EUROPEAN CENTRAL BANK

EUROSYSTEM

The euro area bank lending survey

Fourth quarter of 2021

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Contents

Introduction

The results reported in the January 2022 bank lending survey (BLS) relate to changes observed during the fourth quarter of 2021 and expectations for the first quarter of 2022. The survey was conducted between 13 December 2021 and 11 January 2022. A total of 152 banks were surveyed in this round, with a response rate of 100%. In addition to results for the euro area as a whole, this report also contains results for the four largest euro area countries.[1]

A number of ad hoc questions were included in the January 2022 survey. They address the impact of the situation in financial markets on banks' access to retail and wholesale funding, the impact of new regulatory and supervisory requirements on banks' lending policies, the impact of banks' non-performing loan (NPL) ratios on their lending policies, the change in bank lending conditions and loan demand across the main economic sectors, and the impact of government loan guarantees related to the coronavirus (COVID-19) pandemic on changes in banks' lending conditions and demand for loans.

1 The four largest euro area countries in terms of GDP are Germany, France, Italy and Spain. From the January 2022 BLS onwards, the aggregation of banks' replies to the euro area results is based on unweighted national results for all countries. This has led to small revisions for the euro area (including historical revisions). In addition, the change of the reported results for France to unweighted national results has led to some revisions.

1 Overview of results

In the January 2022 BLS, euro area banks indicated a very slight net tightening of credit standards on loans to enterprises in the fourth quarter of 2021, i.e. the percentage share of banks reporting a tightening of credit standards was slightly larger than the share of banks reporting an easing. Banks had a generally benign view of firms' credit risks, mainly related to their overall positive assessment of the economic outlook, despite the current pandemic situation and the dampening impact of supply bottlenecks. Banks reported a net easing impact of risk perceptions and a broadly unchanged impact of their risk tolerance. In the first quarter of 2022, banks expect credit standards to remain broadly unchanged for loans to firms.

Banks indicated, on balance, a considerable increase in firms' demand for loans in the fourth quarter of 2021, which is the largest net increase since the extraordinary rise in loan demand in the first half of 2020. This appears consistent with the recent increase in actual loan growth to euro area firms. Loan demand was driven by short-term working capital needs, likely related to supply bottlenecks, but also by a significant pick up in firms' longer-term financing needs for fixed investment, which provides an overall positive sign for the economic recovery, despite the dampening impact of the pandemic on the economy. In the first quarter of 2022, banks expect a continued increase in demand for loans to firms.

Credit standards remained unchanged for housing loans, while banks reported a moderate net easing for credit standards on consumer credit in the fourth quarter of 2021. For housing loans, risk tolerance and cost of funds had a slight net tightening impact, whereas for consumer credit, these factors had a small net easing impact. Risk perceptions and competition had a broadly neutral impact for loans to households. Banks reported, on balance, a continued increase in demand for loans to households for house purchase and, to a smaller extent, for consumer credit in the fourth quarter of 2021, supported by consumer confidence and the low general level of interest rates. In the first quarter of 2022, banks expect a net tightening of credit standards for housing loans and a net easing for credit standards on consumer credit. On balance, banks expect a continued net increase in demand for loans to households across loan categories.

In more detail, euro area banks reported a very slight net tightening of credit standards (i.e. banks' internal guidelines or loan approval criteria) for loans or credit lines to enterprises in the fourth quarter of 2021 (net percentage of banks of 2%, after 1% in Q3 2021; see Section 2.1). Following the stronger tightening in earlier periods of the pandemic, banks have indicated in the fourth quarter of 2021 an overall benign view of firms' credit risks. This was mainly related to an easing impact from banks' assessment of the economic outlook and a broadly unchanged impact of their risk tolerance, despite supply bottlenecks and the Omicron variant which are likely to dampen the short-term economic outlook. The impact of banks' cost of funds and balance sheet situation on their credit standards remained broadly neutral, reflecting the continued support from monetary policy, which has so far shielded banks and borrowers from the rise in market reference rates. In the first quarter of 2022, euro area banks expect broadly unchanged credit standards on loans to firms (-1%).

In the fourth quarter of 2021, euro area banks reported unchanged credit standards for housing loans (net percentage of banks of 0%, after 2% in Q3 2021; see Section 2.2), while credit standards have eased in net terms for consumer credit and other lending to households (-4%, after -3%; see Section 2.3). For housing loans, banks' decreased risk tolerance as well as their cost of funds and balance sheet situation had a small tightening impact, while these factors had a small easing impact for consumer credit. In addition, risk perceptions and competition had a broadly neutral impact on credit standards for all lending to households. Banks expect credit standards to tighten for housing loans (3%) and to continue easing for consumer credit (-6%) in the first quarter of 2022.

Banks' overall terms and conditions (i.e. banks' actual terms and conditions agreed in the loan contract) for new loans to enterprises remained unchanged in the fourth quarter of 2021 (net percentage of 0%, after -2%). Margins on average loans (defined as the spread over relevant market reference rates) continued to narrow in net terms, while margins on riskier loans widened moderately. Banks reported broadly unchanged overall terms and conditions for housing loans (net percentage of -1%, after 0%) and consumer credit and other lending to households (-1%, after 0%) in the fourth quarter of 2021. The developments in margins are consistent with lending rates, which have remained close to historical lows in recent months.

In the fourth quarter of 2021, banks reported on balance no change in the share of rejected applications for loans to firms (net percentage of 0%, after 1%). For housing loans, euro area banks reported a slight net increase in the share of rejected applications (2%, after 3%), while the share of rejected applications has decreased in net terms for consumer credit (-3%, after -2%).

Among the largest euro area countries, credit standards for loans to enterprises remained unchanged in Germany and France, while they tightened in Spain and eased in Italy in the fourth quarter of 2021 (see Overview table). Credit standards for housing loans tightened in Germany and Spain, eased in Italy and remained unchanged in France. Credit standards for consumer credit and other lending to households eased in France and Italy, remained unchanged in Germany and tightened in Spain.

Firms' demand for loans increased considerably, on balance, in the fourth quarter of 2021 according to the banks (net percentage of 18%, after 8% in Q3 2021; see Section 2.1). This was the highest net increase since the extraordinary rise in loan demand in the first half of 2020. Loan demand was mainly driven by a stronger positive contribution of firms' financing needs for both working capital and fixed investment compared with the previous quarter, consistent with the net increase in demand for short-term and long-term loans reported by banks and the pick-up in actual lending to euro area firms across maturities. While the net increase in financing needs for working capital is likely related to the current pandemic situation, production delays and the rebuilding of inventories resulting from supply bottlenecks, firms' loan demand for fixed investment provides an overall positive sign for the economic recovery, despite the dampening impact of the pandemic. In addition, banks continued to report a positive impact on loan demand from other financing needs, which include M&A activity and debt refinancing and restructuring, while the impact of alternative financing sources was broadly neutral. In the first quarter of 2022, banks expect a continued net increase in demand for loans to firms (net percentage of 8%).

Similar to the previous BLS round, banks reported a net increase in demand for housing loans (net percentage of 8%, after 11% in Q3 2021; see Section 2.2) and, to a smaller extent, for consumer credit in the fourth quarter of 2021 (net percentage of 2%, after 5%; see Section 2.3). This is in line with the dynamic lending for house purchase and the moderate consumer credit growth observed recently, albeit remaining weak overall. Consumer confidence and the low general level of interest rates continued to support the demand for loans to households across loan categories. In addition, housing market prospects had a positive impact on the demand for housing loans, whereas spending on durables had a small negative impact on consumer credit. The dampening impact of the use of alternative sources of finance was related to loans from other banks, which had a negative impact on the demand for housing loans and consumer credit according to the banks surveyed. For consumer credit, the dampening impact was also related to the use of internal finance out of savings. Banks expect a continued increase in the net demand for housing loans (6%) and for consumer credit (12%) in the first quarter of 2022.

Among the largest euro area countries, banks reported a net increase in demand for loans to enterprises in Germany, France and Italy, while loan demand remained unchanged according to banks in Spain in the fourth quarter of 2021. Net demand for loans to households increased in Germany, Spain and Italy. In France, net demand for housing loans remained unchanged, whereas it decreased for consumer credit.

Overview table

Latest BLS results for the largest euro area countries

(net percentages of banks reporting a tightening of credit standards or an increase in loan demand)

	Enterprises						House purchase						Consumer credit					
	Credit standards			Demand			Credit standards			Demand			Credit standards			Demand		
Country	Q3 21	Q4 21	Avg.	Q3 21	Q4 21	Avg.	Q3 21	Q4 21	Avg.	Q3 21	Q4 21	Avg.	Q3 21	Q4 21	Avg.	Q3 21	Q4 21	Avg.
Euro area	1	2	8	8	18	0	2	0	6	11	8	4	-3	-4	4	5	2	0
Germany	3	0	4	9	16	6	4	4	2	18	11	9	-3	0	0	13	10	8
Spain	0	20	9	10	0	-5	11	11	14	33	33	-9	10	10	9	10	10	-8
France	0	0	5	8	25	-5	8	0	3	8	0	7	-7	-7	-1	-7	-13	-1
Italy	-9	-9	11	0	18	7	0	-9	1	9	18	13	-8	-23	5	15	15	11

Notes: The "Avg." columns contain historical averages, which are calculated over the period since the beginning of the survey, excluding the most recent round. Owing to the different sample sizes across countries, which broadly reflect the differences in the national shares in lending to the euro area non-financial private sector, the size and volatility of the net percentages cannot be directly compared across countries.

The January 2022 BLS also included a number of ad hoc questions. Regarding euro area banks' access to retail and wholesale funding, banks reported in net terms that access continued to improve for retail funding in the fourth quarter of 2021. By contrast, it was broadly unchanged for money markets, debt securities and securitisation.

Euro area banks continued to improve their capital position against the backdrop of regulatory or supervisory action in 2021. At the euro area level, banks reported that supervisory or regulatory action had a net tightening impact on banks' credit standards on loans to large firms, on consumer credit and in particular on loans for house purchase in 2021. The relatively stronger tightening impact on loans to households for house purchase was probably related to macroprudential measures on housing markets in some countries.

In the second half of 2021, euro area banks' non-performing loan (NPL) ratios had a small net tightening impact on credit standards for loans to enterprises and for consumer credit, whereas the impact continued to be neutral on credit standards for loans to households for house purchase. Over the next six months, euro area banks expect NPL ratios to have a broadly neutral impact on credit standards across all loan categories. Pressure related to supervisory or regulatory requirements as well as banks' decreased risk tolerance contributed to a small net tightening impact of NPL ratios on lending conditions in the second half of 2021. At the same time, costs related to banks' capital position and balance sheet clean-up operations, banks' access to market financing and liquidity position continued to have a broadly neutral impact on lending conditions via banks' NPLs.

Euro area banks indicated moderately tightened or broadly unchanged credit standards for new loans to enterprises across the main economic sectors in the second half of 2021, in line with broadly unchanged credit standards reported by banks for loans to all firms in the third quarter of 2021 and the slight net tightening of credit standards in the fourth quarter. Over the next six months, banks expect broadly unchanged credit standards or a net tightening in credit standards across most of the economic sectors. Banks reported on balance an increase in demand for loans or credit lines in all economic sectors, with the net increase being most pronounced in real estate and manufacturing. Over the next six months, euro area banks expect a continued net increase in loan demand from firms across all main economic sectors.

Euro area banks reported that COVID-19 related government guarantees continued to support banks' credit standards for loans to firms in the second half of 2021. Demand for loans with COVID-19 related government guarantees declined on balance, whereas it strongly increased in net terms for loans without government guarantees in the second half of 2021. Given the small share of loans with COVID-19 related guarantees in new lending, this is in line with the overall increase in loan demand from firms in the third and fourth quarters of 2021 (see Section 2.1).

Box 1
General notes

The bank lending survey (BLS) is addressed to senior loan officers at a representative sample of euro area banks. In the current round, 152 banks were surveyed, representing all euro area countries and reflecting the characteristics of their respective national banking structures. The main purpose of the BLS is to enhance the Eurosystem's knowledge of bank lending conditions in the euro area.[2]

BLS questionnaire

The BLS questionnaire contains 22 standard questions on past and expected future developments: 18 backward-looking questions and four forward-looking questions. In addition, it contains one open-ended question. Those questions focus on developments in loans to euro area residents (i.e. domestic and euro area cross-border loans) and distinguish between three loan categories: loans or credit lines to enterprises; loans to households for house purchase; and consumer credit and other lending to households. For all three categories, questions are asked about the credit standards applied to the approval of loans, the terms and conditions of new loans, loan demand, the factors affecting loan supply and demand conditions, and the percentage of loan applications that are rejected. Survey questions are generally phrased in terms of changes over the past three months or expected changes over the next three months. Survey participants are asked to indicate in a qualitative way the strength of any tightening or easing or the strength of any decrease or increase, reporting changes using the following five-point scale: (1) tightened/decreased considerably, (2) tightened/decreased somewhat, (3) basically no change, (4) eased/increased somewhat or (5) eased/increased considerably.

In addition to the standard questions, the BLS questionnaire may contain ad hoc questions on specific topics of interest. Whereas the standard questions cover a three-month time period, the ad hoc questions tend to refer to changes over a longer time period (e.g. over the past and next six months).

Aggregation of banks' replies to national and euro area BLS results

The responses of the individual banks participating in the BLS are aggregated in two steps to form the euro area results. In the first step, the responses of individual banks are aggregated to national results for the euro area countries. In the second step, the national BLS results are aggregated to euro area BLS results.

In the first step, banks' replies are aggregated to national BLS results for all countries by applying equal weights to all banks in the sample.[3] For two countries (Malta and Slovakia), national results are additionally aggregated by applying a weighting scheme based on the amounts outstanding of loans to non-financial corporations and households of the individual banks in the respective national samples.

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[2] For more detailed information on the bank lending survey, see the article entitled "A bank lending survey for the euro area", *Monthly Bulletin*, ECB, April 2003; Köhler-Ulbrich, P., Hempell, H. and Scopel, S., "The euro area bank lending survey", *Occasional Paper Series*, No 179, ECB, 2016; and Burlon, L., Dimou, M., Drahonsky, A. and Köhler-Ulbrich, P., "What does the bank lending survey tell us about credit conditions for euro area firms?", *Economic Bulletin*, Issue 8, ECB, December 2019.

[3] To ensure a good representation of national bank lending markets, the selected sample banks are generally of similar size or have lending behaviour that is typical of a larger group of banks.

In the second step, since the numbers of banks in the national samples differ considerably and do not always reflect those countries' respective shares of lending to euro area non-financial corporations and households, the unweighted national survey results of all countries are aggregated to euro area BLS results by applying a weighting scheme based on the national shares of outstanding loans to euro area non-financial corporations and households.

BLS indicators

Responses to questions relating to credit standards are analysed in this report by looking at the difference (the "net percentage") between the percentage of banks reporting that credit standards applied in the approval of loans have been tightened and the percentage of banks reporting that they have been eased. For all questions, the net percentage is determined on the basis of all participating banks that have business in or exposure to the respective loan categories (i.e. they are all included in the denominator when calculating the net percentage). This means that banks that specialise in certain loan categories (e.g. banks that only grant loans to enterprises) are only included in the aggregation for those categories. All other participating banks are included in the aggregation of all questions, even if a bank replies that a question is "not applicable" ("NA"). This harmonised aggregation method was introduced by the Eurosystem in the April 2018 BLS. It has been applied to all euro area and national BLS results in the current BLS questionnaire, including backdata.[4] The resulting revisions for the standard BLS questions have generally been small, but revisions for some ad hoc questions have been larger owing to a higher number of "not applicable" replies by banks.

A positive net percentage indicates that a larger proportion of banks have tightened credit standards ("net tightening"), whereas a negative net percentage indicates that a larger proportion of banks have eased credit standards ("net easing").

Likewise, the term "net demand" refers to the difference between the percentage of banks reporting an increase in loan demand (i.e. an increase in bank loan financing needs) and the percentage of banks reporting a decline. Net demand will therefore be positive if a larger proportion of banks have reported an increase in loan demand, whereas negative net demand indicates that a larger proportion of banks have reported a decline in loan demand.

In the assessment of survey balances for the euro area, net percentages between -1 and +1 are generally referred to as "broadly unchanged". For country results, net percentage changes are reported in a factual manner, as differing sample sizes across countries mean that the answers of individual banks have differing impacts on the magnitude of net percentage changes.

In addition to the "net percentage" indicator, the ECB also publishes an alternative measure of banks' responses to questions relating to changes in credit standards and net demand. This measure is the weighted difference ("diffusion index") between the percentage of banks reporting that credit standards have been tightened and the percentage of banks reporting that they have been eased. Likewise, as regards demand for loans, the diffusion index refers to the weighted difference between the percentage of banks reporting an increase in loan demand and the percentage of banks reporting a decline. The diffusion index is constructed in the following way: lenders who have answered "considerably" are given a weight (score of 1) which is twice as large as that given to lenders who

4 The non-harmonised historical data differ from the harmonised data mainly as a result of heterogeneous treatment of "NA" (Not Applicable) replies and specialised banks across questions and countries. Non-harmonised historical BLS data are published for discontinued BLS questions and ad hoc questions.

have answered “somewhat” (score of 0.5). The interpretation of the diffusion indices follows the same logic as the interpretation of net percentages.

Detailed tables and charts based on the responses provided can be found in Annex 1 for the standard questions and Annex 2 for the ad hoc questions. In addition, BLS time series data are available on the ECB’s website via the Statistical Data Warehouse.

A copy of the questionnaire, a glossary of BLS terms and a BLS user guide with information on the BLS series keys can all be found on the ECB's website.

2 Developments in credit standards, terms and conditions, and net demand for loans in the euro area

2.1 Loans to enterprises

2.1.1 Credit standards for loans to enterprises tightened very slightly

Euro area banks reported a very slight net tightening of credit standards (i.e. banks' internal guidelines or loan approval criteria) for loans or credit lines to enterprises in the fourth quarter of 2021, i.e. the percentage share of banks reporting a tightening of credit standards was slightly larger than the share of banks reporting an easing (net percentage of banks of 2%, after 1% in the third quarter of 2021; see Chart 1 and Overview table). This is overall consistent with banks' expectations of broadly unchanged credit standards in the previous quarter (-1%). Banks indicated a generally benign view on firms' credit risks in the fourth quarter of 2021, despite the pandemic situation and the dampening impact of supply bottlenecks. In addition, the measures by monetary, fiscal and supervisory authorities continued to support bank lending conditions. In the fourth quarter of 2021, credit standards tightened slightly for small and medium-sized enterprises (SMEs) (2%, after 0%) and eased slightly for large firms (-2%, after 0%). They remained unchanged for both short-term loans (0%, after 1%) and for long-term loans (0%, after 1%).

Banks continued to report a small net easing impact of risk perceptions in the fourth quarter of 2021 (see Chart 1 and Table 1). The net easing impact of risk perceptions was mainly related to the favourable impact of the economic outlook on credit standards (net percentage of -4%), but also to slightly lower collateral risks (-2%), while banks rated the impact of the firm-specific situation and borrowers' creditworthiness as broadly neutral (-1%). The assessment of banks is consistent with the economic recovery, despite short-term dampening effects from the pandemic, and improved corporate revenues. Banks also reported a broadly neutral impact of their risk tolerance, and a neutral impact of competitive pressures on their credit standards for loans to firms. Banks' cost of funds and balance sheet constraints continued to have a broadly neutral impact. While banks assessed the impact of their capital position and market financing conditions as neutral for their credit standards, banks' liquidity position continued to have a small net easing impact (net percentage of -2%), which is likely related to the favourable impact of funding from the third series of targeted longer-term refinancing operations (TLTRO III).

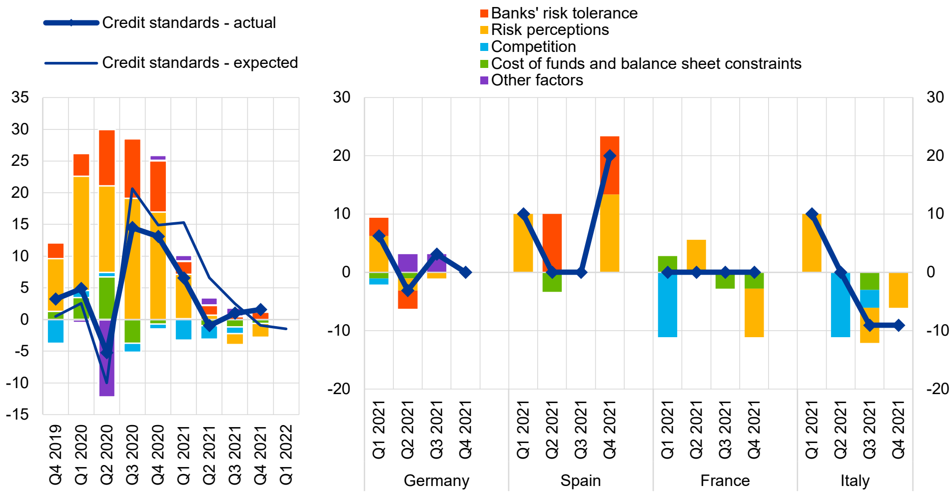
In the largest euro area countries, credit standards for loans to enterprises remained unchanged in Germany and France, while they tightened in Spain and eased in Italy in the fourth quarter of 2021. In France and Italy, risk perceptions had an easing impact on credit standards, while they had a tightening impact in Spain. In addition, banks' lower risk tolerance contributed to the net tightening of credit standards on loans to firms in Spain. For Germany, all factors had, on balance, a neutral impact on credit standards for loans to firms in the fourth quarter of 2021.

In the first quarter of 2022, euro area banks expect credit standards for loans to firms to remain broadly unchanged (net percentage of -1%), confirming banks' overall benign assessment of credit risks looking ahead.

Chart 1

Changes in credit standards applied to the approval of loans or credit lines to enterprises, and contributing factors

(net percentages of banks reporting a tightening of credit standards and contributing factors)



Notes: "Actual" values are changes that have occurred, while "expected" values are changes anticipated by banks. Net percentages are defined as the difference between the sum of the percentages of banks responding "tightened considerably" and "tightened somewhat" and the sum of the percentages of banks responding "eased somewhat" and "eased considerably". The net percentages for responses to questions related to contributing factors are defined as the difference between the percentage of banks reporting that the given factor contributed to a tightening and the percentage reporting that it contributed to an easing. "Cost of funds and balance sheet constraints" is the unweighted average of "costs related to capital position", "access to market financing" and "liquidity position"; "risk perceptions" is the unweighted average of "general economic situation and outlook", "industry or firm-specific situation and outlook/borrower's creditworthiness" and "risk related to the collateral demanded"; "competition" is the unweighted average of "competition from other banks", "competition from non-banks" and "competition from market financing". The net percentages for "other factors" refer to further factors which were mentioned by banks as having contributed to changes in credit standards, currently mainly related to the policy interventions in response to the COVID-19 pandemic.

Table 1

Factors contributing to changes in credit standards for loans or credit lines to enterprises

(net percentages of banks)

Country	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021
Euro area	-1	-1	-1	0	-2	-2	0	1
Germany	0	0	0	0	-1	0	0	0
Spain	0	0	0	0	0	13	0	10
France	-3	-3	0	0	0	-8	0	0
Italy	-3	0	-3	0	-6	-6	0	0

Note: See the notes on Chart 1.

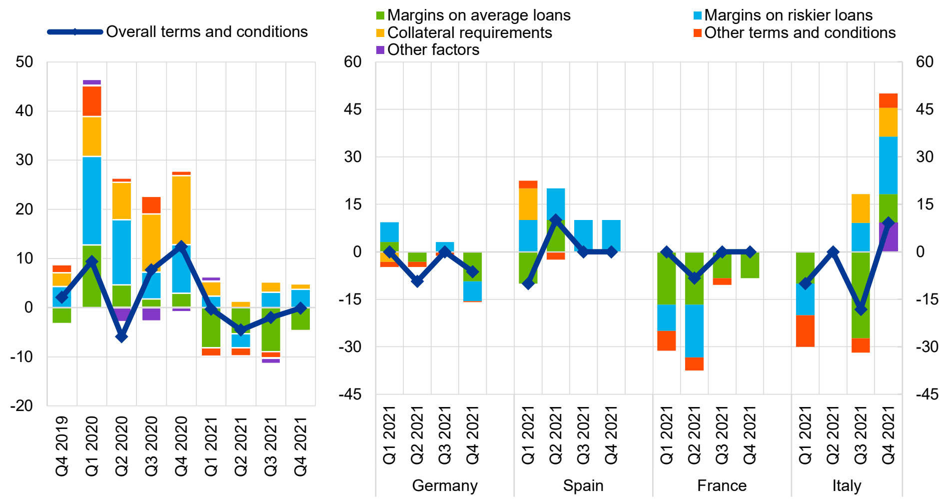
2.1.2 Terms and conditions on loans to enterprises remained unchanged

Banks' overall terms and conditions (i.e. banks' actual terms and conditions agreed in the loan contract) for new loans to enterprises remained unchanged in the fourth quarter of 2021 (net percentage of 0%, after -2%; see Chart 2 and Table 2). According to the banks surveyed, margins on average loans (defined as the spread over relevant market reference rates) continued to narrow in net terms, whereas margins on riskier loans widened moderately. Margin developments are overall consistent with the recent favourable developments in firms' aggregate cost of borrowing, which have so far been shielded from the increase in market reference rates. Collateral requirements as well as most other terms and conditions had a broadly neutral impact on banks' overall terms and conditions in the fourth quarter of 2021.

Chart 2

Changes in terms and conditions on loans or credit lines to enterprises

(net percentages of banks reporting a tightening of terms and conditions)



Notes: "Margins" are defined as the spread over a relevant market reference rate. "Other terms and conditions" is the unweighted average of "non-interest rate charges", "size of the loan or credit line", "loan covenants" and "maturity". The net percentages for "other factors" refer to further factors which were mentioned by banks as having contributed to changes in terms and conditions.

Competition was indicated by banks as an easing factor for their overall terms and conditions in the fourth quarter of 2021 (see Table 3). In addition, some banks mentioned that the TLTROs had a favourable impact on their terms and conditions for loans to firms. Banks' cost of funds and balance sheet constraints and risk perceptions did not contribute to changes in overall terms and conditions in the fourth quarter of 2021, whereas risk tolerance had a small net tightening impact.

In the largest euro area countries, overall terms and conditions on loans or credit lines to enterprises eased, on balance, in Germany, remained unchanged in Spain and France, and tightened in Italy. In Germany, margins on both average and riskier loans contributed to an easing, mainly related to favourable developments in banks' cost of funds and balance sheet situation. In Italy, loan margins, collateral requirements and other terms and conditions contributed to a net tightening of terms and conditions, driven by banks' cost of funds and balance sheet situation, risk perceptions and lower risk tolerance. In Spain, the widening of margins on riskier loans was explained by banks' lower risk tolerance, while the narrowing of margins on average loans in France was related to competitive pressure.

Table 2
Changes in terms and conditions on loans or credit lines to enterprises

(net percentages of banks)

	Overall terms and conditions		Banks' margins on average loans		Banks' margins on riskier loans	
Country	**Q3 2021**	**Q4 2021**	**Q3 2021**	**Q4 2021**	**Q3 2021**	**Q4 2021**
Euro area	-2	0	-9	-5	3	4
Germany	0	-6	0	-9	3	-6
Spain	0	0	0	0	10	10
France	0	0	-8	-8	0	0
Italy	-18	9	-27	18	9	18

Note: See the notes on Chart 2.

Table 3
Factors contributing to changes in overall terms and conditions on loans or credit lines to enterprises

(net percentages of banks)

	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
Country	**Q3 2021**	**Q4 2021**	**Q3 2021**	**Q4 2021**	**Q3 2021**	**Q4 2021**	**Q3 2021**	**Q4 2021**
Euro area	0	0	-13	-6	-1	1	2	3
Germany	0	-9	0	0	0	0	0	0
Spain	0	0	-10	-10	-10	0	10	10
France	0	0	-8	-8	0	0	0	0
Italy	9	27	-36	-9	0	9	0	9

Note: The net percentages for these questions relating to contributing factors are defined as the difference between the percentage of banks reporting that the given factor contributed to a tightening and the percentage reporting that it contributed to an easing.

2.1.3 Rejection rate for loans to enterprises remained unchanged

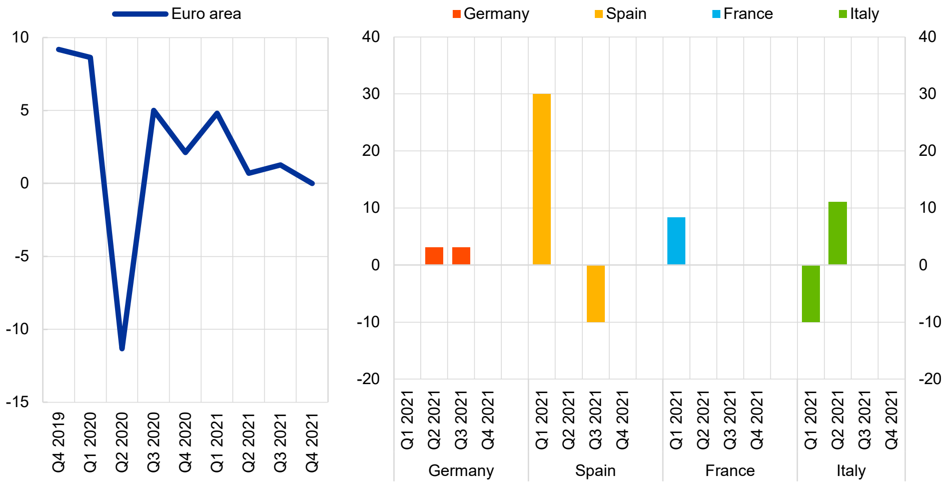
In the fourth quarter of 2021, euro area banks reported, on balance, no change in the share of rejected applications for loans to firms (net percentage of 0%, after 1% in the previous quarter; see Chart 3). This development is broadly in line with the development of credit standards, pointing to overall favourable loan approval conditions.

Across all the largest euro area countries, banks reported that the share of rejected applications remained unchanged in net terms for loans to firms in the fourth quarter of 2021.

Chart 3

Changes in the rejection rate for loans to enterprises

(net percentages of banks reporting an increase in the share of rejections)



Notes: The net percentages for rejected loan applications are defined as the difference between the percentage of banks reporting an increase in the share of loan rejections and the percentage of banks reporting a decrease. Banks' responses refer to the share of rejected loan applications relative to the total volume of applications in that loan category.

2.1.4 Net demand for loans to enterprises increased considerably

Banks reported a considerable net increase in firms' demand for loans or credit lines in the fourth quarter of 2021 (net percentage of banks of 18%, after 8% in the third quarter of 2021[5]; see Chart 4 and Overview table). This is the strongest increase since the extraordinarily high increase in loan demand from firms in the first half of 2020. Similar net percentage increases of loan demand to firms occurred between the end of 2014 and mid-2018, broadly in line with the recovery of bank lending to euro area firms before the moderation of euro area economic activity in 2018-2019. Developments are in line with the recent increase in actual lending to euro area firms across maturities. Loan demand increased on balance for short-term loans (net percentage of 12%) and for long-term loans (15%). In addition, loan demand picked up for both SMEs (16%) and large firms (20%).

Loan demand was mainly driven by firms' financing needs for working capital, but also for fixed investment, which picked up significantly (see Chart 4 and Table 4). These developments are consistent with the net increase in demand for short-term and long-term loans reported by banks and the pick-up in actual lending to euro area firms across maturities. While the net increase in financing needs for working capital is likely related to the current pandemic situation, production delays and the rebuilding of inventories resulting from supply bottlenecks, firms' loan demand for fixed investment provides an overall positive sign for the economic recovery, despite the dampening impact of the pandemic.

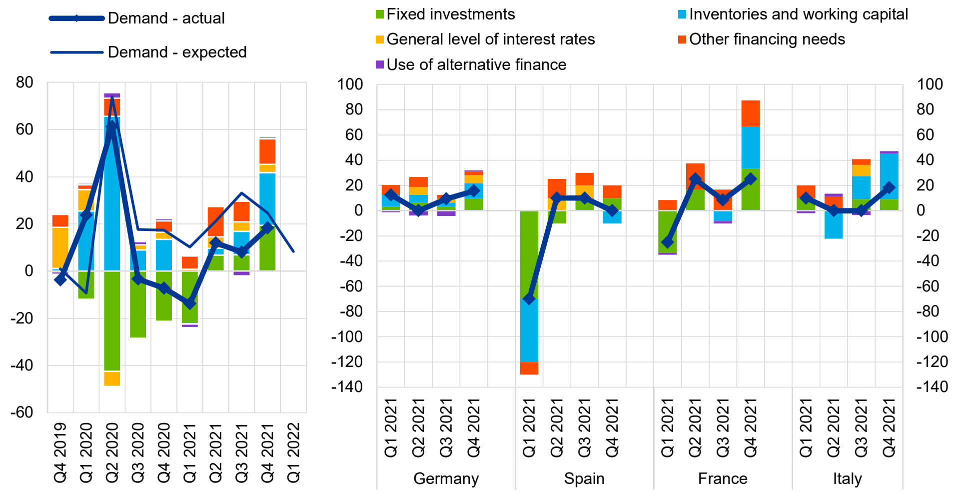
5 The net increase in demand for loans to firms has been revised upwards from 2% to 8% in the third quarter of 2021, owing to the changes in the aggregation of euro area results introduced with the January 2022 BLS.

In addition, banks continued to report a positive impact on loan demand from other financing needs, which include M&A activity and debt refinancing and restructuring, as well as, to a smaller extent, from the low general level of interest rates. By contrast, the impact of alternative financing sources, covering both internal and external sources of financing, was broadly neutral in the fourth quarter of 2021.

Chart 4

Changes in demand for loans or credit lines to enterprises, and contributing factors

(net percentages of banks reporting an increase in demand, and contributing factors)



Notes: “Actual” values are changes that have occurred, while “expected” values are changes anticipated by banks. Net percentages for the questions on demand for loans are defined as the difference between the sum of the percentages of banks responding “increased considerably” and “increased somewhat” and the sum of the percentages of banks responding “decreased somewhat” and “decreased considerably”. The net percentages for responses to questions relating to contributing factors are defined as the difference between the percentage of banks reporting that the given factor contributed to increasing demand and the percentage reporting that it contributed to decreasing demand. “Other financing needs” is the unweighted average of “mergers/acquisitions and corporate restructuring” and “debt refinancing/restructuring and renegotiation”; “use of alternative finance” is the unweighted average of “internal financing”, “loans from other banks”, “loans from non-banks”, “issuance/redemption of debt securities” and “issuance/redemption of equity”.

Table 4

Factors contributing to changes in demand for loans or credit lines to enterprises

(net percentages of banks)

	Fixed investment		Inventories and working capital		Other financing needs		General level of interest rates		Use of alternative finance	
Country	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021
Euro area	7	19	10	22	9	11	4	4	-2	1
Germany	3	9	3	13	3	3	3	6	-4	1
Spain	10	10	0	-10	10	10	10	0	0	0
France	0	33	-8	33	17	21	0	0	-2	0
Italy	9	9	18	36	5	0	9	0	-4	2

Note: See the notes on Chart 4.

In the largest euro area countries, banks reported a net increase in demand for loans to firms in Germany, France and Italy, while loan demand remained unchanged in Spain. Financing needs for fixed investment had a positive impact on loan demand in all large euro area countries. For working capital, the impact was positive in most of the large countries, except for Spain. In addition, other financing needs, mostly driven by M&A activities, contributed positively to loan demand in Germany, Spain and France, while the impact was neutral for Italy.

In the first quarter of 2022, euro area banks expect a continued net increase in demand for loans to firms (net percentage of banks at 8%), with a somewhat larger increase in demand from SMEs (net percentage of 10%, compared with 6% for loans to large firms).

2.2 Loans to households for house purchase

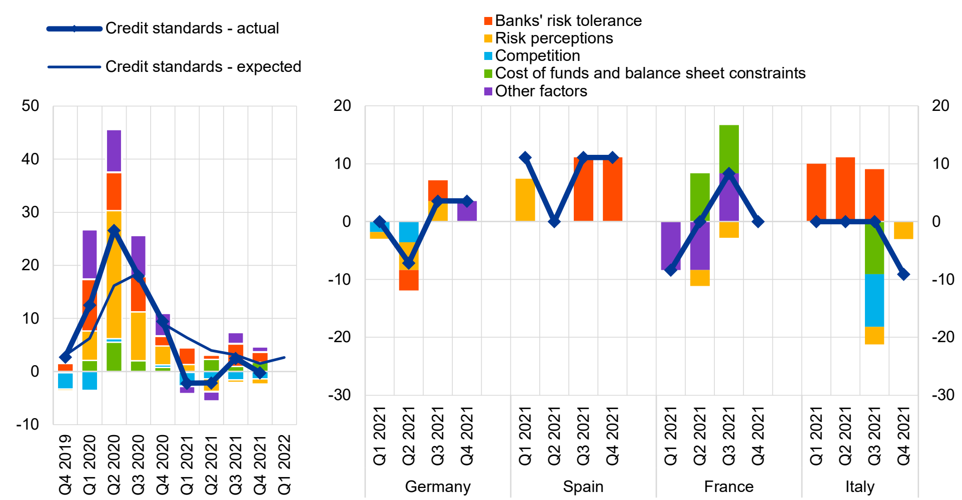
2.2.1 Credit standards for loans to households for house purchase were unchanged

In the fourth quarter of 2021, euro area banks reported unchanged credit standards for loans to households for house purchase (net percentage of banks at 0%; see Chart 5 and Overview table), following a slight net tightening of credit standards (2%) in the previous quarter of 2021.[6]

Chart 5

Changes in credit standards applied to the approval of loans to households for house purchase, and contributing factors

(net percentages of banks reporting a tightening of credit standards, and contributing factors)



Notes: See the notes on Chart 1. "Risk perceptions" is the unweighted average of "general economic situation and outlook", "housing market prospects, including expected house price developments" and "borrower's creditworthiness"; "competition" is the unweighted average of "competition from other banks" and "competition from non-banks". The net percentages for "other factors" refer to further factors which were mentioned by banks as having contributed to changes in credit standards, currently mainly related to macroprudential policy recommendations.

Banks' lower risk tolerance as well as their cost of funds and balance sheet situation had a small net tightening impact (see Chart 5 and Table 5). At the same time, banks' risk perceptions related to the economic outlook had a small easing impact, whereas

6 Credit standards for housing loans have been revised from 8% to 2% for the third quarter of 2021 owing to changes in the aggregation of euro area results introduced with the January 2022 BLS.

risk perceptions related to housing market prospects and the creditworthiness of borrowers had a neutral impact on credit standards. This highlights that, despite the Omicron variant, banks are still positive about the economic outlook. Finally, competition from banks and non-banks had a broadly neutral impact on loans to households for house purchase.

Across the largest euro area countries, credit standards have tightened in net terms in Germany and Spain, eased in Italy and remained unchanged in France. There was a tightening impact of banks' risk tolerance in Spain, whereas this factor had a neutral effect on credit standards in Germany, France and Italy. Banks in Italy indicated that the net easing of credit standards for loans to households for house purchase was driven by an improvement in risk perceptions related to the economic outlook. In Germany, other factors related to the implementation of the EBA guidelines on loan origination and monitoring had a tightening impact on credit standards.

In the first quarter of 2022, euro area banks expect a moderate net tightening of credit standards on loans to households for house purchase (net percentage of banks of 3%).

Table 5
Factors contributing to changes in credit standards for loans to households for house purchase

(net percentages of banks)

Country	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021
Euro area	1	2	-2	-1	0	-1	4	2
Germany	0	0	0	0	4	0	4	0
Spain	0	0	0	0	0	0	11	11
France	8	0	0	0	-3	0	0	0
Italy	-9	0	-9	0	-3	-3	9	0

Note: See the notes on Chart 5.

2.2.2 Terms and conditions on loans to households for house purchase were broadly unchanged

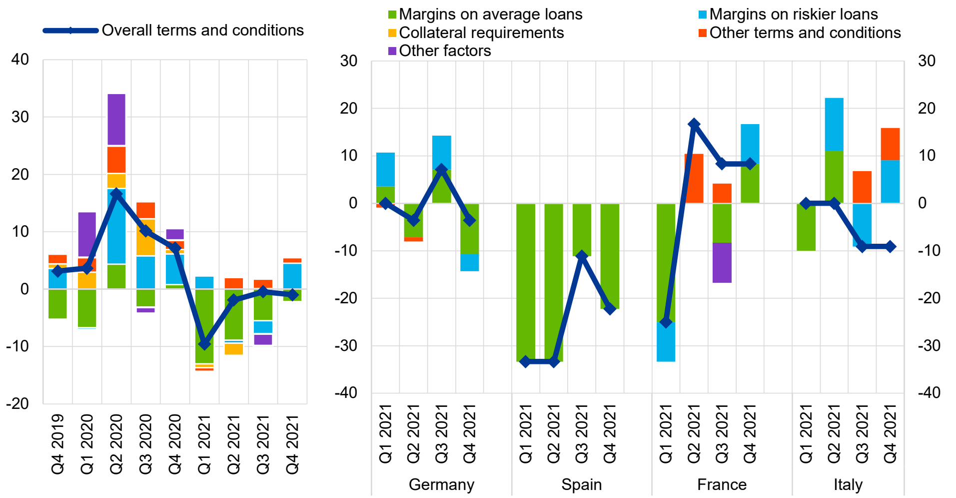
Banks reported on balance broadly unchanged overall terms and conditions for housing loans (net percentage of banks of -1%, after 0% in the previous quarter; see Chart 6 and Table 6).[7] This follows a net easing in overall terms and conditions in the first half of 2021 and unchanged terms and conditions reported by banks in the previous survey round. In line with lending rates being close to historically low levels, banks continued to report in net terms a narrowing of margins for average loans. At the same time, banks reported a small net tightening impact of loan-to-value ratios and a moderate net tightening impact for margins on riskier loans.

[7] Overall terms and conditions for housing loans have been revised from 5% to 0% for the third quarter of 2021 owing to changes in the aggregation of euro area results introduced with the January 2022 BLS.

Chart 6

Changes in terms and conditions on loans to households for house purchase

(net percentages of banks reporting a tightening of terms and conditions)



Notes: "Margins" are defined as the spread over a relevant market reference rate. "Other terms and conditions" is the unweighted average of "loan-to-value ratio", "other loan size limits", "non-interest rate charges" and "maturity". The net percentages for "other factors" refer to further factors which were mentioned by banks as having contributed to changes in terms and conditions.

Table 6

Changes in terms and conditions on loans to households for house purchase

(net percentages of banks)

Country	Overall terms and conditions		Banks' margins on average loans		Banks' margins on riskier loans	
	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021
Euro area	0	-1	-5	-2	-2	5
Germany	7	-4	7	-11	7	-4
Spain	-11	-22	-11	-22	0	0
France	8	8	-8	8	0	8
Italy	-9	-9	0	0	-9	9

Note: See the notes on Chart 6.

Cost of funds and balance sheet constraints contributed moderately to a tightening of terms and conditions, and risk perceptions and risk tolerance also had a slight net tightening impact (see Table 7). By contrast, banks indicated a net easing impact from competitive pressures.

In the largest euro area countries, overall terms and conditions for housing loans have eased in net terms in Germany, Spain and Italy, and tightened in France. This was driven by a narrowing of margins on average loans in Germany and Spain and by a narrowing of margins on riskier loans in Germany, mostly related to pressure from competition. At the same time, banks in France reported a widening of all margins, related to costs of funds and balance sheet constraints, whereas banks in Italy indicated a widening of margins on riskier loans and unchanged margins on average loans related to various factors.

Table 7

Factors contributing to changes in overall terms and conditions on loans to households for house purchase

(net percentages of banks)

Country	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021
Euro area	3	4	-8	-8	1	2	1	2
Germany	4	0	4	-11	0	0	0	0
Spain	-11	-11	-11	-22	0	0	0	0
France	8	8	-8	0	0	0	0	0
Italy	9	9	-18	-9	9	9	9	9

Note: The net percentages for these questions relating to contributing factors are defined as the difference between the percentage of banks reporting that the given factor contributed to a tightening and the percentage reporting that it contributed to an easing.

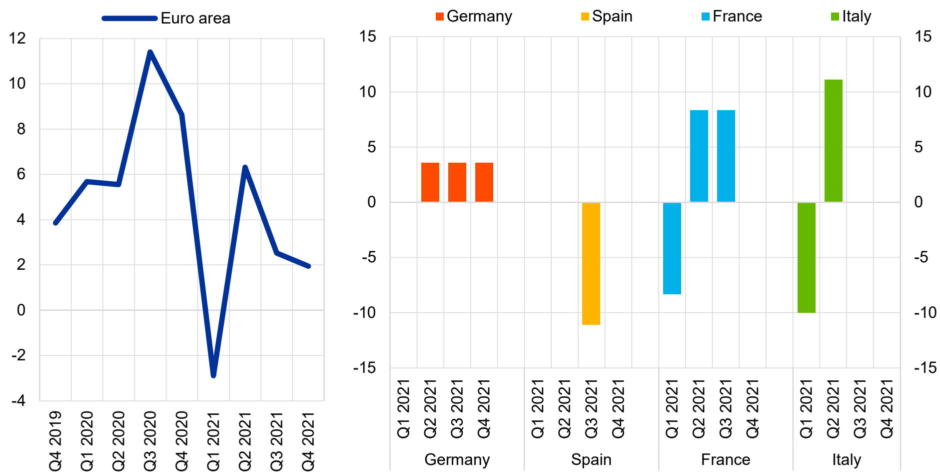
2.2.3 Rejection rate for housing loans increased slightly

In the fourth quarter of 2021, euro area banks continued to report a small net increase in the share of rejected applications for housing loans, following a stronger net increase, particularly in the second quarter of 2021 (2%, after 3% in the previous quarter; see Chart 7).

Chart 7

Changes in the rejection rate for loans to households for house purchase

(net percentages of banks reporting an increase in the share of rejections)



Notes: Net percentages for rejected loan applications are defined as the difference between the percentage of banks reporting an increase in the share of loan rejections and the percentage of banks reporting a decrease. Banks' answers refer to the share of rejected loan applications relative to the total volume of applications in that loan category.

Across the largest euro area countries, the rejection rate for housing loans has moderately increased in Germany, whereas it remained unchanged in Spain, France and Italy.

2.2.4 Net demand for housing loans increased

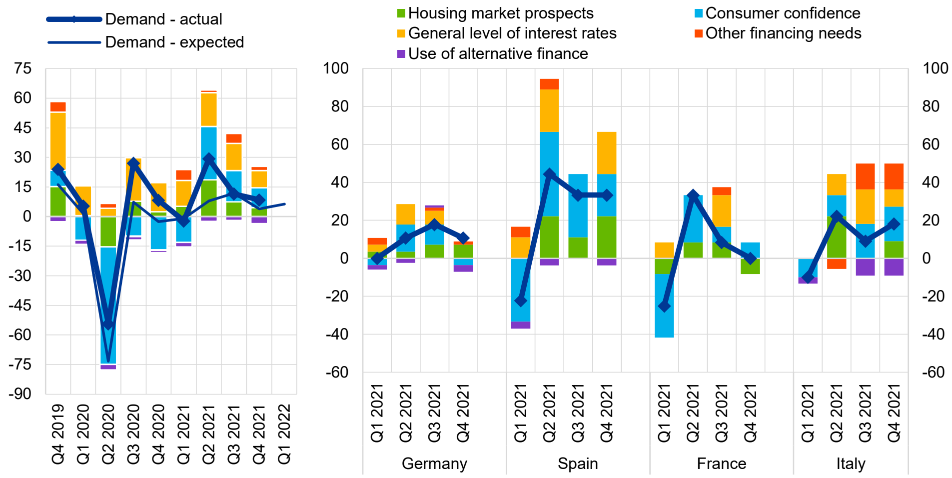
Banks reported, in net terms, a continued robust increase in demand for housing loans in the fourth quarter of 2021 (net percentage of banks of 8%, after 11% in the third quarter of 2021; see Chart 8 and Overview table). This development is in line with observed dynamic lending for house purchase.

According to BLS evidence, consumer confidence remained supportive of housing loan demand in the fourth quarter of 2021, but less than in the previous two quarters (see Chart 8 and Table 8). This is broadly consistent with the European Commission's consumer sentiment indicator, which declined in the fourth quarter of 2021, reflecting the reintroduction of containment measures in some euro area countries and the uncertainties surrounding the Omicron variant, while it was still above its long-term average. In addition, the low general level of interest rates and housing market prospects continued to support the demand for loans to households for house purchase, with the euro area housing market remaining resilient during most of the COVID-19 pandemic. Loan demand was also supported by other financing needs related to the regulatory and fiscal regime. By contrast, loans from other banks, as a source of alternative finance, had a dampening impact on housing loan demand in the fourth quarter of 2021.

Chart 8

Changes in demand for loans to households for house purchase, and contributing factors

(net percentages of banks reporting an increase in demand, and contributing factors)



Notes: See the notes on Chart 4. "Other financing needs" is the unweighted average of "debt refinancing/restructuring and renegotiation" and "regulatory and fiscal regime of housing markets"; "use of alternative finance" is the unweighted average of "internal finance of house purchase out of savings/down payment", "loans from other banks" and "other sources of external finance".

Across the largest euro area countries, banks in Germany, Spain and Italy reported a net increase in housing loan demand in the fourth quarter of 2021, whereas banks in France reported unchanged demand for housing loans. Consumer confidence, housing market prospects and the low general level of interest rates contributed to the net increase in demand for loans for house purchase in Spain and Italy. Housing market prospects also played a positive role in housing loan developments in

Germany, and consumer confidence in France. At the same time, the use of alternative finance related to loans from other banks had a dampening impact in Germany, Spain and Italy whereas other financing needs related to the regulatory and fiscal regime had a positive effect for loans to households for house purchase in Italy.

In the fourth quarter of 2021, banks expect a continued net increase in the demand for housing loans (net percentage of banks of 6%).

Table 8

Factors contributing to changes in demand for loans to households for house purchase

(net percentages of banks)

Country	Housing market prospects		Consumer confidence		Other financing needs		General level of interest rates		Use of alternative finance	
	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021
Euro area	7	5	16	10	5	2	14	9	-2	-3
Germany	7	7	11	-4	2	2	7	0	1	-4
Spain	11	22	33	22	0	0	0	22	0	-4
France	8	-8	8	8	4	0	17	0	-3	0
Italy	0	9	18	18	14	14	18	9	-9	-9

Note: See the notes on Chart 8.

2.3 Consumer credit and other lending to households

2.3.1 Credit standards for consumer credit and other lending to households eased moderately

Banks reported a moderate net easing for credit standards for consumer credit and other lending to households in the fourth quarter of 2021 (net percentage of -4%; see Chart 9 and Overview table), following a moderate net easing (-3%) of credit standards in the previous BLS round.[8]

The increased risk tolerance of banks and cost of funds contributed to the net easing in credit standards (see Chart 9 and Table 9). In addition, risk perceptions related to the economic outlook and the creditworthiness of borrowers continued to have an easing impact. At the same time, competition from other banks had a broadly neutral impact.

Across the largest euro area countries, credit standards for consumer credit and other lending to households eased in Italy and France, supported by increased risk tolerance and risk perceptions related to the economic outlook. In addition, the costs of funds had an easing impact for banks in France, while competition from other banks had an easing impact in Italy. At the same time, banks in Spain reported a net

[8] Credit standards for consumer credit have been revised from -1% to -3% for the third quarter of 2021 owing to changes in the aggregation of euro area results introduced with the January 2022 BLS.

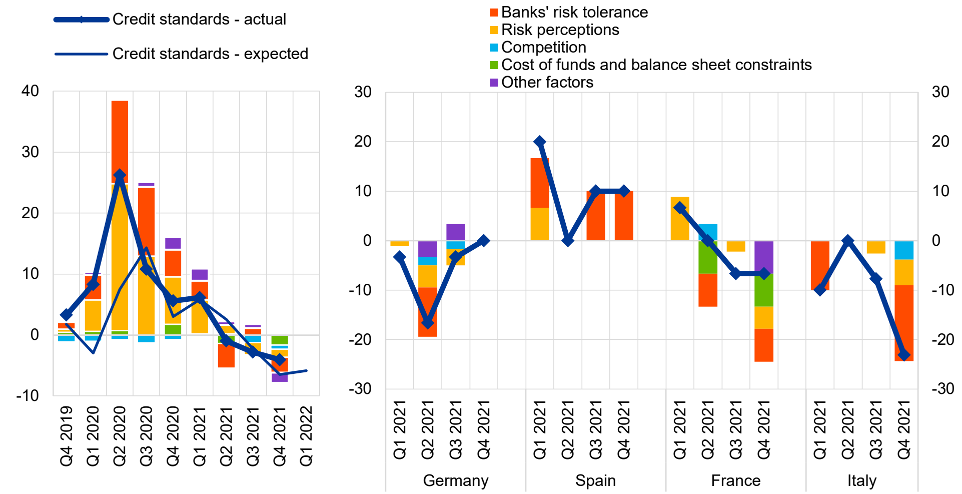
tightening on account of decreased risk tolerance. Banks in Germany reported unchanged credit standards.

In the first quarter of 2022, euro area banks expect a further net easing in credit standards for consumer credit and other lending to households (net percentage of -6%).

Chart 9

Changes in credit standards applied to the approval of consumer credit and other lending to households, and contributing factors

(net percentages of banks reporting a tightening of credit standards, and contributing factors)



Notes: See the notes on Chart 1. “Risk perceptions” is the unweighted average of “general economic situation and outlook”, “creditworthiness of consumers” and “risk on the collateral demanded”; “competition” is the unweighted average of “competition from other banks” and “competition from non-banks”. The net percentages for “other factors” refer to further factors which were mentioned by banks as having contributed to changes in credit standards.

Table 9

Factors contributing to changes in credit standards for consumer credit and other lending to households

(net percentages of banks)

Country	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks’ risk tolerance	
	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021
Euro area	0	-2	-1	-1	-2	-1	1	-2
Germany	0	0	-2	0	-3	0	0	0
Spain	0	0	0	0	0	0	10	10
France	0	-7	0	0	-2	-4	0	-7
Italy	0	0	0	-4	-3	-5	0	-15

Note: See the notes on Chart 9.

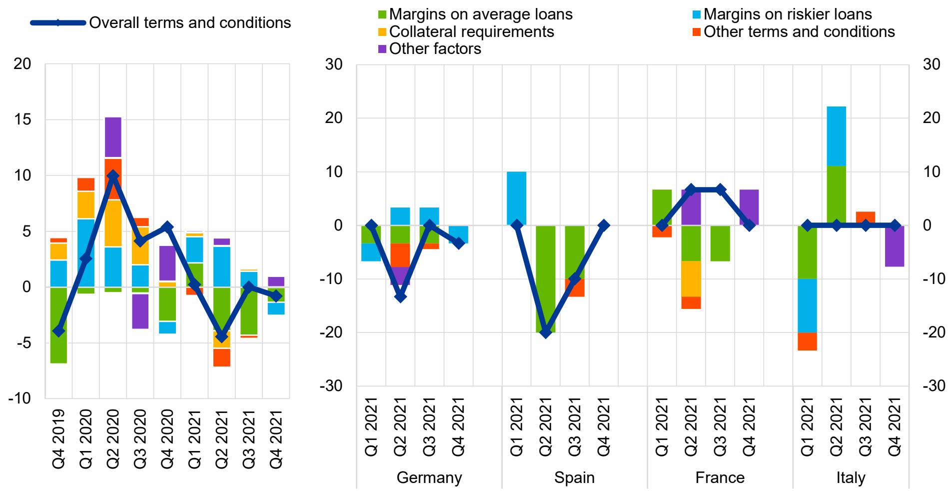
2.3.2 Terms and conditions on consumer credit and other lending to households remained broadly unchanged

In the fourth quarter of 2021, banks' overall terms and conditions applied when granting consumer credit and other lending to households remained broadly unchanged (net percentage of -1%, after 0% in the previous quarter; see Chart 10 and Table 10), with margins on average and riskier loans having a broadly neutral impact.

Chart 10

Changes in terms and conditions on consumer credit and other lending to households

(net percentages of banks reporting a tightening of terms and conditions)



Notes: "Margins" are defined as the spread over a relevant market reference rate. "Other terms and conditions" is the unweighted average of "size of the loan", "non-interest rate charges" and "maturity". The net percentages for "other factors" refer to further factors which were mentioned by banks as having contributed to changes in terms and conditions.

Table 10

Changes in terms and conditions on consumer credit and other lending to households

(net percentages of banks)

Country	Overall terms and conditions		Banks' margins on average loans		Banks' margins on riskier loans	
	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021
Euro area	0	-1	-4	-1	1	-1
Germany	0	-3	-3	0	3	-3
Spain	-10	0	-10	0	0	0
France	7	0	-7	0	0	0
Italy	0	0	0	0	0	0

Note: See the notes on Chart 10.

Pressure from competition continued to have, on balance, an easing impact on banks' overall terms and conditions for consumer credit (see Table 11). By contrast, banks' costs of funds and balance sheet constraints and risk perceptions had a small net tightening impact.

Across the largest euro area countries, overall terms and conditions on consumer credit and other lending to households eased in net terms in Germany on account of narrowing margins on riskier loans due to the easing impact of competition, whereas they remained unchanged in Spain, France and Italy.

Table 11

Factors contributing to changes in overall terms and conditions on consumer credit and other lending to households

(net percentages of banks)

Country	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021
Euro area	3	2	-5	-3	-1	2	2	1
Germany	0	0	-3	-3	0	0	0	0
Spain	0	0	-10	0	-10	0	0	0
France	7	7	-7	0	-7	0	0	0
Italy	8	0	-8	0	8	0	8	0

Note: The net percentages for these questions relating to contributing factors are defined as the difference between the percentage of banks reporting that the given factor contributed to a tightening and the percentage reporting that it contributed to an easing.

2.3.3 Rejection rate for consumer credit and other lending to households decreased

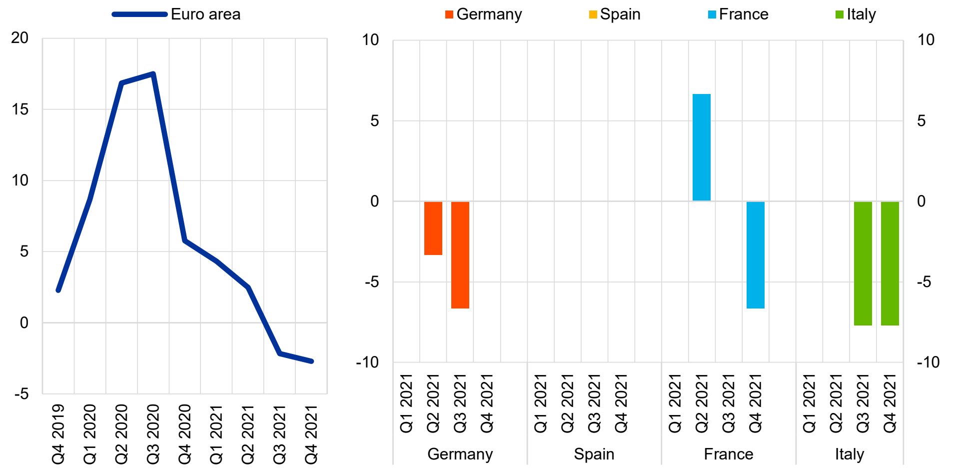
In the fourth quarter of 2021, euro area banks reported a moderate net decrease in the share of rejected applications for consumer credit and other lending to households (-3%, after -2% in the previous survey round; see Chart 11). This is consistent with the reported easing in credit standards for consumer credit and other lending to households in the fourth quarter of 2021.

Across the largest euro area countries, the rejection rate decreased on balance in France and Italy, whereas it was unchanged in Germany and Spain.

Chart 11

Changes in the rejection rate for consumer credit and other lending to households

(net percentages of banks reporting an increase in the share of rejections)



Notes: Net percentages for rejected loan applications are defined as the difference between the percentage of banks reporting an increase in the share of loan rejections and the percentage of banks reporting a decrease. Banks' responses refer to the share of rejected loan applications relative to the total volume of applications in that loan category.

2.3.4 Net demand for consumer credit and other lending to households increased slightly

In the fourth quarter of 2021, banks reported a small net increase in demand for consumer credit and other lending to households (net percentage of banks at 2%, after 5% in the previous quarter; see Chart 12 and Overview table), following similar developments in the previous quarter.[9] This is broadly in line with the moderate consumer credit growth observed recently, albeit remaining weak overall.

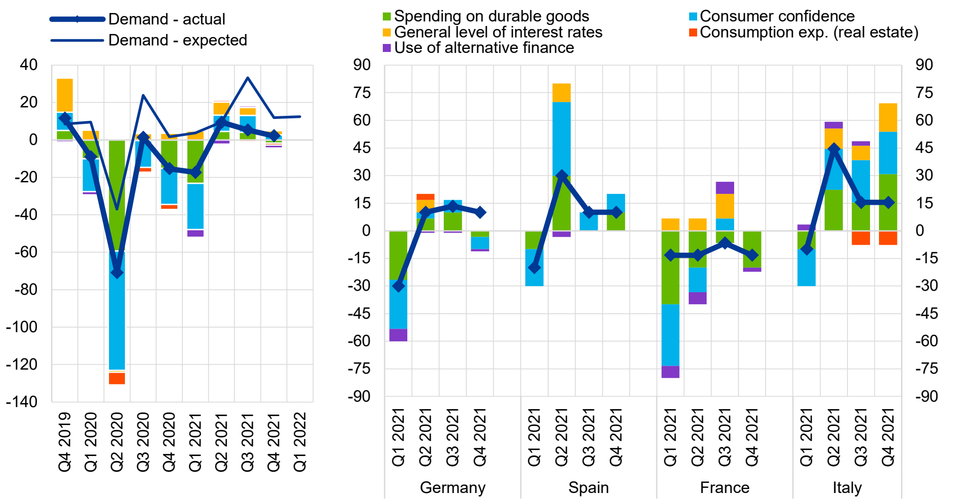
Consumer confidence continued to have a positive impact on demand for consumer credit, although more moderate than in the previous quarter (see Chart 12 and Table 12). This is broadly in line with the recent decline in the European Commission's consumer confidence indicator, reflecting the emergence of the Omicron variant and related containment measures introduced in some countries at the end of 2021. In addition, the low general level of interest rates had a small positive impact on demand for consumer credit, whereas the use of internal finance out of savings and loans from other banks, summarised in the use of alternative finance, had a negative impact. Spending on durables also had a negative effect on the demand for consumer credit and other lending to households.

[9] Demand for consumer credit has been revised from 7% to 5% for the third quarter of 2021 owing to the changes in the aggregation of euro area results introduced with the January 2022 BLS.

Chart 12

Changes in demand for consumer credit and other lending to households, and contributing factors

(net percentages of banks reporting an increase in demand, and contributing factors)



Notes: See the notes on Chart 4. “Use of alternative finance” is the unweighted average of “internal financing out of savings”, “loans from other banks” and “other sources of external finance”. “Consumption exp. (real estate)” denotes “consumption expenditure financed through real estate-guaranteed loans”.

Across the largest euro area countries, banks in Germany, Spain and Italy continued to report a net increase in demand for consumer credit. Higher consumer confidence and spending on durables explained the net increase in demand in Spain and Italy, whereas the low general level of interest rates also contributed to the increase in net demand in Italy. In France, the net demand for consumer credit and other lending to households decreased, on account of decreased spending on durables and to a smaller extent related to the use of internal finance out of savings.

In the first quarter of 2022, banks expect a net increase in demand for consumer credit and other lending to households (net percentage of 12%).

Table 12

Factors contributing to changes in demand for consumer credit and other lending to households

(net percentages of banks)

	Spending on durable goods		Consumer confidence		Consumption exp. (real estate)		General level of interest rates		Use of alternative finance	
Country	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021	Q3 2021	Q4 2021
Euro area	4	-2	9	3	-1	-1	4	2	1	-2
Germany	10	-3	7	-7	0	0	0	0	-1	-1
Spain	0	10	10	10	0	0	0	0	0	0
France	-7	-20	7	0	0	0	13	0	7	-2
Italy	15	31	23	23	-8	-8	8	15	3	0

Note: See the notes on Chart 12.

3 Ad hoc questions

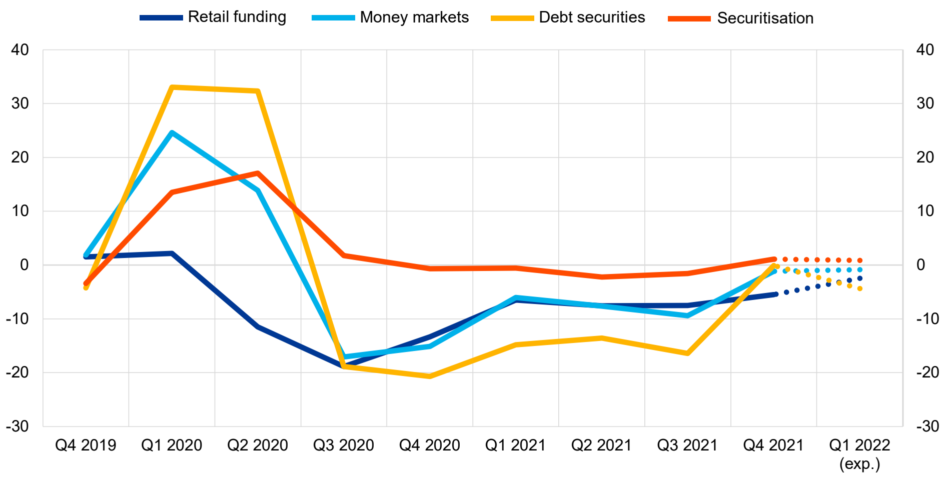
3.1 Banks' access to retail and wholesale funding

The January 2022 survey included a question asking banks to assess the extent to which the situation in the financial markets has affected their access to retail and wholesale funding.

Chart 13

Banks' assessment of funding conditions and the ability to transfer credit risk off the balance sheet

(net percentages of banks reporting a deterioration in market access)



Note: The net percentages are defined as the difference between the sum of the percentages of banks responding "deteriorated considerably" and "deteriorated somewhat" and the sum of the percentages of banks responding "eased somewhat" and "eased considerably".

Table 13

Banks' assessment of funding conditions and the ability to transfer credit risk off the balance sheet

(net percentages of banks reporting a deterioration in market access)

	Retail funding	Interbank unsecured money market	Wholesale debt securities	Securitisation
Q3 2021	-8	-9	-16	-2
Q4 2021	-5	-1	0	1

Note: See the notes on Chart 13.

In the fourth quarter of 2021, euro area banks reported that their access to retail funding continued to improve in net terms, although the improvement was more moderate than in the previous quarter (net percentage of banks of -5%, after -8% in Q3 2021; see Chart 13). At the same time, access to money markets, to funding via debt securities and securitisation was broadly unchanged in the fourth quarter of 2021. For retail funding, the improvement was driven by short-term deposit funding, whereas the positive impact of long-term deposits was much smaller. This is in line with the observed developments in deposits, which continue to expand, albeit at a slower pace for households compared with 2020, in the context of increased private consumption and decreasing real returns.

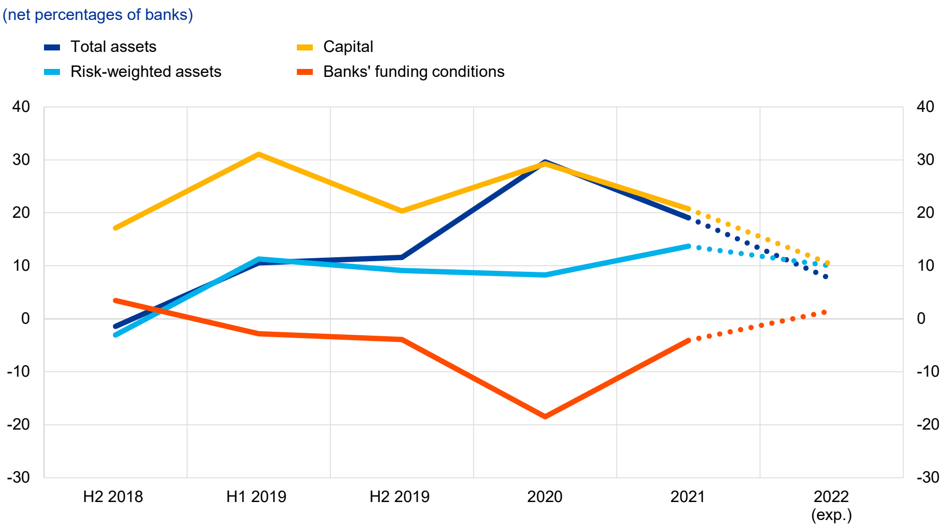
Looking ahead to the first quarter of 2022, euro area banks expect a slight improvement in their access to retail funding and debt securities, while they expect access to money markets and securitisation to remain broadly unchanged.

3.2 Banks' adjustment to regulatory and supervisory action

The January 2022 BLS questionnaire included an annual[10] ad-hoc question to assess the extent to which new regulatory or supervisory requirements affected banks' lending policies via the potential impact on their capital, leverage, liquidity position or provisioning and the credit conditions that they apply to loans. These new requirements cover regulatory or supervisory action that have been implemented recently or that are expected to be implemented in the near future. Furthermore, banks were also asked to indicate the effects on their funding conditions.

Chart 14

Impact of regulatory or supervisory action on banks' risk-weighted assets, capital and funding conditions



Notes: For "total assets", "risk-weighted assets" and "capital", the net percentages are defined as the difference between the sum of the percentages of banks responding "increased considerably" and "increased somewhat" and the sum of the percentages for "decreased somewhat" and "decreased considerably". For "banks' funding conditions", the net percentages are defined as the difference between the sum of the percentages of banks responding "experienced a considerable tightening" and "experienced a moderate tightening" and the sum of the percentages for "experienced a moderate easing" and "experienced a considerable easing".

Euro area banks reported a continued strengthening of their capital position in 2021 in response to new regulatory or supervisory requirements (see Chart 14 and Table 14), with the strengthening being driven more by retained earnings than by capital issuance. Banks indicated that regulatory or supervisory measures implemented in the context of the COVID-19 pandemic also led to an increase in their total assets,

[10] Until the January 2020 BLS, this question referred to the changes over the past/next six months. As of the January 2021 BLS, it refers to the changes over the past/next 12 months.

although to a smaller extent than indicated for the year 2020. Changes in total assets for euro area banks were driven by liquid assets, reflecting banks' high excess liquidity holdings. Risk-weighted assets also continued to increase, on account of an increase in average loans, while the contribution of riskier loans was much more dampened. At the same time, banks indicated that regulatory or supervisory action had a moderate easing impact on their funding conditions.

Table 14

Impact of regulatory or supervisory action on banks' risk-weighted assets, capital and funding conditions

(net percentages)

	Total assets		Risk-weighted assets			Capital			Impact on banks' funding conditions
	Total	Liquid assets	Total	Average loans	Riskier loans	Total	Retained earnings	Capital issuance	
2020	30	29	8	14	-3	29	26	12	-18
2021	19	19	14	15	2	21	19	9	-4

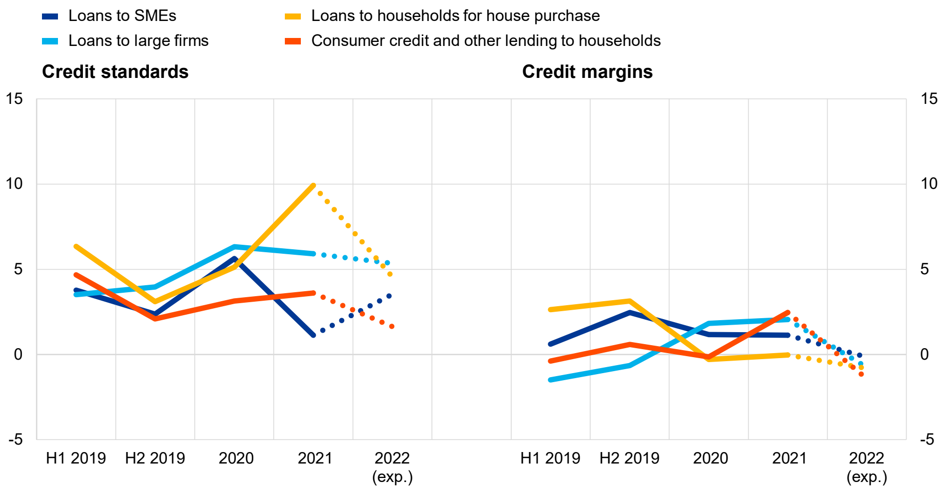
Note: See the notes to Chart 14.

Supervisory or regulatory action had a net tightening impact on banks' credit standards on loans to large firms, on consumer credit and in particular on loans for house purchase in 2021 (see Chart 15 and Table 15). The impact of supervisory or regulatory action was broadly neutral for loans to SMEs. The relatively stronger tightening impact on loans to households for house purchase was probably related to macroprudential measures on housing markets in some countries and was larger than had been reported for 2020. Concerning credit margins, banks reported a small tightening impact of supervisory and regulatory measures for loans to large firms and consumer credit, and a broadly neutral impact on credit margins on loans to SMEs and loans to households for house purchase.

Chart 15

Contribution of regulatory or supervisory action to the tightening of banks' credit standards and margins

(net percentages of banks)



Notes: The net percentages are defined as the difference between the sum of the percentages of banks responding "tightened considerably" and "tightened somewhat" and the sum of the percentages of banks responding "eased somewhat" and "eased considerably".

Looking ahead to 2022, euro area banks expect regulatory or supervisory action to support their capital positions and lead to an increase in their total assets and risk-weighted assets, although to a smaller extent than in 2021. In addition, for their funding conditions, banks expect a small net tightening impact. Banks also expect regulatory or supervisory action to have a moderate net tightening impact for credit standards on loans to firms and house purchase loans, and a slight net tightening impact on consumer credit. Finally, banks expect regulatory or supervisory action to have a broadly neutral impact on credit margins across all loan categories.

Table 15

Contribution of regulatory or supervisory action to the tightening of banks' credit standards and margins

(net percentages)

	Impact of regulatory or supervisory action on the tightening of:			
	credit standards		credit margins	
	2020	2021	2020	2021
Impact on loans and credit lines to SMEs	6	1	1	1
Impact on loans and credit lines to large enterprises	6	6	2	2
Impact on loans to households for house purchase	5	10	0	0
Impact on consumer credit and other lending to households	3	4	0	2

Note: See the notes to Chart 15.

3.3 The impact of banks' NPL ratios on their lending policies

The January 2022 survey questionnaire included a biannual ad hoc question on the impact of banks' non-performing loan (NPL) ratios on changes in their lending policies and the factors through which NPL ratios contributed to changes in their lending policies. Banks were asked about the impact on loans to enterprises, loans to households for house purchase and on consumer credit and other lending to households over the past six months and over the next six months.

Euro area banks reported a small net tightening impact of their NPL ratios on credit standards for loans to enterprises in the second half of 2021 (net percentage of 2%, after 4% in the first half of 2021; see Chart 16) and for consumer credit (2%, after 1%), whereas the impact continued to be neutral on credit standards for loans to households for house purchase in the second half of 2021 (0%, after 0%). Following a small tightening effect on terms and conditions for loans to firms and neutral impact on all loans to households in the first half of 2021, banks reported that NPL ratios had a broadly neutral effect on terms and conditions for loans to firms (-1%, after 3%) and consumer credit (0%, after 0%), and a small easing impact on conditions for housing loans (-2%, after 0%) in the second half of 2021 (see Chart 16). The small net tightening impact of NPL ratios on credit standards across all loan categories was in line with the expectations from the survey results in the previous round and the observed further decline in NPLs in banks' household and firm exposures.

Banks referred to pressure related to supervisory or regulatory requirements as well as decreased risk tolerance contributing to a small net tightening impact of NPL ratios on lending conditions in the second half of 2021 (see Chart 17). At the same time, costs related to banks' capital position and balance sheet clean-up operations, banks' access to market financing and their liquidity position continued to have a broadly neutral impact on lending conditions. While banks' risk perception had contributed to a tightening impact of NPL's on lending conditions in the first half of 2021, its impact was neutral in the current BLS round.

Chart 16

Impact of banks' NPL ratios on credit standards and terms and conditions

(net percentages of banks)

Notes: The NPL ratio is defined as the stock of gross NPLs on a bank's balance sheet as a percentage of the gross carrying amount of loans. Changes in credit standards and/or terms and conditions can be caused by changes to the NPL ratio or by changes to regulations or the bank's assessment of the level of the NPL ratio. Net percentages are defined as the difference between the sum of the percentages of banks responding "contributed considerably to tightening" and "contributed somewhat to tightening" and the sum of the percentages of banks responding "contributed somewhat to easing" and "contributed considerably to easing". The diamonds denote expectations indicated by banks in the current round.

Over the next six months, euro area banks expect NPL ratios to have a broadly neutral impact on credit standards across all loan categories and on terms and conditions for loans to firms and housing loans, whereas NPL ratios are expected to have a slight easing impact on terms and conditions for consumer credit. Pressures related to supervisory or regulatory requirements and banks' lower risk tolerance are expected to have a tightening impact on lending policies with net percentages remaining at similar levels as over the past six months. In addition, costs related to the capital position of banks are also expected to have a small tightening impact. At the same time, costs related to banks' balance sheet clean-up operations are expected to have a slight easing effect.

Chart 17

Contributions of factors through which NPL ratios affect banks' policies on lending to enterprises and households

(net percentages of banks)

Note: See the notes on Chart 16.

3.4 Bank lending conditions and loan demand across main sectors of economic activity

The January 2022 survey questionnaire included a biannual ad hoc question to collect information on changes in banks' credit standards, overall terms and conditions and loan demand across the main economic sectors over the past and next six months. Banks were asked to provide information covering five sectors: manufacturing, construction (excluding real estate), services (excluding financial services and real estate), wholesale and retail trade, and real estate (including both real estate construction and real estate services).

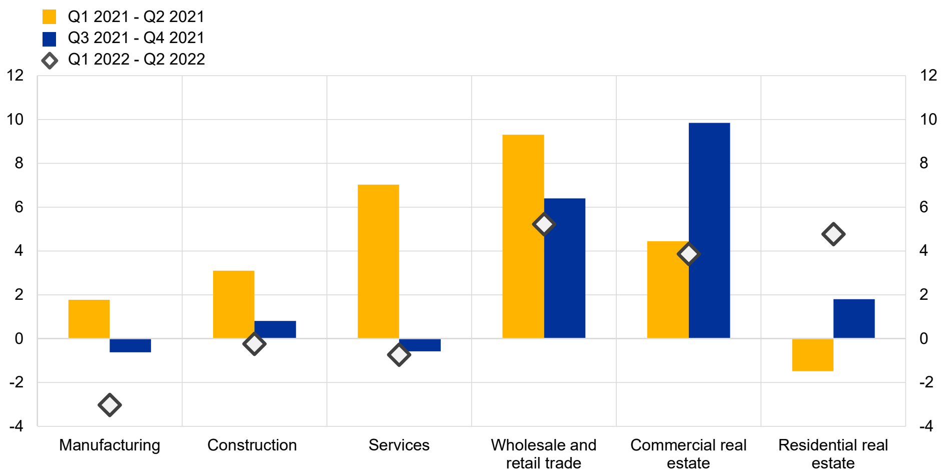
Euro area banks indicated a moderate net tightening or broadly unchanged credit standards for new loans to enterprises across the main economic sectors in the second half of 2021 (see Chart 18). Developments for credit standards are in line with broadly unchanged credit standards reported by banks for loans to all firms in the third quarter of 2021 and the slight net tightening of credit standards in the fourth quarter. The net tightening was most pronounced for loans to firms in the commercial real estate sector (net percentage for credit standards at 10%, after 4% in the first half of 2021), followed by wholesale and retail trade (6%, after 9%) and residential real estate (2%, after -1%). Following a net tightening in the first half of 2021, credit standards remained broadly unchanged for manufacturing (-1%, after 2%), construction (1%, after 3%) and services (-1%, after 7%). Banks' overall terms and conditions tightened for commercial and residential real estate, wholesale and retail trade and construction, whereas they remained broadly unchanged for services and manufacturing (see Chart 19).

Over the next six months, euro area banks expect developments in credit standards for new loans to enterprises to be similar to the second half of 2021, namely a net tightening in wholesale and retail trade and real estate, broadly unchanged credit standards in construction and services and a small net easing in manufacturing. Regarding overall terms and conditions for new loans to firms in the first half of 2022, banks expect a small net tightening in construction, wholesale and retail trade and commercial real estate, a slight net easing in services and broadly unchanged lending conditions in manufacturing and residential real estate.

Chart 18

Changes in credit standards for new loans to enterprises across main economic sectors

(net percentages of banks; over the past six months and the next six months)



Notes: The net percentages refer to the difference between the sum of the percentages of banks responding “deteriorated considerably” and “deteriorated somewhat” and the sum of the percentages of banks responding “eased somewhat” and “eased considerably”. The diamonds denote expectations indicated by banks in the current round.

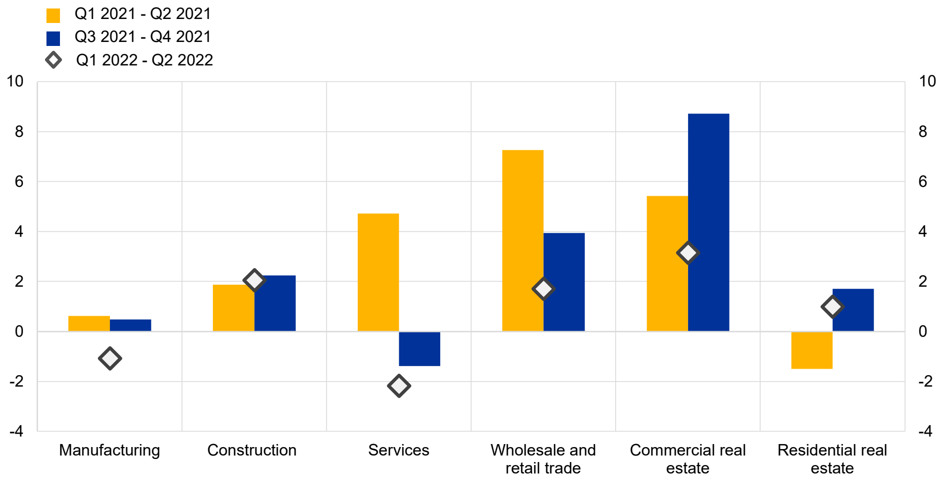
Banks reported a net increase in the demand for loans or credit lines in all economic sectors, in line with the reported overall increase in demand for loans to firms in the third and fourth quarters of 2021 (see Chart 20). The net increase in demand was most pronounced in the commercial real estate, manufacturing and services sectors.

Over the next six months, euro area banks expect a continued net increase in demand from firms from all the main economic sectors.

Chart 19

Changes in terms and conditions for new loans to enterprises across main economic sectors

(net percentages of banks; over the past six months and the next six months)

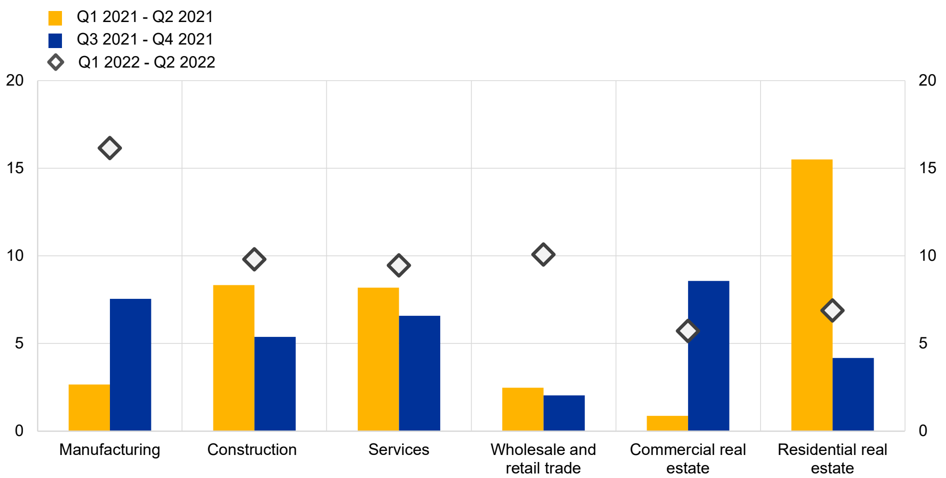


Note: See the notes on Chart 18.

Chart 20

Changes in demand for loans or credit lines to enterprises across main economic sectors

(net percentages of banks)



Notes: The net percentages refer to the difference between the sum of the percentages of banks responding “increased considerably” and “increased somewhat” and the sum of the percentages of banks responding “decreased somewhat” and “decreased considerably”. The diamonds denote expectations indicated by banks in the current round.

3.5 The impact of government loan guarantees related to the COVID-19 pandemic

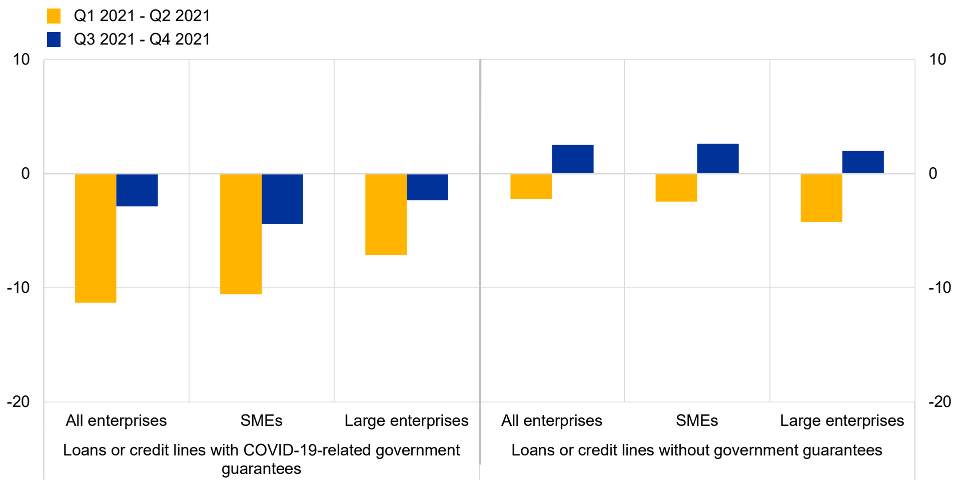
The January 2022 survey questionnaire included, for the third time since the start of the pandemic, a biannual ad hoc question to collect information on changes in banks’ lending conditions and demand for loans with COVID-19 related government guarantees and for loans without government guarantees over the past six months. In addition, banks were asked about the factors affecting demand for loans with COVID-19 related government guarantees.

Euro area banks reported that COVID-19 related government guarantees continued to support banks' credit standards for loans to firms in the second half of 2021 (see Chart 21). Credit standards on loans to firms with COVID-19 related government guarantees eased over the past six months (net percentage of -3%, after -11% in the first half of 2021), more for loans to SMEs (-4%, after-11%) than for loans to large enterprises (-2%, after -7%), suggesting that SMEs in particular benefit from the government guarantees. For loans to enterprises without government guarantees, banks reported on balance a slight net tightening in credit standards in the second half of 2021 (net percentage of 3%, after -2% in the first half of 2021; see Chart 21). This reflected a slight net tightening of credit standards for loans to both SMEs (3%, after -2%) and large enterprises (2%, after -4%). As the take-up of loans with government guarantees became relatively low in the second half of 2021, the development of credit standards for all bank loans to firms is dominated by loans without public guarantees.

Chart 21

Changes in credit standards for loans to enterprises with and without COVID-19 related government guarantees

(net percentages of banks)



Notes: The net percentages refer to the difference between the sum of the percentages of banks responding "tightened considerably" and "tightened somewhat" and the sum of the percentages of banks responding "eased somewhat" and "eased considerably". The diamonds denote expectations indicated by banks in the current round.

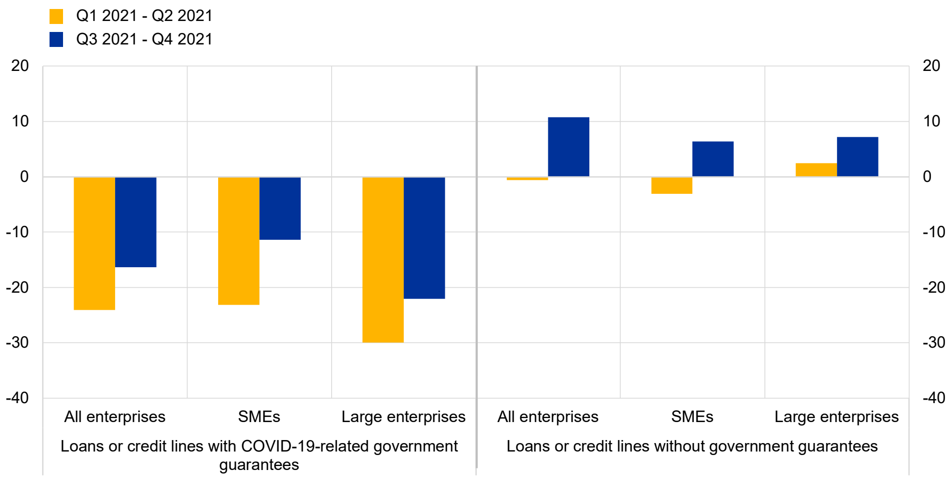
In the second half of 2021, banks reported on balance a decline in demand for loans with COVID-19 related government guarantees (net percentage of banks reporting an increase in loan demand at -16%, after -24% in the first half of 2021; see Chart 22). The net decrease in demand was less pronounced for SMEs (-11%) than for large firms (-22%). At the same time, banks reported a strong net increase in the demand for loans without government guarantees in the second half of 2021 (net percentage of

11%, after -1%; see Chart 22).[11] This is in line with the overall net increase in loan demand from firms in the third and fourth quarters of 2021 (see Section 2.1).

Chart 22

Changes in demand for loans to enterprises with and without COVID-19 related government guarantees

(net percentages of banks)



Notes: The net percentages refer to the difference between the sum of the percentages of banks responding “increased considerably” and “increased somewhat” and the sum of the percentages of banks responding “decreased somewhat” and “decreased considerably”. The diamonds denote expectations indicated by banks in the current round.

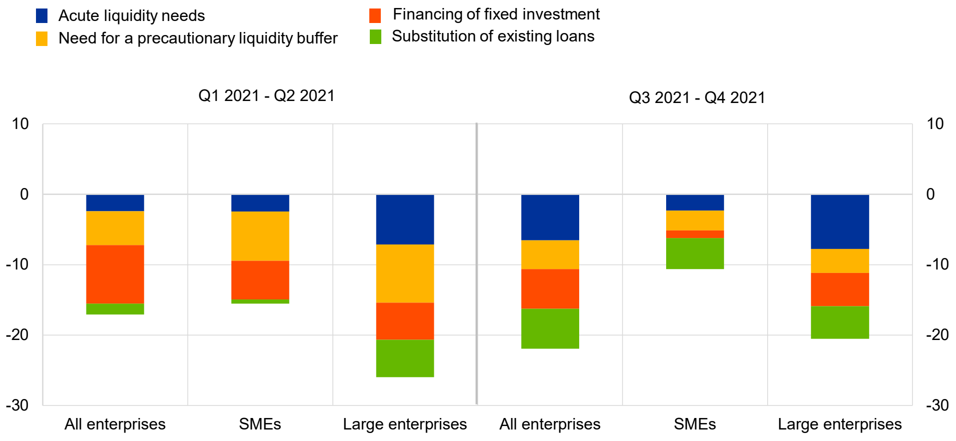
In the second half of 2021, all factors contributed to the net decline in demand for loans with COVID-19 related guarantees (see Chart 23). Given the small share of loans with COVID-19 related guarantees in new lending, these results are consistent with the developments in the main factors explaining overall loan demand (see Section 2.1).

[11] Net demand for loans without government guarantees has been revised from -6% to -1% for the first half of 2021 owing to the changes in the aggregation of euro area results introduced with the January 2022 BLS.

Chart 23

Factors affecting demand for loans or credit lines with COVID-19 related government guarantees

(net percentages of banks)



Notes: The net percentages refer to the difference between the sum of the percentages of banks responding "increased considerably" and "increased somewhat" and the sum of the percentages of banks responding "decreased somewhat" and "decreased considerably". Banks can select more than one factor that affects loan demand. Therefore, the sum of the net percentages can exceed 100 in this chart. The last period denotes expectations indicated by banks in the current round.

Annex 1
Results for the standard questions*

Loans or credit lines to enterprises

Question 1

Over the past three months, how have your bank's credit standards[1] as applied to the approval of loans or credit lines to enterprises[2, 3, 4] changed? Please note that we are asking about the change in credit standards, rather than about their level.

(in percentages, unless otherwise stated)

	Overall		Loans to small and medium-sized enterprises[5]		Loans to large enterprises[5]		Short-term loans[6]		Long-term loans[6]	
	Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22
Tightened considerably	1	0	1	0	0	0	0	0	1	0
Tightened somewhat	1	3	1	3	2	2	2	1	1	2
Remained basically unchanged	97	96	93	91	95	94	93	93	97	97
Eased somewhat	1	1	1	1	2	4	1	1	1	2
Eased considerably	0	0	0	0	0	0	0	0	0	0
NA[7]	0	0	4	4	0	0	5	5	0	0
Total	100	100	100	100	100	100	100	100	100	100
Net percentage	**1**	**2**	**0**	**2**	**0**	**-2**	**1**	**0**	**1**	**0**
Diffusion index	1	1	1	1	0	-1	0	0	1	0
Mean	2.98	2.98	2.99	2.98	3.00	3.02	3.00	3.00	2.98	3.00
Number of banks responding	135	141	132	138	129	135	135	141	135	141

1) See Glossary for Credit standards.
2) See Glossary for Loans.
3) See Glossary for Credit line.
4) See Glossary for Enterprises.
5) See Glossary for Enterprise size.
6) See Glossary for Maturity.
7) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes: The net percentage is defined as the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat", and the sum of the percentages for "eased somewhat" and "eased considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options. The number of banks responding refers to all participating banks which have business in or exposure to the respective lending category.

* Figures might not add up to 100 due to rounding

Question 2

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?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA[7]	NetP		DI		Mean	
							Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22
Overall												
A) Cost of funds and balance sheet constraints[1]												
Costs related to your bank's capital position[2]	0	0	99	0	0	1	0	0	0	0	3.00	3.00
Your bank's ability to access market financing[3]	0	0	95	0	0	5	0	0	0	0	3.00	3.00
Your bank's liquidity position	0	0	97	2	0	1	-4	-2	-2	-1	3.04	3.02
B) Pressure from competition												
Competition from other banks	0	0	98	0	0	2	-3	0	-1	0	3.03	3.00
Competition from non-banks[4]	0	0	98	0	0	2	0	0	0	0	3.00	3.00
Competition from market financing	0	0	98	0	0	2	0	0	0	0	3.00	3.00
C) Perception of risk[5]												
General economic situation and outlook	0	1	94	5	0	0	-5	-4	-2	-2	3.05	3.04
Industry or firm-specific situation and outlook/borrower's creditworthiness[6]	0	3	92	4	0	0	0	-1	0	-1	3.00	3.01
Risk related to the collateral demanded	0	1	96	3	0	0	0	-2	0	-1	3.00	3.02
D) Your bank's risk tolerance[5]												
Your bank's risk tolerance	0	2	98	0	0	0	0	1	1	1	2.99	2.99
Small and medium-sized enterprises												
A) Cost of funds and balance sheet constraints[1]												
Costs related to your bank's capital position[2]	0	0	95	0	0	5	0	0	0	0	3.00	3.00
Your bank's ability to access market financing[3]	0	0	91	0	0	9	0	0	0	0	3.00	3.00
Your bank's liquidity position	0	0	93	2	0	5	0	-2	0	-1	3.00	3.03
B) Pressure from competition												
Competition from other banks	0	0	94	0	0	6	0	0	0	0	3.00	3.00
Competition from non-banks[4]	0	0	94	0	0	6	0	0	0	0	3.00	3.00
Competition from market financing	0	0	94	0	0	6	0	0	0	0	3.00	3.00
C) Perception of risk[5]												
General economic situation and outlook	0	1	92	2	0	4	-4	-1	-2	0	3.04	3.01
Industry or firm-specific situation and outlook/borrower's creditworthiness[6]	0	4	90	2	0	4	0	2	0	1	2.99	2.98
Risk related to the collateral demanded	0	1	94	0	0	4	0	1	0	0	3.00	2.99
D) Your bank's risk tolerance[5]												
Your bank's risk tolerance	0	2	94	0	0	4	1	2	1	1	2.98	2.98

	--	-	°	+	++	NA[7]	NetP Oct 21	NetP Jan 22	DI Oct 21	DI Jan 22	Mean Oct 21	Mean Jan 22
Large enterprises												
A) Cost of funds and balance sheet constraints[1]												
Costs related to your bank's capital position[2]	0	0	99	0	0	1	0	0	0	0	3.00	3.00
Your bank's ability to access market financing[3]	0	0	95	0	0	5	0	0	0	0	3.00	3.00
Your bank's liquidity position	0	0	95	4	0	1	-4	-4	-2	-2	3.04	3.04
B) Pressure from competition												
Competition from other banks	0	0	98	0	0	2	-4	0	-2	0	3.04	3.00
Competition from non-banks[4]	0	0	98	0	0	2	-2	0	-1	0	3.02	3.00
Competition from market financing	0	0	98	0	0	2	-1	0	-1	0	3.01	3.00
C) Perception of risk[5]												
General economic situation and outlook	0	2	92	6	0	0	-6	-4	-3	-2	3.06	3.04
Industry or firm-specific situation and outlook/borrower's creditworthiness[6]	0	3	92	5	0	0	-3	-2	-2	-1	3.03	3.02
Risk related to the collateral demanded	0	1	95	4	0	0	0	-2	0	-1	3.00	3.02
D) Your bank's risk tolerance[5]												
Your bank's risk tolerance	0	1	99	0	0	0	0	1	0	0	3.00	2.99

1) See Glossary for Cost of funds and balance sheet constraints.
2) Can involve the use of credit derivatives, with the loans remaining on the bank's balance sheet.
3) Involves the sale of loans from the bank's balance sheet, i.e. off-balance sheet funding.
4) See Glossary for Non-banks.
5) See Glossary for Perception of risk and risk tolerance.
6) Risks related to non-performing loans may be reflected not only in the "industry or firm-specific situation and outlook/borrower's creditworthiness", but also in the bank's "cost of funds and balance sheet constraints".
7) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes: The net percentage (NetP) is defined as the difference between the sum of banks responding "--" (contributed considerably to tightening) and "-" (contributed somewhat to tightening), and the sum of banks responding "+" (contributed somewhat to easing) and "++" (contributed considerably to easing). "°" means "contributed to basically unchanged credit standards". The diffusion index (DI) is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

Question 3

Over the past three months, how have your bank's terms and conditions[1] for new loans or credit lines to enterprises changed?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA[6]	NetP Oct 21	NetP Jan 22	DI Oct 21	DI Jan 22	Mean Oct 21	Mean Jan 22
Overall												
A) Overall terms and conditions[1]												
Overall terms and conditions	0	4	91	4	0	0	-2	0	-1	0	3.01	3.00
B) Margins												
Your bank's margin on average loans[2]	0	5	86	9	0	0	-9	-5	-4	-2	3.09	3.05
Your bank's margin on riskier loans	1	4	92	2	0	1	3	4	2	2	2.97	2.95
C) Other conditions and terms												
Non-interest rate charges[3]	0	1	99	0	0	0	1	1	0	0	2.99	2.99
Size of the loan or credit line	0	0	97	3	0	0	-6	-2	-3	-1	3.06	3.02
Collateral[4] requirements	0	1	99	0	0	0	2	1	1	1	2.98	2.99
Loan covenants[5]	0	2	97	2	0	0	1	0	0	0	2.99	3.00
Maturity	0	1	98	0	0	0	-1	1	0	0	3.00	2.99
Small and medium-sized enterprises												
A) Overall terms and conditions[1]												
Overall terms and conditions	0	4	89	3	0	4	-5	2	-2	1	3.04	2.98
B) Margins												
Your bank's margin on average loans[2]	0	4	86	6	0	4	-8	-2	-4	-1	3.08	3.02
Your bank's margin on riskier loans	1	5	88	1	0	5	0	5	0	3	3.00	2.93
C) Other conditions and terms												
Non-interest rate charges[3]	0	2	94	0	0	4	0	2	0	1	3.00	2.98
Size of the loan or credit line	0	1	94	1	0	4	-2	0	-1	0	3.02	3.00
Collateral[4] requirements	0	1	95	0	0	4	2	1	1	1	2.98	2.99
Loan covenants[5]	0	2	93	1	0	4	0	1	0	0	3.00	2.99
Maturity	0	2	94	0	0	4	-1	2	0	1	3.00	2.98
Large enterprises												
A) Overall terms and conditions[1]												
Overall terms and conditions	0	6	89	5	0	0	-4	1	-2	0	3.04	2.99
B) Margins												
Your bank's margin on average loans[2]	0	6	84	10	0	0	-6	-5	-3	-2	3.06	3.05
Your bank's margin on riskier loans	1	5	92	3	0	0	3	3	1	2	2.97	2.96
C) Other conditions and terms												
Non-interest rate charges[3]	0	1	99	0	0	0	1	1	0	1	2.99	2.99
Size of the loan or credit line	0	0	95	4	0	0	-6	-4	-3	-2	3.06	3.04
Collateral[4] requirements	0	2	98	0	0	0	1	1	0	1	2.99	2.99
Loan covenants[5]	0	2	94	4	0	0	-1	-2	-1	-1	3.01	3.02
Maturity	0	2	97	0	0	0	-3	2	-1	1	3.03	2.98

1) See Glossary for Credit terms and conditions.
2) See Glossary for Loan margin/spread over a relevant market reference rate.
3) See Glossary for Non-interest rate charges.
4) See Glossary for Collateral.
5) See Glossary for Covenant.
6) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes: The net percentage (NetP) is defined as the difference between the sum of banks responding "--" (contributed considerably to tightening) and "-" (contributed somewhat to tightening), and the sum of banks responding "+" (contributed somewhat to easing) and "++" (contributed considerably to easing). "°" means "contributed to keeping credit terms and conditions basically unchanged". The diffusion index (DI) is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

Question 4

Over the past three months, how have the following factors[1] affected your bank’s credit terms and conditions as applied to new loans or credit lines to enterprises?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA[2]	NetP		DI		Mean	
							Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22
Overall impact on your bank's credit terms and conditions												
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	3	94	3	0	0	0	0	0	0	3	3.00
B) Pressure from competition												
Pressure from competition	0	0	93	6	0	1	-13	-6	-7	-3	3	3.06
C) Perception of risk												
Perception of risk	0	1	99	0	0	0	-1	1	-1	1	3	2.99
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	3	97	0	0	0	2	3	2	2	3	2.97
Impact on your bank's margins on average loans												
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	94	4	0	0	0	-1	0	-1	3	3.01
B) Pressure from competition												
Pressure from competition	0	1	91	7	0	1	-12	-6	-7	-3	3	3.06
C) Perception of risk												
Perception of risk	0	1	98	1	0	0	-2	1	-1	0	3	2.99
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	3	96	1	0	0	0	2	0	1	3	2.98
Impact on your bank's margins on riskier loans												
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	1	1	95	2	0	1	1	0	1	1	3	2.99
B) Pressure from competition												
Pressure from competition	1	0	95	1	0	2	-1	0	0	1	3	2.99
C) Perception of risk												
Perception of risk	1	2	96	0	0	1	3	3	2	2	3	2.96
D) Your bank's risk tolerance												
Your bank's risk tolerance	1	2	96	0	0	1	3	3	2	2	3	2.95

1) The factors refer to the same sub-factors as in question 2.

2) “NA” (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.

Notes: The net percentage (NetP) is defined as the difference between the sum of banks responding “--” (contributed considerably to tightening) and “-” (contributed somewhat to tightening), and the sum of banks responding “+” (contributed somewhat to easing) and “++” (contributed considerably to easing). “°” means “contributed to keeping credit terms and conditions basically unchanged”. The diffusion index (DI) is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options.

Question 5

Over the past three months (apart from normal seasonal fluctuations), has the share of enterprise loan applications[1] that were completely rejected[2] by your bank increased, remained unchanged or decreased (loan volume, relative to the total volume of loan applications in that loan category)?

(in percentages, unless otherwise stated)

	Share of rejected applications	
	Oct 21	Jan 22
Decreased considerably	0	0
Decreased somewhat	1	1
Remained basically unchanged	95	98
Increased somewhat	2	1
Increased considerably	1	0
NA[3]	1	1
Total	100	100
Net percentage	**1**	**0**
Diffusion index	1	0
Mean	3.02	3.00
Number of banks responding	135	141

1) See Glossary for Loan application.
2) See Glossary for Loan rejection.
3) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes: The net percentage is defined as the difference between the sum of banks responding "increased considerably" and "increased somewhat", and the sum of banks responding "decreased somewhat" and "decreased considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options. The number of banks responding refers to all participating banks which have business in or exposure to the respective lending category.

Question 6

Over the past three months (apart from normal seasonal fluctuations), how has the demand for loans[1] or credit lines[2] 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.

(in percentages, unless otherwise stated)

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22
Decreased considerably	1	0	0	0	2	0	1	0	0	0
Decreased somewhat	13	4	12	4	9	3	13	4	12	5
Remained basically unchanged	63	73	67	73	65	75	71	76	65	75
Increased somewhat	23	22	17	19	25	21	9	15	22	19
Increased considerably	0	1	0	0	0	1	1	1	0	1
NA[3]	0	0	4	4	0	0	5	5	0	0
Total	100	100	100	100	100	100	100	100	100	100
Net percentage	**8**	**18**	**5**	**16**	**14**	**20**	**-5**	**12**	**10**	**15**
Diffusion index	3	10	2	8	6	11	-3	7	5	8
Mean	3.07	3.19	3.05	3.16	3.12	3.21	2.94	3.14	3.10	3.16
Number of banks responding	135	141	132	138	129	135	135	141	135	141

1) See Glossary for Demand for loans.
2) See Glossary for Credit line.
3) “NA” (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes: The net percentage is defined as the difference between the sum of banks responding “increased considerably” and “increased somewhat” , and the sum of banks responding “decreased somewhat” and “decreased considerably”. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options. The number of banks responding refers to all participating banks which have business in or exposure to the respective lending category.

Question 7

Over the past three months, how have the following factors affected the overall demand for loans or credit lines to enterprises?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA[2]	NetP Oct 21	NetP Jan 22	DI Oct 21	DI Jan 22	Mean Oct 21	Mean Jan 22
A) Financing needs/underlying drivers or purpose of loan demand												
Fixed investment	0	3	75	22	0	0	7	19	3	10	3.06	3.19
Inventories and working capital	0	1	74	23	0	1	10	22	4	11	3.09	3.23
Mergers/acquisitions and corporate restructuring	0	1	81	16	0	2	7	15	3	7	3.07	3.15
General level of interest rates	0	1	94	5	0	0	4	4	2	2	3.04	3.04
Debt refinancing/restructuring and renegotiation[1]	0	1	91	8	0	0	10	7	5	3	3.10	3.07
B) Use of alternative finance												
Internal financing	0	0	98	2	0	0	-2	1	-1	1	2.98	3.01
Loans from other banks	0	1	97	2	0	0	-4	0	-2	0	2.96	3.00
Loans from non-banks	0	0	99	1	0	0	-2	1	-1	1	2.98	3.01
Issuance/redemption of debt securities	0	1	93	1	0	5	-2	0	-1	0	2.98	3.00
Issuance/redemption of equity	0	0	92	1	0	7	0	1	0	0	3.00	3.01

1) See Glossary for Debt refinancing/restructuring and renegotiation.

2) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.

Notes: The net percentage (NetP) is defined as the difference between the sum of banks responding "++" (contributed considerably to higher demand) and "+" (contributed somewhat to higher demand), and the sum of banks responding "-" (contributed somewhat to lower demand) and "--" (contributed considerably to lower demand). "°" means "contributed to keeping demand basically unchanged". The diffusion index (DI) is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

Question 8

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.

(in percentages, unless otherwise stated)

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22
Tighten considerably	0	0	0	0	0	0	0	0	0	0
Tighten somewhat	3	3	3	3	1	2	2	2	3	3
Remain basically unchanged	93	93	89	89	93	93	92	90	93	94
Ease somewhat	4	4	4	4	6	5	1	4	4	3
Ease considerably	0	0	0	0	0	0	0	0	0	0
NA[1]	0	0	4	4	0	0	5	5	0	0
Total	100	100	100	100	100	100	100	100	100	100
Net percentage	**-1**	**-1**	**-1**	**-1**	**-4**	**-3**	**1**	**-2**	**-1**	**0**
Diffusion index	0	-1	0	0	-2	-2	1	-1	0	0
Mean	3.01	3.01	3.01	3.01	3.04	3.03	2.98	3.02	3.01	3.00
Number of banks responding	135	141	132	138	129	135	135	141	135	141

1) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.

Notes: The net percentage is defined as the difference between the sum of the percentages for "tighten considerably" and "tighten somewhat", and the sum of the percentages for "ease somewhat" and "ease considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options. The number of banks responding refers to all participating banks which have business in or exposure to the respective lending category.

Question 9

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.

(in percentages, unless otherwise stated)

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22
Decrease considerably	0	0	0	0	0	0	0	0	0	0
Decrease somewhat	4	3	1	3	2	5	2	2	4	4
Remain basically unchanged	67	85	67	80	71	84	71	80	74	87
Increase somewhat	29	11	27	13	28	11	22	13	23	9
Increase considerably	0	0	0	0	0	0	0	0	0	0
NA[1]	0	0	4	4	0	0	5	5	0	0
Total	100	100	100	100	100	100	100	100	100	100
Net percentage	**25**	**8**	**26**	**10**	**26**	**6**	**21**	**11**	**19**	**6**
Diffusion index	12	4	13	5	13	3	10	6	10	3
Mean	3.25	3.08	3.28	3.10	3.26	3.06	3.22	3.12	3.19	3.06
Number of banks responding	135	141	132	138	129	135	135	141	135	141

1) “NA” (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.

Notes: The net percentage is defined as the difference between the sum of the percentages for “increase considerably” and “increase somewhat”, and the sum of the percentages for “decrease somewhat” and “decrease considerably”. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options. The number of banks responding refers to all participating banks which have business in or exposure to the respective lending category.

Loans to households

Question 10

Over the past three months, how have your bank's credit standards[1] as applied to the approval of loans[2] to households[3] changed? Please note that we are asking about the change in credit standards, rather than about their level.

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending[4]	
	Oct 21	Jan 22	Oct 21	Jan 22
Tightened considerably	0	0	0	0
Tightened somewhat	7	3	2	2
Remained basically unchanged	88	94	93	93
Eased somewhat	5	3	5	6
Eased considerably	0	0	0	0
NA[5]	0	0	0	0
Total	100	100	100	100
Net percentage	**2**	**0**	**-3**	**-4**
Diffusion index	1	0	-1	-2
Mean	2.98	3.00	3.03	3.04
Number of banks responding	130	136	137	143

1) See Glossary for Credit standards.
2) See Glossary for Loans.
3) See Glossary for Households.
4) See Glossary for Consumer credit and other lending.
5) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes: The net percentage is defined as the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat", and the sum of the percentages for "eased somewhat" and "eased considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options. The number of banks responding refers to all participating banks which have business in or exposure to the respective lending category.

Question 11

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?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA[6]	NetP		DI		Mean	
							Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22
A) Cost of funds and balance sheet constraints[1]												
Cost of funds and balance sheet constraints	0	2	97	0	0	1	1	2	0	1	2.99	2.98
B) Pressure from competition												
Competition from other banks	0	1	95	2	0	1	-2	-1	-1	-1	3.02	3.01
Competition from non-banks[2]	0	0	98	1	0	1	-1	-1	-1	-1	3.01	3.01
C) Perception of risk[3]												
General economic situation and outlook	0	1	96	3	0	0	-3	-2	-1	-1	3.03	3.02
Housing market prospects, including expected house price developments[4]	0	0	100	0	0	0	0	0	0	0	3.00	3.00
Borrower’s creditworthiness[5]	0	1	98	1	0	0	1	0	0	0	2.99	3.00
D) Your bank's risk tolerance[3]												
Your bank's risk tolerance	0	3	96	1	0	0	4	2	2	1	2.96	2.98

1) See Glossary for Cost of funds and balance sheet constraints.
2) See Glossary for Non-banks.
3) See Glossary for Perception of risk and risk tolerance.
4) See Glossary for Housing market prospects, including expected house price developments.
5) Risks related to non-performing loans may be reflected not only in the "borrower's creditworthiness", but also in the bank's "cost of funds and balance sheet constraints".
6) “NA” (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes: The net percentage (NetP) is defined as the difference between the sum of banks responding “--” (contributed considerably to tightening) and “-” (contributed somewhat to tightening), and the sum of banks responding “+” (contributed somewhat to easing) and “++” (contributed considerably to easing). “°” means “contributed to basically unchanged credit standards”. The diffusion index (DI) is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options.

Question 12

Over the past three months, how have your bank's terms and conditions[1] for new loans to households for house purchase changed?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA[6]	NetP		DI		Mean	
							Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22
A) Overall terms and conditions												
Overall terms and conditions	0	3	92	4	0	0	0	-1	0	0	3.00	3.01
B) Margins												
Your bank's loan margin on average loans[2]	0	5	87	8	0	0	-5	-2	-3	-1	3.05	3.02
Your bank's loan margin on riskier loans	1	5	91	1	0	2	-2	5	-1	3	3.02	2.94
C) Other terms and conditions												
Collateral[3] requirements	0	0	100	0	0	0	0	0	0	0	3.00	3.00
"Loan-to-value" ratio[4]	0	2	98	0	0	0	2	2	1	1	2.98	2.98
Other loan size limits	0	1	99	0	0	0	0	1	0	0	3.00	2.99
Maturity	0	1	98	1	0	0	3	1	1	0	2.97	2.99
Non-interest rate charges[5]	0	1	99	0	0	0	2	1	1	0	2.98	3.00

1) See Glossary for Credit terms and conditions.
2) See Glossary for Loan margin/spread over a relevant market reference rate.
3) See Glossary for Collateral.
4) See Glossary for Loan-to-value ratio.
5) See Glossary for Non-interest rate charges.
6) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes: The net percentage (NetP) is defined as the difference between the sum of banks responding "--" (tightened considerably) and "-" (tightened somewhat), and the sum of banks responding "+" (eased somewhat) and "++" (eased considerably). "°" means "remained basically unchanged". The diffusion index (DI) is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

Question 13

Over the past three months, how have the following factors[1] affected your bank's credit terms and conditions as applied to new loans to households for house purchase?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA[2]	NetP Oct 21	NetP Jan 22	DI Oct 21	DI Jan 22	Mean Oct 21	Mean Jan 22
Overall impact on your bank's credit terms and conditions												
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	5	94	1	0	0	3	4	1	2	2.97	2.96
B) Pressure from competition												
Pressure from competition	0	0	91	8	0	1	-8	-8	-4	-4	3.08	3.08
C) Perception of risk												
Perception of risk	0	2	98	0	0	0	1	2	0	1	2.99	2.98
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	2	98	0	0	0	1	2	1	1	2.99	2.98
Impact on your bank's margins on average loans												
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	5	93	2	0	0	0	3	0	1	3.00	2.97
B) Pressure from competition												
Pressure from competition	0	1	90	8	0	1	-7	-7	-4	-3	3.07	3.07
C) Perception of risk												
Perception of risk	0	1	99	0	0	0	0	1	0	1	3.00	2.99
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	99	0	0	0	0	1	0	1	3.00	2.99
Impact on your bank's margins on riskier loans												
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	1	5	92	0	0	2	1	6	1	3	2.98	2.93
B) Pressure from competition												
Pressure from competition	1	0	95	1	0	3	-1	0	0	0	2.99	2.99
C) Perception of risk												
Perception of risk	0	2	96	0	0	2	2	2	1	1	2.97	2.98
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	2	96	0	0	2	2	2	1	1	2.97	2.98

1) The factors refer to the same sub-factors as in question 11.
2) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes: The net percentage (NetP) is defined as the difference between the sum of banks responding "--" (contributed considerably to tightening) and "-" (contributed somewhat to tightening), and the sum of banks responding "+" (contributed somewhat to easing) and "++" (contributed considerably to easing). "°" means "contributed to keeping credit terms and conditions basically unchanged". The diffusion index (DI) is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

Question 14

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?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA[2]	NetP		DI		Mean	
							Oct 21	Jan 22	Oct 21	Jan 22	Oct 21	Jan 22
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	0	97	2	0	1	0	-2	0	-1	3.00	3.02
B) Pressure from competition												
Competition from other banks	0	0	98	1	0	1	-2	-1	-1	-1	3.02	3.01
Competition from non-banks	0	0	99	0	0	1	0	0	0	0	3.00	3.00
C) Perception of risk												
General economic situation and outlook	0	1	95	4	0	0	-3	-3	-2	-1	3.03	3.03
Creditworthiness of consumers[1]	0	1	97	3	0	0	-3	-2	-1	-1	3.03	3.02
Risk on the collateral demanded	0	1	91	0	0	8	0	1	0	0	3.00	2.99
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	95	4	0	0	1	-2	1	-1	2.99	3.02

1) Risks related to non-performing loans may be reflected not only in the "creditworthiness of consumers", but also in the bank's "cost of funds and balance sheet constraints".
2) “NA” (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes: The net percentage (NetP) is defined as the difference between the sum of banks responding “--” (contributed considerably to tightening) and “-” (contributed somewhat to tightening), and the sum of banks responding “+” (contributed somewhat to easing) and “++” (contributed considerably to easing). “°” means “contributed to basically unchanged credit standards”. The diffusion index (DI) is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options.

Question 15

Over the past three months, how have your bank's terms and conditions for new consumer credit and other lending to households changed?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA[1]	NetP Oct 21	NetP Jan 22	DI Oct 21	DI Jan 22	Mean Oct 21	Mean Jan 22
A) Overall terms and conditions												
Overall terms and conditions	0	0	99	1	0	0	0	-1	0	0	3.00	3.01
B) Margins												
Your bank's loan margin on average loans	0	1	96	3	0	0	-4	-1	-2	-1	3.04	3.01
Your bank's loan margin on riskier loans	0	2	95	3	0	1	1	-1	1	-1	2.99	3.01
C) Other terms and conditions												
Collateral requirements	0	0	92	0	0	8	0	0	0	0	3.00	3.00
Size of the loan	0	0	100	0	0	0	1	0	0	0	2.99	3.00
Maturity	0	0	100	0	0	0	-2	0	-1	0	3.02	3.00
Non-interest rate charges	0	0	98	0	0	2	1	0	0	0	2.99	3.00

1) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.

Notes: The net percentage (NetP) is defined as the difference between the sum of banks responding "--" (tightened considerably) and "-" (tightened somewhat), and the sum of banks responding "+" (eased somewhat) and "++" (eased considerably). "°" means "remained basically unchanged". The diffusion index (DI) is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

Question 16

Over the past three months, how have the following factors[1] affected your bank's credit terms and conditions as applied to new consumer credit and other lending to households?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA[2]	NetP Oct 21	NetP Jan 22	DI Oct 21	DI Jan 22	Mean Oct 21	Mean Jan 22
Overall impact on your bank's credit terms and conditions												
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	2	98	0	0	0	3	2	1	1	2.97	2.98
B) Pressure from competition												
Pressure from competition	0	0	96	3	0	1	-5	-3	-3	-1	3.05	3.03
C) Perception of risk												
Perception of risk	0	2	98	0	0	0	-1	2	-1	1	3.01	2.98
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	99	0	0	0	2	1	1	1	2.98	2.99
Impact on your bank's margins on average loans												
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	4	95	1	0	0	1	3	0	2	2.99	2.97
B) Pressure from competition												
Pressure from competition	0	0	95	4	0	1	-6	-4	-3	-2	3.06	3.04
C) Perception of risk												
Perception of risk	0	1	99	0	0	0	-4	0	-2	0	3.04	3.00
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	99	0	0	0	0	0	0	0	3.00	3.00
Impact on your bank's margins on riskier loans												
A) Cost of funds and balance sheet constraints												
Cost of funds and balance sheet constraints	0	3	97	0	0	1	1	3	1	1	2.98	2.97
B) Pressure from competition												
Pressure from competition	0	1	94	3	0	2	0	-2	0	-1	2.99	3.02
C) Perception of risk												
Perception of risk	0	3	96	0	0	1	3	3	2	1	2.96	2.97
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	98	0	0	1	0	1	1	1	2.99	2.99

1) The factors refer to the same sub-factors as in question 14.
2) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes: The net percentage (NetP) is defined as the difference between the sum of banks responding "--" (contributed considerably to tightening) and "-" (contributed somewhat to tightening), and the sum of banks responding "+" (contributed somewhat to easing) and "++" (contributed considerably to easing). "°" means "contributed to keeping credit terms and conditions basically unchanged". The diffusion index (DI) is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

Question 17

Over the past three months (apart from normal seasonal fluctuations), has the share of household loan applications[1] that were completely rejected[2] by your bank increased, remained unchanged or decreased (loan volume, relative to the total volume of loan applications in that loan category)?

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending	
	Oct 21	Jan 22	Oct 21	Jan 22
Decreased considerably	0	0	0	0
Decreased somewhat	1	0	4	3
Remained basically unchanged	94	97	94	96
Increased somewhat	4	2	1	0
Increased considerably	0	0	0	0
NA[3]	1	1	1	1
Total	100	100	100	100
Net percentage	**3**	**2**	**-2**	**-3**
Diffusion index	1	1	-1	-1
Mean	3.03	3.02	2.98	2.97
Number of banks responding	130	136	137	143

1) See Glossary for Loan application.
2) See Glossary for Loan rejection.
3) “NA” (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes:The net percentage is defined as the difference between the sum of banks responding “increased considerably” and “increased somewhat”, and the sum of banks responding “decreased somewhat” and “decreased considerably”. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options. The number of banks responding refers to all participating banks which have business in or exposure to the respective lending category.

Question 18

Over the past three months (apart from normal seasonal fluctuations), how has the demand for loans[1] 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.

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending	
	Oct 21	Jan 22	Oct 21	Jan 22
Decreased considerably	0	0	0	0
Decreased somewhat	7	11	8	10
Remained basically unchanged	74	69	78	77
Increased somewhat	19	19	13	11
Increased considerably	0	1	1	2
NA[2]	0	0	0	0
Total	100	100	100	100
Net percentage	**11**	**8**	**5**	**2**
Diffusion index	6	4	3	2
Mean	3.12	3.09	3.06	3.04
Number of banks responding	130	136	137	143

1) See Glossary for Demand for loans.
2) “NA” (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes: The net percentage is defined as the difference between the sum of banks responding “increased considerably” and “increased somewhat”, and the sum of banks responding “decreased somewhat” and “decreased considerably”. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options. The number of banks responding refers to all participating banks which have business in or exposure to the respective lending category.

Question 19

Over the past three months, how have the following factors affected the demand for loans to households for house purchase?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA[4]	NetP Oct 21	NetP Jan 22	DI Oct 21	DI Jan 22	Mean Oct 21	Mean Jan 22
A) Financing needs/underlying drivers or purpose of loan demand												
Housing market prospects, including expected house price developments	0	8	79	13	0	0	7	5	4	2	3.08	3.05
Consumer confidence[1]	0	1	87	11	0	0	16	10	8	5	3.16	3.10
General level of interest rates	0	3	85	12	0	0	14	9	7	5	3.14	3.09
Debt refinancing/restructuring and renegotiation[2]	0	2	95	3	0	0	8	1	4	0	3.08	3.01
Regulatory and fiscal regime of housing markets	0	1	94	5	0	0	2	3	1	2	3.02	3.03
B) Use of alternative sources for housing finance												
Internal finance of house purchase out of savings/down payment[3]	0	1	99	0	0	0	-3	-1	-1	0	2.97	2.99
Loans from other banks	0	9	91	0	0	0	-2	-9	-1	-4	2.98	2.91
Other sources of external finance	0	1	99	0	0	0	-1	-1	-1	-1	2.99	2.99

1) See Glossary for Consumer confidence.
2) See Glossary for Debt refinancing/restructuring and renegotiation.
3) See Glossary for Down payment.
4) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
Notes: The net percentage (NetP) is defined as the difference between the sum of banks responding "++" (contributed considerably to higher demand) and "+" (contributed somewhat to higher demand), and the sum of banks responding "-" (contributed somewhat to lower demand) and "--" (contributed considerably to lower demand). "°" means "contributed to keeping demand basically unchanged". The diffusion index (DI) is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options.

Question 20

Over the past three months, how have the following factors affected the demand for consumer credit and other lending to households?

(in percentages, unless otherwise stated)

	--	-	°	+	++	NA[2]	NetP Oct 21	NetP Jan 22	DI Oct 21	DI Jan 22	Mean Oct 21	Mean Jan 22
A) Financing needs/underlying drivers or purpose of loan demand												
Spending on durable consumer goods	0	12	76	10	1	1	4	-2	2	0	3.04	2.99
Consumer confidence	0	8	80	11	0	1	9	3	5	1	3.11	3.03
General level of interest rates	0	0	97	2	0	1	4	2	2	1	3.04	3.02
Consumption expenditure financed through real-estate guaranteed loans[1]	0	1	79	0	0	20	-1	-1	0	-1	2.99	2.99
B) Use of alternative finance												
Internal finance out of savings	0	4	94	1	0	1	-2	-3	-1	-1	2.98	2.97
Loans from other banks	0	2	98	0	0	1	1	-2	0	-1	3.01	2.98
Other sources of external finance	0	0	99	0	0	1	3	0	2	0	3.03	3.00

1) Consumption expenditure financed through real-estate guaranteed loans

2) “NA” (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.

Notes: The net percentage (NetP) is defined as the difference between the sum of banks responding “++” (contributed considerably to higher demand) and “+” (contributed somewhat to higher demand), and the sum of banks responding “-” (contributed somewhat to lower demand) and “--” (contributed considerably to lower demand). “°” means “contributed to keeping demand basically unchanged”. The diffusion index (DI) is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options.

Question 21

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.

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending	
	Oct 21	Jan 22	Oct 21	Jan 22
Tighten considerably	0	0	0	0
Tighten somewhat	6	5	0	1
Remain basically unchanged	89	93	93	91
Ease somewhat	5	2	7	7
Ease considerably	0	0	0	0
NA[1]	0	0	0	0
Total	100	100	100	100
Net percentage	**1**	**3**	**-6**	**-6**
Diffusion index	1	1	-3	-3
Mean	2.99	2.97	3.06	3.06
Number of banks responding	130	136	137	143

1) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.

Notes: The net percentage is defined as the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat", and the sum of the percentages for "eased somewhat" and "eased considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options. The number of banks responding refers to all participating banks which have business in or exposure to the respective lending category.

Question 22

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.

(in percentages, unless otherwise stated)

	Loans for house purchase		Consumer credit and other lending	
	Oct 21	Jan 22	Oct 21	Jan 22
Decrease considerably	0	0	0	0
Decrease somewhat	10	9	3	3
Remain basically unchanged	77	75	82	82
Increase somewhat	13	16	15	15
Increase considerably	1	0	0	0
NA[1]	0	0	0	0
Total	100	100	100	100
Net percentage	**4**	**6**	**12**	**12**
Diffusion index	2	3	6	6
Mean	3	3	3	3.12
Number of banks responding	130	136	137	143

1) “NA” (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.

Notes: The net percentage is defined as the difference between the sum of the percentages for “increase considerably” and “increase somewhat”, and the sum of the percentages for “decrease somewhat” and “decrease considerably”. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options. The number of banks responding refers to all participating banks which have business in or exposure to the respective lending category.

Annex 2
Results for ad hoc questions

Question 111

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?

(in percentages, unless otherwise stated)

	Over the past three months									Over the next three months								
	--	-	°	+	+ +	NA[2]	NetP	Mean	Std. dev.	--	-	°	+	+ +	NA[2]	NetP	Mean	Std. dev.
A) Retail funding																		
Short-term deposits (up to one year)	0	1	81	9	0	9	-8	3.08	0.33	0	0	87	4	0	9	-4	3.04	0.22
Long-term (more than one year) deposits and other retail funding instruments	0	0	82	3	0	14	-3	3.03	0.21	0	1	84	2	0	14	-1	3.01	0.17
B) Inter-bank unsecured money market																		
Very short-term money market (up to 1 week)	0	1	86	1	0	12	0	3.00	0.17	0	0	87	1	0	12	-1	3.01	0.10
Short-term money market (more than 1 week)	0	1	84	3	0	12	-2	3.03	0.23	0	0	87	1	0	12	-1	3.01	0.10
C) Wholesale debt securities[3]																		
Short-term debt securities (e.g. certificates of deposit or commercial paper)	0	0	70	2	0	28	-2	3.03	0.19	0	0	70	2	0	28	-2	3.03	0.19
Medium to long term debt securities (incl. covered bonds)	0	8	72	6	1	13	2	2.99	0.45	0	3	74	9	0	13	-6	3.07	0.38
D) Securitisation[4]																		
Securitisation of corporate loans	0	2	40	0	0	58	2	2.97	0.19	0	0	42	0	0	58	0	3.00	0.00
Securitisation of loans for house purchase	0	1	37	1	0	61	1	2.99	0.19	0	0	39	0	0	61	0	3.00	0.00
E) Ability to transfer credit risk off balance sheet[5]																		
Ability to transfer credit risk off balance sheet	0	3	49	2	0	46	1	2.97	0.30	0	3	52	0	0	46	3	2.95	0.23

1) Please also take into account any effect of state guarantees vis-à-vis debt securities and recapitalisation support.
2) "NA" (not applicable) includes banks for which the source of funding is not relevant.
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.
Notes: The net percentage (NetP) is defined as the difference between the sum of the percentages of banks responding "--" (deteriorated considerably/will deteriorate considerably) and "-" (deteriorated somewhat/will deteriorate somewhat), and the sum of banks responding "+" (eased somewhat/will ease somewhat) and "++" (eased considerably/will ease considerably). "°" means "remained unchanged/will remain unchanged". The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options. Std. dev. denotes standard deviation. Figures may not exactly add up due to rounding.

Question 120

In connection with the new regulatory or supervisory actions (*), has your bank: increased/decreased total assets; increased/decreased risk-weighted assets; increased/decreased its capital position; experienced an easing/tightening of its funding conditions over the past twelve months; and/or does it intend to do so over the next twelve months?

(in percentages, unless otherwise stated)

	--	-	°	+	+ +	NA[3]	NetP	Mean	Std. dev.	No of banks
Over the past twelve months										
Total assets[1] of which:	**0**	**2**	**73**	**16**	**5**	**4**	**19**	**3.3**	**0.60**	**152**
Liquid assets[1]	0	2	71	16	4	7	19	3.3	0.58	152
Risk-weighted assets[1] of which:	**0**	**6**	**71**	**19**	**1**	**4**	**14**	**3.2**	**0.53**	**152**
Average loans	0	5	71	19	1	4	15	3.2	0.52	152
Riskier loans	0	6	79	8	0	6	2	3.0	0.42	152
Capital[2] of which:	**0**	**2**	**71**	**21**	**1**	**5**	**21**	**3.2**	**0.51**	**152**
Retained earnings	0	1	74	15	4	5	19	3.3	0.58	152
Capital issuance[2]	0	2	75	12	0	11	9	3.1	0.41	152
Impact on your bank's funding conditions	**0**	**1**	**90**	**5**	**0**	**3**	**-4**	**3.0**	**0.27**	**152**
Over the next twelve months										
Total assets[1] of which:	**0**	**6**	**76**	**14**	**0**	**4**	**7**	**3.1**	**0.48**	**152**
Liquid assets[1]	0	9	77	7	0	7	-2	3.0	0.45	152
Risk-weighted assets[1] of which:	**1**	**8**	**68**	**19**	**0**	**4**	**10**	**3.1**	**0.58**	**152**
Average loans	0	4	75	16	0	4	12	3.1	0.48	152
Riskier loans	0	11	76	7	0	6	-4	2.9	0.47	152
Capital[2] of which:	**0**	**4**	**75**	**13**	**1**	**6**	**10**	**3.1**	**0.49**	**152**
Retained earnings	0	3	78	14	0	5	11	3.1	0.43	152
Capital issuance[2]	0	1	76	11	0	11	10	3.1	0.39	152
Impact on your bank's funding conditions	**0**	**3**	**92**	**2**	**0**	**3**	**2**	**3.0**	**0.24**	**152**

(*) Please consider regulatory or supervisory actions that have recently been approved/implemented or that are expected to be approved/implemented in the near future.
1) Total assets are the bank's total unweighted assets. Risk-weighted assets are the product of total assets and risk weights. Liquid assets should be defined as freely transferable assets that can be converted quickly into cash in private markets within a short time frame and without significant loss in value, in line with the European Commission Delegated Act of 10.10.2014 to supplement Regulation (EU) 575/2013 with regard to liquidity coverage requirement for Credit Institutions (C (2014) 7232 final).
2) "Capital issuance" refers to the change in the capital stock owing to capital issuance. If no capital has been issued in the period under review, the capital stock "remained basically unchanged" on account of "Capital issuance". Capital issuance includes the issuance of shares and hybrid instruments, as well as capital injections by, inter alia, national or supra-national public authorities.
3) Please select "N/A" (not applicable) only if you do not have any business in or exposure to this category.
Notes: The net percentage (NetP) is defined as the difference between the sum of the percentages of banks responding "--" (decreased/will decrease considerably or experienced/will experience a considerable tightening of funding conditions) and "-" (decreased/will decrease somewhat or experienced/will experience a moderate tightening of funding conditions), and the sum of the percentages of banks responding "+" (increased/will increase somewhat or experienced/will experience a moderate easing of funding conditions) and "++" (increased/will increase considerably or experienced/will experience a considerable easing of funding conditions). "o" means remained unchanged/will remain unchanged. The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options. Figures may not exactly add up due to rounding. The number of banks responding (No of banks) refers to all participating banks which have business in or exposure to the respective lending category. Std. dev. denotes standard deviation.

Question 121

Have any adjustments been made, or will any be made, to your bank's credit standards/margins for loans over the past/next twelve months, owing to the new regulatory or supervisory actions?(*)

(in percentages, unless otherwise stated)

	Loans and credit lines to enterprises		Loans to households	
	Small and medium-sized enterprises	Large enterprises	For house purchase	Consumer credit and other lending
(i) Credit standards				
Over the past twelve months				
--	1	1	0	0
-	2	7	10	5
○	78	72	72	80
+	2	3	0	1
+ +	0	0	0	0
NA[1]	16	16	18	13
Net Percentage	**1**	**6**	**10**	**4**
Mean	3	3	3	3
Standard deviation	0	0	0	0
Number of banks responding	152	152	152	152
Over the next twelve months				
--	0	0	0	0
-	4	6	5	3
○	80	78	77	82
+	0	0	0	2
+ +	0	0	0	0
NA[1]	16	16	18	13
Net Percentage	**4**	**5**	**5**	**2**
Mean	3	3	3	3
Standard deviation	0	0	0	0
Number of banks responding	152	152	152	152
(ii) Credit margins				
Over the past twelve months				
--	0	0	0	0
-	4	5	2	4
○	77	76	77	81
+	3	3	2	2
+ +	0	0	0	0
NA[1]	16	16	18	13
Net Percentage	**1**	**2**	**0**	**2**
Mean	3	3	3	3
Standard deviation	0	0	0	0
Number of banks responding	152	152	152	152
Over the next twelve months				
--	0	0	0	0
-	2	3	0	2
○	80	77	81	81
+	2	3	1	3
+ +	0	0	0	0
NA[1]	16	16	18	13
Net Percentage	**0**	**-1**	**-1**	**-1**
Mean	3	3	3	3
Standard deviation	0	0	0	0
Number of banks responding	152	152	152	152

1) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
(*) Please consider regulatory or supervisory actions that have recently been approved/implemented or that are expected to be approved/implemented in the near future.
Notes: The net percentage (NetP) is defined as the difference between the sum of the percentages of banks responding "- -" (credit standards / margins have been tightened/will be tightened considerably) and "-" (credit standards / margins have been tightened/will be tightened somewhat), and the sum of the percentages of banks responding "+" (credit standards / margins have been eased/will be eased somewhat) and "++" (credit standards / margins have been eased/will be eased considerably). "o" means the requirements have basically not had/will not have any impact on credit standards / margins. The mean and standard deviation are calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Question 135

Please indicate the impact of your bank's non-performing loan (NPL) ratio[1] on your lending policy. In addition, please indicate the contribution of each factor through which the NPL ratio has affected or will affect your bank's lending policy.

(in percentages, unless otherwise stated)

	--	-	°	+	+ +	NA[2]	NetP	Mean	Std. dev.	No of banks
Over the past six months										
A) Impact of NPL ratio on the change in your bank's credit standards										
Loans and credit lines to enterprises	0	3	96	1	0	0	2	3.0	0.22	141
Loans to households for house purchase	0	1	97	2	0	0	0	3.0	0.18	136
Consumer credit and other lending to households	0	3	94	1	0	2	2	3.0	0.21	143
B) Impact of NPL ratio on the change in your bank's credit terms and conditions										
Loans and credit lines to enterprises	0	1	97	2	0	0	-1	3.0	0.19	141
Loans to households for house purchase	0	0	98	2	0	0	-2	3.0	0.14	136
Consumer credit and other lending to households	0	2	94	2	0	2	0	3.0	0.23	143
C) Contribution of factors through which the NPL ratio affects your bank's policy on lending to enterprises and households (change in credit standards and credit terms and conditions)										
Contribution of your bank's cost of funds and balance sheet constraints to the NPL-related impact on your bank's lending policy										
Costs related to your bank's capital position	0	0	94	1	0	5	-1	3.0	0.13	152
Costs related to your bank's balance sheet clean-up operations[3]	0	2	88	1	0	10	1	3.0	0.18	152
Pressure related to supervisory or regulatory requirements[4]	0	4	91	1	0	5	3	3.0	0.24	152
Your bank's access to market financing	0	0	95	1	0	5	-1	3.0	0.09	152
Your bank's liquidity position	0	0	95	1	0	5	-1	3.0	0.09	152
Contribution of your bank's perception of risk and risk tolerance to the NPL-related impact on your bank's lending policy										
Your bank's perception of risk[5]	0	4	89	4	0	3	0	3.0	0.31	152
Your bank's risk tolerance	0	6	88	4	0	3	2	3.0	0.32	152
Over the next six months										
A) Impact of NPL ratio on the change in your bank's credit standards										
Loans and credit lines to enterprises	0	2	97	1	0	0	1	3.0	0.19	141
Loans to households for house purchase	0	0	99	1	0	0	-1	3.0	0.10	136
Consumer credit and other lending to households	0	2	94	3	0	2	-1	3.0	0.22	143
B) Impact of NPL ratio on the change in your bank's credit terms and conditions										
Loans and credit lines to enterprises	0	0	97	1	0	2	0	3.0	0.10	141
Loans to households for house purchase	0	1	97	2	0	0	-1	3.0	0.18	136
Consumer credit and other lending to households	0	1	93	4	0	2	-3	3.0	0.23	143
C) Contribution of factors through which the NPL ratio affects your bank's policy on lending to enterprises and households (change in credit standards and credit terms and conditions)										
Contribution of your bank's cost of funds and balance sheet constraints to the NPL-related impact on your bank's lending policy										
Costs related to your bank's capital position	0	2	93	0	0	5	2	3.0	0.18	152
Costs related to your bank's balance sheet clean-up operations[3]	0	0	88	2	0	10	-2	3.0	0.19	152
Pressure related to supervisory or regulatory requirements[4]	0	7	85	3	0	5	4	2.9	0.38	152
Your bank's access to market financing	0	0	95	0	0	5	0	3.0	0.07	152
Your bank's liquidity position	0	0	94	0	0	6	0	3.0	0.07	152
Contribution of your bank's perception of risk and risk tolerance to the NPL-related impact on your bank's lending policy										
Your bank's perception of risk[5]	0	4	90	3	0	3	0	3.0	0.29	152
Your bank's risk tolerance	0	4	92	1	0	3	3	3.0	0.23	152

1) The NPL ratio is defined as the stock of gross non-performing loans on your bank's balance sheet as a percentage of the gross carrying amount of loans. Changes in credit standards and/or terms and conditions can be caused by changes in the NPL ratio or by changes in regulation or in the bank's assessment of the level of the NPL ratio, even if the NPL ratio has remained unchanged.
2) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category (as regards credit standards), have not granted any new loans in the respective lending category during the period specified (as regards credit terms and conditions), or do not have any non-performing loans.
3) This may include costs due to the need for additional provisions and/or write-offs exceeding the previous stock of provisions.
4) This may include expectations of or uncertainty about future supervisory or regulatory requirements.
5) Banks' perception of risk regarding the general economic situation and outlook, borrowers' creditworthiness and of the risk related to collateral demanded.
Notes: "--" = has contributed considerably/will contribute considerably to tightening; "-" = has contributed somewhat/will contribute somewhat to tightening; "o" =has not had/will not have an impact; "+" = has contributed somewhat/will contribute somewhat to easing; "++" = has contributed considerably/will contribute considerably to easing. The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options. Figures may not exactly add up due to rounding. The number of banks responding (No of banks) refers to all participating banks which have business in or exposure to the respective lending category. Std. dev. denotes standard deviation.

Question 139

Over the past six months, how have your bank's credit standards, terms and conditions on new loans, and demand for loans changed across main sectors of economic activities[2]? And what do you expect for the next six months?

(in percentages, unless otherwise stated)

	Over the past six months										Over the next six months									
	--	-	°	+	+ +	NA[1]	NetP	Mean	Std. dev.	No of banks	--	-	°	+	+ +	NA[1]	NetP	Mean	Std. dev.	No of banks
A) Your bank's credit standards																				
Manufacturing	0	1	93	2	0	3	-1	3	0	137	0	0	93	3	0	3	-3	3	0	141
Construction (excluding real estate)	0	5	87	4	0	5	1	3	0	136	0	2	91	2	0	5	0	3	0	141
Services (excluding financial services and real estate)	0	4	90	4	0	3	-1	3	0	138	0	1	94	2	0	3	-1	3	0	141
Wholesale and retail trade	0	8	88	2	0	2	6	3	0	139	0	5	93	0	0	2	5	3	0	141
Real estate[3]	0	8	85	1	0	6	6	3	0	135	0	6	86	3	0	6	3	3	0	141
of which:																				
Commercial real estate	0	12	78	2	0	8	10	3	0	133	0	7	83	3	0	8	4	3	0	141
Residential real estate	0	4	79	3	0	14	2	3	0	129	0	7	78	2	0	13	5	3	0	141
B) Your bank's terms and conditions																				
Manufacturing	0	1	94	1	0	3	0	3	0	137	0	1	94	2	0	3	-1	3	0	141
Construction (excluding real estate)	0	4	90	1	0	5	2	3	0	136	0	3	92	1	0	5	2	3	0	141
Services (excluding financial services and real estate)	0	1	93	3	0	3	-1	3	0	138	0	0	95	2	0	3	-2	3	0	141
Wholesale and retail trade	0	5	93	1	0	2	4	3	0	139	0	3	93	2	0	2	2	3	0	141
Real estate[3]	1	7	85	1	0	6	6	3	0	135	1	2	89	2	0	6	1	3	0	141
of which:																				
Commercial real estate	1	9	81	1	0	8	9	3	0	133	1	3	87	1	0	8	3	3	0	141
Residential real estate	1	3	78	3	0	14	2	3	0	129	1	3	81	3	0	13	1	3	0	141
C) Demand for loans at your bank																				
Manufacturing	0	3	83	11	0	3	8	3	0	137	0	0	80	16	0	3	16	3	0	141
Construction (excluding real estate)	0	4	82	10	0	5	5	3	0	136	0	0	85	10	0	5	10	3	0	141
Services (excluding financial services and real estate)	0	2	86	9	0	3	7	3	0	138	0	0	88	9	0	3	9	3	0	141
Wholesale and retail trade	0	5	86	7	0	2	2	3	0	139	0	0	88	10	0	2	10	3	0	141
Real estate[3]	0	4	72	17	1	6	13	3	1	135	0	0	83	11	0	6	11	3	0	141
of which:																				
Commercial real estate	0	4	73	12	1	9	9	3	0	131	0	3	80	8	0	9	6	3	0	141
Residential real estate	0	3	73	8	0	15	4	3	0	127	0	2	75	9	0	14	7	3	0	141

1) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.

2) The sectors of economic activities are based on the statistical classification of economic activities in the European Community (NACE Rev. 2): Manufacturing = C, Construction (excluding real estate) = F - F.41, Wholesale and retail trade = G, Services (excluding financial services and real estate) = M, N, H, I, J, Real estate = L + F.41. According to Eurostat, NACE relates to the characteristics of the activity itself. In this respect, please allocate the loans to the activity of the ultimate recipient of the funds. Units engaged in the same kind of economic activity are classified in the same category of NACE, irrespective of whether they are (part of) incorporated enterprises, individual proprietors or government, whether or not the parent enterprise is a foreign entity and whether or not the unit consists of more than one establishment. Source: Eurostat, NACE Rev. 2, Statistical classification of economic activities in the European Community, 2008.

3) This includes real estate construction (F.41) and real estate services (L). Commercial real estate is property used for business purposes (e.g. office, retail, industrial, multifamily (of five units or more), hotel, and special purpose buildings), while residential real estate is property used for living purposes, typically single family or individuals homes and one to four unit rental residences.

Notes: The net percentage (NetP) is defined as the difference between the sum of the percentages of banks responding "--" (tightened or decreased considerably) and "-" (tightened or decreased somewhat), and the sum of the percentages of banks responding "+" (eased or increased somewhat) and "++" (eased or increased considerably). "°" means "remained basically unchanged". The mean of the banks' responses is calculated using weights from 1 to 5 for the five possible response options. Std. dev. denotes standard deviation. The number of banks responding (No of banks) refers to all participating banks which have business in or exposure to the respective lending category.

Question 140

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

(in percentages, unless otherwise stated)

A) Loans or credit lines with COVID-19 related government guarantees(2)

	--	-	°	+	++	NA[1]	NetP	Mean	Std. dev.	No of banks
Over the past six months										
Your bank's credit standards										
For loans or credit lines to enterprises with COVID-19 related government guarantees, overall	0	2	89	5	0	4	-3	3	0	141
of which:										
to small and medium-sized enterprises and the self-employed(3)	0	1	85	5	0	8	-4	3	0	138
to large enterprises	0	0	93	3	0	4	-2	3	0	135
Your bank's terms and conditions										
For loans or credit lines to enterprises with COVID-19 related government guarantees, overall	0	0	93	3	0	4	-3	3	0	141
of which:										
to small and medium-sized enterprises and the self-employed(3)	0	0	88	3	0	8	-3	3	0	138
to large enterprises	0	0	92	3	0	4	-3	3	0	135
Demand for loans or credit lines with COVID-19 related government guarantees at your bank										
For loans or credit lines to enterprises with COVID-19 related government guarantees, overall	5	18	66	6	1	4	-16	3	1	141
of which:										
to small and medium-sized enterprises and the self-employed(3)	4	16	63	8	1	8	-11	3	1	138
to large enterprises	5	19	69	2	0	4	-22	3	1	135

B) Factors affecting the demand for loans or credit lines with COVID-19 related government guarantees at your bank(2)

	--	-	°	+	++	NA[1]	NetP	Mean	Std. dev.	No of banks
Over the past six months										
For loans or credit lines to enterprises with COVID-19 related government guarantees, overall										
for covering acute liquidity needs(4)	6	11	69	10	1	4	-7	3	1	141
as a precautionary liquidity buffer	5	9	72	10	0	4	-4	3	1	141
for financing fixed investment	4	7	76	6	0	7	-6	3	1	141
for substituting existing loans	7	3	73	4	0	14	-6	3	1	141
of which:										
to small and medium-sized enterprises and the self-employed										
for covering acute liquidity needs(4)	3	12	63	10	3	8	-2	3	1	138
as a precautionary liquidity buffer	3	9	70	9	0	9	-3	3	1	138
for financing fixed investment	2	6	73	7	0	12	-1	3	1	138
for substituting existing loans	3	4	71	3	0	18	-4	3	1	138
to large enterprises										
for covering acute liquidity needs(4)	7	10	70	9	0	4	-8	3	1	135
as a precautionary liquidity buffer	6	9	70	9	2	4	-3	3	1	135
for financing fixed investment	4	7	76	6	0	7	-5	3	1	135
for substituting existing loans	7	2	74	4	0	14	-5	3	1	135

C) Loans or credit lines without government guarantees(2)

	--	-	°	+	++	NA[1]	NetP	Mean	Std. dev.	No of banks
Over the past six months										
Your bank's credit standards										
For loans or credit lines to enterprises without government guarantees, overall	0	3	96	0	0	0	3	3	0	141
of which:										
to small and medium-sized enterprises and the self-employed(3)	0	3	92	1	0	4	3	3	0	138
to large enterprises	0	2	97	0	0	0	2	3	0	135
Your bank's terms and conditions										
For loans or credit lines to enterprises without government guarantees, overall	0	2	93	1	0	4	0	3	0	141
of which:										
to small and medium-sized enterprises and the self-employed(3)	0	3	91	2	0	4	2	3	0	138
to large enterprises	0	3	95	2	0	0	1	3	0	135

Demand for loans or credit lines without government guarantees at your bank										
For loans or credit lines to enterprises without government guarantees, overall	0	1	86	12	1	0	11	3	0	141
of which:										
to small and medium-sized enterprises and the self-employed(3)	0	1	86	7	1	4	6	3	0	138
to large enterprises	1	3	85	9	3	0	7	3	1	135

1) Please select “N/A” (not applicable) only if you do not have any business in or exposure to the respective category or if no COVID-19 government guarantee exists for this loan category.
2) Including all loans which have been originated by the bank, i.e. also including loans which have been removed from the bank's balance sheet following loan origination.
3) "The self-employed" includes sole proprietorships and partnerships.
4) This may also include the limited availability or unavailability of other financing sources.
Notes: The net percentage (NetP) is defined as the difference between the sum of the percentages of banks responding “--” (tightened/decreased considerably or will tighten/decrease considerably; contributed considerably or will contribute considerably to a decrease) and “-” (tightened/decreased somewhat or will tighten/decrease somewhat; contributed somewhat or will contribute somewhat to a decrease), and the sum of the percentages of banks responding “+” (eased/increased somewhat or will ease/increase somewhat; contributed somewhat or will contribute somewhat to an increase) and “++” (eased/increased considerably or will ease/increase considerably; contributed considerably or will contribute considerably to an increase). “o” means “remained basically unchanged or has not had/will not have an impact”. The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options. Figures may not exactly add up due to rounding. The number of banks responding (No of banks) refers to all participating banks which have business in or exposure to the respective lending category. Std. dev. denotes standard deviation.

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For specific terminology please refer to the ECB glossary (available in English only).

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