

BANK LENDING SURVEY

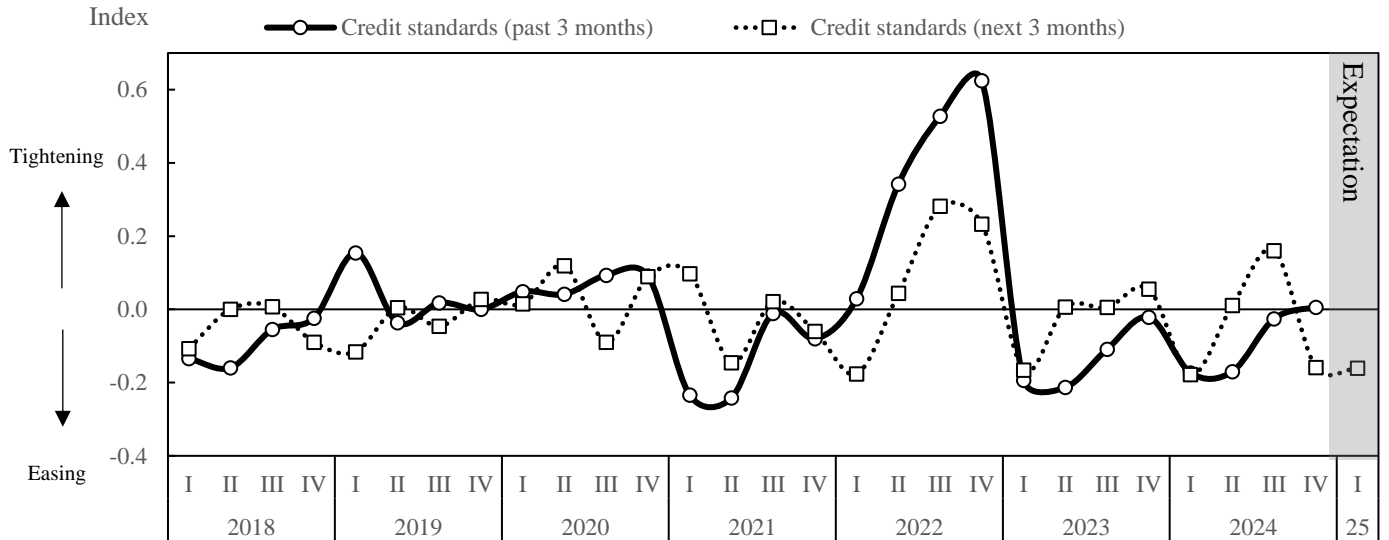
(Fourth Quarter of 2024¹)

I. Credit Standards

1.1 Credit Standards for Corporate Loans

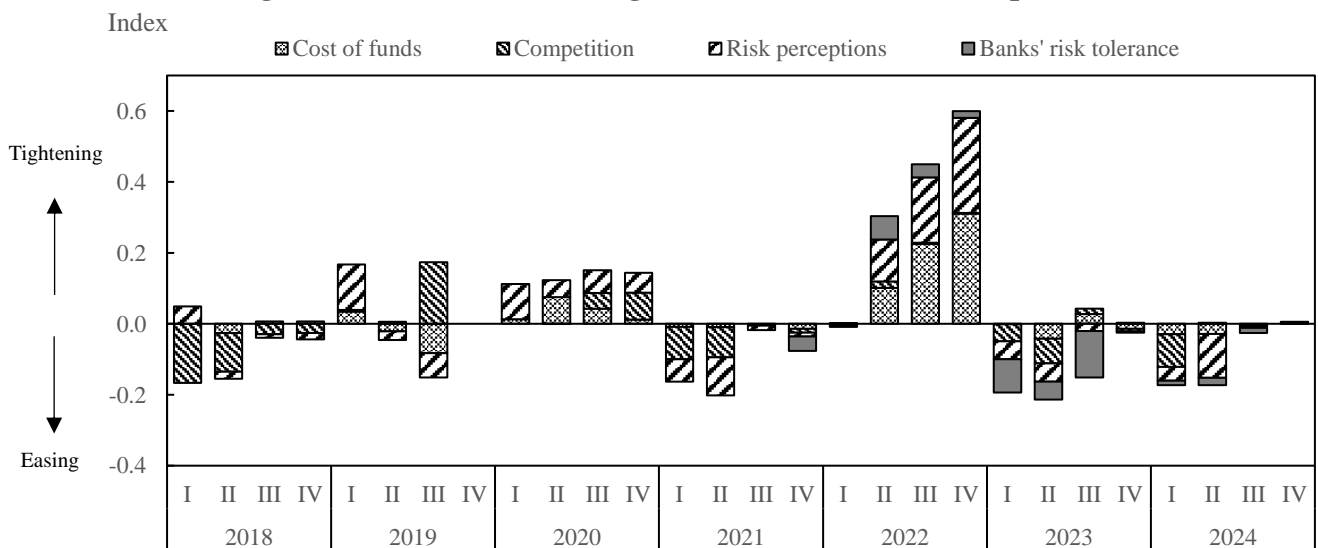
- In the fourth quarter of 2024, the diffusion index for credit standards on corporate loans remained near 0, similar to the third quarter. However, the credit standards for corporate loans are expected to ease slightly over the next three months (Figure 1).

Figure 1. Credit standards for corporate loans



- Banks maintained their credit standards for corporate loans unchanged in the fourth quarter of 2024 (Figure 2).

Figure 2. Factors contributing to credit standards for corporate loans

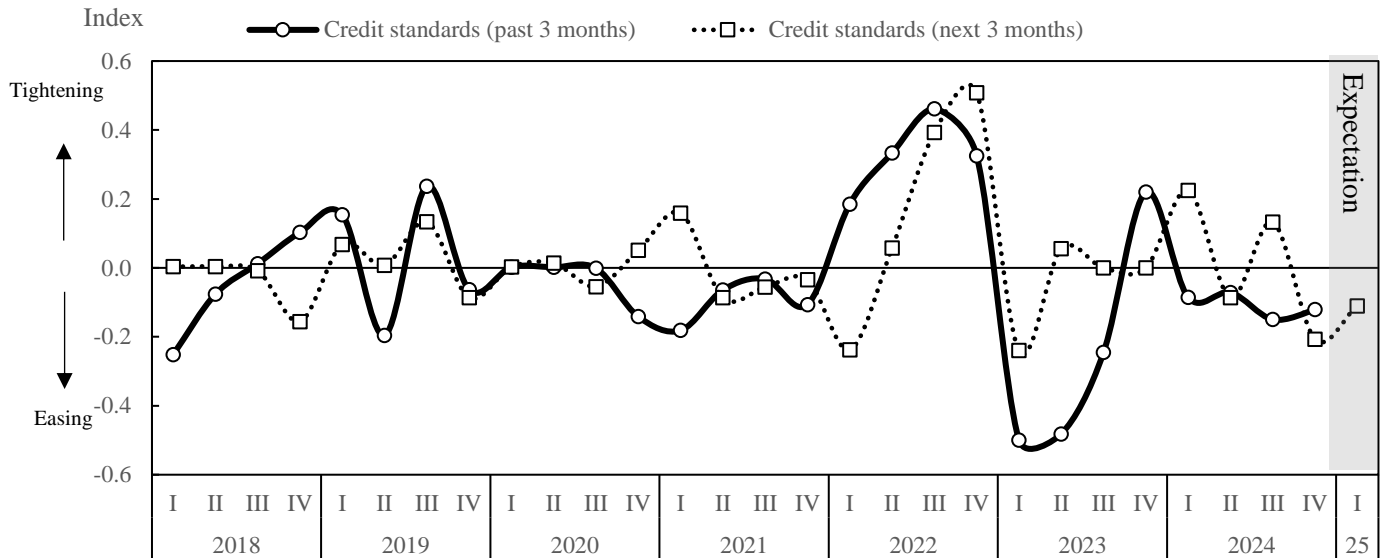


¹ The survey was conducted on 12 actively operating banks from January 15th to January 26th, 2025.

1.2 Credit Standards for Household Loans

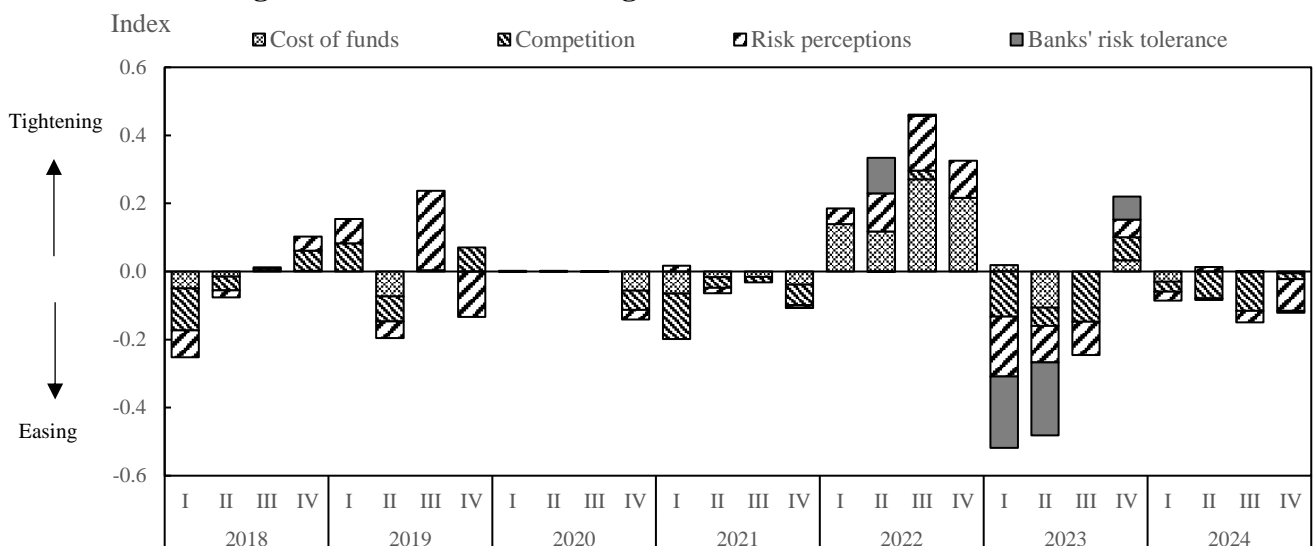
- The diffusion index for credit standards on household loans stood at -0.12 in the fourth quarter of 2024, reflecting a continued easing trend from the previous quarter. This trend is expected to persist over the next three months (Figure 3).

Figure 3. Credit standards for household loans



- Improvements in risk factors related to collateral, the economic conditions, and borrowers' creditworthiness significantly reduced risk perceptions, contributing to the easing of household loan credit standards in the fourth quarter of 2024 (Figure 4).

Figure 4. Factors contributing to credit standards for household loans

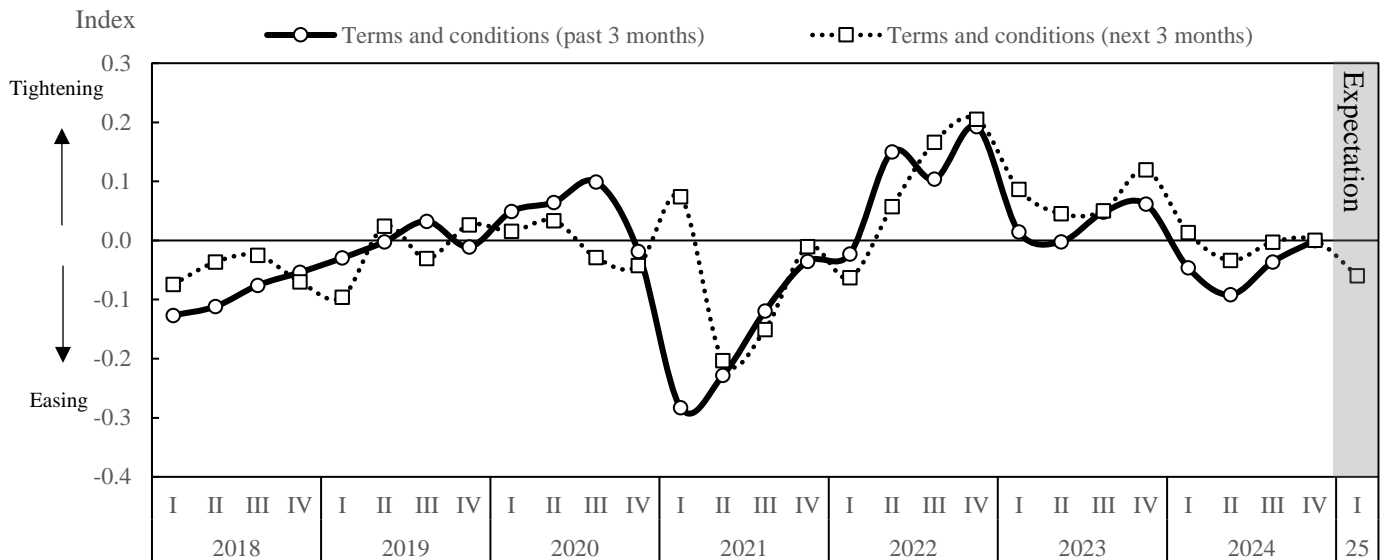


II. Terms and Conditions

2.1 Terms and Conditions for Corporate Loans

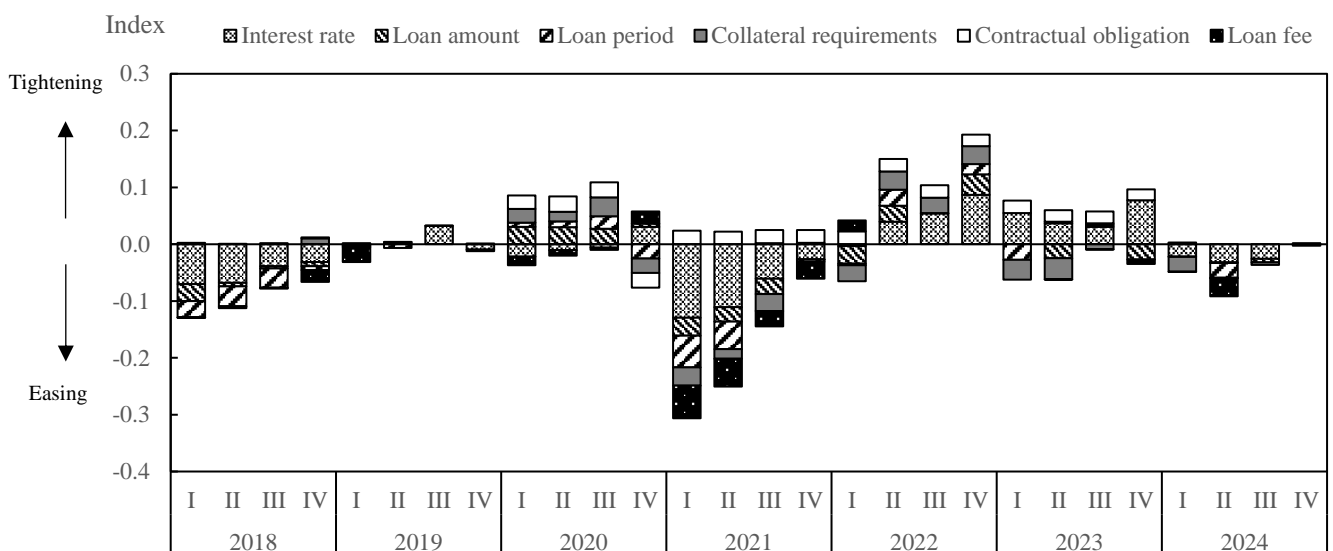
- The diffusion index for terms and conditions on corporate loans remained near 0 in the fourth quarter of 2024, indicating the stability in banks' lending terms and conditions, in line with expectations from the previous period. However, a slight easing of terms and conditions for corporate loans are expected over the next three months (Figure 5).

Figure 5. Terms and conditions for corporate loans



- Banks kept their terms and conditions for corporate loans unchanged in the fourth quarter of 2024 (Figure 6).

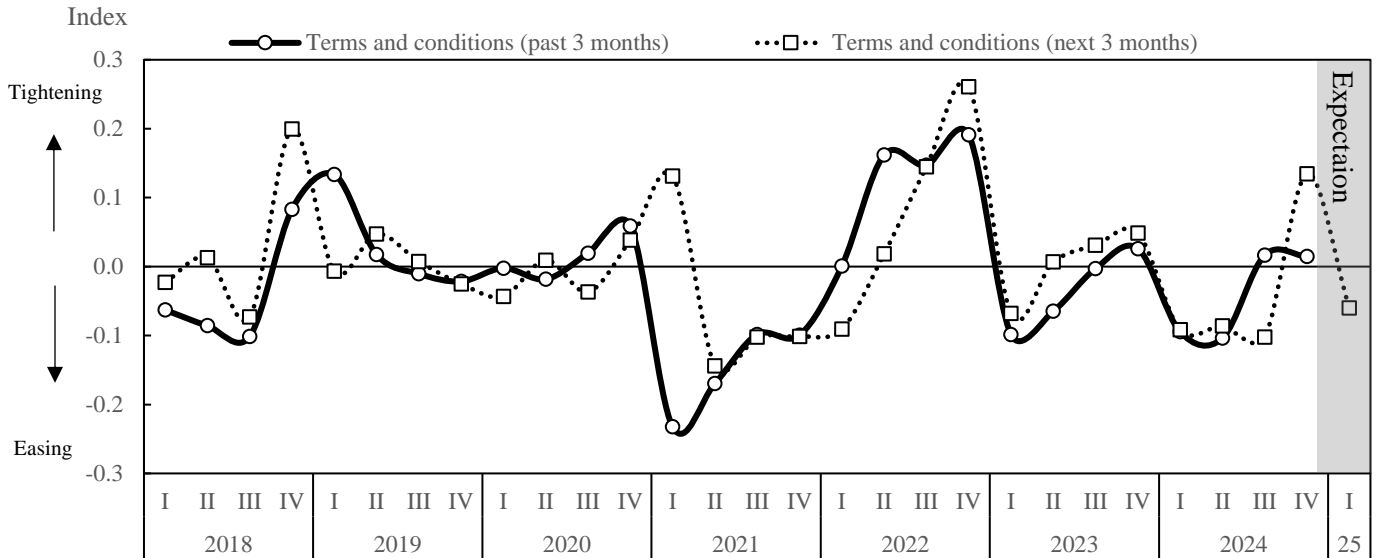
Figure 6. Contribution of terms and conditions for corporate loans



2.2 Terms and Conditions for Household Loans

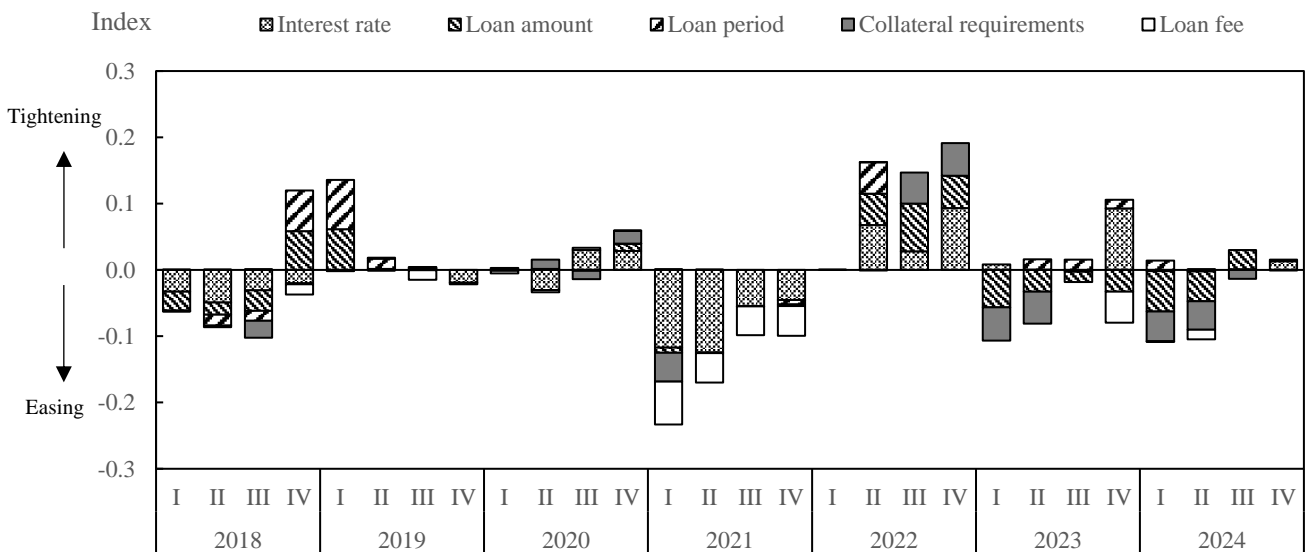
- The diffusion index for terms and conditions on household loans remained near 0 in the fourth quarter of 2024, similar to the previous quarter. A slight easing is expected in household loans' terms and conditions in the first quarter of 2025 (Figure 7).

Figure 7. Terms and conditions for household loans



- Banks maintained their terms and conditions for household loans unchanged in the fourth quarter of 2024 (Figure 8).

Figure 8. Contribution of terms and conditions for household loans

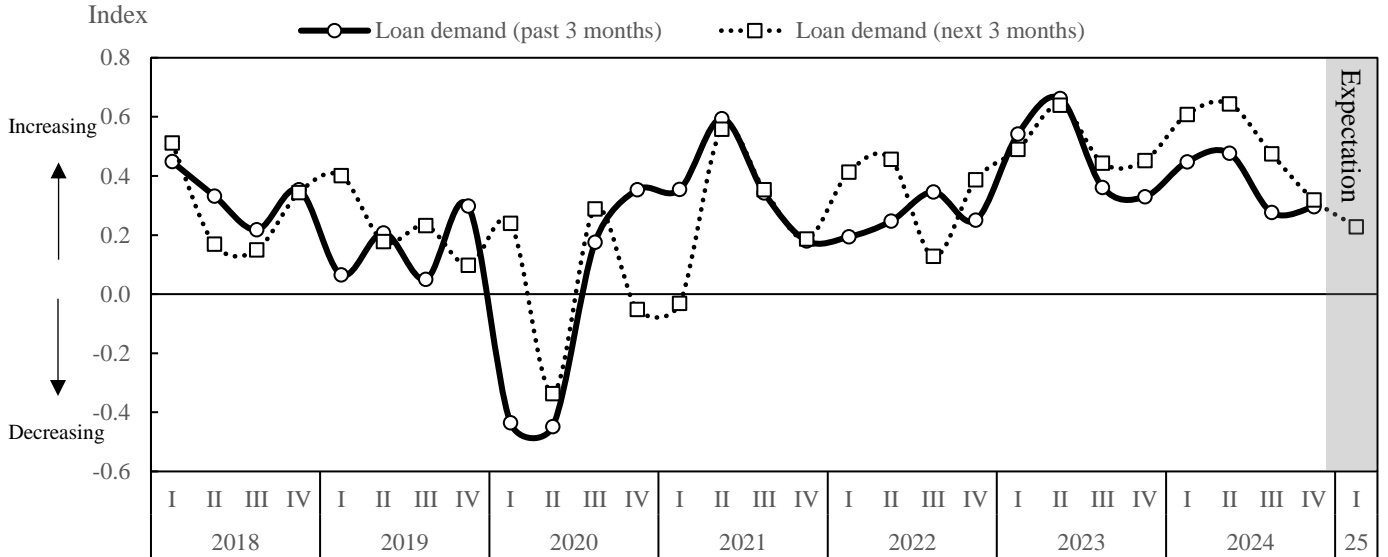


III. Loan Demand

3.1 Corporate Loan Demand

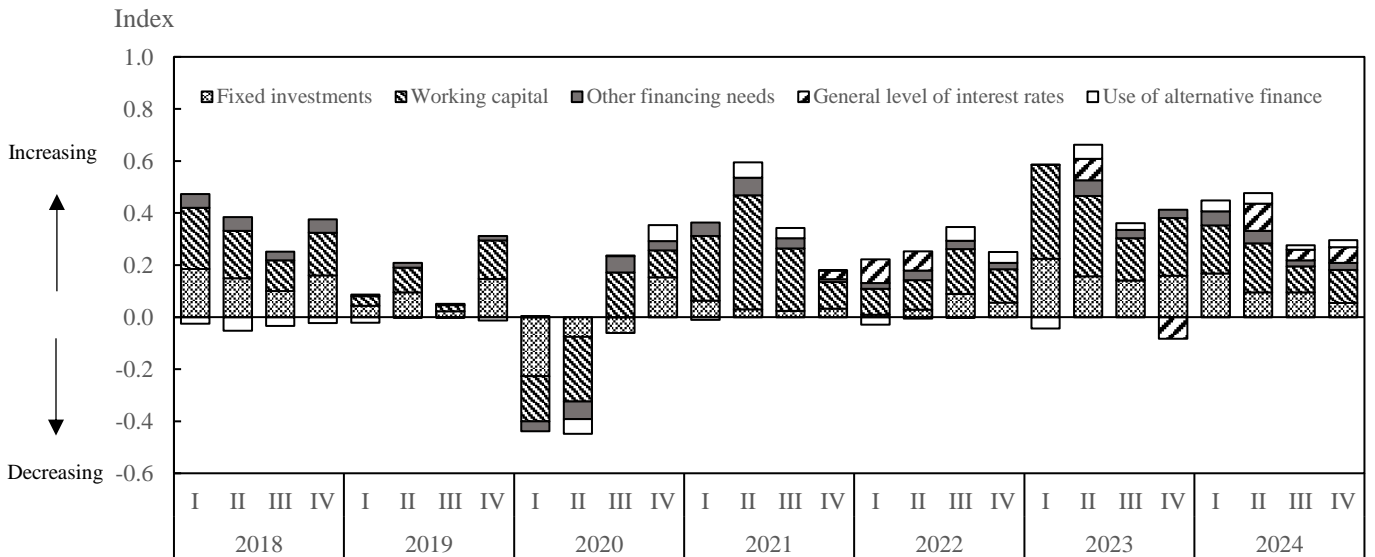
- In the fourth quarter of 2024, the diffusion index for corporate loan demand was 0.30, consistent with expectations from the third quarter. A slight decline in corporate loan demand is expected over the next three months (Figure 9).

Figure 9. Corporate loan demand



- Compared to the previous period, increased demand for working capital was the primary driver of corporate loan demand growth in the fourth quarter of 2024 (Figure 10).

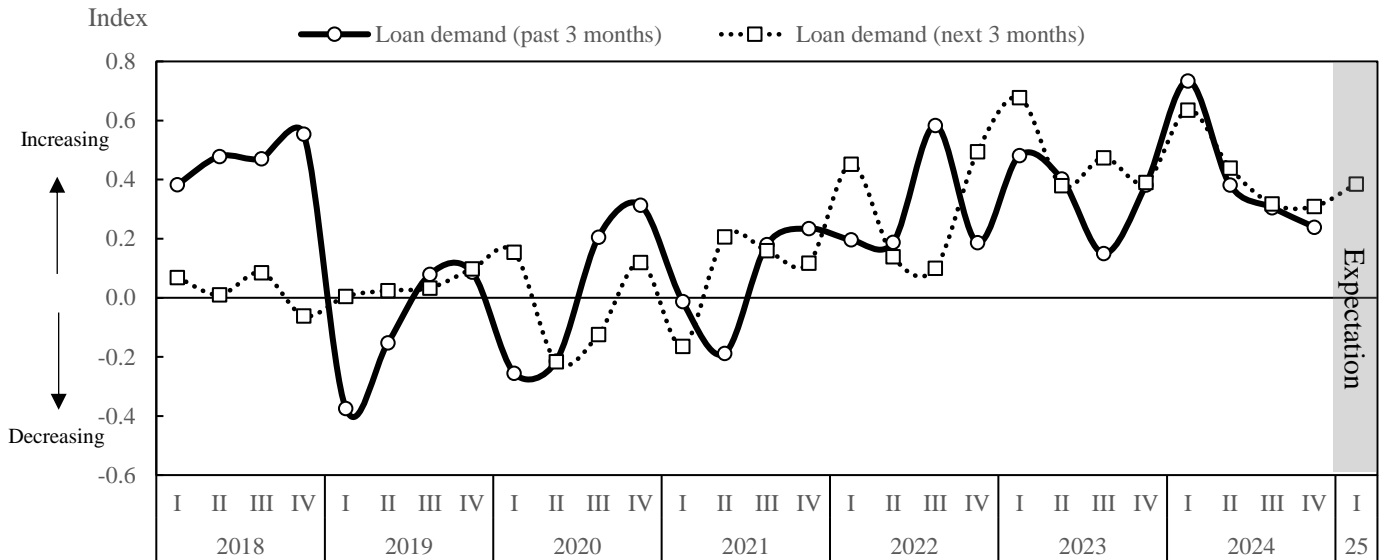
Figure 10. Factors contributing to loan demand from corporates



3.2 Household Loan Demand

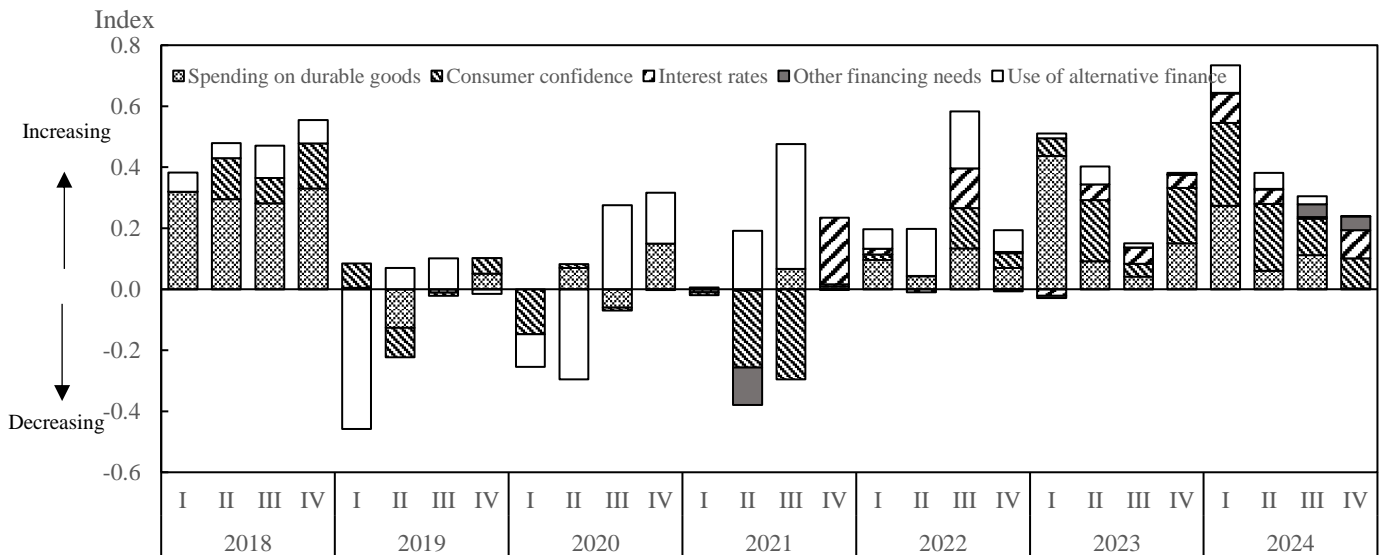
- The diffusion index for household loan demand stood at 0.24 in the fourth quarter of 2024, slightly lower than the previous quarter's 0.31. However, an increase in household loan demand is expected over the next three months (Figure 11).

Figure 11. Household loan demand



- The decline in household loan demand during the fourth quarter of 2024 was primarily attributed to a slight drop in consumer confidence and reduced spending on durable goods (Figure 12).

Figure 12. Factors contributing to loan demand from households

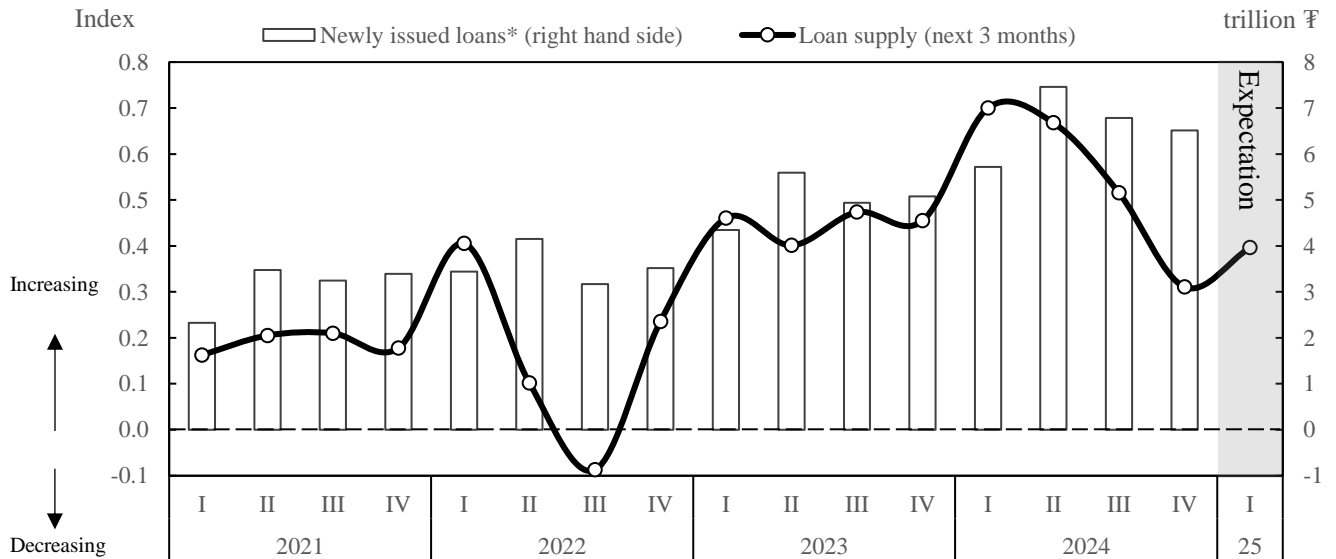


IV. Loan Supply

4.1 Corporate Loan Supply

- The fourth quarter of 2024, banks issued a total of ¥6.50 trillion in corporate loans, marking a 16.8% increase from the previous quarter. A slight increase in corporate loan supply is expected in the first quarter of 2025 (Figure 13).

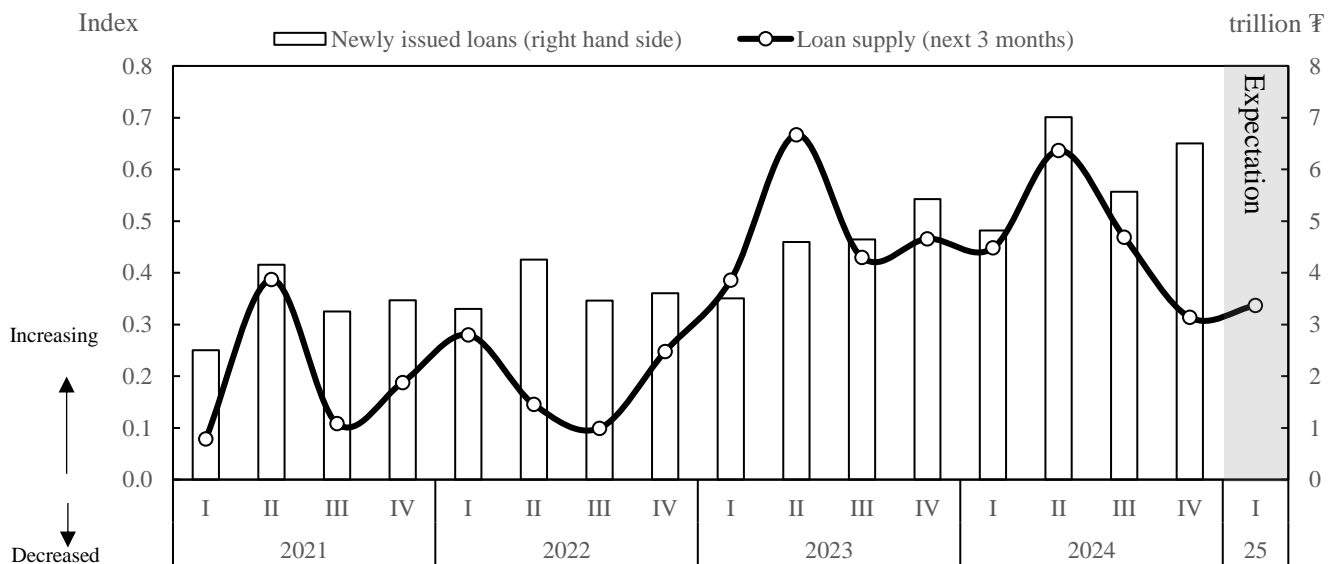
Figure 13. Corporate loan supply



4.2 Household Loan Supply

- In the fourth quarter of 2024, banks issued a total of ¥6.52 trillion in household loans, reflecting a 4.0% decrease from the previous quarter. A slight increase in household loan supply is expected in the first quarter of 2025 (Figure 14).

Figure 14. Household loan supply



- Excluding mortgage loans