

BANK LENDING SURVEY

RESULTS FOR PORTUGAL

JAN. 2023



BANCO DE
PORTUGAL
EUROSYSTEM

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BANCO DE PORTUGAL
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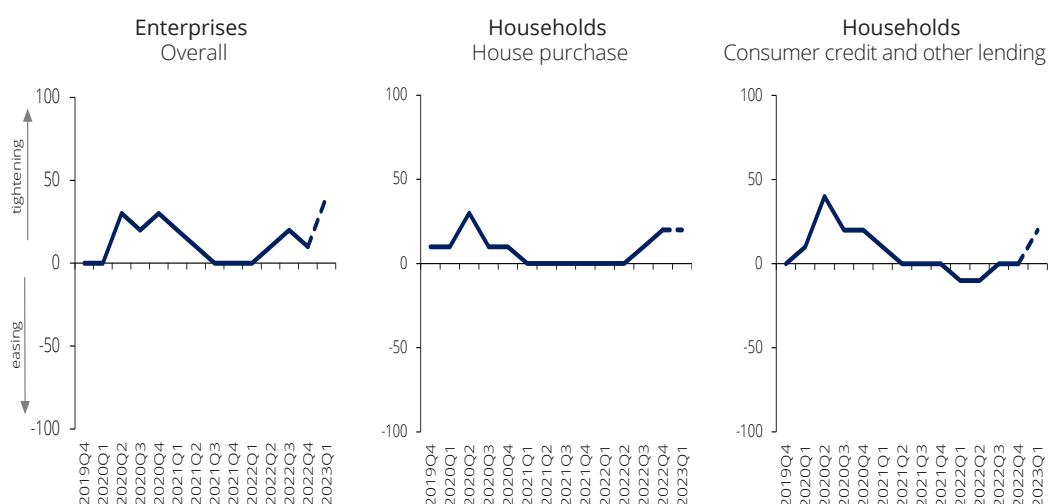
1 Presentation of the results

The questionnaire for this round of the survey was sent to the banks on December 12, 2022 and the responses were received by January 9, 2023. The assessment of supply and demand refers to the 4th quarter of 2022 in comparison with the previous quarter. Expectations refer to the 1st quarter of 2023.

1.1 Supply

- **Credit standards for loans:** slightly tighter for SMEs, both for short and long-term loans; for households, slightly tighter for housing loans and without changes for consumer credit and other lending.
 - **Factors:** the perception of risks associated with general economic situation and outlook contributed to tighter credit standards for firms and households for house purchase. For firms, the perception of risks associated with industry or firm-specific situation and outlook also contributed in the same direction.
- **Terms and conditions:** for firms, slight increase in the spread applied to riskier loans and slightly tighter conditions in loan covenants. For SMEs, also slightly tighter conditions on collateral requirements, size and maturity of loans. For loans to households, slight increase in the spread applied to riskier loans in the housing segment, and in the spread applied to both riskier and average risk loans in the consumer segment.
 - **Factors:** the perception of risks, mainly associated with general economic situation and outlook, and the risk tolerance contributed to tighter terms and conditions for new loans to firms. For households, in the housing segment, the perception of risks and the tolerance to risks slightly contributed to increase spreads on riskier loans; in the consumer segment, the cost of funds and the balance sheet constraints slightly contributed to increase spreads.
- **Share of rejected loan applications:** slight increase in loans to SMEs.
- **Expectations:** tighter credit standards to firms (to a greater extent for SMEs and across loan maturities); somewhat tighter for households.

Chart 1.1 • Credit supply | Diffusion index

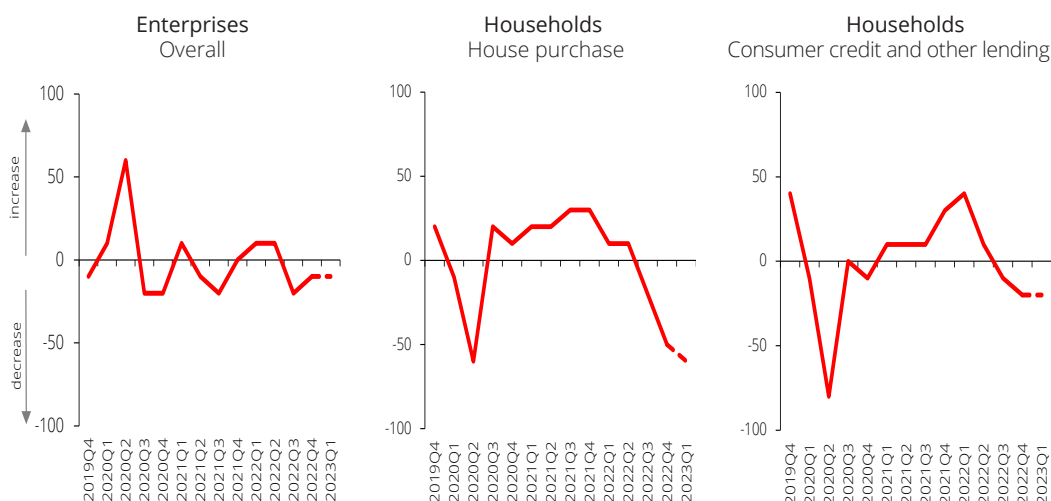


Notes: Credit supply corresponds to credit standards. The diffusion index varies between -100 and 100. Values below (above) zero correspond to an easing (a tightening) of credit standards. The zero value corresponds to basically unchanged. Figures for the last quarter are banks' expectations.

1.2 Demand

- **Demand for loans by firms:** slight decrease of demand by large firms and for long-term loans.
 - **Factors:** the general level of interest rates and the reduction in investment financing needs contributed to reduce demand for loans, on the other hand, the increase in the financing needs of inventories and working capital, as well as debt refinancing or renegotiation in the case of SMEs, contributed to increase demand.
- **Demand for loans by households:** decreased, particularly for house purchase.
 - **Factors:** the consumer confidence and the general level of interest rates and, to a lesser extent, the housing market prospects contributed to reduce demand for housing loans; in consumer credit and other lending, the consumer confidence contributed to lower demand.
- **Expectations:** for firms, slight decrease in demand for loans by SMEs and in long-term loans; in the opposite direction, slight increase in demand for short-term loans. For households, decrease in demand, particularly pronounced in the housing segment.

Chart 1.2 • Credit demand | Diffusion index



Notes: The diffusion index varies between -100 and 100. Values below (above) zero correspond to a decrease (an increase) in credit demand. The zero value corresponds to basically unchanged. Figures for the last quarter are banks' expectations.

1.3 *Ad hoc* questions

This section presents the results for a set of additional questions of non-permanent nature.

On retail and wholesale funding (Question 23 in the annex)

- **Past three months:** deterioration in the access to finance through medium to long-term debt securities in the wholesale market and, to a lesser extent, through securitisation of corporate and house purchase loans and in the ability to transfer credit risk off-balance sheet.
- **Next three months:** slight deterioration in the access to finance through medium to long-term debt securities; remaining changes similar to those reported for the last three months.

See Box for a more detailed analysis of Portuguese and euro area banks' responses to this ad hoc question.

On the impact of new regulatory or supervisory requirements relating to capital, leverage, liquidity or provisioning (Questions 24 and 25 in the annex)

- **On total assets, risk-weighted assets and capital position – past twelve months:** slight decrease in banks' total assets and risk-weighted assets, in particular riskier loans; slight improvement in banks' capital position via retained earnings.
- **On funding conditions – past twelve months:** became slightly tighter.
- **On credit standards – past twelve months:** became slightly tighter.
- **On spreads applied by banks – past twelve months:** increased slightly.
- **Next twelve months:** reduction in risk-weighted assets and slightly tighter bank financing conditions; slightly tighter credit standards to firms and households and a slight increase in spreads, particularly in loans to firms.

On the impact of banks' non-performing loan ratios (Question 26 in the annex)

- **Past six months:** slight contribution of NPL ratios to tighter credit standards in consumer loans and other lending related to risk tolerance.
- **Next six months:** slight contribution of NPL ratios to tighter credit standards to firms and households, mainly due to risk tolerance.

On credit standards, terms and conditions on new loans and demand for loans across main sectors of economic activities (Question 27 in the annex)

- **Past six months:** somewhat tighter credit standards and terms and conditions to firms in the main sectors of economic activity, particularly in the energy-intensive manufacturing and the construction and real estate sectors related to commercial real estate. Lower loan demand by firms in the energy-intensive manufacturing and, to a lesser extent, in the construction and real estate sectors related to commercial real estate.
- **Next six months:** changes in credit standards and terms and conditions to firms in the main sectors of economic activity, in overall terms, similar to those reported for the last six months. Slight decrease in demand for loans by firms across the main sectors of economic activity, especially those in the energy-intensive manufacturing and the construction and real estate sectors, both residential and commercial.

The complete set of the survey results is presented in the annex.

Box • Banks' access to market funding and credit standards

In the years prior to the pandemic, banks participating in the Bank Lending Survey, in Portugal and in the euro area, predominantly reported the maintenance or improvement of their access to market funding (Chart C.1). The unconventional measures adopted by the ECB in response to the sovereign debt crisis created very favourable monetary and financial conditions. Have changes in banks' access to markets contributed to changes in credit standards applied by banks when granting credit to the economy? Until 2013, in Portugal, and until the beginning of the APP (Asset Purchase Programme), in the euro area, banks continued to tighten credit standards to firms, despite the favourable market funding conditions (Chart C.2). Since these dates, credit standards remained basically unchanged or eased. As for the factors that contributed to banks' lending policy during the period, banks more frequently indicated the effect of the perception of risks and pressures from the competition than effects more directly related to conditions in accessing market funding.

During the pandemic, after some initial shock in the markets, the strengthening of the ECB's accommodative monetary policy and, above all in Portugal, the behaviour of depositors (households and firms), allowed banks' funding conditions to remain favourable. Even so, banks in Portugal and in the euro area tightened credit standards to firms in 2020 and at the beginning of 2021, mainly due to the perception of risks. More recently, with the normalization of the ECB's monetary policy, banks indicated a deterioration of funding conditions in the market, mainly in the placement of debt securities and, to a lesser extent, in the securitization of loans and in the interbank market. Simultaneously, banks pointed to less favourable conditions for capturing deposits. In this period, banks tightened credit standards to firms and indicated the perception of risks as the main factor for tighter credit standards.

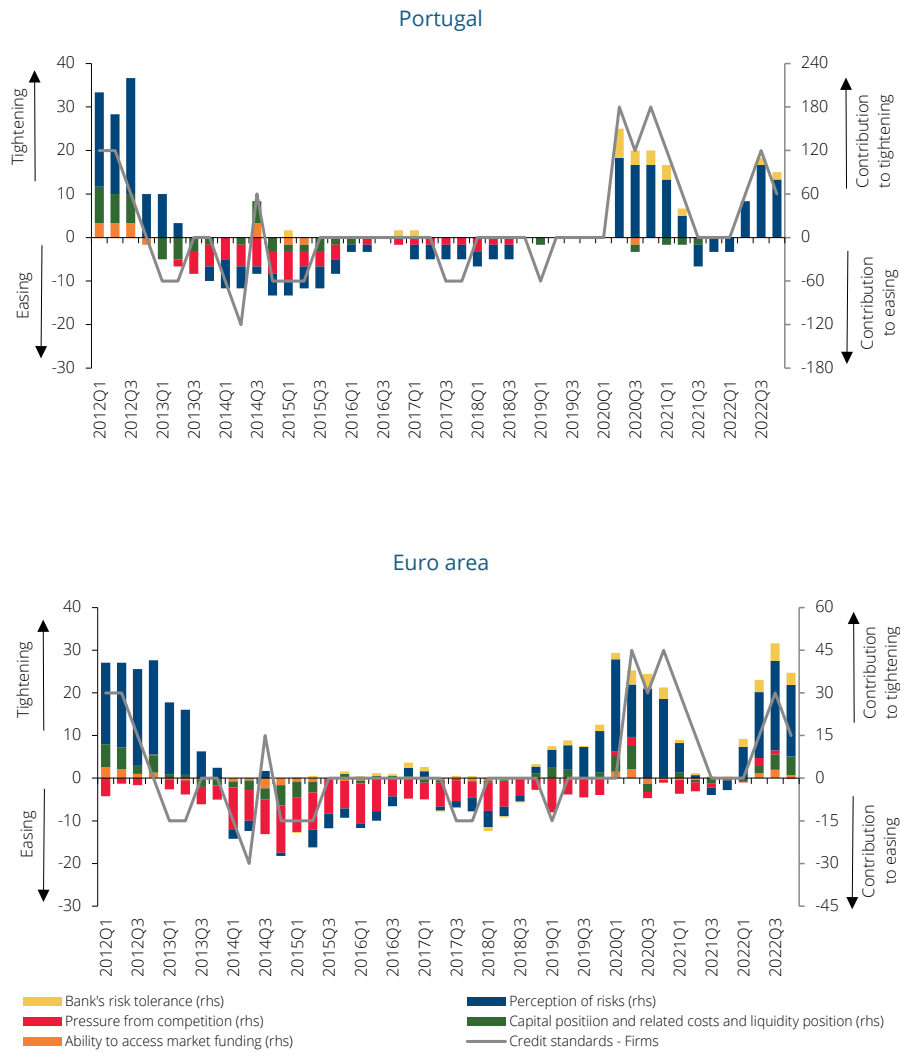
In short, since the financial crisis, despite the fluctuations in banks' market funding conditions, changes in credit standards to firms in Portugal and in the euro area mainly reflected the perception of risks and the pressures from competition.

Chart C.1 • Changes in banks' access to market funding sources | Diffusion index



Sources: Banco de Portugal and ECB. | Notes: The diffusion index varies between -100 and 100. Values above (below) zero correspond to a deterioration (an improvement) in the conditions of access to market funding. The zero value means basically unchanged. In the chart, the bars relating to “deposits”, “interbank money market”, “debt securities” and “loan securitisation” correspond to the sum of the diffusion indices relating to two markets, so they can vary between -200 and 200. The smaller magnitude of the diffusion index in the euro area *vis-à-vis* Portugal may be explained by the fact that the euro area diffusion index results from the aggregation of responses from several countries in which credit cycles are not fully aligned.

Chart C.2 • Firms' credit standards and underlying factors | Diffusion index



Sources: Banco de Portugal and ECB. | Notes: The diffusion index varies between -100 and 100. Values above (below) zero correspond to tighter (easier) credit standards or that the factor contributed to tighter (easier) credit standards. The zero value means basically unchanged or basically without impact. In the chart, the bars relating to “Capital position and related costs and liquidity position” correspond to the sum of the diffusion indices relative to two factors, so they can vary between -200 and 200. The bars relating to “pressures from competition” and “perception of risks” correspond to the sum of the diffusion indices related to three factors, so they can vary between -300 and 300. Information on “bank’s risk tolerance” is available from the first quarter of 2015. The smaller magnitude of the diffusion index in the euro area *vis-à-vis* Portugal may be explained by the fact that the euro area diffusion index results from the aggregation of responses from several countries in which credit cycles are not fully aligned.

2 Annex¹

The following tables include the results for Portugal of the Bank Lending Survey for the current exercise.

Questions 1 to 9 relate to loans or credit lines to non-financial enterprises and questions 10 to 22 to loans to households. In the case of enterprises a distinction is made between small and medium sized enterprises (SME) and large enterprises and between short-term loans and long-term loans. For households, a distinction between loans for house purchase and consumer credit and other lending is made.

In the survey, questions are asked about the developments on credit standards for approving loans, terms and conditions on new loans and loan demand, as well as the factors that may explain the changes that have occurred in each of these aspects. A question on the share of loan rejections to enterprises and households is also asked. Questions about past developments are expressed in terms of changes between the quarter of the survey and the immediately preceding quarter. Questions on expectations are expressed in terms of changes between the quarter of the survey and the immediately following quarter.

For each sector – enterprises and households – there are two types of tables. In the first type (questions 1, 5, 6, 8 to 10, 17, 18, 21 and 22), responses are shown along the columns and, in the second type (remaining questions), answers are presented along the rows. For all questions there are six possible answers. Five are related to the sign and intensity of the changes reported (either occurred or foreseen) and one covers the option of being not applicable (N/A).

Each table presents the number of banks choosing each option and the diffusion index. This index is measured using a scale to aggregate individual responses, according to the sign and intensity of the responses. It varies from -100 to 100, where zero corresponds to “remained basically unchanged”. For questions concerning the supply, values of less (higher) than zero mean less (more) restrictive credit standards, terms and conditions or a contribution of the factors leading to a lower (higher) restrictiveness. In questions on demand, the same scale applies, where positive (negative) values of the diffusion index represent an increase (decrease) in demand for credit or a contribution of factors in the same direction.

Besides the standard questions, the survey may also include *ad hoc* questions which focus on situations of particular interest.

1. For clarification of terms and definitions used in the survey, see document “BLS presentation and glossary”.

2.1 Loans or credit lines to enterprises

1 • Enterprises – Credit standards

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

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
No of banks that selected the option					
Tightened considerably					
Tightened somewhat	1	1		1	1
Remained basically unchanged	4	4	5	4	4
Eased somewhat					
Eased considerably					
N/A ^(a)					
Diffusion index %					
Jan. 23	10	10	0	10	10
Oct. 22	20	20	0	0	20

Note: (a) N/A = not applicable.

2 • Enterprises – Credit standards – Factors

Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of loans or credit lines to enterprises? Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

- contributed considerably to tightening of credit standards
- contributed somewhat to tightening of credit standards
- o contributed to keeping credit standards basically unchanged
- + contributed somewhat to easing of credit standards
- ++ contributed considerably to easing of credit standards
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jan. 23	Oct. 22
Overall impact on your bank's credit standards								
Cost of funds and balance sheet constraints								
Your bank's capital and the costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
Perception of risk								
General economic situation and outlook			4	1			40	50
Industry or firm-specific situation and outlook/borrower's creditworthiness	1	2	2				40	40
Risk related to the collateral demanded			5				0	10
Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	10

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jan. 23	Oct. 22
Impact on your bank's credit standards for loans to small and medium-sized enterprises								
Cost of funds and balance sheet constraints								
Your bank's capital and the costs related to your bank's capital position				5			0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)				5			0	0
Your bank's liquidity position				5			0	0
Pressure from competition								
Competition from other banks				5			0	0
Competition from non-banks				5			0	0
Competition from market financing				5			0	0
Perception of risk								
General economic situation and outlook			4	1			40	50
Industry or firm-specific situation and outlook/borrower's creditworthiness	1	2	2				40	40
Risk related to the collateral demanded				5			0	10
Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	10

Impact on your bank's credit standards for loans to large enterprises

Cost of funds and balance sheet constraints								
Your bank's capital and the costs related to your bank's capital position				5			0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)				5			0	0
Your bank's liquidity position				5			0	0
Pressure from competition								
Competition from other banks				5			0	0
Competition from non-banks				5			0	0
Competition from market financing				5			0	0
Perception of risk								
General economic situation and outlook			4	1			40	50
Industry or firm-specific situation and outlook/borrower's creditworthiness	1	2	2				40	40
Risk related to the collateral demanded				5			0	10
Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	10

3 • Enterprises – Terms and conditions

Over the past three months, how have your bank's terms and conditions for new loans or credit lines to enterprises changed? Please rate the overall terms and conditions for this loan category and each factor using the following scale:

- tightened considerably
- tightened somewhat
- o remained basically unchanged
- + eased somewhat
- ++ eased considerably
- N/A not applicable

	No of banks that selected the option					N/A	Diffusion index %	
	--	-	o	+	++		Jan. 23	Oct. 22
Overall								
Overall terms and conditions								
Overall terms and conditions			5				0	0
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans			5				0	0
Your bank's loan margin on riskier loans		1	4				10	10
Other conditions and terms								
Non-interest rate charges			5				0	0
Size of the loan or credit line		1	4				10	10
Collateral requirements		1	4				10	10
Loan covenants		1	4				10	0
Maturity		1	4				10	10

Loans to small and medium-sized enterprises

Overall terms and conditions								
Overall terms and conditions			5				0	0
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans			5				0	0
Your bank's loan margin on riskier loans		1	4				10	10
Other conditions and terms								
Non-interest rate charges			5				0	0
Size of the loan or credit line		1	4				10	10
Collateral requirements		1	4				10	10
Loan covenants		1	4				10	0
Maturity		1	4				10	10

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jan. 23	Oct. 22
Loans to large enterprises								
Overall terms and conditions								
Overall terms and conditions			5				0	0
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans			5				0	0
Your bank's loan margin on riskier loans		1	4				10	10
Other conditions and terms								
Non-interest rate charges			5				0	0
Size of the loan or credit line			5				0	10
Collateral requirements			5				0	10
Loan covenants		1	4				10	0
Maturity			5				0	10

4 • Enterprises – Terms and conditions – Factors

Over the past three months, how have the following factors affected your bank's credit terms and conditions as applied to new loans or credit lines to enterprises? Please rate the contribution of the following factors to the tightening or easing of credit terms and conditions using the following scale:

- contributed considerably to tightening of credit terms and conditions/contributed considerably to widening of margins
- contributed somewhat to tightening of credit terms and conditions/contributed somewhat to widening of margins
- ° contributed to keeping credit terms and conditions basically unchanged/contributed to keeping margins basically unchanged
- + contributed somewhat to easing of credit terms and conditions/contributed somewhat to narrowing of margins
- ++ contributed considerably to easing of credit terms and conditions/contributed considerably to narrowing of margins
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Jan. 23	Oct. 22
Overall impact on your bank's credit terms and conditions								
Cost of funds and balance sheet constraints								
Your bank's capital and the costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
Perception of risk								
General economic situation and outlook		3	2				30	30
Industry or firm-specific situation and outlook/borrower's creditworthiness		1	4				10	20
Risk related to the collateral demanded		1	4				10	10
Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	10

	No of banks that selected the option					N/A	Diffusion index %	
	--	-	o	+	++		Jan. 23	Oct. 22
Impact on your bank's margin on average loans								
Cost of funds and balance sheet constraints								
Your bank's capital and the costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	10
Your bank's liquidity position			5				0	0
Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
Perception of risk								
General economic situation and outlook		3	2				30	30
Industry or firm-specific situation and outlook/borrower's creditworthiness		1	4				10	20
Risk related to the collateral demanded		1	4				10	10
Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	10
Impact on your bank's margin on riskier loans								
Cost of funds and balance sheet constraints								
Your bank's capital and the costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	10
Your bank's liquidity position			5				0	0
Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
Perception of risk								
General economic situation and outlook		3	2				30	30
Industry or firm-specific situation and outlook/borrower's creditworthiness		1	4				10	20
Risk related to the collateral demanded		1	4				10	10
Your bank's risk tolerance								
Your bank's risk tolerance		1	4				20	10

5 • Enterprises – Rejected applications

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

	Share of rejected applications		
	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises
No of banks that selected the option			
Decreased considerably			
Decreased somewhat			
Remained basically unchanged	4	4	5
Increased somewhat	1	1	
Increased considerably			
N/A ^(a)			
Diffusion index %			
Jan. 23	10	10	0
Oct. 22	0	10	0

Note: (a) N/A = not applicable.

6 • Enterprises – Demand

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

	Overall	Loans to small and medium-sized enterprises			Long-term loans
		Loans to large enterprises	Short-term loans		
No of banks that selected the option					
Decreased considerably					
Decreased somewhat	1	1	2	1	2
Remained basically unchanged	4	3	3	3	2
Increased somewhat		1		1	1
Increased considerably					
N/A ^(a)					
Diffusion index %					
Jan. 23	-10	0	-20	0	-10
Oct. 22	-20	-20	-10	0	-20

Note: (a) N/A = not applicable.

7 • Enterprises – Demand – Factors

Over the past three months, how have the following factors affected the overall demand for loans or credit lines to enterprises? Please rate each possible factor using the following scale:

- contributed considerably to lower demand
- contributed somewhat to lower demand
- ° contributed to keeping demand basically unchanged
- + contributed somewhat to higher demand
- ++ contributed considerably to higher demand
- N/A not applicable

	No of banks that selected the option					Diffusion index %		
	--	-	°	+	++	N/A	Jan. 23	Oct. 22
Overall								
Financing needs/underlying drivers on purpose of loan demands								
Fixed investment		3	2				-30	-40
Inventories and working capital				2	3		30	30
Mergers/acquisitions and corporate restructuring				5			0	0
General level of interest rates	1	3	1				-50	-30
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)				3	2		20	10
Use of alternative finance								
Internal financing		1	3	1			0	0
Loans from other banks				5			0	0
Loans from non-banks				5			0	0
Issuance/redemption of debt securities				5			0	0
Issuance/redemption of equity				5			0	0

Loans to small and medium-sized enterprises

Financing needs/underlying drivers on purpose of loan demands								
Fixed investment		3	2				-30	-40
Inventories and working capital				2	3		30	30
Mergers/acquisitions and corporate restructuring				5			0	0
General level of interest rates	1	3	1				-50	-20
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)				3	2		20	10
Use of alternative finance								
Internal financing				4	1		10	10
Loans from other banks				5			0	0
Loans from non-banks				5			0	0
Issuance/redemption of debt securities				5			0	0
Issuance/redemption of equity				5			0	0

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jan. 23	Oct. 22
Loans to large enterprises								
Financing needs/underlying drivers on purpose of loan demands								
Fixed investment		4	1				-40	-30
Inventories and working capital			3	2			20	30
Mergers/acquisitions and corporate restructuring			5				0	0
General level of interest rates		4	1				-40	-20
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)			5				0	0
Use of alternative finance								
Internal financing		1	4				-10	10
Loans from other banks			5				0	0
Loans from non-banks			5				0	0
Issuance/redemption of debt securities		1	4				-10	0
Issuance/redemption of equity			5				0	0

8 • Enterprises – Credit standards – Outlook

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

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
No of banks that selected the option					
Tighten considerably					
Tighten somewhat	4	4	1	3	4
Remain basically unchanged	1	1	4	2	1
Ease somewhat					
Ease considerably					
N/A ^(a)					
Diffusion index %					
Jan. 23	40	40	10	30	40
Oct. 22	30	30	10	20	30

Note: (a) N/A = not applicable.

9 • Enterprises – Demand – Outlook

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

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
No of banks that selected the option					
Decrease considerably					
Decrease somewhat	2	2			2
Remain basically unchanged	2	2	5	3	2
Increase somewhat	1	1		2	1
Increase considerably					
N/A ^(a)					
Diffusion index %					
Jan. 23	-10	-10	0	20	-10
Oct. 22	-10	-10	-20	20	-20

Note: (a) N/A = not applicable.

2.2 Loans to households

10 • Households – Credit standards

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

	Loans for house purchase	Consumer credit and other lending
No of banks that selected the option		
Tightened considerably		
Tightened somewhat	2	
Remained basically unchanged	3	5
Eased somewhat		
Eased considerably		
N/A ^(a)		
Diffusion index %		
Jan. 23	20	0
Oct. 22	10	0

Note: (a) N/A = not applicable.

11 • Loans for house purchase – Credit standards – Factors

Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of loans to households for house purchase? Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

- contributed considerably to tightening of credit standards
- contributed somewhat to tightening of credit standards
- o contributed to keeping credit standards basically unchanged
- + contributed somewhat to easing of credit standards
- ++ contributed considerably to easing of credit standards
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jan. 23	Oct. 22
Cost of funds and balance sheet constraints								
Your bank's capital and the costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Perception of risk								
General economic situation and outlook		3	2				30	10
Housing market prospects, including expected house price developments			5				0	-10
Borrower's creditworthiness			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

12 • Loans for house purchase – Terms and conditions

Over the past three months, how have your bank's terms and conditions for new loans to households for house purchase changed? Please rate the overall terms and conditions for this loan category and each factor using the following scale:

- tightened considerably
- tightened somewhat
- o remained basically unchanged
- + eased somewhat
- ++ eased considerably
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jan. 23	Oct. 22
Overall terms and conditions								
Overall terms and conditions			5				0	0
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans			4	1			-10	0
Your bank's loan margin on riskier loans	1		4				20	0
Other terms and conditions								
Collateral requirements			5				0	0
"Loan-to-value" ratio			5				0	0
Other loan size limits			5				0	0
Maturity		1	4				10	0
Non-interest rate charges			5				0	0

13 • Loans for house purchase – Terms and conditions – Factors

Over the past three months, how have the following factors affected your bank's credit terms and conditions as applied to new loans to households for house purchase? Please rate the contribution of the following factors to the tightening or easing of credit terms and conditions using the following scale:

- contributed considerably to tightening of credit terms and conditions/contributed considerably to widening of margins
- contributed somewhat to tightening of credit terms and conditions/contributed somewhat to widening of margins
- ° contributed to keeping credit terms and conditions basically unchanged/contributed to keeping margins basically unchanged
- + contributed somewhat to easing of credit terms and conditions/contributed somewhat to narrowing of margins
- ++ contributed considerably to easing of credit terms and conditions/contributed considerably to narrowing of margins
- N/A not applicable

	No of banks that selected the option					N/A	Diffusion index %	
	--	-	°	+	++		Jan. 23	Oct. 22
Overall impact on your bank's credit terms and conditions								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
Pressure from competition								
Pressure from competition			5				0	-10
Perception of risk								
Perception of risk		1	4				10	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
Impact on your bank's margin on average loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
Pressure from competition								
Pressure from competition			4	1			-10	-10
Perception of risk								
Perception of risk			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
Impact on your bank's margin on riskier loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
Pressure from competition								
Pressure from competition			5				0	-10
Perception of risk								
Perception of risk		1	4				20	0
Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	0

14 • Consumer credit and other lending – Credit standards – Factors

Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of consumer credit and other lending to households? Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

- contributed considerably to tightening of credit standards
- contributed somewhat to tightening of credit standards
- ° contributed to keeping credit standards basically unchanged
- + contributed somewhat to easing of credit standards
- ++ contributed considerably to easing of credit standards
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Jan. 23	Oct. 22
Cost of funds and balance sheet constraints								
Your bank's capital and the costs related to your bank's capital position			5				0	0
Your bank's ability to access market financing (e.g. money or bond market financing, incl. true-sale securitisation)			5				0	0
Your bank's liquidity position			5				0	0
Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Perception of risk								
General economic situation and outlook		1	4				10	10
Creditworthiness of consumers		1	4				10	0
Risk on the collateral demanded			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

15 • Consumer credit and other lending – Terms and conditions

Over the past three months, how have your bank's terms and conditions for new consumer credit and other lending to households changed? Please rate the overall terms and conditions for this loan category and each factor using the following scale:

- tightened considerably
- tightened somewhat
- o remained basically unchanged
- + eased somewhat
- ++ eased considerably
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jan. 23	Oct. 22
Overall terms and conditions								
Overall terms and conditions			5				0	0
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans		1	4				10	0
Your bank's loan margin on riskier loans		1	4				10	0
Other terms and conditions								
Collateral requirements			5				0	0
Size of the loan			5				0	0
Maturity			5				0	0
Non-interest rate charges			5				0	0

16 • Consumer credit and other lending – Terms and conditions – Factors

Over the past three months, how have the following factors affected your bank's credit terms and conditions as applied to new consumer credit and other lending to households? Please rate the contribution of the following factors to the tightening or easing of credit terms and conditions using the following scale:

- contributed considerably to tightening of credit terms and conditions/contributed considerably to widening of margins
- contributed somewhat to tightening of credit terms and conditions/contributed somewhat to widening of margins
- ° contributed to keeping credit terms and conditions basically unchanged/contributed to keeping margins basically unchanged
- + contributed somewhat to easing of credit terms and conditions/contributed somewhat to narrowing of margins
- ++ contributed considerably to easing of credit terms and conditions/contributed considerably to narrowing of margins
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Jan. 23	Oct. 22
Overall impact on your bank's credit terms and conditions								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints		1	4				10	0
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
Impact on your bank's margin on average loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints		1	4				10	0
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
Impact on your bank's margin on riskier loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints		1	4				10	0
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

17 • Households – Rejected applications

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

	Share of rejected applications	
	Loans for house purchase	Consumer credit and other lending
No of banks that selected the option		
Decreased considerably		
Decreased somewhat		
Remained basically unchanged	5	5
Increased somewhat		
Increased considerably		
N/A ^(a)		
Diffusion index %		
Jan. 23	0	0
Oct. 22	10	10

Note: (a) N/A = not applicable.

18 • Households – Demand

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

	Loans for house purchase	Consumer credit and other lending
	No of banks that selected the option	
Decreased considerably	1	
Decreased somewhat	3	2
Remained basically unchanged	1	3
Increased somewhat		
Increased considerably		
N/A ^(a)		
Diffusion Index %		
Jan. 23	-50	-20
Oct. 22	-20	-10

Note: (a) N/A = not applicable.

19 • Loans for house purchase – Demand - Factors

Over the past three months, how have the following factors affected the demand for loans to households for house purchase? Please rate each factor using the following scale:

- contributed considerably to lower demand
- contributed somewhat to lower demand
- o contributed to keeping demand basically unchanged
- + contributed somewhat to higher demand
- ++ contributed considerably to higher demand
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jan. 23	Oct. 22
Financing needs/underlying drivers or purpose of loan demand								
Housing market prospects, including expected house price developments		3	2				-30	-20
Consumer confidence	1	3	1				-50	-20
General level of interest rates	1	3	1				-50	-10
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)			5				0	0
Regulatory and fiscal regime of housing markets			5				0	0
Use of alternative sources for housing finance (substitution effects)								
Internal finance of house purchase out of savings/down payment (i.e. share financed via the household's own funds)			5				0	0
Loans from other banks			5				0	0
Other sources of external finance			5				0	0

20 • Consumer credit and other lending – Demand – Factors

Over the past three months, how have the following factors affected the demand for consumer credit and other lending to households? Please rate each factor using the following scale:

- contributed considerably to lower demand
- contributed somewhat to lower demand,
- o contributed to keeping demand basically unchanged
- + contributed somewhat to higher demand
- ++ contributed considerably to higher demand
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jan. 23	Oct. 22
Financing needs/underlying drivers or purpose of loan demand								
Spending on durable consumer goods, such as cars, furniture, etc.			4	1			10	0
Consumer confidence		3	2				-30	-20
General level of interest rates		1	4				-10	0
Consumption expenditure financed through real-estate guaranteed loans ("mortgage equity withdrawal")			5				0	0
Use of alternative finance								
Internal finance out of savings			5				0	0
Loans from other banks			5				0	0
Other sources of external finance			5				0	0

21 • Households – Credit standards – Outlook

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

	Loans for house purchase	Consumer credit and other lending
No of banks that selected the option		
Tighten considerably		
Tighten somewhat	2	2
Remain basically unchanged	3	3
Ease somewhat		
Ease considerably		
N/A ^(a)		
Diffusion index %		
Jan. 23	20	20
Oct. 22	10	10

Note: (a) N/A = not applicable.

22 • Households – Demand – Outlook

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

	Loans for house purchase	Consumer credit and other lending
No of banks that selected the option		
Decrease considerably	1	
Decrease somewhat	4	2
Remain basically unchanged		3
Increase somewhat		
Increase considerably		
N/A ^(a)		
Diffusion index %		
Jan. 23	-60	-20
Oct. 22	-30	-20

Note: (a) N/A = not applicable.

2.3 Ad hoc questions

23 • Ad hoc question on retail and wholesale funding

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

- deteriorated considerably/will deteriorate considerably
- deteriorated somewhat/will deteriorate somewhat
- o remained unchanged/will remain unchanged
- + eased somewhat/will ease somewhat
- ++ eased considerably/will ease considerably
- N/A not applicable

	No of banks that selected the option											
	Over the past three months						Over the next three months					
	--	-	o	+	++	N/A ^(b)	--	-	o	+	++	N/A ^(b)
Retail funding												
Short-term deposits (up to one year)		1	3	1			1	3	1			
Long-term (more than one year) deposits and other retail funding instruments			5					5				
Inter-bank unsecured money market												
Very short term money market (up to 1 week)			5					5				
Short-term money market (more than 1 week)			5					5				
Wholesale debt securities^(c)												
Short-term debt securities (e.g. certificates of deposit or commercial paper)			2			3		2				3
Medium to long term debt securities (incl. covered bonds)		3	2				2	2	1			
Securitisation^(d)												
Securitisation of corporate loans		1	2			2	1	2				2
Securitisation of loans for house purchase		1	2			2	1	2				2
Ability to transfer credit risk off balance sheet^(e)												
Ability to transfer credit risk off balance sheet		1	2			2	2	1				2

Notes: (a) Please also take into account any effect of state guarantees *vis-à-vis* debt securities and recapitalisation support. (b) Please select "N/A" (not applicable) only if the source of funding is not relevant for your bank. (c) Usually involves on-balance sheet funding. (d) Usually involves the sale of loans from banks' balance sheets, i.e. off-balance sheet funding. (e) Usually involves the use of credit derivatives, with the loans remaining on banks' balance sheets.

24 • Ad hoc question on the impact of new regulatory or supervisory requirements relating to capital, leverage, liquidity or provisioning on the bank's financial situation

In connection with the new regulatory or supervisory actions^(a), has your bank:

- increased/decreased total assets
- increased/decreased risk-weighted assets
- increased/decreased its capital position
- experienced an easing/tightening of its funding conditions

over the past twelve months, and/or does it intend to do so over the next twelve months?

- decreased/will decrease considerably; experienced/will experience a considerable tightening of funding conditions
- decreased/will decrease somewhat; experienced/will experience a moderate tightening of funding conditions
- o remained/will remain basically unchanged
- + increased/will increase somewhat; experienced/will experience a moderate easing of funding conditions
- ++ increased/will increase considerably; experienced/will experience a considerable easing of funding conditions
- N/A not applicable

	No of banks that selected the option											
	Over the past twelve months						Over the next twelve months					
	--	-	o	+	++	N/A ^(b)	--	-	o	+	++	N/A ^(b)
Total assets^(c)		2	3					1	4			
of which:												
Liquid assets ^(c)		2	3						5			
Liquid assets^(c)		2	3				1	2	2			
of which:												
Average loans			2	3			1	2	2			
Riskier loans	1	1	3				1	1	3			
Capital^(d)			3	2				1	3	1		
of which:												
Retained earnings			3	2				1	3	1		
Capital issuance ^(d)			5						5			
Impact on your bank's funding conditions		2	3					2	3			

Notes: (a) Please consider regulatory or supervisory actions that have recently been approved/implemented or that are expected to be approved/implemented in the near future. (b) Please select "N/A" (not applicable) only if you do not have any business in or exposure to this category. (c) Total assets are the bank's total unweighted assets. Risk-weighted assets are the product of total assets and risk weights. Liquid assets should be defined as freely transferable assets that can be converted quickly into cash in private markets within a short time frame and without significant loss in value, in line with the European Commission Delegated Act of 10/10/2014 to supplement Regulation (EU) 575/2013 with regard to liquidity coverage requirement for Credit Institutions (C (2014) 7232 final). (d) "Capital issuance" refers to the change in the capital stock owing to capital issuance. If no capital has been issued in the period under review, the capital stock "remained basically unchanged" on account of "Capital issuance". Capital issuance includes the issuance of shares and hybrid instruments, as well as capital injections by, *inter alia*, national or supra-national public authorities.

25 • Ad hoc question on the impact of new regulatory or supervisory requirements relating to capital, leverage, liquidity or provisioning on the bank's lending policy

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

- credit standards/margins have been tightened/will be tightened considerably
- credit standards/margins have been tightened/will be tightened somewhat
- o the requirements have basically not had/will not have any impact on credit standards/margins
- + credit standards/margins have been eased/will be eased somewhat
- ++ credit standards/margins have been eased/will be eased considerably
- N/A not applicable

a) Credit standards

	No of banks that selected the option											
	Over the past twelve months						Over the next twelve months					
	--	-	o	+	++	N/A ^(b)	--	-	o	+	++	N/A ^(b)
Loans and credit lines to enterprises												
Small and medium-sized enterprises			1	4					1	4		
Large enterprises			1	4					1	4		
Loans to households												
For house purchase			1	4					1	4		
Consumer credit and other lending			1	4					1	4		

b) Credit margins

	No of banks that selected the option											
	Over the past twelve months						Over the next twelve months					
	--	-	o	+	++	N/A ^(b)	--	-	o	+	++	N/A ^(b)
Loans and credit lines to enterprises												
Small and medium-sized enterprises			1	4					2	3		
Large enterprises			1	4					2	3		
Loans to households												
For house purchase			1	4					1	4		
Consumer credit and other lending			1	4					1	4		

Notes: (a) Please consider regulatory or supervisory actions that have recently been approved/implemented or that are expected to be approved/implemented in the near future. (b) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective lending category.

26 • Ad hoc question on the impact of banks' non-performing loan ratios

Please indicate the impact of your bank's non-performing loan (NPL) ratio^(a) on your lending policy. In addition, please indicate the contribution of each factor through which the NPL ratio has affected or will affect your bank's lending policy.

- has contributed considerably or will contribute considerably to tightening
- has contributed somewhat or will contribute somewhat to tightening
- o has not had/will not have an impact
- + has contributed somewhat or will contribute somewhat to easing
- ++ has contributed considerably or will contribute considerably to easing
- N/A not applicable

	No of banks that selected the option											
	Over the past six months						Over the next six months					
	--	-	o	+	++	N/A ^(b)	--	-	o	+	++	N/A ^(b)
Impact of NPL ratio on the change in your bank's credit standards												
Loans and credit lines to enterprises			5				1	4				
Loans to households for house purchase			5				1	4				
Consumer credit and other lending to households		1	4				2	3				
Impact of NPL ratio on the change in your bank's credit terms and conditions												
Loans and credit lines to enterprises			5				1	3	1			
Loans to households for house purchase			5				1	3	1			
Consumer credit and other lending to households			5				1	3	1			
Contribution of factors through which the NPL ratio affects your bank's policy on lending to enterprises and households (change in your bank's credit standards and credit terms and conditions)												
Contribution of your bank's cost of funds and balance sheet constraints to the NPL-related impact on your bank's lending policy												
Costs related to your bank's capital position			5					5				
Costs related to your bank's balance sheet clean-up operations ^(c)			5					5				
Pressure related to supervisory or regulatory requirements ^(d)		1	4				1	4				
Your bank's access to market financing			5					5				
Your bank's liquidity position			5					5				
Contribution of your bank's perception of risk and risk tolerance to the NPL-related impact on your bank's lending policy												
Your bank's perception of risk ^(e)			4	1			1	3	1			
Your bank's risk tolerance		2	3				3	2				

Notes: (a) The NPL ratio is defined as the stock of gross non-performing loans on your bank's balance sheet as a percentage of the gross carrying amount of loans. Changes in credit standards and/or terms and conditions can be caused by changes in the NPL ratio or by changes in regulation or in the bank's assessment of the level of the NPL ratio, even if the NPL ratio has remained unchanged. (b) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective lending category (as regards credit standards), if you have not granted any new loans in the respective lending category during the period specified (as regards credit terms and conditions), or if you do not have any non-performing loans. (c) This may include costs due to the need for additional provisions and/or write-offs exceeding the previous stock of provisions. (d) This may include expectations of or uncertainty about future supervisory or regulatory requirements. (e) Your bank's perception of risk regarding the general economic situation and outlook, borrowers' creditworthiness and of the risk related to collateral demanded.

27 • Ad hoc question on credit standards, terms and conditions on new loans, and demand for loans across main sectors of economic activities

Over the past six months, how have your bank's credit standards, terms and conditions on new loans, and demand for loans changed across main sectors of economic activities^(a)? And what do you expect for the next six months?

- tightened considerably/decreased considerably/will tighten considerably/will decrease considerably
 - tightened somewhat/decreased somewhat/will tighten somewhat/will decrease somewhat
 - o remained basically unchanged/will remain basically unchanged
 - + eased somewhat/increased somewhat/will ease somewhat/will increase somewhat
 - ++ eased considerably/increased considerably/will ease considerably/will increase considerably
- N/A not applicable

	No of banks that selected the option											
	Over the past six months						Over the next six months					
	--	-	o	+	++	N/A ^(b)	--	-	o	+	++	N/A ^(b)
Your bank's credit standards												
Manufacturing			1	4					1	4		
of which:												
Energy-intensive manufacturing			3	2					3	2		
Construction (excluding real estate)			1	4					1	4		
Services (excluding financial services and real estate)			1	4					1	4		
Wholesale and retail trade			1	4					1	4		
Real estate ^(c)			1	4					2	3		
of which:												
Commercial real estate			2	3					2	3		
Residential real estate			1	4					2	3		
Your bank's terms and conditions												
Manufacturing			1	4					1	4		
of which:												
Energy-intensive manufacturing			3	2					3	2		
Construction (excluding real estate)			1	4					1	4		
Services (excluding financial services and real estate)			1	4					1	4		
Wholesale and retail trade			1	4					1	4		
Real estate ^(c)			2	3					2	3		
of which:												
Commercial real estate			2	3					2	3		
Residential real estate			1	4					2	3		
Demand for loans at your bank												
Manufacturing			1	4					1	4		
of which:												
Energy-intensive manufacturing			3	2					3	2		
Construction (excluding real estate)				5					1	4		
Services (excluding financial services and real estate)				5					1	4		
Wholesale and retail trade				5					1	4		
Real estate ^(c)			1	4					2	3		
of which:												
Commercial real estate			1	4					2	3		
Residential real estate				5					2	3		

Notes: (a) The sectors of economic activities are based on the statistical classification of economic activities in the European Community (NACE Rev. 2): Manufacturing = C, Construction (excluding real estate) = F - F.41, Wholesale and retail trade = G, Services (excluding financial services and real estate) = M, N, H, I, J, Real estate = L + F.41. "Energy-intensive manufacturing" defined as basic chemicals, food, metals (iron and steel; non-ferrous metals, e.g. aluminium), non-metallic minerals (especially cement), paper and pulp, and refineries (refined petroleum and coke products). According to Eurostat, NACE relates to the characteristics of the activity itself. In this respect, please allocate the loans to the activity of the ultimate recipient of the funds. Units engaged in the same kind of economic activity are classified in the same category of NACE, irrespective of whether they are (part of) incorporated enterprises, individual proprietors or government, whether or not the parent enterprise is a foreign entity and whether or not the unit consists of more than one establishment. (Source: Eurostat, NACE Rev. 2, Statistical classification of economic activities in the European Community, 2008). (b) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective lending category. (c) This includes real estate construction (F.41) and real estate services (L). Commercial real estate is property used for business purposes (e.g. office, retail, industrial, multifamily (of five units or more), hotel, and special purpose buildings), while residential real estate is property used for living purposes, typically single family or individuals homes and one to four unit rental residences.