

BANK LENDING SURVEY

RESULTS FOR PORTUGAL

OCT. 2021



BANCO DE
PORTUGAL
EUROSYSTEM

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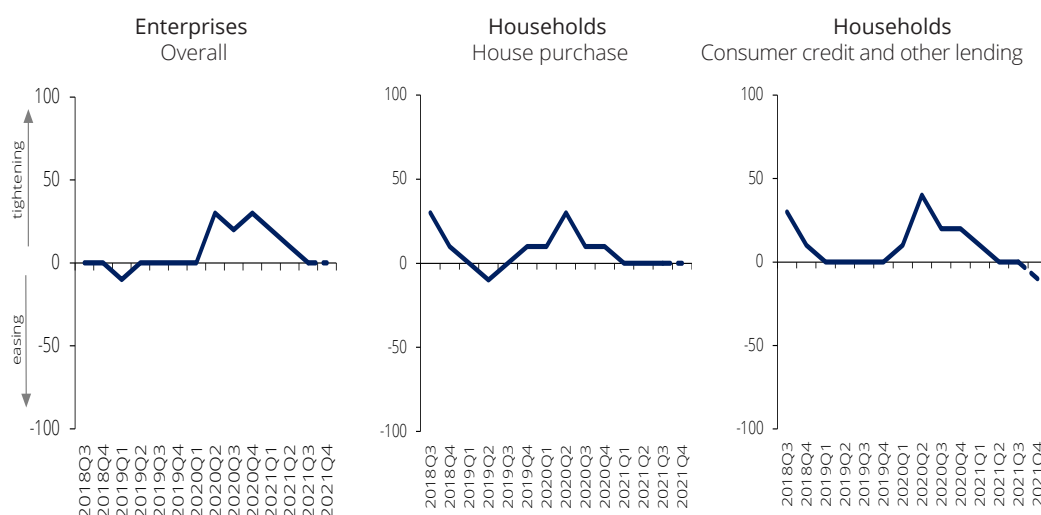
1 Presentation of the results

The questionnaire for this round of the survey was sent to the banks on September 20, 2021 and the responses were received by October 4. The assessment of supply and demand refers to the **3rd quarter of 2021** in comparison with the previous quarter. Expectations are for the 4th quarter of 2021.

1.1 Supply

- **Credit standards for loans:** without changes in all firm sizes and loan maturities, as well as in loans to households for house purchase and for consumer credit and other lending.
- **Terms and conditions:** no change in the firms overall assessment, but an easing in credit granted to large firms, namely a decrease in the loan margin on average loans, a slight decrease in the loan margin on riskier loans, slight improvement in the size of the loan, collateral requirements and maturity. Unchanged terms and conditions for loans to households for house purchase and consumer credit and other lending.
 - **Factors:** in credit to firms as a whole, the perception of risks contributed slightly to the increase in the bank's margin on riskier loans.
- **Share of rejected loan applications:** basically unchanged in loans to firms and to households.
- **Expectations:** credit standards in loans to firms and to households broadly unchanged.

Chart 1.1 • Credit supply | Diffusion index

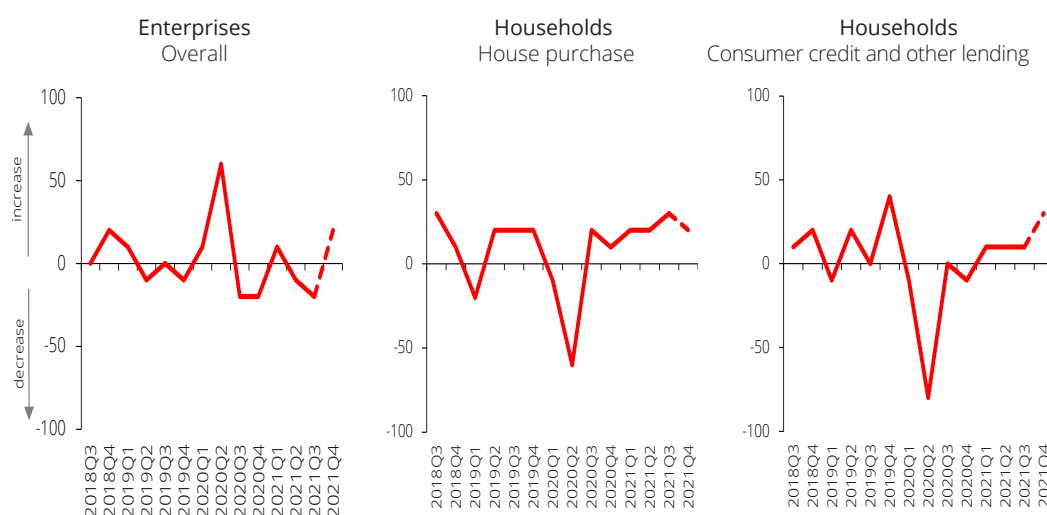


Notes: The credit supply corresponds to credit standards. The diffusion index varies between -100 and 100. Values of less (more) than zero mean an easing (tightening) of credit standards. Figures for the last quarter are banks' expectations.

1.2 Demand

- **Demand for loans by firms:** decrease in demand, mainly by large firms and for short-term loans.
 - **Factors:** very heterogeneous assessment by banks, the decrease in the financing needs for fixed investment being the most relevant factor.
- **Demand for loans by households:** increase mainly in loans for house purchase.
 - **Factors:** low level of interest rates and consumer confidence contributed to the increase in demand for loans for house purchase.
- **Expectations:** increase in the demand for loans by firms, more significant in short-term loans and by SME. Increase in demand for loans by households, more significant in loans for consumer credit and other lending.

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:** slight improvement in retail funding capacity through short-term deposits.
- **Next three months:** access to market without significant changes.

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

- **On the balance sheet and financial situation – past six months:** slight improvement in the overall liquidity position and overall market financing conditions of banks; slight deterioration of banks' overall profitability, due to the impact on the net interest income.
- **On the lending policy and lending volumes – past six months:** basically no impact.
- **Next six months:** impacts on the financial situation of banks and on the policy and volume of credit to firms and households slightly lower than those reported in the past six months.

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

- **Negative interest rate – past six months:** considerable reduction on the overall profitability of banks due to the negative impact in the net interest income. In loans to firms, it contributed to decrease the bank's lending rates and loan margins, and to a slight increase in the lending volume. In loans to households, it contributed to a decrease in the bank's lending rates and loan margins applied especially in loans for house purchase.
- **Two-tier system applied by the ECB for remunerating excess liquidity holdings – past six months:** increase in the overall profitability of banks, due to the positive impact on the net interest income and, to a lesser extent, on the liquidity position.
- **Next six months:** similar impacts to those reported for the previous six months.

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

- **Participation**
 - June 2021 operation: one of the five banks in the Portuguese sample participated.
 - September 2021 operation: no bank in the Portuguese sample participated.
 - Future operations: one bank intends to participate, three banks do not intend to participate and one bank has not yet decided whether to participate or not.
- **Reasons to participate**
 - June operation: attractive profitability conditions of the operations.
 - Future operations: to reduce current and/or to prevent future funding difficulties and to enhance the fulfilment of regulatory or supervisory requirements.
- **Purposes of use of funds – past six months:** to grant loans to the private non-financial sector and, to a lesser extent, to hold liquidity with the Eurosystem, to purchase domestic sovereign bonds and for purchasing other financial assets.

- **Impact of the operations – past six months:**
 - **On the banks' financial situation:** improved profitability, liquidity position and market financing conditions, as well as the ability to fulfil regulatory or supervisory requirements.
 - **On the lending policy and lending volumes:** less tight terms and conditions in the case of firms and an increase in lending volume of credit to firms and to households for house purchase.
- **Next six months:** In comparison with the past six months, a higher use of the funds as a substitute for maturing debt and for granting loans to the non-financial private sector and a lower use of the funds with the purpose of holding liquidity with the Eurosystem. Impact of the operations, in general, similar to those of the past six months.

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

Box • Evolution of the main determinants of demand for loans for house purchase in Portugal and in the euro area

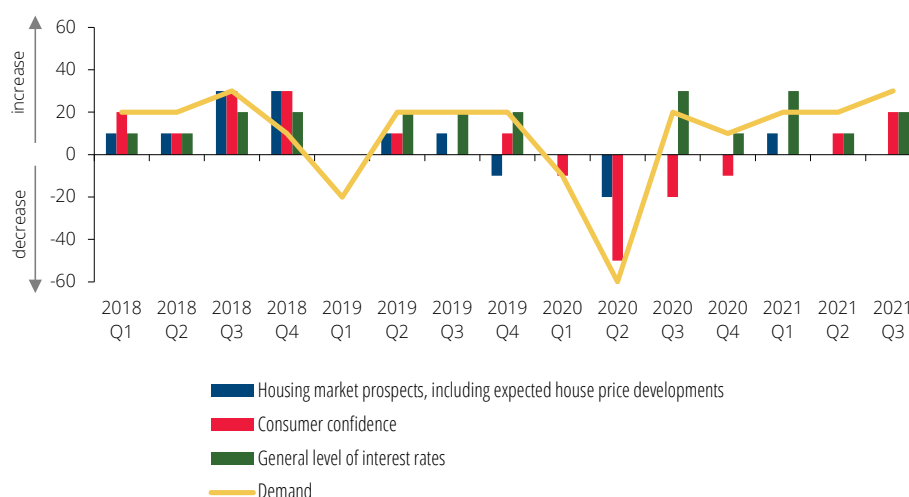
In Portugal and in the euro area, the loans for house purchase have shown a very dynamic behaviour in recent years, having only temporarily slowed down during the current pandemic crisis in periods of stricter lockdown rules. The Bank Lending Survey includes information on the changes in demand for credit for house purchase and on the impact of certain factors, such as the general level of interest rates, consumer confidence and the housing market prospects. This box analyses the evolution of the answers to these questions in recent years.

According to the banks' answers, in the two years prior to the pandemic crisis, in Portugal the demand for loans for house purchase increased successively, with the exception of the first quarter of 2019. This slight reduction was partly justified by the Banco de Portugal's macroprudential measure applied to the new credit agreements for house purchase and consumption. The increase in demand was attributed to the low level of interest rates, increased consumer confidence (mainly until the beginning of 2019), and to a lesser extent to the housing market prospects. In the euro area, demand increased until the first quarter of 2020. Throughout this period, the level of interest rates was the factor that most contributed to the increase in demand for credit.

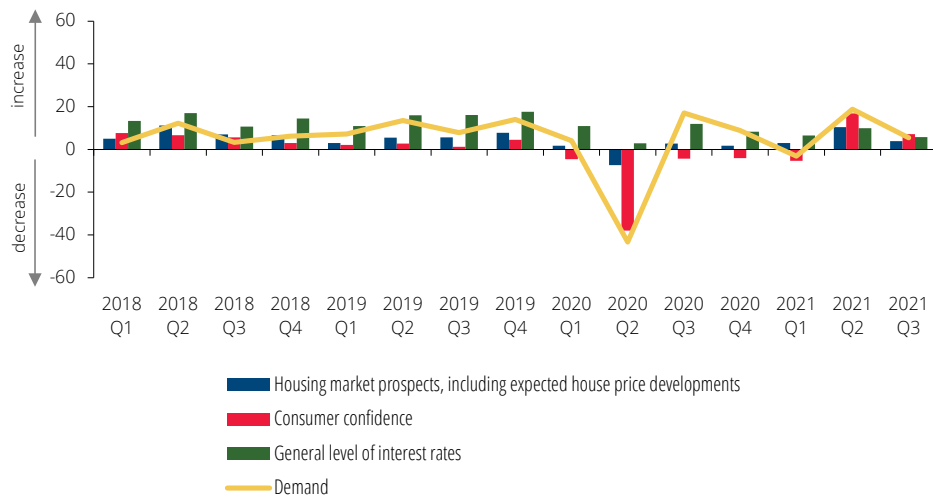
The demand for loans for house purchase declined sharply in the second quarter of 2020, both in Portugal and in the euro area. This decline was mainly justified by the decline in consumer confidence and, to a lesser extent, the deterioration of the housing market prospects, due to the pandemic crisis. According to the survey, the demand for credit for house purchase, both in Portugal and in the euro area, resumed growth in the following quarters. This dynamism is justified by the level of interest rates, since consumer confidence only recovered from the second quarter of 2021.

Chart C.1 • Demand for loans for house purchase and main determinants | Diffusion index

Panel A) Portugal



Panel B) Euro area



Sources: Banco de Portugal and ECB, Bank Lending Survey. | Notes: The diffusion index varies between -100 and 100. Index values higher (lower) than zero mean that the factor contributed to an increase (decrease) in credit demand. The value zero corresponds to the "no impact" situation. 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					
Remained basically unchanged	5	5	5	5	5
Eased somewhat					
Eased considerably					
N/A ^(a)					
Diffusion index %					
Oct. 21	0	0	0	0	0
Jul. 21	10	10	10	10	10

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

2 • Enterprises – Credit standards – Factors

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

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

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Oct. 21	Jul. 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			4	1			-10	10
Industry or firm-specific situation and outlook/borrower's creditworthiness			4	1			-10	20
Risk related to the collateral demanded			4	1			-10	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	10

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Oct. 21	Jul. 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			4	1			-10	10
Industry or firm-specific situation and outlook/borrower's creditworthiness			4	1			-10	20
Risk related to the collateral demanded			4	1			-10	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	10

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

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	Oct. 21	Jul. 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	0
Other conditions and terms								
Non-interest rate charges		1	4				10	10
Size of the loan or credit line			4	1			-10	0
Collateral requirements		1	3	1			0	10
Loan covenants			5				0	0
Maturity			5				0	0

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	0
Other conditions and terms								
Non-interest rate charges		1	4				10	10
Size of the loan or credit line			5				0	0
Collateral requirements		1	4				10	10
Loan covenants			5				0	0
Maturity			5				0	0

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Oct. 21	Jul. 21
Loans to large enterprises								
Overall terms and conditions								
Overall terms and conditions		1	2	2			-10	10
Margins (i.e. the spread over a relevant market reference rate)								
Your bank's loan margin on average loans			2	3			-30	-10
Your bank's loan margin on riskier loans			3	2			-20	10
Other conditions and terms								
Non-interest rate charges		1	2	2			-10	10
Size of the loan or credit line			3	2			-20	0
Collateral requirements		1	2	2			-10	10
Loan covenants			3	2			-20	0
Maturity			3	2			-20	0

4 • Enterprises – Terms and conditions – Factors

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

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

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Oct. 21	Jul. 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			4	1			-10	-10
Pressure from competition								
Pressure from competition			4	1			-10	-10
Perception of risk								
Perception of risk		1	3	1			0	10
Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	10
Impact on your bank's margin on average loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			4	1			-10	-10
Pressure from competition								
Pressure from competition			4	1			-10	-10
Perception of risk								
Perception of risk		1	3	1			0	10
Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	10
Impact on your bank's margin on riskier loans								
Cost of funds and balance sheet constraints								
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		2	3				20	30
Your bank's risk tolerance								
Your bank's risk tolerance		1	4				10	20

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	5
Increase somewhat	
Increase considerably	
N/A ^(a)	
Diffusion index %	
Oct. 21	0
Jul. 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	1	
Decrease somewhat	2	2	1	1	2
Remain basically unchanged	3	3	3	3	3
Increase somewhat					
Increase considerably					
N/A ^(a)					
Diffusion index %					
Oct. 21	-20	-20	-30	-30	-20
Jul. 21	-10	-10	-10	-20	0

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

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Oct. 21	Jul. 21
Financing needs/underlying drivers on purpose of loan demands								
Fixed investment		2	3				-20	-20
Inventories and working capital		1	3	1			0	10
Mergers/acquisitions and corporate restructuring		1	4				-10	-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	2	1			-10	-20
Use of alternative finance								
Internal financing			4	1			10	10
Loans from other banks		1	4				-10	-10
Loans from non-banks			5				0	0
Issuance/redemption of debt securities			5				0	0
Issuance/redemption of equity			5				0	0

8 • Enterprises – Credit standards – Outlook

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

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
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 %					
Oct. 21	0	0	0	0	0
Jul. 21	0	0	0	0	0

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					
Remain basically unchanged	3	2	3	2	3
Increase somewhat	2	3	2	3	2
Increase considerably					
N/A ^(a)					
Diffusion index %					
Oct. 21	20	30	20	30	20
Jul. 21	0	10	0	0	0

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

2.2 Loans to households

10 • Households – Credit standards

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

	Loans for house purchase	Consumer credit and other lending
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 %		
Oct. 21	0	0
Jul. 21	0	0

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

11 • Loans for house purchase – Credit standards – Factors

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

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

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Oct. 21	Jul. 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	0
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	0

12 • Loans for house purchase – Terms and conditions

Over the past three months, how have your bank's terms and conditions for new loans to households for house purchase changed? Please rate the overall terms and conditions for this loan category and each factor using the following scale:

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

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Oct. 21	Jul. 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	-10
Your bank's loan margin on riskier loans			5				0	0
Other terms and conditions								
Collateral requirements			5				0	0
"Loan-to-value" ratio			5				0	0
Other loan size limits			5				0	0
Maturity		1	4				10	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

	No of banks that selected the option						Diffusion index %	
	– –	–	°	+	+ +	N/A	Oct. 21	Jul. 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	0
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
Impact on your bank's margin on average loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
Pressure from competition								
Pressure from competition			4	1			-10	-10
Perception of risk								
Perception of risk			5				0	-10
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
Impact on your bank's margin on riskier loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

14 • Consumer credit and other lending – Credit standards – Factors

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

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

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Oct. 21	Jul. 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	0
Creditworthiness of consumers			5				0	0
Risk on the collateral demanded			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

15 • Consumer credit and other lending – Terms and conditions

Over the past three months, how have your bank's terms and conditions for new consumer credit and other lending to households changed? Please rate the overall terms and conditions for this loan category and each factor using the following scale:

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

	No of banks that selected the option						Diffusion index %	
	--	-	°	+	++	N/A	Oct. 21	Jul. 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	0
Your bank's loan margin on riskier loans			5				0	0
Other terms and conditions								
Collateral requirements			5				0	0
Size of the loan			5				0	0
Maturity			5				0	0
Non-interest rate charges			5				0	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	Oct. 21	Jul. 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	0
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
Impact on your bank's margin on average loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0
Impact on your bank's margin on riskier loans								
Cost of funds and balance sheet constraints								
Cost of funds and balance sheet constraints			5				0	0
Pressure from competition								
Pressure from competition			5				0	0
Perception of risk								
Perception of risk			5				0	0
Your bank's risk tolerance								
Your bank's risk tolerance			5				0	0

17 • Households – Rejected applications

Over the past three months (apart from normal seasonal fluctuations), has the share of 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 %		
Oct. 21	0	-10
Jul. 21	0	-10

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

18 • Households – Demand

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

	Loans for house purchase	
	Loans for house purchase	Consumer credit and other lending
No of banks that selected the option		
Decreased considerably		
Decreased somewhat		1
Remained basically unchanged	2	2
Increased somewhat	3	2
Increased considerably		
N/A ^(a)		
Diffusion Index %		
Oct. 21	30	10
Jul. 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
- o contributed to keeping demand basically unchanged
- + contributed somewhat to higher demand
- ++ contributed considerably to higher demand
- N/A not applicable

	No of banks that selected the option						Diffusion index %	
	--	-	o	+	++	N/A	Oct. 21	Jul. 21
Financing needs/underlying drivers or purpose of loan demand								
Housing market prospects, including expected house price developments			5				0	0
Consumer confidence			3	2			20	10
General level of interest rates			3	2			20	10
Debt refinancing/restructuring and renegotiation (when leading to an increase or prolongation of the amount borrowed)			4	1			10	0
Regulatory and fiscal regime of housing markets			5				0	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	0
Loans from other banks			5				0	0
Other sources of external finance			5				0	0

20 • Consumer credit and other lending – Demand – Factors

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

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

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

21 • Households – Credit standards – Outlook

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

	Loans for house purchase	Consumer credit and other lending
No of banks that selected the option		
Tighten considerably		
Tighten somewhat		
Remain basically unchanged	5	4
Ease somewhat		1
Ease considerably		
N/A ^(a)		
Diffusion index %		
Oct. 21	0	-10
Jul. 21	0	0

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	3	2
Increase somewhat	2	3
Increase considerably		
N/A ^(a)		
Diffusion index %		
Oct. 21	20	30
Jul. 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					
		--	-	o	+	++	N/A ^(b)	--	-	o	+	++	N/A ^(b)
Retail funding													
Short-term deposits (up to one year)				3	2				1	4			
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					4	1			
Short-term money market (more than 1 week)				5					4	1			
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	2	2				5				
Securitisation ^(d)													
Securitisation of corporate loans			1	2			2		1	2			2
Securitisation of loans for house purchase			1	2			2						
Ability to transfer credit risk off balance sheet ^(e)													
Ability to transfer credit risk off balance sheet			1	2			2		1	2			2

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

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

Over the past six months, have the ECB's asset purchase programmes (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? Are they likely to have an impact here over the next six months?

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

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

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

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

Over the past six months, how have 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

	No of banks that selected the option											
	Over the past six months						Over the next six months					
	--	-	°	+	++	N/A ^(a)	--	-	°	+	++	N/A ^(a)
Credit standards												
For loans and enterprises			5						5			
For loans to households for house purchase			5						5			
For consumer credit and other lending to households			5						5			
Terms and conditions												
For loans and enterprises		1	4					1	4			
For loans to households for house purchase		1	4					1	4			
For consumer credit and other lending to households		1	4					1	4			
Lending volumes												
For loans and enterprises			5						5			
For loans to households for house purchase			5						5			
For consumer credit and other lending to households			5						5			

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

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

i) Over the past six months, how has the ECB's negative deposit facility rate, either directly or indirectly^(a), 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

	No of banks that selected the option													
	Over the past six months							Over the next six months						
	--	-	o	+	++	N/A ^(b)		--	-	o	+	++	N/A ^(b)	
Your bank's profitability														
Impact on your bank's overall profitability	2	3						2	3					
owing to:														
Impact on your bank's net interest income ^(d)	2	3						2	3					
Loans to enterprises														
Impact on your bank's lending rates	1	2	1	1				1	2	1	1			
Impact on your bank's loan margin ^(d)		2	3						2	3				
Impact on your bank's non-interest rate charges			5							5				
Impact on your bank's lending volume			3	2						3	2			
Loans to households for house purchase														
Impact on your bank's lending rates	1	2	1	1				1	1	2	1			
Impact on your bank's loan margin ^(d)		2	3						2	3				
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	1	2	1				1	1	2	1			
Impact on your bank's loan margin ^(d)		1	4						1	4				
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		1	4						1	4				

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?

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

	No of banks that selected the option											
	Over the past six months						Over the next six months					
	--	-	o	+	++	N/A ^(b)	--	-	o	+	++	N/A ^(b)
Your bank's financial situation												
Impact on your bank's overall profitability			1	3	1				1	3	1	
owing to:												
Impact on your bank's net interest income ^(c)			1	3	1				1	3	1	
Impact on your bank's liquidity position			4		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		1	4					1	4			
Impact on your bank's lending rates to households for house purchase		1	4					1	4			
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			4	1					4	1		
Impact on your bank's interest rates on deposits held by households			4	1					4	1		

Notes: (a) Independent of whether your bank has excess liquidity. (b) Please select "N/A" (not applicable) only if you do not have any business in or exposure to the respective lending category. (c) The net interest income is defined as the difference between the interest earned and interest paid on the outstanding amount of interest-bearing assets and liabilities by the bank. (d) 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
No of banks that selected the option			
In the most recent TLTRO III operation (September 2021)		5	
In the next to last TLTRO III operation (June 2021)	1	4	
In future TLTRO III operations	1	3	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

	No of banks that selected the option			
	°	+	++	N/A
In the most recent TLTRO III operation				
(a)				
Your bank's reasons for participation				
Attractive TLTRO conditions (profitability motive)				5
To reduce current and/or prevent future funding difficulties (precautionary motive)				5
To enhance the fulfilment of regulatory or supervisory requirements				5
In the next to last TLTRO III operation				
(a)				
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 future TLTRO III operations				
(b)				
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

Notes: (a) Please select "N/A" (not applicable) only if you did not participate in the respective past TLTRO III operation. (b) 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 participation / will contribute somewhat to participation
 ++ has contributed considerably to participation / will contribute considerably to participation
 N/A not applicable

	No of banks that selected the option							
	Over the past six months				Over the next six months			
	°	+	++	N/A ^(a)	°	+	++	N/A ^(b)
For refinancing								
As a substitute for deposit shortfalls	4			1	5			
As a substitute for maturing debt securities	3	1		1	3	1	1	
As a substitute for interbank lending	3	1		1	4	1		
As a substitute for other Eurosystem liquidity operations ^(c)	4			1	5			
For granting loans, purchasing financial assets or holding liquidity								
For granting loans to the non-financial private sector		2	2	1		2	3	
For purchasing domestic sovereign bonds	2	1	1	1	3	1	1	
For purchasing other financial assets ^(d)	3		1	1	4		1	
For holding liquidity with the Eurosystem	1	2	1	1	4		1	

Notes: (a) 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. (b) 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. (c) This excludes the replacement of the TLTRO funds. (d) "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
- o has had basically no impact / will have basically no impact
- + has contributed somewhat to an improvement, easing or increase / will contribute somewhat to an improvement, easing or increase
- ++ has contributed considerably to an improvement, easing or increase / will contribute considerably to an improvement, easing or increase
- N/A not applicable

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

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