

# Credit Conditions Survey

Survey results | 2009 Q3



BANK OF ENGLAND





BANK OF ENGLAND

# Credit Conditions Survey

2009 Q3

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 Q3 survey. The 2009 Q3 survey was conducted between 21 August and 11 September.

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 Q3 survey, and copies of the questionnaires are available on the Bank's website at [www.bankofengland.co.uk/publications/other/monetary/creditconditions.htm](http://www.bankofengland.co.uk/publications/other/monetary/creditconditions.htm).

The publication dates for the next four Credit Conditions Surveys are:

- 2009 Q4 survey on 31 December 2009.
- 2010 Q1 survey on 1 April 2010.
- 2010 Q2 survey on 1 July 2010.
- 2010 Q3 survey on 30 September 2010.



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# Credit Conditions Survey

2009 Q3

## Supply

- While a small net balance of lenders reported that they had reduced the [availability of secured credit to households](#) in the three months to mid-September 2009, some increase in overall credit availability was expected over the next three months.
- [Unsecured credit availability to households](#) was reported to have been reduced a little, with further reductions anticipated over the next three months.
- [Corporate credit availability](#) had increased over the past three months, driven by improvements in the cost and availability of funds to banks. A further increase in corporate credit availability was expected.

## Demand

- Demand for [secured lending for house purchase](#) was reported to have increased, but lenders expected it to decline somewhat over the next three months. Demand for secured lending for remortgaging had stabilised, with increases anticipated over the next quarter.
- Demand for credit by [private non-financial corporations](#) had increased in line with expectations for medium-sized companies, but had fallen slightly for larger companies. An increase in corporate demand was anticipated over the next three months by a net balance of lenders.

## Defaults

- Contrary to expectations, default rates and losses given default on [secured lending to households](#) were reported to have fallen. But a net balance of lenders expected them to rise somewhat over the next three months. For [unsecured lending to households and lending to private non-financial corporations](#) default rates and losses given default had continued to rise, with further increases expected.

## Terms and conditions

- A small net balance of lenders reported that spreads on [secured lending to households](#) had widened. A compression of spreads was expected over the next three months. Non-price terms on secured lending were broadly unchanged over the past three months.
- Lenders reported a further widening in spreads on [corporate lending](#) over the past three months. But they expected a reduction in spreads and fees on lending to private non-financial corporates in the next three months.

This report presents the results of the 2009 Q3 survey. The 2009 Q3 survey was conducted between 21 August and 11 September. 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

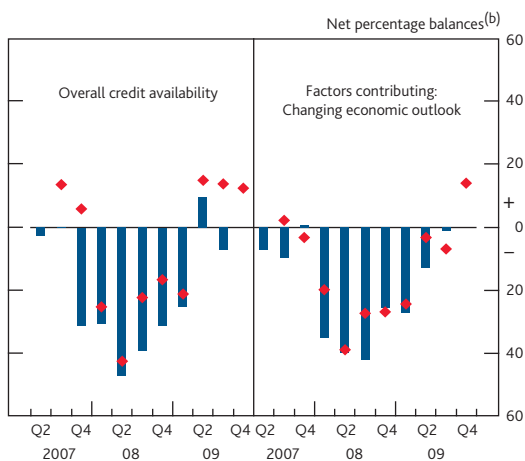
analysed by calculating 'net percentage balances' — the difference between the weighted balance of lenders reporting that, for example, demand was higher/lower or terms and conditions were tighter/looser. The net percentage balances are scaled to lie between  $\pm 100$ .

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

# Credit Conditions Survey

Based on lenders' own responses, the survey suggested that a small net balance of lenders had reduced the availability of lending to households in the three months to mid-September. In contrast, lenders reported an increase in credit availability to the corporate sector. Improvements in the cost and availability of funds to banks had contributed to easing corporate credit availability. The impact of the economic outlook and prospects for property prices on credit availability had stabilised. Credit availability was expected to improve further for corporates over the next three months and to increase for secured lending to households. Household demand for secured lending for house purchase had increased, while demand for remortgaging had stabilised. Demand for new bank credit from medium-sized corporates had risen, while demand from larger firms had fallen slightly. Default rates on secured lending to households had fallen unexpectedly but had continued to rise for unsecured and corporate lending. Spreads on lending to households and corporates had widened, but lenders expected most spreads to narrow over the next three months. Non-price terms on household secured lending were broadly unchanged, while those on corporate lending had continued to tighten slightly.

**Chart 1 Household secured credit availability<sup>(a)</sup>**



(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 outturns 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 Q3 Credit Conditions Survey was conducted between 21 August and 11 September 2009. The survey included some additional questions about the impact of factors associated with recent developments in financial markets.<sup>(1)</sup> The questions and the associated aggregate responses are provided in the annexes.

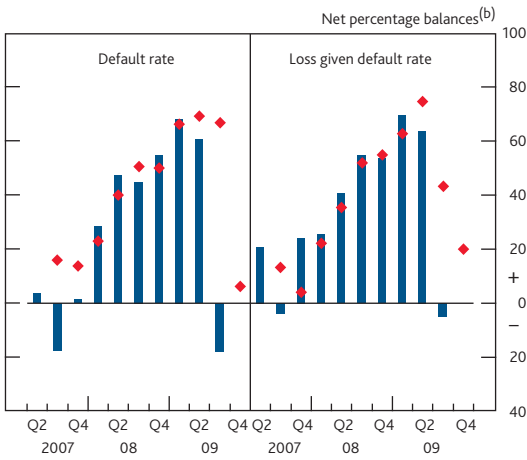
## Secured lending to households and small businesses

In the three months to mid-September, a small net balance of lenders reported that there had been a reduction in the availability of secured credit to households (**Chart 1**). This was contrary to expectations and followed reports of a slight increase in availability in the 2009 Q2 survey, which had been driven by lenders who had made lending commitments to the Government.

Some lenders active in the secured lending sector reported that a deterioration in the cost and availability of funds was the main factor contributing to reduced secured credit availability this quarter. The impact of the economic outlook on secured credit availability was unchanged on the quarter, having borne down on credit conditions since the beginning of 2008. Lenders also reported that prospects for house prices had a positive effect on credit availability this quarter, the first positive contribution since the question was first asked in 2007 Q4.

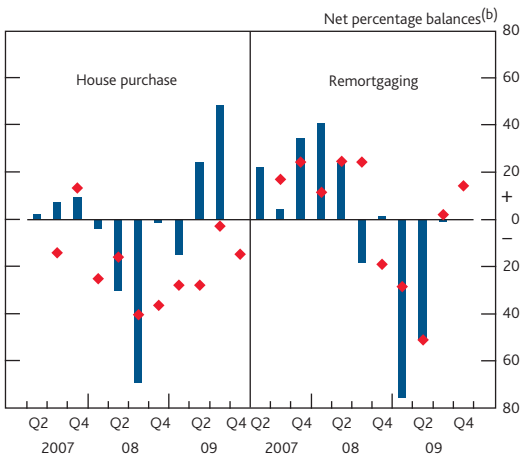
(1) For further discussion of recent developments in financial markets, see the 'Markets and operations' article in the 2009 Q3 *Quarterly Bulletin*.

**Chart 2** Default rates and loss given default rates on secured loans to households<sup>(a)</sup>



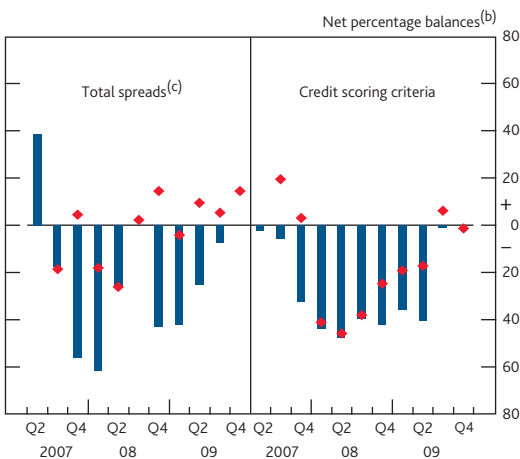
(a) See footnote (a) of Chart 1.  
 (b) A positive balance indicates an increase in default and loss given default rates.

**Chart 3** Demand for household secured lending<sup>(a)</sup>



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

**Chart 4** Terms on household secured lending<sup>(a)</sup>



(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 credit scoring criteria have loosened.  
 (c) Spreads are over Bank Rate for variable-rate mortgages and the relevant swap rate for fixed-rate mortgages.

As in previous surveys in 2009, a small net balance of lenders expected an increase in secured credit availability in the next three months. Improved prospects for house prices and the economic outlook more generally were reported to be the main contributing factors supporting this expectation. Consistent with this, lenders reported an unexpected reduction in default rates and losses given default on secured lending to households over the past three months, the first improvement since 2007 Q3 (Chart 2). Lenders expected default rates and losses given default to increase in the next three months, but to a much lesser extent than in recent surveys.

Household demand for secured lending for house purchase was reported to have increased in the three months to mid-September, contrary to an expectation of no change (Chart 3). This was driven by demand for prime lending, with demand for buy-to-let and other lending secured on dwellings reported to be broadly unchanged. Demand for remortgaging had also stabilised in line with expectations, having fallen in the first half of 2009. Demand for secured lending for house purchase was expected to decline somewhat over the next three months, which some lenders partly attributed to seasonality in the mortgage market. Nevertheless, demand for remortgaging was expected to grow. An increase in demand from small businesses was reported, though this increase was somewhat less than had been anticipated. Small business demand was expected to rise further over the next three months.

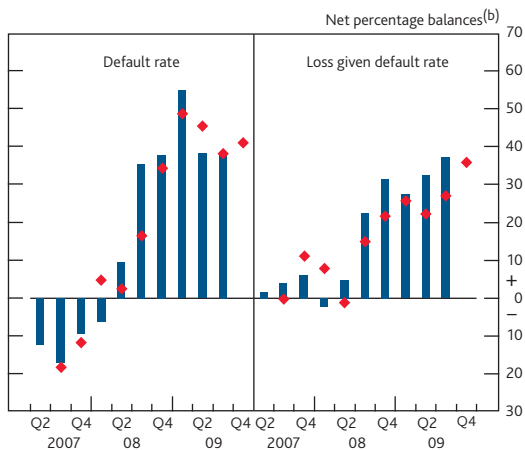
A widening of spreads on secured lending was reported by a small net balance of lenders, contrary to expectations of a slight compression. Some reduction in spreads was expected over the next three months (Chart 4). Maximum loan to value (LTV) ratios were unchanged over the past three months despite expectations of an increase. This was consistent with lower-than-expected credit availability reported for high LTV borrowers. Fees and maximum loan to income ratios were also reported to have been broadly unchanged over the quarter. Credit scoring criteria were reported to have stabilised and were expected to remain flat, having been tightened in consecutive quarters since the survey began in 2007 Q2. For the first time, a net balance of lenders reported that the proportion of loan applications being approved had increased. The average credit quality of new secured lending was also reported to have risen.

**Unsecured lending to households and small businesses**

Lenders reported a slight reduction in the amount of unsecured credit provided to households over the past three months, with a diminished appetite for risk cited as the main contributing factor. Continued reductions in unsecured credit availability were anticipated in the next three months.

Default rates on unsecured credit had risen in line with expectations over the past three months, while losses given

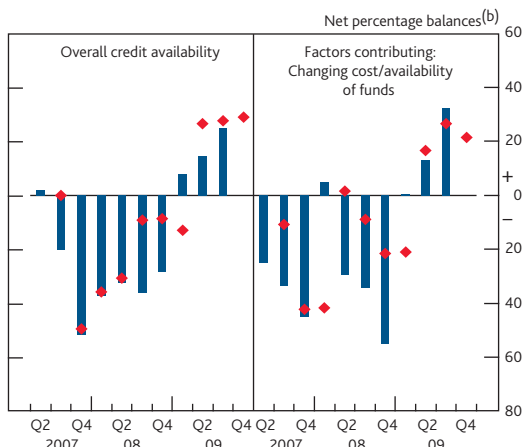
**Chart 5** Default rates and loss given default rates on unsecured lending to households<sup>(a)</sup>



(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<sup>(a)</sup>



(a) See footnote (a) of Chart 1.

(b) A positive balance indicates more corporate credit is available.

default had risen by more than anticipated (**Chart 5**). Further deterioration was expected in both default rates and in losses given default.

Contrary to expectations, spreads were reported to have risen on both credit card and other unsecured lending over the three months to mid-September. Spreads were expected to stabilise for credit cards, but to rise further for other unsecured lending over the next three months.

Consistent with a diminished appetite for risk in the unsecured lending market, credit scoring criteria were reported to have tightened on both credit card and other unsecured lending and were expected to tighten further over the next three months. Lenders also reported a continued reduction in credit card limits.

A net balance of lenders reported that household demand for unsecured credit had continued to fall in the past three months and a further slight reduction in demand was anticipated. In contrast, demand from small businesses for both credit card and other unsecured lending was reported to have risen, albeit by less than expected. Small business demand was expected to continue growing over the next quarter.

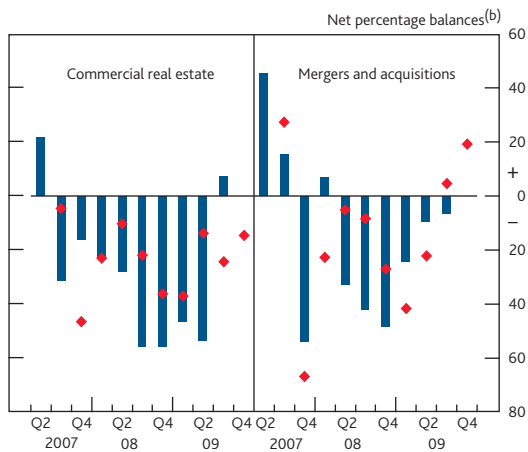
### Lending to corporates

Overall credit availability to the corporate sector was reported to have increased in line with expectations in the past three months (**Chart 6**). Within that, lenders reported that availability to both medium and large-sized private non-financial corporations (PNFCs) had increased, with the biggest increase for larger firms. Consistent with increased availability, the proportion of PNFC loan applications approved had risen slightly. Credit availability to the commercial real estate sector had continued to fall, but to a lesser extent than in previous surveys.

In contrast to the position for lending to households, some lenders active in the corporate lending sector reported that an improvement in the cost and availability of funds had driven the increase in corporate credit availability over the past three months. Desire to increase market share had also reportedly played a role for some lenders. The impact of the economic outlook on corporate credit availability was judged to have been unchanged over the quarter, having acted to reduce availability since 2007 Q2.

Over the next three months, credit availability to both medium and large-sized corporates was expected to increase further. Lenders anticipated that increased availability would be driven by further improvement in the cost and availability of funds, alongside a desire to increase market share.

**Chart 7 Drivers of changes in demand for corporate lending<sup>(a)</sup>**

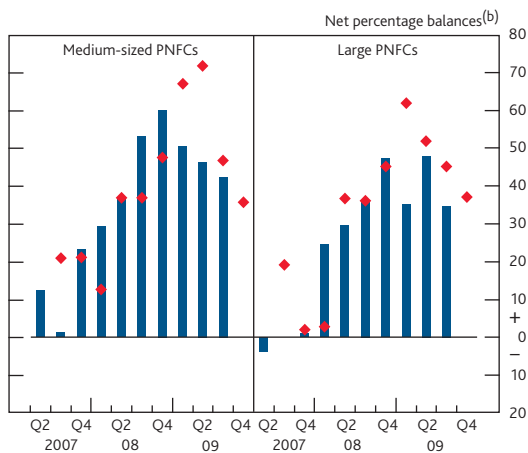


- (a) See footnote (a) of Chart 1.  
 (b) A positive balance indicates that the change in the factors described have served to increase demand for corporate borrowing.

Demand for new credit facilities by medium-sized PNFCs was reported to have increased over the past three months, while demand from large PNFCs had fallen slightly. This was consistent with larger firms' greater access to alternative sources of finance. A net balance of lenders expected demand from both large and medium firms to increase over the next three months.

A small net balance of lenders reported that the commercial real estate sector had made a positive contribution to corporate credit demand over the past three months (Chart 7). This was the first increase in demand from the sector since 2007 Q2 and was contrary to expectations of a further fall. Overall corporate demand for both capital investment and mergers and acquisitions continued to decline, albeit to a lesser extent than in previous surveys. Mergers and acquisitions and inventory finance were expected to contribute to increased demand over the next three months.

**Chart 8 Default rates on corporate lending<sup>(a)</sup>**

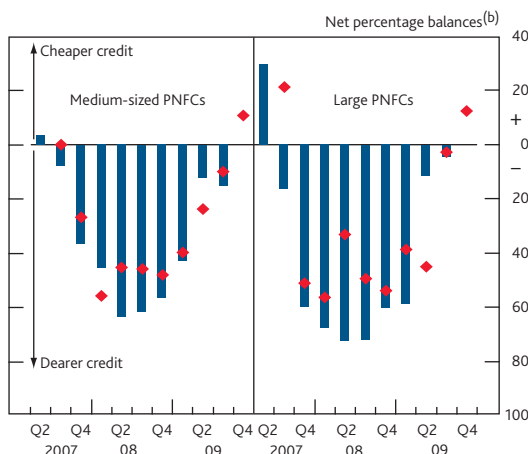


- (a) See footnote (a) of Chart 1.  
 (b) A positive balance indicates an increase in default rates.

Default rates for PNFCs were reported to have risen further in the three months to mid-September, though by slightly less than expected (Chart 8). Losses given default also continued to rise. Lenders anticipated further increases in both default rates and losses given default over the next three months.

Spreads on new lending to medium-sized PNFCs had continued to widen in the past three months, while spreads for larger firms were broadly unchanged (Chart 9). Spreads on lending to other financial corporations had also widened further, though to a lesser extent than in previous surveys. Fees and commissions were reported to have continued to increase for corporates over the past three months and there had been further tightening of collateral requirements and loan covenants.

**Chart 9 Spreads over Libor on lending to corporates<sup>(a)</sup>**



- (a) See footnote (a) of Chart 1.  
 (b) A positive balance indicates that spreads have become narrower, such that all else being equal it is cheaper for corporates to borrow.

Looking forward, spreads on lending to both medium and large PNFCs were expected to narrow somewhat over the next three months. Alongside that, fees and commissions were also expected to fall slightly for PNFCs. This was the first expectation of a compression in corporate spreads, fees and commissions since 2007 Q2.



## 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  $\pm 100$ . 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 <sup>(a)</sup>									
		2007			2008			2009			
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June	Sep.
<b>How has the availability of secured credit provided to households changed?</b>	Past three months	-2.9	0.1	-31.2	-30.7	-47.0	-39.3	-31.1	-25.2	9.7	-7.2
	Next three months	13.4	5.8	-25.3	-42.5	-22.3	-16.8	-21.2	14.8	13.6	12.3
<b>Factors contributing to changes in credit availability:<sup>(b)</sup></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	-1.2
	Next three months	2.1	-3.3	-19.9	-38.9	-27.4	-26.8	-24.5	-3.3	-6.8	13.9
market share objectives	Past three months	20.0	21.3	-7.6	5.7	7.3	-0.1	-5.5	-28.0	-3.6	-6.5
	Next three months	29.6	19.7	-25.5	-11.1	3.8	-2.9	-5.7	0.0	-2.4	4.7
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	-4.5
	Next three months	13.4	14.3	-28.0	-46.5	-24.8	-20.1	-18.5	-8.9	5.2	5.3
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	-12.3
	Next three months	13.3	-15.1	-17.3	-6.7	-3.2	4.8	-9.3	9.5	-0.5	3.2
<b>How have credit scoring criteria for granting loan applications by households changed?</b>	Past three months	-2.4	-5.7	-32.3	-43.9	-47.5	-39.3	-42.0	-35.9	-40.1	-1.2
	Next three months	19.5	3.1	-41.0	-45.9	-38.2	-24.8	-19.2	-17.3	6.2	-1.3
<b>How has the proportion of household loan applications being approved changed?</b>	Past three months	-5.3	-2.7	-21.5	-6.8	-38.1	-18.6	-43.5	-43.2	-28.1	13.6
	Next three months	9.5	5.6	-3.8	-21.2	-33.3	-16.6	-32.6	-44.2	-4.4	0.6
<b>Has there been any change in the use of securitisations associated with secured lending to households?</b>	Past three months	13.3	-9.1	-34.7	-33.8	4.8	42.1	43.4	-10.9	-2.4	4.7
	Next three months	4.1	-20.5	-37.7	-36.6	-20.1	-34.8	-18.6	-13.9	7.2	23.6
<b>Has there been any change in 'target hold' levels associated with secured lending to households?<sup>(a)</sup></b>	Past three months	-6.6	2.6	1.3	29.1	-2.8	8.5	n.a.*	n.a.*	0.0	0.0
	Next three months	13.3	5.9	2.2	29.1	4.3	8.5	n.a.*	n.a.*	0.0	0.0
<b>How has the default rate on secured loans to households changed?</b>	Past three months	3.5	-17.5	1.3	28.6	47.3	44.8	54.6	68.2	60.7	-18.2
	Next three months	16.1	13.8	23.0	40.1	50.4	50.1	66.1	69.2	66.7	6.3
<b>How has loss given default on secured loans to households changed?</b>	Past three months	20.7	-3.9	24.0	25.3	40.5	54.6	53.4	69.3	63.8	-5.2
	Next three months	13.2	4.1	22.1	35.3	51.9	54.7	62.8	74.6	43.2	20.0
<b>How has demand for secured lending for house purchase from households changed?</b>	Past three months	2.1	7.5	9.4	-3.8	-30.2	-69.1	-1.2	-15.0	24.1	48.3
	Next three months	-14.0	13.2	-25.2	-16.1	-40.5	-36.5	-27.8	-28.0	-2.9	-14.7
<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	41.5
	Next three months	-14.0	15.8	-17.6	-13.5	-39.2	-33.3	-27.6	-28.9	-2.9	-22.3
<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	-2.7
	Next three months	-0.1	-4.9	-30.9	-5.8	-16.9	-6.6	-26.3	-28.9	-14.9	-1.8
<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	n.a.*
	Next three months	n.a.*	-30.4	-21.1	6.8	-29.2	-7.9	-12.1	-7.4	-8.4	n.a.*



		Net percentage balances <sup>(a)</sup>									
		2007			2008			2009			
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June	Sep.
<b>How has demand for secured lending for remortgaging from households changed?</b>	Past three months	22.0	4.3	34.2	40.8	24.0	-18.5	1.5	-75.3	-50.9	-1.1
	Next three months	17.1	24.3	11.6	24.4	24.3	-19.1	-28.5	-51.0	1.9	14.1
<b>How has demand for other lending secured on dwellings from households changed?</b>	Past three months	2.0	-17.6	-17.1	-0.9	-26.1	-60.8	-24.8	-66.3	4.2	1.3
	Next three months	2.3	-16.2	-17.1	7.5	-20.0	-43.3	-18.5	-51.3	-10.6	0.0
<b>How has demand for secured lending from small businesses changed?</b>	Past three months	39.1	47.8	10.3	-5.0	-15.1	-40.6	-34.0	6.7	-16.0	11.2
	Next three months	55.5	47.8	18.6	-14.4	-34.7	-10.3	-26.9	27.1	21.0	13.1
<b>How have overall secured lending spreads changed?<sup>(a)</sup></b>	Past three months	38.5	-17.6	-56.2	-61.4	-25.8	0.0	-42.8	-42.2	-25.2	-7.5
	Next three months	-18.7	4.3	-17.9	-26.0	2.1	14.3	-4.0	9.5	5.3	14.5
<i>of which: spreads on prime lending<sup>(a)</sup></i>	Past three months	42.1	-17.0	-53.2	-58.1	-25.0	4.0	-40.6	-33.5	-25.2	-7.5
	Next three months	-18.7	5.0	-9.8	-24.9	-5.5	16.4	-4.1	4.1	-0.8	14.3
<i>of which: spreads on buy-to-let lending<sup>(a)</sup></i>	Past three months	20.8	3.1	-54.5	-61.6	-66.4	-2.9	-52.9	-33.6	-35.0	-8.5
	Next three months	-4.9	-5.8	-15.8	-25.6	3.8	17.4	2.8	8.0	-12.6	7.4
<i>of which: spreads on other lending<sup>(a)</sup></i>	Past three months	-1.1	4.4	-53.8	-70.8	-31.2	-5.2	-20.8	-26.9	n.a.*	n.a.*
	Next three months	-3.4	-4.5	-12.0	-28.6	1.2	6.7	-3.3	-2.9	n.a.*	n.a.*
<b>How have fees on secured lending changed?<sup>(a)</sup></b>	Past three months	5.9	3.4	-2.7	-1.9	-12.3	-7.3	-7.5	-0.7	-0.7	1.0
	Next three months	-2.5	-6.1	-3.8	-3.8	-3.5	-3.0	-0.8	0.2	0.9	-16.2
<b>How have maximum loan to value ratios changed?</b>	Past three months	-4.0	2.8	-10.2	-18.9	-53.8	-26.6	-31.4	-15.2	-3.4	-0.7
	Next three months	1.3	2.6	-11.9	-41.2	-39.4	-8.6	-18.7	-10.5	18.2	13.9
<b>How have maximum loan to income ratios changed?</b>	Past three months	-4.4	-1.4	-3.3	-11.5	3.5	-1.7	-15.9	2.7	-5.8	0.0
	Next three months	-4.4	3.1	2.1	-13.1	-6.5	-7.7	-18.2	7.4	0.0	5.5

\* 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 <sup>(a)</sup>							
		2007		2008				2009	
		Dec.	Mar.	June	Sep.	Dec.	Mar.	June	Sep.
<b>How have the following factors affected overall household secured credit availability?<sup>(b)</sup></b>									
Tighter wholesale funding conditions:	Past three months	-52.7	-48.7	-37.7	-15.0	-14.8	-2.9	-2.3	-4.0
	Next three months	-28.0	-46.5	-38.8	-25.4	-16.8	16.8	-2.4	-4.1
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.*	n.a.*
	Next three months	-9.8	-31.5	-14.9	-3.9	2.8	-3.2	n.a.*	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.*	0.0
	Next three months	-21.6	-44.9	-13.0	-3.6	-11.9	13.2	n.a.*	7.3
Expectations for house prices:	Past three months	-7.0	-43.0	-55.0	-58.5	-50.2	-52.5	-17.0	19.2
	Next three months	-38.2	-46.1	-69.2	-60.5	-44.7	-34.7	-15.4	17.6
<b>How has the availability of household secured credit to the following types of borrower changed?</b>									
Borrowers with low LTVs (75% or less):	Past three months	n.a.**	n.a.**	n.a.**	12.7	-9.9	4.1	3.6	5.2
	Next three months	n.a.**	n.a.**	n.a.**	6.3	-0.6	4.9	9.1	3.1
Borrowers with high LTVs (more than 75%):	Past three months	n.a.**	n.a.**	n.a.**	-59.5	-55.3	-56.6	-2.6	-1.1
	Next three months	n.a.**	n.a.**	n.a.**	-38.5	-27.1	-21.0	18.8	5.9
<b>How has the average credit quality of new secured lending to households changed?<sup>(c)</sup></b>	Past three months	n.a.**	n.a.**	n.a.**	23.5	18.9	-14.9	18.0	15.2
	Next three months	n.a.**	n.a.**	n.a.**	22.6	10.0	-1.7	0.1	23.8
<b>What percentage of your existing secured loan book is contractually committed to passing on any further cuts in Bank Rate?</b>	Median <sup>(d)</sup>	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	47.4	n.a.**	n.a.**

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

\*\* 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 the numerical range that reflected the percentage of their existing loan book contractually committed to passing on any further cuts in Bank Rate (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  $\pm 100$ . 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 <sup>(a)</sup>									
		2007			2008			2009			
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June	Sep.
<b>How has the availability of unsecured credit provided to households changed?</b>	Past three months	-14.3	-10.2	-13.6	-21.1	-24.0	-27.5	-30.5	-17.1	-13.4	-9.0
	Next three months	4.9	-2.9	-7.0	-13.7	-25.3	-32.0	-37.4	-2.3	-6.9	-12.1
<b>Factors contributing to changes in credit availability:<sup>(b)</sup></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	-10.6
	Next three months	-2.6	-12.2	-23.2	-10.8	-32.7	-35.4	-29.3	-16.7	-4.4	-9.9
market share objectives	Past three months	6.5	-0.8	7.5	-0.7	0.5	-5.3	-9.0	-3.4	-8.5	6.0
	Next three months	13.6	-3.6	-2.5	-1.2	0.5	-5.3	-9.4	-2.3	5.7	-4.5
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	-24.7
	Next three months	1.4	-11.7	-18.7	-16.6	-21.0	-32.3	-37.3	-9.9	-1.6	-14.3
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	-11.3
	Next three months	18.8	0.0	-10.2	-1.4	-1.1	-5.5	-7.4	-2.7	-2.7	-10.4
<b>How have credit scoring criteria for granting credit card loan applications by households changed?</b>	Past three months	-15.0	-7.8	7.9	-16.6	4.5	-33.1	-26.7	-60.9	-24.2	-26.7
	Next three months	-1.0	-13.7	-16.4	0.2	-34.3	-41.4	-46.8	-16.2	-20.5	-34.1
<b>How have credit scoring criteria for granting other unsecured loan applications by households changed?</b>	Past three months	-12.0	19.9	-8.5	-20.8	-26.7	-31.6	-35.0	-50.4	-42.4	-48.7
	Next three months	-5.6	-24.2	-24.2	-21.8	-48.6	-26.4	-54.3	-41.7	-31.9	-19.4
<b>How have credit scoring criteria for granting total unsecured loan applications by households changed?</b>	Past three months	-14.2	-0.8	3.7	-17.7	-3.0	-32.8	-28.5	-58.8	-27.6	-30.5
	Next three months	-2.2	-16.3	-18.3	-5.2	-37.8	-37.9	-48.5	-21.3	-22.6	-31.5
<b>How has the proportion of credit card loan applications from households being approved changed?</b>	Past three months	33.2	15.1	10.0	-6.7	-16.3	-15.8	4.5	-29.1	-21.7	-1.3
	Next three months	6.1	-2.5	-26.3	-7.6	-9.2	-46.0	-43.8	-12.4	-11.4	-19.4
<b>How has the proportion of other unsecured loan applications from households being approved changed?</b>	Past three months	6.1	14.8	-17.7	-24.9	-11.3	-31.1	-36.4	-38.0	-35.5	-5.0
	Next three months	2.6	-18.1	-28.5	-26.8	-27.2	-13.5	-46.6	-27.3	-15.3	-3.1
<b>How has the proportion of total unsecured loan applications from households being approved changed?</b>	Past three months	25.9	15.0	3.0	-11.2	-15.1	-19.3	-4.3	-30.8	-24.2	-1.9
	Next three months	5.2	-6.4	-26.9	-12.4	-13.5	-38.5	-44.4	-15.4	-12.1	-16.6
<b>How has the default rate on credit card loans to households changed?</b>	Past three months	-14.6	-20.8	-8.8	-10.0	6.4	33.9	34.6	61.0	38.4	40.5
	Next three months	-17.3	-13.3	9.0	2.1	17.3	36.9	50.1	49.3	37.3	43.0
<b>How has the default rate on other unsecured loans to households changed?</b>	Past three months	-6.0	-6.5	-11.4	5.5	19.2	40.9	49.0	30.1	37.3	28.3
	Next three months	-20.8	-7.5	-7.6	3.2	13.7	25.7	44.1	30.1	42.1	31.9
<b>How has the default rate on total unsecured loans to households changed?</b>	Past three months	-12.3	-17.2	-9.5	-6.2	9.5	35.5	37.7	54.8	38.2	38.4
	Next three months	-18.2	-11.8	4.8	2.4	16.4	34.3	48.8	45.5	38.2	41.1

		Net percentage balances <sup>(a)</sup>									
		2007			2008			2009			
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June	Sep.
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	38.2
	Next three months	-3.7	12.8	4.6	-3.0	13.3	21.4	25.6	24.1	27.9	39.0
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	31.8
	Next three months	8.8	5.8	17.2	4.3	20.3	22.4	25.7	14.1	22.8	20.2
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	37.1
	Next three months	-0.3	11.0	7.8	-1.2	15.0	21.6	25.6	22.1	26.9	35.8
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	-11.4
	Next three months	5.2	3.2	-5.9	5.1	1.2	-6.1	-20.4	-17.9	-10.5	-4.1
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	-3.1
	Next three months	1.3	-4.5	2.3	-23.3	-12.0	7.3	-12.0	-24.9	9.6	-15.8
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	-24.4	-10.0
	Next three months	4.2	1.2	-3.8	-1.9	-2.0	-3.0	-18.6	-19.3	-6.8	-6.1
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	14.3
	Next three months	0.9	-2.4	19.7	-1.6	1.9	13.0	9.1	32.3	32.2	18.8
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	9.0
	Next three months	2.6	-9.2	-10.5	-13.9	-19.0	-19.1	-15.8	-8.5	18.1	10.7
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	13.3
	Next three months	1.3	-4.2	9.4	-5.2	-3.2	6.1	3.4	23.7	29.5	17.4
How have spreads on credit cards changed? <sup>(a)</sup>	Past three months	6.6	16.2	-3.5	-4.8	-4.4	-8.3	1.8	-24.7	-5.8	-13.9
	Next three months	5.7	0.4	-1.2	-11.9	-3.2	-10.9	21.0	-1.6	19.0	0.7
How have spreads on other unsecured lending products changed? <sup>(a)</sup>	Past three months	-6.9	6.7	-15.8	-21.5	-18.6	-12.6	-34.8	-35.0	-39.3	-18.0
	Next three months	-2.9	-16.0	-18.8	-4.0	-4.4	-4.6	-11.2	-16.2	8.5	-24.0
How have overall unsecured lending spreads changed? <sup>(a)</sup>	Past three months	3.0	13.8	-6.6	-8.9	-7.8	-9.3	-6.1	-26.7	-12.0	-14.6
	Next three months	3.4	-3.7	-5.7	-10.0	-3.5	-9.5	14.0	-4.5	17.1	-3.6
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	-30.2
	Next three months	12.7	-2.7	7.9	-2.3	-12.7	-15.2	-25.1	-27.9	-16.6	-14.4
How has the minimum proportion of credit card balances to be paid changed? <sup>(a)</sup>	Past three months	-4.6	-2.9	3.2	-4.7	0.1	-7.0	-3.7	-12.0	-6.2	-6.1
	Next three months	11.0	8.5	-0.1	-5.2	-9.4	4.1	-26.1	-10.5	0.0	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	1.6
	Next three months	0.0	-0.9	0.0	0.0	-10.3	-14.8	-8.3	15.2	17.2	3.6

(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  $\pm 100$ . 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 <sup>(a)</sup>									
		2007			2008			2009			
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June	Sep.
<b>How has the availability of credit provided to the corporate sector overall changed?</b>	Past three months	1.8	-20.2	-51.8	-37.3	-32.1	-36.2	-28.2	7.8	14.3	24.8
	Next three months	0.0	-49.3	-35.7	-30.7	-9.2	-8.8	-12.8	26.3	27.7	28.9
<i>of which:</i> commercial real estate sector	Past three months	0.8	-14.7	-37.1	-43.0	-58.2	-52.8	-57.0	-34.4	-38.7	-8.1
	Next three months	-3.2	-29.8	-45.6	-49.5	-22.2	-29.1	-38.1	-8.0	-3.9	-5.9
<b>Factors contributing to changes in credit availability:<sup>(b)</sup></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	0.3
	Next three months	-16.2	-48.4	-46.7	-22.5	-29.2	-45.6	-40.5	-17.2	0.0	3.1
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	2.3
	Next three months	-15.5	-37.3	-45.5	-10.7	-17.5	-42.2	-32.9	-13.6	-6.9	-3.1
market share objectives	Past three months	21.0	0.0	-27.4	-7.4	-6.8	-20.2	-21.6	5.9	10.9	9.5
	Next three months	4.1	0.0	-29.9	-16.8	-3.9	-19.2	-19.6	5.9	11.8	13.3
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	0.7
	Next three months	0.2	-50.1	-23.3	-7.4	-21.9	-18.3	-7.1	0.4	5.1	0.8
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	0.8
	Next three months	-12.3	-27.7	-33.5	-3.5	-7.9	-18.9	-36.1	-18.0	0.0	1.6
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	32.5
	Next three months	-10.8	-42.2	-41.6	1.6	-8.9	-21.6	-21.0	16.5	26.5	21.4
<b>How has the proportion of loan applications from medium PNFCs being approved changed?</b>	Past three months	-20.9	-21.6	-29.2	-16.1	-25.7	-30.5	-43.6	-29.1	3.5	11.8
	Next three months	-10.2	-26.4	-28.7	-13.9	-17.1	-10.8	-37.8	-25.9	8.6	17.1
<b>How has the proportion of loan applications from large PNFCs being approved changed?</b>	Past three months	3.4	-16.0	-29.1	-35.1	-24.2	-17.0	-40.1	-22.4	5.4	3.2
	Next three months	-2.0	-20.7	-26.4	-22.3	-14.3	-4.3	-28.0	-17.3	7.3	11.9
<b>Has there been any change in the use of cash securitisations associated with corporate lending?</b>	Past three months	7.7	-1.5	-75.8	-27.1	1.2	-2.4	-3.6	24.0	n.a.*	9.9
	Next three months	21.3	-68.8	-54.0	-18.8	1.2	-2.4	1.1	1.2	n.a.*	0.0
<b>Has there been any change in the use of derivatives/synthetic securitisations associated with corporate lending?</b>	Past three months	3.9	1.0	-36.7	-13.4	-1.4	5.8	1.9	3.1	9.0	5.8
	Next three months	15.9	-40.1	-32.1	-13.7	6.1	5.8	-1.5	-1.5	-2.4	-1.8
<b>Has there been any change in 'target hold' levels associated with corporate lending?<sup>(a)</sup></b>	Past three months	37.3	18.5	11.3	17.3	28.0	33.0	37.1	16.4	24.6	15.3
	Next three months	18.8	3.8	32.7	33.2	14.6	16.5	16.6	19.0	30.8	0.0
<b>How have loan tenors on new corporate loans changed?<sup>(c)</sup></b>	Past three months	0.7	5.5	-13.6	-17.6	-25.4	-5.1	-38.9	-23.0	-22.4	-0.6
	Next three months	9.1	-13.3	-8.1	-21.0	-16.2	-7.7	-16.9	-0.5	-20.5	13.1

		Net percentage balances <sup>(a)</sup>									
		2007			2008			2009			
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June	Sep.
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	42.5
	Next three months	21.0	21.0	12.7	37.0	36.8	47.6	67.0	71.7	46.8	35.6
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	34.8
	Next three months	19.2	2.0	2.8	36.8	36.1	45.1	62.0	51.8	45.2	37.1
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	29.8
	Next three months	1.5	5.1	11.5	20.1	32.3	34.9	63.5	51.8	35.8	22.0
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	28.8
	Next three months	0.0	1.2	0.7	15.1	23.1	27.9	40.6	31.7	24.3	23.0
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	12.3
	Next three months	4.1	-15.0	6.9	-7.2	-15.2	-29.8	-37.3	-16.6	13.0	14.9
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	-5.3
	Next three months	6.4	-31.0	-0.2	-14.6	-10.7	-19.7	-17.2	10.5	0.0	14.9
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	-1.2
	Next three months	0.0	5.4	35.8	16.1	-3.3	-21.6	-6.1	-1.5	-1.5	-2.6
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.*	n.a.*
	Next three months	n.a.*	n.a.*	24.1	3.0	-1.7	n.a.*	-3.8	-6.6	n.a.*	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.*	n.a.*
	Next three months	-1.0	n.a.*	43.3	15.0	10.4	-3.2	n.a.*	-3.7	n.a.*	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.*	n.a.*
	Next three months	6.2	-1.7	31.4	-0.2	-18.6	-3.6	-5.1	-2.3	n.a.*	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	9.2
	Next three months	0.0	3.9	17.8	-4.5	-5.3	-17.4	-6.1	n.a.*	0.0	7.7
<b>What have been the main factors contributing to changes in demand for lending:<sup>(b)</sup></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	-6.4
	Next three months	27.3	-66.8	-22.6	-5.0	-8.4	-27.0	-41.7	-22.3	4.7	19.2
capital investment	Past three months	-1.9	-12.6	-15.4	-16.4	-27.2	-50.1	-66.0	-61.4	-40.7	-25.9
	Next three months	-4.2	-27.5	-8.3	-10.6	-15.1	-51.7	-47.5	-28.4	-24.2	-6.6
inventory finance	Past three months	-11.2	-20.0	-14.0	9.6	1.9	9.0	11.4	-23.4	-6.9	1.4
	Next three months	-15.9	-21.5	-1.1	9.9	-0.7	4.0	12.6	-19.9	-6.2	19.7
balance sheet restructuring	Past three months	4.7	-40.3	-26.7	2.4	-7.0	19.2	24.0	35.2	37.4	15.7
	Next three months	1.9	-48.8	-7.0	6.0	9.8	19.3	36.8	40.4	28.8	24.6
commercial real estate	Past three months	21.5	-31.1	-15.9	-23.2	-28.2	-55.7	-55.8	-46.4	-53.4	6.9
	Next three months	-4.5	-46.5	-22.9	-10.2	-21.9	-36.3	-37.0	-13.9	-24.4	-14.7
How have spreads on loans to medium PNFCs changed? <sup>(a)</sup>	Past three months	3.6	-7.8	-36.6	-45.7	-63.4	-61.5	-56.7	-42.7	-12.2	-15.2
	Next three months	0.0	-26.8	-55.9	-45.4	-46.0	-48.1	-39.8	-23.7	-10.0	10.7
How have fees/commissions on loans to medium PNFCs changed? <sup>(a)</sup>	Past three months	0.7	-4.7	-30.3	-40.7	-62.2	-59.8	-53.0	-41.5	-11.9	-18.2
	Next three months	0.0	-21.1	-51.9	-44.6	-48.1	-43.8	-37.7	-23.7	-11.0	11.7
How have collateral requirements for loans to medium PNFCs changed? <sup>(a)</sup>	Past three months	-7.5	0.0	-11.9	-21.5	-17.9	-20.8	-22.8	-9.6	-7.3	-14.0
	Next three months	0.0	-10.0	-15.6	-19.5	-1.8	-17.6	-15.2	-10.3	-5.4	0.0

		Net percentage balances <sup>(a)</sup>									
		2007			2008			2009			
		June	Sep.	Dec.	Mar.	June	Sep.	Dec.	Mar.	June	Sep.
<b>How have maximum credit lines for medium PNFCs changed?</b>	Past three months	3.6	0.0	-21.1	-30.6	-27.2	-30.1	-25.4	-13.9	3.6	0.0
	Next three months	3.1	-24.5	-21.1	-25.9	-18.5	-20.3	-17.6	-9.8	-6.7	4.5
<b>How have loan covenants for medium PNFCs changed?<sup>(a)</sup></b>	Past three months	14.8	-1.1	-20.6	-35.6	-37.1	-35.8	-22.5	-32.9	-27.1	-14.0
	Next three months	-1.3	-29.3	-37.8	-25.4	-42.2	-12.8	-14.9	-27.8	-6.5	0.0
<b>How have spreads on loans to large PNFCs changed?<sup>(a)</sup></b>	Past three months	29.8	-16.4	-60.1	-67.6	-72.5	-71.9	-60.1	-59.0	-11.2	-4.4
	Next three months	21.2	-51.2	-56.4	-33.2	-49.4	-53.9	-38.7	-45.0	-2.9	12.5
<b>How have fees/commissions on loans to large PNFCs changed?<sup>(a)</sup></b>	Past three months	26.1	-7.1	-52.5	-49.6	-68.4	-71.9	-57.4	-51.2	-6.8	-7.4
	Next three months	20.4	-35.5	-59.3	-42.1	-49.4	-50.7	-36.0	-45.0	-3.8	11.7
<b>How have collateral requirements for loans to large PNFCs changed?<sup>(a)</sup></b>	Past three months	22.8	13.1	-16.8	-1.7	-15.8	-26.5	-26.0	-6.7	-3.5	-14.0
	Next three months	0.0	-6.5	-12.9	4.7	-8.2	-16.5	-15.4	-5.8	-1.6	0.0
<b>How have maximum credit lines for large PNFCs changed?</b>	Past three months	20.6	10.5	-36.4	-49.0	-44.2	-24.3	-21.3	-12.4	7.4	12.2
	Next three months	6.3	-47.0	-16.8	-12.4	-13.3	-6.1	-22.3	-1.3	-2.8	17.6
<b>How have loan covenants for large PNFCs changed?<sup>(a)</sup></b>	Past three months	36.4	4.9	-46.3	-48.1	-40.1	-26.0	-22.9	-37.1	-24.2	-14.0
	Next three months	20.9	-48.2	-35.6	-23.3	-28.4	-10.9	-10.2	-21.3	-5.2	6.4
<b>How have spreads on loans to OFCs changed?<sup>(a)</sup></b>	Past three months	19.7	-27.7	-72.1	-54.8	-68.7	-66.8	-58.0	-47.9	-40.7	-8.1
	Next three months	19.5	-82.2	-70.7	-41.7	-42.7	-45.2	-39.5	-25.6	-21.9	-0.9
<b>How have fees/commissions on loans to OFCs changed?<sup>(a)</sup></b>	Past three months	18.4	-11.8	-64.4	-50.8	-69.9	-51.4	-56.5	-37.8	-34.2	-15.6
	Next three months	18.4	-42.4	-62.9	-38.9	-46.6	-47.4	-34.7	-25.6	-21.9	-11.2
<b>How have collateral requirements for loans to OFCs changed?<sup>(a)</sup></b>	Past three months	10.9	-1.4	-35.7	-29.7	-10.3	-23.9	-54.5	-27.5	-32.2	-18.9
	Next three months	0.0	-45.1	-34.3	-12.4	-3.9	-17.8	-34.1	-19.0	-20.3	-18.9
<b>How have maximum credit lines for OFCs changed?</b>	Past three months	4.4	-13.1	-37.4	-52.5	-46.3	-23.2	-69.2	-46.4	-25.7	-20.2
	Next three months	4.4	-54.8	-38.4	-34.5	-18.7	-23.2	-41.2	-31.1	-23.0	-20.2

\* 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.

(c) A positive balance indicates an increase in new corporate loan tenors. This sign convention was changed in 2009 Q3 and was applied to the back data accordingly.



## Additional questions

		Net percentage balances <sup>(a)</sup>							
		2007		2008				2009	
		Dec.	Mar.	June	Sep.	Dec.	Mar.	June	Sep.
<b>How have the following factors affected overall PNFCs' credit availability?<sup>(b)</sup></b>									
Tighter wholesale funding conditions:	Past three months	-59.0	-12.9	-28.0	-13.1	-13.8	-28.7	-7.6	5.4
	Next three months	-51.1	10.0	-9.7	-1.0	-11.3	-6.7	-7.0	1.3
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	-13.2
	Next three months	8.9	17.8	-7.2	4.7	-2.3	9.1	-12.6	-16.1
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	-6.7
	Next three months	-49.3	-5.3	-8.3	-9.3	-6.7	1.0	-37.2	-6.7
Has there been a change in drawdowns on committed lines by PNFCs?	Past three months	20.3	5.0	11.8	11.3	38.2	6.2	-40.3	-10.0
	Next three months	33.8	12.8	18.6	6.4	29.0	9.7	-12.4	-13.8
Has there been a change in average credit quality on newly arranged PNFC borrowing facilities? <sup>(c)</sup>	Past three months	n.a.**	5.5	14.4	16.6	12.5	1.5	-1.4	-4.6
	Next three months	n.a.**	7.0	14.4	18.4	7.4	-4.6	-1.4	-4.5
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	7.4
	Next three months	n.a.**	-9.0	-44.4	-43.0	-45.2	-15.5	-21.8	-5.7
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.**	n.a.**
	Next three months	n.a.**	n.a.**	11.0	8.0	n.a.**	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	0.0
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	5.5	-6.5	5.4	0.0
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	5.9
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	8.9	-1.5	4.7	4.7
What percentage of your existing PNFC loan book is contractually committed to passing on any further cuts in Bank Rate?	Median <sup>(d)</sup>	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	32.0	n.a.**	n.a.**
How has the availability of credit provided to medium PNFCs changed?	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	15.0
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	19.7
How has the availability of credit provided to large PNFCs changed?	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	25.6
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	27.8

\*\* 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 the numerical range that reflected the percentage of their existing loan book contractually committed to passing on any further cuts in Bank Rate (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.