EUROPEAN CENTRAL BANK

EUROSYSTEM

THE EURO AREA BANK LENDING SURVEY

4TH QUARTER OF 2013

In 2014 all ECB publications feature a motif taken from the €20 banknote.

JANUARY 2014

Address	Kaiserstrasse 29, 60311 Frankfurt am Main, Germany
Postal address	Postfach 16 03 19, 60066 Frankfurt am Main, Germany
Telephone	+49 69 1344 0
Internet	http://www.ecb.europa.eu
Fax	+49 69 1344 6000

ISSN	1830-5989 (online)
EU Catalogue No	QB-BA-14-001-EN-N (online)

The results reported in the January 2014 bank lending survey (BLS) relate to changes during the fourth quarter of 2013 and expectations of changes in the first quarter of 2014. The survey was conducted between 13 December 2013 and 9 January 2014. With 133 banks participating in the survey, the response rate reached 100%. Four ad hoc questions were included in the questionnaire for the January 2014 survey round. The first ad hoc question addresses the impact of the financial crisis on the access to retail and wholesale funding. The second ad hoc question refers to the impact of the sovereign debt crisis on banks' funding conditions, on credit standards and on credit margins, while the third and fourth questions refer to the likely impact of ongoing regulatory or supervisory changes on banks' lending policies.

1 OVERVIEW OF THE RESULTS

Overall, the January 2014 BLS provides further indications of stabilisation in credit conditions for firms and households, in the context of persistently weak loan demand. In the fourth quarter of 2013, the net percentage of banks reporting a tightening of credit standards (henceforth "net tightening") applied by euro area banks to loans to non-financial corporations continued its gradual reduction (2%, from 5% in the previous quarter). The net percentage of banks that tightened credit standards for loans to households for house purchase became slightly negative (-1%, from 3%). For consumer credit, the net tightening remained broadly unchanged (at 2%). Across all loan categories, the net tightening of credit standards in the fourth quarter of 2013 remained well below historical averages calculated over the period since the start of the survey in 2003. The contribution of borrowers' risk and of the general economic outlook to the tightening of bank lending policies decreased further, becoming almost nil and thus reaching levels close to those observed at the beginning of the global financial crisis. Factors related to banks' liquidity and market funding conditions contributed to a small net easing for loans to non-financial corporations and to a small net tightening for loans to households. For the first quarter of 2014, euro area banks expect a further reduction in the net tightening on loans to non-financial corporations – to reach nil – and a more intense net easing for loans to households.

In the last quarter of 2013, the demand for credit remained weak across all loan categories. However, the net decline in demand for loans to non-financial corporations slowed further (-10%, from -12% in the previous quarter), thus approaching its historical average. This reflected the marked decline in the contractive impact of financing needs related to fixed investments (-9%, from -22%), while the contribution to demand of other financing needs, including those related to inventories and working capital, faded away (1%, from 6%). For housing loans, banks indicated a modest net decline in demand (-3%, from 5% in the third quarter of 2013), broadly in line with the historical average. The net demand for consumer credit slightly decreased (-1%, from 1%), but remained above its historical average. Looking ahead, banks expect, in net terms, an increase in demand across all loan categories for the first quarter of 2014.

Developments in access to funding for euro area banks were heterogeneous across instruments. Euro area banks reported a net deterioration for retail funding and money market instruments, interrupting the trend observed in previous quarters. Conditions for the issuance of debt securities improved, as in previous quarters. For the first quarter of 2014 banks expect a further net deterioration in retail funding and an improvement for the other categories.

The replies to the January 2014 survey indicated that factors related to the sovereign debt tensions had contributed on average to an easing of banks' funding conditions in the fourth quarter of 2013. The impact of the sovereign debt crisis on banks' credit standards had remained muted. In addition, euro area banks reported that the sovereign debt crisis had had a neutral impact on the margins applied to loans to enterprises, while it had contributed to a slight narrowing of margins for housing loans and consumer credit.

Banks' replies indicated that, in connection with the new regulatory and supervisory action, they had reduced their risk-weighted assets during the second half of 2013. The net contraction had been particularly significant for riskier loans. Banks also reported, in net terms, a strengthening of their capital position both through capital issuance and retained earnings. Respondents did not report any significant effect of regulatory and supervisory action on funding conditions. Finally, banks indicated that regulatory and supervisory action had induced in the second half of 2013 a net tightening of banks' credit standards which was smaller than in the first part of the year. For the euro area as a whole, these indicators were broadly unchanged compared both with those reported in the July 2013 round for the first half of the year and with what banks had expected at the time for the second half of 2013.

Box 1

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 asked on credit standards for approving loans; credit terms and conditions; and credit demand and the factors affecting it.

The survey questions are phrased in terms of changes over the past three months (in this case in the fourth quarter of 2013) or expectations of changes over the next three months (i.e. in the first quarter of 2014).

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 has tightened credit standards ("net tightening"), whereas a negative net percentage indicates that a larger proportion of banks has 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 has reported an increase in loan demand, whereas negative net demand indicates that a larger proportion of banks has reported a decline in loan demand.

In order to describe the developments of survey replies over time, the report refers to changes in the "net tightening" or "net easing" of credit standards from one survey round to another. For example, a lower net percentage of banks tightening their credit standards between two survey waves would be referred to as a "decline in net tightening". Similarly, higher net percentages of banks indicating a decline in loan demand between two survey waves would be referred to as a "more pronounced net decline in demand".

---

[1] The sample group of banks participating in the survey comprises 133 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 *Monthly Bulletin*, ECB, April 2003, and J. Berg et al., "The bank lending survey for the euro area", *Occasional Paper Series*, No 23, ECB, 2005.

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.

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

2 DEVELOPMENTS IN CREDIT STANDARDS AND NET DEMAND FOR LOANS IN THE EURO AREA

2.1 ENTERPRISES

2.1.1 THE NET TIGHTENING OF CREDIT STANDARDS FOR LOANS TO FIRMS CONTINUED ITS GRADUAL DECLINE IN THE FOURTH QUARTER OF 2013

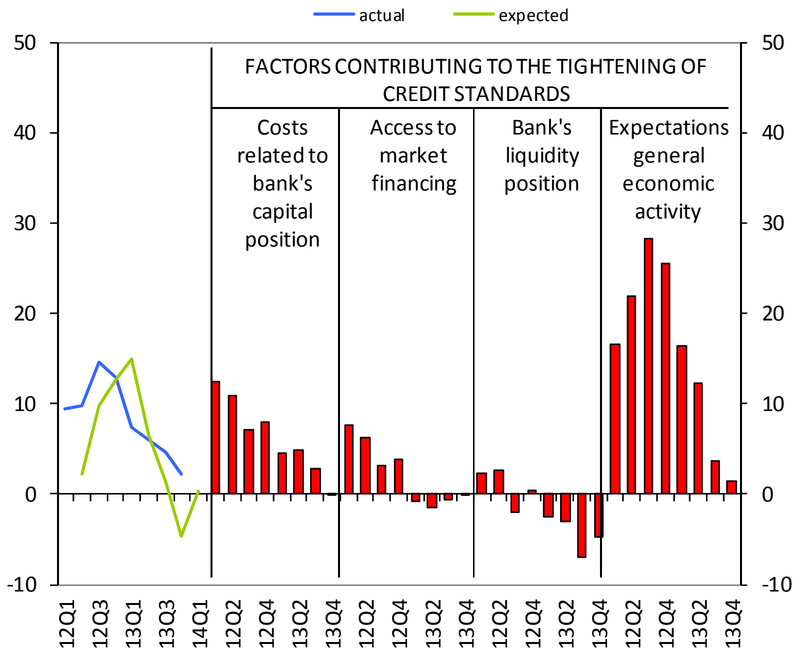
In the fourth quarter of 2013, the net tightening of banks' credit standards for loans to non-financial corporations continued its gradual decline (2%, from 5% in the previous quarter; see Chart 1). This is below its historical average since the start of the survey in 2003 (15%). The reported net tightening contrasts with the net easing banks had expected for the fourth quarter of 2013 in the previous round of the survey, in October.

Concerning developments by firm size, the reported decline in the net tightening of lending criteria for firms was more intense for loans to small and medium-sized enterprises, for which banks reported a slight net easing for the first time since mid-2007 (-3%, from 3% in the previous quarter). Regarding loan maturity, the net tightening of credit standards remained unchanged for long-term loans (at 5%), but declined for short-term ones, becoming slightly negative (-1%, from 3%).

Looking ahead to the first quarter of 2014, euro area banks expect, in net terms, the net tightening of credit standards for loans to non-financial corporations to come to a complete halt (0%; see Chart 1).

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

(net percentages of banks contributing to tightening credit standards)



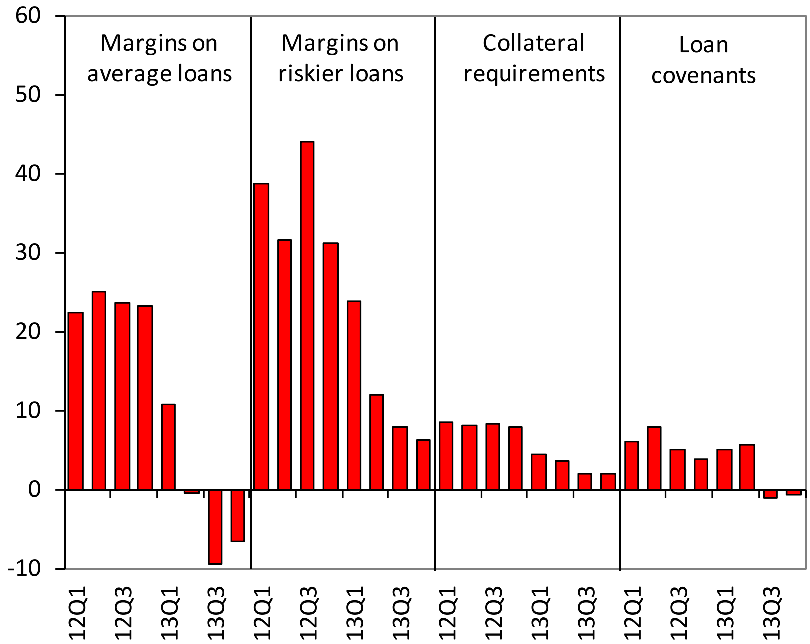
Notes: "Actual" values are changes that have occurred, while "expected" values are changes anticipated by banks. Net percentages are defined as the difference between the sum of the percentages of banks responding "tightened considerably" and "tightened somewhat" and the sum of the percentages of banks 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 the factors explaining developments in lending policies, on average, euro area banks reported that the factors related to cost of funds and balance sheet constraints had contributed to a slight net easing of credit standards for loans to enterprises in the fourth quarter of 2013 (-2%), broadly unchanged compared with the previous quarter. More specifically, the contribution of banks' capital positions to the net tightening had become nil (from 3% in the previous quarter), while the impact of their liquidity positions on net easing had declined (-5%, from -7%).

After having considerably dropped in the third quarter of 2013, the impact of risk perceptions on the net tightening of credit standards for euro area enterprises declined again in the last quarter of the year (2%, from 6%), reaching levels close to those observed at the beginning of the global financial crisis. All three underlying components contributed to this decline: a reduction in the perceived risk of the collateral demanded (1%, from 4%), as well as banks' less pessimistic expectations regarding general economic activity (1%, from 4%) and regarding the industry or firm-specific outlook (4%, from 10%).

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

(net percentages of banks reporting a tightening of terms and conditions)



Note: See the notes to Chart 1.

Finally, on average, the small contribution of competitive pressures to net easing observed in the last survey round in October continued over the fourth quarter of 2013 (-3%, from -4%).

The development in the net tightening of credit standards for loans to enterprises in the fourth quarter of 2013 was associated with a further net narrowing of margins on average loans to enterprises (-7%, from -9% in the previous quarter) and a smaller net widening of margins on riskier loans (6%, from 8%; see Chart 2). In addition, euro area banks reported, in net terms, that the net tightening of the size of loans had come to a halt in the fourth quarter of 2013 (0%, from 3%). The slight degree of tightening of collateral requirements had remained unchanged (at 2%), while the corresponding indicators for maturity, loan covenants and non-interest rate charges had remained at levels close to zero. Overall, these price developments suggest an easing of cost conditions for credit to enterprises, although in a context of persisting discrimination across risk categories.

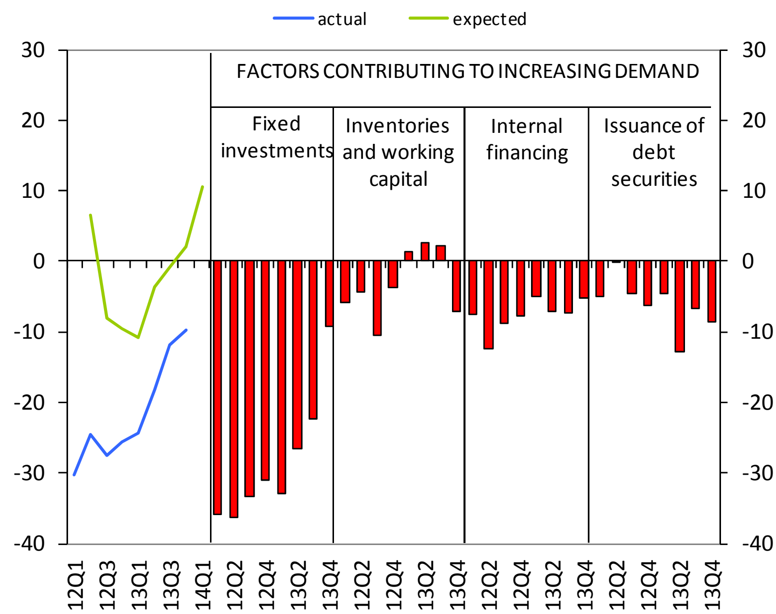
2.1.2 THE NET DECLINE IN DEMAND FOR LOANS TO ENTERPRISES MODERATED FURTHER

The net decline in the demand for loans to non-financial corporations slowed down in the fourth quarter of 2013 (-10%, from -12% in the third quarter of 2013; see Chart 3), thereby moving closer to its historical average since the start of the survey (-8%).

For the first quarter of 2014, euro area banks expect a net increase in the demand for loans to enterprises (10% on balance).

Chart 3 Changes in demand for loans or credit lines to enterprises

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



Notes: "Actual" values are 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 each factor 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.

According to the surveyed banks, the contractive impact on corporate loan demand of financial needs related to fixed investments further and significantly moderated (-9%, from -22% in the third quarter of 2013; see Chart 3). This development was only partly compensated for by that of the financing needs related to inventories and working capital, the slightly expansive contribution of which became contractive (-7%, from 2%). Regarding the use of alternative finance, euro area banks continued to report a net negative contribution of internal financing (-5%, from -7%) and of debt security issuance (-9%, from -7%).

2.2 HOUSEHOLDS

2.2.1 THE TIGHTENING TREND OF CREDIT STANDARDS FOR LOANS TO HOUSEHOLDS FOR HOUSE PURCHASE CAME TO A HALT

The net percentage of banks that tightened credit standards for loans to households for house purchase became slightly negative (-1%, from 3% in the third quarter of 2013; see Chart 4).

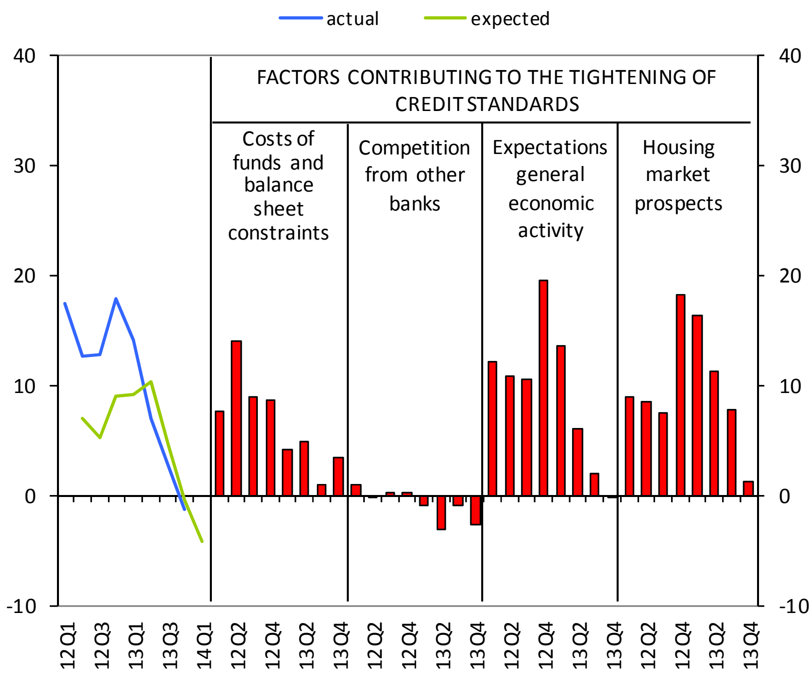
Looking ahead, euro area banks expect – in net terms – a further and wider net easing in the criteria applied to housing loans (-4%, see Chart 4). In line with average patterns observed since the survey's inception, the net easing reported in the fourth quarter of 2013 was close to the level banks had expected at the time of the previous survey round.

As in the previous quarter, banks' cost of funds and balance sheet constraints contributed marginally to the net tightening of credit standards for housing loans (3%, from 1% in the third quarter of 2013; see Chart 4), in contrast with their slight contribution to the net easing of loans to non-financial corporations. The contribution of the general economic outlook and housing market prospects to the net tightening of credit standards for housing loans decreased further, largely vanishing (0% and 1%, from 2% and 8% respectively).

For most price and non-price terms and conditions, less tightening – or even easing – was reported in the last quarter of 2013. Euro area banks reported, in net terms, a narrowing of margins on average housing loans (-10%, from -7% in the third quarter of 2013), while the net tightening of margins on riskier loans came to a halt (0%, from 4%). Responses regarding non-price terms and conditions pointed to a moderation in the net tightening for loan maturity (1%, from 4%), while in the case of the loan-to-value ratio banks reported a slight net easing for the first time since 2006 (-3%, from 6%).

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.

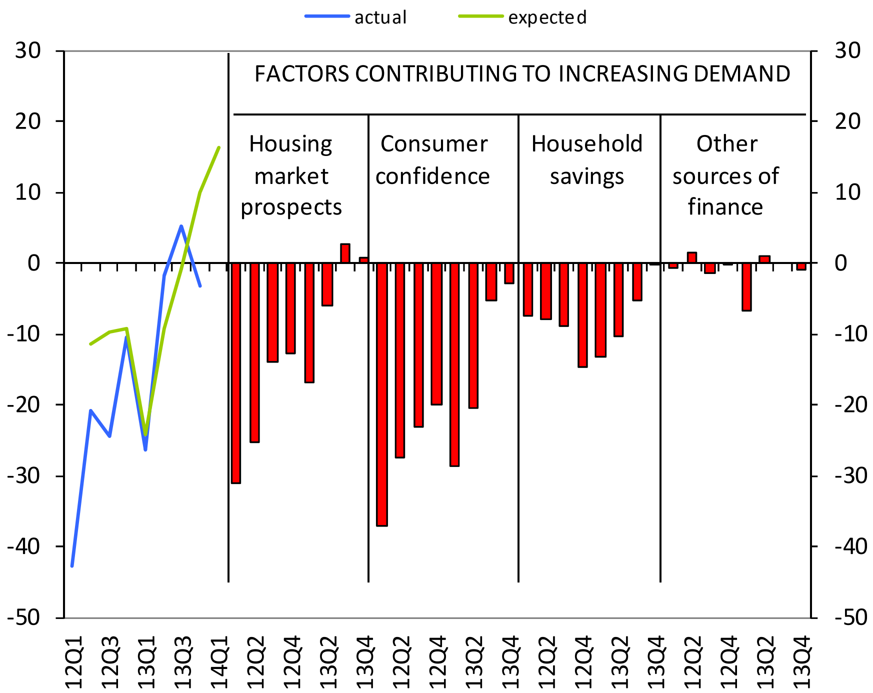
2.2.2 MODERATE NET DECLINE IN DEMAND FOR HOUSING LOANS

In the last quarter of 2013, banks indicated a small net decline in demand for loans to households for house purchase (to -3%, from 5% in the third quarter of 2013; see Chart 5), thereby reversing the shift to positive net change observed in the previous quarter and bringing the net change in housing loan demand to a level close to its historical average (-4%).

Regarding factors affecting demand, the small positive net contribution of housing market prospects observed in the third quarter of 2013 faded away (1%, from 3%; see Chart 5). At the same time, the negative contribution from factors – other than housing market prospects – influencing financing needs slightly diminished (-3%, from -5%). Looking forward, for the first quarter of 2014, euro area banks expect a strong net increase in demand for housing loans (16%; see Chart 5).

Chart 5 Changes in demand for loans to households for house purchase

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



Note: See the notes to Chart 3.

2.2.3 MARGINAL NET TIGHTENING OF CREDIT STANDARDS FOR CONSUMER CREDIT

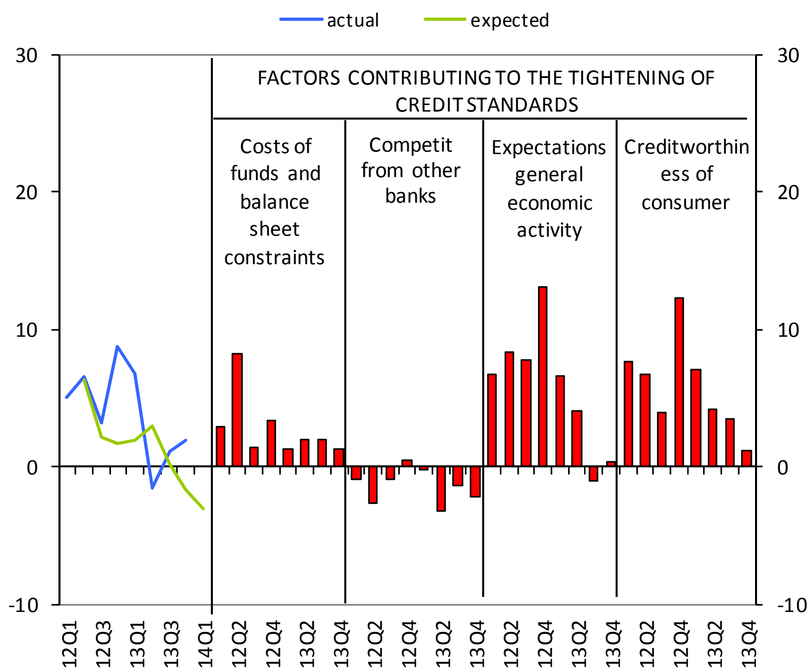
For consumer credit, in the fourth quarter of 2013 the marginal net tightening remained broadly unchanged (at 2%; see Chart 6), at a level well below the historical average (7%). The slight net tightening effect on the supply of these loans exerted by cost of funds and balance sheet constraints and, on average, by factors related to risk perception remained largely stable (each at 1%). Competitive pressures continued to contribute to a marginal net easing (-2%).

Margins on average loans narrowed slightly (-2%, from 0% in the third quarter of 2013), and those on riskier loans continued to narrow, but to a lesser extent than previously (1%, from 3%). Concerning non-price conditions, the net variation of maturity diminished (-1%, from 2%).

Looking ahead, euro area banks expect a small net easing of credit standards for consumer credit in the first quarter of 2014 (-3%; see Chart 6).

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.

Net demand for consumer credit remained broadly unchanged. According to the banks surveyed, the change, in net terms, in demand for consumer credit was basically nil (-1%, from 1%), a level which is above its historical average (-5%). Among the main factors underlying the demand for consumer credit, the most notable development is the improvement in consumer confidence.

3 AD HOC QUESTIONS

3.1.1 DEVELOPMENTS IN ACCESS TO FUNDING FOR EURO AREA BANKS WERE HETEROGENEOUS ACROSS INSTRUMENTS

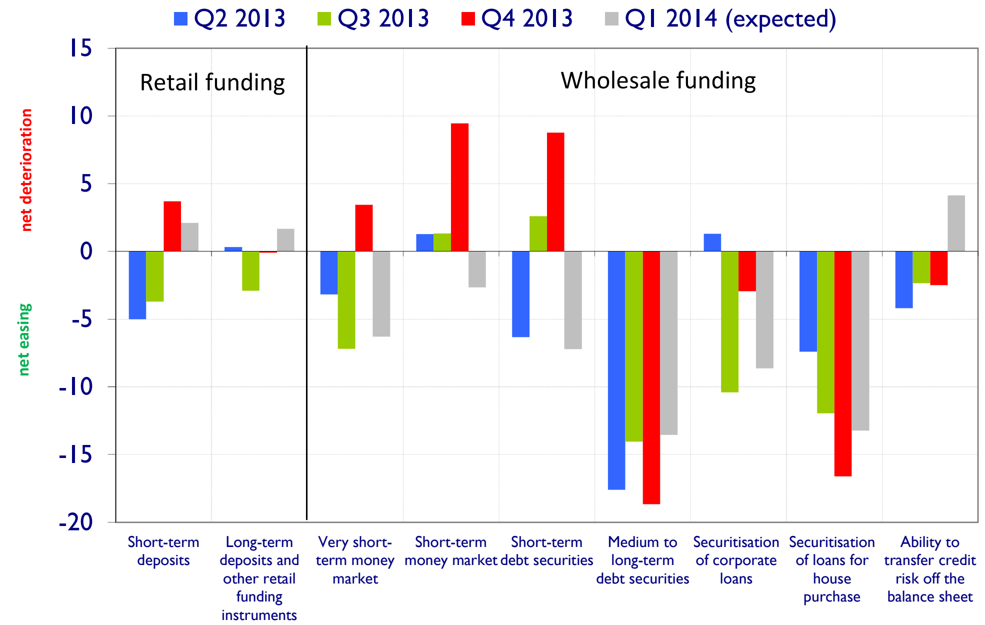
As in previous surveys, the January 2014 survey questionnaire included a question aimed at assessing the extent to which financial market tensions affected banks’ access to retail and wholesale funding.

For the fourth quarter of 2013, euro area banks reported a net deterioration for retail funding (2%, from -3%, on average for deposits and other retail funding instruments) and for money markets instruments (6%, from -3%), interrupting the trend observed in the previous quarters (see Chart 7). Conditions for the issuance of debt securities improved, as in previous quarters (-5%, from -6%), as did those for securitisation (-7%, from -8%).

A net deterioration is expected for retail funding in the first quarter of 2014, while an improvement is expected overall for wholesale funding instruments.

Chart 7 Banks' assessment of funding conditions and the ability to transfer credit risk off balance sheet

(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".

3.1.2 DECLINING SOVEREIGN DEBT TENSIONS CONTRIBUTED TO AN EASING OF BANKS' FUNDING CONDITIONS AND OF CREDIT STANDARDS FOR LOANS TO HOUSEHOLDS

As in the previous survey round, the January 2014 survey questionnaire included a question which addressed the specific impact of the sovereign debt crisis on banks' funding conditions, lending policies and credit margins over the past three months. In principle, bank funding conditions can be primarily affected through two direct channels. First, direct exposure to sovereign debt may weaken banks' 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 link sovereign market tensions to bank funding conditions. Notably, the weaker financial positions of governments have lowered 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 in play.

In a context of further normalisation of government bond market conditions, the replies to the January 2014 survey indicated that factors related to sovereign debt tensions had contributed on average to a net easing of banks' funding conditions in the fourth quarter of 2013 (-4% on average across the three channels, from -3% in the third quarter of 2013; see Chart 8).

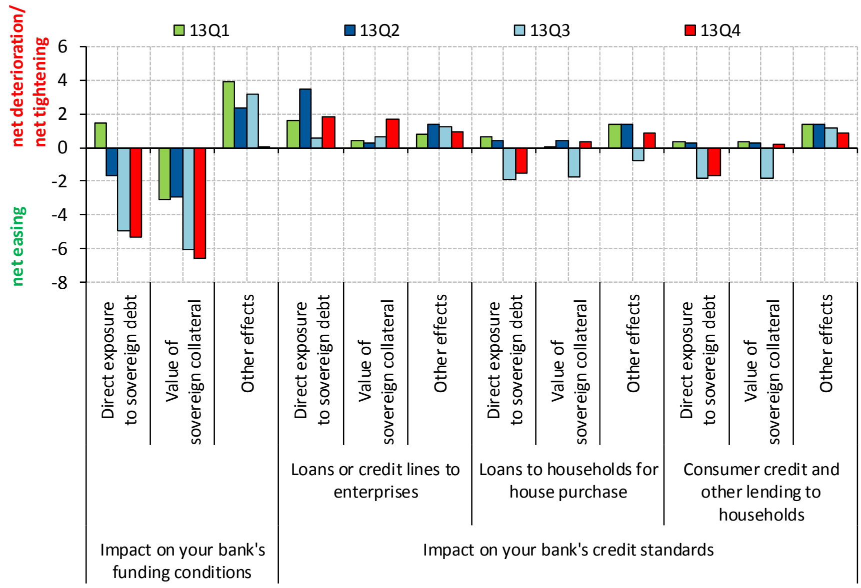
In detail, on balance, 5% and 7% respectively of euro area banks reported that their direct exposure to sovereign debt and the value of their sovereign collateral had contributed to a net easing in funding conditions, almost unchanged compared with the previous quarter, whereas the net tightening impact of "other effects" had faded away.

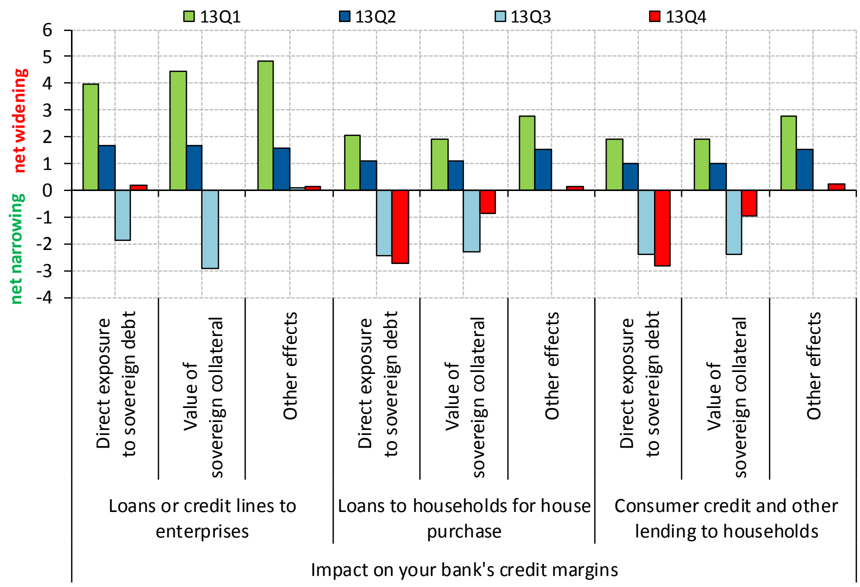
The impact of the sovereign debt crisis on banks' credit standards remained muted (see Chart 8). Changes in the value of the sovereign collateral contributed to a marginal net tightening of lending criteria for loans to non-financial corporations (2%, from 1%). The direct exposure to government bonds also slightly contributed to a restriction of the supply of credit to firms (2%, from 1%) and had the opposite effect on loans to households (-2%, as in the previous quarter, for both housing loans and consumer credit).

In addition, euro area banks reported that the sovereign debt crisis had had a neutral impact on the margins applied to loans to enterprises, while it had contributed to a slight narrowing of margins for housing loans and consumer credit, mainly through the benefits brought by the changes in government bond market prices for the direct exposure of banks in these securities (see Chart 8).

Chart 8 Impact of the sovereign debt crisis on banks' funding conditions, credit standards and lending margins

(net percentages of banks reporting a deterioration of funding conditions, a tightening of credit standards or a widening of lending margins)





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/widening of credit margins considerably" and "somewhat" and the sum of the percentages for "contributed to an easing of funding conditions/easing of credit standards/narrowing of lending margins somewhat" and "considerably".

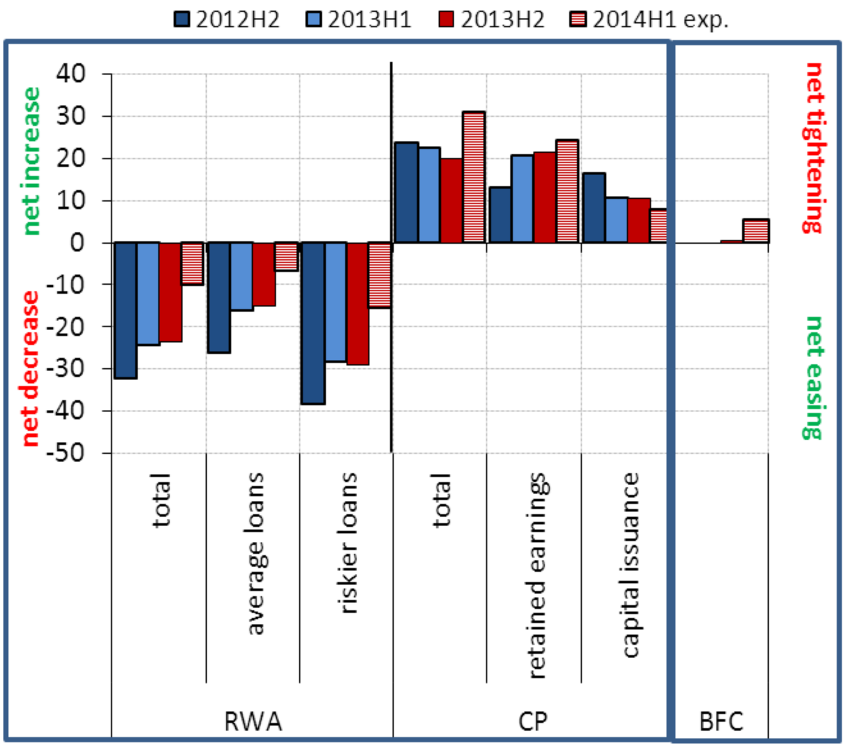
3.1.3 CONTINUING ADJUSTMENT TO REGULATORY AND SUPERVISORY ACTION BY SHEDDING RISK-WEIGHTED ASSETS AND BY INCREASING CAPITAL POSITIONS

The January 2014 survey questionnaire included two biannual ad hoc questions aimed at assessing the extent to which new regulatory requirements affected banks' lending policies, via the potential impact on their capital position and the credit standards that they apply to loans. These new requirements cover the regulation set out in the "CRR/CRD IV" agreement, additional measures of the European Banking Authority, and any other specific national regulations concerning banks' capital ratios that have recently been approved or are expected to be approved in the near future. Compared with the version used in the July 2013 round, the wording of the question was amended so that banks, in their reply, would also take into account any new supervisory action, such as the forthcoming comprehensive assessment, with possible implications for lending supply. In addition, banks were also asked to indicate the effects on funding conditions.

Banks' replies indicated that, in connection with regulatory and supervisory action, their risk-weighted assets were reduced during the second half of 2013 (-23%, from -24%; see Chart 9). The net contraction concerned both the average loans (-15%, from -16%) and, to a greater extent, the riskier loans (-29%, from -28%). Banks also reported a net strengthening of their capital position (20%, from 23%) both through retained earnings (22%, from 21%) and capital issuance (11%, unchanged). Banks did not report any significant effect of regulatory and supervisory action on funding conditions.

Chart 9 Impact of REGULATORY AND SUPERVISORY ACTION ON BANKS' RISK-WEIGHTED ASSETS , CAPITAL POSITION AND BANKS' FUNDING CONDITIONS

(net percentages of banks)



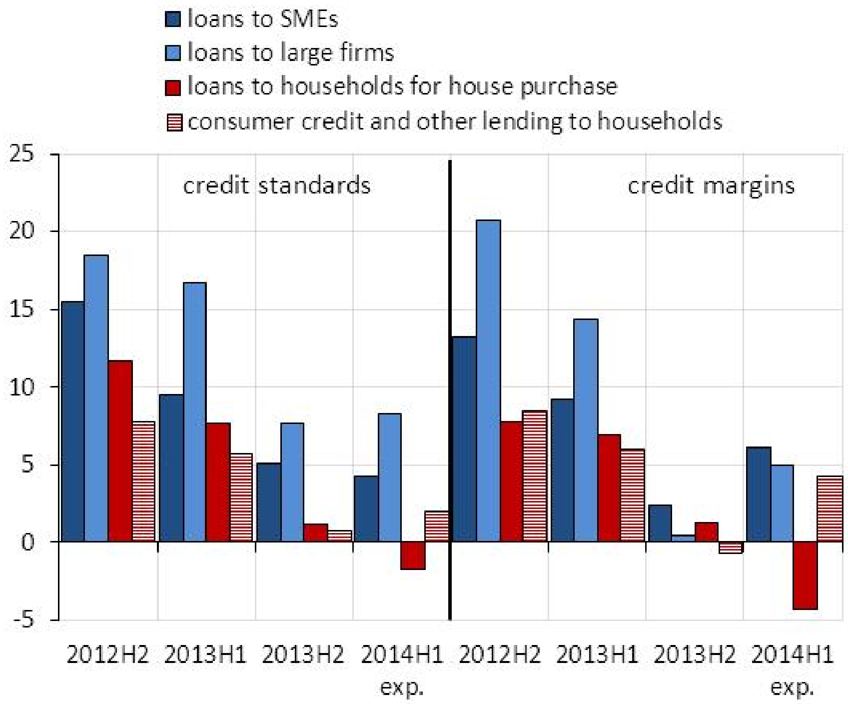
Note: "RWA" stands for risk-weighted assets, "CP" for capital position and "BFC" for banks' funding conditions. For the questions on RWA and CP, the net percentages are defined as the difference between the sum of the percentages for "increase considerably" and "increase somewhat" and the sum of the percentages for "decreased somewhat" and "decreased considerably". For the question on BFC, the net percentages are defined as the difference between the sum of the percentages for "experienced a considerable tightening" and "experienced a moderate tightening" and the sum of the percentages for "experienced a moderate easing" and "experienced a considerable easing". Figures for H1 2014 are expectations.

At the euro area level, the intensity of the reaction to regulatory pressure remained broadly unchanged compared both with what was reported in July 2013 for the first half of last year and with what banks expected at that moment for the second half of the year.

Banks indicated that regulatory and supervisory action had induced in the second half of 2013 a net tightening of banks' credit standards applied to loans to firms, which was smaller than in the first part of the year (see Chart 10). This holds true for loans to both SMEs (5%, from 9%) and larger companies (8%, from 17%). The contractive impact on loans to households had vanished, both for housing loans and consumer loans. Similar patterns were observed for credit margins (see Chart 10).

Chart 10 Impact of REGULATORY AND SUPERVISORY ACTION ON THE TIGHTENING OF CREDIT STANDARDS/CREDIT MARGINS

(net percentages of banks)



Note: The net percentages are 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".

For the first half of 2014 banks expect a further net tightening of both credit standards and margins for loans to enterprises, due to regulatory and supervisory pressures. The expected restriction is of the same order of magnitude as in the second half of 2013. A small net easing is expected for loans to households for house purchase.

ANNEX

RESULTS FOR THE INDIVIDUAL QUESTIONS

I LOANS OR CREDIT LINES TO ENTERPRISES

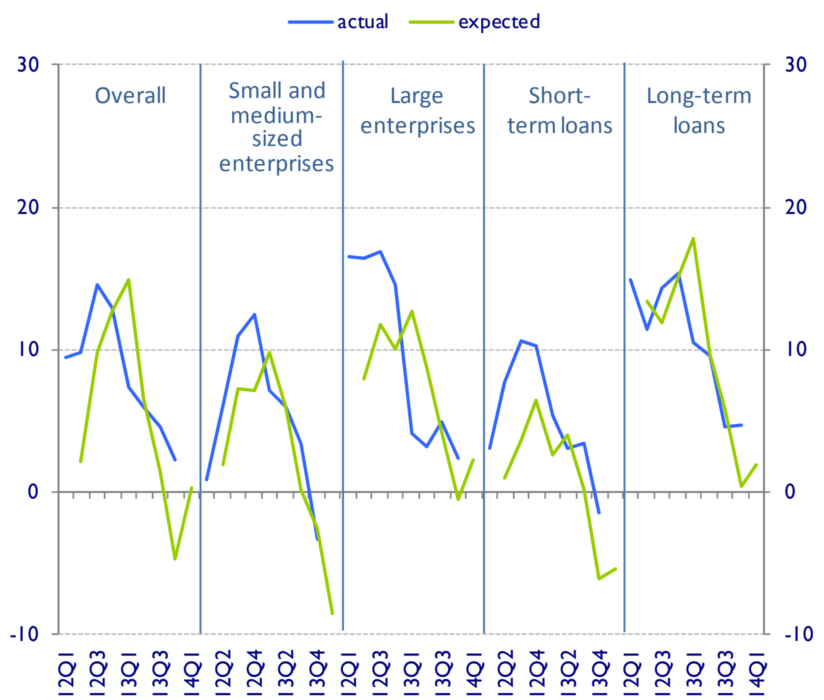
1. Over the past three months, how have your bank's credit standards as applied to the approval of loans or credit lines to enterprises changed? *(in percentages, unless otherwise stated)*

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
Tightened considerably	0	0	0	0	0	0	0	0	0	0
Tightened somewhat	5	3	5	3	5	5	5	3	5	5
Remained basically unchanged	94	96	92	91	95	93	94	93	94	94
Eased somewhat	1	1	2	6	0	2	1	4	1	1
Eased considerably	0	0	0	1	0	0	0	0	0	0
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	***5***	***2***	***3***	***-3***	***5***	***2***	***3***	***-1***	***5***	***5***
Diffusion index	***2***	***1***	***2***	***-2***	***3***	***1***	***2***	***-1***	***2***	***2***
Mean	*2.95*	*2.98*	*2.96*	*3.04*	*2.95*	*2.98*	*2.96*	*3.01*	*2.95*	*2.95*
Number of banks responding	***127***	***127***	***123***	***123***	***122***	***123***	***127***	***127***	***127***	***127***

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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

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>? *(in percentages, unless otherwise stated)*

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	0	1	91	1	0	6	3	0	1	0	2.97	3.00
Your bank's ability to access market financing	0	0	90	1	0	9	-1	0	0	0	3.01	3.00
Your bank's liquidity position	0	0	89	5	0	6	-7	-5	-4	-2	3.09	3.05
B) Pressure from competition												
Competition from other banks	0	1	83	9	1	7	-7	-9	-4	-5	3.08	3.10
Competition from non-banks	0	0	90	0	0	10	0	0	0	0	3.00	3.00
Competition from market financing	0	0	90	0	0	10	-3	0	-2	0	3.04	3.00
C) Perception of risk												
Expectations regarding general economic activity	0	2	89	1	0	7	4	1	2	1	2.96	2.99
Industry or firm-specific outlook	0	5	88	1	0	6	10	4	5	2	2.90	2.96
Risk on collateral demanded	0	2	92	1	0	6	4	1	2	1	2.95	2.99

SMALL AND MEDIUM-SIZED ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	0	1	86	1	0	12	2	1	1	1	2.98	2.99
Your bank's ability to access market financing	0	1	84	1	0	14	0	0	0	0	3.00	3.00
Your bank's liquidity position	0	1	86	1	0	12	-2	-1	-1	0	3.02	3.00
B) Pressure from competition												
Competition from other banks	0	0	82	7	1	11	-6	-7	-3	-4	3.07	3.09
Competition from non-banks	0	0	86	0	0	13	0	0	0	0	3.00	3.00
Competition from market financing	0	0	87	0	0	13	0	0	0	0	3.00	3.00
C) Perception of risk												
Expectations regarding general economic activity	0	2	87	1	0	10	5	1	2	1	2.94	2.99
Industry or firm-specific outlook	0	6	79	5	0	10	11	1	5	1	2.88	2.98
Risk on collateral demanded	0	1	89	1	0	10	4	1	2	0	2.95	2.99

LARGE ENTERPRISES

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	0	1	87	1	0	11	2	0	1	0	2.98	3.00
Your bank's ability to access market financing	0	1	85	1	0	13	0	0	0	0	3.00	3.00
Your bank's liquidity position	0	0	86	3	0	11	-8	-3	-4	-2	3.10	3.03
B) Pressure from competition												
Competition from other banks	0	1	76	9	1	13	-7	-9	-3	-5	3.08	3.11
Competition from non-banks	0	0	84	0	0	16	-1	0	0	0	3.01	3.00
Competition from market financing	0	0	84	0	0	16	-2	0	-1	0	3.03	3.00
C) Perception of risk												
Expectations regarding general economic activity	0	3	85	2	0	10	3	1	2	1	2.97	2.99
Industry or firm-specific outlook	0	7	82	2	0	10	9	6	4	3	2.91	2.94
Risk on collateral demanded	0	0	90	0	0	10	0	0	0	0	3.00	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 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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

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)

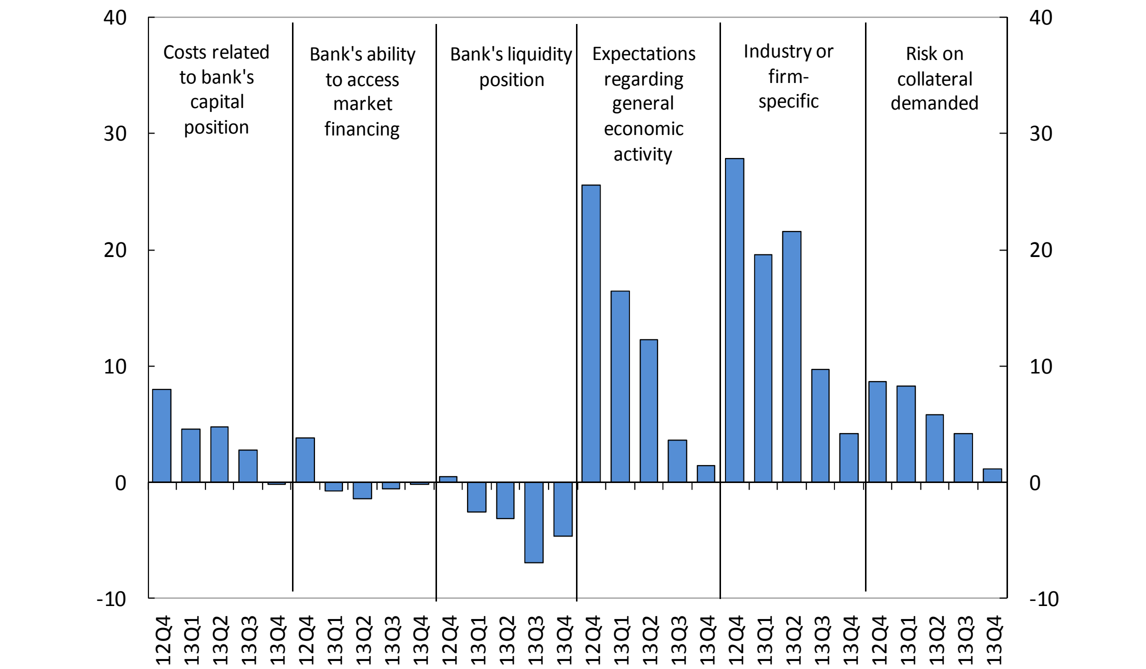
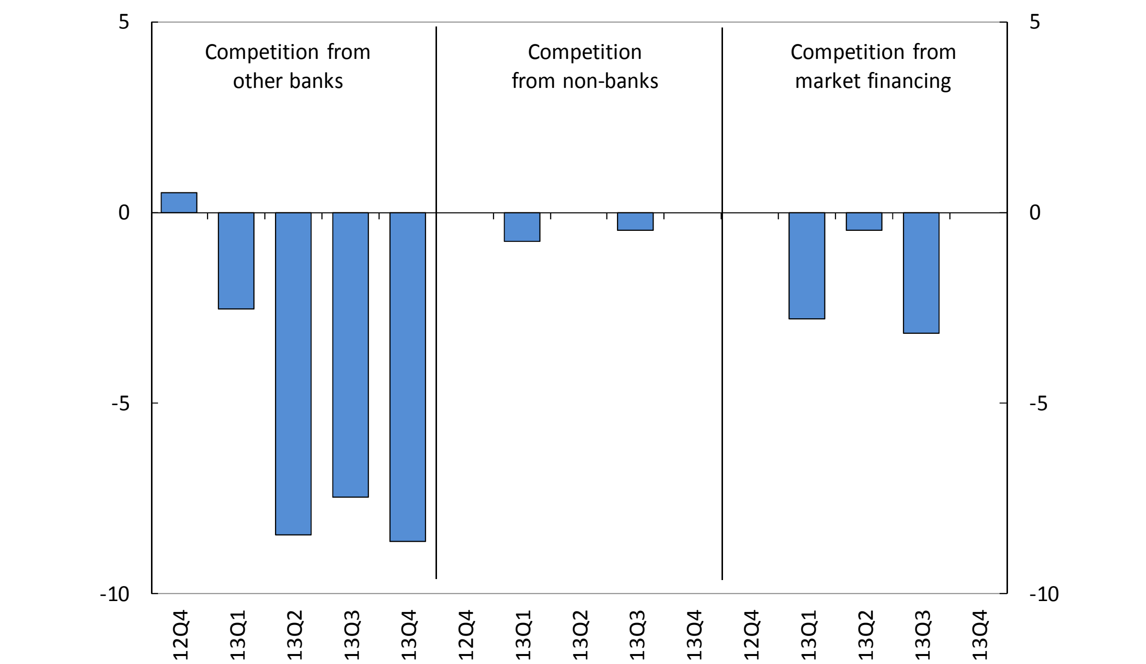


Chart 2b



3. Over the past three months, how have your bank's conditions and terms for approving loans or credit lines to enterprises changed? (in percentages, unless otherwise stated)

	--	-	°	+	++	NA	NetP Oct 13	NetP Jan 14	DI Oct 13	DI Jan 14	Mean Oct 13	Mean Jan 14
A) Price												
Your bank's margin on average loans	0	8	73	13	1	6	-9	-7	-5	-4	3.12	3.09
Your bank's margin on riskier loans	0	10	80	2	1	6	8	6	5	3	2.91	2.95
B) Other conditions and terms												
Non-interest rate charges	0	4	85	5	0	6	1	-1	0	-1	3.00	3.01
Size of the loan or credit line	0	2	90	2	0	6	3	0	2	0	2.97	3.00
Collateral requirements	0	3	91	1	0	6	2	2	1	1	2.98	2.98
Loan covenants	0	1	92	1	0	6	-1	-1	-1	0	3.01	3.01
Maturity	0	3	89	3	0	6	0	0	0	0	3.00	3.00

SMALL AND MEDIUM-SIZED ENTERPRISES

	--	-	°	+	++	NA	NetP Oct 13	NetP Jan 14	DI Oct 13	DI Jan 14	Mean Oct 13	Mean Jan 14
A) Price												
Your bank's margin on average loans	0	8	74	8	1	10	-2	-1	-1	-1	3.02	3.01
Your bank's margin on riskier loans	0	11	79	0	0	10	11	11	6	5	2.86	2.88
B) Other conditions and terms												
Non-interest rate charges	1	3	85	2	0	10	3	2	2	2	2.96	2.96
Size of the loan or credit line	0	2	86	2	0	10	3	0	2	0	2.96	3.00
Collateral requirements	0	2	87	1	0	10	3	2	2	1	2.96	2.98
Loan covenants	0	1	89	1	0	10	1	0	1	0	2.99	3.00
Maturity	0	2	83	5	0	10	2	-2	1	-1	2.98	3.02

LARGE ENTERPRISES

	--	-	°	+	++	NA	NetP Oct 13	NetP Jan 14	DI Oct 13	DI Jan 14	Mean Oct 13	Mean Jan 14
A) Price												
Your bank's margin on average loans	0	6	70	12	1	11	-12	-7	-6	-4	3.15	3.09
Your bank's margin on riskier loans	0	9	75	2	1	12	6	6	3	2	2.94	2.96
B) Other conditions and terms												
Non-interest rate charges	0	2	82	5	0	11	2	-4	0	-2	3.00	3.04
Size of the loan or credit line	0	4	82	2	0	13	1	2	1	1	2.99	2.98
Collateral requirements	1	3	84	1	0	12	1	2	0	2	2.99	2.97
Loan covenants	0	1	85	2	0	12	-1	-2	0	-1	3.01	3.02
Maturity	0	5	81	3	0	11	0	2	0	1	3.00	2.98

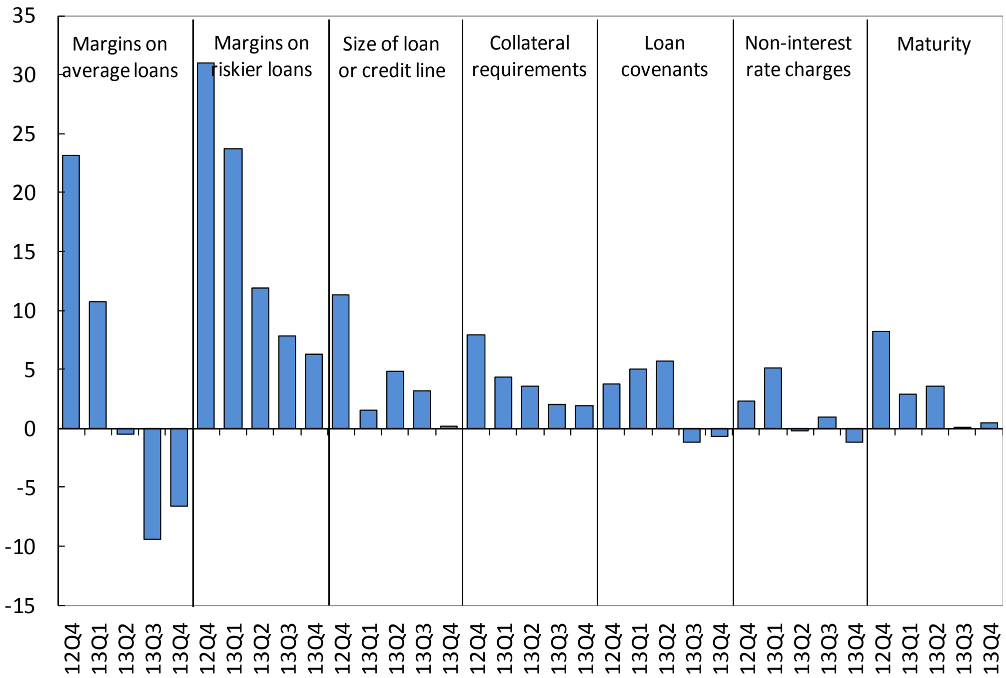
NA = not available; NetP = net percentage; DI = diffusion index.

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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

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



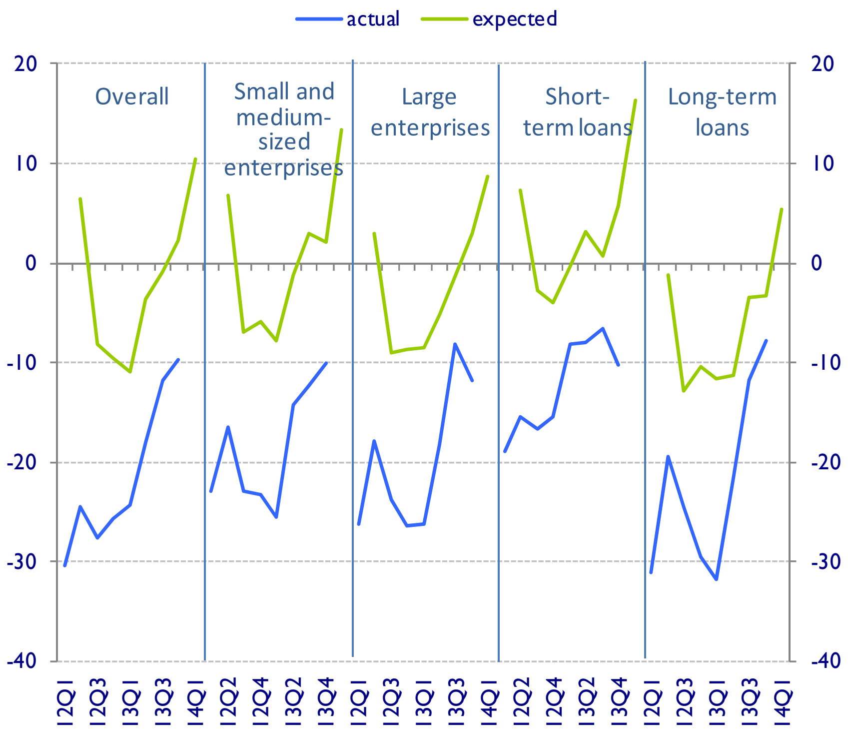
4. Over the past three months, how has the <u>demand for loans or credit lines to enterprises</u> changed at your bank, apart from normal seasonal fluctuations? *(in percentages, unless otherwise stated)*

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
Decreased considerably	2	2	4	4	1	2	2	2	2	2
Decreased somewhat	16	16	15	15	15	17	12	14	16	15
Remained basically unchanged	76	73	76	73	77	74	80	79	75	75
Increased somewhat	6	9	6	8	8	7	7	5	6	9
Increased considerably	0	0	0	0	0	0	0	0	0	0
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	***-12***	***-10***	***-12***	***-10***	***-8***	***-12***	***-7***	***-10***	***-12***	***-8***
Diffusion index	***-7***	***-6***	***-8***	***-7***	***-4***	***-7***	***-4***	***-6***	***-7***	***-5***
Mean	*2.86*	*2.88*	*2.84*	*2.86*	*2.91*	*2.86*	*2.92*	*2.88*	*2.86*	*2.90*
Number of banks responding	***127***	***127***	***123***	***123***	***122***	***123***	***127***	***127***	***127***	***127***

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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

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 loans or credit lines to enterprises? *(in percentages, unless otherwise stated)*

	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
A) Financing needs												
Fixed investment	3	15	67	9	0	6	-22	-9	-12	-6	2.74	2.87
Inventories and working capital	0	12	75	5	0	8	2	-7	1	-4	3.03	2.92
Mergers/acquisitions and corporate restructuring	0	9	79	5	0	7	-1	-4	-1	-2	2.98	2.96
Debt restructuring	1	2	74	16	1	7	16	14	9	7	3.18	3.15
B) Use of alternative finance												
Internal financing	0	7	86	2	0	6	-7	-5	-4	-3	2.92	2.94
Loans from other banks	0	4	86	4	0	6	-2	0	-1	0	2.98	3.00
Loans from non-banks	0	1	89	1	0	9	-1	0	-1	0	2.99	3.00
Issuance of debt securities	0	12	73	3	0	13	-7	-9	-4	-4	2.92	2.90
Issuance of equity	0	0	86	0	0	14	0	0	0	0	3.00	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 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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Chart 5a Factors affecting demand for loans and credit lines to enterprises

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

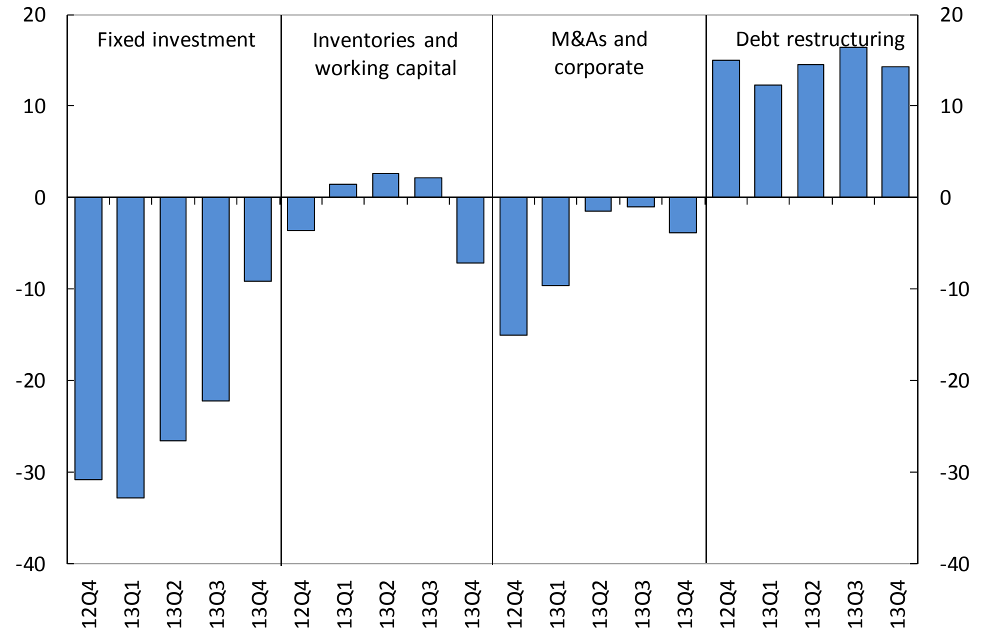
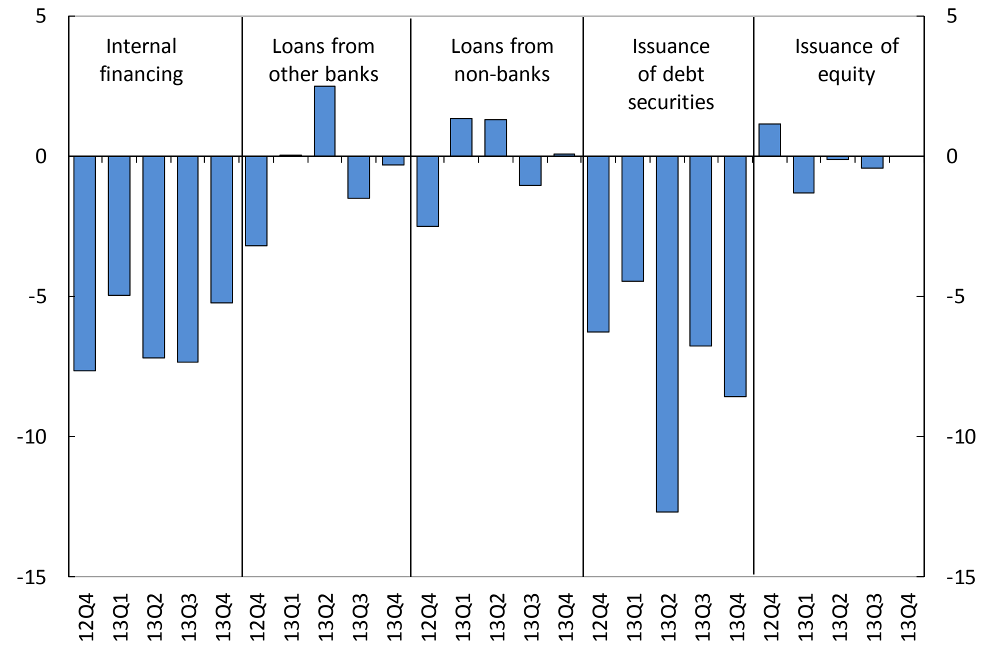


Chart 5b Factors affecting demand for loans and credit lines to enterprises

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



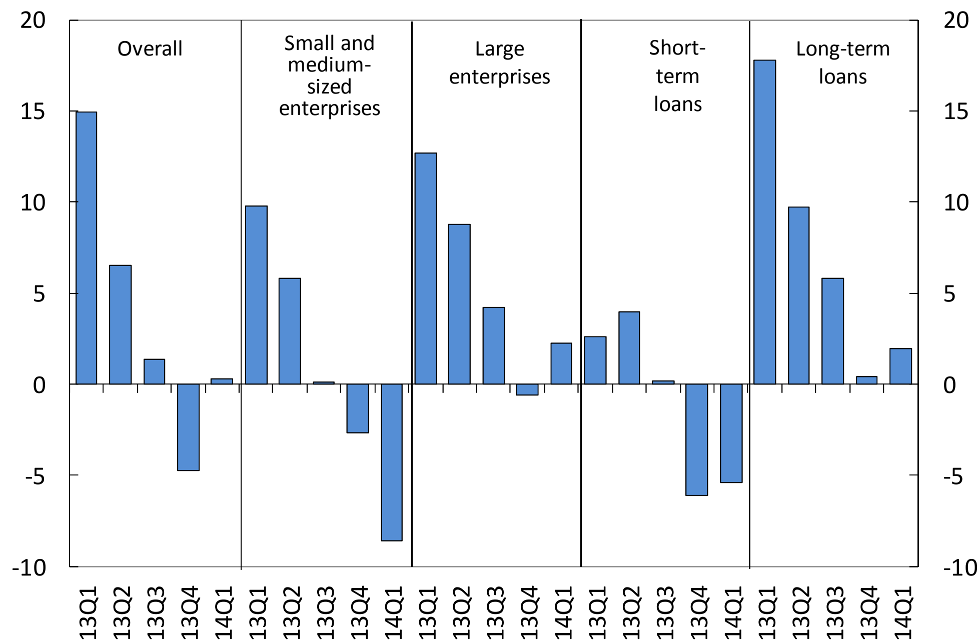
6. Please indicate how you expect your bank's credit standards as applied to the approval of loans or credit lines to enterprises to change over the next three months. *(in percentages, unless otherwise stated)*

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
Tighten considerably	0	0	0	0	0	0	0	0	0	0
Tighten somewhat	1	5	3	3	3	9	1	2	3	6
Remain basically unchanged	92	91	91	86	93	84	91	91	93	89
Ease somewhat	6	5	6	11	4	7	8	7	3	5
Ease considerably	0	0	0	1	0	0	0	0	0	0
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	***-5***	***0***	***-3***	***-9***	***-1***	***2***	***-6***	***-5***	***0***	***2***
Diffusion index	***-2***	***0***	***-1***	***-5***	***0***	***1***	***-3***	***-3***	***0***	***1***
Mean	*3.05*	*3.00*	*3.03*	*3.09*	*3.00*	*2.98*	*3.06*	*3.05*	*2.99*	*2.98*
Number of banks responding	***127***	***127***	***123***	***123***	***122***	***123***	***127***	***127***	***126***	***127***

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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Chart 6 Expected credit standards for the approval of loans or credit lines to enterprises

(net percentages of banks contributing to tightening standards)



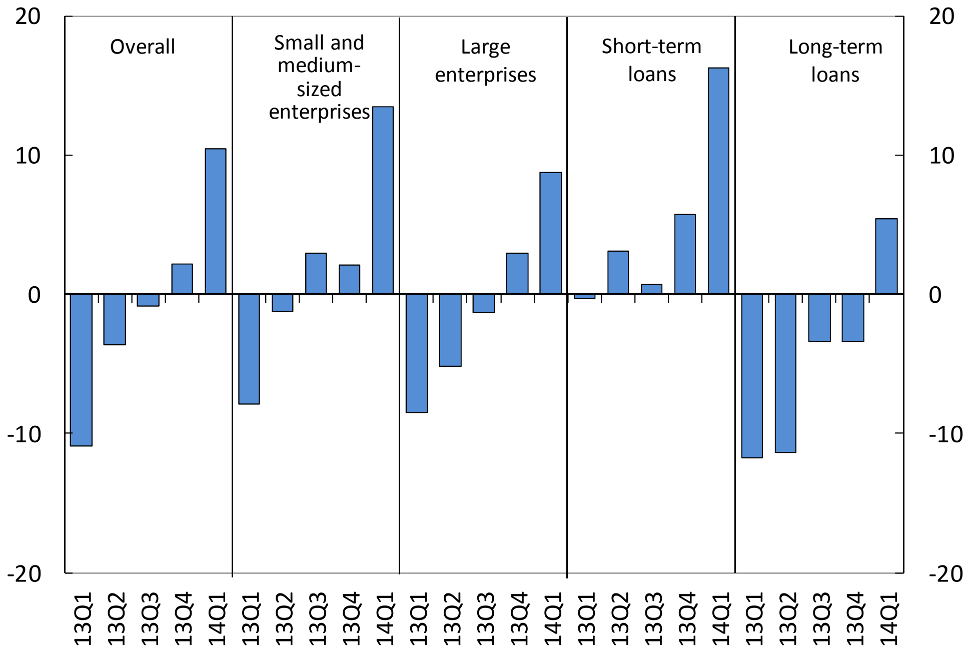
7. Please indicate how you expect demand for loans or credit lines to enterprises to change at your bank over the next three months (apart from normal seasonal fluctuations) *(in percentages, unless otherwise stated)*

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
Decrease considerably	1	0	2	0	0	0	1	0	1	0
Decrease somewhat	10	2	11	6	6	2	7	2	10	4
Remain basically unchanged	75	85	73	74	85	86	78	80	80	87
Increase somewhat	13	13	15	20	9	11	14	18	8	9
Increase considerably	0	0	0	0	0	0	0	0	0	0
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	***2***	***10***	***2***	***13***	***3***	***9***	***6***	***16***	***-3***	***5***
Diffusion index	***0***	***5***	***0***	***7***	***1***	***4***	***2***	***8***	***-2***	***3***
Mean	*3.01*	*3.10*	*3.01*	*3.13*	*3.03*	*3.09*	*3.04*	*3.16*	*2.95*	*3.05*
Number of banks responding	***127***	***126***	***123***	***122***	***122***	***122***	***127***	***126***	***127***	***125***

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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

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

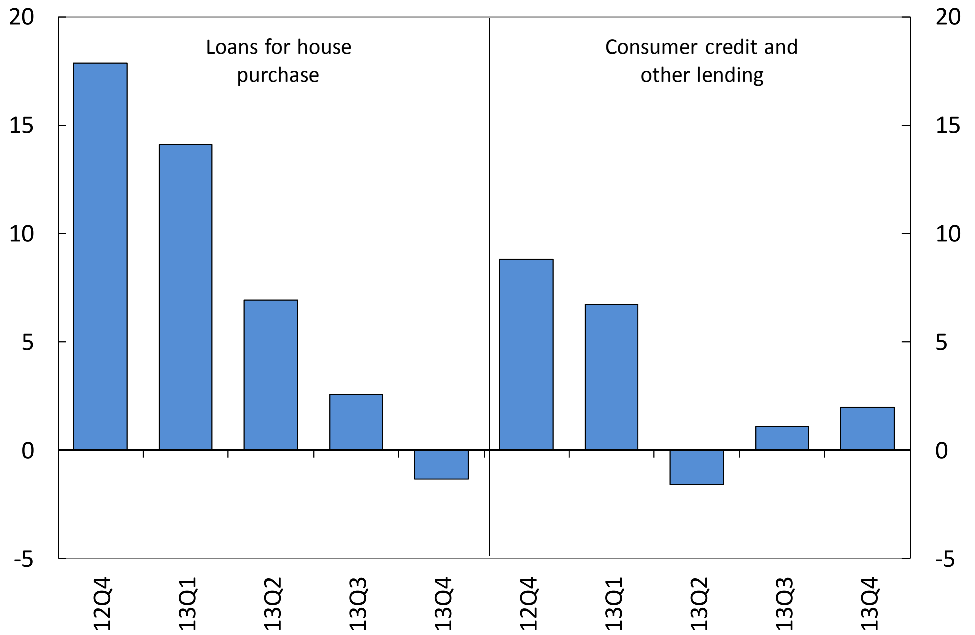
8. Over the past three months, how have your bank's credit standards as applied to the approval of loans to households changed? *(in percentages, unless otherwise stated)*

	Loans for house purchase		Consumer credit and other lending	
	Oct 13	Jan 14	Oct 13	Jan 14
Tightened considerably	0	0	0	0
Tightened somewhat	4	4	1	2
Remained basically unchanged	93	90	98	97
Eased somewhat	2	6	0	0
Eased considerably	0	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***3***	***-1***	***1***	***2***
Diffusion index	***1***	***-1***	***1***	***1***
Mean	*2.97*	*3.01*	*2.99*	*2.98*
Number of banks responding	***122***	***123***	***122***	***122***

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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

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? *(in percentages, unless otherwise stated)*

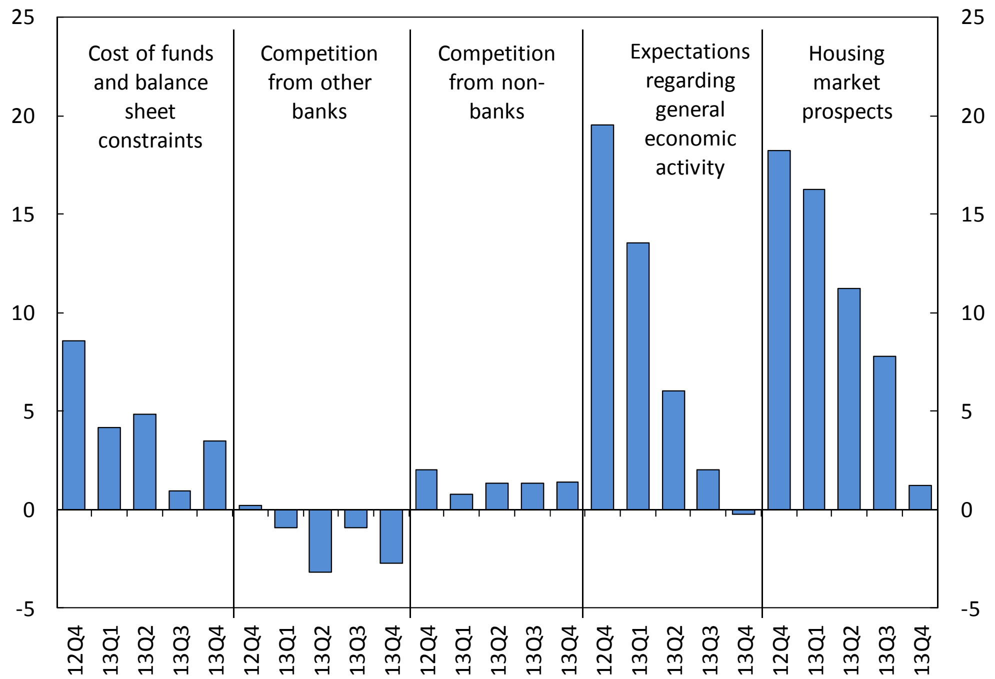
	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
A) Cost of funds and balance sheet constraints	0	3	84	0	0	12	1	3	0	2	3.00	2.96
B) Pressure from competition												
Competition from other banks	0	1	84	4	0	11	-1	-3	0	-1	3.01	3.03
Competition from non-banks	0	1	87	0	0	11	1	1	1	1	2.98	2.98
C) Perception of risk												
Expectations regarding general economic activity	0	4	82	4	0	10	2	0	1	0	2.97	2.99
Housing market prospects	0	4	82	3	0	10	8	1	4	1	2.90	2.98

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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Chart 9 Factors affecting credit standards applied to the approval of loans to households

(net percentages of banks contributing to tightening credit standards)



10. Over the past three months, how have your bank's conditions and terms for approving loans to households for house purchase changed? *(in percentages, unless otherwise stated)*

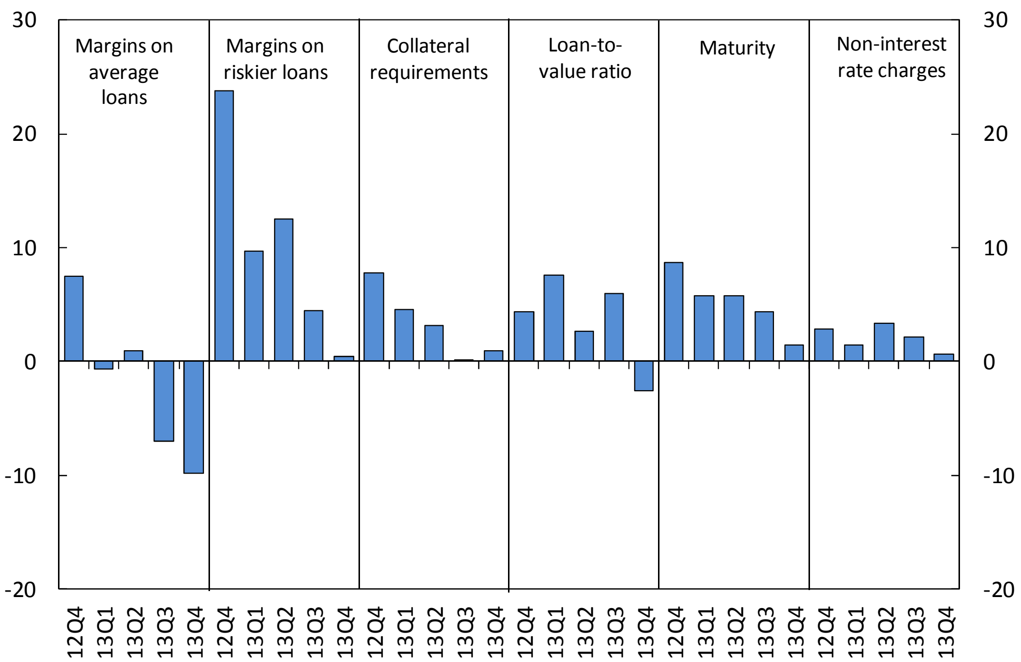
	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
A) Price												
Your bank's margin on average loans	0	2	77	11	0	10	-7	-10	-4	-5	3.08	3.11
Your bank's margin on riskier loans	0	3	82	3	0	12	4	0	2	0	2.95	3.00
B) Other conditions and terms												
Collateral requirements	0	1	89	0	0	10	0	1	0	1	3.00	2.99
Loan-to-value ratio	0	3	81	6	0	10	6	-3	3	-1	2.93	3.02
Maturity	0	1	88	0	0	10	4	1	2	1	2.95	2.98
Non-interest rate charges	0	1	88	1	0	10	2	1	1	0	2.99	2.99

N
A = 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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

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)? *(in percentages, unless otherwise stated)*

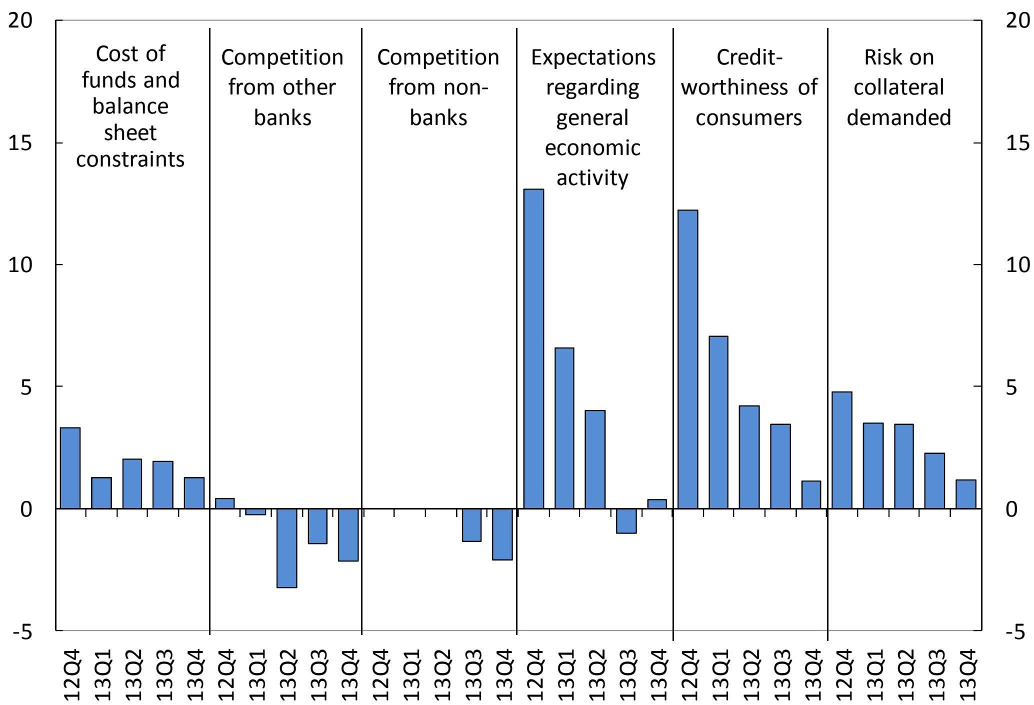
	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
A) Cost of funds and balance sheet constraints	0	2	86	1	0	11	2	1	2	1	2.96	2.99
B) Pressure from competition												
Competition from other banks	0	0	88	2	0	10	-1	-2	-1	-1	3.02	3.02
Competition from non-banks	0	0	87	2	0	11	-1	-2	-1	-1	3.02	3.02
C) Perception of risk												
Expectations regarding general economic activity	0	2	87	2	0	9	-1	0	0	0	3.00	2.99
Creditworthiness of consumers	0	1	89	0	0	9	3	1	2	1	2.95	2.98
Risk on collateral demanded	0	1	88	0	0	10	2	1	1	1	2.95	2.98

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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

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 credit 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? *(in percentages, unless otherwise stated)*

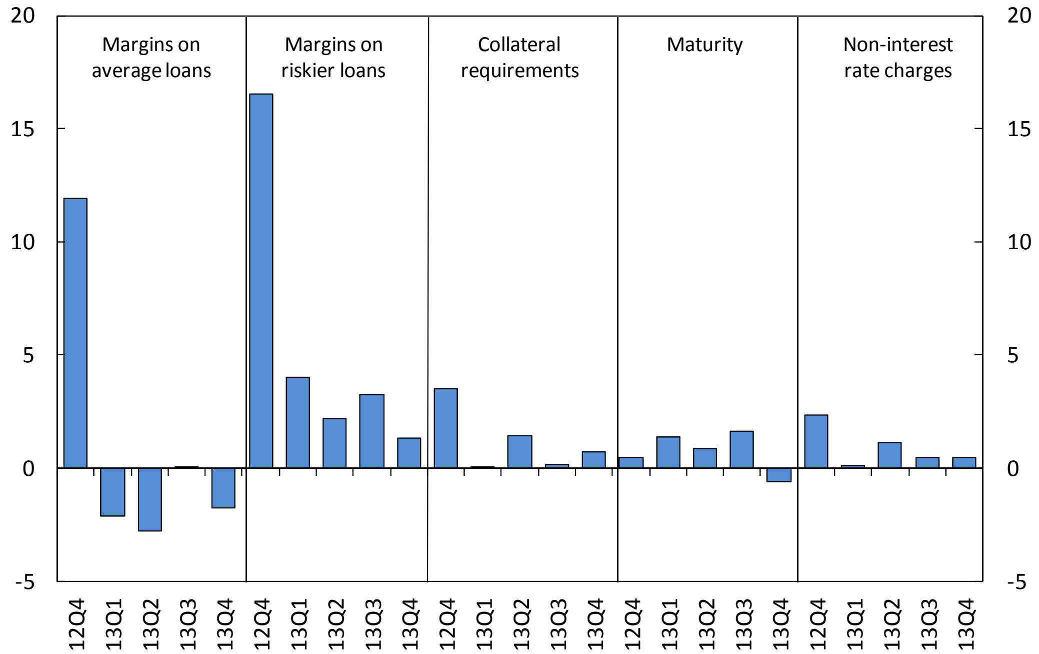
	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
A) Price												
Your bank's margin on average loans	0	3	82	4	1	9	0	-2	0	-1	3.01	3.03
Your bank's margin on riskier loans	0	2	88	0	1	9	3	1	2	0	2.96	2.99
B) Other conditions and terms												
Collateral requirements	0	1	89	0	0	10	0	1	0	0	3.00	2.99
Maturity	0	0	90	1	0	9	2	-1	1	0	2.98	3.01
Non-interest rate charges	0	0	90	0	0	9	0	0	0	0	3.00	2.99

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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

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)



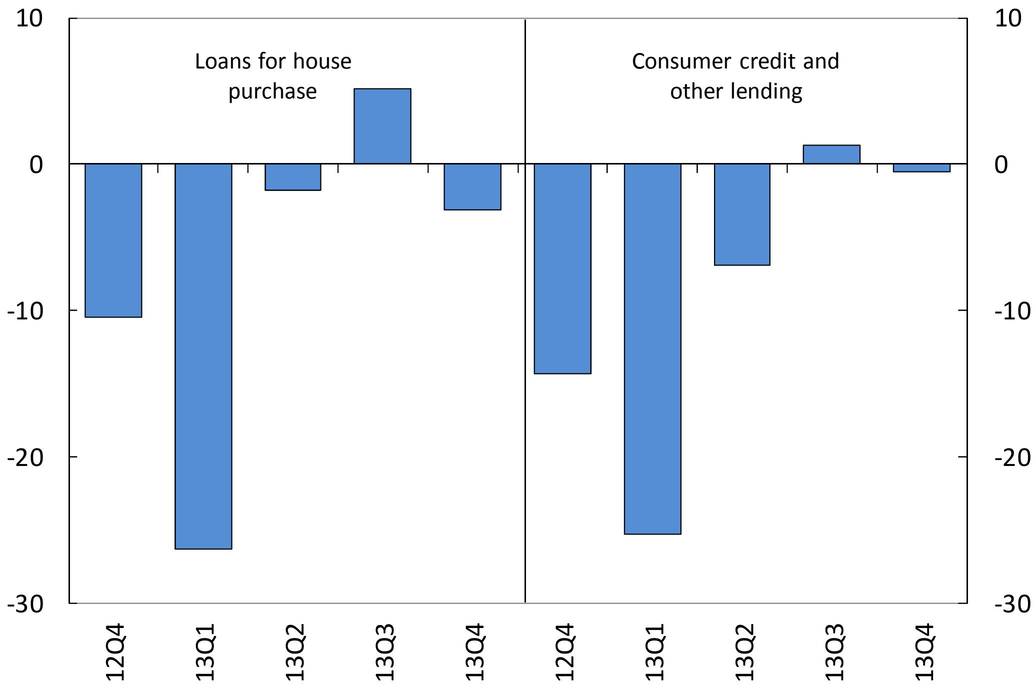
13. Over the past three months, how has the demand for loans to households changed at your bank, apart from normal seasonal fluctuations? *(in percentages, unless otherwise stated)*

	Loans for house purchase		Consumer credit and other lending	
	Oct 13	Jan 14	Oct 13	Jan 14
Decreased considerably	3	3	0	2
Decreased somewhat	13	15	14	8
Remained basically unchanged	63	67	71	80
Increased somewhat	21	15	14	10
Increased considerably	0	0	1	0
Total	*100*	*100*	*100*	*100*
Net percentage	***5***	***-3***	***1***	***-1***
Diffusion index	***1***	***-3***	***1***	***-1***
Mean	*3.02*	*2.94*	*3.02*	*2.97*
Number of banks responding	***122***	***122***	***123***	***123***

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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

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)?

(in percentages, unless otherwise stated)

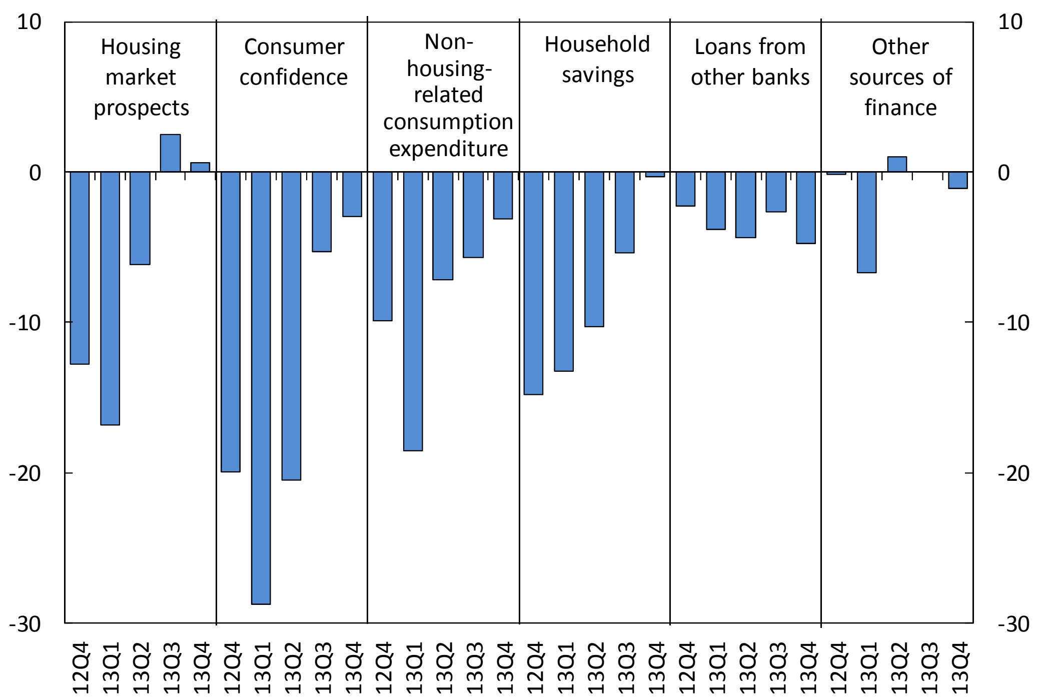
	--	-	°	+	++	NA	NetP		DI		Mean	
							Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
A) Financing needs												
Housing market prospects	0	10	68	11	0	10	3	1	1	0	3.01	3.01
Consumer confidence	0	8	77	5	0	10	-5	-3	-3	-2	2.92	2.96
Non-housing-related consumption expenditure	0	3	87	0	0	10	-6	-3	-3	-2	2.94	2.97
B) Use of alternative finance												
Household savings	1	2	83	3	0	11	-5	0	-3	-1	2.94	2.99
Loans from other banks	0	6	81	2	0	11	-3	-5	-1	-2	2.97	2.94
Other sources of finance	0	1	87	0	0	12	0	-1	0	-1	3.00	2.99

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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

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)? *(in percentages, unless otherwise stated)*

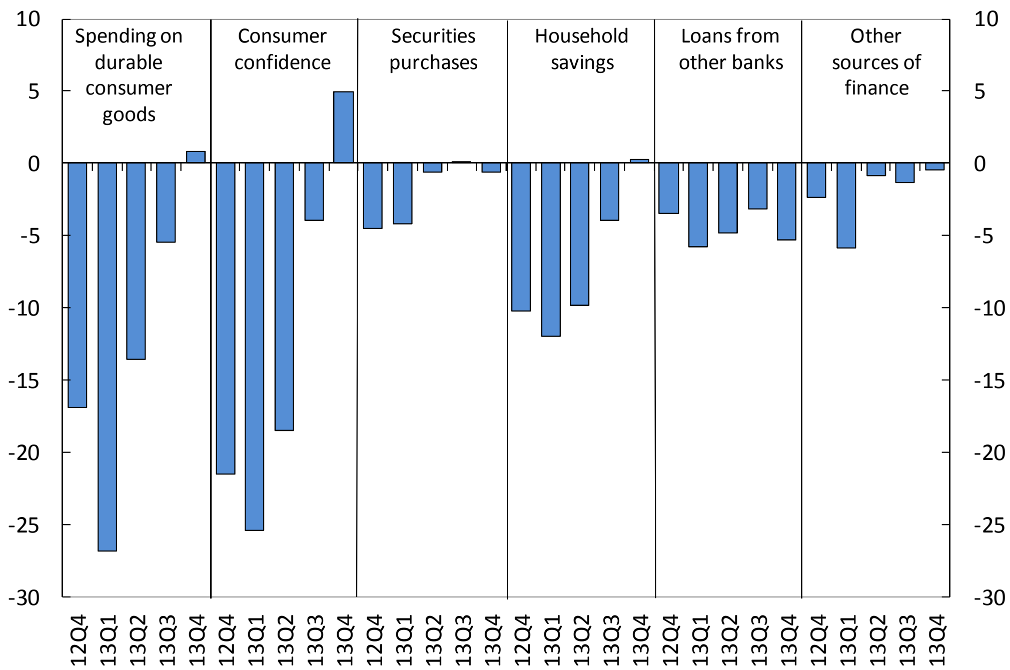
	--	-	°	+	++	NA	NetP		NetP		Mean	
							Oct 13	Jan 14	Oct 13	Jan 14	Oct 13	Jan 14
A) Financing needs												
Spending on durable consumer goods	3	5	71	9	0	12	-5	1	-3	-1	2.93	2.97
Consumer confidence	0	4	77	9	0	11	-4	5	-2	2	2.95	3.06
Securities purchases	0	1	80	0	0	19	0	-1	0	0	3.00	2.99
B) Use of alternative finance												
Household savings	0	2	86	2	0	10	-4	0	-2	0	2.95	3.00
Loans from other banks	0	6	83	1	0	10	-3	-5	-2	-3	2.97	2.94
Other sources of finance	0	0	87	0	0	12	-1	0	-1	0	2.98	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 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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Chart 15 Factors affecting demand for consumer credit and other lending to households

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



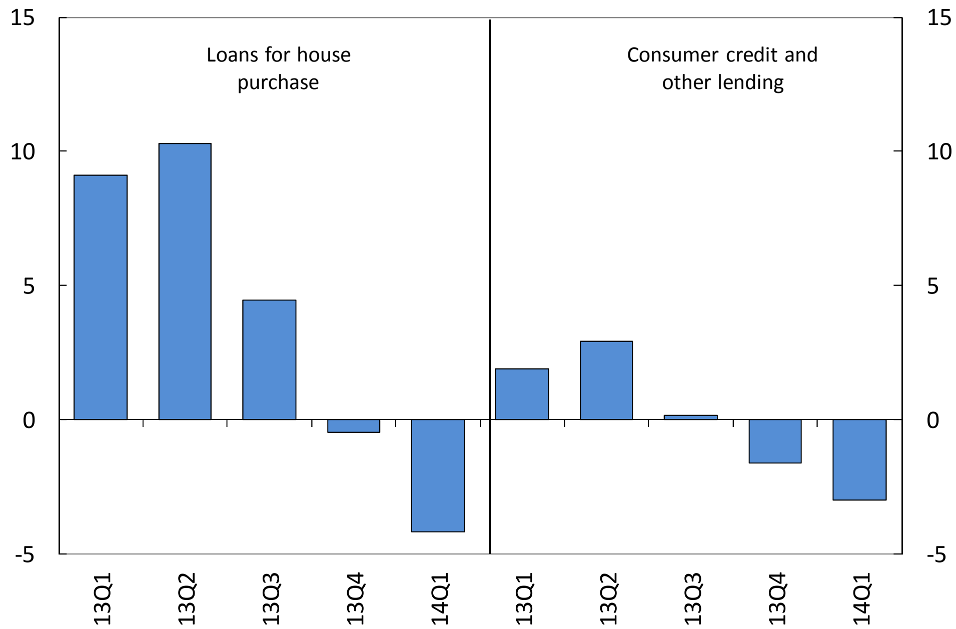
16. Please indicate how you expect your bank's credit standards as applied to the approval of loans to households to change over the next three months. *(in percentages, unless otherwise stated)*

	Loans for house purchase		Consumer credit and other lending	
	Oct 13	Jan 14	Oct 13	Jan 14
Tighten considerably	0	0	0	0
Tighten somewhat	5	3	0	1
Remain basically unchanged	90	90	98	94
Ease somewhat	5	7	2	4
Ease considerably	0	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***0***	***-4***	***-2***	***-3***
Diffusion index	***0***	***-2***	***-1***	***-1***
Mean	*3.00*	*3.04*	*3.02*	*3.03*
Number of banks responding	***122***	***122***	***122***	***122***

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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Chart 16 Expected credit standards for loans to households

(net percentages of banks expecting tightening credit standards)



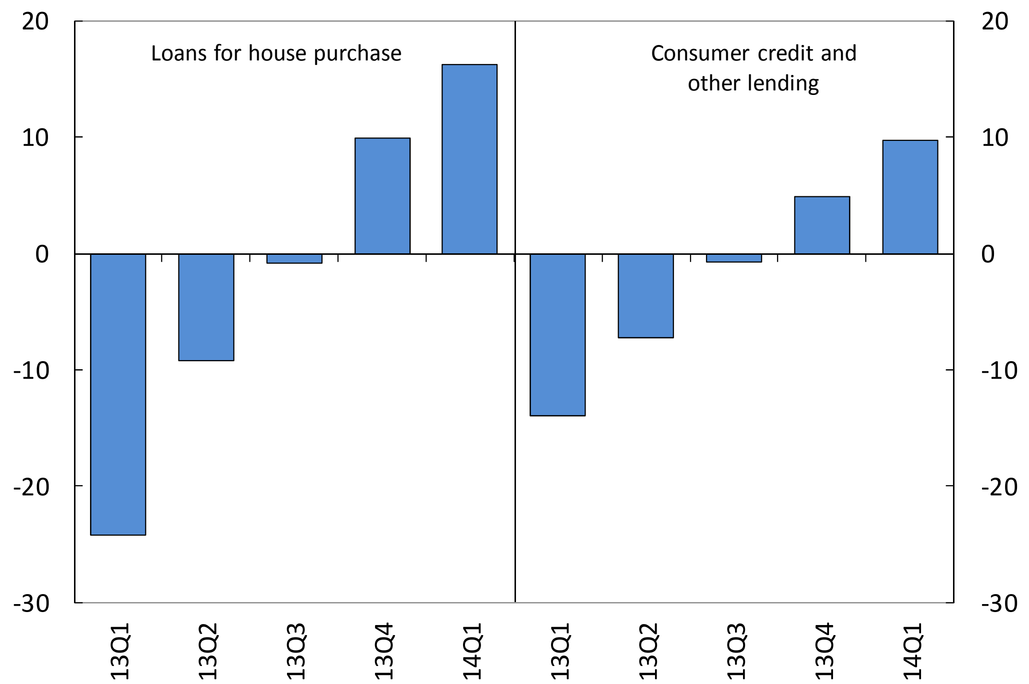
17. Please indicate how you expect demand for loans to households to change over the next three months at your bank (apart from normal seasonal fluctuations). *(in percentages, unless otherwise stated)*

	Loans for house purchase		Consumer credit and other lending	
	Oct 13	Jan 14	Oct 13	Jan 14
Decrease considerably	0	0	0	0
Decrease somewhat	8	6	5	2
Remain basically unchanged	74	72	85	86
Increase somewhat	18	22	10	12
Increase considerably	0	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***10***	***16***	***5***	***10***
Diffusion index	***5***	***8***	***2***	***5***
Mean	*3.10*	*3.16*	*3.05*	*3.10*
Number of banks responding	***122***	***122***	***123***	***123***

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). The mean is calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

Chart 17 Expected demand for loans to households

(net percentages of banks expecting positive loan demand)



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 and retail funding and/or has your ability to transfer risk changed over the past three months, or are you expecting this access/activity to change over the next three months?1 *(in percentages unless otherwise stated)*

	Over the past three months								Over the next three months								N/A[2]
	--	-	o	+	+ +	NetP	Mean	Standard deviation	--	-	o	+	+ +	NetP	Mean	Standard deviation	
A) Retail funding																	
Short-term deposits (up to one year)	0	13	78	9	0	4	2.96	0.49	2	6	86	6	0	2	2.96	0.47	10
Long-term (more than one year) deposits and other retail funding instruments	0	7	85	7	0	0	3.00	0.40	0	5	92	3	0	2	2.98	0.29	10
B) Inter-bank unsecured money market																	
Very short-term money market (up to one week)	0	11	81	8	0	3	2.97	0.45	0	2	90	8	0	-6	3.06	0.33	8
Short-term money market (more than one week)	2	12	82	4	0	9	2.89	0.49	0	5	88	7	0	-3	3.03	0.36	8
C) Wholesale debt securities[3]																	
Short-term debt securities (e.g. certificates of deposit or commercial paper)	0	20	70	11	0	9	2.91	0.57	0	4	85	11	0	-7	3.07	0.41	21
Medium to long-term debt securities (incl. covered bonds)	0	7	68	25	0	-19	3.19	0.55	0	2	83	15	0	-14	3.14	0.40	14
D) Securitisation[4]																	
Securitisation of corporate loans	0	8	81	11	0	-3	3.03	0.52	0	0	91	9	0	-9	3.09	0.37	58
Securitisation of loans for house purchase	0	1	81	18	0	-17	3.17	0.48	0	0	87	13	0	-13	3.13	0.39	54
E) Ability to transfer credit risk off balance sheet[5]	0	0	98	2	0	-2	3.02	0.28	0	6	92	2	0	4	2.96	0.38	63

(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.

Notes: “- -“ = deteriorated considerably/will deteriorate considerably; “-“ = deteriorated somewhat/will deteriorate somewhat; “o”= remained unchanged/will remain unchanged; “+” = eased somewhat/will ease somewhat; “++” = eased considerably/will ease considerably. The mean and standard deviation are calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others. Figures may not exactly sum up due to rounding.

II. In connection with the new regulatory or supervisory actions (*), has your bank: increased/decreased risk-weighted assets; increased/decreased its capital position, experienced an easing/tightening of its funding conditions over the past six months, and/or does it intend to do so over the next 6 months?

	Over the past six months								
	--	-	o	+	+ +	NA	NetP	Mean	Standard deviation
Risk-weighted assets	8	22	53	7	0	9	-23	2.7	0.79
Of which: Average loans	6	17	61	8	0	7	-15	2.8	0.74
Riskier loans	6	25	58	2	0	8	-29	2.6	0.69
Capital	0	4	59	25	0	12	20	3.3	0.58
Of which: Retained earnings	1	2	61	24	0	13	22	3.3	0.54
Capital issuance1)	0	3	62	13	1	22	11	3.2	0.48
Impact on your bank's funding conditions	0	4	81	3	0	11	1	3.0	0.34

	Over the next six months								
	--	-	o	+	+ +	NA	NetP	Mean	Standard deviation
Risk-weighted assets	3	24	48	15	2	8	-10	2.9	0.81
Of which: Average loans	2	17	60	13	0	7	-7	2.9	0.70
Riskier loans	3	22	54	10	0	11	-15	2.9	0.74
Capital	1	3	50	33	2	11	31	3.4	0.67
Of which: Retained earnings	1	1	57	25	1	15	24	3.3	0.56
Capital issuance1)	1	4	61	12	1	22	8	3.1	0.58
Impact on your bank's funding conditions	3	8	77	5	0	8	6	2.9	0.58

(*) Please consider the regulatory requirements set out in the CRR/CRD IV, as adopted by the European Parliament in April 2013, which can be found at http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0114+0+DOC+XML+V0//EN and http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0115+0+DOC+XML+V0//EN&language=EN, as well as the requirements that will result from the comprehensive assessment to be conducted by the ECB and the participating national competent authorities in accordance with the provisions of the Regulation on the single supervisory mechanism, or those resulting from any other specific regulatory or supervisory actions that have recently been approved/implemented or that are expected to be approved/implemented in the near future.

1) Includes the issuance of shares and hybrid instruments, as well as capital injections by, inter alia, national or supra-national public authorities.

Notes: "- -" = decreased considerably/will decrease considerably; "-" = decreased somewhat/will decrease somewhat; "o"= remained unchanged/will remain unchanged; "+" = increased somewhat/will increase somewhat; "++" = increased considerably/will increase considerably. The mean and standard deviation are calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

III. Have any adjustments been made, or will any be made, to your bank's credit standards/margins for loans over the past/next six months, owing to the new regulatory or supervisory actions (*)? *(in percentages unless otherwise stated)*

a) Credit standards

		Loans and credit lines to enterprises		Loans to households	
		Small and medium-sized enterprises	Large enterprises	For house purchase	Consumer credit and other lending
Over the past six months	--	0	1	0	0
	-	7	7	2	1
	=	91	92	98	99
	+	2	0	0	0
	+ +	0	0	0	0
	Net Percentage	5	8	1	1
	Mean	2.95	2.92	2.99	2.99
	Standard deviation	0.31	0.33	0.15	0.10
Over the next six months	--	0	0	0	0
	-	7	9	3	2
	=	90	90	93	98
	+	3	1	4	0
	+ +	0	0	0	0
	Net Percentage	4	8	-2	2
	Mean	2.96	2.92	3.02	2.98
	Standard deviation	0.33	0.33	0.28	0.16

b) Credit margins

		Loans and credit lines to enterprises		Loans to households	
		Small and medium-sized enterprises	Large enterprises	For house purchase	Consumer credit and other lending
Over the past six months	--	0	1	0	0
	-	6	4	4	1
	=	90	90	94	97
	+	4	5	2	2
	+ +	0	0	0	0
	Net Percentage	2	0	1	-1
	Mean	2.98	2.99	2.99	3.01
	Standard deviation	0.33	0.37	0.27	0.20
Over the next six months	--	0	0	0	0
	-	9	10	4	5
	=	88	86	88	94
	+	3	5	8	1
	+ +	0	0	0	0
	Net Percentage	6	5	-4	4
	Mean	2.94	2.95	3.04	2.96
	Standard deviation	0.36	0.39	0.35	0.25

(*) Please consider the regulatory requirements set out in the CRR/CRD IV, as adopted by the European Parliament in April 2013, which can be found at http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0114+0+DOC+XML+V0//EN and http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2013-0115+0+DOC+XML+V0//EN&language=EN, as well as the requirements that will result from the comprehensive assessment to be conducted by the ECB and the participating national competent authorities in accordance with the provisions of the Regulation on the single supervisory mechanism, or those resulting from any other specific regulatory or supervisory actions that have recently been approved/implemented or that are expected to be approved/implemented in the near future.

Notes: "- -" = credit standards / margins have been tightened/will be tightened considerably; "-" = credit standards / margins have been tightened/will be tightened somewhat; "o"= the requirements have basically not had/will not have any impact on credit standards / margins; "+" = credit standards / margins have been eased/will be eased somewhat; "++" = credit standards / margins have been eased/will be eased considerably. The mean and standard deviation are calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others.

IV. Given the developments observed in the European sovereign debt market[1]), how have the following factors contributed to changes in your bank's funding conditions / credit standards / margins over the past three months? *(in percentages unless otherwise stated)*

	Impact on your bank's funding conditions							
	--	-	=	+	+ +	NetP	Mean	SD
A) Direct exposure to sovereign debt	0	2	90	8	0	-5	3.05	0.33
B) Value of sovereign collateral available for wholesale market transactions[2]	0	0	93	7	0	-7	3.07	0.27
C) Other effects[3]	0	1	98	1	0	0	3.00	0.13

	Impact on your bank's credit standards																							
	Loans or credit lines to enterprises								Loans to households for house purchase								Loans to households for consumer credit and other lending							
	--	-	=	+	+ +	NetP	Mean	SD	--	-	=	+	+ +	NetP	Mean	SD	--	-	=	+	+ +	NetP	Mean	SD
A) Direct exposure to sovereign debt	0	4	94	2	0	2	2.98	0.25	0	1	97	2	0	-2	3.02	0.19	0	1	97	2	0	-2	3.02	0.19
B) Value of sovereign collateral available for wholesale market transactions[2]	0	2	98	0	0	2	2.98	0.14	0	1	99	0	0	0	3.00	0.12	0	1	99	1	0	0	3.00	0.13
C) Other effects[3]	0	1	99	0	0	1	2.99	0.11	0	1	99	0	0	1	2.99	0.11	0	1	99	0	0	1	2.99	0.11

	Impact on your bank's lending margins																							
	Loans or credit lines to enterprises								Loans to households for house purchase								Loans to households for consumer credit and other lending							
	--	-	=	+	+ +	NetP	Mean	SD	--	-	=	+	+ +	NetP	Mean	SD	--	-	=	+	+ +	NetP	Mean	SD
A) Direct exposure to sovereign debt	0	2	96	2	0	0	3.00	0.21	0	0	97	3	0	-3	3.03	0.17	0	0	97	3	0	-3	3.03	0.18
B) Value of sovereign collateral available for wholesale market transactions[2]	0	0	100	0	0	0	3.00	0.04	0	0	99	1	0	-1	3.01	0.10	0	0	99	1	0	-1	3.01	0.12
C) Other effects[3]	0	0	100	0	0	0	3.00	0.04	0	0	100	0	0	0	3.00	0.04	0	0	100	0	0	0	3.00	0.05

(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.

Notes: "- -" = contributed considerably to a deterioration in my bank's funding conditions/contributed considerably to a tightening of credit standards / contributed considerably to a widening of lending margins; "-" = contributed somewhat to a deterioration in my bank's funding conditions/contributed somewhat to a tightening of credit standards / contributed somewhat to a widening of lending margins; "o"= had no effect on my bank's funding conditions/had no effect on my bank's credit standards / had no effect on my bank's lending margins; "+" = contributed somewhat to an easing in my bank's funding conditions/contributed somewhat to an easing of credit standards / contributed somewhat to a narrowing of lending margins; "++" = contributed considerably to an easing in my bank's funding conditions/contributed considerably to an easing of credit standards / contributed considerably to a narrowing of lending margins. The mean and standard deviation are calculated by attributing the values 1 to 5 to the first possible answer and consequently for the others. Figures may not exactly sum up due to rounding.

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.