

BANK LENDING SURVEY

January 2013

Results for Portugal**I. Overall assessment**

According to the results of the survey made to the five Portuguese banking groups included in the sample, credit standards remained broadly unchanged in the fourth quarter of 2012, both for the approval of loans or credit lines to enterprises and for the approval of loans to households for house purchase and for consumption and other purposes.

However, inquired banks identified some factors contributing to a slight increase in restrictiveness. Reference should be made to the less favourable expectations regarding general economic activity, the deteriorating outlook for specific sectors and enterprises (in the case of loans to enterprises), the deteriorating outlook for the housing market (in the case of loans to households for house purchase) and the worsening of consumers' creditworthiness (in the case of loans to households for consumption and other purposes). Regarding banks' conditions and terms applied, a slight increase in spreads applied to riskier loans was observed and, in the case of enterprises, some shortening of loan maturities and increase in collateral requirements.

The survey results point to a stabilization in the demand for loans by enterprises during the fourth quarter of the year. The reduction in financing needs related to fixed investment has been offset by the increase in financing needs related to inventories and working capital and increased financing needs for debt restructuring. Regarding households, results point to a decline in demand, more pronounced in the case of loans for house purchase than in consumption and other purposes. Among the factors that contributed most to the reduction in credit demand by households one should mention: the decline in consumer confidence, the deteriorating outlook for the housing market, the evolution of non-housing related consumption expenditure and the downturn in spending on durable consumer goods.

For the first quarter of 2013, the majority of the surveyed banks do not anticipate significant changes in credit standards applied to both the approval of loans or credit lines to enterprises and loans to households. For the same period, the demand for loans by enterprises is expected to remain stable, in general terms. With respect to loans to households, most banks expect a decline in the demand for loans for house purchase and a relative stabilization in the demand for loans for consumption and other purposes.

Finally, it should be noted that this survey includes four *ad hoc* questions. The first question seeks to evaluate the impact of the situation in financial markets on banks' access to funding and on their ability to transfer risk. Questions 2 and 3 seek to assess the extent to which the new regulatory capital requirements affected banks' credit policy in the euro area, given its potential impact on risk-weighted assets and own funds and its potential impact on credit standards and spreads applied by banks. The last question is intended to assess the impact of the sovereign debt crisis on banks' funding conditions, credit standards and spreads applied to the approval of loans.

On aggregate terms, banks' market access through the usual sources of retail and wholesale funding remained unchanged throughout the fourth quarter of 2012, and there are no expectations that the situation will change during the first quarter of 2013.

To ensure the compliance with the new regulatory capital requirements some banks reported, for the last six months, a reduction in risk-weighted assets and an increase in the capital position.

With respect to the impact of the new regulatory capital requirements on credit policy over the last six months, reference should be made to the slight tightening in the credit standards (in all segments considered) and, to a lesser extent, in the spreads applied to loans.

Regarding the impact of tensions in the European sovereign debt market, the majority of the surveyed banks indicated the absence of significant changes regarding their funding conditions, credit standards or spreads applied to loans in the course of the fourth quarter of 2012.

II. Presentation of the results**Loans or credit lines to enterprises**

According to the surveyed banks, credit standards applied to the approval of loans and credit lines to enterprises remained broadly unchanged in the fourth quarter of 2012, nevertheless one institution reported a slight loosening in the segment of loans to SMEs and another reported a slight tightening in loans to large enterprises. Some of the surveyed banks have identified factors that contributed to making credit standards slightly more restrictive. In particular, one should mention the deterioration of expectations regarding the general economic activity and the outlook for industry or specific companies. In turn, one institution noted the positive contribution of improved conditions in the access to market financing and improved liquidity position. Regarding conditions and terms, some banks reported a slight increase in spreads applied to riskier loans, as well as a slight increase in restrictiveness in other contractual conditions, notably the reduction in loan maturities and the increase in collateral requirements.

In the fourth quarter of 2012, demand for loans or credit lines by enterprises remained, in general, virtually unchanged. Nevertheless, it should be noted a slight decrease in demand for longer term loans, a slight increase in loans to SMEs as well as a slight increase in demand for short term loans. The reduction in financing needs related to fixed investment has slightly contributed to the lower demand. Additionally, two banks reported a slight negative contribution arising from firms' increased recourse to loans from

other banks. Conversely, *i. e.* contributing to a slight increase in demand, it should be noted the increase in financing needs related both to inventories and working capital and debt restructuring.

For the first quarter of 2013, most reporting banks do not anticipate, in global terms, significant changes to the credit standards as applied to the approval of loans or credit lines to enterprises. However, according to two institutions, credit standards are expected to slightly loosen for loans to SMEs. As regards demand, most banks do not anticipate significant changes.

Loans to households

For house purchase

According to the survey results, credit standards as applied to the approval of loans to households for house purchase remained virtually unchanged. Nevertheless, the majority of the surveyed banks have identified some factors that have had some restrictive pressure on credit standards. In particular, one should mention the increase in the cost of funding and balance sheet constraints, the less favourable expectations regarding general economic activity and the deteriorating outlook for the housing market. Banks' conditions and terms for approving loans to households for house purchase did not change significantly. However, three institutions reported an increase in spreads regarding higher risk loans.

According to the majority of the surveyed banks, loan demand for house purchase decreased in the fourth quarter of 2012, with two banks reporting a considerable decrease. Underlying this evolution was the deteriorating outlook for the housing market, the decline in consumer confidence and, to a lesser extent, the increase in non-housing related consumption expenditure.

For the first quarter of 2013, most institutions do not anticipate significant changes in credit standards as applied to lending to households for house purchase. For the same period, all the institutions in the sample anticipate a decrease in demand in this segment.

For consumption and other purposes

Credit standards as applied to the approval of loans to households for consumption and other purposes also remained virtually unchanged during the fourth quarter of 2012. However, also in this segment some factors that have had some restrictive pressure on credit standards were identified. Namely, the unfavourable outlook on general economic activity, the worsening of consumers' creditworthiness and, to a lesser extent, the higher risk on the collateral demanded. Overall, banks' conditions and terms for approving loans to households for consumption and other purposes remained virtually unchanged. However, some of the surveyed banks reported an increase in spreads on high risk loans.

According to the majority of the surveyed banks, there was a decrease in the demand for loans for consumption and other purposes during the fourth quarter of 2012. The main factors identified as underlying this decrease in demand were the downturn in spending on durable consumer goods and the decline in consumer confidence.

For the first quarter of 2013, most banks do not foresee significant changes to credit standards applied to lending for consumption and other purposes. Similarly, with regard to demand, the majority of reporting institutions do not anticipate changes in the segment.

III. *Ad hoc* questions

The bank lending survey includes some *ad hoc* questions addressing the impact on bank lending to enterprises and households of specific and/or isolated events. The survey conducted in January 2013 includes four questions of this type. Firstly, in line with the observed since October 2007, the survey seeks to evaluate the impact of the situation in financial markets on banks' access to funding and on their ability to transfer risk. This question regarding access to funding (Question 1) has, since the survey conducted in January 2012, a broader scope since banks are not only inquired about their access to wholesale funding markets, but also about their access to retail funding. Secondly, in line with the October 2012 survey, this survey includes a question that addresses the impact of the sovereign debt crisis on banks' funding conditions and credit standards applied to the approval of loans and credit lines to enterprises and households. This question has been extended in the present survey (January 2013) in order to also assess the impact of the sovereign debt crisis on spreads applied by banks. Additionally, likewise the July 2012 survey, this survey reintroduced the two *ad hoc* questions regarding the impact of CRD IV, as well as those regulatory requirements resulting from the European Banking Authority or other changes in capital regulation specific to each country. In particular, these questions (2 and 3) address the extent to which the new regulatory capital requirements affect the lending policy of the euro area banks, through its potential impact on risk-weighted assets and own funds, on credit standards and, from the present survey onwards (January 2013), on spreads applied to loans. In the Portuguese case, it should be mentioned the relevance of the national regulation, in line with the rules for Core Tier I ratio, initially defined by Banco de Portugal and subsequently adjusted in the context of the international finance assistance programme.

According to the responses to the survey, in aggregate terms, banks' market access when tapping the usual sources of wholesale and retail funding remained broadly unchanged over the fourth quarter of 2012. In fact, just one bank reported a slight improvement in access to retail funding via short-term deposits, long-term deposits and other savings instruments. As far as wholesale funding is concerned the evolution is similar, being, however, noted that three surveyed banks reported an improvement in access to financing through medium to long-term debt securities (including covered bonds). For the same period, the results of the survey suggest that no significant changes occurred in banks' ability to securitize both corporate loans and loans for house purchase. Ad-

ditionally, only one bank reported an improvement in its ability to transfer credit risk off balance sheet. For the first quarter of 2013 no significant changes are expected in banks' access to the usual sources of market financing.

With respect to the strategy pursued by banks to ensure compliance with the new regulatory capital requirements, two institutions reported a slight reduction in risk-weighted assets in the last six months, both in average risk and high risk loans. This reduction is also expected for the next six months. Additionally, three institutions reported an increase in own funds in the last six months, and in two cases the increase was considerable. For the next six months, most surveyed banks do not anticipate significant changes regarding the capital position.

Regarding the question about the impact of capital regulation on the credit policy, the two banks reported a slight tightening in credit standards (in all segments considered) in the last six months, due to the new regulatory capital requirements. In turn, only one bank reported a slight tightening in spreads.

Finally, in aggregate terms, the tensions in the European sovereign debt market had virtually no effect on banks' funding conditions, in the course of the fourth quarter of 2012. As regards the impact on credit standards and spreads the same conclusion applies.

METHODOLOGICAL NOTE

The following tables include the results for Portugal of the Bank Lending Surveys (BLS) conducted in January 2013. Two sets of tables are included in the survey: the first set is about loans and credit lines to non financial enterprises while the second one is on loans to households. In the case of enterprises two sorts 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.

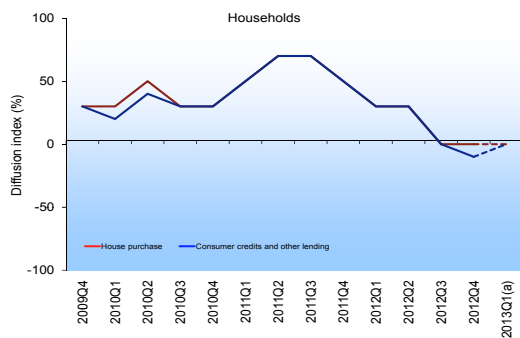
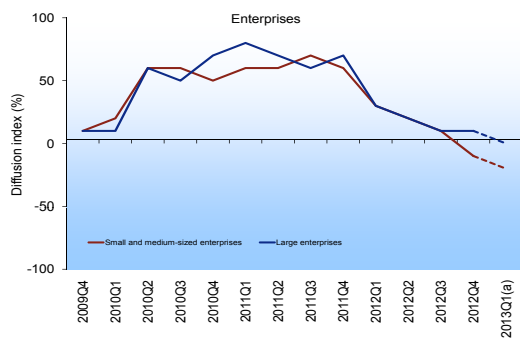
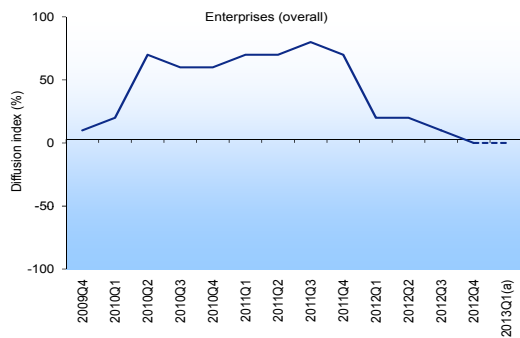
For each sector - enterprises and households - the questions are focused on: i) the current and the prospective assessment of credit standards, conditions and terms for lending approval, on the one hand, and on demand trends, on the other (tables 1, 4, 6, 7, 8, 13, 16 and 17); and ii) the appraisal of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

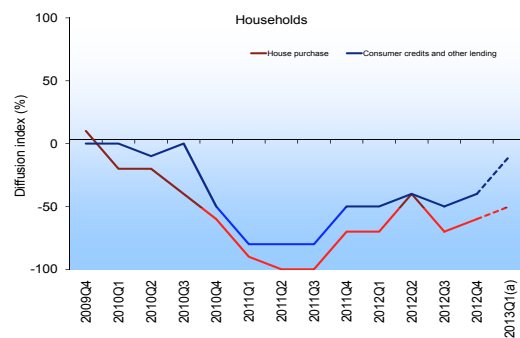
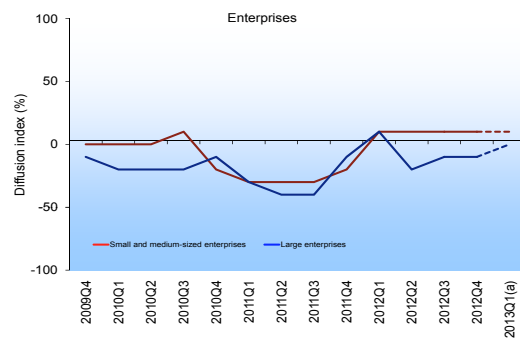
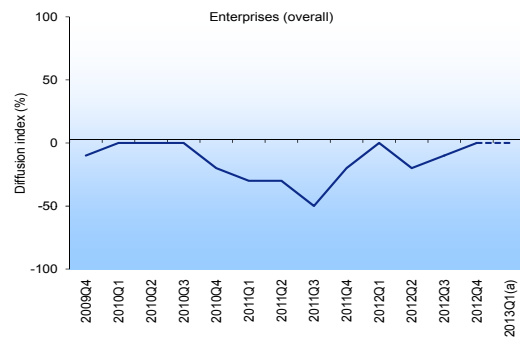
The results of the survey are as follows:

- The number of banks choosing each option;
- The diffusion index of the options chosen by the banks, calculated using a scale (from -1 to 1) to aggregate individual replies, according to which 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 indicates 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 signaling the opposite evolution (or the impact of factors affecting it).

CREDIT SUPPLY



CREDIT DEMAND



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					
Tightened somewhat			1		
Remained basically unchanged	5	4	4	4	5
Eased somewhat		1		1	
Eased considerably					

	Diffusion index % Jan.13				
	0	-10	10	-10	0
	Oct.12	10	10	10	20

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.13	Oct.12
A) Cost of funds and balance sheet constraints								
• Costs related to your bank's capital position ⁽¹⁾		1	4				10	40
• Your bank's ability to access market financing (e.g. money or bond market financing, including true-sale securitisation) ⁽²⁾			4	1			-10	20
• Your bank's liquidity position			4	1			-10	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		3	2				30	70
• Industry or firm-specific outlook		2	3				20	60
• Risk on the collateral demanded		1	4				10	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.

(To be continued)

(Continued)

Loans to small and medium-sized enterprises	--	-	°	+	++	NA	Diffusion index %	
							Jan.13	Oct.12
A) Cost of funds and balance sheet constraints								
• Costs related to your bank's capital position ⁽¹⁾		1	4				10	40
• Your bank's ability to access market financing (e.g. money or bond market financing, including true-sale securitisation) ⁽²⁾			4		1		-20	20
• Your bank's liquidity position			3	1	1		-30	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	80
• Industry or firm-specific outlook		3	2				30	70
• Risk on the collateral demanded		1	4				10	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.13	Oct.12
A) Cost of funds and balance sheet constraints								
• Costs related to your bank's capital position ⁽¹⁾		1	4				10	40
• Your bank's ability to access market financing (e.g. money or bond market financing, including true-sale securitisation) ⁽²⁾			4	1			-10	20
• Your bank's liquidity position			3	2			-20	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	70
• Industry or firm-specific outlook		2	3				20	60
• Risk on the collateral demanded		1	4				10	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.13	Oct.12
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)			5				0	30
• Your bank's margin on riskier loans		3	2				30	50
B) Other conditions and terms								
• Non-interest rate charges		1	4				10	10
• Size of the loan or credit line		1	4				10	30
• Collateral requirements		2	3				20	30
• Loan covenants		1	4				10	30
• Maturity		2	3				20	40

Loans to small and medium-sized enterprises	--	-	°	+	++	NA	Diffusion index %	
							Jan.13	Oct.12
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)			4	1			-10	30
• Your bank's margin on riskier loans		4	1				40	40
B) Other conditions and terms								
• Non-interest rate charges		1	4				10	0
• Size of the loan or credit line		1	4				10	30
• Collateral requirements		2	3				20	30
• Loan covenants		1	4				10	30
• Maturity		1	4				10	40

Loans to large enterprises	--	-	°	+	++	NA	Diffusion index %	
							Jan.13	Oct.12
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)			5				0	40
• Your bank's margin on riskier loans		3	1	1			20	60
B) Other conditions and terms								
• Non-interest rate charges		1	4				10	10
• Size of the loan or credit line		2	3				20	30
• Collateral requirements		2	3				20	30
• Loan covenants		1	4				10	30
• Maturity		2	3				20	40

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		2
Remained basically unchanged	5	4	4	4	2
Increased somewhat		1		1	1
Increased considerably					

Diffusion index %	Jan.13					
		0	10	-10	10	-10
	Oct.12	-10	10	-10	10	-20

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.13	Oct.12
A) Financing needs								
• Fixed investment	1	2	2				-40	-70
• Inventories and working capital			1	4			40	30
• Mergers/acquisitions and corporate restructuring		1	3	1			0	-10
• Debt restructuring				4	1		60	70
B) Use of alternative finance								
• Internal financing	1		2	2			0	-10
• Loans from other banks		2	3				-20	0
• Loans from non-banks			5				0	0
• Issuance of debt securities			5				0	10
• Issuance of equity			4	1			10	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					
Remain basically unchanged	5	3	5	4	5
Ease somewhat		2		1	
Ease considerably					

Diffusion index %	Jan.13					
		0	-20	0	-10	0
	Oct.12	10	0	10	0	30

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	5	4	5	5	4
Increase somewhat		1			
Increase considerably					

Diffusion index %	Jan.13				
	Oct.12				
	0	10	0	0	-10
	-10	-10	-10	-10	-20

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		
Remained basically unchanged	5	4
Eased somewhat		1
Eased considerably		

Diffusion index %	Jan.13		
	Oct.12		
	0		-10
	0		0

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.13	Oct.12
A) Cost of funds and balance sheet constraints		2	3				20	30
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		4	1				40	70
• Housing market prospects	2	2	1				60	80

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.13	Oct.12
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)		1	4				10	10
• Your bank's margin on riskier loans		3	2				30	40
B) Other conditions and terms								
• Collateral requirements		1	4				10	10
• "Loan-to-value" ratio			5				0	10
• Maturity			5				0	0
• Non-interest rate charges			5				0	0

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.13	Oct.12
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		4	1				40	70
• Creditworthiness of consumers		4	1				40	60
• Risk on the collateral demanded		2	3				20	50

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.13	Oct.12
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)		1	4				10	10
• Your bank's margin on riskier loans	1	2	2				40	50
B) Other conditions and terms								
• Collateral requirements		1	4				10	20
• Maturity			5				0	0
• Non-interest rate charges			5				0	0

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	2	1
Decreased somewhat	2	2
Remained basically unchanged	1	2
Increased somewhat		
Increased considerably		

	Diffusion index % Jan.13		
		-60	-40
	Oct.12	-70	-50

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.13	Oct.12
A) Financing needs								
• Housing market prospects	2	2	1				-60	-80
• Consumer confidence	2	3					-70	-90
• Non-housing related consumption expenditure		3	2				-30	-60
B) Use of alternative finance								
• Household savings		1	3	1			0	-10
• Loans from other banks			5				0	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 13)? 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.13	Oct.12
A) Financing needs								
• Spending on durable consumer goods (such as cars, furniture, etc.)		4	1				-40	-70
• Consumer confidence	1	3	1				-50	-60
• Securities purchases			4			1	0	-10
B) Use of alternative finance								
• Household saving			5				0	-10
• Loans from other banks			4	1			10	10
• 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		
Remain basically unchanged	5	5
Ease somewhat		
Ease considerably		

Diffusion index % Jan.13	0	0
Oct.12	10	10

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	5	1
Remain basically unchanged		4
Increase somewhat		
Increase considerably		

Diffusion index % Jan.13	-50	-10
Oct.12	-50	-30

Ad-hoc questions

The questions in this section address the impact on bank lending to enterprises and households of specific and/or isolated events.

The crisis in US sub-prime mortgage-related bonds and its spill-over into other financial markets and the real economy led to a considerably more cautious valuation of credit risk worldwide. From the perspective of monetary policy, it is important to monitor how these events have affected bank credit conditions for enterprises and households. The next question gauges the extent to which the financial and economic crisis has affected banks' access to funding and banks' ability to transfer risk.

1. 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? Please rate each factor using the following scale:

- = deteriorated considerably/will deteriorate considerably
- = deteriorated somewhat/will deteriorate somewhat
- ° = remained unchanged/will remain unchanged
- + = eased somewhat/will ease somewhat
- ++ = eased considerably/will ease considerably
- NA = not applicable

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

(1) Please also take into account any effect of state guarantees for debt securities and recapitalisation support.

(2) Please select "N/A" (not applicable) if and only if the source of funding is not relevant for your 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.

The next two questions address the extent to which the new regulatory capital requirements set out in "CRD IV"(*) have impacted, or will impact, on your lending policies (via the potential impact on your bank's capital position and the credit standards that your bank applies to loans).

2. In order to comply with new regulatory requirements, has your bank:
 – increased/decreased risk-weighted assets
 – increased/decreased its capital position
 over the past six months, and/or does it intend to do so over the next six months?

- = decreased / will decrease considerably
- = decreased/will decrease somewhat
- o = remained/will remain basically unchanged
- + = increased/will increase somewhat
- ++ = increased/will increase considerably
- N/A = not applicable

	Over the past six months						Over the next six months					
	--	-	o	+	++	N/A	--	-	o	+	++	N/A
Risk-weighted assets		2	2		1			2	3			
Of which: Average loans		2	2	1				2	3			
Riskier loans		2	2		1			2	2	1		
Capital position			2	1	2				4	1		
Of which: Retained earnings			2	1	1	1			2	1	1	1
Share issuance			3		2				5			

(*) Please consider the regulatory requirements set out in CRD IV (July 2011), which can be found on the European Commission's website at, http://ec.europa.eu/internal_market/bank/regcapital/index_en.htm, as well as those resulting from the EBA and any other specific national regulations concerning banks' capital requirements that have recently been approved or are expected to be approved in the near future.

3. Have any adjustments been made, or will any be made, to your bank's credit standards/lending margins for loans over the past/next six months, owing to the new regulatory capital requirements^(*) ?

- = credit standards / lending margins have been tightened/will be tightened considerably
- = credit standards / lending margins have been tightened/will be tightened somewhat
- o = the requirements have basically not had/will not have any impact on credit standards / lending margins
- + = credit standards / lending margins have been eased/will be eased somewhat
- ++ = credit standards / lending margins have been eased/will be eased considerably

a) Credit standards

		Loans and credit lines		Loans to households	
		Small and medium-sized enterprises	Large enterprises	For house purchase	Consumer credit and other lending
Over the past six months	--				
	-	2	2	2	2
	o	3	3	3	3
	+				
	++				
Over the next six months	--				
	-	2	2	2	2
	o	3	3	3	3
	+				
	++				

b) Lending margins

		Loans and credit lines to enterprises		Loans to households	
		Small and medium-sized enterprises	Large enterprises	For house purchase	Consumer credit and other lending
Over the past six months	--				
	-	1	1	1	1
	o	4	4	4	4
	+				
	++				
Over the next six months	--				
	-	1	1	1	1
	o	4	4	4	4
	+				
	++				

() Please consider the regulatory requirements set out in CRD IV (July 2011), which can be found on the European Commission's website at, http://ec.europa.eu/internal_market/bank/regcapital/index_en.htm, as well as those resulting from the EBA and any other specific national regulations concerning banks' capital requirements that have recently been approved or are expected to be approved in the near future.*

Ad-hoc question on impact of sovereign debt crisis

4. Given the tensions in the European sovereign debt market⁽¹⁾, how have the following factors contributed to changes in your bank's funding conditions / credit standards / margins over the past three months? Please rate each factor using the following scale:

- = contributed considerably to a deterioration in my bank's funding conditions/contributed considerably to a tightening of credit standards / contributed considerably to a widening of lending margins
- = contributed somewhat to a deterioration in my bank's funding conditions/contributed somewhat to a tightening of credit standards / contributed somewhat to a widening of lending margins
- o = had no effect on my bank's funding conditions/had no effect on my bank's credit standards / had no effect on my bank's lending margins
- + = contributed somewhat to an easing in my bank's funding conditions/contributed somewhat to an easing of credit standards / contributed somewhat to a narrowing of lending margins
- ++ = contributed considerably to an easing in my bank's funding conditions/contributed considerably to an easing of credit standards / contributed considerably to a narrowing of lending margins

	Impact on your bank's funding conditions					Impact on your bank's credit standards														
						Loans or credit lines to enterprises					Loans to households for house purchase					Loans to households for consumer credit and other lending				
	--	-	o	+	++	--	-	o	+	++	--	-	o	+	++	--	-	o	+	++
A) Direct exposure to sovereign debt			5				1	4				1	4				1	4		
B) Value of sovereign collateral available for wholesale market transactions ⁽²⁾			5					5					5					5		
C) Other effects ⁽³⁾			2					2					2					2		

	Impact on your bank's lending margins														
	Loans or credit lines to enterprises					Loans to households for house purchase					Loans to households for consumer credit and other lending				
	--	-	o	+	++	--	-	o	+	++	--	-	o	+	++
A) Direct exposure to sovereign debt			5					5					5		
B) Value of sovereign collateral available for wholesale market transactions ⁽²⁾			5					5					5		
C) Other effects ⁽³⁾			2					2					2		

(1) Please also take into account any effect of state guarantees for debt securities and recapitalisation support.

(2) For example, repos or secured transactions in derivatives.

(3) For instance, any automatic rating downgrade affecting your bank following a sovereign downgrade or changes in the value of the domestic government's implicit guarantee, as well as spillover effects on other assets, including the loan book.