



Credit Sentiment Survey

Survey Results | 2014 Q4

The Credit Sentiment Survey (“The Survey”) is a quarterly publication which collects information from Senior Credit Officers from all banks and financial institutions extending credit within the UAE. The information collected constitutes qualitative responses to a series of questions relating to credit conditions in the most recent quarter and expectations for the upcoming quarter.

All results and analysis contained in this report constitute the aggregate opinions of Survey respondents only. The results contained herein do not reflect the views of the Central Bank and should not be construed as such. Further details about the Survey along with its questionnaire results for the December quarter are available in the “About the Survey” section and annexes to this report.¹

> Executive Summary

Results from the December quarter Credit Sentiment Survey point to a persistence of robust credit conditions that were evident through the first three quarters of 2014. However, results suggest that appetite for credit has eased from the very high levels that were evident in early 2014. Overall, results from the Survey suggest that credit conditions within the UAE remain supportive of economic growth with near term expectations of a continuation of such trends.

Lending to Corporates & Small Businesses – According to survey respondents, demand growth for business credit, while still growing, slowed noticeably in the December quarter. Such results were primarily attributable to the reported softening of credit appetite from Government Related Entities (GREs) and Small and Medium Enterprises (SMEs). Underlying such results, credit demand growth was reported to have weakened across key sectors underpinning growth in previous quarters, such as Construction, Property Development and Retail and Wholesale Trade. Credit standards, on the other hand, were relatively unchanged, following three quarters of consecutive easing through the early part of 2014. Overall, survey results suggest a persistence of robust credit conditions for corporates through 2014. Recent trends are expected to be maintained, with expectations of further demand growth for business credit in early 2015.

Lending to Individuals – Demand growth for personal credit improved during the December quarter according to survey respondents. However, the December quarter results followed a relatively weak September quarter and growth had not reverted to levels evident through the first half of 2014. Survey respondents indicated an easing in credit standards through the quarter, citing quality of their asset portfolio, economic outlook and a change in risk tolerance as key factors for such easing. For the March 2015 quarter, survey respondents expect a stronger pace of demand growth, while credit standards are expected to tighten at the aggregate level due to the expected tightening in maximum loan-to-value (LTV) ratios.

¹ Results from the survey are reported as a net balance (expressed as a percentage). The net balance is calculated as the weighted percentage of respondents reporting an increase in demand for loans (or tightening of credit standards) minus the weighted percentage of respondents reporting a decrease in demand for loans (or easing of credit standards). Weightings are determined such that those responses indicating a modest change are given half the weighting of those reporting a significant change in the surveyed quarter. For the demand measures, a positive score indicates growth in demand for loans during the quarter and for the measures on credit availability and standards, a negative score indicates an easing in credit standards during the surveyed quarter.

For demand for loans, net balance = (% Reporting Substantial Increase + 0.5 x % Reporting Moderate Increase) – (% Reporting Substantial Decrease + 0.5 x % Reporting Moderate Decrease)

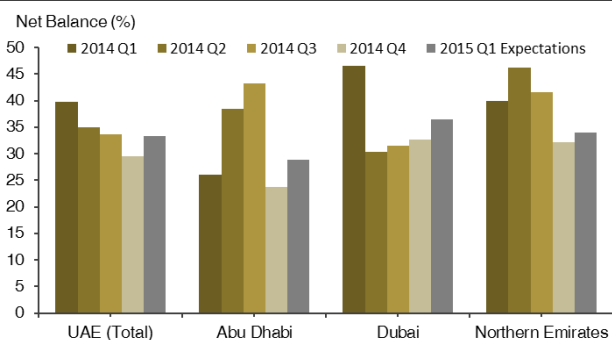
For credit standards, net balance = (% Reporting Significant Tightening + 0.5 x % Reporting Moderate Tightening) – (% Reporting Significant Easing + 0.5 x % Reporting Moderate Easing)

> Business Lending²

Consistent with previous quarters, results from the December quarter survey point to robust demand growth persisting through the latter part of 2014. However, the pace of demand growth has continued to slow with the net balance measure³ falling to +29.6, down from +33.6 in the September quarter. By emirate, the softening in demand growth was attributable to weakening growth in Abu Dhabi and the Northern Emirates. In contrast, demand growth for business credit in Dubai strengthened in the December quarter (**Chart 1**).

With respect to expectations for the March quarter, survey respondents expect a strengthening in demand growth, with approximately two-thirds of respondents expecting demand for business credit to increase in the quarter. By emirate, survey respondents expect an increase in demand growth across the board, with growth in Dubai expected to be strongest.

Chart 1 Change in Demand for Business Loans by Emirate

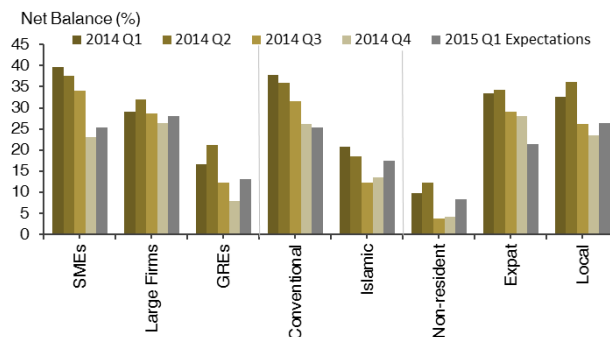


By market segment, demand growth slowed across most categories during the December quarter. In particular, demand growth from the SME sector⁴ slowed considerably during the quarter. According to survey results, less than half of respondents reported an increase in demand for credit from the SME sector. It should be noted, however, that such weakness could be seasonal and not reflective of underlying economic conditions. Therefore, a degree of caution is required in interpreting such results. Echoing results for the SME sector, demand growth for GRE⁵ credit also slowed during the quarter, falling to levels well below that recorded earlier in the year. For large corporates, demand growth also slowed although not to the same extent as the SME sector, with 55 per cent of respondents reporting an increase in large corporate demand for business credit during the quarter. For the March quarter, survey respondents expect an improvement in demand growth for loans across most categories. However, SME demand growth is expected to

² Full survey results are presented in Annex 1 of this report
³ The net balance is calculated as the weighted percentage of respondents reporting an increase in demand for loans minus the weighted percentage of respondents reporting a fall in demand for loans. For more information, please refer to the About the Survey section
⁴ Small and Medium Enterprises are defined as firms with annual turnover up to AED 25 million
⁵ Government Related Entities

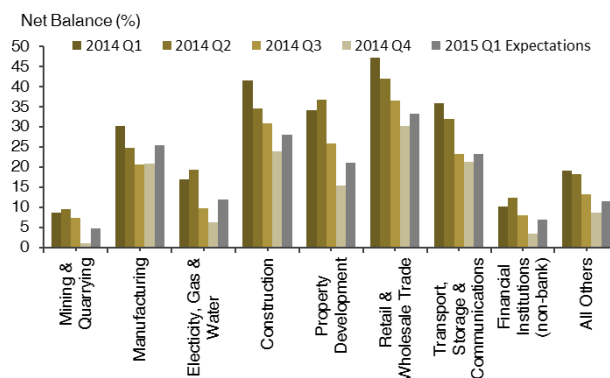
remain soft relative to the levels recorded through the first three quarters of 2014.

Chart 2 Change in Demand for Business Loans by Type



Results from the December quarter appear to reflect a softening in those sectors which had been key drivers of the UAE economy through 2013 and 2014. In particular, demand growth for loans from the construction, property development, retail & wholesale trade and transport sectors slowed significantly. In terms of the outlook, survey respondents expect an improvement in demand growth within such sectors. Nonetheless, the rate of demand growth is expected to be considerably lower than that recorded through the first three quarters of 2014 (**Chart 3**).

Chart 3 Change in Demand for Business Loans by Industry

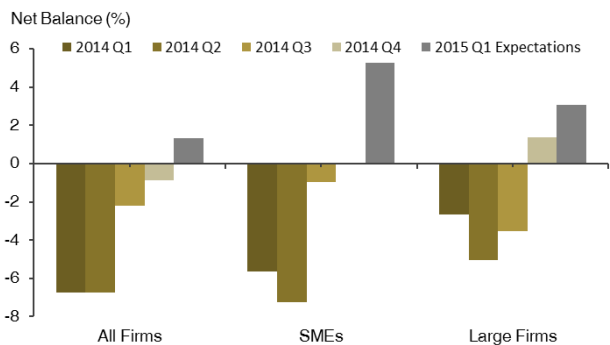


When asked about factors attributable to the change in demand for loans during the quarter, customers' sales and fixed asset investment were most important, with around 80 per cent of respondents citing these factors. Interest rates and the property market outlook also featured prominently while seasonal influences and competition with other banks/finance companies featured less prominently in the survey results.

In terms of credit availability, a net balance measure of -0.9 pointed to an overall easing of credit standards across all UAE firms during the December quarter. However, such results were not reflected when survey respondents were asked about credit standards for SMEs and large firms.

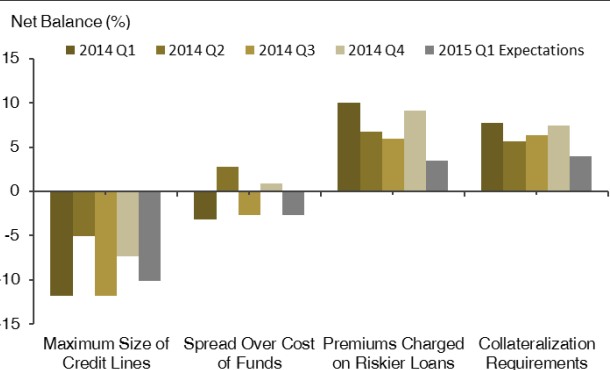
According to the results, survey respondents reported a marginal tightening of credit standards for large firms during the quarter while credit standards for SMEs remained unchanged. In the March quarter, survey respondents expect a tightening of credit standards for both SMEs and large firms (Chart 4).

Chart 4 Change in Credit Standards



When asked about which terms and conditions on business loans were eased/tightened, survey respondents reported a tightening of standards such as the spread over cost of funds, premiums charged on riskier loans and collateralization requirements. In contrast, a negative net balance score points to an increase in maximum size of credit lines and therefore an easing of that standard (Chart 5). In the March quarter, survey respondent expect recent trends to prevail with expectations of a marginal easing in standards relating to the spread over cost of funds.

Chart 5 Change in Terms and Conditions

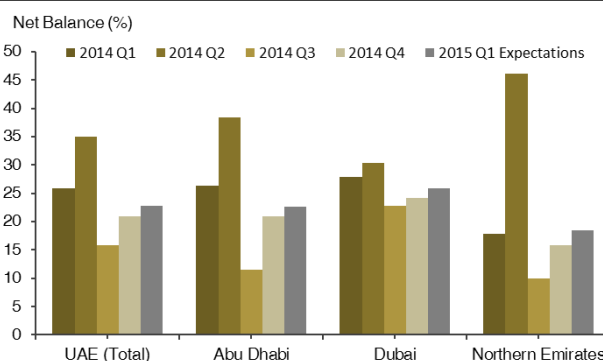


With respect to those factors driving the change in credit availability, survey respondents cited quality of their bank/financial institution’s asset portfolio, economic outlook and industry specific conditions as being the most important determining factors.

> Personal Lending⁶

Results from the personal lending survey for the December quarter revealed an increase in the pace of demand growth for personal loans. According to survey results, 47 per cent of respondents reported an increase in demand for personal loans during the quarter, giving a net balance measure of 20.9, up from 15.9 recorded in the September quarter. While demand growth increased in the December quarter, it should be noted that this followed a relatively softer pace of growth reported in the September quarter (Chart 6). In general, the net balance measure suggests an increase in demand across all emirates.

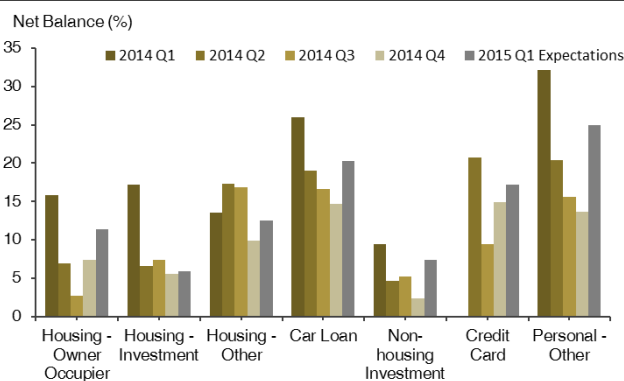
Chart 6 Change in Demand for Personal Loans by Emirate



In terms of outlook for personal lending, survey respondents are positive for the March quarter, expecting a higher rate of growth relative to that of December quarter across all emirates. Nonetheless, the rate of demand growth is expected to be considerably lower than that recorded during the first half of 2014.

By loan type, survey results suggest the acceleration in loan demand growth was driven by stronger pace of growth in the Housing – Owner Occupier and Credit Card categories. Demand growth for Housing – Investment, Car loan, Personal – Others were slightly weaker than results from the September quarter survey. In contrast, demand growth for housing loans for other purpose such as renovations and refinancing decreased significantly (Chart 7).

Chart 7 Change in Demand for Personal Loans by Type



⁶ Full survey results are presented in Annex 2 of this report

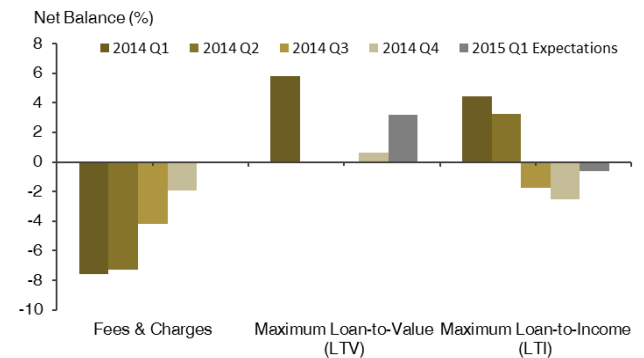
With respect to expectations for the March quarter, the net balance measure suggests an acceleration of loan demand growth, which is pervasive across all personal loan categories.

When asked about which factors contributed to the change in demand for loans, survey respondents cited the housing market outlook, changes in income and interest rates as most important. Factors such as the financial markets outlook, competition with other lenders and seasonal influences were cited as less important. For the March quarter, survey respondents cited the housing and financial markets outlook, changes in income and interest rates to be the most important factors to influence demand growth.

In terms of credit availability, the net balance measures suggested a further easing of credit standards over the December quarter on balance. It is worth noticing that this follows the exceptional easing in credit standards in the previous quarter. By loan category, an easing in credit standards was evident across the board, in particular, for the Housing – Other, Housing – Owner Occupier and Personal – Other Categories (**Chart 8**).

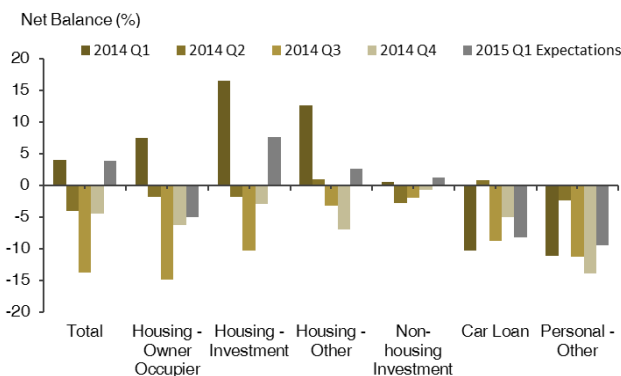
In terms of outlook, expectations for the March quarter suggest an overall tightening in credit standards. This is due to expectations of a sharp tightening of credit standards for Housing – Investment. Expected changes in credit standards across various categories are mixed. Survey respondents expect tightening of credit standards Housing – Other and Non-Housing Investment, while credit standards for Housing – Owner Occupier, Personal – Other and Car Loan are expected to ease.

Chart 9 Change in Selected Terms and Conditions



When asked about those factors attributable to the easing in credit standards during the quarter, survey respondents overwhelmingly cited quality of their institution’s asset portfolio, the economic outlook, change in risk tolerance and current/anticipated regulatory changes as most important.

Chart 8 Change in Credit Standards



By selected terms and conditions, the easing of credit standards through the December quarter were the result of an easing in terms and conditions pertaining to fees and charges and maximum loan-to-income (LTI) ratios. Nonetheless, survey respondents indicated a marginal tightening in credit standards vis-à-vis maximum Loan-to Value (LTV). With respect to expectations for the March quarter, a change in the maximum loan-to-value ratio is expected to contribute to the overall tightening of credit standards (**Chart 9**).

About the Survey

The Credit Sentiment Survey (“The Survey”) is a quarterly publication which collects information from all banks and financial institutions extending credit within the UAE. The Survey was first launched in Q1 2014 as part of the Central Bank (“CBUAE”)’s efforts to gauge both supply and demand-side factors influencing the local credit market, and to further understand the linkages between credit sentiment and the broader UAE economy. A series of multiple choice questions were addressed to a sample of Senior Credit Officers (or employees of similar standing) within all financial institutions extending credit within the UAE. Such questions gauge the survey respondents’ experiences and expectations with respect to changes in both demand for credit as well as credit availability, for both business and personal lending.

More information on the Survey can be found in Notice No. 107/2014 addressed to all banks and finance companies operating in the UAE.

This report presents the findings of the 2014 Q4 Survey, which was conducted in the period of 21 December – 30 December, 2014. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the December quarter survey was 222 respondents, with 93 answering questions related to personal credit and 129 answering questions related to business credit. The December quarter sample included responses from all banks and finance companies, conventional and Islamic financial institutions as well as Senior Credit Officers covering Abu Dhabi, Dubai and the Northern Emirates. **These results do not reflect the views of the CBUAE on Credit Sentiment in the UAE and should not be construed as such.**

Results from the survey are reported as a net balance (expressed as a percentage). The net balance is calculated as the weighted percentage of respondents reporting an increase in demand for loans (or tightening of credit standards) minus the weighted percentage of respondents reporting a decrease in demand for loans (or easing of credit standards). Weightings are determined such that those responses indicating a modest change are given half the weighting of those reporting a significant change in the surveyed quarter. For the demand measures, a positive score indicates growth in demand for loans during the quarter and for the measures on credit availability and standards, a negative score indicates an easing in credit standards during the surveyed quarter.

For demand for loans, net balance = (% Reporting Substantial Increase + 0.5 x % Reporting Moderate Increase) – (% Reporting Substantial Decrease + 0.5 x % Reporting Moderate Decrease)

For credit standards, net balance = (% Reporting Significant Tightening + 0.5 x % Reporting Moderate Tightening) – (% Reporting Significant Easing + 0.5 x % Reporting Moderate Easing)

The scheduled publication dates for the upcoming surveys covering the year 2015 are:

- 2015 Q1 Survey in April 2015
- 2015 Q2 Survey in July 2015
- 2015 Q3 Survey in October 2015
- 2015 Q4 Survey in January 2016

These publications will be available on the CBUAE’s website at www.centralbank.ae

Should you have any queries or comments on the Survey results, please communicate with CBUAE’s Monetary & Reserve Management Department via:

Monetary.Management@cbae.gov.ae

Annex 1

> Business Lending Survey Questionnaires Results⁷

Q1. How has demand for loans changed relative to the preceding quarter? (% of total)

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
All Firms	0	4.3	33.9	60.0	1.7	29.6
Abu Dhabi	0	2.6	47.4	50.0	0	23.7
Dubai	0	4.1	28.6	65.3	2.0	32.7
Northern Emirates	0	7.1	25.0	64.3	3.6	32.1
Small and Medium Enterprises	0	8.7	43.3	41.3	6.7	23.1
Large Firms	0	4.6	40.7	51.9	2.8	26.4
Government Related Entities	0	9.0	66.3	24.7	0	7.9
Conventional Loans	0	4.0	44.4	46.5	5.1	26.3
Islamic Finance	0	8.2	60.0	28.2	3.5	13.5
Non-resident	0	3.5	84.7	11.8	0	4.1
Expatriate	0	0	48.6	46.7	4.8	28.1
Local	0.9	3.5	47.0	45.2	3.5	23.5

Q2. By economic activity, how has demand for loans from firms changed compared to the preceding quarter? (% of total)

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
Mining and Quarrying	0	7.9	84.3	5.6	2.2	1.1
Manufacturing	0	5.6	47.2	47.2	0	20.8
Electricity, Gas and Water	0	7.2	74.2	17.5	1.0	6.2
Construction	0	10.6	42.5	35.4	11.5	23.9
Property Development	1.0	7.7	53.8	34.6	2.9	15.4
Retail and Wholesale Trade	0.9	5.3	29.8	60.5	3.5	30.3
Transport, Storage and Communications	0.9	4.5	50.9	38.2	5.5	21.4
Financial Institutions (excluding Banks)	2.2	1.1	85.6	10.0	1.1	3.3
All Others	0	4.5	74.8	19.8	0.9	8.6

Q3. What factors were attributable to the change in demand for loans? (% of total)

	Not Important	Somewhat Important	Very Important
Customers' Sales	13.0	33.0	53.9
Customers' Fixed Asset Investment	20.9	55.7	23.5
Competition with Finance Companies	53.0	35.7	11.3
Competition with Banks	36.5	34.8	28.7
Interest Rates	22.6	34.8	42.6
Seasonal Influences	36.5	53.0	10.4
Property Market Outlook	26.1	41.7	32.2

⁷ All figures are rounded to one decimal place

Q4. How have your bank/financial institution's credit standards for firms changed compared to the preceding quarter? (% of total)

	Tightened Significantly	Tightened Moderately	No Change	Eased Moderately	Eased Significantly	Net Balance
All Firms	0.9	14.8	66.1	18.3	0	-0.9
Small and Medium Enterprises	0.9	18.5	60.2	20.4	0	0
Large Firms	1.8	13.8	69.7	14.7	0	1.4

Q5. What factors were attributable to the change in your bank/financial institution's credit standards? (% of total)

	Not Important	Somewhat Important	Very Important
Quality of Your Bank's Asset Portfolio	24.3	13.9	61.7
Economic Outlook	26.1	16.5	57.4
Industry or Firm Specific Conditions	22.6	31.3	46.1
Competition from Banks	40.9	39.1	20.0
Competition from Finance Companies	64.3	27.8	7.8
Change in Tolerance for Risk	36.5	32.2	31.3
Availability/Cost of Funds	40.9	33.9	25.2
Current/Anticipated Regulatory Changes	38.3	21.7	40.0

Q6. How have the following terms and conditions changed at your bank/financial institution compared to the preceding quarter? (% of total)

	Tightened Significantly	Tightened Moderately	No Change	Eased Moderately	Eased Significantly	Net Balance
Maximum Size of Credit Lines	0	7.8	70.4	20.9	0.9	-7.4
Spread Over Your Cost of Funds	1.7	22.6	51.3	24.3	0	0.9
Premiums Charged on Riskier Loans	1.7	16.5	80.0	1.7	0	9.1
Collateralisation Requirements	3.5	14.8	74.8	7.0	0	7.4

Q7. Over the next quarter, how do you expect demand for loans from firms to change? (% of total)

	Decrease Substantially	Decrease Moderately	No Change	Increase Moderately	Increase Substantially	Net Balance
All Firms	0	3.5	30.7	61.4	4.4	33.3
Abu Dhabi	0	7.9	28.9	60.5	2.6	28.9
Dubai	0	2.1	31.3	58.3	8.3	36.5
Northern Emirates	0	0	32.1	67.9	0	33.9
Small and Medium Enterprises	0	3.5	46.5	45.6	4.4	25.4
Large Firms	0.9	1.8	39.5	56.1	1.8	28.1
Government Related Entities	0	0.9	71.9	27.2	0	13.2
Conventional Loans	0	0	51.8	45.6	2.6	25.4
Islamic Finance	0	1.8	65.8	28.1	4.4	17.5
Non-resident	0	0.9	81.6	17.5	0	8.3
Expat	0	0.9	57.0	40.4	1.8	21.5
Local	0	2.6	46.5	46.5	4.4	26.3

Q8. By economic activity, how do you expect demand for loans from firms to change? (% of total)

	Decrease Substantially	Decrease Moderately	No Change	Increase Moderately	Increase Substantially	Net Balance
Mining and Quarrying	0	0	90.4	9.6	0	4.8
Manufacturing	0	2.6	44.7	51.8	0.9	25.4
Electricity, Gas and Water	0	0.9	74.6	24.6	0	11.8
Construction	0	5.3	38.6	50.9	5.3	28.1
Property Development	0	1.8	57.0	38.6	2.6	21.1
Retail and Wholesale Trade	0	2.6	33.3	58.8	5.3	33.3
Transport, Storage and Communications	0	1.8	50.9	46.5	0.9	23.2
Financial Institutions (excluding Banks)	0	0	86.0	14.0	0	7.0
All Others	0	0	77.2	22.8	0	11.4

Q9. To what factors do you attribute to the expected change in demand for loans from firms? (% of total)

	Not Important	Somewhat Important	Very Important
Customers' Sales	22.6	24.3	53.0
Customers' Fixed Asset Investment	28.7	34.8	36.5
Competition with Finance Companies	64.3	32.2	3.5
Competition with Banks	40.9	33.9	25.2
Interest Rates	33.9	29.6	36.5
Seasonal Influences	37.4	51.3	11.3
Property Market Outlook	28.7	30.4	40.9

Q10. How do you expect your bank/financial institution's credit standards to change over the coming three months? (% of total)

	Tighten Significantly	Tighten Moderately	No Change	Ease Moderately	Ease Significantly	Net Balance
All Firms	0.9	15.7	68.7	14.8	0	1.3
Small and Medium Enterprises	0.9	19.3	69.3	10.5	0	5.3
Large Firms	0.9	16.5	70.4	12.2	0	3.0

Q11. To what factors do you attribute the expected change in your bank/financial institutions credit standards? (% of total)

	Not Important	Somewhat Important	Very Important
Quality of Your Bank's Asset Portfolio	32.2	6.1	61.7
Economic Outlook	24.3	11.3	64.3
Industry or Firm Specific Conditions	28.7	25.2	46.1
Competition from Banks	48.7	36.5	14.8
Competition from Finance Companies	67.0	29.6	3.5
Change in Tolerance for Risk	37.4	31.3	31.3
Availability/Cost of Funds	36.5	40.0	23.5
Current/Anticipated Regulatory Changes	34.8	20.0	45.2
Regulatory	32.2	6.1	61.7

Q12. How do you expect the following terms and conditions at your bank/financial institution to change for borrowing firms over the next quarter? (% of total)

	Tighten Significantly	Tighten Moderately	No Change	Ease Moderately	Ease Significantly	Net Balance
Maximum Size of Credit Lines	0	7.9	64.0	28.1	0	-10.1
Spread Over Your Cost of Funds	0.9	15.2	61.6	22.3	0	-2.7
Premiums Charged on Riskier Loans	0	13.2	80.7	6.1	0	3.5
Collateralisation Requirements	2.6	9.6	80.7	7.0	0	3.9

Annex 2

> Personal Lending Survey Questionnaires Results⁸

Q1. How has demand for loans changed relative to the preceding quarter? (% of total)

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
All Households	0	5.1	48.1	46.8	0	20.9
Abu Dhabi	0	3.2	51.6	45.2	0	21.0
Dubai	0	3.4	44.8	51.7	0	24.1
Northern Emirates	0	10.5	47.4	42.1	0	15.8
Islamic	0	0	70.9	25.3	3.8	16.5
Conventional	0	1.3	64.6	34.2	0	16.5
Housing – Owner Occupier	0	9.1	59.1	31.8	0	11.4
Housing – Investment	4.4	2.9	69.1	23.5	0	5.9
Housing – Other (includes refinancing, renovations)	0	4.4	75.0	11.8	8.8	12.5
Car Loan	0	0	60.9	37.7	1.4	20.3
Non-housing Investment	0	1.5	83.8	13.2	1.5	7.4
Credit Card	0	4.3	57.1	38.6	0	17.1
Personal - Other	0	0	51.3	47.4	1.3	25.0

Q2. What factors were attributable to the change in demand for loans? (% of total)

	Not Important	Somewhat Important	Very Important
Housing market outlook	32.9	31.6	35.4
Financial markets outlook	32.9	49.4	17.7
Change in income	26.6	43.0	30.4
Interest rates	32.9	35.4	31.6
Competition with other banks or financial institutions	25.3	58.2	16.5
Seasonal influences	46.8	41.8	11.4

Q3. How have your bank/financial institution's credit standards for consumers changed compared to the preceding quarter? (% of total)

	Tightened Significantly	Tightened Moderately	No Change	Eased Moderately	Eased Significantly	Net Balance
All Households	0	0	91.1	8.9	0	-4.4
Housing – Owner Occupier	0	0	87.5	12.5	0	-6.3
Housing – Investment	0	0	94.2	5.8	0	-2.9
Housing – Other (includes refinancing, renovations)	0	0	86.1	13.9	0	-6.9
Non-housing Investment	0	0	98.6	1.4	0	-0.7
Car Loan	0	0	90.0	10.0	0	-5.0
Personal - Other	0	0	72.2	27.8	0	-13.9

⁸ All figures are rounded to one decimal place

Q4. What factors were attributable to the change in your bank/financial institution's credit standards? (% of total)

	Not Important	Somewhat Important	Very Important
Quality of Your Bank's Asset Portfolio	34.2	5.1	60.8
Economic Outlook	34.2	32.9	32.9
Customer Specific	50.6	19.0	30.4
Competition from Banks	55.7	31.6	12.7
Competition from Finance Companies	75.9	17.7	6.3
Change in Tolerance for Risk	38.0	29.1	32.9
Availability/Cost of Funds	62.0	19.0	19.0
Current/Anticipated Regulatory Changes	38.0	7.6	54.4

Q5. How have the following terms and conditions changed at your bank/financial institution compared to the preceding quarter? (% of total)

	Tightened Significantly	Tightened Moderately	No Change	Eased Moderately	Eased Significantly	Net Balance
Fees and Charges	0	2.5	91.1	6.3	0	-1.9
Maximum Loan-to-Value (LTV)	0	1.3	98.7	0	0	0.6
Maximum Loan-to-Income (LTI)	0	0	94.9	5.1	0	-2.5

Q6. How do you expect demand for loans from consumers to change over the next quarter? (% of total)

	Decrease Substantially	Decrease Moderately	No Change	Increase Moderately	Increase Substantially	Net Balance
All Households	0	10.1	38.0	48.1	3.8	22.8
Abu Dhabi	0	6.5	45.2	45.2	3.2	22.6
Dubai	0	10.3	31.0	55.2	3.4	25.9
Northern Emirates	0	15.8	36.8	42.1	5.3	18.4
Islamic	0	0	69.6	26.6	3.8	17.1
Conventional	0	3.8	51.9	39.2	5.1	22.8
Housing – Owner Occupier	0	6.4	60.3	33.3	0	13.5
Housing – Investment	3.8	3.8	61.5	30.8	0	9.6
Housing – Other (includes refinancing, renovations)	0	0	74.7	21.5	3.8	14.6
Car Loan	0	7.6	57.0	30.4	5.1	16.5
Non-housing Investment	0	1.3	86.1	12.7	0	5.7
Credit Card	0	6.3	54.4	35.4	3.8	18.4
Personal - Other	0	8.9	48.1	35.4	7.6	20.9

Q7. What factors do you attribute to the expected change in demand for loans? (% of total)

	Not Important	Somewhat Important	Very Important
Housing market outlook	35.4	29.1	35.4
Financial markets outlook	34.2	41.8	24.1
Change in income	31.6	31.6	36.7
Interest rates	36.7	30.4	32.9
Competition with other banks or financial institutions	34.2	50.6	15.2
Seasonal influences	62.0	31.6	6.3

Q8. How do you expect credit standards to change at your bank/financial institution? (% of total)

	Tighten Significantly	Tighten Moderately	No Change	Ease Moderately	Ease Significantly	Net Balance
All Households	1.3	15.2	73.4	10.1	0	3.8
Housing – Owner Occupier	0	5.1	79.7	15.2	0	-5.1
Housing – Investment	2.5	13.9	79.7	3.8	0	7.6
Housing – Other (includes refinancing, renovations)	0	6.3	92.4	1.3	0	2.5
Non-housing Investment	0	6.3	89.9	3.8	0	1.3
Car Loan	2.5	2.5	74.7	16.5	3.8	-8.2
Personal - Other	0	11.4	59.5	27.8	1.3	-9.5

Q9. To what factors do you attribute any expected change in your bank/financial institutions credit standards? (% of total)

	Not Important	Somewhat Important	Very Important
Quality of Your Bank's Asset Portfolio	26.6	0	73.4
Economic Outlook	34.2	22.8	43.0
Industry or Firm Specific Conditions	40.5	22.8	36.7
Competition from Banks	51.9	35.4	12.7
Competition from Finance Companies	68.4	25.3	6.3
Change in Tolerance for Risk	30.4	31.6	38.0
Availability/Cost of Funds	53.2	21.5	25.3
Current/Anticipated Regulatory Changes	30.4	13.9	55.7

Q10. How do you expect the following terms and conditions changes at your bank/financial institution over the quarter? (% of total)

	Tighten Significantly	Tighten Moderately	No Change	Ease Moderately	Ease Significantly	Net Balance
Fees and Charges	0	2.5	94.9	2.5	0	0
Maximum Loan-to-Value (LTV)	0	7.6	91.1	1.3	0	3.2
Maximum Loan-to-Income (LTI)	0	1.3	96.2	2.5	0	-0.6