

Risk Assessment Questionnaire – Summary of Results

Spring 2022

EBA

EUROPEAN
BANKING
AUTHORITY

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Introduction

The EBA conducts semi-annual Risk Assessment Questionnaires (RAQs) among banks and market analysts. This booklet presents a summary of the responses to the RAQs carried out in Spring 2021, in which 60 banks¹ and 11 market analysts submitted their answers. Results of the survey were received in April 2022. The RAQ results are published together with the EBA's quarterly Risk Dashboard (Q1 2022).

The results of the survey are presented in an aggregated form. The survey questionnaires are available in the Appendices. Charts numbers correspond to the question numbers in the questionnaires. Where relevant, answers from former questionnaires may be presented. For questions for which only one answer was permitted, any potential difference between the sum of shown responses and 100% is due to respondents answering either "n/a" or "no opinion". In the summary of the main results, most figures are rounded.

Should you wish to provide your feedback on this booklet, please do so by contacting rast@eba.europa.eu

¹ A list of banks participating in the survey is published in the Annex.

Summary of main findings

The effects of Russia's war of aggression against Ukraine are reflected in bank and analyst responses to the Spring 2022 RAQ. According to them, increasing uncertainty, downward revisions of GDP growth, inflationary pressures, and the monetary policy response, are expected to affect asset quality, funding costs and interest margins.

Business model, strategy, and profitability

- **Both banks and analysts are more pessimistic about profitability prospects.** The share of banks and analysts expecting an increase in profitability fell to 50% (80% in the previous RAQ) and 25% (50% in the previous RAQ) respectively. In general, banks and analysts are optimistic about the impact of rising rates. Most banks (85%) expect that rising rates will have a very positive or rather positive impact. In a similar vein, the share of analysts expecting an overall increase in net interest margins went up from 0% in the previous RAQ to 55%. However, analysts also expect an increase in provisions and impairments (80% vs 15% in the previous one). (*Questions 5 and 8 for banks and Question 1 for market analysts*)
- **Banks point to a change in their target areas to increase profitability.** The share of banks pointing to operating expenses as the main target area has declined since the Autumn 2020 questionnaire (50% in Autumn 2020 vs 25% in this edition). The percentage of banks pointing to net interest income has however risen from a minimum of 25% one year ago to 33% in the last RAQ. Net fee and commission income continues to be the main area targeted by banks (50%). (*Question 6 for banks*)
- **Credit and market risk are the main risks expected to be impacted by the war.** A clear majority of banks (80% for credit and 70% for market risk respectively) pointed to these two areas as the ones primarily affected by the war. Liquidity risk and operational risk followed with 40% agreement in both cases. Despite the war and the rising rates environment, banks do not report an increase in their estimated cost of equity (CoE). (*Question 3 and 9 for banks*)

Funding and liquidity

- **Banks intend to continue to rely on MREL-eligible instruments - but covered bond funding has become increasingly important.** Similar to the previous RAQ, banks point at senior non-preferred and senior HoldCo debt as the main funding category they will focus over the next 12 months. An increasing share of banks also indicates that they aim to issue more senior preferred debt (45% vs 35% in the previous RAQ), which might also be MREL-eligible for some banks. Nonetheless, the sharpest increase is observed in covered bond funding, pointed out by 40% of the banks (15% in the previous RAQ). Analysts similarly expect an increasing issuance of senior preferred and covered bond instruments (from 15% and 0%, respectively, in the Autumn 2021 RAQ to 40% and 25%, respectively, in this edition). In contrast to banks, the share of analysts

expecting a growing banks' focus on senior non-preferred and senior HoldCo debt have fallen from 75% to 25% (*Question 10 for banks and Question 6 for market analysts*)

- **Analysts expect a surge in the cost of all funding sources.** More than 90% of analysts expect higher costs for senior preferred and senior non-preferred/HoldCo spreads (25% and 15%, respectively, in the previous RAQ). A majority of analysts (75%) also expect a rise in the cost of AT1 and T2 instruments, compared to 0% in the Autumn 2021 RAQ. These expected trends are also reflected in banks' views about constraints to issue MREL-eligible debt. More than 50% of the banks point to pricing as the main issue (40% in the previous RAQ). (*Question 11 for banks and Question 7 for market analysts*)
- **Banks and analysts have different views on deposit repricing.** While more than 80% of the analysts expect an increase in retail deposit rates, only 20% and 35% of banks plan to increase household and non-financial corporation deposit rates respectively. More than 50% of the banks do not plan to take any action in relation to deposits. (*Question 12 for banks and Question 7 for market analysts*)

Asset volume trends and asset quality

- **Residential mortgages, corporates, and small and medium enterprises (SMEs) continue to appear as the segments where more banks plan to increase lending.** Market analysts hold similar views, but they also see project finance (65%) and asset finance (55%; shipping, aircrafts, etc.) as portfolios banks will show an interest in. (*Question 13 for banks and Question 8 for market analysts*)
- **Both banks and analysts expect a broad-based deterioration of asset quality.** SMEs and consumer lending are the segments most pointed out. Regarding commercial real estate, even though 80% of analysts still expect a deterioration, this percentage is down from 90% in the previous questionnaire. In the case of banks, only 20% expect a deterioration in this loan segment (30% in the previous questionnaire). (*Question 14 for banks and Question 9 for market analysts*)
- **For cost of risk (CoR), banks and market analysts hold divergent views.** Half of banks expect a CoR between 0 and 25bps (30% in the previous RAQ) and 25% (30% in the previous RAQ) between 50 and 75bps. Analysts are more conservative. The share of them expecting a CoR between 0 and 25bps has declined from 40% to 20% while those expecting CoR between 25 and 50bps and 50 and 75 bps have risen from 15% and 25% to 25% and 45%, respectively. (*Question 15 for banks and Question 10 for market analysts*)
- **A substantial share of banks (45%) plans to keep their COVID overlays to cover potential losses materialising in the next quarters.** In contrast, the percentage of banks that have already released these overlays fully or partially or that have used them fully or partially is 15% and 5% respectively. Going forward, 35% of banks plan to release them fully or partially in the next 6 to 12 months. Most banks (65%) also recognised provisioning overlays for reasons different from COVID, which is presumably related to the impact of the Russian war and ensuing macroeconomic deterioration. (*Question 15 and 16 for banks*)

Conduct, reputation, and operational risk

- **The share of banks expecting an increase in operational risk (55%) remained unchanged.** In contrast, the share of analysts expecting an increase in operational risk, rose from 40% in the previous survey to 80%. Banks continue to consider cyber risk and data security issues (75%) and conduct and legal risk (45%) as the main sources of operational risk. Geopolitical risk is also gaining relevance (35% vs 10% in the previous survey) for banks. Analysts also point to the risk of non-compliance with restrictive measures regimes (60%) as a relevant operational risk driver. *(Questions 20 and 21 for banks and questions 3 and 4 for market analysts)*
- **The money laundering/terrorist financing (ML/TF) risks with highest significance for banks are risks associated with customers' transactions in relation to terrorist financing or that are subject to international sanctions.** This high rating most likely relates to risks related to the financial sanctions regime (and not to TF risk itself), as banks do not appear to consider customers associated with extremism or terrorism as an important risk. This is further underlined by the fact that the risk associated with the current Russian invasion of Ukraine and the related sanctions against Russia are also referred by several banks, in particular ML risks in relation to refugees and risks of circumvention of sanctions. *(Question 23 for banks)*

Fintech

- **Although banks' customers widely use digital channels, many banks still see FinTech firms as a threat for their revenues.** A substantial part of banks (75%) report that more than half of their clients are using digital channels. Despite this, many banks still see FinTech firms as a threat for revenues. In the areas of payments and retail brokerage 55% and 40% of banks, respectively, consider Fintech firms as a threat for revenues vs 10% and 20%, respectively, that consider them as an opportunity to increase revenues. Nonetheless, banks also see FinTech firms as an opportunity to decrease costs, in particular in trading and sales (30%), retail (30%), and commercial banking (20%). The provision of crypto-asset services remains very limited. More than 60% of banks are neither offering nor planning to offer crypto-asset products or services to their clients. *(Questions 24, 25 and 27 for banks)*
- **Artificial Intelligence (AI) are mostly used in fraud detection, AML/CFT purposes, client or transaction profiling/clustering, and credit scoring.** The AI methods used are increasingly diverse. Decision trees and regression analysis seem to be the preferred approaches followed by natural language processing and neural networks. *(Questions 26 for banks)*

ESG

- **Products linked to green or social objectives are most prominently offered to non-financial corporations (NFCs) different from SMEs.** Green and sustainability-linked loans to NFCs constitute the products banks most commonly offer (80% and 75% of banks, respectively). Green loans are the product offered most widely across all counterparty types whilst the market for social products remains smaller. Banks most commonly identify a lack of data and transparency as the most relevant impediment for the further development of green retail loans (75% rank

this as either an extreme or significant impediment) followed by a lack of common definitions and regulatory uncertainty. *(Questions 28 and 30 for banks)*

- **Between 55% and 70% of banks are using the EU taxonomy as the definition for green, depending on the instrument.** This is the definition most widely used by banks for NFC loans. Market standards and internal definitions also remain widely used across all types of loans. *(Question 29 for banks)*
- **Green bonds remain the dominant sustainability-related funding instrument.** The share of banks stating that they have issued green bonds rose to 70% vs 55% in the Spring 2021 questionnaire. Most banks (60%) also indicate to have witnessed pricing benefits when issuing green bonds (up from just under 45% in the Spring 2021 questionnaire). For social, sustainable, and sustainability-linked bonds this share is only between 10 and 15%. *(Question 31 and 32 for banks)*

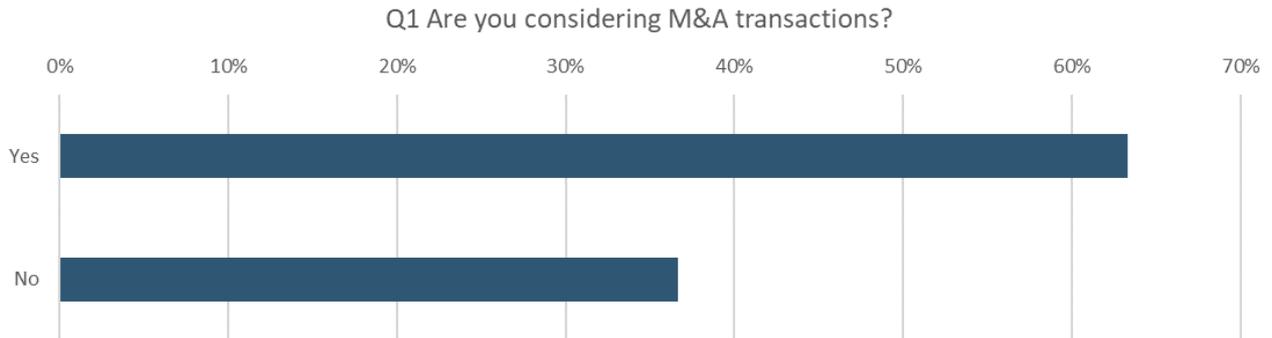
General open question

- **Geopolitical risks have replaced COVID-19 as the main concern for banks.** Respondents point to a deteriorating macroeconomic environment amid rising energy prices, mounting inflationary pressures and overall uncertainty about the outcome of the Russian war against Ukraine and the impact of the ensuing international sanctions. Other banks' concerns were monetary policy and supply chain disruptions. *(Question 33 for banks)*

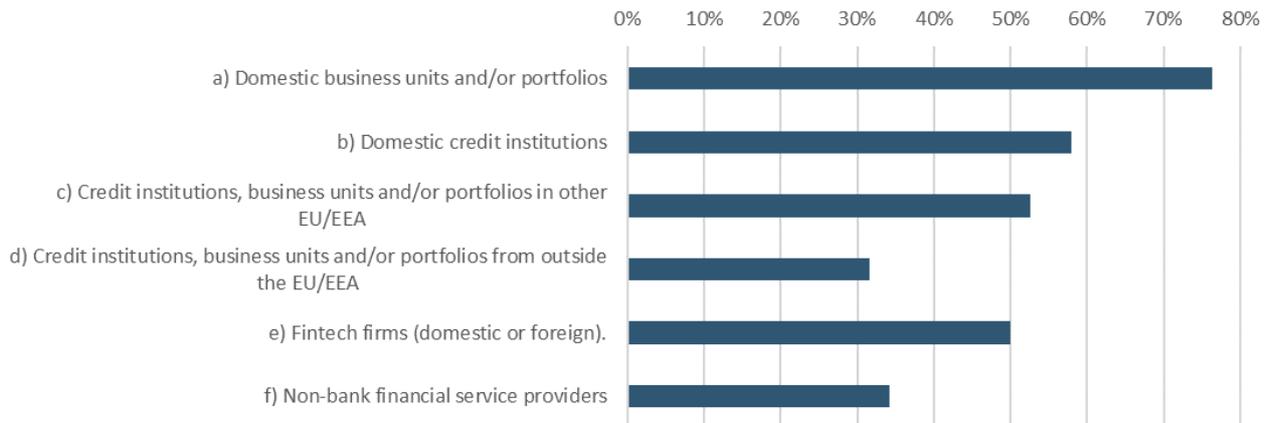
Banks' questionnaire

1. Business model / strategy / profitability

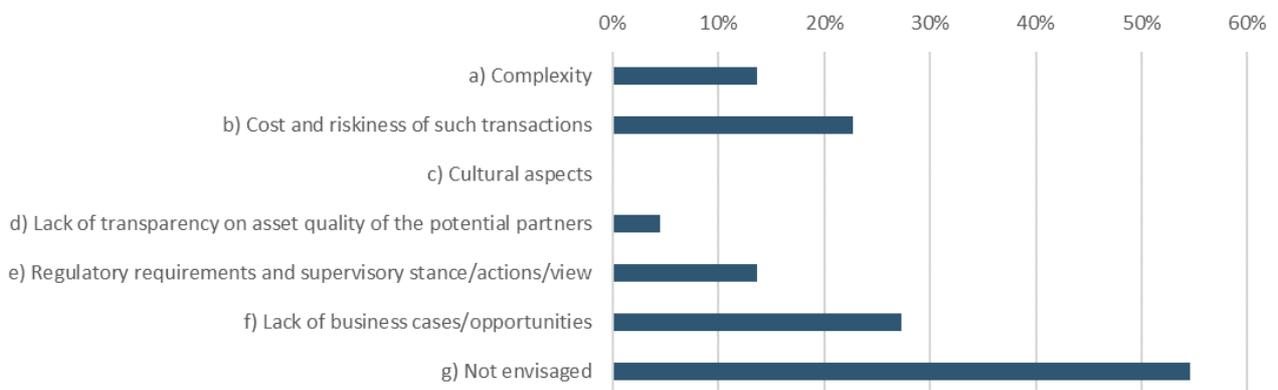
Question 1: Spring 2022 results



Q1.1 If 'Yes', are you potentially considering M&A transactions with/of?

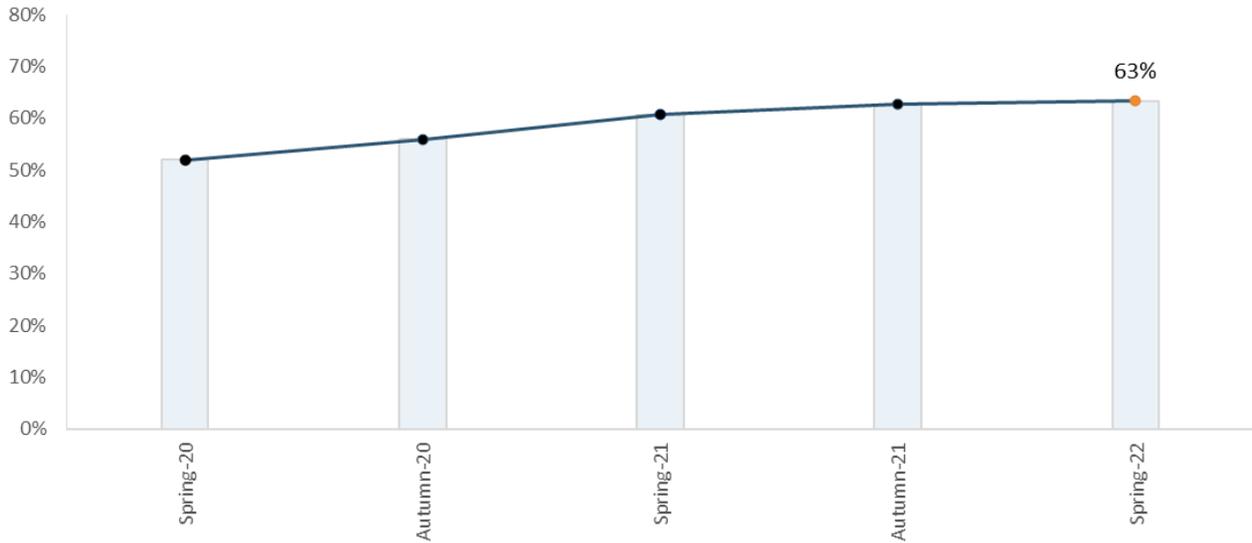


Q1.2 If 'No', what are the main reasons for not considering M&A transactions?

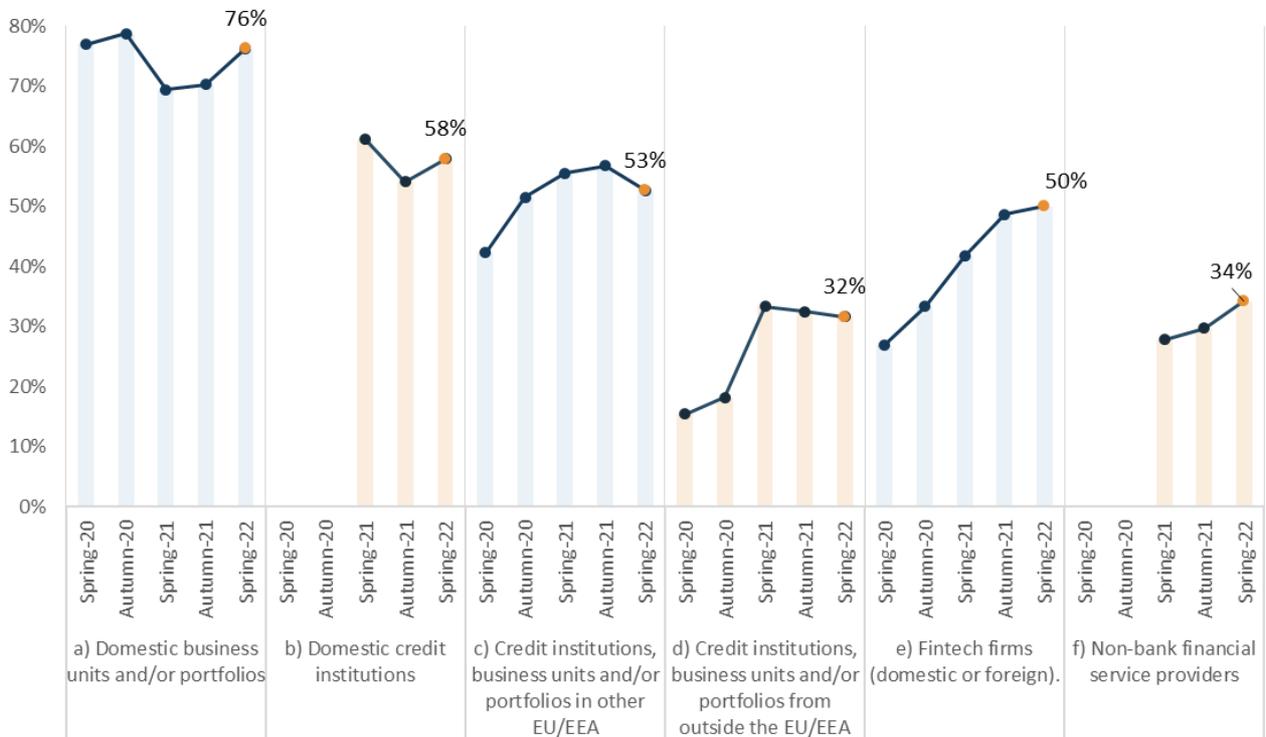


Question 1: Comparison with earlier results

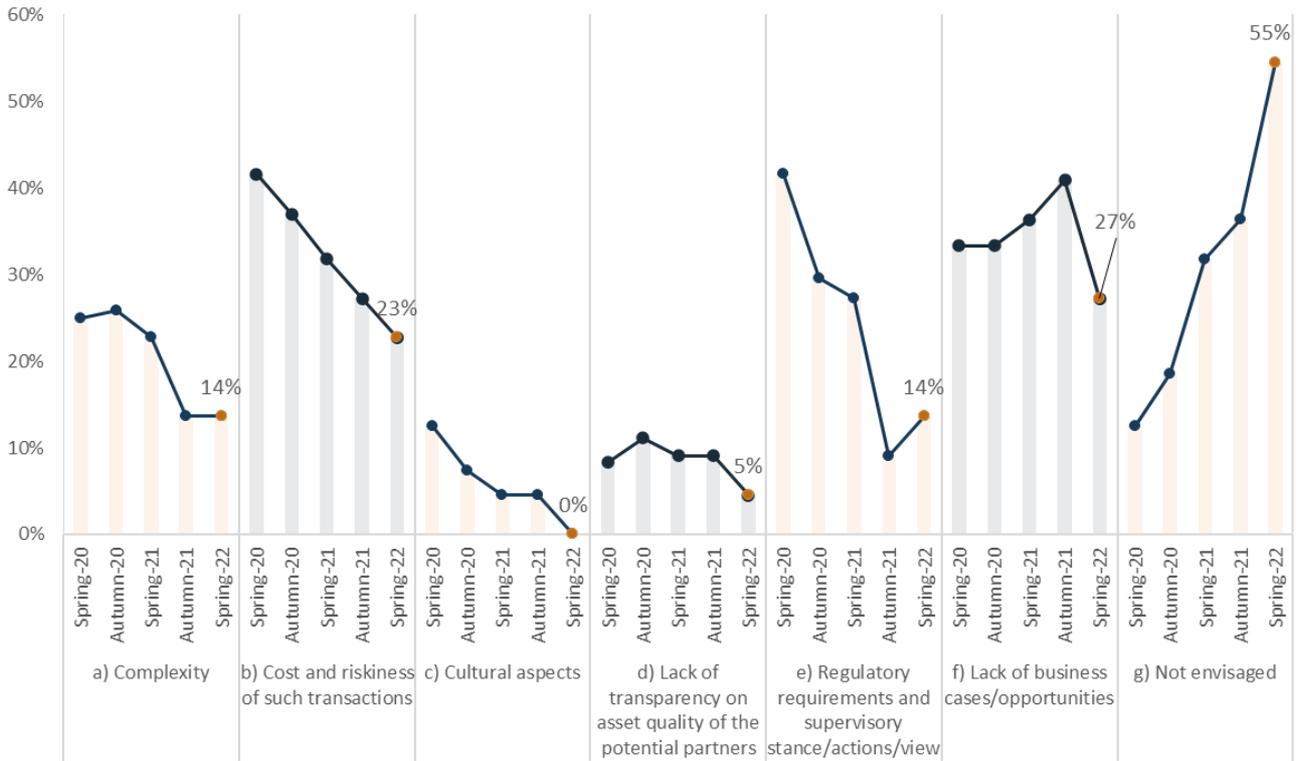
Q1 Are you considering M&A transactions?



Q1.1 If 'Yes', are you potentially considering M&A transactions with/of?

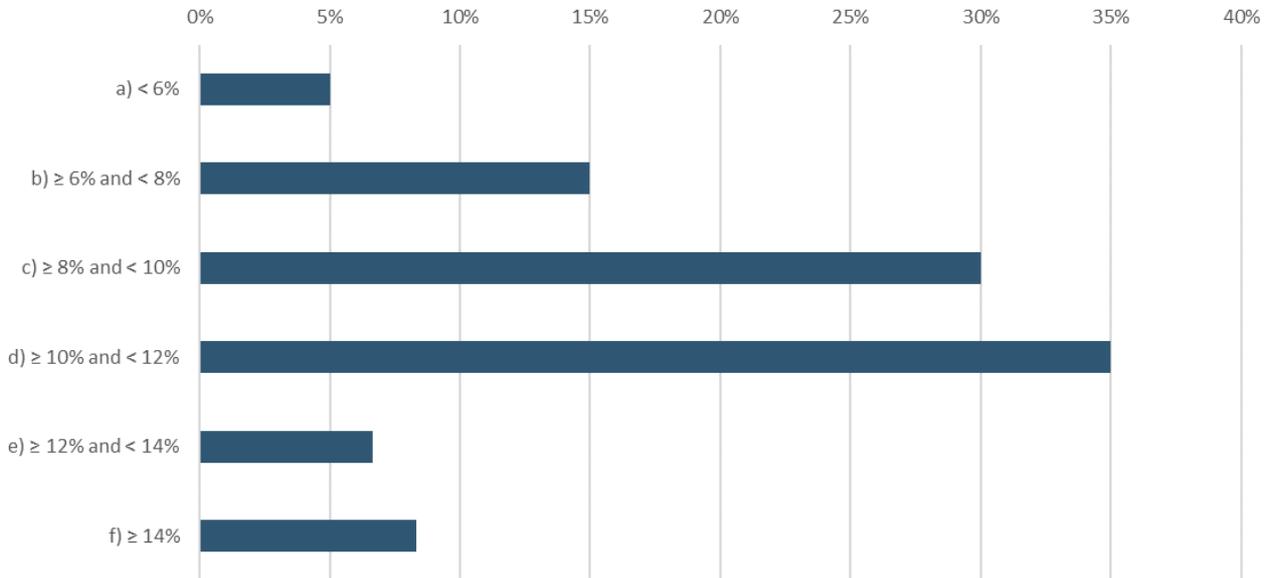


Q1.2 If 'No', what are the main reasons for not considering M&A transactions?



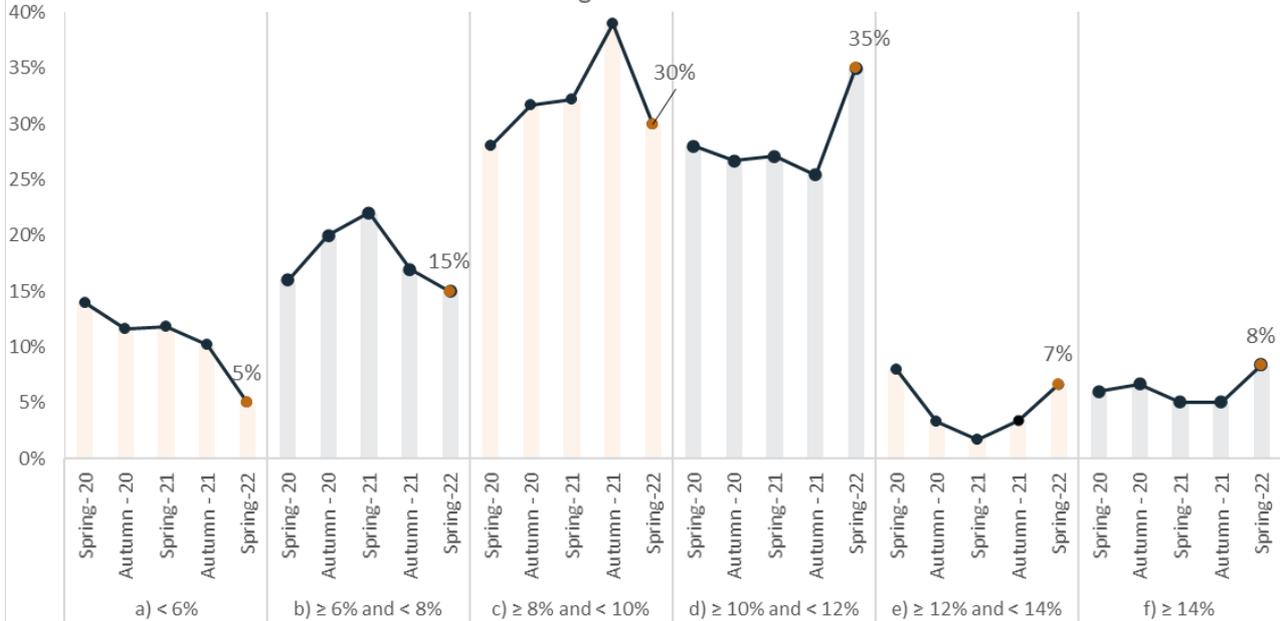
Question 2: Spring 2022 results

Q2 What is the minimum return on equity (ROE) level that your bank is targeting on a longer-term basis?

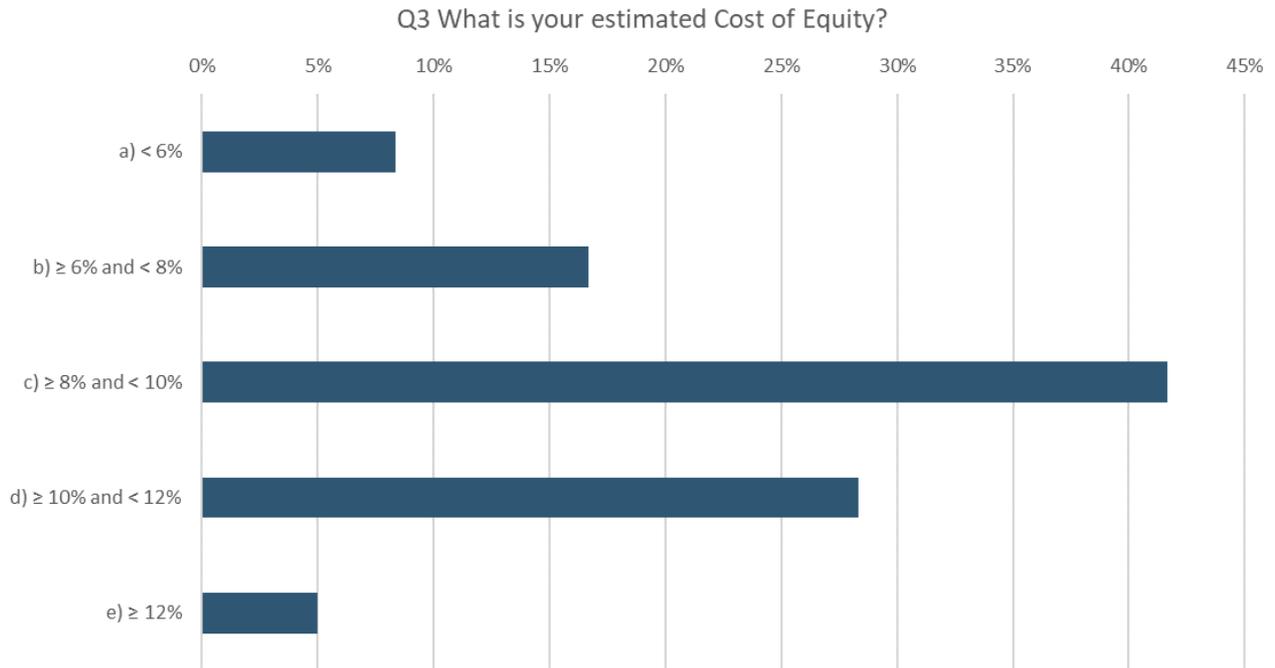


Question 2: Comparison with earlier results

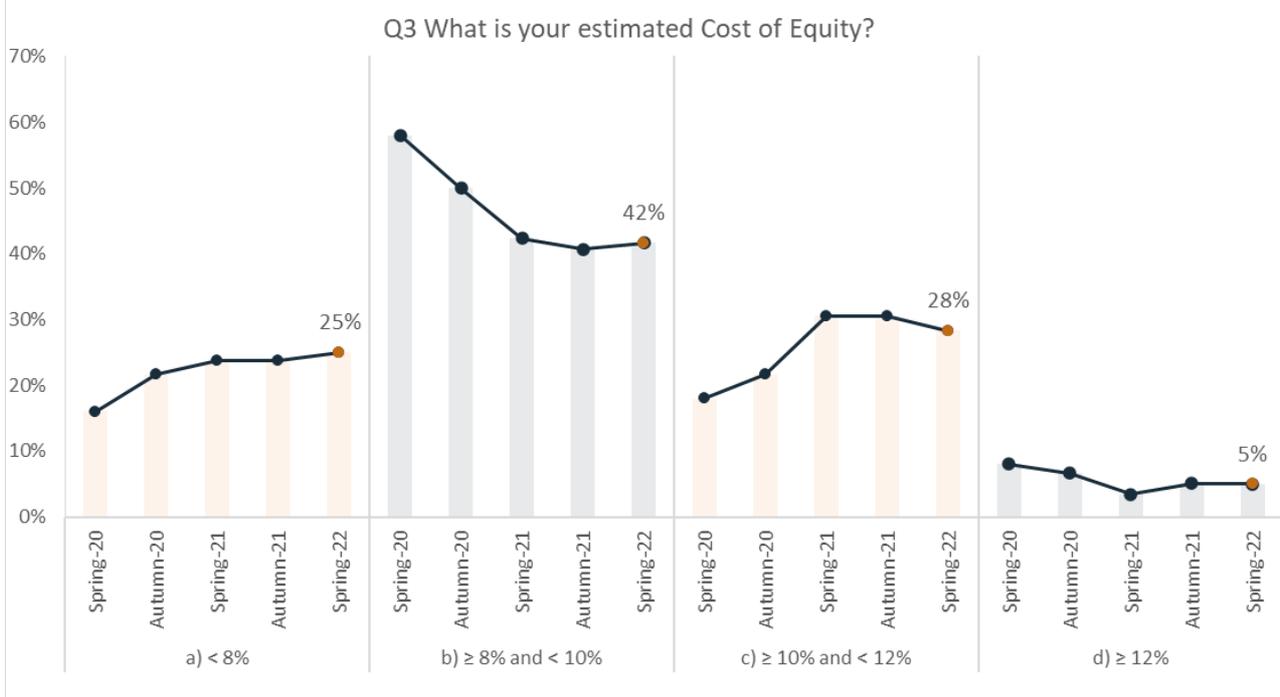
Q2 What is the minimum return on equity (ROE) level that your bank is targeting on a longer-term basis?



Question 3: Spring 2022 results

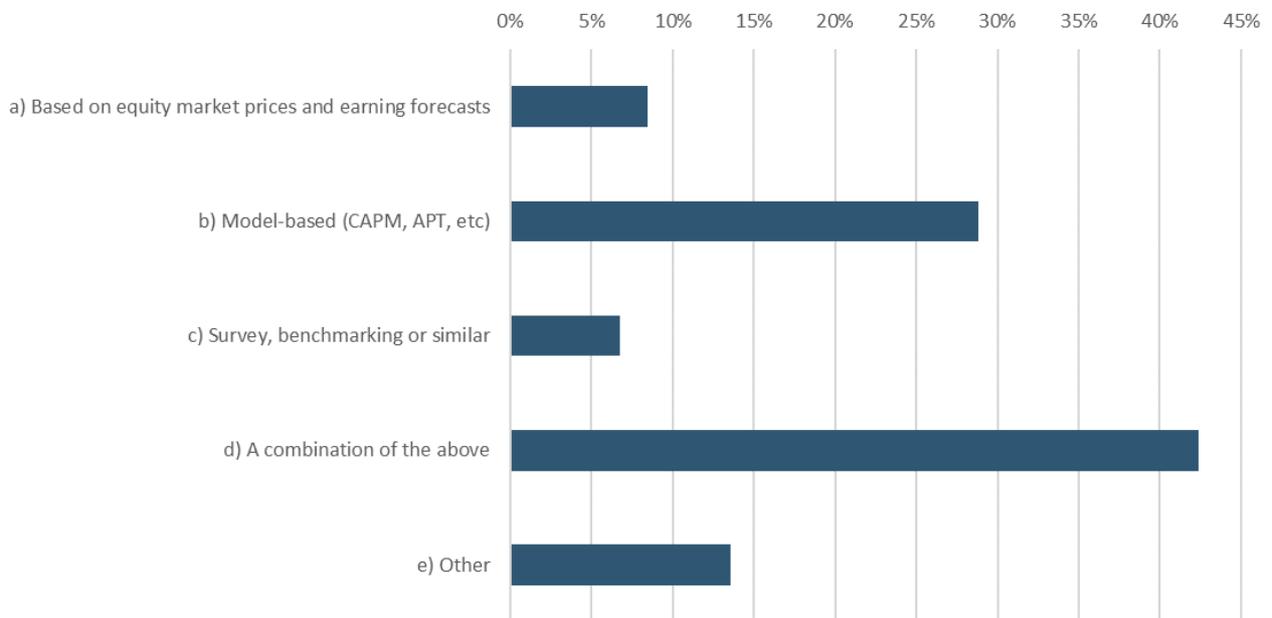


Question 3: Comparison with earlier results



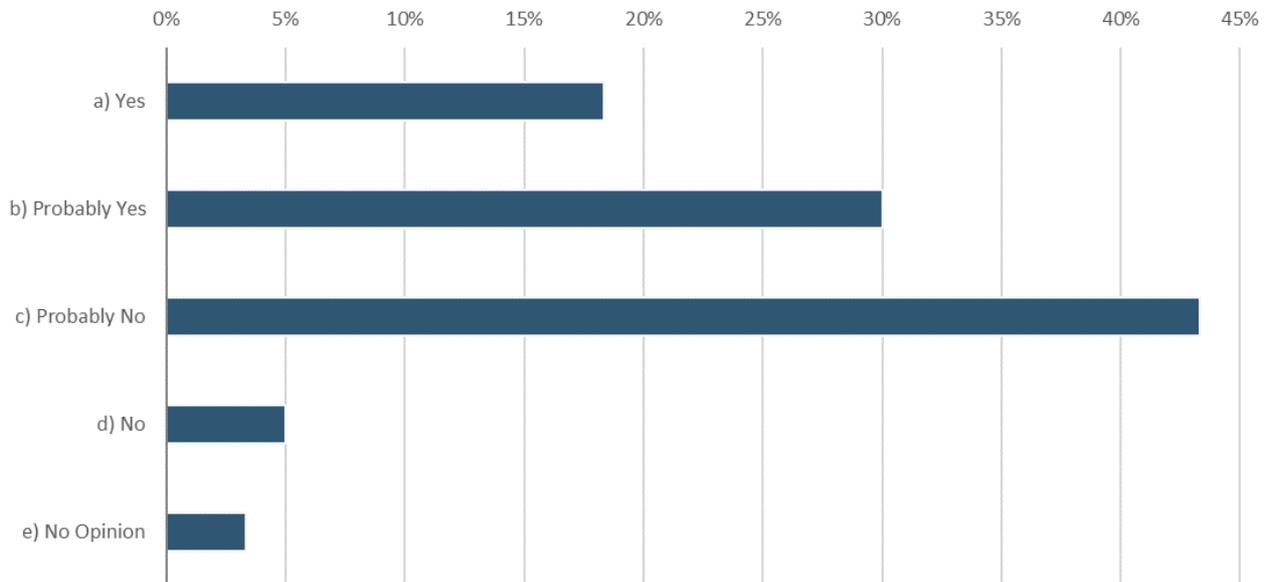
Question 4: Spring 2022 results

Q4 How do you estimate your Cost of Equity?



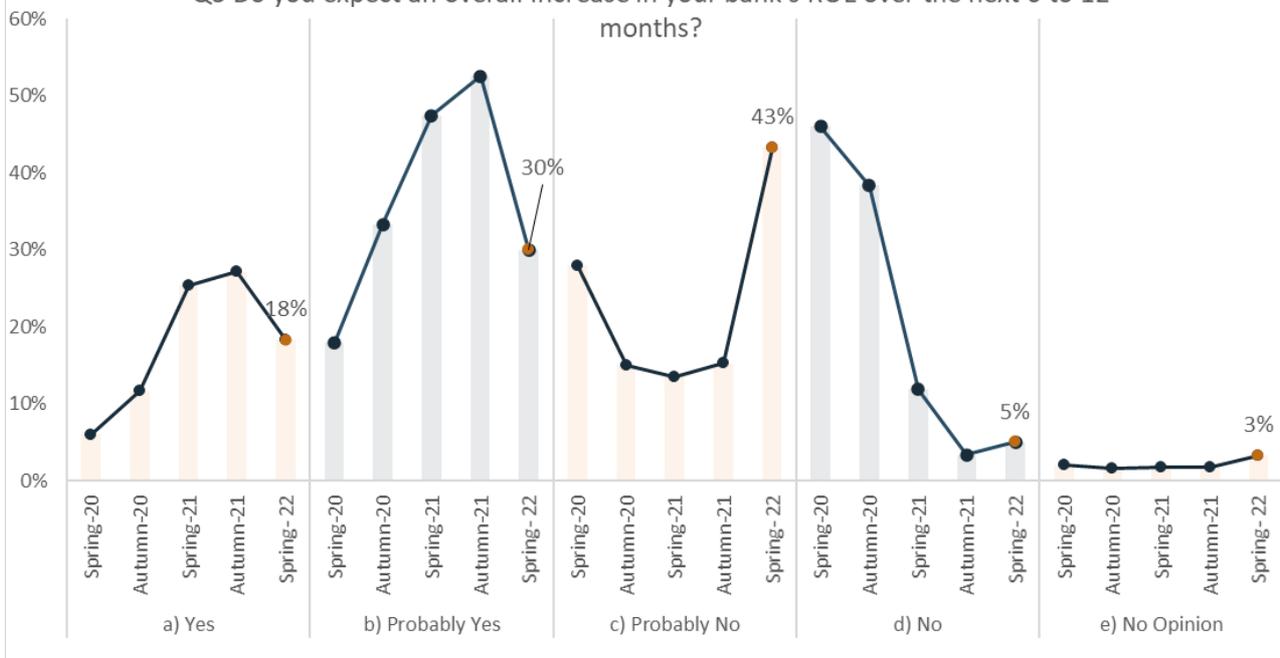
Question 5: Spring 2022 results

Q5 Do you expect an overall increase in your bank's ROE over the next 6 to 12 months?



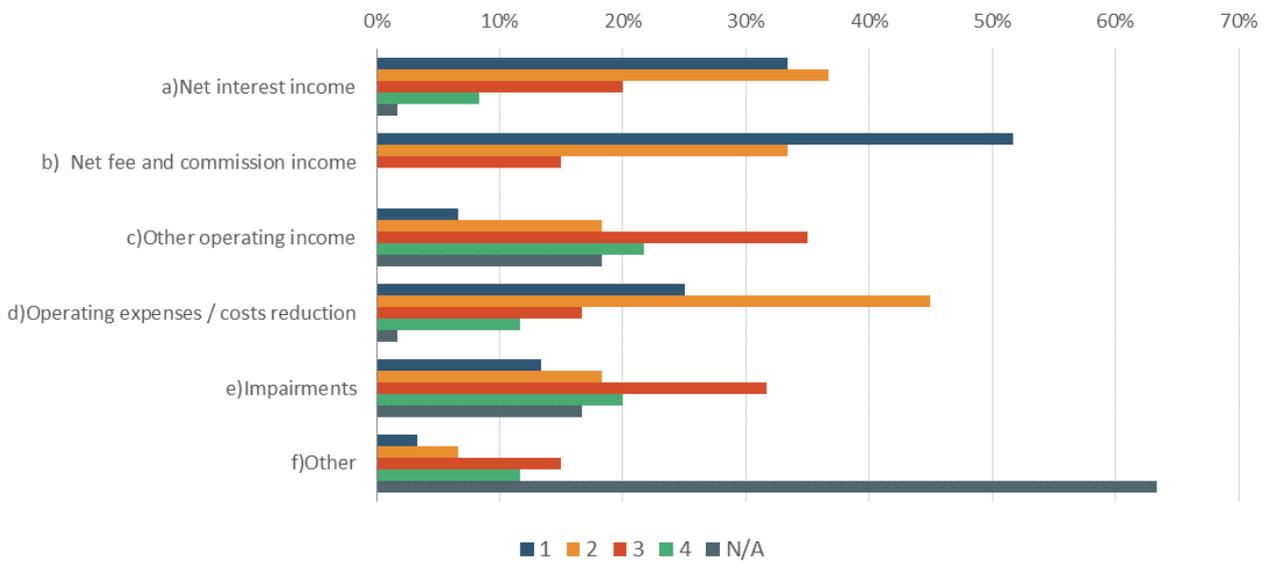
Question 5: Comparison with earlier results

Q5 Do you expect an overall increase in your bank's ROE over the next 6 to 12 months?

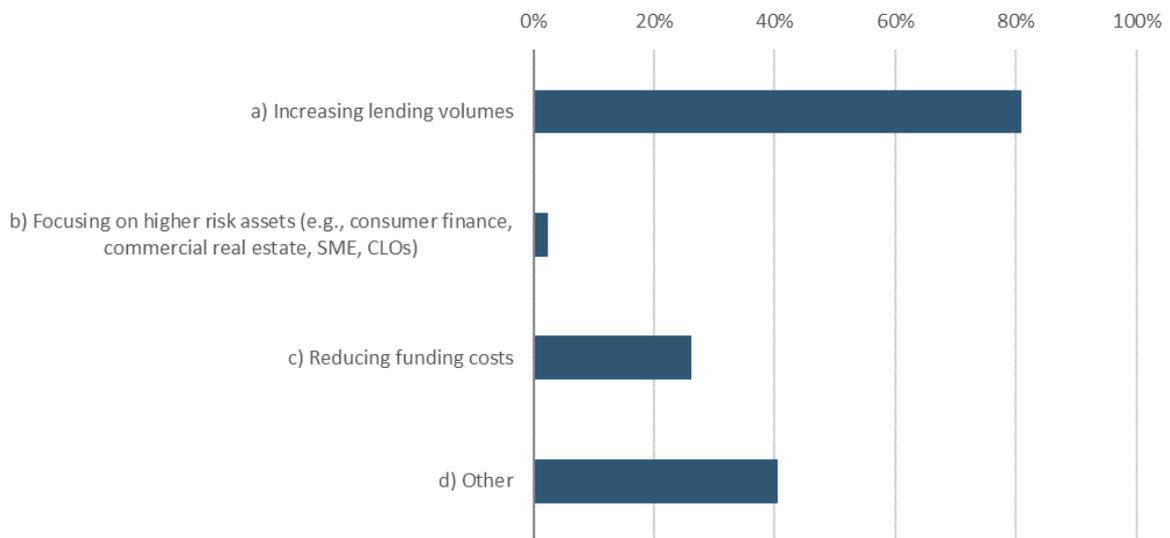


Question 6: Spring 2022 results

Q6 Which areas do you primarily target to increase the profitability of your bank in the next 6 to 12 months? (Rank according to priority with 1-High Priority and 4-Low Priority)

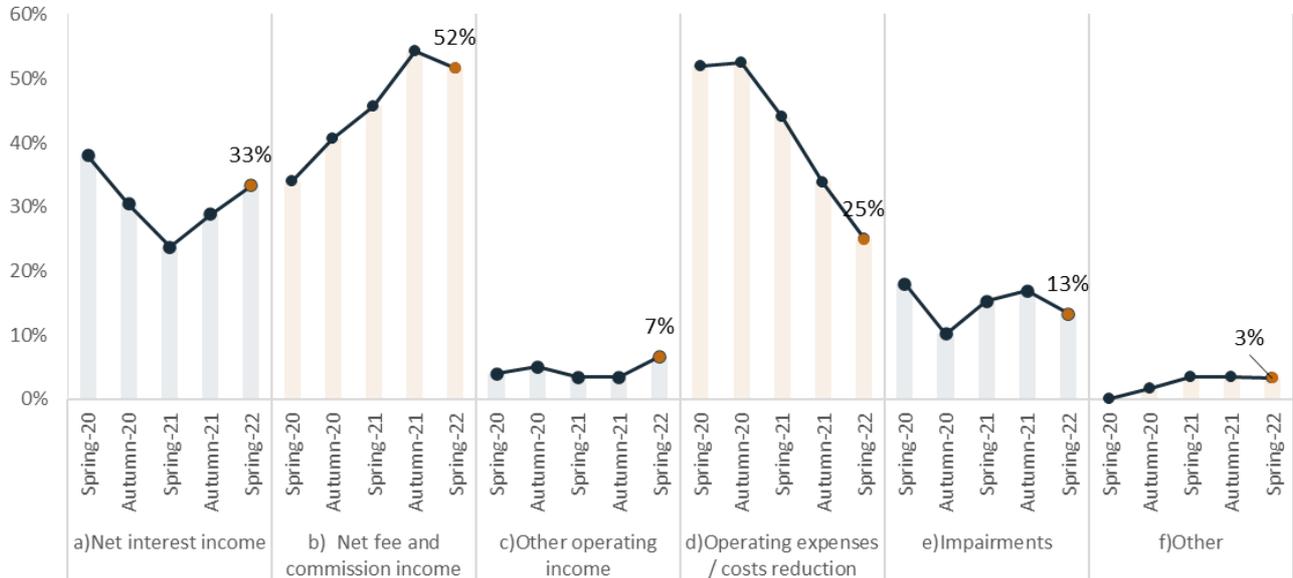


Q6.1 If you rank net interest income with (1) or (2), what are the main areas to increase net interest income? (Please do not agree with more than 2 options)

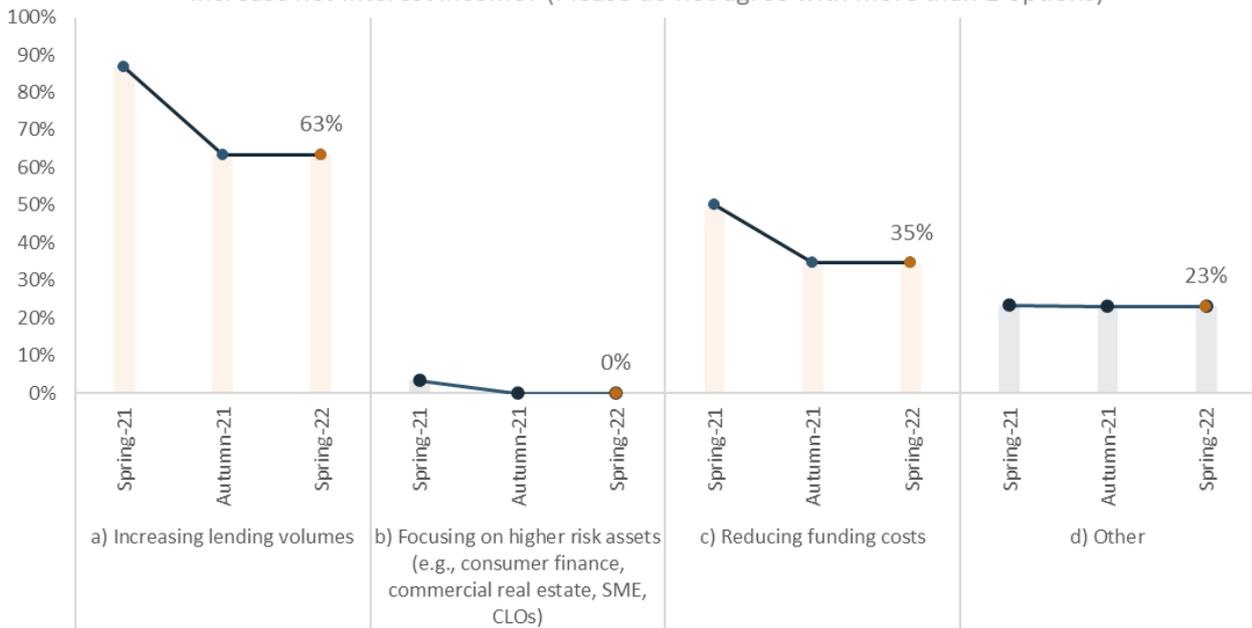


Question 6: comparison with earlier results

Q6 Which areas do you primarily target to increase the profitability of your bank in the next 6 to 12 months? HIGH PRIORITY

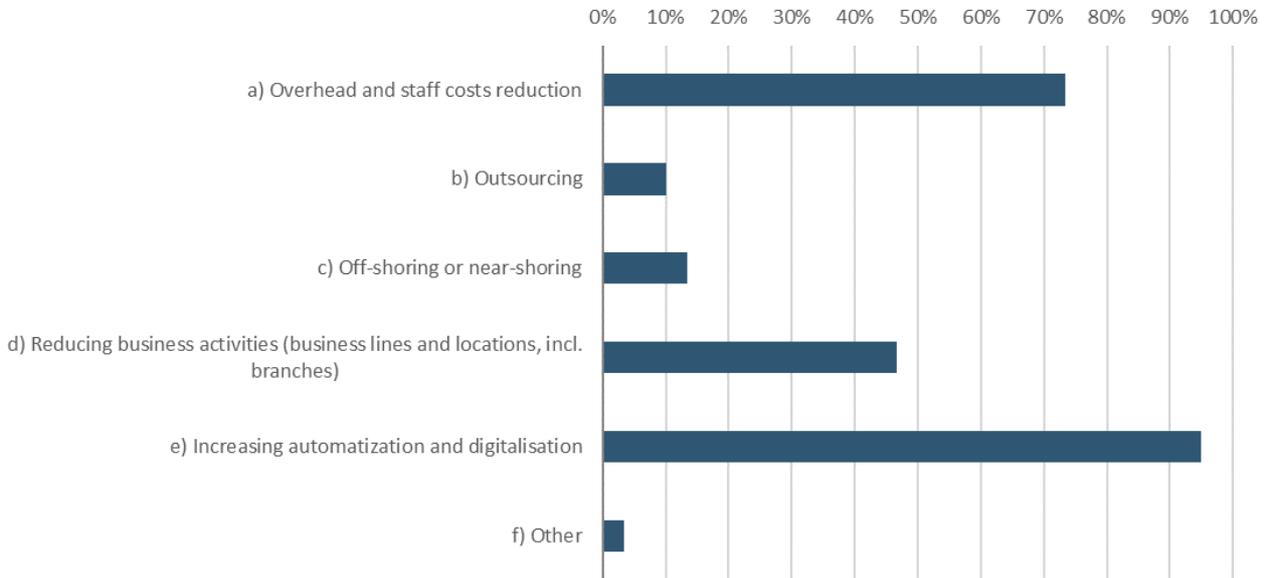


Q6.1 If you rank net interest income with (1) or (2), what are the main areas to increase net interest income? (Please do not agree with more than 2 options)



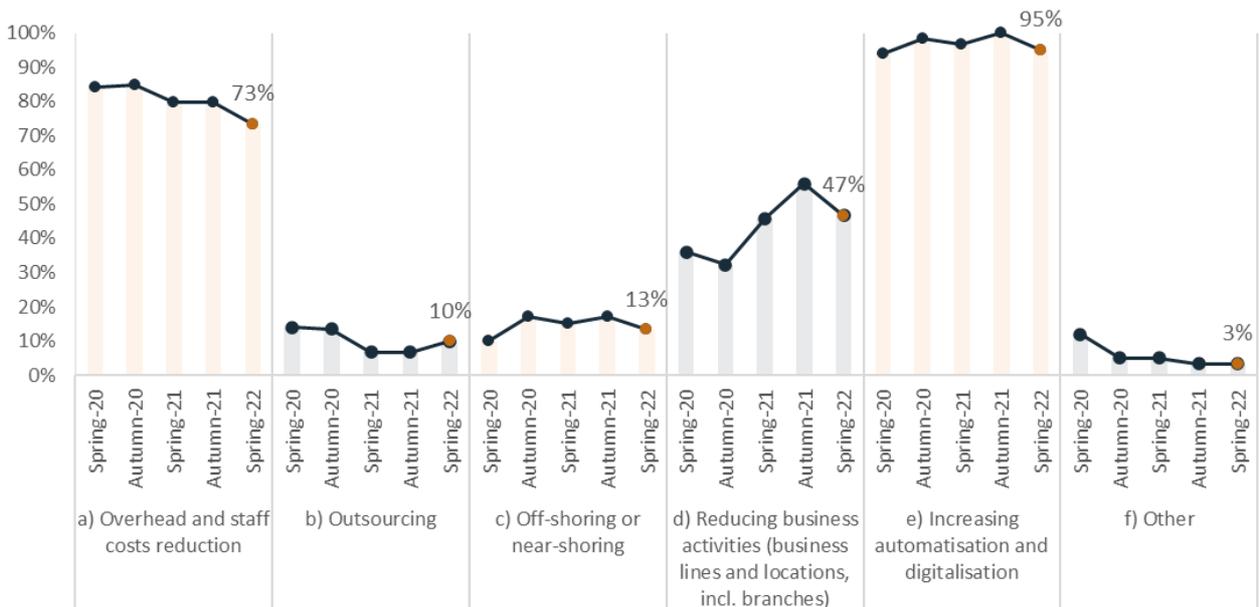
Question 7: Spring 2022 results

Q7 Which measures are you primarily taking to reduce operating expenses / costs?
(Please do not agree with more than 3 options)



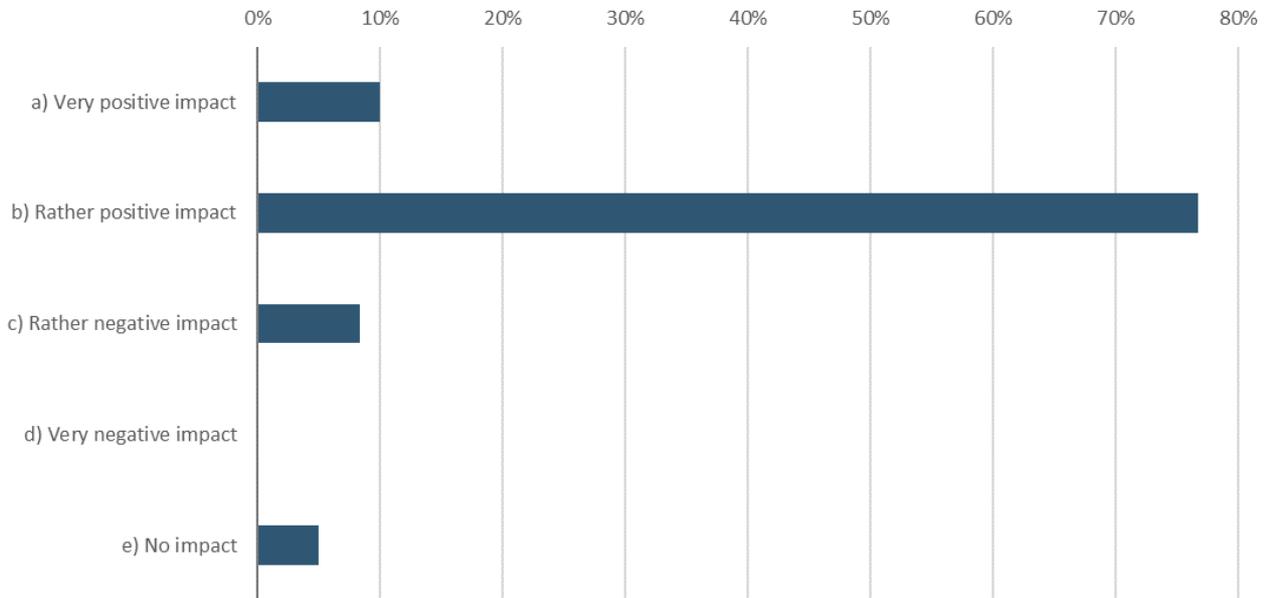
Question 7: comparison with earlier results

Q7 Which measures are you primarily taking to reduce operating expenses / costs?
(Please do not agree with more than 3 options)



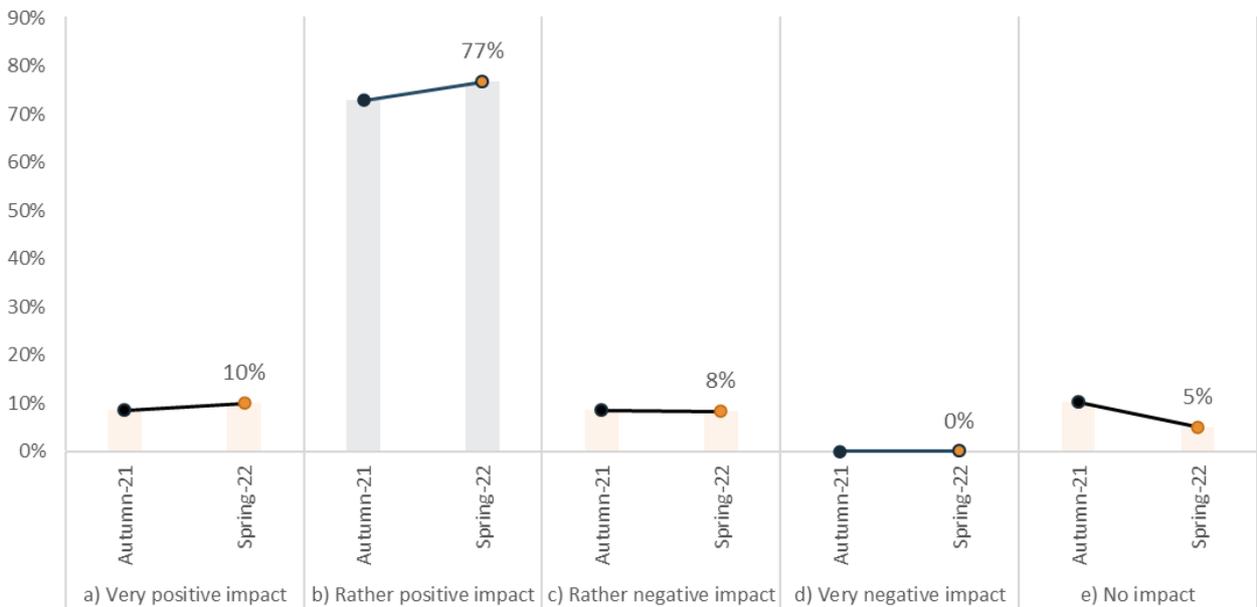
Question 8: Spring 2022 results

Q8 How do you expect rising interest rates will affect your bank's profitability over the next 6 to 12 months?



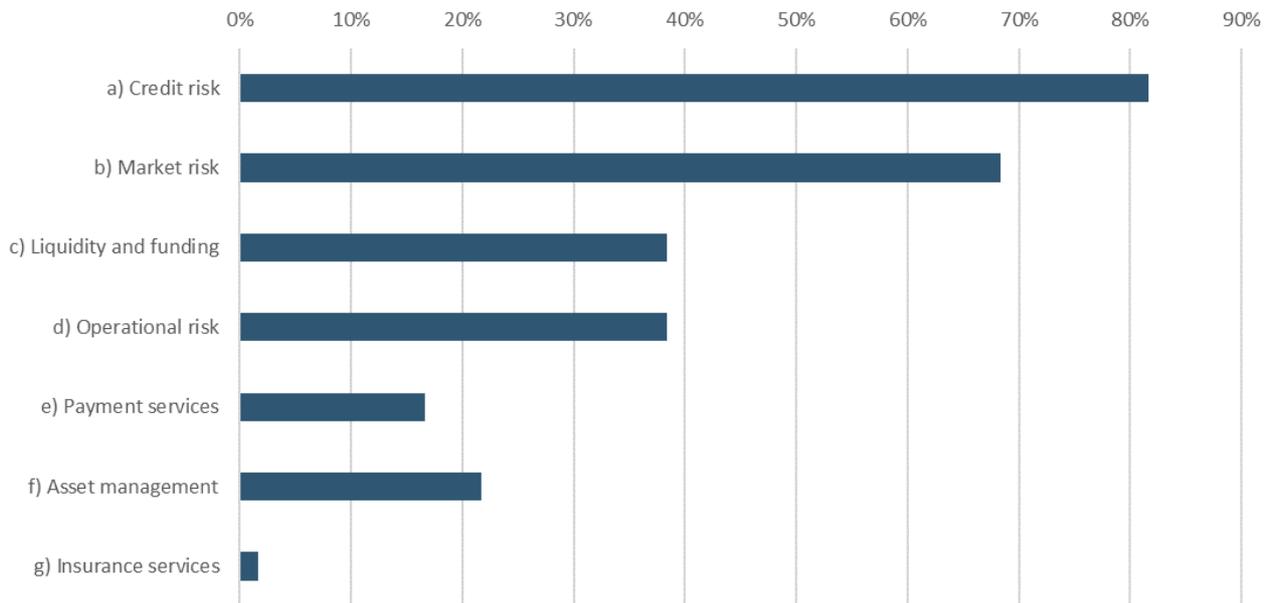
Question 8: comparison with earlier results

Q8 How do you expect rising interest rates will affect your bank's profitability over the next 6 to 12 months?



Question 9: Autumn 2021 results

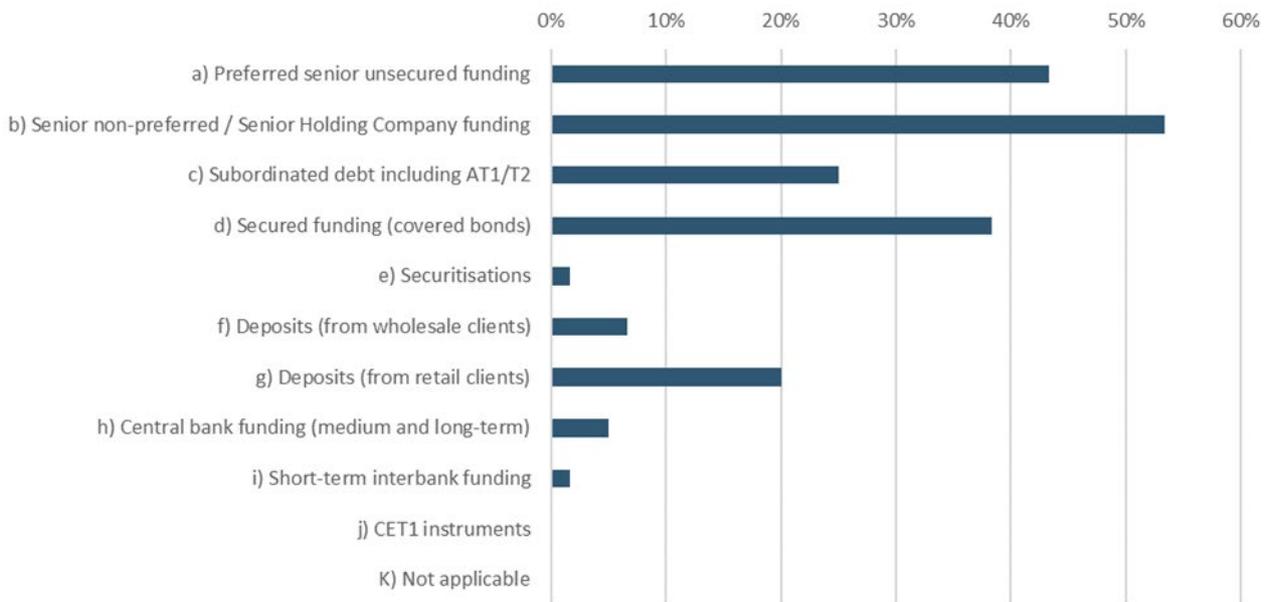
Q9 Which of the following do you expect will be most affected by rising geopolitical uncertainty? (Please agree with at most 3 options)



2. Funding / liquidity

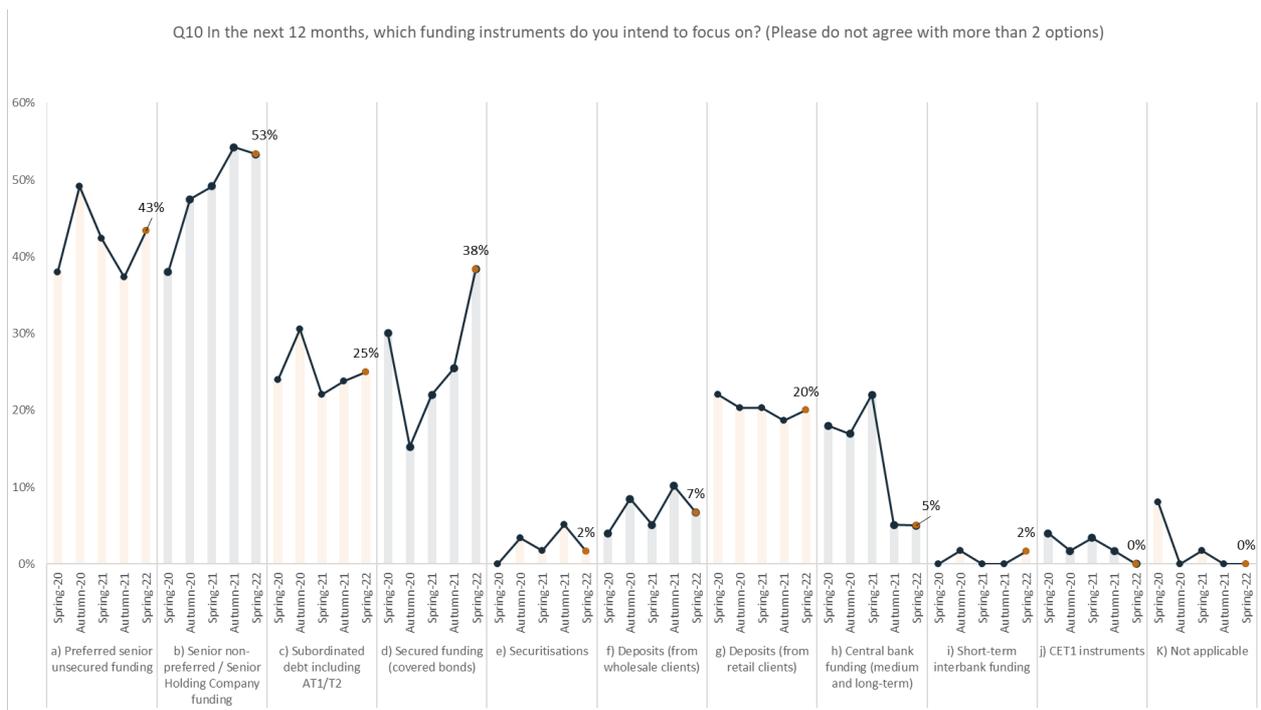
Question 10: Spring 2022 results

Q10 In the next 12 months, which funding instruments do you intend to focus on?
(Please do not agree with more than 2 options)



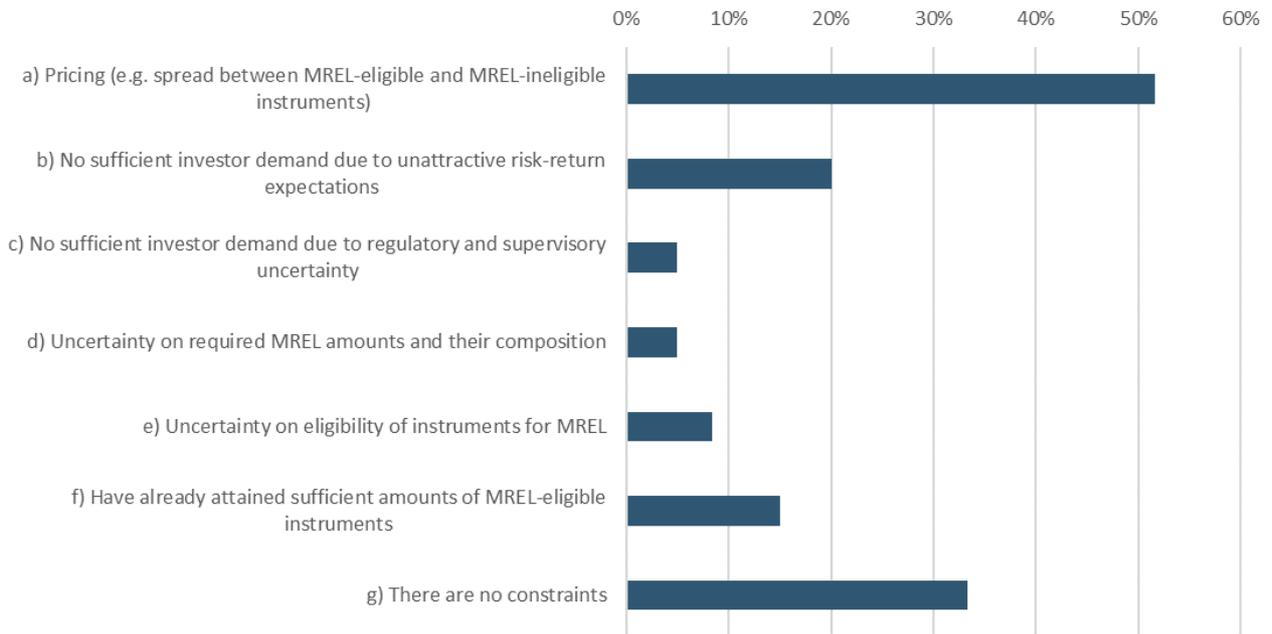
Question 10: comparison with earlier results

Q10 In the next 12 months, which funding instruments do you intend to focus on? (Please do not agree with more than 2 options)



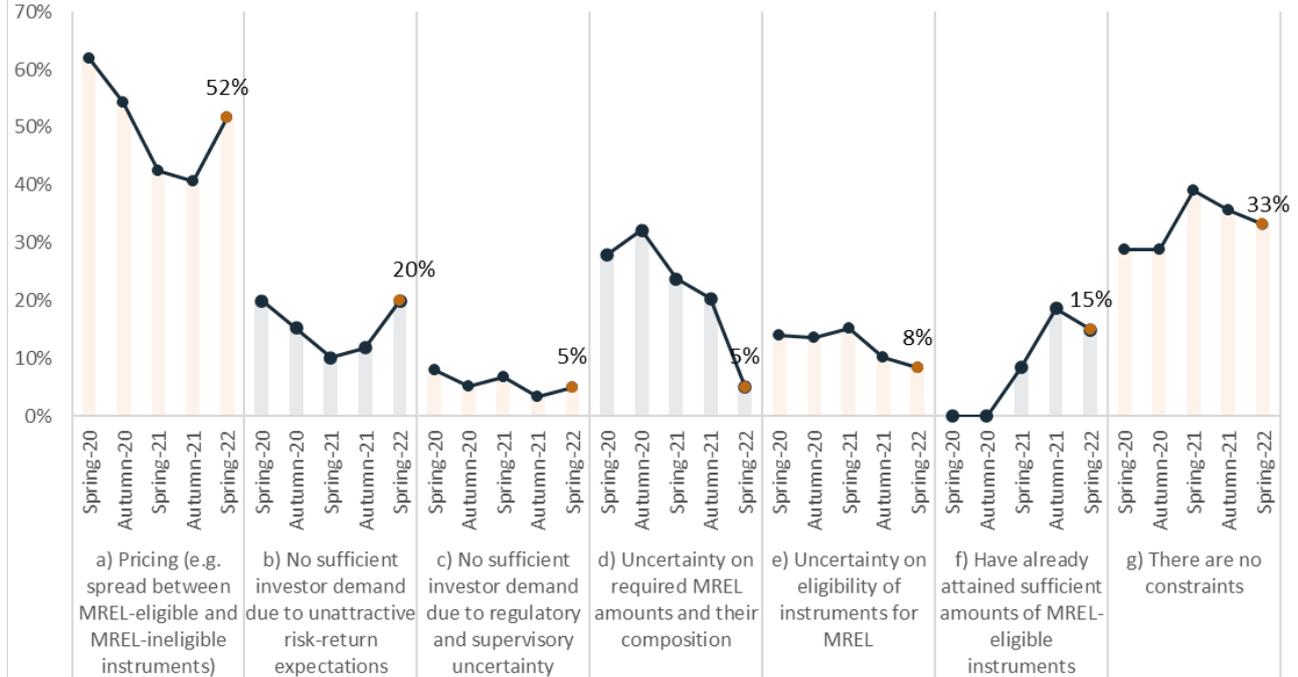
Question 11: Spring 2022 results

Q11 Which are the main constraints to issue MREL eligible instruments?



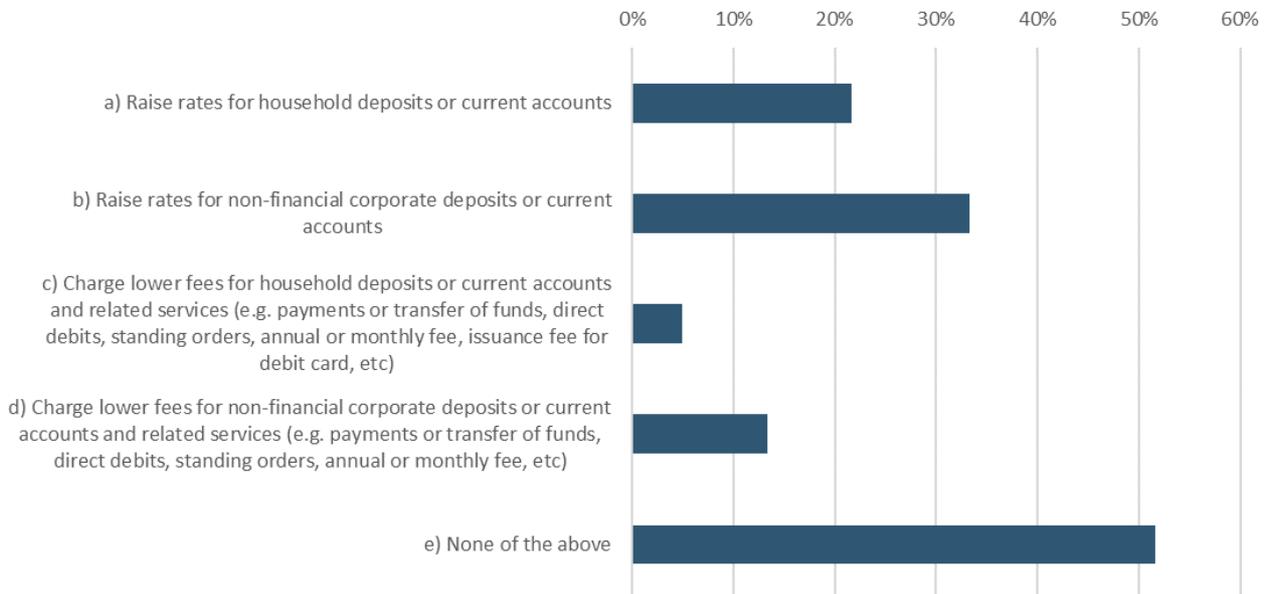
Question 11: comparison with earlier results

Q11 Which are the main constraints to issue MREL eligible instruments?



Question 12: Spring 2022

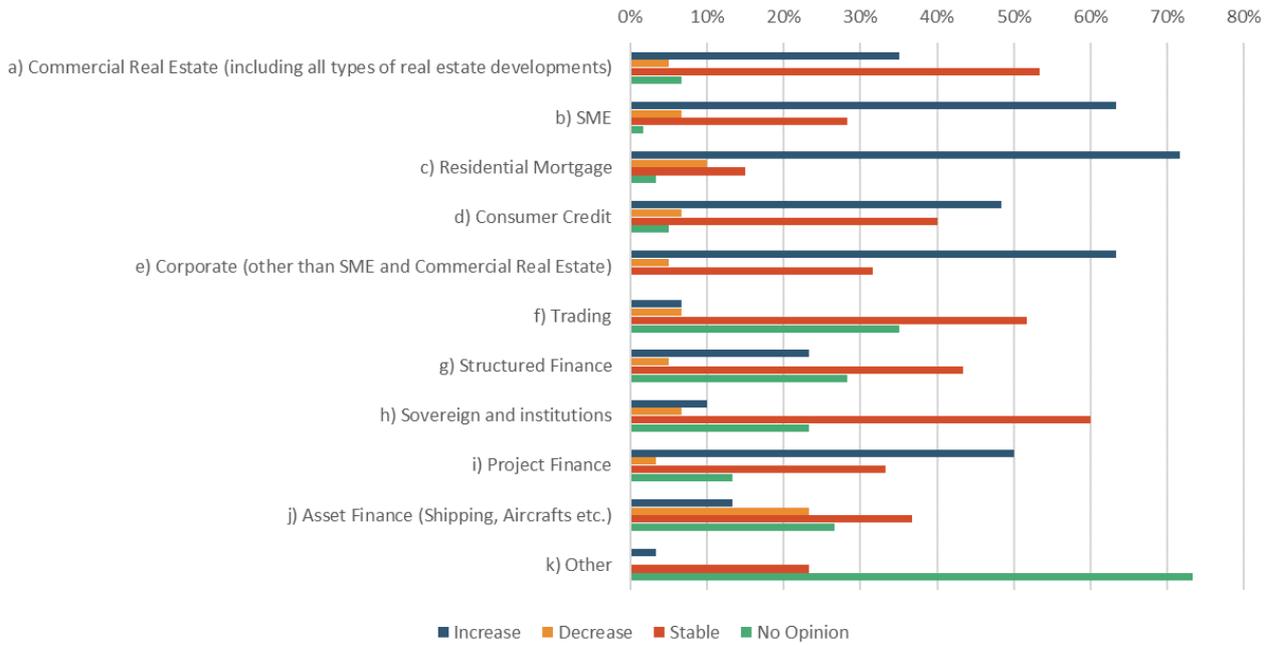
Q12 Given rising interest rates, which of the following actions are you considering in relation to deposits?



3. Asset composition & quality

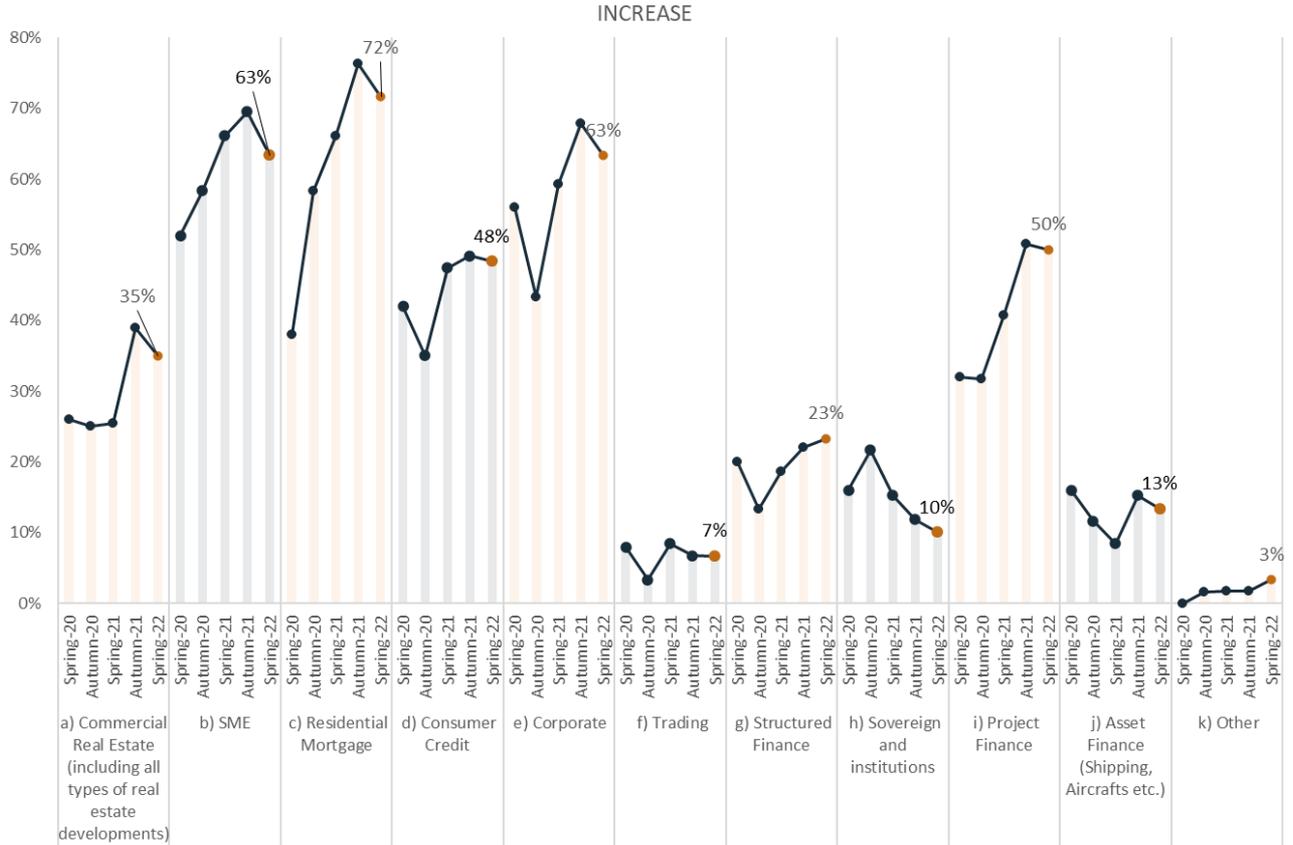
Question 13: Spring 2022 results

Q13 Which portfolios do you plan to increase/decrease in volume during the next 12 months (on a net basis)?

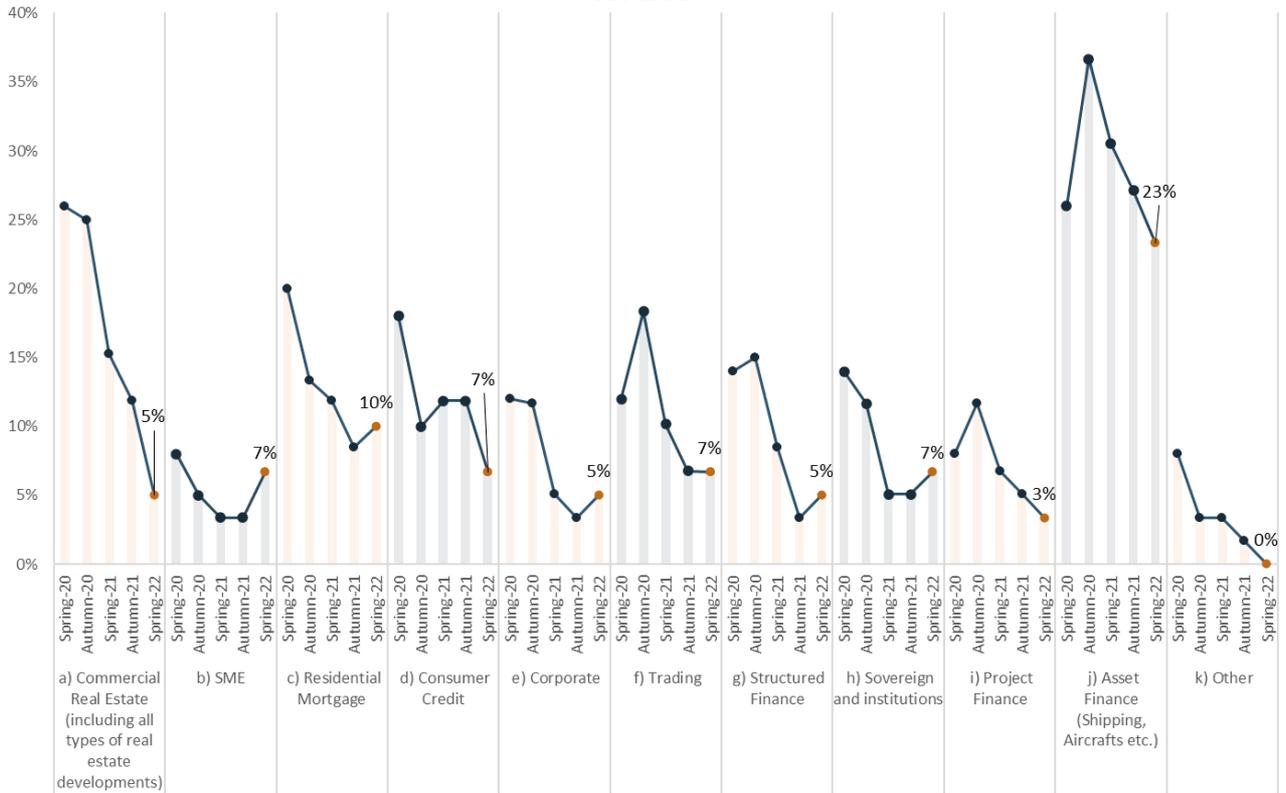


Question 13: comparison with earlier results

Q13 Which portfolios do you plan to increase in volume during the next 12 months (on a net basis)?

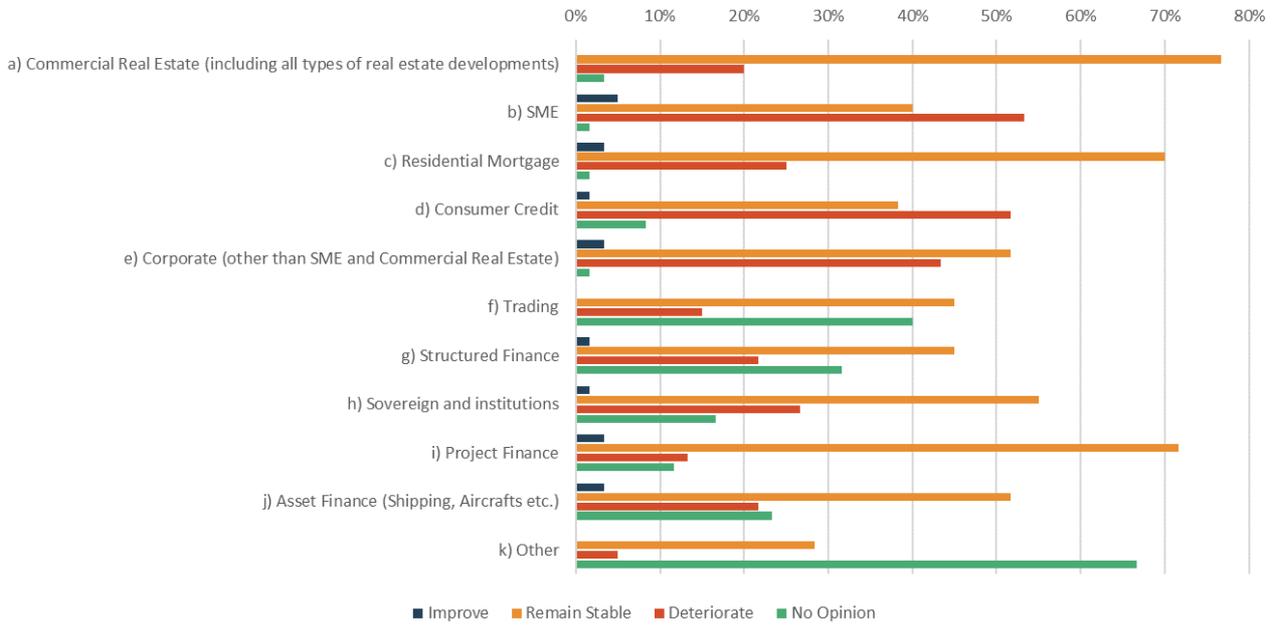


Q13 Which portfolios do you plan to decrease in volume during the next 12 months (on a net basis)?
DECREASE



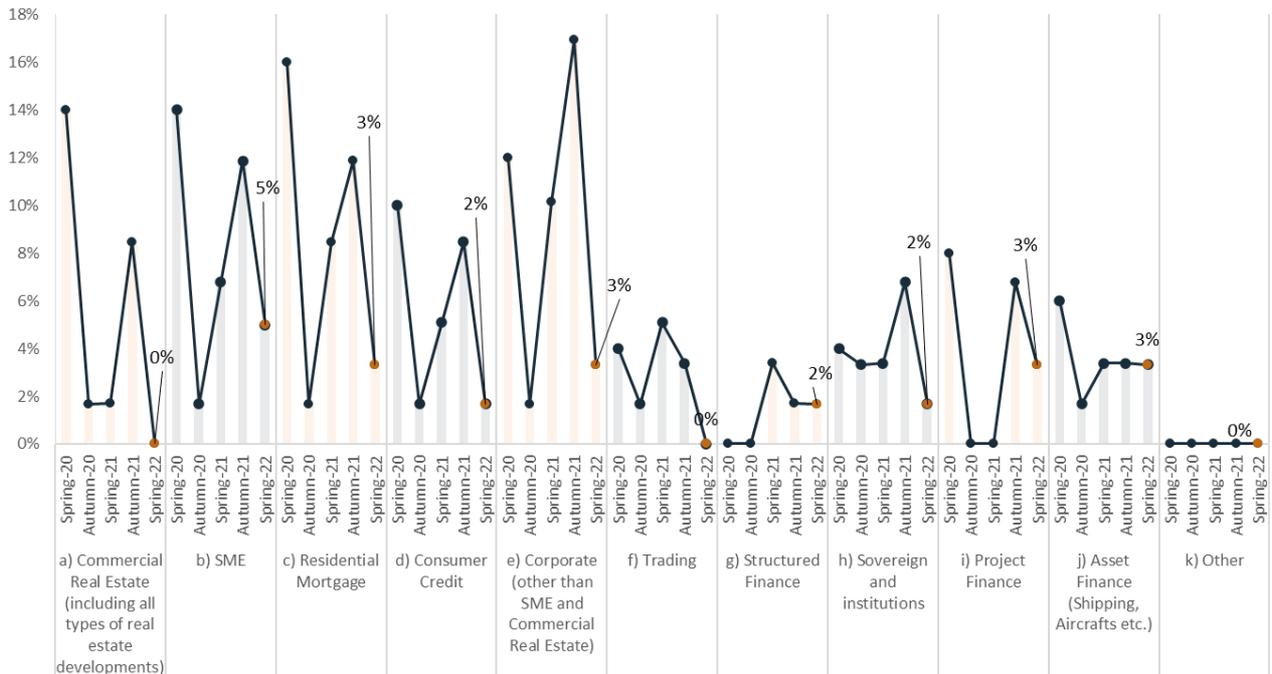
Question 14: Spring 2022 results

Q14 Which portfolios do you expect to improve/deteriorate in asset quality in the next 12 months?



Question 14: comparison with earlier results

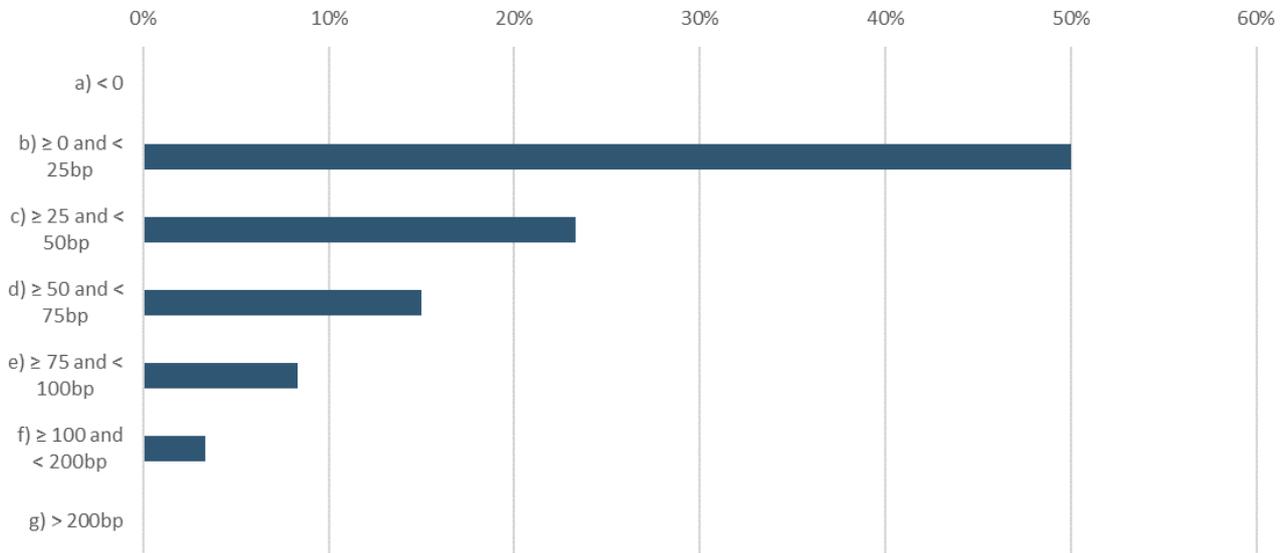
Q14 Which portfolios do you expect to improve in asset quality in the next 12 months?





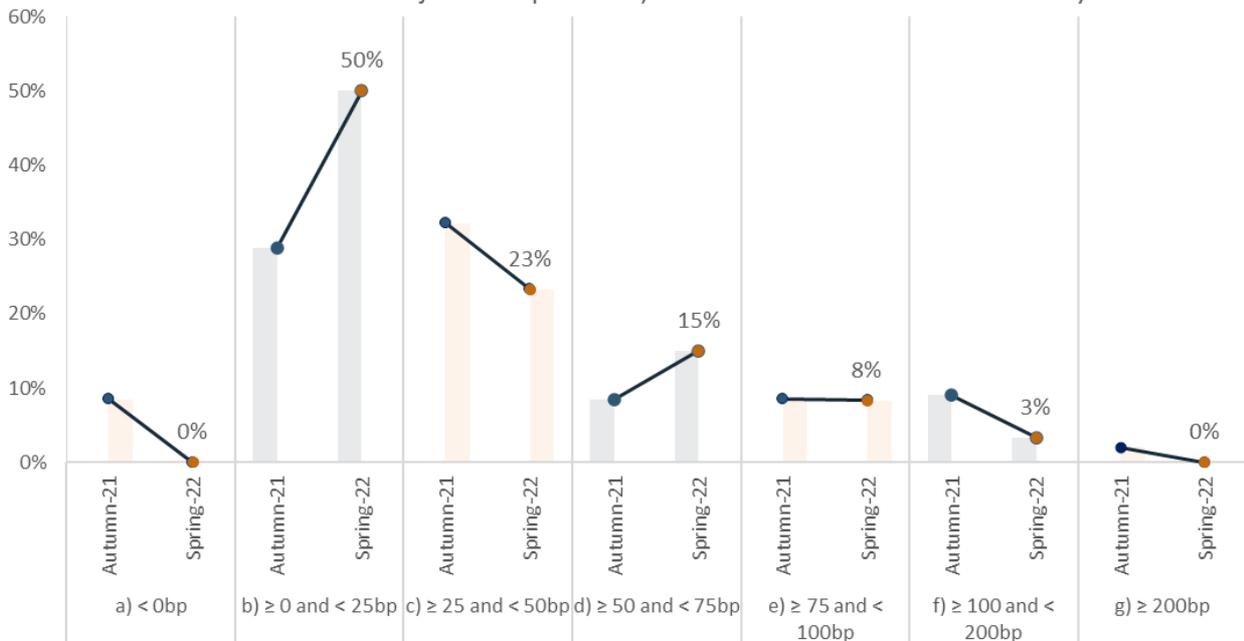
Question 15: Spring 2022 results

Q15 What is your Cost of Risk (change in allowances and provisions as a ratio of total loans and advances subject to impairment) estimation for the current financial year?



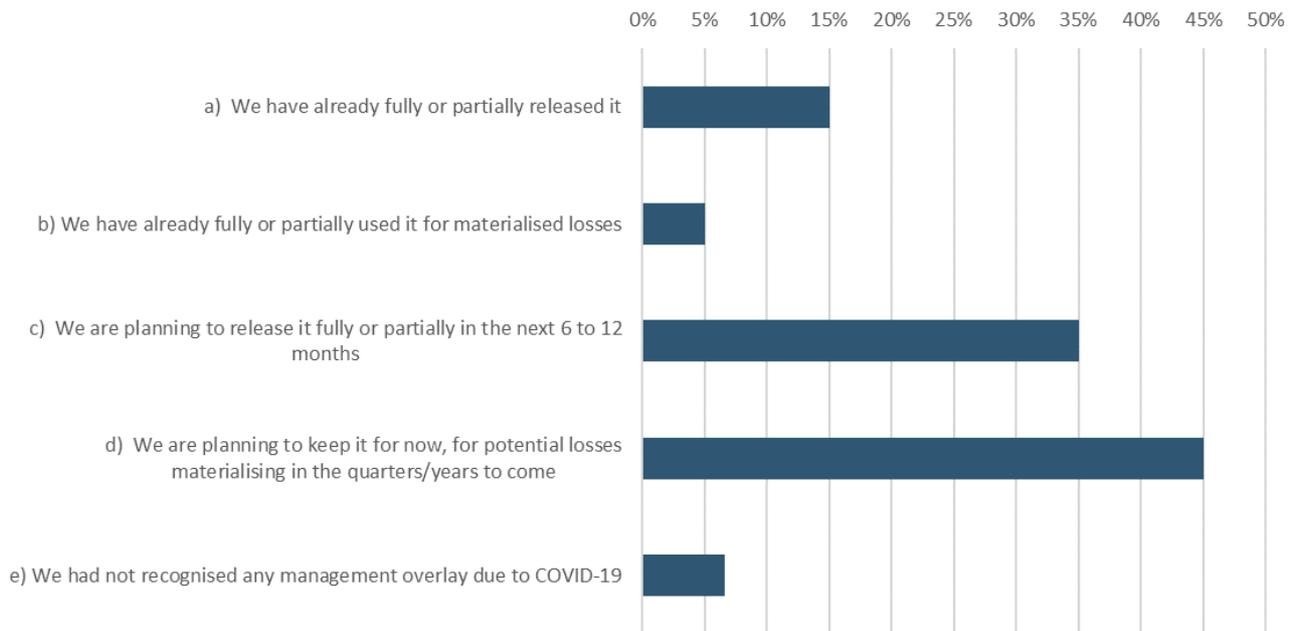
Question 15: comparison with earlier results

Q15 What is your Cost of Risk (change in allowances and provisions as a ratio of total loans and advances subject to impairment) estimation for the current financial year?

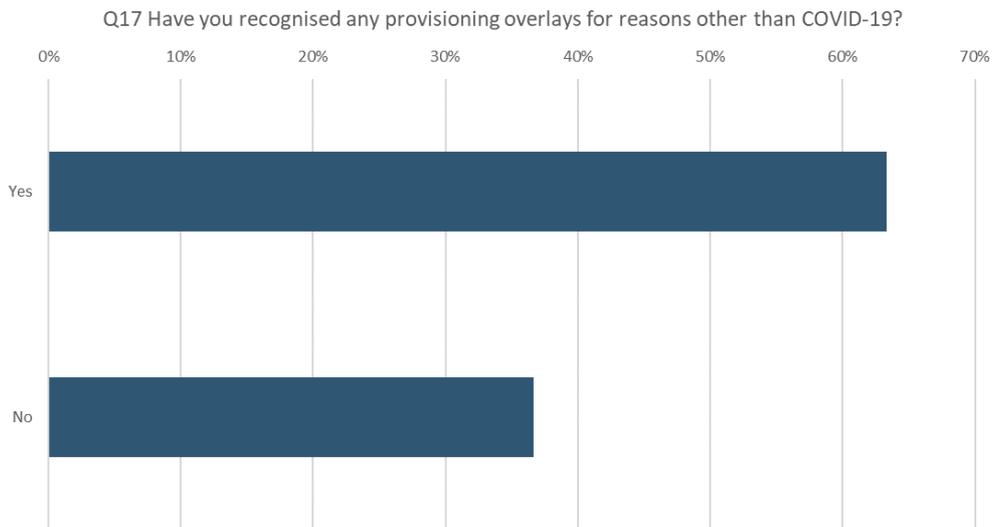


Question 16: Spring 2022 results

Q16 How are you planning to treat any “COVID-19 overlay” in your provisioning?

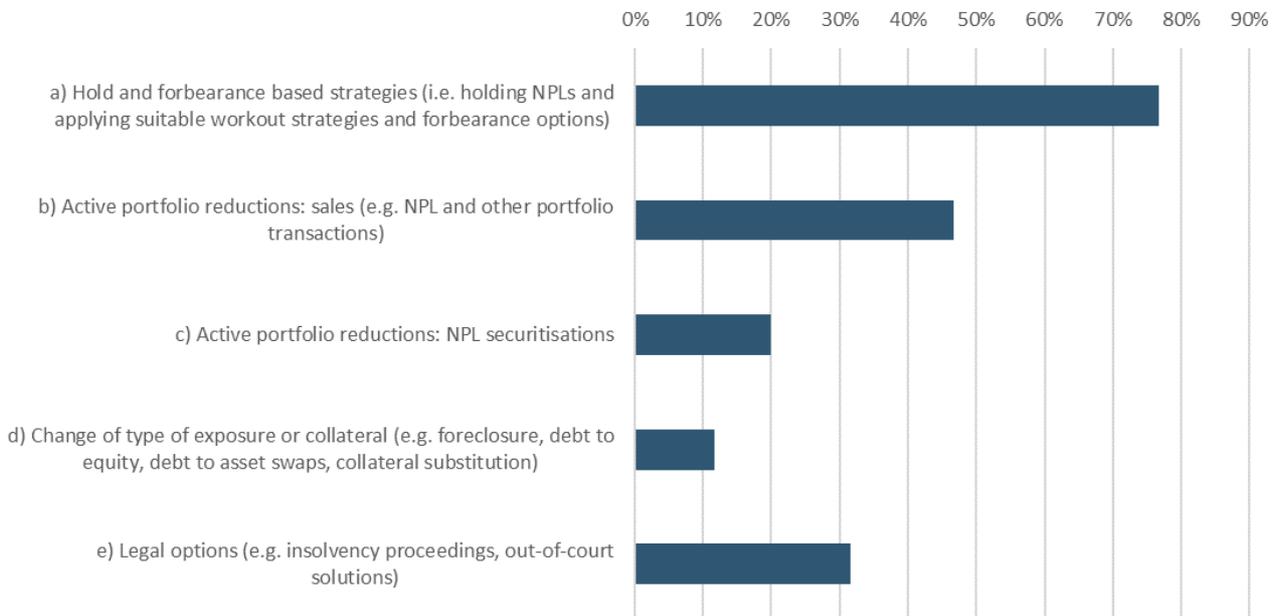


Question 17: Spring 2022 results



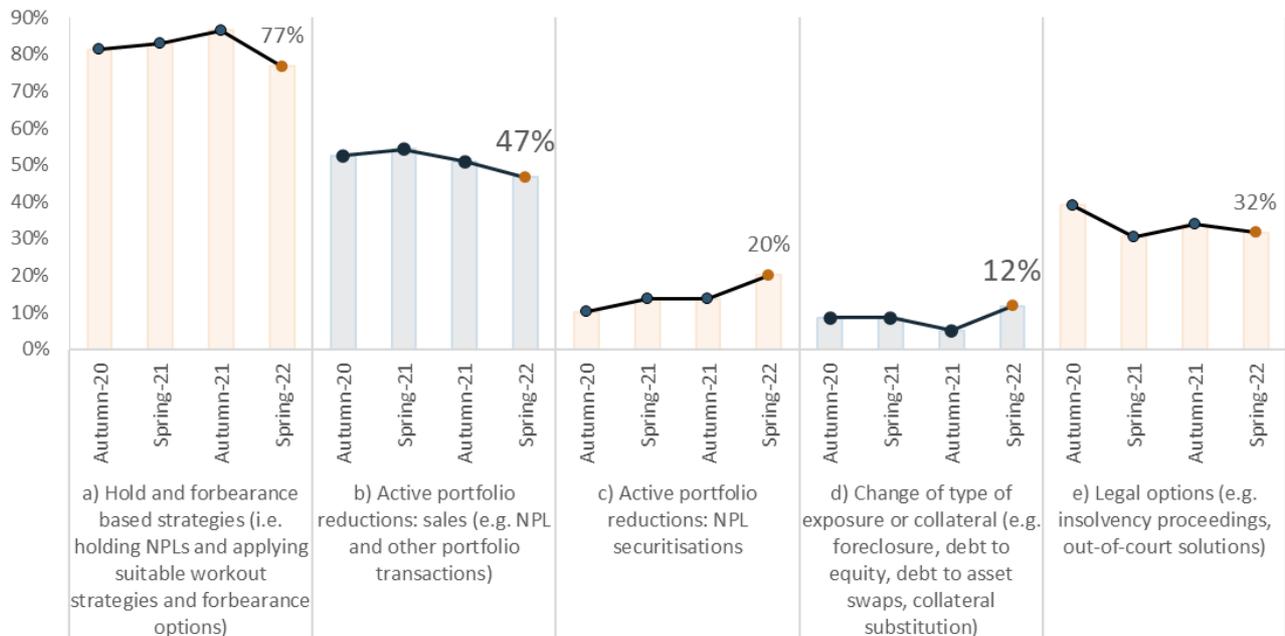
Question 18: Spring 2022 results

Q18 What are your most common strategies for NPL reduction and to prevent built-up of NPL (please do not agree with more than 2 options)?



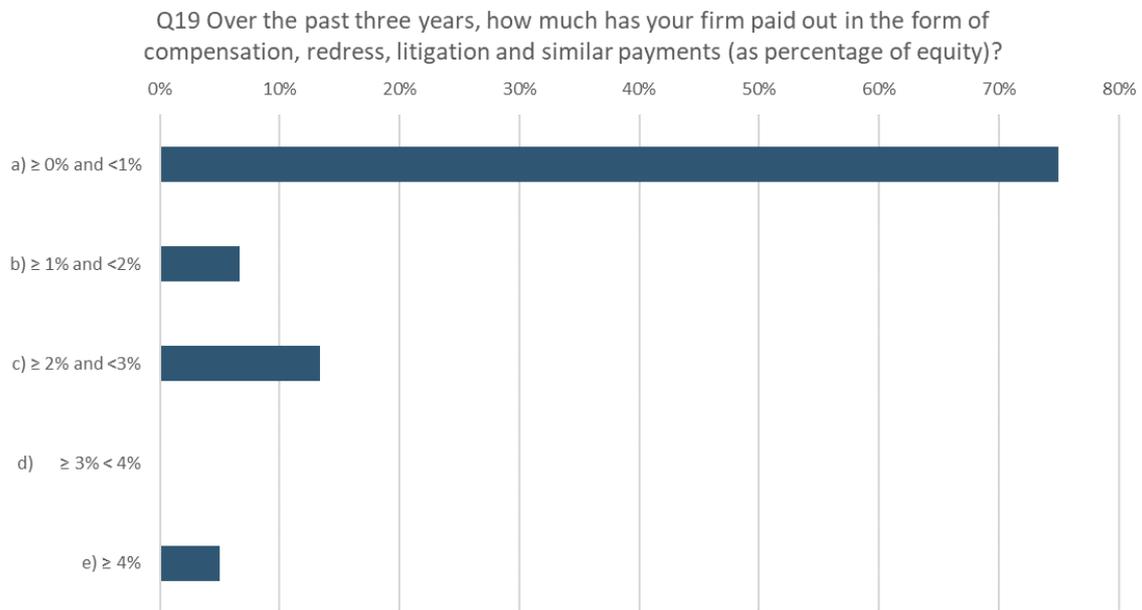
Question 18: comparison with earlier results

Q18 What are your most common strategies for NPL reduction and to prevent built-up of NPL (please do not agree with more than 2 options)?

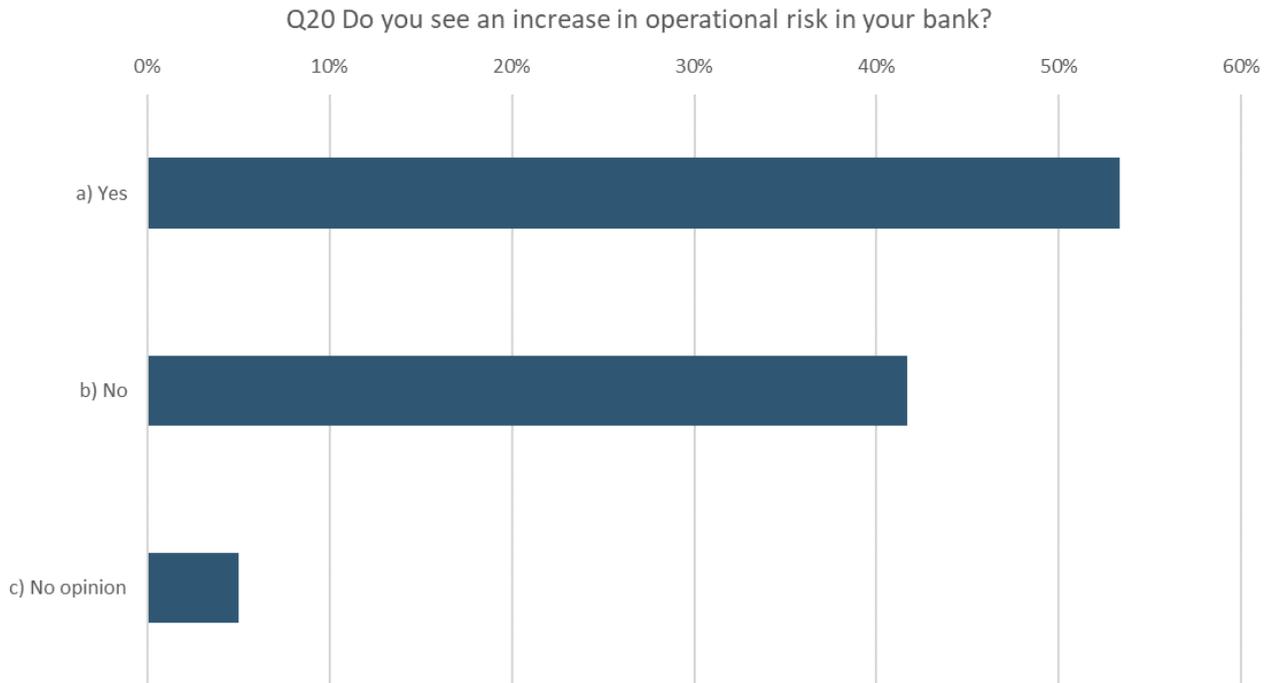


4. Conduct, Reputational and Operational Risk

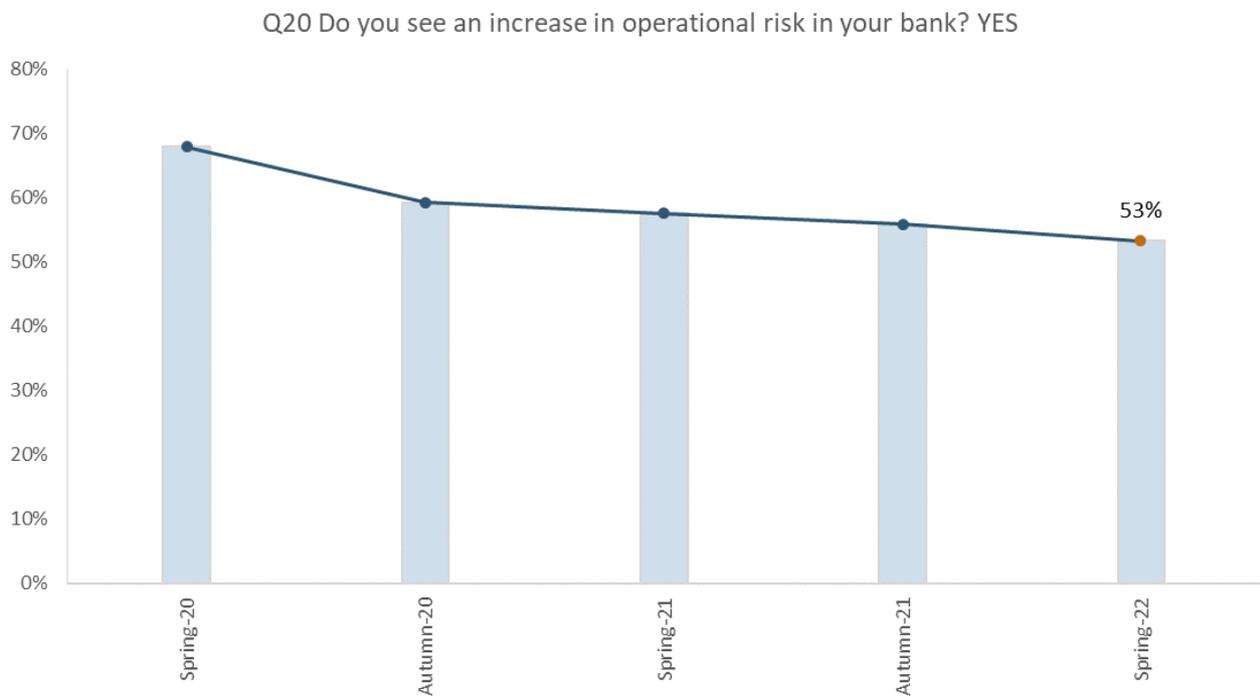
Question 19: Spring 2022 results



Question 20: Spring 2022 results

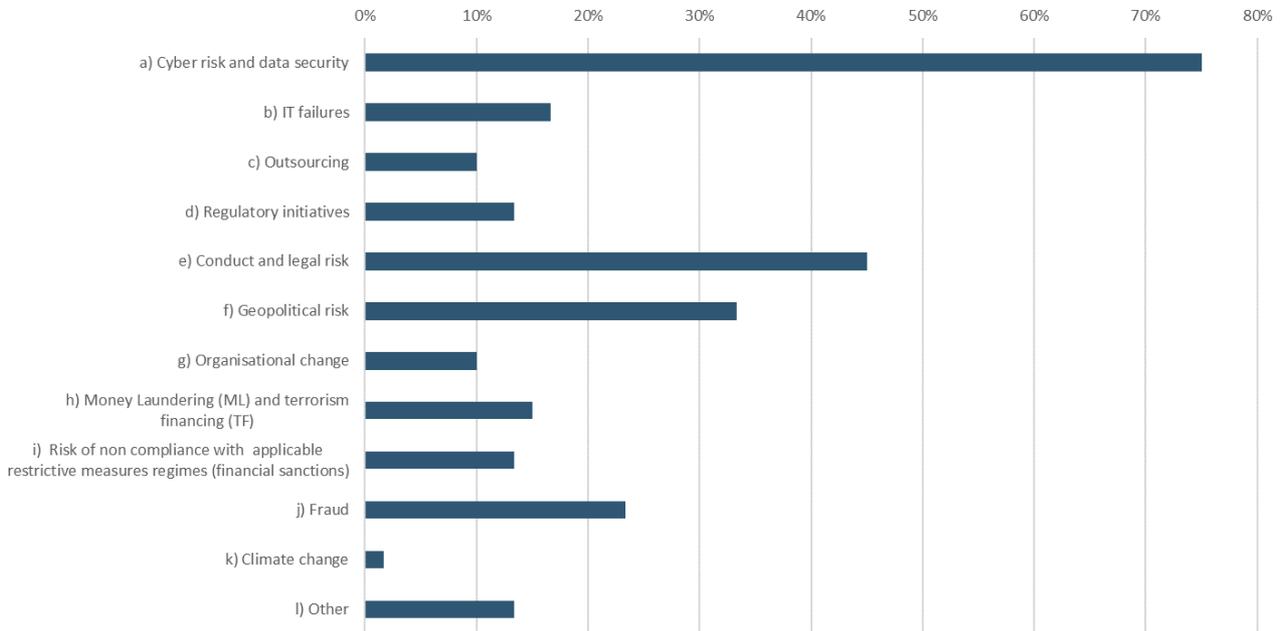


Question 20: comparison with earlier results



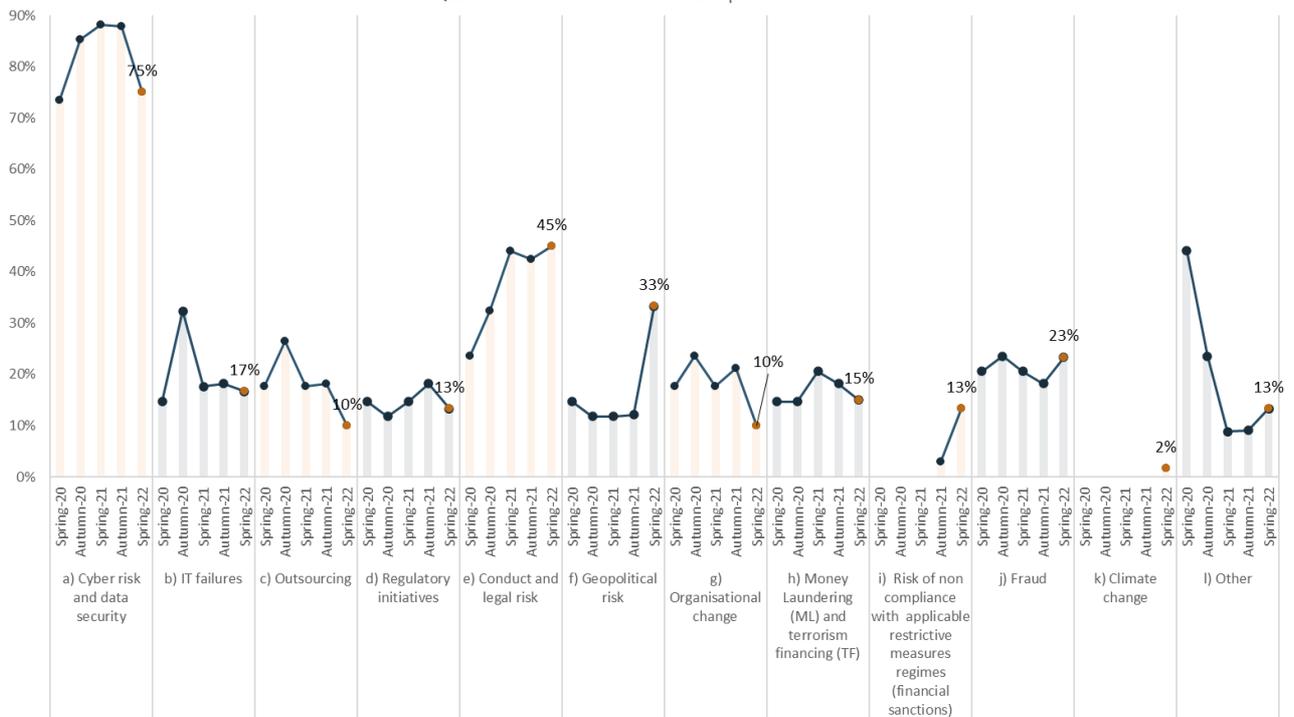
Question 21: Spring 2022 results

Q21 What are the main drivers of operational risk?



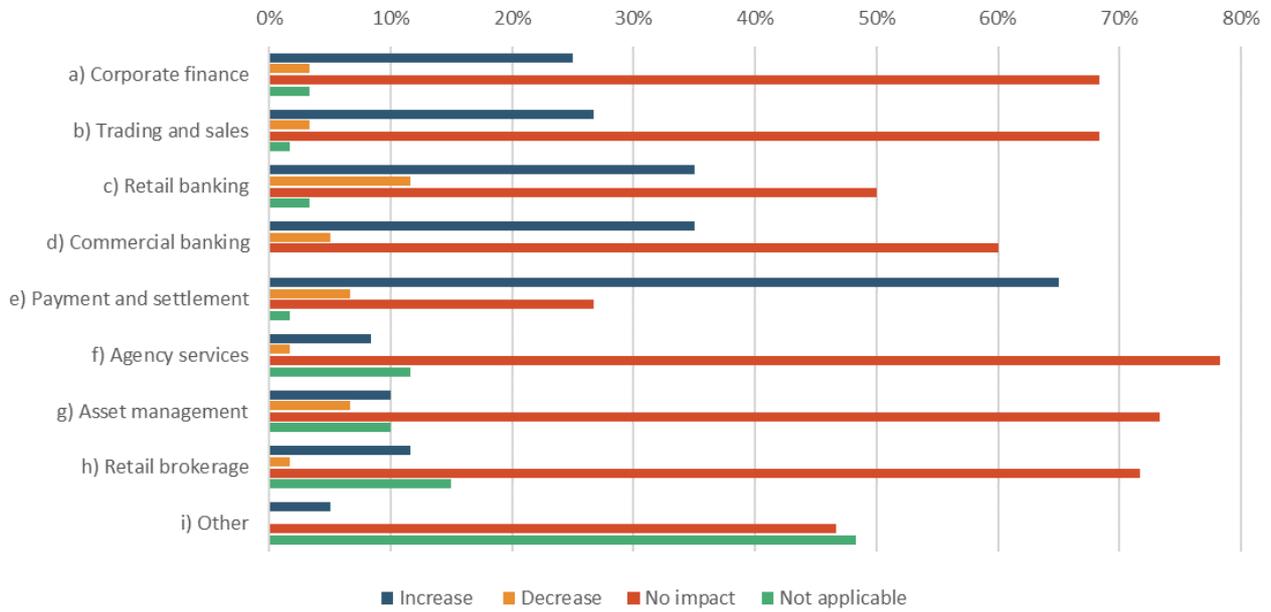
Question 21: comparison with earlier results

Q21 What are the main drivers of operational risk?



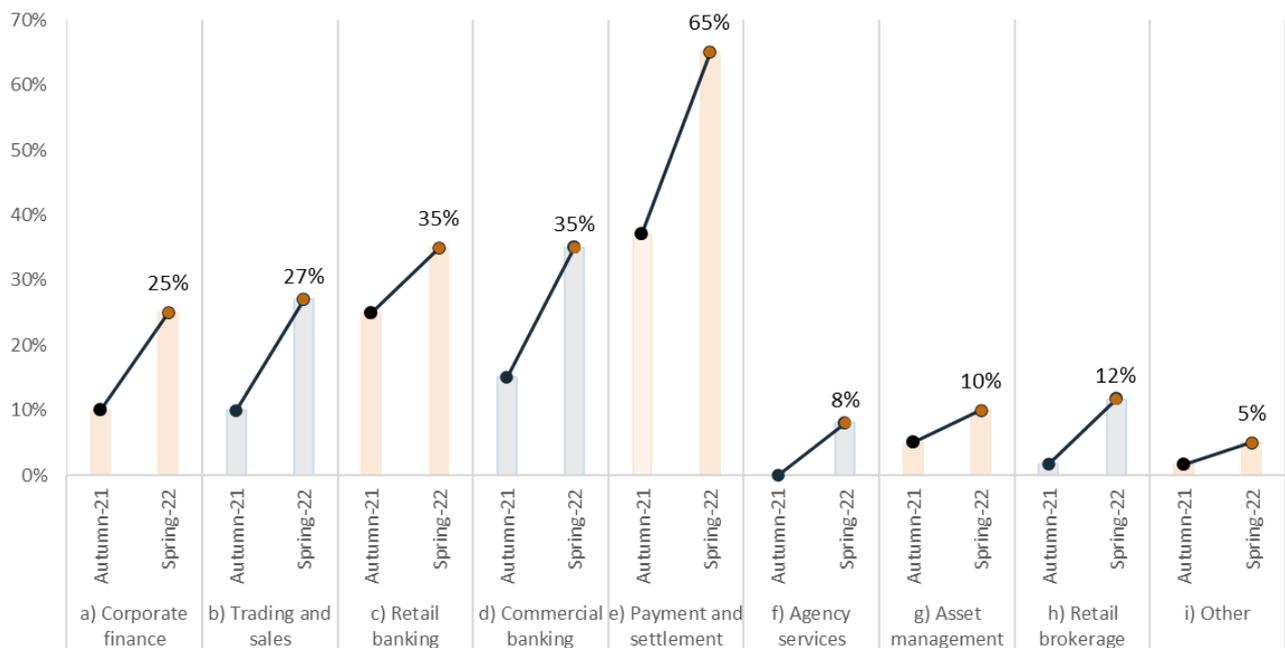
Question 22: Spring 2022 results

Q22 How do you expect your ML/TF risk exposure related to the following products / business lines to evolve in the next 6 to 12 months?



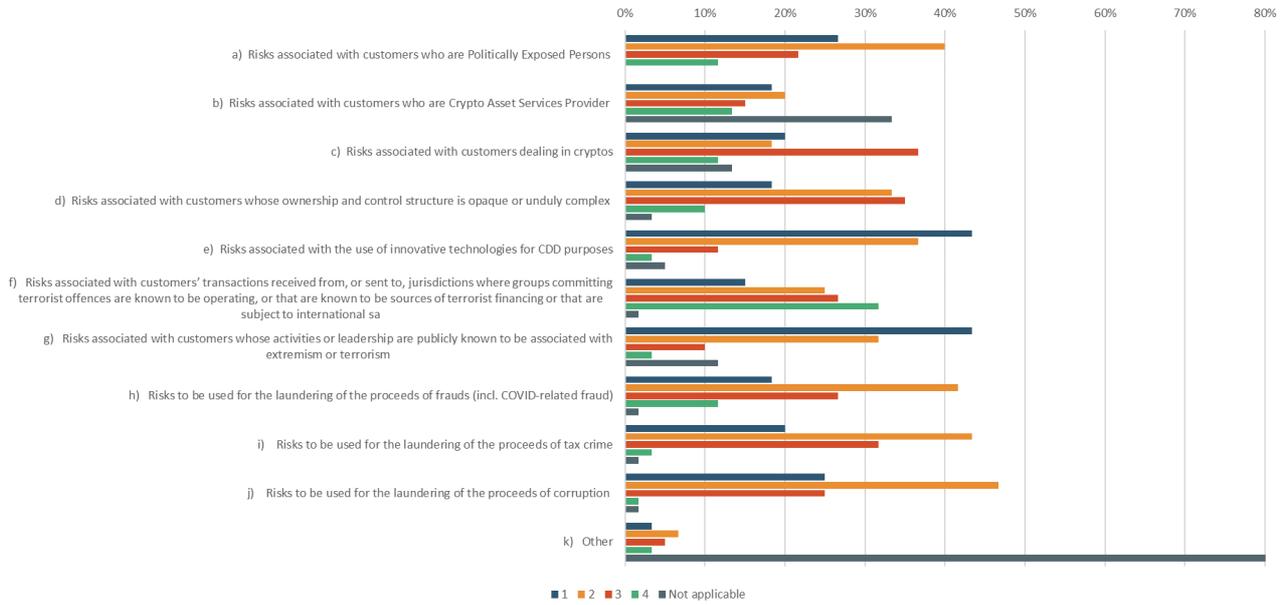
Question 22: comparison with earlier results

Q22 How do you expect your ML/TF risk exposure related to the following products / business lines to evolve in the next 6 to 12 months? INCREASE



Question 23: Spring 2022 results

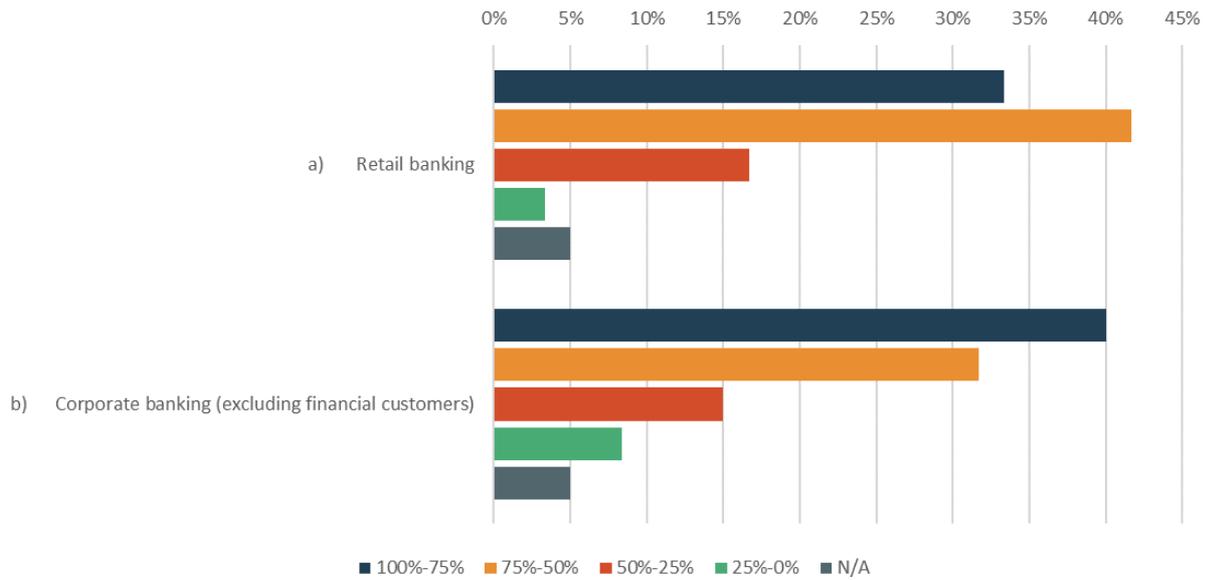
Q23 What key ML and TF risks do you expect to face over the coming 6 to 12 months? (1-Low Significance and 4-High Significance)



5. Fintech

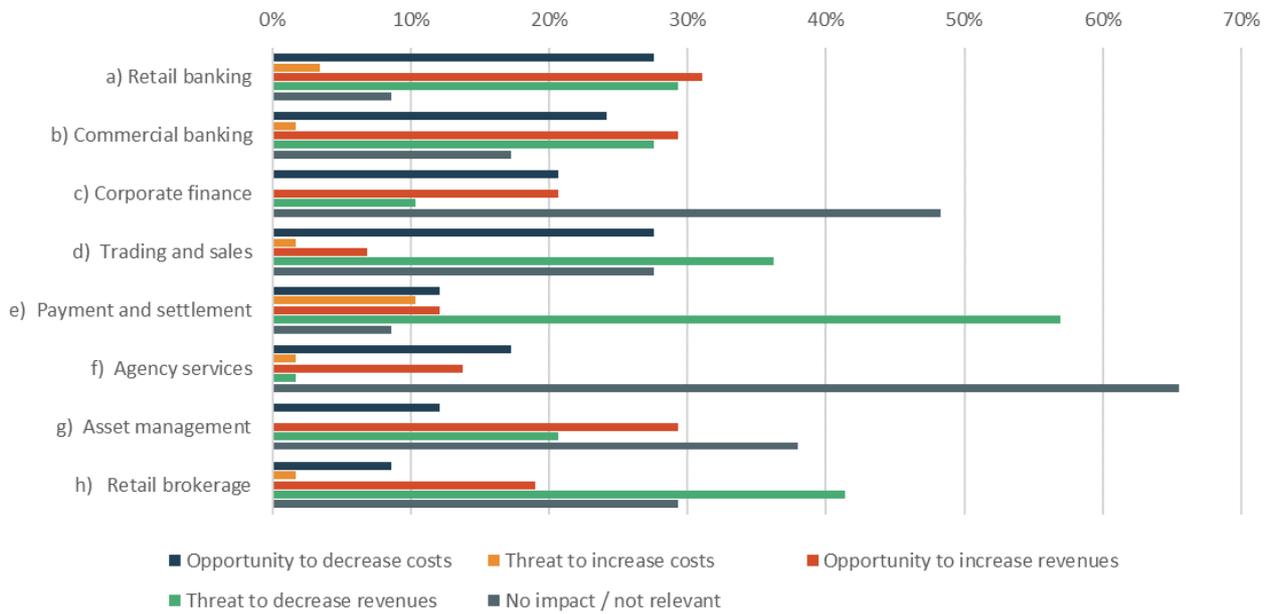
Question 24: Spring 2022 results

Q24 For each business line, please indicate how many of your customers are primarily using digital channels?



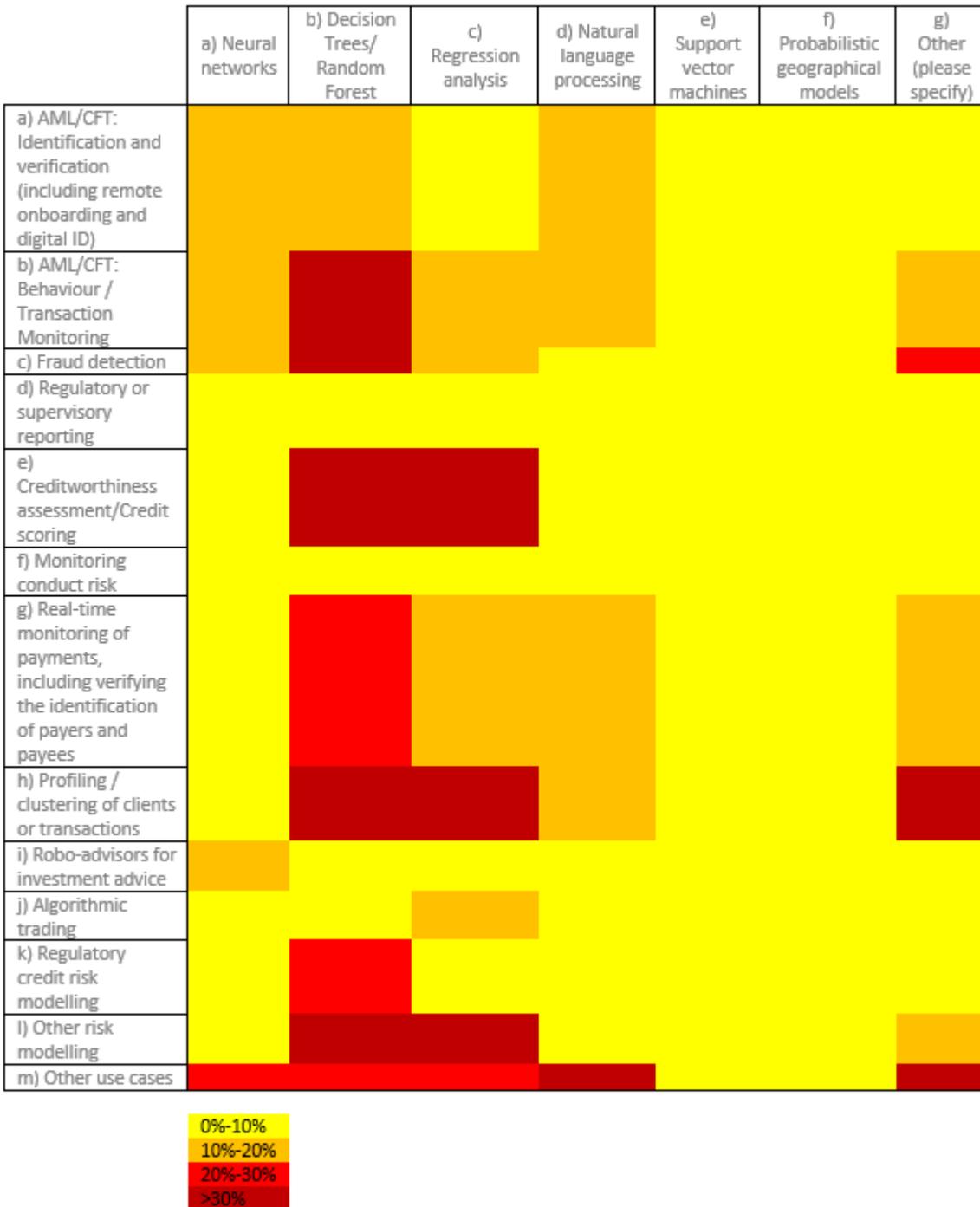
Question 25: Spring 2022 results

Q25 How do you expect FinTech firms will affect the following business lines in your bank?



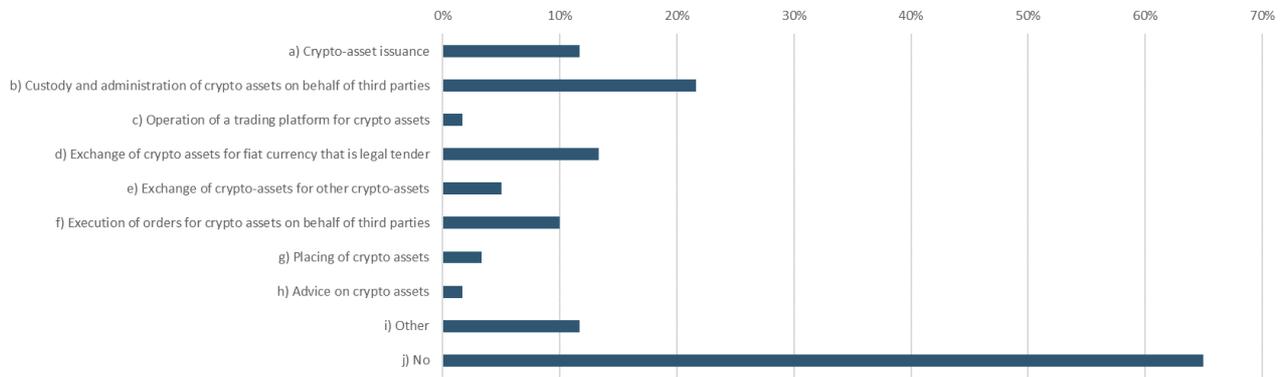
Question 26: Spring 2022 result

Q26 If you are currently using or planning to use in the short-term any of the following AI applications, what is the AI approach applied for each of them?
(More than one answer is possible):



Question 27: Spring 2022 results

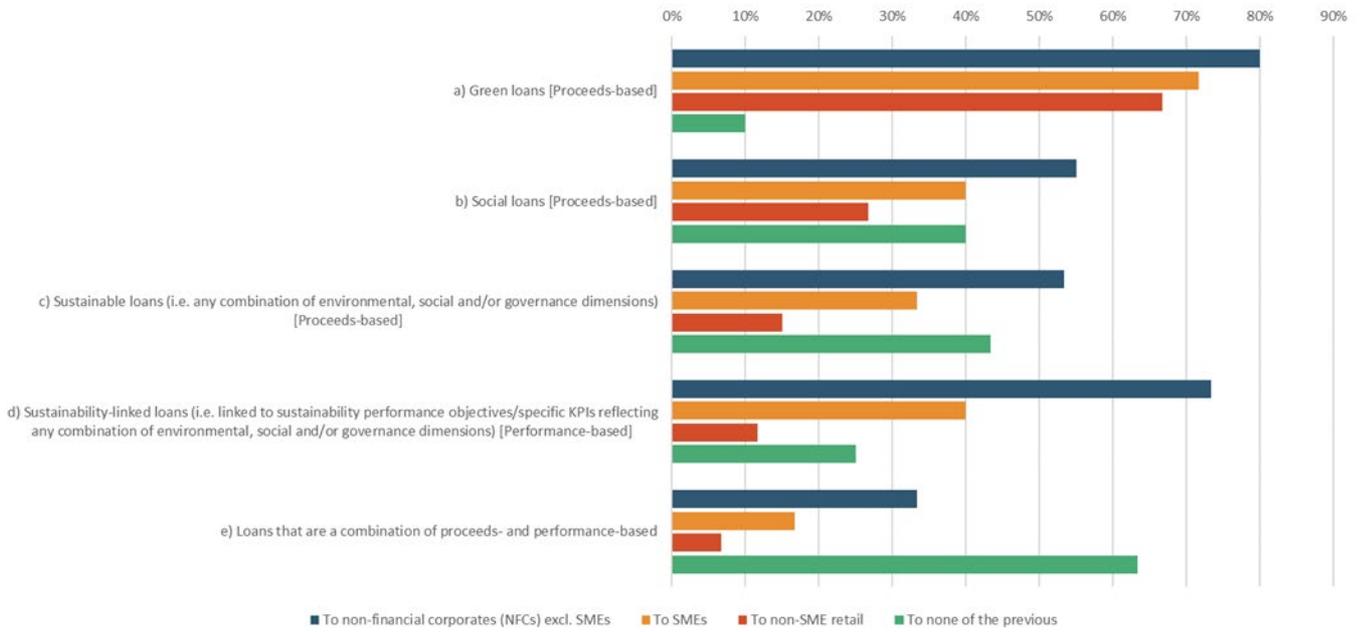
Q27 Are you offering, or do you expect to offer any of the following crypto-asset products and services to retail or wholesale clients over the next 2 years?



6. ESG Finance

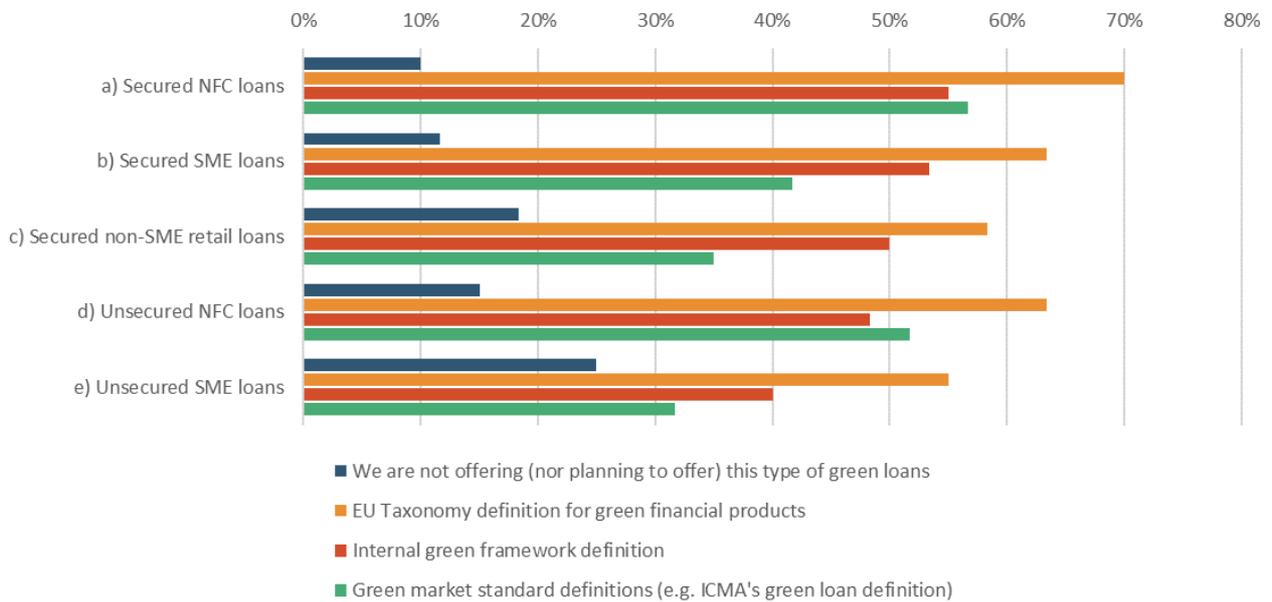
Question 28: Spring 2022 results

Q28 Which if any of the following loans are you offering or planning to offer to your clients?



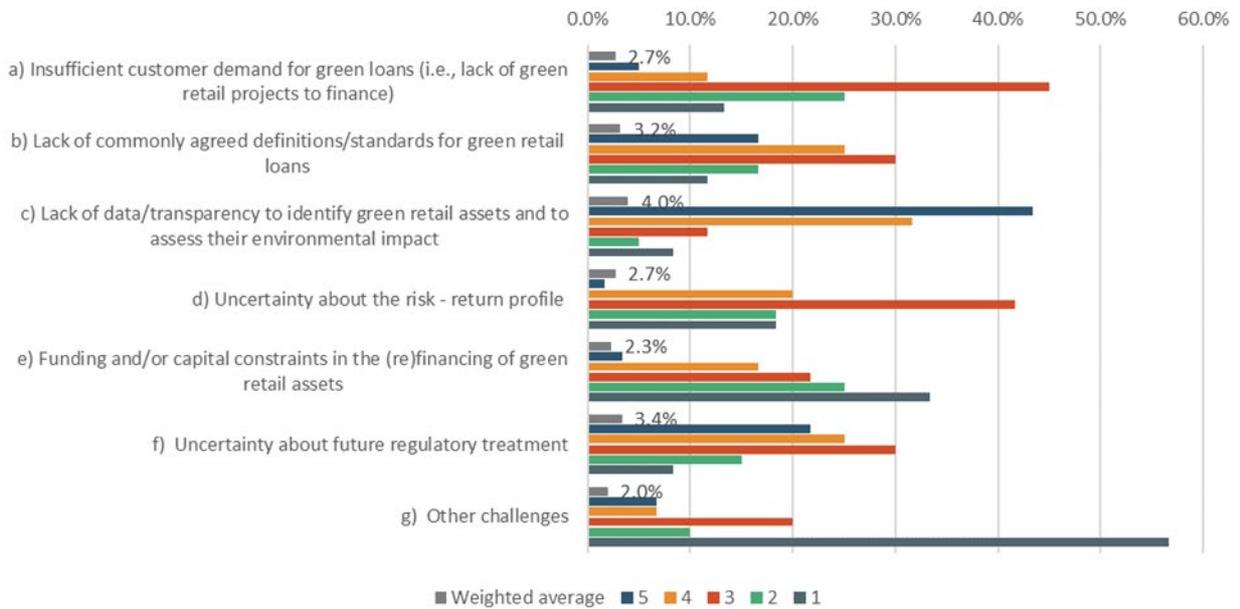
Question 29: Spring 2022 results

Q29 If you are offering or planning to offer green loans to customers, which definition of 'green' are you using (or planning to use) for the following instruments?



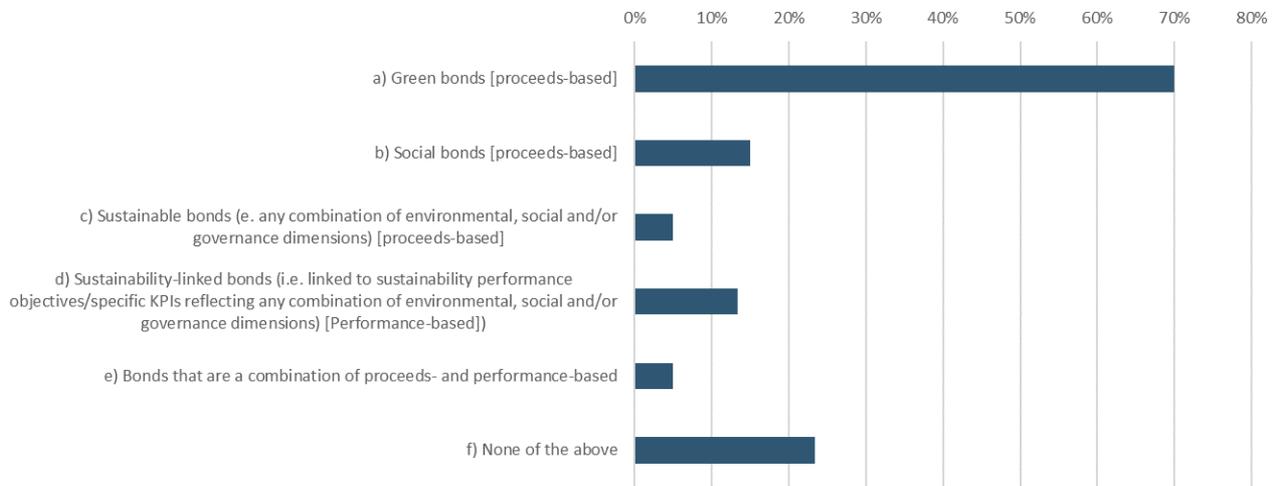
Question 30: Spring 2022 results

Q30 In your opinion, what are the main impediments to the further development of the market for green retail loans? (5-Extremely relevant, 1-Not relevant)



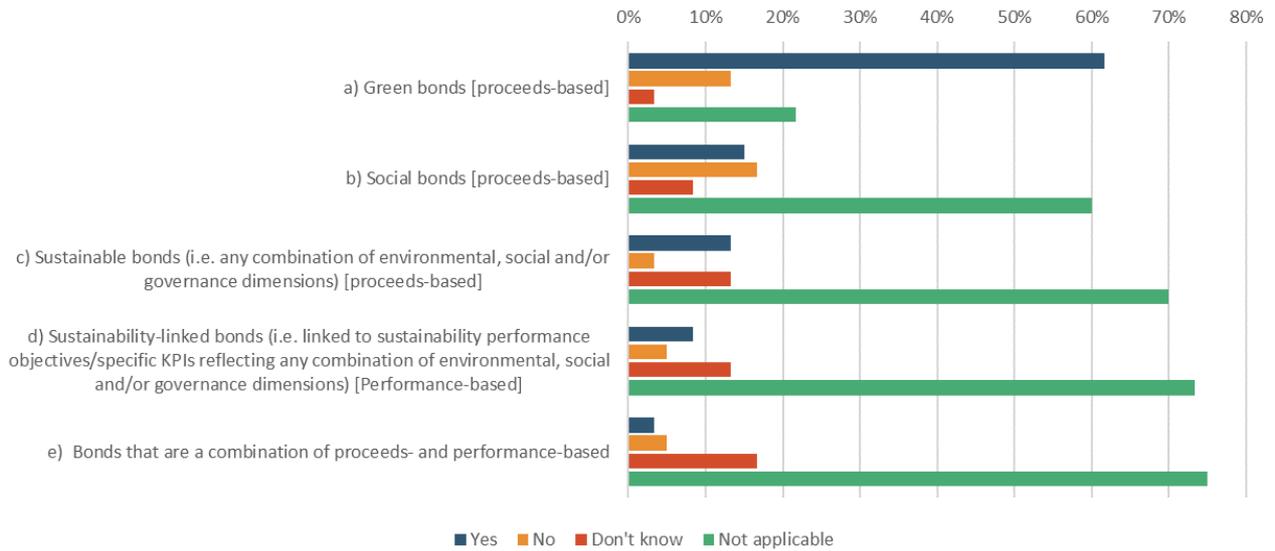
Question 31: Spring 2022 results

Q31 Which of the following instruments have you already issued? Please note the differentiation between proceeds-based and performance-based products, as to avoid double counting. Please avoid double counting products already included under other options



Question 32: Spring 2022 results

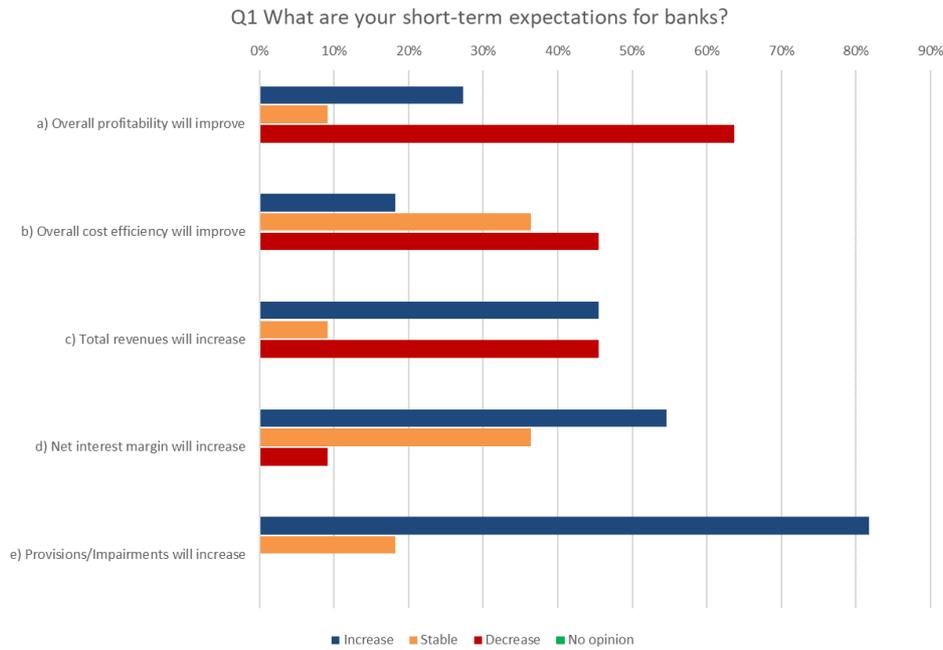
Q32 Have you observed a pricing benefit of the below funding instruments compared to similar 'ordinary' bonds issued in primary or secondary markets? Please note the differentiation between proceeds-based and performance-based products, as to avoid double



Market analysts' questionnaire

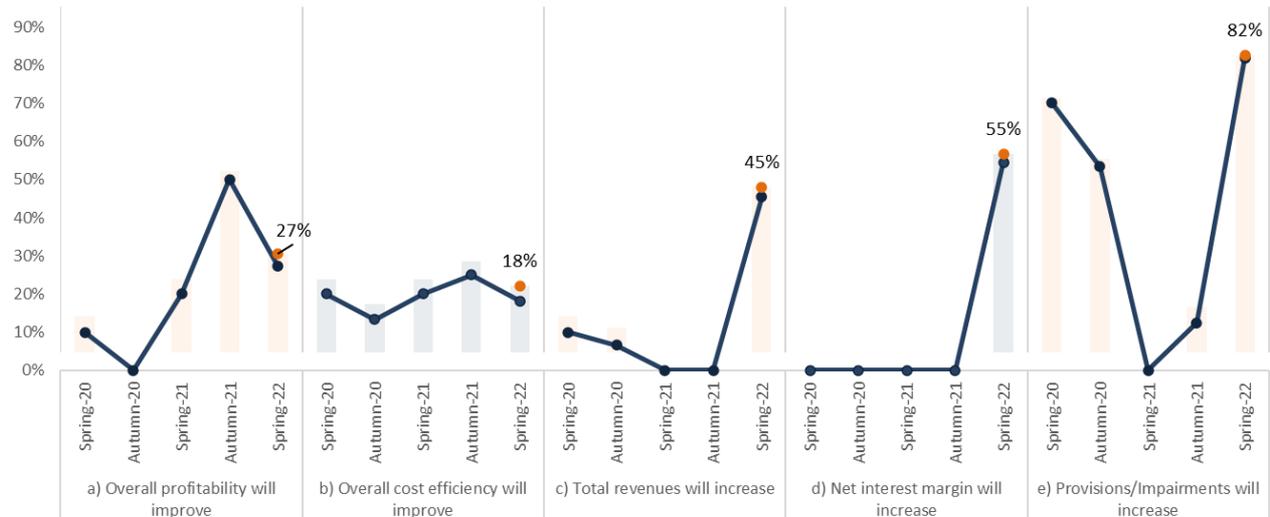
1. Business model / strategy / profitability

Question 1: Spring 2022 results

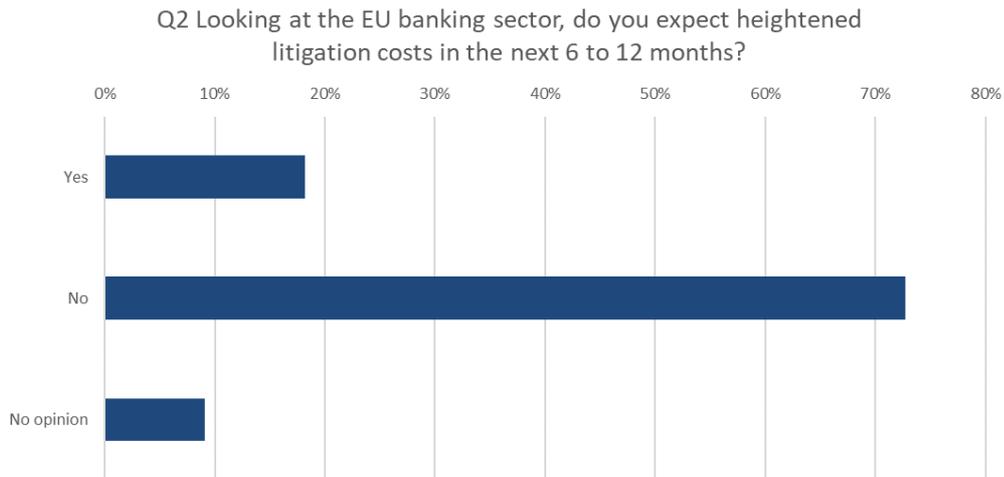


Question 1: Comparison with earlier results

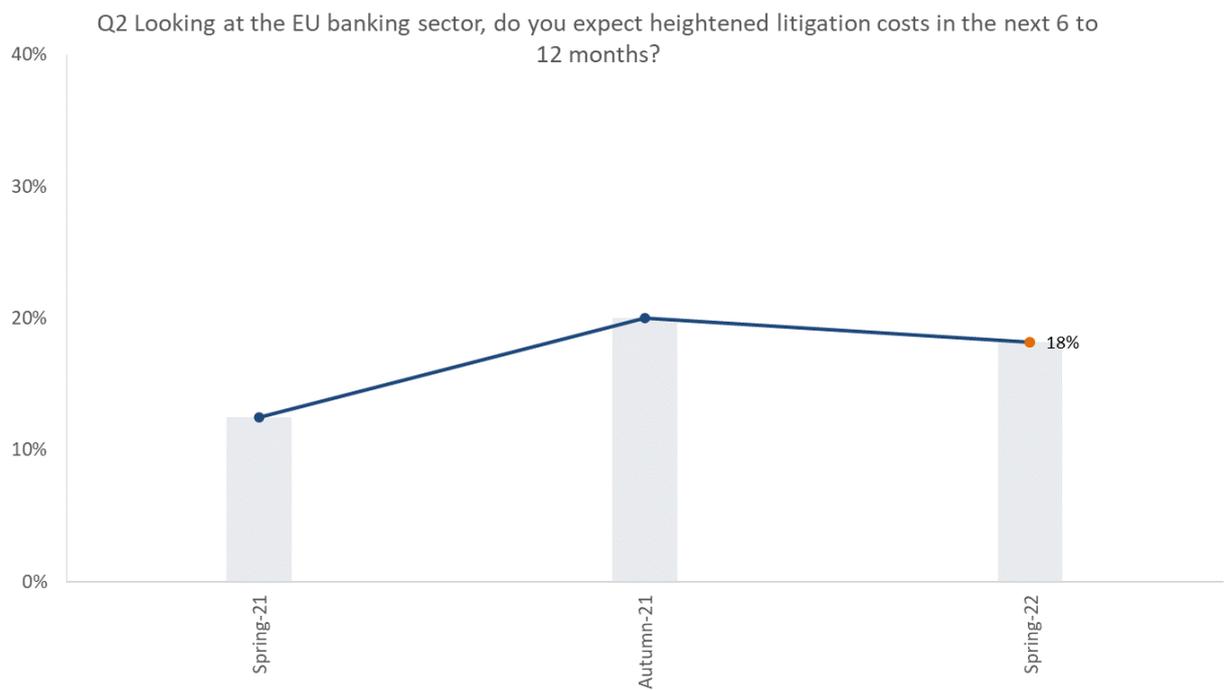
Q1 Short term earnings expectations for banks are: increase



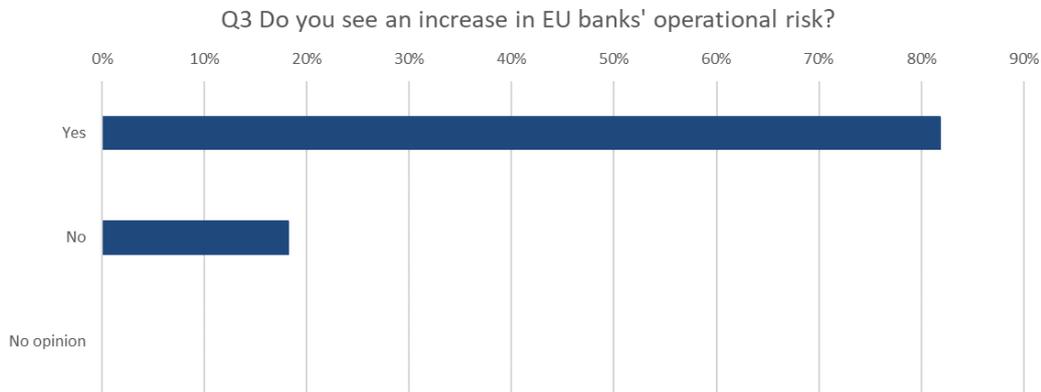
Question 2: Spring 2022 results



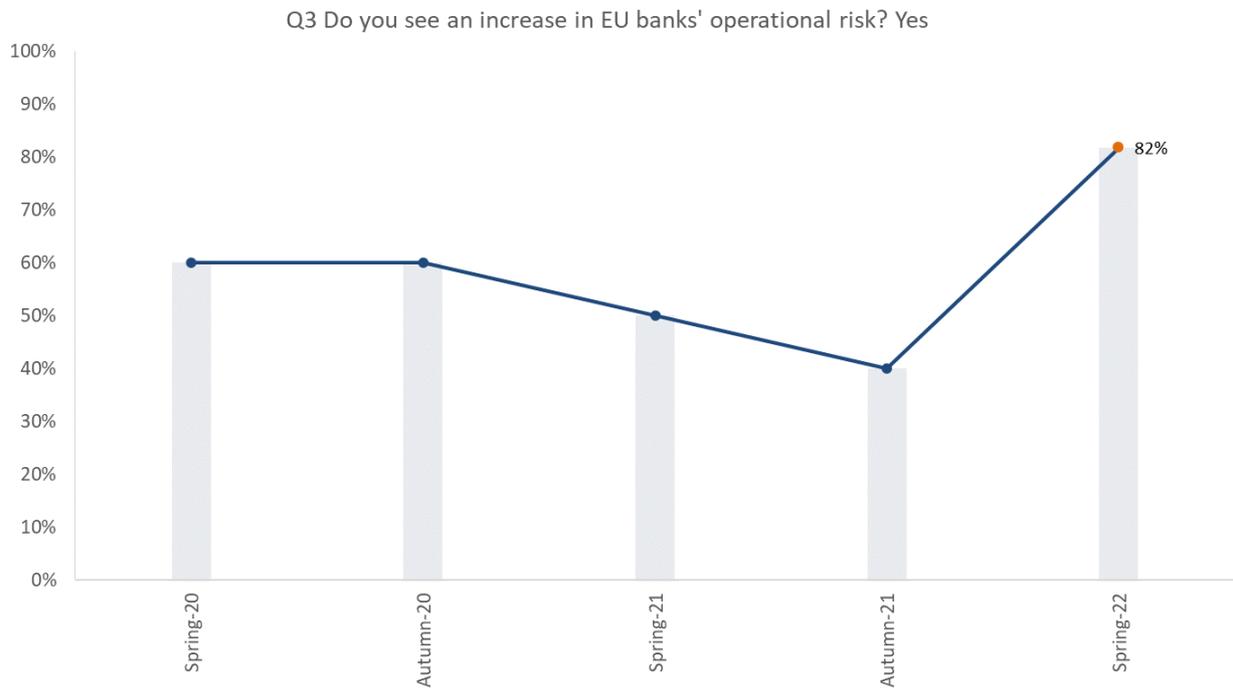
Question 2: Comparison with earlier results



Question 3: Spring 2022 results

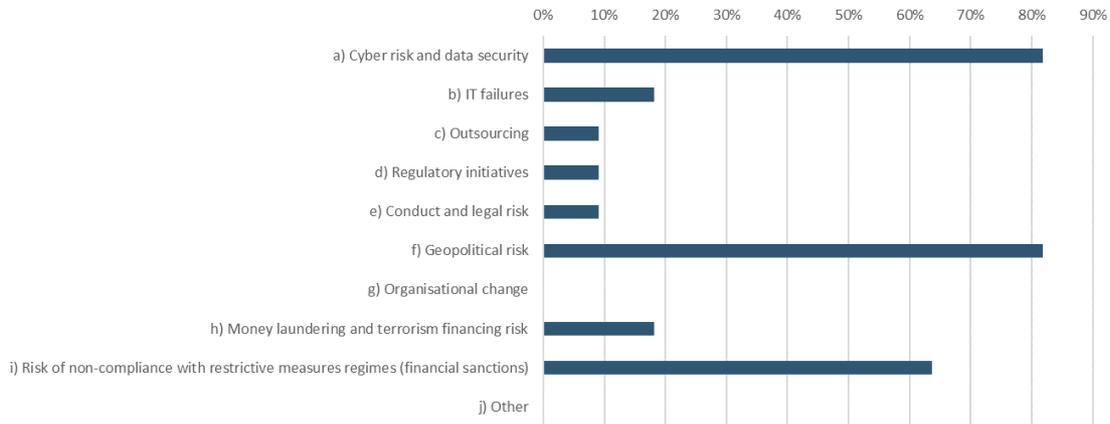


Question 3: comparison with earlier results



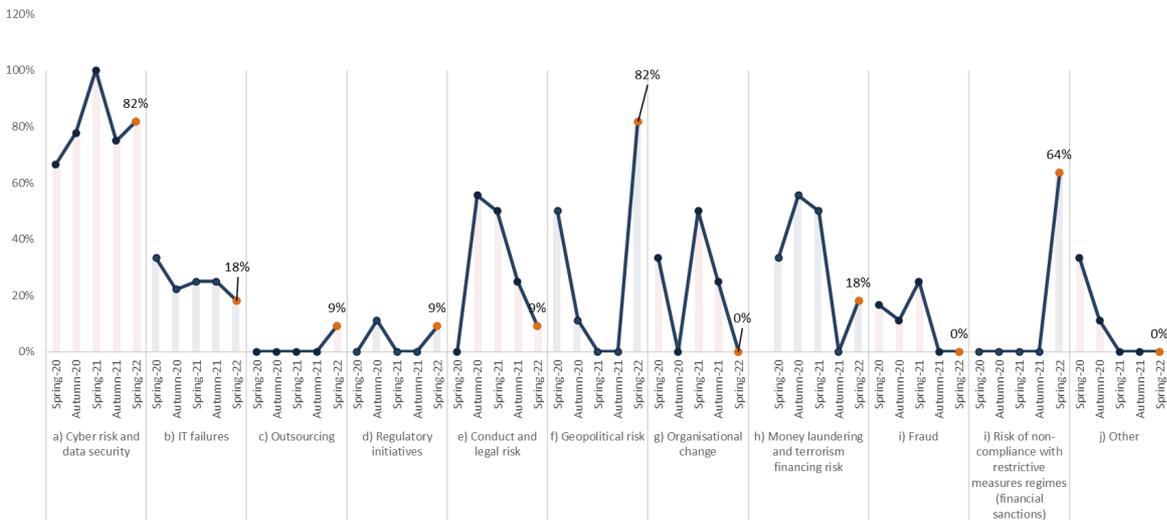
Question 4: Spring 2022 results

Q4 What are the main drivers of operational risk? (please do not agree with more than 3 options)



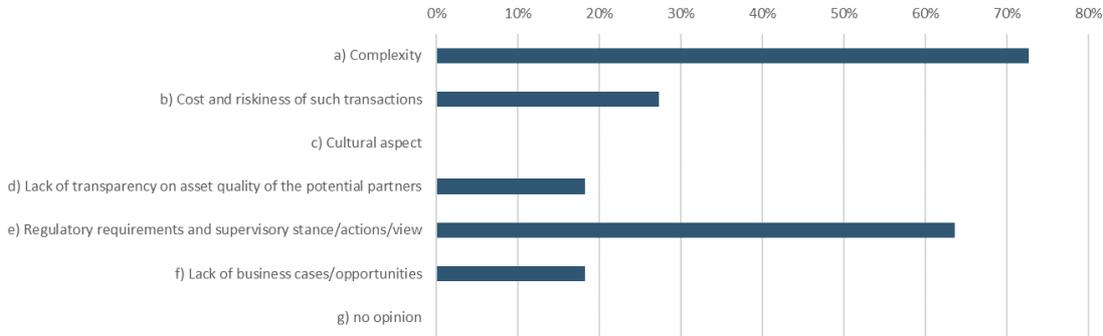
Question 4: comparison with earlier results

Q4 What are the main drivers of operational risk? (please do not agree with more than 3 options)



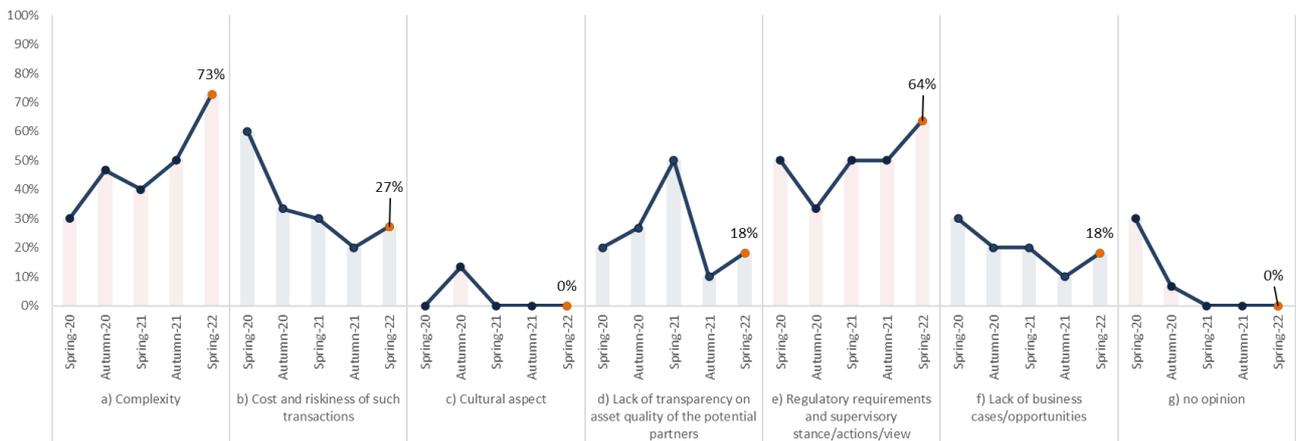
Question 5: Spring 2022 results

Q5 What are the main obstacles to M&A? (please do not agree with more than 2 options)



Question 5: Comparison with earlier results

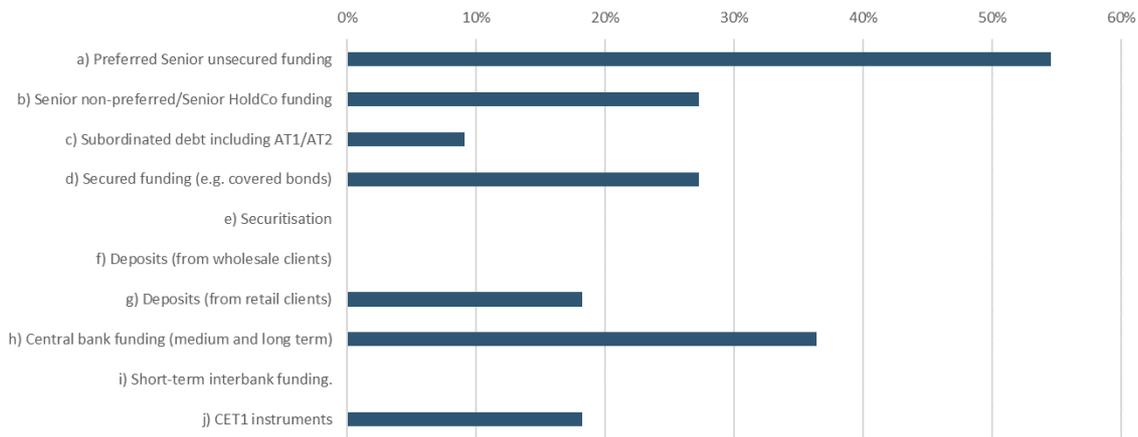
Q5 What are the main obstacles to M&A? (please do not agree with more than 2 options)



2. Funding / Liquidity

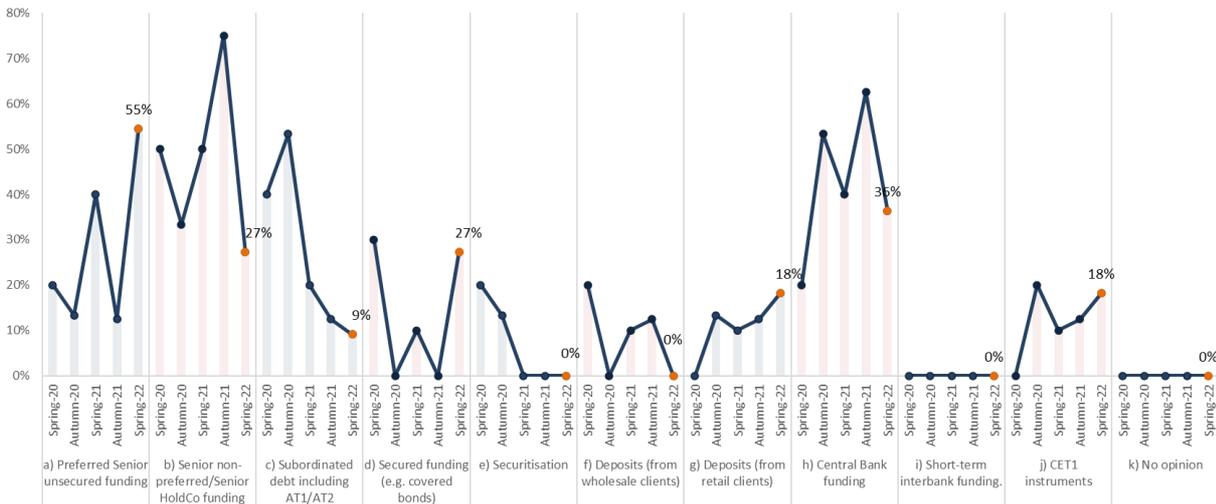
Question 6: Spring 2022 results

Q6 In the next 12 months, which funding instruments do you expect banks to focus on?
(please do not agree with more than 2 options)

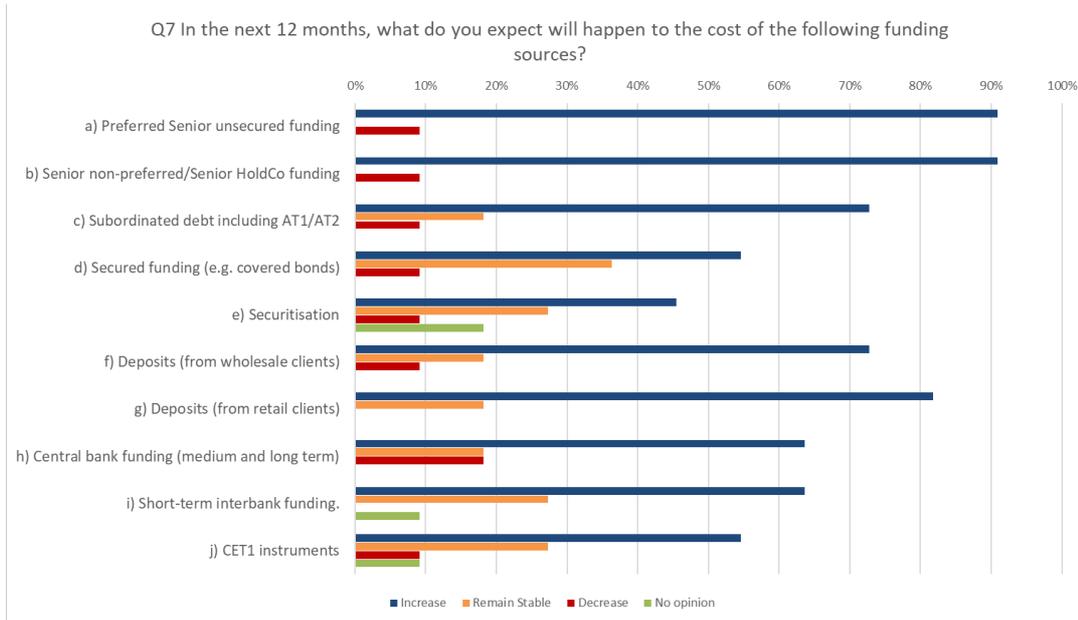


Question 6: comparison with earlier results

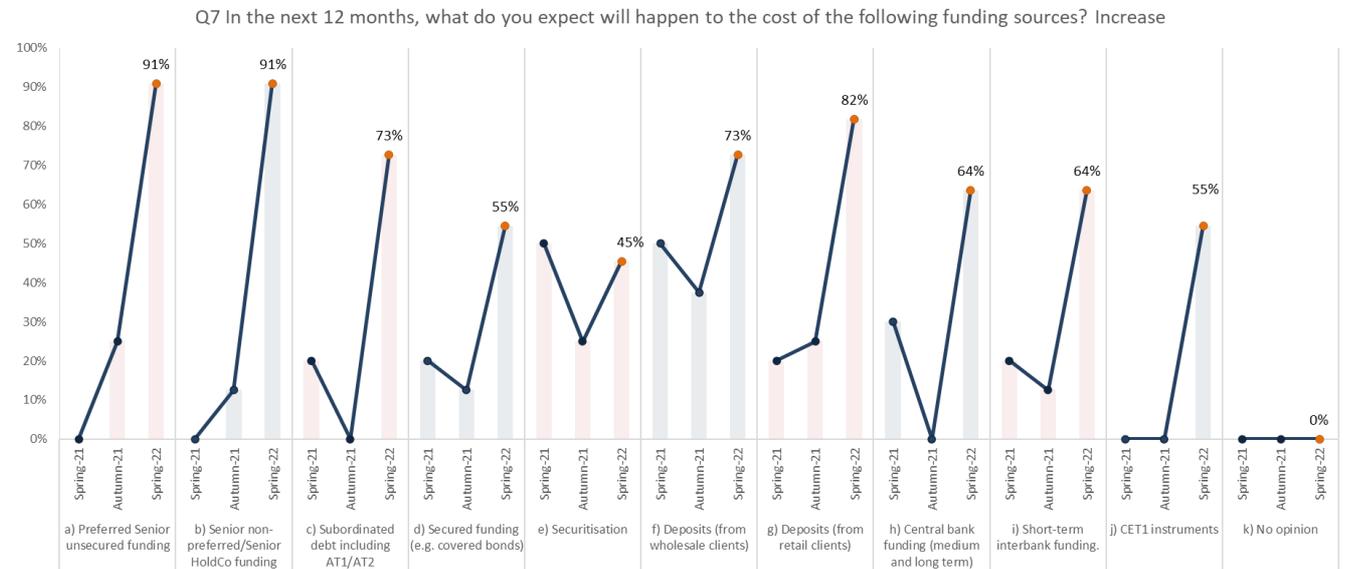
Q6 In the next 12 months, which funding instruments do you expect banks to focus on? (please do not agree with more than 2 options)



Question 7: Spring 2022 results



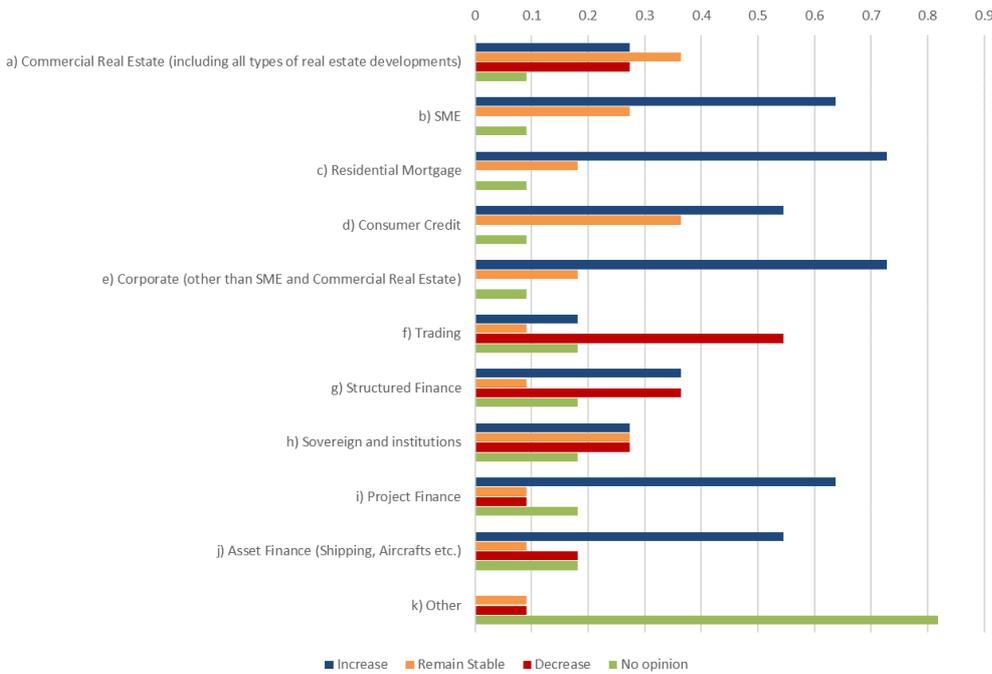
Question 7: comparison with earlier results



3. Asset composition & quality

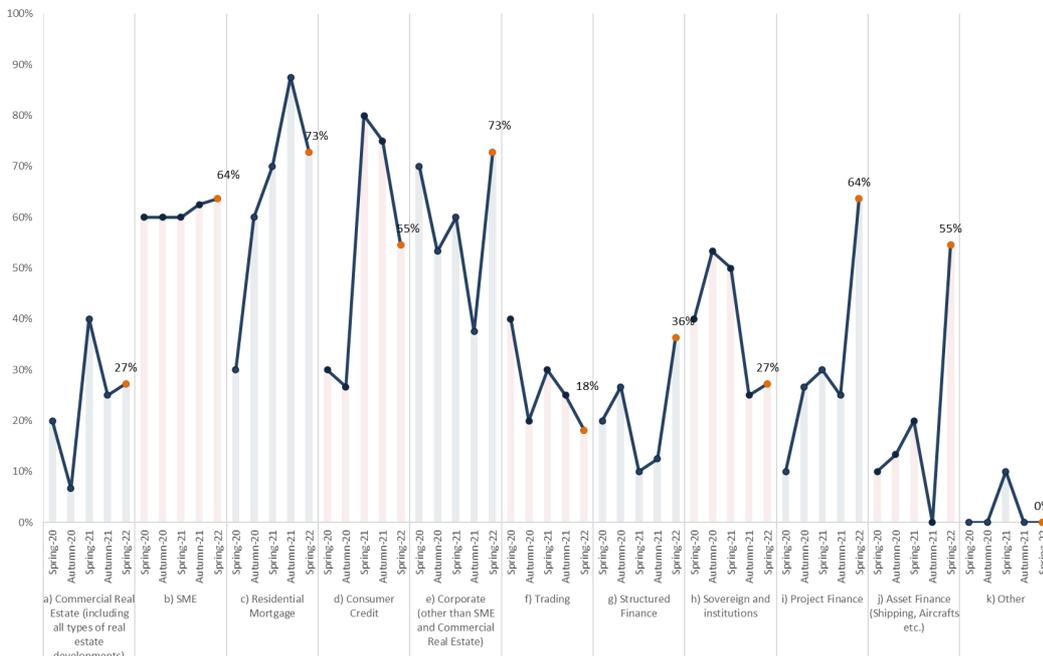
Question 8: Spring 2022 results

Q8 Which portfolios do you expect to increase/decrease in volume during the next 12 months (on a net basis)?

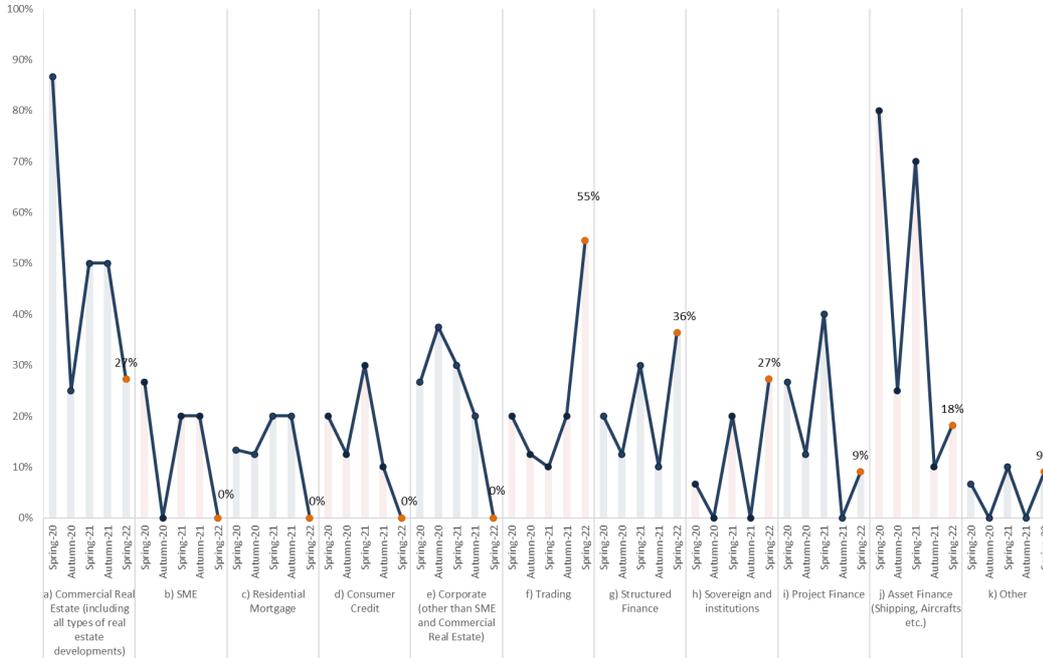


Question 8: comparison with earlier results

Q8 Which portfolios do you expect to increase in volume during the next 12 months (on a net basis)?

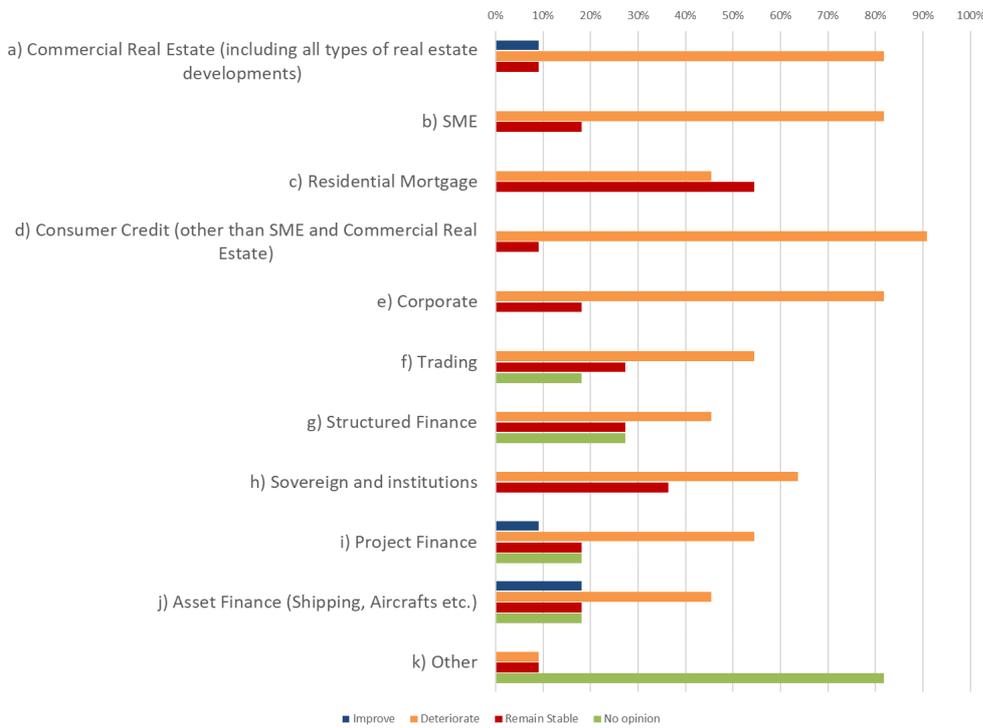


Q8 Which portfolios do you expect to decrease in volume during the next 12 months (on a net basis)?



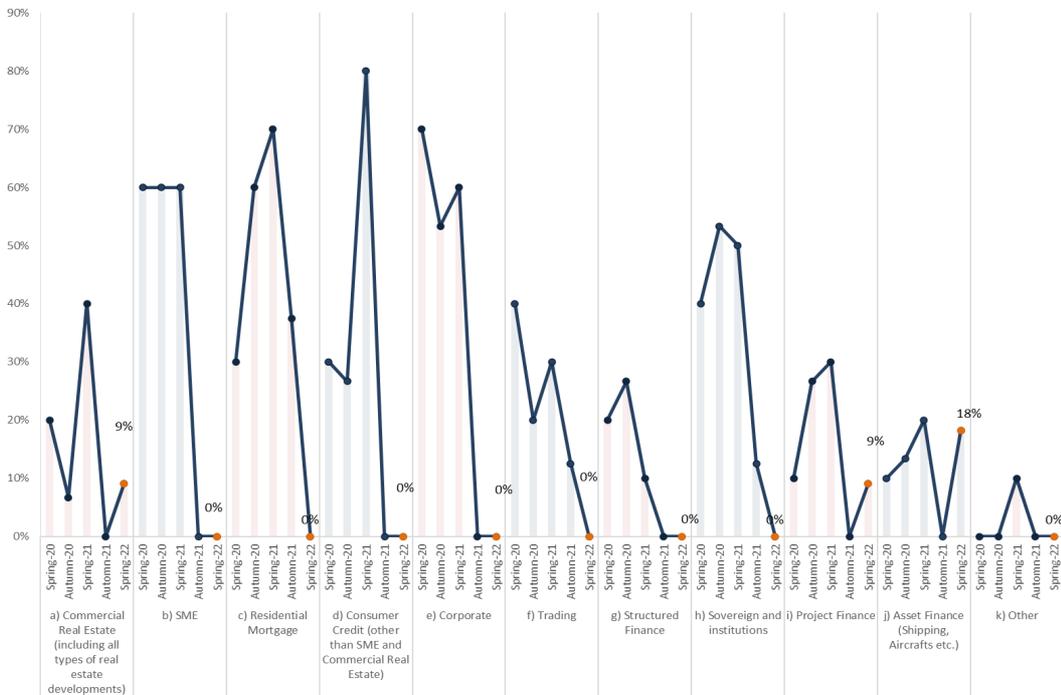
Question 9: Spring 2022 results

Q9 Which portfolios do you expect to improve/deteriorate in asset quality in the next 12 months?

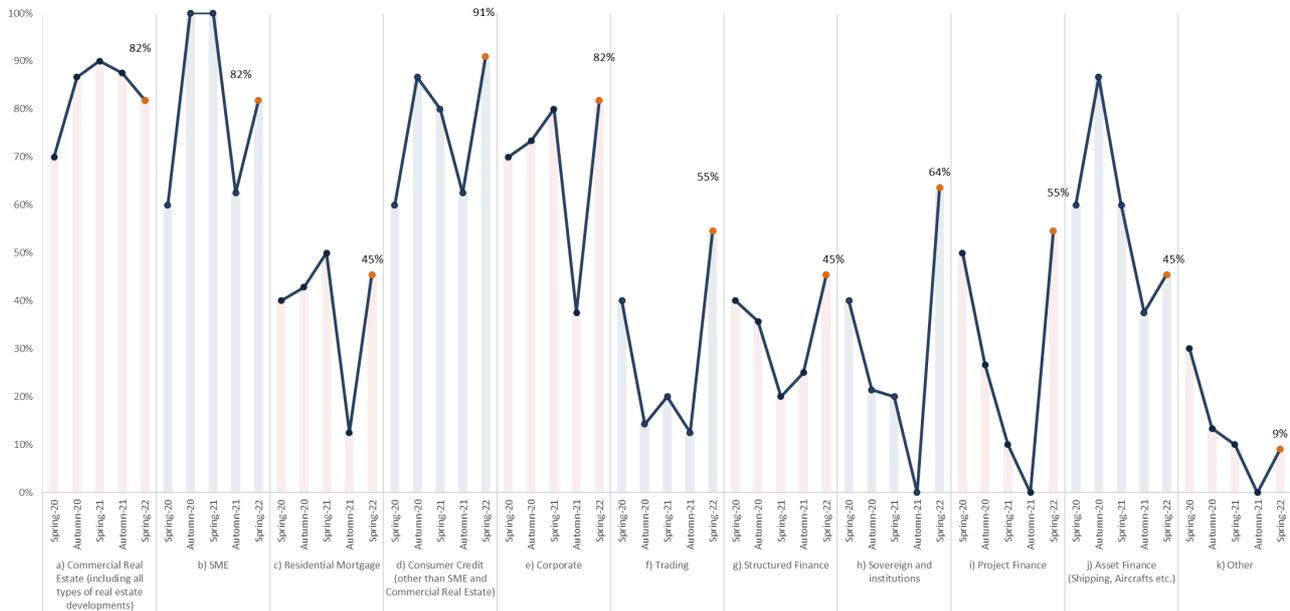


Question 9: comparison with earlier results

Q9 Which portfolios do you expect to improve in asset quality in the next 12 months?

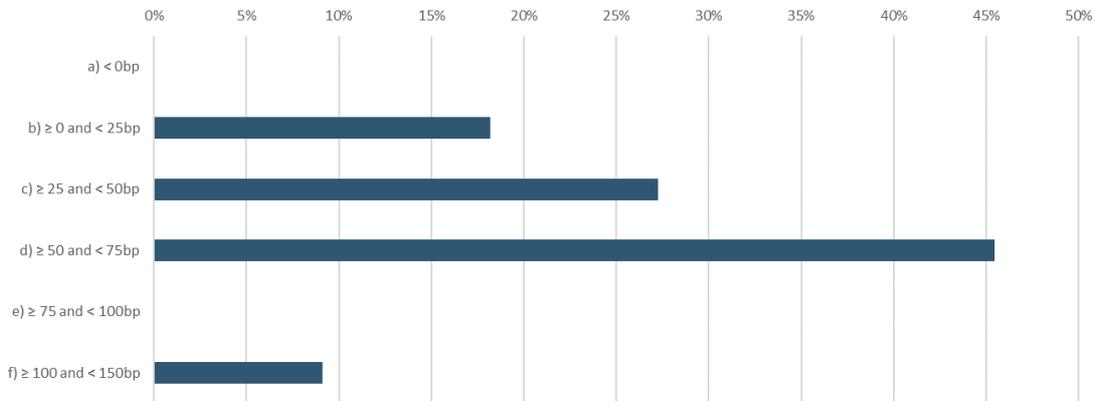


Q9 Which portfolios do you expect to deteriorate in asset quality in the next 12 months?



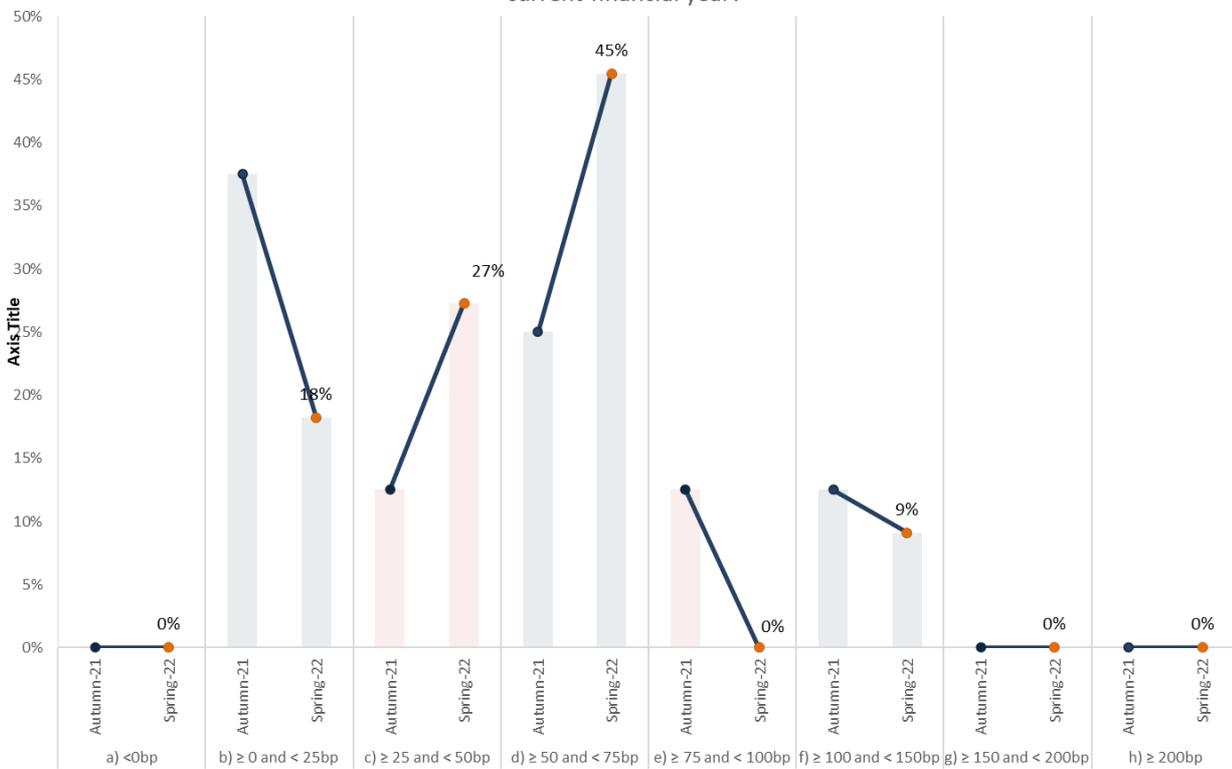
Question 10: Spring 2022 results

Q10 What is your Cost of Risk estimation (change in allowances and provisions as a ratio of total loans and advances subject to impairment) on average for the EU Banking Sector in the current financial year?



Question 10: comparison with earlier results

Q10 What is your Cost of Risk estimation (change in allowances and provisions as a ratio of total loans and advances subject to impairment) on average for the EU Banking Sector in the current financial year?



Annex: List of EU banks involved in current RAQ survey

Financial Institution	Country
BAWAG Group AG	Austria
Erste Group Bank AG	Austria
RBI	Austria
Belfius Bank SA/NV	Belgium
KBC GROUP	Belgium
First Investment Bank AD	Bulgaria
Bank of Cyprus	Cyprus
Hellenic Bank Public Company Limited	Cyprus
Danske Bank A/S	Denmark
Nykredit Realkredit Group	Denmark
AS LHV Pank	Estonia
Nordea Bank Abp	Finland
OP Financial Group	Finland
BNP PARIBAS S.A.	France
Confederation Nationale Du Credit Mutuel	France
Credit Agricole SA	France
BPCE	France
La Banque Postale	France
Société Générale	France
Bayerische Landesbank	Germany
Commerzbank AG	Germany
Deutsche Bank AG	Germany
DZ BANK AG Deutsche Zentral-Genossenschaftsbank	Germany
Helaba - Landesbank Hessen-Thüringen	Germany
Landesbank Baden-Württemberg	Germany
NORD/LB Norddeutsche Landesbank - Girozentrale	Germany
ALPHA Bank	Greece
Eurobank S.A.	Greece
National Bank of Greece	Greece
Piraeus Financial Holdings S.A.	Greece
OTP Bank PLC	Hungary
Landsbankinn hf.	Iceland
AIB Group Plc	Ireland

Financial Institution	Country
Bank of Ireland	Ireland
Banca Monte dei Paschi di Siena Spa	Italy
Banco BPM SpA	Italy
BPER Banca S.p.A.	Italy
Intesa Sanpaolo SPA	Italy
UniCredit S.p.A.	Italy
Banque et Caisse d'Epargne de l'Etat, Luxembourg	Luxembourg
Bank of Valletta Plc	Malta
ABN AMRO	The Netherlands
Rabobank Groep Organisation	The Netherlands
ING Groep N.V.	The Netherlands
DNB Bank ASA	Norway
SpareBank 1 SR-Bank ASA	Norway
Bank Pekao S.A.	Poland
PKO Bank Polski S.A.	Poland
Banco Comercial Português	Portugal
CGD - Caixa Geral de Depósitos, S.A.	Portugal
Banca Transilvania	Romania
Nova Ljubljanska banka	Slovenia
Banco de Sabadell, S.A.	Spain
Banco Bilbao Vizcaya Argentaria S.A. (BBVA)	Spain
Bankinter, S.A.	Spain
CaixaBank, S.A.	Spain
Banco Santander, S.A.	Spain
SEB	Sweden
Svenska Handelsbanken AB	Sweden
Swedbank AB	Sweden

Appendix: Risk Assessment Questionnaire for banks

[added on the following pages]



EBA Risk Assessment Questionnaire for Banks - Spring 2022

Fields marked with * are mandatory.

Respondent information

* Financial Institution

* Country

LEI code of financial institution

Text of 20 to 20 characters will be accepted

* Contact e-mail address

I agree with EBA privacy notice

[EBA Privacy notice 2022.pdf](#)

Please note the EBA RAQ booklet, which summarises the aggregate results of the survey ([see the last version](#)), will again include a list of participating banks (no bank by bank results or similar will be disclosed)."

Business model/strategy

*** Q1 Are you considering M&A transactions?**

- a) Yes
- b) No

Profitability

*** Q2 What is the minimum return on equity (ROE) level that your bank is targeting on a longer-term basis?**

- a) < 6%
- b) ≥ 6% and < 8%
- c) ≥ 8% and < 10%
- d) ≥ 10% and < 12%
- e) ≥ 12% and < 14%
- f) ≥ 14%

*** Q3 What is your estimated Cost of Equity?**

- a) < 6%
- b) ≥ 6% and < 8%
- c) ≥ 8% and < 10%
- d) ≥ 10% and < 12%
- e) ≥ 12%

Q4 How do you estimate your Cost of Equity?

- a) Based on equity market prices and earning forecasts
- b) Model-based (CAPM, APT, etc)
- c) Survey, benchmarking or similar
- d) A combination of the above
- e) Other

*** Q5 Do you expect an overall increase in your bank's ROE over the next 6 to 12 months?**

- a) Yes
- b) Probably yes
- c) Probably no
- d) No
- e) No opinion

Q6 Which areas do you primarily target to increase the profitability of your bank in the next 6 to 12 months? (Rank according to priority with 1-High Priority and 4-Low Priority)

at least 6 answered row(s)

	1	2	3	4	N/A
* a) Net interest income	<input type="radio"/>				
* b) Net fee and commission income	<input type="radio"/>				
* c) Other operating income	<input type="radio"/>				
* d) Operating expenses / costs reduction	<input type="radio"/>				
* e) Impairments	<input type="radio"/>				

* f) Other

<input type="radio"/>				
-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

*** Q7 Which measures are you primarily taking to reduce operating expenses / costs?**

at most 3 choice(s)

- | | |
|--|---|
| <input type="checkbox"/> a) Overhead and staff costs reduction | <input type="checkbox"/> d) Reducing business activities (business lines and locations, incl. branches) |
| <input type="checkbox"/> b) Outsourcing | <input type="checkbox"/> e) Increasing automatization and digitalisation |
| <input type="checkbox"/> c) Off-shoring or near-shoring | <input type="checkbox"/> f) Other |

*** Q8 How do you expect rising interest rates will affect your bank profitability over the next 6 to 12 months?**

- a) Very positive impact
- b) Rather positive impact
- c) Rather negative impact
- d) Very negative impact
- e) No impact

*** Q9 Which of the following do you expect will be most affected by rising geopolitical uncertainty?**

at most 3 choice(s)

- a) Credit risk
- b) Market risk
- c) Liquidity and funding
- d) Operational risk
- e) Payment services
- f) Asset management
- g) Insurance services

Funding/liquidity

*** Q10 In the next 12 months, which funding instruments do you intend to focus on?**

at most 2 choice(s)

- | | |
|---|---|
| <input type="checkbox"/> a) Preferred senior unsecured funding | <input type="checkbox"/> g) Deposits (from retail clients) |
| <input type="checkbox"/> b) Senior non-preferred / Senior Holding Company funding | <input type="checkbox"/> h) Central bank funding (medium and long-term) |
| <input type="checkbox"/> c) Subordinated debt including AT1/T2 | <input type="checkbox"/> i) Short-term interbank funding |
| <input type="checkbox"/> d) Secured funding (covered bonds) | <input type="checkbox"/> j) CET1 instruments |
| <input type="checkbox"/> e) Securitisations | <input type="checkbox"/> k) Not applicable |
| <input type="checkbox"/> f) Deposits (from wholesale clients) | |

*** Q11 Which are the main constraints to issue MREL eligible instruments?**

at most 2 choice(s)

- a) Pricing (e.g. spread between MREL-eligible and MREL-ineligible instruments)
- b) No sufficient investor demand due to unattractive risk-return expectations

- c) No sufficient investor demand due to regulatory and supervisory uncertainty
- d) Uncertainty on required MREL amounts and their composition
- e) Uncertainty on eligibility of instruments for MREL
- f) Have already attained sufficient amounts of MREL-eligible instruments
- g) There are no constraints

*** Q12 Given rising interest rates, which of the following actions are you considering in relation to deposits?**

- a) Raise rates for household deposits or current accounts
- b) Raise rates for non-financial corporate deposits or current accounts
- c) Charge lower fees for household deposits or current accounts and related services (e.g. payments or transfer of funds, direct debits, standing orders, annual or monthly fee, issuance fee for debit card, etc)
- d) Charge lower fees for non-financial corporate deposits or current accounts and related services (e.g. payments or transfer of funds, direct debits, standing orders, annual or monthly fee, etc)
- e) None of the above

Asset composition and quality

Q13 Which portfolios do you plan to increase/decrease in volume during the next 12 months (on a net basis)?

	Increase	Decrease	Stable	No Opinion
* a) Commercial Real Estate (including all types of real estate developments)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* b) SME	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* c) Residential Mortgage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* d) Consumer Credit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* e) Corporate (other than SME and Commercial Real Estate)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* f) Trading	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* g) Structured Finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* h) Sovereign and institutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* i) Project Finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* j) Asset Finance (Shipping, Aircrafts etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* k) Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q14 Which portfolios do you expect to improve/deteriorate in asset quality in the next 12 months?

	Improve	Deteriorate	Remain Stable	No Opinion
* a) Commercial Real Estate (including all types of real estate developments)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* b) SME	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* c) Residential Mortgage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* d) Consumer Credit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* e) Corporate (other than SME and Commercial Real Estate)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* f) Trading	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* g) Structured Finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* h) Sovereign and institutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* i) Project Finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* j) Asset Finance (Shipping, Aircrafts etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* k) Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*** Q15 What is your Cost of Risk (change in allowances and provisions as a ratio of total loans and advances subject to impairment) estimation for the current financial year?**

- a) < 0bp
- b) ≥ 0 and < 25bp
- c) ≥ 25 and < 50bp
- d) ≥ 50 and < 75bp
- e) ≥ 75 and < 100bp
- f) ≥ 100 and < 200bp
- g) ≥ 200bp

*** Q16 How are you planning to treat any “COVID-19 overlay” in your provisioning ?**

- a) We have already fully or partially released it
- b) We have already fully or partially used it for materialised losses
- c) We are planning to release it fully or partially in the next 6 to 12 months
- d) We are planning to keep it for now, for potential losses materialising in the quarters/years to come
- e) We had not recognised any management overlay due to COVID-19

*** Q17 Have you recognised any provisioning overlays for reasons other than COVID-19?**

- a) Yes
- b) No

*** Q18 What are your most common strategies for NPL reduction and to prevent NPL built-up?**

at most 2 choice(s)

- a) Hold and forbearance based strategies (i.e. holding NPLs and applying suitable workout strategies and forbearance options)
- b) Active portfolio reductions: sales (e.g. NPL and other portfolio transactions)
- c) Active portfolio reductions: NPL securitisations
- d) Change of type of exposure or collateral (e.g. foreclosure, debt to equity, debt to asset swaps, collateral substitution)
- e) Legal options (e.g. insolvency proceedings, out-of-court solutions)

Conduct, Reputational and Operational risk

*** Q19 Over the past three years, how much has your firm paid out in the form of compensation, redress, litigation and similar payments (as percentage of equity)?**

- a) $\geq 0\%$ and $<1\%$
- b) $\geq 1\%$ and $<2\%$
- c) $\geq 2\%$ and $<3\%$
- d) $\geq 3\%$ and $<4\%$
- e) $\geq 4\%$

*** Q20 Do you see an increase in operational risk in your bank?**

- a) Yes
- b) No
- c) No opinion

*** Q21 What are the main drivers of operational risk?**

at most 3 choice(s)

- a) Cyber risk and data security
- b) IT failures
- c) Outsourcing
- d) Regulatory initiatives
- e) Conduct and legal risk
- f) Geopolitical risk
- g) Organisational change
- h) Money Laundering (ML) and terrorism financing (TF)
- i) Risk of non compliance with applicable restrictive measures regimes (financial sanctions)
- j) Fraud
- k) Climate change
- l) Other

Q22 How do you expect your ML and TF risks related to the following products / business lines to evolve in the next 6 to 12 months?

	Increase	Decrease	No impact	Not applicable
* a) Corporate finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* b) Trading and sales	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* c) Retail banking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* d) Commercial banking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* e) Payment and settlement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* f) Agency services (e.g. custody services, corporate agency services, corporate trust services)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* g) Asset management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* h) Retail brokerage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* i) Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q23 What key ML and TF risks do you expect to face over the coming 6 to 12 months? (1-Low Significance and 4-High Significance):

	1	2	3	4	Not applicable
* a) Risks associated with customers who are Politically Exposed Persons	<input type="radio"/>				
* b) Risks associated with customers who are Crypto Asset Services Provider	<input type="radio"/>				
* c) Risks associated with customers dealing in cryptos	<input type="radio"/>				
* d) Risks associated with customers whose ownership and control structure is opaque or unduly complex	<input type="radio"/>				
* e) Risks associated with the use of innovative technologies for CDD purposes	<input type="radio"/>				
* f) Risks associated with customers' transactions received from, or sent to, jurisdictions where groups committing terrorist offences are known to be operating, or that are known to be sources of terrorist financing or that are subject to international sanctions	<input type="radio"/>				
* g) Risks associated with customers whose activities or leadership are publicly known to be associated with extremism or terrorism	<input type="radio"/>				
* h) Risks to be used for the laundering of the proceeds of frauds (incl. COVID-related fraud)	<input type="radio"/>				
* i) Risks to be used for the laundering of the proceeds of tax crime	<input type="radio"/>				
* j) Risks to be used for the laundering of the proceeds of corruption	<input type="radio"/>				
* k) Other	<input type="radio"/>				

***Please note that for the purposes of this questionnaire FinTech is defined as ‘Technologically enabled financial innovation that could result in new business models, applications, processes, or products with an associated material effect on financial markets and institutions and the provision of financial services’ (Financial Stability Board).**

Q24 For each business line, please indicate how many of your customers are primarily using digital channels?

	0% -25%	25% -50%	50% -75%	75% -100%	N /A
a) Retail banking	<input type="radio"/>				
b) Corporate banking (excluding financial customers)	<input type="radio"/>				

Q25 How do you expect FinTech firms will affect the following business lines in your bank?

	Opportunity to decrease costs	Threat to increase costs	Opportunity to increase revenues	Threat to decrease revenues	No impact / not relevant
a) Retail banking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Commercial banking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Corporate finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Trading and sales	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Payment and settlements	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) Agency services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Asset management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) Retail brokerage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q26 If you are currently using or planning to use in the short-term any of the following AI applications, what is the AI approach applied for each of them? (More than one answer is possible)

	a) Neural networks	b) Decision Trees /Random Forest	c) Regression analysis	d) Natural language processing	e) Support vector machines	f) Probabilistic geographical models	g) Other (please specify)	h) Not used / not planned to be used
* a) AML/CFT: Identification and verification (including remote onboarding and digital ID)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* b) AML/CFT: Behaviour / Transaction Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* c) Fraud detection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* d) Regulatory or supervisory reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* e) Creditworthiness assessment /Credit scoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* f) Monitoring conduct risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* g) Real-time monitoring of payments, including verifying the identification of payers and payees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* h) Profiling / clustering of clients or transactions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* i) Robo-advisors for investment advice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* j) Algorithmic trading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* k) Regulatory credit risk modelling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* l) Other risk modelling	<input type="checkbox"/>	<input type="checkbox"/>						
* m) Other use cases	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>					

Q26.1 If you selected row "m) Other user cases" or column "g) Other", please specify:

*** Q27** Are you offering, or do you expect to offer any of the following crypto-asset products and services to retail or wholesale clients over the next 2 years?

- a) Crypto-asset issuance
- b) Custody and administration of crypto assets on behalf of third parties
- c) Operation of a trading platform for crypto assets
- d) Exchange of crypto assets for fiat currency that is legal tender
- e) Exchange of crypto-assets for other crypto-assets
- f) Execution of orders for crypto assets on behalf of third parties
- g) Placing of crypto assets
- h) Advice on crypto assets
- i) Other
- j) No

ESG Finance

Q28 Which if any of the following loans are you offering or planning to offer to your clients? Please note the differentiation between proceeds-based and performance-based products, as to avoid double counting. Please avoid double counting products already included under other options presented in the question.

	To non-financial corporates (NFCs) excl. SMEs	To SMEs	To non-SME retail	To none of the previous
* a) Green loans [Proceeds-based]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* b) Social loans [Proceeds-based]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* c) Sustainable loans (i.e. any combination of environmental, social and/or governance dimensions) [Proceeds-based]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* d) Sustainability-linked loans (i.e. linked to sustainability performance objectives/specific KPIs reflecting any combination of environmental, social and/or governance dimensions) [Performance-based]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* e) Loans that are a combination of proceeds- and performance-based	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q29 If you are offering or planning to offer green loans to customers, which definition of 'green' are you using (or planning to use) for the following instruments?

	Green market standard definitions (e.g. ICMA's green loan definition)	Internal green framework definition	EU Taxonomy definition for green financial products	We are not offering (nor planning to offer) this type of green loans
* a) Secured NFC loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* b) Secured SME loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* c) Secured non-SME loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* d) Unsecured NFC loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* e) Unsecured SME loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
* f) Unsecured non-SME loans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q30 In your opinion, what are the main impediments to the further development of the market for green retail loans? (1-Not relevant, 5-Extremely relevant)

	1	2	3	4	5
* a) Insufficient customer demand for green loans (i.e., lack of green retail projects to finance)	<input type="radio"/>				
* b) Lack of commonly agreed definitions/standards for green retail loans	<input type="radio"/>				
* c) Lack of data/transparency to identify green retail assets and to assess their environmental impact	<input type="radio"/>				
* d) Uncertainty about the risk - return profile	<input type="radio"/>				
* e) Funding and/or capital constraints in the (re)financing of green retail assets	<input type="radio"/>				
* f) Uncertainty about future regulatory treatment	<input type="radio"/>				
* g) Other challenges	<input type="radio"/>				

*

Q31 Which of the following instruments have you already issued? Please note the differentiation between proceeds-based and performance-based products, as to avoid double counting. Please avoid double counting products already included under other options presented in the question.

- a) Green bonds [proceeds-based]
- b) Social bonds [proceeds-based] c) Sustainable bonds (e. any combination of environmental, social and/or governance dimensions) [proceeds-based]
- d) Sustainability-linked bonds (i.e. linked to sustainability performance objectives/specific KPIs reflecting any combination of environmental, social and/or governance dimensions) [Performance-based])
- e) Bonds that are a combination of proceeds- and performance-based
- f) None of the above

Q32 Have you observed a pricing benefit of the below funding instruments compared to similar ‘ordinary’ bonds issued in primary or secondary markets? Please note the differentiation between proceeds-based and performance-based products, as to avoid double counting. Please avoid double counting products already included under other options presented in the question.

	Yes	No	Don't know	Not applicable
* a) Green bonds [proceeds-based]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* b) Social bonds [proceeds-based]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* c) Sustainable bonds (i.e. any combination of environmental, social and/or governance dimensions) [proceeds-based]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* d) Sustainability-linked bonds (i.e. linked to sustainability performance objectives/specific KPIs reflecting any combination of environmental, social and/or governance dimensions) [Performance-based]	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* e) Bonds that are a combination of proceeds- and performance-based	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Open question

Q33 Looking at the EU banking sector, do you expect other sources of risk or vulnerabilities to increase further in the next 6 to 12 months. Please indicate possible additional sources of risks and vulnerabilities.

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Appendix: Risk Assessment Questionnaire for market analysts

[added on the following pages]



EBA Risk Assessment Questionnaire for Market Analysts - Spring 2022

Fields marked with * are mandatory.

Respondent information

* First Name

* Last Name

* Position

* Company

* Contact e-mail address

I agree with the EBA privacy notice

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A. Business model/strategy/profitability

Please select your choice for every box.

Your response should reflect the degree of agreement to the statement made.

Q1 What are your short-term expectations for banks?

	Increase	Stable	Decrease	No opinion
* a) Overall profitability	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* b) Overall cost efficiency	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* c) Total revenues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* d) Net interest margin	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* e) Provisions/impairments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*** Q2 Looking at the EU banking sector, do you expect heightened litigation costs in the next 6 to 12 months?**

- a) Yes
- b) No
- c) No opinion

*** Q3 Do you see an increase in EU banks' operational risk?**

- a) Yes
- b) No
- c) No opinion

*** Q4 What are the main drivers of operational risk? (please do not agree with more than 3 options)**

at most 3 choice(s)

- a) Cyber risk and data security
- b) IT failures
- c) Outsourcing
- d) Regulatory initiatives
- e) Conduct and legal risk
- f) Geopolitical risk
- g) Organisational change
- h) Money laundering and terrorism financing risk
- i) Risk of non-compliance with restrictive measures regimes (financial sanctions)
- j) Fraud
- k) Other

*** Q5 What are the main obstacles to M&A? (please do not agree with more than 2 options)**

at most 2 choice(s)

- a) Complexity
- b) Cost and riskiness of such transactions
- c) Cultural aspect
- d) Lack of transparency on asset quality of the potential partners
- e) Regulatory requirements and supervisory stance/actions/view
- f) Lack of business cases/opportunities
- g) No opinion

B. Funding/liquidity

* Q6 In the next 12 months, which funding instruments do you expect banks to focus on? (please do not agree with more than 2 options)

at most 2 choice(s)

- | | |
|--|---|
| <input type="checkbox"/> a) Preferred Senior unsecured funding | <input type="checkbox"/> g) Deposits (from retail clients) |
| <input type="checkbox"/> b) Senior non-preferred/Senior HoldCo funding | <input type="checkbox"/> h) Central Bank funding (medium and long term) |
| <input type="checkbox"/> c) Subordinated debt including AT1/AT2 | <input type="checkbox"/> i) Short-term interbank funding. |
| <input type="checkbox"/> d) Secured funding (e.g. covered bonds) | <input type="checkbox"/> j) CET1 instruments |
| <input type="checkbox"/> e) Securitisation | <input type="checkbox"/> k) No opinion |
| <input type="checkbox"/> f) Deposits (from wholesale clients) | |

Q7 In the next 12 months, what do you expect will happen to the cost of the following funding sources?

at least 11 answered row(s)

	Increase	Decrease	Remain Stable	No opinion
* a) Preferred Senior unsecured funding	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* b) Senior non-preferred/Senior HoldCo funding	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* c) Subordinated debt including AT1/AT2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* d) Secured funding (e.g. covered bonds)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* e) Securitisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* f) Deposits (from wholesale clients)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* g) Deposits (from retail clients)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* h) Central bank funding (medium and long term)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* i) Short-term interbank funding.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* j) CET1 instruments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* k) No opinion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

C. Asset composition & quality

Q8 Which portfolios do you expect to increase/decrease in volume during the next 12 months (on a net basis)?

at least 11 answered row(s)

	Increase	Decrease	Remain stable	No opinion

* a) Commercial Real Estate (including all types of real estate developments)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) SME	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* c) Residential Mortgage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* d) Consumer Credit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* e) Corporate (other than SME and Commercial Real Estate)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* f) Trading	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* g) Structured Finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* h) Sovereign and institutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* i) Project Finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* j) Asset Finance (Shipping, Aircrafts etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* k) Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q9 Which portfolios do you expect to improve/deteriorate in asset quality in the next 12 months?

	Improve	Deteriorate	Remain Stable	No opinion
* a) Commercial Real Estate (including all types of real estate developments)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* b) SME	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* c) Residential Mortgage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* d) Consumer Credit (other than SME and Commercial Real Estate)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* e) Corporate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* f) Trading	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* g) Structured Finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* h) Sovereign and institutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* i) Project Finance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* j) Asset Finance (Shipping, Aircrafts etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
* k) Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

*** Q10 What is your Cost of Risk estimation (change in allowances and provisions as a ratio of total loans and advances subject to impairment) on average for the EU Banking Sector in the current financial year?**

- a) < 0bp

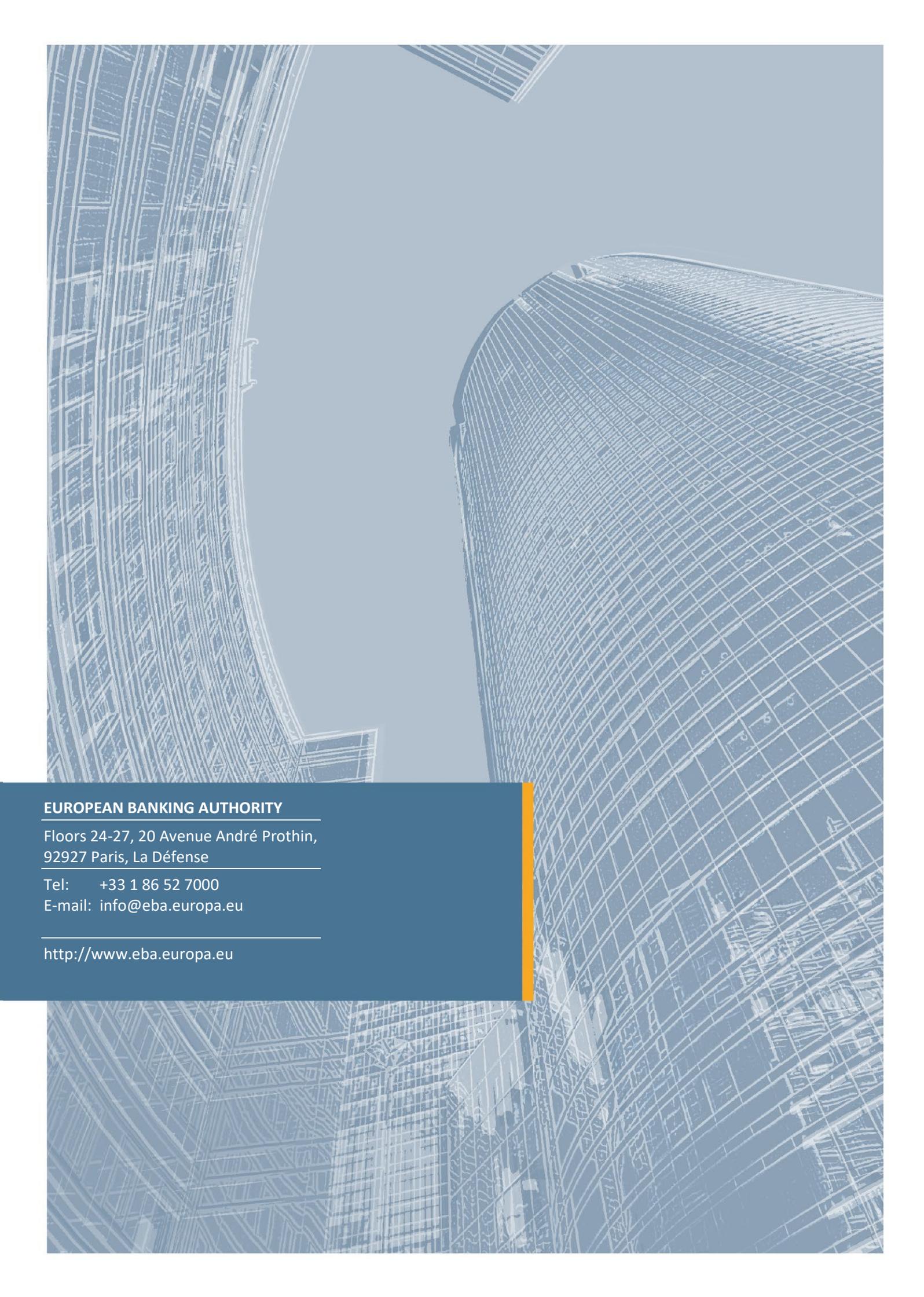
- b) ≥ 0 and < 25 bp
- c) ≥ 25 and < 50 bp
- d) ≥ 50 and < 75 bp
- e) ≥ 75 and < 100 bp
- f) ≥ 100 and < 150 bp
- g) ≥ 150 and < 200 bp
- h) ≥ 200 bp

General Questions

*** Q11 Looking at the EU banking sector, do you expect other sources of risks or vulnerabilities to increase further in the next 6-12 months? Please indicate possible additional of risks and vulnerabilities**

Contact

[Contact Form](#)



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