

Bank Lending Survey

January 2010

Results for Portugal

I. Overall assessment

According to the results of the survey conducted in January 2010 to the five Portuguese banking groups included in the sample, credit standards applied to the approval of loans to non-financial corporations remain broadly unchanged in the last quarter of 2009, as compared to the previous quarter, whereas only one bank reported the adoption of stricter credit standards. In turn, in what concerns loans to households there was a tightening of credit standards.

Similarly to previous surveys, the main factors reported by banks as leading to the tightening of credit policy were a more negative assessment of risks and, to a lower extent, the increase in banks' cost of funds and balance sheet constraints. The changes in credit standards should have been reflected into an increase in the spreads applied, especially on riskier loans, and into a tightening of other conditions and terms applied on loan contracts.

The demand for loans or credit lines by non-financial firms should have remained broadly unchanged during the fourth quarter of 2009. The reduction in investment financing needs and the increase in equity and debt securities issued by firms should have contributed to the decrease observed in this segment's loan demand. In turn, i.e. with a positive impact on the demand, debt restructuring and, to a lower extent, increased financing needs associated with inventories and working capital, lower internal financing and hampered access to loans from other bank institutions were mentioned. According to the survey's results, banks' replies regarding households demand varied somewhat, whereas on average, they point to the stability of demand directed towards the inquired banks.

A decrease in households' financing needs and, in what concerns loans for consumption and other purposes, households' increased use of their savings as an alternative to bank loans contributed to the decrease in households demand. However, no factors were reported as contributing to an increase in demand (the single exception was the increase in consumer confidence reported by one bank in the segment of loans granted for consumption and other purposes).

For the first quarter of 2010, the surveyed banks (on average) expect credit standards applied to the approval of loans to enterprises to remain broadly unchanged, with only one bank reporting the adoption of stricter credit standards in long term loans and in loans to large firms. As to what concerns loans to households tighter credit standards are anticipated for house purchase and no significant changes to the credit standards applied on the approval of loans for consumption and other purposes. For the same period, the inquired institutions also anticipate a slight increase in firms' loan demand – except in what concerns long term loans – as well in households' loan demand.

The turmoil in international financial markets continued hampering the access to the wholesale funding markets by the participating banks during the fourth quarter of 2009, albeit to a lower extent than in previous quarters. For the first quarter of 2010, inquired banks expect a slight improvement, especially in what concerns debt securities market.

Finally, for the next twelve months, according to the answers to ad-hoc questions included in the survey conducted on January 2010, banks expect a slight tightening of credit standards applied on the approval of loans. Expectations regarding the behaviour of banks' cost of funds and balance sheet constraints are the main factors reported by banks as leading to the tightening of credit policy.

II. Presentation of the results

Loans or credit lines to enterprises

The credit standards applied to the approval of loans and credit lines to enterprises should have remained broadly unchanged in the last quarter of 2009, as compared with the previous one, whereas only one bank reported the adoption of stricter credit standards. This should have been observed mostly on long-term loans.

Even though credit standards applied to the approval of loan remained globally unchanged, inquired banks reported some factors which should have had some influence towards the tightening of credit standards, though to a lesser extent than in the previous quarters. The main factors reported by banks were a more negative assessment of risks associated with weaker industry or firm-specific outlooks, with expectations regarding general economic activity and the collateral demanded.

Nevertheless, the inquired banks should have globally applied tighten credit conditions. This was translated into the application of higher spreads, especially in what concerns riskier loans. Further, banks reported changes in other conditions and terms applied on loan contracts such as a decrease in the maturity of granted loans, higher collateral requirements and non-interest rate charges, more restrictive loan covenants and more restrictive loan covenants.

In general terms, the demand for loans and credit lines targeted at the reporting institutions should have remained broadly unchanged during the fourth quarter of 2009. As a matter of fact, merely one of the inquired banks reported a slight decrease of demand in loans to large firms and in short term loans, whereas the same bank and one other institution reported a reduction in firms' long term loan demand. In general, the reduction in financial needs associated with fixed investment contributed to the decrease in demand. Additionally, two institutions reported higher use of alternative sources of finance by firms, such as the issuance of equity and debt securities. In turn, debt restructuring and, to a lower extent, increased financing needs associated with inventories and working capital, lower internal financing and hampered access to loans from other bank institutions were mentioned.

Regarding the first quarter of 2010, on average, the banks included in the sample do not anticipate significant changes to the credit standards applied on the approval of loans and credit lines to enterprises, whereas one bank reported the adoption of stricter credit standards in long term loans and in loans to large firms. For the same period, the inquired institutions also anticipate a slight in-

crease in firms' loan demand, except in what concerns long term loans, segment for which a slight reduction in demand is expected.

Loans to households

For house purchase

According to the survey's results, the banks included in the sample applied tighter credit standards to the approval of loans to households for house purchase during the last quarter of 2009, although to a lesser extent than in previous quarters.

The banks included in the sample indicated that the tightening of credit standards was associated with housing market prospects, with expectations regarding general economic activity and, to a lesser extent, with banks' cost of funds and balance sheet constraints. The tightening of credit standards should have been reflected in the application of higher spreads, especially in what concerns riskier loans, and in a decrease of the loan-to-value ratio. Additionally, one banking institution reported that expectations regarding an increase unemployment contributed to the tightening of credit standards applied on loans, which should have translated into a reduction in the maximum indebtedness value allowed.

On average, the replies obtained concerning households' loan demand for house purchase do not indicate significant changes. However, there was some heterogeneity in banks' replies, with two banks reporting a slight decrease in demand, one other reported a slight increase, whereas a fourth bank reported a considerable increase in demand for the same period. According to two institutions, the deterioration in consumer confidence and in housing market prospects and developments households' non-housing related consumption expenditure should have induced a decrease in households' financing needs regarding this credit market segment. However, no factors were reported as contributing to an increase in demand for loans for house purchase.

Concerning the first quarter of 2010, two banks foresee the adoption of stricter criteria in the approval of loans for house purchase, whereas the remaining surveyed banks pointed to a relative stability in demand. For the same period, three banks expect a slight increase in demand for loans for house purchase,

For consumption and other purposes

The participating banks have reported the application of tighter standards to the approval of loans to households for consumption and other purposes during the fourth quarter of 2010, when compared with the previous quarter. However, this tightening of credit standards was less relevant than that reported for the previous quarters.

The main factors reported as contributing to the tightening of credit standards were a decrease in consumers' creditworthiness, a decline in expectations regarding general economic activity and higher risk on collateral demanded. In turn, the tightening of credit standards should have been reflected in an increase of the spreads applied, especially in what concerns riskier loans,

Similarly to that in the segment of loans to households for house purchase, one banking institution reported that the increase in expectations regarding unemployment contributed to the tightening of credit standards applied on loans, which should have translated into a reduction in the maximum indebtedness value allowed.

According to the results, the demand for loans in this segment should have remained broadly unchanged in the fourth quarter of 2009. However, there was some heterogeneity in banks' replies, with two banks reporting a slight increase in demand, whereas two others reported a slight decrease in demand. This development should have been associated with lower consumer confidence, increased use of households' savings as a substitute for bank loans and lower spending on durable consumer goods. In turn, i.e. with a positive impact on the demand, was reported an increase in consumer confidence by one institution.

Concerning the first quarter of 2010, the surveyed banks expect the credit standards applied to the approval of loans to this segment to remain broadly unchanged. For the same period, three banks expect a slight increase in demand for loans for house purchase.

III. Ad hoc questions

As from the October 2007 survey, some ad-hoc questions were included in the survey conducted in October 2009, with the aim of assessing the extent to which the financial market tensions have affected banks' credit standards for loans or credit lines to enterprises and households in the euro area. Additionally, in the January 2010 cycle, two new longer horizon (twelve months) forward looking questions were included concerning credit standards applied to the approval of loans and the respective underlying factors. In the present survey, the set of reply option regarding ad hoc question number one was extended, allowing banks to appraise if there was/will be a somewhat or considerably improvement in banks financial market access. Finally, question number 2 was excluded.

Against this background, according to the survey's results, tensions in wholesale financial markets, in general, continued to influence surveyed banks' cost of capital and their lending decisions, as well as to create difficulties in the surveyed banks' access to funding in wholesale markets, although to a lesser extent than in previous quarters. Hence, in contrast with the results of the previous surveys, no difficulties were reported in banks' access to the inter-bank unsecured money market for the institutions in general, whereas one bank reported slight difficulties in the access to this market for very short term operations (up to one week). Additionally, no difficulties were also reported in banks' access to the debt securities markets. Indeed, only one bank reported hampered ability in the access to short and medium to long term debt securities markets (including covered bonds). However, some tensions were still observed in the securitisation market.

For the first quarter of 2010, surveyed banks do not anticipate, on average, significant changes from the previous quarter concerning the access to inter-bank unsecured money market and to securitisation operations. Regarding debt securities markets, bank institutions expect a slight improvement, namely in the short term market.

According to the majority of the surveyed banks, the support measures announced by the Portuguese government, related to recapitalization plans and the state's guarantees for debt securities issued by banks, should have had no impact or little impact in the

access to wholesale funding in the fourth quarter of 2009, whereas one institution reported a slight improvement in the respective access. Further, a similar effect is expected for the first quarter of 2010.

Finally, for the next twelve months, according to the answers to ad-hoc questions included in the survey conducted on January 2010, banks expect a slight tightening of credit standards applied on the approval of loans. Expectations regarding the behaviour of banks' cost of funds and balance sheet constraints are the main factors reported by banks as leading to the tightening of credit policy.

METHODOLOGICAL NOTE

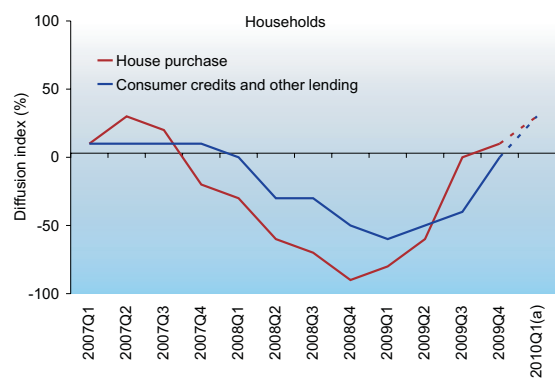
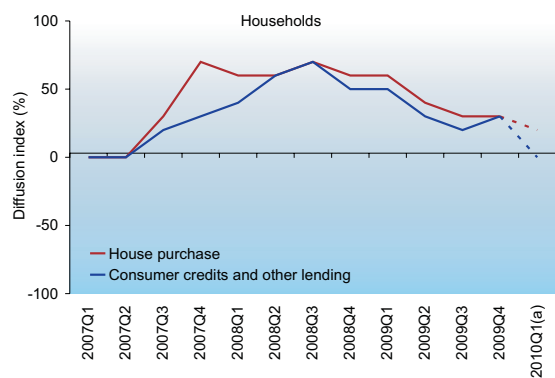
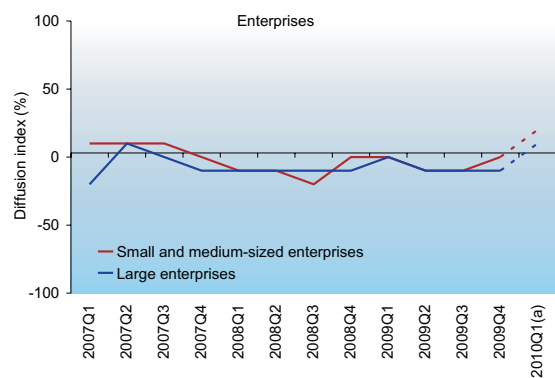
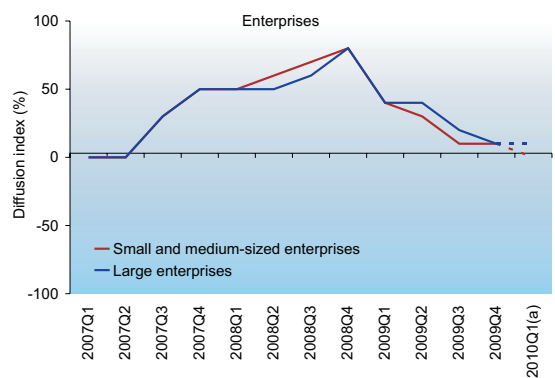
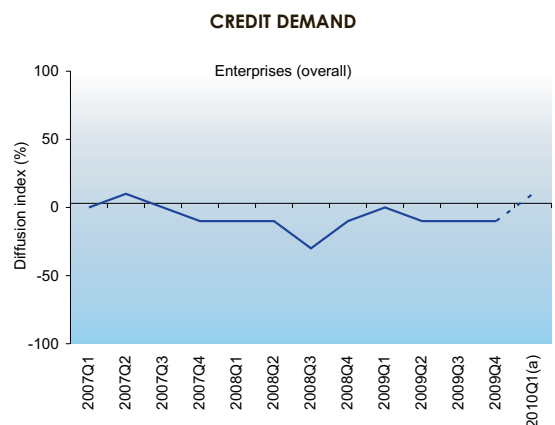
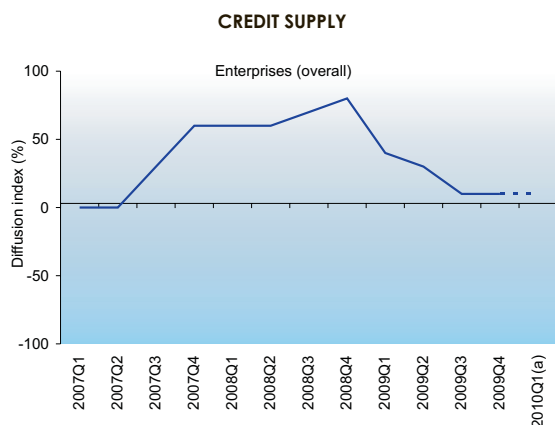
The following tables include the results for Portugal of the Bank Lending Surveys (BLS) conducted in January 2010. Two sets of tables are included in the survey: the first set is about loans and credit lines to non financial corporations while the second one is on loans to households. In the case of corporations two sort of segmentations have been undertaken: small and medium sized (SME) versus large enterprises, and short term versus long term loans. For households, a distinction between loans for house purchase and consumer credit and other lending has been made.

For each sector - enterprises and households - the questions are focused on: i) the current and the prospective assessments on standards, conditions and terms for lending approval, on one hand, and on demand trends, on the other (tables 1, 4, 6, 7, 8, 13, 16 and 17); and ii) the appraisal of factors affecting standards, conditions and terms (tables 2, 3, 9, 10, 11 e 12), and those behind demand developments (tables 5, 14 e 15).

Tables on the first set of questions have five possible options, for each segment, according to the trend and rate of the changes reported (either occurred or foreseen); replies are shown along columns. Answers to tables on factors' appraisal are along the rows; six options are available - including NA (not applicable) - according to their contribution to either supply or demand conditions.

The results of the survey are as follows:

- The number of banks answering for each option;
- The diffusion index of the options chosen by the banks, calculated using a scale (from -1 to 1) to aggregate individual replies, whereas 0 corresponds to "remained basically unchanged". For questions concerning supply, values of less than 0 mean a loosening of the criteria or the impact of factors in the sense of lower restrictiveness. The -0.5 figure corresponds to a "slight" change (the closer the diffusion index is to 0, the slighter it will be the change) while -1 stands for a considerable change in the sense of lower restrictiveness. In turn, values exceeding 0 point to an increase in restrictiveness or in the impact of factors supporting it. The 0.5 figure corresponds to a "slight" change while 1 stands for a considerable increase in restrictiveness. In the questions about demand, the same scale applies, with negative figures standing for decreases in demand and positive figures pointing to the opposite evolution (or the impact of factors for it).



Note: (a) Banks' expectations.

I. Loans or credit lines to enterprises

1. Over the past three months, how have your bank's credit **standards** as applied to the approval of **loans or credit lines to enterprises** changed?

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Tightened considerably					1
Tightened somewhat	1	1	1		
Remained basically unchanged	4	4	4	5	4
Eased somewhat					
Eased considerably					

Diffusion index (%)	Jan. 10		Oct. 09		
	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
	10	10	10	0	20
	10	10	20	0	30

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** (as described in question 1 in the column headed "Overall")? Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

- = contributed considerably to tightening of credit standards
 - = contributed somewhat to tightening of credit standards
 ° = contributed to basically unchanged credit standards
 + = contributed somewhat to easing of credit standards
 ++ = contributed considerably to easing of credit standards
 NA = not applicable

Overall

	--	-	°	+	++	NA	Diffusion index (%)	
							Jan. 10	Oct. 09
A) Cost of funds and balance sheet constraints								
• Costs related to your bank's capital position ⁽¹⁾		1	4				10	30
• Your bank's ability to access market financing (e.g. money or bond market financing) ⁽²⁾		1	4				10	20
• Your bank's liquidity position			5				0	0
B) Pressure from competition								
• Competition from other banks			5				0	0
• Competition from non-banks			5				0	0
• Competition from market financing			5				0	0
C) Perception of risk								
• Expectations regarding general economic activity		2	3				20	40
• Industry or firm-specific outlook		4	1				40	50
• Risk on the collateral demanded		2	3				20	40

(1) Can involve the use of credit derivatives, with the loans remaining on the bank's balance sheet.

(2) Involves the sale of loans from the bank's balance sheet, i.e. off-balance sheet funding.

(To be continued)

(Continued)

Loans to small and medium-sized enterprises

	--	-	°	+	++	NA	Diffusion index (%)	
							Jan. 10	Oct. 09
A) Cost of funds and balance sheet constraints								
• Costs related to your bank's capital position ⁽¹⁾		2	3				20	40
• Your bank's ability to access market financing (e.g. money or bond market financing) ⁽²⁾		1	4				10	20
• Your bank's liquidity position		1	4				10	10
B) Pressure from competition								
• Competition from other banks			5				0	0
• Competition from non-banks			5				0	0
• Competition from market financing			5				0	0
C) Perception of risk								
• Expectations regarding general economic activity		2	3				20	40
• Industry or firm-specific outlook		4	1				40	50
• Risk on the collateral demanded		3	2				30	40

(1) Can involve the use of credit derivatives, with the loans remaining on the bank's balance sheet.

(2) Involves the sale of loans from the bank's balance sheet, i.e. off-balance sheet funding.

Loans to large enterprises

	--	-	°	+	++	NA	Diffusion index (%)	
							Jan. 10	Oct. 09
A) Cost of funds and balance sheet constraints								
• Costs related to your bank's capital position ⁽¹⁾		1	4				10	30
• Your bank's ability to access market financing (e.g. money or bond market financing) ⁽²⁾		1	4				10	20
• Your bank's liquidity position			5				0	-10
B) Pressure from competition								
• Competition from other banks			5				0	0
• Competition from non-banks			5				0	0
• Competition from market financing			5				0	0
C) Perception of risk								
• Expectations regarding general economic activity		2	3				20	40
• Industry or firm-specific outlook		4	1				40	40
• Risk on the collateral demanded		2	3				20	30

(1) Can involve the use of credit derivatives, with the loans remaining on the bank's balance sheet.

(2) Involves the sale of loans from the bank's balance sheet, i.e. off-balance sheet funding.

3. Over the past three months, how have your bank's **conditions** and terms for approving **loans or credit lines to enterprises** changed? Please rate each factor using the following scale:

- = tightened considerably
 - = tightened somewhat
 ° = remained basically unchanged
 + = eased somewhat
 ++ = eased considerably
 NA = not applicable

Overall

	--	-	°	+	++	NA	Diffusion index (%)	
							Jan. 10	Oct. 09
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)	1	2	2				40	50
• Your bank's margin on riskier loans	2	3					70	70
B) Other conditions and terms								
• Non-interest rate charges		2	3				20	10
• Size of the loan or credit line		1	4				10	0
• Collateral requirements		2	3				20	20
• Loan covenants		1	4				10	10
• Maturity	1	1	3				30	30

Loans to small and medium-sized enterprises

	--	-	°	+	++	NA	Diffusion index (%)	
							Jan. 10	Oct. 09
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)	1	3	1				50	40
• Your bank's margin on riskier loans	2	3					70	60
B) Other conditions and terms								
• Non-interest rate charges		2	3				20	10
• Size of the loan or credit line		2	3				20	0
• Collateral requirements		2	3				20	20
• Loan covenants		1	4				10	10
• Maturity	1	1	3				30	40

Loans to large enterprises

	--	-	°	+	++	NA	Diffusion index (%)	
							Jan. 10	Oct. 09
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)	1	1	3				30	40
• Your bank's margin on riskier loans	2	3					70	60
B) Other conditions and terms								
• Non-interest rate charges		2	3				20	10
• Size of the loan or credit line		1	4				10	0
• Collateral requirements		2	3				20	20
• Loan covenants		2	3				20	10
• Maturity	1	2	2				40	30

4. Over the past three months, how has the **demand for loans or credit lines to enterprises** changed at your bank, apart from normal seasonal fluctuations?

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Decreased considerably					
Decreased somewhat	1		1	1	2
Remained basically unchanged	4	5	4	3	3
Increased somewhat				1	
Increased considerably					

Diffusion index (%)	Jan. 10					
	Oct. 09	-10	0	-10	0	-20
		-10	-10	-10	0	-30

5. Over the past three months, how have the following **factors** affected the **demand for loans or credit lines to enterprises** (as described in question 4 in the column headed "Overall")? Please rate each possible factor using the following scale:

- = contributed considerably to lower demand
- = contributed somewhat to lower demand
- ° = contributed to basically unchanged demand
- + = contributed somewhat to higher demand
- ++ = contributed considerably to higher demand
- NA = not applicable

	--	-	°	+	++	NA	Diffusion index (%)	
							Jan. 10	Oct. 09
A) Financing needs								
• Fixed investment	1	3	1				-50	-60
• Inventories and working capital			4	1			10	20
• Mergers/acquisitions and corporate restructuring	1		4				-20	0
• Debt restructuring			2	3			30	50
B) Use of alternative finance								
• Internal financing			4	1			10	-10
• Loans from other banks			4	1			10	0
• Loans from non-banks			5				0	-10
• Issuance of debt securities		2	3				-20	-10
• Issuance of equity		2	3				-20	0

6. 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.

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Tighten considerably					
Tighten somewhat	1		1		1
Remain basically unchanged	4	5	4	5	4
Ease somewhat					
Ease considerably					

Diffusion index (%)	Jan. 10					
	Oct. 09	10	0	10	0	10
		0	0	-10	-10	0

7. 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)?

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Decrease considerably					
Decrease somewhat					1
Remain basically unchanged	4	3	4	3	4
Increase somewhat	1	2	1	2	
Increase considerably					

Diffusion index (%)	Jan. 10	10	20	10	20	-10
	Oct. 09	10	30	10	30	-10

II. Loans to households

8. Over the past three months, how have your bank's credit **standards** as applied to the approval of **loans to households** changed?

	Loans for house purchase	Consumer credit and other lending
Tightened considerably		
Tightened somewhat	3	3
Remained basically unchanged	2	2
Eased somewhat		
Eased considerably		

Diffusion index (%)	Jan. 10	30	30
	Oct. 09	30	20

9. 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** (as described in question 8)? Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

- = contributed considerably to tightening of credit standards
 - = contributed somewhat to tightening of credit standards
 ° = contributed to basically unchanged credit standards
 + = contributed somewhat to easing of credit standards
 ++ = contributed considerably to easing of credit standards
 NA = not applicable

	--	-	°	+	++	NA	Diffusion index (%)	
							Jan. 10	Oct. 09
A) Cost of funds and balance sheet constraints		1	4				10	10
B) Pressure from competition								
• Competition from other banks			5				0	0
• Competition from non-banks			4			1	0	0
C) Perception of risk								
• Expectations regarding general economic activity		3	2				30	20
• Housing market prospects		4	1				40	30

10. Over the past three months, how have your bank's **conditions** and terms for approving **loans to households for house purchase** changed? Please rate each factor using the following scale:

- = tightened considerably
- = tightened somewhat
- ° = remained basically unchanged
- + = eased somewhat
- ++ = eased considerably
- NA = not applicable

	--	-	°	+	++	NA	Diffusion index (%)	
							Jan. 10	Oct. 09
A) Price								
* Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)		3	2				30	30
* Your bank's margin on riskier loans	3		2				60	60
B) Other conditions and terms								
* Collateral requirements			5				0	0
* "Loan-to-value" ratio		2	3				20	20
* Maturity			5				0	0
* Non-interest rate charges			5				0	10

11. 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** (as described in question 8)? Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

- = contributed considerably to tightening of credit standards
- = contributed somewhat to tightening of credit standards
- ° = contributed to basically unchanged credit standards
- + = contributed somewhat to easing of credit standards
- ++ = contributed considerably to easing of credit standards
- NA = not applicable

	--	-	°	+	++	NA	Diffusion index (%)	
							Jan. 10	Oct. 09
A) Cost of funds and balance sheet constraints		1	4				10	20
B) Pressure from competition								
* Competition from other banks			5				0	0
* Competition from non-banks			5				0	0
C) Perception of risk								
* Expectations regarding general economic activity		3	2				30	40
* Creditworthiness of consumers		3	2				30	60
* Risk on the collateral demanded		2	3				20	20

12. Over the past three months, how have your bank's **conditions** and terms for approving **consumer credit and other lending to households** changed? Please rate each factor using the following scale:

- = tightened considerably
- = tightened somewhat
- ° = remained basically unchanged
- + = eased somewhat
- ++ = eased considerably
- NA = not applicable

	--	-	°	+	++	NA	Diffusion index (%)	
							Jan. 10	Oct. 09
A) Price								
* Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)	1	2	2				40	50
* Your bank's margin on riskier loans	2	1	2				50	60
B) Other conditions and terms								
* Collateral requirements		1	4				10	20
* Maturity			5				0	10
* Non-interest rate charges		1	4				10	10

13. Over the past three months, how has the **demand for loans to households** changed at your bank, apart from normal seasonal fluctuations?

	Loans for house purchase	Consumer credit and other lending
Decreased considerably		
Decreased somewhat	2	2
Remained basically unchanged	1	1
Increased somewhat	1	2
Increased considerably	1	
Diffusion index (%) Jan. 10	10	0
Oct. 09	0	-40

14. Over the past three months, how have the following **factors** affected the **demand for loans to households for house purchase** (as described in question 13)? Please rate each factor using the following scale:

- = contributed considerably to lower demand
- = contributed somewhat to lower demand
- ° = contributed to basically unchanged demand
- + = contributed somewhat to higher demand
- ++ = contributed considerably to higher demand
- NA = not applicable

	--	-	°	+	++	NA	Diffusion index (%)	
							Jan. 10	Oct. 09
A) Financing needs								
• Housing market prospects		2	3				-20	-10
• Consumer confidence		2	3				-20	0
• Non-housing related consumption expenditure		2	3				-20	-20
B) Use of alternative finance								
• Household savings			5				0	0
• Loans from other banks		1	4				-10	0
• Other sources of finance			5				0	0

15. Over the past three months, how have the following **factors** affected the **demand for consumer credit and other lending to households** (as described in question 12)? Please rate each factor using the following scale:

- = responsible for considerable decrease
- = responsible for decrease
- ° = responsible for neither decrease nor increase
- + = responsible for increase
- ++ = responsible for considerable increase
- NA = not applicable

	--	-	°	+	++	NA	Diffusion index (%)	
							Jan. 10	Oct. 09
A) Financing needs								
• Spending on durable consumer goods (such as cars, furniture, etc.)		2	3				-20	-30
• Consumer confidence		2	2	1			-10	-50
• Securities purchases			5				0	-30
B) Use of alternative finance								
• Household saving		2	3				-20	-20
• Loans from other banks			5				0	0
• Other sources of finance			5				0	0

16. 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.

	Loans for house purchase	Consumer credit and other lending
Tighten considerably		
Tighten somewhat	2	
Remain basically unchanged	3	5
Ease somewhat		
Ease considerably		
Diffusion index (%) Jan. 10	20	0
Oct. 09	10	20

17. 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).

	Loans for house purchase	Consumer credit and other lending
Decrease considerably		
Decrease somewhat		
Remain basically unchanged	2	2
Increase somewhat	3	3
Increase considerably		
Diffusion index (%) Jan. 10	30	30
Oct. 09	10	-10

Ad hoc questions

The crisis in US sub-prime mortgage-related bonds and its spill-over into other financial markets led to a considerably more cautious valuation of credit risk worldwide in the second half of 2007. From the perspective of monetary policy, it is important to monitor how these events have affected bank credit conditions for enterprises and households. Therefore, following the October 2007 survey, some ad hoc questions are presented, which aim to gauge the extent to which the financial market tensions have affected banks' credit standards for loans and credit lines to enterprises and households in the euro area in the fourth quarter of 2009 and will affect them in the next three months.

1. As a result of the situation in financial markets⁽¹⁾, has your market access been hampered when tapping your usual sources of wholesale funding and/or has your ability to transfer risk been hampered over the past three months, or are you expecting this access/activity to be hampered over the next three months? Please rate each factor using the following scale:

- = was considerably hampered / will be considerably hampered
 - = was somewhat hampered / will be somewhat hampered
 ° = was basically not hampered / will be basically not hampered
 + = eased somewhat / will ease somewhat
 ++ = eased considerably / will ease considerably
 NA = not applicable

	Over the past three months					Over the next three months					NA ⁽²⁾
	--	-	°	+	++	--	-	°	+	++	
A) Inter-bank unsecured money market											
• Very short term money market (up to 1 week)		1	3		1			4	1		
• Short-term money market (more than 1 week)			5					4	1		
B) Debt securities⁽³⁾											
• Short-term debt securities (e.g. certificates of deposit or commercial paper)	1		3	1				2	3		
• Medium to long term debt securities (incl. covered bonds)			4	1				3	2		
C) Securitisation⁽⁴⁾											
• Securitisation of corporate loans	1	1	2	1		1	1	2	1		
• Securitisation of loans for house purchase		2	2	1			2	2	1		
D) Ability to transfer credit risk off balance sheet⁽⁵⁾			4					3	1		1
E) Other markets											

(1) Also taking into account any effect of state guarantees for debt securities and recapitalisation support.

(2) NA = not applicable; the source of funding is not relevant for the bank.

(3) Usually involves on-balance sheet funding.

(4) Usually involves the sale of loans from banks' balance sheets, i.e. off-balance sheet funding.

(5) Usually involves the use of credit derivatives, with the loans remaining on banks' balance sheets.

2. To what extent have the events in financial markets affected the costs related to your bank's capital position, ^(*) and has this constrained your willingness to lend over the past three months or could this constrain your willingness to lend over the next three months?

	Over the past three months	Over the next three months
Considerable impact on both capital and lending		
Considerable impact on capital, and some impact on lending	1	1
Some impact on both capital and lending	2	2
Some impact on capital, but no impact on lending	1	1
Basically no impact on capital	1	1
No reply		

(*) As in the regular questionnaire, capital is defined in accordance with the Basel capital adequacy requirements, including both Tier 1 capital (core capital) and Tier 2 capital (supplementary capital). In the context of the EU Capital Requirements Directive, Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions defines capital as own funds and makes a distinction between original own funds and additional own funds.

3. What effect has the government's announcement of recapitalisation support and state guarantees for debt securities issued by banks had on your bank's access to wholesale funding over the past three months, and what effect are you expecting over the next three months?

	Over the past three months	Over the next three months
Considerable improvement in market access	4	4
Some improvement in market access	1	1
Basically no impact on market access		

4. Since the first quarter of 2008, how has the transition to the Directive related to the New Capital Accord affected the credit standards for the following loan categories?

	Loans and credit lines to enterprises		Loans to households	
	Small and medium-sized enterprises	Large enterprises	House purchase	Consumer credit and other lending
Contributed considerably to tightening of credit standards				
Contributed somewhat to tightening of credit standards				1
Basically no impact on credit standards				3
Contributed somewhat to easing of credit standards				1
Contributed considerably to easing of credit standards				
NA(*)	5	5	5	

(*) Please select "NA" (not applicable) only if your bank does not conduct business in a particular loan category.

5. Please indicate how you expect your bank's **credit standards** as applied to the approval of loans or credit lines to change over **the next twelve months**:

- = will tighten considerably
- = will tighten somewhat
- ° = will remain basically unchanged
- + = will ease somewhat
- ++ = will ease considerably

	Over the next twelve months				
	--	-	°	+	++
Enterprises					
Overall		3	1	1	
Loans to SMEs		3	1	1	
Loans to large enterprises		1	3	1	
Households					
Loans for house purchase		2	2	1	
Consumer credit and other lending		1	3	1	

6. Over the next twelve months, how do you expect the following factors to affect your bank's credit standards as applied to the approval of loans or credit lines for the respective loan categories?

- = will contribute considerably to tightening
 - = will contribute somewhat to tightening
 ° = will have basically no impact
 + = contribute somewhat to easing
 ++ = contribute considerably to easing
 NA = not applicable

	Over the next twelve months					NA
	--	-	°	+	++	
A) Cost of funds and balance sheet constraints						
Enterprises						
Overall	1		3	1		
Loans to SMEs	1		3	1		
Loans to large enterprises	1		4			
Households						
Loans for house purchase	1		3	1		
Consumer credit and other lending	1		3	1		
B) Pressure from competition						
Enterprises						
Overall			5			
Loans to SMEs			5			
Loans to large enterprises			5			
Households						
Loans for house purchase			4	1		
Consumer credit and other lending			5			
C) Perception of risk						
Enterprises						
Overall		2	2	1		
Loans to SMEs		2	2	1		
Loans to large enterprises		1	3	1		
Households						
Loans for house purchase		1	3	1		
Consumer credit and other lending		1	3	1		