EUROPEAN CENTRAL BANK

EUROSYSTEM

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THE EURO AREA BANK LENDING SURVEY

- APRIL 2009 -

1. Overview of the results

The results reported in the April 2009 bank lending survey relate to changes during the first quarter of 2009 and expectations of changes in the second quarter of 2009. As in previous survey rounds, a number of ad hoc questions on the impact of the financial turmoil were included in this survey.

This report presents the results of the euro area bank lending survey conducted from 20 March 2009 until 3 April 2009.

The results of the April 2009 bank lending survey show that in the first quarter of 2009 the net percentage of banks reporting a tightening of credit standards on loans and credit lines to enterprises was 43%, which – while still reflecting a pronounced further net tightening – was 21 percentage points lower than in the fourth quarter of 2008. This could point to some stabilisation of the current tightening cycle. For the second quarter of 2009, the banks expect a further reduction of the overall net tightening to 28%. The most important driving forces behind the net tightening in the euro area continued to be expectations regarding general economic activity and the industry or firm-specific outlook. At the same time, the impact of banks' cost of funds and balance sheet constraints, in particular costs related to banks' capital positions, remained at comparatively high levels, although the importance of these factors diminished somewhat compared with the previous quarter. The net percentage of banks reporting a tightening of credit standards for loans to households for house purchase and for consumer credit likewise decreased in the first quarter of 2009. Moreover, banks expect the net tightening of credit standards on loans to households to weaken further in the second quarter of 2009. While their overall importance abated in the first quarter of 2009 compared with the previous quarter, deteriorating expectations regarding general economic activity, as well as a further worsening in housing market prospects and a decline in consumers' creditworthiness, continued to be the most important factors contributing to the net tightening of credit standards applied to both types of household loans.

Banks reported that in the first quarter of 2009 net demand for loans to enterprises and for consumer credit and other lending to households continued to decline, while the level of net demand for loans to households for house purchase became significantly less negative. Negative net demand for loans to enterprises was driven by a decline in the financing needs for fixed investment and a further decline in demand stemming from mergers and acquisitions (M&As) and corporate restructuring. Firms' need to *restructure their debt tended to have a positive impact on loan demand. For loans to households, negative net demand mainly reflected housing market prospects, deteriorating consumer confidence and lower financing needs for durable consumer goods.*

As in recent survey rounds, the April 2009 survey incorporated a set of ad hoc questions addressing the effect of the financial turmoil on credit standards and lending.

Banks indicated that governments' announcements of recapitalisation support and state guarantees for debt securities issued by banks were already having a positive impact on banks' access to wholesale funding and are expected to further ease access to funding in the second quarter of 2009. Nevertheless, banks continued to report that their access to funding remained hampered in the first quarter of 2009 as a result of the financial market turmoil. Indeed, only in the case of very short-term funding did a majority of reporting banks indicate that access was not hampered in the first quarter of 2009. In addition, the majority of banks reported that the financial market tensions continued to have an adverse impact on their capital positions and lending capacity.

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, for the first time an alternative measure of the responses to questions related to changes in credit standards and net demand has been included. This new measure (the "diffusion index") is the weighted difference between the share of banks reporting that credit standards have been tightened and

[1] The sample group of banks participating in the survey comprises 118 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. 118 banks participated in the April 2009 survey, i.e. the overall response rate was 100%.

[2] For further information on the bank lending survey, please 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 Monthly Bulletin and J. Berg et al. (2005), "The bank lending survey for the euro area", ECB Occasional Paper No 23.

the share of banks reporting that they have been eased. With regard to 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 2009) or expectations of changes over the next three months (i.e. in the second quarter of 2009).

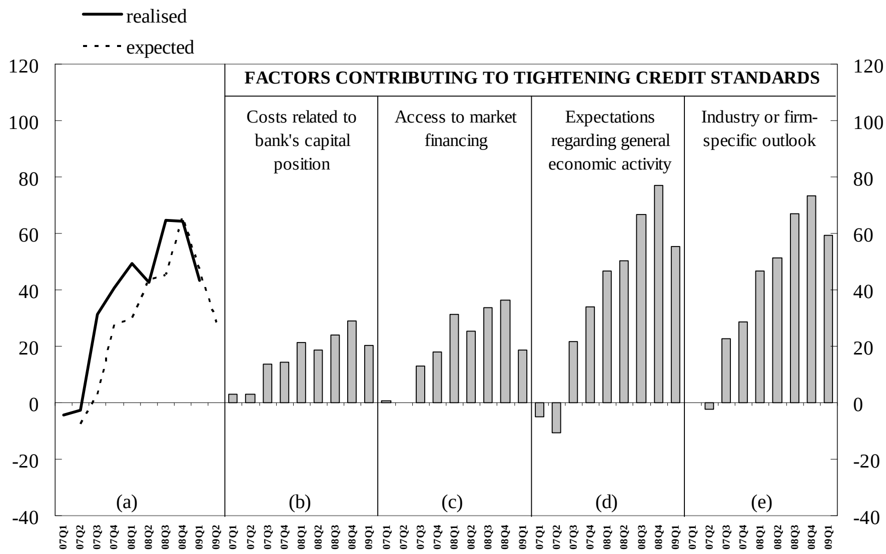
A copy of the questionnaire can be found at http://www.ecb.europa.eu/stats/pdf/bls_questionnaire.pdf.

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

2.1 Enterprises

Credit standards. In the first quarter of 2009, the net percentage of banks reporting a tightening of credit standards for loans to enterprises, while remaining at a high level, declined somewhat compared with the previous quarter (43%, after 64% in the fourth quarter of 2008; see Chart 1). While this might give an initial indication of a turning point in the tightening cycle, it still represents a significant degree of additional net tightening of already tight credit standards. The most important driving forces behind the net tightening in the first quarter of 2009 continued to be expectations regarding general economic activity and the industry or firm-specific outlook, which – although their importance abated somewhat – stood at levels of 55% and 59%, respectively. At the same time, the impact of banks' cost of funds and balance sheet constraints remained at comparatively high levels, although the importance of these factors also diminished somewhat compared with the previous quarter. As in previous quarters, there were basically no competitive pressures on banks to either tighten or ease credit standards.

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)

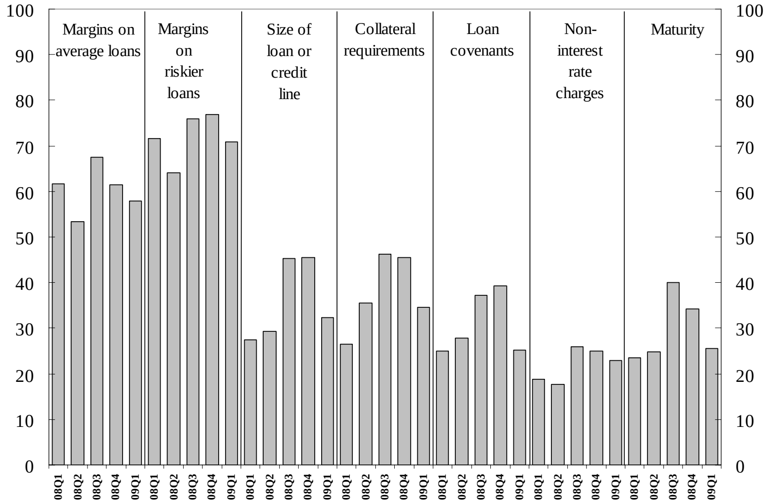


Notes: "Realised" values refer to changes that have occurred, while "expected" values are changes anticipated by banks. "Net percentage" refers to the difference between the sum of the percentages of banks responding "tightened considerably" and "tightened somewhat" and the sum of the percentages of 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.

As regards the terms and conditions related to the provision of loans to enterprises, banks reported that they continued to widen their margins on average loans and on riskier loans in the first quarter of 2009, with net percentages of 58% (against 61% in the previous quarter) and 71% (against 77%), respectively (see Chart 2). Moreover, around one-third of the banks tightened their credit standards by reducing the size of loans or credit lines and by tightening collateral requirements. When cumulating the net tightening since mid-2007 of all the non-interest rate charges, collateral requirements were increased most, while banks also became considerably stricter in terms of loan sizes and loan covenants.

Chart 2: Changes in terms and conditions for approving loans or credit lines to enterprises

(net percentages of banks reporting tightening terms and conditions)



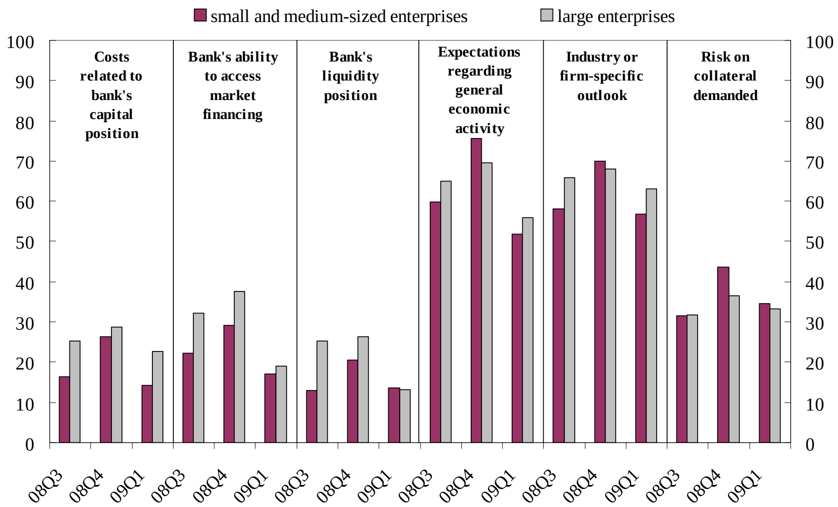
Note: See the notes to Chart 1.

In the first quarter of 2009, the net tightening of credit standards was slightly stronger for loans to large enterprises (48%, after 63% in the fourth quarter of 2008) than for loans to small and medium-sized enterprises (SMEs) (42%, after 63% in the previous quarter; see Chart 1 in Annex 1). This mirrors the overall trend since the beginning of the financial turmoil, as indeed the cumulated net tightening since the second quarter of 2007 has been significantly more pronounced with respect to loans to large enterprises (353 all in all) than with respect to SMEs (265). In recent quarters, the factors underlying the changes in credit standards, for both large enterprises and SMEs, mainly related to the expectations regarding general economic activity and the industry or firm-specific outlook (see Chart 3). At the same time, costs related to banks' capital positions played a somewhat more important role in the net tightening for large firms than for SMEs, which may reflect the fact that, with the current slowdown in syndicated lending and a subdued credit risk transfer market, the allocation of capital to larger loans has become comparatively costly. Moreover, competition from other banks again contributed to only a small extent to the net tightening of credit standards for both SMEs and large firms. With respect to terms and conditions, the net tightening of credit standards continued to be reflected most markedly in net increases of banks' margins on average loans as well as on riskier loans both for loans to large firms and to SMEs (see Chart 3 in Annex 1). Regarding non-price terms and conditions, both large firms and SMEs remained broadly at the same elevated levels of net tightening as in the previous quarter.

As regards **loan maturities**, the net tightening continued to be more pronounced for long-term loans (50%, after 68% in the previous survey round) than for short-term loans (38%, after 53% in the previous survey round; see Chart 1 in Annex 1). This is consistent with the relatively high net percentage of banks reporting that credit standards were tightened via the shortening of loan maturities (see Chart 2).

Chart 3: Factors affecting credit standards applied to the approval of loans or credit lines to enterprises according to enterprise size

(net percentages of banks reporting that factors contributed to tightening standards)

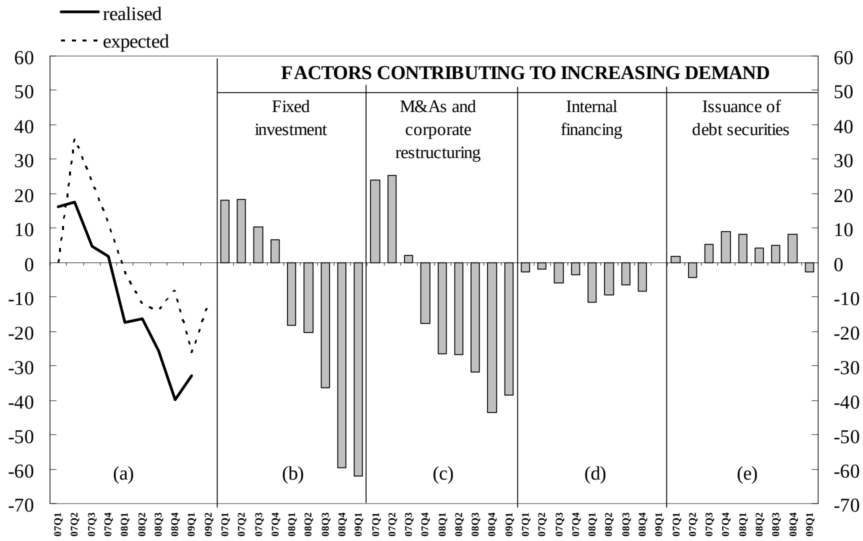


Note: See the notes to Chart 1.

Loan demand. In the first quarter of 2009, net demand for loans by enterprises declined somewhat less than in the previous quarter, but remained rather low (-33%, after -40% in the fourth quarter of 2008). The negative net demand was driven by a continued strong decline in the financing needs for fixed investment (to -62%, from -60% in the previous quarter). Likewise, weak demand stemming from the needs to finance M&As and corporate restructuring was observed in the first quarter of 2009 (-39%, after -44% in the fourth quarter of 2008). At the same time, the slightly less negative net demand for corporate loans was mainly driven by firms' needs to restructure their debt and also by perceived difficulties in obtaining loans from other banks and non-banks. In contrast to previous quarters, internal financing (i.e. profitability) did not contribute to lowering the net demand for loans by enterprises in the first quarter of this year, which may indicate a deterioration in the corporate sector's earnings prospects. In the first quarter of 2009, there is some evidence suggesting a return of investment-grade firms to the euro area corporate bond market.[3] This may explain some banks' reply that, in contrast to previous quarters, the issuance of debt securities contributed negatively to the net demand for loans by enterprises.

[3] According to the ECB's securities issuance statistics, the issuance of debt securities by non-financial corporations in the euro area increased considerably in January and February 2009. Moreover, more timely data from Dealogic, the private data vendor, suggest a continuation of this trend in March 2009.

Chart 4: 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.

In terms of **borrower size**, net loan demand was negative for both large firms and SMEs in the first quarter of 2009, although slightly less so than in the previous quarter (see Chart 4 in Annex 1). Regarding the maturity spectrum, net demand continued to decrease particularly strongly for long-term loans.

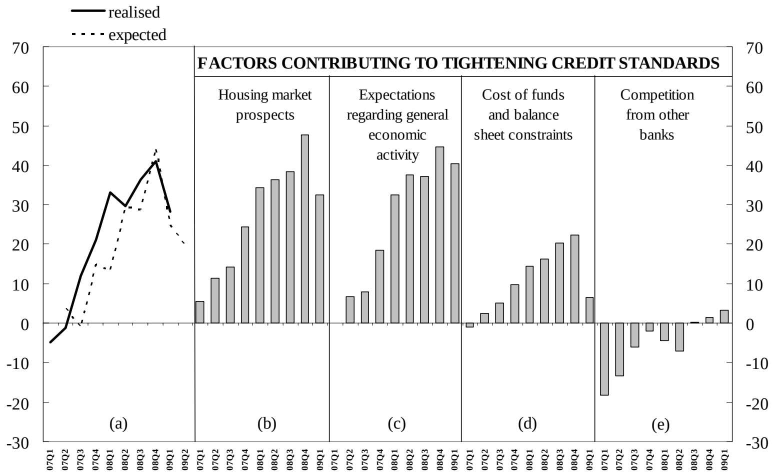
Expectations. Expectations regarding credit standards applied to loans and credit lines to enterprises for the second quarter of 2009 point to a further decrease in the net tightening (28%) compared with the actual net tightening in the first quarter of 2009 (see Chart 1). Net demand for loans by enterprises is expected to further deteriorate (-12%) compared with the actual net demand in the first quarter of 2009 (see Chart 4).

2.2 Households

Loans to households for house purchase

Credit standards. In the first quarter of 2009, the net percentage of banks reporting a tightening of credit standards for loans to households for house purchase lessened somewhat (28%, after 41% in the fourth quarter of 2008), implying a further, albeit more moderate, overall tightening of credit standards from an already elevated level (see Chart 5). Expectations regarding general economic activity and housing market prospects remained the main factors contributing to the continued net tightening of credit standards. In addition, cost of funds and balance sheet constraints also contributed to the net tightening, although much less so than in the previous quarter (7%, down from 22%). Furthermore, as in the previous quarter, competition from other banks did not contribute to the change of credit standards for loans to households for house purchase, and was broadly neutral.

Chart 5: 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)*

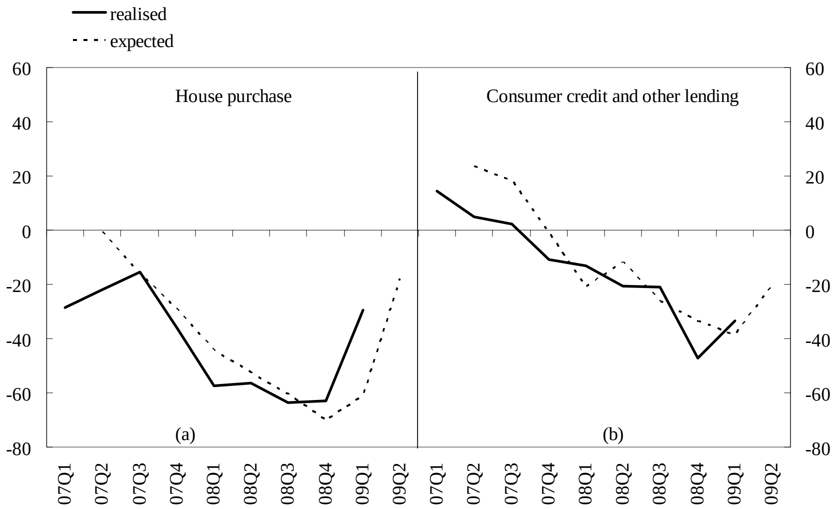


Note: See the notes to Chart 1.

As regards the **terms and conditions on loans to households for house purchase**, margin requirements, in particular on riskier loans, remained the main element of the net tightening of credit standards (see Chart 10 in Annex 1). While still contributing to net tightening, in the first quarter of 2009 collateral requirements and loan-to-value ratios became somewhat less stringent compared with the previous quarter.

Loan demand. The net demand for housing loans in the first quarter of 2009 remained negative, albeit considerably less so than in the previous quarter (-30%, down from -63%; see Chart 6). The negative net demand, as in previous quarters, reflected mainly housing market prospects and deteriorating consumer confidence (see Chart 14 in Annex 1).

Chart 6: Changes in demand for loans to households
(net percentages of banks reporting a positive contribution to demand)



Note: See the notes to Chart 4.

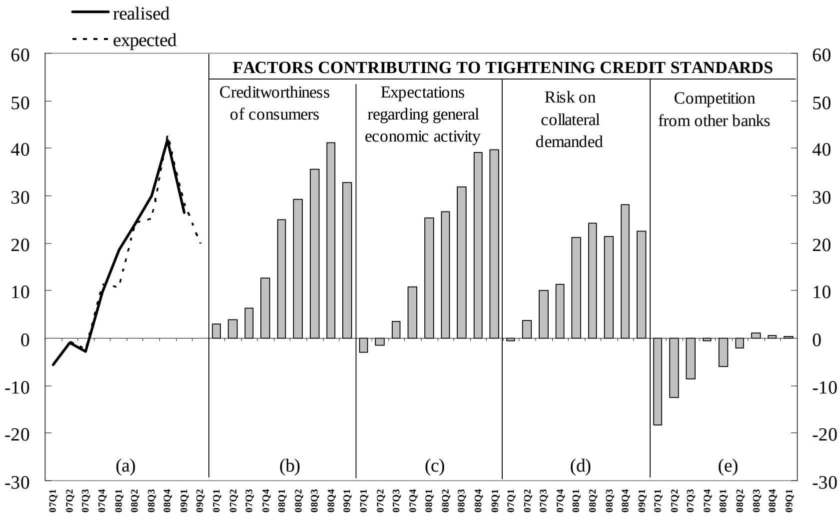
Expectations. For the second quarter of 2009, credit standards for loans for house purchase are expected to tighten (19%) compared with the actual net tightening in the first quarter of 2009 (see Chart 5). Net loan demand is likewise expected to decline (-18%) compared with the actual level in the first quarter of 2009 (see Chart 6).

Consumer credit and other lending to households

Credit standards. In the first quarter of 2009, the net percentage of banks reporting a tightening of credit standards for consumer credit and other lending to households moderated somewhat to 26%, down from its historical peak of 42% observed in the previous quarter (see Chart 7). The main factor behind the continued net tightening was banks' perception of risk, mainly related to deteriorating expectations regarding general economic activity and the creditworthiness of consumers (see Chart 11 in Annex 1).

As regards the terms and conditions for consumer credit, in the first quarter of 2009 banks continued to charge higher margins on both average and riskier loans, whereas requirements regarding the maturity of loans became somewhat less stringent compared with the previous quarter (see Chart 12 in Annex 1).

Chart 7: 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.

Loan demand. In the first quarter of 2009, net demand for consumer credit and other lending to households remained negative, although somewhat less so than in the previous quarter (-34%, down from -47%; see Chart 6). The two main factors dampening demand continued to be consumer confidence and lower financing needs for durable consumer goods (see Chart 15 in Annex 1).

Expectations. For the second quarter of 2009, credit standards for consumer credit and other lending to households are expected to tighten by 20% compared with the actual net tightening in the first quarter of

2009 (see Chart 7). Moreover, net demand for consumer credit is expected to improve somewhat, but to remain negative (-21%) compared with the level reported for the first quarter of 2009 (see Chart 6).

3. Ad hoc questions on the impact of the financial turmoil

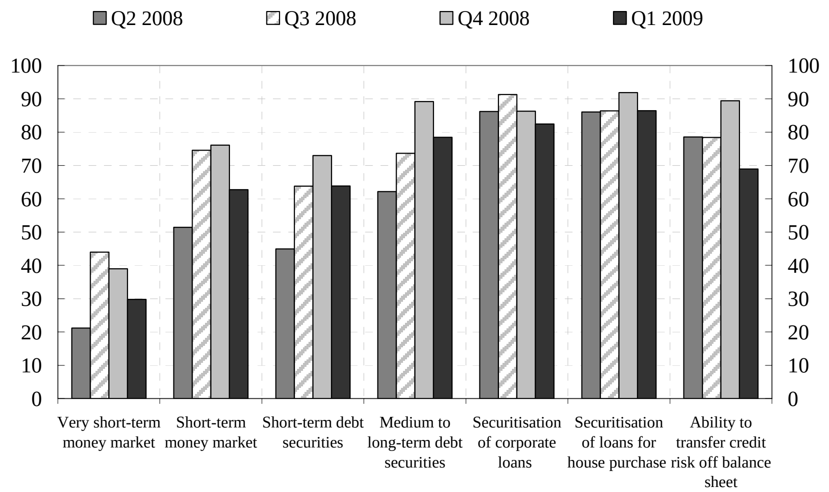
As in previous survey rounds, the April 2009 survey contained a set of questions which aim to assess the extent to which the financial market tensions have affected banks' credit standards for loans and credit lines to enterprises and for loans to households in the euro area in the first quarter of 2009 and the extent to which they are expected to affect them in the next three months. The questions refer to the access to wholesale funding (Section 3.1) and the impact on bank lending (Section 3.2).[4] Details of the responses to the ad hoc questions are given in Annex 2.

3.1 Access to wholesale funding

In the first quarter of 2009, banks reported that their access to money markets as a result of the turmoil in financial markets remained impaired, although some slight improvements were noticed in all market segments compared with the fourth quarter of 2008 (see Chart 8). Apart from the access to very short-term funding in the money market where 70% of the banks reported that they were not hampered, for all other sources of wholesale funding more than 50% of the reporting banks indicated that their access remained hampered in the first quarter of 2009. In particular, around 80% of the banks reported that their access to securitisation (both true-sale and synthetic) and to medium to long-term debt issuance was hampered. At the same time, the percentage of banks reporting a hampered ability to transfer credit risk off balance sheets declined from 90% in the fourth quarter of 2008 to less than 70% in the first quarter of 2009.

Over the next three months, access to wholesale funding and securitisation is expected to remain hampered to a similar extent as in the first quarter of 2009 (see Table i in Annex 2).

Chart 8: Access to wholesale funding
(percentages of banks reporting hampered market access)



Note: The percentages were calculated by adding together the shares of banks that reported a "considerable impact" and "some impact" on their market access.

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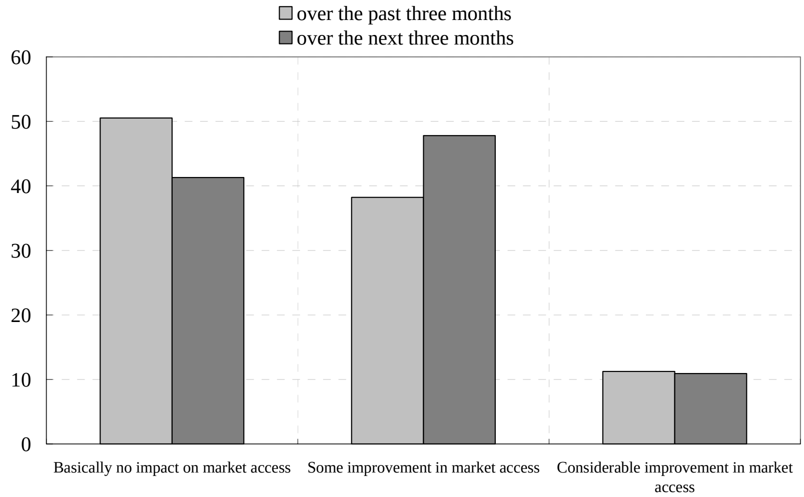
[4] The results shown are calculated as a percentage of the number of banks which did not reply "not applicable".

At the same time, banks reported that governments' announcements of recapitalisation support and state guarantees for debt securities issued by banks had a positive impact on banks' access to wholesale funding in the first quarter of 2009. This was reflected in the fact that around 50% of the banks (up from 34% in the previous quarter) reported some or a considerable improvement in market access as a result of the announced government support schemes in the first quarter of 2009, and that they expect a further improvement to occur in the second quarter of 2009 (see Chart 9).[5]

Chart 9: Effect of government announcements of recapitalisation support and state guarantees on access to wholesale funding
(percentages of banks)



3.2 Impact on bank lending

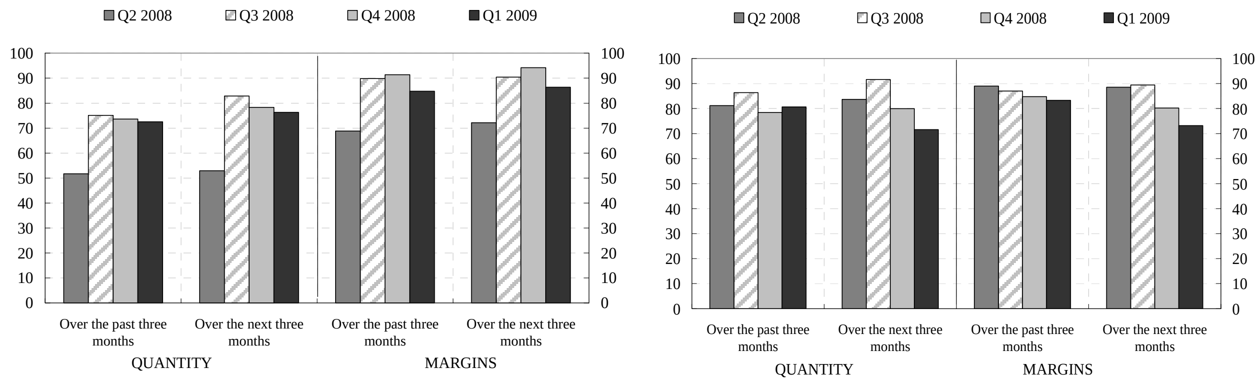
In line with the continued impaired access to money markets and debt securities markets, banks reported that the impact on bank lending, as regards both quantities and margins, of hampered access to these funding options remained broadly unchanged at elevated levels in the first quarter of 2009 (see Chart 10a). The impact continued to be stronger for the margins than for the amount of loans granted to borrowers. Similarly, as regards the impact of the hampered access to securitisation on their lending, banks reported a broadly unchanged impact on the amount of loans granted as well as on margins required compared with the previous quarter (see Chart 10b). The impact on bank lending of the hampered access to securitisation was broadly similar for margins and quantities. With respect to the next three months, banks reported that they expect a similar impact on their willingness to lend and on margins resulting from their hampered access to money markets and debt securities markets and a somewhat lower impact resulting from hampered access to securitisation than over the past three months.

[5] 100 out of 118 banks responded (response rate of 85%). 8% of responding banks replied "not applicable".

Chart 10: Impact of hampered market access on lending
(percentages of banks reporting an impact)

(a) For money markets, debt securities markets or other markets

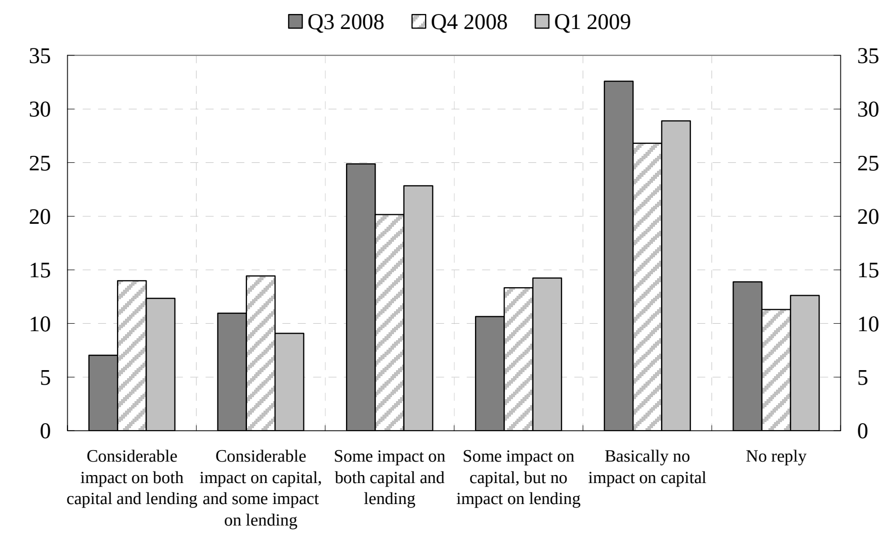
(b) For securitisation



Note: Percentages were calculated by adding together the shares of banks responding a "considerable impact" and "some impact".

Finally, as regards the **impact of the change in banks' costs related to their capital positions on their lending policy**, in the first quarter of 2009 44% of the reporting banks indicated "some" or a "considerable" impact on capital and lending, which was 5 percentage points less than in the fourth quarter of 2008 (see Chart 11). At the same time, the percentage of banks replying that there was basically no impact on their capital position remained broadly unchanged at a low level of 29% in the first quarter of 2009 (following 27% in the previous quarter). Hence, these results provide some tentative indications of supply-side effects on bank lending in recent quarters. With respect to the next three months 45% of the reporting euro area banks expect that the financial market events will continue to have some or a considerable impact on their capital and lending.

Chart 11: Effect on the costs related to the bank's capital position and on lending
(percentages of banks reporting an impact)



ANNEX 1: RESULTS FOR THE INDIVIDUAL QUESTIONS

I. Loans or credit lines to enterprises

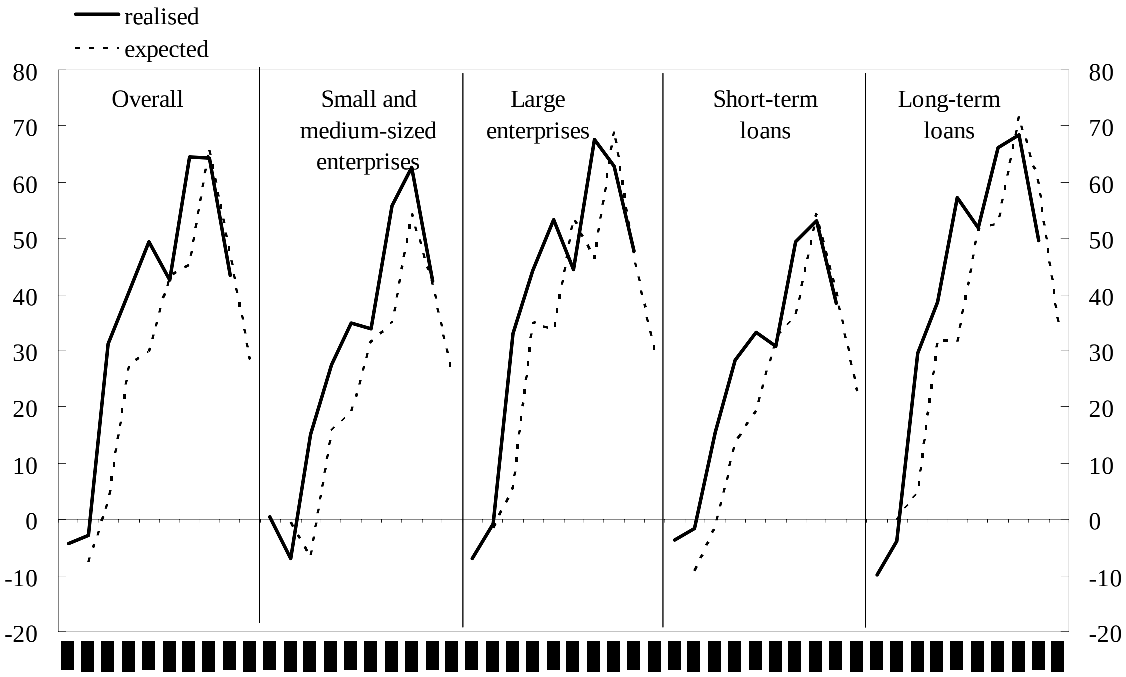
1. Over the past three months, how have your bank's credit standards as applied to the approval of loans or credit lines to enterprises changed?

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	January	April	January	April	January	April	January	April	January	April
Tightened considerably	9	4	8	4	9	8	7	4	11	7
Tightened somewhat	56	40	56	39	54	40	47	35	57	43
Remained basically unchanged	34	57	36	58	37	52	45	62	32	50
Eased somewhat	1	0	1	0	0	0	1	0	0	0
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	***64***	***43***	***63***	***43***	***63***	***48***	***53***	***38***	***68***	***50***
Diffusion index	***37***	***24***	***35***	***23***	***36***	***28***	***30***	***21***	***40***	***28***
Mean	*2.27*	*2.53*	*2.30*	*2.54*	*2.28*	*2.44*	*2.40*	*2.58*	*2.20*	*2.44*
Number of banks responding	***105***	***111***	***105***	***111***	***102***	***106***	***106***	***111***	***104***	***109***

Notes: The 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).

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

(net percentages of banks reporting tightening credit 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

	--	-	°	+	++	NA	NetP		DI		Mean	
							January 2009	April 2009	January 2009	April 2009	January 2009	April 2009
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	4	17	70	0	0	10	29	20	17	12	2.62	2.73
Your bank's ability to access market financing	5	16	68	1	0	11	36	19	22	12	2.53	2.74
Your bank's liquidity position	3	13	72	2	1	10	23	14	13	8	2.72	2.83
B) Pressure from competition												
Competition from other banks	1	4	82	0	0	12	7	5	3	3	2.93	2.89
Competition from non-banks	1	3	82	0	0	14	3	4	2	3	2.96	2.92
Competition from market financing	1	3	82	0	0	13	2	4	1	3	2.98	2.92
C) Perception of risk												
Expectations regarding general economic activity	12	44	37	0	0	7	77	55	45	34	2.04	2.27
Industry or firm-specific outlook	16	43	33	0	0	7	74	59	44	38	2.05	2.19
Risk on collateral demanded	5	30	57	0	0	7	42	35	23	20	2.51	2.57

SMALL AND MEDIUM-SIZED ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							January 2009	April 2009	January 2009	April 2009	January 2009	April 2009
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	3	11	76	0	0	10	26	14	15	9	2.67	2.81
Your bank's ability to access market financing	2	16	70	1	0	12	29	17	16	10	2.63	2.78
Your bank's liquidity position	2	13	73	1	1	10	20	14	11	8	2.74	2.83
B) Pressure from competition												
Competition from other banks	1	6	79	1	0	13	8	7	4	4	2.91	2.87
Competition from non-banks	1	3	82	0	0	14	3	4	2	3	2.96	2.91
Competition from market financing	1	3	81	0	0	15	3	4	2	3	2.95	2.91
C) Perception of risk												
Expectations regarding general economic activity	9	43	40	0	0	8	76	52	44	30	2.05	2.34
Industry or firm-specific outlook	13	43	35	0	0	8	70	57	42	35	2.09	2.23
Risk on collateral demanded	5	30	56	0	0	9	44	35	24	20	2.48	2.57

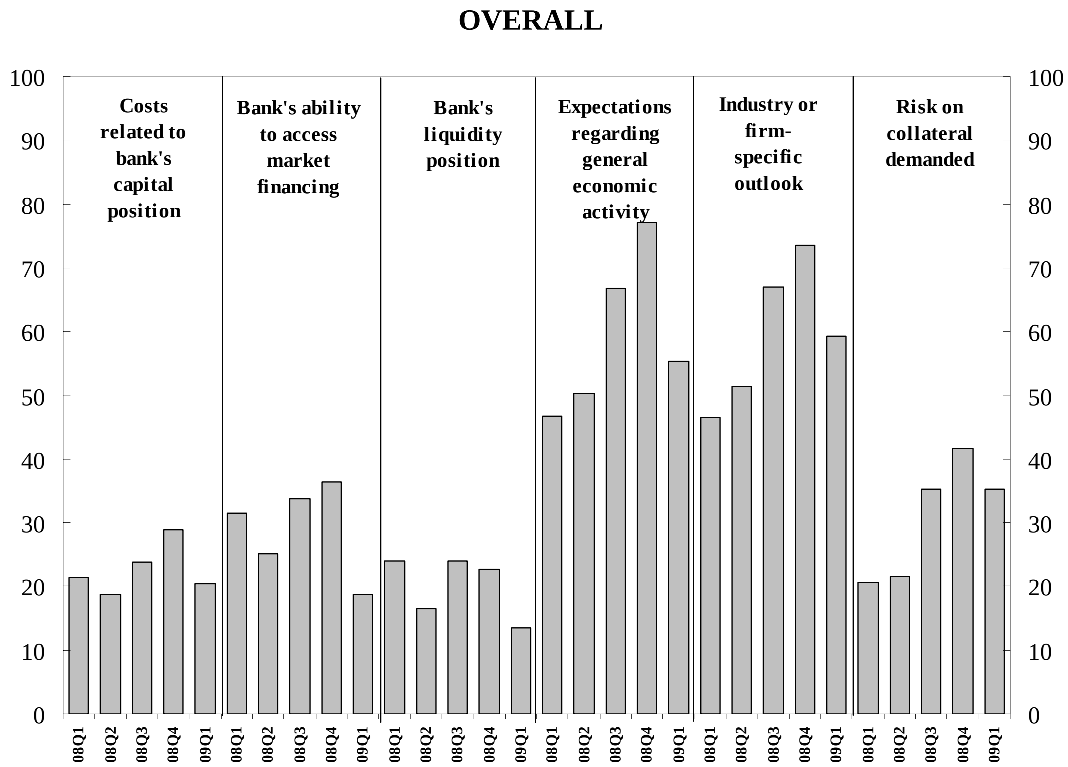
LARGE ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							January 2009	April 2009	January 2009	April 2009	January 2009	April 2009
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	4	20	63	1	0	13	29	23	18	13	2.60	2.70
Your bank's ability to access market financing	5	16	63	2	0	15	38	19	23	12	2.46	2.72
Your bank's liquidity position	3	13	69	2	1	13	26	13	17	8	2.61	2.83
B) Pressure from competition												
Competition from other banks	1	5	75	2	0	16	8	4	4	3	2.91	2.90
Competition from non-banks	1	3	78	1	0	18	3	3	2	2	2.95	2.92
Competition from market financing	1	3	78	1	0	17	5	3	3	2	2.92	2.92
C) Perception of risk												
Expectations regarding general economic activity	12	44	32	0	0	13	70	56	42	34	2.06	2.22
Industry or firm-specific outlook	16	47	24	0	0	13	68	63	42	40	2.07	2.10
Risk on collateral demanded	5	28	54	0	0	13	37	33	21	19	2.53	2.56

NA = not available; NetP = net percentage; DI = diffusion index.

Notes: The net percentage is defined as the difference between the sum of banks responding "- -" (contributed considerably to tightening) and "-" (contributed somewhat to tightening), and the sum of banks responding "+" (contributed somewhat to easing) and "+ +" (contributed considerably to easing). "°" means "contributed to basically unchanged credit standards". 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 reporting a contribution to tightening standards)



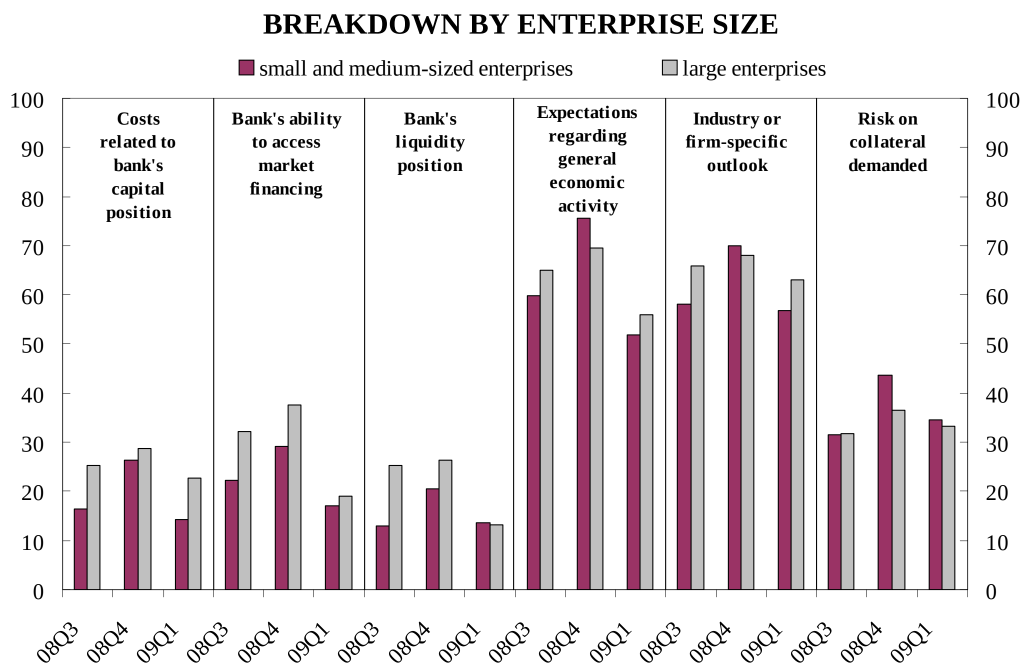
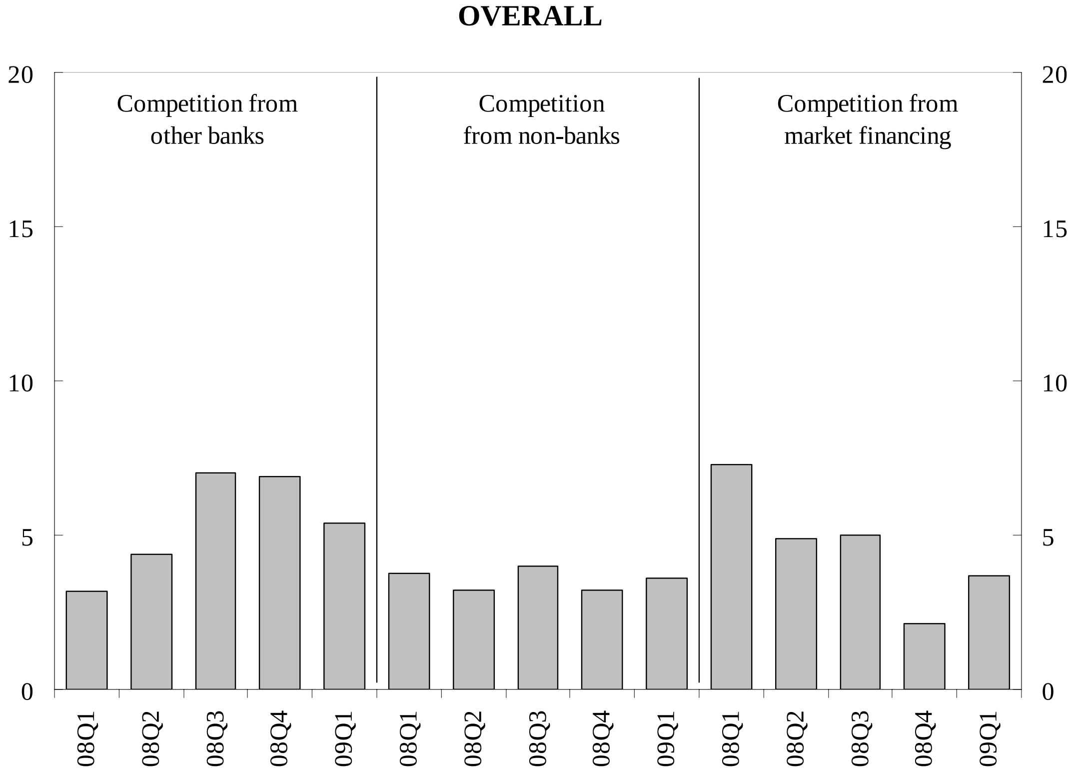
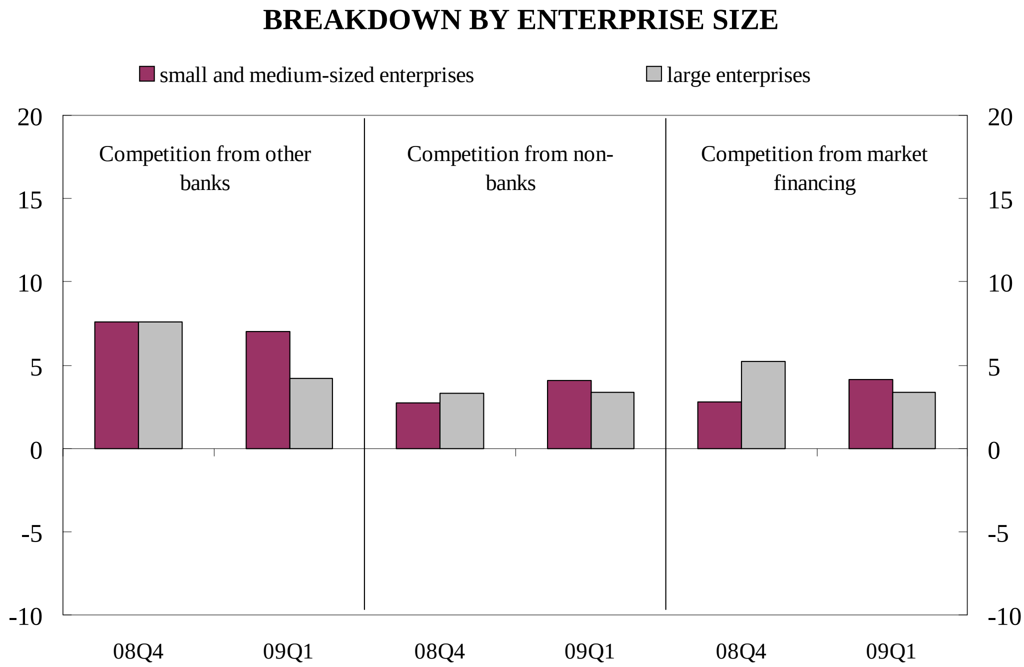


Chart 2b. Factors affecting credit standards applied to the approval of loans or credit lines to enterprises

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





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

OVERALL	--	-	°	+	++	NA	NetP		DI		Mean	
							January 2009	April 2009	January 2009	April 2009	January 2009	April 2009
A) Price												
Your bank's margin on average loans	12	46	35	0	0	7	61	58	36	35	2.25	2.25
Your bank's margin on riskier loans	21	51	18	1	0	8	77	71	51	46	1.91	2.01
B) Other conditions and terms												
Non-interest rate charges	1	22	69	0	0	8	25	23	14	12	2.71	2.74
Size of the loan or credit line	3	29	60	0	0	7	46	32	27	18	2.43	2.62
Collateral requirements	3	33	55	1	0	7	45	35	25	19	2.48	2.60
Loan covenants	1	25	66	0	0	8	39	25	21	13	2.55	2.72
Maturity	2	24	66	0	0	8	34	26	18	14	2.61	2.71

SMALL AND MEDIUM-SIZED ENTERPRISES	--	-	°	+	++	NA	NetP		DI		Mean	
							January 2009	April 2009	January 2009	April 2009	January 2009	April 2009
A) Price												
Your bank's margin on average loans	10	40	39	0	0	11	57	51	33	31	2.29	2.32
Your bank's margin on riskier loans	17	48	21	1	0	12	67	64	45	41	2.01	2.09
B) Other conditions and terms												
Non-interest rate charges	1	15	72	0	0	12	20	16	11	8	2.76	2.81
Size of the loan or credit line	0	29	59	1	0	12	40	29	22	15	2.51	2.68
Collateral requirements	1	31	56	0	0	12	42	33	22	17	2.53	2.62
Loan covenants	0	21	68	0	0	11	32	21	17	11	2.61	2.76
Maturity	1	24	64	0	0	11	27	25	15	13	2.69	2.71

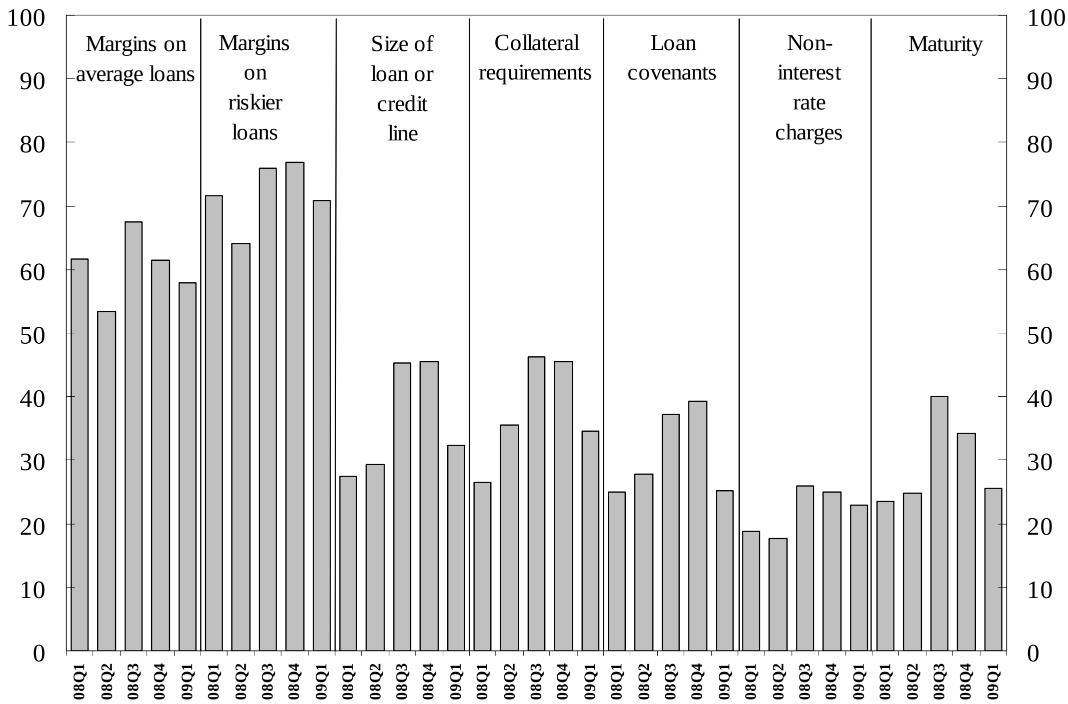
LARGE ENTERPRISES	--	-	°	+	++	NA	NetP		DI		Mean	
							January 2009	April 2009	January 2009	April 2009	January 2009	April 2009
A) Price												
Your bank's margin on average loans	13	42	31	0	0	14	62	55	37	34	2.15	2.22
Your bank's margin on riskier loans	19	47	19	0	0	15	71	67	48	43	1.91	2.00
B) Other conditions and terms												
Non-interest rate charges	1	24	61	0	0	15	26	24	14	13	2.68	2.69
Size of the loan or credit line	4	28	54	0	0	14	42	32	24	18	2.46	2.58
Collateral requirements	4	29	52	0	0	14	37	33	20	19	2.55	2.56
Loan covenants	5	24	57	0	0	15	41	29	23	17	2.47	2.59
Maturity	3	25	58	0	0	14	38	28	21	15	2.52	2.65

NA = not available; NetP = net percentage; DI = diffusion index.

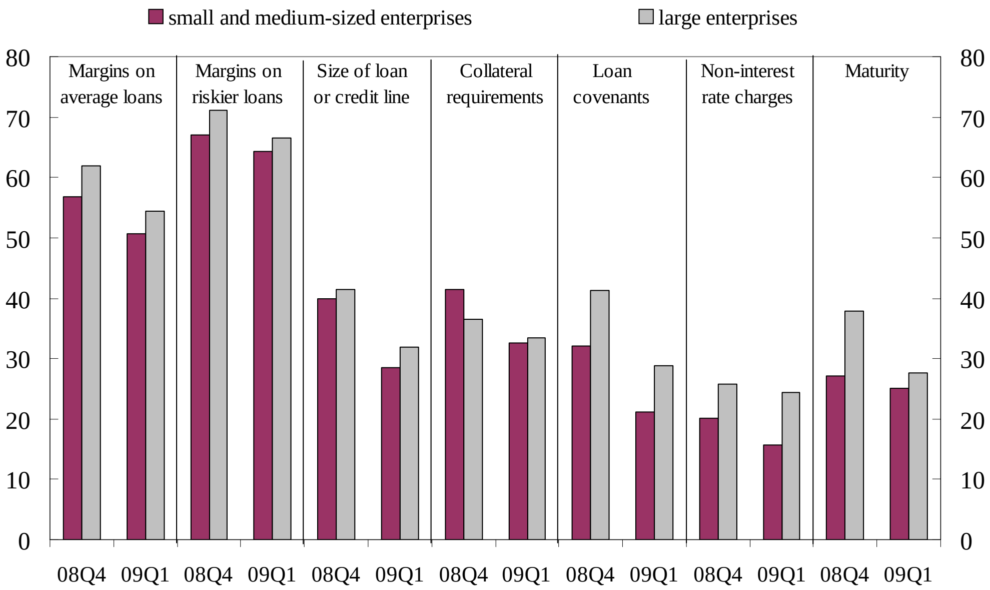
Notes: The net percentage is defined as the difference between the sum of banks responding "- -" (tightened considerably) and "-" (tightened somewhat), and the sum of banks responding "+" (eased somewhat) and "+ +" (eased considerably). "°" means "remained basically unchanged". The diffusion index is 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



BREAKDOWN BY ENTERPRISE SIZE



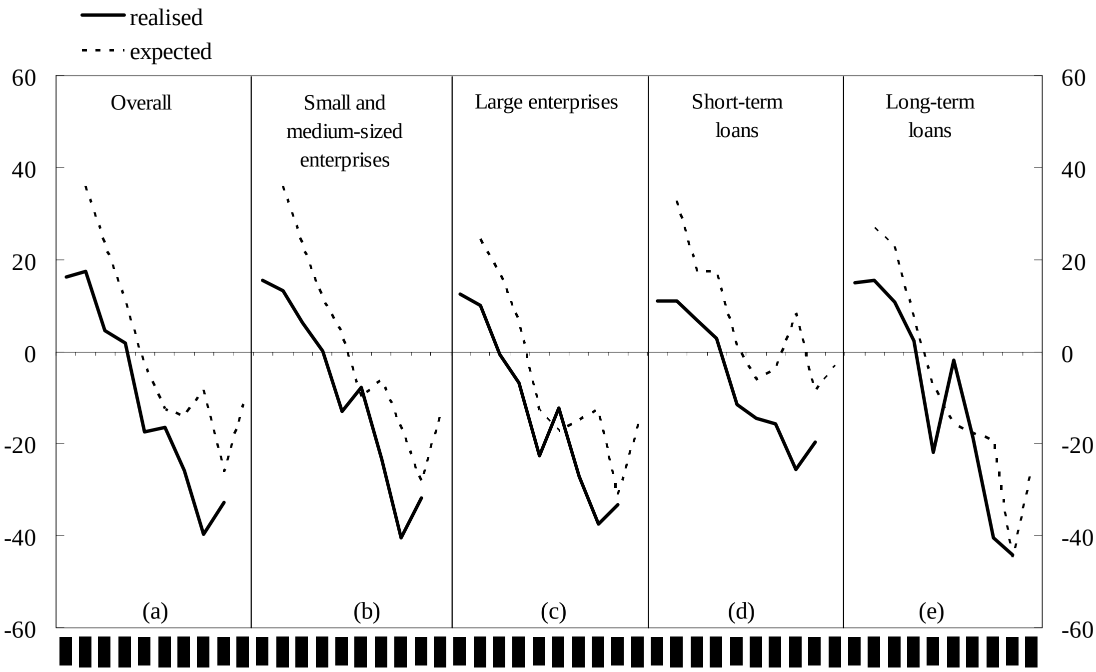
4. Over the past three months, how has the <u>demand for loans or credit lines to enterprises</u> changed at your bank, apart from normal seasonal fluctuations?

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	January	April	January	April	January	April	January	April	January	April
Decreased considerably	7	6	6	8	8	12	5	5	11	14
Decreased somewhat	50	42	48	40	45	34	38	36	46	43
Remained basically unchanged	26	37	31	36	31	41	40	38	26	30
Increased somewhat	16	13	13	15	14	12	14	20	14	12
Increased considerably	1	2	1	1	2	1	3	1	3	1
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	***-40***	***-33***	***-41***	***-32***	***-38***	***-33***	***-26***	***-20***	***-40***	***-44***
Diffusion index	***-23***	***-19***	***-23***	***-19***	***-22***	***-22***	***-14***	***-12***	***-25***	***-29***
Mean	*2.54*	*2.63*	*2.54*	*2.61*	*2.57*	*2.56*	*2.72*	*2.77*	*2.51*	*2.43*
Number of banks responding	***106***	***111***	***105***	***111***	***102***	***106***	***106***	***111***	***104***	***109***

Notes: The net percentage is defined as the difference between the sum of banks responding "increased considerably" and "increased somewhat", and the sum of banks responding "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).

Chart 4. Changes in demand for loans and credit lines to enterprises

(net percentages of banks reporting positive loan demand)



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

	--	-	°	+	++	NA	NetP		DI		Mean	
							January 2009	April 2009	January 2009	April 2009	January 2009	April 2009
A) Financing needs												
Fixed investment	13	51	25	2	0	9	-60	-62	-35	-38	2.23	2.18
Inventories and working capital	1	27	41	21	1	11	-8	-6	-5	-3	2.91	2.94
Mergers/acquisitions and corporate restructuring	10	31	42	2	0	15	-44	-39	-31	-24	2.30	2.43
Debt restructuring	0	5	36	42	7	10	22	44	14	26	3.27	3.54
B) Use of alternative finance												
Internal financing	0	14	61	13	1	12	-8	0	-4	0	2.90	3.00
Loans from other banks	0	6	66	15	2	11	18	11	10	7	3.23	3.15
Loans from non-banks	0	4	75	9	0	12	-1	5	-1	2	2.99	3.05
Issuance of debt securities	0	10	60	8	0	21	8	-3	5	-2	3.14	2.96
Issuance of equity	0	3	68	3	2	23	-4	1	-2	1	2.96	3.04

NA = not available; NetP = net percentage; DI = diffusion index.

Notes: The net percentage is defined as the difference between the sum of banks responding "+ +" (contributed considerably to higher demand) and "+" (contributed somewhat to higher demand), and the sum of banks responding "-" (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)

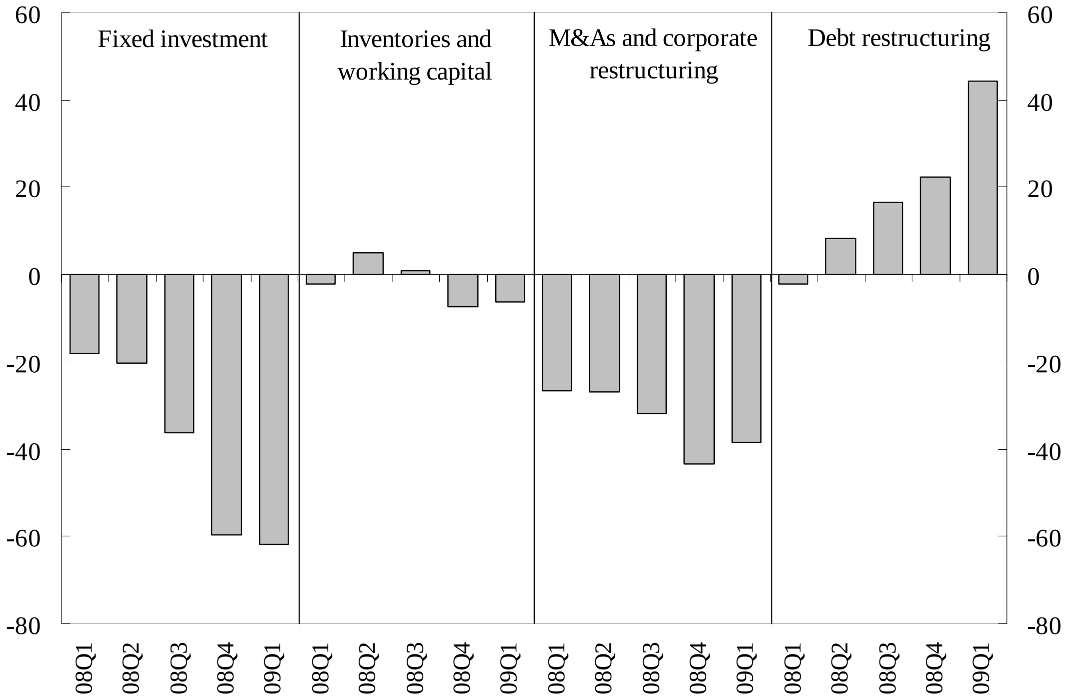
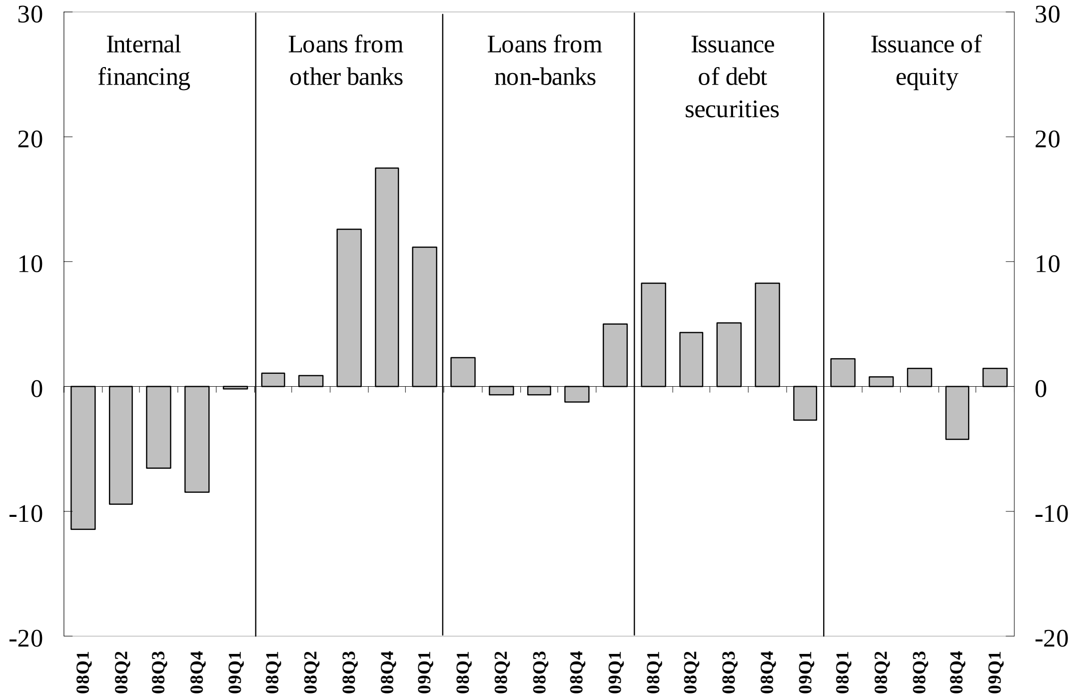


Chart 5b. Factors affecting demand for loans and credit lines to enterprises
(net percentages of banks reporting a positive contribution to demand)

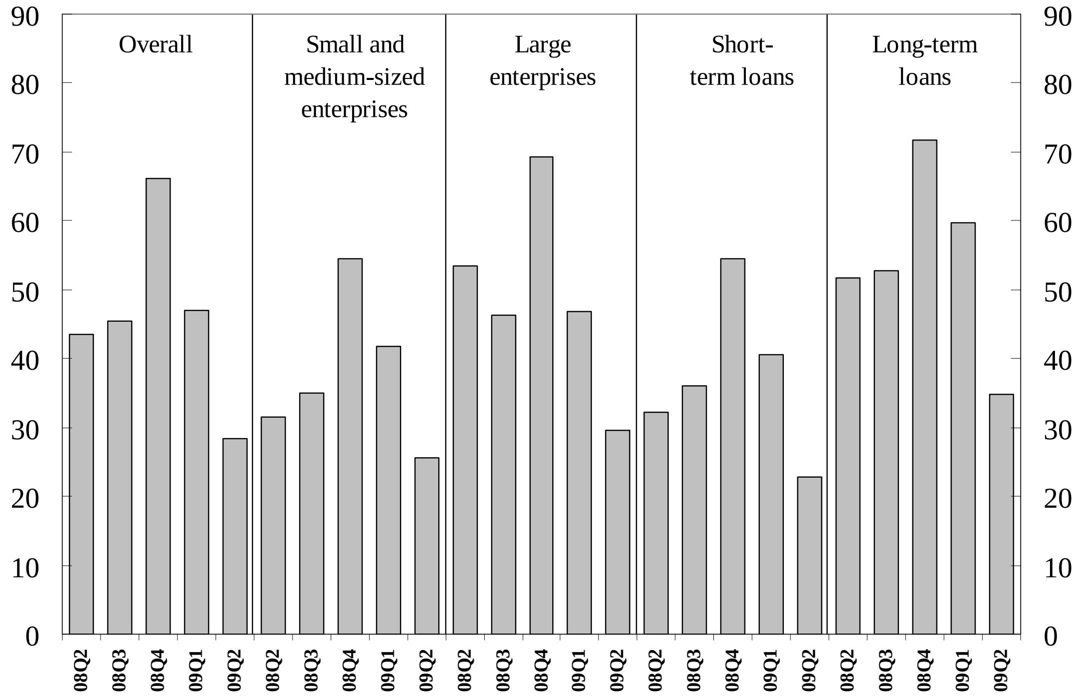


6. Please indicate how you expect your bank's credit standards as applied to the approval of loans or credit lines to enterprises to change over the next three months.

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	January	April	January	April	January	April	January	April	January	April
Tighten considerably	3	2	2	0	5	5	3	0	7	3
Tighten somewhat	45	30	41	28	44	24	39	26	52	33
Remain basically unchanged	51	66	57	69	50	70	56	72	40	63
Ease somewhat	1	3	1	3	1	0	2	3	0	1
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	***47***	***28***	***42***	***26***	***47***	***30***	***41***	***23***	***60***	***35***
Diffusion index	***25***	***15***	***22***	***13***	***26***	***17***	***22***	***11***	***34***	***19***
Mean	*2.50*	*2.70*	*2.57*	*2.74*	*2.48*	*2.65*	*2.56*	*2.77*	*2.33*	*2.62*
Number of banks responding	***106***	***110***	***105***	***111***	***102***	***106***	***106***	***111***	***104***	***109***

Notes: The net percentage is defined as the difference between the sum of the percentages of banks responding "tighten considerably" and "tighten somewhat", and the sum of the percentages of banks responding "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).

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



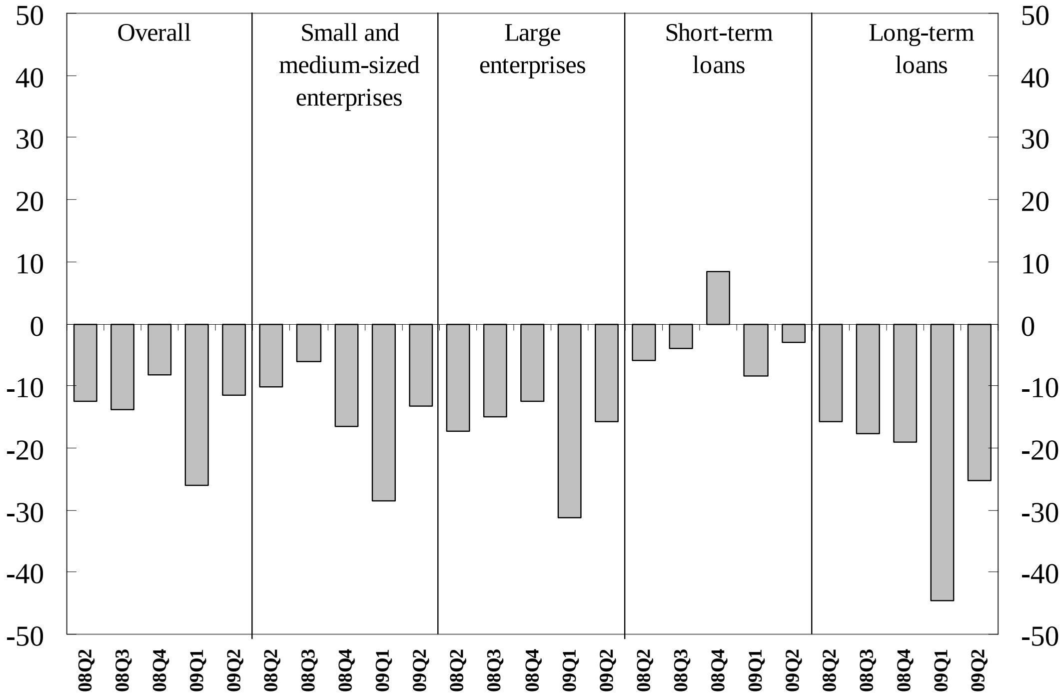
7. Please indicate how you expect demand for loans or credit lines to enterprises to change at your bank over the next three months (apart from normal seasonal fluctuations).

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	January	April	January	April	January	April	January	April	January	April
Decrease considerably	3	4	1	2	3	6	3	1	8	7
Decrease somewhat	43	27	46	31	45	27	29	25	49	34
Remain basically unchanged	34	49	34	46	35	50	44	50	30	43
Increase somewhat	18	19	17	20	15	16	21	22	10	15
Increase considerably	2	1	2	1	2	1	3	2	3	1
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	***-26***	***-12***	***-28***	***-13***	***-31***	***-16***	***-9***	***-3***	***-45***	***-25***
Diffusion index	***-14***	***-7***	***-14***	***-8***	***-16***	***-11***	***-4***	***-1***	***-25***	***-16***
Mean	*2.73*	*2.86*	*2.72*	*2.85*	*2.67*	*2.79*	*2.91*	*2.97*	*2.50*	*2.68*
Number of banks responding	***106***	***110***	***105***	***111***	***102***	***106***	***106***	***111***	***104***	***109***

Notes: The net percentage is defined as the difference between the sum of the percentages of banks responding "increase considerably" and "increase somewhat", and the sum of the percentages of banks responding "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).

Chart 7. Expected demand for loans and credit lines to enterprises

(net percentages of banks expecting a positive loan demand)



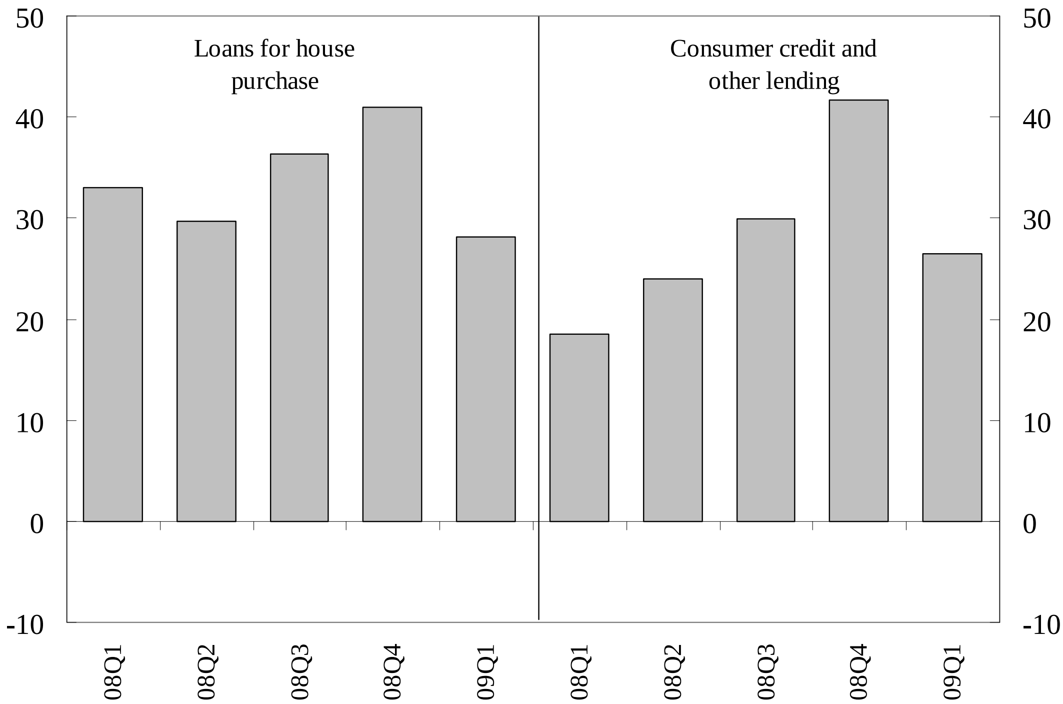
II. Loans to households

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	
	January	April	January	April
Tightened considerably	4	3	10	3
Tightened somewhat	37	26	32	27
Remained basically unchanged	59	72	58	66
Eased somewhat	0	0	0	4
Eased considerably	0	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***41***	***28***	***42***	***27***
Diffusion index	***23***	***15***	***26***	***15***
Mean	*2.55*	*2.69*	*2.48*	*2.71*
Number of banks responding	***100***	***107***	***102***	***108***

Notes: 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 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).

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



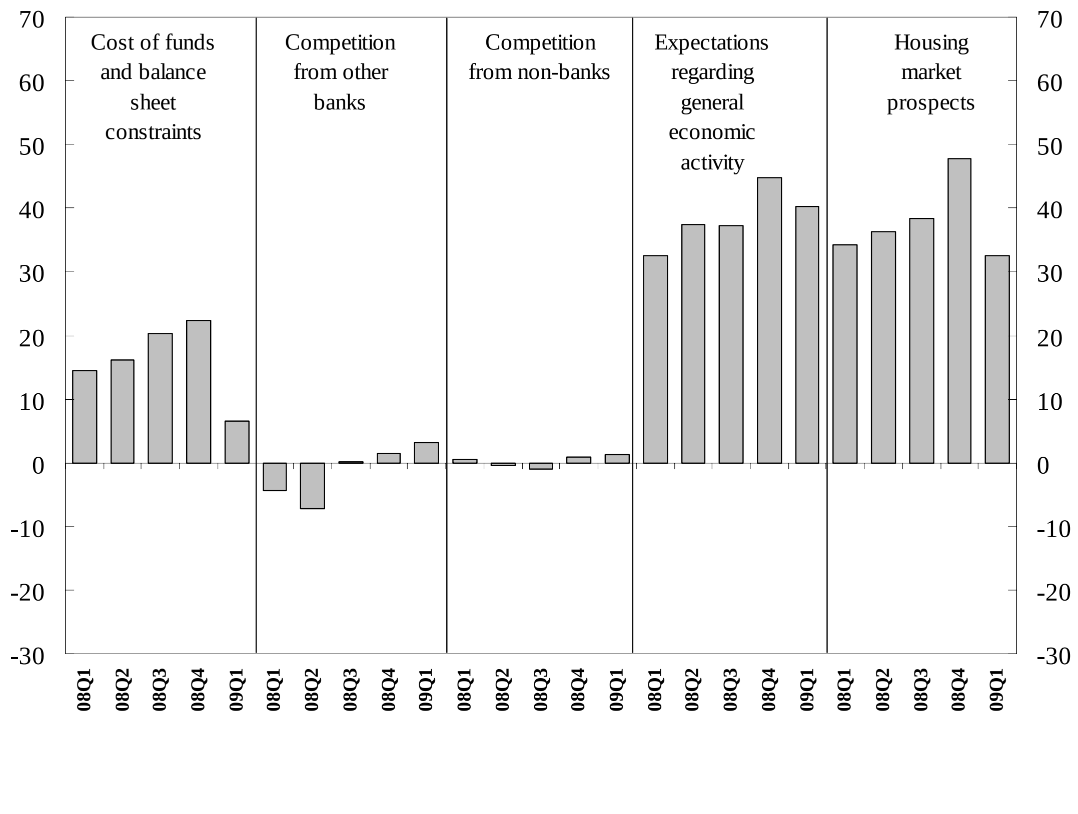
9. Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of loans to households for house purchase?

	--	-	°	+	++	NA	NetP		DI		Mean	
							January 2009	April 2009	January 2009	April 2009	January 2009	April 2009
A) Cost of funds and balance sheet constraints	3	5	72	1	0	20	22	7	13	5	2.72	2.89
B) Pressure from competition												
Competition from other banks	0	5	82	2	0	11	2	3	1	2	2.98	2.97
Competition from non-banks	0	3	84	1	0	12	1	1	0	1	2.99	2.99
C) Perception of risk												
Expectations regarding general economic activity	3	37	49	0	0	10	45	40	29	22	2.40	2.53
Housing market prospects	3	31	55	1	0	10	48	33	29	18	2.39	2.63

NA = not available; NetP = net percentage; DI = diffusion index.

Notes: The net percentage is defined as the difference between the sum of banks responding "- -" (contributed considerably to tightening) and "-" (contributed somewhat to tightening), and the sum of banks responding "+" (contributed somewhat to easing) and "+ +" (contributed considerably to easing). "°" means "contributed to basically unchanged credit standards". 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 reporting tightening standards)



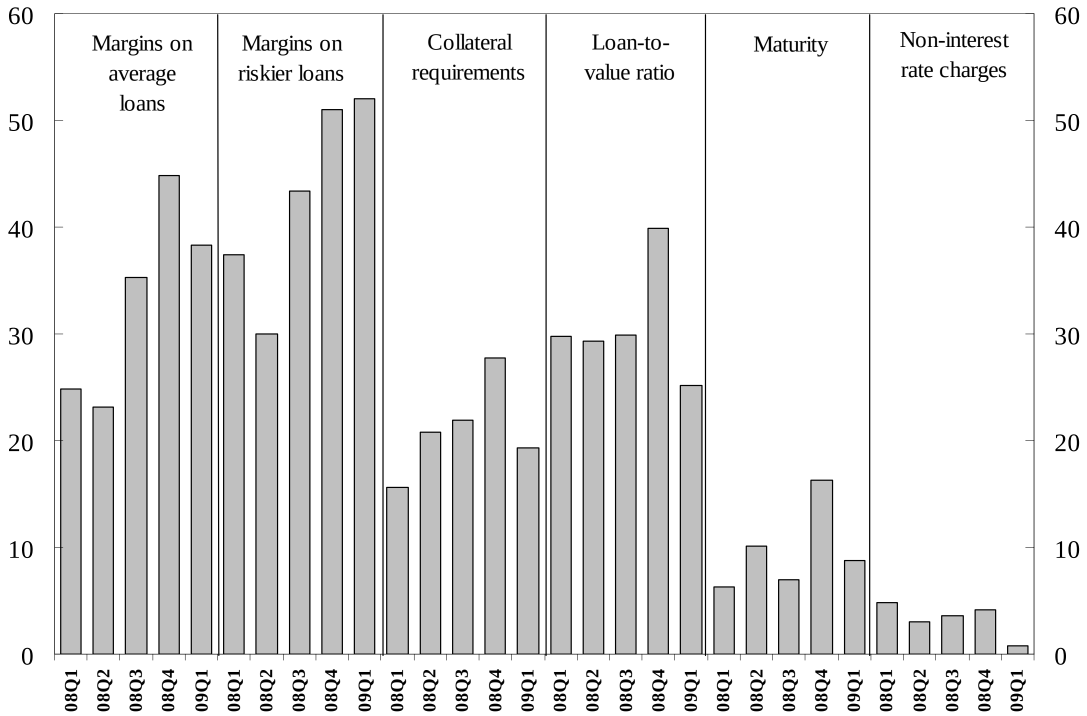
10. Over the past three months, how have your bank's terms and conditions for approving <u>loans to households for house purchase</u> changed?

	--	-	°	+	++	NA	NetP		DI		Mean	
							January 2009	April 2009	January 2009	April 2009	January 2009	April 2009
A) Price												
Your bank's margin on average loans	4	39	43	4	1	9	45	38	24	21	2.47	2.54
Your bank's margin on riskier loans	8	46	35	1	0	11	51	52	32	30	2.31	2.35
B) Other conditions and terms												
Collateral requirements	2	18	72	0	0	9	28	19	16	11	2.68	2.78
Loan-to-value ratio	3	22	66	0	0	9	40	25	21	14	2.56	2.70
Maturity	1	8	82	0	0	9	16	9	9	5	2.82	2.89
Non-interest rate charges	1	1	87	2	0	9	4	1	3	1	2.94	2.97

NA = not available; NetP = net percentage; DI = diffusion index.

Notes: The net percentage is defined as the difference between the sum of banks responding "- -" (tightened considerably) and "-" (tightened somewhat), and the sum of banks responding "+" (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)



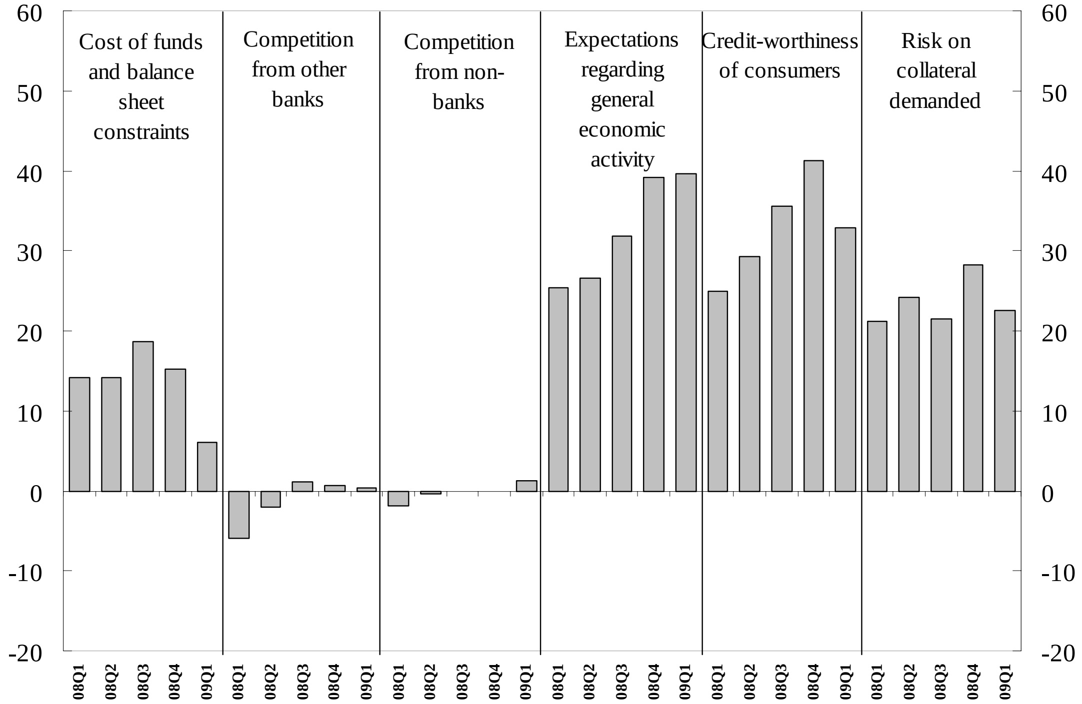
11. Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of consumer credit and other lending to households (as described in question 8)?

	--	-	°	+	++	NA	NetP		DI		Mean	
							January 2009	April 2009	January 2009	April 2009	January 2009	April 2009
A) Cost of funds and balance sheet constraints	1	6	73	0	0	21	15	6	8	3	2.83	2.93
B) Pressure from competition	0	0	0	0	0	0	0	0	0	0		
Competition from other banks	0	2	84	2	0	13	1	0	0	0	2.99	3.00
Competition from non-banks	0	1	85	0	0	14	0	1	0	1	3.00	2.99
C) Perception of risk												
Expectations regarding general economic activity	4	35	49	0	0	11	39	40	26	22	2.46	2.53
Creditworthiness of consumers	6	29	53	2	0	11	41	33	25	19	2.47	2.58
Risk on collateral demanded	0	23	64	0	0	14	28	23	17	11	2.67	2.76

NA = not available; NetP = net percentage; DI = diffusion index.

Notes: The net percentage is defined as the difference between the sum of banks responding "- -" (contributed considerably to tightening) and "-" (contributed somewhat to tightening), and the sum of banks responding "+" (contributed somewhat to easing) and "+ +" (contributed considerably to easing). "°" means "contributed to basically unchanged credit standards". 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 reporting a contribution to tightening standards)*



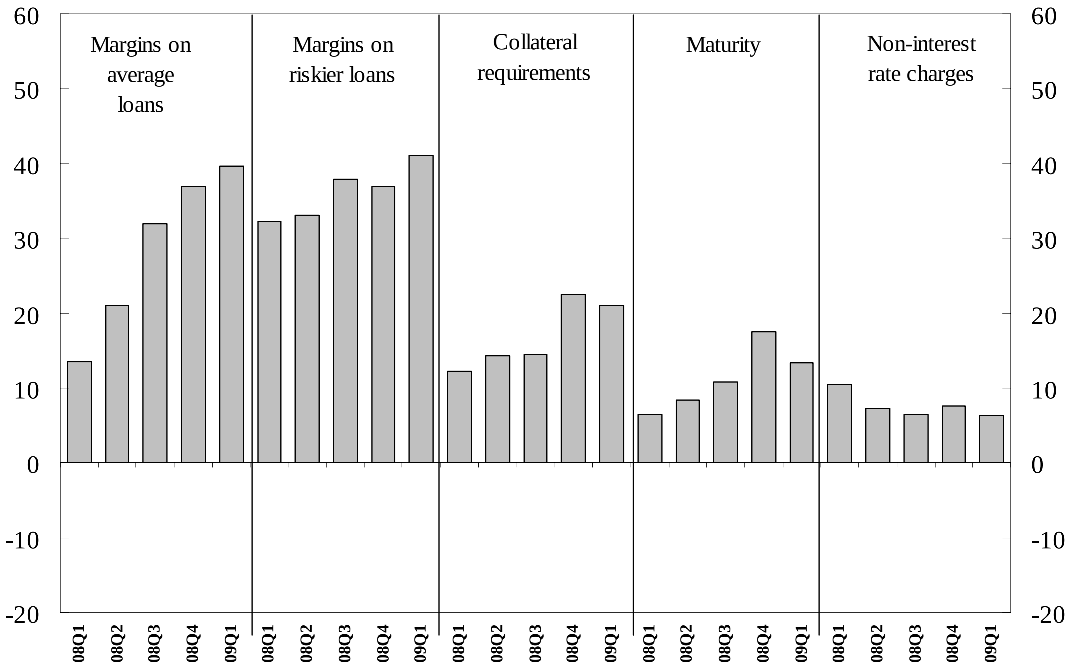
12. Over the past three months, how have your bank's terms and conditions for approving consumer credit and other lending to households changed?

	--	-	°	+	++	NA	NetP		DI		Mean	
							January 2009	April 2009	January 2009	April 2009	January 2009	April 2009
A) Price												
Your bank's margin on average loans	2	38	50	0	0	10	37	40	19	21	2.59	2.55
Your bank's margin on riskier loans	5	37	45	1	0	12	37	41	23	23	2.53	2.51
B) Other conditions and terms												
Collateral requirements	0	21	67	0	0	12	22	21	12	11	2.75	2.77
Maturity	0	15	73	2	0	11	18	13	9	7	2.82	2.87
Non-interest rate charges	0	6	83	0	0	10	8	6	4	3	2.92	2.94

NA = not available; NetP = net percentage; DI = diffusion index.

Notes: The net percentage is defined as the difference between the sum of banks responding "- -" (tightened considerably) and "-" (tightened somewhat), and the sum of banks responding "+" (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 lending to households
(net percentages of banks reporting tightening terms and conditions)



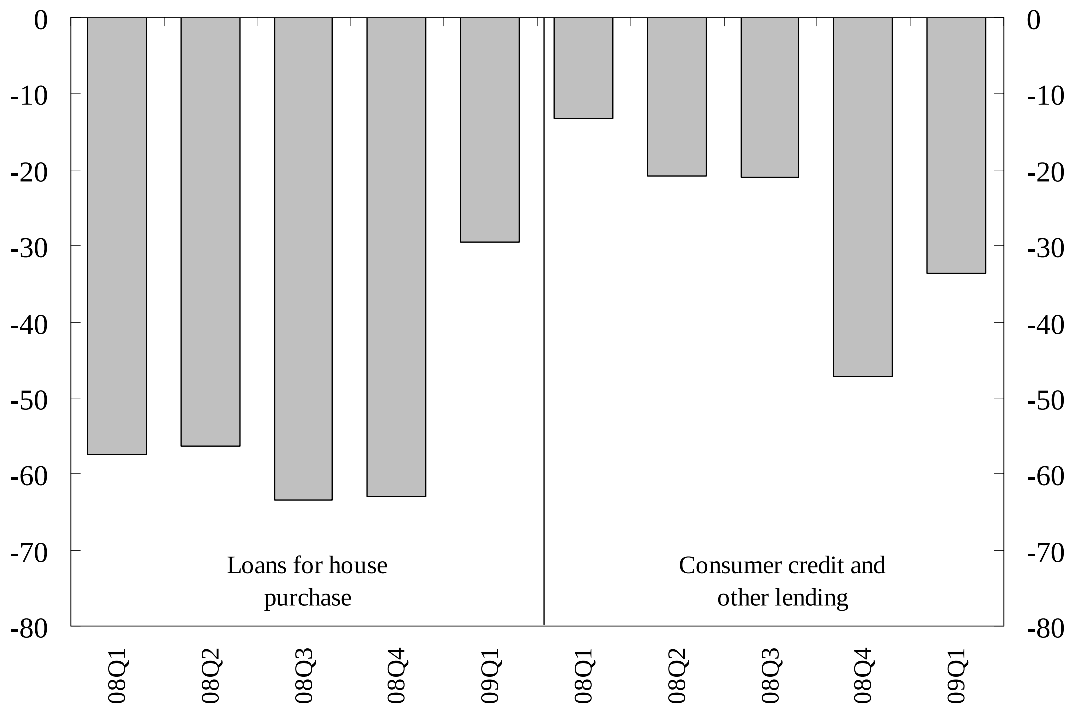
13. Over the past three months, how has the <u>demand for loans to households</u> changed at your bank, apart from normal seasonal fluctuations?

	Loans for house purchase		Consumer credit and other lending	
	January	April	January	April
Decreased considerably	24	18	5	4
Decreased somewhat	49	31	50	45
Remained basically unchanged	17	31	36	36
Increased somewhat	7	15	6	12
Increased considerably	3	5	2	4
Total	*100*	*100*	*100*	*100*
Net percentage	***-63***	***-30***	***-47***	***-34***
Diffusion index	***-42***	***-22***	***-25***	***-17***
Mean	*2.16*	*2.57*	*2.50*	*2.66*
Number of banks responding	***100***	***107***	***102***	***107***

Notes: 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 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).

Chart 13. Demand for loans to households

(net percentages of banks reporting positive loan demand)



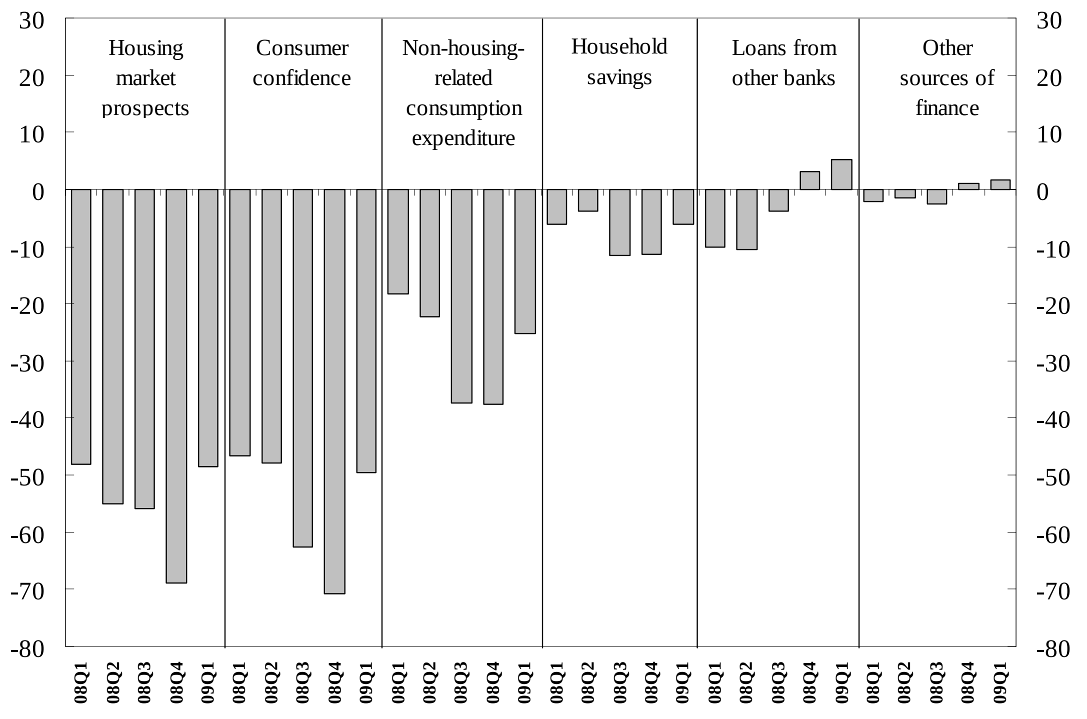
14. Over the past three months, how have the following factors affected the demand for <u>loans to households for house purchase</u> (as described in question 13)?

	--	-	°	+	++	NA	NetP		DI		Mean	
							January 2009	April 2009	January 2009	April 2009	January 2009	April 2009
A) Financing needs												
Housing market prospects	7	45	34	3	0	10	-69	-49	-41	-28	2.11	2.41
Consumer confidence	14	40	32	3	1	10	-71	-50	-45	-31	2.03	2.33
Non-housing-related consumption expenditure	3	23	62	1	0	10	-38	-25	-21	-14	2.55	2.68
B) Use of alternative finance												
Household savings	1	8	78	2	0	11	-11	-6	-6	-3	2.87	2.93
Loans from other banks	2	3	74	10	0	11	3	5	2	2	3.05	3.04
Other sources of finance	1	0	85	3	0	12	1	2	0	1	3.00	3.01

NA = not available; NetP = net percentage; DI = diffusion index.

Notes: The net percentage is defined as the difference between the sum of banks responding "+ +" (contributed considerably to higher demand) and "+" (contributed somewhat to higher demand), and the sum of banks responding "-" (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 consumer credit and other lending to households (as described in question 13)?

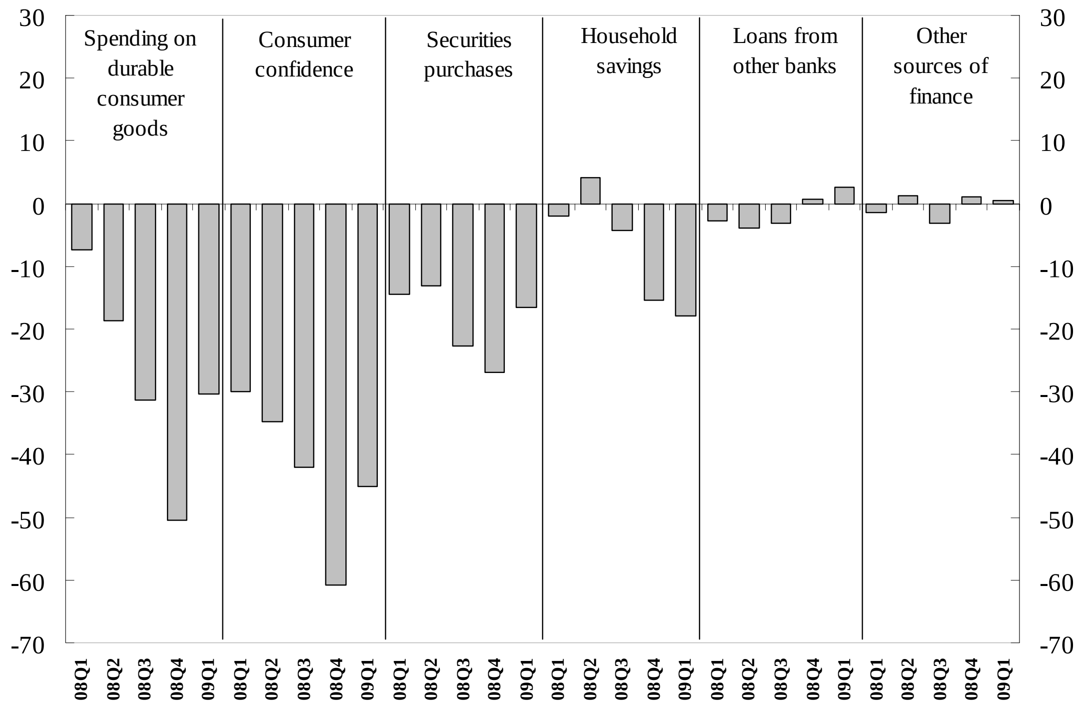
	--	-	°	+	++	NA	NetP		NetP		Mean	
							January 2009	April 2009	January 2009	April 2009	January 2009	April 2009
A) Financing needs												
Spending on durable consumer goods	7	33	40	6	3	12	-51	-30	-29	-17	2.32	2.62
Consumer confidence	9	38	41	2	0	10	-61	-45	-35	-27	2.23	2.39
Securities purchases	7	10	64	0	0	20	-27	-17	-18	-12	2.59	2.74
B) Use of alternative finance												
Household savings	0	18	72	0	0	10	-15	-18	-8	-9	2.83	2.80
Loans from other banks	0	3	81	6	0	11	1	3	1	1	3.02	3.03
Other sources of finance	0	1	85	2	0	12	1	0	0	0	2.99	3.00

NA = not available; NetP = net percentage; DI = diffusion index.

Notes: The net percentage is defined as the difference between the sum of banks responding "+ +" (contributed considerably to higher demand) and "+" (contributed somewhat to higher demand), and the sum of banks responding "-" (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 15. Factors affecting demand for consumer credit and other lending to households

(net percentages of banks reporting a positive contribution to demand)



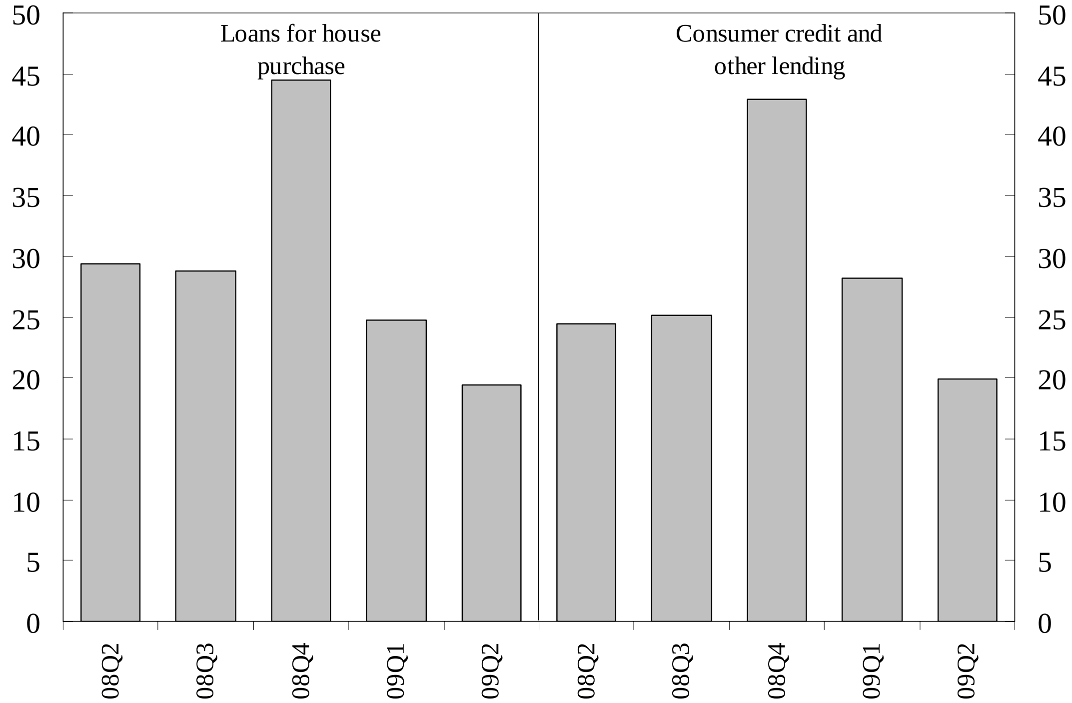
16. Please indicate how you expect your bank's credit standards as applied to the approval of loans to households to change over the next three months.

	Loans for house purchase		Consumer credit and other lending	
	January	April	January	April
Tighten considerably	3	2	1	1
Tighten somewhat	23	20	28	22
Remain basically unchanged	74	76	69	75
Ease somewhat	1	3	2	3
Ease considerably	0	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***25***	***19***	***28***	***20***
Diffusion index	***14***	***11***	***15***	***10***
Mean	*2.72*	*2.79*	*2.70*	*2.80*
Number of banks responding	***100***	***107***	***102***	***108***

Notes: The net percentage is defined as the difference between the sum of the percentages of banks responding "tighten considerably" and "tighten somewhat", and the sum of the percentages of banks responding "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).

Chart 16. Expected credit standards for loans to households

(net percentages of banks expecting tightening standards)

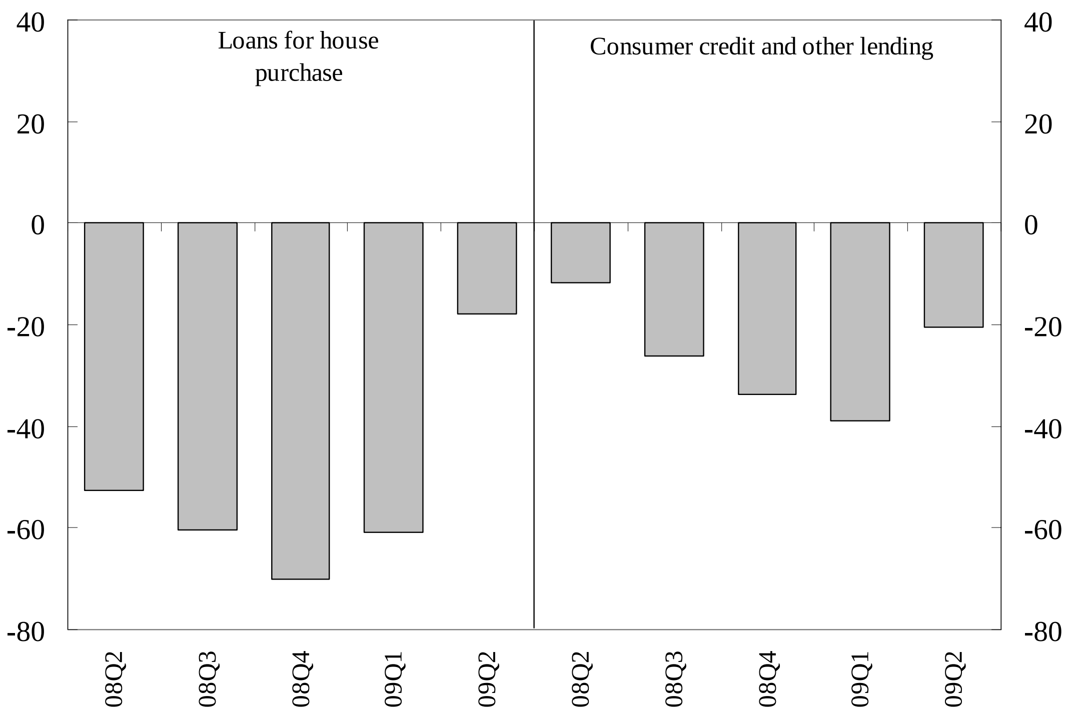


17. Please indicate how you expect <u>demand for loans to households</u> to change over the next three months at your bank (apart from normal seasonal fluctuations).

	Loans for house purchase		Consumer credit and other lending	
	January	April	January	April
Decrease considerably	7	5	2	2
Decrease somewhat	58	30	46	29
Remain basically unchanged	30	48	43	60
Increase somewhat	3	15	8	10
Increase considerably	1	2	1	0
Total	*100*	*100*	*100*	*100*
Net percentage	***-61***	***-18***	***-39***	***-21***
Diffusion index	***-34***	***-10***	***-20***	***-11***
Mean	*2.33*	*2.79*	*2.60*	*2.78*
Number of banks responding	***99***	***106***	***102***	***108***

Notes: The net percentage is defined as the difference between the sum of the percentages of banks responding "increase considerably" and "increase somewhat", and the sum of the percentages of banks responding "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).

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



ANNEX 2: RESULTS FOR THE AD HOC QUESTIONS

i. As a result of the situation in the financial markets, has your market access been hampered when tapping your usual sources of wholesale funding and/or has your ability to transfer risk been hampered over the past three months, or are you expecting this access/activity to be hampered over the next three months?

	Over the past three months					Over the next three months					N/A[1]
	--	-	o	Mean	Standard deviation	--	-	o	Mean	Standard deviation	
A) Interbank unsecured money market											
Very short-term money market (up to one week)	5%	25%	70%	2.65	0.62	4%	25%	71%	2.67	0.60	16%
Short-term money market (more than one week)	20%	43%	37%	2.17	0.79	12%	48%	40%	2.29	0.71	16%
B) Debt securities[2]											
Short-term debt securities (e.g. certificates of deposit or commercial paper)	19%	45%	36%	2.17	0.77	17%	40%	43%	2.26	0.79	22%
Medium to long-term debt securities (incl. covered bonds)	37%	41%	22%	1.84	0.81	26%	49%	25%	1.98	0.78	19%
C) Securitisation[3]											
Securitisation of corporate loans	59%	24%	18%	1.59	0.88	54%	28%	19%	1.65	0.92	55%
Securitisation of loans for house purchase	53%	33%	14%	1.60	0.81	52%	32%	16%	1.64	0.85	50%
D) Ability to transfer credit risk off balance sheet[4]	39%	29%	31%	1.92	0.99	42%	26%	32%	1.90	1.00	63%

(1) Please select "N/A" (not applicable) only if the source of funding is not used by your bank.

(2) Usually involves on-balance sheet funding.

(3) Usually involves the sale of loans from banks' balance sheets, i.e. off-balance sheet funding.

(4) Usually involves the use of credit derivatives, with the loans remaining on banks' balance sheets.

ii. If you have stated in response to question i that one or more of your usual means of accessing wholesale funding markets were (will be) considerably or somewhat hampered over the past (next) three months, did (will) this have an impact on the quantity that your bank is willing to lend and/or the margin at which funds were (will be) lent over the past (next) three months?

For money markets, debt securities or other markets

	Over the past three months	Over the next three months
Quantity		
Considerable impact	22%	26%
Some impact	50%	50%
Basically no impact	27%	24%
Mean	*2.05*	*1.97*
Standard deviation	*0.76*	*0.73*
Number of banks responding	***78***	***77***
Margin		
Considerable impact	26%	29%
Some impact	58%	57%
Basically no impact	15%	14%
Mean	*1.89*	*1.84*
Standard deviation	*0.67*	*0.67*
Not applicable (*)	34%	36%
Number of banks responding	***77***	***76***

For securitisation

	Over the past three months	Over the next three months
Quantity		
Considerable impact	33%	32%
Some impact	47%	39%
Basically no impact	19%	28%
Mean	*1.86*	*1.96*
Standard deviation	*0.81*	*0.89*
Number of banks responding	***44***	***44***
Margin		
Considerable impact	36%	34%
Some impact	47%	39%
Basically no impact	17%	27%
Mean	*1.81*	*1.93*
Standard deviation	*0.80*	*0.90*
Not applicable (*)	57%	57%
Number of banks responding	***43***	***43***

(*) Please select “not applicable” only if you have replied “basically not hampered” or “not applicable” to question i.

iii. To what extent have the events in financial markets affected the costs related to your bank's capital position[(*)], and has this constrained your willingness to lend over the past three months or could this constrain your willingness to lend over the next three months?

	Over the past three months	Over the next three months
Considerable impact on both capital and lending	12%	11%
Considerable impact on capital, and some impact on lending	9%	11%
Some impact on both capital and lending	23%	23%
Some impact on capital, but no impact on lending	14%	14%
Basically no impact on capital	29%	28%
No reply	13%	13%
Mean	***3.52***	***3.54***
Standard deviation	1.45	1.42
Number of banks responding	***118***	***118***

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

iv. What effect has the government's announcement of recapitalisation support and state guarantees for debt securities issued by banks had on your bank's access to wholesale funding over the past three months, and what effect are you expecting over the next three months?

	Over the past three months	Over the next three months
Basically no impact on market access	51%	41%
Some improvement in market access	38%	48%
Considerable improvement in market access	11%	11%
Not applicable (*)	8%	9%
Mean	***3.61***	***3.70***
Standard deviation	0.71	0.68
Number of banks responding	***100***	***99***

[(*)] Please select "not applicable" only if your government has not announced any of the above-mentioned measures.

ANNEX 3: GLOSSARY

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

Capital

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.

Collateral

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).

Consumer confidence

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).

Cost of funds and balance sheet constraints

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.