

Rome, 14 July 2015

THE EURO AREA BANK LENDING SURVEY

MAIN RESULTS FOR ITALIAN BANKS:¹

Q2 2015 and outlook for Q3 2015

In the second quarter of 2015 **credit standards on loans to firms and households** continued to ease, mainly reflecting greater competitive pressure among banks and the improvement in intermediaries' liquidity position (Figure 1).

The more favourable lending policies for the most part led to a further narrowing of margins on the average loan and an expansion in the volume of credit granted.

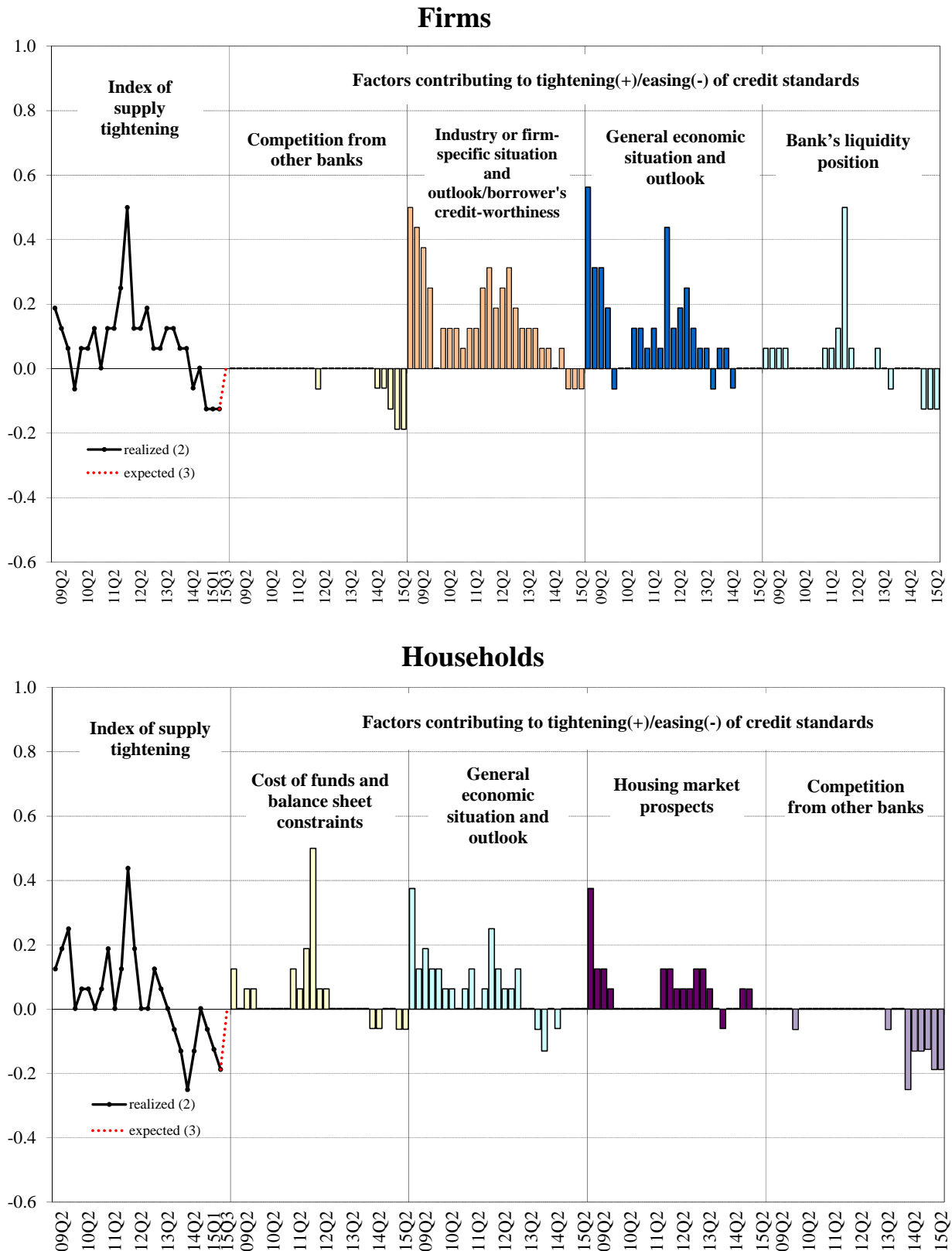
For the current quarter banks expect supply conditions to remain unchanged for both loans to businesses and to households for home purchase.

According to banks' assessments, **demand for loans by firms and households** has increased with respect to the first quarter and is expected to strengthen further in the third quarter.

¹ Eight leading Italian banking groups took part in the survey, which ended on 24 June 2015. The results for the euro area are available on the ECB's website at www.ecb.int. A more detailed comment on the results will be made in the Bank of Italy's *Economic Bulletin*, No. 3, 2015, to be published on 17 July.

Figure 1

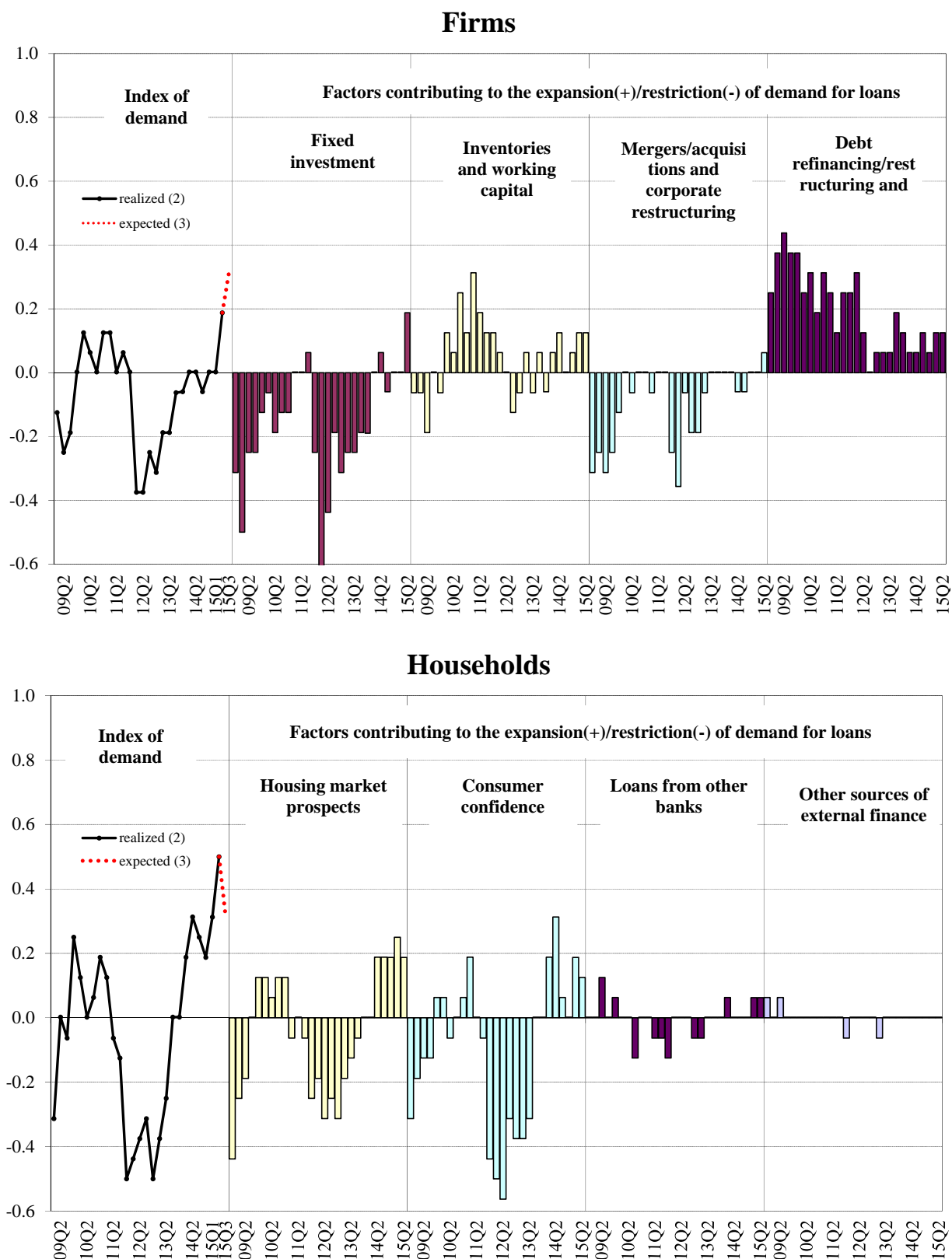
Supply conditions and main contributing factors (1)



(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.