

Credit Conditions Survey

Survey results | 2018 Q3



BANK OF ENGLAND





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Credit Conditions Survey

2018 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 2018 Q3 survey. It was conducted between 20 August and 7 September 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 Q3 survey, and copies of the questionnaires are available on the Bank's website at

www.bankofengland.co.uk/credit-conditions-survey/2018/2018-q3.

The 2018 Q4 *Credit Conditions Survey* will be published on 17 January 2019.



Credit Conditions Survey

2018 Q3

Supply

- Lenders reported that the availability of **secured credit to households** had decreased in the three months to end-August 2018 (Q3) and was expected to decrease again over the next three months to end-November 2018 (Q4).
- The availability of **unsecured credit to households** was reported to have decreased slightly in Q3 and was expected to decrease further in Q4 (**Chart 1**). Credit scoring criteria for total unsecured loan applications were reported to have tightened in Q3, although the proportion of applications approved increased.
- The overall availability of **credit to the corporate sector** was reported to have been unchanged in Q3. Within this, the availability of credit provided to small businesses was reported to have increased in Q3, and was unchanged for medium and large businesses. The overall availability of credit to the corporate sector was expected to decrease slightly in Q4.

Demand

- Lenders reported that demand for **secured lending for house purchase** was unchanged in Q3, and was expected to remain unchanged again in Q4. However, demand for secured lending for remortgaging increased significantly in Q3, and demand was expected to increase significantly again in Q4 (**Chart 2**).
- Overall demand for **unsecured lending** increased significantly in Q3; this was solely driven by a significant increase in demand for credit card lending. However, lenders expected a slight decrease in the demand for both credit card and other unsecured lending in Q4 (**Chart 3**).
- Lenders reported a fall in demand for **corporate lending** from small businesses in Q3, but expected demand to remain unchanged in Q4 (**Chart 4**). For medium PNFCs, demand for lending was reported to have increased slightly but was expected to remain unchanged in the next quarter. Demand for corporate lending from large PNFCs was reported to have decreased in Q3 and was expected to decrease further in 2018 Q4.

Loan pricing

- Overall spreads on **secured lending to households** — relative to Bank Rate or the appropriate swap rate — were reported to have narrowed slightly in 2018 Q3 and were expected to narrow significantly in Q4 (**Chart 5**). Within this, spreads on **buy-to-let lending** were reported to have narrowed significantly and spreads on **prime lending** were unchanged in Q3.
- Lenders reported that overall **unsecured lending** spreads narrowed in Q3, driven by a narrowing in spreads on credit cards. Overall unsecured lending spreads were expected to narrow further in Q4. The length of interest free periods for balance transfers and new purchases on new credit card lending decreased in Q3.
- Spreads on **lending to businesses** remained unchanged for small and medium-sized firms, and were reported to have narrowed slightly for large firms in Q3. Spreads on loans to firms of all sizes were expected to remain unchanged over the next three months.

Defaults

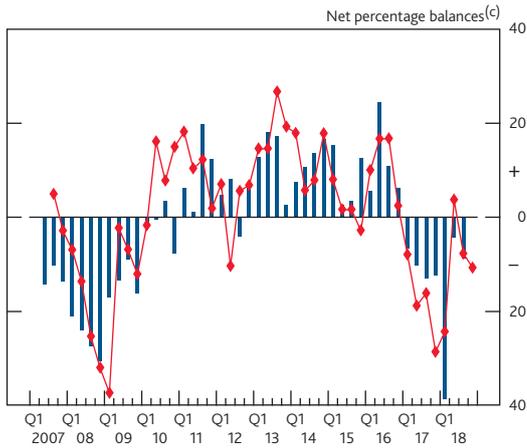
- Lenders reported that default rates on **secured loans to households** fell in Q3, and expected these to remain unchanged in Q4. Losses given default on secured loans increased slightly in Q3, and were expected to increase slightly over 2018 Q4.
- Default rates decreased for **total unsecured lending** in Q3, driven largely by a decrease in default rates on credit card loans. Lenders expected default rates for total unsecured lending to remain unchanged in Q4 (**Chart 6**).
- Lenders reported that default rates on **loans to corporates** increased for businesses of all sizes in Q3, although losses given defaults were unchanged. Defaults rates were expected to remain unchanged for businesses of all sizes in Q4.

This report presents the results of the 2018 Q3 survey. It was conducted between 20 August and 7 September 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 .

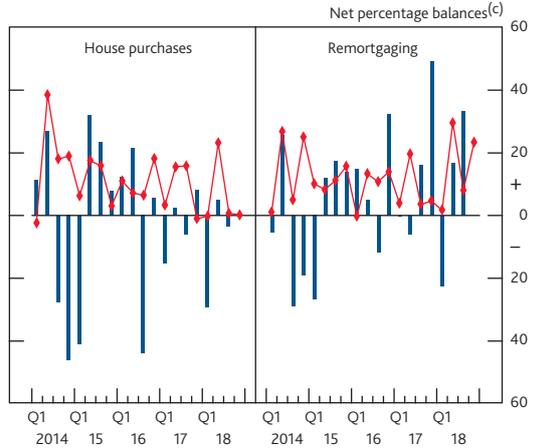
This report and copies of the questionnaires are available on the Bank's website at www.bankofengland.co.uk/credit-conditions-survey/2018/2018-q3.

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



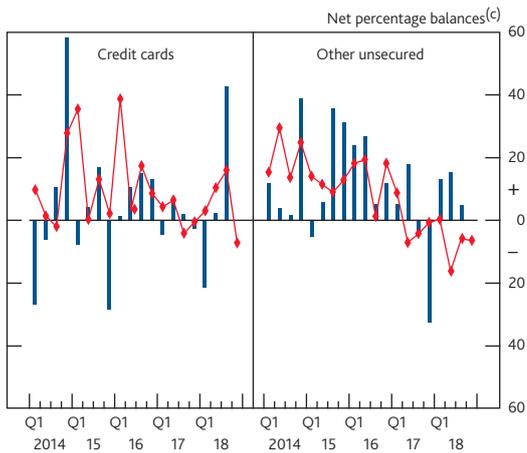
- (a) Net percentage balances are calculated by weighting together the responses of those lenders who answered the question. The blue bars show the responses over the previous three months. The red diamonds show the expectations over the next three months. Expectations balances have been moved forward 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)}



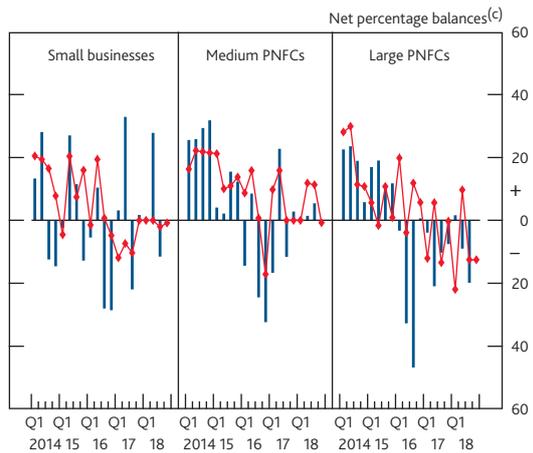
- (a) See footnote (a) to Chart 1.
- (b) Question: 'How has demand for secured lending for house purchase/remortgaging from households changed?'
- (c) A positive balance indicates an increase in demand.

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



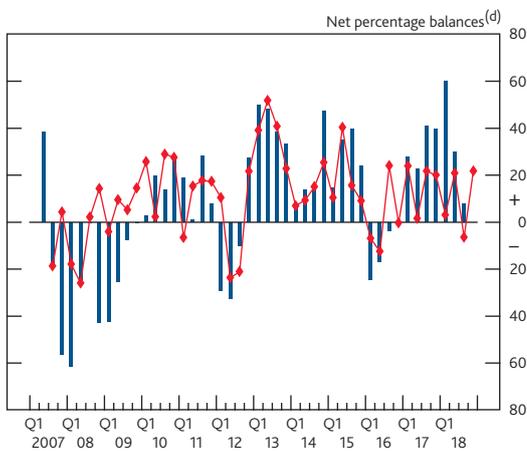
- (a) See footnote (a) to Chart 1.
- (b) Question: 'How has demand for credit card/other unsecured lending from households changed?'
- (c) A positive balance indicates an increase in demand.

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



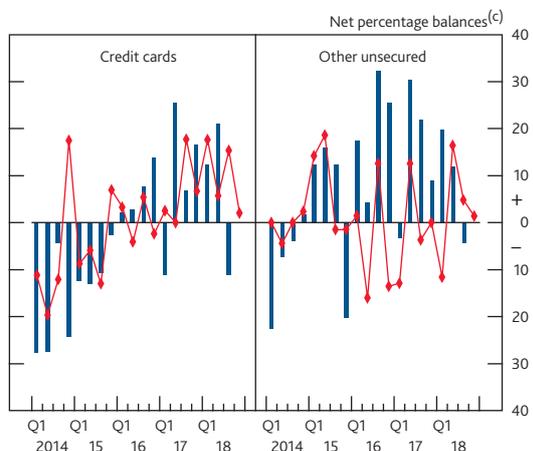
- (a) See footnote (a) to Chart 1.
- (b) Question: 'How has overall demand for lending from small businesses, medium PNFCs and large PNFCs changed?'
- (c) A positive balance indicates an increase in demand.

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



- (a) See footnote (a) to Chart 1.
- (b) 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 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-q3.

		Net percentage balances ^(a)											
		2015		2016				2017				2018	
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
How has the availability of secured credit provided to households changed?	Past three months	5.4	-3.4	-5.4	-1.8	-3.9	3.6	10.0	7.2	1.5	3.8	4.0	-10.8
	Next three months	14.6	16.3	4.6	4.1	8.7	13.4	-7.5	-1.7	4.2	3.8	-4.1	-14.8
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Past three months	0.0	-1.2	0.0	-4.5	-0.1	2.0	-1.9	-2.0	-0.6	1.9	-0.8	0.7
	Next three months	0.0	5.9	-8.7	-3.8	-1.6	6.6	-1.9	0.0	-3.3	-8.3	-2.4	-7.9
market share objectives	Past three months	9.1	2.7	14.5	11.2	21.7	7.4	15.1	19.5	10.8	2.0	0.4	10.4
	Next three months	11.1	14.7	13.8	18.3	13.7	24.1	19.9	8.5	9.8	25.5	8.9	13.1
changing appetite for risk	Past three months	2.4	-1.9	-7.6	-3.3	3.4	0.0	-2.5	0.0	0.0	0.0	0.0	-5.0
	Next three months	8.7	0.7	-7.3	1.5	4.2	0.0	-7.7	5.7	2.0	0.0	0.0	-9.8
tight wholesale funding conditions	Past three months	4.9	0.0	0.0	-1.9	-1.6	-2.3	0.0	0.0	0.0	6.2	-8.1	-0.7
	Next three months	0.8	-11.0	-2.1	5.2	0.0	0.0	0.0	0.0	-2.2	4.1	0.0	-2.9
expectations for house prices	Past three months	21.3	13.1	14.1	-4.5	1.5	0.0	5.3	-2.0	0.0	-1.9	-0.8	-5.8
	Next three months	21.3	13.1	5.5	-8.3	7.9	-2.0	-2.8	0.0	0.0	0.0	-0.8	0.0
How has the availability of household secured credit to the following types of borrower changed?													
Borrowers with low loan to value ratios (75% or less)	Past three months	3.5	3.6	0.8	-0.8	2.8	2.6	1.1	6.6	3.9	5.5	10.7	0.0
	Next three months	7.4	-1.2	-0.8	3.4	0.0	13.6	4.4	-2.5	1.8	-7.6	1.9	11.9
Borrowers with high loan to value ratios (more than 75%)	Past three months	1.5	6.4	-3.8	-1.1	-5.2	1.0	4.7	-5.6	1.2	17.0	-6.7	-4.0
	Next three months	3.4	1.6	7.9	0.6	6.4	8.9	-7.9	6.8	6.5	-13.7	2.3	3.6
Have you become more willing to lend to borrowers with housing equity less than 10% of the value of their home?	Past three months	7.7	-0.8	19.5	2.4	-0.4	-14.6	3.2	-4.1	0.4	0.1	-5.1	4.4
	Next three months	5.8	12.2	7.0	3.1	-1.8	0.4	-13.0	-1.5	4.9	7.6	3.8	-0.8

		Net percentage balances ^(a)											
		2015		2016				2017				2018	
		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	0.6	-0.5	-6.6	-8.3	0.3	-1.7	9.0	-2.1	-1.0	-3.5	-0.2	-9.1
	Next three months	1.2	9.5	3.6	0.4	0.7	13.6	-7.7	-12.0	-0.9	-5.6	-9.8	-16.0
How has the proportion of household loan applications being approved changed?	Past three months	-10.4	2.6	0.1	-10.2	-2.3	-1.4	18.5	-5.3	4.4	-18.5	4.7	-9.6
	Next three months	12.4	0.7	5.5	0.3	-7.7	22.1	-4.1	-3.0	-4.6	0.2	-3.2	-10.8
How has the average credit quality of new secured lending to households changed?	Past three months	4.6	-4.9	-7.8	3.6	-5.4	1.6	3.5	0.9	-4.5	-0.9	-0.3	9.1
	Next three months	0.9	-8.0	10.7	-1.9	0.0	-5.9	1.9	0.0	0.0	-0.9	1.6	16.8
How has the default rate on secured loans to households changed?	Past three months	-22.4	-16.2	-17.2	-15.0	-13.7	2.7	-23.2	-21.7	-23.6	-22.6	-10.8	-14.1
	Next three months	-6.4	-8.6	-15.2	-11.6	-1.1	-2.8	-9.6	-19.7	-19.2	-15.0	0.9	-0.6
How have losses given default on secured loans to households changed?	Past three months	-24.0	6.0	-19.5	-0.2	-20.5	-7.3	-4.5	16.2	3.4	-0.8	-9.0	7.7
	Next three months	-18.8	-3.3	-16.3	5.0	-0.7	-12.8	7.6	0.4	-2.3	-1.5	0.9	8.1
How has demand for secured lending for house purchase from households changed?	Past three months	7.9	12.2	21.5	-44.0	5.7	-15.3	2.4	-6.0	8.2	-29.3	4.9	-3.4
	Next three months	11.0	7.2	6.4	18.2	3.3	15.5	15.8	-1.0	-0.2	23.1	0.7	0.2
<i>of which: demand for prime lending</i>	Past three months	-7.7	12.5	20.4	-42.5	6.5	-6.7	10.6	-6.2	5.5	-27.0	4.1	-3.4
	Next three months	1.0	7.5	9.9	11.0	4.2	16.1	6.6	-2.0	-9.1	20.4	-1.9	7.2
<i>of which: demand for buy-to-let lending</i>	Past three months	21.6	7.6	-7.7	-63.8	34.7	-39.9	-25.0	3.3	2.3	-24.5	6.9	1.9
	Next three months	29.7	-24.3	-16.6	7.8	-14.2	-4.6	10.4	-12.3	-7.3	12.4	-2.9	0.8
How has demand for secured lending for remortgaging from households changed?	Past three months	13.8	15.0	4.8	-11.6	32.2	-0.3	-5.9	16.2	49.1	-22.5	16.7	33.2
	Next three months	-0.2	13.3	10.7	14.0	3.9	19.6	3.6	4.7	1.7	29.6	8.1	23.3
How have overall secured lending spreads changed?	Past three months	23.8	-24.3	-16.7	-3.7	-1.0	28.0	22.5	41.0	39.6	60.0	29.7	7.7
	Next three months	-6.9	-12.5	24.0	-0.4	24.0	1.6	21.7	20.0	3.1	20.8	-6.4	21.8
<i>of which: spreads on prime lending</i>	Past three months	24.7	-18.6	-16.7	-5.8	1.0	28.4	22.8	41.0	41.6	60.0	29.2	-3.2
	Next three months	-6.9	-12.5	22.5	-0.3	24.6	1.7	22.0	20.0	1.3	20.8	-6.4	21.8
<i>of which: spreads on buy-to-let lending</i>	Past three months	20.5	-24.1	-14.1	-18.1	-9.2	35.4	29.6	41.0	38.9	43.6	36.2	23.7
	Next three months	-6.4	-9.1	25.5	-2.5	35.3	13.0	13.7	20.0	3.2	23.8	6.4	9.2
How have fees on secured lending changed?	Past three months	0.0	1.6	9.3	0.0	-2.2	1.6	0.0	-9.5	-5.3	10.5	-9.0	-9.1
	Next three months	0.0	0.7	0.0	1.5	2.2	2.1	0.0	0.7	0.0	4.0	0.0	6.1
How have maximum loan to value ratios changed?	Past three months	8.0	0.0	1.6	1.6	1.9	1.6	-1.6	1.7	0.0	0.0	3.0	5.8
	Next three months	1.5	2.3	0.7	-2.7	4.8	-1.6	0.0	-1.7	-3.6	0.0	-3.3	-0.9
How have maximum loan to income ratios changed?	Past three months	-3.3	-1.9	-5.1	1.4	-0.8	9.1	-5.3	-4.1	-8.9	-7.6	2.3	1.8
	Next three months	-7.5	0.0	2.1	1.9	1.8	-5.3	0.0	-8.7	-7.6	5.5	1.6	-1.5

(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)											
		2015	2016				2017				2018		
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
How has the availability of unsecured credit provided to households changed?	Past three months	12.5	5.6	24.5	11.0	6.2	-6.6	-10.3	-13.0	-12.4	-38.7	-4.3	-8.8
	Next three months	10.0	16.6	16.7	2.4	-7.9	-18.8	-16.2	-28.6	-24.3	3.7	-7.7	-10.7
Factors contributing to changes in credit availability:^(b)													
changing economic outlook	Next three months	0.0	0.5	0.0	-0.7	-1.9	-10.6	0.0	-1.4	0.6	-1.7	-2.5	-3.4
	Past three months	0.0	0.0	0.0	-0.9	-8.4	-8.8	-11.6	-6.8	-4.0	-0.1	-2.0	-1.5
market share objectives	Past three months	5.9	1.4	-0.4	-1.5	4.1	1.7	0.1	9.2	0.0	-11.0	4.5	-2.9
	Next three months	11.9	4.5	4.0	2.2	3.7	0.2	-0.3	0.0	-4.7	13.0	5.2	3.4
changing appetite for risk	Past three months	7.4	0.5	0.4	0.0	-0.5	-2.1	-10.8	-2.8	-0.4	-25.2	-2.3	-0.7
	Next three months	4.4	6.0	0.0	-0.5	-0.2	-0.7	-7.0	-10.1	-14.5	-2.5	-4.1	-3.1
changing cost/availability of funds	Past three months	0.4	0.3	-0.5	0.0	0.5	0.5	-0.8	0.0	1.1	-1.0	-1.6	-2.1
	Next three months	1.1	0.0	9.3	-0.5	0.0	0.5	-0.8	0.0	1.8	0.0	-1.6	0.4
How have credit scoring criteria for granting credit card loan applications by households changed?	Past three months	1.0	-5.0	10.9	5.0	-19.2	-11.8	-20.4	-11.4	-9.2	-24.9	-1.0	-8.2
	Next three months	-6.0	17.3	6.5	0.0	-11.2	-32.7	-9.9	-6.1	-25.8	-5.7	0.3	-5.8
How have credit scoring criteria for granting other unsecured loan applications by households changed?	Past three months	17.0	22.7	21.6	11.6	14.9	-10.3	-18.5	-19.7	-27.0	-23.3	-22.4	-15.7
	Next three months	20.9	8.9	11.9	9.5	-4.4	-4.5	-24.0	-27.2	-15.8	-23.6	-35.5	-8.0
How have credit scoring criteria for granting total unsecured loan applications by households changed?	Past three months	3.9	0.2	12.9	6.2	-12.7	-11.5	-20.0	-13.0	-12.4	-24.6	-4.5	-9.5
	Next three months	-1.1	15.8	7.5	1.8	-9.9	-27.2	-12.7	-10.0	-24.0	-8.9	-5.7	-6.1
How has the proportion of credit card loan applications from households being approved changed?	Past three months	-20.1	-10.0	6.4	2.7	-5.8	-13.4	16.3	-21.3	-16.7	-26.2	27.4	16.1
	Next three months	12.2	33.2	17.3	2.5	1.2	3.1	-6.8	-15.0	-33.4	16.4	21.5	-13.9
How has the proportion of other unsecured loan applications from households being approved changed?	Past three months	-2.0	7.1	13.5	5.5	4.2	17.1	-9.4	-20.4	-21.7	-13.2	-6.6	-1.5
	Next three months	15.8	26.2	11.9	13.7	12.9	-4.5	-21.3	-22.8	-31.1	-27.1	-19.7	-14.6
How has the proportion of total unsecured loan applications from households being approved changed?	Past three months	-16.8	-6.8	7.7	3.2	-3.9	-7.6	11.3	-21.2	-17.6	-23.9	21.7	13.2
	Next three months	12.8	31.9	16.3	4.6	3.4	1.6	-9.6	-16.4	-32.9	8.8	14.7	-14.0
How has the average credit quality of new credit card lending to households changed?^(c)	Past three months	-15.5	-11.2	0.1	-20.6	5.5	-0.2	-0.5	-7.7	-4.3	2.1	13.1	16.7
	Next three months	35.0	-16.8	-2.5	3.3	-4.7	2.7	4.6	0.9	5.7	8.9	12.6	6.2
How has the average credit quality of new other unsecured lending to households changed?^(c)	Past three months	-13.5	4.0	7.0	-5.0	25.5	1.4	19.6	-0.5	22.9	-8.6	24.0	19.4
	Next three months	1.7	5.5	1.3	6.6	11.7	1.9	13.9	26.6	9.3	7.8	13.5	4.6
How has the average credit quality of new total unsecured lending to households changed?^(c)	Past three months	-15.1	-8.4	1.4	-17.7	9.3	0.1	3.4	-6.3	0.6	0.2	14.9	17.2
	Next three months	28.7	-12.6	-1.8	3.9	-1.6	2.6	6.5	5.7	6.4	8.7	12.7	6.0

		Net percentage balances ^(a)											
		2015		2016				2017				2018	
		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	-2.7	2.2	2.9	7.7	13.9	-11.2	25.4	6.7	16.7	12.3	21.1	-11.2
	Next three months	3.3	-4.1	5.4	-2.4	2.5	0.0	17.7	6.7	17.6	5.7	15.4	2.0
How has the default rate on other unsecured loans to households changed?	Past three months	-20.3	17.5	4.4	32.3	25.5	-3.3	30.3	21.9	8.9	19.8	11.9	-4.2
	Next three months	1.5	-16.0	12.6	-13.5	-12.9	12.6	-3.7	0.0	-11.6	16.4	4.8	1.4
How has the default rate on total unsecured loans to households changed?	Past three months	-6.0	5.0	3.2	12.4	16.1	-9.6	26.4	9.5	15.3	13.7	19.5	-10.0
	Next three months	2.9	-6.3	6.7	-4.5	-0.4	2.4	13.6	5.5	12.3	7.6	13.6	1.9
How have losses given default on credit card loans to households changed?	Past three months	-17.1	-22.4	-10.9	-0.8	-17.0	-11.9	0.0	7.4	11.3	-17.9	-9.6	1.3
	Next three months	-12.3	-10.8	-10.9	0.0	-22.4	-10.9	0.0	1.2	11.0	11.0	0.0	0.0
How have losses given default on other unsecured loans to households changed?	Past three months	-11.0	0.0	0.0	3.7	6.6	1.1	-2.8	0.0	7.8	-6.2	-6.5	0.0
	Next three months	-1.4	0.0	-7.0	2.6	0.0	0.0	-2.3	0.0	5.9	6.2	-7.1	-2.2
How have losses given default on total unsecured loans to households changed?	Past three months	-16.0	-18.2	-8.9	0.1	-12.5	-9.4	-0.5	6.0	10.7	-15.8	-9.1	1.1
	Next three months	-10.2	-8.8	-10.2	0.5	-18.1	-8.8	-0.5	1.0	10.1	10.1	-1.2	-0.4
How has demand for credit card lending from households changed?	Past three months	-28.5	1.5	10.7	15.1	13.1	-4.5	7.2	1.9	-2.7	-21.3	2.3	42.7
	Next three months	38.7	3.5	17.3	8.6	4.3	6.4	-4.2	-0.5	3.0	10.4	16.0	-7.2
How has demand for other unsecured lending from households changed?	Past three months	31.3	24.0	26.9	5.2	12.0	5.0	18.0	-3.2	-32.5	13.1	15.4	4.7
	Next three months	18.2	19.3	1.3	18.1	8.7	-7.1	-4.3	-0.7	0.3	-16.2	-5.8	-6.4
How has demand for total unsecured lending from households changed?	Past three months	-17.3	5.7	13.7	12.2	12.9	-2.7	9.3	0.9	-8.1	-15.2	4.4	36.4
	Next three months	34.8	6.4	14.3	10.4	5.2	3.8	-4.2	-0.5	2.5	5.7	12.3	-7.1
How have spreads on credit cards changed?	Past three months	1.6	-17.8	-4.7	-1.1	7.0	6.3	-15.1	5.4	16.8	20.9	8.9	12.6
	Next three months	1.0	0.0	-10.4	-7.0	17.8	1.0	1.1	0.0	-9.9	-6.5	-6.3	15.7
How have spreads on other unsecured lending products changed?	Past three months	-22.8	-5.4	-17.3	-38.2	7.3	-7.0	21.4	-6.1	12.3	16.6	25.6	-3.8
	Next three months	-6.4	-18.1	-24.1	30.9	6.3	-8.0	8.6	23.3	20.3	17.9	-4.9	2.8
How have overall unsecured lending spreads changed?	Past three months	-2.1	-15.6	-6.9	-8.1	7.1	3.7	-8.0	3.3	15.8	20.6	11.9	10.0
	Next three months	-0.1	-3.0	-12.9	0.2	15.9	-0.6	2.5	4.0	-4.1	-2.3	-6.2	13.8
How have credit card limits changed?	Past three months	13.9	0.6	12.4	22.5	-1.6	2.3	12.0	1.0	4.4	-8.2	15.9	-11.6
	Next three months	12.9	17.4	10.9	3.3	6.4	1.4	-7.0	-16.8	-5.7	13.9	-1.2	3.1
How has the minimum proportion of credit card balances to be paid changed?	Past three months	-2.5	2.3	1.0	7.7	11.4	3.2	0.0	3.2	4.1	3.2	0.9	1.9
	Next three months	-2.8	0.6	0.0	7.7	3.3	-7.7	-10.9	0.0	4.1	0.0	0.9	0.9
How have the following terms on new credit card lending to households changed?													
Length of interest free period on balance transfers	Past three months	21.0	1.1	7.9	13.3	2.1	16.9	28.5	-9.6	-29.6	-28.1	-21.4	-10.9
	Next three months	1.1	8.8	2.2	18.3	15.5	29.3	-13.7	0.9	-21.3	-18.0	-9.7	1.4
Length of interest free period for purchases	Past three months	11.1	1.7	12.6	0.0	7.7	16.9	35.0	8.4	-8.4	-15.4	-1.3	-23.2
	Next three months	0.0	13.6	-2.8	3.9	0.2	16.9	0.0	-3.3	-5.8	-1.2	-9.7	-10.8
How have maximum maturities on loans changed?^(d)	Past three months	4.4	0.0	0.0	0.0	0.0	-3.7	3.5	0.0	8.9	0.0	0.0	0.0
	Next three months	0.0	0.0	0.0	0.0	8.8	2.6	0.0	5.1	0.0	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 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)												
		2015	2016				2017				2018			
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
How has the availability of credit provided to the corporate sector overall changed?	Past three months	-0.1	3.2	1.2	0.0	-1.8	1.0	0.9	2.0	1.0	1.8	0.5	-1.7	
	Next three months	2.4	0.2	0.0	0.0	0.2	1.0	0.9	0.0	0.0	1.8	0.5	-6.4	
<i>of which: commercial real estate sector</i>	Next three months	2.2	4.6	-11.5	-0.7	-0.9	0.0	0.0	0.0	0.0	0.0	0.0	-0.7	
	Past three months	3.4	1.3	-10.7	0.0	0.0	0.0	0.0	0.0	-10.9	0.0	1.3	-1.8	
How have commercial property prices affected credit availability to the commercial real estate sector, and/or secured lending to PNFCs?	Past three months	0.6	2.0	-10.9	-12.1	-12.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
	Next three months	0.6	1.1	-10.9	-12.1	-12.9	0.0	-9.6	0.0	0.0	-0.8	-1.4	-10.2	
Factors contributing to changes in credit availability:^(b)														
changing economic outlook	Past three months	0.6	9.0	0.0	-2.5	0.0	0.0	0.0	0.0	-0.8	0.8	-1.6	-0.7	
	Next three months	8.6	6.6	-8.3	0.0	8.4	2.0	2.2	2.4	2.5	3.9	2.7	-6.8	
changing sector-specific risks	Past three months	1.2	3.5	-8.8	-0.5	0.8	1.4	0.0	2.2	-1.6	0.0	3.0	-12.6	
	Next three months	1.2	2.5	-7.1	0.7	10.0	3.3	1.5	1.8	-0.8	-7.1	4.2	-24.7	
market share objectives	Past three months	0.0	0.6	0.0	0.0	-1.8	0.0	0.0	1.0	1.0	1.0	1.1	0.2	
	Next three months	0.6	0.6	0.0	0.0	1.5	0.0	0.0	1.7	1.0	1.0	1.1	1.2	
market pressures from capital markets	Past three months	-0.4	1.3	2.4	0.0	0.0	0.0	0.0	0.8	0.0	1.8	0.9	0.0	
	Next three months	-0.4	0.0	1.2	0.0	-1.3	0.7	0.7	0.8	0.0	1.6	-0.9	0.0	
changing appetite for risk	Past three months	-1.4	3.8	0.0	0.1	0.0	1.0	0.9	0.0	-0.8	0.0	0.2	3.0	
	Next three months	1.1	0.9	1.3	0.0	-2.0	1.7	2.4	1.6	0.9	3.1	0.1	-4.9	
tight wholesale funding conditions	Past three months	-0.7	0.0	0.0	0.0	0.7	0.0	0.0	0.8	0.0	0.0	-0.7	0.7	
	Next three months	-0.7	0.0	0.0	0.0	0.8	0.0	0.0	0.8	0.0	0.0	0.0	0.7	
How has the availability of credit provided to small businesses changed?	Past three months	1.4	1.4	0.0	0.0	0.0	0.0	1.3	0.0	0.0	0.0	11.2	11.5	
	Next three months	2.1	1.4	0.0	0.0	0.0	1.4	1.3	0.0	13.1	0.0	11.2	-0.9	
How has the availability of credit provided to medium PNFCs changed?	Past three months	1.4	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.5	0.0	
	Next three months	4.2	-6.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1.5	-7.4	
How has the availability of credit provided to large PNFCs changed?	Past three months	-1.4	-1.3	1.2	-1.1	-1.8	1.0	1.0	0.8	-0.6	0.3	0.5	-1.4	
	Next three months	2.5	2.4	0.0	0.0	0.2	1.0	1.0	0.8	-0.8	0.3	0.5	-2.2	
How has the proportion of loan applications from small businesses being approved changed?	Past three months	19.9	10.6	-0.7	-4.8	0.0	10.0	0.0	0.0	0.0	-11.4	0.9	0.0	
	Next three months	12.7	12.0	0.7	-4.8	-10.3	1.4	0.0	0.0	-11.5	0.0	-2.0	0.0	
How has the proportion of loan applications from medium PNFCs being approved changed?	Past three months	0.0	-0.7	-0.7	-4.8	0.0	0.0	-0.8	0.0	1.4	-1.7	-3.4	0.0	
	Next three months	0.9	0.7	1.4	-4.8	0.0	0.0	-9.1	9.8	0.0	-1.7	-1.9	0.0	
How has the proportion of loan applications from large PNFCs being approved changed?	Past three months	0.0	-1.7	-0.6	-4.6	0.5	2.0	1.9	-1.4	0.5	-0.8	-1.5	-1.9	
	Next three months	0.8	-1.7	0.6	-3.3	-0.8	0.0	-9.3	0.0	0.0	-0.8	0.0	-1.9	

		Net percentage balances ^(a)											
		2015		2016				2017				2018	
		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	10.5	0.0	0.0	0.0	0.0	0.0	-0.9	0.0	0.0	10.2	-1.3	0.0
	Next three months	0.0	-1.1	0.0	0.0	0.0	10.9	0.0	0.0	0.8	0.0	0.0	0.0
Has there been any change in 'target hold' levels associated with corporate lending?	Past three months	1.0	1.1	0.0	0.0	1.8	-0.9	-1.3	0.0	-0.8	-1.0	-9.3	-8.8
	Next three months	-0.6	0.0	0.0	0.0	1.8	-0.9	-2.2	0.0	-0.8	-1.0	0.0	0.0
How have loan tenors on new corporate loans changed? ^(d)	Past three months	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.8	0.0	9.3	8.8
	Next three months	0.1	0.0	0.0	0.0	0.0	1.2	0.0	0.0	-0.8	0.0	0.0	0.7
Has there been a change in draw-downs on committed lines by PNFCs?	Past three months	2.0	0.0	-24.5	0.0	0.0	0.0	0.0	-0.8	2.1	4.1	3.7	2.6
	Next three months	1.4	0.0	-0.7	0.0	0.0	0.0	0.0	-0.8	0.8	4.1	3.7	3.6
How has the default rate on loans to small businesses changed?	Past three months	-23.6	-26.9	-21.0	-1.8	9.6	-11.0	-11.1	0.0	9.8	-19.7	10.9	11.3
	Next three months	-11.3	-11.2	-11.1	-11.3	11.7	0.0	11.7	11.8	11.5	4.6	10.9	0.0
How has the default rate on loans to medium PNFCs changed?	Past three months	-11.0	4.5	0.0	0.0	11.3	-3.1	-26.3	0.0	1.4	9.7	0.8	10.4
	Next three months	11.5	0.0	0.0	0.0	0.0	1.7	11.5	11.6	12.7	4.5	10.4	0.0
How has the default rate on loans to large PNFCs changed?	Past three months	1.0	2.7	0.0	0.0	0.0	9.8	-5.5	-1.5	4.4	24.8	13.8	10.3
	Next three months	12.9	13.8	1.2	0.0	0.0	0.0	10.9	9.4	15.1	14.4	11.1	0.0
How has losses given default on loans to small businesses changed?	Past three months	-13.5	-11.9	-11.1	-11.3	0.0	0.0	-9.1	0.0	-9.8	0.0	0.0	0.0
	Next three months	-12.5	-11.2	-11.1	-11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8
How have losses given default on loans to medium PNFCs changed?	Past three months	9.1	-0.7	0.0	0.0	0.0	0.0	0.0	10.1	0.0	0.0	0.8	0.0
	Next three months	-1.7	0.0	0.0	0.0	0.0	0.0	0.0	10.1	0.0	0.0	10.7	11.5
How have losses given default on loans to large PNFCs changed?	Past three months	-0.6	0.7	0.0	0.0	0.0	0.0	0.0	9.3	0.0	4.1	1.1	-4.0
	Next three months	-0.6	1.3	0.0	0.0	0.0	0.0	0.0	9.3	0.0	0.0	0.0	2.1
How has demand for credit card lending from small businesses changed?	Past three months	2.8	-1.0	27.6	-2.7	-3.3	-17.0	-18.0	-28.9	-2.6	10.5	10.9	13.7
	Next three months	6.7	34.8	-12.9	18.1	6.9	6.8	-0.1	0.0	6.7	6.7	13.6	6.8
How has demand for other unsecured lending from small businesses changed?	Past three months	12.4	19.4	-1.1	-15.4	-39.6	-4.0	12.0	-6.5	-9.2	11.1	14.3	-16.4
	Next three months	-4.6	-6.7	-1.1	-11.5	-12.5	4.5	-11.8	1.6	15.8	6.6	0.0	0.0
How has demand for total unsecured lending from small businesses changed?	Past three months	4.9	3.4	22.0	-4.7	-9.7	-14.1	-12.3	-24.6	-3.8	10.6	11.5	8.9
	Next three months	4.7	24.4	-10.6	10.9	4.1	6.2	-2.6	0.3	8.4	6.7	11.2	5.8
How has demand for secured lending from small businesses changed?	Past three months	-12.2	-4.2	3.0	-17.5	-44.8	-3.5	38.6	-4.2	-22.0	11.6	27.6	-1.7
	Next three months	-7.2	10.9	11.1	-11.7	-12.1	0.0	-23.4	8.6	13.6	11.6	8.8	-0.9
How has overall demand for lending from small businesses changed?	Past three months	-12.8	-5.5	10.5	-28.0	-28.6	3.1	32.9	-22.0	1.7	0.0	27.8	-11.5
	Next three months	-1.5	19.4	0.7	-4.8	-11.9	-7.3	-10.4	0.0	0.0	0.0	-2.0	-0.9
How has demand for lending from medium PNFCs changed?	Past three months	12.3	-14.4	8.5	-24.5	-32.4	-16.7	22.7	-11.6	2.8	0.9	1.4	5.5
	Next three months	8.7	15.8	0.7	-17.2	9.8	15.8	0.0	0.0	0.0	11.8	11.3	-0.8
How has demand for lending from large PNFCs changed?	Past three months	11.7	-3.3	-32.8	-46.8	0.6	-3.9	-20.9	-10.3	-7.5	1.6	-9.0	-19.9
	Next three months	19.8	-3.9	11.8	5.7	-12.1	5.6	-13.5	-0.3	-22.0	9.6	-12.6	-12.5

		Net percentage balances ^(a)											
		2015		2016				2017				2018	
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
How has demand for lending from OFCs changed?	Past three months	26.1	17.6	0.0	8.8	34.8	9.2	0.8	0.9	1.7	11.8	0.8	11.3
	Next three months	21.3	12.6	0.0	8.8	9.0	9.2	0.0	0.0	0.8	11.0	0.0	0.0
What have been the main factors contributing to changes in demand for lending:^(b)													
mergers and acquisitions	Past three months	32.3	-12.6	-7.2	-22.8	12.6	11.5	-6.3	21.9	13.0	2.9	19.1	-0.4
	Next three months	18.8	-16.6	-11.1	5.1	0.1	2.7	10.9	10.7	-11.5	-0.2	3.2	3.6
capital investment	Past three months	11.2	-0.7	7.8	-7.0	-31.6	-20.4	-10.9	-12.4	-18.9	0.8	-7.9	-14.4
	Next three months	0.6	-4.9	0.0	-6.0	-2.6	11.5	-10.9	-11.0	-11.0	0.8	-8.6	-17.3
inventory finance	Past three months	1.6	-0.2	0.0	-7.0	-0.8	-8.6	-7.9	0.8	2.1	2.4	1.6	9.3
	Next three months	0.6	0.0	0.0	-6.0	0.0	-7.8	-7.7	0.0	13.3	0.8	-3.2	13.6
balance sheet restructuring	Past three months	1.7	-4.7	-0.8	-17.5	0.0	0.0	8.7	0.0	1.0	1.0	1.3	-1.8
	Next three months	8.6	1.1	1.5	4.4	-0.8	0.0	0.0	0.0	9.6	10.8	-0.2	1.1
commercial real estate	Past three months	15.2	15.5	-33.2	-33.1	-23.3	1.7	9.7	-10.0	-0.8	-0.8	17.4	-0.7
	Next three months	15.2	0.9	-5.1	-10.3	-11.1	0.8	-11.2	-11.6	-2.1	0.0	-2.6	-1.8
How have spreads on loans to small businesses changed?	Past three months	-1.4	0.7	0.0	0.0	0.0	-11.7	0.0	-11.8	-11.5	0.0	11.2	0.8
	Next three months	0.6	0.7	-10.5	-11.3	-11.7	0.0	0.0	-11.8	-11.5	-11.4	0.0	0.8
How have fees/commissions on loans to small businesses changed?	Past three months	12.0	12.6	11.1	0.0	0.0	0.0	0.0	1.4	1.4	0.0	0.0	0.8
	Next three months	12.0	0.7	0.0	0.0	0.0	-11.7	1.3	13.2	-11.5	0.0	0.0	0.8
How have collateral requirements for loans to small businesses changed?	Past three months	7.9	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	-11.2
How have maximum credit lines for small businesses changed?	Past three months	0.7	0.7	0.0	0.0	0.0	0.0	0.0	11.8	0.0	0.0	11.2	11.3
	Next three months	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.2	0.0
How have loan covenants for small businesses changed?	Past three months	0.0	0.8	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	4.5	9.6	0.9	20.8	-11.7	0.0	-12.2	-12.3	-1.1	-11.2	1.3	0.0
	Next three months	0.6	2.0	1.4	-11.8	0.0	0.0	-0.8	-0.9	-12.2	-15.7	-10.7	0.8
How have fees/commissions on loans to medium PNFCs changed?	Past three months	4.6	9.6	5.5	9.5	0.0	0.0	-0.8	-0.9	-0.9	0.0	0.5	-0.8
	Next three months	12.0	2.0	1.4	0.0	0.0	-11.7	-0.8	-0.9	10.4	0.0	-0.8	0.0
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	0.0	-1.5	0.0
	Next three months	0.0	0.0	0.0	0.0	0.0	0.0	-0.8	-0.9	-0.9	-0.9	-2.3	0.8
How have maximum credit lines for medium PNFCs changed?	Past three months	8.2	10.0	0.0	0.0	8.9	0.0	-0.8	0.0	0.0	0.9	0.8	2.8
	Next three months	9.6	9.3	0.0	0.0	0.0	0.0	-0.8	0.0	0.0	0.9	0.0	0.0
How have loan covenants for medium PNFCs changed?	Past three months	0.0	0.7	9.2	9.5	0.0	0.0	-0.8	-0.9	-0.9	0.0	-1.5	0.0
	Next three months	0.0	0.0	9.2	0.0	0.0	0.0	-0.8	-0.9	-0.9	0.0	-2.3	0.0

		Net percentage balances ^(a)											
		2015		2016				2017				2018	
		Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
How have spreads on loans to large PNFCs changed?	Past three months	13.1	-1.3	4.6	1.2	-5.3	10.7	22.4	-10.1	-9.1	0.8	14.1	6.8
	Next three months	7.1	0.0	0.5	0.5	-7.5	8.6	-1.2	-10.1	0.5	-14.8	4.3	1.9
How have fees/commissions on loans to large PNFCs changed?	Past three months	11.7	0.6	4.6	0.0	-6.5	9.3	11.7	1.4	11.2	0.8	12.1	2.8
	Next three months	8.5	1.9	1.3	0.0	-7.5	-2.5	0.2	10.8	10.4	-8.8	0.9	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	0.0	0.8	-1.2	0.0
	Next three months	7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	-2.1	0.0
How have maximum credit lines for large PNFCs changed?	Past three months	1.1	0.7	0.0	0.0	-0.8	1.0	0.0	0.0	-0.8	-1.5	-0.6	-1.4
	Next three months	8.4	0.0	0.0	0.0	0.0	1.0	0.0	-0.8	-1.6	-1.5	0.1	-1.4
How have loan covenants for large PNFCs changed?	Past three months	11.7	0.6	0.0	1.1	1.8	0.7	11.7	9.2	11.2	1.7	15.4	13.8
	Next three months	9.1	0.0	0.0	1.1	1.8	0.7	11.7	9.2	9.6	-0.1	2.9	1.9
How have spreads on loans to OFCs changed?	Past three months	29.9	-7.1	0.0	8.8	0.0	21.2	-0.8	-14.6	-11.6	-1.4	-19.2	0.3
	Next three months	12.5	-21.2	0.0	-8.8	0.0	21.2	8.5	-14.6	-11.6	-11.1	-19.2	0.3
How have fees/commissions on loans to OFCs changed?	Past three months	17.2	0.0	0.0	8.8	11.8	9.2	-0.8	-14.6	-0.8	9.4	9.7	9.5
	Next three months	12.5	0.0	0.0	8.8	-9.0	-11.8	-0.8	-14.6	-0.8	9.4	9.0	-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	0.0	-6.9	0.8	0.9	0.8	10.8
	Next three months	0.0	9.5	0.0	0.0	0.0	0.0	0.0	-6.9	0.8	0.9	0.8	0.0
How have maximum credit lines for OFCs changed?	Past three months	17.2	4.0	27.0	-8.8	9.0	0.0	-0.8	1.8	0.8	10.5	-1.3	11.1
	Next three months	0.0	4.0	18.0	-8.8	9.0	0.0	-0.8	1.8	0.8	0.9	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.