EUROPEAN CENTRAL BANK

EUROSYSTEM

9 May 2008

THE EURO AREA BANK LENDING SURVEY

- APRIL 2008 -

1. Overview of the results

The results reported in the April 2008 bank lending survey relate to changes during the first quarter of 2008 and expectations of changes in the second quarter of 2008. In this survey round, a number of changes were introduced. First, Cyprus and Malta participated in the survey for the first time. In addition, the samples for Germany and Italy were enlarged. The total euro area sample thereby increased to 113 banks, which can be expected to give a better overall picture of bank lending in the euro area. Second, a breakdown into large firms and small and medium-sized enterprises (SMEs) was introduced for two further questions on enterprises. Third, the classification of banks into large and small banks was revised, with the result that the definition of large banks is now more restrictive overall. As in the last two survey rounds, a number of ad hoc questions dealing specifically with the implications of the situation in financial markets were included in this survey round.

This report presents the results of the bank lending survey for the euro area that was conducted in March and April 2008. The cut-off date for the receipt of data from the banks participating in this survey was 8 April 2008.

The results of the April 2008 bank lending survey indicate a further increase in the net tightening of credit standards for loans to enterprises (up from 41% in the fourth quarter of 2007 to 49% in the first quarter of 2008), with net tightening increasing more for large than for small and medium-sized enterprises. Banks' risk perception regarding general economic activity, the industry or firm-specific outlook, and the cost of banks' funds and balance sheet constraints contributed to the further increase observed in banks' net tightening of credit standards. Banks also reported a further increase in the net tightening of credit standards for loans to households for house purchase (up from 21% in the fourth quarter of 2007 to 33% in the first quarter of 2008). In addition, the net tightening of credit standards for consumer credit and other lending to households rose (up from 10% in the fourth quarter of 2007 to 19% in the first quarter of 2008).

With regard to demand for loans, banks reported that net demand for loans to enterprises was negative in the first quarter of 2008, a decline by comparison with the slightly positive net demand observed in the previous quarter. Net demand for loans to households for house purchase also fell further in the first *quarter of 2008 and was negative, while net demand for consumer credit and other lending to households was broadly unchanged over the same period.*

This survey round also contains a set of ad hoc questions as a follow-up to the ad hoc questions included in the previous two survey rounds, looking at the effect that the financial turmoil is having on credit standards and lending. As in previous survey rounds, lending to enterprises was more affected by the turmoil than lending to households. Banks reported that their access to wholesale funding had deteriorated over the past three months, especially as regards securitisation activity. In addition, the percentage of banks reporting that events in financial markets are having a considerable impact on the cost related to their capital position and some impact on lending has increased over the past three months.

General notes

The bank lending survey is addressed to senior loan officers at 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 categories, questions are asked on credit standards for approving loans, credit terms and conditions, and credit demand and the factors affecting it.

The 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.

The survey questions are phrased in terms of changes over the past three months (in this case, in the first quarter of 2008) or expectations of changes over the next three months (i.e. in the second quarter of 2008).

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

[1] The sample group of banks participating in the survey comprises 113 banks, representing all of the euro area countries, and takes into account the characteristics of their respective national banking structures. Since these banks differ considerably in terms of size, the survey results are weighted according to the national shares of total outstanding euro area lending to euro area residents. All 113 banks participated in the April 2008 survey (i.e. there was an overall response rate of 100%).

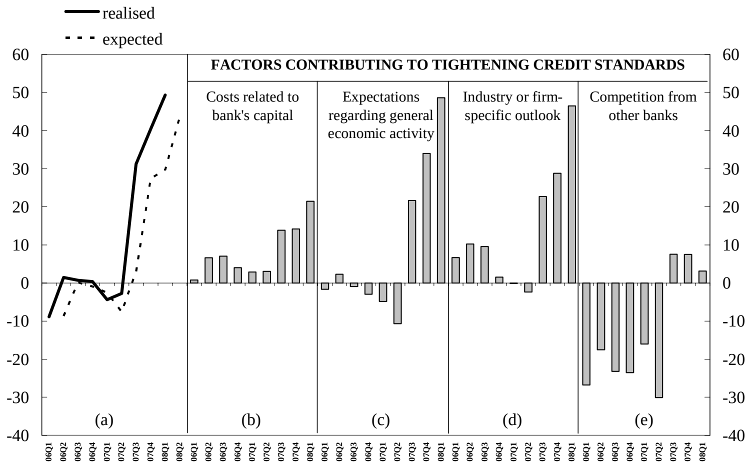
[2] For further information on the bank lending survey, please see the ECB press release of 21 November 2002 entitled "Bank lending survey for the euro area", the article entitled "A bank lending survey for the euro area" in the April 2003 issue of the ECB's Monthly Bulletin, and J. Berg et al. (2005),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

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

2.1 Enterprises

Credit standards. Reflecting the financial turmoil that has affected euro area banks over the past few months, net tightening of credit standards for loans or credit lines to enterprises increased further in the first quarter of 2008 (49%, compared with 41% in the previous quarter; see Chart 1, panel a).[3] With regard to the factors contributing to banks' tightening of credit standards, banks' perception of risk regarding general economic activity, the industry or firm-specific outlook and all the various factors covered by the cost of banks' funds and balance sheet constraints (i.e. banks' ability to access market financing, banks' costs related to their capital position and banks' liquidity positions) contributed to the increase in the net tightening (see Chart 1, panels b, c and d).

Chart 1. Changes in credit standards applied to the approval of loans or credit lines to enterprises
(net percentage of banks tightening standards and reporting that factors contributed to such tightening)



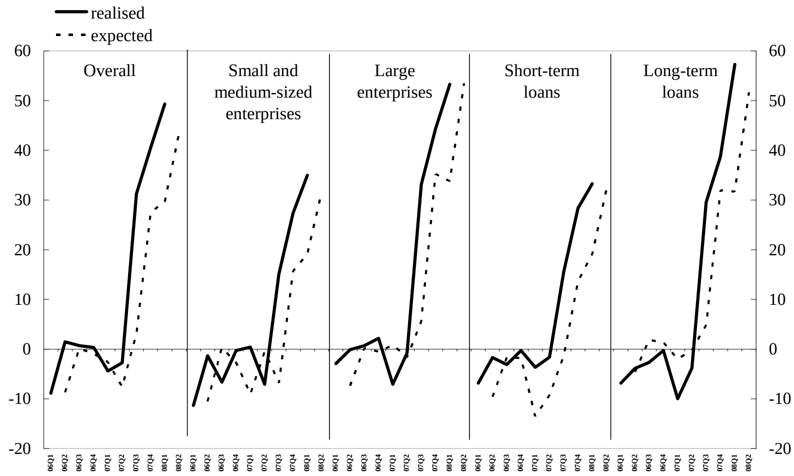
Notes: The net percentage refers to the difference between the sum of the percentages for "tightened considerably" and "tightened somewhat" and the sum of the percentages for "eased somewhat" and "eased considerably". "Realised" values refer to the period in which the survey was conducted. "Expected" values are the net percentages calculated from the responses given by the banks in the previous survey. For instance, "expected" values for the second quarter of 2008 were reported in the April 2008 survey. The net percentages for the 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.

Regarding the terms and conditions of credit (see Chart 19 in Section 4), banks tightened credit standards further in net terms, especially by means of net increases in margins on both average loans (62%, up from 38% in the previous round) and riskier loans (72%, up from 58% in the previous round). Non-price terms and conditions also made an increased contribution to the stronger net tightening observed in credit standards in the first quarter of 2008, particularly the size of loans or credit lines, but also collateral requirements and other terms and conditions.

---

[3] Based on the previous euro area sample, the net tightening would have been somewhat more pronounced.

Chart 2. Changes in credit standards applied to the approval of loans or credit lines to enterprises
(net percentages of banks tightening standards)

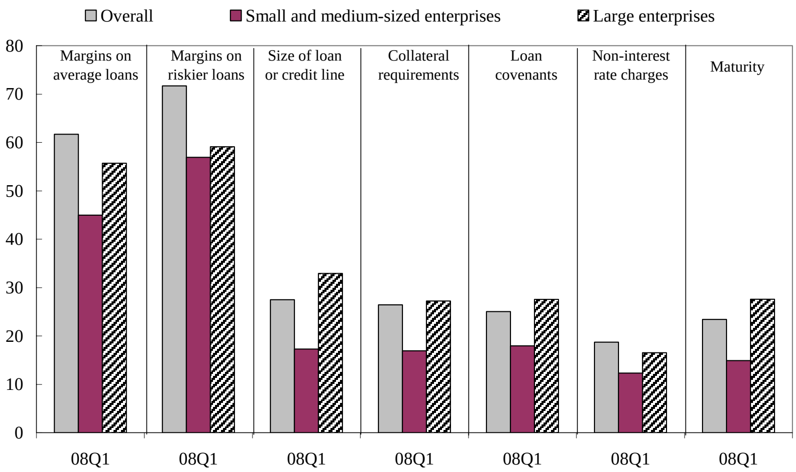


Note: See note for Chart 1.

The net tightening of credit standards continued to be stronger for large enterprises (53% in the first quarter of 2008, up from 44% in the fourth quarter of 2007) than for small and medium-sized enterprises (35% in the first quarter of 2008, up from 27% in the fourth quarter of 2007; see Chart 2). For the first time, a breakdown by firm size is possible also for the factors influencing changes in credit standards and the terms and conditions used to effect such changes. For both large enterprises and SMEs, the deterioration in expectations regarding general economic activity and the industry or firm-specific outlook were the most important factors in the net tightening (see Chart 18a in Section 4). At the same time, the cost of banks' funds and balance sheet constraints, especially banks' liquidity positions, were more important for large firms than for SMEs. With regard to terms and conditions, increases in banks' margins contributed most to the net tightening of credit standards on loans to both large firms and SMEs, although this contribution was somewhat more pronounced in the case of large firms (see Chart 3). Non-price terms and conditions also contributed more strongly to the net tightening for large than for SMEs, especially as regards the size of loans and credit lines, but also with regard to collateral, loan covenants and loan maturity.

As regards loan maturities, the further increase observed in net tightening was more pronounced for long-term loans (57%, up from 39% in the previous survey round) than for short-term loans (33%, up from 28% in the previous survey round). This may reflect the increase observed in the cost of banks' bond financing, as well as banks' assessment that their access to funding via medium and long-term debt securities continued to be hampered in the first quarter of 2008 (see Chart 13 in Section 3).

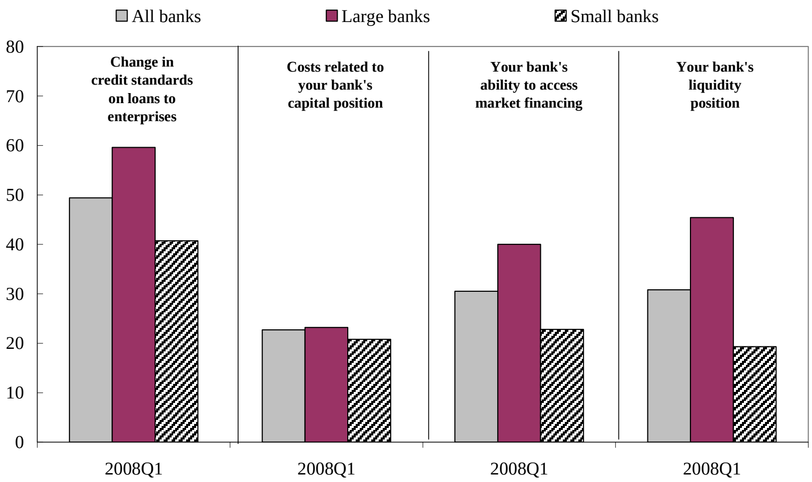
Chart 3. Terms and conditions contributing to changes in credit standards applied to the approval of loans or credit lines to enterprises
(net percentages of banks reporting that factors contributed to tightening standards)



Note: See note for Chart 1.

Net tightening of credit standards on loans to enterprises was stronger for large banks than for small banks (see Chart 4). With regard to the factors affecting credit standards, large banks identified, in particular, their ability to access market financing and their liquidity position as having a stronger negative impact on their credit standards.

Chart 4. Changes in credit standards applied to the approval of loans or credit lines to enterprises
(net percentages of banks reporting that factors contributed to tightening standards)



Note: See note for Chart 1.

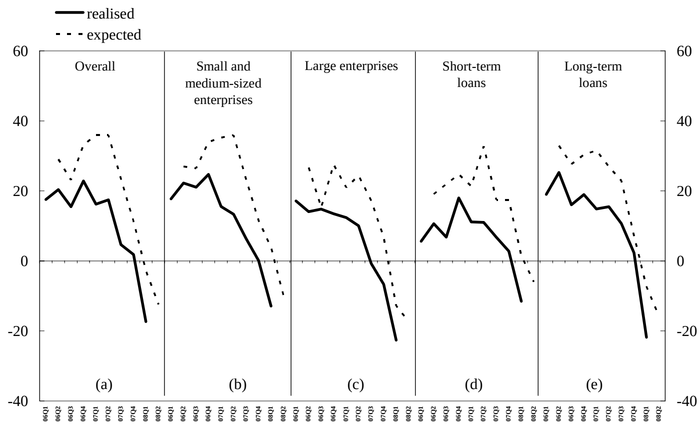
Loan demand. In the first quarter of 2008 net demand for loans on the part of enterprises was negative (-17%), a decline by comparison with the slightly positive net demand of the previous quarter (2%; see Chart 5, panel a).[4] The main factors in this negative net demand were M&As and corporate restructuring and a strong decline in net demand for financing for fixed investment and inventories and working capital

[4] Based on the previous sample, the fall in net demand for loans to enterprises would have been more pronounced.

(see Chart 6). In addition, internal financing made a considerable contribution to the decline in net demand for loans on the part of enterprises, thus pointing to continued sound profitability for enterprises. Debt securities issuance continued to contribute positively to net demand for loans on the part of enterprises, as market conditions and, in particular, the increased cost of market-based debt financing may have led to some replacement of market-based financing with bank financing. Loans from other banks and non-banks, as well as the issuance of equity, also contributed positively – albeit to a very limited extent – to net demand for loans (see Chart 6 and Chart 21b in Section 4).

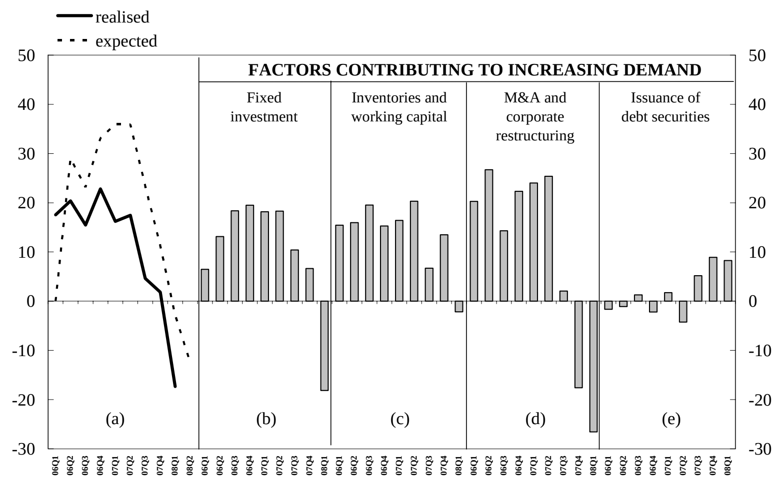
In terms of borrower size, while net loan demand was negative for both large firms and SMEs (-23% and -13% respectively; see Chart 5, panels b and c), it was weaker for large firms, in line with the results for previous quarters. Net demand was negative across the maturity spectrum, although to a larger extent for long-term loans than for short-term loans (-22% and -12% respectively), having been slightly positive in the previous quarter (see Chart 5, panels d and e).

Chart 5. Changes in demand for loans or credit lines to enterprises
(net percentages of banks reporting a positive contribution to demand)



Notes: The net percentages for the questions on demand for loans are defined as the difference between the sum of the percentages for "increased considerably" and "increased somewhat" and the sum of the percentages for "decreased somewhat" and "decreased considerably". "Realised" values refer to the period in which the survey was conducted. "Expected" values are the net percentages calculated from the responses given by the banks in the previous survey. For instance, "expected" values for the second quarter of 2008 were reported in the April 2008 survey.

Chart 6. Changes in demand for loans or credit lines to enterprises
(net percentages of banks reporting a positive contribution to demand)



Note: See note for Chart 5.

Expectations. Looking ahead to the second quarter of 2008, expectations point to the net tightening of credit standards being somewhat weaker (44%) than was actually observed in the first quarter of 2008 (see Chart 1, panel a). Net demand for loans on the part of enterprises is expected to be less negative (-12%) than was actually observed in the first quarter (see Chart 6, panel a), both for loans to SMEs and for loans to large firms. With regard to loan maturities, banks also expect net demand for short-term and long-term loans to be slightly less negative in the second quarter of 2008 (see Chart 5).

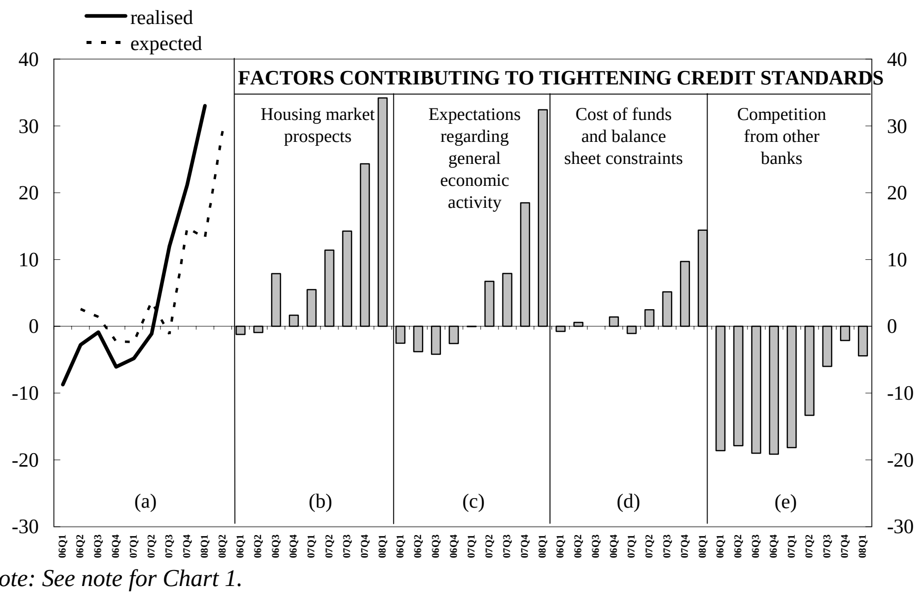
2.2 *Households*

Loans to households for house purchase

Credit standards. In the first quarter of 2008 banks reported a further increase in the net tightening of credit standards for loans to households for house purchase (33%, up from 21% in the fourth quarter of 2007; see Chart 7, panel a). Less favourable expectations regarding general economic activity and housing market prospects were the main factors contributing to this increase (see Chart 7, panels b and c). Competition from other banks continued to contribute to the easing of standards (see Chart 7, panel e).

Regarding the terms and conditions of credit, the net tightening for loans for house purchase was implemented mainly via a widening of margins on both average loans and riskier loans. However, non-price terms and conditions, especially a further tightening of loan-to-value ratios, also contributed to this net tightening (see Chart 26 in Section 4).

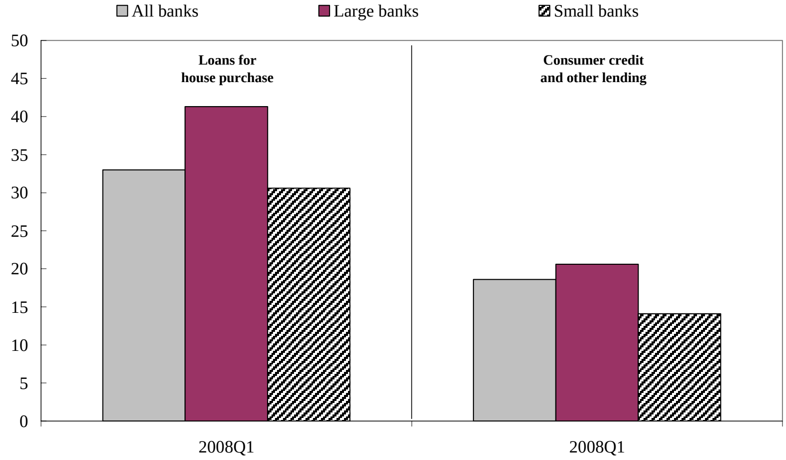
Chart 7. Changes in credit standards applied to the approval of loans to households for house purchase *(net percentages of banks tightening credit standards and the factors contributing to such tightening)*



Note: See note for Chart 1.

When the net tightening of credit standards on loans to households for house purchase is compared across different sizes of bank, large banks can be seen to have tightened their credit standards by more than smaller banks (see Chart 8).

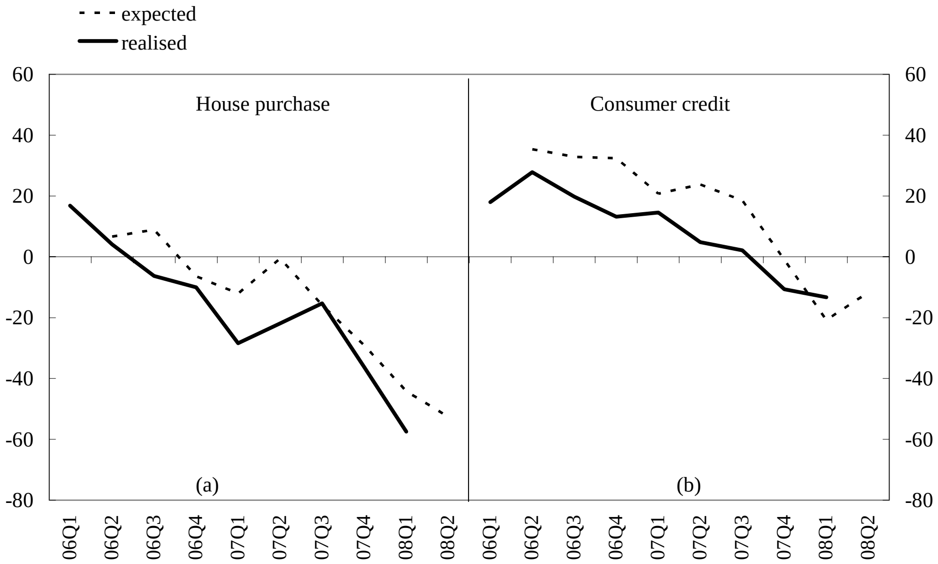
Chart 8. Changes in credit standards applied to the approval of loans to households for house purchase *(net percentages of banks tightening credit standards)*



Note: See note for Chart 1.

Loan demand. Net demand for loans to households for house purchase fell further in the first quarter of 2008 (to -57%, from -36% in the previous quarter; see Chart 9, panel a). This essentially reflected deteriorating consumer confidence and worsening housing market prospects (see Chart 30 in Section 4).

Chart 9. Changes in demand for loans to households
(net percentages of banks reporting a positive contribution to demand)



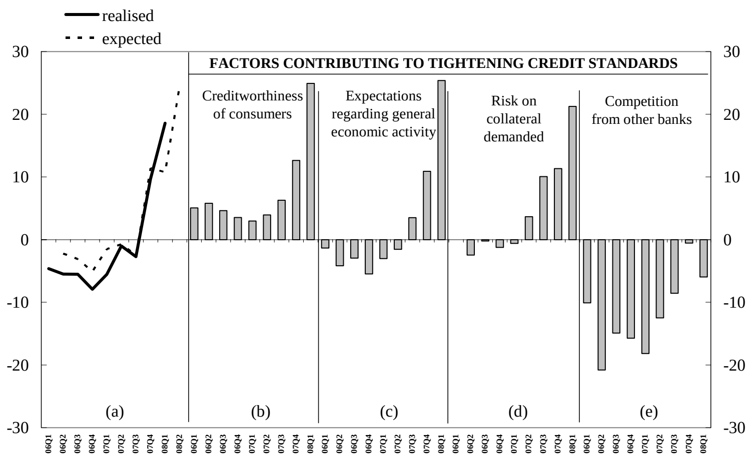
Note: See note for Chart 5.

Expectations. For the second quarter of 2008 respondent banks expect continued net tightening of credit standards for loans to households for house purchase (29%), albeit slightly weaker than the net tightening actually observed in the first quarter of 2008 (see Chart 7, panel a). Net loan demand is expected to be slightly less negative in the second quarter of this year (-53%; see Chart 9, panel a).

Consumer credit and other lending to households

Credit standards. In the first quarter of 2008 banks reported a further increase in the net tightening of credit standards applied to the approval of consumer credit and other lending to households (19%, up from 10% in the previous quarter; see Chart 10, panel a). The main factor in this further net tightening was banks' perception of risk related to less favourable expectations regarding general economic activity, the creditworthiness of consumers and the risk on the collateral demanded (see Chart 10, panels b, c and d). This net tightening was implemented mainly via the widening of margins on both riskier loans and, to a lesser extent, average loans (see Chart 28 in Section 4). In addition, non-price terms and conditions, such as collateral requirements, loan maturities and non-interest rate charges, were tightened by comparison with the previous quarter.

Chart 10. Changes in credit standards applied to the approval of consumer credit and other lending to households *(net percentages of banks tightening credit standards and the factors contributing to such tightening)*



Note: See note for Chart 1.

Loan demand. Net demand for consumer credit and other lending to households was broadly unchanged in the first quarter of 2008 and remained negative (-13%, having stood at -11% in the previous quarter; see Chart 9, panel b). In particular, deteriorating consumer confidence was seen as a factor dampening demand for consumer loans.

Expectations. For the second quarter of 2008 the net tightening of credit standards for consumer credit and other lending to households is expected to be somewhat stronger (25%) than was actually observed in the first quarter (see Chart 10, panel a). Net demand is expected to remain negative (-12%), broadly unchanged from the first quarter (see Chart 9, panel b).

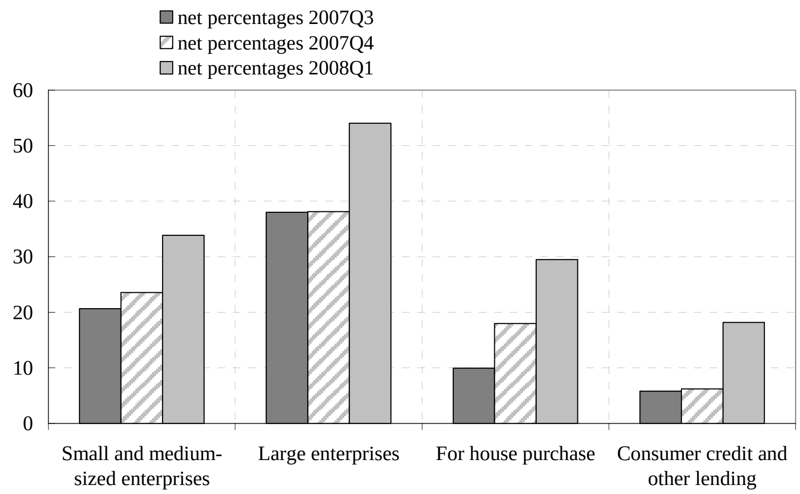
3. Ad hoc questions on the impact of the financial turmoil

As a follow-up to the ad hoc questions included in the last two survey rounds, the April 2008 survey also contains a set of questions aimed at gauging the extent to which the financial market tensions have affected banks' credit standards for loans and credit lines to euro area enterprises and households in the first quarter of 2008, as well as the anticipated impact of such tensions over the next three months. The questions focus first on the impact on credit standards (Section 3.1), and then on access to wholesale funding (Section 3.2) and the impact on bank lending (Section 3.3).[5]

3.1 Impact on credit standards

As in the last survey round, responding banks reported that credit standards for loans to enterprises were more affected by the turmoil than credit standards for loans to households (see Chart 11). In particular, the situation in financial markets had a larger impact on loans to large enterprises than on loans to SMEs. In the first quarter of 2008 a net percentage of 54% of banks reported a tightening of credit standards for loans and credit lines to large enterprises owing to the situation in financial markets (up from 38% in the previous quarter), while a net percentage of 34% of banks reported such tightening for SMEs (up from 24% in the previous quarter). With regard to lending to households for house purchase, a net percentage of 29% of reporting banks indicated that the situation in financial markets had contributed to a tightening of credit standards (up from 18% in the previous quarter), whereas a net percentage of 19% of reporting banks (up from 6% in the previous quarter) said the same for consumer credit and other lending.

Chart 11. Effect of the recent turmoil in financial markets on banks' credit standards over the past three months *(net percentages of banks tightening standards)*

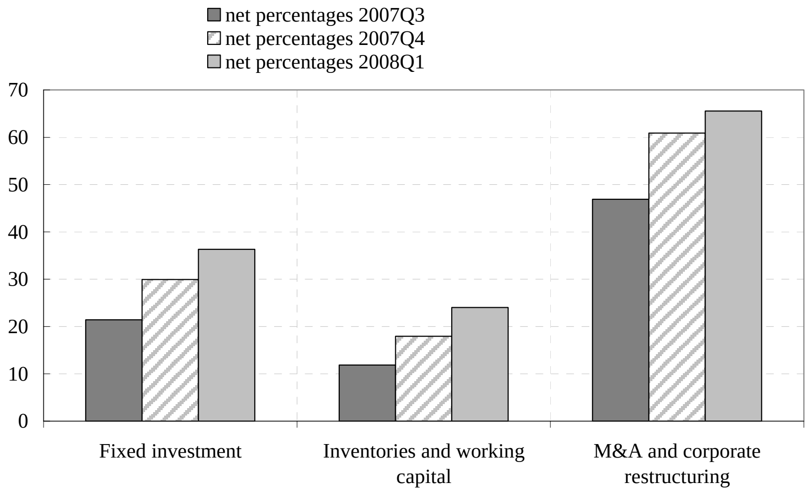


Notes: In order to calculate net percentages, it is assumed that there was no easing in the third quarter of 2007, as the ad hoc questions in October 2007 asked only about tightening. Euro area figures are weighted averages of country results.

---

[5] The results shown are calculated as a percentage of the number of banks not replying "not applicable".

Chart 12. Effect of the recent turmoil in financial markets on banks' credit standards for the approval of loans and credit lines to enterprises over the past three months *(net percentages of banks tightening standards)*



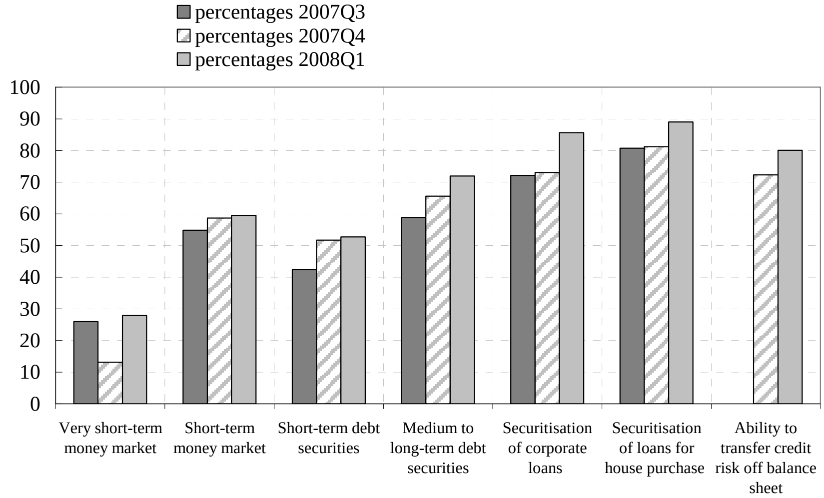
Note: See note for Chart 1.

Focusing more specifically on loans and credit lines to enterprises, according to responding banks the impact of the turmoil on credit standards was, in the first quarter of 2008, especially strong for loans financing M&As and corporate restructuring, whereas the effect was more limited – albeit increasing – for loans financing fixed investment or inventories and working capital (see Chart 12). In the first quarter of 2008 the net tightening of banks' credit standards for loans financing M&As and corporate restructuring increased to 66% (up from 61% in the fourth quarter of 2007), whereas the net tightening of banks' credit standards for loans financing fixed investment increased to 36%, up from 30% in the previous quarter.

3.2 Access to wholesale funding

Banks generally reported that the turmoil in financial markets had, over the past three months, made it more difficult to access wholesale funding by comparison with the fourth quarter of 2007 (see Chart 13). In particular, between 85% and 90% of responding banks reported that their securitisation activity continued to be hampered for the selling of loans for house purchase and for the selling of corporate loans. In addition, 80% of reporting banks considered that their ability to remove credit risk from their balance sheets had been hampered over the past three months. Banks also reported continued difficulties in accessing wholesale funding through the interbank unsecured money market in the first quarter of 2008. In addition, as in the last survey round, a larger share of banks had difficulties in raising funds through medium to long-term bonds than through short-term debt securities. Over the next three months, access to wholesale funding is expected to improve slightly, compared with the situation in the first quarter of 2008.

Chart 13. Access to wholesale funding over the past three months *(percentages of banks reporting hampered market access)*



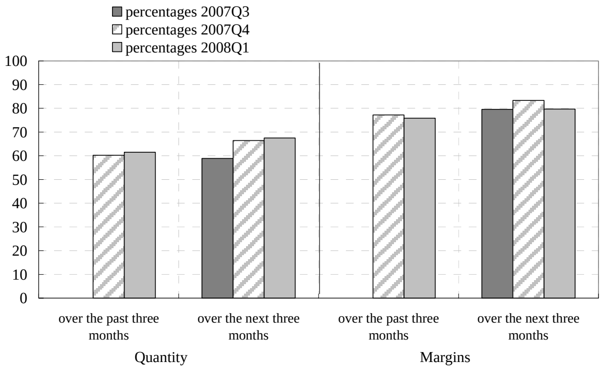
Note: Percentages have been calculated by adding together the shares of banks reporting "considerably hampered" and "somewhat hampered".

3.3 Impact on bank lending

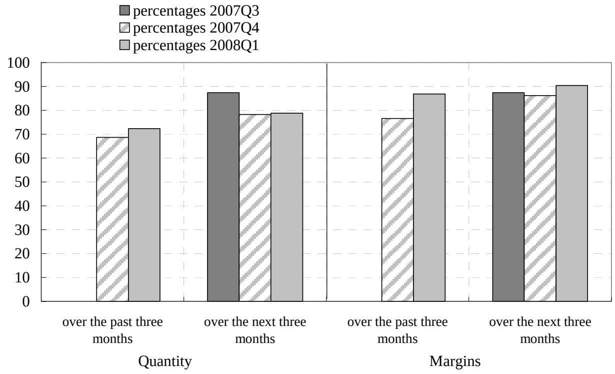
Difficulties in accessing wholesale funding over the past three months have also had an impact on the amount that banks have been willing to lend and/or the margins at which funds have been lent over the past three months (see Chart 14). In the first quarter of 2008 61% of banks reported that their access to wholesale funding via money markets and debt securities markets was having an impact on their willingness to lend (broadly unchanged from the 60% reporting such an impact in the previous quarter), while 76% of banks reported that the wholesale funding situation was having an impact on the margins at which funds were lent (broadly unchanged from the 77% reporting such an impact in the previous quarter). At the same time, the impact on margins continued generally to be stronger than that on the amount of loans granted to borrowers. As regards the impact of the more difficult environment for securitisation, a larger share of banks reported that loan margins were being affected (87% of banks, compared with 77% in the previous quarter), while the share of banks reporting an impact on lending amounts remained broadly unchanged (72% of banks, compared with 69% in the previous quarter). For other sources of funding, banks reported that the impact on margins was stronger than that on quantities. By contrast with their expectations of a slight improvement in their access to wholesale funding, responding banks reported that they expected the impact on margins and their willingness to lend to increase further during the second quarter of 2008.

Chart 14. Impact on lending resulting from hampered market access *(percentages of banks)*

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



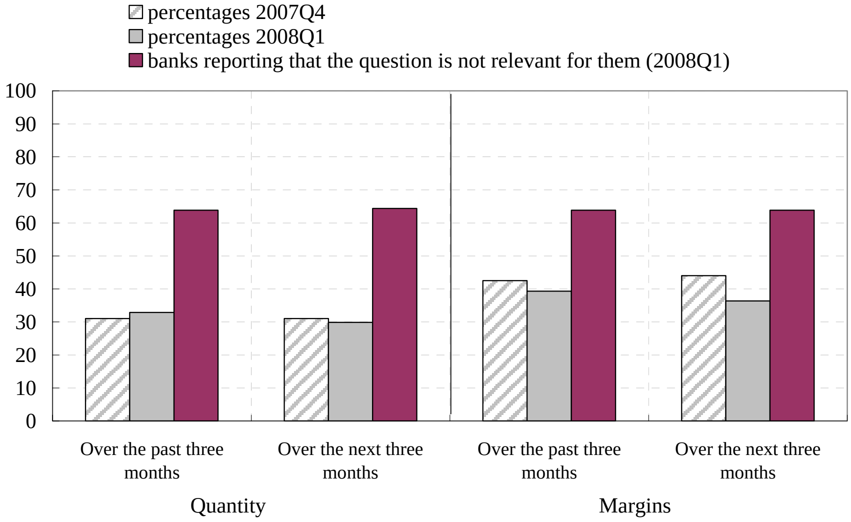
(b) For securitisation



Note: Percentages have been calculated by adding together the shares of banks reporting "considerable impact" and "some impact".

As regards the impact of banks' need to fund draw-downs on commitments to asset-backed commercial paper programmes issued by conduits or structured investment vehicles, banks for which this question was relevant (i.e. excluding those banks which replied "not applicable") reported a broadly unchanged impact as regards the amount lent (33% of banks, compared with 31% in the previous quarter) and slightly less impact on the margins at which they lent to borrowers (39% of banks, compared with 43% in the previous quarter; see Chart 15). As in the previous survey round, however, it needs to be borne in mind that 64% of responding banks replied "not applicable". Over the next three months, a somewhat smaller impact is expected for both loan amounts and margins.

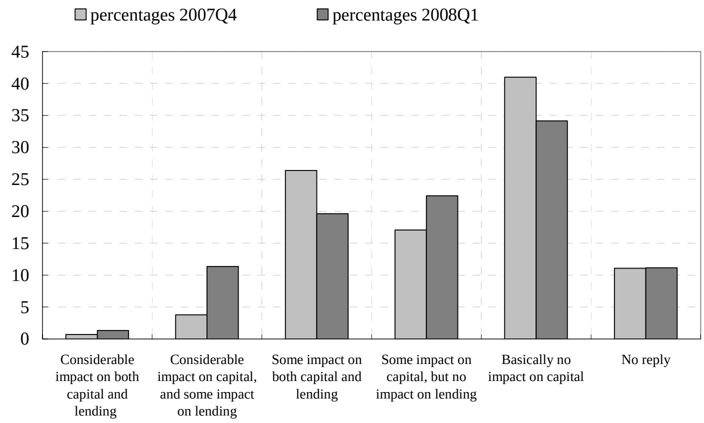
Chart 15. Effect on lending via structured investment vehicles *(percentages of banks)*



Notes: This question was not included in the ad hoc questions for the third quarter of 2007. Percentages have been calculated by adding together the shares of banks reporting "considerable impact" and "some impact".

As regards the change in banks' costs related to their capital position, in the first quarter of 2008 a larger share of responding banks reported that there had been a considerable impact on the cost related to their capital position and some impact on lending (11% of banks, compared with 4% in the previous quarter; see Chart 16).

Chart 16. Effect on the costs related to the banks' capital position and impact on lending
(percentages of banks)



4. Results for the individual questions

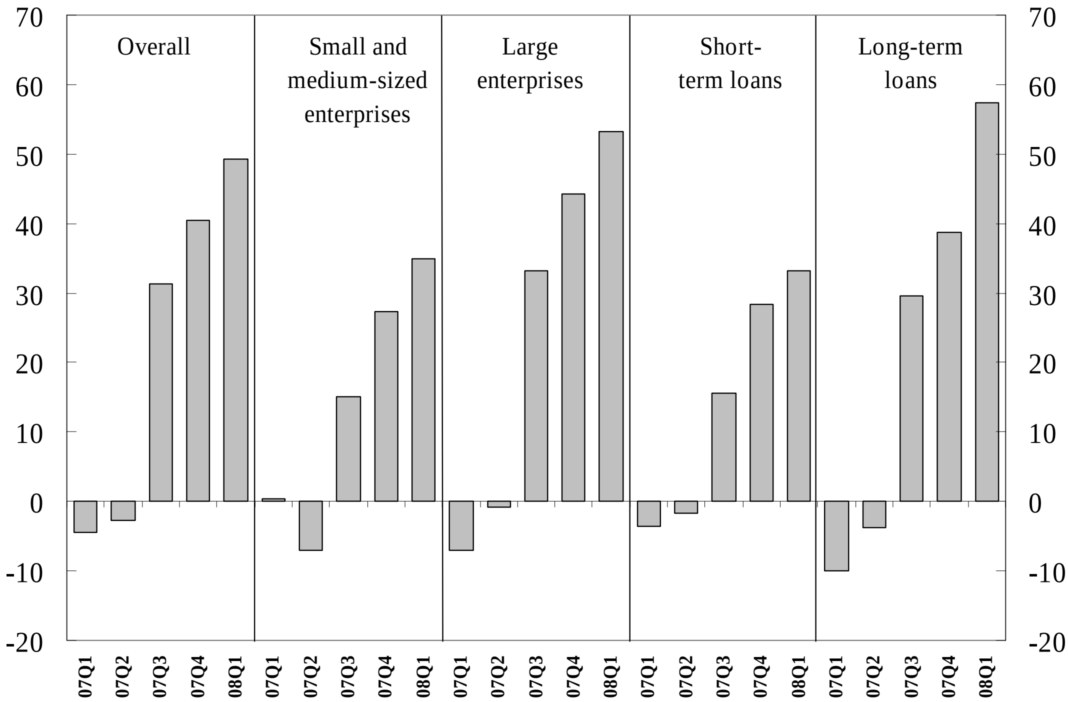
I. Loans or credit lines to enterprises

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 2008	April 2008	January 2008	April 2008	January 2008	April 2008	January 2008	April 2008	January 2008	April 2008
Tightened considerably	5	4	0	0	7	2	2	1	9	7
Tightened somewhat	36	47	28	38	38	52	27	34	30	52
Remained basically unchanged	58	49	71	60	54	45	70	65	60	41
Eased somewhat	1	1	1	3	1	1	1	1	1	1
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	**41**	**49**	**27**	**35**	**44**	**53**	**28**	**33**	**39**	**57**
Mean	*2.54*	*2.47*	*2.73*	*2.65*	*2.48*	*2.44*	*2.70*	*2.66*	*2.52*	*2.36*
Number of banks responding	***85***	***106***	***85***	***106***	***85***	***102***	***85***	***106***	***85***	***104***

Note: 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".

Chart 17. 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 January 2008	NetP April 2008	Mean January 2008	Mean April 2008
A) Cost of funds and balance sheet constraints										
Costs related to your bank's capital position	1	20	69	0	0	10	14	21	2.83	2.74
Your bank's ability to access market financing	3	28	55	0	0	14	18	31	2.79	2.60
Your bank's liquidity position	1	23	65	0	0	11	17	24	2.80	2.72
B) Pressure from competition										
Competition from other banks	0	7	81	3	0	9	8	3	2.91	2.95
Competition from non-banks	1	3	82	1	0	13	5	4	2.93	2.93
Competition from market financing	3	6	78	1	0	13	10	7	2.84	2.87
C) Perception of risk										
Expectations regarding general economic activity	3	44	44	0	0	9	34	47	2.61	2.46
Industry or firm-specific outook	5	42	44	0	0	9	29	47	2.68	2.45
Risk on the collateral demanded	0	21	70	0	0	9	20	21	2.79	2.78

SME

	--	-	°	+	++	NA	NetP January 2008	NetP April 2008	Mean January 2008	Mean April 2008
A) Cost of funds and balance sheet constraints										
Costs related to your bank's capital position	0	10	76	0	0	14		10		2.89
Your bank's ability to access market financing	1	16	64	0	0	19		18		2.77
Your bank's liquidity position	1	8	75	0	0	16		9		2.90
B) Pressure from competition										
Competition from other banks	0	2	79	4	0	15		-3		3.02
Competition from non-banks	0	2	80	0	0	18		2		2.96
Competition from market financing	0	4	78	0	0	18		4		2.95
C) Perception of risk										
Expectations regarding general economic activity	1	37	48	0	0	14		38		2.57
Industry or firm-specific outook	3	33	49	0	0	14		37		2.57
Risk on the collateral demanded	1	16	69	0	0	14		17		2.81

LARGE

	--	-	°	+	++	NA	NetP January 2008	NetP April 2008	Mean January 2008	Mean April 2008
A) Cost of funds and balance sheet constraints										
Costs related to your bank's capital position	1	21	59	0	0	19		23		2.68
Your bank's ability to access market financing	3	28	47	0	0	23		31		2.58
Your bank's liquidity position	4	27	49	0	0	20		31		2.56
B) Pressure from competition										
Competition from other banks	1	5	71	4	0	18		3		2.92
Competition from non-banks	1	2	76	0	0	21		3		2.92
Competition from market financing	1	6	72	1	0	21		6		2.90
C) Perception of risk										
Expectations regarding general economic activity	3	36	43	0	0	18		39		2.51
Industry or firm-specific outook	5	37	41	0	0	18		41		2.47
Risk on the collateral demanded	0	21	60	1	0	18		20		2.76

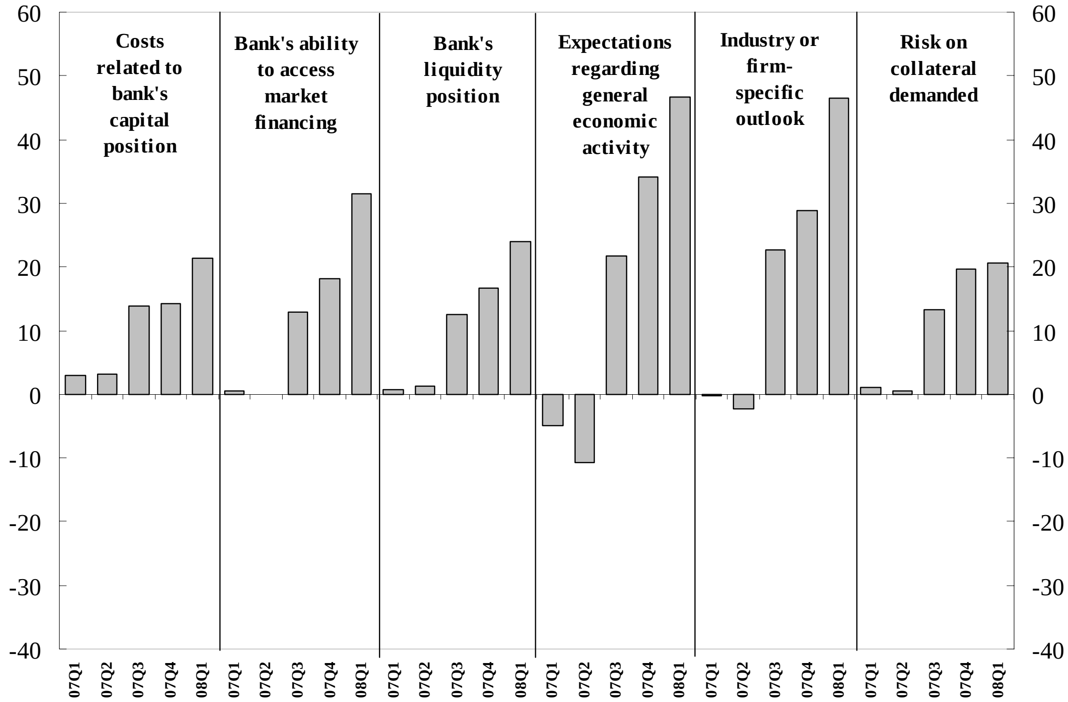
NA = Not available; NetP = Net percentage

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

Chart 18a. Factors affecting credit standards applied to the approval of loans or credit lines to enterprises

(net percentages of banks reporting tightening standards)

OVERALL



BREAKDOWN

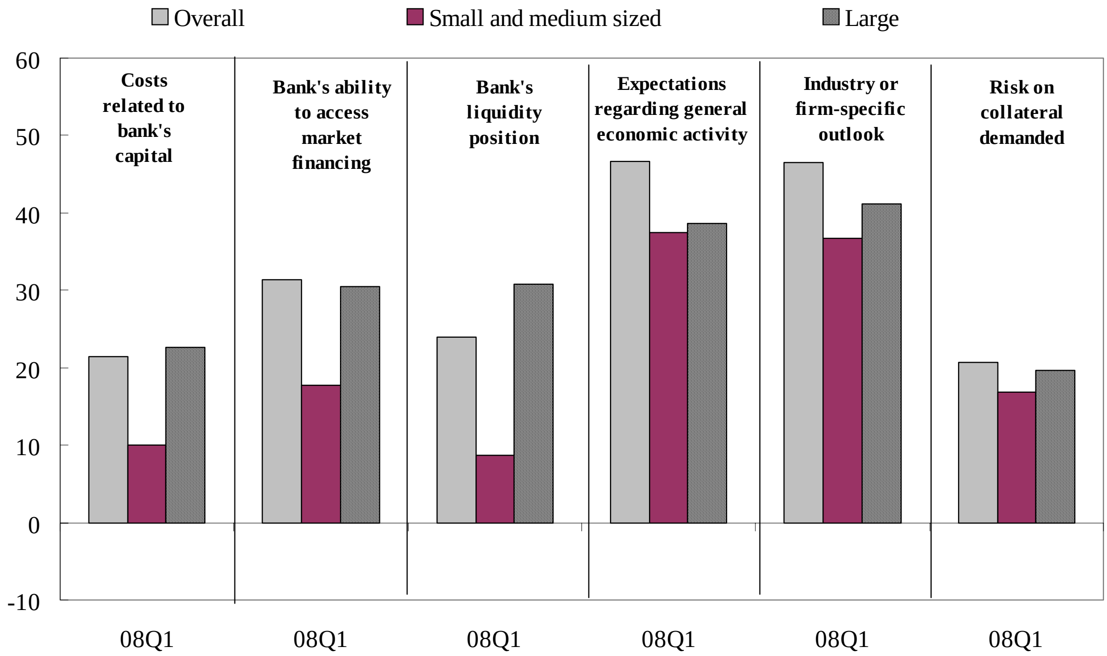
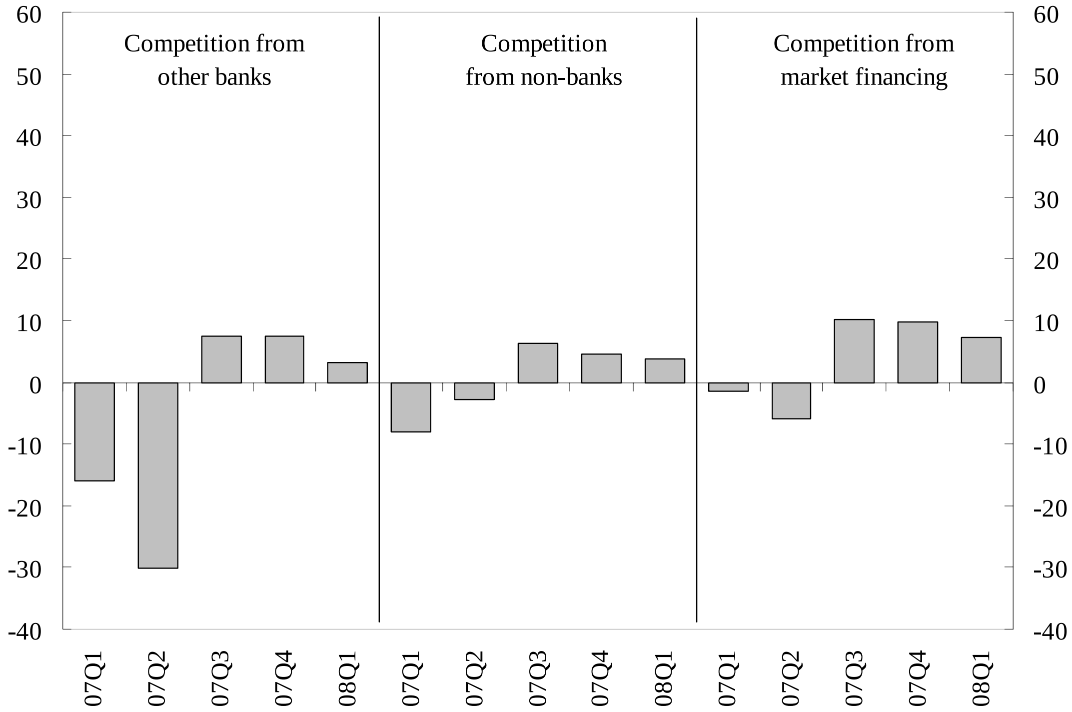
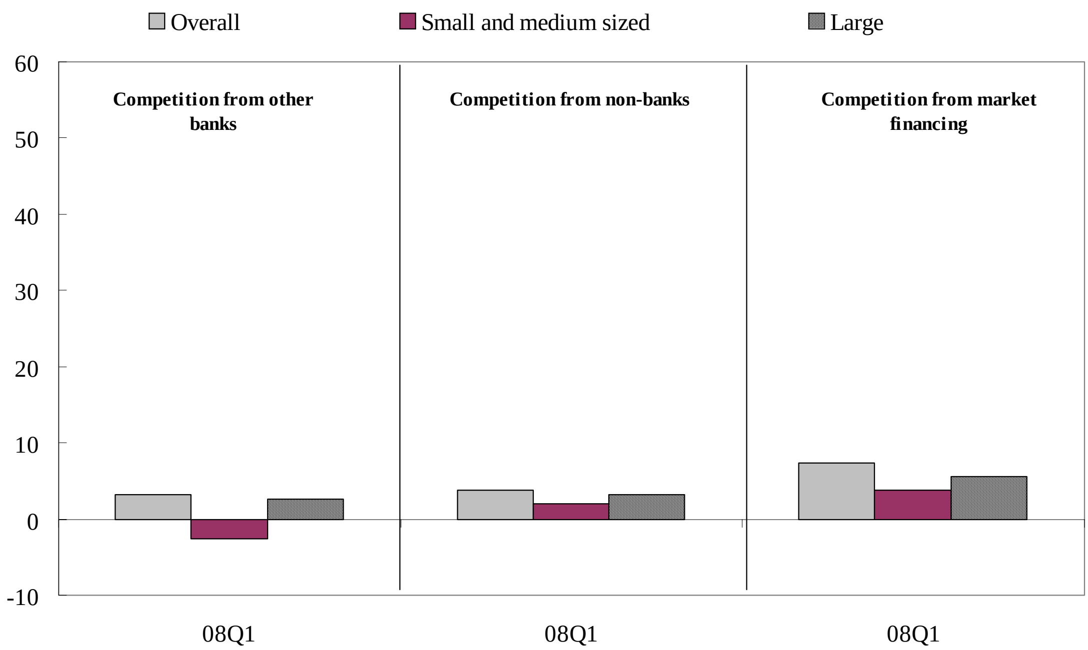


Chart 18b. Factors affecting credit standards applied to the approval of loans or credit lines to enterprises
(net percentages of banks contributing to tightening standards)

OVERALL



BREAKDOWN



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

OVERALL							NetP		Mean	
	--	-	°	+	++	NA	January 2008	April 2008	January 2008	April 2008
A) Price										
Your bank's margin on average loans	3	60	28	2	0	7	38	62	2.56	2.30
Your bank's margin on riskier loans	21	52	19	1	0	8	58	72	2.27	1.99
B) Other conditions and terms										
Non-interest rate charges	0	19	72	0	0	9	10	19	2.89	2.79
Size of the loan or credit line	2	26	64	1	0	7	12	28	2.86	2.68
Collateral requirements	0	27	65	1	0	7	24	26	2.73	2.72
Loan covenants	1	24	66	0	0	9	17	25	2.80	2.71
Maturity	1	23	69	0	0	8	17	23	2.81	2.74

SME							NetP		Mean	
	--	-	°	+	++	NA	January 2008	April 2008	January 2008	April 2008
A) Price										
Your bank's margin on average loans	0	46	39	1	0	14		45		2.49
Your bank's margin on riskier loans	11	46	27	0	0	16		57		2.22
B) Other conditions and terms										
Non-interest rate charges	1	12	72	0	0	15		12		2.86
Size of the loan or credit line	2	15	69	0	0	14		17		2.78
Collateral requirements	1	17	66	2	0	14		17		2.80
Loan covenants	3	16	67	0	0	15		18		2.75
Maturity	0	15	71	0	0	14		15		2.84

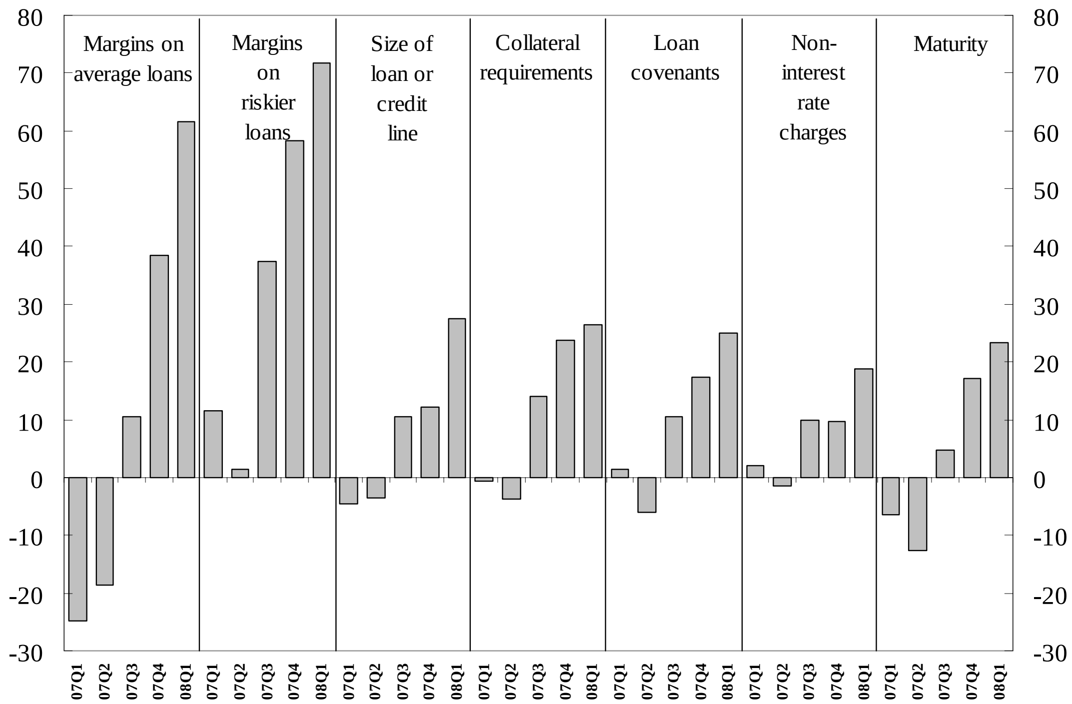
LARGE							NetP		Mean	
	--	-	°	+	++	NA	January 2008	April 2008	January 2008	April 2008
A) Price										
Your bank's margin on average loans	8	49	26	1	0	16		56		2.23
Your bank's margin on riskier loans	19	41	22	1	0	17		59		2.05
B) Other conditions and terms										
Non-interest rate charges	1	16	67	0	0	17		17		2.79
Size of the loan or credit line	2	31	51	0	0	16		33		2.58
Collateral requirements	0	27	57	0	0	16		27		2.67
Loan covenants	3	25	55	0	0	18		28		2.61
Maturity	1	27	56	0	0	17		28		2.66

NA = Not available; NetP = Net percentage

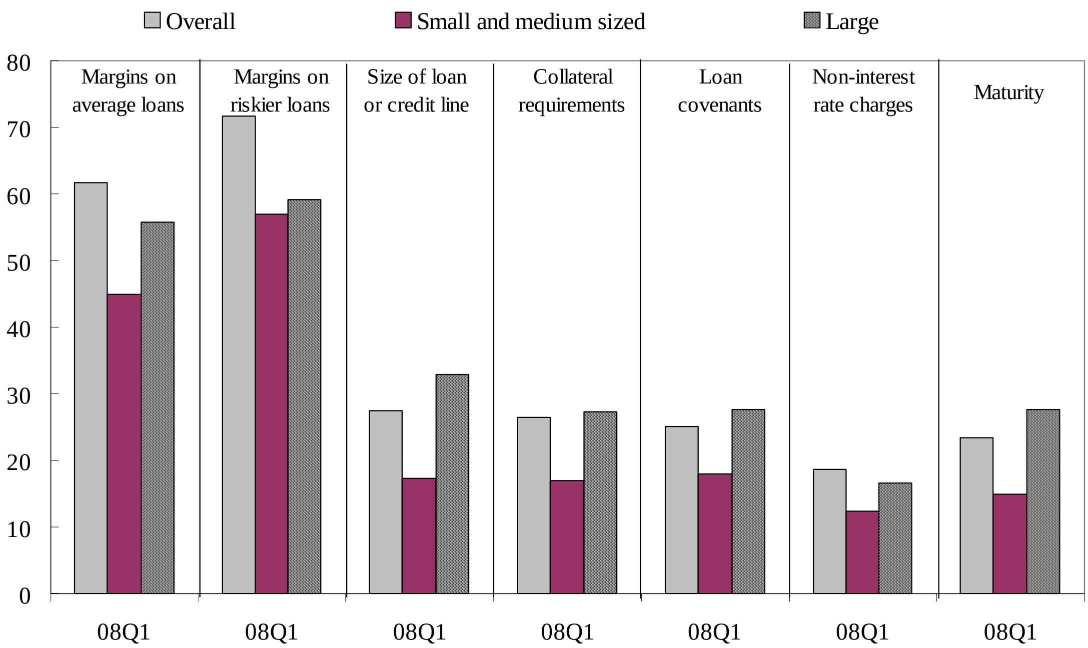
Note: The "net percentage" column is defined as the difference between the sum of "- -" (tightened considerably) and "-" (tightened somewhat), and the sum of "+" (eased somewhat) and "+ +" (eased considerably). "°" means "remained basically unchanged".

Chart 19. Conditions and terms for approving loans or credit lines to enterprises
(net percentages of banks contributing to tightening standards)

OVERALL



BREAKDOWN



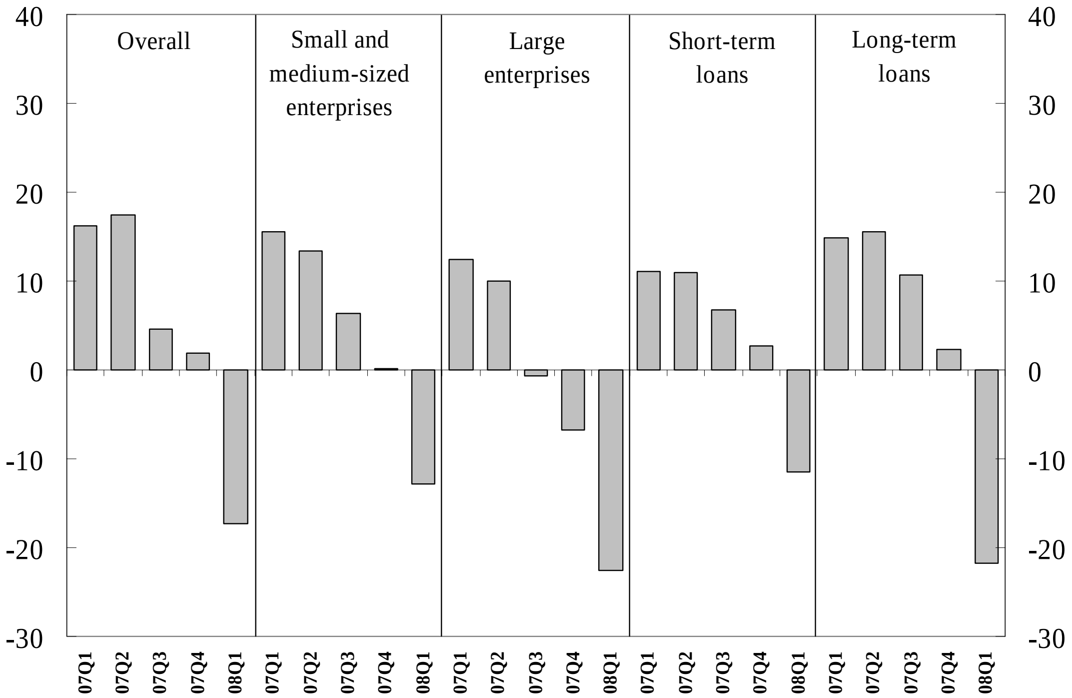
4. Over the past three months, how has the demand for loans or credit lines to enterprises changed at your bank, apart from normal seasonal fluctuations?

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	January 2008	April 2008	January 2008	April 2008	January 2008	April 2008	January 2008	April 2008	January 2008	April 2008
Decreased considerably	1	2	1	1	1	5	1	3	1	5
Decreased somewhat	14	28	11	24	21	35	14	23	15	33
Remained basically unchanged	69	56	75	64	63	43	67	60	64	47
Increased somewhat	17	13	11	11	15	15	18	15	17	15
Increased considerably	0	0	2	1	0	2	0	0	2	1
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	**2**	**-17**	**0**	**-13**	**-7**	**-23**	**3**	**-12**	**2**	**-22**
Mean	*3.01*	*2.80*	*3.00*	*2.87*	*2.92*	*2.75*	*3.01*	*2.85*	*3.03*	*2.74*
Number of banks responding	***85***	***105***	***85***	***106***	***85***	***102***	***85***	***105***	***85***	***103***

Note: The net percentage is defined as the difference between the sum of the percentages for "increased considerably" and "increased somewhat", and the sum of the percentages for "decreased somewhat" and "decreased considerably".

Chart 20. 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		Mean	
							January 2008	April 2008	January 2008	April 2008
A) Financing needs										
Fixed investment	0	30	49	12	0	10	7	-18	3.07	2.80
Inventories and working capital	0	13	68	9	2	9	14	-2	3.14	3.00
Mergers/acquisitions and corporate restructuring	8	24	52	5	0	11	-18	-27	2.78	2.61
Debt restructuring	1	11	68	7	3	10	-2	-2	2.94	2.98
B) Use of alternative finance										
Internal financing	1	11	75	1	0	12	-4	-11	2.96	2.86
Loans from other banks	0	9	68	10	1	12	5	1	3.07	3.02
Loans from non-banks	0	3	80	5	0	13	3	2	3.03	3.04
Issuance of debt securities	2	2	66	12	0	18	9	8	3.10	3.08
Issuance of equity	2	1	74	5	0	19	2	2	3.02	3.02

NA = Not available; NetP = Net percentage

Note: The "net percentage" column is defined as the difference between the sum of "+ +" (contributed considerably to higher demand) and "+" (contributed somewhat to higher demand), and the sum of "-" (contributed somewhat to lower demand) and "- -" (contributed considerably to lower demand)."°" means "contributed to basically unchanged demand".

Chart 21a. Factors affecting demand for loans and credit lines to enterprises

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

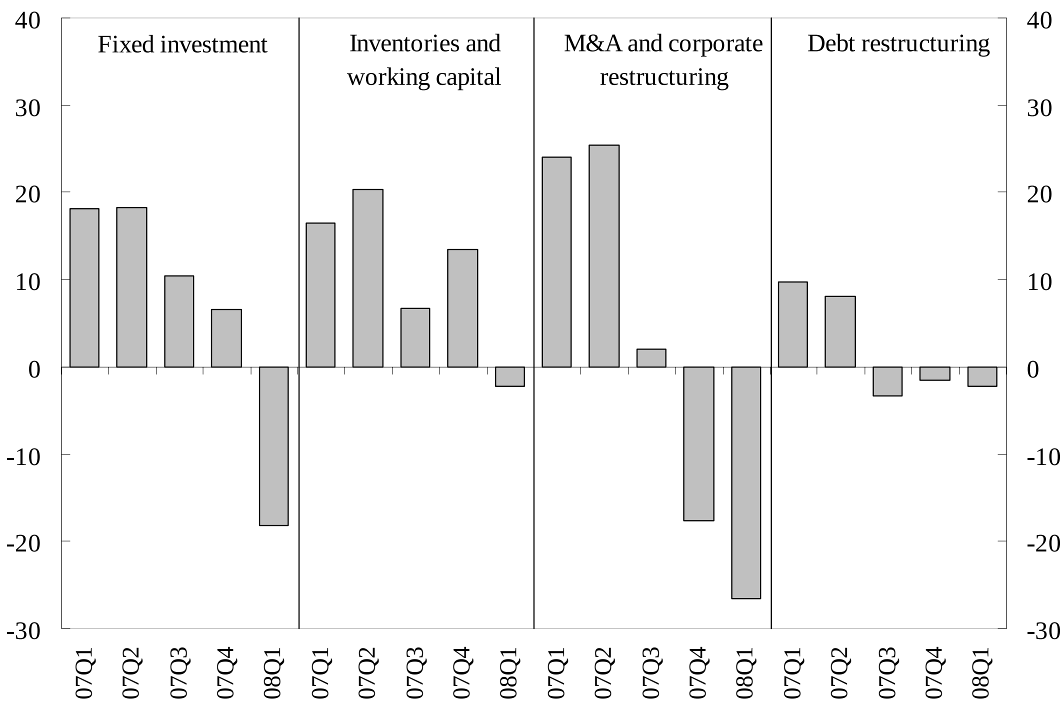
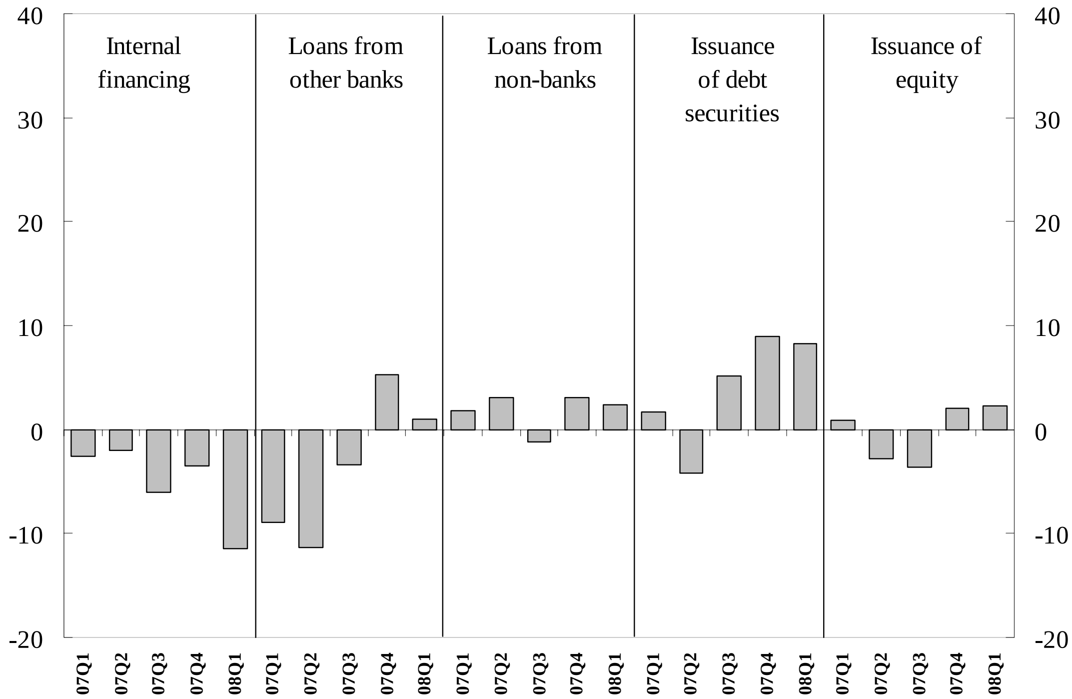


Chart 21b. Factors affecting demand for loans and credit lines to enterprises
(net percentages of banks reporting a positive contribution to demand)

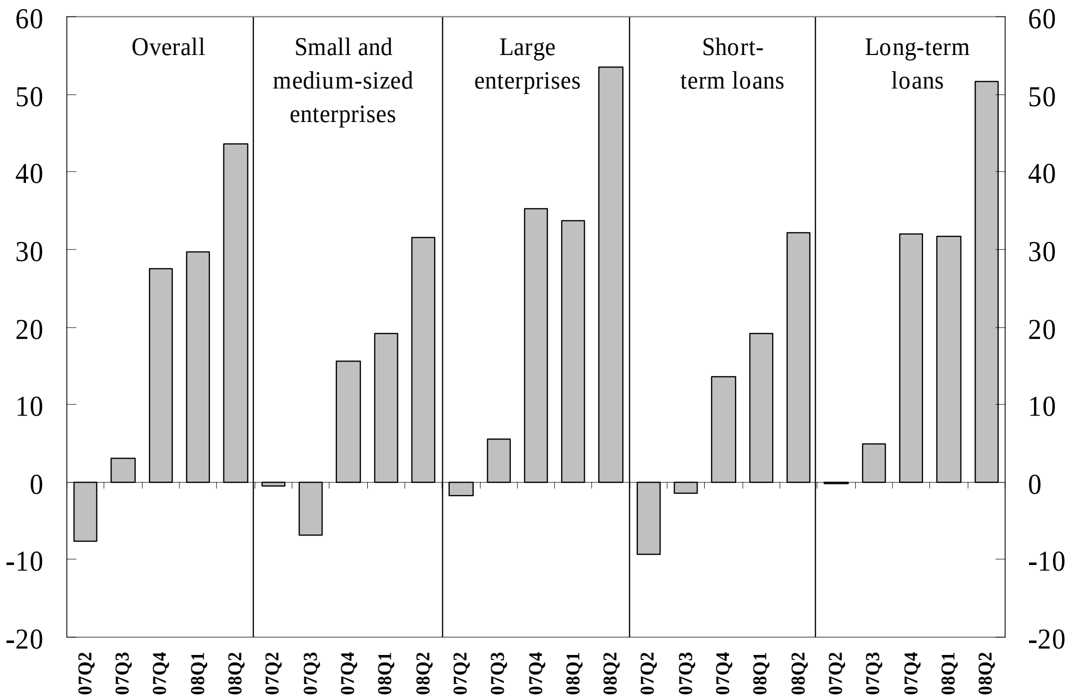


6. Please indicate how you expect your bank's credit standards as applied to the approval of loans or credit lines to enterprises to change over the next three months.

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	January 2008	April 2008	January 2008	April 2008	January 2008	April 2008	January 2008	April 2008	January 2008	April 2008
Tighten considerably	1	1	1	2	3	1	1	0	4	3
Tighten somewhat	33	44	27	31	34	53	22	33	31	50
Remain basically unchanged	61	55	65	67	60	47	73	66	62	46
Ease somewhat	5	1	8	1	3	0	4	1	3	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	**30**	**44**	**19**	**32**	**34**	**54**	**19**	**32**	**32**	**52**
Mean	*2.69*	*2.56*	*2.80*	*2.67*	*2.63*	*2.46*	*2.80*	*2.68*	*2.64*	*2.45*
Number of banks responding	***85***	***106***	***85***	***106***	***85***	***102***	***85***	***106***	***85***	***104***

Note: The net percentage is defined as the difference between the sum of the percentages for "tighten considerably" and "tighten somewhat", and the sum of the percentages for "ease somewhat" and "ease considerably".

Chart 22. Expected credit standards for the approval of loans or credit lines to enterprises
(net percentages of banks expecting tightening credit standards)

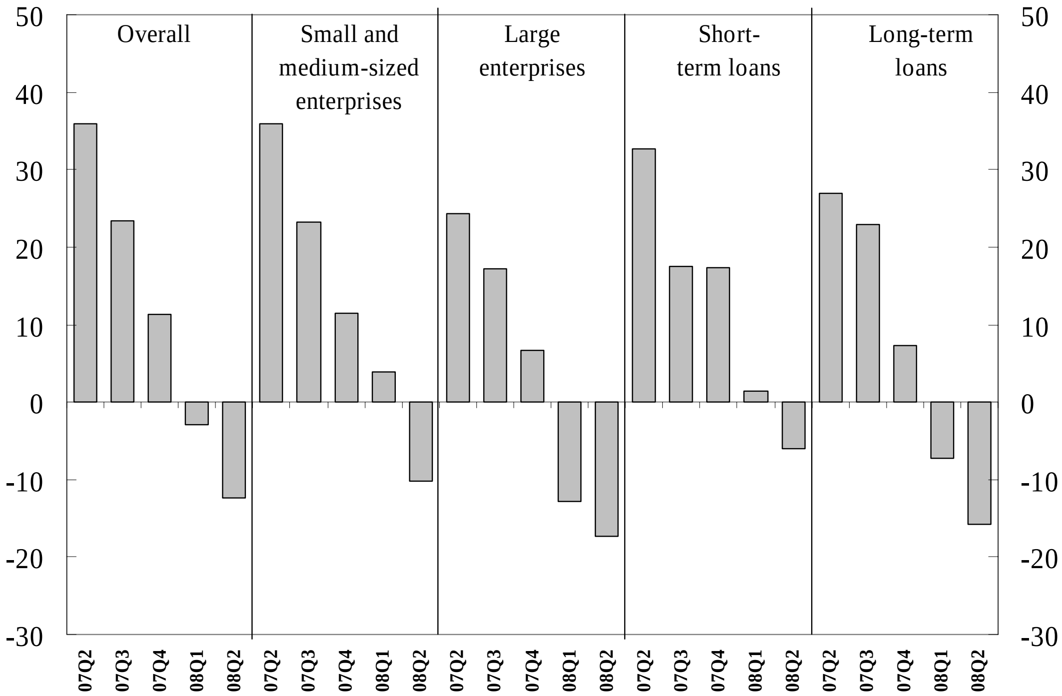


7. Please indicate how you expect demand for loans or credit lines to enterprises to change at your bank over the next three months (apart from normal seasonal fluctuations).

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	January 2008	April 2008	January 2008	April 2008	January 2008	April 2008	January 2008	April 2008	January 2008	April 2008
Decrease considerably	0	0	0	0	2	2	0	0	2	1
Decrease somewhat	18	30	14	27	21	31	14	23	17	33
Remain basically unchanged	67	53	68	56	67	52	70	60	69	49
Increase somewhat	15	17	18	17	10	14	16	17	12	18
Increase considerably	0	0	0	0	0	1	0	0	0	0
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	**-3**	**-12**	**4**	**-10**	**-13**	**-17**	**1**	**-6**	**-7**	**-16**
Mean	*2.97*	*2.88*	*3.04*	*2.90*	*2.85*	*2.82*	*3.01*	*2.94*	*2.90*	*2.84*
Number of banks responding	***85***	***106***	***85***	***106***	***85***	***102***	***85***	***106***	***85***	***104***

Note: The net percentage is defined as the difference between the sum of the percentages for "increase considerably" and "increase somewhat", and the sum of the percentages for "decrease somewhat" and "decrease considerably".

Chart 23. Expected demand for loans and credit lines to enterprises
(net percentages of banks expecting a positive loan demand)



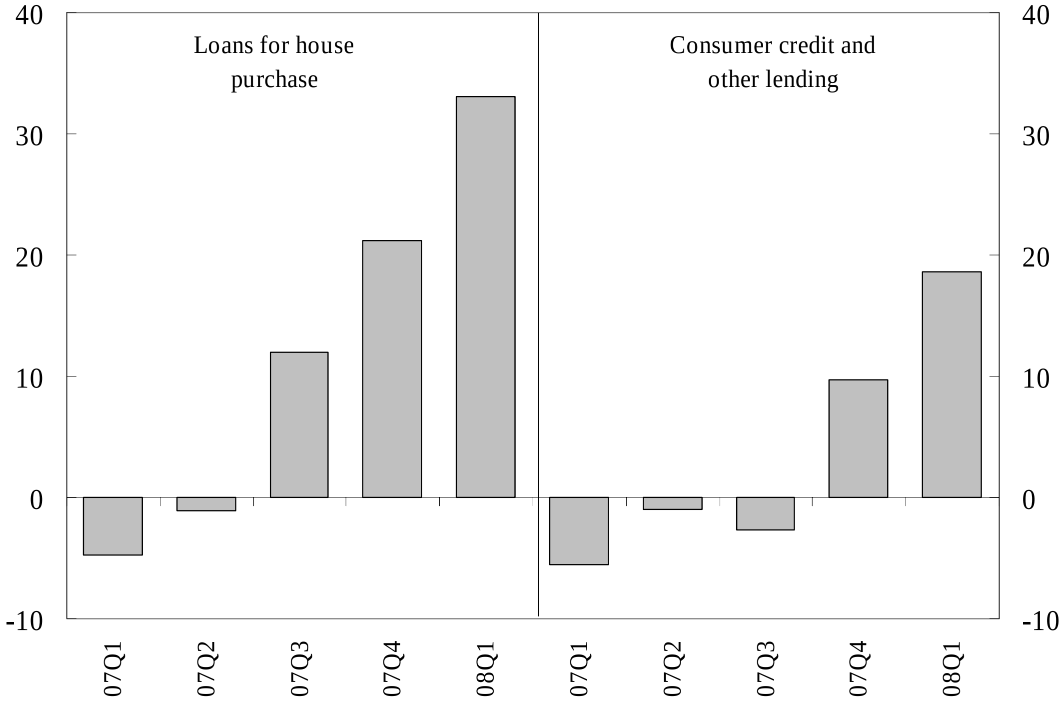
II. Loans to households

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 2008	April 2008	January 2008	April 2008
Tightened considerably	3	4	1	2
Tightened somewhat	23	37	13	22
Remained basically unchanged	70	52	83	69
Eased somewhat	4	7	2	6
Eased considerably	0	0	2	0
Total	*100*	*100*	*100*	*100*
Net percentage	**21**	**33**	**10**	**19**
Mean	*2.76*	*2.63*	*2.92*	*2.79*
Number of banks responding	***80***	***99***	***81***	***103***

Note: 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".

Chart 24. Credit standards applied to the approval of loans to households
(net percentages of banks reporting tightening credit standards)



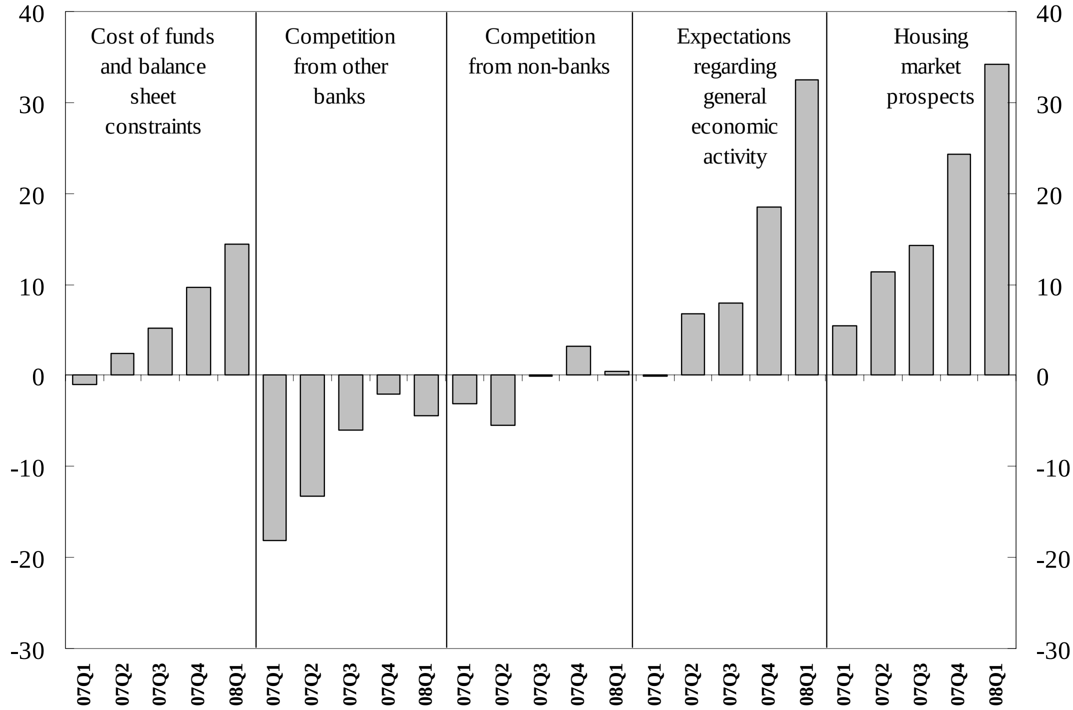
9. Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of loans to households for house purchase?

	--	-	°	+	++	NA	NetP		Mean	
							January 2008	April 2008	January 2008	April 2008
A) Cost of funds and balance sheet constraints	1	13	71	0	0	14	10	14	2.89	2.83
B) Pressure from competition										
Competition from other banks	1	5	72	10	0	12	-2	-4	3.03	3.05
Competition from non-banks	0	5	77	5	0	13	3	0	2.97	3.00
C) Perception of risk										
Expectations regarding general economic activity	2	32	52	2	0	12	19	32	2.79	2.64
Housing market prospects	4	32	51	2	0	12	24	34	2.72	2.61

NA = Not available; NetP = Net percentage

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

Chart 25. Factors affecting credit standards applied to the approval of loans to households for house purchase *(net percentages of banks reporting tightening standards)*



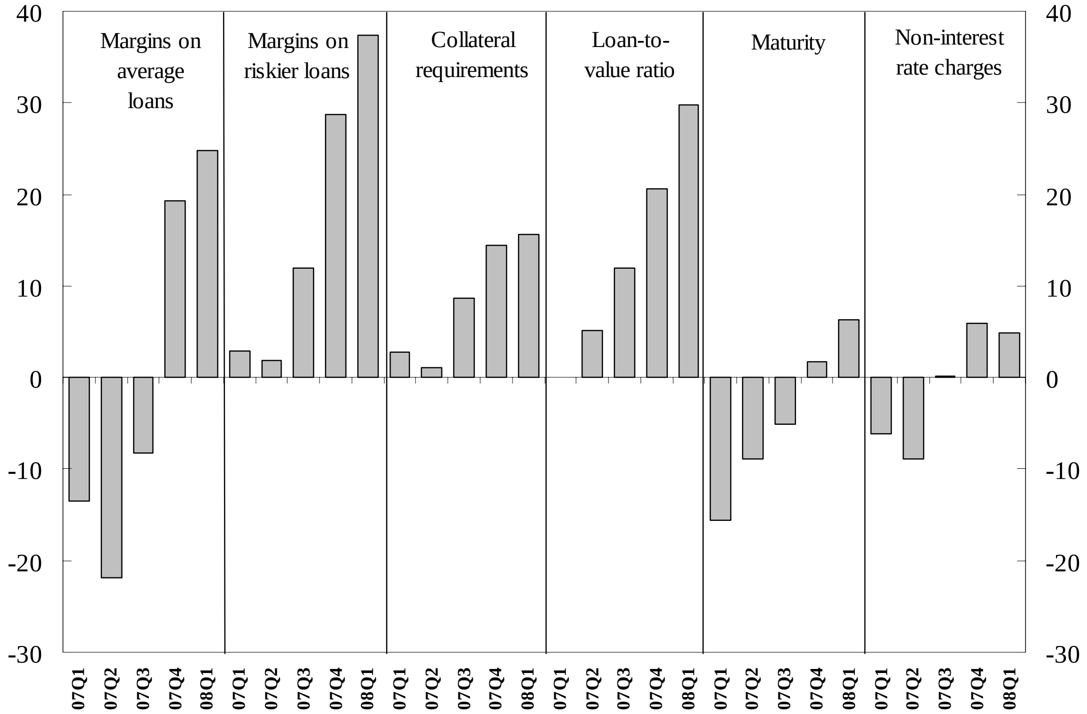
10. Over the past three months, how have your bank's conditions and terms for approving loans to households for house purchase changed?

	--	-	°	+	++	NA	NetP		Mean	
							January 2008	April 2008	January 2008	April 2008
A) Price										
Your bank's margin on average loans	1	33	46	9	0	11	19	25	2.81	2.73
Your bank's margin on riskier loans	3	37	44	4	0	11	29	37	2.66	2.57
B) Other conditions and terms										
Collateral requirements	2	15	71	1	0	11	15	16	2.83	2.83
Loan-to-value ratio	3	28	57	1	0	11	21	30	2.77	2.66
Maturity	1	8	78	2	0	11	2	6	2.98	2.93
Non-interest rate charges	0	8	77	3	0	12	6	5	2.94	2.95

NA = Not available; NetP = Net percentage

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

Chart 26. Conditions and terms for approving loans to households for house purchase
(net percentages of banks reporting tightening standards)



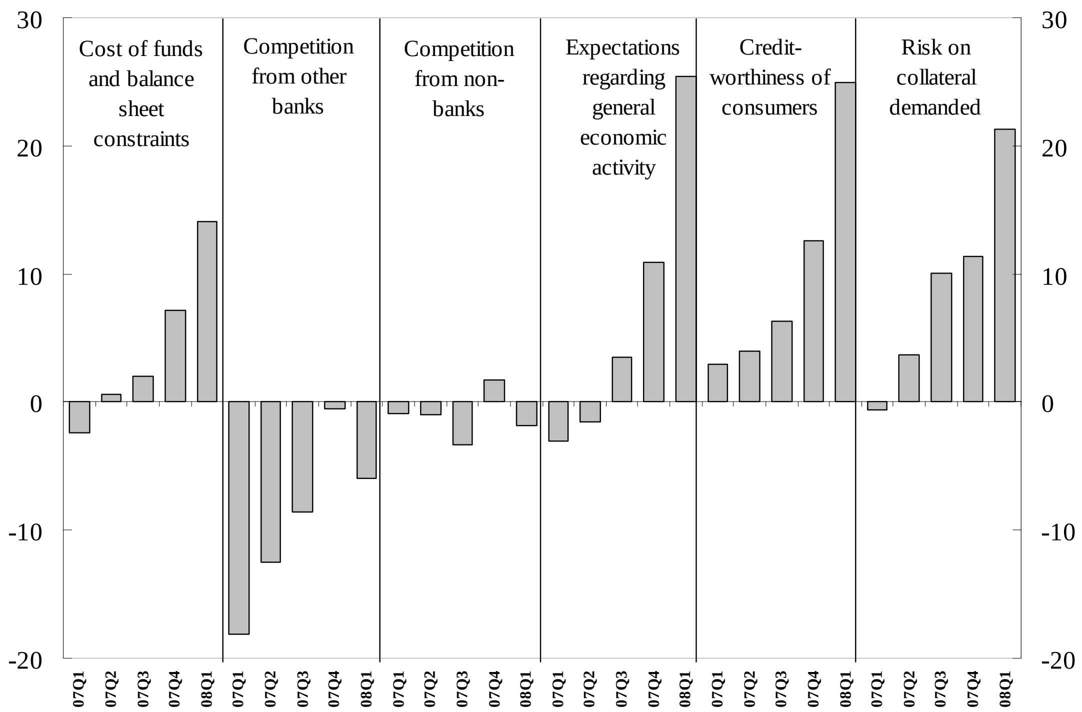
11. Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of consumer credit and other lending to households (as described in question 8)?

	--	-	°	+	++	NA	NetP		Mean	
							January 2008	April 2008	January 2008	April 2008
A) Cost of funds and balance sheet constraints	1	14	74	0	0	12	7	14	2.93	2.84
B) Pressure from competition										
Competition from other banks	0	3	79	9	0	10	-1	-6	3.01	3.07
Competition from non-banks	0	3	82	5	0	11	2	-2	2.99	3.02
C) Perception of risk										
Expectations regarding general economic activity	0	25	64	0	0	11	11	25	2.89	2.74
Creditworthiness of consumers	0	25	64	0	0	11	13	25	2.87	2.74
Risk on the collateral demanded	0	22	64	1	0	13	11	21	2.89	2.78

NA = Not available; NetP = Net percentage

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

Chart 27. Factors affecting credit standards applied to the approval of consumer credit and other lending to households *(net percentages of banks reporting tightening standards)*



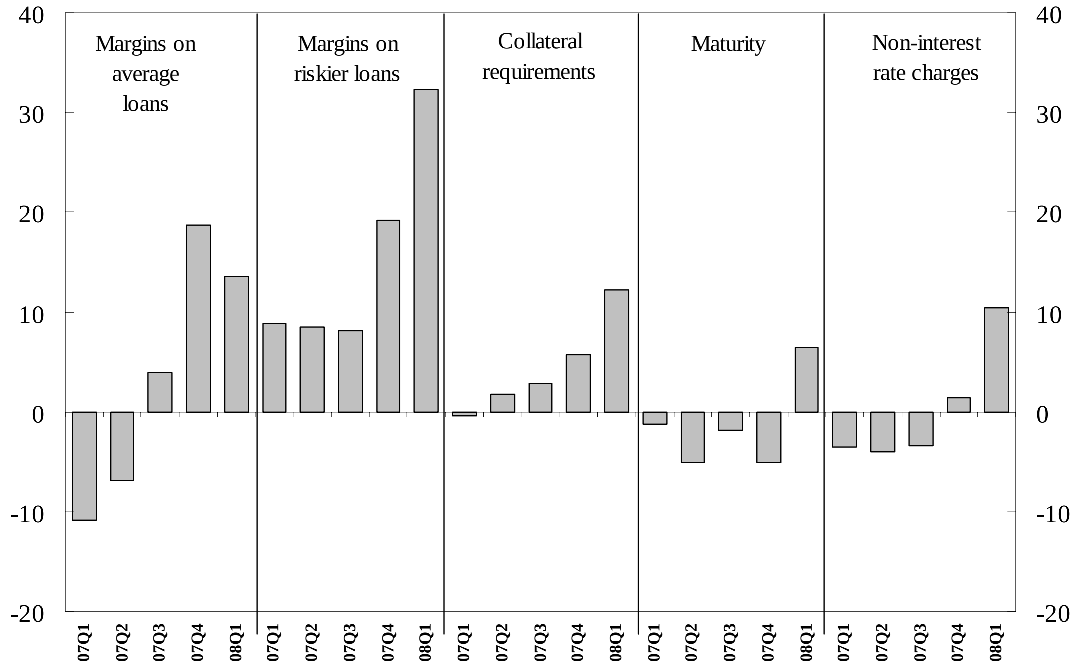
12. Over the past three months, how have your bank's conditions and terms for approving consumer credit and other lending to households changed?

	--	-	°	+	++	NA	NetP		Mean	
							January 2008	April 2008	January 2008	April 2008
A) Price										
Your bank's margin on average loans	1	18	67	5	0	10	19	14	2.79	2.85
Your bank's margin on riskier loans	3	32	50	3	0	12	19	32	2.76	2.62
B) Other conditions and terms										
Collateral requirements	0	13	74	1	0	12	6	12	2.94	2.87
Maturity	1	7	80	1	0	12	-5	7	3.05	2.93
Non-interest rate charges	0	10	77	0	0	13	1	10	2.99	2.89

NA = Not available; NetP = Net percentage

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

Chart 28. Conditions and terms for approving consumer credit and other lending to households
(net percentages of banks reporting tightening standards)

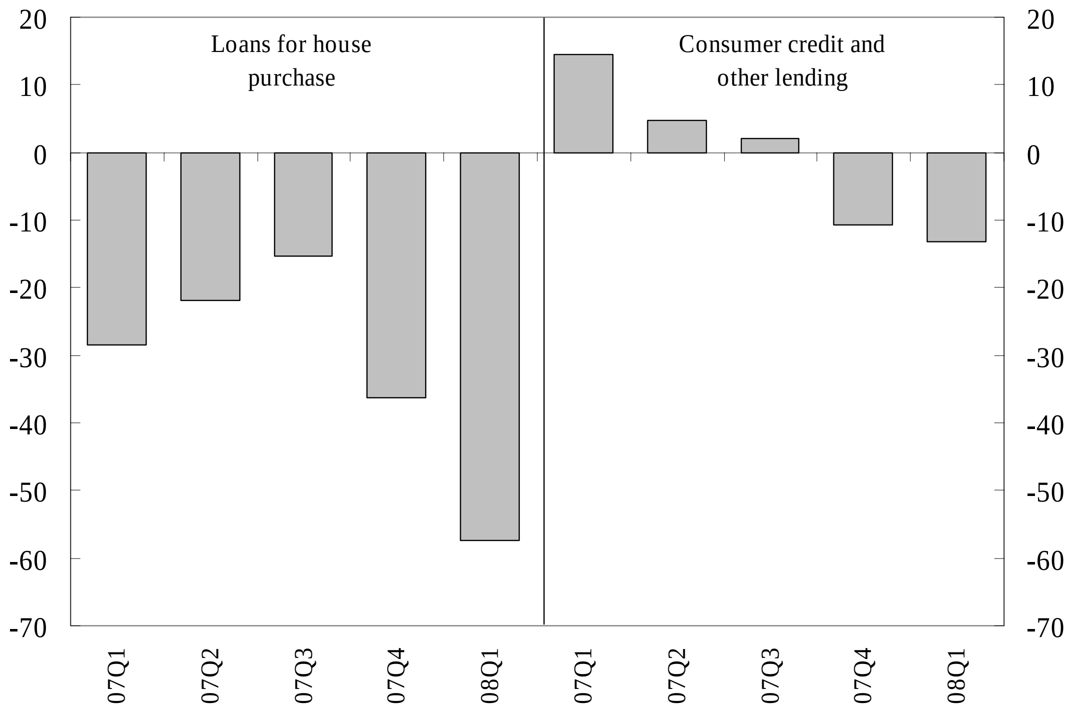


13. Over the past three months, how has the <u>demand for loans to households</u> changed at your bank, apart from normal seasonal fluctuations?

	Loans for house purchase		Consumer credit and other lending	
	January 2008	April 2008	January 2008	April 2008
Decreased considerably	7	10	0	3
Decreased somewhat	33	53	19	26
Remained basically unchanged	57	31	73	56
Increased somewhat	3	5	6	13
Increased considerably	0	1	2	2
Total	*100*	*100*	*100*	*100*
Net percentage	**-36**	**-57**	**-11**	**-13**
Mean	*2.57*	*2.33*	*2.91*	*2.86*
Number of banks responding	***81***	***100***	***81***	***103***

Note: The net percentage is defined as the difference between the sum of the percentages for "increased considerably" and "increased somewhat", and the sum of the percentages for "decreased somewhat" and "decreased considerably".

Chart 29. Demand for loans to households
(net percentages of banks reporting positive loan demand)



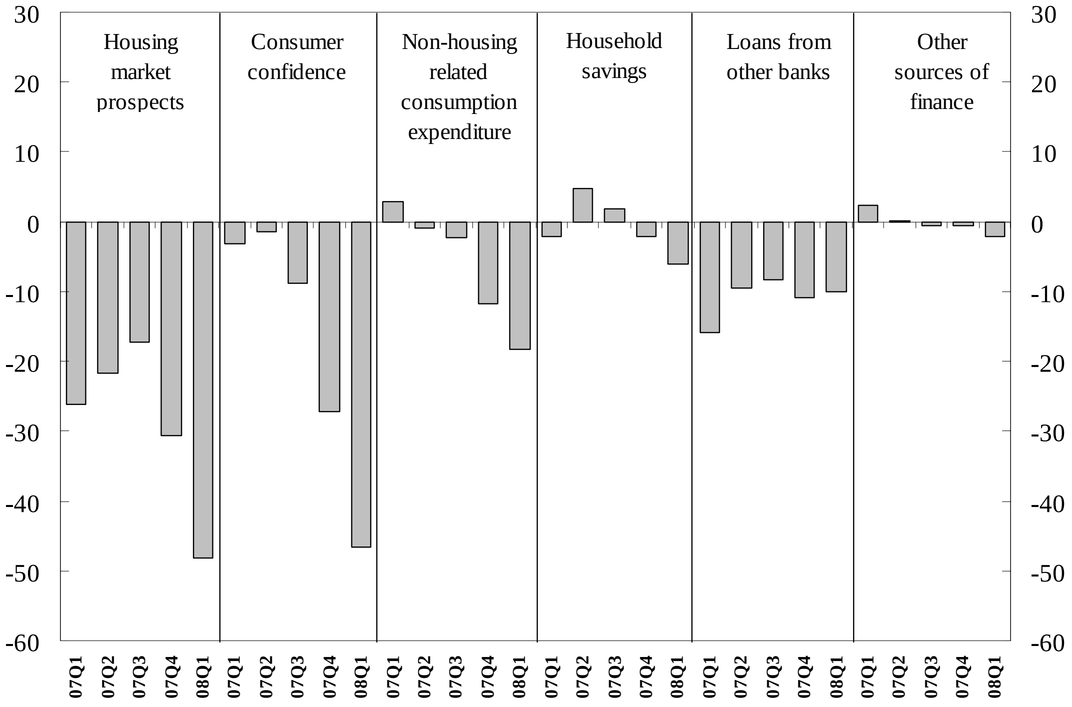
14. Over the past three months, how have the following factors affected the demand for <u>loans to households for house purchase</u> (as described in question 13)?

	--	-	°	+	++	NA	NetP		Mean	
							January 2008	April 2008	January 2008	April 2008
A) Financing needs										
Housing market prospects	10	41	37	2	0	12	-31	-48	2.64	2.37
Consumer confidence	7	41	41	1	0	12	-27	-47	2.70	2.43
Non-housing related consumption expenditure	1	18	70	0	0	12	-12	-18	2.88	2.79
B) Use of alternative finance										
Household savings	1	8	77	3	0	12	-2	-6	2.98	2.92
Loans from other banks	2	11	74	1	1	12	-11	-10	2.88	2.87
Other sources of finance	1	3	82	1	0	13	-1	-2	2.99	2.96

NA = Not available; NetP = Net percentage

Note: The "net percentage" column is defined as the difference between the sum of "+ +" (contributed considerably to higher demand) and "+" (contributed somewhat to higher demand), and the sum of "-" (contributed somewhat to lower demand) and "- -" (contributed considerably to lower demand). "°" means "contributed to basically unchanged demand".

Chart 30. Factors affecting demand for loans to households for house purchase
(net percentages of banks reporting a positive contribution to demand)



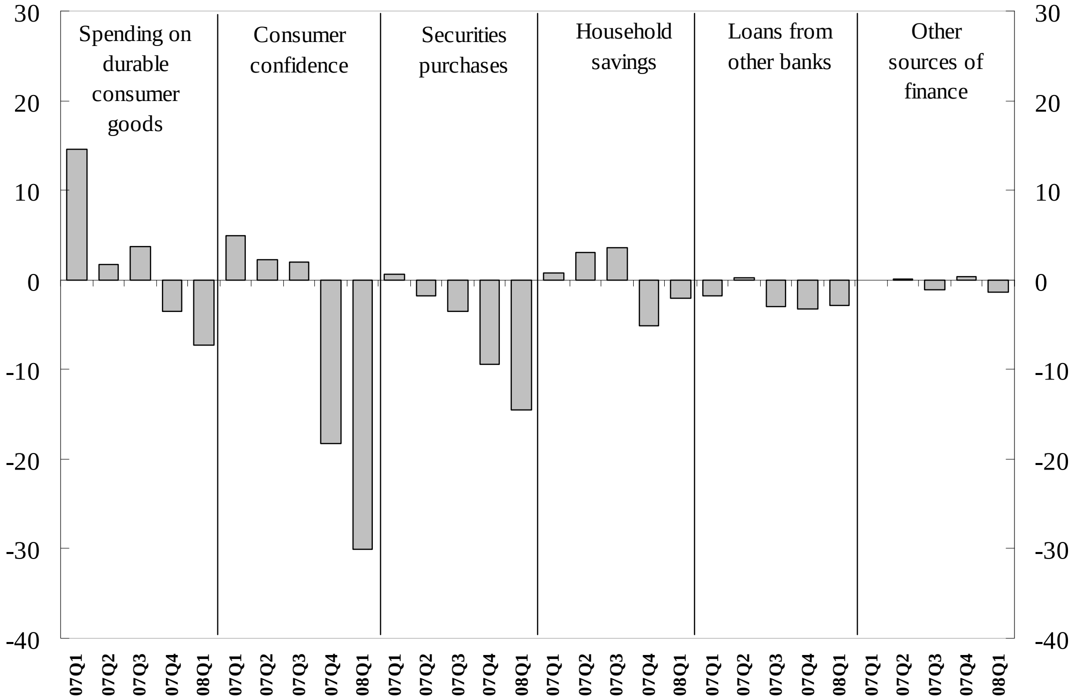
15. Over the past three months, how have the following factors affected the demand for consumer credit and other lending to households (as described in question 13)?

	--	-	°	+	++	NA	NetP		Mean	
							January 2008	April 2008	January 2008	April 2008
A) Financing needs										
Spending on durable consumer goods	2	17	60	11	1	10	-4	-7	2.96	2.92
Consumer confidence	2	28	61	0	0	9	-18	-30	2.79	2.67
Securities purchases	2	13	66	1	0	18	-9	-15	2.88	2.83
B) Use of alternative finance										
Household savings	0	7	79	5	0	10	-5	-2	2.94	2.98
Loans from other banks	0	7	80	4	0	10	-3	-3	2.96	2.97
Other sources of finance	0	3	86	1	0	10	0	-1	3.00	2.98

NA = Not available; NetP = Net percentage

Note: The "net percentage" column is defined as the difference between the sum of "+ +" (contributed considerably to higher demand) and "+" (contributed somewhat to higher demand), and the sum of "-" (contributed somewhat to lower demand) and "- -" (contributed considerably to lower demand). "°" means "contributed to basically unchanged demand".

Chart 31. Factors affecting demand for consumer credit and other lending to households
(net percentages of banks reporting a positive contribution to demand)

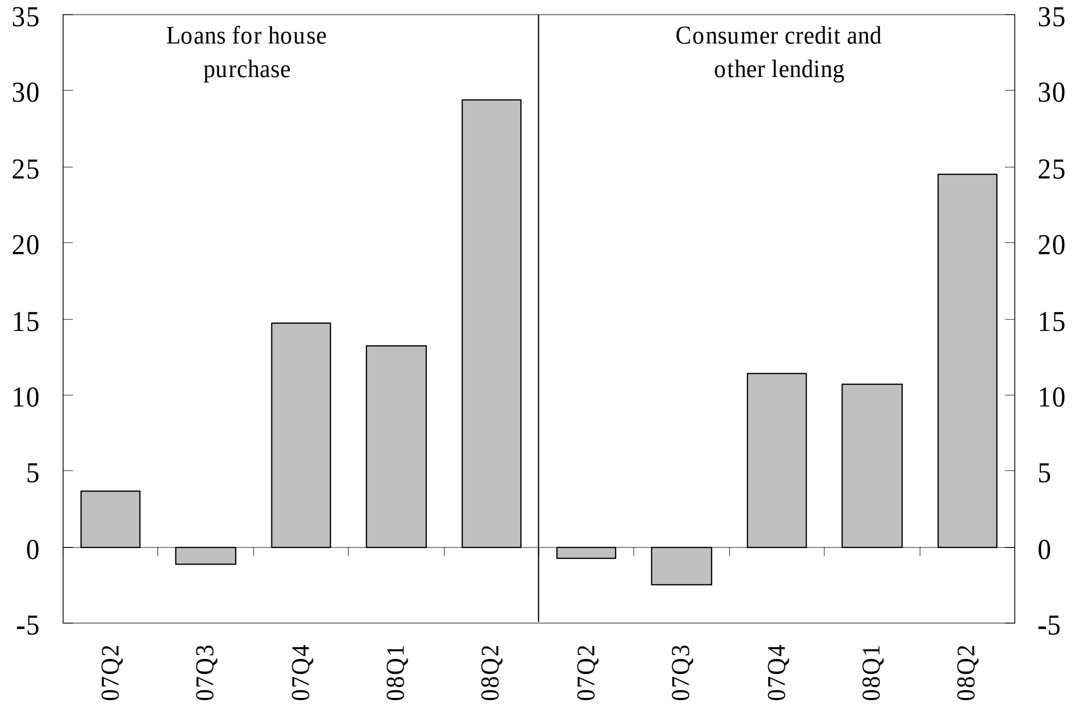


16. Please indicate how you expect your bank's credit standards as applied to the approval of loans to households to change over the next three months.

	Loans for house purchase		Consumer credit and other lending	
	January 2008	April 2008	January 2008	April 2008
Tighten considerably	1	1	1	1
Tighten somewhat	22	31	18	26
Remain basically unchanged	68	66	73	73
Ease somewhat	9	2	8	2
Ease considerably	0	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	**13**	**29**	**11**	**25**
Mean	*2.86*	*2.70*	*2.89*	*2.75*
Number of banks responding	***81***	***100***	***81***	***103***

Note: The net percentage is defined as the difference between the sum of the percentages for "tighten considerably" and "tighten somewhat", and the sum of the percentages for "ease somewhat" and "ease considerably".

Chart 32. Expected credit standards for loans to households
(net percentages of banks expecting tightening standards)

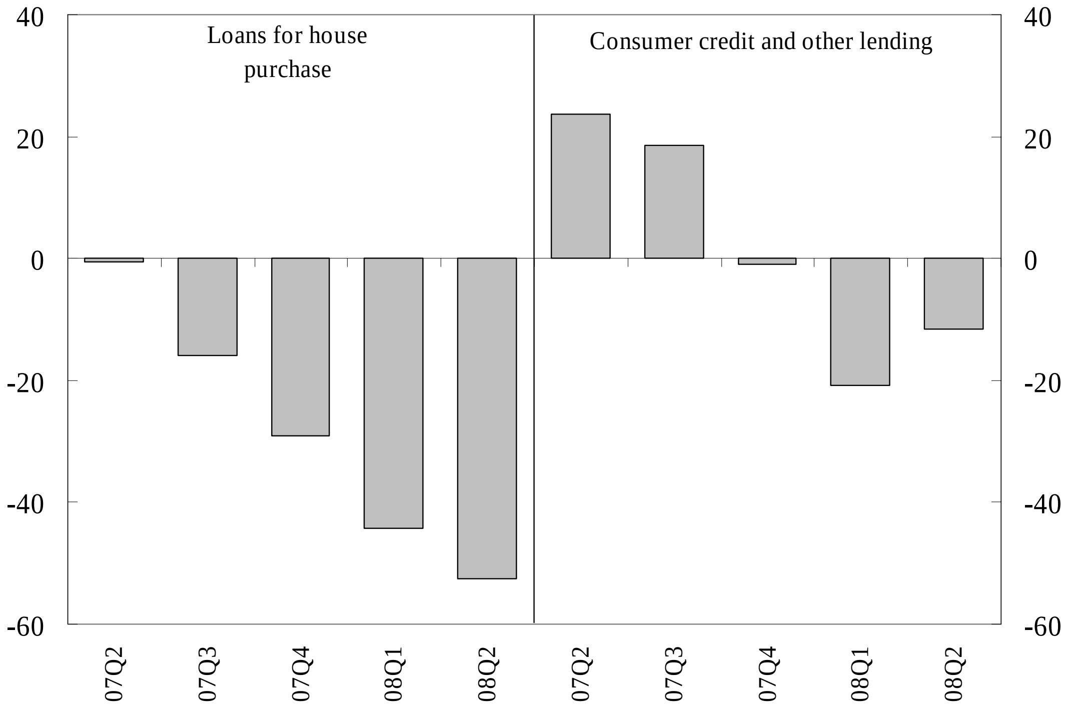


17. Please indicate how you expect <u>demand for loans to households</u> to change over the next three months at your bank (apart from normal seasonal fluctuations).

	Loans for house purchase		Consumer credit and other lending	
	January 2008	April 2008	January 2008	April 2008
Decrease considerably	1	3	2	0
Decrease somewhat	46	53	23	29
Remain basically unchanged	52	42	71	54
Increase somewhat	2	3	4	15
Increase considerably	0	0	0	2
Total	*100*	*100*	*100*	*100*
Net percentage	**-44**	**-53**	**-21**	**-12**
Mean	*2.55*	*2.44*	*2.77*	*2.90*
Number of banks responding	***81***	***100***	***81***	***103***

Note: The net percentage is defined as the difference between the sum of the percentages for "increase considerably" and "increase somewhat", and the sum of the percentages for "decrease somewhat" and "decrease considerably".

Chart 33. Expected demand for loans to households for house purchase
(net percentages of banks expecting positive loan demand)



5. Results for the ad hoc questions

i. What effect has the situation in financial markets had on your bank's credit standards over the past three months?

	Loans and credit lines to enterprises		Loans to households	
	Small and medium-sized enterprises	Large enterprises	For house purchase	Consumer credit and other lending
Contributed considerably to tightening of credit standards	1%	8%	3%	1%
Contributed somewhat to tightening of credit standards	33%	46%	26%	18%
Basically no impact on credit standards	66%	46%	71%	82%
Contributed somewhat to easing of credit standards	0%	0%	0%	0%
Contributed considerably to easing of credit standards	0%	0%	0%	0%
Not applicable	9%	12%	13%	11%
Mean	***2.66***	***2.38***	***2.67***	***2.81***
Standard deviation	0.51	0.66	0.56	0.43
Number of banks responding	***105***	***101***	***99***	***101***

(*) Please select "not applicable" only if your bank does not conduct business in a particular loan category.

ii. What effect do you expect the situation in financial markets to exert on your bank's credit standards over the next three months?

	Loans and credit lines to enterprises		Loans to households	
	Small and medium-sized enterprises	Large enterprises	For house purchase	Consumer credit and other lending
Contribute considerably to tightening of credit standards	1%	6%	1%	1%
Contribute somewhat to tightening of credit standards	37%	48%	29%	20%
Basically no impact on credit standards	63%	45%	70%	80%
Contribute somewhat to easing of credit standards	0%	0%	0%	0%
Contribute considerably to easing of credit standards	0%	0%	0%	0%
Not applicable	11%	11%	9%	10%
Mean	***2.62***	***2.39***	***2.69***	***2.79***
Standard deviation	0.52	0.64	0.51	0.44
Number of banks responding	***105***	***101***	***99***	***101***

(*) Please select "not applicable" only if your bank does not conduct business in a particular loan category.

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

	Over the past three months			Over the next three months		
	Fixed investment	Inventories and working capital	M&A and corporate restructuring	Fixed investment	Inventories and working capital	M&A and corporate restructuring
Contributed/will contribute considerably to tightening of credit standards	5%	1%	16%	4%	1%	16%
Contributed/will contribute somewhat to tightening of credit standards	31%	23%	50%	37%	28%	53%
Basically no impact on credit standards	64%	76%	34%	59%	71%	31%
Contributed/will contribute somewhat to easing of credit standards	0%	0%	0%	0%	0%	0%
Contributed/will contribute considerably to easing of credit standards	0%	0%	0%	0%	0%	0%
Not applicable	11%	14%	13%	11%	14%	13%
Mean	***2.59***	***2.75***	***2.19***	***2.55***	***2.69***	***2.15***
Standard deviation	0.63	0.48	0.72	0.61	0.52	0.71
Number of banks responding	***101***	***100***	***96***	***101***	***100***	***96***

(*) Please select "not applicable" only if your bank does not conduct business in a particular loan category.

iv. As a result of the situation in 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)	2%	26%	72%	2.70	0.53	1%	23%	75%	2.74	0.49	20%
Short-term money market (more than one week)	8%	52%	40%	2.33	0.65	7%	50%	43%	2.36	0.64	20%
B) Debt securities(2)											
Short-term debt securities (e.g. certificates of deposit or commercial paper)	10%	43%	47%	2.38	0.69	11%	41%	48%	2.38	0.71	23%
Medium to long-term debt securities (incl. covered bonds)	36%	36%	28%	1.92	0.85	22%	43%	36%	2.14	0.80	22%
C) Securitisation(3)											
Securitisation of corporate loans	61%	25%	14%	1.53	0.80	51%	29%	19%	1.68	0.82	53%
Securitisation of loans for house purchase	74%	15%	11%	1.37	0.73	64%	19%	16%	1.52	0.81	52%
D) Ability to transfer credit risk off balance sheet(4)	62%	18%	20%	1.58	0.93	51%	25%	24%	1.74	0.93	64%

(1) Please select "N/A" (not applicable) only if the source of funding is not relevant for 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.

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

For money markets, debt securities or other markets

	Over the past three months	Over the next three months
Quantity		
Considerable impact	21%	18%
Some impact	40%	50%
Basically no impact	39%	32%
Mean	*2.17*	*2.14*
Standard deviation	*0.81*	*0.74*
Number of banks responding	***78***	***79***
Margin		
Considerable impact	26%	28%
Some impact	50%	52%
Basically no impact	24%	20%
Mean	*1.99*	*1.92*
Standard deviation	*0.75*	*0.74*
Not applicable	26%	26%
Number of banks responding	***78***	***79***

For securitisation

	Over the past three months	Over the next three months
Quantity		
Considerable impact	31%	32%
Some impact	41%	47%
Basically no impact	28%	21%
Mean	*1.97*	*1.90*
Standard deviation	*0.83*	*0.80*
Number of banks responding	***48***	***50***
Margin		
Considerable impact	39%	39%
Some impact	48%	52%
Basically no impact	13%	10%
Mean	*1.75*	*1.71*
Standard deviation	*0.76*	*0.71*
Not applicable	48%	47%
Number of banks responding	***48***	***50***

(*) Please select “not applicable” only if your bank has replied “basically not hampered” or “not applicable” to question iv.

vi. To what extent has the need to fund draw-downs on commitments to asset-backed commercial paper programmes issued by conduits or structured investment vehicles affected your lending policies over the past three months? To what extent will such needs affect your lending policies over the next three months?

	Over the past three months	Over the next three months
<u>Quantity</u>		
Considerable impact	6%	8%
Some impact	27%	21%
Basically no impact	67%	70%
Mean	*2.62*	*2.62*
Standard deviation	*0.67*	*0.71*
Number of banks responding	***40***	***39***
<u>Margin</u>		
Considerable impact	10%	10%
Some impact	29%	26%
Basically no impact	61%	64%
Mean	*2.50*	*2.53*
Standard deviation	*0.76*	*0.76*
Not applicable	64%	64%
Number of banks responding	***40***	***40***

(*) Please select "not applicable" only if this kind of business is not relevant for your bank.

vii. 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	1%	4%
Considerable impact on capital, and some impact on lending	11%	12%
Some impact on both capital and lending	20%	21%
Some impact on capital, but no impact on lending	22%	16%
Basically no impact on capital	34%	36%
No reply	11%	11%
Mean	***3.84***	***3.76***
Standard deviation	1.16	1.28
Number of banks responding	***113***	***113***

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

Annex:

Glossary

To help participating banks to fill out the questionnaire, a glossary has been developed that explains the most important terminology used in the survey.

Capital

Defined in accordance with the Basel capital adequacy requirements, capital includes both Tier 1 capital (core capital) and Tier 2 capital (supplementary capital).

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. These include assessments of the past and current financial situation of households and resulting prospects for the future, assessments of the past and current general economic situation and resulting prospects for the future, and 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

The bank's capital and the cost related to the bank's 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 of 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. In the survey, developments regarding credit lines should be interpreted as changes in the net amount that can be drawn under either an existing or a new credit line.

Credit standards

The internal guidelines or criteria that make up a bank's loan policy. These 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. In the survey, changes in written loan policies should be considered, together with changes in their application.

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, these consist of the direct price or interest rate, the maximum size of the loan and the access conditions, as well as other terms and conditions in the form of non-interest rate charges (i.e. fees), collateral requirements (including compensating balances), loan covenants and the maturity (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 the demand for loans following the decision of corporations with outstanding debt obligations to alter the conditions and terms 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. However, debt restructuring should not be interpreted as switching between different types of debt (such as MFI loans and debt securities; this is already captured under "issuance of debt securities"), capital restructuring (switching between debt and equity) or share buy-backs (already captured under "issuance of equity"). Debt restructuring in the form of inter-company loans is already covered by “loans from non-banks”. Moreover, debt restructuring in the form of switching between short-term and long-term loans does not give rise to a change in overall loan demand.

Enterprises

The term “enterprises” denotes non-financial corporations, i.e. private and public institutional units, irrespective of their size and legal form, which are principally engaged not 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, “housing market prospects” refers (besides interest rate developments) 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. This includes 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 taken into consideration 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 for "tightened considerably" and "tightened somewhat", and the sum of the percentages for "eased considerably" and "eased somewhat". Regarding demand for loans, the net percentage is defined as the difference between the sum of the percentages for "increased considerably" and "increased somewhat", and the sum of the percentages for "decreased 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 fee 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.