



# Credit Sentiment Survey

Survey Results | 2017 Q3

*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.<sup>1</sup>*

## > Executive Summary

Results from the September quarter Credit Sentiment Survey were consistent with the recovery registered since the beginning of the year. Survey results suggested a marginal credit growth for both personal and business loans and expectation for a moderate increase in the next quarter.

**Lending to Corporates & Small Businesses** – According to survey respondents, demand for business credit has increased moderately in the September quarter. By loan type, the modest increase in demand for loans is most evident in conventional loans and Islamic finance. With respect to specific terms and conditions, more than 60% of survey respondents reported no changes, while around 30% respondents reported modest tightening. Survey results also suggested that the most important factors in determining credit standards are economic outlook, and industry or firm specific conditions. For the December quarter, survey respondents expected the demand for business loans to increase, and credit standards to continue to remain largely unchanged.

**Lending to Individuals** – Echoing results for business lending, demand for personal loans in aggregate slightly increased in the September quarter. Survey results suggested a modest increase in demand for Credit Card, and Personal - Other. Furthermore, when asked about which factors contributed to the change in demand for loans, the survey results revealed that change in income, and financial markets outlook were the most important. Consistent with previous quarters, more than 80% of survey results reported that the credit standard to be unchanged across all the categories. In terms of outlook, the credit standards in aggregate were expected to slightly tighten.

<sup>1</sup> 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)

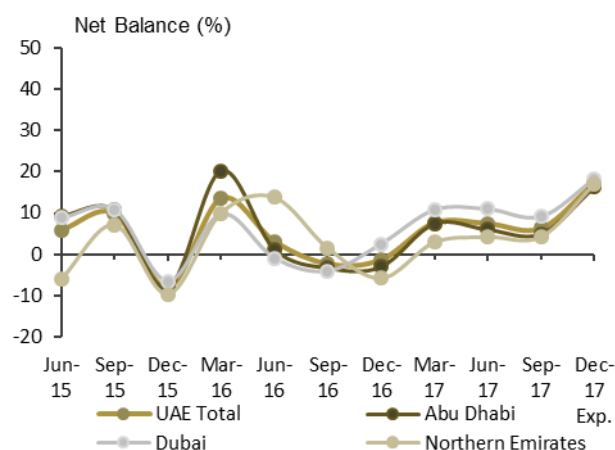
For credit standards, net balance = (% Reporting Significant Tightening + 0.5 x % Reporting Moderate Tightening) – (% Reporting Significant Easing + 0.5 x % Reporting Moderate Easing)

## > Business Lending<sup>2</sup>

For the September quarter, the survey’s results revealed a moderate increase in demand growth for business loans, with a net balance measure of +6.3. According to the survey results, +41.5 percent reported no change, +35.5 percent reported an increase in demand, and +22.9 percent of respondents reported a decrease in demand. By emirates, the survey respondents recorded an increase in demand for business loans across the board.

With respect to the expectation for the December quarter, a net balance measure of +17.3 indicates that the survey respondents are optimistic and expecting the demand for business loans to increase further. By emirate, the strengthening in loan demand was attributable to the stronger demand across the board. (Chart 1).

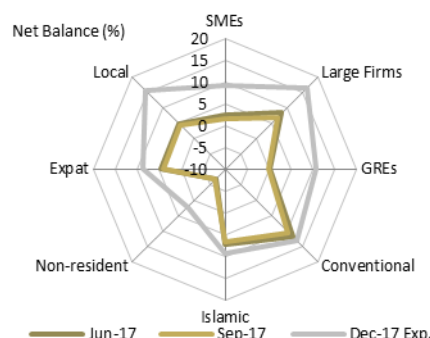
**Chart 1 Change in Demand for Business Loans by Emirate**



By market segment, a modest increase in demand for loans was found across the board with the exception of non-resident. Predominantly, the increase in demand for loans was most evident among conventional loans, large firms and Islamic finance, while the demand remained unchanged for government related entities.

For December quarter, survey respondents are optimistic about demand growth across all the board, especially among large firms, local, and government related entities (Chart 2).

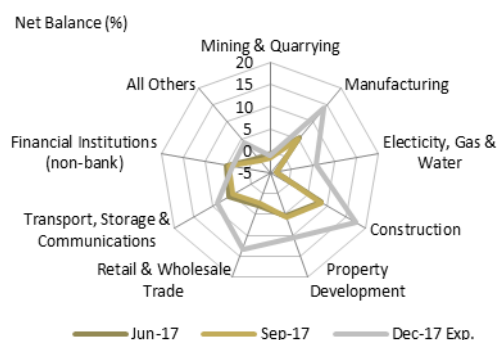
**Chart 2 Change in Demand for Business Loans by Type**



When asked about the change in demand for business loans by industry, the survey results suggested an increase in demand in construction, property development, manufacturing, transport storage and communication, financial institutions (excluding banks), and retail and wholesale trade. Moreover, there is a softening in demand for loans for electricity, gas and water, mining & quarrying and all others.

For the December quarter, the demand for business loans is expected to increase across all the other industries, with the exception of mining & quarrying (Chart 3).

**Chart 3 Change in Demand for Business Loans by Industry**

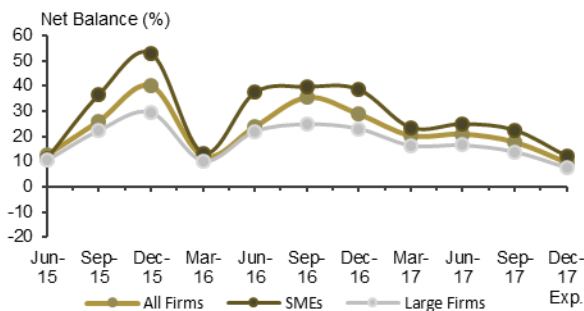


The major factors attributable to the change in demand for business loans were customers’ sales, customers’ fixed asset investment, property market outlook and interest rates. With respect to the December quarter outlook for demand, survey results indicated that customers’ sales, and customers’ fixed asset investment as the most important determining factors.

In terms of credit standards, more than 60% of survey respondents reported no changes, while around 30% of respondents reported a moderate tightening. In aggregate, positive net balance measures were noticed, reflecting a modest tightening of credit standards during the September quarter. The survey results also showed significant tightening for small to medium enterprises relative to large firms. In the quarter ahead, survey respondents expect further tightening in credit standards (Chart 4).

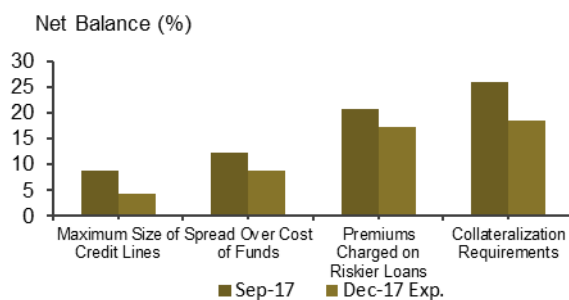
<sup>2</sup> Full survey results are presented in Annex 1 of this report

**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 and spread over your cost of funds tightened as well but to a lesser extent. In the December quarter, survey respondents expect it to tighten further across all terms and conditions, particularly with respect to collateralization requirements and premiums charged on riskier loans but to a lesser extent than the September quarter (Chart 5).

**Chart 5 Change in Terms and Conditions**



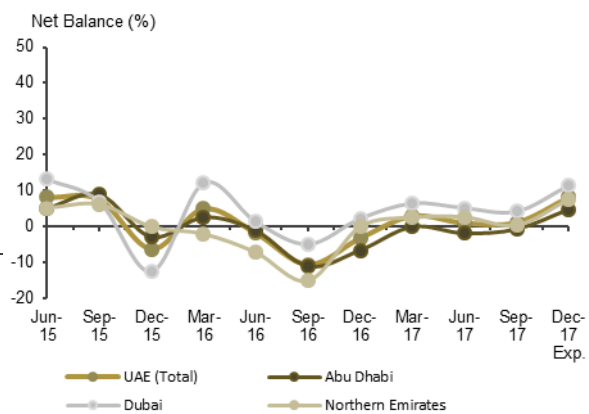
When asked about which factors were attributable to the change in credit standards in September quarter, survey results suggested the most important factors in determining credit standards are economic outlook, industry or firm specific conditions, quality of banks' asset portfolio, and change in tolerance for risk. Competitive pressure from financial companies continued to have minimum bearing on credit standards in this quarter.

## > Personal Lending<sup>3</sup>

Echoing results for business lending, demand for personal loans in aggregate slightly increased in the September quarter as suggested by the net balance measure of +1.2. The marginal increase in personal loan demand was mainly attributable to the strengthening in demand in Dubai and Northern Emirates. The demand for loans for Abu Dhabi decreased marginally for the second quarter in a row.

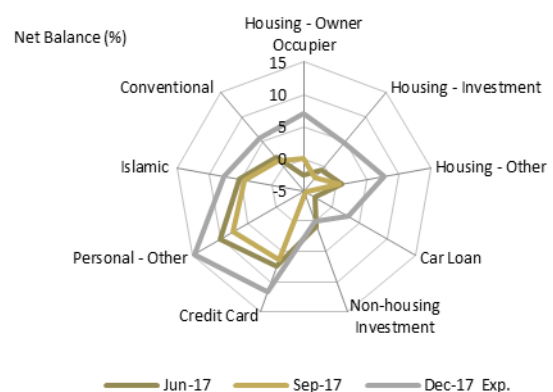
In terms of the December quarter outlook for personal lending, survey respondents reported a net balance measure of +8.2. In aggregate, survey results suggested an optimistic stance and expected the demand to increase further. By emirate, survey respondents expected an increase in demand for loans across the board, most prominently in Dubai. (Chart 6).

**Chart 6 Change in Demand for Personal Loans by Emirate**



For the September quarter, there is a decrease in demand for personal loans in car loan, non-housing investment, and housing – investment. However, there is a modest increase in demand for credit card, personal – other, islamic, conventional, housing – other (includes refinancing, renovations), and housing – owner occupier. With respect to expectations for the December quarter, survey respondents expect demand for loans to grow in all categories, while non-housing investment remained unchanged. (Chart 7).

**Chart 7 Change in Demand for Personal Loans by Type**



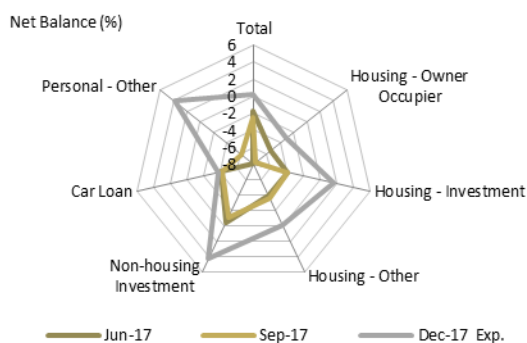
<sup>3</sup> Full survey results are presented in Annex 2 of this report

When asked about which factors contributed to the change in demand for loans, the survey results revealed that change in come, and financial markets outlook were the most important. Housing market outlook and interest rates were also considered important. For the December quarter, survey respondents cited that housing market outlook, change in income, as well as financial markets outlook to be the most important factors expected to influence personal loans demand.

In terms of credit availability, more than 80% of survey respondents cited that the credit standards were unchanged across all the categories, similar to the previous quarters. However, in aggregate, a net balance of -2.5 for all households suggested marginal easing of credit standards in the September quarter. By loan category, the easing in credit standards was evident in housing – owner occupier, personal – other, and car loan.

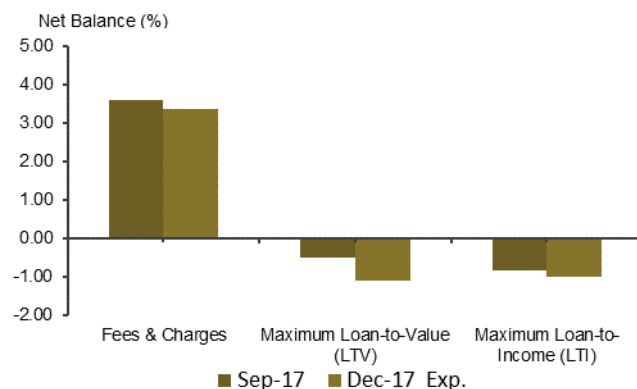
In terms of outlook, the credit standards in aggregate were expected to slightly tighten, as suggested by the net balance measure of +0.1. By loan type, credit standards were expected to strengthen in non-housing investment, personal – other, and housing – owner occupier. Moreover, survey results suggested a slight softening in car loan, housing – investment, and housing – other (includes refinancing, renovations) (Chart 8).

**Chart 8 Change in Credit Standards**



With respect to credit terms and conditions, in the September quarter the survey respondents reported a moderate tightening in fees and charges, and softening in maximum loan-to-income (LTI) and maximum loan-to-value (LTV). With respect to the outlook for the December quarter, survey respondents expect terms and conditions pertaining to fees & charges to tighten marginally while and maximum loan-to-income (LTI) maximum loan-to-value (LTV) to ease marginally. (Chart 9).

**Chart 9 Change in Selected Terms and Conditions**



When asked about those factors attributable to the change in credit standards during the September quarter, more than three-quarters of survey respondents cited the economic outlook, the quality of your bank’s asset portfolio, and customer specific to be the 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 2017 Q3 Survey, which was conducted during the period of 16 – 30 September 2017. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the June quarter survey was 204 respondents, with 92 answering questions related to personal credit and 112 answering questions related to business credit. The September 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 Q4 Survey in January 2018
- 2018 Q1 Survey in April 2018
- 2018 Q2 Survey in July 2018
- 2018 Q3 Survey in October 2018

These publications will be available on the CBUAE’s website at [www.centralbank.ae](http://www.centralbank.ae)

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

[Monetary.Management@cbae.gov.ae](mailto:Monetary.Management@cbae.gov.ae)

## Annex 1

> Business Lending Survey Questionnaires Results<sup>4</sup>

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

	Decreased Substantiall y	Decreased Moderately	No Change	Increased Moderately	Increased Substantiall y	Net Balance
All Firms	0.5	22.4	41.5	35	0.5	6.3
Abu Dhabi	0.0	23.6	43.0	33.5	0.0	4.9
Dubai	1.3	20.6	37.9	38.9	1.3	9.1
Northern Emirates	0.0	22.9	45.7	31.4	0.0	4.3
Small and Medium Enterprises	3.3	20.9	46.1	28.5	1.2	1.7
Large Firms	0.7	18.7	46.9	33.8	0.0	6.8
Government Related Entities	0.3	11.4	76.8	11.0	0.5	0.0
Conventional Loans	0.5	12.6	53.3	32.9	0.8	10.4
Islamic Finance	0.0	13.3	60.6	25.4	0.7	6.8
Non-resident	3.2	14.1	76.4	5.6	0.7	-6.7
Expat	1.0	20.4	48.7	29.0	0.9	4.1
Local	0.3	16.0	59.2	23.7	0.8	4.4

## 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	1.0	9.5	81.9	7.3	0.3	-1.8
Manufacturing	1.4	14.6	58.3	24.3	1.5	4.9
Electricity, Gas and Water	2.1	12.8	76.3	7.6	1.2	-3.5
Construction	1.0	20.5	42.8	32.0	3.7	8.5
Property Development	1.0	15.9	57.1	22.5	3.5	5.8
Retail and Wholesale Trade	0.5	22.7	50.1	25.2	1.5	2.2
Transport, Storage and Communications	0.5	15.5	59.3	23.3	1.4	4.7
Financial Institutions (excluding Banks)	0.0	5.2	84.2	7.0	3.6	4.6
All Others	0.0	16.8	69.1	14.1	0.1	-1.2

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

	Not Important	Somewhat Important	Very Important
Customers' Sales	17.4	28.2	54.4
Customers' Fixed Asset Investment	24.3	47.4	28.4
Competition with Finance Companies	67.6	26.7	5.7
Competition with Banks	46.7	35.0	18.3
Interest Rates	32.0	34.2	33.8
Seasonal Influences	41.2	49.9	8.8
Property Market Outlook	28.1	38.3	33.6

<sup>4</sup> 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	4.1	31.3	60.4	4.1	0.0	17.7
Small and Medium Enterprises	12.0	25.5	58.1	4.4	0.0	22.5
Large Firms	1.0	31.2	62.3	5.5	0.0	13.9

**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	20.8	20.8	58.4
Economic Outlook	16.0	17.6	66.3
Industry or Firm Specific Conditions	17.0	24.9	58.1
Competition from Banks	48.4	36.4	15.2
Competition from Finance Companies	67.6	29.0	3.4
Change in Tolerance for Risk	22.8	37.5	39.7
Availability/Cost of Funds	33.2	39.5	27.2
Current/Anticipated Regulatory Changes	35.7	21.9	42.4

**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	1.7	20.8	71.0	6.5	0.0	8.8
Spread Over Your Cost of Funds	1.2	29.6	61.5	7.6	0.0	12.2
Premiums Charged on Riskier Loans	5.1	33.6	59.8	0.7	0.8	20.7
Collateralization Requirements	9.6	34.1	55.1	1.2	0.0	26.0

**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	0.0	11.4	43.4	44	0.8	17.3
Abu Dhabi	0.0	12.6	42.1	45.2	0.0	16.3
Dubai	0.0	11.0	43.5	43.5	2.0	18.2
Northern Emirates	0.0	10.3	45.4	44.3	0.0	17.0
Small and Medium Enterprises	0.3	12.0	58.7	27.2	1.8	9.1
Large Firms	0.3	12.1	44.4	41.0	2.2	16.4
Government Related Entities	0.6	2.4	73.8	21.3	2.0	10.8
Conventional Loans	0.0	7.7	59.3	32.0	1.0	13.1
Islamic Finance	0.0	5.1	71.4	23.5	0.0	9.2
Non-resident	0.3	7.3	80.9	10.7	0.8	2.2
Expat	0.3	11.0	60.9	26.6	1.2	8.7
Local	0.0	7.3	56.6	33.4	2.6	15.7



**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	0.6	3.2	93.8	2.4	0.0	-1.0
Manufacturing	1.0	8.7	51.6	38.8	0.0	14.1
Electricity, Gas and Water	0.0	3.3	82.2	14.6	0.0	5.7
Construction	0.0	10.2	47.9	38.4	3.5	17.6
Property Development	0.3	8.2	66.5	20.2	4.8	10.6
Retail and Wholesale Trade	0.5	13.3	49.5	32.3	4.3	13.3
Transport, Storage and Communications	0.3	7.7	66.9	24.2	1.0	8.9
Financial Institutions (excluding Banks)	0.6	1.1	89.2	9.1	0.0	3.4
All Others	0.0	7.6	77.5	14.3	0.7	4.0

**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	24.8	25.5	49.7
Customers' Fixed Asset Investment	31.7	38.2	30.1
Competition with Finance Companies	68.7	27.6	3.7
Competition with Banks	52.6	30.5	16.9
Interest Rates	36.3	33.7	30.1
Seasonal Influences	41.3	44.2	14.4
Property Market Outlook	33.7	28.2	38.2

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

	Tighten Significantly	Tighten Moderately	No Change	Ease Moderately	Ease Significantly	Net Balance
All Firms	0.3	23.2	72.1	4.4	0.0	9.7
Small and Medium Enterprises	5.0	18.6	72.9	3.0	0.6	12.2
Large Firms	0.3	19.5	76.1	3.6	0.6	7.6

**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	31.3	14.8	53.8
Economic Outlook	23.9	18.0	58.1
Industry or Firm Specific Conditions	29.0	21.3	49.7
Competition from Banks	57.8	27.5	14.7
Competition from Finance Companies	71.7	25.4	2.9
Change in Tolerance for Risk	31.9	37.2	30.9
Availability/Cost of Funds	38.9	36.5	24.6
Current/Anticipated Regulatory Changes	42.0	17.0	40.9



**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	1.1	12.4	81.1	4.8	0.6	4.3
Spread Over Your Cost of Funds	0.0	25.7	66.1	8.3	0.0	8.7
Premiums Charged on Riskier Loans	2.1	32.6	63.3	2.1	0.0	17.3
Collateralization Requirements	5.3	28.5	64.2	2.1	0.0	18.5

## Annex 2

> Personal Lending Survey Questionnaires Results<sup>5</sup>

## 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	1.2	18.1	58.4	21.9	0.5	1.2
Abu Dhabi	3.2	17.2	57.3	22.3	0.0	-0.6
Dubai	0.0	17.0	58.8	22.9	1.3	4.2
Northern Emirates	0.0	19.5	60.2	20.4	0.0	0.4
Islamic	0.0	8.1	75.4	16.0	0.5	4.4
Conventional	1.0	13.6	68.4	16.0	1.0	1.2
Housing – Owner Occupier	1.4	16.9	62.8	17.8	1.1	0.1
Housing – Investment	2.3	14.3	70.5	11.7	1.1	-2.4
Housing – Other (includes refinancing, renovations)	2.3	6.9	78.2	12.6	0.0	0.6
Car Loan	2.8	18.0	66.8	10.5	1.9	-4.6
Non-housing Investment	1.4	10.1	84.5	4.0	0.0	-4.5
Credit Card	2.1	11.5	58.6	27.0	0.8	6.4
Personal - Other	0.5	12.0	61.7	23.4	2.4	7.7

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

	Not Important	Somewhat Important	Very Important
Housing market outlook	31.8	34.2	34.0
Financial markets outlook	26.2	37.7	36.1
Change in income	25.8	30.4	43.8
Interest rates	37.5	25.1	37.5
Competition with other banks or financial institutions	40.5	35.6	23.9
Seasonal influences	36.3	41.9	21.8

## 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	95.5	3.9	0.6	-2.5
Housing – Owner Occupier	0.0	0.0	84.6	15.4	0.0	-7.7
Housing – Investment	0.0	0.0	92.3	7.7	0.0	-3.8
Housing – Other (includes refinancing, renovations)	0.0	0.0	92.9	7.1	0.0	-3.5
Non-housing Investment	0.0	0.0	97.7	2.3	0.0	-1.2
Car Loan	0.0	0.0	91.7	8.3	0.0	-4.2
Personal - Other	0.0	0.0	88.4	10.8	0.7	-6.1

<sup>5</sup> 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	22.5	15.1	62.4
Economic Outlook	18.3	20.4	61.4
Customer Specific	29.0	23.4	47.5
Competition from Banks	39.6	44.5	15.9
Competition from Finance Companies	63.5	28.8	7.7
Change in Tolerance for Risk	32.6	19.2	48.2
Availability/Cost of Funds	33.3	33.5	33.3
Current/Anticipated Regulatory Changes	33.3	11.9	54.8

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

	Tightened Significantly	Tightened Moderately	No Change	Eased Moderately	Eased Significantly	Net Balance
Fees and Charges	0.2	9.1	88.2	2.4	0.0	3.6
Maximum Loan-to-Value (LTV)	0.0	2.3	95.5	1.3	1.0	-0.5
Maximum Loan-to-Income (LTI)	0.0	2.2	94.4	2.9	0.5	-0.8

**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	0.2	10.2	62.4	27.1	0.0	8.2
Abu Dhabi	0.6	13.5	61.3	24.5	0.0	4.8
Dubai	0.0	7.2	62.5	30.3	0.0	11.5
Northern Emirates	0.0	9.9	64.9	25.2	0.0	7.7
Islamic	0.0	4.7	79.0	16.3	0.0	5.8
Conventional	0.2	8.5	72.0	18.7	0.5	5.4
Housing – Owner Occupier	0.7	10.0	63.9	25.4	0.0	7.0
Housing – Investment	2.0	6.8	72.7	17.1	1.5	4.6
Housing – Other (includes refinancing, renovations)	0.7	4.4	74.1	20.5	0.2	7.6
Car Loan	2.2	7.7	72.0	18.1	0.0	3.0
Non-housing Investment	0.7	5.4	86.9	6.9	0.0	0.0
Credit Card	0.7	6.7	63.6	26.5	2.5	11.6
Personal - Other	0.2	7.7	58.7	29.2	4.2	14.7

**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	23.2	39.5	37.3
Financial markets outlook	24.9	38.5	36.6
Change in income	23.7	32.5	43.8
Interest rates	37.6	28.2	34.2
Competition with other banks or financial institutions	39.2	36.1	24.6
Seasonal influences	35.6	43.8	20.6

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

	Tighten Significantly	Tighten Moderately	No Change	Ease Moderately	Ease Significantly	Net Balance
All Households	1.2	10.2	76.2	12.4	0.0	0.1
Housing – Owner Occupier	1.3	5.5	79.1	14.1	0.0	-3.0
Housing – Investment	1.3	7.6	84.6	6.3	0.3	1.6
Housing – Other (includes refinancing, renovations)	1.2	5.6	85.0	8.3	0.0	-0.1
Non-housing Investment	1.0	9.0	87.6	2.4	0.0	4.2
Car Loan	0.5	5.4	80.1	14.1	0.0	-3.8
Personal - Other	1.8	19.9	62.4	15.9	0.0	3.8

**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	23.2	17.0	59.8
Economic Outlook	16.5	28.0	55.5
Industry or Firm Specific Conditions	30.9	22.5	46.7
Competition from Banks	36.6	46.9	16.5
Competition from Finance Companies	61.5	28.5	10.0
Change in Tolerance for Risk	33.0	19.4	47.6
Availability/Cost of Funds	38.0	29.2	32.8
Current/Anticipated Regulatory Changes	33.3	12.2	54.5

**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	8.7	89.3	2.0	0	3.3
Maximum Loan-to-Value (LTV)	0	0.5	97.3	1.7	0.5	-1.1
Maximum Loan-to-Income (LTI)	0	1.5	95.5	2.5	0.5	-1.0