

BANK LENDING SURVEY



RESULTS FOR PORTUGAL

JUL. 2020



BANCO DE
PORTUGAL
EUROSYSTEM

Bank lending survey

Results for Portugal
July 2020



BANCO DE PORTUGAL
EUROSYSTEM

Lisbon, 2020 • www.bportugal.pt

Presentation of the results

The questionnaire for this round of the survey was sent to the banks on June 5 and the responses were received by June 23.

In the second quarter of 2020, the Portuguese banks that participate in the survey indicated a tightening of credit standards on loans to firms and households when compared to the previous quarter. In the same period, demand for loans increased considerably in the case of firms and decreased considerably in the case of households. For the third quarter of the year, banks foresee tighter credit standards on loans to enterprises, mainly SME, and on consumer credit. On the demand side, an increase on the firm segment and a virtual stabilization on the household segment are expected.

Supply

In the second quarter of 2020, credit standards on loans to firms and households became tighter when compared to the previous quarter, especially on long-term loans, in the case of firms, and on consumer credit, in the case of households (Chart 1). Contributing to these developments were banks' risk tolerance and the perception of risks associated to the general economic situation and outlook, borrower's creditworthiness and, additionally, the risk related to collateral demanded, in the case of firm credit. Correspondingly, there was a tightening of collateral requirements on firm loans and on the loan margin applied on SME loans of higher risk and a slight tightening on the "loan-to-value" ratio on housing loans. The share of loan applications that were rejected increased in both credit segments, but more so in the household segment, both in housing and consumer credit. For the third quarter of 2020, banks foresee tighter credit standards on loans to SME and slightly tighter credit standards on consumer loans.

Demand

In the second quarter of 2020, demand for loans to firms increased considerably, mainly in the SME segment and in long-term loans and, in contrast, demand for loans to households decreased considerably, in both credit types but mainly in consumer credit (Chart 2). The increase in firms' loan demand was motivated by inventories and working capital financing and, to a lesser extent, by debt refinancing or renegotiation and by the financing need created by the current situation in what regards internal financing. In turn, fixed investment financing contributed to a decrease in demand. Consumer confidence was the main factor pointed out for the decrease in households' loan demand, in addition to spending on durable consumer goods, in the case of consumer credit, and housing market prospects, in the case of housing loans. For the third quarter of 2020, banks foresee an increase in loan demand from firms, common to all firm types and loan maturities, and a virtual stabilization in the case of households.

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

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)

In the second quarter of 2020, banks' access to the inter-bank money market, to the wholesale debt securities market and to securitization remained broadly unchanged compared to the previous quarter. Nonetheless, there was a slight improvement in the retail funding through short-term deposits, besides the deterioration in the ability to transfer credit risk off balance sheet. For the third quarter of the year, banks expect a slight deterioration in the access to the inter-bank money market and to securitization. As in the last three months, participating banks expect a deterioration in the ability to transfer credit risk off balance sheet for the next three months.

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

Surveyed banks reported that their non-performing loan (NPL) ratios had basically no impact on the change of their credit standards and terms and conditions applied on new loans to enterprises and households over the past six months. Nevertheless, the banks reported that costs related to the bank's capital position and costs related to the bank's balance sheet clean-up operations, as well as the bank's access to market financing, slightly contributed to tighten their lending policy. For the next six months, surveyed banks anticipate their NPL ratio to contribute for a slight tightening of their credit standards and terms and conditions applied on new loans to enterprises and households. Banks expect that the costs related to its capital position and its balance sheet clean-up operations, as well as its access to market financing, will contribute to this tightening. Banks also expect a more significant contribution from the perception of risks to the tightening of credit policy.

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

Banks reported that in the past six months applied tighter credit standards and terms and conditions to all economic activities. According to the surveyed banks, the demand for loans increased in manufacturing, services and wholesale and retail trade. For the next six months, banks expect to apply slightly tighter credit standards to services and real estate, as well as tighter terms and conditions to the broad construction sector. Banks also expect demand to remain virtually unchanged over the next six months (see Box for a more comprehensive analysis of the responses of Portuguese and euro area banks to this *ad hoc* questions).

On credit granted to enterprises excluding the credit lines with State guarantee associated with the COVID-19 pandemic (Question 26 in the annex)

In the second quarter of 2020, banks applied tighter credit standards and terms and conditions to enterprises in credit lines not covered by COVID-19 pandemic State guarantees, in particular in long term loans. Contrary to what was reported in the standard questions, demand for loans that were not covered by State guarantees decreased slightly. For the third quarter of 2020, surveyed banks anticipate similar impacts to those reported for the previous three months, even though with a smaller magnitude.

Chart 1 • Credit supply | Diffusion index

Enterprises (overall)

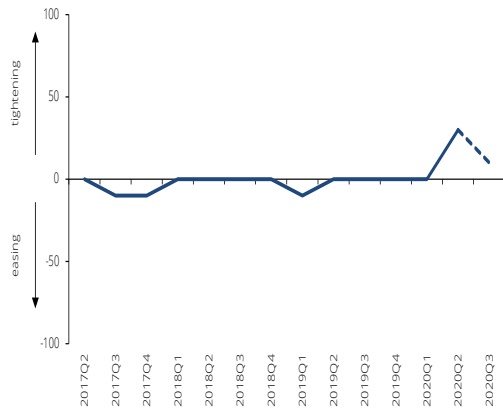
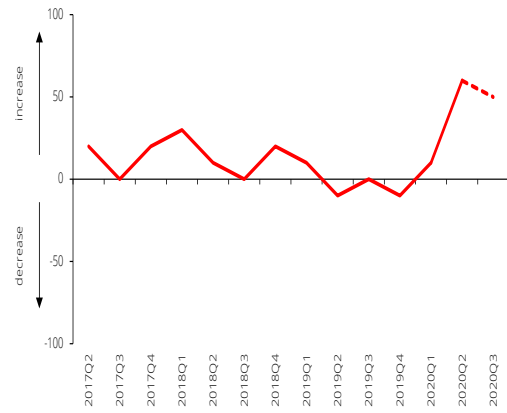
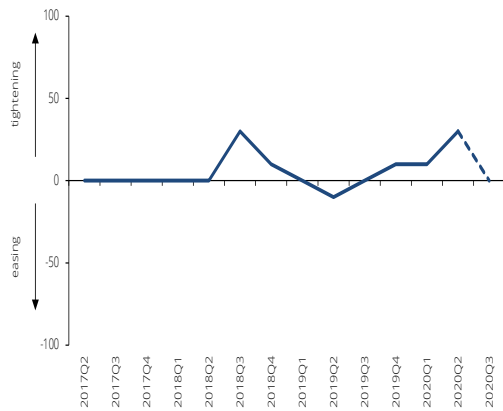


Chart 2 • Credit demand | Diffusion index

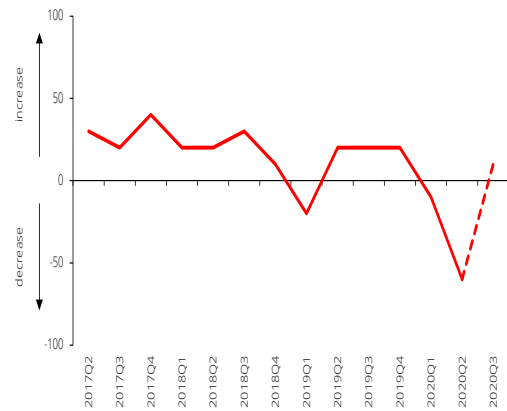
Enterprises (overall)



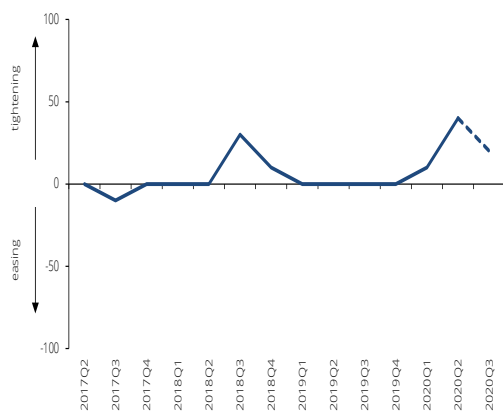
Households - House purchase



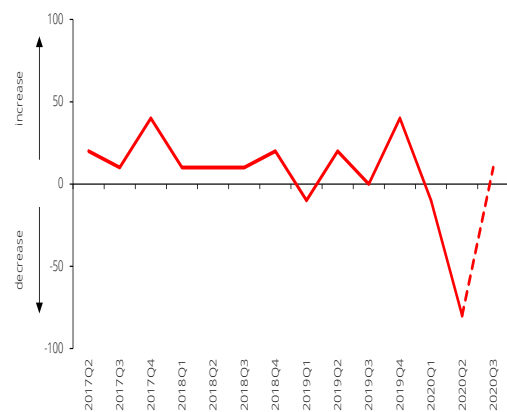
Households - House purchase



Households - Consumer credit and other lending



Households - Consumer credit and other lending



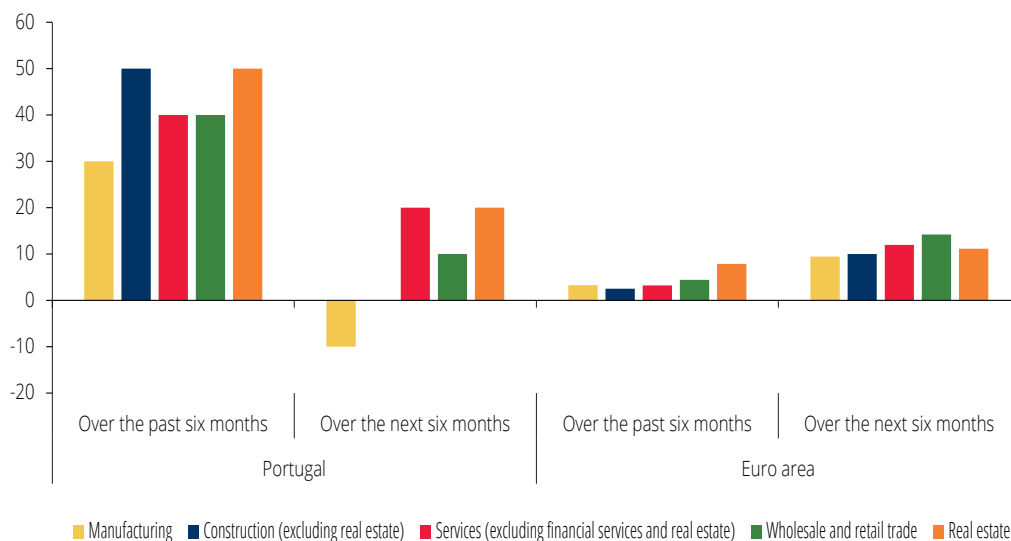
Notes: The credit supply corresponds to the lending standards replied by the banks. The diffusion index varies between -100 and 100. Values of less (more) than zero means a loosening (tightening) of the criteria in the case of the credit supply and a decrease (increase) in the case of credit demand. Figures for the last quarter are banks' expectations.

Box • Supply and demand for loans in the main sectors of economic activity

The current COVID-19 pandemic has already had an impact of great magnitude in economic activity. The impact was not homogeneous across sectors and, in the case of Portuguese firms, accommodation and food service activities, transportation and storage and other services were the activities whose business volume was most affected. On the contrary, the least impacted sectors were information and communication, construction and real estate activities and trade.¹ This situation represents a strong pressure on the funding needs of firms from the most affected sectors and a challenge to banks' credit policy.

The current box analyses the information from the *ad hoc* question on the past evolution of and expectations for credit supply and demand, in the case of enterprises, with a breakdown by sector of economic activity. Five broad sectors are considered: (i) manufacturing, (ii) construction (excluding real estate), (iii) services (excluding financial services and real estate), (iv) wholesale and retail trade and (v) real estate.

Chart C.1 • Changes in credit standards by sector of activity | Diffusion index



Source: ECB, Bank Lending Survey.

Notes: The diffusion index varies from -100 to 100. Values higher (lower) than zero imply a deterioration (improvement) of financing conditions. The value zero corresponds to the "unchanged" situation.

According to the banks' responses, despite the tightening of standards in all sectors, they became particularly tighter for firms in the construction sector, followed by the services (excluding financial services and real estate) and wholesale and retail trade sectors (Chart C.1). In the manufacturing sector, the tightening was less pronounced.

In the euro area, there was a slight tightening across all sectors, with an emphasis on real estate.²

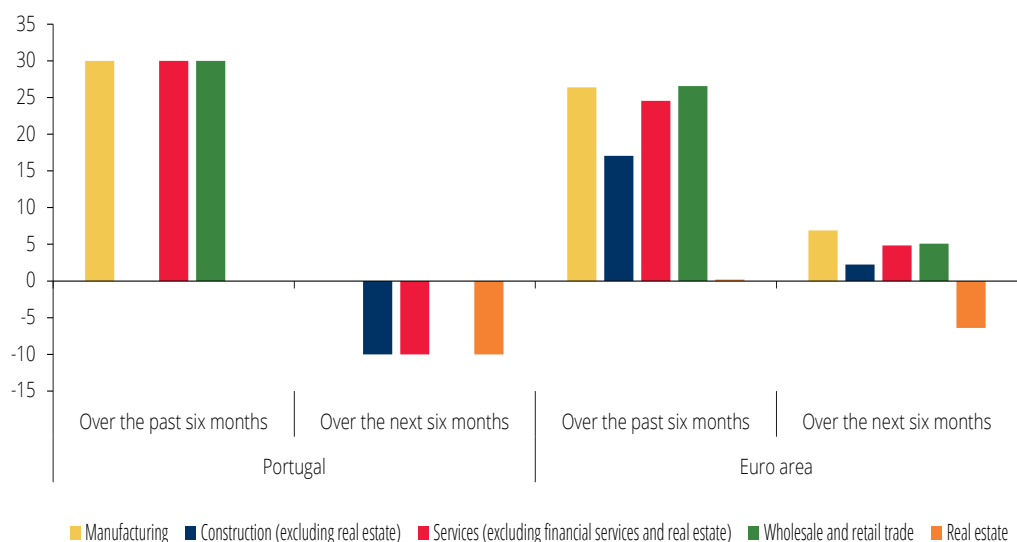
1. Economic Bulletin – June 2020, Banco de Portugal

2. The diffusion index for the euro area is typically lower than in Portugal, given that the sample of banks in Portugal is very small implying larger discrete variations in the index

For the next six months, in Portugal, less pronounced changes to the standards are expected than in the first semester of the year, but still heterogeneous across sectors of activity. Banks foresee a tightening of the standards mainly in services and real estate. As for manufacturing, banks anticipate a slight easing of the credit standards. In the euro area, on average, banks are expected to tighten again the standards homogeneously across sectors of activity.

In what concerns credit demand in Portugal over the past six months, construction stands out from the rest of the activities, as its demand remained broadly unchanged, in contrast with the increase reported by banks in all the other sectors (Chart C.2). In the euro area, banks' responses followed a similar pattern, except that only the real estate sector did not change its demand for bank credit. For the next six months, in Portugal a stabilization of demand is expected in manufacturing and trade and a slight decrease is expected in construction and services. In the euro area, banks expect, on average, a very slight increase in demand for all sectors, except for real estate.

Chart C.2 • Changes in demand for bank loans by sector of economic activity | Diffusion index



Source: ECB, Bank Lending Survey.

Notes: The diffusion index varies from -100 to 100. Values higher (lower) than zero imply an increase (decrease) in demand. The value zero corresponds to the "unchanged" situation.

In conclusion, according to the results from the sample of banks that participate in the Bank Lending Survey, it seems the impact of the COVID-19 pandemic on loan demand for firms was heterogeneous. In what concerns conditions to access bank credit, firms from the majority of sectors faced tighter credit standards in the first six months of the year, both in Portugal and in the euro area.

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 (NA).

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](#)”.

I • 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
Tightened considerably						1
Tightened somewhat		3	3	3	3	3
Remained basically unchanged		2	2	2	2	1
Eased somewhat						
Eased considerably						
N/A*						
Diffusion Index %	Jul.20	30	30	30	30	50
	Apr.20	0	0	0	0	0

*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
- ° = 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

	Overall impact on your bank's credit standards						Diffusion index %	
	--	-	°	+	++	N/A	Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
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								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook		1	3	1			50	0
Industry or firm-specific situation and outlook/borrower's creditworthiness			4	1			40	0
Risk related to the collateral demanded			2	3			20	0
d) Your bank's risk tolerance								
Your bank's risk tolerance		1	2	2			40	0
e) Other factors*								
			1					

	Impact on your bank's credit standards for loans to small and medium-sized enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
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	-10
b) Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook	1	3	1				50	10
Industry or firm-specific situation and outlook/borrower's creditworthiness		4	1				40	10
Risk related to the collateral demanded		2	3				20	0
d) Your bank's risk tolerance								
Your bank's risk tolerance	1	2	2				40	0
e) Other factors*								
		1						

	Impact on your bank's credit standards for loans to large enterprises						Diffusion index %	
	--	-	o	+	++	N/A	Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
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								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
c) Perception of risk								
General economic situation and outlook	1	3	1				50	0
Industry or firm-specific situation and outlook/borrower's creditworthiness		4	1				40	0
Risk related to the collateral demanded		2	3				20	0
d) Your bank's risk tolerance								
Your bank's risk tolerance	1	2	2				40	0
e) Other factors*								
		1						

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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
- ° = remained basically unchanged
- + = eased somewhat
- ++ = eased considerably
- N/A = not applicable

	Overall					Diffusion index %		
	--	-	°	+	++	N/A	Jul.20	Apr.20
a) Overall terms and conditions								
Overall terms and conditions		3	2				30	-10
b) Margins (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans		2	3				20	-10
Your bank's loan margin on riskier loans		2	3				20	0
c) Other conditions and terms								
Non-interest rate charges		1	4				10	0
Size of the loan or credit line		2	3				20	0
Collateral requirements	1	2	2				40	0
Loan covenants		1	4				10	0
Maturity			5				0	0

	Loans to small and medium-sized enterprises					Diffusion index %		
	--	-	°	+	++	N/A	Jul.20	Apr.20
a) Overall terms and conditions								
Overall terms and conditions		3	2				30	-10
b) Margins (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans		2	3				20	-10
Your bank's loan margin on riskier loans	1	1	3				30	0
c) Other conditions and terms								
Non-interest rate charges		1	4				10	0
Size of the loan or credit line		2	3				20	0
Collateral requirements	1	2	2				40	0
Loan covenants		1	4				10	0
Maturity			5				0	0

	Loans to large enterprises						Diffusion index %	
	--	-	°	+	++	N/A	Jul.20	Apr.20
a) Overall terms and conditions								
Overall terms and conditions		3	2				30	-10
b) Margins (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans		2	3				20	-10
Your bank's loan margin on riskier loans		2	3				20	0
c) Other conditions and terms								
Non-interest rate charges		1	4				10	0
Size of the loan or credit line		2	3				20	0
Collateral requirements	1	2	2				40	0
Loan covenants			5				0	0
Maturity			5				0	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

	Overall impact on your bank's credit terms and conditions						Diffusion index %	
	--	-	°	+	++	N/A	Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	-10
c) Perception of risk								
Perception of risk	1	2	2				40	0
d) Your bank's risk tolerance								
Your bank's risk tolerance	1	2	2				40	0

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	-10
c) Perception of risk								
Perception of risk	1	1	3				30	0
d) Your bank's risk tolerance								
Your bank's risk tolerance		2	3				20	0

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk	1	2	2				40	0
d) Your bank's risk tolerance								
Your bank's risk tolerance	1	1	3				30	0

5 • Enterprises - Rejected applications

Over the past three months (apart from normal seasonal fluctuations), has the share of 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	
Decrease considerably		
Decrease somewhat		
Remain basically unchanged		3
Increase somewhat		2
Increase considerably		
N/A*		
Diffusion Index %	Jul.20	20
	Apr.20	10

*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	
Decreased considerably			1			
Decreased somewhat				1		
Remain basically unchanged					1	
Increased somewhat	4	3	4	3	2	
Increased considerably	1	2		1	2	
N/A*						
Diffusion Index %	Jul.20	60	70	20	40	60
	Apr.20	10	20	20	10	20

*N/A = not applicable

7 • Enterprises - Demand - Factors

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

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

	--	-	°	+	++	NA	Diffusion index %	
							Jul.20	Apr.20
a) Financing needs/underlying drivers on purpose of loan demands								
Fixed investment	1	2	2				-40	10
Inventories and working capital			1	2	2		60	20
Mergers/acquisitions and corporate restructuring	1	1	2	1			-20	0
General level of interest rates			5				0	0
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)		1	1	3			20	0
b) Use of alternative finance								
Internal financing			4		1		20	0
Loans from other banks			5				0	10
Loans from non-banks			4	1			10	0
Issuance/redemption of debt securities			5				0	0
Issuance/redemption of equity			5				0	0
c) Other factors*								
		1		1	1			

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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
Tightened considerably			1		1	1
Tightened somewhat		2	1	2	1	1
Remained basically unchanged		2	2	2	2	3
Eased somewhat		1	1	1	1	
Eased considerably						
N/A*						
Diffusion Index %	Jul.20	10	20	10	20	30
	Apr.20	10	10	20	10	20

*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
Decrease considerably						
Decrease somewhat						
Remain basically unchanged				2		2
Increase somewhat		5	5	3	5	3
Increase considerably						
N/A*						
Diffusion Index %	Jul.20	50	50	30	50	30
	Apr.20	70	60	60	80	40

*N/A = not applicable

II • 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
Tightened considerably			
Tightened somewhat		3	4
Remained basically unchanged		2	1
Eased somewhat			
Eased considerably			
N/A*			
Diffusion Index %	Jul.20	30	40
	Apr.20	10	10

*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
- ° = 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

	--	-	°	+	++	N/A	Diffusion index %	
							Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
c) Perception of risk								
General economic situation and outlook		4	1				40	0
Housing market prospects, including expected house price developments			5				0	0
Borrower's creditworthiness		2	3				20	0
d) Your bank's risk tolerance								
Your bank's risk tolerance		3	2				30	10
e) Other factors*								
		1						

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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
- ° = remained basically unchanged
- + = eased somewhat
- ++ = eased considerably
- N/A = not applicable

	--	-	°	+	++	N/A	Diffusion index %	
							Jul.20	Apr.20
a) Overall terms and conditions								
Overall terms and conditions		1	4				10	10
b) Margins (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans		1	4				10	0
Your bank's loan margin on riskier loans		1	4				10	0
c) Other terms and conditions								
Collateral requirements			5				0	0
"Loan-to-value" ratio		2	3				20	10
Other loan size limits		1	4				10	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 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

	Overall impact on your bank's credit terms and conditions						Diffusion index %	
	--	-	°	+	++	N/A	Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk		3	2				30	10
d) Your bank's risk tolerance								
Your bank's risk tolerance		2	3				20	10
e) Other factors*								
		1						

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk		1	4				10	0
d) Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	0
e) Other factors*		1						

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk		1	4				10	0
d) Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	0
e) Other factors*		1						

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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
- 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

							Diffusion index %	
	--	-	o	+	++	N/A	Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
c) Perception of risk								
General economic situation and outlook		5					50	0
Creditworthiness of consumers		3	2				30	0
Risk on the collateral demanded			5				0	0
d) Your bank's risk tolerance								
Your bank's risk tolerance		2	3				20	10
e) Other factors*		2						

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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
- ° = remained basically unchanged
- + = eased somewhat
- ++ = eased considerably
- N/A = not applicable

	--	-	°	+	++	N/A	Diffusion index %	
							Jul.20	Apr.20
a) Overall terms and conditions								
Overall terms and conditions		1	4				10	10
b) Margins (i.e. the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased)								
Your bank's loan margin on average loans		1	4				10	0
Your bank's loan margin on riskier loans		1	4				10	0
c) Other terms and conditions								
Collateral requirements		1	4				10	10
Size of the loan				5			0	0
Maturity		1	4				10	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

	Overall impact on your bank's credit terms and conditions						Diffusion index %	
	--	-	°	+	++	N/A	Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk		3	2				30	0
d) Your bank's risk tolerance								
Your bank's risk tolerance		2	3				20	10
e) Other factors*								
		1						

	Impact on your bank's margin on average loans						Diffusion index %	
	--	-	o	+	++	N/A	Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk		1	4				10	0
d) Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	0
e) Other factors*								
		1						

	Impact on your bank's margin on riskier loans						Diffusion index %	
	--	-	o	+	++	N/A	Jul.20	Apr.20
a) Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
b) Pressure from competition								
Pressure from competition			5				0	0
c) Perception of risk								
Perception of risk		2	3				20	0
d) Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	0
e) Other factors*								
		1						

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

17 • Households - Rejected applications

Over the past three months (apart from normal seasonal fluctuations), has the share of 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
Decreased considerably		
Decreased somewhat		
Remained basically unchanged	2	2
Increased somewhat	3	3
Increased considerably		
N/A*		
Diffusion Index %	Jul.20	30
	Apr.20	10
		30
		0

*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
Decreased considerably		2	3
Decreased somewhat		2	2
Remained basically unchanged		1	
Increased somewhat			
Increased considerably			
N/A*			
Diffusion Index %	Jul.20	-60	-80
	Apr.20	-10	-10

*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

	--	-	°	+	++	N/A	Diffusion index %	
							Jul.20	Apr.20
a) Financing needs/underlying drivers or purpose of loan demand								
Housing market prospects, including expected house price developments		2	3				-20	0
Consumer confidence	1	3	1				-50	-10
General level of interest rates			5				0	0
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)								
Internal finance of house purchase out of savings/down payment (i.e. share financed via the household's own funds)			5				0	-10
Loans from other banks		1	4				-10	0
Other sources of external finance			5				0	0
c) Other factors*		1						

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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

	--	-	o	+	++	N/A	Diffusion index %	
							Jul.20	Apr.20
a) Financing needs/underlying drivers or purpose of loan demand								
Spending on durable consumer goods, such as cars, furniture, etc.		3	2				-30	10
Consumer confidence	1	4					-60	-10
General level of interest rates			5				0	10
Consumption expenditure financed through real-estate guaranteed loans ("mortgage equity withdrawal")			5				0	0
b) Use of alternative finance								
Internal finance out of savings			5				0	0
Loans from other banks		1	4				-10	-10
Other sources of external finance			5				0	0
c) Other factors*								
	2	1						

*A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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
Tighten considerably			
Tighten somewhat			2
Remain basically unchanged	5		3
Ease somewhat			
Ease considerably			
N/A*			
Diffusion Index %	Jul.20	0	20
	Apr.20	40	30

*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
Decrease considerably			
Decrease somewhat		1	1
Remain basically unchanged		2	2
Increase somewhat		2	2
Increase considerably			
N/A*			
Diffusion Index %	Jul.20	10	10
	Apr.20	-70	-50

*N/A = not applicable

23 • Ad hoc question on retail and wholesale funding

As a result of the situation in financial markets⁽¹⁾, 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
- ° = remained unchanged/will remain unchanged
- + = eased somewhat/will ease somewhat
- ++ = eased considerably/will ease considerably
- N/A = not applicable

	Over the past three months						Over the next three months					
	--	-	°	+	++	N/A ⁽²⁾	--	-	°	+	++	N/A ⁽²⁾
Retail funding												
Short-term deposits (up to one year)			3	2					4	1		
Long-term (more than one year) deposits and other retail funding instruments		1	4					1	3	1		
Inter-bank unsecured money market												
Very short term money market (up to 1 week)			5				1		4			
Short-term money market (more than 1 week)		1	4				1		4			
Wholesale debt securities⁽³⁾												
Short-term debt securities (e.g. certificates of deposit or commercial paper)		1	3			1	1	3				1
Medium to long term debt securities (incl. covered bonds)		1		3	1		1	3	1			
Securitisation⁽⁴⁾												
Securitisation of corporate loans		1	3			1	2	2				1
Securitisation of loans for house purchase		1	3			1	2	2				1
Ability to transfer credit risk off balance sheet⁽⁵⁾												
Ability to transfer credit risk off balance sheet	1	2	1			1	1	2	1			1
Other factors⁽⁶⁾												
			1					1				

(1) Please also take into account any effect of state guarantees vis-à-vis debt securities and recapitalisation support.

(2) Please select "N/A" (not applicable) only if the source of funding is not relevant for your bank.

(3) Usually involves on-balance sheet funding.

(4) Usually involves the sale of loans from banks' balance sheets, i.e. off-balance sheet funding

(5) Usually involves the use of credit derivatives, with the loans remaining on banks' balance sheets.

(6) A bank may choose the option "Other factors" when it considers that there is a relevant factor in addition to the ones that are specified in the question. In this case the diffusion index cannot be calculated.

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⁽¹⁾ 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

	Over the past six months					N/A ⁽²⁾
	--	-	o	+	++	
Impact of NPL ratio on the change in your bank's credit standards						
Loans and credit lines to enterprises		1	4			
Loans to households for house purchase		1	4			
Consumer credit and other lending to households		1	4			
Impact of NPL ratio on the change in your bank's credit terms and conditions						
Loans and credit lines to enterprises		1	4			
Loans to households for house purchase		1	4			
Consumer credit and other lending to households		1	4			
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		1	4			
Costs related to your bank's balance sheet clean-up operations ⁽³⁾		1	4			
Pressure related to supervisory or regulatory requirements ⁽⁴⁾			1	4		
Your bank's access to market financing		1	4			
Your bank's liquidity position			1	4		
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 ⁽⁵⁾			1	4		
Your bank's risk tolerance			1	4		

	Over the next six months					N/A ⁽²⁾
	--	-	o	+	++	
Impact of NPL ratio on your bank's credit standards						
Loans and credit lines to enterprises		2	3			
Loans to households for house purchase		2	3			
Consumer credit and other lending to households		3	2			
Impact of NPL ratio on your bank's credit terms and conditions						
Loans and credit lines to enterprises		2	3			
Loans to households for house purchase		2	3			
Consumer credit and other lending to households		2	3			
Contribution of factors through which the NPL ratio affects your bank's policy on lending to enterprises and households (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	1	1	3			
Costs related to your bank's balance sheet clean-up operations ⁽³⁾	1	1	3			
Pressure related to supervisory or regulatory requirements ⁽⁴⁾		1	4			
Your bank's access to market financing	1	1	3			
Your bank's liquidity position		1	4			
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 ⁽⁵⁾		4	1			
Your bank's risk tolerance		2	3			

1) 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.

(2) 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.

(3) This may include costs due to the need for additional provisions and/or write-offs exceeding the previous stock of provisions.

(4) This may include expectations of or uncertainty about future supervisory or regulatory requirements.

(5) 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⁽¹⁾? 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

° = 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

	Over the past six months					N/A ⁽²⁾
	--	-	°	+	++	
Your bank's credit standards						
Manufacturing		3	2			
Construction (excluding real estate)	2	1	2			
Services (excluding financial services and real estate)	1	2	2			
Wholesale and retail trade	1	2	2			
Real estate ⁽³⁾	2	1	2			
<i>of which:</i> Commercial real estate	2	1	2			
Residential real estate	1	2	2			
Your bank's terms and conditions						
Manufacturing		3	2			
Construction (excluding real estate)	2	1	2			
Services (excluding financial services and real estate)		3	2			
Wholesale and retail trade		3	2			
Real estate ⁽³⁾	2	1	2			
<i>of which:</i> Commercial real estate	2	1	2			
Residential real estate	2	1	2			
Demand for loans at your bank						
Manufacturing			3	1	1	
Construction (excluding real estate)		1	3	1		
Services (excluding financial services and real estate)			3	1	1	
Wholesale and retail trade			3	1	1	
Real estate ⁽³⁾		1	3	1		
<i>of which:</i> Commercial real estate	1		3	1		
Residential real estate	1		3	1		

	Over the next six months					N/A ⁽²⁾
	--	-	o	+	++	
Your bank's credit standards						
Manufacturing			4	1		
Construction (excluding real estate)			5			
Services (excluding financial services and real estate)		2	3			
Wholesale and retail trade		2	2	1		
Real estate ⁽³⁾	1		4			
<i>of which:</i> Commercial real estate	1	1	3			
Residential real estate	1		4			
Your bank's terms and conditions						
Manufacturing		1	3	1		
Construction (excluding real estate)		2	3			
Services (excluding financial services and real estate)		1	4			
Wholesale and retail trade		1	3	1		
Real estate ⁽³⁾	1	1	3			
<i>of which:</i> Commercial real estate	1	1	3			
Residential real estate	1	1	3			
Demand for loans at your bank						
Manufacturing		2	1	2		
Construction (excluding real estate)		2	2	1		
Services (excluding financial services and real estate)		2	2	1		
Wholesale and retail trade		2	1	2		
Real estate ⁽³⁾		2	2	1		
<i>of which:</i> Commercial real estate		2	3			
Residential real estate		2	3			

(1) 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. 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.

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

(3) 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 credit granted to enterprises excluding the credit lines with State guarantee associated with the COVID-19 pandemic

Excluding the credit granted with State guarantee under the credit lines associated with the COVID-19 pandemic, over the past three months, how have your bank's lending policy to enterprises and demand for loans or credit lines to enterprises changed? And what do you expect for the next three months?

-- = tightened considerably/decreased considerably / will tighten considerably/will decrease considerably

- = tightened somewhat/decreased somewhat / will tighten somewhat/will decrease somewhat

° = 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

	Over the past three months					Over the next three months						
	--	-	°	+	++	N/A ⁽¹⁾	--	-	°	+	++	N/A ⁽¹⁾
Your bank's credit standards												
Overall		3	2					2	3			
Loans to small and medium-sized enterprises		3	2					2	3			
Loans to large enterprises		3	2					2	3			
Short-term loans		3	2					2	3			
Long-term loans	1	2	2				1	1	3			
Your bank's terms and conditions												
Overall terms and conditions		3	2					2	3			
Demand for loans at your bank												
Overall		2	3					2	2	1		
Loans to small and medium-sized enterprises		2	3					2	2	1		
Loans to large enterprises		1	4					2	2	1		
Short-term loans		2	2	1				2	2	1		
Long-term loans		2	3					2	3			

(1) Please select "N/A" (not applicable) only if your bank does not have any business in or exposure to the respective lending category.