“The Real Effects of Disrupted Credit: Evidence from the Global Financial Crisis”

Per Jacobsson Lecture – Ben Bernanke

Remarks by Ignazio Visco
Governor of the Bank of Italy

Bank for International Settlements
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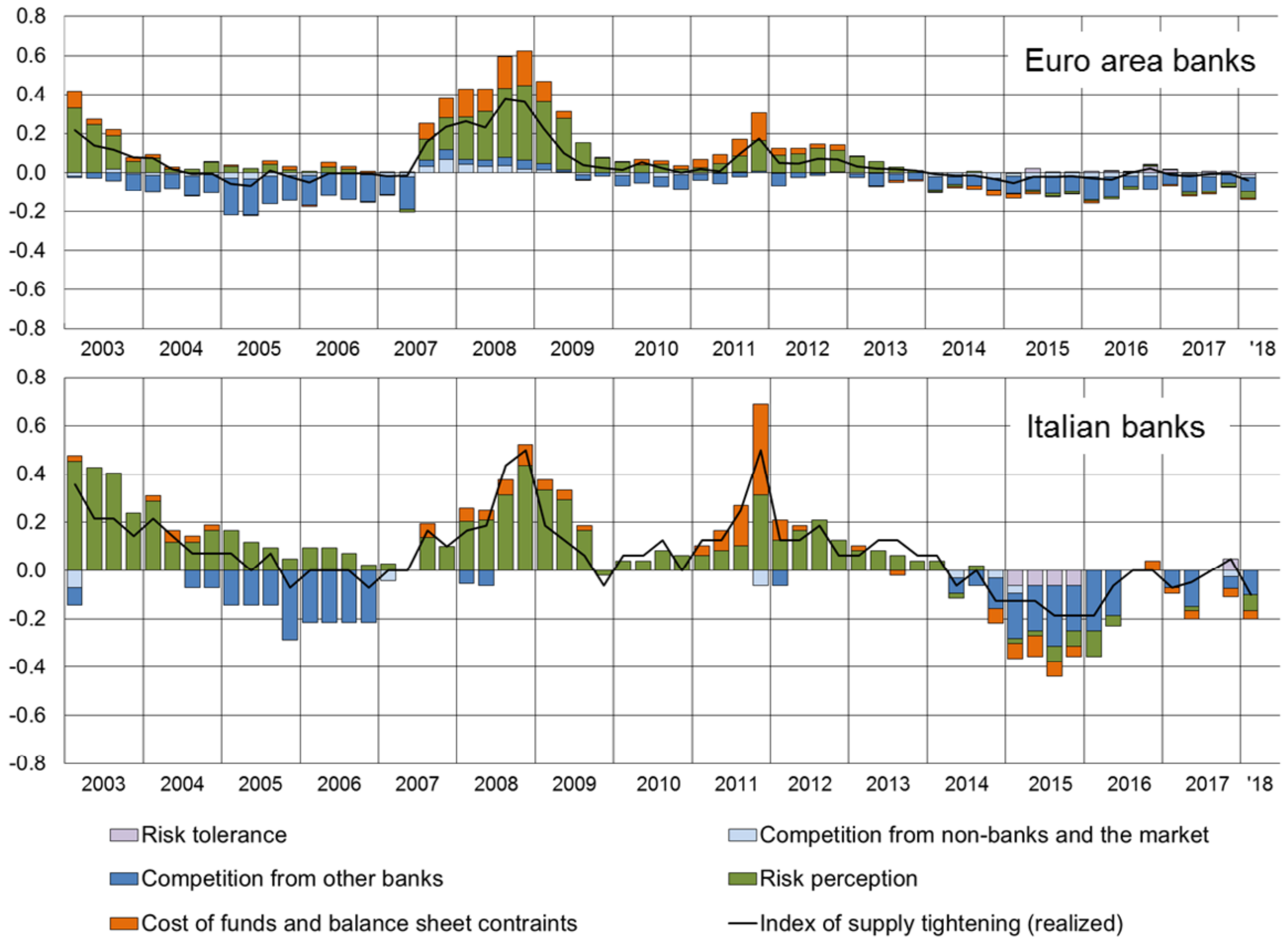
Changes in credit standards to firms: contributing factors

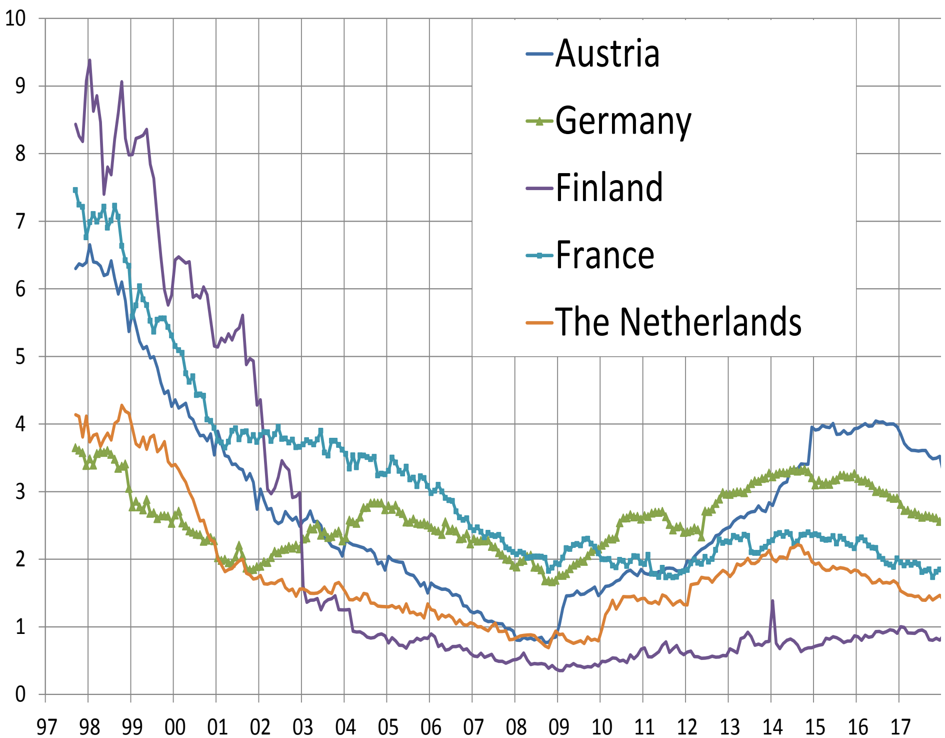
(diffusion index; tightening(+)/easing(-))

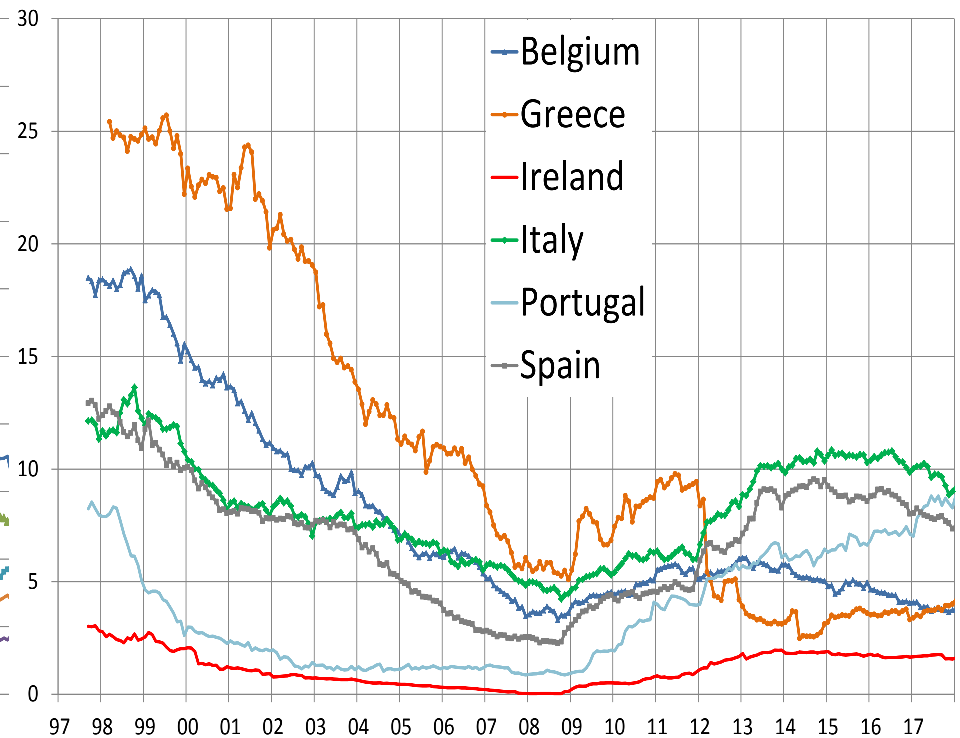


Source: ECB (Bank Lending Survey) and Bank of Italy calculations; for details see Bank of Italy, Economic Bullettin 2018/2

Banks' holdings of domestic government bonds in the euro area

(*as a per cent of total assets; monthly data*)

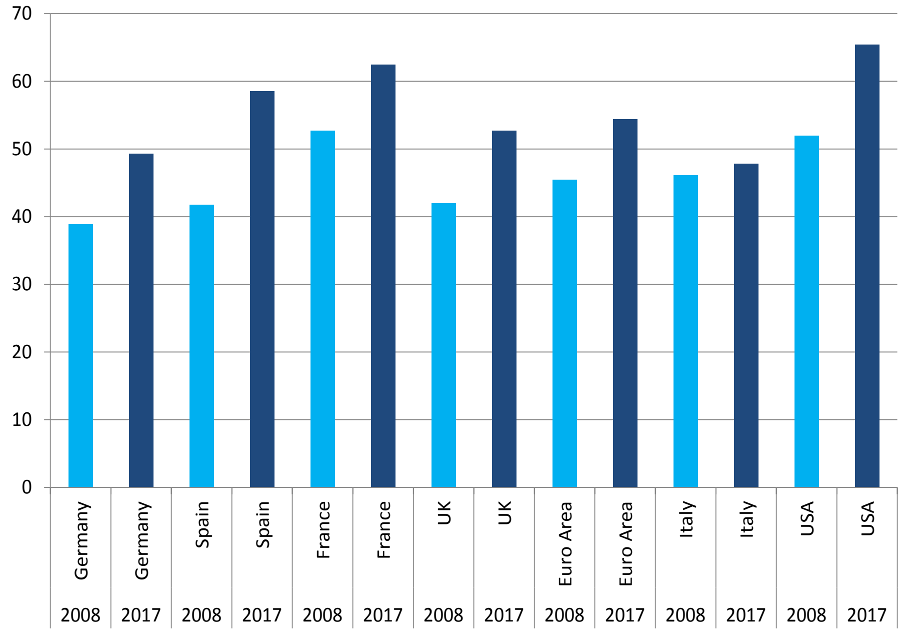




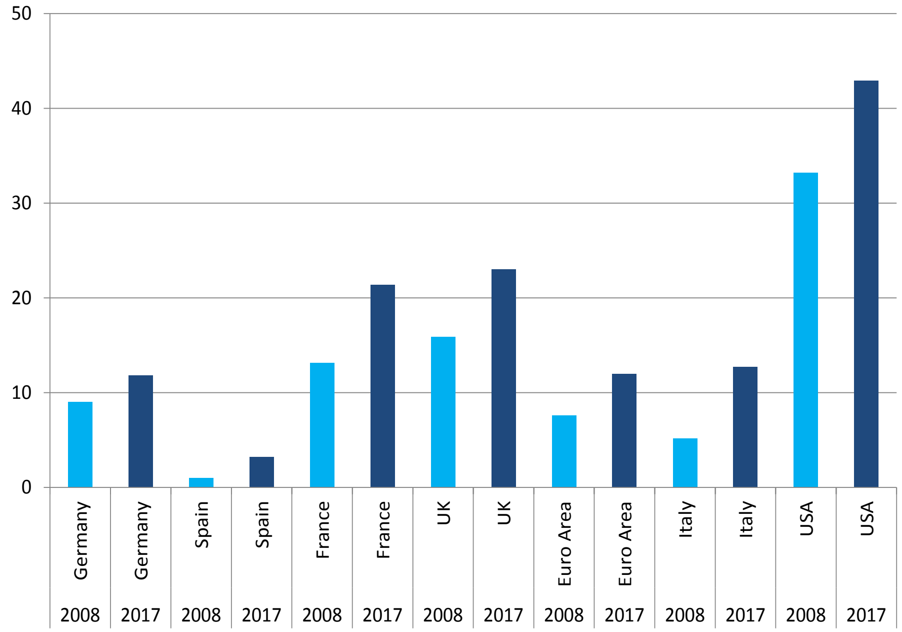
Source: based on Eurosystem data.

Diversification of corporate funding sources

Non-financial corporations: equity as a share of total liabilities *(percent)*



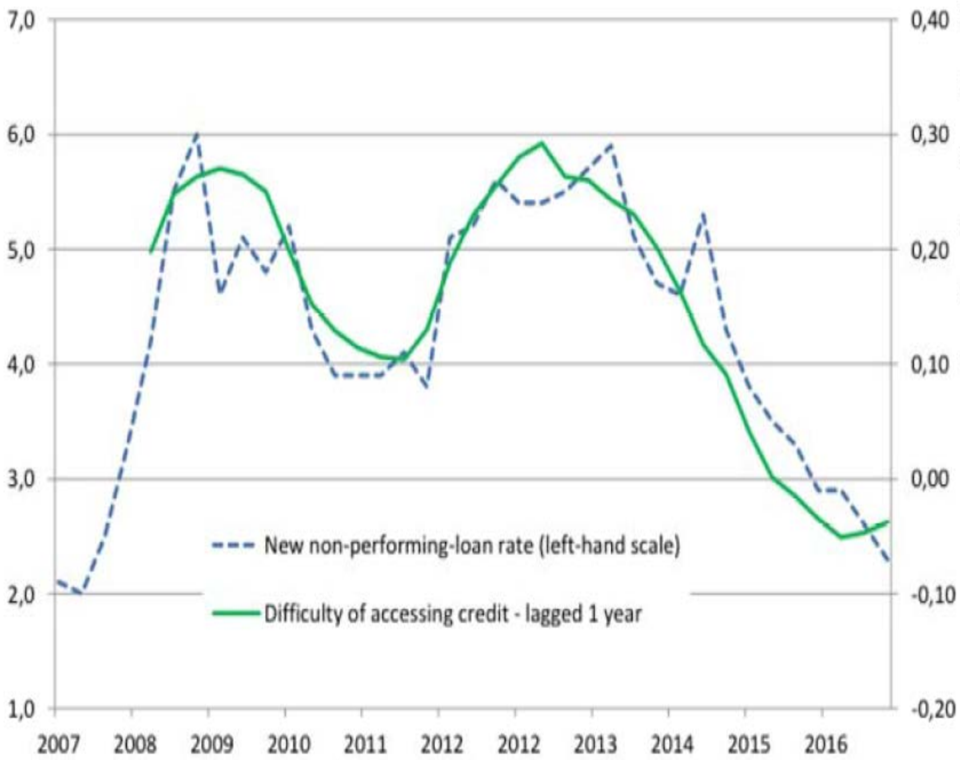
Non-financial corporations: debt securities as a share of total debt *(percent)*



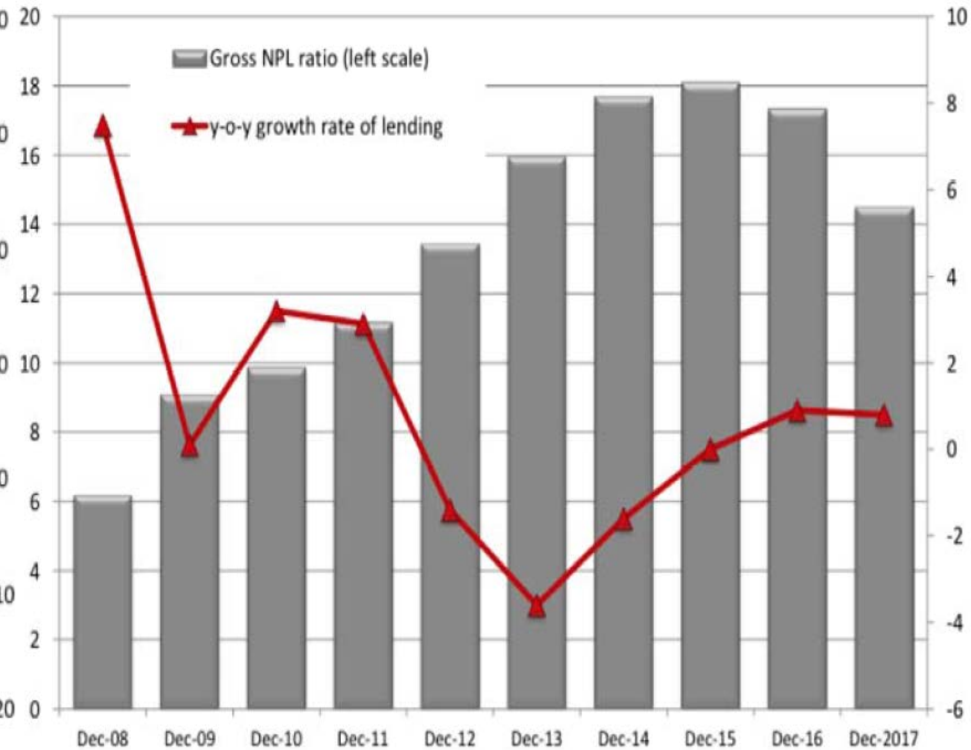
Source: Eurostat and Federal Reserve System data and Bank of Italy calculations.

NPLs and bank lending in Italy

NPL flows and difficulty of accessing credit by non-financial firms (1) (2)
(*percent; diffusion index*)



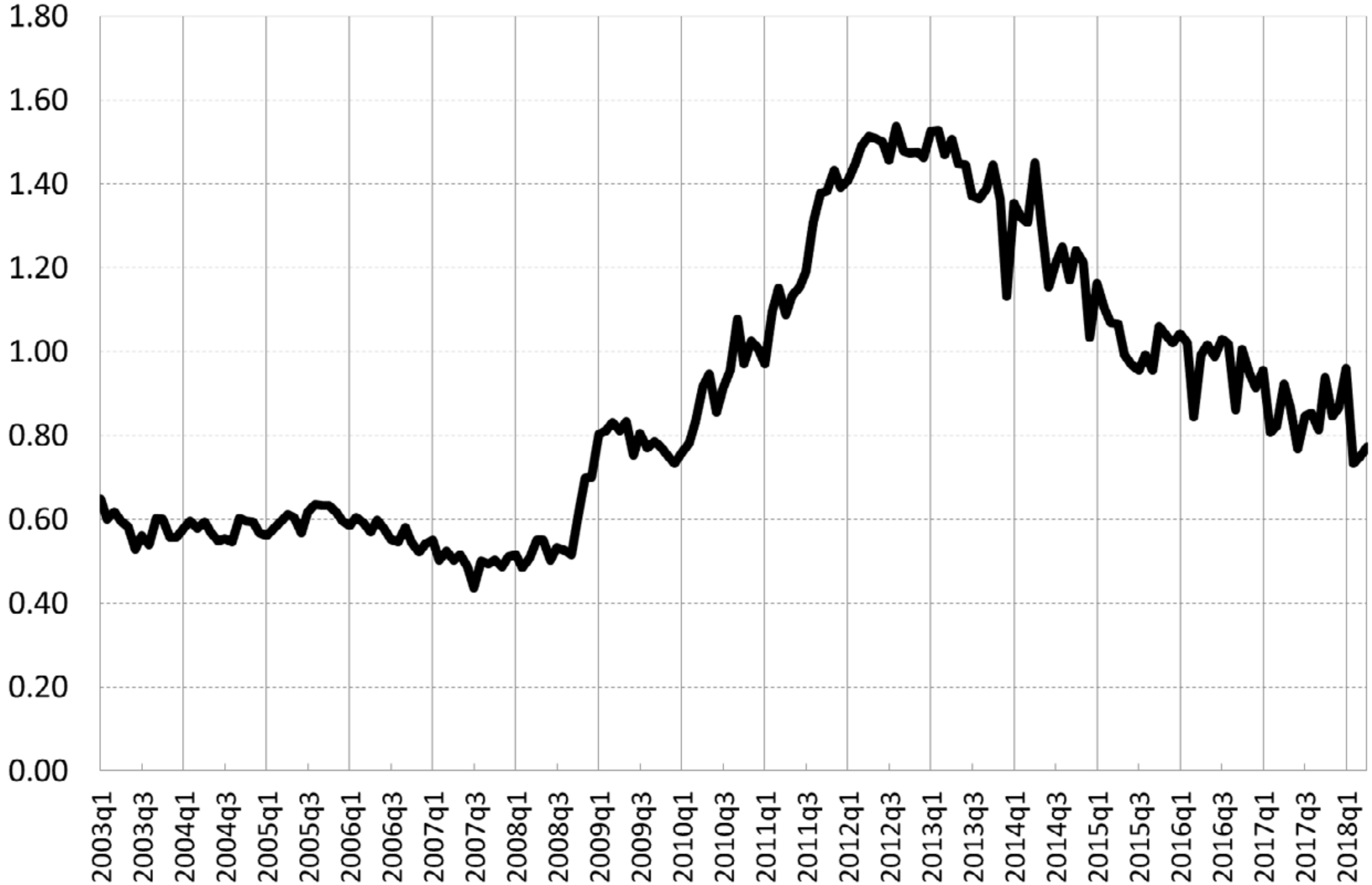
Share of NPLs over outstanding loans and growth rate of bank lending (1)
(*percent*)



Source: Angelini (2018).
Notes: (1) Data for 2017 are provisional. – (2) The indicator of difficulty of accessing bank credit is taken from ISTAT.

Euro area: cross-country dispersion of the cost of loans to firms

(per cent)

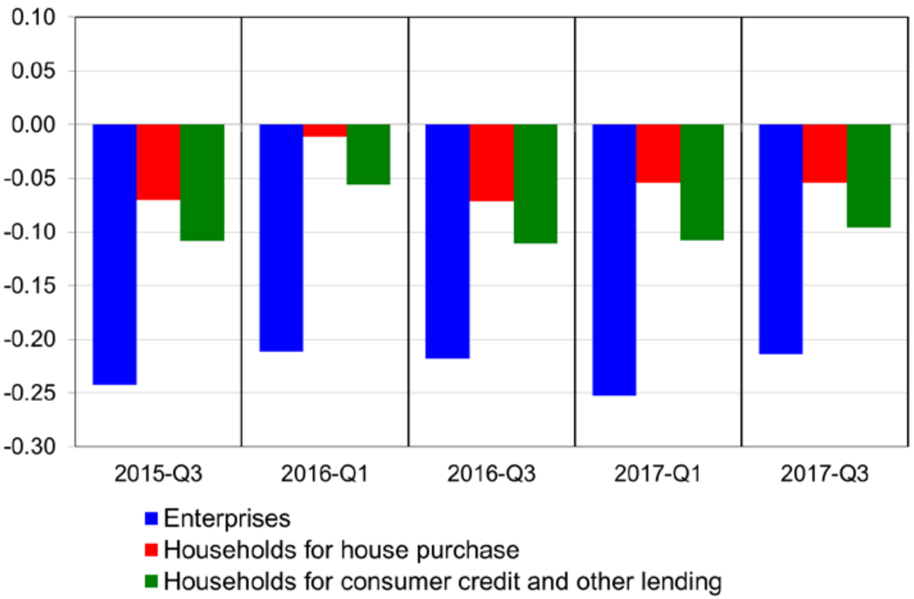


Source: ECB and Bank of Italy calculations. Cost of loans is the ECB composite cost-of-borrowing indicators, based on MFI interest rate statistics. Dispersion is computed as the standard deviation of the average interest rates for 12 euro-area countries.

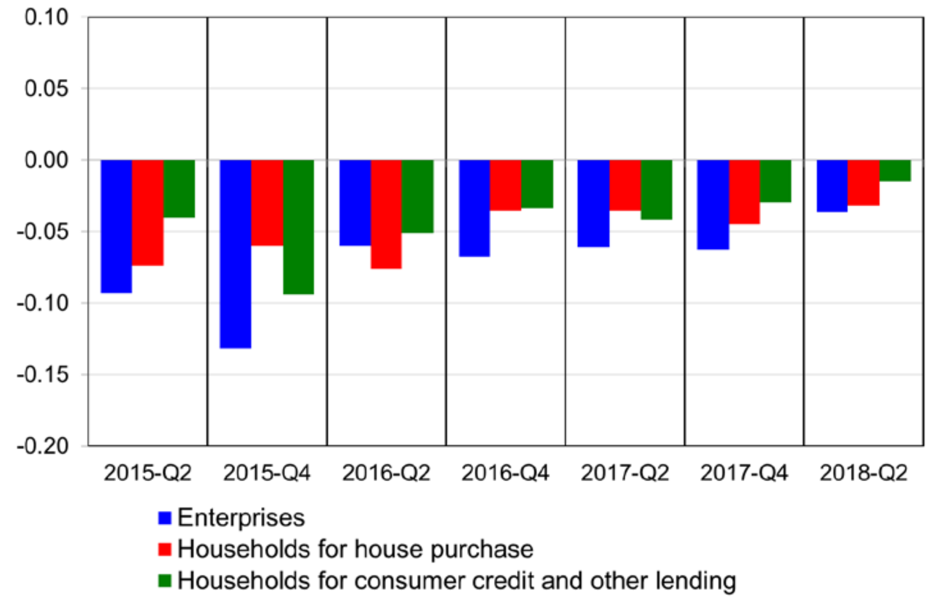
Banks’ perceived impact of ECB measures on bank lending

(diffusion index; tightening(+)/easing(-))

TLTRO
impact on terms and conditions



APP
impact on terms and conditions



Source: ECB (Bank Lending Survey) and Bank of Italy calculations. Credit terms and conditions refer to the conditions of a loan that a bank is willing to grant. They generally consist of the agreed spread over the relevant reference rate, the size of the loan, the access conditions and other terms and conditions in the form of non-interest rate charges (i.e. fees), collateral or guarantees which the respective borrower needs to provide (including compensating balances), loan covenants and the agreed loan maturity.