EUROPEAN CENTRAL BANK

EUROSYSTEM

The euro area bank lending survey

Fourth quarter of 2016

January 2017

Contents

Introduction

The results reported in the January 2017 bank lending survey (BLS) relate to changes during the fourth quarter of 2016 and expectations for the first quarter of 2017. The survey was conducted between 7 and 27 December 2016. 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 January 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.

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 January 2017 bank lending survey (BLS), loan growth continued to be supported by increasing demand across all loan categories, while credit standards for loans to enterprises are broadly stabilising.

In the fourth quarter of 2016, credit standards for loans to enterprises tightened somewhat in net terms, driven mainly by developments in the Netherlands (a net percentage of reporting banks of 3%, compared with 0% in the previous quarter; see Table A). This was the first net tightening since the fourth quarter of 2013 and was broadly in line with expectations in the previous survey round. Credit standards on loans to households for house purchase remained broadly unchanged (1%, after -4%), while banks had expected a further net easing. Credit standards on consumer credit and other lending to households continued to ease (-3%, after -4%). For the first quarter of 2017, banks expected a net easing of credit standards across all loan categories: for loans to enterprises (-2%), for housing loans (-8%) and for consumer credit (-5%).

Banks' lower willingness to tolerate risk was the main factor contributing to the slight net tightening of credit standards on loans to enterprises in the fourth quarter of 2016. Risk perceptions also had a small net tightening impact. Banks' cost of funds made a neutral contribution on balance to credit standards, although there was considerable heterogeneity across countries. For housing loans, competition and risk perceptions had an easing impact on credit standards, while banks' risk tolerance had a small net tightening impact. Cost of funds and balance sheet constraints did not affect the change in credit standards.

The net easing of banks' overall terms and conditions on new loans continued across all loan categories, mainly driven by a further narrowing of margins (defined as the spread over relevant market reference rates) on average loans.

The net percentage share of rejected applications decreased for all loan categories.

Net demand for loans to enterprises continued to increase (16%, after 11% in the previous quarter; see Table A) and banks expected it to increase further in the first quarter of 2017. In addition, net demand for housing loans (36%, after 23%), as well as for consumer credit (15%, after 32%), increased considerably. For the first quarter of 2017, banks expected an ongoing increase in net demand for housing loans and consumer credit.

The low general level of interest rates, merger and acquisition (M&A) activity and debt refinancing remained the main contributing factors to net demand for loans to enterprises in the fourth quarter of 2016. By contrast, the positive contribution from fixed investment remained very small, whereas that from inventories and working capital was more significant. Net demand for housing loans was driven by the low general level of interest rates, continued favourable housing market prospects and consumer confidence. Finally, the low general level of interest rates, spending on durable goods and consumer confidence contributed positively to net demand for consumer credit.

Credit standards on loans to enterprises remained unchanged in most large euro area countries, but tightened considerably in the Netherlands (see Table A). For housing loans, banks in all large euro area countries reported unchanged credit standards in the fourth quarter of 2016. In particular, there was no further tightening of credit standards related to the introduction of the EU Mortgage Credit Directive in Germany.

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	16Q3	16Q4	AVG	16Q3	16Q4	AVG	16Q3	16Q4	AVG	16Q3	16Q4	AVG	16Q3	16Q4	AVG	16Q3	16Q4	AVG
Euro area	0	3	11	11	16	-4	-4	1	8	23	36	2	-4	-3	5	32	15	-1
Germany	-3	0	5	6	16	3	10	0	3	-10	3	8	-3	-7	0	19	3	9
Spain	0	0	11	-20	-10	-3	-11	0	18	-11	0	-11	-10	-10	9	0	-10	-10
France	0	0	8	54	37	-14	-24	0	2	52	52	7	0	0	-2	58	16	-1
Italy	0	0	16	-13	13	3	0	0	2	63	75	14	-13	0	8	63	50	13
Netherlands	0	34	11	19	17	-4	0	0	18	56	78	-7	0	0	14	31	28	-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 January 2017 BLS also included some ad hoc questions. Regarding euro area banks' access to funding, a net deterioration in access to retail funding was reported for the fourth quarter of 2016. With regard to wholesale funding, access to money markets and debt securities improved marginally, while banks' access to securitisation deteriorated.

Euro area banks continued to adjust to regulatory or supervisory action in the second half of 2016 by further strengthening their capital positions and reducing their risk-weighted assets. At the euro area level, banks reported a broadly neutral impact of regulatory or supervisory action on credit standards and credit margins.

With respect to the ECB's targeted longer-term refinancing operations (TLTROs), 37% of the banks reported that they had participated in the third TLTRO-II operation. Participation was driven by profitability motives, reflecting the price attractiveness of the TLTRO-II. Banks continued to indicate that the main effect of the past TLTROs on loan supply was an easing of terms and conditions, but the easing impact on credit standards also increased.

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 139 banks (out of 141 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 fourth quarter of 2016 in this case) or expectations of changes over the next three months (i.e. in the first 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

[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.

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 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

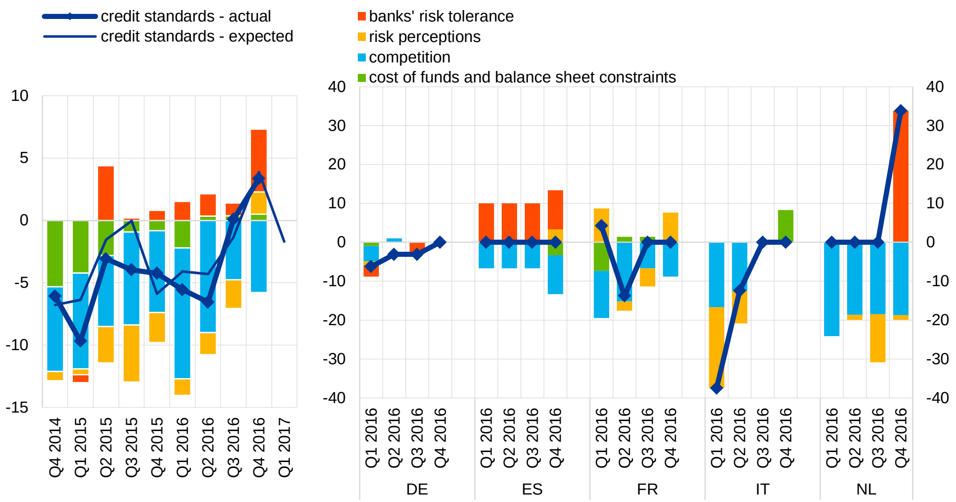
2.1.1 Credit standards for loans to enterprises are broadly stabilising

Credit standards (i.e. banks’ internal guidelines or loan approval criteria) for loans to enterprises tightened somewhat in net terms in the fourth quarter of 2016, driven mainly by developments in the Netherlands (net percentage of 3%, after 0% in the previous quarter; see Chart 1 and Table A). This was the first net tightening since the fourth quarter of 2013 and was broadly in line with expectations in the previous survey round. At the same time, the net percentage remains considerably below the historical average since 2003.

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”. “Risk tolerance” was introduced in the first quarter of 2015.

With regard to firm size, credit standards were tightened for loans to small and medium-sized enterprises (SMEs), mainly owing to developments in the Netherlands, whereas they remained broadly unchanged for loans to large firms.

Banks' lower willingness to tolerate risk was the main factor contributing to the slight net tightening of credit standards on loans to enterprises in the fourth quarter of 2016. Risk perceptions also had a small net tightening impact. Banks' cost of funds contributed on average in a neutral way to credit standards.[3]

Across the large euro area countries, credit standards on loans to enterprises remained unchanged, except in the Netherlands, where they tightened considerably. Banks' lower risk tolerance and risk perceptions regarding the firm-specific situation of SME borrowers were the main factors behind the net tightening of credit standards in the Netherlands. In addition, banks' lower risk tolerance contributed to a net tightening of credit standards in Spain. A net tightening impact of risk perceptions, mostly related to the firm-specific situation of borrowers, was reported by banks in France. The impact of banks' cost of funds and balance sheet constraints was heterogeneous across countries, with Italy reporting a tightening impact. As in previous quarters, competitive pressures contributed to an easing of credit standards in most of the large countries, reflecting a broad-based easing impact of this factor.

Looking ahead to the first quarter of 2017, euro area banks expected a 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	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016
Euro area	0	0	-5	-6	-2	2	1	5
DE	0	0	0	0	0	0	-3	0
ES	0	-3	-7	-10	0	3	10	10
FR	1	0	-7	-9	-5	8	0	0
IT	0	8	0	0	0	0	0	0
NL	0	0	-19	-19	-12	-1	0	34

Note: See the notes to Chart 1.

2.1.2 Terms and conditions for loans to enterprises continued to improve in the fourth quarter of 2016

In the fourth quarter of 2016, overall terms and conditions that banks apply when granting new loans or credit lines to enterprises (i.e. the actual terms and conditions agreed in the loan contract) continued to ease (see Chart 2 and Table 2), thereby

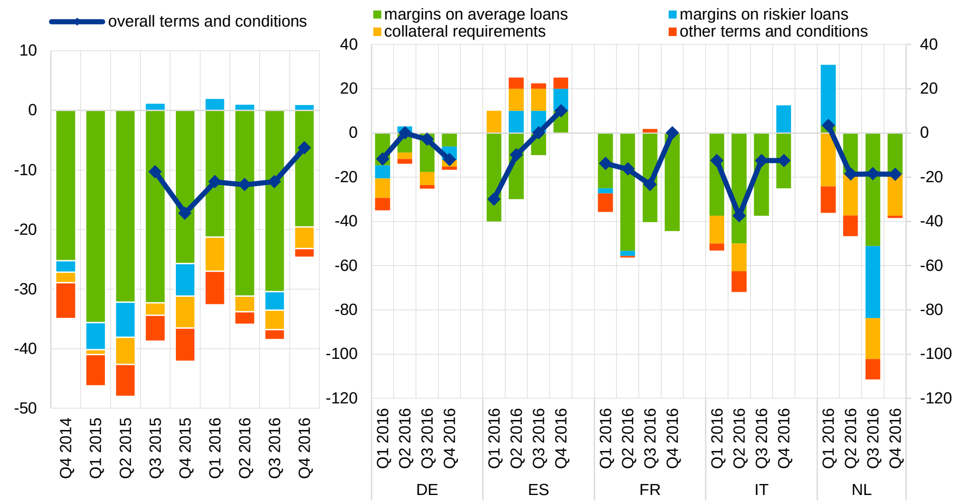
[3] The calculation of a simple average for aggregating some factors to main categories assumes that all factors have the same importance for the banks. This partly explains some inconsistencies in the respective charts between the development of credit standards and the development of the main underlying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

indicating a further improvement in the actual bank lending conditions applied on new loans to enterprises.

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". "Overall terms and conditions" were introduced in the first quarter of 2015.

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	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016
Euro area	-12	-6	-30	-20	-3	1
DE	-3	-12	-18	-6	0	-6
ES	0	10	-10	10	10	10
FR	-23	0	-40	-44	0	0
IT	-13	-13	-38	-25	0	13
NL	-19	-19	-51	-19	-33	0

Note: See the notes to Chart 2.

The net easing was driven by a further narrowing of margins on average loans to enterprises, while margins on riskier loans remained broadly unchanged. Collateral requirements were eased further, while non-interest rate charges (included in "other terms and conditions") remained broadly unchanged in the fourth quarter of 2016, following a slight net tightening in the previous quarter.

Overall terms and conditions eased further across the largest countries, with the exception of Spain and France. Banks in all of the large euro area countries except Spain continued to report a narrowing of margins on average loans in net terms. By contrast, margins on riskier loans widened in net terms in Spain and Italy.

Competitive pressure continued to contribute strongly to the easing in overall credit terms and conditions, as did – to a lesser extent – banks' cost of funds and (the lack of) balance sheet constraints (see Table 3). The easing impact of competition was broad-based across all large countries, while the contribution of banks' cost of funds and balance sheet constraints was more mixed. Banks' risk tolerance had a tightening impact on terms and conditions, driven by developments in the Netherlands and Spain.

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)

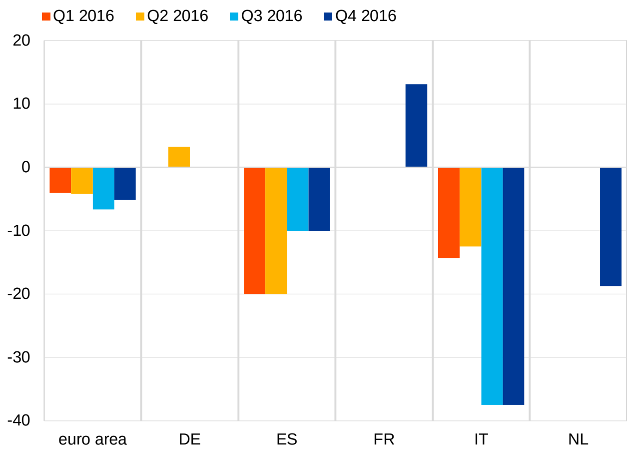
	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
Country	**Q3 2016**	**Q4 2016**	**Q3 2016**	**Q4 2016**	**Q3 2016**	**Q4 2016**	**Q3 2016**	**Q4 2016**
Euro area	-4	-6	-23	-19	-5	-2	1	5
DE	3	-3	-18	-9	0	3	-3	0
ES	0	10	-10	-10	-10	-10	10	10
FR	-10	-24	-31	-26	0	0	0	0
IT	0	0	-25	-25	0	0	0	0
NL	-33	0	-19	-19	-51	-19	0	34

2.1.3 Rejection rate for loans to enterprises decreased further

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 continued to reduce 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 fourth quarter of 2016 (-5%, after -7% in the previous quarter; see Chart 3).

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

2.1.4 Increase in net demand for loans to enterprises

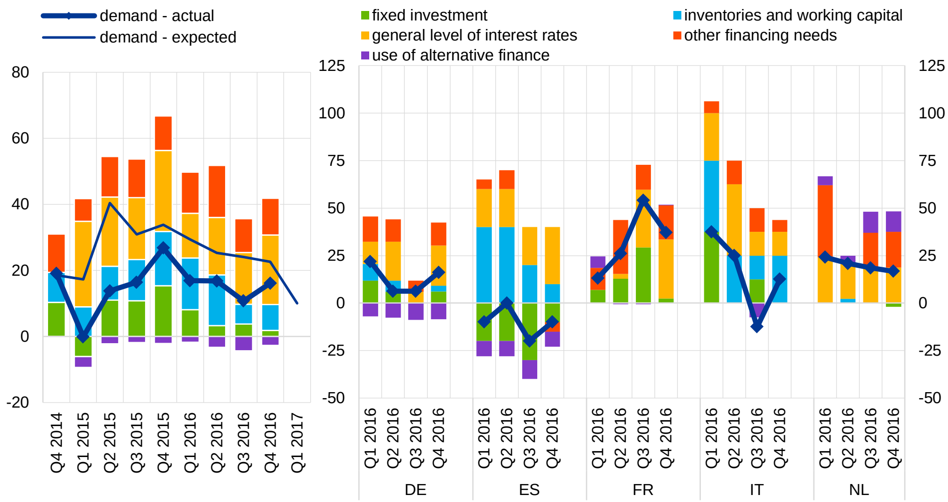
Net demand for loans to enterprises continued to increase in the fourth quarter of 2016 (a net percentage of 16%, after 11% in the previous quarter; see Chart 4 and Table A), although the rise was somewhat below banks' expectations in the previous round. Demand increased for both loans to SMEs and loans to large firms.

Across the large euro area countries, net demand for loans to enterprises increased in Germany, France, Italy and the Netherlands, while it decreased 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 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". "General level of interest rates" was introduced in the first quarter of 2015.

The low general level of interest rates continued to be a key factor behind the increase in loan demand by enterprises. Significant contributions were also made by M&A activities, which were likely to have been driven by the low cost of financing, and debt refinancing (both included in "other financing needs"; see Chart 4 and Table 4).[4] By contrast, the positive contribution from fixed investment remained very small, whereas that from inventories and working capital was more significant. The use of alternative finance continued to have a slight dampening effect on net loan demand by euro area firms. This was mainly due to a dampening impact from firms' internal financing, while the issuance of debt securities contributed in a broadly neutral way to loan demand for the euro area as a whole, following a dampening impact in the previous quarter.

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.

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	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016
Euro area	4	2	6	8	10	11	16	21	-4	-3
DE	0	6	0	3	6	12	6	21	-9	-8
ES	-30	-10	20	10	0	-5	20	30	-10	-8
FR	29	2	0	0	13	18	30	31	-1	0
IT	13	0	13	25	13	6	13	13	-8	0
NL	0	-2	0	0	19	19	19	19	11	11

Note: See the notes to Chart 4.

Across all the large euro area countries, the general level of interest rates had a positive impact on demand for loans to enterprises in the fourth quarter of 2016. Other financing needs also contributed positively in all countries with the exception of Spain. Financing needs for fixed investment were diverse across the large countries, remaining weak in particular in Spain. The use of alternative finance had a dampening impact in Germany and Spain, which was mainly related to abundant internal funds of firms in Germany, while the causes for the dampening impact of alternative finance factors were more mixed in Spain.

For the first quarter of 2017, banks expected a further increase in loan demand from enterprises (10%).

2.2 Loans to households for house purchase

2.2.1 Credit standards for loans to households for house purchase remained broadly unchanged in the fourth quarter of 2016

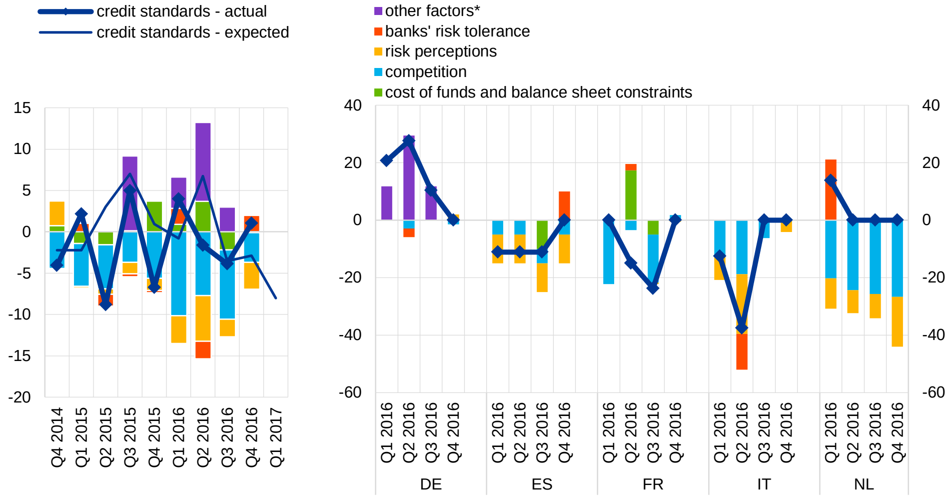
For loans to households for house purchase, credit standards remained broadly unchanged (1%, after -4% in the previous quarter; see Chart 5 and Table A), compared with banks' expectation of a further net easing. The net percentage is below the historical average since 2003.

Banks in all large euro area countries reported unchanged credit standards in the fourth quarter of 2016. In particular, by contrast with previous rounds, there was no further tightening of credit standards related to the introduction of the EU Mortgage Credit Directive in Germany.

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" (the latter from the first quarter of 2015 onwards); "competition" is an unweighted average of "competition from other banks" and "competition from non-banks". "Risk tolerance" was introduced in the first quarter of 2015.
*"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.

With regard to the factors contributing to changes in credit standards, competitive pressure and risk perceptions had an easing impact on credit standards, while banks' risk tolerance had a small net tightening impact. Cost of funds and balance sheet constraints had a neutral impact on the change in credit standards (see Chart 5 and Table 5).

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	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016
Euro area	-2	0	-8	-4	-2	-3	0	2
DE	0	0	0	-2	0	2	0	0
ES	-10	0	-5	-5	-10	-10	0	10
FR	-5	0	-17	2	-1	-1	0	0
IT	0	0	-6	0	0	-4	0	0
NL	0	0	-26	-27	-8	-17	0	0

Note: See the notes to Chart 5.

In most of the large euro area countries, competitive pressure and risk perceptions contributed to an easing of credit standards on housing loans. A lower risk tolerance was reported as having a tightening impact in net terms by banks in Spain, but the impact was neutral elsewhere.

Looking ahead, euro area banks expected a net easing of credit standards for housing loans (-8%) in the first quarter of 2017.

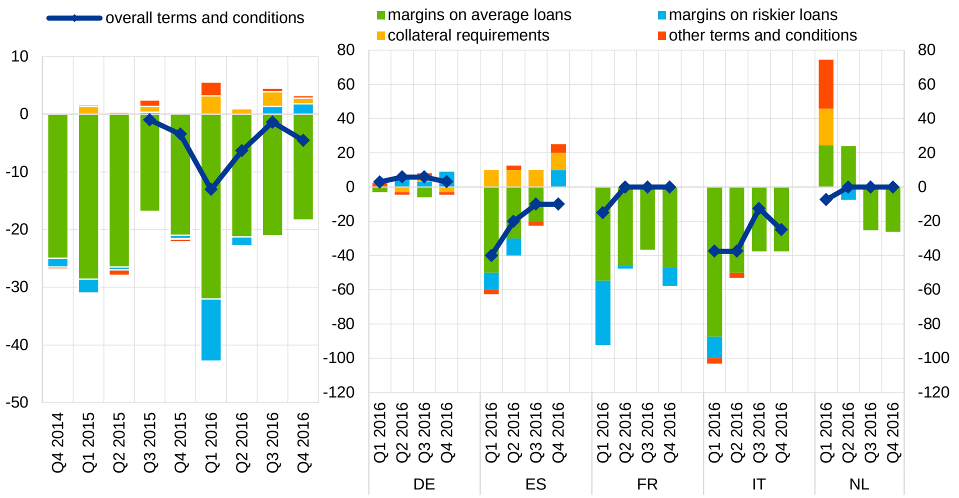
2.2.2 Terms and conditions for loans to households for house purchase eased

Overall terms and conditions on loans to households for house purchase eased in the fourth quarter of 2016 (see Chart 6 and Table 6). This was mainly driven by a further narrowing of margins on average loans, while margins on riskier loans remained broadly unchanged. Collateral requirements and other terms and conditions, such as the loan-to-value ratio, maturity and non-interest charges, all remained broadly unchanged.

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" (the latter from the first quarter of 2015 onwards), "non-interest rate charges" and "maturity". "Overall terms and conditions" were introduced in the first quarter of 2015.

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	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016
Euro area	-1	-5	-21	-18	1	2
DE	6	3	-6	0	3	9
ES	-10	-10	-20	0	0	10
FR	0	0	-37	-47	0	-10
IT	-13	-25	-38	-38	0	0
NL	0	0	-25	-26	0	0

Note: See the notes to Chart 6.

Of the large euro area countries, banks in Italy and Spain reported a net easing of overall terms and conditions. By contrast, overall terms and conditions tightened in Germany, related to a widening of margins on riskier loans. In France and the Netherlands, banks reported unchanged overall terms and conditions, but a further narrowing of margins on average loans.

Competitive pressure remained the main contributing factor to the net easing of overall terms and conditions of euro area banks (see Table 7).

Among the large euro area countries, competitive pressure contributed to an easing of overall credit terms and conditions in Italy, the Netherlands and France. The impact of the other factors was mixed across countries, leading to an overall broadly neutral impact at the euro area level.

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	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016
Euro area	-5	-2	-14	-10	-1	-1	-1	0
DE	3	0	-9	6	0	0	-3	-3
ES	-10	-10	0	0	0	10	0	10
FR	-22	0	-9	-9	0	0	0	0
IT	0	0	-38	-38	-13	-13	0	0
NL	0	0	-25	-26	0	0	0	0

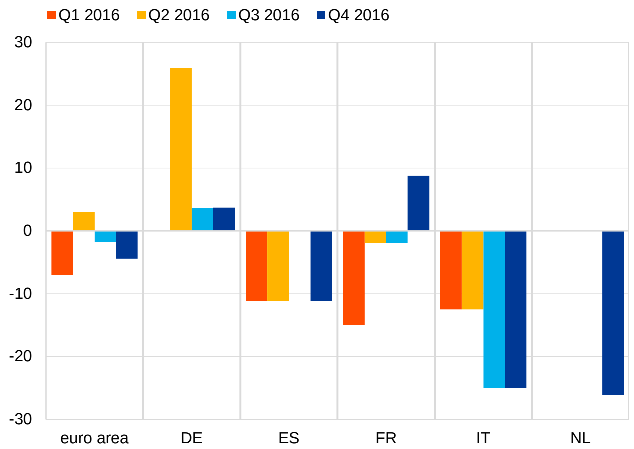
2.2.3 Rejection rate for loans to households for house purchase decreased

According to euro area banks, the net share of rejected applications for loans to households for house purchase decreased in the fourth quarter of 2016 (to -4%, after -2% in the previous survey round; see Chart 7).

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.

Across the largest euro area countries, the rejection rate for housing loans decreased in the Netherlands, Italy and Spain in the fourth quarter of 2016. By contrast, it increased in France and Germany.

2.2.4 Net demand for housing loans continued to increase

In the fourth quarter of 2016, a considerable net percentage of banks reported an increase in demand for housing loans (36%, after 23% in the previous quarter; see Chart 8 and Table A). This is broadly in line with banks' expectations in the previous survey round and markedly above the historical average.

Among the large euro area countries, net demand for house purchase increased in the fourth quarter of 2016 in the Netherlands, Italy and France, while it remained broadly unchanged in Germany and Spain.

Net demand for housing loans was driven mainly by the low general level of interest rates, continued favourable housing market prospects and consumer confidence (see Chart 8 and Table 8). In addition, banks reported a positive impact of debt refinancing on demand, while the impact of the use of alternative finance was neutral.

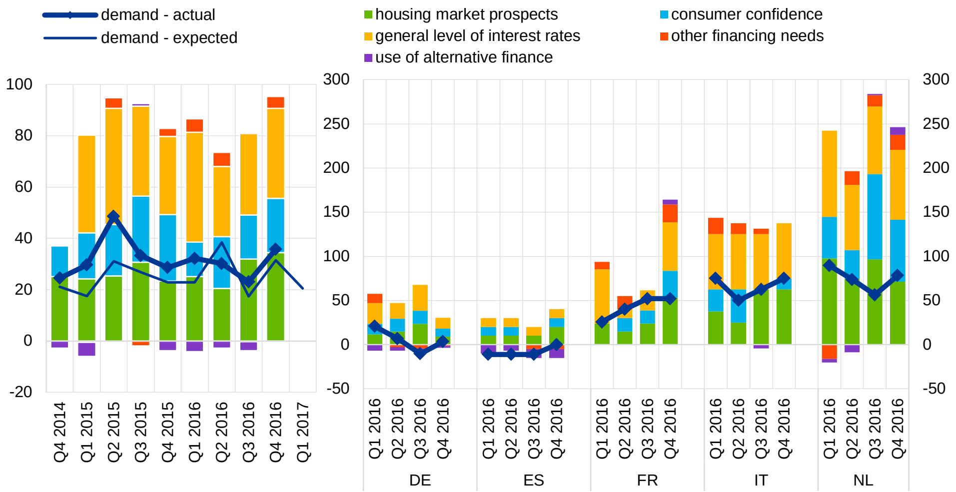
Across all the large euro area countries, the general level of interest rates, favourable housing market prospects and consumer confidence were reported to have had a positive impact on the demand for loans to households for house purchase. In addition, debt refinancing (included in “other financing needs”) had a positive impact on demand for housing loans in France and the Netherlands. The use of alternative finance dampened loan demand in Spain and Germany, while having a positive impact in the Netherlands and France related to households' capacity to use internal financing for house purchase.

For the first quarter of 2017, euro area banks expected an ongoing increase in net demand for housing loans (21%).

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 financing needs" are an unweighted average of "debt refinancing/restructuring and renegotiation" and "regulatory and fiscal regime of housing markets" (both from the first quarter of 2015 onwards); "use of alternative finance" is an unweighted average of "internal financing out of savings/down payment" (from the first quarter of 2015 onwards), "household savings" (until the fourth quarter of 2014), "loans from other banks" and "other sources of external finance". "General level of interest rates" was introduced in the first quarter of 2015.

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	**Q3 2016**	**Q4 2016**	**Q3 2016**	**Q4 2016**	**Q3 2016**	**Q4 2016**	**Q3 2016**	**Q4 2016**	**Q3 2016**	**Q4 2016**
Euro area	32	34	17	21	0	5	32	35	-3	0
DE	24	9	15	9	-4	-2	29	12	-4	-2
ES	10	20	0	10	-5	-5	10	10	-10	-10
FR	24	54	15	30	0	20	23	55	0	5
IT	63	63	0	13	6	0	63	63	-4	0
NL	97	71	97	70	13	17	76	79	2	9

Note: See the notes to Chart 8.

2.3 Consumer credit and other lending to households

2.3.1 Continued net easing of credit standards for consumer credit and other lending to households

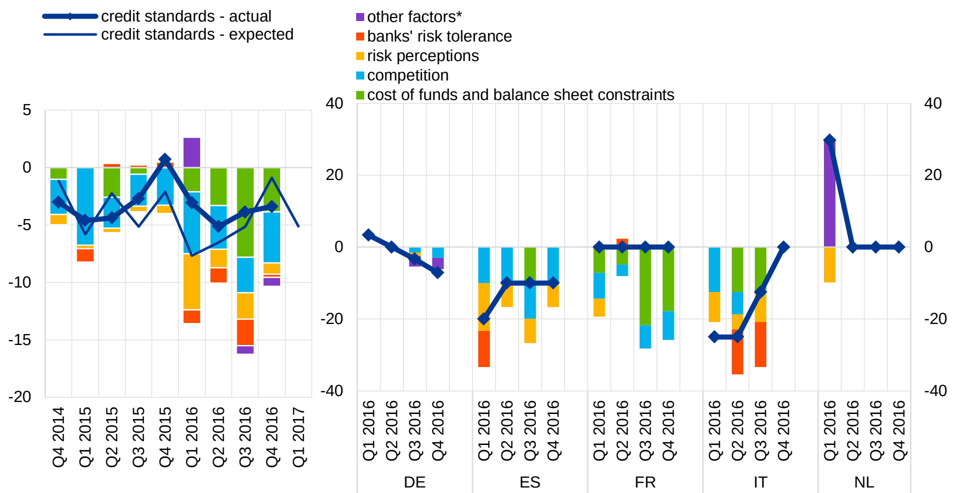
In the fourth quarter of 2016, credit standards for consumer credit and other lending to households continued to ease (-3%, after -4% in the previous quarter; see Chart 9 and Table A). This is more favourable than the historical average. The net easing was broadly in line with what banks had expected in the previous survey round.

In the large euro area countries, credit standards on consumer credit and other lending to households eased in Spain and Germany, while they were unchanged in France, Italy and the Netherlands.

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”. “Risk tolerance” was introduced in the first quarter of 2015.
*“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 pressures as well as banks’ cost of funds and (lack of) balance sheet constraints contributed to the net easing of credit standards on consumer credit, while the impact of risk perceptions and banks’ risk tolerance was broadly neutral 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	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016
Euro area	-8	-4	-3	-4	-2	-1	-2	0
DE	0	0	-1	-3	-1	0	0	0
ES	-10	0	-10	-10	-7	-7	0	0
FR	-22	-18	-6	-8	0	0	0	0
IT	-13	0	0	0	-8	0	-13	0
NL	0	0	0	0	0	0	0	0

Note: See the notes to Chart 9.

Across the large euro area countries, banks in Spain, France and Germany reported an easing impact of competitive pressure. By contrast, only banks in France indicated an easing impact of reduced cost of funds and (lack of) balance sheet constraints, while this factor had a neutral impact in the other countries.

Looking ahead to the first quarter of 2017, euro area banks expect a further net easing of credit standards on consumer credit and other lending to households (-5%).

2.3.2 Terms and conditions for consumer credit and other lending to households continued to ease

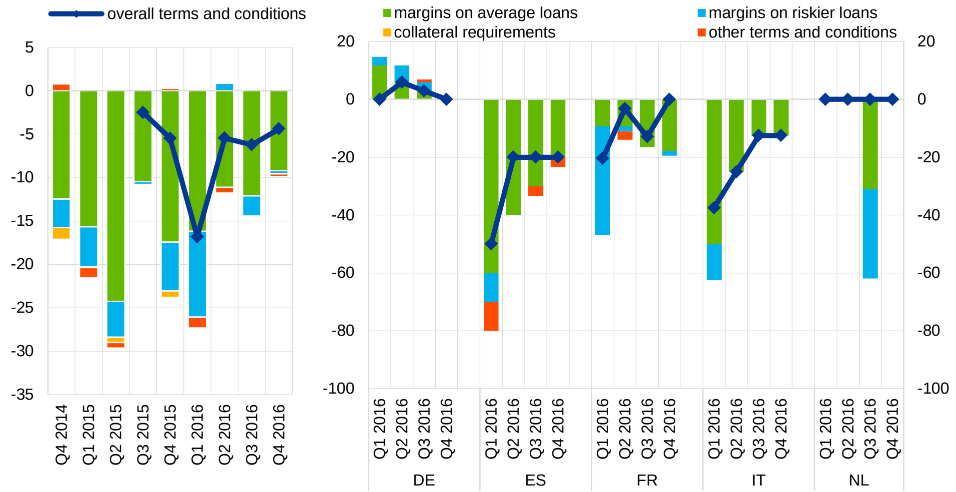
Banks' overall terms and conditions applied when granting new consumer credit and other lending to households continued to ease in the fourth quarter of 2016. The narrowing of margins on average loans continued to be the main driver of the easing, while margins on riskier loans remained unchanged. Non-price terms and conditions, such as collateral requirements, loan size, maturity and non-interest charges, remained broadly unchanged (see Chart 10).

In the large euro area countries, margins on average loans narrowed in Spain, France and Italy, while they remained unchanged in Germany and the Netherlands. Margins on riskier loans remained unchanged in most countries.

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” (from the first quarter of 2015 onwards), “non-interest rate charges” and “maturity”. “Overall terms and conditions” were introduced in the first quarter of 2015.

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	**Q3 2016**	**Q4 2016**	**Q3 2016**	**Q4 2016**	**Q3 2016**	**Q4 2016**
Euro area	-6	-4	-12	-9	-2	0
DE	3	0	3	0	3	0
ES	-20	-20	-30	-20	0	0
FR	-13	0	-16	-18	0	-2
IT	-13	-13	-13	-13	0	0
NL	0	0	-31	0	-31	0

Note: See the notes to Chart 10.

Competitive pressures were the dominant factor contributing to the net easing of terms and conditions on new consumer credit. Reduced cost of funds and balance sheet constraints as well as lower risk perceptions made a marginal contribution (see Table 11).

Across the largest euro area countries, competitive pressures contributed to the net easing of overall terms and conditions in all countries with the exception of Germany. Banks in Spain reported a net easing impact of reduced cost of funds and balance sheet constraints, while the easing impact of lower risk perceptions was a result of developments in Italy.

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	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016
Euro area	-8	-2	-12	-11	-3	-2	-2	0
DE	3	0	-3	3	0	0	0	0
ES	-10	-10	-20	-20	-10	0	-10	0
FR	-22	0	-13	-16	0	0	0	0
IT	-13	0	-13	-13	-13	-13	0	0
NL	0	0	-35	-35	0	0	0	0

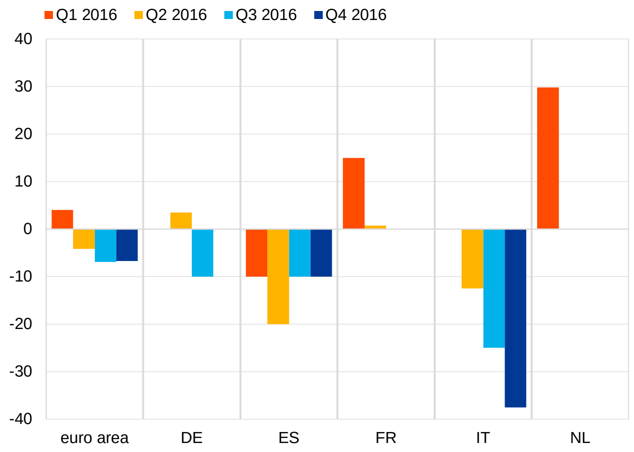
Note: See the notes to Chart 10.

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)



Notes: 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 fourth quarter of 2016 according to reporting banks (-7%, unchanged from the previous survey round; see Chart 11).

Across the largest euro area countries, the rejection rate declined for banks in Italy and Spain and remained unchanged for banks in Germany, France and the Netherlands.

2.3.4 Further increase in net demand for consumer credit and other lending to households

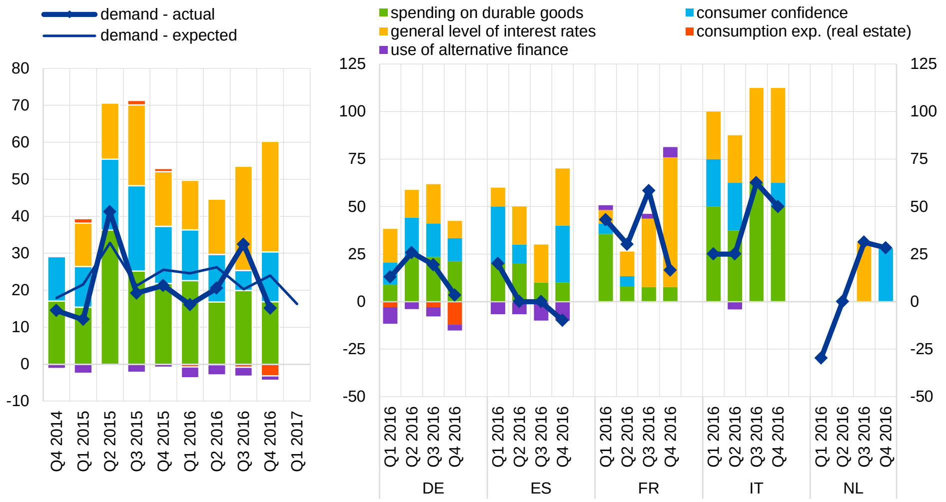
According to euro area banks, net demand for consumer credit and other lending to households continued to increase in the fourth quarter of 2016 (15%, after 32%; see Chart 12 and Table A), remaining above its historical average but somewhat lower than expected in the previous survey round.

Net demand increased across all large euro area countries, with the exception of Spain where it declined.

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” (from the first quarter of 2015 onwards), “household savings” (until the fourth quarter of 2014), “loans from other banks” and “other sources of external finance”. “Consumption exp. (real estate)” denotes “consumption expenditure financed through real estate-guaranteed loans”. “General level of interest rates” and “consumption expenditure financed through real estate-guaranteed loans” were introduced in the first quarter of 2015.

Among the factors driving demand at the euro area level, the low general level of interest rates, financing needs for spending on durable consumer goods 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	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016	Q3 2016	Q4 2016
Euro area	20	17	5	13	-1	-3	28	30	-2	-1
DE	24	21	18	12	-3	-12	21	9	-5	-3
ES	10	10	0	30	0	0	20	30	-10	-10
FR	8	8	0	0	0	0	36	68	3	5
IT	63	50	0	13	0	0	50	50	0	0
NL	0	0	0	28	0	0	31	0	0	0

Note: See the notes to Chart 12.

The positive impact of the low general level of interest rates, spending on durable consumer goods and consumer confidence on demand for consumer credit was widespread across countries. With regard to other factors having an impact on demand for consumer credit, banks in Germany reported in net terms a negative impact of consumption expenditure financed through real-estate guaranteed loans.

However, this contribution was too small to translate into a decrease in demand. In addition, the use of alternative finance contributed negatively to demand in Spain and Germany.

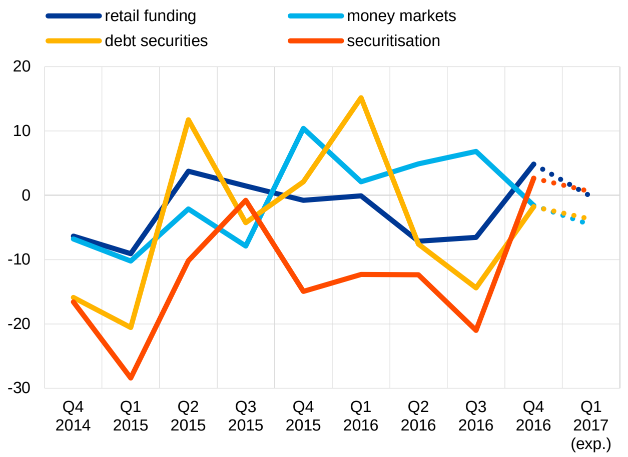
For the first quarter of 2017, euro area banks expect an ongoing increase in net demand for consumer credit and other lending to households (16%).

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 January 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 fourth quarter of 2016, euro area banks reported deteriorated access to retail funding. As regards banks' access to wholesale funding, their access to money markets and debt securities improved marginally, while their access to securitisation deteriorated in net terms (see Chart 13 and Table 13).[6]

Looking ahead to the first quarter of 2017, euro area banks expect broadly unchanged access to retail funding and securitisation, but improved access to money markets and debt securities.

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
Q3 2016	-7	7	-14	-21
Q4 2016	5	-2	-2	3

Note: See the notes to Chart 13.

3.2 Banks' adjustment to regulatory and supervisory action

The January 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

5 The results shown are calculated as a percentage of the number of banks which did not reply "not applicable".

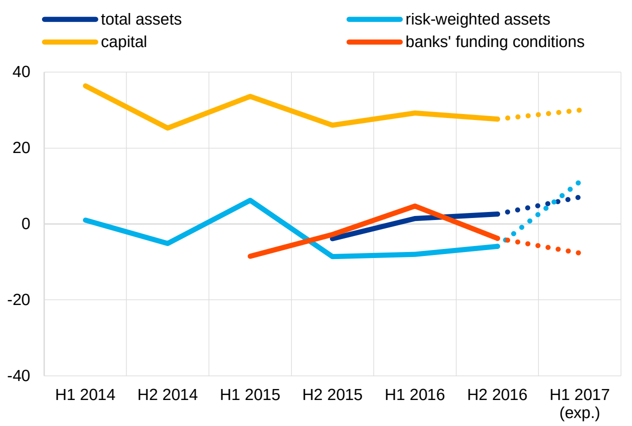
6 However, for the results on securitisation, there are a large number of banks that replied "not applicable", as this source of funding is not relevant for them (between 34% and 46%, depending on the type of securitisation, in the fourth quarter of 2016).

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.

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".

Euro area banks replied that, in relation to regulatory or supervisory action, their total assets increased slightly in the second half of 2016 (see Chart 14 and Table 14) and their liquid assets also increased further. At the same time, banks reported a further decrease in their risk-weighted assets, mainly owing to a decline in riskier loans, and to a lesser extent to a decline in average loans. Euro area banks also recorded a further strengthening of their capital position, both through retained earnings and capital issuance. In addition, they indicated a net easing impact of regulatory or supervisory action on their funding conditions, possibly related to their improved capital position.

The impact of supervisory or regulatory action on banks' credit standards during the second half of 2016 was reported to be broadly neutral across loan categories, except for a slight net easing impact on loans to large firms (see Chart 15 and Table 15). The impact of supervisory or regulatory action on loan margins was also broadly neutral overall at the euro area level in the second half of 2016.

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	
H1 2016	1	7	-8	-2	-19	29	31	22	5
H2 2016	3	7	-6	-8	-16	28	22	17	-4

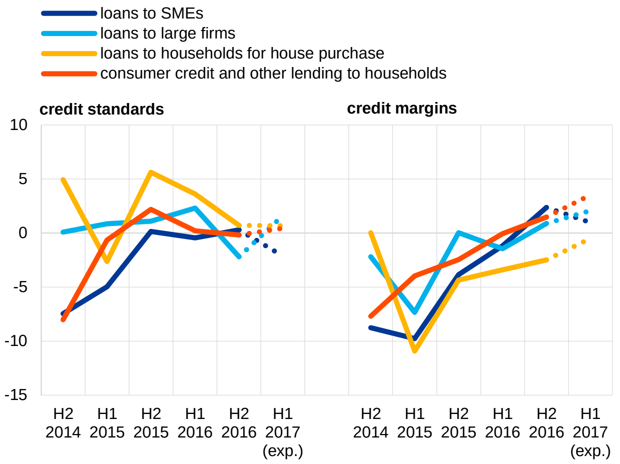
Note: See the notes to Chart 14.

Looking ahead to the first half of 2017, euro area banks expect regulatory or supervisory action to have a slight net tightening impact on credit standards and margins for loans to large firms. For consumer credit, banks expect a limited net tightening impact on credit margins.

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	
	H1 2016	H2 2016	H1 2016	H2 2016
Impact on loans and credit lines to SMEs	0	0	-1	2
Impact on loans and credit lines to large enterprises	2	-2	-1	1
Impact on loans to households for house purchase	4	1	-3	-2
Impact on consumer credit and other lending to households	0	0	0	1

Note: See the note to Chart 15.

3.3 Analysing the ECB's targeted longer-term refinancing operations

The January 2017 survey questionnaire included some ad hoc questions gauging the impact of the Eurosystem's targeted longer-term refinancing operations (TLTROs). Banks reported on their participation in the third TLTRO-II conducted in December 2016 as well as on their intention to participate in the TLTRO-II operation to be conducted in March 2017. In this context, they were also asked about their reasons for participating in the third TLTRO-II. In addition, banks were asked about their use of funds obtained from all past TLTROs and their planned use of funds obtained from the future TLTRO. Finally, banks provided an assessment of the impact of the TLTROs on their financial situation and their loan supply.

Chart 16

Participation in the most recent and future TLTROs

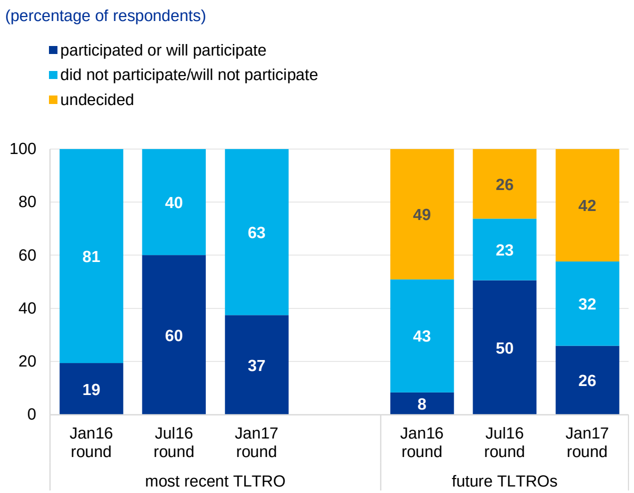
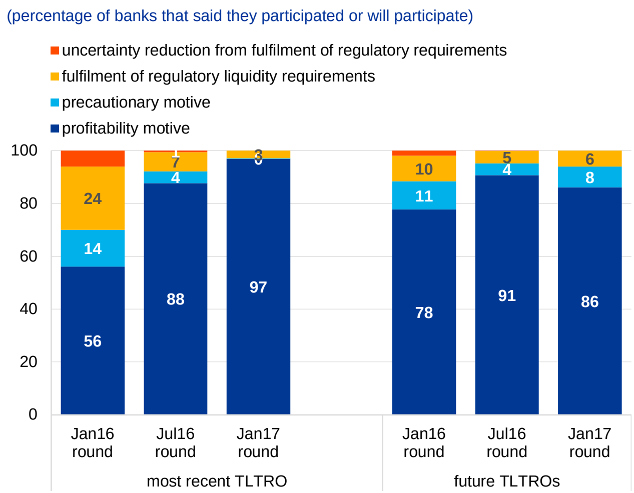


Chart 17

Reasons for participation and expected participation in the most recent and future TLTROs



37% of the euro area BLS banks reported to have participated in the third TLTRO-II operation (see Chart 16), which was lower than the level of participation in the first TLTRO-II reported in the July 2016 BLS round.[7]

According to banks participating in the third TLTRO-II, their participation was almost exclusively driven by profitability motives (97% of respondents, after 88% in the July 2016 BLS; see Chart 17). To a small extent, the fulfilment of regulatory liquidity requirements (3%, after 7% in the July 2016 BLS) also played a role. The dominant reason for non-participation was again the absence of funding constraints (81%, after 68% in the July 2016 BLS). In addition, the cost of holding liquidity due to the ECB's negative deposit facility rate played a larger role (11%, compared with 3% in the July BLS round).

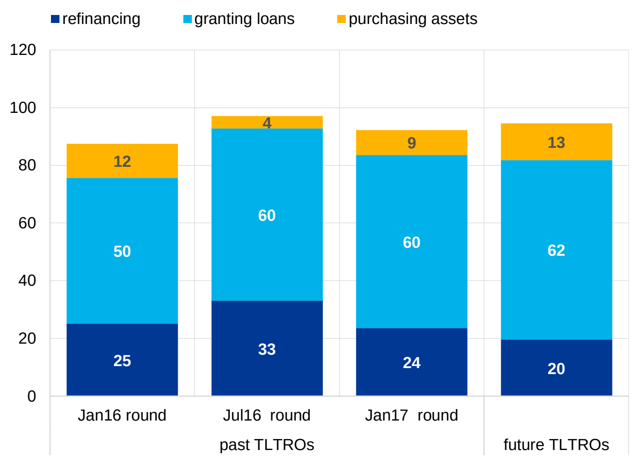
Looking ahead to the upcoming TLTRO-II operation in March 2017, around one-quarter of the euro area BLS banks intend to participate (26%; see Chart 16), while 42% are undecided on their future participation. Profitability motives continue to dominate the reasons for future participation (86% of respondents; see Chart 17) and the absence of funding constraints the reasons for non-participation (92%).

[7] The participation rate and the related reasons are calculated based on a sample of 134 banks, as some banks did not provide an answer to this question.

Chart 18

Use of funds from past and future TLTROs

(percentage of respondents)

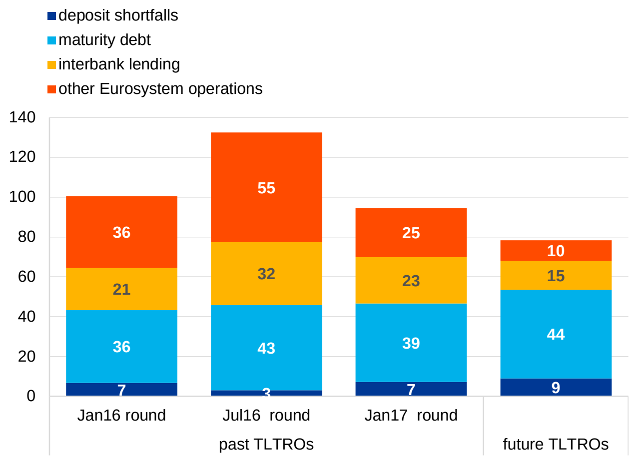


Notes: "Past TLTROs" refer to all TLTROs which took place up until the specified survey round; likewise, "future TLTROs" refer to operations beyond this point. Values displayed in the chart are the sum of the percentage of banks responding "has contributed or will contribute considerably" and "has contributed or will contribute somewhat".

Chart 19

Use of funds from past and future TLTROs for refinancing by substitution of funding sources

(percentage of respondents)



Notes: See notes to Chart 18.

As regards the use of funds obtained from the past TLTROs, banks continued to report that they used them for granting loans (60%, unchanged from the July 2016 BLS; see Chart 18), in particular loans to enterprises (86%, unchanged from the July 2016 BLS; not shown in the chart). In addition, 24% (after 33%) of the banks reported that the funds would be used for refinancing purposes to substitute other funding sources. The percentage of banks reporting that they would use the funds for purchasing assets remained modest (9%, after 4%).

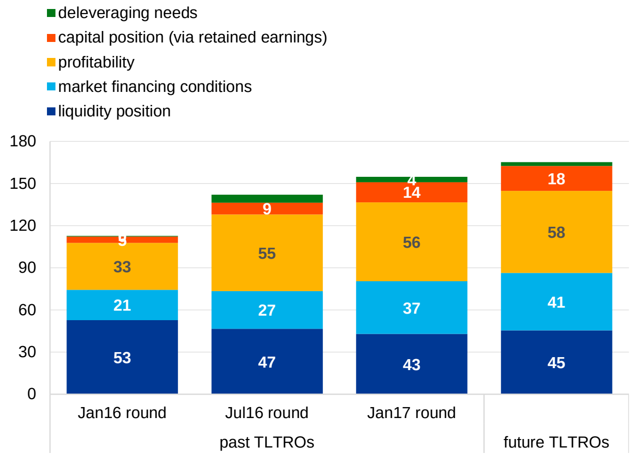
Concerning the use of the past TLTRO funds for refinancing, 39% of the banks (after 43% in the July 2016 BLS round; see Chart 19) reported that they used the TLTRO funds for substituting maturing debt, which is likely to be related to the attractiveness of TLTRO funding conditions. The replacement of funds borrowed in other Eurosystem liquidity operations, including in the first series of TLTROs, lost importance (25%, compared with 55% in the July 2016 BLS), as the bulk of replacements occurred in the first TLTRO-II. In addition, 23% of the euro area banks (after 32% in the July 2016 BLS round) indicated the use of past TLTRO funds for substituting interbank funding, while the substitution of deposit shortfalls played only a small role (7%, after 3%).

Turning to banks' assessment of the impact of past and future TLTROs on their financial situation, the positive impact on banks' profitability remained the most important contribution of the TLTROs to banks' financial situation, which reflects the price attractiveness of the TLTRO-II (see Chart 20). 56% of the banks (after 55% in the July 2016 BLS) indicated that the past TLTROs contributed to improving their profitability and a similar percentage of banks expect this to remain the case in the future. In addition, a considerable share of banks indicated an improvement in their liquidity position (43% for past TLTROs, after 47% in the July 2016 BLS), which is broadly expected to remain equally important in the future. Improved market financing conditions also played a role for a relevant percentage of the banks (37% for past TLTROs, after 27% in the July 2016 BLS). The indicated impact on banks' capital position and deleveraging needs is considerably lower.

Chart 20

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

(percentage of respondents)

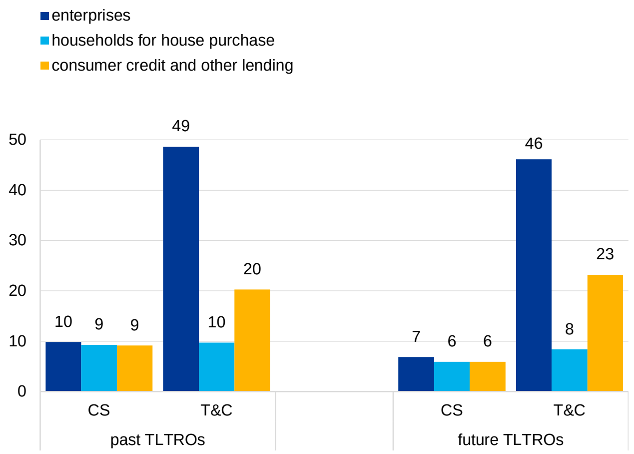


Notes: "Past TLTROs" refer to all TLTROs which took place up until the specified survey round; likewise, "future TLTROs" refer to operations beyond this point. Values displayed in the chart are the sum of the percentage of banks responding "has improved or will improve considerably" and "has improved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

Chart 21

Impact of past and future 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; likewise, "future TLTROs" refer to operations beyond this point. 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".

As regards the impact of the past TLTROs on lending conditions, most of the lending impact is still reflected in more favourable credit terms and conditions, but the easing impact of the past TLTROs on credit standards increased in the January 2017 BLS round.

Specifically, for loans to enterprises, around half of the euro area banks indicated that the TLTROs translated into an easing of credit terms and conditions (49%, compared with 44% in the July 2016 BLS round; see Chart 21). In addition, 10% of the banks reported an easing impact on credit standards for loans to enterprises (compared with 4% in the July 2016 BLS round). The increased easing impact of the past TLTROs on credit standards also applies to loans to households (9%, compared with 1% in the July 2016 BLS round for both housing loans and consumer credit).

For the TLTRO-II operation in March 2017, 7% of the euro area banks expect an easing impact on credit standards for loans to enterprises and 46% expect an easing impact on credit terms and conditions.

Annex 1
Results for the standard questions[8]

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	
	Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
Tightened considerably	0	0	0	0	0	0	0	0	0	0
Tightened somewhat	1	3	1	3	1	1	1	0	2	4
Remained basically unchanged	98	97	99	97	97	98	97	98	97	96
Eased somewhat	1	0	0	0	3	2	2	2	1	0
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	**0**	***3***	**1**	***3***	**-2**	***-1***	**-2**	***-2***	**1**	***4***
Diffusion index	**0**	***2***	**0**	***2***	**-1**	***0***	**-1**	***-1***	**1**	***2***
Mean	*2.97*	*2.98*	*2.96*	*2.98*	*2.98*	*3.01*	*2.98*	*3.01*	*2.95*	*2.96*
Number of banks responding	***136***	***134***	***132***	***129***	***130***	***130***	***136***	***134***	***136***	***134***

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.

[8] Figures in the tables in Annexes 1 and 2 may deviate slightly from those in the text owing 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		DI		Mean	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	0	3	93	1	0	3	3	2	2	1	2.94	2.98
Your bank's ability to access market financing	0	0	95	0	0	5	0	0	0	0	2.97	3.00
Your bank's liquidity position	0	2	93	2	0	3	-2	-1	-1	0	2.99	3.01
B) Pressure from competition												
Competition from other banks	0	0	84	13	0	3	-9	-13	-5	-6	3.05	3.13
Competition from non-banks	0	0	94	2	0	4	-2	-2	-1	-1	2.98	3.01
Competition from market financing	0	0	93	3	0	4	-4	-3	-2	-1	3.00	3.03
C) Perception of risk												
General economic situation and outlook	0	2	95	2	0	2	-3	0	-2	0	3.00	2.99
Industry or firm-specific situation and outlook/borrower's creditworthiness	0	7	88	3	0	2	-5	3	-3	2	3.01	2.98
Risk related to the collateral demanded	0	2	96	0	0	2	2	2	1	1	2.95	2.98
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	5	91	0	0	4	1	5	1	3	2.96	2.96

SMALL AND MEDIUM-SIZED ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	0	3	88	0	0	8	-2	3	-1	2	3.00	2.97
Your bank's ability to access market financing	0	0	89	0	0	11	-5	0	-2	0	3.02	3.00
Your bank's liquidity position	0	2	87	2	0	8	-7	0	-3	0	3.05	3.00
B) Pressure from competition												
Competition from other banks	0	0	84	9	0	6	-11	-9	-6	-4	3.09	3.09
Competition from non-banks	0	0	90	1	0	8	-1	-1	-1	-1	2.98	3.01
Competition from market financing	0	0	93	0	0	7	0	0	0	0	2.97	3.00
C) Perception of risk												
General economic situation and outlook	0	1	93	2	0	5	-3	-1	-2	-1	3.00	3.01
Industry or firm-specific situation and outlook/borrower's creditworthiness	0	7	87	2	0	5	0	5	0	2	2.99	2.97
Risk related to the collateral demanded	0	2	93	0	0	5	2	2	1	1	2.95	2.98
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	4	87	1	0	8	-1	3	0	1	2.98	2.99

LARGE ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	0	3	89	1	0	7	3	2	2	1	2.93	2.98
Your bank's ability to access market financing	0	0	89	1	0	9	-5	-1	-2	-1	3.01	3.01
Your bank's liquidity position	0	2	89	3	0	7	-1	-1	-1	0	2.98	3.01
B) Pressure from competition												
Competition from other banks	0	0	80	11	0	8	-8	-12	-4	-6	3.04	3.13
Competition from non-banks	0	0	88	3	0	8	-2	-3	-1	-2	2.97	3.04
Competition from market financing	0	0	87	5	0	8	-4	-5	-2	-2	3.00	3.05
C) Perception of risk												
General economic situation and outlook	0	1	89	5	0	5	-2	-4	-1	-2	2.98	3.04
Industry or firm-specific situation and outlook/borrower's creditworthiness	0	1	89	4	0	5	-4	-4	-2	-2	3.00	3.05
Risk related to the collateral demanded	0	2	91	2	0	5	2	0	1	0	2.94	3.00
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	91	3	0	5	-2	-2	-1	-1	2.98	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 "--" (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		DI		Mean	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Overall terms and conditions												
Overall terms and conditions	0	1	89	8	0	2	-12	-6	-6	-3	3.08	3.06
B) Margins												
Your bank's margin on average loans	1	3	70	22	2	2	-30	-20	-16	-10	3.26	3.20
Your bank's margin on riskier loans	1	4	89	4	0	2	-3	1	-2	1	2.98	2.98
C) Other conditions and terms												
Non-interest rate charges	0	2	94	2	0	2	2	0	1	0	2.94	3.00
Size of the loan or credit line	0	3	93	3	0	2	-1	0	-1	0	2.98	3.01
Collateral requirements	0	2	91	5	0	2	-3	-4	-2	-2	3.00	3.03
Loan covenants	0	1	92	5	0	2	-4	-4	-2	-2	3.00	3.04
Maturity	0	1	93	4	0	2	-4	-3	-2	-2	3.00	3.03

SMALL AND MEDIUM-SIZED ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Overall terms and conditions												
Overall terms and conditions	0	1	87	7	0	5	-10	-5	-5	-3	3.06	3.06
B) Margins												
Your bank's margin on average loans	1	3	74	17	2	5	-26	-15	-13	-8	3.22	3.16
Your bank's margin on riskier loans	1	4	85	5	0	5	-10	0	-5	0	3.05	2.99
C) Other conditions and terms												
Non-interest rate charges	0	2	89	4	0	5	2	-2	1	-1	2.94	3.02
Size of the loan or credit line	0	3	88	4	0	5	-3	-1	-1	-1	2.99	3.03
Collateral requirements	0	2	89	5	0	5	-3	-3	-2	-2	3.00	3.03
Loan covenants	0	1	89	5	0	5	-2	-4	-1	-2	2.98	3.04
Maturity	0	1	89	4	0	6	-3	-4	-2	-2	2.99	3.04

LARGE ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Overall terms and conditions												
Overall terms and conditions	0	0	84	9	0	6	-14	-9	-7	-5	3.11	3.10
B) Margins												
Your bank's margin on average loans	1	1	70	21	1	6	-30	-20	-15	-10	3.28	3.21
Your bank's margin on riskier loans	1	2	88	3	0	6	-1	-1	-1	0	2.98	3.00
C) Other conditions and terms												
Non-interest rate charges	0	1	88	5	0	6	-6	-5	-3	-2	3.03	3.05
Size of the loan or credit line	0	0	88	6	0	6	-4	-6	-2	-3	3.00	3.07
Collateral requirements	0	0	90	3	0	6	-6	-3	-3	-1	3.02	3.03
Loan covenants	0	0	89	4	1	6	-8	-5	-4	-3	3.05	3.06
Maturity	0	2	85	4	1	8	-7	-3	-3	-2	3.03	3.04

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	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	89	7	0	2	-4	-6	-2	-3	3	3.06
B) Pressure from competition												
Pressure from competition	0	0	78	19	0	3	-23	-19	-12	-9	3	3.19
C) Perception of risk												
Perception of risk	0	1	94	3	0	2	-5	-2	-3	-1	3	3.02
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	6	92	1	0	2	1	5	0	3	3	2.96

IMPACT ON YOUR BANK'S MARGINS ON AVERAGE LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	89	8	0	2	-5	-6	-3	-3	3	3.06
B) Pressure from competition												
Pressure from competition	0	2	74	21	0	3	-27	-20	-14	-10	3	3.20
C) Perception of risk												
Perception of risk	0	0	95	3	0	2	-5	-3	-3	-1	3	3.03
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	6	92	1	0	2	1	5	0	3	3	2.96

IMPACT ON YOUR BANK'S MARGINS ON RISKIER LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	88	7	0	3	0	-5	0	-2	3	3.05
B) Pressure from competition												
Pressure from competition	0	0	90	7	0	3	-9	-6	-4	-3	3	3.07
C) Perception of risk												
Perception of risk	0	3	95	0	0	2	-1	3	-1	1	3	2.97
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	6	90	2	0	2	1	5	0	2	3	2.97

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	
	Oct 16	Jan 17
Decreased considerably	0	0
Decreased somewhat	7	9
Remained basically unchanged	92	87
Increased somewhat	1	4
Increased considerably	0	0
Total	*100*	*100*
Net percentage	***-7***	***-5***
Diffusion index	***-3***	***-3***
Mean	*2.90*	*2.95*
Number of banks responding	***134***	***132***

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	
	Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
Decreased considerably	0	0	0	0	0	0	1	1	1	0
Decreased somewhat	12	6	12	4	14	7	11	5	11	8
Remained basically unchanged	64	71	67	76	67	77	73	80	62	70
Increased somewhat	23	23	19	18	20	16	14	15	25	21
Increased considerably	0	0	1	1	0	0	0	0	0	0
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	**11**	***16***	**8**	***16***	**6**	***9***	**1**	***9***	**13**	***13***
Diffusion index	**5**	***8***	**5**	***9***	**3**	***4***	**0**	***4***	**6**	***6***
Mean	*3.07*	*3.15*	*3.06*	*3.16*	*3.02*	*3.08*	*2.96*	*3.08*	*3.08*	*3.12*
Number of banks responding	***136***	***134***	***133***	***130***	***130***	***130***	***136***	***134***	***136***	***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 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	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Financing needs/underlying drivers or purpose of loan demand												
Fixed investment	0	10	76	11	1	2	4	2	2	1	3.01	3.02
Inventories and working capital	0	2	86	9	0	3	6	8	3	4	3.03	3.08
Mergers/acquisitions and corporate restructuring	0	2	83	12	0	3	11	10	6	5	3.08	3.10
General level of interest rates	0	1	76	21	1	2	16	21	8	11	3.12	3.22
Debt refinancing/restructuring and renegotiation	0	3	81	15	0	2	9	13	5	6	3.05	3.13
B) Use of alternative finance												
Internal financing	0	11	85	2	0	2	-7	-9	-3	-5	2.89	2.89
Loans from other banks	0	6	90	3	0	2	-4	-3	-2	-2	2.92	2.96
Loans from non-banks	0	1	97	1	0	2	-3	0	-2	0	2.93	3.00
Issuance/redemption of debt securities	0	3	86	4	0	7	-6	1	-3	1	2.90	3.01
Issuance/redemption of equity	0	2	89	0	0	9	-2	-2	-1	-1	2.94	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	
	Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
Tighten considerably	0	0	0	0	0	1	0	0	0	0
Tighten somewhat	7	3	5	1	5	3	5	0	8	3
Remain basically unchanged	90	92	90	89	90	88	92	93	91	94
Ease somewhat	3	5	5	10	5	8	3	7	2	3
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	***4***	***-2***	***1***	***-9***	***0***	***-5***	***2***	***-7***	***6***	***-1***
Diffusion index	***2***	***-1***	***0***	***-5***	***0***	***-2***	***1***	***-4***	***3***	***0***
Mean	*2.94*	*3.02*	*2.97*	*3.09*	*2.95*	*3.04*	*2.96*	*3.07*	*2.92*	*3.01*
Number of banks responding	***135***	***133***	***131***	***129***	***129***	***128***	***135***	***133***	***135***	***133***

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	
	Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
Decrease considerably	0	0	0	0	0	0	0	0	0	0
Decrease somewhat	2	3	2	2	2	4	2	4	2	3
Remain basically unchanged	73	85	68	80	83	87	76	83	79	87
Increase somewhat	25	13	30	18	15	10	22	14	18	10
Increase considerably	0	0	0	0	0	0	0	0	1	0
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	***23***	***10***	***27***	***17***	***13***	***6***	***19***	***10***	***17***	***7***
Diffusion index	***11***	***5***	***14***	***8***	***7***	***3***	***10***	***5***	***9***	***3***
Mean	*3.17*	*3.10*	*3.22*	*3.16*	*3.09*	*3.06*	*3.14*	*3.10*	*3.14*	*3.07*
Number of banks responding	***136***	***133***	***132***	***129***	***130***	***128***	***136***	***133***	***136***	***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.

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	
	Oct 16	Jan 17	Oct 16	Jan 17
Tightened considerably	0	1	0	0
Tightened somewhat	5	3	1	0
Remained basically unchanged	87	93	95	97
Eased somewhat	8	3	4	3
Eased considerably	0	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***-4***	***1***	***-4***	***-3***
Diffusion index	***-2***	***1***	***-2***	***-2***
Mean	*3.00*	*2.98*	*3.00*	*3.03*
Number of banks responding	***130***	***129***	***132***	***129***

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	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	1	93	1	0	6	-2	0	-1	0	2.99	3.00
B) Pressure from competition												
Competition from other banks	0	0	88	6	0	6	-13	-5	-7	-3	3.10	3.07
Competition from non-banks	0	0	90	2	0	7	-4	-2	-2	-1	2.99	3.01
C) Perception of risk												
General economic situation and outlook	0	0	91	4	0	5	-1	-4	-1	-2	2.98	3.03
Housing market prospects, including expected house price developments	0	1	88	6	0	5	-4	-6	-2	-3	3.00	3.05
Borrower's creditworthiness	0	1	93	1	0	5	-1	0	0	0	2.97	3.01
D) Your bank's risk tolerance												
Your bank's risk tolerance	1	2	91	1	0	5	0	2	0	2	2.96	2.96

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 Oct 16	NetP Jan 17	DI Oct 16	DI Jan 17	Mean Oct 16	Mean Jan 17
A) Overall terms and conditions												
Overall terms and conditions	0	2	87	6	0	5	-1	-5	-1	-2	2.98	3.05
B) Margins												
Your bank's loan margin on average loans	0	7	63	25	0	5	-21	-18	-11	-9	3.17	3.18
Your bank's loan margin on riskier loans	0	5	86	3	0	6	1	2	1	1	2.95	2.98
C) Other terms and conditions												
Collateral requirements	0	2	92	1	0	5	3	1	1	0	2.93	2.99
"Loan-to-value" ratio	0	3	91	1	0	5	2	2	1	1	2.94	2.98
Other loan size limits	0	1	93	1	0	5	1	1	1	0	2.95	2.99
Maturity	0	0	94	1	0	5	-1	-1	0	0	2.97	3.01
Non-interest rate charges	0	1	93	1	0	5	0	-1	0	0	2.96	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 "--" (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 Oct 16	NetP Jan 17	DI Oct 16	DI Jan 17	Mean Oct 16	Mean Jan 17
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	89	4	0	5	-5	-2	-3	-1	3	3.02
B) Pressure from competition												
Pressure from competition	0	2	80	10	2	6	-14	-10	-7	-6	3	3.11
C) Perception of risk												
Perception of risk	1	0	91	2	0	5	-1	-1	-1	0	3	3.00
D) Your bank's risk tolerance												
Your bank's risk tolerance	1	0	92	1	0	5	-1	0	0	1	3	2.99

IMPACT ON YOUR BANK'S MARGINS ON AVERAGE LOANS

	--	-	°	+	++	NA	NetP Oct 16	NetP Jan 17	DI Oct 16	DI Jan 17	Mean Oct 16	Mean Jan 17
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	85	7	0	5	-7	-5	-4	-3	3	3.05
B) Pressure from competition												
Pressure from competition	0	3	68	21	2	6	-18	-20	-9	-11	3	3.21
C) Perception of risk												
Perception of risk	0	1	92	2	0	5	-4	-1	-2	0	3	3.00
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	91	2	0	5	-2	-1	-1	0	3	3.01

IMPACT ON YOUR BANK'S MARGINS ON RISKIER LOANS

	--	-	°	+	++	NA	NetP Oct 16	NetP Jan 17	DI Oct 16	DI Jan 17	Mean Oct 16	Mean Jan 17
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	91	0	0	7	1	1	1	1	3	2.98
B) Pressure from competition												
Pressure from competition	0	2	86	5	0	7	-4	-4	-2	-2	3	3.03
C) Perception of risk												
Perception of risk	0	2	91	0	0	7	2	2	1	1	3	2.97
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	91	0	0	7	1	1	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	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	0	91	4	0	5	-8	-4	-4	-2	3.04	3.04
B) Pressure from competition												
Competition from other banks	0	0	88	6	0	5	-5	-6	-2	-3	3.01	3.07
Competition from non-banks	0	0	89	2	0	8	-1	-2	-1	-1	2.97	3.03
C) Perception of risk												
General economic situation and outlook	0	0	94	2	0	5	-4	-2	-2	-1	3.00	3.02
Creditworthiness of consumers(1)	0	0	94	1	0	5	-3	-1	-2	-1	2.99	3.01
Risk on the collateral demanded	0	0	90	0	0	10	0	0	0	0	2.95	3.00
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	94	0	0	5	-2	0	-1	0	2.99	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	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Overall terms and conditions												
Overall terms and conditions	0	1	89	5	0	5	-6	-4	-3	-2	3.02	3.04
B) Margins												
Your bank's loan margin on average loans	0	1	85	10	0	5	-12	-9	-6	-5	3.07	3.09
Your bank's loan margin on riskier loans	0	1	94	1	0	5	-2	0	-1	0	2.97	3.00
C) Other terms and conditions												
Collateral requirements	0	0	90	0	0	10	0	0	0	0	2.94	3.00
Size of the loan	0	0	94	1	0	5	-1	-1	0	-1	2.97	3.01
Maturity	0	0	95	0	0	5	0	0	0	0	2.96	3.00
Non-interest rate charges	0	0	94	0	0	5	1	0	1	0	2.95	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	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	0	94	2	0	5	-8	-2	-4	-1	3	3.02
B) Pressure from competition												
Pressure from competition	0	1	82	12	0	5	-12	-11	-6	-6	3	3.10
C) Perception of risk												
Perception of risk	0	0	93	2	0	5	-3	-2	-2	-1	3	3.02
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	95	0	0	5	-2	0	-1	0	3	3.00

IMPACT ON YOUR BANK'S MARGINS ON AVERAGE LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	0	91	4	0	5	-7	-4	-3	-2	3	3.04
B) Pressure from competition												
Pressure from competition	0	1	81	10	3	5	-16	-12	-10	-8	3	3.12
C) Perception of risk												
Perception of risk	0	0	93	2	0	5	-6	-2	-3	-1	3	3.02
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	95	0	0	5	-3	0	-2	0	3	3.00

IMPACT ON YOUR BANK'S MARGINS ON RISKIER LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	1	94	0	0	5	-1	1	0	0	3	2.99
B) Pressure from competition												
Pressure from competition	0	1	93	0	0	5	-3	0	-2	0	3	2.99
C) Perception of risk												
Perception of risk	0	0	95	0	0	5	-3	0	-1	0	3	3.00
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	95	0	0	5	0	0	0	0	3	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	
	Oct 16	Jan 17	Oct 16	Jan 17
Decreased considerably	0	0	0	0
Decreased somewhat	6	11	8	8
Remained basically unchanged	88	82	91	91
Increased somewhat	5	7	1	1
Increased considerably	0	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***-2***	***-4***	***-7***	***-7***
Diffusion index	***-1***	***-2***	***-3***	***-3***
Mean	*2.94*	*2.96*	*2.89*	*2.93*
Number of banks responding	***127***	***126***	***130***	***128***

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	
	Oct 16	Jan 17	Oct 16	Jan 17
Decreased considerably	1	0	0	0
Decreased somewhat	11	5	3	4
Remained basically unchanged	53	53	61	77
Increased somewhat	34	40	36	19
Increased considerably	1	2	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***23***	***36***	***32***	***15***
Diffusion index	***11***	***19***	***16***	***8***
Mean	*3.17*	*3.36*	*3.27*	*3.14*
Number of banks responding	***130***	***129***	***133***	***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 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	
							Oct 16	Jan 17	Oct 16	Jan 17	Oct 16	Jan 17
A) Financing needs/underlying drivers or purpose of loan demand												
Housing market prospects, including expected house price developments	0	2	57	36	0	5	32	34	16	17	3.26	3.34
Consumer confidence	0	1	71	22	0	5	17	21	9	11	3.11	3.19
General level of interest rates	0	3	54	30	8	5	32	35	16	22	3.28	3.44
Debt refinancing/restructuring and renegotiation	0	2	78	15	0	5	3	12	2	6	2.98	3.13
Regulatory and fiscal regime of housing markets	0	4	91	1	0	5	-4	-3	-2	-1	2.91	2.97
B) Use of alternative sources for housing finance												
Internal finance of house purchase out of savings/down payment	0	4	84	7	0	5	-2	2	-1	1	2.93	3.02
Loans from other banks	0	5	87	2	0	6	-8	-3	-4	-1	2.88	2.96
Other sources of external finance	0	0	94	0	0	6	0	0	0	0	2.96	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 Oct 16	NetP Jan 17	DI Oct 16	DI Jan 17	Mean Oct 16	Mean Jan 17
A) Financing needs/underlying drivers or purpose of loan demand												
Spending on durable consumer goods	0	2	76	19	0	3	20	17	10	8	3.17	3.18
Consumer confidence	0	0	83	13	0	3	5	13	3	7	3.02	3.13
General level of interest rates	0	1	65	31	0	3	28	30	14	15	3.24	3.31
Consumption expenditure financed through real-estate guaranteed loans	0	3	86	0	0	10	-1	-3	0	-2	2.94	2.96
B) Use of alternative finance												
Internal finance out of savings	0	4	88	4	0	3	-3	0	-2	0	2.93	3.00
Loans from other banks	0	4	92	0	0	4	-5	-4	-2	-2	2.91	2.96
Other sources of external finance	0	1	95	0	0	4	1	-1	0	0	2.97	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 "+" (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		Consumer credit and other lending	
	Oct 16	Jan 17	Oct 16	Jan 17
Tighten considerably	0	0	0	0
Tighten somewhat	2	2	1	1
Remain basically unchanged	94	88	97	93
Ease somewhat	4	10	2	6
Ease considerably	0	1	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***-3***	***-8***	***-1***	***-5***
Diffusion index	***-1***	***-4***	***0***	***-3***
Mean	*3.00*	*3.10*	*2.97*	*3.05*
Number of banks responding	***129***	***128***	***131***	***128***

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	
	Oct 16	Jan 17	Oct 16	Jan 17
Decrease considerably	0	0	0	0
Decrease somewhat	1	1	2	0
Remain basically unchanged	67	77	72	83
Increase somewhat	32	22	26	17
Increase considerably	0	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***31***	***21***	***24***	***16***
Diffusion index	***16***	***10***	***12***	***8***
Mean	*3.26*	*3.19*	*3.19*	*3.16*
Number of banks responding	***128***	***128***	***132***	***130***

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)	2	9	77	12	0	-1	3.00	0.55	0	1	91	9	0	-8	3.08	0.31	6
Long-term (more than one year) deposits and other retail funding instruments	2	10	87	1	0	11	2.87	0.43	0	11	86	3	0	8	2.92	0.39	5
B) Inter-bank unsecured money market																	
Very short-term money market (up to 1 week)	2	0	93	5	0	-3	3.01	0.38	0	0	94	6	0	-6	3.06	0.25	4
Short-term money market (more than 1 week)	2	1	93	4	0	0	2.98	0.38	0	1	95	4	0	-3	3.03	0.24	4
C) Wholesale debt securities[3]																	
Short-term debt securities (e.g. certificates of deposit or commercial paper)	0	10	83	7	1	3	2.98	0.45	0	4	93	3	0	1	2.99	0.28	17
Medium to long term debt securities (incl. covered bonds)	0	4	86	10	0	-6	3.08	0.43	0	0	91	9	0	-8	3.08	0.31	9
D) Securitisation[4]																	
Securitisation of corporate loans	0	5	94	1	0	4	2.96	0.27	0	4	92	4	0	1	2.99	0.31	46
Securitisation of loans for house purchase	0	6	94	0	0	5	2.94	0.28	0	6	91	3	0	2	2.97	0.33	43
E) Ability to transfer credit risk off balance sheet[5]																	
Ability to transfer credit risk off balance sheet	0	1	98	1	0	-1	3.01	0.15	0	0	99	1	0	-1	3.01	0.13	34

(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	9	77	12	0	2	3	3.0	0.48
Of which: Liquid assets[1)]	0	5	78	12	0	4	7	3.1	0.43
Risk-weighted assets	3	12	74	9	0	2	-6	2.9	0.59
Of which: Average loans	0	13	76	5	0	5	-8	2.9	0.45
Riskier loans	1	16	77	1	0	5	-16	2.8	0.46
Capital	0	3	60	29	2	5	28	3.3	0.59
Of which: Retained earnings	2	3	64	21	6	4	22	3.3	0.72
Capital issuance[2)]	0	1	68	17	2	12	17	3.2	0.54
Impact on your bank's funding conditions	0	4	86	8	0	3	-4	3.0	0.38

	Over the next six months								
	--	-	○	+	++	NA	NetP	Mean	Standard deviation
Total assets	0	5	73	13	0	8	7	3.1	0.48
Of which: Liquid assets[1)]	0	2	82	8	0	7	6	3.1	0.34
Risk-weighted assets	0	4	74	14	1	7	11	3.1	0.49
Of which: Average loans	0	3	74	15	1	8	12	3.1	0.46
Riskier loans	0	13	76	2	0	8	-11	2.9	0.43
Capital	1	2	55	33	0	8	30	3.3	0.60
Of which: Retained earnings	1	3	59	26	6	6	27	3.4	0.72
Capital issuance[1)]	0	1	65	18	2	14	19	3.2	0.51
Impact on your bank's funding conditions	0	3	81	10	0	6	-8	3.1	0.41

(*) Please consider the regulatory requirements set out in the CRR/CRD IV, which can be found at http://ec.europa.eu/finance/bank/regcapital/legislation-in-force/index_en.htm, 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	0	1	0
	=	99	97	99	100
	+	0	3	0	0
	+ +	0	0	0	0
	Net Percentage	0	-2	1	0
	Mean	3	3	3	3
	Standard deviation	0	0	0	0
Over the next six months	--	0	0	0	0
	-	0	2	1	1
	=	98	97	98	99
	+	2	0	0	0
	+ +	0	0	0	0
	Net Percentage	-2	2	1	0
	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	--	3	3	0	2
	-	2	1	3	2
	=	93	94	91	94
	+	2	3	6	2
	+ +	0	0	0	0
	Net Percentage	2	1	-2	1
	Mean	3	3	3	3
	Standard deviation	0	0	0	0
Over the next six months	--	2	2	0	2
	-	0	2	2	1
	=	97	94	95	96
	+	1	2	3	0
	+ +	0	0	0	0
	Net Percentage	1	2	-1	4
	Mean	3	3	3	3
	Standard deviation	0	0	0	0

(*) Please consider the regulatory requirements set out in the CRR/CRD IV, which can be found at http://ec.europa.eu/finance/bank/regcapital/legislation-in-force/index_en.htm, 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? And does your bank intend to participate in the future TLTROs?

(in percentages unless otherwise stated)

(i) Participation

	Yes	No	Currently undecided about participation
In the most recent TLTRO	37	63	
In the future TLTROs	26	32	42

(ii) Reasons

If your bank participated, intends to participate:

	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	97	0	3	0
In the future TLTROs	86	8	6	0

If your bank did not participate, does not intend to 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	81	1	2	2	0	11	3
In the future TLTROs	92	2	2	3	0	0	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.
(4) Such as legal constraints related to state aid rules, the perception of TLTRO conditions as not being sufficiently attractive, etc.

Question A5

For which purposes did or will your bank use funds obtained from the past TLTROs? For which purposes does your bank intend to use funds obtained from the future TLTROs?

(in percentages unless otherwise stated)

	Past TLTROs				Future TLTROs			
	Has contributed or will contribute considerably to this purpose	**Has contributed or will contribute somewhat to this purpose**	**Has had or will basically have no impact**	**N/A 1)**	**Will or would contribute considerably to this purpose**	**Will or would contribute somewhat to this purpose**	**Will or would basically have no impact**	**N/A 2)**
For refinancing:								
For substituting deposit shortfalls	0	7	93	38	0	9	91	46
For substituting maturing debt	9	30	61	34	5	39	56	44
For substituting interbank lending	1	22	77	35	1	14	85	45
For substituting other Eurosystem liquidity operations 3)	20	5	75	37	5	6	90	44
For granting loans:								
Loans to non-financial corporations	34	52	14	28	37	47	16	38
Loans to households for house purchase	1	43	56	37	2	42	56	47
Consumer credit and other lending to households	15	34	50	34	27	32	42	45
For purchasing assets:								
Domestic sovereign bonds	0	15	85	34	0	15	85	39
Other financial assets 4)	0	3	97	39	0	10	90	45

(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) Please use the category "N/A" only if you have decided not to participate in any of the future TLTROs or if you do not have any business/exposure in this category.
(3) This includes the replacement of the three-year LTRO funds and funds borrowed under the first series of TLTROs.
(4) "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 or will the past TLTROs improve your financial situation in the following areas and did or will this have an impact on your lending behaviour? Will the future TLTROs improve your financial situation in the following areas and, if so, will this have an impact on your lending behaviour?

(in percentages unless otherwise stated)

(i) Financial situation of your bank

	past TLTROs				future TLTROs			
	Has improved or will improve considerably	Has improved or will improve somewhat	Has had or will have basically no impact	N/A 1)	Will or would improve considerably	Will or would improve somewhat	Will or would basically have no impact	N/A 2)
Your liquidity position	11	32	57	26	3	42	55	39
Your market financing conditions	11	26	63	26	10	31	59	38
Your ability to improve your profitability	7	49	44	26	12	46	42	39
Your ability to improve your capital position (via retained earnings)	0	14	86	33	3	15	82	44
	Has decreased or will decrease considerably	Has decreased or will decrease somewhat	Has had or will have basically no impact	N/A 1)	Will or would decrease considerably	Will or would decrease somewhat	Will or would basically have no impact	N/A 2)
Your need to deleverage 3)	0	3	96	33	0	3	97	44

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

	past TLTROs				future TLTROs			
	Has contributed or will contribute considerably to easing credit standards / terms and conditions	Has contributed or will contribute somewhat to easing credit standards / terms and conditions	Has had or will have basically no impact on credit standards / terms and conditions	N/A 1)	Will or would contribute considerably to easing credit standards / terms and conditions	Will or would contribute somewhat to easing credit standards / terms and conditions	Will or would have basically no impact on credit standards / terms and conditions	N/A 2)
Credit standards:								
On loans to enterprises	2	8	90	27	0	7	93	38
On loans to households for house purchase	2	7	91	28	0	6	94	41
On consumer credit and other lending to households	2	7	91	27	0	6	94	39
Terms and conditions:								
On loans to enterprises	4	45	51	24	2	44	54	38
On loans to households for house purchase	2	8	90	28	0	8	92	41
On consumer credit and other lending to households	4	17	80	25	2	21	77	39

(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) Please use the category "N/A" only if you have decided not to participate in any of the future TLTROs or if you do not have any business/exposure in this category.
(3) 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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ISSN 1830-5989 (online)
EU catalogue No QB-BA-17-001-EN-N (online)