

**BANK LENDING SURVEY**

July 2013

**Results for Portugal****I. Overall assessment**

In general credit standards and conditions and terms applied to loans to companies and households remained broadly unchanged however there is evidence of a slight decrease in restrictiveness in relation to loans or credit lines to small and medium enterprises (SMEs). The survey results also point to a relative stabilization in loan demand by enterprises and households in the case of loans for consumption and other purposes while showing a slight decrease in the case of loans for house purchase. This demand behaviour had already been observed in the previous quarter and is expected to continue in the upcoming three months.

**II. Presentation of the results****Supply**

According to the results of the survey made to the five Portuguese banking groups included in the sample credit standards to enterprises remained in the case of loans to large companies virtually unchanged in the second quarter of 2013 with only one institution reporting the adoption of slightly less restrictive criteria. For loans to SMEs and short term loans two institutions have become slightly less restrictive regarding their credit standards. As for long term loans no changes were recorded.

Three banks identified the improvement in their liquidity position as a factor that slightly contributed to the decrease in the restrictiveness of their credit standards while only one bank identified the pressures from competition as a contributing factor to that decrease. Regarding the perception of risks one of the banks answered that less favourable expectations regarding economic activity contributed to slightly increase the restrictiveness of its standards while the others identified no effects.

In the second quarter of the year only one bank reported a slight increase in restrictiveness of conditions and terms applied to loans or credit lines to enterprises while all the others reported a slight decrease in restrictiveness (lending margins and / or non-interest rate charges). For the next quarter most banks anticipate maintaining the credit standards to companies with only one banking institution expecting it to become even less restrictive.

During this quarter the survey shows that in general banks have not changed the credit standards of loans to households (result that is expected to continue in the next quarter) although in terms of risk perception deterioration of expectations for the general economic activity and prospects for the housing market have contributed to a slight increase in its restrictiveness. The conditions applied to loans remained virtually unchanged both in the case of loans for house purchase and in the case of loans for consumer credit and other credit to households.

**Demand**

Regarding the demand for loans by companies one bank indicated that it has been slightly reduced another bank pointed to a slight increase during the last quarter while others reported no changes at all. Among the factors that influence these changes we highlight the financing of investment and the financing of mergers / acquisitions and corporate restructuring as having contributed to a slight decrease in demand while funding for inventories and working capital and restructuring debt contributed to reverse this decline. For the third quarter of 2013 the surveyed banks do not foresee changes in the demand for loans by enterprises except in the case of SMEs where a slight increase is anticipated.

In the past three months results point to a decline in the demand for loans for house purchase while the segment of loans for consumption and other purposes remained virtually unchanged. The main factors responsible for this reduction in credit demand by households are less favorable prospects for the housing market consumer spending unrelated to house purchases by individuals and especially the deterioration of consumer confidence levels. Over the next quarter it is expected that the demand for loans for house purchase continues unchanged or decreases slightly (in the perspective of two of the banks surveyed) and credit standards show a relative stabilization.

Despite the fact that demand for loans for consumption and other purposes has not changed significantly (one bank reported a slight decrease while another one pointed to a slight increase) consumer confidence and consumer spending on durable goods has pushed demand downwards. In the next quarter banks foresee that demand in this type of credit continues to decline.

**III. Ad hoc questions**

The bank lending survey includes some ad-hoc questions aimed at assessing the impact on the conditions of bank lending to companies and individuals for specific events. The survey conducted in July 2013 includes four questions of this kind.

The first question assesses the impact of the situation in financial markets on the banks' access to funding and on their ability to transfer risk. In general banks reported that in the last three months there were no changes. However one institution reported a slight improvement in the ability to transfer credit risk off balance sheet while another indicated a slight improvement in the inter-bank unsecured money market funding of very short-term (up to one week) and in the repo market.

The expectations for the next quarter indicate that no significant changes will take place. As regards retail funding only one bank foresees a slight improvement (both in short term and long term deposits). For the unsecured interbank money market the expectations are also for the maintenance of the current situation in four banks while the fifth one expects a slight deterioration in the very short-term money market. With regard to wholesale funding one of the institutions participating in the survey anticipates a slight improvement in the case of debt securities of medium to long-term while another bank predicts a slight deterioration. Only one of the banks in the sample presents expectations of slight improvement in the ability to transfer credit risk off balance sheet.

The survey has two semi-annual ad-hoc questions on the impact of CRD IV the requirements of the European Banking Authority and / or other regulatory capital specific to each country. These seek to assess the extent to which the new regulatory capital requirements affected the credit policy of banks in the euro area due to its potential impact on the management of risk-weighted assets and capital funding credit standards and bank lending margins.

The results show that in the last six months the risk-weighted assets were subject to a slight reduction for the majority of surveyed banks as a result of the new regulatory capital requirements. For the next semester it is anticipated that this reduction is intensified. Bank's capital position remained unchanged with only slight reductions from one bank and this behavior should persist over the next six months.

Over the past six months there were no changes either in lending margins or in credit standards of loans to individuals (both for housing and for consumption and other purposes) resulting from new capital requirements. This is also the expected scenario for the next semester by all banks surveyed. Regarding loans to small and medium enterprises there were no changes in the last six months with only one bank showing a reduction in its restrictiveness. Over the next six months the standards and lending margins should remain unchanged except in another reporting institution which foresees a slight tightening of lending margins on loans to small and medium enterprises. For loans to large companies one of the participants in the survey reported a slight increase in restrictiveness while one of the other respondents reported its easing. For the next semester both lending margins and credit standards on loans to large companies are unlikely to change except in one banking institution.

The last question aims to evaluate the impact of the sovereign debt crisis in banks' financing conditions and credit standards. The majority of responses indicated that there were no significant changes with the exception of one bank which reported a slight improvement in its funding conditions and the adoption of less restrictive credit standards for granting loans and credit lines to enterprises resulting from the positive valuation of collateral sovereign debt available for transactions in the wholesale market.

**METHODOLOGICAL NOTE**

The following tables include the results for Portugal of the Bank Lending Surveys (BLS) conducted in July 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.

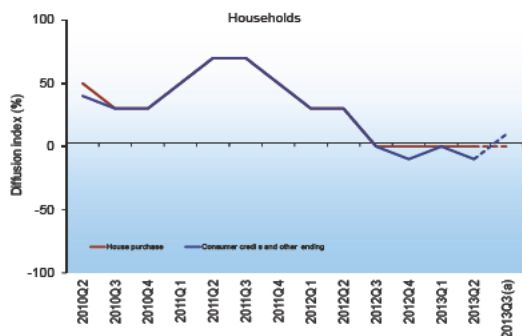
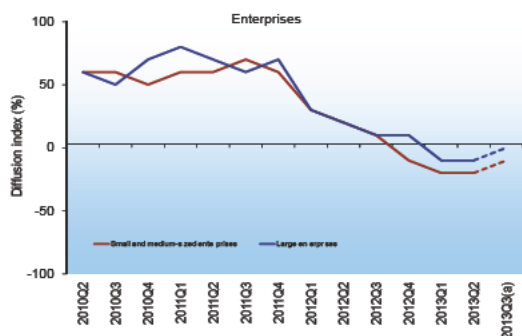
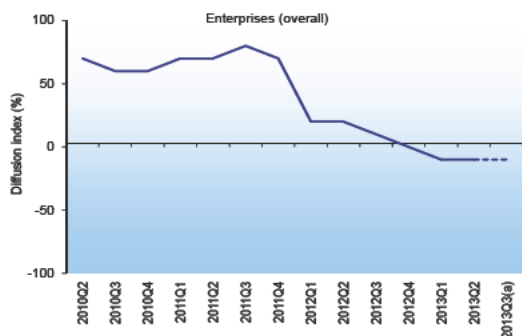
For each sector - enterprises and households - the questions are focused on: i) the current and the prospective assessment of credit standards conditions and terms for lending approval on the one hand and on demand trends on the other (tables 1 4 6 7 8 13 16 and 17) and ii) the appraisal of factors affecting 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.

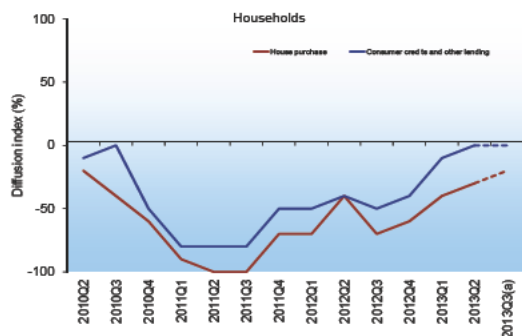
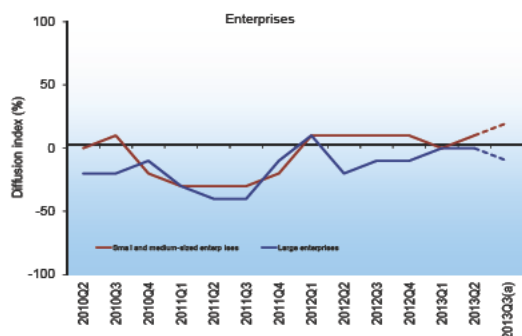
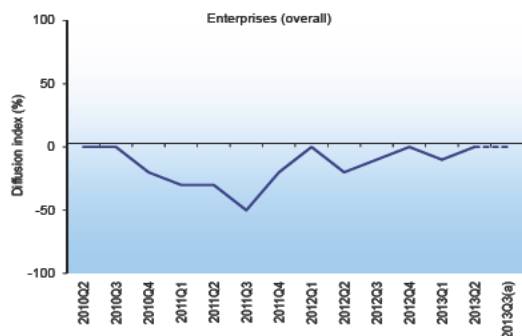
The results of the survey are as follows:

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

	Diffusion index % Jul.13				
	-10	-20	-10	-20	0
	Apr.13	-10	-20	-10	0

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.13	Apr.13
<b>A) Cost of funds and balance sheet constraints</b>								
• Costs related to your bank's capital position <sup>(1)</sup>			5				0	0
• Your bank's ability to access market financing (e.g. money or bond market financing including true-sale securitisation) <sup>(2)</sup>			5				0	0
• Your bank's liquidity position			2	3			-30	-30
<b>B) Pressure from competition</b>								
• Competition from other banks			5				0	0
• Competition from non-banks			5				0	0
• Competition from market financing			4	1			-10	0
<b>C) Perception of risk</b>								
• Expectations regarding general economic activity		1	4				10	20
• Industry or firm-specific outlook		1	4				10	30
• Risk on the collateral demanded			5				0	10

(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.13	Apr.13
<b>A) Cost of funds and balance sheet constraints</b>								
• Costs related to your bank's capital position <sup>(1)</sup>			5				0	0
• Your bank's ability to access market financing (e.g. money or bond market financing including true-sale securitisation) <sup>(2)</sup>			5				0	0
• Your bank's liquidity position			3	2			-20	-30
<b>B) Pressure from competition</b>								
• Competition from other banks			4	1			-10	0
• Competition from non-banks			5				0	0
• Competition from market financing			4	1			-10	0
<b>C) Perception of risk</b>								
• Expectations regarding general economic activity		1	4				10	30
• Industry or firm-specific outlook		1	4				10	30
• Risk on the collateral demanded			5				0	10

(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.13	Apr.13
<b>A) Cost of funds and balance sheet constraints</b>								
• Costs related to your bank's capital position <sup>(1)</sup>			5				0	0
• Your bank's ability to access market financing (e.g. money or bond market financing including true-sale securitisation) <sup>(2)</sup>			5				0	0
• Your bank's liquidity position			2	3			-30	-30
<b>B) Pressure from competition</b>								
• Competition from other banks			5				0	0
• Competition from non-banks			5				0	0
• Competition from market financing			4	1			-10	0
<b>C) Perception of risk</b>								
• Expectations regarding general economic activity		1	4				10	20
• Industry or firm-specific outlook		1	4				10	30
• Risk on the collateral demanded			5				0	10

(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
- o = remained basically unchanged
- + = eased somewhat
- ++ = eased considerably
- NA = not applicable

Overall	--	-	o	+	++	NA	Diffusion index %	
							Jul.13	Apr.13
							<b>A) Price</b>	
• Your bank's margin on average loans (wider margin = tightened narrower margin = eased)		1		4			-30	-10
• Your bank's margin on riskier loans		1	4				10	20
<b>B) Other conditions and terms</b>								
• Non-interest rate charges			4	1			-10	0
• Size of the loan or credit line			4	1			-10	0
• Collateral requirements			5				0	0
• Loan covenants			5				0	0
• Maturity		1	4				10	0

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

Loans to large enterprises	--	-	o	+	++	NA	Diffusion index %	
							Jul.13	Apr.13
							<b>A) Price</b>	
• Your bank's margin on average loans (wider margin = tightened narrower margin = eased)		1	1	3			-20	0
• Your bank's margin on riskier loans		1	4				10	20
<b>B) Other conditions and terms</b>								
• Non-interest rate charges			5				0	0
• Size of the loan or credit line			4	1			-10	-10
• Collateral requirements			5				0	0
• Loan covenants			5				0	0
• Maturity		1	4				10	-10

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
Remained basically unchanged	3	4	3	5	3
Increased somewhat	1	1	1		1
Increased considerably					

Diffusion index %	Jul.13					
	Apr.13	0	10	0	0	0
		-10	0	0	0	-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 %	
							Jul.13	Apr.13
<b>A) Financing needs</b>								
• Fixed investment		3	1	1			-20	-30
• Inventories and working capital			3	2			20	30
• Mergers/acquisitions and corporate restructuring		2	3				-20	0
• Debt restructuring				4	1		60	50
<b>B) Use of alternative finance</b>								
• Internal financing			5				0	-10
• Loans from other banks			3	2			20	0
• Loans from non-banks			5				0	0
• Issuance of debt securities			5				0	0
• Issuance of equity			5				0	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	4	4	5	4	5
Ease somewhat	1	1		1	
Ease considerably					

Diffusion index %	Jul.13					
	Apr.13	-10	-10	0	-10	0
		0	-10	0	-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		1		1
Remain basically unchanged	3	3	4	4	3
Increase somewhat	1	2		1	1
Increase considerably					

Diffusion index % Jul.13	0	20	-10	10	0
Apr.13	0	10	10	10	0

## 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 % Jul.13	0	-10
Apr.13	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 %	
							Jul.13	Apr.13
<b>A) Cost of funds and balance sheet constraints</b>		1	4				10	20
<b>B) Pressure from competition</b>								
• Competition from other banks			5				0	0
• Competition from non-banks			4			1	0	0
<b>C) Perception of risk</b>								
• Expectations regarding general economic activity		2	3				20	30
• Housing market prospects	1	2	2				40	50



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.13	Apr.13
<b>A) Price</b>								
• Your bank's margin on average loans (wider margin = tightened narrower margin = eased)			5				0	0
• Your bank's margin on riskier loans		1	4				10	20
<b>B) Other conditions and terms</b>								
• Collateral requirements			5				0	0
• "Loan-to-value" ratio			5				0	0
• 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 %	
							Jul.13	Apr.13
<b>A) Cost of funds and balance sheet constraints</b>			5				0	10
<b>B) Pressure from competition</b>								
• Competition from other banks			5				0	0
• Competition from non-banks			5				0	0
<b>C) Perception of risk</b>								
• Expectations regarding general economic activity		2	3				20	20
• Creditworthiness of consumers		3	2				30	40
• Risk on the collateral demanded		1	4				10	10

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.13	Apr.13
<b>A) Price</b>								
• Your bank's margin on average loans (wider margin = tightened narrower margin = eased)			4	1			-10	0
• Your bank's margin on riskier loans		1	4				10	10
<b>B) Other conditions and terms</b>								
• Collateral requirements			5				0	0
• Maturity			5				0	0
• Non-interest rate charges			5				0	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	3	1
Remained basically unchanged	2	3
Increased somewhat		1
Increased considerably		

Diffusion index % Jul.13	-30	0
Apr.13	-40	-10

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.13	Apr.13
<b>A) Financing needs</b>								
• Housing market prospects		3	2				-30	-50
• Consumer confidence	1	4					-60	-60
• Non-housing related consumption expenditure		3	2				-30	-20
<b>B) Use of alternative finance</b>								
• Household savings		1	4				-10	0
• Loans from other banks			5				0	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 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 %	
							Jul.13	Apr.13
<b>A) Financing needs</b>								
• Spending on durable consumer goods (such as cars furniture etc.)		2	3				-20	-40
• Consumer confidence		5					-50	-50
• Securities purchases			5				0	0
<b>B) Use of alternative finance</b>								
• Household saving		1	4				-10	-20
• Loans from other banks			5				0	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		1
Remain basically unchanged	5	4
Ease somewhat		
Ease considerably		
Diffusion index % Jul.13	0	10
Apr.13	0	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	2	1
Remain basically unchanged	3	3
Increase somewhat		1
Increase considerably		
Diffusion index % Jul.13	-20	0
Apr.13	-20	0

**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<sup>(1)</sup> 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 <sup>(2)</sup>
	--	-	°	+	++	--	-	°	+	++	
<b>A) Retail funding</b>											
• Short-term deposits (up to one year)			5					4	1		
• Long-term (more than one year) deposits and other retail funding instruments			5					4	1		
<b>B) Inter-bank unsecured money market</b>											
• Very short-term money market (up to 1 week)			4	1			1	4			
• Short-term money market (more than 1 week)			5					5			
<b>C) Wholesale debt securities<sup>(3)</sup></b>											
• Short-term debt securities (e.g. certificates of deposit or commercial paper)			5					5			
• Medium to long-term debt securities (incl. covered bonds)			5				1	3	1		
<b>D) Securitisation<sup>(4)</sup></b>											
• Securitisation of corporate loans			5					5			
• Securitisation of loans for house purchase			5					5			
<b>E) Ability to transfer credit risk off balance sheet<sup>(5)</sup></b>			2	1				2	1		2
<b>F) Other markets (please specify)</b>											
• 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		4	1				1	2	2			
Of which: Average loans		3	2				1	1	3			
Riskier loans		4	1				1	2	2			
Capital position		1	3			1	1		3			1
Of which: Retained earnings		1	2	1		1	1		2	1		1
Share issuance			4			1			4			1

(\*) 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](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<sup>(\*)</sup> ?

- = 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	--				
	-		1		
	o	4	3	5	5
	+	1	1		
	++				
Over the next six months	--				
	-	1	2		1
	o	4	3	5	4
	+				
	++				

**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		
	o	4	3	5	5
	+	1	1		
	++				
Over the next six months	--				
	-	1	1		
	o	4	4	5	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](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<sup>(1)</sup> 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					5					5					5		
B) Value of sovereign collateral available for wholesale market transactions <sup>(2)</sup>			4	1				4	1				5					5		
C) Other effects <sup>(3)</sup>			3					3					3					3		

	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 <sup>(2)</sup>			5					5					5		
C) Other effects <sup>(3)</sup>			3					3					3		

(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.