Credit Sentiment Survey

Survey Results | 2017 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 marginal increase for business loans, mainly attributable to the strengthening in demand in Dubai. On the other hand, demand for personal loans in aggregate was flat, with most respondents reporting no change. In terms of outlook, demand for both personal and business lending were expected to increase.

Lending to Corporates & Small Businesses – For the December quarter the survey's results revealed a marginal increase in demand for business loans. By loan type, the modest increase in demand for loans was most evident among conventional loans and large firms. Survey results also suggested that the most important factors in determining credit standards are economic outlook, industry or firm specific conditions, quality of banks' asset portfolio. With respect to specific terms and conditions, around 60% of survey respondents reported no change, while more than 30% respondents reported moderate tightening. For the March quarter, survey respondents expected credit standards to moderately tighten, and the demand for business loans to increase further.

Lending to Individuals – Demand for personal loans in aggregate was flat in the December quarter. However, survey respondents reported a moderate increase in demand for housing – other (includes refinancing, renovations), and housing – owner-occupier. Moreover, when asked about which factors contributed to the change in demand for loans, the survey respondents cited that change in income, and financial markets outlook were the most important. In terms of credit availability, more than 88% of survey results cited that the credit standard to be unchanged across all the categories, consistent with previous quarters. In terms of outlook, survey respondents expect terms and conditions pertaining to fees & charges to tighten marginally while maximum loan-to-income (LTI) and maximum loan-to-value (LTV) to ease marginally.

[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)

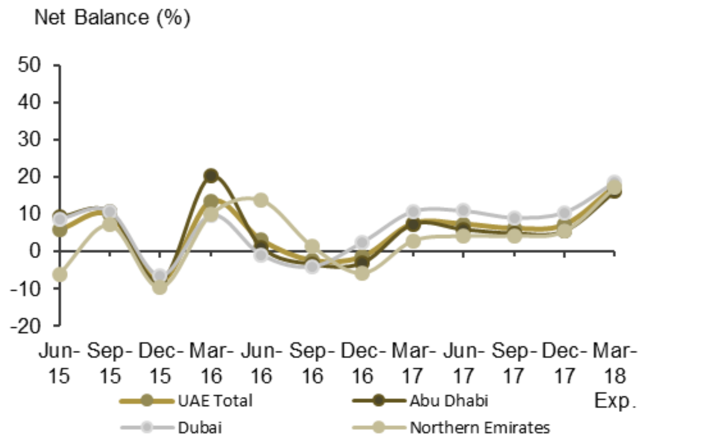
For credit standards, net balance = (% Reporting Significant Tightening + 0.5 x % Reporting Moderate Tightening) – (% Reporting Significant Easing + 0.5 x % Reporting Moderate Easing)

> Business Lending[2]

For the December quarter, the survey's results revealed that demand for business loans increased marginally with a net balance measure of +7.3. According to the survey respondents, 42.3 percent reported no change, 36.6 percent reported an increase in demand, while 21.4 percent of respondents reported a decrease in demand. By emirate, the survey respondents recorded an increase in demand for business loans across the board, mainly in Dubai.

In terms of outlook, survey results revealed a net balance measure of +17.6 suggesting an optimistic stance. By emirate, the strengthening in loan demand was attributable to the expected stronger demand across the board **(Chart 1)**.

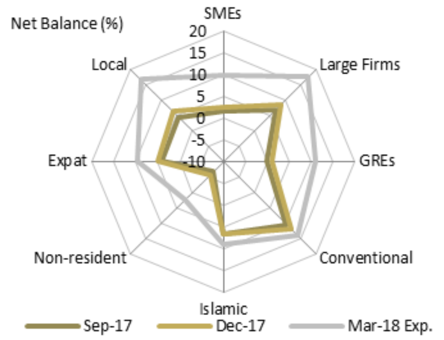
Chart 1 **Change in Demand for Business Loans by Emirate**



By market segment, demand for loans increased modestly across all categories with the exception of non-resident. Overall, the increase in demand for loans was most noticeable among conventional loans, large firms and Islamic finance.

For the 2018 March quarter, survey respondents were expecting the demand for business loans to increase substantially, mainly among large firms, local, and conventional loans **(Chart 2)**.

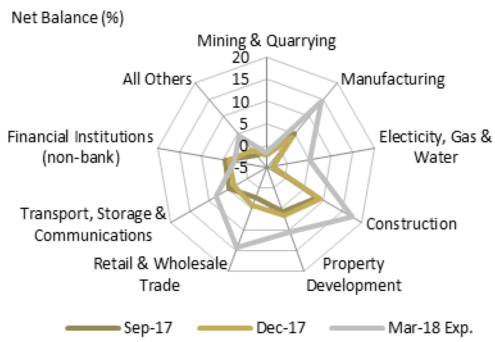
Chart 2 **Change in Demand for Business Loans by Type**



When asked about the change in demand for business loans by industry in the December quarter, the survey respondents reported an increase in demand in construction, property development, manufacturing, retail and wholesale trade, financial institutions (excluding banks), and transport storage and communication. In addition, there was a softening in demand for loans for electricity, gas and water, and mining & quarrying while all others remained unchanged.

For the 2018 March quarter, survey respondents were optimistic and expected demand for loans to increase across all industries, with the exception of mining & quarrying **(Chart 3)**.

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

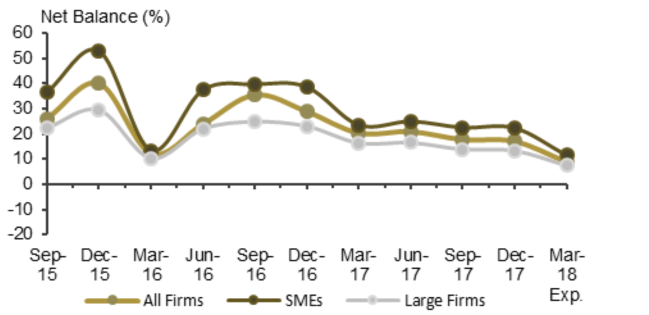


The main factors determining the change in demand for business loans were customers' sales, customers' fixed asset investment, property market outlook and interest rates. For the 2018 March quarter, survey results indicate that customers' sales, and customers' fixed asset investment will remain the most important determining factors.

In terms of credit standards, more than 30% of respondents reported a moderate tightening, and around 60% of survey respondents reported no change. In aggregate, positive net balance measures were observed, suggesting a tightening of credit standards during the December quarter. Moreover, the survey results revealed a stronger tightening for small and medium enterprises relative to large firms. In the 2018 March quarter, survey respondents predicted further tightening in credit standards but to a lesser extent **(Chart 4)**.

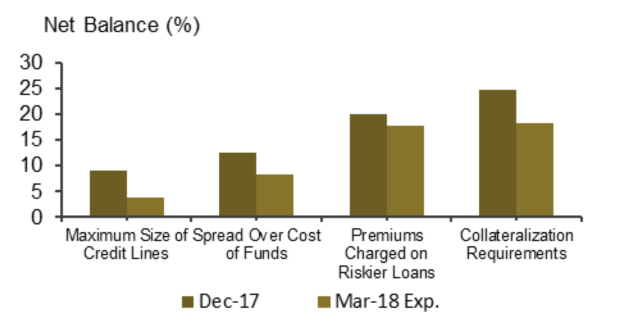
[2] Full survey results are presented in Annex 1 of this report

Chart 4 Change in Credit Standards



With respect to specific terms and conditions, survey results indicated 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 the cost of funds tightened as well but to a lesser extent. In the 2018 March quarter, survey respondents expect further tightening across all terms and conditions, particularly with respect to collateralization requirements and premiums charged on riskier loans but to a lesser extent than the December quarter **(Chart 5)**.

Chart 5 Change in Terms and Conditions



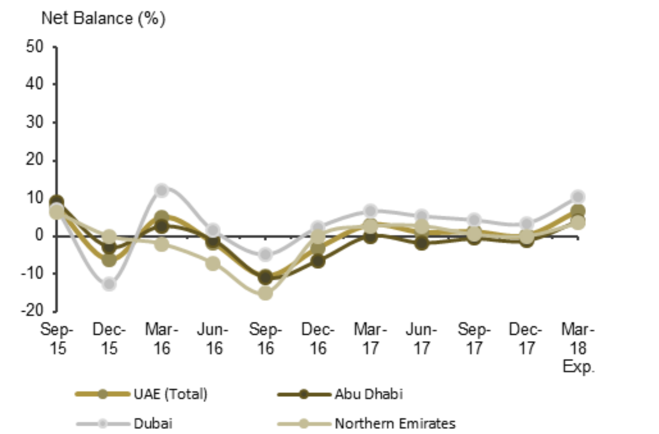
When asked about which factors were attributable to the change in credit standards in December quarter, survey results reported the most important factors as economic outlook, industry or firm specific conditions, quality of banks' asset portfolio, and change in tolerance for risk. Competition pressure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

> Personal Lending[3]

Demand for personal loans on aggregate was flat in the December quarter as suggested by the net balance measure of +0.2. The slight increase in personal loan demand was mainly attributable to the strengthening in demand in Dubai. Demand for loans for Northern Emirates remained unchanged while it decreased marginally for the third quarter in a row for Abu Dhabi.

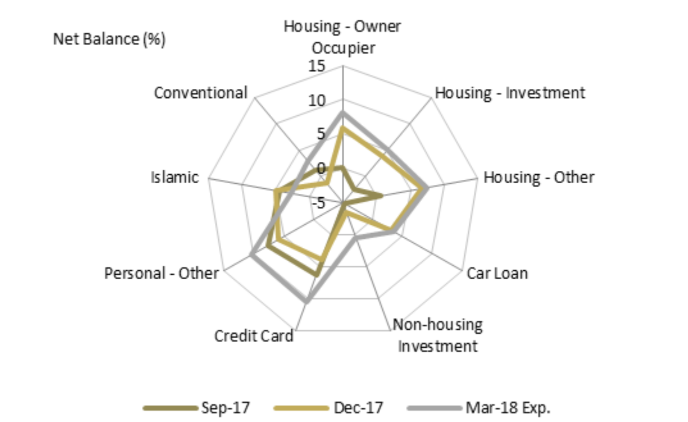
In terms of the 2018 March quarter, the outlook for personal lending based on survey respondents registered a net balance measure of +6.7. On aggregate, survey respondents anticipated the demand to increase further. By emirate, survey respondents expected an increase in demand for loans across the board **(Chart 6).**

Chart 6 Change in Demand for Personal Loans by Emirate



For the December quarter, there is a moderate increase in demand for housing – other (includes refinancing, renovations), housing – owner-occupier, and personal – other. Housing – investment, personal - other, Credit card, and car loan also increased but to a lesser extent. However, there was a decrease in demand for personal loans in conventional and non-housing investment. With respect to expectations for the 2018 March quarter, survey respondents expect demand to increase for loans across all categories but most significantly in credit card and personal - other **(Chart 7)**.

Chart 7 Change in Demand for Personal Loans by Type



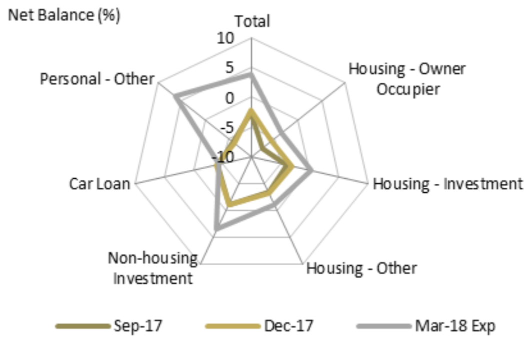
[3] Full survey results are presented in Annex 2 of this report

When asked about which factors determine the change in demand for loans, the survey results revealed that change in income, and financial markets outlook were the most important. Housing market outlook and seasonal influences were also considered important. For the 2018 March quarter, survey respondents cited that housing market outlook, change in income, as well as financial markets outlook to be the most significant factors expected to influence personal loans demand.

In terms of credit availability, more than 88% of survey respondents cited that the credit standards were unchanged across all the categories. However, on aggregate, a net balance of -2.2 for all households suggested marginal easing of credit standards in the December quarter. By loan category, the easing in credit standards was evident across the board.

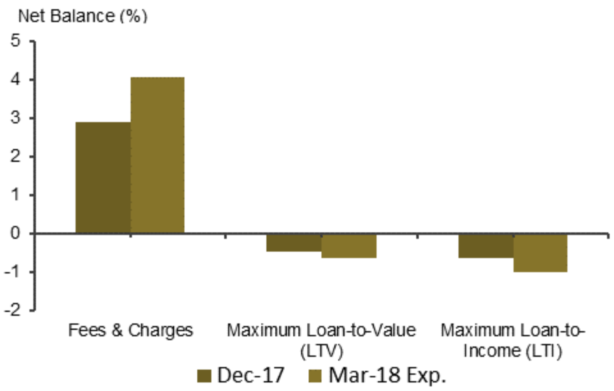
In terms of outlook for the 2018 March quarter, the credit standards on aggregate were expected to tighten moderately, as suggested by the net balance measure of +3.8. By loan type, credit standards were expected to tighten in Personal – other, non-housing investment, and housing – investment. In contrast, survey results suggested a slight easing in credit standards in car loan, housing –owner occupier, and housing – other (includes refinancing, renovations) **(Chart 8).**

Chart 8 Change in Credit Standards



With respect to credit terms and conditions, in the December 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 March 2018 quarter, survey respondents expect terms and conditions pertaining to fees & charges to tighten marginally while maximum loan-to-income (LTI) and maximum loan-to-value (LTV) to ease marginally (**Chart 9)**.

Chart 9 Change in Selected Terms and Conditions



When asked about those factors determining the change in credit standards during the December quarter, nearly 60% of survey respondents cited the economic outlook and the quality of bank's asset portfolio as very important. In addition, change in tolerance for risk and availability/cost of funds were also considered 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 Q4 Survey, which was conducted during the period of 16 – 30 December 2017. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the June quarter survey was 213 respondents, with 95 answering questions related to personal credit and 118 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:

- 2018 Q1 Survey in April 2018
- 2018 Q2 Survey in July 2018
- 2018 Q3 Survey in October 2018
- 2018 Q4 Survey in January 2019

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	1.1	20.3	42.3	36	0.6	7.3
Abu Dhabi	0.6	21.7	43.7	34.0	0.0	5.6
Dubai	1.6	17.9	39.8	39.1	1.6	10.6
Northern Emirates	0.8	20.7	45.1	33.3	0.0	5.5
Small and Medium Enterprises	4.0	18.1	48.2	28.0	1.6	2.6
Large Firms	1.2	17.2	45.7	35.3	0.7	8.5
Government Related Entities	0.4	10.1	77.4	11.0	1.1	1.2
Conventional Loans	1.1	11.4	51.8	34.2	1.5	11.8
Islamic Finance	0.9	11.3	62.0	25.2	0.6	6.7
Non-resident	3.0	12.1	79.1	4.6	1.1	-5.7
Expat	1.7	17.6	50.7	29.1	0.9	4.9
Local	0.8	13.7	58.8	25.7	1.1	6.2

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	1.6	9.6	81.4	6.6	0.8	-2.3
Manufacturing	1.9	14.0	59.2	23.7	1.2	4.1
Electricity, Gas and Water	3.1	11.7	76.5	6.6	2.1	-3.5
Construction	1.4	17.9	45.6	31.4	3.6	9.0
Property Development	1.6	14.5	56.0	24.9	3.0	6.5
Retail and Wholesale Trade	1.2	19.8	50.7	26.4	2.0	4.1
Transport, Storage and Communications	1.1	15.7	60.2	21.5	1.5	3.4
Financial Institutions (excluding Banks)	0.8	5.5	83.0	7.2	3.6	3.7
All Others	0.6	14.2	69.9	14.9	0.3	0.0

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

	Not Important	Somewhat Important	Very Important
Customers' Sales	18.1	27.5	54.4
Customers' Fixed Asset Investment	24.7	46.6	28.7
Competition with Finance Companies	68.3	26.7	5.1
Competition with Banks	47.1	34.9	18.0
Interest Rates	32.8	34.0	33.2
Seasonal Influences	39.8	51.2	9.0
Property Market Outlook	28.1	36.6	35.4

[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	4.0	30.1	61.7	4.1	0.0	17.0
Small and Medium Enterprises	11.8	25.2	58.9	4.1	0.0	22.3
Large Firms	1.4	28.9	64.5	5.2	0.0	13.3

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	22.4	20.2	57.4
Economic Outlook	16.9	18.4	64.7
Industry or Firm Specific Conditions	18.2	25.7	56.1
Competition from Banks	49.0	37.3	13.8
Competition from Finance Companies	68.3	28.6	3.1
Change in Tolerance for Risk	23.6	36.9	39.4
Availability/Cost of Funds	33.7	36.9	29.4
Current/Anticipated Regulatory Changes	35.5	21.1	43.3

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	2.5	19.0	72.4	6.1	0.0	8.9
Spread Over Your Cost of Funds	1.6	28.5	63.4	6.5	0.0	12.6
Premiums Charged on Riskier Loans	5.4	31.9	60.7	1.4	0.7	19.9
Collateralization Requirements	9.9	31.5	56.5	2.1	0.0	24.7

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	1.0	9.9	42.9	45	0.8	17.6
Abu Dhabi	0.6	12.4	40.9	46.1	0.0	16.2
Dubai	1.3	8.8	43.2	44.6	2.1	18.7
Northern Emirates	0.9	8.5	45.7	44.9	0.0	17.3
Small and Medium Enterprises	1.0	10.8	58.4	27.6	2.3	9.7
Large Firms	0.9	11.3	42.3	42.9	2.7	17.6
Government Related Entities	1.1	2.1	72.0	22.8	2.0	11.2
Conventional Loans	0.7	6.9	57.4	34.1	1.0	13.9
Islamic Finance	0.9	4.3	70.8	24.0	0.0	8.9
Non-resident	0.3	6.3	82.2	10.5	0.7	2.5
Expat	0.9	9.6	60.2	28.1	1.2	9.6
Local	0.7	6.1	55.2	35.3	2.7	16.6

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	1.2	3.6	92.4	2.8	0.0	-1.6
Manufacturing	1.4	8.1	50.7	39.3	0.4	14.6
Electricity, Gas and Water	0.6	3.5	81.5	13.9	0.4	5.0
Construction	0.6	9.4	47.5	39.3	3.2	17.5
Property Development	1.0	7.6	64.9	22.3	4.3	10.7
Retail and Wholesale Trade	1.2	12.0	48.1	34.5	4.3	14.4
Transport, Storage and Communications	0.9	7.3	67.5	23.6	0.8	8.1
Financial Institutions (excluding Banks)	1.1	1.3	89.2	8.4	0.0	2.4
All Others	0.6	6.8	76.3	15.8	0.5	4.4

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

	Not Important	Somewhat Important	Very Important
Customers' Sales	24.2	24.4	51.4
Customers' Fixed Asset Investment	31.5	37.9	30.5
Competition with Finance Companies	68.7	27.2	4.1
Competition with Banks	52.7	29.9	17.4
Interest Rates	36.4	32.6	31.0
Seasonal Influences	39.5	47.8	12.7
Property Market Outlook	33.3	28.4	38.4

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

	Tighten Significantly	Tighten Moderately	No Change	Ease Moderately	Ease Significantly	Net Balance
All Firms	0.9	21.4	72.3	5.4	0.0	8.9
Small and Medium Enterprises	5.2	17.2	73.6	3.1	0.9	11.4
Large Firms	0.9	18.2	76.3	4.2	0.4	7.5

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	31.1	14.5	54.5
Economic Outlook	24.1	16.0	59.9
Industry or Firm Specific Conditions	29.3	21.6	49.0
Competition from Banks	57.7	28.0	14.2
Competition from Finance Companies	71.1	26.1	2.8
Change in Tolerance for Risk	33.2	36.6	30.2
Availability/Cost of Funds	38.6	36.1	25.3
Current/Anticipated Regulatory Changes	42.0	16.2	41.8

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	1.5	11.6	80.6	5.9	0.4	3.9
Spread Over Your Cost of Funds	0.7	23.7	67.2	8.5	0.0	8.2
Premiums Charged on Riskier Loans	4.0	29.8	63.9	2.3	0.0	17.8
Collateralization Requirements	5.8	27.6	64.0	2.5	0.0	18.4

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	0.9	18.7	60.0	20.1	0.4	0.2
Abu Dhabi	2.5	16.2	62.7	18.6	0.0	-1.2
Dubai	0.0	16.3	61.7	21.1	1.0	3.3
Northern Emirates	0.0	21.6	56.8	21.6	0.0	0.0
Islamic	0.0	7.1	76.3	16.3	0.4	5.0
Conventional	0.7	15.4	70.4	12.7	0.7	-1.3
Housing – Owner Occupier	1.1	15.5	61.1	15.1	7.1	5.9
Housing – Investment	1.7	13.6	67.3	10.1	7.3	3.9
Housing – Other (includes refinancing, renovations)	1.7	6.7	74.4	10.9	6.3	6.7
Car Loan	2.1	15.2	64.6	10.5	7.6	3.2
Non-housing Investment	1.1	8.2	87.3	3.4	0.0	-3.5
Credit Card	1.8	12.0	63.5	22.1	0.6	3.9
Personal - Other	0.6	11.2	66.2	20.0	2.0	5.9

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

	Not Important	Somewhat Important	Very Important
Housing market outlook	32.8	36.5	30.7
Financial markets outlook	28.8	38.9	32.3
Change in income	27.6	27.9	44.5
Interest rates	37.7	22.9	39.4
Competition with other banks or financial institutions	40.0	34.4	25.7
Seasonal influences	36.6	44.2	19.2

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	96.0	3.6	0.4	-2.2
Housing – Owner Occupier	0.0	0.0	88.4	11.6	0.0	-5.8
Housing – Investment	0.0	0.0	94.0	6.0	0.0	-3.0
Housing – Other (includes refinancing, renovations)	0.0	0.0	93.5	6.5	0.0	-3.2
Non-housing Investment	0.0	0.0	97.9	1.9	0.2	-1.2
Car Loan	0.0	0.0	92.0	8.0	0.0	-4.0
Personal - Other	0.0	0.0	88.4	10.5	1.1	-6.4

[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	23.7	16.6	59.7
Economic Outlook	20.6	20.8	58.6
Customer Specific	29.5	22.5	48.0
Competition from Banks	39.1	43.8	17.1
Competition from Finance Companies	63.4	27.7	8.9
Change in Tolerance for Risk	32.5	18.5	49.0
Availability/Cost of Funds	33.3	31.4	35.3
Current/Anticipated Regulatory Changes	34.6	16.1	49.4

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

	Tightened Significantly	Tightened Moderately	No Change	Eased Moderately	Eased Significantly	Net Balance
Fees and Charges	0.2	7.4	90.4	2.0	0.0	2.9
Maximum Loan-to-Value (LTV)	0.0	1.9	96.1	1.3	0.7	-0.5
Maximum Loan-to-Income (LTI)	0.0	2.0	95.1	2.5	0.4	-0.6

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	13.9	58.4	27.4	0.2	6.7
Abu Dhabi	0.5	15.8	58.9	24.8	0.0	4.0
Dubai	0.0	11.1	57.7	30.8	0.5	10.3
Northern Emirates	0.0	15.8	61.6	22.6	0.0	3.4
Islamic	0.0	9.7	75.4	14.9	0.0	2.6
Conventional	0.2	13.1	68.2	17.8	0.7	2.9
Housing – Owner Occupier	0.5	8.5	65.5	25.1	0.4	8.1
Housing – Investment	1.6	6.2	74.2	16.4	1.6	5.1
Housing – Other (includes refinancing, renovations)	0.5	4.5	75.1	19.1	0.7	7.5
Car Loan	1.9	6.9	73.7	17.4	0.2	3.6
Non-housing Investment	0.6	5.4	86.8	7.1	0.2	0.5
Credit Card	0.7	5.4	67.9	24.1	1.9	10.5
Personal - Other	0.2	12.1	57.9	26.5	3.3	10.4

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	24.8	39.2	36.0
Financial markets outlook	27.8	39.6	32.6
Change in income	25.1	30.1	44.7
Interest rates	37.1	26.9	36.0
Competition with other banks or financial institutions	38.1	39.0	22.8
Seasonal influences	35.8	45.8	18.4

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	6.4	8.5	71.3	13.8	0.0	3.8
Housing – Owner Occupier	0.9	5.1	79.8	14.2	0.0	-3.7
Housing – Investment	0.9	6.2	85.4	7.3	0.2	0.2
Housing – Other (includes refinancing, renovations)	0.9	4.9	85.2	8.9	0.0	-1.1
Non-housing Investment	0.7	8.4	88.3	2.4	0.2	3.6
Car Loan	0.4	4.4	81.1	14.1	0.0	-4.5
Personal - Other	7.0	15.8	60.5	16.3	0.4	6.4

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	16.2	58.8
Economic Outlook	20.3	24.1	55.6
Industry or Firm Specific Conditions	31.6	21.2	47.2
Competition from Banks	36.7	46.9	16.4
Competition from Finance Companies	61.1	28.7	10.2
Change in Tolerance for Risk	34.0	18.0	48.0
Availability/Cost of Funds	38.1	27.6	34.2
Current/Anticipated Regulatory Changes	34.9	14.8	50.3

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	9.6	89.0	1.5	0	4.1
Maximum Loan-to-Value (LTV)	0	1.104972376	97.1	1.3	0.552486188	-0.6
Maximum Loan-to-Income (LTI)	0	1.5	95.6	2.4	0.552486188	-1.0