EUROPEAN CENTRAL BANK

EUROSYSTEM

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THE EURO AREA BANK LENDING SURVEY

- APRIL 2012 -

1. Overview of the results

The results reported in the April 2012 bank lending survey relate to changes during the first quarter of 2012 and expectations of changes in the second quarter of 2012. The survey was conducted between 23 March and 5 April 2012. In the first quarter of 2012 the size of the sample of banks surveyed was increased to 131 banks; the response rate was 100%.

Two ad hoc questions from the previous survey round were added to the questionnaire for the April 2012 survey: one question addressing the impact of the financial turmoil on access to retail and wholesale funding, and one on the impact of the sovereign debt crisis in particular.

According to the April 2012 bank lending survey (BLS), the net tightening of credit standards by euro area banks declined substantially in the first quarter of 2012, both for loans to non-financial corporations (for which they declined to 9% in net terms, from 35% in the fourth quarter of 2011) and for loans to households (for loans for house purchase they fell to 17% from 29% in the fourth quarter of 2011 and for consumer credit to 5% from 13% in the fourth quarter of 2011). This drop was much more pronounced than anticipated by survey participants at the time of the previous survey round and mainly reflected milder pressures from cost of funds and balance sheet constraints, in particular as regards banks' access to funding and their liquidity position.

The decline in the net tightening of credit standards was to a large extent also reflected in a less pronounced tightening of terms and conditions by euro area banks in the first quarter of 2012. Nonetheless, the widening of margins for riskier loans declined only somewhat for corporate loans and remained broadly unchanged in the case of loans to household.

Looking ahead to the second quarter of 2012, euro area banks expect a further decline in the net tightening in credit standards for loans to non-financial corporations (NFCs) (to 2% in the second quarter of 2012) and for housing loans (to 7% in the second quarter of 2012), and a broadly unchanged level of net tightening for consumer credit (6% for the second quarter of 2012).

Euro area banks reported a sizeable fall in the net demand for loans to NFCs in the first quarter of 2012 (-30%, from -5% in the fourth quarter of 2011). This brought net demand for such loans to a significantly *lower level than had been expected in the fourth quarter of 2011, with the decline driven in particular by a further sharp drop in financing needs for fixed investment. Likewise, the net demand for loans to households declined further in the first quarter of 2012 (-43% from -27% in the fourth quarter of 2011 for loans for house purchase and -26% from -16% in the fourth quarter of 2011 for consumer credit), in line with the expectations reported in the previous survey round for housing loans and below the expectations reported for consumer credit. For the second quarter of 2012, banks expect much less negative net demand for loans to households and a rise in demand for corporate loans.*

The April 2012 BLS round included two additional ad hoc questions. The replies to these are summarised below:

- *Regarding banks' access to retail and wholesale funding in the first quarter of 2012, improvements were reported across all funding categories but particularly for debt securities and money markets. These developments attest to a substantial positive impact of the two three-year LTROs on banks' funding conditions. Banks' access to retail funding likewise improved somewhat, albeit less so, on average, than that to wholesale funding. Looking ahead, euro area banks expect further – albeit more moderate – improvements in the conditions for access to wholesale funding in the second quarter of 2012 and only marginal improvements for their retail funding.*
- *On the impact of the sovereign debt crisis, banks indicated that in the first quarter of 2012 sovereign market tensions had a substantially smaller impact on funding conditions through balance sheet and liquidity management constraints and other more indirect channels than in the previous quarter. These remaining vulnerabilities to the sovereign debt crisis still contributed to a slight tightening of credit standards, albeit to a much lesser extent than in the previous quarter.*

General notes

The bank lending survey is addressed to senior loan officers of a representative sample of euro area banks.[1] Its main purpose is to enhance the understanding of bank lending behaviour in the euro area.[2]

The questions distinguish between three categories of loan: loans or credit lines to enterprises; loans to households for house purchase; and consumer credit and other lending to households. For all three categories, questions are posed on credit standards for approving loans; credit terms and conditions; and credit demand and the factors affecting it.

The responses to questions related to credit standards are analysed in this report by focusing on the difference ("net percentage") between the share of banks reporting that credit standards have been tightened and the share of banks reporting that they have been eased. A positive net percentage indicates that a larger proportion of banks have tightened credit standards ("net tightening"), whereas a negative net percentage indicates that a larger proportion of banks have eased credit standards ("net easing"). Likewise, the term "net demand" refers to the difference between the share of banks reporting an increase in loan demand and the share of banks reporting a decline. Net demand will therefore be positive if a larger proportion of banks have reported an increase in loan demand, whereas negative net demand indicates that a larger proportion of banks have reported a decline in loan demand.

In addition, an alternative measure of the responses to questions related to changes in credit standards and net demand is included. This measure is the weighted difference ("diffusion index") between the share of banks reporting that credit standards have been tightened and the share of banks reporting that they have been eased. Likewise, regarding the demand for loans, the diffusion index refers to the weighted difference between the share of banks reporting an increase in loan demand and the share of banks reporting a decline. The diffusion index is constructed in the following way: lenders who have answered "considerably" are given a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5). The interpretation of the diffusion indices follows the same logic as the interpretation of net percentages.

The survey questions are phrased in terms of changes over the past three months (in this case in the first quarter of 2012) or expectations of changes over the next three months (i.e. in the second quarter of 2012).

Detailed tables and charts on the responses are provided in Annex 1 on the individual questions and in Annex 2 on the ad hoc questions.

A copy of the questionnaire can be found at
http://www.ecb.europa.eu/stats/money/surveys/lend/html/index.en.html.

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[1] The sample group of banks participating in the survey comprises 131 banks, representing all of the euro area countries, and takes into account the characteristics of their respective national banking structures. Since the banks in the sample group differ considerably in size, the survey results are weighted according to the national shares in total outstanding euro area lending to euro area residents.

[2] For more detailed information on the bank lending survey, see the ECB press release of 21 November 2002 entitled "Bank lending survey for the euro area", the article entitled "A bank lending survey for the euro area" in the April 2003 issue of the ECB's Monthly Bulletin and J. Berg et al. (2005), "The bank lending survey for the euro area", ECB Occasional Paper No 23.

2. Developments in credit standards and net demand for loans in the euro area

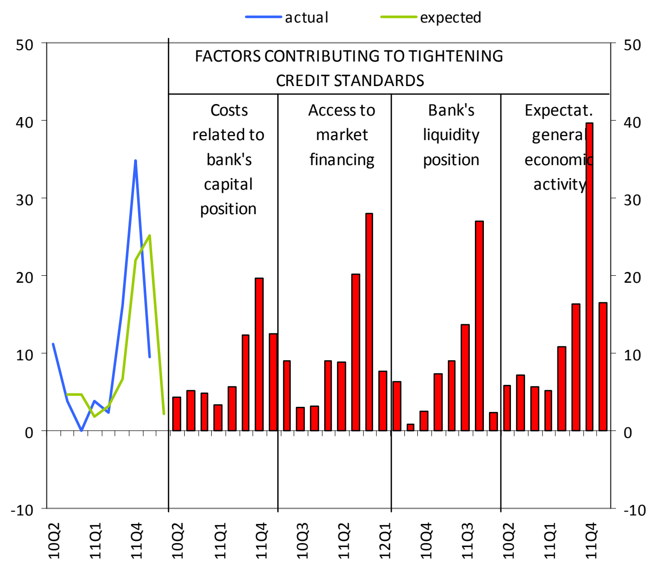
2.1 Enterprises

Marked drop in net tightening of credit standards for loans to enterprises in the first quarter of 2012

According to the April 2012 BLS, the net tightening of banks' credit standards on loans to non-financial corporations (NFCs) dropped markedly in the first quarter of 2012, to 9%, from 35% in the preceding quarter (**see Chart 1**). This drop is much more pronounced than anticipated by survey participants at the time of the previous survey round (when it was expected to be 25%). In net terms, the overall tightening of credit standards again appears to have been applied more to large firms than to small and medium-sized enterprises (SMEs). The net tightening of credit standards on loans to SMEs fell from 28% in the fourth quarter of 2011 to 1%, in the first quarter of 2012, and that of credit standards on loans to large firms declined from 44% to 17%. Compared with the previous survey round, the net tightening of credit standards decreased for both long-term and short-term loans. However, the tightening of credit standards was still reported to be applied more often on long-term loans (15% in the last quarter of 2011, compared with 42% in the preceding quarter) than on short-term loans (3% in in the last quarter of 2011, compared with 24% in the preceding quarter).

Chart 1. Changes in credit standards applied to the approval of loans or credit lines to enterprises

(net percentages of banks contributing to tightening standards)

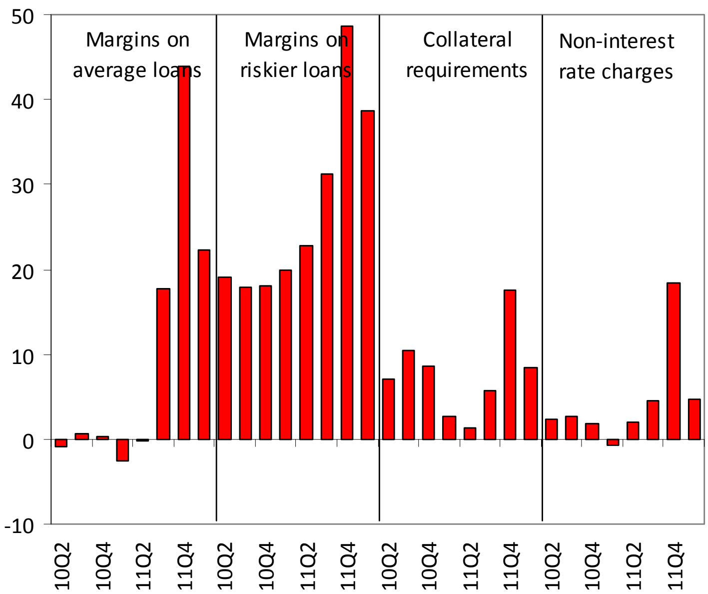


Notes: "Realised" values refer to changes that have occurred, while "expected" values are changes anticipated by banks. Net percentages are defined as the difference between the sum of the percentages of banks responding "tightened considerably" and "tightened somewhat" and the sum of the percentages of banks responding "eased somewhat" and "eased considerably". The net percentages for responses to questions related to the factors are defined as the difference between the percentage of banks reporting that the given factor contributed to a tightening and the percentage reporting that it contributed to an easing.

Turning to factors explaining the developments in credit standards, the net percentage of euro area banks reporting that cost of funds and balance sheet constraints had contributed to a tightening of credit standards declined markedly (**see Chart 1**). More precisely, on balance, in the first quarter of 2012, only 8% of euro area banks reported a challenging market financing environment, compared with 28% in the previous survey round. Likewise, in net terms, only 2% of euro area banks reported that their liquidity position had a role in explaining tightened credit standards in the first quarter of 2012, compared with 27% in the previous quarter. By contrast, recapitalisation pressures only decreased somewhat in aggregate terms, to 12% in the first quarter of 2012 compared with 20% in the previous quarter.

Risk perceptions also contributed less strongly to a tightening of credit standards as compared with the previous quarter. While expectations concerning the economic outlook contributed substantially less to tighter credit standards (for 17% of euro area banks in net terms, after 40% in the previous survey round), the decline in the contribution of industry-specific risks (23%, after 30% in the fourth quarter of 2011) as well as collateral risk (11%, after 19% in the fourth quarter of 2011) to a further tightening was less marked. Finally, competitive pressures, which generally work in the direction of an easing of credit standards, were reported to have stayed broadly neutral in the first quarter of 2012, as in the previous quarters.

Chart 2. Changes in terms and conditions for approving loans or credit lines to enterprises
(net percentages of banks reporting tightening terms and conditions)



Note: See the notes to Chart 1.

The fall in the net tightening of credit standards was to a large extent also reflected in a decline in the tightening of terms and conditions by euro area banks in the first quarter of 2012 (**see Chart 2**). Particularly for margins on average loans, the widening declined on balance to 22%, down from 44% in the fourth quarter of 2011. Likewise, the net tightening decreased with regard to the size of loans (11%

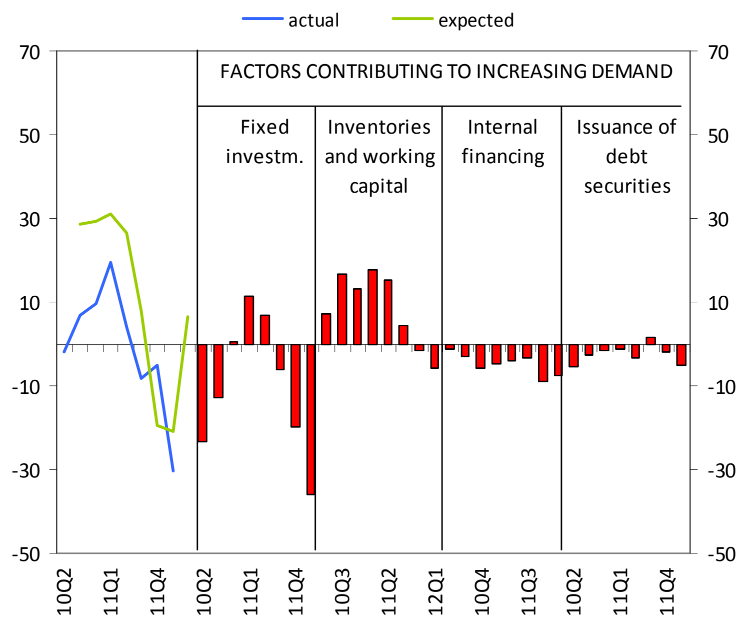
from 25%) and collateral requirements (8% from 18%). Nonetheless, consistent with the ongoing industry-specific risks perceived by the banks, margins on riskier loans were again widened by a high proportion of euro area banks, and were only somewhat lower than in the previous quarter (39% in net terms compared with 49% in the fourth quarter of 2011).

Looking ahead, on balance, euro area banks expect a further slight decline in the net tightening of credit standards for loans to NFCs to broadly neutral credit standards (2% in net terms) in the second quarter of 2012 (Chart 1). Some further tightening is expected to affect large firms (8%) rather than SMEs (2%), as well as primarily long-term loans.

Strong decrease in the demand for loans to non-financial corporations

In the first quarter of 2012, the net demand for loans to NFCs dropped significantly (-30% in the first quarter of 2012, compared with -5% in the fourth quarter of 2011; **see Chart 3**). By contrast, for the second quarter of 2012, banks expect a rise in demand for corporate loans. The fall in net demand for loans in the first quarter of 2012 was driven in particular by a further sharp drop in the financing needs of firms for fixed investment (-36% in the first quarter of 2012, compared with -20% in the fourth quarter of 2011). It was complemented by a decline in financing for mergers and acquisitions, a slightly negative contribution from financing needs linked to inventories and working capital, and a moderate decline related to higher availability of internal funds.

Chart 3. Changes in demand for loans or credit lines to enterprises
(net percentages of banks reporting a positive contribution to demand)



Notes: "Realised" values refer to changes that have occurred, while "expected" values are changes anticipated by banks. Net percentages for the questions on demand for loans are defined as the difference between the sum of the percentages of banks responding "increased considerably" and "increased somewhat" and the sum of the percentages of banks responding "decreased somewhat" and "decreased considerably". The net percentages for responses to questions related to the factors are defined as the difference between the percentage of banks reporting that the given factor contributed to increasing demand and the percentage reporting that it contributed to decreasing demand.

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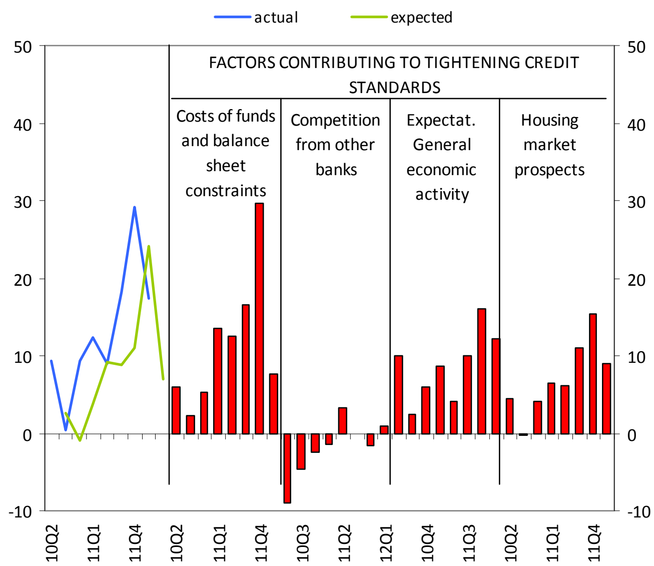
2.2 *Households*

Decline in net tightening of credit standards on loans to households for house purchase

Euro area banks also reported a significant decline in the net tightening of credit standards on loans to households for house purchase. The net percentage of banks reporting a tightening of credit standards on mortgage loans fell by more than expected in the previous survey, standing at 17% in the first quarter of 2012, down from 29% in last quarter of 2011 (**see Chart 4**). Similar to the situation for corporate loans, a decline in pressures from cost of funds and balance sheet constraints was indicated as being a key driving factor, and was likely to reflect the positive impact of the two three-year LTROs on banks' funding conditions. In addition, the general economic outlook and housing market prospects contributed somewhat less to the net tightening of credit standards on mortgage loans than in the previous quarter. Competitive pressures were reported to remain broadly neutral.

Chart 4. Changes in credit standards applied to the approval of loans to households for house purchase

(net percentages of banks reporting a contribution to tightening credit standards)



Note: See the notes to Chart 1.

The reported decline in the tightening of credit standards on housing loans, however, translated into only a mild moderation in the net tightening of price terms and conditions, in particular for margins on average loans (24% in net terms compared with 29% in the last quarter of 2011), while the widening of margins on riskier loans remained at elevated levels (32% in net terms compared with 33% in the previous quarter).

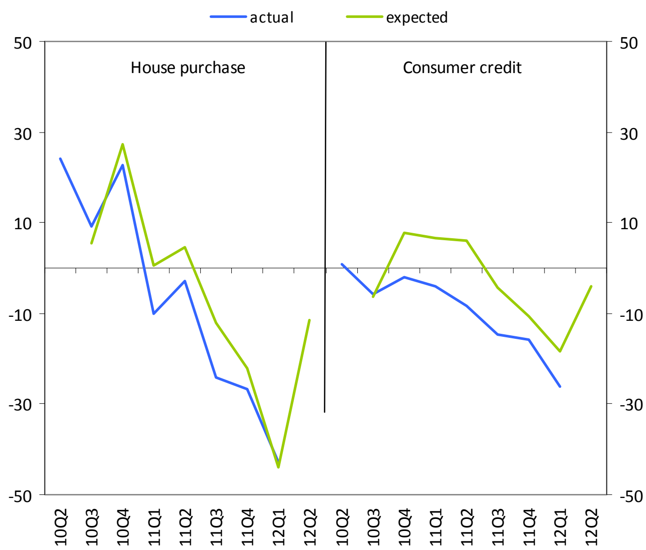
Looking ahead, only 7% of euro area banks – in net terms – expect a further tightening of credit standards on loans to households for house purchase in the second quarter of 2012, suggesting a further decline in net tightening.

Substantial contraction of housing loan demand

Euro area banks also reported a strong further contraction in the demand for housing loans in the first quarter of the year (-43% in net terms in the first quarter of 2012, from -27% in the preceding quarter; **see Chart 5**). The decline was mainly on account of a deterioration in housing market prospects (-31%, compared with -27% in last quarter of 2011) and consumer confidence (-37%, compared with -34% in the previous quarter), as well as a decline in non-housing-related consumption.

Looking ahead, 12% of euro area banks in net terms expect demand for loans for house purchase to decline further in the second quarter of 2012, pointing, therefore, to a deceleration in demand contraction.

Chart 5. Changes in demand for loans to households
(net percentages of banks reporting a positive contribution to demand)



Note: See the notes to Chart 3.

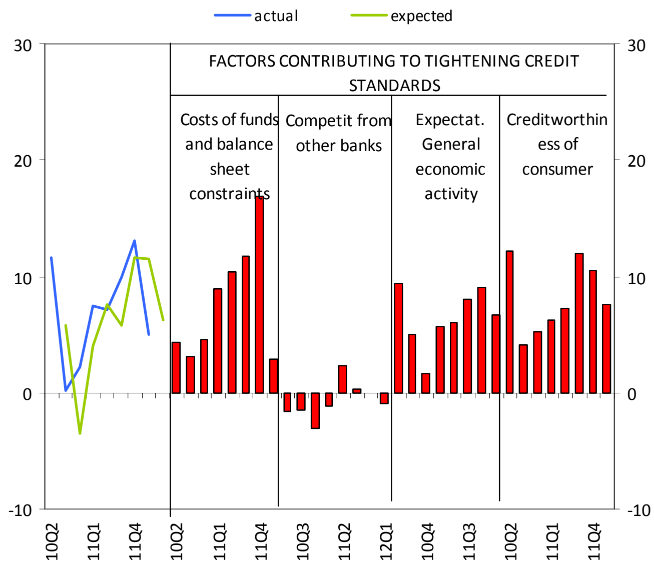
Decline in net tightening of credit standards for consumer loans

The net tightening of credit standards for consumer credit reported by euro area banks also declined more strongly than previously expected, to 5% in the first quarter of 2012, compared with 13% in the preceding quarter (**see Chart 6**). A substantial reduction in pressures emerging from cost of funds and balance sheet constraints was reported also in this category. At the same time, the assessment of the risk environment (i.e. the creditworthiness of loan applicants and, more generally, the economic outlook) contributed slightly less to the tightening of credit standards. The fall in the net tightening of credit standards for consumer credit was hardly reflected in price terms and conditions, as in the case of housing loans. At the euro area level, the net percentage of banks reporting a further widening of their margins remained at a similar level to that seen in the previous quarter, while non-price terms and conditions remained broadly neutral.

Looking ahead, only 6% of euro area banks – in net terms – expect a further tightening of credit standards on consumer credit in the second quarter of 2012.

Chart 6. Changes in credit standards applied to the approval of consumer credit and other lending to households

(net percentages of banks contributing to tightening credit standards)



Note: See the notes to Chart 1.

Decline in net demand for consumer credit accelerated

Net demand for consumer credit fell more strongly than expected in the first quarter of 2012, standing at -26% according to euro area banks, compared with -16% in the previous survey round. This decline was mainly explained by the negative impact on loan demand from internal financing of households via savings (-13% in the first quarter of 2012, compared with -3% in the preceding quarter), lower household spending on durable goods and a decrease in consumer confidence (with both household spending on durable goods and consumer confidence falling to -28% in the first quarter 2012, from -20% in the last quarter of 2011).

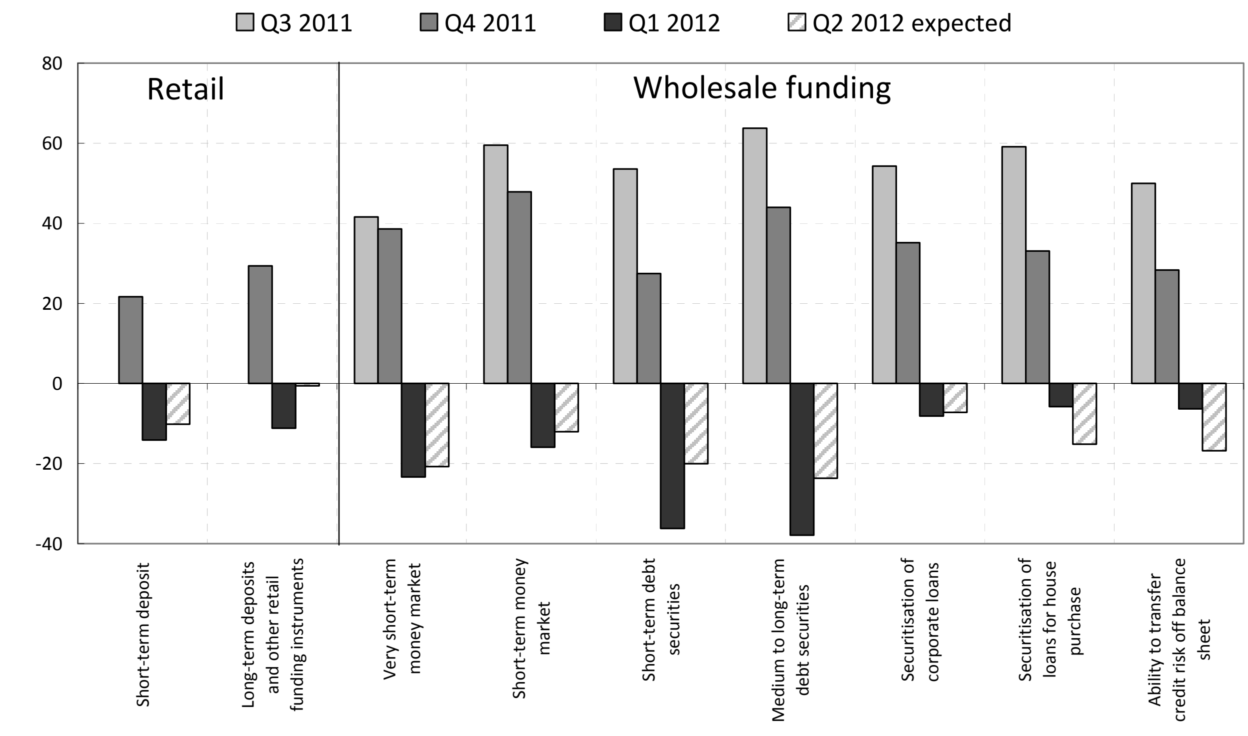
Looking ahead, for the second quarter of 2012, euro area banks expect a substantial deceleration in the decline of net demand for consumer credit (to -4%).

3. Ad hoc question

Substantial improvements in accessing money and debt securities markets compared with the previous survey round

As in previous surveys, the April 2012 survey questionnaire included a question which aimed to assess the extent to which financial market tensions affected banks’ credit standards for loans and credit lines to enterprises and households and the extent to which they were expected to affect them in the next three months. For the second time, the question also assessed access to retail funding.[3]

Chart 7. Banks' assessment of funding conditions and ability to transfer risk
(net percentages of banks reporting deteriorated market access)



Note: The net percentages are defined as the difference between the sum of the percentages for "deteriorated considerably" and "deteriorated somewhat" and the sum of the percentages for "eased somewhat" and "eased considerably".

Euro area banks reported a notable improvement in access to wholesale funding in the first quarter of 2012, as compared with replies from the previous survey round (**see Chart 7**). This applied in particular to security issuance conditions and access to money markets, but was somewhat less pronounced as regards securitisation and the ability of banks to transfer risk off their balance sheets. These developments attest to a substantial positive impact from the two three-year LTROs on banks' funding conditions. At the same time, conditions for banks' retail financing were also reported to have improved somewhat, both for short and longer-term retail deposits.

Looking ahead, euro area banks expect further – albeit more moderate – improvements in the conditions for access to wholesale funding in the second quarter of 2012 and only a marginal improvement with regard to their retail funding.

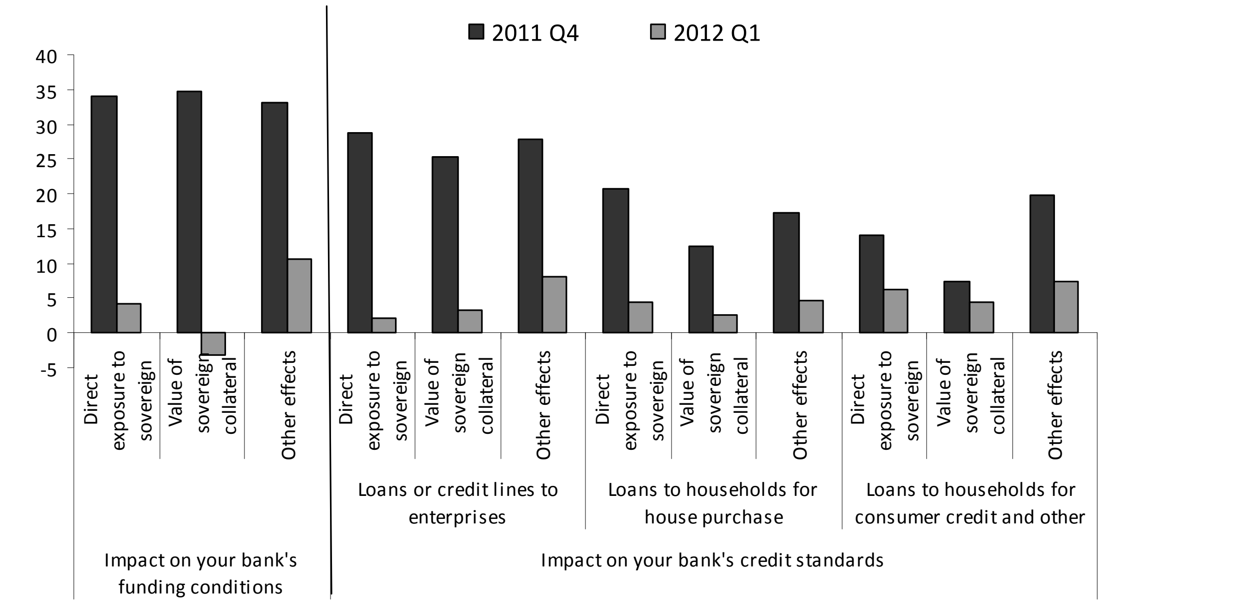
[3] The results shown are calculated as a percentage of the number of banks which did not reply "not applicable".

Abating banking sector vulnerabilities related to the sovereign debt crisis

As in the previous survey round, the April 2012 survey questionnaire included a question which addressed the specific impact of the sovereign debt crisis on banks' funding conditions and lending policies over the previous three months. In principle, bank funding conditions can be primarily affected through two direct channels. First, *direct exposure to sovereign debt* may weaken bank balance sheets, increase their riskiness as counterparties and, in turn, make funding more costly and more difficult to obtain. Second, higher sovereign debt risk reduces the *value of sovereign collateral* that banks can use to raise wholesale funding. Beyond this, *other effects* may cause sovereign market tensions to affect bank funding conditions. Notably, the weaker financial positions of governments have reduced the funding benefits that banks derive from implicit or explicit government guarantees. Financial contagion from sovereign to sovereign or from sovereign to banks may also be at play.

Replies from the April 2012 survey indicate substantial improvements for all channels for the first quarter of 2012, as compared with the last quarter of 2011, with "other effects" related for instance to the bank-sovereign interplay and sovereign-to-sovereign contagion effects remaining slightly more pronounced. On average only 4% of euro area banks – in net terms – attributed deteriorations in funding conditions to the sovereign debt crisis through one channel or the other, with increased collateral value for the first quarter of 2012 even being quoted as a reason for improved funding conditions. Likewise, a similar percentage of banks – in net terms –indicated an impact on the tightening of their credit standards (about 5% on average both for loans to non-financial corporations and for loans to households; **see Chart 8**).This suggests that the impact of the sovereign debt crisis declined substantially following the two recent three-year LTROs, but it also indicates that banks were not able to fully shield their lending policy from the remaining balance sheet and liquidity constraints associated with the sovereign debt tensions.

Chart 8. Impact of the sovereign debt crisis on banks' funding conditions and credit standards
(net percentages of banks reporting an impact on funding conditions or on the tightening of credit standards)



Note: The net percentages are defined as the difference between the sum of the percentages for "contributed to a deterioration of funding conditions/tightening of credit standards considerably*" and "*somewhat*" and the sum of the percentages for "contributed to an easing of funding conditions/easing of credit standards* somewhat*" and "*considerably".

ANNEX I: RESULTS FOR THE INDIVIDUAL QUESTIONS

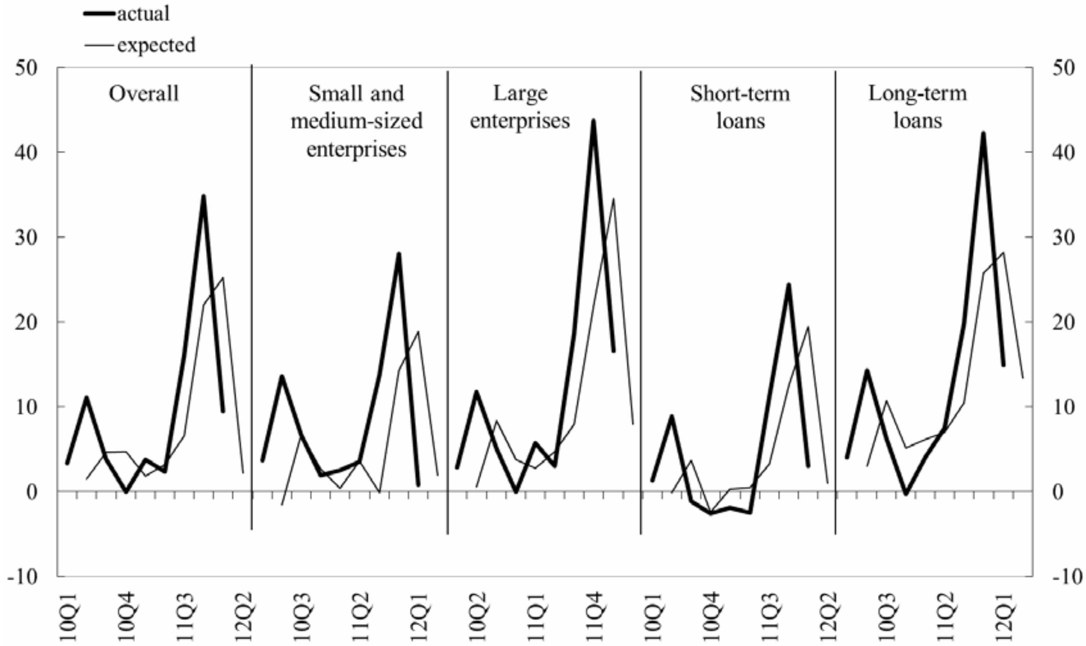
I. Loans or credit lines to enterprises

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	
	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr
Tightened considerably	6%	1%	4%	1%	8%	2%	5%	1%	10%	1%
Tightened somewhat	31%	13%	25%	6%	37%	19%	21%	6%	33%	18%
Remained basically unchanged	62%	83%	70%	87%	53%	76%	72%	90%	56%	78%
Eased somewhat	2%	4%	1%	6%	2%	4%	2%	4%	1%	4%
Eased considerably	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
Net percentage	***35%***	***9%***	***28%***	***1%***	***44%***	***17%***	***24%***	***3%***	***42%***	***15%***
Diffusion index	***20%***	***5%***	***16%***	***1%***	***26%***	***9%***	***15%***	***2%***	***26%***	***8%***
Mean	*2.60*	*2.90*	*2.68*	*2.99*	*2.48*	*2.82*	*2.71*	*2.96*	*2.47*	*2.84*
Standard deviation	*0.64*	*0.44*	*0.60*	*0.40*	*0.69*	*0.54*	*0.61*	*0.36*	*0.71*	*0.50*
Number of banks responding	***118***	***125***	***115***	***121***	***113***	***120***	***118***	***125***	***117***	***124***

Notes: Net percentage is defined as the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat" and the sum of the percentages for "eased somewhat" and "eased considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).
The mean and standard deviation are calculated by attributing the values 1 to 5 starting with the first possible answer and consequently for the other answers. These values are then multiplied with the corresponding (weighted) percentages.

Chart 1. Changes in credit standards applied to the approval of loans or credit lines to enterprises
(net percentages of banks contributing to tightening standards)



2. Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of <u>loans or credit lines to enterprises</u>?

	OVERALL						SME						LARGE					
	--	-	°	+	++	NA	--	-	°	+	++	NA	--	-	°	+	++	NA
A) Cost of funds and balance sheet constraints																		
Costs related to your bank's capital position	1%	11%	81%	0%	0%	7%	1%	5%	81%	2%	0%	12%	2%	17%	67%	0%	0%	14%
Your bank's ability to access market financing	0%	10%	76%	3%	0%	11%	0%	4%	78%	3%	0%	16%	0%	13%	67%	3%	0%	18%
Your bank's liquidity position	0%	7%	82%	5%	0%	6%	0%	7%	78%	4%	0%	11%	1%	10%	72%	5%	0%	13%
B) Pressure from competition																		
Competition from other banks	0%	0%	84%	9%	0%	7%	0%	0%	79%	10%	0%	11%	0%	0%	80%	5%	0%	14%
Competition from non-banks	0%	0%	88%	1%	0%	11%	0%	0%	84%	0%	0%	16%	0%	0%	83%	1%	0%	16%
Competition from market financing	0%	0%	87%	1%	0%	11%	0%	0%	83%	0%	0%	17%	0%	0%	82%	1%	0%	17%
C) Perception of risk																		
Expectations regarding general economic activity	2%	16%	75%	1%	0%	6%	1%	16%	71%	3%	0%	9%	2%	21%	64%	2%	0%	11%
Industry or firm-specific outook	2%	23%	69%	1%	0%	6%	1%	18%	70%	3%	0%	9%	3%	22%	62%	1%	0%	11%
Risk on collateral demanded	1%	10%	84%	0%	0%	6%	1%	6%	83%	0%	0%	11%	3%	7%	79%	0%	0%	11%

Summary statistics	OVERALL								SME								LARGE							
	NetP		DI		M		SD		NetP		DI		M		SD		NetP		DI		M		SD	
	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr
A) Cost of funds and balance sheet constraints																								
Costs related to your bank's capital position	20%	12%	12%	7%	2.74	2.86	0.59	0.41	12%	3%	8%	2%	2.82	2.95	0.54	0.33	24%	19%	15%	11%	2.64	2.77	0.67	0.51
Your bank's ability to access market financing	28%	8%	18%	4%	2.62	2.92	0.66	0.38	16%	1%	12%	1%	2.74	3.00	0.67	0.28	31%	10%	20%	5%	2.55	2.90	0.69	0.43
Your bank's liquidity position	27%	2%	17%	1%	2.62	2.98	0.66	0.37	21%	3%	14%	1%	2.68	2.98	0.65	0.38	30%	6%	19%	3%	2.56	2.94	0.67	0.46
B) Pressure from competition																								
Competition from other banks	1%	-9%	1%	-4%	2.97	3.10	0.43	0.31	-1%	-10%	0%	-5%	2.99	3.12	0.37	0.34	-1%	-5%	0%	-3%	2.99	3.06	0.44	0.26
Competition from non-banks	-1%	-1%	0%	-1%	2.98	3.02	0.33	0.13	-1%	0%	0%	0%	2.97	3.00	0.36	0.00	-1%	-1%	0%	-1%	2.98	3.02	0.33	0.14
Competition from market financing	-1%	-1%	0%	-1%	2.98	3.02	0.33	0.13	-1%	0%	0%	0%	2.98	3.00	0.34	0.00	1%	-1%	1%	-1%	2.96	3.02	0.36	0.14
C) Perception of risk																								
Expectations regarding general economic activity	40%	17%	21%	9%	2.55	2.81	0.61	0.49	36%	13%	19%	7%	2.59	2.85	0.60	0.48	38%	20%	21%	11%	2.53	2.77	0.64	0.54
Industry or firm-specific outook	30%	23%	17%	12%	2.64	2.74	0.66	0.53	29%	16%	18%	8%	2.61	2.81	0.70	0.49	32%	24%	19%	14%	2.56	2.70	0.71	0.59
Risk on collateral demanded	19%	11%	10%	6%	2.79	2.87	0.50	0.39	19%	6%	10%	4%	2.78	2.92	0.48	0.31	17%	10%	9%	6%	2.79	2.87	0.52	0.44

NA = Not available; NetP = Net percentage; DI = Diffusion index; M = Mean; SD = Standard deviation
Notes: Column "Net percentage" is defined as the difference between the sum of "- -" (contributed considerably to tightening) and "-" (contributed somewhat to tightening) and the sum of "+" (contributed somewhat to easing) and "+ +" (contributed considerably to easing). "°" means contributed to basically unchanged. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).

Chart 2a. Factors affecting credit standards applied to the approval of loans or credit lines to enterprises
(net percentages of banks contributing to tightening standards)

OVERALL

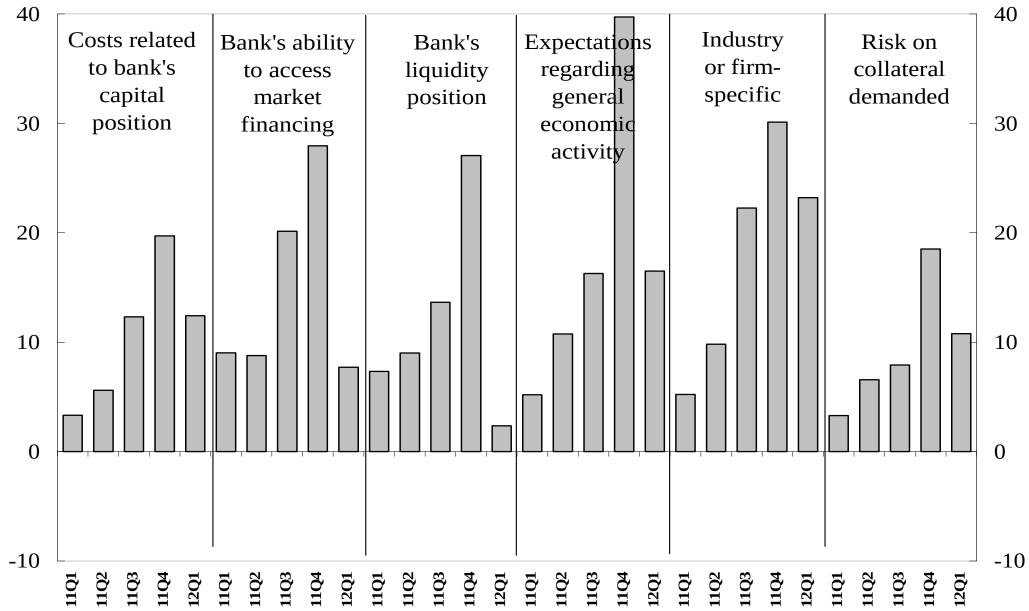
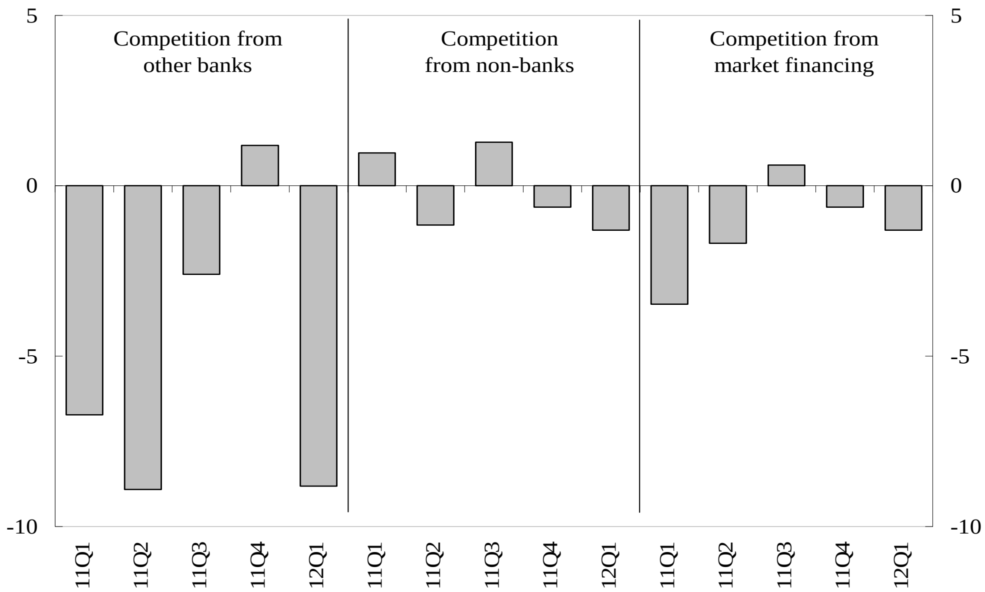


Chart 2b. Factors affecting credit standards applied to the approval of loans or credit lines to enterprises
(net percentages of banks contributing to tightening standards)

OVERALL



3. Over the past three months, how have your bank's conditions and terms for approving <u>loans or credit lines to enterprises</u> changed?

	OVERALL						SME						LARGE					
	--	-	°	+	++	NA	--	-	°	+	++	NA	--	-	°	+	++	NA
A) Price																		
Your bank's margin on average loans	1%	26%	64%	4%	0%	5%	1%	24%	61%	5%	0%	9%	2%	28%	55%	4%	0%	11%
Your bank's margin on riskier loans	3%	36%	56%	0%	0%	6%	2%	33%	56%	1%	0%	9%	4%	39%	45%	1%	0%	12%
B) Other conditions and terms																		
Non-interest rate charges	0%	6%	87%	1%	0%	6%	0%	6%	84%	1%	0%	10%	1%	8%	78%	2%	0%	11%
Size of the loan or credit line	2%	13%	77%	3%	0%	6%	1%	8%	80%	2%	0%	9%	3%	16%	68%	3%	0%	11%
Collateral requirements	2%	7%	86%	0%	0%	5%	1%	10%	81%	0%	0%	9%	2%	11%	76%	0%	0%	11%
Loan covenants	2%	6%	85%	1%	0%	6%	1%	5%	84%	1%	0%	10%	2%	10%	75%	1%	0%	12%
Maturity	1%	16%	76%	1%	0%	6%	1%	9%	80%	2%	0%	9%	2%	21%	65%	1%	0%	12%

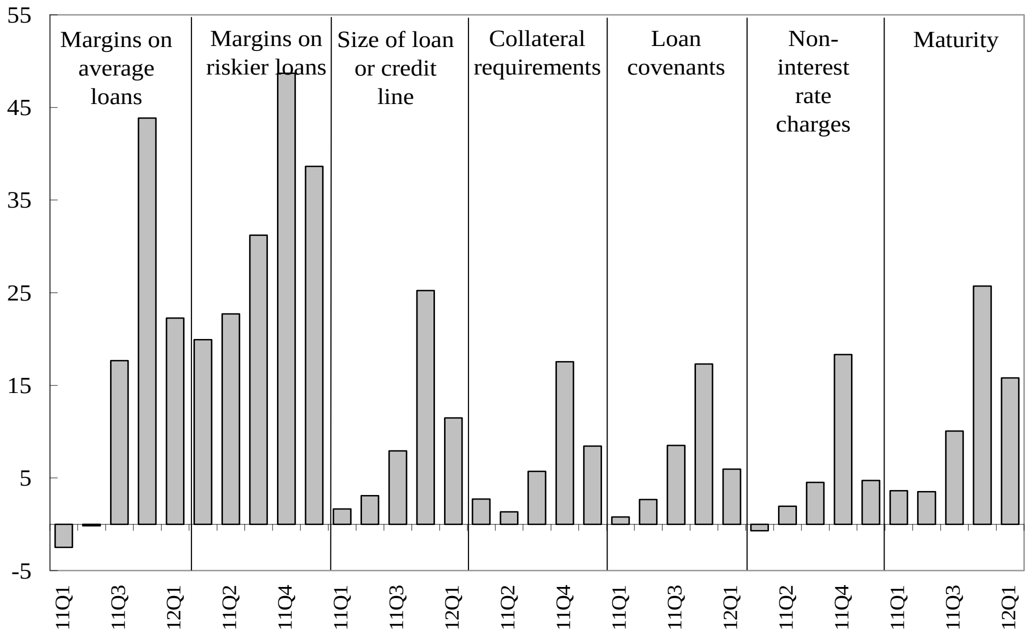
Summary statistics	OVERALL								SME								LARGE							
	NetP		DI		M		SD		NetP		DI		M		SD		NetP		DI		M		SD	
	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr
A) Price																								
Your bank's margin on average loans	44%	22%	28%	11%	2.41	2.76	0.78	0.56	37%	19%	25%	10%	2.48	2.79	0.82	0.57	45%	25%	30%	14%	2.33	2.70	0.82	0.63
Your bank's margin on riskier loans	49%	39%	31%	21%	2.36	2.56	0.75	0.59	41%	34%	26%	18%	2.45	2.61	0.79	0.56	49%	42%	33%	23%	2.26	2.48	0.83	0.62
B) Other conditions and terms																								
Non-interest rate charges	18%	5%	10%	2%	2.79	2.95	0.47	0.30	14%	5%	7%	3%	2.85	2.94	0.43	0.29	19%	7%	10%	4%	2.77	2.91	0.52	0.39
Size of the loan or credit line	25%	12%	15%	7%	2.68	2.86	0.61	0.51	15%	7%	9%	4%	2.81	2.92	0.56	0.38	29%	15%	19%	9%	2.60	2.81	0.69	0.56
Collateral requirements	18%	8%	10%	5%	2.81	2.89	0.45	0.39	14%	10%	8%	5%	2.85	2.89	0.49	0.37	20%	13%	11%	8%	2.76	2.84	0.51	0.44
Loans covenants	17%	6%	9%	4%	2.80	2.92	0.48	0.39	9%	5%	5%	3%	2.89	2.95	0.44	0.30	18%	11%	10%	6%	2.77	2.86	0.56	0.47
Maturity	26%	16%	14%	8%	2.70	2.82	0.54	0.47	22%	7%	12%	4%	2.74	2.91	0.56	0.39	28%	21%	14%	11%	2.69	2.75	0.62	0.52

NA = Not available; NetP = Net percentage; DI = Diffusion index; M = Mean; SD = Standard deviation

Notes: Column "Net percentage" is defined as the difference between the sum of "- -" (tightened considerably) and "-" (tightened somewhat) and the sum of "+" (eased somewhat) and "+ +" (eased considerably). "°" means remained basically unchanged. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).

Chart 3. Changes in terms and conditions for approving loans or credit lines to enterprises
(net percentages of banks reporting tightening terms and conditions)

OVERALL

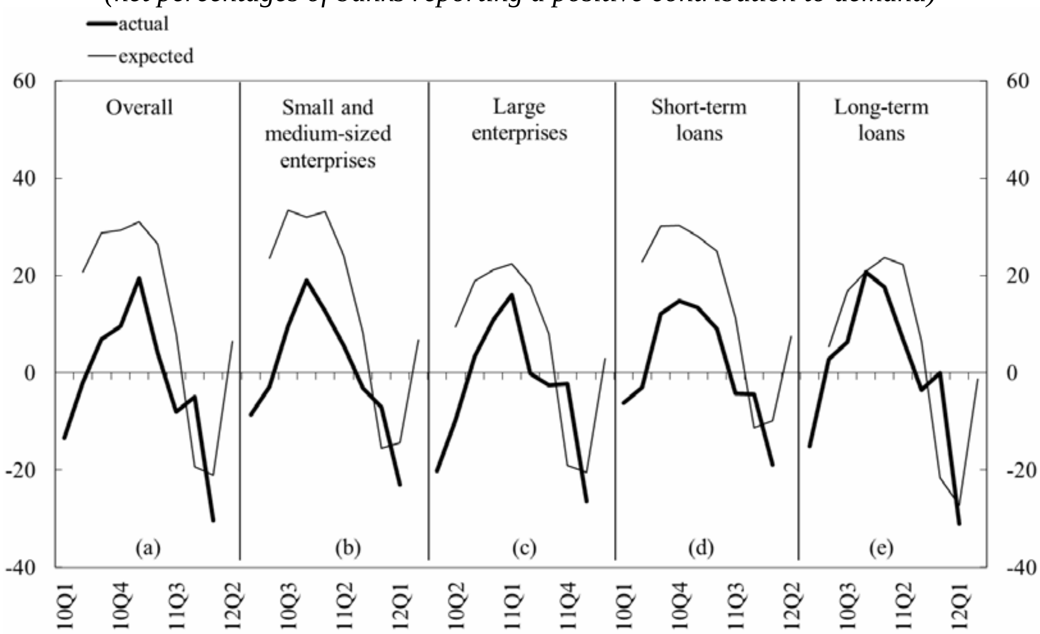


4. Over the past three months, how has the <u>demand for loans or credit lines to enterprises</u> changed at your bank, apart from normal seasonal fluctuations?

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr
Decreased considerably	4%	3%	2%	4%	4%	5%	2%	2%	7%	9%
Decreased somewhat	18%	38%	22%	31%	16%	32%	18%	28%	17%	36%
Remained basically unchanged	63%	50%	60%	54%	63%	53%	65%	59%	53%	43%
Increased somewhat	16%	9%	17%	11%	16%	9%	14%	9%	21%	12%
Increased considerably	0%	1%	0%	1%	1%	2%	1%	2%	3%	1%
Total	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
Net percentage	***-5%***	***-30%***	***-7%***	***-23%***	***-2%***	***-26%***	***-4%***	***-19%***	***0%***	***-31%***
Diffusion index	***-4%***	***-16%***	***-5%***	***-13%***	***-3%***	***-15%***	***-3%***	***-10%***	***-2%***	***-19%***
Mean	*2.92*	*2.68*	*2.91*	*2.74*	*2.95*	*2.71*	*2.95*	*2.81*	*2.96*	*2.61*
Standard deviation	*0.72*	*0.74*	*0.71*	*0.76*	*0.77*	*0.81*	*0.70*	*0.74*	*0.92*	*0.87*
Number of banks responding	***118***	***125***	***115***	***121***	***113***	***120***	***118***	***125***	***117***	***124***

Notes: Net percentage is defined as the difference between the sum of the percentages for "increased considerably" and "increased somewhat" and the sum of the percentages for "decreased somewhat" and "decreased considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).
The mean and standard deviation are calculated by attributing the values 1 to 5 starting with the first possible answer and consequently for the other answers. These values are then multiplied with the corresponding (weighted) percentages.

Chart 4. Changes in demand for loans or credit lines to enterprises
(net percentages of banks reporting a positive contribution to demand)



5. Over the past three months, how have the following factors affected the demand for <u>loans or credit lines to enterprises</u>?

	--	-	°	+	++	NA
A) Financing needs						
Fixed investment	9%	35%	42%	6%	1%	7%
Inventories and working capital	0%	21%	57%	14%	1%	8%
Mergers/acquisitions and corporate restructuring	7%	12%	65%	3%	0%	13%
Debt restructuring	0%	3%	64%	25%	1%	7%
B) Use of alternative finance						
Internal financing	0%	12%	75%	4%	1%	10%
Loans from other banks	0%	5%	78%	7%	0%	10%
Loans from non-banks	0%	2%	84%	1%	0%	12%
Issuance of debt securities	0%	10%	68%	5%	0%	18%
Issuance of equity	0%	1%	78%	1%	0%	21%

Summary statistics

	NetP		DI		M		SD	
	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr
A) Financing needs								
Fixed investment	-20%	-36%	-13%	-22%	2.72	2.55	0.74	0.84
Inventories and working capital	-2%	-6%	-1%	-2%	2.95	2.94	0.64	0.68
Mergers/acquisitions and corporate restructuring	-18%	-17%	-11%	-12%	2.74	2.73	0.67	0.69
Debt restructuring	20%	23%	10%	12%	3.19	3.25	0.55	0.54
B) Use of alternative finance								
Internal financing	-9%	-8%	-5%	-4%	2.89	2.93	0.46	0.45
Loans from other banks	8%	2%	5%	1%	3.08	3.03	0.62	0.39
Loans from non-banks	-1%	-1%	-1%	-1%	2.95	2.99	0.40	0.23
Issuance of debt securities	-2%	-5%	-1%	-3%	2.97	2.94	0.32	0.45
Issuance of equity	-4%	0%	-2%	0%	2.95	3.00	0.22	0.12

NA = Not available; NetP = Net percentage; DI = Diffusion index; M = Mean; SD = Standard deviation
Notes: Column "Net percentage" is defined as the difference between the sum of "+ + " (contributed considerably to higher demand) and "+" (contributed somewhat to higher demand) and the sum of "-" (contributed somewhat to lower demand) and "- -" (contributed considerably to lower demand). "°" means contributed to basically unchanged demand. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).

Chart 5a. Factors affecting demand for loans and credit lines to enterprises
(net percentages of banks reporting a positive contribution to demand)

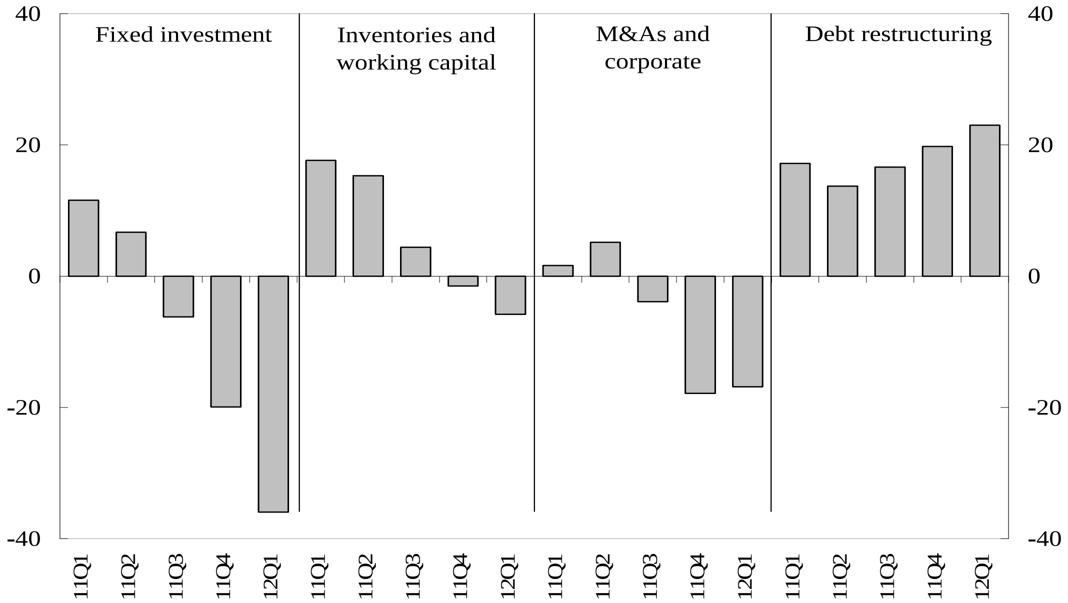
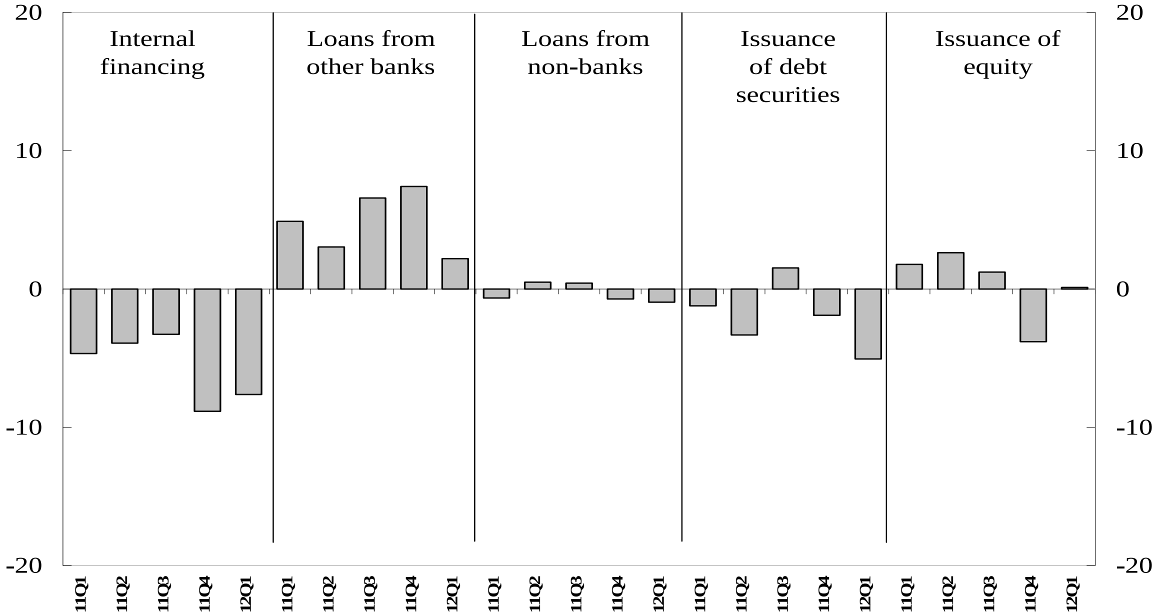


Chart 5b. Factors affecting demand for loans and credit lines to enterprises
(net percentages of banks reporting a positive contribution to demand)

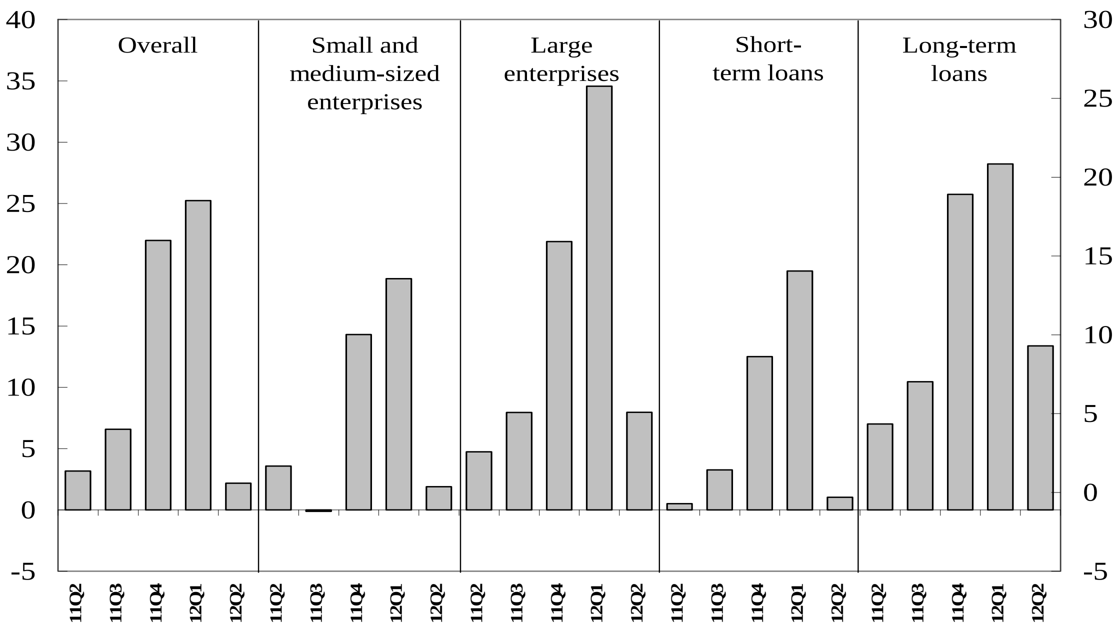


6. Please indicate how you expect your <u>bank's credit standards as applied to the approval of loans or credit lines to enterprises</u> to change over the next three months.

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr
Tighten considerably	1%	1%	2%	1%	2%	1%	1%	1%	2%	1%
Tighten somewhat	27%	7%	22%	7%	33%	9%	20%	6%	29%	14%
Remain basically unchanged	69%	87%	72%	87%	64%	87%	76%	88%	66%	84%
Ease somewhat	3%	6%	5%	6%	1%	2%	2%	6%	3%	2%
Ease considerably	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
Net percentage	***25%***	***2%***	***19%***	***2%***	***35%***	***8%***	***20%***	***1%***	***28%***	***13%***
Diffusion index	***13%***	***2%***	***10%***	***1%***	***19%***	***5%***	***10%***	***1%***	***15%***	***7%***
Mean	*2.73*	*2.97*	*2.80*	*2.98*	*2.63*	*2.91*	*2.79*	*2.98*	*2.70*	*2.86*
Standard deviation	*0.56*	*0.43*	*0.56*	*0.40*	*0.58*	*0.41*	*0.51*	*0.39*	*0.58*	*0.44*
Number of banks responding	***118***	***125***	***115***	***121***	***112***	***120***	***118***	***124***	***117***	***124***

Notes: Net percentage is defined as the difference between the sum of the percentages for "tighten considerably" and "tighten somewhat" and the sum of the percentages for "ease somewhat" and "ease considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).
The mean and standard deviation are calculated by attributing the values 1 to 5 starting with the first possible answer and consequently for the other answers. These values are then multiplied with the corresponding (weighted) percentages.

Chart 6. Expected credit standards for the approval of loans or credit lines to enterprises
(net percentages of banks contributing to tightening standards)

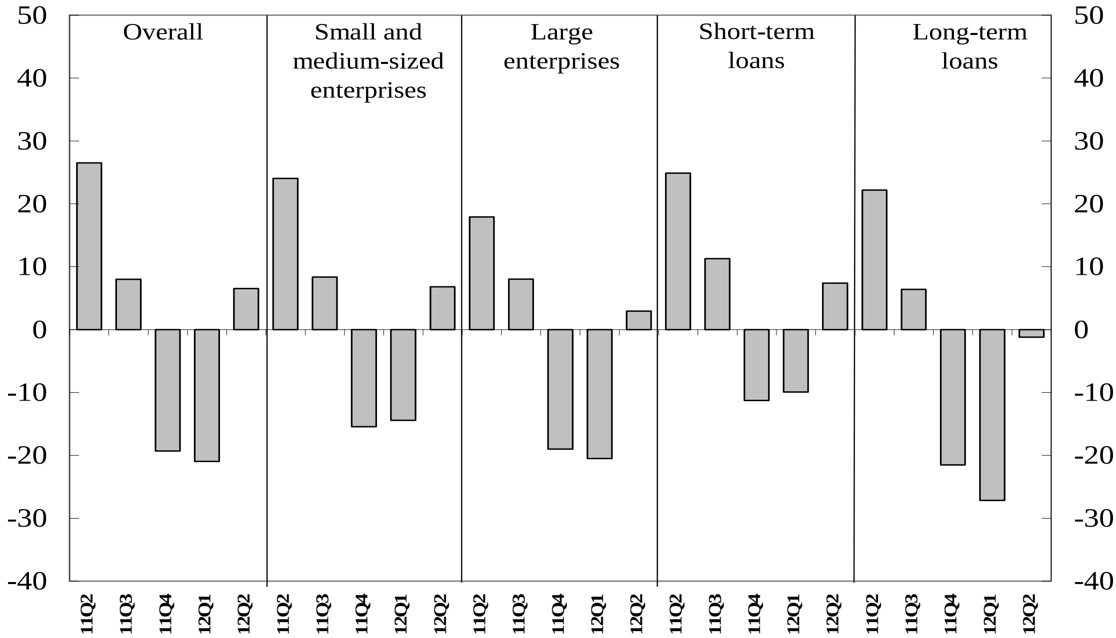


7. Please indicate how you expect demand for loans or credit lines to enterprises to change at your bank over the next three months (apart from normal seasonal fluctuations)

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr
Decrease considerably	1%	1%	1%	0%	0%	1%	1%	0%	3%	5%
Decrease somewhat	26%	12%	25%	12%	27%	12%	19%	9%	33%	12%
Remain basically unchanged	66%	68%	62%	70%	67%	71%	71%	74%	57%	68%
Increase somewhat	6%	19%	12%	19%	6%	15%	10%	16%	8%	15%
Increase considerably	0%	0%	0%	0%	0%	1%	0%	1%	0%	0%
Total	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
Net percentage	***-21%***	***7%***	***-14%***	***7%***	***-21%***	***3%***	***-10%***	***7%***	***-27%***	***-1%***
Diffusion index	***-11%***	***3%***	***-8%***	***3%***	***-10%***	***1%***	***-5%***	***4%***	***-15%***	***-3%***
Mean	*2.78*	*3.06*	*2.85*	*3.07*	*2.79*	*3.02*	*2.89*	*3.08*	*2.70*	*2.94*
Standard deviation	*0.59*	*0.61*	*0.65*	*0.57*	*0.56*	*0.62*	*0.58*	*0.55*	*0.68*	*0.70*
Number of banks responding	***118***	***125***	***115***	***121***	***112***	***120***	***118***	***125***	***117***	***124***

Notes: Net percentage is defined as the difference between the sum of the percentages for "increase considerably" and "increase somewhat" and the sum of the percentages for "decrease somewhat" and "decrease considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).
The mean and standard deviation are calculated by attributing the values 1 to 5 starting with the first possible answer and consequently for the other answers. These values are then multiplied with the corresponding (weighted) percentages.

Chart 7. Expected demand for loans and credit lines to enterprises
(net percentages of banks reporting a positive contribution to demand)



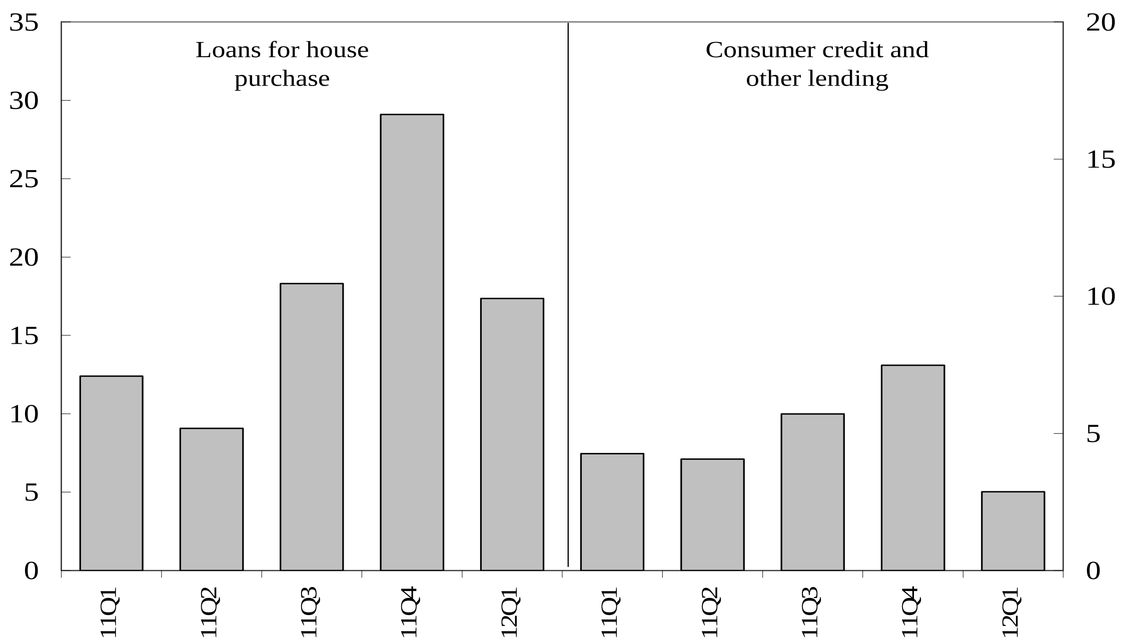
II. Loans to households

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	
	Jan	Apr	Jan	Apr
Tightened considerably	1%	1%	1%	1%
Tightened somewhat	30%	17%	13%	5%
Remained basically unchanged	69%	82%	85%	95%
Eased somewhat	1%	0%	1%	0%
Eased considerably	0%	0%	0%	0%
Total	*100%*	*100%*	*100%*	*100%*
Net percentage	***29%***	***17%***	***13%***	***5%***
Diffusion index	***15%***	***9%***	***7%***	***3%***
Mean	*2.71*	*2.82*	*2.86*	*2.94*
Standard deviation	*0.51*	*0.44*	*0.42*	*0.27*
Number of banks responding	***111***	***119***	***114***	***119***

Notes: Net percentage is defined as the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat" and the sum of the percentages for "eased somewhat" and "eased considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).
The mean and standard deviation are calculated by attributing the values 1 to 5 starting with the first possible answer and consequently for the other answers. These values are then multiplied with the corresponding (weighted) percentages.

Chart 8. Credit standards applied to the approval of loans to households
(net percentages of banks reporting tightening credit standards)



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?

	--	-	°	+	++	NA
A) Cost of funds and balance sheet constraints	1%	8%	76%	2%	0%	13%
B) Pressure from competition						
Competition from other banks	0%	3%	83%	2%	0%	12%
Competition from non-banks	0%	1%	84%	1%	0%	15%
C) Perception of risk						
Expectations regarding general economic activity	1%	11%	76%	0%	0%	11%
Housing market prospects	1%	10%	77%	1%	1%	11%

Summary statistics

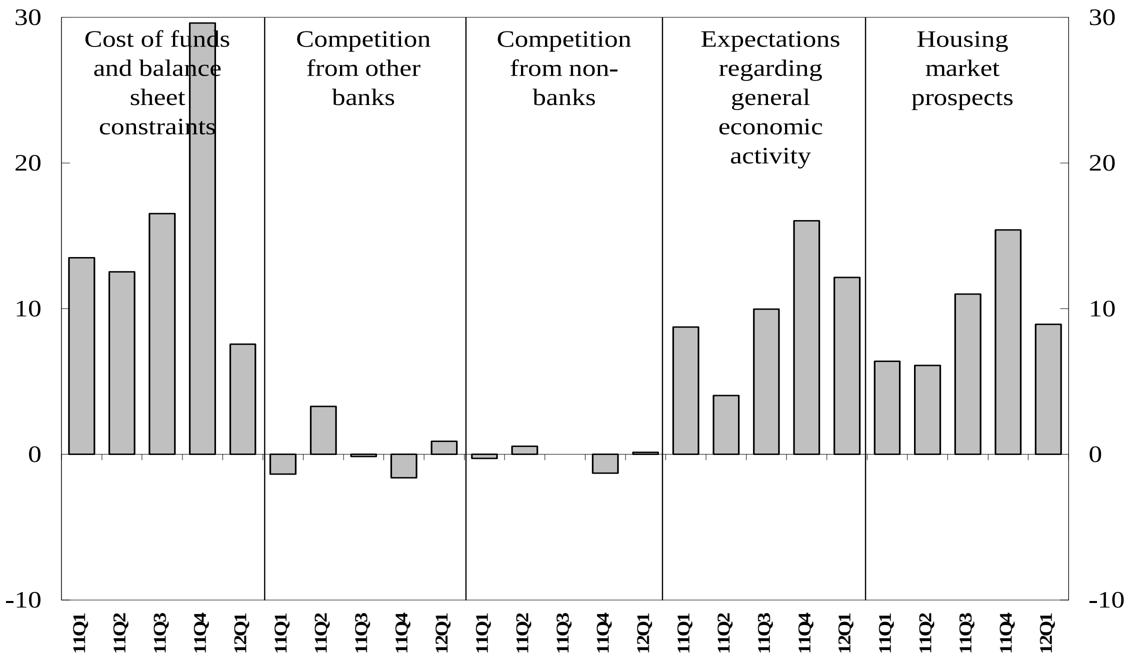
	NetP		DI		M		SD	
	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr
A) Cost of funds and balance sheet constraints	30%	8%	16%	4%	2.66	2.91	0.54	0.42
B) Pressure from competition								
Competition from other banks	-2%	1%	-1%	0%	3.02	2.99	0.25	0.24
Competition from non-banks	-1%	0%	-1%	0%	3.02	3.00	0.14	0.13
C) Perception of risk								
Expectations regarding general economic activity	16%	12%	9%	7%	2.83	2.86	0.46	0.40
Housing market prospects	15%	9%	8%	4%	2.82	2.91	0.43	0.42

NA = Not available; NetP = Net percentage; DI = Diffusion index; M = Mean; SD = Standard deviation

Notes: Column "Net percentage" is defined as the difference between the sum of "- -" (contributed considerably to tightening) and "-" (contributed somewhat to tightening) and the sum of "+" (contributed somewhat to easing) and "+ +" (contributed considerably to easing). "°" means contributed to basically unchanged. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).

Chart 9. Factors affecting credit standards applied to the approval of loans to households for house purchase

(net percentages of banks contributing to tightening standards)



10. Over the past three months, how have your bank's conditions and terms for approving loans to households for house purchase changed?

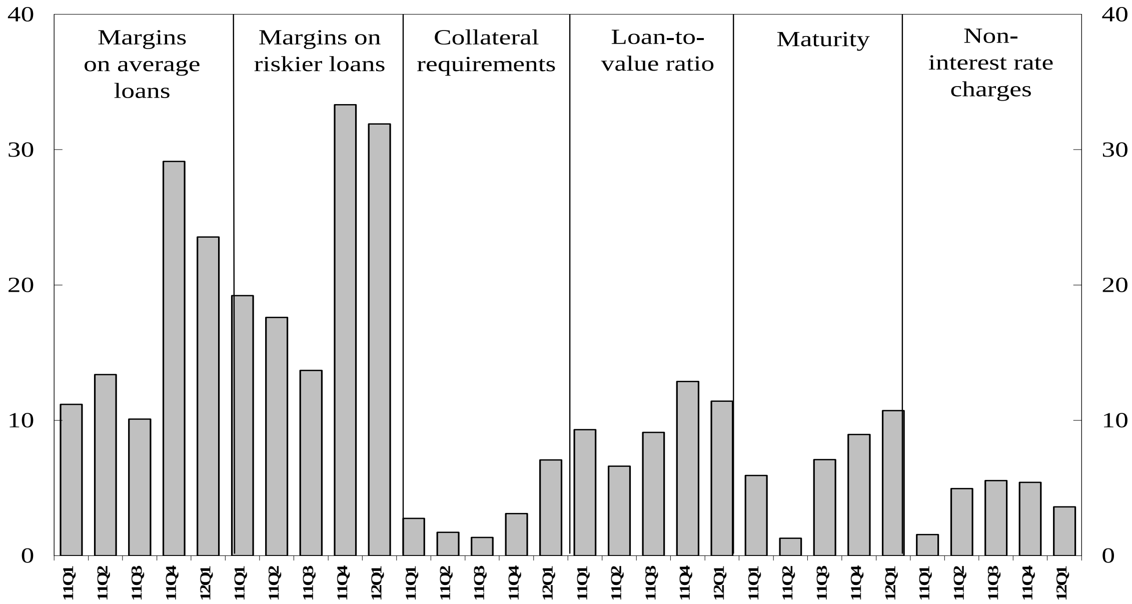
	--	-	°	+	++	NA
A) Price						
Your bank's margin on average loans	1%	26%	57%	4%	0%	11%
Your bank's margin on riskier loans	2%	31%	53%	1%	0%	13%
B) Other conditions and terms						
Collateral requirements	0%	7%	81%	0%	0%	11%
Loan-to-value ratio	0%	11%	77%	0%	0%	11%
Maturity	0%	11%	77%	1%	0%	11%
Non-interest rate charges	0%	4%	84%	1%	0%	11%

Summary statistics

	NetP		DI		M		SD	
	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr
A) Price								
Your bank's margin on average loans	29%	24%	15%	12%	2.70	2.73	0.67	0.60
Your bank's margin on riskier loans	33%	32%	18%	17%	2.61	2.61	0.62	0.59
B) Other conditions and terms								
Collateral requirements	3%	7%	2%	4%	2.97	2.92	0.19	0.30
Loan-to-value ratio	13%	11%	6%	6%	2.87	2.87	0.36	0.35
Maturity	9%	11%	5%	5%	2.91	2.88	0.31	0.37
Non-interest rate charges	5%	4%	3%	2%	2.94	2.96	0.31	0.25

NA = Not available; NetP = Net percentage; DI = Diffusion index; M = Mean; SD = Standard deviation
Notes: Column "Net percentage" is defined as the difference between the sum of "- -" (tightened considerably) and "-" (tightened somewhat) and the sum of "+" (eased somewhat) and "+ +" (eased considerably). "°" means remained basically unchanged. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).

Chart 10. Changes in terms and conditions for approving loans to households for house purchase
(net percentages of banks reporting tightening terms and conditions)



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)?

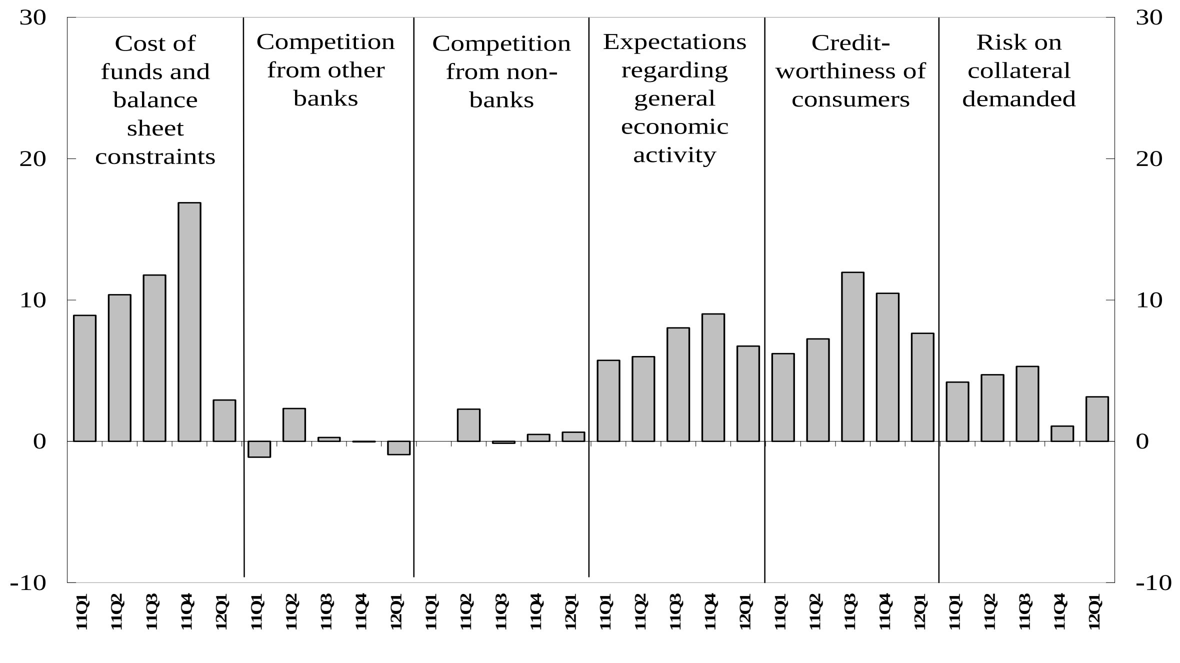
	--	-	°	+	++	NA
A) Cost of funds and balance sheet constraints	1%	4%	82%	2%	0%	11%
B) Pressure from competition						
Competition from other banks	0%	1%	87%	2%	0%	11%
Competition from non-banks	0%	1%	87%	0%	0%	13%
C) Perception of risk						
Expectations regarding general economic activity	1%	6%	83%	0%	0%	10%
Creditworthiness of consumers	2%	6%	83%	0%	0%	10%
Risk on collateral demanded	1%	3%	82%	0%	0%	15%

Summary statistics

	NetP		DI		M		SD	
	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr
A) Cost of funds and balance sheet constraints	17%	3%	10%	2%	2.79	2.96	0.53	0.35
B) Pressure from competition								
Competition from other banks	0%	-1%	0%	-1%	3.00	3.01	0.19	0.18
Competition from non-banks	1%	1%	0%	0%	2.99	2.99	0.17	0.09
C) Perception of risk								
Expectations regarding general economic activity	9%	7%	5%	4%	2.90	2.92	0.43	0.33
Creditworthiness of consumers	11%	8%	6%	5%	2.88	2.90	0.45	0.36
Risk on collateral demanded	1%	3%	1%	2%	2.99	2.96	0.32	0.22

NA = Not available; NetP = Net percentage; DI = Diffusion index; M = Mean; SD = Standard deviation
Notes: Column "Net percentage" is defined as the difference between the sum of "- -"(contributed considerably to tightening) and "-"(contributed somewhat to tightening) and the sum of "+" (contributed somewhat to easing) and "+ +" (contributed considerably to easing). "°" means contributed to basically unchanged. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).

Chart 11. Factors affecting credit standards applied to the approval of consumer credit and other lending to households *(net percentages of banks contributing to tightening standards)*



12. Over the past three months, how have your bank's conditions and terms for approving consumer credit and other lending to households changed?

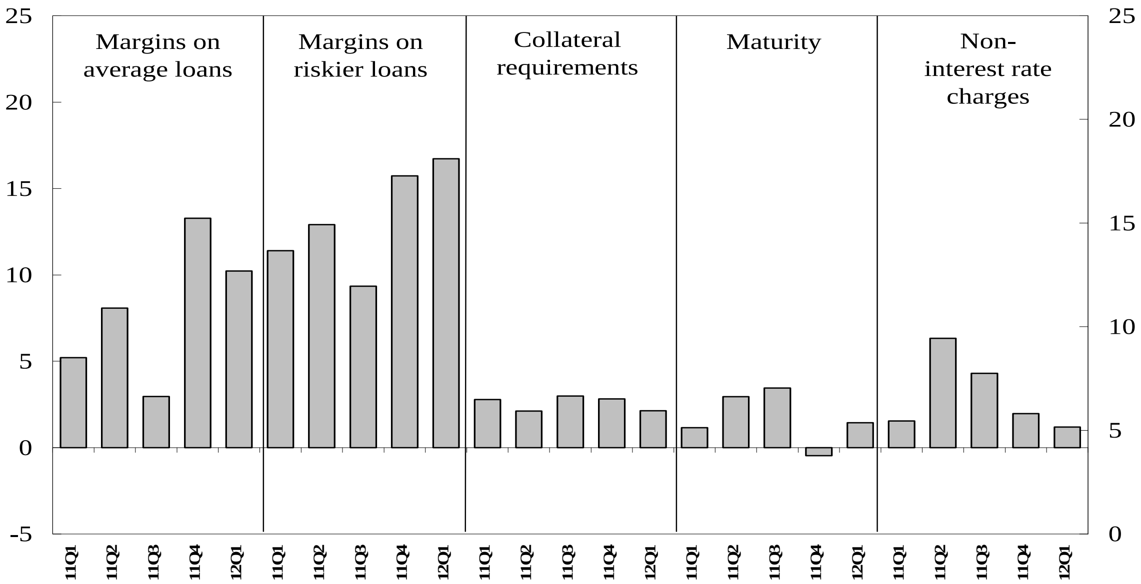
	--	-	°	+	++	NA
A) Price						
Your bank's margin on average loans	1%	17%	66%	7%	0%	10%
Your bank's margin on riskier loans	2%	17%	69%	2%	0%	10%
B) Other conditions and terms						
Collateral requirements	0%	2%	84%	0%	0%	14%
Maturity	0%	3%	86%	1%	0%	10%
Non-interest rate charges	0%	2%	85%	1%	0%	11%

Summary statistics

	NetP		DI		M		SD	
	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr
A) Price								
Your bank's margin on average loans	13%	10%	7%	5%	2.86	2.89	0.53	0.55
Your bank's margin on riskier loans	16%	17%	10%	10%	2.80	2.80	0.65	0.53
B) Other conditions and terms								
Collateral requirements	3%	2%	2%	1%	2.96	2.98	0.29	0.16
Maturity	-1%	1%	0%	1%	3.01	2.99	0.27	0.22
Non-interest rate charges	2%	1%	1%	1%	2.98	2.99	0.20	0.20

NA = Not available; NetP = Net percentage; DI = Diffusion index; M = Mean; SD = Standard deviation
Notes: Column "Net percentage" is defined as the difference between the sum of "- -" (tightened considerably) and "-" (tightened somewhat) and the sum of "+" (eased somewhat) and "+ +" (eased considerably). "°" means remained basically unchanged. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).

Chart 12. Changes in terms and conditions for approving consumer credit and other loans to households
(net percentages of banks reporting tightening terms and conditions)

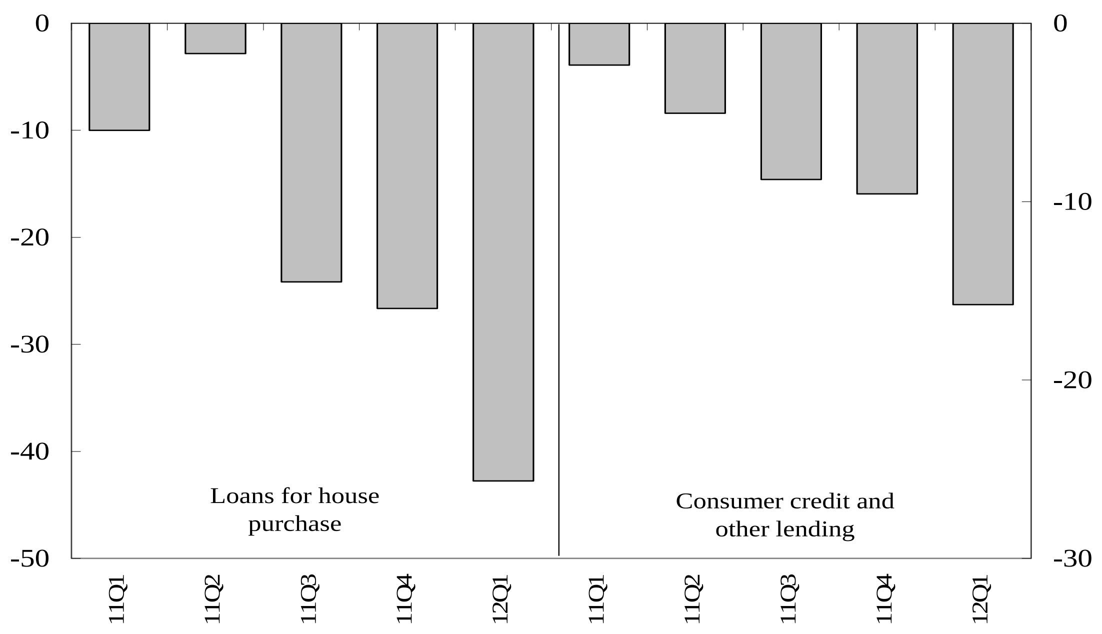


13. Over the past three months, how has the <u>demand for loans to households</u> changed at your bank, apart from normal seasonal fluctuations?

	Loans for house purchase		Consumer credit and other lending	
	Jan	Apr	Jan	Apr
Decreased considerably	11%	17%	4%	6%
Decreased somewhat	32%	34%	21%	26%
Remained basically unchanged	42%	40%	67%	62%
Increased somewhat	13%	9%	7%	6%
Increased considerably	3%	0%	2%	0%
Total	*100%*	*100%*	*100%*	*100%*
Net percentage	***-27%***	***-43%***	***-16%***	***-26%***
Diffusion index	***-17%***	***-30%***	***-9%***	***-16%***
Mean	*2.65*	*2.40*	*2.82*	*2.68*
Standard deviation	*0.97*	*0.90*	*0.72*	*0.71*
Number of banks responding	***111***	***119***	***114***	***121***

Notes: Net percentage is defined as the difference between the sum of the percentages for "increased considerably" and "increased somewhat" and the sum of the percentages for "decreased somewhat" and "decreased considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).
The mean and standard deviation are calculated by attributing the values 1 to 5 starting with the first possible answer and consequently for the other answers. These values are then multiplied with the corresponding (weighted) percentages.

Chart 13. Demand for loans to households
(net percentages of banks reporting positive loan demand)



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)?

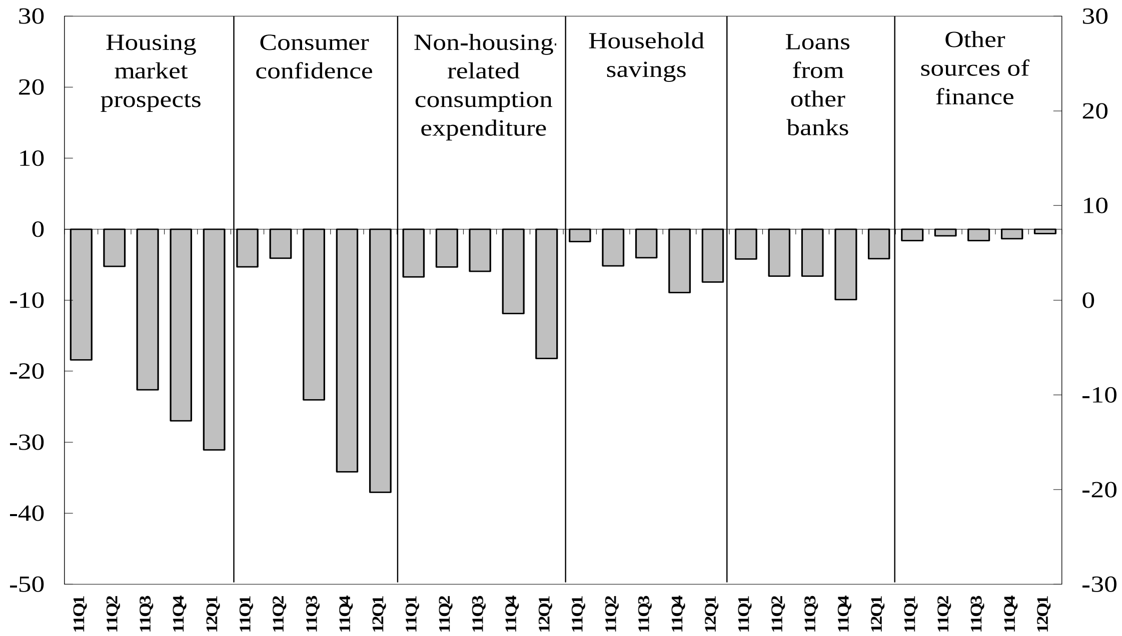
	--	-	°	+	++	NA
A) Financing needs						
Housing market prospects	3%	35%	44%	6%	1%	11%
Consumer confidence	8%	34%	42%	5%	0%	11%
Non-housing related consumption expenditure	3%	15%	69%	0%	0%	13%
B) Use of alternative finance						
Household savings	1%	9%	76%	2%	0%	13%
Loans from other banks	0%	6%	80%	2%	0%	13%
Other sources of finance	0%	1%	85%	0%	0%	14%

Summary statistics

	NetP		DI		M		SD	
	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr
A) Financing needs								
Housing market prospects	-27%	-31%	-16%	-17%	2.66	2.62	0.77	0.73
Consumer confidence	-34%	-37%	-20%	-23%	2.56	2.50	0.70	0.76
Non-housing related consumption expenditure	-12%	-18%	-7%	-11%	2.86	2.77	0.47	0.53
B) Use of alternative finance								
Household savings	-9%	-7%	-5%	-4%	2.89	2.91	0.38	0.39
Loans from other banks	-10%	-4%	-5%	-2%	2.89	2.96	0.43	0.30
Other sources of finance	-1%	-1%	-1%	0%	2.99	2.99	0.25	0.09

NA = Not available; NetP = Net percentage; DI = Diffusion index; M = Mean; SD = Standard deviation
Notes: Column "Net percentage" is defined as the difference between the sum of "+ + "(contributed considerably to higher demand) and "+"(contributed somewhat to higher demand) and the sum of "-" (contributed somewhat to lower demand) and "- -" (contributed considerably to lower demand). "°" means contributed to basically unchanged demand. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).

Chart 14. Factors affecting demand for loans to households for house purchase
(net percentages of banks reporting a positive contribution to demand)



15. Over the past three months, how have the following factors affected the demand for <u>consumer credit and other lending to households</u> (as described in question 13)?

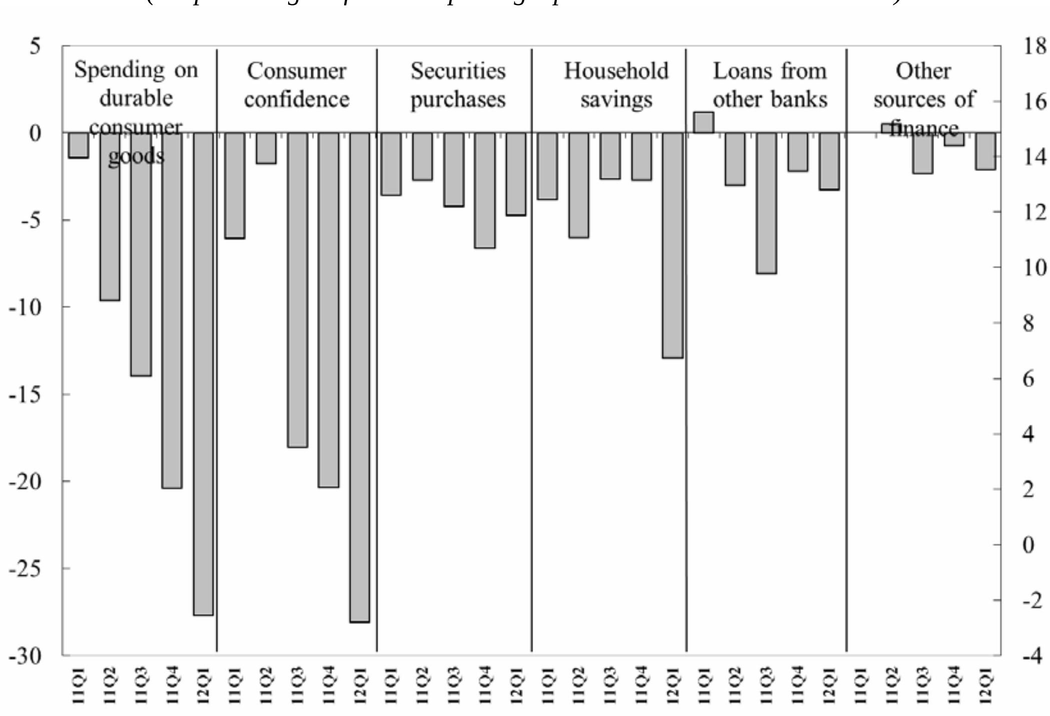
	--	-	°	+	++	NA
A) Financing needs						
Spending on durable consumer goods	7%	25%	54%	4%	0%	10%
Consumer confidence	5%	27%	55%	4%	0%	9%
Securities purchases	1%	4%	79%	0%	0%	17%
B) Use of alternative finance						
Household savings	1%	13%	76%	1%	0%	10%
Loans from other banks	0%	6%	82%	2%	0%	10%
Other sources of finance	0%	3%	84%	1%	0%	12%

Summary statistics

	NetP		DI		M		SD	
	Jan	Apr	Jan	Apr	Jan	Apr	Jan	Apr
A) Financing needs								
Spending on durable consumer goods	-20%	-28%	-11%	-17%	2.76	2.60	0.58	0.73
Consumer confidence	-20%	-28%	-11%	-17%	2.76	2.63	0.57	0.69
Securities purchases	-7%	-5%	-4%	-3%	2.90	2.94	0.41	0.27
B) Use of alternative finance								
Household savings	-3%	-13%	-2%	-7%	2.96	2.86	0.46	0.40
Loans from other banks	-2%	-3%	-1%	-2%	2.98	2.97	0.42	0.30
Other sources of finance	-1%	-2%	0%	-1%	2.99	2.98	0.31	0.24

NA = Not available; NetP = Net percentage; DI = Diffusion index; M = Mean; SD = Standard deviation
Notes: Column "Net percentage" is defined as the difference between the sum of "+ +"(responsible for considerable increase) and "+"(responsible for increase) and the sum of "-" (responsible for decrease) and "- -" (responsible for considerable decrease). "°" means responsible for neither decrease nor increase. The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).

Chart 15. Factors affecting demand for consumer credit and other lending to households
(net percentages of banks reporting a positive contribution to demand)

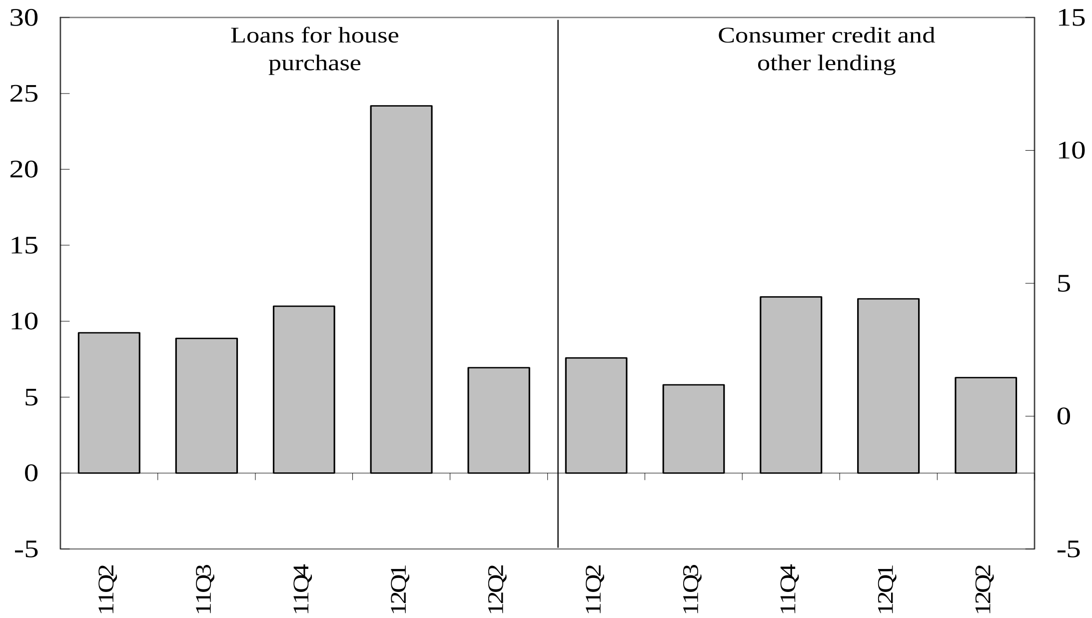


16. Please indicate how you expect your <u>bank's credit standards as applied to the approval of loans to households</u> to change over the next three months.

	Loans for house purchase		Consumer credit and other lending	
	Jan	Apr	Jan	Apr
Tighten considerably	1%	0%	1%	1%
Tighten somewhat	24%	8%	11%	7%
Remain basically unchanged	76%	91%	89%	91%
Ease somewhat	0%	1%	0%	1%
Ease considerably	0%	0%	0%	0%
Total	*100%*	*100%*	*100%*	*100%*
Net percentage	***24%***	***7%***	***11%***	***6%***
Diffusion index	***12%***	***4%***	***6%***	***3%***
Mean	*2.75*	*2.93*	*2.88*	*2.93*
Standard deviation	*0.46*	*0.30*	*0.36*	*0.34*
Number of banks responding	***111***	***119***	***112***	***119***

Notes: Net percentage is defined as the difference between the sum of the percentages for "tighten considerably" and "tighten somewhat" and the sum of the percentages for "ease somewhat" and "ease considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).
The mean and standard deviation are calculated by attributing the values 1 to 5 starting with the first possible answer and consequently for the other answers. These values are then multiplied with the corresponding (weighted) percentages.

Chart 16. Expected credit standards for loans to households
(net percentages of banks expecting tightening standards)



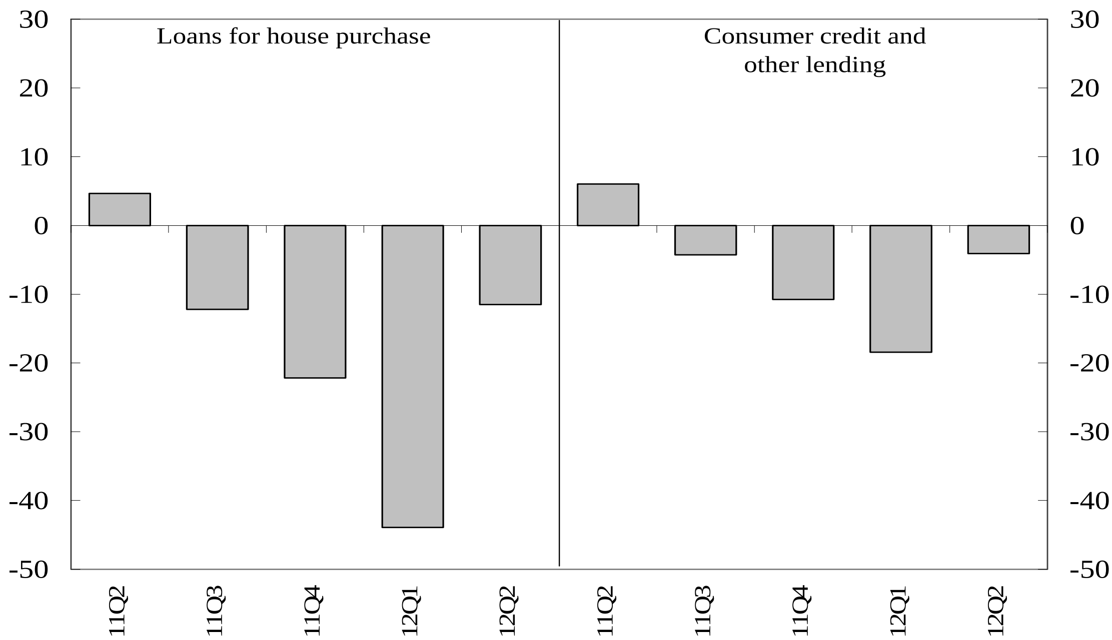
17. Please indicate how you expect <u>demand for loans to households</u> to change over the next three months at your bank (apart from normal seasonal fluctuations).

	Loans for house purchase		Consumer credit and other lending	
	Jan	Apr	Jan	Apr
Decrease considerably	4%	2%	0%	0%
Decrease somewhat	43%	20%	25%	13%
Remain basically unchanged	50%	68%	69%	79%
Increase somewhat	3%	10%	5%	9%
Increase considerably	0%	0%	2%	0%
Total	*100%*	*100%*	*100%*	*100%*
Net percentage	***-44%***	***-12%***	***-18%***	***-4%***
Diffusion index	***-24%***	***-7%***	***-8%***	***-2%***
Mean	*2.52*	*2.86*	*2.83*	*2.96*
Standard deviation	*0.65*	*0.62*	*0.60*	*0.48*
Number of banks responding	***111***	***119***	***114***	***121***

Notes: Net percentage is defined as the difference between the sum of the percentages for "increase considerably" and "increase somewhat" and the sum of the percentages for "decrease somewhat" and "decrease considerably". The diffusion index is defined as the net percentage weighted according to the intensity of the response, giving lenders who have answered "considerably" a weight twice as high (score of 1) as lenders having answered "somewhat" (score of 0.5).

The mean and standard deviation are calculated by attributing the values 1 to 5 starting with the first possible answer and consequently for the other answers. These values are then multiplied with the corresponding (weighted) percentages.

Chart 17. Expected demand for loans to households
(net percentages of banks expecting positive loan demand)



ANNEX II: RESULTS FOR THE AD HOC QUESTIONS

i. As a result of the situation in financial markets(1), has your market access changed when tapping your usual sources of wholesale 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?¹

	Over the past three months							Over the next three months							N/A(2)
	--	-	o	+	+ +	Mean	Standard deviation	--	-	o	+	+ +	Mean	Standard deviation	
A) Retail funding															
Short-term deposits (up to one year)	1%	6%	71%	21%	1%	3.14	0.60	1%	5%	78%	16%	0%	3.10	0.51	12%
Long-term (more than one year) deposits and other retail funding instruments	0%	5%	79%	16%	0%	3.11	0.47	1%	8%	83%	9%	0%	3.00	0.46	14%
B) Inter-bank unsecured money market															
Very short-term money market (up to one week)	0%	5%	66%	22%	7%	3.30	0.71	0%	1%	77%	22%	0%	3.21	0.46	10%
Short-term money market (more than one week)	1%	6%	70%	16%	7%	3.22	0.73	1%	0%	86%	13%	0%	3.11	0.42	10%
C) Wholesale debt securities(3)															
Short-term debt securities (e.g. certificates of deposit or commercial paper)	2%	3%	54%	30%	12%	3.46	0.86	0%	1%	78%	19%	2%	3.22	0.52	20%
Medium to long-term debt securities (incl. covered bonds)	1%	4%	53%	31%	12%	3.49	0.82	0%	1%	75%	23%	1%	3.25	0.53	14%
D) Securitisation(4)															
Securitisation of corporate loans	0%	6%	81%	14%	0%	3.08	0.52	0%	4%	86%	11%	0%	3.07	0.43	60%
Securitisation of loans for house purchase	0%	4%	86%	9%	1%	3.07	0.46	0%	3%	78%	18%	0%	3.15	0.48	52%
E) Ability to transfer credit risk off balance sheet(5)	0%	2%	90%	8%	0%	3.06	0.33	0%	2%	80%	18%	0%	3.17	0.46	60%

(1) Please also take into account any effect of state guarantees for debt securities and recapitalisation support.
(2) Please select "N/A" (not applicable) 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.

ii. Given the tensions in the European sovereign debt market 1), how have the following factors affected your bank's funding conditions/credit standards over the past three months?

	Impact on your bank's funding conditions						
	--	-	=	+	+ +	Mean	sd
A) Direct exposure to sovereign debt	7	5	78	9	0	3	1
B) Value of sovereign collateral available for wholesale market transactions	3	6	79	12	0	3	1
C) Other effects	3	10	85	2	0	3	1

	Impact on your bank's credit standards																				
	Loans or credit lines to enterprises							Loans to households for house purchase							o households for consumer credit and other						
	--	-	=	+	+ +	Mean	sd	--	-	=	+	+ +	Mean	sd	--	-	=	+	+ +	Mean	sd
A) Direct exposure to sovereign debt	1	4	92	3	0	3	0	1	4	95	0	0	3	0	2	5	94	0	0	3	0
B) Value of sovereign collateral available for wholesale market transactions	2	2	96	0	0	3	0	1	1	97	0	0	3	0	2	2	95	0	0	3	0
C) Other effects	1	7	91	1	0	3	0	1	4	94	1	0	3	0	2	5	93	0	0	3	0

(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.

ANNEX III: GLOSSARY

To assist respondent banks in filling out the questionnaire, this glossary defines the most important terminology used in the bank lending survey:

<u>Capital</u>

In accordance with the Basel capital adequacy requirements, the definition of capital includes 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.

<u>Collateral</u>

The security given by a borrower to a lender as a pledge for the repayment of a loan. This could include certain financial securities, such as equity or debt securities, real estate or compensating balances (a compensating balance is the minimum amount of a loan that the borrower is required to keep in an account at the bank).

<u>Consumer confidence</u>

Consumers' assessments of economic and financial trends in a particular country and/or in the euro area. They include assessments of the past and current financial situations of households and resulting prospects for the future, assessments of the past and current general economic situation and resulting prospects for the future, as well as assessments of the advisability of making residential investments (question 14), particularly in terms of affordability, and/or major purchases of durable consumer goods (question 15).

<u>Cost of funds and balance sheet constraints</u>

A bank's capital and the costs related to its capital position can become a balance sheet constraint that may inhibit the expansion of its lending. For a given level of capital, the bank's loan supply could be affected by its liquidity position and its access to money and debt markets. Similarly, a bank could abstain from granting a loan, or be less willing to lend, if it knows that it will not be able subsequently to transfer the risk (synthetic securitisation) or the entire asset (true-sale securitisation) off its balance sheet.

Covenant

An agreement or stipulation laid down in loan contracts, particularly contracts with enterprises, under which the borrower pledges either to take certain action (an affirmative covenant), or to refrain from taking certain action (a negative covenant); this is consequently part of the terms and conditions of the loan.

Credit line

A facility with a stated maximum amount that an enterprise is entitled to borrow from a bank at any given time. For the purposes of the survey, developments regarding credit lines should be interpreted as changes in the net amount that can be drawn down under either an existing or a new credit line.

Credit standards

The internal guidelines or criteria that reflect a bank's lending policy. They are the written and unwritten criteria, or other practices related to this policy, which define the types of loan a bank considers desirable and undesirable, its designated geographical priorities, collateral deemed acceptable or unacceptable, etc. For the purposes of the survey, changes in written loan policies, together with changes in their application, should be reported.

Credit terms and conditions

These refer to the specific obligations agreed upon by the lender and the borrower. In the context of the bank lending survey, they consist of the direct price or interest rate, the maximum size of the loan and the access conditions, and other terms and conditions in the form of non-interest rate charges (i.e. fees), collateral requirements (including compensating balances), loan covenants and maturities (short-term versus long-term).

Debt restructuring

Debt restructuring is a relevant factor in the context of the bank lending survey only to the extent that it gives rise to an actual increase or decrease in demand for loans following the decision of corporations with outstanding debt obligations to alter the terms and conditions of these loans. Generally, companies use debt restructuring to avoid defaulting on existing debt or to take advantage of lower interest rates or lower interest rate expectations. In the context of this survey, debt restructuring should not be interpreted as the switching between different types of debt (such as MFI loans and debt securities; this is already captured under the item "Issuance of debt securities"), capital restructuring (substitution between debt and equity) or share buy-backs (already captured under the item "Issuance of equity"). Debt restructuring in the form of inter-company loans is already covered by the item “Loans from non-banks”. Moreover, debt restructuring in the form of a substitution between short-term and long-term loans does not give rise to a change in overall loan demand.

Diffusion index

The diffusion index is defined as the difference between the weighted sum of the percentages of banks responding “tightened considerably” and “tightened somewhat”, and the weighted sum of the percentages of banks responding “eased considerably” and “eased somewhat”. Regarding demand for loans, the diffusion index is defined as the difference between the weighted sum of the percentages of banks responding “increased considerably” and “increased somewhat”, and the weighted sum of the percentages of banks responding “decreased considerably” and “decreased somewhat”. The diffusion index is weighted according to the intensity of the response, giving lenders who have answered “considerably” a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5).

Enterprises

The term “enterprises” denotes non-financial corporations, i.e. all private and public institutional units, irrespective of their size and legal form, which are not principally engaged in financial intermediation but rather in the production of goods and non-financial services.

Enterprise size

The distinction between large enterprises and small and medium-sized enterprises is based on annual sales. An enterprise is considered large if its annual net turnover is more than €50 million.

Households

Individuals or groups of individuals acting as consumers or as producers of goods and non-financial services exclusively intended for their own final consumption, as well as small-scale market producers.

Housing market prospects

In question 9, (besides interest rate developments) “housing market prospects” refers to the risk on the collateral demanded; in question 14, it includes households’ expectations regarding changes in house prices.

Loans

The loans covered by the bank lending survey are those granted to euro area residents by domestic bank branches, and include loans or credit lines to enterprises, loans to households for house purchase, and consumer credit and other lending to households.

Loan-to-value ratio

The ratio of the amount borrowed to the appraisal or market value of the underlying collateral, usually employed in relation to loans used for real estate financing.

Maturity

Maturity as used in the bank lending survey is original maturity, and only two types are used: short-term and long-term. Short-term loans are loans with an original maturity of one year or less; long-term loans have an original maturity of more than one year.

Net percentage (or balance)

In the context of credit standards, the net percentage is defined as the difference between the sum of the percentages of banks responding “tightened considerably” and “tightened somewhat”, and the sum of the percentages of banks responding “eased considerably” and “eased somewhat”. Regarding demand for loans, the net percentage is defined as the difference between the sum of the percentages of banks responding “increased considerably” and “increased somewhat”, and the sum of the percentages of banks responding “decreased considerably” and “decreased somewhat”.

Non-banks

In general, these consist of non-monetary financial corporations, in particular insurance corporations and pension funds, financial auxiliaries and other financial intermediaries.

Non-interest rate charges

Various kinds of fees that can form part of the pricing of a loan, such as commitment fees on revolving loans, administration fees (e.g. document preparation costs), and charges for enquiries, guarantees and credit insurance.