

BANK LENDING SURVEY

July 2010

Results for Portugal**I. Overall assessment**

According to the results of the survey conducted in July 2010 to the five Portuguese banking groups included in the sample, credit standards applied to the approval of loans to enterprises should have become considerably stricter in the second quarter of 2010 as compared to the previous quarter. The tightening of credit standards should have been stronger than that observed in the last quarter as result of stricter criteria across all market segments and maturities. Household's credit standards have also become tighter.

The main factors reported by banks as leading to the tightening of credit policy were difficulties while accessing financial markets, the increase in banks' cost of funds and balance sheet constraints and at a lower extent a more negative assessment of risks.

The changes in credit standards should have been reflected into an increase in spreads, especially on riskier loans, and into a tightening of the conditions and terms applied on loan contracts.

The demand for loans and credit lines by enterprises should have remained broadly unchanged during the second quarter of 2010. This behaviour should have been associated with lower financial needs regarding fixed investment and, at a lower extent, a reduction in mergers and acquisitions financing needs and higher internal financing. In turn, i.e. with a positive impact on demand, it was registered an increase in financing needs associated with debt restructuring. Household's demand for loans for house purchase as well as for consumption and other purposes should have decreased during the second quarter of 2010. Falling consumer confidence and weaker housing market prospects were the main factors contributing to this decrease. In turn, the tightening of credit standards in other institutions has been pointed as favouring demand. Regarding loans for consumption and other purposes, lower consumer confidence and at a lower extent increasing households' savings were mentioned to be the most important factors contributing to restrict growth on credit demand. There were presented no factors in favour of higher demand on this market segment.

For the third quarter of 2010, the surveyed banks expect stricter credit standards on loans to enterprises, especially on long term loans. Regarding households, more demanding credit standards are anticipated for loans both for house purchase and for consumption and other purposes. For the same period, the inquired institutions anticipate that the demand for loans and credit lines by enterprises should remain stable. In turn, the banks inquired await a decrease in households' demand for loans both for house purchase and for consumption and other purposes.

Answers to the questions raised by the turmoil in international financial markets pointed to a significant worsening in banks' ability to access unsecured money markets. Likewise, the inquired banks reported considerably worst conditions on their access to both the short and long term debt markets. In line with previous quarters, conditions on the securitization market have continued to deteriorate. For the third quarter of 2010, sampled banks expect further deterioration on money, debt and securitization markets.

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

Credit standards applied to the approval of loans and credit lines to enterprises should have become considerably tighter in the second quarter of 2010 as result of stricter criteria across all market segments and maturities. Nevertheless, long term loans were the most affected with three banks mentioning having adopted considerably stricter criteria.

The main factors reported by banks as leading to the tightening of credit standards applied in this segment were difficulties while accessing financial markets, a significant deterioration in their liquidity position, an increase in their cost of funds and a less favourable assessment of risks associated with lower expectations on general economic activity and weaker industry or firm-specific outlooks.

The tightening of credit standards should have translated into the application of higher spreads both in medium and higher risk loans. Additionally, several banks reported changes in other conditions and terms applied on loan contracts such as shorter loan maturity and lower credit amounts. There were also three institutions that mentioned higher collateral requirements. Finally, two institutions indicated higher non-interest rate charges as well as more restrictive covenants.

In general terms, the demand for loans and credit lines targeted at the reporting institutions should have remained broadly unchanged during the second quarter of 2010 with one institution reporting lower demand while other indicating an increase. Nevertheless, there were three institutions that mentioned lower demand on long term loans. Two of these institutions have also referred similar reductions on loans to large companies. In opposite direction one bank reported higher demand both on its short term loans and loans to small and medium sized enterprises.

The demand for loans by enterprises should have been negatively affected by lower financing needs associated with fixed investment. Additionally, the banks inquired declared a reduction in financing needs related to mergers and acquisitions as well as an higher internal financing. In opposite direction, two institutions pointed that debt restructuring initiatives had a positive impact on demand.

Regarding the third quarter of 2010, sampled banks anticipate a slight increase in credit standards applied on the approval of loans and credit lines to enterprises. This increase should be higher in long term loans as two of the inquired institutions declared to be expecting significantly stricter credit standards and one institution reported to be anticipating a slight increase in credit standards. For the same period, the inquired institutions referred to be looking for some stabilization in enterprises' credit demand. Nevertheless, one can distinguish different situations depending on the segment and credit maturity. As so, banks are on average expecting a slight increase in demand on short term credit and on loans from SMEs. In turn, three institutions reported to be waiting for lower demand on long term loans. Additionally, one institution declared to be expecting a decrease in demand for loans by large enterprises.

Loans to households

For house purchase

According to the results obtained, banks should have applied tighter credit standards to the approval of loans to households for house purchase during the second quarter of 2010.

The banks included in the sample indicated that the tightening of credit standards was associated with the increase in the cost of funds and balance sheet constraints, lower expectations regarding general economic activity and weaker housing market prospects.

All this should have been reflected in the application of higher spreads, especially on riskier loans, together with a decrease on the loan-to-value ratio. Additionally, some banks reported to have demanded higher collateral requirements, shorter loan maturity, lower credit amounts and higher non-interest rate charges as well as more restrictive covenants.

According to the results, households' demand for loans for house purchase should have fallen during the second quarter of 2010. However, there was some heterogeneity in banks' replies, with two banks reporting a decrease in demand, with one of them being considered to be significant, and one institution reporting a slight increase. This behaviour should have been associated with lower consumer confidence and weaker housing market prospects. Additionally, two institutions referred that demand should have been constrained by households tendency to increase savings. In opposite direction, there were two institutions that referred the tightening of credit standards in other institutions as a positive factor favouring demand.

Regarding the third quarter of 2010, three of the sampled banks anticipate a slight increase in credit standards applied on the approval of loans to households for house purchase. The other two banks expect no changes on credit standards criteria. For the same period, demand for loans for house purchase is expected to decrease again.

For consumption and other purposes

Sampled banks reported the application of tighter standards on loans to consumption and other purposes during the second quarter of 2010 as compared to the previous quarter.

The main factors reported as contributing to the tightening of credit standards were the increasing cost of funds and balance sheet restrictions and the decrease in consumers' creditworthiness. Additionally, some banks reported a decline in expectations regarding general economic activity as well as an increase in collateral risk.

The tightening of credit standards should have reflected into an increase in spreads applied, especially on riskier loans. Some banks also reported to have demanded higher collateral requirements, shorter loan maturity and higher non-interest rate charges.

In accordance with the results obtained in the survey, demand for loans in this segment had a slight reduction in the second quarter of 2010 with two banks reporting a slight reduction while other institution indicated a slight increase. According to the surveyed institutions this fall in demand is justified with lower consumer confidence and household's tendency to increase savings. There were indicated no factors in favour of an increase in households demand for loans for consumption and other purposes.

Concerning the third quarter of 2010, the surveyed banks expect a further increase on credit standards applied to the approval of loans to this segment. For the same period, banks expect demand to decrease slightly.

III. Ad hoc questions

As from the October 2007 survey, some ad-hoc questions were included in the survey conducted in July 2010. The aim is to assess the extent to which the financial market tensions have affected banks' credit standards.

According to the surveyed banks, tensions in wholesale financial markets have considerably worsened during the second quarter of 2010.

Regarding the very short term unsecured money market, three of the sampled institutions reported significant deterioration on market conditions. There was also one institution that indicated a slight deterioration on its access to this market. In the short term money market all sampled institutions but one reported a significant deterioration relatively to the last quarter.

The overall situation is not different in both the short and medium to long term debt markets where all institutions but one reported significant deterioration on market conditions.

Lastly, the securitization market was the one that has changed the less as compared to the last quarter. Nevertheless, one of the surveyed institutions declared to have faced significant deterioration on its capacity to securitize both loans for enterprises and mortgage loans. There was also one institution that reported a slight deterioration on the same markets.

For the third quarter of 2010, surveyed banks anticipate a slight deterioration on their access to the money and debt markets. Similarly, further deterioration is expected on the securitization market.

METHODOLOGICAL NOTE

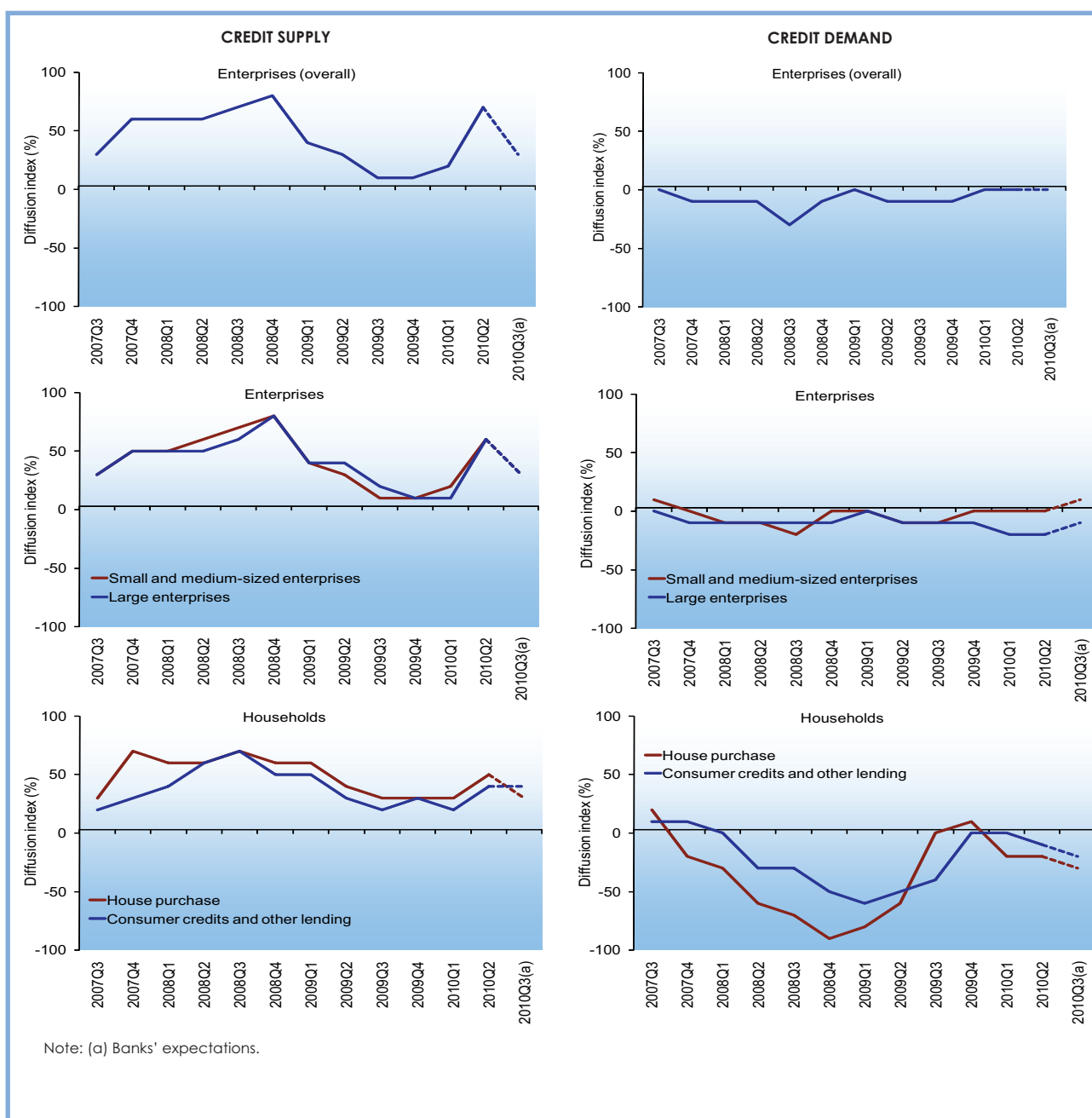
The following tables include the results for Portugal of the Bank Lending Surveys (BLS) conducted in July 2010. Two sets of tables are included in the survey: the first set is about loans and credit lines to non financial corporations while the second one is on loans to households. In the case of corporations 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).



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	2	1	1		3
Tightened somewhat	3	4	4	5	2
Remained basically unchanged					
Eased somewhat					
Eased considerably					

Diffusion index % Jul.10	70	60	60	50	80
Apr.10	20	20	10	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 %	
							Jul.10	Apr.10
A) Cost of funds and balance sheet constraints								
• Costs related to your bank's capital position ⁽¹⁾		4	1				40	20
• Your bank's ability to access market financing (e.g. money or bond market financing) ⁽²⁾	2	3					70	20
• Your bank's liquidity position	1	3	1				50	20
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	1	3	1				50	30
• Industry or firm-specific outlook	1	3	1				50	40
• Risk on the collateral demanded		3	2				30	20

(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 %	
							Jul.10	Apr.10
A) Cost of funds and balance sheet constraints								
• Costs related to your bank's capital position ⁽¹⁾	1	2	2				40	20
• Your bank's ability to access market financing (e.g. money or bond market financing) ⁽²⁾	2	2	1				60	20
• Your bank's liquidity position	1	2	2				40	20
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		4	1				40	30
• Industry or firm-specific outlook		5					50	40
• Risk on the collateral demanded		2	3				20	20

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

(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 %	
							Jul.10	Apr.10
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)	3	2					80	50
• Your bank's margin on riskier loans	3	2					80	80
B) Other conditions and terms								
• Non-interest rate charges		2	3				20	30
• Size of the loan or credit line	1	2	2				40	20
• Collateral requirements		3	2				30	40
• Loan covenants		2	3				20	10
• Maturity	1	3	1				50	30

Loans to small and medium-sized enterprises	--	-	°	+	++	NA	Diffusion index %	
							Jul.10	Apr.10
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)	2	3					70	50
• Your bank's margin on riskier loans	2	3					70	80
B) Other conditions and terms								
• Non-interest rate charges		2	3				20	30
• Size of the loan or credit line		3	2				30	20
• Collateral requirements	1	2	2				40	40
• Loan covenants		2	3				20	10
• Maturity	1	3	1				50	30

Loans to large enterprises	--	-	°	+	++	NA	Diffusion index %	
							Jul.10	Apr.10
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)	2	3					70	40
• Your bank's margin on riskier loans	1	4					60	80
B) Other conditions and terms								
• Non-interest rate charges		2	3				20	30
• Size of the loan or credit line		3	2				30	20
• Collateral requirements		2	3				20	40
• Loan covenants		1	4				10	20
• Maturity	2	2	1				60	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	1	2	1	3
Remained basically unchanged	3	3	3	3	2
Increased somewhat	1	1		1	
Increased considerably					

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

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					2
Tighten somewhat	3	3	3	3	1
Remain basically unchanged	2	2	2	2	2
Ease somewhat					
Ease considerably					

Diffusion index % Jul.10	30	30	30	30	50
Apr.10	10	0	0	0	20

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	1	1	1	3
Remain basically unchanged	3	2	4	2	2
Increase somewhat	1	2		2	
Increase considerably					

Diffusion index % Jul.10	0	10	-10	10	-30
Apr.10	10	20	0	20	-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	5	4
Remained basically unchanged		1
Eased somewhat		
Eased considerably		

Diffusion index % Jul.10	50	40
Apr.10	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 %	
							Jul.10	Apr.10
A) Cost of funds and balance sheet constraints	1	3	1				50	20
B) Pressure from competition								
• Competition from other banks		1	3	1			0	0
• Competition from non-banks			4			1	0	0
C) Perception of risk								
• Expectations regarding general economic activity		4	1				40	30
• Housing market prospects		3	2				30	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 %	
							Jul.10	Apr.10
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)	1	4					60	50
• Your bank's margin on riskier loans	3	2					80	80
B) Other conditions and terms								
• Collateral requirements	1		4				20	10
• "Loan-to-value" ratio		3	2				30	20
• Maturity		2	3				20	10
• Non-interest rate charges		2	3				20	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 %	
							Jul.10	Apr.10
A) Cost of funds and balance sheet constraints	1	3	1				50	20
B) Pressure from competition								
• Competition from other banks		1	4				10	0
• Competition from non-banks			5				0	0
C) Perception of risk								
• Expectations regarding general economic activity		4	1				40	50
• Creditworthiness of consumers	1	3	1				50	50
• Risk on the collateral demanded		3	2				30	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 %	
							Jul.10	Apr.10
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)	1	4					60	20
• Your bank's margin on riskier loans	2	3					70	60
B) Other conditions and terms								
• Collateral requirements	1	2	2				40	10
• Maturity		2	3				20	0
• Non-interest rate charges		2	3				20	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	1	
Decreased somewhat	1	2
Remained basically unchanged	2	2
Increased somewhat	1	1
Increased considerably		

Diffusion index % Jul.10	-20	-10
Apr.10	-20	0

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 % Jul.10 Apr.10	
A) Financing needs								
• Housing market prospects		3	2				-30	-20
• Consumer confidence		3	2				-30	-30
• Non-housing related consumption expenditure		2	3				-20	-10
B) Use of alternative finance								
• Household savings		2	3				-20	0
• Loans from other banks			3	2			20	-10
• 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 considerable increase
- NA = not applicable

	--	-	°	+	++	NA	Diffusion index % Jul.10 Apr.10	
A) Financing needs								
• Spending on durable consumer goods (such as cars, furniture, etc.)		1	3	1			0	0
• Consumer confidence		3	2				-30	-40
• Securities purchases			5				0	0
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	3	4
Remain basically unchanged	2	1
Ease somewhat		
Ease considerably		
Diffusion index % Apr.10		
	30	40
Apr.10	-10	0

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	3	2
Remain basically unchanged	2	3
Increase somewhat		
Increase considerably		
Diffusion index % Apr.10		
	-30	-20
Apr.10	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 second quarter of 2010 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)	3	1	1				2	3			
• Short-term money market (more than 1 week)	4		1				2	3			
B) Debt securities⁽³⁾											
• Short-term debt securities (e.g. certificates of deposit or commercial paper)	4		1			1	1	3			
• Medium to long term debt securities (incl. covered bonds)	4		1			2		3			
C) Securitisation⁽⁴⁾											
• Securitisation of corporate loans	1	1	3			1	1	3			
• Securitisation of loans for house purchase	1	1	3			1	1	3			
D) Ability to transfer credit risk off balance sheet⁽⁵⁾		1	3				1	3			1
E) Other markets											
<p>(1) Also taking into account any effect of state guarantees for debt securities and recapitalisation support.</p> <p>(2) NA = not applicable: the source of funding is not relevant for the bank.</p> <p>(3) Usually involves on-balance sheet funding.</p> <p>(4) Usually involves the sale of loans from banks' balance sheets, i.e. off-balance sheet funding.</p> <p>(5) Usually involves the use of credit derivatives, with the loans remaining on banks' balance sheets.</p>											

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	2	2
Considerable impact on capital, and some impact on lending		
Some impact on both capital and lending	3	3
Some impact on capital, but no impact on lending		
Basically no impact ^(*) on capital		
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