



MNB BANK SENTIMENT SURVEY – QUESTIONNAIRE

1. GENERAL ECONOMIC SENTIMENT

1. Overall, in your opinion, which of the following characterised the development of the factors below in the last 6 months? (single choice / row)

BSI001. External, global economic environment

1 - Deteriorated considerably	2 - Deteriorated somewhat	3 - Remained unchanged	4 - Improved somewhat	5 - Improved considerably
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BSI002. Domestic economic environment

1 - Deteriorated considerably	2 - Deteriorated somewhat	3 - Remained unchanged	4 - Improved somewhat	5 - Improved considerably
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BSI003. Competition between banks in the corporate segment

1 - Eased considerably	2 - Eased somewhat	3 - Remained unchanged	4 - Intensified somewhat	5 - Intensified considerably
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BSI004. Competition between banks in the retail segment

1 - Eased considerably	2 - Eased somewhat	3 - Remained unchanged	4 - Intensified somewhat	5 - Intensified considerably
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BSI005. Competition between banks in the payment service segment

1 - Eased considerably	2 - Eased somewhat	3 - Remained unchanged	4 - Intensified somewhat	5 - Intensified considerably
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BSI006. Competition between banks and non-bank market participants

1 - Eased considerably	2 - Eased somewhat	3 - Remained unchanged	4 - Intensified somewhat	5 - Intensified considerably
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BSI007. Availability of short funds

1 - Deteriorated considerably	2 - Deteriorated somewhat	3 - Remained unchanged	4 - Improved somewhat	5 - Improved considerably
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BSI008. Availability of long funds

1 - Deteriorated considerably	2 - Deteriorated somewhat	3 - Remained unchanged	4 - Improved somewhat	5 - Improved considerably
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BSI009. Interbank liquidity

1 - Decreased considerably	2 - Decreased somewhat	3 - Remained unchanged	4 - Increased somewhat	5 - Increased considerably
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BSI010. Creditworthiness of retail customers

1 - Deteriorated considerably	2 - Deteriorated somewhat	3 - Remained unchanged	4 - Improved somewhat	5 - Improved considerably
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BSI011. Creditworthiness of corporate customers

1 - Deteriorated considerably	2 - Deteriorated somewhat	3 - Remained unchanged	4 - Improved somewhat	5 - Improved considerably
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BSI012. Quality of the credit portfolio

1 - Deteriorated considerably	2 - Deteriorated somewhat	3 - Remained unchanged	4 - Improved somewhat	5 - Improved considerably
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BSI013. Bank's risk appetite

1 - Decreased considerably	2 - Decreased somewhat	3 - Remained unchanged	4 - Increased somewhat	5 - Increased considerably
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BSI014. Credit demand of the retail costumers

1 - Decreased considerably	2 - Decreased somewhat	3 - Remained unchanged	4 - Increased somewhat	5 - Increased considerably
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BSI015. Credit demand of the corporate costumers

1 - Decreased considerably	2 - Decreased somewhat	3 - Remained unchanged	4 - Increased somewhat	5 - Increased considerably
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BSI016. Severity of legal/regulatory environment

1 - Eased considerably	2 - Eased somewhat	3 - Remained unchanged	4 - Tightened somewhat	5 - Tightened considerably
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BSI017. Profitability outlook

1 - Deteriorated considerably	2 - Deteriorated somewhat	3 - Remained unchanged	4 - Improved somewhat	5 - Improved considerably
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BSI018. Personnel and other operating costs

1 - Decreased considerably	2 - Decreased somewhat	3 - Remained unchanged	4 - Increased somewhat	5 - Increased considerably
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2. Overall, in your opinion, which of the following will characterise the development of the factors below in the next 6 months? (single choice / row)**BSI019. External, global economic environment**

1 - Deteriorate considerably	2 - Deteriorate somewhat	3 - Remain unchanged	4 - Improve somewhat	5 - Improve considerably
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BSI020. Domestic economic environment

1 - Deteriorate considerably	2 - Deteriorate somewhat	3 - Remain unchanged	4 - Improve somewhat	5 - Improve considerably
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BSI021. Competition between banks in the corporate segment

1 - Ease considerably	2 - Ease somewhat	3 - Remain unchanged	4 - Intensify somewhat	5 - Intensify considerably
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BSI022. Competition between banks in the retail segment

1 - Ease considerably	2 - Ease somewhat	3 - Remain unchanged	4 - Intensify somewhat	5 - Intensify considerably
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BSI023. Competition between banks in the payment service segment

1 - Ease considerably	2 - Ease somewhat	3 - Remain unchanged	4 - Intensify somewhat	5 - Intensify considerably
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BSI024. Competition between banks and non-bank market participants

1 - Ease considerably	2 - Ease somewhat	3 - Remain unchanged	4 - Intensify somewhat	5 - Intensify considerably
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BSI025. Availability of short funds

1 - Deteriorate considerably	2 - Deteriorate somewhat	3 - Remain unchanged	4 - Improve somewhat	5 - Improve considerably
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BSI026. Availability of long funds

1 - Deteriorate considerably	2 - Deteriorate somewhat	3 - Remain unchanged	4 - Improve somewhat	5 - Improve considerably
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BSI027. Interbank liquidity

1 - Decrease considerably	2 - Decrease somewhat	3 - Remain unchanged	4 - Increase somewhat	5 - Increase considerably
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BSI028. Creditworthiness of retail customers

1 - Deteriorate considerably	2 - Deteriorate somewhat	3 - Remain unchanged	4 - Improve somewhat	5 - Improve considerably
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BSI029. Creditworthiness of corporate customers

1 - Deteriorate considerably	2 - Deteriorate somewhat	3 - Remain unchanged	4 - Improve somewhat	5 - Improve considerably
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BSI030. Quality of the credit portfolio

1 - Deteriorate considerably	2 - Deteriorate somewhat	3 - Remain unchanged	4 - Improve somewhat	5 - Improve considerably
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BSI031. Bank's risk appetite

1 - Decrease considerably	2 - Decrease somewhat	3 - Remain unchanged	4 - Increase somewhat	5 - Increase considerably
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BSI032. Credit demand of the retail costumers

1 - Decrease considerably	2 - Decrease somewhat	3 - Remain unchanged	4 - Increase somewhat	5 - Increase considerably
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BSI033. Credit demand of the corporate costumers

1 - Decrease considerably	2 - Decrease somewhat	3 - Remain unchanged	4 - Increase somewhat	5 - Increase considerably
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BSI034. Severity of legal/regulatory environment

1 - Ease considerably	2 - Ease somewhat	3 - Remain unchanged	4 - Tighten somewhat	5 - Tighten considerably
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BSI035. Profitability outlook

1 - Deteriorate considerably	2 - Deteriorate somewhat	3 - Remain unchanged	4 - Improve somewhat	5 - Improve considerably
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BSI036. Personnel and other operating costs

1 - Decrease considerably	2 - Decrease somewhat	3 - Remain unchanged	4 - Increase somewhat	5 - Increase considerably
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2. STRATEGY AND PROFITABILITY

BSI037. What change does your bank plan to make to its business model in the next 6 months? If you do not plan to make a change, please indicate this answer.

BSI038. Is your bank planning a merger or acquisition in the next 6 months? (single choice)

- Yes
- No

BSI039. Does your bank plan to make a performing portfolio sale or purchase in the next 6 months? (single choice)

- Yes, portfolio sale
- Yes, portfolio purchase
- Yes, both
- No

BSI040. Does your bank plan to make a non-performing portfolio sale or purchase in the next 6 months? (single choice)

- Yes, portfolio sale
- Yes, portfolio purchase
- Yes, both
- No

BSI041. How much return on equity (ROE) can your bank achieve in the long run? (single choice)

- Below 6%
- 6-8%
- 8-10%
- 10-12%
- 12-14%
- Over 14%

BSI042. How much is the cost of capital at your bank according to your estimation? (single choice)

- Below 6%
- 6-8%
- 8-10%
- 10-12%
- 12-14%
- Over 14%

BSI043. Do you expect your bank's profitability to increase in the next 6 months? Please disregard within-year seasonal effects. (single choice)

- Increase considerably
- Increase somewhat
- Decrease somewhat
- Decrease considerably

Through which item(s) does your bank plan to increase return on assets in the next 6 months? (single choice / row)

	Disagree	Disagree somewhat	Agree somewhat	Agree
BSI044. Net interest income	1	2	3	4
BSI045. Net fees and commissions income	1	2	3	4
BSI046. Income on financial and investment services	1	2	3	4
BSI047. Other operating income	1	2	3	4
BSI048. Operating costs reduction	1	2	3	4
BSI049. Impairments	1	2	3	4

BSI050. Other:	1	2	3	4
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BSI051. If you agree with net fees and commissions income, what is the main area to increase them? Only for those who indicate “agree” or “agree somewhat” for “net fees and commissions income” in the previous question. (single choice)

- Lending fees
- Fees on financial services
- Fees of securities distribution
- Insurance services
- Investment banking fees
- Other:

BSI052. How does your bank plan to rationalise operating costs? (2 choices at most)

- Reduction of staff costs
- Reduction and merging of branch network
- Reorganisation of branch network
- Merger
- Expanding e-channels
- IT-outsourcing
- Cutting of non-profitable units
- Automatisation and digitalisation
- Other

BSI053. What is the expected development of cost-to-asset ratio (C/A) in the next 6 months? Please disregard within-year seasonal effects. (single choice)

- Increase considerably
- Increase somewhat
- Decrease somewhat
- Decrease considerably

BSI054. What is the expected development of cost-to-income ratio (C/I) in the next 6 months? Please disregard within-year seasonal effects. (single choice)

- Increase considerably
- Increase somewhat
- Decrease somewhat
- Decrease considerably

BSI055. Which liability-side items are planned to be increased in the next 6 months? (3 choices at most)

- Subordinated debt
- Secured funding (covered bonds)
- Bond issuance
- Mortgage bond issuance
- Corporate deposits
- Retail deposits
- Central bank funding

Short-term interbank funding
 Capital injection
 Profit reinvestment

3. ASSETS AND PORTFOLIO QUALITY

What change is planned in the volume of the following portfolios in the next 6 months? (single choice / row)

	Decrease	No change	Increase
BSI056. Commercial real estate and project financing (including all types of real estate developments)	1	2	3
BSI057. SME credit	1	2	3
BSI058. Mortgage	1	2	3
BSI059. Consumer credit	1	2	3
BSI060. Corporate credit	1	2	3
BSI061. Sovereign and institutional financing	1	2	3
BSI062. Leasing	1	2	3
BSI063. Other:	1	2	3

What change is expected in the quality of the following portfolio in the next 6 months? (single choice / row)

	Improve	No change	Deteriorate
BSI064. Commercial real estate and project financing (including all types of real estate developments)	1	2	3
BSI065. SME credit	1	2	3

BSI066. Mortgage	1	2	3
BSI067. Consumer credit	1	2	3
BSI068. Corporate credit	1	2	3
BSI069. Sovereign and institutional financing	1	2	3
BSI070. Leasing	1	2	3
BSI071. Other:	1	2	3

BSI072. What are the most commonly applied strategies for NPL reduction at your bank? (2 choices at most)

- Holding NPLs and applying workout strategies
- NPL portfolio sale
- NPL securitisations
- Foreclosure
- Legal options (e.g. insolvency proceedings)
- Out-of-court solutions
- Other:.....

What are the impediments to resolving non-performing loans? (single choice / row)

	Yes	No
BSI073. Lack of financial resources (of the bank)	1	0
BSI074. Lack of qualified human resources (of the bank)	1	0
BSI075. Tax incentives	1	0
BSI076. Lengthy and expensive judiciary process to resolve insolvency and enforce on collateral	1	0
BSI077. Lack of out-of-court tools for settlement of minor claims	1	0
BSI078. Lack of market for NPLs/collaterals	1	0
BSI079. Lack of bad bank	1	0
BSI080. Other:	1	0

BSI081. What is the main impediment to resolving non-performing loans? (single choice)

- Lack of financial resources (of the bank)
- Lack of qualified human resources (of the bank)
- Tax incentives
- Lengthy and expensive judiciary process to resolve insolvency and enforce on collateral
- Lack of out-of-court tools for settlement of minor claims
- Lack of market for NPLs/collaterals
- Lack of bad bank
- Other:

4. OPERATIONAL RISKS

Which factors lead to an increase in operational risks in the next 6 months? (single choice / row)

	Yes	No
BSI082. Data security	1	0
BSI083. Cyber risks	1	0
BSI084. Internal IT failures	1	0
BSI085. Conduct risk	1	0
BSI086. Outsourcing	1	0
BSI087. Regulatory changes	1	0
BSI088. Moral and legal risks	1	0
BSI089. Geopolitical risks	1	0
BSI090. Organisational change	1	0
BSI091. Money laundering, terrorist financing and sanctions non-compliance	1	0
BSI092. Fraud (external, internal)	1	0
BSI093. Other:	1	0

BSI094. What is the main operational risk in the next 6 months? (single choice)

- Data security
- Cyber risks
- Internal IT failures
- Conduct risk
- Outsourcing
- Regulatory changes
- Moral and legal risks
- Geopolitical risks
- Organisational change
- Money laundering, terrorist financing and sanctions non-compliance
- Fraud (external, internal)
- Other:.....

5. COSTS AND FINTECH

What is your current form of engagement with FinTech? (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’). (single choice / row)

	Yes	No
BSI095. The bank formed commercial partnerships (e.g. joint ventures) with non-bank FinTech firms	1	0
BSI096. The bank invested directly or indirectly in FinTech (e.g. venture capital)	1	0
BSI097. The bank launched a stand-alone digital-only bank	1	0
BSI098. The bank developed own products/services in-house using new technologies without cooperating with non-bank Fintech firms	1	0
BSI099. The bank set up or sponsored FinTech incubators	1	0

What is your expected form of engagement with FinTech in the next 6 months? (single choice / row)

	Yes	No
BSI100. The bank forms commercial partnerships (e.g. joint ventures) with non-bank FinTech firms	1	0
BSI101. The bank invests directly or indirectly in FinTech (e.g. venture capital)	1	0
BSI102. The bank launches a stand-alone digital-only bank	1	0
BSI103. The bank develops own products/services in-house using new technologies without cooperating with non-bank Fintech firms	1	0
BSI104. The bank sets up or sponsors FinTech incubators	1	0

How has IT and FinTech costs to assets changed in the last 6 months? (single choice / row)

	Decreased	Remained unchanged	Increased
BSI105. Investment in non-bank FinTech firms	1	2	3
BSI106. IT costs (excluding investment in non-bank FinTech firms)	1	2	3
BSI107. Total personnel costs	1	2	3

What is the current level of your institution’s involvement in applying the following technologies?
 (single choice / row)

	In use / launch	Pilot testing	Under development	Under discussion	No activity
BSI108. Cloud Computing	1	2	3	4	5
BSI109. Digital/mobile wallets	1	2	3	4	5
BSI110. Distributed Ledger Technology (e.g. blockchain)	1	2	3	4	5
BSI111. Big Data analytics	1	2	3	4	5
BSI112. Biometrics	1	2	3	4	5
BSI113. Artificial intelligence (including machine learning and natural language processing)	1	2	3	4	5
BSI114. Smart contracts	1	2	3	4	5
BSI115. Other:	1	2	3	4	5

What is the expected level of your institution’s involvement in applying the following technologies in the next 6 months? (single choice / row)

	In use / launch	Pilot testing	Under development	Under discussion	No activity
BSI116. Cloud Computing	1	2	3	4	5
BSI117. Digital/mobile wallets	1	2	3	4	5
BSI118. Distributed Ledger Technology (e.g. blockchain)	1	2	3	4	5
BSI119. Big Data analytics	1	2	3	4	5
BSI120. Biometrics	1	2	3	4	5
BSI121. Artificial intelligence (including machine learning and natural language processing)	1	2	3	4	5
BSI122. Smart contracts	1	2	3	4	5
BSI123. Other:	1	2	3	4	5

6. OTHERS

BSI124. What external developments pose a material risk to the bank's operations? (If there are no such developments, indicate this answer.)

BSI125. Are there any other factors that affect the activities of the bank that were not discussed in the previous parts of the questionnaire? (If there are no such factors, indicate this answer.)