EUROPEAN CENTRAL BANK

EUROSYSTEM

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THE EURO AREA BANK LENDING SURVEY

- JULY 2009 -

1. Overview of the results

The results reported in the July 2009 bank lending survey relate to changes during the second quarter of 2009 and expectations of changes in the third quarter of 2009. As in previous survey rounds, a number of ad hoc questions dealing specifically with the implications of the situation in financial markets were included in this survey.

This report presents the results of the euro area bank lending survey conducted from 15 June 2009 until 3 July 2009. 118 euro area banks participated in the survey, leading to a response rate of 100%.

The results of the July 2009 bank lending survey show that in the second quarter of 2009 the net percentage of banks reporting a tightening of credit standards applied to loans and credit lines to enterprises broadly halved, to 21%, compared with 43% in the first quarter of 2009 and down from the high level seen in the third and fourth quarters of 2008. All factors contributed to the decline in the net tightening of credit standards, but particularly supply-side factors, such as banks' access to market financing and banks' liquidity position. The most important driving forces for the net tightening in the euro area continued to be expectations regarding general economic activity and the industry or firm-specific outlook, for which however the net tightening also declined considerably in the second quarter of 2009. For the third quarter of 2009, euro area banks expect a further lowering of the net tightening of credit standards for loans to enterprises.

The net percentage of banks reporting a tightening of credit standards for loans to households for house purchase and for consumer credit also decreased further to 22% (from 28%) and to 21% (from 26%), respectively, in the second quarter of 2009, down from their historical peaks in the fourth quarter of 2008. The decline in the net tightening of credit standards on loans to households was driven by a lower perception of risks by banks regarding general economic activity and, in the case of housing loans, housing market prospects. By contrast with loans to enterprises, banks' cost of funds and balance sheet constraints contributed to a slight further tightening of credit standards for loans to households in the second quarter of 2009. Looking forward, banks expect the net tightening of credit standards applied to loans to households to weaken somewhat further in the third quarter of 2009.

Net demand for loans by enterprises continued to decline in the second quarter of 2009, but the decline was somewhat smaller than in the first quarter. The decline in net demand was driven by a strong decrease in the financing needs for fixed investment and by a further considerable fall in demand *stemming from mergers and acquisitions (M&As) and corporate restructuring. At the same time, debt restructuring as well as loans from other banks or non-banks tended to support the net demand for corporate loans in the second quarter. For loans to households, the net demand for housing loans turned positive in the second quarter of 2009, whereas net demand for consumer credit and other lending to households continued to decline, albeit to a lesser extent than in the first quarter.*

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

Banks indicated that their access to wholesale funding in money markets and debt securities markets was less impaired in the second quarter of 2009 than in the first quarter. At the same time, there was little improvement as regards the access to securitisation. According to responding banks, governments' announcements and introduction of recapitalisation support and state guarantees for debt securities issued by banks have contributed to improving banks' access to wholesale funding.

General notes

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

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

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

In addition, an alternative measure of the responses to questions related to changes in credit standards and net demand is included. This measure is the weighted difference ("diffusion index") between the share of banks reporting that credit standards have been tightened and the share of banks reporting that they have been eased. Likewise, regarding the demand for loans, the diffusion index refers to the weighted

[1] The sample group of banks participating in the survey comprises 118 banks, representing all of the euro area countries, and takes into account the characteristics of their respective national banking structures. Since the banks in the sample group differ considerably in size, the survey results are weighted according to the national shares in total outstanding euro area lending to euro area residents. 118 banks participated in the July 2009 survey, i.e. the overall response rate was 100%.

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

difference between the share of banks reporting an increase in loan demand and the share of banks reporting a decline. The diffusion index is constructed in the following way: lenders who have answered “considerably” are given a weight twice as high (score of 1) as lenders having answered “somewhat” (score of 0.5). The interpretation of the diffusion indices follows the same logic as the interpretation of net percentages.

The survey questions are phrased in terms of changes over the past three months (in this case in the second quarter of 2009) or expectations of changes over the next three months (i.e. in the third quarter of 2009).

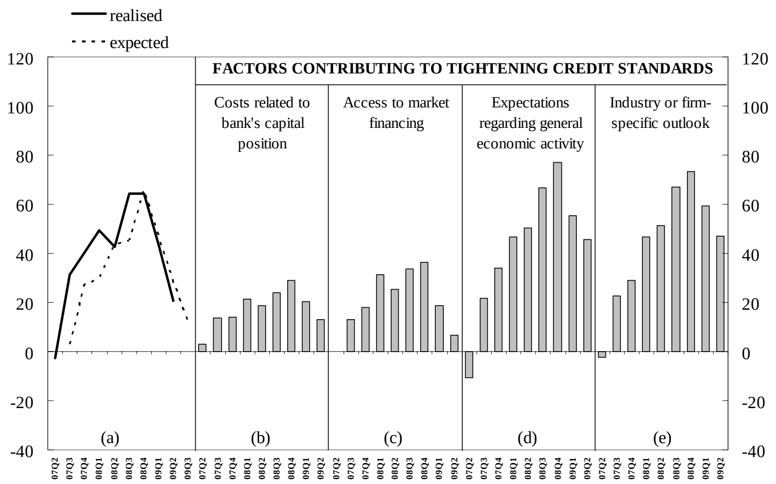
A copy of the questionnaire can be found at http://www.ecb.europa.eu/stats/pdf/bls_questionnaire.pdf.

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

2.1 Enterprises

Credit standards. In the second quarter of 2009, the net percentage of banks reporting a tightening of credit standards for loans to enterprises broadly halved, to 21%, compared with 43% in the first quarter of 2009 (see Chart 1) and down from the high level seen in the third and fourth quarters of 2008 (64%). This is confirmed when analysing developments based on the diffusion index, which weights the intensity of the response.[3] These developments confirm a turning-point in the tightening cycle observed in the April 2009 survey round, although the cumulated net tightening during the past quarters still represents a significant degree of net tightening of credit standards. All factors (see Charts 2a and 2b in Annex 1) contributed to the decline in the net tightening of credit standards, but particularly supply-side factors, such as banks' access to market financing (7%, after 19% in the first quarter) and banks' liquidity position (-2%, after 14% in the first quarter). The costs related to the bank's capital position also contributed to the lower net tightening of credit standards in the second quarter (13%, after 20%), albeit to a lesser extent than the other supply-side factors. The most important driving forces for the net tightening of credit standards on loans to enterprises continued to be expectations regarding general economic activity (46%, after 55%) and the industry or firm-specific outlook (47%, after 59%), for which however the net tightening also declined considerably in the second quarter of 2009.

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

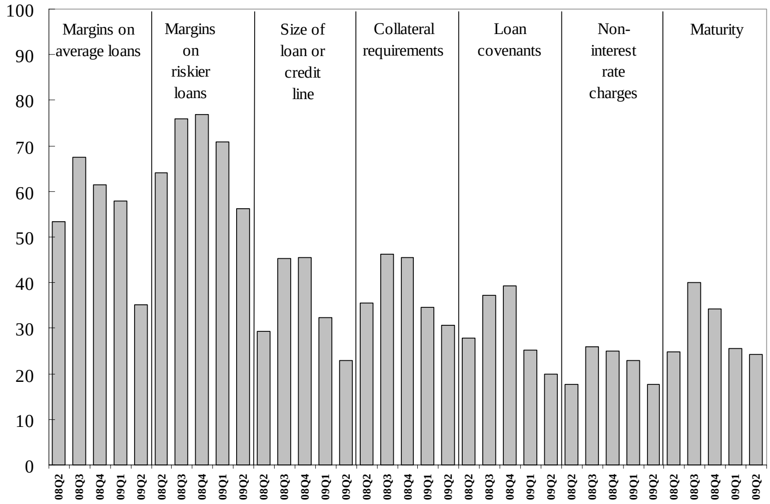


Notes: "Realised" values refer to changes that have occurred, while "expected" values are changes anticipated by banks. Net percentages are defined as the difference between the sum of the percentages of banks responding "tightened considerably" and "tightened somewhat" and the sum of the percentages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

[3] 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 net tightening of price and non-price terms and conditions on loans to enterprises declined in the second quarter of 2009 (see Chart 2). In particular, the net tightening of the margins on average loans was reduced significantly, to 35%, from 58% in the first quarter of 2009, reaching its lowest level since the third quarter of 2007. The decline in the net tightening of the margins on riskier loans was smaller, but still pronounced (56%, after 71% in the first quarter). In addition, while the decline in net tightening for non-price terms and conditions was overall smaller compared with price terms and conditions, the degree of net tightening was lower for the non-price terms and conditions.

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



Note: See the notes to Chart 1.

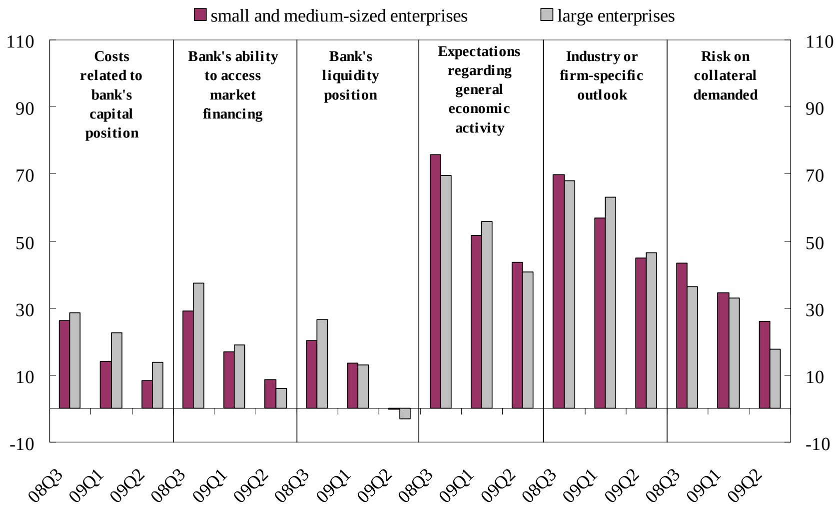
The decline in the net tightening of credit standards on loans to enterprises was reflected in both loans to large enterprises and loans to small and medium-sized enterprises (SMEs) (see Chart 1 in Annex 1). As in most of the previous survey rounds, the net tightening of credit standards was somewhat stronger in the second quarter of 2009 for loans to large enterprises (25%, after 48% in the first quarter of 2009) than for loans to SMEs (21%, after 42% in the previous quarter). Both the cost and balance sheet constraints factor and the risk perception factor (i.e. mainly expectations regarding general economic activity and the industry or firm-specific outlook) contributed considerably to the more moderate net tightening of loans to large enterprises and SMEs (see Chart 3). At the same time, expectations regarding general economic activity and the industry or firm-specific outlook continued to be the most important factors for the degree of net tightening of credit standards on loans to both large firms and SMEs. Costs related to the bank's capital position still played a somewhat more important role in the net tightening for large firms than for SMEs. At the same time, large firms have profited somewhat more than SMEs from banks' improved liquidity position (in the sense that banks' liquidity position contributed to an easing of credit standards for large firms). Moreover, competition from other banks or non-banks contributed to a small extent to the net tightening of credit standards for both SMEs and large firms, as in previous quarters.

The lower net tightening for loans to enterprises in the second quarter of 2009 was reflected in the terms and conditions for both loans to large enterprises and to SMEs (see Chart 3 in Annex 1). With respect to price terms and conditions, the decline in the net tightening of margins on average and riskier loans was more pronounced for loans to SMEs (to 30% and 53% respectively) than for loans to large enterprises (to 40% and 60% respectively). By contrast, the decline in the net tightening of non-price terms and conditions appears overall somewhat more pronounced for large enterprises than for SMEs. Overall, the degree of net tightening of terms and conditions was mostly higher for large firms than for SMEs.

As regards loan maturities, the net tightening continued to be more pronounced for long-term loans (33%, after 50% in the previous survey round) than for short-term loans (19%, after 38% in the previous survey round; see Chart 1 in Annex 1).

Expectations regarding credit standards applied to loans and credit lines for enterprises for the third quarter of 2009 point to a further lessening of the net tightening (12%) compared with the actual net tightening in the second quarter of 2009 (see Chart 1).

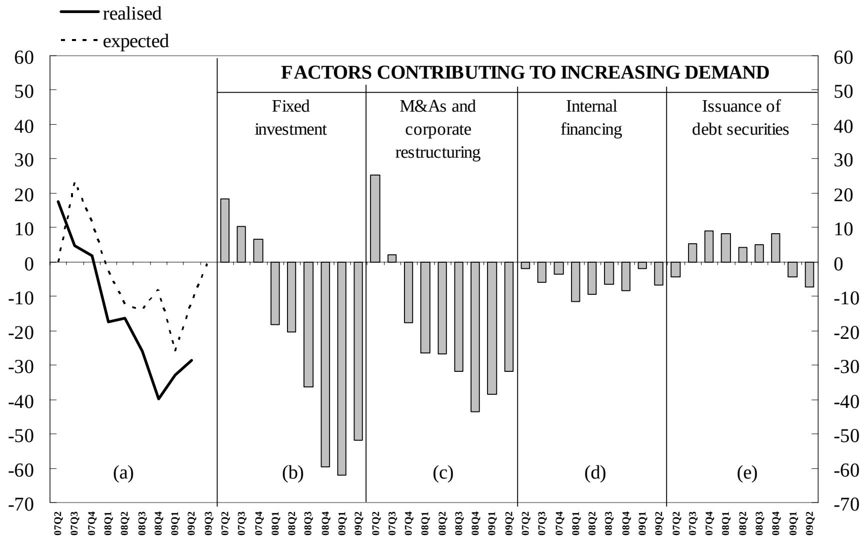
Chart 3. Factors affecting credit standards applied to the approval of loans or credit lines to enterprises according to enterprise size
(net percentages of banks reporting that factors contributed to tightening standards)



Note: See the notes to Chart 1.

Loan demand. In the second quarter of 2009, net demand for loans by enterprises continued to decline, reaching -29% (see Chart 4), which was somewhat less negative than the -33% reached in the first quarter of 2009. The fall in net demand was driven by a strong decrease in the financing needs for fixed investment (-52%, after -62% in the first quarter) and in demand stemming from M&As and corporate restructuring (-32%, after -39% in the previous quarter). At the same time, debt restructuring tended to support the net demand for corporate loans in the second quarter. With respect to the use of alternative finance, while loans from other banks or non-banks supported the net demand for corporate loans, internal finance contributed moderately negatively to enterprises' net demand for loans. The issuance of debt securities and equity also contributed negatively to the net demand for loans to a somewhat larger extent than in the first quarter. This may reflect improved market conditions for issuing debt securities and equity in the second quarter of 2009.

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



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

In terms of borrower size, the somewhat less negative net loan demand in the second quarter of 2009 becomes apparent from the development of the diffusion indices, which weight the intensity of the response, whereas this is not obvious from the net percentages (see the table in question 4 in Annex 1). Based on the diffusion index, the somewhat less negative net loan demand was driven by both large firms and SMEs. Regarding the maturity spectrum, net demand for long-term corporate loans was considerably less negative in the second quarter (-28%, after -44% in the first quarter; see Chart 4 in Annex 1). By contrast, net demand for short-term corporate loans continued to decline in the second quarter (-24%, after -20% in the previous quarter), thus reducing the gap in net loan demand across maturities.

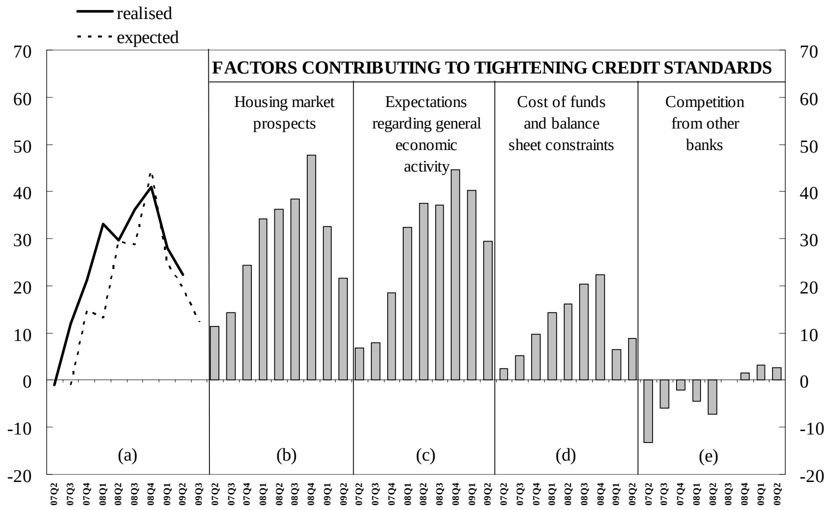
As regards expectations, net demand for loans by enterprises is expected to turn positive (1%) in the third quarter of 2009, which would be the case for the first time since the fourth quarter of 2007, based on the realised net demand for loans (see Chart 4).

2.2 Households

Loans to households for house purchase

Credit standards. In the second quarter of 2009, the net percentage of banks reporting a tightening of credit standards for loans to households for house purchase decreased further to 22% (see Chart 5), after 28% in the first quarter of 2009 and down from its historical peak of 41% in the fourth quarter of 2008. Expectations regarding general economic activity (29%, after 40% in the first quarter) and housing market prospects (22%, after 33% in the previous quarter) remained the main factors contributing to the net tightening of credit standards. By contrast with loans to enterprises, banks' cost of funds and balance sheet constraints contributed to a slight further tightening of credit standards for housing loans in the second quarter of 2009 (9%, after 7% in the previous quarter).

Chart 5. Changes in credit standards applied to the approval of loans to households for house purchase *(net percentages of banks reporting a contribution to tightening credit standards)*



Note: See the notes to Chart 1.

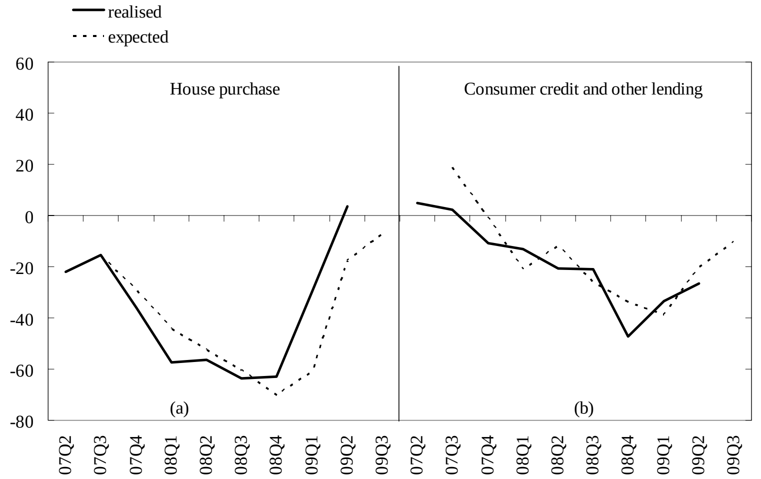
As regards the terms and conditions for loans for house purchase, the net tightening of margins was reduced considerably in the second quarter, in particular on average loans (10%, after 38%), but also on riskier loans (35%, after 52% in the first quarter; see Chart 10 in Annex 1). By contrast, for non-price terms and conditions, the net tightening was hardly reduced in the second quarter. In particular, the net tightening of loan-to-value ratios remained constant at a still relatively high level by historical standards of 25%. In addition, the net tightening of collateral requirements remained broadly unchanged at 18% (after 19% in the previous quarter).

With regard to expectations, for the third quarter of 2009, credit standards for loans for house purchase are expected to tighten somewhat less (12%) compared with the actual net tightening in the second quarter of 2009 (see Chart 5).

Loan demand. The net demand for housing loans turned positive in the second quarter of 2009 (4%, after -30% in the first quarter; see Chart 6) for the first time since the second quarter of 2006 when the moderation of the annual rate of growth of housing loans started. The increase in the net demand for housing loans was driven in particular by a considerably less negative assessment of housing market prospects and of consumer confidence compared with the first quarter (see Chart 14 in Annex 1).

Regarding expectations**,** net demand for housing loans is expected to decline (-7%), after the realised slightly positive net loan demand in the second quarter of 2009 (see Chart 6).

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

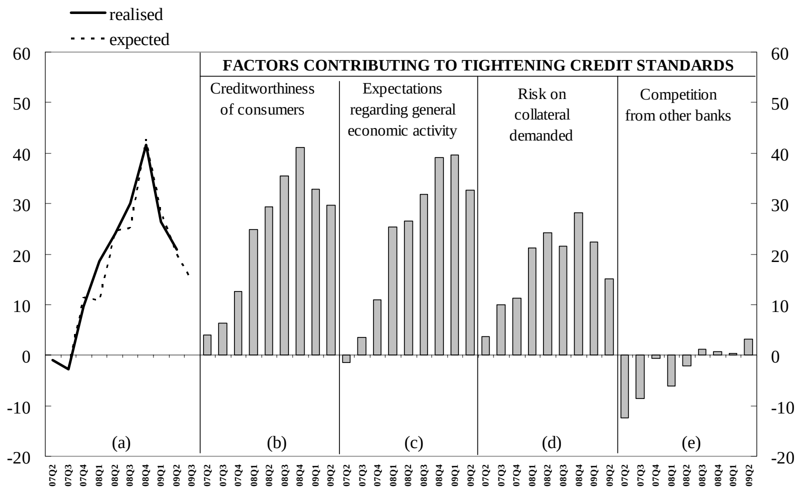


Note: See the notes to Chart 4.

Consumer credit and other lending to households

Credit standards. In the second quarter of 2009, the net percentage of banks reporting a tightening of credit standards for consumer credit and other lending to households declined further to 21% (see Chart 7), from 26% in the first quarter and down from its historical peak of 42% observed in the fourth quarter of 2008. The main factor behind the net tightening was banks' perception of risk, mainly related to expectations regarding general economic activity and the creditworthiness of consumers (see Chart 11 in Annex 1).

Chart 7. Changes in credit standards applied to the approval of consumer credit and other lending to households *(net percentages of banks contributing to tightening credit standards)*



Note: See the notes to Chart 1.

As regards the terms and conditions on consumer credit and other lending to households, banks continued to increase the margins on both average loans (22%, after 40% in the first quarter) and riskier loans (29%, after 41% in the previous quarter), but to a considerably lower extent than in the first quarter (see Chart

12 in Annex 1). In addition, non-price terms and conditions, such as collateral requirements and the loan maturity, became somewhat less stringent compared with the first quarter.

Regarding expectations, for the third quarter of 2009, the net tightening of credit standards for consumer credit and other lending to households is expected to decline further to 15% compared with the actual net tightening in the second quarter of 2009 (see Chart 7).

Loan demand. In the second quarter of 2009, net demand for consumer credit and other lending to households remained negative, although somewhat less so compared with the previous quarter (-26%, from -34% in the previous quarter; see Chart 6). The two main factors dampening demand continued to be consumer confidence and lower spending on durable consumer goods (see Chart 15 in Annex 1).

Regarding expectations, for the third quarter of 2009, net demand for consumer credit and other lending is expected to improve further, but to remain negative (at -10%) compared with the level reported for the second quarter of 2009 (see Chart 6).

3. Ad hoc questions

In line with previous survey rounds, the July 2009 survey round contains a set of ad hoc questions, which aim to assess the extent to which the financial market tensions have affected banks' credit standards for loans and credit lines to enterprises and loans to households in the euro area in the second quarter of 2009 and the extent to which they are expected to affect them in the third quarter of 2009. The questions refer to the access to wholesale funding (Section 3.1) and the impact on bank lending (Section 3.2).[4] In addition, a new ad hoc question has been added to the July 2009 survey round, which addresses the extent to which the introduction of the Basel II-based capital adequacy framework has affected bank lending policies (Section 3.3). Details of the responses to the ad hoc questions are given in Annex 2.

3.1 Impact of the financial turmoil on the access to wholesale funding

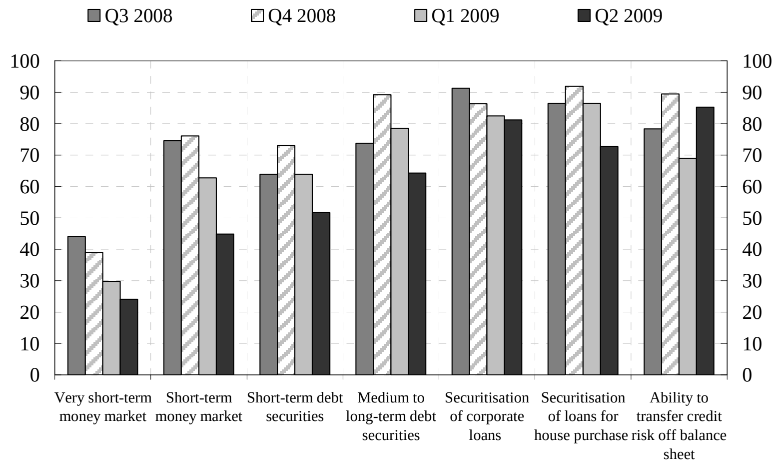
In the second quarter of 2009, banks reported that their access to wholesale funding was less impaired compared with the first quarter in most markets and categories shown in Chart 8. For the access to funding in the money market, less than 50% of the responding banks indicated that market access, in particular to the very short-term money market, was hampered as a result of the financial turmoil. While the percentage of banks reporting a hampered access to short-term and medium to long-term debt securities markets (52% and 64% respectively) was more elevated, this percentage was considerably lower than in the first quarter. Concerning securitisation, there was some improvement in market access with respect to housing loans, whereas this was hardly the case for corporate loans. Despite some improvement, access to true-sale securitisation continued to be hampered according to 70-80% of the responding banks. With respect to the ability to transfer credit risks off balance sheet (i.e. synthetic

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

securitisation), the percentage of banks reporting hampered market access even increased in the second quarter (to 85%).

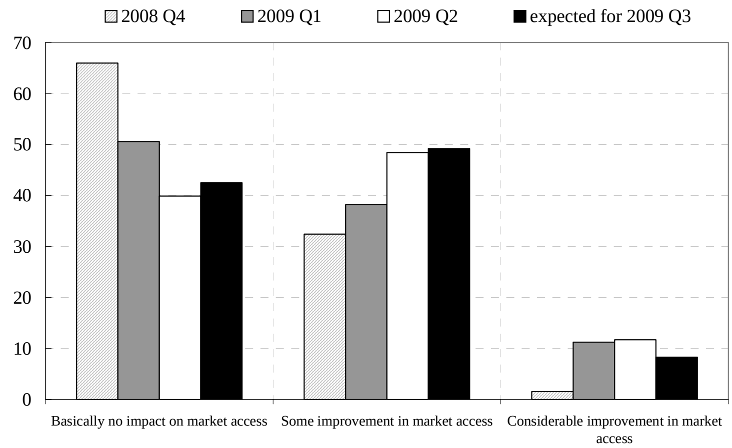
Over the next three months, banks expect a further improvement in the access to money and debt securities markets, but a hampered access to securitisation markets broadly unchanged from the second quarter of 2009 (see Table ii in Annex 2).

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



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

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



Note: Euro area figures are weighted averages of country results.

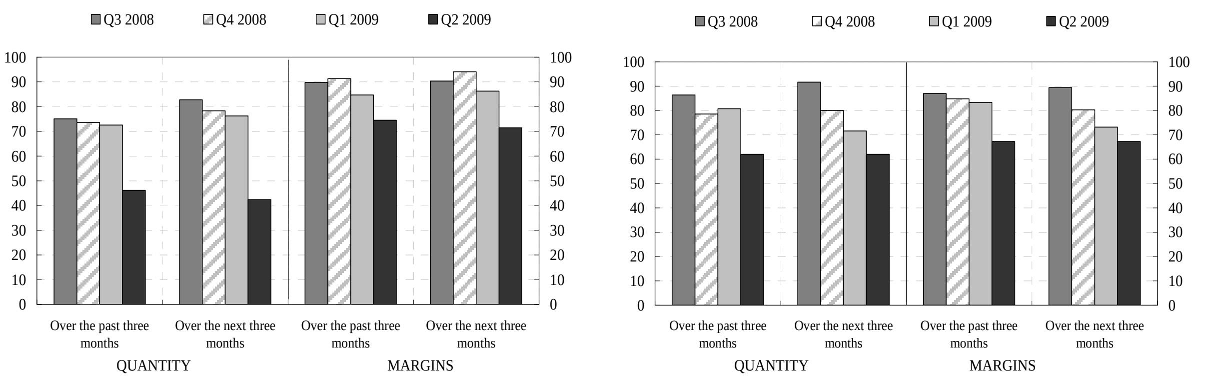
According to responding banks, governments' announcements and introduction of recapitalisation support and state guarantees for debt securities issued by banks have contributed to improving banks' access to wholesale funding. 60% of the responding banks (up from around 50% in the first quarter) reported some or a considerable impact from the government support schemes on their access to funding in the second quarter of 2009 (see Chart 9). For the next three months, responding banks expect a broadly stable support by such government schemes for their access to wholesale funding.[5]

3.2 Impact of the financial turmoil on bank lending

In line with the improved access to money markets and debt securities markets, banks reported that the impact on bank lending, as regards margins and in particular as regards quantities, resulting from hampered market access declined in the second quarter of 2009 (see Chart 10, panel a). The impact continued to be stronger for the margins than for the amount of loans granted to borrowers. As regards the impact from the hampered access to securitisation on bank lending, banks reported a lower impact on the amount of loans granted and on margins demanded compared with the previous quarter (see Chart 10, panel b). The percentages of banks reporting an impact on bank lending from the hampered access to securitisation were broadly similar for margins and quantities. With respect to the next three months, banks reported that they expect a similar impact on their willingness to lend and on margins resulting from the hampered access to money markets, debt securities markets and securitisation compared with the impact over the past three months.

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

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



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

As regards the impact of the events in financial markets on banks' costs related to their capital position and on their lending policy, in the second quarter of 2009, 45% of the reporting banks indicated some or a considerable impact on capital and lending, which was broadly unchanged compared with the first quarter of 2009 (see Chart 11). At the same time, the percentage of banks replying that there was basically no impact of the events in financial markets on their capital increased to 37%, from 29% in the first quarter of 2009. Looking forward, with respect to the next three months, 45% of the reporting euro area banks expect that the financial market events will continue to have some or a considerable impact on their capital and lending.

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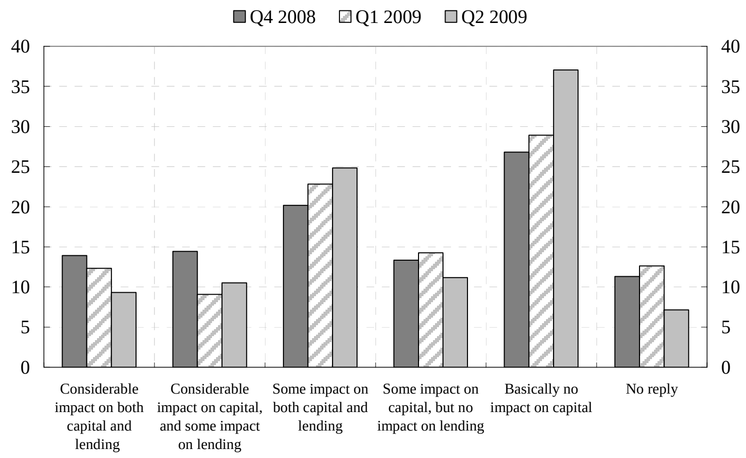
[5] 99 out of 118 banks responded, i.e. a response rate of 84%. 8% of responding banks reported "not applicable".

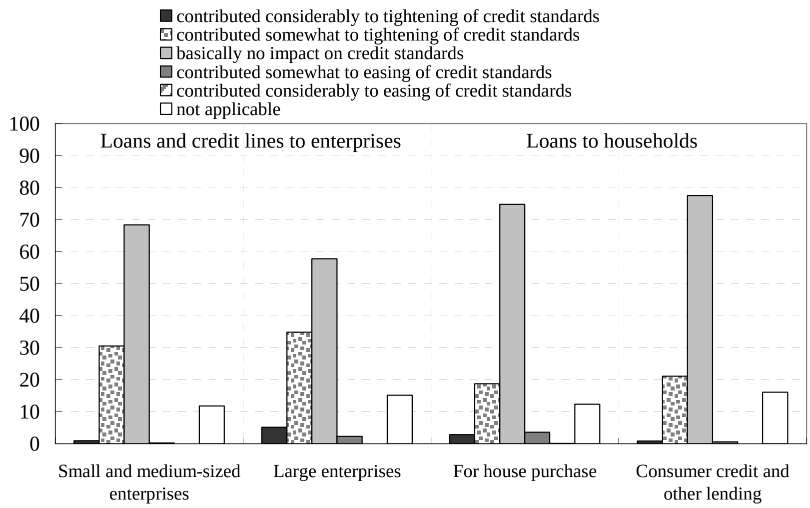
Chart 11: Effect on the costs related to the bank's capital position and on lending
(percentages of banks reporting an impact)



3.3 *Impact of the Basel II-based capital adequacy framework on bank lending*

Banks' capital position may have a considerable impact on bank lending behaviour and ultimately on economic activity. Against this background, this ad hoc question addresses the extent to which the introduction of the more risk-sensitive Basel II-based capital adequacy framework (Capital Requirements Directive; CRD) has affected, via its potential impact on banks' capital position, banks' lending policies since the first quarter of 2008. The CRD was implemented from January 2007 onwards and EU banks started reporting CRD-based capital ratios as of January 2008.

Chart 12. Impact of the Basel II-based capital adequacy framework on credit standards
(percentages of banks)



Note: Euro area figures are weighted averages of country results.

According to the majority of responding banks, the transition to CRD has had basically no impact on credit standards for loans to enterprises and households since the first quarter of 2008 (see Chart 12). Nonetheless, the impact has been somewhat higher for loans to enterprises than for loans to households. With regard to loans to enterprises, large enterprises were somewhat more affected than SMEs.

ANNEX 1: RESULTS FOR THE INDIVIDUAL QUESTIONS

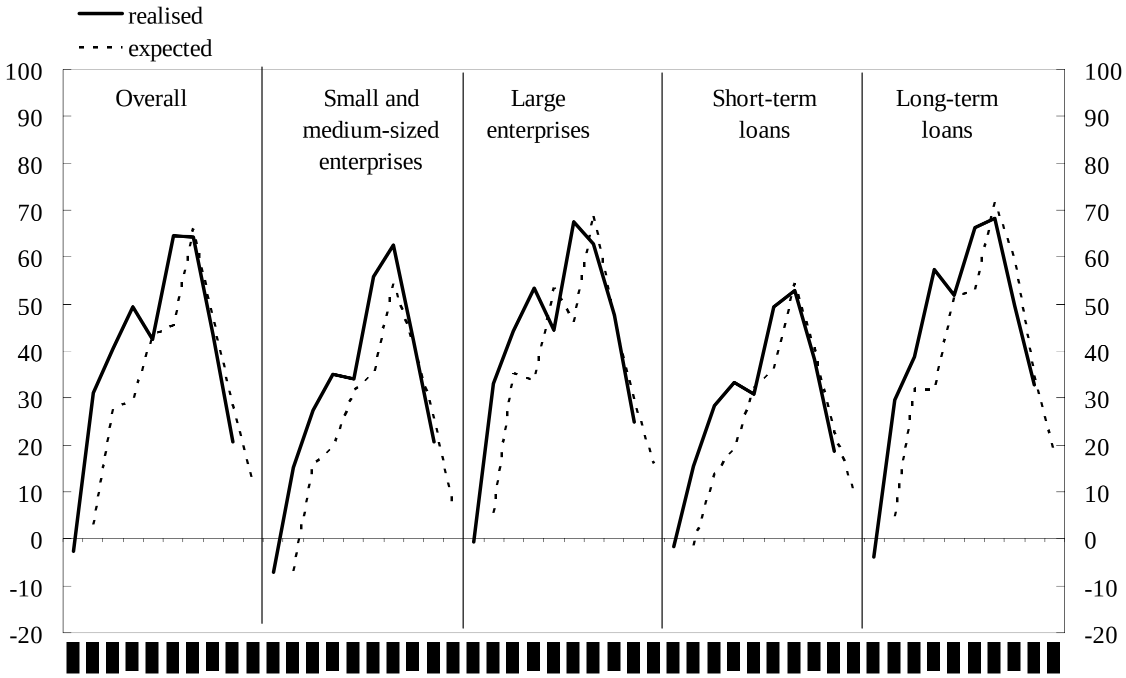
I. Loans or credit lines to enterprises

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

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	April	July	April	July	April	July	April	July	April	July
Tightened considerably	4	4	4	2	8	5	4	2	7	4
Tightened somewhat	40	17	39	20	40	21	35	16	43	29
Remained basically unchanged	57	79	58	77	52	73	62	81	50	67
Eased somewhat	0	0	0	1	0	1	0	0	0	0
Eased considerably	0	0	0	0	0	0	0	0	0	0
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	***43***	***21***	***42***	***21***	***48***	***25***	***38***	***19***	***50***	***33***
Diffusion index	***24***	***12***	***23***	***11***	***28***	***15***	***21***	***11***	***28***	***19***
Mean	*2.53*	*2.76*	*2.54*	*2.78*	*2.44*	*2.70*	*2.58*	*2.79*	*2.44*	*2.63*
Number of banks responding	***111***	***112***	***111***	***111***	***106***	***107***	***111***	***112***	***109***	***110***

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

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



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

OVERALL												
	--	-	°	+	++	NA	NetP		DI		Mean	
							April 2009	July 2009	April 2009	July 2009	April 2009	July 2009
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	1	12	79	0	0	8	20	13	12	7	2.73	2.85
Your bank's ability to access market financing	2	9	75	4	0	10	19	7	12	4	2.74	2.91
Your bank's liquidity position	1	4	80	7	0	9	14	-2	8	-1	2.83	3.01
B) Pressure from competition												
Competition from other banks	1	4	85	1	0	9	5	4	3	3	2.89	2.94
Competition from non-banks	1	1	88	0	0	10	4	2	2	2	2.92	2.95
Competition from market financing	1	1	87	1	0	11	4	2	3	1	2.92	2.96
C) Perception of risk												
Expectations regarding general economic activity	8	39	44	2	0	6	55	46	34	27	2.27	2.42
Industry or firm-specific outlook	10	40	40	3	0	6	59	47	38	29	2.19	2.38
Risk on collateral demanded	5	23	64	2	0	6	35	26	20	15	2.57	2.67

SMALL AND MEDIUM-SIZED ENTERPRISES												
	--	-	°	+	++	NA	NetP		DI		Mean	
							April 2009	July 2009	April 2009	July 2009	April 2009	July 2009
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	1	8	83	0	0	9	14	8	9	4	2.81	2.90
Your bank's ability to access market financing	1	10	75	3	0	12	17	9	10	5	2.78	2.89
Your bank's liquidity position	0	5	80	5	0	10	14	0	8	0	2.83	3.00
B) Pressure from competition												
Competition from other banks	1	4	84	1	0	10	7	4	4	3	2.87	2.93
Competition from non-banks	1	1	86	0	0	11	4	3	3	2	2.91	2.95
Competition from market financing	1	1	84	0	0	13	4	3	3	2	2.91	2.95
C) Perception of risk												
Expectations regarding general economic activity	7	39	46	2	0	7	52	44	30	25	2.34	2.45
Industry or firm-specific outlook	10	37	44	2	0	7	57	45	35	27	2.24	2.41
Risk on collateral demanded	5	23	63	2	0	7	35	26	20	16	2.57	2.67

LARGE ENTERPRISES												
	--	-	°	+	++	NA	NetP		DI		Mean	
							April 2009	July 2009	April 2009	July 2009	April 2009	July 2009
A) Cost of funds and balance sheet constraints												
Costs related to your bank's capital position	1	13	74	0	0	12	23	14	13	8	2.70	2.83
Your bank's ability to access market financing	2	8	71	4	0	16	19	6	12	4	2.72	2.91
Your bank's liquidity position	1	3	75	7	0	15	13	-3	8	-1	2.83	3.03
B) Pressure from competition												
Competition from other banks	1	3	79	3	0	13	4	2	3	1	2.90	2.96
Competition from non-banks	1	1	84	0	0	14	3	2	2	2	2.92	2.95
Competition from market financing	1	1	82	1	0	16	3	1	2	1	2.92	2.96
C) Perception of risk												
Expectations regarding general economic activity	8	35	45	2	0	11	56	41	34	25	2.22	2.45
Industry or firm-specific outlook	14	36	37	3	0	11	63	46	39	30	2.10	2.33
Risk on collateral demanded	5	15	66	3	0	11	33	18	19	11	2.56	2.74

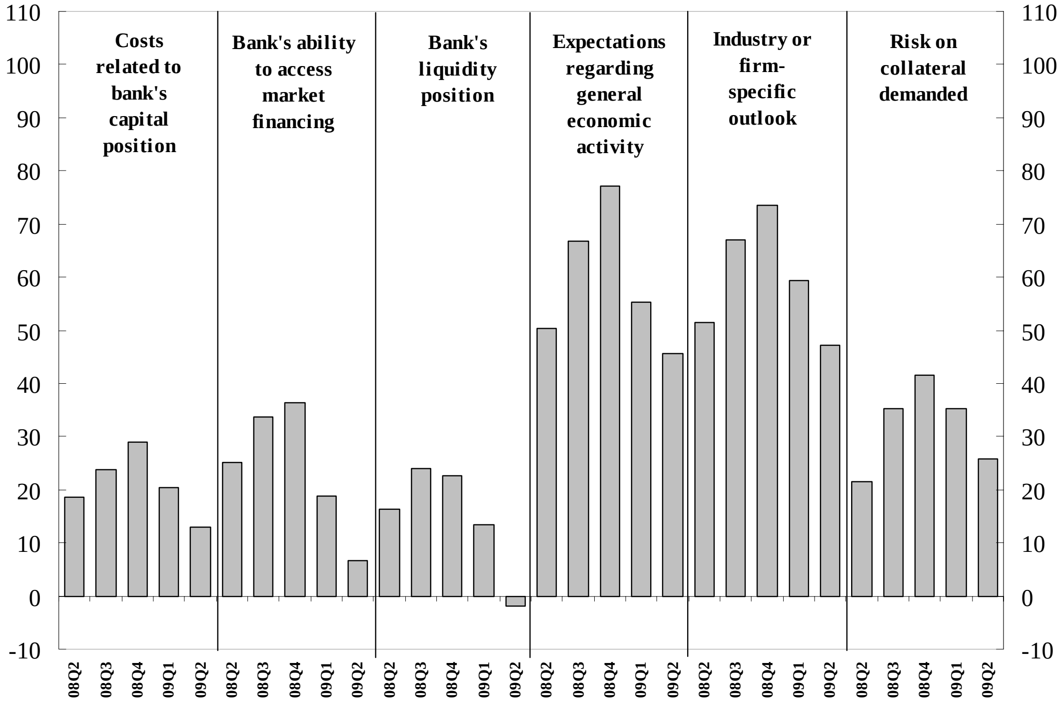
NA = not available; NetP = net percentage; DI = diffusion index.

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

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

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

OVERALL



BREAKDOWN BY FIRM SIZE

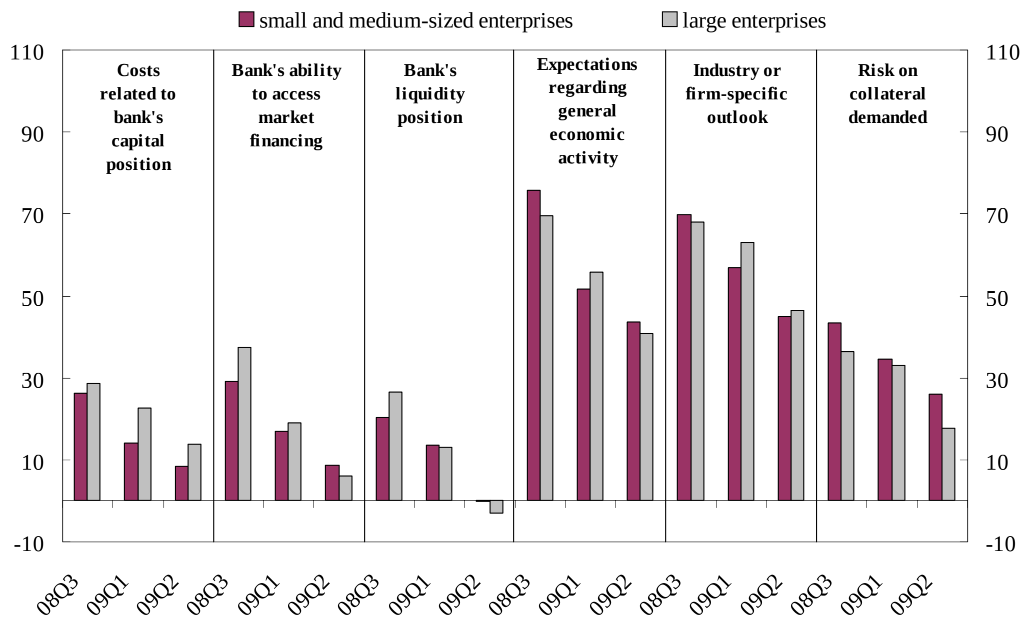
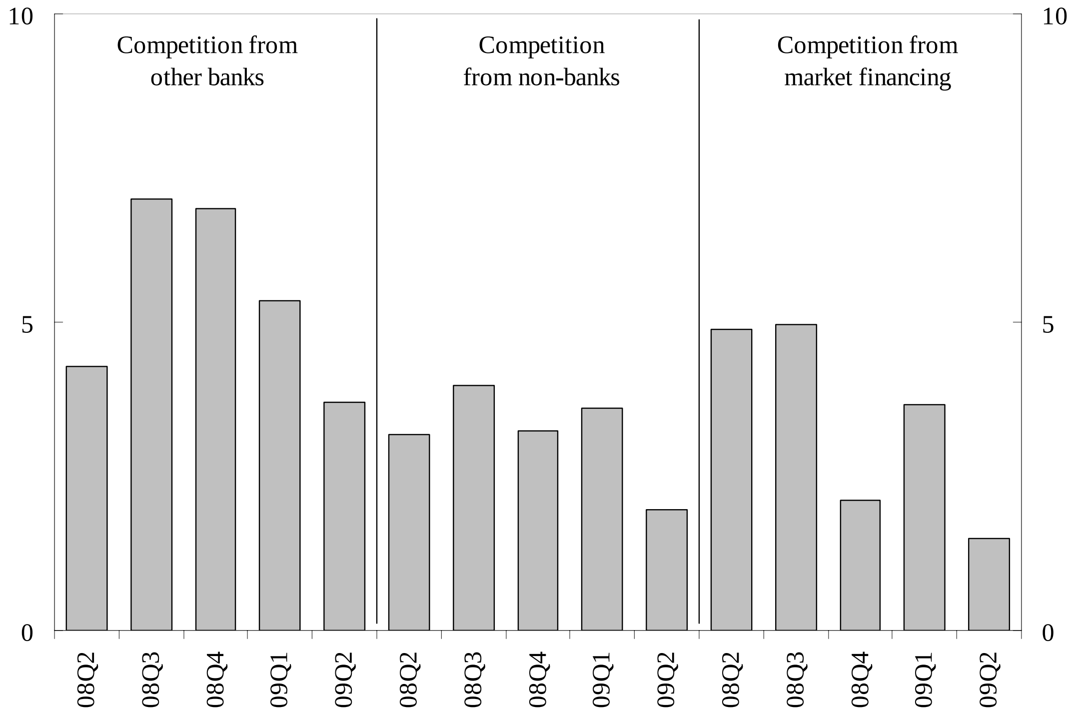


Chart 2b. Factors affecting credit standards applied to the approval of loans or credit lines to enterprises
(net percentages of banks reporting a contribution to tightening standards)

OVERALL



BREAKDOWN BY FIRM SIZE

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

OVERALL	--	-	°	+	++	NA	NetP April 2009	NetP July 2009	DI April 2009	DI July 2009	Mean April 2009	Mean July 2009
A) Price												
Your bank's margin on average loans	4	33	56	1	0	6	58	35	35	20	2.25	2.58
Your bank's margin on riskier loans	11	45	37	0	0	7	71	56	46	34	2.01	2.28
B) Other conditions and terms												
Non-interest rate charges	1	17	76	0	0	7	23	18	12	9	2.74	2.80
Size of the loan or credit line	1	22	71	0	0	6	32	23	18	12	2.62	2.75
Collateral requirements	2	29	63	0	0	6	35	31	19	16	2.60	2.65
Loan covenants	2	19	73	0	0	7	25	20	13	11	2.72	2.77
Maturity	1	25	68	1	0	6	26	24	14	13	2.71	2.74

SMALL AND MEDIUM-SIZED ENTERPRISES	--	-	°	+	++	NA	NetP April 2009	NetP July 2009	DI April 2009	DI July 2009	Mean April 2009	Mean July 2009
A) Price												
Your bank's margin on average loans	4	30	55	4	0	7	51	30	31	17	2.32	2.63
Your bank's margin on riskier loans	11	44	36	2	0	8	64	53	41	32	2.09	2.32
B) Other conditions and terms												
Non-interest rate charges	1	15	77	0	0	7	16	15	8	8	2.81	2.82
Size of the loan or credit line	0	19	74	0	0	7	29	19	15	10	2.68	2.80
Collateral requirements	1	29	63	0	0	7	33	30	17	16	2.63	2.66
Loan covenants	1	17	73	0	0	9	21	18	11	10	2.77	2.79
Maturity	1	23	69	1	0	7	25	22	13	12	2.71	2.75

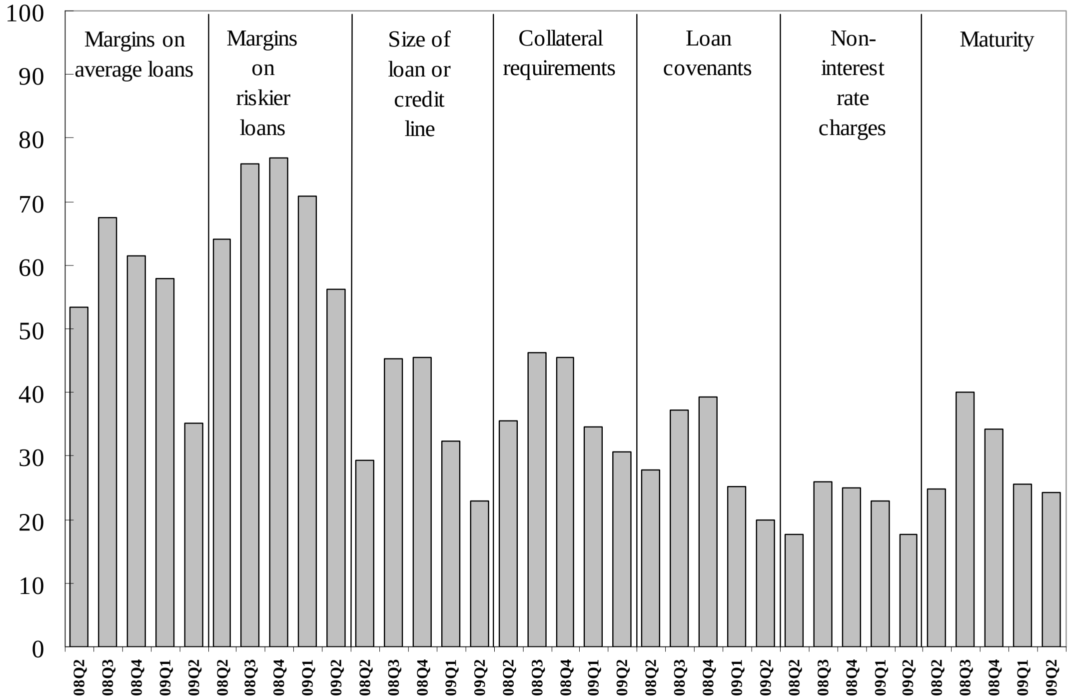
LARGE ENTERPRISES	--	-	°	+	++	NA	NetP April 2009	NetP July 2009	DI April 2009	DI July 2009	Mean April 2009	Mean July 2009
A) Price												
Your bank's margin on average loans	4	37	47	1	0	11	54	40	34	22	2.22	2.51
Your bank's margin on riskier loans	11	50	28	0	0	12	67	60	43	35	2.00	2.20
B) Other conditions and terms												
Non-interest rate charges	1	19	69	0	0	11	24	20	13	10	2.70	2.76
Size of the loan or credit line	1	23	64	1	0	11	32	23	18	12	2.58	2.73
Collateral requirements	2	26	62	0	0	11	33	27	19	14	2.56	2.68
Loan covenants	2	19	68	0	0	11	29	20	17	11	2.59	2.75
Maturity	1	24	64	1	0	11	28	24	15	12	2.65	2.73

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

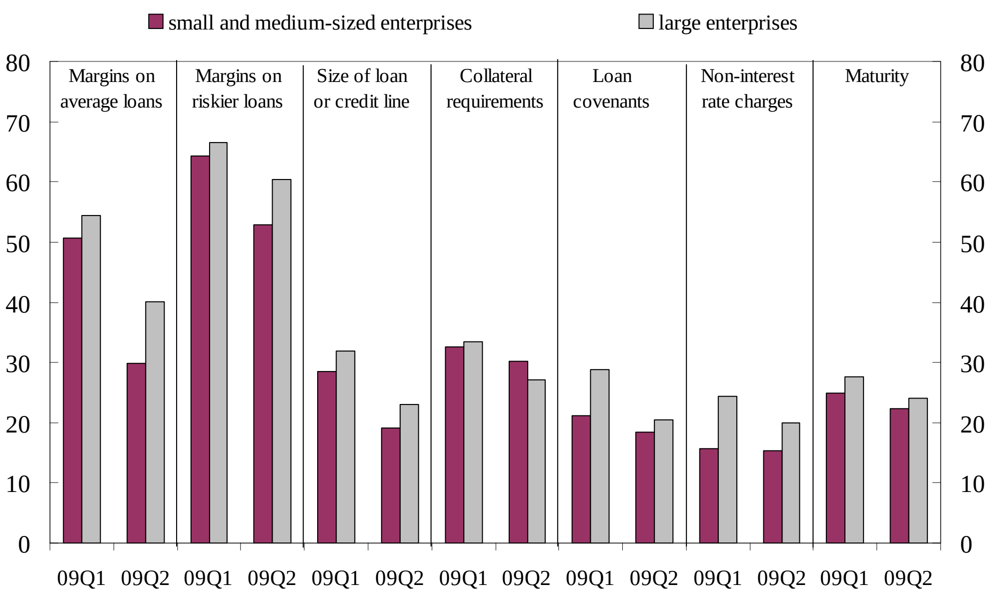
Notes: The net percentage is defined as the difference between the sum of banks responding "- -" (tightened considerably) and "-" (tightened somewhat), and the sum of banks responding "+" (eased somewhat) and "+ +" (eased considerably). "°" means "remained basically unchanged". The diffusion index is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

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

OVERALL



BREAKDOWN BY FIRM SIZE



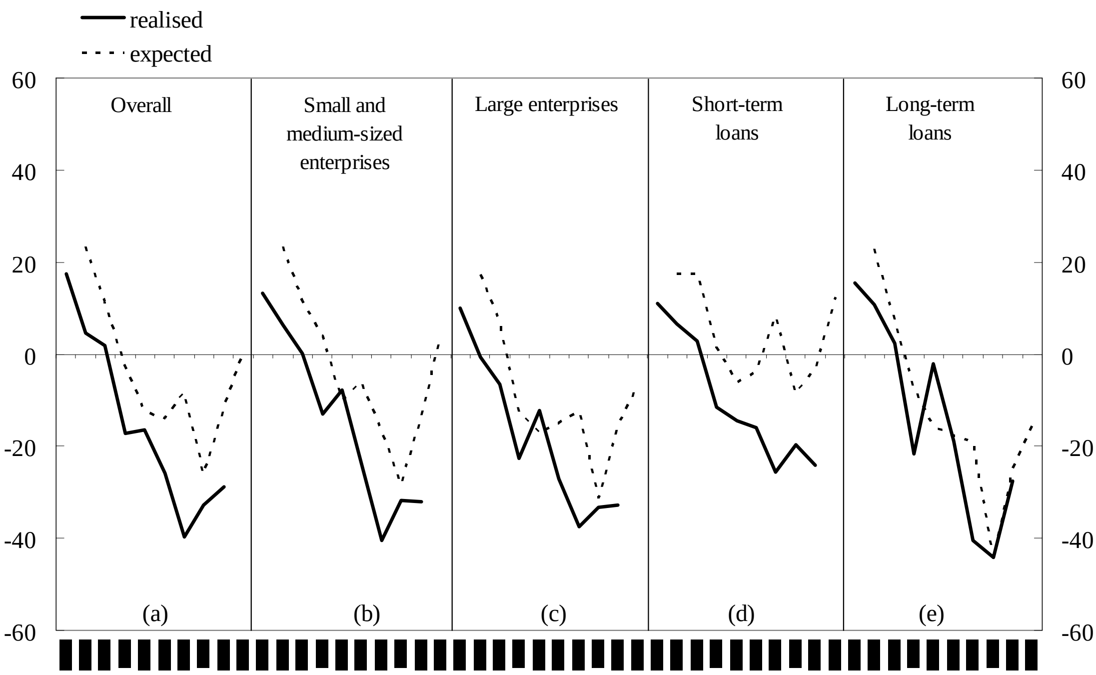
4. Over the past three months, how has the <u>demand for loans or credit lines to enterprises</u> changed at your bank, apart from normal seasonal fluctuations?

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	April	July	April	July	April	July	April	July	April	July
Decreased considerably	6	4	8	4	12	8	4	2	14	8
Decreased somewhat	42	38	40	39	34	34	36	34	43	35
Remained basically unchanged	37	45	36	47	41	47	38	51	30	42
Increased somewhat	13	12	15	11	12	8	20	12	12	14
Increased considerably	2	1	1	0	1	2	1	0	1	1
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	***-33***	***-29***	***-32***	***-32***	***-33***	***-33***	***-20***	***-24***	***-44***	***-28***
Diffusion index	***-19***	***-16***	***-19***	***-18***	***-22***	***-20***	***-12***	***-13***	***-29***	***-17***
Mean	*2.63*	*2.68*	*2.61*	*2.64*	*2.56*	*2.61*	*2.77*	*2.74*	*2.43*	*2.65*
Number of banks responding	***111***	***112***	***111***	***111***	***106***	***107***	***111***	***112***	***109***	***110***

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

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

(net percentages of banks reporting positive loan demand)



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

	--	-	°	+	++	NA	NetP		DI		Mean	
							April 2009	July 2009	April 2009	July 2009	April 2009	July 2009
A) Financing needs												
Fixed investment	11	48	28	6	0	8	-62	-52	-38	-31	2.18	2.31
Inventories and working capital	0	25	44	20	0	11	-6	-5	-3	-3	2.94	2.96
Mergers/acquisitions and corporate restructuring	9	30	39	7	0	14	-39	-32	-24	-20	2.43	2.53
Debt restructuring	0	4	28	56	1	12	44	52	26	26	3.54	3.58
B) Use of alternative finance												
Internal financing	0	18	62	10	1	10	-2	-7	-1	-3	2.98	2.94
Loans from other banks	0	4	70	15	1	11	9	12	6	6	3.14	3.15
Loans from non-banks	0	4	78	6	0	12	3	2	1	1	3.04	3.03
Issuance of debt securities	0	14	58	7	0	20	-4	-7	-2	-4	2.94	2.91
Issuance of equity	0	5	72	3	0	20	0	-2	1	-1	3.02	2.96

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

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

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

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

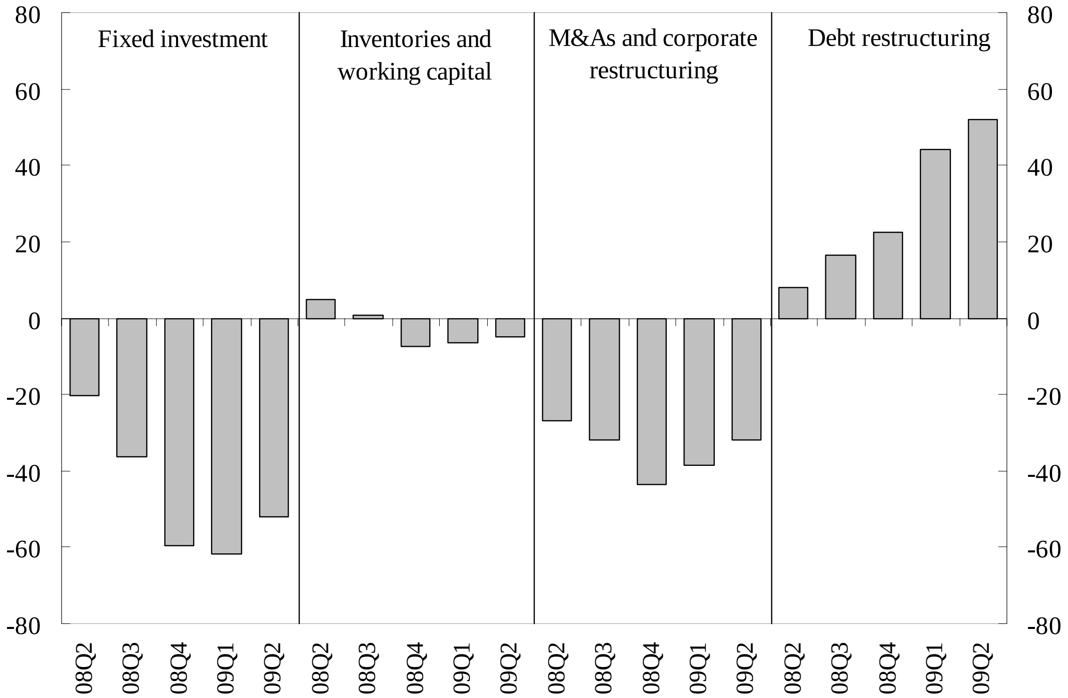
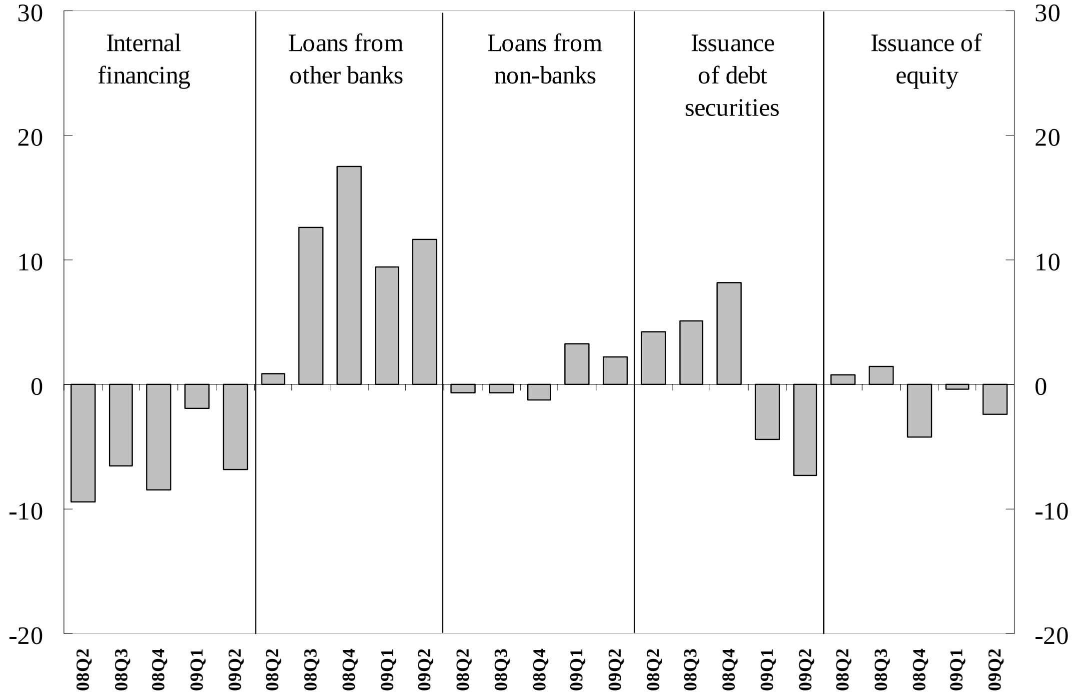


Chart 5b. Factors affecting demand for loans and credit lines to enterprises
(net percentages of banks reporting a positive contribution to demand)

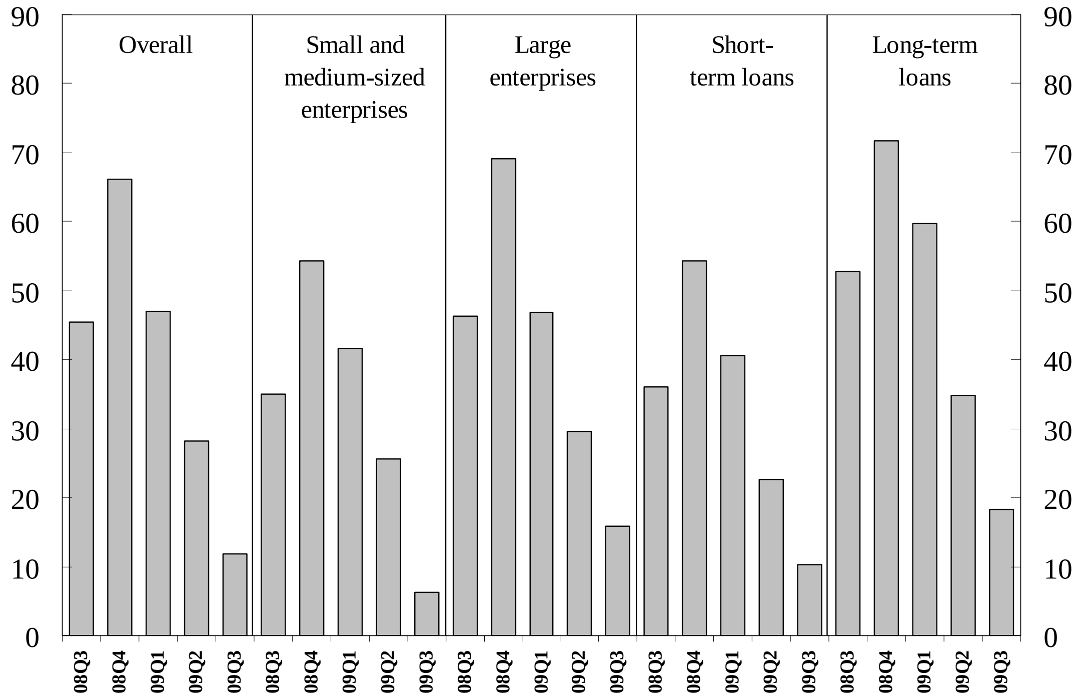


6. Please indicate how you expect your <u>bank's credit standards as applied to the approval of loans or credit lines to enterprises</u> to change over the next three months.

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	April	July	April	July	April	July	April	July	April	July
Tighten considerably	2	0	0	0	5	1	0	0	3	0
Tighten somewhat	30	14	28	12	24	16	26	11	33	20
Remain basically unchanged	66	84	69	82	71	81	72	88	63	77
Ease somewhat	3	2	3	6	0	1	3	1	1	2
Ease considerably	0	0	0	0	0	0	0	0	0	0
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	***28***	***12***	***26***	***6***	***30***	***16***	***23***	***10***	***35***	***18***
Diffusion index	***15***	***6***	***13***	***3***	***17***	***9***	***11***	***5***	***19***	***9***
Mean	*2.70*	*2.88*	*2.74*	*2.94*	*2.65*	*2.83*	*2.78*	*2.90*	*2.62*	*2.82*
Number of banks responding	***110***	***112***	***111***	***111***	***106***	***107***	***111***	***112***	***109***	***110***

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

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

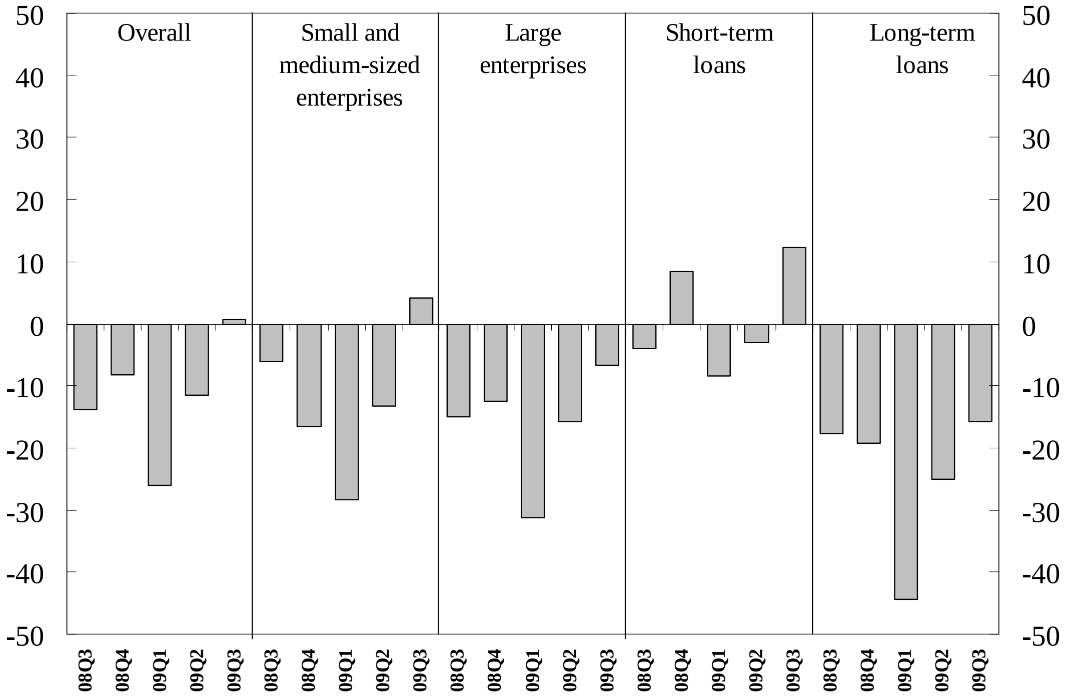


7. Please indicate how you expect <u>demand for loans or credit lines to enterprises</u> to change at your bank over the next three months (apart from normal seasonal fluctuations).

	Overall		Loans to small and medium-sized enterprises		Loans to large enterprises		Short-term loans		Long-term loans	
	April	July	April	July	April	July	April	July	April	July
Decrease considerably	4	1	2	0	6	2	1	1	7	2
Decrease somewhat	27	20	31	18	27	17	25	17	34	30
Remain basically unchanged	49	58	46	60	50	68	50	53	43	51
Increase somewhat	19	19	20	20	16	11	22	27	15	16
Increase considerably	1	2	1	2	1	2	2	3	1	1
Total	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*	*100*
Net percentage	***-12***	***1***	***-13***	***4***	***-16***	***-7***	***-3***	***12***	***-25***	***-16***
Diffusion index	***-7***	***1***	***-8***	***3***	***-11***	***-3***	***-1***	***7***	***-16***	***-9***
Mean	*2.86*	*3.02*	*2.85*	*3.06*	*2.79*	*2.94*	*2.97*	*3.14*	*2.69*	*2.83*
Number of banks responding	***110***	***112***	***111***	***111***	***106***	***107***	***111***	***112***	***109***	***110***

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

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



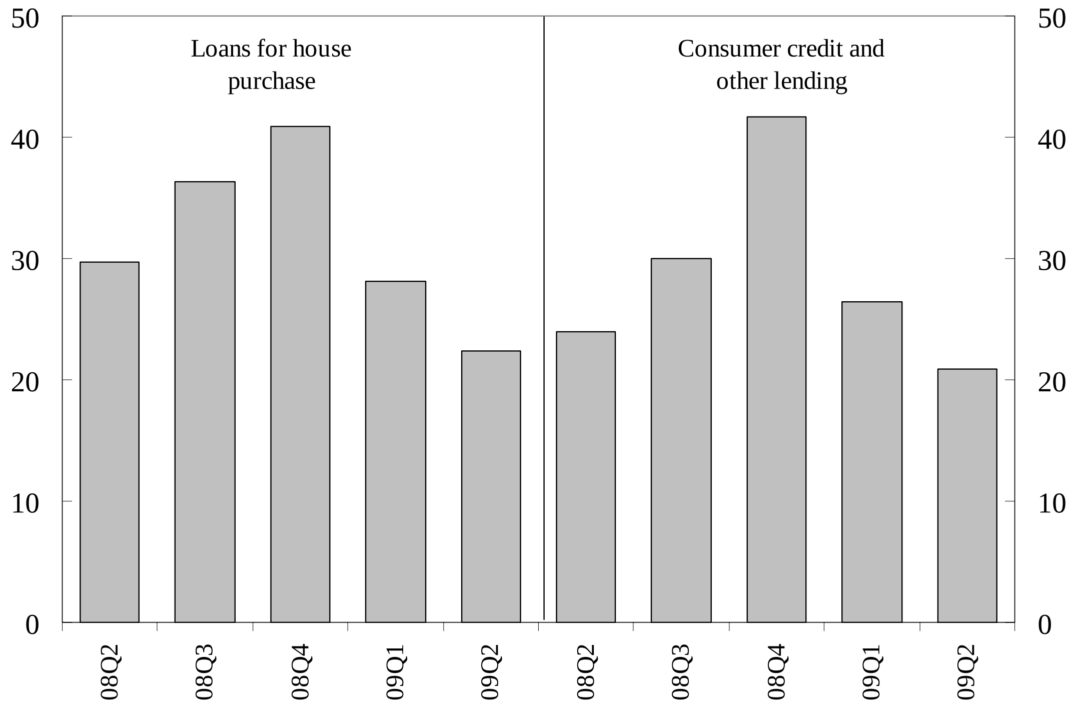
II. Loans to households

8. Over the past three months, how have your bank's credit standards as applied to the approval of <u>loans to households</u> changed?

	Loans for house purchase		Consumer credit and other lending	
	April	July	April	July
Tightened considerably	3	3	3	0
Tightened somewhat	26	21	27	21
Remained basically unchanged	72	75	66	79
Eased somewhat	0	2	4	0
Eased considerably	0	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***28***	***22***	***26***	***21***
Diffusion index	***15***	***12***	***15***	***11***
Mean	*2.69*	*2.75*	*2.71*	*2.79*
Number of banks responding	***107***	***107***	***108***	***108***

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

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



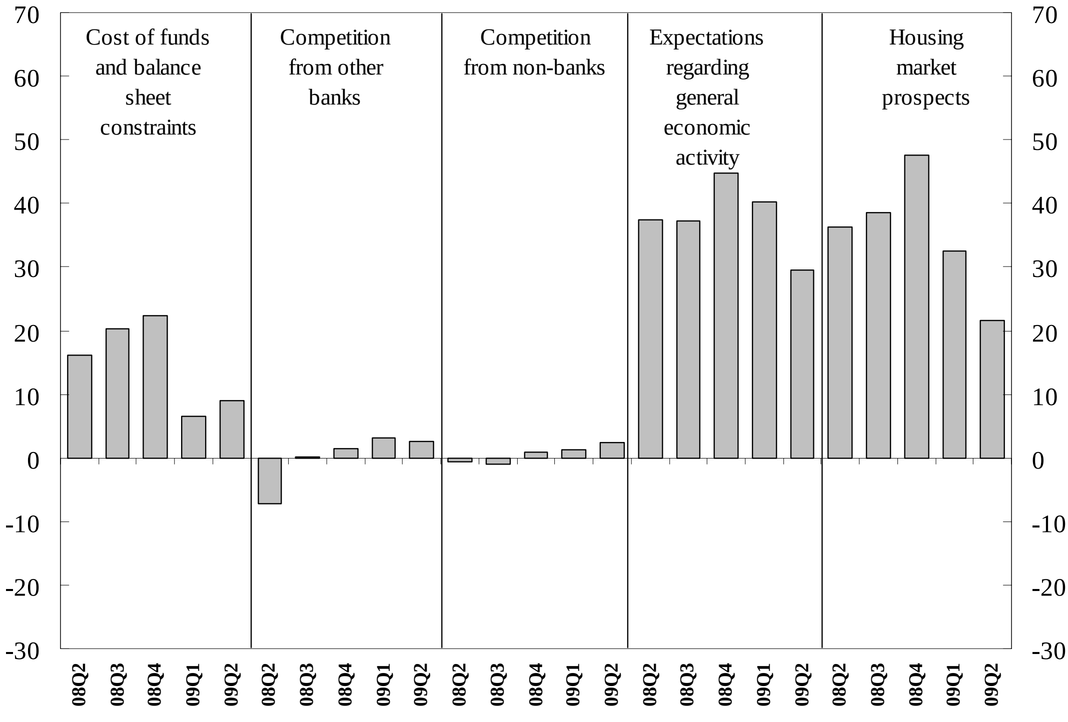
9. Over the past three months, how have the following factors affected your bank's credit standards as applied to the approval of loans to households for house purchase?

	--	-	°	+	++	NA	NetP		DI		Mean	
							April 2009	July 2009	April 2009	July 2009	April 2009	July 2009
A) Cost of funds and balance sheet constraints	1	10	76	2	0	12	7	9	5	5	2.89	2.89
B) Pressure from competition												
Competition from other banks	1	2	86	1	0	10	3	3	2	2	2.97	2.96
Competition from non-banks	1	1	86	0	0	11	1	3	1	2	2.99	2.96
C) Perception of risk												
Expectations regarding general economic activity	3	26	61	0	0	9	40	29	22	16	2.53	2.65
Housing market prospects	2	19	69	0	0	9	33	22	18	12	2.63	2.75

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

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

Chart 9. Factors affecting credit standards applied to the approval of loans to households for house purchase
(net percentages of banks reporting tightening standards)



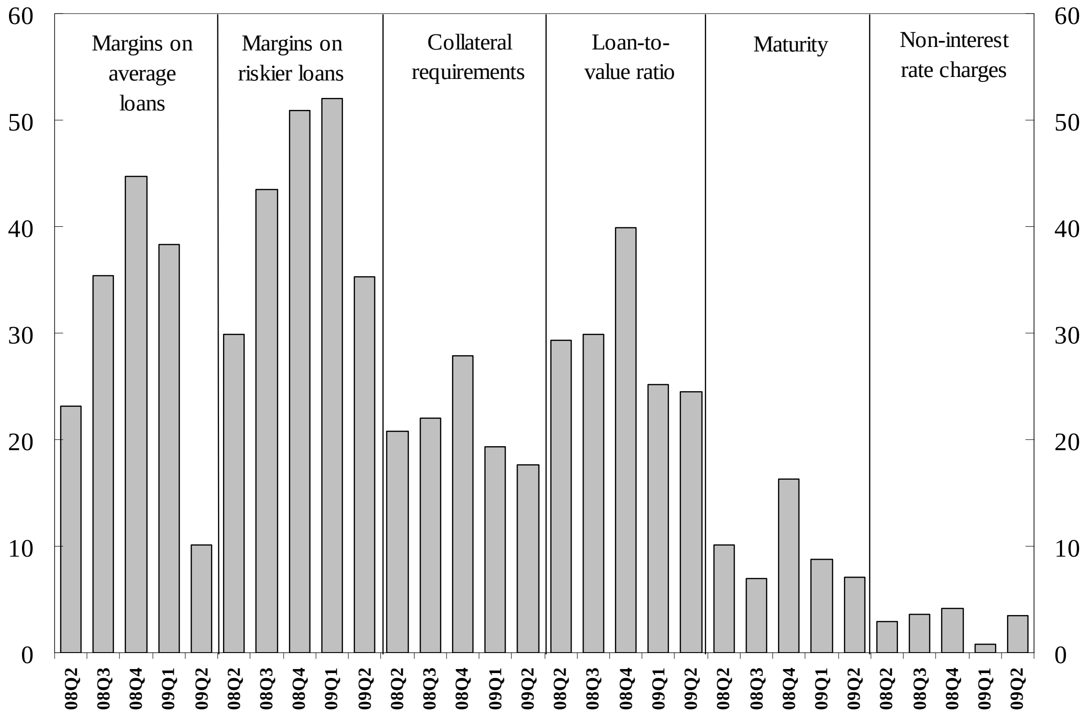
10. Over the past three months, how have your bank's terms and conditions for approving loans to households for house purchase changed?

	--	-	°	+	++	NA	NetP April 2009	NetP July 2009	DI April 2009	DI July 2009	Mean April 2009	Mean July 2009
A) Price												
Your bank's margin on average loans	3	15	66	8	0	9	38	10	21	7	2.54	2.86
Your bank's margin on riskier loans	7	31	50	2	0	10	52	35	30	21	2.35	2.54
B) Other conditions and terms												
Collateral requirements	1	17	73	0	0	9	19	18	11	9	2.78	2.80
Loan-to-value ratio	1	24	66	0	0	9	25	25	14	13	2.71	2.73
Maturity	1	6	84	0	0	9	9	7	5	4	2.89	2.91
Non-interest rate charges	1	3	87	0	0	9	1	4	1	2	2.97	2.95

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

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

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



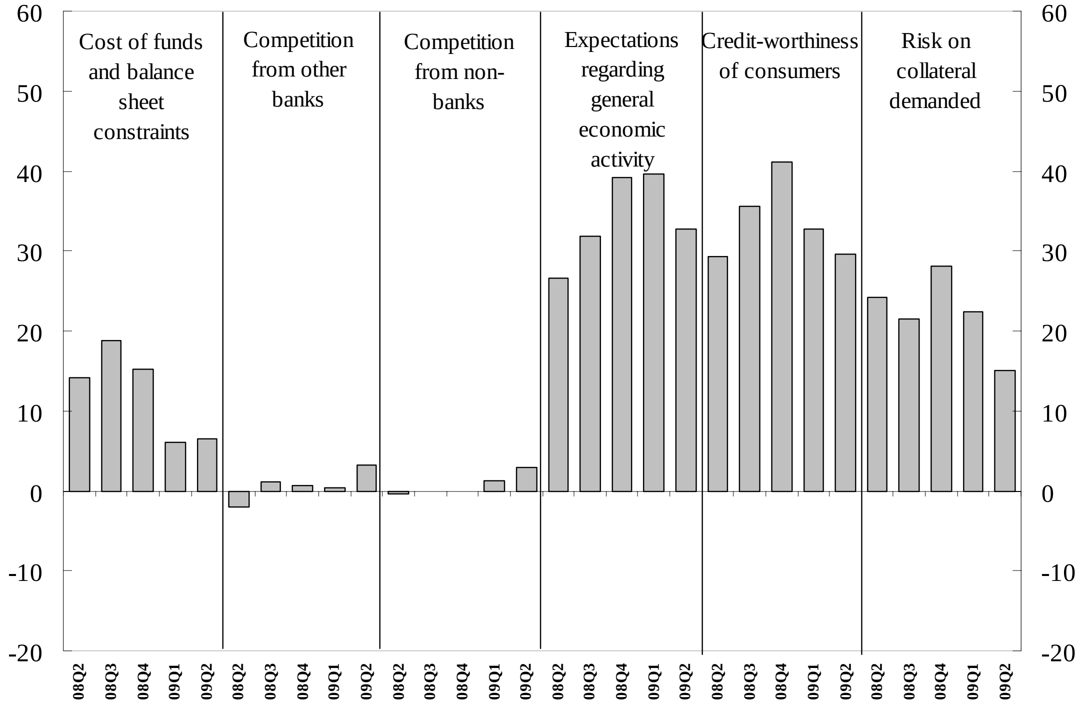
11. Over the past three months, how have the following factors affected your bank’s credit standards as applied to the approval of <u>consumer credit and other lending to households</u> (as described in question 8)?

	--	-	°	+	++	NA	NetP		DI		Mean	
							April 2009	July 2009	April 2009	July 2009	April 2009	July 2009
A) Cost of funds and balance sheet constraints	0	8	77	1	0	14	6	7	3	3	2.93	2.93
B) Pressure from competition	0	0	0	0	0	0	0	0	0	0		
Competition from other banks	1	2	84	0	0	13	0	3	0	2	3.00	2.96
Competition from non-banks	0	3	82	0	0	14	1	3	1	2	2.99	2.97
C) Perception of risk												
Expectations regarding general economic activity	3	30	56	0	0	11	40	33	22	18	2.53	2.61
Creditworthiness of consumers	4	26	59	0	0	11	33	30	19	17	2.58	2.64
Risk on collateral demanded	2	13	69	0	0	15	23	15	11	9	2.76	2.81

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

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

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



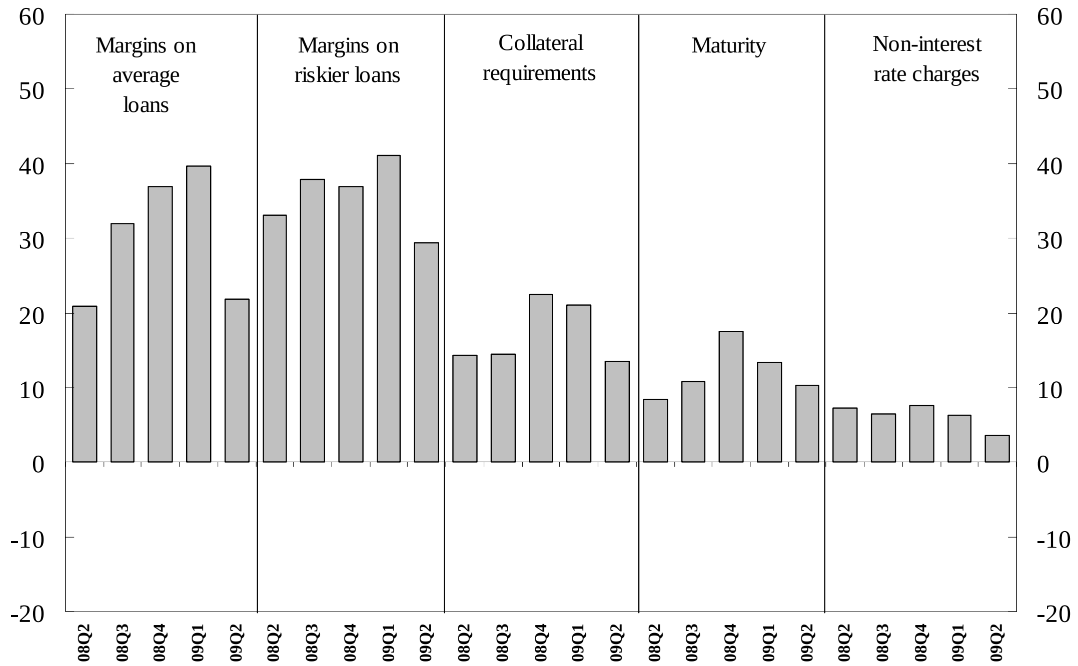
12. Over the past three months, how have your bank's terms and conditions for approving consumer credit and other lending to households changed?

	--	-	°	+	++	NA	NetP		DI		Mean	
							April 2009	July 2009	April 2009	July 2009	April 2009	July 2009
A) Price												
Your bank's margin on average loans	2	23	62	3	0	10	40	22	21	12	2.55	2.76
Your bank's margin on riskier loans	5	27	53	3	0	12	41	29	23	17	2.51	2.64
B) Other conditions and terms												
Collateral requirements	0	14	74	0	0	12	21	14	11	7	2.78	2.86
Maturity	0	12	76	2	0	10	13	10	7	5	2.87	2.90
Non-interest rate charges	0	4	86	0	0	10	6	4	3	2	2.94	2.96

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

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

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

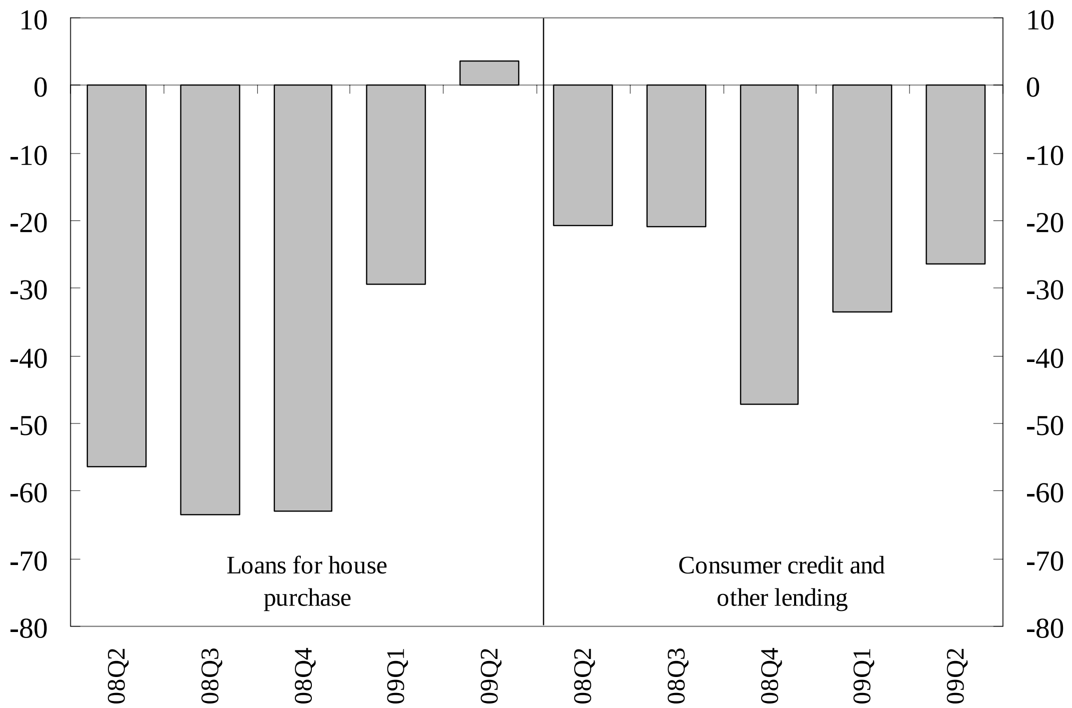


13. Over the past three months, how has the <u>demand for loans to households</u> changed at your bank, apart from normal seasonal fluctuations?

	Loans for house purchase		Consumer credit and other lending	
	April	July	April	July
Decreased considerably	18	9	4	3
Decreased somewhat	31	21	45	38
Remained basically unchanged	31	35	36	46
Increased somewhat	15	27	12	13
Increased considerably	5	7	4	1
Total	*100*	*100*	*100*	*100*
Net percentage	***-30***	***4***	***-34***	***-26***
Diffusion index	***-21***	***1***	***-17***	***-14***
Mean	*2.57*	*3.01*	*2.66*	*2.72*
Number of banks responding	**107**	**107**	**107**	**107**

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

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



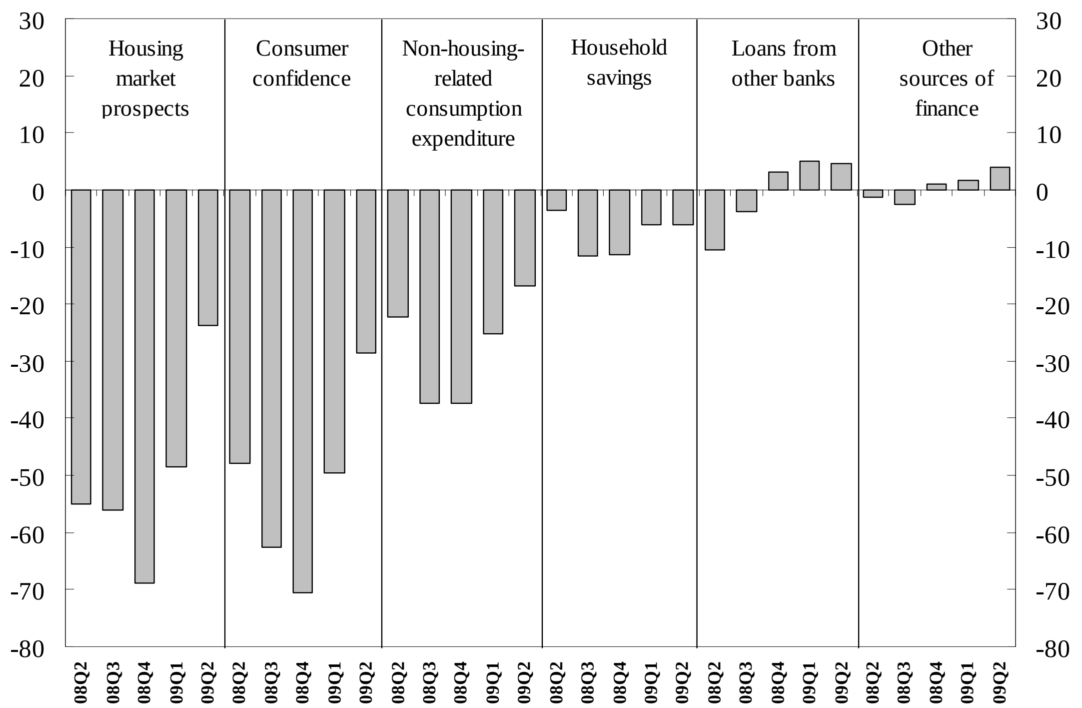
14. Over the past three months, how have the following factors affected the demand for <u>loans to households for house purchase</u> (as described in question 13)?

	--	-	°	+	++	NA	NetP April 2009	NetP July 2009	DI April 2009	DI July 2009	Mean April 2009	Mean July 2009
A) Financing needs												
Housing market prospects	7	29	44	12	0	9	-49	-24	-28	-15	2.41	2.69
Consumer confidence	11	27	45	9	0	9	-50	-29	-31	-20	2.33	2.60
Non-housing-related consumption expenditure	3	18	65	4	0	10	-25	-17	-14	-10	2.68	2.79
B) Use of alternative finance												
Household savings	2	7	76	3	0	12	-6	-6	-3	-4	2.93	2.90
Loans from other banks	1	4	74	9	1	12	5	5	2	2	3.04	3.06
Other sources of finance	0	2	81	5	0	13	2	4	1	2	3.01	3.04

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

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

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



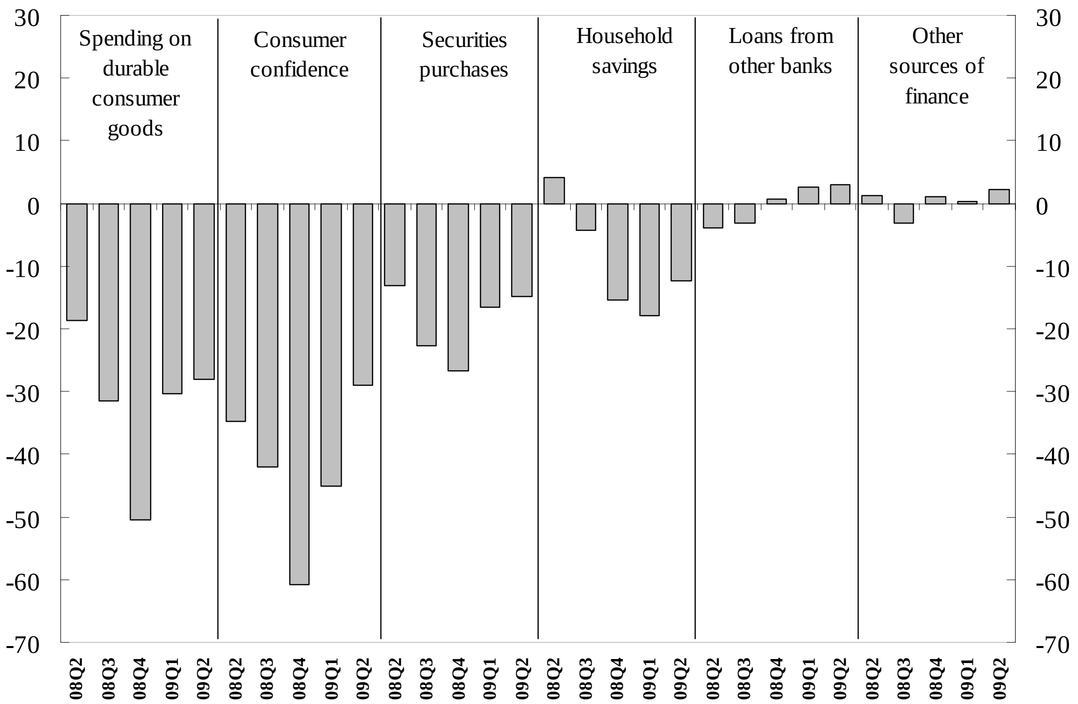
15. Over the past three months, how have the following factors affected the demand for <u>consumer credit and other lending to households</u> (as described in question 13)?

	--	-	°	+	++	NA	NetP		NetP		Mean	
							April 2009	July 2009	April 2009	July 2009	April 2009	July 2009
A) Financing needs												
Spending on durable consumer goods	7	30	43	6	3	12	-30	-28	-17	-16	2.62	2.66
Consumer confidence	9	25	51	5	0	10	-45	-29	-27	-19	2.39	2.59
Securities purchases	5	10	66	0	0	19	-17	-15	-12	-10	2.74	2.78
B) Use of alternative finance												
Household savings	1	14	72	3	0	10	-18	-12	-9	-6	2.80	2.86
Loans from other banks	0	3	81	6	0	10	3	3	1	2	3.03	3.02
Other sources of finance	0	1	85	3	0	11	0	2	0	1	3.00	3.02

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

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

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

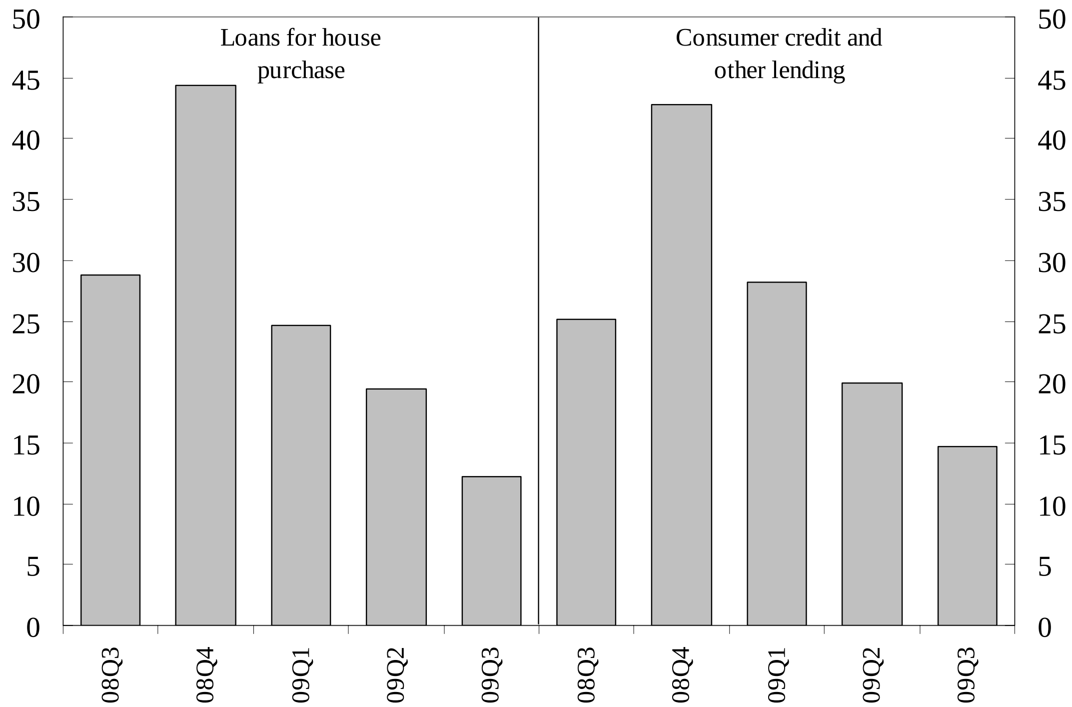


16. Please indicate how you expect your <u>bank's credit standards as applied to the approval of loans to households</u> to change over the next three months.

	Loans for house purchase		Consumer credit and other lending	
	April	July	April	July
Tighten considerably	2	1	1	0
Tighten somewhat	20	14	22	18
Remain basically unchanged	76	82	75	80
Ease somewhat	3	3	3	3
Ease considerably	0	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***19***	***12***	***20***	***15***
Diffusion index	***11***	***7***	***10***	***7***
Mean	*2.79*	*2.87*	*2.80*	*2.85*
Number of banks responding	***107***	***107***	***108***	***107***

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

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

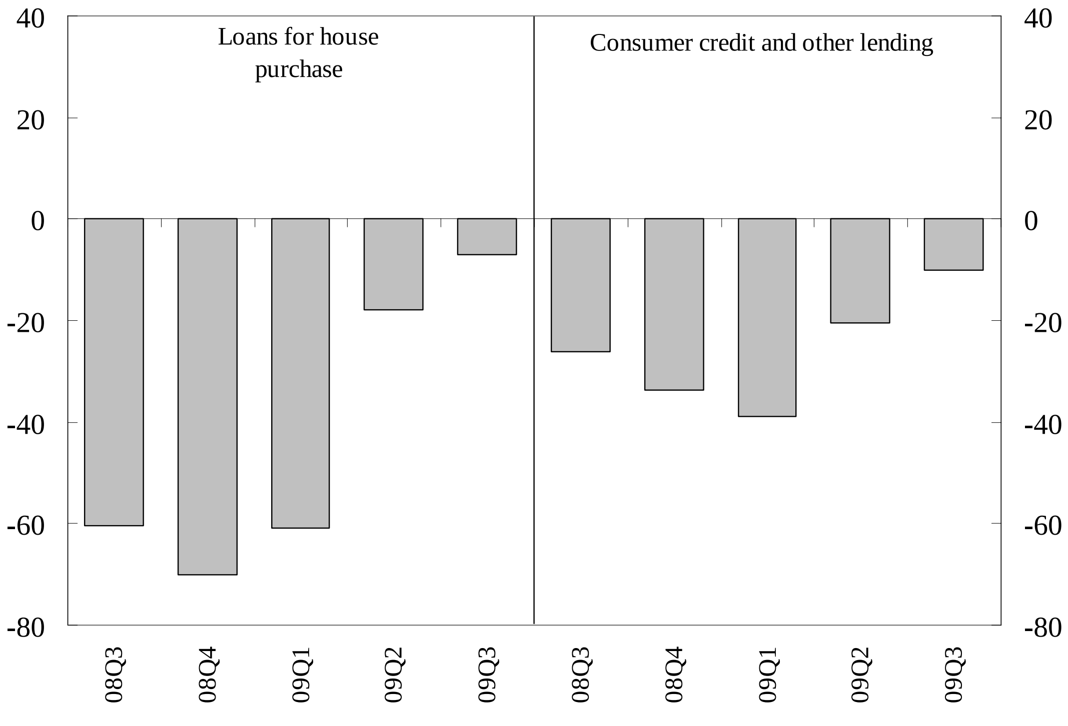


17. Please indicate how you expect <u>demand for loans to households</u> to change over the next three months at your bank (apart from normal seasonal fluctuations).

	Loans for house purchase		Consumer credit and other lending	
	April	July	April	July
Decrease considerably	5	1	2	2
Decrease somewhat	30	22	29	19
Remain basically unchanged	48	61	60	69
Increase somewhat	15	16	10	11
Increase considerably	2	0	0	0
Total	*100*	*100*	*100*	*100*
Net percentage	***-18***	***-7***	***-20***	***-10***
Diffusion index	***-10***	***-4***	***-11***	***-6***
Mean	*2.79*	*2.92*	*2.78*	*2.88*
Number of banks responding	***106***	***107***	***108***	***106***

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

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



ANNEX 2: RESULTS FOR THE AD HOC QUESTIONS

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

	Over the past three months	Over the next three months
Basically no impact on market access	40%	42%
Some improvement in market access	48%	49%
Considerable improvement in market access	12%	8%
Not applicable (*)	8%	8%
Mean	***3.72***	***3.66***
Standard deviation	0.70	0.66
Number of banks responding	***99***	***99***

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

ii. As a result of the situation in the financial markets, has your market access been hampered when tapping your usual sources of wholesale funding and/or has your ability to transfer risk been hampered over the past three months, or are you expecting this access/activity to be hampered over the next three months?[1]

	Over the past three months					Over the next three months					N/A[(2)]
	--	-	o	Mean	Standard deviation	--	-	o	Mean	Standard deviation	
A) Interbank unsecured money market											
Very short-term money market (up to one week)	0%	24%	76%	2.76	0.46	0%	21%	79%	2.79	0.45	14%
Short-term money market (more than one week)	11%	34%	55%	2.44	0.72	6%	32%	62%	2.57	0.64	14%
B) Debt securities[(3)]											
Short-term debt securities (e.g. certificates of deposit or commercial paper)	16%	36%	48%	2.32	0.77	12%	36%	52%	2.39	0.73	22%
Medium to long-term debt securities (incl. covered bonds)	14%	50%	36%	2.22	0.72	8%	48%	44%	2.37	0.66	21%
C) Securitisation[(4)]											
Securitisation of corporate loans	51%	30%	19%	1.67	0.84	43%	34%	22%	1.79	0.85	57%
Securitisation of loans for house purchase	46%	27%	27%	1.81	0.93	46%	29%	25%	1.79	0.91	52%
D) Ability to transfer credit risk off balance sheet[(5)]	52%	33%	15%	1.63	0.83	41%	43%	15%	1.74	0.80	62%

(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 used by 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.

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

For money markets, debt securities or other markets

	Over the past three months	Over the next three months
Quantity		
Considerable impact	17%	18%
Some impact	29%	24%
Basically no impact	54%	58%
Mean	*2.37*	*2.39*
Standard deviation	*0.79*	*0.79*
Number of banks responding	***70***	***70***
Margin		
Considerable impact	27%	25%
Some impact	48%	47%
Basically no impact	25%	29%
Mean	*1.99*	*2.04*
Standard deviation	*0.77*	*0.77*
Not applicable (*)	39%	39%
Number of banks responding	***69***	***70***

For securitisation

	Over the past three months	Over the next three months
Quantity		
Considerable impact	31%	29%
Some impact	31%	33%
Basically no impact	38%	38%
Mean	*2.07*	*2.09*
Standard deviation	*0.90*	*0.88*
Number of banks responding	***43***	***43***
Margin		
Considerable impact	34%	30%
Some impact	34%	37%
Basically no impact	33%	33%
Mean	*1.99*	*2.03*
Standard deviation	*0.92*	*0.90*
Not applicable (*)	59%	59%
Number of banks responding	***41***	***41***

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

iv. 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	9%	7%
Considerable impact on capital, and some impact on lending	11%	13%
Some impact on both capital and lending	25%	25%
Some impact on capital, but no impact on lending	11%	11%
Basically no impact on capital	37%	36%
No reply	7%	7%
Mean	***3.63***	***3.63***
Standard deviation	1.45	1.41
Number of banks responding	***118***	***118***

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

v. This question addresses the extent to which the introduction of the more risk-sensitive Basel II-based capital adequacy framework (Directive 2006/48/EC; CRD henceforth), via its potential impact on your bank's capital position, has affected your lending policies.

Since the first quarter of 2008, how has the transition to the CRD affected the credit standards for the following loan categories? (The period to be considered is Q1 2008-Q2 2009).

	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%	5%	3%	1%
Contributed somewhat to tightening of credit standards	31%	35%	19%	21%
Basically no impact on credit standards	68%	58%	75%	78%
Contributed somewhat to easing of credit standards	0%	2%	4%	1%
Contributed considerably to easing of credit standards	0%	0%	0%	0%
Not applicable (*)	12%	15%	12%	16%
Mean	***2.68***	***2.57***	***2.79***	***2.78***
Standard deviation	0.52	0.66	0.58	0.47
Number of banks responding	***105***	***102***	***103***	***101***

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

ANNEX 3: GLOSSARY

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

Capital

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

Collateral

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

Consumer confidence

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

Cost of funds and balance sheet constraints

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

Covenant

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

Credit line

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

Credit standards

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

Credit terms and conditions

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

Debt restructuring

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

Diffusion index

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

Enterprises

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

Enterprise size

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

Households

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

Housing market prospects

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

Loans

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

Loan-to-value ratio

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

Maturity

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

Net percentage (or balance)

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

Non-banks

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

Non-interest rate charges

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