

**BANK LENDING SURVEY**

October de 2013

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

In general, both credit standards and conditions and terms applied in loans to companies and households remained broadly unchanged, even though there is evidence of higher spread differentials according to the clients' risk profile. In the upcoming three months, the survey anticipates a slight decrease in restrictiveness, especially in the case of loans and credit lines to small and medium enterprises (SMEs) and short-term loans. On the other hand, the institutions surveyed anticipate a relative stabilization in the restrictiveness to household's loans.

The survey results also point to a relative stabilization of the overall demand for loans. Nonetheless, it was reported an increase in the demand for short-term loans and a decrease regarding long-term loans. For the next three months, these institutions expect a slight increase in loan demand, especially from SMEs, and consumption and other ends regarding households.

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

According to the surveyed banks, credit standards and conditions and terms applied in loans to companies in the second quarter of 2013 remained broadly unchanged, both for SMEs as for large companies. The same pattern can be observed for short- and long-term loans, even though for the former, one institution reported the adoption of less restrictive criteria.

Three banks identified the pressures of competition as having a slight impact on the reduction of restrictiveness for loan approvals, this effect being stronger for SMEs. Two banks identified their liquidity position as having a slight impact on the reduction of credit approval restrictions, especially in loans to large companies. Regarding the perception of risks surveyed banks reported that economic activity contributed to increase the restrictiveness of credit.

In the third quarter of the year, three banks reported less restrictive conditions in loans or credit lines to SMEs (in terms of lending margins and / or non-interest rate charges), while for large companies only one bank reported the same result. An institution reported slightly more restrictive conditions concerning spreads applied to higher risk loans. For the next quarter, most banks anticipate maintaining the criteria for approving loans to companies and eventually reduce the restrictiveness when lending to SMEs and short-term.

During this quarter, the surveyed banks reported that in general they have not changed the criteria for the approval of loans to households. Nonetheless, the banks reported a greater differentiation of customers according to their risk profile, both on housing loans as on consumer credit, in line with a reduction in the capacity of consumers to ensure debt service. For the next quarter, banks anticipate the criteria for approval of loans to households to remain unchanged.

**Demand**

The majority of banks reported that loan demand by businesses remained rather stable. Even so, two institutions reported a decrease in demand for long-term loans and one institution reported a decrease in the demand for loans by SMEs and short-term loans. Among the factors that positively influenced firm credit demand was debt restructuring (with only one institution not having reported an increased demand under this motive) and to a lesser extent, working capital needs and loans from other institutions.

For the next three months, the banks surveyed expect demand for loans by enterprises to increase slightly, especially by SMEs.

Over the past three months, the demand for housing loans remained virtually unchanged, with one institution having reported a slight decrease in demand and other reporting a slight increase. The main factors responsible for slightly reducing demand were consumer spending unrelated to house purchases by individuals and household savings. Credit demand for consumer credit and other purposes remained virtually unchanged.

For the next three months, banks expect the demand for home loans and for consumption and for other purposes to remain broadly unchanged.

**III. Ad hoc questions**

The bank lending survey includes some ad-hoc questions aimed at assessing the impact of specific events on the conditions of bank lending to companies and individuals. The survey conducted in October 2013 includes two question 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 no significant changes. Nonetheless, some banks reported a slight improvement in retail funding, as well as easier securitization of loans to businesses and house purchase. Two institutions also indicated slight improvements in the ability to transfer credit risk off the balance sheet. In contrast, two institutions reported a slight deterioration in the access to very short-term money market and one institution reported a slight deterioration in the access to the short-term money market and to the wholesale debt securities market (both for short- and long-term debt securities).

The banks expectations for the next quarter indicate no significant changes. With regard to retail financing one bank anticipates a slight improvement in short-term deposits. Most banks anticipate no changes regarding the unsecured inter-bank money market, with the exception of one institution that expects a slightly easier access to the very short-term money market. This pattern of stabilization is also expected for the wholesale debt securities market, again with one institution expecting slightly easier conditions for the medium and long-term debt securities market. Regarding the securitization of corporate and house purchase loans the belief point to no significant changes even though one bank foresees a slight improvement (both for corporate as for house purchase). Concerning the ability to transfer credit risk off balance sheet only one of the banks expects a slight improvement with two other banks anticipating no changes.

The last question aims to assess the impact of the sovereign debt crisis in banks' financing conditions and credit standards. All surveyed banks reported that both the direct exposure to sovereign debt and the value of the collateral sovereign available for wholesale market transactions had no impact on the funding conditions, credit standards and lending margins.

### METHODOLOGICAL NOTE

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

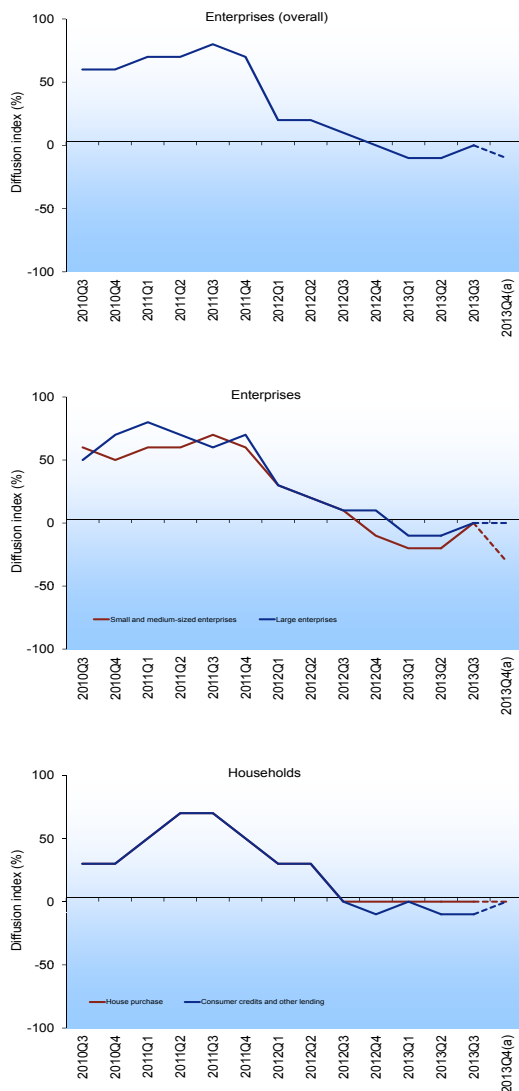
For each sector - enterprises and households - the questions are focused on: i) the current and the prospective assessment of credit standards, conditions and terms for lending approval, on the one hand, and on demand trends, on the other (tables 1, 4, 6, 7, 8, 13, 16 and 17); and ii) the appraisal of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

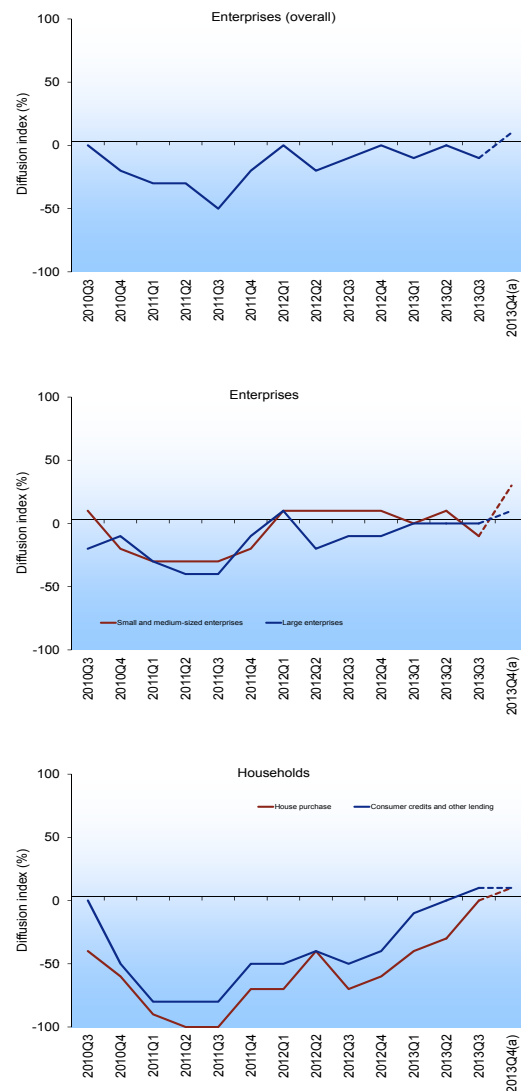
The results of the survey are as follows:

- 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	5	5	5	4	5
Eased somewhat				1	
Eased considerably					

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

2. Over the past three months, how have the following factors affected your bank's credit standards as applied to the **approval of loans or credit lines to enterprises** (as described in question 1 in the column headed "Overall")? Please rate the contribution of the following factors to the tightening or easing of credit standards using the following scale:

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

### Overall

	--	-	°	+	++	NA	Diffusion index %	
							Oct.13	Jul.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			2	3			-30	0
• Competition from non-banks			5				0	0
• Competition from market financing			5				0	-10
<b>C) Perception of risk</b>								
• Expectations regarding general economic activity			5				0	10
• Industry or firm-specific outlook		1	3	1			0	10
• Risk on the collateral demanded			5				0	0

(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 %	
							Oct.13	Jul.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			4	1			-10	-20
<b>B) Pressure from competition</b>								
• Competition from other banks			2	3			-30	-10
• Competition from non-banks			5				0	0
• Competition from market financing			5				0	-10
<b>C) Perception of risk</b>								
• Expectations regarding general economic activity			5				0	10
• Industry or firm-specific outlook		1	3	1			0	10
• Risk on the collateral demanded			5				0	0

(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 %	
							Oct.13	Jul.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			5				0	-10
<b>C) Perception of risk</b>								
• Expectations regarding general economic activity			5				0	10
• Industry or firm-specific outlook		1	4				10	10
• Risk on the collateral demanded			5				0	0

(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 %	
							Oct.13	Jul.13
<b>A) Price</b>								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)			2	3			-30	-30
• Your bank's margin on riskier loans		1	4				10	10
<b>B) Other conditions and terms</b>								
• Non-interest rate charges			5				0	-10
• Size of the loan or credit line			4	1			-10	-10
• Collateral requirements			5				0	0
• Loan covenants			5				0	0
• Maturity			5				0	10

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

Loans to large enterprises	--	-	°	+	++	NA	Diffusion index %	
							Oct.13	Jul.13
<b>A) Price</b>								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)			4	1			-10	-20
• Your bank's margin on riskier loans		1	4				10	10
<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			5				0	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	2
Remained basically unchanged	4	4	5	3	3
Increased somewhat				1	
Increased considerably					

Diffusion index %	Oct.13				
	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Oct.13	-10	-10	0	0	-20
Jul.13	0	10	0	0	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	Diffusion index %	
							Oct.13	Jul.13
<b>A) Financing needs</b>								
• Fixed investment		1	3	1			0	-20
• Inventories and working capital			3	2			20	20
• Mergers/acquisitions and corporate restructuring			5				0	-20
• Debt restructuring			1	4			40	60
<b>B) Use of alternative finance</b>								
• Internal financing			4	1			10	0
• Loans from other banks			3	2			20	20
• 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	2	5	3	5
Ease somewhat	1	3		2	
Ease considerably					

Diffusion index %	Oct.13				
	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
Oct.13	-10	-30	0	-20	0
Jul.13	-10	-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
Remain basically unchanged	4	2	4	4	3
Increase somewhat	1	3	1	1	1
Increase considerably					

Diffusion index %	Oct.13		Jul.13		
	Overall	Loans to small and medium-sized enterprises	Loans to large enterprises	Short-term loans	Long-term loans
	10	30	10	10	0
	0	20	-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 %	Oct.13		Jul.13	
	Loans for house purchase	Consumer credit and other lending	Loans for house purchase	Consumer credit and other lending
	0	-10	0	-10
	0	-10	0	-10

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 %	
							Oct.13	Jul.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			4			1	0	0
<b>C) Perception of risk</b>								
• Expectations regarding general economic activity			5				0	20
• Housing market prospects			5				0	40



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 %	
							Oct.13	Jul.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
• "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 %	
							Oct.13	Jul.13
<b>A) Cost of funds and balance sheet constraints</b>			5				0	0
<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			5				0	20
• Creditworthiness of consumers		1	4				10	30
• Risk on the collateral demanded			5				0	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 %	
							Oct.13	Jul.13
<b>A) Price</b>								
• Your bank's margin on average loans (wider margin = tightened, narrower margin = eased)			4	1			-10	-10
• 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	0

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

	Loans for house purchase	Consumer credit and other lending
Decreased considerably		
Decreased somewhat	1	
Remained basically unchanged	3	4
Increased somewhat	1	1
Increased considerably		

Diffusion index %	Oct.13		
	Jul.13	0	10
		-30	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 %	
							Oct.13	Jul.13
<b>A) Financing needs</b>								
• Housing market prospects			5				0	-30
• Consumer confidence			5				0	-60
• Non-housing related consumption expenditure		1	4				-10	-30
<b>B) Use of alternative finance</b>								
• Household savings		1	4				-10	-10
• Loans from other banks			5				0	0
• Other sources of finance			5				0	0

15. Over the past three months, how have the following **factors** affected the **demand for consumer credit and other lending to households** (as described in question 13)? Please rate each factor using the following scale:

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

	--	-	°	+	++	NA	Diffusion index %	
							Oct.13	Jul.13
<b>A) Financing needs</b>								
• Spending on durable consumer goods (such as cars, furniture, etc.)			5				0	-20
• Consumer confidence			5				0	-50
• Securities purchases			5				0	0
<b>B) Use of alternative finance</b>								
• Household saving		1	4				-10	-10
• 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		
Remain basically unchanged	5	5
Ease somewhat		
Ease considerably		
Diffusion index % Oct.13	0	0
Jul.13	0	10

17. Please indicate how you **expect demand for loans to households** to change over the next three months at your bank (apart from normal seasonal fluctuations).

	Loans for house purchase	Consumer credit and other lending
Decrease considerably		
Decrease somewhat		
Remain basically unchanged	4	4
Increase somewhat	1	1
Increase considerably		
Diffusion index % Oct.13	10	10
Jul.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)			4	1				4	1		
• Long-term (more than one year) deposits and other retail funding instruments			4	1				5			
<b>B) Inter-bank unsecured money market</b>											
• Very short-term money market (up to 1 week)		2	3					4	1		
• Short-term money market (more than 1 week)		1	4					5			
<b>C) Wholesale debt securities<sup>(3)</sup></b>											
• Short-term debt securities (e.g. certificates of deposit or commercial paper)		1	4					5			
• Medium to long-term debt securities (incl. covered bonds)		1	4					4	1		
<b>D) Securitisation<sup>(4)</sup></b>											
• Securitisation of corporate loans			4	1				4	1		
• Securitisation of loans for house purchase			4	1				4	1		
<b>E) Ability to transfer credit risk off balance sheet<sup>(5)</sup></b>			1	2				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.

Ad-hoc question on impact of sovereign debt crisis

2. 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>			5					5						5					5		
C) Other effects <sup>(3)</sup>			4					4						4					4		

	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>			4					4					4		

(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.