

BANK LENDING SURVEY

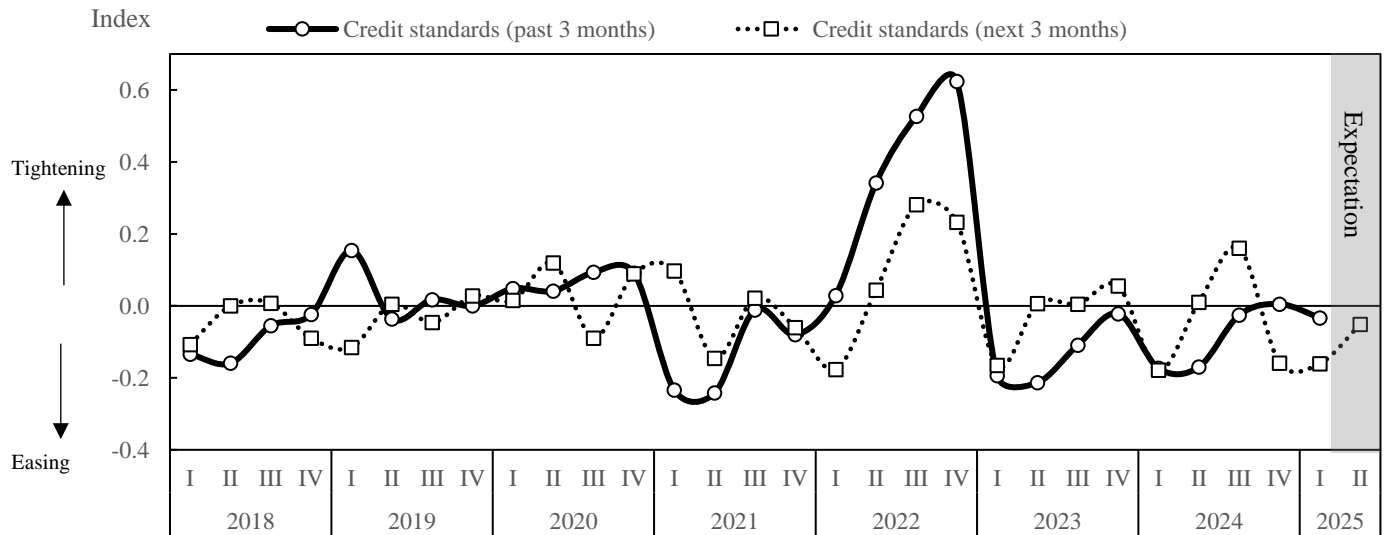
(First quarter of 2025¹)

I. Credit Standards

1.1 Credit Standards for Corporate Loans

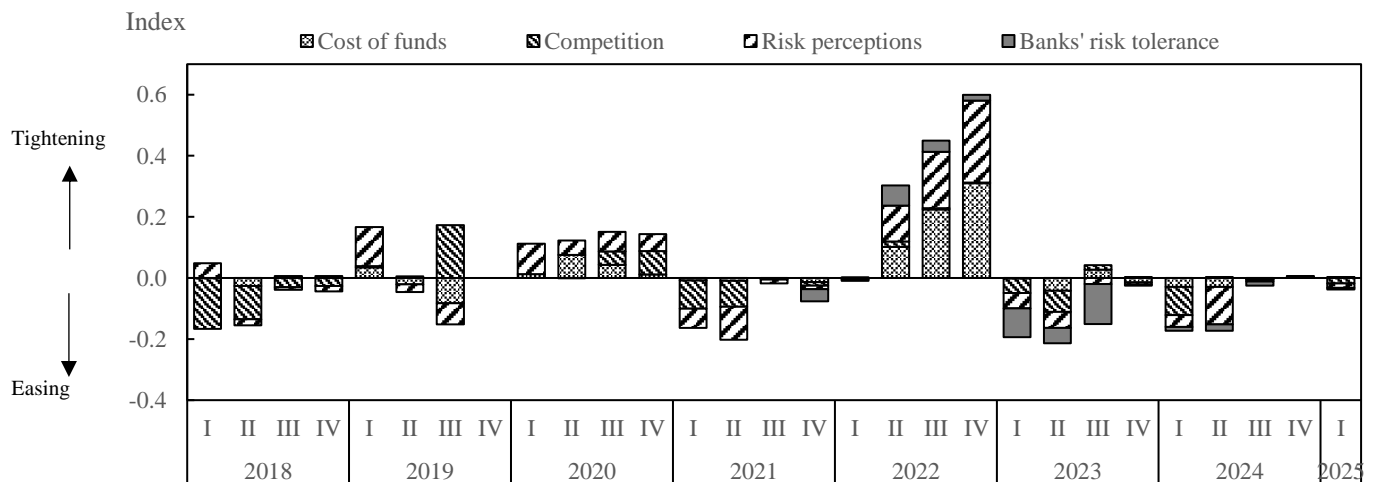
- In the first quarter of 2025, the diffusion index for credit standards on corporate loans remained broadly unchanged, mirroring the trend observed in the previous quarter. Survey responses indicate this stability is likely to persist over the next quarter (Figure 1).

Figure 1. Credit standards for corporate loans



- Banks maintained their credit standards for corporate loans unchanged in the first quarter of 2025 (Figure 2).

Figure 2. Factors contributing to credit standards for corporate loans

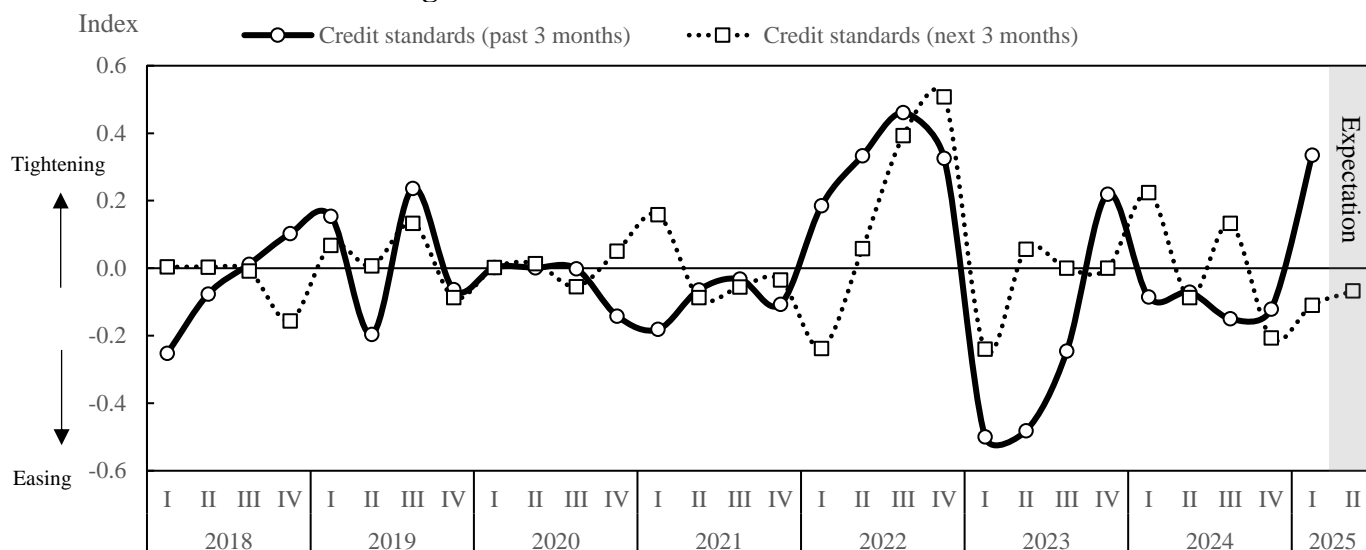


¹ The survey was conducted on 12 actively operating banks from April 14 to April 22, 2025.

1.2 Credit Standards for Household Loans

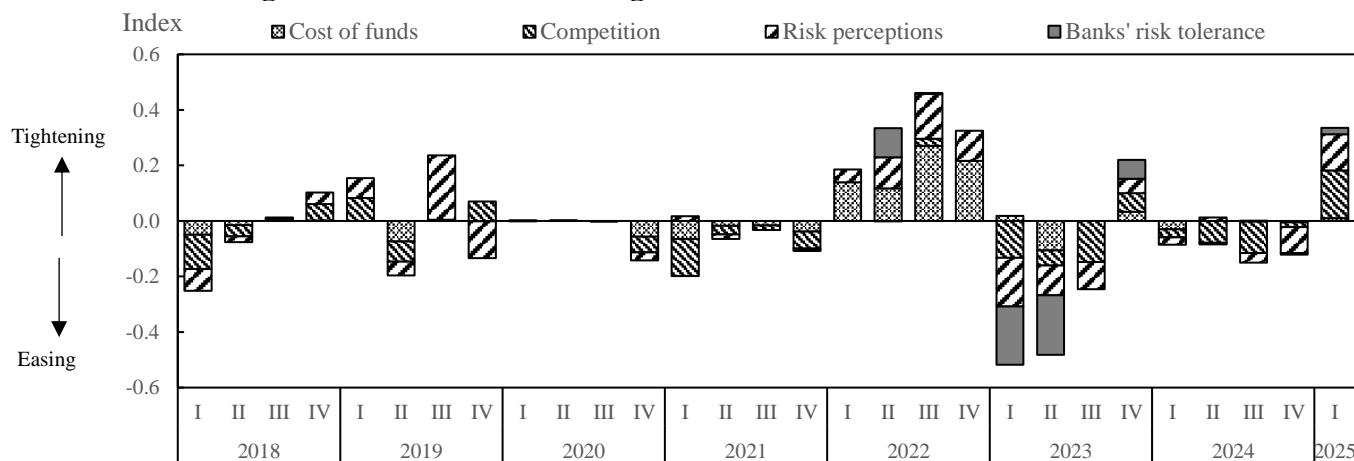
- The diffusion index for credit standards on household loans stood at 0.33 in the first quarter of 2025, indicating a tightening of credit standards. However, the credit standards for household loans are expected to ease slightly over the next three months (Figure 3).

Figure 3. Credit standards for household loans



- Competition from other banks and non-banks was the main factor contributing to the tightening of credit standards for household loans. Additionally, heightened risk perceptions significantly contributed to this tightening (Figure 4).

Figure 4. Factors contributing to credit standards for household loans

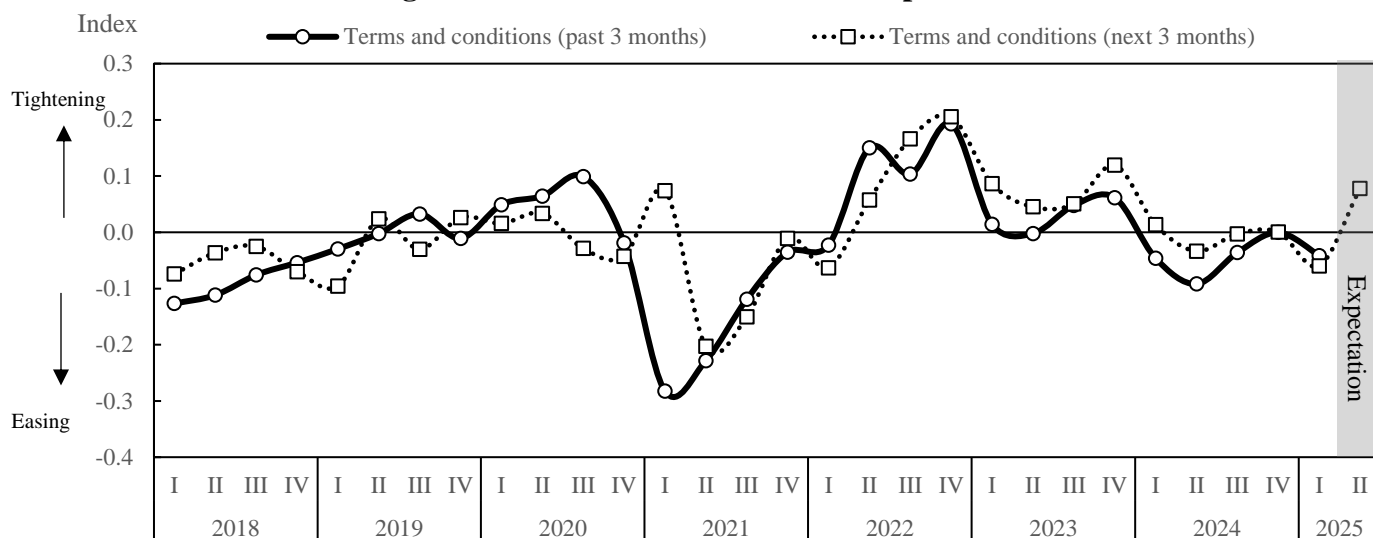


II. Terms and Conditions

2.1 Terms and Conditions for Corporate Loans

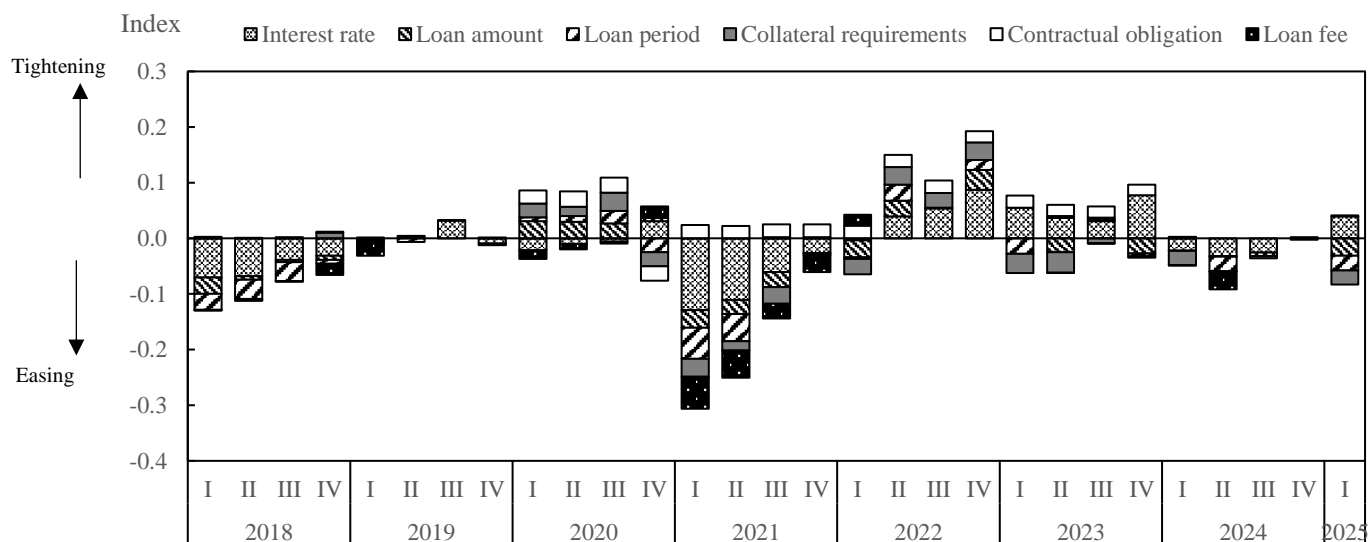
- The diffusion index for terms and conditions on corporate loans slightly eased in the first quarter of 2025. However, a slight tightening is expected over the next three months (Figure 5).

Figure 5. Terms and conditions for corporate loans



- Banks' overall terms and conditions for corporate loans eased slightly in the first quarter of 2025. Easing was driven by factors such as loan amounts, loan periods, and collateral requirements, while interest rates contributed to a tightening of conditions (Figure 6).

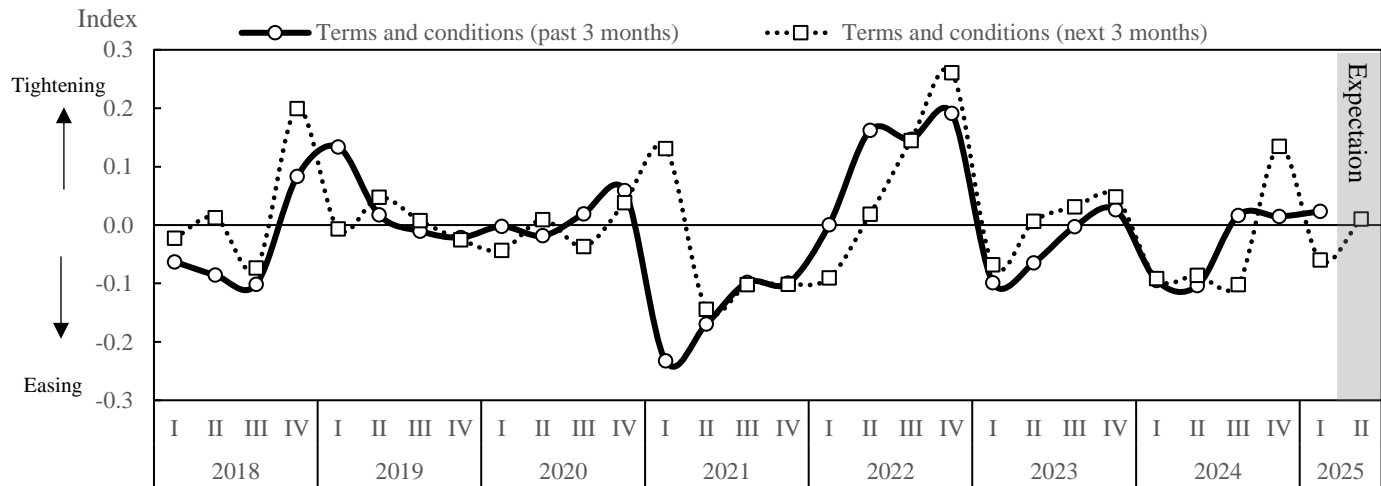
Figure 6. Contribution of terms and conditions for corporate loans



2.2 Terms and Conditions for Household Loans

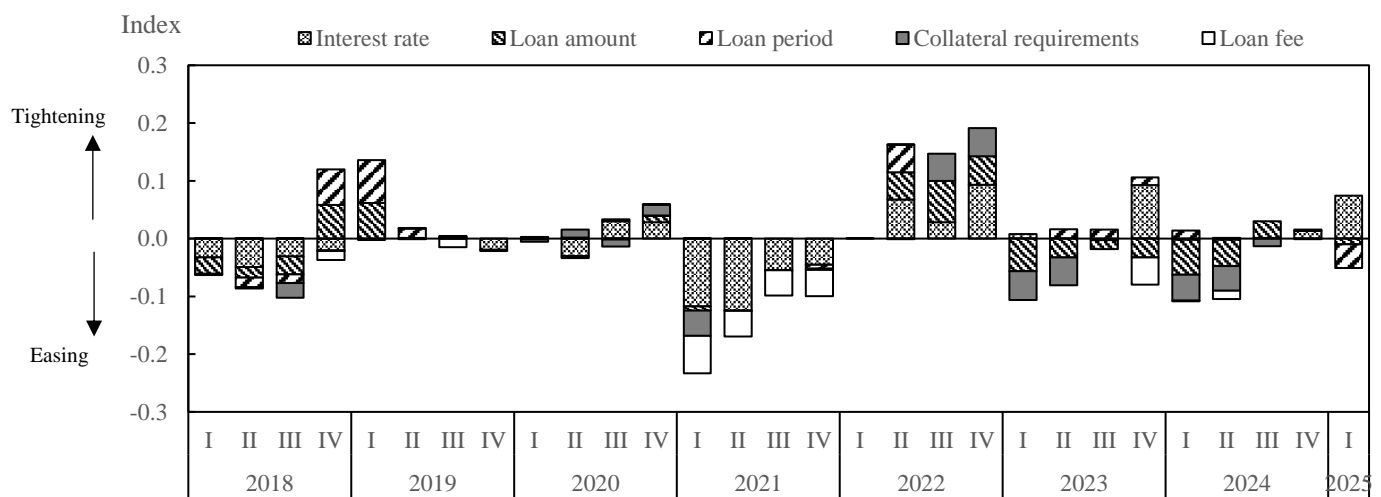
- The diffusion index for terms and conditions on household loans remained close to zero in the first quarter of 2025, consistent with the trend observed over the previous two quarters. The terms and conditions are also expected to remain unchanged in the second quarter of 2025 (Figure 7).

Figure 7. Terms and conditions for household loans



- Banks kept the terms and conditions for household loans unchanged in the first quarter of 2025. While loan amount and periods contributed to easing, interest rates exerted a tightening effect (Figure 8).

Figure 8. Contribution of terms and conditions for household loans

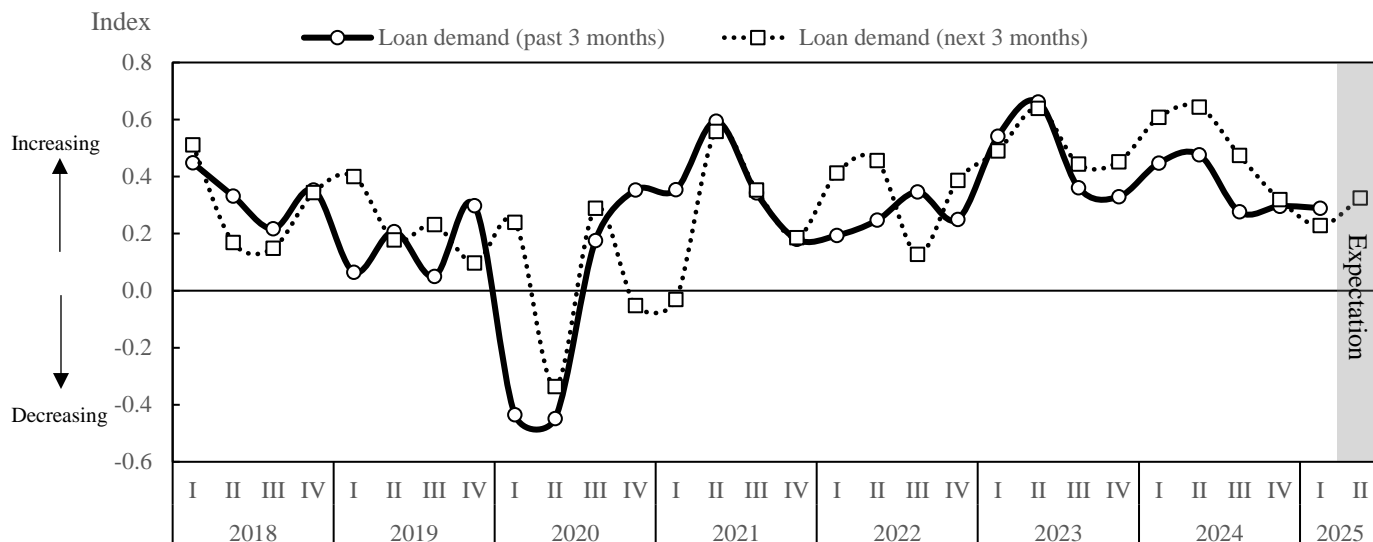


III. Loan Demand

3.1 Corporate Loan Demand

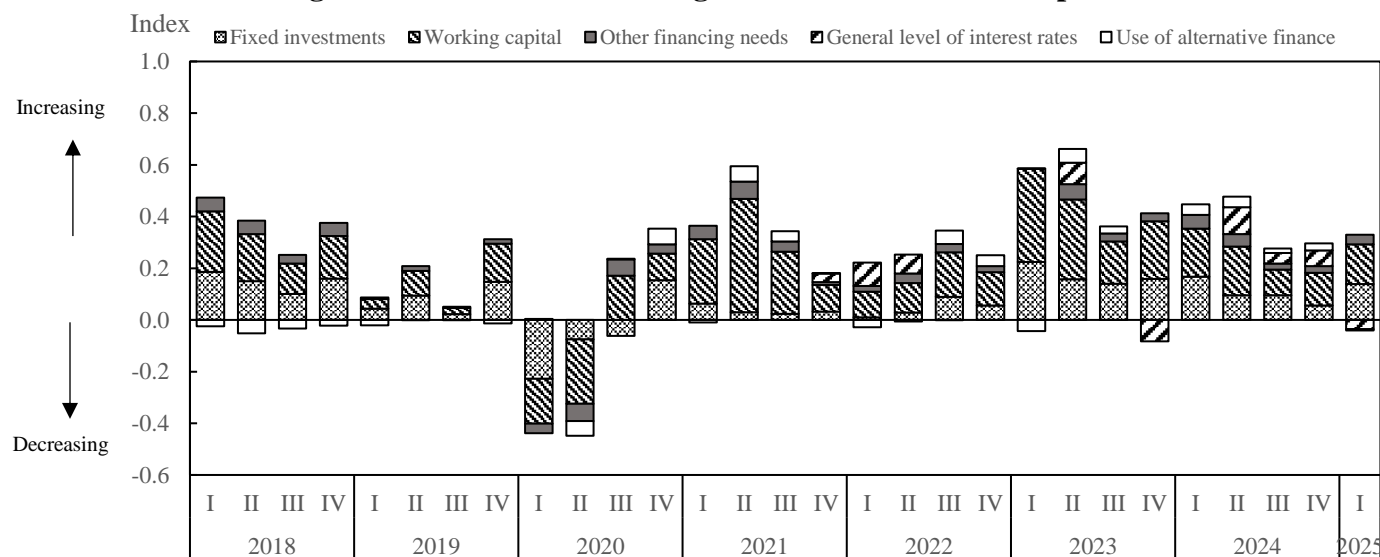
- In the first quarter of 2025, the diffusion index for corporate loan demand stood 0.29, consistent with expectations from the previous quarter. A slight increase in corporate loan demand is anticipated over the next three months (Figure 9).

Figure 9. Corporate loan demand



- Compared to the previous quarter, increased demand for fixed investments was the primary driver of corporate loan demand growth in the first quarter of 2025 (Figure 10).

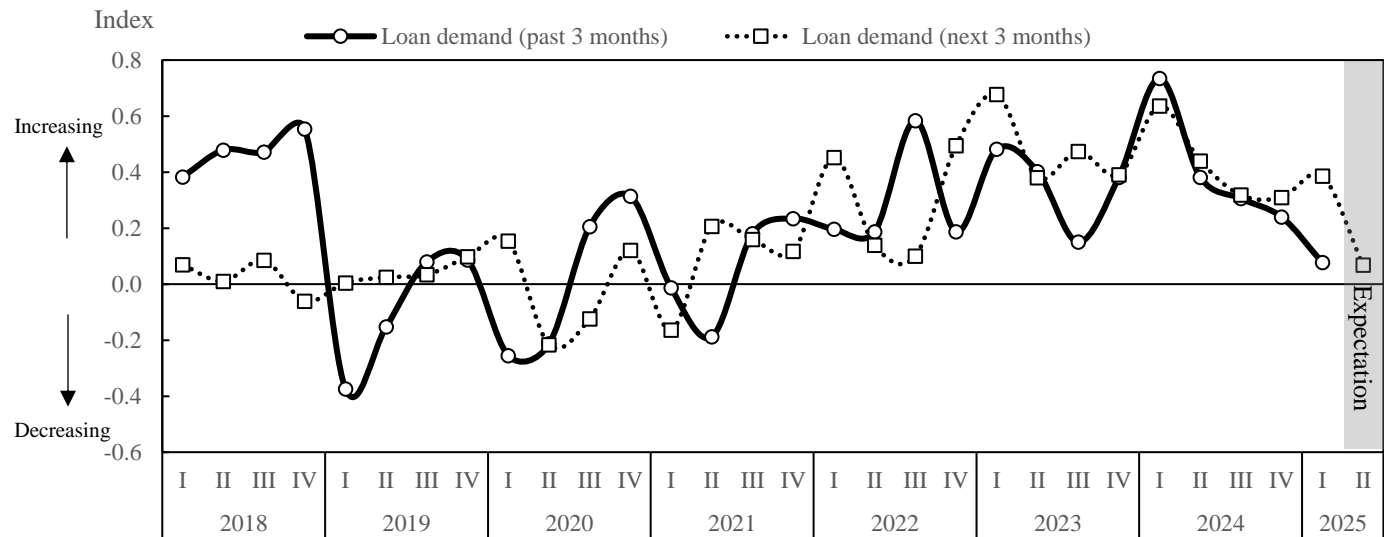
Figure 10. Factors contributing to loan demand from corporates



3.2 Household Loan Demand

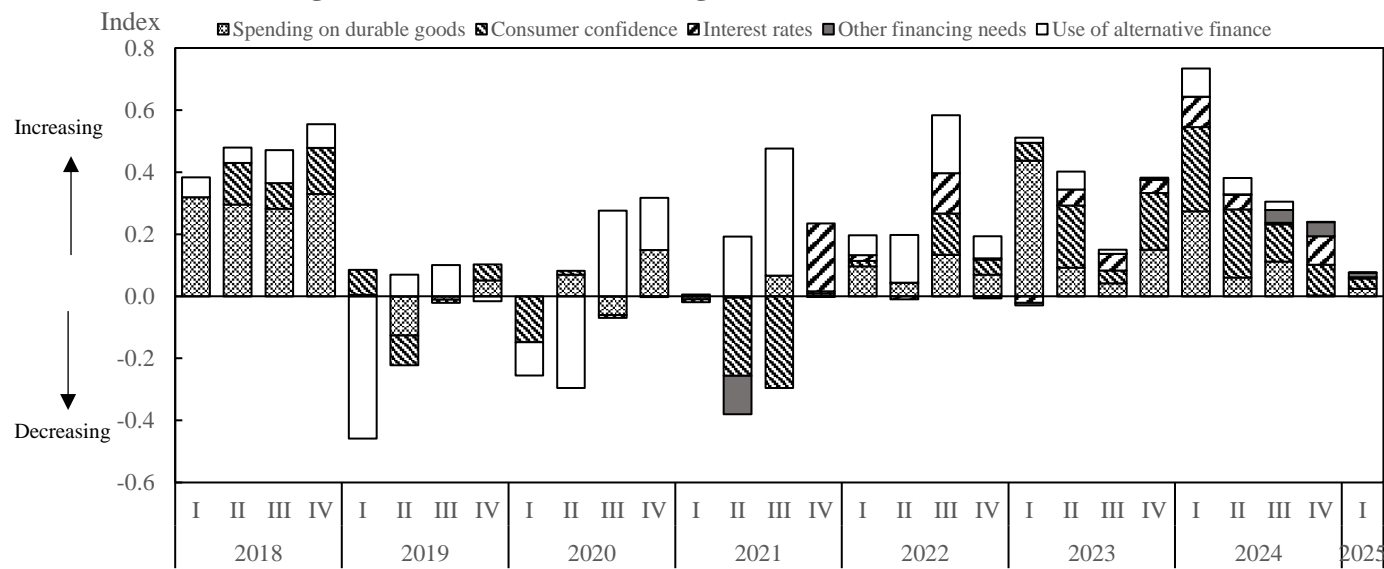
- The diffusion index for household loan demand stood at 0.08 in the first quarter of 2025, a significant decline from 0.24 in the previous quarter. The downward trend in household loan demand is expected to continue over the next three months (Figure 11).

Figure 11. Household loan demand



- The decline in household loan demand during the first quarter of 2025 was primarily driven by a drop in consumer confidence and decrease in other financing needs (Figure 12).

Figure 12. Factors contributing to loan demand from households

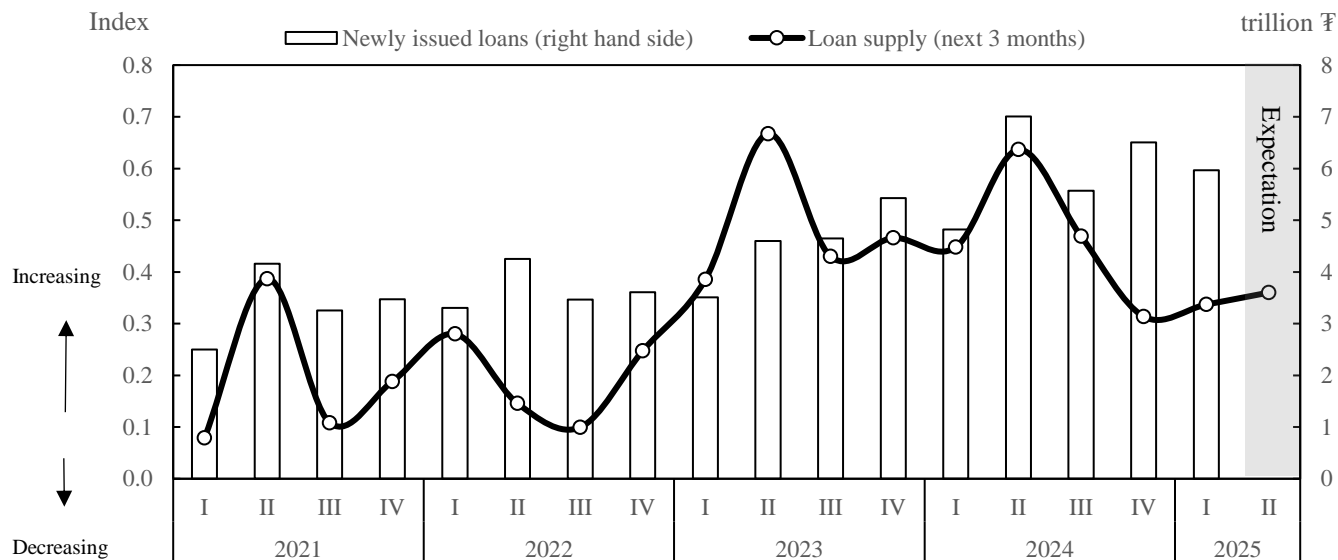


IV. Loan Supply

4.1 Corporate Loan Supply

- The first quarter of 2025, banks issued a total of ¥5.97 trillion in corporate loans, reflecting an 8.2% decrease from the previous quarter. A slight increase in corporate loan supply is expected in the second quarter of 2025 (Figure 13).

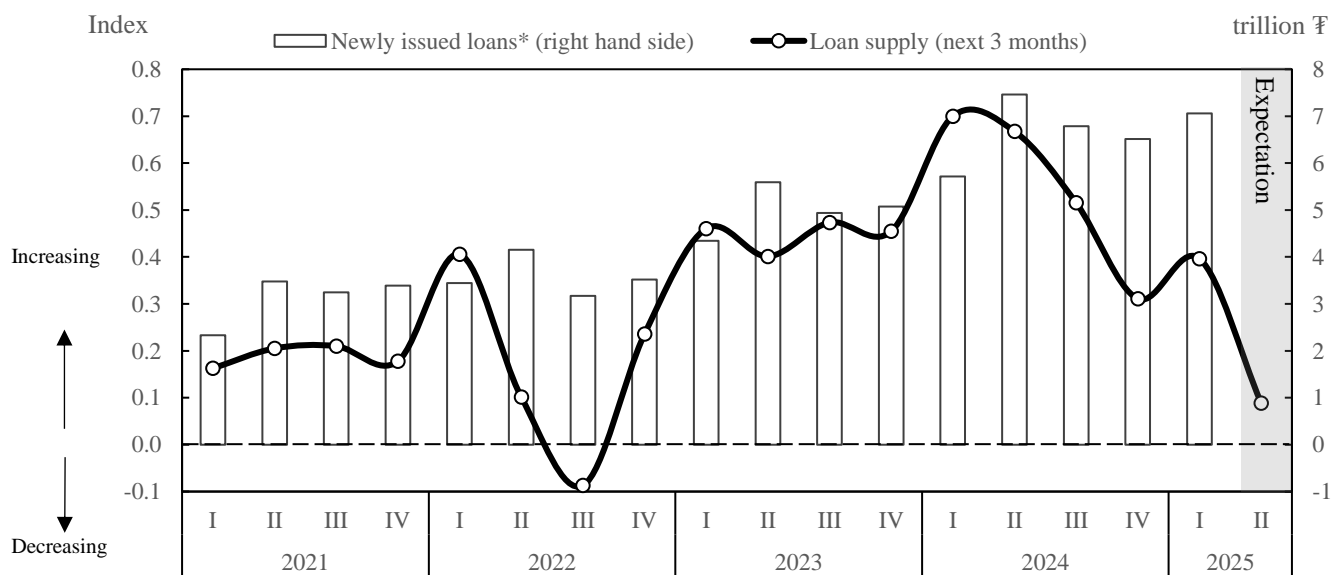
Figure 13. Corporate loan supply



4.2 Household Loan Supply

- In the first quarter of 2025, banks issued a total of ¥7.06 trillion in household loans, marking an 8.4% increase from the previous quarter. A slight increase in household loan supply is expected in the second quarter of 2025 (Figure 14).

Figure 14. Household loan supply



- Excluding mortgage loans