Credit Sentiment Survey

Survey Results | 2015 Q1

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 March quarter are available in the "About the Survey" section and annexes to this report.[1]

> Executive Summary

Results from the March quarter Credit Sentiment Survey revealed a healthy level of credit appetite within the UAE while reported conditions remain supportive of economic growth. However, overall credit conditions appear to have softened from previous quarters, with moderating demand growth for credit and a tightening of credit standards for corporates. Such softening in the March quarter likely reflects conditions reverting towards a more sustainable path following the exceptionally strong conditions evident in early-to-mid 2014.

Lending to Corporates & Small Businesses – According to survey respondents, demand growth for business credit continued to slow through the March quarter. Nonetheless, with 45 per cent of respondents citing an increase in demand during the quarter, results were still indicative of a healthy rate of demand growth. With respect to credit standards, survey respondents reported a tightening overall, citing the economic outlook and industry specific conditions as key factors attributable to such changes. Results suggest the impact of lower oil prices had a relatively minor impact on UAE credit conditions, with most respondents citing no impact on either demand for business loans or credit standards. On balance, results suggest robust credit conditions have persisted into early 2015, albeit softer than previous quarters. Such conditions are expected to be maintained, with expectations of further demand growth for business credit in the June quarter.

Lending to Individuals – Demand for personal loans continued to growth during the March quarter, according to survey respondents. However, the pace of demand growth moderated, with demand for credit easing from the very high levels that were evident in 2014. Survey respondents indicated easing credit standards in the March quarter, citing quality of their asset portfolio, current and expected regulatory changes, and economic outlook as key explanatory factors. For the June 2015 quarter, survey respondents are optimistic about the outlook of personal lending, though the rate of demand growth is expected to be further moderated for Abu Dhabi and Northern Emirates. In contrast, demand growth in Dubai is expected to stabilize. Survey respondents expect further easing in credit standard, though to a lesser extent than recorded in the March quarter.

[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.

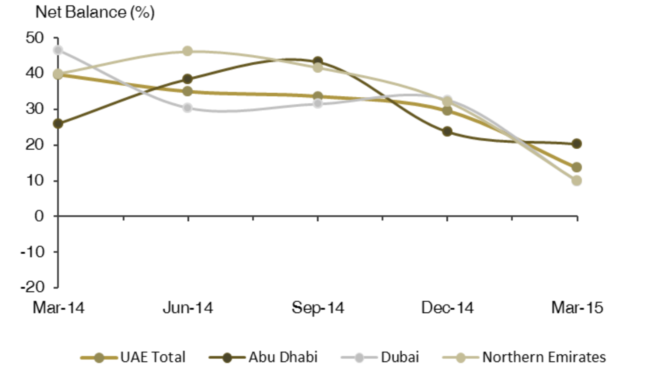
For demand for loans, net balance = (% Reporting Substantial Increase + 0.5 x % Reporting Moderate Increase) – (% Reporting Substantial Decrease + 0.5 x % Reporting Moderate Decrease)

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

> Business Lending[2]

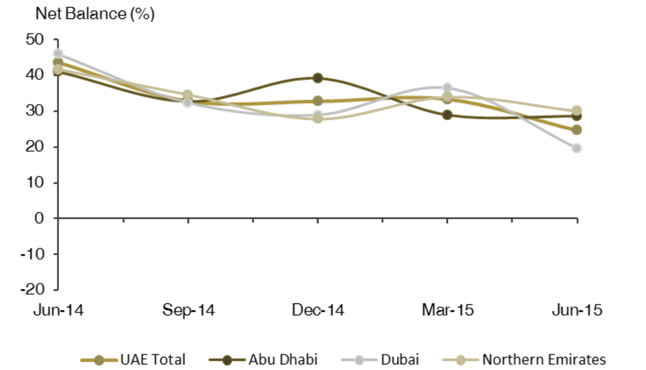
Results from the March quarter survey suggest demand growth for business loans persisted through early 2015. However, results also indicated further softening in growth evident in late 2014, with the net balance measure[3] falling to +13.6, compared to +29.6 in the December 2014 quarter. By emirate, the softening in demand growth was evident across the board, with Dubai and the Northern Emirates accounting for the slowdown. Demand growth in Abu Dhabi, on the other hand, remained relatively stable in the March quarter **(Chart 1)**.

Chart 1 Change in Demand for Business Loans by Emirate



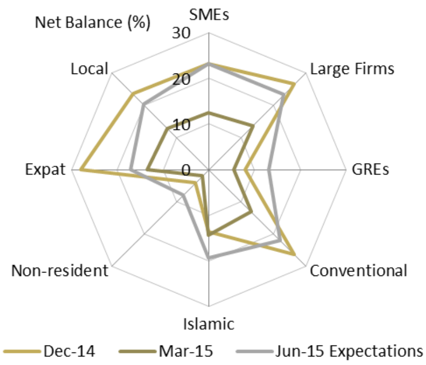
Reflective of reported demand for loans, survey respondents' expectations for the quarter ahead also moderated, with the net balance measure falling to +24.6 (from +33.3 previously). By emirate, survey respondents were most optimistic in Abu Dhabi and the Northern Emirates, with survey respondents in Dubai least optimistic **(Chart 2)**. Nonetheless, survey respondents expect continued demand growth in the quarter ahead on balance, as reflective in a positive reading of the net balance measure.

Chart 2 Change in Demand Expectations for Business Loans



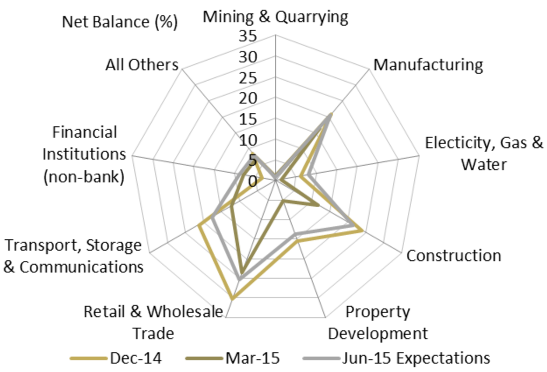
By market segment, demand growth slowed across all categories except Islamic products during the March quarter. Notably, demand growth was weakest within the GRE sector during the quarter, following a relatively soft reading in the December quarter. Similarly, demand growth from non-residents was very soft, with 72 per cent of respondents reporting no change in demand. Demand growth for the SME sector[4] and large corporates also moderated. Nonetheless, results were suggestive of a robust rate of growth, with 39 per cent of respondents reporting an increase in SME demand growth while 42 per cent reported an increase in demand from large corporates. For the June quarter, survey respondents were most optimistic on the outlook for demand growth from SMEs and Large Firms, while relatively less optimistic about demand from GREs[5] **(Chart 3)**.

Chart 3 Change in Demand for Business Loans by Type



With the exception of non-bank financial institutions, demand growth for loans slowed across all sectors of economic activity through the March 2015 quarter. Notably, demand growth within sectors which had previously been key drivers of loan demand had slowed markedly. In particular, growth in loans in the construction, property development and the transport sectors had slowed significantly. Retail & wholesale trade and manufacturing, while slowing, continued to report robust demand growth for business loans. When asked about the June quarter, survey respondents were most optimistic about demand within the retail & wholesale trade, construction, manufacturing and transport sectors **(Chart 4)**.

Chart 4 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 the property market outlook were considered most important,

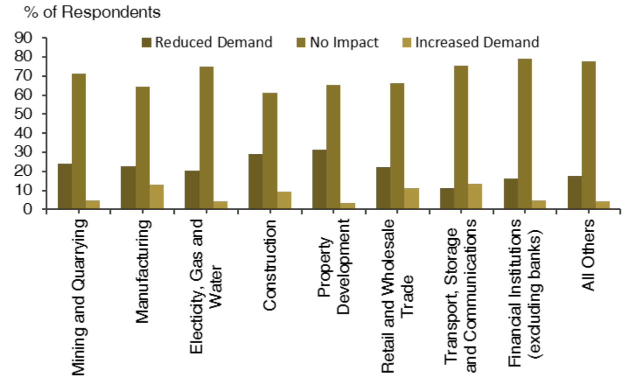
[2] Full survey results are presented in Annex 1 of this report
[3] The net balance is calculated as the weighted percentage of respondents reporting an increase in demand for loans minus the weighted percentage of respondents reporting a fall in demand for loans. For more information, please refer to 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

with around three-quarters of respondents citing such factors. Interest rates also featured prominently. Customers' fixed asset investment and competition with banks were considered less of a factor in explaining the change in demand growth when compared to previous quarters.

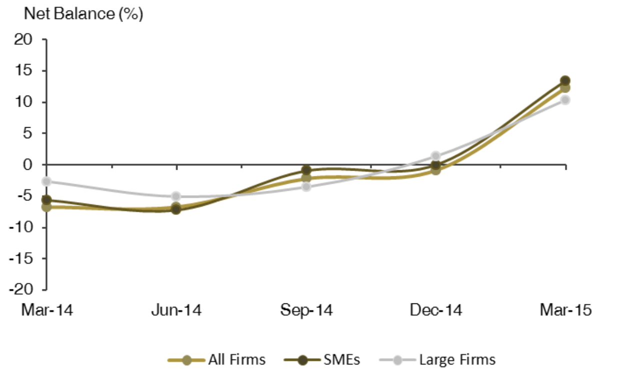
The March edition of the survey also featured a question regarding the impact of lower oil prices on demand for business loans. According to the survey results, 44.9 per cent of respondents reported no impact, 41.5 per cent reported a negative impact while 13.6 per cent reported a positive impact. On balance, such results would be indicative of a negative, yet modest, impact on demand for loans. By economic activity, the largest effects were recorded within the construction, mining & quarrying and property development sectors **(Chart 5).**

Chart 5 Impact of Oil Prices on Demand for Business Loans



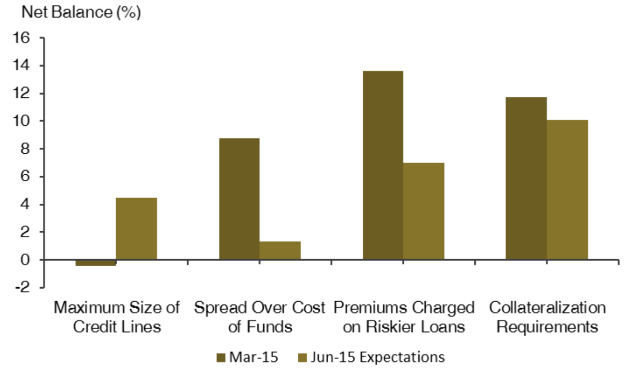
In terms of credit availability, a net balance measure of +12.3 suggested a tightening of credit standards during the March quarter. According to survey results, almost one third of all respondents reported a tightening in their financial institution's credit standards. Such results were evident regardless of firm size, with standards tightening for both SMEs and Large Firms **(Chart 6)**. In the quarter ahead, survey respondents expect further tightening, although to a lesser extent than that reported in the March quarter.

Chart 6 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 premiums charged on riskier loans, collateralization requirements and the spread over cost of funds. In contrast, maximum size of credit lines remained relatively unchanged in the March quarter. In the June quarter, survey respondents expect a tightening across all terms and conditions reported in the survey, particularly collateralization requirements **(Chart 7)**.

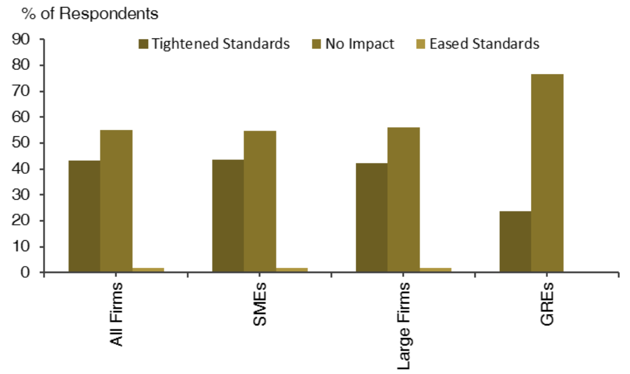
Chart 7 Change in Terms and Conditions



With respect to the factors attributable to the change in credit standards, around three quarters of survey respondents cited the economic outlook and industry specific conditions. Quality of their financial institution's asset portfolio and change in tolerance for risk were also considered important, according to more than 70 per cent of respondents.

When asked about the impact of lower oil prices on their financial institution's credit standards, most survey respondents indicated no impact (55.1 per cent of respondents). A small proportion (1.7 per cent) indicated an easing of credit standards in response to lower oil prices while the remainder (43.2 per cent) indicated a tightening. The reported impact was consistent despite firm size, while the impact on credit standards for GREs was relatively small **(Chart 8)**.

Chart 8 Impact of Oil Prices on Credit Standards

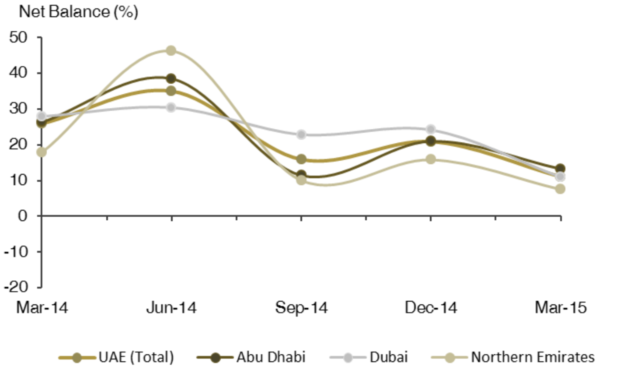


Much of the tightening in response to oil prices was through maximum size of credit lines, with around one third of respondents reporting a tightening in response to oil prices. More than a quarter of respondents reported a tightening in terms of premiums charged on riskier loans and collateralization requirements. Spread over cost of funds, however, appeared the least likely term to be tightened as a result of lower oil prices, with only 16.9 per cent of respondents reporting this measure.

> Personal Lending[6]

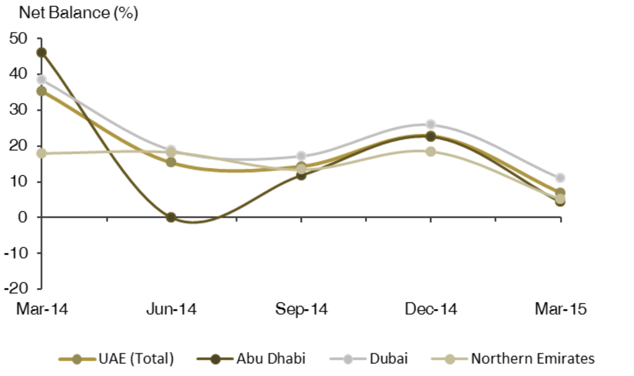
Consistent with previous quarters, results from the March quarter survey point to ongoing demand growth through early 2015. However, the pace of demand growth has moderated with a net balance measure of 11.0, down from 15.9 and 20.9 recorded in the September and December quarters, respectively. In addition, it is worth noting that the demand for credit has eased from the very high levels that were evident in the first half of 2014 **(Chart 9).** In general, the net balance measure suggests the softening in demand growth across all emirates.

Chart 9 Change in Demand for Personal Loans by Emirate



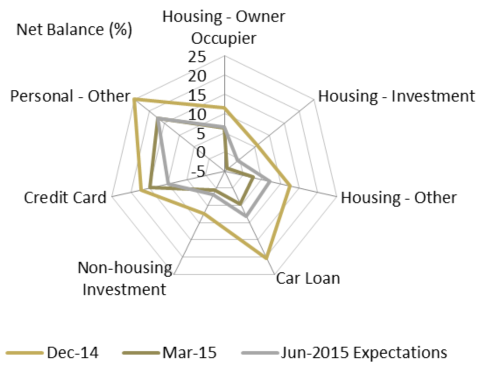
In terms of the outlook for personal lending, survey respondents were optimistic about the June quarter. This was evident across all emirates **(Chart 10)**. Nonetheless, the rate of demand growth is expected to be lower than that recorded during March quarter for both Abu Dhabi and Northern Emirates, while demand growth in Dubai remains unchanged.

Chart 10 Change in Demand for Personal Loans by Emirate



By loan type, demand growth was reported across all categories, with the exception of Housing – Investment. Demand for Housing – Investment reported a moderate contracting, with a net balance of -4.0. Overall, survey results indicated a slowing in demand growth across all categories, most notably in Housing – Investment, Housing – Other and Car Loans **(Chart 11)**.

Chart 11 Change in Demand for Personal Loans by Type

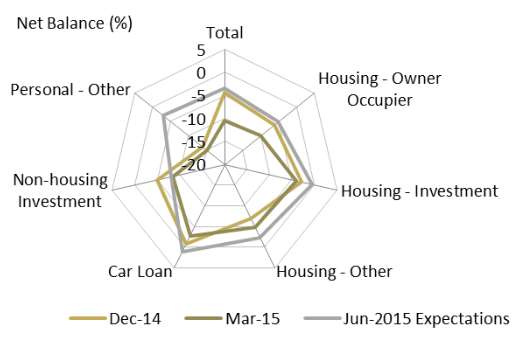


With respect to expectations for the June quarter, survey respondents expect demand growth in all categories excluding Housing – Investment. Demand growth is expected to accelerate in the Housing – Owner Occupier, Housing – Other, Car Loan and Non-housing Investment categories. In contrast, growth in Credit Card demand is expected to moderate while demand for Personal – Other loans is expected to remain unchanged **(Chart 11)**.

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

In terms of credit availability, a net balance of -10.5 suggested a further easing of credit standards in the March quarter. By loan category, the easing in credit standards was evident across the board. This was most pronounced in the Personal – Other, Housing – Owner Occupier, and Car Loan categories. In terms of outlook, with a net balance of -3.4, expectations for the June quarter suggest an overall easing in credit standards, although to a lesser extent than that recorded in the March quarter. Survey respondents expect easing of credit standards across all categories, apart from Non-housing Investment **(Chart 12)**.

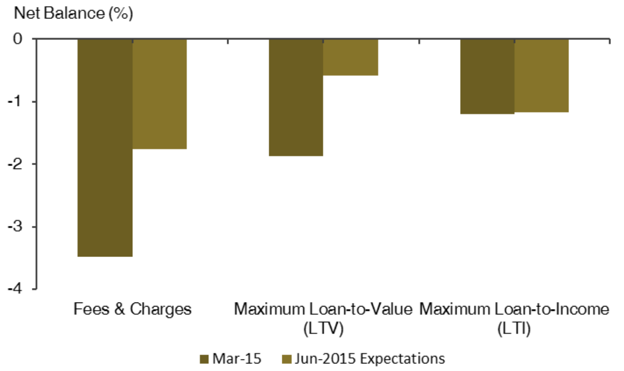
Chart 12 Change in Credit Standards



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

By selected terms and conditions, the easing of credit standards through the March quarter were the result of easing in terms and conditions pertaining to fees and charges, maximum loan-to-value (LTV), and maximum loan-to-income (LTI) ratios. With respect to the outlook for the June quarter, survey respondents expect such terms and conditions to continue to ease. Overall, the net balance numbers are marginally negative for such terms and conditions, with more than 95% survey respondents expecting all the selected terms and conditions to be unchanged (**Chart 13)**.

Chart 13 Change in Selected Terms and Conditions



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

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 2015 Q1 Survey, which was conducted in the period of 17 March – 26 March, 2015. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the March quarter survey was 215 respondents, with 89 answering questions related to personal credit and 126 answering questions related to business credit. The March 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 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@cbuae.gov.ae

Annex 1

> Business Lending Survey Questionnaires Results[7]

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	1.7	14.4	39.0	44.9	0	13.6
Abu Dhabi	0	14.3	31.0	54.8	0	20.2
Dubai	3.6	12.5	44.6	39.3	0	9.8
Northern Emirates	0	20.0	40.0	40.0	0	10.0
Small and Medium Enterprises	1.0	16.2	43.8	35.2	3.8	12.4
Large Firms	0.9	13.2	43.9	42.1	0	13.6
Government Related Entities	0	11.1	67.8	20.0	1.1	5.6
Conventional Loans	1.0	9.7	52.4	35.9	1.0	13.1
Islamic Finance	0	8.8	56.3	32.5	2.5	14.4
Non-resident	0	12.0	72.0	16.0	0	2.0
Expat	0.9	12.0	48.1	37.0	1.9	13.4
Local	0	13.7	47.0	39.3	0	12.8

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	2.1	7.4	78.9	9.5	2.1	1.1
Manufacturing	0	9.6	53.0	32.2	5.2	16.5
Electricity, Gas and Water	1.9	8.4	74.8	15.0	0	1.4
Construction	2.7	10.8	51.4	30.6	4.5	11.7
Property Development	1.0	22.1	48.1	23.1	5.8	5.3
Retail and Wholesale Trade	0	8.5	40.2	47.0	4.3	23.5
Transport, Storage and Communications	0	10.2	58.5	28.0	3.4	12.3
Financial Institutions (excluding Banks)	0	10.8	68.7	14.5	6.0	7.8
All Others	0	6.1	74.6	18.4	0.9	7.0

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

	Not Important	Somewhat Important	Very Important
Customers' Sales	23.7	27.1	49.2
Customers' Fixed Asset Investment	33.1	39.0	28.0
Competition with Finance Companies	59.3	29.7	11.0
Competition with Banks	44.1	30.5	25.4
Interest Rates	29.7	32.2	38.1
Seasonal Influences	47.5	49.2	3.4
Property Market Outlook	25.4	40.7	33.9

[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	1.7	30.5	58.5	9.3	0	12.3
Small and Medium Enterprises	3.7	29.6	56.5	10.2	0	13.4
Large Firms	0.9	27.9	62.2	9.0	0	10.4

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	29.8	16.7	53.5
Economic Outlook	23.7	17.5	58.8
Industry or Firm Specific Conditions	21.9	24.6	53.5
Competition from Banks	43.0	36.8	20.2
Competition from Finance Companies	61.4	33.3	5.3
Change in Tolerance for Risk	29.8	40.4	29.8
Availability/Cost of Funds	38.6	35.1	26.3
Current/Anticipated Regulatory Changes	38.6	18.4	43.0

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	18.4	63.2	17.5	0.9	-0.4
Spread Over Your Cost of Funds	0	30.7	56.1	13.2	0	8.8
Premiums Charged on Riskier Loans	0	28.1	71.1	0.9	0	13.6
Collateralization Requirements	1.7	22.6	73.0	2.6	0	11.7

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	6.8	37.3	55.9	0	24.6
Abu Dhabi	0	4.8	33.3	61.9	0	28.6
Dubai	0	8.9	42.9	48.2	0	19.6
Northern Emirates	0	5.0	30.0	65.0	0	30.0
Small and Medium Enterprises	0	6.8	42.7	47.9	2.6	23.1
Large Firms	0	4.4	44.7	50.9	0	23.2
Government Related Entities	0	0	73.7	26.3	0	13.2
Conventional Loans	0	4.4	48.2	46.5	0.9	21.9
Islamic Finance	0	0	61.4	38.6	0	19.3
Non-resident	0	0.9	82.5	16.7	0	7.9
Expat	0	4.4	57.9	36.8	0.9	17.1
Local	0	4.4	52.6	41.2	1.8	20.2

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	2.5	93.2	4.2	0	0.8
Manufacturing	0	1.7	56.4	41.0	0.9	20.5
Electricity, Gas and Water	0	0	83.8	16.2	0	8.1
Construction	0	4.4	50.0	43.9	1.8	21.5
Property Development	0	9.6	56.1	31.6	2.6	13.6
Retail and Wholesale Trade	0	4.4	43.9	48.2	3.5	25.4
Transport, Storage and Communications	0	2.6	60.5	36.0	0.9	17.5
Financial Institutions (excluding Banks)	0	0	82.5	17.5	0	8.8
All Others	0	6.1	72.8	20.2	0.9	7.9

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	35.1	30.7	34.2
Customers' Fixed Asset Investment	38.6	33.3	28.1
Competition with Finance Companies	66.7	28.9	4.4
Competition with Banks	49.1	28.9	21.9
Interest Rates	37.7	30.7	31.6
Seasonal Influences	46.5	43.0	10.5
Property Market Outlook	39.5	30.7	29.8

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	1.7	16.1	78.8	3.4	0	8.1
Small and Medium Enterprises	3.4	12.7	82.2	1.7	0	8.9
Large Firms	1.7	8.5	86.4	3.4	0	4.2

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	39.5	10.5	50.0
Economic Outlook	35.1	14.9	50.0
Industry or Firm Specific Conditions	38.6	18.4	43.0
Competition from Banks	61.4	21.9	16.7
Competition from Finance Companies	71.9	23.7	4.4
Change in Tolerance for Risk	38.6	39.5	21.9
Availability/Cost of Funds	47.4	32.5	20.2
Current/Anticipated Regulatory Changes	48.2	15.8	36.0
Regulatory	39.5	10.5	50.0

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	1.8	13.5	76.6	8.1	0	4.5
Spread Over Your Cost of Funds	0	16.2	70.3	13.5	0	1.4
Premiums Charged on Riskier Loans	0.9	14.9	81.6	2.6	0	7.0
Collateralization Requirements	2.6	17.5	77.2	2.6	0	10.1

Q13 What impact do you believe the recent decline in oil prices has had on demand for business loans? (% of total)

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially
All Firms	0.8	40.7	44.9	13.6	0
Small and Medium Enterprises	1.9	30.2	51.9	15.1	0.9
Large Firms	2.6	34.2	50.9	12.3	0
GREs	0.0	27.7	67.3	5.0	0
Mining and Quarrying	5.7	18.1	71.4	4.8	0
Manufacturing	0	22.6	64.3	13.0	0
Electricity, Gas and Water	0.9	19.6	75.0	4.5	0
Construction	4.3	25.0	61.2	9.5	0
Property Development	8.0	23.2	65.2	3.6	0
Retail and Wholesale Trade	0	22.4	66.4	11.2	0
Transport, Storage and Communications	0	11.1	75.2	11.1	2.6
Financial Institutions (excluding Banks)	0	16.3	78.8	1.9	2.9
All Others	0	17.7	77.9	4.4	0

Q14 What impact has lower oil prices had on your institution's credit standards? (% of total)

	Substantially Tightened	Moderately Tightened	No Change	Moderately Eased	Substantially Eased
All Firms	1.7	41.5	55.1	1.7	0
Small and Medium Enterprises	5.7	37.7	54.7	1.9	0
Large Firms	2.6	39.5	56.1	1.8	0
GREs	2.9	20.6	76.5	0	0

Q15 If your institution has changed credit standards in response to lower oil prices, which of the following terms and conditions have been adjusted?

	Tightened Significantly	Tightened Moderately	N/A
Maximum size of credit lines	0.8	31.4	67.8
Spread of loan rates over your cost of funds	0	16.9	83.1
Premiums charged on riskier loans	0.8	25.4	73.7
Collateralization requirements	2.5	23.7	73.7

Annex 2

> Personal Lending Survey Questionnaires Results[8]

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	17.4	43.0	39.5	0	11.0
Abu Dhabi	0	11.8	50.0	38.2	0	13.2
Dubai	0	21.9	34.4	43.8	0	10.9
Northern Emirates	0	20.0	45.0	35.0	0	7.5
Islamic	0	8.1	65.1	26.7	0	9.3
Conventional	0	15.1	58.1	26.7	0	5.8
Housing – Owner Occupier	0	18.9	50.0	31.1	0	6.1
Housing – Investment	4.0	17.3	61.3	17.3	0	-4.0
Housing – Other (includes refinancing, renovations)	0	17.3	60.0	22.7	0	2.7
Car Loan	1.3	14.3	58.4	26.0	0	4.5
Non-housing Investment	0	14.7	69.3	16.0	0	0.7
Credit Card	0	8.6	54.3	35.8	1.2	14.8
Personal - Other	0	8.2	50.6	40.0	1.2	17.1

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

	Not Important	Somewhat Important	Very Important
Housing market outlook	24.1	37.9	37.9
Financial markets outlook	32.2	40.2	27.6
Change in income	25.3	41.4	33.3
Interest rates	32.2	27.6	40.2
Competition with other banks or financial institutions	27.6	36.8	35.6
Seasonal influences	48.3	47.1	4.6

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	79.0	21.0	0	-10.5
Housing – Owner Occupier	0	0	80.0	20.0	0	-10.0
Housing – Investment	0	0	92.0	8.0	0	-4.0
Housing – Other (includes refinancing, renovations)	0	0	90.4	9.6	0	-4.8
Non-housing Investment	0	0	94.6	5.4	0	-2.7
Car Loan	0	0	83.1	16.9	0	-8.5
Personal - Other	0	0	69.9	30.1	0	-15.1

[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	23.0	13.8	63.2
Economic Outlook	27.6	25.3	47.1
Customer Specific	26.4	35.6	37.9
Competition from Banks	34.5	40.2	25.3
Competition from Finance Companies	67.8	21.8	10.3
Change in Tolerance for Risk	26.4	33.3	40.2
Availability/Cost of Funds	49.4	26.4	24.1
Current/Anticipated Regulatory Changes	43.7	4.6	51.7

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	3.5	86.0	10.5	0	-3.5
Maximum Loan-to-Value (LTV)	0	0	96.3	3.8	0	-1.9
Maximum Loan-to-Income (LTI)	0	0	97.6	2.4	0	-1.2

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	17.2	51.7	31.0	0	6.9
Abu Dhabi	0	17.1	57.1	25.7	0	4.3
Dubai	0	15.6	46.9	37.5	0	10.9
Northern Emirates	0	20.0	50.0	30.0	0	5.0
Islamic	0	5.9	74.1	20.0	0	7.1
Conventional	0	15.1	60.5	24.4	0	4.7
Housing – Owner Occupier	0	11.6	64.0	24.4	0	6.4
Housing – Investment	3.5	10.5	70.9	14.0	1.2	-0.6
Housing – Other (includes refinancing, renovations)	0	5.9	74.1	20.0	0	7.1
Car Loan	0	3.5	76.5	20.0	0	8.2
Non-housing Investment	0	5.9	84.7	9.4	0	1.8
Credit Card	0	5.9	68.2	25.9	0	10.0
Personal - Other	0	2.4	65.9	27.1	4.7	17.1

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	33.3	27.6	39.1
Financial markets outlook	36.8	27.6	35.6
Change in income	36.8	39.1	24.1
Interest rates	46.0	26.4	27.6
Competition with other banks or financial institutions	42.5	29.9	27.6
Seasonal influences	46.0	46.0	8.0

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	0	10.3	72.4	17.2	0	-3.4
Housing – Owner Occupier	0	3.4	82.8	13.8	0	-5.2
Housing – Investment	0	8.0	82.8	9.2	0	-0.6
Housing – Other (includes refinancing, renovations)	0	1.1	93.1	5.7	0	-2.3
Non-housing Investment	0	4.7	93.0	2.3	0	1.2
Car Loan	0	4.7	74.4	20.9	0	-8.1
Personal - Other	0	11.6	70.9	17.4	0	-2.9

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	25.0	16.7	58.3
Economic Outlook	28.6	27.4	44.0
Industry or Firm Specific Conditions	29.8	28.6	41.7
Competition from Banks	46.4	35.7	17.9
Competition from Finance Companies	77.4	13.1	9.5
Change in Tolerance for Risk	29.8	36.9	33.3
Availability/Cost of Funds	52.4	28.6	19.0
Current/Anticipated Regulatory Changes	36.9	11.9	51.2

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	0	96.5	3.5	0	-1.8
Maximum Loan-to-Value (LTV)	0	0	98.8	1.2	0	-0.6
Maximum Loan-to-Income (LTI)	0	0	97.6	2.4	0	-1.2