

Credit Conditions Survey

Survey results | 2014 Q4



BANK OF ENGLAND





BANK OF ENGLAND

Credit Conditions Survey

2014 Q4

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

This report presents the results of the 2014 Q4 survey. The 2014 Q4 survey was conducted between 10 November and 1 December 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 Q4 survey, and copies of the questionnaires are available on the Bank's website at www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx.

The publication dates in 2015 for future *Credit Conditions Surveys* are:
2015 Q1 survey on 8 April 2015.



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Credit Conditions Survey

2014 Q4

Supply

- The availability of **secured credit to households** was reported to have risen slightly in the three months to early December 2014, having fallen significantly in Q3. Lenders expected availability to be unchanged over the next three months.
- Lenders reported that the availability of **unsecured credit to households** increased in 2014 Q4, with a further slight increase anticipated in 2015 Q1.
- The overall availability of **credit to the corporate sector** was unchanged in Q4 according to lenders, and was expected to remain unchanged in Q1.

Demand

- Demand for **secured lending for house purchase** was reported to have decreased significantly in 2014 Q4, compared with lenders' expectations of a rise. Lenders expected demand to increase slightly over the next three months.
- Lenders reported that demand for both **credit card lending** and **other unsecured lending** products, such as personal loans, increased significantly in Q4. Further increases in demand were anticipated in 2015 Q1.
- While demand for credit from **small businesses** was reported to have decreased in Q4, demand from **medium-sized companies** increased significantly. Demand for credit from **large corporates** increased slightly in 2014 Q4.

Loan pricing

- Lenders reported that overall spreads on **secured lending to households** — relative to Bank Rate or the appropriate swap rate — narrowed significantly in 2014 Q4. And spreads were expected to narrow further in 2015 Q1.
- Spreads on **other unsecured lending** products narrowed significantly in Q4, but were expected to remain unchanged in Q1.
- Spreads on lending to **small businesses** were unchanged in Q4, while spreads for **medium-sized companies** and **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 Q4, and a further significant fall was anticipated in 2015 Q1. Losses given default on **secured loans to households** also decreased in Q4 and were expected to decrease slightly further in Q1.
- Default rates on **credit card lending** fell significantly in Q4, while default rates on **other unsecured lending** were unchanged. Losses given default on **credit card lending** rose significantly in Q4, and rose slightly on **other unsecured lending**.
- Default rates on corporate lending fell in Q4, particularly on lending to **small businesses**. Losses given default were unchanged in Q4 for **small businesses**, but fell for **medium-sized companies** and **large corporates**.

This report presents the results of the 2014 Q4 survey. The 2014 Q4 survey was conducted between 10 November and 1 December 2014. The results are based on lenders' own responses to the survey. They do not necessarily reflect the Bank's views on credit conditions. To calculate aggregate results, each lender is assigned a score based on their response. Lenders who report that credit conditions have changed 'a lot' are assigned twice the score of those who report that conditions have changed 'a little'. These scores are then weighted by lenders' market shares. The results are analysed by calculating 'net percentage balances' — the difference

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

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

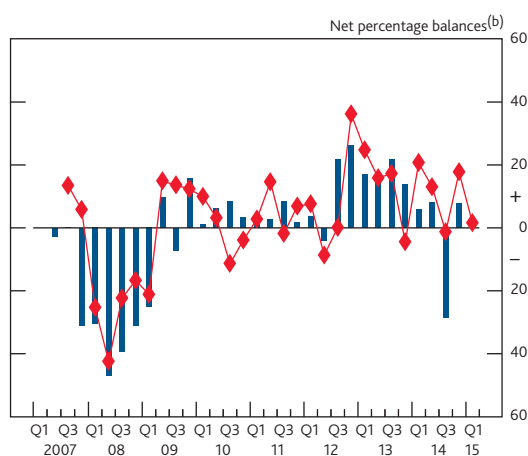
Credit Conditions Survey

The overall availability of secured credit to households was reported to have risen slightly in the three months to early December, having fallen significantly in Q3. Lenders expected availability to be unchanged in 2015 Q1. Although overall secured credit availability increased in Q4, lenders reported less willingness to lend at loan to value ratios above 90%, and maximum loan to income ratios fell significantly. Demand for secured lending for house purchase was reported to have fallen significantly in Q4, but was expected to increase slightly in Q1. Spreads on secured lending tightened significantly in Q4 and a further tightening was anticipated in Q1. Secured loan performance was again reported to have improved in Q4.

The availability of unsecured household credit increased again in 2014 Q4. Demand increased significantly for both credit card lending and other unsecured lending products such as personal loans. These net percentage balances were both at their highest since the *Credit Conditions Survey* began in 2007 Q2. Spreads on other unsecured lending tightened significantly in Q4.

Overall corporate credit availability was unchanged in 2014 Q4, although availability was reported to have increased for large corporates. Spreads on corporate lending were again unchanged for small businesses, but tightened significantly for medium-sized companies and large corporates in Q4. Lenders reported that demand for credit from small businesses fell, but demand from medium-sized companies increased significantly, and increased slightly from large corporates. Corporate loan performance improved across all company sizes in Q4.

Chart 1 Household secured credit availability^(a)



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

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

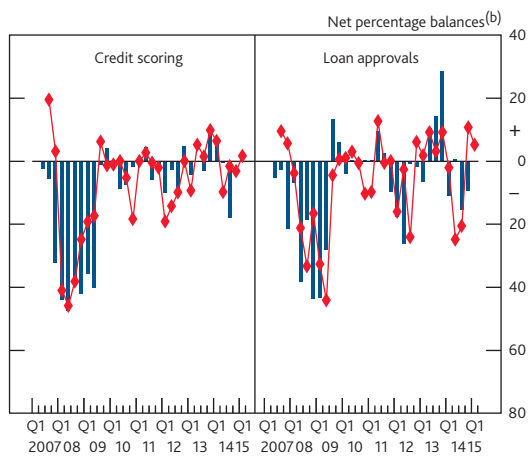
The 2014 Q4 *Credit Conditions Survey* was conducted between 10 November and 1 December 2014.

Secured lending to households

According to lenders, the availability of secured credit to households rose slightly in the three months to early December, having fallen significantly in the previous three months (**Chart 1**). Lenders expected the availability of secured credit to be unchanged in 2015 Q1.

While the overall availability of secured credit increased slightly, lenders reported that they had again become less willing to lend at loan to value (LTV) ratios above 90% in 2014 Q4. Maximum LTV ratios were reported to be unchanged, but maximum loan to income (LTI) ratios fell significantly in Q4, and LTI ratios were expected to fall slightly further in Q1. Some lenders commented that they had introduced policies which restrict lending at high LTI ratios for specific types of borrowing.

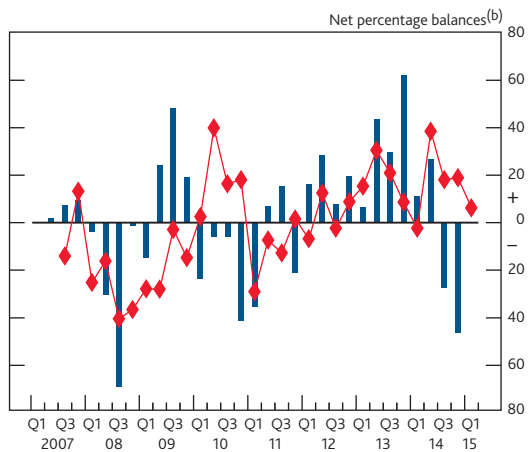
Chart 2 Credit scoring criteria and the proportion of applications being approved for secured lending to households^(a)



(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.

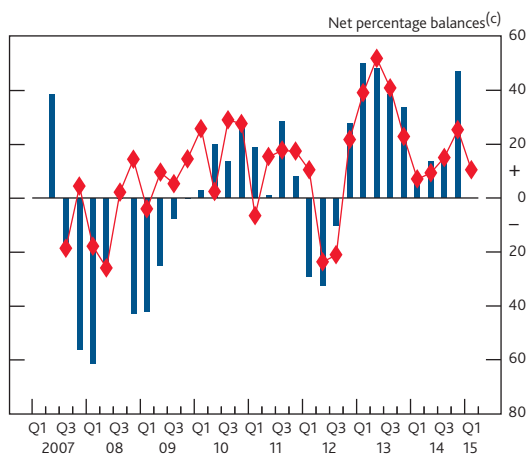
Chart 3 Household demand for overall secured lending to finance a house purchase^(a)



(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^{(a)(b)}



(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.

The proportion of household loan applications being approved fell slightly in 2014 Q4, compared with lenders' expectations of a rise (Chart 2). This was despite credit scoring criteria for granting household loan applications being unchanged. The average credit quality of new secured lending was also reported to be unchanged. Lenders expected that approval rates would increase slightly in Q1.

Demand for secured lending for house purchase was reported to have fallen significantly in Q4 (Chart 3), compared with lenders' expectations of a rise. The net percentage demand balance was the lowest since 2008 Q3. A significant fall in demand was reported both for prime lending and buy-to-let lending. Demand for secured lending for house purchase was expected to increase slightly in Q1 however. Similarly, demand for secured lending for remortgaging fell in Q4, but was expected to increase in Q1.

Spreads on secured lending rates to households — relative to Bank Rate or the relevant swap rate — narrowed significantly in 2014 Q4 (Chart 4). This was the ninth successive quarter where spreads were reported to have narrowed. The narrowing in spreads in Q4 came at the same time as a significant fall in banks' internal transfer prices, as reported in the 2014 Q4 *Bank Liabilities Survey*.⁽¹⁾ Fees charged on secured lending also fell in Q4. Many lenders noted that the compression of spreads reflected an increase in market competition. Lenders expected a further narrowing in mortgage spreads over the next three months.

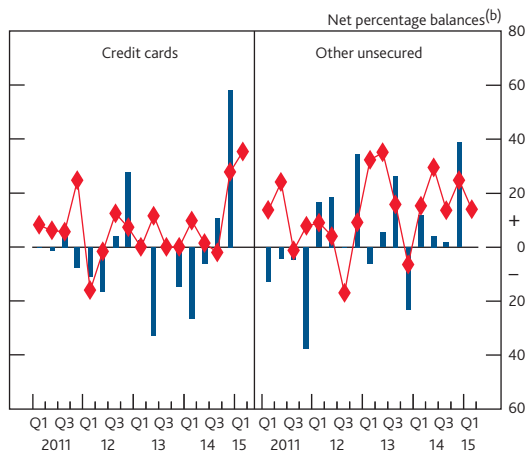
For the sixth consecutive quarter, lenders reported a significant fall in default rates on secured loans in Q4. Losses given default on secured loans also fell in Q4. A further improvement in secured household loan performance was expected in 2015 Q1.

Unsecured lending to households

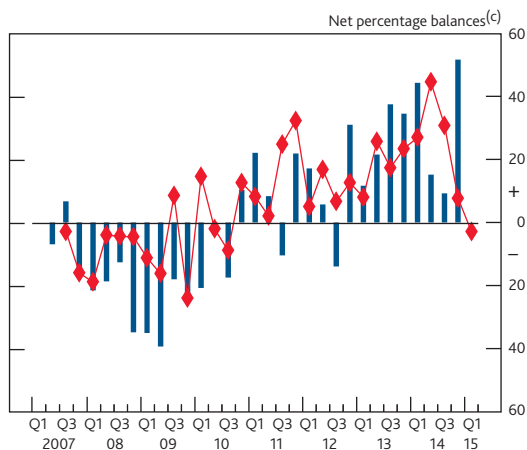
Lenders reported that the total amount of unsecured credit made available to households increased in 2014 Q4. This was reported to be driven primarily by a changing appetite for risk. Lenders expected a further slight rise in availability in 2015 Q1, largely driven by market share objectives.

For credit card lending, demand was reported to have increased significantly in 2014 Q4 (Chart 5). The net percentage balance was the highest since the *Credit Conditions Survey* began in 2007 Q2. Another significant increase in demand was expected in 2015 Q1. Some lenders attributed the rise in demand to successful marketing campaigns and product enhancements. The availability of credit card lending appeared to increase in Q4: credit scoring criteria loosened

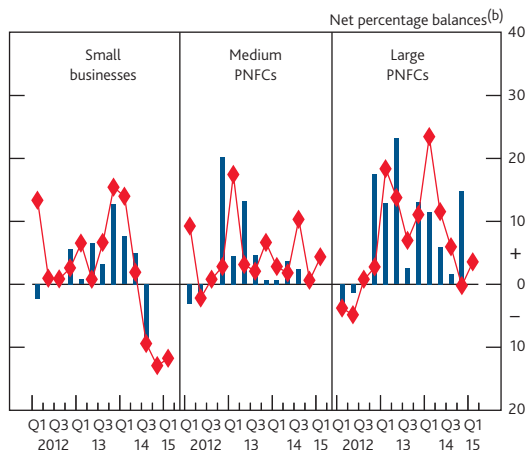
(1) See the 2014 Q4 *Bank Liabilities Survey* for more details, available at www.bankofengland.co.uk/publications/Documents/other/monetary/bls/bls14q4.pdf.

Chart 5 Household demand for unsecured lending^(a)

(a) See footnote (a) to Chart 1.
 (b) A positive balance indicates an increase in demand.

Chart 6 Spreads on other unsecured lending to households^{(a)(b)}

(a) See footnote (a) to Chart 1.
 (b) Spreads are over Bank Rate or the relevant swap rate.
 (c) A positive balance indicates that spreads have fallen such that, all else being equal, it is cheaper for households to borrow.

Chart 7 Corporate credit availability by firm size^(a)

(a) See footnote (a) to Chart 1.
 (b) A positive balance indicates that more corporate credit is available.

and the proportion of applications being approved increased. At the same time, lenders reported a significant decline in the credit quality of new credit card lending.

Lenders also reported that demand for other unsecured lending products, such as personal loans, increased significantly in Q4 (Chart 5). As with credit card lending, the net percentage balance was the highest since the *Credit Conditions Survey* began. Another increase in demand was expected in Q1. Some lenders attributed the pickup in demand to lower pricing; spreads narrowed significantly in Q4 (Chart 6). Credit scoring criteria loosened significantly and the proportion of applications being approved increased. The average credit quality of new lending was unchanged.

Default rates on credit card lending fell significantly in Q4, while default rates on other unsecured lending products were unchanged. Losses given default on credit cards rose significantly in Q4, and rose slightly on other unsecured lending products.

Lending to corporates and small businesses

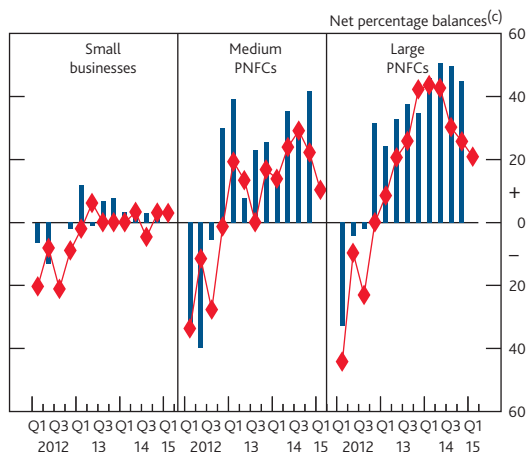
Overall credit availability to the corporate sector was reported to have been unchanged in 2014 Q4. Availability was expected to remain unchanged in 2015 Q1, with market share objectives pushing up on availability and a weaker economic outlook expected to push down. Within the corporate sector, the availability of credit to the commercial real estate sector was unchanged in Q4, and was expected to remain unchanged in Q1.

In terms of credit availability by firm size, lenders reported that availability for small and medium-sized businesses was unchanged in 2014 Q4, but increased for large corporates⁽¹⁾ (Chart 7). Lenders expected credit availability for small firms to decrease in 2015 Q1, whilst credit availability for medium-sized and large corporates was expected to be broadly unchanged. The proportion of loan applications being approved was unchanged in Q4, and expected to remain so in Q1 across all company sizes.

As has been the case for much of the past two years, lenders reported that spreads on loans to medium-sized companies and large corporates fell significantly in 2014 Q4, while spreads on loans to small businesses were unchanged (Chart 8). The fall in spreads for medium-sized companies and large corporates in Q4 was attributed to increased competition among lenders. Fees and commissions decreased in Q4 for businesses of all sizes, but the most significant falls were for medium-sized companies and for large corporates.

(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 Spreads on lending to corporates by firm size^{(a)(b)}



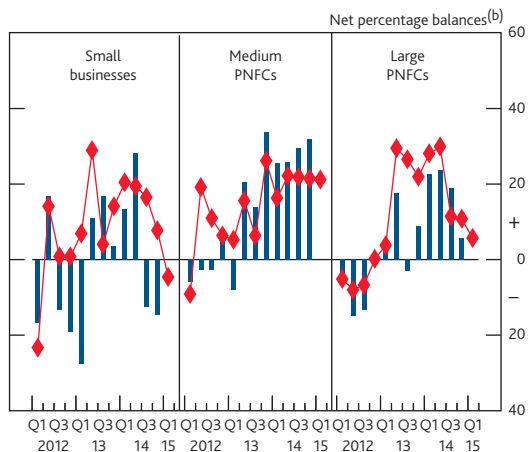
(a) See footnote (a) to Chart 1.
 (b) Spreads are over Bank Rate or London interbank offered rate (Libor) for small businesses, and over Libor for medium-sized companies and large corporates.
 (c) A positive balance indicates that spreads have fallen such that, all else being equal, it is cheaper for companies to borrow.

Developments in the demand for credit also differed by firm size. As in Q3, lenders reported that demand for lending from small businesses fell, but demand from medium-sized companies increased significantly in Q4 (Chart 9). Demand also increased slightly from large corporates. Lenders continued to cite mergers and acquisitions and commercial real estate as factors significantly pushing up the demand for lending in Q4. Demand for credit was expected to increase in Q1 for all but small businesses.

Lenders reported that corporate loan performance improved for companies of all sizes in 2014 Q4. For both medium-sized companies and large corporates, default rates and losses given default decreased. Default rates on lending to small businesses decreased significantly, and losses given default were unchanged.

Credit conditions for non-bank financial corporations continued to ease in 2014 Q4, with lenders reporting a further significant narrowing in lending spreads, significant falls in fees and commissions, and an increase in maximum credit lines. A further improvement in credit conditions was expected in Q1. Demand for credit from non-bank financial corporations was unchanged in Q4, but a significant increase was expected in Q1.

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



(a) See footnote (a) to Chart 1.
 (b) A positive balance indicates an increase in demand.

Annex 1

Secured lending to households questionnaire results

To calculate aggregate results, each lender is assigned a score based on their response. Lenders who report that credit conditions have changed 'a lot' are assigned twice the score of those who report that conditions have changed 'a little'. These scores are then weighted by lenders' market shares. The results are analysed by calculating 'net percentage balances' — the difference between the weighted balance of lenders reporting that, for example, demand was higher/lower or terms and conditions were tighter/looser. The net percentage balances are scaled to lie between ± 100 . This annex reports the net percentage balance of respondents for each question in the secured lending questionnaire.

Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.

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

The first Credit Conditions Survey was conducted in 2007 Q2 and additional questions have been included since 2007 Q4. A full set of results is available in Excel on the Bank's website at www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx.

		Net percentage balances ^(a)											
		2012				2013				2014			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has the availability of secured credit provided to households changed?	Past three months	3.8	-4.1	21.9	26.2	17.0	17.4	21.7	13.8	5.8	8.2	-28.5	7.8
	Next three months	-8.7	0.1	36.1	24.7	15.8	17.2	-4.5	20.7	13.0	-1.3	17.7	1.5
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	-8.6	-10.5	-2.8	0.8	1.9	2.0	4.8	5.3	7.3	1.4	0.0	0.0
	Next three months	-8.6	-9.0	6.9	2.6	0.0	0.0	4.8	8.9	7.6	0.0	3.2	0.0
market share objectives	Past three months	-11.6	16.9	8.4	22.5	21.6	34.9	29.5	20.1	0.3	9.5	11.4	4.3
	Next three months	-18.9	1.1	11.3	29.9	21.6	13.0	10.1	11.4	20.9	15.1	15.1	11.9
changing appetite for risk	Past three months	-7.2	1.6	8.1	1.8	8.3	13.1	-4.8	11.5	14.8	-2.3	-25.5	0.0
	Next three months	-18.7	0.0	1.7	16.7	0.0	6.0	11.5	11.6	-7.3	-9.8	1.5	1.5
tight wholesale funding conditions	Past three months	-20.0	-20.4	9.2	21.8	7.6	3.9	0.0	0.0	0.0	2.3	0.0	-2.2
	Next three months	-20.8	-18.3	-5.3	5.8	3.8	1.8	0.0	-2.7	0.0	2.3	0.0	2.2
expectations for house prices	Past three months	1.4	-1.6	-10.0	-1.9	-1.8	0.5	1.7	17.1	3.1	0.7	-10.1	1.5
	Next three months	-11.5	-10.7	-1.9	-1.9	-3.7	7.8	1.7	18.0	6.2	-0.3	-0.2	3.6
How has the availability of household secured credit to the following types of borrower changed?													
Borrowers with low loan to value ratios (75% or less)	Past three months	9.8	5.3	2.7	20.4	8.9	9.3	19.5	2.9	1.4	2.7	-11.1	0.7
	Next three months	-6.3	1.2	12.6	33.6	8.2	19.2	-8.1	0.0	4.4	12.0	10.8	1.5
Borrowers with high loan to value ratios (more than 75%)	Past three months	-10.7	4.0	19.6	29.0	18.7	13.8	35.3	19.1	33.8	1.3	-10.2	0.4
	Next three months	-8.6	-23.7	15.2	33.6	9.1	20.8	-2.0	28.4	8.6	5.7	1.3	3.6
Have you become more willing to lend to borrowers with housing equity less than 10% of the value of their home?	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	18.1	2.4	18.0	44.9	15.3	-14.2	-18.9
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	19.7	10.8	24.6	14.1	-4.3	-7.1	0.0

		Net percentage balances ^(a)											
		2012				2013				2014			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How have credit scoring criteria for granting loan applications by households changed?	Past three months	-10.1	-2.8	-11.4	4.7	-4.2	0.0	-3.1	10.5	5.5	-0.6	-17.9	0.0
	Next three months	-14.3	-9.9	0.0	-9.3	5.3	1.5	9.8	6.4	-9.7	-1.6	-3.1	1.7
How has the proportion of household loan applications being approved changed?	Past three months	-17.8	-26.2	-0.9	-1.9	-6.6	10.5	14.2	28.7	-11.0	0.7	-15.6	-9.4
	Next three months	-2.6	-24.1	6.2	1.9	9.2	3.1	9.2	-2.0	-24.8	-20.6	10.8	5.2
How has the average credit quality of new secured lending to households changed?^(c)	Past three months	2.7	12.1	8.1	9.3	-15.6	8.0	10.1	13.2	5.1	-6.8	0.7	-1.4
	Next three months	24.5	18.8	0.0	9.3	-7.8	-6.0	0.0	-10.3	-18.3	8.5	-3.7	-2.1
How has the default rate on secured loans to households changed?	Past three months	-8.4	-7.0	-8.4	-9.3	1.4	-2.4	-26.2	-44.9	-39.7	-34.1	-30.8	-33.8
	Next three months	-3.3	1.5	1.7	3.7	6.6	3.8	-14.6	-26.3	-19.1	-16.3	-20.3	-20.3
How have losses given default on secured loans to households changed?	Past three months	-8.0	3.6	-4.0	5.0	-8.1	1.4	-37.6	-51.0	-48.4	-12.4	-27.1	-15.2
	Next three months	22.4	1.5	1.7	1.8	-7.6	-8.0	-32.4	-46.0	-42.9	-6.3	-26.7	-5.9
How has demand for secured lending for house purchase from households changed?	Past three months	16.2	28.4	7.7	19.6	6.4	43.5	29.6	62.0	11.2	26.8	-27.4	-46.1
	Next three months	12.5	-2.3	8.8	15.3	30.4	20.9	8.6	-2.3	38.5	18.1	19.0	6.3
<i>of which: demand for prime lending</i>	Past three months	11.8	38.3	8.6	17.7	6.4	43.5	27.9	62.0	27.8	27.5	-22.0	-38.8
	Next three months	12.5	-2.3	8.8	17.2	30.8	19.8	14.7	-2.3	38.5	18.1	17.4	6.3
<i>of which: demand for buy-to-let lending</i>	Past three months	-5.3	-1.6	-9.2	12.6	7.6	35.3	26.0	25.2	0.6	-4.0	6.9	-30.0
	Next three months	19.8	4.0	13.5	13.7	22.8	18.2	14.7	18.5	8.6	15.7	9.0	1.5
<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	5.6	9.9	-18.1	18.5	14.5	40.9	25.3	33.1	-5.2	25.7	-28.8	-19.1
	Next three months	9.6	8.7	-0.3	17.2	31.2	6.7	11.0	1.0	26.8	5.0	25.0	10.1
How have overall secured lending spreads changed?	Past three months	-29.0	-32.5	-10.1	27.5	50.0	48.1	38.4	33.4	6.4	13.5	14.9	47.0
	Next three months	-23.7	-21.1	21.7	39.1	51.8	40.7	22.8	7.0	9.4	15.0	25.4	10.5
<i>of which: spreads on prime lending</i>	Past three months	-29.0	-32.5	-10.1	28.0	50.8	48.1	38.4	33.4	6.4	13.5	14.9	47.0
	Next three months	-23.7	-21.1	21.7	43.8	51.8	47.5	22.8	7.0	9.4	15.0	26.0	10.5
<i>of which: spreads on buy-to-let lending</i>	Past three months	-10.6	-6.6	1.9	22.3	46.3	43.9	30.6	26.5	-1.8	21.9	24.8	28.1
	Next three months	6.7	-6.9	12.7	31.9	25.7	34.9	15.0	-3.2	12.8	23.6	10.6	11.5
<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	1.4	0.0	0.0	0.0	-0.4	1.4	-1.9	0.0	6.9	-10.1	0.7	17.5
	Next three months	-1.6	0.0	1.8	1.8	1.0	5.2	5.4	0.0	0.7	-1.4	9.5	0.7
How have maximum loan to value ratios changed?	Past three months	4.9	6.4	9.3	1.8	7.8	9.6	1.6	5.0	24.7	12.3	1.8	-0.7
	Next three months	-9.1	-1.7	-0.1	16.1	7.8	7.6	0.1	14.4	4.0	0.7	0.0	0.0
How have maximum loan to income ratios changed?	Past three months	0.0	6.8	6.9	2.1	7.9	0.0	0.0	8.4	8.2	5.9	-3.9	-22.0
	Next three months	-8.6	0.0	0.0	0.0	7.9	0.0	8.4	0.0	0.0	-7.3	-1.6	-5.1

* Data are unpublished for this question as too few responses were received.

** Additional question not asked in survey.

(a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question by their market shares. Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.

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

(c) A positive balance indicates an improvement in the credit quality of new borrowing.

Annex 2

Unsecured lending to households questionnaire results

To calculate aggregate results, each lender is assigned a score based on their response. Lenders who report that credit conditions have changed 'a lot' are assigned twice the score of those who report that conditions have changed 'a little'. These scores are then weighted by lenders' market shares. The results are analysed by calculating 'net percentage balances' — the difference between the weighted balance of lenders reporting that, for example, demand was higher/lower or terms and conditions were tighter/looser. The net percentage balances are scaled to lie between ± 100 . This annex reports the net percentage balance of respondents for each question in the unsecured lending questionnaire.

Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.

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

The first Credit Conditions Survey was conducted in 2007 Q2. A full set of results is available in Excel on the Bank's website at www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx.

		Net percentage balances ^(a)											
		2012				2013				2014			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has the availability of unsecured credit provided to households changed?	Past three months	4.7	8.1	-4.2	6.6	12.7	18.1	17.2	2.6	7.4	10.8	13.6	16.7
	Next three months	-10.4	5.6	6.8	14.6	14.6	26.6	19.2	17.9	5.7	7.8	17.8	8.0
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	3.4	-1.7	0.0	0.0	0.0	0.0	8.3	1.1	0.7	0.0	0.0	1.4
	Next three months	-1.4	-2.2	-1.8	0.0	0.7	-2.2	9.4	8.1	4.3	-1.2	0.4	1.4
market share objectives	Past three months	-1.5	7.6	-4.2	6.1	8.1	1.1	11.4	0.1	6.6	0.7	12.4	6.3
	Next three months	-3.5	10.7	6.8	13.1	13.5	7.6	9.3	21.9	18.3	16.4	20.0	25.8
changing appetite for risk	Past three months	-0.5	7.3	1.8	5.1	5.8	8.1	2.9	1.4	13.2	6.8	-0.9	12.2
	Next three months	1.5	6.1	5.8	5.8	7.4	7.5	4.1	9.4	1.8	2.0	-6.5	6.0
changing cost/availability of funds	Past three months	-0.8	-0.7	1.8	5.1	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	0.0	-11.9	1.1	4.8	0.0	5.8	0.4	0.0	0.0	-2.0	0.3	11.6
How have credit scoring criteria for granting credit card loan applications by households changed?	Past three months	5.7	8.4	0.8	-0.4	19.2	18.4	26.2	7.6	8.0	0.9	8.4	19.2
	Next three months	0.8	3.6	5.7	13.4	17.3	16.4	20.2	17.0	13.2	14.4	6.6	2.9
How have credit scoring criteria for granting other unsecured loan applications by households changed?	Past three months	-1.9	3.9	8.6	12.7	-13.8	28.7	28.0	15.2	8.6	24.5	20.1	29.8
	Next three months	2.5	8.6	2.7	-0.1	19.4	32.0	28.7	13.6	25.7	22.1	9.1	15.7
How have credit scoring criteria for granting total unsecured loan applications by households changed?	Past three months	4.7	7.8	1.7	1.2	15.3	19.8	26.5	8.8	8.1	4.9	10.4	21.1
	Next three months	1.0	4.3	5.4	11.8	17.5	18.4	21.5	16.4	15.3	15.7	7.1	5.2

		Net percentage balances ^(a)											
		2012				2013				2014			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has the proportion of credit card loan applications from households being approved changed?	Past three months	3.8	-1.4	2.6	-17.4	24.4	19.3	24.6	8.9	0.4	0.4	19.0	11.9
	Next three months	-7.6	-2.0	6.5	22.5	16.5	27.9	20.2	17.0	15.2	14.4	12.3	2.1
How has the proportion of other unsecured loan applications from households being approved changed?	Past three months	0.3	-2.3	15.2	20.8	-5.6	34.5	25.4	22.6	4.8	25.0	-8.2	18.9
	Next three months	0.0	14.8	2.7	0.8	26.9	34.9	20.8	13.6	29.0	19.9	14.0	15.7
How has the proportion of total unsecured loan applications from households being approved changed?	Past three months	3.4	-1.5	4.0	-12.9	20.9	21.3	24.7	11.2	1.2	4.6	14.3	13.2
	Next three months	-6.6	0.1	6.1	19.9	17.7	28.8	20.3	16.4	17.5	15.3	12.6	4.5
How has the average credit quality of new credit card lending to households changed? ^(c)	Past three months	n.a.**	-6.7	2.6	-10.2	-0.3	3.8	6.7	-11.3	-13.7	-6.3	3.1	-20.6
	Next three months	n.a.**	7.7	5.7	8.3	-6.1	0.0	-9.4	-8.2	-10.9	-7.9	12.9	6.0
How has the average credit quality of new other unsecured lending to households changed? ^(c)	Past three months	n.a.**	5.4	5.7	4.0	2.7	11.6	-9.6	-3.3	17.8	-3.9	-12.6	3.8
	Next three months	n.a.**	-8.6	-2.7	0.9	-1.0	5.1	-8.9	-1.0	-4.8	2.4	-10.5	3.8
How has the average credit quality of new total unsecured lending to households changed? ^(c)	Past three months	n.a.**	-5.2	2.9	-8.6	0.0	4.8	4.0	-10.0	-8.4	-5.9	0.3	-16.2
	Next three months	n.a.**	5.7	4.8	7.4	-5.5	0.7	-9.4	-7.0	-9.9	-6.1	8.8	5.6
How has the default rate on credit card loans to households changed?	Past three months	-43.8	-7.1	-0.4	-17.5	-16.2	-8.6	-23.8	-17.9	-27.7	-27.4	-4.4	-24.3
	Next three months	6.4	-2.2	-4.1	-9.1	-7.5	-9.5	-8.9	-11.2	-19.6	-12.0	17.5	-8.7
How has the default rate on other unsecured loans to households changed?	Past three months	-35.9	-31.7	-21.7	-7.5	0.0	-6.4	-6.8	-3.6	-22.6	-7.2	-3.9	1.8
	Next three months	-12.7	0.0	0.0	0.0	0.0	-6.4	0.0	0.0	-4.4	0.0	2.4	14.2
How has the default rate on total unsecured loans to households changed?	Past three months	-42.8	-10.2	-2.9	-16.3	-14.3	-8.3	-21.1	-15.5	-26.8	-23.9	-4.3	-19.6
	Next three months	3.9	-2.0	-3.6	-8.0	-6.7	-9.1	-7.4	-9.4	-17.1	-10.0	14.8	-4.6
How have losses given default on credit card loans to households changed?	Past three months	-21.5	-13.2	6.8	5.9	1.4	9.5	9.8	3.7	-10.9	-3.3	-19.8	22.8
	Next three months	-7.6	-7.6	6.8	7.5	8.3	9.5	9.8	10.4	0.0	10.6	-1.6	-0.7
How have losses given default on other unsecured loans to households changed?	Past three months	0.0	-21.9	-16.0	-0.9	-22.9	-9.0	-0.5	0.0	0.0	-2.3	-2.4	5.0
	Next three months	-13.6	-8.6	-16.9	-16.5	0.0	-8.1	0.0	0.0	0.0	0.0	-2.4	0.0
How have losses given default on total unsecured loans to households changed?	Past three months	-18.7	-14.3	4.1	5.1	-1.4	7.1	8.2	3.1	-9.1	-3.1	-16.8	19.6
	Next three months	-8.4	-7.7	4.0	4.7	7.3	7.2	8.3	8.7	0.0	8.8	-1.8	-0.6
How has demand for credit card lending from households changed?	Past three months	-10.8	-16.5	4.1	27.8	2.4	-32.7	-1.9	-14.5	-26.7	-6.3	10.6	58.3
	Next three months	-1.6	12.5	7.3	0.0	11.6	0.0	0.0	9.7	1.4	-2.0	27.8	35.4
How has demand for other unsecured lending from households changed?	Past three months	16.5	18.7	0.0	34.6	-6.2	5.4	26.4	-23.0	11.7	4.0	1.8	38.7
	Next three months	4.1	-17.0	9.2	32.3	35.1	15.8	-6.5	15.3	29.4	13.6	24.8	14.0
How has demand for total unsecured lending from households changed?	Past three months	-7.3	-12.1	3.6	28.6	1.4	-27.6	2.7	-15.9	-20.2	-4.5	9.1	54.8
	Next three months	-0.9	8.8	7.5	3.8	14.3	2.1	-1.0	10.6	6.1	0.7	27.3	31.6
How have spreads on credit cards changed?	Past three months	2.3	0.0	0.0	0.0	0.0	1.0	-9.4	-4.7	0.0	-13.2	-0.4	-5.7
	Next three months	1.5	0.0	5.7	0.0	0.0	5.6	-2.0	0.0	-4.6	-1.1	-3.9	-1.0
How have spreads on other unsecured lending products changed?	Past three months	17.1	5.7	-13.9	31.0	11.6	21.6	37.5	34.6	44.3	15.2	9.3	51.7
	Next three months	16.7	6.6	12.6	8.0	25.7	17.4	23.4	27.0	44.5	30.7	7.7	-2.9
How have overall unsecured lending spreads changed?	Past three months	4.2	0.7	-1.6	3.6	1.4	3.7	-1.9	1.8	7.4	-8.4	1.3	4.6
	Next three months	3.5	0.8	6.5	0.9	3.0	7.2	2.1	4.5	3.6	4.4	-1.9	-1.3

		Net percentage balances ^(a)											
		2012				2013				2014			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How have credit card limits changed?	Past three months	20.7	-2.2	7.0	5.8	6.7	1.8	7.5	-13.1	6.7	0.9	6.6	-12.5
	Next three months	0.8	13.5	5.7	6.6	0.0	9.7	0.0	0.9	0.9	8.8	7.5	8.8
How has the minimum proportion of credit card balances to be paid changed?	Past three months	-8.0	5.7	-12.3	0.0	-14.2	-6.6	0.0	0.0	-6.6	0.0	-6.6	0.0
	Next three months	0.0	-6.5	5.7	0.0	0.0	0.0	0.0	0.0	0.0	2.0	-6.6	0.0
How have maximum maturities on loans changed?^(d)	Past three months	-2.2	-2.3	0.0	0.0	0.0	-0.9	0.7	-2.3	0.0	2.2	0.0	5.1
	Next three months	0.0	0.0	0.0	0.0	-1.0	-3.0	0.0	0.0	0.0	2.2	0.0	5.1

** Additional question not asked in survey.

- (a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question by their market shares. Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.
- (b) A positive balance indicates that the changes in the factors described have served to increase credit availability.
- (c) A positive balance indicates an improvement in the credit quality of new borrowing.
- (d) A positive balance indicates an increase in maximum maturities on new loans. The sign convention was changed in 2009 Q4 and was applied to the back data accordingly.

Annex 3

Corporate lending questionnaire results

To calculate aggregate results, each lender is assigned a score based on their response. Lenders who report that credit conditions have changed 'a lot' are assigned twice the score of those who report that conditions have changed 'a little'. These scores are then weighted by lenders' market shares. The results are analysed by calculating 'net percentage balances' — the difference between the weighted balance of lenders reporting that, for example, demand was higher/lower or terms and conditions were tighter/looser. The net percentage balances are scaled to lie between ± 100 . This annex reports the net percentage balance of respondents for each question in the corporate lending questionnaire, including specific questions for private non-financial corporations (PNFCs) and other financial corporations (OFCs).

Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.

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

The first Credit Conditions Survey was conducted in 2007 Q2 and additional questions have been included since 2007 Q4. A full set of results is available in Excel on the Bank's website at www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx.

		Net percentage balances ^(a)											
		2012				2013				2014			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has the availability of credit provided to the corporate sector overall changed?	Past three months	-2.6	-3.2	-5.5	29.4	12.3	14.2	8.5	22.2	12.7	4.8	2.6	2.0
	Next three months	-6.4	0.7	2.6	14.9	3.1	3.5	9.7	16.1	14.4	13.7	1.7	3.6
<i>of which: commercial real estate sector</i>	Past three months	-7.5	-7.1	-3.0	10.4	1.7	14.4	0.7	14.8	14.6	-0.9	-0.9	3.9
	Next three months	-20.7	-0.3	5.2	15.4	2.4	13.9	2.6	0.1	15.8	2.8	-0.9	3.9
How have commercial property prices affected credit availability to the commercial real estate sector, and/or secured lending to PNFCs?	Past three months	-16.7	-15.0	-21.7	-39.4	1.0	1.2	2.6	23.2	14.5	2.5	2.3	22.4
	Next three months	-16.3	-17.8	-12.3	-13.6	1.7	0.0	1.4	2.6	2.5	2.5	0.0	3.7
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	-8.4	-4.2	1.0	-0.1	6.4	17.1	6.2	22.2	18.2	32.5	24.3	4.2
	Next three months	-3.6	-3.4	-3.0	-0.1	6.4	38.5	29.4	24.8	19.9	32.5	10.6	-17.9
changing sector-specific risks	Past three months	-3.1	-2.8	-3.8	0.0	0.0	1.1	0.0	3.0	5.7	2.4	-0.4	6.1
	Next three months	-1.9	-4.9	-1.7	0.0	-0.8	7.0	0.6	1.8	5.7	12.0	-2.1	-1.5
market share objectives	Past three months	-2.1	4.0	2.8	2.9	8.1	7.2	11.8	21.3	20.0	19.2	9.9	8.1
	Next three months	-1.5	5.6	2.8	0.8	8.1	17.0	19.4	25.2	20.6	22.2	8.1	8.1
market pressures from capital markets	Past three months	8.3	-0.3	6.9	0.0	7.3	8.8	8.2	22.3	12.8	16.8	14.2	8.1
	Next three months	-1.3	-4.3	0.5	5.8	7.3	7.5	19.2	20.6	12.8	18.0	7.2	0.0
changing appetite for risk	Past three months	-3.1	-3.8	-1.4	2.1	7.8	1.8	-1.1	16.7	11.8	4.5	1.7	13.1
	Next three months	-1.9	-0.5	0.5	0.7	7.8	1.4	9.9	16.0	14.9	14.9	0.0	0.9
tight wholesale funding conditions	Past three months	2.1	0.0	-10.4	9.2	4.6	-1.5	0.0	0.0	11.4	-2.7	7.0	0.0
	Next three months	-5.8	-25.1	21.5	7.9	-5.9	0.0	0.0	-7.5	0.0	-2.7	0.0	0.0

		Net percentage balances ^(a)											
		2012				2013				2014			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has the availability of credit provided to small businesses changed?	Past three months	-2.2	0.8	0.8	5.6	0.7	6.6	3.2	12.7	7.6	4.9	-9.4	0.0
	Next three months	0.9	0.8	2.6	6.5	0.7	6.6	15.4	13.9	1.9	-9.4	-13.0	-11.8
How has the availability of credit provided to medium PNFCs changed?	Past three months	-3.1	-1.3	0.9	20.2	4.5	13.1	4.7	0.6	0.6	3.6	2.4	0.6
	Next three months	-2.2	0.8	2.8	17.4	3.1	2.1	6.6	2.8	1.8	10.3	0.6	4.3
How has the availability of credit provided to large PNFCs changed?	Past three months	-3.1	-1.4	0.0	17.5	12.9	23.2	2.5	13.1	11.5	5.9	1.5	14.9
	Next three months	-4.9	0.7	2.7	18.3	13.8	6.9	11.0	23.4	11.5	5.9	-0.2	3.5
How has the proportion of loan applications from small businesses being approved changed?	Past three months	-2.0	14.5	-1.5	4.2	9.8	18.4	8.5	16.5	15.4	7.5	-14.9	-0.7
	Next three months	0.9	0.8	0.0	3.3	0.7	4.0	12.8	12.1	0.6	-11.9	-12.1	2.4
How has the proportion of loan applications from medium PNFCs being approved changed?	Past three months	-4.6	2.0	-2.4	0.7	-3.1	-0.4	-1.7	0.6	1.2	7.3	9.1	-1.2
	Next three months	0.9	0.0	14.4	6.2	5.8	-1.1	0.6	1.2	7.3	9.1	10.9	1.2
How has the proportion of loan applications from large PNFCs being approved changed?	Past three months	-3.8	-1.0	-1.2	0.0	-3.1	2.6	-1.7	0.6	0.3	4.4	0.9	-0.8
	Next three months	-1.8	-1.6	0.7	5.5	0.7	-1.1	0.6	1.2	-0.3	5.0	3.4	-0.2
Has there been a change in average credit quality on newly arranged PNFC borrowing facilities? ^(c)	Past three months	19.7	12.7	0.2	-0.8	1.2	-2.2	0.4	0.0	-0.9	-7.6	-4.5	6.6
	Next three months	15.1	12.7	-6.0	0.0	-0.8	-0.9	-0.9	0.0	-0.9	-0.9	-4.5	0.0
Has there been any change in 'target hold' levels associated with corporate lending?	Past three months	24.2	13.1	1.3	-6.1	-11.8	-5.1	-5.2	-12.2	-10.8	-13.5	-7.4	-13.8
	Next three months	12.4	-0.3	4.8	0.7	0.0	-4.5	-6.3	-9.5	-10.0	-7.9	-7.2	-0.6
How have loan tenors on new corporate loans changed? ^(d)	Past three months	-10.0	-1.5	-7.0	-11.7	0.0	-1.7	-1.1	23.8	11.2	11.3	10.5	2.9
	Next three months	-2.3	-1.3	-5.5	0.0	0.0	-1.7	11.3	13.9	11.2	14.7	11.1	-0.2
Has there been a change in draw-downs on committed lines by PNFCs?	Past three months	-2.4	-0.1	-2.0	-1.1	1.6	-0.2	-13.2	-9.8	-1.1	-2.0	2.3	-1.0
	Next three months	4.9	1.5	1.5	1.5	-2.4	-0.2	3.0	-1.1	-0.2	7.5	2.7	-0.8
How has the default rate on loans to small businesses changed?	Past three months	1.4	-15.9	8.3	9.3	-22.2	26.5	2.7	-22.3	8.4	-18.6	8.4	-33.8
	Next three months	-1.3	-6.8	6.0	6.1	-0.7	-0.7	0.5	-14.4	0.6	-0.6	-14.9	-10.8
How has the default rate on loans to medium PNFCs changed?	Past three months	17.7	2.1	1.6	24.7	-13.6	-0.6	-3.7	-3.3	-12.8	-14.1	-10.4	-11.9
	Next three months	21.9	0.0	13.5	9.4	11.2	2.1	-15.9	-5.4	9.4	-2.1	-4.0	-1.4
How has the default rate on loans to large PNFCs changed?	Past three months	6.9	-6.8	11.3	30.7	-11.2	4.0	9.9	-10.5	-7.6	-25.5	-23.7	-15.1
	Next three months	7.5	18.8	6.4	7.3	0.7	-1.5	-3.1	-4.5	-12.9	-13.3	-18.4	-13.6
How has loss given default on loans to small businesses changed?	Past three months	8.6	5.9	0.0	0.0	-14.0	7.2	-12.6	-11.9	0.6	-3.7	-3.7	-3.0
	Next three months	-2.3	0.0	0.0	0.0	-0.7	-0.7	10.9	-11.9	0.6	-3.1	-3.0	-3.0
How have losses given default on loans to medium PNFCs changed?	Past three months	11.6	2.2	0.7	14.3	-8.6	12.5	-13.0	-11.3	1.0	-23.1	-23.3	-17.6
	Next three months	21.5	14.8	15.1	0.2	-2.1	-11.5	-12.4	-13.0	-15.3	-10.4	-9.2	-2.3
How have losses given default on loans to large PNFCs changed?	Past three months	7.0	0.0	14.1	12.4	4.1	0.2	-3.3	-12.5	-14.8	-23.3	-23.9	-16.8
	Next three months	20.3	13.3	5.7	-0.7	9.9	-0.7	-1.5	-13.1	-13.6	-9.3	-9.4	-2.4
How has demand for credit card lending from small businesses changed? ^(e)	Past three months	-1.5	10.4	0.5	11.7	11.7	10.4	21.8	-26.2	-4.7	3.6	23.3	2.3
	Next three months	20.9	-1.4	10.4	9.8	21.5	10.4	9.4	11.2	18.0	23.1	17.4	8.5
How has demand for other unsecured lending from small businesses changed? ^(e)	Past three months	-15.8	12.1	n.a.*	n.a.*	n.a.*	n.a.*	24.4	20.0	-2.3	8.0	-11.7	0.0
	Next three months	15.8	0.0	n.a.*	n.a.*	n.a.*	n.a.*	16.1	20.3	22.0	10.4	12.3	-7.5

		Net percentage balances ^(a)											
		2012				2013				2014			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has demand for total unsecured lending from small businesses changed?^(e)	Past three months	-3.7	10.6	-2.2	8.7	7.6	10.6	22.2	-18.4	-4.3	4.3	17.0	1.9
	Next three months	20.1	-1.2	11.8	8.5	22.5	9.1	10.5	12.7	18.7	20.8	16.5	5.5
How has demand for secured lending from small businesses changed?^(e)	Past three months	-20.1	15.3	-1.5	-7.5	-11.2	35.9	24.1	33.0	-2.3	-0.5	-26.1	12.9
	Next three months	17.7	0.0	17.2	2.0	28.5	6.9	8.7	11.5	18.9	19.9	13.1	-6.8
How has overall demand for lending from small businesses changed?^(e)	Past three months	-16.6	16.7	-13.4	-19.2	-27.7	11.1	16.9	3.6	13.4	28.1	-12.5	-14.6
	Next three months	14.0	0.8	0.8	6.9	28.9	4.0	14.0	20.4	19.4	16.5	7.7	-4.6
How has demand for lending from medium PNFCs changed?	Past three months	-5.9	-2.9	-2.8	5.5	-7.9	20.5	14.0	33.7	25.6	25.8	29.4	31.8
	Next three months	19.2	10.9	6.3	5.2	15.6	6.3	26.2	16.3	22.2	21.8	21.4	21.2
How has demand for lending from large PNFCs changed?	Past three months	-5.2	-14.9	-13.3	0.6	4.8	17.5	-3.0	8.8	22.6	23.6	19.0	5.8
	Next three months	-8.0	-6.7	0.2	3.7	29.4	26.5	21.9	28.1	29.9	11.4	10.7	5.6
How has demand for lending from OFCs changed?	Past three months	n.a.**	-2.4	10.7	-6.8	-13.5	0.0	13.4	2.7	17.1	14.4	39.0	0.0
	Next three months	n.a.**	0.0	-0.6	0.0	6.9	-13.5	13.4	9.9	17.1	14.4	24.4	27.2
What have been the main factors contributing to changes in demand for lending:^(b)													
mergers and acquisitions	Past three months	-19.6	-27.8	-10.7	10.4	6.4	27.1	12.8	14.3	27.0	36.0	28.9	43.2
	Next three months	-3.3	3.4	-10.2	0.4	20.4	14.1	27.7	22.0	26.4	28.3	16.6	7.2
capital investment	Past three months	-19.1	-11.3	-9.3	-3.2	-11.8	4.0	23.9	31.2	17.9	19.5	13.9	5.0
	Next three months	-1.6	-1.3	-6.5	-0.9	3.9	2.8	19.4	37.6	25.2	24.6	3.8	3.9
inventory finance	Past three months	-14.6	-9.9	-7.8	0.0	3.6	0.7	-0.5	31.5	22.2	11.9	10.8	-0.9
	Next three months	-0.6	0.0	0.7	3.1	3.9	0.7	22.8	25.6	6.0	13.5	3.8	0.0
balance sheet restructuring	Past three months	-11.1	-6.1	7.2	11.8	16.8	13.4	7.3	7.1	5.2	1.0	3.2	4.5
	Next three months	3.0	1.2	-0.8	3.2	2.2	7.9	8.0	8.1	28.4	-1.8	1.3	4.5
commercial real estate	Past three months	-19.5	-6.5	-5.2	-10.0	4.5	-7.9	23.3	29.4	26.9	29.3	25.7	30.0
	Next three months	-17.0	-3.8	-12.3	-12.9	16.5	-11.3	27.7	28.0	39.8	28.7	20.7	15.6
How have spreads on loans to small businesses changed?	Past three months	-6.4	-13.1	0.0	-2.0	12.0	-1.2	6.7	7.9	3.3	3.1	3.0	3.0
	Next three months	-8.1	-21.1	-9.0	-2.0	6.2	0.0	0.0	0.0	3.3	-4.7	3.0	3.0
How have fees/commissions on loans to small businesses changed?	Past three months	0.0	-1.4	-12.7	1.5	-7.4	7.8	7.9	0.0	0.0	0.0	-13.0	13.0
	Next three months	-8.1	-12.9	0.0	-0.7	7.4	0.0	0.0	0.0	0.0	0.0	13.0	0.0
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	7.9	0.0	0.0	0.6	0.6
	Next three months	0.9	0.0	0.0	0.0	0.0	0.0	2.6	0.0	0.0	0.0	0.0	0.0
How have loan covenants for small businesses changed?	Past three months	-2.8	-3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.8	5.1
	Next three months	-0.9	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.7	0.0	0.0
How have spreads on loans to medium PNFCs changed?	Past three months	-33.1	-39.8	-5.5	29.8	39.1	7.9	23.1	25.5	14.7	35.2	29.7	41.7
	Next three months	-11.6	-27.7	-1.4	19.3	13.4	0.0	16.8	13.9	23.9	29.1	22.2	10.3
How have fees/commissions on loans to medium PNFCs changed?	Past three months	-18.8	-21.8	-2.2	19.9	9.3	9.6	1.2	18.3	14.9	16.4	14.7	37.4
	Next three months	-7.3	-15.4	0.0	7.8	2.8	-0.7	1.2	21.2	15.8	10.9	14.7	9.3
How have collateral requirements for loans to medium PNFCs changed?	Past three months	-4.8	-0.7	0.0	0.0	0.0	0.0	1.5	0.9	-0.3	0.6	0.0	0.0
	Next three months	-6.9	-1.9	0.0	1.2	0.0	0.8	2.2	0.6	0.0	1.8	0.0	0.0

		Net percentage balances ^(a)											
		2012				2013				2014			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How have maximum credit lines for medium PNFCs changed?	Past three months	-12.4	-3.3	-1.0	-1.2	0.0	-1.0	10.6	-1.2	0.8	1.0	3.6	0.0
	Next three months	-7.7	-1.2	12.5	-0.5	0.0	0.0	0.7	-1.2	1.7	4.6	3.6	0.0
How have loan covenants for medium PNFCs changed?	Past three months	-14.9	-15.3	0.0	0.0	0.0	0.0	-0.2	0.6	-0.9	11.2	10.9	11.8
	Next three months	0.0	-1.2	0.0	0.0	0.0	0.0	-0.9	1.2	7.2	5.7	10.3	0.9
How have spreads on loans to large PNFCs changed?	Past three months	-33.0	-4.3	-2.0	31.4	24.3	32.8	37.7	34.6	45.8	50.6	49.8	45.0
	Next three months	-9.7	-23.0	0.0	8.5	20.7	25.8	42.3	43.6	42.7	30.2	25.7	20.9
How have fees/commissions on loans to large PNFCs changed?	Past three months	-19.8	-2.9	-2.7	9.2	0.7	13.1	12.4	33.3	23.7	47.4	47.4	46.7
	Next three months	-6.7	-10.5	0.0	7.8	8.8	13.2	29.6	42.3	28.9	27.8	26.9	21.3
How have collateral requirements for loans to large PNFCs changed?	Past three months	-0.7	0.0	0.0	0.0	0.0	-0.9	0.7	0.0	-0.3	11.0	1.7	0.0
	Next three months	-0.7	-0.5	-0.5	0.0	0.8	0.9	0.0	0.6	0.0	5.3	0.0	0.0
How have maximum credit lines for large PNFCs changed?	Past three months	-10.1	-3.4	-1.1	-3.3	3.9	16.7	31.1	18.7	31.1	32.2	19.6	1.5
	Next three months	-7.6	0.0	0.7	2.6	3.9	19.1	29.6	18.4	13.2	6.6	0.9	0.9
How have loan covenants for large PNFCs changed?	Past three months	1.9	0.8	0.0	0.8	7.3	0.0	23.9	20.6	30.8	29.9	26.9	43.4
	Next three months	-0.7	-0.5	0.0	0.0	0.8	6.4	20.7	20.3	31.2	38.8	47.2	8.4
How have spreads on loans to OFCs changed?	Past three months	-16.1	-3.6	0.6	-2.7	12.7	12.7	42.0	33.4	46.6	48.0	48.1	39.5
	Next three months	-24.7	-22.1	13.9	7.9	6.5	19.8	28.2	43.6	46.0	42.9	34.3	27.2
How have fees/commissions on loans to OFCs changed?	Past three months	-8.6	-2.1	-0.3	-6.0	3.9	23.4	19.9	32.7	43.9	46.7	42.7	38.5
	Next three months	-22.5	-8.6	0.0	10.3	0.0	19.8	28.2	42.2	43.3	42.9	34.3	26.2
How have collateral requirements for loans to OFCs changed?	Past three months	-7.5	-8.4	-6.6	-13.1	0.0	3.5	0.0	1.3	0.6	0.0	5.3	0.0
	Next three months	-6.9	-2.1	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0
How have maximum credit lines for OFCs changed?	Past three months	-6.2	-9.4	6.3	6.3	0.0	19.8	33.0	7.3	21.9	34.1	34.3	18.9
	Next three months	-5.5	-0.8	-1.0	0.0	12.9	19.8	7.1	20.4	34.8	34.1	34.3	18.9

* 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.