

Credit Conditions Survey

Survey results | 2015 Q1



BANK OF ENGLAND





BANK OF ENGLAND

Credit Conditions Survey

2015 Q1

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

This report presents the results of the 2015 Q1 survey. The 2015 Q1 survey was conducted between 13 February and 6 March 2015.

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 2015 Q1 survey, and copies of the questionnaires are available on the Bank's website at www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx.

The publication dates in 2015 for future *Credit Conditions Surveys* are:
2015 Q2 survey on 13 July 2015.
2015 Q3 survey on 13 October 2015.

Integration of the *Credit Conditions Survey*, *Bank Liabilities Survey* and *Trends in Lending*

The *Credit Conditions Survey* (CCS) and the *Bank Liabilities Survey* (BLS) improve the Bank's understanding of developments in banks' liabilities and credit conditions. The *Trends in Lending* (TiL) publication presents the Bank's assessment of lending to the UK economy and draws on, among other things, the results of surveys including the CCS and BLS.

Since these three quarterly publications complement each other, the Bank intends to integrate the insights from them into one analytical document called the *Credit Conditions Review*. The CCS and BLS will continue as surveys, with the results and a short summary of each survey published on the same day.

The *Credit Conditions Review* will set out the trends in official and survey data on bank funding conditions and household and corporate credit conditions. The analysis will continue to be supplemented by intelligence from the Bank's network of Agents, market contacts and discussions between the major UK lenders⁽¹⁾ and Bank staff.

The new *Credit Conditions Review* for 2015 Q2 will be published alongside the results of the CCS and BLS for the same period on 13 July 2015.

(1) Banco Santander, Barclays, HSBC, Lloyds Banking Group, Nationwide and Royal Bank of Scotland. Membership of the group of major UK lenders is based on the provision of credit to UK-resident businesses and individuals, regardless of the country of ownership.



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Supply

- The availability of **secured credit to households** was reported to be broadly unchanged in the three months to early March 2015. Lenders expected availability to increase slightly over the following three months.
- Lenders reported that the availability of **unsecured credit to households** increased in 2015 Q1. It was expected to be unchanged in Q2.
- According to lenders, the overall availability of **credit to the corporate sector** was unchanged in Q1, and was expected to remain unchanged in Q2. The availability of credit to **large corporates** increased in Q1.

Demand

- Lenders reported that demand for **secured lending for house purchase** decreased significantly in 2015 Q1, as it had in 2014 H2. Lenders expected demand to increase over the next three months.
- Demand for **credit card lending** from households was reported to have fallen slightly in Q1, but was expected to be unchanged in Q2. Demand from households for **other unsecured lending** products, such as personal loans, was reported to have fallen slightly in Q1, but was expected to rise in Q2.
- While demand for lending from **large corporates** increased in Q1, demand from **small businesses** and **medium-sized companies** was reported to be unchanged. Demand for lending from **small businesses** was expected to increase significantly in Q2.

Loan pricing

- In 2015 Q1, overall spreads on **secured lending to households** — relative to Bank Rate or the appropriate swap rate — were reported to have narrowed again. And spreads were expected to narrow significantly further in Q2.
- Lenders reported that spreads on **other unsecured lending** products, such as personal loans, narrowed significantly in Q1 and were expected to narrow significantly further in Q2.
- Spreads on lending to **small businesses** were unchanged in Q1, while spreads for **medium-sized companies** and **large corporates** narrowed significantly. In Q2, spreads on lending to each business size were expected to narrow slightly.

Defaults

- Lenders reported that default rates on **secured loans to households** fell significantly in 2015 Q1, and a further fall was anticipated in Q2. Losses given default on **secured loans to households** also decreased significantly in Q1, but were expected to increase significantly in Q2.
- Default rates on **credit card lending** to households fell in Q1, but losses given default rose. Default rates on **other unsecured lending** to households rose in Q1 whilst losses given default were unchanged.
- Default rates on corporate lending fell in Q1, particularly on lending to **large corporates**. Losses given default were unchanged in Q1 for **small businesses**, but fell for **medium-sized companies** and **large corporates**.

This report presents the results of the 2015 Q1 survey. The 2015 Q1 survey was conducted between 13 February and 6 March 2015. 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.

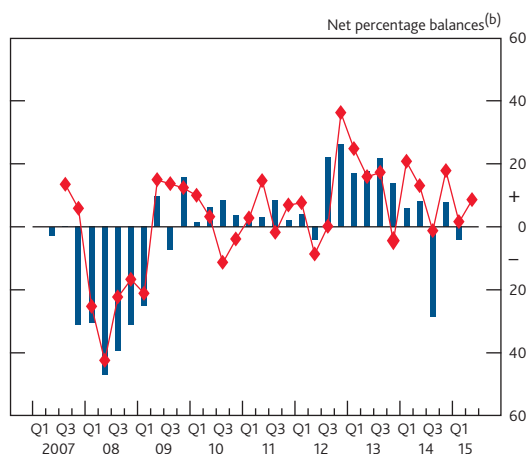
Credit Conditions Survey

The overall availability of secured credit to households was reported to be broadly unchanged in the three months to early March 2015, and was expected to increase slightly in Q2. According to lenders, demand for secured lending for house purchase had fallen significantly in Q1, for the third successive quarter, but was expected to increase in Q2. Spreads tightened again in Q1 and a further significant tightening was anticipated in Q2. Secured loan performance improved significantly in Q1.

The availability of unsecured household credit increased again in 2015 Q1. Demand fell slightly for both credit card lending and other unsecured lending products such as personal loans, having risen significantly in Q4. Spreads on other unsecured lending tightened significantly, and lenders reported an increase in the length of interest free periods available on credit card balance transfers. The average credit quality of new credit card lending decreased but the average credit quality of new other unsecured lending increased.

Overall corporate credit availability was unchanged in 2015 Q1, although it increased for large corporates. Lenders reported that demand for lending from large corporates increased, but that demand was unchanged from other sizes of businesses. Spreads on corporate lending were again unchanged for small businesses, but tightened significantly for medium-sized companies and large corporates in Q1. Corporate loan performance improved across all company sizes.

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.

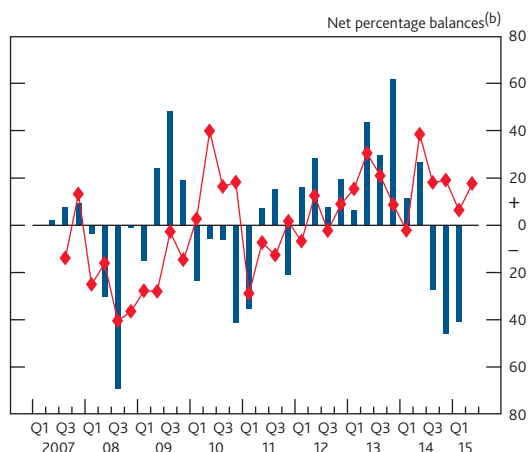
The 2015 Q1 *Credit Conditions Survey* was conducted between 13 February and 6 March 2015.

Secured lending to households

According to lenders, the availability of secured credit to households was broadly unchanged in the three months to early March 2015, and was expected to increase slightly in Q2 (**Chart 1**). Market share objectives were reported to have given a slight boost to credit availability in Q1, and were expected to continue to do so in Q2. A slightly increased appetite for risk was expected to be a further boost to credit availability in Q2.

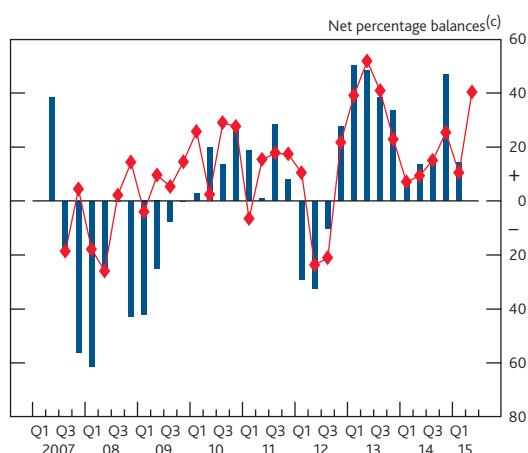
The availability of secured credit to borrowers with loan to value (LTV) ratios above 75% was unchanged in Q1, but lenders did report a slight increase in their willingness to lend to borrowers with an LTV ratio above 90%. In Q1, maximum LTV ratios were reported to have increased, but maximum loan to income (LTI) ratios were reported to have fallen. The availability of secured credit to borrowers with LTV ratios below 75% fell slightly in Q1, but was expected to increase in Q2.

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



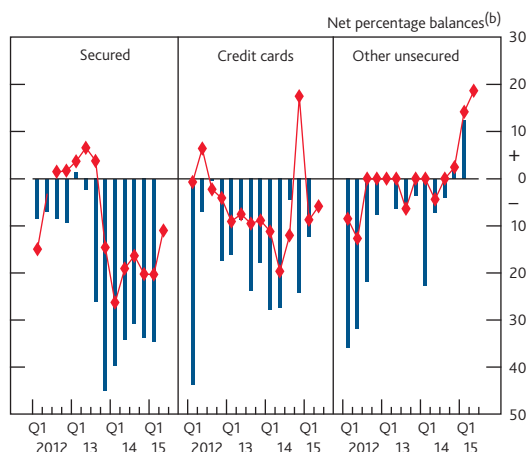
(a) See footnote (a) to Chart 1.
(b) A positive balance indicates an increase in demand.

Chart 3 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.

Chart 4 Default rates on lending to households^(a)



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

The proportion of household loan applications being approved was unchanged in Q1, having fallen in 2014 H2. And there was no change reported in credit scoring criteria for granting household loan applications or the average credit quality of new secured lending. Lenders expected a slight rise in the average credit quality of new secured lending and a rise in the proportion of household loan applications being approved in Q2.

Lenders reported that demand for secured lending for house purchase fell significantly in Q1, for the third successive quarter (**Chart 2**). The fall in demand was significant in prime lending, where the net percentage balance was the lowest since 2008 Q3. Some lenders attributed the reduction in secured lending demand over recent quarters to a combination of changes in regulatory policy; concerns about housing affordability; and uncertainty about the outlook for the housing market. Demand for secured lending for house purchase, and particularly prime lending, was expected to increase in Q2. Similarly, demand for secured lending for remortgaging also fell significantly in Q1, but was expected to increase slightly in Q2.

For the tenth successive quarter, spreads on secured lending rates to households — relative to Bank Rate or the relevant swap rate — narrowed in Q1 (**Chart 3**). The narrowing in spreads in Q1 came at the same time as a fall in banks' internal transfer prices, as reported in the 2015 Q1 *Bank Liabilities Survey*.⁽¹⁾ Fees charged on secured lending also fell in Q1. Lenders expected a further significant narrowing in mortgage spreads and a further slight reduction in fees over the next three months.

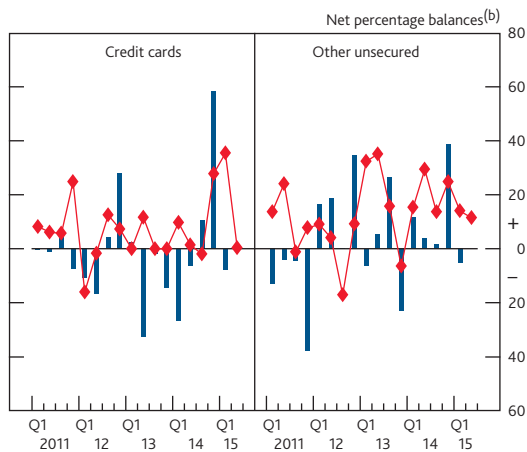
As in previous quarters, lenders reported a substantial improvement in loan performance on secured lending in Q1. Lenders reported a significant fall in default rates in Q1, with a further fall expected in Q2 (**Chart 4**). There was a significant fall in losses given default in Q1, but a significant rise was expected in Q2.

Unsecured lending to households

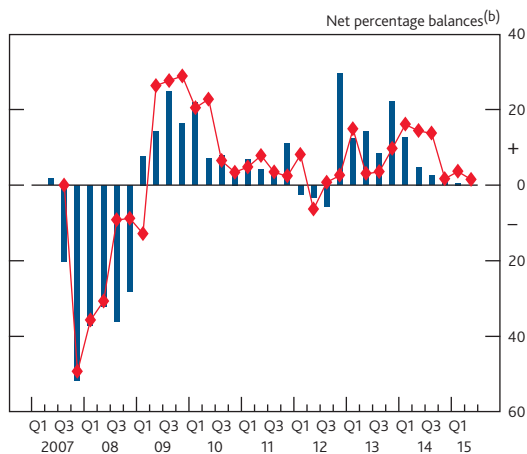
Lenders reported that the total amount of unsecured credit made available to households increased in 2015 Q1. This was driven primarily by market share objectives, although a greater appetite for risk was also reported to have pushed up availability slightly. Lenders expected unsecured credit availability to be unchanged in Q2.

For credit card lending, demand from households was reported to have fallen slightly in Q1, having increased significantly in Q4 (**Chart 5**). Demand was expected to be unchanged in Q2. Although spreads on credit card lending were unchanged

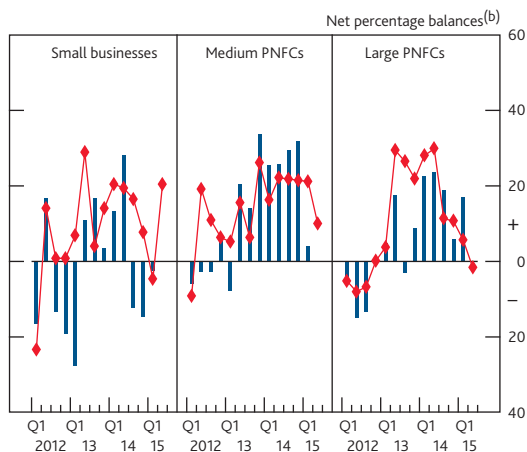
(1) See the 2015 Q1 *Bank Liabilities Survey* for more details, available at www.bankofengland.co.uk/publications/Documents/other/monetary/bls/2015/q1.pdf.

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 Overall corporate credit availability^(a)

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

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

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

in Q1, lenders reported an increase in the length of interest free periods available on balance transfers. Credit scoring criteria were reported to have loosened significantly, and there was a reduction in the credit quality of new credit card lending. The proportion of new credit card loan applications that were approved fell in Q1, but the approval rate was expected to increase in Q2.

Lenders also reported a slight fall in demand for other unsecured lending products, such as personal loans, in Q1, although demand was expected to increase in Q2 (Chart 5). As in Q4, spreads narrowed significantly in Q1, and a further significant fall was expected in Q2. According to some lenders, the fall in loan rates had encouraged a higher quality of borrower to apply for this form of credit. Possibly reflecting that, the average credit quality of new other unsecured lending rose in Q1, and the proportion of applications being approved increased slightly.

Unsecured loan performance was mixed in Q1. Default rates on credit cards fell in Q1, while default rates on other unsecured lending products increased (Chart 4). Losses given default on credit cards rose in Q1, and were unchanged on other unsecured lending products.

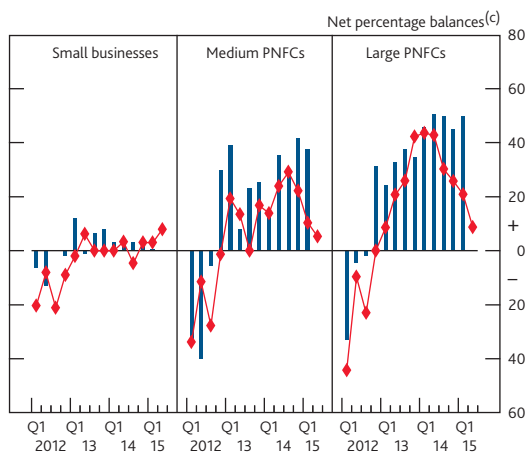
Lending to corporates and small businesses

For the fourth successive quarter, overall credit availability to the corporate sector was reported to have been unchanged in 2015 Q1 (Chart 6). Availability was expected to remain unchanged in Q2. Lenders reported that factors such as the economic outlook and their appetite for risk were not currently leading to changes in credit availability. Within the corporate sector, the availability of credit to the commercial real estate sector rose slightly in Q1, and was expected to be unchanged in Q2.

In terms of credit availability by firm size, lenders reported that availability for small and medium-sized businesses was unchanged in Q1, but increased for large corporates.⁽¹⁾ In Q2, lenders expected credit availability for small businesses to increase significantly, whilst credit availability for medium-sized companies and large corporates was expected to be unchanged.

Lenders reported that demand for lending by small and medium-sized businesses was unchanged in Q1, but increased for large corporates (Chart 7), mirroring the changes in credit availability. Lenders continued to cite commercial real estate as a significant factor pushing up on credit demand, but other factors such as increased capital investment and mergers and acquisitions activity were also seen as supportive. Among

(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.

small businesses, demand in Q1 increased significantly for credit card lending but fell for secured lending. In Q2, demand for credit was expected to increase significantly from small businesses, and increase from medium-sized companies, but be unchanged from large corporates.

The proportion of loan applications from small businesses being approved was lower in Q1, although it was expected to increase slightly in Q2. For medium-sized companies and large corporates, the proportion of loan applications being approved was unchanged in Q1, and was expected to remain unchanged in Q2.

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 Q1, while spreads on loans to small businesses were unchanged (**Chart 8**). Loan covenants loosened and fees and commissions decreased in Q1 for businesses of all sizes, but the most significant change was for large corporates. In Q2, spreads on loans were expected to decrease slightly for businesses of all sizes.

Lenders reported that corporate loan performance improved in Q1. Default rates decreased on lending to all business sizes, most significantly on lending to large corporates. Losses given default fell on lending to medium-sized companies and large corporates, and were unchanged on lending to small businesses.

Spreads and fees and commissions on loans to non-bank financial corporations continued to fall significantly in Q1, and further reductions were expected in Q2. However collateral requirements on these loans increased in Q1, and a further rise is expected in Q2. Demand for credit from non-bank financial corporations was unchanged in Q1, but a significant increase was expected in Q2.

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				2015
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has the availability of secured credit provided to households changed?	Past three months	-4.1	21.9	26.2	17.0	17.4	21.7	13.8	5.8	8.2	-28.5	7.8	-4.1
	Next three months	0.1	36.1	24.7	15.8	17.2	-4.5	20.7	13.0	-1.3	17.7	1.5	8.5
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	-10.5	-2.8	0.8	1.9	2.0	4.8	5.3	7.3	1.4	0.0	0.0	0.0
	Next three months	-9.0	6.9	2.6	0.0	0.0	4.8	8.9	7.6	0.0	3.2	0.0	0.0
market share objectives	Past three months	16.9	8.4	22.5	21.6	34.9	29.5	20.1	0.3	9.5	11.4	4.3	5.2
	Next three months	1.1	11.3	29.9	21.6	13.0	10.1	11.4	20.9	15.1	15.1	11.9	6.4
changing appetite for risk	Past three months	1.6	8.1	1.8	8.3	13.1	-4.8	11.5	14.8	-2.3	-25.5	0.0	0.0
	Next three months	0.0	1.7	16.7	0.0	6.0	11.5	11.6	-7.3	-9.8	1.5	1.5	8.9
tight wholesale funding conditions	Past three months	-20.4	9.2	21.8	7.6	3.9	0.0	0.0	0.0	2.3	0.0	-2.2	0.0
	Next three months	-18.3	-5.3	5.8	3.8	1.8	0.0	-2.7	0.0	2.3	0.0	2.2	0.0
expectations for house prices	Past three months	-1.6	-10.0	-1.9	-1.8	0.5	1.7	17.1	3.1	0.7	-10.1	1.5	0.0
	Next three months	-10.7	-1.9	-1.9	-3.7	7.8	1.7	18.0	6.2	-0.3	-0.2	3.6	0.0
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	5.3	2.7	20.4	8.9	9.3	19.5	2.9	1.4	2.7	-11.1	0.7	-6.8
	Next three months	1.2	12.6	33.6	8.2	19.2	-8.1	0.0	4.4	12.0	10.8	1.5	16.3
Borrowers with high loan to value ratios (more than 75%)	Past three months	4.0	19.6	29.0	18.7	13.8	35.3	19.1	33.8	1.3	-10.2	0.4	-2.4
	Next three months	-23.7	15.2	33.6	9.1	20.8	-2.0	28.4	8.6	5.7	1.3	3.6	-0.1
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.**	18.1	2.4	18.0	44.9	15.3	-14.2	-18.9	9.0
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	19.7	10.8	24.6	14.1	-4.3	-7.1	0.0	0.0

		Net percentage balances ^(a)											
		2012			2013				2014				2015
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How have credit scoring criteria for granting loan applications by households changed?	Past three months	-2.8	-11.4	4.7	-4.2	0.0	-3.1	10.5	5.5	-0.6	-17.9	0.0	2.0
	Next three months	-9.9	0.0	-9.3	5.3	1.5	9.8	6.4	-9.7	-1.6	-3.1	1.7	1.9
How has the proportion of household loan applications being approved changed?	Past three months	-26.2	-0.9	-1.9	-6.6	10.5	14.2	28.7	-11.0	0.7	-15.6	-9.4	-1.0
	Next three months	-24.1	6.2	1.9	9.2	3.1	9.2	-2.0	-24.8	-20.6	10.8	5.2	11.8
How has the average credit quality of new secured lending to households changed?^(c)	Past three months	12.1	8.1	9.3	-15.6	8.0	10.1	13.2	5.1	-6.8	0.7	-1.4	-1.4
	Next three months	18.8	0.0	9.3	-7.8	-6.0	0.0	-10.3	-18.3	8.5	-3.7	-2.1	9.9
How has the default rate on secured loans to households changed?	Past three months	-7.0	-8.4	-9.3	1.4	-2.4	-26.2	-44.9	-39.7	-34.1	-30.8	-33.8	-34.6
	Next three months	1.5	1.7	3.7	6.6	3.8	-14.6	-26.3	-19.1	-16.3	-20.3	-20.3	-11.0
How have losses given default on secured loans to households changed?	Past three months	3.6	-4.0	5.0	-8.1	1.4	-37.6	-51.0	-48.4	-12.4	-27.1	-15.2	-33.9
	Next three months	1.5	1.7	1.8	-7.6	-8.0	-32.4	-46.0	-42.9	-6.3	-26.7	-5.9	20.1
How has demand for secured lending for house purchase from households changed?	Past three months	28.4	7.7	19.6	6.4	43.5	29.6	62.0	11.2	26.8	-27.4	-46.1	-40.8
	Next three months	-2.3	8.8	15.3	30.4	20.9	8.6	-2.3	38.5	18.1	19.0	6.3	17.5
<i>of which: demand for prime lending</i>	Past three months	38.3	8.6	17.7	6.4	43.5	27.9	62.0	27.8	27.5	-22.0	-38.8	-44.3
	Next three months	-2.3	8.8	17.2	30.8	19.8	14.7	-2.3	38.5	18.1	17.4	6.3	16.8
<i>of which: demand for buy-to-let lending</i>	Past three months	-1.6	-9.2	12.6	7.6	35.3	26.0	25.2	0.6	-4.0	6.9	-30.0	-15.8
	Next three months	4.0	13.5	13.7	22.8	18.2	14.7	18.5	8.6	15.7	9.0	1.5	3.6
<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	9.9	-18.1	18.5	14.5	40.9	25.3	33.1	-5.2	25.7	-28.8	-19.1	-26.8
	Next three months	8.7	-0.3	17.2	31.2	6.7	11.0	1.0	26.8	5.0	25.0	10.1	8.3
How have overall secured lending spreads changed?	Past three months	-32.5	-10.1	27.5	50.0	48.1	38.4	33.4	6.4	13.5	14.9	47.0	14.4
	Next three months	-21.1	21.7	39.1	51.8	40.7	22.8	7.0	9.4	15.0	25.4	10.5	40.3
<i>of which: spreads on prime lending</i>	Past three months	-32.5	-10.1	28.0	50.8	48.1	38.4	33.4	6.4	13.5	14.9	47.0	14.4
	Next three months	-21.1	21.7	43.8	51.8	47.5	22.8	7.0	9.4	15.0	26.0	10.5	38.4
<i>of which: spreads on buy-to-let lending</i>	Past three months	-6.6	1.9	22.3	46.3	43.9	30.6	26.5	-1.8	21.9	24.8	28.1	-10.4
	Next three months	-6.9	12.7	31.9	25.7	34.9	15.0	-3.2	12.8	23.6	10.6	11.5	17.4
<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	0.0	0.0	-0.4	1.4	-1.9	0.0	6.9	-10.1	0.7	17.5	9.8
	Next three months	0.0	1.8	1.8	1.0	5.2	5.4	0.0	0.7	-1.4	9.5	0.7	7.0
How have maximum loan to value ratios changed?	Past three months	6.4	9.3	1.8	7.8	9.6	1.6	5.0	24.7	12.3	1.8	-0.7	11.0
	Next three months	-1.7	-0.1	16.1	7.8	7.6	0.1	14.4	4.0	0.7	0.0	0.0	-4.0
How have maximum loan to income ratios changed?	Past three months	6.8	6.9	2.1	7.9	0.0	0.0	8.4	8.2	5.9	-3.9	-22.0	-18.5
	Next three months	0.0	0.0	0.0	7.9	0.0	8.4	0.0	0.0	-7.3	-1.6	-5.1	-9.0

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

** Additional question not asked in survey.

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

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

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

Annex 2

Unsecured lending to households questionnaire results

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

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

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

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

		Net percentage balances ^(a)											
		2012			2013				2014			2015	
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has the availability of unsecured credit provided to households changed?	Past three months	8.1	-4.2	6.6	12.7	18.1	17.2	2.6	7.4	10.8	13.6	16.7	15.4
	Next three months	5.6	6.8	14.6	14.6	26.6	19.2	17.9	5.7	7.8	17.8	8.0	1.6
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	-1.7	0.0	0.0	0.0	0.0	8.3	1.1	0.7	0.0	0.0	1.4	0.0
	Next three months	-2.2	-1.8	0.0	0.7	-2.2	9.4	8.1	4.3	-1.2	0.4	1.4	0.0
market share objectives	Past three months	7.6	-4.2	6.1	8.1	1.1	11.4	0.1	6.6	0.7	12.4	6.3	13.1
	Next three months	10.7	6.8	13.1	13.5	7.6	9.3	21.9	18.3	16.4	20.0	25.8	15.7
changing appetite for risk	Past three months	7.3	1.8	5.1	5.8	8.1	2.9	1.4	13.2	6.8	-0.9	12.2	5.8
	Next three months	6.1	5.8	5.8	7.4	7.5	4.1	9.4	1.8	2.0	-6.5	6.0	1.3
changing cost/availability of funds	Past three months	-0.7	1.8	5.1	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	-11.9	1.1	4.8	0.0	5.8	0.4	0.0	0.0	-2.0	0.3	11.6	0.0
How have credit scoring criteria for granting credit card loan applications by households changed?	Past three months	8.4	0.8	-0.4	19.2	18.4	26.2	7.6	8.0	0.9	8.4	19.2	27.2
	Next three months	3.6	5.7	13.4	17.3	16.4	20.2	17.0	13.2	14.4	6.6	2.9	9.9
How have credit scoring criteria for granting other unsecured loan applications by households changed?	Past three months	3.9	8.6	12.7	-13.8	28.7	28.0	15.2	8.6	24.5	20.1	29.8	0.0
	Next three months	8.6	2.7	-0.1	19.4	32.0	28.7	13.6	25.7	22.1	9.1	15.7	6.3
How have credit scoring criteria for granting total unsecured loan applications by households changed?	Past three months	7.8	1.7	1.2	15.3	19.8	26.5	8.8	8.1	4.9	10.4	21.1	22.2
	Next three months	4.3	5.4	11.8	17.5	18.4	21.5	16.4	15.3	15.7	7.1	5.2	9.2

		Net percentage balances ^(a)											
		2012			2013				2014				2015
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has the proportion of credit card loan applications from households being approved changed?	Past three months	-1.4	2.6	-17.4	24.4	19.3	24.6	8.9	0.4	0.4	19.0	11.9	-11.0
	Next three months	-2.0	6.5	22.5	16.5	27.9	20.2	17.0	15.2	14.4	12.3	2.1	16.4
How has the proportion of other unsecured loan applications from households being approved changed?	Past three months	-2.3	15.2	20.8	-5.6	34.5	25.4	22.6	4.8	25.0	-8.2	18.9	9.5
	Next three months	14.8	2.7	0.8	26.9	34.9	20.8	13.6	29.0	19.9	14.0	15.7	3.6
How has the proportion of total unsecured loan applications from households being approved changed?	Past three months	-1.5	4.0	-12.9	20.9	21.3	24.7	11.2	1.2	4.6	14.3	13.2	-7.3
	Next three months	0.1	6.1	19.9	17.7	28.8	20.3	16.4	17.5	15.3	12.6	4.5	14.1
How has the average credit quality of new credit card lending to households changed? ^(c)	Past three months	-6.7	2.6	-10.2	-0.3	3.8	6.7	-11.3	-13.7	-6.3	3.1	-20.6	-18.3
	Next three months	7.7	5.7	8.3	-6.1	0.0	-9.4	-8.2	-10.9	-7.9	12.9	6.0	-1.1
How has the average credit quality of new other unsecured lending to households changed? ^(c)	Past three months	5.4	5.7	4.0	2.7	11.6	-9.6	-3.3	17.8	-3.9	-12.6	3.8	12.8
	Next three months	-8.6	-2.7	0.9	-1.0	5.1	-8.9	-1.0	-4.8	2.4	-10.5	3.8	1.1
How has the average credit quality of new total unsecured lending to households changed? ^(c)	Past three months	-5.2	2.9	-8.6	0.0	4.8	4.0	-10.0	-8.4	-5.9	0.3	-16.2	-12.6
	Next three months	5.7	4.8	7.4	-5.5	0.7	-9.4	-7.0	-9.9	-6.1	8.8	5.6	-0.7
How has the default rate on credit card loans to households changed?	Past three months	-7.1	-0.4	-17.5	-16.2	-8.6	-23.8	-17.9	-27.7	-27.4	-4.4	-24.3	-12.4
	Next three months	-2.2	-4.1	-9.1	-7.5	-9.5	-8.9	-11.2	-19.6	-12.0	17.5	-8.7	-5.8
How has the default rate on other unsecured loans to households changed?	Past three months	-31.7	-21.7	-7.5	0.0	-6.4	-6.8	-3.6	-22.6	-7.2	-3.9	1.8	12.4
	Next three months	0.0	0.0	0.0	0.0	-6.4	0.0	0.0	-4.4	0.0	2.4	14.2	18.6
How has the default rate on total unsecured loans to households changed?	Past three months	-10.2	-2.9	-16.3	-14.3	-8.3	-21.1	-15.5	-26.8	-23.9	-4.3	-19.6	-7.8
	Next three months	-2.0	-3.6	-8.0	-6.7	-9.1	-7.4	-9.4	-17.1	-10.0	14.8	-4.6	-1.3
How have losses given default on credit card loans to households changed?	Past three months	-13.2	6.8	5.9	1.4	9.5	9.8	3.7	-10.9	-3.3	-19.8	22.8	13.9
	Next three months	-7.6	6.8	7.5	8.3	9.5	9.8	10.4	0.0	10.6	-1.6	-0.7	-12.4
How have losses given default on other unsecured loans to households changed?	Past three months	-21.9	-16.0	-0.9	-22.9	-9.0	-0.5	0.0	0.0	-2.3	-2.4	5.0	0.0
	Next three months	-8.6	-16.9	-16.5	0.0	-8.1	0.0	0.0	0.0	0.0	-2.4	0.0	-6.3
How have losses given default on total unsecured loans to households changed?	Past three months	-14.3	4.1	5.1	-1.4	7.1	8.2	3.1	-9.1	-3.1	-16.8	19.6	11.3
	Next three months	-7.7	4.0	4.7	7.3	7.2	8.3	8.7	0.0	8.8	-1.8	-0.6	-11.3
How has demand for credit card lending from households changed?	Past three months	-16.5	4.1	27.8	2.4	-32.7	-1.9	-14.5	-26.7	-6.3	10.6	58.3	-7.7
	Next three months	12.5	7.3	0.0	11.6	0.0	0.0	9.7	1.4	-2.0	27.8	35.4	0.3
How has demand for other unsecured lending from households changed?	Past three months	18.7	0.0	34.6	-6.2	5.4	26.4	-23.0	11.7	4.0	1.8	38.7	-5.4
	Next three months	-17.0	9.2	32.3	35.1	15.8	-6.5	15.3	29.4	13.6	24.8	14.0	11.4
How has demand for total unsecured lending from households changed?	Past three months	-12.1	3.6	28.6	1.4	-27.6	2.7	-15.9	-20.2	-4.5	9.1	54.8	-7.2
	Next three months	8.8	7.5	3.8	14.3	2.1	-1.0	10.6	6.1	0.7	27.3	31.6	2.4
How have spreads on credit cards changed?	Past three months	0.0	0.0	0.0	0.0	1.0	-9.4	-4.7	0.0	-13.2	-0.4	-5.7	0.0
	Next three months	0.0	5.7	0.0	0.0	5.6	-2.0	0.0	-4.6	-1.1	-3.9	-1.0	1.1
How have spreads on other unsecured lending products changed?	Past three months	5.7	-13.9	31.0	11.6	21.6	37.5	34.6	44.3	15.2	9.3	51.7	36.7
	Next three months	6.6	12.6	8.0	25.7	17.4	23.4	27.0	44.5	30.7	7.7	-2.9	33.4
How have overall unsecured lending spreads changed?	Past three months	0.7	-1.6	3.6	1.4	3.7	-1.9	1.8	7.4	-8.4	1.3	4.6	6.4
	Next three months	0.8	6.5	0.9	3.0	7.2	2.1	4.5	3.6	4.4	-1.9	-1.3	6.7

		Net percentage balances ^(a)											
		2012			2013				2014				2015
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How have credit card limits changed?	Past three months	-2.2	7.0	5.8	6.7	1.8	7.5	-13.1	6.7	0.9	6.6	-12.5	-5.9
	Next three months	13.5	5.7	6.6	0.0	9.7	0.0	0.9	0.9	8.8	7.5	8.8	6.6
How has the minimum proportion of credit card balances to be paid changed?	Past three months	5.7	-12.3	0.0	-14.2	-6.6	0.0	0.0	-6.6	0.0	-6.6	0.0	0.0
	Next three months	-6.5	5.7	0.0	0.0	0.0	0.0	0.0	0.0	2.0	-6.6	0.0	0.0
How have the following terms on new credit card lending to households changed?													
Length of interest free period on balance transfers	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.**	31.1
	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.**	28.5
Length of interest free period for purchases	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.**	0.0
	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.**	-5.6
How have maximum maturities on loans changed?^(d)	Past three months	-2.3	0.0	0.0	0.0	-0.9	0.7	-2.3	0.0	2.2	0.0	5.1	0.0
	Next three months	0.0	0.0	0.0	-1.0	-3.0	0.0	0.0	0.0	2.2	0.0	5.1	0.0

** Additional question not asked in survey.

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

Annex 3

Corporate lending questionnaire results

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

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

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

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

		Net percentage balances ^(a)											
		2012			2013				2014				2015
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has the availability of credit provided to the corporate sector overall changed?	Past three months	-3.2	-5.5	29.4	12.3	14.2	8.5	22.2	12.7	4.8	2.6	2.0	0.6
	Next three months	0.7	2.6	14.9	3.1	3.5	9.7	16.1	14.4	13.7	1.7	3.6	1.5
<i>of which: commercial real estate sector</i>	Past three months	-7.1	-3.0	10.4	1.7	14.4	0.7	14.8	14.6	-0.9	-0.9	3.9	6.7
	Next three months	-0.3	5.2	15.4	2.4	13.9	2.6	0.1	15.8	2.8	-0.9	3.9	3.6
How have commercial property prices affected credit availability to the commercial real estate sector, and/or secured lending to PNFCs?	Past three months	-15.0	-21.7	-39.4	1.0	1.2	2.6	23.2	14.5	2.5	2.3	22.4	0.6
	Next three months	-17.8	-12.3	-13.6	1.7	0.0	1.4	2.6	2.5	2.5	0.0	3.7	-3.9
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	-4.2	1.0	-0.1	6.4	17.1	6.2	22.2	18.2	32.5	24.3	4.2	0.6
	Next three months	-3.4	-3.0	-0.1	6.4	38.5	29.4	24.8	19.9	32.5	10.6	-17.9	0.0
changing sector-specific risks	Past three months	-2.8	-3.8	0.0	0.0	1.1	0.0	3.0	5.7	2.4	-0.4	6.1	0.0
	Next three months	-4.9	-1.7	0.0	-0.8	7.0	0.6	1.8	5.7	12.0	-2.1	-1.5	5.4
market share objectives	Past three months	4.0	2.8	2.9	8.1	7.2	11.8	21.3	20.0	19.2	9.9	8.1	7.1
	Next three months	5.6	2.8	0.8	8.1	17.0	19.4	25.2	20.6	22.2	8.1	8.1	8.6
market pressures from capital markets	Past three months	-0.3	6.9	0.0	7.3	8.8	8.2	22.3	12.8	16.8	14.2	8.1	0.6
	Next three months	-4.3	0.5	5.8	7.3	7.5	19.2	20.6	12.8	18.0	7.2	0.0	0.0
changing appetite for risk	Past three months	-3.8	-1.4	2.1	7.8	1.8	-1.1	16.7	11.8	4.5	1.7	13.1	0.0
	Next three months	-0.5	0.5	0.7	7.8	1.4	9.9	16.0	14.9	14.9	0.0	0.9	3.7
tight wholesale funding conditions	Past three months	0.0	-10.4	9.2	4.6	-1.5	0.0	0.0	11.4	-2.7	7.0	0.0	1.3
	Next three months	-25.1	21.5	7.9	-5.9	0.0	0.0	-7.5	0.0	-2.7	0.0	0.0	1.3

		Net percentage balances ^(a)											
		2012			2013				2014				2015
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has the availability of credit provided to small businesses changed?	Past three months	0.8	0.8	5.6	0.7	6.6	3.2	12.7	7.6	4.9	-9.4	0.0	0.0
	Next three months	0.8	2.6	6.5	0.7	6.6	15.4	13.9	1.9	-9.4	-13.0	-11.8	21.0
How has the availability of credit provided to medium PNFCs changed?	Past three months	-1.3	0.9	20.2	4.5	13.1	4.7	0.6	0.6	3.6	2.4	0.6	0.6
	Next three months	0.8	2.8	17.4	3.1	2.1	6.6	2.8	1.8	10.3	0.6	4.3	0.6
How has the availability of credit provided to large PNFCs changed?	Past three months	-1.4	0.0	17.5	12.9	23.2	2.5	13.1	11.5	5.9	1.5	14.9	12.0
	Next three months	0.7	2.7	18.3	13.8	6.9	11.0	23.4	11.5	5.9	-0.2	3.5	-0.1
How has the proportion of loan applications from small businesses being approved changed?	Past three months	14.5	-1.5	4.2	9.8	18.4	8.5	16.5	15.4	7.5	-14.9	-0.7	-11.1
	Next three months	0.8	0.0	3.3	0.7	4.0	12.8	12.1	0.6	-11.9	-12.1	2.4	7.0
How has the proportion of loan applications from medium PNFCs being approved changed?	Past three months	2.0	-2.4	0.7	-3.1	-0.4	-1.7	0.6	1.2	7.3	9.1	-1.2	-0.5
	Next three months	0.0	14.4	6.2	5.8	-1.1	0.6	1.2	7.3	9.1	10.9	1.2	1.2
How has the proportion of loan applications from large PNFCs being approved changed?	Past three months	-1.0	-1.2	0.0	-3.1	2.6	-1.7	0.6	0.3	4.4	0.9	-0.8	-0.7
	Next three months	-1.6	0.7	5.5	0.7	-1.1	0.6	1.2	-0.3	5.0	3.4	-0.2	-0.1
Has there been a change in average credit quality on newly arranged PNFC borrowing facilities? ^(c)	Past three months	12.7	0.2	-0.8	1.2	-2.2	0.4	0.0	-0.9	-7.6	-4.5	6.6	-7.7
	Next three months	12.7	-6.0	0.0	-0.8	-0.9	-0.9	0.0	-0.9	-0.9	-4.5	0.0	-1.1
Has there been any change in 'target hold' levels associated with corporate lending?	Past three months	13.1	1.3	-6.1	-11.8	-5.1	-5.2	-12.2	-10.8	-13.5	-7.4	-13.8	-6.6
	Next three months	-0.3	4.8	0.7	0.0	-4.5	-6.3	-9.5	-10.0	-7.9	-7.2	-0.6	-0.6
How have loan tenors on new corporate loans changed? ^(d)	Past three months	-1.5	-7.0	-11.7	0.0	-1.7	-1.1	23.8	11.2	11.3	10.5	2.9	-0.7
	Next three months	-1.3	-5.5	0.0	0.0	-1.7	11.3	13.9	11.2	14.7	11.1	-0.2	11.3
Has there been a change in draw-downs on committed lines by PNFCs?	Past three months	-0.1	-2.0	-1.1	1.6	-0.2	-13.2	-9.8	-1.1	-2.0	2.3	-1.0	-0.1
	Next three months	1.5	1.5	1.5	-2.4	-0.2	3.0	-1.1	-0.2	7.5	2.7	-0.8	0.6
How has the default rate on loans to small businesses changed?	Past three months	-15.9	8.3	9.3	-22.2	26.5	2.7	-22.3	8.4	-18.6	8.4	-33.8	-10.3
	Next three months	-6.8	6.0	6.1	-0.7	-0.7	0.5	-14.4	0.6	-0.6	-14.9	-10.8	-10.8
How has the default rate on loans to medium PNFCs changed?	Past three months	2.1	1.6	24.7	-13.6	-0.6	-3.7	-3.3	-12.8	-14.1	-10.4	-11.9	-11.2
	Next three months	0.0	13.5	9.4	11.2	2.1	-15.9	-5.4	9.4	-2.1	-4.0	-1.4	-0.8
How has the default rate on loans to large PNFCs changed?	Past three months	-6.8	11.3	30.7	-11.2	4.0	9.9	-10.5	-7.6	-25.5	-23.7	-15.1	-20.0
	Next three months	18.8	6.4	7.3	0.7	-1.5	-3.1	-4.5	-12.9	-13.3	-18.4	-13.6	0.0
How has losses given default on loans to small businesses changed?	Past three months	5.9	0.0	0.0	-14.0	7.2	-12.6	-11.9	0.6	-3.7	-3.7	-3.0	-3.5
	Next three months	0.0	0.0	0.0	-0.7	-0.7	10.9	-11.9	0.6	-3.1	-3.0	-3.0	-2.9
How have losses given default on loans to medium PNFCs changed?	Past three months	2.2	0.7	14.3	-8.6	12.5	-13.0	-11.3	1.0	-23.1	-23.3	-17.6	-16.7
	Next three months	14.8	15.1	0.2	-2.1	-11.5	-12.4	-13.0	-15.3	-10.4	-9.2	-2.3	0.0
How have losses given default on loans to large PNFCs changed?	Past three months	0.0	14.1	12.4	4.1	0.2	-3.3	-12.5	-14.8	-23.3	-23.9	-16.8	-14.0
	Next three months	13.3	5.7	-0.7	9.9	-0.7	-1.5	-13.1	-13.6	-9.3	-9.4	-2.4	0.0
How has demand for credit card lending from small businesses changed?	Past three months	10.4	0.5	11.7	11.7	10.4	21.8	-26.2	-4.7	3.6	23.3	2.3	23.1
	Next three months	-1.4	10.4	9.8	21.5	10.4	9.4	11.2	18.0	23.1	17.4	8.5	8.4
How has demand for other unsecured lending from small businesses changed?	Past three months	12.1	n.a.*	n.a.*	n.a.*	n.a.*	24.4	20.0	-2.3	8.0	-11.7	0.0	-7.5
	Next three months	0.0	n.a.*	n.a.*	n.a.*	n.a.*	16.1	20.3	22.0	10.4	12.3	-7.5	13.5

		Net percentage balances ^(a)											
		2012			2013				2014				2015
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has demand for total unsecured lending from small businesses changed?	Past three months	10.6	-2.2	8.7	7.6	10.6	22.2	-18.4	-4.3	4.3	17.0	1.9	17.2
	Next three months	-1.2	11.8	8.5	22.5	9.1	10.5	12.7	18.7	20.8	16.5	5.5	9.3
How has demand for secured lending from small businesses changed?	Past three months	15.3	-1.5	-7.5	-11.2	35.9	24.1	33.0	-2.3	-0.5	-26.1	12.9	-13.6
	Next three months	0.0	17.2	2.0	28.5	6.9	8.7	11.5	18.9	19.9	13.1	-6.8	18.9
How has overall demand for lending from small businesses changed?	Past three months	16.7	-13.4	-19.2	-27.7	11.1	16.9	3.6	13.4	28.1	-12.5	-14.6	-2.5
	Next three months	0.8	0.8	6.9	28.9	4.0	14.0	20.4	19.4	16.5	7.7	-4.6	20.4
How has demand for lending from medium PNFCs changed?	Past three months	-2.9	-2.8	5.5	-7.9	20.5	14.0	33.7	25.6	25.8	29.4	31.8	4.1
	Next three months	10.9	6.3	5.2	15.6	6.3	26.2	16.3	22.2	21.8	21.4	21.2	10.0
How has demand for lending from large PNFCs changed?	Past three months	-14.9	-13.3	0.6	4.8	17.5	-3.0	8.8	22.6	23.6	19.0	5.8	17.0
	Next three months	-6.7	0.2	3.7	29.4	26.5	21.9	28.1	29.9	11.4	10.7	5.6	-1.6
How has demand for lending from OFCs changed?	Past three months	-2.4	10.7	-6.8	-13.5	0.0	13.4	2.7	17.1	14.4	39.0	0.0	0.0
	Next three months	0.0	-0.6	0.0	6.9	-13.5	13.4	9.9	17.1	14.4	24.4	27.2	27.4
What have been the main factors contributing to changes in demand for lending:^(b)													
mergers and acquisitions	Past three months	-27.8	-10.7	10.4	6.4	27.1	12.8	14.3	27.0	36.0	28.9	43.2	10.3
	Next three months	3.4	-10.2	0.4	20.4	14.1	27.7	22.0	26.4	28.3	16.6	7.2	17.7
capital investment	Past three months	-11.3	-9.3	-3.2	-11.8	4.0	23.9	31.2	17.9	19.5	13.9	5.0	11.7
	Next three months	-1.3	-6.5	-0.9	3.9	2.8	19.4	37.6	25.2	24.6	3.8	3.9	1.1
inventory finance	Past three months	-9.9	-7.8	0.0	3.6	0.7	-0.5	31.5	22.2	11.9	10.8	-0.9	-4.2
	Next three months	0.0	0.7	3.1	3.9	0.7	22.8	25.6	6.0	13.5	3.8	0.0	0.0
balance sheet restructuring	Past three months	-6.1	7.2	11.8	16.8	13.4	7.3	7.1	5.2	1.0	3.2	4.5	6.0
	Next three months	1.2	-0.8	3.2	2.2	7.9	8.0	8.1	28.4	-1.8	1.3	4.5	7.1
commercial real estate	Past three months	-6.5	-5.2	-10.0	4.5	-7.9	23.3	29.4	26.9	29.3	25.7	30.0	32.4
	Next three months	-3.8	-12.3	-12.9	16.5	-11.3	27.7	28.0	39.8	28.7	20.7	15.6	10.1
How have spreads on loans to small businesses changed?	Past three months	-13.1	0.0	-2.0	12.0	-1.2	6.7	7.9	3.3	3.1	3.0	3.0	0.6
	Next three months	-21.1	-9.0	-2.0	6.2	0.0	0.0	0.0	3.3	-4.7	3.0	3.0	7.9
How have fees/commissions on loans to small businesses changed?	Past three months	-1.4	-12.7	1.5	-7.4	7.8	7.9	0.0	0.0	0.0	-13.0	13.0	12.8
	Next three months	-12.9	0.0	-0.7	7.4	0.0	0.0	0.0	0.0	0.0	13.0	0.0	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	7.9	0.0	0.0	0.6	0.6	0.8
	Next three months	0.0	0.0	0.0	0.0	0.0	2.6	0.0	0.0	0.0	0.0	0.0	0.0
How have loan covenants for small businesses changed?	Past three months	-3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.8	5.1	5.3
	Next three months	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.7	0.0	0.0	0.0
How have spreads on loans to medium PNFCs changed?	Past three months	-39.8	-5.5	29.8	39.1	7.9	23.1	25.5	14.7	35.2	29.7	41.7	37.5
	Next three months	-27.7	-1.4	19.3	13.4	0.0	16.8	13.9	23.9	29.1	22.2	10.3	5.2
How have fees/commissions on loans to medium PNFCs changed?	Past three months	-21.8	-2.2	19.9	9.3	9.6	1.2	18.3	14.9	16.4	14.7	37.4	22.1
	Next three months	-15.4	0.0	7.8	2.8	-0.7	1.2	21.2	15.8	10.9	14.7	9.3	5.2
How have collateral requirements for loans to medium PNFCs changed?	Past three months	-0.7	0.0	0.0	0.0	0.0	1.5	0.9	-0.3	0.6	0.0	0.0	0.0
	Next three months	-1.9	0.0	1.2	0.0	0.8	2.2	0.6	0.0	1.8	0.0	0.0	6.8

		Net percentage balances ^(a)											
		2012			2013				2014				2015
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How have maximum credit lines for medium PNFCs changed?	Past three months	-3.3	-1.0	-1.2	0.0	-1.0	10.6	-1.2	0.8	1.0	3.6	0.0	6.8
	Next three months	-1.2	12.5	-0.5	0.0	0.0	0.7	-1.2	1.7	4.6	3.6	0.0	6.8
How have loan covenants for medium PNFCs changed?	Past three months	-15.3	0.0	0.0	0.0	0.0	-0.2	0.6	-0.9	11.2	10.9	11.8	10.8
	Next three months	-1.2	0.0	0.0	0.0	0.0	-0.9	1.2	7.2	5.7	10.3	0.9	10.8
How have spreads on loans to large PNFCs changed?	Past three months	-4.3	-2.0	31.4	24.3	32.8	37.7	34.6	45.8	50.6	49.8	45.0	50.0
	Next three months	-23.0	0.0	8.5	20.7	25.8	42.3	43.6	42.7	30.2	25.7	20.9	8.7
How have fees/commissions on loans to large PNFCs changed?	Past three months	-2.9	-2.7	9.2	0.7	13.1	12.4	33.3	23.7	47.4	47.4	46.7	34.9
	Next three months	-10.5	0.0	7.8	8.8	13.2	29.6	42.3	28.9	27.8	26.9	21.3	8.7
How have collateral requirements for loans to large PNFCs changed?	Past three months	0.0	0.0	0.0	0.0	-0.9	0.7	0.0	-0.3	11.0	1.7	0.0	3.9
	Next three months	-0.5	-0.5	0.0	0.8	0.9	0.0	0.6	0.0	5.3	0.0	0.0	0.0
How have maximum credit lines for large PNFCs changed?	Past three months	-3.4	-1.1	-3.3	3.9	16.7	31.1	18.7	31.1	32.2	19.6	1.5	7.6
	Next three months	0.0	0.7	2.6	3.9	19.1	29.6	18.4	13.2	6.6	0.9	0.9	7.8
How have loan covenants for large PNFCs changed?	Past three months	0.8	0.0	0.8	7.3	0.0	23.9	20.6	30.8	29.9	26.9	43.4	23.8
	Next three months	-0.5	0.0	0.0	0.8	6.4	20.7	20.3	31.2	38.8	47.2	8.4	12.6
How have spreads on loans to OFCs changed?	Past three months	-3.6	0.6	-2.7	12.7	12.7	42.0	33.4	46.6	48.0	48.1	39.5	26.3
	Next three months	-22.1	13.9	7.9	6.5	19.8	28.2	43.6	46.0	42.9	34.3	27.2	27.0
How have fees/commissions on loans to OFCs changed?	Past three months	-2.1	-0.3	-6.0	3.9	23.4	19.9	32.7	43.9	46.7	42.7	38.5	26.3
	Next three months	-8.6	0.0	10.3	0.0	19.8	28.2	42.2	43.3	42.9	34.3	26.2	14.7
How have collateral requirements for loans to OFCs changed?	Past three months	-8.4	-6.6	-13.1	0.0	3.5	0.0	1.3	0.6	0.0	5.3	0.0	-14.7
	Next three months	-2.1	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	-14.7
How have maximum credit lines for OFCs changed?	Past three months	-9.4	6.3	6.3	0.0	19.8	33.0	7.3	21.9	34.1	34.3	18.9	13.5
	Next three months	-0.8	-1.0	0.0	12.9	19.8	7.1	20.4	34.8	34.1	34.3	18.9	25.8

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

** Additional question not asked in survey.

- (a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question by their market shares. Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.
- (b) A positive balance indicates that the changes in the factors described have served to increase credit availability/demand.
- (c) A positive balance indicates an improvement in the credit quality of new borrowing.
- (d) A positive balance indicates an increase in new corporate loan tenors. The sign convention was changed in 2009 Q3 and was applied to the back data accordingly.