BANK LENDING SURVEY

October 2007

Results for Portugal

I. Overall assessment

According to the results of the survey conducted to the five Portuguese banking groups included in the sample, credit standards applied by banks on the approval of loans to firms and households were tighter in the third quarter of 2007 than in the previous quarter.

The increase in the cost of funding (especially increased difficulty in market financing) and in balance sheet constraints, as well as an increase in perceived risks, were reported as factors that contributed to a tightening of credit standards applied across all considered segments of loans. Furthermore, enterprises' increased difficulty in accessing capital markets has also played a role in the tightening of credit standards applied to the approval of corporate loans. The main factors reported as limiting the tightening of credit policy were competitive pressure from other banks and, as to what concerns loans to households for consumption and other purposes, competitive pressure from non-banks.

In the context of adjustment of credit supply, banks have also reported some changes in the conditions and terms applied to granted loans. Hence, the inquired banks have increased the spreads applied to loans granted to enterprises and to households – especially those applied to higher risk loans – as well as reduced the maturity of loans granted to enterprises and to households for consumption and other purposes. Furthermore, the application of more restrictive covenants and a decrease in the size of loans granted to enterprises were reported, as well as an increase in the collateral required both on loans to enterprises and to households for house purchase. On the other hand, according to the inquired banks' answers, there was an increase in maturity and a decrease in commissions and non-interest rate charges on loans to households for house purchase.

An increase in households' loan demand was reported for the third quarter of 2007, whereas no relevant changes were reported to the enterprises' global loan demand, even if slight increases were reported for some specific segments. Enterprises' increased financing needs for investment, inventories and working capital and debt restructuring, as well as a decrease in the recource to alternative finance, should have contributed to an increase in this sector's loan demand, whereas financing needs for mergers/acquisitions and corporate restructuring were reported as having the opposite effect. Despite the reported increase in loan demand by households, some factors were pointed out as having contributed to contain this increase, such as the increased recource to alternative funding and, as to what concerns loans to households for house purchase, the increase in interest rates and the decrease in households' financing needs, due to declining housing market prospects and consumer confidence, and to the role of non-housing related consumption expenditure.

Reporting banking groups intend to tighten the credit standards applied in loan approval during the final quarter of 2007. A decrease in loan demand by enterprises and by households for house purchase is also anticipated, whereas one bank expects loan demand by households for consumption and other purposes to increase slightly during the same period.

This survey includes a number of ad-hoc questions posed with the purpose of understanding the implications the recent turmoil in the credit markets may have in banks' loan supply. The obtained answers suggest these recent events have had a significant impact in the standards applied to loan approval during the past quarter, and also that this effect should be extended over the next three months. This impact should be associated to the hampering of banks' market access when tapping their usual sources of wholesale funding.

II. Presentation of the results

Loans or credit lines to enterprises

In the third quarter of 2007, most inquired banks have tightened somewhat the credit standards applied to the approval of loans and credit lines to enterprises. Tough common to all considered segments of loans granted to enterprises, this effect should have been especially relevant in what concerns long-term loans. Among the factors pointed out as having contributed to the tightening of standards were the increase in banks' cost of funding and balance sheet constraints, where the conditions in the access to market funding should have played a dominant role. Enterprises' difficulty in obtaining funding through the capital markets, as well as an increase in perceived risks, due to the evolution of expectations regarding general economic activity, of the outlook for specific industries or firms and of the risk on the collateral demanded, should also have contributed to the adjustment of standards. On the other hand, increased competition from other banks was pointed out by one of the inquired institutions as a factor contributing to limit the tightening of standards.

The inquired banks have also reported some changes to the conditions and terms applied for approving loans or credit lines to enterprises over the same period. Hence, spreads should have increased, especially those on riskier loans. Other conditions applied on loans to enterprises, such as maturity and size of loans, demanded collateral and covenants should also have become more restrictive.

According to the sample of institutions, demand should have remained broadly unchanged in global terms in the third quarter of the year. However, one institution reported a small increase in the demand for loans by small and medium-sized enterprises and for short-term loans, whereas one other reported a slight increase in the demand for long-term loans.

The increase in enterprises' financing needs for debt restructuring, for financing inventories and working capital and, to a lesser extent, for investment, were pointed out by the inquired institutions as contributing to an increase in the demand for loans, as was the decrease in the recourse to alternative sources of funding by enterprises, namely to the issuance of equity and debt securities. Furthermore, one bank has reported a positive impact in the demand for loans of the decrease in the recource of enterprises to loans from other banks. On the other hand, the decrease in enterprises' financing needs for mergers/acquisitions and corporate restructuring was pointed out as acting towards a decrease in the demand for loans.

Four of the inquired banking groups expect to tighten the credit standards applied to the approval of loans to enterprises over the last quarter of 2007. Though common to all considered segments of loan maturity and firm size, the banking institutions expect this effect to be more pronounced in long-term loans. Two of the banks included in the sample also anticipate a decrease in demand across all segments of loans to enterprises, whereas one institution anticipates a slight increase in demand for short-term loans during the course of the same period.

Loans to households

For house purchase

In the third quarter of 2007, three of the inquired banks have tightened somewhat the credit standards applied to the approval of loans to households for house purchase, which should have been motivated by an increase in banks' funding costs and balance sheet constraints, as well as by an increase in perceived risks, both concerning expectations regarding general economic activity and, more importantly, the outlook for the housing market. Nonetheless, one institution has pointed out the role of competitive pressure from other banks as limiting the tightening of credit standards.

The conditions and terms applied for approving loans to households for house purchase have also been adjusted by the reporting banks, through an increase in spreads, especially in those applied to higher risk loans, as well as, according to one institution, through more demanding collateral requirements and more restrictive "loan-to-value" ratios. On the other hand, an increase in loan maturity and a reduction in non interest rate charges should have contributed to less restrictive credit standards.

According to the surveyed banks, loan demand for house purchase has once again increased somewhat in the third quarter of 2007. This evolution took place against the background of a decrease in households' financing needs due to deteriorating housing market prospects and consumer confidence as well as to a decrease in non-housing related consumption expenditure. Furthermore, one institution has pointed out a negative effect on demand due to households' recourse to alternative finance (excluding household savings and loans from other banks) whereas one other institution reported the impact of the increase in interest rates.

Most of the inquired banks intend to tighten somewhat the credit standards applied to the approval of loans for house purchase during the last quarter of 2007. Two banking groups also expect demand for this segment of loans to decrease somewhat over the same period.

For consumption and other purposes

According to two of the inquired institutions, credit standards applied to the approval of loans to households for consumption and other purposes have tightened somewhat during the third quarter of 2007. The factors identified as contributing to this adjustment of criteria were banks' funding costs and balance sheet constraints, as well as the evolution of risks associated to expectations regarding general economic activity and to consumers' creditworthiness. On the other hand, competitive pressure exerted both by other banks and by non-banks should have contributed to contain the increase in criteria restrictiveness.

In global terms, tighter conditions were applied to loans in this segment, namely in terms of higher interest rate margins – especially on riskier loans – and of decreased maturities.

Loan demand for consumption remained globally unchanged in the third quarter of 2007, with only one of the banks reporting a slight increase, which should be associated to an increase in households' financing needs for spending on durable consumer goods. On the other hand, some factors were pointed out as acting towards a decrease in loan demand in this segment, such as a decrease in households' financing needs for securities purchase, as well as the use of alternative financing.

Two of the inquired banks expect to tighten somewhat the credit standards applied to the approval of loans for consumption and other purposes during the last quarter of 2007. In turn, only one of the banks in the sample anticipates demand to increase somewhat over the same period, whereas the four remaining banks do not expect significant changes in this respect.

III. Ad-hoc questions

The crises in US sub-prime mortgage related bonds and their spillover into broader structured credit markets in August 2007 have led to a considerably more cautious valuation of credit risk worldwide. In order to assess to which extent the recent credit market turmoil has affected banks' credit standards for loans and credit lines to enterprises and households in the Euro area, as well as to gain insight on what its impact should be in credit standards applied over the last quarter of the year, some extraordinary questions were posed to the sampled banking groups.

Hence, according to the gathered information, the recent credit market turmoil should have contributed to tighten banks' credit standards over the last three months. This effect should have been common to loans granted to large and small and medium-sized enterprises, as well as to households for consumption and other purposes for house purchase, even if the effect was less pronounced in the latter segment. As to what concerns the purpose of loans and credit lines to enterprises, the recent developments have led the sampled institutions to tighten the standards applied in granting loans to fund investment, inventories and working capital and, more significantly, those applied in granting loans to fund mergers/acquisitions and corporate restructuring.

The inquired banks have also reported that their market access, when tapping the usual sources of wholesale funding, has been hampered due to the recent developments in credit markets. Hence, some difficulties were pointed out in the access to the inter-bank unsecured money market, especially as to what concerns operations of maturity exceeding one week. Some difficulties in funding through the issuance of short and medium to long-term debt securities and through securitization of corporate loans and of loans for house purchase were also reported.

Over the next three months, the inquired institutions expect the situation in the money market for maturity up to one week to be normalized, and difficulties in the money market for maturity exceeding one week to decrease. A decrease in difficulties in the access to funding through short-term debt securities is also expected, whereas no change is anticipated as to what regards medium to long-term debt securities. As to what concerns securitizations operations, the inquired banks expect the situation regarding securitization of corporate loans in the next three months to be similar to that verified over the previous quarter, whereas in the securitization of housing loans the situation is expected to worsen somewhat.

Against this background, the inquired institutions expect to further tighten the credit standards applied to the approval of loans to enterprises and to households over the next three months. Even tough this effect should be present both in loans granted to enterprises and to households, one should point out that, due to the recent credit market turmoil, all of the inquired institutions expect to tighten the credit standards applied to loans and credit lines granted to enterprises, regardless of firm size and loan purpose.

In fact, the funding constraints experienced by the banks should impact the conditions and terms for approving loans. Funding constraints in money markets and in debt securities should have a higher impact in the margin of granted loans than in the corresponding amounts, whereas constraints in securitization could have a similar impact in the margin and in the amounts of granted loans.

Furthermore, the inquired banks expect the recent turmoil in credit markets to affect lending, as well as their cost of capital, over the next three months.

METHODOLOGICAL NOTE

The following tables include the results for Portugal of the Bank Lending Surveys (BLS) conducted in October 2007. 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.

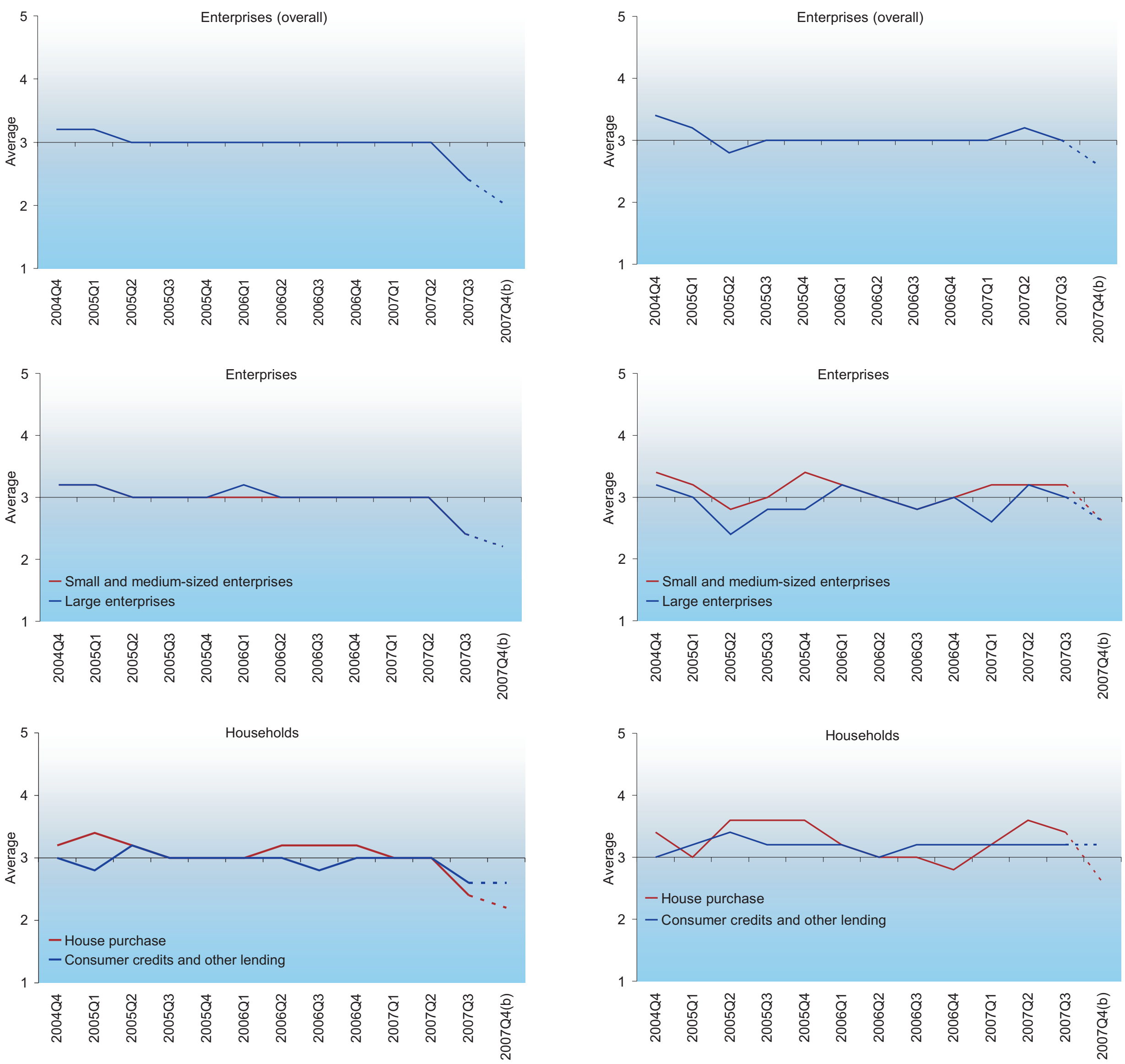
For each sector — enterprises and households — the questions are focused on: i) the current and the prospective assessments on standards, conditions and terms for lending approval, on one hand, and on demand trends, on the other (tables 1, 4, 6, 7, 8, 13, 16 and 17); and ii) the appraisal of factors 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 weighted average of the options chosen by the banks, calculated using a scale (from 1 to 5) to aggregate individual replies, whereas 3 corresponds to "remained basically unchanged". An average figure below 3 means tightening standards, conditions and terms for approving loans (or factors contributing to developments in this way), or, as concerns demand, a decline: 2 corresponds to "somewhat" and 1 to a "considerable" change (thus, as average is closer to 3, closer to "no change" will be the overall banks' appraisal). On the contrary, if average is above 3, standards, conditions and terms applied for loans approval will be easing (or factors contributing to this way) or, concerning demand, growing: "somewhat", in the case of 4, and "considerably", in case of 5.

CREDIT SUPPLY[(a)] | **CREDIT DEMAND[(a)]**



Notes: (a) In questions regarding credit supply, values below 3 should be interpreted as tighter standards applied on loan approval *vis-à-vis* the previous quarter. In turn, values above 3 imply an easing of credit standards. In questions regarding credit demand, values above 3 represent an increase in demand.
(b) Banks' expectations.

I. Loans or credit lines to enterprises

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

	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Tightened considerably			1	1	1
Tightened somewhat	3	3	1	1	2
Remained basically unchanged	2	2	3	3	2
Eased somewhat					
Eased considerably					
Average Oct. 07	2.4	2.4	2.4	2.4	2.2
Jul. 07	3.0	3.0	3.0	3.0	3.0

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

	– –	–	°	+	+ +	NA	Average Oct. 07	Average Jul. 07
A) Cost of funds and balance sheet constraints								
• Costs related to your bank's capital position		1	4				2.8	3.0
• Your bank's ability to access market financing (e.g. money or bond market financing)	2		3				2.2	3.0
• Your bank's liquidity position		1	4				2.8	3.0
B) Pressure from competition								
• Competition from other banks			4	1			3.2	3.4
• Competition from non-banks			5				3.0	3.0
• Competition from market financing	1		4				2.6	3.0
C) Perception of risk								
• Expectations regarding general economic activity		3	2				2.4	3.2
• Industry or firm-specific outlook		2	3				2.6	3.2
• Risk on the collateral demanded		1	4				2.8	3.0

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

	– –	–	°	+	+ +	NA	Average Oct. 07	Average Jul. 07
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)		4	1				2.2	3.4
• Your bank's margin on riskier loans	2	2	1				1.8	2.6
B) Other conditions and terms								
• Non-interest rate charges			5				3.0	3.2
• Size of the loan or credit line		1	4				2.8	3.0
• Collateral requirements		2	3				2.6	3.0
• Loan covenants		1	4				2.8	2.8
• Maturity	1	2	2				2.2	3.0

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					
Remained basically unchanged	5	4	5	4	4
Increased somewhat		1		1	1
Increased considerably					
Average Oct. 07	3.0	3.2	3.0	3.2	3.2
Jul. 07	3.2	3.2	3.2	3.0	3.0

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	Average Oct. 07	Average Jul. 07
A) Financing needs								
• Fixed investment			4	1			3.2	2.8
• Inventories and working capital			3	2			3.4	3.4
• Mergers/acquisitions and corporate restructuring	1	1	3				2.4	3.2
• Debt restructuring			2	2	1		3.8	3.4
B) Use of alternative finance								
• Internal financing			5				3.0	3.0
• Loans from other banks			4	1			3.2	3.0
• Loans from non-banks			5				3.0	3.2
• Issuance of debt securities			4	1			3.2	3.2
• Issuance of equity			4	1			3.2	3.2

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	1		1	1	1
Tighten somewhat	3	4	2	2	4
Remain basically unchanged	1	1	2	2	
Ease somewhat					
Ease considerably					
Average Oct. 07	2.0	2.2	2.2	2.2	1.8
Jul. 07	2.8	2.8	3.0	2.8	2.8

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	2	2	2	2	3
Remain basically unchanged	3	3	3	2	2
Increase somewhat				1	
Increase considerably					
Average Oct. 07	2.6	2.6	2.6	2.8	2.4
Jul. 07	3.2	3.2	3.0	3.0	3.2

II. Loans to households

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

	Loans for house purchase	Consumer credit and other lending
Tightened considerably		
Tightened somewhat	3	2
Remained basically unchanged	2	3
Eased somewhat		
Eased considerably		
Average Oct. 07	2.4	2.6
Jul. 07	3.0	3.0

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	Average Oct. 07	Average Jul. 07
A) Cost of funds and balance sheet constraints		2	3				2.6	3.0
B) Pressure from competition								
• Competition from other banks			4	1			3.2	3.6
• Competition from non-banks			5				3.0	3.2
C) Perception of risk								
• Expectations regarding general economic activity		1	4				2.8	3.2
• Housing market prospects		3	2				2.4	2.6

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	Average Oct. 07	Average Jul. 07
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)		1	4				2.8	3.0
• Your bank's margin on riskier loans		2	3				2.6	3.0
B) Other conditions and terms								
• Collateral requirements		1	4				2.8	3.0
• "Loan-to-value" ratio		1	4				2.8	3.0
• Maturity			4	1			3.2	3.4
• Non-interest rate charges			3	2			3.4	3.6

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	Average Oct. 07	Average Jul. 07
A) Cost of funds and balance sheet constraints	1	2	2				2.2	3.0
B) Pressure from competition								
• Competition from other banks			3	2			3.4	3.4
• Competition from non-banks			3	2			3.4	3.2
C) Perception of risk								
• Expectations regarding general economic activity		3	2				2.4	3.2
• Creditworthiness of consumers		1	4				2.8	2.8
• Risk on the collateral demanded			5				3.0	3.0

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	Average Oct. 07	Average Jul. 07
A) Price								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)		1	4				2.8	3.4
• Your bank's margin on riskier loans	1	1	3				2.4	3.0
B) Other conditions and terms								
• Collateral requirements			5				3.0	3.0
• Maturity	1		4				2.6	3.4
• Non-interest rate charges			5				3.0	3.4

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		
Remained basically unchanged	3	4
Increased somewhat	2	1
Increased considerably		
Average Oct. 07	3.4	3.2
Jul. 07	3.6	3.2

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	Average Oct. 07	Average Jul. 07
A) Financing needs								
• Housing market prospects		3	2				2.4	2.4
• Consumer confidence		1	4				2.8	3.2
• Non-housing related consumption expenditure		2	3				2.6	3.0
B) Use of alternative finance								
• Household savings			5				3.0	3.0
• Loans from other banks		1	3		1		3.2	3.0
• Other sources of finance		1	4				2.8	3.0

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

– – = responsible for considerable decrease
– = responsible for decrease
° = responsible for neither decrease nor increase
+ = responsible for increase
+ + = responsible for considerable increase
NA = Not Applicable

	– –	–	°	+	+ +	NA	Average Oct. 07	Average Jul. 07
A) Financing needs								
• Spending on durable consumer goods, such as cars, furniture, etc.)			4	1			3.2	2.8
• Consumer confidence			5				3.0	3.2
• Securities purchases		1	4				2.8	3.0
B) Use of alternative finance								
• Household saving			5				3.0	3.0
• Loans from other banks		1	4				2.8	2.8
• Other sources of finance		1	4				2.8	3.0

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	4	2
Remain basically unchanged	1	3
Ease somewhat		
Ease considerably		

Average Oct. 07	2.2	2.6
Jul. 07	3.0	3.0

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	
Remain basically unchanged	3	4
Increase somewhat		1
Increase considerably		

Average Oct. 07	2.6	3.2
Jul. 07	3.0	3.0

Ad-hoc question

The crises in US sub-prime mortgage related bonds and their spillover into broader structured credit markets in August 2007 have led to a considerably more cautious valuation of credit risk worldwide. In order to assess to which extent the recent credit market turmoil has affected banks' credit standards for loans and credit lines to enterprises and households in the Euro area, as well as to gain insight on what its impact should be in credit standards applied over the last quarter of the year, some extraordinary questions were posed to the sampled banking groups.

1. What effect has the recent turmoil in the credit markets had on your bank's credit standards over the past three months?

	Loans and credit lines to enterprises		Loans to households	
	SMEs	Large Enterprises	For house purchase	Consumer credit and other lending
Contributed considerably to tighening of credit standards		1		1
Contributed somewhat to tighening of credit standards	4	2	3	2
Has basically had no impact on credit standards	1	2	2	2
N/A(*)				

(*) "NA" (not applicable): the bank does not conduct business in a particular loan category.

2. What effect do you expect the recent turmoil in the credit markets to exert on your bank's credit standards over the next three months?

	Loans and credit lines to enterprises		Loans to households	
	SMEs	Large Enterprises	For house purchase	Consumer credit and other lending
Contribute considerably to tighening of credit standards		1		1
Contribute somewhat to tighening of credit standards	5	4	4	3
Basically no impact on credit standards			1	1
N/A(*)				

(*) "NA" (not applicable): the bank does not conduct business in a particular loan category.

3. What effect has the recent turmoil in the credit markets had on your bank's credit standards for the approval of loans and credit lines to enterprises over the past three months? How do you expect the turmoil to affect these credit standards over the next three months? Please make a distinction by loan purpose.

	Over the past three months			Over the next three months		
	Fixed Invesment	Inventories and working capital	M&A and corporate restructuring	Fixed Invesment	Inventories and working capital	M&A and corporate restructuring
Contributed/will contribute considerably to tighening of credit standards	1		2	2	1	2
Contributed/will contribute somewhat to tighening of credit standards	3	4	2	3	4	3
Basically no impact on credit standards	1	1	1			
N/A(*)						

(*) "NA" (not applicable): the bank does not conduct business in a particular loan category.

4. As a result of the recent turmoil in the credit markets, has your market access been hampered when tapping your usual sources of wholesale funding over the past three months, or are you expecting this access to be hampered over the next three months? Please rate each factor using the following scale:

—	=	considerably hampered
-	=	somewhat hampered
°	=	basically not hampered
NA	=	not applicable"

	Over past three months				Over the next three months			N/A(1)
	—	-	°		—	-	°	
A) Inter-bank unsecured money market								
• Very short term money market (up to 1 week)		1	4				5	
• Short-term money market (more than 1 week)	1	3	1			2	3	
B) Debt securities(2)								
• Short-term debt securities (e.g. certificates of deposit or commercial paper)	1	2	1			1	3	1
• Medium to long term debt securities (incl. covered bonds)	1	2	1		1	2	1	1
C) Securitisation(3)								
• Securitisation of corporate loans	1	1	1		1	1	1	2
• Securitisation of Loans for house purchase	1		2		1	1	1	2
D) Other markets (please specify)								

(1) "NA" (not applicable): the source of funding is not relevant for your bank.
(2) Usually involves on-balance sheet funding.
(3) Usually involves off-balance sheet funding.

5. If you have stated in response to question 4 that you expect one or more of your usual ways of accessing wholesale funding markets to be considerably or somewhat hampered over the next three months, could this have an impact on the quantity that your bank is willing to lend and/or on the margin at which funds are lent over the next three months?

	Quantity	Margin
Considerable impact	1	1
Some impact	1	3
Basically no impact	2	
NA (*)	1	1

(a) For money markets, debt securities or other markets (sections A, B and D of question 4 above)

	Quantity	Margin
Considerable impact	1	1
Some impact	1	1
Basically no impact		
NA (*)	3	3

(*) "NA" (not applicable): the bank has replied "basically not hampered" or "NA" to question 4.
(b) For securitisation (section C of question 22 above)
(*) "NA" (not applicable) the bank has replied "basically not hampered" or "NA" to question 4.

6. To what extent do you expect the credit market events to affect the costs related to your bank's capital position (*), and could this constrain your willingness to lend over the next three months?

Considerable impact on both capital and lending	1
Considerable impact on capital, and some impact on lending	
Some impact on both capital and lending	3
Some impact on capital, but no impact on lending	
Basically no impact on capital	1
No reply	

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