

Credit Conditions Survey Report



First Quarter 2016

Executive Summary

Supply: The availability of **secured credit to households** increased in Q1 2016 and was expected to further increase in the next quarter. Changing economic outlook remained a major factor behind the increase.

Lenders reported that the availability of **unsecured credit to households** increased in Q1 2016 and it was expected to increase further in Q2 2016. Lenders reported that changing appetite for risk contributed to the change in credit availability in Q1 2016.

The overall availability of **credit to the corporate sector** increased in Q1 2016 and was expected to increase further in Q2 2016. The major factors contributing to increased credit availability were changing economic outlook, changing sector specific risk and changing liquidity conditions.

Demand: Demand for **secured lending** for house purchase increased in Q1 2016, and was expected to increase further in Q2 2016. Despite lenders stance in tightening the credit scoring criteria in the current quarter, the proportion of loan applications approved in Q1 2016 increased.

Demand for **unsecured credit card lending and overdraft/personal loan from households** increased in the current quarter, and was expected to further increase in the next quarter. Due to the tightening in the **credit scoring criteria**, the proportion of approved households loan applications decreased in the current quarter and was also expected to decrease in the next quarter.

Lenders reported increased **demand for corporate credit** across all firm sizes, except the Other Financial Corporations (OFCs) in Q1 2016. A similar trend was expected in

the next quarter. Following the wide spread between bank rates and the monetary policy rate (MPR) on all categories of firm, the proportion of loan applications approved for medium and large Public Non-Financial Corporations (PNFCs) decreased in Q1 2016.

Defaults: **Secured loan performance**, as measured by **default rates**, improved in the review quarter. Similarly, lenders expect improved performance in the next quarter as default rates were expected to fall further.

Unsecured loan performance on **credit card loans and overdraft/personal loans** to households, as measured by default rates improved in Q1 2016 and was expected to improve further in the next quarter.

Corporate loan performance was mixed in the current quarter. The default rates and losses given default on lending to small, medium and large PNFCs improved, while it deteriorated for the OFCs.

Loan pricing: Lenders reported that the **overall spreads on secured lending rates** on approved new loans to households relative to MPR widened in Q1 2016, but was expected to narrow in Q2 2016.

Lenders reported that **spreads on credit card lending and Spreads on overdrafts/personal loans** widened in Q1 2016 and were expected to widen further in the next quarter.

Changes in **spreads between bank rates and MPR** on approved new loan applications to small businesses, medium & large PNFCs and other financial corporations (OFCs) widened in Q1 2016. Similarly, **spreads on loans** to all size businesses were expected to widen in the next quarter.

Credit Conditions Survey Report

Introduction

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, lending to non-financial corporations, small businesses and 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 an assessment of the latest trends in banks' lending to the Nigerian economy.

This report presents the results of the Q1 2016 credit conditions survey, which was conducted from 22nd to 26th February 2016. 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 versus lower or terms and conditions were tighter versus looser. The net percentage balances are scaled to lie between ± 100 .

First Quarter Credit Conditions Survey

In the current quarter relative to the previous quarter, lenders reported increase in secured and unsecured credit availability to households, small businesses and corporates. Spreads on overall secured and unsecured lending to household widened in Q1 2016 and was expected to further widen in the next quarter. Lenders reported that household demand for house purchase lending increased in Q1 2016 and was expected to increase in the next quarter. Demand for unsecured credit card lending increased in Q1 2016, and was expected to increase in Q2 2016. Demand for unsecured overdraft/personal loans from households increased in Q1 2016 and was expected to rise in the next quarter. Demand for corporate lending increased across all firm sizes in Q1 2016 and was expected to increase further in Q2 2016. Corporate loan performance to all size businesses was mixed in the quarter under review.

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. Lenders noted that brighter economic outlook was a major factor behind the increase. The availability of secured credit was also expected

to increase in the next quarter with market share objectives and changing economic outlook as the major contributory factors (Question 6).

In spite of lenders' stance on tightening the credit scoring criteria in Q1 2016 there was an increase in the proportion of loan applications approved in the quarter. Similarly, while the credit scoring criteria was expected to remain tight in the next quarter, lenders expect an increase in the proportion of households' loan applications approved in Q2 2016 (Questions 3 & 4).

Maximum Loan to Value (LTV) ratios was flat in the current and next quarters (Question 5c). Lenders expressed willingness to lend at low LTV ratios (75% or less) in both the current and next quarters. They expressed willingness to lend at high LTV (more than 75%) in the current quarter but not in the next quarter (Question 10). The average credit quality on new secured lending improved in the current quarter and was expected to improve further in Q2 2016 (Question 9).

Lenders reported that the overall spreads on secured lending rates to households relative to MPR widened in Q1 2016 but was expected to narrow in the next quarter. Narrowed spreads were reported for buy to let and other lending in Q1 2016 and all lending types were expected to narrow in the next quarter (Question 5a).

Households demand for lending for house purchase increased in Q1 2016 and was expected to further increase in the next quarter. Of the total demand, declines in households demand for buy to let and other lending were reported, and were expected to remain same in the next quarter. In contrast, demand for prime lending was expected to increase in the current and next quarters (Question 1a).

Households demand for consumer loans, mortgage/remortgaging and small businesses rose in Q1, 2016 and were expected to rise further in Q2, 2016 (Questions 1b, 1c and 2).

Secured loan performance, as measured by default rates improved in Q1, 2016 and was expected to improve further in Q2 2016. Loss given default improved in the current quarter and was expected to remain same in the next quarter (Questions 7 & 8).

Unsecured lending to households

The availability of unsecured credit provided to households increased in the current quarter and was expected to further increase in the next quarter. Lenders reported increased appetite for risk, brighter economic outlook, and market share objectives as factors that contributed to the increase in Q1 2016 (Question 6).

Lenders resolve to tighten the credit scoring criteria for total unsecured loan applications in Q1 2016 negatively affected the proportion of approved total loan applications for households. Lenders expect to further tighten the credit scoring criteria in the next quarter, and are still of the opinion that the total loans applications to be approved in Q1 2016 will further decrease (Questions 3c & 4c). Similarly, lenders tightened the credit scoring criteria for granting credit card loan applications and expect the proportion of approved credit card applications to fall in Q1 2016 (Questions 3a & 4a).

Lenders tightened the credit scoring criteria in granting overdraft/personal loan applications in the current quarter, consequent upon which the proportion of approved household's overdraft/personal loan applications in the current quarter fell (Questions 3b & 4b).

Lenders reported that spreads on credit card lending widened in Q1 2016, and was expected to widen further in the next quarter. Similarly, spreads on unsecured overdrafts/personal loans on approved new loan applications widened in the current quarter and was expected to widen further in the next quarter (Questions 5a & b).

The limit on unsecured credit cards on approved new loan applications decreased in Q1 2016 but was expected to further fall in the next quarter (Question 5d). The minimum proportion of credit card balances to be paid on approved new loan applications increased in the review quarter, and was expected to increase in the next quarter (Question 5e).

Maximum maturities on approved unsecured new loan applications were shortened in both the current and next quarters (Question 5f).

Demand for unsecured credit card lending from households increased in Q1 2016 and was expected to increase further in Q2 2016 (Question 1a). Also, demand for unsecured overdraft/personal loans from households increased in Q1 2016 and was expected to increase in Q2 2016 (Questions 1b).

Lenders experienced lower default rate on credit card loans to households in Q1 and Q2 2016. They however, expect higher default rates on overdrafts/ personal lending to households in the current quarter, but lower defaults in the next quarter (Questions 7a & b). Losses given default on total unsecured loans to households fell in Q1 2016 and were expected to fall further in Q2 2016 (Question 8c).

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 by large and medium-size private non-financial corporations (PNFCs), other financial corporations (OFCs) and small businesses¹.

The overall availability of credit to the corporate sector increased in Q1 2016 and was expected to further increase in Q2 2016 (Question 4a). The most important factors contributing to the increase in credit availability were brighter economic outlook, changing sector specific risk and a favorable liquidity conditions (Question 4b). Lenders reported that the prevailing commercial property prices negatively influenced credit availability of the commercial real estate sector in the current and next quarters. However, it positively

¹ Small businesses are defined as those with an annual turnover of under ₦5 million. Medium-size 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

influenced secured lending to PNFCs in the current quarter and was expected to continue in the next quarter (Questions 4c1 and 4c2).

Availability of credit decreased across all size firms in Q1 2016 and was expected to further decrease in the next quarter (Question 1).

Changes in spreads between bank rates and MPR on approved new loan applications to Lenders required less loan covenants from all size firms widened in Q1 2016 and were expected to widen further in the next quarter (Questions 6a1, 6b1 and 6c1).

Following the widened spreads, the proportion of loan applications approved for the small, medium size and large firms was mixed in Q1 2016, while loan application for small businesses increased, loan applications to medium and large firms decreased in the current quarter, and a similar trend was expected in the next quarter (Question 5).

Fees/commissions on approved new loan applications to all firm size businesses rose in Q1 2016. Lenders were expecting fees/commission to rise for all firm size businesses in Q2 2016 (Questions 6a2, 6b2, 6c2 and 6d2).

The small and medium size firms did not benefit from an increase in maximum credit lines on approved new loan applications, while the large PNFCs and OFCs firms benefitted in Q1 2016. All firm sizes will not benefit from an increase in maximum credit lines on approved new loan applications in the next quarter except the OFCs (Questions 6a4, 6b4, 6c4 and 6d4).

Lenders demanded more collateral requirements from all firm sizes on new loan applications in Q1 2016. Similarly, lenders were expected to demand for more collateral from all firm sizes in the next quarter (Questions 6a3, 6b3, 6c3 and 6d3).

All firm sizes except the large PNFCs and OFCs required less loan covenant on new loan applications in Q1 2016. Similarly, less loan covenant was required from all firm size except the OFCs in the next quarter (Questions 6a5, 6b5, 6c5 and 6d5).

Demand for corporate lending from small medium & large PNFCs businesses increased in Q1 2016 while demand from OFCs decreased in Q1 2016 but was expected to increase in the next quarter. (Question 2c,d & e). Lenders reported that demand for overdrafts/personal loans from small businesses in Q1 2016 were higher in comparison with other business types (Question 2). The most significant factor that influenced demand for lending in Q1 2016 was the increase in inventory finance, and was expected to remain the main driver in the next quarter (Question 3).

Corporate loan performance was mixed in the review quarter. Default rates and losses given default on lending to all size businesses improved except for the medium and large PNFCs in Q1 2016. Similarly, default rates and losses given default were expected to improve for all size firms in Q2 2016 except for the medium PNFCs and OFCs (Questions 7 & 8).

The average credit quality on newly arranged PNFCs borrowing facilities improved in Q1 2016 and was expected to further improve in Q2 2016. The target hold levels² associated with corporate lending improved in Q1 2016 and was expected to improve further in Q2 2016. Also, loan tenors on new corporate loans decreased in Q1 2016 and were expected to further decrease in the next quarter. Draw down on committed lines by PNFCs deteriorated in the current quarter, but was expected to improve in the next quarter (Question 9).

Table 1: Secured Lending to Households Survey Results

| QUESTIONS | | 2013 | | | 2014 | | | | 2015 | | | | 2016 |
|--|------------------------|-------|-------|-------|-------|-------|------|------|-------|-------|-------|-------|-------|
| | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| 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 | 33.4 | -6.1 | 1.5 | -15.3 | 0.7 |
| | <i>Next quarter</i> | 100.0 | 57.5 | 31.0 | 34.1 | 21.0 | 41.1 | 32.8 | 21.7 | 26.0 | 29.4 | -3.7 | 10.9 |
| <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 | 36.9 | -5.2 | 6.0 | 5.8 | 0.5 |
| | <i>Next quarter</i> | 33.0 | 35.8 | 20.4 | 29.0 | 9.9 | 36.3 | 42.5 | 17.1 | 15.1 | 25.9 | 13.6 | 15.8 |
| <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 | 23.5 | -27.1 | -13.0 | -26.4 | -11.9 |
| | <i>Next quarter</i> | 16.8 | 37.3 | -21.7 | 22.9 | -11.7 | 10.3 | 36.9 | 16.4 | 29.1 | 19.0 | -19.5 | -6.1 |
| <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 | 24.4 | -13.5 | -20.3 | -28.1 | -11.9 |
| | <i>Next quarter</i> | 45.6 | 38.6 | 22.1 | 32.9 | 49.5 | 35.5 | 28.5 | 15.9 | 21.9 | 16.7 | 0.6 | -6.5 |
| 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 | 38.8 | -2.8 | 15.0 | -1.1 | 18.3 |
| | <i>Next quarter</i> | 59.1 | 42.4 | 42.8 | 53.0 | 49.0 | 57.5 | 47.4 | 21.5 | 31.2 | 38.4 | 11.0 | 9.7 |
| 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 | 23.7 | 1.3 | 1.5 | -22.4 | 10.4 |
| | <i>Next quarter</i> | 28.7 | 23.7 | 19.3 | 32.3 | 14.2 | 33.7 | 29.8 | 22.3 | 20.9 | 29.4 | 0.6 | 1.7 |
| 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 | 29.2 | -7.7 | 0.5 | -7.2 | 12.1 |
| | <i>Next quarter</i> | 46.0 | 36.6 | 15.3 | 42.8 | 38.1 | 34.6 | 43.8 | 20.8 | 26.1 | 28.0 | 6.1 | 25.6 |
| 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 | 1.6 | 1.1 | 2.3 | -24.4 | 3.8 |
| | <i>Next quarter</i> | -0.4 | 4.2 | 3.7 | 0.3 | -0.3 | -4.3 | -4.5 | 1.6 | 0.0 | 3.1 | -11.1 | 0.5 |
| 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 | 28.6 | -13.5 | -5.1 | -4.2 | 0.2 |
| | <i>Next quarter</i> | 55.7 | 41.5 | 31.8 | 29.9 | 32.4 | 29.9 | 28.9 | 19.7 | 24.9 | 23.3 | 11.9 | 13.0 |
| 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 | 1.3 | 0.0 | -11.4 | -3.5 | -0.5 |
| | <i>Next quarter</i> | 35.4 | -7.0 | -0.7 | -14.8 | -1.4 | -1.1 | 0.0 | -4.7 | 0.0 | -3.9 | -3.5 | 4.6 |
| <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 | -1.7 | -2.0 | -16.5 | -4.0 | -0.6 |
| | <i>Next quarter</i> | 3.5 | 5.4 | 5.8 | -11.7 | -1.5 | -1.2 | 0.0 | -5.5 | 0.0 | -4.3 | -9.2 | 5.0 |
| <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 | 0.2 | -0.1 | -8.8 | -3.8 | 2.8 |
| | <i>Next quarter</i> | 0.7 | 1.5 | -0.3 | -16.5 | -0.9 | -0.9 | 0.0 | -5.7 | 0.0 | -5.0 | -14.5 | 7.3 |
| <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 | 0.2 | -0.1 | -13.0 | -3.5 | 2.2 |
| | <i>Next quarter</i> | 0.7 | 0.4 | 7.1 | -18.7 | 4.7 | -1.3 | 0.0 | -6.0 | 0.0 | -9.7 | -3.5 | 6.2 |
| 5(b). How have fees on secured lending changed? | <i>Current quarter</i> | 10.1 | -2.9 | -6.4 | 2.9 | -0.9 | -5.2 | 0.0 | 2.2 | -14.3 | -19.2 | 0.0 | 0.0 |
| | <i>Next quarter</i> | 5.2 | -3.0 | 0.1 | 4.9 | 0.0 | -4.2 | 0.0 | -4.2 | -5.1 | -3.8 | 0.0 | 0.0 |
| 5(c). How have the maximum loan to value ratios changed? | <i>Current quarter</i> | -0.3 | 0.0 | -0.5 | 4.4 | 0.0 | 0.0 | 2.7 | -10.9 | 8.1 | -3.8 | -11.4 | 0.0 |
| | <i>Next quarter</i> | -2.2 | -10.2 | -0.5 | -0.6 | 0.0 | -4.5 | 0.0 | -6.6 | 0.0 | -3.8 | -11.4 | 0.0 |
| 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 | 0.0 | -4.6 | -3.8 | -4.1 | 3.6 |
| | <i>Next quarter</i> | -6.8 | -8.8 | -5.0 | -1.1 | 0.0 | -4.5 | -2.4 | -4.5 | -5.1 | -3.8 | -2.0 | -3.0 |

² Share of risks that lenders wish to hold of deals that they underwrite in the short term

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

| QUESTIONS | | 2013 | | | 2014 | | | | 2015 | | | | 2016 |
|--|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| 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 | 2.6 | -22.6 | 18.0 | -13.1 | -36.9 |
| | <i>Next quarter</i> | -49.9 | -22.4 | -18.7 | -11.8 | -17.3 | -10.9 | -27.9 | -2.6 | -22.5 | -16.2 | -25.8 | -17.3 |
| <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 | 2.6 | -43.8 | -16.2 | -57.0 | -54.1 |
| | <i>Next quarter</i> | -52.8 | -10.4 | -18.3 | -11.3 | -9.3 | -6.3 | -35.5 | -13.2 | -30.4 | -25.2 | -47.2 | -18.0 |
| Market share objectives | <i>Current quarter</i> | -51.9 | -34.2 | -33.8 | -29.8 | -23.4 | -20.0 | -24.5 | -12.6 | -30.7 | -4.0 | -35.3 | -30.4 |
| | <i>Next quarter</i> | -63.7 | -19.6 | -32.7 | -23.4 | -18.9 | -21.4 | -23.4 | -11.0 | -21.6 | -22.7 | -29.5 | -19.8 |
| Changing appetite for risk | <i>Current quarter</i> | -38.7 | -34.4 | -5.5 | -7.4 | -7.4 | -17.7 | -16.5 | -14.2 | -51.0 | -22.2 | -47.0 | -28.2 |
| | <i>Next quarter</i> | -54.2 | -22.8 | -11.2 | -7.7 | -10.9 | -18.2 | -27.3 | -4.5 | -39.1 | -19.2 | -35.1 | -10.6 |
| Tight wholesale funding conditions | <i>Current quarter</i> | 0.8 | -15.6 | -5.0 | -4.0 | -17.9 | -9.8 | -11.6 | 6.3 | -24.4 | -4.4 | -38.3 | -19.3 |
| | <i>Next quarter</i> | -1.1 | 2.6 | -9.0 | -7.8 | -6.4 | -2.3 | -10.9 | 0.6 | -12.3 | 2.7 | -22.9 | -6.3 |
| Changing liquidity positions | <i>Current quarter</i> | -26.2 | 1.1 | -18.6 | -9.2 | -22.9 | -5.5 | -29.5 | 15.3 | -27.6 | 5.8 | -33.7 | -22.9 |
| | <i>Next quarter</i> | -48.1 | 19.5 | -15.4 | -24.6 | -13.0 | -0.5 | -27.9 | 8.1 | -19.7 | -8.6 | -24.9 | -12.6 |
| 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 | -25.5 | 5.2 | 0.1 | -9.0 | -5.0 |
| | <i>Next quarter</i> | -36.8 | -25.1 | -12.8 | -46.0 | -27.0 | -25.7 | -26.4 | -24.3 | -19.2 | -12.5 | -15.5 | -18.0 |
| 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 | -18.7 | -8.6 | -7.7 | -21.0 | -7.6 |
| | <i>Next quarter</i> | -32.3 | -18.8 | -16.7 | -23.1 | -16.1 | -7.9 | -20.9 | -24.1 | -13.0 | -11.5 | -25.8 | -23.2 |
| 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 | 26.6 | 30.5 | 25.2 | 30.9 | 25.3 |
| | <i>Next quarter</i> | 40.7 | 32.8 | 26.3 | 38.9 | 36.9 | 43.4 | 37.3 | 28.2 | 32.4 | 29.2 | 20.5 | 28.5 |
| 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 | -8.2 | 11.7 | 20.0 | -17.1 | 9.3 |
| | <i>Next quarter</i> | 24.7 | -6.0 | 11.2 | 10.4 | 6.9 | 4.9 | 10.7 | -12.6 | 6.5 | 16.7 | -20.8 | 12.3 |
| 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 | -9.2 | 0.0 | -0.1 | -9.7 | 12.9 |
| | <i>Next quarter</i> | 15.3 | -5.2 | 2.4 | -2.1 | -9.2 | -10.4 | 1.9 | -9.2 | -8.5 | -2.3 | -6.2 | -2.6 |

Table 2: Unsecured Lending to Households Survey Results

| QUESTIONS | | 2013 | | | 2014 | | | 2015 | | | 2016 | | |
|---|------------------------|-------|-------|-------|-------|-------|------|------|-------|-------|-------|-------|-------|
| | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| 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 | 11.5 | 11.1 | 18.9 | 23.6 | 10.2 |
| | <i>Next quarter</i> | 34.5 | -13.2 | 25.9 | 19.6 | -25.0 | 47.7 | 29.4 | 16.7 | 28.7 | 27.4 | 46.4 | 26.4 |
| 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 | 29.4 | 14.0 | 14.3 | 22.6 | 3.2 |
| | <i>Next quarter</i> | 11.7 | -2.4 | 3.2 | 7.5 | -0.1 | 38.0 | 17.4 | 21.9 | 33.4 | 12.8 | 50.1 | 16.4 |
| 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 | 16.7 | 14.0 | 10.7 | 11.9 | 1.2 |
| | <i>Next quarter</i> | 7.7 | -3.3 | -6.8 | -1.3 | -16.4 | 30.4 | 13.0 | 9.0 | 33.4 | 9.1 | 39.9 | 7.2 |
| 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 | -4.1 | 11.1 | 13.6 | -12.6 | 22.6 |
| | <i>Next quarter</i> | 21.7 | 18.7 | -2.6 | -13.8 | -4.0 | 7.6 | -2.2 | 15.6 | 10.8 | 19.3 | 15.2 | 17.4 |
| 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 | 1.2 | 6.6 | 2.4 | -3.1 | 28.0 |
| | <i>Next quarter</i> | 0.6 | -2.6 | 7.4 | -1.7 | 11.4 | 10.9 | 4.5 | 17.0 | -1.8 | 7.4 | 19.3 | 26.6 |
| 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 | -1.6 | -1.6 | 2.6 | -5.3 | 23.2 |
| | <i>Next quarter</i> | -4.4 | 4.5 | -7.3 | -2.9 | -7.4 | 3.0 | 4.1 | 17.7 | -1.8 | 8.2 | 11.6 | 23.3 |
| 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 | 0.0 | 13.8 | 8.0 | 1.1 | 4.8 |
| | <i>Next quarter</i> | -1.5 | 0.0 | 14.3 | -9.0 | -3.0 | -5.3 | -4.7 | 0.8 | 13.8 | 20.7 | -12.9 | 7.6 |
| 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 | 0.0 | 12.4 | 6.8 | 0.9 | 3.8 |
| | <i>Next quarter</i> | 3.1 | 13.9 | 13.6 | 7.6 | 0.0 | -2.7 | -4.5 | 1.6 | 12.4 | 17.7 | -10.9 | 6.8 |
| 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 | 0.0 | 12.4 | 19.4 | 3.1 | 3.8 |
| | <i>Next quarter</i> | 24.2 | 16.5 | 15.0 | 8.0 | 0.0 | -2.8 | 0.0 | -0.5 | 12.4 | 19.4 | -9.1 | 11.9 |
| 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 | 28.7 | 8.5 | 11.8 | 1.4 | -13.2 |
| | <i>Next quarter</i> | 50.5 | 11.3 | 23.6 | 12.6 | 17.9 | 25.9 | 25.7 | 4.8 | 28.5 | 17.1 | 1.4 | 1.7 |
| 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 | 29.8 | -6.3 | -1.0 | -4.3 | -22.7 |
| | <i>Next quarter</i> | 12.4 | 20.4 | -2.8 | 5.8 | -2.3 | 18.9 | -4.5 | -0.5 | -0.8 | -6.2 | -12.7 | -15.9 |
| 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 | 16.5 | -7.9 | -11.2 | -6.3 | -26.0 |
| | <i>Next quarter</i> | 12.4 | 20.4 | -2.8 | 5.8 | -2.3 | 18.9 | -4.5 | -0.5 | -0.8 | -6.2 | -12.7 | -15.9 |
| 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 | -3.1 | -14.4 | -15.5 | -8.2 | -12.9 |
| | <i>Next quarter</i> | 2.8 | 4.2 | 9.8 | 6.2 | 5.0 | -0.5 | 6.9 | 0.8 | 0.0 | -2.7 | -8.4 | -2.9 |
| 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 | -10.3 | -10.5 | -19.9 | -13.3 | -5.7 |
| | <i>Next quarter</i> | -2.3 | 5.8 | 12.0 | 5.4 | 3.7 | 1.8 | 5.6 | 0.7 | -0.5 | -2.3 | -18.5 | -3.1 |
| 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 | -6.9 | -15.0 | -21.8 | -18.7 | -4.9 |
| | <i>Next quarter</i> | 0.0 | 6.2 | 12.6 | 5.6 | 5.7 | -0.2 | 5.7 | -3.6 | -5.2 | -7.5 | -19.2 | -2.3 |
| 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 | -3.1 | -0.6 | -14.3 | 0.0 | 3.8 |
| | <i>Next quarter</i> | -0.6 | 0.0 | -3.4 | 0.0 | -1.2 | 0.0 | 0.0 | 0.0 | -0.6 | 0.0 | 11.8 | 10.9 |
| 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 | 1.6 | 0.0 | 0.0 | -0.5 | 2.3 |
| | <i>Next quarter</i> | 10.4 | 3.3 | 14.8 | 0.6 | -0.6 | 1.2 | 2.1 | 1.6 | 0.0 | 0.0 | 21.3 | 6.3 |
| 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 | 5.1 | 12.9 | 10.9 | 13.6 | 2.3 |
| | <i>Next quarter</i> | 2.0 | -1.7 | 9.9 | 1.2 | 14.2 | 1.9 | 2.0 | 6.1 | 20.2 | 13.8 | 6.5 | 2.3 |

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

| QUESTIONS | | 2013 | | | | 2014 | | | | 2015 | | | | 2016 |
|---|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | |
| 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 | -13.9 | -18.6 | -11.7 | -26.6 | -13.5 | |
| | <i>Next quarter</i> | -20.7 | -20.0 | -21.6 | -7.0 | -15.5 | -10.6 | -6.9 | -9.7 | -17.8 | -13.0 | -10.6 | -9.2 | |
| <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 | -2.6 | -5.2 | -15.8 | -42.2 | -25.7 | |
| | <i>Next quarter</i> | -27.1 | -28.5 | -16.0 | -9.9 | -9.9 | -7.9 | -33.0 | -8.4 | -9.2 | -11.7 | -28.6 | -13.4 | |
| Market share objectives | <i>Current quarter</i> | -41.0 | -35.3 | -23.9 | -31.1 | -17.0 | -26.0 | -25.3 | -10.1 | -22.5 | -7.9 | -25.9 | -15.0 | |
| | <i>Next quarter</i> | -32.7 | -30.4 | -19.5 | -18.3 | -19.9 | -23.4 | -17.6 | -17.7 | -21.7 | -4.4 | -15.1 | -20.4 | |
| Changing appetite for risk | <i>Current quarter</i> | -21.2 | -24.7 | -10.2 | -6.2 | 2.6 | -13.6 | -19.2 | -7.6 | -13.8 | -16.6 | -39.6 | -29.2 | |
| | <i>Next quarter</i> | -19.2 | -24.4 | -8.6 | -5.2 | -4.4 | -10.8 | -21.7 | -18.8 | -14.9 | -10.2 | -26.2 | -17.9 | |
| Changing cost/ availability of funds | <i>Current quarter</i> | -35.1 | -44.6 | -27.9 | -25.6 | -22.7 | -27.6 | -30.5 | -22.8 | -25.3 | -11.2 | -30.5 | 0.8 | |
| | <i>Next quarter</i> | -28.4 | -34.7 | -25.4 | -17.7 | -25.6 | -23.5 | -30.3 | -13.6 | -23.9 | -13.0 | -28.2 | -9.2 | |
| 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 | -13.4 | 18.3 | 1.6 | -31.9 | -10.1 | |
| | <i>Next quarter</i> | -35.7 | -23.8 | -20.0 | -20.5 | -22.6 | -27.3 | -29.2 | -5.8 | 3.5 | -20.3 | -29.9 | -12.5 | |
| 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 | -20.3 | 26.5 | 3.9 | -18.8 | 3.1 | |
| | <i>Next quarter</i> | -45.5 | -24.4 | -28.1 | -20.3 | -27.9 | -28.3 | -34.9 | -9.2 | 3.3 | -19.1 | -40.6 | -8.9 | |
| 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 | -20.6 | 17.2 | 4.3 | -18.8 | -0.7 | |
| | <i>Next quarter</i> | -32.6 | -25.9 | -29.2 | -20.3 | -29.6 | -28.3 | -29.4 | -8.8 | 3.1 | -16.0 | -40.6 | -12.7 | |
| 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 | -10.3 | -0.4 | -11.2 | -13.9 | 6.5 | |
| | <i>Next quarter</i> | -14.9 | -37.5 | -23.2 | -24.9 | -14.1 | -27.3 | -24.6 | -2.0 | -15.8 | -11.4 | -1.7 | -14.0 | |
| 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 | -10.0 | 0.2 | -9.3 | -23.2 | -7.6 | |
| | <i>Next quarter</i> | -21.4 | -29.7 | -28.5 | -28.3 | -20.1 | -27.4 | -19.6 | -3.5 | -14.9 | -10.4 | -12.2 | -30.8 | |
| 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 | -14.8 | -2.4 | -10.2 | -34.6 | -7.6 | |
| | <i>Next quarter</i> | -21.4 | -31.7 | -24.8 | -27.3 | -21.3 | -28.5 | -19.6 | -7.7 | -14.2 | -6.3 | -7.1 | -25.7 | |
| 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 | 22.0 | 8.4 | 2.2 | 26.7 | 6.2 | |
| | <i>Next quarter</i> | 0.8 | 25.1 | -16.9 | -9.2 | 16.6 | 26.9 | 5.3 | 24.4 | 16.4 | 14.1 | 13.2 | 12.3 | |
| 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 | 20.9 | 1.9 | 0.6 | 9.9 | 13.5 | |
| | <i>Next quarter</i> | 11.9 | 28.8 | 19.4 | -6.0 | 20.2 | 22.8 | 10.0 | 22.1 | 15.5 | 13.6 | 1.0 | 13.0 | |
| 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 | 20.4 | -0.8 | 0.7 | 14.9 | 18.7 | |
| | <i>Next quarter</i> | 11.9 | 28.8 | 24.8 | -6.0 | 26.1 | 22.9 | 10.0 | 18.9 | 14.7 | 15.0 | 1.3 | 18.1 | |

Table 3: Corporate Lending Survey Results

| QUESTIONS | | 2013 | | | 2014 | | | 2015 | | | | 2016 | |
|---|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| 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 | -34.2 | -32.4 | -23.0 | -14.1 | 25.0 |
| | <i>Next quarter</i> | -46.3 | -21.2 | -39.6 | -32.7 | -45.9 | -22.2 | -40.1 | -10.0 | -20.8 | -22.6 | -13.1 | 41.6 |
| 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 | -37.5 | -28.9 | -19.8 | -10.0 | 14.9 |
| | <i>Next quarter</i> | -51.2 | -24.9 | -31.9 | -28.9 | -26.7 | -23.9 | -30.1 | -28.4 | -23.2 | -23.3 | -8.9 | 29.2 |
| 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 | -41.7 | -32.6 | -20.1 | -5.8 | 12.2 |
| | <i>Next quarter</i> | -38.7 | -31.1 | -37.5 | -30.8 | -32.8 | -21.4 | -13.5 | -21.2 | -21.0 | -16.7 | -12.1 | 26.9 |
| 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 | -19.2 | -10.6 | -13.9 | -16.5 | 4.0 |
| | <i>Next quarter</i> | -19.9 | -16.5 | -23.5 | 3.1 | -15.9 | -1.4 | 2.2 | 13.9 | -9.1 | -11.1 | -4.1 | 22.3 |
| 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 | 15.4 | 32.4 | 30.5 | -15.9 | 3.9 |
| | <i>Next quarter</i> | 45.4 | 29.0 | 39.1 | 27.1 | 13.2 | 15.3 | 15.5 | 3.1 | 27.6 | 27.2 | -2.0 | 17.6 |
| 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 | 34.4 | 25.3 | 42.2 | 26.7 | 24.2 |
| | <i>Next quarter</i> | 48.4 | 38.2 | 40.3 | 27.6 | 36.6 | 17.5 | 26.0 | 6.3 | 33.2 | 44.2 | 20.9 | 24.9 |
| 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 | 33.1 | 20.3 | 26.2 | 24.1 | 9.7 |
| | <i>Next quarter</i> | 52.7 | 30.3 | 38.1 | 31.6 | 35.6 | 12.7 | 40.1 | 7.2 | 27.4 | 34.5 | 15.7 | 26.5 |
| 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 | 27.5 | 18.6 | 30.9 | 8.3 | 11.0 |
| | <i>Next quarter</i> | 62.3 | 39.0 | 42.9 | 24.5 | 24.2 | 9.9 | 33.8 | 2.9 | 34.4 | 23.3 | 5.6 | 17.4 |
| 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 | 17.9 | 24.4 | 30.9 | 13.3 | 0.5 |
| | <i>Next quarter</i> | 50.4 | 30.5 | 33.7 | 40.3 | 22.5 | 15.1 | 22.8 | 3.8 | 34.9 | 22.2 | 20.5 | 11.1 |
| 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 | 11.5 | 0.4 | 18.7 | 4.4 | -17.8 |
| | <i>Next quarter</i> | 37.3 | 29.8 | 18.3 | 13.9 | 9.4 | 1.2 | 13.0 | -7.9 | 27.3 | 18.1 | 4.9 | 4.6 |
| 3. What have been the main factors contributing to changes in demand for lending? | | | | | | | | | | | | | |
| (a1) Merger and acquisition | <i>Current quarter</i> | -6.2 | -38.1 | -22.9 | -11.7 | -12.4 | -1.8 | 6.2 | -15.3 | -13.9 | -8.2 | -3.0 | -58.7 |
| | <i>Next quarter</i> | 5.8 | -20.3 | -27.0 | -13.1 | 4.5 | -19.7 | -10.1 | -21.2 | -6.9 | 0.0 | -3.0 | -8.8 |
| (a2) Capital Investments | <i>Current quarter</i> | 55.3 | 39.5 | 28.2 | 39.2 | 50.9 | 37.1 | 47.7 | 48.8 | 38.9 | 31.2 | 23.1 | 8.4 |
| | <i>Next quarter</i> | 48.5 | 22.7 | 23.7 | 35.6 | 39.9 | 14.2 | 42.0 | 18.7 | 29.8 | 33.3 | 13.0 | 19.4 |
| (a3) Inventory Finance | <i>Current quarter</i> | 57.2 | 50.5 | 38.6 | 41.0 | 37.3 | 32.2 | 59.9 | 42.0 | 47.9 | 48.5 | 24.6 | 35.0 |
| | <i>Next quarter</i> | 61.6 | 41.1 | 40.8 | 42.1 | 39.9 | 32.7 | 46.9 | 19.0 | 35.7 | 46.2 | 23.8 | 20.1 |
| (a4) Balance sheet restructuring | <i>Current quarter</i> | 6.1 | 0.5 | -16.2 | -9.3 | 4.2 | 7.0 | 27.2 | -12.6 | -5.6 | -7.1 | -13.9 | -7.0 |
| | <i>Next quarter</i> | 13.5 | -2.7 | -18.6 | 6.7 | 15.1 | 3.0 | 28.2 | -11.1 | 14.4 | 8.1 | -2.2 | 7.1 |
| (a5) Commercial Real Estate | <i>Current quarter</i> | 17.9 | 1.1 | -3.7 | 7.6 | -16.1 | 1.8 | 10.3 | 7.1 | 10.0 | 6.4 | -13.2 | 0.1 |
| | <i>Next quarter</i> | 17.9 | 1.1 | -3.7 | 7.6 | -16.1 | 1.8 | 10.3 | 7.1 | 10.0 | 6.4 | -13.2 | 0.1 |
| 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 | -37.2 | -22.3 | -5.3 | -8.7 | -47.6 |
| | <i>Next quarter</i> | -64.7 | -49.0 | -35.3 | -32.2 | -19.0 | -23.5 | -35.8 | -13.1 | -4.0 | -11.7 | -2.6 | -29.4 |
| Of which: Commercial real estate sector | <i>Current quarter</i> | -19.3 | -0.6 | 3.8 | -4.6 | 1.7 | -2.5 | -23.3 | -9.6 | 16.3 | -12.5 | 0.5 | -40.5 |
| | <i>Next quarter</i> | -28.3 | -9.6 | -8.7 | -15.9 | -3.8 | -5.0 | -24.5 | 23.4 | -4.1 | -15.3 | 8.5 | -28.1 |
| 4(b). Factors contributing to changes in credit availability. | | | | | | | | | | | | | |
| Changing economic outlook | <i>Current quarter</i> | -63.6 | -53.0 | -44.4 | -32.8 | -38.3 | -37.9 | -44.9 | -25.3 | -59.1 | -65.0 | -65.4 | -65.8 |
| | <i>Next quarter</i> | -51.5 | -28.1 | -39.5 | -23.5 | -17.1 | -23.6 | -38.6 | -15.1 | -50.6 | -55.9 | -62.2 | -57.0 |
| Changing sector specific risks | <i>Current quarter</i> | -47.7 | -40.2 | -44.9 | -29.4 | -32.0 | -30.2 | -33.2 | -25.6 | -61.6 | -54.5 | -60.0 | -56.4 |
| | <i>Next quarter</i> | -50.8 | -26.6 | -38.0 | -26.0 | -26.1 | -29.6 | -40.2 | -25.4 | -48.5 | -55.5 | -58.4 | -31.6 |
| Market share objectives | <i>Current quarter</i> | -44.3 | -37.2 | -37.7 | -32.6 | -27.9 | -27.7 | -35.0 | -19.2 | -34.1 | -24.1 | -43.8 | -32.3 |
| | <i>Next quarter</i> | -38.2 | -30.9 | -39.6 | -20.7 | -22.0 | -22.4 | -31.5 | -9.1 | -6.3 | -23.7 | -22.3 | -28.4 |
| Market pressures from capital markets | <i>Current quarter</i> | 21.4 | 6.7 | 27.8 | 12.6 | 17.9 | 18.8 | 16.9 | 30.5 | 24.6 | 20.2 | 23.5 | -23.4 |
| | <i>Next quarter</i> | 11.5 | 13.5 | 15.5 | 12.0 | 10.5 | 18.8 | 12.8 | 25.7 | 24.0 | 5.4 | 0.4 | -26.2 |
| Changing appetite for risk | <i>Current quarter</i> | -41.7 | -39.5 | -28.6 | -14.2 | -10.1 | -25.3 | -23.1 | -18.8 | -40.8 | -32.3 | -47.2 | -31.6 |
| | <i>Next quarter</i> | -40.9 | -19.3 | -27.8 | -5.6 | -10.5 | -13.4 | -27.0 | -5.3 | -31.0 | -23.4 | -53.1 | -32.9 |
| Tight wholesale funding conditions | <i>Current quarter</i> | -36.5 | -44.3 | -40.6 | -24.5 | -13.9 | -12.2 | -35.0 | -14.1 | -17.4 | -33.5 | -36.7 | -36.2 |
| | <i>Next quarter</i> | -38.0 | -30.1 | -36.9 | -17.2 | -18.1 | -18.3 | -37.9 | -4.5 | -31.1 | -27.3 | -39.3 | -29.8 |
| Changing liquidity conditions | <i>Current quarter</i> | -52.4 | -44.2 | -41.4 | -40.3 | -24.7 | -39.7 | -35.1 | -15.9 | -35.1 | -41.9 | -45.3 | -41.9 |
| | <i>Next quarter</i> | -53.7 | -39.6 | -42.1 | -36.2 | -35.3 | -34.5 | -38.9 | -10.9 | -38.4 | -34.0 | -37.6 | -30.9 |

Table 3: Corporate Lending Survey Results (contd)

| QUESTIONS | | 2013 | | | | 2014 | | | | 2015 | | | | 2016 |
|---|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|
| | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | |
| 4(c1). How have commercial property prices affected credit availability to the commercial real estate sector? | <i>Current quarter</i> | -4.6 | 10.9 | -7.9 | -6.9 | 9.6 | 0.3 | 0.4 | -5.0 | -1.1 | -3.4 | -6.6 | 7.2 | |
| | <i>Next quarter</i> | -5.3 | 11.6 | -13.7 | -17.2 | 3.4 | 6.7 | -3.9 | -1.1 | -9.6 | -15.5 | -7.4 | 2.7 | |
| 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 | -19.4 | -16.8 | -14.9 | -23.0 | -14.3 | |
| | <i>Next quarter</i> | -22.1 | -6.3 | -6.8 | -24.0 | -11.8 | -10.3 | -13.5 | -2.8 | -12.3 | -14.5 | -13.1 | -14.3 | |
| 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 | 27.4 | 23.3 | 7.6 | -14.4 | 0.2 | |
| | <i>Next quarter</i> | 43.2 | 14.7 | 26.2 | 35.3 | 32.8 | 9.0 | 36.9 | 7.4 | 31.6 | 16.4 | 10.8 | 17.8 | |
| 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 | 29.4 | 16.2 | 1.7 | -0.4 | -2.3 | |
| | <i>Next quarter</i> | 48.8 | 21.3 | 19.0 | 24.2 | 21.2 | -0.5 | 39.0 | -19.4 | 10.6 | 5.8 | 2.4 | 3.5 | |
| 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 | 25.4 | 9.7 | -3.6 | -0.5 | -6.3 | |
| | <i>Next quarter</i> | 43.0 | 29.8 | 12.1 | 26.5 | 27.1 | 10.7 | 37.3 | -1.8 | 14.1 | -1.3 | -7.5 | -6.5 | |
| 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 | 5.0 | -5.2 | -9.5 | -21.2 | -2.2 | |
| | <i>Next quarter</i> | 9.2 | 4.6 | -3.1 | -0.1 | -5.4 | 0.4 | -4.2 | -3.8 | 1.6 | -3.3 | -3.1 | -6.6 | |
| 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 | -2.4 | 0.0 | 0.0 | -21.2 | -5.5 | |
| | <i>Next quarter</i> | 12.9 | 12.1 | 3.8 | 0.3 | -3.9 | 0.0 | -1.8 | -10.0 | -6.5 | -6.3 | -1.4 | -5.2 | |
| 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 | -6.2 | -11.0 | -6.6 | -18.9 | -41.6 | |
| | <i>Next quarter</i> | -7.8 | -16.3 | -6.6 | -2.2 | -7.6 | 0.0 | -1.8 | -17.0 | -6.7 | -6.6 | -9.1 | -20.8 | |
| 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 | -18.4 | -5.3 | -7.0 | -3.3 | 9.9 | |
| | <i>Next quarter</i> | -18.8 | -9.6 | -11.7 | -8.2 | -15.2 | -7.1 | -10.0 | -13.2 | -7.4 | -7.5 | -6.6 | 4.6 | |
| 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 | -10.6 | -4.0 | -14.5 | 17.2 | 19.9 | |
| | <i>Next quarter</i> | -8.1 | -16.3 | -10.2 | -3.0 | -4.4 | -0.4 | -4.2 | -8.4 | -5.6 | -5.7 | -4.7 | 18.4 | |
| 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 | -9.2 | -3.6 | -1.0 | -25.3 | -8.6 | |
| | <i>Next quarter</i> | 0.7 | 1.7 | 0.5 | 1.5 | 4.7 | 4.5 | -2.2 | -9.1 | -1.1 | -2.5 | -11.5 | -8.5 | |
| 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 | -8.3 | -8.6 | -1.9 | -11.2 | -11.1 | |
| | <i>Next quarter</i> | 7.5 | 12.1 | 1.0 | 0.3 | 4.6 | 4.7 | 0.0 | -3.6 | -2.6 | -6.2 | -11.8 | -20.3 | |
| 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 | -13.6 | -14.5 | -10.8 | -27.8 | -23.7 | |
| | <i>Next quarter</i> | -3.9 | -16.6 | -0.9 | -1.5 | 0.0 | 0.0 | -0.5 | -14.0 | -6.9 | -8.9 | -8.7 | -20.2 | |
| 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 | -8.5 | -3.5 | -8.1 | -6.3 | 15.5 | |
| | <i>Next quarter</i> | -12.3 | -9.6 | -15.3 | -2.5 | -7.8 | -3.8 | -0.5 | -7.2 | -5.7 | -5.4 | -3.1 | 5.1 | |
| 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 | -4.2 | -8.5 | -17.0 | 9.0 | 31.6 | |
| | <i>Next quarter</i> | -8.2 | -16.6 | -12.9 | -1.7 | -9.0 | -1.0 | -1.9 | -5.4 | -5.1 | -6.4 | -4.6 | 13.8 | |
| 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 | -5.3 | 3.3 | 0.3 | -10.7 | -5.0 | |
| | <i>Next quarter</i> | 4.7 | 8.5 | -1.1 | 1.5 | -0.4 | -1.0 | -0.5 | -7.3 | 0.0 | -1.1 | -11.1 | -3.5 | |
| 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 | -2.4 | -8.5 | -8.1 | -17.7 | -17.8 | |
| | <i>Next quarter</i> | 15.0 | 12.1 | 3.8 | -5.6 | -5.4 | -5.3 | 1.7 | 0.3 | -2.1 | 0.0 | -4.4 | -5.9 | |
| 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 | -10.5 | -8.3 | -0.6 | -24.5 | -16.1 | |
| | <i>Next quarter</i> | -2.0 | -5.7 | -0.9 | -2.5 | -1.0 | -0.9 | -3.6 | -10.7 | -3.5 | 1.3 | -3.6 | -15.0 | |
| 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 | -19.4 | -5.0 | 1.1 | 0.4 | -6.0 | |
| | <i>Next quarter</i> | -24.8 | -8.1 | -21.4 | -7.5 | -9.0 | -0.4 | -2.4 | -1.6 | -2.2 | -2.5 | 1.7 | 7.3 | |
| 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 | -1.8 | -8.0 | -1.6 | 16.8 | -15.5 | |
| | <i>Next quarter</i> | -6.1 | -6.8 | -9.1 | -2.8 | -8.5 | -0.9 | -3.6 | -4.4 | -5.6 | -1.1 | -3.3 | 13.3 | |
| 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 | 0.1 | 4.8 | 0.8 | -1.4 | -5.9 | |
| | <i>Next quarter</i> | 0.2 | 6.9 | -9.4 | 1.2 | 0.0 | 0.0 | -0.5 | -8.4 | 0.0 | -2.2 | -13.8 | -5.0 | |
| 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 | 0.0 | -3.4 | -2.1 | -1.5 | -10.5 | |
| | <i>Next quarter</i> | 1.0 | 13.2 | 4.2 | 0.8 | 0.0 | 0.0 | -0.6 | -1.4 | -2.3 | 0.0 | -6.1 | -7.5 | |
| 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 | -10.4 | -4.0 | -5.0 | -8.1 | -17.5 | |
| | <i>Next quarter</i> | -5.0 | -1.2 | -1.0 | -2.9 | 0.0 | 0.0 | -1.6 | -8.9 | -4.0 | -4.4 | -8.6 | -14.6 | |
| 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 | -4.3 | -1.2 | 3.8 | -0.3 | -4.8 | |
| | <i>Next quarter</i> | -5.8 | 2.0 | -5.8 | 2.8 | -4.4 | 0.0 | -4.1 | 1.4 | -2.5 | -1.6 | -2.0 | -1.6 | |
| 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 | -4.2 | -4.0 | -5.1 | -3.5 | -14.3 | |
| | <i>Next quarter</i> | -5.3 | -1.2 | -1.0 | -3.2 | -4.4 | 0.0 | -4.1 | -6.9 | -5.8 | -1.6 | -4.0 | -8.0 | |

Table 3: Corporate Lending Survey Results (contd)

| QUESTIONS | | 2013 | | | 2014 | | | | 2015 | | | | 2016 |
|---|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 |
| 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 | -7.4 | 4.7 | 5.7 | -8.9 | 6.6 |
| | <i>Next quarter</i> | -28.9 | -31.8 | -18.0 | -10.6 | -2.7 | 1.8 | -22.8 | -14.0 | -13.0 | -6.9 | -6.1 | -1.2 |
| 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 | -11.3 | -0.8 | 0.6 | 1.3 | -1.2 |
| | <i>Next quarter</i> | -30.6 | -21.3 | -23.6 | -10.6 | -2.7 | 1.8 | -27.7 | -14.0 | -17.4 | -5.5 | -6.1 | 0.8 |
| 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 | -17.2 | -21.6 | -7.2 | -1.1 | -6.1 |
| | <i>Next quarter</i> | -34.6 | -28.0 | -20.1 | -14.7 | -12.4 | -3.9 | -25.8 | -15.5 | -10.4 | -0.6 | -2.0 | -0.8 |
| | <i>Current quarter</i> | -14.5 | -22.6 | -11.7 | -16.9 | -10.9 | -13.9 | -24.1 | -10.3 | -7.7 | 3.2 | -6.0 | 3.3 |
| 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 | -14.2 | -6.1 | -4.8 | -3.4 | 0.5 |
| 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 | -9.4 | -0.6 | -1.1 | -19.6 | -2.3 |
| | <i>Next quarter</i> | -43.6 | -9.6 | -42.7 | -17.0 | -14.2 | -21.0 | -14.2 | -14.1 | -8.6 | -13.3 | -10.2 | -22.1 |
| 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 | -11.4 | 1.5 | 0.8 | -9.6 | -1.7 |
| | <i>Next quarter</i> | -43.6 | -20.0 | -42.7 | -23.3 | -11.7 | -18.0 | -15.2 | -13.4 | -6.4 | -13.2 | -10.1 | -22.3 |
| 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 | -17.3 | -11.5 | -11.5 | 3.2 | -9.4 |
| | <i>Next quarter</i> | -47.5 | -27.0 | -34.2 | -25.7 | -16.3 | -18.7 | -15.8 | -7.5 | -6.0 | -10.9 | -3.6 | -14.3 |
| 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 | -1.2 | -0.6 | -1.0 | -1.2 | 2.8 |
| | <i>Next quarter</i> | -33.8 | -23.5 | -28.2 | -18.5 | -14.7 | -7.9 | -11.5 | -1.2 | -6.1 | -1.6 | -5.1 | -11.0 |
| 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 | 10.0 | 0.1 | 15.0 | 0.2 | 11.3 |
| | <i>Next quarter</i> | 22.9 | 17.0 | 29.3 | 15.1 | 13.7 | 2.1 | 12.1 | 7.2 | 6.0 | 9.8 | 15.2 | 16.8 |
| 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 | 13.9 | 6.2 | 14.7 | -2.0 | 14.4 |
| | <i>Next quarter</i> | 25.3 | 2.8 | 10.9 | 15.1 | 11.2 | -4.6 | 7.4 | 15.0 | 9.7 | 12.1 | 7.8 | 13.7 |
| 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 | 5.0 | 5.5 | 10.7 | 15.5 | -15.8 |
| | <i>Next quarter</i> | 16.0 | 2.8 | -0.3 | 13.3 | 3.7 | -7.6 | -0.2 | 9.8 | 2.5 | 10.7 | 4.7 | -0.1 |
| 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 | 6.5 | -1.0 | 6.3 | -12.5 | -3.2 |
| | <i>Next quarter</i> | 18.2 | 17.8 | 20.7 | 11.2 | 2.3 | -3.4 | 11.2 | 15.8 | 4.4 | 2.3 | -0.1 | 0.1 |