

Credit Conditions Survey

Survey results | 2009 Q2



BANK OF ENGLAND





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Credit Conditions Survey

2009 Q2

As part of its mission to maintain monetary stability and financial stability, the Bank needs to understand trends and developments in credit conditions. This survey of bank and non-bank lenders is an input to this work. Lenders are asked about the past three months and the coming three months. The survey covers secured and unsecured lending to households and small businesses; and lending to non-financial corporations, and to non-bank financial firms.

This report presents the results of the 2009 Q2 survey. The 2009 Q2 survey was conducted between 26 May and 12 June.

Additional background information on the survey can be found in the 2007 Q3 *Quarterly Bulletin* article 'The Bank of England Credit Conditions Survey'.

This report, covering the results of the 2009 Q2 survey, and copies of the questionnaires are available on the Bank's website at www.bankofengland.co.uk/publications/other/monetary/creditconditions.htm.

The publication dates in 2009 for future Credit Conditions Surveys are:

2009 Q3 survey on 1 October 2009.



Credit Conditions Survey

2009 Q2

Supply

- Lenders reported that they had increased slightly the **availability of secured credit to households** in the three months to mid-June 2009. Improved cost and availability of funds was reported to have been the main contributing factor. A net balance of lenders was expecting a further increase in the availability of secured credit to households over the next three months.
- **Unsecured credit availability to households** was reported to have been reduced. Over the next three months lenders anticipated a further small reduction in the availability of unsecured credit.
- **Corporate credit availability** had increased over the past three months, driven by improved cost and availability of funds and lenders' market share objectives. A further increase in corporate credit availability was expected.

Demand

- Demand for **secured lending for house purchase** was reported to have increased over the past three months while demand for **secured lending for remortgaging** had declined further. Lenders expected that demand for secured lending would remain broadly unchanged over the next three months.
- Demand for credit by **private non-financial corporations** had remained broadly unchanged, but an increase in demand from medium-sized companies over the next three months was anticipated by a net balance of lenders.

Defaults

- Default rates, and losses given default, on **secured and unsecured lending to households and to private non-financial corporations** were reported to have risen over the past three months. Lenders expected a further increase in both default rates and losses given default.

Terms and conditions

- Consistent with higher expected future losses, spreads on **secured lending to households** were reported to have widened, but lenders expected spreads to remain broadly unchanged over the next three months. Some non-price terms on secured lending had also tightened, but lenders anticipated a general easing in non-price terms over the next three months.
- Lenders reported a further widening in spreads on **corporate lending**. They expected spreads to increase further, particularly for other financial corporations.

This report presents the results of the 2009 Q2 survey. The 2009 Q2 survey was conducted between 26 May and 12 June. The results are based on lenders' own responses to the survey. They do not necessarily reflect the Bank's views on credit conditions. To calculate aggregate results, each lender is assigned a score based on their response. Lenders who report that credit conditions have changed 'a lot' are assigned twice the score of those who report that conditions have changed 'a little'. These scores are then weighted by lenders' market shares. The results are analysed by

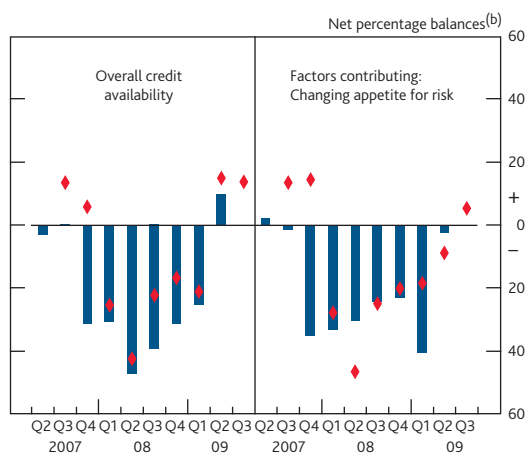
calculating 'net percentage balances' — the difference between the weighted balance of lenders reporting that, for example, demand was higher/lower or terms and conditions were tighter/looser. The net percentage balances are scaled to lie between ± 100 .

This report, and copies of the questionnaires are available on the Bank's website at www.bankofengland.co.uk/publications/other/monetary/creditconditions.htm.

Credit Conditions Survey

Based on lenders' own responses, the survey suggested that there had been a small increase in the availability of secured lending to households in the three months to mid-June. Unsecured credit availability was reported to have declined. Lenders reported an increase in credit availability to the corporate sector. Improvements in the cost and availability of funds to lenders had supported easing credit conditions. And while concerns about the economic outlook had continued to bear down on credit availability, the impact had been smaller than in previous surveys. Credit availability to households and corporates was expected to improve further over the next three months. Default rates and losses given default on lending to households and private non-financial corporations had risen over the past three months, and were expected to rise further. Consistent with higher expected future losses, spreads on lending to households and corporates had widened. Some non-price terms on household and corporate lending were also reported to have tightened, but others had remained broadly unchanged or eased slightly.

Chart 1 Household secured credit availability^(a)



(a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question. The blue bars show the responses over the previous three months. The red diamonds show the expectations over the next three months. Expectations balances have been moved forward one quarter so that they can be compared with the actual outcomes in the following quarter.

(b) A positive balance indicates that more secured credit is available, or that the change in the factor described has served to increase credit availability.

The Q2 Credit Conditions Survey was conducted between 26 May and 12 June 2009. The survey included some additional questions about the impact of factors associated with recent developments in financial markets.⁽¹⁾ The questions and the aggregate responses to them are provided in the annexes.

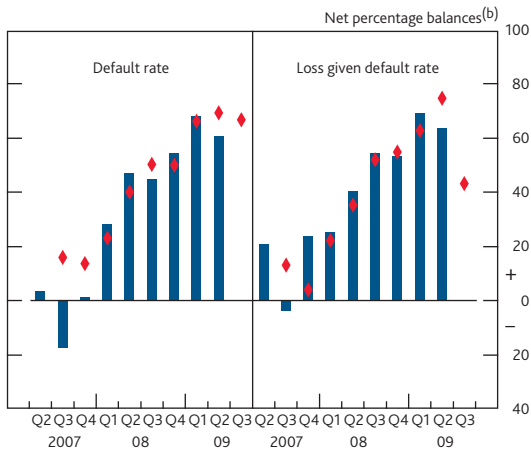
Secured lending to households and small businesses

In the three months to mid-June, a small net balance of lenders reported that there had been an increase in the availability of secured credit to households, the first positive net balance since 2007 Q3 (**Chart 1**). This partly reflects lending commitments made by lenders to the Government as a condition for participation in the Asset Protection Scheme (APS). Unlike in previous surveys, credit availability to households with loan to value (LTV) ratios above 75% was reported to have remained broadly unchanged over the past three months. The main factor reported to have contributed to the increase in overall credit availability was an improvement in the cost and availability of funds to lenders. While the deteriorating economic outlook, reduced risk appetite and falling house prices had continued to bear down on secured credit availability, the impact had been smaller than in previous surveys.

A small net balance of lenders reported that they were expecting an increase in overall credit availability over the next three months, supported by a slight increase in risk appetite.

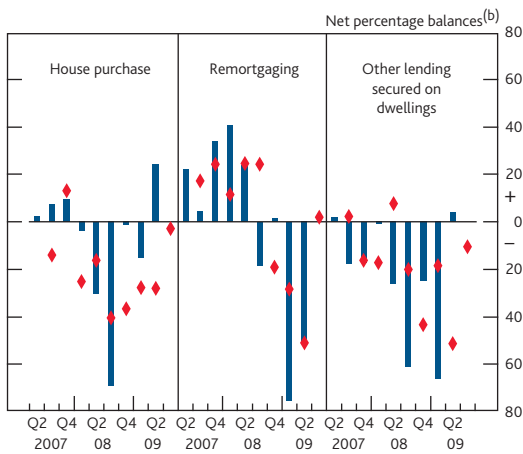
(1) For further discussion of recent developments in financial markets, see the 'Markets and operations' article in the 2009 Q2 *Quarterly Bulletin*.

Chart 2 Default rates and loss given default rates on secured loans to households^(a)



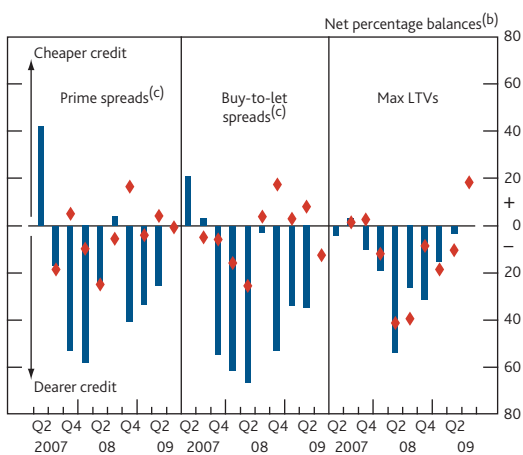
(a) See footnote (a) of Chart 1.
(b) A positive balance indicates an increase in default and loss given default rates.

Chart 3 Demand for household secured lending^(a)



(a) See footnote (a) of Chart 1.
(b) A positive balance indicates an increase in demand.

Chart 4 Terms on household secured lending^(a)



(a) See footnote (a) of Chart 1.
(b) A positive balance indicates that spreads have become narrower, such that it is cheaper for households to borrow, or that maximum LTVs have increased.
(c) Spreads are over Bank Rate for variable rate mortgages and the relevant swap rate for fixed-rate mortgages.

Consistent with this, credit availability to high LTV borrowers was expected to improve and lenders anticipated a slight easing in credit scoring criteria for granting loan applications. The economic outlook was expected to bear down less on credit availability over the next three months.

Default rates on secured lending to households, and losses on loans in default, had risen over the past three months, though by a little less than expected (Chart 2). Lenders commented that declining house prices had driven the increase in losses given default. Default rates, and losses given default, were expected to rise further.

Household demand for secured lending for house purchase and other lending secured on dwellings was reported to have increased in the three months to mid-June, contrary to expectations of a further fall expressed in the 2009 Q1 survey (Chart 3). But demand for remortgaging had fallen further. And contrary to expectations, demand from small businesses had declined over the past three months. Over the next three months, household demand for secured credit was expected to remain broadly unchanged while demand from small businesses was expected to pick up.

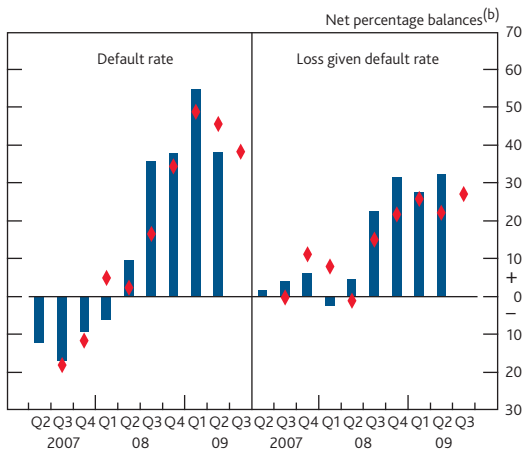
Lenders reported a further increase in spreads on secured lending, but fees, maximum LTVs and loan to income ratios (LTIs) remained broadly unchanged in the three months to mid-June (Chart 4). Credit scoring criteria were reported to have been tightened. Lenders linked this to concerns about deteriorating credit quality of loan applicants and preparation for increased lending to higher LTV borrowers over the next three months. Over the next three months, buy-to-let spreads were expected to increase further while prime spreads, fees and maximum LTIs were expected to remain unchanged. Lenders anticipated an increase in maximum LTVs, consistent with the expected increase in credit availability to high LTV borrowers.

Unsecured lending to households and small businesses

A net balance of lenders reported that they had reduced the amount of unsecured credit made available to households over the past three months, by more than they had expected. Some have done so in order to avoid gaining market share. Over the next three months lenders expected a further small reduction in unsecured credit availability.

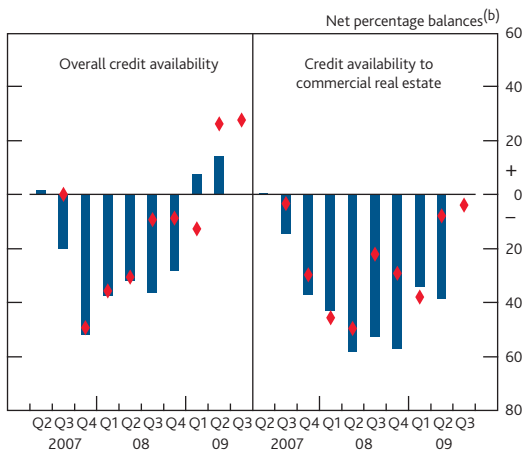
Default rates on unsecured lending and losses on unsecured loans in default were reported to have increased over the past three months (Chart 5). Loss given default had increased by more than expected, particularly on other (non-credit card) unsecured lending. In their comments some lenders attributed these rises to the macroeconomic environment. Further increases were anticipated in both defaults and losses given default.

Chart 5 Default rates and loss given default rates on unsecured lending to households^(a)



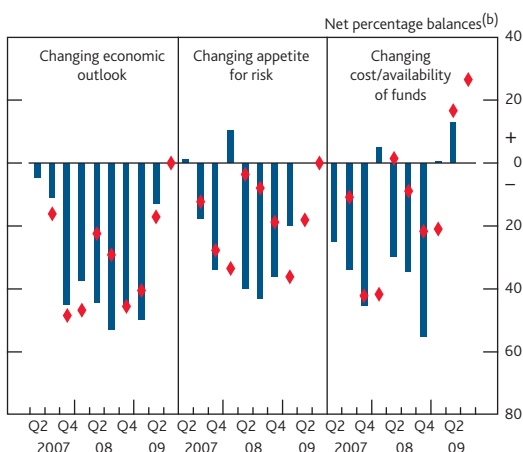
(a) See footnote (a) of Chart 1.
 (b) A positive balance indicates an increase in default rates and loss given default rates.

Chart 6 Corporate credit availability^(a)



(a) See footnote (a) of Chart 1.
 (b) A positive balance indicates more corporate credit is available.

Chart 7 Factors contributing to changes in corporate credit availability^(a)



(a) See footnote (a) of Chart 1.
 (b) A positive balance indicates that the change in the factor described has served to increase credit availability.

A net balance of lenders reported a fall in demand for unsecured lending from households in the three months to mid-June, with further small falls expected over the next three months. Demand from small businesses for credit card lending had picked up but demand for other unsecured lending had fallen, contrary to expectations of a rise. Over the next three months, lenders expected a further increase in demand for unsecured lending from small businesses.

Spreads on unsecured lending to households were reported to have widened over the past three months. Lenders also reported that credit card limits had been reduced and credit scoring criteria tightened. Over the next three months, lenders expected credit card limits to be reduced and credit scoring criteria tightened further. But spreads on unsecured lending to households were expected to narrow.

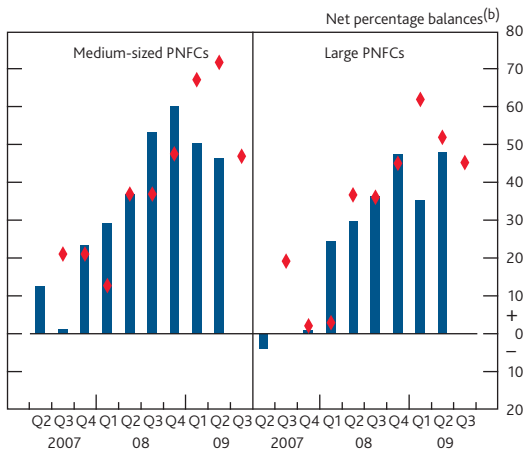
Lending to corporates

Overall credit availability to the corporate sector was reported to have increased in the three months to mid-June, though by less than expected (Chart 6). Within that, the commercial real estate sector continued to experience a significant reduction in credit availability, contrary to expectations expressed in the 2009 Q1 survey. The proportion of private non-financial corporation (PNFC) loan applications approved had increased slightly, with similar changes in approval rates reported for medium and large firms.

The increase in credit availability was reported to have been driven by improved cost and availability of funds to lenders and lenders' market share objectives. The worsening economic outlook had acted to reduce credit availability, but by much less than in recent surveys. And lenders reported that reduced appetite for risk and changing sector-specific risks were no longer contributing to reduced lending to corporates (Chart 7). Falls in commercial property prices were reported to have led lenders to reduce credit availability to the commercial real estate sector and secured lending to PNFCs.

Over the next three months, credit availability to the corporate sector was expected to increase further, particularly by lenders who have made lending commitments as part of the APS. Lenders did not anticipate further significant falls in credit availability to the commercial real estate sector. The main factors expected to contribute to the increase in credit availability were improved cost and availability of funds to lenders and market share objectives. The economic outlook was no longer anticipated to bear down on credit availability.

Lenders reported a tightening in loan covenants to PNFCs and a slight tightening in collateral requirements. By contrast, maximum credit lines were reported to have increased a little over the past three months. For other financial corporations (OFCs), collateral requirements and maximum credit lines were reported to have tightened further. Further tightening in

Chart 8 Default rates on corporate lending^(a)(a) See footnote (a) of **Chart 1**.

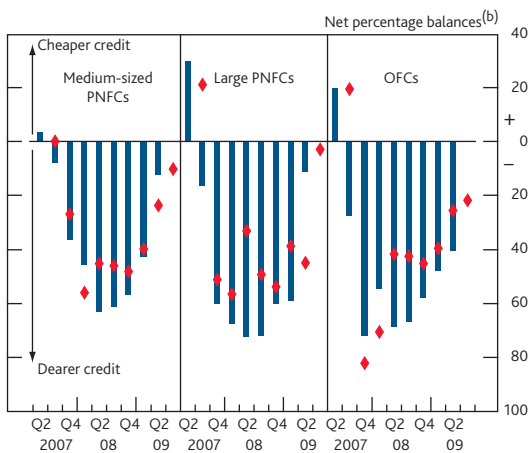
(b) A positive balance indicates an increase in default rates.

non-price terms was anticipated over the next three months for OFCs but much less so for PNFCs.

Default rates for PNFCs were reported to have risen further (**Chart 8**), with falling commercial property values being cited as one of the reasons by a number of lenders. Losses on loans in default were also reported to have increased. Further increases in both default rates and losses given default were anticipated over the next three months.

Demand for new credit facilities by PNFCs had remained broadly unchanged over the past three months. Drawdowns on existing committed credit lines were reported to have fallen for the first time since the question was first asked in 2007 Q4. Over the next three months, lenders expected a rise in demand for new credit by medium-sized PNFCs but no change in demand by large PNFCs.

As in previous surveys, lenders reported a decline in demand for credit by corporates for capital investment and from commercial real estate companies. These trends were expected to continue over the next three months. Demand for credit for mergers and acquisitions activity and for inventory finance had declined, but by less than expected.

Chart 9 Spreads over Libor on lending to corporates^(a)(a) See footnote (a) of **Chart 1**.

(b) A positive balance indicates that spreads have become narrower, such that it is cheaper for corporates to borrow.

In the three months to mid-June, spreads on new lending to PNFCs had widened, but by less than expected and by much less than in recent surveys. Meanwhile spreads on new lending to OFCs had widened by more than expected (**Chart 9**). Commissions and fees on lending also increased, particularly for OFCs. Lenders anticipated further increases in spreads and fees for medium PNFCs and OFCs over the next three months, but large PNFCs were expected to see little further changes in price terms on new lending.

Annex 1

Secured lending to households and small businesses questionnaire results

To calculate aggregate results, each lender is assigned a score based on their response. Lenders who report that credit conditions have changed 'a lot' are assigned twice the score of those who report that conditions have changed 'a little'. These scores are then weighted by lenders' market shares. The results are analysed by calculating 'net percentage balances' — the difference between the weighted balance of lenders reporting that, for example, demand was higher/lower or terms and conditions were tighter/looser. The net percentage balances are scaled to lie between ± 100 . This annex reports the net percentage balance of respondents for each question in the secured lending questionnaire.

Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.

		Net percentage balances ^(a)								
		2007			2008			2009		
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June
How has the availability of secured credit provided to households changed?	Past three months	-2.9	0.1	-31.2	-30.7	-47.0	-39.3	-31.1	-25.2	9.7
	Next three months	13.4	5.8	-25.3	-42.5	-22.3	-16.8	-21.2	14.8	13.6
Factors contributing to changes in credit availability:^(b)										
changing economic outlook	Past three months	-7.2	-9.6	0.5	-35.3	-39.8	-42.2	-25.7	-27.3	-13.1
	Next three months	2.1	-3.3	-19.9	-38.9	-27.4	-26.8	-24.5	-3.3	-6.8
market share objectives	Past three months	20.0	21.3	-7.6	5.7	7.3	-0.1	-5.5	-28.0	-3.6
	Next three months	29.6	19.7	-25.5	-11.1	3.8	-2.9	-5.7	0.0	-2.4
changing appetite for risk	Past three months	1.8	-1.5	-35.2	-33.2	-30.3	-24.2	-23.0	-40.4	-2.5
	Next three months	13.4	14.3	-28.0	-46.5	-24.8	-20.1	-18.5	-8.9	5.2
changing cost/availability of funds	Past three months	-9.3	10.0	-12.5	-12.2	-21.4	-11.4	-22.7	-19.0	9.1
	Next three months	13.3	-15.1	-17.3	-6.7	-3.2	4.8	-9.3	9.5	-0.5
How have credit scoring criteria for granting loan applications by households changed?	Past three months	-2.4	-5.7	-32.3	-43.9	-47.5	-39.3	-42.0	-35.9	-40.1
	Next three months	19.5	3.1	-41.0	-45.9	-38.2	-24.8	-19.2	-17.3	6.2
How has the proportion of household loan applications being approved changed?	Past three months	-5.3	-2.7	-21.5	-6.8	-38.1	-18.6	-43.5	-43.2	-28.1
	Next three months	9.5	5.6	-3.8	-21.2	-33.3	-16.6	-32.6	-44.2	-4.4
Has there been any change in the use of securitisations associated with secured lending to households?	Past three months	13.3	-9.1	-34.7	-33.8	4.8	42.1	43.4	-10.9	-2.4
	Next three months	4.1	-20.5	-37.7	-36.6	-20.1	-34.8	-18.6	-13.9	7.2
Has there been any change in 'target hold' levels associated with secured lending to households?^(a)	Past three months	-6.6	2.6	1.3	29.1	-2.8	8.5	n.a.*	n.a.*	0.0
	Next three months	13.3	5.9	2.2	29.1	4.3	8.5	n.a.*	n.a.*	0.0
How has the default rate on secured loans to households changed?	Past three months	3.5	-17.5	1.3	28.6	47.3	44.8	54.6	68.2	60.7
	Next three months	16.1	13.8	23.0	40.1	50.4	50.1	66.1	69.2	66.7
How has loss given default on secured loans to households changed?	Past three months	20.7	-3.9	24.0	25.3	40.5	54.6	53.4	69.3	63.8
	Next three months	13.2	4.1	22.1	35.3	51.9	54.7	62.8	74.6	43.2
How has demand for secured lending for house purchase from households changed?	Past three months	2.1	7.5	9.4	-3.8	-30.2	-69.1	-1.2	-15.0	24.1
	Next three months	-14.0	13.2	-25.2	-16.1	-40.5	-36.5	-27.8	-28.0	-2.9
<i>of which: demand for prime lending</i>	Past three months	-3.3	-3.8	4.4	-1.1	-38.6	-50.8	-3.3	-14.1	19.1
	Next three months	-14.0	15.8	-17.6	-13.5	-39.2	-33.3	-27.6	-28.9	-2.9
<i>of which: demand for buy-to-let lending</i>	Past three months	14.1	10.2	14.7	6.9	10.4	-28.6	-35.1	-29.6	-8.8
	Next three months	-0.1	-4.9	-30.9	-5.8	-16.9	-6.6	-26.3	-28.9	-14.9
<i>of which: demand for other lending</i>	Past three months	n.a.*	4.8	15.0	17.5	-36.4	-46.2	-17.9	-25.8	-35.6
	Next three months	n.a.*	-30.4	-21.1	6.8	-29.2	-7.9	-12.1	-7.4	-8.4

		Net percentage balances ^(a)									
		2007			2008			2009			
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June	
How has demand for secured lending for remortgaging from households changed?	Past three months	22.0	4.3	34.2	40.8	24.0	-18.5	1.5	-75.3	-50.9	
	Next three months	17.1	24.3	11.6	24.4	24.3	-19.1	-28.5	-51.0	1.9	
How has demand for other lending secured on dwellings from households changed?	Past three months	2.0	-17.6	-17.1	-0.9	-26.1	-60.8	-24.8	-66.3	4.2	
	Next three months	2.3	-16.2	-17.1	7.5	-20.0	-43.3	-18.5	-51.3	-10.6	
How has demand for secured lending from small businesses changed?	Past three months	39.1	47.8	10.3	-5.0	-15.1	-40.6	-34.0	6.7	-16.0	
	Next three months	55.5	47.8	18.6	-14.4	-34.7	-10.3	-26.9	27.1	21.0	
How have overall secured lending spreads changed?^(a)	Past three months	38.5	-17.6	-56.2	-61.4	-25.8	0.0	-42.8	-42.2	-25.2	
	Next three months	-18.7	4.3	-17.9	-26.0	2.1	14.3	-4.0	9.5	5.3	
<i>of which: spreads on prime lending^(a)</i>	Past three months	42.1	-17.0	-53.2	-58.1	-25.0	4.0	-40.6	-33.5	-25.2	
	Next three months	-18.7	5.0	-9.8	-24.9	-5.5	16.4	-4.1	4.1	-0.8	
<i>of which: spreads on buy-to-let lending^(a)</i>	Past three months	20.8	3.1	-54.5	-61.6	-66.4	-2.9	-52.9	-33.6	-35.0	
	Next three months	-4.9	-5.8	-15.8	-25.6	3.8	17.4	2.8	8.0	-12.6	
<i>of which: spreads on other lending^(a)</i>	Past three months	-1.1	4.4	-53.8	-70.8	-31.2	-5.2	-20.8	-26.9	n.a.*	
	Next three months	-3.4	-4.5	-12.0	-28.6	1.2	6.7	-3.3	-2.9	n.a.*	
How have fees on secured lending changed?^(a)	Past three months	5.9	3.4	-2.7	-1.9	-12.3	-7.3	-7.5	-0.7	-0.7	
	Next three months	-2.5	-6.1	-3.8	-3.8	-3.5	-3.0	-0.8	0.2	0.9	
How have maximum loan to value ratios changed?	Past three months	-4.0	2.8	-10.2	-18.9	-53.8	-26.6	-31.4	-15.2	-3.4	
	Next three months	1.3	2.6	-11.9	-41.2	-39.4	-8.6	-18.7	-10.5	18.2	
How have maximum loan to income ratios changed?	Past three months	-4.4	-1.4	-3.3	-11.5	3.5	-1.7	-15.9	2.7	-5.8	
	Next three months	-4.4	3.1	2.1	-13.1	-6.5	-7.7	-18.2	7.4	0.0	

* Data are unpublished for this question as too few responses were received.

(a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question by their market shares. Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.

(b) A positive balance indicates that the changes in the factors described have served to increase credit availability.

Additional questions

		Net percentage balances ^(a)						
		2007	2008			2009		
		Dec.	Mar.	June	Sep.	Dec.	Mar.	June
How have the following factors affected overall household secured credit availability?^(b)								
Tighter wholesale funding conditions:	Past three months	-52.7	-48.7	-37.7	-15.0	-14.8	-2.9	-2.3
	Next three months	-28.0	-46.5	-38.8	-25.4	-16.8	16.8	-2.4
Actual, or potential, need to support ABCP conduits, structured investment vehicles or money market mutual funds:	Past three months	-43.3	-29.6	-4.8	-3.9	2.8	-3.2	n.a.*
	Next three months	-9.8	-31.5	-14.9	-3.9	2.8	-3.2	n.a.*
Reduced ability to transfer credit risk off balance sheet and/or tighter conditions for raising capital:	Past three months	-34.9	-34.9	-17.0	-4.9	0.0	0.0	n.a.*
	Next three months	-21.6	-44.9	-13.0	-3.6	-11.9	13.2	n.a.*
Expectations for house prices:	Past three months	-7.0	-43.0	-55.0	-58.5	-50.2	-52.5	-17.0
	Next three months	-38.2	-46.1	-69.2	-60.5	-44.7	-34.7	-15.4
How has the availability of household secured credit to the following types of borrower changed?								
Borrowers with low LTVs (75% or less):	Past three months	n.a.**	n.a.**	n.a.**	12.7	-9.9	4.1	3.6
	Next three months	n.a.**	n.a.**	n.a.**	6.3	-0.6	4.9	9.1
Borrowers with high LTVs (more than 75%):	Past three months	n.a.**	n.a.**	n.a.**	-59.5	-55.3	-56.6	-2.6
	Next three months	n.a.**	n.a.**	n.a.**	-38.5	-27.1	-21.0	18.8
How has the average credit quality of new secured lending to households changed?^(c)	Past three months	n.a.**	n.a.**	n.a.**	23.5	18.9	-14.9	18.0
	Next three months	n.a.**	n.a.**	n.a.**	22.6	10.0	-1.7	0.1
What percentage of your existing secured loan book is contractually committed to passing on any further cuts in Bank Rate?	Median ^(d)	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	47.4	n.a.**

** Additional question not asked in survey.

- (a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question by their market shares. Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.
- (b) A positive balance indicates that the changes in the factors described have served to increase credit availability.
- (c) A positive balance indicates an improvement in the credit quality of new borrowing.
- (d) Unlike the other questions in this survey, lenders were asked to select a numerical range that the percentage of their existing loan book contractually committed to passing on any further cuts in Bank Rate is (0%–20%, 20%–40%, 40%–60%, 60%–80%, 80%–100%). A weighted median response, based on lenders' market shares, was then calculated assuming that lenders' responses were uniformly distributed across each numerical range.

Annex 2

Unsecured lending to households and small businesses questionnaire results

To calculate aggregate results, each lender is assigned a score based on their response. Lenders who report that credit conditions have changed 'a lot' are assigned twice the score of those who report that conditions have changed 'a little'. These scores are then weighted by lenders' market shares. The results are analysed by calculating 'net percentage balances' — the difference between the weighted balance of lenders reporting that, for example, demand was higher/lower or terms and conditions were tighter/looser. The net percentage balances are scaled to lie between ± 100 . This annex reports the net percentage balance of respondents for each question in the unsecured lending questionnaire.

Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.

		Net percentage balances ^(a)								
		2007			2008			2009		
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June
How has the availability of unsecured credit provided to households changed?	Past three months	-14.3	-10.2	-13.6	-21.1	-24.0	-27.5	-30.5	-17.1	-13.4
	Next three months	4.9	-2.9	-7.0	-13.7	-25.3	-32.0	-37.4	-2.3	-6.9
Factors contributing to changes in credit availability:^(b)										
changing economic outlook	Past three months	-8.0	-13.4	-11.9	-17.9	-19.6	-34.7	-24.1	-25.5	3.2
	Next three months	-2.6	-12.2	-23.2	-10.8	-32.7	-35.4	-29.3	-16.7	-4.4
market share objectives	Past three months	6.5	-0.8	7.5	-0.7	0.5	-5.3	-9.0	-3.4	-8.5
	Next three months	13.6	-3.6	-2.5	-1.2	0.5	-5.3	-9.4	-2.3	5.7
changing appetite for risk	Past three months	-3.4	-8.0	-14.3	-8.3	-9.3	-28.0	-17.4	-19.1	-1.9
	Next three months	1.4	-11.7	-18.7	-16.6	-21.0	-32.3	-37.3	-9.9	-1.6
changing cost/availability of funds	Past three months	17.4	1.0	1.2	-1.6	0.3	-5.0	-7.4	-2.3	-0.7
	Next three months	18.8	0.0	-10.2	-1.4	-1.1	-5.5	-7.4	-2.7	-2.7
How have credit scoring criteria for granting credit card loan applications by households changed?	Past three months	-15.0	-7.8	7.9	-16.6	4.5	-33.1	-26.7	-60.9	-24.2
	Next three months	-1.0	-13.7	-16.4	0.2	-34.3	-41.4	-46.8	-16.2	-20.5
How have credit scoring criteria for granting other unsecured loan applications by households changed?	Past three months	-12.0	19.9	-8.5	-20.8	-26.7	-31.6	-35.0	-50.4	-42.4
	Next three months	-5.6	-24.2	-24.2	-21.8	-48.6	-26.4	-54.3	-41.7	-31.9
How have credit scoring criteria for granting total unsecured loan applications by households changed?	Past three months	-14.2	-0.8	3.7	-17.7	-3.0	-32.8	-28.5	-58.8	-27.6
	Next three months	-2.2	-16.3	-18.3	-5.2	-37.8	-37.9	-48.5	-21.3	-22.6
How has the proportion of credit card loan applications from households being approved changed?	Past three months	33.2	15.1	10.0	-6.7	-16.3	-15.8	4.5	-29.1	-21.7
	Next three months	6.1	-2.5	-26.3	-7.6	-9.2	-46.0	-43.8	-12.4	-11.4
How has the proportion of other unsecured loan applications from households being approved changed?	Past three months	6.1	14.8	-17.7	-24.9	-11.3	-31.1	-36.4	-38.0	-35.5
	Next three months	2.6	-18.1	-28.5	-26.8	-27.2	-13.5	-46.6	-27.3	-15.3
How has the proportion of total unsecured loan applications from households being approved changed?	Past three months	25.9	15.0	3.0	-11.2	-15.1	-19.3	-4.3	-30.8	-24.2
	Next three months	5.2	-6.4	-26.9	-12.4	-13.5	-38.5	-44.4	-15.4	-12.1
How has the default rate on credit card loans to households changed?	Past three months	-14.6	-20.8	-8.8	-10.0	6.4	33.9	34.6	61.0	38.4
	Next three months	-17.3	-13.3	9.0	2.1	17.3	36.9	50.1	49.3	37.3
How has the default rate on other unsecured loans to households changed?	Past three months	-6.0	-6.5	-11.4	5.5	19.2	40.9	49.0	30.1	37.3
	Next three months	-20.8	-7.5	-7.6	3.2	13.7	25.7	44.1	30.1	42.1
How has the default rate on total unsecured loans to households changed?	Past three months	-12.3	-17.2	-9.5	-6.2	9.5	35.5	37.7	54.8	38.2
	Next three months	-18.2	-11.8	4.8	2.4	16.4	34.3	48.8	45.5	38.2

		Net percentage balances ^(a)									
		2007			2008				2009		
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June	
How has loss given default on credit card loans to households changed?	Past three months	-2.9	5.9	5.2	-3.7	3.9	25.3	36.7	28.0	30.3	
	Next three months	-3.7	12.8	4.6	-3.0	13.3	21.4	25.6	24.1	27.9	
How has loss given default on other unsecured loans to households changed?	Past three months	13.9	-1.4	8.8	1.4	7.2	12.6	12.3	25.1	41.2	
	Next three months	8.8	5.8	17.2	4.3	20.3	22.4	25.7	14.1	22.8	
How has loss given default on total unsecured loans to households changed?	Past three months	1.6	4.1	6.1	-2.4	4.7	22.4	31.4	27.4	32.3	
	Next three months	-0.3	11.0	7.8	-1.2	15.0	21.6	25.6	22.1	26.9	
How has demand for credit card lending from households changed?	Past three months	1.2	-2.2	10.5	-11.0	23.1	-14.6	13.0	-23.5	-27.0	
	Next three months	5.2	3.2	-5.9	5.1	1.2	-6.1	-20.4	-17.9	-10.5	
How has demand for other unsecured lending from households changed?	Past three months	-20.4	-4.9	-11.7	7.8	-44.8	-17.9	-36.8	-25.6	-12.8	
	Next three months	1.3	-4.5	2.3	-23.3	-12.0	7.3	-12.0	-24.9	9.6	
How has demand for total unsecured lending from households changed?	Past three months	-4.6	-2.9	4.9	-6.4	6.7	-15.4	2.3	-23.9	-24.2	
	Next three months	4.2	1.2	-3.8	-1.9	-2.0	-3.0	-18.6	-19.3	-6.8	
How has demand for credit card lending from small businesses changed?	Past three months	14.7	-4.9	5.2	-1.6	20.1	4.4	4.2	17.3	21.7	
	Next three months	0.9	-2.4	19.7	-1.6	1.9	13.0	9.1	32.3	32.2	
How has demand for other unsecured lending from small businesses changed?	Past three months	2.6	-11.4	-9.2	-14.5	-5.5	-16.2	-52.1	2.6	-26.7	
	Next three months	2.6	-9.2	-10.5	-13.9	-19.0	-19.1	-15.8	-8.5	18.1	
How has demand for total unsecured lending from small businesses changed?	Past three months	11.8	-6.7	0.2	-5.3	13.8	-0.1	-8.8	14.2	12.3	
	Next three months	1.3	-4.2	9.4	-5.2	-3.2	6.1	3.4	23.7	29.5	
How have spreads on credit cards changed? ^(a)	Past three months	6.6	16.2	-3.5	-4.8	-4.4	-8.3	1.8	-24.7	-5.8	
	Next three months	5.7	0.4	-1.2	-11.9	-3.2	-10.9	21.0	-1.6	19.0	
How have spreads on other unsecured lending products changed? ^(a)	Past three months	-6.9	6.7	-15.8	-21.5	-18.6	-12.6	-34.8	-35.0	-39.3	
	Next three months	-2.9	-16.0	-18.8	-4.0	-4.4	-4.6	-11.2	-16.2	8.5	
How have overall unsecured lending spreads changed? ^(a)	Past three months	3.0	13.8	-6.6	-8.9	-7.8	-9.3	-6.1	-26.7	-12.0	
	Next three months	3.4	-3.7	-5.7	-10.0	-3.5	-9.5	14.0	-4.5	17.1	
How have credit card limits changed?	Past three months	-10.4	25.1	16.8	13.9	-15.0	-24.3	-21.4	-17.4	-16.1	
	Next three months	12.7	-2.7	7.9	-2.3	-12.7	-15.2	-25.1	-27.9	-16.6	
How has the minimum proportion of credit card balances to be paid changed? ^(a)	Past three months	-4.6	-2.9	3.2	-4.7	0.1	-7.0	-3.7	-12.0	-6.2	
	Next three months	11.0	8.5	-0.1	-5.2	-9.4	4.1	-26.1	-10.5	0.0	
How have maximum maturities on loans changed?	Past three months	-2.5	0.0	-2.3	3.7	-8.0	-14.8	-10.3	18.5	15.6	
	Next three months	0.0	-0.9	0.0	0.0	-10.3	-14.8	-8.3	15.2	17.2	

(a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question by their market shares. Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.

(b) A positive balance indicates that the changes in the factors described have served to increase credit availability.

Annex 3

Corporate lending questionnaire results

To calculate aggregate results, each lender is assigned a score based on their response. Lenders who report that credit conditions have changed 'a lot' are assigned twice the score of those who report that conditions have changed 'a little'. These scores are then weighted by lenders' market shares. The results are analysed by calculating 'net percentage balances' — the difference between the weighted balance of lenders reporting that, for example, demand was higher/lower or terms and conditions were tighter/looser. The net percentage balances are scaled to lie between ± 100 . This annex reports the net percentage balance of respondents for each question in the corporate lending questionnaire, including specific questions for private non-financial corporations (PNFCs) and other financial corporations (OFCs).

Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.

		Net percentage balances ^(a)									
		2007			2008				2009		
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June	
How has the availability of credit provided to the corporate sector overall changed?	Past three months	1.8	-20.2	-51.8	-37.3	-32.1	-36.2	-28.2	7.8	14.3	
	Next three months	0.0	-49.3	-35.7	-30.7	-9.2	-8.8	-12.8	26.3	27.7	
<i>of which: commercial real estate sector</i>											
	Past three months	0.8	-14.7	-37.1	-43.0	-58.2	-52.8	-57.0	-34.4	-38.7	
	Next three months	-3.2	-29.8	-45.6	-49.5	-22.2	-29.1	-38.1	-8.0	-3.9	
Factors contributing to changes in credit availability:^(b)											
changing economic outlook											
	Past three months	-4.5	-11.2	-45.1	-37.4	-44.3	-53.0	-44.8	-49.7	-12.7	
	Next three months	-16.2	-48.4	-46.7	-22.5	-29.2	-45.6	-40.5	-17.2	0.0	
changing sector-specific risks											
	Past three months	-29.5	-25.7	-38.8	-1.6	-41.1	-42.9	-49.8	-21.9	-2.3	
	Next three months	-15.5	-37.3	-45.5	-10.7	-17.5	-42.2	-32.9	-13.6	-6.9	
market share objectives											
	Past three months	21.0	0.0	-27.4	-7.4	-6.8	-20.2	-21.6	5.9	10.9	
	Next three months	4.1	0.0	-29.9	-16.8	-3.9	-19.2	-19.6	5.9	11.8	
market pressures from capital markets											
	Past three months	25.1	-31.6	-38.2	21.2	-19.9	-19.3	-13.0	6.4	2.2	
	Next three months	0.2	-50.1	-23.3	-7.4	-21.9	-18.3	-7.1	0.4	5.1	
changing appetite for risk											
	Past three months	1.1	-17.5	-33.9	10.5	-39.9	-43.0	-36.1	-19.9	0.0	
	Next three months	-12.3	-27.7	-33.5	-3.5	-7.9	-18.9	-36.1	-18.0	0.0	
changing cost/availability of funds											
	Past three months	-25.1	-33.7	-45.2	4.8	-29.6	-34.5	-55.2	0.5	12.9	
	Next three months	-10.8	-42.2	-41.6	1.6	-8.9	-21.6	-21.0	16.5	26.5	
How has the proportion of loan applications from medium PNFCs being approved changed?											
	Past three months	-20.9	-21.6	-29.2	-16.1	-25.7	-30.5	-43.6	-29.1	3.5	
	Next three months	-10.2	-26.4	-28.7	-13.9	-17.1	-10.8	-37.8	-25.9	8.6	
How has the proportion of loan applications from large PNFCs being approved changed?											
	Past three months	3.4	-16.0	-29.1	-35.1	-24.2	-17.0	-40.1	-22.4	5.4	
	Next three months	-2.0	-20.7	-26.4	-22.3	-14.3	-4.3	-28.0	-17.3	7.3	
Has there been any change in the use of cash securitisations associated with corporate lending?											
	Past three months	7.7	-1.5	-75.8	-27.1	1.2	-2.4	-3.6	24.0	n.a.*	
	Next three months	21.3	-68.8	-54.0	-18.8	1.2	-2.4	1.1	1.2	n.a.*	
Has there been any change in the use of derivatives/synthetic securitisations associated with corporate lending?											
	Past three months	3.9	1.0	-36.7	-13.4	-1.4	5.8	1.9	3.1	9.0	
	Next three months	15.9	-40.1	-32.1	-13.7	6.1	5.8	-1.5	-1.5	-2.4	
Has there been any change in 'target hold' levels associated with corporate lending?^(a)											
	Past three months	37.3	18.5	11.3	17.3	28.0	33.0	37.1	16.4	24.6	
	Next three months	18.8	3.8	32.7	33.2	14.6	16.5	16.6	19.0	30.8	
How have loan tenors on new corporate loans changed?											
	Past three months	-0.7	-5.5	13.6	17.6	25.4	5.1	38.9	23.0	22.4	
	Next three months	-9.1	13.3	8.1	21.0	16.2	7.7	16.9	0.5	20.5	

		Net percentage balances ^(a)								
		2007			2008			2009		
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June
How has the default rate on loans to medium PNFCs changed?	Past three months	12.4	1.3	23.3	29.2	37.0	53.1	60.2	50.5	46.3
	Next three months	21.0	21.0	12.7	37.0	36.8	47.6	67.0	71.7	46.8
How has the default rate on loans to large PNFCs changed?	Past three months	-3.9	0.0	1.1	24.4	29.6	36.3	47.4	35.2	48.0
	Next three months	19.2	2.0	2.8	36.8	36.1	45.1	62.0	51.8	45.2
How has loss given default on loans to medium PNFCs changed?	Past three months	1.5	0.0	3.4	8.7	23.4	20.6	67.6	54.2	33.4
	Next three months	1.5	5.1	11.5	20.1	32.3	34.9	63.5	51.8	35.8
How has loss given default on loans to large PNFCs changed?	Past three months	0.0	0.0	1.8	0.0	14.4	13.3	46.9	41.8	30.8
	Next three months	0.0	1.2	0.7	15.1	23.1	27.9	40.6	31.7	24.3
How has demand for lending from medium PNFCs changed?	Past three months	6.0	-7.3	-7.2	-13.8	-10.4	-33.8	-35.5	-54.5	-2.1
	Next three months	4.1	-15.0	6.9	-7.2	-15.2	-29.8	-37.3	-16.6	13.0
How has demand for lending from large PNFCs changed?	Past three months	30.9	-21.9	-24.4	4.1	-40.7	-14.0	-34.4	-33.6	-3.6
	Next three months	6.4	-31.0	-0.2	-14.6	-10.7	-19.7	-17.2	10.5	0.0
How has demand from institutional investors/pension funds changed?	Past three months	0.0	-4.5	38.5	2.1	-20.0	-9.3	-23.6	-1.5	-1.5
	Next three months	0.0	5.4	35.8	16.1	-3.3	-21.6	-6.1	-1.5	-1.5
How has demand from securities dealers changed?	Past three months	n.a.*	n.a.*	24.1	-11.7	-8.6	n.a.*	-35.6	-6.6	n.a.*
	Next three months	n.a.*	n.a.*	24.1	3.0	-1.7	n.a.*	-3.8	-6.6	n.a.*
How has demand from hedge funds changed?	Past three months	-1.0	n.a.*	54.8	23.3	2.9	-3.2	n.a.*	-16.3	n.a.*
	Next three months	-1.0	n.a.*	43.3	15.0	10.4	-3.2	n.a.*	-3.7	n.a.*
How has demand from structured finance vehicles changed?	Past three months	6.7	-4.9	46.0	-48.9	-63.7	-19.6	-31.9	-2.3	n.a.*
	Next three months	6.2	-1.7	31.4	-0.2	-18.6	-3.6	-5.1	-2.3	n.a.*
How has demand from other OFCs changed?	Past three months	0.0	-1.7	17.9	-1.3	-25.7	-17.4	-21.2	n.a.*	0.0
	Next three months	0.0	3.9	17.8	-4.5	-5.3	-17.4	-6.1	n.a.*	0.0
What have been the main factors contributing to changes in demand for lending:^(b)										
mergers and acquisitions	Past three months	45.3	15.5	-53.7	6.7	-32.8	-41.8	-48.1	-24.5	-9.4
	Next three months	27.3	-66.8	-22.6	-5.0	-8.4	-27.0	-41.7	-22.3	4.7
capital investment	Past three months	-1.9	-12.6	-15.4	-16.4	-27.2	-50.1	-66.0	-61.4	-40.7
	Next three months	-4.2	-27.5	-8.3	-10.6	-15.1	-51.7	-47.5	-28.4	-24.2
inventory finance	Past three months	-11.2	-20.0	-14.0	9.6	1.9	9.0	11.4	-23.4	-6.9
	Next three months	-15.9	-21.5	-1.1	9.9	-0.7	4.0	12.6	-19.9	-6.2
balance sheet restructuring	Past three months	4.7	-40.3	-26.7	2.4	-7.0	19.2	24.0	35.2	37.4
	Next three months	1.9	-48.8	-7.0	6.0	9.8	19.3	36.8	40.4	28.8
commercial real estate	Past three months	21.5	-31.1	-15.9	-23.2	-28.2	-55.7	-55.8	-46.4	-53.4
	Next three months	-4.5	-46.5	-22.9	-10.2	-21.9	-36.3	-37.0	-13.9	-24.4
How have spreads on loans to medium PNFCs changed? ^(a)	Past three months	3.6	-7.8	-36.6	-45.7	-63.4	-61.5	-56.7	-42.7	-12.2
	Next three months	0.0	-26.8	-55.9	-45.4	-46.0	-48.1	-39.8	-23.7	-10.0
How have fees/commissions on loans to medium PNFCs changed? ^(a)	Past three months	0.7	-4.7	-30.3	-40.7	-62.2	-59.8	-53.0	-41.5	-11.9
	Next three months	0.0	-21.1	-51.9	-44.6	-48.1	-43.8	-37.7	-23.7	-11.0
How have collateral requirements for loans to medium PNFCs changed? ^(a)	Past three months	-7.5	0.0	-11.9	-21.5	-17.9	-20.8	-22.8	-9.6	-7.3
	Next three months	0.0	-10.0	-15.6	-19.5	-1.8	-17.6	-15.2	-10.3	-5.4

		Net percentage balances ^(a)								
		2007			2008			2009		
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June
How have maximum credit lines for medium PNFCs changed?	Past three months	3.6	0.0	-21.1	-30.6	-27.2	-30.1	-25.4	-13.9	3.6
	Next three months	3.1	-24.5	-21.1	-25.9	-18.5	-20.3	-17.6	-9.8	-6.7
How have loan covenants for medium PNFCs changed? ^(a)	Past three months	14.8	-1.1	-20.6	-35.6	-37.1	-35.8	-22.5	-32.9	-27.1
	Next three months	-1.3	-29.3	-37.8	-25.4	-42.2	-12.8	-14.9	-27.8	-6.5
How have spreads on loans to large PNFCs changed? ^(a)	Past three months	29.8	-16.4	-60.1	-67.6	-72.5	-71.9	-60.1	-59.0	-11.2
	Next three months	21.2	-51.2	-56.4	-33.2	-49.4	-53.9	-38.7	-45.0	-2.9
How have fees/commissions on loans to large PNFCs changed? ^(a)	Past three months	26.1	-7.1	-52.5	-49.6	-68.4	-71.9	-57.4	-51.2	-6.8
	Next three months	20.4	-35.5	-59.3	-42.1	-49.4	-50.7	-36.0	-45.0	-3.8
How have collateral requirements for loans to large PNFCs changed? ^(a)	Past three months	22.8	13.1	-16.8	-1.7	-15.8	-26.5	-26.0	-6.7	-3.5
	Next three months	0.0	-6.5	-12.9	4.7	-8.2	-16.5	-15.4	-5.8	-1.6
How have maximum credit lines for large PNFCs changed?	Past three months	20.6	10.5	-36.4	-49.0	-44.2	-24.3	-21.3	-12.4	7.4
	Next three months	6.3	-47.0	-16.8	-12.4	-13.3	-6.1	-22.3	-1.3	-2.8
How have loan covenants for large PNFCs changed? ^(a)	Past three months	36.4	4.9	-46.3	-48.1	-40.1	-26.0	-22.9	-37.1	-24.2
	Next three months	20.9	-48.2	-35.6	-23.3	-28.4	-10.9	-10.2	-21.3	-5.2
How have spreads on loans to OFCs changed? ^(a)	Past three months	19.7	-27.7	-72.1	-54.8	-68.7	-66.8	-58.0	-47.9	-40.7
	Next three months	19.5	-82.2	-70.7	-41.7	-42.7	-45.2	-39.5	-25.6	-21.9
How have fees/commissions on loans to OFCs changed? ^(a)	Past three months	18.4	-11.8	-64.4	-50.8	-69.9	-51.4	-56.5	-37.8	-34.2
	Next three months	18.4	-42.4	-62.9	-38.9	-46.6	-47.4	-34.7	-25.6	-21.9
How have collateral requirements for loans to OFCs changed? ^(a)	Past three months	10.9	-1.4	-35.7	-29.7	-10.3	-23.9	-54.5	-27.5	-32.2
	Next three months	0.0	-45.1	-34.3	-12.4	-3.9	-17.8	-34.1	-19.0	-20.3
How have maximum credit lines for OFCs changed?	Past three months	4.4	-13.1	-37.4	-52.5	-46.3	-23.2	-69.2	-46.4	-25.7
	Next three months	4.4	-54.8	-38.4	-34.5	-18.7	-23.2	-41.2	-31.1	-23.0

* Data are unpublished for this question as too few responses were received.

(a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question by their market shares. Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.

(b) A positive balance indicates that the changes in the factors described have served to increase credit availability/demand.

Additional questions

		Net percentage balances ^(a)						
		2007		2008		2009		
		Dec.	Mar.	June	Sep.	Dec.	Mar.	June
How have the following factors affected overall PNFCs' credit availability?^(b)								
Tighter wholesale funding conditions:	Past three months	-59.0	-12.9	-28.0	-13.1	-13.8	-28.7	-7.6
	Next three months	-51.1	10.0	-9.7	-1.0	-11.3	-6.7	-7.0
Actual, or potential, need to support ABCP conduits, structured investment vehicles or money market mutual funds:	Past three months	-2.2	16.2	-7.2	-8.8	-2.3	-2.4	-10.3
	Next three months	8.9	17.8	-7.2	4.7	-2.3	9.1	-12.6
Reduced ability to transfer credit risk off balance sheet and/or tighter conditions for raising capital:	Past three months	-47.2	-19.3	-30.9	-20.3	-22.7	-12.3	-21.4
	Next three months	-49.3	-5.3	-8.3	-9.3	-6.7	1.0	-37.2
Has there been a change in draw-downs on committed lines by PNFCs?	Past three months	20.3	5.0	11.8	11.3	38.2	6.2	-40.3
	Next three months	33.8	12.8	18.6	6.4	29.0	9.7	-12.4
Has there been a change in average credit quality on newly arranged PNFC borrowing facilities?^(c)	Past three months	n.a.**	5.5	14.4	16.6	12.5	1.5	-1.4
	Next three months	n.a.**	7.0	14.4	18.4	7.4	-4.6	-1.4
How have commercial property prices affected credit availability to the commercial real estate sector, and/or secured lending to PNFCs?	Past three months	n.a.**	-20.9	-49.1	-58.2	-56.7	-48.1	-46.2
	Next three months	n.a.**	-9.0	-44.4	-43.0	-45.2	-15.5	-21.8
Has there been a change in the amount of secured lending to PNFCs, such as asset-based lending, relative to unsecured PNFC lending?	Past three months	n.a.**	n.a.**	11.0	15.7	n.a.**	n.a.**	n.a.**
	Next three months	n.a.**	n.a.**	11.0	8.0	n.a.**	n.a.**	n.a.**
Has there been a change in the availability of letters of credit to PNFCs for use in international trade?	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	-2.2	0.7	0.3
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	5.5	-6.5	5.4
Has there been a change in the availability of trade credit instruments (invoice financing, factoring, trade credit insurance etc) to PNFCs for domestic business activities?	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	1.2	-11.4	16.2
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	8.9	-1.5	4.7
What percentage of your existing PNFC loan book is contractually committed to passing on any further cuts in Bank Rate?	Median ^(d)	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	32.0	n.a.**

** Additional question not asked in survey.

- (a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question by their market shares. Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.
- (b) A positive balance indicates that the changes in the factors described have served to increase credit availability/demand.
- (c) A positive balance indicates an improvement in the credit quality of new borrowing.
- (d) Unlike the other questions in this survey, lenders were asked to select a numerical range that the percentage of their existing loan book contractually committed to passing on any further cuts in Bank Rate is (0%–20%, 20%–40%, 40%–60%, 60%–80%, 80%–100%). A weighted median response, based on lenders' market shares, was then calculated assuming that lenders' responses were uniformly distributed across each numerical range.