Lending conditions tightened noticeably in the euro area recently, and credit growth slumped in late 2011. Developments were more positive in the United States and Japan. Looking ahead, conditions can be expected to ease somewhat. While the central bank balance sheet has expanded noticeably in the United States and the euro area, it has not done so in Japan. Broad money growth has remained very subdued in the euro area and Japan but has picked up in the United States, consistent with improving activity.