

BANK LENDING SURVEY

RESULTS FOR PORTUGAL

JUL. 2023



BANCO DE
PORTUGAL
EUROSYSTEM

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Contents

1 Presentation of the results | **5**

1.1 Supply | **5**

1.2 Demand | **6**

1.3 *Ad hoc* questions | **7**

Box · Climate change: how do they affect the lending policy and demand for loans by firms? | **8**

2 Annex | **10**

2.1 Loans or credit lines to enterprises | **11**

2.2 Loans to households | **21**

2.3 *Ad hoc* questions | **32**

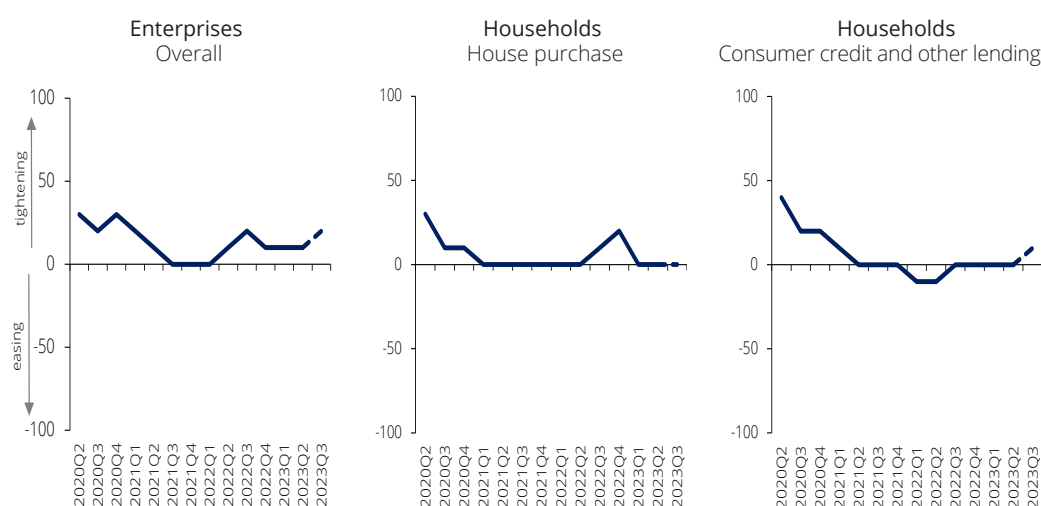
1 Presentation of the results

The questionnaire for this round of the survey was sent to the banks on June 19, 2023 and the responses were received by July 3. The assessment of supply and demand refers to the **2nd quarter of 2023** in comparison with the previous quarter. Expectations refer to the 3rd quarter of the year.

1.1 Supply

- **Credit standards for loans:** for firms, somewhat tighter across all firm sizes and loan maturities; for households, basically unchanged.
 - **Factors:** the perception of risks and risk tolerance contributed slightly to tighter credit standards for firms.
- **Terms and conditions:** for firms, slight increase in the spread applied to riskier loans. Very slight tightening of the remaining terms and conditions, mainly reflecting loans to SMEs. In loans to households for house purchase, a decrease in the spread on average risk loans and a very slight increase in the spread on riskier loans; basically unchanged in consumer credit and other lending.
 - **Factors:** for firms, the perception of risks and risk tolerance contributed somewhat to tighten overall terms and conditions for new loans and to increase spreads, in particular, on riskier loans. For households, in the housing segment, pressures from competition contributed somewhat to lower spreads on average risk loans and, conversely, the perception of risks contributed somewhat to increase spreads on riskier loans.
- **Share of rejected loan applications:** slight increase in loans to SMEs and in consumer credit and other lending.
- **Expectations:** slightly tighter credit standards to SMEs and across loan maturities; somewhat tighter for households in the consumer segment and basically unchanged in the housing segment.

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:** decreased, especially by large firms and for long-term loans.
 - **Factors:** funding needs for fixed investment and the general level of interest rates contributed strongly to lower the demand for loans, to which was added, to a smaller extent, the use of internal financing as an alternative source of funding. This was slightly compensated by funding needs for inventories and working capital and, in the case of SMEs, also debt refinance and renegotiation.
- **Demand for loans by households:** decreased, mainly for house purchase.
 - **Factors:** housing market prospects, including expected house prices developments, consumer confidence and the general level of interest rates contributed to reduce demand for housing loans; in consumer credit and other lending, consumer confidence and, to a lesser extent, the general level of interest rates and the use of savings contributed somewhat to lower demand.
- **Expectations:** for firms, decrease in demand for loans, especially by SMEs and for long-term loans; in the opposite direction, slight increase in demand for short-term loans. For households, slight decrease in loan demand.

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:** slight deterioration in the access to finance through medium to long-term debt securities in the wholesale market and, to a lesser extent, through interbank unsecured money market and securitisation of corporate loans.
- **Next three months:** very slight deterioration in the access to finance through medium to long-term debt securities and interbank unsecured money market and, on the other hand, very slight improvement in funding through short-term deposits.

On the impact of banks' non-performing loan ratios (Question 24 in the annex)

- **Past six months:** slight contribution of NPL ratios to tighter credit standards in consumer credit and other lending related to supervisory and regulatory requirements and risk tolerance.
- **Next six months:** similar impacts, in overall terms, but slightly more pronounced than those reported for the last six months.

On credit standards, terms and conditions on new loans and demand for loans across main sectors of economic activities (Question 25 in the annex)

- **Past six months:** somewhat tighter credit standards in energy-intensive manufacturing and, to a lesser extent, in construction and wholesale and retail trade sectors. Terms and conditions somewhat tighter in most of these sectors. Demand for loans by firms, slightly lower in the manufacturing sector as a whole and in the commercial real estate sector and slightly higher in the energy-intensive manufacturing and residential real estate sector.
- **Next six months:** basically no impact in credit standards and terms and conditions to firms in the main sectors of economic activity. Slight decrease in demand for loans by firms in the manufacturing sector.

On the impact of climate change on banks' lending policy and demand for loans by firms (Question 26 in the annex)

- **Past 12 months:** basically no impact on banks' lending policy to firms as whole, despite the distinction between firms according to their carbon emissions; increase in the demand for loans.
- **Next 12 months:** slightly easing in credit standards and overall terms and conditions; increase in the demand for loans, higher than reported for the past 12 months.

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

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

Box • Climate change: how do they affect the lending policy and demand for loans by firms?

The theme of climate change has become increasingly relevant in view of the public perception of the impact of adverse climatic events on economic activity and the well-being of populations. The ECB, in the context of the review of the monetary policy strategy carried out recently, recognized the need, within the scope of its mandate, to deepen the inclusion of this issue in its policies framework.¹ Climate change affects the “normal” functioning of economies as a result of two types of risks: the physical risks arising from a changing climate, including more frequent or extreme weather events; and the transition risks arising from the adjustment process towards a lower-carbon and more environmentally sustainable economy. Climate change affects the maintenance of price stability objective due to its impact on the economy and on the risk profile and value of assets, part of which are in the balance sheets of banks and of the Eurosystem itself. The consideration of climate-related requirements will lead banks to differentiate between borrowers when granting credit, depending on climate risks and the plans they present to mitigate them. Climate change may also affect the demand for loans, due to greater investment needs and changes in banks' lending policy.

In the Bank Lending Survey of July 2023, an ad hoc question on the perception of banks regarding the impact of climate change on credit standards, overall terms and conditions and on the demand for loans by firms was introduced. The question refers to the overall impact, related not only to climate risks, but also to the measures to cope with climate change implemented by governments, monetary policy, supervisory and regulatory authorities as well as by banks themselves.

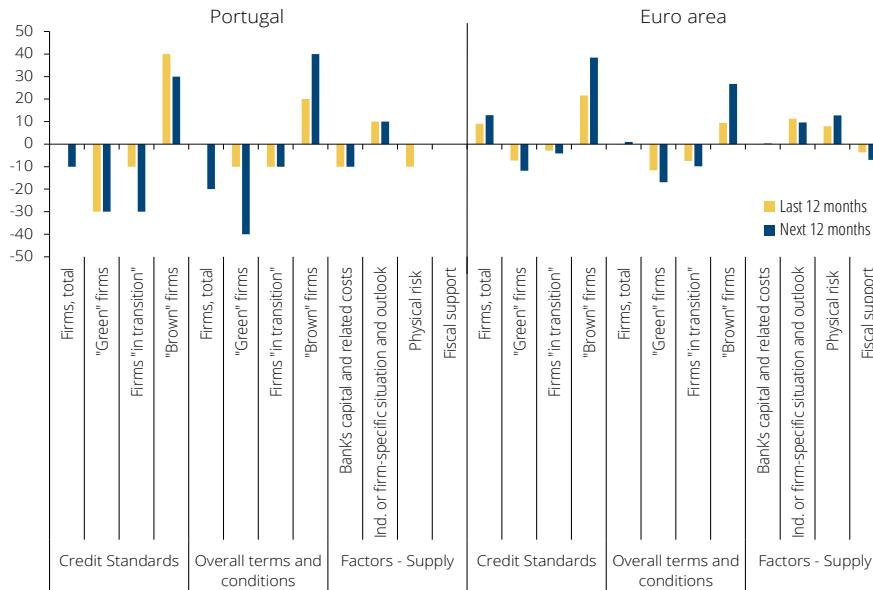
Over the past 12 months, in Portugal and in the euro area as a whole, banks' lending policy has tightened for “brown” firms (firms with higher carbon emissions per unit produced which have not yet started or have so far made only little progress in the transition) and, in the opposite direction, has eased for “green” firms (firms with low carbon emissions per unit produced) and “in transition” (firms in an intermediate situation) (Chart C.1). In Portugal, this distinction in credit standards and overall terms and conditions of loans between these three types of firms resulted in a virtually zero impact of climate change on firms as a whole, while, in the euro area, it contributed to a tightening of credit standards. In Portugal, factors related to banks' capital position and related costs and to the impact of physical risks affecting the value of borrowers' assets due to climate change contributed somewhat to an easing of the lending policy, while the industry or firm-specific situation and outlook contributed in the opposite direction (Chart C.1). For the euro area banks, the industry or firm-specific situation and outlook, as well as physical risks, contributed to a tighter lending policy, mitigated by fiscal support measures related to climate change.

On the demand side, in the past 12 months, both for Portuguese and the euro area banks, climate change considerations led to an increase in the demand for loans by firms, whereas the higher demand for loans by “green” and “in transition” firms more than offset the decrease in demand by “brown” firms (Chart C.2). In Portugal, factors related to fixed investment and corporate restructuring or to the issuance of green corporate bonds eligible for the ECB's monetary policy asset portfolio led firms to increase the demand for loans (Chart C.2). In the euro area, in addition to these two factors, fiscal support measures also contributed in this way.

For the next 12 months, Portuguese banks anticipate that climate change will contribute to an easing of credit standards and overall terms and conditions applied to firms, while euro area banks anticipate somewhat tighter credit standards. In the case of demand for loans, both Portuguese and euro area banks anticipate that climate change will contribute to an increase over the next 12 months, higher than indicated for the past 12 months.

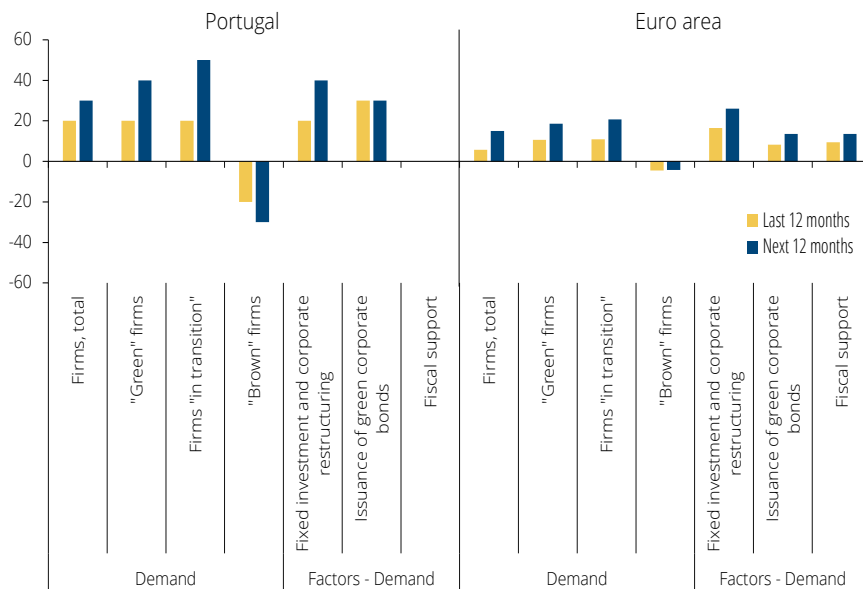
1. In 2021, the ECB presented an action plan with broad guidelines on the inclusion of climate change considerations in the monetary policy strategy (ECB presents action plan to include climate change considerations in its monetary policy strategy (europa.eu) and, in 2022, disclosed a climate agenda, which establishes the priority areas and activities to be implemented with a view to achieving the objectives (https://www.ecb.europa.eu/press/pr/date/2022/html/ecb.pr220704_annex-cb39c2dcbb.en.pdf).

Chart C.1 • Impact of climate change on banks' lending policy to firms and main factors | Diffusion index



Sources: Banco de Portugal and ECB. | Notes: The diffusion index varies between -100 and 100. Values of more (less) than zero mean a tightening (easing) of credit standards, terms and conditions or a contribution to a tightening (an easing) of the lending policy. The zero value means basically unchanged or has not had an impact. The fact that the diffusion index for the euro area results from the aggregation of the responses of several countries, with possibly different banking business models among themselves, may contribute to the smaller range in the diffusion index values for the euro area.

Chart C.2 • Impact of climate change on loan demand to firms and main factors | Diffusion index



Sources: Banco de Portugal and ECB. | Notes: The diffusion index varies between -100 and 100. Values of more (less) than zero mean an increase (a decrease) of demand or a contribution to an increase (a decrease) of demand. The zero value means basically unchanged or has not had an impact. The fact that the diffusion index for the euro area results from the aggregation of the responses of several countries, with possibly different banking business models among themselves, may contribute to the smaller range in the diffusion index values for the euro area.

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	1
Remained basically unchanged	4	4	4	4	4
Eased somewhat					
Eased considerably					
N/A ^(a)					
Diffusion index %					
Jul. 23	10	10	10	10	10
Apr. 23	10	10	10	10	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 the tightening of credit standards
- contributed somewhat to the tightening of credit standards
- o contributed to keeping credit standards basically unchanged
- + contributed somewhat to the easing of credit standards
- ++ contributed considerably to the easing of credit standards
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 23	Apr. 23
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		2	3				20	40
Industry or firm-specific situation and outlook/borrower's creditworthiness		1	4				10	30
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						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 23	Apr. 23
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			2	3			20	40
Industry or firm-specific situation and outlook/borrower's creditworthiness	1			4			20	30
Risk related to the collateral demanded			1	4			10	10
Your bank's risk tolerance								
Your bank's risk tolerance			1	4			20	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			2	3			20	30
Industry or firm-specific situation and outlook/borrower's creditworthiness			1	4			10	20
Risk related to the collateral demanded			1	4			10	0
Your bank's risk tolerance								
Your bank's risk tolerance			1	4			10	0

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						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 23	Apr. 23
Overall								
Overall terms and conditions								
Overall terms and conditions		1	4				10	10
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans		1	4				10	10
Your bank's loan margin on riskier loans		2	3				20	10
Other conditions and terms								
Non-interest rate charges		1	4				10	10
Size of the loan or credit line		1	4				10	10
Collateral requirements		1	4				10	20
Loan covenants		1	4				10	20
Maturity		1	4				10	10

Loans to small and medium-sized enterprises

Overall terms and conditions								
Overall terms and conditions		1	4				10	10
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans		1	4				10	10
Your bank's loan margin on riskier loans		2	3				20	10
Other conditions and terms								
Non-interest rate charges		1	4				10	10
Size of the loan or credit line		1	4				10	10
Collateral requirements		1	4				10	20
Loan covenants		1	4				10	20
Maturity		1	4				10	10

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 23	Apr. 23
Loans to large enterprises								
Overall terms and conditions								
Overall terms and conditions			5				0	10
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans			5				0	10
Your bank's loan margin on riskier loans		2	3				20	10
Other conditions and terms								
Non-interest rate charges			5				0	10
Size of the loan or credit line			5				0	10
Collateral requirements			5				0	10
Loan covenants			5				0	10
Maturity		1	4				10	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 the tightening of credit terms and conditions/contributed considerably to the widening of margins
- contributed somewhat to the tightening of credit terms and conditions/contributed somewhat to the widening of margins
- o contributed to keeping credit terms and conditions basically unchanged/contributed to keeping margins basically unchanged
- + contributed somewhat to the easing of credit terms and conditions/contributed somewhat to the narrowing of margins
- ++ contributed considerably to the easing of credit terms and conditions/contributed considerably to the narrowing of margins
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 23	Apr. 23
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)		1	4				10	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		2	3				20	40
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	+	++		Jul. 23	Apr. 23
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)	1	4					10	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		2	3				20	30
Industry or firm-specific situation and outlook/borrower's creditworthiness		1	4				10	10
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)	1	4					10	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		2	3				20	40
Industry or firm-specific situation and outlook/borrower's creditworthiness		1	4				20	20
Risk related to the collateral demanded		1	4				20	20
Your bank's risk tolerance								
Your bank's risk tolerance		1	4				20	20

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	5	4	5
Increased somewhat		1	
Increased considerably			
N/A ^(a)			
Diffusion index %			
Jul. 23	0	10	0
Apr. 23	10	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		
		Loans to large enterprises	Short-term loans	Long-term loans
No of banks that selected the option				
Decreased considerably	1		1	1
Decreased somewhat	3	4	3	3
Remained basically unchanged	1	1	1	2
Increased somewhat				
Increased considerably				
N/A ^(a)				
Diffusion index %				
Jul. 23	-50	-40	-50	-30
Apr. 23	-30	-30	-30	-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
- 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					N/A	Diffusion index %	
	--	-	o	+	++		Jul. 23	Apr. 23
Overall								
Financing needs/underlying drivers on purpose of loan demands								
Fixed investment	1	4					-60	-50
Inventories and working capital			4	1			10	20
Mergers/acquisitions and corporate restructuring			5				0	-10
General level of interest rates	2	2	1				-60	-70
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)			3	2			20	20
Use of alternative finance								
Internal financing		2	3				-20	-20
Loans from other banks			5				0	0
Loans from non-banks			5				0	0
Issuance/redemption of debt securities			5				0	-10
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	1	4					-60	-50
Inventories and working capital			4	1			10	20
Mergers/acquisitions and corporate restructuring			5				0	-10
General level of interest rates	2	2	1				-60	-70
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)			3	2			20	20
Use of alternative finance								
Internal financing		2	3				-20	-20
Loans from other banks			5				0	0
Loans from non-banks			5				0	0
Issuance/redemption of debt securities			5				0	-10
Issuance/redemption of equity			5				0	0

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 23	Apr. 23
Loans to large enterprises								
Financing needs/underlying drivers on purpose of loan demands								
Fixed investment	1	4					-60	-50
Inventories and working capital			4	1			10	20
Mergers/acquisitions and corporate restructuring			5				0	-10
General level of interest rates	2	2	1				-60	-70
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	1	3				-30	-30
Loans from other banks			5				0	-10
Loans from non-banks			5				0	0
Issuance/redemption of debt securities			5				0	-10
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	2	2		2	2
Remain basically unchanged	3	3	5	3	3
Ease somewhat					
Ease considerably					
N/A ^(a)					
Diffusion index %					
Jul. 23	20	20	0	20	20
Apr. 23	30	30	10	30	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	3	3	1		3
Remain basically unchanged	2	1	4	4	1
Increase somewhat		1		1	1
Increase considerably					
N/A ^(a)					
Diffusion index %					
Jul. 23	-30	-20	-10	10	-20
Apr. 23	-30	-30	-10	10	-30

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		
Remained basically unchanged	5	5
Eased somewhat		
Eased considerably		
N/A ^(a)		
Diffusion index %		
Jul. 23	0	0
Apr. 23	0	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 the tightening of credit standards
- contributed somewhat to the tightening of credit standards
- o contributed to keeping credit standards basically unchanged
- + contributed somewhat to the easing of credit standards
- ++ contributed considerably to the easing of credit standards
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 23	Apr. 23
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			4	1			-10	-10
Competition from non-banks			5				0	0
Perception of risk								
General economic situation and outlook		1	4				10	0
Housing market prospects, including expected house price developments			5				0	0
Borrower's creditworthiness		1	4				10	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	Jul. 23	Apr. 23
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			2	3			-30	-10
Your bank's loan margin on riskier loans		1	4				10	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			5				0	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 the tightening of credit terms and conditions/contributed considerably to the widening of margins
- contributed somewhat to the tightening of credit terms and conditions/contributed somewhat to the widening of margins
- ° contributed to keeping credit terms and conditions basically unchanged/contributed to keeping margins basically unchanged
- + contributed somewhat to the easing of credit terms and conditions/contributed somewhat to the narrowing of margins
- ++ contributed considerably to the easing of credit terms and conditions/contributed considerably to the narrowing of margins
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Jul. 23	Apr. 23
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			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 average loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	-10
Pressure from competition								
Pressure from competition			3	2			-20	-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	0
Perception of risk								
Perception of risk		1	4				10	10
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	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 the tightening of credit standards
- contributed somewhat to the tightening of credit standards
- ° contributed to keeping credit standards basically unchanged
- + contributed somewhat to the easing of credit standards
- ++ contributed considerably to the easing of credit standards
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Jul. 23	Apr. 23
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	0
Creditworthiness of consumers			5				0	0
Risk on the collateral demanded			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	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	Jul. 23	Apr. 23
Overall terms and conditions								
Overall terms and conditions			5				0	-10
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans			5				0	-10
Your bank's loan margin on riskier loans			5				0	-10
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	10

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

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Jul. 23	Apr. 23
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	-10
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	-10
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	-10
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	-10
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	-10
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	-10
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	-10
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	-10
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	-10

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	3
Increased somewhat		2
Increased considerably		
N/A ^(a)		
Diffusion index %		
Jul. 23	0	20
Apr. 23	0	0

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		
Decreased somewhat	3	1
Remained basically unchanged	2	4
Increased somewhat		
Increased considerably		
N/A ^(a)		
Diffusion Index %		
Jul. 23	-30	-10
Apr. 23	-50	-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
- ° 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					N/A	Diffusion index %	
	--	-	°	+	++		Jul. 23	Apr. 23
Financing needs/underlying drivers or purpose of loan demand								
Housing market prospects, including expected house price developments		4	1				-40	-30
Consumer confidence	1	2	2				-40	-40
General level of interest rates		4	1				-40	-60
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)			4	1			10	0
Regulatory and fiscal regime of housing markets			5				0	-10
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	Jul. 23	Apr. 23
Financing needs/underlying drivers or purpose of loan demand								
Spending on durable consumer goods, such as cars, furniture, etc.			5				0	-10
Consumer confidence		2	3				-20	0
General level of interest rates		1	4				-10	-10
Consumption expenditure financed through real-estate guaranteed loans ("mortgage equity withdrawal")			5				0	0
Use of alternative finance								
Internal finance out of savings		1	4				-10	-10
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		1
Remain basically unchanged	5	4
Ease somewhat		
Ease considerably		
N/A ^(a)		
Diffusion index %		
Jul. 23	0	10
Apr. 23	0	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		
Decrease somewhat	2	2
Remain basically unchanged	2	3
Increase somewhat	1	
Increase considerably		
N/A ^(a)		
Diffusion index %		
Jul. 23	-10	-20
Apr. 23	-30	0

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)			5						4	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)		1	4					1	4			
Short-term money market (more than 1 week)		1	4					1	4			
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)		2	3					2	2	1		
Securitisation^(d)												
Securitisation of corporate loans		1	2			2			3			2
Securitisation of loans for house purchase			3			2			3			2
Ability to transfer credit risk off balance sheet^(e)												
Ability to transfer credit risk off balance sheet			3			2			3			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 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						5			
Loans to households for house purchase			5						5			
Consumer credit and other lending to households		1	4				1	4				
Impact of NPL ratio on the change in your bank's credit terms and conditions												
Loans and credit lines to enterprises			5						5			
Loans to households for house purchase			5						5			
Consumer credit and other lending to households			5						5			
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)			5					1	4			
Your bank's risk tolerance		1	4					2	3			

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.

25 • 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			5					5				
of which:												
Energy-intensive manufacturing		2	3					5				
Construction (excluding real estate)		1	4					5				
Services (excluding financial services and real estate)			5					5				
Wholesale and retail trade		1	4				1	4				
Real estate ^(c)		1	3	1				5				
of which:												
Commercial real estate		1	4					5				
Residential real estate			4	1				5				
Your bank's terms and conditions												
Manufacturing			5					5				
of which:												
Energy-intensive manufacturing		1	4					5				
Construction (excluding real estate)		1	4					5				
Services (excluding financial services and real estate)			5					5				
Wholesale and retail trade			5					5				
Real estate ^(c)		1	4					5				
of which:												
Commercial real estate		1	4					5				
Residential real estate			5					5				
Demand for loans at your bank												
Manufacturing		1	4					3	2			
of which:												
Energy-intensive manufacturing			4	1				4	1			
Construction (excluding real estate)			5					5				
Services (excluding financial services and real estate)			5					5				
Wholesale and retail trade			5					5				
Real estate ^(c)			4	1				5				
of which:												
Commercial real estate		1	4					5				
Residential real estate			4	1				5				

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.

26 • Ad hoc question on the impact of climate change on bank lending

Over the past twelve months, have climate-related risks and measures to cope with climate change^(a) led to a change in your bank's credit standards, terms and conditions and demand for loans to enterprises at your bank? And what do you expect for the next twelve months?

- have tightened/will tighten considerably; has decreased/will decrease considerably; has contributed considerably to a tightening or a decrease/will contribute considerably to a tightening or a decrease
 - have tightened/will tighten somewhat; has decreased/will decrease somewhat; has contributed somewhat to a tightening or a decrease/will contribute somewhat to a tightening or a decrease
 - o has remained/will remain basically unchanged; has not had/will not have an impact
 - + have eased/will ease somewhat; has increased/will increase somewhat; has contributed somewhat to an easing or an increase/will contribute somewhat to an easing or an increase
 - ++ have eased/will ease considerably; has increased/will increase considerably; has contributed considerably to an easing or an increase/will contribute considerably to an easing or an increase
- N/A not applicable

	No of banks that selected the option											
	Over the past twelve months						Over the next twelve months					
	--	-	o	+	++	NA ^(b)	--	-	o	+	++	NA ^(b)
Impact of climate change on your bank's credit standards, terms and conditions and demand for loans to enterprises												
Impact on your bank's credit standards for loans to enterprises, overall		1	3	1				1	2	2		
of which:												
For loans to green firms ^(c)				2	3				2	3		
For loans to firms in transition ^(c)			1	2	2			1	1	2	1	
For loans to brown firms ^(c)	1	2	2				1	2	1	1		
Impact on your bank's overall terms and conditions for loans to enterprises, overall		1	3	1				1	1	3		
of which:												
For loans to green firms ^(c)				4	1				1	4		
For loans to firms in transition ^(c)				4	1			1	2	2		
For loans to brown firms ^(c)	1		4				1	2	2			
Impact on demand for loans to enterprises at your bank, overall			3	2					2	3		
of which:												
For loans to green firms ^(c)				3	2				2	2	1	
For loans to firms in transition ^(c)				3	2				2	1	2	
For loans to brown firms ^(c)	1		4				1	1	3			

	No of banks that selected the option											
	Over the past twelve months						Over the next twelve months					
	--	-	o	+	++	NA ^(b)	--	-	o	+	++	NA ^(b)
Impact of climate-related factors on your bank's lending policy (change in credit standards and terms and conditions) for loans to enterprises, overall												
Your bank's capital and the costs related to your bank's capital position due to your bank's exposure to climate change			4	1				4	1			
Industry or firm-specific situation and outlook/borrower's creditworthiness due to climate change		2	2	1			2	2	1			
Physical risk affecting the value of borrowers' assets due to climate change			4	1			1	3	1			
Fiscal support related to climate change			5					5				
Impact of climate-related factors on the demand for loans to enterprises at your bank, overall												
Fixed investment and corporate restructuring related to climate change			3	2				2	2	1		
Issuance of green corporate bonds eligible for the ECB's monetary policy asset portfolio ^(d)			3	1	1			3	1	1		
Fiscal support related to climate change			5					5				

Notes: (a) Firms may be affected by climate change in their firm-specific situation and outlook, with respect to their creditworthiness and the value of their assets. Climate risks can be grouped into two categories: transition risk and physical risk. Transition risk refers to the risk related to an institution's financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy. Physical risk refers to the risk related to the financial impact from banks' exposure to a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation, which can affect the value of collateral and borrower repayment capacity. (b) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective lending category. (c) "Green firms" – Firms that do not contribute or contribute little to climate change; "Firms in transition" – Firms that contribute to climate change, which are making relevant progress in the transition; "Brown firms" – Firms that highly contribute to climate change, which have not yet started or have so far made only little progress in the transition. – Firms that highly contribute to climate change or are in transition may be located in particular in sectors that highly contribute to climate change as defined in ANNEX I - Prudential disclosures on ESG risks (Article 449a CRR) related to the European Banking Authority (EBA) report on "Final draft implementing technical standards on prudential disclosures on ESG risks in accordance with Article 449a CRR" (EBA/ITS/2022/01). This includes Sectors A (Agriculture, forestry and fishing), B (Mining and quarrying), C (Manufacturing), D (Electricity, gas, steam and air conditioning supply), E (Water supply; sewerage, waste management and remediation activities), F (Construction), G (Wholesale and retail trade; repair of motor vehicles and motorcycles), H (Transportation and storage), I (Accommodation and food service activities) and L (Real estate activities). (d) Referring to issuers with better climate scores according to the ECB's decision to tilt the Eurosystem's corporate bond holdings in the ECB's monetary policy asset portfolio towards issuers with better climate performance. See the ECB's announcements on 4 July 2022 and 19 September 2022 to adjust its corporate bond holdings in the ECB's monetary policy asset portfolio.