



# Credit Sentiment Survey

Survey Results | 2018 Q2

*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

In aggregate results from the Credit Sentiment Survey revealed an increase in demand for business loans across all the Emirates, whereas demand for personal loans improved marginally moving back into positive territory. In terms of outlook, demand for both business and personal lending is expected to increase.

**Lending to Corporates & Small Businesses** – For the June quarter, survey results suggested an increase in demand for business loans across the board. By loan type, the increase was most significant among large firms and local firms. In terms of credit standards, more than two-thirds of survey respondents reported no change. However, in aggregate, a positive net balance measure was observed suggesting a tightening of credit standards during the June quarter. With respect to specific terms and conditions, survey results indicated a tightening in credit standards that occurred most with respect to premiums charged on riskier loans and collateralization requirements. In terms of outlook, demand for business loans is predicted to increase further in the September quarter although respondents anticipated a further tightening in credit standards and across all terms and conditions.

**Lending to Individuals** – In the June quarter, demand for personal loans in aggregate has increased marginally recovering from the decline in demand registered in the previous quarter. The factors that most significantly contributed to the change in demand for loans, as per the survey results, were financial markets outlook, change in income, and interest rates. In terms of credit availability, more than 85% of survey respondents reported that the credit standards were unchanged. For the September quarter, the credit standards on aggregate are expected to ease moderately. Furthermore, the survey respondents expect that demand for personal loans to increase with the exception of Northern Emirates, where it is predicted to remain unchanged.

<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)

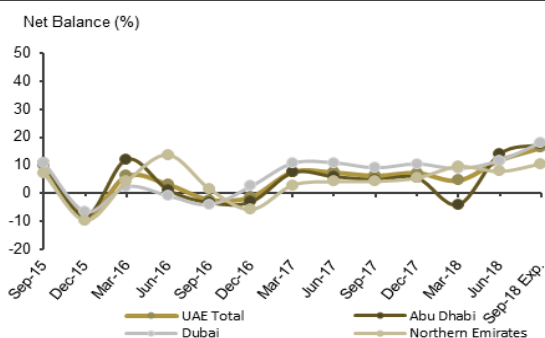
For credit standards, net balance = (% Reporting Significant Tightening + 0.5 x % Reporting Moderate Tightening) – (% Reporting Significant Easing + 0.5 x % Reporting Moderate Easing)

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

For the June quarter, the survey results revealed that demand for business loans has increased with a net balance measure of +11.8. According to the survey respondents, 44.7 percent reported no change, 39.8 percent reported an increase in demand, while 15.4 percent of respondents reported a moderate decrease in demand. By emirate, the survey respondents reported an increase in demand across the board, most significantly in Abu Dhabi after a decline in the previous quarter.

In terms of outlook for the September quarter, a net balance measure of +16.3 was recorded suggesting an optimistic stance for demand for business loans. By emirate, the strengthening in loan demand was attributable to stronger demand across the board.

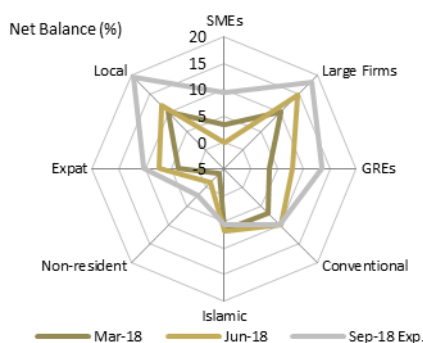
**Chart 1 Change in Demand for Business Loans by Emirate**



By market segment in the June quarter demand increased across all categories with the exception of non-resident for the second quarter in a row. The increase in demand for loans was most evident among large firms, local, conventional loans, while demand from small and medium enterprises remained muted.

With respect to expectations for the next quarter, survey respondents predicted the demand for business loans to increase further among all categories, most evident for local, large firms, and government related entities (Chart 2).

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

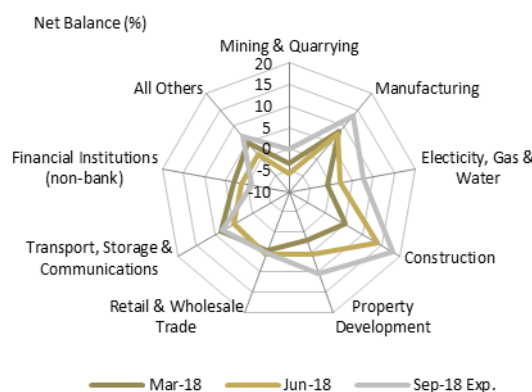


When asked about the change in demand for business loans by industry in the June quarter, survey respondents reported an increase in demand across all economic activities with the

exception of mining and quarrying. The strengthening in loan demand was most evident in construction and manufacturing.

For the September quarter, survey respondents were optimistic and predicted demand for loans to increase across most industries, while financial institutions (excluding banks) is expected to decrease, and mining and quarrying will remain unchanged (Chart 3).

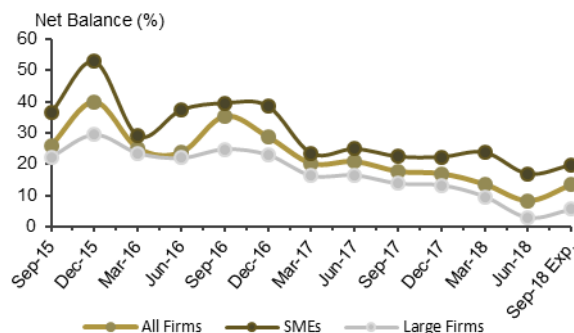
**Chart 3 Change in Demand for Business Loans by Industry**



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 September quarter, survey respondents cited that customers' sales and property market outlook will be the most important determining factors.

In terms of credit standards, nearly two-thirds of survey respondents reported no change. However, in aggregate, a positive net balance measure was observed, suggesting a tightening of credit standards, though to a lesser extent. The survey results also revealed a stronger tightening for small and medium enterprises relative to large firms. On top of that, survey respondents expected further tightening in credit standards for the September quarter (Chart 4).

**Chart 4 Change in Credit Standards**

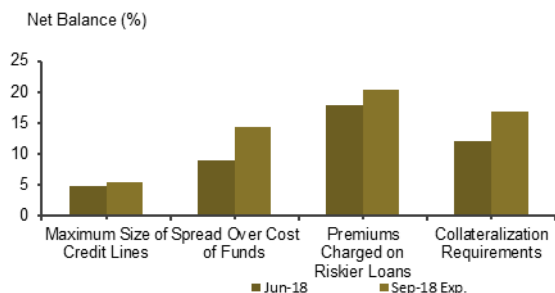


With respect to specific terms and conditions, survey results revealed a tightening in credit standards that occurred across the board, most evidently with respect to premiums charged on riskier loans and collateralization requirements. Terms and conditions pertaining to maximum size of credit lines and spread over the cost of funds also tightened but to a lesser extent. In the September quarter, survey respondents expected further tightening across all terms and conditions,

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

particularly with respect to premiums charged on riskier loans and collateralization requirements (Chart 5).

Chart 5 Change in Terms and Conditions



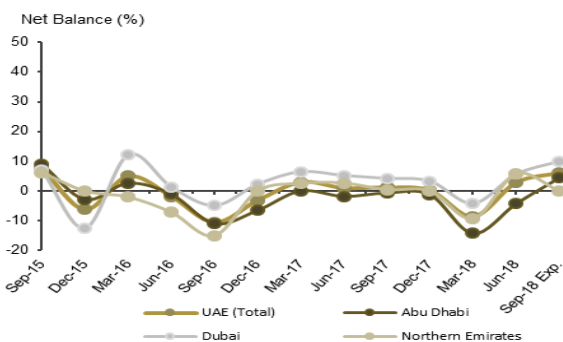
When asked about which factors were attributable to the change in credit standards in the June quarter, survey results revealed that economic outlook, industry or firm specific conditions, and quality of bank’s asset portfolio are the most important factors. Competition from finance companies continued to have minimum bearing on credit standards in the June quarter..

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

Demand for personal loans on aggregate has increased slightly in the June quarter, reporting a net balance measure of +2.8, recovering from the decline in demand registered in the previous quarter. The increase in personal loan demand was mainly attributable to the increase in demand in Northern Emirates and Dubai, while Abu Dhabi remained in the negative territory.

With respect to expectations for the September quarter, survey respondents expected the demand for personal loans to increase further. By emirate, survey respondents predicted a reversal in the demand appetite in Abu Dhabi, a continuous increase in Dubai, while demand from Northern Emirates was expected to remain unchanged (Chart 6).

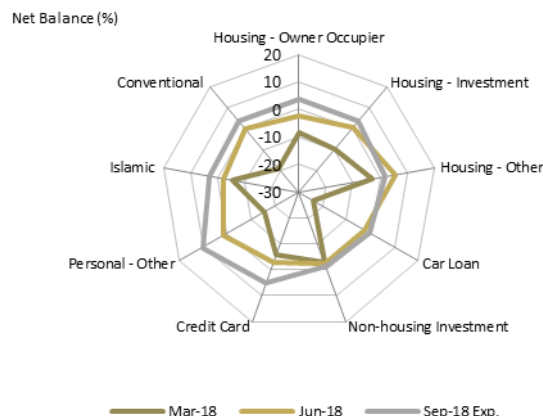
Chart 6 Change in Demand for Personal Loans by Emirate



For the June quarter, survey results revealed an increase in personal loans for housing – other (includes refinancing, renovations), personal – other, and a marginal increase in housing – investment, while demand for conventional loans remained unchanged. On the other hand, demand has decreased for credit card loans, car loan, non-housing investment, and owner-occupier loans. In terms of outlook,

survey respondents predicted an increase in demand across the board, except for non-housing investment and car loans (Chart 7).

Chart 7 Change in Demand for Personal Loans by Type

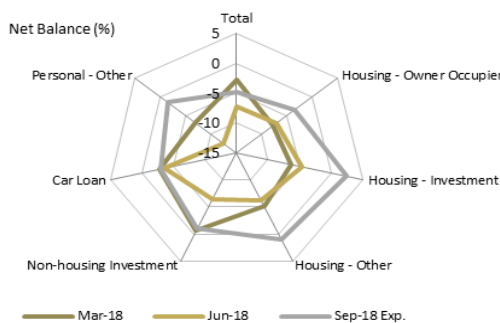


When asked about which factors determine the change in demand for loans, survey results cited that financial markets outlook, change in income, and interest rates were the most significant. Housing market outlook were also considered important. For the September quarter, survey respondents cited that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

In terms of credit availability, more than 85% of survey respondents cited that the credit standards were unchanged. However, on aggregate, a net balance of -7.3 for all households suggested a moderate easing of credit standards in the June quarter. By loan category, the easing in credit standards was evident across the board, particularly with respect to personal – other.

With respect to expectations for the September quarter, the credit standards on aggregate were expected to continue easing but to a lesser extent, as suggested by the net balance measure of -4.9. By loan type, survey respondents predicted credit standards to ease across the board with the exception of housing - investment, and housing - other (Chart 8).

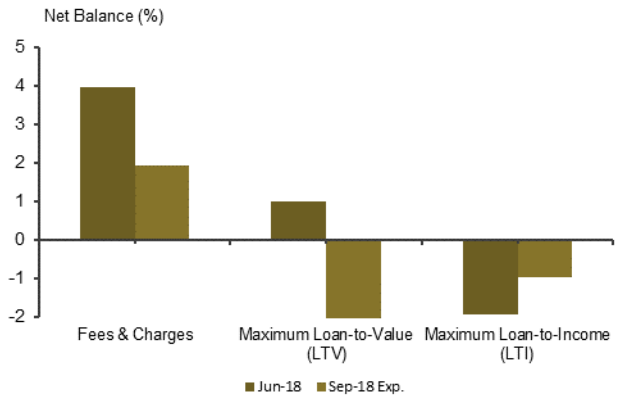
Chart 8 Change in Credit Standards



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

With respect to credit terms and conditions in the June quarter, the survey respondents reported a tightening in fees and charges, and maximum loan-to-value (LTV), while maximum loan-to-income (LTI) has softened marginally. With respect to the outlook for the September quarter, survey respondents predicted that terms and conditions pertaining to fees & charges to tighten marginally, while maximum loan-to-value (LTV), maximum loan-to-income (LTI) 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 June quarter, nearly two-thirds of survey respondents cited that quality of bank’s asset portfolio, and customer specific as very important. In addition, economic outlook and change in tolerance for risk were also considered important. With respect to the outlook for the September quarter, quality of bank’s asset portfolio, and economic outlook were considered 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 2018 Q2 Survey, which was conducted during the period of 16 – 30 June 2018. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the June quarter survey was 236 respondents, with 107 answering questions related to personal credit and 129 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 Q3 Survey in October 2018
- 2018 Q4 Survey in January 2019
- 2019 Q1 Survey in April 2019
- 2018 Q2 Survey in July 2019

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	0.8	14.6	44.7	39.8	0.0	11.8
Abu Dhabi	0.0	12.8	46.2	41.0	0.0	14.1
Dubai	2.0	13.7	43.1	41.2	0.0	11.8
Northern Emirates	0.0	18.8	46.9	34.4	0.0	7.8
Small and Medium Enterprises	1.7	16.9	61.9	18.6	0.8	0.0
Large Firms	0.8	13.0	42.3	43.9	0.0	14.6
Government Related Entities	0.0	7.8	72.2	16.5	3.5	7.8
Conventional Loans	0.0	12.8	54.1	33.0	0.0	10.1
Islamic Finance	0.0	8.3	69.7	22.0	0.0	6.9
Non-resident	0.0	12.6	77.5	9.9	0.0	-1.4
Expat	0.9	13.0	58.3	26.1	1.7	7.4
Local	0.8	9.0	57.4	31.1	1.6	11.9

## Q2. By economic activity, how has demand for loans from firms changed compared to the preceding quarter? (% of total)

	Decreased Substantiall y	Decreased Moderately	No Change	Increased Moderately	Increased Substantiall y	Net Balance
Mining and Quarrying	5.4	6.3	83.0	5.4	0.0	-5.8
Manufacturing	0.8	14.8	54.9	27.0	2.5	7.8
Electricity, Gas and Water	0.0	10.3	75.2	14.5	0.0	2.1
Construction	1.7	9.2	50.0	38.3	0.8	13.8
Property Development	2.6	11.2	59.5	25.9	0.9	5.6
Retail and Wholesale Trade	1.6	18.7	47.2	31.7	0.8	5.7
Transport, Storage and Communications	0.0	12.3	66.4	20.5	0.8	4.9
Financial Institutions (excluding Banks)	0.0	5.5	86.4	8.2	0.0	1.4
All Others	2.5	9.9	70.2	17.4	0.0	1.2

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

	Not Important	Somewhat Important	Very Important
Customers' Sales	22.2	23.0	54.8
Customers' Fixed Asset Investment	31.0	38.9	30.2
Competition with Finance Companies	74.6	22.2	3.2
Competition with Banks	57.1	24.6	18.3
Interest Rates	38.1	24.6	37.3
Seasonal Influences	45.2	43.7	11.1
Property Market Outlook	31.7	26.2	42.1

<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	1.7	21.7	68.3	8.3	0.0	8.3
Small and Medium Enterprises	9.9	19.0	66.9	3.3	0.8	16.9
Large Firms	1.7	15.0	71.7	10.8	0.8	2.9

**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	30.2	7.9	61.9
Economic Outlook	23.8	9.5	66.7
Industry or Firm Specific Conditions	27.0	20.6	52.4
Competition from Banks	54.8	32.5	12.7
Competition from Finance Companies	72.2	27.0	0.8
Change in Tolerance for Risk	34.1	26.2	39.7
Availability/Cost of Funds	37.3	26.2	36.5
Current/Anticipated Regulatory Changes	34.9	22.2	42.9

**Q6. How have the following terms and conditions changed at your bank/financial institution compared to the preceding quarter? (% of total)**

	Tightened Significantly	Tightened Moderately	No Change	Eased Moderately	Eased Significantly	Net Balance
Maximum Size of Credit Lines	0.8	15.1	77.0	7.1	0.0	4.8
Spread Over Your Cost of Funds	0.0	22.0	74.0	4.1	0.0	8.9
Premiums Charged on Riskier Loans	8.1	23.6	64.2	4.1	0.0	17.9
Collateralization Requirements	7.3	19.5	67.5	1.6	4.1	12.2

**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	0.8	13.5	38.9	46	0.8	16.3
Abu Dhabi	0.0	10.0	45.0	45.0	0.0	17.5
Dubai	1.9	11.5	36.5	48.1	1.9	18.3
Northern Emirates	0.0	21.2	36.4	42.4	0.0	10.6
Small and Medium Enterprises	1.6	11.1	58.7	23.8	4.8	9.5
Large Firms	0.0	10.3	43.7	45.2	0.8	18.3
Government Related Entities	0.0	5.6	64.8	26.4	3.2	13.6
Conventional Loans	0.0	12.7	54.8	32.5	0.0	9.9
Islamic Finance	0.0	8.8	71.2	20.0	0.0	5.6
Non-resident	0.0	12.0	74.4	11.2	2.4	2.0
Expatriate	0.8	13.5	54.8	26.2	4.8	10.3
Local	0.0	6.3	51.6	38.9	3.2	19.4

**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	0.0	5.6	88.8	5.6	0.0	0.0
Manufacturing	0.8	14.4	46.4	34.4	4.0	13.2
Electricity, Gas and Water	0.0	6.4	74.4	16.8	2.4	7.6
Construction	1.6	9.6	43.2	42.4	3.2	18.0
Property Development	0.8	14.4	52.8	27.2	4.8	10.4
Retail and Wholesale Trade	0.8	20.8	46.4	31.2	0.8	5.2
Transport, Storage and Communications	0.8	7.2	68.0	23.2	0.8	8.0
Financial Institutions (excluding Banks)	0.8	11.2	77.6	10.4	0.0	-1.2
All Others	0.0	8.8	69.6	20.8	0.8	6.8

**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	21.4	21.4	57.1
Customers' Fixed Asset Investment	31.7	34.1	34.1
Competition with Finance Companies	73.0	23.8	3.2
Competition with Banks	50.8	29.4	19.8
Interest Rates	31.7	34.9	33.3
Seasonal Influences	34.9	46.0	19.0
Property Market Outlook	28.6	27.0	44.4

**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	0.0	33.3	60.3	6.3	0.0	13.5
Small and Medium Enterprises	15.1	15.9	64.3	3.2	1.6	19.8
Large Firms	0.8	19.8	69.8	8.7	0.8	5.6

**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	31.0	10.3	58.7
Economic Outlook	25.4	6.3	68.3
Industry or Firm Specific Conditions	27.0	22.2	50.8
Competition from Banks	52.4	34.1	13.5
Competition from Finance Companies	73.8	24.6	1.6
Change in Tolerance for Risk	33.3	25.4	41.3
Availability/Cost of Funds	33.3	22.2	44.4
Current/Anticipated Regulatory Changes	35.7	19.0	45.2



**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	0.0	20.6	70.6	7.9	0.8	5.6
Spread Over Your Cost of Funds	1.6	30.4	64.0	3.2	0.8	14.4
Premiums Charged on Riskier Loans	10.4	23.2	63.2	3.2	0.0	20.4
Collateralization Requirements	6.4	26.4	61.6	5.6	0.0	16.8

## 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	0.0	16.0	62.3	21.7	0.0	2.8
Abu Dhabi	0.0	22.9	62.9	14.3	0.0	-4.3
Dubai	0.0	13.6	61.4	25.0	0.0	5.7
Northern Emirates	0.0	11.5	65.4	23.1	0.0	5.8
Islamic	0.0	10.1	83.8	6.1	0.0	-2.0
Conventional	1.0	14.6	68.0	16.5	0.0	0.0
Housing – Owner Occupier	1.1	15.7	70.8	11.2	1.1	-2.2
Housing – Investment	0.0	13.3	72.2	14.4	0.0	0.6
Housing – Other (includes refinancing, renovations)	0.0	13.3	66.7	15.6	4.4	5.6
Car Loan	3.3	16.7	64.4	12.2	3.3	-2.2
Non-housing Investment	0.0	6.7	91.1	2.2	0.0	-2.2
Credit Card	2.2	17.2	64.5	16.1	0.0	-2.7
Personal - Other	1.0	13.4	67.0	18.6	0.0	1.5

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

	Not Important	Somewhat Important	Very Important
Housing market outlook	35.0	38.8	26.2
Financial markets outlook	32.1	42.5	25.5
Change in income	33.0	26.4	40.6
Interest rates	33.0	22.6	44.3
Competition with other banks or financial institutions	44.3	36.8	18.9
Seasonal influences	41.5	36.8	21.7

## 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	85.4	14.6	0.0	-7.3
Housing – Owner Occupier	0.0	0.0	86.0	14.0	0.0	-7.0
Housing – Investment	0.0	0.0	90.8	9.2	0.0	-4.6
Housing – Other (includes refinancing, renovations)	0.0	0.0	87.6	12.4	0.0	-6.2
Non-housing Investment	0.0	0.0	87.4	12.6	0.0	-6.3
Car Loan	0.0	0.0	93.0	7.0	0.0	-3.5
Personal - Other	0.0	0.0	77.3	20.5	2.3	-12.5

<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	21.2	14.4	64.4
Economic Outlook	25.2	15.0	59.8
Customer Specific	22.6	29.2	48.1
Competition from Banks	31.1	56.6	12.3
Competition from Finance Companies	50.9	41.5	7.5
Change in Tolerance for Risk	25.5	21.7	52.8
Availability/Cost of Funds	34.0	20.8	45.3
Current/Anticipated Regulatory Changes	31.1	16.0	52.8

**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	0.0	12.9	82.2	5.0	0.0	4.0
Maximum Loan-to-Value (LTV)	1.0	1.0	97.0	1.0	0.0	1.0
Maximum Loan-to-Income (LTI)	0.0	0.0	97.1	1.9	1.0	-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	0.0	11.3	66.0	21.7	0.9	6.1
Abu Dhabi	0.0	11.8	67.6	20.6	0.0	4.4
Dubai	0.0	11.1	60.0	26.7	2.2	10.0
Northern Emirates	0.0	11.5	76.9	11.5	0.0	0.0
Islamic	0.0	6.9	80.4	12.7	0.0	2.9
Conventional	0.0	11.7	69.9	17.5	1.0	3.9
Housing – Owner Occupier	0.0	7.8	77.7	13.6	1.0	3.9
Housing – Investment	0.0	7.8	77.7	13.6	1.0	3.9
Housing – Other (includes refinancing, renovations)	0.0	9.7	80.6	5.8	3.9	1.9
Car Loan	2.0	5.9	84.3	6.9	1.0	-0.5
Non-housing Investment	0.0	4.9	93.1	2.0	0.0	-1.5
Credit Card	3.9	4.9	68.6	22.5	0.0	4.9
Personal - Other	0.0	5.9	71.6	18.6	3.9	10.3

**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	39.8	28.2	32.0
Financial markets outlook	41.7	28.2	30.1
Change in income	37.9	18.4	43.7
Interest rates	35.9	25.2	38.8
Competition with other banks or financial institutions	47.6	40.8	11.7
Seasonal influences	43.7	32.0	24.3

**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	3.9	82.5	13.6	0.0	-4.9
Housing – Owner Occupier	0.0	5.0	85.0	8.0	2.0	-3.5
Housing – Investment	0.0	9.0	87.0	4.0	0.0	2.5
Housing – Other (includes refinancing, renovations)	0.0	5.0	92.0	3.0	0.0	1.0
Non-housing Investment	1.0	4.9	86.3	6.9	1.0	-1.0
Car Loan	0.0	3.0	88.9	7.1	1.0	-3.0
Personal - Other	0.0	13.7	71.6	12.7	2.0	-1.5

**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	29.1	11.7	59.2
Economic Outlook	32.0	14.6	53.4
Industry or Firm Specific Conditions	35.0	14.6	50.5
Competition from Banks	41.7	50.5	7.8
Competition from Finance Companies	58.3	37.9	3.9
Change in Tolerance for Risk	35.0	19.4	45.6
Availability/Cost of Funds	43.7	20.4	35.9
Current/Anticipated Regulatory Changes	37.9	12.6	49.5

**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	10.7	82.5	6.8	0	1.9
Maximum Loan-to-Value (LTV)	0	0	97.1	1.0	1.9	-2.4
Maximum Loan-to-Income (LTI)	0	1.0	96.1	2.9	0	-1.0