EUROPEAN CENTRAL BANK

EUROSYSTEM

The euro area bank lending survey

Second quarter of 2016

July 2016

Contents

Introduction

The results reported in the July 2016 bank lending survey (BLS) relate to changes during the second quarter of 2016 and expectations of changes in the third quarter of 2016. The survey was conducted between 14 and 29 June 2016. The response rate was 100%. In addition to the results for the euro area as a whole, the report contains the results for the five largest euro area countries.[1]

A number of ad hoc questions were included in the July 2016 survey round. The first ad hoc question addressed the impact of the situation in financial markets on banks' access to retail and wholesale funding. The second and third ad-hoc questions refer to the likely impact of ongoing regulatory or supervisory changes on banks' lending policies. The fourth, fifth and sixth questions refer to the impact of the ECB's targeted longer-term refinancing operations (TLTROs).

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

1 Overview of the results

According to the July 2016 bank lending survey (BLS), a further improvement in loan supply conditions for loans to enterprises and households in the second quarter of 2016, as well as a continued increase in loan demand for all loan categories, are supporting the ongoing recovery in loan growth.

In the second quarter of 2016, credit standards for loans to enterprises eased further (net percentage of reporting banks at -7%, compared with -6% in the previous quarter, i.e. stronger than the historical average calculated over the period since the start of the survey in 2003; see Table A). The easing was slightly more pronounced than had been expected in the previous survey round. Credit standards on loans to households for house purchase eased marginally (-2%), following a net tightening in the previous quarter (4%) and expectations by banks of a further net tightening in this quarter. Credit standards on consumer credit and other lending to households continued to ease (-5%, compared with -3%). For the third quarter of 2016, banks expect broadly unchanged credit standards on loans to enterprises, while they expect a net easing for housing loans and consumer credit. While the survey was conducted from 14 to 29 June, i.e. including the period immediately after the UK referendum on EU membership, no clear picture has so far emerged on how banks assess the impact of the referendum on lending conditions. When splitting bank replies at the country level into replies given before and after the UK referendum on EU membership[2], no negative shock can be identified for credit supply or demand. It may have been too early for the banks to assess the implications of the referendum.

Competitive pressures remained the main factor behind the net easing of credit standards on loans to enterprises during the second quarter of 2016. Lower risk perceptions also contributed marginally to a net easing, whereas banks’ cost of funds and balance sheet constraints had a neutral impact and banks’ willingness to tolerate risk had a small tightening impact. For loans to households for house purchase, competition and risk considerations had an easing impact on credit standards, whereas banks’ cost of funds and balance sheet constraints and “other factors” (driven by the implementation of the EU mortgage credit directive, particularly in Germany) had a net tightening impact.

The net easing of banks’ overall terms and conditions on new loans continued for loans to enterprises and households, mainly driven by margins on average loans (defined as the spread over relevant market reference rates). For loans to enterprises, margins on average loans continued to narrow, while margins on riskier loans remained broadly unchanged. For housing loans, margins also continued to narrow for average loans and marginally for riskier loans.

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[2] Of the 141 banks participating in the July BLS survey, 61 replied before the UK referendum on EU membership (up to 23 June), while 80 provided their replies afterwards.

The net percentage share of rejected applications decreased for loans to enterprises and consumer credit, but increased for housing loans.

Net demand for loans to enterprises continued to increase (16%, compared with 17% in the first quarter of 2016; see Table A) and banks expect it to increase further in the third quarter of 2016. In addition, net demand for housing loans (30%, from 32%), as well as net demand for consumer credit (21%, from 16%), continued to increase in the second quarter. For the third quarter of 2016, banks expect an ongoing increase in net demand for housing loans and consumer credit. The main contributing factors for net demand for loans to enterprises in the second quarter of 2016 were merger and acquisition activities, inventories and working capital, the general level of interest rates and debt refinancing, while the positive contribution from fixed investment declined further. Net demand for housing loans was driven by the low general level of interest rates, continued favourable housing market prospects and consumer confidence. Finally, spending on durable goods, consumer confidence and the low general level of interest rates contributed positively to net demand for consumer credit.

Among the largest euro area countries, credit standards on loans to enterprises eased in France, Italy and Germany, while remaining unchanged in Spain and the Netherlands (see Table A). For housing loans, banks in France, Italy and Spain reported a net easing of credit standards, whereas banks in Germany reported a net tightening (related to implementation of the EU mortgage credit directive). Credit standards remained unchanged in the Netherlands.

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)

Country	ENTERPRISES						HOUSE PURCHASE						CONSUMER CREDIT					
	Credit standards			Demand			Credit standards			Demand			Credit standards			Demand		
	16Q1	16Q2	AVG	16Q1	16Q2	AVG	16Q1	16Q2	AVG	16Q1	16Q2	AVG	16Q1	16Q2	AVG	16Q1	16Q2	AVG
EURO AREA	-6	-7	11	17	16	-5	4	-2	8	32	30	1	-3	-5	6	16	21	-2
Germany	-6	-3	5	22	6	3	21	28	3	21	7	9	3	0	0	13	26	8
Spain	0	0	11	-10	0	-3	-11	-11	19	-11	-11	-11	-20	-10	10	20	0	-10
France	4	-14	8	13	24	-16	0	-15	3	26	40	6	0	0	-2	43	30	-3
Italy	-38	-13	17	38	25	3	-13	-38	3	75	50	12	-25	-25	9	25	25	11
Netherlands	0	0	11	24	21	-4	14	0	19	89	74	-10	30	0	14	-30	0	-21

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

The July 2016 BLS also included some ad hoc questions. In respect of euro area banks' access to funding, access to retail funding improved in the second quarter of 2016. As regards wholesale funding, access to debt securities and to securitisation improved, while banks' access to money markets deteriorated.

Euro area banks continued to adjust to regulatory or supervisory action in the first half of 2016 by further strengthening their capital positions and reducing their risk-weighted assets, the latter mainly owing to a decline in riskier loans. Banks also reported that regulatory or supervisory action had a minor net tightening impact on their funding conditions, as well as on credit standards for loans to large firms and for housing loans.

With respect to the ECB's TLTROs, 60% of euro area BLS banks reported that they participated in the first TLTRO-II. Participation was mainly driven by profitability motives. Banks reporting that the TLTROs make a positive contribution to their own profitability increased relative to past TLTRO rounds. Banks continued to indicate that the main effects of the TLTROs on loan supply translate into an easing of terms and conditions, rather than into changes of credit standards.

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 141 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.[3]

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

The survey questions are generally phrased in terms of changes over the past three months (the second quarter of 2016 in this case) or expectations of changes over the next three months (i.e. in the third quarter of 2016).

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

[3] 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 Berg J. et al., "The bank lending survey for the euro area", *Occasional Paper Series*, No 23, ECB, 2005.

banks indicating a decline in loan demand between two survey waves would be referred to as a "more pronounced net decline in demand".

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

The results of the individual banks participating in the BLS sample are aggregated in two steps: in the first step, individual bank results are aggregated to national results for the euro area countries, and in the second step, the national BLS results are aggregated to euro area BLS results. In the 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 the glossary of the BLS terms can be found at http://www.ecb.europa.eu/stats/money/surveys/lend/html/index.en.html

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

2.1 Loans to enterprises

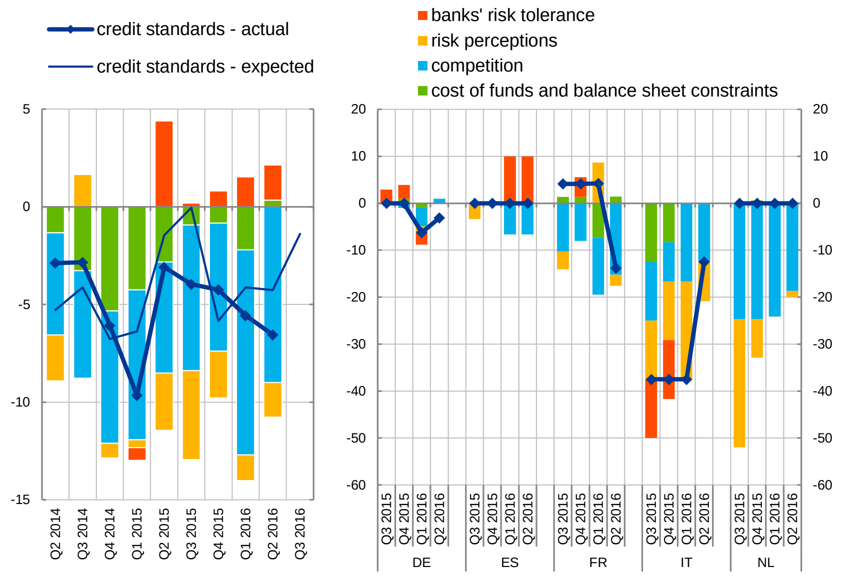
2.1.1 Credit standards for loans to enterprises eased further in the second quarter of 2016

Banks reported a further net easing of credit standards on loans to enterprises in the second quarter of 2016 (-7%, compared with -6% in the previous quarter; see Chart 1 and Table A), which was slightly more pronounced than had been expected in the previous survey round.

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 Q1 2015.

Across firm size, credit standards were eased more strongly for loans to large firms than to small and medium-sized enterprises (SMEs).

For the large euro area countries, credit standards on loans to enterprises eased in France, Italy and Germany, while remaining unchanged in Spain and the Netherlands.

Looking ahead to the third quarter of 2016, euro area banks expect broadly unchanged credit standards on loans to enterprises (-1%).

Table 1

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

(net percentages)

	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
Country	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016
Euro area	-2	0	-10	-9	-1	-2	2	2
DE	-1	0	-4	1	-1	0	-3	0
ES	0	0	-7	-7	0	0	10	10
FR	-7	1	-12	-15	9	-2	0	0
IT	0	0	-17	-13	-21	-8	0	0
NL	0	0	-24	-19	0	-1	0	0

Note: See the note for Chart 1.

During the second quarter, competitive pressure remained the main factor behind the net easing of credit standards. Lower risk perceptions also marginally contributed to a net easing, while banks' cost of funds and balance sheet constraints had a neutral impact and banks' willingness to tolerate risk had a minor tightening impact (see Chart 1 and Table 1).[4]

Across the large euro area countries, banks' competitive pressures had an easing impact on standards in most countries, except for Germany. Reduced risk perceptions contributed to an easing of standards in Italy and France, while remaining broadly unchanged in the other countries. Cost of funds and balance sheet constraints had an overall neutral impact on credit standards in the second quarter across the large countries. Concerning the impact of risk tolerance, banks in Spain reported a tightening contribution.

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

In the second quarter of 2016, overall terms and conditions that banks apply when granting new loans or credit lines to enterprises continued to ease (see Chart 2 and Table 2), suggesting a continued improvement in financing conditions for loans to enterprises.

Across the largest euro area countries, overall terms and conditions eased in all larger countries except for Germany.

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 in the respective charts between the development of credit standards and the development of the main underlying factor categories.

Chart 2

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

(net percentages of banks reporting tightening terms and conditions)

Notes: “Margins” are defined as the spread over a relevant market reference rate. “Other terms and conditions” are an unweighted average of “non-interest rate charges”, “size of the loan or credit line”, “loan covenants” and “maturity”. “Overall terms and conditions” were introduced in Q1 2015.

A considerable net percentage of euro area banks reported a further narrowing of margins on average loans to enterprises, while they indicated broadly unchanged margins on riskier loans. Among the other terms and conditions, non-interest rate charges remained broadly unchanged following an easing since the second quarter of 2014, which may indicate that the role of this factor in the loan pricing to enterprises is changing somewhat. Loan size, collateral and maturity continued to ease in the second quarter of 2016.

Table 2

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

(net percentage changes)

	Overall terms and conditions		Banks' margins on average loans		Banks' margins on riskier loans	
Country	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016
Euro area	-12	-12	-21	-31	2	1
DE	-12	0	-15	-9	-6	3
ES	-30	-10	-40	-30	0	10
FR	-14	-16	-25	-53	-2	-2
IT	-13	-38	-38	-50	0	0
NL	3	-19	3	-19	28	0

Note: See note for Chart 2.

Table 3

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

(net percentages of banks reporting tightening terms and conditions)

	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
Country	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016
Euro area	1	-3	-28	-28	-1	0	2	2
DE	0	6	-12	-12	0	0	-3	0
ES	-20	-10	-40	-20	-10	10	10	10
FR	2	0	-34	-38	3	0	0	0
IT	0	-25	-50	-50	-13	-13	0	0
NL	28	0	-24	0	0	0	0	0

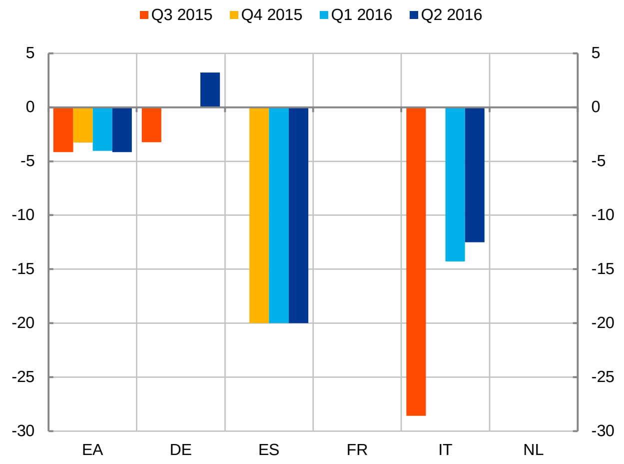
In most of the large euro area countries, and France and Italy in particular, banks continued to report a narrowing of margins on average loans in net terms. Margins on riskier loans widened in net terms in Spain and Germany.

Regarding the factors contributing to changes in overall credit terms and conditions, competitive pressure contributed strongly to the easing in most large euro area countries, except for the Netherlands (see Table 3). Besides competitive pressure, the considerable net easing of overall credit terms and conditions in Italy was driven by a reduction in banks' cost of funds and balance sheet constraints as well as risk perceptions.

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)



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

2.1.3 Rejection rate for loans to enterprises has decreased

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 second quarter of 2016 (-4%, unchanged from the previous quarter; see Chart 3).

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

2.1.4 Increase in net demand for loans to enterprises

Net demand for loans to enterprises continued to increase in the second quarter of 2016 (16%, compared with 17% in the previous quarter; see Chart 4 and Table A).[5] While this rise was smaller than that expected by banks in the previous round, they expect a further increase in loan demand from enterprises in the third quarter of 2016 (24%).

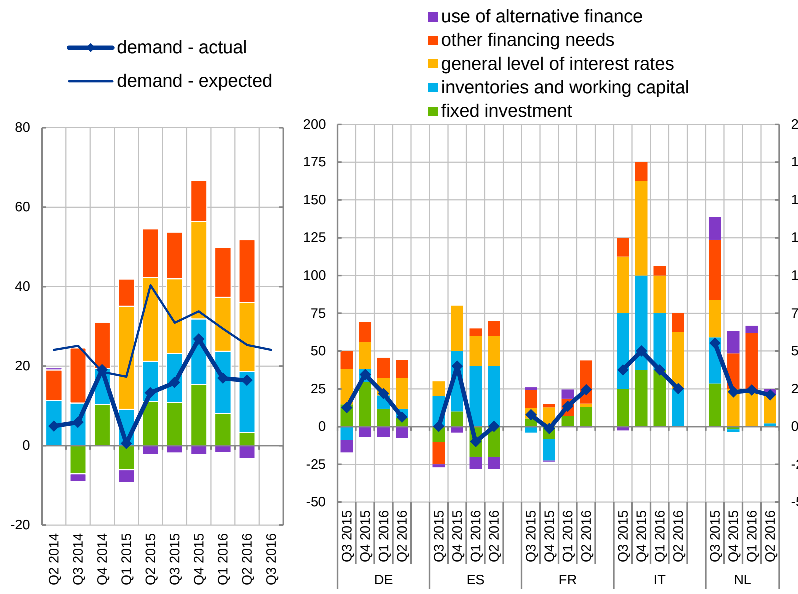
All large euro area countries with the exception of Spain reported an increase in loan demand in the second quarter of 2016.

5 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. In order to describe the developments in survey replies over time, the report refers to changes in the "net demand" for loans from one survey round to another. For instance, 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".

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 Q1 2015.

Table 4

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

(net percentages)

	Fixed investment		Inventories and working capital		Other financing needs		General level of interest rates		Use of alternative finance	
Country	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016
Euro area	8	3	16	15	12	16	14	17	-2	-3
DE	12	6	9	6	13	12	12	21	-7	-8
ES	-20	-20	40	40	5	10	20	20	-8	-8
FR	7	13	0	0	11	29	0	2	6	-1
IT	38	0	38	25	6	13	25	38	0	0
NL	0	0	0	2	38	0	24	19	5	4

Note: See note for Chart 4.

Main contributing factors to net demand for loans to enterprises in the second quarter of 2016 were merger and acquisition (M&A) activities (included in other financing needs), inventories and working capital, the general level of interest rates, and debt refinancing, while the positive contribution from fixed investment declined further (see Chart 4 and Table 4).[6] The use of alternative finance continued to have a slightly dampening effect on net loan demand by euro area firms. In particular, internal financing of firms and loans from other banks contributed negatively to loan demand.

Across the large euro area countries, the solid contribution of other financing to loan demand was mainly a result of developments in France, in particular those related to M&A activities. In the other large countries, M&A activities also contributed positively to loan demand, with the exception of the Netherlands. The low general level of

6 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.

interest rates continued to contribute to increased loan demand in all large countries. Moreover, the rather small positive contribution of fixed investment was due to developments in most large countries. The use of alternative finance had a dampening impact on loan demand in Germany and Spain. The main reason for this in Germany was internal financing, while the reasons were more varied in Spain.

2.2 Loans to households for house purchase

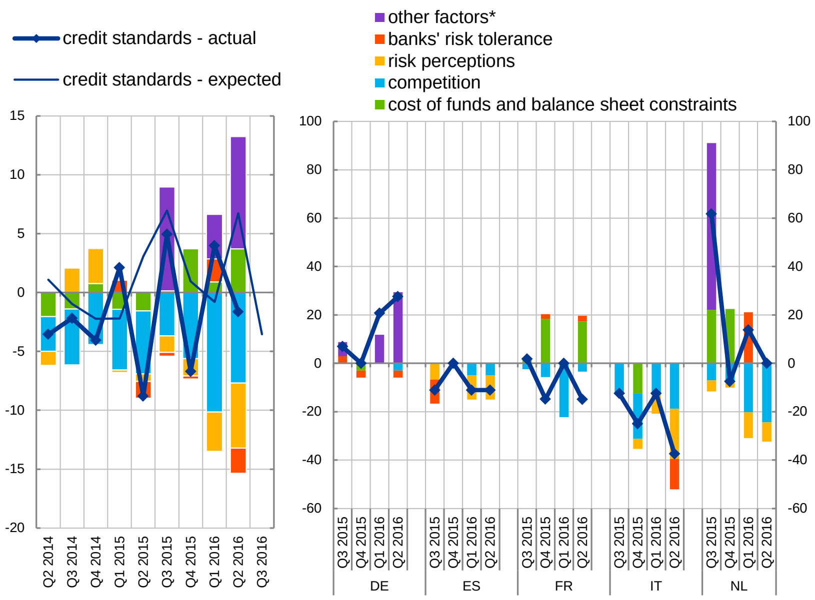
2.2.1 Credit standards for loans to households for house purchase eased marginally in the second quarter of 2016

For loans to households for house purchase, credit standards eased marginally in the second quarter of 2016 (-2%), after tightening in net terms in the previous quarter (4%; see Chart 5 and Table A). This is below the historical average since 2003. By contrast, banks had expected a further net tightening of credit standards in the previous survey.

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 for 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 Q1 2015 onwards); “competition” is an unweighted average of “competition from other banks” and “competition from non-banks”. “Risk tolerance” was introduced in Q1 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.

Among the large euro area countries, banks in France, Italy and Spain reported a net easing of credit standards, whereas banks in Germany (related to implementation of the EU mortgage credit directive) reported a net tightening.

Looking ahead, euro area banks expect a net easing of credit standards for housing loans (-4%) in the third quarter of 2016.

Table 5
Factors contributing to the net tightening of credit standards on loans to households for house purchase

(net percentages)

Country	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016
Euro area	1	4	-10	-8	-3	-6	2	-2
DE	0	0	0	-3	0	0	0	-3
ES	0	0	-5	-5	-10	-10	0	0
FR	0	17	-22	-3	0	0	0	2
IT	0	0	-13	-19	-8	-21	0	-13
NL	0	0	-20	-24	-11	-8	21	0

Note: See the note for Chart 5.

With a view to the factors contributing to changes in credit standards, competitive pressure and risk considerations had an easing impact on credit standards, whereas banks' cost of funds and balance sheet constraints, and "other factors" (driven by the implementation of the EU mortgage credit directive, particularly in Germany) had a net tightening impact (see Chart 5 and Table 5).

Among the largest euro area countries, competitive pressures had an easing impact in all large euro area countries. In addition, risk perceptions contributed to a net easing of credit standards on housing loans in Spain, Italy and the Netherlands, while having a neutral impact in Germany and France. By contrast, only banks in France reported that banks' cost of funds and balance sheet constraints had a net tightening impact. Moreover, banks in Germany reported a net tightening impact related to the implementation of the EU mortgage credit directive.

2.2.2 Terms and conditions for loans to households for house purchase improved further

The net easing of banks' overall terms and conditions applied when granting new housing loans continued in the second quarter of 2016 (see Chart 6 and Table 6).

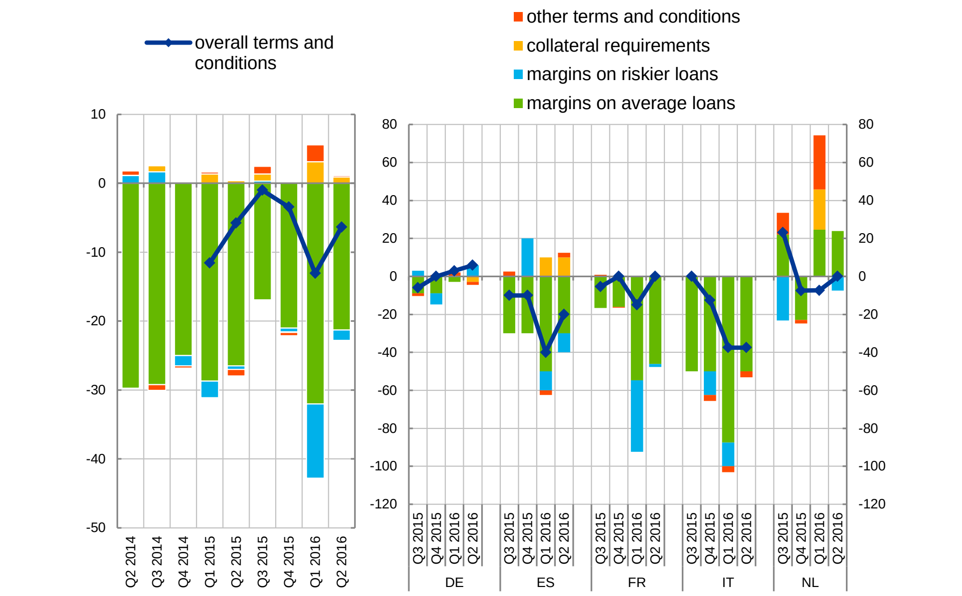
The reduction in margins on average loans remained the main driver of the easing, while margins on riskier loans eased only marginally. The other terms and conditions, such as collateral requirements, loan-to-value ratios and non-interest rate charges, remained broadly unchanged.

Of the larger euro area countries, banks in Spain and Italy reported a considerable net easing of overall terms and conditions, mainly driven by margins on average loans. By contrast, overall terms and conditions tightened in Germany, mainly related to margins on riskier loans. In France and the Netherlands, banks reported unchanged overall terms and conditions.

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 Q1 2015 onwards), "non-interest rate charges" and "maturity". "Overall terms and conditions" were introduced in Q1 2015.

Concerning the factors affecting the net easing of overall terms and conditions of euro area banks, competitive pressure remained the main factor, but risk perceptions also contributed to the net easing (see Table 7).

Table 6

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

(net percentage changes)

Country	Overall terms and conditions		Banks' margins on average loans		Banks' margins on riskier loans	
	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016
Euro area	-13	-6	-32	-21	-11	-2
DE	3	6	-3	0	0	6
ES	-40	-20	-50	-30	-10	-10
FR	-15	0	-55	-46	-38	-2
IT	-38	-38	-88	-50	-13	0
NL	-7	0	25	24	0	-7

Note: See note for Chart 6.

Table 7

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

(net percentage changes)

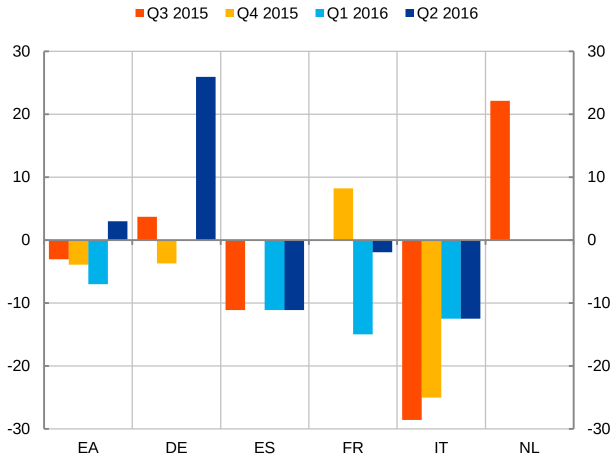
Country	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016
Euro area	-5	0	-31	-14	-9	-4	-3	0
DE	0	-3	-3	-3	0	-3	3	0
ES	-10	0	-30	-20	-10	-10	0	0
FR	-17	2	-52	-6	-28	0	-28	2
IT	0	0	-88	-50	-13	-13	0	0
NL	0	0	-7	0	0	0	21	0

Among the large euro area countries, competitive pressure contributed to an easing of overall credit terms and conditions in all countries, except for the Netherlands. For risk perceptions, banks in Germany, Spain and Italy reported an easing impact on credit terms and conditions for housing loans, while the impact was neutral for France and the Netherlands. Banks' cost of funds and balance sheet constraints as

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.

well as banks' risk tolerance mostly had a neutral impact across large euro area countries.

2.2.3 Rejection rate for loans to households for house purchase increased

According to euro area banks, the net share of rejected applications for loans to households for house purchase increased in the second quarter of 2016 (to 3%, up from -7% in the previous survey round; see Chart 7).

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

2.2.4 Net demand for housing loans increased further

In the second quarter of 2016, banks reported a continued net increase in demand for housing loans (30%, compared with 32% in the previous quarter; see Chart 8 and Table A).

The increase in demand remains above the historical average, but was smaller than that expected by banks in the previous survey round.

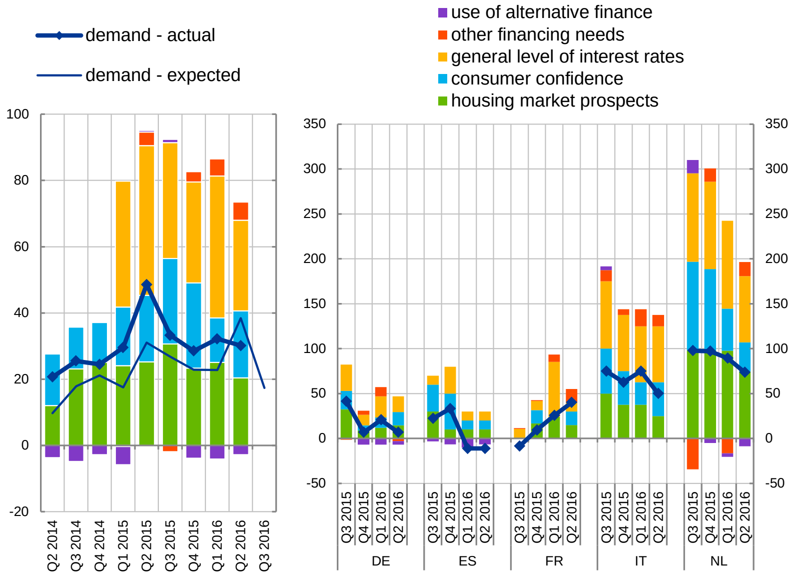
All the large euro area countries reported an increase in net demand for housing loans, with the exception of Spain, where it was negative.

For the third quarter of 2016, euro area banks expect an ongoing increase in net demand for housing loans (17%).

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 for 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 Q1 2015 onwards); “use of alternative finance” is an unweighted average of “internal financing out of savings/down payment” (from Q1 2015 onwards), “household savings” (until Q4 2014), “loans from other banks” and “other sources of external finance”. “General level of interest rates” was introduced in Q1 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	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016
Euro area	25	20	13	20	5	5	43	27	-4	-3
DE	12	15	12	15	10	-3	24	18	-7	-4
ES	10	10	10	10	0	0	10	10	-10	-7
FR	24	15	0	15	8	15	61	10	0	0
IT	38	25	25	38	19	13	63	63	0	0
NL	98	75	47	32	-16	16	98	74	-4	-9

Note: See note for Chart 8.

Net demand for housing loans was driven by the low general level of interest rates, continued favourable housing market prospects, and consumer confidence (see Chart 8 and Table 8).

Housing market prospects, consumer confidence and the general level of interest rates contributed positively to loan demand in all the large euro area countries. The use of alternative finance has dampened loan demand in Germany, Spain and the Netherlands.

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

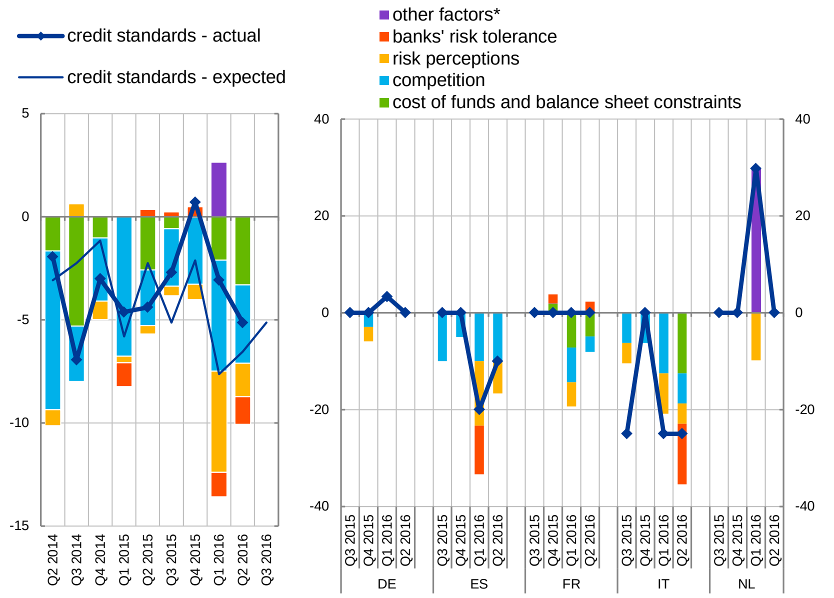
In the second quarter of 2016, credit standards for consumer credit and other lending to households continued to ease (-5%, compared with -3% in the previous quarter;

see Chart 9 and Table A). This is below the historical average. The net easing was slightly below what banks had expected in the previous survey round.

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 for 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 Q1 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.

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

Table 9

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

(net percentages)

	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
Country	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016
Euro area	-2	-3	-5	-4	-5	-2	-1	-1
DE	0	0	0	0	0	0	0	0
ES	0	0	-10	-10	-13	-7	-10	0
FR	-7	-5	-7	-3	-5	0	0	2
IT	0	-13	-13	-6	-8	-4	0	-13
NL	0	0	0	0	-10	0	0	0

Note: See note for Chart 9.

Looking ahead, euro area banks expect credit standards on consumer credit and other lending to households to ease further in net terms in the third quarter of 2016 (-5%).

Banks' reduced cost of funds and balance sheet constraints, competitive pressure and risk perceptions contributed roughly equally to the net easing of credit standards, while banks' risk tolerance had a broadly neutral impact (see Chart 9 and Table 9).

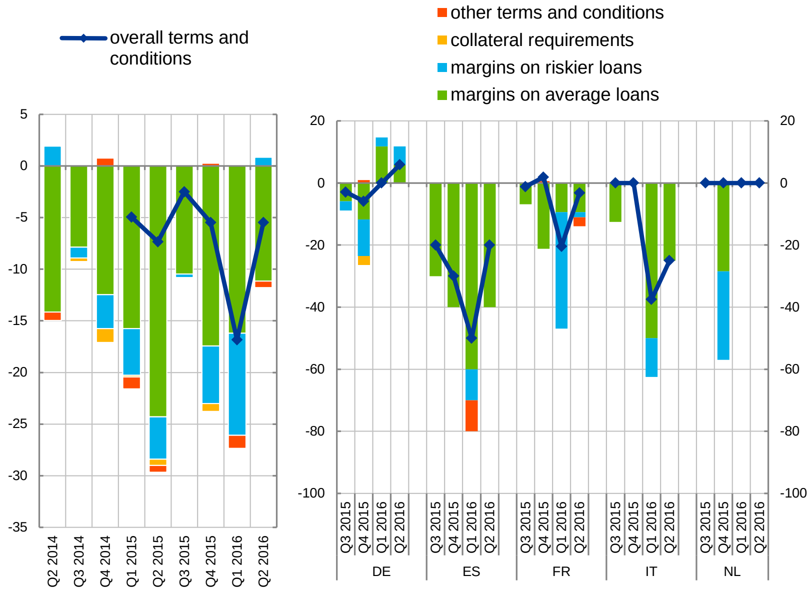
Across the large euro area countries, the net easing of credit standards on consumer credit and other lending to households in Italy and Spain was driven mainly by competitive pressure and risk perceptions. In the case of Italy, it was also driven by a reduction in banks' cost of funds and balance sheet constraints, as well as by banks having a higher risk tolerance.

2.3.2 Terms and conditions for consumer credit and other lending to households improved

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 Q1 2015 onwards), "non-interest rate charges" and "maturity". "Overall terms and conditions" were introduced in Q1 2015.

Euro area banks reported a continued improvement in their overall terms and conditions on consumer credit and other lending to households in the second quarter of 2016. This development was driven by a narrowing of margins on average loans, while margins on riskier loans remained broadly unchanged (see Chart 10). Non-price terms and conditions – such as collateral requirements, loan size and maturity – also remained mostly unchanged.

In the large euro area countries, margins on average loans narrowed in Spain, France and Italy, while remaining mostly unchanged in those countries for riskier loans. By contrast, loan margins on both average and riskier loans tightened in Germany.

Regarding banks' assessment of the factors contributing to the changes in overall credit terms and conditions on new loans, competitive pressures and to a lesser extent banks' cost of funds and balance sheet constraints as well as risk perceptions contributed to the net easing (see Table 11).

Across the largest euro area countries, competitive pressures contributed to the net easing of overall terms and conditions in all countries. In addition, banks' cost of funds and balance sheet constraints had an easing impact in France, Spain and Italy. The net easing contribution of risk perceptions was a result of developments in Spain and Italy.

Table 10

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

(net percentage changes)

Country	Overall terms and conditions		Banks' margins on average loans		Banks' margins on riskier loans	
	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016
Euro area	-17	-5	-16	-11	-10	1
DE	0	6	12	6	3	6
ES	-50	-20	-60	-40	-10	0
FR	-20	-3	-9	-9	-38	-2
IT	-38	-25	-50	-25	-13	0
NL	0	0	0	0	0	0

Note: See note for Chart 10.

Table 11

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

(net percentage changes)

Country	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016
Euro area	-10	-4	-16	-12	-1	-3	-2	-1
DE	0	3	-3	-3	0	0	0	0
ES	-20	-10	-40	-30	-10	-10	0	-10
FR	-22	-7	-5	-5	0	0	0	0
IT	-13	-13	-38	-13	0	-13	-13	0
NL	0	0	-35	-35	0	0	0	0

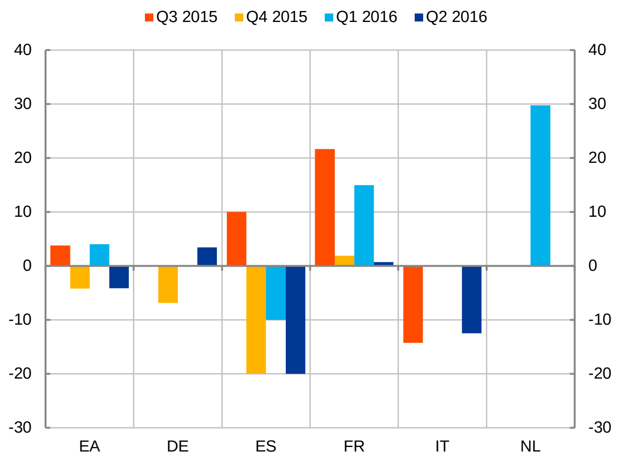
Note: See note for Chart 10.

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 first data point is for Q1 2015.

The net share of rejected applications for consumer credit and other lending to households decreased in the second quarter of 2016 according to the banks (to -4%, down from 4% in the previous survey round; see Chart 11).

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

2.3.4 Continued 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 second quarter of 2016 (21%, up from 16%; see Chart 12 and Table A), remaining above its historical average.

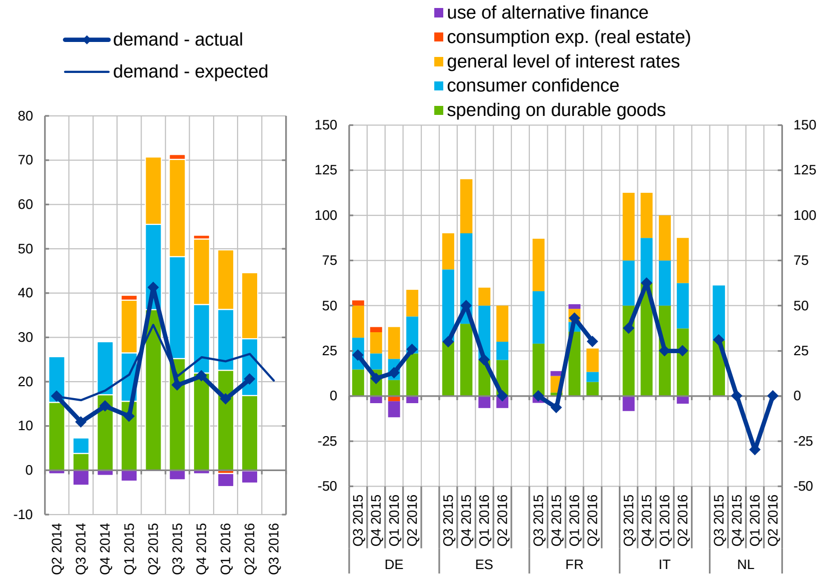
Across the large euro area countries, net demand increased in Germany, France and Italy, while remaining unchanged in Spain and the Netherlands.

For the third quarter of 2016, euro area banks expect a continued net increase in demand for consumer credit and other lending to households (20%).

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 for Chart 4. "Use of alternative finance" is an unweighted average of "internal financing out of savings" (from Q1 2015 onwards), "household savings" (until Q4 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 Q1 2015.

Table 12

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

(net percentage changes)

	Spending on durable goods		Consumer confidence		Consumption exp. (real estate)		General level of interest rates		Use of alternative finance	
Country	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016	Q1 2016	Q2 2016
Euro area	23	17	14	13	-1	0	13	15	-3	-3
DE	9	24	12	21	-3	0	18	15	-9	-4
ES	20	20	30	10	0	0	10	20	-7	-7
FR	36	8	5	5	0	0	7	13	3	0
IT	50	38	25	25	0	0	25	25	0	-4
NL	0	0	0	0	0	0	0	0	0	0

Note: See note for Chart 12.

Among the factors driving demand at the euro area level, financing needs for spending on durable consumer goods, consumer confidence and the low general level of interest rates continued to contribute to increased demand (see Chart 12 and Table 12). By contrast, the use of alternative finance, mainly internal finance out of savings and loans from other banks, contributed negatively to demand for consumer credit, according to the banks.

Across the large euro area countries, spending on durable goods, consumer confidence and the low general level of interest rates contributed positively to demand in all countries except for the Netherlands.

3 Ad hoc questions

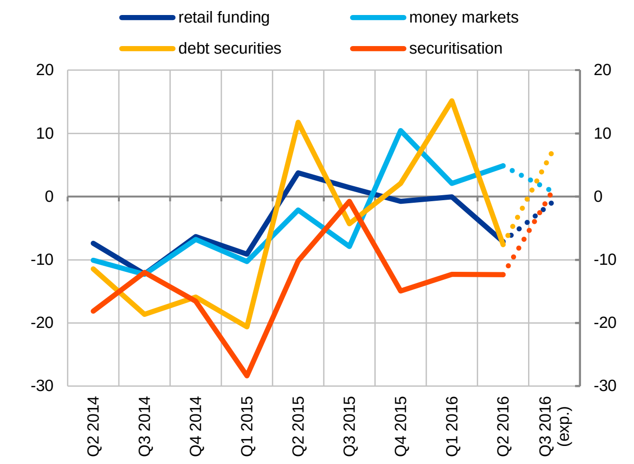
3.1 Banks' access to retail and wholesale funding

As in previous survey rounds, the July 2016 survey questionnaire included a question to assess the extent to which the situation in financial markets affected banks' access to retail and wholesale funding.[7]

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".

Table 13

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

(net percentages of banks reporting deteriorated market access)

	Retail funding	Interbank unsecured money market	Wholesale debt securities	Securitisation
Q1 2016	0	2	15	-12
Q2 2016	-7	5	-8	-12

Note: See the note for Chart 13.

For the second quarter of 2016, euro area banks reported improved access to retail funding. As regards banks' access to wholesale funding, access to debt securities and to securitisation improved, while banks' access to money markets deteriorated in net terms (see Chart 13 and Table 13).[8]

Looking ahead, euro area banks expect a deterioration in their access to debt securities markets in the third quarter of 2016. However, banks expect access to the other wholesale market segments and to retail funding to remain broadly unchanged.

3.2 Banks' adjustment to regulatory and supervisory action

The July 2016 survey questionnaire included two biannual ad hoc questions to assess the extent to which new regulatory or supervisory requirements affected banks' lending policies via the potential impact on their capital, leverage or liquidity position and the credit conditions that they apply to loans. These new requirements include the regulation set out in the "CRR/CRD IV" package, additional European Banking Authority measures or any other specific national regulations concerning banks' capital, leverage or liquidity position that have recently been approved or are

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

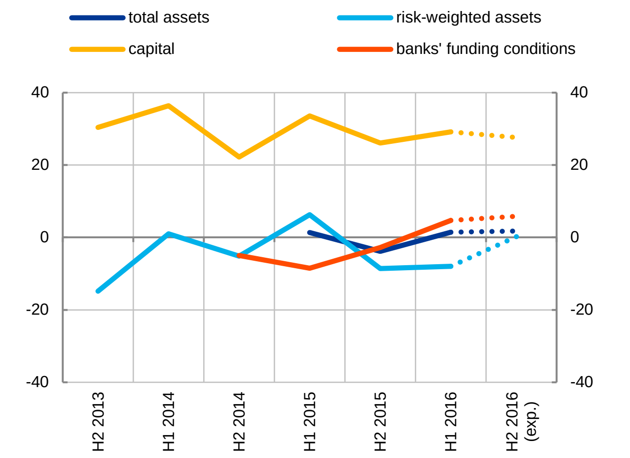
8 However, for the results on securitisation, there are a large number of banks that replied "not applicable", as this source of funding is not relevant for them (around 43% in the second quarter of 2016).

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".

Table 14

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

(net percentages of banks)

	Total assets, of which		Risk-weighted assets, of which			Capital, of which			Impact on banks' funding conditions
	Total	Liquid assets	Total	Average loans	Riskier loans	Total	Retained earnings	Capital issuance	
H2 2015	-4	16	-9	-3	-17	26	23	18	-3
H1 2016	1	7	-8	-2	-19	29	31	22	5

Note: See note to Chart 14.

Euro area banks replied that, in relation to regulatory or supervisory actions, their total assets remained broadly unchanged in the first half of 2016 (net percentage of banks of 1%, compared with -4% in the second half of 2015; see Chart 14 and Table 14), while their liquid assets increased further. At the same time, banks reported a further decrease in their risk-weighted assets, mainly owing to a decline in riskier loans. Euro area banks also recorded a further strengthening of their capital position (net percentage of banks was 29%, compared with 26% in the second half of 2015), both through retained earnings and capital issuance. By contrast, they indicated that regulatory or supervisory action had a slight net tightening impact on their funding conditions.

Regarding the impact of supervisory or regulatory action on banks' credit standards during the first half of 2016, euro area banks reported a small net tightening impact on loans to large firms and for housing loans (see Chart 15 and Table 15). By contrast, they indicated a neutral impact on loans to SMEs and for consumer credit and other lending.

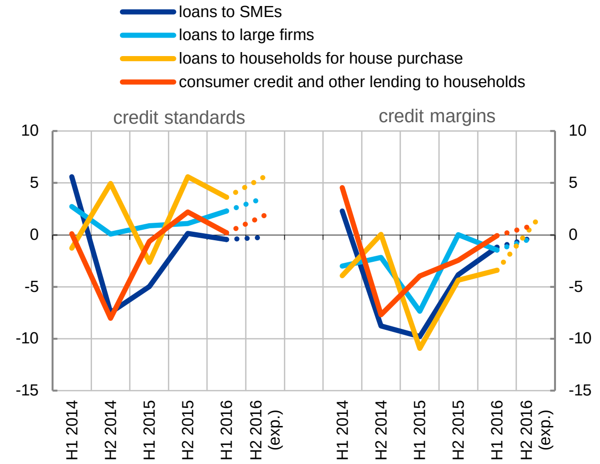
As regards the impact on loan margins, supervisory or regulatory action had a narrowing (i.e. easing) impact on margins for housing loans, while the impact was broadly neutral for the other loan categories (see Chart 15 and Table 15).

Looking ahead to the second half of 2016, euro area banks expect regulatory or supervisory action to have a net tightening impact on credit standards for loans to large firms and for loans to households. By contrast, banks expect basically no impact on loan margins across the different loan categories.

Chart 15

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

(net percentages of banks)



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

Table 15

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

(net percentages of banks)

	Impact of regulatory or supervisory action on the tightening of credit standards		Impact of regulatory or supervisory action on the tightening of credit margins	
	H2 2015	H1 2016	H2 2015	H1 2016
Impact on loans and credit lines to SMEs	0	0	-4	-1
Impact on loans and credit lines to large enterprises	1	2	0	-1
Impact on loans to households for house purchase	6	4	-4	-3
Impact on consumer credit and other lending to households	2	0	-2	0

Note: See note to Chart 15.

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

The July 2016 survey questionnaire included three ad-hoc questions gauging the impact of the Eurosystem's targeted longer-term refinancing operations (TLTROs). Banks reported on their participation in the first TLTRO-II conducted in June 2016, as well as on their intention to participate in the future TLTRO-II operations to be conducted until March 2017. In this context, they were also asked about their reasons for participating in the first TLTRO-II. In addition, banks were asked about their use of funds obtained through all past TLTROs and their planned use of funds obtained through future TLTROs. 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

(percentage of respondents)

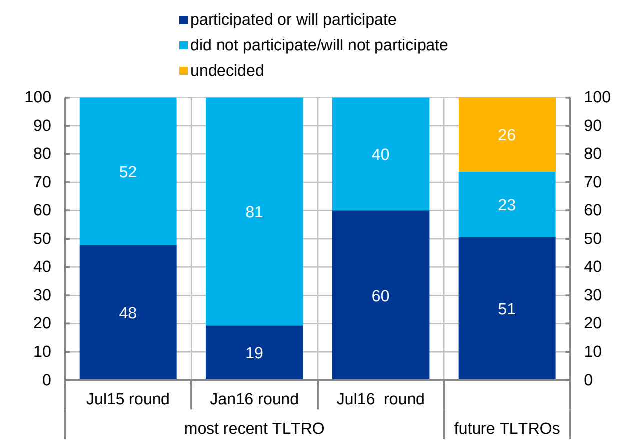
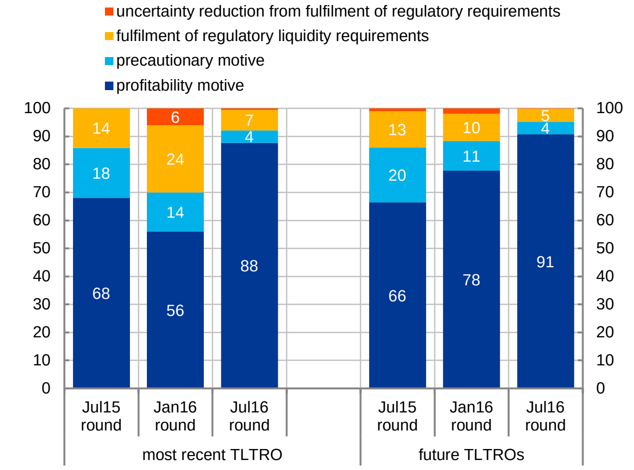


Chart 17

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

(percentage of banks that said they participated or will participate)



According to euro area BLS banks, 60% of the euro area BLS banks reported that they participated in the first TLTRO-II operation (see Chart 16), which was significantly higher than the level of participation in the previous TLTRO that banks reported in the January 2016 BLS round.

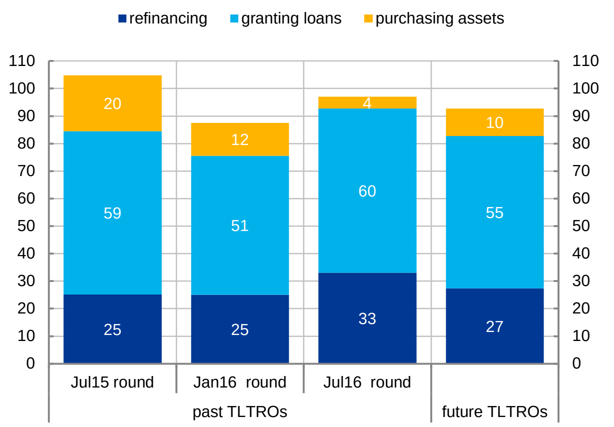
According to banks participating in the first TLTRO-II, their participation was driven by profitability motives to a very large extent (88% of respondents; see Chart 17). Compared with the previous TLTRO replies, the profitability motive (56% in the January 2016 BLS) became more important, reflecting the price attractiveness of the TLTRO-II. To a small extent, the fulfilment of regulatory liquidity requirements (7%, down from 24% in the January 2016 BLS) and precautionary motives (4%, down from 14% in the January 2016 BLS) also played a role. The main reason for non-participation was again the absence of funding constraints (68%, up from 65% in the January 2016 BLS).

Looking ahead to the future TLTRO-II operations up to March 2017, around half of the euro area BLS banks intend to participate (51%; see Chart 16), while around a quarter are undecided on their future participation. Profitability motives continue to dominate the reasons for future participation (91% of respondents; see Chart 17) and the absence of funding constraints the reasons for non-participation (71%).

Chart 18

Use of funds from past and future TLTROs

(percentage of respondents)

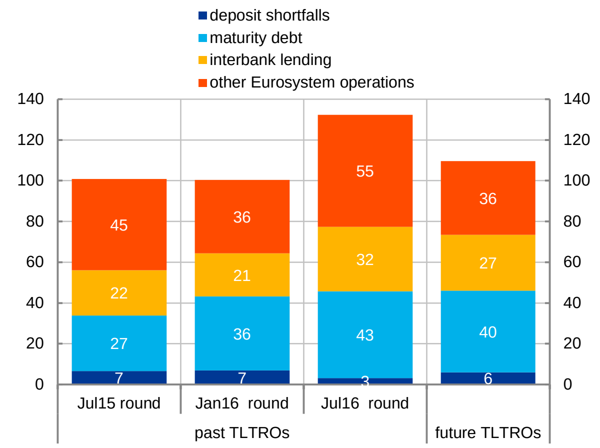


Notes: "Past TLTROs" refer to all TLTROs which took place up until the specified survey round; likewise, "future TLTROs" refer to operations beyond this point. Values displayed in the chart are the sum of the percentage of banks responding "has contributed or will contribute considerably" and "has contributed 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 for Chart 18.

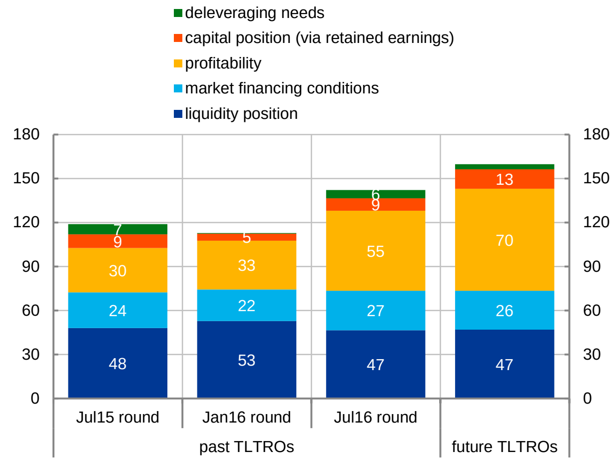
As regards the use of funds obtained from past TLTROs, banks continued to report that they used them for granting loans (60%, up from 51% in the January 2016 BLS; see Chart 18), in particular loans to enterprises (86%, up from 80%; not shown in the chart) and consumer credit (63%, up from 50%). Use of the funds for granting loans to households for house purchase is less important (30%, up from 21%), which is a result of the design of the TLTROs. In addition, 33% of the banks (up from 25%) reported that the funds would be used for refinancing purposes to replace other funding sources. The percentage of banks reporting that they would use the funds for purchasing assets declined further (4%, down from 12%).

Concerning the use of past TLTRO funds for refinancing, 55% of the banks (up from 36% in the January 2016 BLS round; see Chart 19) reported that they used the TLTRO funds to replace funds from other Eurosystem operations, including those borrowed under the first series of TLTROs, which explains the increased use for this purpose. In addition, euro area banks indicated that they used past TLTRO funds to replace maturing debt (43%, up from 36%) and interbank funding (32%, up from 21%), while the substitution of deposit shortfalls only played a minor role (3%, down from 7%).

Chart 20

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

(percentage of respondents)

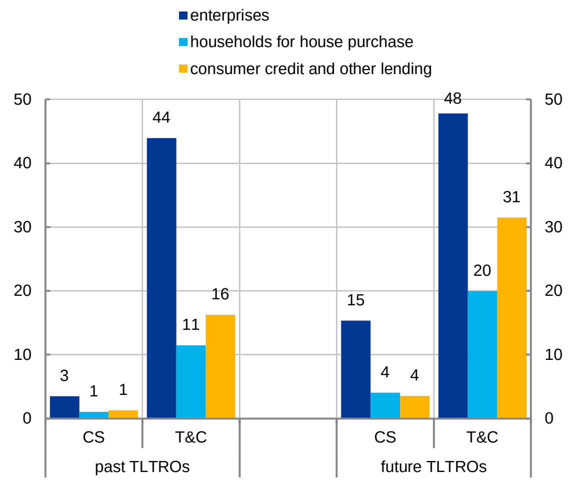


Notes: "Past TLTROs" refer to all TLTROs which took place up until the specified survey round; likewise, "future TLTROs" refer to operations beyond this point. Values displayed in the chart are the sum of the percentage of banks responding "has improved or will improve considerably" and "has improved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

Chart 19

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".

Turning to banks' assessment regarding the impact of past and future TLTROs on their financial situation, 55% of the banks (up from 33% in the January 2016 BLS) indicated that past TLTROs contributed to an improvement in their profitability (see Chart 20), increasing to 70% for future TLTROs, which reflects the price attractiveness of the TLTRO-II. In addition, banks indicated an improvement in their liquidity position (47% for past TLTROs, down from 53% in the January 2016 BLS), which is expected to remain just as important in the future. Hence, the positive impact on banks' profitability became the most important TLTRO contribution to banks' financial situation, whereas it had previously been the positive effect on banks' liquidity position. Improved market financing conditions also played a role for a relevant percentage of the banks (27% for past TLTROs and 26% for future TLTROs). The impact on banks' capital position and deleveraging needs that was indicated is considerably lower.

As regards the impact of past TLTROs on lending conditions to enterprises, euro area banks continued to indicate that the TLTROs translated predominantly into an easing of credit terms and conditions, rather than a change in credit standards (see Chart 21).

Annex 1
Results for the standard questions[9]

Loans or credit lines to enterprises

Question 1

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

(in percentages, unless otherwise stated)

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
Tightened considerably	0	0	0	0	0	0	0	0	0	0
Tightened somewhat	2	1	1	1	2	1	1	1	3	2
Remained basically unchanged	91	92	91	93	88	91	88	92	88	89
Eased somewhat	7	7	7	7	10	8	11	7	9	9
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	**-6**	***-7***	**-6**	***-6***	**-8**	***-8***	**-10**	***-7***	**-5**	***-6***
Diffusion index	**-3**	***-3***	**-3**	***-3***	**-4**	***-4***	**-5**	***-3***	**-3**	***-3***
Mean	*3.02*	*3.03*	*3.03*	*3.03*	*3.05*	*3.04*	*3.07*	*3.03*	*3.02*	*3.03*
Number of banks responding	***136***	***136***	***131***	***131***	***132***	***131***	***136***	***136***	***136***	***136***

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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

[9] 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	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	0	3	94	0	0	3	2	3	1	2	2.94	2.94
Your bank's ability to access market financing	0	0	95	0	0	5	-3	0	-1	0	3.00	2.97
Your bank's liquidity position	0	0	92	2	0	6	-6	-2	-3	-1	3.03	2.99
B) Pressure from competition												
Competition from other banks	0	1	74	22	0	3	-24	-21	-12	-10	3.20	3.17
Competition from non-banks	0	0	94	2	0	4	-3	-2	-1	-1	2.98	2.97
Competition from market financing	0	0	92	4	0	4	-5	-4	-2	-2	3.00	3.00
C) Perception of risk												
General economic situation and outlook	0	1	93	4	0	2	-2	-4	-1	-2	2.99	3.00
Industry or firm-specific situation and outlook/borrower's creditworthiness	0	4	87	7	0	2	-4	-4	-2	-2	3.00	3.02
Risk related to the collateral demanded	0	2	96	0	0	2	2	2	1	1	2.95	2.94
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	2	96	0	0	2	2	2	1	1	2.95	2.95

SMALL AND MEDIUM-SIZED ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	0	2	90	0	0	8	1	2	0	1	2.96	2.94
Your bank's ability to access market financing	0	0	87	2	0	11	-4	-2	-2	-1	3.02	2.98
Your bank's liquidity position	0	0	87	2	0	11	-6	-2	-3	-1	3.06	2.99
B) Pressure from competition												
Competition from other banks	0	0	76	17	1	6	-21	-18	-12	-9	3.21	3.15
Competition from non-banks	0	0	90	1	0	8	-3	-1	-1	-1	2.99	2.97
Competition from market financing	0	0	93	0	0	7	-1	0	0	0	2.97	2.96
C) Perception of risk												
General economic situation and outlook	0	1	91	4	0	5	-4	-3	-2	-2	3.01	3.00
Industry or firm-specific situation and outlook/borrower's creditworthiness	0	4	86	6	0	5	-7	-2	-3	-1	3.03	3.00
Risk related to the collateral demanded	0	3	93	0	0	5	1	3	1	1	2.95	2.94
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	91	1	0	8	-2	-1	-1	0	2.99	2.97

LARGE ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	0	3	90	0	0	7	2	3	1	2	2.94	2.93
Your bank's ability to access market financing	0	0	91	0	0	9	-3	0	-1	0	3.00	2.96
Your bank's liquidity position	0	0	87	3	0	10	-6	-3	-3	-1	3.05	2.99
B) Pressure from competition												
Competition from other banks	0	1	75	16	0	8	-20	-16	-10	-8	3.17	3.11
Competition from non-banks	0	0	90	2	0	8	-3	-2	-2	-1	2.98	2.97
Competition from market financing	0	0	84	8	0	8	-6	-8	-3	-4	3.01	3.04
C) Perception of risk												
General economic situation and outlook	0	2	86	6	0	6	-5	-4	-2	-2	3.01	2.99
Industry or firm-specific situation and outlook/borrower's creditworthiness	0	1	86	8	0	6	-7	-7	-3	-4	3.02	3.03
Risk related to the collateral demanded	0	2	92	0	0	6	2	2	1	1	2.94	2.94
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	91	2	0	6	-1	-2	-1	-1	2.98	2.98

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

Notes: The net percentage is defined as the difference between the sum of banks responding "- -" (contributed 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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 3

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

(in percentages, unless otherwise stated)

OVERALL

	--	-	°	+	++	NA	NetP Apr 16	NetP Jul 16	DI Apr 16	DI Jul 16	Mean Apr 16	Mean Jul 16
A) Overall terms and conditions												
Overall terms and conditions	0	4	78	16	0	2	-12	-12	-6	-6	3.09	3.09
B) Margins												
Your bank's margin on average loans	0	2	62	33	1	2	-21	-31	-11	-16	3.20	3.28
Your bank's margin on riskier loans	0	4	91	3	0	3	2	1	1	1	2.96	2.96
C) Other conditions and terms												
Non-interest rate charges	0	3	92	2	0	4	-4	1	-2	0	3.01	2.96
Size of the loan or credit line	0	1	93	4	0	2	-8	-3	-4	-1	3.05	2.99
Collateral requirements	0	2	92	4	0	2	-6	-3	-3	-1	3.02	2.99
Loan covenants	0	4	89	6	0	2	-7	-2	-4	-1	3.03	2.98
Maturity	0	2	88	7	0	3	-3	-5	-1	-2	2.99	3.01

SMALL AND MEDIUM-SIZED ENTERPRISES

	--	-	°	+	++	NA	NetP Apr 16	NetP Jul 16	DI Apr 16	DI Jul 16	Mean Apr 16	Mean Jul 16
A) Overall terms and conditions												
Overall terms and conditions	0	3	78	14	0	5	-6	-11	-3	-6	3.03	3.07
B) Margins												
Your bank's margin on average loans	0	2	62	23	8	5	-20	-29	-13	-18	3.24	3.33
Your bank's margin on riskier loans	0	3	85	6	0	6	1	-3	1	-1	2.96	2.99
C) Other conditions and terms												
Non-interest rate charges	0	1	89	3	0	7	-11	-2	-6	-1	3.09	2.98
Size of the loan or credit line	0	0	92	4	0	5	-11	-4	-5	-2	3.08	3.00
Collateral requirements	0	4	87	4	0	5	-4	0	-2	0	3.00	2.96
Loan covenants	0	1	91	3	0	5	-4	-2	-2	-1	3.00	2.98
Maturity	0	4	86	5	0	5	-4	-1	-2	-1	3.00	2.97

LARGE ENTERPRISES

	--	-	°	+	++	NA	NetP Apr 16	NetP Jul 16	DI Apr 16	DI Jul 16	Mean Apr 16	Mean Jul 16
A) Overall terms and conditions												
Overall terms and conditions	0	2	70	15	2	11	-12	-15	-6	-8	3.09	3.14
B) Margins												
Your bank's margin on average loans	0	2	52	39	1	6	-25	-38	-13	-19	3.24	3.36
Your bank's margin on riskier loans	0	4	87	3	0	6	-1	1	0	0	2.97	2.95
C) Other conditions and terms												
Non-interest rate charges	0	1	84	8	0	8	-13	-7	-6	-4	3.10	3.04
Size of the loan or credit line	0	2	83	10	0	6	-13	-8	-6	-4	3.09	3.04
Collateral requirements	0	1	87	5	2	6	-8	-6	-4	-4	3.04	3.04
Loan covenants	0	2	84	6	2	6	-9	-5	-4	-3	3.05	3.03
Maturity	0	2	81	10	0	7	-6	-8	-3	-4	3.02	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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 4

Over the past three months, how have the following factors affected your bank's credit terms and conditions as applied to new loans or credit lines to enterprises?

(in percentages, unless otherwise stated)

OVERALL IMPACT ON YOUR BANK'S CREDIT TERMS AND CONDITIONS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	90	6	0	2	1	-3	0	-2	3	3.00
B) Pressure from competition												
Pressure from competition	0	1	67	29	0	3	-28	-28	-14	-14	3	3.25
C) Perception of risk												
Perception of risk	0	2	95	2	0	2	-1	0	-1	0	3	2.97
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	2	95	1	0	2	2	2	1	1	3	2.95

IMPACT ON YOUR BANK'S MARGINS ON AVERAGE LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	91	6	0	2	1	-4	0	-2	3	3.01
B) Pressure from competition												
Pressure from competition	0	2	64	30	1	3	-30	-29	-15	-15	3	3.27
C) Perception of risk												
Perception of risk	0	2	95	2	0	2	-2	0	-1	0	3	2.97
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	2	94	1	0	2	1	1	1	0	3	2.96

IMPACT ON YOUR BANK'S MARGINS ON RISKIER LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	4	90	3	0	3	1	2	0	1	3	2.95
B) Pressure from competition												
Pressure from competition	0	2	89	6	1	3	-12	-5	-6	-3	3	3.03
C) Perception of risk												
Perception of risk	0	2	95	0	0	3	0	2	0	1	3	2.94
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	2	96	0	0	3	0	2	0	1	3	2.95

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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 5

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

(in percentages, unless otherwise stated)

	Share of rejected applications	
	Apr 16	Jul 16
Decreased considerably	0	0
Decreased somewhat	8	5
Remained basically unchanged	87	94
Increased somewhat	4	1
Increased considerably	0	0
Total	*100*	*100*
Net percentage	***-4***	***-4***
Diffusion index	***-2***	***-2***
Mean	*2.93*	*2.93*
Number of banks responding	***134***	***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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 6

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

(in percentages, unless otherwise stated)

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
Decreased considerably	0	1	0	1	0	1	0	1	0	1
Decreased somewhat	6	7	8	8	9	10	6	7	6	9
Remained basically unchanged	71	68	63	65	68	67	76	69	69	62
Increased somewhat	23	24	28	25	23	22	19	22	25	28
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	**17**	***16***	**22**	***18***	**15**	***11***	**13**	***14***	**19**	***18***
Diffusion index	**8**	***8***	**12**	***9***	**7**	***5***	**7**	***7***	**9**	***8***
Mean	*3.13*	*3.13*	*3.19*	*3.15*	*3.09*	*3.06*	*3.09*	*3.10*	*3.15*	*3.13*
Number of banks responding	***135***	***135***	***131***	***132***	***130***	***130***	***135***	***135***	***135***	***135***

Notes: The net percentage is defined as the difference between the sum of the percentages for "increased considerably" and "increased somewhat", and the sum of the percentages for "decreased somewhat" and "decreased considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 7

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

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Financing needs/underlying drivers or purpose of loan demand												
Fixed investment	1	9	73	13	1	4	8	3	4	2	3.05	3.00
Inventories and working capital	1	1	79	17	0	3	16	15	8	7	3.13	3.12
Mergers/acquisitions and corporate restructuring	0	1	71	23	0	6	12	22	6	11	3.08	3.21
General level of interest rates	0	0	81	17	0	2	14	17	7	9	3.09	3.14
Debt refinancing/restructuring and renegotiation	1	3	80	13	1	2	13	10	8	5	3.10	3.07
B) Use of alternative finance												
Internal financing	0	7	87	2	0	4	-6	-5	-3	-3	2.90	2.91
Loans from other banks	1	5	88	1	1	4	2	-5	1	-2	2.98	2.93
Loans from non-banks	0	2	94	1	0	4	1	-1	0	-1	2.96	2.95
Issuance/redemption of debt securities	0	6	83	3	0	8	-3	-3	-2	-2	2.93	2.92
Issuance/redemption of equity	0	2	88	0	0	10	-2	-2	-1	-1	2.94	2.94

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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 8

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

(in percentages, unless otherwise stated)

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
Tighten considerably	0	0	0	0	0	0	0	0	0	0
Tighten somewhat	2	2	5	1	2	3	1	0	2	2
Remain basically unchanged	92	95	87	97	89	92	91	96	92	94
Ease somewhat	6	3	8	2	10	5	8	3	6	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***	***-1***	***-3***	***-1***	***-8***	***-2***	***-8***	***-3***	***-4***	***-1***
Diffusion index	***-2***	***-1***	***-2***	***-1***	***-4***	***-1***	***-4***	***-1***	***-2***	***0***
Mean	*3.01*	*2.97*	*3.02*	*2.98*	*3.03*	*2.98*	*3.03*	*2.99*	*3.00*	*2.97*
Number of banks responding	***135***	***136***	***131***	***132***	***130***	***131***	***135***	***136***	***135***	***136***

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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 9

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

(in percentages, unless otherwise stated)

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
Decrease considerably	0	0	0	0	0	0	0	0	0	0
Decrease somewhat	2	1	0	1	4	3	1	1	0	2
Remain basically unchanged	71	74	64	71	69	78	69	79	70	69
Increase somewhat	27	25	35	28	27	18	30	20	30	29
Increase considerably	0	0	0	0	0	0	0	0	0	0
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	***25***	***24***	***35***	***27***	***23***	***15***	***29***	***20***	***29***	***28***
Diffusion index	***13***	***12***	***17***	***13***	***11***	***8***	***14***	***10***	***15***	***14***
Mean	*3.21*	*3.20*	*3.30*	*3.23*	*3.18*	*3.11*	*3.24*	*3.16*	*3.26*	*3.24*
Number of banks responding	***135***	***136***	***131***	***132***	***130***	***131***	***135***	***136***	***135***	***136***

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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Loans to households

Question 10

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

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending	
	Apr 16	Jul 16	Apr 16	Jul 16
Tightened considerably	4	1	0	0
Tightened somewhat	4	9	4	1
Remained basically unchanged	88	78	90	93
Eased somewhat	4	11	7	6
Eased considerably	0	1	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***4***	***-2***	***-3***	***-5***
Diffusion index	***4***	***-1***	***-2***	***-3***
Mean	*2.90*	*2.98*	*3.01*	*3.01*
Number of banks responding	***130***	***130***	***132***	***132***

Notes: The net percentage is defined as the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat", and the sum of the percentages for "eased somewhat" and "eased considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 11

Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of loans to households for house purchase?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	4	89	0	0	6	1	4	0	2	2.95	2.92
B) Pressure from competition												
Competition from other banks	0	1	79	14	0	6	-17	-13	-8	-7	3.15	3.11
Competition from non-banks	0	1	86	3	0	11	-3	-2	-2	-1	2.99	2.97
C) Perception of risk												
General economic situation and outlook	0	0	88	6	0	6	-5	-6	-2	-3	3.01	3.03
Housing market prospects, including expected house price developments	0	0	85	10	0	6	-4	-10	-2	-5	3.00	3.05
Borrower's creditworthiness	0	1	92	1	0	6	-1	-1	-1	0	2.98	2.97
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	91	3	0	6	2	-2	1	-1	2.95	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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 12

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

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Overall terms and conditions												
Overall terms and conditions	0	3	81	10	0	6	-13	-6	-7	-3	3.10	3.03
B) Margins												
Your bank's loan margin on average loans	0	5	63	26	0	6	-32	-21	-17	-11	3.32	3.18
Your bank's loan margin on riskier loans	0	2	87	4	0	6	-11	-2	-5	-1	3.07	2.98
C) Other terms and conditions												
Collateral requirements	0	2	92	0	1	6	3	1	2	0	2.94	2.96
"Loan-to-value" ratio	0	2	89	2	1	6	7	0	3	0	2.92	2.97
Other loan size limits	0	1	90	0	1	8	2	0	1	0	2.95	2.97
Maturity	0	1	92	1	0	6	3	1	1	0	2.94	2.96
Non-interest rate charges	0	1	87	1	0	10	-2	0	-1	0	2.98	2.95

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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 13

Over the past three months, how have the following factors affected your bank's credit terms and conditions as applied to new loans to households for house purchase?

(in percentages, unless otherwise stated)

OVERALL IMPACT ON YOUR BANK'S CREDIT TERMS AND CONDITIONS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	0	93	1	0	6	-5	0	-3	0	3	2.97
B) Pressure from competition												
Pressure from competition	0	1	77	13	2	6	-31	-14	-15	-8	3	3.12
C) Perception of risk												
Perception of risk	0	0	91	4	0	6	-9	-4	-5	-2	3	3.00
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	92	1	0	6	-3	0	-2	0	3	2.96

IMPACT ON YOUR BANK'S MARGINS ON AVERAGE LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	1	91	1	0	6	-5	0	-3	0	3	2.96
B) Pressure from competition												
Pressure from competition	0	1	64	26	2	7	-29	-27	-16	-14	3	3.25
C) Perception of risk												
Perception of risk	0	1	90	3	0	6	-2	-1	-1	-1	3	2.98
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	91	2	0	6	-1	-2	-1	-1	3	2.98

IMPACT ON YOUR BANK'S MARGINS ON RISKIER LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	89	2	0	7	-1	-1	-1	0	3	2.97
B) Pressure from competition												
Pressure from competition	0	1	88	4	0	7	-8	-4	-4	-2	3	2.99
C) Perception of risk												
Perception of risk	0	2	90	1	0	8	1	1	1	1	3	2.95
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	91	1	0	7	1	0	1	0	3	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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 14

Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of consumer credit and other lending to households?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	0	91	4	0	4	-2	-3	-1	-2	2.98	2.99
B) Pressure from competition												
Competition from other banks	0	0	90	5	0	4	-8	-5	-4	-2	3.04	3.01
Competition from non-banks	0	0	89	3	0	7	-3	-3	-2	-1	2.99	2.98
C) Perception of risk												
General economic situation and outlook	0	0	93	4	0	4	-11	-4	-5	-2	3.07	2.99
Creditworthiness of consumers(1)	0	0	95	1	0	4	-4	-1	-2	-1	2.99	2.97
Risk on the collateral demanded	0	0	90	0	0	10	0	0	0	0	2.95	2.95
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	93	2	0	4	-1	-1	-1	-1	2.97	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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 15

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

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Overall terms and conditions												
Overall terms and conditions	0	2	87	7	0	4	-17	-5	-8	-3	3.13	3.01
B) Margins												
Your bank's loan margin on average loans	0	2	81	13	0	4	-16	-11	-9	-6	3.13	3.07
Your bank's loan margin on riskier loans	0	2	94	1	0	4	-10	1	-5	0	3.06	2.95
C) Other terms and conditions												
Collateral requirements	0	0	91	0	0	9	0	0	0	0	2.94	2.94
Size of the loan	0	0	93	3	0	4	-3	-2	-1	-1	2.99	2.98
Maturity	0	1	94	1	0	4	-1	0	-1	0	2.97	2.96
Non-interest rate charges	0	0	93	0	0	7	0	0	0	0	2.96	2.95

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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 16

Over the past three months, how have the following factors affected your bank's credit terms and conditions as applied to new consumer credit and other lending to households?

(in percentages, unless otherwise stated)

OVERALL IMPACT ON YOUR BANK'S CREDIT TERMS AND CONDITIONS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	1	91	5	0	4	-10	-4	-5	-2	3	2.99
B) Pressure from competition												
Pressure from competition	0	0	84	12	0	4	-16	-12	-8	-6	3	3.06
C) Perception of risk												
Perception of risk	0	0	93	3	0	4	-1	-3	-1	-2	3	2.99
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	94	1	0	4	-2	-1	-1	-1	3	2.97

IMPACT ON YOUR BANK'S MARGINS ON AVERAGE LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	1	93	3	0	4	-6	-2	-3	-1	3	2.97
B) Pressure from competition												
Pressure from competition	0	1	82	10	3	4	-17	-12	-10	-7	3	3.08
C) Perception of risk												
Perception of risk	0	0	93	3	0	4	-1	-3	-1	-2	3	2.99
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	95	1	0	4	1	-1	0	-1	3	2.97

IMPACT ON YOUR BANK'S MARGINS ON RISKIER LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	93	1	0	4	-6	1	-3	0	3	2.94
B) Pressure from competition												
Pressure from competition	0	0	95	1	0	4	-7	-1	-4	0	3	2.97
C) Perception of risk												
Perception of risk	0	0	96	1	0	4	-2	-1	-1	0	3	2.97
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	95	1	0	4	-3	-1	-1	-1	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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 17

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

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending	
	Apr 16	Jul 16	Apr 16	Jul 16
Decreased considerably	0	0	0	0
Decreased somewhat	7	5	4	6
Remained basically unchanged	93	88	88	91
Increased somewhat	0	8	8	2
Increased considerably	0	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***-7***	***3***	***4***	***-4***
Diffusion index	***-4***	***1***	***2***	***-2***
Mean	*2.89*	*2.99*	*2.99*	*2.92*
Number of banks responding	***127***	***126***	***130***	***129***

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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 18

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

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending	
	Apr 16	Jul 16	Apr 16	Jul 16
Decreased considerably	1	0	0	0
Decreased somewhat	6	4	9	4
Remained basically unchanged	55	61	65	71
Increased somewhat	38	33	20	23
Increased considerably	0	1	6	2
Total	*100*	*100*	*100*	*100*
Net percentage	***32***	***30***	***16***	***21***
Diffusion index	***16***	***16***	***11***	***11***
Mean	*3.24*	*3.26*	*3.19*	*3.19*
Number of banks responding	***130***	***130***	***133***	***133***

Notes: The net percentage is defined as the difference between the sum of the percentages for “increased considerably” and “increased somewhat”, and the sum of the percentages for “decreased somewhat” and “decreased considerably”. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 19

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

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA	NetP		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Financing needs/underlying drivers or purpose of loan demand												
Housing market prospects, including expected house price developments	0	1	72	22	0	6	25	20	13	10	3.21	3.16
Consumer confidence	0	0	71	20	0	8	13	20	6	10	3.10	3.19
General level of interest rates	0	0	60	27	1	12	43	27	22	14	3.39	3.25
Debt refinancing/restructuring and renegotiation	0	0	76	15	0	9	17	14	9	7	3.14	3.11
Regulatory and fiscal regime of housing markets	1	4	85	1	0	9	-7	-3	-3	-2	2.92	2.91
B) Use of alternative sources for housing finance												
Internal finance of house purchase out of savings/down payment	0	4	85	2	0	9	-3	-2	-2	-1	2.92	2.93
Loans from other banks	0	7	83	0	0	9	-5	-7	-2	-3	2.91	2.91
Other sources of external finance	0	0	90	0	0	10	-5	0	-2	0	2.94	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 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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

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		DI		Mean	
							Apr 16	Jul 16	Apr 16	Jul 16	Apr 16	Jul 16
A) Financing needs/underlying drivers or purpose of loan demand												
Spending on durable consumer goods	0	0	77	16	1	6	23	17	12	9	3.21	3.15
Consumer confidence	0	2	78	15	0	6	14	13	7	6	3.11	3.10
General level of interest rates	0	1	81	16	0	3	13	15	7	7	3.11	3.11
Consumption expenditure financed through real-estate guaranteed loans	0	1	80	1	0	18	-1	0	0	0	2.93	2.94
B) Use of alternative finance												
Internal finance out of savings	0	5	88	1	0	6	-6	-4	-3	-2	2.89	2.92
Loans from other banks	0	5	89	0	0	6	-2	-4	-1	-2	2.94	2.92
Other sources of external finance	0	0	93	0	0	7	-1	0	0	0	2.95	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 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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

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	
	Apr 16	Jul 16	Apr 16	Jul 16
Tighten considerably	3	0	0	0
Tighten somewhat	9	2	2	0
Remain basically unchanged	84	93	90	95
Ease somewhat	5	5	8	5
Ease considerably	0	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***7***	***-4***	***-7***	***-5***
Diffusion index	***5***	***-2***	***-3***	***-3***
Mean	*2.86*	*2.99*	*3.01*	*2.99*
Number of banks responding	***128***	***129***	***131***	***131***

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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 22

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

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending	
	Apr 16	Jul 16	Apr 16	Jul 16
Decrease considerably	0	0	0	0
Decrease somewhat	1	1	0	0
Remain basically unchanged	60	80	73	80
Increase somewhat	35	18	23	20
Increase considerably	5	1	3	0
Total	*100*	*100*	*100*	*100*
Net percentage	***38***	***17***	***26***	***20***
Diffusion index	***22***	***9***	***15***	***10***
Mean	*3.39*	*3.15*	*3.26*	*3.16*
Number of banks responding	***129***	***129***	***132***	***132***

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 is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Annex 2
Results for the ad hoc questions

Question A1

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

(in percentages unless otherwise stated)

	Over the past three months								Over the next three months								N/A(2)
	--	-		+	++	NetP	Mean	Standard deviation	--	-		+	++	NetP	Mean	Standard deviation	
A) Retail funding																	
Short-term deposits (up to one year)	0	0	79	21	0	-21	3.17	0.46	0	0	93	7	0	-7	3.04	0.32	8
Long-term (more than one year) deposits and other retail funding instruments	2	9	85	4	0	6	2.88	0.49	0	9	88	3	0	6	2.91	0.39	7
B) Inter-bank unsecured money market																	
Very short-term money market (up to 1 week)	0	7	92	1	0	6	2.90	0.32	0	2	98	1	0	1	2.95	0.23	8
Short-term money market (more than 1 week)	0	7	89	3	0	4	2.91	0.32	0	2	97	1	0	0	2.96	0.23	8
C) Wholesale debt securities(3)																	
Short-term debt securities (e.g. certificates of deposit or commercial paper)	2	10	74	15	0	-3	2.95	0.60	2	13	82	3	0	13	2.81	0.51	19
Medium to long term debt securities (incl. covered bonds)	0	4	80	12	4	-12	3.12	0.59	0	11	81	8	0	3	2.94	0.47	11
D) Securitisation(4)																	
Securitisation of corporate loans	0	0	87	4	8	-12	3.15	0.57	0	4	92	4	0	0	2.95	0.49	39
Securitisation of loans for house purchase	0	1	86	4	10	-13	3.18	0.66	0	6	92	2	0	4	2.92	0.55	41
E) Ability to transfer credit risk off balance sheet(5)																	
Ability to transfer credit risk off balance sheet	0	7	74	5	14	-13	3.23	0.82	0	4	93	4	0	0	2.96	0.35	45

(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 and standard deviation are calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others. 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	1	17	57	19	0	7	1	3.0	0.68
Of which: Liquid assets[1)]	0	11	63	18	0	8	7	3.0	0.62
Risk-weighted assets	1	14	71	7	0	7	-8	2.9	0.55
Of which: Average loans	1	9	75	8	0	8	-2	3.0	0.48
Riskier loans	1	19	71	1	0	8	-19	2.7	0.49
Capital	1	3	55	32	1	8	29	3.3	0.62
Of which: Retained earnings	0	2	56	33	0	8	31	3.3	0.59
Capital issuance[2)]	0	1	60	23	1	15	22	3.2	0.53
Impact on your bank's funding conditions	0	5	87	1	0	7	5	2.9	0.31

	Over the next six months								
	--	-		+	++	NA	NetP	Mean	Standard deviation
Total assets	0	14	63	16	0	8	2	3.0	0.61
Of which: Liquid assets[1)]	0	8	69	13	0	8	5	3.0	0.56
Risk-weighted assets	1	12	67	13	0	8	1	3.0	0.58
Of which: Average loans	0	7	70	14	0	8	7	3.1	0.51
Riskier loans	0	18	68	5	0	8	-13	2.8	0.56
Capital	0	1	61	28	1	9	27	3.3	0.56
Of which: Retained earnings	0	3	58	29	0	9	27	3.3	0.57
Capital issuance[1)]	0	3	63	18	2	15	17	3.2	0.59
Impact on your bank's funding conditions	0	6	84	1	0	8	6	2.9	0.34

(*) 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	1	0
	-	1	2	4	0
	=	98	98	94	100
	+	1	0	0	0
	+ +	0	0	1	0
	Net Percentage	0	2	4	0
	Mean	3	3	3	3
	Standard deviation	0	0	0	0
Over the next six months	--	0	0	0	0
	-	1	4	6	2
	=	98	96	94	98
	+	1	0	0	0
	+ +	0	0	0	0
	Net Percentage	0	4	6	2
	Mean	3	3	3	3
	Standard deviation	0	0	0	0

(ii) Credit margins

		Loans and credit lines to enterprises		Loans to households	
		Small and medium-sized enterprises	Large enterprises	For house purchase	Consumer credit and other lending
Over the past six months	--	0	0	0	0
	-	1	1	0	0
	=	97	97	96	99
	+	2	2	4	0
	+ +	0	0	0	0
	Net Percentage	-1	-1	-3	0
	Mean	3	3	3	3
	Standard deviation	0	0	0	0
Over the next six months	--	0	0	0	0
	-	2	2	3	2
	=	96	96	96	98
	+	2	2	2	1
	+ +	0	0	0	0
	Net Percentage	0	0	1	1
	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	60	40	
In the future TLTROs	51	23	26

(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	88	4	7	1
In the future TLTROs	91	4	5	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	68	12	10	3	0	3	4
In the future TLTROs	71	9	13	6	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	3	97	38	0	6	94	33
For substituting maturing debt	4	39	57	35	4	36	60	30
For substituting interbank lending	8	23	68	37	0	27	73	33
For substituting other Eurosystem liquidity operations 3)	42	13	45	38	32	9	59	32
For granting loans:								
Loans to non-financial corporations	24	62	14	37	34	45	21	25
Loans to households for house purchase	0	29	70	43	2	30	68	29
Consumer credit and other lending to households	15	48	37	40	15	41	44	27
For purchasing assets:								
Domestic sovereign bonds	2	2	96	38	0	9	91	26
Other financial assets 4)	0	4	95	38	0	11	89	26

(1) Please use the category “N/A” only if you did not participate in any of the past TLTROs or if you do not have any business/exposure in this category.
(2) 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	7	40	53	34	2	45	53	27
Your market financing conditions	6	21	73	34	1	26	74	27
Your ability to improve your profitability	1	53	45	34	1	68	30	26
Your ability to improve your capital position (via retained earnings)	0	9	91	35	0	13	87	29
	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	6	94	39	0	3	97	30

(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	0	3	97	35	2	13	85	27
On loans to households for house purchase	0	1	99	38	0	4	96	32
On consumer credit and other lending to households	0	1	99	36	0	4	96	30
Terms and conditions:								
On loans to enterprises	0	44	56	32	4	44	52	27
On loans to households for house purchase	0	11	89	38	2	18	80	32
On consumer credit and other lending to households	0	16	84	35	1	30	69	30

(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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