

Central Bank of Nigeria



**Credit Conditions
Survey Report**

Q2 2020

Statistics Department
July 2020

Table of Contents

	Page
Executive Summary	2
1.0 Introduction	3
2.0 Secured lending to households	3
3.0 Unsecured lending to households	6
4.0 Lending to corporates and small businesses	8
List of figures	
Charts for secured lending	4-5
Chart for unsecured lending	7-8
Charts for corporate lending	9-11
Annex: Tables	
Table 1: Analysis on secured lending to households	12
Table 2: Analysis on unsecured lending to households	13
Table 3: Analysis on corporate lending	14-16

Executive Summary

Supply of Credit: The availability of **secured credit to households** increased in Q2 2020 and is expected to increase in the Q3 2020. The “Changing appetite for risk” was the major factor for the increase in supply of secured credit.

Lenders reported that the availability of **unsecured credit to households** increased in Q2 2020, which is expected to further increase in Q3. Most lenders cited increased availability of funds for this increase.

The overall availability of credit to the Corporate sector increased in Q2 2020 and is expected to increase in Q3 2020, due to “Changing sector specific risk”.

Demand for Credit: Request for **secured lending for house purchase** increased in Q2 2020 but lenders expect demand for such lending to decrease in Q3 2020. The proportion of secured loan applications approved decreased as lenders tightened the credit scoring criteria.

Demand for **total unsecured lending from households** increased in Q2 2020 and is expected to increase in the Q3 2020. Lenders’ resolve to tighten the **credit scoring criterion** decreased the proportion of approved unsecured loan applications in Q2 2020.

Lenders reported increased **demand for corporate credit** from all firm sizes in Q2 2020 and expect demand to rise further in Q3 2020.

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

The performance of **total unsecured loan to households**, measured by **default rates**, improved in Q2 2020 but it is expected to deteriorate in Q3 2020.

Corporate loan performance improved across all sizes of firm except small business and medium PNFs in Q2 2020. Lenders expect lower default rates for all firm sizes except small business in the Q3 2020.

Loan pricing: Lenders reported that the **overall spread on secured lending rates** on approved new loans to households relative to MPR narrowed in Q2 2020 and is expected to further contract in Q3 2020.

The **overall spread on unsecured lending** narrowed in Q2 2020 and were expected to decline further in Q3 2020.

Changes in **spreads between bank lending rates and MPR** on approved new loan applications narrowed for all firm sizes except for small businesses in Q2 2020 but were expected to narrow for all business sizes in Q3 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 July 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 ± 100 .

The Q2 2020 credit condition survey for households, small businesses and corporate entities indicated increased availability of both secured and unsecured credit to households, as well as corporate entities. Spreads on overall secured lending to households and all firm sizes except for small business narrowed in Q2 2020 and were expected to further narrow in Q3 2020. Lenders reported that demand for total secured and unsecured lending from households increased in Q2 2020 and is expected to increase in Q3 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 Q2 2020 relative to the previous quarter. The Changing appetite for risk and changing liquidity position were major factors responsible for the increase. Availability of secured credit is expected to increase in Q3 2020 as well, with increased market share objectives and tighter wholesale funding conditions outlook as the likely contributory factors (Table 1, Item 6; Figs. 2.1 & 2.2).

The proportion of loan applications approved in the Q2 2020 decreased, as lenders tightened their credit scoring criteria. Lenders expect to further tighten the credit scoring criteria but preempt the proportion of approved households' loan applications in Q3 2020 to increase (Table 1, Items 3 & 4).

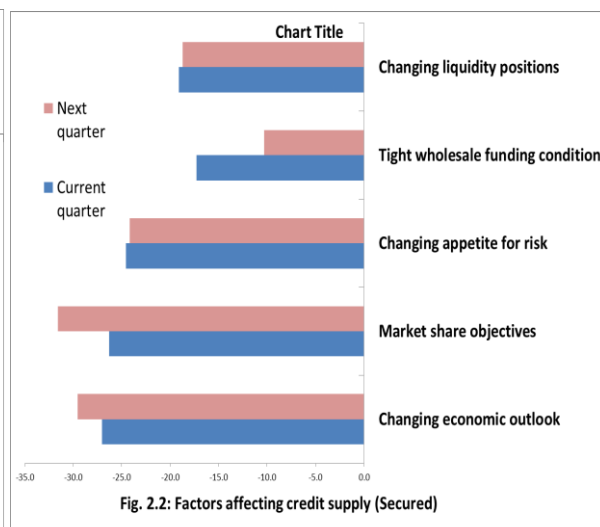
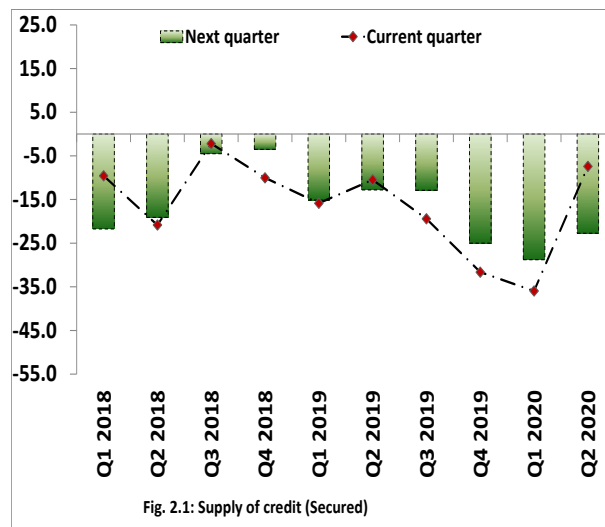
Maximum Loan to Value (LTV) ratios decreased in Q2 2020 and is expected to remain unchanged in Q3 2020 (Table 1, Item 5c). Lenders were not willing to lend at low LTV ratios (75% or less) in both Q2 and Q3 2020. However, they were willing to lend at high LTV (more than 75%) in Q2 and Q3 2020 (Table 1, Item 10). The average credit quality on new secured lending improved in Q2 2020 and is expected to improve further in Q3 2020 (Table 1, Item 9).

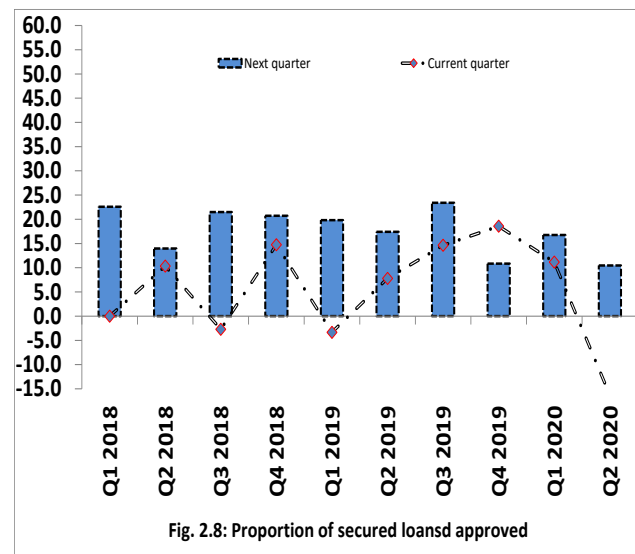
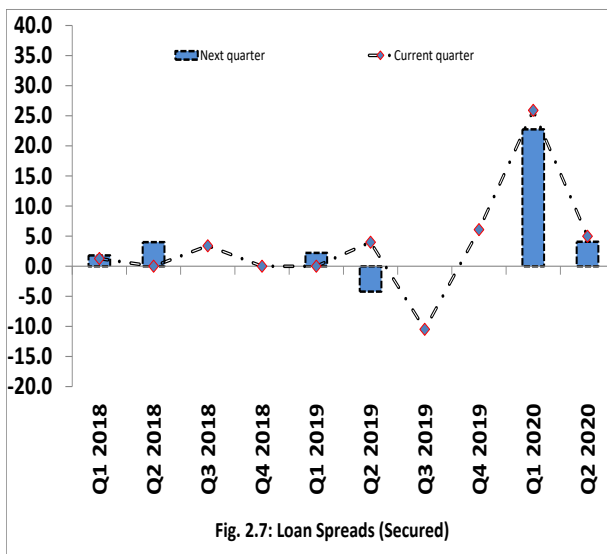
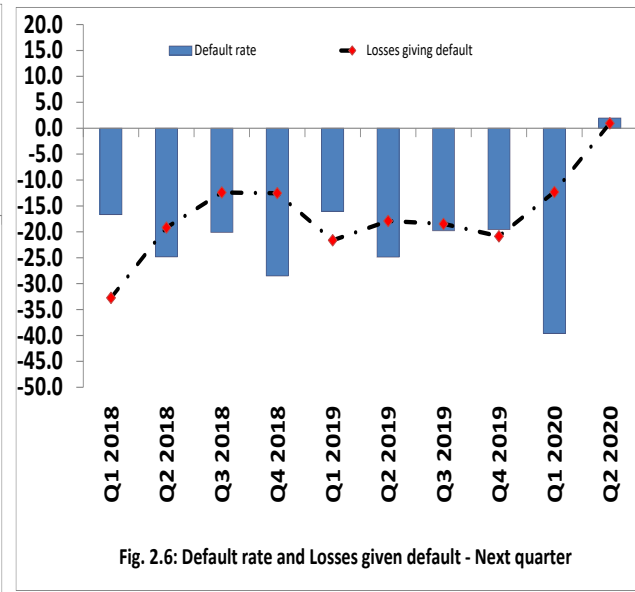
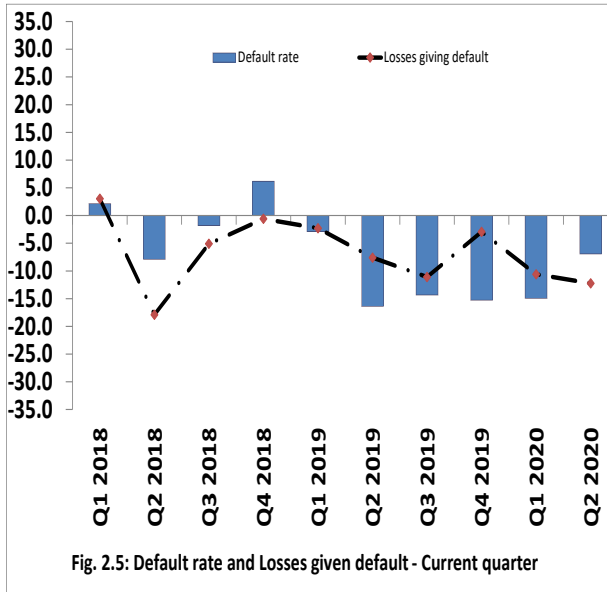
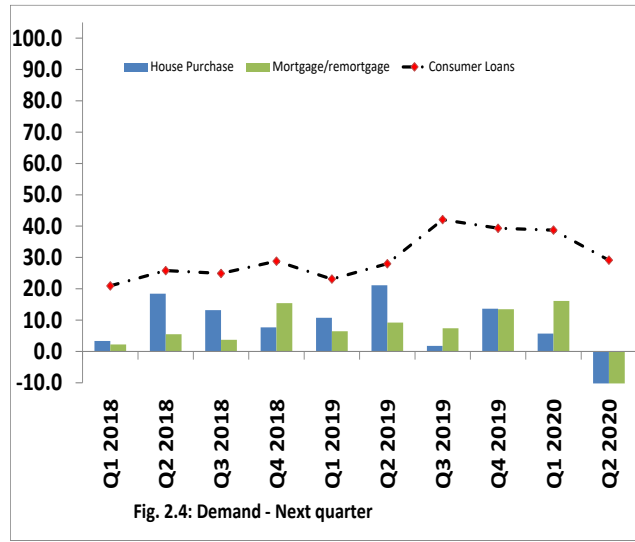
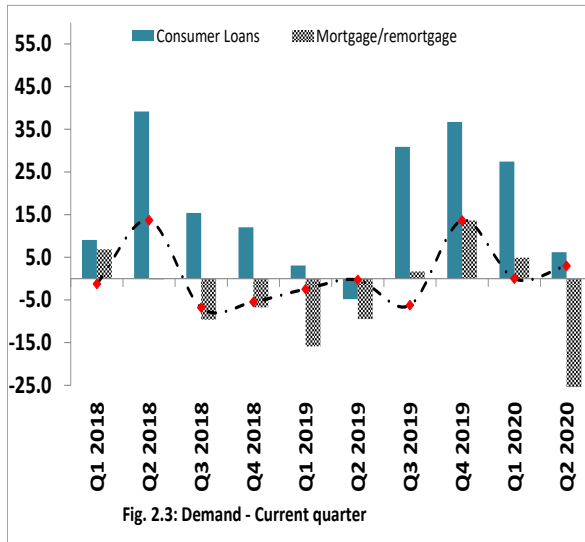
Lenders reported that the overall spreads on secured lending rates to households relative to MPR narrowed in Q2 2020 and were expected to contract further in Q3 2020. Similarly, spreads for all lending types narrowed in the Q2 2020 and were expected to also narrow in the Q3 2020 (Table 1, Item 5a; Fig. 2.7).

Household demand for house purchase loans decreased in Q2 2020 but it is expected to increase in Q3 2020. For Q2 2020, households demand for all lending types increased, but in Q3 2020, only prime and other lending to households were expected to increase while buy to let lending would decrease (Table 1, Item 1a; Figs. 2.3 & 2.4).

Household demand for consumer loans rose in Q2 2020 and it is expected to rise in Q3 2020. However, demand for mortgage/remortgaging from households fell in Q2 2020 and expected to further decline in Q3 2020 (Table 1, Items 1b, 1c & 2).

Secured loan performance, measured by default rates, improved in Q2 2020 but it is expected to decline in Q3 2020. Similarly, bank lenders reported lower loss given default by households in Q2 2020, but they expect higher losses in Q3 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 increased in Q2 2020 and it is expected to increase further in Q3, 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 Q2 2020, the proportion of approved total loan applications for households decreased. Lenders expect to loosen the credit scoring criteria in Q3 2020 and 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 increased in Q2 2020, though the credit scoring criteria for granting credit card loans was tightened (Table 2, Items 3a & 4a). However, the proportion of approved overdraft/personal loan applications decreased, as lenders tightened the credit scoring criteria (Table 2, Items 3b & 4b).

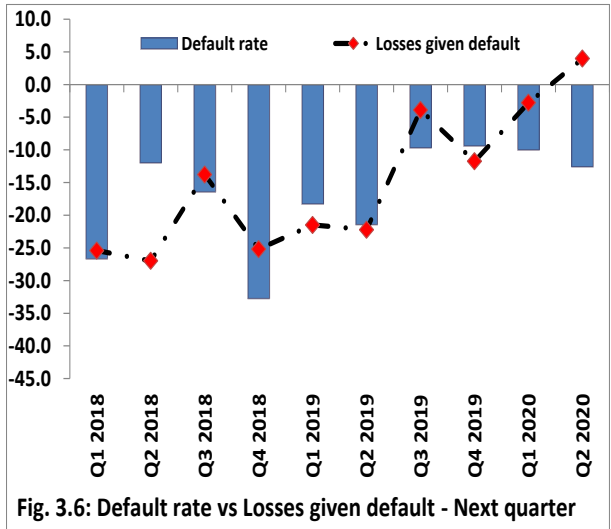
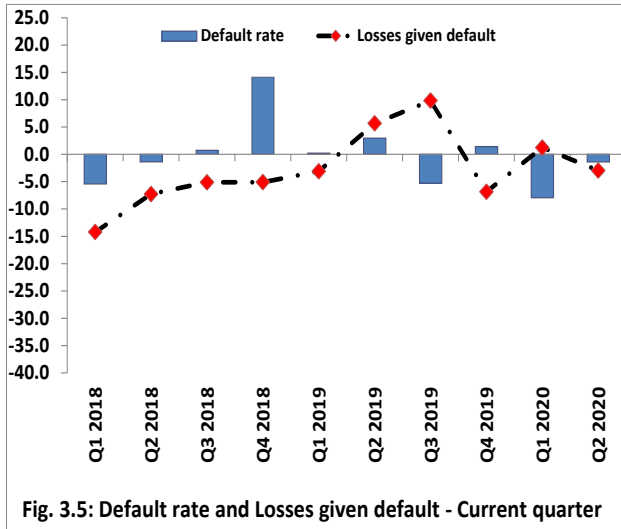
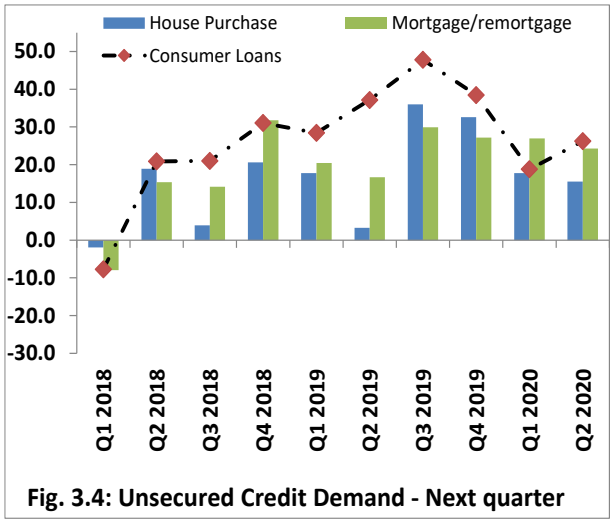
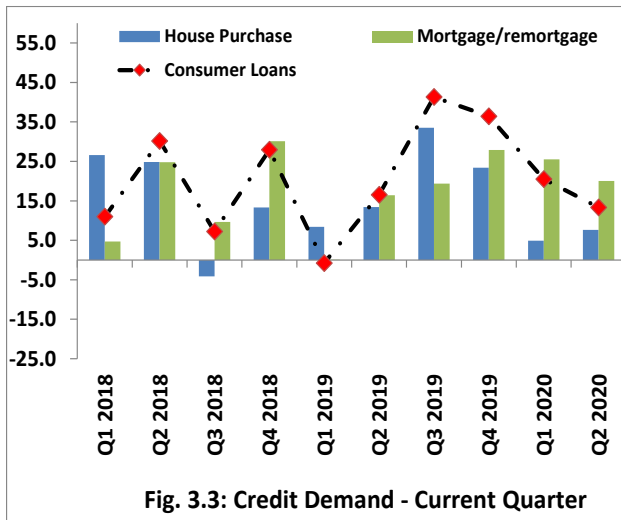
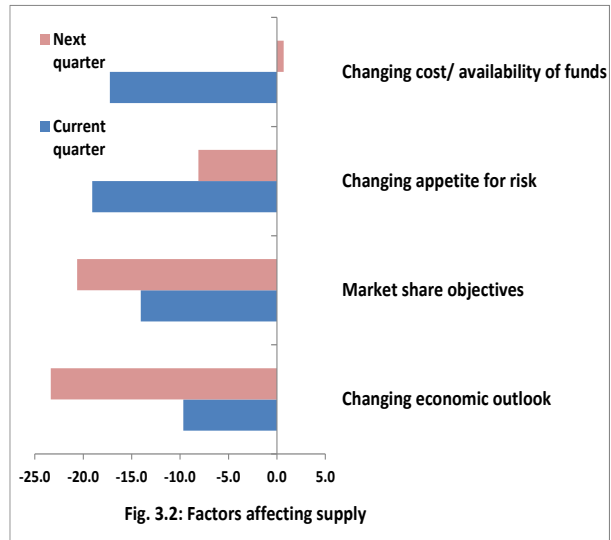
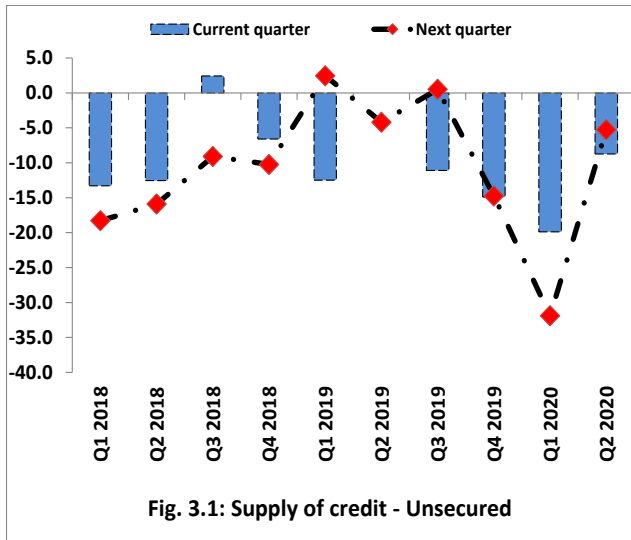
Lenders reported that while spread on credit card lending narrowed, the spread on unsecured approved overdrafts/personal loans widened and overall unsecured lending narrowed in Q2 2020. However, they expect the spread on unsecured approved credit card lending, overdrafts/personal loans and overall unsecured lending to narrow in Q3 2020 (Table 2, Items 5a - 5c; Fig. 3.7).

The limit on unsecured credit card loan and approved new loan applications decreased in Q2 2020, and it is expected to decline further in Q3. The minimum proportion of credit card balances on approved new loan applications increased in the Q2 but it is expected to decrease in Q3 2020 (Table 2, Items 5d & 5e).

Maximum maturities on approved unsecured new loan applications lengthened in Q2 2020 and a similar pattern is expected in Q3 2020 (Table 2, Item 5f).

Demand for unsecured credit card lending from households increased in Q2 2020, and a further increase is expected in Q3 2020. Similarly, demand for unsecured overdraft/personal loans from households increased in Q2 2020 and is expected to further increase in Q3 2020 (Table 2, Items 1a & 1b; Figs. 3.3 and 3.4).

Lenders experienced lower default rates on credit card and overdrafts/personal lending to households in Q2 2020 and expect similar rates in Q3 2020 (Table 2, Items 7a & 7b). Losses given default on total unsecured loans to households and overdraft/personal loans to households both improved in Q2 2020. Similarly, default on total unsecured loans to households was expected to improve while default on overdraft/personal loans to households would worsen in Q3 2020 (Table 2, Item 8c; Figs. 3.5 and 3.6).



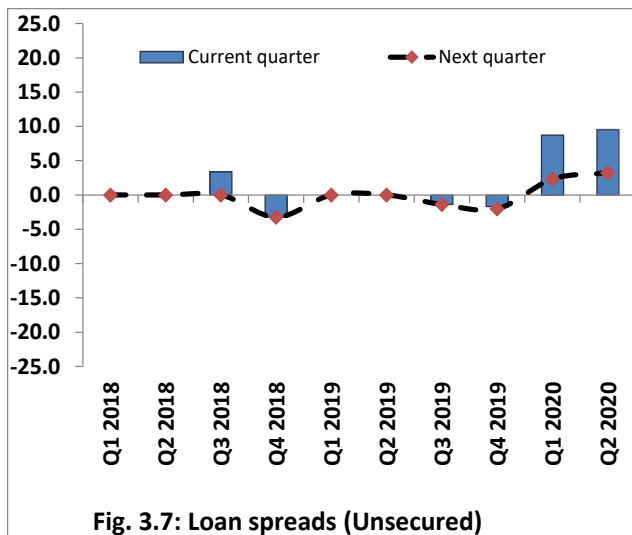


Fig. 3.7: Loan spreads (Unsecured)

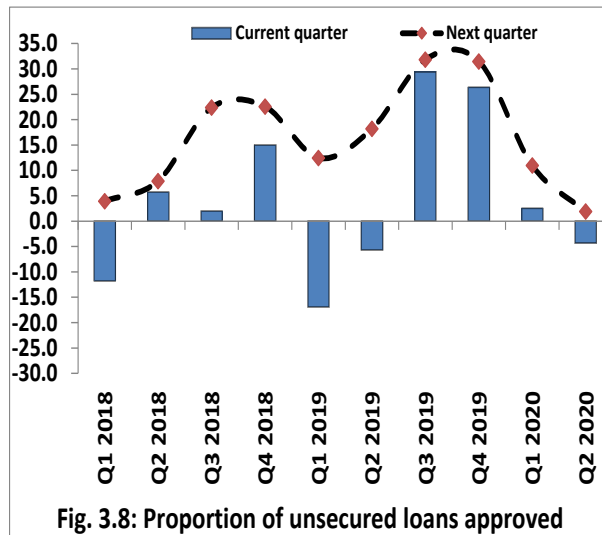


Fig. 3.8: Proportion of unsecured loans approved

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 businesses¹.

The overall availability of credit to the corporate sector increased in Q2 2020 and is expected to increase in Q3 2020. This was driven by changing sector-specific risks, changing economic conditions, changing appetite for risk, tight wholesale funding condition and market share objectives (Table 3, Items 4a & 4b). Lenders reported that the prevailing commercial property prices positively influenced credit availability for the commercial real estate sector in Q2 2020 and would continue in Q3 2020. Similarly, the prevailing commercial property prices is expected to positively influence secured lending to PNFCs in Q2 and Q3 2020 (Table 3, Items 4c1 & 4c2).

Availability of credit increased for all business sizes in Q2 2020, while the same trend is expected in Q3 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 small sized businesses in Q2 2020. Similarly, spread on rates for all business sizes in Q3 2020 were expected to narrow (Table 3, Items 6a1, 6b1, 6c1 & 6d1; Figs. 4.7 and 4.8).

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

The proportion of loan applications approved for all business sizes increased in the Q2 2020 and were expected to further increase in Q3 2020 (Table 3, Items 5a-c).

Lenders required stronger loan covenants from all firm sizes in Q2 2020, a stronger loan covenant is expected in Q3 2020 (Table 3, Items 6a5, 6b5, 6c5 & 6d5).

Fees/commissions on approved new loan applications rose for all firm sizes, except for small businesses in Q2 2020. However, while lenders expect fees/commissions on approved new loan applications to fall for all businesses, they expect a rise for medium PNFCs in Q3 2020 (Table 3, Items 6a2, 6b2, 6c2 & 6d2).

All firm sizes benefitted from an increase in maximum credit lines on approved new loan applications in Q2 2020. However, while the small sized businesses and medium PNFCs were expected to benefit from an increase in maximum credit lines on approved new loan applications in Q3 2020, the large PNFCs and OFCs are not expected to benefit (Table 3, Items 6a4, 6b4, 6c4 & 6d4).

More collateral requirements were demanded from all firm sizes on approved new loan applications in Q2 2020 and lenders expect to demand higher collateral from all firm sizes in the Q3 2020 (Table 3, Items 6a3, 6b3, 6c3 & 6d3).

Demand for corporate lending increased for all business sizes in Q2 2020 and would further increase in Q3 2020. The most significant factors that influenced demand for lending in the review period was the increase in inventory finance. Similarly, inventory finance and capital investment were expected to drive demand in Q3 2020 (Table 3, Items 2 & 3; Figs. 4.3 and 4.4).

Corporate loan performance as measured by the default rates improved for all businesses in Q2 2020 except for small businesses and medium PNFCs. However, lenders expect lower default rates on lending to all sized businesses except small businesses in Q3 2020 (Table 3, Item 7; Figs. 4.5 and 4.6).

The average credit quality on newly arranged PNFCs borrowing improved in Q2 2020 and would improve further in Q3 2020. The target hold levels² associated with corporate lending improved in Q2 2020 and are expected to improve further in Q3 2020. Loan tenors on new corporate loans improved in Q2 2020 and would improve further in Q3 2020. Draw down on committed lines by PNFCs improved in Q2 2020 and is expected to improve in Q3 2020 (Table 3, Item 9).

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

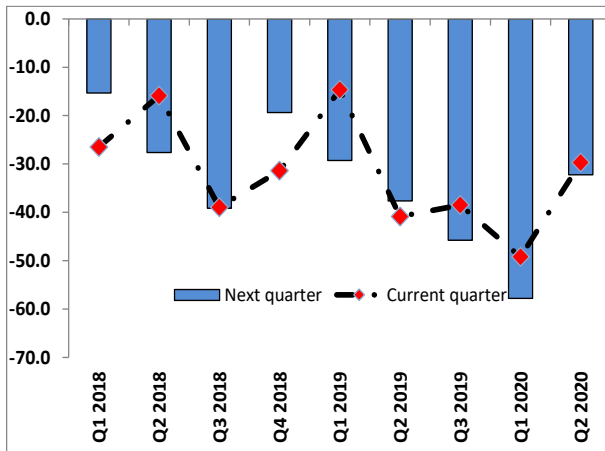


Fig. 4.1a: Corporate credit availability - Small businesses

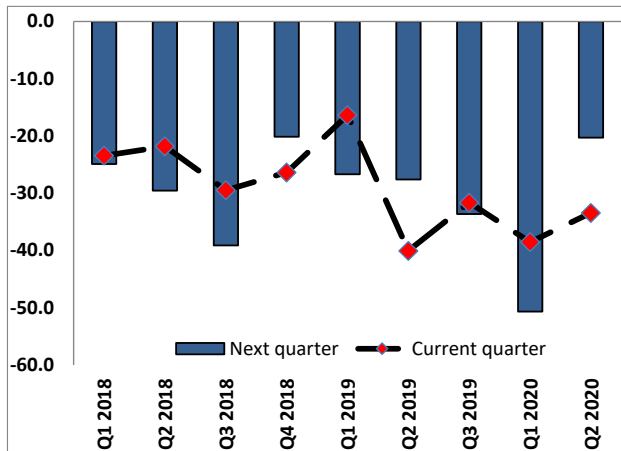


Fig. 4.1b: Corporate credit availability - Medium PNFCs

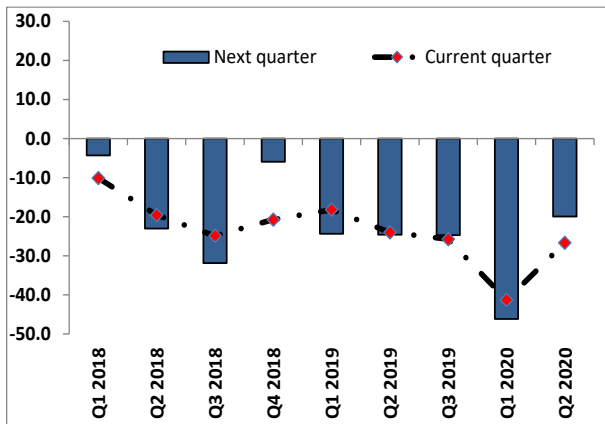


Fig. 4.1c: Corporate credit availability - Large PNFCs

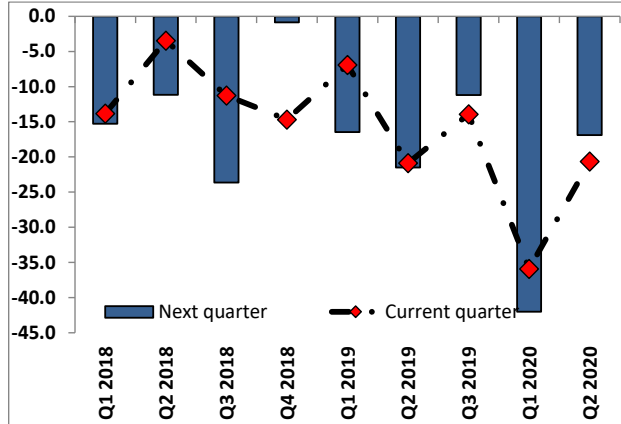


Fig. 4.1d: Corporate credit availability - OFCs

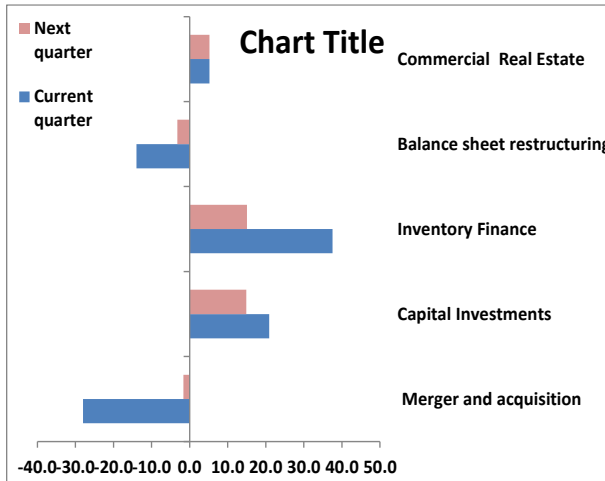


Fig. 4.2: Factors affecting corporate credit supply

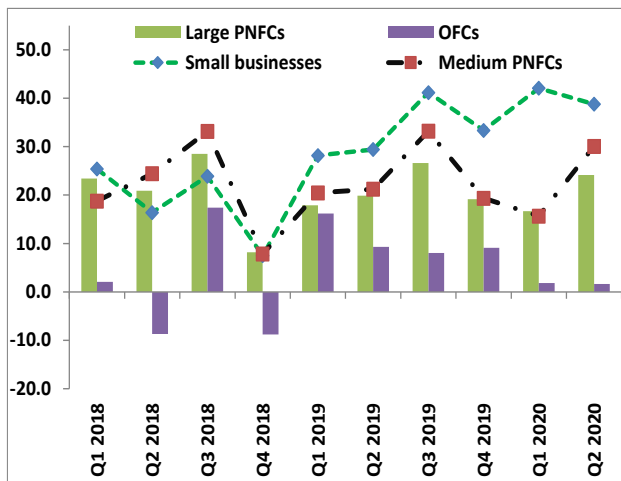


Fig. 4.3: Corporate Credit demand - Current

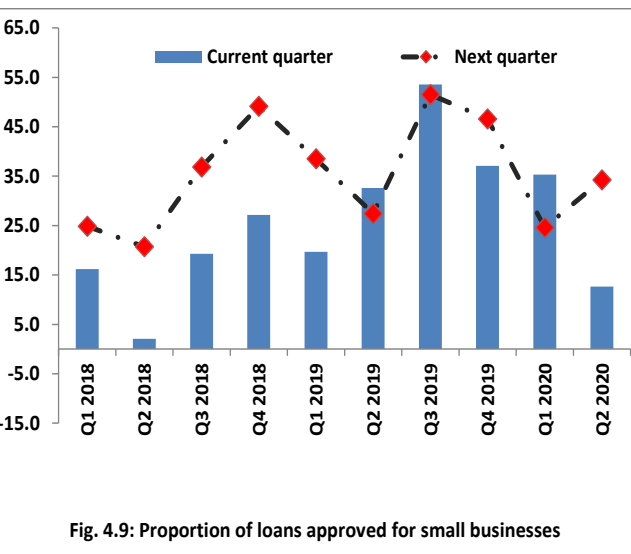
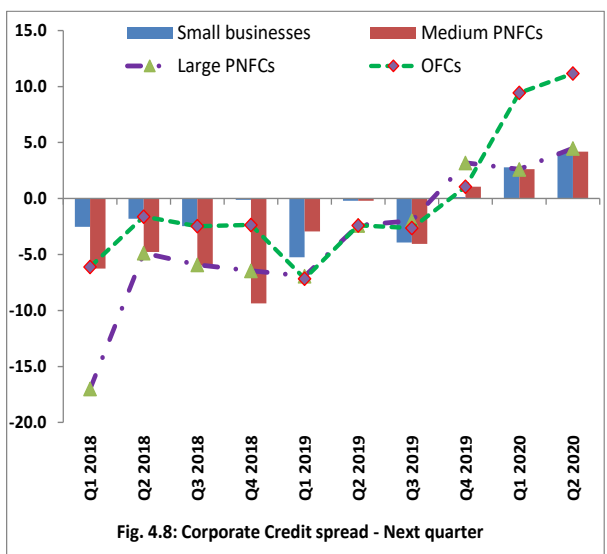
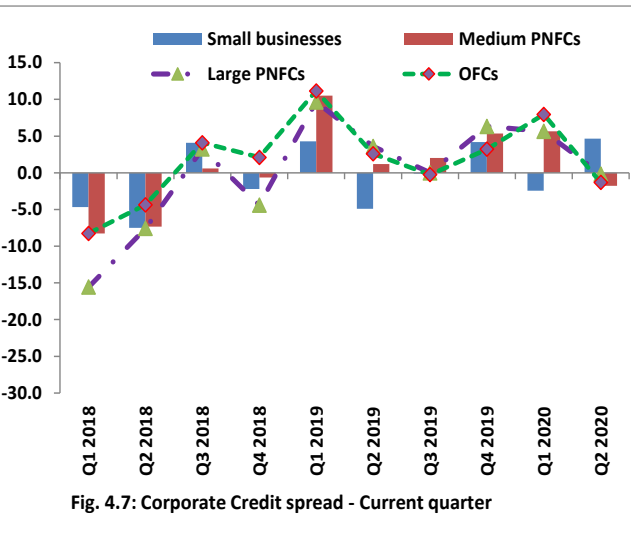
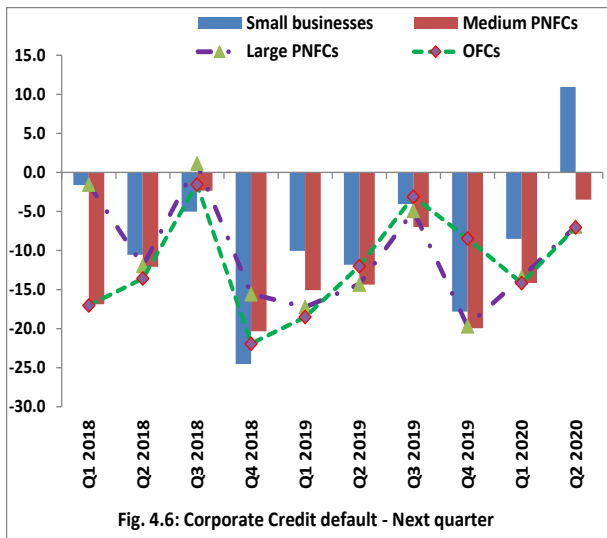
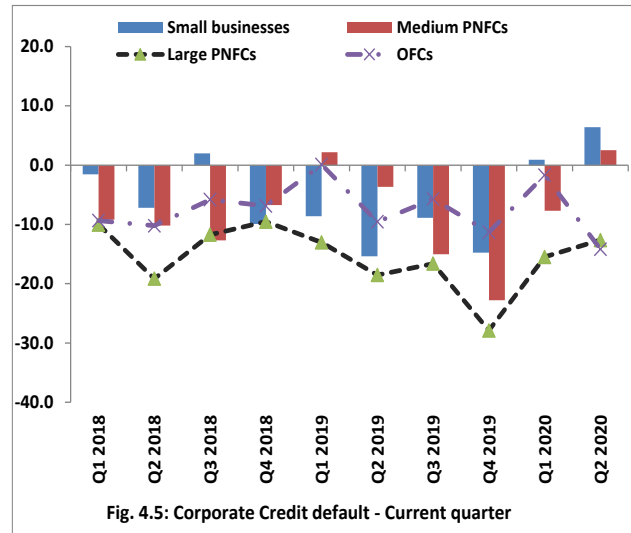
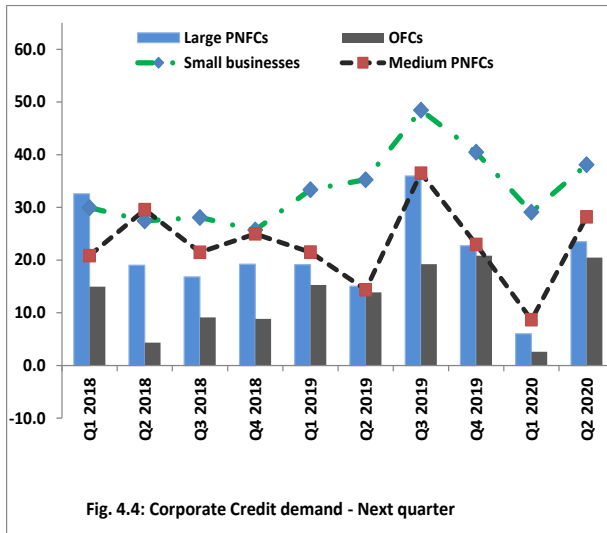


Table 3 (cont'd): Analysis on Corporate Lending

QUESTION		2016				2017				2018				2019				2020	
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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	-4.3	-15.7	-11.2
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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
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
	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

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
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
	<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
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
	<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
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
	<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
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
	<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(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
	<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
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
	<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
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
	<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
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
	<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
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
	<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
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
	<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
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
	<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
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
	<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