



Credit Sentiment Survey

Survey Results | 2015 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 revealed a downward trend in credit appetite within the UAE. Overall, credit conditions appeared to have softened further following consecutive quarters of robust demand since the inception of the survey in 2014, with negative net balance figures in the demand for both business and personal credit and a further tightening of credit standards for corporates and small business. Such results likely reflect the heightened uncertainty surrounding the global economy and the low oil price environment.

Lending to Corporates & Small Businesses – According to survey respondents, demand for business credit eased across all the emirates in the December quarter. The easing in credit appetite was evident across almost all sectors of economic activity, with the exception of retail and wholesale category. At the same time, survey results also revealed further tightening in credit standards. This suggested a reduced willingness to extend business loans, especially to SMEs, with changes in credit standards suggesting a higher degree of risk aversion. This was evident in the reported tightening of credit standards pertaining to all terms and conditions. For the 2016 March quarter, survey respondents expected further tightening in credit standards, while the appetite for business lending would improve marginally.

Lending to Individuals – Echoing results for business lending, demand for personal loans also revealed a slowdown across all the emirates during the December quarter. Consistent with results reported in the previous quarter, demand for housing loans continued to fall across all housing categories: Housing – Owner Occupiers, Housing – Investment, and Housing – Other purposes (including refinancing and renovations). Looking to the March quarter, survey respondents showed a modest optimistic stance and suggested modest demand growth. With respect to credit availability, more than 80% of survey respondents reported no change in credit standards across all the categories. Nonetheless, results reported easing credit standards in aggregate in December quarter, while expectations for the March quarter suggested an overall tightening.

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)

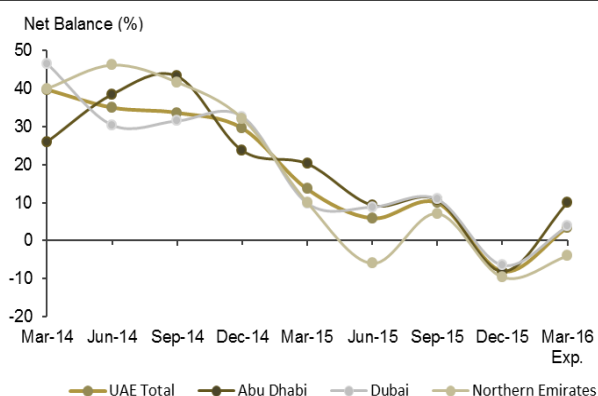
For credit standards, net balance = (% Reporting Significant Tightening + 0.5 x % Reporting Moderate Tightening) – (% Reporting Significant Easing + 0.5 x % Reporting Moderate Easing)

> Business Lending²

Results from the survey revealed that there was a softening in business loan demand in the December quarter. Following consecutive quarters of robust demand since 2014, the net balance measure in aggregate dropped to -8.1 and stayed in the negative territory for the first time. This suggested a lack of appetite for business loans. By emirate, the softening in demand was evident across the board.

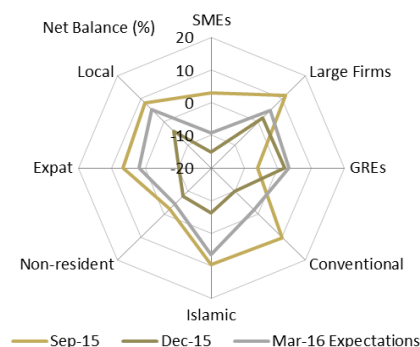
With respect to the expectation for the 2016 March quarter, a net balance measure of +3.5 suggested that the survey respondents expected the demand for business loan to improve and move back to expansion. By emirate, the strengthening in loan demand was attributable to the stronger demand in Abu Dhabi and Dubai. In contrast, survey respondents expected the demand in Northern Emirates to fall further, though the net balance measure was expected to improve slightly from -9.6 to -4 (Chart 1).

Chart 1 Change in Demand for Business Loans by Emirate



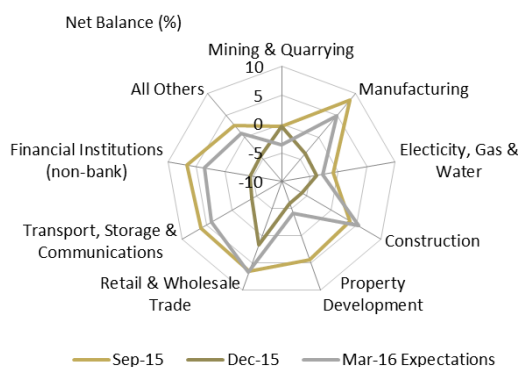
By market segment, demand eased across most categories during the December quarter. In particular, easing in loan demand was most notable among SMEs, Expat, and conventional loans. Loan demand for Non-resident, Islamic Finance and Local also softened during the quarter, with the net balance measures falling into negative territory. In contrast, loan demand for GREs and Large Firms improved modestly. For the following quarter, survey respondents were most optimistic about credit demand for Islamic products and resident loans (both local and expat), as well as demand from Large Firms and GREs categories. On the other hand, demand for SMEs credit, non-resident loan and conventional products were expected to slow down (Chart 2).

Chart 2 Change in Demand for Business Loans by Type



With the exception of the Retail and Wholesale category, demand for business loans slowed across all sectors of economy through the December quarter. According to the net balance measure, demand for the Retail and Wholesale Trade sector remained expanding, but at a relatively modest pace. In contrast, all the other sectors reported marginal decline for loan demand. When asked about expectations for the 2016 March quarter, demand for Property Development, Mining & Quarrying, and Electricity, Gas and Water sectors would remain weak, while other sectors were expected to improve (Chart 3).

Chart 3 Change in Demand for Business Loans by Industry

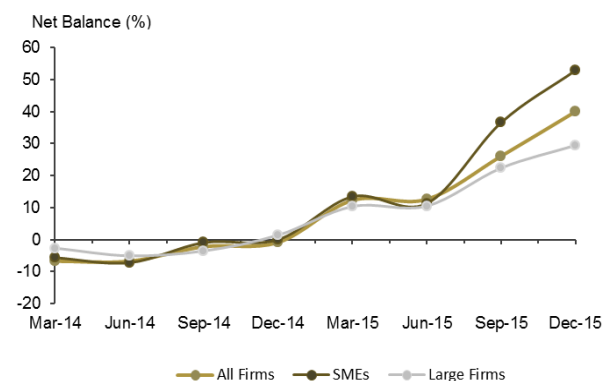


When asked about which factors were attributable to the change in demand for business loans, customers' sales, fixed asset investment and property market outlook were considered the most important, with more than three-quarters of respondents citing such factors. Another important factor was interest rates, according to nearly two-thirds of respondents. With respect to the outlook for demand, survey respondents cited customers' sales, fixed asset investment and the property market outlook as being the most important determining factors.

With respect to credit standards, survey results suggested ongoing tightening through the December for the fourth consecutive quarter. Such tightening occurred regardless of firm size; particularly, standards for SMEs had tightened more significantly than those for large firms, as reported by three-quarters of respondents (Chart 4). In the next quarter, survey respondents expected further tightening in credit standards, although to a lesser extent than that reported in the December quarter.

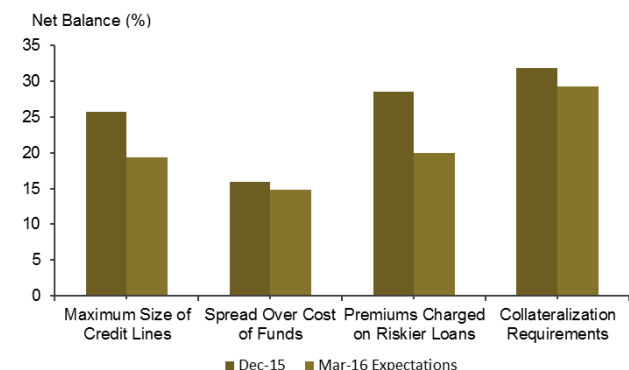
² Full survey results are presented in Annex 1 of this report

Chart 4 Change in Credit Standards



With respect to specific terms and conditions, survey respondents reported tightening across all categories, although to varying degrees. Credit standards pertaining to collateralization requirements and premiums charged on riskier loans tightened the most during the quarter. Terms and conditions pertaining to maximum size of credit lines and spread over cost of funds also tightened significantly. In the 2016 March quarter, survey respondents expected further tightening across all terms and conditions, but to a lesser extent than that reported in the December quarter (Chart 5).

Chart 5 Change in Terms and Conditions



According to survey respondents, in line with results of the previous quarters, the economic outlook was a major factor in determining credit standards in the December quarter. More than 90 per cent of survey respondents cited this as an important factor, with almost three-quarters citing it as very important. Industry specific conditions and the quality of lenders' asset portfolio were also considered important. In contrast, competitive pressure from other financial institutions appeared to have had little bearing on credit standards in this quarter.

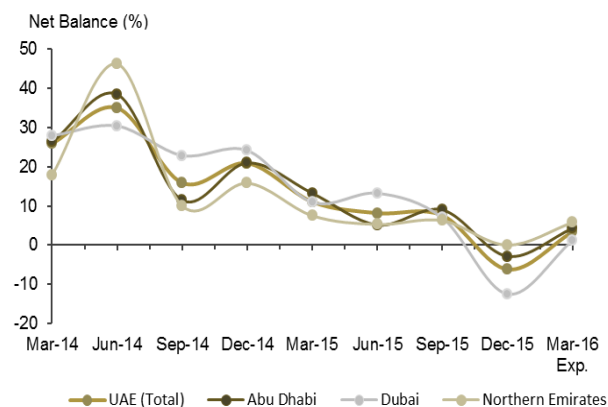
> Personal Lending³

Echoing results for business lending, demand for personal loan also eased in December quarter. Demand was reported with a negative net balance measure of -6.2, the first time a negative measure was recorded for personal lending since the credit sentiment survey was launched. By emirate, the softening in personal loan demand was attributable to the

weakening appetite notably in Dubai and Abu Dhabi, while demand in North Emirates was reported unchanged from the previous quarter.

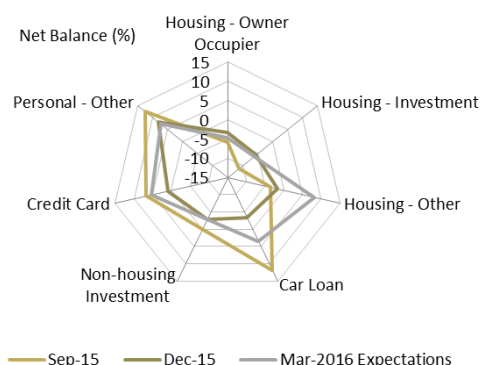
In terms of the 2016 March quarter outlook for personal lending, survey respondents showed a slight optimistic stance, with a net balance measure of +3.3 in aggregate, suggesting a modest demand growth. By emirate, survey respondents were most optimistic in the Northern Emirates and Abu Dhabi, but least optimistic in Dubai (Chart 6).

Chart 6 Change in Demand for Personal Loans by Emirate



By loan type, consistent with the results in the September quarter, demand for housing loans continued to fall with negative net balance measures across all housing categories: Housing – Owner Occupiers, Housing – Investment, and Housing – Other purposes (including refinancing and renovations). In December quarter, Car Loan and Non-housing Investment recorded a fall in loan demand, while Personal – Other and Credit Card registered a modest growth. With respect to expectations for the March quarter, survey respondents expected demand to grow in all categories, with the exception of Housing – Owner Occupiers, Housing – Investment, and Non-housing Investment (Chart 7).

Chart 7 Change in Demand for Personal Loans by Type



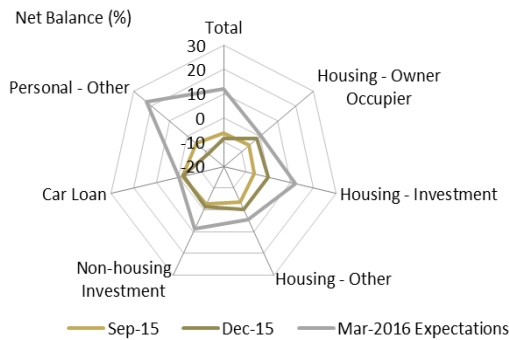
When asked about which factors contributed to the change in demand for loans, both financial markets outlook and housing market outlook were considered most important, with more than three-quarters of respondents citing such factors. Change in income and interest rates also featured prominently. For the 2016 March quarter, survey respondents

³ Full survey results are presented in Annex 2 of this report

cited the housing and financial markets outlook, as well as interest rates, to be the most important factors expected to influence personal loan demand.

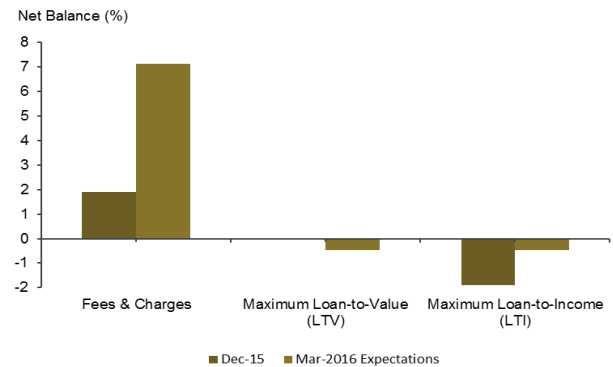
In terms of credit availability in the December quarter, more than 80% of survey respondents reported the credit standards unchanged across all the categories and no one observed tightening in credit standards in any category. In aggregate, the negative net balance of -8.5 suggested an easing of credit standards, which was mainly due to the Personal – Other purposes category and a moderate easing in Car Loan category. On the other hand, in terms of outlook, with a positive net balance of +11.9 in aggregate, expectations for the next quarter suggested an overall tightening in credit standards, predominantly driven by the Personal – Other and Housing – Investment category. By loan-type, credit standards were expected to tighten in all the categories, with the exception of Car Loan where survey respondents expect it to be unchanged (Chart 8).

Chart 8 Change in Credit Standards



With respect to credit terms and conditions, more than 85% of the survey respondents reported no change across the board in the December quarter. In aggregate, terms and conditions pertaining to Maximum Loan-to-Value (LTV) ratios were observed unchanged. Nonetheless, negative net balance figures were cited by survey respondents for maximum loan-to-income (LTI) ratios, suggesting a marginal easing in such terms and conditions. On the other hand, a marginal tightening in credit standards vis-à-vis Fees and Charges was reported. With respect to the outlook for the 2016 March quarter, survey respondents expected terms and conditions pertaining to Fees and Charges to be further tightened, while the maximum Loan-to-Value (LTV) and maximum Loan-to-income (LTI) would have marginal easing (Chart 9).

Chart 9 Change in Selected Terms and Conditions



When asked about those factors attributable to the change in credit standards during the December quarter, survey respondents overwhelmingly cited the economic outlook, quality of their institutions’ asset portfolio, customer specific situation, and change in tolerance for risk as most important, with more than three-quarters of respondents citing these factors.

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 Q4 Survey, which was conducted during the period of 10 – 29 December, 2015. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the September quarter survey was 225 respondents, with 105 answering questions related to personal credit and 120 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.**

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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 are:

- 2016 Q1 Survey in April 2016
- 2016 Q2 Survey in July 2016
- 2016 Q3 Survey in October 2016
- 2016 Q4 Survey in January 2017

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 Results⁴

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	4.2	38.1	29.7	25	2.5	-8.1
Abu Dhabi	0.0	43.2	29.7	27.0	0.0	-8.1
Dubai	9.3	29.6	29.6	27.8	3.7	-6.5
Northern Emirates	0.0	46.2	30.8	19.2	3.8	-9.6
Small and Medium Enterprises	13.6	29.1	36.9	14.6	5.8	-15.0
Large Firms	4.4	21.1	44.7	26.3	3.5	1.8
Government Related Entities	2.2	10.8	72.0	10.8	4.3	2.2
Conventional Loans	9.5	25.3	41.1	24.2	0.0	-10.0
Islamic Finance	6.3	17.7	60.8	12.7	2.5	-6.3
Non-resident	1.1	18.9	74.4	5.6	0.0	-7.8
Expat	5.4	30.4	43.8	20.5	0.0	-10.3
Local	7.0	21.1	46.5	23.7	1.8	-3.9

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	2.9	4.9	86.3	2.0	3.9	-0.5
Manufacturing	3.6	23.2	50.9	21.4	0.9	-3.6
Electricity, Gas and Water	1.0	8.7	87.4	2.9	0.0	-3.9
Construction	6.4	28.4	38.5	23.9	2.8	-6.0
Property Development	6.9	21.6	48.0	23.5	0.0	-5.9
Retail and Wholesale Trade	10.5	22.8	30.7	24.6	11.4	1.8
Transport, Storage and Communications	7.2	18.0	53.2	18.9	2.7	-4.1
Financial Institutions (excluding Banks)	0.0	12.4	84.3	3.4	0.0	-4.5
All Others	3.8	17.0	65.1	12.3	1.9	-4.2

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

	Not Important	Somewhat Important	Very Important
Customers' Sales	13.0	24.3	62.6
Customers' Fixed Asset Investment	20.0	51.3	28.7
Competition with Finance Companies	73.0	23.5	3.5
Competition with Banks	51.3	33.0	15.7
Interest Rates	35.7	40.9	23.5
Seasonal Influences	43.5	47.0	9.6
Property Market Outlook	22.6	40.9	36.5

⁴ 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	11.3	60.0	26.1	2.6	0.0	40.0
Small and Medium Enterprises	32.7	42.3	23.1	1.9	0.0	52.9
Large Firms	6.3	51.8	36.6	5.4	0.0	29.5

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	21.1	17.5	61.4
Economic Outlook	7.9	17.5	74.6
Industry or Firm Specific Conditions	8.8	27.2	64.0
Competition from Banks	50.0	34.2	15.8
Competition from Finance Companies	72.8	26.3	0.9
Change in Tolerance for Risk	25.6	26.5	47.9
Availability/Cost of Funds	28.2	47.0	24.8
Current/Anticipated Regulatory Changes	44.4	16.2	39.3

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	3.5	46.9	46.9	2.7	0.0	25.7
Spread Over Your Cost of Funds	2.7	35.4	53.1	8.8	0.0	15.9
Premiums Charged on Riskier Loans	10.5	41.2	43.0	5.3	0.0	28.5
Collateralization Requirements	8.0	48.7	42.5	0.9	0.0	31.9

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	3.5	26.3	31.6	36.8	1.8	3.5
Abu Dhabi	0.0	22.9	34.3	42.9	0.0	10.0
Dubai	7.5	20.8	32.1	35.8	3.8	3.8
Northern Emirates	0.0	40.0	28.0	32.0	0.0	-4.0
Small and Medium Enterprises	12.3	19.3	44.7	21.9	1.8	-9.2
Large Firms	0.9	24.3	39.6	34.2	0.9	5.0
Government Related Entities	0.0	9.3	75.7	14.0	0.9	3.3
Conventional Loans	3.6	19.8	54.1	21.6	0.9	-1.8
Islamic Finance	0.9	6.5	71.0	21.5	0.0	6.5
Non-resident	2.7	9.9	81.1	6.3	0.0	-4.5
Expat	6.3	14.3	50.0	28.6	0.9	1.8
Local	2.7	20.7	41.4	33.3	1.8	5.4

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	1.8	8.2	85.5	4.5	0.0	-3.6
Manufacturing	0.9	18.9	50.5	28.8	0.9	5.0
Electricity, Gas and Water	0.0	9.1	87.3	3.6	0.0	-2.7
Construction	7.2	12.6	42.3	37.8	0.0	5.4
Property Development	7.3	11.8	62.7	18.2	0.0	-4.1
Retail and Wholesale Trade	6.3	18.0	33.3	40.5	1.8	6.8
Transport, Storage and Communications	2.7	10.8	63.1	22.5	0.9	4.1
Financial Institutions (excluding Banks)	0.0	3.6	85.5	10.9	0.0	3.6
All Others	0.0	14.5	69.1	16.4	0.0	0.9

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	20.2	21.9	57.9
Customers' Fixed Asset Investment	35.1	32.5	32.5
Competition with Finance Companies	72.8	25.4	1.8
Competition with Banks	52.6	35.1	12.3
Interest Rates	36.0	34.2	29.8
Seasonal Influences	38.6	52.6	8.8
Property Market Outlook	28.9	38.6	32.5

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	8.0	58.9	28.6	3.6	0.9	34.8
Small and Medium Enterprises	22.5	40.5	31.5	3.6	1.8	39.2
Large Firms	5.4	55.0	33.3	5.4	0.9	29.3

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	23.0	21.2	55.8
Economic Outlook	15.0	13.3	71.7
Industry or Firm Specific Conditions	17.7	23.9	58.4
Competition from Banks	53.1	35.4	11.5
Competition from Finance Companies	76.1	23.9	0.0
Change in Tolerance for Risk	31.9	38.1	30.1
Availability/Cost of Funds	37.2	41.6	21.2
Current/Anticipated Regulatory Changes	47.8	15.9	36.3

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	3.6	35.1	57.7	3.6	0.0	19.4
Spread Over Your Cost of Funds	0.0	40.0	49.5	10.5	0.0	14.8
Premiums Charged on Riskier Loans	5.7	38.1	48.6	5.7	1.9	20.0
Collateralization Requirements	5.4	48.6	45.0	0.9	0.0	29.3

Annex 2

> Personal Lending Survey Questionnaires Results⁵

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	3.8	28.6	45.7	20.0	1.9	-6.2
Abu Dhabi	0.0	31.4	42.9	25.7	0.0	-2.9
Dubai	9.1	27.3	45.5	15.9	2.3	-12.5
Northern Emirates	0.0	26.9	50.0	19.2	3.8	0.0
Islamic	0.0	8.7	66.3	24.0	1.0	8.7
Conventional	2.9	17.1	64.8	12.4	2.9	-2.4
Housing – Owner Occupier	5.6	20.0	50.0	24.4	0.0	-3.3
Housing – Investment	2.2	23.3	57.8	16.7	0.0	-5.6
Housing – Other (includes refinancing, renovations)	0.0	17.8	67.8	14.4	0.0	-1.7
Car Loan	5.4	15.2	62.0	15.2	2.2	-3.3
Non-housing Investment	0.0	15.1	75.6	9.3	0.0	-2.9
Credit Card	3.1	17.5	55.7	21.6	2.1	1.0
Personal - Other	2.9	11.5	56.7	24.0	4.8	8.2

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

	Not Important	Somewhat Important	Very Important
Housing market outlook	23.8	40.0	36.2
Financial markets outlook	21.9	50.5	27.6
Change in income	25.7	38.1	36.2
Interest rates	29.5	29.5	41.0
Competition with other banks or financial institutions	38.1	34.3	27.6
Seasonal influences	35.2	44.8	20.0

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	0.0	83.1	16.9	0.0	-8.5
Housing – Owner Occupier	0.0	0.0	96.6	3.4	0.0	-1.7
Housing – Investment	0.0	0.0	100.0	0.0	0.0	0.0
Housing – Other (includes refinancing, renovations)	0.0	0.0	100.0	0.0	0.0	0.0
Non-housing Investment	0.0	0.0	97.4	2.6	0.0	-1.3
Car Loan	0.0	0.0	95.7	4.3	0.0	-2.2
Personal - Other	0.0	0.0	82.1	12.5	5.4	-11.6

⁵ 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	21.0	19.0	60.0
Economic Outlook	11.4	24.8	63.8
Customer Specific	22.9	33.3	43.8
Competition from Banks	50.5	32.4	17.1
Competition from Finance Companies	76.2	14.3	9.5
Change in Tolerance for Risk	24.8	28.6	46.7
Availability/Cost of Funds	34.3	37.1	28.6
Current/Anticipated Regulatory Changes	25.7	16.2	58.1

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	1.0	6.7	87.6	4.8	0.0	1.9
Maximum Loan-to-Value (LTV)	0.0	2.9	94.3	2.9	0.0	0.0
Maximum Loan-to-Income (LTI)	0.0	4.8	89.5	2.9	2.9	-1.9

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	2.9	24.0	36.5	36.5	0.0	3.4
Abu Dhabi	0.0	25.7	40.0	34.3	0.0	4.3
Dubai	7.0	23.3	30.2	39.5	0.0	1.2
Northern Emirates	0.0	23.1	42.3	34.6	0.0	5.8
Islamic	0.0	9.7	62.1	27.2	1.0	9.7
Conventional	2.9	22.1	58.7	15.4	1.0	-5.3
Housing – Owner Occupier	2.9	24.0	52.9	20.2	0.0	-4.8
Housing – Investment	6.7	17.3	57.7	18.3	0.0	-6.3
Housing – Other (includes refinancing, renovations)	0.0	6.8	72.8	17.5	2.9	8.3
Car Loan	0.0	12.6	68.0	19.4	0.0	3.4
Non-housing Investment	0.0	13.6	79.6	5.8	1.0	-2.9
Credit Card	2.9	18.4	50.5	21.4	6.8	5.3
Personal - Other	2.9	15.5	49.5	28.2	3.9	7.3

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	23.8	32.4	43.8
Financial markets outlook	25.7	41.0	33.3
Change in income	32.4	37.1	30.5
Interest rates	30.5	28.6	41.0
Competition with other banks or financial institutions	44.8	34.3	21.0
Seasonal influences	46.7	38.1	15.2

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	3.8	27.6	58.1	9.5	1.0	11.9
Housing – Owner Occupier	2.9	4.8	83.8	7.6	1.0	0.5
Housing – Investment	1.9	24.8	68.6	4.8	0.0	11.9
Housing – Other (includes refinancing, renovations)	2.9	8.7	82.7	5.8	0.0	4.3
Non-housing Investment	3.8	14.4	76.9	4.8	0.0	8.7
Car Loan	1.0	4.8	87.5	6.7	0.0	0.0
Personal - Other	5.8	36.5	54.8	2.9	0.0	22.6

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	23.8	21.0	55.2
Economic Outlook	17.1	24.8	58.1
Industry or Firm Specific Conditions	36.2	21.9	41.9
Competition from Banks	49.5	34.3	16.2
Competition from Finance Companies	79.0	11.4	9.5
Change in Tolerance for Risk	22.9	26.7	50.5
Availability/Cost of Funds	41.0	30.5	28.6
Current/Anticipated Regulatory Changes	36.2	7.6	56.2

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	18.1	78.1	3.8	0	7.1
Maximum Loan-to-Value (LTV)	0	4.8	89.5	5.7	0	-0.5
Maximum Loan-to-Income (LTI)	0.95	4.8	89.5	1.9	2.9	-0.5