

Credit Conditions Survey

Survey results | 2014 Q1



BANK OF ENGLAND





BANK OF ENGLAND

Credit Conditions Survey

2014 Q1

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 2014 Q1 survey. The 2014 Q1 survey was conducted between 7 February and 3 March 2014.

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 2014 Q1 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 Q2 survey on 3 July 2014.

2014 Q3 survey on 8 October 2014.



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2014 Q1

Supply

- The availability of **secured credit to households** was reported to have increased slightly in the three months to early March 2014, and lenders expected an increase in availability over the next three months.
- Lenders reported that the availability of **unsecured credit to households** increased slightly in 2014 Q1, with a slight further increase anticipated in Q2.
- The overall availability of **credit to the corporate sector** increased in 2014 Q1 according to lenders, this was the sixth consecutive quarter that lenders reported an increase in availability. A further expansion in availability was expected in Q2.

Demand

- Demand for **secured lending for house purchase** was reported to have increased in the first quarter of 2014. Lenders expected demand to increase significantly in Q2.
- Lenders reported that demand for **credit card lending** fell significantly in 2014 Q1, and expected little change in Q2. In contrast, demand for **other unsecured lending** products, such as personal loans, increased in Q1, with significant increases expected in Q2.
- Demand for lending from **small businesses** was reported to have increased in 2014 Q1, with a further increase expected in Q2. Demand for lending from **medium-sized companies and large corporates** was reported to have picked up significantly in Q1, and further marked increases were expected in Q2.

Loan pricing

- Lenders reported that overall spreads on **secured lending to households** — relative to Bank Rate or the appropriate swap rate — narrowed slightly in 2014 Q1. And spreads were expected to narrow slightly further in Q2.
- Spreads on **credit card lending** were reported to have remained unchanged in Q1. In contrast, spreads on **other unsecured lending** products fell significantly, and a further significant fall was anticipated in Q2.
- Spreads on lending to **small businesses** remained unchanged in 2014 Q1, while spreads for **medium-sized companies** fell and for **large corporates** fell significantly. These trends were expected to continue over the next three months.

Defaults

- Lenders reported that both default rates and losses given default on **secured loans to households** fell significantly in 2014 Q1. They were expected to fall further in Q2.
- Default rates on unsecured lending fell significantly in Q1 for both **credit card loans** and **other unsecured loans**. Losses given default fell for **credit card lending** and were unchanged for **other unsecured loans**.
- Default rates on lending to **small businesses** increased slightly in 2014 Q1 but were reported to have fallen for **medium-sized companies** and **large corporates**. Losses given default remained unchanged for **small and medium-sized companies** but fell for **large corporates**.

This report presents the results of the 2014 Q1 survey. The 2014 Q1 survey was conducted between 7 February and 3 March 2014. 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.

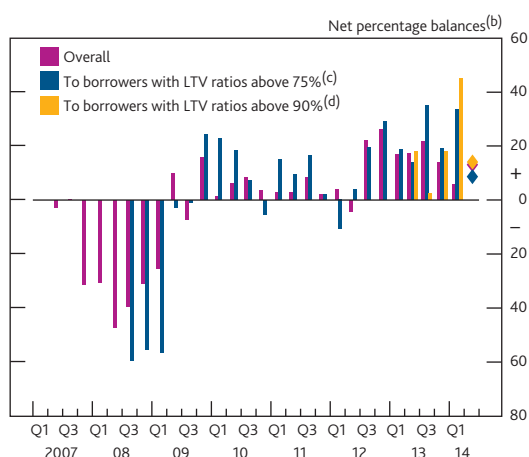
Credit Conditions Survey

In the three months to early March, lenders reported that the availability of secured credit to households had increased slightly, with availability increasing significantly at higher LTV ratios. Demand for secured lending for house purchase was reported to have increased in 2014 Q1, and was expected to increase significantly in Q2. Spreads continued to tighten, albeit at a slightly slower pace than previous quarters. Household loan performance was again reported to have improved significantly in Q1.

The availability of unsecured household credit increased slightly in 2014 Q1. Demand for credit card lending fell significantly but demand for other unsecured lending such as personal loans increased. Spreads for other unsecured lending narrowed significantly, with a further significant narrowing expected in Q2.

Overall corporate credit availability increased in 2014 Q1, the sixth consecutive quarter that lenders reported an increase in availability. Demand for credit was reported to have increased from small businesses and significantly increased for medium-sized companies and large corporates. Spreads on corporate lending tightened significantly for medium-sized companies and large corporates but remained unchanged for small businesses. Corporate loan performance improved for medium-sized companies and large corporates in Q1, but deteriorated slightly for small businesses.

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, blue and orange bars show the responses over the previous three months. The diamonds show expectations for 2014 Q2.

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

(c) This question was introduced in 2008 Q3.

(d) This question was introduced in 2013 Q2.

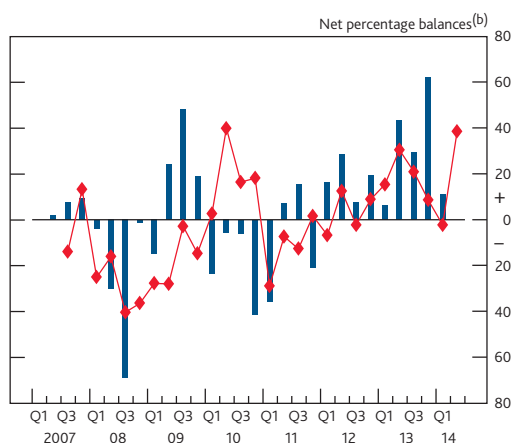
The 2014 Q1 *Credit Conditions Survey* was conducted between 7 February and 3 March 2014.

Secured lending to households

In the three months to early March, lenders reported that the availability of secured credit to households increased slightly, the seventh consecutive quarterly increase in availability (**Chart 1**). The expansion in overall availability was reported to be driven by an improvement in the economic outlook and increased appetite for risk on the part of lenders. Lenders expected the availability of secured credit to increase further in Q2, driven primarily by a desired expansion in market share.

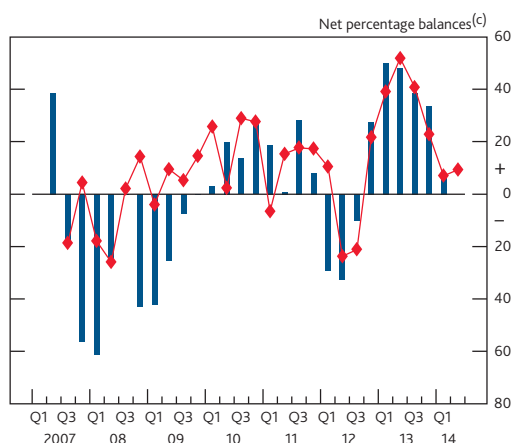
A significant increase in availability was reported for borrowers with loan to value (LTV) ratios above 75% in Q1. There was also a significant increase in the willingness to lend at LTV ratios above 90% — the highest reported balance since the question was first asked in 2013 Q2 (**Chart 1**). Consistent with this, maximum LTV ratios offered on loans increased significantly and maximum loan to income ratios increased slightly in 2014 Q1. Many lenders attributed the increased availability at higher LTV ratios to participation in the Government's Help to Buy scheme.

Chart 2 Household demand for overall secured lending to finance a house purchase^(a)



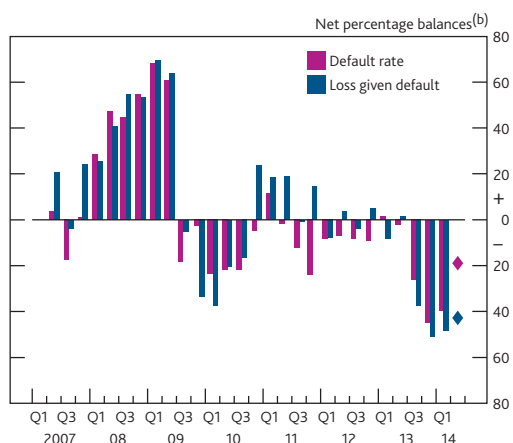
- (a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question. The blue bars show the responses over the previous three months. The red diamonds show the expectations over the next three months. Expectations balances have been moved forward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

Chart 3 Spreads on overall secured lending to households^{(a)(b)}



- (a) See footnote (a) to Chart 2.
 (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 4 Default rate and losses given default on secured loans to households^(a)



- (a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question. The magenta and blue bars show the responses over the previous three months. The diamonds show the expectations for 2014 Q2.
 (b) A positive balance indicates an increase in the default rate or in the rate of losses given default.

Demand for secured lending for house purchase was reported to have increased in 2014 Q1 and was expected to increase significantly in Q2 (Chart 2). Demand for lending for remortgaging decreased slightly in 2014 Q1, but lenders expected demand to rise significantly in the coming quarter as higher house prices encouraged remortgaging activity.

Spreads on secured lending rates to households — relative to Bank Rate or the relevant swap rate — narrowed a little in 2014 Q1, with the balance lower than in previous quarters (Chart 3). This came at the same time as a significant fall in banks' internal transfer prices, as reported in the 2014 Q1 *Bank Liabilities Survey*, which in turn reflected falls in retail and wholesale funding spreads.⁽¹⁾ Lenders expected a slight further narrowing in mortgage spreads over the next three months (Chart 3). However, some lenders did indicate that margins were currently compressed, which might limit the scope for further falls in spreads.

According to lenders, secured household loan performance improved significantly for the third consecutive quarter in 2014 Q1. Default rates and loss given default both fell significantly, with further falls expected in Q2, particularly for loss given default (Chart 4). Several lenders attributed the fall in loss given default to the rise in house prices.

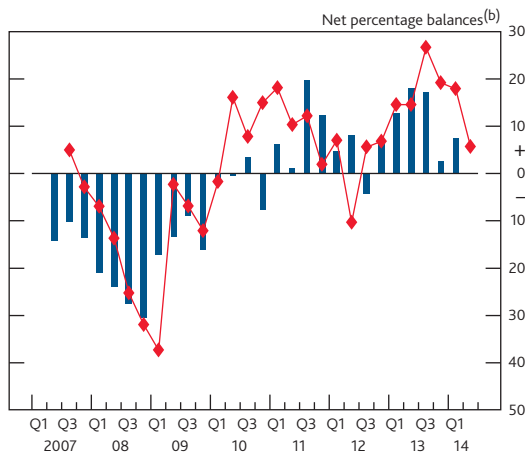
Unsecured lending to households

The total amount of unsecured credit made available to households increased slightly in 2014 Q1 (Chart 5), driven by an increased appetite for risk and, to a slightly lesser extent, market share objectives. Lenders expected unsecured credit availability to rise slightly further in Q2. Consistent with the pickup in availability, lenders reported that credit scoring criteria for unsecured lending loosened slightly in Q1 and were expected to loosen further in Q2.

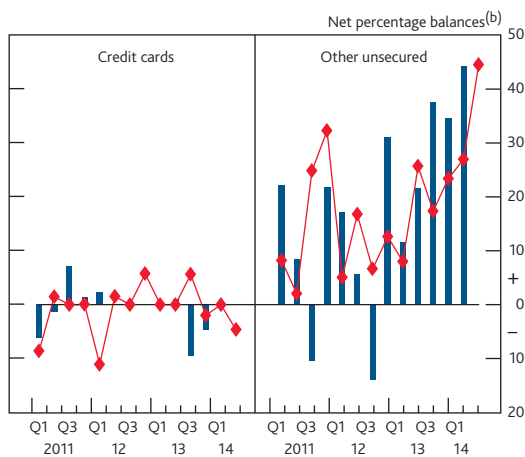
For credit cards, demand was reported to have decreased significantly in 2014 Q1, with no change expected over the next three months. Spreads were reported to be unchanged (Chart 6). Over the past few years lenders have reported limited changes in credit card spreads while other terms on credit card lending have improved, such as the duration of 0% balance transfer offers.

In contrast to credit card lending, demand for other unsecured lending products, such as personal loans, increased in 2014 Q1. A further significant increase was expected in Q2. Some lenders suggested that improved consumer confidence and recent falls in loan rates had positively influenced demand. Spreads narrowed significantly in Q1 — the largest reported tightening since the survey began. A further significant narrowing was expected in Q2 (Chart 6). Lenders partly

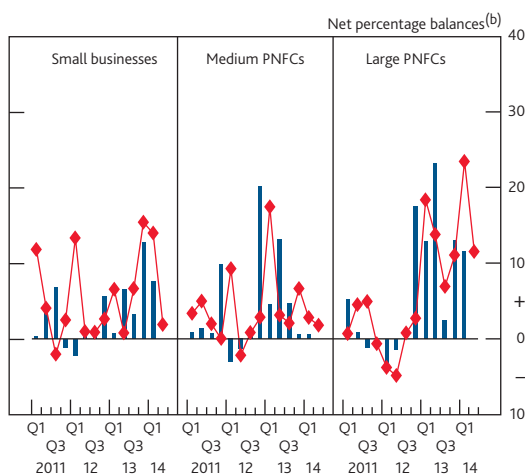
(1) See the 2014 Q1 *Bank Liabilities Survey* for more details, available at www.bankofengland.co.uk/publications/Pages/other/monetary/bls/default.aspx.

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.

attributed lower rates to intense competition in the personal loans market.

Default rates on credit cards and other unsecured lending fell significantly in 2014 Q1, according to lenders. Losses given default fell for credit card lending and were unchanged for other unsecured loans. Credit card defaults were expected to decrease further in Q2, but no significant changes in other measures of unsecured loan performance were anticipated.

Lending to corporates and small businesses

Overall credit availability to the corporate sector was reported to have increased in 2014 Q1; lenders have now reported an increase in availability for six consecutive quarters. Lenders cited a number of factors including market share objectives and an improvement in the economic outlook as contributing to the increase in availability. A further expansion in overall credit availability was expected in Q2.

Within the corporate sector, the availability of lending to the commercial real estate sector — which comprises around 40% of the stock of bank loans to companies — increased in 2014 Q1, with a further increase expected in Q2. The increased availability was reported to be partly driven by higher commercial property prices. Commercial real estate was also cited by lenders as a significant factor pushing up on the demand for corporate lending in Q1.

Lenders reported a slight increase in credit availability for small businesses, unchanged availability for medium-sized companies and an increase for large corporates in Q1 (Chart 7).⁽¹⁾ A higher proportion of loan applications from small businesses were accepted in 2014 Q1, continuing the trend of positive balances seen in recent quarters. There was little change in acceptance rates for medium-sized companies and large corporates.

Demand for lending from small businesses was reported to have increased in 2014 Q1, and demand from medium-sized companies and large corporates increased significantly (Chart 8). Mergers and acquisitions, inventory finance and capital investment were all reported to have been positive factors affecting overall credit demand. Despite the reported increase in demand, some lenders did note that utilisation rates of existing facilities remained low. Demand for lending was expected to pick up across all company sizes in Q2, particularly for medium-sized companies and large corporates.

Spreads on corporate lending for small businesses were unchanged in 2014 Q1, while spreads for medium-sized companies fell and for large corporates fell significantly

(1) Small businesses are defined as those with an annual turnover of under £1 million. Medium-sized companies 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.

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.

Where the survey balances are discussed, descriptions of a 'significant' change refer to a net percentage balance greater than 20 in absolute terms, and a 'slight' change refers to a net percentage balance of between 5 and 10 in absolute terms. Survey balances between 0 and 5 in absolute terms are described as unchanged.

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)											
		2011			2012				2013			2014	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has the availability of secured credit provided to households changed?	Past three months	2.9	8.4	1.9	3.8	-4.1	21.9	26.2	17.0	17.4	21.7	13.8	5.8
	Next three months	-1.9	6.9	7.6	-8.7	0.1	36.1	24.7	15.8	17.2	-4.5	20.7	13.0
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	0.0	5.0	-1.6	-8.6	-10.5	-2.8	0.8	1.9	2.0	4.8	5.3	7.3
	Next three months	-8.7	-11.2	-9.9	-8.6	-9.0	6.9	2.6	0.0	0.0	4.8	8.9	7.6
market share objectives	Past three months	18.7	14.9	-1.5	-11.6	16.9	8.4	22.5	21.6	34.9	29.5	20.1	0.3
	Next three months	7.3	-1.0	7.6	-18.9	1.1	11.3	29.9	21.6	13.0	10.1	11.4	20.9
changing appetite for risk	Past three months	0.0	7.0	7.8	-7.2	1.6	8.1	1.8	8.3	13.1	-4.8	11.5	14.8
	Next three months	4.1	5.5	0.0	-18.7	0.0	1.7	16.7	0.0	6.0	11.5	11.6	-7.3
tight wholesale funding conditions	Past three months	2.9	-20.9	-26.9	-20.0	-20.4	9.2	21.8	7.6	3.9	0.0	0.0	0.0
	Next three months	-9.1	-12.7	-21.9	-20.8	-18.3	-5.3	5.8	3.8	1.8	0.0	-2.7	0.0
expectations for house prices	Past three months	-27.5	-6.8	-6.8	1.4	-1.6	-10.0	-1.9	-1.8	0.5	1.7	17.1	3.1
	Next three months	-27.7	-16.2	-9.3	-11.5	-10.7	-1.9	-1.9	-3.7	7.8	1.7	18.0	6.2
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	1.3	1.4	-1.8	9.8	5.3	2.7	20.4	8.9	9.3	19.5	2.9	1.4
	Next three months	0.8	4.8	-4.5	-6.3	1.2	12.6	33.6	8.2	19.2	-8.1	0.0	4.4
Borrowers with high loan to value ratios (more than 75%)	Past three months	9.4	16.5	2.1	-10.7	4.0	19.6	29.0	18.7	13.8	35.3	19.1	33.8
	Next three months	14.2	24.2	13.3	-8.6	-23.7	15.2	33.6	9.1	20.8	-2.0	28.4	8.6
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.**	18.1	2.4	18.0	44.9
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	19.7	10.8	24.6	14.1

		Net percentage balances ^(a)											
		2011			2012				2013				2014
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How have credit scoring criteria for granting loan applications by households changed?	Past three months	4.4	-5.8	-1.4	-10.1	-2.8	-11.4	4.7	-4.2	0.0	-3.1	10.5	5.5
	Next three months	-0.5	-2.0	-19.1	-14.3	-9.9	0.0	-9.3	5.3	1.5	9.8	6.4	-9.7
How has the proportion of household loan applications being approved changed?	Past three months	9.6	2.8	-9.7	-17.8	-26.2	-0.9	-1.9	-6.6	10.5	14.2	28.7	-11.0
	Next three months	-0.5	0.0	-16.0	-2.6	-24.1	6.2	1.9	9.2	3.1	9.2	-2.0	-24.8
How has the average credit quality of new secured lending to households changed?^(c)	Past three months	3.8	3.9	0.0	2.7	12.1	8.1	9.3	-15.6	8.0	10.1	13.2	5.1
	Next three months	1.2	4.5	-5.5	24.5	18.8	0.0	9.3	-7.8	-6.0	0.0	-10.3	-18.3
How has the default rate on secured loans to households changed?	Past three months	-1.5	-12.3	-24.4	-8.4	-7.0	-8.4	-9.3	1.4	-2.4	-26.2	-44.9	-39.7
	Next three months	23.0	3.6	-15.0	-3.3	1.5	1.7	3.7	6.6	3.8	-14.6	-26.3	-19.1
How have losses given default on secured loans to households changed?	Past three months	18.9	-0.8	14.6	-8.0	3.6	-4.0	5.0	-8.1	1.4	-37.6	-51.0	-48.4
	Next three months	23.0	18.0	9.7	22.4	1.5	1.7	1.8	-7.6	-8.0	-32.4	-46.0	-42.9
How has demand for secured lending for house purchase from households changed?	Past three months	7.1	15.3	-21.2	16.2	28.4	7.7	19.6	6.4	43.5	29.6	62.0	11.2
	Next three months	-12.7	1.6	-6.8	12.5	-2.3	8.8	15.3	30.4	20.9	8.6	-2.3	38.5
<i>of which: demand for prime lending</i>	Past three months	0.3	14.1	-21.2	11.8	38.3	8.6	17.7	6.4	43.5	27.9	62.0	27.8
	Next three months	2.3	2.8	-6.8	12.5	-2.3	8.8	17.2	30.8	19.8	14.7	-2.3	38.5
<i>of which: demand for buy-to-let lending</i>	Past three months	37.0	37.8	12.7	-5.3	-1.6	-9.2	12.6	7.6	35.3	26.0	25.2	0.6
	Next three months	21.1	1.8	-6.3	19.8	4.0	13.5	13.7	22.8	18.2	14.7	18.5	8.6
<i>of which: demand for other lending</i>	Past three months	0.0	-4.1	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	-4.1	n.a.*	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 remortgaging from households changed?	Past three months	2.1	-14.0	-10.6	5.6	9.9	-18.1	18.5	14.5	40.9	25.3	33.1	-5.2
	Next three months	4.3	9.5	-4.3	9.6	8.7	-0.3	17.2	31.2	6.7	11.0	1.0	26.8
How have overall secured lending spreads changed?	Past three months	0.9	28.2	7.9	-29.0	-32.5	-10.1	27.5	50.0	48.1	38.4	33.4	6.4
	Next three months	17.7	17.3	10.4	-23.7	-21.1	21.7	39.1	51.8	40.7	22.8	7.0	9.4
<i>of which: spreads on prime lending</i>	Past three months	2.1	28.2	7.9	-29.0	-32.5	-10.1	28.0	50.8	48.1	38.4	33.4	6.4
	Next three months	26.4	17.3	10.4	-23.7	-21.1	21.7	43.8	51.8	47.5	22.8	7.0	9.4
<i>of which: spreads on buy-to-let lending</i>	Past three months	17.2	1.8	9.9	-10.6	-6.6	1.9	22.3	46.3	43.9	30.6	26.5	-1.8
	Next three months	12.7	1.4	2.7	6.7	-6.9	12.7	31.9	25.7	34.9	15.0	-3.2	12.8
<i>of which: spreads on other lending</i>	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.*	-2.9	n.a.*	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	6.9	-6.7	0.0	1.4	0.0	0.0	0.0	-0.4	1.4	-1.9	0.0	6.9
	Next three months	1.4	6.7	0.0	-1.6	0.0	1.8	1.8	1.0	5.2	5.4	0.0	0.7
How have maximum loan to value ratios changed?	Past three months	1.2	2.8	11.5	4.9	6.4	9.3	1.8	7.8	9.6	1.6	5.0	24.7
	Next three months	4.7	4.9	9.8	-9.1	-1.7	-0.1	16.1	7.8	7.6	0.1	14.4	4.0
How have maximum loan to income ratios changed?	Past three months	0.0	0.2	-5.0	0.0	6.8	6.9	2.1	7.9	0.0	0.0	8.4	8.2
	Next three months	4.5	0.0	-5.0	-8.6	0.0	0.0	0.0	7.9	0.0	8.4	0.0	0.0

* 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.

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.

Where the survey balances are discussed, descriptions of a 'significant' change refer to a net percentage balance greater than 20 in absolute terms, and a 'slight' change refers to a net percentage balance of between 5 and 10 in absolute terms. Survey balances between 0 and 5 in absolute terms are described as unchanged.

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)											
		2011			2012				2013			2014	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has the availability of unsecured credit provided to households changed?	Past three months	1.1	19.9	12.5	4.7	8.1	-4.2	6.6	12.7	18.1	17.2	2.6	7.4
	Next three months	12.2	1.9	7.0	-10.4	5.6	6.8	14.6	14.6	26.6	19.2	17.9	5.7
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	1.2	-6.9	0.0	3.4	-1.7	0.0	0.0	0.0	0.0	8.3	1.1	0.7
	Next three months	-4.6	-6.3	-2.4	-1.4	-2.2	-1.8	0.0	0.7	-2.2	9.4	8.1	4.3
market share objectives	Past three months	1.8	3.5	-2.9	-1.5	7.6	-4.2	6.1	8.1	1.1	11.4	0.1	6.6
	Next three months	23.2	2.7	-2.2	-3.5	10.7	6.8	13.1	13.5	7.6	9.3	21.9	18.3
changing appetite for risk	Past three months	0.3	7.2	1.8	-0.5	7.3	1.8	5.1	5.8	8.1	2.9	1.4	13.2
	Next three months	4.7	7.5	4.5	1.5	6.1	5.8	5.8	7.4	7.5	4.1	9.4	1.8
changing cost/availability of funds	Past three months	0.0	-0.9	-1.1	-0.8	-0.7	1.8	5.1	0.0	0.8	0.0	0.0	0.0
	Next three months	5.4	-0.4	0.2	0.0	-11.9	1.1	4.8	0.0	5.8	0.4	0.0	0.0
How have credit scoring criteria for granting credit card loan applications by households changed?	Past three months	-0.4	2.6	5.2	5.7	8.4	0.8	-0.4	19.2	18.4	26.2	7.6	8.0
	Next three months	4.9	12.7	4.1	0.8	3.6	5.7	13.4	17.3	16.4	20.2	17.0	13.2
How have credit scoring criteria for granting other unsecured loan applications by households changed?	Past three months	16.7	25.0	10.6	-1.9	3.9	8.6	12.7	-13.8	28.7	28.0	15.2	8.6
	Next three months	-7.7	11.6	2.2	2.5	8.6	2.7	-0.1	19.4	32.0	28.7	13.6	25.7
How have credit scoring criteria for granting total unsecured loan applications by households changed?	Past three months	1.8	5.4	5.8	4.7	7.8	1.7	1.2	15.3	19.8	26.5	8.8	8.1
	Next three months	3.3	12.6	3.9	1.0	4.3	5.4	11.8	17.5	18.4	21.5	16.4	15.3

		Net percentage balances ^(a)											
		2011			2012				2013				2014
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has the proportion of credit card loan applications from households being approved changed?	Past three months	-7.6	-2.9	-1.2	3.8	-1.4	2.6	-17.4	24.4	19.3	24.6	8.9	0.4
	Next three months	6.3	19.3	3.4	-7.6	-2.0	6.5	22.5	16.5	27.9	20.2	17.0	15.2
How has the proportion of other unsecured loan applications from households being approved changed?	Past three months	6.6	20.5	10.7	0.3	-2.3	15.2	20.8	-5.6	34.5	25.4	22.6	4.8
	Next three months	8.5	19.5	14.1	0.0	14.8	2.7	0.8	26.9	34.9	20.8	13.6	29.0
How has the proportion of total unsecured loan applications from households being approved changed?	Past three months	-5.8	0.1	0.3	3.4	-1.5	4.0	-12.9	20.9	21.3	24.7	11.2	1.2
	Next three months	6.6	19.3	4.7	-6.6	0.1	6.1	19.9	17.7	28.8	20.3	16.4	17.5
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.**	-6.7	2.6	-10.2	-0.3	3.8	6.7	-11.3	-13.7
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	7.7	5.7	8.3	-6.1	0.0	-9.4	-8.2	-10.9
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.**	5.4	5.7	4.0	2.7	11.6	-9.6	-3.3	17.8
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	-8.6	-2.7	0.9	-1.0	5.1	-8.9	-1.0	-4.8
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.**	-5.2	2.9	-8.6	0.0	4.8	4.0	-10.0	-8.4
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	5.7	4.8	7.4	-5.5	0.7	-9.4	-7.0	-9.9
How has the default rate on credit card loans to households changed?	Past three months	-25.6	-41.8	-29.3	-43.8	-7.1	-0.4	-17.5	-16.2	-8.6	-23.8	-17.9	-27.7
	Next three months	-2.2	-21.4	-0.7	6.4	-2.2	-4.1	-9.1	-7.5	-9.5	-8.9	-11.2	-19.6
How has the default rate on other unsecured loans to households changed?	Past three months	-29.2	-37.6	-37.4	-35.9	-31.7	-21.7	-7.5	0.0	-6.4	-6.8	-3.6	-22.6
	Next three months	-4.4	3.6	-8.5	-12.7	0.0	0.0	0.0	0.0	-6.4	0.0	0.0	-4.4
How has the default rate on total unsecured loans to households changed?	Past three months	-26.0	-41.3	-30.3	-42.8	-10.2	-2.9	-16.3	-14.3	-8.3	-21.1	-15.5	-26.8
	Next three months	-2.5	-18.2	-1.7	3.9	-2.0	-3.6	-8.0	-6.7	-9.1	-7.4	-9.4	-17.1
How have losses given default on credit card loans to households changed?	Past three months	11.3	-14.6	-10.7	-21.5	-13.2	6.8	5.9	1.4	9.5	9.8	3.7	-10.9
	Next three months	12.7	-9.1	-15.6	-7.6	-7.6	6.8	7.5	8.3	9.5	9.8	10.4	0.0
How have losses given default on other unsecured loans to households changed?	Past three months	-2.2	-11.8	6.5	0.0	-21.9	-16.0	-0.9	-22.9	-9.0	-0.5	0.0	0.0
	Next three months	-8.3	0.0	0.0	-13.6	-8.6	-16.9	-16.5	0.0	-8.1	0.0	0.0	0.0
How have losses given default on total unsecured loans to households changed?	Past three months	9.6	-14.2	-8.5	-18.7	-14.3	4.1	5.1	-1.4	7.1	8.2	3.1	-9.1
	Next three months	9.9	-8.0	-13.6	-8.4	-7.7	4.0	4.7	7.3	7.2	8.3	8.7	0.0
How has demand for credit card lending from households changed?	Past three months	-1.1	4.9	-7.5	-10.8	-16.5	4.1	27.8	2.4	-32.7	-1.9	-14.5	-26.7
	Next three months	5.7	24.8	-16.0	-1.6	12.5	7.3	0.0	11.6	0.0	0.0	9.7	1.4
How has demand for other unsecured lending from households changed?	Past three months	-4.2	-4.6	-37.7	16.5	18.7	0.0	34.6	-6.2	5.4	26.4	-23.0	11.7
	Next three months	-1.2	7.8	9.1	4.1	-17.0	9.2	32.3	35.1	15.8	-6.5	15.3	29.4
How has demand for total unsecured lending from households changed?	Past three months	-1.5	3.7	-11.4	-7.3	-12.1	3.6	28.6	1.4	-27.6	2.7	-15.9	-20.2
	Next three months	4.8	22.6	-12.8	-0.9	8.8	7.5	3.8	14.3	2.1	-1.0	10.6	6.1
How have spreads on credit cards changed?	Past three months	-1.4	7.2	1.5	2.3	0.0	0.0	0.0	0.0	1.0	-9.4	-4.7	0.0
	Next three months	0.0	0.1	-11.1	1.5	0.0	5.7	0.0	0.0	5.6	-2.0	0.0	-4.6
How have spreads on other unsecured lending products changed?	Past three months	8.4	-10.4	21.8	17.1	5.7	-13.9	31.0	11.6	21.6	37.5	34.6	44.3
	Next three months	24.8	32.3	5.1	16.7	6.6	12.6	8.0	25.7	17.4	23.4	27.0	44.5
How have overall unsecured lending spreads changed?	Past three months	-0.1	5.0	4.1	4.2	0.7	-1.6	3.6	1.4	3.7	-1.9	1.8	7.4
	Next three months	3.2	4.1	-9.0	3.5	0.8	6.5	0.9	3.0	7.2	2.1	4.5	3.6

		Net percentage balances ^(a)											
		2011			2012				2013				2014
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How have credit card limits changed?	Past three months	-1.7	13.3	21.2	20.7	-2.2	7.0	5.8	6.7	1.8	7.5	-13.1	6.7
	Next three months	12.6	27.7	5.6	0.8	13.5	5.7	6.6	0.0	9.7	0.0	0.9	0.9
How has the minimum proportion of credit card balances to be paid changed?	Past three months	-18.7	-7.3	-7.6	-8.0	5.7	-12.3	0.0	-14.2	-6.6	0.0	0.0	-6.6
	Next three months	-6.2	0.0	0.0	0.0	-6.5	5.7	0.0	0.0	0.0	0.0	0.0	0.0
How have maximum maturities on loans changed?^(d)	Past three months	0.0	13.6	-13.8	-2.2	-2.3	0.0	0.0	0.0	-0.9	0.7	-2.3	0.0
	Next three months	-9.4	0.0	-13.8	0.0	0.0	0.0	0.0	-1.0	-3.0	0.0	0.0	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.

Where the survey balances are discussed, descriptions of a 'significant' change refer to a net percentage balance greater than 20 in absolute terms, and a 'slight' change refers to a net percentage balance of between 5 and 10 in absolute terms. Survey balances between 0 and 5 in absolute terms are described as unchanged.

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)											
		2011			2012				2013			2014	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has the availability of credit provided to the corporate sector overall changed?	Past three months	4.1	3.9	11.0	-2.6	-3.2	-5.5	29.4	12.3	14.2	8.5	22.2	12.7
	Next three months	3.4	2.4	8.1	-6.4	0.7	2.6	14.9	3.1	3.5	9.7	16.1	14.4
<i>of which: commercial real estate sector</i>	Past three months	14.0	2.3	-8.4	-7.5	-7.1	-3.0	10.4	1.7	14.4	0.7	14.8	14.6
	Next three months	17.8	0.6	-10.2	-20.7	-0.3	5.2	15.4	2.4	13.9	2.6	0.1	15.8
How have commercial property prices affected credit availability to the commercial real estate sector, and/or secured lending to PNFCs?	Past three months	-16.3	-1.2	-1.0	-16.7	-15.0	-21.7	-39.4	1.0	1.2	2.6	23.2	14.5
	Next three months	-16.3	-2.2	-1.0	-16.3	-17.8	-12.3	-13.6	1.7	0.0	1.4	2.6	2.5
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	0.3	-2.2	-16.7	-8.4	-4.2	1.0	-0.1	6.4	17.1	6.2	22.2	18.2
	Next three months	6.5	-8.3	-15.5	-3.6	-3.4	-3.0	-0.1	6.4	38.5	29.4	24.8	19.9
changing sector-specific risks	Past three months	0.1	-4.2	-16.0	-3.1	-2.8	-3.8	0.0	0.0	1.1	0.0	3.0	5.7
	Next three months	0.0	-4.2	-12.5	-1.9	-4.9	-1.7	0.0	-0.8	7.0	0.6	1.8	5.7
market share objectives	Past three months	3.9	0.1	14.7	-2.1	4.0	2.8	2.9	8.1	7.2	11.8	21.3	20.0
	Next three months	3.2	0.1	13.5	-1.5	5.6	2.8	0.8	8.1	17.0	19.4	25.2	20.6
market pressures from capital markets	Past three months	10.4	5.6	0.2	8.3	-0.3	6.9	0.0	7.3	8.8	8.2	22.3	12.8
	Next three months	10.4	21.2	2.9	-1.3	-4.3	0.5	5.8	7.3	7.5	19.2	20.6	12.8
changing appetite for risk	Past three months	0.1	13.3	-2.6	-3.1	-3.8	-1.4	2.1	7.8	1.8	-1.1	16.7	11.8
	Next three months	-0.7	-3.0	0.0	-1.9	-0.5	0.5	0.7	7.8	1.4	9.9	16.0	14.9
tight wholesale funding conditions	Past three months	-2.8	-19.0	-42.6	2.1	0.0	-10.4	9.2	4.6	-1.5	0.0	0.0	11.4
	Next three months	5.6	-39.6	-49.4	-5.8	-25.1	21.5	7.9	-5.9	0.0	0.0	-7.5	0.0

		Net percentage balances ^(a)											
		2011			2012				2013				2014
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has the availability of credit provided to small businesses changed?	Past three months	4.1	6.8	-1.2	-2.2	0.8	0.8	5.6	0.7	6.6	3.2	12.7	7.6
	Next three months	-2.1	2.5	13.3	0.9	0.8	2.6	6.5	0.7	6.6	15.4	13.9	1.9
How has the availability of credit provided to medium PNFCs changed?	Past three months	1.3	0.8	9.9	-3.1	-1.3	0.9	20.2	4.5	13.1	4.7	0.6	0.6
	Next three months	2.0	0.0	9.2	-2.2	0.8	2.8	17.4	3.1	2.1	6.6	2.8	1.8
How has the availability of credit provided to large PNFCs changed?	Past three months	0.8	-1.1	-0.7	-3.1	-1.4	0.0	17.5	12.9	23.2	2.5	13.1	11.5
	Next three months	4.9	-0.7	-3.8	-4.9	0.7	2.7	18.3	13.8	6.9	11.0	23.4	11.5
How has the proportion of loan applications from small businesses being approved changed?	Past three months	-6.1	3.0	-1.9	-2.0	14.5	-1.5	4.2	9.8	18.4	8.5	16.5	15.4
	Next three months	7.4	0.0	0.0	0.9	0.8	0.0	3.3	0.7	4.0	12.8	12.1	0.6
How has the proportion of loan applications from medium PNFCs being approved changed?	Past three months	-0.8	0.6	-8.1	-4.6	2.0	-2.4	0.7	-3.1	-0.4	-1.7	0.6	1.2
	Next three months	-0.8	3.0	-3.4	0.9	0.0	14.4	6.2	5.8	-1.1	0.6	1.2	7.3
How has the proportion of loan applications from large PNFCs being approved changed?	Past three months	-0.8	-4.8	1.3	-3.8	-1.0	-1.2	0.0	-3.1	2.6	-1.7	0.6	0.3
	Next three months	-0.8	2.3	-1.3	-1.8	-1.6	0.7	5.5	0.7	-1.1	0.6	1.2	-0.3
Has there been a change in average credit quality on newly arranged PNFC borrowing facilities? ^(c)	Past three months	5.0	5.2	8.3	19.7	12.7	0.2	-0.8	1.2	-2.2	0.4	0.0	-0.9
	Next three months	3.6	5.2	3.9	15.1	12.7	-6.0	0.0	-0.8	-0.9	-0.9	0.0	-0.9
Has there been any change in 'target hold' levels associated with corporate lending?	Past three months	-11.0	1.7	10.7	24.2	13.1	1.3	-6.1	-11.8	-5.1	-5.2	-12.2	-10.8
	Next three months	11.0	5.9	13.1	12.4	-0.3	4.8	0.7	0.0	-4.5	-6.3	-9.5	-10.0
How have loan tenors on new corporate loans changed? ^(d)	Past three months	3.1	-11.8	8.8	-10.0	-1.5	-7.0	-11.7	0.0	-1.7	-1.1	23.8	11.2
	Next three months	18.5	-6.9	-14.2	-2.3	-1.3	-5.5	0.0	0.0	-1.7	11.3	13.9	11.2
Has there been a change in draw-downs on committed lines by PNFCs?	Past three months	-19.5	9.8	14.0	-2.4	-0.1	-2.0	-1.1	1.6	-0.2	-13.2	-9.8	-1.1
	Next three months	-12.7	11.9	15.3	4.9	1.5	1.5	1.5	-2.4	-0.2	3.0	-1.1	-0.2
How has the default rate on loans to small businesses changed?	Past three months	-8.2	-24.0	-14.7	1.4	-15.9	8.3	9.3	-22.2	26.5	2.7	-22.3	8.4
	Next three months	8.1	-2.5	1.8	-1.3	-6.8	6.0	6.1	-0.7	-0.7	0.5	-14.4	0.6
How has the default rate on loans to medium PNFCs changed?	Past three months	0.7	-6.2	18.0	17.7	2.1	1.6	24.7	-13.6	-0.6	-3.7	-3.3	-12.8
	Next three months	-5.0	20.0	25.5	21.9	0.0	13.5	9.4	11.2	2.1	-15.9	-5.4	9.4
How has the default rate on loans to large PNFCs changed?	Past three months	-7.1	-6.3	18.6	6.9	-6.8	11.3	30.7	-11.2	4.0	9.9	-10.5	-7.6
	Next three months	-6.6	30.1	14.2	7.5	18.8	6.4	7.3	0.7	-1.5	-3.1	-4.5	-12.9
How has loss given default on loans to small businesses changed?	Past three months	-15.5	-10.2	-19.6	8.6	5.9	0.0	0.0	-14.0	7.2	-12.6	-11.9	0.6
	Next three months	2.9	0.7	1.0	-2.3	0.0	0.0	0.0	-0.7	-0.7	10.9	-11.9	0.6
How have losses given default on loans to medium PNFCs changed?	Past three months	-7.7	-5.3	2.1	11.6	2.2	0.7	14.3	-8.6	12.5	-13.0	-11.3	1.0
	Next three months	-5.7	6.3	19.3	21.5	14.8	15.1	0.2	-2.1	-11.5	-12.4	-13.0	-15.3
How have losses given default on loans to large PNFCs changed?	Past three months	-7.8	-5.5	0.0	7.0	0.0	14.1	12.4	4.1	0.2	-3.3	-12.5	-14.8
	Next three months	-6.5	6.5	20.7	20.3	13.3	5.7	-0.7	9.9	-0.7	-1.5	-13.1	-13.6
How has demand for credit card lending from small businesses changed? ^(e)	Past three months	-29.6	-29.1	-1.5	-1.5	10.4	0.5	11.7	11.7	10.4	21.8	-26.2	-4.7
	Next three months	27.7	5.9	15.6	20.9	-1.4	10.4	9.8	21.5	10.4	9.4	11.2	18.0
How has demand for other unsecured lending from small businesses changed? ^(e)	Past three months	21.2	-17.4	-25.4	-15.8	12.1	n.a.*	n.a.*	n.a.*	n.a.*	24.4	20.0	-2.3
	Next three months	8.9	0.2	-15.6	15.8	0.0	n.a.*	n.a.*	n.a.*	n.a.*	16.1	20.3	22.0

		Net percentage balances ^(a)											
		2011			2012				2013				2014
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has demand for total unsecured lending from small businesses changed?^(e)	Past three months	-21.5	-27.3	-5.1	-3.7	10.6	-2.2	8.7	7.6	10.6	22.2	-18.4	-4.3
	Next three months	24.7	5.0	10.9	20.1	-1.2	11.8	8.5	22.5	9.1	10.5	12.7	18.7
How has demand for secured lending from small businesses changed?^(e)	Past three months	34.9	-21.6	-9.8	-20.1	15.3	-1.5	-7.5	-11.2	35.9	24.1	33.0	-2.3
	Next three months	0.0	0.0	-9.8	17.7	0.0	17.2	2.0	28.5	6.9	8.7	11.5	18.9
How has overall demand for lending from small businesses changed?^(e)	Past three months	35.5	-15.4	-35.1	-16.6	16.7	-13.4	-19.2	-27.7	11.1	16.9	3.6	13.4
	Next three months	3.8	-10.7	-23.4	14.0	0.8	0.8	6.9	28.9	4.0	14.0	20.4	19.4
How has demand for lending from medium PNFCs changed?	Past three months	14.9	9.2	-1.6	-5.9	-2.9	-2.8	5.5	-7.9	20.5	14.0	33.7	25.6
	Next three months	3.5	-12.3	-9.2	19.2	10.9	6.3	5.2	15.6	6.3	26.2	16.3	22.2
How has demand for lending from large PNFCs changed?	Past three months	6.3	-13.2	1.5	-5.2	-14.9	-13.3	0.6	4.8	17.5	-3.0	8.8	22.6
	Next three months	-8.1	-14.9	-5.2	-8.0	-6.7	0.2	3.7	29.4	26.5	21.9	28.1	29.9
How has demand for lending from OFCs changed?	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	-2.4	10.7	-6.8	-13.5	0.0	13.4	2.7	17.1
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	0.0	-0.6	0.0	6.9	-13.5	13.4	9.9	17.1
What have been the main factors contributing to changes in demand for lending:^(b)													
mergers and acquisitions	Past three months	-9.4	3.0	-0.9	-19.6	-27.8	-10.7	10.4	6.4	27.1	12.8	14.3	27.0
	Next three months	-7.9	-6.8	-1.8	-3.3	3.4	-10.2	0.4	20.4	14.1	27.7	22.0	26.4
capital investment	Past three months	-14.0	-7.7	-3.4	-19.1	-11.3	-9.3	-3.2	-11.8	4.0	23.9	31.2	17.9
	Next three months	-7.4	-12.2	-3.2	-1.6	-1.3	-6.5	-0.9	3.9	2.8	19.4	37.6	25.2
inventory finance	Past three months	-0.1	-2.4	0.7	-14.6	-9.9	-7.8	0.0	3.6	0.7	-0.5	31.5	22.2
	Next three months	7.4	-0.6	0.7	-0.6	0.0	0.7	3.1	3.9	0.7	22.8	25.6	6.0
balance sheet restructuring	Past three months	-15.8	10.6	-0.1	-11.1	-6.1	7.2	11.8	16.8	13.4	7.3	7.1	5.2
	Next three months	-16.6	-3.1	1.6	3.0	1.2	-0.8	3.2	2.2	7.9	8.0	8.1	28.4
commercial real estate	Past three months	-0.1	1.8	-1.1	-19.5	-6.5	-5.2	-10.0	4.5	-7.9	23.3	29.4	26.9
	Next three months	5.5	2.5	-1.4	-17.0	-3.8	-12.3	-12.9	16.5	-11.3	27.7	28.0	39.8
How have spreads on loans to small businesses changed?	Past three months	-2.0	-2.5	-11.1	-6.4	-13.1	0.0	-2.0	12.0	-1.2	6.7	7.9	3.3
	Next three months	-11.2	-6.9	-20.3	-8.1	-21.1	-9.0	-2.0	6.2	0.0	0.0	0.0	3.3
How have fees/commissions on loans to small businesses changed?	Past three months	2.8	0.0	-7.0	0.0	-1.4	-12.7	1.5	-7.4	7.8	7.9	0.0	0.0
	Next three months	0.0	-6.9	0.0	-8.1	-12.9	0.0	-0.7	7.4	0.0	0.0	0.0	0.0
How have collateral requirements for loans to small businesses changed?	Past three months	-2.0	-14.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	-2.0	-13.5	0.0	0.0	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	-2.0	-2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.9	0.0
	Next three months	-2.0	-13.5	0.0	0.9	0.0	0.0	0.0	0.0	0.0	2.6	0.0	0.0
How have loan covenants for small businesses changed?	Past three months	-2.0	-14.8	-2.6	-2.8	-3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	-2.0	-13.5	0.0	-0.9	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
How have spreads on loans to medium PNFCs changed?	Past three months	21.9	22.6	-19.6	-33.1	-39.8	-5.5	29.8	39.1	7.9	23.1	25.5	14.7
	Next three months	19.9	18.0	-33.8	-11.6	-27.7	-1.4	19.3	13.4	0.0	16.8	13.9	23.9
How have fees/commissions on loans to medium PNFCs changed?	Past three months	19.2	20.6	-8.4	-18.8	-21.8	-2.2	19.9	9.3	9.6	1.2	18.3	14.9
	Next three months	18.0	19.2	-20.9	-7.3	-15.4	0.0	7.8	2.8	-0.7	1.2	21.2	15.8
How have collateral requirements for loans to medium PNFCs changed?	Past three months	-2.8	-4.4	-1.2	-4.8	-0.7	0.0	0.0	0.0	0.0	1.5	0.9	-0.3
	Next three months	-1.4	0.0	-2.5	-6.9	-1.9	0.0	1.2	0.0	0.8	2.2	0.6	0.0

		Net percentage balances ^(a)											
		2011			2012				2013				2014
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How have maximum credit lines for medium PNFCs changed?	Past three months	-11.1	0.8	-4.0	-12.4	-3.3	-1.0	-1.2	0.0	-1.0	10.6	-1.2	0.8
	Next three months	1.6	-5.3	-1.6	-7.7	-1.2	12.5	-0.5	0.0	0.0	0.7	-1.2	1.7
How have loan covenants for medium PNFCs changed?	Past three months	4.9	-2.0	-3.7	-14.9	-15.3	0.0	0.0	0.0	0.0	-0.2	0.6	-0.9
	Next three months	1.9	-5.3	-16.2	0.0	-1.2	0.0	0.0	0.0	0.0	-0.9	1.2	7.2
How have spreads on loans to large PNFCs changed?	Past three months	27.9	17.0	-14.4	-33.0	-4.3	-2.0	31.4	24.3	32.8	37.7	34.6	45.8
	Next three months	13.6	9.5	-44.2	-9.7	-23.0	0.0	8.5	20.7	25.8	42.3	43.6	42.7
How have fees/commissions on loans to large PNFCs changed?	Past three months	16.6	15.7	-3.7	-19.8	-2.9	-2.7	9.2	0.7	13.1	12.4	33.3	23.7
	Next three months	15.3	13.2	-29.6	-6.7	-10.5	0.0	7.8	8.8	13.2	29.6	42.3	28.9
How have collateral requirements for loans to large PNFCs changed?	Past three months	-2.8	-2.1	-3.2	-0.7	0.0	0.0	0.0	0.0	-0.9	0.7	0.0	-0.3
	Next three months	-1.4	0.0	-1.9	-0.7	-0.5	-0.5	0.0	0.8	0.9	0.0	0.6	0.0
How have maximum credit lines for large PNFCs changed?	Past three months	2.3	4.5	0.1	-10.1	-3.4	-1.1	-3.3	3.9	16.7	31.1	18.7	31.1
	Next three months	15.2	3.0	-1.6	-7.6	0.0	0.7	2.6	3.9	19.1	29.6	18.4	13.2
How have loan covenants for large PNFCs changed?	Past three months	16.5	17.4	-8.8	1.9	0.8	0.0	0.8	7.3	0.0	23.9	20.6	30.8
	Next three months	10.6	7.5	-21.8	-0.7	-0.5	0.0	0.0	0.8	6.4	20.7	20.3	31.2
How have spreads on loans to OFCs changed?	Past three months	22.8	9.5	-16.5	-16.1	-3.6	0.6	-2.7	12.7	12.7	42.0	33.4	46.6
	Next three months	1.0	9.2	-30.4	-24.7	-22.1	13.9	7.9	6.5	19.8	28.2	43.6	46.0
How have fees/commissions on loans to OFCs changed?	Past three months	1.0	1.8	-2.1	-8.6	-2.1	-0.3	-6.0	3.9	23.4	19.9	32.7	43.9
	Next three months	1.0	14.9	-16.1	-22.5	-8.6	0.0	10.3	0.0	19.8	28.2	42.2	43.3
How have collateral requirements for loans to OFCs changed?	Past three months	-4.6	-1.3	-3.0	-7.5	-8.4	-6.6	-13.1	0.0	3.5	0.0	1.3	0.6
	Next three months	0.0	-0.7	-3.0	-6.9	-2.1	0.0	0.0	0.0	0.0	0.0	2.0	0.0
How have maximum credit lines for OFCs changed?	Past three months	5.3	-0.4	-9.1	-6.2	-9.4	6.3	6.3	0.0	19.8	33.0	7.3	21.9
	Next three months	5.3	-6.5	-9.1	-5.5	-0.8	-1.0	0.0	12.9	19.8	7.1	20.4	34.8

* 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.