

Rome, 23 January 2018

## The Euro Area Bank Lending Survey

### MAIN RESULTS FOR ITALIAN BANKS<sup>1</sup>

Q4 2017 and outlook for Q1 2018

In the final quarter of 2017 **credit supply standards for new mortgage lending to firms and households** were basically unchanged (Figure 1), while for the first quarter of the new year, banks anticipate a moderate easing of supply conditions for both firms and households.

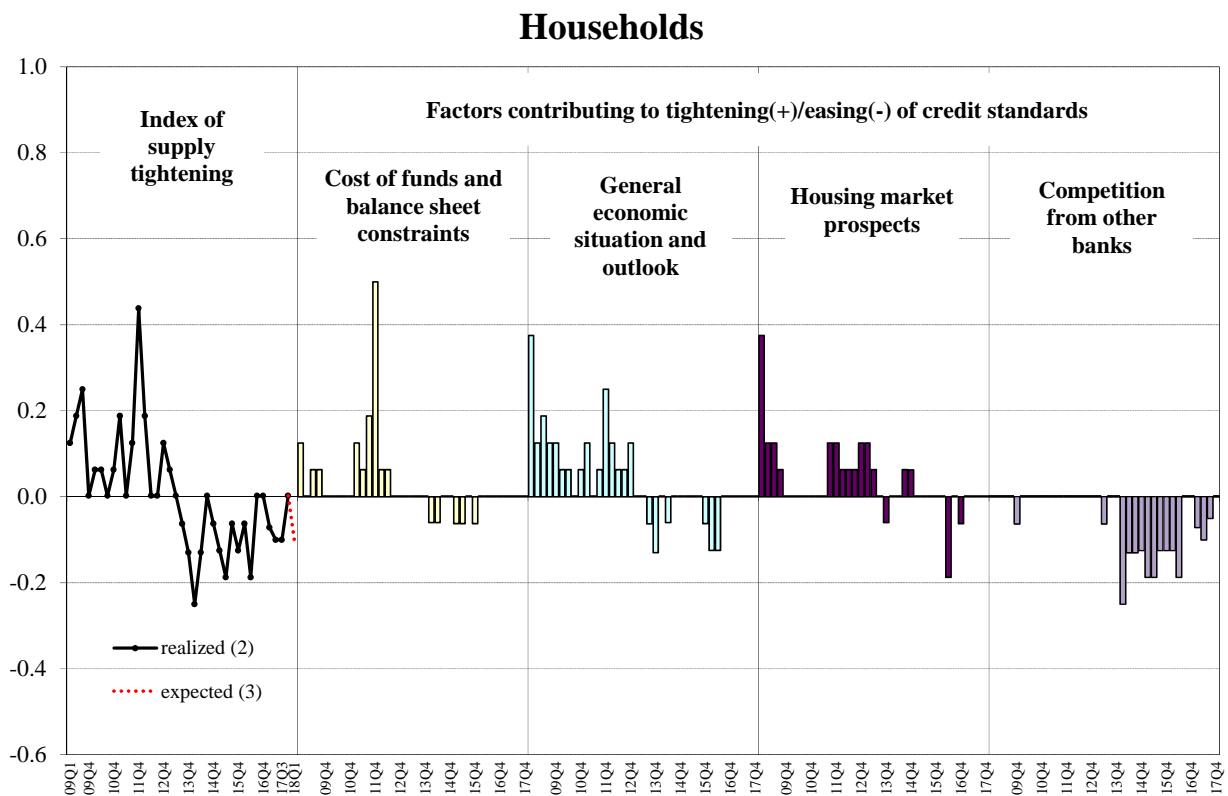
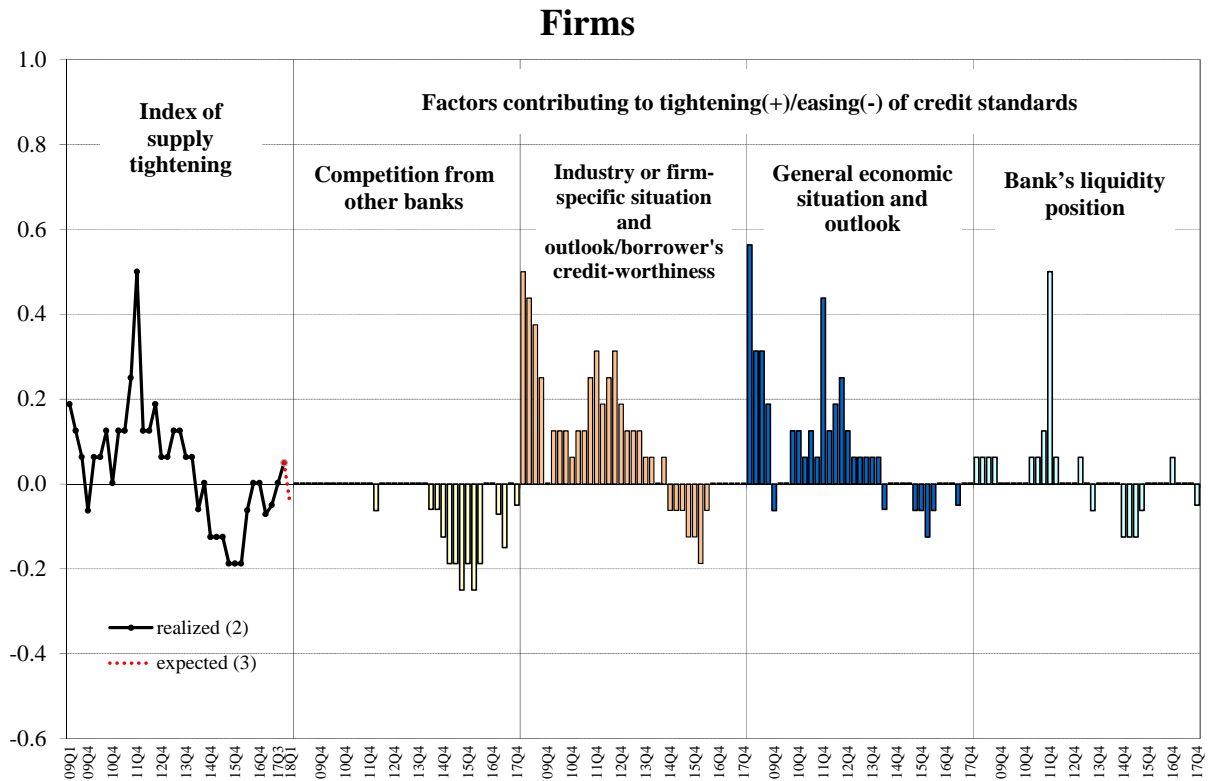
**Credit demand by firms** registered an increase that primarily reflects fixed-investment needs; demand for **home purchase loans by households** also expanded moderately, buoyed by the favourable outlook for the real estate market (Figure 2). Banks expect credit demand to strengthen further this quarter.

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<sup>1</sup> Ten of the main Italian banking groups took part in the survey, which ended on 2 January 2018. A more extensive discussion of these results will be included in the Bank of Italy's next *Economic Bulletin*, which will be published in April 2018. The results for the euro area are available at the page of the survey on the ECB's website ([www.ecb.europa.eu](http://www.ecb.europa.eu)).

Figure 1

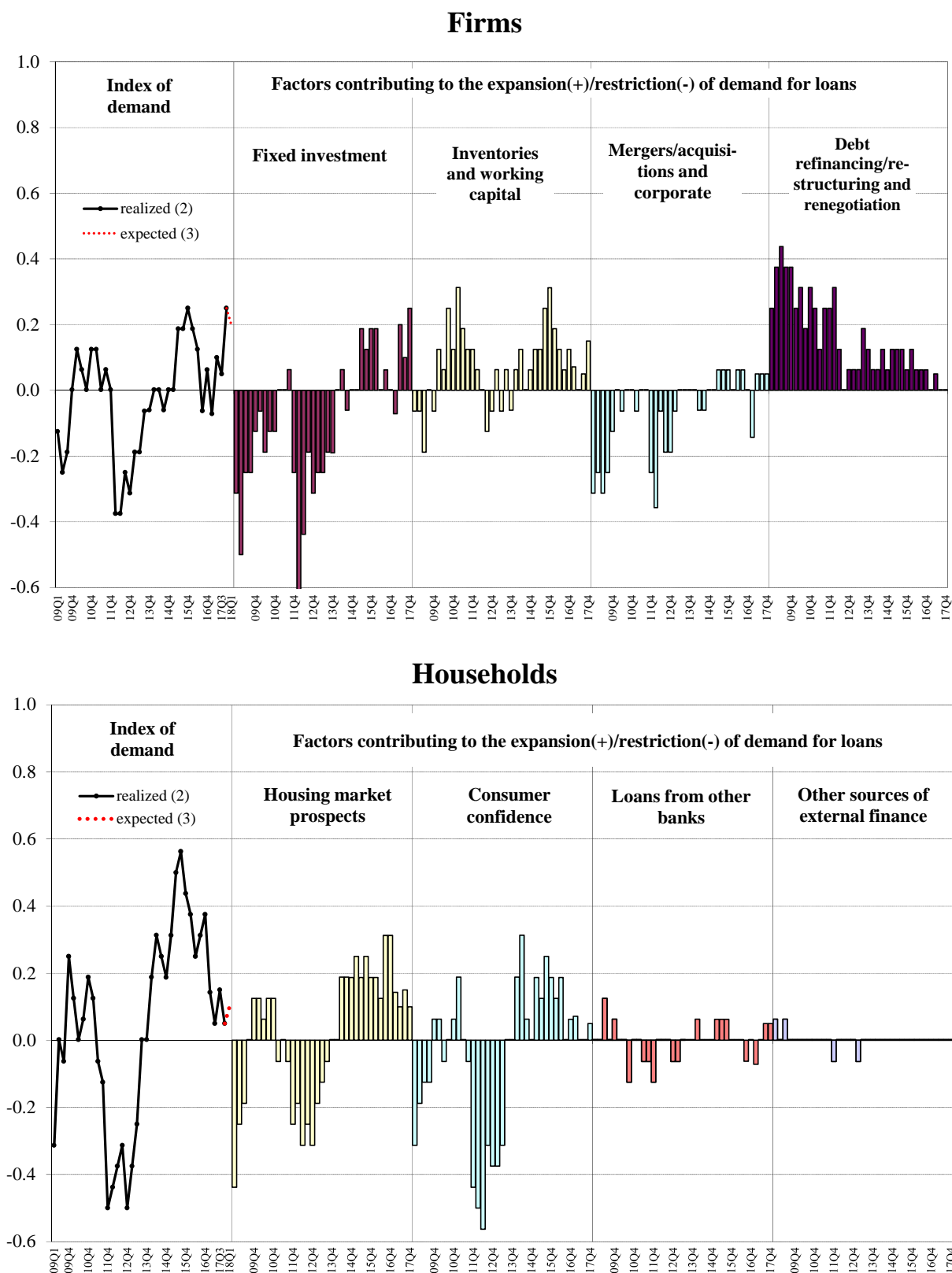
Supply conditions and main contributing factors (1)



(1) Positive values indicate supply restriction compared with the previous quarter. Diffusion indices are constructed on the basis of the following weighting scheme: 1 = tightened considerably, 0.5 = tightened somewhat, 0 = basically unchanged, -0.5 = eased somewhat, -1 = eased considerably. The range of variation of the index is from -1 to 1. – (2) Refers to the quarter ending at the time of the survey. – (3) Forecasts made in the preceding quarter.

Figure 2

## Trends in credit demand and main contributing factors (1)



(1) Positive values indicate demand expansion compared with the previous quarter. Diffusion indices are constructed on the basis of the following weighting scheme: 1 = increased considerably, 0.5 = increased somewhat, 0 = basically unchanged, -0.5 = decreased somewhat, -1 = decreased considerably. The range of variation of the index is from -1 to 1. – (2) Refers to the quarter ending at the time of the survey. – (3) Forecasts made in the preceding quarter.