

Credit Conditions Survey

Survey results | 2013 Q3



BANK OF ENGLAND





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Credit Conditions Survey

2013 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 quarterly survey of bank and building society 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. Along with various data sources and discussions between the major UK lenders and Bank staff, this survey serves as an input into the quarterly *Trends in Lending* publication which presents the Bank of England's assessment of the latest trends in lending to the UK economy.

This report presents the results of the 2013 Q3 survey. The 2013 Q3 survey was conducted between 13 August and 4 September 2013.

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 2013 Q3 survey, and copies of the questionnaires are available on the Bank's website at www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx.

The publication date for the 2013 Q4 *Credit Conditions Survey* is 8 January 2014.



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Credit Conditions Survey

2013 Q3

Supply

- The availability of **secured credit to households** was reported to have increased significantly in the three months to early September 2013. Lenders expected little change in availability over the next three months.
- Lenders reported that the availability of **unsecured credit to households** increased in 2013 Q3, with a further increase anticipated in Q4.
- The overall availability of **credit to the corporate sector** increased slightly in Q3, according to lenders, and a further slight increase was expected in Q4.

Demand

- Demand for **secured lending for house purchase** was reported to have increased significantly in 2013 Q3, and was expected to increase slightly further in Q4. Lenders also reported a significant increase in demand for **secured lending for remortgaging** in Q3.
- Lenders reported that demand for **credit card lending** was unchanged in Q3, and expected little change in Q4. Demand for **other unsecured lending** products, such as personal loans, increased significantly in Q3, although a slight fall in demand was expected in Q4.
- Demand for lending from **small and medium-sized businesses** was reported to have picked up in Q3, while demand from **large companies** was little changed. Lenders expected credit demand to increase across all business sizes in Q4.

Defaults

- Lenders reported that both default rates and losses given default on **secured loans to households** fell significantly in 2013 Q3. Defaults were expected to fall further in Q4, and losses given default were expected to fall significantly further.
- Default rates on unsecured lending fell in Q3, with significant falls reported for **credit card loans** and slight falls for **other unsecured loans**. Losses given default increased slightly for credit card lending and were little changed for other unsecured loans in Q3.
- Default rates on lending to **small and medium-sized businesses** were reported to have been little changed in Q3, while losses given default for these businesses decreased. The default rate for **large businesses** increased slightly in Q3, while losses given default for large businesses were little changed.

Loan pricing

- Lenders reported that overall spreads on **secured lending to households** — relative to Bank Rate or the appropriate swap rate — narrowed significantly for the fourth consecutive quarter in Q3. And spreads were expected to fall significantly further in Q4.
- Spreads on **credit card lending** were reported to have increased slightly in Q3, having been little changed for most of the last two years. In contrast, spreads on **other unsecured lending** products fell significantly in Q3, and a further significant fall was anticipated in Q4.
- Spreads on corporate lending fell in Q3, with significant reductions reported for **large businesses**. **Medium-sized businesses** also saw a significant fall in spreads, and slight falls were reported for **small businesses**. In Q4, spreads were expected to fall further for large and medium-sized companies, and to be little changed for small businesses.

This report presents the results of the 2013 Q3 survey. The 2013 Q3 survey was conducted between 13 August and 4 September 2013. 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

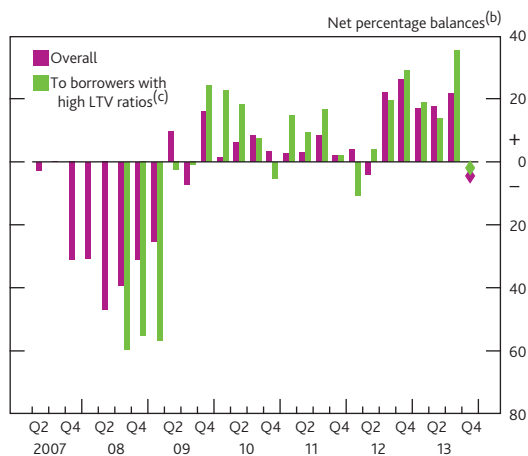
between the weighted balance of lenders reporting that, for example, demand was higher/lower or terms and conditions were tighter/looser. The net percentage balances are scaled to lie between ± 100 .

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

Credit Conditions Survey

In the three months to early September, lenders reported that the availability of credit to households increased, while there was a slight increase in corporate credit availability. Spreads on most types of lending were reported to have fallen in Q3, with significant falls for: secured lending; other unsecured lending; and lending to large and medium-sized businesses. Lenders reported a significant increase in household demand for secured lending and other unsecured lending in Q3, while demand for credit card lending was little changed. Demand for lending was reported to have picked up for small and medium-sized businesses in Q3, while there was little change in demand from large companies. Household loan performance was reported to have improved in Q3. Credit conditions for non-bank financial corporations continued to ease in Q3.

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 Q3.

The 2013 Q3 *Credit Conditions Survey* was conducted between 13 August and 4 September 2013.

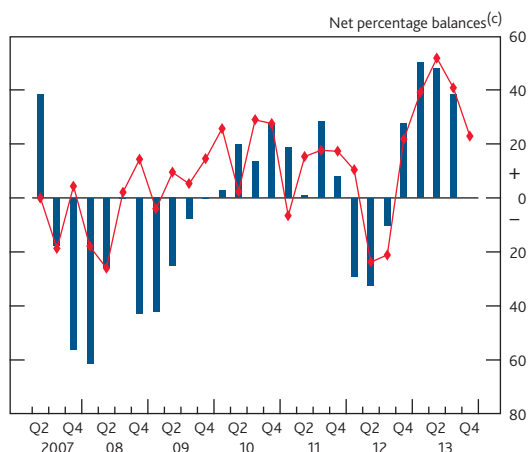
Secured lending to households

In the three months to early September, lenders reported that the availability of secured credit to households increased significantly, following increases in the previous four quarters (**Chart 1**). A significant increase in availability was reported for borrowers with loan to value (LTV) ratios above 75%, although lenders' willingness to lend at LTV ratios above 90% was little changed. The expansion in overall availability was driven by market share objectives, while lenders reported little impact on availability from changes to their risk appetite. Consistent with that, credit scoring criteria, maximum LTV ratios and maximum loan to income ratios for secured lending were all reported to have been little changed in 2013 Q3.

Lenders expected the availability of secured credit to be little changed in Q4. Some lenders noted that there was a need to re-train some staff ahead of the implementation of the *Mortgage Market Review* in April 2014 and that might constrain their ability to process mortgage applications somewhat in the near term. Some lenders indicated their intention to participate in the mortgage guarantee part of the Government's Help to Buy Scheme. Applications for mortgages under the Scheme can be made in Q4, and, consistent with that, some lenders expected to be more willing to lend at LTV ratios above 90% in Q4.

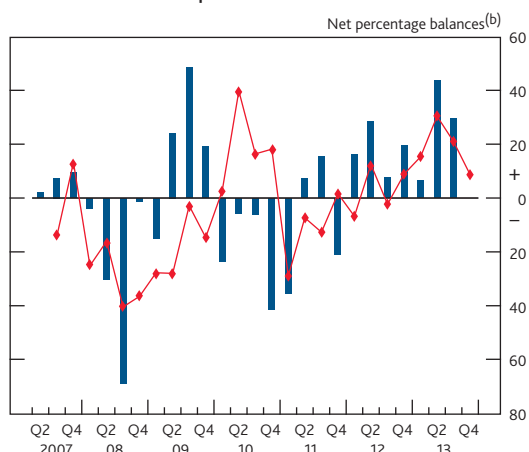
Spreads on secured lending rates to households — relative to Bank Rate or the relevant swap rate — narrowed significantly for the fourth consecutive quarter in Q3, according to lenders (**Chart 2**). This came at the same time as a reported rise in banks' internal transfer prices in Q3, driven mainly by a rise in

Chart 2 Spreads on overall secured lending to households^{(a)(b)}



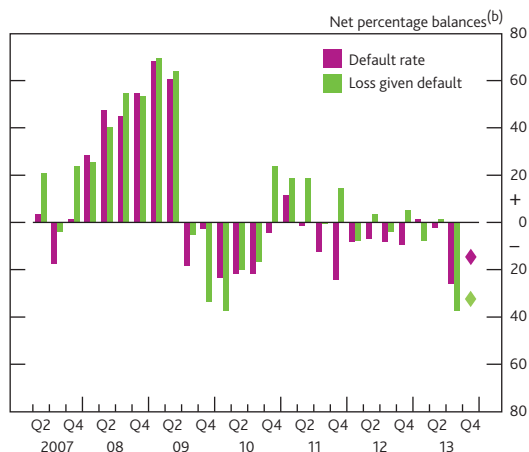
- (a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question. The blue bars show the responses over the previous three months. The red diamonds show the expectations over the next three months. Expectations balances have been moved forward one quarter so that they can be compared with the actual outcomes in the following quarter.
- (b) Spreads are over Bank Rate for variable-rate mortgages and the relevant swap rate for fixed-rate mortgages.
- (c) A positive balance indicates that spreads have fallen such that, all else being equal, it is cheaper for households to borrow.

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.

swaps or other reference rates, and some lenders commented that margins on new mortgage lending, particularly for longer-term fixed-rate products, had been squeezed.⁽¹⁾ Lenders expected a further significant narrowing in mortgage spreads over the next three months.

Lenders reported that the demand for secured lending to finance a house purchase increased significantly in Q3 (Chart 3). A further slight increase in demand was expected over the coming quarter. Lenders suggested that low mortgage rates, driven in part by the Funding for Lending Scheme, had stimulated demand. Other factors cited by lenders included an improvement in consumer confidence and a pickup in house price growth. Demand for lending for remortgaging also increased significantly in 2013 Q3, as it had in the previous quarter, and lenders expected a further increase in Q4.

Secured household loan performance improved significantly in Q3, according to lenders. Default rates fell significantly, with a further decrease expected in Q4 (Chart 4). Losses given default also fell significantly in Q3, which several lenders attributed to the recent pickup in house prices boosting the value of loan collateral. Significant falls in losses given default were also expected in Q4.

Unsecured lending to households

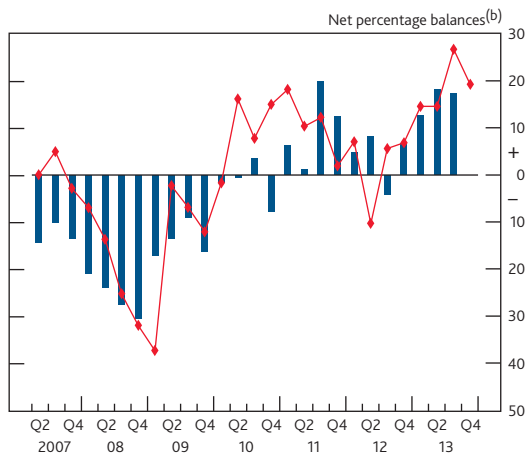
The total amount of unsecured credit made available to households rose in the three months to early September (Chart 5), driven by market share objectives and, to a slightly lesser extent, an improvement in the economic outlook. Lenders expected unsecured credit availability to rise further in 2013 Q4, driven by the same factors.

Consistent with the expansion in availability, lenders reported that credit scoring criteria for unsecured lending were loosened significantly in Q3. And consistent with looser credit scoring criteria, there was a significant increase in the proportion of applications approved in Q3. These trends were expected to continue in Q4.

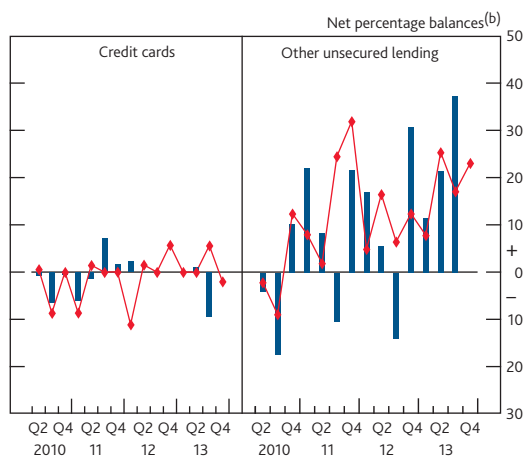
For credit cards, lenders reported a slight increase in spreads in Q3 (Chart 6). Over the past few years reported changes in credit card spreads have been limited. However, some lenders noted an increase in the duration of 0% balance transfer offers. Demand for credit card lending was flat in Q3. Lenders expected little change in either credit card spreads or demand in Q4.

In contrast, spreads on other unsecured lending products, such as personal loans, fell significantly in Q3, having fallen in the previous three quarters (Chart 6). Demand for other

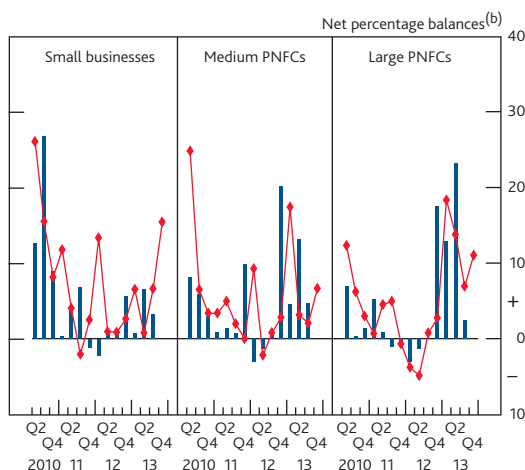
(1) See the 2013 Q3 *Bank Liabilities Survey* for more details, available at www.bankofengland.co.uk/publications/Pages/other/monetary/bls/default.aspx.

Chart 5 Household unsecured credit availability^(a)

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

Chart 6 Household unsecured credit spreads^(a)

(a) See footnote (a) to **Chart 2**.
 (b) A positive balance indicates that spreads have fallen such that, all else being equal, it is cheaper for households to borrow.

Chart 7 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.

unsecured lending products also increased significantly in Q3, which lenders interpreted as partly a response to the recent falls in loan rates. In addition, lenders suggested that improved consumer confidence had positively influenced demand. Lenders noted particular strength in lending to finance car purchases. While a further significant fall in spreads was anticipated in Q4, demand for other unsecured lending was expected to decrease slightly.

Default rates on unsecured lending fell in Q3, according to lenders, with significant falls reported for credit card loans and slight falls for other unsecured loans. Losses given default increased slightly for credit card lending and were little changed for other unsecured loans. No significant changes in unsecured loan performance were anticipated in Q4.

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⁾

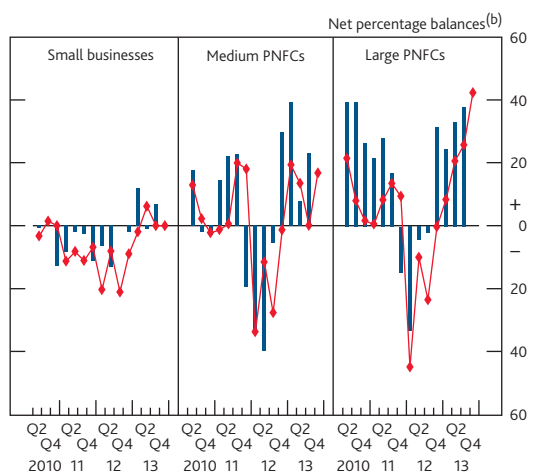
Overall credit availability to the corporate sector was reported to have increased slightly in 2013 Q3, the fourth consecutive quarter that saw a positive balance for this question. Lenders cited market share objectives, competition from capital markets and an improvement in the economic outlook as factors that had contributed to the slight increase in availability. Reported changes in credit availability were similar across all firm sizes (**Chart 7**). A slightly higher proportion of loan applications from small businesses were accepted in Q3, continuing the trend of positive balances seen in recent quarters. There was little change in acceptance rates for medium-sized and large firms in Q3.

Lenders expected a further slight expansion in overall credit availability in Q4, with increases across all firm sizes. Lenders saw an improved economic outlook as a significant driver of the prospective increase in credit availability.

Spreads on corporate lending fell in Q3, with significant reductions reported for large PNFCs (**Chart 8**). Medium-sized businesses also saw a significant fall in spreads, while slight falls were reported for small businesses. Lenders commented that falls in spreads largely reflected increased competition in the corporate lending market. Looking ahead to Q4, spreads were expected to fall significantly further for large companies, to fall for medium-sized companies, and to be little changed for small businesses.

(1) Small businesses are defined as those with an annual turnover of under £1 million. Medium-sized corporates are defined as those with an annual turnover of between £1 million and £25 million. Large corporates are defined as those with an annual turnover of more than £25 million.

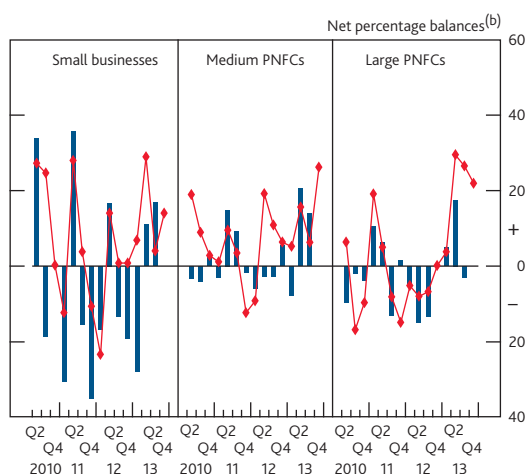
Chart 8 Spreads over reference rates on lending to corporates by firm size^(a)



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

(b) A positive balance indicates that spreads have fallen such that, all else being equal, it is cheaper for companies to borrow.

Chart 9 Corporate demand for credit by firm size^(a)



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

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

A range of other lending terms were reported to have eased for large businesses in Q3. In particular, lenders reported falls in fees and commissions on lending to large firms, as well as a significant increase in maximum credit lines and a significant loosening in loan covenants. And significant further easing in these lending terms was expected for large businesses in Q4. Lending terms other than spreads were mostly unchanged for small and medium-sized businesses, with no changes expected in Q4.

Demand for credit from small and medium-sized businesses was reported to have picked up in Q3 following increases in the previous quarter (**Chart 9**). Demand from large companies was reported to have been little changed in Q3, though lenders had expected a significant increase. Lenders reported that capital investment and commercial real estate activity were both significant positive factors affecting overall credit demand, with the largest rises reported since the survey began in 2007. But lenders also cited a number of factors which continued to weigh on corporate credit demand. Despite the reported pickup in Q3, some lenders noted that investment remained at a low level. And corporate deposits had grown markedly of late, potentially reducing the need for bank credit to fund corporate expenditure. An additional factor for large firms was the availability of alternative sources of finance, such as bond issuance.

Lenders expected credit demand to increase across all business sizes in Q4. Some lenders commented that business confidence was improving, and expected this to feed through to higher corporate credit demand in future.

For small and medium-sized businesses, default rates were reported to have been little changed in Q3, while losses given default decreased. The default rate for large businesses increased slightly in Q3, while losses given default for large businesses were little changed.

Credit conditions for non-bank financial corporations continued to ease in Q3, with lenders reporting a significant narrowing in lending spreads, a fall in fees and commissions, and a significant increase in maximum credit lines. Demand for credit from non-bank financial corporations increased in Q3, and a further increase was anticipated in Q4.

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/Pages/other/monetary/creditconditions.aspx.

		Net percentage balances ^(a)											
		2010	2011				2012				2013		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
How has the availability of secured credit provided to households changed?	Past three months	3.4	2.8	2.9	8.4	1.9	3.8	-4.1	21.9	26.2	17.0	17.4	21.7
	Next three months	2.7	14.6	-1.9	6.9	7.6	-8.7	0.1	36.1	24.7	15.8	17.2	-4.5
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	0.0	1.1	0.0	5.0	-1.6	-8.6	-10.5	-2.8	0.8	1.9	2.0	4.8
	Next three months	-9.9	-8.2	-8.7	-11.2	-9.9	-8.6	-9.0	6.9	2.6	0.0	0.0	4.8
market share objectives	Past three months	8.3	7.2	18.7	14.9	-1.5	-11.6	16.9	8.4	22.5	21.6	34.9	29.5
	Next three months	7.1	17.9	7.3	-1.0	7.6	-18.9	1.1	11.3	29.9	21.6	13.0	10.1
changing appetite for risk	Past three months	-0.9	1.4	0.0	7.0	7.8	-7.2	1.6	8.1	1.8	8.3	13.1	-4.8
	Next three months	1.4	0.9	4.1	5.5	0.0	-18.7	0.0	1.7	16.7	0.0	6.0	11.5
tight wholesale funding conditions	Past three months	-6.3	-11.5	2.9	-20.9	-26.9	-20.0	-20.4	9.2	21.8	7.6	3.9	0.0
	Next three months	-13.2	2.5	-9.1	-12.7	-21.9	-20.8	-18.3	-5.3	5.8	3.8	1.8	0.0
expectations for house prices	Past three months	-12.5	-14.3	-27.5	-6.8	-6.8	1.4	-1.6	-10.0	-1.9	-1.8	0.5	1.7
	Next three months	-19.1	-19.6	-27.7	-16.2	-9.3	-11.5	-10.7	-1.9	-1.9	-3.7	7.8	1.7
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	14.8	-5.4	1.3	1.4	-1.8	9.8	5.3	2.7	20.4	8.9	9.3	19.5
	Next three months	2.1	4.8	0.8	4.8	-4.5	-6.3	1.2	12.6	33.6	8.2	19.2	-8.1
Borrowers with high loan to value ratios (more than 75%)	Past three months	-5.4	14.8	9.4	16.5	2.1	-10.7	4.0	19.6	29.0	18.7	13.8	35.3
	Next three months	9.1	28.6	14.2	24.2	13.3	-8.6	-23.7	15.2	33.6	9.1	20.8	-2.0
Have you become more willing to lend to borrowers with housing equity less than 10% of the value of their home?	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	18.1	2.4
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	19.7	10.8
How have credit scoring criteria for granting loan applications by households changed?	Past three months	-1.6	0.0	4.4	-5.8	-1.4	-10.1	-2.8	-11.4	4.7	-4.2	0.0	-3.1
	Next three months	0.0	2.7	-0.5	-2.0	-19.1	-14.3	-9.9	0.0	-9.3	5.3	1.5	9.8
How has the proportion of household loan applications being approved changed?	Past three months	0.5	0.4	9.6	2.8	-9.7	-17.8	-26.2	-0.9	-1.9	-6.6	10.5	14.2
	Next three months	-9.8	12.8	-0.5	0.0	-16.0	-2.6	-24.1	6.2	1.9	9.2	3.1	9.2

		Net percentage balances ^(a)												
		2010		2011				2012				2013		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
How has the average credit quality of new secured lending to households changed?^(c)	Past three months	1.6	9.0	3.8	3.9	0.0	2.7	12.1	8.1	9.3	-15.6	8.0	10.1	
	Next three months	1.9	5.1	1.2	4.5	-5.5	24.5	18.8	0.0	9.3	-7.8	-6.0	0.0	
How has the default rate on secured loans to households changed?	Past three months	-4.5	11.5	-1.5	-12.3	-24.4	-8.4	-7.0	-8.4	-9.3	1.4	-2.4	-26.2	
	Next three months	-0.3	14.3	23.0	3.6	-15.0	-3.3	1.5	1.7	3.7	6.6	3.8	-14.6	
How have losses given default on secured loans to households changed?	Past three months	23.8	18.7	18.9	-0.8	14.6	-8.0	3.6	-4.0	5.0	-8.1	1.4	-37.6	
	Next three months	9.6	8.0	23.0	18.0	9.7	22.4	1.5	1.7	1.8	-7.6	-8.0	-32.4	
How has demand for secured lending for house purchase from households changed?	Past three months	-41.5	-35.6	7.1	15.3	-21.2	16.2	28.4	7.7	19.6	6.4	43.5	29.6	
	Next three months	-29.0	-7.4	-12.7	1.6	-6.8	12.5	-2.3	8.8	15.3	30.4	20.9	8.6	
<i>of which: demand for prime lending</i>	Past three months	-36.8	-18.1	0.3	14.1	-21.2	11.8	38.3	8.6	17.7	6.4	43.5	27.9	
	Next three months	-29.0	12.7	2.3	2.8	-6.8	12.5	-2.3	8.8	17.2	30.8	19.8	14.7	
<i>of which: demand for buy-to-let lending</i>	Past three months	11.4	6.2	37.0	37.8	12.7	-5.3	-1.6	-9.2	12.6	7.6	35.3	26.0	
	Next three months	-1.0	8.9	21.1	1.8	-6.3	19.8	4.0	13.5	13.7	22.8	18.2	14.7	
<i>of which: demand for other lending</i>	Past three months	-32.1	-30.1	0.0	-4.1	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	
	Next three months	-32.1	0.0	0.0	-4.1	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	
How has demand for secured lending for remortgaging from households changed?	Past three months	16.7	31.1	2.1	-14.0	-10.6	5.6	9.9	-18.1	18.5	14.5	40.9	25.3	
	Next three months	-2.0	26.3	4.3	9.5	-4.3	9.6	8.7	-0.3	17.2	31.2	6.7	11.0	
How have overall secured lending spreads changed?	Past three months	27.6	18.8	0.9	28.2	7.9	-29.0	-32.5	-10.1	27.5	50.0	48.1	38.4	
	Next three months	-6.6	15.3	17.7	17.3	10.4	-23.7	-21.1	21.7	39.1	51.8	40.7	22.8	
<i>of which: spreads on prime lending</i>	Past three months	27.6	18.8	2.1	28.2	7.9	-29.0	-32.5	-10.1	28.0	50.8	48.1	38.4	
	Next three months	3.3	15.3	26.4	17.3	10.4	-23.7	-21.1	21.7	43.8	51.8	47.5	22.8	
<i>of which: spreads on buy-to-let lending</i>	Past three months	10.6	9.6	17.2	1.8	9.9	-10.6	-6.6	1.9	22.3	46.3	43.9	30.6	
	Next three months	7.9	9.6	12.7	1.4	2.7	6.7	-6.9	12.7	31.9	25.7	34.9	15.0	
<i>of which: spreads on other lending</i>	Past three months	0.0	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	0.0	n.a.*	n.a.*	-2.9	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	
How have fees on secured lending changed?	Past three months	10.9	7.6	6.9	-6.7	0.0	1.4	0.0	0.0	0.0	-0.4	1.4	-1.9	
	Next three months	-5.8	-11.4	1.4	6.7	0.0	-1.6	0.0	1.8	1.8	1.0	5.2	5.4	
How have maximum loan to value ratios changed?	Past three months	-1.6	1.4	1.2	2.8	11.5	4.9	6.4	9.3	1.8	7.8	9.6	1.6	
	Next three months	2.6	7.6	4.7	4.9	9.8	-9.1	-1.7	-0.1	16.1	7.8	7.6	0.1	
How have maximum loan to income ratios changed?	Past three months	0.0	0.0	0.0	0.2	-5.0	0.0	6.8	6.9	2.1	7.9	0.0	0.0	
	Next three months	0.0	15.7	4.5	0.0	-5.0	-8.6	0.0	0.0	0.0	7.9	0.0	8.4	
What percentage of your existing secured loan book is contractually committed to passing on any further cuts in Bank Rate?	Median ^(d)	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	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/Pages/other/monetary/creditconditions.aspx.

		Net percentage balances ^(a)												
		2010		2011				2012				2013		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
How has the availability of unsecured credit provided to households changed?	Past three months	-7.7	6.2	1.1	19.9	12.5	4.7	8.1	-4.2	6.6	12.7	18.1	17.2	
	Next three months	18.2	10.3	12.2	1.9	7.0	-10.4	5.6	6.8	14.6	14.6	26.6	19.2	
Factors contributing to changes in credit availability:^(b)														
changing economic outlook	Past three months	0.0	-1.3	1.2	-6.9	0.0	3.4	-1.7	0.0	0.0	0.0	0.0	8.3	
	Next three months	6.9	-1.2	-4.6	-6.3	-2.4	-1.4	-2.2	-1.8	0.0	0.7	-2.2	9.4	
market share objectives	Past three months	0.7	8.9	1.8	3.5	-2.9	-1.5	7.6	-4.2	6.1	8.1	1.1	11.4	
	Next three months	12.0	13.0	23.2	2.7	-2.2	-3.5	10.7	6.8	13.1	13.5	7.6	9.3	
changing appetite for risk	Past three months	-8.8	7.9	0.3	7.2	1.8	-0.5	7.3	1.8	5.1	5.8	8.1	2.9	
	Next three months	19.1	12.7	4.7	7.5	4.5	1.5	6.1	5.8	5.8	7.4	7.5	4.1	
changing cost/availability of funds	Past three months	0.0	-2.0	0.0	-0.9	-1.1	-0.8	-0.7	1.8	5.1	0.0	0.8	0.0	
	Next three months	10.9	7.8	5.4	-0.4	0.2	0.0	-11.9	1.1	4.8	0.0	5.8	0.4	
How have credit scoring criteria for granting credit card loan applications by households changed?	Past three months	-13.0	7.6	-0.4	2.6	5.2	5.7	8.4	0.8	-0.4	19.2	18.4	26.2	
	Next three months	6.2	-7.3	4.9	12.7	4.1	0.8	3.6	5.7	13.4	17.3	16.4	20.2	
How have credit scoring criteria for granting other unsecured loan applications by households changed?	Past three months	-26.9	-11.8	16.7	25.0	10.6	-1.9	3.9	8.6	12.7	-13.8	28.7	28.0	
	Next three months	8.8	-4.6	-7.7	11.6	2.2	2.5	8.6	2.7	-0.1	19.4	32.0	28.7	
How have credit scoring criteria for granting total unsecured loan applications by households changed?	Past three months	-14.8	5.1	1.8	5.4	5.8	4.7	7.8	1.7	1.2	15.3	19.8	26.5	
	Next three months	6.6	-7.0	3.3	12.6	3.9	1.0	4.3	5.4	11.8	17.5	18.4	21.5	
How has the proportion of credit card loan applications from households being approved changed?	Past three months	9.7	20.0	-7.6	-2.9	-1.2	3.8	-1.4	2.6	-17.4	24.4	19.3	24.6	
	Next three months	6.4	2.1	6.3	19.3	3.4	-7.6	-2.0	6.5	22.5	16.5	27.9	20.2	
How has the proportion of other unsecured loan applications from households being approved changed?	Past three months	-16.8	2.5	6.6	20.5	10.7	0.3	-2.3	15.2	20.8	-5.6	34.5	25.4	
	Next three months	8.8	8.9	8.5	19.5	14.1	0.0	14.8	2.7	0.8	26.9	34.9	20.8	
How has the proportion of total unsecured loan applications from households being approved changed?	Past three months	6.2	17.8	-5.8	0.1	0.3	3.4	-1.5	4.0	-12.9	20.9	21.3	24.7	
	Next three months	6.7	2.9	6.6	19.3	4.7	-6.6	0.1	6.1	19.9	17.7	28.8	20.3	

		Net percentage balances ^(a)												
		2010		2011				2012				2013		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
How has the average credit quality of new credit card lending to households changed? ^(c)	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	-6.7	2.6	-10.2	-0.3	3.8	6.7	
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	7.7	5.7	8.3	-6.1	0.0	-9.4	
How has the average credit quality of new other unsecured lending to households changed? ^(c)	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	5.4	5.7	4.0	2.7	11.6	-9.6	
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	-8.6	-2.7	0.9	-1.0	5.1	-8.9	
How has the average credit quality of new total unsecured lending to households changed? ^(c)	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	-5.2	2.9	-8.6	0.0	4.8	4.0	
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	5.7	4.8	7.4	-5.5	0.7	-9.4	
How has the default rate on credit card loans to households changed?	Past three months	-30.4	-35.2	-25.6	-41.8	-29.3	-43.8	-7.1	-0.4	-17.5	-16.2	-8.6	-23.8	
	Next three months	7.3	5.3	-2.2	-21.4	-0.7	6.4	-2.2	-4.1	-9.1	-7.5	-9.5	-8.9	
How has the default rate on other unsecured loans to households changed?	Past three months	-40.3	-37.8	-29.2	-37.6	-37.4	-35.9	-31.7	-21.7	-7.5	0.0	-6.4	-6.8	
	Next three months	-10.1	-8.2	-4.4	3.6	-8.5	-12.7	0.0	0.0	0.0	0.0	-6.4	0.0	
How has the default rate on total unsecured loans to households changed?	Past three months	-31.7	-35.5	-26.0	-41.3	-30.3	-42.8	-10.2	-2.9	-16.3	-14.3	-8.3	-21.1	
	Next three months	5.0	3.6	-2.5	-18.2	-1.7	3.9	-2.0	-3.6	-8.0	-6.7	-9.1	-7.4	
How have losses given default on credit card loans to households changed?	Past three months	-37.0	7.0	11.3	-14.6	-10.7	-21.5	-13.2	6.8	5.9	1.4	9.5	9.8	
	Next three months	-8.9	12.3	12.7	-9.1	-15.6	-7.6	-7.6	6.8	7.5	8.3	9.5	9.8	
How have losses given default on other unsecured loans to households changed?	Past three months	13.4	-2.5	-2.2	-11.8	6.5	0.0	-21.9	-16.0	-0.9	-22.9	-9.0	-0.5	
	Next three months	3.3	-1.2	-8.3	0.0	0.0	-13.6	-8.6	-16.9	-16.5	0.0	-8.1	0.0	
How have losses given default on total unsecured loans to households changed?	Past three months	-30.4	5.8	9.6	-14.2	-8.5	-18.7	-14.3	4.1	5.1	-1.4	7.1	8.2	
	Next three months	-7.3	10.5	9.9	-8.0	-13.6	-8.4	-7.7	4.0	4.7	7.3	7.2	8.3	
How has demand for credit card lending from households changed?	Past three months	-0.5	-0.3	-1.1	4.9	-7.5	-10.8	-16.5	4.1	27.8	2.4	-32.7	-1.9	
	Next three months	8.2	6.2	5.7	24.8	-16.0	-1.6	12.5	7.3	0.0	11.6	0.0	0.0	
How has demand for other unsecured lending from households changed?	Past three months	-12.8	-13.0	-4.2	-4.6	-37.7	16.5	18.7	0.0	34.6	-6.2	5.4	26.4	
	Next three months	13.7	24.1	-1.2	7.8	9.1	4.1	-17.0	9.2	32.3	35.1	15.8	-6.5	
How has demand for total unsecured lending from households changed?	Past three months	-2.2	-1.9	-1.5	3.7	-11.4	-7.3	-12.1	3.6	28.6	1.4	-27.6	2.7	
	Next three months	8.9	8.5	4.8	22.6	-12.8	-0.9	8.8	7.5	3.8	14.3	2.1	-1.0	
How have spreads on credit cards changed?	Past three months	0.2	-6.1	-1.4	7.2	1.5	2.3	0.0	0.0	0.0	0.0	1.0	-9.4	
	Next three months	-8.6	1.5	0.0	0.1	-11.1	1.5	0.0	5.7	0.0	0.0	5.6	-2.0	
How have spreads on other unsecured lending products changed?	Past three months	10.4	22.1	8.4	-10.4	21.8	17.1	5.7	-13.9	31.0	11.6	21.6	37.5	
	Next three months	8.2	2.1	24.8	32.3	5.1	16.7	6.6	12.6	8.0	25.7	17.4	23.4	
How have overall unsecured lending spreads changed?	Past three months	1.5	-2.5	-0.1	5.0	4.1	4.2	0.7	-1.6	3.6	1.4	3.7	-1.9	
	Next three months	-6.4	1.5	3.2	4.1	-9.0	3.5	0.8	6.5	0.9	3.0	7.2	2.1	
How have credit card limits changed?	Past three months	-0.1	11.8	-1.7	13.3	21.2	20.7	-2.2	7.0	5.8	6.7	1.8	7.5	
	Next three months	-8.6	-0.7	12.6	27.7	5.6	0.8	13.5	5.7	6.6	0.0	9.7	0.0	
How has the minimum proportion of credit card balances to be paid changed?	Past three months	-8.1	-5.2	-18.7	-7.3	-7.6	-8.0	5.7	-12.3	0.0	-14.2	-6.6	0.0	
	Next three months	-14.0	0.3	-6.2	0.0	0.0	0.0	-6.5	5.7	0.0	0.0	0.0	0.0	
How have maximum maturities on loans changed? ^(d)	Past three months	0.0	-2.0	0.0	13.6	-13.8	-2.2	-2.3	0.0	0.0	0.0	-0.9	0.7	
	Next three months	-2.1	0.0	-9.4	0.0	-13.8	0.0	0.0	0.0	0.0	-1.0	-3.0	0.0	

** 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) A positive balance indicates an increase in maximum maturities on new loans. The 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/Pages/other/monetary/creditconditions.aspx.

		Net percentage balances ^(a)											
		2010	2011				2012				2013		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
How has the availability of credit provided to the corporate sector overall changed?	Past three months	3.2	6.9	4.1	3.9	11.0	-2.6	-3.2	-5.5	29.4	12.3	14.2	8.5
	Next three months	4.8	7.8	3.4	2.4	8.1	-6.4	0.7	2.6	14.9	3.1	3.5	9.7
<i>of which: commercial real estate sector</i>	Past three months	3.0	-13.7	14.0	2.3	-8.4	-7.5	-7.1	-3.0	10.4	1.7	14.4	0.7
	Next three months	2.1	-6.5	17.8	0.6	-10.2	-20.7	-0.3	5.2	15.4	2.4	13.9	2.6
How have commercial property prices affected credit availability to the commercial real estate sector, and/or secured lending to PNFCs?	Past three months	-24.5	-4.9	-16.3	-1.2	-1.0	-16.7	-15.0	-21.7	-39.4	1.0	1.2	2.6
	Next three months	-23.7	-2.2	-16.3	-2.2	-1.0	-16.3	-17.8	-12.3	-13.6	1.7	0.0	1.4
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	0.9	0.7	0.3	-2.2	-16.7	-8.4	-4.2	1.0	-0.1	6.4	17.1	6.2
	Next three months	2.1	6.8	6.5	-8.3	-15.5	-3.6	-3.4	-3.0	-0.1	6.4	38.5	29.4
changing sector-specific risks	Past three months	13.3	-0.8	0.1	-4.2	-16.0	-3.1	-2.8	-3.8	0.0	0.0	1.1	0.0
	Next three months	0.7	0.7	0.0	-4.2	-12.5	-1.9	-4.9	-1.7	0.0	-0.8	7.0	0.6
market share objectives	Past three months	6.1	9.2	3.9	0.1	14.7	-2.1	4.0	2.8	2.9	8.1	7.2	11.8
	Next three months	6.2	10.3	3.2	0.1	13.5	-1.5	5.6	2.8	0.8	8.1	17.0	19.4
market pressures from capital markets	Past three months	0.9	-4.4	10.4	5.6	0.2	8.3	-0.3	6.9	0.0	7.3	8.8	8.2
	Next three months	0.0	1.7	10.4	21.2	2.9	-1.3	-4.3	0.5	5.8	7.3	7.5	19.2
changing appetite for risk	Past three months	1.5	8.2	0.1	13.3	-2.6	-3.1	-3.8	-1.4	2.1	7.8	1.8	-1.1
	Next three months	0.7	7.6	-0.7	-3.0	0.0	-1.9	-0.5	0.5	0.7	7.8	1.4	9.9
tight wholesale funding conditions	Past three months	-6.4	-9.3	-2.8	-19.0	-42.6	2.1	0.0	-10.4	9.2	4.6	-1.5	0.0
	Next three months	3.3	-6.8	5.6	-39.6	-49.4	-5.8	-25.1	21.5	7.9	-5.9	0.0	0.0
How has the availability of credit provided to small businesses changed?	Past three months	8.9	0.4	4.1	6.8	-1.2	-2.2	0.8	0.8	5.6	0.7	6.6	3.2
	Next three months	11.8	4.0	-2.1	2.5	13.3	0.9	0.8	2.6	6.5	0.7	6.6	15.4
How has the availability of credit provided to medium PNFCs changed?	Past three months	3.0	0.9	1.3	0.8	9.9	-3.1	-1.3	0.9	20.2	4.5	13.1	4.7
	Next three months	3.3	4.9	2.0	0.0	9.2	-2.2	0.8	2.8	17.4	3.1	2.1	6.6
How has the availability of credit provided to large PNFCs changed?	Past three months	1.4	5.2	0.8	-1.1	-0.7	-3.1	-1.4	0.0	17.5	12.9	23.2	2.5
	Next three months	0.7	4.5	4.9	-0.7	-3.8	-4.9	0.7	2.7	18.3	13.8	6.9	11.0

		Net percentage balances ^(a)													
		2010			2011				2012				2013		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3		
How has the proportion of loan applications from small businesses being approved changed?	Past three months	6.8	11.7	-6.1	3.0	-1.9	-2.0	14.5	-1.5	4.2	9.8	18.4	8.5		
	Next three months	-12.3	-1.6	7.4	0.0	0.0	0.9	0.8	0.0	3.3	0.7	4.0	12.8		
How has the proportion of loan applications from medium PNFCs being approved changed?	Past three months	0.0	3.7	-0.8	0.6	-8.1	-4.6	2.0	-2.4	0.7	-3.1	-0.4	-1.7		
	Next three months	-1.4	-1.0	-0.8	3.0	-3.4	0.9	0.0	14.4	6.2	5.8	-1.1	0.6		
How has the proportion of loan applications from large PNFCs being approved changed?	Past three months	0.0	4.4	-0.8	-4.8	1.3	-3.8	-1.0	-1.2	0.0	-3.1	2.6	-1.7		
	Next three months	0.0	5.8	-0.8	2.3	-1.3	-1.8	-1.6	0.7	5.5	0.7	-1.1	0.6		
Has there been a change in average credit quality on newly arranged PNFC borrowing facilities? ^(c)	Past three months	13.5	7.2	5.0	5.2	8.3	19.7	12.7	0.2	-0.8	1.2	-2.2	0.4		
	Next three months	12.9	4.0	3.6	5.2	3.9	15.1	12.7	-6.0	0.0	-0.8	-0.9	-0.9		
Has there been any change in 'target hold' levels associated with corporate lending?	Past three months	-2.8	-5.7	-11.0	1.7	10.7	24.2	13.1	1.3	-6.1	-11.8	-5.1	-5.2		
	Next three months	-2.8	-0.4	11.0	5.9	13.1	12.4	-0.3	4.8	0.7	0.0	-4.5	-6.3		
How have loan tenors on new corporate loans changed? ^(d)	Past three months	-7.4	-0.5	3.1	-11.8	8.8	-10.0	-1.5	-7.0	-11.7	0.0	-1.7	-1.1		
	Next three months	1.5	1.1	18.5	-6.9	-14.2	-2.3	-1.3	-5.5	0.0	0.0	-1.7	11.3		
Has there been a change in draw-downs on committed lines by PNFCs?	Past three months	0.0	-5.5	-19.5	9.8	14.0	-2.4	-0.1	-2.0	-1.1	1.6	-0.2	-13.2		
	Next three months	0.0	-6.6	-12.7	11.9	15.3	4.9	1.5	1.5	1.5	-2.4	-0.2	3.0		
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.**		
How has the default rate on loans to small businesses changed?	Past three months	12.3	19.7	-8.2	-24.0	-14.7	1.4	-15.9	8.3	9.3	-22.2	26.5	2.7		
	Next three months	19.1	19.7	8.1	-2.5	1.8	-1.3	-6.8	6.0	6.1	-0.7	-0.7	0.5		
How has the default rate on loans to medium PNFCs changed?	Past three months	-0.5	-21.1	0.7	-6.2	18.0	17.7	2.1	1.6	24.7	-13.6	-0.6	-3.7		
	Next three months	-15.7	-19.9	-5.0	20.0	25.5	21.9	0.0	13.5	9.4	11.2	2.1	-15.9		
How has the default rate on loans to large PNFCs changed?	Past three months	-18.9	-20.2	-7.1	-6.3	18.6	6.9	-6.8	11.3	30.7	-11.2	4.0	9.9		
	Next three months	-9.0	-21.1	-6.6	30.1	14.2	7.5	18.8	6.4	7.3	0.7	-1.5	-3.1		
How has loss given default on loans to small businesses changed?	Past three months	36.3	22.0	-15.5	-10.2	-19.6	8.6	5.9	0.0	0.0	-14.0	7.2	-12.6		
	Next three months	19.1	15.5	2.9	0.7	1.0	-2.3	0.0	0.0	0.0	-0.7	-0.7	10.9		
How have losses given default on loans to medium PNFCs changed?	Past three months	0.3	-7.3	-7.7	-5.3	2.1	11.6	2.2	0.7	14.3	-8.6	12.5	-13.0		
	Next three months	-5.1	-6.4	-5.7	6.3	19.3	21.5	14.8	15.1	0.2	-2.1	-11.5	-12.4		
How have losses given default on loans to large PNFCs changed?	Past three months	-5.0	-6.3	-7.8	-5.5	0.0	7.0	0.0	14.1	12.4	4.1	0.2	-3.3		
	Next three months	-5.2	-8.2	-6.5	6.5	20.7	20.3	13.3	5.7	-0.7	9.9	-0.7	-1.5		
How has demand for credit card lending from small businesses changed? ^(e)	Past three months	-7.6	-20.9	-29.6	-29.1	-1.5	-1.5	10.4	0.5	11.7	11.7	10.4	21.8		
	Next three months	36.4	50.0	27.7	5.9	15.6	20.9	-1.4	10.4	9.8	21.5	10.4	9.4		
How has demand for other unsecured lending from small businesses changed? ^(e)	Past three months	-8.6	n.a.*	21.2	-17.4	-25.4	-15.8	12.1	n.a.*	n.a.*	n.a.*	n.a.*	24.4		
	Next three months	-6.2	n.a.*	8.9	0.2	-15.6	15.8	0.0	n.a.*	n.a.*	n.a.*	n.a.*	16.1		
How has demand for total unsecured lending from small businesses changed? ^(e)	Past three months	-7.8	-18.7	-21.5	-27.3	-5.1	-3.7	10.6	-2.2	8.7	7.6	10.6	22.2		
	Next three months	27.7	47.0	24.7	5.0	10.9	20.1	-1.2	11.8	8.5	22.5	9.1	10.5		
How has demand for secured lending from small businesses changed? ^(e)	Past three months	-26.5	-26.9	34.9	-21.6	-9.8	-20.1	15.3	-1.5	-7.5	-11.2	35.9	24.1		
	Next three months	19.4	27.4	0.0	0.0	-9.8	17.7	0.0	17.2	2.0	28.5	6.9	8.7		

		Net percentage balances ^(a)												
		2010		2011				2012				2013		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
How has overall demand for lending from small businesses changed?^(e)	Past three months	0.0	-30.6	35.5	-15.4	-35.1	-16.6	16.7	-13.4	-19.2	-27.7	11.1	16.9	
	Next three months	-12.3	27.9	3.8	-10.7	-23.4	14.0	0.8	0.8	6.9	28.9	4.0	14.0	
How has demand for lending from medium PNFCs changed?	Past three months	3.1	-3.1	14.9	9.2	-1.6	-5.9	-2.9	-2.8	5.5	-7.9	20.5	14.0	
	Next three months	1.1	9.5	3.5	-12.3	-9.2	19.2	10.9	6.3	5.2	15.6	6.3	26.2	
How has demand for lending from large PNFCs changed?	Past three months	-3.7	10.6	6.3	-13.2	1.5	-5.2	-14.9	-13.3	0.6	4.8	17.5	-3.0	
	Next three months	19.1	5.0	-8.1	-14.9	-5.2	-8.0	-6.7	0.2	3.7	29.4	26.5	21.9	
How has demand for lending from OFCs changed?	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	-2.4	10.7	-6.8	-13.5	0.0	13.4	
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	0.0	-0.6	0.0	6.9	-13.5	13.4	
What have been the main factors contributing to changes in demand for lending:^(b)														
mergers and acquisitions	Past three months	5.2	20.0	-9.4	3.0	-0.9	-19.6	-27.8	-10.7	10.4	6.4	27.1	12.8	
	Next three months	35.2	8.2	-7.9	-6.8	-1.8	-3.3	3.4	-10.2	0.4	20.4	14.1	27.7	
capital investment	Past three months	0.0	0.0	-14.0	-7.7	-3.4	-19.1	-11.3	-9.3	-3.2	-11.8	4.0	23.9	
	Next three months	-0.8	-0.9	-7.4	-12.2	-3.2	-1.6	-1.3	-6.5	-0.9	3.9	2.8	19.4	
inventory finance	Past three months	2.2	0.6	-0.1	-2.4	0.7	-14.6	-9.9	-7.8	0.0	3.6	0.7	-0.5	
	Next three months	0.7	6.2	7.4	-0.6	0.7	-0.6	0.0	0.7	3.1	3.9	0.7	22.8	
balance sheet restructuring	Past three months	1.5	2.8	-15.8	10.6	-0.1	-11.1	-6.1	7.2	11.8	16.8	13.4	7.3	
	Next three months	2.2	2.8	-16.6	-3.1	1.6	3.0	1.2	-0.8	3.2	2.2	7.9	8.0	
commercial real estate	Past three months	-18.3	-3.4	-0.1	1.8	-1.1	-19.5	-6.5	-5.2	-10.0	4.5	-7.9	23.3	
	Next three months	-20.4	5.6	5.5	2.5	-1.4	-17.0	-3.8	-12.3	-12.9	16.5	-11.3	27.7	
How have spreads on loans to small businesses changed?	Past three months	-12.6	-8.3	-2.0	-2.5	-11.1	-6.4	-13.1	0.0	-2.0	12.0	-1.2	6.7	
	Next three months	-11.3	-8.3	-11.2	-6.9	-20.3	-8.1	-21.1	-9.0	-2.0	6.2	0.0	0.0	
How have fees/commissions on loans to small businesses changed?	Past three months	-11.3	-8.1	2.8	0.0	-7.0	0.0	-1.4	-12.7	1.5	-7.4	7.8	7.9	
	Next three months	-11.3	-6.1	0.0	-6.9	0.0	-8.1	-12.9	0.0	-0.7	7.4	0.0	0.0	
How have collateral requirements for loans to small businesses changed?	Past three months	0.0	-3.3	-2.0	-14.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	Next three months	0.0	-3.3	-2.0	-13.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
How have maximum credit lines for small businesses changed?	Past three months	0.0	0.0	-2.0	-2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	Next three months	0.0	0.0	-2.0	-13.5	0.0	0.9	0.0	0.0	0.0	0.0	0.0	2.6	
How have loan covenants for small businesses changed?	Past three months	25.6	-3.3	-2.0	-14.8	-2.6	-2.8	-3.7	0.0	0.0	0.0	0.0	0.0	
	Next three months	-3.0	0.0	-2.0	-13.5	0.0	-0.9	-0.8	0.0	0.0	0.0	0.0	0.0	
How have spreads on loans to medium PNFCs changed?	Past three months	-3.0	14.3	21.9	22.6	-19.6	-33.1	-39.8	-5.5	29.8	39.1	7.9	23.1	
	Next three months	-1.3	0.6	19.9	18.0	-33.8	-11.6	-27.7	-1.4	19.3	13.4	0.0	16.8	
How have fees/commissions on loans to medium PNFCs changed?	Past three months	17.7	14.5	19.2	20.6	-8.4	-18.8	-21.8	-2.2	19.9	9.3	9.6	1.2	
	Next three months	11.5	0.3	18.0	19.2	-20.9	-7.3	-15.4	0.0	7.8	2.8	-0.7	1.2	
How have collateral requirements for loans to medium PNFCs changed?	Past three months	-0.8	-0.6	-2.8	-4.4	-1.2	-4.8	-0.7	0.0	0.0	0.0	0.0	1.5	
	Next three months	0.0	0.9	-1.4	0.0	-2.5	-6.9	-1.9	0.0	1.2	0.0	0.8	2.2	
How have maximum credit lines for medium PNFCs changed?	Past three months	2.9	-8.6	-11.1	0.8	-4.0	-12.4	-3.3	-1.0	-1.2	0.0	-1.0	10.6	
	Next three months	2.9	5.1	1.6	-5.3	-1.6	-7.7	-1.2	12.5	-0.5	0.0	0.0	0.7	
How have loan covenants for medium PNFCs changed?	Past three months	1.8	1.3	4.9	-2.0	-3.7	-14.9	-15.3	0.0	0.0	0.0	0.0	-0.2	
	Next three months	-5.1	-1.4	1.9	-5.3	-16.2	0.0	-1.2	0.0	0.0	0.0	0.0	-0.9	

		Net percentage balances ^(a)												
		2010		2011				2012				2013		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
How have spreads on loans to large PNFCs changed?	Past three months	26.2	21.7	27.9	17.0	-14.4	-33.0	-4.3	-2.0	31.4	24.3	32.8	37.7	
	Next three months	0.8	8.4	13.6	9.5	-44.2	-9.7	-23.0	0.0	8.5	20.7	25.8	42.3	
How have fees/commissions on loans to large PNFCs changed?	Past three months	34.8	21.9	16.6	15.7	-3.7	-19.8	-2.9	-2.7	9.2	0.7	13.1	12.4	
	Next three months	13.1	7.1	15.3	13.2	-29.6	-6.7	-10.5	0.0	7.8	8.8	13.2	29.6	
How have collateral requirements for loans to large PNFCs changed?	Past three months	-0.8	13.8	-2.8	-2.1	-3.2	-0.7	0.0	0.0	0.0	0.0	-0.9	0.7	
	Next three months	0.0	1.8	-1.4	0.0	-1.9	-0.7	-0.5	-0.5	0.0	0.8	0.9	0.0	
How have maximum credit lines for large PNFCs changed?	Past three months	5.7	18.6	2.3	4.5	0.1	-10.1	-3.4	-1.1	-3.3	3.9	16.7	31.1	
	Next three months	3.7	18.8	15.2	3.0	-1.6	-7.6	0.0	0.7	2.6	3.9	19.1	29.6	
How have loan covenants for large PNFCs changed?	Past three months	19.0	19.8	16.5	17.4	-8.8	1.9	0.8	0.0	0.8	7.3	0.0	23.9	
	Next three months	0.7	18.4	10.6	7.5	-21.8	-0.7	-0.5	0.0	0.0	0.8	6.4	20.7	
How have spreads on loans to OFCs changed?	Past three months	33.3	6.8	22.8	9.5	-16.5	-16.1	-3.6	0.6	-2.7	12.7	12.7	42.0	
	Next three months	1.0	1.7	1.0	9.2	-30.4	-24.7	-22.1	13.9	7.9	6.5	19.8	28.2	
How have fees/commissions on loans to OFCs changed?	Past three months	32.6	1.7	1.0	1.8	-2.1	-8.6	-2.1	-0.3	-6.0	3.9	23.4	19.9	
	Next three months	1.0	1.7	1.0	14.9	-16.1	-22.5	-8.6	0.0	10.3	0.0	19.8	28.2	
How have collateral requirements for loans to OFCs changed?	Past three months	0.9	1.9	-4.6	-1.3	-3.0	-7.5	-8.4	-6.6	-13.1	0.0	3.5	0.0	
	Next three months	0.0	1.0	0.0	-0.7	-3.0	-6.9	-2.1	0.0	0.0	0.0	0.0	0.0	
How have maximum credit lines for OFCs changed?	Past three months	19.8	6.1	5.3	-0.4	-9.1	-6.2	-9.4	6.3	6.3	0.0	19.8	33.0	
	Next three months	4.9	6.8	5.3	-6.5	-9.1	-5.5	-0.8	-1.0	0.0	12.9	19.8	7.1	
What percentage of your existing PNFC loan book is contractually committed to passing on any further cuts in Bank Rate?	Median ^(f)	n.a.**	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/demand.
- (c) A positive balance indicates an improvement in the credit quality of new borrowing.
- (d) A positive balance indicates an increase in new corporate loan tenors. The sign convention was changed in 2009 Q3 and was applied to the back data accordingly.
- (e) 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.
- (f) 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.