refer to euro-denominated assets other than domestic sovereign bonds and non-euro-denominated assets, including loans to other banks and other financial intermediaries.

### Question A6

Did the past TLTROs improve your financial situation in the following areas and did this have an impact on your lending behaviour?

(in percentages unless otherwise stated)

(i) Financial situation of your bank

| | past TLTROs | | | |
|---|---|---|---|---|
| | Has improved considerably | Has improved somewhat | Has had basically no impact | N/A 1) |
| Your liquidity position | 21 | 37 | 42 | 22 |
| Your market financing conditions | 16 | 25 | 59 | 22 |
| Your ability to improve your profitability | 7 | 68 | 25 | 22 |
| Your ability to improve your capital position (via retained earnings) | 8 | 19 | 74 | 30 |
| | Has decreased considerably | Has decreased somewhat | Has had basically no impact | N/A 1) |
| Your need to deleverage[2)] | 0 | 13 | 87 | 31 |

(ii) Impact on your bank's credit standards and terms and conditions

| | past TLTROs | | | |
|---|---|---|---|---|
| | Has contributed considerably to easing credit standards / terms and conditions | Has contributed somewhat to easing credit standards / terms and conditions | Has had basically no impact on credit standards / terms and conditions | N/A 1) |
| **Credit standards:** | | | | |
| On loans to enterprises | 1 | 15 | 85 | 25 |
| On loans to households for house purchase | 0 | 3 | 97 | 33 |
| On consumer credit and other lending to households | 0 | 13 | 87 | 26 |
| **Terms and conditions:** | | | | |
| On loans to enterprises | 5 | 34 | 61 | 22 |
| On loans to households for house purchase | 0 | 10 | 90 | 32 |
| On consumer credit and other lending to households | 1 | 20 | 79 | 25 |

1) Please use the category "N/A" only if you did not participate in any of the past TLTROs or if you do not have any business/exposure in this category.
2) A decrease in your need to deleverage should be understood as a mitigation of pressures to reduce your asset side on account of funding or capital constraints.



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