



Credit Sentiment Survey

Survey Results | 2018 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.¹

> 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 have decreased moderately, moving back into negative territory after a recovery reported last quarter. In terms of outlook for the December quarter, demand for both business and personal lending is expected to increase.

Lending to Corporates & Small Businesses – For the September 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. Survey respondents reported an increase in demand across all economic activities, with loan demand for Mining & Quarrying also moving into positive territory. The factors that most significantly contributed to the change in demand for loans, as per the survey results, were economic outlook, industry or firm specific conditions. In terms of credit standards, however, in aggregate a positive net balance measure was observed suggesting a tightening of credit standards during the September quarter. In terms of outlook, demand for business loans is expected to increase further in the December quarter although respondents anticipated a further tightening in credit standards and across all terms and conditions.

Lending to Individuals – In the September quarter, demand for personal loans in aggregate has decreased moderately, most evident in Abu Dhabi. By loan type, the decrease was most significant among car loans and housing – owner occupier. In terms of credit availability, more than 92% of survey respondents cited that the credit standards were unchanged. However, in aggregate, a negative net balance was observed for all households suggesting a moderate easing of credit standards in the September quarter. When asked about those factors determining the change in credit standards, almost two-thirds of survey respondents cited that economic outlook, and customer specific as the most important. In terms of outlook for the December quarter, demand for personal loans is expected to recover and move into the positive territory and credit standards in aggregate are expected to ease further.

¹ Results from the survey are reported as a net balance (expressed as a percentage). The net balance is calculated as the weighted percentage of respondents reporting an increase in demand for loans (or tightening of credit standards) minus the weighted percentage of respondents reporting a decrease in demand for loans (or easing of credit standards). Weightings are determined such that those responses indicating a modest change are given half the weighting of those reporting a significant change in the surveyed quarter. For the demand measures, a positive score indicates growth in demand for loans during the quarter and for the measures on credit availability and standards, a negative score indicates an easing in credit standards during the surveyed quarter.

For demand for loans, net balance = (% Reporting Substantial Increase + 0.5 x % Reporting Moderate Increase) – (% Reporting Substantial Decrease + 0.5 x % Reporting Moderate Decrease)

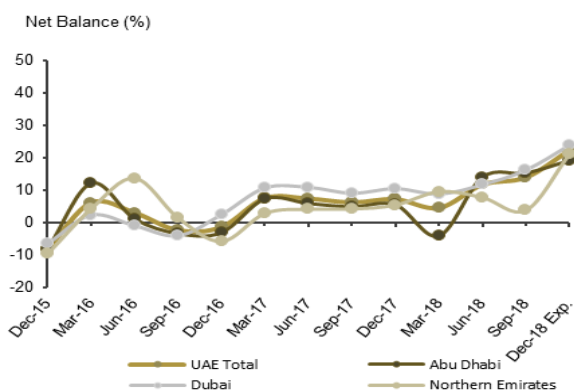
For credit standards, net balance = (% Reporting Significant Tightening + 0.5 x % Reporting Moderate Tightening) – (% Reporting Significant Easing + 0.5 x % Reporting Moderate Easing)

> Business Lending²

For the September quarter, survey results revealed that demand for business loans has increased with a net balance measure of +14. According to the survey respondents, 40.4 percent reported no change, 43.9 percent reported an increase in demand, while 15.8 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 Dubai and Abu Dhabi.

In terms of outlook for the December quarter, a net balance measure of +22.4 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.

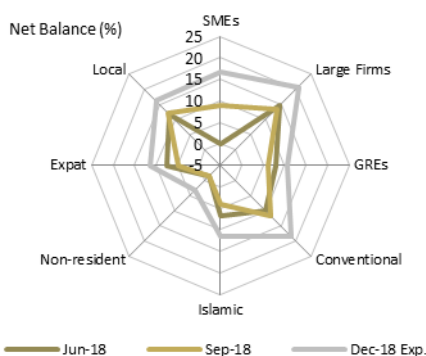
Chart 1 Change in Demand for Business Loans by Emirate



By market segment in the September quarter, demand increased across all categories with the exception of non-resident for the third quarter in a row. The increase in demand for loans was most evident among large firms, local, and conventional loans.

With respect to expectations for the next quarter, survey respondents expect the demand for business loans to increase further among all categories, most evident for large firms, conventional, small and medium enterprises and local firms (Chart 2).

Chart 2 Change in Demand for Business Loans by Type

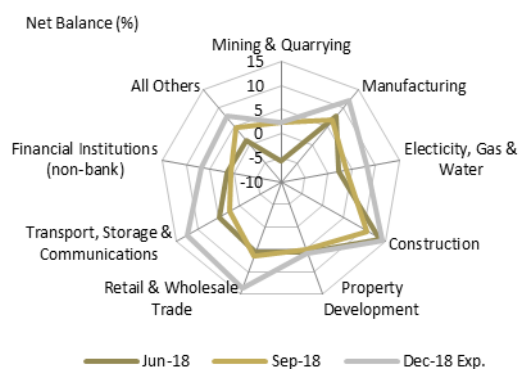


When asked about the change in demand for business loans by industry in the September quarter, survey respondents reported an increase in demand across all economic activities. The strengthening in loan demand was most

evident in construction, manufacturing, transport, storage and communication, retail and wholesale trade, and property development. It is worth noticing that loan demand for Mining & Quarrying moved to positive territory, as suggested by the increase in net balance measure to +2.2 from -5.9 registered in the previous quarter.

For the December quarter, survey respondents were optimistic and predicted demand for loans to increase across all industries, most evident in construction, retail and wholesale trade, and transport, storage and communications, and manufacturing (Chart 3).

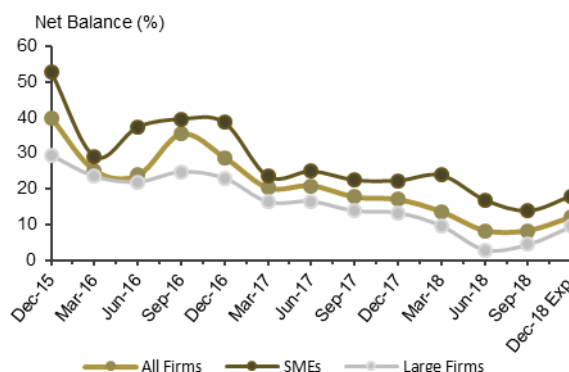
Chart 3 Change in Demand for Business Loans by Industry



The main factors determining the change in demand for business loans were customers' sales, customers' fixed asset investment, seasonal influences, and property market outlook. For the December quarter, survey respondents cited that customers' sales, customers' fixed asset investment and seasonal influences would be the most significant determining factors.

In terms of credit standards, more than 70% of survey respondents reported no change. However, in aggregate, a positive net balance measure was reported, suggesting a tightening of credit standards. The survey results also revealed a stronger tightening for small and medium enterprises relative to large firms. Moreover, survey respondents expected further tightening in credit standards for the December quarter (Chart 4).

Chart 4 Change in Credit Standards

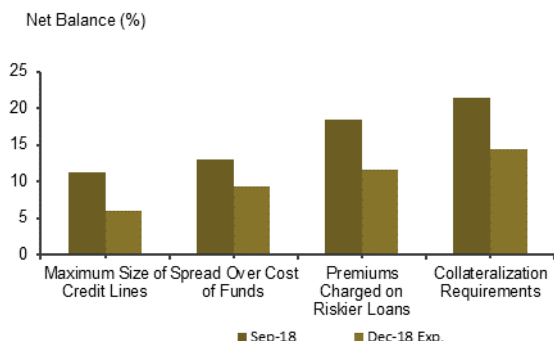


With respect to specific terms and conditions, survey results revealed a tightening in credit standards that occurred across the board, most evidently with respect to collateralization requirements and premiums charged on riskier loans. Terms

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

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 December quarter, survey respondents expected further tightening 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



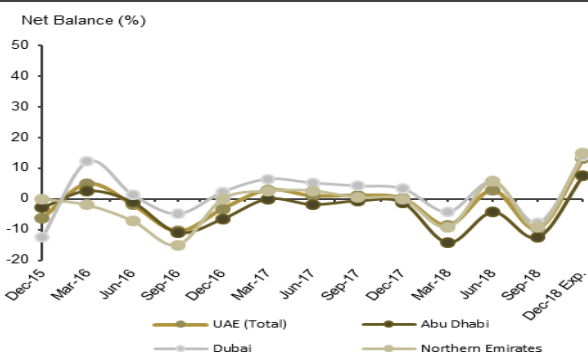
When asked about which factors were attributable to the change in credit standards in the September quarter, survey results revealed that economic outlook, industry or firm specific conditions, quality of bank’s asset portfolio, and change in tolerance for risk are the most significant factors. Competition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

> Personal Lending³

Demand for personal loans on aggregate has decreased and moved back to negative territory in the September quarter with a net balance measure of -9.6. The decline in demand for personal loans was registered across the board, most evident in Abu Dhabi.

With respect to expectations for the December quarter, survey respondents predicted the demand for personal loans to recover following the decline in the September quarter. By emirate, survey respondents expected an increase in the demand appetite for all Emirates, most significantly in Northern Emirates and Dubai (Chart 6).

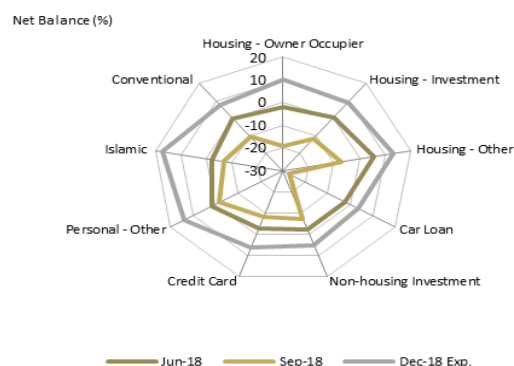
Chart 6 Change in Demand for Personal Loans by Emirate



For the September quarter, survey results revealed a decrease in personal loans across all categories, most

evident in car loan and housing-owner occupier. Loans for housing investment, conventional loan, personal – credit card, non-housing investment, and housing - other have also declined, but to a lesser extent. In terms of outlook, survey respondents predicted an increase in demand across the board, most evident in Islamic loan, personal-other, housing – other, and housing investment (Chart 7).

Chart 7 Change in Demand for Personal Loans by Type

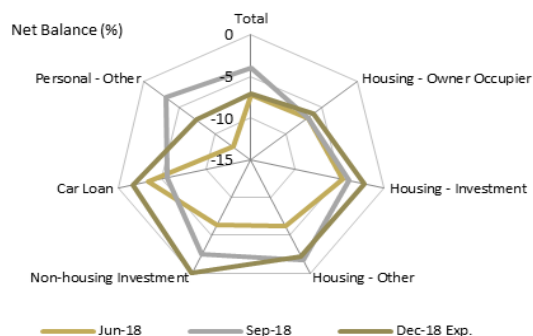


When asked about which factors attribute to the change in demand for loans, survey results reported that financial markets outlook and housing market outlook were the most significant. Change in income, and interest rates were also considered important. For the December quarter, survey respondents cited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

In terms of credit availability, more than 92% of survey respondents cited that the credit standards were unchanged. However, on aggregate, a net balance of -4.0 was observed for all households suggesting a moderate easing of credit standards in the September quarter. By loan category, the easing in credit standards was evident across the board, particularly with respect to housing – owner occupier.

With respect to expectations for the December quarter, the credit standards on aggregate were expected to ease further, as suggested by the net balance measure of -7.1. By loan type, survey respondents predicted credit standards to ease across the board, with the exception of non-housing investment, which is expected to remain unchanged (Chart 8).

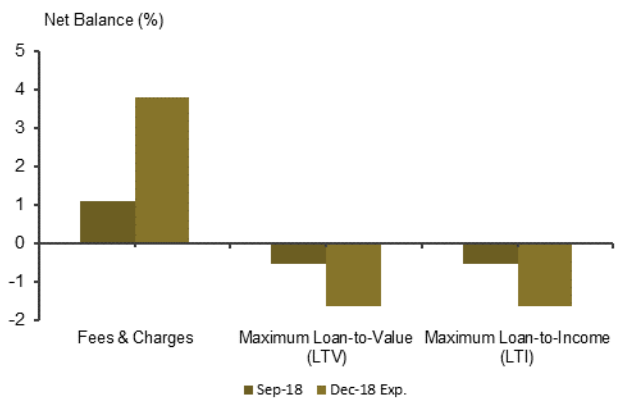
Chart 8 Change in Credit Standards



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

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

Chart 9 Change in Selected Terms and Conditions



When asked about those factors determining the change in credit standards during the September quarter, almost two-thirds of survey respondents cited that economic outlook, customer specific and change in tolerance for risk as very important. With respect to the outlook for the December quarter, quality of bank’s asset portfolio, economic outlook, and industry or firm specific conditions 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 Q3 Survey, which was conducted during the period of 16 – 30 October 2018. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the June quarter survey was 209 respondents, with 95 answering questions related to personal credit and 114 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 Q4 Survey in January 2019
- 2019 Q1 Survey in April 2019
- 2019 Q2 Survey in July 2019
- 2019 Q3 Survey in October 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@cbae.gov.ae

Annex 1

> Business Lending Survey Questionnaires Results⁴

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	0.0	15.8	40.4	43.9	0.0	14.0
Abu Dhabi	0.0	12.8	43.6	43.6	0.0	15.4
Dubai	0.0	13.0	41.3	45.7	0.0	16.3
Northern Emirates	0.0	26.9	38.5	34.6	0.0	3.8
Small and Medium Enterprises	0.9	10.3	58.9	29.9	0.0	8.9
Large Firms	0.0	15.8	41.2	43.0	0.0	13.6
Government Related Entities	0.0	6.3	75.0	18.8	0.0	6.3
Conventional Loans	0.0	13.8	51.4	33.0	1.8	11.5
Islamic Finance	0.0	5.7	80.7	13.6	0.0	4.0
Non-resident	4.0	5.0	81.0	10.0	0.0	-1.5
Expat	3.5	10.6	61.1	22.1	2.7	4.9
Local	0.0	11.4	53.5	34.2	0.9	12.3

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	0.0	7.7	80.2	12.1	0.0	2.2
Manufacturing	0.9	14.4	55.0	29.7	0.0	6.8
Electricity, Gas and Water	1.9	4.8	77.1	16.2	0.0	3.8
Construction	4.6	11.1	47.2	32.4	4.6	10.6
Property Development	4.7	12.1	54.2	26.2	2.8	5.1
Retail and Wholesale Trade	1.8	21.1	44.7	27.2	5.3	6.6
Transport, Storage and Communications	0.0	18.8	58.9	21.4	0.9	2.2
Financial Institutions (excluding Banks)	0.0	9.0	82.0	8.0	1.0	0.5
All Others	0.0	12.7	65.5	21.8	0.0	4.5

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

	Not Important	Somewhat Important	Very Important
Customers' Sales	17.1	28.8	54.1
Customers' Fixed Asset Investment	22.5	36.0	41.4
Competition with Finance Companies	78.4	21.6	0.0
Competition with Banks	56.8	32.4	10.8
Interest Rates	40.5	31.5	27.9
Seasonal Influences	27.9	54.1	18.0
Property Market Outlook	30.6	24.3	45.0

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	3.5	17.5	71.1	7.9	0.0	8.3
Small and Medium Enterprises	8.3	14.8	74.1	1.9	0.9	13.9
Large Firms	0.0	16.7	75.4	7.9	0.0	4.4

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	29.7	11.7	58.6
Economic Outlook	24.3	8.1	67.6
Industry or Firm Specific Conditions	24.3	31.5	44.1
Competition from Banks	54.1	36.9	9.0
Competition from Finance Companies	67.6	32.4	0.0
Change in Tolerance for Risk	36.9	18.0	45.0
Availability/Cost of Funds	42.3	29.7	27.9
Current/Anticipated Regulatory Changes	37.8	27.9	34.2

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	1.8	26.1	67.6	1.8	2.7	11.3
Spread Over Your Cost of Funds	2.7	23.4	71.2	2.7	0.0	13.1
Premiums Charged on Riskier Loans	2.7	33.3	62.2	1.8	0.0	18.5
Collateralization Requirements	9.6	28.9	58.8	0.0	2.6	21.5

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	7.9	40.4	51	0.9	22.4
Abu Dhabi	0.0	5.1	51.3	43.6	0.0	19.2
Dubai	0.0	8.7	37.0	52.2	2.2	23.9
Northern Emirates	0.0	11.5	34.6	53.8	0.0	21.2
Small and Medium Enterprises	3.5	0.9	55.3	39.5	0.9	16.7
Large Firms	0.0	7.2	44.1	48.6	0.0	20.7
Government Related Entities	0.0	5.6	67.6	26.9	0.0	10.6
Conventional Loans	0.0	3.6	55.9	40.5	0.0	18.5
Islamic Finance	0.0	1.9	73.1	25.0	0.0	11.6
Non-resident	0.0	5.6	82.4	12.0	0.0	3.2
Expat	0.9	8.1	61.3	27.0	2.7	11.3
Local	0.0	7.2	54.1	37.8	0.9	16.2

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	0.0	4.6	86.1	9.3	0.0	2.3
Manufacturing	0.0	9.3	57.4	33.3	0.0	12.0
Electricity, Gas and Water	0.0	4.5	75.7	18.9	0.9	8.1
Construction	0.0	12.6	53.2	27.0	7.2	14.4
Property Development	4.5	9.0	61.3	20.7	4.5	5.9
Retail and Wholesale Trade	3.6	9.9	47.7	33.3	5.4	13.5
Transport, Storage and Communications	0.0	9.0	58.6	30.6	1.8	12.6
Financial Institutions (excluding Banks)	0.0	5.4	77.5	15.3	1.8	6.8
All Others	0.0	5.4	73.9	20.7	0.0	7.7

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	25.2	22.5	52.3
Customers' Fixed Asset Investment	28.8	31.5	39.6
Competition with Finance Companies	76.6	22.5	0.9
Competition with Banks	60.4	26.1	13.5
Interest Rates	47.7	24.3	27.9
Seasonal Influences	34.2	51.4	14.4
Property Market Outlook	37.8	17.1	45.0

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	25.2	71.2	2.7	0.0	12.2
Small and Medium Enterprises	7.2	21.6	71.2	0.0	0.0	18.0
Large Firms	0.9	19.8	76.6	2.7	0.0	9.5

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	37.8	10.8	51.4
Economic Outlook	27.9	14.4	57.7
Industry or Firm Specific Conditions	34.2	20.7	45.0
Competition from Banks	59.5	28.8	11.7
Competition from Finance Companies	73.0	27.0	0.0
Change in Tolerance for Risk	43.2	18.0	38.7
Availability/Cost of Funds	45.0	28.8	26.1
Current/Anticipated Regulatory Changes	44.1	18.9	36.9

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	2.7	10.0	83.6	3.6	0.0	5.9
Spread Over Your Cost of Funds	1.9	17.6	77.8	2.8	0.0	9.3
Premiums Charged on Riskier Loans	5.6	15.9	74.8	3.7	0.0	11.7
Collateralization Requirements	5.6	20.6	71.0	2.8	0.0	14.5

Annex 2

> Personal Lending Survey Questionnaires Results⁵

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

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
All Households	3.2	25.5	59.6	10.6	1.1	-9.6
Abu Dhabi	3.1	28.1	59.4	9.4	0.0	-12.5
Dubai	6.3	21.9	56.3	12.5	3.1	-7.8
Northern Emirates	0.0	29.6	59.3	11.1	0.0	-9.3
Islamic	2.4	20.0	67.1	10.6	0.0	-7.1
Conventional	2.2	26.4	61.5	9.9	0.0	-10.4
Housing – Owner Occupier	6.0	34.9	51.8	6.0	1.2	-19.3
Housing – Investment	7.1	20.2	63.1	8.3	1.2	-11.9
Housing – Other (includes refinancing, renovations)	4.8	17.9	67.9	6.0	3.6	-7.1
Car Loan	12.3	30.9	55.6	1.2	0.0	-27.2
Non-housing Investment	1.2	15.7	79.5	3.6	0.0	-7.2
Credit Card	7.2	20.5	55.4	15.7	1.2	-8.4
Personal - Other	0.0	27.6	50.6	19.5	2.3	-1.7

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

	Not Important	Somewhat Important	Very Important
Housing market outlook	29.3	38.0	32.6
Financial markets outlook	25.3	38.9	35.8
Change in income	31.6	23.2	45.3
Interest rates	31.6	31.6	36.8
Competition with other banks or financial institutions	38.9	42.1	18.9
Seasonal influences	35.8	30.5	33.7

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	92.0	8.0	0.0	-4.0
Housing – Owner Occupier	0.0	0.0	86.0	14.0	0.0	-7.0
Housing – Investment	0.0	0.0	92.2	7.8	0.0	-3.9
Housing – Other (includes refinancing, renovations)	0.0	0.0	96.5	3.5	0.0	-1.8
Non-housing Investment	0.0	0.0	95.1	4.9	0.0	-2.4
Car Loan	0.0	0.0	88.9	11.1	0.0	-5.6
Personal - Other	0.0	0.0	93.9	6.1	0.0	-3.0

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	25.0	8.7	66.3
Economic Outlook	20.0	14.7	65.3
Customer Specific	22.1	18.9	58.9
Competition from Banks	29.5	54.7	15.8
Competition from Finance Companies	53.7	40.0	6.3
Change in Tolerance for Risk	23.2	13.7	63.2
Availability/Cost of Funds	28.4	25.3	46.3
Current/Anticipated Regulatory Changes	26.3	12.6	61.1

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	15.4	78.0	0.0	6.6	1.1
Maximum Loan-to-Value (LTV)	0.0	1.1	96.7	2.2	0.0	-0.5
Maximum Loan-to-Income (LTI)	0.0	1.1	96.7	2.2	0.0	-0.5

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	11.6	50.5	37.9	0.0	13.2
Abu Dhabi	0.0	12.1	60.6	27.3	0.0	7.6
Dubai	0.0	12.5	46.9	40.6	0.0	14.1
Northern Emirates	0.0	11.1	48.1	40.7	0.0	14.8
Islamic	0.0	1.1	62.9	36.0	0.0	17.4
Conventional	0.0	13.0	58.7	28.3	0.0	7.6
Housing – Owner Occupier	0.0	8.7	63.0	27.2	1.1	10.3
Housing – Investment	0.0	7.6	67.4	23.9	1.1	9.2
Housing – Other (includes refinancing, renovations)	0.0	5.4	69.6	18.5	6.5	13.0
Car Loan	2.2	12.4	62.9	21.3	1.1	3.4
Non-housing Investment	0.0	0.0	89.9	10.1	0.0	5.1
Credit Card	1.1	11.2	61.8	25.8	0.0	6.2
Personal - Other	0.0	6.7	60.7	30.3	2.2	14.0

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	30.4	29.3	40.2
Financial markets outlook	34.8	30.4	34.8
Change in income	39.1	18.5	42.4
Interest rates	35.9	31.5	32.6
Competition with other banks or financial institutions	46.7	42.4	10.9
Seasonal influences	43.5	33.7	22.8

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	5.4	75.0	19.6	0.0	-7.1
Housing – Owner Occupier	0.0	3.4	80.9	15.7	0.0	-6.2
Housing – Investment	0.0	9.0	77.5	13.5	0.0	-2.2
Housing – Other (includes refinancing, renovations)	0.0	4.5	86.5	9.0	0.0	-2.2
Non-housing Investment	1.1	3.4	91.0	3.4	1.1	0.0
Car Loan	0.0	3.5	89.5	7.0	0.0	-1.7
Personal - Other	0.0	6.7	73.0	19.1	1.1	-7.3

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	22.8	16.3	60.9
Economic Outlook	22.8	19.6	57.6
Industry or Firm Specific Conditions	26.1	17.4	56.5
Competition from Banks	37.0	53.3	9.8
Competition from Finance Companies	59.8	35.9	4.3
Change in Tolerance for Risk	27.2	16.3	56.5
Availability/Cost of Funds	31.5	30.4	38.0
Current/Anticipated Regulatory Changes	31.5	12.0	56.5

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	7.6	92.4	0.0	0	3.8
Maximum Loan-to-Value (LTV)	0	0	96.7	3.3	0	-1.6
Maximum Loan-to-Income (LTI)	0	0.0	96.7	3.3	0	-1.6