

BANK LENDING SURVEY

RESULTS FOR PORTUGAL

JUL. 2021



BANCO DE
PORTUGAL
EUROSYSTEM

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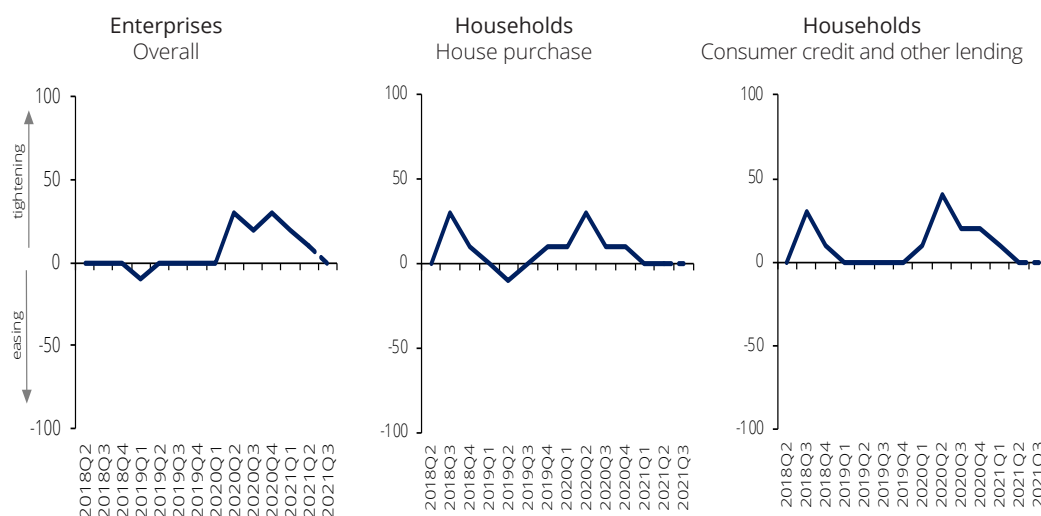
1 Presentation of the results

The questionnaire for this round of the survey was sent to the banks on June 14, 2021 and the responses were received by June 29. The assessment of supply and demand refers to the **2nd quarter of 2021** in comparison with the previous quarter. Expectations are for the 3rd quarter of 2021.

1.1 Supply

- **Credit standards for loans:** very slight tightening in loans to firms, across firm types and loan maturities, and broadly unchanged in loans to households.
 - **Factors:** the contribution of the perception of risks associated with industry or firm-specific situation and outlook stands out.
- **Terms and conditions:** in loans to firms, slightly tighter conditions in collateral requirements and in non-interest rate charges and slight increase in the spreads applied to riskier loans granted to large firms; slight decrease in the spreads applied to average loans granted to firms and to households for house purchase. In loans to households for consumer and other lending terms and conditions remained broadly unchanged.
 - **Factors:** in loans to firms, the perception of risks and risk tolerance, mainly in riskier loans, contributed to tighter terms and conditions; in average loans, the cost of funds and balance sheet constraints and the pressure from competition contributed to an easing in terms and conditions; in loans for house purchase the perception of risks and the pressure from competition contributed to a decrease in the spreads applied to average loans.
- **Share of rejected loan applications:** slight increase in loans to firms, slight decrease in consumer loans and basically unchanged in loans for house purchase.
- **Expectations:** credit standards in loans to firms and to households broadly unchanged.

Chart 1.1 • Credit supply | Diffusion index

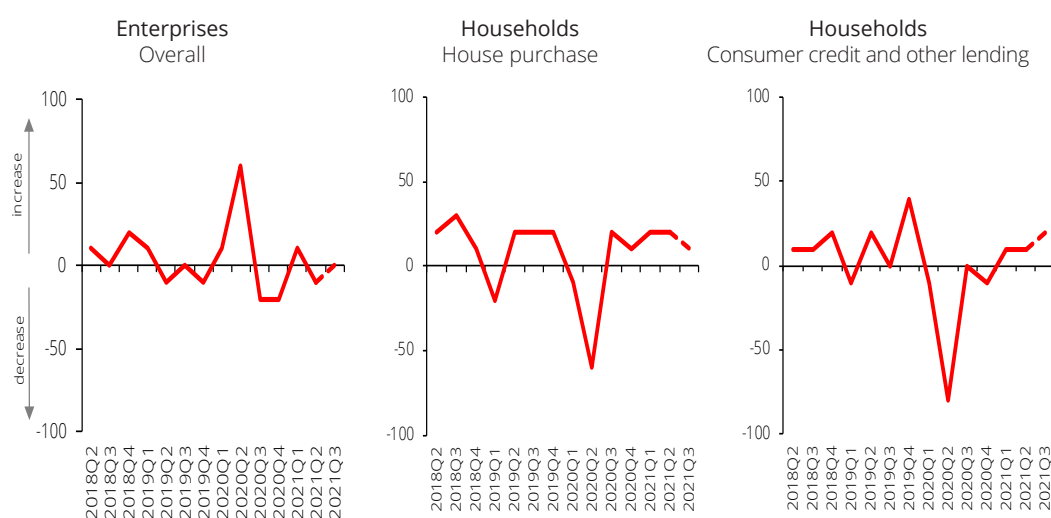


Notes: The credit supply corresponds to credit standards. The diffusion index varies between -100 and 100. Values of less (more) than zero mean an easing (tightening) of credit standards. Figures for the last quarter are banks' expectations.

1.2 Demand

- **Demand for loans by firms:** very heterogeneous assessment by banks leading, on average, to a slight decrease in demand, in particular for short term loans.
 - **Factors:** lower financing needs for mergers/acquisitions and corporate restructuring, and to a lesser extent, lower financing needs for investment and for debt refinancing/restructuring and renegotiation.
- **Demand for loans by households:** slight increase in loans for house purchase and a heterogeneous assessment in consumer credit leading, on average, to a very small increase in demand.
 - **Factors:** consumer confidence and the level of interest rates contributed slightly to increase credit demand.
- **Expectations:** in loans to firms, very heterogeneous assessment by banks, with demand remaining overall unchanged. In loans to households, an expectation of a slight increase in the demand for consumer credit and other lending stands out.

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:** improved retail funding capacity through short-term deposits stands out.
- **Next three months:** access to markets without significant changes.

On the impact of banks' non-performing loans (Question 24 in the annex)*

- **On the change in the credit policy – past six months:** slightly tighter credit standards and terms and conditions for loans to firms. No impact in loans to households.
 - **Factors:** the perception of risks and the risk tolerance contributed to tighter conditions.
- **Next six months:** no impact on the credit standards, terms and conditions in loans to firms and households.

* See also “Box: Impact of the NPL ratio on the credit supply during the pandemic”.

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

- **Credit standards – past six months:** slightly tighter, especially in loans to firms in services (excluding financial services and real estate), wholesale and retail trade, building construction and real estate activities related to commercial real estate.
- **Terms and conditions – past six months:** slight easing in loans to firms in the manufacturing and construction (except building construction and real estate activities related to commercial real estate).
- **Demand for loans – past six months:** slight increase in demand especially by firms in services (excluding financial services and real estate) and wholesale and retail trade.
- **Next six months:** in overall terms, changes in credit standards, terms and conditions and demand for loans to firms across main sectors of activity similar to those of the past six months, but slighter.

On government loan guarantees related to the coronavirus pandemic (Question 26 in the annex)

- **Loans or credit lines with COVID-19 related government guarantees:**
 - **Credit policy:**
 - **First half of 2021:** slight easing of credit standards, terms and conditions relative to the former semester, in particular in loans to SME.
 - **Next six months:** credit standards, terms and conditions basically unchanged relative to the last six months.

- **Demand:** increased in the **first half of 2021**, in particular from SME, and expected to basically remain unchanged in the **next six months**.

Factors:

- **First half of 2021:** for covering acute liquidity needs and as a precautionary liquidity buffer, mainly in the case of SME. On the contrary, fixed investment financing and the replacement of existing loans contributed slightly to the reduction in demand from SME.
- **Loans or credit lines without COVID-19 related government guarantees:**
 - **Credit policy:**
 - **First half of 2021:** slightly tighter credit standards, in particular in loans to SME.
 - **Next six months:** credit standards, terms and conditions broadly unchanged.
 - **Demand:** slight reduction in the **first half of 2021**, from large firms, and expected to basically remain unchanged in the **next six months**.

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

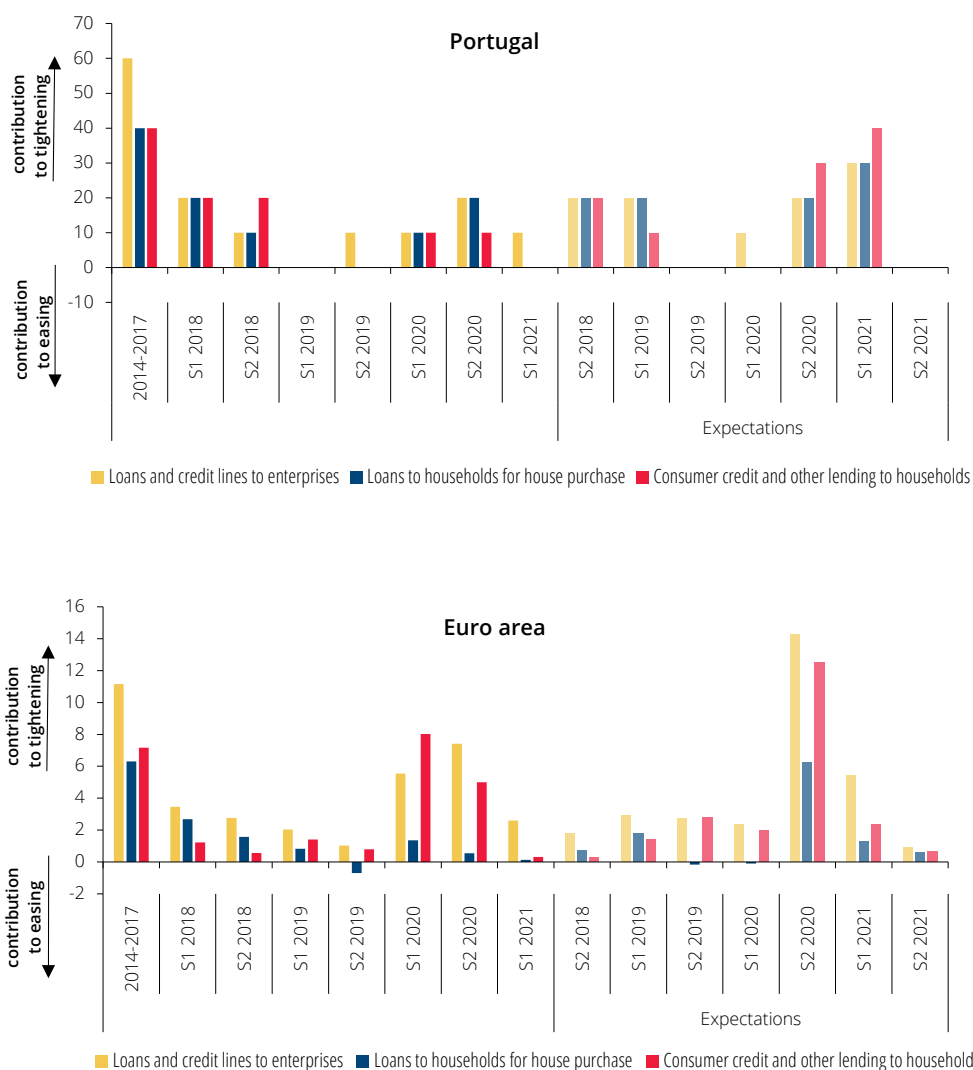
Box • Impact of the NPL ratio on the credit supply during the pandemic

The existence of non-performing loans (NPLs) on banks' balance sheets can affect their policy when granting credit to firms and households. In a context of increased credit risk, such as the current one, banks' perception of this impact is particularly relevant. Since July 2018, the Bank Lending Survey includes an ad hoc question on the impact of banks' NPL ratio on their lending policy. The question covers the past situation (last six months) and expectations (next six months). In July 2018, the survey additionally included a question related to the 2014-2017 period. This box analyses the responses of Portuguese and euro area banks to this question.

According to Portuguese banks, the impact of the NPL ratio on credit standards changed over time. In the period from 2014 to 2017, the NPL ratio contributed to tighter credit standards to firms and, to a lesser extent, to households (for house purchase and consumer and other lending) (Chart C.1). In 2018, credit tightening due to this ratio was slighter and, in 2019, it was practically non-existent. The downward path of the NPL ratio started in 2016 may have contributed to these developments. In 2020, banks considered that the NPL ratio slightly contributed to tighten again credit standards, both for firms and households. For the first half of 2021, they reported no impact on loans to households and only a slight impact on firms. The responses of euro area banks show a similar trend: a reduction in the impact of the NPL ratio to tighter credit standards in the years immediately before the pandemic and an increase after the start of the pandemic, more pronounced in 2020 than in the first half of 2021. Compared to Portuguese banks, the impact to tighter credit standards in 2020 occurs mainly in loans to firms and consumer loans, while in Portugal it also covers loans for house purchase.

For the second half of 2020 and the first half of 2021, both Portuguese and euro area banks expected tighter credit standards, resulting from the NPL ratio, than what took place. For the second half of 2021, banks predict that the NPL ratio will have basically no impact on credit standards. The measures already implemented to support firms and households may have contributed to this assessment, as well as expectations of continued support for the most affected sectors. Also, the progress made by the banking system since the last crisis, towards making it more robust and resistant to shocks, contribute to lower the impact of NPLs on credit granting.

Chart C.1 • Impact of non-performing loans (NPLs) ratio on banks' credit standards |
Diffusion index



Source: Banco de Portugal and ECB. | Notes: The NPL ratio is defined as the stock of gross non-performing loans on bank's balance sheet as a percentage of the gross outstanding 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. The diffusion index varies between -100 and 100. Values of more (less) than zero mean a tightening (an easing) of credit standards, where zero corresponds to "remained 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.

2 Annex¹

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

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

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

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

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

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

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

2.1 Loans or credit lines to enterprises

1 • Enterprises – Credit standards

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

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
No of banks that selected the option					
Tightened considerably					
Tightened somewhat	1	1	1	1	1
Remained basically unchanged	4	4	4	4	4
Eased somewhat					
Eased considerably					
N/A ^(a)					
Diffusion index %					
Jul. 21	10	10	10	10	10
Apr. 21	20	20	10	20	20

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

2 • Enterprises – Credit standards – Factors

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

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

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 21	Apr. 21
Overall impact on your bank's credit standards								
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			4	1			-10	-10
Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
Perception of risk								
General economic situation and outlook		1	4				10	20
Industry or firm-specific situation and outlook/borrower's creditworthiness		2	3				20	40
Risk related to the collateral demanded			5				0	20
Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	20

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 21	Apr. 21
Impact on your bank's credit standards for loans to small and medium-sized enterprises								
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			4	1			-10	-10
Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
Perception of risk								
General economic situation and outlook			1	4			10	20
Industry or firm-specific situation and outlook/borrower's creditworthiness			2	3			20	40
Risk related to the collateral demanded			5				0	20
Your bank's risk tolerance								
Your bank's risk tolerance			1	4			10	20

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

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			4	1			-10	-10
Pressure from competition								
Competition from other banks			4	1			-10	10
Competition from non-banks			5				0	0
Competition from market financing			5				0	0
Perception of risk								
General economic situation and outlook			1	4			10	20
Industry or firm-specific situation and outlook/borrower's creditworthiness			2	3			20	40
Risk related to the collateral demanded			5				0	20
Your bank's risk tolerance								
Your bank's risk tolerance			1	4			10	20

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

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Jul. 21	Apr. 21
Overall								
Overall terms and conditions								
Overall terms and conditions			5				0	0
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans			4	1			-10	-10
Your bank's loan margin on riskier loans			5				0	10
Other conditions and terms								
Non-interest rate charges		1	4				10	10
Size of the loan or credit line			5				0	10
Collateral requirements		1	4				10	30
Loan covenants			5				0	10
Maturity			5				0	10

Loans to small and medium-sized enterprises

Overall terms and conditions								
Overall terms and conditions			5				0	0
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans			4	1			-10	-10
Your bank's loan margin on riskier loans			5				0	10
Other conditions and terms								
Non-interest rate charges		1	4				10	10
Size of the loan or credit line			5				0	10
Collateral requirements		1	4				10	30
Loan covenants			5				0	10
Maturity			5				0	10

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 21	Apr. 21
Loans to large enterprises								
Overall terms and conditions								
Overall terms and conditions		1	4				10	10
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans			4	1			-10	10
Your bank's loan margin on riskier loans		1	4				10	0
Other conditions and terms								
Non-interest rate charges		1	4				10	10
Size of the loan or credit line			5				0	20
Collateral requirements		1	4				10	20
Loan covenants			5				0	0
Maturity			5				0	10

4 • Enterprises – Terms and conditions – Factors

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

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

							Diffusion index %	
							Jul. 21	Apr. 21
							</	

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
No of banks that selected the option	
Decrease considerably	
Decrease somewhat	
Remain basically unchanged	4
Increase somewhat	1
Increase considerably	
N/A ^(a)	
Diffusion index %	
Jul. 21	10
Apr. 21	10

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

6 • Enterprises – Demand

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

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
No of banks that selected the option					
Decrease considerably				1	
Decrease somewhat	2	2	2	1	1
Remain basically unchanged	2	2	2	2	3
Increase somewhat	1	1	1	1	1
Increase considerably					
N/A ^(a)					
Diffusion index %					
Jul. 21	-10	-10	-10	-20	0
Apr. 21	10	10	-10	0	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						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 21	Apr. 21
Financing needs/underlying drivers on purpose of loan demands								
Fixed investment		3	1	1			-20	-30
Inventories and working capital		1	2	2			10	20
Mergers/acquisitions and corporate restructuring		3	2				-30	-30
General level of interest rates			4	1			10	10
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)		2	3				-20	-10
Use of alternative finance								
Internal financing			4	1			10	20
Loans from other banks		1	4				-10	-10
Loans from non-banks			5				0	10
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
No of banks that selected the option					
Tightened considerably					
Tightened somewhat					
Remained basically unchanged	5	5	5	5	5
Eased somewhat					
Eased considerably					
N/A ^(a)					
Diffusion index %					
Jul. 21	0	0	0	0	0
Apr. 21	10	10	10	10	10

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

9 • Enterprises – Demand – Outlook

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

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
No of banks that selected the option					
Decrease considerably					
Decrease somewhat	2	1	1	2	1
Remain basically unchanged	1	2	3	1	3
Increase somewhat	2	2	1	2	1
Increase considerably					
N/A ^(a)					
Diffusion index %					
Jul. 21	0	10	0	0	0
Apr. 21	-10	0	-10	-10	-10

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

2.2 Loans to households

10 • Households – Credit standards

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

	Loans for house purchase	Consumer credit and other lending
No of banks that selected the option		
Tightened considerably		
Tightened somewhat		
Remained basically unchanged	5	5
Eased somewhat		
Eased considerably		
N/A ^(a)		
Diffusion index %		
Jul. 21	0	0
Apr. 21	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	Jul. 21	Apr. 21
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	-10
Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Perception of risk								
General economic situation and outlook			5				0	10
Housing market prospects, including expected house price developments			5				0	0
Borrower's creditworthiness			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	10

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

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Jul. 21	Apr. 21
Overall terms and conditions								
Overall terms and conditions			5				0	0
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans			4	1			-10	0
Your bank's loan margin on riskier loans			5				0	10
Other terms and conditions								
Collateral requirements			5				0	0
"Loan-to-value" ratio			5				0	0
Other loan size limits			5				0	0
Maturity			5				0	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	Jul. 21	Apr. 21
Overall impact on your bank's credit terms and conditions								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	-10
Pressure from competition								
Pressure from competition			5				0	-10
Perception of risk								
Perception of risk			5				0	10
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	10
Impact on your bank's margin on average loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	-10
Pressure from competition								
Pressure from competition			4	1			-10	-10
Perception of risk								
Perception of risk			4	1			-10	10
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	10
Impact on your bank's margin on riskier loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	-10
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	10
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	10

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	Jul. 21	Apr. 21
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
Pressure from competition								
Competition from other banks			5				0	0
Competition from non-banks			5				0	0
Perception of risk								
General economic situation and outlook			5				0	20
Creditworthiness of consumers			5				0	10
Risk on the collateral demanded			5				0	0
Your bank's risk tolerance								
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
- ° remained basically unchanged
- + eased somewhat
- ++ eased considerably
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Jul. 21	Apr. 21
Overall terms and conditions								
Overall terms and conditions			5				0	0
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans			5				0	10
Your bank's loan margin on riskier loans			5				0	10
Other terms and conditions								
Collateral requirements			5				0	10
Size of the loan			5				0	10
Maturity			5				0	10
Non-interest rate charges			5				0	0

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

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

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

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Jul. 21	Apr. 21
Overall impact on your bank's credit terms and conditions								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	-10
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	20
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	10
Impact on your bank's margin on average loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	-10
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	20
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	10
Impact on your bank's margin on riskier loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	-10
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	30
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	10

17 • Households – Rejected applications

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

	Share of rejected applications	
	Loans for house purchase	Consumer credit and other lending
No of banks that selected the option		
Decreased considerably		
Decreased somewhat		1
Remained basically unchanged	5	4
Increased somewhat		
Increased considerably		
N/A ^(a)		
Diffusion index %		
Jul. 21	0	-10
Apr. 21	0	20

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

18 • Households – Demand

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

	Loans for house purchase	Consumer credit and other lending
No of banks that selected the option		
Decreased considerably		
Decreased somewhat		1
Remained basically unchanged	3	2
Increased somewhat	2	2
Increased considerably		
N/A ^(a)		
Diffusion Index %		
Jul. 21	20	10
Apr. 21	20	10

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

19 • Loans for house purchase – Demand - Factors

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

- contributed considerably to lower demand
- contributed somewhat to lower demand
- ° 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	Jul. 21	Apr. 21
Financing needs/underlying drivers or purpose of loan demand								
Housing market prospects, including expected house price developments			5				0	10
Consumer confidence			4	1			10	0
General level of interest rates			4	1			10	30
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)			5				0	10
Regulatory and fiscal regime of housing markets			5				0	0
Use of alternative sources for housing finance (substitution effects)								
Internal finance of house purchase out of savings/down payment (i.e. share financed via the household's own funds)			5				0	10
Loans from other banks			5				0	10
Other sources of external finance			5				0	0

20 • Consumer credit and other lending – Demand – Factors

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

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

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Jul. 21	Apr. 21
Financing needs/underlying drivers or purpose of loan demand								
Spending on durable consumer goods, such as cars, furniture, etc.		1	3	1			0	10
Consumer confidence		1	2	2			10	-10
General level of interest rates			4	1			10	20
Consumption expenditure financed through real-estate guaranteed loans ("mortgage equity withdrawal")			5				0	0
Use of alternative finance								
Internal finance out of savings			5				0	0
Loans from other banks			5				0	10
Other sources of external finance			5				0	0

21 • Households – Credit standards – Outlook

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

	Loans for house purchase	Consumer credit and other lending
No of banks that selected the option		
Tighten considerably		
Tighten somewhat		
Remain basically unchanged	5	5
Ease somewhat		
Ease considerably		
N/A ^(a)		
Diffusion index %		
Jul. 21	0	0
Apr. 21	10	10

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

22 • Households – Demand – Outlook

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

	Loans for house purchase	Consumer credit and other lending
No of banks that selected the option		
Decrease considerably		
Decrease somewhat		
Remain basically unchanged	4	3
Increase somewhat	1	2
Increase considerably		
N/A ^(a)		
Diffusion index %		
Jul. 21	10	20
Apr. 21	10	20

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

23 • Ad hoc question on retail and wholesale funding

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

- deteriorated considerably/will deteriorate considerably
- deteriorated somewhat/will deteriorate somewhat
- ° 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		
	--	-	°	+	++	N/A ^(b)	
Retail funding							
Short-term deposits (up to one year)			2	2	1		4 1
Long-term (more than one year) deposits and other retail funding instruments			5				5
Inter-bank unsecured money market							
Very short term money market (up to 1 week)			5				5
Short-term money market (more than 1 week)			5				5
Wholesale debt securities^(c)							
Short-term debt securities (e.g. certificates of deposit or commercial paper)			4			1	4 1
Medium to long term debt securities (incl. covered bonds)		1	3	1			5
Securitisation^(d)							
Securitisation of corporate loans		1	2			2	1 2 2
Securitisation of loans for house purchase			3			2	3 2
Ability to transfer credit risk off balance sheet^(e)							
Ability to transfer credit risk off balance sheet		1	2			2	3 2

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

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

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

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

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

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

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

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

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

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

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

26 • Ad hoc question on government loan guarantees related to the coronavirus pandemic

How have your bank's credit standards, terms and conditions and the demand for loans at your bank - with COVID-19 related government loan guarantees and without government loan guarantees - changed? How have the following factors affected the demand for loans at your bank? Please describe the changes over the past six months, as well as how you expect this to change over the next six months.

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

N/A not applicable

a) Loans or credit lines with COVID-19 related government guarantees^(a)

	No of banks that selected the option													
	Over the past six months						Over the next six months							
	--	-	o	+	++	N/A ^(b)	--	-	o	+	++	N/A ^(b)		
Credit standards														
For loans or credit lines to enterprises with COVID-19 related government guarantees, overall			3	2					5					
of which:														
To small and medium-sized enterprises			3	2					5					
To large enterprises			3	1		1			4				1	
Terms and conditions														
For loans or credit lines to enterprises with COVID-19 related government guarantees, overall			3	2					5					
of which:														
To small and medium-sized enterprises			3	2					5					
To large enterprises			3	1		1			4				1	
Demand														
For loans or credit lines to enterprises with COVID-19 related government guarantees, overall			2	2	1			1	3	1				
of which:														
To small and medium-sized enterprises			2	2	1			1	3	1				
To large enterprises			3	1		1			4				1	

b) Factors affecting the demand for loans or credit lines with COVID-19 related government guarantees at your bank^(a)

	No of banks that selected the option											
	Over the past six months						Over the next six months					
	--	-	o	+	++	N/A ^(b)	--	-	o	+	++	N/A ^(b)
For loans or credit lines to enterprises with COVID-19 related government guarantees, overall												
For covering acute liquidity needs ^(c)			1	2	2		1	3	1			
As a precautionary liquidity buffer			1	3	1		1	4				
For financing fixed investment		2	3					5				
For substituting existing loans		1	3			1		4			1	
of which:												
To small and medium-sized enterprises												
For covering acute liquidity needs ^(c)			1	2	2		1	3	1			
As a precautionary liquidity buffer			1	3	1		1	4				
For financing fixed investment		2	3					5				
For substituting existing loans		1	3			1		4			1	
To large enterprises												
For covering acute liquidity needs ^(c)			3	1		1		4			1	
As a precautionary liquidity buffer			2	2		1		4			1	
For financing fixed investment			4			1		4			1	
For substituting existing loans			4			1		4			1	

c) Loans or credit lines without COVID-19 related government guarantees^(a)

	No of banks that selected the option						
	Over the past six months						Over the next six months
	--	-	o	+	++	N/A ^(b)	-- - o + ++ N/A ^(b)
Credit standards							
For loans or credit lines to enterprises without COVID-19 related government guarantees, overall		2	3				5
of which:							
To small and medium-sized enterprises and the self-employed ^(d)		2	3				5
To large enterprises		1	4				5
Terms and conditions							
For loans or credit lines to enterprises without COVID-19 related government guarantees, overall			4	1			5
of which:							
To small and medium-sized enterprises and the self-employed ^(d)			4	1			5
To large enterprises			4	1			5
Demand							
For loans or credit lines to enterprises without COVID-19 related government guarantees, overall		1	4				4 1
of which:							
To small and medium-sized enterprises and the self-employed ^(d)		1	4				4 1
To large enterprises		2	3				5

Notes: (a) Including all loans which have been originated by the bank, i.e. also including loans which have been removed from the bank's balance sheet following loan origination. (b) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective category or if no COVID-19 government guarantee exists for this loan category. (c) This may also include the limited availability or unavailability of other financing sources. (d) "The self-employed" includes sole proprietorships and partnerships.