EUROPEAN CENTRAL BANK

EUROSYSTEM

The euro area bank lending survey

Second quarter of 2022

July 2022

Contents

Introduction

The results reported in the July 2022 bank lending survey (BLS) relate to changes observed during the second quarter of 2022 and expectations for the third quarter of 2022. The survey was conducted between 10 and 28 June 2022. A total of 153 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 July 2022 survey. They address the impact of the situation in financial markets on banks' access to retail and wholesale funding, the impact of banks' non-performing loan (NPL) ratios on their lending policies, and the change in bank lending conditions and loan demand across the main economic sectors.

[1] The four largest euro area countries in terms of GDP are Germany, France, Italy and Spain. From the April 2022 BLS onwards, banks are asked about additional factors having an impact on the terms and conditions for loans to firms and on credit standards for loans to households, as well as about the developments – across firm sizes – in the factors having an impact on loan demand and the share of rejected loan applications. In addition, since the January 2022 BLS onwards, the aggregation of banks' replies to the euro area results has been based on unweighted national results for all countries.

1 Overview of results

In the July 2022 BLS, euro area banks indicated a considerable further tightening of their credit standards for loans to firms in the second quarter of 2022, i.e. the percentage share of banks reporting a tightening of credit standards was considerably larger than the share of banks reporting an easing. Banks reported that risk perceptions related to the economic outlook, industry or firm-specific situation and banks' decreased risk tolerance had a strong tightening impact on credit standards. Banks' cost of funds and balance sheet constraints had a tightening impact on credit standards for loans to firms, as monetary policy is becoming less accommodative. In the third quarter of 2022, euro area banks expect a net tightening of credit standards for loans to firms of a similar magnitude to the second quarter.

Firms' net demand for loans continued to increase in the second quarter of 2022, in line with expectations in the previous quarter. Loan demand continued to be driven by firms' financing needs for working capital, likely related to increased production input prices in the context of continuing supply chain disruptions and high energy prices. At the same time, fixed investment had a dampening impact on firms' net demand for loans, suggesting that they are postponing their investment in the current uncertain environment. In addition, the positive contribution of the general level of interest rates to loan demand was more moderate than in the previous quarter. In the third quarter of 2022, banks expect a moderate net decline in demand for loans to firms.

Banks reported a strong net tightening of credit standards for housing loans and a moderate net tightening for consumer credit in the second quarter of 2022. The net tightening of credit standards for housing loans was considerably stronger than in the previous quarter and above the historical average. For housing loans, higher risk perceptions, lower risk tolerance and a moderate tightening impact from banks' cost of funds and balance sheet constraints contributed to the net tightening. Higher risk perceptions also primarily contributed to the net tightening of credit standards on loans for consumer credit. Loan demand from households decreased in net terms for loans for house purchase and continued to increase in net terms for consumer credit in the second quarter of 2022. Lower consumer confidence and the general level of interest rates contributed negatively to demand for both categories, while durable goods consumption contributed to the net increase in consumer credit demand. In the third quarter of 2022, banks expect a net tightening of credit standards for all lending to households. In addition, banks expect a strong net decrease in housing loan demand and broadly unchanged demand for consumer credit.

In more detail, euro area banks tightened their credit standards (i.e. banks' internal guidelines or loan approval criteria) considerably further for loans or credit lines to enterprises in the second quarter of 2022 (net percentage of banks of 16%, after 6% in the first quarter of 2022; see Section 2.1). Risks related to the economic outlook and the industry or firm-specific situation had a considerable further tightening impact on credit standards in the second quarter of 2022. In the current environment of high uncertainty, banks' risk tolerance declined, contributing to a tightening impact on credit standards. Banks' cost of funds and balance sheet constraints had a small tightening impact on credit standards for loans to euro area firms, as monetary policy is becoming less accommodative. In the third quarter of 2022, euro area banks expect a net tightening of credit standards on loans to firms of a similar magnitude to that in the second quarter (18%).

In the second quarter of 2022, euro area banks reported a strong net tightening of credit standards for housing loans (net percentage of banks of 24%, after 2% in the first quarter of 2022; see Section 2.2), and a moderate net tightening for consumer credit and other lending to households (9%, after -5%; see Section 2.3), both stronger than anticipated in the previous quarter. The net tightening for housing loans was driven mainly by higher risk perceptions, lower risk tolerance and some country-specific factors. Banks' cost of funds and balance sheet constraints had a moderate tightening impact, while competition was the only factor that had a slight easing impact. For consumer credit, increased risk perceptions mainly contributed to the net tightening. Banks expect credit standards to continue tightening for both housing loans (24%) and for consumer credit (13%) in the third 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 tightened in the second quarter of 2022 (net percentage of 12%, after 3%). This tightening of terms and conditions, in the context of monetary policy normalisation, was mainly on account of a considerable widening of margins on riskier loans (net percentage of 16%; margins defined as the spread over relevant market reference rates), while the widening of margins on average loans (net percentage of 6%) and collateral requirements (net percentage of 5%) had a more moderate contribution. Banks also reported a net tightening of overall terms and conditions for both housing loans (net percentage of 22%, after 6%) and consumer credit and other lending to households (11%, after -2%). Despite the net tightening of terms and conditions, loan margins narrowed for both loans for house purchase and for consumer credit, partly reflecting the fact that market reference rates relevant for banks' funding costs increased more than interest rates for loans to households.

In the second quarter of 2022, banks reported broadly no change in the share of rejected applications for loans to firms (net percentage of 1%, after 4%). For housing loans, euro area banks reported a significant net increase in the share of rejected applications (28%, after 1%). This is the largest net increase in the share of rejected applications since the series began in the first quarter of 2015. The share of rejected applications increased moderately in net terms for consumer credit (5%, after -2%).

Credit standards for loans to enterprises tightened across all four largest euro area countries in the second quarter of 2022 (see Overview table). Credit standards for housing loans also tightened in all four countries, while credit standards for consumer credit and other lending to households tightened in Germany, France and Italy, and remained unchanged in France.

Firms' net demand for loans continued to increase in the second quarter of 2022, in line with expectations in the previous quarter (net percentage of 12%, after 17% in the first quarter of 2022; see Section 2). Loan demand continued to be driven by firms' financing needs for working capital, which is likely related to increased energy and raw material prices in the context of continuing supply chain disruptions. The contribution of fixed investment to firms' net demand for loans turned negative for the first time since the first quarter of 2021, indicating that firms may be postponing investment in the current uncertain environment. In line with subdued growth, sentiment indicators such as the Purchasing Managers Index (PMI) already signalled a contraction in manufacturing activity for the end of the second quarter. In addition, the positive contribution of the general level of interest rates to loan demand was more moderate compared with the previous quarter. Loan demand increased strongly in net terms for short-term maturities, which reflects firms' increased need for working capital financing. At the same time, net demand for long-term loans was broadly unchanged in the second quarter of 2022. While the available monetary data show an increase in long-term loan flows for April and May, the leading indicator properties of BLS loan demand for net loan growth to firms would suggest a potential weakening in long-term loan growth in the coming months. In the third quarter of 2022, banks expect a moderate net decline in demand for loans to firms (net percentage of -5%), due to a considerable decrease in long-term loans, while the demand for short-term loans is expected to be less strong than in the second quarter.

In the second quarter of 2022, net demand from households for housing loans fell after increasing in the first quarter (net percentage of -10%, after 10% in the first quarter of 2022; see Chart 4), while demand for consumer credit continued to increase in net terms (net percentage of 11%, after 11%, see Overview table). The net decrease in housing loan demand was mainly driven by lower consumer confidence and the general level of interest rates, possibly reflecting the significant increases recently observed in interest rates on housing loans. The increase in demand for consumer credit was mainly driven by demand for durables, likely reflecting recent price increases and the reopening of the economy. On the other hand, lower consumer confidence had a dampening effect on demand for consumer credit, in line with recent declines in the European Commission's consumer sentiment indicator, while the general level of interest rates also had a slight negative contribution to demand. For the third quarter of 2022, banks expect a strong net decrease in the demand for housing loans (-47%) and broadly unchanged demand for consumer credit (1%).

Banks reported, on balance, a net increase in demand for loans to enterprises in Germany and France, while loan demand remained unchanged according to banks in Italy, and decreased in Spain in the second quarter of 2022. Net demand for housing loans increased in Spain and fell in France, Germany and Italy. Net demand for consumer credit increased in France, Germany and Italy, and fell in Spain.

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	Q1 22	Q2 22	Avg.	Q1 22	Q2 22	Avg.	Q1 22	Q2 22	Avg.	Q1 22	Q2 22	Avg.	Q1 22	Q2 22	Avg.	Q1 22	Q2 22	Avg.
Euro area	6	16	8	17	12	0	2	24	6	10	-10	4	-5	9	4	11	11	0
Germany	3	3	4	23	23	7	7	32	2	32	-4	9	0	20	0	10	23	8
Spain	20	8	9	0	-8	-5	0	30	13	22	10	-8	0	17	9	10	-8	-7
France	0	25	5	33	8	-4	0	17	3	0	-25	7	-7	0	-2	13	7	-1
Italy	9	18	11	-18	0	7	-9	9	1	-18	-9	13	-15	8	4	15	8	12

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 July 2022 BLS also included a number of ad hoc questions. Euro area banks reported that their access to money markets, securitisation and particularly debt securities deteriorated, in net terms, in the second quarter of 2022, reflecting the tightening of financial market conditions for banks in the context of the ongoing monetary policy normalisation. By contrast, access to retail funding improved slightly in the second quarter of 2022. In the third quarter of 2022, banks expect a slight deterioration in access to retail funding, and a continued deterioration in access to market-based funding, in particular debt securities funding.

In the first half of 2022, euro area banks' NPL ratios had a small net tightening impact on credit standards for loans to enterprises, and a neutral impact on credit standards for loans for house purchase and consumer credit and other lending. Over the next six months, euro area banks expect NPL ratios to have a continued tightening impact on credit standards for loans to enterprises, a slight tightening impact on credit standards for consumer credit and other lending, and a broadly neutral impact on credit standards for loans for house purchase. Increased perceptions of risk, costs related to banks' capital position, access to market financing and pressure related to supervisory or regulatory requirements contributed to a small net tightening impact of NPL ratios on lending conditions in the first half of 2022. At the same time, banks' risk tolerance and liquidity positions had a neutral impact on lending conditions through banks' NPLs, while costs related to balance sheet clean-up operations had a slight easing impact.

In the first half of 2022, euro area banks indicated a more pronounced net tightening of credit standards for new loans to enterprises across most of the main economic sectors. These developments are broadly in line with the moderate net tightening of credit standards for loans to firms in the first quarter of 2022 and the more pronounced net tightening in the second quarter of 2022. Over the next six months, euro area banks expect a continued net tightening across all main economic sectors. Banks reported a net increase in demand for loans or credit lines across all main economic sectors, in line with the reported overall increase in demand for loans to firms in the first and second quarters of 2022. Over the next six months, euro area banks expect a strong decline in net demand in the real estate sector, and a small to moderate increase in services, wholesale and retail trade and manufacturing sectors.

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, 153 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

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.

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.

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

[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.

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 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

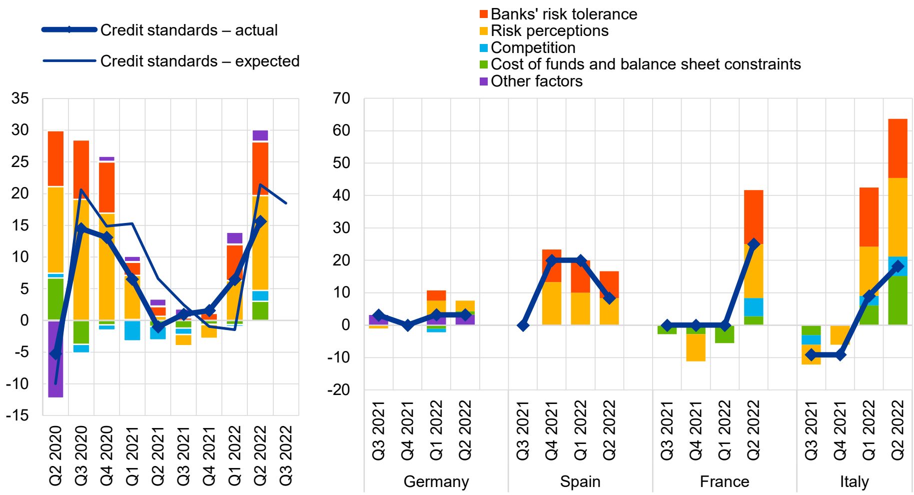
Euro area banks tightened their credit standards (i.e. banks' internal guidelines or loan approval criteria) considerably further for loans or credit lines to enterprises in the second quarter of 2022, i.e. the percentage share of banks reporting a tightening of credit standards was considerably larger than the share of banks reporting an easing (net percentage of banks of 16%, after 6% in the first quarter of 2022; see Chart 1 and Overview table). Credit standards remained somewhat below banks' expectations in the previous quarter; nevertheless, the extent of net tightening was similar to levels recorded during the early stages of the coronavirus (COVID-19) pandemic and was above historical averages. In the second quarter of 2022, credit standards tightened more strongly for loans to large firms (16%, after 7%), compared with loans to small and medium-sized enterprises (SMEs; 10%, after 7%; see Chart 2) and more strongly for long-term loans (16%, after 6%) than for short-term loans (9%, after 5%).

Banks indicated a considerable further net tightening impact related to the economic outlook and industry or firm-specific situation in the second quarter of 2022 (see Chart 1 and Table 1). In addition to risk perceptions, banks' risk tolerance declined strongly, contributing to a tightening impact on credit standards in the current environment of high uncertainty. As monetary policy is becoming less accommodative, banks reported that their cost of funds and balance sheet constraints had a small tightening impact on credit standards for loans to euro area firms. This reflects a moderate tightening impact related to capital costs, a small tightening effect from market financing and a broadly neutral effect from banks' liquidity situation. Competition had a small net tightening impact on credit standards for loans to firms, mainly related to competition from market financing. Banks indicated higher risk perceptions related to the economic outlook as well as the creditworthiness of borrowers and decreased risk tolerance as the main factors explaining the development in credit standards across firm sizes (see Chart 2). While cost of funds and balance sheet constraints had a rather small impact on credit standards for loans to SMEs, the tightening impact was moderate for large firms, related to a moderate tightening impact from capital costs.

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)

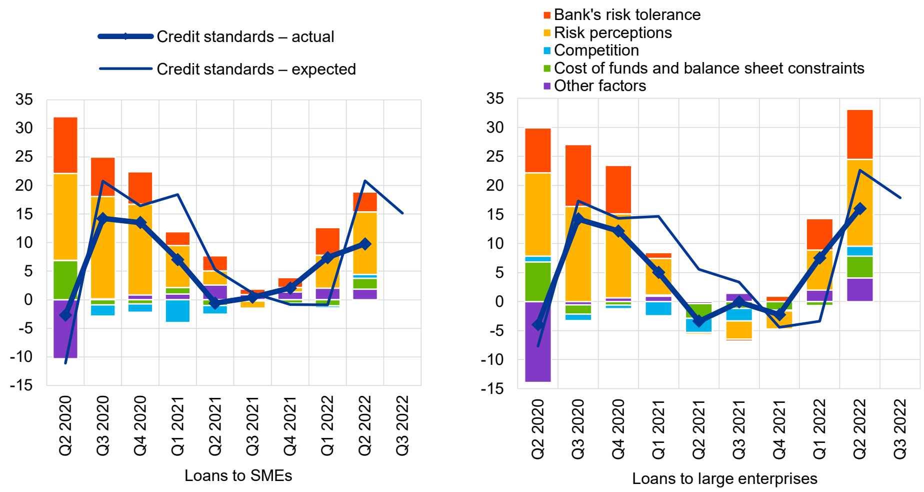


Notes: "Actual" values are changes that have occurred, while "expected" values are changes anticipated by banks. Net percentages are defined as the difference between the sum of the percentages of banks responding "tightened considerably" and "tightened somewhat" and the sum of the percentages of banks 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 "bank's capital and the costs related to bank's 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.

Chart 2

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

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



Note: See the notes on Chart 1.

Credit standards for loans to enterprises tightened across all four largest euro area countries in the second quarter of 2022. Higher perceived risks and banks' lower risk tolerance were the main driving factors in Spain, France and Italy. In addition, banks in Italy and France referred to an overall tightening impact from competition, which is related to lower competition from market financing, while French banks also referred to competition from non-banks as financial market conditions become less favourable. A tightening impact of cost of funds and balance sheet constraints was reported by banks in Italy, driven by higher capital costs, by banks' ability to access market financing and, to a smaller extent, by their liquidity position.

In the third quarter of 2022, euro area banks expect a net tightening of similar magnitudes to those in the second quarter for credit standards on loans to firms (net percentage of 18%), both for loans to SMEs (net percentage of 15%) and large enterprises (net percentage of 18%).

Table 1

Factors contributing to changes in credit standards for 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	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022
Euro area	-1	3	0	2	6	15	6	9
Germany	-1	1	-1	0	4	3	3	0
Spain	0	0	0	0	10	8	10	8
France	-6	3	0	6	0	17	0	17
Italy	6	15	3	6	15	24	18	18

Note: See the notes on Chart 1.

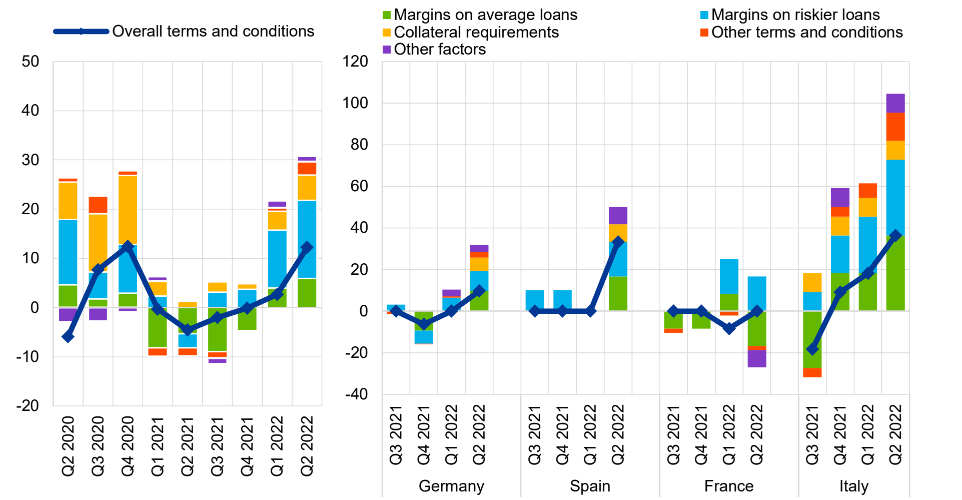
2.1.2 Terms and conditions on loans to enterprises tightened

Banks' overall terms and conditions (i.e. banks' actual terms and conditions agreed in the loan contract) for new loans to enterprises tightened in the second quarter of 2022 (net percentage of 12%, after 3%; see Chart 3 and Table 2). This was mainly on account of a considerable widening of margins on riskier loans (net percentage of 16%; margins defined as the spread over relevant market reference rates), while the widening of margins on average loans (net percentage of 6%) and collateral requirements (net percentage of 5%) had a more moderate contribution. Tighter terms and conditions are confirmed by data on the actual aggregate cost of borrowing for firms, showing an increase in rates for May 2022, the latest available month. Banks also reported that changes in maturity, covenants and non-interest rate charges contributed to the net tightening of overall terms and conditions for loans to firms. Developments in overall terms and conditions were similar for loans to SMEs and large firms, with the widening of margins on riskier loans being considerable across both firm categories, whereas the widening of margins on average loans had broadly no impact for SMEs, and a moderate impact for large firms (see Chart 4). Other terms and conditions related to changes in collateral, covenants and maturity had a moderate impact on the terms and conditions for loans to large firms and SMEs.

Chart 3

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

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

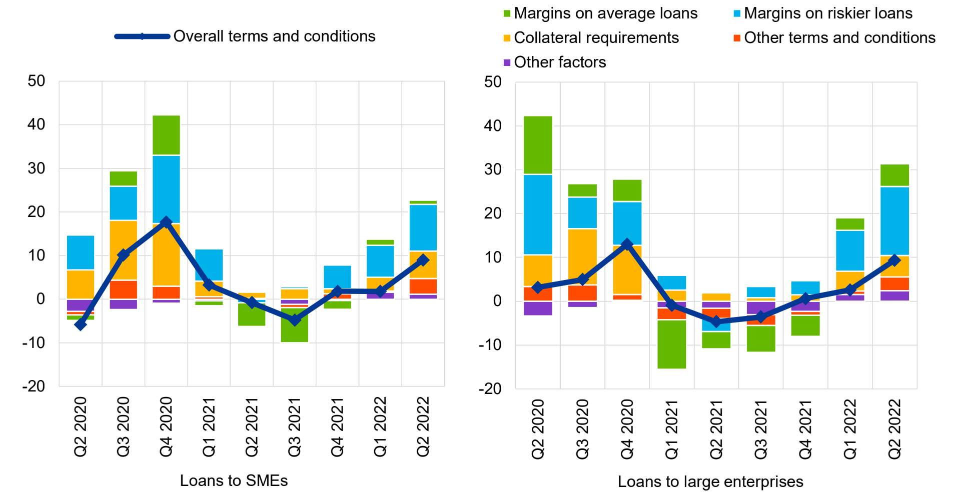


Notes: "Margins" are defined as the spread over a relevant market reference rate. "Other terms and conditions" is the unweighted average of "non-interest rate charges", "size of the loan or credit line", "loan covenants" and "maturity". The net percentages for "other factors" refer to further factors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

Chart 4

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

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



Note: See the notes on Chart 3.

Banks' higher risk perceptions, cost of funds and decreased risk tolerance were the main drivers of the net tightening of overall terms and conditions for loans to firms in the second quarter of 2022 (see Table 3). In the current environment of high uncertainty, risk perceptions related to the economic outlook and the creditworthiness of firms had a large tightening impact on terms and conditions, whereas the impact of the collateral demanded was more moderate. As monetary policy is becoming less accommodative, banks indicated that costs related to both capital and market financing had a tightening impact on credit standards, while competition related to market financing also had a moderate tightening impact for overall terms and conditions.

Table 2

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

(net percentages of banks)

Country	Overall terms and conditions		Banks' margins on average loans		Banks' margins on riskier loans	
	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022
Euro area	3	12	4	6	12	16
Germany	0	10	0	10	6	10
Spain	0	33	0	17	0	17
France	-8	0	8	-17	17	17
Italy	18	36	18	36	27	36

Note: See the notes on Chart 3.

Table 3

Factors contributing to changes in overall terms and conditions on 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	
	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022
Euro area	2	7	-1	3	6	18	3	7
Germany	0	9	-3	0	2	14	-3	6
Spain	0	3	0	0	0	19	0	8
France	0	3	3	8	6	19	0	0
Italy	15	21	0	9	3	30	18	27

Notes: 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. See the notes on Chart 1.

In the largest euro area countries, overall terms and conditions on loans or credit lines to enterprises tightened, on balance, in Germany, Spain and Italy, and remained unchanged in France in the second quarter of 2022. Across the four largest economies, banks mentioned higher risk perceptions as the main factor which contributed to tightening, while banks' decreased risk tolerance had a tightening impact for overall terms and conditions in Germany, Spain and Italy. In addition, capital costs contributed to a tightening in Germany and Italy, while increased market financing costs contributed to a tightening of credit conditions across all four largest euro area countries. Banks in Germany and Italy also reported a tightening impact of their liquidity position on overall terms and conditions. Margins on both average and riskier loans to firms widened in Germany, Spain and Italy, while in France margins widened for riskier loans and narrowed for average loans.

2.1.3 Rejection rate for loans to enterprises was broadly unchanged

In the second quarter of 2022, euro area banks reported broadly no change in the share of rejected applications for loans to firms (net percentage of 1%, after 4% in the previous quarter). This development may suggest that tightening credit standards have, on balance, not yet translated to more rejections for new loans to firms. The net increase in the share of rejected loan applications was similarly small for loans to SMEs (net percentage of 3%) and for loans to large firms (net percentage of 2%).

Across the largest euro area countries, banks reported that in net terms the share of rejected applications increased in Spain and Germany, was unchanged in France and decreased in Italy. Developments were similar across firm sizes for Spain and France, while the net increase in the share of rejected applications was higher for large firms in Germany, related to the more pronounced tightening of lending standards for large firms in comparison with SMEs. The net decrease in the rejection rate in Italy was entirely driven by the net decrease for loans to large firms.

2.1.4 Net demand for loans to enterprises continued to increase

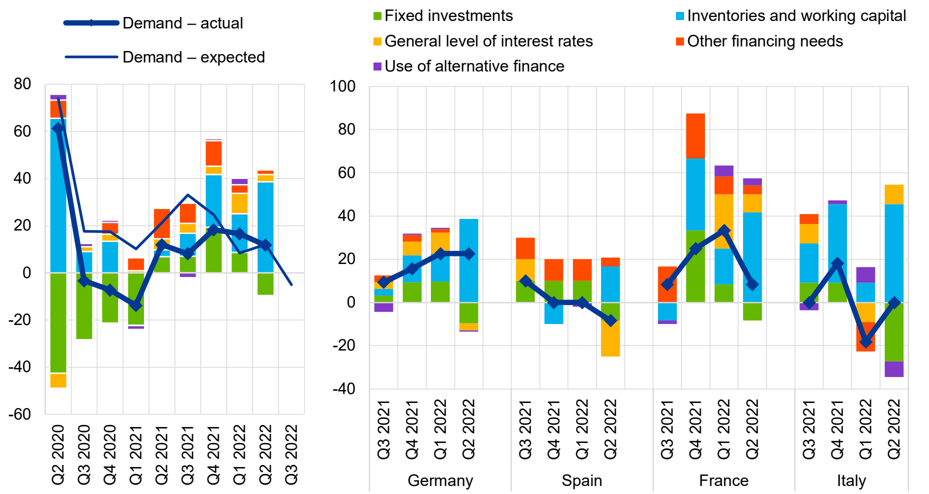
According to euro area banks, firms' net demand for loans continued to increase in the second quarter of 2022, in line with the expectations in the previous quarter (net percentage of 12%, after 17% in the first quarter of 2022; see Chart 5 and Overview table). Loan demand increased strongly in net terms for short-term maturities (net percentage of 23%), reflecting firms' increased need to cover higher production costs and working capital. At the same time, net demand for long-term loans was broadly unchanged (net percentage of 1%) in the second quarter of 2022. While the available monetary data show an increase in long-term loan flows for April and May, leading indicator properties of BLS loan demand for net loan growth to firms would suggest a potential weakening in long-term loan growth in the coming months.[5] In addition, BLS banks indicated that loan demand increased in net terms for SMEs (net percentage of 9%, see Chart 6) and for large firms (net percentage of 14%).

5 See also Falagiarda, M., Köhler-Ulbrich, P. and Maqui, E., "Drivers of firms' loan demand in the euro area - what has changed during the COVID-19 pandemic?", Economic Bulletin, Issue 5, ECB, 2020.

Chart 5

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)

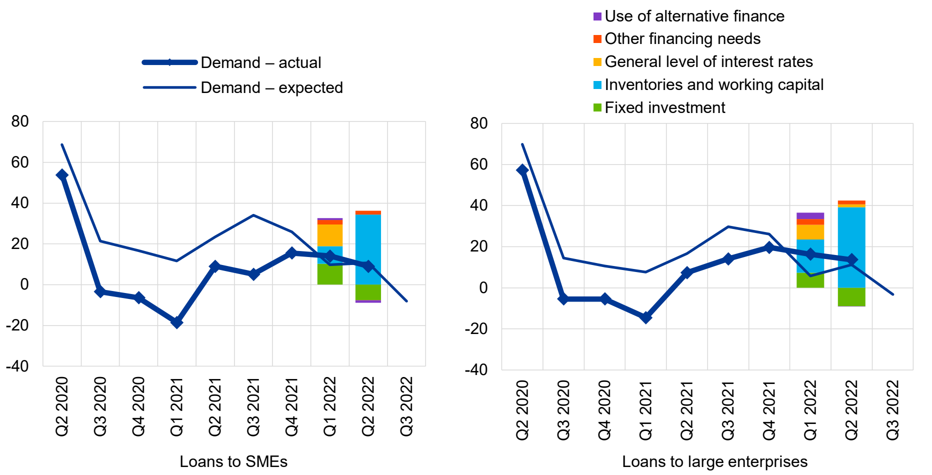


Notes: "Actual" values are changes that have occurred, while "expected" values are changes anticipated by banks. Net percentages for the questions on demand for loans are defined as the difference between the sum of the percentages of banks responding "increased considerably" and "increased somewhat" 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".

Chart 6

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

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



Notes: See the notes on Chart 5. Developments across firm sizes in the factors having an impact on loan demand were added in the April 2022 survey round.

Loan demand continued to be driven by firms' financing needs for working capital, which is likely related to increased energy and raw material prices and continuing supply chain disruptions (see Chart 5 and Table 4). For the first time since the first quarter of 2021, fixed investment had a dampening impact on firms' net demand for loans, as they may be postponing investment in the current uncertain environment. In line with subdued growth, sentiment indicators such as the PMI already signal a contraction in manufacturing activity for the end of the second quarter. In addition, the positive contribution of the general level of interest rates to loan demand was more moderate (net percentage of 3%) compared with the previous quarter. Loan demand was also supported, on balance, by other financing needs related to debt restructuring. While banks indicated tightening credit conditions for loans to corporates, firms might still have incentives to frontload their demand for loans or renegotiate loan amounts or maturities against the background of expected further monetary policy normalisation. Loan demand was also supported, on balance, by other financing needs related to debt securities issuance pointing to substitution effects away from market-based financing in the context of market rates increasing more strongly than lending rates. Across firm sizes, banks reported that the increase in loan demand for inventories and working capital was more pronounced for large firms than for SMEs in the second quarter of 2022, which is in line with larger firms being more exposed to international markets and therefore to the current supply chain disruptions (see Chart 6). The dampening impact of fixed investment on loan demand was similar across firm sizes. In addition, other financing needs related to debt restructuring had a moderate positive impact on loan demand for large firms, whereas mergers and acquisitions had a positive impact for SMEs. The general level of interest rates had a broadly neutral impact on loan demand across firm sizes.

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	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022
Euro area	9	-10	16	39	4	2	9	3	3	0
Germany	10	-10	13	39	2	0	10	-3	1	-1
Spain	10	-8	0	17	10	4	0	-17	-2	0
France	8	-8	17	42	8	4	25	8	5	3
Italy	0	-27	9	45	-14	0	-9	9	7	-7

Note: See the notes on Chart 5.

In the largest euro area countries, banks reported a net increase in demand for loans to firms in Germany and France, while loan demand remained unchanged according to banks in Italy and decreased in Spain in the second quarter of 2022. Across all four largest euro area countries, financing needs for inventories and working capital had a strong positive impact on loan demand, while fixed investment had a moderate to strong negative impact. For firms in France and Italy, banks indicated a moderate positive impact from the general level of interest rates, possibly related to frontloading effects, whereas this factor had a negative impact for firms in Germany and Spain. In terms of other financing needs, debt restructuring had a positive impact on loan demand in all countries except Italy, while mergers and acquisitions had a negative impact in Germany and France. Debt securities issuance as a source of alternative finance had a positive impact on demand in Spain, France and Italy.

However, the overall impact of alternative financing on loan demand was negative in Italy, due to the large negative impact of loans from other banks and non-banks.

In the third quarter of 2022, banks expect a net decline in demand for loans to firms (net percentage of -5%), for both SMEs (net percentage of -8%) and large firms (net percentage of -3%). Demand for long-term loans is expected to decrease considerably (net percentage of -14%), while the demand for short-term loans is expected to remain positive (net percentage of 12%), albeit less strong than in the second quarter.

2.2 Loans to households for house purchase

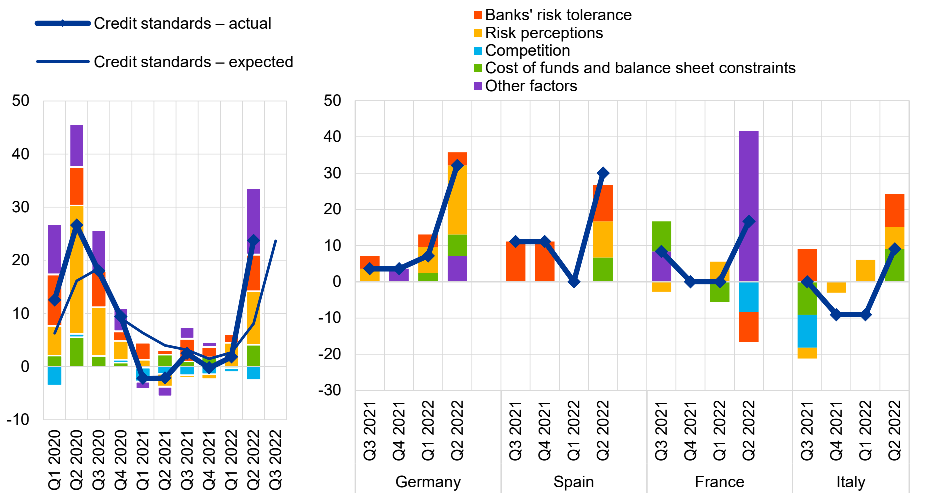
2.2.1 Credit standards for loans to households for house purchase tightened strongly

In the second quarter of 2022, euro area banks reported a strong net tightening of credit standards for loans to households for house purchase (net percentage of banks at 24%, after 2% in the first quarter of 2022; see Chart 7 and Overview table), above expectations reported in the previous survey round, and markedly above the historical average for credit standards (6%).

Chart 7

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. “Cost of funds and balance sheet constraints” is the unweighted average of “bank’s capital and the costs related to bank’s capital position”, “access to market financing” and “liquidity position”; “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.

Perceptions of increased risk and country-specific other factors contributed to the net tightening, alongside a moderate impact from banks’ lower risk tolerance, and banks’ cost of funds and balance sheet constraints (see Chart 7 and Table 5). Banks reported a more pronounced contribution from increased perceptions of risk than in the previous quarter, stemming from views on the general economic outlook, borrower creditworthiness and housing market prospects. This marks the second consecutive quarter of risk perceptions having a tightening impact, which excluding the pandemic period, had not been recorded since 2014. Coupled with a fall in demand (Section 2.2.4), this may indicate a possible turning point in housing market lending conditions. Country-specific other factors also contributed considerably to the net tightening, especially in France. In addition, there was a moderate positive impact from banks' cost of funds and balance sheet constraints, particularly from costs related to banks' capital positions. At the same time, pressure from competition from other banks was the only factor that had an easing impact.

Across all four largest euro area countries, credit standards tightened in net terms. Some banks in France noted that, while competition from banks and a higher risk tolerance had a net easing effect, regulations set by the French High Council for Financial Stability and the usury rate (a maximum interest rate on loans) contributed towards a tightening impact. In Germany, Italy and Spain, the cost of funds and balance sheet constraints, a higher level of risk perceptions, and lower risk tolerance contributed towards a tightening, with a neutral impact from competition.

In the third quarter of 2022, euro area banks expect a continued pronounced net tightening of credit standards on loans to households for house purchase (net percentage of banks of 24%).

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

(net percentages of banks)

	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
Country	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022
Euro area	0	4	-1	-3	4	10	2	7
Germany	2	6	0	0	7	19	4	4
Spain	0	7	0	0	0	10	0	10
France	-6	0	0	-8	6	0	0	-8
Italy	0	9	0	0	6	6	0	9

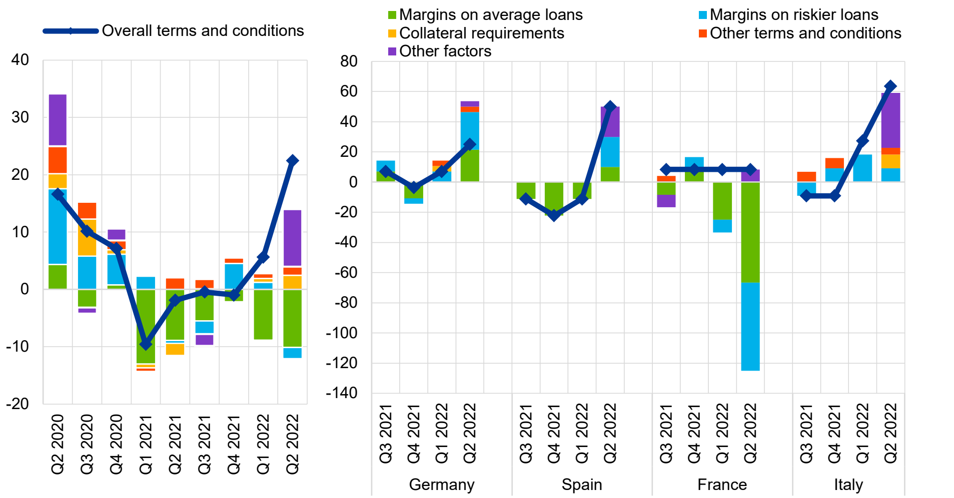
Note: See the notes on Chart 7.

2.2.2 Terms and conditions on loans to households for house purchase tightened strongly

Banks reported a strong net tightening of overall terms and conditions for housing loans in the second quarter of 2022 (net percentage of banks of 22%, after 6% in the previous quarter; see Chart 8 and Table 6). This reflects increases in the level of interest rates (recorded under "other factors" in Chart 8), in line with increases in euro area mortgage interest rates observed since the beginning of 2022. At the same time, there was a net narrowing of banks' margins on average loans and a slight net narrowing of margins on riskier loans. This was due to relevant market reference rates rising faster than interest rates charged on housing loans, leading to a contraction in loan margins. In addition, a slight net tightening of loan-to-value (LTV) ratios, other loan size limits (part of "other terms and conditions" in Chart 8) and collateral requirements was reported.

Chart 8
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)

	Overall terms and conditions		Banks' margins on average loans		Banks' margins on riskier loans	
Country	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022
Euro area	6	22	-9	-10	1	-2
Germany	7	25	0	21	7	25
Spain	-11	50	-11	10	0	20
France	8	8	-25	-67	-8	-58
Italy	27	64	0	0	18	9

Note: See the notes on Chart 8.

Perceived risks and banks' cost of funds and balance sheet constraints, in line with the reported impact of higher market interest rates in the context of monetary policy normalisation, contributed to a net tightening of overall terms and conditions (see Table 7). In addition, banks' lower risk tolerance contributed towards a tightening of terms and conditions and had a widening impact on margins. On the other hand, pressure from competition had a broadly neutral impact on overall terms and conditions.

In all four largest euro area countries, overall terms and conditions for housing loans tightened in net terms. It should be noted, however, that loan margins narrowed markedly in France on both average and riskier loans, because the interest rate on loans had not risen as quickly as market reference rates. Margins widened for both riskier and average loans in Germany and Spain. Additionally, Italian and German banks noted a tightening of LTV ratios, while German banks also recorded a tightening of other loan size limits, and Italian banks reported tighter maturity limits. In all countries, banks' cost of funds and balance sheet conditions contributed towards a tightening of terms and conditions. German, Spanish and Italian banks reported that increased perceptions of risk and lower risk tolerance contributed towards a tightening, but French banks noted a neutral impact from these factors. Competition had a tightening effect in Germany and Italy, an easing effect in Spain, and a neutral impact in France.

Table 7

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

(net percentages of banks)

	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks' risk tolerance	
Country	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022
Euro area	7	15	-6	-1	4	13	3	5
Germany	0	7	-4	7	11	21	7	4
Spain	0	40	-11	-20	0	20	0	10
France	8	17	-8	0	0	0	0	0
Italy	18	45	-9	9	9	27	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 strongly

In the second quarter of 2022, euro area banks reported, on balance, a strong increase in the share of rejected formal and informal applications for housing loans (28%, after 1% in the previous quarter). This was the largest net increase since the series began in the first quarter of 2015, reflecting the current environment of uncertainty surrounding lending, and the tightening of credit standards.

Across the four largest euro area countries, the share of loans that were rejected increased in Germany, Spain and France, while it was unchanged in Italy.

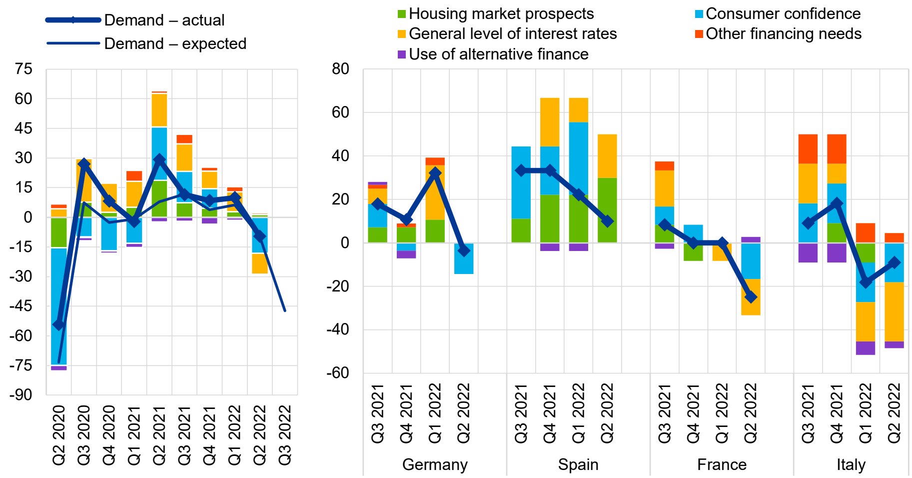
2.2.4 Net demand for housing loans decreased

Banks reported a decrease in net demand for housing loans in the second quarter of 2022 (net percentage of banks of -10%, after 10% in the first quarter of 2022; see Chart 9 and Overview table), in line with previous expectations.

Chart 9

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 5. "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".

Declining consumer confidence and the current interest rate environment both contributed negatively towards loan demand (see Chart 9 and Table 8). The negative contribution of consumer confidence reflects the latest figures from the European Commission's consumer confidence indicator, which in June 2022 fell to its lowest level since the early stages of the pandemic. The negative net impact of the level of interest rates on loan demand marks a reversal compared with previous quarters and indicates that the recent considerable increases in interest rates on loans for house purchase may be starting to have a downward impact on demand. While actual mortgage lending volumes remained strong in May, the reported decrease in demand alongside tightening terms and conditions and credit standards may be an early signal of a turning point in euro area lending for house purchase. Housing market prospects had a broadly neutral impact on overall demand, after a declining positive impact in the previous quarter. Excluding the early pandemic period, this was the first time since 2013 that housing market prospects had not contributed positively to housing loan demand. In addition, other financing needs and the use of alternative finance also had a broadly neutral impact.

Across the largest euro area countries, banks in Germany, France and Italy recorded a net decrease in demand for housing loans, while banks in Spain reported a net increase in the second quarter of 2022. In Germany, lower consumer confidence drove the net decline, while in France and Italy banks reported that both consumer confidence and the general level of interest rates had a negative impact. Spanish banks attributed the reported increase to housing market conditions and the current interest rate environment, possibly related to frontloading effects.

In the third quarter of 2022, banks expect a strong net decline in the demand for housing loans (net percentage of banks of -47%). It would be the largest decline since the second quarter of 2020 and, if the pandemic period is excluded, the largest since the fourth quarter of 2008.

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	
	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022
Euro area	3	1	0	-18	3	1	10	-11	-1	-1
Germany	11	0	0	-14	4	0	25	0	0	0
Spain	22	30	33	0	0	0	11	20	-4	0
France	0	0	0	-17	0	0	-8	-17	0	3
Italy	-9	0	-18	-18	9	5	-18	-27	-6	-3

Note: See the notes on Chart 9.

2.3 Consumer credit and other lending to households

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

Banks reported a moderate net tightening of credit standards on consumer credit and other lending to households in the second quarter of 2022 (net percentage of 9%; see Chart 10 and Overview table). This was the first net tightening since the first quarter of 2021.

Banks' increased risk perceptions mainly contributed to the net tightening of credit standards (see Chart 10 and Table 9). This was mostly related to perceptions regarding the economic outlook and the creditworthiness of consumers and to a small extent to the risks related to the collateral demanded. Banks' cost of funds and balance sheet conditions had a slight tightening effect.

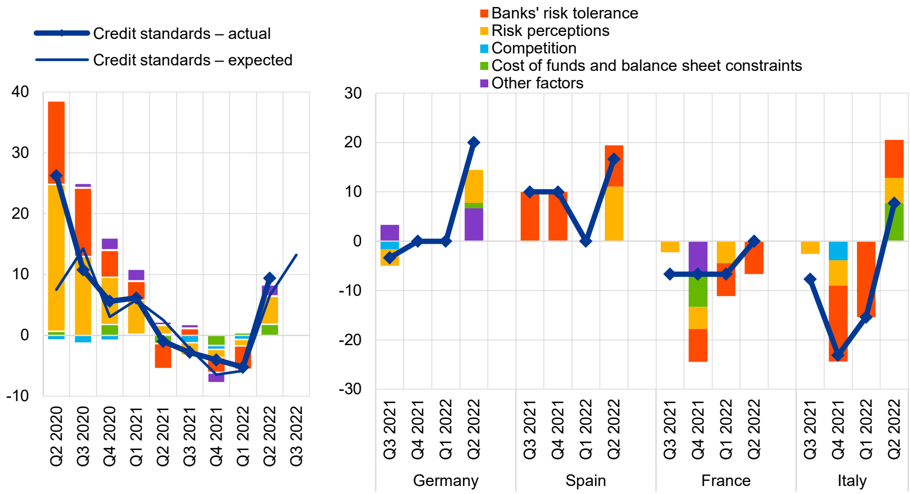
Across the largest euro area countries, credit standards for consumer credit and other lending to households tightened in net terms in Germany, Spain and Italy, and were unchanged on balance in France. Increased risk perceptions contributed towards the net tightening in Germany, Spain and Italy, while Spanish and Italian banks also reported that lower risk tolerance had a net tightening impact. In addition, banks in Italy noted that their cost of funds and balance sheet constraints contributed towards a tightening. While credit standards were unchanged on balance in France, banks reported an easing contribution from higher risk tolerance.

In the third quarter of 2022, euro area banks expect a continued net tightening of credit standards for consumer credit and other lending to households (net percentage of 13%).

Chart 10

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. “Cost of funds and balance sheet constraints” is the unweighted average of “bank’s capital and the costs related to bank’s capital position”, “access to market financing” and “liquidity position”; “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)

	Cost of funds and balance sheet constraints		Pressure from competition		Perception of risk		Banks’ risk tolerance	
Country	**Q1 2022**	**Q2 2022**	**Q1 2022**	**Q2 2022**	**Q1 2022**	**Q2 2022**	**Q1 2022**	**Q2 2022**
Euro area	0	2	-1	0	-1	5	-4	0
Germany	0	1	0	0	0	7	0	0
Spain	0	0	0	0	0	11	0	8
France	0	0	0	0	-4	0	-7	-7
Italy	0	8	0	0	0	5	-15	8

Note: See the notes on Chart 10.

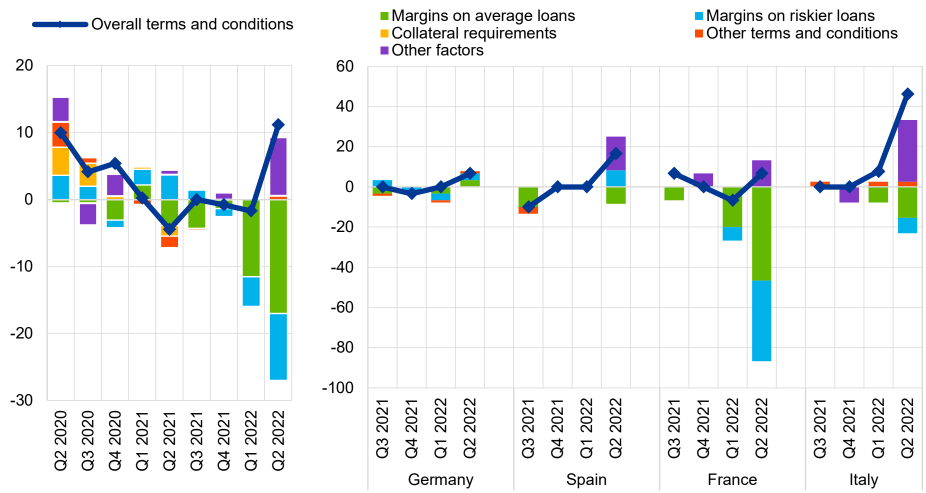
2.3.2 Terms and conditions on consumer credit and other lending to households tightened

In the second quarter of 2022, banks’ overall terms and conditions applied when granting consumer credit and other lending to households tightened in net terms (net percentage of 11%, after -2% in the previous quarter; see Chart 11 and Table 10). While interest rates increased, (part of “other factors” in Chart 11), it should be noted that there was a considerable net narrowing of margins on average loans (net percentage of -17%) and a net narrowing of margins on riskier loans (-10%), as market reference rates increased faster than interest rates on consumer credit.

Chart 11

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.

Reflecting this, banks' cost of funds and balance sheet conditions contributed towards a net tightening of terms and conditions (net percentage of 10%; see Table 11), but also towards a narrowing of margins on average and riskier loans (-16% and -13% respectively). Increased perceptions of risk also had a moderate tightening impact on overall terms and conditions.

Across all four largest euro area countries, overall terms and conditions for consumer credit and other lending to households tightened in net terms. In Germany, this tightening was related to a widening of loan margins and restrictions on the size of loans. Spanish banks also noted a net widening of margins for riskier loans. Despite the headline tightening of terms and conditions, which was related to higher interest rates (part of "other factors"), banks in Spain, Italy and France reported a net narrowing of loan margins on average loans, while French and Italian banks also reported a net narrowing of margins on riskier loans. Banks' cost of funds and balance sheet conditions had a net tightening impact on overall terms and conditions in Germany, Spain and Italy, but a neutral impact in France. Competition had a tightening impact in France and Italy, a neutral impact in Germany and an easing impact in Spain. French banks reported that higher risk tolerance had an easing impact, while German banks also attributed the tightening of terms and conditions to increased perceptions of risk.

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	
	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022
Euro area	-2	11	-12	-17	-4	-10
Germany	0	7	-3	3	-3	3
Spain	0	17	0	-8	0	8
France	-7	7	-20	-47	-7	-40
Italy	8	46	-8	-15	0	-8

Note: See the notes on Chart 11.

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	
	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022
Euro area	2	10	-4	0	0	4	-2	-1
Germany	-3	3	3	0	3	10	0	0
Spain	0	17	0	-17	0	0	0	0
France	7	0	-13	7	-7	0	-7	-7
Italy	8	31	0	8	0	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 increased moderately

In the second quarter of 2022, euro area banks reported a moderate net increase in the share of rejected formal and informal applications for consumer credit and other lending to households (5%, after -2% in the previous survey round). This is consistent with the reported moderate net tightening in credit standards for consumer credit and other lending to households in the second quarter of 2022.

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

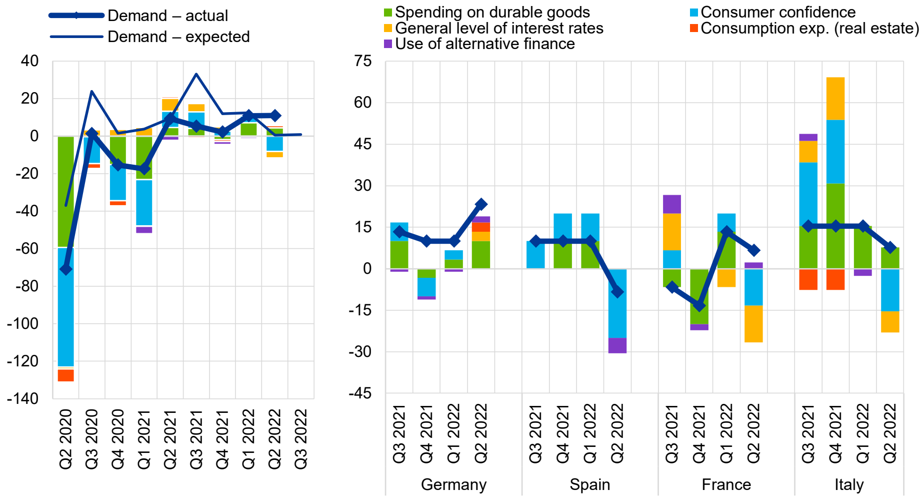
2.3.4 Net demand for consumer credit and other lending to households increased

In the second quarter of 2022, banks reported a continued net increase in demand for consumer credit and other lending to households (net percentage of banks at 11%, after 11% in the previous quarter; see Chart 12 and Overview table). This is broadly in line with recently observed increases in the annual growth rate in loans for consumer credit.

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 5. "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".

Spending on durable goods made a continued positive contribution to demand for consumer credit (see Chart 12 and Table 12), likely reflecting recent price increases and the reopening of the economy. Conversely, consumer confidence had a negative contribution to demand, after a positive contribution last quarter, reflecting the observed recent decline in the European Commission's consumer confidence indicator. The general level of interest rates had a dampening effect on demand, reflecting in part the pass-through of higher interest rates to consumers. Use of alternative finance had a broadly neutral impact on demand.

Across the four largest euro area countries, banks in Germany, Italy and France reported a net increase in demand for consumer credit, while banks in Spain reported a net decrease. In Germany, increased spending on durables was the primary driver of the increase in demand, while the general level of interest rates, consumption expenditure financed through real estate-guaranteed loans and a lower use of internal savings also had a slight positive impact. Italian banks reported spending on durables as being the key driver of increased demand, while lower consumer confidence and the general level of interest rates had a dampening effect. For French banks, the increase in demand was attributed to a more limited use of internal savings for financing, while lower consumer confidence and the interest rate environment had a net downward effect. The decline recorded in Spain was attributed to both the use of internal savings as a financing source and declining consumer confidence.

In the third quarter of 2022, banks expect demand for consumer credit and other lending to remain broadly unchanged (net percentage of 1%).

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	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022	Q1 2022	Q2 2022
Euro area	7	4	4	-8	0	1	0	-3	-1	0
Germany	3	10	3	0	0	3	0	3	-1	2
Spain	10	0	10	-25	0	0	0	0	0	-6
France	13	0	7	-13	0	0	-7	-13	0	2
Italy	15	8	0	-15	0	0	0	-8	-3	0

Note: See the notes on Chart 12.

3 Ad hoc questions

3.1 Banks’ access to retail and wholesale funding

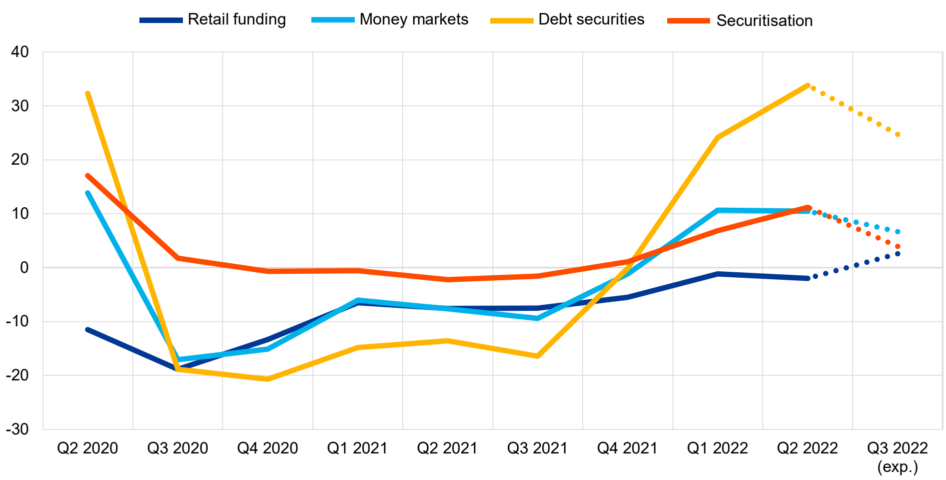
The July 2022 survey included a question on the extent to which the situation in financial markets had affected banks’ access to retail and wholesale funding.

In the second quarter of 2022, banks reported that their access to money markets, securitisation and particularly debt securities deteriorated in net terms, reflecting the tightening of market-based funding conditions for banks. By contrast, access to retail funding improved slightly (net percentage of -2% reported deteriorated access, after -1% in the first quarter of 2022; see Chart 13). Compared with monetary data, household deposit inflows remained robust in May 2022, whereas deposit flows of firms were close to zero in April and May. The impact of elevated inflation on deposits and recent corporate deposit developments may signal a deterioration in access to retail funds, which is partly expected by banks for the third quarter of 2022. Access to debt securities deteriorated markedly in the second quarter of 2022.

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
Q1 2021	-1	11	24	7
Q2 2022	-2	10	34	11

Note: See the notes on Chart 13.

In the third quarter of 2022, euro area banks expect, on balance, a continued pronounced deterioration in their access to market funding, reflecting further expectations of monetary policy normalisation. Access to debt securities (net percentage of 25%), securitisation (net percentage of 4%) and money markets (net percentage of 7%) is expected to deteriorate. In addition, banks expect their access to retail funds to deteriorate, driven by an expected deterioration for long-term deposits (net percentage of 5%), while access to short-term deposits is expected to remain unchanged (net percentage of 0%).

3.2 The impact of banks’ NPL ratios on their lending policies

The July 2022 survey questionnaire included a biannual ad hoc question about the impact that banks’ NPL ratios had on their lending policies and the factors through which NPL ratios contributed to changes in lending policies. Banks were asked about the impact on loans to enterprises, loans to households for house purchase, and consumer credit and other lending to households over the past six months and 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 first half of 2022 (net percentage of 2%, after 2% in the first half of 2021, see Chart 14) and a neutral impact for loans to households for house purchase (0% after 0%) and for consumer credit and other lending (0% after 2%). Banks reported that NPL ratios had a slight tightening effect on terms and conditions for loans to firms (2%, after -1%), a neutral impact for housing loans (0%, after -2%), and a small easing impact on conditions for consumer credit (-2%, after 0%) in the first half of 2022 (see Chart 14).

Banks cited increased perceptions of risk, costs related to their capital position, access to market financing, and pressure related to supervisory or regulatory requirements as contributing to a small net tightening impact of NPL ratios on lending conditions in the first half of 2022 (see Chart 15). At the same time, costs related to balance sheet clean-up had a slight easing impact while banks’ risk tolerance and liquidity positions had a neutral impact on lending conditions.

Chart 14

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

(net percentages of banks)

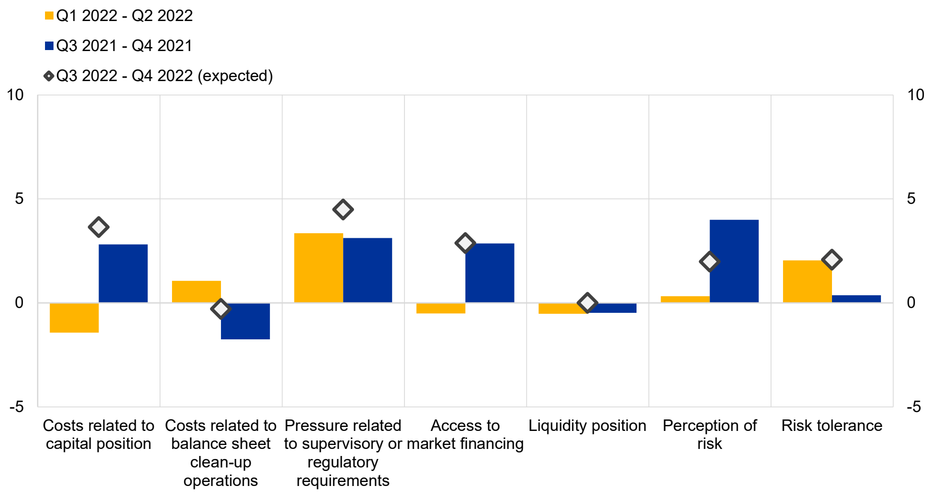
Notes: The NPL ratio is defined as the stock of gross NPLs on a bank's balance sheet as a percentage of the gross carrying amount of loans. Changes in credit standards and/or terms and conditions can be caused by changes to the NPL ratio or by changes to regulations or the bank's assessment of the level 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 tightening impact on both credit standards and terms and conditions for loans to firms, a slight tightening impact on credit standards and terms and conditions for loans for consumer credit, and a broadly neutral impact on credit standards and terms and conditions for loans for house purchase. Pressures related to supervisory or regulatory requirements and costs related to capital positions of banks are expected to have a tightening impact on lending policies via NPL ratios. Access to market financing, increased perceived risks and lower risk tolerance are expected to slightly reinforce this tightening effect. At the same time, the impact of banks' liquidity positions and costs related to balance sheet clean-up operations are expected to have a neutral impact.

Chart 15

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 14.

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

The July 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).

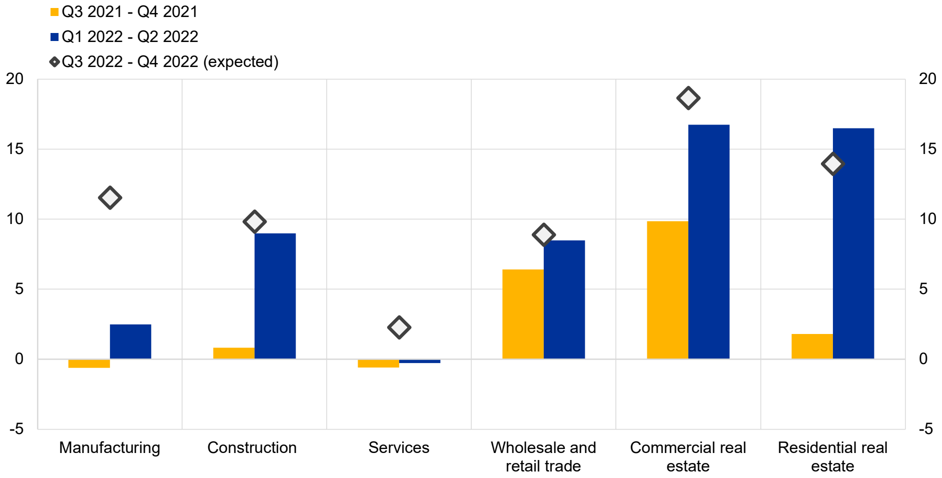
Euro area banks indicated a more pronounced net tightening in credit standards for new loans to enterprises across most of the main economic sectors in the first half of 2022 (see Chart 16). These developments are broadly in line with the moderate net tightening in credit standards for loans to firms in the first quarter of 2022 and the more pronounced net tightening in the second quarter of 2022. Similar to the second half of 2021, the net tightening of credit standards was most pronounced for firms in the commercial real estate sector (17%, after 10%). In the first half of 2022, credit standards tightened in net terms also in the residential real estate sector (16%, after 2%) construction sector (9%, after 1%), wholesale and retail trade (8%, after 6%) and manufacturing (2%, after -1%), while credit standards were broadly unchanged for loans to firms in the services sector (0%, after -1%). Banks' overall terms and conditions tightened across all main sectors of economic activity (see Chart 17).

Over the next six months, euro area banks expect a net tightening in credit standards and terms and conditions for loans to firms across all main sectors of economic activity.

Chart 16

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.

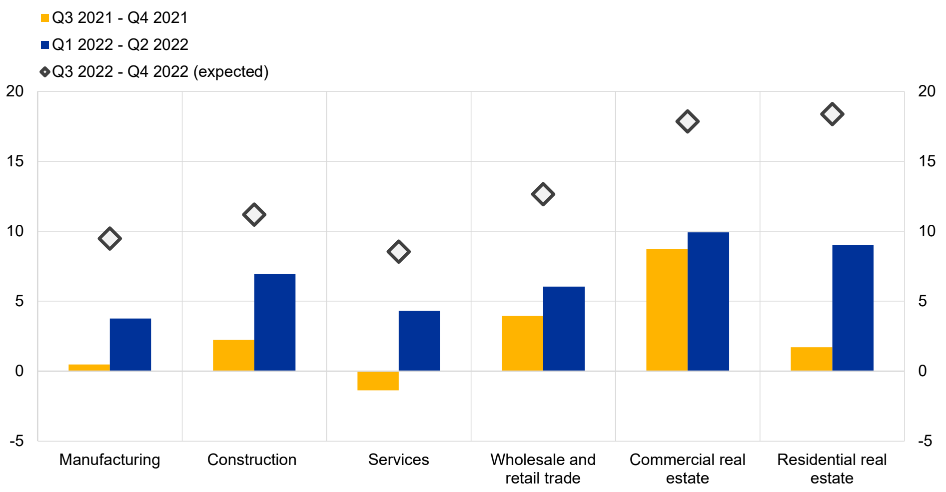
Banks reported a net increase in demand for loans or credit lines across all main economic sectors, in line with the reported overall increase in demand for loans to firms in the first and second quarters of 2022 (see Chart 18). Demand for loans increased most in net terms in manufacturing, real estate and construction, consistent with overall net demand for loans to enterprises being mostly driven by inventories and working capital needs in both the first and second quarter of 2022, in the context of rising energy, material and construction costs. Continuing supply chain disruptions also explain the increase in net demand in wholesale and retail trade sectors, where firms require more working capital due to larger inventory needs.

Over the next six months, euro area banks expect a strong decline in net demand for loans in the real estate sector and a small to moderate increase in services, wholesale and retail trade and manufacturing sectors. This is mostly in line with the expected moderate decrease in net loan demand from firms for the third quarter of 2022.

Chart 17

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 16.

Chart 18

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.

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]	
	Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
Tightened considerably	1	0	0	0	1	0	1	0	1	0
Tightened somewhat	9	16	9	11	10	16	6	9	9	16
Remained basically unchanged	87	84	86	84	86	84	86	86	88	84
Eased somewhat	3	0	1	1	3	0	2	0	3	0
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	**6**	**16**	**7**	**10**	**7**	**16**	**5**	**9**	**6**	**16**
Diffusion index	4	8	4	5	4	8	3	4	4	8
Mean	2.93	2.84	2.93	2.90	2.92	2.84	2.94	2.91	2.93	2.84
Number of banks responding	140	142	137	139	134	136	140	142	140	142

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 Apr 22	NetP Jul 22	DI Apr 22	DI Jul 22	Mean Apr 22	Mean Jul 22
Overall												
A) Cost of funds and balance sheet constraints[1]												
Your bank's capital and the costs related to your bank's capital position[2]	0	5	94	0	0	1	2	5	1	2	2.97	2.95
Your bank's ability to access market financing[3]	0	3	92	0	0	5	0	3	0	2	3.00	2.97
Your bank's liquidity position	0	1	98	0	0	1	-5	1	-2	1	3.05	2.99
B) Pressure from competition												
Competition from other banks	0	0	97	1	0	2	-2	-1	-1	-1	3.02	3.01
Competition from non-banks[4]	0	2	96	0	0	2	0	2	0	1	3.00	2.98
Competition from market financing	0	4	94	0	0	2	1	4	1	2	2.99	2.96
C) Perception of risk[5]												
General economic situation and outlook	0	23	76	0	0	0	9	24	5	12	2.90	2.76
Industry or firm-specific situation and outlook/borrower's creditworthiness[6]	1	16	83	0	0	0	7	17	4	9	2.92	2.82
Risk related to the collateral demanded	0	4	96	0	0	0	3	4	2	2	2.96	2.96
D) Your bank's risk tolerance[5]												
Your bank's risk tolerance	0	9	91	0	0	0	6	9	3	4	2.94	2.91
Small and medium-sized enterprises												
A) Cost of funds and balance sheet constraints[1]												
Your bank's capital and the costs related to your bank's capital position[2]	0	2	93	0	0	5	1	2	0	1	2.99	2.98
Your bank's ability to access market financing[3]	0	2	89	0	0	9	0	2	0	1	3.00	2.98
Your bank's liquidity position	0	1	94	0	0	5	-4	1	-2	1	3.05	2.99
B) Pressure from competition												
Competition from other banks	0	2	91	1	0	6	-1	1	0	0	3.01	2.99
Competition from non-banks[4]	0	0	94	0	0	6	0	0	0	0	3.00	3.00
Competition from market financing	0	1	93	0	0	6	0	1	0	1	3.00	2.99
C) Perception of risk[5]												
General economic situation and outlook	1	16	78	1	0	4	6	16	3	8	2.94	2.83
Industry or firm-specific situation and outlook/borrower's creditworthiness[6]	0	15	81	0	0	4	8	15	4	8	2.92	2.84
Risk related to the collateral demanded	0	3	92	1	0	4	3	2	2	1	2.97	2.98
D) Your bank's risk tolerance[5]												
Your bank's risk tolerance	0	3	92	0	0	4	5	3	2	2	2.95	2.97

	--	-	°	+	++	NA[7]	NetP Apr 22	NetP Jul 22	DI Apr 22	DI Jul 22	Mean Apr 22	Mean Jul 22
Large enterprises												
A) Cost of funds and balance sheet constraints[1]												
Your bank's capital and the costs related to your bank's capital position[2]	0	7	92	0	0	1	3	7	1	3	2.97	2.93
Your bank's ability to access market financing[3]	0	3	92	0	0	5	0	3	0	2	3.00	2.97
Your bank's liquidity position	0	1	98	0	0	1	-5	1	-2	1	3.05	2.99
B) Pressure from competition												
Competition from other banks	0	0	97	1	0	2	-1	-1	-1	-1	3.01	3.01
Competition from non-banks[4]	0	2	96	0	0	2	0	2	0	1	3.00	2.98
Competition from market financing	0	4	94	0	0	2	1	4	1	2	2.99	2.96
C) Perception of risk[5]												
General economic situation and outlook	0	24	76	0	0	0	10	24	6	12	2.89	2.76
Industry or firm-specific situation and outlook/borrower's creditworthiness[6]	2	16	82	0	0	0	7	18	4	10	2.92	2.81
Risk related to the collateral demanded	0	2	97	0	0	0	3	3	2	2	2.96	2.97
D) Your bank's risk tolerance[5]												
Your bank's risk tolerance	0	9	91	0	0	0	5	9	3	4	2.95	2.91

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		DI		Mean	
							Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
Overall												
A) Overall terms and conditions[1]												
Overall terms and conditions	0	15	83	2	0	0	3	12	1	6	2.97	2.88
B) Margins												
Your bank's margin on average loans[2]	0	14	79	8	0	0	4	6	2	3	2.96	2.94
Your bank's margin on riskier loans	4	12	83	0	0	1	12	16	6	10	2.87	2.80
C) Other conditions and terms												
Non-interest rate charges[3]	0	2	98	0	0	0	3	2	2	1	2.97	2.98
Size of the loan or credit line	0	4	93	3	0	0	-2	1	-1	0	3.02	2.99
Collateral[4] requirements	0	5	95	0	0	0	4	5	2	3	2.96	2.95
Loan covenants[5]	0	4	96	0	0	0	2	4	1	2	2.98	2.96
Maturity	0	4	96	0	0	0	0	4	0	2	3.00	2.96
Small and medium-sized enterprises												
A) Overall terms and conditions[1]												
Overall terms and conditions	0	11	82	2	0	4	2	9	1	5	2.99	2.91
B) Margins												
Your bank's margin on average loans[2]	0	11	75	9	1	4	1	1	1	0	2.99	3.02
Your bank's margin on riskier loans	2	9	84	0	0	5	7	11	4	6	2.91	2.87
C) Other conditions and terms												
Non-interest rate charges[3]	0	2	93	0	0	4	2	2	1	1	2.98	2.98
Size of the loan or credit line	0	3	92	1	0	4	-2	2	-1	1	3.03	2.98
Collateral[4] requirements	0	6	90	0	0	4	3	6	2	3	2.97	2.94
Loan covenants[5]	0	5	91	0	0	4	1	5	1	3	2.99	2.95
Maturity	0	5	91	0	0	4	0	5	0	2	3.00	2.95
Large enterprises												
A) Overall terms and conditions[1]												
Overall terms and conditions	0	12	86	2	0	0	3	9	1	5	2.97	2.91
B) Margins												
Your bank's margin on average loans[2]	0	13	79	8	0	0	3	5	1	3	2.97	2.95
Your bank's margin on riskier loans	4	12	84	0	0	0	9	16	5	10	2.90	2.80
C) Other conditions and terms												
Non-interest rate charges[3]	0	2	98	0	0	0	3	2	2	1	2.97	2.98
Size of the loan or credit line	0	4	93	3	0	0	-3	1	-1	0	3.03	2.99
Collateral[4] requirements	0	6	93	1	0	0	4	5	2	2	2.96	2.95
Loan covenants[5]	0	5	95	0	0	0	2	5	1	3	2.98	2.95
Maturity	0	5	95	0	0	0	1	5	1	2	2.99	2.95

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 Apr 22	NetP Jul 22	DI Apr 22	DI Jul 22	Mean Apr 22	Mean Jul 22
Overall impact on your bank's credit terms and conditions												
A) Cost of funds and balance sheet constraints												
Your bank's capital and the costs related to your bank's capital position	0	9	91	0	0	0	5	9	3	4	3	2.91
Your bank's ability to access market financing	0	11	89	0	0	1	1	11	1	5	3	2.89
Your bank's liquidity position	0	2	98	0	0	0	-1	2	0	1	3	2.98
B) Pressure from competition												
Competition from other banks	0	1	97	1	0	1	-4	0	-2	0	3	3.00
Competition from non-banks	0	2	97	0	0	1	-2	2	-1	1	3	2.98
Competition from market financing	0	6	93	0	0	1	2	6	1	3	3	2.94
C) Perception of risk												
General economic situation and outlook	0	28	71	1	0	0	6	26	3	13	3	2.74
Industry or firm-specific situation and outlook/borrower's creditworthiness	1	21	77	0	0	0	9	23	5	12	3	2.76
Risk related to the collateral demanded	0	4	96	0	0	0	4	4	2	2	3	2.96
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	7	92	0	0	0	3	7	2	4	3	2.93
Impact on your bank's margins on average loans												
A) Cost of funds and balance sheet constraints												
Your bank's capital and the costs related to your bank's capital position	0	10	86	4	0	0	5	6	3	3	3	2.94
Your bank's ability to access market financing	0	10	89	1	0	1	2	9	1	4	3	2.91
Your bank's liquidity position	0	2	98	0	0	0	-1	2	0	1	3	2.98
B) Pressure from competition												
Competition from other banks	0	1	96	2	0	1	-5	-1	-3	0	3	3.01
Competition from non-banks	0	0	99	0	0	1	-1	0	-1	0	3	3.00
Competition from market financing	0	4	95	0	0	1	2	4	1	2	3	2.96
C) Perception of risk												
General economic situation and outlook	0	21	77	1	0	0	4	20	2	10	3	2.80
Industry or firm-specific situation and outlook/borrower's creditworthiness	1	18	81	0	0	0	5	19	2	10	3	2.80
Risk related to the collateral demanded	0	3	97	0	0	0	2	3	1	2	3	2.97
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	5	95	0	0	0	4	5	2	2	3	2.95

Impact on your bank's margins on riskier loans												
A) Cost of funds and balance sheet constraints												
Your bank’s capital and the costs related to your bank’s capital position	1	7	87	4	0	1	5	4	3	2	3	2.95
Your bank’s ability to access market financing	1	8	89	0	0	2	3	10	1	5	3	2.89
Your bank’s liquidity position	1	1	97	0	0	1	1	2	0	2	3	2.97
B) Pressure from competition												
Competition from other banks	0	2	94	2	0	2	0	0	0	0	3	3.00
Competition from non-banks	0	2	95	1	0	2	0	1	0	1	3	2.99
Competition from market financing	2	4	91	1	0	2	3	5	2	4	3	2.93
C) Perception of risk												
General economic situation and outlook	1	23	74	1	0	1	6	22	4	12	3	2.76
Industry or firm-specific situation and outlook/borrower's creditworthiness	2	20	77	0	0	1	11	22	6	12	3	2.75
Risk related to the collateral demanded	1	3	94	0	0	1	5	4	3	3	3	2.94
D) Your bank's risk tolerance												
Your bank's risk tolerance	1	10	88	0	0	1	7	11	4	6	3	2.88

1) The factors refer to the same sub-factors as in question 2. Detailed sub-factors were introduced in April 2022.
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 formal and informal 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					
	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises	
	Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
Decreased considerably	0	0	0	0	0	0
Decreased somewhat	1	1	2	1	1	1
Remained basically unchanged	93	95	88	89	94	94
Increased somewhat	5	3	6	5	4	3
Increased considerably	0	0	0	0	0	0
NA[3]	1	1	5	5	1	1
Total	100	100	100	100	100	100
Net percentage	**4**	**1**	**4**	**4**	**3**	**2**
Diffusion index	2	1	2	2	1	1
Mean	3.04	3.02	3	3	3	3
Number of banks responding	140	142	137	139	134	136

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: Additional breakdowns were introduced in April 2022. 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	
	Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
Decreased considerably	0	0	0	0	0	0	0	0	0	0
Decreased somewhat	10	12	10	10	9	11	11	6	12	15
Remained basically unchanged	62	64	63	66	66	64	67	60	65	68
Increased somewhat	26	22	23	18	23	22	15	26	22	15
Increased considerably	1	2	1	2	2	3	2	3	1	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	**17**	**12**	**14**	**9**	**16**	**14**	**6**	**23**	**12**	**1**
Diffusion index	9	7	7	5	9	8	4	13	7	1
Mean	3.18	3.13	3.15	3.11	3.18	3.16	3.08	3.27	3.14	3.02
Number of banks responding	140	142	137	139	134	136	140	142	140	142

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)

Overall

	--	-	°	+	++	NA[2]	NetP		DI		Mean	
							Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
A) Financing needs/underlying drivers or purpose of loan demand												
Fixed investment	0	16	77	7	0	0	9	-10	4	-5	3.09	2.90
Inventories and working capital	0	4	53	37	5	1	16	39	9	22	3.19	3.44
Mergers/acquisitions and corporate restructuring	0	4	92	2	0	1	4	-2	2	-1	3.04	2.98
General level of interest rates	0	8	80	11	1	0	9	3	4	2	3.09	3.04
Debt refinancing/restructuring and renegotiation[1]	0	2	91	7	0	0	4	6	1	3	3.02	3.06
B) Use of alternative finance												
Internal financing	0	4	95	0	1	0	2	-3	1	-1	3.02	2.99
Loans from other banks	1	1	98	0	0	0	3	-2	2	-2	3.03	2.97
Loans from non-banks	0	2	96	2	0	0	3	0	2	0	3.04	3.00
Issuance/redemption of debt securities	1	0	87	5	0	7	5	4	2	2	3.05	3.03
Issuance/redemption of equity	0	1	90	0	0	8	0	-1	0	0	3.00	2.99

Small and medium-sized enterprises

	--	-	°	+	++	NA[2]	NetP		DI		Mean	
							Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
A) Financing needs/underlying drivers or purpose of loan demand												
Fixed investment	0	15	74	7	0	4	10	-8	5	-4	3.11	2.92
Inventories and working capital	0	3	55	33	4	5	9	34	4	19	3.08	3.40
Mergers/acquisitions and corporate restructuring	0	2	86	6	0	6	3	3	2	2	3.04	3.04
General level of interest rates	0	9	78	9	0	4	11	0	5	0	3.12	3.00
Debt refinancing/restructuring and renegotiation[1]	0	2	92	2	0	4	1	0	1	0	3.01	3.00
B) Use of alternative finance												
Internal financing	0	3	92	0	1	4	1	-2	0	0	3.01	2.99
Loans from other banks	1	0	94	0	0	4	2	-1	1	-1	3.03	2.98
Loans from non-banks	0	2	93	0	0	4	3	-2	1	-1	3.03	2.98
Issuance/redemption of debt securities	1	0	86	1	0	12	-1	0	0	0	2.99	2.99
Issuance/redemption of equity	0	1	85	0	0	14	-1	-1	0	0	2.99	2.99

Large enterprises

	--	-	°	+	++	NA[2]	NetP		DI		Mean	
							Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
A) Financing needs/underlying drivers or purpose of loan demand												
Fixed investment	0	16	78	7	0	0	7	-9	3	-4	3.06	2.91
Inventories and working capital	0	3	53	38	5	1	16	39	9	22	3.19	3.45
Mergers/acquisitions and corporate restructuring	0	4	93	2	0	1	2	-2	0	-1	3.00	2.98
General level of interest rates	0	8	82	8	1	0	7	1	4	1	3.07	3.02
Debt refinancing/restructuring and renegotiation[1]	0	1	92	7	0	0	3	6	1	3	3.01	3.06
B) Use of alternative finance												
Internal financing	0	3	96	0	1	0	3	-2	2	-1	3.03	2.99
Loans from other banks	1	1	98	0	0	0	3	-2	2	-2	3.03	2.97
Loans from non-banks	0	2	96	2	0	0	4	0	2	0	3.04	3.00
Issuance/redemption of debt securities	1	0	87	6	0	6	5	5	2	2	3.05	3.04
Issuance/redemption of equity	0	1	92	0	0	7	0	-1	0	0	3.00	2.99

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: Additional breakdowns were introduced in April 2022. 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	
	Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
Tighten considerably	0	0	0	0	0	0	0	0	0	1
Tighten somewhat	21	20	22	18	23	19	20	11	24	19
Remain basically unchanged	78	79	72	74	76	80	72	83	74	79
Ease somewhat	0	1	1	3	0	1	2	1	1	1
Ease considerably	0	0	0	0	0	0	0	0	0	0
NA[1]	1	0	5	4	1	0	5	5	1	0
Total	100	100	100	100	100	100	100	100	100	100
Net percentage	**21**	**18**	**21**	**15**	**23**	**18**	**18**	**10**	**22**	**19**
Diffusion index	11	9	10	8	11	9	9	5	11	10
Mean	2.78	2.82	2.78	2.84	2.77	2.82	2.81	2.89	2.77	2.80
Number of banks responding	140	142	137	139	134	136	140	142	140	142

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	
	Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
Decrease considerably	0	1	0	1	0	1	0	1	0	2
Decrease somewhat	10	20	11	19	9	15	9	9	13	24
Remain basically unchanged	68	63	63	63	69	70	55	64	75	63
Increase somewhat	22	16	21	12	20	13	29	21	11	11
Increase considerably	0	0	0	0	0	0	1	1	0	0
NA[1]	1	0	5	4	1	0	5	5	1	0
Total	100	100	100	100	100	100	100	100	100	100
Net percentage	**12**	**-5**	**11**	**-8**	**11**	**-3**	**21**	**12**	**-2**	**-14**
Diffusion index	6	-3	5	-5	6	-2	11	6	-1	-8
Mean	3.12	2.94	3.11	2.90	3.11	2.96	3.24	3.12	2.98	2.85
Number of banks responding	140	142	137	139	134	136	140	142	140	142

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]	
	Apr 22	Jul 22	Apr 22	Jul 22
Tightened considerably	0	1	0	0
Tightened somewhat	4	23	0	10
Remained basically unchanged	94	75	94	90
Eased somewhat	2	1	5	1
Eased considerably	0	0	0	0
NA[5]	0	0	0	0
Total	100	100	100	100
Net percentage	**2**	**24**	**-5**	**9**
Diffusion index	1	12	-3	5
Mean	2.98	2.75	3.05	2.90
Number of banks responding	136	137	143	145

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[8]	NetP		DI		Mean	
							Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
A) Cost of funds and balance sheet constraints[1]												
Your bank's capital and the costs related to your bank's capital position[2]	0	7	93	0	0	0	1	7	1	3	2.99	2.93
Your bank's ability to access market financing[3]	0	3	96	0	0	1	2	3	1	2	2.98	2.97
Your bank's liquidity position	0	2	97	0	0	1	-4	2	-2	1	3.04	2.97
B) Pressure from competition												
Competition from other banks	0	0	94	5	0	1	-1	-5	-1	-2	3.02	3.05
Competition from non-banks[4]	0	0	99	0	0	1	0	0	0	0	3.00	3.00
C) Perception of risk[5]												
General economic situation and outlook	1	11	88	0	0	0	3	12	2	7	2.97	2.87
Housing market prospects, including expected house price developments[6]	1	6	91	1	0	0	4	6	2	4	2.96	2.93
Borrower's creditworthiness[7]	1	11	88	0	0	0	6	12	3	6	2.94	2.87
D) Your bank's risk tolerance[5]												
Your bank's risk tolerance	0	9	89	2	0	0	2	7	1	4	2.98	2.93

1) See Glossary for Cost of funds and balance sheet constraints. Detailed sub-factors were introduced in April 2022.
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) See Glossary for Housing market prospects, including expected house price developments.
7) 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".
8) "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	
							Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
A) Overall terms and conditions												
Overall terms and conditions	0	25	73	2	0	0	6	22	3	11	2.94	2.78
B) Margins												
Your bank's loan margin on average loans[2]	1	13	61	18	6	0	-9	-10	-5	-8	3.10	3.15
Your bank's loan margin on riskier loans	2	15	60	13	6	2	1	-2	1	-3	2.98	3.05
C) Other terms and conditions												
Collateral[3] requirements	0	2	98	0	0	0	1	2	0	1	2.99	2.98
"Loan-to-value" ratio[4]	0	4	96	0	0	0	2	3	1	2	2.98	2.97
Other loan size limits	0	2	98	0	0	0	1	2	1	1	2.99	2.98
Maturity	0	1	98	1	0	0	0	1	0	0	3.00	2.99
Non-interest rate charges[5]	0	0	100	0	0	0	1	0	0	0	2.99	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 Apr 22	NetP Jul 22	DI Apr 22	DI Jul 22	Mean Apr 22	Mean Jul 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	2	17	78	3	0	0	7	15	4	9	2.91	2.83
B) Pressure from competition												
Pressure from competition	0	5	88	6	0	1	-6	-1	-3	0	3.06	3.01
C) Perception of risk												
Perception of risk	0	13	87	0	0	0	4	13	2	6	2.96	2.87
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	5	94	0	0	0	3	5	1	3	2.97	2.95
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	10	67	14	8	0	2	-13	2	-11	2.96	3.21
B) Pressure from competition												
Pressure from competition	1	6	83	6	3	1	-6	-3	-3	-2	3.06	3.05
C) Perception of risk												
Perception of risk	0	6	94	0	0	0	0	6	0	3	3.00	2.94
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	2	98	0	0	0	0	2	0	1	3.00	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	8	73	8	8	2	5	-8	4	-7	2.93	3.15
B) Pressure from competition												
Pressure from competition	2	5	85	2	2	3	-2	3	0	2	3.00	2.96
C) Perception of risk												
Perception of risk	1	10	87	0	0	2	2	11	2	6	2.97	2.87
D) Your bank's risk tolerance												
Your bank's risk tolerance	1	3	94	0	0	2	1	4	1	2	2.98	2.95

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 Apr 22	NetP Jul 22	DI Apr 22	DI Jul 22	Mean Apr 22	Mean Jul 22
A) Cost of funds and balance sheet constraints												
Your bank's capital and the costs related to your bank's capital position	0	2	98	0	0	0	0	2	0	1	3.00	2.98
Your bank's ability to access market financing	0	3	95	1	0	1	1	2	0	1	2.99	2.98
Your bank's liquidity position	0	1	98	0	0	1	0	1	0	1	3.00	2.99
B) Pressure from competition												
Competition from other banks	0	1	98	0	0	1	-1	0	-1	0	3.01	3.00
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	6	94	0	0	0	-2	6	-1	3	3.02	2.94
Creditworthiness of consumers[1]	0	6	94	0	0	0	0	6	0	3	3.00	2.94
Risk on the collateral demanded	0	2	90	0	0	9	-1	2	-1	1	3.01	2.98
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	2	96	2	0	0	-4	0	-2	0	3.04	3.00

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: For A), detailed sub-factors were introduced in April 2022. 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		DI		Mean	
							Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
A) Overall terms and conditions												
Overall terms and conditions	0	15	82	4	0	0	-2	11	-1	6	3.03	2.89
B) Margins												
Your bank's loan margin on average loans	0	8	67	22	3	0	-12	-17	-6	-10	3.12	3.20
Your bank's loan margin on riskier loans	0	8	72	16	2	2	-4	-10	-3	-6	3.05	3.12
C) Other terms and conditions												
Collateral requirements	0	0	91	0	0	9	0	0	0	0	3.00	3.00
Size of the loan	0	1	99	0	0	0	0	1	0	0	3.00	2.99
Maturity	0	0	100	0	0	0	-1	0	-1	0	3.01	3.00
Non-interest rate charges	0	1	97	0	0	2	1	1	0	0	2.99	2.99

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 Apr 22	NetP Jul 22	DI Apr 22	DI Jul 22	Mean Apr 22	Mean Jul 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	16	78	6	0	0	2	10	1	5	2.97	2.90
B) Pressure from competition												
Pressure from competition	0	3	94	2	0	1	-4	0	-2	0	3.04	3.00
C) Perception of risk												
Perception of risk	0	4	96	0	0	0	0	4	0	2	3.00	2.96
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	1	97	2	0	0	-2	-1	-1	0	3.02	3.01
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	6	72	19	3	0	0	-16	0	-9	2.99	3.18
B) Pressure from competition												
Pressure from competition	0	2	93	2	2	1	-7	-2	-3	-2	3.07	3.04
C) Perception of risk												
Perception of risk	0	2	98	0	0	0	-1	2	0	1	3.01	2.98
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	98	2	0	0	-3	-2	-2	-1	3.03	3.02
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	5	75	17	2	2	0	-13	0	-7	2.99	3.15
B) Pressure from competition												
Pressure from competition	0	2	92	1	2	3	-3	-1	-1	-1	3.02	3.03
C) Perception of risk												
Perception of risk	0	3	95	0	0	2	1	3	1	1	2.98	2.97
D) Your bank's risk tolerance												
Your bank's risk tolerance	0	0	96	2	0	2	0	-1	0	-1	2.99	3.01

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 formal and informal 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	
	Apr 22	Jul 22	Apr 22	Jul 22
Decreased considerably	0	0	0	0
Decreased somewhat	1	0	4	0
Remained basically unchanged	95	71	93	94
Increased somewhat	2	27	2	5
Increased considerably	0	0	0	0
NA[3]	1	1	1	1
Total	100	100	100	100
Net percentage	**1**	**28**	**-2**	**5**
Diffusion index	1	14	-1	3
Mean	3.01	3.28	2.98	3.06
Number of banks responding	136	137	143	145

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	
	Apr 22	Jul 22	Apr 22	Jul 22
Decreased considerably	0	1	0	0
Decreased somewhat	12	28	3	3
Remained basically unchanged	66	53	84	82
Increased somewhat	21	15	13	12
Increased considerably	1	4	1	3
NA[2]	0	0	0	0
Total	100	100	100	100
Net percentage	**10**	**-10**	**11**	**11**
Diffusion index	5	-3	6	7
Mean	3.11	2.94	3.12	3.14
Number of banks responding	136	137	143	145

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		DI		Mean	
							Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
A) Financing needs/underlying drivers or purpose of loan demand												
Housing market prospects, including expected house price developments	0	12	75	13	0	0	3	1	1	1	3.03	3.02
Consumer confidence[1]	1	21	73	4	0	0	0	-18	0	-10	2.99	2.81
General level of interest rates	2	27	53	15	4	0	10	-11	6	-4	3.13	2.91
Debt refinancing/restructuring and renegotiation[2]	0	2	97	2	0	0	2	0	1	0	3.02	3.00
Regulatory and fiscal regime of housing markets	0	2	93	4	0	0	3	2	2	1	3.03	3.01
B) Use of alternative sources for housing finance												
Internal finance of house purchase out of savings/down payment[3]	0	3	95	2	0	0	0	-1	0	-1	3.00	2.99
Loans from other banks	0	3	94	2	1	0	-4	0	-2	0	2.96	3.01
Other sources of external finance	0	1	98	0	0	0	0	-1	0	-1	3.00	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		DI		Mean	
							Apr 22	Jul 22	Apr 22	Jul 22	Apr 22	Jul 22
A) Financing needs/underlying drivers or purpose of loan demand												
Spending on durable consumer goods	0	4	87	8	1	0	7	4	4	3	3.07	3.05
Consumer confidence	2	9	87	2	1	0	4	-8	2	-4	3.04	2.91
General level of interest rates	1	5	92	2	0	0	0	-3	0	-2	3.00	2.96
Consumption expenditure financed through real-estate guaranteed loans[1]	0	0	81	1	0	17	0	1	0	1	3.00	3.01
B) Use of alternative finance												
Internal finance out of savings	0	3	92	5	0	0	-1	1	-1	1	2.99	3.01
Loans from other banks	0	0	100	0	0	0	-1	0	-1	0	2.99	3.00
Other sources of external finance	0	0	100	0	0	0	0	0	0	0	3.00	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	
	Apr 22	Jul 22	Apr 22	Jul 22
Tighten considerably	0	2	2	2
Tighten somewhat	11	22	5	16
Remain basically unchanged	87	76	93	78
Ease somewhat	3	0	0	5
Ease considerably	0	0	0	0
NA[1]	0	0	0	0
Total	100	100	100	100
Net percentage	**8**	**24**	**7**	**13**
Diffusion index	4	13	4	7
Mean	2.92	2.75	2.92	2.85
Number of banks responding	136	137	143	145

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	
	Apr 22	Jul 22	Apr 22	Jul 22
Decrease considerably	1	2	0	0
Decrease somewhat	19	51	10	13
Remain basically unchanged	69	42	80	72
Increase somewhat	10	5	10	15
Increase considerably	0	0	0	0
NA[1]	2	0	0	0
Total	100	100	100	100
Net percentage	**-10**	**-47**	**1**	**1**
Diffusion index	-5	-25	0	0
Mean	3	3	3	3.01
Number of banks responding	136	137	143	145

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	4	75	8	1	11	-5	3.07	0.47	1	12	63	12	1	11	0	3.00	0.64
Long-term (more than one year) deposits and other retail funding instruments	0	8	71	6	1	14	1	3.00	0.51	1	17	57	10	3	12	5	2.96	0.74
B) Inter-bank unsecured money market																		
Very short-term money market (up to 1 week)	1	8	74	4	0	14	5	2.93	0.43	0	10	70	6	0	14	4	2.95	0.47
Short-term money market (more than 1 week)	1	18	66	3	0	12	16	2.79	0.55	0	15	66	6	0	12	9	2.89	0.53
C) Wholesale debt securities[3]																		
Short-term debt securities (e.g. certificates of deposit or commercial paper)	6	22	43	2	0	28	25	2.63	0.71	1	21	45	5	0	28	17	2.78	0.64
Medium to long term debt securities (incl. covered bonds)	9	36	39	2	0	15	43	2.40	0.74	2	35	42	4	0	16	33	2.59	0.68
D) Securitisation[4]																		
Securitisation of corporate loans	0	9	28	1	0	62	8	2.87	0.41	0	6	29	4	0	61	2	3.01	0.48
Securitisation of loans for house purchase	0	12	27	1	0	60	11	2.78	0.50	0	6	30	4	0	60	2	3.02	0.51
E) Ability to transfer credit risk off balance sheet[5]																		
Ability to transfer credit risk off balance sheet	2	13	32	1	0	52	15	2.60	0.67	1	9	34	3	0	52	8	2.77	0.69

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 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	2	96	0	0	2	2	3.0	0.14	142
Loans to households for house purchase	0	0	99	0	0	0	0	3.0	0.08	137
Consumer credit and other lending to households	0	0	99	0	0	0	0	3.0	0.08	145
B) Impact of NPL ratio on the change in your bank's credit terms and conditions										
Loans and credit lines to enterprises	0	2	90	0	0	8	2	3.0	0.15	142
Loans to households for house purchase	0	0	96	0	0	4	0	3.0	0.05	137
Consumer credit and other lending to households	0	0	95	2	0	3	-2	3.0	0.15	145
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	3	95	0	0	2	3	3.0	0.19	153
Costs related to your bank's balance sheet clean-up operations[3]	0	0	93	2	0	6	-2	3.0	0.15	153
Pressure related to supervisory or regulatory requirements[4]	0	5	92	2	0	2	3	3.0	0.28	153
Your bank's access to market financing	0	3	95	0	0	2	3	3.0	0.21	153
Your bank's liquidity position	0	1	97	1	0	2	0	3.0	0.15	153
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	94	0	0	1	4	3.0	0.22	153
Your bank's risk tolerance	0	2	94	2	0	1	0	3.0	0.22	153
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	7	91	0	0	2	7	2.9	0.27	142
Loans to households for house purchase	0	2	98	0	0	0	1	3.0	0.14	137
Consumer credit and other lending to households	0	3	95	0	0	2	3	3.0	0.19	145
B) Impact of NPL ratio on the change in your bank's credit terms and conditions										
Loans and credit lines to enterprises	0	5	87	0	0	8	5	3.0	0.23	142
Loans to households for house purchase	0	1	94	0	0	4	1	3.0	0.13	137
Consumer credit and other lending to households	0	2	93	0	0	5	2	3.0	0.16	145
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	4	94	0	0	2	4	3.0	0.21	153
Costs related to your bank's balance sheet clean-up operations[3]	0	0	94	0	0	6	0	3.0	0.06	153
Pressure related to supervisory or regulatory requirements[4]	0	6	90	2	0	2	4	3.0	0.30	153
Your bank's access to market financing	0	3	95	0	0	2	3	3.0	0.21	153
Your bank's liquidity position	0	0	98	0	0	2	0	3.0	0.08	153
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	5	91	3	0	1	2	3.0	0.28	153
Your bank's risk tolerance	0	5	91	3	0	1	2	3.0	0.29	153

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	7	84	4	0	6	2	3	0	137	0	12	81	1	0	6	12	3	0	142
Construction (excluding real estate)	0	13	75	4	0	8	9	3	0	135	1	10	81	1	0	8	10	3	0	142
Services (excluding financial services and real estate)	0	2	91	2	0	6	0	3	0	137	0	5	86	3	0	6	2	3	0	142
Wholesale and retail trade	0	9	86	1	0	4	8	3	0	139	0	12	81	3	0	4	9	3	0	142
Real estate[3]	1	15	73	2	0	9	14	3	0	134	1	19	71	1	0	7	19	3	0	142
of which:																				
Commercial real estate	1	17	69	2	0	11	17	3	0	132	1	18	71	0	0	11	19	3	0	142
Residential real estate	0	17	70	1	0	12	16	3	0	131	1	13	76	0	0	10	14	3	0	142
B) Your bank's terms and conditions																				
Manufacturing	0	4	84	0	0	12	4	3	0	134	1	9	78	0	0	12	9	3	0	142
Construction (excluding real estate)	1	6	79	0	0	14	7	3	0	132	1	10	74	0	0	14	11	3	0	142
Services (excluding financial services and real estate)	0	5	83	0	0	12	4	3	0	134	1	8	79	0	0	12	9	3	0	142
Wholesale and retail trade	0	7	81	1	0	10	6	3	0	136	1	12	76	0	0	10	13	3	0	142
Real estate[3]	1	8	75	1	0	15	8	3	0	131	1	20	65	0	0	14	20	3	0	142
of which:																				
Commercial real estate	1	9	72	0	0	17	10	3	0	129	1	17	65	0	0	17	18	3	0	142
Residential real estate	0	9	72	0	0	18	9	3	0	128	1	18	64	0	0	17	18	3	0	142
C) Demand for loans at your bank																				
Manufacturing	0	7	66	15	0	12	8	3	1	134	0	7	66	14	0	12	7	3	1	142
Construction (excluding real estate)	0	2	75	9	0	14	7	3	0	132	1	10	66	9	0	14	-1	3	1	142
Services (excluding financial services and real estate)	0	3	80	5	0	12	2	3	0	134	0	6	74	8	0	12	2	3	0	142
Wholesale and retail trade	0	5	76	9	0	10	4	3	0	136	0	8	71	10	0	10	2	3	0	142
Real estate[3]	0	8	57	19	1	15	12	3	1	131	1	23	55	7	0	14	-16	3	1	142
of which:																				
Commercial real estate	0	7	64	11	1	17	4	3	1	129	1	20	59	3	0	17	-18	3	1	142
Residential real estate	0	4	66	11	0	18	7	3	0	128	0	21	57	5	0	17	-16	3	1	142

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.

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

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