

Credit Conditions Survey

Survey results | 2011 Q4



BANK OF ENGLAND





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Credit Conditions Survey

2011 Q4

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 lending to non-financial corporations, small businesses, and to non-bank financial firms.

This report presents the results of the 2011 Q4 survey. The 2011 Q4 survey was conducted between 22 November and 13 December 2011.

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 2011 Q4 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 2012 for future Credit Conditions Surveys are:

- 2012 Q1 survey on 29 March 2012
- 2012 Q2 survey on 28 June 2012
- 2012 Q3 survey on 26 September 2012



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Credit Conditions Survey

2011 Q4

Supply

- The availability of **secured credit to households** was reported to have been broadly unchanged in the three months to mid-December 2011. Lenders expected availability to increase a little in the next three months.
- Lenders reported that the availability of **unsecured credit to households** had increased in 2011 Q4. Availability was expected to increase a little further in 2012 Q1.
- The availability of credit to the corporate sector was reported to have been broadly unchanged for **small and large companies** in 2011 Q4. This was expected to remain broadly unchanged for large companies in Q1, while availability to small businesses was expected to increase. Credit availability had increased slightly for **medium-sized companies** in 2011 Q4 and was expected to increase further in Q1.
- Although lenders expected a small increase in overall credit availability in the coming three months, factors such as the economic outlook and tighter wholesale funding conditions were expected to impact negatively on credit availability. Lenders commented that developments in the euro area and their impact on banks' funding conditions would be a key determinant of credit availability over the coming quarter.

Demand

- Lenders reported that demand for **secured lending for house purchase** had fallen in 2011 Q4. Demand for **buy-to-let lending**, however, was reported to have picked up. In the coming quarter, lenders expected demand for both **prime lending** and **buy-to-let lending** to fall slightly.
- Demand for **unsecured lending** was reported to have decreased over the past three months. Lenders expected demand for **credit card lending** to fall further in the next three months, although demand for **other unsecured lending** was expected to increase slightly.
- Lenders reported that credit demand from **small businesses** fell sharply in 2011 Q4 and was expected to fall further in Q1. Demand from **large and medium-sized companies** was reported to have been broadly unchanged over the past three months but was expected to fall slightly in the coming quarter.

Defaults

- Lenders reported that the default rate on **secured loans to households** fell over the previous quarter and was expected to fall further in 2012 Q1. Losses given default were reported to have increased in 2011 Q4 and a further small pickup was expected in the coming quarter.
- Default rates on **unsecured lending** to households were reported to have fallen sharply in Q4, continuing the trend that had been observed throughout 2010 and 2011. However default rates were expected to stabilise over the coming three months. Losses given default were reported to have fallen slightly in Q4 and were expected to fall further in Q1.
- Lenders reported that default rates on loans to **large and medium-sized companies** picked up in Q4 and were expected to increase further in the coming quarter. Losses given default were reported to have been broadly stable but were expected to pick up in Q1. For **small businesses**, default rates and losses given default had decreased and were expected to remain broadly flat in Q1.

Terms and conditions

- Lenders reported that spreads on **secured lending to households** — relative to Bank Rate or the appropriate swap rate — narrowed slightly in 2011 Q4. Lenders expected spreads to fall further in Q1.
- Spreads on overall **unsecured lending** were reported to have been broadly unchanged over the previous quarter. Lenders expected spreads to pick up slightly in 2012 Q1.
- For **corporates of all sizes**, spreads on lending were reported to have widened in the past three months and were expected to widen markedly further in the coming quarter. Lenders commented that the pass-through of increased funding costs was among the factors driving the widening of spreads.

This report presents the results of the 2011 Q4 survey. The 2011 Q4 survey was conducted between 22 November and 13 December 2011. 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 .

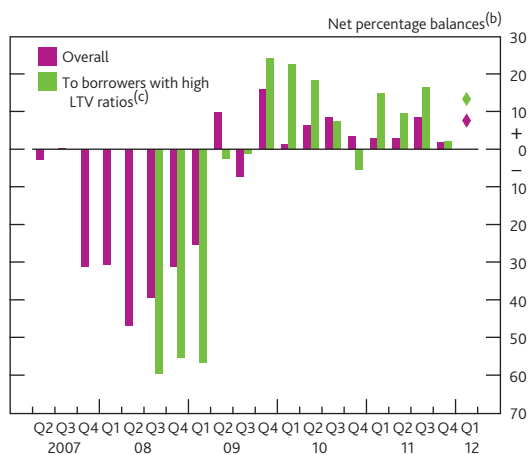
This report, and copies of the questionnaires are available on the Bank's website at www.bankofengland.co.uk/publications/other/monetary/creditconditions.htm.

Credit Conditions Survey

In the three months to mid-December, lenders reported little change or, for some types of loan, an increase in the amount of credit made available to households and companies. While lenders expected credit availability to increase a little to the household and corporate sectors in the coming quarter, factors such as the economic outlook and tighter wholesale funding conditions were expected to have a negative impact on credit availability. Moreover, other metrics pointed to a slightly tighter outlook for credit supply conditions. For example, lenders expected a tightening of credit scoring criteria for granting new secured loans to households and a tightening of covenants on loans to large and medium-sized companies. Spreads had widened on loans to the corporate sector — with lenders citing increased funding costs as a key factor — although spreads were reported to have narrowed a little for secured lending to households. Lenders reported a fall in secured and unsecured credit demand from households and small businesses in the three months to mid-December. Moreover, this weakness was expected to continue over the coming three months with falls in demand expected for households and for corporates of all sizes. Lenders reported that default rates for secured and unsecured loans to households had fallen in the past three months, although default rates for unsecured loans were expected to stabilise in the coming quarter. For large and medium-sized corporates, default rates were reported to have picked up for the first time in two years and a further pickup was expected.

The Q4 Credit Conditions Survey was conducted between 22 November and 13 December 2011.

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 magenta and green bars show the responses over the previous three months. The corresponding diamonds show the expectations over the next three months.

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

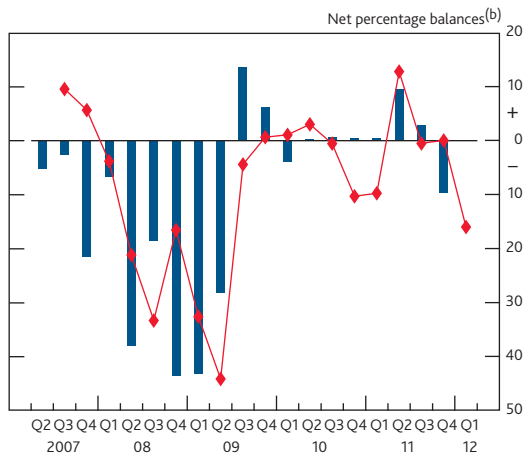
(c) This question was introduced in 2008 Q4.

Secured lending to households

In the three months to mid-December, lenders reported that the availability of secured credit provided to households was broadly unchanged (**Chart 1**), in contrast to the previous survey expectation of a slight increase. Tighter wholesale funding conditions and expectations for house prices were reported to have contributed negatively, but an increase in risk appetite had pushed up on availability.

Overall availability of secured credit was expected to increase slightly in 2012 Q1 with the increase concentrated on borrowers with high loan to value (LTV) ratios. While lenders expected market share objectives to impact positively on credit availability in Q1, factors such as the cost/availability of funds, the economic outlook and expectations for house prices were all expected to pull down on credit availability. Lenders commented that the small expected increase in credit availability reflected planned product innovation. For example, lenders planned to launch schemes allowing them to offer higher LTV mortgages by taking collateral from house builders such that lenders' risk profiles remained broadly unchanged.

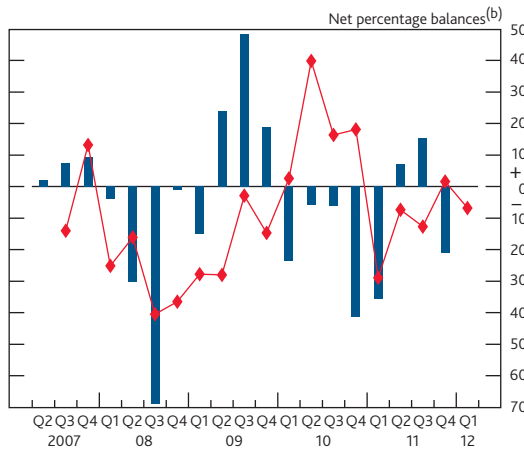
Chart 2 Proportion of household secured loan applications being approved^(a)



(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 the proportion of loan applications being approved has risen.

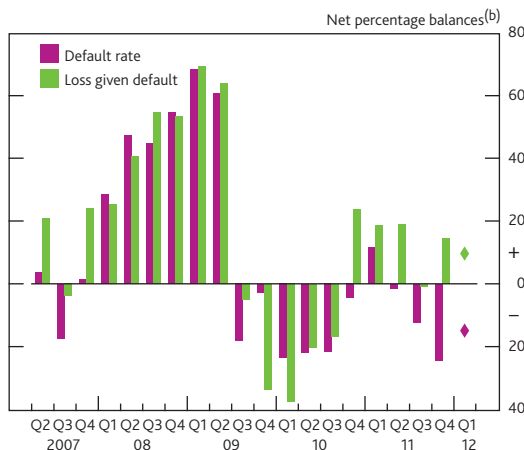
Chart 3 Household demand for overall secured lending to finance a house purchase^(a)



(a) See footnote (a) to Chart 2.

(b) A positive balance indicates an increase in demand.

Chart 4 Default rate and losses given default on secured loans to households^(a)



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

(b) A positive balance indicates an increase in the default rate or in the rate of losses given default.

Despite the expected pickup in credit availability, lenders expected credit scoring criteria for granting loan applications to be tightened in Q1. Consistent with this, lenders expected the proportion of total loan applications being approved to fall over the coming quarter (**Chart 2**) with some lenders commenting that they had revised down expectations for households' disposable incomes and hence the affordability of taking out new secured loans.

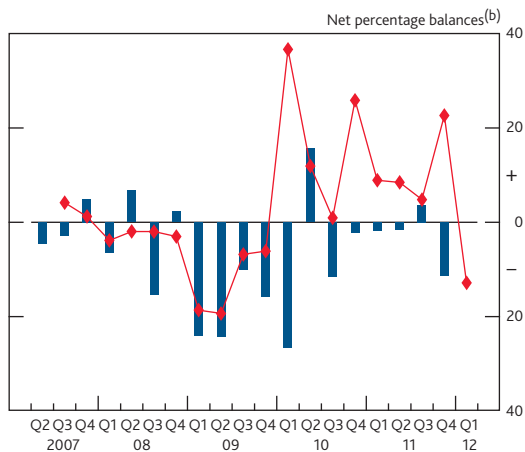
Overall demand for secured credit for house purchase was reported to have fallen over the previous three months (**Chart 3**). This reflected lower demand for prime lending, with demand for buy-to-let mortgages reported to have increased for the sixth consecutive quarter. Lenders commented that demand for prime lending had been constrained by the inability of many prospective house buyers to put down a sufficiently large deposit as well as increased economic uncertainty following recent tensions in the euro area. In Q1, demand for both prime and buy-to-let lending was expected to fall slightly.

The default rate on secured loans to households fell in 2011 Q4 — in contrast to previous survey expectations of no change — and was expected to fall further in Q1 (**Chart 4**). However, losses given default were reported to have picked up in the past three months and this was also expected to continue over the coming quarter. Some lenders noted the depressed housing market as a factor adversely impacting lenders' ability to recover any losses.

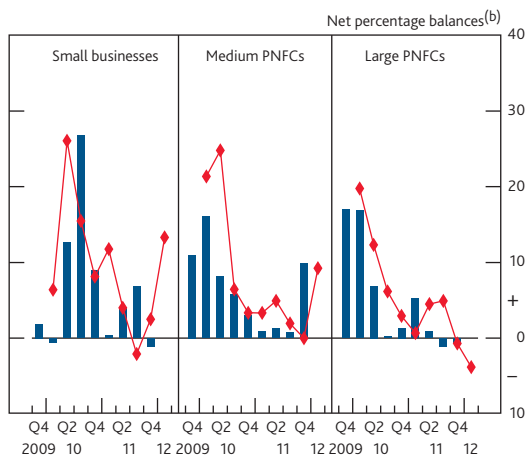
Lenders reported that overall spreads on secured lending rates to households — relative to Bank Rate or the relevant swap rate — narrowed slightly over the previous quarter and were expected to fall further in Q1. This is consistent with the falls in demand that lenders reported for Q4 and expected for Q1. Some lenders commented that the narrowing in spreads was driven by increased competition in the banking sector. However, while the net balance of respondents reported and expected a narrowing of spreads, some respondents reported and expected spreads to widen — noting that this reflected the pass-through of higher funding costs. The fall in spreads for Q4 was reported for both prime lending and buy-to-let lending, although only spreads on prime lending were expected to fall further in Q1.

Unsecured lending to households

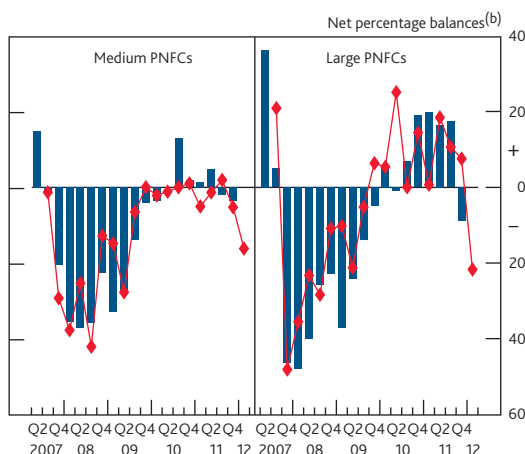
The total amount of unsecured credit made available to households was reported to have increased in the past three months. Credit card limits had increased and the approval rates for other unsecured loans had increased. However, lenders reported a fall in the maximum maturity on new loans. Unsecured credit availability was expected to increase slightly in Q1, however lenders commented that factors such as the adverse effects of developments in the euro area pose significant downside risks to this outlook.

Chart 5 Household demand for unsecured lending^(a)

(a) See footnote (a) to Chart 2.
 (b) A positive balance indicates an increase in demand.

Chart 6 Corporate credit availability by firm size^(a)

(a) See footnote (a) to Chart 2.
 (b) A positive balance indicates that more corporate credit is available.

Chart 7 Covenants on loans to large and medium-sized companies^(a)

(a) See footnote (a) to Chart 2.
 (b) A positive balance indicates an easing of loan covenants.

Demand for total unsecured lending was reported to have fallen in 2011 Q4, in contrast to expectations of an increase at the time of the Q3 survey (Chart 5). Demand for credit card lending had fallen slightly while demand for other unsecured lending had contracted sharply. Overall demand for unsecured lending was expected to fall further in Q1. Lenders commented that economic problems in the euro area had impacted negatively on consumer confidence and the demand for unsecured credit.

Lenders reported a substantial fall in the default rate on unsecured loans for the eighth consecutive quarter, although default rates were expected to be broadly unchanged in Q1. Losses given default on credit card loans were reported to have fallen in Q4 and were expected to fall further in Q1. However, losses given default for other unsecured loans picked up slightly and were expected to remain fairly stable in the coming quarter.

Lenders reported that spreads on credit card lending had been broadly unchanged over the past three months but were expected to widen in Q1. Spreads on other unsecured lending were reported to have narrowed in Q4 and a further slight contraction was expected in Q1.

Lending to corporates and small businesses

Credit conditions in the corporate sector may vary by the size of business, so this survey asks lenders to report developments in the corporate sector overall split by large and medium-sized private non-financial corporations (PNFCs) and small businesses.⁽¹⁾

Lenders reported that the total amount of credit made available to the corporate sector was little changed in 2011 Q4 for small and large PNFCs and had increased slightly for medium-sized companies (Chart 6). However, credit available to the commercial real estate sector contracted slightly.

Looking ahead to Q1, lenders expected broadly unchanged credit availability for large companies and an increase in availability for small businesses and medium-sized PNFCs. Lenders expected a further fall in credit availability to the commercial real estate sector. Across the corporate sector as a whole, a number of factors were expected to constrain corporate credit availability, including tighter wholesale funding conditions, the economic outlook and bank balance sheet pressures. The Q4 survey showed the largest net balance of respondents reporting a negative impact of wholesale funding conditions on credit availability since 2007 Q4 — both for the past three months and the coming quarter — with lenders commenting that economic problems in the euro area had led to stressed conditions for funding

(1) Small businesses are defined as those with an annual turnover of under £1 million. The definition of medium-sized PNFCs is unchanged and includes all businesses with an annual turnover of under £25 million.

Annex 1

Secured lending to households 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.

The first Credit Conditions Survey was conducted in 2007 Q2 and additional questions have been included since 2007 Q4. A full set of results is available in Excel on the Bank's website at www.bankofengland.co.uk/publications/other/monetary/creditconditions.htm.

| | | Net percentage balances ^(a) | | | | | | | | | | | |
|---|-------------------|--|-------|-------|-------|-------|-------|-------|------|-------|-------|-------|-------|
| | | 2009 | | | | 2010 | | | | 2011 | | | |
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| How has the availability of secured credit provided to households changed? | Past three months | -25.2 | 9.7 | -7.2 | 15.8 | 1.3 | 6.3 | 8.3 | 3.4 | 2.8 | 2.9 | 8.4 | 1.9 |
| | Next three months | 14.8 | 13.6 | 12.3 | 9.9 | 3.2 | -11.4 | -3.9 | 2.7 | 14.6 | -1.9 | 6.9 | 7.6 |
| Factors contributing to changes in credit availability:^(b) | | | | | | | | | | | | | |
| changing economic outlook | Past three months | -27.3 | -13.1 | -1.2 | 14.9 | 0.0 | 0.0 | 2.0 | 0.0 | 1.1 | 0.0 | 5.0 | -1.6 |
| | Next three months | -3.3 | -6.8 | 13.9 | 15.8 | -9.8 | 2.2 | -8.9 | -9.9 | -8.2 | -8.7 | -11.2 | -9.9 |
| market share objectives | Past three months | -28.0 | -3.6 | -6.5 | 5.3 | 5.6 | 11.3 | 9.6 | 8.3 | 7.2 | 18.7 | 14.9 | -1.5 |
| | Next three months | 0.0 | -2.4 | 4.7 | 7.0 | 7.3 | 1.8 | 8.9 | 7.1 | 17.9 | 7.3 | -1.0 | 7.6 |
| changing appetite for risk | Past three months | -40.4 | -2.5 | -4.5 | 0.0 | -0.3 | 1.1 | 1.0 | -0.9 | 1.4 | 0.0 | 7.0 | 7.8 |
| | Next three months | -8.9 | 5.2 | 5.3 | 0.9 | 1.0 | 0.8 | 6.6 | 1.4 | 0.9 | 4.1 | 5.5 | 0.0 |
| changing cost/availability of funds | Past three months | -19.0 | 9.1 | -12.3 | 11.3 | 0.1 | 1.1 | 5.9 | 1.4 | 0.9 | 1.5 | -7.3 | -13.5 |
| | Next three months | 9.5 | -0.5 | 3.2 | 10.6 | 2.2 | 3.8 | 4.6 | 0.0 | 12.1 | 1.2 | -8.7 | -8.3 |
| How have credit scoring criteria for granting loan applications by households changed? | Past three months | -35.9 | -40.1 | -1.2 | 4.2 | -1.3 | -8.8 | -7.4 | -1.6 | 0.0 | 4.4 | -5.8 | -1.4 |
| | Next three months | -17.3 | 6.2 | -1.3 | -1.0 | 0.0 | -5.2 | -18.4 | 0.0 | 2.7 | -0.5 | -2.0 | -19.1 |
| How has the proportion of household loan applications being approved changed? | Past three months | -43.2 | -28.1 | 13.6 | 6.2 | -3.9 | 0.3 | 0.6 | 0.5 | 0.4 | 9.6 | 2.8 | -9.7 |
| | Next three months | -44.2 | -4.4 | 0.6 | 1.0 | 3.0 | -0.6 | -10.3 | -9.8 | 12.8 | -0.5 | 0.0 | -16.0 |
| Has there been any change in the use of securitisations associated with secured lending to households? | Past three months | -10.9 | -2.4 | 4.7 | 15.6 | 15.8 | 0.0 | 17.4 | 11.9 | 0.0 | 2.1 | -15.2 | 7.5 |
| | Next three months | -13.9 | 7.2 | 23.6 | 15.6 | 15.8 | 1.6 | -5.7 | 0.0 | 18.2 | 7.3 | 13.0 | -6.0 |
| Has there been any change in 'target hold' levels associated with secured lending to households? | Past three months | n.a.* | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | n.a.* | n.a.* | n.a.* | 0.0 |
| | Next three months | n.a.* | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | n.a.* | n.a.* | n.a.* | 0.0 |
| How has the default rate on secured loans to households changed? | Past three months | 68.2 | 60.7 | -18.2 | -2.7 | -23.6 | -21.9 | -21.8 | -4.5 | 11.5 | -1.5 | -12.3 | -24.4 |
| | Next three months | 69.2 | 66.7 | 6.3 | 32.3 | 3.0 | 3.0 | -21.8 | -0.3 | 14.3 | 23.0 | 3.6 | -15.0 |
| How have losses given default on secured loans to households changed? | Past three months | 69.3 | 63.8 | -5.2 | -33.7 | -37.7 | -20.2 | -16.8 | 23.8 | 18.7 | 18.9 | -0.8 | 14.6 |
| | Next three months | 74.6 | 43.2 | 20.0 | -3.2 | 1.8 | 25.7 | -0.1 | 9.6 | 8.0 | 23.0 | 18.0 | 9.7 |

| | | Net percentage balances ^(a) | | | | | | | | | | | |
|---|-------------------|--|-------|-------|-------|-------|-------|------|-------|-------|-------|-------|-------|
| | | 2009 | | | | 2010 | | | | 2011 | | | |
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| How has demand for secured lending for house purchase from households changed? | Past three months | -15.0 | 24.1 | 48.3 | 19.0 | -23.5 | -5.8 | -6.1 | -41.5 | -35.6 | 7.1 | 15.3 | -21.2 |
| | Next three months | -28.0 | -2.9 | -14.7 | 2.6 | 39.8 | 16.4 | 18.1 | -29.0 | -7.4 | -12.7 | 1.6 | -6.8 |
| <i>of which: demand for prime lending</i> | Past three months | -14.1 | 19.1 | 41.5 | 11.3 | -23.5 | -5.8 | -6.1 | -36.8 | -18.1 | 0.3 | 14.1 | -21.2 |
| | Next three months | -28.9 | -2.9 | -22.3 | -4.9 | 39.8 | 10.3 | 18.1 | -29.0 | 12.7 | 2.3 | 2.8 | -6.8 |
| <i>of which: demand for buy-to-let lending</i> | Past three months | -29.6 | -8.8 | -2.7 | -0.9 | -32.8 | 2.3 | 12.9 | 11.4 | 6.2 | 37.0 | 37.8 | 12.7 |
| | Next three months | -28.9 | -14.9 | -1.8 | -17.4 | 26.6 | 14.5 | -1.5 | -1.0 | 8.9 | 21.1 | 1.8 | -6.3 |
| <i>of which: demand for other lending</i> | Past three months | -25.8 | -35.6 | n.a.* | -6.0 | -31.7 | 30.8 | 3.4 | -32.1 | -30.1 | 0.0 | -4.1 | 0.0 |
| | Next three months | -7.4 | -8.4 | n.a.* | -1.6 | 34.7 | 22.1 | -2.8 | -32.1 | 0.0 | 0.0 | -4.1 | 0.0 |
| How has demand for secured lending for remortgaging from households changed? | Past three months | -75.3 | -50.9 | -1.1 | -32.7 | -34.4 | 14.2 | 2.2 | 16.7 | 31.1 | 2.1 | -14.0 | -10.6 |
| | Next three months | -51.0 | 1.9 | 14.1 | -0.7 | 28.3 | 4.9 | 3.5 | -2.0 | 26.3 | 4.3 | 9.5 | -4.3 |
| How has demand for other lending secured on dwellings from households changed? | Past three months | -66.3 | 4.2 | 1.3 | -1.9 | -21.4 | n.a.* | -1.2 | 0.0 | -12.0 | -6.7 | -2.1 | -20.2 |
| | Next three months | -51.3 | -10.6 | 0.0 | 0.0 | 38.0 | n.a.* | 0.0 | 0.0 | 0.0 | -16.0 | 0.0 | 0.0 |
| How have overall secured lending spreads changed?^(a) | Past three months | -42.2 | -25.2 | -7.5 | -0.1 | 2.9 | 19.8 | 13.6 | 27.6 | 18.8 | 0.9 | 28.2 | 7.9 |
| | Next three months | 9.5 | 5.3 | 14.5 | 25.7 | 2.3 | 28.9 | 27.6 | -6.6 | 15.3 | 17.7 | 17.3 | 10.4 |
| <i>of which: spreads on prime lending^(a)</i> | Past three months | -33.5 | -25.2 | -7.5 | -8.4 | 3.9 | 20.9 | 13.6 | 27.6 | 18.8 | 2.1 | 28.2 | 7.9 |
| | Next three months | 4.1 | -0.8 | 14.3 | 25.7 | 2.3 | 30.3 | 28.7 | 3.3 | 15.3 | 26.4 | 17.3 | 10.4 |
| <i>of which: spreads on buy-to-let lending^(a)</i> | Past three months | -33.6 | -35.0 | -8.5 | 8.6 | 4.9 | 15.9 | -0.6 | 10.6 | 9.6 | 17.2 | 1.8 | 9.9 |
| | Next three months | 8.0 | -12.6 | 7.4 | 24.3 | 0.0 | 22.7 | 16.7 | 7.9 | 9.6 | 12.7 | 1.4 | 2.7 |
| <i>of which: spreads on other lending^(a)</i> | Past three months | -26.9 | n.a.* | n.a.* | 0.0 | 0.0 | 23.4 | 19.9 | 0.0 | n.a.* | n.a.* | n.a.* | n.a.* |
| | Next three months | -2.9 | n.a.* | n.a.* | 22.5 | 0.0 | 22.8 | 19.9 | 0.0 | n.a.* | n.a.* | -2.9 | n.a.* |
| How have fees on secured lending changed?^(a) | Past three months | -0.7 | -0.7 | 1.0 | -11.3 | 0.0 | 0.0 | 11.9 | 10.9 | 7.6 | 6.9 | -6.7 | 0.0 |
| | Next three months | 0.2 | 0.9 | -16.2 | 19.9 | 0.0 | 4.7 | 1.0 | -5.8 | -11.4 | 1.4 | 6.7 | 0.0 |
| How have maximum loan to value ratios changed? | Past three months | -15.2 | -3.4 | -0.7 | 19.9 | 10.1 | 12.5 | 7.7 | -1.6 | 1.4 | 1.2 | 2.8 | 11.5 |
| | Next three months | -10.5 | 18.2 | 13.9 | 24.7 | 10.8 | 1.9 | -0.5 | 2.6 | 7.6 | 4.7 | 4.9 | 9.8 |
| How have maximum loan to income ratios changed? | Past three months | 2.7 | -5.8 | 0.0 | 0.0 | 4.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | -5.0 |
| | Next three months | 7.4 | 0.0 | 5.5 | 4.3 | 0.0 | -0.6 | 4.6 | 0.0 | 15.7 | 4.5 | 0.0 | -5.0 |

* 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) | | | | | | | | | | | |
|---|-----------------------|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | 2009 | | | | 2010 | | | | 2011 | | | |
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| How have the following factors affected overall household secured credit availability?^(b) | | | | | | | | | | | | | |
| Tighter wholesale funding conditions | Past three months | -2.9 | -2.3 | -4.0 | 8.7 | 5.7 | 1.1 | -14.1 | -6.3 | -11.5 | 2.9 | -20.9 | -26.9 |
| | Next three months | 16.8 | -2.4 | -4.1 | 7.8 | -11.1 | -12.6 | 0.0 | -13.2 | 2.5 | -9.1 | -12.7 | -21.9 |
| Actual, or potential, need to support ABCP conduits, structured investment vehicles or money market mutual funds | Past three months | -3.2 | n.a.* | n.a.* | 25.4 | 0.0 | 0.0 | n.a.* | n.a.* | n.a.* | n.a.* | n.a.* | 0.0 |
| | Next three months | -3.2 | n.a.* | n.a.* | 25.4 | 0.0 | 0.0 | n.a.* | n.a.* | n.a.* | n.a.* | n.a.* | 16.7 |
| Reduced ability to transfer credit risk off balance sheet and/or tighter conditions for raising capital | Past three months | 0.0 | n.a.* | 0.0 | 0.0 | 0.0 | -0.8 | -2.0 | 0.0 | 0.0 | 0.0 | 0.0 | -2.6 |
| | Next three months | 13.2 | n.a.* | 7.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -14.9 |
| Expectations for house prices | Past three months | -52.5 | -17.0 | 19.2 | 28.9 | 10.5 | 29.0 | -1.4 | -12.5 | -14.3 | -27.5 | -6.8 | -6.8 |
| | Next three months | -34.7 | -15.4 | 17.6 | 7.9 | -10.5 | 6.9 | 9.2 | -19.1 | -19.6 | -27.7 | -16.2 | -9.3 |
| How has the availability of household secured credit to the following types of borrower changed? | | | | | | | | | | | | | |
| Borrowers with low loan to value ratios (75% or less) | Past three months | 4.1 | 3.6 | 5.2 | 10.6 | 1.9 | 0.6 | -6.4 | 14.8 | -5.4 | 1.3 | 1.4 | -1.8 |
| | Next three months | 4.9 | 9.1 | 3.1 | 2.0 | 5.6 | 7.2 | -1.4 | 2.1 | 4.8 | 0.8 | 4.8 | -4.5 |
| Borrowers with high loan to value ratios (more than 75%) | Past three months | -56.6 | -2.6 | -1.1 | 24.2 | 22.6 | 18.3 | 7.4 | -5.4 | 14.8 | 9.4 | 16.5 | 2.1 |
| | Next three months | -21.0 | 18.8 | 5.9 | 9.7 | 5.7 | -6.9 | -14.3 | 9.1 | 28.6 | 14.2 | 24.2 | 13.3 |
| How has the average credit quality of new secured lending to households changed?^(c) | | | | | | | | | | | | | |
| | Past three months | -14.9 | 18.0 | 15.2 | 9.8 | 0.0 | 5.6 | 8.6 | 1.6 | 9.0 | 3.8 | 3.9 | 0.0 |
| | Next three months | -1.7 | 0.1 | 23.8 | 0.0 | 7.0 | -1.5 | 16.2 | 1.9 | 5.1 | 1.2 | 4.5 | -5.5 |
| What percentage of your existing secured loan book is contractually committed to passing on any further cuts in Bank Rate? | | | | | | | | | | | | | |
| | Median ^(d) | 47.4 | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | 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 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.

The first Credit Conditions Survey was conducted in 2007 Q2. A full set of results is available in Excel on the Bank's website at www.bankofengland.co.uk/publications/other/monetary/creditconditions.htm.

| | | Net percentage balances ^(a) | | | | | | | | | | | |
|---|-------------------|--|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|
| | | 2009 | | | | 2010 | | | | 2011 | | | |
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| How has the availability of unsecured credit provided to households changed? | Past three months | -17.1 | -13.4 | -9.0 | -16.2 | -1.5 | -0.6 | 3.5 | -7.7 | 6.2 | 1.1 | 19.9 | 12.5 |
| | Next three months | -2.3 | -6.9 | -12.1 | -1.7 | 16.1 | 7.8 | 15.0 | 18.2 | 10.3 | 12.2 | 1.9 | 7.0 |
| Factors contributing to changes in credit availability:^(b) | | | | | | | | | | | | | |
| changing economic outlook | Past three months | -25.5 | 3.2 | -10.6 | 3.0 | 11.2 | 0.7 | 6.8 | 0.0 | -1.3 | 1.2 | -6.9 | 0.0 |
| | Next three months | -16.7 | -4.4 | -9.9 | 0.0 | 6.0 | 17.9 | 0.9 | 6.9 | -1.2 | -4.6 | -6.3 | -2.4 |
| market share objectives | Past three months | -3.4 | -8.5 | 6.0 | -4.3 | 6.4 | 3.5 | 6.7 | 0.7 | 8.9 | 1.8 | 3.5 | -2.9 |
| | Next three months | -2.3 | 5.7 | -4.5 | 0.9 | 2.7 | 3.6 | 6.1 | 12.0 | 13.0 | 23.2 | 2.7 | -2.2 |
| changing appetite for risk | Past three months | -19.1 | -1.9 | -24.7 | -4.3 | -0.6 | -0.1 | 5.5 | -8.8 | 7.9 | 0.3 | 7.2 | 1.8 |
| | Next three months | -9.9 | -1.6 | -14.3 | -3.6 | 19.7 | 18.3 | 12.7 | 19.1 | 12.7 | 4.7 | 7.5 | 4.5 |
| changing cost/availability of funds | Past three months | -2.3 | -0.7 | -11.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -2.0 | 0.0 | -0.9 | -1.1 |
| | Next three months | -2.7 | -2.7 | -10.4 | -9.0 | 0.0 | 0.0 | 0.9 | 10.9 | 7.8 | 5.4 | -0.4 | 0.2 |
| How have credit scoring criteria for granting credit card loan applications by households changed? | Past three months | -60.9 | -24.2 | -26.7 | -17.1 | -15.7 | 16.5 | 0.9 | -13.0 | 7.6 | -0.4 | 2.6 | 5.2 |
| | Next three months | -16.2 | -20.5 | -34.1 | -8.0 | 0.0 | 16.5 | 7.8 | 6.2 | -7.3 | 4.9 | 12.7 | 4.1 |
| How have credit scoring criteria for granting other unsecured loan applications by households changed? | Past three months | -50.4 | -42.4 | -48.7 | -29.1 | -15.9 | -21.2 | -24.1 | -26.9 | -11.8 | 16.7 | 25.0 | 10.6 |
| | Next three months | -41.7 | -31.9 | -19.4 | -7.4 | -25.6 | -24.0 | -3.3 | 8.8 | -4.6 | -7.7 | 11.6 | 2.2 |
| How have credit scoring criteria for granting total unsecured loan applications by households changed? | Past three months | -58.8 | -27.6 | -30.5 | -19.1 | -15.7 | 11.0 | -2.6 | -14.8 | 5.1 | 1.8 | 5.4 | 5.8 |
| | Next three months | -21.3 | -22.6 | -31.5 | -7.9 | -3.9 | 10.6 | 6.3 | 6.6 | -7.0 | 3.3 | 12.6 | 3.9 |
| How has the proportion of credit card loan applications from households being approved changed? | Past three months | -29.1 | -21.7 | -1.3 | -12.3 | 5.0 | 12.4 | 21.0 | 9.7 | 20.0 | -7.6 | -2.9 | -1.2 |
| | Next three months | -12.4 | -11.4 | -19.4 | 0.0 | -4.3 | 15.0 | 7.1 | 6.4 | 2.1 | 6.3 | 19.3 | 3.4 |
| How has the proportion of other unsecured loan applications from households being approved changed? | Past three months | -38.0 | -35.5 | -5.0 | -29.9 | -4.9 | -5.6 | -26.9 | -16.8 | 2.5 | 6.6 | 20.5 | 10.7 |
| | Next three months | -27.3 | -15.3 | -3.1 | -0.2 | -25.6 | -19.5 | -3.3 | 8.8 | 8.9 | 8.5 | 19.5 | 14.1 |

| | | Net percentage balances ^(a) | | | | | | | | | | | |
|--|-------------------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | 2009 | | | | 2010 | | | | 2011 | | | |
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| How has the proportion of total unsecured loan applications from households being approved changed? | Past three months | -30.8 | -24.2 | -1.9 | -15.1 | 3.5 | 9.7 | 14.3 | 6.2 | 17.8 | -5.8 | 0.1 | 0.3 |
| | Next three months | -15.4 | -12.1 | -16.6 | 0.0 | -7.6 | 10.0 | 5.6 | 6.7 | 2.9 | 6.6 | 19.3 | 4.7 |
| How has the default rate on credit card loans to households changed? | Past three months | 61.0 | 38.4 | 40.5 | -4.9 | -32.4 | -20.2 | -40.1 | -30.4 | -35.2 | -25.6 | -41.8 | -29.3 |
| | Next three months | 49.3 | 37.3 | 43.0 | -8.0 | -21.7 | -19.5 | -15.9 | 7.3 | 5.3 | -2.2 | -21.4 | -0.7 |
| How has the default rate on other unsecured loans to households changed? | Past three months | 30.1 | 37.3 | 28.3 | -19.8 | -34.8 | -31.9 | -33.2 | -40.3 | -37.8 | -29.2 | -37.6 | -37.4 |
| | Next three months | 30.1 | 42.1 | 31.9 | -15.5 | -26.8 | -24.8 | 0.0 | -10.1 | -8.2 | -4.4 | 3.6 | -8.5 |
| How has the default rate on total unsecured loans to households changed? | Past three months | 54.8 | 38.2 | 38.4 | -7.3 | -32.8 | -21.9 | -39.2 | -31.7 | -35.5 | -26.0 | -41.3 | -30.3 |
| | Next three months | 45.5 | 38.2 | 41.1 | -9.2 | -22.5 | -20.3 | -13.7 | 5.0 | 3.6 | -2.5 | -18.2 | -1.7 |
| How have losses given default on credit card loans to households changed? | Past three months | 28.0 | 30.3 | 38.2 | 13.5 | 35.2 | 16.5 | 25.2 | -37.0 | 7.0 | 11.3 | -14.6 | -10.7 |
| | Next three months | 24.1 | 27.9 | 39.0 | 23.5 | 13.9 | -5.0 | -11.8 | -8.9 | 12.3 | 12.7 | -9.1 | -15.6 |
| How have losses given default on other unsecured loans to households changed? | Past three months | 25.1 | 41.2 | 31.8 | 29.0 | 15.6 | 26.1 | -10.1 | 13.4 | -2.5 | -2.2 | -11.8 | 6.5 |
| | Next three months | 14.1 | 22.8 | 20.2 | 20.8 | 19.4 | 10.1 | -7.4 | 3.3 | -1.2 | -8.3 | 0.0 | 0.0 |
| How have losses given default on total unsecured loans to households changed? | Past three months | 27.4 | 32.3 | 37.1 | 16.0 | 32.2 | 17.9 | 20.3 | -30.4 | 5.8 | 9.6 | -14.2 | -8.5 |
| | Next three months | 22.1 | 26.9 | 35.8 | 23.1 | 14.7 | -2.8 | -11.2 | -7.3 | 10.5 | 9.9 | -8.0 | -13.6 |
| How has demand for credit card lending from households changed? | Past three months | -23.5 | -27.0 | -11.4 | -15.1 | -30.9 | 13.9 | -14.9 | -0.5 | -0.3 | -1.1 | 4.9 | -7.5 |
| | Next three months | -17.9 | -10.5 | -4.1 | 42.7 | 13.0 | 2.5 | 29.5 | 8.2 | 6.2 | 5.7 | 24.8 | -16.0 |
| How has demand for other unsecured lending from households changed? | Past three months | -25.6 | -12.8 | -3.1 | -19.0 | -2.6 | 25.8 | 9.5 | -12.8 | -13.0 | -4.2 | -4.6 | -37.7 |
| | Next three months | -24.9 | 9.6 | -15.8 | 5.1 | 5.8 | -8.1 | 3.3 | 13.7 | 24.1 | -1.2 | 7.8 | 9.1 |
| How has demand for total unsecured lending from households changed? | Past three months | -23.9 | -24.4 | -10.0 | -15.7 | -26.6 | 15.6 | -11.5 | -2.2 | -1.9 | -1.5 | 3.7 | -11.4 |
| | Next three months | -19.3 | -6.8 | -6.1 | 36.6 | 11.9 | 1.0 | 25.8 | 8.9 | 8.5 | 4.8 | 22.6 | -12.8 |
| How have spreads on credit cards changed?^(a) | Past three months | -24.7 | -5.8 | -13.9 | -1.5 | -0.6 | -0.2 | -6.4 | 0.2 | -6.1 | -1.4 | 7.2 | 1.5 |
| | Next three months | -1.6 | 19.0 | 0.7 | 13.5 | 0.6 | -8.6 | 0.0 | -8.6 | 1.5 | 0.0 | 0.1 | -11.1 |
| How have spreads on other unsecured lending products changed?^(a) | Past three months | -35.0 | -39.3 | -18.0 | -24.8 | -20.7 | -3.9 | -17.4 | 10.4 | 22.1 | 8.4 | -10.4 | 21.8 |
| | Next three months | -16.2 | 8.5 | -24.0 | 14.6 | -2.0 | -8.8 | 12.6 | 8.2 | 2.1 | 24.8 | 32.3 | 5.1 |
| How have overall unsecured lending spreads changed?^(a) | Past three months | -26.7 | -12.0 | -14.6 | -5.3 | -3.7 | -0.8 | -7.9 | 1.5 | -2.5 | -0.1 | 5.0 | 4.1 |
| | Next three months | -4.5 | 17.1 | -3.6 | 13.7 | 0.2 | -8.7 | 1.8 | -6.4 | 1.5 | 3.2 | 4.1 | -9.0 |
| How have credit card limits changed? | Past three months | -17.4 | -16.1 | -30.2 | -13.8 | -10.0 | 0.3 | 0.8 | -0.1 | 11.8 | -1.7 | 13.3 | 21.2 |
| | Next three months | -27.9 | -16.6 | -14.4 | -2.7 | -0.7 | 6.1 | 4.8 | -8.6 | -0.7 | 12.6 | 27.7 | 5.6 |
| How has the minimum proportion of credit card balances to be paid changed?^(a) | Past three months | -12.0 | -6.2 | -6.1 | -6.1 | -7.1 | -7.5 | -15.6 | -8.1 | -5.2 | -18.7 | -7.3 | -7.6 |
| | Next three months | -10.5 | 0.0 | 0.0 | 8.9 | 0.0 | 0.0 | 0.0 | -14.0 | 0.3 | -6.2 | 0.0 | 0.0 |
| How have maximum maturities on loans changed?^(c) | Past three months | -18.5 | -15.6 | -1.6 | -10.5 | 0.0 | -7.2 | 0.0 | 0.0 | -2.0 | 0.0 | 13.6 | -13.8 |
| | Next three months | -15.2 | -17.2 | -3.6 | 0.0 | -2.8 | -7.2 | -15.3 | -2.1 | 0.0 | -9.4 | 0.0 | -13.8 |

(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 increase in maximum maturities on new loans. This sign convention was changed in 2009 Q4 and was applied to the back data accordingly.

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.

The first Credit Conditions Survey was conducted in 2007 Q2 and additional questions have been included since 2007 Q4. A full set of results is available in Excel on the Bank's website at www.bankofengland.co.uk/publications/other/monetary/creditconditions.htm.

| | | Net percentage balances ^(a) | | | | | | | | | | | |
|---|-------------------|--|-------|------|------|------|-------|------|------|-------|------|-------|-------|
| | | 2009 | | | | 2010 | | | | 2011 | | | |
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| How has the availability of credit provided to the corporate sector overall changed? | Past three months | 7.8 | 14.3 | 24.8 | 16.3 | 21.9 | 7.1 | 7.8 | 3.2 | 6.9 | 4.1 | 3.9 | 11.0 |
| | Next three months | 26.3 | 27.7 | 28.9 | 20.5 | 22.7 | 6.5 | 3.4 | 4.8 | 7.8 | 3.4 | 2.4 | 8.1 |
| <i>of which: commercial real estate sector</i> | Past three months | -34.4 | -38.7 | -8.1 | 5.6 | 7.8 | 3.5 | 6.4 | 3.0 | -13.7 | 14.0 | 2.3 | -8.4 |
| | Next three months | -8.0 | -3.9 | -5.9 | 2.4 | 5.9 | 4.4 | 3.0 | 2.1 | -6.5 | 17.8 | 0.6 | -10.2 |
| Factors contributing to changes in credit availability:^(b) | | | | | | | | | | | | | |
| changing economic outlook | Past three months | -49.7 | -12.7 | 0.3 | 4.3 | 24.7 | 2.9 | 0.8 | 0.9 | 0.7 | 0.3 | -2.2 | -16.7 |
| | Next three months | -17.2 | 0.0 | 3.1 | -0.9 | 20.4 | -10.1 | 0.6 | 2.1 | 6.8 | 6.5 | -8.3 | -15.5 |
| changing sector-specific risks | Past three months | -21.9 | -2.3 | 2.3 | 16.5 | 18.9 | -12.3 | 0.0 | 13.3 | -0.8 | 0.1 | -4.2 | -16.0 |
| | Next three months | -13.6 | -6.9 | -3.1 | 23.2 | 23.9 | -16.7 | 0.0 | 0.7 | 0.7 | 0.0 | -4.2 | -12.5 |
| market share objectives | Past three months | 5.9 | 10.9 | 9.5 | 0.0 | -1.4 | -0.3 | 7.2 | 6.1 | 9.2 | 3.9 | 0.1 | 14.7 |
| | Next three months | 5.9 | 11.8 | 13.3 | 2.8 | 4.7 | 8.6 | 15.3 | 6.2 | 10.3 | 3.2 | 0.1 | 13.5 |
| market pressures from capital markets | Past three months | 6.4 | 2.2 | 0.7 | 5.6 | -4.4 | -1.1 | -1.6 | 0.9 | -4.4 | 10.4 | 5.6 | 0.2 |
| | Next three months | 0.4 | 5.1 | 0.8 | 3.9 | 3.5 | 6.5 | -4.3 | 0.0 | 1.7 | 10.4 | 21.2 | 2.9 |
| changing appetite for risk | Past three months | -19.9 | 0.0 | 0.8 | 0.1 | -1.6 | 0.0 | 3.0 | 1.5 | 8.2 | 0.1 | 13.3 | -2.6 |
| | Next three months | -18.0 | 0.0 | 1.6 | 0.0 | 1.4 | 1.4 | 0.7 | 0.7 | 7.6 | -0.7 | -3.0 | 0.0 |
| changing cost/availability of funds | Past three months | 0.5 | 12.9 | 32.5 | -7.6 | 10.4 | -1.1 | 3.0 | -1.3 | 0.0 | 4.9 | 1.1 | -6.6 |
| | Next three months | 16.5 | 26.5 | 21.4 | 6.7 | 1.6 | -0.8 | 2.6 | 0.0 | 1.6 | -1.5 | 0.9 | 3.4 |
| How has the proportion of loan applications from medium PNFCs being approved changed? | Past three months | -29.1 | 3.5 | 11.8 | 1.7 | 12.0 | 3.5 | 0.7 | 0.0 | 3.7 | -0.8 | 0.6 | -8.1 |
| | Next three months | -25.9 | 8.6 | 17.1 | 1.3 | 0.7 | 7.4 | 1.4 | -1.4 | -1.0 | -0.8 | 3.0 | -3.4 |
| How has the proportion of loan applications from large PNFCs being approved changed? | Past three months | -22.4 | 5.4 | 3.2 | 5.6 | 8.8 | 6.5 | 2.5 | 0.0 | 4.4 | -0.8 | -4.8 | 1.3 |
| | Next three months | -17.3 | 7.3 | 11.9 | 6.0 | 0.8 | 6.5 | 1.8 | 0.0 | 5.8 | -0.8 | 2.3 | -1.3 |
| Has there been any change in the use of cash securitisations associated with corporate lending? | Past three months | 24.0 | n.a.* | 9.9 | 10.5 | -1.5 | 0.0 | 0.0 | 0.0 | -1.3 | 9.4 | 0.0 | 1.3 |
| | Next three months | 1.2 | n.a.* | 0.0 | 7.4 | 19.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Has there been any change in the use of derivatives/synthetic securitisations associated with corporate lending? | Past three months | 3.1 | 9.0 | 5.8 | -1.0 | -4.1 | -2.8 | -3.1 | -2.7 | -4.4 | 4.0 | -15.9 | -1.9 |
| | Next three months | -1.5 | -2.4 | -1.8 | -1.0 | -4.1 | -3.2 | -3.1 | -2.7 | -3.6 | -4.0 | -2.8 | -1.9 |

| | | Net percentage balances ^(a) | | | | | | | | | | | |
|---|-------------------|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | 2009 | | | | 2010 | | | | 2011 | | | |
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Has there been any change in 'target hold' levels associated with corporate lending? | Past three months | 16.4 | 24.6 | 15.3 | 0.5 | 8.3 | 9.3 | 0.5 | -2.8 | -5.7 | -11.0 | 1.7 | 10.7 |
| | Next three months | 19.0 | 30.8 | 0.0 | 31.3 | 17.8 | 7.4 | 6.7 | -2.8 | -0.4 | 11.0 | 5.9 | 13.1 |
| How have loan tenors on new corporate loans changed? ^(c) | Past three months | -23.0 | -22.4 | -0.6 | -10.7 | 21.1 | 39.5 | 12.7 | -7.4 | -0.5 | 3.1 | -11.8 | 8.8 |
| | Next three months | -0.5 | -20.5 | 13.1 | 18.2 | 23.5 | 6.6 | -4.9 | 1.5 | 1.1 | 18.5 | -6.9 | -14.2 |
| How has the default rate on loans to medium PNFCs changed? | Past three months | 50.5 | 46.3 | 42.5 | 31.8 | -6.6 | -23.0 | -12.5 | -0.5 | -21.1 | 0.7 | -6.2 | 18.0 |
| | Next three months | 71.7 | 46.8 | 35.6 | 22.5 | 2.4 | -2.5 | -17.1 | -15.7 | -19.9 | -5.0 | 20.0 | 25.5 |
| How has the default rate on loans to large PNFCs changed? | Past three months | 35.2 | 48.0 | 34.8 | 40.8 | -15.2 | -16.6 | -25.6 | -18.9 | -20.2 | -7.1 | -6.3 | 18.6 |
| | Next three months | 51.8 | 45.2 | 37.1 | 27.0 | 4.6 | 3.8 | -22.5 | -9.0 | -21.1 | -6.6 | 30.1 | 14.2 |
| How have losses given default on loans to medium PNFCs changed? | Past three months | 54.2 | 33.4 | 29.8 | 9.9 | 10.9 | -1.6 | 0.9 | 0.3 | -7.3 | -7.7 | -5.3 | 2.1 |
| | Next three months | 51.8 | 35.8 | 22.0 | 5.0 | 2.2 | -1.6 | -6.1 | -5.1 | -6.4 | -5.7 | 6.3 | 19.3 |
| How have losses given default on loans to large PNFCs changed? | Past three months | 41.8 | 30.8 | 28.8 | 14.8 | 0.0 | -2.3 | -6.2 | -5.0 | -6.3 | -7.8 | -5.5 | 0.0 |
| | Next three months | 31.7 | 24.3 | 23.0 | 13.0 | -4.4 | -1.6 | -7.2 | -5.2 | -8.2 | -6.5 | 6.5 | 20.7 |
| How has demand for lending from medium PNFCs changed? | Past three months | -54.5 | -2.1 | 12.3 | -1.4 | 15.0 | -3.2 | -4.2 | 3.1 | -3.1 | 14.9 | 9.2 | -1.6 |
| | Next three months | -16.6 | 13.0 | 14.9 | 5.5 | 18.9 | 8.9 | 2.8 | 1.1 | 9.5 | 3.5 | -12.3 | -9.2 |
| How has demand for lending from large PNFCs changed? | Past three months | -33.6 | -3.6 | -5.3 | -27.1 | 1.9 | -9.6 | -2.0 | -3.7 | 10.6 | 6.3 | -13.2 | 1.5 |
| | Next three months | 10.5 | 0.0 | 14.9 | 15.7 | 6.3 | -16.8 | -9.7 | 19.1 | 5.0 | -8.1 | -14.9 | -5.2 |
| How has demand from institutional investors/pension funds changed? | Past three months | -1.5 | -1.5 | -1.2 | -6.9 | -1.2 | 1.1 | 4.1 | -1.0 | 1.1 | 15.0 | -3.0 | 0.0 |
| | Next three months | -1.5 | -1.5 | -2.6 | -1.7 | -8.0 | 1.1 | 4.1 | 0.0 | 1.1 | 0.0 | 0.0 | 0.0 |
| How has demand from securities dealers changed? | Past three months | -6.6 | n.a.* | n.a.* | -28.7 | 0.0 | 0.0 | 0.0 | 7.1 | 1.2 | -7.2 | -2.1 | -1.5 |
| | Next three months | -6.6 | n.a.* | n.a.* | -0.3 | 13.2 | 1.3 | 0.0 | 8.3 | 9.4 | 0.0 | 0.0 | -1.5 |
| How has demand from hedge funds changed? | Past three months | -16.3 | n.a.* | n.a.* | -66.5 | n.a.* | n.a.* | n.a.* | -5.5 | n.a.* | n.a.* | n.a.* | n.a.* |
| | Next three months | -3.7 | n.a.* | n.a.* | -58.8 | n.a.* | n.a.* | n.a.* | -4.0 | n.a.* | n.a.* | n.a.* | n.a.* |
| How has demand from structured finance vehicles changed? | Past three months | -2.3 | n.a.* | n.a.* | -48.7 | n.a.* | n.a.* | -5.1 | -4.4 | -1.4 | 10.8 | -3.7 | -15.6 |
| | Next three months | -2.3 | n.a.* | n.a.* | -42.7 | n.a.* | n.a.* | -5.1 | -3.2 | -1.4 | 38.2 | 0.0 | -2.4 |
| How has demand from other OFCs changed? | Past three months | n.a.* | 0.0 | 9.2 | -11.2 | 0.0 | 0.0 | 0.0 | 0.0 | -5.0 | n.a.* | -1.5 | n.a.* |
| | Next three months | n.a.* | 0.0 | 7.7 | -19.9 | 7.0 | 0.0 | 0.0 | 0.0 | 0.0 | n.a.* | -3.3 | n.a.* |
| What have been the main factors contributing to changes in demand for lending:^(b) | | | | | | | | | | | | | |
| mergers and acquisitions | Past three months | -24.5 | -9.4 | -6.4 | -21.0 | 35.2 | -5.6 | 27.3 | 5.2 | 20.0 | -9.4 | 3.0 | -0.9 |
| | Next three months | -22.3 | 4.7 | 19.2 | 22.3 | 34.2 | 1.1 | 31.2 | 35.2 | 8.2 | -7.9 | -6.8 | -1.8 |
| capital investment | Past three months | -61.4 | -40.7 | -25.9 | -20.7 | -9.1 | -1.2 | -3.2 | 0.0 | 0.0 | -14.0 | -7.7 | -3.4 |
| | Next three months | -28.4 | -24.2 | -6.6 | -5.2 | -0.7 | 0.7 | 2.3 | -0.8 | -0.9 | -7.4 | -12.2 | -3.2 |
| inventory finance | Past three months | -23.4 | -6.9 | 1.4 | -12.7 | 15.0 | 1.8 | -5.7 | 2.2 | 0.6 | -0.1 | -2.4 | 0.7 |
| | Next three months | -19.9 | -6.2 | 19.7 | 6.5 | 21.0 | 1.8 | 3.2 | 0.7 | 6.2 | 7.4 | -0.6 | 0.7 |
| balance sheet restructuring | Past three months | 35.2 | 37.4 | 15.7 | -19.1 | -1.1 | -13.4 | 3.4 | 1.5 | 2.8 | -15.8 | 10.6 | -0.1 |
| | Next three months | 40.4 | 28.8 | 24.6 | 21.7 | 0.9 | -1.4 | -9.4 | 2.2 | 2.8 | -16.6 | -3.1 | 1.6 |
| commercial real estate | Past three months | -46.4 | -53.4 | 6.9 | 9.5 | 8.4 | 1.0 | 6.5 | -18.3 | -3.4 | -0.1 | 1.8 | -1.1 |
| | Next three months | -13.9 | -24.4 | -14.7 | 5.9 | 2.7 | 7.2 | 3.1 | -20.4 | 5.6 | 5.5 | 2.5 | -1.4 |

| | | Net percentage balances ^(a) | | | | | | | | | | | |
|--|-------------------|--|-------|-------|------|-------|-------|-------|------|------|-------|------|-------|
| | | 2009 | | | | 2010 | | | | 2011 | | | |
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| How have spreads on loans to medium PNFCs changed?^(a) | Past three months | -42.7 | -12.2 | -15.2 | 9.2 | 21.0 | 17.8 | -2.0 | -3.0 | 14.3 | 21.9 | 22.6 | -19.6 |
| | Next three months | -23.7 | -10.0 | 10.7 | 23.4 | 12.8 | 2.2 | -2.3 | -1.3 | 0.6 | 19.9 | 18.0 | -33.8 |
| How have fees/commissions on loans to medium PNFCs changed?^(a) | Past three months | -41.5 | -11.9 | -18.2 | 7.3 | 8.2 | 1.8 | 2.1 | 17.7 | 14.5 | 19.2 | 20.6 | -8.4 |
| | Next three months | -23.7 | -11.0 | 11.7 | 10.7 | 12.0 | 0.3 | -2.3 | 11.5 | 0.3 | 18.0 | 19.2 | -20.9 |
| How have collateral requirements for loans to medium PNFCs changed?^(a) | Past three months | -9.6 | -7.3 | -14.0 | -3.5 | -3.1 | -1.6 | 0.0 | -0.8 | -0.6 | -2.8 | -4.4 | -1.2 |
| | Next three months | -10.3 | -5.4 | 0.0 | -1.7 | -0.9 | 0.0 | 0.0 | 0.0 | 0.9 | -1.4 | 0.0 | -2.5 |
| How have maximum credit lines for medium PNFCs changed? | Past three months | -13.9 | 3.6 | 0.0 | -2.3 | 0.7 | 3.4 | -10.0 | 2.9 | -8.6 | -11.1 | 0.8 | -4.0 |
| | Next three months | -9.8 | -6.7 | 4.5 | 0.4 | 3.5 | 3.6 | -1.7 | 2.9 | 5.1 | 1.6 | -5.3 | -1.6 |
| How have loan covenants for medium PNFCs changed?^(a) | Past three months | -32.9 | -27.1 | -14.0 | -4.2 | -3.6 | -0.2 | 12.9 | 1.8 | 1.3 | 4.9 | -2.0 | -3.7 |
| | Next three months | -27.8 | -6.5 | 0.0 | -2.2 | -1.2 | 0.0 | 1.0 | -5.1 | -1.4 | 1.9 | -5.3 | -16.2 |
| How have spreads on loans to large PNFCs changed?^(a) | Past three months | -59.0 | -11.2 | -4.4 | 10.6 | 50.7 | 39.3 | 39.3 | 26.2 | 21.7 | 27.9 | 17.0 | -14.4 |
| | Next three months | -45.0 | -2.9 | 12.5 | 39.2 | 21.5 | 8.2 | 1.8 | 0.8 | 8.4 | 13.6 | 9.5 | -44.2 |
| How have fees/commissions on loans to large PNFCs changed?^(a) | Past three months | -51.2 | -6.8 | -7.4 | 10.8 | 18.6 | 35.4 | 26.0 | 34.8 | 21.9 | 16.6 | 15.7 | -3.7 |
| | Next three months | -45.0 | -3.8 | 11.7 | 9.6 | 21.5 | 10.5 | 6.1 | 13.1 | 7.1 | 15.3 | 13.2 | -29.6 |
| How have collateral requirements for loans to large PNFCs changed?^(a) | Past three months | -6.7 | -3.5 | -14.0 | -4.0 | -2.0 | -1.6 | 0.0 | -0.8 | 13.8 | -2.8 | -2.1 | -3.2 |
| | Next three months | -5.8 | -1.6 | 0.0 | -0.9 | -0.1 | 0.0 | 0.7 | 0.0 | 1.8 | -1.4 | 0.0 | -1.9 |
| How have maximum credit lines for large PNFCs changed? | Past three months | -12.4 | 7.4 | 12.2 | 2.2 | 19.5 | 9.9 | 3.7 | 5.7 | 18.6 | 2.3 | 4.5 | 0.1 |
| | Next three months | -1.3 | -2.8 | 17.6 | 0.0 | 9.8 | 3.7 | -0.2 | 3.7 | 18.8 | 15.2 | 3.0 | -1.6 |
| How have loan covenants for large PNFCs changed?^(a) | Past three months | -37.1 | -24.2 | -14.0 | -4.9 | 5.4 | -0.9 | 7.0 | 19.0 | 19.8 | 16.5 | 17.4 | -8.8 |
| | Next three months | -21.3 | -5.2 | 6.4 | 5.4 | 25.1 | 0.0 | 14.4 | 0.7 | 18.4 | 10.6 | 7.5 | -21.8 |
| How have spreads on loans to OFCs changed?^(a) | Past three months | -47.9 | -40.7 | -8.1 | 14.1 | 41.6 | 21.8 | -16.0 | 33.3 | 6.8 | 22.8 | 9.5 | -16.5 |
| | Next three months | -25.6 | -21.9 | -0.9 | 13.8 | 20.0 | -12.9 | -16.0 | 1.0 | 1.7 | 1.0 | 9.2 | -30.4 |
| How have fees/commissions on loans to OFCs changed?^(a) | Past three months | -37.8 | -34.2 | -15.6 | 14.2 | 21.6 | 20.3 | -19.1 | 32.6 | 1.7 | 1.0 | 1.8 | -2.1 |
| | Next three months | -25.6 | -21.9 | -11.2 | 10.8 | 21.3 | -12.9 | -19.1 | 1.0 | 1.7 | 1.0 | 14.9 | -16.1 |
| How have collateral requirements for loans to OFCs changed?^(a) | Past three months | -27.5 | -32.2 | -18.9 | -2.6 | -22.5 | 0.0 | 0.0 | 0.9 | 1.9 | -4.6 | -1.3 | -3.0 |
| | Next three months | -19.0 | -20.3 | -18.9 | -2.6 | -1.3 | 0.0 | 0.0 | 0.0 | 1.0 | 0.0 | -0.7 | -3.0 |
| How have maximum credit lines for OFCs changed? | Past three months | -46.4 | -25.7 | -20.2 | 23.3 | -6.4 | 1.5 | 0.0 | 19.8 | 6.1 | 5.3 | -0.4 | -9.1 |
| | Next three months | -31.1 | -23.0 | -20.2 | 23.3 | 5.0 | 12.1 | 0.0 | 4.9 | 6.8 | 5.3 | -6.5 | -9.1 |

* 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 ^(a) | | | | | | | | | | | |
|--|-----------------------|--|--------|--------|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | 2009 | | | | 2010 | | | | 2011 | | | |
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| How have the following factors affected overall PNFCs' credit availability?^(b) | | | | | | | | | | | | | |
| Tighter wholesale funding conditions | Past three months | -28.7 | -7.6 | 5.4 | -4.9 | -6.5 | 0.0 | 4.2 | -6.4 | -9.3 | -2.8 | -19.0 | -42.6 |
| | Next three months | -6.7 | -7.0 | 1.3 | -2.3 | 0.7 | -1.7 | -7.7 | 3.3 | -6.8 | 5.6 | -39.6 | -49.4 |
| Actual, or potential, need to support ABCP conduits, structured investment vehicles or money market mutual funds | Past three months | -2.4 | -10.3 | -13.2 | 13.2 [†] | 16.4 | 21.3 | 25.4 | -48.8 | 0.0 | 24.3 | -14.9 | 0.0 |
| | Next three months | 9.1 | -12.6 | -16.1 | -11.6 | 19.8 | 21.3 | 13.4 | -50.4 | 0.0 | 24.3 | -23.9 | -62.7 |
| Reduced ability to transfer credit risk off balance sheet and/or tighter conditions for raising capital | Past three months | -12.3 | -21.4 | -6.7 | -4.0 | 13.0 | 7.2 | -2.1 | -33.8 | 1.2 | 9.7 | -14.0 | -25.1 |
| | Next three months | 1.0 | -37.2 | -6.7 | -2.6 | 11.4 | -6.4 | -6.6 | -27.7 | -1.2 | 8.6 | -21.0 | -21.0 |
| Has there been a change in drawdowns on committed lines by PNFCs? | Past three months | 6.2 | -40.3 | -10.0 | -16.8 | -15.6 | -7.0 | -7.6 | 0.0 | -5.5 | -19.5 | 9.8 | 14.0 |
| | Next three months | 9.7 | -12.4 | -13.8 | -18.9 | -2.6 | 5.2 | -0.9 | 0.0 | -6.6 | -12.7 | 11.9 | 15.3 |
| Has there been a change in average credit quality on newly arranged PNFC borrowing facilities?^(c) | Past three months | 1.5 | -1.4 | -4.6 | 11.1 | 20.3 | 5.9 | 5.0 | 13.5 | 7.2 | 5.0 | 5.2 | 8.3 |
| | Next three months | -4.6 | -1.4 | -4.5 | 15.0 | 23.2 | -7.2 | -1.0 | 12.9 | 4.0 | 3.6 | 5.2 | 3.9 |
| How have commercial property prices affected credit availability to the commercial real estate sector, and/or secured lending to PNFCs? | Past three months | -48.1 | -46.2 | 7.4 | -8.1 | -2.0 | 5.4 | 0.0 | -24.5 | -4.9 | -16.3 | -1.2 | -1.0 |
| | Next three months | -15.5 | -21.8 | -5.7 | 16.8 | 14.2 | 5.4 | -5.2 | -23.7 | -2.2 | -16.3 | -2.2 | -1.0 |
| 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.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** |
| | Next three months | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | 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 | 0.7 | 0.3 | 0.0 | 11.6 | 5.5 | 1.0 | 0.0 | 13.7 | -2.4 | -2.0 | -2.6 | 5.7 |
| | Next three months | -6.5 | 5.4 | 0.0 | 26.0 | 5.5 | 1.8 | 0.0 | 13.7 | 6.6 | -2.0 | 0.0 | 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 | -11.4 | 16.2 | 5.9 | 0.3 | 1.7 | 8.8 | 9.4 | -10.7 | 15.2 | 2.2 | -0.1 | 0.0 |
| | Next three months | -1.5 | 4.7 | 4.7 | 0.3 | 0.8 | 20.7 | 11.4 | -10.9 | 9.4 | 5.9 | 2.4 | 0.9 |
| What percentage of your existing PNFC loan book is contractually committed to passing on any further cuts in Bank Rate? | Median ^(d) | 32.0 | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** |
| How has the availability of credit provided to medium PNFCs changed? | Past three months | n.a.** | n.a.** | 15.0 | 11.0 | 16.1 | 8.1 | 5.8 | 3.0 | 0.9 | 1.3 | 0.8 | 9.9 |
| | Next three months | n.a.** | n.a.** | 19.7 | 21.4 | 24.8 | 6.5 | 3.3 | 3.3 | 4.9 | 2.0 | 0.0 | 9.2 |
| How has the availability of credit provided to large PNFCs changed? | Past three months | n.a.** | n.a.** | 25.6 | 16.9 | 16.8 | 6.9 | 0.3 | 1.4 | 5.2 | 0.8 | -1.1 | -0.7 |
| | Next three months | n.a.** | n.a.** | 27.8 | 19.8 | 12.3 | 6.2 | 2.9 | 0.7 | 4.5 | 4.9 | -0.7 | -3.8 |

** Additional question not asked in survey.

† The net percentage balances for this question in 2009 Q4 were revised after publication due to changes in the underlying data.

(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.

Additional questions on lending to small businesses^(a)

| | | Net percentage balances ^(b) | | | | | | | | | | | |
|---|-------------------|--|--------|--------|------|------|-------|-------|-------|-------|-------|-------|-------|
| | | 2009 | | | | 2010 | | | | 2011 | | | |
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| How has the availability of credit provided to small businesses changed? | Past three months | n.a.** | n.a.** | n.a.** | 1.9 | -0.6 | 12.6 | 26.8 | 8.9 | 0.4 | 4.1 | 6.8 | -1.2 |
| | Next three months | n.a.** | n.a.** | n.a.** | 6.4 | 26.1 | 15.5 | 8.1 | 11.8 | 4.0 | -2.1 | 2.5 | 13.3 |
| How has the proportion of loan applications from small businesses being approved changed? | Past three months | n.a.** | n.a.** | n.a.** | -6.4 | 32.3 | 34.9 | -9.2 | 6.8 | 11.7 | -6.1 | 3.0 | -1.9 |
| | Next three months | n.a.** | n.a.** | n.a.** | 2.8 | 23.2 | 6.5 | -2.1 | -12.3 | -1.6 | 7.4 | 0.0 | 0.0 |
| How has the default rate on loans to small businesses changed? | Past three months | n.a.** | n.a.** | n.a.** | 38.0 | 2.0 | 15.7 | -6.8 | 12.3 | 19.7 | -8.2 | -24.0 | -14.7 |
| | Next three months | n.a.** | n.a.** | n.a.** | 38.7 | 24.2 | -3.6 | 11.3 | 19.1 | 19.7 | 8.1 | -2.5 | 1.8 |
| How have losses given default on loans to small businesses changed? | Past three months | n.a.** | n.a.** | n.a.** | 6.0 | 4.1 | -23.5 | 14.2 | 36.3 | 22.0 | -15.5 | -10.2 | -19.6 |
| | Next three months | n.a.** | n.a.** | n.a.** | 12.2 | 10.9 | 13.1 | 18.6 | 19.1 | 15.5 | 2.9 | 0.7 | 1.0 |
| How has overall demand for lending from small businesses changed? ^(c) | Past three months | n.a.** | n.a.** | n.a.** | 0.6 | 21.4 | 33.7 | -18.6 | 0.0 | -30.6 | 35.5 | -15.4 | -35.1 |
| | Next three months | n.a.** | n.a.** | n.a.** | 12.3 | 27.2 | 24.6 | 0.2 | -12.3 | 27.9 | 3.8 | -10.7 | -23.4 |
| How has demand for credit card lending from small businesses changed? ^(c) | Past three months | 17.3 | 21.7 | 14.3 | 3.5 | 16.5 | 24.4 | 14.4 | -7.6 | -20.9 | -29.6 | -29.1 | -1.5 |
| | Next three months | 32.3 | 32.2 | 18.8 | 8.2 | 25.2 | 24.4 | 6.3 | 36.4 | 50.0 | 27.7 | 5.9 | 15.6 |
| How has demand for other unsecured lending from small businesses changed? ^(c) | Past three months | 2.6 | -26.7 | 9.0 | -6.8 | 13.4 | 35.6 | 0.8 | -8.6 | n.a.* | 21.2 | -17.4 | -25.4 |
| | Next three months | -8.5 | 18.1 | 10.7 | 10.2 | 27.0 | -3.6 | 7.5 | -6.2 | n.a.* | 8.9 | 0.2 | -15.6 |
| How has demand for total unsecured lending from small businesses changed? ^(c) | Past three months | 14.2 | 12.3 | 13.3 | 1.7 | 16.0 | 26.2 | 12.3 | -7.8 | -18.7 | -21.5 | -27.3 | -5.1 |
| | Next three months | 23.7 | 29.5 | 17.4 | 8.6 | 25.5 | 20.0 | 6.5 | 27.7 | 47.0 | 24.7 | 5.0 | 10.9 |
| How has demand for secured lending from small businesses changed? ^(c) | Past three months | 6.7 | -16.0 | 11.2 | 15.0 | 19.4 | 18.0 | -13.5 | -26.5 | -26.9 | 34.9 | -21.6 | -9.8 |
| | Next three months | 27.1 | 21.0 | 13.1 | 15.0 | 19.4 | 18.0 | 0.0 | 19.4 | 27.4 | 0.0 | 0.0 | -9.8 |
| How have spreads on loans to small businesses changed? | Past three months | n.a.** | n.a.** | n.a.** | -1.1 | -6.8 | -0.7 | 0.0 | -12.6 | -8.3 | -2.0 | -2.5 | -11.1 |
| | Next three months | n.a.** | n.a.** | n.a.** | -1.3 | -3.4 | 1.4 | 0.0 | -11.3 | -8.3 | -11.2 | -6.9 | -20.3 |
| How have fees/commissions on loans to small businesses changed? | Past three months | n.a.** | n.a.** | n.a.** | -1.7 | -6.8 | -0.7 | 0.0 | -11.3 | -8.1 | 2.8 | 0.0 | -7.0 |
| | Next three months | n.a.** | n.a.** | n.a.** | -2.0 | -3.4 | -1.4 | 0.0 | -11.3 | -6.1 | 0.0 | -6.9 | 0.0 |
| How have collateral requirements for loans to small businesses changed? | Past three months | n.a.** | n.a.** | n.a.** | -3.4 | -2.1 | 0.0 | 0.0 | 0.0 | -3.3 | -2.0 | -14.8 | 0.0 |
| | Next three months | n.a.** | n.a.** | n.a.** | -2.0 | -0.7 | -1.4 | 0.0 | 0.0 | -3.3 | -2.0 | -13.5 | 0.0 |
| How have maximum credit lines for small businesses changed? | Past three months | n.a.** | n.a.** | n.a.** | -2.0 | -2.6 | 1.4 | 1.0 | 0.0 | 0.0 | -2.0 | -2.6 | 0.0 |
| | Next three months | n.a.** | n.a.** | n.a.** | -2.0 | -1.3 | 1.4 | 0.0 | 0.0 | 0.0 | -2.0 | -13.5 | 0.0 |
| How have loan covenants for small businesses changed? | Past three months | n.a.** | n.a.** | n.a.** | -2.0 | -5.6 | 17.2 | 12.4 | -25.6 | -3.3 | -2.0 | -14.8 | -2.6 |
| | Next three months | n.a.** | n.a.** | n.a.** | 0.0 | -4.1 | 15.8 | 0.0 | 3.0 | 0.0 | -2.0 | -13.5 | 0.0 |

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

** Additional question not asked in survey.

- (a) Additional questions on lending to small businesses were introduced in the 2009 Q4 survey. Small businesses were defined as those with annual turnover of less than £1 million in all of the new questions, consistent with the existing questions on small business demand. In line with existing guidance, answers relating to medium-sized PNFCs in the main survey continued to include any firm with annual turnover of less than £25 million.
- (b) 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.
- (c) The new question on small business demand asked corporate lenders for their overall perspective on any change in demand over the past three months. Existing questions on small business demand split into secured credit, credit card and other unsecured credit were maintained, though the aggregate results are not directly comparable due to differences in the sample and weights.