



EUROPEAN CENTRAL BANK
EUROSYSTEM

The euro area bank lending survey

Fourth quarter of 2017

January 2018



Contents

Introduction	2
1 Overview of the results	3
Box 1 General notes	4
2 Developments in credit standards, terms and conditions, and net demand for loans in the euro area	7
2.1 Loans to enterprises	7
2.2 Loans to households for house purchase	12
2.3 Consumer credit and other lending to households	17
3 Ad hoc questions	23
3.1 Banks' access to retail and wholesale funding	23
3.2 Banks' adjustment to regulatory and supervisory actions	23
Annex 1 Results for the standard questions	26
Annex 2 Results for the ad hoc questions	39

Introduction

The results reported in the January 2018 bank lending survey (BLS) relate to changes during the fourth quarter of 2017 and expectations for the first quarter of 2018. The survey was conducted between 1 December 2017 and 2 January 2018. 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 January 2018 survey round. They address the impact of the situation in financial markets on banks' access to retail and wholesale funding and the likely impact of ongoing regulatory or supervisory changes on banks' lending policies.

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

1 Overview of the results

According to the January 2018 bank lending survey (BLS), loan growth has continued to be supported by increasing demand across all categories and by easing credit standards on loans to households for house purchase in the fourth quarter of 2017.

Credit standards (i.e. banks' internal guidelines or loan approval criteria) for loans to enterprises were unchanged in the fourth quarter of 2017 (net percentage of reporting banks at 0%, after -1% in the previous quarter; see Table A), in line with expectations in the previous survey round. By contrast, credit standards on loans to households for house purchase continued to ease (net percentage of reporting banks at -6%, after -11% in the previous quarter), at a pace which was stronger than expected in the previous survey round. Credit standards on consumer credit and other lending to households were broadly unchanged (-1%, after -4%), despite easing expectations in the previous round. For the first quarter of 2018, banks expect a net easing of credit standards in the three segments (loans to enterprises: -4%; housing loans: -10%; consumer credit: -7%).

Across the three segments, competitive pressure and banks' risk perceptions had an easing impact on credit standards in the fourth quarter of 2017, while the effects of banks' risk tolerance and cost of funds and balance sheet constraints were broadly neutral.

Banks' overall terms and conditions (i.e. banks' actual terms and conditions agreed in the loan contract) on new loans continued to ease in loans to enterprises and loans to households for house purchase in the fourth quarter of 2017, and continued to be driven by a narrowing of margins on average loans (defined as spread over relevant market reference rates). Overall terms and conditions were broadly unchanged in consumer credit and other lending to households. In this segment, margins on average loans continued to narrow, while margins on riskier loans widened slightly.

The net percentage share of rejected loan applications decreased in the three segments.

Net demand for loans to enterprises continued to increase (21%, after 15% in the third quarter of 2017; see Table A), broadly in line with expectations. Banks expect net demand to increase further in the first quarter of 2018 (17%). Net demand also rose for housing loans (8%, after 12%) and for consumer credit (11%, after 17%). For the first quarter of 2018, banks expect an ongoing increase in net demand for housing loans (16%) and consumer credit (24%).

The increase in demand for loans to enterprises was mainly driven by the increase in fixed investment (20%, after 13% in the third quarter of 2017), the general level of interest rates (unchanged at 14%), inventories and working capital (13%, after 2%) and merger and acquisitions (M&A) activity (12%, after 11%), while the contribution from the use of alternative finance was broadly neutral (-1%, after -2%). Net demand for housing loans continued to be driven mainly by the low general level of interest

rates (23%, after 27%) and favourable housing market prospects (18%, after 26%), as well as consumer confidence (13%, after 21%), while the use of alternative finance had a dampening impact (-4%, after -2%). Finally, spending on durable goods, the low general level of interest rates and consumer confidence continued to contribute positively to net demand for consumer credit.

Across the large euro area countries, credit standards on loans to enterprises eased marginally in Germany, tightened in Italy and remained unchanged in France, Spain and the Netherlands in the fourth quarter of 2017 (see Table A). For housing loans, banks eased their credit standards on housing loans in all major countries except for Italy, where they remained unchanged. In addition, net demand for loans to enterprises increased in Germany, France, Italy and the Netherlands and remained unchanged in Spain in the fourth quarter of 2017. For households, net demand for loans for house purchase increased in the fourth quarter of 2017 in Spain, Italy and the Netherlands, decreased in France and remained unchanged in Germany.

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

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

Country	ENTERPRISES						HOUSE PURCHASE						CONSUMER CREDIT					
	Credit standards			Demand			Credit standards			Demand			Credit standards			Demand		
	17Q3	17Q4	AVG	17Q3	17Q4	AVG	17Q3	17Q4	AVG	17Q3	17Q4	AVG	17Q3	17Q4	AVG	17Q3	17Q4	AVG
Euro area	-1	0	10	15	21	-3	-11	-6	7	12	8	3	-4	-1	5	17	11	0
Germany	-10	-3	4	19	9	4	-7	-7	3	0	0	8	-7	0	0	20	3	9
Spain	10	0	10	10	0	-3	-11	-11	17	11	11	-11	-10	-10	8	20	10	-9
France	0	0	7	23	22	-12	-2	-2	2	-21	-21	9	0	0	-1	0	0	-1
Italy	0	10	15	10	50	3	-20	0	2	30	10	15	0	0	7	30	20	14
Netherlands	0	0	10	0	29	-3	-48	-36	17	53	47	-4	0	0	14	34	34	-18

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

The January 2018 BLS also included some ad hoc questions. Regarding euro area banks' access to funding, banks reported improved access to retail and wholesale funding, with the exception of money markets, in the fourth quarter of 2017. Euro area banks continued to adjust to regulatory and supervisory actions in the second half of 2017 by further strengthening their capital positions. At the euro area level, banks reported a broadly neutral impact on credit standards across all loan categories, with the exception of consumer credit and other lending to households, where regulatory and supervisory actions had a slightly tightening effect. Supervisory actions narrowed credit margins in loans to firms, had a broadly neutral impact on housing loans and widened margins in consumer credit.

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 all 143 sample banks, representing all the euro area countries, and takes into account

the characteristics of their respective national banking structures. The main purpose of the BLS is to enhance the understanding of bank lending behaviour in the euro area.²

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

The survey questions are generally phrased in terms of changes over the past three months (the fourth quarter of 2017 in this case) or expectations of changes over the next three months (i.e. in the first quarter of 2018).

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

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

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

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

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

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

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

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

A copy of the questionnaire and a glossary of BLS terms can be found at:

<http://www.ecb.europa.eu/stats/money/surveys/lend/html/index.en.html>

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

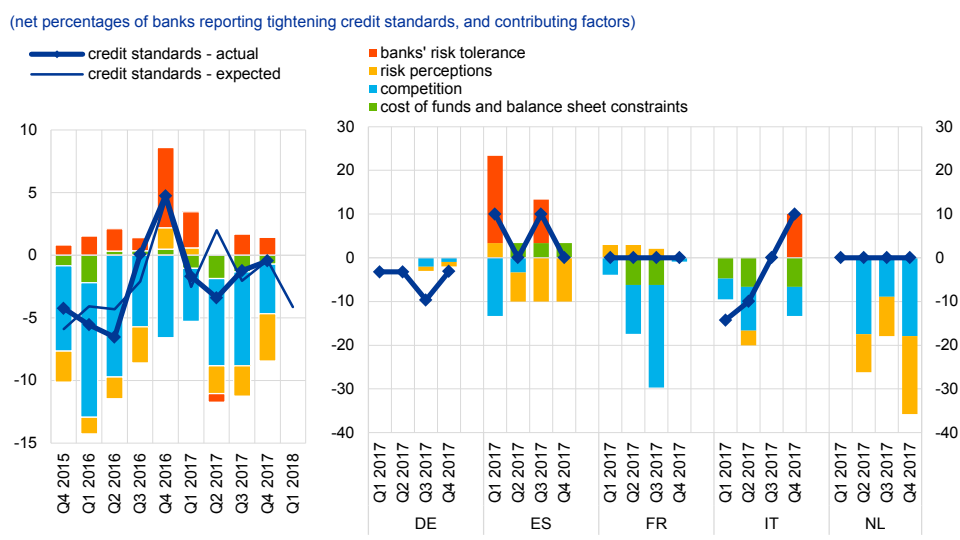
2.1 Loans to enterprises

2.1.1 Credit standards for loans to enterprises were broadly unchanged

Credit standards (i.e. banks' internal guidelines or loan approval criteria) for loans to enterprises were broadly unchanged in the fourth quarter of 2017 (at 0%, after -1% in the previous quarter; see Chart 1 and Table A). The net percentage remained considerably below the historical average since 2003 and was in line with the expectation in the previous round. Across firm size, credit standards were broadly unchanged on loans to small and medium-sized enterprises (SMEs; -1%) and eased on loans to large firms (-6%).

Chart 1

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



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

Banks reported that competitive pressure and banks' risk perceptions had an easing impact on credit standards on loans to enterprises in the fourth quarter of 2017, while the effects of cost of funds and balance sheet constraints and banks' risk tolerance were broadly neutral (see Chart 1 and Table 1).

Across the large euro area countries, credit standards eased marginally in Germany, tightened in Italy and remained unchanged in France, Spain and the Netherlands in the fourth quarter of 2017. Competitive pressure had an easing impact on credit standards in Italy and the Netherlands, while the effect in Germany, Spain and France was broadly neutral. Risk perceptions had an easing impact in Spain and the Netherlands and a broadly neutral effect in Germany, France and Italy. Banks in Italy reported an easing influence from cost of funds and balance sheet constraints, while this factor had a tightening impact in Spain and a neutral effect in the remaining countries. Regarding banks' risk tolerance, all countries reported a neutral contribution except for Italy, where this factor had a tightening impact.

Looking ahead to the first quarter of 2018, euro area banks expect a net easing in credit standards on loans to enterprises.

Table 1
Factors contributing to the net tightening of credit standards on loans or credit lines to enterprises

(net percentages)

Country	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017
Euro area	-1	-1	-8	-4	-2	-4	2	1
DE	0	0	-2	-1	-1	-1	0	0
ES	3	3	0	0	-10	-10	10	0
FR	-6	0	-23	-1	2	0	0	0
IT	0	-7	0	-7	0	0	0	10
NL	0	0	-9	-18	-9	-18	0	0

Note: See the notes to Chart 1.

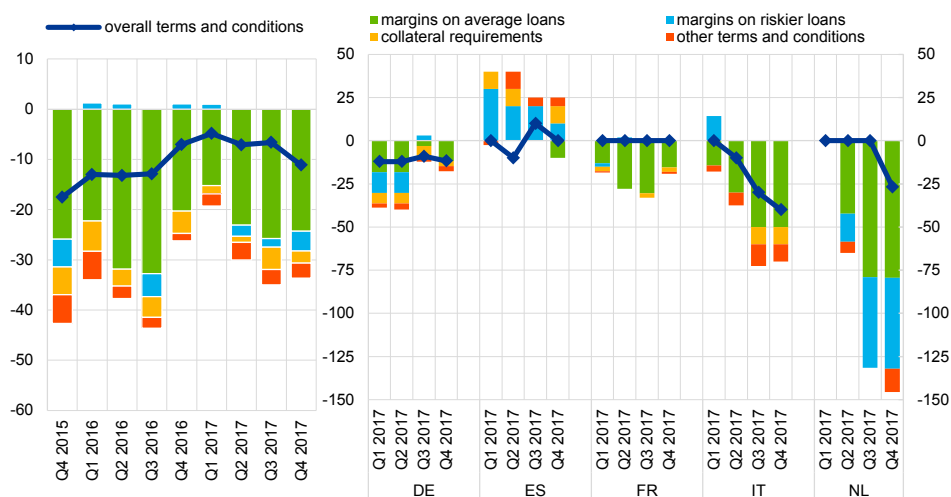
2.1.2 Terms and conditions for loans to enterprises continued to improve

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

Chart 2

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

(net percentages of banks reporting tightening terms and conditions)



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

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

Table 2

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

(net percentage changes)

Country	Overall terms and conditions		Banks' margins on average loans		Banks' margins on riskier loans	
	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017
Euro area	-7	-11	-26	-24	-2	-4
DE	-9	-12	-3	-12	3	0
ES	10	0	0	-10	20	10
FR	0	0	-30	-16	0	0
IT	-30	-40	-50	-50	0	0
NL	0	-27	-79	-79	-52	-53

Note: See the notes to Chart 2.

Regarding the factors contributing to changes in overall credit terms and conditions, competitive pressure had a further easing impact. Banks' risk perceptions and cost of funds and balance sheet constraints also had an easing impact, while the effect of banks' risk tolerance was neutral (see Table 3). Across the largest euro area countries, the easing impact of competition on overall credit terms and conditions continued to be broad-based, while the contributions of risk perceptions and banks' cost of funds and balance sheet constraints were driven by banks in Italy. Finally, the effect of banks' risk tolerance was neutral in all large countries.

Table 3**Factors contributing to the net tightening of terms and conditions for loans or credit lines to enterprises**

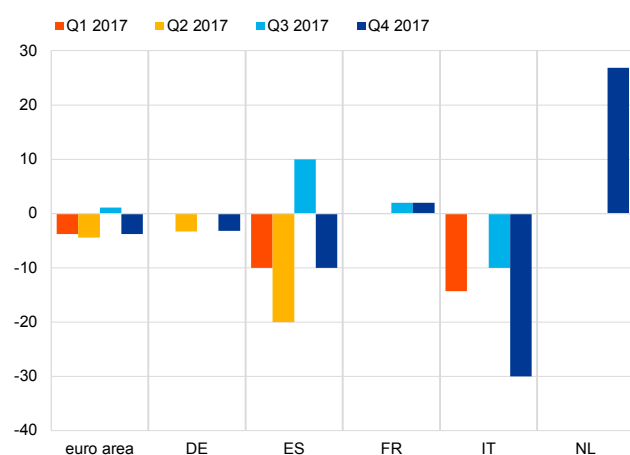
(net percentages of banks reporting tightening terms and conditions)

Country	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017
Euro area	-3	-2	-27	-28	-6	-3	1	0
DE	-3	0	-15	-18	0	0	0	0
ES	-10	0	-20	-10	0	0	10	0
FR	0	0	-19	-16	0	0	0	0
IT	0	-10	-70	-70	-20	-20	0	0
NL	0	0	-27	-53	-27	0	0	0

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

2.1.3 Rejection rate for loans to enterprises declined**Chart 3****Change in the share of rejected applications for loans to enterprises**

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



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

The net percentage share of rejected loan applications (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) declined for loans to enterprises during the fourth quarter of 2017 (-4%, after 1% in the previous quarter; see Chart 3).

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

2.1.4 Increase in net demand for loans to enterprises

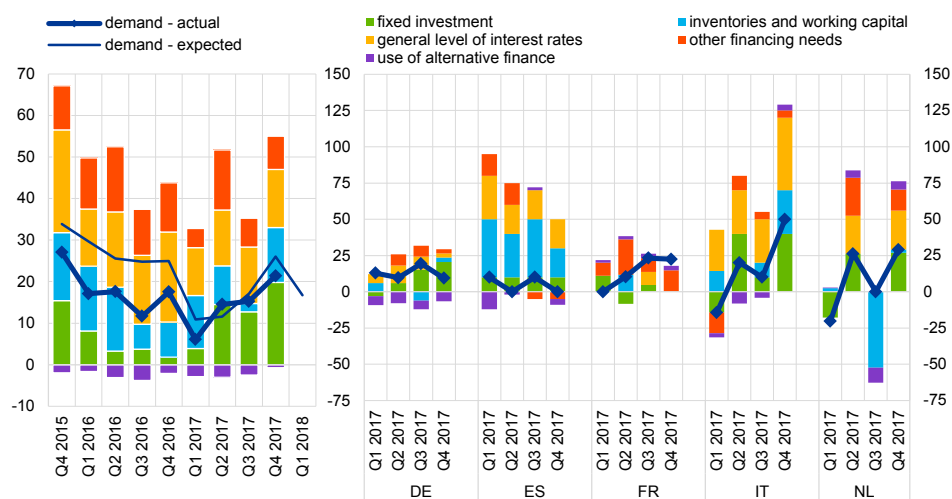
Net demand for loans to enterprises continued to increase in the fourth quarter of 2017 (net percentage of 21%, after 15% in the previous quarter; see Chart 4 and Table A), broadly in line with banks' expectations reported in the previous round. Loan demand increased for loans to both SMEs and large firms.

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

Chart 4

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

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



Notes: "Actual" values are changes that have occurred, while "expected" values are changes anticipated by banks. Net percentages for the questions on demand for loans are defined as the difference between the sum of the percentages of banks responding "increased considerably" and "increased somewhat" and the sum of the percentages of banks responding "decreased somewhat" and "decreased considerably". The net percentages for responses to questions related to each factor are defined as the difference between the percentage of banks reporting that the given factor contributed to increasing demand and the percentage reporting that it contributed to decreasing demand. "Other financing needs" are an unweighted average of "M&A 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".

The increase in demand for loans to enterprises was driven mainly by the increase in fixed investment, the low general level of interest rates and the growth in inventories and working capital. M&A activity (included in other financing needs; see Chart 4) continued to have a positive, although smaller impact on demand, while the contribution from the use of alternative finance (firms' internal funds, loans from other banks, loans from non-banks, etc) was broadly neutral.

Table 4

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

(net percentages)

Country	Fixed investment		Inventories and working capital		Other financing needs		General level of interest rates		Use of alternative finance	
	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017
Euro area	13	20	2	13	7	8	14	14	-2	-1
DE	15	21	-6	3	8	3	9	3	-6	-6
ES	10	10	40	20	-5	-5	20	20	2	-4
FR	5	0	0	0	9	15	9	0	3	3
IT	10	40	10	30	5	5	30	50	-4	4
NL	0	27	-52	2	0	15	0	27	-10	6

Note: See the notes to Chart 4.

Across all large euro area countries, fixed investment, the general level of interest rates, and inventories and working capital had a positive impact on net demand, with the exception of France, where the effects were neutral. Other financing needs

(including M&A activity and debt restructuring) had a positive impact on net demand for loans to enterprises in Germany, France, Italy and the Netherlands, while it had a dampening effect in Spain. Finally, the use of alternative finance had a negative impact in Germany and Spain, and a positive effect on demand in France, Italy and the Netherlands.

For the first quarter of 2018, banks expect a further increase in loan demand from enterprises (17%).

2.2 Loans to households for house purchase

2.2.1 Credit standards for loans to households for house purchase continued to ease in the fourth quarter of 2017

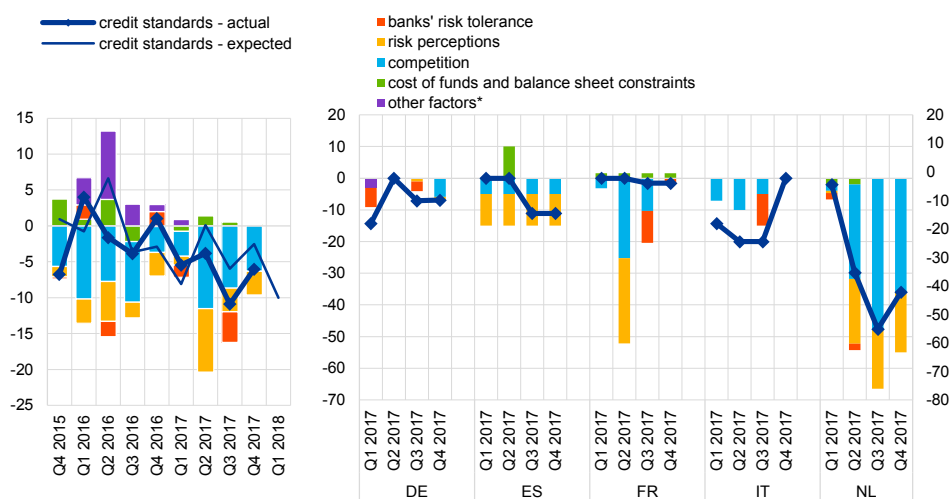
For loans to households for house purchase, credit standards continued to ease (-6%, after -11% in the previous quarter; see Chart 5 and Table A), which was stronger than expected in the previous survey round. The net percentage is below the historical average since 2003.

Across the large euro area countries, banks eased their credit standards on housing loans except in Italy, where they remained unchanged.

Chart 5

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

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



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

Competitive pressure and lower risk perceptions contributed to the net easing of credit standards on housing loans, while the impact of cost of funds and balance

sheet constraints as well as banks' risk tolerance was neutral (see Chart 5 and Table 5).

Across the large euro area countries, the easing impact of competitive pressure was widespread, with the exception of France and Italy, where the contribution was neutral. Banks' risk tolerance had an easing influence in France and a neutral impact in the rest of the large countries. Risk perceptions also had an easing contribution in the Netherlands and Spain, and a broadly neutral effect in Germany, France and Italy. Cost of funds and balance sheet constraints had a slightly tightening contribution in France and a neutral impact in the rest of the large countries.

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	
	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017
Euro area	1	0	-9	-6	-3	-3	-4	0
DE	0	0	0	-6	-1	-1	-3	0
ES	0	0	-5	-5	-10	-10	0	0
FR	2	2	-10	0	0	0	-10	-2
IT	0	0	-5	0	0	0	-10	0
NL	0	0	-48	-36	-19	-19	0	0

Note: See the notes to Chart 5.

Looking ahead, euro area banks expect that credit standards for housing loans will continue to ease (-10%) in the first quarter of 2018.

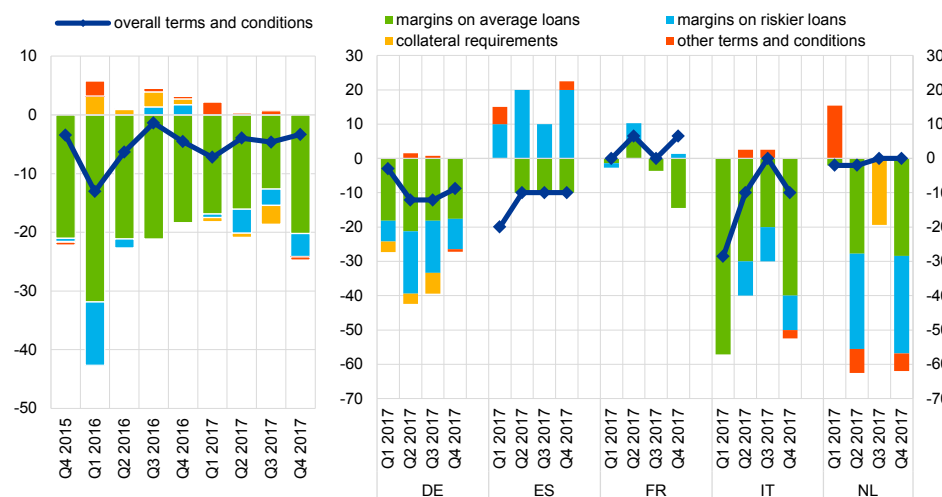
2.2.2 Terms and conditions for loans to households for house purchase continued to ease

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

Chart 6

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

(net percentages of banks reporting tightening terms and conditions)



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

Of the large euro area countries, banks in Germany, Spain and Italy reported a net easing of overall terms and conditions, while those in France indicated a tightening and those in the Netherlands did not report any change. All large countries reported a narrowing of margins on average loans. Margins on riskier loans widened in net terms in Spain, narrowed in Germany, Italy and the Netherlands, and remained broadly unchanged in France.

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	
	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017
Euro area	-5	-3	-13	-20	-3	-4
DE	-12	-9	-18	-18	-15	-9
ES	-10	-10	-10	-10	10	20
FR	0	7	-4	-14	0	1
IT	0	-10	-20	-40	-10	-10
NL	0	0	0	-28	0	-28

Note: See the notes to Chart 6.

Competitive pressure and, to a much lesser extent, risk perceptions contributed to the easing of overall terms and conditions of euro area banks, while the other two factors had a broadly neutral influence (see Table 7).

Among the large euro area countries, competitive pressure contributed to an easing of overall credit terms and conditions in all countries. Changes in risk perceptions contributed to an easing in the Netherlands and had a neutral effect in the rest of the countries. Cost of funds and balance sheet constraints had an easing impact in

Spain, a tightening impact in Germany and France, and no impact in Italy and the Netherlands. The effect of banks' risk tolerance was neutral in all countries.

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	
	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017
Euro area	-3	1	-13	-16	-3	-2	-2	1
DE	0	3	-18	-15	0	0	0	0
ES	-20	-10	-10	-10	10	0	0	0
FR	7	7	-2	-2	0	0	0	0
IT	0	0	-20	-40	0	0	0	0
NL	-19	0	-19	-28	-48	-28	-19	0

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

2.2.3 Rejection rate for housing loans decreased slightly

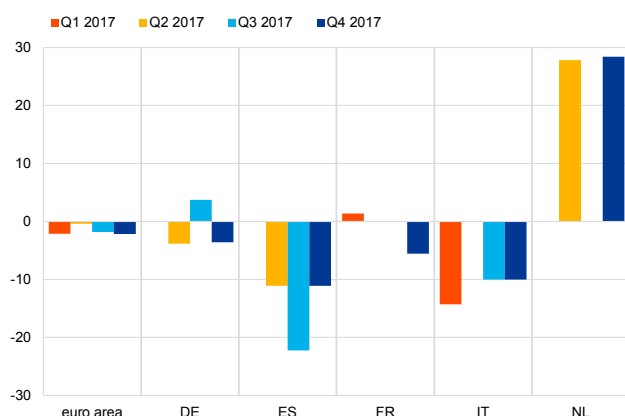
According to euro area banks, the net share of rejected applications for loans to households for house purchase decreased slightly in the fourth quarter of 2017 (unchanged at -2%; see Chart 7).

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

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.

2.2.4 Net demand for housing loans continued to increase

In the fourth quarter of 2017, a positive net percentage of banks continued to report an increase in demand for housing loans (8%, after 12% in the previous quarter; see Chart 8 and Table A), below banks' expectations from the previous survey round but above the historical average.

Of the large euro area countries, net demand for loans for house purchase increased in Spain, Italy and Netherlands, decreased in France and remained unchanged in Germany.

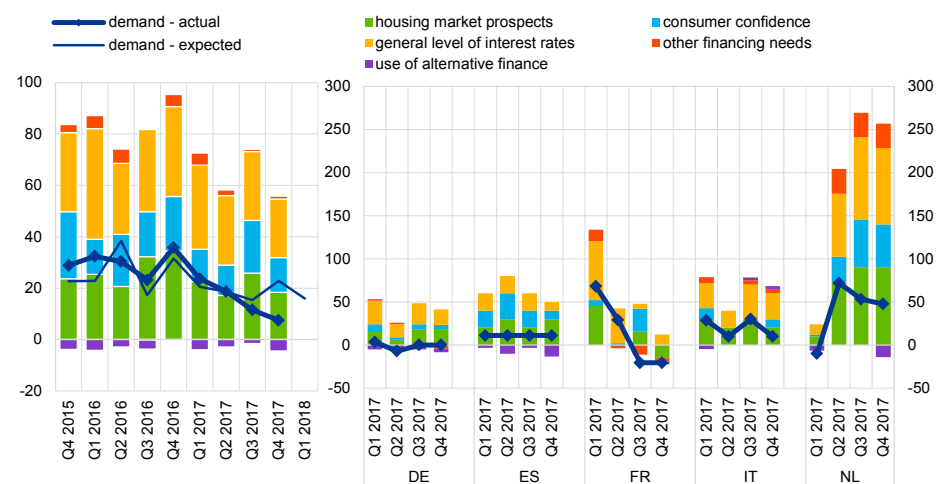
Net demand for housing loans was driven predominantly by the low general level of interest rates,

favourable housing market prospects and improved consumer confidence (see Chart 8 and Table 8). The use of alternative finance had a slightly dampening effect on demand.

Chart 8

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

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



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

Across all the large euro area countries, the general level of interest rates continued to have a substantially positive effect on demand. Housing market prospects also had a positive contribution in all countries with the exception of France, where it had a negative impact. Consumer confidence had a positive impact on demand in all large countries except for France, where it had a neutral effect. The contribution of other financing needs was positive in the Netherlands and, to a lower extent, in Italy, while it was negative in Germany and France and neutral in Spain. The use of alternative finance had a dampening contribution in all countries except for Italy, where it had a positive influence.

Table 8

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

(net percentage changes)

Country	Housing market prospects		Consumer confidence		Other financing needs		General level of interest rates		Use of alternative finance	
	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017
Euro area	26	18	21	13	1	1	27	23	-2	-4
DE	18	18	6	6	0	-4	24	18	-5	-4
ES	20	30	20	10	0	0	20	10	-3	-13
FR	15	-15	27	0	-11	-4	6	12	0	-3
IT	30	20	0	10	5	5	40	30	3	3
NL	90	90	55	50	28	28	96	88	0	-14

Note: See the notes to Chart 8.

For the first quarter of 2018, euro area banks expect an ongoing increase in net demand for housing loans (16%).

2.3 Consumer credit and other lending to households

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

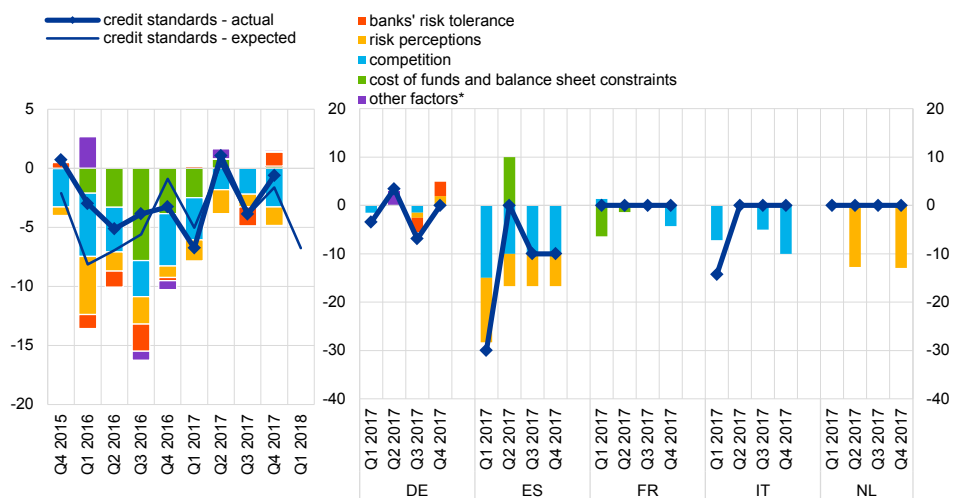
In the fourth quarter of 2017, credit standards for consumer credit and other lending to households were broadly unchanged (-1%, after -4% in the previous quarter; see Chart 9 and Table A), despite easing expectations in the previous round.

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

Chart 9

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

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



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

According to euro area banks, competitive pressure and lower risk perceptions had an easing impact on credit standards while banks' risk tolerance and cost of funds and balance sheet constraints had a broadly neutral influence (see Chart 9 and Table 9).

Across the large euro area countries, competitive pressure contributed to an easing of credit standards in Spain, France and Italy, while it had a neutral impact in Germany and the Netherlands. Banks' perception of risk had an easing effect on credit standards in Spain and the Netherlands, a slightly tightening impact in

Germany, and a neutral contribution in France and Italy. Banks' risk tolerance had a tightening effect in Germany and no effect in the rest of the countries. Finally, there was no reported impact of cost of funds and balance sheet constraints on credit standards across those countries.

Looking ahead to the first quarter of 2018, euro area banks expect an easing of credit standards on consumer credit and other lending to households (-7%).

Table 9

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

(net percentages)

Country	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017
Euro area	0	0	-2	-3	-1	-2	-2	1
DE	0	0	-2	0	-1	2	-3	3
ES	0	0	-10	-10	-7	-7	0	0
FR	0	0	0	-4	0	0	0	0
IT	0	0	-5	-10	0	0	0	0
NL	0	0	0	0	0	-13	0	0

Note: See the notes to Chart 9.

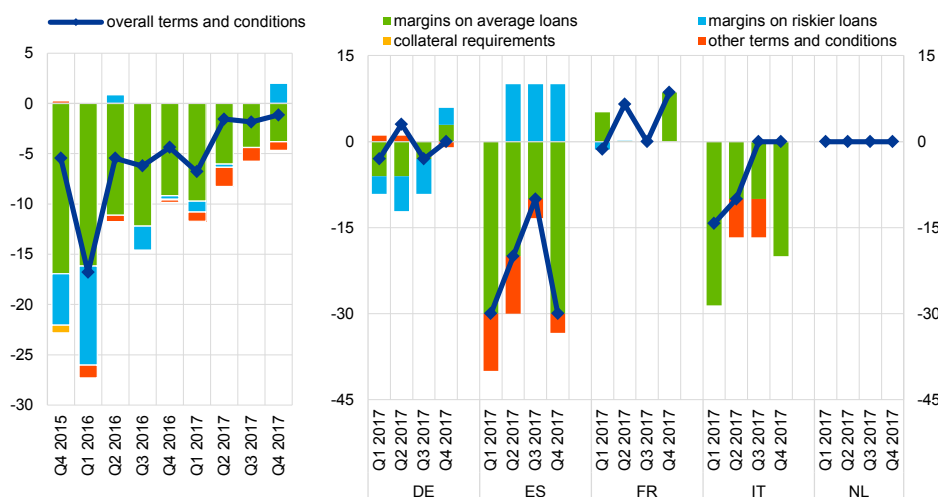
2.3.2 Terms and conditions for consumer credit and other lending to households were broadly unchanged

Banks' overall terms and conditions that are applied when granting new consumer credit and other lending to households were broadly unchanged in the fourth quarter of 2018 (see Table 10). Margins on average loans continued to narrow, while margins on riskier loans widened slightly. Non-price terms and conditions also eased slightly, mainly due to the size of the loans (see Chart 10).

Chart 10

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

(net percentages of banks reporting tightening terms and conditions)



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

Table 10

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

(net percentage changes)

Country	Overall terms and conditions		Banks' margins on average loans		Banks' margins on riskier loans	
	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017
Euro area	-2	-1	-4	-4	0	2
DE	-3	0	-3	3	-6	3
ES	-10	-30	-10	-30	10	10
FR	0	9	0	9	0	0
IT	0	0	-10	-20	0	0
NL	0	0	0	0	0	0

Note: See the notes to Chart 10.

Across the large euro area countries, overall terms and conditions on consumer credit eased in Spain, tightened in France and remained unchanged in the rest of the countries. Banks' margins of average loans narrowed in Spain and Italy, widened in Germany and France, and were unchanged in the Netherlands. Margins on riskier loans widened in Germany and Spain and remained stable in the rest of the countries.

Competitive pressure and risk perceptions were the main factors contributing to the net easing of terms and conditions on new consumer credit (see Table 11), while cost of funds and balance sheet constraints had a slightly tightening impact and banks' risk tolerance had no effect.

Across the largest euro area countries, competitive pressure contributed to the net easing of overall terms and conditions in Germany, Spain and Italy, while it had a slightly tightening impact in France and no effect in the Netherlands. Banks across the largest countries reported no changes to terms and conditions due to risk tolerance, with the exception of Germany, where this factor contributed to a tightening of them. Cost of funds and balance sheet constraints had no impact except in Germany and France, where they contributed to a tightening. Risk perceptions led to an easing in Spain and the Netherlands, and to a tightening in Germany but had no effect in France and Italy.

Table 11**Factors contributing to the net tightening of terms and conditions on consumer credit and other lending to households**

(net percentage changes)

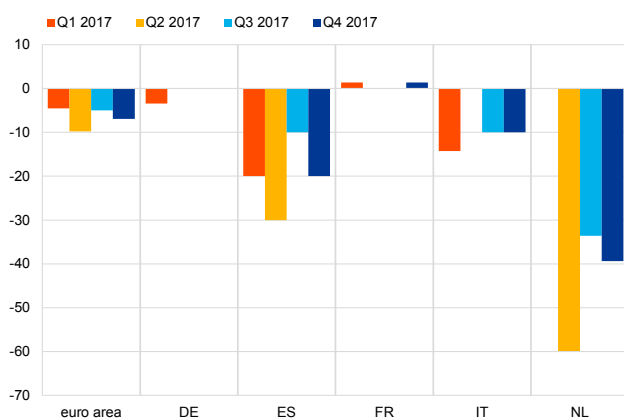
Country	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017
Euro area	-1	2	-8	-5	1	-4	-1	0
DE	-3	3	-3	-3	0	3	-3	3
ES	0	0	-20	-20	10	-10	0	0
FR	0	7	-9	2	0	0	0	0
IT	0	0	-10	-10	0	0	0	0
NL	0	0	0	0	0	-39	0	0

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

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

Chart 11**Change in the share of rejected applications for consumer credit and other lending to households**

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



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

The net share of rejected applications for consumer credit and other lending to households decreased in the fourth quarter of 2017 according to reporting banks (-7%, after -5% in the previous survey round; see Chart 11).

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

2.3.4 Net demand for consumer credit and other lending to households continued to increase

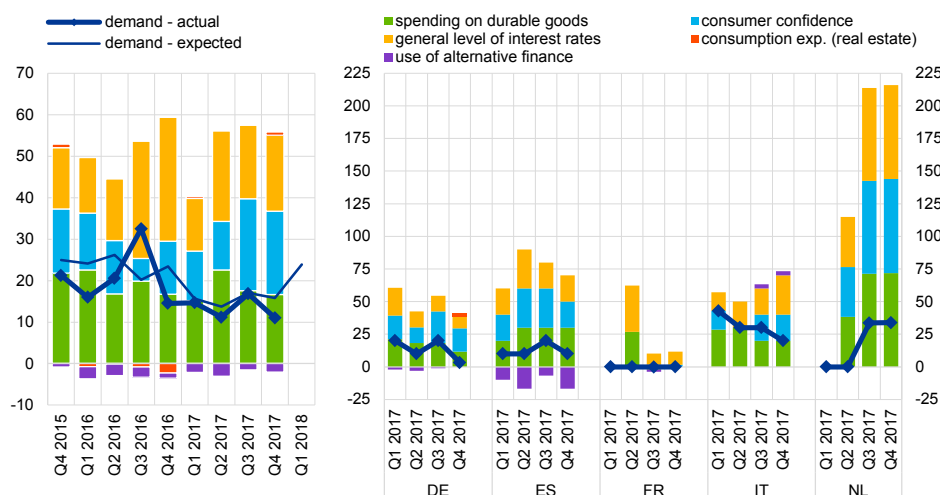
According to euro area banks, net demand for consumer credit and other lending to households

continued to increase in the fourth quarter of 2017 (net percentage of 11%, after 17% in the previous quarter; see Chart 12 and Table A), remaining above its historical average but below the expectations in the previous survey round.

Chart 12

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

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



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

Across the large euro area countries, net demand increased in all of them except for France, where it remained unchanged.

Among the factors driving demand at the euro area level, consumer confidence, the low general level of interest rates and financing needs for spending on durable consumer goods continued to contribute to increased demand, while the use of alternative finance (e.g. household savings) had a slightly negative effect (see Chart 12).

Table 12

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

(net percentage changes)

Country	Spending on durable goods		Consumer confidence		Consumption exp. (real estate)		General level of interest rates		Use of alternative finance	
	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017	Q3 2017	Q4 2017
Euro area	18	17	22	20	0	1	18	18	-1	-2
DE	18	12	24	18	0	3	12	9	-1	0
ES	30	30	30	20	0	0	20	20	-7	-17
FR	-2	0	2	2	0	0	9	10	-2	0
IT	20	20	20	20	0	0	20	30	3	3
NL	71	72	71	72	0	0	71	72	0	0

Note: See the notes to Chart 12.

Across the large euro area countries, consumer confidence and the low general level of interest rates contributed to increased demand in all countries. Spending on durable goods contributed to the net increase in demand for consumer credit in all countries except for France, where it had a neutral effect. The use of alternative

finance increased demand in Italy, dampened it in Spain, and had no significant impact in Germany, France and the Netherlands.

For the first quarter of 2018, euro area banks expect a further increase in net demand for consumer credit and other lending to households (24%).

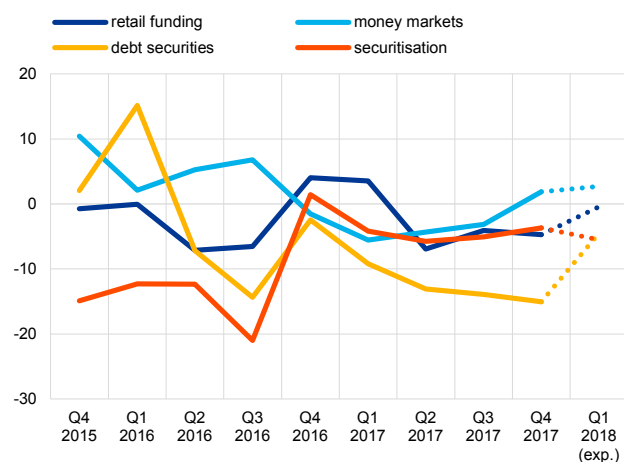
3 Ad hoc questions

3.1 Banks' access to retail and wholesale funding

Chart 13

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

(net percentages of banks reporting deteriorated market access)



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

As in previous survey rounds, the January 2018 survey questionnaire included a question to assess the extent to which the situation in financial markets affected banks' access to retail and wholesale funding.³

For the fourth quarter of 2017, euro area banks reported improved access to retail funding and wholesale funding, with the exception of money markets, which deteriorated slightly (see Chart 13 and Table 13).⁴

Looking ahead to the first quarter of 2018, euro area banks expect improved access to debt securities and securitisation, no changes in retail funding and a slight deterioration in money markets.

Table 13

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

(net percentages of banks reporting deteriorated market access)

	Retail funding	Interbank unsecured money market	Wholesale debt securities	Securitisation
Q3 2017	-4	-3	-14	-5
Q4 2017	-5	2	-15	-4

Note: See the notes to Chart 13.

3.2 Banks' adjustment to regulatory and supervisory actions

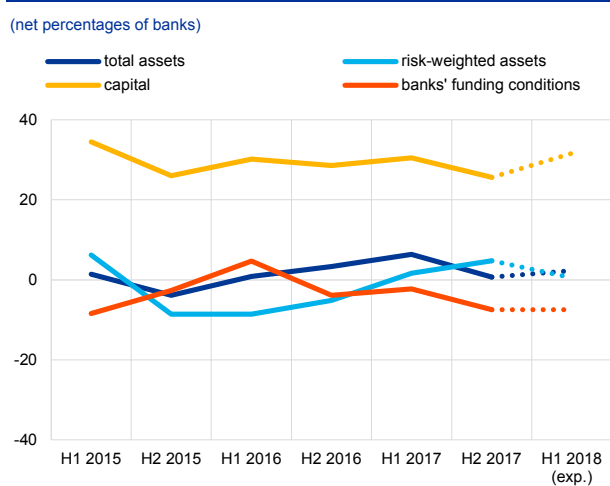
The January 2018 BLS questionnaire included two biannual ad hoc questions to assess the extent to which new regulatory or supervisory requirements affected banks' lending policies via the potential impact on their capital, leverage, liquidity position or provisioning and the credit conditions that they apply to loans. These new

³ The results shown are calculated as a percentage of the number of banks which did not reply "not applicable".

⁴ However, as regards the results on securitisation, there are a large number of banks that replied "not applicable", as this source of funding is not relevant for them (between 44% and 48%, depending on the type of securitisation, in the fourth quarter of 2017).

requirements cover regulatory and supervisory actions that have recently been implemented or that are expected to be implemented in the near future. Furthermore, banks were also asked to indicate their effects on funding conditions.

Chart 14
Impact of regulatory or supervisory action on banks' risk-weighted assets, capital and funding conditions



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

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

The impact of supervisory or regulatory actions on banks' credit standards during the second half of 2017 was broadly neutral across loan categories, with the exception of consumer credit and other loans to households, where they had a slightly tightening effect (see Chart 15 and Table 15).

Supervisory and regulatory actions narrowed loan margins in loans to SMEs and large enterprises, had a broadly neutral impact on loans to households for house purchase, and widened margins in consumer credit and other lending to households.

Table 14
Impact of regulatory or supervisory action on banks' risk-weighted assets, capital and funding conditions

(net percentages of banks)

	Total assets, of which		Risk-weighted assets, of which			Capital, of which			Impact on banks' funding conditions
	Total	Liquid assets	Total	Average loans	Riskier loans	Total	Retained earnings	Capital issuance	
H1 2017	6	5	2	6	-9	31	24	19	-2
H2 2017	1	-1	5	10	-8	26	21	15	-7

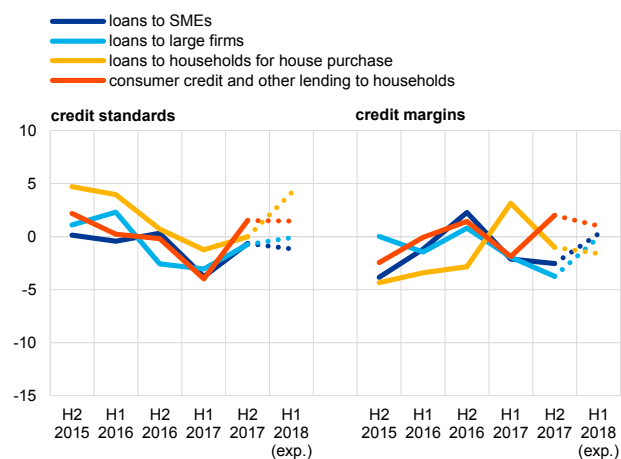
Note: See the notes to Chart 14.

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

Chart 15

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

(net percentages of banks)



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

Table 15

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

(net percentages of banks)

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

Note: See the note to Chart 15.

Annex 1

Results for the standard questions⁵

Loans or credit lines to enterprises

Question 1

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

(in percentages, unless otherwise stated)

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
Tightened considerably	0	0	0	0	0	0	0	0	0	0
Tightened somewhat	2	2	3	1	2	1	2	1	2	2
Remained basically unchanged	95	96	92	96	92	92	95	92	95	96
Eased somewhat	3	2	5	2	6	7	4	6	3	2
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	-1	0	-1	-1	-4	-6	-2	-5	-2	-1
Diffusion index	-1	0	-1	0	-2	-3	-1	-2	-1	0
Mean	3.01	3.00	3.01	3.01	3.04	3.06	3.02	3.05	3.02	3.01
Number of banks responding	134	136	130	133	129	130	134	136	134	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 of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

⁵ Figures might not add up to 100 due to rounding.

Question 2

Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of loans or credit lines to enterprises?

(in percentages, unless otherwise stated)

OVERALL

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	0	1	96	0	0	3	1	1	1	1	2.99	2.99
Your bank's ability to access market financing	0	0	94	2	0	4	-1	-2	0	-1	3.01	3.02
Your bank's liquidity position	0	0	96	1	0	3	-5	-1	-2	-1	3.05	3.01
B) Pressure from competition												
Competition from other banks	0	0	88	8	0	4	-14	-8	-7	-4	3.14	3.08
Competition from non-banks	0	0	92	4	0	4	-4	-4	-2	-2	3.05	3.04
Competition from market financing	0	0	96	0	0	4	-4	0	-2	0	3.05	3.00
C) Perception of risk												
General economic situation and outlook	0	0	92	6	0	2	-5	-5	-2	-3	3.05	3.06
Industry or firm-specific situation and outlook/borrower's creditworthiness	0	0	93	5	0	2	-2	-5	-1	-2	3.02	3.05
Risk related to the collateral demanded	0	0	97	1	0	2	-1	-1	0	-1	3.01	3.01
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	97	0	0	2	2	1	1	1	2.98	2.99

SMALL AND MEDIUM-SIZED ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	0	1	93	0	0	6	0	1	0	1	3.00	2.99
Your bank's ability to access market financing	0	0	91	1	0	7	-2	-1	-1	-1	3.02	3.01
Your bank's liquidity position	0	0	93	1	0	6	-7	-1	-3	-1	3.07	3.01
B) Pressure from competition												
Competition from other banks	0	1	84	9	0	6	-11	-8	-6	-4	3.12	3.08
Competition from non-banks	0	0	89	4	0	7	-2	-4	-1	-2	3.02	3.04
Competition from market financing	0	0	93	0	0	7	-2	0	-1	0	3.02	3.00
C) Perception of risk												
General economic situation and outlook	0	0	92	3	0	5	-5	-3	-3	-2	3.05	3.03
Industry or firm-specific situation and outlook/borrower's creditworthiness	0	0	91	4	0	5	-4	-4	-2	-2	3.04	3.04
Risk related to the collateral demanded	0	0	93	2	0	5	-3	-2	-1	-1	3.03	3.02
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	93	1	0	5	1	1	1	0	2.99	2.99

LARGE ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	0	1	91	0	0	7	1	1	0	1	2.99	2.99
Your bank's ability to access market financing	0	0	90	2	0	9	-2	-2	-1	-1	3.02	3.02
Your bank's liquidity position	0	0	92	1	0	7	-5	-1	-3	-1	3.05	3.01
B) Pressure from competition												
Competition from other banks	0	0	82	10	0	8	-18	-10	-9	-5	3.18	3.10
Competition from non-banks	0	0	90	1	0	8	-5	-1	-3	-1	3.06	3.01
Competition from market financing	0	0	90	1	0	8	-4	-1	-2	-1	3.05	3.01
C) Perception of risk												
General economic situation and outlook	0	0	91	3	0	6	-6	-3	-3	-1	3.06	3.03
Industry or firm-specific situation and outlook/borrower's creditworthiness	0	1	91	2	0	6	-2	-1	-1	-1	3.02	3.01
Risk related to the collateral demanded	0	0	93	1	0	6	-1	-1	-1	-1	3.01	3.01
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	93	0	0	6	1	1	1	0	2.99	2.99

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

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

Question 3

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

(in percentages, unless otherwise stated)

OVERALL

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Overall terms and conditions												
Overall terms and conditions	0	0	86	12	0	2	-7	-11	-3	-6	3.07	3.11
B) Margins												
Your bank's margin on average loans	0	3	68	27	0	2	-26	-24	-13	-12	3.26	3.24
Your bank's margin on riskier loans	0	4	86	8	0	3	-2	-4	-1	-2	3.02	3.04
C) Other conditions and terms												
Non-interest rate charges	0	2	91	4	0	3	2	-2	1	-1	2.98	3.02
Size of the loan or credit line	0	1	90	6	0	3	-5	-5	-2	-2	3.05	3.05
Collateral requirements	0	1	93	4	0	2	-4	-2	-2	-1	3.05	3.03
Loan covenants	0	1	92	5	0	2	-6	-4	-3	-2	3.06	3.04
Maturity	0	0	97	1	0	2	-4	-1	-2	-1	3.04	3.01

SMALL AND MEDIUM-SIZED ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Overall terms and conditions												
Overall terms and conditions	0	0	86	8	0	5	-5	-8	-3	-4	3.05	3.08
B) Margins												
Your bank's margin on average loans	0	3	72	21	0	5	-15	-18	-8	-9	3.16	3.18
Your bank's margin on riskier loans	0	4	84	7	0	6	3	-3	1	-2	2.97	3.03
C) Other conditions and terms												
Non-interest rate charges	0	2	89	3	0	5	2	-1	1	0	2.98	3.01
Size of the loan or credit line	0	1	92	2	0	5	-2	-1	-1	0	3.02	3.01
Collateral requirements	0	1	91	3	0	5	-4	-2	-2	-1	3.04	3.02
Loan covenants	0	0	91	4	0	5	-5	-4	-3	-2	3.06	3.04
Maturity	0	0	94	1	0	5	-3	-1	-1	-1	3.03	3.01

LARGE ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Overall terms and conditions												
Overall terms and conditions	0	0	81	11	1	6	-8	-12	-4	-7	3.09	3.14
B) Margins												
Your bank's margin on average loans	0	3	62	29	0	6	-29	-26	-15	-13	3.30	3.27
Your bank's margin on riskier loans	0	4	80	9	0	6	-4	-5	-2	-3	3.04	3.05
C) Other conditions and terms												
Non-interest rate charges	0	2	85	5	0	7	1	-3	1	-1	2.99	3.03
Size of the loan or credit line	0	1	85	8	0	7	-5	-6	-3	-3	3.05	3.06
Collateral requirements	0	1	87	5	0	6	-4	-4	-2	-2	3.05	3.04
Loan covenants	0	0	88	6	0	6	-8	-6	-4	-3	3.08	3.06
Maturity	0	0	88	5	0	7	-5	-5	-2	-3	3.05	3.06

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

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

Question 4

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

(in percentages, unless otherwise stated)

OVERALL IMPACT ON YOUR BANK'S CREDIT TERMS AND CONDITIONS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	92	4	0	2	-3	-2	-2	-1	3	3.02
B) Pressure from competition												
Pressure from competition	0	0	69	28	0	3	-27	-28	-14	-14	3	3.28
C) Perception of risk												
Perception of risk	0	0	95	3	0	2	-6	-3	-3	-1	3	3.03
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	98	0	0	2	1	0	0	0	3	3.00

IMPACT ON YOUR BANK'S MARGINS ON AVERAGE LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	91	5	0	2	-3	-2	-1	-1	3	3.02
B) Pressure from competition												
Pressure from competition	0	1	64	33	0	3	-23	-32	-12	-16	3	3.33
C) Perception of risk												
Perception of risk	0	0	95	3	0	2	-6	-3	-3	-2	3	3.03
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	97	0	0	2	-1	0	0	0	3	3.00

IMPACT ON YOUR BANK'S MARGINS ON RISKIER LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	4	92	2	0	3	2	2	1	1	3	2.98
B) Pressure from competition												
Pressure from competition	0	2	80	14	0	4	-7	-11	-3	-6	3	3.12
C) Perception of risk												
Perception of risk	0	1	96	1	0	3	2	0	1	0	3	3.00
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	97	0	0	3	4	1	2	0	3	2.99

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

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

Question 5

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

(in percentages, unless otherwise stated)

	Share of rejected applications	
	Oct 17	Jan 18
Decreased considerably	0	0
Decreased somewhat	3	8
Remained basically unchanged	93	87
Increased somewhat	4	5
Increased considerably	0	0
Total	100	100
Net percentage	1	-4
Diffusion index	1	-2
Mean	3.01	2.96
Number of banks responding	133	135

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

Question 6

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

(in percentages, unless otherwise stated)

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
Decreased considerably	1	0	1	0	0	0	1	0	0	0
Decreased somewhat	7	6	7	8	11	6	9	7	10	6
Remained basically unchanged	69	66	69	66	72	70	81	76	65	67
Increased somewhat	23	28	22	26	17	24	9	17	26	28
Increased considerably	0	0	0	0	0	0	0	0	0	0
Total	100	100	100	100	100	100	100	100	100	100
Net percentage	15	21	14	19	7	19	-1	10	16	22
Diffusion index	7	11	6	9	3	9	-1	5	8	11
Mean	3.14	3.21	3.12	3.19	3.07	3.19	2.98	3.10	3.16	3.22
Number of banks responding	134	136	130	132	129	131	133	136	134	136

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

Question 7

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

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Financing needs/underlying drivers or purpose of loan demand												
Fixed investment	0	1	76	20	1	2	13	20	7	11	3.14	3.22
Inventories and working capital	0	4	76	17	0	3	2	13	1	7	3.02	3.13
Mergers/acquisitions and corporate restructuring	0	4	78	15	1	2	11	12	5	7	3.11	3.13
General level of interest rates	0	1	82	15	0	2	14	14	7	7	3.15	3.14
Debt refinancing/restructuring and renegotiation	0	3	86	5	1	5	3	4	1	2	3.03	3.05
B) Use of alternative finance												
Internal financing	0	8	87	2	0	2	-7	-6	-3	-3	2.93	2.94
Loans from other banks	0	6	81	10	0	2	0	4	-1	2	2.99	3.04
Loans from non-banks	0	2	94	1	0	2	-5	-1	-3	0	2.95	2.99
Issuance/redemption of debt securities	0	3	88	2	0	6	1	-1	1	-1	3.01	2.98
Issuance/redemption of equity	0	1	90	1	0	8	-1	0	-1	0	2.99	3.00

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

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

Question 8

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

(in percentages, unless otherwise stated)

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
Tighten considerably	0	0	0	0	0	0	0	0	0	0
Tighten somewhat	1	0	1	0	1	0	0	0	1	0
Remain basically unchanged	97	95	96	95	97	94	96	94	97	94
Ease somewhat	2	5	3	5	2	6	4	5	2	5
Ease considerably	0	0	0	0	0	0	0	0	0	0
Total	100	100	100	100	100	100	100	100	100	100
Net percentage	0	-4	-2	-4	-1	-6	-4	-5	0	-5
Diffusion index	0	-2	-1	-2	-1	-3	-2	-2	0	-2
<i>Mean</i>	<i>3.00</i>	<i>3.04</i>	<i>3.02</i>	<i>3.04</i>	<i>3.01</i>	<i>3.06</i>	<i>3.04</i>	<i>3.05</i>	<i>3.00</i>	<i>3.04</i>
Number of banks responding	133	135	129	131	128	130	133	135	133	135

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

Question 9

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

(in percentages, unless otherwise stated)

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
Decrease considerably	0	0	0	0	0	0	0	0	0	0
Decrease somewhat	1	2	1	2	2	3	1	3	1	1
Remain basically unchanged	72	78	70	75	74	78	74	83	73	79
Increase somewhat	27	19	29	24	24	19	24	14	26	20
Increase considerably	0	0	0	0	0	0	0	0	0	0
Total	100	100	100	100	100	100	100	100	100	100
Net percentage	26	17	28	22	21	16	23	11	24	18
Diffusion index	13	8	14	11	11	8	12	5	12	9
<i>Mean</i>	<i>3.26</i>	<i>3.17</i>	<i>3.28</i>	<i>3.22</i>	<i>3.21</i>	<i>3.16</i>	<i>3.23</i>	<i>3.11</i>	<i>3.24</i>	<i>3.18</i>
Number of banks responding	134	136	130	132	129	131	134	136	134	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 of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

Loans to households

Question 10

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

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending	
	Oct 17	Jan 18	Oct 17	Jan 18
Tightened considerably	0	0	0	0
Tightened somewhat	0	1	0	2
Remained basically unchanged	88	93	96	96
Eased somewhat	10	7	4	2
Eased considerably	1	0	0	0
Total	100	100	100	100
Net percentage	-11	-6	-4	-1
Diffusion index	-6	-3	-2	0
Mean	3.12	3.06	3.04	3.01
Number of banks responding	130	132	131	134

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

Question 11

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

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	0	93	0	0	6	1	0	0	0	2.99	3.00
B) Pressure from competition												
Competition from other banks	0	0	85	8	0	6	-13	-8	-7	-4	3.14	3.09
Competition from non-banks	0	0	89	2	3	7	-4	-4	-2	-3	3.04	3.07
C) Perception of risk												
General economic situation and outlook	0	0	90	4	0	6	-4	-4	-2	-2	3.05	3.04
Housing market prospects, including expected house price developments	0	0	92	2	0	6	-2	-2	-1	-1	3.02	3.03
Borrower's creditworthiness	0	0	90	4	0	6	-4	-4	-2	-2	3.04	3.04
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	94	0	0	6	-4	0	-2	0	3.05	3.00

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

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

Question 12

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

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Overall terms and conditions												
Overall terms and conditions	0	2	88	5	0	6	-5	-3	-2	-2	3.05	3.04
B) Margins												
Your bank's loan margin on average loans	0	3	69	23	0	6	-13	-20	-6	-10	3.14	3.21
Your bank's loan margin on riskier loans	0	4	79	8	0	8	-3	-4	-1	-2	3.03	3.04
C) Other terms and conditions												
Collateral requirements	0	0	94	0	0	6	-3	0	-2	0	3.03	3.00
"Loan-to-value" ratio	0	3	89	1	0	6	3	2	1	1	2.97	2.98
Other loan size limits	0	0	91	3	0	6	0	-2	0	-1	3.00	3.02
Maturity	0	0	93	1	0	6	1	-1	0	0	2.99	3.01
Non-interest rate charges	0	1	92	1	0	6	-1	-1	-1	0	3.01	3.01

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

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

Question 13

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

(in percentages, unless otherwise stated)

OVERALL IMPACT ON YOUR BANK'S CREDIT TERMS AND CONDITIONS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	89	1	0	7	-3	1	-1	1	3	2.99
B) Pressure from competition												
Pressure from competition	0	0	77	16	0	8	-13	-16	-8	-8	3	3.17
C) Perception of risk												
Perception of risk	0	0	91	3	0	7	-3	-2	-1	-1	3	3.02
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	93	0	0	7	-2	1	-1	0	3	2.99

IMPACT ON YOUR BANK'S MARGINS ON AVERAGE LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	90	1	0	7	-2	1	-1	1	3	2.99
B) Pressure from competition												
Pressure from competition	0	0	70	23	0	8	-16	-23	-9	-11	3	3.24
C) Perception of risk												
Perception of risk	0	0	91	3	0	7	1	-3	1	-1	3	3.03
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	93	0	0	7	-2	0	-1	0	3	3.00

IMPACT ON YOUR BANK'S MARGINS ON RISKIER LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	4	85	1	0	10	5	2	2	1	3	2.97
B) Pressure from competition												
Pressure from competition	0	1	82	8	0	10	-4	-6	-3	-3	3	3.07
C) Perception of risk												
Perception of risk	0	2	87	1	0	10	4	0	2	0	3	2.99
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	88	1	0	10	5	0	2	0	3	3.00

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

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

Question 14

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

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	0	96	0	0	4	0	0	0	0	3.00	3.00
B) Pressure from competition												
Competition from other banks	0	1	92	3	0	4	-4	-2	-2	-1	3.04	3.02
Competition from non-banks	0	1	90	5	0	5	-1	-4	0	-2	3.01	3.04
C) Perception of risk												
General economic situation and outlook	0	0	95	2	0	3	-2	-2	-1	-1	3.02	3.02
Creditworthiness of consumers ⁽¹⁾	0	1	92	5	0	3	-1	-4	-1	-2	3.01	3.04
Risk on the collateral demanded	0	1	91	0	0	9	0	1	0	0	3.00	2.99
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	96	0	0	3	-2	1	-1	1	3.02	2.99

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

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

Question 15

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

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Overall terms and conditions												
Overall terms and conditions	0	3	89	4	0	3	-2	-1	-1	-1	3.02	3.01
B) Margins												
Your bank's loan margin on average loans	0	4	84	8	0	3	-4	-4	-2	-2	3.04	3.04
Your bank's loan margin on riskier loans	0	3	92	1	0	4	0	2	0	1	3.00	2.98
C) Other terms and conditions												
Collateral requirements	0	0	92	0	0	8	0	0	0	0	3.00	3.00
Size of the loan	0	0	94	3	0	3	-3	-3	-1	-1	3.03	3.03
Maturity	0	0	97	0	0	3	-1	0	-1	0	3.01	3.00
Non-interest rate charges	0	0	97	0	0	3	0	0	0	0	3.00	3.00

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

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

Question 16

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

(in percentages, unless otherwise stated)

OVERALL IMPACT ON YOUR BANK'S CREDIT TERMS AND CONDITIONS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	94	0	0	3	-1	2	0	1	3.01	2.98
B) Pressure from competition												
Pressure from competition	0	0	90	5	0	4	-8	-5	-4	-3	3.08	3.05
C) Perception of risk												
Perception of risk	0	1	91	5	0	3	1	-4	1	-2	2.99	3.04
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	96	0	0	3	-1	0	-1	0	3.01	2.99

IMPACT ON YOUR BANK'S MARGINS ON AVERAGE LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	94	0	0	3	-1	2	-1	1	3.01	2.98
B) Pressure from competition												
Pressure from competition	0	1	86	9	0	4	-10	-8	-5	-4	3.10	3.08
C) Perception of risk												
Perception of risk	0	1	91	5	0	3	1	-4	1	-2	2.99	3.04
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	96	0	0	3	0	0	0	0	3.00	3.00

IMPACT ON YOUR BANK'S MARGINS ON RISKIER LOANS

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	3	92	0	0	4	0	4	0	2	3.00	2.96
B) Pressure from competition												
Pressure from competition	0	0	94	1	0	5	-1	-1	-1	0	3.01	3.01
C) Perception of risk												
Perception of risk	0	2	94	0	0	4	1	2	1	1	2.99	2.98
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	95	0	0	4	0	1	0	0	3.00	2.99

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

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

Question 17

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

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending	
	Oct 17	Jan 18	Oct 17	Jan 18
Decreased considerably	0	0	0	0
Decreased somewhat	6	5	8	10
Remained basically unchanged	90	92	88	88
Increased somewhat	4	3	3	3
Increased considerably	0	0	0	0
Total	100	100	100	100
Net percentage	-2	-2	-5	-7
Diffusion index	-1	-1	-2	-3
Mean	2.98	2.98	2.95	2.93
Number of banks responding	129	131	131	133

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

Question 18

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

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending	
	Oct 17	Jan 18	Oct 17	Jan 18
Decreased considerably	0	0	0	0
Decreased somewhat	9	12	2	4
Remained basically unchanged	70	68	79	82
Increased somewhat	20	19	19	14
Increased considerably	1	1	0	1
Total	100	100	100	100
Net percentage	12	8	17	11
Diffusion index	6	4	8	6
Mean	3.12	3.08	3.17	3.12
Number of banks responding	130	132	132	133

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

Question 19

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

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Financing needs/underlying drivers or purpose of loan demand												
Housing market prospects, including expected house price developments	0	4	68	22	0	6	26	18	13	9	3.27	3.20
Consumer confidence	0	0	81	13	0	6	21	13	10	7	3.22	3.14
General level of interest rates	0	1	70	21	3	6	27	23	15	13	3.31	3.26
Debt refinancing/restructuring and renegotiation	0	2	86	5	0	6	4	3	2	2	3.04	3.03
Regulatory and fiscal regime of housing markets	0	3	88	3	0	6	-3	-1	-1	0	2.97	2.99
B) Use of alternative sources for housing finance												
Internal finance of house purchase out of savings/down payment	0	8	86	0	0	6	-3	-8	-1	-4	2.97	2.92
Loans from other banks	0	6	85	2	1	7	-2	-3	-1	-1	2.98	2.97
Other sources of external finance	0	2	91	0	0	7	0	-2	0	-1	3.00	2.98

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

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

Question 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	
							Oct 17	Jan 18	Oct 17	Jan 18	Oct 17	Jan 18
A) Financing needs/underlying drivers or purpose of loan demand												
Spending on durable consumer goods	0	0	80	17	0	3	18	17	9	8	3.18	3.17
Consumer confidence	0	0	77	20	0	3	22	20	11	10	3.23	3.21
General level of interest rates	0	0	78	18	0	3	18	18	9	9	3.18	3.19
Consumption expenditure financed through real-estate guaranteed loans	0	0	85	1	0	14	0	1	0	0	3.00	3.01
B) Use of alternative finance												
Internal finance out of savings	0	4	90	2	0	4	-2	-3	-1	-1	2.97	2.97
Loans from other banks	0	5	89	2	1	4	-2	-2	-1	0	2.98	2.99
Other sources of external finance	0	2	93	1	0	4	0	-2	0	-1	3.00	2.98

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

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

Question 21

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

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending	
	Oct 17	Jan 18	Oct 17	Jan 18
Tighten considerably	0	1	0	0
Tighten somewhat	2	4	0	2
Remain basically unchanged	94	81	98	90
Ease somewhat	4	14	2	9
Ease considerably	0	0	0	0
Total	100	100	100	100
Net percentage	-3	-10	-2	-7
Diffusion index	-1	-5	-1	-3
Mean	3.03	3.09	3.02	3.07
Number of banks responding	130	132	131	134

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

Question 22

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

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending	
	Oct 17	Jan 18	Oct 17	Jan 18
Decrease considerably	0	0	0	0
Decrease somewhat	4	4	1	0
Remain basically unchanged	69	76	83	76
Increase somewhat	27	20	16	24
Increase considerably	0	0	0	0
<i>Total</i>	<i>100</i>	<i>100</i>	<i>100</i>	<i>100</i>
Net percentage	23	16	16	24
Diffusion index	11	8	8	12
<i>Mean</i>	<i>3.23</i>	<i>3.16</i>	<i>3.16</i>	<i>3.24</i>
Number of banks responding	130	132	132	133

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

Annex 2

Results for the ad hoc questions

Question A1

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

(in percentages, unless otherwise stated)

	Over the past three months								Over the next three months								N/A ⁽²⁾
	-	-	o	+	++	NetP	Mean	Standard deviation	-	-	o	+	++	NetP	Mean	Standard deviation	
A) Retail funding																	
Short-term deposits (up to one year)	0	0	94	6	0	-6	3.07	0.28	0	0	98	2	0	-2	3.02	0.14	4
Long-term (more than one year) deposits and other retail funding instruments	0	3	90	5	2	-3	3.05	0.41	0	3	94	1	1	1	3.01	0.34	3
B) Inter-bank unsecured money market																	
Very short-term money market (up to 1 week)	0	0	99	1	0	-1	3.01	0.12	0	0	100	0	0	0	3.00	0.00	5
Short-term money market (more than 1 week)	0	5	95	0	0	5	2.95	0.23	0	5	95	0	0	5	2.95	0.24	5
C) Wholesale debt securities⁽³⁾																	
Short-term debt securities (e.g. certificates of deposit or commercial paper)	0	0	92	7	2	-8	3.10	0.36	0	0	98	0	2	-2	3.03	0.26	14
Medium to long term debt securities (incl. covered bonds)	0	0	78	21	1	-22	3.23	0.47	0	1	91	7	1	-7	3.09	0.36	6
D) Securitisation⁽⁴⁾																	
Securitisation of corporate loans	0	3	88	7	2	-6	3.08	0.46	0	0	94	3	2	-6	3.08	0.38	44
Securitisation of loans for house purchase	0	4	91	2	2	0	3.02	0.43	0	0	93	4	2	-7	3.09	0.39	48
E) Ability to transfer credit risk off balance sheet⁽⁵⁾																	
Ability to transfer credit risk off balance sheet	0	0	95	3	2	-5	3.08	0.37	0	0	96	2	2	-4	3.06	0.35	42

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

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

(3) Usually involves on-balance-sheet funding.

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

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

Notes: "--" = deteriorated considerably/will deteriorate considerably; "-" = deteriorated somewhat/will deteriorate somewhat; "o" = remained unchanged/will remain unchanged; "+" = eased somewhat/will ease somewhat; "++" = eased considerably/will ease considerably. The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options. Figures may not exactly add 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								
	--	-	o	+	++	NA	NetP	Mean	Standard deviation
Total assets	0	7	83	8	0	2	1	3.0	0.43
Of which: Liquid assets ¹⁾	0	7	83	6	0	2	-1	3.0	0.43
Risk-weighted assets	0	7	78	11	1	3	5	3.1	0.51
Of which: Average loans	0	5	78	14	1	3	10	3.1	0.47
Riskier loans	1	12	79	4	1	3	-8	2.9	0.49
Capital	0	0	72	23	3	2	26	3.3	0.54
Of which: Retained earnings	0	0	75	20	1	3	21	3.2	0.52
Capital issuance ²⁾	0	1	73	13	3	11	15	3.2	0.51
Impact on your bank's funding conditions	0	1	88	8	0	3	-7	3.1	0.32

	Over the next six months								
	--	-	o	+	++	NA	NetP	Mean	Standard deviation
Total assets	0	7	82	9	0	2	2	3.0	0.42
Of which: Liquid assets ¹⁾	0	3	88	7	0	3	5	3.0	0.32
Risk-weighted assets	0	9	78	10	0	3	1	3.0	0.47
Of which: Average loans	0	7	78	12	0	3	5	3.1	0.45
Riskier loans	1	12	81	3	0	3	-10	2.9	0.44
Capital	0	1	63	32	1	2	32	3.3	0.54
Of which: Retained earnings	0	2	63	31	1	3	30	3.3	0.55
Capital issuance ²⁾	0	1	73	16	0	11	15	3.2	0.44
Impact on your bank's funding conditions	0	1	88	8	0	3	-7	3.1	0.32

(*) Please consider regulatory or supervisory actions that have recently been approved/implemented or that are expected to be approved/implemented in the near future.

1) Liquid assets should be defined as freely transferable assets that can be converted quickly into cash in private markets within a short time frame and without significant loss in value, in line with the European Commission Delegated Act of 10.10.2014 to supplement Regulation (EU) 575/2013 with regard to liquidity coverage requirement for Credit Institutions (C (2014) 7232 final).

2) Capital issuance includes the issuance of shares and hybrid instruments, as well as capital injections by, inter alia, national or supra-national public authorities.

Notes: "--" = decreased considerably/will decrease considerably; "-" = decreased somewhat/will decrease somewhat; "o" = remained unchanged/will remain unchanged; "+" = increased somewhat/will increase somewhat; "++" = increased considerably/will increase considerably. The mean and standard deviation are calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question A3

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

(in percentages unless otherwise stated)

(i) Credit standards

		Loans and credit lines to enterprises		Loans to households	
		Small and medium-sized enterprises	Large enterprises	For house purchase	Consumer credit and other lending
Over the past six months	--	0	0	0	0
	-	3	2	2	1
	o	93	95	96	98
	+	4	3	2	0
	++	0	0	0	0
	Net Percentage	-1	-1	0	2
	Mean	3	3	3	3
	Standard deviation	0	0	0	0
Over the next six months	--	0	0	1	0
	-	1	3	5	1
	o	96	93	92	98
	+	3	4	2	0
	++	0	0	0	0
	Net Percentage	-1	0	4	1
	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
	-	2	2	4	4
	o	94	92	90	94
	+	4	6	6	2
	++	0	0	0	0
	Net Percentage	-3	-4	-1	2
	Mean	3	3	3	3
	Standard deviation	0	0	0	0
Over the next six months	--	0	0	0	0
	-	3	4	2	2
	o	93	91	94	97
	+	3	5	4	1
	++	0	0	0	0
	Net Percentage	0	0	-2	1
	Mean	3	3	3	3
	Standard deviation	0	0	0	0

(*) Please consider 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.

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ISSN 1830-5989 (online)
 EU catalogue No QB-BA-18-001-EN-N (online)