

Credit Conditions Survey

Survey results | 2018 Q4



BANK OF ENGLAND





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Credit Conditions Survey

2018 Q4

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 2018 Q4 survey. It was conducted between 19 November and 7 December 2018.

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 2018 Q4 survey, and copies of the questionnaires are available on the Bank's website at www.bankofengland.co.uk/credit-conditions-survey/2018/2018-q4.

The 2019 Q1 *Credit Conditions Survey* will be published on 18 April 2019.



Credit Conditions Survey

2018 Q4

Supply

- Lenders reported that the availability of **secured credit to households** had decreased in the three months to end-November 2018 (Q4) and was expected to increase slightly over the next three months to end-February 2019 (Q1).
- The availability of **unsecured credit to households** was reported to have decreased in Q4 and was expected to decrease slightly in Q1 (**Chart 1**). Credit scoring criteria for total unsecured loan applications were reported to have tightened slightly in Q4, although the proportion of applications approved was unchanged.
- The overall availability of **credit to the corporate sector** was reported to have been unchanged in Q4. Within this, the availability of credit provided to medium businesses was reported to have fallen slightly in Q4, and was unchanged for small and large businesses. The overall availability of credit to the corporate sector was expected to remain unchanged in Q1.

Demand

- Lenders reported that demand for **secured lending for house purchase** decreased significantly in Q4, and was expected to decrease further in Q1. However, demand for secured lending for remortgaging increased slightly in Q4, but demand was expected to decrease slightly in Q1 (**Chart 2**).
- Overall demand for **unsecured lending** increased significantly again in Q4; this was solely driven by a significant increase in demand for credit card lending. However, lenders expected a significant decrease in the demand for credit card lending in Q1, with demand for other unsecured lending expected to be unchanged (**Chart 3**).
- Lenders reported a decrease in demand for **corporate lending** from small businesses in Q4, and expected demand to decrease slightly in Q1 (**Chart 4**). For medium PNFCs, demand for lending was reported to have increased slightly but was expected to decrease in the next quarter. Demand for corporate lending from large PNFCs was reported to have decreased in Q4 and was expected to decrease significantly in 2019 Q1.

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 2018 Q4 and were expected to narrow further in Q1 (**Chart 5**).
- Lenders reported that overall **unsecured lending** spreads narrowed slightly in Q4. Overall unsecured lending spreads were expected to remain unchanged in Q1. The length of interest-free periods for balance transfers and new purchases on new credit card lending both decreased significantly in Q4.
- Spreads on **lending to businesses** of all sizes were unchanged in Q4, and were expected to remain unchanged over the next three months.

Defaults

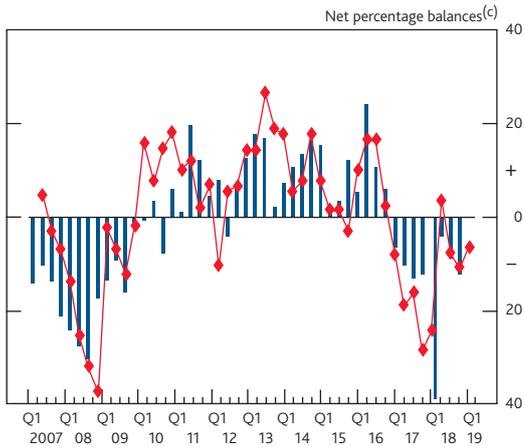
- Lenders reported that default rates on **secured loans to households** was unchanged in Q4, and expected these to decrease in Q1. Losses given default on secured loans were unchanged in Q4, and were expected to increase slightly over 2019 Q1.
- Default rates increased for **total unsecured lending** in Q4. This was driven by an increase in default rates on credit card loans (**Chart 6**). Lenders expected default rates for total unsecured lending to remain unchanged in Q1.
- Lenders reported that default rates on **loans to corporates** increased for small businesses in Q4, and increased slightly for medium-sized businesses while remaining unchanged for large businesses. However, losses given defaults were unchanged. Default rates were expected to be unchanged for small and large businesses in Q1, but were expected to increase for medium-sized businesses.

This report presents the results of the 2018 Q4 survey. It was conducted between 19 November and 7 December 2018. 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 .

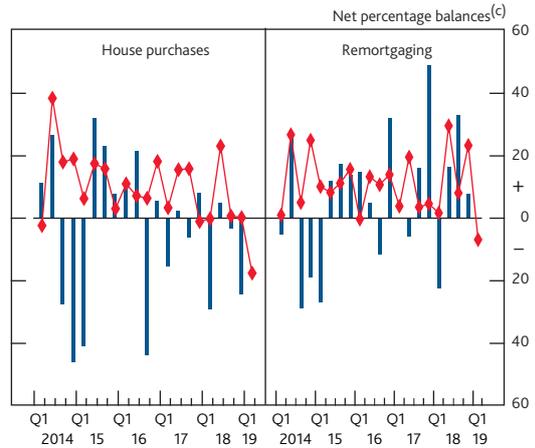
This report and copies of the questionnaires are available on the Bank's website at www.bankofengland.co.uk/credit-conditions-survey/2018/2018-q4.

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



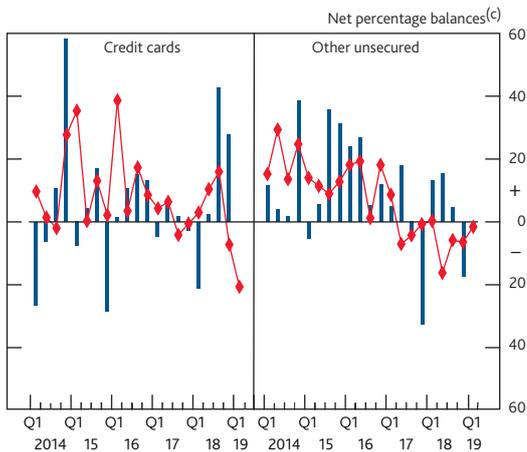
- (a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question. The blue bars show the responses over the previous three months. The red diamonds show the expectations over the next three months. Expectations balances have been moved forward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

Chart 2 Demand for secured lending for house purchases and remortgaging^{(a)(b)}



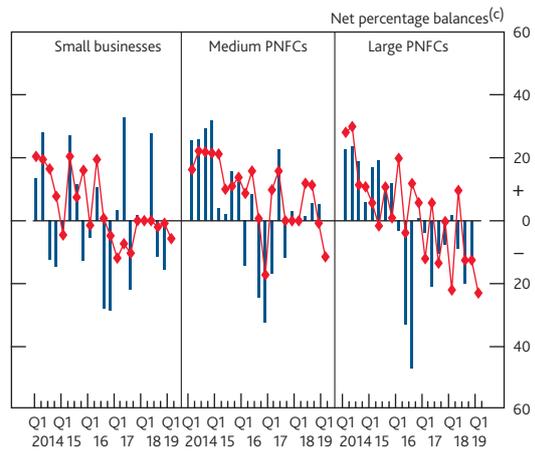
- (a) See footnote (a) to Chart 1.
- (b) Question: 'How has demand for secured lending for house purchase/remortgaging from households changed?'
- (c) A positive balance indicates an increase in demand.

Chart 3 Demand for unsecured lending by loan type^{(a)(b)}



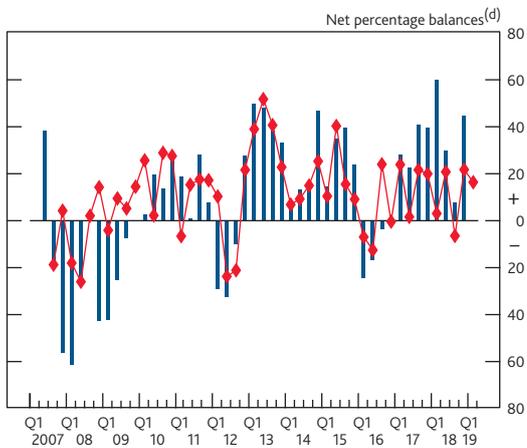
- (a) See footnote (a) to Chart 1.
- (b) Question: 'How has demand for credit card/other unsecured lending from households changed?'
- (c) A positive balance indicates an increase in demand.

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



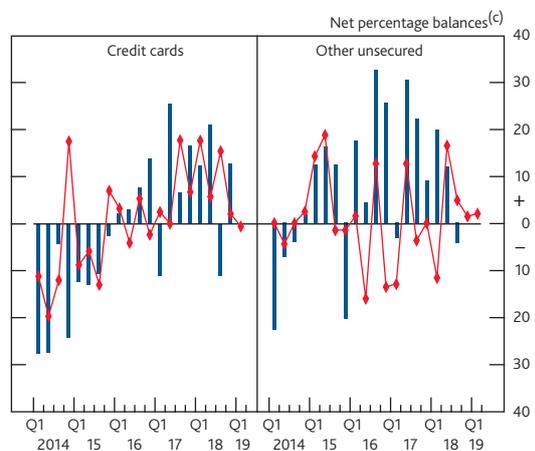
- (a) See footnote (a) to Chart 1.
- (b) Question: 'How has overall demand for lending from small businesses, medium PNFCs and large PNFCs changed?'
- (c) A positive balance indicates an increase in demand.

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 households to borrow.

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



- (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' or 'marked' 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/credit-conditions-survey/2018/2018-q4.

		Net percentage balances ^(a)											
		2016				2017				2018			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has the availability of secured credit provided to households changed?	Past three months	-3.4	-5.4	-1.8	-3.9	3.6	10.0	7.2	1.5	3.8	4.0	-10.8	-12.1
	Next three months	16.3	4.6	4.1	8.7	13.4	-7.5	-1.7	4.2	3.8	-4.1	-14.8	8.4
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	-1.2	0.0	-4.5	-0.1	2.0	-1.9	-2.0	-0.6	1.9	-0.8	0.7	-12.7
	Next three months	5.9	-8.7	-3.8	-1.6	6.6	-1.9	0.0	-3.3	-8.3	-2.4	-7.9	-7.7
market share objectives	Past three months	2.7	14.5	11.2	21.7	7.4	15.1	19.5	10.8	2.0	0.4	10.4	6.2
	Next three months	14.7	13.8	18.3	13.7	24.1	19.9	8.5	9.8	25.5	8.9	13.1	14.7
changing appetite for risk	Past three months	-1.9	-7.6	-3.3	3.4	0.0	-2.5	0.0	0.0	0.0	0.0	-5.0	-4.7
	Next three months	0.7	-7.3	1.5	4.2	0.0	-7.7	5.7	2.0	0.0	0.0	-9.8	14.7
tight wholesale funding conditions	Past three months	0.0	0.0	-1.9	-1.6	-2.3	0.0	0.0	0.0	6.2	-8.1	-0.7	-0.8
	Next three months	-11.0	-2.1	5.2	0.0	0.0	0.0	0.0	-2.2	4.1	0.0	-2.9	-2.1
expectations for house prices	Past three months	13.1	14.1	-4.5	1.5	0.0	5.3	-2.0	0.0	-1.9	-0.8	-5.8	-5.6
	Next three months	13.1	5.5	-8.3	7.9	-2.0	-2.8	0.0	0.0	0.0	-0.8	0.0	-1.8
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	3.6	0.8	-0.8	2.8	2.6	1.1	6.6	3.9	5.5	10.7	0.0	1.1
	Next three months	-1.2	-0.8	3.4	0.0	13.6	4.4	-2.5	1.8	-7.6	1.9	11.9	14.9
Borrowers with high loan to value ratios (more than 75%)	Past three months	6.4	-3.8	-1.1	-5.2	1.0	4.7	-5.6	1.2	17.0	-6.7	-4.0	-3.1
	Next three months	1.6	7.9	0.6	6.4	8.9	-7.9	6.8	6.5	-13.7	2.3	3.6	13.9
Have you become more willing to lend to borrowers with housing equity less than 10% of the value of their home?	Past three months	-0.8	19.5	2.4	-0.4	-14.6	3.2	-4.1	0.4	0.1	-5.1	4.4	-1.0
	Next three months	12.2	7.0	3.1	-1.8	0.4	-13.0	-1.5	4.9	7.6	3.8	-0.8	5.3

		Net percentage balances ^(a)											
		2016				2017				2018			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How have credit scoring criteria for granting loan applications by households changed?	Past three months	-0.5	-6.6	-8.3	0.3	-1.7	9.0	-2.1	-1.0	-3.5	-0.2	-9.1	-23.2
	Next three months	9.5	3.6	0.4	0.7	13.6	-7.7	-12.0	-0.9	-5.6	-9.8	-16.0	7.9
How has the proportion of household loan applications being approved changed?	Past three months	2.6	0.1	-10.2	-2.3	-1.4	18.5	-5.3	4.4	-18.5	4.7	-9.6	-25.7
	Next three months	0.7	5.5	0.3	-7.7	22.1	-4.1	-3.0	-4.6	0.2	-3.2	-10.8	-8.0
How has the average credit quality of new secured lending to households changed?	Past three months	-4.9	-7.8	3.6	-5.4	1.6	3.5	0.9	-4.5	-0.9	-0.3	9.1	10.1
	Next three months	-8.0	10.7	-1.9	0.0	-5.9	1.9	0.0	0.0	-0.9	1.6	16.8	9.0
How has the default rate on secured loans to households changed?	Past three months	-16.2	-17.2	-15.0	-13.7	2.7	-23.2	-21.7	-23.6	-22.6	-10.8	-14.1	-3.9
	Next three months	-8.6	-15.2	-11.6	-1.1	-2.8	-9.6	-19.7	-19.2	-15.0	0.9	-0.6	-11.8
How have losses given default on secured loans to households changed?	Past three months	6.0	-19.5	-0.2	-20.5	-7.3	-4.5	16.2	3.4	-0.8	-9.0	7.7	0.9
	Next three months	-3.3	-16.3	5.0	-0.7	-12.8	7.6	0.4	-2.3	-1.5	0.9	8.1	9.8
How has demand for secured lending for house purchase from households changed?	Past three months	12.2	21.5	-44.0	5.7	-15.3	2.4	-6.0	8.2	-29.3	4.9	-3.4	-24.2
	Next three months	7.2	6.4	18.2	3.3	15.5	15.8	-1.0	-0.2	23.1	0.7	0.2	-17.5
<i>of which: demand for prime lending</i>	Past three months	12.5	20.4	-42.5	6.5	-6.7	10.6	-6.2	5.5	-27.0	4.1	-3.4	-15.6
	Next three months	7.5	9.9	11.0	4.2	16.1	6.6	-2.0	-9.1	20.4	-1.9	7.2	-16.8
<i>of which: demand for buy-to-let lending</i>	Past three months	7.6	-7.7	-63.8	34.7	-39.9	-25.0	3.3	2.3	-24.5	6.9	1.9	-5.7
	Next three months	-24.3	-16.6	7.8	-14.2	-4.6	10.4	-12.3	-7.3	12.4	-2.9	0.8	-1.9
How has demand for secured lending for remortgaging from households changed?	Past three months	15.0	4.8	-11.6	32.2	-0.3	-5.9	16.2	49.1	-22.5	16.7	33.2	7.9
	Next three months	13.3	10.7	14.0	3.9	19.6	3.6	4.7	1.7	29.6	8.1	23.3	-6.9
How have overall secured lending spreads changed?	Past three months	-24.3	-16.7	-3.7	-1.0	28.0	22.5	41.0	39.6	60.0	29.7	7.7	44.6
	Next three months	-12.5	24.0	-0.4	24.0	1.6	21.7	20.0	3.1	20.8	-6.4	21.8	16.4
<i>of which: spreads on prime lending</i>	Past three months	-18.6	-16.7	-5.8	1.0	28.4	22.8	41.0	41.6	60.0	29.2	-3.2	44.6
	Next three months	-12.5	22.5	-0.3	24.6	1.7	22.0	20.0	1.3	20.8	-6.4	21.8	16.4
<i>of which: spreads on buy-to-let lending</i>	Past three months	-24.1	-14.1	-18.1	-9.2	35.4	29.6	41.0	38.9	43.6	36.2	23.7	33.6
	Next three months	-9.1	25.5	-2.5	35.3	13.0	13.7	20.0	3.2	23.8	6.4	9.2	12.1
How have fees on secured lending changed?	Past three months	1.6	9.3	0.0	-2.2	1.6	0.0	-9.5	-5.3	10.5	-9.0	-9.1	9.0
	Next three months	0.7	0.0	1.5	2.2	2.1	0.0	0.7	0.0	4.0	0.0	6.1	-0.7
How have maximum loan to value ratios changed?	Past three months	0.0	1.6	1.6	1.9	1.6	-1.6	1.7	0.0	0.0	3.0	5.8	0.5
	Next three months	2.3	0.7	-2.7	4.8	-1.6	0.0	-1.7	-3.6	0.0	-3.3	-0.9	8.7
How have maximum loan to income ratios changed?	Past three months	-1.9	-5.1	1.4	-0.8	9.1	-5.3	-4.1	-8.9	-7.6	2.3	1.8	-0.7
	Next three months	0.0	2.1	1.9	1.8	-5.3	0.0	-8.7	-7.6	5.5	1.6	-1.5	0.4

(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)											
		2016				2017				2018			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has the availability of unsecured credit provided to households changed?	Past three months	5.6	24.5	11.0	6.2	-6.6	-10.3	-13.0	-12.4	-38.7	-4.3	-8.8	-12.3
	Next three months	16.6	16.7	2.4	-7.9	-18.8	-16.2	-28.6	-24.3	3.7	-7.7	-10.7	-6.4
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Next three months	0.5	0.0	-0.7	-1.9	-10.6	0.0	-1.4	0.6	-1.7	-2.5	-3.4	0.0
	Past three months	0.0	0.0	-0.9	-8.4	-8.8	-11.6	-6.8	-4.0	-0.1	-2.0	-1.5	-0.9
market share objectives	Past three months	1.4	-0.4	-1.5	4.1	1.7	0.1	9.2	0.0	-11.0	4.5	-2.9	-2.8
	Next three months	4.5	4.0	2.2	3.7	0.2	-0.3	0.0	-4.7	13.0	5.2	3.4	-1.8
changing appetite for risk	Past three months	0.5	0.4	0.0	-0.5	-2.1	-10.8	-2.8	-0.4	-25.2	-2.3	-0.7	-5.7
	Next three months	6.0	0.0	-0.5	-0.2	-0.7	-7.0	-10.1	-14.5	-2.5	-4.1	-3.1	-0.4
changing cost/availability of funds	Past three months	0.3	-0.5	0.0	0.5	0.5	-0.8	0.0	1.1	-1.0	-1.6	-2.1	-1.2
	Next three months	0.0	9.3	-0.5	0.0	0.5	-0.8	0.0	1.8	0.0	-1.6	0.4	0.7
How have credit scoring criteria for granting credit card loan applications by households changed?	Past three months	-5.0	10.9	5.0	-19.2	-11.8	-20.4	-11.4	-9.2	-24.9	-1.0	-8.2	-6.8
	Next three months	17.3	6.5	0.0	-11.2	-32.7	-9.9	-6.1	-25.8	-5.7	0.3	-5.8	-7.7
How have credit scoring criteria for granting other unsecured loan applications by households changed?	Past three months	22.7	21.6	11.6	14.9	-10.3	-18.5	-19.7	-27.0	-23.3	-22.4	-15.7	-5.4
	Next three months	8.9	11.9	9.5	-4.4	-4.5	-24.0	-27.2	-15.8	-23.6	-35.5	-8.0	-6.7
How have credit scoring criteria for granting total unsecured loan applications by households changed?	Past three months	0.2	12.9	6.2	-12.7	-11.5	-20.0	-13.0	-12.4	-24.6	-4.5	-9.5	-6.6
	Next three months	15.8	7.5	1.8	-9.9	-27.2	-12.7	-10.0	-24.0	-8.9	-5.7	-6.1	-7.6
How has the proportion of credit card loan applications from households being approved changed?	Past three months	-10.0	6.4	2.7	-5.8	-13.4	16.3	-21.3	-16.7	-26.2	27.4	16.1	4.8
	Next three months	33.2	17.3	2.5	1.2	3.1	-6.8	-15.0	-33.4	16.4	21.5	-13.9	-8.6
How has the proportion of other unsecured loan applications from households being approved changed?	Past three months	7.1	13.5	5.5	4.2	17.1	-9.4	-20.4	-21.7	-13.2	-6.6	-1.5	-1.7
	Next three months	26.2	11.9	13.7	12.9	-4.5	-21.3	-22.8	-31.1	-27.1	-19.7	-14.6	2.1
How has the proportion of total unsecured loan applications from households being approved changed?	Past three months	-6.8	7.7	3.2	-3.9	-7.6	11.3	-21.2	-17.6	-23.9	21.7	13.2	3.7
	Next three months	31.9	16.3	4.6	3.4	1.6	-9.6	-16.4	-32.9	8.8	14.7	-14.0	-6.8
How has the average credit quality of new credit card lending to households changed?^(c)	Past three months	-11.2	0.1	-20.6	5.5	-0.2	-0.5	-7.7	-4.3	2.1	13.1	16.7	1.3
	Next three months	-16.8	-2.5	3.3	-4.7	2.7	4.6	0.9	5.7	8.9	12.6	6.2	-7.2
How has the average credit quality of new other unsecured lending to households changed?^(c)	Past three months	4.0	7.0	-5.0	25.5	1.4	19.6	-0.5	22.9	-8.6	24.0	19.4	18.5
	Next three months	5.5	1.3	6.6	11.7	1.9	13.9	26.6	9.3	7.8	13.5	4.6	15.8
How has the average credit quality of new total unsecured lending to households changed?^(c)	Past three months	-8.4	1.4	-17.7	9.3	0.1	3.4	-6.3	0.6	0.2	14.9	17.2	4.1
	Next three months	-12.6	-1.8	3.9	-1.6	2.6	6.5	5.7	6.4	8.7	12.7	6.0	-3.5

		Net percentage balances ^(a)											
		2016				2017				2018			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has the default rate on credit card loans to households changed?	Past three months	2.2	2.9	7.7	13.9	-11.2	25.4	6.7	16.7	12.3	21.1	-11.2	12.7
	Next three months	-4.1	5.4	-2.4	2.5	0.0	17.7	6.7	17.6	5.7	15.4	2.0	-0.6
How has the default rate on other unsecured loans to households changed?	Past three months	17.5	4.4	32.3	25.5	-3.3	30.3	21.9	8.9	19.8	11.9	-4.2	0.0
	Next three months	-16.0	12.6	-13.5	-12.9	12.6	-3.7	0.0	-11.6	16.4	4.8	1.4	2.0
How has the default rate on total unsecured loans to households changed?	Past three months	5.0	3.2	12.4	16.1	-9.6	26.4	9.5	15.3	13.7	19.5	-10.0	10.6
	Next three months	-6.3	6.7	-4.5	-0.4	2.4	13.6	5.5	12.3	7.6	13.6	1.9	-0.2
How have losses given default on credit card loans to households changed?	Past three months	-22.4	-10.9	-0.8	-17.0	-11.9	0.0	7.4	11.3	-17.9	-9.6	1.3	1.0
	Next three months	-10.8	-10.9	0.0	-22.4	-10.9	0.0	1.2	11.0	11.0	0.0	0.0	10.5
How have losses given default on other unsecured loans to households changed?	Past three months	0.0	0.0	3.7	6.6	1.1	-2.8	0.0	7.8	-6.2	-6.5	0.0	7.1
	Next three months	0.0	-7.0	2.6	0.0	0.0	-2.3	0.0	5.9	6.2	-7.1	-2.2	7.0
How have losses given default on total unsecured loans to households changed?	Past three months	-18.2	-8.9	0.1	-12.5	-9.4	-0.5	6.0	10.7	-15.8	-9.1	1.1	2.0
	Next three months	-8.8	-10.2	0.5	-18.1	-8.8	-0.5	1.0	10.1	10.1	-1.2	-0.4	9.9
How has demand for credit card lending from households changed?	Past three months	1.5	10.7	15.1	13.1	-4.5	7.2	1.9	-2.7	-21.3	2.3	42.7	27.7
	Next three months	3.5	17.3	8.6	4.3	6.4	-4.2	-0.5	3.0	10.4	16.0	-7.2	-20.7
How has demand for other unsecured lending from households changed?	Past three months	24.0	26.9	5.2	12.0	5.0	18.0	-3.2	-32.5	13.1	15.4	4.7	-17.5
	Next three months	19.3	1.3	18.1	8.7	-7.1	-4.3	-0.7	0.3	-16.2	-5.8	-6.4	-1.6
How has demand for total unsecured lending from households changed?	Past three months	5.7	13.7	12.2	12.9	-2.7	9.3	0.9	-8.1	-15.2	4.4	36.4	20.4
	Next three months	6.4	14.3	10.4	5.2	3.8	-4.2	-0.5	2.5	5.7	12.3	-7.1	-17.6
How have spreads on credit cards changed?	Past three months	-17.8	-4.7	-1.1	7.0	6.3	-15.1	5.4	16.8	20.9	8.9	12.6	7.4
	Next three months	0.0	-10.4	-7.0	17.8	1.0	1.1	0.0	-9.9	-6.5	-6.3	15.7	-2.1
How have spreads on other unsecured lending products changed?	Past three months	-5.4	-17.3	-38.2	7.3	-7.0	21.4	-6.1	12.3	16.6	25.6	-3.8	7.6
	Next three months	-18.1	-24.1	30.9	6.3	-8.0	8.6	23.3	20.3	17.9	-4.9	2.8	-2.0
How have overall unsecured lending spreads changed?	Past three months	-15.6	-6.9	-8.1	7.1	3.7	-8.0	3.3	15.8	20.6	11.9	10.0	7.3
	Next three months	-3.0	-12.9	0.2	15.9	-0.6	2.5	4.0	-4.1	-2.3	-6.2	13.8	-2.0
How have credit card limits changed?	Past three months	0.6	12.4	22.5	-1.6	2.3	12.0	1.0	4.4	-8.2	15.9	-11.6	-23.3
	Next three months	17.4	10.9	3.3	6.4	1.4	-7.0	-16.8	-5.7	13.9	-1.2	3.1	11.9
How has the minimum proportion of credit card balances to be paid changed?	Past three months	2.3	1.0	7.7	11.4	3.2	0.0	3.2	4.1	3.2	0.9	1.9	-10.5
	Next three months	0.6	0.0	7.7	3.3	-7.7	-10.9	0.0	4.1	0.0	0.9	0.9	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	1.1	7.9	13.3	2.1	16.9	28.5	-9.6	-29.6	-28.1	-21.4	-10.9	-41.7
	Next three months	8.8	2.2	18.3	15.5	29.3	-13.7	0.9	-21.3	-18.0	-9.7	1.4	-23.8
Length of interest free period for purchases	Past three months	1.7	12.6	0.0	7.7	16.9	35.0	8.4	-8.4	-15.4	-1.3	-23.2	-42.8
	Next three months	13.6	-2.8	3.9	0.2	16.9	0.0	-3.3	-5.8	-1.2	-9.7	-10.8	-23.8
How have maximum maturities on loans changed?^(d)	Past three months	0.0	0.0	0.0	0.0	-3.7	3.5	0.0	8.9	0.0	0.0	0.0	2.2
	Next three months	0.0	0.0	0.0	8.8	2.6	0.0	5.1	0.0	0.0	0.0	0.0	4.2

(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)											
		2016				2017				2018			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has the availability of credit provided to the corporate sector overall changed?	Past three months	3.2	1.2	0.0	-1.8	1.0	0.9	2.0	1.0	1.8	0.5	-1.7	-0.1
	Next three months	0.2	0.0	0.0	0.2	1.0	0.9	0.0	0.0	1.8	0.5	-6.4	-3.0
<i>of which: commercial real estate sector</i>	Next three months	4.6	-11.5	-0.7	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	-0.7	-11.1
	Past three months	1.3	-10.7	0.0	0.0	0.0	0.0	0.0	-10.9	0.0	1.3	-1.8	-13.0
How have commercial property prices affected credit availability to the commercial real estate sector, and/or secured lending to PNFCs?	Past three months	2.0	-10.9	-12.1	-12.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-11.1
	Next three months	1.1	-10.9	-12.1	-12.9	0.0	-9.6	0.0	0.0	-0.8	-1.4	-10.2	-22.7
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	9.0	0.0	-2.5	0.0	0.0	0.0	0.0	-0.8	0.8	-1.6	-0.7	8.9
	Next three months	6.6	-8.3	0.0	8.4	2.0	2.2	2.4	2.5	3.9	2.7	-6.8	15.5
changing sector-specific risks	Past three months	3.5	-8.8	-0.5	0.8	1.4	0.0	2.2	-1.6	0.0	3.0	-12.6	13.5
	Next three months	2.5	-7.1	0.7	10.0	3.3	1.5	1.8	-0.8	-7.1	4.2	-24.7	17.1
market share objectives	Past three months	0.6	0.0	0.0	-1.8	0.0	0.0	1.0	1.0	1.0	1.1	0.2	2.4
	Next three months	0.6	0.0	0.0	1.5	0.0	0.0	1.7	1.0	1.0	1.1	1.2	5.3
market pressures from capital markets	Past three months	1.3	2.4	0.0	0.0	0.0	0.0	0.8	0.0	1.8	0.9	0.0	2.0
	Next three months	0.0	1.2	0.0	-1.3	0.7	0.7	0.8	0.0	1.6	-0.9	0.0	0.0
changing appetite for risk	Past three months	3.8	0.0	0.1	0.0	1.0	0.9	0.0	-0.8	0.0	0.2	3.0	-7.2
	Next three months	0.9	1.3	0.0	-2.0	1.7	2.4	1.6	0.9	3.1	0.1	-4.9	-6.7
tight wholesale funding conditions	Past three months	0.0	0.0	0.0	0.7	0.0	0.0	0.8	0.0	0.0	-0.7	0.7	0.0
	Next three months	0.0	0.0	0.0	0.8	0.0	0.0	0.8	0.0	0.0	0.0	0.7	0.0
How has the availability of credit provided to small businesses changed?	Past three months	1.4	0.0	0.0	0.0	0.0	1.3	0.0	0.0	0.0	11.2	11.5	-0.9
	Next three months	1.4	0.0	0.0	0.0	1.4	1.3	0.0	13.1	0.0	11.2	-0.9	0.0
How has the availability of credit provided to medium PNFCs changed?	Past three months	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.5	0.0	-5.9
	Next three months	-6.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.5	-7.4	0.0
How has the availability of credit provided to large PNFCs changed?	Past three months	-1.3	1.2	-1.1	-1.8	1.0	1.0	0.8	-0.6	0.3	0.5	-1.4	-0.9
	Next three months	2.4	0.0	0.0	0.2	1.0	1.0	0.8	-0.8	0.3	0.5	-2.2	-0.9
How has the proportion of loan applications from small businesses being approved changed?	Past three months	10.6	-0.7	-4.8	0.0	10.0	0.0	0.0	0.0	-11.4	0.9	0.0	-3.0
	Next three months	12.0	0.7	-4.8	-10.3	1.4	0.0	0.0	-11.5	0.0	-2.0	0.0	-6.9
How has the proportion of loan applications from medium PNFCs being approved changed?	Past three months	-0.7	-0.7	-4.8	0.0	0.0	-0.8	0.0	1.4	-1.7	-3.4	0.0	-2.0
	Next three months	0.7	1.4	-4.8	0.0	0.0	-9.1	9.8	0.0	-1.7	-1.9	0.0	-6.3
How has the proportion of loan applications from large PNFCs being approved changed?	Past three months	-1.7	-0.6	-4.6	0.5	2.0	1.9	-1.4	0.5	-0.8	-1.5	-1.9	1.6
	Next three months	-1.7	0.6	-3.3	-0.8	0.0	-9.3	0.0	0.0	-0.8	0.0	-1.9	-7.2

		Net percentage balances ^(a)											
		2016				2017				2018			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Has there been a change in average credit quality on newly arranged PNFC borrowing facilities? ^(c)	Past three months	0.0	0.0	0.0	0.0	0.0	-0.9	0.0	0.0	10.2	-1.3	0.0	0.4
	Next three months	-1.1	0.0	0.0	0.0	10.9	0.0	0.0	0.8	0.0	0.0	0.0	-0.6
Has there been any change in 'target hold' levels associated with corporate lending?	Past three months	1.1	0.0	0.0	1.8	-0.9	-1.3	0.0	-0.8	-1.0	-9.3	-8.8	0.0
	Next three months	0.0	0.0	0.0	1.8	-0.9	-2.2	0.0	-0.8	-1.0	0.0	0.0	0.0
How have loan tenors on new corporate loans changed? ^(d)	Past three months	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.8	0.0	9.3	8.8	2.0
	Next three months	0.0	0.0	0.0	0.0	1.2	0.0	0.0	-0.8	0.0	0.0	0.7	0.0
Has there been a change in draw-downs on committed lines by PNFCs?	Past three months	0.0	-24.5	0.0	0.0	0.0	0.0	-0.8	2.1	4.1	3.7	2.6	0.7
	Next three months	0.0	-0.7	0.0	0.0	0.0	0.0	-0.8	0.8	4.1	3.7	3.6	0.0
How has the default rate on loans to small businesses changed?	Past three months	-26.9	-21.0	-1.8	9.6	-11.0	-11.1	0.0	9.8	-19.7	10.9	11.3	18.4
	Next three months	-11.2	-11.1	-11.3	11.7	0.0	11.7	11.8	11.5	4.6	10.9	0.0	0.9
How has the default rate on loans to medium PNFCs changed?	Past three months	4.5	0.0	0.0	11.3	-3.1	-26.3	0.0	1.4	9.7	0.8	10.4	6.6
	Next three months	0.0	0.0	0.0	0.0	1.7	11.5	11.6	12.7	4.5	10.4	0.0	15.4
How has the default rate on loans to large PNFCs changed?	Past three months	2.7	0.0	0.0	0.0	9.8	-5.5	-1.5	4.4	24.8	13.8	10.3	0.0
	Next three months	13.8	1.2	0.0	0.0	0.0	10.9	9.4	15.1	14.4	11.1	0.0	3.1
How has losses given default on loans to small businesses changed?	Past three months	-11.9	-11.1	-11.3	0.0	0.0	-9.1	0.0	-9.8	0.0	0.0	0.0	0.0
	Next three months	-11.2	-11.1	-11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.9
How have losses given default on loans to medium PNFCs changed?	Past three months	-0.7	0.0	0.0	0.0	0.0	0.0	10.1	0.0	0.0	0.8	0.0	0.0
	Next three months	0.0	0.0	0.0	0.0	0.0	0.0	10.1	0.0	0.0	10.7	11.5	-9.7
How have losses given default on loans to large PNFCs changed?	Past three months	0.7	0.0	0.0	0.0	0.0	0.0	9.3	0.0	4.1	1.1	-4.0	1.4
	Next three months	1.3	0.0	0.0	0.0	0.0	0.0	9.3	0.0	0.0	0.0	2.1	1.4
How has demand for credit card lending from small businesses changed?	Past three months	-1.0	27.6	-2.7	-3.3	-17.0	-18.0	-28.9	-2.6	10.5	10.9	13.7	0.0
	Next three months	34.8	-12.9	18.1	6.9	6.8	-0.1	0.0	6.7	6.7	13.6	6.8	0.0
How has demand for other unsecured lending from small businesses changed?	Past three months	19.4	-1.1	-15.4	-39.6	-4.0	12.0	-6.5	-9.2	11.1	14.3	-16.4	0.0
	Next three months	-6.7	-1.1	-11.5	-12.5	4.5	-11.8	1.6	15.8	6.6	0.0	0.0	10.6
How has demand for total unsecured lending from small businesses changed?	Past three months	3.4	22.0	-4.7	-9.7	-14.1	-12.3	-24.6	-3.8	10.6	11.5	8.9	0.0
	Next three months	24.4	-10.6	10.9	4.1	6.2	-2.6	0.3	8.4	6.7	11.2	5.8	1.8
How has demand for secured lending from small businesses changed?	Past three months	-4.2	3.0	-17.5	-44.8	-3.5	38.6	-4.2	-22.0	11.6	27.6	-1.7	-20.5
	Next three months	10.9	11.1	-11.7	-12.1	0.0	-23.4	8.6	13.6	11.6	8.8	-0.9	-1.1
How has overall demand for lending from small businesses changed?	Past three months	-5.5	10.5	-28.0	-28.6	3.1	32.9	-22.0	1.7	0.0	27.8	-11.5	-15.6
	Next three months	19.4	0.7	-4.8	-11.9	-7.3	-10.4	0.0	0.0	0.0	-2.0	-0.9	-5.8
How has demand for lending from medium PNFCs changed?	Past three months	-14.4	8.5	-24.5	-32.4	-16.7	22.7	-11.6	2.8	0.9	1.4	5.5	5.0
	Next three months	15.8	0.7	-17.2	9.8	15.8	0.0	0.0	0.0	11.8	11.3	-0.8	-11.5
How has demand for lending from large PNFCs changed?	Past three months	-3.3	-32.8	-46.8	0.6	-3.9	-20.9	-10.3	-7.5	1.6	-9.0	-19.9	-12.0
	Next three months	-3.9	11.8	5.7	-12.1	5.6	-13.5	-0.3	-22.0	9.6	-12.6	-12.5	-22.9

		Net percentage balances ^(a)											
		2016				2017				2018			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How has demand for lending from OFCs changed?	Past three months	17.6	0.0	8.8	34.8	9.2	0.8	0.9	1.7	11.8	0.8	11.3	0.0
	Next three months	12.6	0.0	8.8	9.0	9.2	0.0	0.0	0.8	11.0	0.0	0.0	0.0
What have been the main factors contributing to changes in demand for lending:^(b)													
mergers and acquisitions	Past three months	-12.6	-7.2	-22.8	12.6	11.5	-6.3	21.9	13.0	2.9	19.1	-0.4	-10.1
	Next three months	-16.6	-11.1	5.1	0.1	2.7	10.9	10.7	-11.5	-0.2	3.2	3.6	-8.5
capital investment	Past three months	-0.7	7.8	-7.0	-31.6	-20.4	-10.9	-12.4	-18.9	0.8	-7.9	-14.4	-12.1
	Next three months	-4.9	0.0	-6.0	-2.6	11.5	-10.9	-11.0	-11.0	0.8	-8.6	-17.3	-14.2
inventory finance	Past three months	-0.2	0.0	-7.0	-0.8	-8.6	-7.9	0.8	2.1	2.4	1.6	9.3	3.0
	Next three months	0.0	0.0	-6.0	0.0	-7.8	-7.7	0.0	13.3	0.8	-3.2	13.6	9.8
balance sheet restructuring	Past three months	-4.7	-0.8	-17.5	0.0	0.0	8.7	0.0	1.0	1.0	1.3	-1.8	1.0
	Next three months	1.1	1.5	4.4	-0.8	0.0	0.0	0.0	9.6	10.8	-0.2	1.1	0.7
commercial real estate	Past three months	15.5	-33.2	-33.1	-23.3	1.7	9.7	-10.0	-0.8	-0.8	17.4	-0.7	-9.6
	Next three months	0.9	-5.1	-10.3	-11.1	0.8	-11.2	-11.6	-2.1	0.0	-2.6	-1.8	-22.5
How have spreads on loans to small businesses changed?	Past three months	0.7	0.0	0.0	0.0	-11.7	0.0	-11.8	-11.5	0.0	11.2	0.8	1.1
	Next three months	0.7	-10.5	-11.3	-11.7	0.0	0.0	-11.8	-11.5	-11.4	0.0	0.8	0.0
How have fees/commissions on loans to small businesses changed?	Past three months	12.6	11.1	0.0	0.0	0.0	0.0	1.4	1.4	0.0	0.0	0.8	0.0
	Next three months	0.7	0.0	0.0	0.0	-11.7	1.3	13.2	-11.5	0.0	0.0	0.8	0.0
How have collateral requirements for loans to small businesses changed?	Past three months	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-11.2	0.0
How have maximum credit lines for small businesses changed?	Past three months	0.7	0.0	0.0	0.0	0.0	0.0	11.8	0.0	0.0	11.2	11.3	-0.9
	Next three months	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.2	0.0	-0.9
How have loan covenants for small businesses changed?	Past three months	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Next three months	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
How have spreads on loans to medium PNFCs changed?	Past three months	9.6	0.9	20.8	-11.7	0.0	-12.2	-12.3	-1.1	-11.2	1.3	0.0	0.0
	Next three months	2.0	1.4	-11.8	0.0	0.0	-0.8	-0.9	-12.2	-15.7	-10.7	0.8	0.8
How have fees/commissions on loans to medium PNFCs changed?	Past three months	9.6	5.5	9.5	0.0	0.0	-0.8	-0.9	-0.9	0.0	0.5	-0.8	-0.8
	Next three months	2.0	1.4	0.0	0.0	-11.7	-0.8	-0.9	10.4	0.0	-0.8	0.0	-0.8
How have collateral requirements for loans to medium PNFCs changed?	Past three months	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.5	0.0	0.0
	Next three months	0.0	0.0	0.0	0.0	0.0	-0.8	-0.9	-0.9	-0.9	-2.3	0.8	0.0
How have maximum credit lines for medium PNFCs changed?	Past three months	10.0	0.0	0.0	8.9	0.0	-0.8	0.0	0.0	0.9	0.8	2.8	0.0
	Next three months	9.3	0.0	0.0	0.0	0.0	-0.8	0.0	0.0	0.9	0.0	0.0	0.0
How have loan covenants for medium PNFCs changed?	Past three months	0.7	9.2	9.5	0.0	0.0	-0.8	-0.9	-0.9	0.0	-1.5	0.0	-0.8
	Next three months	0.0	9.2	0.0	0.0	0.0	-0.8	-0.9	-0.9	0.0	-2.3	0.0	-0.8

		Net percentage balances ^(a)											
		2016				2017				2018			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
How have spreads on loans to large PNFCs changed?	Past three months	-1.3	4.6	1.2	-5.3	10.7	22.4	-10.1	-9.1	0.8	14.1	6.8	1.7
	Next three months	0.0	0.5	0.5	-7.5	8.6	-1.2	-10.1	0.5	-14.8	4.3	1.9	-2.6
How have fees/commissions on loans to large PNFCs changed?	Past three months	0.6	4.6	0.0	-6.5	9.3	11.7	1.4	11.2	0.8	12.1	2.8	2.0
	Next three months	1.9	1.3	0.0	-7.5	-2.5	0.2	10.8	10.4	-8.8	0.9	0.0	0.0
How have collateral requirements for loans to large PNFCs changed?	Past three months	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	-1.2	0.0	0.0
	Next three months	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	-2.1	0.0	0.0
How have maximum credit lines for large PNFCs changed?	Past three months	0.7	0.0	0.0	-0.8	1.0	0.0	0.0	-0.8	-1.5	-0.6	-1.4	2.5
	Next three months	0.0	0.0	0.0	0.0	1.0	0.0	-0.8	-1.6	-1.5	0.1	-1.4	-0.6
How have loan covenants for large PNFCs changed?	Past three months	0.6	0.0	1.1	1.8	0.7	11.7	9.2	11.2	1.7	15.4	13.8	2.8
	Next three months	0.0	0.0	1.1	1.8	0.7	11.7	9.2	9.6	-0.1	2.9	1.9	0.0
How have spreads on loans to OFCs changed?	Past three months	-7.1	0.0	8.8	0.0	21.2	-0.8	-14.6	-11.6	-1.4	-19.2	0.3	-0.8
	Next three months	-21.2	0.0	-8.8	0.0	21.2	8.5	-14.6	-11.6	-11.1	-19.2	0.3	-0.8
How have fees/commissions on loans to OFCs changed?	Past three months	0.0	0.0	8.8	11.8	9.2	-0.8	-14.6	-0.8	9.4	9.7	9.5	-0.8
	Next three months	0.0	0.0	8.8	-9.0	-11.8	-0.8	-14.6	-0.8	9.4	9.0	-0.8	-0.8
How have collateral requirements for loans to OFCs changed?	Past three months	0.0	0.0	0.0	0.0	0.0	0.0	-6.9	0.8	0.9	0.8	10.8	0.0
	Next three months	9.5	0.0	0.0	0.0	0.0	0.0	-6.9	0.8	0.9	0.8	0.0	0.0
How have maximum credit lines for OFCs changed?	Past three months	4.0	27.0	-8.8	9.0	0.0	-0.8	1.8	0.8	10.5	-1.3	11.1	0.0
	Next three months	4.0	18.0	-8.8	9.0	0.0	-0.8	1.8	0.8	0.9	0.0	0.0	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.