Credit Conditions Survey

Survey results | 2017 Q3

BANK OF ENGLAND

Credit Conditions Survey

2017 Q3

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 Q3 survey. The 2017 Q3 survey was conducted between 21 August 2017 and 8 September 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 Q3 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 2017 Q4 *Credit Conditions Survey* will be published on 11 January 2018.

Credit Conditions Survey

2017 Q3

Supply

- The availability of secured credit to households was reported to have increased slightly in the three months to mid-September 2017 (**Chart 1**). This was focused on borrowers with low loan to value ratios (75% or less) and was driven by lenders' market share objectives. Lenders expected availability to be unchanged over the next three months to mid-December.

- Lenders reported that the availability of unsecured credit to households decreased in Q3 and expected a significant decrease in Q4 (**Chart 2**). Credit scoring criteria for granting both credit card and other unsecured loans were reported to have tightened again in Q3, while the proportion of unsecured credit applications being approved fell significantly.

- The overall availability of credit to the corporate sector was reported to have been unchanged again in Q3.

Demand

- Lenders reported that overall demand for secured lending for house purchase fell slightly in Q3. This was driven by a slight fall in demand for prime lending. Lenders expected total demand for secured lending for house purchase to be unchanged in Q4.

- Demand for both credit card and other unsecured lending products was reported to be unchanged in Q3, and was expected to be unchanged again in Q4.

- Lenders reported a fall in demand for corporate lending for businesses of all sizes — and small businesses in particular (**Chart 3**). Demand from all businesses was expected to be unchanged in Q4.

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 Q3 and were expected to do so again in Q4 (**Chart 4**). This was the case for spreads on both buy-to-let and prime lending.

- Lenders reported that overall unsecured lending spreads were unchanged in Q3. The length of interest free period for balance transfers on new credit card lending decreased slightly in Q3 — the first reported reduction since this question was first asked in 2015 Q1 — and was expected to be unchanged in Q4. The length of interest free period for purchases on new credit card lending was reported to have increased slightly in Q3.

- Spreads on lending to businesses of all sizes widened in Q3 (**Chart 5**). They were expected to widen further on lending to small and large businesses in Q4.

Defaults

- Lenders reported that default rates on secured loans to households fell significantly in Q3, and expected these to fall further in Q4. Losses given default on secured loans to households increased in Q3, the first reported increase since 2016 Q1.

- Default rates on credit card lending were reported to have increased slightly in Q3, while those on other unsecured lending increased significantly (**Chart 6**). A further slight increase was expected for credit card lending only in Q4. Losses given default were reported to have increased slightly on credit card lending while remaining unchanged on other unsecured lending. Both were expected to be unchanged in Q4.

- Lenders reported that default rates on loans to businesses of all sizes remained unchanged in Q3. Losses given default on loans were reported to have increased for medium and large businesses in Q3, but were unchanged for small businesses.

Chart 1 Household secured credit availability(a)(b)

Net percentage balances(c)

(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?'.
(c) A positive balance indicates that more secured credit is available.

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

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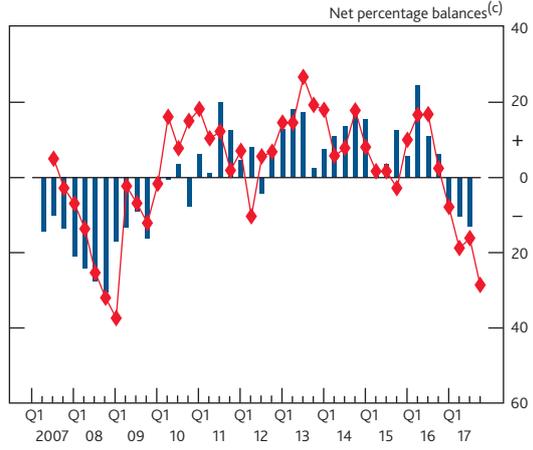
(a) See footnote (a) to **Chart 1**.
(b) Question: 'How has the availability of unsecured credit provided to households changed?'.
(c) A positive balance indicates that more unsecured credit is available.

Chart 3 Corporate demand for lending by firm size(a)(b)

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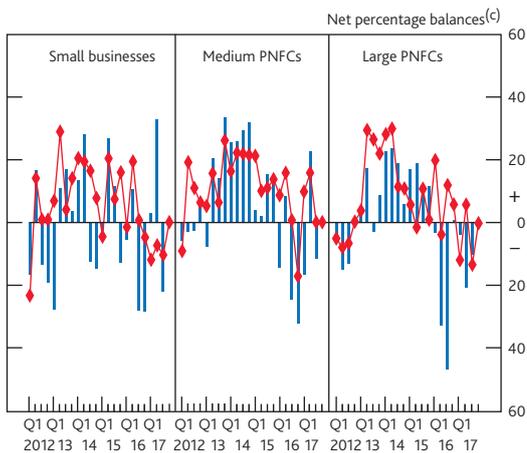
(a) See footnote (a) to **Chart 1**.
(b) Question: 'How has overall demand for lending from small businesses, medium PNFCs and large PNFCs changed?'.
(c) A positive balance indicates an increase in demand.

Chart 4 Spreads on secured lending to households(a)(b)(c)
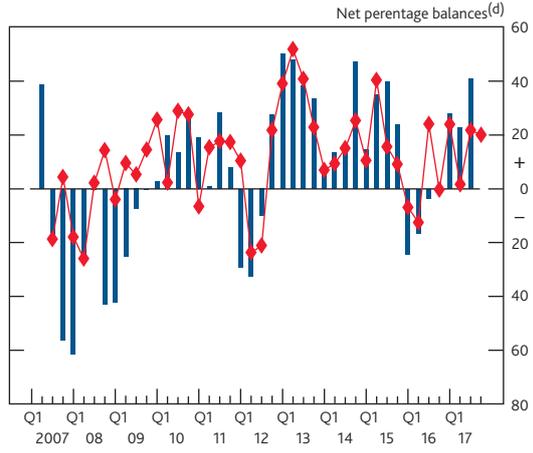
Net perentage balances(d)

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

Chart 5 Spreads on lending to corporates by firm size(a)(b)(c)
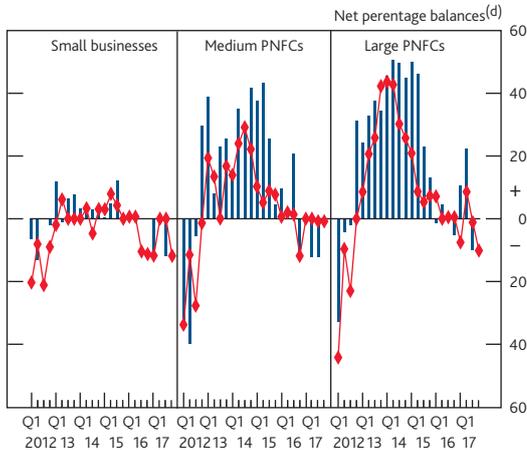
Net perentage balances(d)

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

Chart 6 Default rates on unsecured lending to households(a)(b)

Net percentage balances(c)
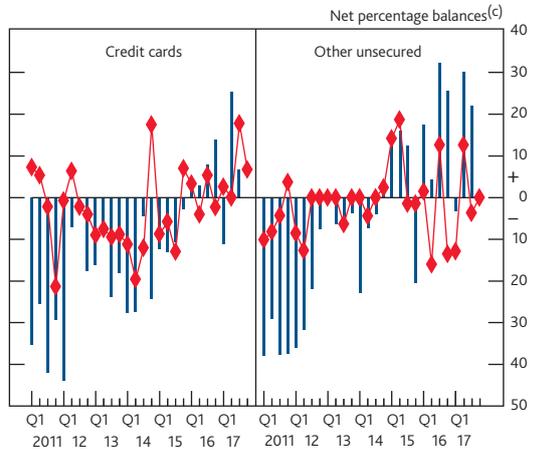
(a) See footnote (a) to **Chart 1**.
(b) Question: 'How has the default rate on credit card/other unsecured loans to households changed?'.
(c) A positive balance indicates an increase in the default rate.

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]											
		2014	2015				2016				2017		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
How has the availability of secured credit	Past three months	7.8	-4.1	8.8	15.5	5.4	-3.4	-5.4	-1.8	-3.9	3.6	10.0	7.2
provided to households changed?	Next three months	1.5	8.5	7.5	15.2	14.6	16.3	4.6	4.1	8.7	13.4	-7.5	-1.7
Factors contributing to changes in													
credit availability:[b]													
changing economic outlook	Past three months	0.0	0.0	0.0	2.2	0.0	-1.2	0.0	-4.5	-0.1	2.0	-1.9	-2.0
	Next three months	0.0	0.0	2.2	0.0	0.0	5.9	-8.7	-3.8	-1.6	6.6	-1.9	0.0
market share objectives	Past three months	4.3	5.2	7.4	5.5	9.1	2.7	14.5	11.2	21.7	7.4	15.1	19.5
	Next three months	11.9	6.4	9.8	12.4	11.1	14.7	13.8	18.3	13.7	24.1	19.9	8.5
changing appetite for risk	Past three months	0.0	0.0	9.3	1.2	2.4	-1.9	-7.6	-3.3	3.4	0.0	-2.5	0.0
	Next three months	1.5	8.9	1.7	3.6	8.7	0.7	-7.3	1.5	4.2	0.0	-7.7	5.7
tight wholesale funding conditions	Past three months	-2.2	0.0	2.1	0.0	4.9	0.0	0.0	-1.9	-1.6	-2.3	0.0	0.0
	Next three months	2.2	0.0	-4.9	-2.2	0.8	-11.0	-2.1	5.2	0.0	0.0	0.0	0.0
expectations for house prices	Past three months	1.5	0.0	1.7	0.0	21.3	13.1	14.1	-4.5	1.5	0.0	5.3	-2.0
	Next three months	3.6	0.0	1.7	0.0	21.3	13.1	5.5	-8.3	7.9	-2.0	-2.8	0.0
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	0.7	-6.8	15.0	6.4	3.5	3.6	0.8	-0.8	2.8	2.6	1.1	6.6
(75% or less)	Next three months	1.5	16.3	0.8	7.8	7.4	-1.2	-0.8	3.4	0.0	13.6	4.4	-2.5
Borrowers with high loan to value ratios	Past three months	0.4	-2.4	11.4	16.4	1.5	6.4	-3.8	-1.1	-5.2	1.0	4.7	-5.6
(more than 75%)	Next three months	3.6	-0.1	1.8	2.6	3.4	1.6	7.9	0.6	6.4	8.9	-7.9	6.8
Have you become more willing to lend to	Past three months	-18.9	9.0	-1.2	1.8	7.7	-0.8	19.5	2.4	-0.4	-14.6	3.2	-4.1
borrowers with housing equity less than 10%	Next three months	0.0	0.0	11.5	10.3	5.8	12.2	7.0	3.1	-1.8	0.4	-13.0	-1.5
of the value of their home?													

		Net percentage balances[a]											
		2014	2015				2016				2017		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
How have credit scoring criteria for granting loan applications by households changed?	Past three months	0.0	2.0	8.4	3.1	0.6	-0.5	-6.6	-8.3	0.3	-1.7	9.0	-2.1
	Next three months	1.7	1.9	3.7	-4.8	1.2	9.5	3.6	0.4	0.7	13.6	-7.7	-12.0
How has the proportion of household loan applications being approved changed?	Past three months	-9.4	-1.0	13.0	9.2	-10.4	2.6	0.1	-10.2	-2.3	-1.4	18.5	-5.3
	Next three months	5.2	11.8	5.8	-0.7	12.4	0.7	5.5	0.3	-7.7	22.1	-4.1	-3.0
How has the average credit quality of new secured lending to households changed?	Past three months	-1.4	-1.4	-3.0	0.7	4.6	-4.9	-7.8	3.6	-5.4	1.6	3.5	0.9
	Next three months	-2.1	9.9	10.4	2.6	0.9	-8.0	10.7	-1.9	0.0	-5.9	1.9	0.0
How has the default rate on secured loans to households changed?	Past three months	-33.8	-34.6	-17.3	-15.5	-22.4	-16.2	-17.2	-15.0	-13.7	2.7	-23.2	-21.7
	Next three months	-20.3	-11.0	-14.1	-14.6	-6.4	-8.6	-15.2	-11.6	-1.1	-2.8	-9.6	-19.7
How have losses given default on secured loans to households changed?	Past three months	-15.2	-33.9	-24.5	-33.1	-24.0	6.0	-19.5	-0.2	-20.5	-7.3	-4.5	16.2
	Next three months	-5.9	20.1	-10.0	-14.9	-18.8	-3.3	-16.3	5.0	-0.7	-12.8	7.6	0.4
How has demand for secured lending for house purchase from households changed?	Past three months	-46.1	-40.8	32.1	23.3	7.9	12.2	21.5	-44.0	5.7	-15.3	2.4	-6.0
	Next three months	6.3	17.5	15.9	3.1	11.0	7.2	6.4	18.2	3.3	15.5	15.8	-1.0
of which: demand for prime lending	Past three months	-38.8	-44.3	31.3	15.4	-7.7	12.5	20.4	-42.5	6.5	-6.7	10.6	-6.2
	Next three months	6.3	16.8	15.9	17.1	1.0	7.5	9.9	11.0	4.2	16.1	6.6	-2.0
of which: demand for buy-to-let lending	Past three months	-30.0	-15.8	22.2	43.4	21.6	7.6	-7.7	-63.8	34.7	-39.9	-25.0	3.3
	Next three months	1.5	3.6	16.9	-10.3	29.7	-24.3	-16.6	7.8	-14.2	-4.6	10.4	-12.3
How has demand for secured lending for remortgaging from households changed?	Past three months	-19.1	-26.8	11.9	17.5	13.8	15.0	4.8	-11.6	32.2	-0.3	-5.9	16.2
	Next three months	10.1	8.3	11.2	15.7	-0.2	13.3	10.7	14.0	3.9	19.6	3.6	4.7
How have overall secured lending spreads changed?	Past three months	47.0	14.4	35.0	39.7	23.8	-24.3	-16.7	-3.7	-1.0	28.0	22.5	41.0
	Next three months	10.5	40.3	15.6	9.1	-6.9	-12.5	24.0	-0.4	24.0	1.6	21.7	20.0
of which: spreads on prime lending	Past three months	47.0	14.4	35.0	41.3	24.7	-18.6	-16.7	-5.8	1.0	28.4	22.8	41.0
	Next three months	10.5	38.4	15.6	9.8	-6.9	-12.5	22.5	-0.3	24.6	1.7	22.0	20.0
of which: spreads on buy-to-let lending	Past three months	28.1	-10.4	10.2	35.7	20.5	-24.1	-14.1	-18.1	-9.2	35.4	29.6	41.0
	Next three months	11.5	17.4	21.1	17.1	-6.4	-9.1	25.5	-2.5	35.3	13.0	13.7	20.0
How have fees on secured lending changed?	Past three months	17.5	9.8	6.4	0.0	0.0	1.6	9.3	0.0	-2.2	1.6	0.0	-9.5
	Next three months	0.7	7.0	0.0	0.0	0.0	0.7	0.0	1.5	2.2	2.1	0.0	0.7
How have maximum loan to value ratios changed?	Past three months	-0.7	11.0	0.8	0.7	8.0	0.0	1.6	1.6	1.9	1.6	-1.6	1.7
	Next three months	0.0	-4.0	-0.8	1.9	1.5	2.3	0.7	-2.7	4.8	-1.6	0.0	-1.7
How have maximum loan to income ratios changed?	Past three months	-22.0	-18.5	-0.3	6.1	-3.3	-1.9	-5.1	1.4	-0.8	9.1	-5.3	-4.1
	Next three months	-5.1	-9.0	6.0	-0.7	-7.5	0.0	2.1	1.9	1.8	-5.3	0.0	-8.7

(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.

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		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
How has the availability of unsecured credit	Past three months	16.7	15.4	2.6	3.5	12.5	5.6	24.5	11.0	6.2	-6.6	-10.3	-13.0
provided to households changed?	Next three months	8.0	1.6	1.6	-2.8	10.0	16.6	16.7	2.4	-7.9	-18.8	-16.2	-28.6
Factors contributing to changes in credit availability:[b]													
changing economic outlook	Past three months	1.4	0.0	0.0	0.0	0.0	0.5	0.0	-0.7	-1.9	-10.6	0.0	-1.4
	Next three months	1.4	0.0	0.0	0.0	0.0	0.0	0.0	-0.9	-8.4	-8.8	-11.6	-6.8
market share objectives	Past three months	6.3	13.1	-1.6	19.0	5.9	1.4	-0.4	-1.5	4.1	1.7	0.1	9.2
	Next three months	25.8	15.7	8.5	7.7	11.9	4.5	4.0	2.2	3.7	0.2	-0.3	0.0
changing appetite for risk	Past three months	12.2	5.8	1.3	0.2	7.4	0.5	0.4	0.0	-0.5	-2.1	-10.8	-2.8
	Next three months	6.0	1.3	0.8	1.1	4.4	6.0	0.0	-0.5	-0.2	-0.7	-7.0	-10.1
changing cost/availability of funds	Past three months	0.0	0.0	0.0	0.0	0.4	0.3	-0.5	0.0	0.5	0.5	-0.8	0.0
	Next three months	11.6	0.0	0.0	-5.1	1.1	0.0	9.3	-0.5	0.0	0.5	-0.8	0.0
How have credit scoring criteria for granting	Past three months	19.2	27.2	1.1	1.4	1.0	-5.0	10.9	5.0	-19.2	-11.8	-20.4	-11.4
credit card loan applications by households changed?	Next three months	2.9	9.9	-0.4	-28.1	-6.0	17.3	6.5	0.0	-11.2	-32.7	-9.9	-6.1
How have credit scoring criteria for granting	Past three months	29.8	0.0	6.5	7.8	17.0	22.7	21.6	11.6	14.9	-10.3	-18.5	-19.7
other unsecured loan applications by households changed?	Next three months	15.7	6.3	6.5	0.3	20.9	8.9	11.9	9.5	-4.4	-4.5	-24.0	-27.2
How have credit scoring criteria for granting	Past three months	21.1	22.2	2.1	2.8	3.9	0.2	12.9	6.2	-12.7	-11.5	-20.0	-13.0
total unsecured loan applications by households changed?	Next three months	5.2	9.2	0.9	-23.0	-1.1	15.8	7.5	1.8	-9.9	-27.2	-12.7	-10.0
How has the proportion of credit card loan	Past three months	11.9	-11.0	-5.4	-3.0	-20.1	-10.0	6.4	2.7	-5.8	-13.4	16.3	-21.3
applications from households being approved changed?	Next three months	2.1	16.4	12.7	-10.7	12.2	33.2	17.3	2.5	1.2	3.1	-6.8	-15.0
How has the proportion of other unsecured	Past three months	18.9	9.5	-2.3	18.3	-2.0	7.1	13.5	5.5	4.2	17.1	-9.4	-20.4
loan applications from households being approved changed?	Next three months	15.7	3.6	8.0	14.1	15.8	26.2	11.9	13.7	12.9	-4.5	-21.3	-22.8
How has the proportion of total unsecured	Past three months	13.2	-7.3	-4.8	0.9	-16.8	-6.8	7.7	3.2	-3.9	-7.6	11.3	-21.2
loan applications from households being approved changed?	Next three months	4.5	14.1	11.8	-6.3	12.8	31.9	16.3	4.6	3.4	1.6	-9.6	-16.4
How has the average credit quality of new	Past three months	-20.6	-18.3	7.2	-23.3	-15.5	-11.2	0.1	-20.6	5.5	-0.2	-0.5	-7.7
credit card lending to households changed?[c]	Next three months	6.0	-1.1	1.1	-0.4	35.0	-16.8	-2.5	3.3	-4.7	2.7	4.6	0.9
How has the average credit quality of new other	Past three months	3.8	12.8	4.6	15.3	-13.5	4.0	7.0	-5.0	25.5	1.4	19.6	-0.5
unsecured lending to households changed?[c]	Next three months	3.8	1.1	0.0	0.0	1.7	5.5	1.3	6.6	11.7	1.9	13.9	26.6
How has the average credit quality of new total	Past three months	-16.2	-12.6	6.7	-16.3	-15.1	-8.4	1.4	-17.7	9.3	0.1	3.4	-6.3
unsecured lending to households changed?[c]	Next three months	5.6	-0.7	0.9	-0.4	28.7	-12.6	-1.8	3.9	-1.6	2.6	6.5	5.7

		Net percentage balances[a]											
		2014	2015				2016				2017		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
How has the default rate on credit card loans to households changed?	Past three months	-24.3	-12.4	-13.0	-10.6	-2.7	2.2	2.9	7.7	13.9	-11.2	25.4	6.7
	Next three months	-8.7	-5.8	-13.0	6.9	3.3	-4.1	5.4	-2.4	2.5	0.0	17.7	6.7
How has the default rate on other unsecured loans to households changed?	Past three months	1.8	12.4	16.0	12.4	-20.3	17.5	4.4	32.3	25.5	-3.3	30.3	21.9
	Next three months	14.2	18.6	-1.5	-1.5	1.5	-16.0	12.6	-13.5	-12.9	12.6	-3.7	0.0
How has the default rate on total unsecured loans to households changed?	Past three months	-19.6	-7.8	-7.6	-6.5	-6.0	5.0	3.2	12.4	16.1	-9.6	26.4	9.5
	Next three months	-4.6	-1.3	-10.8	5.4	2.9	-6.3	6.7	-4.5	-0.4	2.4	13.6	5.5
How have losses given default on credit card loans to households changed?	Past three months	22.8	13.9	-12.4	-14.7	-17.1	-22.4	-10.9	-0.8	-17.0	-11.9	0.0	7.4
	Next three months	-0.7	-12.4	-0.6	-27.8	-12.3	-10.8	-10.9	0.0	-22.4	-10.9	0.0	1.2
How have losses given default on other unsecured loans to households changed?	Past three months	5.0	0.0	-5.0	-8.0	-11.0	0.0	0.0	3.7	6.6	1.1	-2.8	0.0
	Next three months	0.0	-6.3	-6.5	-12.8	-1.4	0.0	-7.0	2.6	0.0	0.0	-2.3	0.0
How have losses given default on total unsecured loans to households changed?	Past three months	19.6	11.3	-11.0	-13.5	-16.0	-18.2	-8.9	0.1	-12.5	-9.4	-0.5	6.0
	Next three months	-0.6	-11.3	-1.7	-25.1	-10.2	-8.8	-10.2	0.5	-18.1	-8.8	-0.5	1.0
How has demand for credit card lending from households changed?	Past three months	58.3	-7.7	4.2	17.0	-28.5	1.5	10.7	15.1	13.1	-4.5	7.2	1.9
	Next three months	35.4	0.3	13.1	2.2	38.7	3.5	17.3	8.6	4.3	6.4	-4.2	-0.5
How has demand for other unsecured lending from households changed?	Past three months	38.7	-5.4	5.7	35.7	31.3	24.0	26.9	5.2	12.0	5.0	18.0	-3.2
	Next three months	14.0	11.4	9.0	12.8	18.2	19.3	1.3	18.1	8.7	-7.1	-4.3	-0.7
How has demand for total unsecured lending from households changed?	Past three months	54.8	-7.2	4.5	20.4	-17.3	5.7	13.7	12.2	12.9	-2.7	9.3	0.9
	Next three months	31.6	2.4	12.3	4.5	34.8	6.4	14.3	10.4	5.2	3.8	-4.2	-0.5
How have spreads on credit cards changed?	Past three months	-5.7	0.0	0.4	11.8	1.6	-17.8	-4.7	-1.1	7.0	6.3	-15.1	5.4
	Next three months	-1.0	1.1	0.0	0.0	1.0	0.0	-10.4	-7.0	17.8	1.0	1.1	0.0
How have spreads on other unsecured lending products changed?	Past three months	51.7	36.7	16.7	43.3	-22.8	-5.4	-17.3	-38.2	7.3	-7.0	21.4	-6.1
	Next three months	-2.9	33.4	23.9	-9.5	-6.4	-18.1	-24.1	30.9	6.3	-8.0	8.6	23.3
How have overall unsecured lending spreads changed?	Past three months	4.6	6.4	3.3	17.2	-2.1	-15.6	-6.9	-8.1	7.1	3.7	-8.0	3.3
	Next three months	-1.3	6.7	4.2	-1.6	-0.1	-3.0	-12.9	0.2	15.9	-0.6	2.5	4.0
How have credit card limits changed?	Past three months	-12.5	-5.9	-15.2	11.2	13.9	0.6	12.4	22.5	-1.6	2.3	12.0	1.0
	Next three months	8.8	6.6	9.3	3.2	12.9	17.4	10.9	3.3	6.4	1.4	-7.0	-16.8
How has the minimum proportion of credit card balances to be paid changed?	Past three months	0.0	0.0	-1.1	-1.6	-2.5	2.3	1.0	7.7	11.4	3.2	0.0	3.2
	Next three months	0.0	0.0	-12.5	-2.0	-2.8	0.6	0.0	7.7	3.3	-7.7	-10.9	0.0
How have the following terms on new credit card lending to households changed?													
Length of interest free period on balance transfers	Past three months	n.a.**	31.1	20.4	0.7	21.0	1.1	7.9	13.3	2.1	16.9	28.5	-9.6
	Next three months	n.a.**	28.5	1.2	1.3	1.1	8.8	2.2	18.3	15.5	29.3	-13.7	0.9
Length of interest free period for purchases	Past three months	n.a.**	0.0	7.7	13.5	11.1	1.7	12.6	0.0	7.7	16.9	35.0	8.4
	Next three months	n.a.**	-5.6	1.2	-1.1	0.0	13.6	-2.8	3.9	0.2	16.9	0.0	-3.3
How have maximum maturities on loans changed?[d]	Past three months	5.1	0.0	0.0	-2.3	4.4	0.0	0.0	0.0	0.0	-3.7	3.5	0.0
	Next three months	5.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.8	2.6	0.0	5.1

** Additional question not asked in survey.

(a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question by their market shares. Positive balances indicate that lenders, on balance, reported/expected demand/credit availability/defaults to be higher than over the previous/current three-month period, or that the terms and conditions on which credit was provided became cheaper or looser respectively.
(b) A positive balance indicates that the changes in the factors described have served to increase credit availability/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		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
How has the availability of credit provided to	Past three months	2.0	0.6	0.6	1.4	-0.1	3.2	1.2	0.0	-1.8	1.0	0.9	2.0
the corporate sector overall changed?	Next three months	3.6	1.5	9.6	1.4	2.4	0.2	0.0	0.0	0.2	1.0	0.9	0.0
of which: commercial real estate sector	Past three months	3.9	6.7	2.7	1.4	2.2	4.6	-11.5	-0.7	-0.9	0.0	0.0	0.0
	Next three months	3.9	3.6	9.7	0.8	3.4	1.3	-10.7	0.0	0.0	0.0	0.0	0.0
How have commercial property prices affected	Past three months	22.4	0.6	0.6	1.7	0.6	2.0	-10.9	-12.1	-12.4	0.0	0.0	0.0
credit availability to the commercial real estate sector, and/or secured lending to PNFCs?	Next three months	3.7	-3.9	0.0	1.1	0.6	1.1	-10.9	-12.1	-12.9	0.0	-9.6	0.0
Factors contributing to changes in credit availability:[b]													
changing economic outlook	Past three months	4.2	0.6	0.6	0.6	0.6	9.0	0.0	-2.5	0.0	0.0	0.0	0.0
	Next three months	-17.9	0.0	6.9	-1.0	8.6	6.6	-8.3	0.0	8.4	2.0	2.2	2.4
changing sector-specific risks	Past three months	6.1	0.0	0.0	0.1	1.2	3.5	-8.8	-0.5	0.8	1.4	0.0	2.2
	Next three months	-1.5	5.4	1.5	-1.3	1.2	2.5	-7.1	0.7	10.0	3.3	1.5	1.8
market share objectives	Past three months	8.1	7.1	13.5	0.4	0.0	0.6	0.0	0.0	-1.8	0.0	0.0	1.0
	Next three months	8.1	8.6	3.8	0.0	0.6	0.6	0.0	0.0	1.5	0.0	0.0	1.7
market pressures from capital markets	Past three months	8.1	0.6	-1.7	-0.4	-0.4	1.3	2.4	0.0	0.0	0.0	0.0	0.8
	Next three months	0.0	0.0	-2.4	0.0	-0.4	0.0	1.2	0.0	-1.3	0.7	0.7	0.8
changing appetite for risk	Past three months	13.1	0.0	0.0	1.4	-1.4	3.8	0.0	0.1	0.0	1.0	0.9	0.0
	Next three months	0.9	3.7	1.4	0.0	1.1	0.9	1.3	0.0	-2.0	1.7	2.4	1.6
tight wholesale funding conditions	Past three months	0.0	1.3	0.0	0.0	-0.7	0.0	0.0	0.0	0.7	0.0	0.0	0.8
	Next three months	0.0	1.3	0.0	0.0	-0.7	0.0	0.0	0.0	0.8	0.0	0.0	0.8
How has the availability of credit provided to	Past three months	0.0	0.0	19.0	5.2	1.4	1.4	0.0	0.0	0.0	0.0	1.3	0.0
small businesses changed?	Next three months	-11.8	21.0	13.9	23.6	2.1	1.4	0.0	0.0	0.0	1.4	1.3	0.0
How has the availability of credit provided to	Past three months	0.6	0.6	-0.7	1.5	1.4	3.4	0.0	0.0	0.0	0.0	0.0	0.0
medium PNFCs changed?	Next three months	4.3	0.6	3.4	1.5	4.2	-6.8	0.0	0.0	0.0	0.0	0.0	0.0
How has the availability of credit provided to	Past three months	14.9	12.0	-1.4	0.0	-1.4	-1.3	1.2	-1.1	-1.8	1.0	1.0	0.8
large PNFCs changed?	Next three months	3.5	-0.1	2.7	0.0	2.5	2.4	0.0	0.0	0.2	1.0	1.0	0.8
How has the proportion of loan applications	Past three months	-0.7	-11.1	26.6	44.2	19.9	10.6	-0.7	-4.8	0.0	10.0	0.0	0.0
from small businesses being approved changed?	Next three months	2.4	7.0	3.6	13.3	12.7	12.0	0.7	-4.8	-10.3	1.4	0.0	0.0
How has the proportion of loan applications	Past three months	-1.2	-0.5	-0.4	8.3	0.0	-0.7	-0.7	-4.8	0.0	0.0	-0.8	0.0
from medium PNFCs being approved changed?	Next three months	1.2	1.2	1.2	0.0	0.9	0.7	1.4	-4.8	0.0	0.0	-9.1	9.8
How has the proportion of loan applications	Past three months	-0.8	-0.7	6.4	0.6	0.0	-1.7	-0.6	-4.6	0.5	2.0	1.9	-1.4
from large PNFCs being approved changed?	Next three months	-0.2	-0.1	18.0	0.0	0.8	-1.7	0.6	-3.3	-0.8	0.0	-9.3	0.0

		Net percentage balances[a]											
		2014	2015				2016				2017		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Has there been a change in average credit quality on newly arranged PNFC borrowing facilities?[c]	Past three months	6.6	-7.7	-9.2	0.0	10.5	0.0	0.0	0.0	0.0	0.0	-0.9	0.0
	Next three months	0.0	-1.1	-1.3	0.0	0.0	-1.1	0.0	0.0	0.0	10.9	0.0	0.0
Has there been any change in 'target hold' levels associated with corporate lending?	Past three months	-13.8	-6.6	0.0	-0.6	1.0	1.1	0.0	0.0	1.8	-0.9	-1.3	0.0
	Next three months	-0.6	-0.6	-1.9	0.0	-0.6	0.0	0.0	0.0	1.8	-0.9	-2.2	0.0
How have loan tenors on new corporate loans changed?[d]	Past three months	2.9	-0.7	11.5	11.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	-0.2	11.3	11.5	10.1	0.1	0.0	0.0	0.0	0.0	1.2	0.0	0.0
Has there been a change in draw-downs on committed lines by PNFCs?	Past three months	-1.0	-0.1	-0.1	1.5	2.0	0.0	-24.5	0.0	0.0	0.0	0.0	-0.8
	Next three months	-0.8	0.6	0.6	1.0	1.4	0.0	-0.7	0.0	0.0	0.0	0.0	-0.8
How has the default rate on loans to small businesses changed?	Past three months	-33.8	-10.3	-34.8	-19.7	-23.6	-26.9	-21.0	-1.8	9.6	-11.0	-11.1	0.0
	Next three months	-10.8	-10.8	-15.1	-4.4	-11.3	-11.2	-11.1	-11.3	11.7	0.0	11.7	11.8
How has the default rate on loans to medium PNFCs changed?	Past three months	-11.9	-11.2	-7.3	-1.9	-11.0	4.5	0.0	0.0	11.3	-3.1	-26.3	0.0
	Next three months	-1.4	-0.8	-3.4	-0.6	11.5	0.0	0.0	0.0	0.0	1.7	11.5	11.6
How has the default rate on loans to large PNFCs changed?	Past three months	-15.1	-20.0	-12.2	1.5	1.0	2.7	0.0	0.0	0.0	9.8	-5.5	-1.5
	Next three months	-13.6	0.0	-4.0	7.3	12.9	13.8	1.2	0.0	0.0	0.0	10.9	9.4
How has losses given default on loans to small businesses changed?	Past three months	-3.0	-3.5	-19.3	-14.6	-13.5	-11.9	-11.1	-11.3	0.0	0.0	-9.1	0.0
	Next three months	-3.0	-2.9	-7.1	-12.8	-12.5	-11.2	-11.1	-11.3	0.0	0.0	0.0	0.0
How have losses given default on loans to medium PNFCs changed?	Past three months	-17.6	-16.7	-17.3	-14.1	9.1	-0.7	0.0	0.0	0.0	0.0	0.0	10.1
	Next three months	-2.3	0.0	-4.1	0.0	-1.7	0.0	0.0	0.0	0.0	0.0	0.0	10.1
How have losses given default on loans to large PNFCs changed?	Past three months	-16.8	-14.0	-18.3	-10.9	-0.6	0.7	0.0	0.0	0.0	0.0	0.0	9.3
	Next three months	-2.4	0.0	-4.1	0.0	-0.6	1.3	0.0	0.0	0.0	0.0	0.0	9.3
How has demand for credit card lending from small businesses changed?	Past three months	2.3	23.1	22.7	41.8	2.8	-1.0	27.6	-2.7	-3.3	-17.0	-18.0	-28.9
	Next three months	8.5	8.4	8.1	9.7	6.7	34.8	-12.9	18.1	6.9	6.8	-0.1	0.0
How has demand for other unsecured lending from small businesses changed?	Past three months	0.0	-7.5	19.6	-11.0	12.4	19.4	-1.1	-15.4	-39.6	-4.0	12.0	-6.5
	Next three months	-7.5	13.5	3.5	32.4	-4.6	-6.7	-1.1	-11.5	-12.5	4.5	-11.8	1.6
How has demand for total unsecured lending from small businesses changed?	Past three months	1.9	17.2	22.1	32.1	4.9	3.4	22.0	-4.7	-9.7	-14.1	-12.3	-24.6
	Next three months	5.5	9.3	7.2	15.2	4.7	24.4	-10.6	10.9	4.1	6.2	-2.6	0.3
How has demand for secured lending from small businesses changed?	Past three months	12.9	-13.6	19.2	-6.6	-12.2	-4.2	3.0	-17.5	-44.8	-3.5	38.6	-4.2
	Next three months	-6.8	18.9	5.3	2.3	-7.2	10.9	11.1	-11.7	-12.1	0.0	-23.4	8.6
How has overall demand for lending from small businesses changed?	Past three months	-14.6	-2.5	27.0	11.5	-12.8	-5.5	10.5	-28.0	-28.6	3.1	32.9	-22.0
	Next three months	-4.6	20.4	7.4	16.0	-1.5	19.4	0.7	-4.8	-11.9	-7.3	-10.4	0.0
How has demand for lending from medium PNFCs changed?	Past three months	31.8	4.1	2.2	15.5	12.3	-14.4	8.5	-24.5	-32.4	-16.7	22.7	-11.6
	Next three months	21.2	10.0	10.9	13.7	8.7	15.8	0.7	-17.2	9.8	15.8	0.0	0.0
How has demand for lending from large PNFCs changed?	Past three months	5.8	17.0	19.1	10.3	11.7	-3.3	-32.8	-46.8	0.6	-3.9	-20.9	-10.3
	Next three months	5.6	-1.6	10.7	0.9	19.8	-3.9	11.8	5.7	-12.1	5.6	-13.5	-0.3

		Net percentage balances[a]											
		2014	2015				2016				2017		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
How has demand for lending from OFCs changed?	Past three months	0.0	0.0	27.4	39.9	26.1	17.6	0.0	8.8	34.8	9.2	0.8	0.9
	Next three months	27.2	27.4	18.0	26.0	21.3	12.6	0.0	8.8	9.0	9.2	0.0	0.0
What have been the main factors contributing to changes in demand for lending:[b]													
mergers and acquisitions	Past three months	43.2	10.3	16.0	12.4	32.3	-12.6	-7.2	-22.8	12.6	11.5	-6.3	21.9
	Next three months	7.2	17.7	7.3	9.2	18.8	-16.6	-11.1	5.1	0.1	2.7	10.9	10.7
capital investment	Past three months	5.0	11.7	0.1	9.2	11.2	-0.7	7.8	-7.0	-31.6	-20.4	-10.9	-12.4
	Next three months	3.9	1.1	10.5	0.0	0.6	-4.9	0.0	-6.0	-2.6	11.5	-10.9	-11.0
inventory finance	Past three months	-0.9	-4.2	-1.4	16.3	1.6	-0.2	0.0	-7.0	-0.8	-8.6	-7.9	0.8
	Next three months	0.0	0.0	0.0	12.9	0.6	0.0	0.0	-6.0	0.0	-7.8	-7.7	0.0
balance sheet restructuring	Past three months	4.5	6.0	-1.0	-1.1	1.7	-4.7	-0.8	-17.5	0.0	0.0	8.7	0.0
	Next three months	4.5	7.1	-1.0	0.0	8.6	1.1	1.5	4.4	-0.8	0.0	0.0	0.0
commercial real estate	Past three months	30.0	32.4	11.2	7.5	15.2	15.5	-33.2	-33.1	-23.3	1.7	9.7	-10.0
	Next three months	15.6	10.1	17.4	10.9	15.2	0.9	-5.1	-10.3	-11.1	0.8	-11.2	-11.6
How have spreads on loans to small businesses changed?	Past three months	3.0	0.6	4.9	12.1	-1.4	0.7	0.0	0.0	0.0	-11.7	0.0	-11.8
	Next three months	3.0	7.9	4.2	0.0	0.6	0.7	-10.5	-11.3	-11.7	0.0	0.0	-11.8
How have fees/commissions on loans to small businesses changed?	Past three months	13.0	12.8	0.0	9.8	12.0	12.6	11.1	0.0	0.0	0.0	0.0	1.4
	Next three months	0.0	0.0	0.0	0.0	12.0	0.7	0.0	0.0	0.0	-11.7	1.3	13.2
How have collateral requirements for loans to small businesses changed?	Past three months	0.0	0.0	0.0	0.0	7.9	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	0.6	0.8	0.6	0.7	0.7	0.7	0.0	0.0	0.0	0.0	0.0	11.8
	Next three months	0.0	0.0	0.0	0.0	0.7	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	5.1	5.3	0.0	0.0	0.0	0.8	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 spreads on loans to medium PNFCs changed?	Past three months	41.7	37.5	43.4	25.7	4.5	9.6	0.9	20.8	-11.7	0.0	-12.2	-12.3
	Next three months	10.3	5.2	8.9	7.7	0.6	2.0	1.4	-11.8	0.0	0.0	-0.8	-0.9
How have fees/commissions on loans to medium PNFCs changed?	Past three months	37.4	22.1	28.2	12.1	4.6	9.6	5.5	9.5	0.0	0.0	-0.8	-0.9
	Next three months	9.3	5.2	8.3	0.0	12.0	2.0	1.4	0.0	0.0	-11.7	-0.8	-0.9
How have collateral requirements for loans to medium PNFCs changed?	Past three months	0.0	0.0	8.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	0.0	6.8	8.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.8	-0.9
How have maximum credit lines for medium PNFCs changed?	Past three months	0.0	6.8	8.3	8.7	8.2	10.0	0.0	0.0	8.9	0.0	-0.8	0.0
	Next three months	0.0	6.8	8.3	0.6	9.6	9.3	0.0	0.0	0.0	0.0	-0.8	0.0
How have loan covenants for medium PNFCs changed?	Past three months	11.8	10.8	12.3	11.5	0.0	0.7	9.2	9.5	0.0	0.0	-0.8	-0.9
	Next three months	0.9	10.8	9.0	0.0	0.0	0.0	9.2	0.0	0.0	0.0	-0.8	-0.9

		Net percentage balances[a]											
		2014	2015				2016				2017		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
How have spreads on loans to large PNFCs changed?	Past three months	45.0	50.0	46.3	23.0	13.1	-1.3	4.6	1.2	-5.3	10.7	22.4	-10.1
	Next three months	20.9	8.7	5.3	7.3	7.1	0.0	0.5	0.5	-7.5	8.6	-1.2	-10.1
How have fees/commissions on loans to large PNFCs changed?	Past three months	46.7	34.9	31.3	21.3	11.7	0.6	4.6	0.0	-6.5	9.3	11.7	1.4
	Next three months	21.3	8.7	1.3	8.4	8.5	1.9	1.3	0.0	-7.5	-2.5	0.2	10.8
How have collateral requirements for loans to large PNFCs changed?	Past three months	0.0	3.9	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	7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
How have maximum credit lines for large PNFCs changed?	Past three months	1.5	7.6	2.5	9.7	1.1	0.7	0.0	0.0	-0.8	1.0	0.0	0.0
	Next three months	0.9	7.8	2.5	7.6	8.4	0.0	0.0	0.0	0.0	1.0	0.0	-0.8
How have loan covenants for large PNFCs changed?	Past three months	43.4	23.8	29.2	12.4	11.7	0.6	0.0	1.1	1.8	0.7	11.7	9.2
	Next three months	8.4	12.6	2.5	1.5	9.1	0.0	0.0	1.1	1.8	0.7	11.7	9.2
How have spreads on loans to OFCs changed?	Past three months	39.5	26.3	27.9	32.5	29.9	-7.1	0.0	8.8	0.0	21.2	-0.8	-14.6
	Next three months	27.2	27.0	22.2	7.9	12.5	-21.2	0.0	-8.8	0.0	21.2	8.5	-14.6
How have fees/commissions on loans to OFCs changed?	Past three months	38.5	26.3	26.6	14.3	17.2	0.0	0.0	8.8	11.8	9.2	-0.8	-14.6
	Next three months	26.2	14.7	26.6	0.0	12.5	0.0	0.0	8.8	-9.0	-11.8	-0.8	-14.6
How have collateral requirements for loans to OFCs changed?	Past three months	0.0	-14.7	7.7	7.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-6.9
	Next three months	0.0	-14.7	0.0	7.9	0.0	9.5	0.0	0.0	0.0	0.0	0.0	-6.9
How have maximum credit lines for OFCs changed?	Past three months	18.9	13.5	32.8	20.6	17.2	4.0	27.0	-8.8	9.0	0.0	-0.8	1.8
	Next three months	18.9	25.8	25.2	7.9	0.0	4.0	18.0	-8.8	9.0	0.0	-0.8	1.8

(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.