

Credit Conditions Survey

Survey Results 2014 Q4



Central Bank of Nigeria



Credit Conditions Survey

Q4 2014

As part of its mission to maintain monetary and financial stability, the Bank needs to understand trends and developments in credit conditions. This quarterly survey of bank lenders is an input to this work. Lenders were asked about trends and developments in credit conditions in the previous and next quarters. The survey covers secured and unsecured lending to households; and lending to non-financial corporations, small businesses and to non-bank financial firms. Along with various data sources and discussions between the major lenders and Bank staff, this survey serves as an input into the Monetary Policy documents which presents the CBN assessment of the latest trends in lending to the Nigerian economy.

This report presents the results of the Q4, 2014 survey which was conducted from 10th – 14th November 2014.

Credit Conditions Survey

Executive Summary

Supply

- The availability of **secured credit to households** increased in Q4, 2014 and a slight increase was expected in the next quarter. Changing economic outlook remained a major factor behind this increase; lenders further reported that Changing liquidity positions also made significant contributions.
- Lenders reported that the availability of **unsecured credit to households** increased in Q4, 2014 and it is expected to increase further in Q1, 2015. Lenders reported that changing economic outlook and changing cost/availability of funds contributed to the increased availability of unsecured credit in Q4 2014.
- The overall availability of credit to the corporate sector increased in Q4 2014 and was expected to increase further in Q1, 2015. The important factors contributing to increased credit availability were changing economic outlook, changing liquidity conditions, market share objective and tight wholesale funding conditions.

Demand

- Demand for **secured lending** for house purchase and consumer loans increased in Q4 2014, and were expected to increase

further in Q1, 2015. Lenders stance in loosening the credit scoring criteria in the current quarter, increased the proportion of loan applications approved in Q4, 2014.

- Demand for **unsecured credit card lending and overdraft/personal loans** from households increased in the current quarter. However, while demand for **unsecured credit card lending** was expected to further decrease in Q1, 2015, demand for **overdraft/personal loans** was expected to further increase. In spite of the tightening in the credit scoring criteria in total unsecured loan applications in Q4, 2014, the proportion of approved households total loan applications improved in the current quarter.

- Lenders reported increased demand for corporate credit across all firm sizes in Q4, 2014. It is expected that credit demand would further increase for all businesses in the next quarter. Following the narrow spread between bank rates (on small businesses and medium PNFCs) and MPR, the proportion of loan applications approved for small businesses and medium PNFCs increased in Q4, 2014 and further increase is anticipated in the next quarter.

Defaults

- **Secured loan performance**, as measured by default rates and losses given default, improved in the review quarter. Similarly, lenders expected improved performance as both default rates and loss given default are expected to further fall in Q1, 2015.

- **Unsecured loan performance on credit card loans and overdraft/personal loans** to households, as measured by default rate and losses given default also improved in Q4 2014 and were expected to further improve in the next quarter.

- **Corporate loan performance** was better as default rates and losses given default on lending to all sized businesses fell in Q4, 2014 and were expected to fall further in Q1, 2015.

Loan pricing

- Lenders reported that the **overall spreads on secured lending rates** on approved new loans to households relative to MPR widened in Q4 2014, but it is expected to narrow in Q1, 2015.

- Lenders reported that **spreads on credit card lending and other unsecured lending products** on approved new loans such as overdrafts/personal loans on approved new loans narrowed in Q4 2014, and is expected to further narrow in Q1, 2015.

Changes in **spreads between bank rates** and MPR on approved new loan applications to the small and medium and large PNFCs and OFCs was mixed in Q4, 2014. While spreads to small businesses and medium PNFCs narrowed in the review quarter, the spreads on large PNFCs and OFCs widened in the same quarter. Spreads for all business types is expected to narrow in the next quarter.

This report presents the results of the Q3 2014 survey which was conducted from 18th – 25th August 2014. 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 his 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 .

Credit Conditions Survey

In the current quarter relative to the previous quarter, lenders reported increases in credit availability to households and corporates. Lenders also expected further increases in credit availability for households and corporate in Q1 2015. Spreads on overall secured lending to household widened in Q4 2014 but is anticipated to narrow in the next quarter. Lenders reported that household demand for lending for house purchase increased in Q4, 2014 and was expected to continue rising in the next quarter. Demand for unsecured credit card lending was up in Q4 2014 and was expected to continue in the next quarter. Demand for unsecured overdraft/personal loans from households was up in Q4, 2014 and was expected to rise further in the next quarter. Demand for corporate lending from small, medium and large PNFCs and OFCs increased in Q4 2014 and was expected to increase further in the next quarter. Corporate loan performance was better as default rates and losses given default on lending to all sized businesses fell in Q4, 2014 and were expected to fall further in Q1, 2015.

Secured lending to households

In the current quarter relative to the previous quarter, lenders reported an increase in the availability of secured credit to households (Question 6). Lenders noted that changing economic outlook had been a major factor behind this increase, although changing liquidity position also made some contributions. The expansion of availability for secured credit was expected to continue in the next quarter with changing economic condition and changing liquidity position as the major contributory factors (Question 6).

Lenders stance on loosening the credit scoring criteria in Q4, 2014 increased the proportion of loan applications approved. Lenders expect credit scoring criteria to remain loosened in the next quarter and consequently, an increase in the proportion of household's loan applications to be approved in Q1, 2015 (Questions 3 & 4).

Maximum LTV ratios were expected to increase in the current quarter and next quarter (Question 5c). Lenders expressed

their willingness to lend at 75% or less in both the current and next quarters. Similarly, they expressed their willingness to lend at high loan to value ratios (LTV) (more than 75%) in both current and next quarters (Question 10). Consistent with this, average credit quality on new secured lending improved in Q4, 2014 and was expected to further improve in Q1, 2015 (Question 9). Some lenders opined that new update to lending processes and improved risk management practices contributed to improving the quality of the overall lending.

Lenders reported that the overall spreads on secured lending rates to households relative to MPR narrowed in Q4 2014 but are expected to widen in Q1, 2015. Within the total, a widening in spreads was reported for prime, while a narrowing in spreads was reported for buy to let and other lending in Q4, 2014. The spreads were however expected to widen in the next quarter (Question 5a).

Households demand for lending for house purchase rose in 2014 Q4 and was expected to also rise in the next quarter. Of the total

demand, increases in households demand for prime lending were reported and was expected to increase in the next quarter. Households demand for buy to let lending increased in the current quarter, and was expected to increase further in Q1, 2015 (Question 1a).

Households demand for consumer loans, mortgage/remortgaging and small businesses rose in Q4, 2014 and were expected to rise further in Q1, 2014 (Questions 1b, 1c and 2).

Secured loan performance, as measured by default rates and losses given default declined in Q4, 2014 and lenders expected further decline in Q1, 2015. Some lenders attributed this lower default rate to domiciliation of salary accounts of consumer loan beneficiaries, as it has helped to reduce significantly the incidence of defaults on loans to households (Questions 7 & 8).

Unsecured lending to households

The availability of unsecured credit provided to households rose in the current quarter relative to the previous quarter and was expected to increase further in the next quarter (Question 6). Lenders reported that, changing economic outlook, changing cost/availability of funds, market share objectives and changing appetite for risk contributed to the changes in credit availability in Q4 2014.

Irrespective of the tightening in the credit scoring criteria in total unsecured loan applications in Q4 2014, the proportion of approved households total loan applications increased. Lenders expect

loosening of credit scoring criteria in the next quarter, and are of the opinion that the total loans applications to be approved in Q3, 2014 will decrease (Questions 3c & 4c). Lenders however relaxed credit scoring criteria for granting credit card loan applications which in turn increased the proportion of approved credit card applications in Q4, 2014. A similar trend is expected in Q4, 2014 (Questions 3a & 4a).

Lenders loosened the credit scoring criteria in granting overdraft/personal loan applications in Q4, 2014 and expect to loosen more in the next quarter. However, while the proportion of approved household's overdraft/personal loan applications is expected to increase in the current quarter, lenders expect a decline in overdraft/personal loan applications in the next quarter (Questions 3b & 4b).

Lenders reported that spreads on credit card lending narrowed in Q4 2014, and it is expected to narrow in the next quarter, similarly, spreads on unsecured overdrafts /personal loans on approved new loan applications narrowed in Q4, 2014 and were expected to narrow in Q1, 2015 (Questions 5a and b). The limit on unsecured credit cards on approved new loan applications increased in Q4, 2014 and was expected to increase in the next quarter (Question 5d). The minimum proportion of credit card balances to be paid on approved new loan applications increased in Q4, 2014, and is expected to increase in the next quarter (Question 5e). Maximum maturities on approved new loan

applications were shortened in Q4, 2014 and are expected to be shortened in the next quarter (Question 5f).

Demand for unsecured credit card lending from households increased in Q4, 2014 and is expected to further increase in Q1, 2015 (Questions 1a). Demand for unsecured overdraft/personal loans increased in Q4 2014 and is expected to increase in Q1 2015 (Questions 1b).

Lenders experienced lower default rate on credit card loans and overdraft/personal loans to households in Q4, 2014 and expect lower default rates in Q1, 2015 (Questions 7a & 7b). Losses given default on credit cards and overdraft/personal loans to households fell in Q4, 2014 and were expected to also fall in Q1, 2015 (Questions 8a & 8b).

Lending to corporates and small businesses

Credit conditions in the corporate sector vary by the size of business, so this survey asks lenders to report developments in the corporate sector overall split by large and medium-sized private non-financial corporations (PNFCs) and small businesses¹.

The overall availability of credit to the corporate sector increased in Q4, 2014 and

¹ Small businesses are defined as those with an annual turnover of under ₦5 million. Medium-sized corporates are defined as those with an annual turnover of between ₦5 million and ₦100 million. Large corporates are defined as those with an annual turnover of more than ₦100 million

was expected to also increase in Q1, 2015 (Question 4a). The most important factors contributing to increased credit availability were changing economic outlook, changing liquidity positions, market share objective and tight wholesale funding conditions (Question 4b). Lenders also reported that commercial property prices negatively influenced credit availability of the commercial real estate sector in Q4 2014 but expect it to positively affect it in Q1 2015. It however positively influenced secured lending to PNFCs in the current quarter and was expected to have positive impact in the next quarter (Questions 4c1 and c2).

Availability of credit increased across all firm sizes in Q3, 2014 and is expected to further increase in the next quarter except to the OFCs (Question 1).

Changes in spreads between bank rates and MPR on approved new loan applications to the small and medium and large PNFCs and OFCs was mixed in Q4, 2014. While spreads to small businesses and medium PNFCs narrowed in the review quarter, the spreads on large PNFCs and OFCs widened in the same quarter. Spreads for all business types is expected to narrow in the next quarter (Question 6).

Despite the wide spread between bank rates and MPR, the proportion of loan applications approved for small business, medium and large PNFCs increased in Q4 2014 and was expected to also increase in the next quarter (Question 5).

Fees/commissions on approved new loan applications to all firms were mixed in Q4, 2014. While fees and commission on loans rose for small and medium PNFCs, it fell for large PNFCs and OFCs. Lenders expect fees and commission to fall for all firm sizes in Q1, 2015 except the small businesses and OFCs. All firms benefitted from an increase in maximum credit lines on approved new loan applications in Q4, 2014 and were expected to benefit in the next quarter (Question 6).

Lenders demanded more collateral requirements from all sized firms on approved new loan application in Q4, 2014, except the medium PNFCs. Similarly, lenders were expected to demand for more collateral in the next quarter from all sized firms. Lenders required much stronger loan covenants from all sized firms on approved new loan application in Q4, 2014 and were expected to demand for same in the next quarter (Question 6).

Demand for corporate lending from small, medium, large PNFCs and OFCs increased in Q4, 2014 and was expected to increase in the next quarter. The lenders reported that the demand for secured lending from small

businesses in Q4, 2014 were higher in comparison with other business types (Question 2c). The most significant factor cited by lenders as the main driver of change in the demand for lending was increase in inventory finance in Q4, 2014, increase in inventory finance and capital investment were expected to be the main driver in the next quarter.

Corporate loan performance was better as default rates and losses given default on lending to all sized businesses fell in Q4, 2014 and was expected to also fall in Q1, 2015 (Questions 7 & 8).

The average credit quality on newly arranged PNFCs borrowing facilities improved in Q4, 2014 and was expected to further improve in Q1, 2015. The target hold levels associated with corporate lending (share of risks that lenders wish to hold of deals that they underwrite in the short term) increased in Q4, 2014 and were expected to increase further in Q1, 2015. Also, loan tenors on new corporate loans and draw down on committed lines by PNFCs were expected to increase in Q4, 2014, but decrease in the following quarter (Question 9).

Table 1: Secured Lending to Households Questionnaire Results

QUESTIONS		2013			2014			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
1(a). How has demand for secured lending for House purchase from HOUSEHOLDS changed?	<i>Current quarter</i>	50.0	54.0	20.0	21.9	8.3	24.3	32.8
	<i>Next quarter</i>	100.0	57.5	31.0	34.1	21.0	41.1	32.8
<i>of which</i> : Demand for prime lending	<i>Current quarter</i>	11.1	35.0	16.3	19.2	3.0	17.1	36.0
	<i>Next quarter</i>	33.0	35.8	20.4	29.0	9.9	36.3	42.5
<i>of which</i> : Demand for buy to let lending	<i>Current quarter</i>	-10.1	18.2	3.7	-5.0	-14.8	8.8	19.7
	<i>Next quarter</i>	16.8	37.3	-21.7	22.9	-11.7	10.3	36.9
<i>of which</i> : Demand for other lending	<i>Current quarter</i>	10.2	25.0	24.7	26.6	30.3	24.6	24.2
	<i>Next quarter</i>	45.6	38.6	22.1	32.9	49.5	35.5	28.5
1(b). How has demand for secured lending for Consumer Loans from HOUSEHOLDS changed?	<i>Current quarter</i>	32.0	57.0	42.3	37.0	31.6	40.4	38.5
	<i>Next quarter</i>	59.1	42.4	42.8	53.0	49.0	57.5	47.4
1(c). How has demand for secured lending for Mortgage/re-mortgate from HOUSEHOLDS changed?	<i>Current quarter</i>	-1.4	27.6	1.1	20.7	8.6	26.5	29.6
	<i>Next quarter</i>	28.7	23.7	19.3	32.3	14.2	33.7	29.8
2. How has demand for secured lending for small businesses from HOUSEHOLDS changed?	<i>Current quarter</i>	28.7	15.0	26.1	28.6	44.6	26.4	46.1
	<i>Next quarter</i>	46.0	36.6	15.3	42.8	38.1	34.6	43.8
3. How have credit scoring criteria for granting loan applications by HOUSEHOLDS changed?	<i>Current quarter</i>	-0.1	2.5	0.8	0.3	0.0	0.0	-7.0
	<i>Next quarter</i>	-0.4	4.2	3.7	0.3	-0.3	-4.3	-4.5
4. How has the proportion of HOUSEHOLD loan applications being approved changed?	<i>Current quarter</i>	30.9	35.9	14.7	35.9	30.6	29.9	43.4
	<i>Next quarter</i>	55.7	41.5	31.8	29.9	32.4	29.9	28.9
5(a). How have the overall secured lending spreads changed?	<i>Current quarter</i>	0.0	-6.1	-1.8	6.4	5.8	7.0	0.0
	<i>Next quarter</i>	35.4	-7.0	-0.7	-14.8	-1.4	-1.1	0.0
<i>of which</i> : Spreads on prime lending	<i>Current quarter</i>	5.4	1.8	1.5	-6.1	6.4	-0.1	-1.9
	<i>Next quarter</i>	3.5	5.4	5.8	-11.7	-1.5	-1.2	0.0
<i>of which</i> : Spreads on buy to let lending	<i>Current quarter</i>	6.4	5.2	-0.7	7.2	6.7	9.1	0.0
	<i>Next quarter</i>	0.7	1.5	-0.3	-16.5	-0.9	-0.9	0.0
<i>of which</i> : Spreads on other lending	<i>Current quarter</i>	6.5	6.7	-0.8	9.6	13.4	8.2	0.0
	<i>Next quarter</i>	0.7	0.4	7.1	-18.7	4.7	-1.3	0.0
	<i>Current quarter</i>	10.1	-2.9	-6.4	2.9	-0.9	-5.2	0.0
	<i>Next quarter</i>	5.2	-3.0	0.1	4.9	0.0	-4.2	0.0
5(b). How have fees on secured lending changed?	<i>Current quarter</i>	-0.3	0.0	-0.5	4.4	0.0	0.0	2.7
	<i>Next quarter</i>	-2.2	-10.2	-0.5	-0.6	0.0	-4.5	0.0
5(c). How have the maximum loan to value ratios changed?	<i>Current quarter</i>	-0.4	-4.2	-5.3	4.0	0.5	-1.6	-4.8
	<i>Next quarter</i>	-6.8	-8.8	-5.0	-1.1	0.0	-4.5	-2.4
5(d). How have the maximum loan to income ratios changed?	<i>Current quarter</i>	-0.4	-4.2	-5.3	4.0	0.5	-1.6	-4.8
	<i>Next quarter</i>	-6.8	-8.8	-5.0	-1.1	0.0	-4.5	-2.4
6. How has the availability of secured credit provided to households changed?	<i>Current quarter</i>	-33.7	-18.9	-25.5	-21.3	-16.2	-20.0	-32.5
	<i>Next quarter</i>	-49.9	-22.4	-18.7	-11.8	-17.3	-10.9	-27.9
<i>Factors contributing to changes in credit availability</i>								
Changing economic outlook	<i>Current quarter</i>	-33.5	-22.7	-14.7	-14.4	-11.2	-2.6	-38.2
	<i>Next quarter</i>	-52.8	-10.4	-18.3	-11.3	-9.3	-6.3	-35.5
Market share objectives	<i>Current quarter</i>	-51.9	-34.2	-33.8	-29.8	-23.4	-20.0	-24.5
	<i>Next quarter</i>	-63.7	-19.6	-32.7	-23.4	-18.9	-21.4	-23.4
Changing appetite for risk	<i>Current quarter</i>	-38.7	-34.4	-5.5	-7.4	-7.4	-17.7	-16.5
	<i>Next quarter</i>	-54.2	-22.8	-11.2	-7.7	-10.9	-18.2	-27.3
Tight wholesale funding conditions	<i>Current quarter</i>	0.8	-15.6	-5.0	-4.0	-17.9	-9.8	-11.6
	<i>Next quarter</i>	-1.1	2.6	-9.0	-7.8	-6.4	-2.3	-10.9
Changing liquidity positions	<i>Current quarter</i>	-26.2	1.1	-18.6	-9.2	-22.9	-5.5	-29.5
	<i>Next quarter</i>	-48.1	19.5	-15.4	-24.6	-13.0	-0.5	-27.9

Table 1: Secured Lending to Households Questionnaire Results (contd)

QUESTIONS		2013			2014			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
7. Has the default rate on secured loans to households changed?	<i>Current quarter</i>	-19.8	1.5	7.5	-31.9	-23.9	-21.1	-23.7
	<i>Next quarter</i>	-36.8	-25.1	-12.8	-46.0	-27.0	-25.7	-26.4
8. How have losses given default to households changed?	<i>Current quarter</i>	-27.7	-3.0	-2.6	-23.4	-24.1	-11.4	-25.9
	<i>Next quarter</i>	-32.3	-18.8	-16.7	-23.1	-16.1	-7.9	-20.9
9. How has the average credit quality of new secured lending to HOUSEHOLDS changed?	<i>Current quarter</i>	37.7	23.7	23.0	33.8	33.7	35.3	22.3
	<i>Next quarter</i>	40.7	32.8	26.3	38.9	36.9	43.4	37.3
10. How has the availability of households secured credit to the following types of borrowers changed:								
Borrowers with low loan to value ratios (75% or less)	<i>Current quarter</i>	20.8	-13.5	7.3	14.4	18.6	13.4	3.9
	<i>Next quarter</i>	24.7	-6.0	11.2	10.4	6.9	4.9	10.7
Borrowers with high loan to value ratios (more than 75%)	<i>Current quarter</i>	13.7	-2.6	10.7	-5.5	-3.0	-12.7	12.7
	<i>Next quarter</i>	15.3	-5.2	2.4	-2.1	-9.2	-10.4	1.9

Table 2: Unsecured Lending to Households Questionnaire Results

QUESTIONS		2013			2014			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
1(a). How has demand for unsecured credit cards lending from HOUSEHOLDS changed?	<i>Current quarter</i>	28.5	-3.1	18.7	20.3	-19.7	30.4	30.3
	<i>Next quarter</i>	34.5	-13.2	25.9	19.6	-25.0	47.7	29.4
1(b). How has demand for unsecured overdraft/ personal loans from HOUSEHOLDS changed?	<i>Current quarter</i>	9.2	15.8	3.3	-1.3	-10.2	28.0	39.4
	<i>Next quarter</i>	11.7	-2.4	3.2	7.5	-0.1	38.0	17.4
1(c). How has demand for total unsecured lending from HOUSEHOLDS changed?	<i>Current quarter</i>	7.5	15.0	2.9	1.3	-16.4	29.4	27.6
	<i>Next quarter</i>	7.7	-3.3	-6.8	-1.3	-16.4	30.4	13.0
2(a). How has demand for unsecured credit cards lending from SMALL BUSINESSES changed?	<i>Current quarter</i>	11.3	2.5	-3.7	-8.1	-9.2	21.4	13.3
	<i>Next quarter</i>	21.7	18.7	-2.6	-13.8	-4.0	7.6	-2.2
2(b). How has demand for unsecured overdraft/ personal loans from SMALL BUSINESSES changed?	<i>Current quarter</i>	-5.8	-16.9	0.9	-4.6	7.2	8.6	18.8
	<i>Next quarter</i>	0.6	-2.6	7.4	-1.7	11.4	10.9	4.5
2(c). How has demand for total unsecured lending from SMALL BUSINESSES changed?	<i>Current quarter</i>	-5.8	-15.4	-14.1	-0.6	-5.0	7.4	15.6
	<i>Next quarter</i>	-4.4	4.5	-7.3	-2.9	-7.4	3.0	4.1
3(a). How have credit scoring criteria for granting credit card loan applications by HOUSEHOLDS changed?	<i>Current quarter</i>	11.1	-2.1	0.6	-2.9	-4.8	-2.5	-5.6
	<i>Next quarter</i>	-1.5	0.0	14.3	-9.0	-3.0	-5.3	-4.7
3(b). How have credit scoring criteria for granting overdraft/personal loan applications by HOUSEHOLDS changed?	<i>Current quarter</i>	14.8	9.9	2.7	10.5	11.1	1.5	-2.2
	<i>Next quarter</i>	3.1	13.9	13.6	7.6	0.0	-2.7	-4.5
3(c). How have credit scoring criteria for granting total unsecured loan applications by HOUSEHOLDS changed?	<i>Current quarter</i>	24.2	11.6	3.0	13.4	12.3	1.5	0.0
	<i>Next quarter</i>	24.2	16.5	15.0	8.0	0.0	-2.8	0.0
4(a). How has the proportion of HOUSEHOLD credit card loan applications being approved changed?	<i>Current quarter</i>	43.9	26.9	29.9	3.8	20.9	37.2	28.6
	<i>Next quarter</i>	50.5	11.3	23.6	12.6	17.9	25.9	25.7
4(b). How has the proportion of HOUSEHOLD overdraft/personal loan applications being approved changed?	<i>Current quarter</i>	19.1	40.1	7.3	6.0	18.7	33.3	12.1
	<i>Next quarter</i>	12.4	20.4	-2.8	5.8	-2.3	18.9	-4.5
4(c). How has the proportion of HOUSEHOLD total loan applications being approved changed?	<i>Current quarter</i>	12.5	33.0	-5.4	-3.3	3.3	25.9	10.5
	<i>Next quarter</i>	12.4	20.4	-2.8	5.8	-2.3	18.9	-4.5
5(a). How have spreads on credit cards changed?	<i>Current quarter</i>	-5.6	-7.9	-4.2	9.0	6.2	1.9	6.9
	<i>Next quarter</i>	2.8	4.2	9.8	6.2	5.0	-0.5	6.9
5(b). How have spreads on overdraft/personal loans changed?	<i>Current quarter</i>	-10.7	-10.0	3.8	2.4	3.5	-2.5	2.4
	<i>Next quarter</i>	-2.3	5.8	12.0	5.4	3.7	1.8	5.6
5(c). How have spreads on overall unsecured lending changed?	<i>Current quarter</i>	-10.5	-10.6	4.0	7.4	4.4	3.7	2.8
	<i>Next quarter</i>	0.0	6.2	12.6	5.6	5.7	-0.2	5.7
5(d). How have unsecured credit card limits changed?	<i>Current quarter</i>	-5.5	3.0	6.0	-6.7	-0.2	-3.6	0.0
	<i>Next quarter</i>	-0.6	0.0	-3.4	0.0	-1.2	0.0	0.0
5(e). How has the minimum proportion of credit cards balances to be paid changed?	<i>Current quarter</i>	5.2	1.5	8.6	-2.9	12.8	-1.9	1.7
	<i>Next quarter</i>	10.4	3.3	14.8	0.6	-0.6	1.2	2.1
5(f). How have maximum maturities on loans changed?	<i>Current quarter</i>	11.2	3.2	6.4	-1.2	4.8	-0.5	2.0
	<i>Next quarter</i>	2.0	-1.7	9.9	1.2	14.2	1.9	2.0
6. How has the availability of unsecured credit provided to households changed?	<i>Current quarter</i>	-25.6	-18.4	-16.2	-11.7	-8.3	-12.7	-2.3
	<i>Next quarter</i>	-20.7	-20.0	-21.6	-7.0	-15.5	-10.6	-6.9
<i>Factors contributing to changes in credit availability</i>								
Changing economic outlook	<i>Current quarter</i>	-36.1	-37.6	-16.1	-10.4	-9.9	-15.1	-33.2
	<i>Next quarter</i>	-27.1	-28.5	-16.0	-9.9	-9.9	-7.9	-33.0
Market share objectives	<i>Current quarter</i>	-41.0	-35.3	-23.9	-31.1	-17.0	-26.0	-25.3
	<i>Next quarter</i>	-32.7	-30.4	-19.5	-18.3	-19.9	-23.4	-17.6
Changing appetite for risk	<i>Current quarter</i>	-21.2	-24.7	-10.2	-6.2	2.6	-13.6	-19.2
	<i>Next quarter</i>	-19.2	-24.4	-8.6	-5.2	-4.4	-10.8	-21.7
Changing cost/ availability of funds	<i>Current quarter</i>	-35.1	-44.6	-27.9	-25.6	-22.7	-27.6	-30.5
	<i>Next quarter</i>	-28.4	-34.7	-25.4	-17.7	-25.6	-23.5	-30.3

Table 2: Unsecured Lending to Households Questionnaire Results (contd)

QUESTIONS		2013			2014			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
7(a). How has the default rate on credit card loans to households changed?	<i>Current quarter</i>	-10.5	-29.7	-43.1	-26.5	-21.8	-21.2	-29.2
	<i>Next quarter</i>	-35.7	-23.8	-20.0	-20.5	-22.6	-27.3	-29.2
7(b). How has the default rate on overdraft/ personal loans to households changed?	<i>Current quarter</i>	-19.2	-19.2	-27.5	-35.7	-4.2	-11.2	-24.2
	<i>Next quarter</i>	-45.5	-24.4	-28.1	-20.3	-27.9	-28.3	-34.9
7(c). How has the default rate on total unsecured loans to households changed?	<i>Current quarter</i>	-10.9	-23.4	-30.5	-35.7	-7.4	-13.2	-21.7
	<i>Next quarter</i>	-32.6	-25.9	-29.2	-20.3	-29.6	-28.3	-29.4
8(a). How have losses given default on credit card loans to households changed?	<i>Current quarter</i>	0.0	-45.3	-29.6	-5.8	-6.2	-16.0	-33.8
	<i>Next quarter</i>	-14.9	-37.5	-23.2	-24.9	-14.1	-27.3	-24.6
8(b). How have losses given default on overdraft/personal loans to households changed?	<i>Current quarter</i>	-5.3	-34.3	-22.2	-22.5	-7.0	-17.4	-18.0
	<i>Next quarter</i>	-21.4	-29.7	-28.5	-28.3	-20.1	-27.4	-19.6
8(c). How have losses given default on total unsecured loans to households changed?	<i>Current quarter</i>	-5.3	-33.2	-24.9	-22.5	-7.4	-19.1	-18.0
	<i>Next quarter</i>	-21.4	-31.7	-24.8	-27.3	-21.3	-28.5	-19.6
9(a). How has the average credit quality of new credit card lending to HOUSEHOLDS changed?	<i>Current quarter</i>	1.0	30.0	-0.5	-15.8	21.9	19.8	21.6
	<i>Next quarter</i>	0.8	25.1	-16.9	-9.2	16.6	26.9	5.3
9(b). How has the average credit quality of new overdraft/personal lending to HOUSEHOLDS changed?	<i>Current quarter</i>	9.6	26.4	19.4	-2.1	13.8	19.3	20.6
	<i>Next quarter</i>	11.9	28.8	24.3	-6.0	20.2	22.8	10.0
9(c). How has the average credit quality of new total unsecured lending to HOUSEHOLDS changed?	<i>Current quarter</i>	9.6	26.4	24.3	-2.2	15.9	19.4	23.8
	<i>Next quarter</i>	11.9	28.8	24.8	-6.0	26.1	22.9	10.0

Table 3: Corporate Lending Questionnaire Results

QUESTIONS		2013			2014				
		Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1(a). How has availability of credit provided to small businesses changed?	<i>Current quarter</i>	-34.3	-28.5	-36.1	-27.4	-40.1	-35.2	-35.7	
	<i>Next quarter</i>	-46.3	-21.2	-39.6	-32.7	-45.9	-22.2	-40.1	
1(b). How has availability of credit provided to medium PNFCs changed?	<i>Current quarter</i>	-31.2	-21.2	-28.5	-20.5	-28.7	-25.5	-31.7	
	<i>Next quarter</i>	-51.2	-24.9	-31.9	-28.9	-26.7	-23.9	-30.1	
1(c). How has availability of credit provided to large PNFCs changed?	<i>Current quarter</i>	-45.5	-38.9	-40.2	-40.1	-36.8	-45.4	-41.2	
	<i>Next quarter</i>	-38.7	-31.1	-37.5	-30.8	-32.8	-21.4	-13.5	
1(d). How has availability of credit provided to OFCs changed?	<i>Current quarter</i>	-13.6	-19.3	-13.2	-6.5	-18.1	-10.9	-2.8	
	<i>Next quarter</i>	-19.9	-16.5	-23.5	3.1	-15.9	-1.4	2.2	
2(a). How has demand for credit cards lending from SMALL BUSINESSES changed?	<i>Current quarter</i>	35.1	35.3	23.5	16.4	16.2	11.6	4.8	
	<i>Next quarter</i>	45.4	29.0	39.1	27.1	13.2	15.3	15.5	
2(b). How has demand for overdraft/ personal loans from SMALL BUSINESSES changed?	<i>Current quarter</i>	43.0	41.8	37.4	31.4	50.5	42.8	29.1	
	<i>Next quarter</i>	48.4	38.2	40.3	27.6	36.6	17.5	26.0	
2(c). How has demand for secured lending from SMALL BUSINESSES changed?	<i>Current quarter</i>	42.2	42.3	28.1	33.8	52.4	41.5	39.9	
	<i>Next quarter</i>	52.7	30.3	38.1	31.6	35.6	12.7	40.1	
2(d). How has demand for lending from Medium PNFCs changed?	<i>Current quarter</i>	48.7	40.4	33.4	19.3	38.5	33.2	37.5	
	<i>Next quarter</i>	62.3	39.0	42.9	24.5	24.2	9.9	33.8	
2(e). How has demand for lending from Large PNFCs changed?	<i>Current quarter</i>	50.7	45.6	37.3	30.5	29.6	36.4	39.8	
	<i>Next quarter</i>	50.4	30.5	33.7	40.3	22.5	15.1	22.8	
2(f). How has demand for lending from OFCs changed?	<i>Current quarter</i>	30.9	39.6	20.3	4.6	12.5	7.8	6.4	
	<i>Next quarter</i>	37.3	29.8	18.3	13.9	9.4	1.2	13.0	
3. What have been the main factors contributing to changes in demand for lending?									
	<i>(a1) Merger and acquisition</i>	<i>Current quarter</i>	-6.2	-38.1	-22.9	-11.7	-12.4	-1.8	6.2
		<i>Next quarter</i>	5.8	-20.3	-27.0	-13.1	4.5	-19.7	-10.1
	<i>(a2) Capital Investments</i>	<i>Current quarter</i>	55.3	39.5	28.2	39.2	50.9	37.1	47.7
		<i>Next quarter</i>	48.5	22.7	23.7	35.6	39.9	14.2	42.0
	<i>(a3) Inventory Finance</i>	<i>Current quarter</i>	57.2	50.5	38.6	41.0	37.3	32.2	59.9
		<i>Next quarter</i>	61.6	41.1	40.8	42.1	39.9	32.7	46.9
	<i>(a4) Balance sheet restructuring</i>	<i>Current quarter</i>	6.1	0.5	-16.2	-9.3	4.2	7.0	27.2
		<i>Next quarter</i>	13.5	-2.7	-18.6	6.7	15.1	3.0	28.2
	<i>(a5) Commercial Real Estate</i>	<i>Current quarter</i>	17.9	1.1	-3.7	7.6	-16.1	1.8	10.3
		<i>Next quarter</i>	17.9	1.1	-3.7	7.6	-16.1	1.8	10.3
4(a). How has the overall availability of credit to the corporate sector changed?	<i>Current quarter</i>	-36.9	-46.1	-40.6	-37.0	-26.2	-28.0	-43.1	
	<i>Next quarter</i>	-64.7	-49.0	-35.3	-32.2	-19.0	-23.5	-35.8	
	<i>Of which: Commercial real estate sector</i>	<i>Current quarter</i>	-19.3	-0.6	3.8	-4.6	1.7	-2.5	-23.3
		<i>Next quarter</i>	-28.3	-9.6	-8.7	-15.9	-3.8	-5.0	-24.5
4(b). Factors contributing to changes in credit availability.									
	<i>Changing economic outlook</i>	<i>Current quarter</i>	-63.6	-53.0	-44.4	-32.8	-38.3	-37.9	-44.9
		<i>Next quarter</i>	-51.5	-28.1	-39.5	-23.5	-17.1	-23.6	-38.6
	<i>Changing sector specific risks</i>	<i>Current quarter</i>	-47.7	-40.2	-44.9	-29.4	-32.0	-30.2	-33.2
		<i>Next quarter</i>	-50.8	-26.6	-38.0	-26.0	-26.1	-29.6	-40.2
	<i>Market share objectives</i>	<i>Current quarter</i>	-44.3	-37.2	-37.7	-32.6	-27.9	-27.7	-35.0
		<i>Next quarter</i>	-38.2	-30.9	-39.6	-20.7	-22.0	-22.4	-31.5
	<i>Market pressures from capital markets</i>	<i>Current quarter</i>	21.4	6.7	27.8	12.6	17.9	18.8	16.9
		<i>Next quarter</i>	11.5	13.5	15.5	12.0	10.5	18.8	12.8
	<i>Changing appetite for risk</i>	<i>Current quarter</i>	-41.7	-39.5	-28.6	-14.2	-10.1	-25.3	-23.1
		<i>Next quarter</i>	-40.9	-19.3	-27.8	-5.6	-10.5	-13.4	-27.0
	<i>Tight wholesale funding conditions</i>	<i>Current quarter</i>	-36.5	-44.3	-40.6	-24.5	-13.9	-12.2	-35.0
		<i>Next quarter</i>	-38.0	-30.1	-36.9	-17.2	-18.1	-18.3	-37.9
	<i>Changing liquidity conditions</i>	<i>Current quarter</i>	-52.4	-44.2	-41.4	-40.3	-24.7	-39.7	-35.1
		<i>Next quarter</i>	-53.7	-39.6	-42.1	-36.2	-35.3	-34.5	-38.9

Table 3: Corporate Lending Questionnaire Results (contd)

QUESTIONS		2013			2014			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
4(c1). How have commercial property prices affected <i>credit availability to the commercial real estate sector</i> ?	<i>Current quarter</i>	-4.6	10.9	-7.9	-6.9	9.6	0.3	0.4
	<i>Next quarter</i>	-5.3	11.6	-13.7	-17.2	3.4	6.7	-3.9
4(c2). How have commercial property prices affected secured lending to PNFCs?	<i>Current quarter</i>	-21.9	-7.1	-5.1	-20.7	-11.7	-23.1	-11.6
	<i>Next quarter</i>	-22.1	-6.3	-6.8	-24.0	-11.8	-10.3	-13.5
5(a). How has the proportion of loan applications from small businesses being approved changed?	<i>Current quarter</i>	37.3	29.3	24.5	24.6	41.3	24.3	34.5
	<i>Next quarter</i>	43.2	14.7	26.2	35.3	32.8	9.0	36.9
5(b). How has the proportion of loan applications from medium PNFCs being approved changed?	<i>Current quarter</i>	42.3	32.0	16.8	23.7	33.2	23.0	36.2
	<i>Next quarter</i>	48.8	21.3	19.0	24.2	21.2	-0.5	39.0
5(c). How has the proportion of loan applications from large PNFCs being approved changed?	<i>Current quarter</i>	41.4	43.7	21.6	30.9	40.6	39.0	30.2
	<i>Next quarter</i>	43.0	29.8	12.1	26.5	27.1	10.7	37.3
6(a1). How have spreads on loans to small businesses changed?	<i>Current quarter</i>	9.5	7.5	-18.7	-8.8	-6.5	1.3	-2.4
	<i>Next quarter</i>	9.2	4.6	-3.1	-0.1	-5.4	0.4	-4.2
6(a2). How have fees/commissions on loans to small businesses changed?	<i>Current quarter</i>	21.1	13.2	7.5	-5.5	-9.9	-4.1	0.0
	<i>Next quarter</i>	12.9	12.1	3.8	0.3	-3.9	0.0	-1.8
6(a3). How have collateral requirements for loans to small businesses changed?	<i>Current quarter</i>	-7.8	-12.1	-10.1	-13.3	-20.5	-14.1	-0.8
	<i>Next quarter</i>	-7.8	-16.3	-6.6	-2.2	-7.6	0.0	-1.8
6(a4). How have maximum credit lines for loans to small businesses changed?	<i>Current quarter</i>	-18.6	-16.8	-13.5	-11.1	-6.4	-0.1	-10.0
	<i>Next quarter</i>	-18.8	-9.6	-11.7	-8.2	-15.2	-7.1	-10.0
6(a5). How have Loan covenants for loans to small businesses changed?	<i>Current quarter</i>	-8.1	-13.5	-13.3	-9.2	-14.6	-15.8	-2.4
	<i>Next quarter</i>	-8.1	-16.3	-10.2	-3.0	-4.4	-0.4	-4.2
6(b1). How have spreads on loans to medium PNFCs changed?	<i>Current quarter</i>	13.4	8.2	-13.3	-4.9	-8.8	-7.1	0.0
	<i>Next quarter</i>	0.7	1.7	0.5	1.5	4.7	4.5	-2.2
6(b2). How have fees/commissions on loans to medium PNFCs changed?	<i>Current quarter</i>	23.3	13.8	4.8	-4.5	-14.3	-10.7	0.0
	<i>Next quarter</i>	7.5	12.1	1.0	0.3	4.6	4.7	0.0
6(b3). How have collateral requirements for loans to medium PNFCs changed?	<i>Current quarter</i>	-4.2	-11.5	-9.8	-10.2	-11.0	-9.2	4.9
	<i>Next quarter</i>	-3.9	-16.6	-0.9	-1.5	0.0	0.0	-0.5
6(b4). How have maximum credit lines for loans to medium PNFCs changed?	<i>Current quarter</i>	-8.4	-16.2	-10.7	-1.1	-14.6	-7.2	-1.5
	<i>Next quarter</i>	-12.3	-9.6	-15.3	-2.5	-7.8	-3.8	-0.5
6(b5). How have Loan covenants for loans to medium PNFCs changed?	<i>Current quarter</i>	-8.3	-11.7	-13.1	-1.8	-9.8	-9.3	-2.4
	<i>Next quarter</i>	-8.2	-16.6	-12.9	-1.7	-9.0	-1.0	-1.9
6(c1). How have spreads on loans to large PNFCs changed?	<i>Current quarter</i>	13.4	4.2	-5.8	5.2	6.9	7.1	0.0
	<i>Next quarter</i>	4.7	8.5	-1.1	1.5	-0.4	-1.0	-0.5
6(c2). How have fees/commissions on loans to large PNFCs changed?	<i>Current quarter</i>	27.2	8.8	14.3	7.7	6.4	8.7	0.0
	<i>Next quarter</i>	15.0	12.1	3.8	-5.6	-5.4	-5.3	1.7
6(c3). How have collateral requirements for loans to large PNFCs changed?	<i>Current quarter</i>	4.1	-9.6	-1.0	4.2	-1.4	-2.9	-1.4
	<i>Next quarter</i>	-2.0	-5.7	-0.9	-2.5	-1.0	-0.9	-3.6
6(c4). How have maximum credit lines for loans to large PNFCs changed?	<i>Current quarter</i>	-16.4	-4.4	-21.9	-6.0	-11.1	-5.3	-0.2
	<i>Next quarter</i>	-24.8	-8.1	-21.4	-7.5	-9.0	-0.4	-2.4
6(c5). How have Loan covenants for loans to large PNFCs changed?	<i>Current quarter</i>	0.0	-11.0	-13.1	-2.4	-9.2	-2.9	-1.0
	<i>Next quarter</i>	-6.1	-6.8	-9.1	-2.8	-8.5	-0.9	-3.6
6(d1). How have spreads on loans to OFCs changed?	<i>Current quarter</i>	10.5	8.4	-14.8	5.7	8.6	9.3	0.0
	<i>Next quarter</i>	0.2	6.9	-9.4	1.2	0.0	0.0	-0.5
6(d2). How have fees/commissions on loans to OFCs changed?	<i>Current quarter</i>	16.1	14.4	8.7	1.3	-1.9	0.2	0.0
	<i>Next quarter</i>	1.0	13.2	4.2	0.8	0.0	0.0	-0.6
6(d3). How have collateral requirements for loans to OFCs changed?	<i>Current quarter</i>	-5.0	-5.8	-1.0	-9.6	-0.4	1.2	-1.6
	<i>Next quarter</i>	-5.0	-1.2	-1.0	-2.9	0.0	0.0	-1.6
6(d4). How have maximum credit lines for loans to OFCs changed?	<i>Current quarter</i>	-10.4	-2.8	-15.3	-2.2	-5.7	-1.7	-1.6
	<i>Next quarter</i>	-5.8	2.0	-5.8	2.8	-4.4	0.0	-4.1
6(d5). How have Loan covenants for loans to OFCs changed?	<i>Current quarter</i>	-5.3	-5.8	0.4	-2.7	-4.7	-0.4	-4.1
	<i>Next quarter</i>	-5.3	-1.2	-1.0	-3.2	-4.4	0.0	-4.1

Table 3: Corporate Lending Questionnaire Results (contd)

QUESTIONS		2013			2014			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
7(a). How has the default rate on loans to small businesses changed?	<i>Current quarter</i>	-18.3	-26.0	-13.0	-11.5	14.3	-11.8	-21.0
	<i>Next quarter</i>	-28.9	-31.8	-18.0	-10.6	-2.7	1.8	-22.8
7(b). How has the default rate on loans to medium PNFCs changed?	<i>Current quarter</i>	-21.2	-15.6	-19.0	-21.6	-5.7	-21.6	-24.1
	<i>Next quarter</i>	-30.6	-21.3	-23.6	-10.6	-2.7	1.8	-27.7
7(c). How has the default rate on loans to large PNFCs changed?	<i>Current quarter</i>	-21.2	-20.7	-19.2	-25.8	-21.7	-26.8	-23.0
	<i>Next quarter</i>	-34.6	-28.0	-20.1	-14.7	-12.4	-3.9	-25.8
	<i>Current quarter</i>	-14.5	-22.6	-11.7	-16.9	-10.9	-13.9	-24.1
7(d). How has the default rate on loans to OFCs changed?	<i>Next quarter</i>	-34.3	-26.0	-20.6	-10.7	-12.9	-3.9	-27.7
8(a). How have losses given default on loans to small businesses changed?	<i>Current quarter</i>	-27.9	-2.9	-28.0	-16.1	-3.4	-5.3	-16.1
	<i>Next quarter</i>	-43.6	-9.6	-42.7	-17.0	-14.2	-21.0	-14.2
8(b). How have losses given default on loans to medium PNFCs changed?	<i>Current quarter</i>	-34.4	-13.4	-28.0	-22.3	-15.0	-16.2	-15.3
	<i>Next quarter</i>	-43.6	-20.0	-42.7	-23.3	-11.7	-18.0	-15.2
8(c). How have losses given default on loans to large PNFCs changed?	<i>Current quarter</i>	-32.9	-18.7	-22.3	-28.9	-19.1	-21.6	-14.4
	<i>Next quarter</i>	-47.5	-27.0	-34.2	-25.7	-16.3	-18.7	-15.8
8(d). How have losses given default on loans to OFCs changed?	<i>Current quarter</i>	-16.9	-21.8	-16.7	-19.0	-24.3	-13.4	-9.3
	<i>Next quarter</i>	-33.8	-23.5	-28.2	-18.5	-14.7	-7.9	-11.5
9(a). Has there been a change in average credit quality on newly arranged PNFCs borrowing facilities?	<i>Current quarter</i>	18.6	24.4	23.7	8.3	10.3	14.5	9.8
	<i>Next quarter</i>	22.9	17.0	29.3	15.1	13.7	2.1	12.1
9(b). Has there been any change in target hold levels associated with corporate lending?	<i>Current quarter</i>	20.2	5.0	12.5	12.6	16.2	10.5	3.5
	<i>Next quarter</i>	25.3	2.8	10.9	15.1	11.2	-4.6	7.4
9(c). How have loan tenors on new corporate loans changed?	<i>Current quarter</i>	15.8	10.5	2.5	11.1	11.5	6.7	0.7
	<i>Next quarter</i>	16.0	2.8	-0.3	13.3	3.7	-7.6	-0.2
9(d). Has there been a change in draw down on committed lines by PNFCs?	<i>Current quarter</i>	17.7	24.4	16.3	2.4	7.3	5.0	10.3
	<i>Next quarter</i>	18.2	17.8	20.7	11.2	2.3	-3.4	11.2