Credit Conditions Survey

Survey results | 2015 Q2

BANK OF ENGLAND

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Credit Conditions Survey

2015 Q2

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

This report presents the results of the 2015 Q2 survey. The 2015 Q2 survey was conducted between 22 May and 12 June 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 Q2 survey, and copies of the questionnaires are available on the Bank's website at
www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx.

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

Credit Conditions Survey

2015 Q2

Supply

- The availability of secured credit to households was reported to have increased slightly in the three months to mid-June 2015. Lenders expected availability to increase slightly over the following three months (**Chart 1**). Maximum loan to value ratios and loan to income ratios were reported to have been unchanged in Q2.

- Lenders reported that the availability of unsecured credit to households was unchanged in 2015 Q2, having increased in most quarters over the past few years (**Chart 2**). Availability was expected to be unchanged in Q3.

- The overall availability of credit to the corporate sector was reported to be unchanged in Q2, but was expected to increase a little in the following three months. The availability of credit to small businesses increased in Q2 (**Chart 3**), with the net percentage balance the highest since 2010 Q3. The availability of credit to medium-sized companies and large corporates was reported to be unchanged.

Demand

- Lenders reported that demand for secured lending for house purchase increased significantly in 2015 Q2, having fallen significantly in the previous three quarters (**Chart 4**).

- Demand for credit card lending from households was unchanged in Q2, while demand for other unsecured lending products, such as personal loans, was reported to have increased slightly.

- Demand for lending from small businesses increased significantly in Q2, while demand from large corporates also increased and was unchanged for medium-sized companies (**Chart 5**). Demand was expected to increase for each size of business in Q3.

Loan pricing

- Overall spreads on secured lending to households — relative to Bank Rate or the appropriate swap rate — were reported to have narrowed significantly in Q2, and were expected to narrow again over the following three months (**Chart 6**).

- Lenders reported that spreads on other unsecured lending products, such as personal loans, narrowed again in Q2, and were expected to narrow significantly further in Q3 (**Chart 6**). Spreads on credit cards were reported to be unchanged, but lenders reported a significant increase in the length of interest free periods on balance transfers and, to a lesser extent, for purchases.

- As in previous quarters, spreads on lending to medium and large companies narrowed significantly in Q2, while spreads for small businesses were unchanged. Lenders expected spreads on lending to medium and large companies to narrow slightly further in Q3.
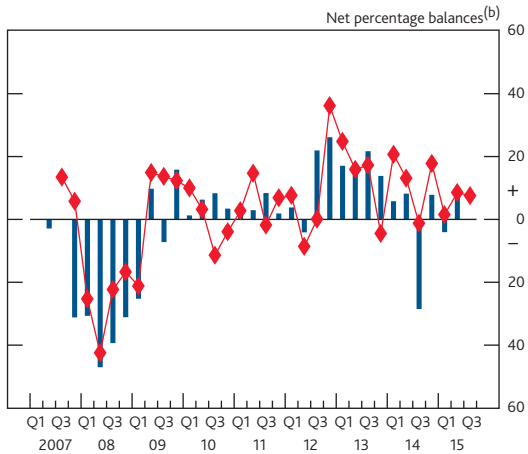
Defaults

- Lenders reported that default rates on secured loans to households fell in 2015 Q2, and were expected to fall again in Q3. Losses given default on secured loans to households fell significantly in Q2, and were expected to fall in Q3.

- Default rates and losses given default on credit card lending to households fell in Q2. Default rates on other unsecured lending to households rose in Q2 while losses given default fell slightly.

- Default rates on corporate lending fell again in Q2, particularly on lending to small businesses. Losses given default fell in Q2 for businesses of each size.

Chart 1 Household secured credit availability(a)

Net percentage balances(b)

(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.

**Chart 2** Household unsecured credit availability(a)

Net percentage balances(b)
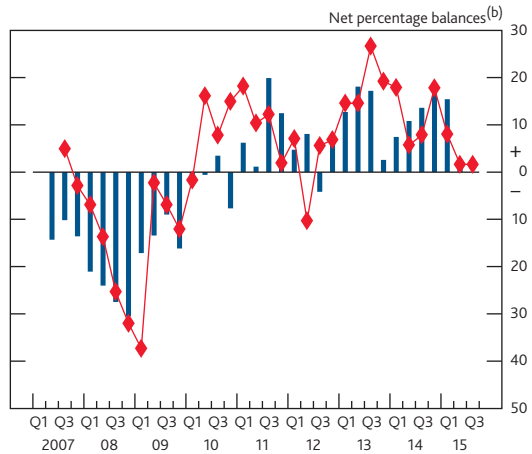
(a) See footnote (a) to **Chart 1**.
(b) A positive balance indicates that more unsecured credit is available.

Chart 3 Corporate credit availability by firm size(a)

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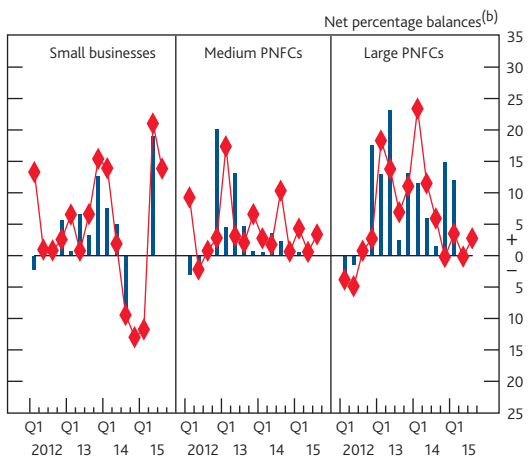
(a) See footnote (a) to **Chart 1**.
(b) A positive balance indicates that more corporate credit is available.

**Chart 4** Household demand for overall secured lending to finance a house purchase(a)

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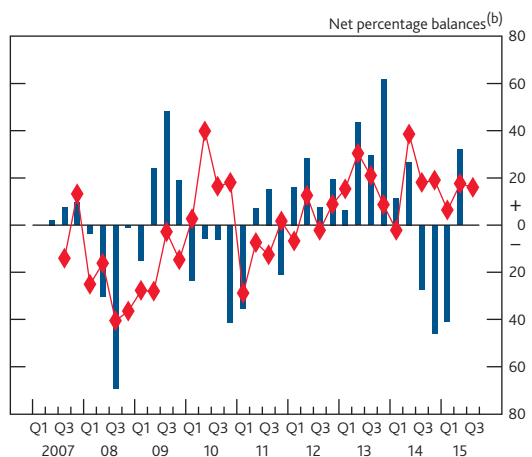
(a) See footnote (a) to **Chart 1**.
(b) A positive balance indicates an increase in demand.

Chart 5 Corporate demand for lending by firm size(a)

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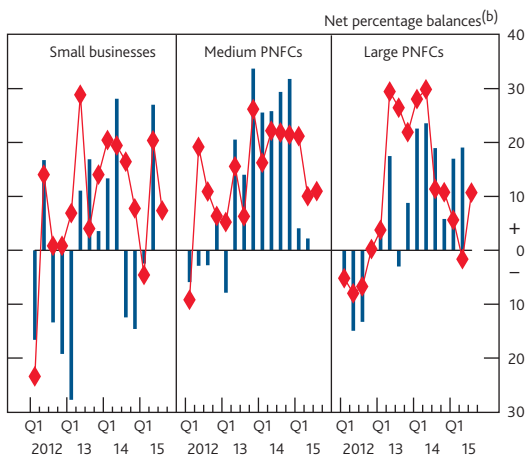
(a) See footnote (a) to **Chart 1**.
(b) A positive balance indicates an increase in demand.

Chart 6 Spreads on lending to households(a)(b)

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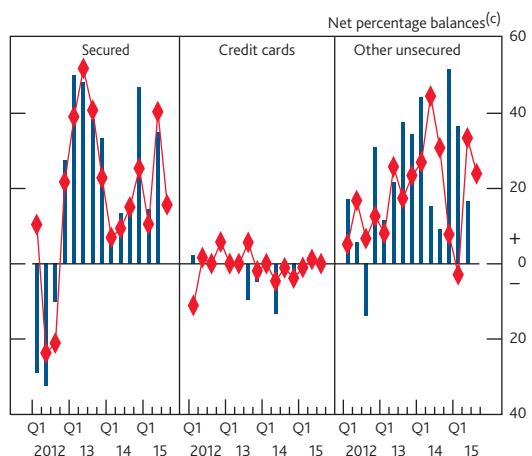
(a) See footnote (a) to **Chart 1**.
(b) Spreads are over Bank Rate or the relevant swap rate.
(c) A positive balance indicates that spreads have fallen such that, all else being equal, it is cheaper for households to borrow.

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 | |
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the availability of secured credit	Past three months	21.9	26.2	17.0	17.4	21.7	13.8	5.8	8.2	-28.5	7.8	-4.1	8.8
provided to households changed?	Next three months	36.1	24.7	15.8	17.2	-4.5	20.7	13.0	-1.3	17.7	1.5	8.5	7.5
Factors contributing to changes in													
credit availability:[b]													
changing economic outlook	Past three months	-2.8	0.8	1.9	2.0	4.8	5.3	7.3	1.4	0.0	0.0	0.0	0.0
	Next three months	6.9	2.6	0.0	0.0	4.8	8.9	7.6	0.0	3.2	0.0	0.0	2.2
market share objectives	Past three months	8.4	22.5	21.6	34.9	29.5	20.1	0.3	9.5	11.4	4.3	5.2	7.4
	Next three months	11.3	29.9	21.6	13.0	10.1	11.4	20.9	15.1	15.1	11.9	6.4	9.8
changing appetite for risk	Past three months	8.1	1.8	8.3	13.1	-4.8	11.5	14.8	-2.3	-25.5	0.0	0.0	9.3
	Next three months	1.7	16.7	0.0	6.0	11.5	11.6	-7.3	-9.8	1.5	1.5	8.9	1.7
tight wholesale funding conditions	Past three months	9.2	21.8	7.6	3.9	0.0	0.0	0.0	2.3	0.0	-2.2	0.0	2.1
	Next three months	-5.3	5.8	3.8	1.8	0.0	-2.7	0.0	2.3	0.0	2.2	0.0	-4.9
expectations for house prices	Past three months	-10.0	-1.9	-1.8	0.5	1.7	17.1	3.1	0.7	-10.1	1.5	0.0	1.7
	Next three months	-1.9	-1.9	-3.7	7.8	1.7	18.0	6.2	-0.3	-0.2	3.6	0.0	1.7
How has the availability of household secured credit to the following types of borrower changed?													
Borrowers with low loan to value ratios	Past three months	2.7	20.4	8.9	9.3	19.5	2.9	1.4	2.7	-11.1	0.7	-6.8	15.0
(75% or less)	Next three months	12.6	33.6	8.2	19.2	-8.1	0.0	4.4	12.0	10.8	1.5	16.3	0.8
Borrowers with high loan to value ratios	Past three months	19.6	29.0	18.7	13.8	35.3	19.1	33.8	1.3	-10.2	0.4	-2.4	11.4
(more than 75%)	Next three months	15.2	33.6	9.1	20.8	-2.0	28.4	8.6	5.7	1.3	3.6	-0.1	1.8
Have you become more willing to lend to	Past three months	n.a.**	n.a.**	n.a.**	18.1	2.4	18.0	44.9	15.3	-14.2	-18.9	9.0	-1.2
borrowers with housing equity less than 10%	Next three months	n.a.**	n.a.**	n.a.**	19.7	10.8	24.6	14.1	-4.3	-7.1	0.0	0.0	11.5
of the value of their home?													

		2012		2013				2014				2015	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How have credit scoring criteria for granting loan applications by households changed?	Past three months	-11.4	4.7	-4.2	0.0	-3.1	10.5	5.5	-0.6	-17.9	0.0	2.0	8.4
	Next three months	0.0	-9.3	5.3	1.5	9.8	6.4	-9.7	-1.6	-3.1	1.7	1.9	3.7
How has the proportion of household loan applications being approved changed?	Past three months	-0.9	-1.9	-6.6	10.5	14.2	28.7	-11.0	0.7	-15.6	-9.4	-1.0	13.0
	Next three months	6.2	1.9	9.2	3.1	9.2	-2.0	-24.8	-20.6	10.8	5.2	11.8	5.8
How has the average credit quality of new secured lending to households changed?[c]	Past three months	8.1	9.3	-15.6	8.0	10.1	13.2	5.1	-6.8	0.7	-1.4	-1.4	-3.0
	Next three months	0.0	9.3	-7.8	-6.0	0.0	-10.3	-18.3	8.5	-3.7	-2.1	9.9	10.4
How has the default rate on secured loans to households changed?	Past three months	-8.4	-9.3	1.4	-2.4	-26.2	-44.9	-39.7	-34.1	-30.8	-33.8	-34.6	-17.3
	Next three months	1.7	3.7	6.6	3.8	-14.6	-26.3	-19.1	-16.3	-20.3	-20.3	-11.0	-14.1
How have losses given default on secured loans to households changed?	Past three months	-4.0	5.0	-8.1	1.4	-37.6	-51.0	-48.4	-12.4	-27.1	-15.2	-33.9	-24.5
	Next three months	1.7	1.8	-7.6	-8.0	-32.4	-46.0	-42.9	-6.3	-26.7	-5.9	20.1	-10.0
How has demand for secured lending for house purchase from households changed?	Past three months	7.7	19.6	6.4	43.5	29.6	62.0	11.2	26.8	-27.4	-46.1	-40.8	32.1
	Next three months	8.8	15.3	30.4	20.9	8.6	-2.3	38.5	18.1	19.0	6.3	17.5	15.9
of which: demand for prime lending	Past three months	8.6	17.7	6.4	43.5	27.9	62.0	27.8	27.5	-22.0	-38.8	-44.3	31.3
	Next three months	8.8	17.2	30.8	19.8	14.7	-2.3	38.5	18.1	17.4	6.3	16.8	15.9
of which: demand for buy-to-let lending	Past three months	-9.2	12.6	7.6	35.3	26.0	25.2	0.6	-4.0	6.9	-30.0	-15.8	22.2
	Next three months	13.5	13.7	22.8	18.2	14.7	18.5	8.6	15.7	9.0	1.5	3.6	16.9
of which: demand for other lending	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	-18.1	18.5	14.5	40.9	25.3	33.1	-5.2	25.7	-28.8	-19.1	-26.8	11.9
	Next three months	-0.3	17.2	31.2	6.7	11.0	1.0	26.8	5.0	25.0	10.1	8.3	11.2
How have overall secured lending spreads changed?	Past three months	-10.1	27.5	50.0	48.1	38.4	33.4	6.4	13.5	14.9	47.0	14.4	35.0
	Next three months	21.7	39.1	51.8	40.7	22.8	7.0	9.4	15.0	25.4	10.5	40.3	15.6
of which: spreads on prime lending	Past three months	-10.1	28.0	50.8	48.1	38.4	33.4	6.4	13.5	14.9	47.0	14.4	35.0
	Next three months	21.7	43.8	51.8	47.5	22.8	7.0	9.4	15.0	26.0	10.5	38.4	15.6
of which: spreads on buy-to-let lending	Past three months	1.9	22.3	46.3	43.9	30.6	26.5	-1.8	21.9	24.8	28.1	-10.4	10.2
	Next three months	12.7	31.9	25.7	34.9	15.0	-3.2	12.8	23.6	10.6	11.5	17.4	21.1
of which: spreads on other lending	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	-0.4	1.4	-1.9	0.0	6.9	-10.1	0.7	17.5	9.8	6.4
	Next three months	1.8	1.8	1.0	5.2	5.4	0.0	0.7	-1.4	9.5	0.7	7.0	0.0
How have maximum loan to value ratios changed?	Past three months	9.3	1.8	7.8	9.6	1.6	5.0	24.7	12.3	1.8	-0.7	11.0	0.8
	Next three months	-0.1	16.1	7.8	7.6	0.1	14.4	4.0	0.7	0.0	0.0	-4.0	-0.8
How have maximum loan to income ratios changed?	Past three months	6.9	2.1	7.9	0.0	0.0	8.4	8.2	5.9	-3.9	-22.0	-18.5	-0.3
	Next three months	0.0	0.0	7.9	0.0	8.4	0.0	0.0	-7.3	-1.6	-5.1	-9.0	6.0

Net percentage balances[a]

* 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 | |
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the availability of unsecured credit	Past three months	-4.2	6.6	12.7	18.1	17.2	2.6	7.4	10.8	13.6	16.7	15.4	2.6
provided to households changed?	Next three months	6.8	14.6	14.6	26.6	19.2	17.9	5.7	7.8	17.8	8.0	1.6	1.6
Factors contributing to changes in credit availability:[b]													
changing economic outlook	Past three months	0.0	0.0	0.0	0.0	8.3	1.1	0.7	0.0	0.0	1.4	0.0	0.0
	Next three months	-1.8	0.0	0.7	-2.2	9.4	8.1	4.3	-1.2	0.4	1.4	0.0	0.0
market share objectives	Past three months	-4.2	6.1	8.1	1.1	11.4	0.1	6.6	0.7	12.4	6.3	13.1	-1.6
	Next three months	6.8	13.1	13.5	7.6	9.3	21.9	18.3	16.4	20.0	25.8	15.7	8.5
changing appetite for risk	Past three months	1.8	5.1	5.8	8.1	2.9	1.4	13.2	6.8	-0.9	12.2	5.8	1.3
	Next three months	5.8	5.8	7.4	7.5	4.1	9.4	1.8	2.0	-6.5	6.0	1.3	0.8
changing cost/availability of funds	Past three months	1.8	5.1	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	1.1	4.8	0.0	5.8	0.4	0.0	0.0	-2.0	0.3	11.6	0.0	0.0
How have credit scoring criteria for granting	Past three months	0.8	-0.4	19.2	18.4	26.2	7.6	8.0	0.9	8.4	19.2	27.2	1.1
credit card loan applications by households changed?	Next three months	5.7	13.4	17.3	16.4	20.2	17.0	13.2	14.4	6.6	2.9	9.9	-0.4
How have credit scoring criteria for granting	Past three months	8.6	12.7	-13.8	28.7	28.0	15.2	8.6	24.5	20.1	29.8	0.0	6.5
other unsecured loan applications by households changed?	Next three months	2.7	-0.1	19.4	32.0	28.7	13.6	25.7	22.1	9.1	15.7	6.3	6.5
How have credit scoring criteria for granting	Past three months	1.7	1.2	15.3	19.8	26.5	8.8	8.1	4.9	10.4	21.1	22.2	2.1
total unsecured loan applications by households changed?	Next three months	5.4	11.8	17.5	18.4	21.5	16.4	15.3	15.7	7.1	5.2	9.2	0.9

		2012		2013				2014				2015	
Net percentage balances(a)		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the proportion of credit card loan applications from households being approved changed?	Past three months	2.6	-17.4	24.4	19.3	24.6	8.9	0.4	0.4	19.0	11.9	-11.0	-5.4
	Next three months	6.5	22.5	16.5	27.9	20.2	17.0	15.2	14.4	12.3	2.1	16.4	12.7
How has the proportion of other unsecured loan applications from households being approved changed?	Past three months	15.2	20.8	-5.6	34.5	25.4	22.6	4.8	25.0	-8.2	18.9	9.5	-2.3
	Next three months	2.7	0.8	26.9	34.9	20.8	13.6	29.0	19.9	14.0	15.7	3.6	8.0
How has the proportion of total unsecured loan applications from households being approved changed?	Past three months	4.0	-12.9	20.9	21.3	24.7	11.2	1.2	4.6	14.3	13.2	-7.3	-4.8
	Next three months	6.1	19.9	17.7	28.8	20.3	16.4	17.5	15.3	12.6	4.5	14.1	11.8
How has the average credit quality of new credit card lending to households changed?(c)	Past three months	2.6	-10.2	-0.3	3.8	6.7	-11.3	-13.7	-6.3	3.1	-20.6	-18.3	7.2
	Next three months	5.7	8.3	-6.1	0.0	-9.4	-8.2	-10.9	-7.9	12.9	6.0	-1.1	1.1
How has the average credit quality of new other unsecured lending to households changed?(c)	Past three months	5.7	4.0	2.7	11.6	-9.6	-3.3	17.8	-3.9	-12.6	3.8	12.8	4.6
	Next three months	-2.7	0.9	-1.0	5.1	-8.9	-1.0	-4.8	2.4	-10.5	3.8	1.1	0.0
How has the average credit quality of new total unsecured lending to households changed?(c)	Past three months	2.9	-8.6	0.0	4.8	4.0	-10.0	-8.4	-5.9	0.3	-16.2	-12.6	6.7
	Next three months	4.8	7.4	-5.5	0.7	-9.4	-7.0	-9.9	-6.1	8.8	5.6	-0.7	0.9
How has the default rate on credit card loans to households changed?	Past three months	-0.4	-17.5	-16.2	-8.6	-23.8	-17.9	-27.7	-27.4	-4.4	-24.3	-12.4	-13.0
	Next three months	-4.1	-9.1	-7.5	-9.5	-8.9	-11.2	-19.6	-12.0	17.5	-8.7	-5.8	-13.0
How has the default rate on other unsecured loans to households changed?	Past three months	-21.7	-7.5	0.0	-6.4	-6.8	-3.6	-22.6	-7.2	-3.9	1.8	12.4	16.0
	Next three months	0.0	0.0	0.0	-6.4	0.0	0.0	-4.4	0.0	2.4	14.2	18.6	-1.5
How has the default rate on total unsecured loans to households changed?	Past three months	-2.9	-16.3	-14.3	-8.3	-21.1	-15.5	-26.8	-23.9	-4.3	-19.6	-7.8	-7.6
	Next three months	-3.6	-8.0	-6.7	-9.1	-7.4	-9.4	-17.1	-10.0	14.8	-4.6	-1.3	-10.8
How have losses given default on credit card loans to households changed?	Past three months	6.8	5.9	1.4	9.5	9.8	3.7	-10.9	-3.3	-19.8	22.8	13.9	-12.4
	Next three months	6.8	7.5	8.3	9.5	9.8	10.4	0.0	10.6	-1.6	-0.7	-12.4	-0.6
How have losses given default on other unsecured loans to households changed?	Past three months	-16.0	-0.9	-22.9	-9.0	-0.5	0.0	0.0	-2.3	-2.4	5.0	0.0	-5.0
	Next three months	-16.9	-16.5	0.0	-8.1	0.0	0.0	0.0	0.0	-2.4	0.0	-6.3	-6.5
How have losses given default on total unsecured loans to households changed?	Past three months	4.1	5.1	-1.4	7.1	8.2	3.1	-9.1	-3.1	-16.8	19.6	11.3	-11.0
	Next three months	4.0	4.7	7.3	7.2	8.3	8.7	0.0	8.8	-1.8	-0.6	-11.3	-1.7
How has demand for credit card lending from households changed?	Past three months	4.1	27.8	2.4	-32.7	-1.9	-14.5	-26.7	-6.3	10.6	58.3	-7.7	4.2
	Next three months	7.3	0.0	11.6	0.0	0.0	9.7	1.4	-2.0	27.8	35.4	0.3	13.1
How has demand for other unsecured lending from households changed?	Past three months	0.0	34.6	-6.2	5.4	26.4	-23.0	11.7	4.0	1.8	38.7	-5.4	5.7
	Next three months	9.2	32.3	35.1	15.8	-6.5	15.3	29.4	13.6	24.8	14.0	11.4	9.0
How has demand for total unsecured lending from households changed?	Past three months	3.6	28.6	1.4	-27.6	2.7	-15.9	-20.2	-4.5	9.1	54.8	-7.2	4.5
	Next three months	7.5	3.8	14.3	2.1	-1.0	10.6	6.1	0.7	27.3	31.6	2.4	12.3
How have spreads on credit cards changed?	Past three months	0.0	0.0	0.0	1.0	-9.4	-4.7	0.0	-13.2	-0.4	-5.7	0.0	0.4
	Next three months	5.7	0.0	0.0	5.6	-2.0	0.0	-4.6	-1.1	-3.9	-1.0	1.1	0.0
How have spreads on other unsecured lending products changed?	Past three months	-13.9	31.0	11.6	21.6	37.5	34.6	44.3	15.2	9.3	51.7	36.7	16.7
	Next three months	12.6	8.0	25.7	17.4	23.4	27.0	44.5	30.7	7.7	-2.9	33.4	23.9
How have overall unsecured lending spreads changed?	Past three months	-1.6	3.6	1.4	3.7	-1.9	1.8	7.4	-8.4	1.3	4.6	6.4	3.3
	Next three months	6.5	0.9	3.0	7.2	2.1	4.5	3.6	4.4	-1.9	-1.3	6.7	4.2

		2012		2013				2014				2015	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How have credit card limits changed?	Past three months	7.0	5.8	6.7	1.8	7.5	-13.1	6.7	0.9	6.6	-12.5	-5.9	-15.2
	Next three months	5.7	6.6	0.0	9.7	0.0	0.9	0.9	8.8	7.5	8.8	6.6	9.3
How has the minimum proportion of	Past three months	-12.3	0.0	-14.2	-6.6	0.0	0.0	-6.6	0.0	-6.6	0.0	0.0	-1.1
credit card balances to be paid changed?	Next three months	5.7	0.0	0.0	0.0	0.0	0.0	0.0	2.0	-6.6	0.0	0.0	-12.5
How have the following terms on new credit card lending to households changed?													
Length of interest free period on balance	Past three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	31.1	20.4
transfers	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	28.5	1.2
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.**	0.0	7.7
	Next three months	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	n.a.**	-5.6	1.2
How have maximum maturities on loans	Past three months	0.0	0.0	0.0	-0.9	0.7	-2.3	0.0	2.2	0.0	5.1	0.0	0.0
changed?[d]	Next three months	0.0	0.0	-1.0	-3.0	0.0	0.0	0.0	2.2	0.0	5.1	0.0	0.0

Net percentage balances[a]

** 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 | |
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the availability of credit provided to	Past three months	-5.5	29.4	12.3	14.2	8.5	22.2	12.7	4.8	2.6	2.0	0.6	0.6
the corporate sector overall changed?	Next three months	2.6	14.9	3.1	3.5	9.7	16.1	14.4	13.7	1.7	3.6	1.5	9.6
of which: commercial real estate sector	Past three months	-3.0	10.4	1.7	14.4	0.7	14.8	14.6	-0.9	-0.9	3.9	6.7	2.7
	Next three months	5.2	15.4	2.4	13.9	2.6	0.1	15.8	2.8	-0.9	3.9	3.6	9.7
How have commercial property prices affected	Past three months	-21.7	-39.4	1.0	1.2	2.6	23.2	14.5	2.5	2.3	22.4	0.6	0.6
credit availability to the commercial real estate sector, and/or secured lending to PNFCs?	Next three months	-12.3	-13.6	1.7	0.0	1.4	2.6	2.5	2.5	0.0	3.7	-3.9	0.0
Factors contributing to changes in credit availability:[b]													
changing economic outlook	Past three months	1.0	-0.1	6.4	17.1	6.2	22.2	18.2	32.5	24.3	4.2	0.6	0.6
	Next three months	-3.0	-0.1	6.4	38.5	29.4	24.8	19.9	32.5	10.6	-17.9	0.0	6.9
changing sector-specific risks	Past three months	-3.8	0.0	0.0	1.1	0.0	3.0	5.7	2.4	-0.4	6.1	0.0	0.0
	Next three months	-1.7	0.0	-0.8	7.0	0.6	1.8	5.7	12.0	-2.1	-1.5	5.4	1.5
market share objectives	Past three months	2.8	2.9	8.1	7.2	11.8	21.3	20.0	19.2	9.9	8.1	7.1	13.5
	Next three months	2.8	0.8	8.1	17.0	19.4	25.2	20.6	22.2	8.1	8.1	8.6	3.8
market pressures from capital markets	Past three months	6.9	0.0	7.3	8.8	8.2	22.3	12.8	16.8	14.2	8.1	0.6	-1.7
	Next three months	0.5	5.8	7.3	7.5	19.2	20.6	12.8	18.0	7.2	0.0	0.0	-2.4
changing appetite for risk	Past three months	-1.4	2.1	7.8	1.8	-1.1	16.7	11.8	4.5	1.7	13.1	0.0	0.0
	Next three months	0.5	0.7	7.8	1.4	9.9	16.0	14.9	14.9	0.0	0.9	3.7	1.4
tight wholesale funding conditions	Past three months	-10.4	9.2	4.6	-1.5	0.0	0.0	11.4	-2.7	7.0	0.0	1.3	0.0
	Next three months	21.5	7.9	-5.9	0.0	0.0	-7.5	0.0	-2.7	0.0	0.0	1.3	0.0

		Net percentage balances[a]											
		2012		2013				2014				2015	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the availability of credit provided to small businesses changed?	Past three months	0.8	5.6	0.7	6.6	3.2	12.7	7.6	4.9	-9.4	0.0	0.0	19.0
	Next three months	2.6	6.5	0.7	6.6	15.4	13.9	1.9	-9.4	-13.0	-11.8	21.0	13.9
How has the availability of credit provided to medium PNFCs changed?	Past three months	0.9	20.2	4.5	13.1	4.7	0.6	0.6	3.6	2.4	0.6	0.6	-0.7
	Next three months	2.8	17.4	3.1	2.1	6.6	2.8	1.8	10.3	0.6	4.3	0.6	3.4
How has the availability of credit provided to large PNFCs changed?	Past three months	0.0	17.5	12.9	23.2	2.5	13.1	11.5	5.9	1.5	14.9	12.0	-1.4
	Next three months	2.7	18.3	13.8	6.9	11.0	23.4	11.5	5.9	-0.2	3.5	-0.1	2.7
How has the proportion of loan applications from small businesses being approved changed?	Past three months	-1.5	4.2	9.8	18.4	8.5	16.5	15.4	7.5	-14.9	-0.7	-11.1	26.6
	Next three months	0.0	3.3	0.7	4.0	12.8	12.1	0.6	-11.9	-12.1	2.4	7.0	3.6
How has the proportion of loan applications from medium PNFCs being approved changed?	Past three months	-2.4	0.7	-3.1	-0.4	-1.7	0.6	1.2	7.3	9.1	-1.2	-0.5	-0.4
	Next three months	14.4	6.2	5.8	-1.1	0.6	1.2	7.3	9.1	10.9	1.2	1.2	1.2
How has the proportion of loan applications from large PNFCs being approved changed?	Past three months	-1.2	0.0	-3.1	2.6	-1.7	0.6	0.3	4.4	0.9	-0.8	-0.7	6.4
	Next three months	0.7	5.5	0.7	-1.1	0.6	1.2	-0.3	5.0	3.4	-0.2	-0.1	18.0
Has there been a change in average credit quality on newly arranged PNFC borrowing facilities?[c]	Past three months	0.2	-0.8	1.2	-2.2	0.4	0.0	-0.9	-7.6	-4.5	6.6	-7.7	-9.2
	Next three months	-6.0	0.0	-0.8	-0.9	-0.9	0.0	-0.9	-0.9	-4.5	0.0	-1.1	-1.3
Has there been any change in 'target hold' levels associated with corporate lending?	Past three months	1.3	-6.1	-11.8	-5.1	-5.2	-12.2	-10.8	-13.5	-7.4	-13.8	-6.6	0.0
	Next three months	4.8	0.7	0.0	-4.5	-6.3	-9.5	-10.0	-7.9	-7.2	-0.6	-0.6	-1.9
How have loan tenors on new corporate loans changed?[d]	Past three months	-7.0	-11.7	0.0	-1.7	-1.1	23.8	11.2	11.3	10.5	2.9	-0.7	11.5
	Next three months	-5.5	0.0	0.0	-1.7	11.3	13.9	11.2	14.7	11.1	-0.2	11.3	11.5
Has there been a change in draw-downs on committed lines by PNFCs?	Past three months	-2.0	-1.1	1.6	-0.2	-13.2	-9.8	-1.1	-2.0	2.3	-1.0	-0.1	-0.1
	Next three months	1.5	1.5	-2.4	-0.2	3.0	-1.1	-0.2	7.5	2.7	-0.8	0.6	0.6
How has the default rate on loans to small businesses changed?	Past three months	8.3	9.3	-22.2	26.5	2.7	-22.3	8.4	-18.6	8.4	-33.8	-10.3	-34.8
	Next three months	6.0	6.1	-0.7	-0.7	0.5	-14.4	0.6	-0.6	-14.9	-10.8	-10.8	-15.1
How has the default rate on loans to medium PNFCs changed?	Past three months	1.6	24.7	-13.6	-0.6	-3.7	-3.3	-12.8	-14.1	-10.4	-11.9	-11.2	-7.3
	Next three months	13.5	9.4	11.2	2.1	-15.9	-5.4	9.4	-2.1	-4.0	-1.4	-0.8	-3.4
How has the default rate on loans to large PNFCs changed?	Past three months	11.3	30.7	-11.2	4.0	9.9	-10.5	-7.6	-25.5	-23.7	-15.1	-20.0	-12.2
	Next three months	6.4	7.3	0.7	-1.5	-3.1	-4.5	-12.9	-13.3	-18.4	-13.6	0.0	-4.0
How has losses given default on loans to small businesses changed?	Past three months	0.0	0.0	-14.0	7.2	-12.6	-11.9	0.6	-3.7	-3.7	-3.0	-3.5	-19.3
	Next three months	0.0	0.0	-0.7	-0.7	10.9	-11.9	0.6	-3.1	-3.0	-3.0	-2.9	-7.1
How have losses given default on loans to medium PNFCs changed?	Past three months	0.7	14.3	-8.6	12.5	-13.0	-11.3	1.0	-23.1	-23.3	-17.6	-16.7	-17.3
	Next three months	15.1	0.2	-2.1	-11.5	-12.4	-13.0	-15.3	-10.4	-9.2	-2.3	0.0	-4.1
How have losses given default on loans to large PNFCs changed?	Past three months	14.1	12.4	4.1	0.2	-3.3	-12.5	-14.8	-23.3	-23.9	-16.8	-14.0	-18.3
	Next three months	5.7	-0.7	9.9	-0.7	-1.5	-13.1	-13.6	-9.3	-9.4	-2.4	0.0	-4.1
How has demand for credit card lending from small businesses changed?	Past three months	0.5	11.7	11.7	10.4	21.8	-26.2	-4.7	3.6	23.3	2.3	23.1	22.7
	Next three months	10.4	9.8	21.5	10.4	9.4	11.2	18.0	23.1	17.4	8.5	8.4	8.1
How has demand for other unsecured lending from small businesses changed?	Past three months	n.a.*	n.a.*	n.a.*	n.a.*	24.4	20.0	-2.3	8.0	-11.7	0.0	-7.5	19.6
	Next three months	n.a.*	n.a.*	n.a.*	n.a.*	16.1	20.3	22.0	10.4	12.3	-7.5	13.5	3.5

		Net percentage balances[a]											
		2012		2013				2014				2015	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has demand for total unsecured lending from small businesses changed?	Past three months	-2.2	8.7	7.6	10.6	22.2	-18.4	-4.3	4.3	17.0	1.9	17.2	22.1
	Next three months	11.8	8.5	22.5	9.1	10.5	12.7	18.7	20.8	16.5	5.5	9.3	7.2
How has demand for secured lending from small businesses changed?	Past three months	-1.5	-7.5	-11.2	35.9	24.1	33.0	-2.3	-0.5	-26.1	12.9	-13.6	19.2
	Next three months	17.2	2.0	28.5	6.9	8.7	11.5	18.9	19.9	13.1	-6.8	18.9	5.3
How has overall demand for lending from small businesses changed?	Past three months	-13.4	-19.2	-27.7	11.1	16.9	3.6	13.4	28.1	-12.5	-14.6	-2.5	27.0
	Next three months	0.8	6.9	28.9	4.0	14.0	20.4	19.4	16.5	7.7	-4.6	20.4	7.4
How has demand for lending from medium PNFCs changed?	Past three months	-2.8	5.5	-7.9	20.5	14.0	33.7	25.6	25.8	29.4	31.8	4.1	2.2
	Next three months	6.3	5.2	15.6	6.3	26.2	16.3	22.2	21.8	21.4	21.2	10.0	10.9
How has demand for lending from large PNFCs changed?	Past three months	-13.3	0.6	4.8	17.5	-3.0	8.8	22.6	23.6	19.0	5.8	17.0	19.1
	Next three months	0.2	3.7	29.4	26.5	21.9	28.1	29.9	11.4	10.7	5.6	-1.6	10.7
How has demand for lending from OFCs changed?	Past three months	10.7	-6.8	-13.5	0.0	13.4	2.7	17.1	14.4	39.0	0.0	0.0	27.4
	Next three months	-0.6	0.0	6.9	-13.5	13.4	9.9	17.1	14.4	24.4	27.2	27.4	18.0
What have been the main factors contributing to changes in demand for lending:[b]													
mergers and acquisitions	Past three months	-10.7	10.4	6.4	27.1	12.8	14.3	27.0	36.0	28.9	43.2	10.3	16.0
	Next three months	-10.2	0.4	20.4	14.1	27.7	22.0	26.4	28.3	16.6	7.2	17.7	7.3
capital investment	Past three months	-9.3	-3.2	-11.8	4.0	23.9	31.2	17.9	19.5	13.9	5.0	11.7	0.1
	Next three months	-6.5	-0.9	3.9	2.8	19.4	37.6	25.2	24.6	3.8	3.9	1.1	10.5
inventory finance	Past three months	-7.8	0.0	3.6	0.7	-0.5	31.5	22.2	11.9	10.8	-0.9	-4.2	-1.4
	Next three months	0.7	3.1	3.9	0.7	22.8	25.6	6.0	13.5	3.8	0.0	0.0	0.0
balance sheet restructuring	Past three months	7.2	11.8	16.8	13.4	7.3	7.1	5.2	1.0	3.2	4.5	6.0	-1.0
	Next three months	-0.8	3.2	2.2	7.9	8.0	8.1	28.4	-1.8	1.3	4.5	7.1	-1.0
commercial real estate	Past three months	-5.2	-10.0	4.5	-7.9	23.3	29.4	26.9	29.3	25.7	30.0	32.4	11.2
	Next three months	-12.3	-12.9	16.5	-11.3	27.7	28.0	39.8	28.7	20.7	15.6	10.1	17.4
How have spreads on loans to small businesses changed?	Past three months	0.0	-2.0	12.0	-1.2	6.7	7.9	3.3	3.1	3.0	3.0	0.6	4.9
	Next three months	-9.0	-2.0	6.2	0.0	0.0	0.0	3.3	-4.7	3.0	3.0	7.9	4.2
How have fees/commissions on loans to small businesses changed?	Past three months	-12.7	1.5	-7.4	7.8	7.9	0.0	0.0	0.0	-13.0	13.0	12.8	0.0
	Next three months	0.0	-0.7	7.4	0.0	0.0	0.0	0.0	0.0	13.0	0.0	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	7.9	0.0	0.0	0.6	0.6	0.8	0.6
	Next three months	0.0	0.0	0.0	0.0	2.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
How have loan covenants for small businesses changed?	Past three months	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.8	5.1	5.3	0.0
	Next three months	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.7	0.0	0.0	0.0	0.0
How have spreads on loans to medium PNFCs changed?	Past three months	-5.5	29.8	39.1	7.9	23.1	25.5	14.7	35.2	29.7	41.7	37.5	43.4
	Next three months	-1.4	19.3	13.4	0.0	16.8	13.9	23.9	29.1	22.2	10.3	5.2	8.9
How have fees/commissions on loans to medium PNFCs changed?	Past three months	-2.2	19.9	9.3	9.6	1.2	18.3	14.9	16.4	14.7	37.4	22.1	28.2
	Next three months	0.0	7.8	2.8	-0.7	1.2	21.2	15.8	10.9	14.7	9.3	5.2	8.3
How have collateral requirements for loans to medium PNFCs changed?	Past three months	0.0	0.0	0.0	0.0	1.5	0.9	-0.3	0.6	0.0	0.0	0.0	8.3
	Next three months	0.0	1.2	0.0	0.8	2.2	0.6	0.0	1.8	0.0	0.0	6.8	8.3

		Net percentage balances[a]											
		2012		2013				2014				2015	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How have maximum credit lines for medium PNFCs changed?	Past three months	-1.0	-1.2	0.0	-1.0	10.6	-1.2	0.8	1.0	3.6	0.0	6.8	8.3
	Next three months	12.5	-0.5	0.0	0.0	0.7	-1.2	1.7	4.6	3.6	0.0	6.8	8.3
How have loan covenants for medium PNFCs changed?	Past three months	0.0	0.0	0.0	0.0	-0.2	0.6	-0.9	11.2	10.9	11.8	10.8	12.3
	Next three months	0.0	0.0	0.0	0.0	-0.9	1.2	7.2	5.7	10.3	0.9	10.8	9.0
How have spreads on loans to large PNFCs changed?	Past three months	-2.0	31.4	24.3	32.8	37.7	34.6	45.8	50.6	49.8	45.0	50.0	46.3
	Next three months	0.0	8.5	20.7	25.8	42.3	43.6	42.7	30.2	25.7	20.9	8.7	5.3
How have fees/commissions on loans to large PNFCs changed?	Past three months	-2.7	9.2	0.7	13.1	12.4	33.3	23.7	47.4	47.4	46.7	34.9	31.3
	Next three months	0.0	7.8	8.8	13.2	29.6	42.3	28.9	27.8	26.9	21.3	8.7	1.3
How have collateral requirements for loans to large PNFCs changed?	Past three months	0.0	0.0	0.0	-0.9	0.7	0.0	-0.3	11.0	1.7	0.0	3.9	0.0
	Next three months	-0.5	0.0	0.8	0.9	0.0	0.6	0.0	5.3	0.0	0.0	0.0	0.0
How have maximum credit lines for large PNFCs changed?	Past three months	-1.1	-3.3	3.9	16.7	31.1	18.7	31.1	32.2	19.6	1.5	7.6	2.5
	Next three months	0.7	2.6	3.9	19.1	29.6	18.4	13.2	6.6	0.9	0.9	7.8	2.5
How have loan covenants for large PNFCs changed?	Past three months	0.0	0.8	7.3	0.0	23.9	20.6	30.8	29.9	26.9	43.4	23.8	29.2
	Next three months	0.0	0.0	0.8	6.4	20.7	20.3	31.2	38.8	47.2	8.4	12.6	2.5
How have spreads on loans to OFCs changed?	Past three months	0.6	-2.7	12.7	12.7	42.0	33.4	46.6	48.0	48.1	39.5	26.3	27.9
	Next three months	13.9	7.9	6.5	19.8	28.2	43.6	46.0	42.9	34.3	27.2	27.0	22.2
How have fees/commissions on loans to OFCs changed?	Past three months	-0.3	-6.0	3.9	23.4	19.9	32.7	43.9	46.7	42.7	38.5	26.3	26.6
	Next three months	0.0	10.3	0.0	19.8	28.2	42.2	43.3	42.9	34.3	26.2	14.7	26.6
How have collateral requirements for loans to OFCs changed?	Past three months	-6.6	-13.1	0.0	3.5	0.0	1.3	0.6	0.0	5.3	0.0	-14.7	7.7
	Next three months	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	-14.7	0.0
How have maximum credit lines for OFCs changed?	Past three months	6.3	6.3	0.0	19.8	33.0	7.3	21.9	34.1	34.3	18.9	13.5	32.8
	Next three months	-1.0	0.0	12.9	19.8	7.1	20.4	34.8	34.1	34.3	18.9	25.8	25.2

* 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.