

# BANK LENDING SURVEY

RESULTS FOR PORTUGAL

OCT. 2022



BANCO DE  
PORTUGAL  
EUROSYSTEM



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# 1 Presentation of the results

The questionnaire for this round of the survey was sent to the banks on September 16, 2022 and the responses were received by October 4. The assessment of supply and demand refers to the 3rd quarter of 2022 in comparison with the previous quarter. Expectations refer to the 4th quarter of 2022.

## 1.1 Supply

- **Credit standards for loans:** in firms, slightly tighter especially in long-term loans to SMEs; in households, slightly tighter in loans for house purchase and without changes in consumer credit and other lending.
  - **Factors:** in firms, the perception of risks associated with general economic situation and outlook and of risks associated with industry or firm-specific situation and outlook contributed to tighter credit standards.
- **Terms and conditions:** in loans to firms, slight increase in the spread applied to riskier loans and somewhat tighter conditions in terms of collateral requirements, loan size and maturity. In loans to households, terms and conditions without changes.
  - **Factors:** the perception of risks associated with general economic situation and outlook and of risks associated with industry or firm-specific situation and outlook contributed to tighter terms and conditions of new loans to firms.
- **Share of rejected loan applications:** slight increase in loans to SMEs and households.
- **Expectations:** credit standards tighter for firms (especially for SMEs and long-term loans) and somewhat tighter for households.

Chart 1.1 • Credit supply | Diffusion index

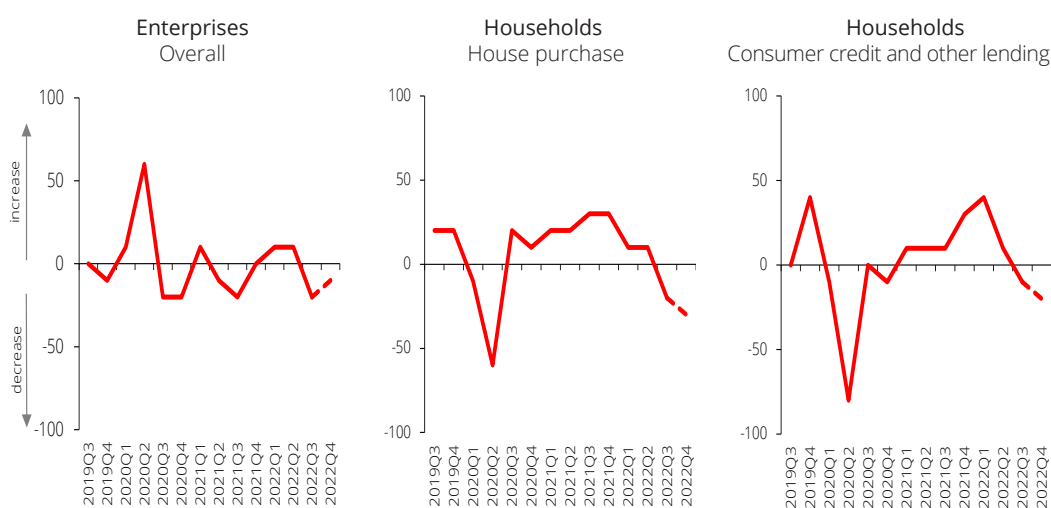


Notes: The credit supply corresponds to credit standards. The diffusion index varies between -100 and 100. Values of less (more) than zero mean an easing (tightening) of credit standards. Figures for the last quarter are banks' expectations.

## 1.2 Demand

- **Demand for loans by firms:** slight decrease, across different sizes of firms and in long-term loans.
  - **Factors:** the decrease in investment financing needs and the general level of interest rates contributed to reduce the demand for loans by firms, partially offset by the increase in the financing needs of inventories and working capital.
- **Demand for loans by households:** slight decrease, in particular for house purchase.
  - **Factors:** the consumer confidence, the housing market prospects and, to a lesser extent, the general level of interest rates contributed slightly to reduce demand for house purchase loans; in consumer credit and other lending, the consumer confidence contributed somewhat to lower demand.
- **Expectations:** decrease in demand by firms, more evident in the case of large firms and in long-term loans; in the opposite direction, slight increase in the demand for short-term loans. Decrease in the demand for loans by households, more pronounced in the housing segment.

Chart 1.2 • Credit demand | Diffusion index



Notes: The diffusion index varies between -100 and 100. Values of less (more) than zero mean a decrease (increase) in credit demand. 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:** strong deterioration in the access to finance through medium to long-term debt securities in the wholesale market.
- **Next three months:** changes in market access conditions and in the ability to transfer credit risk off-balance sheet, in overall terms, similar to those reported for the last three months.

On the impact of the ECB's asset purchase programmes (Questions 24 and 25 in the annex)

- **On the balance sheet and financial situation – past six months:** improvement in banks' overall profitability owing to the impact on the net interest income.
- **On the lending policy and lending volumes – past six months:** basically no impact.
- **Next six months:** impacts, in general, similar to those reported for the last six months.

On the impact of the ECB's negative deposit facility rate (Question 26 in the annex)

- **Negative interest rate – past six months:** reduction in the overall profitability of banks due to the negative impact on the net interest income. Decrease in banks' lending rates in loans to firms and households and slight increase in the lending volume.
- **Two-tier system applied by the ECB for remunerating excess liquidity holdings – past six months:** increase in the overall profitability of banks, due to the positive impact on the net interest income. No impact on interest rates on loans and deposits for firms and households.

On the Eurosystem's third targeted longer-term refinancing operations – TLTRO III, carried out until December 2021 (Question 27 in the annex)

- **Impact of the operations – past six months:**
  - **On the banks' financial situation:** marked improvement in profitability and, to a lesser extent, in the liquidity position, banks' market financing conditions and ability to fulfil regulatory or supervisory requirements.
  - **On the lending policy and lending volumes:** increase in the lending volume to firms and households.
- **Next six months:** operations with an impact on banks' financial situation, in overall terms, similar to those reported for the past six months; basically without impact on the lending policy and lending volumes granted to firms and households.

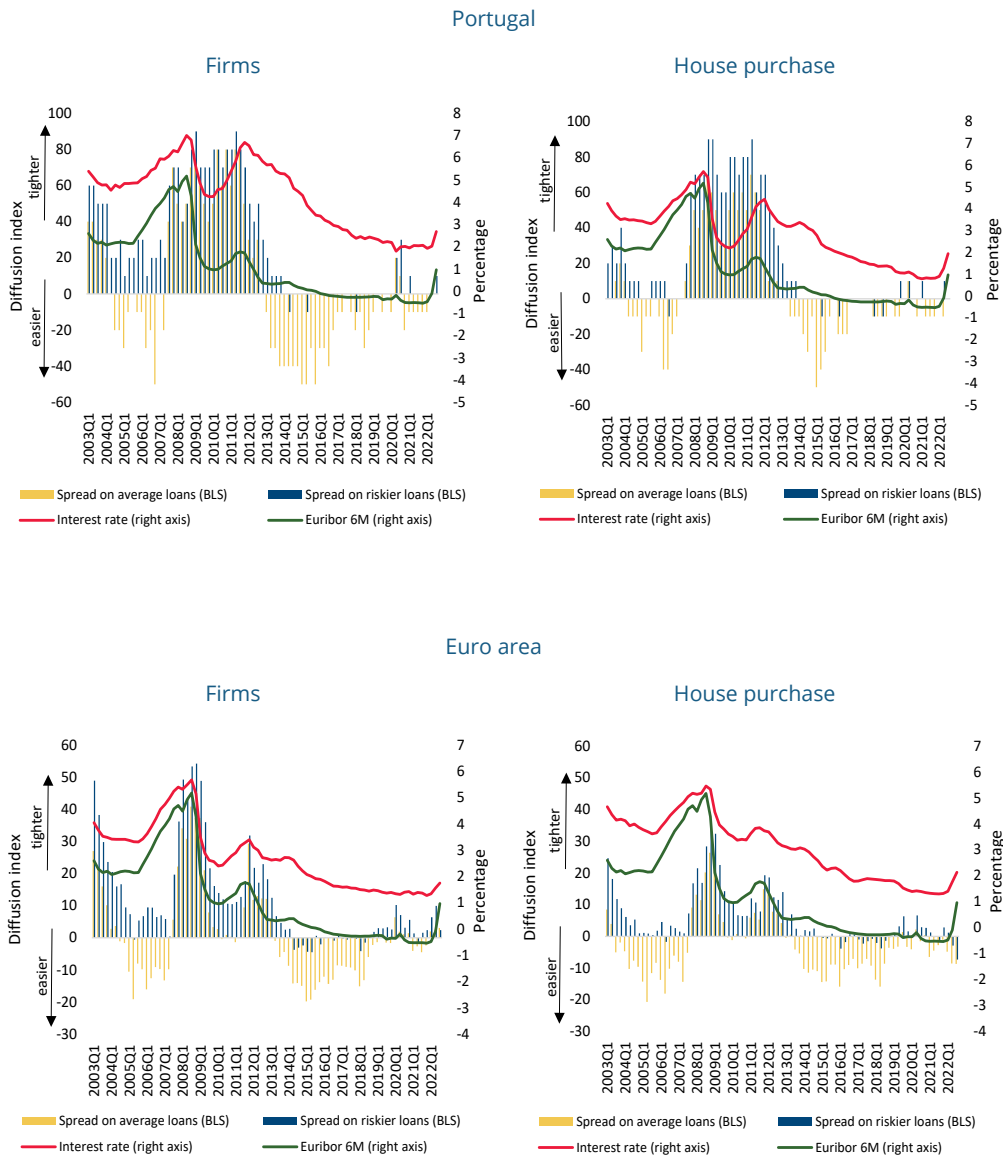
The complete set of the survey results is presented in the annex.

### Box • Euribor rates rising: what is happening to spreads?

The sudden and persistent increase in inflation observed since the second half of 2021 led the main central banks to reverse the accommodation of monetary policy that had been pursued. Money markets anticipated the expected change in monetary policy stance. Since the beginning of the year, the Euribor interest rates, which are reference interest rates for the financing of euro area banks on the interbank market, have shown an upward trend. Euribor rates are commonly used by banks as a benchmark interest rate for bank loans to firms and households with fixed rate periods of up to 1 year, which account for the majority of loans granted in Portugal. To what extent has the increase in market reference rates been reflected in an increase in bank lending costs for the non-financial private sector? Are banks choosing to fully reflect the rise in these reference rates in interest rates on new loans? Or are they choosing to absorb this increase, even in part, in the spread applied to loans at the time of granting? Firms and households may also be changing their funding strategies in light of new market conditions. Firms, for example, can adapt their working capital financing needs or postpone investment projects. Some firms are more able than others to reflect increased funding costs in sales prices.

In order to analyse these issues, quantitative information on interest rates applied in the various credit segments is useful. However, the interest rates observed in the credit market is the result from the behaviour of banks, on the one hand, and of firms and households seeking financing, on the other. The qualitative information from the Bank Lending Survey (BLS) is particularly interesting because it makes it possible to isolate the behaviour of banks. In this box, in addition to quantitative information on interest rates, information from the BLS on spreads applied on loans to firms and households for house purchase is presented. In the most recent period, in the context of rising interest rates on the interbank market, the cost of bank lending for firms and households for house purchase, in Portugal and in the euro area as a whole, has been increasing (Chart C.1) . According to BLS data, changes in the level of tightening associated with spreads applied to new loans have been relatively minor.

Chart C.1 • Spreads on new loans to firms and households for house purchase | Diffusion index and percentage



Source: Banco de Portugal, ECB and Refinitiv. | Notes: The diffusion index varies between -100 and 100. Values greater (smaller) than zero mean an increase (decrease) in the spread applied by the bank on average risk or higher risk loans. The value zero means “basically unchanged”. 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. The interest rate corresponds to the annualized agreed rate (AAR) of new loans and the 6-month Euribor interest rate was considered as the reference rate of the interbank market. The interest rate and the Euribor 6M series are quarterly averages of monthly values, with the exception of the interest rates of the 3rd quarter of 2022, which correspond to the average of interest rates in July and August, months for which data are available.

## 2 Annex<sup>1</sup>

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.<sup>2</sup>

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 glossary”.

2. The complete series of the diffusion indexes for the standard questions of the survey (1 to 22) can be found in “Complete series - since January 2003 (xls)”.

## 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
<b>No of banks that selected the option</b>					
Tightened considerably					
Tightened somewhat	2	2			2
Remained basically unchanged	3	3	5	5	3
Eased somewhat					
Eased considerably					
N/A <sup>(a)</sup>					
<b>Diffusion index %</b>					
Oct. 22	20	20	0	0	20
Jul. 22	10	10	0	0	10

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	Oct. 22	Jul. 22
<b>Overall impact on your bank's credit standards</b>								
<b>Cost of funds and balance sheet constraints</b>								
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
<b>Pressure from competition</b>								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
<b>Perception of risk</b>								
General economic situation and outlook	1	3	1				50	30
Industry or firm-specific situation and outlook/borrower's creditworthiness		4	1				40	20
Risk related to the collateral demanded		1	4				10	0
<b>Your bank's risk tolerance</b>								
Your bank's risk tolerance		1	4				10	0

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Oct. 22	Jul. 22
<b>Impact on your bank's credit standards for loans to small and medium-sized enterprises</b>								
<b>Cost of funds and balance sheet constraints</b>								
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
<b>Pressure from competition</b>								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
<b>Perception of risk</b>								
General economic situation and outlook	1	3	1				50	30
Industry or firm-specific situation and outlook/borrower's creditworthiness		4	1				40	20
Risk related to the collateral demanded		1	4				10	0
<b>Your bank's risk tolerance</b>								
Your bank's risk tolerance		1	4				10	0

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

<b>Cost of funds and balance sheet constraints</b>								
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
<b>Pressure from competition</b>								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
<b>Perception of risk</b>								
General economic situation and outlook	1	3	1				50	20
Industry or firm-specific situation and outlook/borrower's creditworthiness		4	1				40	10
Risk related to the collateral demanded		1	4				10	0
<b>Your bank's risk tolerance</b>								
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	Oct. 22	Jul. 22
<b>Overall</b>								
<b>Overall terms and conditions</b>								
Overall terms and conditions			5				0	0
<b>Margins (i.e. the spread over a relevant market reference rate)</b>								
Your bank's loan margin on average loans			5				0	0
Your bank's loan margin on riskier loans		1	4				10	0
<b>Other conditions and terms</b>								
Non-interest rate charges			5				0	10
Size of the loan or credit line		1	4				10	0
Collateral requirements		1	4				10	10
Loan covenants			5				0	10
Maturity		1	4				10	0

#### Loans to small and medium-sized enterprises

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



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

#### 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	Oct. 22	Jul. 22
<b>Overall impact on your bank's credit terms and conditions</b>								
<b>Cost of funds and balance sheet constraints</b>								
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
<b>Pressure from competition</b>								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
<b>Perception of risk</b>								
General economic situation and outlook	1	1	3				30	20
Industry or firm-specific situation and outlook/borrower's creditworthiness		2	3				20	20
Risk related to the collateral demanded		1	4				10	0
<b>Your bank's risk tolerance</b>								
Your bank's risk tolerance		1	4				10	10

	No of banks that selected the option					N/A	Diffusion index %	
	--	-	o	+	++		Oct. 22	Jul. 22
<b>Impact on your bank's margin on average loans</b>								
<b>Cost of funds and balance sheet constraints</b>								
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
<b>Pressure from competition</b>								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
<b>Perception of risk</b>								
General economic situation and outlook	1	1	3				30	20
Industry or firm-specific situation and outlook/borrower's creditworthiness		2	3				20	20
Risk related to the collateral demanded		1	4				10	0
<b>Your bank's risk tolerance</b>								
Your bank's risk tolerance		1	4				10	10
<b>Impact on your bank's margin on riskier loans</b>								
<b>Cost of funds and balance sheet constraints</b>								
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
<b>Pressure from competition</b>								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
<b>Perception of risk</b>								
General economic situation and outlook	1	1	3				30	20
Industry or firm-specific situation and outlook/borrower's creditworthiness		2	3				20	20
Risk related to the collateral demanded		1	4				10	0
<b>Your bank's risk tolerance</b>								
Your bank's risk tolerance		1	4				10	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
<b>No of banks that selected the option</b>			
Decreased considerably			
Decreased somewhat			
Remained basically unchanged	5	4	5
Increased somewhat		1	
Increased considerably			
N/A <sup>(a)</sup>			
<b>Diffusion index %</b>			
Oct. 22	0	10	0
Jul. 22	0	0	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
<b>No of banks that selected the option</b>				
Decreased considerably				
Decreased somewhat	2	2	1	2
Remained basically unchanged	3	3	4	3
Increased somewhat				
Increased considerably				
N/A <sup>(a)</sup>				
<b>Diffusion index %</b>				
Oct. 22	-20	-20	-10	0
Jul. 22	10	10	10	10

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	+	++		Oct. 22	Jul. 22
<b>Overall</b>								
<b>Financing needs/underlying drivers on purpose of loan demands</b>								
Fixed investment	1	2	2				-40	0
Inventories and working capital			2	3			30	20
Mergers/acquisitions and corporate restructuring			5				0	0
General level of interest rates		3	2				-30	0
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)			4	1			10	0
<b>Use of alternative finance</b>								
Internal financing			5				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

<b>Financing needs/underlying drivers on purpose of loan demands</b>								
Fixed investment	1	2	2				-40	0
Inventories and working capital			2	3			30	20
Mergers/acquisitions and corporate restructuring			5				0	0
General level of interest rates		2	3				-20	0
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)			4	1			10	0
<b>Use of alternative finance</b>								
Internal financing			4	1			10	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

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

## 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
<b>No of banks that selected the option</b>					
Tighten considerably					
Tighten somewhat	3	3	1	2	3
Remain basically unchanged	2	2	4	3	2
Ease somewhat					
Ease considerably					
N/A <sup>(a)</sup>					
<b>Diffusion index %</b>					
Oct. 22	30	30	10	20	30
Jul. 22	20	20	0	10	20

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
<b>No of banks that selected the option</b>					
Decrease considerably					
Decrease somewhat	2	2	2		2
Remain basically unchanged	2	2	3	3	3
Increase somewhat	1	1		2	
Increase considerably					
N/A <sup>(a)</sup>					
<b>Diffusion index %</b>					
Oct. 22	-10	-10	-20	20	-20
Jul. 22	20	20	10	20	0

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
<b>No of banks that selected the option</b>		
Tightened considerably		
Tightened somewhat	1	
Remained basically unchanged	4	5
Eased somewhat		
Eased considerably		
N/A <sup>(a)</sup>		
<b>Diffusion index %</b>		
Oct. 22	10	0
Jul. 22	0	-10

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	Oct. 22	Jul. 22
<b>Cost of funds and balance sheet constraints</b>								
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
<b>Pressure from competition</b>								
Competition from other banks			5				0	-10
Competition from non-banks			5				0	0
<b>Perception of risk</b>								
General economic situation and outlook		1	4				10	10
Housing market prospects, including expected house price developments			4	1			-10	0
Borrower's creditworthiness			5				0	0
<b>Your bank's risk tolerance</b>								
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	Oct. 22	Jul. 22
<b>Overall terms and conditions</b>								
Overall terms and conditions			5				0	0
<b>Margins (i.e. the spread over a relevant market reference rate)</b>								
Your bank's loan margin on average loans			5				0	-10
Your bank's loan margin on riskier loans			5				0	10
<b>Other terms and conditions</b>								
Collateral requirements			5				0	0
"Loan-to-value" ratio			5				0	0
Other loan size limits			5				0	0
Maturity			5				0	10
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						Diffusion index %	
	--	-	°	+	++	N/A	Oct. 22	Jul. 22
<b>Overall impact on your bank's credit terms and conditions</b>								
<b>Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>Pressure from competition</b>								
Pressure from competition			4	1			-10	-10
<b>Perception of risk</b>								
Perception of risk			5				0	10
<b>Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0
<b>Impact on your bank's margin on average loans</b>								
<b>Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>Pressure from competition</b>								
Pressure from competition			4	1			-10	-10
<b>Perception of risk</b>								
Perception of risk			5				0	0
<b>Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0
<b>Impact on your bank's margin on riskier loans</b>								
<b>Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>Pressure from competition</b>								
Pressure from competition			4	1			-10	0
<b>Perception of risk</b>								
Perception of risk			5				0	10
<b>Your bank's risk tolerance</b>								
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 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	Oct. 22	Jul. 22
<b>Cost of funds and balance sheet constraints</b>								
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
<b>Pressure from competition</b>								
Competition from other banks			5				0	-10
Competition from non-banks			5				0	-10
<b>Perception of risk</b>								
General economic situation and outlook		1	4				10	10
Creditworthiness of consumers			5				0	0
Risk on the collateral demanded			5				0	0
<b>Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	-10

## 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	Oct. 22	Jul. 22
<b>Overall terms and conditions</b>								
Overall terms and conditions			5				0	0
<b>Margins (i.e. the spread over a relevant market reference rate)</b>								
Your bank's loan margin on average loans			5				0	0
Your bank's loan margin on riskier loans			5				0	0
<b>Other terms and conditions</b>								
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					N/A	Diffusion index %	
	--	-	°	+	++		Oct. 22	Jul. 22
<b>Overall impact on your bank's credit terms and conditions</b>								
<b>Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>Pressure from competition</b>								
Pressure from competition			5				0	-10
<b>Perception of risk</b>								
Perception of risk			5				0	0
<b>Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0
<b>Impact on your bank's margin on average loans</b>								
<b>Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>Pressure from competition</b>								
Pressure from competition			5				0	-10
<b>Perception of risk</b>								
Perception of risk			5				0	0
<b>Your bank's risk tolerance</b>								
Your bank's risk tolerance			5				0	0
<b>Impact on your bank's margin on riskier loans</b>								
<b>Cost of funds and balance sheet constraints</b>								
Cost of funds and balance sheet constraints			5				0	0
<b>Pressure from competition</b>								
Pressure from competition			5				0	-10
<b>Perception of risk</b>								
Perception of risk			5				0	-10
<b>Your bank's risk tolerance</b>								
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
<b>No of banks that selected the option</b>		
Decreased considerably		
Decreased somewhat		
Remained basically unchanged	4	4
Increased somewhat	1	1
Increased considerably		
N/A <sup>(a)</sup>		
<b>Diffusion index %</b>		
Oct. 22	10	10
Jul. 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
	<b>No of banks that selected the option</b>	
Decreased considerably		
Decreased somewhat	2	1
Remained basically unchanged	3	4
Increased somewhat		
Increased considerably		
N/A <sup>(a)</sup>		
<b>Diffusion Index %</b>		
Oct. 22	-20	-10
Jul. 22	10	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					Diffusion index %		
	--	-	°	+	++	N/A	Oct. 22	Jul. 22
<b>Financing needs/underlying drivers or purpose of loan demand</b>								
Housing market prospects, including expected house price developments		2	3				-20	10
Consumer confidence		2	3				-20	0
General level of interest rates		1	4				-10	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
<b>Use of alternative sources for housing finance (substitution effects)</b>								
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	Oct. 22	Jul. 22
<b>Financing needs/underlying drivers or purpose of loan demand</b>								
Spending on durable consumer goods, such as cars, furniture, etc.			5				0	0
Consumer confidence		2	3				-20	0
General level of interest rates			5				0	0
Consumption expenditure financed through real-estate guaranteed loans ("mortgage equity withdrawal")			5				0	10
<b>Use of alternative finance</b>								
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
<b>No of banks that selected the option</b>		
Tighten considerably		
Tighten somewhat	1	1
Remain basically unchanged	4	4
Ease somewhat		
Ease considerably		
N/A <sup>(a)</sup>		
<b>Diffusion index %</b>		
Oct. 22	10	10
Jul. 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
<b>No of banks that selected the option</b>		
Decrease considerably		
Decrease somewhat	3	2
Remain basically unchanged	2	3
Increase somewhat		
Increase considerably		
N/A <sup>(a)</sup>		
<b>Diffusion index %</b>		
Oct. 22	-30	-20
Jul. 22	-20	-10

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<sup>(a)</sup>, 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 <sup>(b)</sup>	--	-	o	+	++	N/A <sup>(b)</sup>
<b>Retail funding</b>												
Short-term deposits (up to one year)			4	1				5				
Long-term (more than one year) deposits and other retail funding instruments			5					5				
<b>Inter-bank unsecured money market</b>												
Very short term money market (up to 1 week)		1	4				1	3	1			
Short-term money market (more than 1 week)		1	4				1	4				
<b>Wholesale debt securities<sup>(c)</sup></b>												
Short-term debt securities (e.g. certificates of deposit or commercial paper)		1	1			3		2				3
Medium to long term debt securities (incl. covered bonds)	2	2	1				1	2	2			
<b>Securitisation<sup>(d)</sup></b>												
Securitisation of corporate loans		1	2			2	1	2				2
Securitisation of loans for house purchase		1	2			2	1	2				2
<b>Ability to transfer credit risk off balance sheet<sup>(e)</sup></b>												
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 questions on the ECB's asset purchase programmes - Impact on the bank's financial position

Over the past six months, have the ECB's asset purchase programmes led to a change in your bank's assets or affected (either directly or indirectly) your bank in any of the following areas? Are they likely to have an impact here over the next six months?

- have contributed considerably to a decrease or deterioration / will contribute considerably to a decrease or deterioration
  - have contributed somewhat to a decrease or deterioration / will contribute somewhat to a decrease or deterioration
  - o have had basically no impact / will have basically no impact
  - + have contributed somewhat to an increase or improvement / will contribute somewhat to an increase or improvement
  - ++ have contributed considerably to an increase or improvement / will contribute considerably to an increase or improvement
- N/A not applicable

	No of banks that selected the option											
	Over the past six months						Over the next six months					
	--	-	o	+	++	N/A <sup>(a)</sup>	--	-	o	+	++	N/A <sup>(a)</sup>
<b>Your bank's total assets</b>												
Your bank's total assets (non-risk weighted volume)		1	3	1				5				
of which:												
euro area sovereign bond holdings		1	3	1				5				
<b>Your bank's cost of funds and balance sheet constraints</b>												
Your bank's overall liquidity position				4	1			5				
Your bank's overall market financing conditions		2	2	1			1	3	1			
<b>Your bank's profitability</b>												
Your bank's overall profitability				2	3			2	3			
owing to:												
net interest income <sup>(b)</sup>				2	3			2	3			
capital gains / losses		1	4					5				
<b>Your bank's capital position</b>												
Your bank's capital ratio <sup>(c)</sup>				5				5				

Notes: (a) Please select "N/A" (not applicable) only if you do not have any business in or exposure to this category. (b) The net interest income is defined as the difference between the interest earned and interest paid on the outstanding amount of interest-bearing assets and liabilities by the bank. (c) Defined in accordance with the regulatory requirements set out in the CRR/CRD IV, including both tier 1 capital and tier 2 capital.

## 25 • Ad hoc questions on the ECB's asset purchase programmes - Impact on the bank's lending policy and lending volumes

Over the past six months, have the ECB's asset purchase programmes led to a change in your bank's lending policy and lending volumes? And what will be the impact over the next six months?

- have contributed considerably to tightening credit standards/tightening terms and conditions/decreasing lending volumes / will contribute considerably to tightening credit standards/tightening terms and conditions/decreasing lending volumes
- have contributed somewhat to tightening credit standards/tightening terms and conditions/decreasing lending volumes / will contribute somewhat to tightening credit standards/tightening terms and conditions/decreasing lending volumes
- o have had basically no impact on credit standards/terms and conditions/lending volumes / will have basically no impact on credit standards/terms and conditions/lending volumes
- + have contributed somewhat to easing credit standards/easing terms and conditions/increasing lending volumes / will contribute somewhat to easing credit standards/easing terms and conditions/increasing lending volumes
- ++ have contributed considerably to easing credit standards/easing terms and conditions/increasing lending volumes / will contribute considerably to easing credit standards/easing terms and conditions/increasing lending volumes

N/A not applicable

	No of banks that selected the option											
	Over the past six months						Over the next six months					
	--	-	o	+	++	N/A <sup>(a)</sup>	--	-	o	+	++	N/A <sup>(a)</sup>
<b>Credit standards</b>												
For loans and enterprises			5						5			
For loans to households for house purchase			5						5			
For consumer credit and other lending to households			5						5			
<b>Terms and conditions</b>												
For loans and enterprises			5						5			
For loans to households for house purchase			5						5			
For consumer credit and other lending to households			5						5			
<b>Lending volumes</b>												
For loans and enterprises			5						5			
For loans to households for house purchase			5						5			
For consumer credit and other lending to households			5						5			

Note: (a) 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 the ECB's negative deposit facility rate

i) Over the past six months, how has the ECB's negative deposit facility rate, either directly or indirectly<sup>(a)</sup>, led to a change for your bank in the following areas? Please state the impact of the ECB's negative deposit facility rate including the impact of the introduction of the ECB's two-tier system for remunerating excess liquidity holdings.

- contributed considerably to a decrease
- contributed somewhat to a decrease
- o did not have an impact
- + contributed somewhat to an increase
- ++ contributed considerably to an increase
- N/A not applicable

	No of banks that selected the option					
	Over the past six months					
	--	-	o	+	++	N/A <sup>(b)</sup>
<b>Your bank's profitability</b>						
Impact on your bank's overall profitability	1	3	1			
owing to:						
Impact on your bank's net interest income <sup>(c)</sup>	1	3	1			
<b>Loans to enterprises</b>						
Impact on your bank's lending rates	1	2	2			
Impact on your bank's non-interest rate charges		1	4			
Impact on your bank's lending volume			3	2		
<b>Loans to households for house purchase</b>						
Impact on your bank's lending rates	1	2	2			
Impact on your bank's non-interest rate charges		1	4			
Impact on your bank's lending volume			3	2		
<b>Consumer credit and other lending to households</b>						
Impact on your bank's lending rates	1	1	3			
Impact on your bank's non-interest rate charges		1	4			
Impact on your bank's lending volume			4	1		
<b>Deposits held by enterprises</b>						
Impact on your bank's deposit rates		1	4			
Impact on your bank's non-interest rate charges on deposits		1	4			
Impact on your bank's volume of deposits		1	4			
<b>Deposits held by households</b>						
Impact on your bank's deposit rates		1	4			
Impact on your bank's non-interest rate charges on deposits		1	4			
Impact on your bank's volume of deposits			5			

**ii)** Over the past six months, has the ECB's two-tier system for remunerating excess liquidity holdings led to a change for your bank in the following areas, compared with the situation in which no two-tier system would exist?

- has contributed considerably to a decrease or deterioration
- has contributed somewhat to a decrease or deterioration
- ° has had basically no impact
- + has contributed somewhat to an increase or improvement
- ++ has contributed considerably to an increase or improvement
- N/A not applicable

	No of banks that selected the option					
	Over the past six months					
	--	-	°	+	++	N/A <sup>(b)</sup>
<b>Your bank's financial situation</b>						
Impact on your bank's overall profitability			1	4		
owing to:						
Impact on your bank's net interest income <sup>(c)</sup>			1	4		
Impact on your bank's liquidity position			5			
Impact on your bank's market financing conditions			5			
<b>Your bank's lending rates</b>						
Impact on your bank's lending rates for enterprises			5			
Impact on your bank's lending rates to households for house purchase			5			
Impact on your bank's lending rates for consumer credit and other lending to households			5			
<b>Your bank's deposit rates</b>						
Impact on your bank's interest rates on deposits held by enterprises			5			
Impact on your bank's interest rates on deposits held by households			5			

Notes: (a) Independent of whether your bank has excess liquidity. (b) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective lending category. (c) The net interest income is defined as the difference between the interest earned and interest paid on the outstanding amount of interest-bearing assets and liabilities by the bank.

**27 • Ad hoc question on the Eurosystem's third targeted longer-term refinancing operations (TLTRO III) – Impact on the bank's financial situation and on the respective lending policy and lending volumes**

Over the past six months, have the Eurosystem's TLTRO III operations led to a change in (either directly or indirectly) your bank's financial situation, lending policy and lending volumes? And what will be the impact over the next six months?

- has contributed considerably to a deterioration, tightening or decrease / will contribute considerably to a deterioration, tightening or decrease
  - has contributed somewhat to a deterioration, tightening or decrease / will contribute somewhat to a deterioration, tightening or decrease
  - ° has had basically no impact / will have basically no impact
  - + has contributed somewhat to an improvement, easing or increase / will contribute somewhat to an improvement, easing or increase
  - ++ has contributed considerably to an improvement, easing or increase / will contribute considerably to an improvement, easing or increase
- N/A not applicable

	No of banks that selected the option											
	Over the past six months						Over the next six months					
	--	-	°	+	++	N/A <sup>(a)</sup>	--	-	°	+	++	N/A <sup>(a)</sup>
<b>Impact on your bank's financial situation</b>												
Your bank's overall liquidity position			3	1	1		1	2	1	1		
Your bank's overall market financing conditions			3	1	1			3	1	1		
Your bank's overall profitability				4	1			1	3	1		
Your bank's ability to fulfil regulatory or supervisory requirements			4		1			4		1		
<b>Impact on your bank's credit standards</b>												
For loans to enterprises			5					5				
For loans to households for house purchase			5					5				
For consumer credit and other lending to households			5					5				
<b>Impact on your bank's terms and conditions</b>												
For loans to enterprises			4	1				4	1			
For loans to households for house purchase			4	1				4	1			
For consumer credit and other lending to households			4	1				4	1			
<b>Impact on your bank's lending volumes</b>												
For loans to enterprises			3	1	1		1	3	1			
For loans to households for house purchase			3	1	1		1	3	1			
For consumer credit and other lending to households			4		1		1	4				

Note: (a) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective category.