

BANK LENDING SURVEY



RESULTS FOR PORTUGAL

OCT. 2020



BANCO DE
PORTUGAL
EUROSYSTEM

Bank lending survey

Results for Portugal
October 2020



BANCO DE PORTUGAL
EUROSISTEMA

Lisbon, 2020 • www.bportugal.pt

Presentation of the results

The questionnaire for this round of the survey was sent to the banks on September 21 and the responses were received by October 6.

In the third quarter of 2020, the perception of risks related to the economic situation led banks to apply slightly tighter credit standards for loans to firms and households. Demand for loans by firms decreased somewhat mainly due to the reduction of financing needs for investment and related to mergers/acquisitions and corporate restructuring. In the case of households, demand for housing loans increased somewhat and remained broadly unchanged for consumer credit. The level of interest rates contributed to increase demand, especially for house purchase, and consumer confidence contributed to its reduction, mainly in the consumer credit segment.

Supply

In the third quarter of 2020, credit standards for loans to firms and households became slightly tighter compared to the previous quarter (Chart 1). The greater perception of risks and lower risk tolerance on the part of banks contributed to this evolution. In credit to firms, the perception of risks associated with industry or firm-specific situation and outlook stands out. Also, but to a lesser extent, the perception of risks associated with the general economic situation and outlook and with the collateral demanded contributed to the tightening of credit standards to firms. In this credit segment, spreads applied to riskier loans have increased and the maturity, the collateral requirements and the size of the loan became somewhat tighter. In loans to households, the perception of risks associated with the general economic situation and outlook contributed to the tightening for housing and consumer loans. Banks also indicated a lower risk tolerance for consumer loans. The terms and conditions of housing and consumer loans have however remained broadly unchanged. The share of rejected loan applications remained broadly unchanged for firm and housing loans, but increased for consumer loans. For the last quarter of the year, banks anticipate slightly tighter credit standards for credit to firms and practically unchanged for credit to households.

Demand

In the third quarter of the year, the demand for loans by firms decreased somewhat, and more sharply in the case of large firms, mainly influenced by the reduction in financing needs for investment and related to mergers/acquisitions and corporate restructuring. In the case of households, demand for housing loans increased somewhat and remained unchanged for consumer loans (Chart 2). The general level of interest rates contributed to increase demand by households, especially for housing loans, and, conversely, consumer confidence contributed to its decrease, especially for consumer loans. For the fourth quarter of 2020, banks anticipate a decrease in credit demand by firms, across types of firms and loan maturities, but more pronounced in SMEs and long-term loans. In the case of households, banks anticipate an increase in demand for consumer credit and a stabilization in the demand for housing loans.

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 third quarter of 2020, there was an improvement in retail funding, especially through short-term deposits, and, conversely, a slight deterioration in the ability to transfer credit risk off balance sheet. Banks' access to wholesale funding sources, namely to the interbank money market, wholesale debt securities and securitization of loans, remained broadly unchanged compared to the previous quarter. For the fourth quarter of the year, institutions foresee a deterioration in the conditions of access to the interbank unsecured money market and to the securitization of loans. As in the past three months, banks also expect a deterioration in the ability to transfer credit risk off balance sheet.

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

The ECB's asset purchase programs (the APP and the Pandemic Emergency Purchasing Program) contributed to increase total assets of banks, namely euro area sovereign bonds holdings, as well as to improving the overall liquidity position of the banks and the overall market financing conditions. According to the banks, these programs also contributed to a slight improvement in the capital ratio. The assessment of the impact on profitability was very heterogeneous, but overall it points to a slight deterioration, due to the impact on the net interest income. For the next six months, banks generally foresee impacts similar to those reported in the previous six months. Regarding the impact on loans granted, in the last six months the ECB's asset purchase programs contributed slightly to increase the volume of credit to firms, having basically no impact on the volume of credit to households nor on the credit standards, terms and conditions applied to loans of the non-financial private sector. For the next six months, banks predict that the programs will have virtually no impact on the lending policy and volume of credit granted to the non-financial private sector.

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

In the last six months, the negative interest rate applied to the ECB's deposit facility had a negative impact on the net interest income and, consequently, on the banks' overall profitability. At the same time, the level of this interest rate contributed slightly to increase spreads applied to loans to firms and households for house purchase and to increase the volume of credit granted to firms. The level of this rate had basically no impact on the other domains, namely on the interest rates applied to credit granted to firms and households and on the interest rates and volumes of deposits by firms and households. For the next six months, participating banks expect in overall terms impacts similar to those reported for the previous six months.

In the past six months, the two-tier system applied by the ECB for remunerating excess liquidity holdings has contributed to improve the overall profitability of banks, by increasing the net interest income and, to a lesser extent, to improve the liquidity position. The two-tier system had no impact on interest rates for credit and deposits by firms and households. For the next six months, banks generally expect impacts similar to those of the last six months, although less pronounced with regard to the impact on the liquidity position.

On the Eurosystem's third targeted longer-term refinancing operations – TLTRO III (Questions 27, 28 and 29 in the annex)

The five banks in the Portuguese sample participated in the June 2020 targeted long-term refinancing operation (TLTRO) and one bank participated in the September operation. Four banks indicated that they do not intend to participate in future TLTRO III, and one bank indicated that participation was not yet decided. The main reason underlying the participation of banks in the June operation was the attractive profitability conditions of the TLTRO. In the September operation and in future operations, the reasons for participation are to reduce current and/or prevent future funding difficulties and to enhance the fulfilment of regulatory or supervisory requirements (See Box for a more detailed analysis of the responses of Portuguese and euro area banks on the reasons for participating in the TLTRO III).

In the last six months, the purposes of the liquidity provided by the TLTRO III were mainly to substitute the TLTRO II funding and to grant loans to the private non-financial sector. Banks further indicated that they used the liquidity provided by the TLTRO III as a substitute for other Eurosystem liquidity operations, to purchase domestic sovereign bonds or to holding liquidity with the Eurosystem. For the next six months, banks expect to use liquidity mainly to grant loans to the non-financial private sector and, to a lesser extent, to purchase domestic sovereign bonds or to holding liquidity with the Eurosystem.

In the last six months, the TLTRO III contributed to improve the financial situation of banks through the liquidity position, profitability and market financing conditions, as well as to fulfil regulatory or supervisory requirements. These operations contributed slightly to increase the volume of credit granted to firms. As in the last six months, for the next six months, banks anticipate that these operations will contribute to improve their financial situation, albeit in a less pronounced manner in the case of the liquidity position.

Chart 1 • Credit supply | Diffusion index

Enterprises (overall)

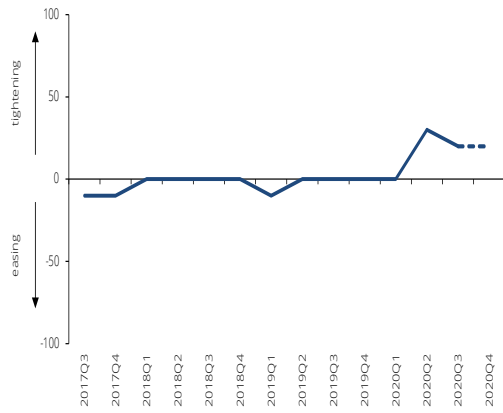
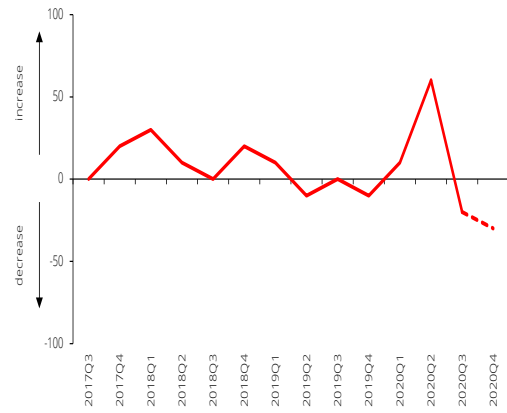
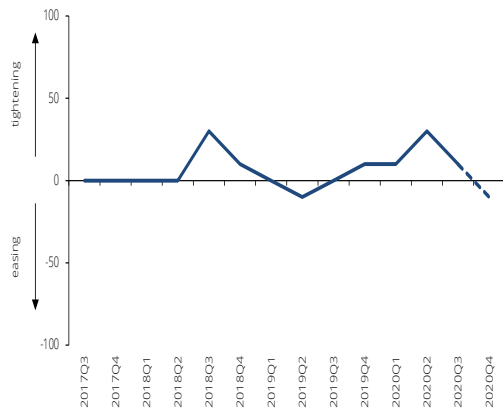


Chart 2 • Credit demand | Diffusion index

Enterprises (overall)



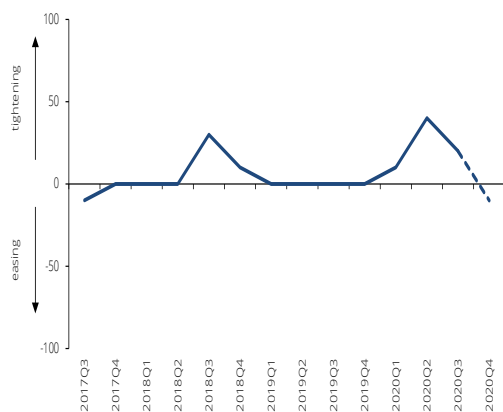
Households - House purchase



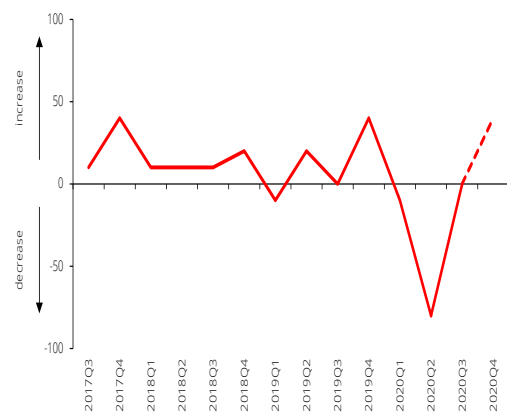
Households - House purchase



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 • More attractive TLTRO III: what impact on the motivations for banks' participation?

In March 2020, in response to the crisis caused by the COVID-19 pandemic, the European Central Bank adopted a comprehensive package of monetary policy measures to support liquidity and financing conditions in the economy.¹ Among the measures, the ECB made the conditions of the third series of the *Targeted Longer-Term Refinancing Operations* (TLTRO III) more flexible and attractive.²

This box presents the motivations that led banks to participate in the operations that took place since the beginning of the pandemic crisis (TLTRO III of March, June and September 2020), in comparison with previous operations, including the TLTRO I and II. This analysis is carried out for Portugal and the euro area.

On 12 March, with the aim of providing immediate liquidity to the euro area financial system and fulfil any financial needs until the June TLTRO III, the ECB Governing Council announced additional long-term operations (LTRO type) and, at the same time, made the conditions of the TLTRO III more favourable. Among the changes, the increase in the borrowing allowance (from 30% to 50% of the amount of eligible loans in each institution), the reduction in the threshold of credit growth necessary for banks to benefit from the minimum interest rate applied to each operation (from 2.5% to 0%), the elimination of the limit of the proposals made by banks in each operation and the reduction of 25 basis points (b.p.) in the interest rate to be applied to these operations, from June 2020 to June 2021, stand out. At the end of the April meeting, the ECB Governing Council went even further in terms of easing the conditions of the TLTRO III, namely by reducing the interest rate to be applied from June 2020 to June 2021 by an additional 25 b.p., to 50 b.p. below the average interest rate of the Eurosystem's main refinancing operations (currently at 0%) and, for banks meeting the lending performance threshold, to 50 b.p. below the average interest rate on the deposit facility (currently -0.5%). The easing of the TLTRO III conditions, namely its pricing, led to a high demand in the June operation, which reached the highest value ever in a Eurosystem operation.

The number of banks from the sample that participated in the June operation was much higher than in the remaining operations. In Portugal, the operation counted with the participation of the five banks of the sample and in the euro area with more than 75% of the banks (Chart C.1).

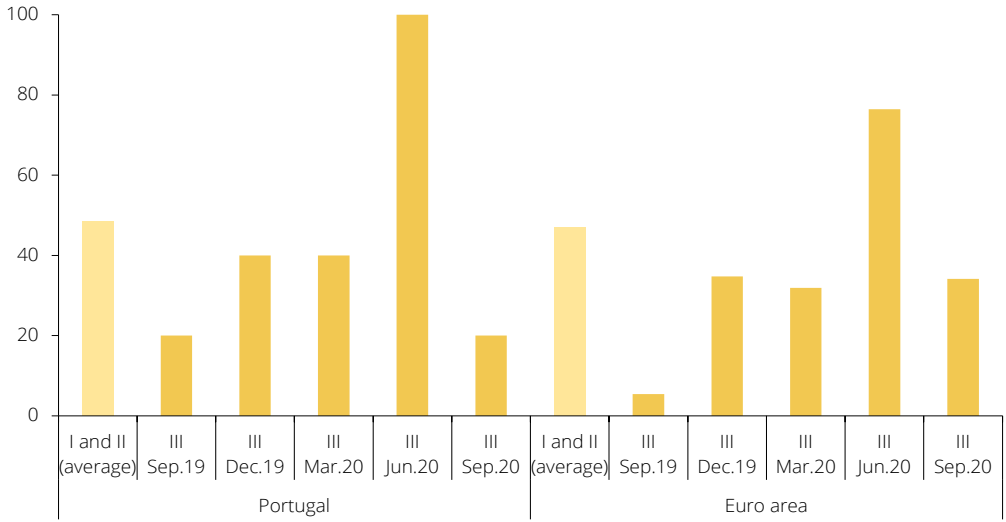
For Portuguese banks, profitability was the main reason for participating in this operation when, in previous operations, to enhance the fulfilment of regulatory or supervisory requirements had assumed a major importance. In the euro area, banks reported that profitability was the main reason behind the participation in the various TLTRO (Chart C.2).

With the start of the pandemic crisis, the importance of the precautionary motive increased, that is, "to reduce current and/or prevent future funding difficulties", both for Portuguese banks and for those in the euro area as a whole.

1. For more details on the measures taken and their impacts, see Section 2.1 "Monetary policy measures during the pandemic crisis and their impacts", Economic Bulletin October 2020.

2. The TLTRO are part of the package of unconventional monetary policy measures. These financing operations were announced for the first time in June 2014 with the objective of promoting favourable conditions in the granting of credit to firms and households for consumption. The first two series, TLTRO I and II, were implemented, respectively, between September 2014 and June 2016, and between June 2016 and March 2017. The third series operations take place between September 2019 and March 2021.

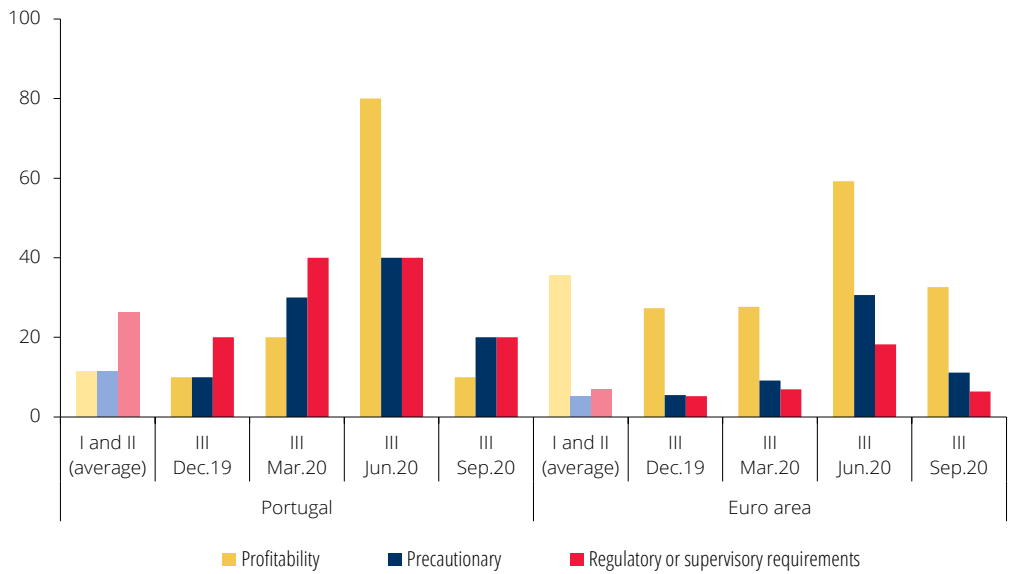
Chart C.1 • Participation rate of banks at the TLTRO | In percentage



Sources: Banco de Portugal and ECB, Bank Lending Survey (Banco de Portugal calculations)

Note: The participation rate corresponds to the percentage of banks that participated, on average in the TLTRO I and II and in each TLTRO III, in the total number of banks in the sample of the Bank Lending Survey in each region.

Chart C.2 • Reasons for banks to participate in the TLTRO* | Diffusion Index



Sources: Banco de Portugal and ECB, Bank Lending Survey (Banco de Portugal calculations).

Notes: The diffusion index varies from 0 to 100. Values equal to zero indicate that the reason did not contribute to the participation of banks in the TLTRO; the higher the value of the diffusion index, the greater the importance of the reason for participation.

* The September 2019 TLTRO III was excluded from the analysis, given the very small participation of banks 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 | | | | | | |
| Tightened somewhat | 2 | 2 | 3 | 2 | 2 | |
| Remained basically unchanged | 3 | 3 | 2 | 2 | 3 | |
| Eased somewhat | | | | 1 | | |
| Eased considerably | | | | | | |
| N/A* | | | | | | |
| Diffusion Index % | Oct.20 | 20 | 20 | 30 | 10 | 20 |
| | Jul.20 | 30 | 30 | 30 | 30 | 50 |

*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 | Oct.20 | Jul.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) | | | 4 | 1 | | | -10 | 0 |
| Your bank's liquidity position | | | 4 | 1 | | | -10 | 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 | | | 3 | 2 | | | 30 | 50 |
| Industry or firm-specific situation and outlook/borrower's creditworthiness | | | 5 | | | | 50 | 40 |
| Risk related to the collateral demanded | | | 2 | 3 | | | 20 | 20 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | | 2 | 3 | | | 20 | 40 |
| e) Other factors* | | | | | | | | |
| | | | 1 | | | | | |

| | Impact on your bank's credit standards for loans to small and medium-sized enterprises | | | | | | Diffusion index % | |
|--|--|---|---|---|----|-----|-------------------|--------|
| | -- | - | o | + | ++ | N/A | Oct.20 | Jul.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) | | | 4 | 1 | | | -10 | 0 |
| Your bank's liquidity position | | | 4 | 1 | | | -10 | 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 | | | 3 | 2 | | | 30 | 50 |
| Industry or firm-specific situation and outlook/borrower's creditworthiness | | | 5 | | | | 50 | 40 |
| Risk related to the collateral demanded | | | 2 | 3 | | | 20 | 20 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | | 2 | 3 | | | 20 | 40 |
| e) Other factors* | | | | | | | | |
| | | | 1 | | | | | |

| | Impact on your bank's credit standards for loans to large enterprises | | | | | | Diffusion index % | |
|--|---|---|---|---|----|-----|-------------------|--------|
| | -- | - | o | + | ++ | N/A | Oct.20 | Jul.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) | | | 4 | 1 | | | -10 | 0 |
| Your bank's liquidity position | | | 4 | 1 | | | -10 | 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 | | | 3 | 2 | | | 30 | 50 |
| Industry or firm-specific situation and outlook/borrower's creditworthiness | | | 4 | 1 | | | 40 | 40 |
| Risk related to the collateral demanded | | | 1 | 4 | | | 10 | 20 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | | 2 | 3 | | | 20 | 40 |
| 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 | Oct.20 | Jul.20 |
| a) Overall terms and conditions | | | | | | | | |
| Overall terms and conditions | | 1 | 4 | | | | 10 | 30 |
| 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 | 20 |
| Your bank's loan margin on riskier loans | 1 | 1 | 3 | | | | 30 | 20 |
| c) Other conditions and terms | | | | | | | | |
| Non-interest rate charges | | 1 | 4 | | | | 10 | 10 |
| Size of the loan or credit line | | 2 | 3 | | | | 20 | 20 |
| Collateral requirements | | 2 | 3 | | | | 20 | 40 |
| Loan covenants | | 1 | 4 | | | | 10 | 10 |
| Maturity | | 2 | 3 | | | | 20 | 0 |

| | Loans to small and medium-sized enterprises | | | | | Diffusion index % | | |
|---|---|---|---|---|----|-------------------|--------|--------|
| | -- | - | ° | + | ++ | N/A | Oct.20 | Jul.20 |
| a) Overall terms and conditions | | | | | | | | |
| Overall terms and conditions | | 1 | 4 | | | | 10 | 30 |
| 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 | 20 |
| Your bank's loan margin on riskier loans | 1 | 1 | 3 | | | | 30 | 30 |
| c) Other conditions and terms | | | | | | | | |
| Non-interest rate charges | | 1 | 4 | | | | 10 | 10 |
| Size of the loan or credit line | | 2 | 3 | | | | 20 | 20 |
| Collateral requirements | | 2 | 3 | | | | 20 | 40 |
| Loan covenants | | 1 | 4 | | | | 10 | 10 |
| Maturity | | 2 | 3 | | | | 20 | 0 |

| | Loans to large enterprises | | | | | | Diffusion index % | |
|--|----------------------------|---|---|---|----|-----|-------------------|--------|
| | -- | - | o | + | ++ | N/A | Oct.20 | Jul.20 |
| a) Overall terms and conditions | | | | | | | | |
| Overall terms and conditions | | 1 | 4 | | | | 10 | 30 |
| 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 | 20 |
| Your bank's loan margin on riskier loans | 1 | 1 | 3 | | | | 30 | 20 |
| c) Other conditions and terms | | | | | | | | |
| Non-interest rate charges | | | 5 | | | | 0 | 10 |
| Size of the loan or credit line | | 2 | 3 | | | | 20 | 20 |
| Collateral requirements | | 2 | 3 | | | | 20 | 40 |
| Loan covenants | | 2 | 3 | | | | 20 | 0 |
| Maturity | | 3 | 2 | | | | 30 | 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
- o = 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 % | |
|---|---|---|---|---|----|-----|-------------------|--------|
| | -- | - | o | + | ++ | N/A | Oct.20 | Jul.20 |
| a) Cost of funds and balance sheet constraints | | | | | | | | |
| Cost of funds and balance sheet constraints | | | 4 | 1 | | | -10 | 0 |
| b) Pressure from competition | | | | | | | | |
| Pressure from competition | | | 5 | | | | 0 | 0 |
| c) Perception of risk | | | | | | | | |
| Perception of risk | | 4 | 1 | | | | 40 | 40 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | 2 | 3 | | | | 20 | 40 |

| | Impact on your bank's margin on average loans | | | | | | Diffusion index % | |
|---|---|---|---|---|----|-----|-------------------|--------|
| | -- | - | o | + | ++ | N/A | Oct.20 | Jul.20 |
| a) Cost of funds and balance sheet constraints | | | | | | | | |
| Cost of funds and balance sheet constraints | | | 4 | 1 | | | -10 | 0 |
| b) Pressure from competition | | | | | | | | |
| Pressure from competition | | | 5 | | | | 0 | 0 |
| c) Perception of risk | | | | | | | | |
| Perception of risk | | 2 | 3 | | | | 20 | 30 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | 1 | 4 | | | | 10 | 20 |

| | Impact on your bank's margin on riskier loans | | | | | | Diffusion index % | |
|---|---|---|---|---|----|-----|-------------------|--------|
| | -- | - | o | + | ++ | N/A | Oct.20 | Jul.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 | 40 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | 2 | 3 | | | | 20 | 30 |

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 | | 1 |
| Remain basically unchanged | | 4 |
| Increase somewhat | | |
| Increase considerably | | |
| N/A* | | |
| Diffusion Index % | Oct.20 | -10 |
| | Jul.20 | 20 |

*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 | 1 | |
| Decreased somewhat | | 3 | 2 | 2 | 1 | 3 |
| Remain basically unchanged | | 1 | 2 | 1 | 3 | 1 |
| Increased somewhat | | 1 | 1 | 1 | | 1 |
| Increased considerably | | | | | | |
| N/A* | | | | | | |
| Diffusion Index % | Oct.20 | -20 | -10 | -30 | -30 | -20 |
| | Jul.20 | 60 | 70 | 20 | 40 | 60 |

*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 % | |
|---|----|---|---|---|----|----|-------------------|--------|
| | | | | | | | Oct.20 | Jul.20 |
| a) Financing needs/underlying drivers on purpose of loan demands | | | | | | | | |
| Fixed investment | 1 | 2 | 2 | | | | -40 | -40 |
| Inventories and working capital | | 1 | 2 | 2 | | | 10 | 60 |
| Mergers/acquisitions and corporate restructuring | 1 | 2 | 2 | | | | -40 | -20 |
| 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 | 3 | 1 | | | 0 | 20 |
| b) Use of alternative finance | | | | | | | | |
| Internal financing | | | 4 | 1 | | | 10 | 20 |
| Loans from other banks | | 1 | 4 | | | | -10 | 0 |
| Loans from non-banks | | | 5 | | | | 0 | 10 |
| Issuance/redemption of debt securities | | | 5 | | | | 0 | 0 |
| Issuance/redemption of equity | | | 5 | | | | 0 | 0 |
| c) Other factors* | | | | | | | | |
| | 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 | | | | | | |
| Tightened somewhat | | 2 | 2 | 2 | 1 | 2 |
| Remained basically unchanged | | 3 | 3 | 3 | 4 | 3 |
| Eased somewhat | | | | | | |
| Eased considerably | | | | | | |
| N/A* | | | | | | |
| Diffusion Index % | Oct.20 | 20 | 20 | 20 | 10 | 20 |
| | Jul.20 | 10 | 20 | 10 | 20 | 30 |

*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 | | 3 | 3 | 2 | 3 | 4 |
| Remain basically unchanged | | 2 | 2 | 3 | 1 | 1 |
| Increase somewhat | | | | | 1 | |
| Increase considerably | | | | | | |
| N/A* | | | | | | |
| Diffusion Index % | Oct.20 | -30 | -30 | -20 | -20 | -40 |
| | Jul.20 | 50 | 50 | 30 | 50 | 30 |

*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 | | 1 | 2 |
| Remained basically unchanged | | 4 | 3 |
| Eased somewhat | | | |
| Eased considerably | | | |
| N/A* | | | |
| Diffusion Index % | Oct.20 | 10 | 20 |
| | Jul.20 | 30 | 40 |

*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 % | |
|---|----|---|---|---|----|-----|-------------------|--------|
| | | | | | | | Oct.20 | Jul.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 | | 2 | 3 | | | | 20 | 40 |
| Housing market prospects, including expected house price developments | | | 5 | | | | 0 | 0 |
| Borrower's creditworthiness | | | 5 | | | | 0 | 20 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | 1 | 4 | | | | 10 | 30 |
| 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 % | |
|--|----|---|---|---|----|-----|-------------------|--------|
| | | | | | | | Oct.20 | Jul.20 |
| a) Overall terms and conditions | | | | | | | | |
| Overall terms and conditions | | | 5 | | | | 0 | 10 |
| b) Margins (<i>i.e.</i> the spread over a relevant market reference rate) (wider spread = tightened, narrower spread = eased) | | | | | | | | |
| Your bank's loan margin on average loans | | | 5 | | | | 0 | 10 |
| Your bank's loan margin on riskier loans | | | 5 | | | | 0 | 10 |
| c) Other terms and conditions | | | | | | | | |
| Collateral requirements | | | 5 | | | | 0 | 0 |
| "Loan-to-value" ratio | | 1 | 4 | | | | 10 | 20 |
| Other loan size limits | | 1 | 4 | | | | 10 | 10 |
| 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 | Oct.20 | Jul.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 | 30 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | | 5 | | | | 0 | 20 |
| e) Other factors* | | | | | | | | |
| | | 1 | | | | | | |

| | Impact on your bank's margin on average loans | | | | | | Diffusion index % | |
|---|---|---|---|---|----|-----|-------------------|--------|
| | -- | - | ° | + | ++ | N/A | Oct.20 | Jul.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 | 10 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | | 5 | | | | 0 | 10 |
| e) Other factors* | | 1 | | | | | | |

| | Impact on your bank's margin on riskier loans | | | | | | Diffusion index % | |
|---|---|---|---|---|----|-----|-------------------|--------|
| | -- | - | ° | + | ++ | N/A | Oct.20 | Jul.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 | 10 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | | 5 | | | | 0 | 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.

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

| | | | | | | | Diffusion index % | |
|---|----|---|---|---|----|-----|-------------------|--------|
| | -- | - | ° | + | ++ | N/A | Oct.20 | Jul.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 | | 3 | 2 | | | | 30 | 50 |
| Creditworthiness of consumers | | | 5 | | | | 0 | 30 |
| Risk on the collateral demanded | | | 5 | | | | 0 | 0 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | 2 | 3 | | | | 20 | 20 |
| 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 % | |
|--|----|---|---|---|----|-----|-------------------|--------|
| | | | | | | | Oct.20 | Jul.20 |
| a) Overall terms and conditions | | | | | | | | |
| Overall terms and conditions | | | 5 | | | | 0 | 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 | | | 5 | | | | 0 | 10 |
| Your bank's loan margin on riskier loans | | | 5 | | | | 0 | 10 |
| c) Other terms and conditions | | | | | | | | |
| Collateral requirements | | 1 | 4 | | | | 10 | 10 |
| Size of the loan | | | 5 | | | | 0 | 0 |
| Maturity | | 1 | 4 | | | | 10 | 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

| | Overall impact on your bank's credit terms and conditions | | | | | | Diffusion index % | |
|---|---|---|---|---|----|-----|-------------------|--------|
| | -- | - | ° | + | ++ | N/A | Oct.20 | Jul.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 | 30 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | | 5 | | | | 0 | 20 |
| e) Other factors* | | | | | | | | |
| | | 1 | | | | | | |

| | Impact on your bank's margin on average loans | | | | | | Diffusion index % | |
|---|---|---|---|---|----|-----|-------------------|--------|
| | -- | - | o | + | ++ | N/A | Oct.20 | Jul.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 | 10 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | | 5 | | | | 0 | 10 |
| e) Other factors* | | | | | | | | |
| | | 1 | | | | | | |

| | Impact on your bank's margin on riskier loans | | | | | | Diffusion index % | |
|---|---|---|---|---|----|-----|-------------------|--------|
| | -- | - | o | + | ++ | N/A | Oct.20 | Jul.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 | 20 |
| d) Your bank's risk tolerance | | | | | | | | |
| Your bank's risk tolerance | | | 5 | | | | 0 | 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.

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 | 1 | | |
| Remained basically unchanged | 3 | 2 | |
| Increased somewhat | 1 | 3 | |
| Increased considerably | | | |
| N/A* | | | |
| Diffusion Index % | Oct.20 | 0 | 30 |
| | Jul.20 | 30 | 30 |

*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 | | | 1 |
| Decreased somewhat | | 1 | 1 |
| Remained basically unchanged | | 2 | 1 |
| Increased somewhat | | 1 | 1 |
| Increased considerably | | 1 | 1 |
| N/A* | | | |
| Diffusion Index % | Oct.20 | 20 | 0 |
| | Jul.20 | -60 | -80 |

*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 % | |
|---|--|----|---|---|---|----|-----|-------------------|--------|
| | | | | | | | | Oct.20 | Jul.20 |
| a) Financing needs/underlying drivers or purpose of loan demand | | | | | | | | | |
| Housing market prospects, including expected house price developments | | | 1 | 3 | 1 | | | 0 | -20 |
| Consumer confidence | | | 2 | 3 | | | | -20 | -50 |
| General level of interest rates | | | | 3 | 1 | 1 | | 30 | 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 | 0 |
| Loans from other banks | | | | 5 | | | | 0 | -10 |
| 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
- ° = contributed to keeping demand basically unchanged
- + = contributed somewhat to higher demand
- ++ = contributed considerably to higher demand
- N/A = not applicable

| | -- | - | ° | + | ++ | N/A | Diffusion index % | |
|--|----|---|---|---|----|-----|-------------------|--------|
| | | | | | | | Oct.20 | Jul.20 |
| a) Financing needs/underlying drivers or purpose of loan demand | | | | | | | | |
| Spending on durable consumer goods, such as cars, furniture, etc. | | 1 | 4 | | | | -10 | -30 |
| Consumer confidence | 1 | 2 | 2 | | | | -40 | -60 |
| General level of interest rates | | | 3 | 2 | | | 20 | 0 |
| Consumption expenditure financed through real-estate guaranteed loans ("mortgage equity withdrawal") | | | 5 | | | | 0 | 0 |
| b) Use of alternative finance | | | | | | | | |
| Internal finance out of savings | | | 4 | 1 | | | 10 | 0 |
| Loans from other banks | | | 5 | | | | 0 | -10 |
| Other sources of external finance | | | 5 | | | | 0 | 0 |
| c) Other factors* | | | | | | | | |
| | | 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.

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 | | | | |
| Remain basically unchanged | | 4 | | 4 |
| Ease somewhat | | 1 | | 1 |
| Ease considerably | | | | |
| N/A* | | | | |
| Diffusion Index % | Oct.20 | -10 | | -10 |
| | Jul.20 | 0 | | 20 |

*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 | | 2 | |
| Remain basically unchanged | | | 1 |
| Increase somewhat | | 3 | 4 |
| Increase considerably | | | |
| N/A* | | | |
| Diffusion Index % | Oct.20 | 10 | 40 |
| | Jul.20 | 10 | 10 |

*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) | | | 1 | 3 | 1 | | 1 | 3 | 1 | | | |
| Long-term (more than one year) deposits and other retail funding instruments | | | 3 | 2 | | | | 5 | | | | |
| Inter-bank unsecured money market | | | | | | | | | | | | |
| Very short term money market (up to 1 week) | | 1 | 4 | | | | 1 | 1 | 3 | | | |
| Short-term money market (more than 1 week) | | 1 | 4 | | | | 1 | 1 | 3 | | | |
| 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 | 2 | | | 2 | | 3 | | | | 2 |
| Securitisation of loans for house purchase | | 1 | 2 | | | 2 | | 3 | | | | 2 |
| Ability to transfer credit risk off balance sheet⁽⁵⁾ | | | | | | | | | | | | |
| Ability to transfer credit risk off balance sheet | | 2 | 1 | | | 2 | 1 | 1 | 1 | | | 2 |

(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.

24 • Ad hoc question on the ECB's asset purchase programmes - Impact on the bank's financial position

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

-- = have contributed considerably to a decrease or deterioration / will contribute considerably to a decrease or deterioration

- = have contributed somewhat to a decrease or deterioration / will contribute somewhat to a decrease or deterioration

o = have had basically no impact / will have basically no impact

+ = have contributed somewhat to an increase or improvement / will contribute somewhat to an increase or improvement

++ = have contributed considerably to an increase or improvement / will contribute considerably to an increase or improvement

N/A = not applicable

| | Over the past six months | | | | | Over the next six months | | | | | | |
|--|--------------------------|---|---|---|----|--------------------------|----|---|---|---|----|--------------------|
| | -- | - | o | + | ++ | N/A ⁽¹⁾ | -- | - | o | + | ++ | N/A ⁽¹⁾ |
| Your bank's total assets | | | | | | | | | | | | |
| Your bank's total assets (non-risk weighted volume) | | | 3 | 2 | | | | | 3 | 2 | | |
| of which: euro area sovereign bond holdings | | | 3 | 1 | 1 | | | | 3 | 1 | 1 | |
| Your bank's cost of funds and balance sheet constraints | | | | | | | | | | | | |
| Your bank's overall liquidity position | | | 3 | 1 | 1 | | | | 4 | | | 1 |
| Your bank's overall market financing conditions | | | 2 | 3 | | | | | 3 | 2 | | |
| Your bank's profitability | | | | | | | | | | | | |
| Your bank's overall profitability | | | 2 | 2 | 1 | | | | 2 | 2 | 1 | |
| owing to: | | | | | | | | | | | | |
| net interest income ⁽²⁾ | | 1 | 1 | 2 | 1 | | | 1 | 1 | 2 | 1 | |
| capital gains / losses | | | | 4 | 1 | | | | | 4 | 1 | |
| Your bank's capital position | | | | | | | | | | | | |
| Your bank's capital ratio ⁽³⁾ | | | | 3 | 2 | | | | | 3 | 2 | |

(1) Please select "N/A" (not applicable) only if you do not have any business in or exposure to this category.

(2) The net interest income is defined as the difference between the interest earned and interest paid on the outstanding amount of interest-bearing assets and liabilities by the bank.

(3) Defined in accordance with the regulatory requirements set out in the CRR/CRD IV, including both tier 1 capital and tier 2 capital.

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

Over the past six months, how has the ECB's asset purchase programmes (APP and PEPP) affected your bank's lending policy and lending volumes? And what will be the impact over the next six months?

-- = have contributed considerably to tightening credit standards/tightening terms and conditions/decreasing lending volumes / will contribute considerably to tightening credit standards/tightening terms and conditions/decreasing lending volumes

- = have contributed somewhat to tightening credit standards/tightening terms and conditions/decreasing lending volumes / will contribute somewhat to tightening credit standards/tightening terms and conditions/decreasing lending volumes

° = have had basically no impact on credit standards/terms and conditions/lending volumes / will have basically no impact on credit standards/terms and conditions/lending volumes

+ = have contributed somewhat to easing credit standards/easing terms and conditions/increasing lending volumes / will contribute somewhat to easing credit standards/easing terms and conditions/increasing lending volumes

++ = have contributed considerably to easing credit standards/easing terms and conditions/increasing lending volumes / will contribute considerably to easing credit standards/easing terms and conditions/increasing lending volumes

N/A = not applicable

| | Over the past six months | | | | | | Over the next six months | | | | | |
|---|--------------------------|---|---|---|----|--------------------|--------------------------|---|---|---|----|--------------------|
| | -- | - | ° | + | ++ | N/A ⁽¹⁾ | -- | - | ° | + | ++ | N/A ⁽¹⁾ |
| Credit standards | | | | | | | | | | | | |
| For loans to enterprises | | | 4 | 1 | | | | | 4 | 1 | | |
| For loans to households for house purchase | | | 4 | 1 | | | | | 4 | 1 | | |
| For consumer credit and other lending to households | | | 5 | | | | | | 5 | | | |
| Terms and conditions | | | | | | | | | | | | |
| For loans to enterprises | | 1 | 4 | | | | | 1 | 4 | | | |
| For loans to households for house purchase | | 1 | 3 | 1 | | | | 1 | 3 | 1 | | |
| For consumer credit and other lending to households | | 1 | 4 | | | | | 1 | 4 | | | |
| Lending volumes | | | | | | | | | | | | |
| For loans to enterprises | | | 4 | | 1 | | | | 4 | 1 | | |
| For loans to households for house purchase | | | 4 | 1 | | | | | 4 | 1 | | |
| For consumer credit and other lending to households | | | 4 | 1 | | | | | 5 | | | |

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

26 • Ad hoc question on the impact of the ECB's negative deposit facility rate

(i) Over the past six months, how has the ECB's negative deposit facility rate, either directly or indirectly⁽¹⁾, affected your bank in the following areas? And what will be the impact over the next six months? Consider the overall impact, including the impact of the introduction of the ECB's two-tier system for remunerating excess liquidity holdings.

-- = contributed/will contribute considerably to a decrease

- = contributed/will contribute somewhat to a decrease

o = did not/will not have an impact

+ = contributed/will contribute somewhat to an increase

++ = contributed/will contribute considerably to an increase

N/A = not applicable

| | Over the past six months | | | | | Over the next six months | | | | | | |
|---|--------------------------|---|---|---|----|--------------------------|----|---|---|---|----|--------------------|
| | -- | - | o | + | ++ | N/A ⁽²⁾ | -- | - | o | + | ++ | N/A ⁽²⁾ |
| Your bank's profitability | | | | | | | | | | | | |
| Impact on your bank's overall profitability | 2 | 2 | | | 1 | | 2 | 2 | | | 1 | |
| owing to: | | | | | | | | | | | | |
| Impact on your bank's net interest income ⁽³⁾ | 2 | 2 | | | 1 | | 2 | 2 | | | 1 | |
| Loans to enterprises | | | | | | | | | | | | |
| Impact on your bank's lending rates | 1 | | 2 | 1 | 1 | | 1 | | 2 | 2 | | |
| Impact on your bank's loan margin ⁽⁴⁾ | | | 4 | | 1 | | | | 4 | 1 | | |
| Impact on your bank's non-interest rate charges | | | 5 | | | | | | 5 | | | |
| Impact on your bank's lending volume | | | 4 | | 1 | | | | 4 | 1 | | |
| Loans to households for house purchase | | | | | | | | | | | | |
| Impact on your bank's lending rates | 1 | | 2 | 1 | 1 | | 1 | | 2 | 2 | | |
| Impact on your bank's loan margin ⁽⁴⁾ | | | 4 | | 1 | | | | 4 | 1 | | |
| Impact on your bank's non-interest rate charges | | | 5 | | | | | | 5 | | | |
| Impact on your bank's lending volume | | | 4 | 1 | | | | | 4 | 1 | | |
| Consumer credit and other lending to households | | | | | | | | | | | | |
| Impact on your bank's lending rates | 1 | | 2 | 2 | | | 1 | | 2 | 2 | | |
| Impact on your bank's loan margin ⁽⁴⁾ | | | 5 | | | | | | 5 | | | |
| Impact on your bank's non-interest rate charges | | | 5 | | | | | | 5 | | | |
| Impact on your bank's lending volume | | | 5 | | | | | | 5 | | | |
| Deposits held by enterprises | | | | | | | | | | | | |
| Impact on your bank's deposit rates | | | 5 | | | | | | 5 | | | |
| Impact on your bank's non-interest rate charges on deposits | | | 5 | | | | | | 5 | | | |
| Impact on your bank's volume of deposits | | 1 | 4 | | | | 1 | 4 | | | | |
| Deposits held by households | | | | | | | | | | | | |
| Impact on your bank's deposit rates | | | 5 | | | | | | 5 | | | |
| Impact on your bank's non-interest rate charges on deposits | | | 5 | | | | | | 5 | | | |
| Impact on your bank's volume of deposits | | | 5 | | | | | | 5 | | | |

(ii) Over the past six months, how has the ECB's two-tier system for remunerating excess liquidity holdings affected your bank in the following areas, compared with the situation in which no two-tier system would exist? And how it will affect over the next six months?

- = contributed/will contribute considerably to a decrease or contributed/will contribute considerably to a deterioration
 - = contributed/will contribute somewhat to a decrease or contributed/will contribute somewhat to a deterioration
 o = did not/will not have an impact
 + = contributed/will contribute somewhat to an increase or contributed/will contribute somewhat to an improvement
 ++ = contributed/will contribute considerably to an increase / contributed/will contribute considerably to an improvement
 N/A= not applicable

| | Over the past six months | | | | | | Over the next six months | | | | | |
|---|--------------------------|---|---|---|----|--------------------|--------------------------|---|---|---|----|--------------------|
| | -- | - | o | + | ++ | N/A ⁽²⁾ | -- | - | o | + | ++ | N/A ⁽²⁾ |
| Your bank's financial situation | | | | | | | | | | | | |
| Impact on your bank's overall profitability | | | 1 | 3 | 1 | | | | 1 | 4 | | |
| owing to: | | | | | | | | | | | | |
| Impact on your bank's net interest income ⁽³⁾ | | | 1 | 3 | 1 | | | | 1 | 4 | | |
| Impact on your bank's liquidity position | | | 3 | 1 | 1 | | | | 4 | 1 | | |
| Impact on your bank's market financing conditions | | | 4 | 1 | | | | | 4 | 1 | | |
| Your bank's lending rates | | | | | | | | | | | | |
| Impact on your bank's lending rates for enterprises | | | 5 | | | | | | 5 | | | |
| Impact on your bank's lending rates to households for house purchase | | | 5 | | | | | | 5 | | | |
| Impact on your bank's lending rates for consumer credit and other lending to households | | | 5 | | | | | | 5 | | | |
| Your bank's deposit rates | | | | | | | | | | | | |
| Impact on your bank's interest rates on deposits held by enterprises | | | 5 | | | | | | 5 | | | |
| Impact on your bank's interest rates on deposits held by households | | | 5 | | | | | | 5 | | | |

(1) Independent of whether your bank has excess liquidity.

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

(3) The net interest income is defined as the difference between the interest earned and interest paid on the outstanding amount of interest-bearing assets and liabilities by the bank.

(4) The loan margin is defined as the spread of the bank's lending rates on new loans over a relevant market reference rate.

27 • Ad hoc question on the Eurosystem's third targeted longer-term refinancing operations (TLTRO III) – Participation in the TLTRO III operations and reasons to participate

(i) Did your bank participate in the most recent and next to last TLTRO III operations? And does your bank intend to participate in future TLTRO III operations?

| | Yes | No | Currently undecided |
|---|-----|----|---------------------|
| In the most recent TLTRO III operation (September 2020) | 1 | 4 | - |
| In the next to last TLTRO III operation (June 2020) | 5 | - | - |
| In future TLTRO III operations | - | 4 | 1 |

(ii) Please rate the reasons for your bank's participation in each operation. And what will be the reasons in the future?

° = has had basically no impact / will have basically no impact

+ = has contributed somewhat to participation / will contribute somewhat to participation

++ = has contributed considerably to participation / will contribute considerably to participation

N/A = not applicable

| | In the most recent TLTRO III operation | | | |
|---|--|---|----|--------------------|
| | ° | + | ++ | N/A ⁽¹⁾ |
| Your bank's reasons for participation | | | | |
| Attractive TLTRO conditions (profitability motive) | | 1 | | 4 |
| To reduce current and/or prevent future funding difficulties (precautionary motive) | | | 1 | 4 |
| To enhance the fulfilment of regulatory or supervisory requirements | | | 1 | 4 |

| | In the next to last TLTRO III operation | | | |
|---|---|---|----|--------------------|
| | ° | + | ++ | N/A ⁽¹⁾ |
| Your bank's reasons for participation | | | | |
| Attractive TLTRO conditions (profitability motive) | | 2 | 3 | |
| To reduce current and/or prevent future funding difficulties (precautionary motive) | 3 | | 2 | |
| To enhance the fulfilment of regulatory or supervisory requirements | 3 | | 2 | |

| | In future TLTRO III operations | | | |
|---|--------------------------------|---|----|--------------------|
| | ° | + | ++ | N/A ⁽²⁾ |
| Your bank's reasons for participation | | | | |
| Attractive TLTRO conditions (profitability motive) | | 1 | | 4 |
| To reduce current and/or prevent future funding difficulties (precautionary motive) | | | 1 | 4 |
| To enhance the fulfilment of regulatory or supervisory requirements | | | 1 | 4 |

(1) Please select "N/A" (not applicable) only if you did not participate in the respective past TLTRO III operation.

(2) Please select "N/A" (not applicable) only if you have decided not to participate in any of the future TLTRO III operations.

28 • Ad hoc question on the Eurosystem's third targeted longer-term refinancing operations (TLTRO III) – Purposes of use of funds

Please indicate why your bank has used the TLTRO III liquidity over the past six months. And what will be the likely reasons for using it over the next six months?

° = has had basically no impact / will have basically no impact

+ = has contributed somewhat to this purpose / will contribute somewhat to this purpose

+ + = has contributed considerably to this purpose / will contribute considerably to this purpose

N/A = not applicable

| | Over the past six months | | | |
|---|--------------------------|---|-----|--------------------|
| | ° | + | + + | N/A ⁽¹⁾ |
| For refinancing | | | | |
| As a substitute for deposit shortfalls | 4 | 1 | | |
| As a substitute for maturing debt securities | 4 | 1 | | |
| As a substitute for interbank lending | 4 | | 1 | |
| As a substitute for TLTRO II funding | 1 | 2 | 2 | |
| As a substitute for other Eurosystem liquidity operations ⁽³⁾ | 3 | 1 | 1 | |
| For granting loans, purchasing financial assets or holding liquidity | | | | |
| For granting loans to the non-financial private sector | 1 | 2 | 2 | |
| For purchasing domestic sovereign bonds | 2 | 3 | | |
| For purchasing other financial assets ⁽⁴⁾ | 4 | 1 | | |
| For holding liquidity with the Eurosystem | 2 | 3 | | |

| | Over the next six months | | | |
|---|--------------------------|---|-----|--------------------|
| | ° | + | + + | N/A ⁽²⁾ |
| For refinancing | | | | |
| As a substitute for deposit shortfalls | 1 | 1 | | 3 |
| As a substitute for maturing debt securities | 1 | 1 | | 3 |
| As a substitute for interbank lending | 1 | 1 | | 3 |
| As a substitute for TLTRO II funding | 1 | 1 | | 3 |
| As a substitute for other Eurosystem liquidity operations ⁽³⁾ | 1 | 1 | | 3 |
| For granting loans, purchasing financial assets or holding liquidity | | | | |
| For granting loans to the non-financial private sector | | 2 | 1 | 2 |
| For purchasing domestic sovereign bonds | 1 | 2 | | 2 |
| For purchasing other financial assets ⁽⁴⁾ | 2 | 1 | | 2 |
| For holding liquidity with the Eurosystem | 1 | 2 | | 2 |

(1) Please select "N/A" (not applicable) only if you did not participate in any of the past TLTRO III operations or if you do not have any business in or exposure to this category.

(2) Please select "N/A" (not applicable) only if you have decided not to participate in any of the future TLTRO III operations or if you do not have any business in or exposure to this category.

(3) This excludes the replacement of the TLTRO II funds.

(4) "Other financial assets" refer to euro-denominated assets (other than domestic sovereign bonds) and non-euro denominated assets, including loans to other banks and other financial intermediaries.

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

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

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

| | Over the past six months | | | | | N/A ⁽¹⁾ |
|--|--------------------------|---|---|---|----|--------------------|
| | -- | - | ° | + | ++ | |
| Impact on your bank's financial situation | | | | | | |
| Your bank's overall liquidity position | | | 2 | 1 | 2 | |
| Your bank's overall market financing conditions | | | 3 | 1 | 1 | |
| Your bank's overall profitability | | | 1 | 4 | | |
| Your bank's ability to fulfil regulatory or supervisory requirements | | | 3 | 1 | 1 | |
| Impact on your bank's credit standards | | | | | | |
| For loans to enterprises | | | 5 | | | |
| For loans to households for house purchase | | | 4 | 1 | | |
| For consumer credit and other lending to households | | | 5 | | | |
| Impact on your bank's terms and conditions | | | | | | |
| For loans to enterprises | | | 4 | 1 | | |
| For loans to households for house purchase | | | 4 | 1 | | |
| For consumer credit and other lending to households | | | 5 | | | |
| Impact on your bank's lending volumes | | | | | | |
| For loans to enterprises | | | 4 | | 1 | |
| For loans to households for house purchase | | | 4 | 1 | | |
| For consumer credit and other lending to households | | | 5 | | | |
| | Over the next six months | | | | | N/A ⁽¹⁾ |
| | -- | - | ° | + | ++ | |
| Impact on your bank's financial situation | | | | | | |
| Your bank's overall liquidity position | | | 3 | 1 | 1 | |
| Your bank's overall market financing conditions | | | 3 | 2 | | |
| Your bank's overall profitability | | | 2 | 2 | 1 | |
| Your bank's ability to fulfil regulatory or supervisory requirements | | | 3 | 1 | 1 | |
| Impact on your bank's credit standards | | | | | | |
| For loans to enterprises | | | 5 | | | |
| For loans to households for house purchase | | | 4 | 1 | | |
| For consumer credit and other lending to households | | | 5 | | | |
| Impact on your bank's terms and conditions | | | | | | |
| For loans to enterprises | | | 4 | 1 | | |
| For loans to households for house purchase | | | 5 | | | |
| For consumer credit and other lending to households | | | 5 | | | |
| Impact on your bank's lending volumes | | | | | | |
| For loans to enterprises | | | 4 | 1 | | |
| For loans to households for house purchase | | | 4 | 1 | | |
| For consumer credit and other lending to households | | | 5 | | | |

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