

**Central Bank of Nigeria**



**Credit Conditions  
Survey Report**

**Q3 2020**

Statistics Department  
October 2020

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## Executive Summary

**Supply of Credit:** The availability of **secured credit to households** increased in Q3 2020 and is expected to increase in the Q4 2020. The Changing liquidity positions and increased market share objectives were major factors responsible for the increase in supply of secured credit.

Lenders reported that the availability of **unsecured credit to households** decreased in Q3 2020, it is expected to increase in Q4 2020. Most lenders cited increased availability of funds and improving economic outlook for this increase.

The overall availability of credit to the Corporate sector increased in Q3 2020 and is expected to increase in Q4 2020, due to “Changing sector specific risk”.

**Demand for Credit:** Request for **secured lending for house purchase** decreased in Q3 2020 but lenders expect demand for such lending to increase in Q4 2020. The proportion of secured loan applications approved increased as lenders tightened the credit scoring criteria.

Demand for **total unsecured lending from households** increased in Q3 2020 and is expected to increase in the Q4 2020. Lenders’ resolve to tighten the **credit scoring criterion** decreased the proportion of approved unsecured loan applications in Q3 2020.

Lenders reported increased **demand for corporate credit** from all firm sizes in Q3 2020 and expect demand to rise further in Q4 2020.

**Defaults:** **Secured loan performance**, measured by **default rates**, improved in Q3 2020, lenders however expect higher default rates in Q4 2020.

The performance of **total unsecured loan** to households, measured by default rates, worsened in Q3 2020 and it is expected to deteriorate further in Q4 2020.

**Corporate loan performance** rates worsened for small businesses and medium PNFCs but improved for large PNFCs and OFCS in Q3 2020. Lenders expect lower default rates for all firm sizes except small business in the Q4 2020.

**Loan pricing:** Lenders reported that the **overall spread on secured lending rates** on approved new loans to households relative to MPR narrowed in Q3 2020 and is expected to further contract in Q4 2020.

The **overall spread on unsecured lending** narrowed in Q3 2020 but is expected to widen in Q4 2020.

Changes in **spreads between bank lending rates and MPR** on approved new loan applications narrowed for all firm sizes except OFCs in both Q3 and Q4 2020.

# Credit Conditions Survey Report

## 1.0 Introduction

Part of the mandate of the Central Bank of Nigeria (CBN) is to nurture an efficient monetary and financial system towards promoting macroeconomic stability in Nigeria. To achieve this, the Bank needs to, among others, understand trends and developments in credit conditions, information on which is collected through a quarterly survey of bank lenders. The survey covers secured and unsecured lending to households, lending to Public Non-Financial Corporations (PNFCs), small businesses and Other Financial Corporations (OFCs). This edition of the survey report presents trends and developments in credit conditions in the second quarter and its expectation in the third quarter of 2020. The survey was conducted in September 2020, the results are based on lenders' own responses and do not reflect the Bank's views on credit conditions in the economy.

To determine the aggregate results, each lender is assigned a score based on their response. Lenders who report that credit conditions have changed "a lot" are assigned twice the score of those who report that conditions have changed "a little". These scores are then weighted by lenders' market shares. The results are analyzed by calculating net percentage balances — the difference between the weighted balance of lenders reporting that demand was higher versus lenders reporting that demand was lower. The net percentage balances are scaled to lie between  $\pm 100$ .

The Q3 2020 credit condition survey for households, small businesses and corporate entities indicated increased availability of both secured and corporate entities while unsecured credit to households decreased. Spreads on overall secured lending to households and all firm sizes narrowed in Q3 2020 and are expected to further narrow in Q4 2020 except for unsecured lending to household. Lenders reported that demand for total secured lending decreased while unsecured lending from households increased in Q3 2020. However, they expected both lending to increase in Q4 2020. Demand for corporate lending increased across all firm sizes in the review period.

## 2.0 Secured lending to households

Lenders reported an increase in the availability of secured credit to households in Q3 2020 relative to the previous quarter. The Changing liquidity positions and increased market share objectives were major factors responsible for the increase. Availability of secured credit is expected to increase in Q4 2020 as well, with increased market share objectives and favorable economic outlook as the likely contributory factors (Table 1, Item 6; Figs. 2.1 & 2.2).

The proportion of loan applications approved in Q3 2020 increased, as lenders tightened their credit scoring criteria. Lenders expect to further tighten the credit scoring criteria as they preempt the proportion of approved households' loan applications to increase in Q4 2020 (Table 1, Items 3 & 4).

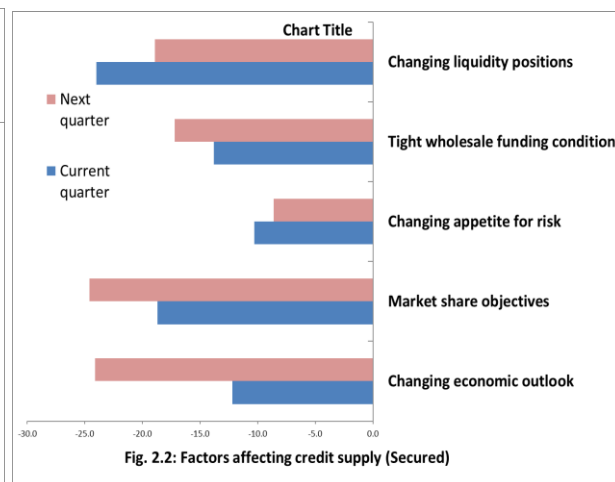
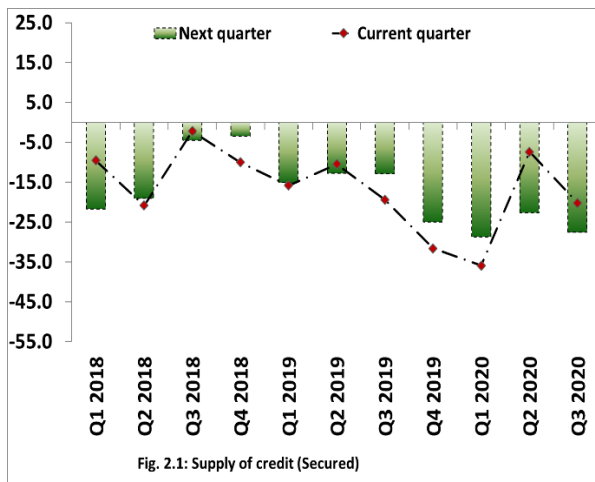
Maximum Loan to Value (LTV) ratios remain unchanged in Q3 2020 and is expected to remain flat in Q4 2020 (Table 1, Item 5c). Lenders were not willing to lend at low LTV ratios (75% or less) in Q3 2020 but in Q4 2020, they are willing to lend at low LTV ratios (75% or less). Similarly, they were not willing to lend at high LTV (more than 75%) in Q3 2020 but in Q4 2020 they are willing to lend at high LTV (more than 75%) (Table 1, Item 10). The average credit quality on new secured lending declined in Q3 2020 but is expected to improve in Q4 2020 (Table 1, Item 9).

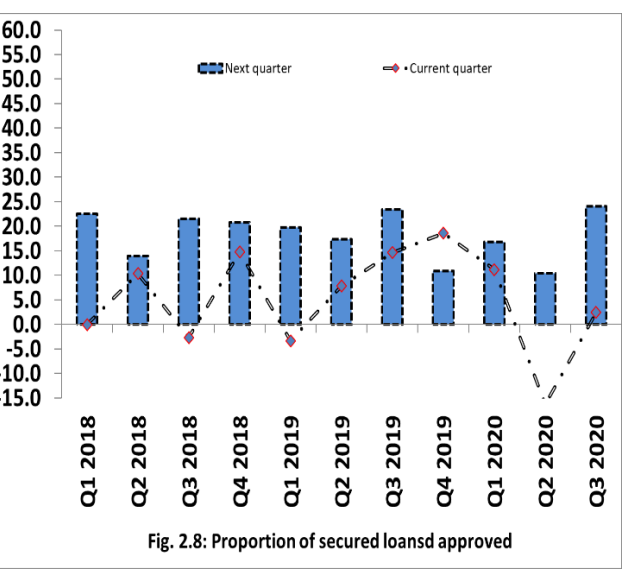
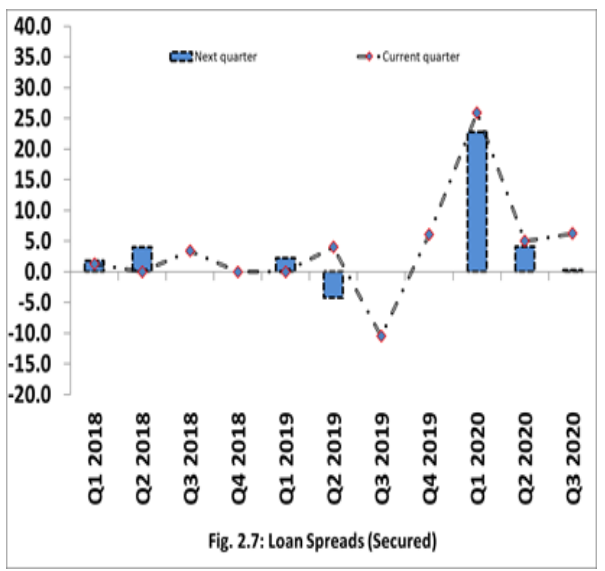
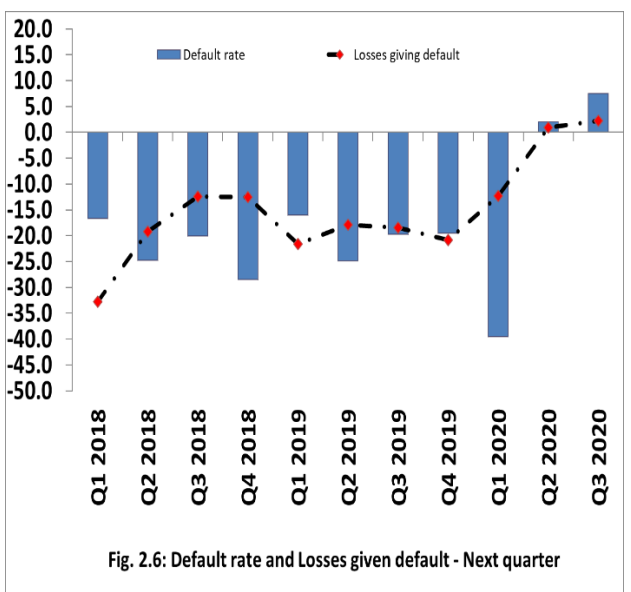
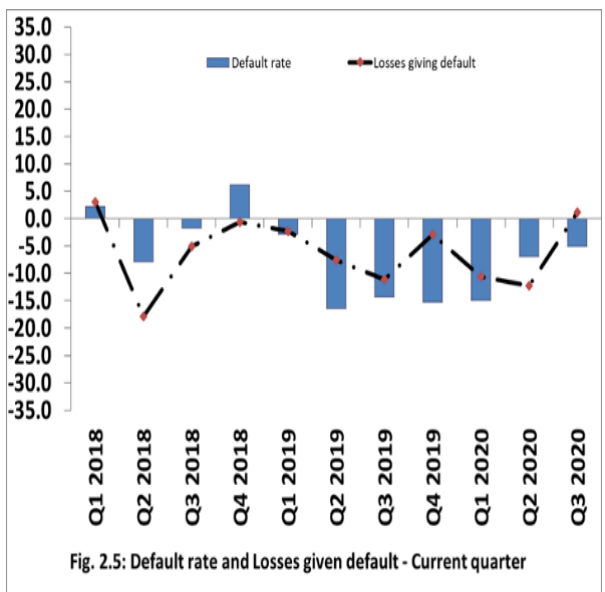
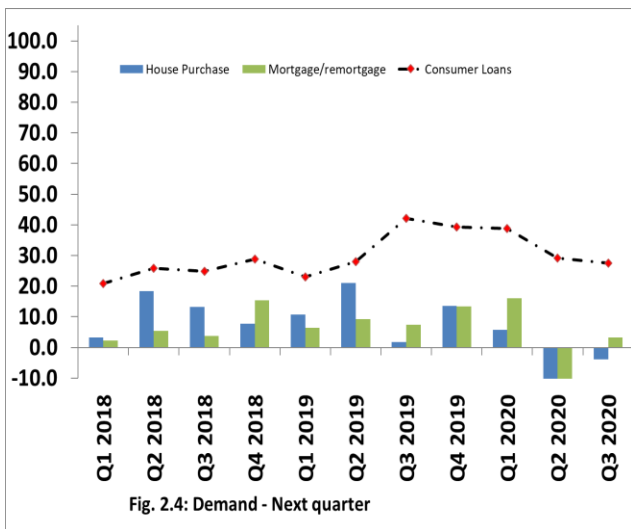
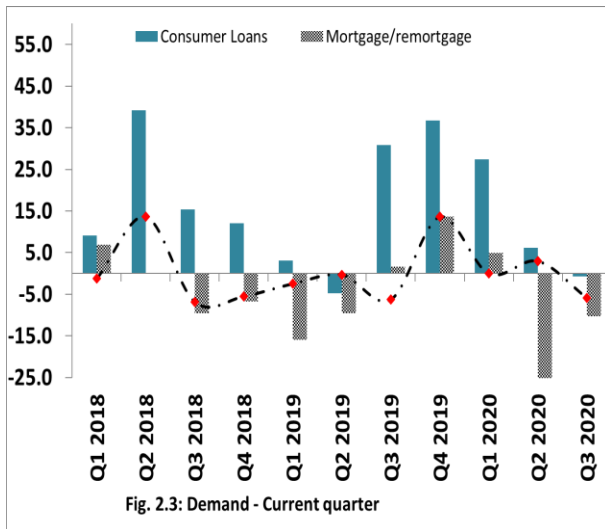
Lenders reported that the overall spreads on secured lending rates to households relative to MPR narrowed in Q3 2020 and are expected to contract further in Q4 2020. Similarly, spreads for all lending types narrowed in the Q3 2020 and are expected to also narrow in the Q4 2020 (Table 1, Item 5a; Fig. 2.7).

Household demand for house purchase loans decreased in Q3 2020 but it is expected to increase in Q4 2020. For Q3 2020, households demand for all lending types increased except for buy to let lending, while for Q4 2020, all lending types to households were expected to increase (Table 1, Item 1a; Figs. 2.3 & 2.4).

Household demand for consumer loans decreased in Q3 2020 but it is expected to increase in Q4 2020. Similarly, demand for mortgage/remortgaging from households fell in Q3 2020 but is expected to rise in Q4 2020 (Table 1, Items 1b, 1c & 2).

Secured loan performance, measured by default rates, improved in Q3 2020 but it is expected to decline in Q4 2020. However, bank lenders reported higher loss given default by households in Q3 2020, and they expect higher losses in Q4 2020 (Table 1, Items 7 & 8; Figs. 2.5 & 2.6).





### 3.0 Unsecured lending to households

The availability of unsecured credit provided to households decreased in Q3 2020 but it is expected to increase in Q4, 2020. Increased availability of funds and improving economic outlook are contributory factors for the increase (Table 2, Item 6; Figs. 3.1 and 3.2).

As lenders' resolve to tighten the credit scoring criterion for total unsecured loan applications in Q3 2020, the proportion of approved total loan applications for households decreased. Lenders expect to also tighten the credit scoring criteria in Q4 2020 but anticipate that the proportion of approved loan applications will increase (Table 2, Items 3c & 4c; Fig. 3.8).

The proportion of approved credit card loans decreased in Q3 2020, though the credit scoring criteria for granting credit card loans was loosened (Table 2, Items 3a & 4a). However, the proportion of approved overdraft/personal loan applications increased, as lenders tightened the credit scoring criteria (Table 2, Items 3b & 4b).

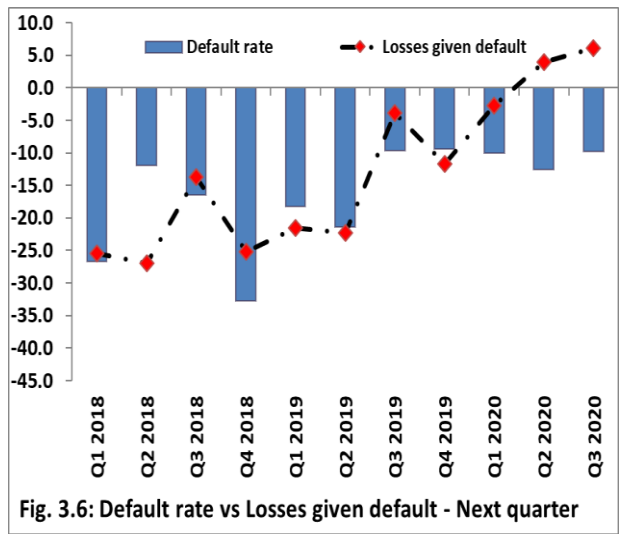
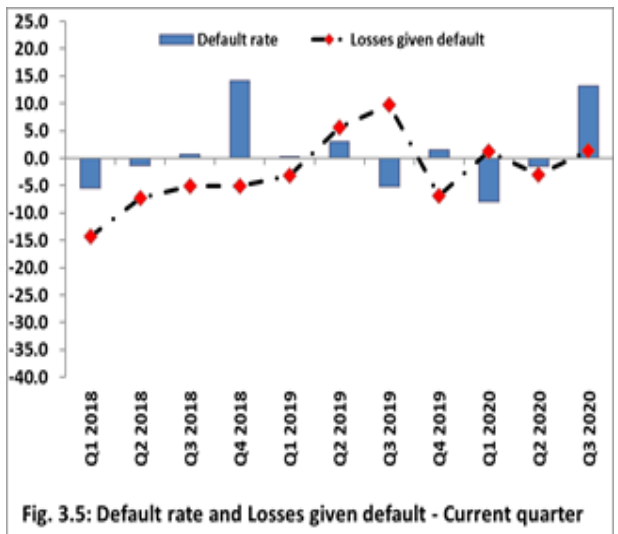
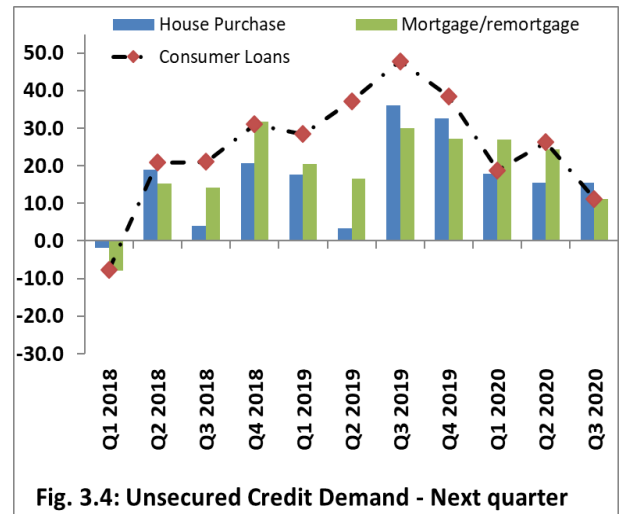
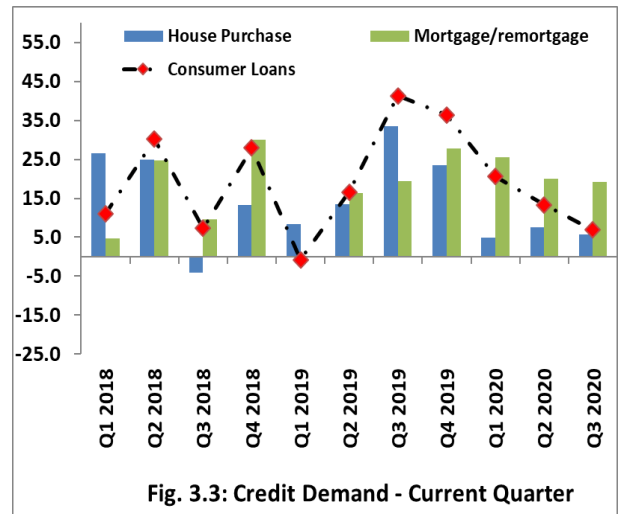
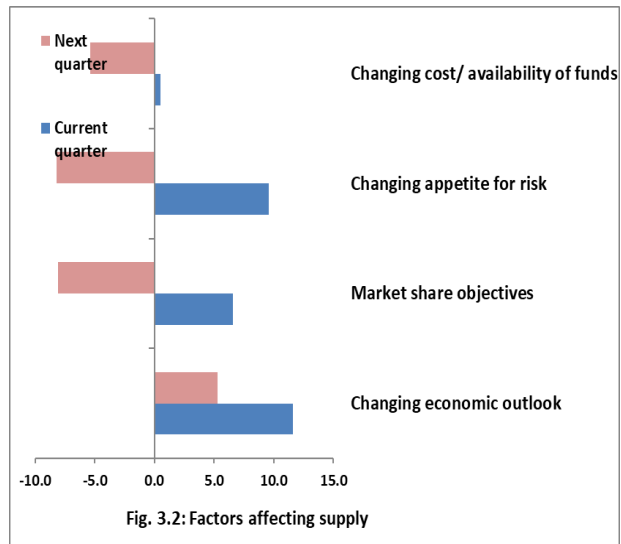
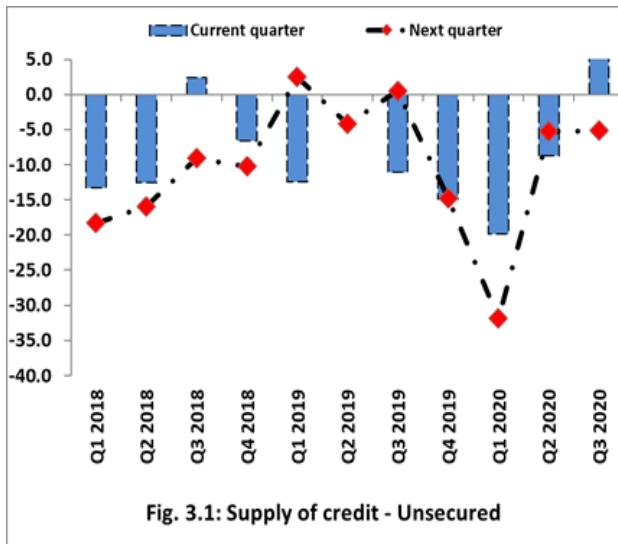
Lenders reported that while spreads on credit card lending and unsecured approved overdrafts/personal loans widened, the spread and overall unsecured lending narrowed in Q3 2020. However, they expect the spread on unsecured approved credit card lending and overall unsecured lending to widen while overdrafts/personal loans lending to narrow in Q4 2020 (Table 2, Items 5a - 5c; Fig. 3.7).

The limit on unsecured credit card loan and approved new loan applications increased in Q3 2020, but it is expected to decrease in Q4 2020. The minimum proportion of credit card balances on approved new loan applications increased in the Q3 and it is expected to increase further in Q4 2020 (Table 2, Items 5d & 5e).

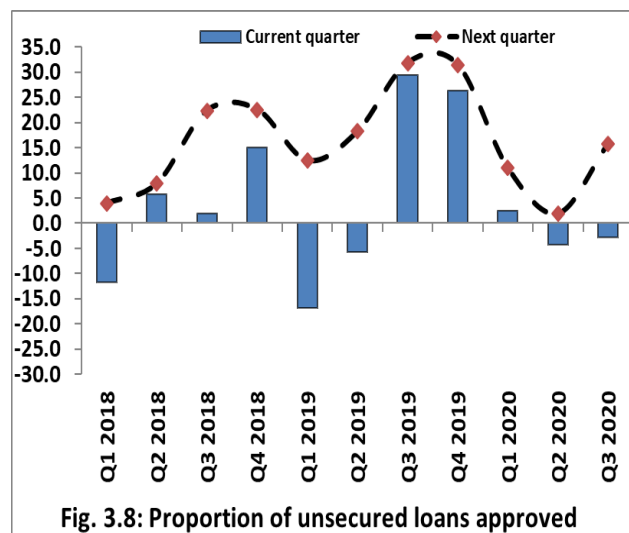
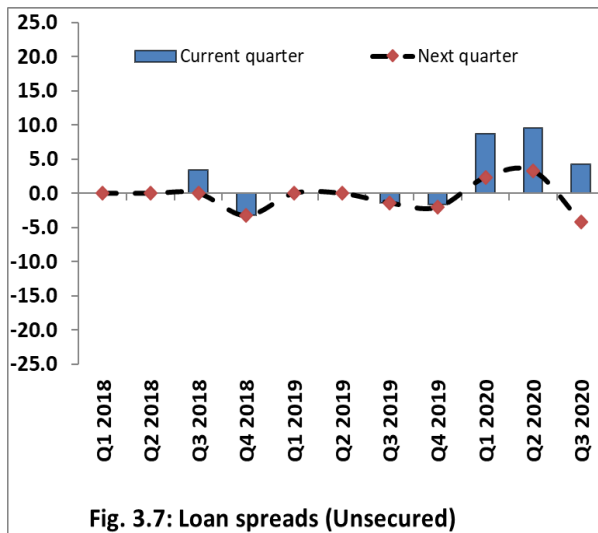
Maximum maturities on approved unsecured new loan applications lengthened in Q3 2020 and is expected to remain unchanged in Q4 2020 (Table 2, Item 5f).

Demand for unsecured credit card lending from households increased in Q3 2020, and a further increase is expected in Q4 2020. Similarly, demand for unsecured overdraft/personal loans from households increased in Q3 2020 and is expected to further increase in Q4 2020 (Table 2, Items 1a & 1b; Figs. 3.3 and 3.4).

Lenders experienced higher default rates on credit card and overdrafts/personal lending to households in Q3 2020 but expect lower default rates in Q4 2020 (Table 2, Items 7a & 7b). Losses given default on total unsecured loans to households and overdraft/personal loans to households both declined in Q3 2020. Similarly, default on total unsecured loans to households was expected to worsen further while default on overdraft/personal loans to households would improve in Q4 2020 (Table 2, Item 8c; Figs. 3.5 and 3.6).







#### 4.0 Lending to corporates and small businesses

Credit conditions in the corporate sector vary by size of the business. The survey asked lenders to report developments in the corporate sector by large and medium-size PNFCs, OFCs and small businesses<sup>1</sup>.

The overall availability of credit to the corporate sector increased in Q3 2020 and is expected to increase in Q4 2020. This was driven by changing sector-specific risks, changing economic conditions, changing appetite for risk, market share objectives and changing liquidity conditions (Table 3, Items 4a & 4b). Lenders reported that the prevailing commercial property prices positively influenced credit availability for the commercial real estate sector in Q3 2020 and would continue in Q4 2020. Similarly, the prevailing commercial property prices is expected to positively influence secured lending to PNFCs in Q3 and Q4 2020 (Table 3, Items 4c1 & 4c2).

Availability of credit increased for all business sizes in Q3 2020, while the same trend is expected in Q4 2020 (Table 3, Item 1; Fig. 4.1).

Spreads between bank lending rates and MPR on approved new loan applications narrowed for all firm sizes except OFCs in both Q3 and Q4 2020 (Table 3, Items 6a1, 6b1, 6c1 & 6d1; Figs. 4.7 and 4.8).

<sup>1</sup> 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

The proportion of loan applications approved for all business sizes increased in the Q3 2020 and were expected to further increase in Q4 2020 (Table 3, Items 5a-c).

Lenders required stronger loan covenants from all firm sizes in Q3 2020, a stronger loan covenant is expected in Q4 2020 (Table 3, Items 6a5, 6b5, 6c5 & 6d5).

Fees/commissions on approved new loan applications rose for small business and medium PNFCs fell, while large PNFCs and OFCs rose in Q3 2020. However, lenders of all sized business expect fees/commissions on approved new loan applications to rise except Large PNFCs in Q4 2020 (Table 3, Items 6a2, 6b2, 6c2 & 6d2).

All firm sizes benefitted from an increase in maximum credit lines on approved new loan applications, except small side business in Q3 2020. However, all firm sizes expect to benefit from an increase in maximum credit lines on approved new loan applications in Q4 2020 (Table 3, Items 6a4, 6b4, 6c4 & 6d4).

More collateral requirements were demanded from all firm sizes on approved new loan applications in Q3 2020 and lenders expect to demand higher collateral from all firm sizes in the Q4 2020 (Table 3, Items 6a3, 6b3, 6c3 & 6d3).

Demand for corporate lending increased for all business sizes in Q3 2020 and will further increase in Q4 2020. The most significant factors that influenced demand for lending in the review period were increase in inventory finance and capital investment. Similarly, capital investment, inventory finance and commercial real estate are expected to drive demand in Q4 2020 (Table 3, Items 2 & 3; Figs. 4.3 and 4.4).

Corporate loan performance as measured by the default rates worsened for small businesses and medium PNFCs but improved for large PNFCs and OFCS in Q3 2020. However, lenders expect lower default rates on lending to all sized businesses except small businesses in Q4 2020 (Table 3, Item 7; Figs. 4.5 and 4.6).

The average credit quality on newly arranged PNFCs borrowing, target hold levels for corporate lending, loan tenors on new corporate loans and change in draw down on committed lines by PNFCs all improved in Q3 2020 and are expected to improve in Q4 2020. (Table 3, Item 9).

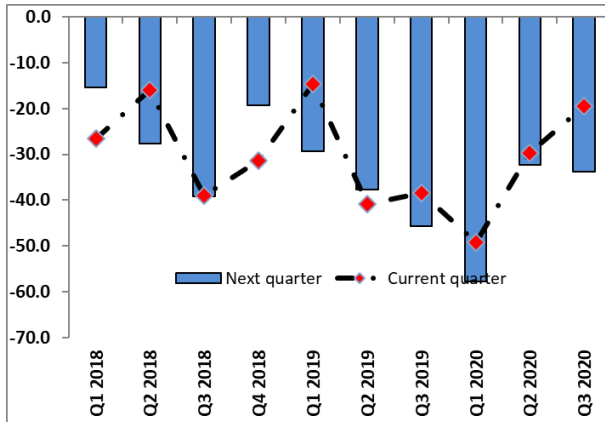


Fig. 4.1a: Corporate credit availability - Small businesses

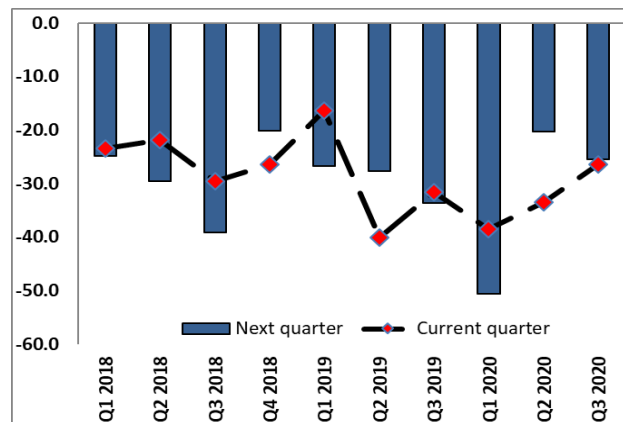


Fig. 4.1b: Corporate credit availability - Medium PNFCs

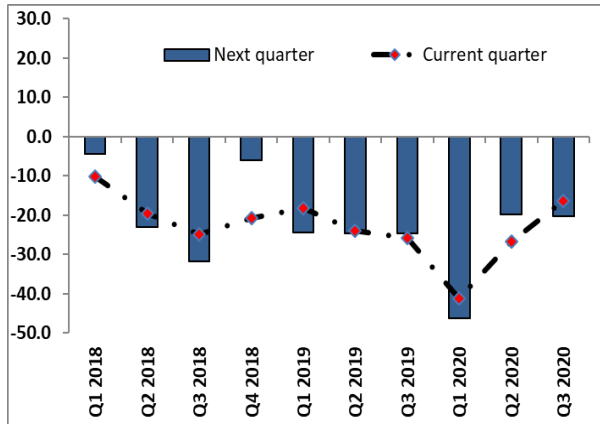


Fig. 4.1c: Corporate credit availability - Large PNFCs

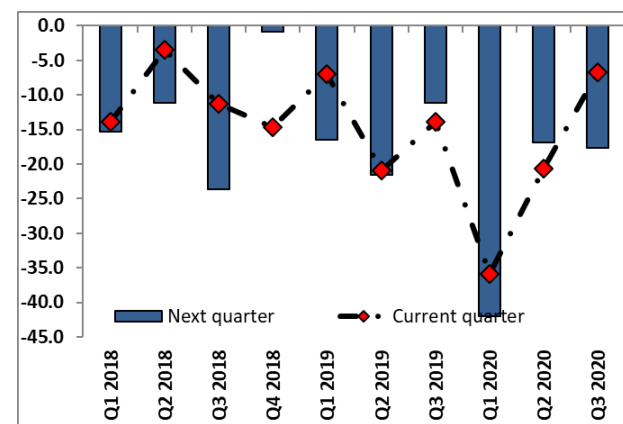


Fig. 4.1d: Corporate credit availability - OFCs

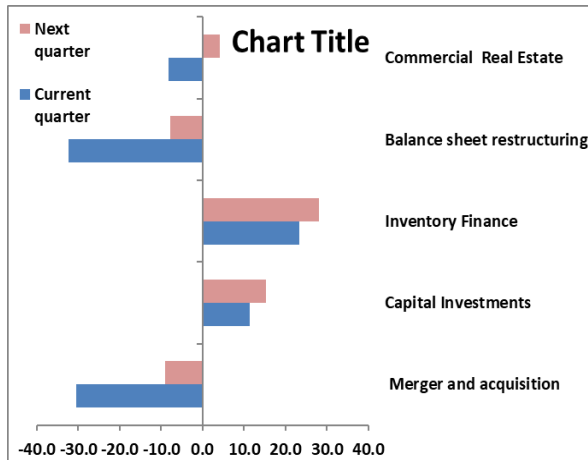


Fig. 4.2: Factors affecting corporate credit supply

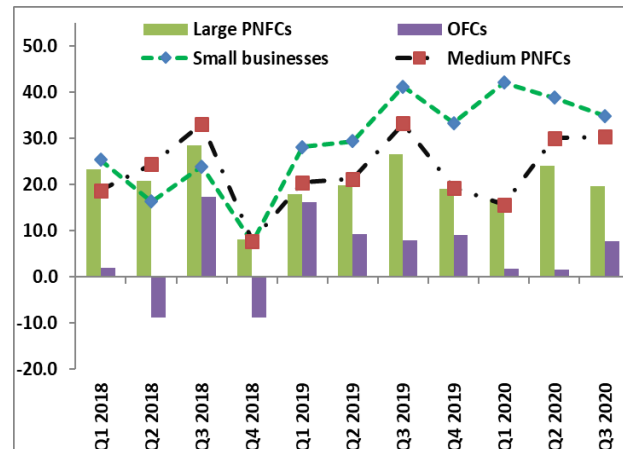
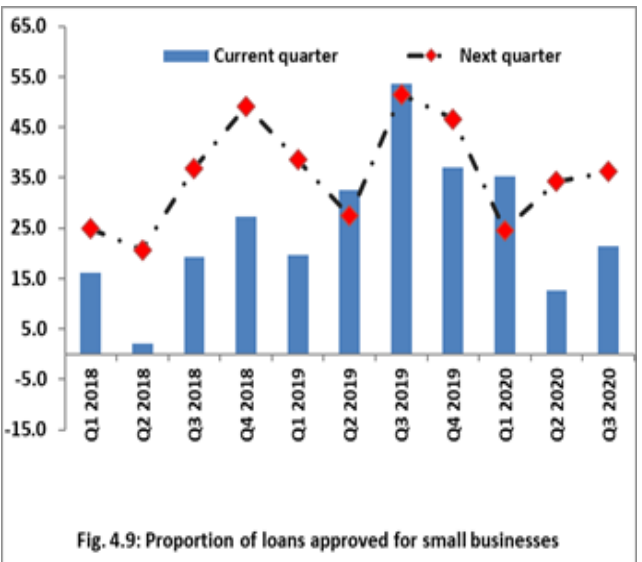
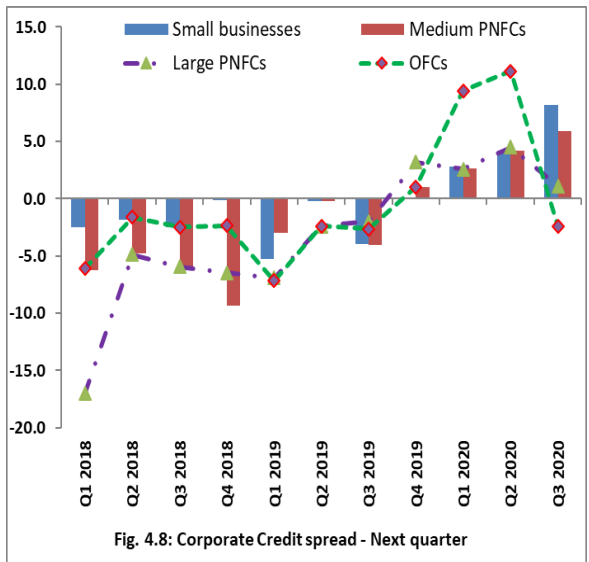
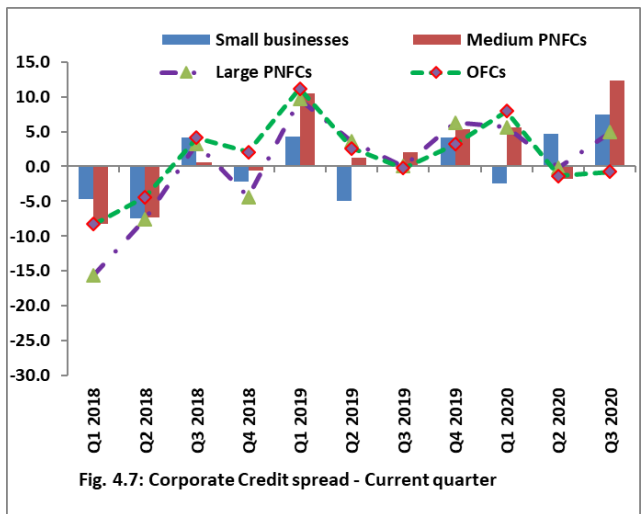
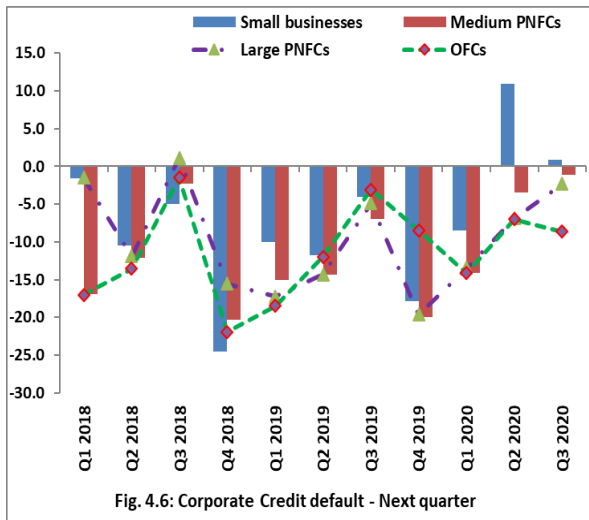
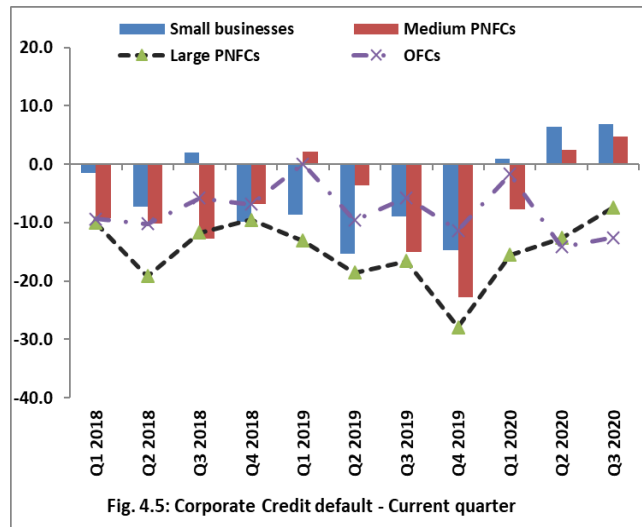
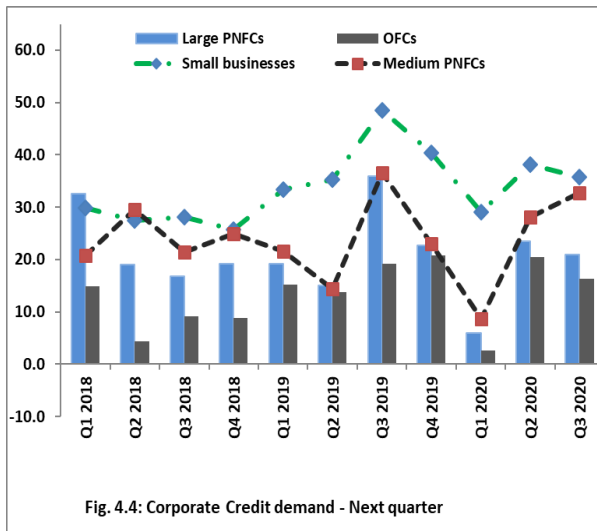


Fig. 4.3: Corporate Credit demand - Current quarter







**Table 3: Analysis on Corporate Lending**

QUESTION	2016				2017				2018				2019				2020				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3		
1(a). How has availability of credit provided to small businesses changed?	Current quarter	25.0	-19.7	-5.2	15.2	-10.5	-20.1	-6.7	-17.2	-26.5	-15.9	-38.9	-31.4	-14.7	-40.9	-38.5	-49.2	-29.7	-19.4	-22.8	
	Next quarter	41.6	-23.6	-10.3	13.0	-13.5	-14.5	-13.0	-22.5	-15.3	-27.6	-39.1	-19.4	-29.3	-37.6	-45.8	-57.8	-32.2	-33.9	-30.0	
1(b). How has availability of credit provided to medium PNFCs changed?	Current quarter	14.9	-28.2	-3.4	9.9	-12.7	-10.4	-3.1	-28.6	-23.4	-21.8	-29.5	-26.4	-16.4	-40.1	-31.6	-38.5	-33.4	-26.4	-33.4	
	Next quarter	29.2	-26.3	-10.2	9.3	-13.4	-9.0	-9.7	-18.1	-24.9	-29.5	-39.1	-20.2	-26.7	-27.6	-33.6	-50.7	-20.3	-25.5	-25.2	
1(c). How has availability of credit provided to large PNFCs changed?	Current quarter	12.2	-26.0	-5.7	-15.1	-10.6	-12.1	0.6	-18.7	-10.1	-19.6	-24.9	-20.7	-18.2	-24.0	-25.7	-41.3	-26.7	-16.3	-20.2	
	Next quarter	26.9	-29.2	-7.7	-14.4	-7.4	6.4	6.6	-19.7	-4.3	-23.0	-31.8	-5.9	-24.4	-24.6	-24.7	-46.2	-19.9	-20.3	-22.2	
1(d). How has availability of credit provided to OFCs changed?	Current quarter	4.0	-17.2	10.4	-13.5	0.6	5.5	6.3	-17.2	-13.8	-3.5	-11.3	-14.7	-6.9	-20.9	-13.9	-35.9	-20.7	-6.7	-16.2	
	Next quarter	22.3	-21.1	5.8	-20.3	-2.7	23.5	13.6	-18.9	-15.3	-11.2	-23.7	-0.9	-16.5	-21.5	-11.2	-42.0	-16.9	-17.6	-18.6	
2(a). How has demand for credit cards lending from SMALL BUSINESSES changed?	Current quarter	3.9	22.7	17.2	1.0	8.3	1.7	-0.3	4.9	20.0	20.7	15.3	-8.1	17.2	8.7	10.6	20.2	13.6	10.6	6.4	
	Next quarter	17.6	25.3	24.4	15.5	9.2	9.4	12.6	11.4	13.5	17.3	4.7	12.8	16.8	9.9	13.4	13.7	-0.2	10.7	15.9	
2(b). How has demand for overdraft/ personal loans from SMALL BUSINESSES changed?	Current quarter	24.2	32.7	21.8	26.8	21.1	18.4	22.0	29.5	31.9	35.9	21.9	28.9	36.8	36.7	48.3	42.4	36.0	29.8	31.9	
	Next quarter	24.9	24.7	25.3	32.8	19.3	11.4	26.8	35.2	28.8	30.4	30.8	32.6	40.7	38.6	50.3	35.8	40.2	34.2	32.3	
2(c). How has demand for secured lending from SMALL BUSINESSES changed?	Current quarter	9.7	29.0	15.3	26.5	19.7	11.9	10.4	22.6	25.4	16.4	23.9	7.5	28.2	29.4	41.2	33.4	42.1	38.8	34.9	
	Next quarter	26.5	34.0	25.8	27.3	23.5	21.9	30.6	45.3	29.9	27.4	28.1	25.7	33.4	35.3	48.4	40.5	29.1	38.1	35.8	
2(d). How has demand for lending from Medium PNFCs changed?	Current quarter	11.0	12.8	14.2	16.0	9.0	17.9	4.8	13.5	18.8	24.4	33.2	7.8	20.5	21.2	33.2	19.4	15.7	30.1	30.4	
	Next quarter	17.4	21.0	9.2	13.6	16.6	15.9	13.6	16.9	20.8	29.5	21.5	25.0	21.5	14.4	36.5	23.0	8.7	28.2	32.7	
2(e). How has demand for lending from Large PNFCs changed?	Current quarter	0.5	14.9	14.2	6.0	7.0	9.0	4.7	7.2	23.4	20.9	28.5	8.2	17.9	19.9	26.6	19.1	16.7	24.2	19.7	
	Next quarter	11.1	14.4	8.8	5.4	15.1	-5.9	4.3	12.3	32.6	19.0	16.8	19.2	19.2	15.1	36.0	22.7	6.0	23.5	21.0	
2(f). How has demand for lending from OFCs changed?	Current quarter	-17.8	-0.7	-9.5	0.9	-6.7	-3.9	-5.7	-0.5	2.1	-8.7	17.4	-8.8	16.2	9.3	8.0	9.1	1.8	1.6	7.8	
	Next quarter	4.6	9.4	9.2	6.8	14.1	-8.9	-2.3	9.3	15.0	4.3	9.1	8.9	15.3	13.9	19.2	20.8	2.6	20.5	16.3	
3. What have been the main factors contributing to changes in demand for lending?																					
(a1) Merger and acquisition	Current quarter	-58.7	7.2	-26.4	8.3	-40.6	-12.8	-23.5	-49.1	-20.8	-35.7	-15.7	-14.8	-26.6	-26.1	-27.7	-29.2	-28.0	-37.7	-30.5	
	Next quarter	-8.8	7.5	0.0	-4.9	0.0	0.0	0.0	0.0	0.0	4.2	-2.2	14.3	0.0	-3.8	-1.9	-1.7	-18.9	-9.1		
(a2) Capital Investments	Current quarter	8.4	16.8	16.4	21.5	15.2	15.2	14.3	13.3	7.0	22.8	13.3	13.4	14.2	15.9	24.5	22.2	20.9	3.7	11.5	
	Next quarter	19.4	27.3	24.9	31.8	19.4	19.7	21.8	13.0	16.0	23.6	22.5	0.2	20.6	17.3	27.1	25.2	14.9	1.3	15.3	
(a3) Inventory Finance	Current quarter	35.0	23.7	32.3	16.2	11.4	31.5	32.0	36.1	38.3	30.7	30.5	35.3	21.6	35.0	46.4	33.4	37.5	19.8	23.4	
	Next quarter	20.1	24.9	30.7	44.3	30.1	25.6	30.0	28.6	38.1	40.4	21.3	31.7	32.9	34.3	33.1	36.5	15.0	16.7	28.1	
(a4) Balance sheet restructuring	Current quarter	-7.0	-14.0	-20.4	-18.9	-9.1	0.6	-8.9	-11.8	-23.9	-22.7	-6.4	-24.8	-25.0	-40.4	-25.5	-28.4	-14.0	-27.9	-32.4	
	Next quarter	7.1	-8.6	-8.3	3.5	-1.1	-6.2	-8.9	-6.9	-13.0	-0.7	6.9	-16.3	-16.5	-25.2	-2.9	-19.7	-3.2	-7.2	-7.8	
(a5) Commercial Real Estate	Current quarter	0.1	7.5	-10.0	-20.3	-12.1	-17.7	-7.2	-4.7	-12.5	-17.5	3.1	-10.5	-8.3	-3.6	-6.8	13.2	5.2	-3.1	-8.3	
	Next quarter	0.1	7.5	-10.0	-20.3	-12.1	-17.7	-7.2	-4.7	-12.5	-17.5	3.1	-10.5	-8.3	-3.6	-6.8	13.2	5.2	-3.1	4.1	
4(a). How has the overall availability of credit to the corporate sector changed?	Current quarter	-47.6	-8.0	-9.3	19.2	-29.5	-30.7	-27.1	-7.0	-27.3	-26.1	-38.3	-18.4	-23.6	0.1	3.4	-22.9	-21.0	-17.2	2.4	
	Next quarter	-29.4	-25.0	-14.6	13.7	-24.1	-31.7	-12.4	-15.1	-41.3	-17.0	-17.9	-28.9	-24.5	-2.3	-7.9	-19.4	-7.1	-2.4	-10.7	
Of which: Commercial real estate sector		Current quarter	-40.5	8.8	-23.8	36.7	-24.9	-20.8	-22.5	-17.2	26.8	-11.4	3.9	14.2	-6.8	5.9	29.0	-4.8	-8.2	31.0	16.1
		Next quarter	-28.1	-11.7	-25.3	24.5	-22.6	-50.6	-6.9	7.5	25.9	-7.3	1.9	-0.4	-5.7	8.5	13.8	3.5	5.3	20.8	11.6
4(b). Factors contributing to changes in credit availability.																					
Changing economic outlook	Current quarter	-65.8	-55.5	-58.2	-60.4	-54.9	-43.7	-40.5	-33.3	-37.1	-41.3	-37.1	-49.5	-28.9	-34.6	-39.2	-27.1	-54.8	-46.7	-44.8	
	Next quarter	-57.0	-40.2	-47.1	-26.0	-48.2	-26.8	-17.0	-19.4	-42.9	-25.5	-23.7	-34.4	-21.8	-13.9	-22.5	-34.4	-50.2	-39.2	-43.2	
Changing sector specific risks	Current quarter	-56.4	-57.8	-50.7	-64.5	-40.1	-28.5	-37.7	-17.4	-30.8	-46.5	-50.3	-48.4	-16.9	-22.7	-29.2	-29.7	-40.5	-47.1	-46.5	
	Next quarter	-31.6	-40.3	-44.3	-53.5	-32.0	-27.0	-12.1	-22.7	-43.6	-21.1	-33.5	-31.9	-24.8	-14.1	-16.4	-13.0	-28.8	-40.5	-40.8	
Market share objectives	Current quarter	-32.3	-40.6	-37.4	-26.9	-23.6	-18.7	-27.3	-26.3	-19.4	-25.6	-28.3	-24.8	-30.0	-18.2	-41.7	-37.9	-37.0	-23.4	-30.3	
	Next quarter	-28.4	-31.8	-20.9	-15.7	-25.7	-16.7	-15.2	-19.3	-22.7	-9.9	-26.3	-11.0	-0.7	-4.3	-18.1	-35.5	-26.7	-23.4	-25.8	
Market pressures from capital markets	Current quarter	-23.4	-17.2	-17.0	-14.4	-4.9	-6.0	2.6	10.9	3.5	6.7	-6.9	-14.5	23.2	17.4	11.4	-3.7	9.6	2.9	-4.8	
	Next quarter	-26.2	-4.2	-14.3	-18.8	-15.0	2.5	12.7	-13.8	-6.7	1.6	-9.6	-9.7	6.5	11.1	-0.2	-22.2	-7.0	-17.1	-17.6	
Changing appetite for risk	Current quarter	-31.6	-36.8	-28.2	-33.9	-26.3	-27.1	-32.1	-12.1	-29.2	-25.5	-17.7	-23.7	-19.3	-18.3	-22.4	-17.9	-35.7	-39.2	-36.8	
	Next quarter	-32.9	-31.2	-39.9	-24.2	-36.7	-30.6	-26.8	-22.9	-45.2	-28.2	-15.6	-24.2	-12.4	-11.9	-3.0	-36.2	-35.2	-37.6	-50.8	
Tight wholesale funding conditions	Current quarter	-36.2	-25.0	-35.8	-36.0	-36.9	-33.4	-30.1	-18.1	-9.0	-9.8	-13.3	-17.5	-6.7	-5.3	-3.6	-0.8	-25.0	-27.7	-22.2	
	Next quarter	-29.8	-29.8	-39.9	-63.1	-38.0	-23.9	-30.1	-23.9	-25.5	-9.7	-8.1	-32.0	-8.5	-10.3	-21.1	-26.6	-32.2	-27.7	-38.4	
Changing liquidity conditions	Current quarter	-41.9	-45.3	-38.1	-48.4	-42.3	-42.3	-29.6	-18.4	-16.6	-31.5	-32.5	-29.4	-16.5	-14.5	-2.8	-13.3	-27.5	-20.7	-28.6	
	Next quarter	-30.9	-32.7	-50.8	-53.1	-37.1	-33.4	-28.7	-21.9	-24.8	-12.6	-16.2	-34.4	-15.8	-12.9	-14.2	-32.0	-48.3	-19.7	-35.0	



**Table 3 (cont'd): Analysis on Corporate Lending**

QUESTION		2016				2017				2018				2019				2020		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
4(c1). How have commercial property prices affected <i>credit availability to the commercial real estate sector</i> ?	Current quarter	7.2	-13.8	10.1	7.6	-0.9	7.1	-0.7	-18.8	3.2	13.5	29.4	16.9	6.4	-3.9	17.8	20.1	3.5	-16.8	-7.3
	Next quarter	2.7	-13.8	0.7	7.2	-14.1	6.0	12.6	6.6	18.1	5.9	5.5	3.9	4.8	-4.7	14.9	7.8	-18.0	-17.8	-10.6
4(c2). How have commercial property prices affected secured lending to PNFCs?	Current quarter	-14.3	-13.9	-5.7	-0.7	-0.7	17.0	-0.2	-6.6	-6.7	-14.1	-17.9	-15.9	-14.5	-2.5	10.3	-14.6	-19.7	-17.8	-19.6
	Next quarter	-14.3	-13.9	-14.1	1.6	-6.1	19.8	17.1	-10.2	10.2	-13.3	-14.3	-13.2	-6.8	-9.4	-11.7	-9.9	-14.9	-14.7	-18.4
5(a). How has the proportion of loan applications from small businesses being approved changed?	Current quarter	0.2	26.1	-12.7	-3.7	0.2	10.9	9.9	25.9	16.2	2.1	19.3	27.2	19.7	32.6	53.6	37.1	35.3	12.6	21.5
	Next quarter	17.8	23.9	-2.5	11.6	2.2	23.1	22.5	25.2	24.9	20.7	36.9	49.1	38.5	27.4	51.5	46.6	24.6	34.2	36.2
5(b). How has the proportion of loan applications from medium PNFCs being approved changed?	Current quarter	-2.3	21.0	-6.9	-4.4	-4.5	-3.2	1.3	11.3	8.7	14.2	28.3	21.7	11.5	25.1	31.5	32.3	32.0	24.4	23.3
	Next quarter	3.5	12.4	-16.4	-2.1	2.4	-4.9	2.7	10.3	6.5	9.8	21.5	18.6	16.6	14.3	38.4	28.6	33.9	20.0	22.6
5(c). How has the proportion of loan applications from large PNFCs being approved changed?	Current quarter	-6.3	15.1	-12.6	7.8	-5.8	-14.9	-2.4	10.4	13.5	14.6	23.5	5.2	9.8	15.9	23.8	27.0	25.8	20.8	23.0
	Next quarter	-6.5	7.1	-16.5	-1.3	-17.2	-23.6	-15.3	-6.2	7.6	12.9	21.3	10.9	10.7	8.3	26.1	28.3	15.4	18.3	22.2
6(a1). How have spreads on loans to small businesses changed?	Current quarter	-2.2	1.5	-9.0	-11.9	5.3	-8.5	-0.4	4.6	-4.7	-7.5	4.1	-2.2	4.3	-4.9	-0.1	4.2	-2.4	4.7	7.4
	Next quarter	-6.6	3.6	-11.9	-10.1	-7.5	1.5	1.8	0.0	-2.5	-1.8	-2.5	-0.1	-5.3	-0.2	-3.9	0.1	2.8	4.2	8.2
6(a2). How have fees/commissions on loans to small businesses changed?	Current quarter	-5.5	6.5	3.1	-2.4	4.1	0.0	0.4	-2.6	-11.8	0.2	4.1	-2.1	-2.9	2.6	1.0	4.3	3.0	1.5	14.8
	Next quarter	-5.2	-0.3	-5.0	-3.8	-9.2	4.0	-0.9	-5.1	-9.8	-0.2	-2.5	0.0	-5.3	-0.2	-3.1	0.1	0.0	1.5	-0.2
6(a3). How have collateral requirements for loans to small businesses changed?	Current quarter	-41.6	-10.7	-21.1	-32.0	-12.8	-16.1	-11.5	-18.4	-21.2	-30.4	-12.2	-13.9	-2.5	-17.7	-14.2	-6.5	-12.5	-14.3	-10.0
	Next quarter	-20.8	-10.4	-26.1	-34.6	-20.2	-20.0	-24.7	-2.9	-25.0	-17.8	-2.5	-3.2	-2.1	-6.4	-23.6	-2.2	0.0	-4.7	-2.4
6(a4). How have maximum credit lines for loans to small businesses changed?	Current quarter	9.9	-5.0	7.7	-7.7	5.3	-2.8	-5.7	2.4	-0.4	-9.3	-7.0	-15.2	-6.0	-6.7	-5.2	-10.0	-5.8	-4.8	0.7
	Next quarter	4.6	-4.0	7.6	-5.2	-1.2	-5.7	-7.6	11.3	3.6	-12.0	-4.3	-3.2	-2.1	-6.4	-8.3	-7.8	-2.6	-4.8	-7.2
6(a5). How have Loan covenants for loans to small businesses changed?	Current quarter	19.9	-18.3	-16.7	17.9	-14.1	-24.2	-15.1	-8.7	13.6	-23.9	-12.2	-10.7	-4.7	-13.6	0.5	-4.8	-15.7	-11.2	-3.1
	Next quarter	18.4	-14.7	-17.9	25.2	-19.6	-18.2	-15.1	-12.9	10.0	-17.9	0.0	0.0	0.0	0.0	-15.2	0.0	0.0	-1.5	-2.4
6(b1). How have spreads on loans to medium PNFCs changed?	Current quarter	-8.6	-0.3	-13.5	-12.2	-11.3	-6.0	-1.5	-8.1	-8.3	-7.3	0.6	-0.6	10.5	1.2	2.0	5.3	5.7	-1.8	12.4
	Next quarter	-8.5	-4.1	-12.2	-16.3	-19.3	-5.0	-0.3	-23.8	-6.3	-4.8	-6.0	-9.4	-2.9	-0.2	-4.1	1.1	2.6	4.2	5.9
6(b2). How have fees/commissions on loans to medium PNFCs changed?	Current quarter	-11.1	-3.8	-3.7	-3.6	-2.8	2.4	0.4	7.5	-5.0	0.2	6.8	2.1	5.7	5.3	3.0	7.5	6.1	-4.9	9.9
	Next quarter	-20.3	-15.5	1.3	-11.7	-4.5	1.8	-3.1	-11.7	-10.4	-10.2	-11.8	-7.2	-7.8	-9.1	-8.3	-6.6	-10.8	-9.6	-5.0
6(b3). How have collateral requirements for loans to medium PNFCs changed?	Current quarter	-23.7	-10.5	-21.8	-34.0	-18.1	-17.9	-13.1	-12.6	-14.2	-21.4	-13.0	-11.4	-19.8	-11.0	-3.7	-1.1	-12.5	-17.7	-12.3
	Next quarter	-20.2	-10.9	-21.8	-35.2	-23.2	-13.9	-25.7	-2.6	-21.5	-8.8	-6.0	-15.9	-5.2	-2.4	-11.0	1.1	0.0	-1.5	0.0
6(b4). How have maximum credit lines for loans to medium PNFCs changed?	Current quarter	15.5	-12.9	5.3	1.9	1.0	7.7	-2.6	5.0	10.9	-15.3	-10.6	-8.2	-16.3	-13.4	-8.4	-14.4	-16.4	-20.6	-22.0
	Next quarter	5.1	-4.3	6.4	2.2	6.2	5.1	-0.4	11.6	7.4	-4.8	-10.1	1.1	-5.8	-6.7	-4.1	1.1	-5.6	-2.1	-4.8
6(b5). How have Loan covenants for loans to medium PNFCs changed?	Current quarter	31.6	-16.4	-19.9	21.8	-26.8	-11.6	-20.9	-21.7	14.8	-17.4	-22.5	-21.3	-16.0	-17.6	-8.9	-6.6	1.4	-30.2	-20.8
	Next quarter	13.8	-14.2	-15.4	21.5	-23.3	-9.8	-18.6	-15.4	6.9	-4.0	-8.7	-8.6	-2.2	-2.4	-11.0	1.1	0.0	-1.6	-2.4
6(c1). How have spreads on loans to large PNFCs changed?	Current quarter	-5.0	1.0	-6.3	-1.8	-5.7	-2.5	-1.5	-11.0	-15.6	-7.6	3.2	-4.4	9.7	3.6	0.0	6.3	5.6	-0.2	4.9
	Next quarter	-3.5	1.2	-10.1	9.7	-12.0	1.5	-0.5	-6.8	-17.0	-4.9	-5.9	-6.5	-6.9	-2.4	-2.0	3.2	2.6	4.5	1.1
6(c2). How have fees/commissions on loans to large PNFCs changed?	Current quarter	-17.8	1.6	-4.8	-8.2	-7.5	0.1	-5.5	-9.3	-19.2	-6.4	-2.5	-5.1	3.4	-6.4	-6.2	-2.3	-7.8	-3.8	-3.3
	Next quarter	-5.9	1.3	-4.9	-8.5	-3.8	3.9	1.4	-2.6	-2.3	0.6	-2.5	0.0	-4.9	0.0	1.0	3.2	-3.0	1.8	1.1
6(c3). How have collateral requirements for loans to large PNFCs changed?	Current quarter	-16.1	-12.2	-14.3	-22.1	-17.1	-15.8	-11.3	-12.7	-10.4	-5.7	-3.3	-13.6	-21.6	5.5	-10.9	-1.1	-12.5	-16.3	-9.9
	Next quarter	-15.0	-5.0	-18.8	-34.0	-15.6	-13.8	-16.7	-8.5	-17.6	-5.7	-5.9	-9.2	-2.1	-5.0	-10.8	1.0	-3.0	-1.5	-9.7
6(c4). How have maximum credit lines for loans to large PNFCs changed?	Current quarter	-6.0	-1.2	6.2	2.7	11.0	1.4	13.2	8.7	4.4	-7.9	-9.6	4.4	-11.7	-4.7	1.1	-7.7	-5.6	-10.7	-6.5
	Next quarter	7.3	-2.6	14.7	-3.8	7.7	2.5	9.4	4.0	-7.2	-7.7	-10.0	2.0	-7.1	-9.2	1.2	-6.6	-5.6	1.0	-0.4
6(c5). How have Loan covenants for loans to large PNFCs changed?	Current quarter	-15.5	-16.9	-9.6	-13.0	-19.2	-19.9	-13.2	-12.7	-7.0	-14.5	-8.8	-20.0	-11.8	-0.2	-10.0	1.0	-9.6	-23.4	-13.5
	Next quarter	13.3	-12.7	-5.2	20.1	-18.5	-9.8	-18.6	-13.0	-3.1	-20.9	-5.9	-9.2	-2.1	-2.4	-11.0	3.2	-0.2	-1.5	0.0
6(d1). How have spreads on loans to OFCs changed?	Current quarter	-5.9	1.5	-5.4	-13.2	-5.9	-6.0	-0.5	2.2	-8.3	-4.4	4.1	2.1	11.2	2.6	-0.2	3.2	8.0	-1.3	-0.7
	Next quarter	-5.0	1.5	-12.2	-6.1	-10.3	4.0	-4.3	-0.9	-6.1	-1.6	-2.5	-2.4	-7.2	-2.4	-2.6	1.1	9.4	11.2	-2.4
6(d2). How have fees/commissions on loans to OFCs changed?	Current quarter	-10.5	-2.5	3.2	-1.4	-1.5	6.6	1.4	-9.3	-4.5	0.2	4.1	2.1	3.7	2.6	-1.3	3.2	12.5	-1.8	-1.1
	Next quarter	-7.5	-2.5	-6.8	-4.0	-4.1	4.0	-2.4	3.3	-2.3	5.7	0.2	0.2	0.2	-5.1	-1.4	-3.3	6.4	8.1	-2.4
6(d3). How have collateral requirements for loans to OFCs changed?	Current quarter	-17.5	-7.9	-11.4	-19.2	-14.8	-14.9	-16.3	-6.7	-3.1	-7.0	-25.7	-26.3	-25.4	-13.4	-13.2	-1.1	-3.0	-20.7	-17.2
	Next quarter	-14.6	-3.9	-18.2	-30.5	-15.3	-12.9	-7.8	-2.5	-3.1	-4.0	-18.7	-2.4	-2.3	-5.1	-13.7	-3.3	-3.0	-4.6	-12.2
6(d4). How have maximum credit lines for loans to OFCs changed?	Current quarter	-4.8	1.9	18.4	4.2	8.4	2.4	2.0	0.1	4.4	-2.1	-1.8	6.5	4.7	2.4	4.9	1.1	0.0	-15.0	-19.0
	Next quarter	-1.6	-2.3	8.2	2.0	2.0	-1.9	-3.4	-14.2	0.0	-7.8	-4.4	-4.9	-4.7	0.0	1.3	-1.1	0.0	1.5	-9.8
6(d5). How have Loan covenants for loans to OFCs changed?	Current quarter	-14.3	-15.2	-8.6	-11.7	-18.8	-18.9	-16.9	-9.2	-7.0	-7.2	-14.6	-24.5	-5.5	-8.5	-8.9	1.1	0.0	-16.6	-27.7
	Next quarter	-8.0	-15.8	-7.2	-19.2	-19.4	-16.9	-9.7	-16.7	-6.9	-4.0	-14.4	-2.4	-2.3	-2.4	-13.5	-1.1	0.0	-1.5	-12.2



**Table 3 (cont'd): Analysis on Corporate Lending**

QUESTIONS		2016				2017				2018				2019				2020		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
7(a). How has the default rate on loans to small businesses changed?	<i>Current quarter</i>	6.6	13.1	18.3	4.1	-9.8	2.1	-9.0	7.2	-1.6	-7.2	2.0	-9.9	-8.6	-15.4	-8.9	-14.8	0.9	6.4	6.9
	<i>Next quarter</i>	-1.2	11.2	15.5	7.2	-15.6	4.1	-14.5	-18.5	-1.6	-10.5	-5.0	-24.5	-10.0	-11.8	-4.1	-17.8	-8.5	10.9	0.9
7(b). How has the default rate on loans to medium PNFCs changed?	<i>Current quarter</i>	-1.2	12.6	9.6	12.9	-0.3	2.1	-7.4	-1.0	-9.2	-10.2	-12.7	-6.7	2.2	-3.7	-15.0	-22.8	-7.7	2.5	4.7
	<i>Next quarter</i>	0.8	7.7	7.8	-1.5	-19.4	-5.4	-4.2	-18.1	-16.9	-12.1	-2.3	-20.3	-15.1	-14.4	-7.0	-20.0	-14.2	-3.5	-1.2
7(c). How has the default rate on loans to large PNFCs changed?	<i>Current quarter</i>	-6.1	3.1	3.8	0.4	-1.0	-11.2	-7.3	-11.9	-10.0	-19.2	-11.8	-9.5	-13.1	-18.6	-16.6	-27.9	-15.5	-12.7	-7.4
	<i>Next quarter</i>	-0.8	5.7	5.8	-2.7	-11.1	-26.8	-27.9	-7.7	-1.5	-11.9	1.2	-15.6	-17.2	-14.3	-4.9	-19.7	-13.4	-6.9	-2.3
7(d). How has the default rate on loans to OFCs changed?	<i>Current quarter</i>	3.3	11.7	1.9	1.2	-4.0	-20.7	-7.5	-6.3	-9.4	-10.2	-5.8	-6.9	0.1	-9.6	-5.7	-11.3	-1.7	-14.2	-12.5
	<i>Next quarter</i>	0.5	7.8	2.5	2.5	-20.6	-21.5	-16.1	-6.6	-17.0	-13.6	-1.5	-21.9	-18.5	-12.0	-3.1	-8.5	-14.2	-7.0	-8.6
8(a). How have losses given default on loans to small businesses changed?	<i>Current quarter</i>	-2.3	17.0	15.4	5.2	-2.8	10.3	-2.2	14.8	-2.1	-2.8	-1.4	-7.4	-10.9	-3.3	-4.5	-2.1	5.3	-0.4	0.9
	<i>Next quarter</i>	-22.1	-0.1	-7.8	-5.1	-12.6	-22.7	-11.8	-22.0	-15.9	-20.9	-22.5	-23.9	-28.5	-25.5	-16.4	-20.5	-17.6	-18.5	5.3
8(b). How have losses given default on loans to medium PNFCs changed?	<i>Current quarter</i>	-1.7	15.6	9.6	-3.8	-2.5	6.1	-2.2	5.4	-4.6	-2.9	-8.4	-12.1	-10.9	4.8	-6.8	-6.6	4.5	-2.3	3.0
	<i>Next quarter</i>	-22.3	-2.3	-7.0	-14.2	-12.9	-20.3	-20.7	-22.3	-20.1	-25.0	-28.3	-19.4	-28.5	-25.5	-16.4	-27.6	-20.2	-21.2	3.0
8(c). How have losses given default on loans to large PNFCs changed?	<i>Current quarter</i>	-9.4	8.0	1.4	-10.1	-10.2	-0.9	-8.2	-7.7	-12.9	-6.0	-16.5	-12.4	-13.9	-12.5	-14.0	-14.0	-6.3	-13.1	-6.2
	<i>Next quarter</i>	-14.3	4.2	-0.9	-10.8	-7.7	-16.3	-14.8	-25.5	-4.8	-10.7	-15.3	-12.0	-20.5	-16.2	-9.1	-19.9	-9.4	-10.0	-5.4
8(d). How have losses given default on loans to OFCs changed?	<i>Current quarter</i>	2.8	13.9	8.3	-3.1	-3.9	1.3	-2.3	-1.0	-12.1	1.4	-7.3	-9.3	-8.4	-3.3	-3.7	-6.6	4.5	-2.3	-2.9
	<i>Next quarter</i>	-11.0	6.5	0.8	-10.6	-7.5	-16.8	-15.2	-5.4	-19.4	-6.1	-15.5	-12.1	-21.8	-16.4	-9.2	-20.1	-9.4	-10.1	-11.9
9(a). Has there been a change in average credit quality on newly arranged PNFCs borrowing facilities?	<i>Current quarter</i>	11.3	21.7	11.3	17.9	3.4	2.7	9.7	12.8	9.6	19.2	16.9	21.2	9.0	18.1	20.3	20.4	12.5	22.7	22.9
	<i>Next quarter</i>	16.8	13.8	8.1	5.5	4.4	-3.9	7.7	4.5	11.3	15.7	23.8	21.7	11.1	19.1	5.1	11.0	3.0	12.3	15.1
9(b). Has there been any change in target hold levels associated with corporate lending?	<i>Current quarter</i>	14.4	19.7	8.3	15.4	8.4	6.4	7.9	10.7	15.5	13.0	22.0	15.8	3.1	9.0	16.1	17.0	10.8	23.8	18.3
	<i>Next quarter</i>	13.7	17.5	3.1	5.7	2.3	1.9	5.9	6.5	10.8	13.0	14.8	17.7	12.3	11.4	9.2	7.6	10.8	17.5	13.5
9(c). How have loan tenors on new corporate loans changed?	<i>Current quarter</i>	-15.8	13.7	3.8	-1.1	8.7	-13.0	-2.4	-3.7	1.6	16.0	4.1	3.2	9.8	2.3	9.3	7.6	-20.2	11.7	14.1
	<i>Next quarter</i>	-0.1	15.8	6.1	-10.6	0.2	-29.7	2.4	2.4	8.3	13.7	11.0	10.3	9.2	12.9	20.2	7.6	-13.3	16.6	16.5
9(d). Has there been a change in draw down on committed lines by PNFCs?	<i>Current quarter</i>	-3.2	11.5	-10.7	1.6	-0.4	8.9	-3.8	4.2	-2.8	3.7	4.1	5.5	7.8	7.0	25.6	12.5	5.6	9.5	10.1
	<i>Next quarter</i>	0.1	9.8	-4.0	1.5	-3.4	-4.9	-3.8	0.0	1.5	6.1	15.3	7.4	18.3	16.5	16.7	0.5	15.3	12.6	15.1