

Credit Conditions Survey

Survey results | 2014 Q2



BANK OF ENGLAND





BANK OF ENGLAND

Credit Conditions Survey

2014 Q2

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 Q2 survey. The 2014 Q2 survey was conducted between 8 May and 30 May 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 Q2 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 Q3 survey on 8 October 2014.



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Credit Conditions Survey

2014 Q2

Supply

- The availability of **secured credit to households** was reported to have increased slightly in the three months to end-May 2014. Lenders expected availability to be unchanged over the next three months.
- Lenders reported that the availability of **unsecured credit to households** increased in 2014 Q2, with a further slight increase anticipated in Q3.
- The overall availability of **credit to the corporate sector** was unchanged in Q2 according to lenders. An increase in availability was expected in Q3.

Demand

- Demand for **secured lending for house purchase** was reported to have increased significantly in 2014 Q2. Lenders expected demand to increase further over the next three months.
- Lenders reported that demand for **credit card lending** fell slightly in 2014 Q2, and expected little change in Q3. Demand for **other unsecured lending** products, such as personal loans, was unchanged in Q2 but was expected to increase in Q3.
- Demand for corporate credit was reported to have increased significantly in Q2 across all company sizes. Lenders expected further increases in demand in Q3.

Loan pricing

- Lenders reported that overall spreads on **secured lending to households** — relative to Bank Rate or the appropriate swap rate — narrowed in 2014 Q2. And spreads were expected to narrow further in Q3.
- Spreads on **credit card lending** were reported to have widened in Q2 and were expected to be unchanged in Q3. In contrast, spreads on **other unsecured lending** products narrowed, and a further significant fall was anticipated in Q3.
- Spreads on lending to **small businesses** were unchanged in Q2, while spreads for **medium-sized companies** and for **large corporates** narrowed significantly. These trends were expected to continue over the next three months.

Defaults

- Lenders reported that default rates on **secured loans to households** fell significantly in 2014 Q2, and were expected to fall further in Q3. Losses given default on **secured loans to households** also fell in Q2 and were expected to decrease slightly further in Q3.
- Default rates on unsecured lending fell significantly in Q2 for **credit card lending** and also decreased slightly for **other unsecured loans**. Losses given default were unchanged for both **credit card lending** and **other unsecured loans** in Q2.
- Default rates on corporate lending fell in Q2, particularly on lending to **large corporates**. Losses given default were unchanged for **small companies** but fell significantly for **medium-sized companies** and **large corporates**.

This report presents the results of the 2014 Q2 survey. The 2014 Q2 survey was conducted between 8 May and 30 May 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.

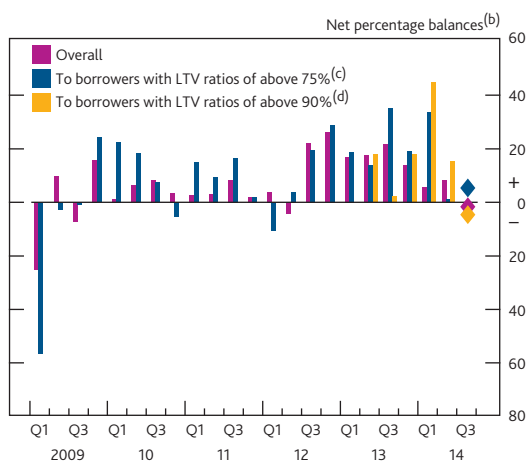
Credit Conditions Survey

In the three months to end-May 2014, lenders reported that the availability of secured credit to households had increased slightly. Lenders expected the availability of secured credit to be unchanged in 2014 Q3. Demand for secured lending for house purchase was reported to have increased significantly in Q2, and was expected to increase further in Q3. Spreads continued to tighten in Q2 and lenders expected a further fall in Q3. Household loan performance was again reported to have improved in Q2.

The availability of unsecured household credit increased again in 2014 Q2. Demand for credit card lending fell slightly while demand for other unsecured lending such as personal loans was unchanged. Spreads on credit card lending widened in Q2, but spreads on other unsecured lending tightened.

Overall corporate credit availability was unchanged in 2014 Q2. An increase in availability was expected in Q3. Demand for credit from corporates was reported to have increased significantly across all company sizes in Q2. Spreads on corporate lending were unchanged for small businesses but tightened significantly for medium-sized companies and large corporates on the quarter. Corporate loan performance improved in Q2.

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 corresponding diamonds show the expectations over the next three months.

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

(c) This question was introduced in 2008 Q3.

(d) This question was introduced in 2013 Q2.

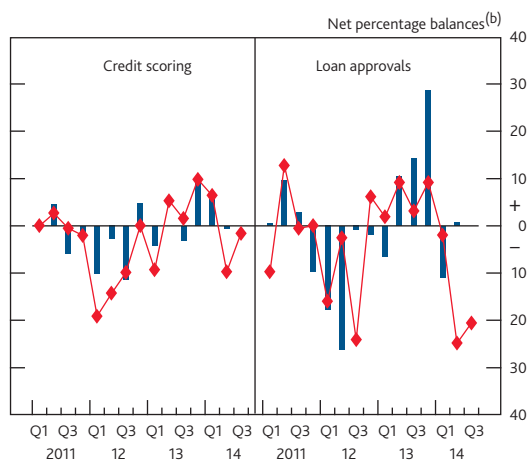
The 2014 Q2 *Credit Conditions Survey* was conducted between 8 May and 30 May 2014.

Secured lending to households

In the three months to end-May, lenders reported that the availability of secured credit to households increased slightly. Lenders have been reporting increases in secured credit availability for two years (**Chart 1**). The expansion in overall availability in 2014 Q2 was reported to be driven by market share objectives. Lenders expected the availability of secured credit to be unchanged in Q3. A lower appetite for risk was cited as a factor expected to push down on availability in Q3, while market share objectives were expected to continue to push up.

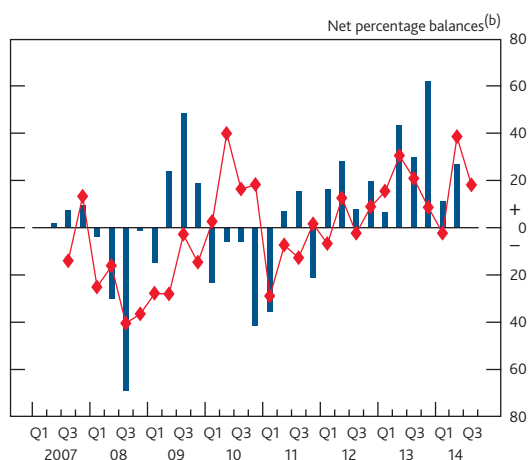
Credit availability was reported to have been unchanged for borrowers with loan to value (LTV) ratios above 75% in Q2, although there was an increase in the willingness to lend at LTV ratios above 90% (**Chart 1**). Consistent with this, maximum LTV ratios increased in Q2 and maximum loan to income (LTI) ratios also increased slightly. Lenders expected maximum LTV ratios to be unchanged in Q3 and expected maximum LTI ratios to fall slightly. This is the first time lenders have expected maximum LTI ratios to fall since 2012 Q1.

Chart 2 Credit scoring criteria and the proportion of applications being approved for secured lending to households^(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) For credit scoring, a positive balance indicates a loosening in credit scoring criteria. For loan approvals, a positive balance indicates an increase in the loan approval rate.

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.

Credit scoring criteria for granting household loan applications were reported to be unchanged in Q2 and no change was expected in Q3 (Chart 2). The proportion of household loan applications approved in Q2 was also reported to have been unchanged, despite lenders' expectations of a significant decrease. Lenders again expected the approval rate to fall significantly in Q3. Some lenders noted that changes introduced as a result of the Mortgage Market Review (MMR) might reduce approval rates somewhat. In addition, some lenders suggested that a tightening in lending standards on large loans with high LTI ratios may also push down their approval rate a little.

Continuing recent trends, demand for secured lending for house purchase was reported to have increased significantly in Q2 and was expected to increase further in Q3 (Chart 3). The increase in Q2 was concentrated in an increased demand for prime lending. Demand for buy-to-let lending was unchanged in Q2 but was expected to increase in Q3. Demand for secured lending for remortgaging increased significantly in Q2, having increased in most quarters since the end of 2012.

Spreads on secured lending rates to households — relative to Bank Rate or the relevant swap rate — narrowed again in Q2, although the net percentage balance is markedly lower than in 2013 (Chart 4). The narrowing in spreads in Q2 came at the same time as a slight fall in banks' internal transfer prices, as reported in the 2014 Q2 *Bank Liabilities Survey*.⁽¹⁾ Lenders expected a further narrowing in mortgage spreads over the next three months.

According to lenders, secured household loan performance improved further in Q2. Default rates fell significantly and losses given default also decreased. Further improvements were expected in Q3, particularly for default rates.

Unsecured lending to households

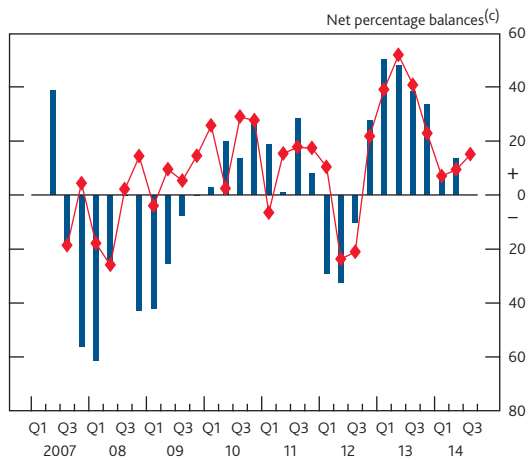
The total amount of unsecured credit made available to households increased again in 2014 Q2, and lenders expected a further slight rise in Q3.

For credit card lending, spreads were reported to have widened in 2014 Q2 (Chart 5), and demand was reported to have fallen a little on the quarter. There was no change in credit scoring criteria or the proportion of loan applications being approved in Q2, although an easing of credit scoring criteria and an increase in the proportion of credit card applications approved was expected in Q3.

Demand for other unsecured lending products, such as personal loans, was unchanged in 2014 Q2 and was expected to increase in Q3. Lenders also reported that credit scoring

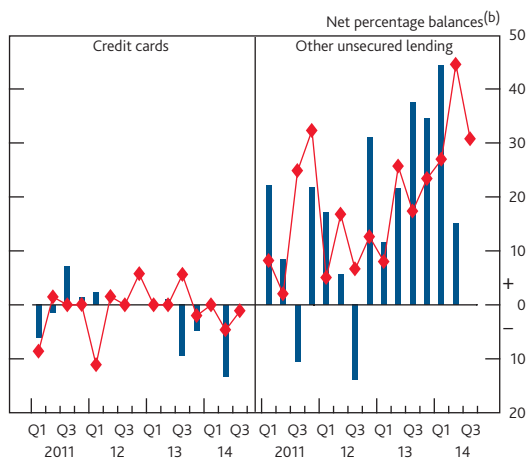
(1) See the 2014 Q2 *Bank Liabilities Survey* for more details, available at www.bankofengland.co.uk/publications/Documents/other/monetary/bls/bls14q2.pdf.

Chart 4 Spreads on overall secured lending to households^{(a)(b)}



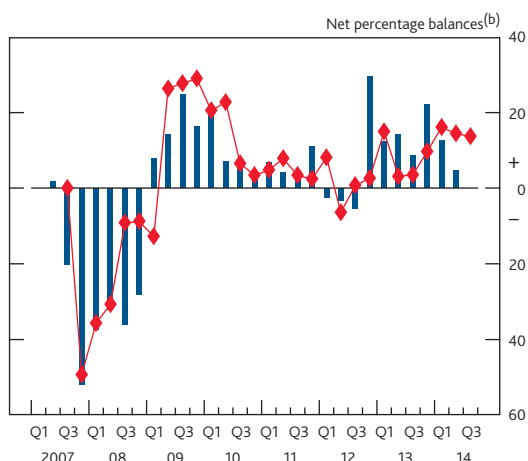
- (a) See footnote (a) to Chart 2.
 (b) Spreads are over Bank Rate for variable-rate mortgages and the relevant swap rate for fixed-rate mortgages.
 (c) A positive balance indicates that spreads have fallen such that, all else being equal, it is cheaper for households to borrow.

Chart 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 Overall corporate credit availability^(a)



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

criteria for other unsecured loan applications loosened significantly in Q2, and a further significant loosening was expected in Q3. Consistent with that, spreads continued to narrow in Q2 and a further significant narrowing was expected in Q3 (Chart 5).

Default rates on credit cards fell significantly in 2014 Q2 and fell slightly on other unsecured loans. Default rates on credit cards were also expected to decrease further in Q3. Losses given default on unsecured lending were unchanged in Q2.

Lending to corporates and small businesses

Overall credit availability to the corporate sector was reported to have been broadly unchanged in 2014 Q2, following reported increases in the previous six quarters (Chart 6). Lenders continued to cite an improvement in the economic outlook, market share objectives and market pressures from capital markets as having a positive impact on availability. An expansion in overall credit availability was expected in Q3.

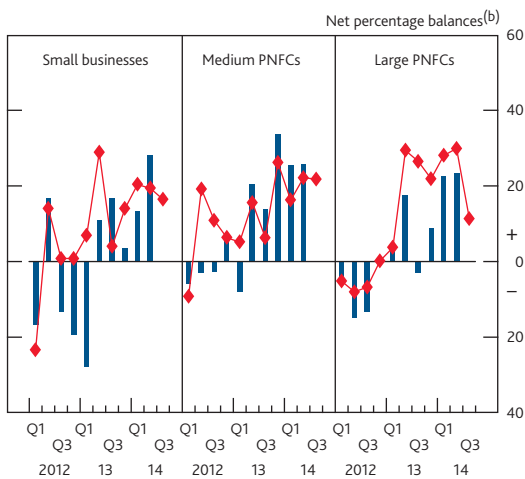
Within the corporate sector, the availability of lending to the commercial real estate sector was unchanged in 2014 Q2, and was expected to be unchanged in Q3, having increased in the previous two quarters.

Lenders reported that credit availability for small businesses and medium-sized companies was unchanged in 2014 Q2, but availability for large corporates increased slightly.⁽¹⁾ A slightly higher proportion of loan applications from small businesses were approved in Q2, continuing the trend of positive balances seen in recent quarters. The approval rate for medium-sized companies was also reported to have increased slightly. Lenders expected the approval rate to fall in Q3 for small businesses, increase slightly for medium-sized companies and be broadly unchanged for large corporates.

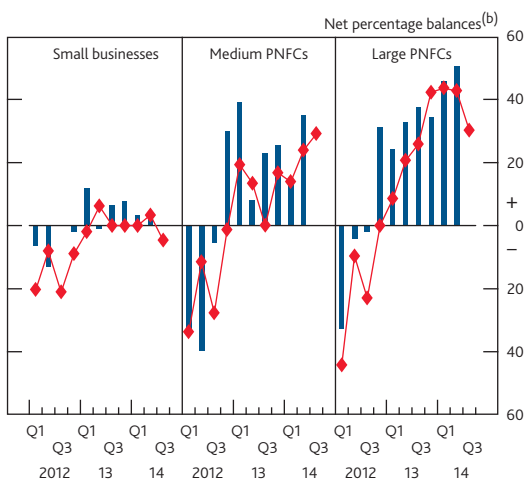
Corporate lending demand was reported to have increased significantly across all company sizes in 2014 Q2 (Chart 7). Lenders cited a number of factors which have positively affected overall credit demand, in particular a rise in mergers and acquisitions and increased demand for commercial real estate lending. Further increases in corporate lending demand were expected in Q3.

Spreads on corporate lending for small businesses were unchanged in 2014 Q2, while spreads for medium-sized companies and large corporates fell significantly. Spreads on lending to medium-sized and large companies have been falling since 2012 Q4 (Chart 8), and lenders expected a further decline in 2014 Q3.

(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.

Chart 7 Corporate demand for credit by firm size^(a)

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

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

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

Lending terms other than spreads were also unchanged for small businesses in 2014 Q2. For medium-sized companies, lenders reported falls in fees and commissions and a loosening in loan covenants. Continuing recent trends, a range of other lending terms were reported to have eased for large corporates in Q2 and were expected to ease further in Q3. In particular, lenders reported significant falls in fees and commissions on lending to large firms, as well as a significant increase in maximum credit lines and a significant loosening in loan covenants in Q2.

Corporate loan performance generally improved in 2014 Q2. Default rates on lending to small businesses and for medium-sized companies decreased in Q2 and default rates on lending to large corporates fell significantly. Losses given default were unchanged for small companies in Q2, but decreased significantly for medium-sized companies and large corporates. Loan performance across company sizes was expected to be similar or somewhat better in Q3.

Credit conditions for non-bank financial corporations continued to ease in 2014 Q2, with lenders reporting a further significant narrowing in lending spreads, significant falls in fees and commissions, and a significant increase in maximum credit lines. These were the highest reported balances since the survey began, and a significant further improvement in these lending terms was expected in Q3. Demand for credit from non-bank financial corporations increased in 2014 Q2, with a further increase anticipated in Q3.

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	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the availability of secured credit provided to households changed?	Past three months	8.4	1.9	3.8	-4.1	21.9	26.2	17.0	17.4	21.7	13.8	5.8	8.2
	Next three months	6.9	7.6	-8.7	0.1	36.1	24.7	15.8	17.2	-4.5	20.7	13.0	-1.3
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	5.0	-1.6	-8.6	-10.5	-2.8	0.8	1.9	2.0	4.8	5.3	7.3	1.4
	Next three months	-11.2	-9.9	-8.6	-9.0	6.9	2.6	0.0	0.0	4.8	8.9	7.6	0.0
market share objectives	Past three months	14.9	-1.5	-11.6	16.9	8.4	22.5	21.6	34.9	29.5	20.1	0.3	9.5
	Next three months	-1.0	7.6	-18.9	1.1	11.3	29.9	21.6	13.0	10.1	11.4	20.9	15.1
changing appetite for risk	Past three months	7.0	7.8	-7.2	1.6	8.1	1.8	8.3	13.1	-4.8	11.5	14.8	-2.3
	Next three months	5.5	0.0	-18.7	0.0	1.7	16.7	0.0	6.0	11.5	11.6	-7.3	-9.8
tight wholesale funding conditions	Past three months	-20.9	-26.9	-20.0	-20.4	9.2	21.8	7.6	3.9	0.0	0.0	0.0	2.3
	Next three months	-12.7	-21.9	-20.8	-18.3	-5.3	5.8	3.8	1.8	0.0	-2.7	0.0	2.3
expectations for house prices	Past three months	-6.8	-6.8	1.4	-1.6	-10.0	-1.9	-1.8	0.5	1.7	17.1	3.1	0.7
	Next three months	-16.2	-9.3	-11.5	-10.7	-1.9	-1.9	-3.7	7.8	1.7	18.0	6.2	-0.3
How has the availability of household secured credit to the following types of borrower changed?													
Borrowers with low loan to value ratios (75% or less)	Past three months	1.4	-1.8	9.8	5.3	2.7	20.4	8.9	9.3	19.5	2.9	1.4	2.7
	Next three months	4.8	-4.5	-6.3	1.2	12.6	33.6	8.2	19.2	-8.1	0.0	4.4	12.0
Borrowers with high loan to value ratios (more than 75%)	Past three months	16.5	2.1	-10.7	4.0	19.6	29.0	18.7	13.8	35.3	19.1	33.8	1.3
	Next three months	24.2	13.3	-8.6	-23.7	15.2	33.6	9.1	20.8	-2.0	28.4	8.6	5.7
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.**	18.1	2.4	18.0	44.9	15.3
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	19.7	10.8	24.6	14.1	-4.3

		Net percentage balances ^(a)											
		2011		2012				2013				2014	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How have credit scoring criteria for granting loan applications by households changed?	Past three months	-5.8	-1.4	-10.1	-2.8	-11.4	4.7	-4.2	0.0	-3.1	10.5	5.5	-0.6
	Next three months	-2.0	-19.1	-14.3	-9.9	0.0	-9.3	5.3	1.5	9.8	6.4	-9.7	-1.6
How has the proportion of household loan applications being approved changed?	Past three months	2.8	-9.7	-17.8	-26.2	-0.9	-1.9	-6.6	10.5	14.2	28.7	-11.0	0.7
	Next three months	0.0	-16.0	-2.6	-24.1	6.2	1.9	9.2	3.1	9.2	-2.0	-24.8	-20.6
How has the average credit quality of new secured lending to households changed?^(c)	Past three months	3.9	0.0	2.7	12.1	8.1	9.3	-15.6	8.0	10.1	13.2	5.1	-6.8
	Next three months	4.5	-5.5	24.5	18.8	0.0	9.3	-7.8	-6.0	0.0	-10.3	-18.3	8.5
How has the default rate on secured loans to households changed?	Past three months	-12.3	-24.4	-8.4	-7.0	-8.4	-9.3	1.4	-2.4	-26.2	-44.9	-39.7	-34.1
	Next three months	3.6	-15.0	-3.3	1.5	1.7	3.7	6.6	3.8	-14.6	-26.3	-19.1	-16.3
How have losses given default on secured loans to households changed?	Past three months	-0.8	14.6	-8.0	3.6	-4.0	5.0	-8.1	1.4	-37.6	-51.0	-48.4	-12.4
	Next three months	18.0	9.7	22.4	1.5	1.7	1.8	-7.6	-8.0	-32.4	-46.0	-42.9	-6.3
How has demand for secured lending for house purchase from households changed?	Past three months	15.3	-21.2	16.2	28.4	7.7	19.6	6.4	43.5	29.6	62.0	11.2	26.8
	Next three months	1.6	-6.8	12.5	-2.3	8.8	15.3	30.4	20.9	8.6	-2.3	38.5	18.1
<i>of which: demand for prime lending</i>	Past three months	14.1	-21.2	11.8	38.3	8.6	17.7	6.4	43.5	27.9	62.0	27.8	27.5
	Next three months	2.8	-6.8	12.5	-2.3	8.8	17.2	30.8	19.8	14.7	-2.3	38.5	18.1
<i>of which: demand for buy-to-let lending</i>	Past three months	37.8	12.7	-5.3	-1.6	-9.2	12.6	7.6	35.3	26.0	25.2	0.6	-4.0
	Next three months	1.8	-6.3	19.8	4.0	13.5	13.7	22.8	18.2	14.7	18.5	8.6	15.7
<i>of which: demand for other lending</i>	Past three months	-4.1	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	-4.1	n.a.*	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	-14.0	-10.6	5.6	9.9	-18.1	18.5	14.5	40.9	25.3	33.1	-5.2	25.7
	Next three months	9.5	-4.3	9.6	8.7	-0.3	17.2	31.2	6.7	11.0	1.0	26.8	5.0
How have overall secured lending spreads changed?	Past three months	28.2	7.9	-29.0	-32.5	-10.1	27.5	50.0	48.1	38.4	33.4	6.4	13.5
	Next three months	17.3	10.4	-23.7	-21.1	21.7	39.1	51.8	40.7	22.8	7.0	9.4	15.0
<i>of which: spreads on prime lending</i>	Past three months	28.2	7.9	-29.0	-32.5	-10.1	28.0	50.8	48.1	38.4	33.4	6.4	13.5
	Next three months	17.3	10.4	-23.7	-21.1	21.7	43.8	51.8	47.5	22.8	7.0	9.4	15.0
<i>of which: spreads on buy-to-let lending</i>	Past three months	1.8	9.9	-10.6	-6.6	1.9	22.3	46.3	43.9	30.6	26.5	-1.8	21.9
	Next three months	1.4	2.7	6.7	-6.9	12.7	31.9	25.7	34.9	15.0	-3.2	12.8	23.6
<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	-2.9	n.a.*	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	-6.7	0.0	1.4	0.0	0.0	0.0	-0.4	1.4	-1.9	0.0	6.9	-10.1
	Next three months	6.7	0.0	-1.6	0.0	1.8	1.8	1.0	5.2	5.4	0.0	0.7	-1.4
How have maximum loan to value ratios changed?	Past three months	2.8	11.5	4.9	6.4	9.3	1.8	7.8	9.6	1.6	5.0	24.7	12.3
	Next three months	4.9	9.8	-9.1	-1.7	-0.1	16.1	7.8	7.6	0.1	14.4	4.0	0.7
How have maximum loan to income ratios changed?	Past three months	0.2	-5.0	0.0	6.8	6.9	2.1	7.9	0.0	0.0	8.4	8.2	5.9
	Next three months	0.0	-5.0	-8.6	0.0	0.0	0.0	7.9	0.0	8.4	0.0	0.0	-7.3

* 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	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the availability of unsecured credit provided to households changed?	Past three months	19.9	12.5	4.7	8.1	-4.2	6.6	12.7	18.1	17.2	2.6	7.4	10.8
	Next three months	1.9	7.0	-10.4	5.6	6.8	14.6	14.6	26.6	19.2	17.9	5.7	7.8
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	-6.9	0.0	3.4	-1.7	0.0	0.0	0.0	0.0	8.3	1.1	0.7	0.0
	Next three months	-6.3	-2.4	-1.4	-2.2	-1.8	0.0	0.7	-2.2	9.4	8.1	4.3	-1.2
market share objectives	Past three months	3.5	-2.9	-1.5	7.6	-4.2	6.1	8.1	1.1	11.4	0.1	6.6	0.7
	Next three months	2.7	-2.2	-3.5	10.7	6.8	13.1	13.5	7.6	9.3	21.9	18.3	16.4
changing appetite for risk	Past three months	7.2	1.8	-0.5	7.3	1.8	5.1	5.8	8.1	2.9	1.4	13.2	6.8
	Next three months	7.5	4.5	1.5	6.1	5.8	5.8	7.4	7.5	4.1	9.4	1.8	2.0
changing cost/availability of funds	Past three months	-0.9	-1.1	-0.8	-0.7	1.8	5.1	0.0	0.8	0.0	0.0	0.0	0.0
	Next three months	-0.4	0.2	0.0	-11.9	1.1	4.8	0.0	5.8	0.4	0.0	0.0	-2.0
How have credit scoring criteria for granting credit card loan applications by households changed?	Past three months	2.6	5.2	5.7	8.4	0.8	-0.4	19.2	18.4	26.2	7.6	8.0	0.9
	Next three months	12.7	4.1	0.8	3.6	5.7	13.4	17.3	16.4	20.2	17.0	13.2	14.4
How have credit scoring criteria for granting other unsecured loan applications by households changed?	Past three months	25.0	10.6	-1.9	3.9	8.6	12.7	-13.8	28.7	28.0	15.2	8.6	24.5
	Next three months	11.6	2.2	2.5	8.6	2.7	-0.1	19.4	32.0	28.7	13.6	25.7	22.1
How have credit scoring criteria for granting total unsecured loan applications by households changed?	Past three months	5.4	5.8	4.7	7.8	1.7	1.2	15.3	19.8	26.5	8.8	8.1	4.9
	Next three months	12.6	3.9	1.0	4.3	5.4	11.8	17.5	18.4	21.5	16.4	15.3	15.7

		Net percentage balances ^(a)											
		2011		2012				2013				2014	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the proportion of credit card loan applications from households being approved changed?	Past three months	-2.9	-1.2	3.8	-1.4	2.6	-17.4	24.4	19.3	24.6	8.9	0.4	0.4
	Next three months	19.3	3.4	-7.6	-2.0	6.5	22.5	16.5	27.9	20.2	17.0	15.2	14.4
How has the proportion of other unsecured loan applications from households being approved changed?	Past three months	20.5	10.7	0.3	-2.3	15.2	20.8	-5.6	34.5	25.4	22.6	4.8	25.0
	Next three months	19.5	14.1	0.0	14.8	2.7	0.8	26.9	34.9	20.8	13.6	29.0	19.9
How has the proportion of total unsecured loan applications from households being approved changed?	Past three months	0.1	0.3	3.4	-1.5	4.0	-12.9	20.9	21.3	24.7	11.2	1.2	4.6
	Next three months	19.3	4.7	-6.6	0.1	6.1	19.9	17.7	28.8	20.3	16.4	17.5	15.3
How has the average credit quality of new credit card lending to households changed? ^(c)	Past three months	n.a.**	n.a.**	n.a.**	-6.7	2.6	-10.2	-0.3	3.8	6.7	-11.3	-13.7	-6.3
	Next three months	n.a.**	n.a.**	n.a.**	7.7	5.7	8.3	-6.1	0.0	-9.4	-8.2	-10.9	-7.9
How has the average credit quality of new other unsecured lending to households changed? ^(c)	Past three months	n.a.**	n.a.**	n.a.**	5.4	5.7	4.0	2.7	11.6	-9.6	-3.3	17.8	-3.9
	Next three months	n.a.**	n.a.**	n.a.**	-8.6	-2.7	0.9	-1.0	5.1	-8.9	-1.0	-4.8	2.4
How has the average credit quality of new total unsecured lending to households changed? ^(c)	Past three months	n.a.**	n.a.**	n.a.**	-5.2	2.9	-8.6	0.0	4.8	4.0	-10.0	-8.4	-5.9
	Next three months	n.a.**	n.a.**	n.a.**	5.7	4.8	7.4	-5.5	0.7	-9.4	-7.0	-9.9	-6.1
How has the default rate on credit card loans to households changed?	Past three months	-41.8	-29.3	-43.8	-7.1	-0.4	-17.5	-16.2	-8.6	-23.8	-17.9	-27.7	-27.4
	Next three months	-21.4	-0.7	6.4	-2.2	-4.1	-9.1	-7.5	-9.5	-8.9	-11.2	-19.6	-12.0
How has the default rate on other unsecured loans to households changed?	Past three months	-37.6	-37.4	-35.9	-31.7	-21.7	-7.5	0.0	-6.4	-6.8	-3.6	-22.6	-7.2
	Next three months	3.6	-8.5	-12.7	0.0	0.0	0.0	0.0	-6.4	0.0	0.0	-4.4	0.0
How has the default rate on total unsecured loans to households changed?	Past three months	-41.3	-30.3	-42.8	-10.2	-2.9	-16.3	-14.3	-8.3	-21.1	-15.5	-26.8	-23.9
	Next three months	-18.2	-1.7	3.9	-2.0	-3.6	-8.0	-6.7	-9.1	-7.4	-9.4	-17.1	-10.0
How have losses given default on credit card loans to households changed?	Past three months	-14.6	-10.7	-21.5	-13.2	6.8	5.9	1.4	9.5	9.8	3.7	-10.9	-3.3
	Next three months	-9.1	-15.6	-7.6	-7.6	6.8	7.5	8.3	9.5	9.8	10.4	0.0	10.6
How have losses given default on other unsecured loans to households changed?	Past three months	-11.8	6.5	0.0	-21.9	-16.0	-0.9	-22.9	-9.0	-0.5	0.0	0.0	-2.3
	Next three months	0.0	0.0	-13.6	-8.6	-16.9	-16.5	0.0	-8.1	0.0	0.0	0.0	0.0
How have losses given default on total unsecured loans to households changed?	Past three months	-14.2	-8.5	-18.7	-14.3	4.1	5.1	-1.4	7.1	8.2	3.1	-9.1	-3.1
	Next three months	-8.0	-13.6	-8.4	-7.7	4.0	4.7	7.3	7.2	8.3	8.7	0.0	8.8
How has demand for credit card lending from households changed?	Past three months	4.9	-7.5	-10.8	-16.5	4.1	27.8	2.4	-32.7	-1.9	-14.5	-26.7	-6.3
	Next three months	24.8	-16.0	-1.6	12.5	7.3	0.0	11.6	0.0	0.0	9.7	1.4	-2.0
How has demand for other unsecured lending from households changed?	Past three months	-4.6	-37.7	16.5	18.7	0.0	34.6	-6.2	5.4	26.4	-23.0	11.7	4.0
	Next three months	7.8	9.1	4.1	-17.0	9.2	32.3	35.1	15.8	-6.5	15.3	29.4	13.6
How has demand for total unsecured lending from households changed?	Past three months	3.7	-11.4	-7.3	-12.1	3.6	28.6	1.4	-27.6	2.7	-15.9	-20.2	-4.5
	Next three months	22.6	-12.8	-0.9	8.8	7.5	3.8	14.3	2.1	-1.0	10.6	6.1	0.7
How have spreads on credit cards changed?	Past three months	7.2	1.5	2.3	0.0	0.0	0.0	0.0	1.0	-9.4	-4.7	0.0	-13.2
	Next three months	0.1	-11.1	1.5	0.0	5.7	0.0	0.0	5.6	-2.0	0.0	-4.6	-1.1
How have spreads on other unsecured lending products changed?	Past three months	-10.4	21.8	17.1	5.7	-13.9	31.0	11.6	21.6	37.5	34.6	44.3	15.2
	Next three months	32.3	5.1	16.7	6.6	12.6	8.0	25.7	17.4	23.4	27.0	44.5	30.7
How have overall unsecured lending spreads changed?	Past three months	5.0	4.1	4.2	0.7	-1.6	3.6	1.4	3.7	-1.9	1.8	7.4	-8.4
	Next three months	4.1	-9.0	3.5	0.8	6.5	0.9	3.0	7.2	2.1	4.5	3.6	4.4

		Net percentage balances ^(a)											
		2011		2012				2013				2014	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How have credit card limits changed?	Past three months	13.3	21.2	20.7	-2.2	7.0	5.8	6.7	1.8	7.5	-13.1	6.7	0.9
	Next three months	27.7	5.6	0.8	13.5	5.7	6.6	0.0	9.7	0.0	0.9	0.9	8.8
How has the minimum proportion of credit card balances to be paid changed?	Past three months	-7.3	-7.6	-8.0	5.7	-12.3	0.0	-14.2	-6.6	0.0	0.0	-6.6	0.0
	Next three months	0.0	0.0	0.0	-6.5	5.7	0.0	0.0	0.0	0.0	0.0	0.0	2.0
How have maximum maturities on loans changed?^(d)	Past three months	13.6	-13.8	-2.2	-2.3	0.0	0.0	0.0	-0.9	0.7	-2.3	0.0	2.2
	Next three months	0.0	-13.8	0.0	0.0	0.0	0.0	-1.0	-3.0	0.0	0.0	0.0	2.2

** 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	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the availability of credit provided to the corporate sector overall changed?	Past three months	3.9	11.0	-2.6	-3.2	-5.5	29.4	12.3	14.2	8.5	22.2	12.7	4.8
	Next three months	2.4	8.1	-6.4	0.7	2.6	14.9	3.1	3.5	9.7	16.1	14.4	13.7
<i>of which: commercial real estate sector</i>	Past three months	2.3	-8.4	-7.5	-7.1	-3.0	10.4	1.7	14.4	0.7	14.8	14.6	-0.9
	Next three months	0.6	-10.2	-20.7	-0.3	5.2	15.4	2.4	13.9	2.6	0.1	15.8	2.8
How have commercial property prices affected credit availability to the commercial real estate sector, and/or secured lending to PNFCs?	Past three months	-1.2	-1.0	-16.7	-15.0	-21.7	-39.4	1.0	1.2	2.6	23.2	14.5	2.5
	Next three months	-2.2	-1.0	-16.3	-17.8	-12.3	-13.6	1.7	0.0	1.4	2.6	2.5	2.5
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	-2.2	-16.7	-8.4	-4.2	1.0	-0.1	6.4	17.1	6.2	22.2	18.2	32.5
	Next three months	-8.3	-15.5	-3.6	-3.4	-3.0	-0.1	6.4	38.5	29.4	24.8	19.9	32.5
changing sector-specific risks	Past three months	-4.2	-16.0	-3.1	-2.8	-3.8	0.0	0.0	1.1	0.0	3.0	5.7	2.4
	Next three months	-4.2	-12.5	-1.9	-4.9	-1.7	0.0	-0.8	7.0	0.6	1.8	5.7	12.0
market share objectives	Past three months	0.1	14.7	-2.1	4.0	2.8	2.9	8.1	7.2	11.8	21.3	20.0	19.2
	Next three months	0.1	13.5	-1.5	5.6	2.8	0.8	8.1	17.0	19.4	25.2	20.6	22.2
market pressures from capital markets	Past three months	5.6	0.2	8.3	-0.3	6.9	0.0	7.3	8.8	8.2	22.3	12.8	16.8
	Next three months	21.2	2.9	-1.3	-4.3	0.5	5.8	7.3	7.5	19.2	20.6	12.8	18.0
changing appetite for risk	Past three months	13.3	-2.6	-3.1	-3.8	-1.4	2.1	7.8	1.8	-1.1	16.7	11.8	4.5
	Next three months	-3.0	0.0	-1.9	-0.5	0.5	0.7	7.8	1.4	9.9	16.0	14.9	14.9
tight wholesale funding conditions	Past three months	-19.0	-42.6	2.1	0.0	-10.4	9.2	4.6	-1.5	0.0	0.0	11.4	-2.7
	Next three months	-39.6	-49.4	-5.8	-25.1	21.5	7.9	-5.9	0.0	0.0	-7.5	0.0	-2.7

		Net percentage balances ^(a)											
		2011		2012				2013				2014	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the availability of credit provided to small businesses changed?	Past three months	6.8	-1.2	-2.2	0.8	0.8	5.6	0.7	6.6	3.2	12.7	7.6	4.9
	Next three months	2.5	13.3	0.9	0.8	2.6	6.5	0.7	6.6	15.4	13.9	1.9	-9.4
How has the availability of credit provided to medium PNFCs changed?	Past three months	0.8	9.9	-3.1	-1.3	0.9	20.2	4.5	13.1	4.7	0.6	0.6	3.6
	Next three months	0.0	9.2	-2.2	0.8	2.8	17.4	3.1	2.1	6.6	2.8	1.8	10.3
How has the availability of credit provided to large PNFCs changed?	Past three months	-1.1	-0.7	-3.1	-1.4	0.0	17.5	12.9	23.2	2.5	13.1	11.5	5.9
	Next three months	-0.7	-3.8	-4.9	0.7	2.7	18.3	13.8	6.9	11.0	23.4	11.5	5.9
How has the proportion of loan applications from small businesses being approved changed?	Past three months	3.0	-1.9	-2.0	14.5	-1.5	4.2	9.8	18.4	8.5	16.5	15.4	7.5
	Next three months	0.0	0.0	0.9	0.8	0.0	3.3	0.7	4.0	12.8	12.1	0.6	-11.9
How has the proportion of loan applications from medium PNFCs being approved changed?	Past three months	0.6	-8.1	-4.6	2.0	-2.4	0.7	-3.1	-0.4	-1.7	0.6	1.2	7.3
	Next three months	3.0	-3.4	0.9	0.0	14.4	6.2	5.8	-1.1	0.6	1.2	7.3	9.1
How has the proportion of loan applications from large PNFCs being approved changed?	Past three months	-4.8	1.3	-3.8	-1.0	-1.2	0.0	-3.1	2.6	-1.7	0.6	0.3	4.4
	Next three months	2.3	-1.3	-1.8	-1.6	0.7	5.5	0.7	-1.1	0.6	1.2	-0.3	5.0
Has there been a change in average credit quality on newly arranged PNFC borrowing facilities? ^(c)	Past three months	5.2	8.3	19.7	12.7	0.2	-0.8	1.2	-2.2	0.4	0.0	-0.9	-7.6
	Next three months	5.2	3.9	15.1	12.7	-6.0	0.0	-0.8	-0.9	-0.9	0.0	-0.9	-0.9
Has there been any change in 'target hold' levels associated with corporate lending?	Past three months	1.7	10.7	24.2	13.1	1.3	-6.1	-11.8	-5.1	-5.2	-12.2	-10.8	-13.5
	Next three months	5.9	13.1	12.4	-0.3	4.8	0.7	0.0	-4.5	-6.3	-9.5	-10.0	-7.9
How have loan tenors on new corporate loans changed? ^(d)	Past three months	-11.8	8.8	-10.0	-1.5	-7.0	-11.7	0.0	-1.7	-1.1	23.8	11.2	11.3
	Next three months	-6.9	-14.2	-2.3	-1.3	-5.5	0.0	0.0	-1.7	11.3	13.9	11.2	14.7
Has there been a change in draw-downs on committed lines by PNFCs?	Past three months	9.8	14.0	-2.4	-0.1	-2.0	-1.1	1.6	-0.2	-13.2	-9.8	-1.1	-2.0
	Next three months	11.9	15.3	4.9	1.5	1.5	1.5	-2.4	-0.2	3.0	-1.1	-0.2	7.5
How has the default rate on loans to small businesses changed?	Past three months	-24.0	-14.7	1.4	-15.9	8.3	9.3	-22.2	26.5	2.7	-22.3	8.4	-18.6
	Next three months	-2.5	1.8	-1.3	-6.8	6.0	6.1	-0.7	-0.7	0.5	-14.4	0.6	-0.6
How has the default rate on loans to medium PNFCs changed?	Past three months	-6.2	18.0	17.7	2.1	1.6	24.7	-13.6	-0.6	-3.7	-3.3	-12.8	-14.1
	Next three months	20.0	25.5	21.9	0.0	13.5	9.4	11.2	2.1	-15.9	-5.4	9.4	-2.1
How has the default rate on loans to large PNFCs changed?	Past three months	-6.3	18.6	6.9	-6.8	11.3	30.7	-11.2	4.0	9.9	-10.5	-7.6	-25.5
	Next three months	30.1	14.2	7.5	18.8	6.4	7.3	0.7	-1.5	-3.1	-4.5	-12.9	-13.3
How has loss given default on loans to small businesses changed?	Past three months	-10.2	-19.6	8.6	5.9	0.0	0.0	-14.0	7.2	-12.6	-11.9	0.6	-3.7
	Next three months	0.7	1.0	-2.3	0.0	0.0	0.0	-0.7	-0.7	10.9	-11.9	0.6	-3.1
How have losses given default on loans to medium PNFCs changed?	Past three months	-5.3	2.1	11.6	2.2	0.7	14.3	-8.6	12.5	-13.0	-11.3	1.0	-23.1
	Next three months	6.3	19.3	21.5	14.8	15.1	0.2	-2.1	-11.5	-12.4	-13.0	-15.3	-10.4
How have losses given default on loans to large PNFCs changed?	Past three months	-5.5	0.0	7.0	0.0	14.1	12.4	4.1	0.2	-3.3	-12.5	-14.8	-23.3
	Next three months	6.5	20.7	20.3	13.3	5.7	-0.7	9.9	-0.7	-1.5	-13.1	-13.6	-9.3
How has demand for credit card lending from small businesses changed? ^(e)	Past three months	-29.1	-1.5	-1.5	10.4	0.5	11.7	11.7	10.4	21.8	-26.2	-4.7	3.6
	Next three months	5.9	15.6	20.9	-1.4	10.4	9.8	21.5	10.4	9.4	11.2	18.0	23.1
How has demand for other unsecured lending from small businesses changed? ^(e)	Past three months	-17.4	-25.4	-15.8	12.1	n.a.*	n.a.*	n.a.*	n.a.*	24.4	20.0	-2.3	8.0
	Next three months	0.2	-15.6	15.8	0.0	n.a.*	n.a.*	n.a.*	n.a.*	16.1	20.3	22.0	10.4

		Net percentage balances ^(a)											
		2011		2012				2013				2014	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has demand for total unsecured lending from small businesses changed? ^(e)	Past three months	-27.3	-5.1	-3.7	10.6	-2.2	8.7	7.6	10.6	22.2	-18.4	-4.3	4.3
	Next three months	5.0	10.9	20.1	-1.2	11.8	8.5	22.5	9.1	10.5	12.7	18.7	20.8
How has demand for secured lending from small businesses changed? ^(e)	Past three months	-21.6	-9.8	-20.1	15.3	-1.5	-7.5	-11.2	35.9	24.1	33.0	-2.3	-0.5
	Next three months	0.0	-9.8	17.7	0.0	17.2	2.0	28.5	6.9	8.7	11.5	18.9	19.9
How has overall demand for lending from small businesses changed? ^(e)	Past three months	-15.4	-35.1	-16.6	16.7	-13.4	-19.2	-27.7	11.1	16.9	3.6	13.4	28.1
	Next three months	-10.7	-23.4	14.0	0.8	0.8	6.9	28.9	4.0	14.0	20.4	19.4	16.5
How has demand for lending from medium PNFCs changed?	Past three months	9.2	-1.6	-5.9	-2.9	-2.8	5.5	-7.9	20.5	14.0	33.7	25.6	25.8
	Next three months	-12.3	-9.2	19.2	10.9	6.3	5.2	15.6	6.3	26.2	16.3	22.2	21.8
How has demand for lending from large PNFCs changed?	Past three months	-13.2	1.5	-5.2	-14.9	-13.3	0.6	4.8	17.5	-3.0	8.8	22.6	23.6
	Next three months	-14.9	-5.2	-8.0	-6.7	0.2	3.7	29.4	26.5	21.9	28.1	29.9	11.4
How has demand for lending from OFCs changed?	Past three months	n.a.**	n.a.**	n.a.**	-2.4	10.7	-6.8	-13.5	0.0	13.4	2.7	17.1	14.4
	Next three months	n.a.**	n.a.**	n.a.**	0.0	-0.6	0.0	6.9	-13.5	13.4	9.9	17.1	14.4
What have been the main factors contributing to changes in demand for lending:^(b)													
mergers and acquisitions	Past three months	3.0	-0.9	-19.6	-27.8	-10.7	10.4	6.4	27.1	12.8	14.3	27.0	36.0
	Next three months	-6.8	-1.8	-3.3	3.4	-10.2	0.4	20.4	14.1	27.7	22.0	26.4	28.3
capital investment	Past three months	-7.7	-3.4	-19.1	-11.3	-9.3	-3.2	-11.8	4.0	23.9	31.2	17.9	19.5
	Next three months	-12.2	-3.2	-1.6	-1.3	-6.5	-0.9	3.9	2.8	19.4	37.6	25.2	24.6
inventory finance	Past three months	-2.4	0.7	-14.6	-9.9	-7.8	0.0	3.6	0.7	-0.5	31.5	22.2	11.9
	Next three months	-0.6	0.7	-0.6	0.0	0.7	3.1	3.9	0.7	22.8	25.6	6.0	13.5
balance sheet restructuring	Past three months	10.6	-0.1	-11.1	-6.1	7.2	11.8	16.8	13.4	7.3	7.1	5.2	1.0
	Next three months	-3.1	1.6	3.0	1.2	-0.8	3.2	2.2	7.9	8.0	8.1	28.4	-1.8
commercial real estate	Past three months	1.8	-1.1	-19.5	-6.5	-5.2	-10.0	4.5	-7.9	23.3	29.4	26.9	29.3
	Next three months	2.5	-1.4	-17.0	-3.8	-12.3	-12.9	16.5	-11.3	27.7	28.0	39.8	28.7
How have spreads on loans to small businesses changed?	Past three months	-2.5	-11.1	-6.4	-13.1	0.0	-2.0	12.0	-1.2	6.7	7.9	3.3	3.1
	Next three months	-6.9	-20.3	-8.1	-21.1	-9.0	-2.0	6.2	0.0	0.0	0.0	3.3	-4.7
How have fees/commissions on loans to small businesses changed?	Past three months	0.0	-7.0	0.0	-1.4	-12.7	1.5	-7.4	7.8	7.9	0.0	0.0	0.0
	Next three months	-6.9	0.0	-8.1	-12.9	0.0	-0.7	7.4	0.0	0.0	0.0	0.0	0.0
How have collateral requirements for loans to small businesses changed?	Past three months	-14.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	-13.5	0.0	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	-2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.9	0.0	0.0
	Next three months	-13.5	0.0	0.9	0.0	0.0	0.0	0.0	0.0	2.6	0.0	0.0	0.0
How have loan covenants for small businesses changed?	Past three months	-14.8	-2.6	-2.8	-3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	-13.5	0.0	-0.9	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.7
How have spreads on loans to medium PNFCs changed?	Past three months	22.6	-19.6	-33.1	-39.8	-5.5	29.8	39.1	7.9	23.1	25.5	14.7	35.2
	Next three months	18.0	-33.8	-11.6	-27.7	-1.4	19.3	13.4	0.0	16.8	13.9	23.9	29.1
How have fees/commissions on loans to medium PNFCs changed?	Past three months	20.6	-8.4	-18.8	-21.8	-2.2	19.9	9.3	9.6	1.2	18.3	14.9	16.4
	Next three months	19.2	-20.9	-7.3	-15.4	0.0	7.8	2.8	-0.7	1.2	21.2	15.8	10.9
How have collateral requirements for loans to medium PNFCs changed?	Past three months	-4.4	-1.2	-4.8	-0.7	0.0	0.0	0.0	0.0	1.5	0.9	-0.3	0.6
	Next three months	0.0	-2.5	-6.9	-1.9	0.0	1.2	0.0	0.8	2.2	0.6	0.0	1.8

		Net percentage balances ^(a)											
		2011		2012				2013				2014	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How have maximum credit lines for medium PNFCs changed?	Past three months	0.8	-4.0	-12.4	-3.3	-1.0	-1.2	0.0	-1.0	10.6	-1.2	0.8	1.0
	Next three months	-5.3	-1.6	-7.7	-1.2	12.5	-0.5	0.0	0.0	0.7	-1.2	1.7	4.6
How have loan covenants for medium PNFCs changed?	Past three months	-2.0	-3.7	-14.9	-15.3	0.0	0.0	0.0	0.0	-0.2	0.6	-0.9	11.2
	Next three months	-5.3	-16.2	0.0	-1.2	0.0	0.0	0.0	0.0	-0.9	1.2	7.2	5.7
How have spreads on loans to large PNFCs changed?	Past three months	17.0	-14.4	-33.0	-4.3	-2.0	31.4	24.3	32.8	37.7	34.6	45.8	50.6
	Next three months	9.5	-44.2	-9.7	-23.0	0.0	8.5	20.7	25.8	42.3	43.6	42.7	30.2
How have fees/commissions on loans to large PNFCs changed?	Past three months	15.7	-3.7	-19.8	-2.9	-2.7	9.2	0.7	13.1	12.4	33.3	23.7	47.4
	Next three months	13.2	-29.6	-6.7	-10.5	0.0	7.8	8.8	13.2	29.6	42.3	28.9	27.8
How have collateral requirements for loans to large PNFCs changed?	Past three months	-2.1	-3.2	-0.7	0.0	0.0	0.0	0.0	-0.9	0.7	0.0	-0.3	11.0
	Next three months	0.0	-1.9	-0.7	-0.5	-0.5	0.0	0.8	0.9	0.0	0.6	0.0	5.3
How have maximum credit lines for large PNFCs changed?	Past three months	4.5	0.1	-10.1	-3.4	-1.1	-3.3	3.9	16.7	31.1	18.7	31.1	32.2
	Next three months	3.0	-1.6	-7.6	0.0	0.7	2.6	3.9	19.1	29.6	18.4	13.2	6.6
How have loan covenants for large PNFCs changed?	Past three months	17.4	-8.8	1.9	0.8	0.0	0.8	7.3	0.0	23.9	20.6	30.8	29.9
	Next three months	7.5	-21.8	-0.7	-0.5	0.0	0.0	0.8	6.4	20.7	20.3	31.2	38.8
How have spreads on loans to OFCs changed?	Past three months	9.5	-16.5	-16.1	-3.6	0.6	-2.7	12.7	12.7	42.0	33.4	46.6	48.0
	Next three months	9.2	-30.4	-24.7	-22.1	13.9	7.9	6.5	19.8	28.2	43.6	46.0	42.9
How have fees/commissions on loans to OFCs changed?	Past three months	1.8	-2.1	-8.6	-2.1	-0.3	-6.0	3.9	23.4	19.9	32.7	43.9	46.7
	Next three months	14.9	-16.1	-22.5	-8.6	0.0	10.3	0.0	19.8	28.2	42.2	43.3	42.9
How have collateral requirements for loans to OFCs changed?	Past three months	-1.3	-3.0	-7.5	-8.4	-6.6	-13.1	0.0	3.5	0.0	1.3	0.6	0.0
	Next three months	-0.7	-3.0	-6.9	-2.1	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0
How have maximum credit lines for OFCs changed?	Past three months	-0.4	-9.1	-6.2	-9.4	6.3	6.3	0.0	19.8	33.0	7.3	21.9	34.1
	Next three months	-6.5	-9.1	-5.5	-0.8	-1.0	0.0	12.9	19.8	7.1	20.4	34.8	34.1

* 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.