

Credit Conditions Survey

Survey results | 2017 Q1



BANK OF ENGLAND





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Credit Conditions Survey

2017 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. This survey serves as one of a number of inputs into the *Credit Conditions Review*, which presents the Bank of England's assessment of the latest developments in bank funding and household and corporate credit conditions.

This report presents the results of the 2017 Q1 survey. The 2017 Q1 survey was conducted between 20 February 2017 and 10 March 2017.

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 2017 Q1 survey, and copies of the questionnaires are available on the Bank's website at www.bankofengland.co.uk/publications/Pages/creditconditionsbankliabilities/default.aspx.

The 2017 Q2 *Credit Conditions Survey* will be published on 13 July 2017.



Credit Conditions Survey

2017 Q1

Supply

- The availability of [secured credit to households](#) was reported to be broadly unchanged in the three months to mid-March. It was expected to increase over the next three months, to mid-June 2017 ([Chart 1](#)), with lenders' market share objectives reported to be the main anticipated driver of this. The availability for borrowers across both low and high loan to value was reported to be unchanged, except for borrowers with housing equity worth less than 10% of the value of their home, to whom lenders reported some reduction in their willingness to lend.
- Lenders reported that the availability of [unsecured credit to households](#) decreased slightly in Q1 ([Chart 2](#)), and was expected to decrease further in Q2. Credit scoring criteria for granting both credit card and other unsecured loans were reported to have tightened in Q1. Lenders expected credit scoring criteria on credit card lending to tighten significantly in Q2.
- The overall availability of [credit to the corporate sector](#) was again reported to have been unchanged in Q1. This was the case for lending to firms of all sizes and to the commercial real estate sector.

Demand

- Lenders reported that demand for [secured lending for house purchase](#) decreased in Q1 ([Chart 3](#)). Within this, demand for prime lending decreased slightly and demand for [buy-to-let lending](#) decreased significantly. Lenders expected total demand for secured lending for house purchase to increase in Q2, driven by an increase in prime lending. Demand for remortgaging was reported to be unchanged in Q1, but was expected to increase in Q2.
- Demand for credit card lending was reported to be unchanged in Q1, but was expected to increase slightly in Q2. Lenders reported that demand for [other unsecured lending products](#) increased slightly in Q1, but expected a slight decrease in Q2.
- Following significant falls in demand for corporate lending from both [small](#) and [medium](#)-sized businesses reported in Q4, lenders reported further falls in demand for lending from medium-sized businesses in Q1, but no change in demand from small businesses. Demand for lending from [large corporates](#) was reported to be unchanged in Q1 ([Chart 4](#)). Lower capital investment was reported to be exerting a significant drag on demand for corporate lending in Q1, although increased merger and acquisition activity had pushed up on demand.

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 Q1, consistent with what lenders had previously expected ([Chart 5](#)). This was the case for spreads on both [buy-to-let lending](#) and [prime lending](#). Lenders expected spreads on prime lending to remain unchanged in Q2, but expected a further narrowing of spreads on buy-to-let lending.
- Lenders reported that spreads on [credit cards](#) narrowed slightly in Q1. In contrast, spreads on [other unsecured lending products](#) were reported to have widened slightly and were expected to widen slightly further in Q2. The length of interest free periods for both balance transfer offers and purchases on credit card lending were reported to have increased in Q1, and lenders expected further increases in Q2.
- Spreads on [lending to small businesses](#) widened in Q1, having previously been reported unchanged for five consecutive quarters ([Chart 6](#)). Lenders expected fees and commissions on loans to both small and medium-sized businesses to increase in Q2. Lenders reported spreads on [lending to large businesses](#) to have narrowed in Q1 and were expecting them to narrow slightly further in Q2.

Defaults

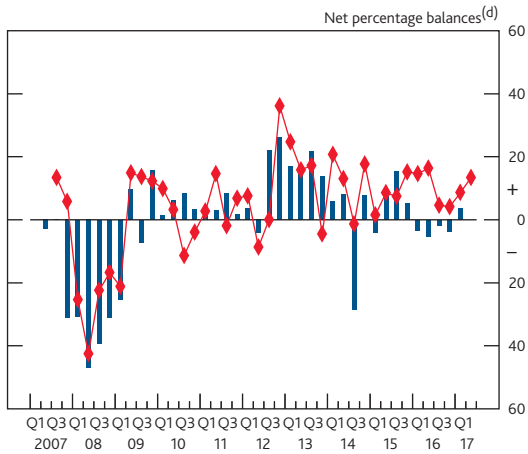
- Lenders reported that default rates on [secured loans to households](#) remained unchanged in Q1, and expected these to remain unchanged in Q2. Losses given default on [secured loans to households](#) fell slightly in Q1, and were expected to decrease further in Q2.
- Default rates on [credit card lending](#) to households were reported to have fallen in Q1, as were losses given default. The latter were expected to fall again in Q2. Default rates on [other unsecured lending](#) were reported unchanged in Q1, but were expected to rise in Q2.
- Lenders reported that default rates on [loans to small businesses](#) decreased in Q1, following a slight increase in 2016 Q4. Default rates were reported as unchanged on [loans to medium businesses](#), while they were reported to have increased slightly on [loans to large businesses](#). Losses given default on loans were unchanged for small, medium and large businesses in Q1.

This report presents the results of the 2017 Q1 survey. The 2017 Q1 survey was conducted between 20 February and 10 March 2017. 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 .

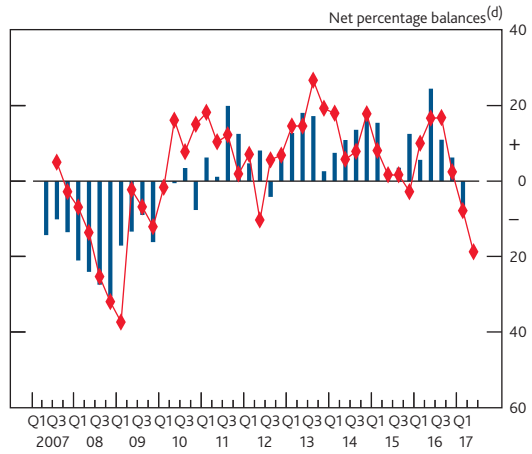
This report and copies of the questionnaires are available on the Bank's website at www.bankofengland.co.uk/publications/Pages/other/monetary/creditconditions.aspx.

Chart 1 Household secured credit availability^{(a)(b)}



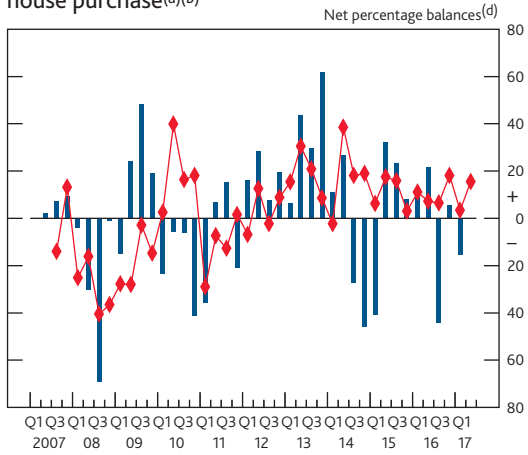
- (a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question. The blue bars show the responses over the previous three months. The red diamonds show the expectations over the next three months. Expectations balances have been moved forward one quarter so that they can be compared with the actual outturns in the following quarter.
- (b) Question: 'How has the availability of secured credit provided to households changed?'
- (d) A positive balance indicates that more secured credit is available.

Chart 2 Household unsecured credit availability^{(a)(b)}



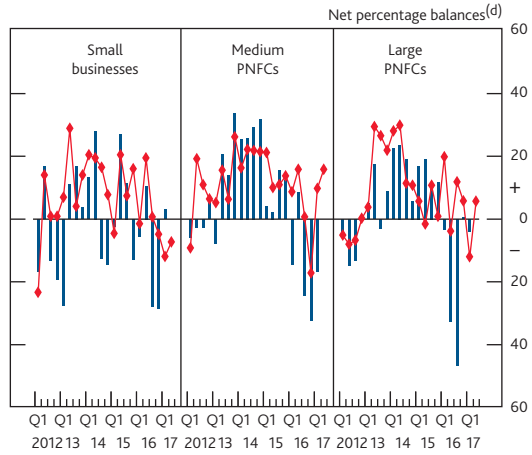
- (a) See footnote (a) to Chart 1.
- (b) Question: 'How has the availability of unsecured credit provided to households changed?'
- (d) A positive balance indicates that more unsecured credit is available.

Chart 3 Household demand for secured lending for house purchase^{(a)(b)}



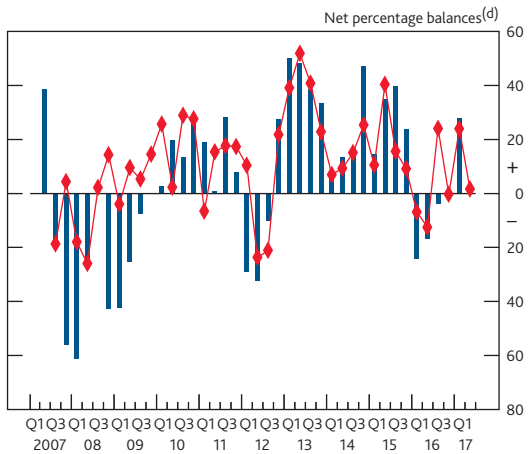
- (a) See footnote (a) to Chart 1.
- (b) Question: 'How has demand for secured lending for house purchase from households changed?'
- (d) A positive balance indicates an increase in demand.

Chart 4 Corporate demand for lending by firm size^{(a)(b)}



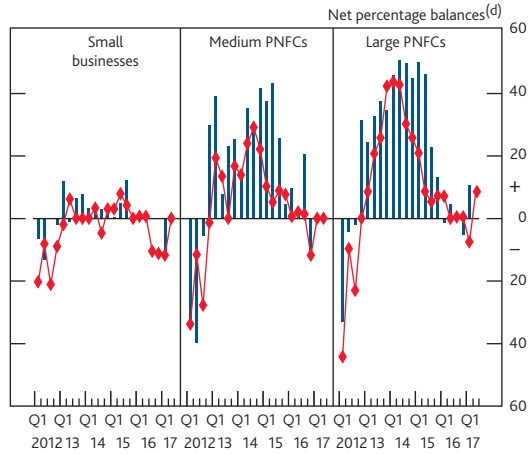
- (a) See footnote (a) to Chart 1.
- (b) Question: 'How has overall demand for lending from small businesses, medium PNFCs and large PNFCs changed?'
- (d) A positive balance indicates an increase in demand.

Chart 5 Spreads on secured lending to households^{(a)(b)(c)}



- (a) See footnote (a) to Chart 1.
- (b) Question: 'How have overall secured lending spreads changed?'
- (c) Spreads are over Bank Rate or the relevant swap rate.
- (d) A positive balance indicates that spreads have fallen such that, all else being equal, it is cheaper for corporates to borrow.

Chart 6 Spreads on lending to corporates by firm size^{(a)(b)(c)}



- (a) See footnote (a) to Chart 1.
- (b) Question: 'How have spreads on loans to small businesses, medium PNFCs and large PNFCs changed?'
- (c) Spreads are over Bank Rate or the relevant swap rate.
- (d) A positive balance indicates that spreads have fallen such that, all else being equal, it is cheaper for corporates 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/creditconditionsbankliabilities/default.aspx.

		Net percentage balances ^(a)											
		2014			2015				2016				2017
		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	8.2	-28.5	7.8	-4.1	8.8	15.5	5.4	-3.4	-5.4	-1.8	-3.9	3.6
	Next three months	-1.3	17.7	1.5	8.5	7.5	15.2	14.6	16.3	4.6	4.1	8.7	13.4
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	1.4	0.0	0.0	0.0	0.0	2.2	0.0	-1.2	0.0	-4.5	-0.1	2.0
	Next three months	0.0	3.2	0.0	0.0	2.2	0.0	0.0	5.9	-8.7	-3.8	-1.6	6.6
market share objectives	Past three months	9.5	11.4	4.3	5.2	7.4	5.5	9.1	2.7	14.5	11.2	21.7	7.4
	Next three months	15.1	15.1	11.9	6.4	9.8	12.4	11.1	14.7	13.8	18.3	13.7	24.1
changing appetite for risk	Past three months	-2.3	-25.5	0.0	0.0	9.3	1.2	2.4	-1.9	-7.6	-3.3	3.4	0.0
	Next three months	-9.8	1.5	1.5	8.9	1.7	3.6	8.7	0.7	-7.3	1.5	4.2	0.0
tight wholesale funding conditions	Past three months	2.3	0.0	-2.2	0.0	2.1	0.0	4.9	0.0	0.0	-1.9	-1.6	-2.3
	Next three months	2.3	0.0	2.2	0.0	-4.9	-2.2	0.8	-11.0	-2.1	5.2	0.0	0.0
expectations for house prices	Past three months	0.7	-10.1	1.5	0.0	1.7	0.0	21.3	13.1	14.1	-4.5	1.5	0.0
	Next three months	-0.3	-0.2	3.6	0.0	1.7	0.0	21.3	13.1	5.5	-8.3	7.9	-2.0
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	2.7	-11.1	0.7	-6.8	15.0	6.4	3.5	3.6	0.8	-0.8	2.8	2.6
	Next three months	12.0	10.8	1.5	16.3	0.8	7.8	7.4	-1.2	-0.8	3.4	0.0	13.6
Borrowers with high loan to value ratios (more than 75%)	Past three months	1.3	-10.2	0.4	-2.4	11.4	16.4	1.5	6.4	-3.8	-1.1	-5.2	1.0
	Next three months	5.7	1.3	3.6	-0.1	1.8	2.6	3.4	1.6	7.9	0.6	6.4	8.9
Have you become more willing to lend to borrowers with housing equity less than 10% of the value of their home?	Past three months	15.3	-14.2	-18.9	9.0	-1.2	1.8	7.7	-0.8	19.5	2.4	-0.4	-14.6
	Next three months	-4.3	-7.1	0.0	0.0	11.5	10.3	5.8	12.2	7.0	3.1	-1.8	0.4

		Net percentage balances ^(a)											
		2014			2015				2016				2017
		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	-0.6	-17.9	0.0	2.0	8.4	3.1	0.6	-0.5	-6.6	-8.3	0.3	-1.7
	Next three months	-1.6	-3.1	1.7	1.9	3.7	-4.8	1.2	9.5	3.6	0.4	0.7	13.6
How has the proportion of household loan applications being approved changed?	Past three months	0.7	-15.6	-9.4	-1.0	13.0	9.2	-10.4	2.6	0.1	-10.2	-2.3	-1.4
	Next three months	-20.6	10.8	5.2	11.8	5.8	-0.7	12.4	0.7	5.5	0.3	-7.7	22.1
How has the average credit quality of new secured lending to households changed?^(c)	Past three months	-6.8	0.7	-1.4	-1.4	-3.0	0.7	4.6	-4.9	-7.8	3.6	-5.4	1.6
	Next three months	8.5	-3.7	-2.1	9.9	10.4	2.6	0.9	-8.0	10.7	-1.9	0.0	-5.9
How has the default rate on secured loans to households changed?	Past three months	-34.1	-30.8	-33.8	-34.6	-17.3	-15.5	-22.4	-16.2	-17.2	-15.0	-13.7	2.7
	Next three months	-16.3	-20.3	-20.3	-11.0	-14.1	-14.6	-6.4	-8.6	-15.2	-11.6	-1.1	-2.8
How have losses given default on secured loans to households changed?	Past three months	-12.4	-27.1	-15.2	-33.9	-24.5	-33.1	-24.0	6.0	-19.5	-0.2	-20.5	-7.3
	Next three months	-6.3	-26.7	-5.9	20.1	-10.0	-14.9	-18.8	-3.3	-16.3	5.0	-0.7	-12.8
How has demand for secured lending for house purchase from households changed?	Past three months	26.8	-27.4	-46.1	-40.8	32.1	23.3	7.9	12.2	21.5	-44.0	5.7	-15.3
	Next three months	18.1	19.0	6.3	17.5	15.9	3.1	11.0	7.2	6.4	18.2	3.3	15.5
<i>of which: demand for prime lending</i>	Past three months	27.5	-22.0	-38.8	-44.3	31.3	15.4	-7.7	12.5	20.4	-42.5	6.5	-6.7
	Next three months	18.1	17.4	6.3	16.8	15.9	17.1	1.0	7.5	9.9	11.0	4.2	16.1
<i>of which: demand for buy-to-let lending</i>	Past three months	-4.0	6.9	-30.0	-15.8	22.2	43.4	21.6	7.6	-7.7	-63.8	34.7	-39.9
	Next three months	15.7	9.0	1.5	3.6	16.9	-10.3	29.7	-24.3	-16.6	7.8	-14.2	-4.6
How has demand for secured lending for remortgaging from households changed?	Past three months	25.7	-28.8	-19.1	-26.8	11.9	17.5	13.8	15.0	4.8	-11.6	32.2	-0.3
	Next three months	5.0	25.0	10.1	8.3	11.2	15.7	-0.2	13.3	10.7	14.0	3.9	19.6
How have overall secured lending spreads changed?	Past three months	13.5	14.9	47.0	14.4	35.0	39.7	23.8	-24.3	-16.7	-3.7	-1.0	28.0
	Next three months	15.0	25.4	10.5	40.3	15.6	9.1	-6.9	-12.5	24.0	-0.4	24.0	1.6
<i>of which: spreads on prime lending</i>	Past three months	13.5	14.9	47.0	14.4	35.0	41.3	24.7	-18.6	-16.7	-5.8	1.0	28.4
	Next three months	15.0	26.0	10.5	38.4	15.6	9.8	-6.9	-12.5	22.5	-0.3	24.6	1.7
<i>of which: spreads on buy-to-let lending</i>	Past three months	21.9	24.8	28.1	-10.4	10.2	35.7	20.5	-24.1	-14.1	-18.1	-9.2	35.4
	Next three months	23.6	10.6	11.5	17.4	21.1	17.1	-6.4	-9.1	25.5	-2.5	35.3	13.0
How have fees on secured lending changed?	Past three months	-10.1	0.7	17.5	9.8	6.4	0.0	0.0	1.6	9.3	0.0	-2.2	1.6
	Next three months	-1.4	9.5	0.7	7.0	0.0	0.0	0.0	0.7	0.0	1.5	2.2	2.1
How have maximum loan to value ratios changed?	Past three months	12.3	1.8	-0.7	11.0	0.8	0.7	8.0	0.0	1.6	1.6	1.9	1.6
	Next three months	0.7	0.0	0.0	-4.0	-0.8	1.9	1.5	2.3	0.7	-2.7	4.8	-1.6
How have maximum loan to income ratios changed?	Past three months	5.9	-3.9	-22.0	-18.5	-0.3	6.1	-3.3	-1.9	-5.1	1.4	-0.8	9.1
	Next three months	-7.3	-1.6	-5.1	-9.0	6.0	-0.7	-7.5	0.0	2.1	1.9	1.8	-5.3

(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) The balance for 2015 Q4 was incorrect in the 2015 Q4 publication and has been revised.

Annex 2

Unsecured lending to households questionnaire results

The methodology for calculating, and interpretation of, the aggregate results are as described in Annex 1.

		Net percentage balances ^(a)											
		2014			2015				2016				2017
		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	10.8	13.6	16.7	15.4	2.6	3.5	12.5	5.6	24.5	11.0	6.2	-6.6
	Next three months	7.8	17.8	8.0	1.6	1.6	-2.8	10.0	16.6	16.7	2.4	-7.9	-18.8
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	0.0	0.0	1.4	0.0	0.0	0.0	0.0	0.5	0.0	-0.7	-1.9	-10.6
	Next three months	-1.2	0.4	1.4	0.0	0.0	0.0	0.0	0.0	0.0	-0.9	-8.4	-8.8
market share objectives	Past three months	0.7	12.4	6.3	13.1	-1.6	19.0	5.9	1.4	-0.4	-1.5	4.1	1.7
	Next three months	16.4	20.0	25.8	15.7	8.5	7.7	11.9	4.5	4.0	2.2	3.7	0.2
changing appetite for risk	Past three months	6.8	-0.9	12.2	5.8	1.3	0.2	7.4	0.5	0.4	0.0	-0.5	-2.1
	Next three months	2.0	-6.5	6.0	1.3	0.8	1.1	4.4	6.0	0.0	-0.5	-0.2	-0.7
changing cost/availability of funds	Past three months	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.3	-0.5	0.0	0.5	0.5
	Next three months	-2.0	0.3	11.6	0.0	0.0	-5.1	1.1	0.0	9.3	-0.5	0.0	0.5
How have credit scoring criteria for granting credit card loan applications by households changed?	Past three months	0.9	8.4	19.2	27.2	1.1	1.4	1.0	-5.0	10.9	5.0	-19.2	-11.8
	Next three months	14.4	6.6	2.9	9.9	-0.4	-28.1	-6.0	17.3	6.5	0.0	-11.2	-32.7
How have credit scoring criteria for granting other unsecured loan applications by households changed?	Past three months	24.5	20.1	29.8	0.0	6.5	7.8	17.0	22.7	21.6	11.6	14.9	-10.3
	Next three months	22.1	9.1	15.7	6.3	6.5	0.3	20.9	8.9	11.9	9.5	-4.4	-4.5
How have credit scoring criteria for granting total unsecured loan applications by households changed?	Past three months	4.9	10.4	21.1	22.2	2.1	2.8	3.9	0.2	12.9	6.2	-12.7	-11.5
	Next three months	15.7	7.1	5.2	9.2	0.9	-23.0	-1.1	15.8	7.5	1.8	-9.9	-27.2
How has the proportion of credit card loan applications from households being approved changed?	Past three months	0.4	19.0	11.9	-11.0	-5.4	-3.0	-20.1	-10.0	6.4	2.7	-5.8	-13.4
	Next three months	14.4	12.3	2.1	16.4	12.7	-10.7	12.2	33.2	17.3	2.5	1.2	3.1
How has the proportion of other unsecured loan applications from households being approved changed?	Past three months	25.0	-8.2	18.9	9.5	-2.3	18.3	-2.0	7.1	13.5	5.5	4.2	17.1
	Next three months	19.9	14.0	15.7	3.6	8.0	14.1	15.8	26.2	11.9	13.7	12.9	-4.5
How has the proportion of total unsecured loan applications from households being approved changed?	Past three months	4.6	14.3	13.2	-7.3	-4.8	0.9	-16.8	-6.8	7.7	3.2	-3.9	-7.6
	Next three months	15.3	12.6	4.5	14.1	11.8	-6.3	12.8	31.9	16.3	4.6	3.4	1.6
How has the average credit quality of new credit card lending to households changed?^(c)	Past three months	-6.3	3.1	-20.6	-18.3	7.2	-23.3	-15.5	-11.2	0.1	-20.6	5.5	-0.2
	Next three months	-7.9	12.9	6.0	-1.1	1.1	0.4	35.0	-16.8	-2.5	3.3	-4.7	2.7
How has the average credit quality of new other unsecured lending to households changed?^(c)	Past three months	-3.9	-12.6	3.8	12.8	4.6	15.3	-13.5	4.0	7.0	-5.0	25.5	1.4
	Next three months	2.4	-10.5	3.8	1.1	0.0	0.0	1.7	5.5	1.3	6.6	11.7	1.9
How has the average credit quality of new total unsecured lending to households changed?^(c)	Past three months	-5.9	0.3	-16.2	-12.6	6.7	-16.3	-15.1	-8.4	1.4	-17.7	9.3	0.1
	Next three months	-6.1	8.8	5.6	-0.7	0.9	-0.4	28.7	-12.6	-1.8	3.9	-1.6	2.6

		Net percentage balances ^(a)											
		2014			2015				2016				2017
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has the default rate on credit card loans to households changed?	Past three months	-27.4	-4.4	-24.3	-12.4	-13.0	-10.6	-2.7	2.2	2.9	7.7	13.9	-11.2
	Next three months	-12.0	17.5	-8.7	-5.8	-13.0	6.9	3.3	-4.1	5.4	-2.4	2.5	0.0
How has the default rate on other unsecured loans to households changed?	Past three months	-7.2	-3.9	1.8	12.4	16.0	12.4	-20.3	17.5	4.4	32.3	25.5	-3.3
	Next three months	0.0	2.4	14.2	18.6	-1.5	-1.5	1.5	-16.0	12.6	-13.5	-12.9	12.6
How has the default rate on total unsecured loans to households changed?	Past three months	-23.9	-4.3	-19.6	-7.8	-7.6	-6.5	-6.0	5.0	3.2	12.4	16.1	-9.6
	Next three months	-10.0	14.8	-4.6	-1.3	-10.8	5.4	2.9	-6.3	6.7	-4.5	-0.4	2.4
How have losses given default on credit card loans to households changed?	Past three months	-3.3	-19.8	22.8	13.9	-12.4	-14.7	-17.1	-22.4	-10.9	-0.8	-17.0	-11.9
	Next three months	10.6	-1.6	-0.7	-12.4	-0.6	-27.8	-12.3	-10.8	-10.9	0.0	-22.4	-10.9
How have losses given default on other unsecured loans to households changed?	Past three months	-2.3	-2.4	5.0	0.0	-5.0	-8.0	-11.0	0.0	0.0	3.7	6.6	1.1
	Next three months	0.0	-2.4	0.0	-6.3	-6.5	-12.8	-1.4	0.0	-7.0	2.6	0.0	0.0
How have losses given default on total unsecured loans to households changed?	Past three months	-3.1	-16.8	19.6	11.3	-11.0	-13.5	-16.0	-18.2	-8.9	0.1	-12.5	-9.4
	Next three months	8.8	-1.8	-0.6	-11.3	-1.7	-25.1	-10.2	-8.8	-10.2	0.5	-18.1	-8.8
How has demand for credit card lending from households changed?	Past three months	-6.3	10.6	58.3	-7.7	4.2	17.0	-28.5	1.5	10.7	15.1	13.1	-4.5
	Next three months	-2.0	27.8	35.4	0.3	13.1	2.2	38.7	3.5	17.3	8.6	4.3	6.4
How has demand for other unsecured lending from households changed?	Past three months	4.0	1.8	38.7	-5.4	5.7	35.7	31.3	24.0	26.9	5.2	12.0	5.0
	Next three months	13.6	24.8	14.0	11.4	9.0	12.8	18.2	19.3	1.3	18.1	8.7	-7.1
How has demand for total unsecured lending from households changed?	Past three months	-4.5	9.1	54.8	-7.2	4.5	20.4	-17.3	5.7	13.7	12.2	12.9	-2.7
	Next three months	0.7	27.3	31.6	2.4	12.3	4.5	34.8	6.4	14.3	10.4	5.2	3.8
How have spreads on credit cards changed?	Past three months	-13.2	-0.4	-5.7	0.0	0.4	11.8	1.6	-17.8	-4.7	-1.1	7.0	6.3
	Next three months	-1.1	-3.9	-1.0	1.1	0.0	0.0	1.0	0.0	-10.4	-7.0	17.8	1.0
How have spreads on other unsecured lending products changed?	Past three months	15.2	9.3	51.7	36.7	16.7	43.3	-22.8	-5.4	-17.3	-38.2	7.3	-7.0
	Next three months	30.7	7.7	-2.9	33.4	23.9	-9.5	-6.4	-18.1	-24.1	30.9	6.3	-8.0
How have overall unsecured lending spreads changed?	Past three months	-8.4	1.3	4.6	6.4	3.3	17.2	-2.1	-15.6	-6.9	-8.1	7.1	3.7
	Next three months	4.4	-1.9	-1.3	6.7	4.2	-1.6	-0.1	-3.0	-12.9	0.2	15.9	-0.6
How have credit card limits changed?	Past three months	0.9	6.6	-12.5	-5.9	-15.2	11.2	13.9	0.6	12.4	22.5	-1.6	2.3
	Next three months	8.8	7.5	8.8	6.6	9.3	3.2	12.9	17.4	10.9	3.3	6.4	1.4
How has the minimum proportion of credit card balances to be paid changed?	Past three months	0.0	-6.6	0.0	0.0	-1.1	-1.6	-2.5	2.3	1.0	7.7	11.4	3.2
	Next three months	2.0	-6.6	0.0	0.0	-12.5	-2.0	-2.8	0.6	0.0	7.7	3.3	-7.7
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.**	31.1	20.4	0.7	21.0	1.1	7.9	13.3	2.1	16.9
	Next three months	n.a.**	n.a.**	n.a.**	28.5	1.2	1.3	1.1	8.8	2.2	18.3	15.5	29.3
Length of interest free period for purchases	Past three months	n.a.**	n.a.**	n.a.**	0.0	7.7	13.5	11.1	1.7	12.6	0.0	7.7	16.9
	Next three months	n.a.**	n.a.**	n.a.**	-5.6	1.2	-1.1	0.0	13.6	-2.8	3.9	0.2	16.9
How have maximum maturities on loans changed? ^(d)	Past three months	2.2	0.0	5.1	0.0	0.0	-2.3	4.4	0.0	0.0	0.0	0.0	-3.7
	Next three months	2.2	0.0	5.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.8	2.6

** 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 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

The methodology for calculating, and interpretation of, the aggregate results are as described in Annex 1.

		Net percentage balances ^(a)											
		2014			2015				2016				2017
		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	4.8	2.6	2.0	0.6	0.6	1.4	-0.1	3.2	1.2	0.0	-1.8	1.0
	Next three months	13.7	1.7	3.6	1.5	9.6	1.4	2.4	0.2	0.0	0.0	0.2	1.0
<i>of which: commercial real estate sector</i>	Past three months	-0.9	-0.9	3.9	6.7	2.7	1.4	2.2	4.6	-11.5	-0.7	-0.9	0.0
	Next three months	2.8	-0.9	3.9	3.6	9.7	0.8	3.4	1.3	-10.7	0.0	0.0	0.0
How have commercial property prices affected credit availability to the commercial real estate sector, and/or secured lending to PNFCs?	Past three months	2.5	2.3	22.4	0.6	0.6	1.7	0.6	2.0	-10.9	-12.1	-12.4	0.0
	Next three months	2.5	0.0	3.7	-3.9	0.0	1.1	0.6	1.1	-10.9	-12.1	-12.9	0.0
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	32.5	24.3	4.2	0.6	0.6	0.6	0.6	9.0	0.0	-2.5	0.0	0.0
	Next three months	32.5	10.6	-17.9	0.0	6.9	-1.0	8.6	6.6	-8.3	0.0	8.4	2.0
changing sector-specific risks	Past three months	2.4	-0.4	6.1	0.0	0.0	0.1	1.2	3.5	-8.8	-0.5	0.8	1.4
	Next three months	12.0	-2.1	-1.5	5.4	1.5	-1.3	1.2	2.5	-7.1	0.7	10.0	3.3
market share objectives	Past three months	19.2	9.9	8.1	7.1	13.5	0.4	0.0	0.6	0.0	0.0	-1.8	0.0
	Next three months	22.2	8.1	8.1	8.6	3.8	0.0	0.6	0.6	0.0	0.0	1.5	0.0
market pressures from capital markets	Past three months	16.8	14.2	8.1	0.6	-1.7	-0.4	-0.4	1.3	2.4	0.0	0.0	0.0
	Next three months	18.0	7.2	0.0	0.0	-2.4	0.0	-0.4	0.0	1.2	0.0	-1.3	0.7
changing appetite for risk	Past three months	4.5	1.7	13.1	0.0	0.0	1.4	-1.4	3.8	0.0	0.1	0.0	1.0
	Next three months	14.9	0.0	0.9	3.7	1.4	0.0	1.1	0.9	1.3	0.0	-2.0	1.7
tight wholesale funding conditions	Past three months	-2.7	7.0	0.0	1.3	0.0	0.0	-0.7	0.0	0.0	0.0	0.7	0.0
	Next three months	-2.7	0.0	0.0	1.3	0.0	0.0	-0.7	0.0	0.0	0.0	0.8	0.0
How has the availability of credit provided to small businesses changed?	Past three months	4.9	-9.4	0.0	0.0	19.0	5.2	1.4	1.4	0.0	0.0	0.0	0.0
	Next three months	-9.4	-13.0	-11.8	21.0	13.9	23.6	2.1	1.4	0.0	0.0	0.0	1.4
How has the availability of credit provided to medium PNFCs changed?	Past three months	3.6	2.4	0.6	0.6	-0.7	1.5	1.4	3.4	0.0	0.0	0.0	0.0
	Next three months	10.3	0.6	4.3	0.6	3.4	1.5	4.2	-6.8	0.0	0.0	0.0	0.0
How has the availability of credit provided to large PNFCs changed?	Past three months	5.9	1.5	14.9	12.0	-1.4	0.0	-1.4	-1.3	1.2	-1.1	-1.8	1.0
	Next three months	5.9	-0.2	3.5	-0.1	2.7	0.0	2.5	2.4	0.0	0.0	0.2	1.0
How has the proportion of loan applications from small businesses being approved changed?	Past three months	7.5	-14.9	-0.7	-11.1	26.6	44.2	19.9	10.6	-0.7	-4.8	0.0	10.0
	Next three months	-11.9	-12.1	2.4	7.0	3.6	13.3	12.7	12.0	0.7	-4.8	-10.3	1.4
How has the proportion of loan applications from medium PNFCs being approved changed?	Past three months	7.3	9.1	-1.2	-0.5	-0.4	8.3	0.0	-0.7	-0.7	-4.8	0.0	0.0
	Next three months	9.1	10.9	1.2	1.2	1.2	0.0	0.9	0.7	1.4	-4.8	0.0	0.0
How has the proportion of loan applications from large PNFCs being approved changed?	Past three months	4.4	0.9	-0.8	-0.7	6.4	0.6	0.0	-1.7	-0.6	-4.6	0.5	2.0
	Next three months	5.0	3.4	-0.2	-0.1	18.0	0.0	0.8	-1.7	0.6	-3.3	-0.8	0.0

		Net percentage balances ^(a)											
		2014			2015				2016				2017
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Has there been a change in average credit quality on newly arranged PNFC borrowing facilities? ^(c)	Past three months	-7.6	-4.5	6.6	-7.7	-9.2	0.0	10.5	0.0	0.0	0.0	0.0	0.0
	Next three months	-0.9	-4.5	0.0	-1.1	-1.3	0.0	0.0	-1.1	0.0	0.0	0.0	10.9
Has there been any change in 'target hold' levels associated with corporate lending?	Past three months	-13.5	-7.4	-13.8	-6.6	0.0	-0.6	1.0	1.1	0.0	0.0	1.8	-0.9
	Next three months	-7.9	-7.2	-0.6	-0.6	-1.9	0.0	-0.6	0.0	0.0	0.0	1.8	-0.9
How have loan tenors on new corporate loans changed? ^(d)	Past three months	11.3	10.5	2.9	-0.7	11.5	11.5	-0.5	0.0	0.0	0.0	0.0	0.0
	Next three months	14.7	11.1	-0.2	11.3	11.5	10.1	0.1	0.0	0.0	0.0	0.0	1.2
Has there been a change in draw-downs on committed lines by PNFCs?	Past three months	-2.0	2.3	-1.0	-0.1	-0.1	1.5	2.0	0.0	-24.5	0.0	0.0	0.0
	Next three months	7.5	2.7	-0.8	0.6	0.6	1.0	1.4	0.0	-0.7	0.0	0.0	0.0
How has the default rate on loans to small businesses changed?	Past three months	-18.6	8.4	-33.8	-10.3	-34.8	-19.7	-23.6	-26.9	-21.0	-1.8	9.6	-11.0
	Next three months	-0.6	-14.9	-10.8	-10.8	-15.1	-4.4	-11.3	-11.2	-11.1	-11.3	11.7	0.0
How has the default rate on loans to medium PNFCs changed?	Past three months	-14.1	-10.4	-11.9	-11.2	-7.3	-1.9	-11.0	4.5	0.0	0.0	11.3	-3.1
	Next three months	-2.1	-4.0	-1.4	-0.8	-3.4	-0.6	11.5	0.0	0.0	0.0	0.0	1.7
How has the default rate on loans to large PNFCs changed?	Past three months	-25.5	-23.7	-15.1	-20.0	-12.2	1.5	1.0	2.7	0.0	0.0	0.0	9.8
	Next three months	-13.3	-18.4	-13.6	0.0	-4.0	7.3	12.9	13.8	1.2	0.0	0.0	0.0
How has losses given default on loans to small businesses changed?	Past three months	-3.7	-3.7	-3.0	-3.5	-19.3	-14.6	-13.5	-11.9	-11.1	-11.3	0.0	0.0
	Next three months	-3.1	-3.0	-3.0	-2.9	-7.1	-12.8	-12.5	-11.2	-11.1	-11.3	0.0	0.0
How have losses given default on loans to medium PNFCs changed?	Past three months	-23.1	-23.3	-17.6	-16.7	-17.3	-14.1	9.1	-0.7	0.0	0.0	0.0	0.0
	Next three months	-10.4	-9.2	-2.3	0.0	-4.1	0.0	-1.7	0.0	0.0	0.0	0.0	0.0
How have losses given default on loans to large PNFCs changed?	Past three months	-23.3	-23.9	-16.8	-14.0	-18.3	-10.9	-0.6	0.7	0.0	0.0	0.0	0.0
	Next three months	-9.3	-9.4	-2.4	0.0	-4.1	0.0	-0.6	1.3	0.0	0.0	0.0	0.0
How has demand for credit card lending from small businesses changed?	Past three months	3.6	23.3	2.3	23.1	22.7	41.8	2.8	-1.0	27.6	-2.7	-3.3	-17.0
	Next three months	23.1	17.4	8.5	8.4	8.1	9.7	6.7	34.8	-12.9	18.1	6.9	6.8
How has demand for other unsecured lending from small businesses changed?	Past three months	8.0	-11.7	0.0	-7.5	19.6	-11.0	12.4	19.4	-1.1	-15.4	-39.6	-4.0
	Next three months	10.4	12.3	-7.5	13.5	3.5	32.4	-4.6	-6.7	-1.1	-11.5	-12.5	4.5
How has demand for total unsecured lending from small businesses changed?	Past three months	4.3	17.0	1.9	17.2	22.1	32.1	4.9	3.4	22.0	-4.7	-9.7	-14.9
	Next three months	20.8	16.5	5.5	9.3	7.2	15.2	4.7	24.4	-10.6	10.9	4.1	6.4
How has demand for secured lending from small businesses changed?	Past three months	-0.5	-26.1	12.9	-13.6	19.2	-6.6	-12.2	-4.2	3.0	-17.5	-44.8	-3.5
	Next three months	19.9	13.1	-6.8	18.9	5.3	2.3	-7.2	10.9	11.1	-11.7	-12.1	0.0
How has overall demand for lending from small businesses changed?	Past three months	28.1	-12.5	-14.6	-2.5	27.0	11.5	-12.8	-5.5	10.5	-28.0	-28.6	3.1
	Next three months	16.5	7.7	-4.6	20.4	7.4	16.0	-1.5	19.4	0.7	-4.8	-11.9	-7.3
How has demand for lending from medium PNFCs changed?	Past three months	25.8	29.4	31.8	4.1	2.2	15.5	12.3	-14.4	8.5	-24.5	-32.4	-16.7
	Next three months	21.8	21.4	21.2	10.0	10.9	13.7	8.7	15.8	0.7	-17.2	9.8	15.8
How has demand for lending from large PNFCs changed?	Past three months	23.6	19.0	5.8	17.0	19.1	10.3	11.7	-3.3	-32.8	-46.8	0.6	-3.9
	Next three months	11.4	10.7	5.6	-1.6	10.7	0.9	19.8	-3.9	11.8	5.7	-12.1	5.6

		Net percentage balances ^(a)											
		2014			2015				2016				2017
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How has demand for lending from OFCs changed?	Past three months	14.4	39.0	0.0	0.0	27.4	39.9	26.1	17.6	0.0	8.8	34.8	9.2
	Next three months	14.4	24.4	27.2	27.4	18.0	26.0	21.3	12.6	0.0	8.8	9.0	9.2
What have been the main factors contributing to changes in demand for lending:^(b)													
mergers and acquisitions	Past three months	36.0	28.9	43.2	10.3	16.0	12.4	32.3	-12.6	-7.2	-22.8	12.6	11.5
	Next three months	28.3	16.6	7.2	17.7	7.3	9.2	18.8	-16.6	-11.1	5.1	0.1	2.7
capital investment	Past three months	19.5	13.9	5.0	11.7	0.1	9.2	11.2	-0.7	7.8	-7.0	-31.6	-20.4
	Next three months	24.6	3.8	3.9	1.1	10.5	0.0	0.6	-4.9	0.0	-6.0	-2.6	11.5
inventory finance	Past three months	11.9	10.8	-0.9	-4.2	-1.4	16.3	1.6	-0.2	0.0	-7.0	-0.8	-8.6
	Next three months	13.5	3.8	0.0	0.0	0.0	12.9	0.6	0.0	0.0	-6.0	0.0	-7.8
balance sheet restructuring	Past three months	1.0	3.2	4.5	6.0	-1.0	-1.1	1.7	-4.7	-0.8	-17.5	0.0	0.0
	Next three months	-1.8	1.3	4.5	7.1	-1.0	0.0	8.6	1.1	1.5	4.4	-0.8	0.0
commercial real estate	Past three months	29.3	25.7	30.0	32.4	11.2	7.5	15.2	15.5	-33.2	-33.1	-23.3	1.7
	Next three months	28.7	20.7	15.6	10.1	17.4	10.9	15.2	0.9	-5.1	-10.3	-11.1	0.8
How have spreads on loans to small businesses changed?	Past three months	3.1	3.0	3.0	0.6	4.9	12.1	-1.4	0.7	0.0	0.0	0.0	-11.7
	Next three months	-4.7	3.0	3.0	7.9	4.2	0.0	0.6	0.7	-10.5	-11.3	-11.7	0.0
How have fees/commissions on loans to small businesses changed?	Past three months	0.0	-13.0	13.0	12.8	0.0	9.8	12.0	12.6	11.1	0.0	0.0	0.0
	Next three months	0.0	13.0	0.0	0.0	0.0	0.0	12.0	0.7	0.0	0.0	0.0	-11.7
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	7.9	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	0.6	0.6	0.8	0.6	0.7	0.7	0.7	0.0	0.0	0.0	0.0
	Next three months	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0
How have loan covenants for small businesses changed?	Past three months	0.0	4.8	5.1	5.3	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0
	Next three months	4.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
How have spreads on loans to medium PNFCs changed?	Past three months	35.2	29.7	41.7	37.5	43.4	25.7	4.5	9.6	0.9	20.8	-11.7	0.0
	Next three months	29.1	22.2	10.3	5.2	8.9	7.7	0.6	2.0	1.4	-11.8	0.0	0.0
How have fees/commissions on loans to medium PNFCs changed?	Past three months	16.4	14.7	37.4	22.1	28.2	12.1	4.6	9.6	5.5	9.5	0.0	0.0
	Next three months	10.9	14.7	9.3	5.2	8.3	0.0	12.0	2.0	1.4	0.0	0.0	-11.7
How have collateral requirements for loans to medium PNFCs changed?	Past three months	0.6	0.0	0.0	0.0	8.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	1.8	0.0	0.0	6.8	8.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
How have maximum credit lines for medium PNFCs changed?	Past three months	1.0	3.6	0.0	6.8	8.3	8.7	8.2	10.0	0.0	0.0	8.9	0.0
	Next three months	4.6	3.6	0.0	6.8	8.3	0.6	9.6	9.3	0.0	0.0	0.0	0.0
How have loan covenants for medium PNFCs changed?	Past three months	11.2	10.9	11.8	10.8	12.3	11.5	0.0	0.7	9.2	9.5	0.0	0.0
	Next three months	5.7	10.3	0.9	10.8	9.0	0.0	0.0	0.0	9.2	0.0	0.0	0.0

		Net percentage balances ^(a)											
		2014			2015				2016				2017
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
How have spreads on loans to large PNFCs changed?	Past three months	50.6	49.8	45.0	50.0	46.3	23.0	13.1	-1.3	4.6	1.2	-5.3	10.7
	Next three months	30.2	25.7	20.9	8.7	5.3	7.3	7.1	0.0	0.5	0.5	-7.5	8.6
How have fees/commissions on loans to large PNFCs changed?	Past three months	47.4	47.4	46.7	34.9	31.3	21.3	11.7	0.6	4.6	0.0	-6.5	9.3
	Next three months	27.8	26.9	21.3	8.7	1.3	8.4	8.5	1.9	1.3	0.0	-7.5	-2.5
How have collateral requirements for loans to large PNFCs changed?	Past three months	11.0	1.7	0.0	3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	5.3	0.0	0.0	0.0	0.0	0.0	7.5	0.0	0.0	0.0	0.0	0.0
How have maximum credit lines for large PNFCs changed?	Past three months	32.2	19.6	1.5	7.6	2.5	9.7	1.1	0.7	0.0	0.0	-0.8	1.0
	Next three months	6.6	0.9	0.9	7.8	2.5	7.6	8.4	0.0	0.0	0.0	0.0	1.0
How have loan covenants for large PNFCs changed?	Past three months	29.9	26.9	43.4	23.8	29.2	12.4	11.7	0.6	0.0	1.1	1.8	0.7
	Next three months	38.8	47.2	8.4	12.6	2.5	1.5	9.1	0.0	0.0	1.1	1.8	0.7
How have spreads on loans to OFCs changed?	Past three months	48.0	48.1	39.5	26.3	27.9	32.5	29.9	-7.1	0.0	8.8	0.0	21.2
	Next three months	42.9	34.3	27.2	27.0	22.2	7.9	12.5	-21.2	0.0	-8.8	0.0	21.2
How have fees/commissions on loans to OFCs changed?	Past three months	46.7	42.7	38.5	26.3	26.6	14.3	17.2	0.0	0.0	8.8	11.8	9.2
	Next three months	42.9	34.3	26.2	14.7	26.6	0.0	12.5	0.0	0.0	8.8	-9.0	-11.8
How have collateral requirements for loans to OFCs changed?	Past three months	0.0	5.3	0.0	-14.7	7.7	7.9	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	0.0	0.0	0.0	-14.7	0.0	7.9	0.0	9.5	0.0	0.0	0.0	0.0
How have maximum credit lines for OFCs changed?	Past three months	34.1	34.3	18.9	13.5	32.8	20.6	17.2	4.0	27.0	-8.8	9.0	0.0
	Next three months	34.1	34.3	18.9	25.8	25.2	7.9	0.0	4.0	18.0	-8.8	9.0	0.0

(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.