EUROPEAN CENTRAL BANK

EUROSYSTEM

# The euro area bank lending survey

First quarter of 2021

April 2021

# Contents

# Introduction

The results reported in the April 2021 bank lending survey (BLS) relate to changes observed during the first quarter of 2021 and expectations for the second quarter of 2021. The survey was conducted between 11 and 26 March 2021. A total of 143 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 April 2021 survey. They address the impact of the situation in financial markets on banks' access to retail and wholesale funding, the impact of the ECB's asset purchase programmes (APP and PEPP), the impact of the ECB's negative deposit facility rate and the ECB's two-tier system, and the impact of TLTRO III on banks and their lending policy.

1 The four largest euro area countries in terms of GDP are Germany, France, Italy and Spain.

# 1 Overview of results

In the April 2021 BLS round, euro area banks indicated a moderate net tightening of credit standards on loans to firms in the first quarter of 2021, i.e. the percentage share of banks reporting a change of credit standards towards a tightening was moderately larger than the share of banks reporting an easing. The net tightening was lower than expected by banks in the previous survey round and followed a significant tightening in the previous two quarters. It was driven by a tightening of risk perceptions and banks' risk tolerance, albeit less so than during the previous two quarters. The lower net tightening may be related to the prolongation of fiscal support measures, the continued support from monetary policy and supervisory measures, and the broader improvement in risk sentiment in the first quarter of 2021. In the second quarter of 2021, the net percentage of banks reporting a continued tightening of credit standards for loans to enterprises is expected to remain similar. At the same time, banks refer to the uncertainty around the economic impact of the third wave of the coronavirus (COVID-19) pandemic.

Banks reported, on balance, a further decline in firms' demand for loans or drawing of credit lines in the first quarter of 2021. This was mainly driven by a continued dampening impact of firms' demand for financing fixed investment as firms, especially in sectors more affected by the pandemic, tended to postpone investment. In addition, in net terms, firms did not demand additional financing for working capital, reflecting available liquidity buffers and direct government liquidity support especially for small and medium-sized enterprises (SMEs). Euro area banks expect a rebound in firms' loan demand in the second quarter of 2021.

A small net percentage of banks reported an easing of credit standards for housing loans, while a moderate net percentage reported a tightening for consumer credit in the first quarter of 2021. The net easing for housing loans was supported by competition from other lenders, while risk perceptions related to borrowers' creditworthiness and banks' risk tolerance continued to have a tightening impact on all lending to households. Banks reported, on balance, a decline in net demand for loans to households in the first quarter of 2021. Weak consumer confidence and low spending on durables contributed negatively to net demand, while the low general level of interest rates and solid housing market prospects contributed positively. Banks expect a net tightening of credit standards and a net increase in demand for loans to households in the second quarter of 2021.

In more detail, euro area banks reported a moderate net tightening of credit standards (i.e. banks' internal guidelines or loan approval criteria) for loans or credit lines to enterprises in the first quarter of 2021 (net percentage of banks standing at 7%, after 25% in the previous quarter; see Overview table). The net tightening was lower than expected by banks in the previous survey round and followed a significant net percentage of banks reporting a tightening in the previous two quarters. A lower net tightening was reported for loans to both SMEs and large firms. The fact that differences were limited across firm sizes shows the beneficial impact of public support measures, especially for SMEs, given the typically higher credit risk associated with the latter owing to their potential opacity. In the second quarter of 2021, a similar net percentage of banks expect a tightening of credit standards on loans to firms (5%). This reflects banks' uncertainty regarding the economic impact of the third wave of the pandemic and the progress of the vaccination campaign.

The tightening impact of risk perceptions related to the deterioration in the general economic and firm-specific situation became considerably smaller but continued to be the main factor contributing to the tightening of credit standards on loans to firms. It reflects banks' continued concerns regarding borrowers' creditworthiness given the length of the pandemic and the impact of containment measures on firms' business in some sectors of the economy. In addition, banks indicated a smaller tightening impact on their credit standards from their risk tolerance and a stronger easing impact from competitive pressure. Banks' cost of funds and balance sheet situation had a neutral impact in the context of monetary policy accommodation, supervisory capital relief measures and higher resilience of banks' balance sheets.

Euro area banks reported a small net easing of credit standards for housing loans (net percentage of banks of -2%, after 7% in the fourth quarter of 2020; see Overview table), while they indicated a moderate further net tightening for consumer credit and other lending to households in the first quarter of 2021 (5%, after 3%). The net easing for housing loans was supported by competition from other lenders, while risk perceptions related to borrowers' creditworthiness and banks' risk tolerance continued to have a tightening impact for housing loans and consumer credit. The impact of banks' cost of funds and balance sheet situation was neutral. Banks expect a net tightening of credit standards for housing loans (9%) and for consumer credit (4%) in the second quarter.

Banks' overall terms and conditions (i.e. banks' actual terms and conditions agreed in the loan contract) for loans to enterprises remained unchanged in the first quarter of 2021 (net percentage of 0%, after 14%). Margins on average loans (defined as the spread over relevant market reference rates) narrowed in net terms, mainly owing to competitive pressures, while margins on riskier loans widened somewhat, on balance. In addition, the tightening impact of collateral requirements became considerably smaller compared with previous pandemic quarters. For housing loans, banks reported, on balance, an easing of overall terms and conditions (net percentage of -6%, after 6%), while no change for consumer credit and other lending to households was reported (0%, after 1%).

The net percentage of banks reporting an increase in the share of rejected applications for loans to firms was higher than in the previous quarter (net percentage of 8%, after 2%). This may be related to the overall smaller share of loans granted with public guarantees. Euro area banks were broadly balanced when reporting on changes in the share of rejected applications for housing loans (-1%, after 5%) while the net percentage of banks reporting higher rejection rates increased somewhat for consumer credit and other lending to households (7%, after 4%).

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

Banks reported, on balance, a further decline in firms' demand for loans or drawing of credit lines in the first quarter of 2021 (net percentage of banks standing at -20%, after -12% in the fourth quarter of 2020; see Overview table). The decline continued to be mainly driven by a dampening impact of firms' demand for financing fixed investment as firms, especially in sectors more affected by the pandemic, tended to postpone investment. In addition, banks indicated the use of alternative sources of financing by firms, like internal financing or market-based financing, as a factor restraining loan demand. In net terms, firms did not demand additional financing for working capital, reflecting available liquidity buffers and direct government liquidity support, especially to SMEs. In the second quarter of 2021, banks expect a rebound of firms' net demand for loans (net percentage of 21%), especially by SMEs. This may be partly related to a resurgence of loan demand in the light of stronger containment measures, according to reporting banks.

Banks reported, on balance, a decline in demand for housing loans in the first quarter of 2021 after increases in the previous two quarters (net percentage of banks standing at -7%, after 16% in the fourth quarter of 2020; see Overview table) as well as a stronger decrease in demand for consumer credit (net percentage of -24%, after -9%). The net decline in demand for loans to households was linked to lower consumer confidence, while the general level of interest rates had a positive impact on demand. In addition, housing market prospects and other financing needs contributed positively to demand for housing loans, while lower spending on durables and the use of alternative finance contributed negatively to demand for consumer credit. Banks expect a net increase in demand for housing loans (6%) and for consumer credit (13%) in the second quarter of 2021.

## 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 | Q4 20 | Q1 21 | Avg. | Q4 20 | Q1 21 | Avg. | Q4 20 | Q1 21 | Avg. | Q4 20 | Q1 21 | Avg. | Q4 20 | Q1 21 | Avg. | Q4 20 | Q1 21 | Avg. |
| Euro area | 25 | 7 | 8 | -12 | -20 | 0 | 7 | -2 | 6 | 16 | -7 | 5 | 3 | 5 | 5 | -9 | -24 | 0 |
| Germany | 6 | 6 | 4 | 6 | 13 | 6 | 0 | 0 | 2 | 11 | 0 | 9 | 0 | -3 | 0 | -3 | -30 | 9 |
| Spain | 20 | 10 | 9 | -20 | -70 | -5 | 0 | 11 | 14 | -11 | -22 | -10 | 10 | 20 | 9 | -10 | -20 | -8 |
| France | 41 | 0 | 6 | -47 | -51 | -8 | 24 | -7 | 3 | 37 | -38 | 9 | 2 | 0 | -1 | -8 | -30 | 0 |
| Italy | 0 | 10 | 12 | 40 | 10 | 7 | 0 | 0 | 1 | 0 | -10 | 13 | -10 | -10 | 5 | -10 | -10 | 11 |

Notes: The "Avg." columns contain historical averages, which are calculated over the period since the beginning of the survey, excluding the most recent round. For France, net percentages are weighted on the basis of outstanding loan amounts for individual banks in the respective national samples. Owing to 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.

Across the largest euro area countries, banks reported, on balance, an increase in demand for loans to enterprises in Germany and Italy, but a continued decline in France and Spain in the first quarter of 2021. Net demand for housing loans declined in France, Spain and Italy, while it remained unchanged in Germany. Net demand for consumer credit continued to decline across all four largest euro area countries.

The April 2021 BLS also included a number of ad hoc questions. Regarding euro area banks' access to retail and wholesale funding, banks reported in net terms that the access generally improved in the first quarter of 2021, especially for debt securities, retail funding and money markets, while the access remained broadly unchanged, in net terms, for securitisation.

With respect to the impact of the ECB's asset purchase programme (APP) and the pandemic emergency purchase programme (PEPP), euro area banks reported a positive impact on their liquidity position and market financing conditions and a negative impact on their profitability over the past six months. Banks expect a similar, albeit weaker, impact of the purchase programmes on their financial situation over the next six months. Regarding the impact on lending, banks reported a net easing impact of the APP and the PEPP on their terms and conditions for loans to firms and a positive net impact on lending volumes for firms and housing loans, while the impact was broadly neutral for consumer credit. Over the next six months, banks expect the impact to continue in a similar fashion.

Euro area banks reported that the ECB's negative deposit facility rate (DFR) continued to contribute to a decrease in lending rates across all loan categories, while the positive impact on lending volumes was limited to loans to firms and housing loans, according to the banks. Banks also indicated that the DFR had a downward impact on their profitability. At the same time, a large net percentage of banks reported that the two-tier system supported bank profitability. In addition, euro area banks reported a negative impact on deposit rates and a positive impact on non-interest rate charges on deposits from firms and households, indicating a continued pass-through of negative rates. Finally, the two-tier system also supported lower lending rates and higher deposit rates for firms and households.

The March 2021 targeted longer-term refinancing operation (TLTRO) recorded the second-highest participation rate among respondent banks out of all operations of the third series of TLTROs (TLTRO III) to date, with profitability remaining the most important reason for banks to participate. Participation was less widespread for the December 2020 operation and half of the banks remained undecided about participating in future operations. A large percentage of the banks said they had used the TLTRO III liquidity for granting loans to the non-financial private sector over the past six months. In addition, a considerable percentage of banks reported that they held TLTRO liquidity with the Eurosystem, which can be used for granting loans in the coming months. Banks also indicated an overall positive impact of TLTRO III on their financial situation. With respect to their lending policy, banks indicated a net easing impact of TLTRO III on their terms and conditions, more than for credit standards, and a positive net impact on their lending volumes. Banks expect this positive impact to continue over the next six months.

## 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, 143 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. In the first step, the responses of individual banks are aggregated to form national results for euro area countries. And in the second step, those national BLS results are aggregated to form euro area BLS results.

In the first step, banks' replies can be aggregated to form national BLS results by applying equal weights to all banks in the sample[3] or, alternatively, by applying a weighting scheme based on outstanding loans to non-financial corporations and households for the individual banks in the respective national samples. Specifically, for France, Malta, the Netherlands and Slovakia, an explicit weighting scheme is applied.

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

3 In this case, the selected sample banks are generally of similar size or their lending behaviour is typical of a larger group of banks.

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

**BLS indicators**

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

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

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

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

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

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

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

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

A copy of the questionnaire, a glossary of BLS terms and a BLS user guide with information on the BLS series keys can all be found at:
https://www.ecb.europa.eu/stats/ecb_surveys/bank_lending_survey/html/index.en.html

# 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 moderately

Euro area banks indicated a moderate net tightening of credit standards (i.e. banks' internal guidelines or loan approval criteria) for loans to enterprises in the first quarter of 2021, i.e. the percentage share of banks reporting a change of credit standards towards a tightening was moderately larger than the share of banks reporting an easing (net percentage of banks standing at 7%, after 25% in the fourth quarter of 2020 and compared with a historical average since 2003 of 8%; see Chart 1 and Overview table). The tightening was lower than expected by banks in the previous survey round (20%) and followed a significant net percentage of banks reporting a tightening in the previous two quarters. The lower net tightening may be related to the prolongation of fiscal support measures, the continued support from monetary policy and supervisory measures, and the broader improvement in risk sentiment in the first quarter of 2021.

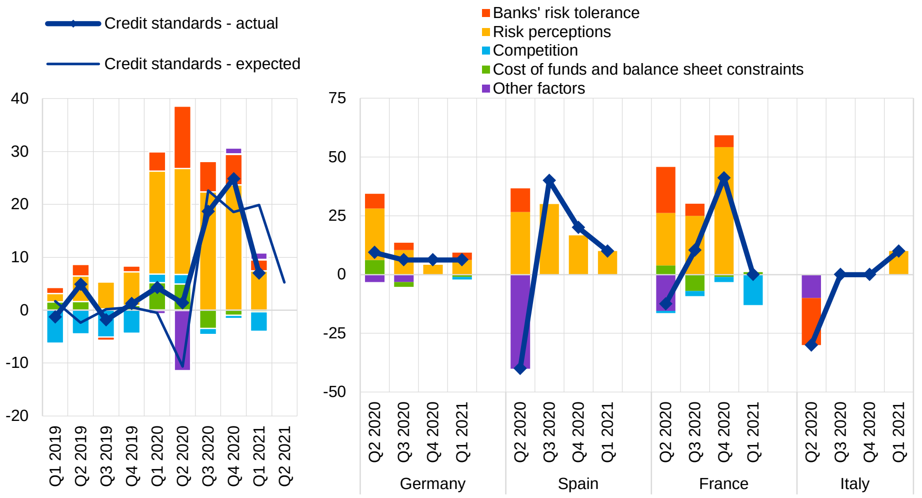
The net tightening of credit standards moderated significantly for loans to both SMEs (7%, after 25%) and large firms (5%, after 16%) as well as for short-term loans (6%, after 19%) and long-term loans (10%, after 26%). The fact that differences were limited across firm sizes shows the beneficial impact of public support measures especially for SMEs, given the typically higher credit risk associated with the latter also due to their potentially opaque balance sheets.

The tightening impact of risk perceptions related to the deterioration in the general economic and firm-specific situation became considerably smaller but continued to be the main factor contributing to the tightening of credit standards on loans to firms (see Chart 1 and Table 1). This reflects banks' continued concerns regarding borrowers' creditworthiness given the length of the pandemic and the impact of containment measures on firms' business in several sectors of the economy. Lower firm revenues during the pandemic and increased gross debt ratios have, on average, increased firms' credit risks, despite firms' interest payment burden standing at historically low levels. In addition, banks indicated a smaller tightening impact of banks' risk tolerance on their credit standards and a stronger easing impact from competitive pressure, especially from other banks. Banks' cost of funds and balance sheet situation had a neutral impact, as supported by monetary policy accommodation (see Section 3), supervisory capital relief measures and higher resilience of banks' balance sheets.

## Chart 1

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

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




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

## Table 1

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

(net percentages of banks)

| Country | Cost of funds and balance sheet constraints | | Pressure from competition | | Perception of risk | | Banks' risk tolerance | |
|---|---|---|---|---|---|---|---|---|
| | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 |
| **Euro area** | -1 | 0 | -1 | -4 | 24 | 7 | 6 | 2 |
| **Germany** | 0 | -1 | 0 | -1 | 4 | 6 | 0 | 3 |
| **Spain** | 0 | 0 | 0 | 0 | 17 | 10 | 0 | 0 |
| **France** | -1 | 1 | -2 | -13 | 54 | 0 | 5 | 0 |
| **Italy** | 0 | 0 | 0 | 0 | 0 | 10 | 0 | 0 |

Note: See the notes to Chart 1.

Overall, the more moderate net tightening of credit standards in the first quarter of 2021 and the continued neutral impact of banks' cost of funds and balance sheet situation point to a limited financial amplification at the current stage, despite increased credit risks of borrowers. In addition, based on the leading indicator properties of BLS credit standards for loan developments, current BLS developments do not signal a sharp reduction in lending to firms in the coming quarters.

Across the largest euro area countries, credit standards on loans to enterprises tightened moderately in Germany, Spain and Italy in the first quarter of 2021. By contrast, credit standards remained unchanged in France, for both SMEs and large firms, following a strong tightening in the previous quarter. In Germany, Spain and Italy, risk perceptions remained the main factor contributing to a tightening of credit standards, while there was no further tightening impact for this factor reported by banks in France. Banks in Germany and especially in France also referred to easing pressure from competition, specifically from other banks, and for French banks also from non-banks and market-based financing. Banks' cost of funds and balance sheet situation had a broadly neutral impact in all the largest euro area countries.

In the second quarter of 2021, a similar net percentage of euro area banks expect a continued tightening of credit standards on loans to firms (net percentage of 5%). This reflects banks' uncertainty regarding the severity of the economic impact of the third wave of the pandemic and the progress in the vaccination campaign.

### 2.1.2 Terms and conditions on loans to enterprises remained unchanged

Banks' overall terms and conditions (i.e. banks' actual terms and conditions agreed in the loan contract) for new loans to enterprises remained unchanged in the first quarter of 2021 (net percentage of 0%, after 14%; see Chart 2 and Table 2), following a tightening in previous quarters. Margins on average loans (defined as the spread over relevant market reference rates) narrowed somewhat in net terms according to the banks, following a widening in the second half of 2020. The overall broadly stable development of margins on average loans is consistent with bank lending rates remaining around their historical low. By contrast, margins on riskier loans continued to widen, on balance, according to reporting banks, but less than in all quarters of 2020. In addition, the tightening impact of collateral requirements became considerably smaller compared with previous pandemic quarters. Regarding other components of banks' credit terms and conditions, banks reported a small net easing, mainly via the maturity of the loans.

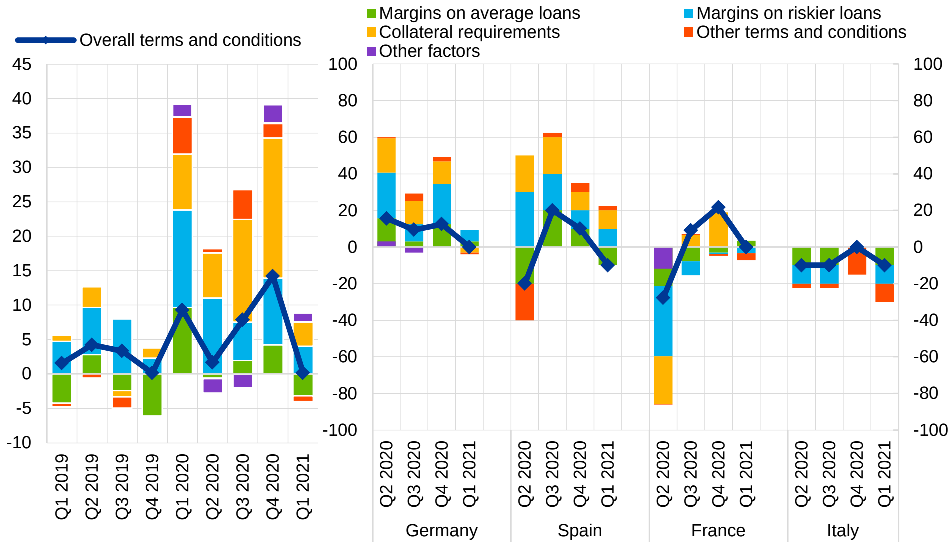
Risk perceptions had a tightening impact on banks' overall terms and conditions, while pressure from competition contributed to an easing (see Table 3). Risk perceptions remained the main tightening factor for banks' overall terms and conditions, but the contribution was smaller than in all quarters of 2020. At the same time, competitive pressure had an easing impact on terms and conditions, according to the banks, mainly for margins on loans with average credit risks, while it did not contribute to an easing for margins on riskier loans. Banks' cost of funds and balance sheet constraints as well as banks' risk tolerance had a broadly neutral effect on banks' overall terms and conditions.

Across the largest euro area countries, overall terms and conditions on loans or credit lines to enterprises remained unchanged in Germany and France, while they eased in Spain and Italy. The net easing in Spain was due to a narrowing of margins for average loans. Meanwhile, banks in Germany reported an easing mainly via the loan size and banks in France via the loan maturity, while loan margins changed little or widened somewhat. In Italy, the net easing reflected both the narrowing of loan margins and the extension of loan maturity. Across the largest euro area countries, only banks in Spain indicated a further tightening of collateral requirements, which may reflect increased concerns about credit risks as the Spanish economy is considerably affected by the pandemic. In most large euro area countries, competition had an easing impact on overall terms and conditions, especially on margins on average loans, while risk perceptions regarding the economic outlook and borrowers' credit risk contributed mostly to a tightening of overall terms and conditions.

## Chart 2

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

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




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

## 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 | |
|---|---|---|---|---|---|---|
| | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 |
| **Euro area** | 14 | 0 | 4 | -3 | 10 | 4 |
| **Germany** | 13 | 0 | 13 | 3 | 22 | 6 |
| **Spain** | 10 | -10 | 10 | -10 | 10 | 10 |
| **France** | 22 | 0 | -3 | 3 | -1 | -3 |
| **Italy** | 0 | -10 | 0 | -10 | 0 | -10 |

Note: See the notes to Chart 2.

**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 | |
|---|---|---|---|---|---|---|---|---|
| | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 |
| **Euro area** | 3 | -1 | -1 | -3 | 27 | 10 | 13 | 1 |
| **Germany** | 6 | 3 | 3 | -3 | 16 | 6 | 3 | 0 |
| **Spain** | 0 | -20 | 0 | 0 | 10 | 10 | 10 | 10 |
| **France** | 6 | 3 | -1 | -3 | 35 | 7 | 24 | 0 |
| **Italy** | 0 | 0 | -10 | -10 | 10 | 0 | -10 | -10 |

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

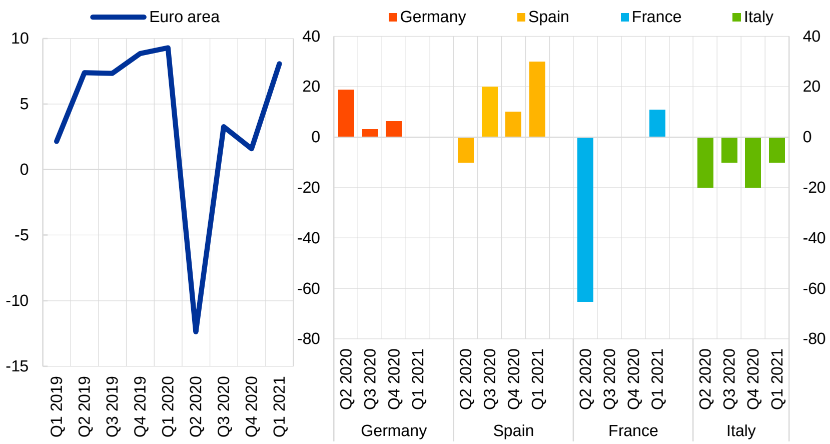
## 2.1.3 Rejection rate for loans to enterprises increased

In the first quarter of 2021, in net terms, 8% of the banks reported an increase in the share of rejected loan applications for loans to firms (after a net percentage of 2% in the previous quarter; see Chart 3). Following the modest increases or declines in the previous quarters, this may be related to the smaller share of loans granted with public guarantees in the first quarter of 2021. It is also consistent with the recent net tightening of credit standards which banks set before the actual loan application and loan negotiation. At the same time, the terms and conditions on loans which have been granted remained unchanged (see above).

**Chart 3**

Changes in the rejection rate for loans to enterprises

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




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

Across the largest euro area countries, banks in Spain and France indicated a net increase in the rejection rate, while it remained unchanged in Germany and decreased in Italy.

### 2.1.4 Lower net demand for loans to enterprises

Banks reported, on balance, a further decline in firms' demand for loans or for drawing of credit lines in the first quarter of 2021 (net percentage of banks standing at -20%, after -12% in the fourth quarter of 2020; see Chart 4 and Overview table). This is the third consecutive quarter for which banks reported a net decrease in loan demand, following the extraordinarily high loan demand in the second quarter of 2020. The reported net decline corresponds broadly with the observed lower realised loan flows to non-financial corporations in recent months. The net decline in loan demand was stronger for SMEs (net percentage of -26%) than for large firms (-19%), while it was similar for short-term loans (-15%) and long-term loans (-18%).

Banks reported that the decline in loan demand continued to be mainly driven by a dampening impact of firms' demand for financing fixed investment (see Chart 4 and Table 4). This indicates that firms, especially in sectors more affected by the pandemic, tended to postpone investment due to the uncertainty regarding the severity of the economic impact of the pandemic. This is broadly consistent with first indications pointing to a modest development of business investment in the first quarter of 2021. Moreover, banks indicated the use of alternative sources of financing by firms, like internal financing or market-based financing, as a factor restraining loan demand. In net terms, firms did not demand additional financing for working capital, reflecting available liquidity buffers and direct government support, especially to SMEs. The availability of precautionary liquidity buffers is also reflected in aggregate data on bank deposits from non-financial corporations, according to which firms have increased their deposit holdings particularly in the second and third quarters of 2020, while further increase was more moderate thereafter. Debt refinancing and restructuring contributed to an increase in demand, while mergers and acquisitions contributed to a decline (included in "other financing needs").[5]

Across the largest euro area countries, banks reported a net increase in demand for loans to firms in Germany and Italy, while they reported a considerable net decline in Spain and France. Demand for fixed investment contributed negatively in the latter two countries, while it slightly supported loan demand in Germany and Italy. Demand for inventories and working capital also had a mixed impact across the large countries. While it supported loan demand in Germany, it had a dampening impact in Spain and a neutral impact in France and Italy. With respect to other financing needs, mergers and acquisitions activity dampened loan demand in Spain and France, while debt refinancing supported loan demand especially in Germany and Italy. As regards the use of alternative financing sources, internal financing and loans granted by other

[5] The calculation of a simple average for aggregating some factors to main categories assumes that all factors have the same importance for the banks. This partly explains some inconsistencies between the development of demand for loans and the development of the main underlying factor categories.

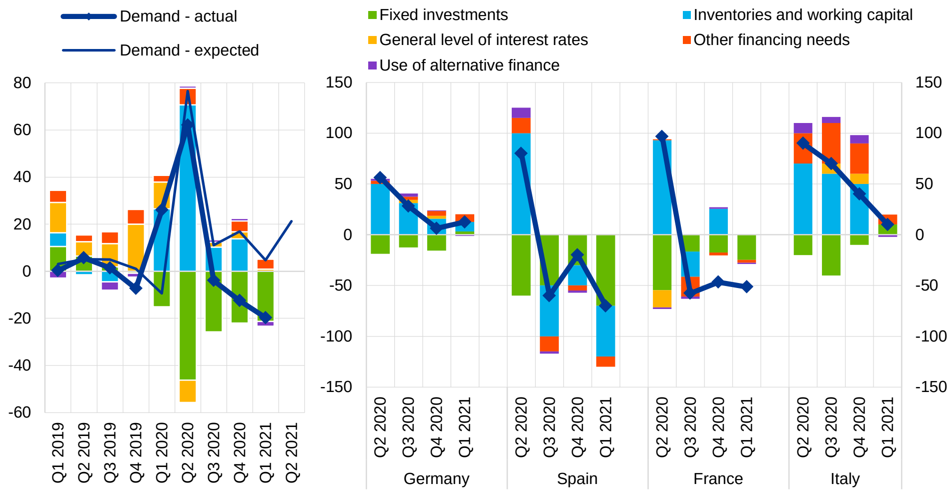
banks dampened loan demand according to banks in Germany, while a dampening impact from loans from non-banks was reported by banks in France.

In the second quarter of 2021, banks expect a rebound in firms' net demand for loans (net percentage of banks standing at 21%), especially by SMEs (net percentage of banks standing at 27%, compared with 18% for loans to large firms). This may be partly related to a resurgence of loan demand in the light of stronger containment measures.

## Chart 4

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

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




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

## Table 4

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

(net percentages of banks)

| | Fixed investment | | Inventories and working capital | | Other financing needs | | General level of interest rates | | Use of alternative finance | |
|---|---|---|---|---|---|---|---|---|---|---|
| Country | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 |
| Euro area | -22 | -21 | 14 | 0 | 5 | 4 | 3 | 1 | 1 | -2 |
| Germany | -16 | 3 | 16 | 9 | 5 | 8 | 3 | 0 | 1 | -1 |
| Spain | -30 | -70 | -20 | -50 | -5 | -10 | 0 | 0 | -2 | 0 |
| France | -17 | -25 | 25 | 0 | -3 | -3 | 0 | 0 | 2 | -1 |
| Italy | -10 | 10 | 50 | 0 | 30 | 10 | 10 | 0 | 8 | -2 |

Note: See the notes to Chart 4.

## 2.2 Loans to households for house purchase

### 2.2.1 Credit standards for loans to households for house purchase eased slightly

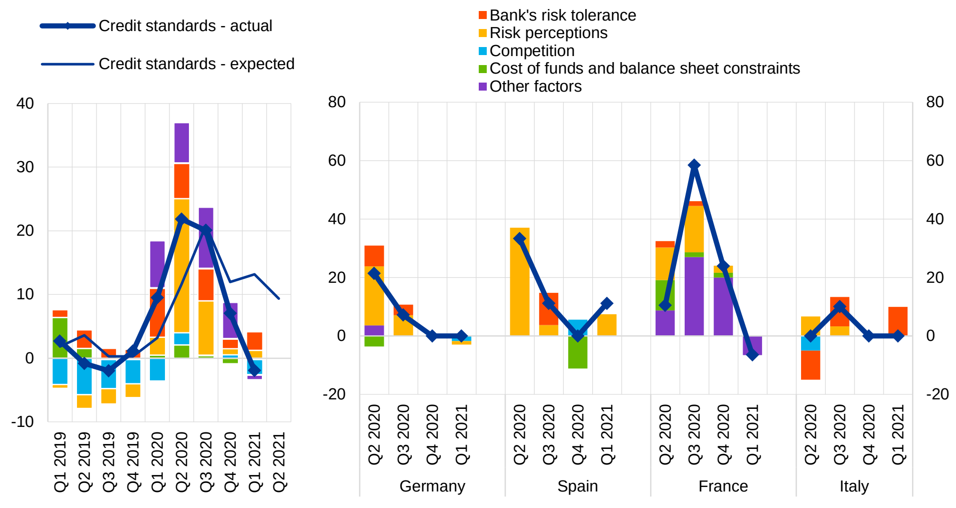
Credit standards for loans to households for house purchase eased slightly in net terms in the first quarter of 2021 (net percentage of banks standing at -2%, after 7% in the previous quarter; see Chart 5 and Overview table), compared with a historical average since 2003 of 6%. This was the first net easing since the third quarter of 2019 and follows several quarters of stronger tightening.

The net easing of credit standards for housing loans was supported by competition from other banks and non-banks. Furthermore, on balance, banks did not report any major additional concerns compared with the significant tightening impact of risk perceptions related to the economic outlook in the second and third quarters of 2020. Specifically, the net tightening impact of borrowers' creditworthiness and of banks' risk tolerance on credit standards was comparably small in the first quarter of 2021. The impact of banks' cost of funds and balance sheet situation was neutral, reflecting banks' favourable funding conditions (see Chart 5 and Table 5).

**Chart 5**

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

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




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

Across the largest euro area countries, credit standards for housing loans eased in France, while they remained unchanged in Germany and Italy and tightened in Spain. The net easing in France was related to the macroprudential policy recommendation adopted by the French High Council for Financial Stability in January 2021, which amended the stricter recommendation from December 2019. The net tightening of credit standards for housing loans in Spain was related to more sceptical risk perceptions of banks regarding the economic situation and credit risks compared with banks in the other countries.

Looking ahead, euro area banks expect a net tightening of credit standards for housing loans (net percentage of banks standing at 9%) in the second quarter of 2021.

**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 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 |
| Euro area | -1 | 0 | 1 | -2 | 1 | 1 | 2 | 3 |
| Germany | 0 | 0 | 0 | -2 | 0 | -1 | 0 | 0 |
| Spain | -11 | 0 | 6 | 0 | 0 | 7 | 0 | 0 |
| France | 2 | 0 | 0 | 0 | 2 | 0 | 0 | 0 |
| Italy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |

Note: See the notes to Chart 5.

## 2.2.2 Terms and conditions on loans to households for house purchase eased

Banks' overall terms and conditions eased, on balance, for housing loans (net percentage of banks standing at -6%, after 6% in the previous quarter). The net easing was mainly related to a narrowing of margins on average loans, while margins on riskier loans continued to widen and collateral requirements remained broadly unchanged (see Chart 6 and Table 6).

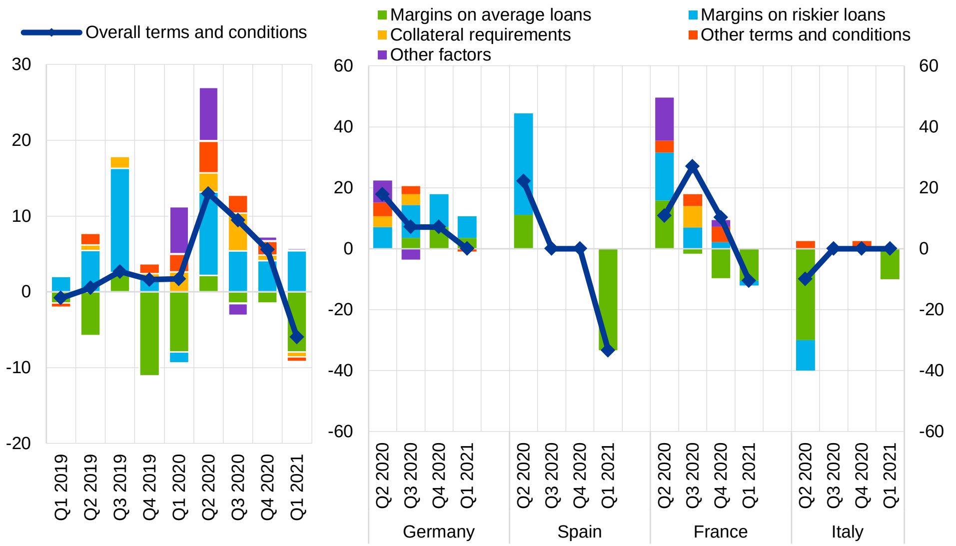
Competitive pressure had a relevant easing impact on banks' overall terms and conditions, more than in the previous quarter (see Table 7), especially for margins on average loans. By contrast, banks continued to indicate a tightening contribution of risk perceptions. Banks' cost of funds and balance sheet situation contributed slightly to an easing of credit standards, owing to banks' favourable funding conditions.

Across the largest euro area countries, overall terms and conditions on housing loans eased in Spain and France, while they did not change in Germany and Italy. In Spain, banks indicated both competitive pressure and favourable bank funding cost as factors contributing to the easing. Competition was also mentioned by banks in France and Italy as having an easing impact on their overall terms and conditions.

## Chart 6

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

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




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

## Table 6

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

(net percentages of banks)

| Country | Overall terms and conditions | | Banks' margins on average loans | | Banks' margins on riskier loans | |
|---|---|---|---|---|---|---|
| | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 |
| **Euro area** | 6 | -6 | -1 | -8 | 4 | 5 |
| **Germany** | 7 | 0 | 7 | 4 | 11 | 7 |
| **Spain** | 0 | -33 | 0 | -33 | 0 | 0 |
| **France** | 10 | -11 | -10 | -11 | 2 | -2 |
| **Italy** | 0 | 0 | 0 | -10 | 0 | 0 |

Note: See the notes to Chart 6.

**Table 7**

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

(net percentages of banks)

| Country | Cost of funds and balance sheet constraints | | Pressure from competition | | Perception of risk | | Banks' risk tolerance | |
|---|---|---|---|---|---|---|---|---|
| | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 |
| **Euro area** | 0 | -3 | -2 | -9 | 5 | 5 | 3 | 1 |
| **Germany** | 4 | 0 | 4 | 0 | 0 | 0 | 4 | 4 |
| **Spain** | -11 | -22 | 11 | -22 | 0 | 0 | 0 | 0 |
| **France** | -3 | 0 | -11 | -11 | 4 | 0 | 4 | 0 |
| **Italy** | 0 | 0 | 0 | -10 | 0 | 0 | 0 | 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.

## 2.2.3 Rejection rate for housing loans remained broadly unchanged

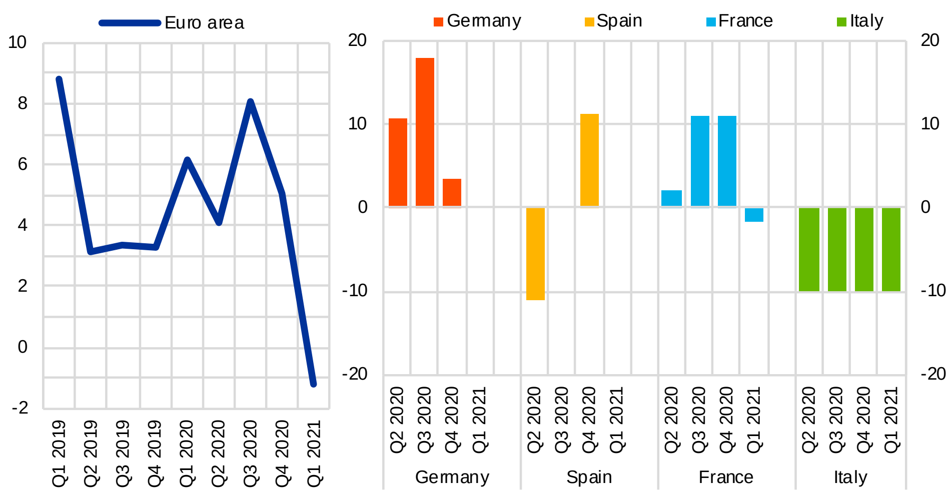
In the first quarter of 2021, euro area banks reported, on balance, broadly no change in the share of rejected applications for housing loans (-1%, after 5% in the previous quarter; see Chart 7). This follows a net increase in the share of loan rejections in the previous pandemic quarters. The more moderate development in the first quarter of 2021 is consistent with the slight net easing in credit standards for housing loans.

Across the largest euro area countries, the rejection rate for housing loans remained unchanged in Germany and Spain, while it declined in France and Italy.

**Chart 7**

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

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




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

## 2.2.4 Net demand for housing loans decreased moderately

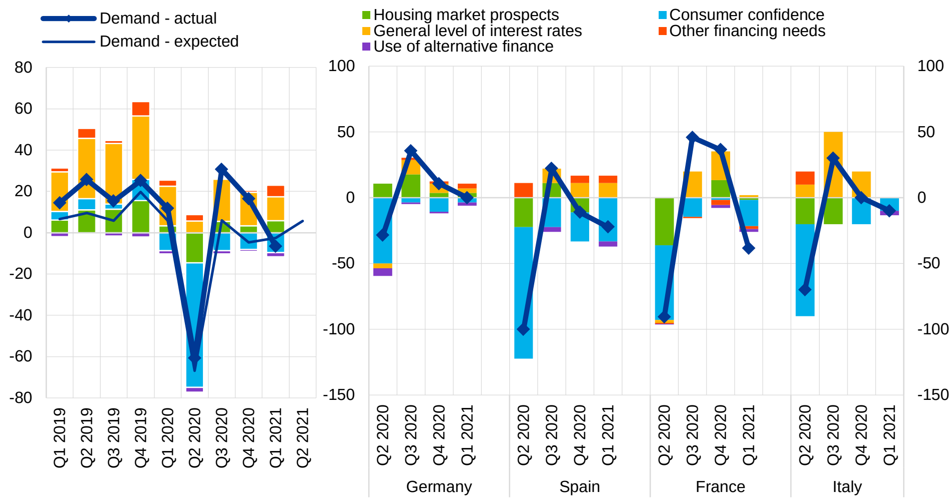
Banks reported a moderate net decrease in demand for housing loans in the first quarter of 2021, following increases in the two previous quarters (net percentage of banks standing at -7%, after 16% in the fourth quarter of 2020; see Chart 8 and Overview table).

While consumer confidence dampened demand for housing loans, demand continued to be supported by the low general level of interest rates and, to a lesser extent, housing market prospects (see Chart 8 and Table 8). In addition, other financing needs, mainly for the refinancing or restructuring of housing loans, contributed positively to housing loan demand in the first quarter of 2021. In combination with the solid net increase in housing loan demand in the previous two quarters and ongoing robust developments in actual mortgage lending flows, the net decline in housing loans in the first quarter may be temporary, which would be in line with banks' expectations (see below).

**Chart 8**

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

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




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

Across the largest euro area countries, banks in Spain, France and Italy reported a net decrease in housing loan demand, while banks in Germany reported unchanged demand for housing loans in the first quarter. Consumer confidence dampened housing loan demand in all large euro area countries, while the general level of interest rates contributed to an increase in most countries. The impact of housing market prospects was positive only in Germany, while it was neutral or slightly negative in the other countries. In addition, housing loan demand profited from debt refinancing (leading to a prolongation or higher loan amount) in Germany and Spain, while this factor had a neutral impact in France and Italy.

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

**Table 8**

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

(net percentages of banks)

| Country | Housing market prospects | | Consumer confidence | | Other financing needs | | General level of interest rates | | Use of alternative finance | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 |
| Euro area | 3 | 6 | -8 | -10 | 1 | 6 | 16 | 12 | -1 | -2 |
| Germany | 4 | 4 | -11 | -4 | 2 | 4 | 7 | 4 | -1 | -2 |
| Spain | -11 | 0 | -22 | -33 | 6 | 6 | 11 | 11 | 0 | -4 |
| France | 13 | -2 | -2 | -20 | -4 | -2 | 22 | 2 | -2 | -2 |
| Italy | 0 | 0 | -20 | -10 | 0 | 0 | 20 | 0 | 0 | -3 |

Note: See the notes to Chart 8.

## 2.3 Consumer credit and other lending to households

### 2.3.1 Credit standards for consumer credit and other lending to households continued to tighten moderately

In the first quarter of 2021, credit standards for consumer credit and other lending to households continued to tighten moderately (net percentage of 5%, after 3% in the previous quarter; see Chart 9 and Overview table). The net tightening remained smaller than in the first three quarters of 2020 and compares with a historical average since 2003 of 5%.

Risk perceptions related to the economic outlook and creditworthiness of consumers affected by the pandemic continued to be the main factor contributing to the net tightening of credit standards on consumer credit (see Chart 9 and Table 9). In addition, banks' risk tolerance had a small tightening impact, while banks' cost of funds and balance sheet situation had a neutral impact.

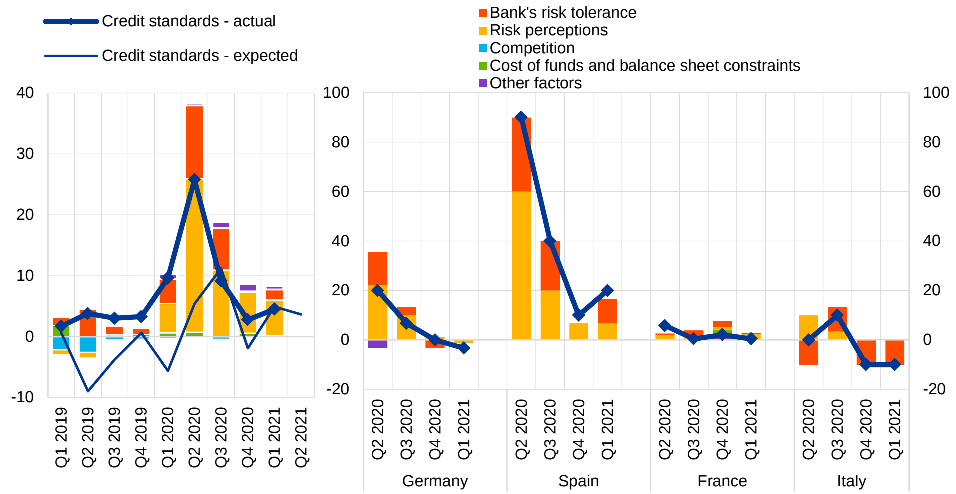
Across the largest euro area countries, credit standards for consumer credit and other lending to households continued to tighten in Spain, which may reflect the fact that the Spanish economy is strongly affected by the pandemic. Banks in Spain referred mainly to concerns regarding credit risk and a reduced risk tolerance as driving factors for the tightening. Banks in Germany and Italy reported a slight net easing of credit standards for consumer credit, while banks in France said, on balance, that they remained unchanged. At the current stage, banks in the largest euro area countries do not seem to have major concerns about consumers' credit risks. This appears consistent with the increase in households' savings rates and the accumulation of deposits, which are related to more limited spending opportunities and precautionary savings, while the rise in unemployment has been contained, partly owing to job retention schemes.

Looking ahead to the second quarter of 2021, euro area banks expect a continued moderate net tightening of credit standards on consumer credit and other lending to households (4%).

### Chart 9

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

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




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

### Table 9

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

(net percentages of banks)

| Country | Cost of funds and balance sheet constraints | | Pressure from competition | | Perception of risk | | Banks' risk tolerance | |
|---|---|---|---|---|---|---|---|---|
| | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 |
| **Euro area** | 1 | 0 | 0 | 0 | 7 | 6 | 0 | 2 |
| **Germany** | 0 | 0 | 0 | 0 | 1 | -1 | -3 | 0 |
| **Spain** | 0 | 0 | 0 | 0 | 7 | 7 | 0 | 10 |
| **France** | 2 | 0 | 0 | 0 | 1 | 2 | 2 | 0 |
| **Italy** | 0 | 0 | 0 | 0 | 0 | 0 | -10 | -10 |

Note: See the notes to Chart 9.

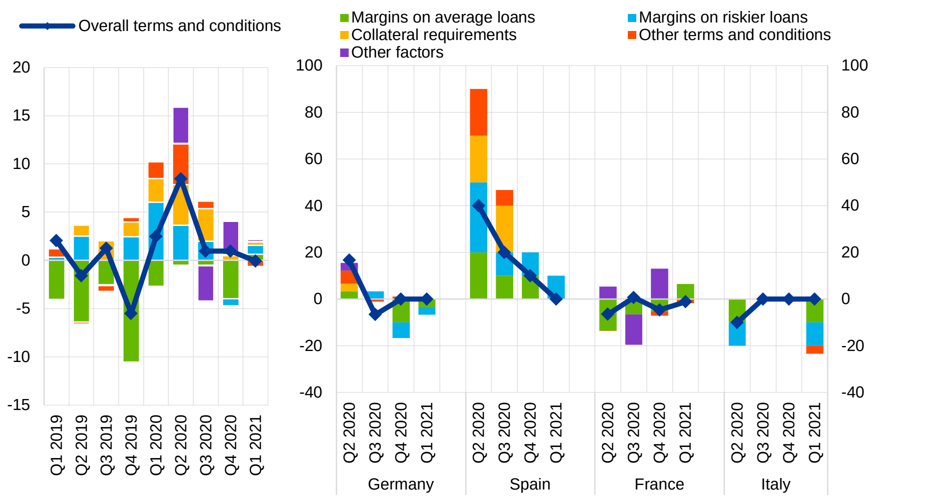
## 2.3.2 Terms and conditions on consumer credit and other lending to households remained unchanged

In the first quarter of 2021, banks' overall terms and conditions applied when granting consumer credit and other lending to households remained unchanged (net percentage of banks standing at 0%, after 1% in the previous quarter; see Chart 10 and Table 10). This is in line with broadly unchanged margins on average and riskier loans.

### Chart 10

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

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




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

### Table 10

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

(net percentages of banks)

| Country | Overall terms and conditions | | Banks' margins on average loans | | Banks' margins on riskier loans | |
|---|---|---|---|---|---|---|
| | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 |
| Euro area | 1 | 0 | -4 | 1 | -1 | 1 |
| Germany | 0 | 0 | -10 | -3 | -7 | -3 |
| Spain | 10 | 0 | 10 | 0 | 10 | 10 |
| France | -5 | -1 | -5 | 6 | 0 | 0 |
| Italy | 0 | 0 | 0 | -10 | 0 | -10 |

Note: See the notes to Chart 10.

Risk perceptions continued to have a slight tightening impact on banks' overall terms and conditions for consumer credit. By contrast, banks' cost of funds and balance sheet situation, competition, and banks' risk tolerance all had a broadly neutral impact (see Table 11).

Across the largest euro area countries, overall terms and conditions on consumer credit and other lending to households remained broadly unchanged in the first quarter of 2021, with some differences across the components such as loan margins. In this context, banks in Italy referred to some easing impact from competition and risk perceptions, while banks in Germany indicated a slight tightening impact of the latter.

**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 | |
|---|---|---|---|---|---|---|---|---|
| | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 |
| Euro area | 1 | 0 | -5 | -1 | 2 | 2 | 3 | 1 |
| Germany | 0 | -3 | -7 | 0 | 0 | 3 | 3 | 0 |
| Spain | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 0 |
| France | 2 | 5 | -7 | 0 | 2 | 0 | 0 | 0 |
| Italy | 0 | 0 | 0 | -10 | 0 | -10 | 0 | 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

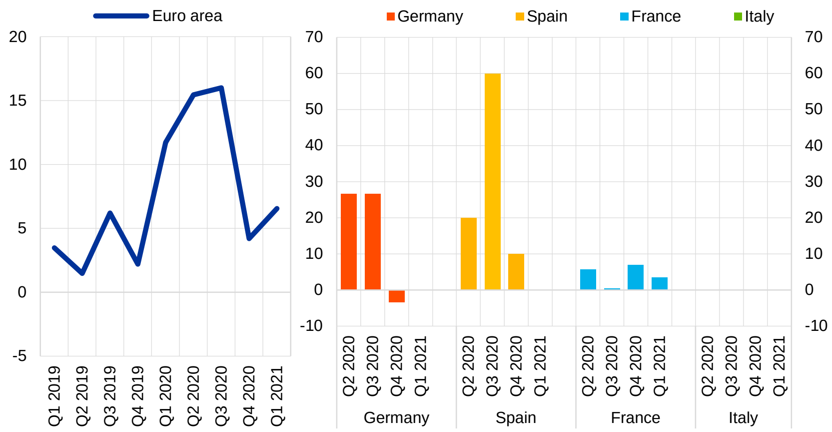
In the first quarter of 2021, banks indicated a net increase in the share of rejected loan applications for consumer credit and other lending to households (7%, after 4% in the previous survey round; see Chart 11). While the net increase was smaller than in the first three quarters of 2020, there has been a continued net increase in the share of loan rejections during the pandemic, according to the euro area banks. This development is consistent with the continued net tightening of credit standards for consumer credit and other lending to households.

Across the largest euro area countries, the rejection rate increased slightly in France, while it remained unchanged in Germany, Spain and Italy.

**Chart 11**

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

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




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

## 2.3.4 Net demand for consumer credit and other lending to households continued to decline

In the first quarter of 2021, banks reported, on balance, a stronger decrease in demand for consumer credit and other lending to households (net percentage of banks standing at -24%, after -9% in the previous quarter; see Chart 12 and Overview table). The net percentage remained below the historical average since 2003 (0%) and is consistent with recent actual data on consumer credit flows, highlighting the sensitivity of consumer credit to the stringency of coronavirus-related restrictions.

Banks reported lower consumer confidence and decreased spending on durable goods as the key driving factors for the net decline in demand for consumer credit (see Chart 12 and Table 12). This reflects the more limited spending opportunities and precautionary savings due to the pandemic-related containment measures as well as the uncertainty around the economic impact of the pandemic. In this context, the banks surveyed also indicated a dampening contribution of households' internal financing. This is consistent with actual data on households' accumulation of deposits and a higher household savings ratio. The low general level of interest rates supported demand for consumer credit only slightly in the first quarter of 2021, according to the banks.

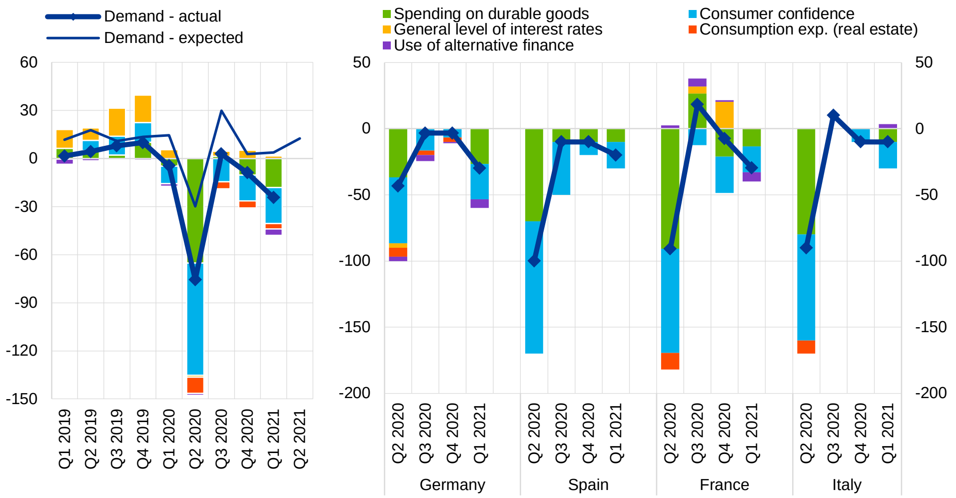
Banks in all largest euro area countries reported a net decline in demand for consumer credit. In most countries, the net decline was stronger than in the previous quarter, which may be related to consumers' renewed concerns regarding the spread of the virus and related containment measures. Lower consumer confidence and decreased spending on durable goods were the most relevant factors for the net decline in demand across countries. In addition, household savings dampened demand for consumer credit in Germany and France, while it supported demand for consumer credit in Italy, according to the banks.

In the second quarter of 2021, banks expect a net increase in demand for consumer credit and other lending to households (net percentage of banks standing at 13%).

### 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 to Chart 4. "Use of alternative finance" is the unweighted average of "internal financing out of savings", "loans from other banks" and "other sources of external finance". "Consumption exp. (real estate)" denotes "consumption expenditure financed through real estate-guaranteed loans".

### Table 12

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

(net percentages of banks)

| Country | Spending on durable goods | | Consumer confidence | | Consumption exp. (real estate) | | General level of interest rates | | Use of alternative finance | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 | Q4 2020 | Q1 2021 |
| **Euro area** | -10 | -18 | -16 | -23 | -5 | -3 | 5 | 2 | 0 | -4 |
| **Germany** | 0 | -27 | -7 | -27 | -3 | 0 | 0 | 0 | -1 | -7 |
| **Spain** | -10 | -10 | -10 | -20 | 0 | 0 | 0 | 0 | 0 | 0 |
| **France** | -21 | -13 | -27 | -20 | 0 | 0 | 20 | 0 | 1 | -7 |
| **Italy** | 0 | -10 | -10 | -20 | 0 | 0 | 0 | 0 | 0 | 3 |

Note: See the notes to Chart 12.

# 3 Ad hoc questions

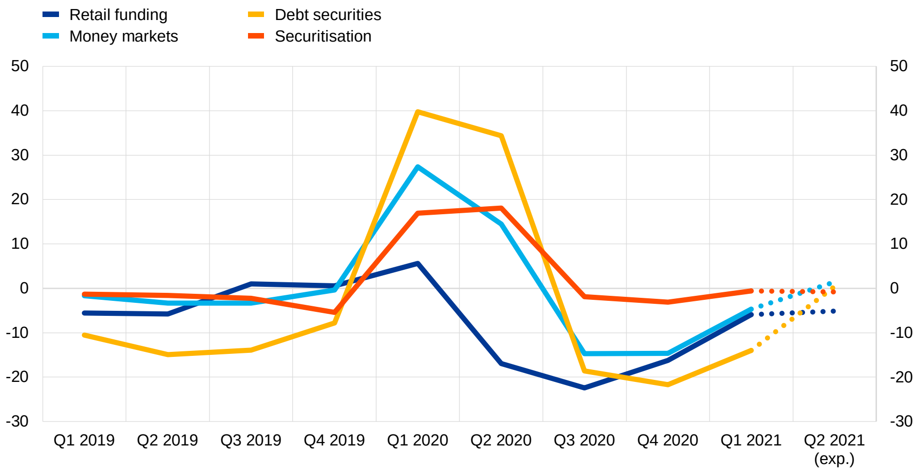
## 3.1 Banks’ access to retail and wholesale funding

The April 2021 survey included a question on the extent to which the situation in financial markets had affected banks’ access to retail and wholesale funding. Banks were asked whether their access to funding had deteriorated or eased over the past three months, as well as what their expectations were for the next three months. Here, negative net percentages indicate an improvement, while positive figures indicate a deterioration in net terms.

**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 for “deteriorated considerably” and “deteriorated somewhat” and the sum of the percentages for “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 |
|---|---|---|---|---|
| Q4 2020 | -16 | -15 | -22 | -3 |
| Q1 2021 | -6 | -5 | -14 | -1 |

Note: See the notes to Chart 13.

In the first quarter of 2021, euro area banks reported in net terms that their access to retail and wholesale funding continued to improve (see Chart 13 and Table 13). Banks reported another, albeit smaller, improvement in access to money markets and to funding via debt securities, in particular medium and long-term securities, while access to securitisation did not improve further.[6] This indicates that access to funding remained very favourable for banks on the back of supportive monetary policy and supervisory actions and despite the general rise in longer-term risk-free rates in the first quarter of 2021. Regarding retail funding, access continued to improve for both short-term and long-term deposits, but also to a lesser extent than in the previous round. The improvement was again driven by short-term deposit funding, in line with recent actual data showing continued inflows into overnight deposits in particular from households in the context of more limited spending opportunities and precautionary savings due to containment measures.

Looking ahead to the second quarter of 2021, euro area banks expect their access to retail funding to continue to improve, while they expect access to wholesale funding to remain broadly unchanged.

## 3.2 The impact of the ECB's asset purchase programmes

The April 2021 survey questionnaire included two biannual ad hoc questions gauging the impact of the ECB's asset purchase programme (APP) and the pandemic emergency purchase programme (PEPP). When answering the questions on the impact over the past and next six months, banks were asked to take into account the impact of the ECB's net asset purchases and the reinvestment of the principal payments from maturing securities purchased. Banks were also asked to consider both direct and indirect effects of the APP and PEPP, as there may be indirect effects on banks' financial situation and asset allocation.

### 3.2.1 Impact of the ECB's asset purchase programmes on banks' financial situation

Euro area banks reported, in net terms, that the APP and PEPP contributed to a further improvement of their liquidity position and their market financing conditions, but to a deterioration in their profitability over the past six months (see Charts 14 and 15). The reported net impact remained substantial although it was somewhat weaker than in the second and third quarters of 2020 for the liquidity position (net percentage of banks standing at 30%, after 35%) and market financing conditions (32%, after 39%). At the same time, the impact was more positive than expected by banks in the October 2020 BLS round, potentially reflecting indirect effects from the increase in the PEPP envelope announced at the December 2020 meeting. For profitability, banks reported a continued negative impact in net terms. This was driven by the negative contribution from net interest income, while banks reported in net terms a positive effect on capital gains.

Over the next six months, euro area banks expect a continued positive, albeit weaker, impact of the APP and PEPP on their liquidity position and their market financing

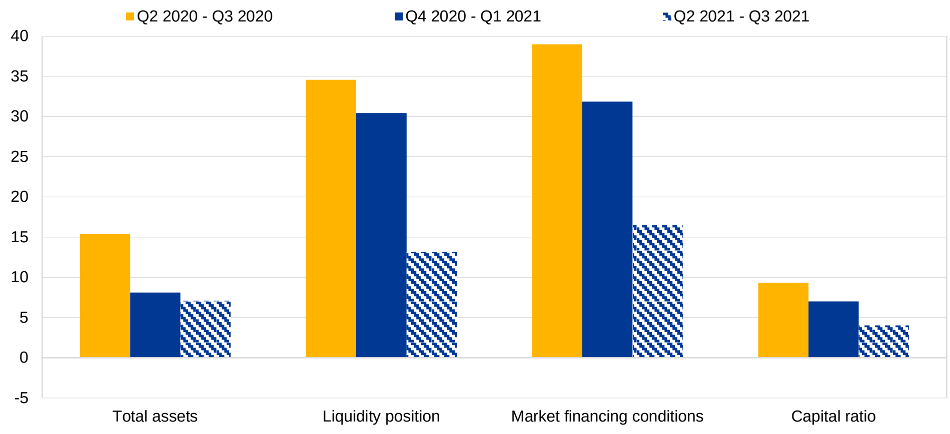
6 For the results on securitisation, there are a large number of banks that replied "Not Applicable" as this source of funding is not relevant for them (between 47% and 61%, depending on the type of securitisation, in the first quarter of 2021).

conditions (net percentages of banks of standing at 13% and 17%, respectively). In addition, banks expect a continued negative impact of the APP and the PEPP on their profitability (net percentage of -18%) in the next six months.

**Chart 14**

Overview of the impact of the ECB's asset purchase programmes on euro area banks' financial situation

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

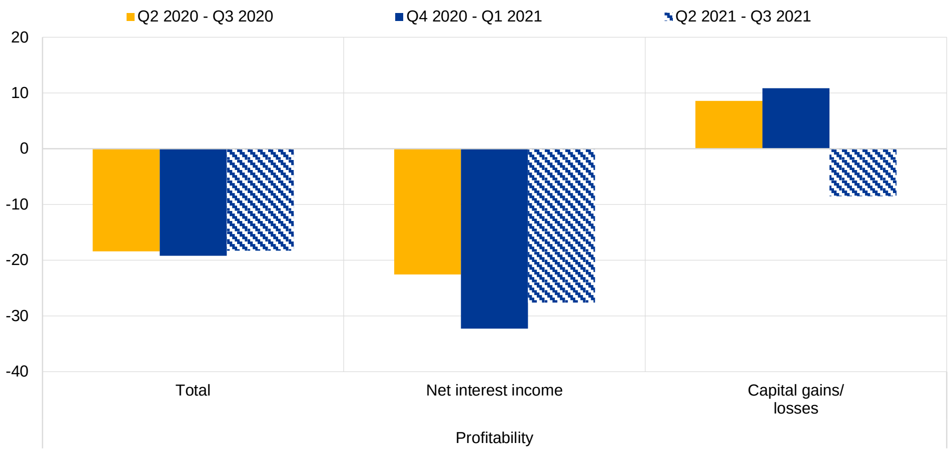



Notes: The net percentages are defined as the difference between the sum of the percentages for "increased/improved considerably" and "increased/improved somewhat" and the sum of the percentages for "decreased/deteriorated somewhat" and "decreased/deteriorated considerably". The last period denotes expectations indicated by banks in the current round.

**Chart 15**

Impact of the ECB's asset purchase programmes on bank profitability

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




Note: See the notes to Chart 14. The last period denotes expectations indicated by banks in the current round.

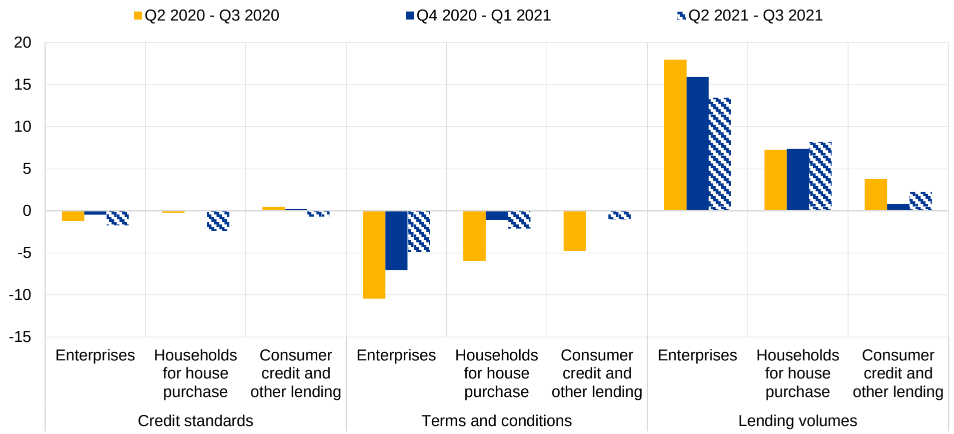
## 3.2.2 Impact of the ECB's asset purchase programmes on banks' lending conditions and lending volumes

Over the past six months, a larger share of euro area banks again reported an easing rather than a tightening impact of the APP and the PEPP on their terms and conditions for loans to enterprises (net percentage of banks standing at -7%, after -10%), while the impact was broadly neutral for housing loans and for consumer credit (see Chart 16). The impact on credit standards was again neutral across all loan categories, according to euro area banks.

**Chart 16**

Impact of the ECB's asset purchase programmes on bank lending

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




Notes: The net percentages are defined as the difference between the sum of the percentages for "tightened/increased considerably" and "tightened/increased somewhat" and the sum of the percentages for "eased/decreased somewhat" and "eased/decreased considerably". The last period denotes expectations indicated by banks in the current round.

Over the next six months, banks expect, in net terms, a further easing impact of the APP and the PEPP on their terms and conditions for loans to enterprises and housing loans (net percentages of -5% and -2%, respectively), while the expected impact remains broadly neutral for consumer credit and other lending to households (net percentage of -1%).

Regarding lending volumes, euro area banks reported a continued positive impact of the APP and the PEPP for loans to firms and housing loans over the past six months (net percentages of banks standing at 16% and 7%, respectively), while the impact was broadly neutral for consumer credit (net percentage of 1%, see Chart 16).

Over the next six months, euro area banks expect a positive impact on their lending volumes across all loan categories (net percentages of 13% for loans to enterprises, 8% for housing loans and 2% for consumer credit).

## 3.3 The impact of the ECB's negative deposit facility rate and the ECB's two-tier system

The April 2021 survey questionnaire included a biannual ad hoc question aimed at gauging the direct and indirect effects of the ECB's negative deposit facility rate (DFR) and the ECB's two-tier system. In the first part of the question, banks were asked to indicate the overall impact of the DFR, including the impact of the ECB's two-tier system. In the second part of the question, banks were asked to single out the impact of the ECB's two-tier system compared with the situation in which no two-tier system would exist. For both parts of the question, banks were asked to consider both direct and indirect effects over the past and next six months.

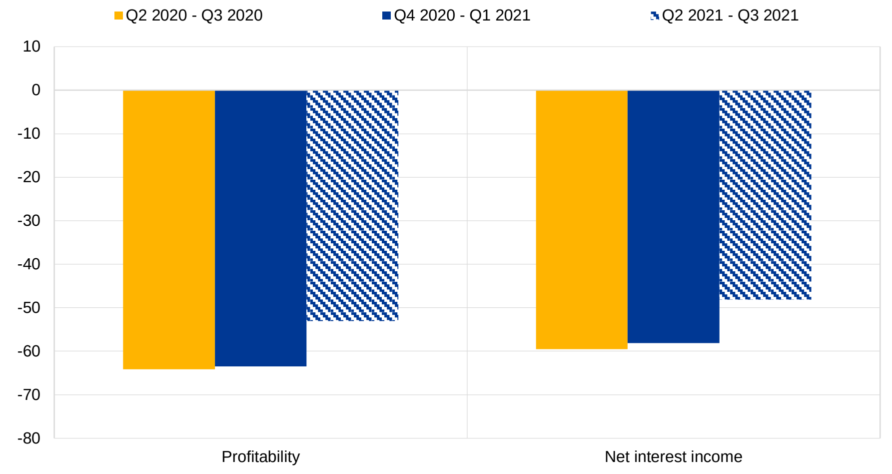
## 3.3.1 Impact of the ECB's negative deposit facility rate

Euro area banks reported, in net terms, a further negative impact of the ECB's negative deposit facility rate (including the impact of the ECB's two-tier system) on bank profitability over the past six months (net percentage of banks standing at -63%, after -64%; see Chart 17). This was again driven by a negative net impact on banks' net interest income[7] (net percentage of -58%, after -60%), reflecting the fact that despite continuously increasing pass-through of negative rates to deposit rates, banks' interest rate margins remain compressed.

**Chart 17**

Impact of the negative DFR on bank profitability

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




Notes: Including the impact of the ECB's two-tier system for remunerating excess liquidity holdings. The net percentages are defined as the difference between the sum of the percentages for "increased considerably" and "increased somewhat" and the sum of the percentages for "decreased somewhat" and "decreased considerably". The last period denotes expectations indicated by banks in the current round.

Regarding the DFR impact on bank lending rates, euro area banks, in net terms, continued to report a negative impact across loan categories (see Chart 18). The same net percentages of banks reported a negative impact for loans to firms and housing loans (-32% in both cases), while a smaller but still significant net percentage of banks reported a negative impact for consumer credit (-25%). In addition, in net terms, euro area banks also reported a negative impact on loan margins and no impact on non-interest rate charges on loans.[8] Banks expect these developments to continue over the next six months.

[7] Net interest income is defined as the difference between the interest earned and interest paid by the bank on the outstanding amount of interest-bearing assets and liabilities.

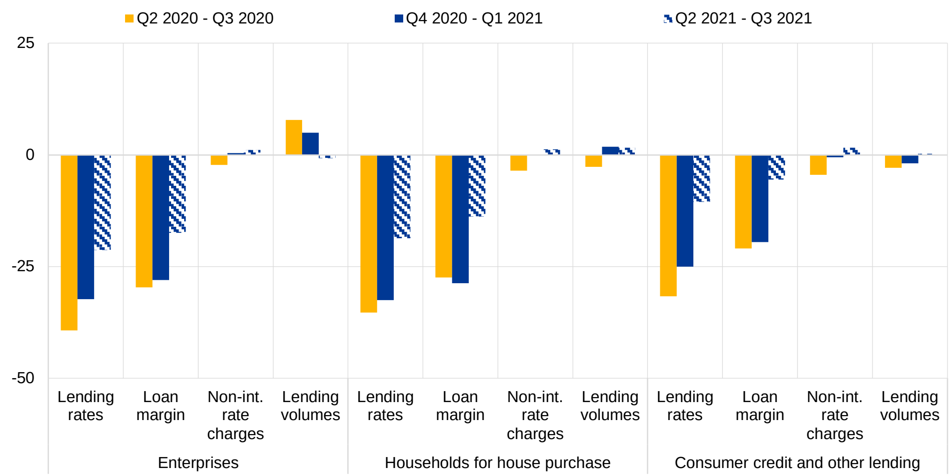
[8] Loan margin is defined as the spread of the bank's lending rates on new loans over a relevant market reference rate.

Euro area banks reported, in net terms, a moderate positive impact of the DFR on lending volumes for loans to enterprises (net percentage of 5%, after 8%; see Chart 18). For housing loans, banks reported a slightly positive net impact (net percentage of 2%, after -3%), while the net impact was slightly negative for consumer credit (net percentage of -2%, after -3%). For the coming six months, banks broadly expect no further impact on lending volumes for loans to firms and for consumer credit, while they expect a further slightly positive net impact for housing loans.

**Chart 18**

Impact of the negative DFR on bank lending

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



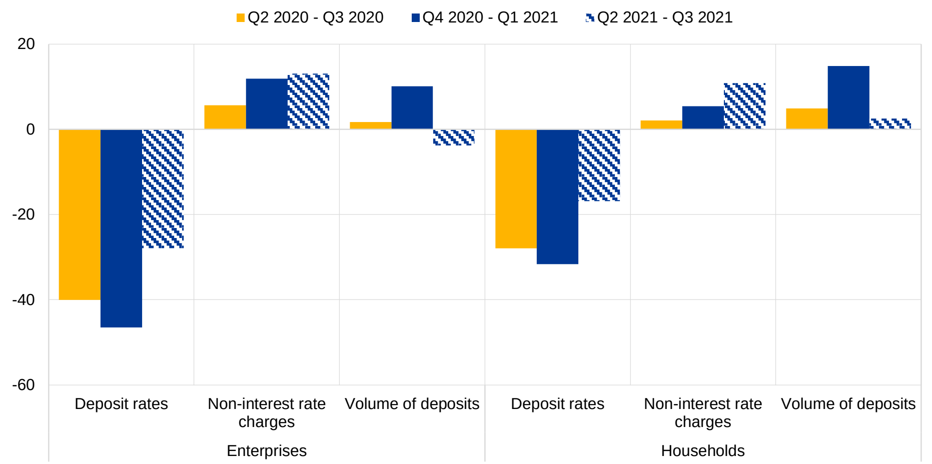

Notes: Including the impact of the ECB's two-tier system for remunerating excess liquidity holdings. The net percentages are defined as the difference between the sum of the percentages for "increased considerably" and "increased somewhat" and the sum of the percentages for "decreased somewhat" and "decreased considerably". The last period denotes expectations indicated by banks in the current round.

Euro area banks reported, in net terms, a negative impact of the DFR on rates on deposits held by enterprises and households over the past six months (see Chart 19). The net percentages of banks reporting a decrease in deposit rates due to the DFR was again larger for deposits from firms (-46%) than for deposits from households (-32%). This is in line with the continuously increasing pass-through of negative rates to private sector deposits which, however, remains more limited for household deposits. Over the next six months, banks expect a continued, albeit smaller negative impact of the DFR on deposit rates for firms and households.

**Chart 19**

Impact of the negative DFR on bank deposits

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




Notes: Including the impact of the ECB's two-tier system for remunerating excess liquidity holdings. The net percentages are defined as the difference between the sum of the percentages for "increased considerably" and "increased somewhat" and the sum of the percentages for "decreased somewhat" and "decreased considerably". The last period denotes expectations indicated by banks in the current round.

Regarding non-interest charges on deposits from firms and households, banks reported, in net terms, a larger positive impact than in previous rounds (net percentages of banks at 12%, after 6%, for firms and 5%, after 2%, for households), indicating an increased pass-through of negative rates via this channel. Over the next six months, banks expect similar developments.

Despite lower deposit rates, banks reported, in net terms, a positive impact of the DFR on deposit volumes both for firms and households (net percentages of banks standing at 10% for firms and 15% for households). This could be related to the low opportunity costs of holding liquidity in the current low interest rate environment, which supports the accumulation of deposits, particularly in the context of the pandemic. Over the next six months, banks expect a moderately negative impact of the DFR on deposit volumes from firms and a slightly positive impact on deposit volumes from households.

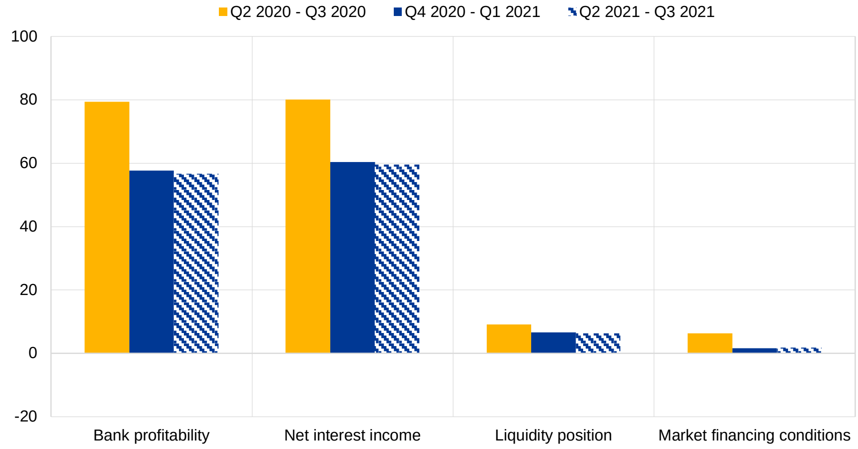
## 3.3.2 Impact of the ECB's two-tier system for remunerating excess liquidity holdings

Regarding the impact of the ECB's two-tier system, compared with the situation in which no two-tier system would exist, a large net percentage of euro area banks reported a continued positive impact on their profitability (net percentage of 58%, after 79%; see Chart 20), mainly related to a positive impact on net interest income. In addition, a limited net percentage of banks reported a positive impact of the two-tier system on their liquidity position and market financing conditions (net percentages of 7% and 2%, respectively). Over the next six months, banks expect similar patterns to persist. The positive impact is also reflected in lending and deposit rates where banks report, in net terms, that lending rates were lower and deposit rates were higher than they would have been without the two-tier system, both for firms and households.

**Chart 20**

Impact of the ECB's two-tier system on banks' financial situation

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




Notes: The net percentages are defined as the difference between the sum of the percentages for "improved considerably" and "improved somewhat" and the sum of the percentages for "deteriorated somewhat" and "deteriorated considerably". The last period denotes expectations indicated by banks in the current round.

## 3.4 The impact of TLTRO III on banks and their lending policies

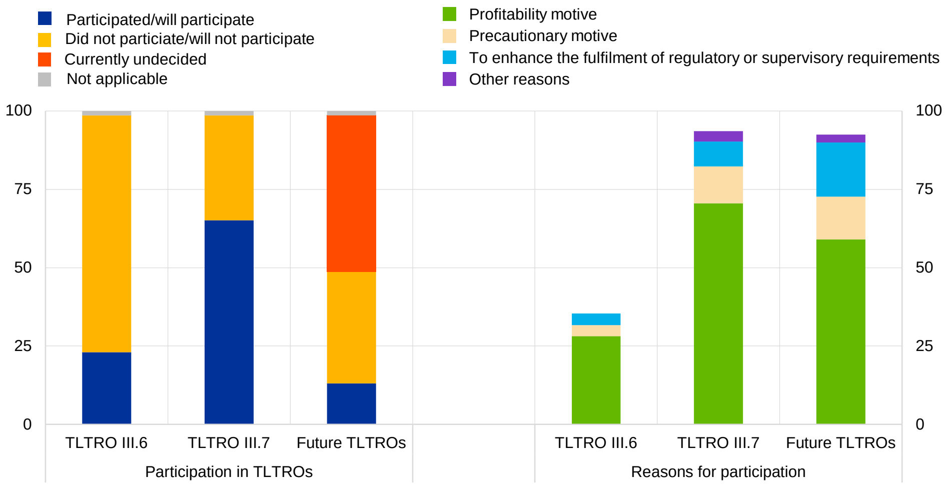
The April 2021 survey questionnaire included some ad hoc questions on the impact of the Eurosystem's third series of targeted longer-term refinancing operations (TLTRO III). Banks were asked about their participation in that series of operations and their reasons for doing so, as well as about their use of TLTRO III liquidity. In addition, they were asked about the impact of TLTRO III on their financial situation, as well as on their lending conditions and lending volumes over the past six months and the next six months.

In most recent TLTRO III in March 2021, 65% of banks surveyed participated (see Chart 21), after a more limited participation in December TLTRO III (23% of banks). This second-highest participation rate (after the June 2020 operation, which was 76%) likely reflects the recalibration of the TLTRO III modalities at the December 2020 monetary policy meeting, specifically the increase in the borrowing allowance and the extension of the more favourable pandemic interest rate conditions, as well as the fact that the March 2021 operation was the last one without the new, possibly more challenging, lending benchmark. By contrast, the December 2020 allotment occurred under the conditions prevailing before the recalibration, which meant that some banks had already reached their borrowing limit. For future operations of the TLTRO III programme, 13% of banks are already certain to participate, while half of the banks have not yet decided.

**Chart 21**

Banks' participation in TLTRO III and their reasons for participation

(percentages of banks)




Notes: TLTRO III.6 in December 2020 corresponds to the "next to last TLTRO" in the questionnaire. TLTRO III.7 in March 2021 corresponds to the "most recent TLTRO". Unweighted percentages of banks at national level for participation. Banks were asked to rate all reasons in terms of the extent to which they have contributed to their participation in TLTRO III. "Other reasons" are specific reasons cited by banks that were not included in the questionnaire.

The profitability motive (attractiveness of TLTRO III conditions) remained the most important reason for banks to participate in TLTRO III (71% of all banks for the March 2021 operation, after 28% for the December 2020 operation; see Chart 21).[9] In fact, profitability was reported as a reason by all banks participating in the respective operations.[10] The precautionary motive, i.e. the avoidance or reduction of funding difficulties, (12% of the banks, after 3%) and the fulfilment of regulatory or supervisory requirements (8% of the banks, after 4%) were less relevant for banks in the last two TLTROs.

The main reason for participating in future TLTRO III is again related to the profitability motive (59% of all banks). In addition, the fulfilment of regulatory or supervisory requirements is expected to play a more important role as reason for participation (17% of banks), while the precautionary motive is expected to remain similarly important (14% of banks) for future operations.

Over the past six months, 65% of the banks surveyed said that they used TLTRO III liquidity for granting loans to the non-financial private sector (after 72% in the October 2020 BLS round; see Chart 22; see below for the information on lending conditions and volumes across loan categories). In addition, 36% of the banks reported holding TLTRO III funds as liquidity with the Eurosystem (after 45%). Banks may use this liquidity for granting loans in the coming months. The use of TLTRO III liquidity by banks for refinancing purposes (percentage of banks standing at 17%, after 30%) and for purchasing assets was more limited (percentage of banks at 15%, after 16%).

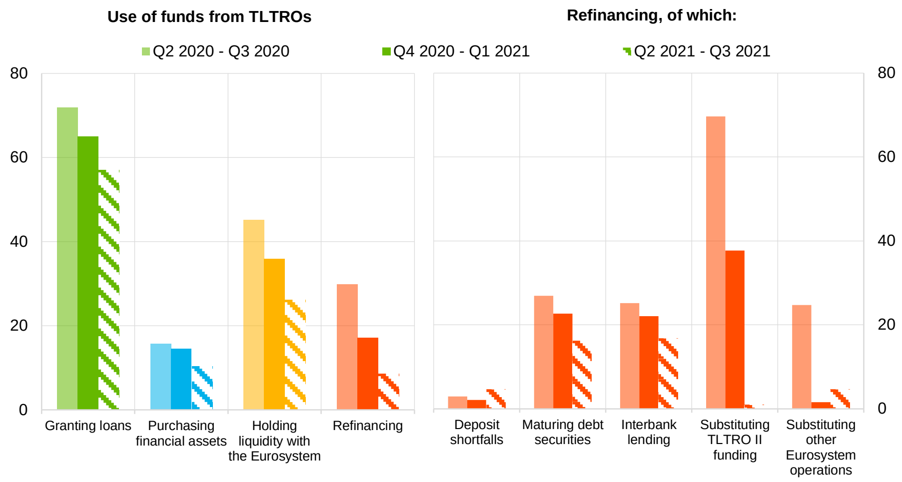
9 Banks which participated in the respective TLTRO III are asked about the reasons for participation and can indicate more than one reason. The lower share of the reasons for the December 2020 operation is thus due to the lower participation rate and the fact that the percentage share refers to all banks.

10 This results from comparing the net percentages with the respective participation rates based on weighted net percentages.

## Chart 22

Use of TLTRO III liquidity by banks

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




Notes: Banks were asked to indicate the relevance of all purposes. "Purchasing financial assets" is the average of "purchasing domestic sovereign bonds" and "purchasing other financial assets". "Granting loans" refers to loans to the non-financial private sector. The last period denotes expectations indicated by banks in the current round.

The main refinancing purpose over the past six months was again the substitution of TLTRO II funding (38% of the banks, after 70%; see Chart 22). The substitution of maturing debt (23%, after 27%), and of interbank lending (22%, after 25%) became more important relative to other purposes compared with the previous round, while the substitution of other Eurosystem liquidity operations was no longer relevant (2%, after 25%). In addition, covering deposit shortfalls again played a minor role (2%, after 3%) given the continued growth of bank deposits held by the non-financial private sector.

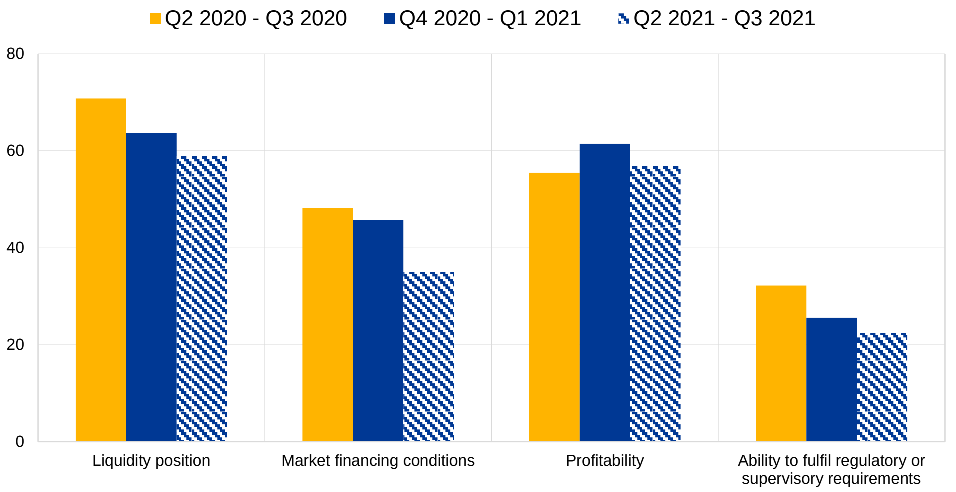
Over the next six months, the purpose of granting loans remains the most important one, quoted by 57% of the euro area banks, while 26% referred to the purpose of holding liquidity with the Eurosystem. The refinancing purpose is expected by banks to play a smaller role (mentioned by 9% of the banks). Within this category, the relative importance of substituting maturing debt securities (16%) and interbank lending (17%) is expected to remain broadly balanced, while substituting TLTRO II funding is no longer relevant given that these funds matured in March 2021.

Banks indicated an overall positive impact of TLTRO III on their financial situation, mainly regarding their liquidity position, their market financing conditions and their profitability (see Chart 23). For all three categories, banks reported a continued positive impact, similarly to the October 2020 BLS round. This likely reflects the positive impact of the TLTRO III recalibration in December 2020 as well as the continued positive impact of earlier TLTRO III allotments, mainly the June 2020 one. Over the next six months, the positive impact is expected to remain broadly similar, according to the banks.

**Chart 23**

Impact of TLTRO III on banks' financial situation

(net improvement reported by banks, over the past and next six months)




Notes: The signs for these net percentages have been inverted to show net improvements. The net improvement is defined as the difference between the sum of the percentages for "contributed considerably to an improvement" and "contributed somewhat to an improvement" and the sum of the percentages for "contributed somewhat to a deterioration" and "contributed considerably to a deterioration". The last period denotes expectations indicated by banks in the current round.

Banks reported a net easing impact of TLTRO III on their terms and conditions across all loan categories (see Chart 24), while the impact on credit standards was limited. The net easing impact on terms and conditions was strong for loans to enterprises over the past six months (net percentages of -27%, after -19%), and more limited for loans to households (net percentage of -4%, after 2% for both housing loans and consumer credit). Regarding credit standards, banks only reported a net easing impact for loans to firms (net percentage of -8%, after -14%), while there was no impact, in net terms, for loans to households (0% for housing loans and consumer credit).

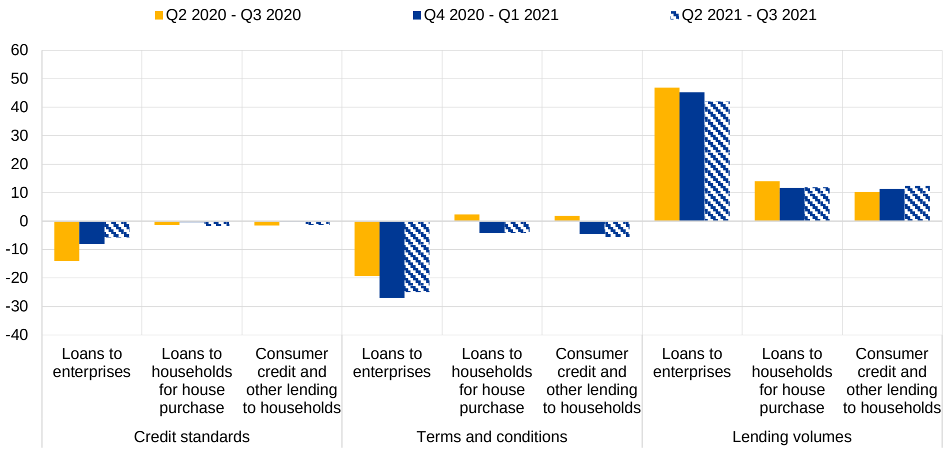
A large net percentage of euro area banks continued to report a positive impact of TLTRO III on their lending volumes to enterprises over the past six months (net percentage of 45%, after 47%; see Chart 24). For lending to households, the reported positive net impact remained at similar levels compared with the October 2020 BLS round (net percentages of 12% for housing loans and 11% for consumer credit).

Over the coming six months, banks expect, on balance, a further easing impact of TLTRO III on bank lending conditions and a further positive impact on lending volumes across all loan categories, especially for loans to firms. The net percentages for the expected impact are close to the net percentages reported for the past six months.

**Chart 24**

Impact of TLTRO III on bank lending conditions and lending volumes

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




Notes: Net percentages are defined as the difference between the sum of the percentages for "contributed considerably to a tightening or increase" and "contributed somewhat to a tightening or increase" and the sum of the percentages for "contributed somewhat to an easing or decrease" and "contributed considerably to an easing or decrease". The last period denotes expectations indicated by banks in the current round.

# Annex 1
# Results for the standard questions*

## Loans or credit lines to enterprises

### Question 1

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

(in percentages, unless otherwise stated)

| | Overall | | Loans to small and medium-sized enterprises[5] | | Loans to large enterprises[5] | | Short-term loans[6] | | Long-term loans[6] | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 |
| Tightened considerably | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tightened somewhat | 21 | 8 | 26 | 8 | 17 | 7 | 20 | 7 | 27 | 11 |
| Remained basically unchanged | 73 | 90 | 71 | 89 | 82 | 92 | 79 | 91 | 73 | 89 |
| Eased somewhat | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 |
| Eased considerably | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NA[7] | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| **Net percentage** | **25** | **7** | **25** | **7** | **16** | **5** | **19** | **6** | **26** | **10** |
| Diffusion index | 15 | 3 | 13 | 4 | 8 | 3 | 9 | 3 | 13 | 5 |
| Mean | 2.71 | 2.93 | 2.74 | 2.93 | 2.84 | 2.95 | 2.81 | 2.94 | 2.74 | 2.90 |
| Number of banks responding | 134 | 134 | 131 | 132 | 128 | 128 | 134 | 134 | 134 | 134 |

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

* Figures might not add up to 100 due to rounding

## Question 2

Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of loans or credit lines to enterprises?

(in percentages, unless otherwise stated)

| | -- | - | ° | + | ++ | NA[7] | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 |
| **Overall** | | | | | | | | | | | | |
| **A) Cost of funds and balance sheet constraints[1]** | | | | | | | | | | | | |
| Costs related to your bank's capital position[2] | 1 | 0 | 97 | 0 | 0 | 1 | 0 | 1 | 1 | 1 | 2.99 | 2.98 |
| Your bank's ability to access market financing[3] | 0 | 0 | 96 | 1 | 0 | 3 | -1 | -1 | 0 | -1 | 3.01 | 3.01 |
| Your bank's liquidity position | 0 | 0 | 98 | 1 | 0 | 1 | -3 | -1 | -1 | 0 | 3.03 | 3.01 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Competition from other banks | 0 | 0 | 91 | 8 | 0 | 2 | -2 | -8 | -1 | -4 | 3.02 | 3.08 |
| Competition from non-banks[4] | 0 | 0 | 97 | 2 | 0 | 2 | 0 | -2 | 0 | -1 | 3.00 | 3.02 |
| Competition from market financing | 0 | 0 | 97 | 2 | 0 | 2 | 0 | -2 | 0 | -1 | 3.00 | 3.02 |
| **C) Perception of risk[5]** | | | | | | | | | | | | |
| General economic situation and outlook | 0 | 8 | 91 | 0 | 0 | 0 | 35 | 8 | 18 | 4 | 2.63 | 2.92 |
| Industry or firm-specific situation and outlook/borrower's creditworthiness[6] | 0 | 10 | 89 | 1 | 0 | 0 | 29 | 10 | 16 | 5 | 2.69 | 2.90 |
| Risk related to the collateral demanded | 0 | 5 | 95 | 0 | 0 | 0 | 7 | 5 | 4 | 2 | 2.91 | 2.95 |
| **D) Your bank's risk tolerance[5]** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 3 | 96 | 1 | 0 | 0 | 6 | 2 | 3 | 1 | 2.94 | 2.98 |
| **Small and medium-sized enterprises** | | | | | | | | | | | | |
| **A) Cost of funds and balance sheet constraints[1]** | | | | | | | | | | | | |
| Costs related to your bank's capital position[2] | 1 | 3 | 94 | 0 | 0 | 2 | 1 | 4 | 1 | 2 | 2.99 | 2.95 |
| Your bank's ability to access market financing[3] | 0 | 0 | 95 | 1 | 0 | 4 | -1 | -1 | 0 | 0 | 3.01 | 3.01 |
| Your bank's liquidity position | 0 | 0 | 97 | 1 | 0 | 2 | -3 | -1 | -1 | 0 | 3.03 | 3.01 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Competition from other banks | 0 | 0 | 88 | 8 | 0 | 3 | -3 | -8 | -1 | -4 | 3.03 | 3.09 |
| Competition from non-banks[4] | 0 | 0 | 95 | 2 | 0 | 3 | 0 | -2 | 0 | -1 | 3.00 | 3.02 |
| Competition from market financing | 0 | 0 | 95 | 2 | 0 | 3 | 0 | -2 | 0 | -1 | 3.00 | 3.02 |
| **C) Perception of risk[5]** | | | | | | | | | | | | |
| General economic situation and outlook | 0 | 9 | 90 | 0 | 0 | 1 | 35 | 9 | 18 | 4 | 2.62 | 2.91 |
| Industry or firm-specific situation and outlook/borrower's creditworthiness[6] | 0 | 10 | 88 | 0 | 0 | 1 | 29 | 10 | 16 | 5 | 2.67 | 2.90 |
| Risk related to the collateral demanded | 0 | 5 | 94 | 0 | 0 | 1 | 7 | 5 | 4 | 2 | 2.91 | 2.95 |
| **D) Your bank's risk tolerance[5]** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 2 | 96 | 0 | 0 | 1 | 5 | 2 | 2 | 1 | 2.95 | 2.98 |

| | -- | - | ° | + | ++ | NA[7] | NetP Jan 21 | NetP Apr 21 | DI Jan 21 | DI Apr 21 | Mean Jan 21 | Mean Apr 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Large enterprises** | | | | | | | | | | | | |
| **A) Cost of funds and balance sheet constraints[1]** | | | | | | | | | | | | |
| Costs related to your bank's capital position[2] | 0 | 1 | 97 | 0 | 0 | 1 | 1 | 1 | 0 | 1 | 2.99 | 2.99 |
| Your bank's ability to access market financing[3] | 0 | 0 | 96 | 1 | 0 | 3 | -1 | -1 | 0 | -1 | 3.01 | 3.02 |
| Your bank's liquidity position | 0 | 0 | 98 | 1 | 0 | 1 | -3 | -1 | -1 | 0 | 3.03 | 3.01 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Competition from other banks | 0 | 0 | 95 | 3 | 0 | 2 | -1 | -3 | -1 | -1 | 3.01 | 3.03 |
| Competition from non-banks[4] | 0 | 0 | 96 | 2 | 0 | 2 | 0 | -2 | 0 | -1 | 3.00 | 3.02 |
| Competition from market financing | 0 | 0 | 96 | 2 | 0 | 2 | 0 | -2 | 0 | -1 | 3.00 | 3.02 |
| **C) Perception of risk[5]** | | | | | | | | | | | | |
| General economic situation and outlook | 0 | 7 | 92 | 0 | 0 | 0 | 29 | 7 | 15 | 4 | 2.71 | 2.93 |
| Industry or firm-specific situation and outlook/borrower's creditworthiness[6] | 0 | 9 | 90 | 1 | 0 | 0 | 26 | 9 | 13 | 5 | 2.74 | 2.91 |
| Risk related to the collateral demanded | 0 | 4 | 96 | 0 | 0 | 0 | 6 | 4 | 3 | 2 | 2.94 | 2.96 |
| **D) Your bank's risk tolerance[5]** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 2 | 97 | 1 | 0 | 0 | 6 | 1 | 4 | 1 | 2.92 | 2.99 |

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

## Question 3

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

(in percentages, unless otherwise stated)

| | -- | - | ° | + | ++ | NA[6] | NetP Jan 21 | NetP Apr 21 | DI Jan 21 | DI Apr 21 | Mean Jan 21 | Mean Apr 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Overall** | | | | | | | | | | | | |
| **A) Overall terms and conditions[1]** | | | | | | | | | | | | |
| Overall terms and conditions | 0 | 5 | 89 | 5 | 0 | 0 | 14 | 0 | 7 | 0 | 2.86 | 3.00 |
| **B) Margins** | | | | | | | | | | | | |
| Your bank's margin on average loans[2] | 0 | 9 | 79 | 12 | 0 | 0 | 4 | -3 | 2 | -2 | 2.96 | 3.03 |
| Your bank's margin on riskier loans | 0 | 6 | 90 | 2 | 0 | 1 | 10 | 4 | 5 | 2 | 2.89 | 2.95 |
| **C) Other conditions and terms** | | | | | | | | | | | | |
| Non-interest rate charges[3] | 0 | 1 | 97 | 2 | 0 | 0 | 1 | -2 | 0 | -1 | 2.99 | 3.02 |
| Size of the loan or credit line | 0 | 4 | 93 | 3 | 0 | 0 | 2 | 1 | 1 | 0 | 2.98 | 2.99 |
| Collateral[4] requirements | 0 | 5 | 95 | 1 | 0 | 0 | 20 | 4 | 10 | 2 | 2.80 | 2.96 |
| Loan covenants[5] | 0 | 2 | 97 | 1 | 0 | 0 | 3 | 1 | 2 | 0 | 2.97 | 2.99 |
| Maturity | 0 | 3 | 91 | 6 | 0 | 0 | 2 | -3 | 1 | -2 | 2.98 | 3.03 |
| **Small and medium-sized enterprises** | | | | | | | | | | | | |
| **A) Overall terms and conditions[1]** | | | | | | | | | | | | |
| Overall terms and conditions | 0 | 6 | 89 | 4 | 0 | 1 | 19 | 2 | 9 | 1 | 2.81 | 2.98 |
| **B) Margins** | | | | | | | | | | | | |
| Your bank's margin on average loans[2] | 0 | 8 | 84 | 7 | 0 | 1 | 8 | 1 | 4 | 1 | 2.91 | 2.98 |
| Your bank's margin on riskier loans | 0 | 7 | 88 | 1 | 0 | 2 | 14 | 6 | 7 | 3 | 2.85 | 2.93 |
| **C) Other conditions and terms** | | | | | | | | | | | | |
| Non-interest rate charges[3] | 0 | 1 | 96 | 1 | 0 | 1 | 2 | 0 | 1 | 0 | 2.98 | 3.00 |
| Size of the loan or credit line | 0 | 3 | 92 | 2 | 0 | 1 | 3 | 1 | 2 | 1 | 2.96 | 2.98 |
| Collateral[4] requirements | 0 | 4 | 94 | 0 | 0 | 1 | 21 | 4 | 11 | 2 | 2.79 | 2.95 |
| Loan covenants[5] | 0 | 1 | 97 | 0 | 0 | 1 | 7 | 2 | 4 | 1 | 2.92 | 2.98 |
| Maturity | 0 | 2 | 94 | 3 | 0 | 1 | 2 | -1 | 1 | -1 | 2.98 | 3.01 |
| **Large enterprises** | | | | | | | | | | | | |
| **A) Overall terms and conditions[1]** | | | | | | | | | | | | |
| Overall terms and conditions | 0 | 6 | 87 | 7 | 0 | 0 | 12 | -1 | 6 | 0 | 2.88 | 3.01 |
| **B) Margins** | | | | | | | | | | | | |
| Your bank's margin on average loans[2] | 0 | 5 | 82 | 13 | 0 | 0 | 6 | -9 | 3 | -4 | 2.94 | 3.09 |
| Your bank's margin on riskier loans | 0 | 7 | 91 | 2 | 0 | 0 | 10 | 5 | 5 | 2 | 2.89 | 2.95 |
| **C) Other conditions and terms** | | | | | | | | | | | | |
| Non-interest rate charges[3] | 0 | 1 | 97 | 2 | 0 | 0 | 1 | -2 | 0 | -1 | 2.99 | 3.02 |
| Size of the loan or credit line | 0 | 4 | 91 | 4 | 0 | 0 | 4 | 0 | 2 | 0 | 2.96 | 3.00 |
| Collateral[4] requirements | 0 | 4 | 95 | 1 | 0 | 0 | 14 | 3 | 7 | 1 | 2.86 | 2.97 |
| Loan covenants[5] | 0 | 1 | 96 | 3 | 0 | 0 | 2 | -1 | 1 | -1 | 2.98 | 3.01 |
| Maturity | 0 | 2 | 92 | 6 | 0 | 0 | 4 | -4 | 2 | -2 | 2.96 | 3.04 |

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 Jan 21 | NetP Apr 21 | DI Jan 21 | DI Apr 21 | Mean Jan 21 | Mean Apr 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Overall impact on your bank's credit terms and conditions** | | | | | | | | | | | | |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 3 | 94 | 3 | 0 | 0 | 3 | -1 | 1 | 0 | 3 | 3.01 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 0 | 95 | 3 | 0 | 1 | -1 | -3 | 0 | -2 | 3 | 3.03 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 11 | 88 | 1 | 0 | 0 | 27 | 10 | 14 | 5 | 3 | 2.90 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 3 | 96 | 1 | 0 | 0 | 13 | 1 | 6 | 1 | 3 | 2.99 |
| **Impact on your bank's margins on average loans** | | | | | | | | | | | | |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 3 | 93 | 3 | 0 | 0 | 3 | 0 | 1 | 0 | 3 | 3.00 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 0 | 90 | 8 | 0 | 1 | -1 | -8 | -1 | -4 | 3 | 3.08 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 9 | 90 | 1 | 0 | 0 | 19 | 8 | 9 | 4 | 3 | 2.92 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 4 | 94 | 1 | 0 | 0 | 7 | 3 | 3 | 2 | 3 | 2.97 |
| **Impact on your bank's margins on riskier loans** | | | | | | | | | | | | |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 3 | 96 | 0 | 0 | 1 | 4 | 3 | 2 | 2 | 3 | 2.96 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 1 | 96 | 1 | 0 | 2 | 1 | 0 | 1 | 0 | 3 | 3.00 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 9 | 89 | 0 | 0 | 1 | 30 | 9 | 15 | 5 | 3 | 2.90 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 4 | 92 | 2 | 0 | 1 | 11 | 2 | 7 | 1 | 3 | 2.98 |

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

## Question 5

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

(in percentages, unless otherwise stated)

| | Share of rejected applications | |
|---|---|---|
| | **Jan 21** | **Apr 21** |
| Decreased considerably | 2 | 2 |
| Decreased somewhat | 3 | 2 |
| Remained basically unchanged | 87 | 83 |
| Increased somewhat | 7 | 12 |
| Increased considerably | 0 | 0 |
| NA[3] | 1 | 1 |
| Total | 100 | 100 |
| **Net percentage** | **2** | **8** |
| Diffusion index | 0 | 3 |
| Mean | 3.00 | 3.06 |
| Number of banks responding | 134 | 134 |

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

## Question 6

Over the past three months (apart from normal seasonal fluctuations), how has the demand for loans[1] or credit lines[2] to enterprises changed at your bank? Please refer to the financing need of enterprises independent of whether this need will result in a loan or not.

(in percentages, unless otherwise stated)

| | Overall | | Loans to small and medium-sized enterprises | | Loans to large enterprises | | Short-term loans | | Long-term loans | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 |
| Decreased considerably | 2 | 3 | 5 | 5 | 2 | 1 | 3 | 2 | 3 | 2 |
| Decreased somewhat | 27 | 29 | 23 | 34 | 19 | 33 | 13 | 23 | 27 | 30 |
| Remained basically unchanged | 55 | 55 | 52 | 46 | 66 | 50 | 71 | 65 | 56 | 54 |
| Increased somewhat | 15 | 13 | 18 | 12 | 12 | 15 | 12 | 10 | 12 | 14 |
| Increased considerably | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 2 | 0 |
| NA[3] | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| **Net percentage** | **-12** | **-20** | **-10** | **-26** | **-8** | **-19** | **-3** | **-15** | **-16** | **-18** |
| Diffusion index | -7 | -11 | -8 | -15 | -4 | -9 | -3 | -8 | -8 | -10 |
| Mean | 2.87 | 2.77 | 2.83 | 2.68 | 2.91 | 2.81 | 2.94 | 2.84 | 2.83 | 2.81 |
| Number of banks responding | 134 | 134 | 131 | 132 | 128 | 128 | 134 | 134 | 134 | 134 |

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

## Question 7

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

(in percentages, unless otherwise stated)

| | -- | - | ° | + | ++ | NA[2] | NetP | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 |
| **A) Financing needs/underlying drivers or purpose of loan demand** | | | | | | | | | | | | |
| Fixed investment | 4 | 24 | 64 | 7 | 0 | 0 | -22 | -21 | -12 | -13 | 2.75 | 2.75 |
| Inventories and working capital | 2 | 15 | 66 | 17 | 0 | 0 | 14 | 0 | 6 | -1 | 3.12 | 2.98 |
| Mergers/acquisitions and corporate restructuring | 0 | 13 | 77 | 9 | 0 | 0 | -13 | -3 | -7 | -2 | 2.86 | 2.97 |
| General level of interest rates | 0 | 0 | 99 | 1 | 0 | 0 | 3 | 1 | 2 | 0 | 3.03 | 3.01 |
| Debt refinancing/restructuring and renegotiation[1] | 0 | 3 | 82 | 15 | 0 | 0 | 22 | 12 | 11 | 6 | 3.23 | 3.12 |
| **B) Use of alternative finance** | | | | | | | | | | | | |
| Internal financing | 0 | 3 | 96 | 1 | 0 | 0 | 3 | -2 | 1 | -1 | 3.03 | 2.98 |
| Loans from other banks | 0 | 3 | 97 | 0 | 0 | 0 | -3 | -3 | -1 | -1 | 2.97 | 2.97 |
| Loans from non-banks | 0 | 2 | 98 | 0 | 0 | 0 | 6 | -1 | 3 | -1 | 3.06 | 2.99 |
| Issuance/redemption of debt securities | 0 | 6 | 87 | 1 | 0 | 5 | -1 | -5 | -1 | -2 | 2.99 | 2.96 |
| Issuance/redemption of equity | 0 | 1 | 90 | 1 | 0 | 7 | 1 | 0 | 0 | 0 | 3.01 | 3.01 |

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

## Question 8
Please indicate how you expect your bank's credit standards as applied to the approval of loans or credit lines to enterprises to change over the next three months. Please note that we are asking about the change in credit standards, rather than about their level.

(in percentages, unless otherwise stated)

| | Overall | | Loans to small and medium-sized enterprises | | Loans to large enterprises | | Short-term loans | | Long-term loans | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 |
| Tighten considerably | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Tighten somewhat | 20 | 7 | 23 | 6 | 20 | 6 | 19 | 5 | 20 | 5 |
| Remain basically unchanged | 78 | 91 | 75 | 90 | 79 | 92 | 79 | 91 | 79 | 91 |
| Ease somewhat | 1 | 1 | 0 | 2 | 1 | 1 | 1 | 1 | 0 | 2 |
| Ease considerably | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NA[1] | 0 | 1 | 1 | 2 | 0 | 1 | 1 | 2 | 0 | 1 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| **Net percentage** | **20** | **5** | **23** | **4** | **19** | **4** | **18** | **4** | **21** | **3** |
| Diffusion index | 10 | 3 | 12 | 2 | 10 | 2 | 9 | 2 | 11 | 2 |
| Mean | 2.79 | 2.94 | 2.75 | 2.96 | 2.81 | 2.96 | 2.82 | 2.96 | 2.79 | 2.96 |
| Number of banks responding | 134 | 134 | 131 | 132 | 128 | 128 | 134 | 134 | 134 | 134 |

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 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 |
| Decrease considerably | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Decrease somewhat | 14 | 7 | 16 | 5 | 13 | 3 | 8 | 5 | 15 | 6 |
| Remain basically unchanged | 67 | 63 | 61 | 60 | 72 | 73 | 70 | 61 | 69 | 69 |
| Increase somewhat | 18 | 29 | 20 | 32 | 15 | 22 | 21 | 32 | 16 | 23 |
| Increase considerably | 1 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| NA[1] | 0 | 1 | 1 | 2 | 0 | 1 | 1 | 2 | 0 | 1 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| **Net percentage** | **5** | **21** | **5** | **27** | **2** | **18** | **13** | **27** | **1** | **17** |
| Diffusion index | 3 | 11 | 3 | 14 | 1 | 9 | 6 | 14 | 0 | 8 |
| Mean | 3.06 | 3.22 | 3.06 | 3.29 | 3.02 | 3.18 | 3.13 | 3.28 | 3.01 | 3.17 |
| Number of banks responding | 134 | 134 | 131 | 132 | 128 | 128 | 134 | 134 | 134 | 134 |

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] | |
|---|---|---|---|---|
| | Jan 21 | Apr 21 | Jan 21 | Apr 21 |
| Tightened considerably | 0 | 0 | 0 | 3 |
| Tightened somewhat | 7 | 3 | 5 | 4 |
| Remained basically unchanged | 92 | 92 | 92 | 91 |
| Eased somewhat | 1 | 5 | 2 | 2 |
| Eased considerably | 0 | 0 | 0 | 0 |
| NA[5] | 0 | 0 | 0 | 0 |
| Total | 100 | 100 | 100 | 100 |
| **Net percentage** | **7** | **-2** | **3** | **5** |
| Diffusion index | 4 | -1 | 1 | 4 |
| Mean | 2.93 | 3.02 | 2.97 | 2.92 |
| Number of banks responding | 129 | 129 | 134 | 134 |

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

## Question 11

Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of loans to households for house purchase?

(in percentages, unless otherwise stated)

| | -- | - | ° | + | ++ | NA[6] | NetP Jan 21 | NetP Apr 21 | DI Jan 21 | DI Apr 21 | Mean Jan 21 | Mean Apr 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A) Cost of funds and balance sheet constraints[1]** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 0 | 98 | 0 | 0 | 1 | -1 | 0 | 0 | 0 | 3.00 | 3.00 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Competition from other banks | 0 | 0 | 96 | 3 | 0 | 1 | 1 | -3 | 1 | -1 | 2.99 | 3.03 |
| Competition from non-banks[2] | 0 | 0 | 97 | 2 | 0 | 1 | 0 | -2 | 0 | -1 | 3.00 | 3.02 |
| **C) Perception of risk[3]** | | | | | | | | | | | | |
| General economic situation and outlook | 0 | 2 | 97 | 1 | 0 | 0 | 3 | 1 | 1 | 1 | 2.97 | 2.99 |
| Housing market prospects, including expected house price developments[4] | 0 | 0 | 99 | 1 | 0 | 0 | -2 | -1 | -1 | 0 | 3.02 | 3.01 |
| Borrower's creditworthiness[5] | 0 | 3 | 97 | 0 | 0 | 0 | 2 | 3 | 1 | 2 | 2.98 | 2.97 |
| **D) Your bank's risk tolerance[3]** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 4 | 95 | 1 | 0 | 0 | 2 | 3 | 1 | 1 | 2.98 | 2.97 |

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

## Question 12

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

(in percentages, unless otherwise stated)

| | -- | - | ° | + | ++ | NA[6] | NetP Jan 21 | NetP Apr 21 | DI Jan 21 | DI Apr 21 | Mean Jan 21 | Mean Apr 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A) Overall terms and conditions** | | | | | | | | | | | | |
| Overall terms and conditions | 0 | 2 | 89 | 8 | 0 | 0 | 6 | -6 | 3 | -3 | 2.94 | 3.06 |
| **B) Margins** | | | | | | | | | | | | |
| Your bank's loan margin on average loans[2] | 0 | 6 | 81 | 14 | 0 | 0 | -1 | -8 | -1 | -4 | 3.01 | 3.08 |
| Your bank's loan margin on riskier loans | 0 | 7 | 90 | 2 | 0 | 1 | 4 | 5 | 2 | 3 | 2.96 | 2.94 |
| **C) Other terms and conditions** | | | | | | | | | | | | |
| Collateral[3] requirements | 0 | 0 | 99 | 1 | 0 | 0 | 1 | -1 | 0 | 0 | 2.99 | 3.01 |
| "Loan-to-value" ratio[4] | 0 | 2 | 95 | 3 | 0 | 0 | 0 | -1 | 0 | -1 | 3.00 | 3.01 |
| Other loan size limits | 0 | 0 | 98 | 1 | 1 | 0 | 0 | -2 | 0 | -2 | 3.00 | 3.03 |
| Maturity | 0 | 1 | 99 | 0 | 0 | 0 | 5 | 1 | 3 | 0 | 2.95 | 2.99 |
| Non-interest rate charges[5] | 0 | 1 | 98 | 1 | 0 | 0 | 1 | 1 | 1 | 0 | 2.99 | 2.99 |

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 Jan 21 | NetP Apr 21 | DI Jan 21 | DI Apr 21 | Mean Jan 21 | Mean Apr 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **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 | 1 | 95 | 4 | 0 | 0 | 0 | -3 | 0 | -1 | 3.00 | 3.03 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 2 | 86 | 11 | 0 | 1 | -2 | -9 | -1 | -5 | 3.02 | 3.09 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 5 | 95 | 0 | 0 | 0 | 5 | 5 | 2 | 2 | 2.95 | 2.95 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 3 | 96 | 2 | 0 | 0 | 3 | 1 | 1 | 0 | 2.97 | 2.99 |
| **Impact on your bank's margins on average loans** | | | | | | | | | | | | |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 4 | 93 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 4 | 84 | 12 | 0 | 1 | -5 | -8 | -2 | -4 | 3.05 | 3.08 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 4 | 96 | 0 | 0 | 0 | 4 | 4 | 2 | 2 | 2.96 | 2.96 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 3 | 97 | 0 | 0 | 0 | 4 | 3 | 2 | 2 | 2.96 | 2.97 |
| **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 | 92 | 1 | 0 | 2 | 2 | 3 | 1 | 2 | 2.98 | 2.96 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 5 | 91 | 2 | 0 | 3 | 2 | 3 | 1 | 1 | 2.98 | 2.97 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 3 | 95 | 0 | 0 | 2 | 4 | 3 | 2 | 2 | 2.95 | 2.97 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 3 | 95 | 0 | 0 | 2 | 3 | 2 | 2 | 1 | 2.96 | 2.97 |

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 Jan 21 | NetP Apr 21 | DI Jan 21 | DI Apr 21 | Mean Jan 21 | Mean Apr 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 0 | 100 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2.99 | 3.00 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Competition from other banks | 0 | 0 | 99 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 3.00 | 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 | 8 | 91 | 1 | 0 | 0 | 10 | 7 | 5 | 4 | 2.90 | 2.93 |
| Creditworthiness of consumers[1] | 0 | 6 | 94 | 0 | 0 | 0 | 7 | 6 | 3 | 3 | 2.93 | 2.94 |
| Risk on the collateral demanded | 0 | 4 | 90 | 0 | 0 | 6 | 4 | 4 | 2 | 2 | 2.93 | 2.92 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 3 | 95 | 1 | 0 | 0 | 0 | 2 | 0 | 1 | 3.00 | 2.98 |

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

## Question 15

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

(in percentages, unless otherwise stated)

| | -- | - | ° | + | ++ | NA[1] | NetP Jan 21 | NetP Apr 21 | DI Jan 21 | DI Apr 21 | Mean Jan 21 | Mean Apr 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A) Overall terms and conditions** | | | | | | | | | | | | |
| Overall terms and conditions | 0 | 2 | 96 | 2 | 0 | 0 | 1 | 0 | 0 | 0 | 2.99 | 3.00 |
| **B) Margins** | | | | | | | | | | | | |
| Your bank's loan margin on average loans | 0 | 5 | 91 | 4 | 0 | 0 | -4 | 1 | -2 | 0 | 3.04 | 2.99 |
| Your bank's loan margin on riskier loans | 0 | 5 | 91 | 4 | 0 | 0 | -1 | 1 | 0 | 0 | 3.01 | 2.99 |
| **C) Other terms and conditions** | | | | | | | | | | | | |
| Collateral requirements | 0 | 0 | 93 | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |
| Size of the loan | 0 | 0 | 98 | 1 | 0 | 0 | 2 | -1 | 1 | 0 | 2.98 | 3.01 |
| Maturity | 0 | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |
| Non-interest rate charges | 0 | 1 | 95 | 2 | 0 | 3 | -2 | -1 | -1 | -1 | 3.02 | 3.01 |

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 | | DI | | Mean | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 |
| **Overall impact on your bank's credit terms and conditions** | | | | | | | | | | | | |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 3 | 95 | 3 | 0 | 0 | 1 | 0 | 1 | 0 | 2.99 | 3.00 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 0 | 98 | 1 | 0 | 1 | -5 | -1 | -2 | -1 | 3.05 | 3.01 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 3 | 96 | 1 | 0 | 0 | 2 | 2 | 1 | 1 | 2.98 | 2.98 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 1 | 99 | 0 | 0 | 0 | 3 | 1 | 2 | 0 | 2.97 | 2.99 |
| **Impact on your bank's margins on average loans** | | | | | | | | | | | | |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 3 | 95 | 2 | 0 | 0 | 1 | 0 | 0 | 0 | 2.99 | 3.00 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 0 | 97 | 2 | 0 | 1 | -6 | -2 | -3 | -1 | 3.06 | 3.02 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 3 | 97 | 0 | 0 | 0 | 2 | 3 | 1 | 2 | 2.98 | 2.97 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 1 | 99 | 0 | 0 | 0 | 2 | 1 | 1 | 0 | 2.98 | 2.99 |
| **Impact on your bank's margins on riskier loans** | | | | | | | | | | | | |
| **A) Cost of funds and balance sheet constraints** | | | | | | | | | | | | |
| Cost of funds and balance sheet constraints | 0 | 3 | 94 | 2 | 0 | 1 | 1 | 0 | 1 | 0 | 2.99 | 2.99 |
| **B) Pressure from competition** | | | | | | | | | | | | |
| Pressure from competition | 0 | 0 | 96 | 1 | 0 | 2 | -2 | -1 | -1 | -1 | 3.02 | 3.01 |
| **C) Perception of risk** | | | | | | | | | | | | |
| Perception of risk | 0 | 6 | 92 | 1 | 0 | 1 | 5 | 5 | 3 | 3 | 2.95 | 2.95 |
| **D) Your bank's risk tolerance** | | | | | | | | | | | | |
| Your bank's risk tolerance | 0 | 1 | 98 | 0 | 0 | 1 | 3 | 1 | 1 | 1 | 2.97 | 2.99 |

1) The factors refer to the same sub-factors as in question 14.

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

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

## Question 17

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

(in percentages, unless otherwise stated)

| | Loans for house purchase | | Consumer credit and other lending | |
|---|---|---|---|---|
| | Jan 21 | Apr 21 | Jan 21 | Apr 21 |
| Decreased considerably | 0 | 0 | 0 | 0 |
| Decreased somewhat | 2 | 2 | 1 | 1 |
| Remained basically unchanged | 90 | 97 | 93 | 90 |
| Increased somewhat | 6 | 0 | 5 | 8 |
| Increased considerably | 0 | 0 | 0 | 0 |
| NA[3] | 1 | 1 | 1 | 1 |
| Total | 100 | 100 | 100 | 100 |
| **Net percentage** | **5** | **-1** | **4** | **7** |
| Diffusion index | 3 | -1 | 2 | 3 |
| Mean | 3.06 | 2.99 | 3.05 | 3.07 |
| Number of banks responding | 129 | 129 | 134 | 134 |

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 | |
|---|---|---|---|---|
| | Jan 21 | Apr 21 | Jan 21 | Apr 21 |
| Decreased considerably | 0 | 0 | 2 | 4 |
| Decreased somewhat | 15 | 23 | 18 | 24 |
| Remained basically unchanged | 54 | 61 | 69 | 69 |
| Increased somewhat | 30 | 16 | 11 | 3 |
| Increased considerably | 1 | 0 | 0 | 0 |
| NA[2] | 0 | 0 | 0 | 0 |
| Total | 100 | 100 | 100 | 100 |
| **Net percentage** | **16** | **-7** | **-9** | **-24** |
| Diffusion index | 9 | -3 | -5 | -14 |
| Mean | 3.18 | 2.94 | 2.89 | 2.71 |
| Number of banks responding | 129 | 129 | 134 | 134 |

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 Jan 21 | NetP Apr 21 | DI Jan 21 | DI Apr 21 | Mean Jan 21 | Mean Apr 21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A) Financing needs/underlying drivers or purpose of loan demand** | | | | | | | | | | | | |
| Housing market prospects, including expected house price developments | 0 | 3 | 88 | 9 | 0 | 0 | 3 | 6 | 2 | 3 | 3.03 | 3.06 |
| Consumer confidence[1] | 1 | 14 | 80 | 5 | 0 | 0 | -8 | -10 | -4 | -5 | 2.92 | 2.89 |
| General level of interest rates | 0 | 1 | 86 | 11 | 1 | 0 | 16 | 12 | 8 | 7 | 3.17 | 3.13 |
| Debt refinancing/restructuring and renegotiation[2] | 0 | 0 | 91 | 9 | 0 | 0 | 2 | 9 | 1 | 4 | 3.02 | 3.09 |
| Regulatory and fiscal regime of housing markets | 0 | 2 | 94 | 4 | 0 | 0 | 0 | 2 | 0 | 1 | 3.00 | 3.02 |
| **B) Use of alternative sources for housing finance** | | | | | | | | | | | | |
| Internal finance of house purchase out of savings/down payment[3] | 0 | 4 | 96 | 0 | 0 | 0 | -3 | -3 | -1 | -2 | 2.97 | 2.97 |
| Loans from other banks | 0 | 4 | 94 | 2 | 0 | 0 | 0 | -3 | 0 | -1 | 3.00 | 2.97 |
| Other sources of external finance | 0 | 0 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3.00 | 3.00 |

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 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Jan 21 | Apr 21 | Jan 21 | Apr 21 | Jan 21 | Apr 21 |
| **A) Financing needs/underlying drivers or purpose of loan demand** | | | | | | | | | | | | |
| Spending on durable consumer goods | 2 | 18 | 77 | 2 | 0 | 1 | -10 | -18 | -6 | -10 | 2.87 | 2.79 |
| Consumer confidence | 3 | 22 | 72 | 2 | 0 | 1 | -16 | -23 | -9 | -13 | 2.83 | 2.74 |
| General level of interest rates | 0 | 0 | 97 | 2 | 0 | 1 | 5 | 2 | 3 | 1 | 3.05 | 3.02 |
| Consumption expenditure financed through real-estate guaranteed loans[1] | 0 | 4 | 85 | 0 | 0 | 12 | -5 | -3 | -2 | -2 | 2.91 | 2.93 |
| **B) Use of alternative finance** | | | | | | | | | | | | |
| Internal finance out of savings | 1 | 8 | 89 | 1 | 0 | 1 | 4 | -8 | 1 | -4 | 3.02 | 2.91 |
| Loans from other banks | 0 | 2 | 96 | 0 | 0 | 1 | -2 | -2 | -1 | -1 | 2.98 | 2.98 |
| Other sources of external finance | 0 | 2 | 97 | 0 | 0 | 1 | -2 | -2 | -1 | -1 | 2.98 | 2.98 |

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 | |
|---|---|---|---|---|
| | Jan 21 | Apr 21 | Jan 21 | Apr 21 |
| Tighten considerably | 0 | 0 | 1 | 1 |
| Tighten somewhat | 17 | 13 | 7 | 5 |
| Remain basically unchanged | 79 | 82 | 88 | 89 |
| Ease somewhat | 4 | 3 | 3 | 3 |
| Ease considerably | 0 | 0 | 0 | 0 |
| NA[1] | 0 | 1 | 0 | 1 |
| Total | 100 | 100 | 100 | 100 |
| **Net percentage** | **13** | **9** | **5** | **4** |
| Diffusion index | 7 | 5 | 3 | 2 |
| Mean | 2.87 | 2.90 | 2.94 | 2.95 |
| Number of banks responding | 129 | 129 | 134 | 134 |

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 | |
|---|---|---|---|---|
| | Jan 21 | Apr 21 | Jan 21 | Apr 21 |
| Decrease considerably | 0 | 0 | 0 | 0 |
| Decrease somewhat | 10 | 7 | 11 | 9 |
| Remain basically unchanged | 82 | 80 | 74 | 68 |
| Increase somewhat | 8 | 12 | 12 | 21 |
| Increase considerably | 0 | 0 | 3 | 1 |
| NA[1] | 0 | 1 | 0 | 1 |
| Total | 100 | 100 | 100 | 100 |
| **Net percentage** | **-3** | **6** | **4** | **13** |
| Diffusion index | -1 | 3 | 3 | 7 |
| Mean | 3 | 3 | 3 | 3.14 |
| Number of banks responding | 129 | 129 | 134 | 134 |

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 | 0 | 88 | 9 | 0 | 2 | -10 | 3.10 | 0.34 | 0 | 0 | 88 | 8 | 0 | 3 | -7 | 3.07 | 0.30 |
| Long-term (more than one year) deposits and other retail funding instruments | 0 | 0 | 92 | 2 | 0 | 6 | -2 | 3.02 | 0.18 | 0 | 0 | 90 | 3 | 0 | 7 | -3 | 3.04 | 0.22 |
| **B) Inter-bank unsecured money market** | | | | | | | | | | | | | | | | | | |
| Very short-term money market (up to 1 week) | 0 | 0 | 87 | 7 | 0 | 6 | -7 | 3.08 | 0.29 | 0 | 0 | 92 | 1 | 0 | 7 | -1 | 3.01 | 0.12 |
| Short-term money market (more than 1 week) | 0 | 6 | 80 | 8 | 0 | 6 | -2 | 3.02 | 0.41 | 0 | 6 | 85 | 2 | 0 | 7 | 4 | 2.96 | 0.30 |
| **C) Wholesale debt securities[3]** | | | | | | | | | | | | | | | | | | |
| Short-term debt securities (e.g. certificates of deposit or commercial paper) | 0 | 6 | 60 | 11 | 1 | 23 | -6 | 3.09 | 0.52 | 0 | 7 | 66 | 3 | 0 | 24 | 4 | 2.97 | 0.36 |
| Medium to long term debt securities (incl. covered bonds) | 0 | 3 | 63 | 24 | 1 | 9 | -22 | 3.25 | 0.55 | 0 | 2 | 81 | 6 | 0 | 10 | -4 | 3.04 | 0.32 |
| **D) Securitisation[4]** | | | | | | | | | | | | | | | | | | |
| Securitisation of corporate loans | 0 | 0 | 38 | 1 | 0 | 60 | -1 | 3.01 | 0.17 | 0 | 0 | 37 | 1 | 0 | 61 | -1 | 3.01 | 0.17 |
| Securitisation of loans for house purchase | 0 | 0 | 37 | 2 | 0 | 61 | -1 | 3.02 | 0.21 | 0 | 0 | 36 | 2 | 0 | 62 | -2 | 3.03 | 0.21 |
| **E) Ability to transfer credit risk off balance sheet[5]** | | | | | | | | | | | | | | | | | | |
| Ability to transfer credit risk off balance sheet | 0 | 2 | 48 | 1 | 1 | 47 | 0 | 3.02 | 0.49 | 0 | 2 | 48 | 1 | 1 | 49 | 1 | 3.02 | 0.46 |

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 130

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

(in percentages, unless otherwise stated)

| | Over the past six months | | | | | | | | | Over the next six months | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | -- | - | ° | + | + + | NA[1] | NetP | Mean | Std. dev. | -- | - | ° | + | + + | NA[1] | NetP | Mean | Std. dev. |
| **A) Your bank's total assets** | | | | | | | | | | | | | | | | | | |
| Your bank's total assets (non-risk weighted volume) | 0 | 2 | 85 | 10 | 0 | 2 | 8 | 3.08 | 0.37 | 0 | 1 | 80 | 7 | 0 | 11 | 7 | 3.08 | 0.33 |
| of which: | | | | | | | | | | | | | | | | | | |
| euro area sovereign bond holdings | 0 | 9 | 76 | 9 | 1 | 5 | 1 | 3.02 | 0.50 | 1 | 5 | 75 | 6 | 0 | 12 | 1 | 3.00 | 0.43 |
| **B) Your bank's cost of funds and balance sheet situation** | | | | | | | | | | | | | | | | | | |
| Your bank's overall liquidity position | 0 | 0 | 69 | 30 | 0 | 0 | 30 | 3.31 | 0.51 | 0 | 0 | 77 | 13 | 0 | 10 | 13 | 3.14 | 0.39 |
| Your bank's overall market financing conditions | 0 | 0 | 67 | 32 | 0 | 1 | 32 | 3.33 | 0.51 | 0 | 0 | 75 | 16 | 0 | 8 | 17 | 3.18 | 0.43 |
| **D) Your bank's profitability** | | | | | | | | | | | | | | | | | | |
| Your bank's overall profitability | 0 | 29 | 54 | 10 | 0 | 7 | -19 | 2.78 | 0.64 | 0 | 25 | 58 | 7 | 0 | 10 | -18 | 2.78 | 0.59 |
| owing to: | | | | | | | | | | | | | | | | | | |
| net interest income[2] | 6 | 31 | 56 | 5 | 0 | 1 | -32 | 2.61 | 0.72 | 6 | 27 | 57 | 6 | 0 | 4 | -28 | 2.64 | 0.73 |
| capital gains/losses | 0 | 4 | 77 | 14 | 0 | 4 | 11 | 3.11 | 0.46 | 0 | 9 | 82 | 1 | 0 | 7 | -9 | 2.91 | 0.36 |
| **E) Your bank's capital position** | | | | | | | | | | | | | | | | | | |
| Your bank's capital ratio[3] | 0 | 5 | 74 | 12 | 0 | 9 | 7 | 3.10 | 0.47 | 0 | 5 | 77 | 9 | 0 | 10 | 4 | 3.07 | 0.42 |

*) Asset purchase programme (APP) and Pandemic Emergency Purchase Programme (PEPP).
1) “NA” (not applicable) includes banks which do not have any business in or exposure to this category.
2) The net interest income is defined as the difference between the interest earned and interest paid on the outstanding amount of interest-bearing assets and liabilities by the bank.
3) Defined in accordance with the regulatory requirements set out in the CRR/CRD IV, including both tier 1 capital and tier 2 capital.
Notes: The net percentage (NetP) is defined as the difference between the sum of the percentages of banks responding “--” (contributed/will contribute considerably to a decrease or deterioration) and “-” (contributed/will contribute somewhat to a decrease or deterioration), and the sum of banks responding “+” (contributed/will contribute somewhat to an increase or improvement) and “++” (contributed/will contribute considerably to an increase or improvement). “°” means “has had/will have basically no impact”. 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.

## Question 132

Over the past six months, how have the ECB's asset purchase programmes (APP and PEPP)* affected your bank's lending policy and lending volume? And what will be the impact on lending behaviour over 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** | | | | | | | | | | | | | | | | | | | | |
| For loans to enterprises | 0 | 0 | 99 | 0 | 0 | 0 | 0 | 3.00 | 0.07 | 134 | 0 | 0 | 97 | 2 | 0 | 1 | -2 | 3.02 | 0.14 | 134 |
| For loans to households for house purchase | 0 | 0 | 100 | 0 | 0 | 0 | 0 | 3.00 | 0.00 | 129 | 0 | 0 | 96 | 2 | 0 | 1 | -2 | 3.02 | 0.17 | 129 |
| For consumer credit and other lending to households | 0 | 0 | 99 | 0 | 0 | 0 | 0 | 3.00 | 0.05 | 134 | 0 | 0 | 97 | 1 | 0 | 2 | -1 | 3.01 | 0.11 | 134 |
| **B) Your bank's terms and conditions** | | | | | | | | | | | | | | | | | | | | |
| For loans to enterprises | 0 | 2 | 89 | 9 | 0 | 0 | -7 | 3.07 | 0.35 | 134 | 0 | 0 | 93 | 5 | 0 | 1 | -5 | 3.05 | 0.26 | 134 |
| For loans to households for house purchase | 0 | 1 | 96 | 3 | 0 | 0 | -1 | 3.01 | 0.21 | 129 | 0 | 0 | 96 | 2 | 0 | 1 | -2 | 3.02 | 0.19 | 129 |
| For consumer credit and other lending to households | 0 | 2 | 97 | 1 | 0 | 0 | 0 | 3.00 | 0.18 | 134 | 0 | 1 | 96 | 2 | 0 | 2 | -1 | 3.01 | 0.16 | 134 |
| **C) Your bank's lending volume** | | | | | | | | | | | | | | | | | | | | |
| For loans to enterprises | 0 | 1 | 82 | 17 | 0 | 0 | 16 | 3.16 | 0.41 | 134 | 0 | 1 | 84 | 14 | 0 | 1 | 13 | 3.13 | 0.39 | 134 |
| For loans to households for house purchase | 0 | 0 | 92 | 7 | 0 | 0 | 7 | 3.07 | 0.29 | 129 | 0 | 0 | 90 | 7 | 2 | 1 | 8 | 3.10 | 0.38 | 129 |
| For consumer credit and other lending to households | 0 | 0 | 98 | 1 | 0 | 0 | 1 | 3.01 | 0.13 | 134 | 0 | 0 | 96 | 3 | 0 | 2 | 2 | 3.02 | 0.18 | 134 |

*) Asset purchase programme (APP) and Pandemic Emergency Purchase Programme (PEPP).

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 the percentages of banks responding “--” (contributed considerably to a tightening or decrease) and “-” (contributed somewhat to a tightening or decrease), and the sum of the percentages of banks responding “+” (contributed somewhat to an easing or increase) and “++” (contributed considerably to an easing or increase). “°” means “had basically no impact”. The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options. Std. dev. denotes standard deviation. The number of banks responding (No of banks) refers to all participating banks which have business in or exposure to the respective lending category.

## Question 133

(i) Over the past six months, how has the ECB's negative deposit facility rate (including the impact of the ECB's two-tier system), either directly or indirectly[1], affected your bank in the following areas? And what will be the impact over the next six months?

(in percentages, unless otherwise stated)

| | Over the past six months | | | | | | | | | | Over the next six months | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | -- | - | ° | + | + + | NA[2] | NetP | Mean | Std. dev. | No of banks | -- | - | ° | + | + + | NA[2] | NetP | Mean | Std. dev. | No of banks |
| **Impact on your bank's profitability** | | | | | | | | | | | | | | | | | | | | |
| Impact on your bank's overall profitability | 9 | 61 | 23 | 6 | 0 | 0 | -63 | 2.27 | 0.74 | 140 | 9 | 48 | 30 | 4 | 0 | 8 | -53 | 2.31 | 0.72 | 137 |
| owing to: | | | | | | | | | | | | | | | | | | | | |
| Impact on your bank's net interest income[3] | 11 | 53 | 21 | 6 | 0 | 8 | -58 | 2.22 | 0.76 | 143 | 11 | 41 | 27 | 4 | 0 | 16 | -48 | 2.24 | 0.77 | 143 |
| **Loans to enterprises** | | | | | | | | | | | | | | | | | | | | |
| Impact on your bank's lending rates | 0 | 33 | 65 | 1 | 0 | 1 | -32 | 2.67 | 0.51 | 134 | 0 | 22 | 69 | 2 | 0 | 7 | -21 | 2.76 | 0.50 | 134 |
| Impact on your bank's loan margin[4] | 0 | 29 | 68 | 1 | 0 | 1 | -28 | 2.72 | 0.50 | 134 | 0 | 19 | 72 | 2 | 0 | 7 | -17 | 2.80 | 0.48 | 134 |
| Impact on your bank's non-interest rate charges | 0 | 1 | 97 | 1 | 0 | 1 | 0 | 3.00 | 0.16 | 134 | 0 | 1 | 91 | 2 | 0 | 7 | 1 | 3.01 | 0.18 | 134 |
| Impact on your bank's lending volume | 0 | 1 | 91 | 6 | 0 | 1 | 5 | 3.05 | 0.29 | 134 | 0 | 2 | 90 | 1 | 0 | 7 | -1 | 2.99 | 0.19 | 134 |
| **Loans to households for house purchase** | | | | | | | | | | | | | | | | | | | | |
| Impact on your bank's lending rates | 0 | 32 | 67 | 0 | 0 | 0 | -32 | 2.67 | 0.49 | 129 | 0 | 20 | 70 | 1 | 0 | 9 | -19 | 2.78 | 0.49 | 129 |
| Impact on your bank's loan margin[4] | 0 | 29 | 71 | 0 | 0 | 0 | -29 | 2.71 | 0.47 | 129 | 0 | 15 | 75 | 1 | 0 | 9 | -14 | 2.83 | 0.43 | 129 |
| Impact on your bank's non-interest rate charges | 0 | 0 | 100 | 0 | 0 | 0 | 0 | 3.00 | 0.00 | 129 | 0 | 0 | 90 | 1 | 0 | 9 | 1 | 3.01 | 0.13 | 129 |
| Impact on your bank's lending volume | 0 | 2 | 93 | 4 | 0 | 0 | 2 | 3.02 | 0.28 | 129 | 0 | 1 | 87 | 3 | 0 | 9 | 2 | 3.02 | 0.24 | 129 |
| **Consumer credit and other lending to households** | | | | | | | | | | | | | | | | | | | | |
| Impact on your bank's lending rates | 0 | 25 | 75 | 0 | 0 | 0 | -25 | 2.74 | 0.46 | 134 | 0 | 11 | 78 | 1 | 0 | 9 | -11 | 2.89 | 0.40 | 134 |
| Impact on your bank's loan margin[4] | 0 | 20 | 80 | 0 | 0 | 0 | -20 | 2.80 | 0.41 | 134 | 0 | 7 | 83 | 1 | 0 | 9 | -6 | 2.94 | 0.31 | 134 |
| Impact on your bank's non-interest rate charges | 0 | 1 | 98 | 0 | 0 | 0 | 0 | 3.00 | 0.12 | 134 | 0 | 0 | 90 | 2 | 0 | 9 | 2 | 3.02 | 0.15 | 134 |
| Impact on your bank's lending volume | 0 | 2 | 97 | 0 | 0 | 0 | -2 | 2.98 | 0.17 | 134 | 0 | 1 | 89 | 1 | 0 | 9 | 0 | 3.00 | 0.19 | 134 |
| **Deposits held by enterprises** | | | | | | | | | | | | | | | | | | | | |
| Impact on your bank's deposit rates | 2 | 44 | 52 | 0 | 0 | 2 | -46 | 2.50 | 0.56 | 132 | 2 | 27 | 63 | 1 | 0 | 7 | -28 | 2.69 | 0.54 | 130 |
| Impact on your bank's non-interest rate charges on deposits | 1 | 3 | 78 | 15 | 0 | 2 | 12 | 3.12 | 0.51 | 131 | 1 | 3 | 72 | 16 | 1 | 8 | 13 | 3.14 | 0.55 | 129 |
| Impact on your bank's volume of deposits | 0 | 8 | 72 | 17 | 1 | 2 | 10 | 3.12 | 0.56 | 131 | 0 | 8 | 79 | 3 | 1 | 8 | -4 | 2.98 | 0.44 | 129 |
| **Deposits held by households** | | | | | | | | | | | | | | | | | | | | |
| Impact on your bank's deposit rates | 2 | 30 | 64 | 0 | 0 | 5 | -32 | 2.65 | 0.51 | 132 | 2 | 16 | 70 | 1 | 0 | 12 | -17 | 2.81 | 0.46 | 130 |
| Impact on your bank's non-interest rate charges on deposits | 1 | 1 | 86 | 7 | 0 | 6 | 5 | 3.05 | 0.35 | 129 | 1 | 1 | 73 | 12 | 0 | 13 | 11 | 3.11 | 0.43 | 127 |
| Impact on your bank's volume of deposits | 0 | 3 | 74 | 15 | 3 | 5 | 15 | 3.19 | 0.58 | 131 | 0 | 4 | 78 | 3 | 3 | 12 | 3 | 3.06 | 0.49 | 129 |

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

(in percentages, unless otherwise stated)

| | Over the past six months | | | | | | | | | | Over the next six months | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | -- | - | ° | + | + + | NA[2] | NetP | Mean | Std. dev. | No of banks | -- | - | ° | + | + + | NA[2] | NetP | Mean | Std. dev. | No of banks |
| **Your bank's financial situation** | | | | | | | | | | | | | | | | | | | | |
| Impact on your bank's overall profitability | 0 | 7 | 27 | 63 | 2 | 0 | 58 | 3.59 | 0.68 | 140 | 0 | 1 | 33 | 56 | 2 | 7 | 57 | 3.62 | 0.56 | 138 |
| owing to: | | | | | | | | | | | | | | | | | | | | |
| Impact on your bank's net interest income[3] | 0 | 8 | 24 | 67 | 1 | 0 | 60 | 3.62 | 0.68 | 140 | 0 | 2 | 30 | 60 | 1 | 7 | 60 | 3.65 | 0.56 | 138 |
| Impact on your bank's liquidity position | 0 | 2 | 89 | 7 | 1 | 0 | 7 | 3.08 | 0.40 | 140 | 0 | 2 | 82 | 7 | 1 | 7 | 6 | 3.08 | 0.40 | 138 |
| Impact on your bank's market financing conditions | 0 | 1 | 96 | 2 | 0 | 1 | 2 | 3.02 | 0.19 | 138 | 0 | 1 | 88 | 3 | 0 | 8 | 2 | 3.02 | 0.20 | 136 |
| **Your bank's lending rates** | | | | | | | | | | | | | | | | | | | | |
| Impact on your bank's lending rates for enterprises | 0 | 8 | 91 | 0 | 0 | 1 | -8 | 2.92 | 0.30 | 133 | 0 | 4 | 89 | 1 | 0 | 7 | -3 | 2.97 | 0.24 | 131 |
| Impact on your bank's lending rates to households for house purchase | 0 | 9 | 90 | 0 | 0 | 0 | -9 | 2.91 | 0.31 | 128 | 0 | 2 | 88 | 1 | 0 | 9 | -2 | 2.98 | 0.19 | 126 |
| Impact on your bank's lending rates for consumer credit and other lending to households | 0 | 9 | 90 | 0 | 0 | 0 | -9 | 2.91 | 0.30 | 130 | 0 | 2 | 88 | 1 | 0 | 9 | -2 | 2.98 | 0.19 | 128 |
| **Your bank's deposit rates** | | | | | | | | | | | | | | | | | | | | |
| Impact on your bank's interest rates on deposits held by enterprises | 0 | 1 | 91 | 6 | 0 | 2 | 5 | 3.06 | 0.31 | 132 | 0 | 1 | 88 | 3 | 0 | 7 | 2 | 3.02 | 0.25 | 130 |
| Impact on your bank's interest rates on deposits held by households | 0 | 3 | 86 | 6 | 0 | 5 | 3 | 3.03 | 0.32 | 132 | 0 | 3 | 83 | 3 | 0 | 12 | 0 | 3.00 | 0.26 | 130 |

1) Independent of whether your bank has excess liquidity.
2) "NA" (not applicable) does not include banks which do not have any business in or exposure to the respective lending category.
3) The net interest income is defined as the difference between the interest earned and interest paid on the outstanding amount of interest-bearing assets and liabilities by the bank.
4) The loan margin is defined as the spread of the bank's lending rates on new loans over a relevant market reference rate.
Notes: The net percentage (NetP) is defined as the difference between the sum of the percentages of banks responding "--" (contributed considerably to a decrease) and "-" (contributed somewhat to a decrease), and the sum of the percentages of banks responding "+" (contributed somewhat to an increase) and "++" (contributed considerably to an increase). "°" means "had basically no impact". 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 (No of banks) responding (No of banks) refers to all participating banks which have business in or exposure to the respective lending category.

## Question 136

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

(in percentages, unless otherwise stated)

| | Yes | No | Currently undecided |
|---|---|---|---|
| In the most recent TLTRO III operation | 65 | 33 | |
| In the next to last TLTRO III operation | 23 | 76 | |
| In future TLTRO III operations | 13 | 36 | 50 |

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

(in percentages, unless otherwise stated)

| | ° | + | + + | NA[1] |
|---|---|---|---|---|
| **In the most recent TLTRO III operation** | | | | |
| **Your bank's reasons for participation** | | | | |
| Attractive TLTRO conditions (profitability motive) | 0 | 36 | 34 | 29 |
| To reduce current and/or prevent future funding difficulties (precautionary motive) | 56 | 11 | 1 | 33 |
| To enhance the fulfilment of regulatory or supervisory requirements | 59 | 8 | 0 | 33 |
| **In the next to last TLTRO III operation** | | | | |
| **Your bank's reasons for participation** | | | | |
| Attractive TLTRO conditions (profitability motive) | 0 | 17 | 12 | 72 |
| To reduce current and/or prevent future funding difficulties (precautionary motive) | 25 | 3 | 0 | 72 |
| To enhance the fulfilment of regulatory or supervisory requirements | 24 | 3 | 1 | 72 |
| **In future TLTRO III operations** | | | | |
| **Your bank's reasons for participation** | | | | |
| Attractive TLTRO conditions (profitability motive) | 5 | 36 | 23 | 36 |
| To reduce current and/or prevent future funding difficulties (precautionary motive) | 50 | 12 | 1 | 36 |
| To enhance the fulfilment of regulatory or supervisory requirements | 47 | 10 | 8 | 36 |

1) “NA” (not applicable) includes banks which did not participate in any of the past TLTRO III operations or which have decided not to participate in any of the future TLTRO III operations.

Notes: “o” = has had basically no impact / will have basically no impact; “+” = has contributed somewhat to participation / will contribute somewhat to participation; “++” = has contributed considerably to participation / will contribute considerably to participation.

### Question 137

Please indicate for which purposes your bank has used the TLTRO III liquidity over the past six months. And what will be the likely purposes over the next six months?

(in percentages, unless otherwise stated)

| | Over the past six months | | | | Over the next six months | | | |
|---|---|---|---|---|---|---|---|---|
| | ° | + | + + | NA[1] | ° | + | + + | NA[1] |
| **For refinancing** | | | | | | | | |
| As a substitute for deposit shortfalls | 75 | 2 | 0 | 23 | 58 | 5 | 0 | 37 |
| As a substitute for maturing debt securities | 53 | 21 | 2 | 24 | 47 | 16 | 1 | 37 |
| As a substitute for interbank lending | 59 | 20 | 2 | 19 | 51 | 15 | 2 | 32 |
| As a substitute for TLTRO II funding | 41 | 31 | 6 | 21 | 59 | 0 | 1 | 40 |
| As a substitute for other Eurosystem liquidity operations[2] | 74 | 1 | 0 | 24 | 60 | 3 | 1 | 36 |
| **For granting loans, purchasing financial assets or holding liquidity** | | | | | | | | |
| For granting loans to the non-financial private sector | 20 | 46 | 19 | 15 | 14 | 49 | 9 | 29 |
| For purchasing domestic sovereign bonds | 58 | 19 | 0 | 23 | 53 | 10 | 0 | 37 |
| For purchasing other financial assets[3] | 65 | 10 | 1 | 24 | 52 | 11 | 0 | 38 |
| For holding liquidity with the Eurosystem | 41 | 25 | 10 | 23 | 37 | 20 | 6 | 37 |

1) “NA” (not applicable) includes banks which did not participate in any of the past TLTRO III operations, which have decided not to participate in any of the future TLTRO III operations or which do not have any business in or exposure to this category.
2) The category "As a substitute for other Eurosystem liquidity operations" excludes the replacement of the TLTRO II funds.
3) "Other financial assets" refer to euro-denominated assets (other than domestic sovereign bonds) and non-euro denominated assets, including loans to other banks and other financial intermediaries.
Notes: “o” = has had basically no impact / will have basically no impact; “+” = has contributed somewhat to this purpose / will contribute somewhat to this purpose; “++” = has contributed considerably to this purpose / will contribute considerably to this purpose.

## Question 138

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

(in percentages, unless otherwise stated)

| | -- | - | ° | + | + + | NA[1] | NetP | Mean | Std. dev. | No of banks |
|---|---|---|---|---|---|---|---|---|---|---|
| **Over the past six months** | | | | | | | | | | |
| **Impact on your bank's financial situation** | | | | | | | | | | |
| Your bank's overall liquidity position | 0 | 0 | 35 | 43 | 21 | 1 | -64 | 3.86 | 0.77 | 143 |
| Your bank's overall market financing conditions | 0 | 0 | 45 | 38 | 8 | 9 | -46 | 3.58 | 0.70 | 143 |
| Your bank's overall profitability | 0 | 0 | 36 | 61 | 1 | 1 | -61 | 3.64 | 0.55 | 143 |
| Your bank's ability to fulfil regulatory or supervisory requirements | 0 | 0 | 65 | 21 | 4 | 9 | -26 | 3.31 | 0.61 | 143 |
| **Impact on your bank's credit standards** | | | | | | | | | | |
| For loans to enterprises | 0 | 0 | 88 | 7 | 1 | 4 | -8 | 3.10 | 0.36 | 134 |
| For loans to households for house purchase | 0 | 0 | 95 | 0 | 0 | 4 | 0 | 3.01 | 0.08 | 129 |
| For consumer credit and other lending to households | 0 | 0 | 96 | 1 | 0 | 2 | 0 | 3.00 | 0.12 | 134 |
| **Impact on your bank's terms and conditions** | | | | | | | | | | |
| For loans to enterprises | 0 | 0 | 69 | 26 | 1 | 4 | -27 | 3.29 | 0.51 | 134 |
| For loans to households for house purchase | 0 | 0 | 92 | 4 | 0 | 4 | -4 | 3.04 | 0.22 | 129 |
| For consumer credit and other lending to households | 0 | 0 | 92 | 5 | 0 | 2 | -4 | 3.05 | 0.26 | 134 |
| **Impact on your bank's lending volumes** | | | | | | | | | | |
| For loans to enterprises | 0 | 0 | 50 | 44 | 1 | 4 | 45 | 3.49 | 0.55 | 134 |
| For loans to households for house purchase | 0 | 0 | 84 | 12 | 0 | 4 | 12 | 3.13 | 0.36 | 129 |
| For consumer credit and other lending to households | 0 | 1 | 85 | 12 | 0 | 2 | 11 | 3.12 | 0.37 | 134 |
| **Over the next six months** | | | | | | | | | | |
| **Impact on your bank's financial situation** | | | | | | | | | | |
| Your bank's overall liquidity position | 0 | 0 | 36 | 40 | 19 | 5 | -59 | 3.83 | 0.77 | 143 |
| Your bank's overall market financing conditions | 0 | 0 | 52 | 28 | 7 | 13 | -35 | 3.46 | 0.69 | 143 |
| Your bank's overall profitability | 0 | 0 | 38 | 54 | 3 | 5 | -57 | 3.62 | 0.58 | 143 |
| Your bank's ability to fulfil regulatory or supervisory requirements | 0 | 0 | 65 | 19 | 3 | 13 | -22 | 3.27 | 0.58 | 143 |
| **Impact on your bank's credit standards** | | | | | | | | | | |
| For loans to enterprises | 0 | 0 | 87 | 4 | 2 | 8 | -6 | 3.08 | 0.38 | 134 |
| For loans to households for house purchase | 0 | 0 | 90 | 2 | 0 | 8 | -2 | 3.02 | 0.15 | 129 |
| For consumer credit and other lending to households | 0 | 0 | 91 | 2 | 0 | 6 | -1 | 3.02 | 0.17 | 134 |
| **Impact on your bank's terms and conditions** | | | | | | | | | | |
| For loans to enterprises | 0 | 0 | 68 | 23 | 2 | 8 | -25 | 3.29 | 0.54 | 134 |
| For loans to households for house purchase | 0 | 0 | 88 | 4 | 0 | 8 | -4 | 3.04 | 0.22 | 129 |
| For consumer credit and other lending to households | 0 | 1 | 87 | 6 | 0 | 6 | -6 | 3.06 | 0.29 | 134 |
| **Impact on your bank's lending volumes** | | | | | | | | | | |
| For loans to enterprises | 0 | 0 | 50 | 40 | 2 | 8 | 42 | 3.50 | 0.57 | 134 |
| For loans to households for house purchase | 0 | 0 | 80 | 12 | 0 | 8 | 12 | 3.14 | 0.38 | 129 |
| For consumer credit and other lending to households | 0 | 1 | 80 | 13 | 0 | 6 | 12 | 3.14 | 0.40 | 134 |

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

Notes: The net percentage (NetP) is defined as the difference between the sum of the percentages of banks responding “--” (has contributed considerably/will contribute considerably to a deterioration, tightening or decrease) and “-” (has contributed somewhat/will contribute somewhat to a deterioration, tightening or decrease), and the sum of the percentages of banks responding “+” (has contributed somewhat/will contribute somewhat to an improvement, easing or increase) and “++” (has contributed considerably/will contribute considerably to an improvement, easing or increase). “°” means “has had/will have basically no impact”. The mean of the banks’ responses is calculated using weights from 1 to 5 for the five possible response options. Figures may not exactly add up due to rounding. The number of banks responding (No of banks) refers to all participating banks which have business in or exposure to the respective lending category. Std. dev. denotes standard deviation.

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

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