Credit Conditions Survey

Survey results | 2017 Q2

BANK OF ENGLAND

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Credit Conditions Survey

2017 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.

This report presents the results of the 2017 Q2 survey. The 2017 Q2 survey was conducted between 22 May 2017 and 9 June 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 Q2 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 Q3 *Credit Conditions Survey* will be published on 12 October 2017.

Credit Conditions Survey

2017 Q2

Supply

- The availability of secured credit to households was reported to have increased in the three months to mid-June 2017 (**Chart 1**), driven by lenders' market share objectives. But lenders expect availability to fall slightly over the next three months to mid-September, reflecting a changing appetite for risk. Lenders expect that slight reduction in availability to affect only borrowers with loan to value (LTV) ratios of more than 75%, and in particular those with a LTV ratio of more than 90%.

- Lenders reported that the availability of unsecured credit to households had decreased in Q2 (**Chart 2**), and expected a further decrease in Q3. A changing appetite for risk was reported to be an important driver of this in Q2 and Q3, with a changing economic outlook also affecting expectations for Q3. Credit scoring criteria for granting both credit card and other unsecured loans were reported to have tightened again in Q2, with lenders expecting further tightening in Q3.

- The availability of credit to the corporate sector was reported to have been unchanged again in Q2, with no change expected in Q3.

Demand

- Lenders reported that demand for secured lending for house purchase was unchanged in Q2 (**Chart 3**). Within this, demand for prime lending increased and demand for buy-to-let lending decreased significantly. Lenders expected total demand for secured lending for house purchase to increase in Q3, driven by an increase in buy-to-let lending and a slight increase in prime lending. Demand for remortgaging was reported to have decreased slightly in Q2, but was expected to be unchanged in Q3.

- Demand for credit card lending was reported to have increased slightly in Q2, but was expected to be unchanged in Q3. Lenders reported an increase in demand for other unsecured lending products in Q2, but expected no change in Q3.

- Lenders reported significantly increased demand for corporate lending from both small and medium-sized businesses in Q2, the first increase reported for either since 2016 Q2 (**Chart 4**). Demand from small-sized businesses was expected to fall back in Q3, while no change was anticipated for medium-sized businesses. Demand for lending from large companies was reported to have decreased significantly in Q2, and was expected to fall further in Q3. As in recent quarters, lower capital investment was reported to be acting as a drag on corporate demand for credit, although balance sheet restructuring and demand from the commercial real estate sector were reported to have pushed up on demand in Q2.

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 (**Chart 5**). This was the case for spreads on both buy-to-let and prime lending. Lenders expected a further significant narrowing in spreads in Q3.

- Lenders reported that spreads on credit cards widened in Q2. In contrast, spreads on other unsecured lending products were reported to have narrowed significantly, and were expected to narrow further in Q3. The length of interest free periods for both balance transfer offers and purchases on credit card lending were reported to have increased significantly in Q2. Lenders anticipated the length of interest free periods on balance transfers to decrease in Q3, for the first time since the introduction of the question in 2015 Q1.

- Spreads on lending to small businesses were reported to be unchanged in Q2 (**Chart 6**). Lenders reported that spreads on lending to medium businesses widened in Q2, and on lending to large businesses narrowed significantly. Lenders expected spreads to remain unchanged on lending to firms of all sizes in Q3.

Defaults

- Lenders reported that default rates on secured loans to households fell significantly in Q2, and expected these to fall slightly further in Q3. Losses given default on secured loans to households remained unchanged in Q1, but were expected to increase slightly in Q3.

- Default rates on both credit card and other unsecured lending to households were reported to have increased significantly in Q2, and were expected to increase further on credit card lending in Q3. Losses given default were reported to be unchanged on both credit card and other unsecured lending, and were expected to be unchanged again in Q3.

- Lenders reported that default rates on loans to businesses of all sizes decreased in Q2, and significantly so on loans to medium businesses. But lenders expected an increase in the default rate on loans to firms of all sizes in Q3. Losses given default on loans were reported to have decreased slightly for small businesses in Q2, but were unchanged for medium and large businesses.

Chart 1 Household secured credit availability[a][b]
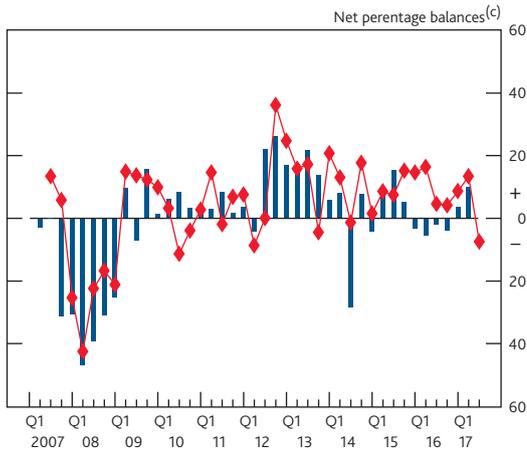
Net perentage balances[c]

Chart 2 Household unsecured credit availability[a][b]
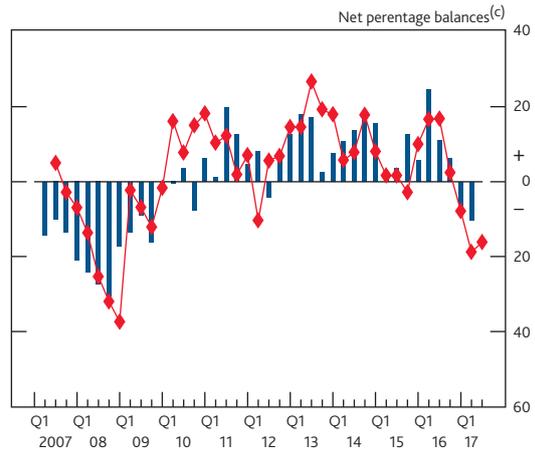
Net perentage balances[c]

Chart 3 Household demand for secured lending for house purchase[a][b]
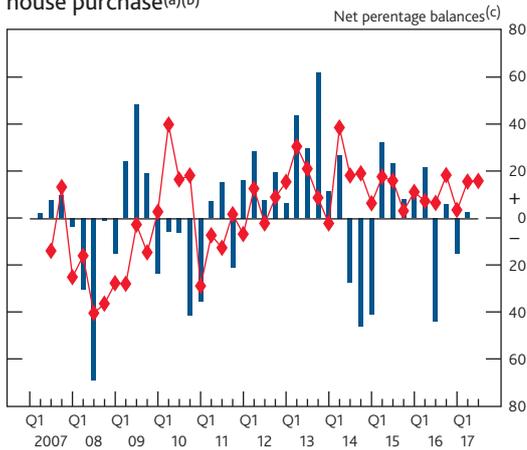
Net perentage balances[c]

Chart 4 Corporate demand for lending by firm size[a][b]
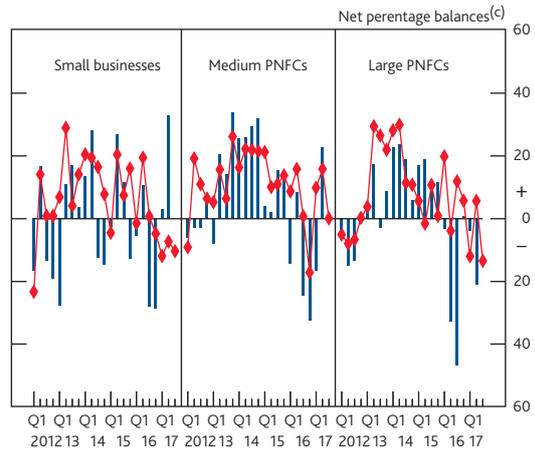
Net perentage balances[c]

Small businesses   Medium PNFCs   Large PNFCs

Chart 5 Spreads on secured lending to households[a][b][c]
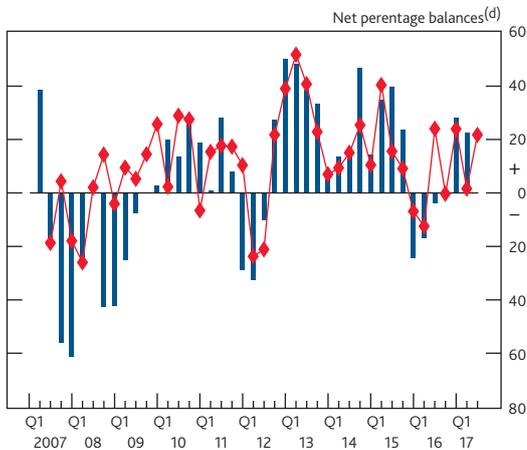
Net perentage balances[d]

Chart 6 Spreads on lending to corporates by firm size[a][b][c]
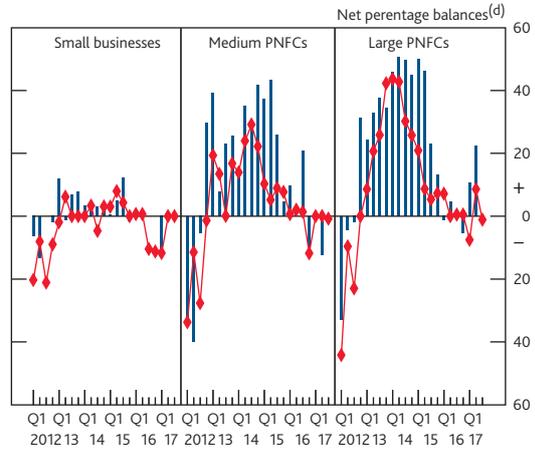
Net perentage balances[d]

Small businesses   Medium PNFCs   Large PNFCs

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	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the availability of secured credit	Past three months	-28.5	7.8	-4.1	8.8	15.5	5.4	-3.4	-5.4	-1.8	-3.9	3.6	10.0
provided to households changed?	Next three months	17.7	1.5	8.5	7.5	15.2	14.6	16.3	4.6	4.1	8.7	13.4	-7.5
Factors contributing to changes in													
credit availability:[b]													
changing economic outlook	Past three months	0.0	0.0	0.0	0.0	2.2	0.0	-1.2	0.0	-4.5	-0.1	2.0	-1.9
	Next three months	3.2	0.0	0.0	2.2	0.0	0.0	5.9	-8.7	-3.8	-1.6	6.6	-1.9
market share objectives	Past three months	11.4	4.3	5.2	7.4	5.5	9.1	2.7	14.5	11.2	21.7	7.4	15.1
	Next three months	15.1	11.9	6.4	9.8	12.4	11.1	14.7	13.8	18.3	13.7	24.1	19.9
changing appetite for risk	Past three months	-25.5	0.0	0.0	9.3	1.2	2.4	-1.9	-7.6	-3.3	3.4	0.0	-2.5
	Next three months	1.5	1.5	8.9	1.7	3.6	8.7	0.7	-7.3	1.5	4.2	0.0	-7.7
tight wholesale funding conditions	Past three months	0.0	-2.2	0.0	2.1	0.0	4.9	0.0	0.0	-1.9	-1.6	-2.3	0.0
	Next three months	0.0	2.2	0.0	-4.9	-2.2	0.8	-11.0	-2.1	5.2	0.0	0.0	0.0
expectations for house prices	Past three months	-10.1	1.5	0.0	1.7	0.0	21.3	13.1	14.1	-4.5	1.5	0.0	5.3
	Next three months	-0.2	3.6	0.0	1.7	0.0	21.3	13.1	5.5	-8.3	7.9	-2.0	-2.8
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	-11.1	0.7	-6.8	15.0	6.4	3.5	3.6	0.8	-0.8	2.8	2.6	1.1
(75% or less)	Next three months	10.8	1.5	16.3	0.8	7.8	7.4	-1.2	-0.8	3.4	0.0	13.6	4.4
Borrowers with high loan to value ratios	Past three months	-10.2	0.4	-2.4	11.4	16.4	1.5	6.4	-3.8	-1.1	-5.2	1.0	4.7
(more than 75%)	Next three months	1.3	3.6	-0.1	1.8	2.6	3.4	1.6	7.9	0.6	6.4	8.9	-7.9
Have you become more willing to lend to	Past three months	-14.2	-18.9	9.0	-1.2	1.8	7.7	-0.8	19.5	2.4	-0.4	-14.6	3.2
borrowers with housing equity less than 10%	Next three months	-7.1	0.0	0.0	11.5	10.3	5.8	12.2	7.0	3.1	-1.8	0.4	-13.0
of the value of their home?													

		Net percentage balances[a]											
		2014		**2015**				**2016**				**2017**	
		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	-17.9	0.0	2.0	8.4	3.1	0.6	-0.5	-6.6	-8.3	0.3	-1.7	9.0
	Next three months	-3.1	1.7	1.9	3.7	-4.8	1.2	9.5	3.6	0.4	0.7	13.6	-7.7
How has the proportion of household loan applications being approved changed?	Past three months	-15.6	-9.4	-1.0	13.0	9.2	-10.4	2.6	0.1	-10.2	-2.3	-1.4	18.5
	Next three months	10.8	5.2	11.8	5.8	-0.7	12.4	0.7	5.5	0.3	-7.7	22.1	-4.1
How has the average credit quality of new secured lending to households changed?[c]	Past three months	0.7	-1.4	-1.4	-3.0	0.7	4.6	-4.9	-7.8	3.6	-5.4	1.6	3.5
	Next three months	-3.7	-2.1	9.9	10.4	2.6	0.9	-8.0	10.7	-1.9	0.0	-5.9	1.9
How has the default rate on secured loans to households changed?	Past three months	-30.8	-33.8	-34.6	-17.3	-15.5	-22.4	-16.2	-17.2	-15.0	-13.7	2.7	-23.2
	Next three months	-20.3	-20.3	-11.0	-14.1	-14.6	-6.4	-8.6	-15.2	-11.6	-1.1	-2.8	-9.6
How have losses given default on secured loans to households changed?	Past three months	-27.1	-15.2	-33.9	-24.5	-33.1	-24.0	6.0	-19.5	-0.2	-20.5	-7.3	-4.5
	Next three months	-26.7	-5.9	20.1	-10.0	-14.9	-18.8	-3.3	-16.3	5.0	-0.7	-12.8	7.6
How has demand for secured lending for house purchase from households changed?	Past three months	-27.4	-46.1	-40.8	32.1	23.3	7.9	12.2	21.5	-44.0	5.7	-15.3	2.4
	Next three months	19.0	6.3	17.5	15.9	3.1	11.0	7.2	6.4	18.2	3.3	15.5	15.8
of which: demand for prime lending	Past three months	-22.0	-38.8	-44.3	31.3	15.4	-7.7	12.5	20.4	-42.5	6.5	-6.7	10.6
	Next three months	17.4	6.3	16.8	15.9	17.1	1.0	7.5	9.9	11.0	4.2	16.1	6.6
of which: demand for buy-to-let lending	Past three months	6.9	-30.0	-15.8	22.2	43.4	21.6	7.6	-7.7	-63.8	34.7	-39.9	-25.0
	Next three months	9.0	1.5	3.6	16.9	-10.3	29.7	-24.3	-16.6	7.8	-14.2	-4.6	10.4
How has demand for secured lending for remortgaging from households changed?	Past three months	-28.8	-19.1	-26.8	11.9	17.5	13.8	15.0	4.8	-11.6	32.2	-0.3	-5.9
	Next three months	25.0	10.1	8.3	11.2	15.7	-0.2	13.3	10.7	14.0	3.9	19.6	3.6
How have overall secured lending spreads changed?	Past three months	14.9	47.0	14.4	35.0	39.7	23.8	-24.3	-16.7	-3.7	-1.0	28.0	22.5
	Next three months	25.4	10.5	40.3	15.6	9.1	-6.9	-12.5	24.0	-0.4	24.0	1.6	21.7
of which: spreads on prime lending	Past three months	14.9	47.0	14.4	35.0	41.3	24.7	-18.6	-16.7	-5.8	1.0	28.4	22.8
	Next three months	26.0	10.5	38.4	15.6	9.8	-6.9	-12.5	22.5	-0.3	24.6	1.7	22.0
of which: spreads on buy-to-let lending	Past three months	24.8	28.1	-10.4	10.2	35.7	20.5	-24.1	-14.1	-18.1	-9.2	35.4	29.6
	Next three months	10.6	11.5	17.4	21.1	17.1	-6.4	-9.1	25.5	-2.5	35.3	13.0	13.7
How have fees on secured lending changed?	Past three months	0.7	17.5	9.8	6.4	0.0	0.0	1.6	9.3	0.0	-2.2	1.6	0.0
	Next three months	9.5	0.7	7.0	0.0	0.0	0.0	0.7	0.0	1.5	2.2	2.1	0.0
How have maximum loan to value ratios changed?	Past three months	1.8	-0.7	11.0	0.8	0.7	8.0	0.0	1.6	1.6	1.9	1.6	-1.6
	Next three months	0.0	0.0	-4.0	-0.8	1.9	1.5	2.3	0.7	-2.7	4.8	-1.6	0.0
How have maximum loan to income ratios changed?	Past three months	-3.9	-22.0	-18.5	-0.3	6.1	-3.3	-1.9	-5.1	1.4	-0.8	9.1	-5.3
	Next three months	-1.6	-5.1	-9.0	6.0	-0.7	-7.5	0.0	2.1	1.9	1.8	-5.3	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.
(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	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the availability of unsecured credit	Past three months	13.6	16.7	15.4	2.6	3.5	12.5	5.6	24.5	11.0	6.2	-6.6	-10.3
provided to households changed?	Next three months	17.8	8.0	1.6	1.6	-2.8	10.0	16.6	16.7	2.4	-7.9	-18.8	-16.2
Factors contributing to changes in credit availability:[b]													
changing economic outlook	Past three months	0.0	1.4	0.0	0.0	0.0	0.0	0.5	0.0	-0.7	-1.9	-10.6	0.0
	Next three months	0.4	1.4	0.0	0.0	0.0	0.0	0.0	0.0	-0.9	-8.4	-8.8	-11.6
market share objectives	Past three months	12.4	6.3	13.1	-1.6	19.0	5.9	1.4	-0.4	-1.5	4.1	1.7	0.1
	Next three months	20.0	25.8	15.7	8.5	7.7	11.9	4.5	4.0	2.2	3.7	0.2	-0.3
changing appetite for risk	Past three months	-0.9	12.2	5.8	1.3	0.2	7.4	0.5	0.4	0.0	-0.5	-2.1	-10.8
	Next three months	-6.5	6.0	1.3	0.8	1.1	4.4	6.0	0.0	-0.5	-0.2	-0.7	-7.0
changing cost/availability of funds	Past three months	0.0	0.0	0.0	0.0	0.0	0.4	0.3	-0.5	0.0	0.5	0.5	-0.8
	Next three months	0.3	11.6	0.0	0.0	-5.1	1.1	0.0	9.3	-0.5	0.0	0.5	-0.8
How have credit scoring criteria for granting	Past three months	8.4	19.2	27.2	1.1	1.4	1.0	-5.0	10.9	5.0	-19.2	-11.8	-20.4
credit card loan applications by households changed?	Next three months	6.6	2.9	9.9	-0.4	-28.1	-6.0	17.3	6.5	0.0	-11.2	-32.7	-9.9
How have credit scoring criteria for granting	Past three months	20.1	29.8	0.0	6.5	7.8	17.0	22.7	21.6	11.6	14.9	-10.3	-18.5
other unsecured loan applications by households changed?	Next three months	9.1	15.7	6.3	6.5	0.3	20.9	8.9	11.9	9.5	-4.4	-4.5	-24.0
How have credit scoring criteria for granting	Past three months	10.4	21.1	22.2	2.1	2.8	3.9	0.2	12.9	6.2	-12.7	-11.5	-20.0
total unsecured loan applications by households changed?	Next three months	7.1	5.2	9.2	0.9	-23.0	-1.1	15.8	7.5	1.8	-9.9	-27.2	-12.7
How has the proportion of credit card loan	Past three months	19.0	11.9	-11.0	-5.4	-3.0	-20.1	-10.0	6.4	2.7	-5.8	-13.4	16.3
applications from households being approved changed?	Next three months	12.3	2.1	16.4	12.7	-10.7	12.2	33.2	17.3	2.5	1.2	3.1	-6.8
How has the proportion of other unsecured	Past three months	-8.2	18.9	9.5	-2.3	18.3	-2.0	7.1	13.5	5.5	4.2	17.1	-9.4
loan applications from households being approved changed?	Next three months	14.0	15.7	3.6	8.0	14.1	15.8	26.2	11.9	13.7	12.9	-4.5	-21.3
How has the proportion of total unsecured	Past three months	14.3	13.2	-7.3	-4.8	0.9	-16.8	-6.8	7.7	3.2	-3.9	-7.6	11.3
loan applications from households being approved changed?	Next three months	12.6	4.5	14.1	11.8	-6.3	12.8	31.9	16.3	4.6	3.4	1.6	-9.6
How has the average credit quality of new	Past three months		3.1	-20.6	-18.3	7.2	-23.3	-15.5	-11.2	0.1	-20.6	5.5	-0.2	-0.5
credit card lending to households changed?[c]	Next three months	12.9	6.0	-1.1	1.1	0.4	35.0	-16.8	-2.5	3.3	-4.7	2.7	4.6
How has the average credit quality of new other	Past three months	-12.6	3.8	12.8	4.6	15.3	-13.5	4.0	7.0	-5.0	25.5	1.4	19.6
unsecured lending to households changed?[c]	Next three months	-10.5	3.8	1.1	0.0	0.0	1.7	5.5	1.3	6.6	11.7	1.9	13.9
How has the average credit quality of new total	Past three months	0.3	-16.2	-12.6	6.7	-16.3	-15.1	-8.4	1.4	-17.7	9.3	0.1	3.4
unsecured lending to households changed?[c]	Next three months	8.8	5.6	-0.7	0.9	-0.4	28.7	-12.6	-1.8	3.9	-1.6	2.6	6.5

		Net percentage balances[a]											
		2014		2015				2016				2017	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the default rate on credit card loans to households changed?	Past three months	-4.4	-24.3	-12.4	-13.0	-10.6	-2.7	2.2	2.9	7.7	13.9	-11.2	25.4
	Next three months	17.5	-8.7	-5.8	-13.0	6.9	3.3	-4.1	5.4	-2.4	2.5	0.0	17.7
How has the default rate on other unsecured loans to households changed?	Past three months	-3.9	1.8	12.4	16.0	12.4	-20.3	17.5	4.4	32.3	25.5	-3.3	30.3
	Next three months	2.4	14.2	18.6	-1.5	-1.5	1.5	-16.0	12.6	-13.5	-12.9	12.6	-3.7
How has the default rate on total unsecured loans to households changed?	Past three months	-4.3	-19.6	-7.8	-7.6	-6.5	-6.0	5.0	3.2	12.4	16.1	-9.6	26.4
	Next three months	14.8	-4.6	-1.3	-10.8	5.4	2.9	-6.3	6.7	-4.5	-0.4	2.4	13.6
How have losses given default on credit card loans to households changed?	Past three months	-19.8	22.8	13.9	-12.4	-14.7	-17.1	-22.4	-10.9	-0.8	-17.0	-11.9	0.0
	Next three months	-1.6	-0.7	-12.4	-0.6	-27.8	-12.3	-10.8	-10.9	0.0	-22.4	-10.9	0.0
How have losses given default on other unsecured loans to households changed?	Past three months	-2.4	5.0	0.0	-5.0	-8.0	-11.0	0.0	0.0	3.7	6.6	1.1	-2.8
	Next three months	-2.4	0.0	-6.3	-6.5	-12.8	-1.4	0.0	-7.0	2.6	0.0	0.0	-2.3
How have losses given default on total unsecured loans to households changed?	Past three months	-16.8	19.6	11.3	-11.0	-13.5	-16.0	-18.2	-8.9	0.1	-12.5	-9.4	-0.5
	Next three months	-1.8	-0.6	-11.3	-1.7	-25.1	-10.2	-8.8	-10.2	0.5	-18.1	-8.8	-0.5
How has demand for credit card lending from households changed?	Past three months	10.6	58.3	-7.7	4.2	17.0	-28.5	1.5	10.7	15.1	13.1	-4.5	7.2
	Next three months	27.8	35.4	0.3	13.1	2.2	38.7	3.5	17.3	8.6	4.3	6.4	-4.2
How has demand for other unsecured lending from households changed?	Past three months	1.8	38.7	-5.4	5.7	35.7	31.3	24.0	26.9	5.2	12.0	5.0	18.0
	Next three months	24.8	14.0	11.4	9.0	12.8	18.2	19.3	1.3	18.1	8.7	-7.1	-4.3
How has demand for total unsecured lending from households changed?	Past three months	9.1	54.8	-7.2	4.5	20.4	-17.3	5.7	13.7	12.2	12.9	-2.7	9.3
	Next three months	27.3	31.6	2.4	12.3	4.5	34.8	6.4	14.3	10.4	5.2	3.8	-4.2
How have spreads on credit cards changed?	Past three months	-0.4	-5.7	0.0	0.4	11.8	1.6	-17.8	-4.7	-1.1	7.0	6.3	-15.1
	Next three months	-3.9	-1.0	1.1	0.0	0.0	1.0	0.0	-10.4	-7.0	17.8	1.0	1.1
How have spreads on other unsecured lending products changed?	Past three months	9.3	51.7	36.7	16.7	43.3	-22.8	-5.4	-17.3	-38.2	7.3	-7.0	21.4
	Next three months	7.7	-2.9	33.4	23.9	-9.5	-6.4	-18.1	-24.1	30.9	6.3	-8.0	8.6
How have overall unsecured lending spreads changed?	Past three months	1.3	4.6	6.4	3.3	17.2	-2.1	-15.6	-6.9	-8.1	7.1	3.7	-8.0
	Next three months	-1.9	-1.3	6.7	4.2	-1.6	-0.1	-3.0	-12.9	0.2	15.9	-0.6	2.5
How have credit card limits changed?	Past three months	6.6	-12.5	-5.9	-15.2	11.2	13.9	0.6	12.4	22.5	-1.6	2.3	12.0
	Next three months	7.5	8.8	6.6	9.3	3.2	12.9	17.4	10.9	3.3	6.4	1.4	-7.0
How has the minimum proportion of credit card balances to be paid changed?	Past three months	-6.6	0.0	0.0	-1.1	-1.6	-2.5	2.3	1.0	7.7	11.4	3.2	0.0
	Next three months	-6.6	0.0	0.0	-12.5	-2.0	-2.8	0.6	0.0	7.7	3.3	-7.7	-10.9
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.**	31.1	20.4	0.7	21.0	1.1	7.9	13.3	2.1	16.9	28.5
	Next three months	n.a.**	n.a.**	28.5	1.2	1.3	1.1	8.8	2.2	18.3	15.5	29.3	-13.7
Length of interest free period for purchases	Past three months	n.a.**	n.a.**	0.0	7.7	13.5	11.1	1.7	12.6	0.0	7.7	16.9	35.0
	Next three months	n.a.**	n.a.**	-5.6	1.2	-1.1	0.0	13.6	-2.8	3.9	0.2	16.9	0.0
How have maximum maturities on loans changed?[d]	Past three months	0.0	5.1	0.0	0.0	-2.3	4.4	0.0	0.0	0.0	0.0	-3.7	3.5
	Next three months	0.0	5.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.8	2.6	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/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 | |
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has the availability of credit provided to	Past three months	2.6	2.0	0.6	0.6	1.4	-0.1	3.2	1.2	0.0	-1.8	1.0	0.9
the corporate sector overall changed?	Next three months	1.7	3.6	1.5	9.6	1.4	2.4	0.2	0.0	0.0	0.2	1.0	0.9
of which: commercial real estate sector	Past three months	-0.9	3.9	6.7	2.7	1.4	2.2	4.6	-11.5	-0.7	-0.9	0.0	0.0
	Next three months	-0.9	3.9	3.6	9.7	0.8	3.4	1.3	-10.7	0.0	0.0	0.0	0.0
How have commercial property prices affected	Past three months	2.3	22.4	0.6	0.6	1.7	0.6	2.0	-10.9	-12.1	-12.4	0.0	0.0
credit availability to the commercial real estate	Next three months	0.0	3.7	-3.9	0.0	1.1	0.6	1.1	-10.9	-12.1	-12.9	0.0	-9.6
sector, and/or secured lending to PNFCs?													
Factors contributing to changes in credit availability:[b]													
changing economic outlook	Past three months	24.3	4.2	0.6	0.6	0.6	0.6	9.0	0.0	-2.5	0.0	0.0	0.0
	Next three months	10.6	-17.9	0.0	6.9	-1.0	8.6	6.6	-8.3	0.0	8.4	2.0	2.2
changing sector-specific risks	Past three months	-0.4	6.1	0.0	0.0	0.1	1.2	3.5	-8.8	-0.5	0.8	1.4	0.0
	Next three months	-2.1	-1.5	5.4	1.5	-1.3	1.2	2.5	-7.1	0.7	10.0	3.3	1.5
market share objectives	Past three months	9.9	8.1	7.1	13.5	0.4	0.0	0.6	0.0	0.0	-1.8	0.0	0.0
	Next three months	8.1	8.1	8.6	3.8	0.0	0.6	0.6	0.0	0.0	1.5	0.0	0.0
market pressures from capital markets	Past three months	14.2	8.1	0.6	-1.7	-0.4	-0.4	1.3	2.4	0.0	0.0	0.0	0.0
	Next three months	7.2	0.0	0.0	-2.4	0.0	-0.4	0.0	1.2	0.0	-1.3	0.7	0.7
changing appetite for risk	Past three months	1.7	13.1	0.0	0.0	1.4	-1.4	3.8	0.0	0.1	0.0	1.0	0.9
	Next three months	0.0	0.9	3.7	1.4	0.0	1.1	0.9	1.3	0.0	-2.0	1.7	2.4
tight wholesale funding conditions	Past three months	7.0	0.0	1.3	0.0	0.0	-0.7	0.0	0.0	0.0	0.7	0.0	0.0
	Next three months	0.0	0.0	1.3	0.0	0.0	-0.7	0.0	0.0	0.0	0.8	0.0	0.0
How has the availability of credit provided to	Past three months	-9.4	0.0	0.0	19.0	5.2	1.4	1.4	0.0	0.0	0.0	0.0	1.3
small businesses changed?	Next three months	-13.0	-11.8	21.0	13.9	23.6	2.1	1.4	0.0	0.0	0.0	1.4	1.3
How has the availability of credit provided to	Past three months	2.4	0.6	0.6	-0.7	1.5	1.4	3.4	0.0	0.0	0.0	0.0	0.0
medium PNFCs changed?	Next three months	0.6	4.3	0.6	3.4	1.5	4.2	-6.8	0.0	0.0	0.0	0.0	0.0
How has the availability of credit provided to	Past three months	1.5	14.9	12.0	-1.4	0.0	-1.4	-1.3	1.2	-1.1	-1.8	1.0	1.0
large PNFCs changed?	Next three months	-0.2	3.5	-0.1	2.7	0.0	2.5	2.4	0.0	0.0	0.2	1.0	1.0
How has the proportion of loan applications	Past three months	-14.9	-0.7	-11.1	26.6	44.2	19.9	10.6	-0.7	-4.8	0.0	10.0	0.0
from small businesses being approved changed?	Next three months	-12.1	2.4	7.0	3.6	13.3	12.7	12.0	0.7	-4.8	-10.3	1.4	0.0
How has the proportion of loan applications	Past three months	9.1	-1.2	-0.5	-0.4	8.3	0.0	-0.7	-0.7	-4.8	0.0	0.0	-0.8
from medium PNFCs being approved changed?	Next three months	10.9	1.2	1.2	1.2	0.0	0.9	0.7	1.4	-4.8	0.0	0.0	-9.1
How has the proportion of loan applications	Past three months	0.9	-0.8	-0.7	6.4	0.6	0.0	-1.7	-0.6	-4.6	0.5	2.0	1.9
from large PNFCs being approved changed?	Next three months	3.4	-0.2	-0.1	18.0	0.0	0.8	-1.7	0.6	-3.3	-0.8	0.0	-9.3

		2014		2015				2016				2017	
	Net percentage balances[a]	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Has there been a change in average credit quality on newly arranged PNFC borrowing facilities?[c]	Past three months	-4.5	6.6	-7.7	-9.2	0.0	10.5	0.0	0.0	0.0	0.0	0.0	-0.9
	Next three months	-4.5	0.0	-1.1	-1.3	0.0	0.0	-1.1	0.0	0.0	0.0	10.9	0.0
Has there been any change in 'target hold' levels associated with corporate lending?	Past three months	-7.4	-13.8	-6.6	0.0	-0.6	1.0	1.1	0.0	0.0	1.8	-0.9	-1.3
	Next three months	-7.2	-0.6	-0.6	-1.9	0.0	-0.6	0.0	0.0	0.0	1.8	-0.9	-2.2
How have loan tenors on new corporate loans changed?[d]	Past three months	10.5	2.9	-0.7	11.5	11.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	11.1	-0.2	11.3	11.5	10.1	0.1	0.0	0.0	0.0	0.0	1.2	0.0
Has there been a change in draw-downs on committed lines by PNFCs?	Past three months	2.3	-1.0	-0.1	-0.1	1.5	2.0	0.0	-24.5	0.0	0.0	0.0	0.0
	Next three months	2.7	-0.8	0.6	0.6	1.0	1.4	0.0	-0.7	0.0	0.0	0.0	0.0
How has the default rate on loans to small businesses changed?	Past three months	8.4	-33.8	-10.3	-34.8	-19.7	-23.6	-26.9	-21.0	-1.8	9.6	-11.0	-11.1
	Next three months	-14.9	-10.8	-10.8	-15.1	-4.4	-11.3	-11.2	-11.1	-11.3	11.7	0.0	11.7
How has the default rate on loans to medium PNFCs changed?	Past three months	-10.4	-11.9	-11.2	-7.3	-1.9	-11.0	4.5	0.0	0.0	11.3	-3.1	-26.3
	Next three months	-4.0	-1.4	-0.8	-3.4	-0.6	11.5	0.0	0.0	0.0	0.0	1.7	11.5
How has the default rate on loans to large PNFCs changed?	Past three months	-23.7	-15.1	-20.0	-12.2	1.5	1.0	2.7	0.0	0.0	0.0	9.8	-5.5
	Next three months	-18.4	-13.6	0.0	-4.0	7.3	12.9	13.8	1.2	0.0	0.0	0.0	10.9
How has losses given default on loans to small businesses changed?	Past three months	-3.7	-3.0	-3.5	-19.3	-14.6	-13.5	-11.9	-11.1	-11.3	0.0	0.0	-9.1
	Next three months	-3.0	-3.0	-2.9	-7.1	-12.8	-12.5	-11.2	-11.1	-11.3	0.0	0.0	0.0
How have losses given default on loans to medium PNFCs changed?	Past three months	-23.3	-17.6	-16.7	-17.3	-14.1	9.1	-0.7	0.0	0.0	0.0	0.0	0.0
	Next three months	-9.2	-2.3	0.0	-4.1	0.0	-1.7	0.0	0.0	0.0	0.0	0.0	0.0
How have losses given default on loans to large PNFCs changed?	Past three months	-23.9	-16.8	-14.0	-18.3	-10.9	-0.6	0.7	0.0	0.0	0.0	0.0	0.0
	Next three months	-9.4	-2.4	0.0	-4.1	0.0	-0.6	1.3	0.0	0.0	0.0	0.0	0.0
How has demand for credit card lending from small businesses changed?	Past three months	23.3	2.3	23.1	22.7	41.8	2.8	-1.0	27.6	-2.7	-3.3	-17.0	-18.0
	Next three months	17.4	8.5	8.4	8.1	9.7	6.7	34.8	-12.9	18.1	6.9	6.8	-0.1
How has demand for other unsecured lending from small businesses changed?	Past three months	-11.7	0.0	-7.5	19.6	-11.0	12.4	19.4	-1.1	-15.4	-39.6	-4.0	12.0
	Next three months	12.3	-7.5	13.5	3.5	32.4	-4.6	-6.7	-1.1	-11.5	-12.5	4.5	-11.8
How has demand for total unsecured lending from small businesses changed?	Past three months	17.0	1.9	17.2	22.1	32.1	4.9	3.4	22.0	-4.7	-9.7	-14.1	-12.3
	Next three months	16.5	5.5	9.3	7.2	15.2	4.7	24.4	-10.6	10.9	4.1	6.2	-2.6
How has demand for secured lending from small businesses changed?	Past three months	-26.1	12.9	-13.6	19.2	-6.6	-12.2	-4.2	3.0	-17.5	-44.8	-3.5	38.6
	Next three months	13.1	-6.8	18.9	5.3	2.3	-7.2	10.9	11.1	-11.7	-12.1	0.0	-23.4
How has overall demand for lending from small businesses changed?	Past three months	-12.5	-14.6	-2.5	27.0	11.5	-12.8	-5.5	10.5	-28.0	-28.6	3.1	32.9
	Next three months	7.7	-4.6	20.4	7.4	16.0	-1.5	19.4	0.7	-4.8	-11.9	-7.3	-10.4
How has demand for lending from medium PNFCs changed?	Past three months	29.4	31.8	4.1	2.2	15.5	12.3	-14.4	8.5	-24.5	-32.4	-16.7	22.7
	Next three months	21.4	21.2	10.0	10.9	13.7	8.7	15.8	0.7	-17.2	9.8	15.8	0.0
How has demand for lending from large PNFCs changed?	Past three months	19.0	5.8	17.0	19.1	10.3	11.7	-3.3	-32.8	-46.8	0.6	-3.9	-20.9
	Next three months	10.7	5.6	-1.6	10.7	0.9	19.8	-3.9	11.8	5.7	-12.1	5.6	-13.5

		Net percentage balances[a]											
		2014		2015				2016				2017	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How has demand for lending from OFCs	Past three months	39.0	0.0	0.0	27.4	39.9	26.1	17.6	0.0	8.8	34.8	9.2	0.8
changed?	Next three months	24.4	27.2	27.4	18.0	26.0	21.3	12.6	0.0	8.8	9.0	9.2	0.0
What have been the main factors contributing to changes in demand for lending:[b]													
mergers and acquisitions	Past three months	28.9	43.2	10.3	16.0	12.4	32.3	-12.6	-7.2	-22.8	12.6	11.5	-6.3
	Next three months	16.6	7.2	17.7	7.3	9.2	18.8	-16.6	-11.1	5.1	0.1	2.7	10.9
capital investment	Past three months	13.9	5.0	11.7	0.1	9.2	11.2	-0.7	7.8	-7.0	-31.6	-20.4	-10.9
	Next three months	3.8	3.9	1.1	10.5	0.0	0.6	-4.9	0.0	-6.0	-2.6	11.5	-10.9
inventory finance	Past three months	10.8	-0.9	-4.2	-1.4	16.3	1.6	-0.2	0.0	-7.0	-0.8	-8.6	-7.9
	Next three months	3.8	0.0	0.0	0.0	12.9	0.6	0.0	0.0	-6.0	0.0	-7.8	-7.7
balance sheet restructuring	Past three months	3.2	4.5	6.0	-1.0	-1.1	1.7	-4.7	-0.8	-17.5	0.0	0.0	8.7
	Next three months	1.3	4.5	7.1	-1.0	0.0	8.6	1.1	1.5	4.4	-0.8	0.0	0.0
commercial real estate	Past three months	25.7	30.0	32.4	11.2	7.5	15.2	15.5	-33.2	-33.1	-23.3	1.7	9.7
	Next three months	20.7	15.6	10.1	17.4	10.9	15.2	0.9	-5.1	-10.3	-11.1	0.8	-11.2
How have spreads on loans to	Past three months	3.0	3.0	0.6	4.9	12.1	-1.4	0.7	0.0	0.0	0.0	-11.7	0.0
small businesses changed?	Next three months	3.0	3.0	7.9	4.2	0.0	0.6	0.7	-10.5	-11.3	-11.7	0.0	0.0
How have fees/commissions on loans to	Past three months	-13.0	13.0	12.8	0.0	9.8	12.0	12.6	11.1	0.0	0.0	0.0	0.0
small businesses changed?	Next three months	13.0	0.0	0.0	0.0	0.0	12.0	0.7	0.0	0.0	0.0	-11.7	1.3
How have collateral requirements for loans	Past three months	0.0	0.0	0.0	0.0	0.0	7.9	0.0	0.0	0.0	0.0	0.0	0.0
to small businesses changed?	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	Past three months	0.6	0.6	0.8	0.6	0.7	0.7	0.7	0.0	0.0	0.0	0.0	0.0
small businesses changed?	Next three months	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0
How have loan covenants for	Past three months	4.8	5.1	5.3	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0
small businesses changed?	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 spreads on loans to medium	Past three months	29.7	41.7	37.5	43.4	25.7	4.5	9.6	0.9	20.8	-11.7	0.0	-12.2
PNFCs changed?	Next three months	22.2	10.3	5.2	8.9	7.7	0.6	2.0	1.4	-11.8	0.0	0.0	-0.8
How have fees/commissions on loans to	Past three months	14.7	37.4	22.1	28.2	12.1	4.6	9.6	5.5	9.5	0.0	0.0	-0.8
medium PNFCs changed?	Next three months	14.7	9.3	5.2	8.3	0.0	12.0	2.0	1.4	0.0	0.0	-11.7	-0.8
How have collateral requirements for loans	Past three months	0.0	0.0	0.0	8.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
to medium PNFCs changed?	Next three months	0.0	0.0	6.8	8.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.8
How have maximum credit lines for	Past three months	3.6	0.0	6.8	8.3	8.7	8.2	10.0	0.0	0.0	8.9	0.0	-0.8
medium PNFCs changed?	Next three months	3.6	0.0	6.8	8.3	0.6	9.6	9.3	0.0	0.0	0.0	0.0	-0.8
How have loan covenants for medium	Past three months	10.9	11.8	10.8	12.3	11.5	0.0	0.7	9.2	9.5	0.0	0.0	-0.8
PNFCs changed?	Next three months	10.3	0.9	10.8	9.0	0.0	0.0	0.0	9.2	0.0	0.0	0.0	-0.8

		Net percentage balances[a]											
		2014		2015				2016				2017	
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
How have spreads on loans to large PNFCs changed?	Past three months	49.8	45.0	50.0	46.3	23.0	13.1	-1.3	4.6	1.2	-5.3	10.7	22.4
	Next three months	25.7	20.9	8.7	5.3	7.3	7.1	0.0	0.5	0.5	-7.5	8.6	-1.2
How have fees/commissions on loans to large PNFCs changed?	Past three months	47.4	46.7	34.9	31.3	21.3	11.7	0.6	4.6	0.0	-6.5	9.3	11.7
	Next three months	26.9	21.3	8.7	1.3	8.4	8.5	1.9	1.3	0.0	-7.5	-2.5	0.2
How have collateral requirements for loans to large PNFCs changed?	Past three months	1.7	0.0	3.9	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	7.5	0.0	0.0	0.0	0.0	0.0	0.0
How have maximum credit lines for large PNFCs changed?	Past three months	19.6	1.5	7.6	2.5	9.7	1.1	0.7	0.0	0.0	-0.8	1.0	0.0
	Next three months	0.9	0.9	7.8	2.5	7.6	8.4	0.0	0.0	0.0	0.0	1.0	0.0
How have loan covenants for large PNFCs changed?	Past three months	26.9	43.4	23.8	29.2	12.4	11.7	0.6	0.0	1.1	1.8	0.7	11.7
	Next three months	47.2	8.4	12.6	2.5	1.5	9.1	0.0	0.0	1.1	1.8	0.7	11.7
How have spreads on loans to OFCs changed?	Past three months	48.1	39.5	26.3	27.9	32.5	29.9	-7.1	0.0	8.8	0.0	21.2	-0.8
	Next three months	34.3	27.2	27.0	22.2	7.9	12.5	-21.2	0.0	-8.8	0.0	21.2	8.5
How have fees/commissions on loans to OFCs changed?	Past three months	42.7	38.5	26.3	26.6	14.3	17.2	0.0	0.0	8.8	11.8	9.2	-0.8
	Next three months	34.3	26.2	14.7	26.6	0.0	12.5	0.0	0.0	8.8	-9.0	-11.8	-0.8
How have collateral requirements for loans to OFCs changed?	Past three months	5.3	0.0	-14.7	7.7	7.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	0.0	0.0	-14.7	0.0	7.9	0.0	9.5	0.0	0.0	0.0	0.0	0.0
How have maximum credit lines for OFCs changed?	Past three months	34.3	18.9	13.5	32.8	20.6	17.2	4.0	27.0	-8.8	9.0	0.0	-0.8
	Next three months	34.3	18.9	25.8	25.2	7.9	0.0	4.0	18.0	-8.8	9.0	0.0	-0.8

(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.