

# Credit Conditions Survey

Survey results | 2014 Q3



BANK OF ENGLAND





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# Credit Conditions Survey

2014 Q3

As part of its mission to maintain monetary stability and financial stability, the Bank needs to understand trends and developments in credit conditions. This quarterly survey of bank and building society lenders is an input to this work. Lenders are asked about the past three months and the coming three months. The survey covers secured and unsecured lending to households; and lending to non-financial corporations, small businesses, and to non-bank financial firms. Along with various data sources and discussions between the major UK lenders and Bank staff, this survey serves as an input into the quarterly *Trends in Lending* publication which presents the Bank of England's assessment of the latest trends in lending to the UK economy.

This report presents the results of the 2014 Q3 survey. The 2014 Q3 survey was conducted between 13 August and 8 September 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 Q3 survey, and copies of the questionnaires are available on the Bank's website at

[www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx](http://www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx).

The publication dates in 2015 for future *Credit Conditions Surveys* are:  
2014 Q4 survey on 6 January 2015.



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# Credit Conditions Survey

2014 Q3

## Supply

- After eight consecutive quarters of expansion, lenders reported that the availability of **secured credit to households** fell significantly in the three months to early-September. Lenders expected availability to increase over the next three months.
- Lenders reported that the availability of **unsecured credit to households** increased in Q3, with a further increase anticipated in Q4.
- The overall availability of **credit to the corporate sector** was unchanged in Q3 according to lenders, and was expected to remain unchanged in Q4.

## Demand

- Demand for **secured lending for house purchase** was reported to have decreased significantly in 2014 Q3. Lenders expected demand to increase over the next three months.
- Lenders reported that demand for **credit card lending** increased in Q3, and expected a further significant increase in Q4. Demand for **other unsecured lending** products, such as personal loans, was unchanged in Q3 but was expected to increase significantly in Q4.
- Demand for corporate credit from **small businesses** was reported to have decreased in Q3. In contrast, demand for lending from **medium-sized companies** increased significantly, and demand from **large corporates** also increased.

## Loan pricing

- Lenders reported that overall spreads on **secured lending to households** — relative to Bank Rate or the appropriate swap rate — narrowed in 2014 Q3. And spreads were expected to narrow significantly further in Q4.
- Spreads on **credit card lending** were reported to have been unchanged in Q3 and were expected to remain unchanged in Q4. In contrast, spreads on **other unsecured lending** products narrowed slightly in Q3, and a further slight fall was anticipated in Q4.
- Spreads on lending to **small businesses** were unchanged in Q3, 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 Q3, and were expected to fall significantly further in Q4. Losses given default on **secured loans to households** also fell significantly in Q3 and were expected to decrease significantly in Q4.
- Default rates on **credit card lending** and on other unsecured lending were unchanged in Q3. Default rates on credit card lending were expected to increase over the next three months. Losses given default on credit card lending fell in Q3 and were unchanged for **other unsecured lending**.
- Default rates on loans to **small businesses** increased slightly in Q3. Default rates on loans to **medium-sized companies** fell and they decreased significantly for loans to **large corporates**. Losses given default were unchanged for **small businesses** but fell significantly for **medium-sized companies** and **large corporates**.

This report presents the results of the 2014 Q3 survey. The 2014 Q3 survey was conducted between 13 August and 8 September 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  $\pm 100$ .

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](http://www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx).

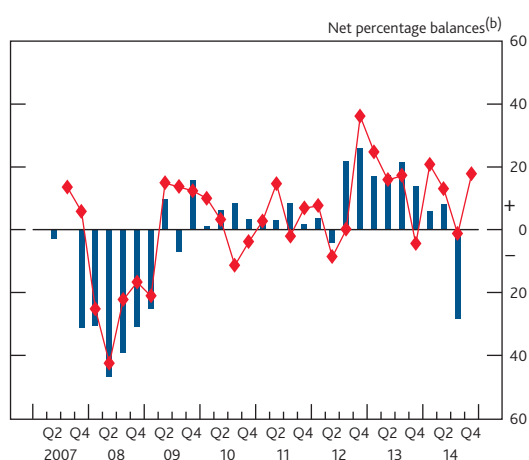
# Credit Conditions Survey

After eight consecutive quarters of expansion, lenders reported that the availability of secured credit to households fell significantly in the three months to early-September. Lenders expected availability to increase in Q4. Demand for secured lending for house purchase was also reported to have fallen significantly in Q3, but was expected to increase in Q4. Spreads continued to tighten in Q3 and lenders expected a further significant tightening in Q4. Secured loan performance was reported to have improved significantly in Q3.

The availability of unsecured household credit increased again in 2014 Q3. Demand for credit card lending increased while demand for other unsecured lending such as personal loans was unchanged. Spreads on credit card lending were unchanged in Q3 and spreads on other unsecured lending tightened slightly.

Overall corporate credit availability was unchanged in 2014 Q3. Credit availability fell slightly for small businesses but was unchanged for medium-sized companies. Demand for credit from small businesses was also reported to have fallen in Q3, but demand from medium-sized companies increased significantly. For large corporates, credit availability was reported to be unchanged in Q3 while demand for credit increased. Spreads on corporate lending were unchanged for small businesses, but tightened significantly for medium-sized companies and large corporates in Q3. Corporate loan performance improved for medium-sized companies and improved significantly for large corporates in Q3, but default rates on loans to small businesses increased slightly.

**Chart 1 Household secured credit availability<sup>(a)</sup>**



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

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

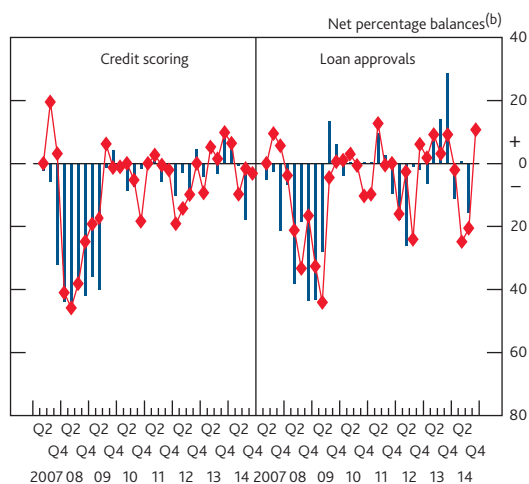
The 2014 Q3 *Credit Conditions Survey* was conducted between 13 August and 8 September 2014.

## Secured lending to households

After eight consecutive quarters of expansion, lenders reported that the availability of secured credit to households fell significantly in the three months to early-September (Chart 1). The contraction in overall availability was reported to be driven by a changing appetite for risk and lenders' expectations about house prices. Many lenders noted that operational issues associated with the implementation of the Mortgage Market Review had pushed down on credit availability over the summer. And some lenders commented that they had tightened availability a little in response to recommendations made by the Financial Policy Committee to mitigate risks stemming from the housing market.<sup>(1)</sup> Lenders did, however, expect the availability of secured credit to increase in Q4, driven by market share objectives.

(1) For details of the Financial Policy Committee's recommendations, see section 5 of the June 2014 *Financial Stability Report*, available at: [www.bankofengland.co.uk/publications/Documents/fsr/2014/fsrfull1406.pdf](http://www.bankofengland.co.uk/publications/Documents/fsr/2014/fsrfull1406.pdf).

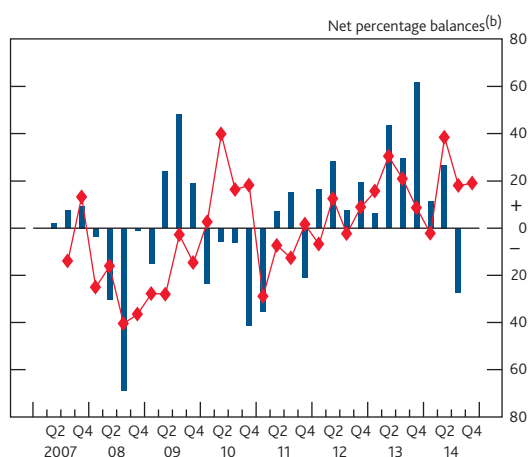
**Chart 2 Credit scoring criteria and the proportion of applications being approved for secured lending to households<sup>(a)</sup>**



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

(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.

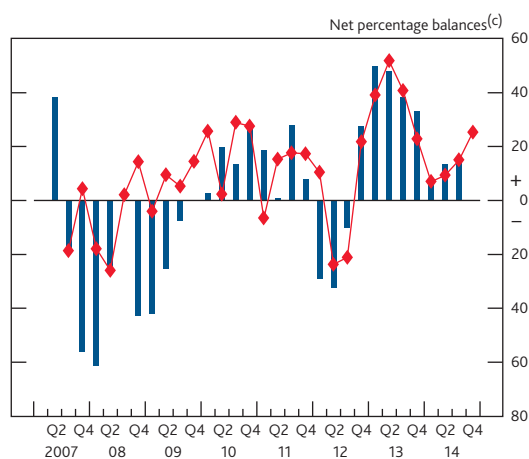
**Chart 3 Household demand for overall secured lending to finance a house purchase<sup>(a)</sup>**



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

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

**Chart 4 Spreads on overall secured lending to households<sup>(a)(b)</sup>**



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

(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.

Credit availability was reported to have fallen in Q3 both for borrowers with loan to value (LTV) ratios below 75% and for borrowers with LTV ratios above 75%. Lenders also reported that they had become less willing to lend at LTV ratios above 90% for the first time since the question was introduced in 2013, and some noted that they had introduced policies which restrict lending at high loan to income (LTI) ratios.

Consistent with a tightening in credit availability, credit scoring criteria for granting household loan applications were reported to have tightened in Q3 and the proportion of household loan applications being approved fell (**Chart 2**). Lenders expected that approval rates would increase in Q4.

Demand for secured lending for house purchase was also reported to have fallen significantly in Q3, breaking the trend of increasing demand seen since the start of 2012 (**Chart 3**). Within overall demand, demand for buy-to-let lending was reported to have increased slightly in Q3. Demand for secured lending for house purchase was expected to increase again in Q4. Demand for secured lending for remortgaging also fell significantly in Q3, but was expected to increase significantly in Q4.

Spreads on secured lending rates to households — relative to Bank Rate or the relevant swap rate — narrowed again in Q3. Lenders expected a further significant narrowing in mortgage spreads over the next three months (**Chart 4**). The narrowing in spreads in Q3 came at the same time as a significant fall in banks' internal transfer prices, as reported in the 2014 Q3 *Bank Liabilities Survey*.<sup>(1)</sup>

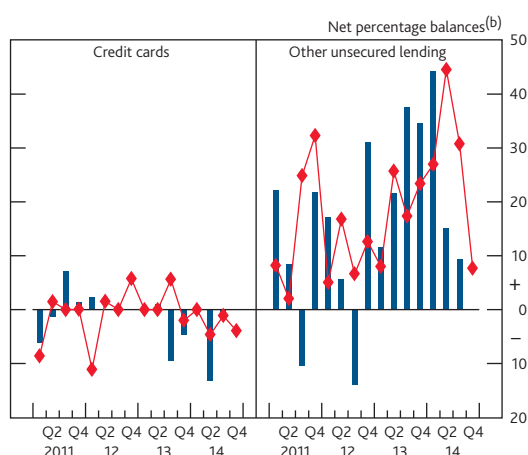
According to lenders, default rates and losses given default on secured loans improved significantly in Q3. A further significant improvement in secured household loan performance was expected in Q4.

### Unsecured lending to households

The total amount of unsecured credit made available to households increased in 2014 Q3, and lenders expected a further rise in Q4. Lenders have been reporting increases in unsecured credit availability for most of the past two years.

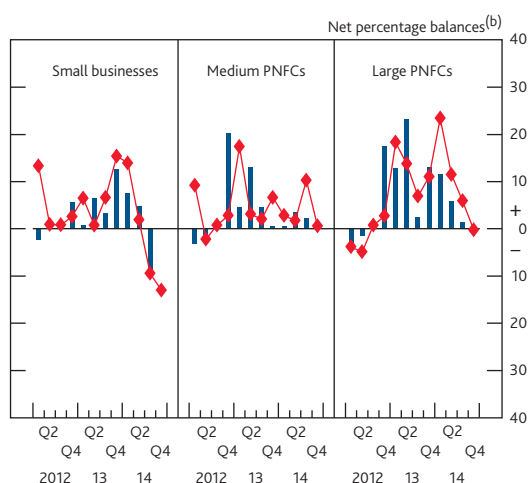
For credit card lending, demand was reported to have increased in 2014 Q3, following declines in the previous three quarters. Some lenders attributed the rise in demand to both successful marketing campaigns and an improvement in economic growth. A further significant increase in demand was expected over the next three months. Spreads on credit cards were reported to have been unchanged in Q3 (**Chart 5**), but lenders noted that competition in this market continued to be centred around the length of balance transfer offers.

(1) See the 2014 Q3 Bank Liabilities Survey for more details, available at [www.bankofengland.co.uk/publications/Documents/other/monetary/bls/bls14q3.pdf](http://www.bankofengland.co.uk/publications/Documents/other/monetary/bls/bls14q3.pdf).

**Chart 5 Household unsecured credit spreads<sup>(a)</sup>**

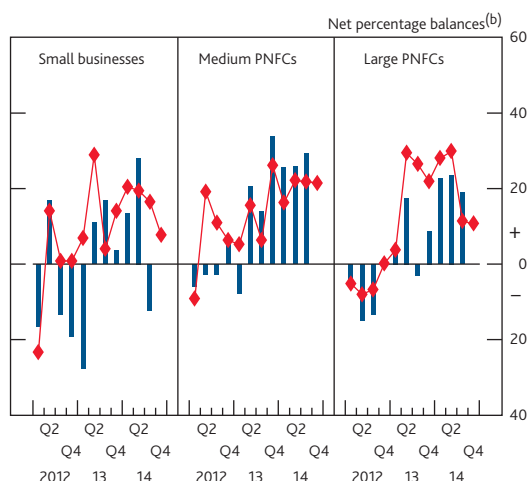
(a) See footnote (a) to Chart 1.

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

**Chart 6 Corporate credit availability by firm size<sup>(a)</sup>**

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

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

**Chart 7 Corporate demand for credit by firm size<sup>(a)</sup>**

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

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

Default rates on credit cards were unchanged in Q3, while losses given default fell. Default rates were expected to increase in Q4.

Demand for other unsecured lending products, such as personal loans, was unchanged in 2014 Q3 but was expected to increase significantly in Q4. Lenders reported that credit scoring criteria for other unsecured loan applications loosened significantly again in Q3, and a further slight loosening was expected in Q4. Consistent with a loosening in credit supply, spreads narrowed slightly in Q3 and a further slight narrowing was expected in Q4 (Chart 5). Default rates and losses given default on other unsecured lending were unchanged in Q3.

### Lending to corporates and small businesses

Overall credit availability to the corporate sector was reported to have been unchanged in 2014 Q3. Lenders continued to cite an improvement in the economic outlook and market pressures from capital markets as having a positive impact on availability, and this was expected to continue in Q4. But overall credit availability was still expected to remain unchanged in Q4. Within the corporate sector, the availability of lending to the commercial real estate sector was unchanged in Q3, and was expected to be unchanged in Q4.

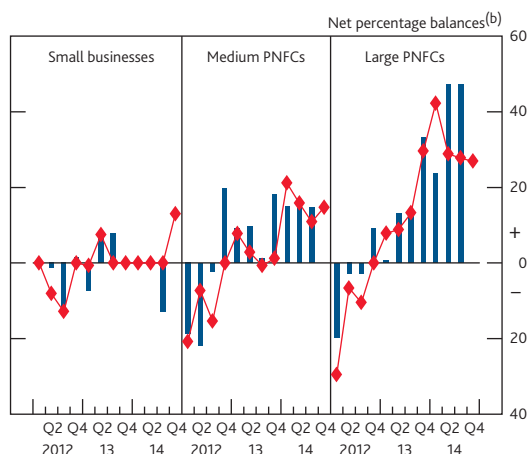
In terms of credit availability by firm size, lenders reported that credit availability for smaller businesses fell slightly in 2014 Q3, while availability for medium-sized companies was unchanged<sup>(1)</sup> (Chart 6). The proportion of loan applications being approved fell for small businesses but increased slightly for medium-sized companies. For large corporates, credit availability and the proportion of loan applications being approved were unchanged in Q3.

Developments in the demand for credit also differed by firm size in 2014 Q3 (Chart 7). Demand for lending fell for small businesses but increased significantly for medium-sized companies. Demand also increased for large corporates. Lenders continued to cite mergers and acquisitions and commercial real estate as factors significantly pushing up on the demand for lending in Q3. Corporate lending demand was expected to increase in Q4, particularly for medium-sized companies.

As has been the case for much of the past two years, spreads for medium-sized companies and large corporates fell significantly in 2014 Q3, while spreads on corporate lending to small businesses were reported to be unchanged. The fall in spreads for medium-sized companies and large corporates was attributed to increased competition among lenders to retain market share. These trends have also been seen in lending

(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 8 Fees and commissions on lending to corporates by firm size<sup>(a)</sup>**



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

(b) A positive balance indicates that fees and commissions have fallen.

terms other than spreads. For example, fees and commissions have been falling for medium-sized companies and large corporates over most of the past two years (**Chart 8**). In contrast, fees and commissions for small businesses were reported to have increased in Q3. Lenders also reported a loosening in loan covenants for medium-sized companies in Q3, and a significant loosening for large corporates.

Corporate loan performance improved for medium-sized companies and large corporates in 2014 Q3. Default rates fell for medium-sized companies and fell significantly for large corporates, and losses given default decreased significantly for both. Default rates on lending to small businesses increased slightly in Q3 and losses given default were unchanged.

Credit conditions for non-bank financial corporations continued to ease in 2014 Q3, with lenders reporting a further significant narrowing in lending spreads, significant falls in fees and commissions, and a significant increase in maximum credit lines. A significant further improvement in these lending terms was expected in Q4. Demand for credit from non-bank financial corporations increased significantly in Q3, with a further significant increase anticipated in Q4.

## Annex 1

### Secured lending to households questionnaire results

To calculate aggregate results, each lender is assigned a score based on their response. Lenders who report that credit conditions have changed 'a lot' are assigned twice the score of those who report that conditions have changed 'a little'. These scores are then weighted by lenders' market shares. The results are analysed by calculating 'net percentage balances' — the difference between the weighted balance of lenders reporting that, for example, demand was higher/lower or terms and conditions were tighter/looser. The net percentage balances are scaled to lie between  $\pm 100$ . 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](http://www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx).

|                                                                                                                        |                   | Net percentage balances <sup>(a)</sup> |        |        |        |        |        |      |      |      |      |      |       |
|------------------------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------|--------|--------|--------|--------|--------|------|------|------|------|------|-------|
|                                                                                                                        |                   | 2011                                   | 2012   |        |        |        | 2013   |      |      |      | 2014 |      |       |
|                                                                                                                        |                   | Q4                                     | Q1     | Q2     | Q3     | Q4     | Q1     | Q2   | Q3   | Q4   | Q1   | Q2   | Q3    |
| <b>How has the availability of secured credit provided to households changed?</b>                                      | Past three months | 1.9                                    | 3.8    | -4.1   | 21.9   | 26.2   | 17.0   | 17.4 | 21.7 | 13.8 | 5.8  | 8.2  | -28.5 |
|                                                                                                                        | Next three months | 7.6                                    | -8.7   | 0.1    | 36.1   | 24.7   | 15.8   | 17.2 | -4.5 | 20.7 | 13.0 | -1.3 | 17.7  |
| <b>Factors contributing to changes in credit availability:<sup>(b)</sup></b>                                           |                   |                                        |        |        |        |        |        |      |      |      |      |      |       |
| changing economic outlook                                                                                              | Past three months | -1.6                                   | -8.6   | -10.5  | -2.8   | 0.8    | 1.9    | 2.0  | 4.8  | 5.3  | 7.3  | 1.4  | 0.0   |
|                                                                                                                        | Next three months | -9.9                                   | -8.6   | -9.0   | 6.9    | 2.6    | 0.0    | 0.0  | 4.8  | 8.9  | 7.6  | 0.0  | 3.2   |
| market share objectives                                                                                                | Past three months | -1.5                                   | -11.6  | 16.9   | 8.4    | 22.5   | 21.6   | 34.9 | 29.5 | 20.1 | 0.3  | 9.5  | 11.4  |
|                                                                                                                        | Next three months | 7.6                                    | -18.9  | 1.1    | 11.3   | 29.9   | 21.6   | 13.0 | 10.1 | 11.4 | 20.9 | 15.1 | 15.1  |
| changing appetite for risk                                                                                             | Past three months | 7.8                                    | -7.2   | 1.6    | 8.1    | 1.8    | 8.3    | 13.1 | -4.8 | 11.5 | 14.8 | -2.3 | -25.5 |
|                                                                                                                        | Next three months | 0.0                                    | -18.7  | 0.0    | 1.7    | 16.7   | 0.0    | 6.0  | 11.5 | 11.6 | -7.3 | -9.8 | 1.5   |
| tight wholesale funding conditions                                                                                     | Past three months | -26.9                                  | -20.0  | -20.4  | 9.2    | 21.8   | 7.6    | 3.9  | 0.0  | 0.0  | 0.0  | 2.3  | 0.0   |
|                                                                                                                        | Next three months | -21.9                                  | -20.8  | -18.3  | -5.3   | 5.8    | 3.8    | 1.8  | 0.0  | -2.7 | 0.0  | 2.3  | 0.0   |
| expectations for house prices                                                                                          | Past three months | -6.8                                   | 1.4    | -1.6   | -10.0  | -1.9   | -1.8   | 0.5  | 1.7  | 17.1 | 3.1  | 0.7  | -10.1 |
|                                                                                                                        | Next three months | -9.3                                   | -11.5  | -10.7  | -1.9   | -1.9   | -3.7   | 7.8  | 1.7  | 18.0 | 6.2  | -0.3 | -0.2  |
| <b>How has the availability of household secured credit to the following types of borrower changed?</b>                |                   |                                        |        |        |        |        |        |      |      |      |      |      |       |
| Borrowers with low loan to value ratios (75% or less)                                                                  | Past three months | -1.8                                   | 9.8    | 5.3    | 2.7    | 20.4   | 8.9    | 9.3  | 19.5 | 2.9  | 1.4  | 2.7  | -11.1 |
|                                                                                                                        | Next three months | -4.5                                   | -6.3   | 1.2    | 12.6   | 33.6   | 8.2    | 19.2 | -8.1 | 0.0  | 4.4  | 12.0 | 10.8  |
| Borrowers with high loan to value ratios (more than 75%)                                                               | Past three months | 2.1                                    | -10.7  | 4.0    | 19.6   | 29.0   | 18.7   | 13.8 | 35.3 | 19.1 | 33.8 | 1.3  | -10.2 |
|                                                                                                                        | Next three months | 13.3                                   | -8.6   | -23.7  | 15.2   | 33.6   | 9.1    | 20.8 | -2.0 | 28.4 | 8.6  | 5.7  | 1.3   |
| <b>Have you become more willing to lend to borrowers with housing equity less than 10% of the value of their home?</b> | Past three months | n.a.**                                 | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | 18.1 | 2.4  | 18.0 | 44.9 | 15.3 | -14.2 |
|                                                                                                                        | Next three months | n.a.**                                 | n.a.** | n.a.** | n.a.** | n.a.** | n.a.** | 19.7 | 10.8 | 24.6 | 14.1 | -4.3 | -7.1  |

|                                                                                                 |                   | Net percentage balances <sup>(a)</sup> |       |       |       |       |       |       |       |       |       |       |       |
|-------------------------------------------------------------------------------------------------|-------------------|----------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                                                                                 |                   | 2011                                   | 2012  |       |       |       | 2013  |       |       |       | 2014  |       |       |
|                                                                                                 |                   | Q4                                     | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    |
| How have credit scoring criteria for granting loan applications by households changed?          | Past three months | -1.4                                   | -10.1 | -2.8  | -11.4 | 4.7   | -4.2  | 0.0   | -3.1  | 10.5  | 5.5   | -0.6  | -17.9 |
|                                                                                                 | Next three months | -19.1                                  | -14.3 | -9.9  | 0.0   | -9.3  | 5.3   | 1.5   | 9.8   | 6.4   | -9.7  | -1.6  | -3.1  |
| How has the proportion of household loan applications being approved changed?                   | Past three months | -9.7                                   | -17.8 | -26.2 | -0.9  | -1.9  | -6.6  | 10.5  | 14.2  | 28.7  | -11.0 | 0.7   | -15.6 |
|                                                                                                 | Next three months | -16.0                                  | -2.6  | -24.1 | 6.2   | 1.9   | 9.2   | 3.1   | 9.2   | -2.0  | -24.8 | -20.6 | 10.8  |
| How has the average credit quality of new secured lending to households changed? <sup>(c)</sup> | Past three months | 0.0                                    | 2.7   | 12.1  | 8.1   | 9.3   | -15.6 | 8.0   | 10.1  | 13.2  | 5.1   | -6.8  | 0.7   |
|                                                                                                 | Next three months | -5.5                                   | 24.5  | 18.8  | 0.0   | 9.3   | -7.8  | -6.0  | 0.0   | -10.3 | -18.3 | 8.5   | -3.7  |
| How has the default rate on secured loans to households changed?                                | Past three months | -24.4                                  | -8.4  | -7.0  | -8.4  | -9.3  | 1.4   | -2.4  | -26.2 | -44.9 | -39.7 | -34.1 | -30.8 |
|                                                                                                 | Next three months | -15.0                                  | -3.3  | 1.5   | 1.7   | 3.7   | 6.6   | 3.8   | -14.6 | -26.3 | -19.1 | -16.3 | -20.3 |
| How have losses given default on secured loans to households changed?                           | Past three months | 14.6                                   | -8.0  | 3.6   | -4.0  | 5.0   | -8.1  | 1.4   | -37.6 | -51.0 | -48.4 | -12.4 | -27.1 |
|                                                                                                 | Next three months | 9.7                                    | 22.4  | 1.5   | 1.7   | 1.8   | -7.6  | -8.0  | -32.4 | -46.0 | -42.9 | -6.3  | -26.7 |
| How has demand for secured lending for house purchase from households changed?                  | Past three months | -21.2                                  | 16.2  | 28.4  | 7.7   | 19.6  | 6.4   | 43.5  | 29.6  | 62.0  | 11.2  | 26.8  | -27.4 |
|                                                                                                 | Next three months | -6.8                                   | 12.5  | -2.3  | 8.8   | 15.3  | 30.4  | 20.9  | 8.6   | -2.3  | 38.5  | 18.1  | 19.0  |
| <i>of which: demand for prime lending</i>                                                       | Past three months | -21.2                                  | 11.8  | 38.3  | 8.6   | 17.7  | 6.4   | 43.5  | 27.9  | 62.0  | 27.8  | 27.5  | -22.0 |
|                                                                                                 | Next three months | -6.8                                   | 12.5  | -2.3  | 8.8   | 17.2  | 30.8  | 19.8  | 14.7  | -2.3  | 38.5  | 18.1  | 17.4  |
| <i>of which: demand for buy-to-let lending</i>                                                  | Past three months | 12.7                                   | -5.3  | -1.6  | -9.2  | 12.6  | 7.6   | 35.3  | 26.0  | 25.2  | 0.6   | -4.0  | 6.9   |
|                                                                                                 | Next three months | -6.3                                   | 19.8  | 4.0   | 13.5  | 13.7  | 22.8  | 18.2  | 14.7  | 18.5  | 8.6   | 15.7  | 9.0   |
| <i>of which: demand for 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.*                                  | 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 | -10.6                                  | 5.6   | 9.9   | -18.1 | 18.5  | 14.5  | 40.9  | 25.3  | 33.1  | -5.2  | 25.7  | -28.8 |
|                                                                                                 | Next three months | -4.3                                   | 9.6   | 8.7   | -0.3  | 17.2  | 31.2  | 6.7   | 11.0  | 1.0   | 26.8  | 5.0   | 25.0  |
| How have overall secured lending spreads changed?                                               | Past three months | 7.9                                    | -29.0 | -32.5 | -10.1 | 27.5  | 50.0  | 48.1  | 38.4  | 33.4  | 6.4   | 13.5  | 14.9  |
|                                                                                                 | Next three months | 10.4                                   | -23.7 | -21.1 | 21.7  | 39.1  | 51.8  | 40.7  | 22.8  | 7.0   | 9.4   | 15.0  | 25.4  |
| <i>of which: spreads on prime lending</i>                                                       | Past three months | 7.9                                    | -29.0 | -32.5 | -10.1 | 28.0  | 50.8  | 48.1  | 38.4  | 33.4  | 6.4   | 13.5  | 14.9  |
|                                                                                                 | Next three months | 10.4                                   | -23.7 | -21.1 | 21.7  | 43.8  | 51.8  | 47.5  | 22.8  | 7.0   | 9.4   | 15.0  | 26.0  |
| <i>of which: spreads on buy-to-let lending</i>                                                  | Past three months | 9.9                                    | -10.6 | -6.6  | 1.9   | 22.3  | 46.3  | 43.9  | 30.6  | 26.5  | -1.8  | 21.9  | 24.8  |
|                                                                                                 | Next three months | 2.7                                    | 6.7   | -6.9  | 12.7  | 31.9  | 25.7  | 34.9  | 15.0  | -3.2  | 12.8  | 23.6  | 10.6  |
| <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 | n.a.*                                  | n.a.* | n.a.* | n.a.* | n.a.* | n.a.* | n.a.* | n.a.* | n.a.* | n.a.* | n.a.* | n.a.* |
| How have fees on secured lending changed?                                                       | Past three months | 0.0                                    | 1.4   | 0.0   | 0.0   | 0.0   | -0.4  | 1.4   | -1.9  | 0.0   | 6.9   | -10.1 | 0.7   |
|                                                                                                 | Next three months | 0.0                                    | -1.6  | 0.0   | 1.8   | 1.8   | 1.0   | 5.2   | 5.4   | 0.0   | 0.7   | -1.4  | 9.5   |
| How have maximum loan to value ratios changed?                                                  | Past three months | 11.5                                   | 4.9   | 6.4   | 9.3   | 1.8   | 7.8   | 9.6   | 1.6   | 5.0   | 24.7  | 12.3  | 1.8   |
|                                                                                                 | Next three months | 9.8                                    | -9.1  | -1.7  | -0.1  | 16.1  | 7.8   | 7.6   | 0.1   | 14.4  | 4.0   | 0.7   | 0.0   |
| How have maximum loan to income ratios changed?                                                 | Past three months | -5.0                                   | 0.0   | 6.8   | 6.9   | 2.1   | 7.9   | 0.0   | 0.0   | 8.4   | 8.2   | 5.9   | -3.9  |
|                                                                                                 | Next three months | -5.0                                   | -8.6  | 0.0   | 0.0   | 0.0   | 7.9   | 0.0   | 8.4   | 0.0   | 0.0   | -7.3  | -1.6  |

\* 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  $\pm 100$ . 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](http://www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx).

|                                                                                                               |                   | Net percentage balances <sup>(a)</sup> |       |       |      |      |       |      |      |      |      |      |      |
|---------------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------|-------|-------|------|------|-------|------|------|------|------|------|------|
|                                                                                                               |                   | 2011                                   | 2012  |       |      |      | 2013  |      |      |      | 2014 |      |      |
|                                                                                                               |                   | Q4                                     | Q1    | Q2    | Q3   | Q4   | Q1    | Q2   | Q3   | Q4   | Q1   | Q2   | Q3   |
| <b>How has the availability of unsecured credit provided to households changed?</b>                           | Past three months | 12.5                                   | 4.7   | 8.1   | -4.2 | 6.6  | 12.7  | 18.1 | 17.2 | 2.6  | 7.4  | 10.8 | 13.6 |
|                                                                                                               | Next three months | 7.0                                    | -10.4 | 5.6   | 6.8  | 14.6 | 14.6  | 26.6 | 19.2 | 17.9 | 5.7  | 7.8  | 17.8 |
| <b>Factors contributing to changes in credit availability:<sup>(b)</sup></b>                                  |                   |                                        |       |       |      |      |       |      |      |      |      |      |      |
| changing economic outlook                                                                                     | Past three months | 0.0                                    | 3.4   | -1.7  | 0.0  | 0.0  | 0.0   | 0.0  | 8.3  | 1.1  | 0.7  | 0.0  | 0.0  |
|                                                                                                               | Next three months | -2.4                                   | -1.4  | -2.2  | -1.8 | 0.0  | 0.7   | -2.2 | 9.4  | 8.1  | 4.3  | -1.2 | 0.4  |
| market share objectives                                                                                       | Past three months | -2.9                                   | -1.5  | 7.6   | -4.2 | 6.1  | 8.1   | 1.1  | 11.4 | 0.1  | 6.6  | 0.7  | 12.4 |
|                                                                                                               | Next three months | -2.2                                   | -3.5  | 10.7  | 6.8  | 13.1 | 13.5  | 7.6  | 9.3  | 21.9 | 18.3 | 16.4 | 20.0 |
| changing appetite for risk                                                                                    | Past three months | 1.8                                    | -0.5  | 7.3   | 1.8  | 5.1  | 5.8   | 8.1  | 2.9  | 1.4  | 13.2 | 6.8  | -0.9 |
|                                                                                                               | Next three months | 4.5                                    | 1.5   | 6.1   | 5.8  | 5.8  | 7.4   | 7.5  | 4.1  | 9.4  | 1.8  | 2.0  | -6.5 |
| changing cost/availability of funds                                                                           | Past three months | -1.1                                   | -0.8  | -0.7  | 1.8  | 5.1  | 0.0   | 0.8  | 0.0  | 0.0  | 0.0  | 0.0  | 0.0  |
|                                                                                                               | Next three months | 0.2                                    | 0.0   | -11.9 | 1.1  | 4.8  | 0.0   | 5.8  | 0.4  | 0.0  | 0.0  | -2.0 | 0.3  |
| <b>How have credit scoring criteria for granting credit card loan applications by households changed?</b>     | Past three months | 5.2                                    | 5.7   | 8.4   | 0.8  | -0.4 | 19.2  | 18.4 | 26.2 | 7.6  | 8.0  | 0.9  | 8.4  |
|                                                                                                               | Next three months | 4.1                                    | 0.8   | 3.6   | 5.7  | 13.4 | 17.3  | 16.4 | 20.2 | 17.0 | 13.2 | 14.4 | 6.6  |
| <b>How have credit scoring criteria for granting other unsecured loan applications by households changed?</b> | Past three months | 10.6                                   | -1.9  | 3.9   | 8.6  | 12.7 | -13.8 | 28.7 | 28.0 | 15.2 | 8.6  | 24.5 | 20.1 |
|                                                                                                               | Next three months | 2.2                                    | 2.5   | 8.6   | 2.7  | -0.1 | 19.4  | 32.0 | 28.7 | 13.6 | 25.7 | 22.1 | 9.1  |
| <b>How have credit scoring criteria for granting total unsecured loan applications by households changed?</b> | Past three months | 5.8                                    | 4.7   | 7.8   | 1.7  | 1.2  | 15.3  | 19.8 | 26.5 | 8.8  | 8.1  | 4.9  | 10.4 |
|                                                                                                               | Next three months | 3.9                                    | 1.0   | 4.3   | 5.4  | 11.8 | 17.5  | 18.4 | 21.5 | 16.4 | 15.3 | 15.7 | 7.1  |

|                                                                                                         |                   | Net percentage balances <sup>(a)</sup> |        |       |       |       |       |       |       |       |       |       |       |
|---------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                                                                                         |                   | 2011                                   | 2012   |       |       |       | 2013  |       |       |       | 2014  |       |       |
|                                                                                                         |                   | Q4                                     | Q1     | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    |
| How has the proportion of credit card loan applications from households being approved changed?         | Past three months | -1.2                                   | 3.8    | -1.4  | 2.6   | -17.4 | 24.4  | 19.3  | 24.6  | 8.9   | 0.4   | 0.4   | 19.0  |
|                                                                                                         | Next three months | 3.4                                    | -7.6   | -2.0  | 6.5   | 22.5  | 16.5  | 27.9  | 20.2  | 17.0  | 15.2  | 14.4  | 12.3  |
| How has the proportion of other unsecured loan applications from households being approved changed?     | Past three months | 10.7                                   | 0.3    | -2.3  | 15.2  | 20.8  | -5.6  | 34.5  | 25.4  | 22.6  | 4.8   | 25.0  | -8.2  |
|                                                                                                         | Next three months | 14.1                                   | 0.0    | 14.8  | 2.7   | 0.8   | 26.9  | 34.9  | 20.8  | 13.6  | 29.0  | 19.9  | 14.0  |
| How has the proportion of total unsecured loan applications from households being approved changed?     | Past three months | 0.3                                    | 3.4    | -1.5  | 4.0   | -12.9 | 20.9  | 21.3  | 24.7  | 11.2  | 1.2   | 4.6   | 14.3  |
|                                                                                                         | Next three months | 4.7                                    | -6.6   | 0.1   | 6.1   | 19.9  | 17.7  | 28.8  | 20.3  | 16.4  | 17.5  | 15.3  | 12.6  |
| How has the average credit quality of new credit card lending to households changed? <sup>(c)</sup>     | Past three months | n.a.**                                 | n.a.** | -6.7  | 2.6   | -10.2 | -0.3  | 3.8   | 6.7   | -11.3 | -13.7 | -6.3  | 3.1   |
|                                                                                                         | Next three months | n.a.**                                 | n.a.** | 7.7   | 5.7   | 8.3   | -6.1  | 0.0   | -9.4  | -8.2  | -10.9 | -7.9  | 12.9  |
| How has the average credit quality of new other unsecured lending to households changed? <sup>(c)</sup> | Past three months | n.a.**                                 | n.a.** | 5.4   | 5.7   | 4.0   | 2.7   | 11.6  | -9.6  | -3.3  | 17.8  | -3.9  | -12.6 |
|                                                                                                         | Next three months | n.a.**                                 | n.a.** | -8.6  | -2.7  | 0.9   | -1.0  | 5.1   | -8.9  | -1.0  | -4.8  | 2.4   | -10.5 |
| How has the average credit quality of new total unsecured lending to households changed? <sup>(c)</sup> | Past three months | n.a.**                                 | n.a.** | -5.2  | 2.9   | -8.6  | 0.0   | 4.8   | 4.0   | -10.0 | -8.4  | -5.9  | 0.3   |
|                                                                                                         | Next three months | n.a.**                                 | n.a.** | 5.7   | 4.8   | 7.4   | -5.5  | 0.7   | -9.4  | -7.0  | -9.9  | -6.1  | 8.8   |
| How has the default rate on credit card loans to households changed?                                    | Past three months | -29.3                                  | -43.8  | -7.1  | -0.4  | -17.5 | -16.2 | -8.6  | -23.8 | -17.9 | -27.7 | -27.4 | -4.4  |
|                                                                                                         | Next three months | -0.7                                   | 6.4    | -2.2  | -4.1  | -9.1  | -7.5  | -9.5  | -8.9  | -11.2 | -19.6 | -12.0 | 17.5  |
| How has the default rate on other unsecured loans to households changed?                                | Past three months | -37.4                                  | -35.9  | -31.7 | -21.7 | -7.5  | 0.0   | -6.4  | -6.8  | -3.6  | -22.6 | -7.2  | -3.9  |
|                                                                                                         | Next three months | -8.5                                   | -12.7  | 0.0   | 0.0   | 0.0   | 0.0   | -6.4  | 0.0   | 0.0   | -4.4  | 0.0   | 2.4   |
| How has the default rate on total unsecured loans to households changed?                                | Past three months | -30.3                                  | -42.8  | -10.2 | -2.9  | -16.3 | -14.3 | -8.3  | -21.1 | -15.5 | -26.8 | -23.9 | -4.3  |
|                                                                                                         | Next three months | -1.7                                   | 3.9    | -2.0  | -3.6  | -8.0  | -6.7  | -9.1  | -7.4  | -9.4  | -17.1 | -10.0 | 14.8  |
| How have losses given default on credit card loans to households changed?                               | Past three months | -10.7                                  | -21.5  | -13.2 | 6.8   | 5.9   | 1.4   | 9.5   | 9.8   | 3.7   | -10.9 | -3.3  | -19.8 |
|                                                                                                         | Next three months | -15.6                                  | -7.6   | -7.6  | 6.8   | 7.5   | 8.3   | 9.5   | 9.8   | 10.4  | 0.0   | 10.6  | -1.6  |
| How have losses given default on other unsecured loans to households changed?                           | Past three months | 6.5                                    | 0.0    | -21.9 | -16.0 | -0.9  | -22.9 | -9.0  | -0.5  | 0.0   | 0.0   | -2.3  | -2.4  |
|                                                                                                         | Next three months | 0.0                                    | -13.6  | -8.6  | -16.9 | -16.5 | 0.0   | -8.1  | 0.0   | 0.0   | 0.0   | 0.0   | -2.4  |
| How have losses given default on total unsecured loans to households changed?                           | Past three months | -8.5                                   | -18.7  | -14.3 | 4.1   | 5.1   | -1.4  | 7.1   | 8.2   | 3.1   | -9.1  | -3.1  | -16.8 |
|                                                                                                         | Next three months | -13.6                                  | -8.4   | -7.7  | 4.0   | 4.7   | 7.3   | 7.2   | 8.3   | 8.7   | 0.0   | 8.8   | -1.8  |
| How has demand for credit card lending from households changed?                                         | Past three months | -7.5                                   | -10.8  | -16.5 | 4.1   | 27.8  | 2.4   | -32.7 | -1.9  | -14.5 | -26.7 | -6.3  | 10.6  |
|                                                                                                         | Next three months | -16.0                                  | -1.6   | 12.5  | 7.3   | 0.0   | 11.6  | 0.0   | 0.0   | 9.7   | 1.4   | -2.0  | 27.8  |
| How has demand for other unsecured lending from households changed?                                     | Past three months | -37.7                                  | 16.5   | 18.7  | 0.0   | 34.6  | -6.2  | 5.4   | 26.4  | -23.0 | 11.7  | 4.0   | 1.8   |
|                                                                                                         | Next three months | 9.1                                    | 4.1    | -17.0 | 9.2   | 32.3  | 35.1  | 15.8  | -6.5  | 15.3  | 29.4  | 13.6  | 24.8  |
| How has demand for total unsecured lending from households changed?                                     | Past three months | -11.4                                  | -7.3   | -12.1 | 3.6   | 28.6  | 1.4   | -27.6 | 2.7   | -15.9 | -20.2 | -4.5  | 9.1   |
|                                                                                                         | Next three months | -12.8                                  | -0.9   | 8.8   | 7.5   | 3.8   | 14.3  | 2.1   | -1.0  | 10.6  | 6.1   | 0.7   | 27.3  |
| How have spreads on credit cards changed?                                                               | Past three months | 1.5                                    | 2.3    | 0.0   | 0.0   | 0.0   | 0.0   | 1.0   | -9.4  | -4.7  | 0.0   | -13.2 | -0.4  |
|                                                                                                         | Next three months | -11.1                                  | 1.5    | 0.0   | 5.7   | 0.0   | 0.0   | 5.6   | -2.0  | 0.0   | -4.6  | -1.1  | -3.9  |
| How have spreads on other unsecured lending products changed?                                           | Past three months | 21.8                                   | 17.1   | 5.7   | -13.9 | 31.0  | 11.6  | 21.6  | 37.5  | 34.6  | 44.3  | 15.2  | 9.3   |
|                                                                                                         | Next three months | 5.1                                    | 16.7   | 6.6   | 12.6  | 8.0   | 25.7  | 17.4  | 23.4  | 27.0  | 44.5  | 30.7  | 7.7   |
| How have overall unsecured lending spreads changed?                                                     | Past three months | 4.1                                    | 4.2    | 0.7   | -1.6  | 3.6   | 1.4   | 3.7   | -1.9  | 1.8   | 7.4   | -8.4  | 1.3   |
|                                                                                                         | Next three months | -9.0                                   | 3.5    | 0.8   | 6.5   | 0.9   | 3.0   | 7.2   | 2.1   | 4.5   | 3.6   | 4.4   | -1.9  |

|                                                                                   |                   | Net percentage balances <sup>(a)</sup> |      |      |       |     |       |      |     |       |      |     |      |
|-----------------------------------------------------------------------------------|-------------------|----------------------------------------|------|------|-------|-----|-------|------|-----|-------|------|-----|------|
|                                                                                   |                   | 2011                                   | 2012 |      |       |     | 2013  |      |     |       | 2014 |     |      |
|                                                                                   |                   | Q4                                     | Q1   | Q2   | Q3    | Q4  | Q1    | Q2   | Q3  | Q4    | Q1   | Q2  | Q3   |
| <b>How have credit card limits changed?</b>                                       | Past three months | 21.2                                   | 20.7 | -2.2 | 7.0   | 5.8 | 6.7   | 1.8  | 7.5 | -13.1 | 6.7  | 0.9 | 6.6  |
|                                                                                   | Next three months | 5.6                                    | 0.8  | 13.5 | 5.7   | 6.6 | 0.0   | 9.7  | 0.0 | 0.9   | 0.9  | 8.8 | 7.5  |
| <b>How has the minimum proportion of credit card balances to be paid changed?</b> | Past three months | -7.6                                   | -8.0 | 5.7  | -12.3 | 0.0 | -14.2 | -6.6 | 0.0 | 0.0   | -6.6 | 0.0 | -6.6 |
|                                                                                   | Next three months | 0.0                                    | 0.0  | -6.5 | 5.7   | 0.0 | 0.0   | 0.0  | 0.0 | 0.0   | 0.0  | 2.0 | -6.6 |
| <b>How have maximum maturities on loans changed?<sup>(d)</sup></b>                | Past three months | -13.8                                  | -2.2 | -2.3 | 0.0   | 0.0 | 0.0   | -0.9 | 0.7 | -2.3  | 0.0  | 2.2 | 0.0  |
|                                                                                   | Next three months | -13.8                                  | 0.0  | 0.0  | 0.0   | 0.0 | -1.0  | -3.0 | 0.0 | 0.0   | 0.0  | 2.2 | 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  $\pm 100$ . 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](http://www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx).

|                                                                                                                                                |                   |  | Net percentage balances <sup>(a)</sup> |       |       |       |       |      |      |      |      |      |      |      |
|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--|----------------------------------------|-------|-------|-------|-------|------|------|------|------|------|------|------|
|                                                                                                                                                |                   |  | 2011                                   | 2012  |       |       |       |      | 2013 |      |      |      |      | 2014 |
|                                                                                                                                                |                   |  | Q4                                     | Q1    | Q2    | Q3    | Q4    | Q1   | Q2   | Q3   | Q4   | Q1   | Q2   | Q3   |
| <b>How has the availability of credit provided to the corporate sector overall changed?</b>                                                    | Past three months |  | 11.0                                   | -2.6  | -3.2  | -5.5  | 29.4  | 12.3 | 14.2 | 8.5  | 22.2 | 12.7 | 4.8  | 2.6  |
|                                                                                                                                                | Next three months |  | 8.1                                    | -6.4  | 0.7   | 2.6   | 14.9  | 3.1  | 3.5  | 9.7  | 16.1 | 14.4 | 13.7 | 1.7  |
| <i>of which:</i> commercial real estate sector                                                                                                 | Past three months |  | -8.4                                   | -7.5  | -7.1  | -3.0  | 10.4  | 1.7  | 14.4 | 0.7  | 14.8 | 14.6 | -0.9 | -0.9 |
|                                                                                                                                                | Next three months |  | -10.2                                  | -20.7 | -0.3  | 5.2   | 15.4  | 2.4  | 13.9 | 2.6  | 0.1  | 15.8 | 2.8  | -0.9 |
| <b>How have commercial property prices affected credit availability to the commercial real estate sector, and/or secured lending to PNFCs?</b> | Past three months |  | -1.0                                   | -16.7 | -15.0 | -21.7 | -39.4 | 1.0  | 1.2  | 2.6  | 23.2 | 14.5 | 2.5  | 2.3  |
|                                                                                                                                                | Next three months |  | -1.0                                   | -16.3 | -17.8 | -12.3 | -13.6 | 1.7  | 0.0  | 1.4  | 2.6  | 2.5  | 2.5  | 0.0  |
| <b>Factors contributing to changes in credit availability:<sup>(b)</sup></b>                                                                   |                   |  |                                        |       |       |       |       |      |      |      |      |      |      |      |
| changing economic outlook                                                                                                                      | Past three months |  | -16.7                                  | -8.4  | -4.2  | 1.0   | -0.1  | 6.4  | 17.1 | 6.2  | 22.2 | 18.2 | 32.5 | 24.3 |
|                                                                                                                                                | Next three months |  | -15.5                                  | -3.6  | -3.4  | -3.0  | -0.1  | 6.4  | 38.5 | 29.4 | 24.8 | 19.9 | 32.5 | 10.6 |
| changing sector-specific risks                                                                                                                 | Past three months |  | -16.0                                  | -3.1  | -2.8  | -3.8  | 0.0   | 0.0  | 1.1  | 0.0  | 3.0  | 5.7  | 2.4  | -0.4 |
|                                                                                                                                                | Next three months |  | -12.5                                  | -1.9  | -4.9  | -1.7  | 0.0   | -0.8 | 7.0  | 0.6  | 1.8  | 5.7  | 12.0 | -2.1 |
| market share objectives                                                                                                                        | Past three months |  | 14.7                                   | -2.1  | 4.0   | 2.8   | 2.9   | 8.1  | 7.2  | 11.8 | 21.3 | 20.0 | 19.2 | 9.9  |
|                                                                                                                                                | Next three months |  | 13.5                                   | -1.5  | 5.6   | 2.8   | 0.8   | 8.1  | 17.0 | 19.4 | 25.2 | 20.6 | 22.2 | 8.1  |
| market pressures from capital markets                                                                                                          | Past three months |  | 0.2                                    | 8.3   | -0.3  | 6.9   | 0.0   | 7.3  | 8.8  | 8.2  | 22.3 | 12.8 | 16.8 | 14.2 |
|                                                                                                                                                | Next three months |  | 2.9                                    | -1.3  | -4.3  | 0.5   | 5.8   | 7.3  | 7.5  | 19.2 | 20.6 | 12.8 | 18.0 | 7.2  |
| changing appetite for risk                                                                                                                     | Past three months |  | -2.6                                   | -3.1  | -3.8  | -1.4  | 2.1   | 7.8  | 1.8  | -1.1 | 16.7 | 11.8 | 4.5  | 1.7  |
|                                                                                                                                                | Next three months |  | 0.0                                    | -1.9  | -0.5  | 0.5   | 0.7   | 7.8  | 1.4  | 9.9  | 16.0 | 14.9 | 14.9 | 0.0  |
| tight wholesale funding conditions                                                                                                             | Past three months |  | -42.6                                  | 2.1   | 0.0   | -10.4 | 9.2   | 4.6  | -1.5 | 0.0  | 0.0  | 11.4 | -2.7 | 7.0  |
|                                                                                                                                                | Next three months |  | -49.4                                  | -5.8  | -25.1 | 21.5  | 7.9   | -5.9 | 0.0  | 0.0  | -7.5 | 0.0  | -2.7 | 0.0  |

|                                                                                                               |                   | Net percentage balances <sup>(a)</sup> |       |       |       |       |       |       |       |       |       |       |       |
|---------------------------------------------------------------------------------------------------------------|-------------------|----------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                                                                                               |                   | 2011                                   | 2012  |       |       |       | 2013  |       |       |       | 2014  |       |       |
|                                                                                                               |                   | Q4                                     | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    | Q4    | Q1    | Q2    | Q3    |
| How has the availability of credit provided to small businesses changed?                                      | Past three months | -1.2                                   | -2.2  | 0.8   | 0.8   | 5.6   | 0.7   | 6.6   | 3.2   | 12.7  | 7.6   | 4.9   | -9.4  |
|                                                                                                               | Next three months | 13.3                                   | 0.9   | 0.8   | 2.6   | 6.5   | 0.7   | 6.6   | 15.4  | 13.9  | 1.9   | -9.4  | -13.0 |
| How has the availability of credit provided to medium PNFCs changed?                                          | Past three months | 9.9                                    | -3.1  | -1.3  | 0.9   | 20.2  | 4.5   | 13.1  | 4.7   | 0.6   | 0.6   | 3.6   | 2.4   |
|                                                                                                               | Next three months | 9.2                                    | -2.2  | 0.8   | 2.8   | 17.4  | 3.1   | 2.1   | 6.6   | 2.8   | 1.8   | 10.3  | 0.6   |
| How has the availability of credit provided to large PNFCs changed?                                           | Past three months | -0.7                                   | -3.1  | -1.4  | 0.0   | 17.5  | 12.9  | 23.2  | 2.5   | 13.1  | 11.5  | 5.9   | 1.5   |
|                                                                                                               | Next three months | -3.8                                   | -4.9  | 0.7   | 2.7   | 18.3  | 13.8  | 6.9   | 11.0  | 23.4  | 11.5  | 5.9   | -0.2  |
| How has the proportion of loan applications from small businesses being approved changed?                     | Past three months | -1.9                                   | -2.0  | 14.5  | -1.5  | 4.2   | 9.8   | 18.4  | 8.5   | 16.5  | 15.4  | 7.5   | -14.9 |
|                                                                                                               | Next three months | 0.0                                    | 0.9   | 0.8   | 0.0   | 3.3   | 0.7   | 4.0   | 12.8  | 12.1  | 0.6   | -11.9 | -12.1 |
| How has the proportion of loan applications from medium PNFCs being approved changed?                         | Past three months | -8.1                                   | -4.6  | 2.0   | -2.4  | 0.7   | -3.1  | -0.4  | -1.7  | 0.6   | 1.2   | 7.3   | 9.1   |
|                                                                                                               | Next three months | -3.4                                   | 0.9   | 0.0   | 14.4  | 6.2   | 5.8   | -1.1  | 0.6   | 1.2   | 7.3   | 9.1   | 10.9  |
| How has the proportion of loan applications from large PNFCs being approved changed?                          | Past three months | 1.3                                    | -3.8  | -1.0  | -1.2  | 0.0   | -3.1  | 2.6   | -1.7  | 0.6   | 0.3   | 4.4   | 0.9   |
|                                                                                                               | Next three months | -1.3                                   | -1.8  | -1.6  | 0.7   | 5.5   | 0.7   | -1.1  | 0.6   | 1.2   | -0.3  | 5.0   | 3.4   |
| Has there been a change in average credit quality on newly arranged PNFC borrowing facilities? <sup>(c)</sup> | Past three months | 8.3                                    | 19.7  | 12.7  | 0.2   | -0.8  | 1.2   | -2.2  | 0.4   | 0.0   | -0.9  | -7.6  | -4.5  |
|                                                                                                               | Next three months | 3.9                                    | 15.1  | 12.7  | -6.0  | 0.0   | -0.8  | -0.9  | -0.9  | 0.0   | -0.9  | -0.9  | -4.5  |
| Has there been any change in 'target hold' levels associated with corporate lending?                          | Past three months | 10.7                                   | 24.2  | 13.1  | 1.3   | -6.1  | -11.8 | -5.1  | -5.2  | -12.2 | -10.8 | -13.5 | -7.4  |
|                                                                                                               | Next three months | 13.1                                   | 12.4  | -0.3  | 4.8   | 0.7   | 0.0   | -4.5  | -6.3  | -9.5  | -10.0 | -7.9  | -7.2  |
| How have loan tenors on new corporate loans changed? <sup>(d)</sup>                                           | Past three months | 8.8                                    | -10.0 | -1.5  | -7.0  | -11.7 | 0.0   | -1.7  | -1.1  | 23.8  | 11.2  | 11.3  | 10.5  |
|                                                                                                               | Next three months | -14.2                                  | -2.3  | -1.3  | -5.5  | 0.0   | 0.0   | -1.7  | 11.3  | 13.9  | 11.2  | 14.7  | 11.1  |
| Has there been a change in draw-downs on committed lines by PNFCs?                                            | Past three months | 14.0                                   | -2.4  | -0.1  | -2.0  | -1.1  | 1.6   | -0.2  | -13.2 | -9.8  | -1.1  | -2.0  | 2.3   |
|                                                                                                               | Next three months | 15.3                                   | 4.9   | 1.5   | 1.5   | 1.5   | -2.4  | -0.2  | 3.0   | -1.1  | -0.2  | 7.5   | 2.7   |
| How has the default rate on loans to small businesses changed?                                                | Past three months | -14.7                                  | 1.4   | -15.9 | 8.3   | 9.3   | -22.2 | 26.5  | 2.7   | -22.3 | 8.4   | -18.6 | 8.4   |
|                                                                                                               | Next three months | 1.8                                    | -1.3  | -6.8  | 6.0   | 6.1   | -0.7  | -0.7  | 0.5   | -14.4 | 0.6   | -0.6  | -14.9 |
| How has the default rate on loans to medium PNFCs changed?                                                    | Past three months | 18.0                                   | 17.7  | 2.1   | 1.6   | 24.7  | -13.6 | -0.6  | -3.7  | -3.3  | -12.8 | -14.1 | -10.4 |
|                                                                                                               | Next three months | 25.5                                   | 21.9  | 0.0   | 13.5  | 9.4   | 11.2  | 2.1   | -15.9 | -5.4  | 9.4   | -2.1  | -4.0  |
| How has the default rate on loans to large PNFCs changed?                                                     | Past three months | 18.6                                   | 6.9   | -6.8  | 11.3  | 30.7  | -11.2 | 4.0   | 9.9   | -10.5 | -7.6  | -25.5 | -23.7 |
|                                                                                                               | Next three months | 14.2                                   | 7.5   | 18.8  | 6.4   | 7.3   | 0.7   | -1.5  | -3.1  | -4.5  | -12.9 | -13.3 | -18.4 |
| How has loss given default on loans to small businesses changed?                                              | Past three months | -19.6                                  | 8.6   | 5.9   | 0.0   | 0.0   | -14.0 | 7.2   | -12.6 | -11.9 | 0.6   | -3.7  | -3.7  |
|                                                                                                               | Next three months | 1.0                                    | -2.3  | 0.0   | 0.0   | 0.0   | -0.7  | -0.7  | 10.9  | -11.9 | 0.6   | -3.1  | -3.0  |
| How have losses given default on loans to medium PNFCs changed?                                               | Past three months | 2.1                                    | 11.6  | 2.2   | 0.7   | 14.3  | -8.6  | 12.5  | -13.0 | -11.3 | 1.0   | -23.1 | -23.3 |
|                                                                                                               | Next three months | 19.3                                   | 21.5  | 14.8  | 15.1  | 0.2   | -2.1  | -11.5 | -12.4 | -13.0 | -15.3 | -10.4 | -9.2  |
| How have losses given default on loans to large PNFCs changed?                                                | Past three months | 0.0                                    | 7.0   | 0.0   | 14.1  | 12.4  | 4.1   | 0.2   | -3.3  | -12.5 | -14.8 | -23.3 | -23.9 |
|                                                                                                               | Next three months | 20.7                                   | 20.3  | 13.3  | 5.7   | -0.7  | 9.9   | -0.7  | -1.5  | -13.1 | -13.6 | -9.3  | -9.4  |
| How has demand for credit card lending from small businesses changed? <sup>(e)</sup>                          | Past three months | -1.5                                   | -1.5  | 10.4  | 0.5   | 11.7  | 11.7  | 10.4  | 21.8  | -26.2 | -4.7  | 3.6   | 23.3  |
|                                                                                                               | Next three months | 15.6                                   | 20.9  | -1.4  | 10.4  | 9.8   | 21.5  | 10.4  | 9.4   | 11.2  | 18.0  | 23.1  | 17.4  |
| How has demand for other unsecured lending from small businesses changed? <sup>(e)</sup>                      | Past three months | -25.4                                  | -15.8 | 12.1  | n.a.* | n.a.* | n.a.* | n.a.* | 24.4  | 20.0  | -2.3  | 8.0   | -11.7 |
|                                                                                                               | Next three months | -15.6                                  | 15.8  | 0.0   | n.a.* | n.a.* | n.a.* | n.a.* | 16.1  | 20.3  | 22.0  | 10.4  | 12.3  |

|                                                                                               |                   | Net percentage balances <sup>(a)</sup> |        |       |       |       |       |       |      |       |      |      |       |
|-----------------------------------------------------------------------------------------------|-------------------|----------------------------------------|--------|-------|-------|-------|-------|-------|------|-------|------|------|-------|
|                                                                                               |                   | 2011                                   | 2012   |       |       |       | 2013  |       |      |       | 2014 |      |       |
|                                                                                               |                   | Q4                                     | Q1     | Q2    | Q3    | Q4    | Q1    | Q2    | Q3   | Q4    | Q1   | Q2   | Q3    |
| How has demand for total unsecured lending from small businesses changed? <sup>(e)</sup>      | Past three months | -5.1                                   | -3.7   | 10.6  | -2.2  | 8.7   | 7.6   | 10.6  | 22.2 | -18.4 | -4.3 | 4.3  | 17.0  |
|                                                                                               | Next three months | 10.9                                   | 20.1   | -1.2  | 11.8  | 8.5   | 22.5  | 9.1   | 10.5 | 12.7  | 18.7 | 20.8 | 16.5  |
| How has demand for secured lending from small businesses changed? <sup>(e)</sup>              | Past three months | -9.8                                   | -20.1  | 15.3  | -1.5  | -7.5  | -11.2 | 35.9  | 24.1 | 33.0  | -2.3 | -0.5 | -26.1 |
|                                                                                               | Next three months | -9.8                                   | 17.7   | 0.0   | 17.2  | 2.0   | 28.5  | 6.9   | 8.7  | 11.5  | 18.9 | 19.9 | 13.1  |
| How has overall demand for lending from small businesses changed? <sup>(e)</sup>              | Past three months | -35.1                                  | -16.6  | 16.7  | -13.4 | -19.2 | -27.7 | 11.1  | 16.9 | 3.6   | 13.4 | 28.1 | -12.5 |
|                                                                                               | Next three months | -23.4                                  | 14.0   | 0.8   | 0.8   | 6.9   | 28.9  | 4.0   | 14.0 | 20.4  | 19.4 | 16.5 | 7.7   |
| How has demand for lending from medium PNFCs changed?                                         | Past three months | -1.6                                   | -5.9   | -2.9  | -2.8  | 5.5   | -7.9  | 20.5  | 14.0 | 33.7  | 25.6 | 25.8 | 29.4  |
|                                                                                               | Next three months | -9.2                                   | 19.2   | 10.9  | 6.3   | 5.2   | 15.6  | 6.3   | 26.2 | 16.3  | 22.2 | 21.8 | 21.4  |
| How has demand for lending from large PNFCs changed?                                          | Past three months | 1.5                                    | -5.2   | -14.9 | -13.3 | 0.6   | 4.8   | 17.5  | -3.0 | 8.8   | 22.6 | 23.6 | 19.0  |
|                                                                                               | Next three months | -5.2                                   | -8.0   | -6.7  | 0.2   | 3.7   | 29.4  | 26.5  | 21.9 | 28.1  | 29.9 | 11.4 | 10.7  |
| How has demand for lending from OFCs changed?                                                 | Past three months | n.a.**                                 | n.a.** | -2.4  | 10.7  | -6.8  | -13.5 | 0.0   | 13.4 | 2.7   | 17.1 | 14.4 | 39.0  |
|                                                                                               | Next three months | n.a.**                                 | n.a.** | 0.0   | -0.6  | 0.0   | 6.9   | -13.5 | 13.4 | 9.9   | 17.1 | 14.4 | 24.4  |
| What have been the main factors contributing to changes in demand for lending: <sup>(b)</sup> |                   |                                        |        |       |       |       |       |       |      |       |      |      |       |
| mergers and acquisitions                                                                      | Past three months | -0.9                                   | -19.6  | -27.8 | -10.7 | 10.4  | 6.4   | 27.1  | 12.8 | 14.3  | 27.0 | 36.0 | 28.9  |
|                                                                                               | Next three months | -1.8                                   | -3.3   | 3.4   | -10.2 | 0.4   | 20.4  | 14.1  | 27.7 | 22.0  | 26.4 | 28.3 | 16.6  |
| capital investment                                                                            | Past three months | -3.4                                   | -19.1  | -11.3 | -9.3  | -3.2  | -11.8 | 4.0   | 23.9 | 31.2  | 17.9 | 19.5 | 13.9  |
|                                                                                               | Next three months | -3.2                                   | -1.6   | -1.3  | -6.5  | -0.9  | 3.9   | 2.8   | 19.4 | 37.6  | 25.2 | 24.6 | 3.8   |
| inventory finance                                                                             | Past three months | 0.7                                    | -14.6  | -9.9  | -7.8  | 0.0   | 3.6   | 0.7   | -0.5 | 31.5  | 22.2 | 11.9 | 10.8  |
|                                                                                               | Next three months | 0.7                                    | -0.6   | 0.0   | 0.7   | 3.1   | 3.9   | 0.7   | 22.8 | 25.6  | 6.0  | 13.5 | 3.8   |
| balance sheet restructuring                                                                   | Past three months | -0.1                                   | -11.1  | -6.1  | 7.2   | 11.8  | 16.8  | 13.4  | 7.3  | 7.1   | 5.2  | 1.0  | 3.2   |
|                                                                                               | Next three months | 1.6                                    | 3.0    | 1.2   | -0.8  | 3.2   | 2.2   | 7.9   | 8.0  | 8.1   | 28.4 | -1.8 | 1.3   |
| commercial real estate                                                                        | Past three months | -1.1                                   | -19.5  | -6.5  | -5.2  | -10.0 | 4.5   | -7.9  | 23.3 | 29.4  | 26.9 | 29.3 | 25.7  |
|                                                                                               | Next three months | -1.4                                   | -17.0  | -3.8  | -12.3 | -12.9 | 16.5  | -11.3 | 27.7 | 28.0  | 39.8 | 28.7 | 20.7  |
| How have spreads on loans to small businesses changed?                                        | Past three months | -11.1                                  | -6.4   | -13.1 | 0.0   | -2.0  | 12.0  | -1.2  | 6.7  | 7.9   | 3.3  | 3.1  | 3.0   |
|                                                                                               | Next three months | -20.3                                  | -8.1   | -21.1 | -9.0  | -2.0  | 6.2   | 0.0   | 0.0  | 0.0   | 3.3  | -4.7 | 3.0   |
| How have fees/commissions on loans to small businesses changed?                               | Past three months | -7.0                                   | 0.0    | -1.4  | -12.7 | 1.5   | -7.4  | 7.8   | 7.9  | 0.0   | 0.0  | 0.0  | -13.0 |
|                                                                                               | Next three months | 0.0                                    | -8.1   | -12.9 | 0.0   | -0.7  | 7.4   | 0.0   | 0.0  | 0.0   | 0.0  | 0.0  | 13.0  |
| How have collateral requirements for loans to small businesses changed?                       | Past three months | 0.0                                    | 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 | 0.0                                    | 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 | 0.0                                    | 0.0    | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0  | 7.9   | 0.0  | 0.0  | 0.6   |
|                                                                                               | Next three months | 0.0                                    | 0.9    | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 2.6  | 0.0   | 0.0  | 0.0  | 0.0   |
| How have loan covenants for small businesses changed?                                         | Past three months | -2.6                                   | -2.8   | -3.7  | 0.0   | 0.0   | 0.0   | 0.0   | 0.0  | 0.0   | 0.0  | 0.0  | 4.8   |
|                                                                                               | Next three months | 0.0                                    | -0.9   | -0.8  | 0.0   | 0.0   | 0.0   | 0.0   | 0.0  | 0.0   | 0.0  | 4.7  | 0.0   |
| How have spreads on loans to medium PNFCs changed?                                            | Past three months | -19.6                                  | -33.1  | -39.8 | -5.5  | 29.8  | 39.1  | 7.9   | 23.1 | 25.5  | 14.7 | 35.2 | 29.7  |
|                                                                                               | Next three months | -33.8                                  | -11.6  | -27.7 | -1.4  | 19.3  | 13.4  | 0.0   | 16.8 | 13.9  | 23.9 | 29.1 | 22.2  |
| How have fees/commissions on loans to medium PNFCs changed?                                   | Past three months | -8.4                                   | -18.8  | -21.8 | -2.2  | 19.9  | 9.3   | 9.6   | 1.2  | 18.3  | 14.9 | 16.4 | 14.7  |
|                                                                                               | Next three months | -20.9                                  | -7.3   | -15.4 | 0.0   | 7.8   | 2.8   | -0.7  | 1.2  | 21.2  | 15.8 | 10.9 | 14.7  |
| How have collateral requirements for loans to medium PNFCs changed?                           | Past three months | -1.2                                   | -4.8   | -0.7  | 0.0   | 0.0   | 0.0   | 0.0   | 1.5  | 0.9   | -0.3 | 0.6  | 0.0   |
|                                                                                               | Next three months | -2.5                                   | -6.9   | -1.9  | 0.0   | 1.2   | 0.0   | 0.8   | 2.2  | 0.6   | 0.0  | 1.8  | 0.0   |

|                                                                    |                   | Net percentage balances <sup>(a)</sup> |       |       |      |       |      |      |      |      |      |      |      |
|--------------------------------------------------------------------|-------------------|----------------------------------------|-------|-------|------|-------|------|------|------|------|------|------|------|
|                                                                    |                   | 2011                                   | 2012  |       |      |       | 2013 |      |      |      | 2014 |      |      |
|                                                                    |                   | Q4                                     | Q1    | Q2    | Q3   | Q4    | Q1   | Q2   | Q3   | Q4   | Q1   | Q2   | Q3   |
| How have maximum credit lines for medium PNFCs changed?            | Past three months | -4.0                                   | -12.4 | -3.3  | -1.0 | -1.2  | 0.0  | -1.0 | 10.6 | -1.2 | 0.8  | 1.0  | 3.6  |
|                                                                    | Next three months | -1.6                                   | -7.7  | -1.2  | 12.5 | -0.5  | 0.0  | 0.0  | 0.7  | -1.2 | 1.7  | 4.6  | 3.6  |
| How have loan covenants for medium PNFCs changed?                  | Past three months | -3.7                                   | -14.9 | -15.3 | 0.0  | 0.0   | 0.0  | 0.0  | -0.2 | 0.6  | -0.9 | 11.2 | 10.9 |
|                                                                    | Next three months | -16.2                                  | 0.0   | -1.2  | 0.0  | 0.0   | 0.0  | 0.0  | -0.9 | 1.2  | 7.2  | 5.7  | 10.3 |
| How have spreads on loans to large PNFCs changed?                  | Past three months | -14.4                                  | -33.0 | -4.3  | -2.0 | 31.4  | 24.3 | 32.8 | 37.7 | 34.6 | 45.8 | 50.6 | 49.8 |
|                                                                    | Next three months | -44.2                                  | -9.7  | -23.0 | 0.0  | 8.5   | 20.7 | 25.8 | 42.3 | 43.6 | 42.7 | 30.2 | 25.7 |
| How have fees/commissions on loans to large PNFCs changed?         | Past three months | -3.7                                   | -19.8 | -2.9  | -2.7 | 9.2   | 0.7  | 13.1 | 12.4 | 33.3 | 23.7 | 47.4 | 47.4 |
|                                                                    | Next three months | -29.6                                  | -6.7  | -10.5 | 0.0  | 7.8   | 8.8  | 13.2 | 29.6 | 42.3 | 28.9 | 27.8 | 26.9 |
| How have collateral requirements for loans to large PNFCs changed? | Past three months | -3.2                                   | -0.7  | 0.0   | 0.0  | 0.0   | 0.0  | -0.9 | 0.7  | 0.0  | -0.3 | 11.0 | 1.7  |
|                                                                    | Next three months | -1.9                                   | -0.7  | -0.5  | -0.5 | 0.0   | 0.8  | 0.9  | 0.0  | 0.6  | 0.0  | 5.3  | 0.0  |
| How have maximum credit lines for large PNFCs changed?             | Past three months | 0.1                                    | -10.1 | -3.4  | -1.1 | -3.3  | 3.9  | 16.7 | 31.1 | 18.7 | 31.1 | 32.2 | 19.6 |
|                                                                    | Next three months | -1.6                                   | -7.6  | 0.0   | 0.7  | 2.6   | 3.9  | 19.1 | 29.6 | 18.4 | 13.2 | 6.6  | 0.9  |
| How have loan covenants for large PNFCs changed?                   | Past three months | -8.8                                   | 1.9   | 0.8   | 0.0  | 0.8   | 7.3  | 0.0  | 23.9 | 20.6 | 30.8 | 29.9 | 26.9 |
|                                                                    | Next three months | -21.8                                  | -0.7  | -0.5  | 0.0  | 0.0   | 0.8  | 6.4  | 20.7 | 20.3 | 31.2 | 38.8 | 47.2 |
| How have spreads on loans to OFCs changed?                         | Past three months | -16.5                                  | -16.1 | -3.6  | 0.6  | -2.7  | 12.7 | 12.7 | 42.0 | 33.4 | 46.6 | 48.0 | 48.1 |
|                                                                    | Next three months | -30.4                                  | -24.7 | -22.1 | 13.9 | 7.9   | 6.5  | 19.8 | 28.2 | 43.6 | 46.0 | 42.9 | 34.3 |
| How have fees/commissions on loans to OFCs changed?                | Past three months | -2.1                                   | -8.6  | -2.1  | -0.3 | -6.0  | 3.9  | 23.4 | 19.9 | 32.7 | 43.9 | 46.7 | 42.7 |
|                                                                    | Next three months | -16.1                                  | -22.5 | -8.6  | 0.0  | 10.3  | 0.0  | 19.8 | 28.2 | 42.2 | 43.3 | 42.9 | 34.3 |
| How have collateral requirements for loans to OFCs changed?        | Past three months | -3.0                                   | -7.5  | -8.4  | -6.6 | -13.1 | 0.0  | 3.5  | 0.0  | 1.3  | 0.6  | 0.0  | 5.3  |
|                                                                    | Next three months | -3.0                                   | -6.9  | -2.1  | 0.0  | 0.0   | 0.0  | 0.0  | 0.0  | 2.0  | 0.0  | 0.0  | 0.0  |
| How have maximum credit lines for OFCs changed?                    | Past three months | -9.1                                   | -6.2  | -9.4  | 6.3  | 6.3   | 0.0  | 19.8 | 33.0 | 7.3  | 21.9 | 34.1 | 34.3 |
|                                                                    | Next three months | -9.1                                   | -5.5  | -0.8  | -1.0 | 0.0   | 12.9 | 19.8 | 7.1  | 20.4 | 34.8 | 34.1 | 34.3 |

\* 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/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.