Credit Sentiment Survey

Survey Results | 2016 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 March 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 modest easing in overall credit appetite for both business and personal loan. Following a downward trend since Q1 2016, demand for both business and personal credit appears to have stabilized, partially reflecting the recovery of the oil price.

Lending to Corporates & Small Businesses – According to survey respondents, demand for business credit has softened modestly in the December quarter. This is the first time the demand for business loans remained in the negative territory for two quarters in a row. By loan type, the softening in credit demand was most evident in SME and Non Resident. At the same time, survey results also revealed further tightening in credit standards, suggesting a higher degree of risk aversion in extending loans, especially to SMEs. This was evident in the reported tightening of credit standards pertaining to all the terms and conditions. For the March quarter, survey respondents were optimistic and expected the demand for business loans to increase, while credit standards would be further tightened.

Lending to Individuals – Echoing results for business lending, demand for personal loans also eased during the December quarter. The softening in demand was most notable among Housing-owner occupier, housing-investment, car loan, and housing-other. Looking to the March quarter, survey respondents showed an optimistic stance and suggested a demand growth. With respect to credit availability, more than 80% of survey respondents reported no change in credit standards across all the categories. Nonetheless, aggregate results reported marginal tightening of credit standards in December quarter, while credit standards for March quarter were expected to ease slightly.

[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)

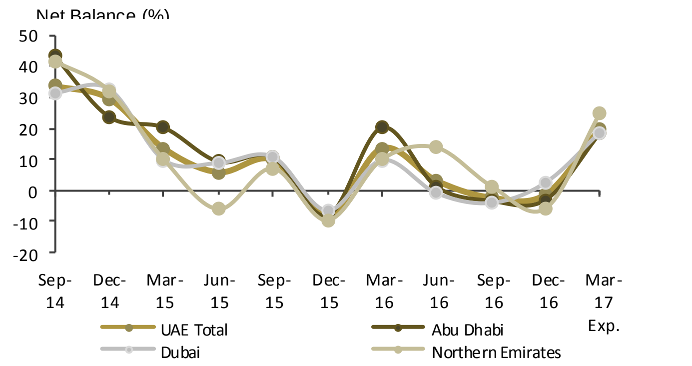
For credit standards, net balance = (% Reporting Significant Tightening + 0.5 x % Reporting Moderate Tightening) – (% Reporting Significant Easing + 0.5 x % Reporting Moderate Easing)

> Business Lending[2]

Results from the survey revealed a modest softening in demand for business loans, with a net balance measure of -1.3 for the December quarter. This suggested a slight loss of appetite for business loans. This is the first time the demand for business loans remained in the negative territory for two quarters in a row. According to the survey results, 36.9 percent of respondents reported a decrease in demand, 36.4 percent reported an increase in demand, while 26.2 percent reported no change. By emirates, the survey respondents reported a decrease in demand for Abu Dhabi and Northern Emirates. In contrast, a modest expansion in Dubai was recorded.

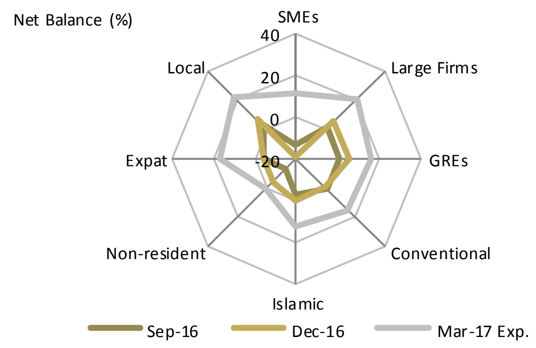
With respect to the expectation for the March quarter, a net balance measure of +20.0 suggested that the survey respondents were optimistic and expected the demand for business loans to increase. By emirate, the strengthening in loan demand was attributable to the stronger demand across the board. **(Chart 1)**.

Chart 1 Change in Demand for Business Loans by Emirate



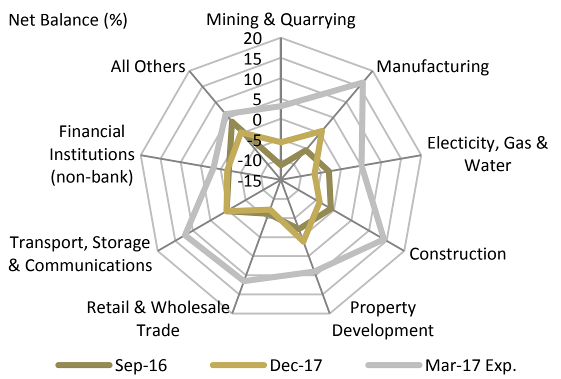
By market segment, easing in demand was most notable among Small and Medium Enterprises and Non-resident Loans. Loan demand for Expat and Conventional Loans also softened. On the other hand, there was a modest demand growth for Local, Large Firms, GREs, and Islamic Loans. In the March quarter, survey respondents were most optimistic about demand growth emanating from Large Firms and Local, while expectations regarding other market segments demand were also optimistic. **(Chart 2)**.

Chart 2 Change in Demand for Business Loans by Type



When asked about the change in demand for business loans by Industry, the respondents stated that there is an ease in demand in Electricity, Gas, and Water, Construction, Retail and Wholesale Trade, Mining & Quarrying, and Financial Institutions (excluding banks). There is a modest tightening in Manufacturing, Property Development, and Transport Storage and Communication. When asked about expectations for the March quarter, the pace of demand growth for business loans was expected to increase across all the other industries. Survey respondents were most optimistic about prospects for demand growth in Construction and Manufacturing. Meanwhile, demand growth held up with Financial Institutions - excluding Banks **(Chart 3)**.

Chart 3 Change in Demand for Business Loans by Industry

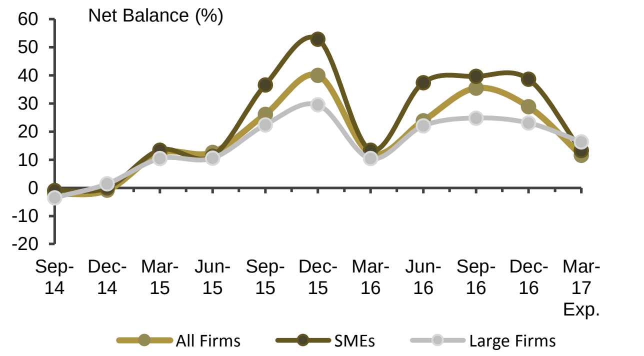


The major factors attributable to the change in demand for business loans were Customers' Sales, Property Market Outlook and Customers Fixed Asset Investment were considered the most important. With respect to the March quarter outlook for demand, survey respondents cited Customers' Sales and Property Market Outlook as being the most important determining ones.

In terms of credit availability, a net balance measure of +28.8 suggested a further tightening of credit standards during the December quarter relative to that reported in the previous firm size, though respondents reported a higher level of tightening for SMEs relative to Large Firms. In the quarter ahead, survey respondents expect tightening in credit standards, but to a lesser extent than reported in the September quarter. **(Chart 4)**.

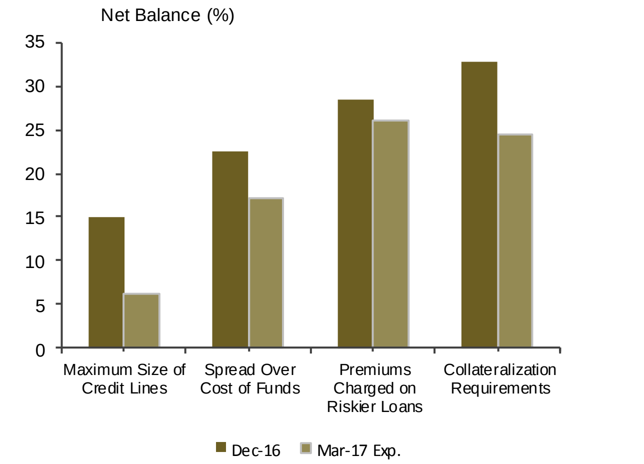
[2] Full survey results are presented in Annex 1 of this report

Chart 4 Change in Credit Standards



With respect to specific terms and conditions, survey respondents reported a tightening in credit standards that occurred most with respect to Collateralization Requirements and Premiums Charged on Riskier Loans. Terms and conditions pertaining to Maximum Size of Credit Lines. Relatively tightened as well, although to a lesser extent. In the March quarter, survey respondents expected it to ease further across all terms and conditions, particularly with respect to Collateralization Requirements and Premiums Charged on riskier loans **(Chart 5)**.

Chart 5 Change in Terms and Conditions



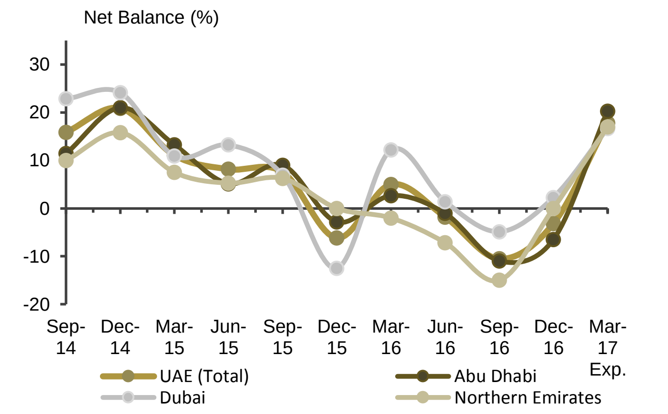
When asked about which factors were attributable to the change in credit standards, survey respondents cited the Economic Outlook, Quality of Your Bank's asset Portfolio, and Industry or Firm Specific Conditions as major factors in determining credit standards in the December quarter. Change in Tolerance for Risk was also considered significant by respondents, although to a lesser extent. In contrast, Competitive Pressure from Financial Companies continued to have little bearing on credit standards in this quarter.

> Personal Lending[3]

Echoing results for business lending, demand for personal loan in aggregate also eased in the December quarter, though to a less extent than reported in September quarter as suggested by the net balance measure. The marginal decrease in personal loan demand was mainly attributable to the weakening demand in Abu Dhabi. On the other hand, demand strengthened in Dubai, while it remained unchanged in Northern Emirates.

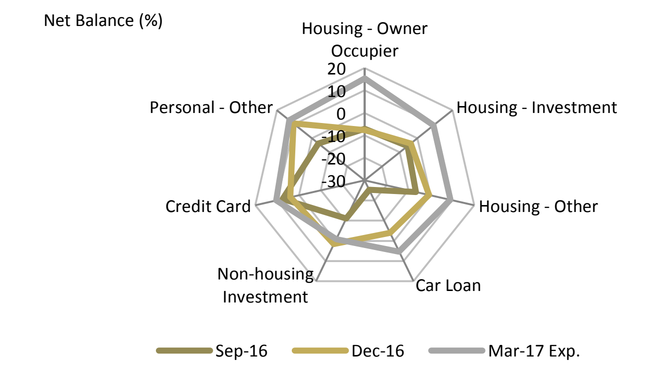
In terms of the March quarter outlook for personal lending, survey respondents reported a net balance measure of +17.8. In aggregate, survey respondents were optimistic and expected the demand to improve and move back to expansion in the March quarter. By emirate, survey respondents expected an increase in demand growth across the board. **(Chart 6)**.

Chart 6 Change in Demand for Personal Loans by Emirate



For the December quarter, there is an easing in demand for personal loans across all categories with the exception of Credit Card, Non-Housing Investment, Personal – Other, Islamic, and Conventional Loans. The demand appetite for Housing – Owner Occupier, Housing Investment, and Housing – Other, and Car loan has improved but still remained in the negative territory. With respect to expectations for the March quarter, survey respondents expected demand to grow in all categories, apart from 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, Financial Markets Outlook was considered the most important, with more than three-quarters of respondents citing such a factor. Housing Market Outlook and

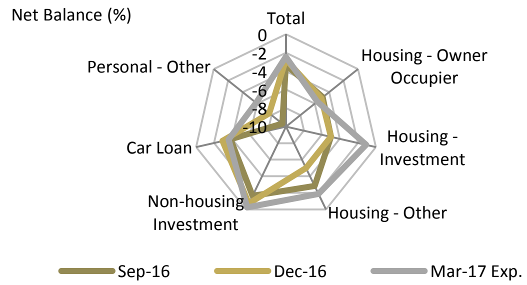
[3] Full survey results are presented in Annex 2 of this report

Change in Income also featured prominently. For the March quarter, survey respondents cited the Financial Markets, Changes in Income, Housing Markets Outlook, as well as Interest Rates, to be the most important factors expected to influence personal loans demand.

In terms of credit availability, 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. Nonetheless, in aggregate, a net balance of -2.8 suggested marginal easing of credit standards in the December quarter. By loan category, the easing in credit standards was evident across the board, particularly due to the easing in Personal – Other purposes category, Housing – Owner Occupier, as well as Housing – Investment.

In terms of outlook, the credit standards in aggregate were expected to ease for the March quarter, as suggested by the net balance measure of -2.4. By loan type, credit standards were expected to ease in all the categories. **Chart 8)**.

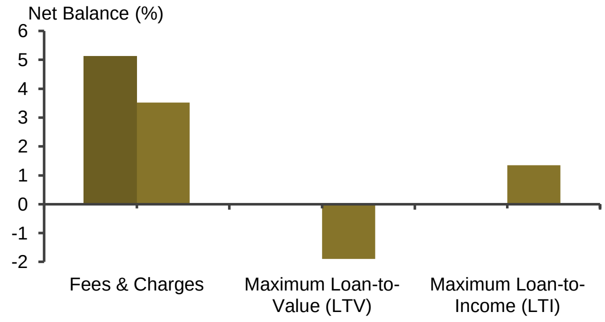
Chart 8 Change in Credit Standards



With respect to credit terms and conditions, more than 80% of the survey respondents reported no change across the board in the December quarter. In aggregate, zero net balance figures were cited by survey respondents for terms and conditions pertaining to Maximum Loan-to-Value (LTV) and Maximum Loan-to-Income (LTI) ratios indicating no change in credit standards. On the other hand, a marginal tightening in credit standard vis-à-vis Fees and charges was reported.

With respect to the outlook for the March quarter, survey respondents expected terms and conditions pertaining to maximum Loan-to-Value (LTV) to ease marginally, while Fees & Charges and Maximum Loan-to-Income (LTI) would tightened moderately. (**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, more than three-quarters of survey respondents overwhelmingly cited the Economic Outlook, the Quality of Their Institutions' Asset Portfolio, and Industry or Firm Specific Conditions as most important cited 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 2016 Q4 Survey, which was conducted during the period of 10 – 31 December, 2016. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the September quarter survey was 226 respondents, with 103 answering questions related to personal credit and 123 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 are:

- 2017 Q1 Survey in April 2017
- 2017 Q2 Survey in July 2017
- 2017 Q3 Survey in October 2017
- 2017 Q4 Survey in January 2018

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[4]

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	6.0	30.9	26.2	33	3.4	-1.3
Abu Dhabi	4.8	33.7	28.9	27.7	4.8	-3.0
Dubai	6.1	28.6	21.4	41.8	2.0	2.6
Northern Emirates	7.7	30.8	30.8	26.9	3.8	-5.8
Small and Medium Enterprises	18.3	21.6	43.2	14.1	2.8	-19.2
Large Firms	2.7	22.4	38.1	35.9	0.9	4.9
Government Related Entities	4.1	7.2	63.6	24.1	1.0	5.4
Conventional Loans	5.9	23.8	37.1	32.2	1.0	-0.7
Islamic Finance	3.4	16.6	57.1	21.7	1.1	0.3
Non-resident	1.3	14.6	77.5	4.0	2.6	-4.0
Expat	5.5	23.7	43.8	26.9	0.0	-3.9
Local	3.5	20.3	40.1	31.7	4.4	6.6

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	7.3	8.4	74.9	7.3	2.1	-5.8
Manufacturing	5.4	17.0	51.1	23.8	2.7	0.7
Electricity, Gas and Water	3.9	13.7	74.1	8.3	0.0	-6.6
Construction	6.3	27.8	34.5	30.5	0.9	-4.0
Property Development	5.6	20.5	43.7	26.5	3.7	1.2
Retail and Wholesale Trade	5.2	31.4	37.6	24.0	1.7	-7.2
Transport, Storage and Communications	2.6	16.7	61.2	15.9	3.5	0.4
Financial Institutions (excluding Banks)	4.3	4.3	82.9	7.5	1.1	-1.6
All Others	2.7	17.8	61.3	12.9	5.3	0.2

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

	Not Important	Somewhat Important	Very Important
Customers' Sales	13.2	23.4	63.4
Customers' Fixed Asset Investment	19.6	48.1	32.3
Competition with Finance Companies	67.7	27.2	5.1
Competition with Banks	38.3	50.6	11.1
Interest Rates	26.8	43.8	29.4
Seasonal Influences	31.5	54.0	14.5
Property Market Outlook	17.4	48.5	34.0

[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	10.5	40.2	45.9	3.5	0.0	28.8
Small and Medium Enterprises	28.4	24.2	43.7	3.7	0.0	38.6
Large Firms	6.5	38.7	49.3	5.5	0.0	23.0

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	11.9	23.8	64.3
Economic Outlook	7.5	15.9	76.7
Industry or Firm Specific Conditions	12.8	26.9	60.4
Competition from Banks	38.8	50.7	10.6
Competition from Finance Companies	69.2	29.1	1.8
Change in Tolerance for Risk	22.5	23.8	53.7
	19.8	51.1	29.1
Current/Anticipated Regulatory Changes	30.8	21.6	47.6

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	6.4	21.0	68.9	3.7	0.0	15.1
Spread Over Your Cost of Funds	4.0	38.6	55.6	1.8	0.0	22.4
Premiums Charged on Riskier Loans	14.2	30.6	53.4	1.8	0.0	28.5
Collateralization Requirements	15.1	35.1	49.8	0.0	0.0	32.7

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	0.9	7.0	44.1	47	0.9	20.0
Abu Dhabi	0.0	7.4	48.1	44.4	0.0	18.5
Dubai	2.1	8.3	41.7	45.8	2.1	18.8
Northern Emirates	0.0	4.0	42.0	54.0	0.0	25.0
Small and Medium Enterprises	2.6	8.8	53.3	34.4	0.9	11.0
Large Firms	0.9	7.4	42.4	47.5	1.8	21.0
Government Related Entities	0.0	1.8	66.4	30.9	0.9	15.4
Conventional Loans	0.9	3.6	60.6	34.8	0.0	14.7
Islamic Finance	0.0	3.7	66.8	29.5	0.0	12.9
Non-resident	0.9	3.6	90.0	4.5	0.9	0.5
Expat	0.9	3.6	57.0	37.7	0.9	17.0
Local	0.0	5.4	48.0	43.4	3.2	22.2

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	0.9	1.8	87.4	9.9	0.0	3.1
Manufacturing	0.9	4.5	56.6	37.1	0.9	16.3
Electricity, Gas and Water	1.8	0.9	82.5	14.8	0.0	5.2
Construction	1.8	7.2	52.5	37.6	0.9	14.3
Property Development	1.8	7.2	62.9	27.1	0.9	9.0
Retail and Wholesale Trade	1.8	12.7	47.1	37.6	0.9	11.5
Transport, Storage and Communications	0.9	5.4	62.0	31.7	0.0	12.2
Financial Institutions (excluding Banks)	0.9	0.9	91.7	6.5	0.0	1.8
All Others	0.0	7.2	74.2	17.6	0.9	6.1

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	26.4	16.3	57.3
Customers' Fixed Asset Investment	31.7	40.1	28.2
Competition with Finance Companies	74.9	22.5	2.6
Competition with Banks	55.5	33.9	10.6
Interest Rates	41.9	34.8	23.3
Seasonal Influences	40.5	44.5	15.0
Property Market Outlook	30.4	37.9	31.7

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	3.5	27.5	58.5	9.6	0.9	11.6
Small and Medium Enterprises	10.1	17.6	61.7	9.7	0.9	13.2
Large Firms	2.7	30.9	62.8	3.6	0.0	16.4

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	26.4	15.0	58.6
Economic Outlook	22.9	13.2	63.9
Industry or Firm Specific Conditions	29.1	22.5	48.5
Competition from Banks	51.5	41.4	7.0
Competition from Finance Companies	74.9	22.5	2.6
Change in Tolerance for Risk	35.2	22.9	41.9
Availability/Cost of Funds	35.2	36.1	28.6
Current/Anticipated Regulatory Changes	40.1	10.6	49.3

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	3.5	16.7	68.3	11.5	0.0	6.2
Spread Over Your Cost of Funds	3.5	34.4	55.1	7.0	0.0	17.2
Premiums Charged on Riskier Loans	7.9	39.6	48.9	3.5	0.0	26.0
Collateralization Requirements	5.3	41.0	52.0	0.9	0.9	24.4

Annex 2

> Personal Lending Survey Questionnaires Results[5]

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	3.7	21.8	51.6	22.9	0.0	-3.2
Abu Dhabi	4.3	24.6	50.7	20.3	0.0	-6.5
Dubai	0.0	19.7	56.1	24.2	0.0	2.3
Northern Emirates	2.0	22.0	50.0	26.0	0.0	0.0
Islamic	0.0	15.6	65.9	18.4	0.0	1.4
Conventional	3.2	13.0	63.8	20.0	0.0	0.3
Housing – Owner Occupier	0.0	26.5	62.3	11.1	0.0	-7.7
Housing – Investment	7.4	8.0	69.1	15.4	0.0	-3.7
Housing – Other (includes refinancing, renovations)	3.7	8.6	72.8	14.8	0.0	-0.6
Car Loan	6.2	19.1	56.8	12.3	5.6	-4.0
Non-housing Investment	0.0	6.3	84.3	9.4	0.0	1.6
Credit Card	0.0	19.5	53.0	27.4	0.0	4.0
Personal - Other	0.0	16.2	47.5	35.2	1.1	10.6

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

	Not Important	Somewhat Important	Very Important
Housing market outlook	25.4	46.5	28.1
Financial markets outlook	20.7	46.8	32.4
Change in income	27.1	23.4	49.5
Interest rates	30.3	22.3	47.3
Competition with other banks or financial institutions	29.3	39.9	30.9
Seasonal influences	44.7	41.5	13.8

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	94.5	5.5	0.0	-2.8
Housing – Owner Occupier	0.0	0.0	89.8	10.2	0.0	-5.1
Housing – Investment	0.0	0.0	90.0	10.0	0.0	-5.0
Housing – Other (includes refinancing, renovations)	0.0	0.0	90.0	10.0	0.0	-5.0
Non-housing Investment	0.0	0.0	98.6	1.4	0.0	-0.7
Car Loan	0.0	0.0	94.1	5.9	0.0	-2.9
Personal - Other	0.0	0.0	86.3	12.0	1.7	-7.7

[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	12.4	28.1	59.5
Economic Outlook	7.4	31.9	60.6
Customer Specific	28.7	26.6	44.7
Competition from Banks	31.9	53.7	14.4
Competition from Finance Companies	71.8	22.3	5.9
Change in Tolerance for Risk	36.7	19.1	44.1
Availability/Cost of Funds	29.3	37.8	33.0
Current/Anticipated Regulatory Changes	29.3	27.7	43.1

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	0.0	10.3	89.7	0.0	0.0	5.1
Maximum Loan-to-Value (LTV)	0.0	1.1	97.8	1.1	0.0	0.0
Maximum Loan-to-Income (LTI)	0.0	1.1	97.8	1.1	0.0	0.0

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	0.0	7.4	49.5	43.1	0.0	17.8
Abu Dhabi	0.0	5.8	47.8	46.4	0.0	20.3
Dubai	0.0	9.1	48.5	42.4	0.0	16.7
Northern Emirates	0.0	8.0	50.0	42.0	0.0	17.0
Islamic	0.0	6.7	59.8	33.5	0.0	13.4
Conventional	0.0	2.7	65.9	30.3	1.1	14.9
Housing – Owner Occupier	0.0	7.6	55.7	35.1	1.6	15.4
Housing – Investment	3.2	4.9	62.2	29.7	0.0	9.2
Housing – Other (includes refinancing, renovations)	0.0	5.9	69.7	24.3	0.0	9.2
Car Loan	1.1	7.3	71.5	20.1	0.0	5.3
Non-housing Investment	0.0	8.4	86.0	4.5	1.1	-0.8
Credit Card	0.0	8.4	63.7	26.8	1.1	10.3
Personal - Other	0.0	6.7	62.6	29.1	1.7	12.8

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	30.3	36.8	33.0
Financial markets outlook	23.8	45.4	30.8
Change in income	27.6	26.5	45.9
Interest rates	31.4	25.4	43.2
Competition with other banks or financial institutions	32.4	43.2	24.3
Seasonal influences	47.0	40.0	13.0

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	0.0	6.5	82.2	11.4	0.0	-2.4
Housing – Owner Occupier	0.0	4.3	80.0	15.7	0.0	-5.7
Housing – Investment	0.0	6.5	84.9	8.6	0.0	-1.1
Housing – Other (includes refinancing, renovations)	0.0	5.9	84.3	9.7	0.0	-1.9
Non-housing Investment	0.0	4.5	91.6	2.8	1.1	-0.3
Car Loan	0.0	6.1	80.4	13.4	0.0	-3.6
Personal - Other	0.0	11.2	67.0	20.7	1.1	-5.9

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	33.0	18.4	48.6
Economic Outlook	27.0	24.9	48.1
Industry or Firm Specific Conditions	38.9	21.6	39.5
Competition from Banks	40.0	47.6	12.4
Competition from Finance Companies	76.8	19.5	3.8
Change in Tolerance for Risk	38.9	20.0	41.1
Availability/Cost of Funds	54.6	30.8	14.6
Current/Anticipated Regulatory Changes	38.9	16.8	44.3

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	0.00	10.27	86.49	3.24	0.00	3.51
Maximum Loan-to-Value (LTV)	0.00	0.00	97.30	1.62	1.08	-1.89
Maximum Loan-to-Income (LTI)	0.00	5.41	92.97	0.54	1.08	1.35