Survey results | 2013 Q4





2013 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 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 Q4 survey. The 2013 Q4 survey was conducted between 11 November and 2 December 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 Q4 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 dates in 2014 for future *Credit Conditions Surveys* are:

2014 Q1 survey on 3 April 2014.

2014 Q2 survey on 3 July 2014.

2014 Q3 survey on 8 October 2014.



### 2013 Q4

#### Supply

- The availability of secured credit to households was reported to have increased in the three months to early December 2013, particularly for borrowers with higher loan to value ratios. Lenders expected a significant increase in availability over the next three months.
- Lenders reported that the availability of unsecured credit to households was unchanged in 2013 Q4, following reported increases in the previous four quarters.
- The overall availability of credit to the corporate sector increased significantly in Q4, according to lenders, and a further increase was expected in 2014 Q1. Lenders reported that the availability of credit had increased for small businesses and large private non-financial corporations (PNFCs).

#### Demand

- Demand for secured lending for house purchase was reported to have increased significantly in 2013 Q4, with the net percentage balance rising to its highest level since the survey began in 2007. Demand for secured lending for remortgaging also increased significantly in 2013 Q4.
- Lenders reported that demand for credit card lending fell in Q4, but expected demand to increase slightly over the next three months. Demand for other unsecured lending products, such as personal loans, decreased significantly in Q4, although an increase in demand was expected in 2014 Q1.
- Demand for lending from small businesses was reported to have remained flat in Q4, demand from medium-sized companies increased significantly and demand from large PNFCs increased slightly. Lenders expected credit demand to increase across all firm sizes in 2014 Q1, with significant increases expected for small businesses and large PNFCs.

#### Defaults

- Lenders reported that both default rates and losses given default on secured loans to households fell significantly in 2013 Q4, and were expected to fall significantly further in 2014 Q1.
- Default rates on unsecured lending fell in Q4, driven by lower default rates on credit cards. Losses given default remained unchanged across all unsecured lending.
- Default rates on lending to small businesses were reported to have fallen significantly in Q4. For medium-sized companies default rates remained unchanged and for large PNFCs they fell over the quarter. Losses given default fell across all firm sizes in 2013 Q4 and were expected to fall again over the next three months.

### 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 fifth consecutive quarter in Q4. Lenders expected a slight further narrowing in 2014 Q1.
- Spreads on credit card lending were reported to have remained unchanged in Q4. In contrast, spreads on other unsecured lending products tightened significantly, and a further significant tightening was anticipated over the next three months.
- Spreads on corporate lending fell in Q4, with significant reductions reported for medium-sized companies and large PNFCs, and a slight reduction reported for small businesses. Over the next three months, lenders expected spreads to tighten further for medium-sized companies and large PNFCs, and to be little changed for small businesses.

This report presents the results of the 2013 Q4 survey. The 2013 Q4 survey was conducted between 11 November and 2 December 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  $\pm 100$ .

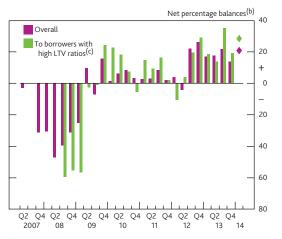
This report, and copies of the questionnaires are available on the Bank's website at

www.bank of england.co.uk/publications/Pages/other/monetary/credit conditions.aspx.

In the three months to early December, lenders reported that the availability of secured credit to households increased. Spreads on secured lending tightened significantly, as they did for other unsecured household lending, such as personal loans. Lenders' responses to the survey suggested that household demand for secured lending in Q4 was rising at its fastest pace since the survey began in 2007. Household loan performance was reported to have improved significantly in Q4.

Overall corporate credit availability also increased significantly in 2013 Q4, with lenders reporting increases for small businesses and large private non-financial corporations (PNFCs). Spreads on corporate lending tightened in Q4, particularly for medium-sized companies and large PNFCs. Lenders reported that demand for credit was little changed for small businesses, but had increased for medium-sized companies and large PNFCs. Corporate loan performance generally improved in Q4.

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 magent amd green bars show the responses or who reverse the previous three months. The corresponding diamonds show the expectations over the next
- (b) A positive balance indicates that more secured credit is available.
  (c) This question was introduced in 2008 Q3. It covers borrowers with a LTV ratio higher than 75%.

The 2013 Q4 Credit Conditions Survey was conducted between 11 November and 2 December 2013.

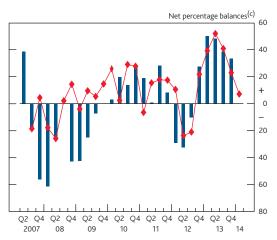
### Secured lending to households

In the three months to early December, lenders reported that the availability of secured credit to households increased (Chart 1). An increase in availability was reported for borrowers with loan to value (LTV) ratios above 75%, and there was also an increased willingness to lend at LTV ratios above 90%. The expansion in overall availability was driven by market share objectives, higher expectations for house prices and an increased appetite for risk. Consistent with an increased risk appetite, credit scoring criteria were loosened and the proportion of loan applications being approved increased significantly.

Lenders expected the availability of secured credit to significantly increase in 2014 Q1, including for those borrowers with a LTV ratio above 75% and 90%. Many lenders attributed the increased availability at the highest LTV ratios to participation in the Government's Help to Buy Scheme, while some others attributed it to increased competition associated with the Scheme. Consistent with a move into higher LTV lending, lenders expected the average credit quality of new lending to fall over the next quarter.

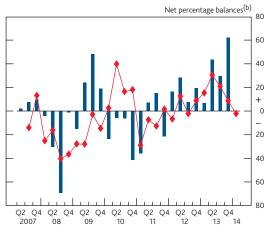
Spreads on secured lending rates to households — relative to Bank Rate or the relevant swap rate — narrowed significantly for the fifth consecutive quarter in Q4, according to lenders (Chart 2). This tightening was reported, by some, to reflect increased competition in the mortgage market. This came at the same time as a significant fall in banks' internal transfer

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



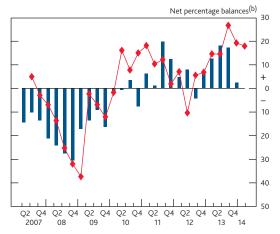
- (a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question. The blue bars show the responses over the previous three months. The red diamonds show the expectations over the next three months. Expectations balances have been moved forward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



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

price in Q4, as reported in the Q4 Bank Liabilities Survey. This was driven mainly by a fall in swaps or other reference rates and a reduction in long-term unsecured wholesale funding spreads.(1) Lenders expected a slight further narrowing in mortgage spreads over the next three months, although the net percentage balance for their expectations was much lower than in previous surveys.

Lenders reported that demand for secured lending to finance a house purchase increased significantly in Q4, with the net percentage balance rising to its highest level since the survey began (Chart 3). Lenders also reported that demand for secured lending for remortgaging increased significantly in 2013 Q4. Some lenders suggested that the increase in demand was supported by first-time buyer and homemover interest in the Government's Help to Buy Scheme. Competitive pricing and increased promotional activity was also reported to have stimulated demand. Lenders expected little change in demand for secured lending in 2014 Q1.

Secured household loan performance improved significantly in Q4, according to lenders. Both default rates and losses given default fell significantly and these trends were expected to continue in 2014 Q1. Lenders attributed the falls in loss given default to rises in house prices.

### Unsecured lending to households

The total amount of unsecured credit made available to households was unchanged in the three months to early December, having increased in the previous four quarters (Chart 4). Lenders expected increases in unsecured credit availability to resume in 2014 Q1, driven by market share objectives and, to a lesser extent, an expected improvement in the economic outlook and an increased appetite for risk.

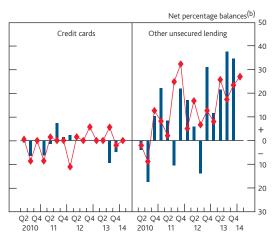
Credit scoring criteria for total unsecured lending loosened slightly in Q4 with lenders expecting this to continue into 2014 Q1. There was also an increase in the proportion of applications approved, again expected to continue into the next quarter.

For credit cards, lenders reported no change in spreads in Q4. Over the past few years, reported changes in credit card spreads have been limited, and lenders expected no change to spreads in 2014 Q1. In contrast, spreads on other unsecured lending products, such as personal loans, fell significantly in Q4, having fallen in the previous four quarters (Chart 5). Lenders attributed this to increased competition in this market.

Lenders reported that demand for credit card lending fell in Q4, but expected demand to increase slightly over the next

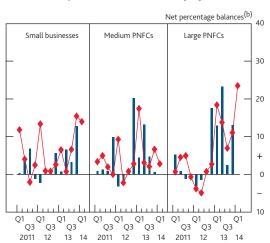
<sup>(1)</sup> See the 2013 Q4 Bank Liabilities Survey for more details, available at www.bankofengland.co.uk/publications/Pages/other/monetary/bls/default.aspx.

Chart 5 Household unsecured credit spreads(a)



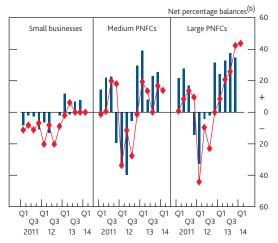
- (a) See footnote (a) to Chart 2
- (b) A positive balance indicates that spreads have fallen such that, all else being equal, it is cheaper for households to borrow.

Chart 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 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.

three months. Demand for other unsecured lending products, such as personal loans, decreased significantly in Q4, although an increase in demand was expected in 2014 Q1.

According to lenders, default rates on unsecured lending fell in Q4, driven by lower default rates on credit cards. There were no significant changes in losses given default.

### 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.<sup>(1)</sup>

Overall credit availability to the corporate sector was reported to have increased significantly in 2013 Q4; lenders have now reported an increase in availability for five consecutive quarters. Lenders cited market share objectives, competition from capital markets and an improvement in the economic outlook as factors that had contributed significantly to the increase in availability. All these factors were expected to contribute significantly to availability in 2014 Q1.

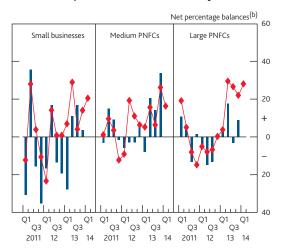
Within the corporate sector, credit availability to the commercial real estate sector was reported to have increased over the quarter. Lenders reported that commercial property prices had pushed up significantly on availability for the first time since this question was asked in 2008.

Turning to credit availability by firm size, lenders reported increased availability for small businesses and large PNFCs in Q4, but little change for medium-sized companies (Chart 6). Lenders expected a similar outcome in 2014 Q1. The net balance of lenders reporting increased credit availability for small businesses was the second highest since the question was first asked in 2009 Q4. Lenders reported that the proportion of loan applications from small businesses being approved had risen for the fourth consecutive quarter in 2013 Q4.

Spreads on corporate lending tightened in Q4, with significant reductions reported for medium-sized and large PNFCs, and slight falls for small businesses (Chart 7). Lenders commented that falls in spreads largely reflected increased competition in the corporate lending market. Looking ahead to 2014 Q1, spreads were expected to fall significantly for large companies, to fall for medium-sized companies, and to be little changed for small businesses.

<sup>(1)</sup> 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 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 PNFCs in Q4. In particular, lenders reported significant falls in fees and commissions, as well as a significant loosening in loan covenants and an increase in maximum credit lines. A significant further easing in lending terms was expected in 2014 Q1. For medium-sized companies, fees and commissions fell, and further significant falls were expected into the next quarter. While maximum credit lines increased a little for small businesses in Q4, other non-price terms were unchanged with no changes expected in 2014 Q1.

Demand for credit from small businesses was unchanged in Q4, following an increase in the previous two quarters, while demand from medium-sized companies increased significantly. There was a slight increase in demand for credit from large PNFCs (Chart 8). Lenders expected demand to pick up across all firm sizes in 2014 Q1, with significant increases expected for small businesses and large PNFCs.

Lenders reported that a number of factors, including capital investment, inventory finance, commercial real estate, and, to a lesser extent, mergers and acquisitions and balance sheet restructuring had pushed up on demand.

Corporate loan performance generally improved in 2013 Q4 for all firm sizes. In Q4, default rates fell significantly for small businesses, fell for large PNFCs and were unchanged for medium-sized companies. Losses given default fell for all firm sizes in Q4 and were expected to fall again over the next quarter.

Credit conditions for non-bank financial corporations continued to ease in Q4, with lenders reporting a significant narrowing in lending spreads, significant falls in fees and commissions, and a slight increase in maximum credit lines. Demand for credit from non-bank financial corporations was unchanged in Q4, but an increase was anticipated over the next quarter.

### 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 p	ercent	age bal	lances <sup>(a</sup>	a)			
			2	011			2	012			2	013	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has the availability of secured credit	Past three months	2.8	2.9	8.4	1.9	3.8	-4.1	21.9	26.2	17.0	17.4	21.7	13.8
provided to households changed?	Next three months	14.6	-1.9	6.9	7.6	-8.7	0.1	36.1	24.7	15.8	17.2	-4.5	20.
Factors contributing to changes in													
credit availability:(b)													
changing economic outlook	Past three months	1.1	0.0	5.0	-1.6	-8.6	-10.5	-2.8	0.8	1.9	2.0	4.8	5.3
	Next three months	-8.2	-8.7	-11.2	-9.9	-8.6	-9.0	6.9	2.6	0.0	0.0	4.8	8.9
market share objectives	Past three months	7.2	18.7	14.9	-1.5	-11.6	16.9	8.4	22.5	21.6	34.9	29.5	20.
	Next three months	17.9	7.3	-1.0	7.6	-18.9	1.1	11.3	29.9	21.6	13.0	10.1	11.4
changing appetite for risk	Past three months	1.4	0.0	7.0	7.8	-7.2	1.6	8.1	1.8	8.3	13.1	-4.8	11.5
	Next three months	0.9	4.1	5.5	0.0	-18.7	0.0	1.7	16.7	0.0	6.0	11.5	11.6
tight wholesale funding conditions	Past three months	-11.5	2.9	-20.9	-26.9	-20.0	-20.4	9.2	21.8	7.6	3.9	0.0	0.0
	Next three months	2.5	-9.1	-12.7	-21.9	-20.8	-18.3	-5.3	5.8	3.8	1.8	0.0	-2.7
expectations for house prices	Past three months	-14.3	-27.5	-6.8	-6.8	1.4	-1.6	-10.0	-1.9	-1.8	0.5	1.7	17.1
	Next three months	-19.6	-27.7	-16.2	-9.3	-11.5	-10.7	-1.9	-1.9	-3.7	7.8	1.7	18.0
How has the availability of household secured													
credit to the following types of borrower													
changed?													
Borrowers with low loan to value ratios	Past three months	-5.4	1.3	1.4	-1.8	9.8	5.3	2.7	20.4	8.9	9.3	19.5	2.9
(75% or less)	Next three months	4.8	0.8	4.8	-4.5	-6.3	1.2	12.6	33.6	8.2	19.2	-8.1	0.0
Borrowers with high loan to value ratios	Past three months	14.8	9.4	16.5	2.1	-10.7	4.0	19.6	29.0	18.7	13.8	35.3	19.1
(more than 75%)	Next three months	28.6	14.2	24.2	13.3	-8.6	-23.7	15.2	33.6	9.1	20.8	-2.0	28.4
Have you become more willing to lend to	Past three months	n.a.**	n.a.**	n.a.**	18.1	2.4	18.0						
borrowers with housing equity less than 10%	Next three months	n.a.**	n.a.**	n.a.**	19.7	10.8	24.6						
of the value of their home?													
How have credit scoring criteria for granting	Past three months	0.0	4.4	-5.8	-1.4	-10.1	-2.8	-11.4	4.7	-4.2	0.0	-3.1	10.5
loan applications by households changed?	Next three months	2.7	-0.5	-2.0	-19.1	-14.3	-9.9	0.0	-9.3	5.3	1.5	9.8	6.4
How has the proportion of household loan	Past three months	0.4	9.6	2.8	-9.7	-17.8	-26.2	-0.9	-1.9	-6.6	10.5	14.2	28.7
applications being approved changed?	Next three months	-12.8	-0.5	0.0	-16.0	-2.6	-24.1	6.2	1.9	9.2	3.1	9.2	-2.0

						ТЧСТР		age bai			2043				
				011				012				013			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
How has the average credit quality of new	Past three months	9.0	3.8	3.9	0.0	2.7	12.1	8.1	9.3	-15.6	8.0	10.1	13.2		
secured lending to households changed?(c)	Next three months	5.1	1.2	4.5	-5.5	24.5	18.8	0.0	9.3	-7.8	-6.0	0.0	-10.3		
How has the default rate on secured loans to	Past three months	11.5	-1.5	-12.3	-24.4	-8.4	-7.0	-8.4	-9.3	1.4	-2.4	-26.2	-44.9		
households changed?	Next three months	14.3	23.0	3.6	-15.0	-3.3	1.5	1.7	3.7	6.6	3.8	-14.6	-26.3		
How have losses given default on	Past three months	18.7	18.9	-0.8	14.6	-8.0	3.6	-4.0	5.0	-8.1	1.4	-37.6	-51.0		
secured loans to households changed?	Next three months	8.0	23.0	18.0	9.7	22.4	1.5	1.7	1.8	-7.6	-8.0	-32.4	-46.0		
How has demand for secured lending for house	Past three months	-35.6	7.1	15.3	-21.2	16.2	28.4	7.7	19.6	6.4	43.5	29.6	62.0		
purchase from households changed?	Next three months	-7.4	-12.7	1.6	-6.8	12.5	-2.3	8.8	15.3	30.4	20.9	8.6	-2.3		
of which: demand for prime lending	Past three months	-18.1	0.3	14.1	-21.2	11.8	38.3	8.6	17.7	6.4	43.5	27.9	62.0		
	Next three months	12.7	2.3	2.8	-6.8	12.5	-2.3	8.8	17.2	30.8	19.8	14.7	-2.3		
of which: demand for buy-to-let lending	Past three months	6.2	37.0	37.8	12.7	-5.3	-1.6	-9.2	12.6	7.6	35.3	26.0	25.2		
	Next three months	8.9	21.1	1.8	-6.3	19.8	4.0	13.5	13.7	22.8	18.2	14.7	18.5		
of which: demand for other lending	Past three months	-30.1	0.0	-4.1	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*		
·	Next three months	0.0	0.0	-4.1	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*		
How has demand for secured lending for	Past three months	31.1	2.1	-14.0	-10.6	5.6	9.9	-18.1	18.5	14.5	40.9	25.3	33.1		
remortgaging from households changed?	Next three months	26.3	4.3	9.5	-4.3	9.6	8.7	-0.3	17.2	31.2	6.7	11.0	1.0		
How have overall secured lending spreads	Past three months	18.8	0.9	28.2	7.9	-29.0	-32.5	-10.1	27.5	50.0	48.1	38.4	33.4		
changed?	Next three months	15.3	17.7	17.3	10.4	-23.7	-21.1	21.7	39.1	51.8	40.7	22.8	7.0		
of which: spreads on prime lending	Past three months	18.8	2.1	28.2	7.9	-29.0	-32.5	-10.1	28.0	50.8	48.1	38.4	33.4		
	Next three months	15.3	26.4	17.3	10.4	-23.7	-21.1	21.7	43.8	51.8	47.5	22.8	7.0		
of which: spreads on buy-to-let lending	Past three months	9.6	17.2	1.8	9.9	-10.6	-6.6	1.9	22.3	46.3	43.9	30.6	26.5		
	Next three months	9.6	12.7	1.4	2.7	6.7	-6.9	12.7	31.9	25.7	34.9	15.0	-3.2		
of which: spreads on other lending	Past three months	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*	n.a.*								
, ,	Next three months	n.a.*	n.a.*	-2.9	n.a.*	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	7.6	6.9	-6.7	0.0	1.4	0.0	0.0	0.0	-0.4	1.4	-1.9	0.0		
	Next three months	-11.4	1.4	6.7	0.0	-1.6	0.0	1.8	1.8	1.0	5.2	5.4	0.0		
How have maximum loan to value ratios	Past three months	1.4	1.2	2.8	11.5	4.9	6.4	9.3	1.8	7.8	9.6	1.6	5.0		
changed?	Next three months	7.6	4.7	4.9	9.8	-9.1	-1.7	-0.1	16.1	7.8	7.6	0.1	14.4		
How have maximum loan to income ratios	Past three months	0.0	0.0	0.2	-5.0	0.0	6.8	6.9	2.1	7.9	0.0	0.0	8.4		
changed?	Next three months	15.7	4.5	0.0	-5.0	-8.6	0.0	0.0	0.0	7.9	0.0	8.4	0.0		

<sup>\*</sup> Data are unpublished for this question as too few responses were received.

<sup>\*\*</sup> Additional question not asked in survey.

 <sup>(</sup>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.

### 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 <sup>(a)</sup>											
			20	)11		Песр		)12	.arrees		2	013	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has the availability of unsecured credit	Past three months	6.2	1.1	19.9	12.5	4.7	8.1	-4.2	6.6	12.7	18.1	17.2	2.6
provided to households changed?	Next three months	10.3	12.2	1.9	7.0	-10.4	5.6	6.8	14.6	14.6	26.6	19.2	17.9
Factors contributing to changes in credit availa	bility:(b)												
changing economic outlook	Past three months	-1.3	1.2	-6.9	0.0	3.4	-1.7	0.0	0.0	0.0	0.0	8.3	1.1
	Next three months	-1.2	-4.6	-6.3	-2.4	-1.4	-2.2	-1.8	0.0	0.7	-2.2	9.4	8.1
market share objectives	Past three months	8.9	1.8	3.5	-2.9	-1.5	7.6	-4.2	6.1	8.1	1.1	11.4	0.1
	Next three months	13.0	23.2	2.7	-2.2	-3.5	10.7	6.8	13.1	13.5	7.6	9.3	21.9
changing appetite for risk	Past three months	7.9	0.3	7.2	1.8	-0.5	7.3	1.8	5.1	5.8	8.1	2.9	1.4
	Next three months	12.7	4.7	7.5	4.5	1.5	6.1	5.8	5.8	7.4	7.5	4.1	9.4
changing cost/availability of funds	Past three months	-2.0	0.0	-0.9	-1.1	-0.8	-0.7	1.8	5.1	0.0	0.8	0.0	0.0
	Next three months	7.8	5.4	-0.4	0.2	0.0	-11.9	1.1	4.8	0.0	5.8	0.4	0.0
How have credit scoring criteria for granting	Past three months	7.6	-0.4	2.6	5.2	5.7	8.4	0.8	-0.4	19.2	18.4	26.2	7.6
credit card loan applications by households changed?	Next three months	-7.3	4.9	12.7	4.1	0.8	3.6	5.7	13.4	17.3	16.4	20.2	17.0
How have credit scoring criteria for granting	Past three months	-11.8	16.7	25.0	10.6	-1.9	3.9	8.6	12.7	-13.8	28.7	28.0	15.2
other unsecured loan applications by	Next three months	-4.6	-7.7	11.6	2.2	2.5	8.6	2.7	-0.1	19.4	32.0	28.7	13.6
households changed?													
How have credit scoring criteria for granting	Past three months	5.1	1.8	5.4	5.8	4.7	7.8	1.7	1.2	15.3	19.8	26.5	8.8
total unsecured loan applications by households changed?	Next three months	-7.0	3.3	12.6	3.9	1.0	4.3	5.4	11.8	17.5	18.4	21.5	16.4
How has the proportion of credit card loan	Past three months	20.0	-7.6	-2.9	-1.2	3.8	-1.4	2.6	-17.4	24.4	19.3	24.6	8.9
applications from households being approved changed?	Next three months	2.1	6.3	19.3	3.4	-7.6	-2.0	6.5	22.5	16.5	27.9	20.2	17.0
How has the proportion of other unsecured	Past three months	2.5	6.6	20.5	10.7	0.3	-2.3	15.2	20.8	-5.6	34.5	25.4	22.6
loan applications from households being approved changed?	Next three months	8.9	8.5	19.5	14.1	0.0	14.8	2.7	0.8	26.9	34.9	20.8	13.6
How has the proportion of total unsecured	Past three months	17.8	-5.8	0.1	0.3	3.4	-1.5	4.0	-12.9	20.9	21.3	24.7	11.2
loan applications from households being approved changed?	Next three months	2.9	6.6	19.3	4.7	-6.6	0.1	6.1	19.9	17.7	28.8	20.3	16.4

						Net p	ercent	age bal	ances <sup>(</sup>	a)						
			2	011			2	012			2	2013				
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
How has the average credit quality of new	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	-6.7	2.6	-10.2	-0.3	3.8	6.7	-11.3			
credit card lending to households changed?(c)	Next three months						7.7	5.7	8.3	-6.1	0.0		-8.2			
<b>9</b> · · · · · · · · <b>9</b> · · · · · · · · · <b>9</b> · · · · · · · · · · · · · · · · · · ·																
How has the average credit quality of new other	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	5.4	5.7	4.0	2.7	11.6	-9.6	-3.3			
unsecured lending to households changed?(c)	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	-8.6	-2.7	0.9	-1.0	5.1	-8.9	-1.0			
How has the average credit quality of new total	Past three months					n.a.**	-5.2	2.9	-8.6	0.0	4.8	4.0	-10.0			
unsecured lending to households changed?(c)	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	5.7	4.8	7.4	-5.5	0.7	-9.4	-7.0			
How has the default rate on credit card loans	Past three months	-35.2	-25.6	-41.8	-29.3	-43.8	-7.1	-0.4	-17.5	-16.2	-8.6	-23.8	-17.9			
to households changed?	Next three months	5.3	-2.2	-21.4	-0.7	6.4	-2.2	-4.1	-9.1	-7.5	-9.5	-8.9	-11.2			
How has the default rate on other unsecured	Past three months	-37.8	-29.2			-35.9	-31.7	-21.7	-7.5	0.0	-6.4	-6.8	-3.6			
loans to households changed?	Next three months	-8.2	-4.4	3.6	-8.5	-12.7	0.0	0.0	0.0	0.0	-6.4	0.0	0.0			
	D 111	25.5	26.0	41.2	20.2	42.0	10.2	2.0	16.2	112	0.2	24.4	<b>4</b>			
How has the default rate on total unsecured	Past three months					-42.8				-14.3	-8.3		-15.5			
loans to households changed?	Next three months	3.6	-2.5	-18.2	-1.7	3.9	-2.0	-3.6	-8.0	-6.7	-9.1	-7.4	-9.4			
How have losses given default on credit card	Past three months	7.0	11.3	-14.6	-10.7	-21.5	-13.2	6.8	5.9	1.4	9.5	9.8	3.7			
loans to households changed?	Next three months	12.3	12.7	-9.1	-15.6	-7.6	-7.6	6.8	7.5	8.3	9.5	9.8	10.4			
Have been larger story default on ather	Doct throe months	2 5	2.2	11 0	<i>c</i> г	0.0	21.0	16.0	0.0	22.0	0.0	٥٢	0.0			
How have losses given default on other	Past three months	-2.5		-11.8			-21.9			-22.9	-9.0	-0.5	0.0			
unsecured loans to households changed?	Next three months	-1.2	-8.3	0.0	0.0	-13.6	-8.6	-16.9	-16.5	0.0	-8.1	0.0	0.0			
How have losses given default on total	Past three months	5.8	9.6	-14.2	-8.5	-18.7	-14.3	4.1	5.1	-1.4	7.1	8.2	3.1			
unsecured loans to households changed?	Next three months	10.5				-8.4	-7.7	4.0	4.7	7.3	7.2	8.3	8.7			
	Doct throe months	0.2	11	4.0	7.5	10.0	16 F	11	27.0	2.4	22.7	1.0	-14.5			
How has demand for credit card lending	Past three months  Next three months	-0.3 6.2			-7.5 -16.0	-10.8 -1.6	12.5	4.1 7.3	27.8	11.6	-32.7 0.0	0.0	9.7			
from households changed?	Next tillee months	0.2	3.1	24.0	-10.0	-1.0	12.3	1.5	0.0	11.0	0.0	0.0	9.1			
How has demand for other unsecured	Past three months	-13.0	-4.2	-4.6	-37.7	16.5	18.7	0.0	34.6	-6.2	5.4	26.4	-23.0			
lending from households changed?	Next three months	24.1	-1.2	7.8	9.1	4.1	-17.0	9.2	32.3	35.1	15.8	-6.5	15.3			
How has demand for total unsecured	Past three months	-1.9	-1.5	3.7	-11.4	-7.3	-12.1	3.6	28.6	1.4	-27.6	2.7	-15.9			
lending from households changed?	Next three months	8.5	4.8	22.6	-12.8	-0.9	8.8	7.5	3.8	14.3	2.1	-1.0	10.6			
How have spreads on credit cards	Past three months	-6.1	-1.4	7.2	1.5	2.3	0.0	0.0	0.0	0.0	1.0	-9.4	-4.7			
changed?	Next three months	1.5	0.0	0.1	-11.1	1.5	0.0	5.7	0.0	0.0	5.6	-2.0	0.0			
-																
How have spreads on other unsecured	Past three months	22.1	8.4	-10.4	21.8	17.1	5.7	-13.9	31.0	11.6	21.6	37.5	34.6			
lending products changed?	Next three months	2.1	24.8	32.3	5.1	16.7	6.6	12.6	8.0	25.7	17.4	23.4	27.0			
How have overall unsecured lending	Past three months	-2.5				4.2	0.7	-1.6	3.6	1.4	3.7	-1.9	1.8			
spreads changed?	Next three months	1.5	3.2	4.1	-9.0	3.5	0.8	6.5	0.9	3.0	7.2	2.1	4.5			
How have credit card limits changed?	Past three months	11.8	-1.7	13.3	21.2	20.7	-2.2	7.0	5.8	6.7	1.8	7.5	-13.1			
	Next three months	-0.7	12.6	27.7	5.6	0.8	13.5	5.7	6.6	0.0	9.7	0.0	0.9			
How has the minimum proportion of	Past three months	-5.2	-18.7	-7.3	-7.6	-8.0	5.7	-12.3	0.0	-14.2	-6.6	0.0	0.0			
credit card balances to be paid changed?	Next three months	0.3	-6.2	0.0	0.0		-6.5	5.7	0.0	0.0	0.0	0.0	0.0			
How have maximum maturities on loans	Past three months	-2.0	0.0	13.6	-13.8	-2.2	-2.3	0.0	0.0	0.0	-0.9	0.7	-2.3			
changed?(d)	Next three months	0.0			-13.8		0.0	0.0	0.0	-1.0	-3.0	0.0	0.0			
changed.	TACKE GITCE THOUGHT	0.0	J. <del>4</del>	0.0	15.0	0.0	0.0	0.0	5.0	1.0	5.0	5.0	0.0			

<sup>\*\*</sup> Additional question not asked in survey.

 <sup>(</sup>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 p	ercent	age bal	ances <sup>(a</sup>	)			
			20	)11			2	012			20	013	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has the availability of credit provided to	Past three months	6.9	4.1	3.9	11.0	-2.6	-3.2	-5.5	29.4	12.3	14.2	8.5	22.2
the corporate sector overall changed?	Next three months	7.8	3.4	2.4	8.1	-6.4	0.7	2.6	14.9	3.1	3.5	9.7	16.1
of which: commercial real estate sector	Past three months	-13.7	14.0	2.3	-8.4	-7.5	-7.1	-3.0	10.4	1.7	14.4	0.7	14.8
	Next three months	-6.5	17.8	0.6	-10.2	-20.7	-0.3	5.2	15.4	2.4	13.9	2.6	0.1
How have commercial property prices affected	Past three months	-4.9	-16.3	-1.2	-1.0	-16.7	-15.0	-21.7	-39.4	1.0	1.2	2.6	23.2
credit availability to the commercial real estate sector, and/or secured lending to PNFCs?	Next three months	-2.2	-16.3	-2.2	-1.0	-16.3	-17.8	-12.3	-13.6	1.7	0.0	1.4	2.6
Factors contributing to changes in credit available	ility:(b)												
changing economic outlook	Past three months	0.7	0.3	-2.2	-16.7	-8.4	-4.2	1.0	-0.1	6.4	17.1	6.2	22.2
	Next three months	6.8	6.5	-8.3	-15.5	-3.6	-3.4	-3.0	-0.1	6.4	38.5	29.4	24.8
changing sector-specific risks	Past three months	-0.8	0.1	-4.2	-16.0	-3.1	-2.8	-3.8	0.0	0.0	1.1	0.0	3.0
	Next three months	0.7	0.0	-4.2	-12.5	-1.9	-4.9	-1.7	0.0	-0.8	7.0	0.6	1.8
market share objectives	Past three months	9.2	3.9	0.1	14.7	-2.1	4.0	2.8	2.9	8.1	7.2	11.8	21.3
	Next three months	10.3	3.2	0.1	13.5	-1.5	5.6	2.8	0.8	8.1	17.0	19.4	25.2
market pressures from capital markets	Past three months	-4.4	10.4	5.6	0.2	8.3	-0.3	6.9	0.0	7.3	8.8	8.2	22.3
	Next three months	1.7	10.4	21.2	2.9	-1.3	-4.3	0.5	5.8	7.3	7.5	19.2	20.6
changing appetite for risk	Past three months	8.2	0.1	13.3	-2.6	-3.1	-3.8	-1.4	2.1	7.8	1.8	-1.1	16.7
	Next three months	7.6	-0.7	-3.0	0.0	-1.9	-0.5	0.5	0.7	7.8	1.4	9.9	16.0
tight wholesale funding conditions	Past three months	-9.3	-2.8	-19.0	-42.6	2.1	0.0	-10.4	9.2	4.6	-1.5	0.0	0.0
	Next three months	-6.8	5.6	-39.6	-49.4	-5.8	-25.1	21.5	7.9	-5.9	0.0	0.0	-7.5
How has the availability of credit provided to	Past three months	0.4	4.1	6.8	-1.2	-2.2	0.8	0.8	5.6	0.7	6.6	3.2	12.7
small businesses changed?	Next three months	4.0	-2.1	2.5	13.3	0.9	0.8	2.6	6.5	0.7	6.6	15.4	13.9
How has the availability of credit provided to	Past three months	0.9	1.3	0.8	9.9	-3.1	-1.3	0.9	20.2	4.5	13.1	4.7	0.6
medium PNFCs changed?	Next three months	4.9	2.0	0.0	9.2	-2.2	0.8	2.8	17.4	3.1	2.1	6.6	2.8
How has the availability of credit provided to	Past three months	5.2	0.8	-1.1	-0.7	-3.1	-1.4	0.0	17.5	12.9	23.2	2.5	13.1
large PNFCs changed?	Next three months	4.5	4.9	-0.7	-3.8	-4.9	0.7	2.7	18.3	13.8	6.9	11.0	23.4

					ТССР								
			2	011			2	012			2	013	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has the proportion of loan applications	Past three months	11.7	-6.1	3.0	-1.9	-2.0	14.5	-1.5	4.2	9.8	18.4	8.5	16.5
from small businesses being approved changed?	Next three months	-1.6	7.4	0.0	0.0	0.9	0.8	0.0	3.3	0.7	4.0	12.8	12.1
non smak businesses being approved changes.	TYCKE ENICE THORIENS	1.0	,	0.0	0.0	0.5	0.0	0.0	3.3	0.7	1.0	12.0	12.1
How has the proportion of loan applications	Past three months	3.7	-0.8	0.6	-8.1	-4.6	2.0	-2.4	0.7	-3.1	-0.4	-1.7	0.6
from medium PNFCs being approved changed?	Next three months	-1.0	-0.8	3.0	-3.4	0.9	0.0	14.4	6.2	5.8	-1.1	0.6	1.2
nom mediam i in es being approved changes.	TVEXT CITICE MOTERIS	1.0	0.0	5.0	5.1	0.5	0.0		0.2	3.0	1	0.0	1.2
How has the proportion of loan applications	Past three months	4.4	-0.8	-4.8	1.3	-3.8	-1.0	-1.2	0.0	-3.1	2.6	-1.7	0.6
from large PNFCs being approved changed?	Next three months	5.8	-0.8	2.3	-1.3	-1.8	-1.6	0.7	5.5	0.7	-1.1	0.6	1.2
Has there been a change in average credit	Past three months	7.2	5.0	5.2	8.3	19.7	12.7	0.2	-0.8	1.2	-2.2	0.4	0.0
quality on newly arranged PNFC borrowing	Next three months	4.0	3.6	5.2	3.9	15.1	12.7	-6.0	0.0	-0.8	-0.9	-0.9	0.0
facilities? <sup>(c)</sup>													
	D till til		11.0	17	10.7	242	12.1	1.2	<i>C</i> 1	11.0	F 1	F 2	12.2
Has there been any change in 'target hold'	Past three months		-11.0	1.7	10.7	24.2	13.1	1.3	-6.1		-5.1		-12.2
levels associated with corporate lending?	Next three months	-0.4	11.0	5.9	13.1	12.4	-0.3	4.8	0.7	0.0	-4.5	-6.3	-9.5
How have loan tenors on new corporate	Past three months	-0.5	3.1	-11.8	8.8	-10.0	-1.5	-7.0	-11.7	0.0	-1.7	-1.1	23.8
loans changed?(d)	Next three months	1.1	18.5	-6.9	-14.2	-2.3	-1.3	-5.5	0.0	0.0	-1.7	11.3	13.9
Has there been a change in draw-downs on	Past three months	-5.5	-19.5	9.8	14.0	-2.4	-0.1	-2.0	-1.1	1.6	-0.2	-13.2	-9.8
committed lines by PNFCs?	Next three months	-6.6	-12.7	11.9	15.3	4.9	1.5	1.5	1.5	-2.4	-0.2	3.0	-1.1
How has the default rate on loans to	Past three months	19.7	-8.2	-24.0	-14.7	1.4	-15.9	8.3	9.3	-22.2	26.5	2.7	-22.3
small businesses changed?	Next three months	19.7	8.1		1.8	-1.3	-6.8	6.0	6.1	-0.7	-0.7		-14.4
small businesses changes.	TYCKE EITICE MOTERIS	13.7	0.1	2.3	1.0	1.5	0.0	0.0	0.1	0.7	0.7	0.5	
How has the default rate on loans to	Past three months	-21.1	0.7	-6.2	18.0	17.7	2.1	1.6	247	-13.6	-0.6	-3.7	-3.3
medium PNFCs changed?	Next three months	-19.9		20.0		21.9	0.0	13.5	9.4	11.2		-15.9	
mediam i i i es changes.	TYCKE ENTEC THORIENS	13.5	5.0	20.0	23.3	21.5	0.0	13.3	5.1			13.3	5. 1
How has the default rate on loans to	Past three months	-20.2	-7.1	-6.3	18.6	6.9	-6.8	11.3	30.7	-11.2	4.0	9.9	-10.5
large PNFCs changed?	Next three months	-21.1	-6.6	30.1	14.2	7.5	18.8	6.4	7.3	0.7	-1.5	-3.1	-4.5
How has loss given default on loans to	Past three months	22.0	15.5	-10.2	10.6	8.6	5.9	0.0	0.0	-14.0	72	-12.6	11.0
· ·													
small businesses changed?	Next three months	15.5	2.9	0.7	1.0	-2.3	0.0	0.0	0.0	-0.7	-0.7	10.9	-11.9
How have losses given default on loans	Past three months	-7.3	-7.7	-5.3	2.1	11.6	2.2	0.7	14.3	-8.6	12 5	-13.0	<sub>-</sub> 11 3
to medium PNFCs changed?	Next three months									-2.1			
to medium Fivi Cs changed:	Next timee months	-0.4	-5.1	0.5	19.5	21.5	14.0	13.1	0.2	-2.1	-11.5	-12.4	-13.0
How have losses given default on loans	Past three months	-6.3	-7.8	-5.5	0.0	7.0	0.0	14.1	12.4	4.1	0.2	-3.3	-12.5
to large PNFCs changed?	Next three months	-8.2	-6.5	6.5	20.7	20.3	13.3	5.7	-0.7	9.9	-0.7	-1.5	-13.1
	Dost three months	20.0	20.6	201	1 г	1 г	10.4	ο Γ	11 7	11 7	10.4	21.0	26.2
How has demand for credit card lending from	Past three months			-29.1	-1.5	-1.5	10.4	0.5	11.7		10.4		-26.2
small businesses changed?(e)	Next three months	50.0	27.7	5.9	15.6	20.9	-1.4	10.4	9.8	21.5	10.4	9.4	11.2
How has demand for other unsecured landing	Past three months	n.a.*	21.2	17 /	-25.4	15 0	121	n 2 *	n 2 *	n.a.*	n 2 *	24.4	20.0
How has demand for other unsecured lending													
from small businesses changed? <sup>(e)</sup>	Next three months	n.a.*	8.9	0.2	-15.6	15.8	0.0	n.a.	n.a.	n.a.*	n.a.	16.1	20.3
How has demand for total unsecured lending	Past three months	-18 7	-21 5	-27.3	-5.1	-3 7	10.6	-22	8.7	7.6	10.6	22.2	-18.4
from small businesses changed?(e)	Next three months		24.7		10.9			11.8	8.5	22.5			12.7
Tom Small businesses changes: 17	14CVE THISE HIGHTINS	₹1.0	∠ <del>+</del> ./	5.0	10.3	۷.۱	- 1.2	11.0	ر.ن	د.د.	ا.ن	10.5	16.1
How has demand for secured lending from	Past three months	-26 0	34 0	-21.6	۵۵-	-20.1	15.3	-1.5	<b>-</b> 75	-11.2	35 a	24.1	33.0
small businesses changed?(e)	Next three months	27.4	0.0	0.0		17.7	0.0	17.2		28.5	6.9		11.5
Small publicases changed:	ivext tillee HIOHUIS	21.4	0.0	0.0	-3.0	17.7	0.0	17.2	2.0	۷٥.5	0.9	0.7	11.5

				011			2	012			2.	010	
				011				012				013	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has overall demand for lending from	Past three months	-30.6	35.5	-15.4	-35.1	-16.6	16.7	-13.4	-19.2	-27.7	11.1	16.9	3.6
small businesses changed?(e)	Next three months	-27.9	3.8	-10.7	-23.4	14.0	0.8	0.8	6.9	28.9	4.0	14.0	20.4
How has demand for lending from	Past three months		14.9				-2.9	-2.8	5.5	-7.9		14.0	
medium PNFCs changed?	Next three months	9.5	3.5	-12.3	-9.2	19.2	10.9	6.3	5.2	15.6	6.3	26.2	16.3
How has demand for lending from	Past three months	10.6	63	-13.2	1.5	-52	-14.9	-13 3	0.6	4.8	17.5	-3.0	8.8
large PNFCs changed?	Next three months	5.0		-14.9		-8.0	-6.7	0.2		29.4		21.9	28.1
	Past three months												
How has demand for lending from OFCs changed?	Next three months						-2.4 0.0	10.7 -0.6	0.0	-13.5	0.0	13.4 13.4	2.7 9.9
					11.0.	11.0.	0.0	-0.0			-13.3	15.4	
What have been the main factors contributing to	•		_			40.0		40.7				40.0	
mergers and acquisitions	Past three months		-9.4			-19.6				6.4	27.1	12.8	14.3
	Next three months	8.2	-7.9	-6.8	-1.8	-3.3	3.4	-10.2	0.4	20.4	14.1	27.7	22.0
capital investment	Past three months	0.0	-14.0	-7.7	-3.4	-19.1	-11.3	-9.3	-3.2	-11.8	4.0	23.9	31.2
	Next three months	-0.9	-7.4	-12.2	-3.2	-1.6	-1.3	-6.5	-0.9	3.9	2.8	19.4	37.6
inventory finance	Past three months	0.6				-14.6	-9.9	-7.8	0.0	3.6	0.7	-0.5	31.5
	Next three months	6.2	7.4	-0.6	0.7	-0.6	0.0	0.7	3.1	3.9	0.7	22.8	25.6
balance sheet restructuring	Past three months	2.8	-15.8	10.6	-0.1	-11.1	-6.1	7.2	11.8	16.8	13.4	7.3	7.1
-	Next three months	2.8	-16.6	-3.1	1.6	3.0	1.2	-0.8	3.2	2.2	7.9	8.0	8.1
commercial real estate	Past three months	-3.4				-19.5	-6.5		-10.0	4.5	-7.9	23.3	29.4
	Next three months	5.6	5.5	2.5	-1.4	-17.0	-3.8	-12.3	-12.9	16.5	-11.3	27.7	28.0
How have spreads on loans to	Past three months	-8.3	-2.0	-2.5	-11.1	-6.4	-13.1	0.0	-2.0	12.0	-1.2	6.7	7.9
small businesses changed?	Next three months	-8.3	-11.2	-6.9	-20.3	-8.1	-21.1	-9.0	-2.0	6.2	0.0	0.0	0.0
How have fees/commissions on loans to	Past three months	-8.1	2.8	0.0	-7.0	0.0	-1.4	-12.7	1.5	-7.4	7.8	7.9	0.0
small businesses changed?	Next three months	-6.1	0.0	-6.9	0.0	-8.1	-12.9	0.0	-0.7	7.4	0.0	0.0	0.0
· ·													
How have collateral requirements for loans	Past three months	-3.3		-14.8			0.0	0.0	0.0	0.0	0.0	0.0	0.0
to small businesses changed?	Next three months	-3.3	-2.0	-13.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
How have maximum credit lines for	Past three months	0.0	-2.0	-2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.9
small businesses changed?	Next three months	0.0	-2.0	-13.5	0.0	0.9	0.0	0.0	0.0	0.0	0.0	2.6	0.0
-													
How have loan covenants for	Past three months	-3.3		-14.8			-3.7	0.0	0.0	0.0	0.0	0.0	0.0
small businesses changed?	Next three months	0.0	-2.0	-13.5	0.0	-0.9	-0.8	0.0	0.0	0.0	0.0	0.0	0.0
How have spreads on loans to medium	Past three months	14.3	21.9	22.6	-19.6	-33.1	-39.8	-5.5	29.8	39.1	7.9	23.1	25.5
PNFCs changed?	Next three months	0.6	19.9	18.0	-33.8	-11.6	-27.7	-1.4	19.3	13.4	0.0	16.8	13.9
How have fees/commissions on loans to	Past three months	14.5	19.2	20.6	-8 4	-18.8	-21.8	-2.2	19.9	9.3	9.6	1.2	18.3
medium PNFCs changed?	Next three months	0.3			-20.9		-15.4	0.0	7.8	2.8	-0.7	1.2	21.2
		0.5	. 3.0			5	,	0	0				
How have collateral requirements for loans	Past three months	-0.6	-2.8	-4.4	-1.2	-4.8	-0.7	0.0	0.0	0.0	0.0	1.5	0.9
to medium PNFCs changed?	Next three months	0.9	-1.4	0.0	-2.5	-6.9	-1.9	0.0	1.2	0.0	0.8	2.2	0.6
	_												
How have maximum credit lines for	Past three months	-8.6				-12.4	-3.3	-1.0	-1.2	0.0	-1.0	10.6	-1.2
medium PNFCs changed?	Next three months	5.1	1.6	-5.3	-1.6	-7.7	-1.2	12.5	-0.5	0.0	0.0	0.7	-1.2
How have loan covenants for medium	Past three months	1.3	4.9	-2.0	-3.7	-14.9	-15.3	0.0	0.0	0.0	0.0	-0.2	0.6
PNFCs changed?	Next three months	-1.4			-16.2		-1.2	0.0	0.0	0.0	0.0	-0.9	1.2

			20	011			2	012			2	2013		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
How have spreads on loans to large	Past three months	21.7	27.9	17.0	-14.4	-33.0	-4.3	-2.0	31.4	24.3	32.8	37.7	34.6	
PNFCs changed?	Next three months	8.4	13.6	9.5	-44.2	-9.7	-23.0	0.0	8.5	20.7	25.8	42.3	43.6	
How have fees/commissions on loans	Past three months	21.9	16.6	15.7	-3.7	-19.8	-2.9	-2.7	9.2	0.7	13.1	12.4	33.3	
to large PNFCs changed?	Next three months	7.1	15.3	13.2	-29.6	-6.7	-10.5	0.0	7.8	8.8	13.2	29.6	42.3	
How have collateral requirements for	Past three months	13.8	-2.8	-2.1	-3.2	-0.7	0.0	0.0	0.0	0.0	-0.9	0.7	0.0	
loans to large PNFCs changed?	Next three months	1.8	-1.4	0.0	-1.9	-0.7	-0.5	-0.5	0.0	0.8	0.9	0.0	0.6	
How have maximum credit lines for	Past three months	18.6	2.3	4.5	0.1	-10.1	-3.4	-1.1	-3.3	3.9	16.7	31.1	18.7	
large PNFCs changed?	Next three months	18.8	15.2	3.0	-1.6	-7.6	0.0	0.7	2.6	3.9	19.1	29.6	18.4	
How have loan covenants for large	Past three months	19.8	16.5	17.4	-8.8	1.9	0.8	0.0	0.8	7.3	0.0	23.9	20.6	
PNFCs changed?	Next three months	18.4	10.6	7.5	-21.8	-0.7	-0.5	0.0	0.0	0.8	6.4	20.7	20.3	
How have spreads on loans to OFCs	Past three months	6.8	22.8	9.5	-16.5	-16.1	-3.6	0.6	-2.7	12.7	12.7	42.0	33.4	
changed?	Next three months	1.7	1.0	9.2	-30.4	-24.7	-22.1	13.9	7.9	6.5	19.8	28.2	43.6	
How have fees/commissions on loans	Past three months	1.7	1.0	1.8	-2.1	-8.6	-2.1	-0.3	-6.0	3.9	23.4	19.9	32.7	
to OFCs changed?	Next three months	1.7	1.0	14.9	-16.1	-22.5	-8.6	0.0	10.3	0.0	19.8	28.2	42.2	
How have collateral requirements for	Past three months	1.9	-4.6	-1.3	-3.0	-7.5	-8.4	-6.6	-13.1	0.0	3.5	0.0	1.3	
loans to OFCs changed?	Next three months	1.0	0.0	-0.7	-3.0	-6.9	-2.1	0.0	0.0	0.0	0.0	0.0	2.0	
How have maximum credit lines for	Past three months	6.1	5.3	-0.4	-9.1	-6.2	-9.4	6.3	6.3	0.0	19.8	33.0	7.3	
OFCs changed?	Next three months	6.8	5.3	-6.5	-9.1	-5.5	-0.8	-1.0	0.0	12.9	19.8	7.1	20.4	

<sup>\*</sup> Data are unpublished for this question as too few responses were received.

<sup>\*\*</sup> Additional question not asked in survey.

<sup>(</sup>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.

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

 <sup>(</sup>c) A positive balance indicates an improvement in the credit quality of new borrowing.
 (d) 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.