



Credit Sentiment Survey

Survey Results | 2019 Q1

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 of the UAE (“CBUAE”) 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

Survey results for the March quarter suggested an increase in demand appetite for business loans. Demand for personal loans in aggregate, has recovered and moved into the positive territory. Such an increase was attributable to the strengthening demand in Dubai and Northern Emirates. In terms of outlook for the June quarter, demand appetite for business and personal loans were expected to increase.

Lending to Corporates & Small Businesses – Survey results for the March quarter, revealed an increase in demand for business loans across all Emirates, predominantly in Dubai. By loan type, demand increased across the board, with the exception of small and medium enterprises and non-resident. Factors that strongly attributed to the change in business demand for loans were customers’ sales, customers’ fixed asset investment, and property market outlook. When asked about credit standards, around 70% of survey respondents reported no change. However, in aggregate, a positive net balance measure was recorded suggesting a further tightening of credit standards. In terms of outlook for the June quarter, demand for business loans was expected to increase further across all emirates and firms.

Lending to Individuals – In the March quarter, demand for personal loans, in aggregate has recovered and moved back into the positive territory. The increase was attributable to the strengthening demand in Dubai and Northern Emirates, while demand for personal loans in Abu Dhabi has decreased marginally. In terms of credit availability, more than 72% of survey respondents cited that the credit standards were unchanged. When asked about which factors attribute to the change in demand for loans in the June quarter, survey results reported that change in income and financial market outlook were the most important. In terms of outlook for the June quarter, demand for personal loans was expected to increase and credit standards in aggregate was expected to tighten 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)

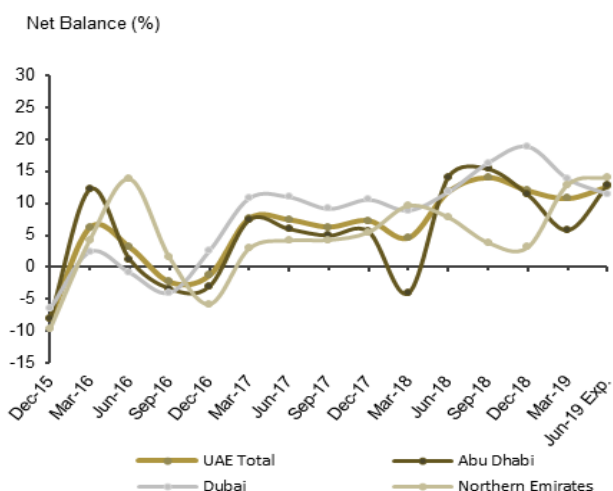
For credit standards, net balance = (% Reporting Significant Tightening + 0.5 x % Reporting Moderate Tightening) – (% Reporting Significant Easing + 0.5 x % Reporting Moderate Easing)

> Business Lending²

For the March quarter, survey respondents reported that demand for business loans has increased with a net balance measure of +10.7. According to the survey results, 36.4 percent reported no change, 42.2 percent reported an increase in demand, while 21.5 percent of respondents reported a decrease in demand. By emirate, survey results reported an increase in demand across the board, most evidently in Dubai and Northern Emirates.

With respect to expectations for the June quarter, a net balance measure of +12.6 was recorded suggesting a positive outlook for demand of business loans. By emirate, the strengthening in loan demand will be attributable to stronger demand across the board.

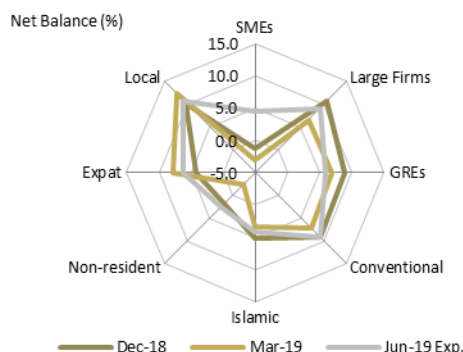
Chart 1 Change in Demand for Business Loans by Emirate



By market segment, demand increased across all categories in the March quarter with the exception of small and medium enterprises and non-resident. The increase in demand for loans was most evident among local, expat, and conventional loans. Government related entities, large firms, and Islamic finance increased but to a lesser extent.

In terms of outlook for the June quarter, survey respondents suggested that the demand for business loans to increase across all categories, most significantly for local, large firms, and conventional loans (Chart 2).

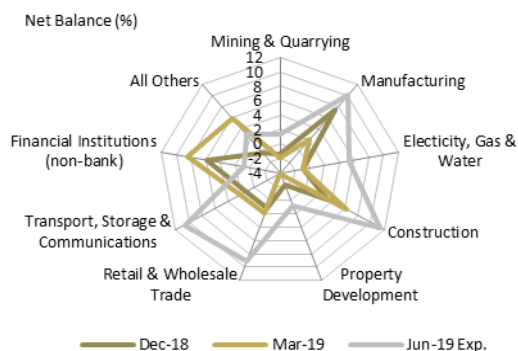
Chart 2 Change in Demand for Business Loans by Type



When asked about the change in demand for business loans by industry in the March quarter, survey respondents reported an increase in demand across all economic activities with the exception of property development, mining and quarrying, and electricity, gas and water. The increase in loan demand was most evident in financial institutions (excluding Banks), construction, and all others. Transport, storage and communication, manufacturing, and retail and wholesale trade have also increased but to a lesser extent.

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

Chart 3 Change in Demand for Business Loans by Industry

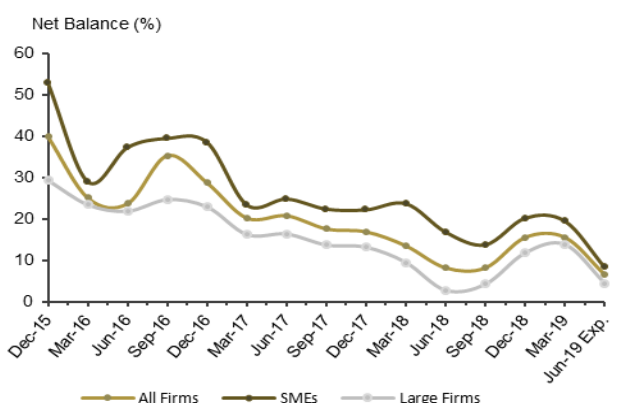


² Full survey results are presented in Annex 1 to this report

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

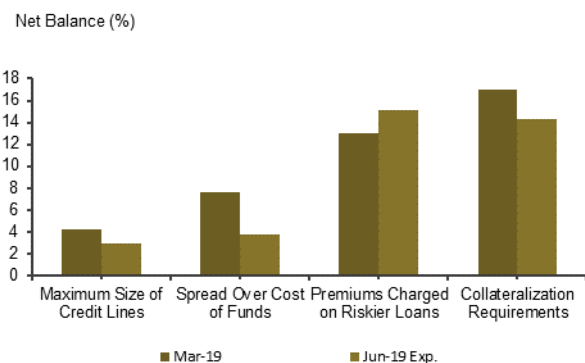
In terms of credit standards, around 70% of survey respondents reported no change. However, in aggregate, a positive net balance measure of 15.7 was recorded suggesting a tightening of credit standards. In particular, survey results reported a stronger tightening for small and medium enterprises relative to large firms. Moreover, survey respondents expected further tightening in credit standards for the June quarter but to a lesser extent (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 related to terms and conditions pertaining to collateralization requirements, and premiums charged on riskier loans. In the June quarter, survey respondents predicted a further tightening across all terms and conditions, 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 March quarter, survey respondents revealed that economic outlook, industry or firm specific conditions, and quality of bank’s asset portfolio are the most significant factors. Competition from finance companies continued to have minimum bearing on credit standards in the March quarter.

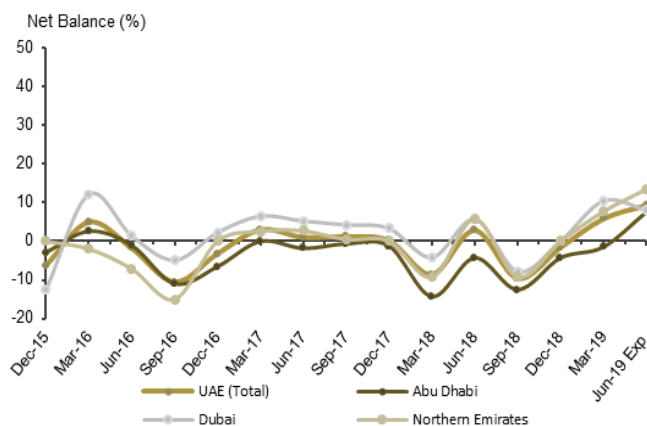
For the June quarter, the factors that will be most attributed to the change in credit standards will be economic outlook, quality of bank’s asset portfolio, and industry or firm specific conditions.

> Personal Lending³

Demand for personal loans, in aggregate, has recovered and moved into the positive territory in the March quarter as suggested by a net balance measure of +5.8. The modest increase was attributable to the strengthening demand in Dubai and Northern Emirates, while demand for loans in Abu Dhabi has decreased marginally.

With respect to expectations for the June quarter, survey respondents expected the demand for personal loans to increase as suggested by a net balance measure of +9.3. By emirate, survey respondents anticipated an increase in the demand appetite across the board, most significantly in Northern Emirates (Chart 6).

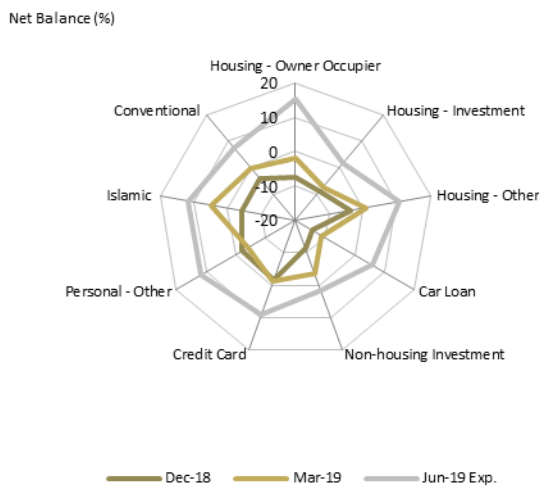
Chart 6 Change in Demand for Personal Loans by Emirate



For the March quarter, survey results revealed an increase in personal loans for Islamic loans and housing – other (includes refinancing, renovations), while demand for conventional loans remained unchanged. On the other hand, the decrease in demand for loans was most evident in car loan and housing investment. Loans for personal – other, non-housing investment, housing-owner occupier, and credit card have also declined but marginally. In terms of outlook, survey respondents predicted an increase in demand across the board, most evidently in housing – owner occupier, personal – other, Islamic loans, and housing – other (includes refinancing, renovations) (Chart 7).

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

Chart 7 Change in Demand for Personal Loans by Type

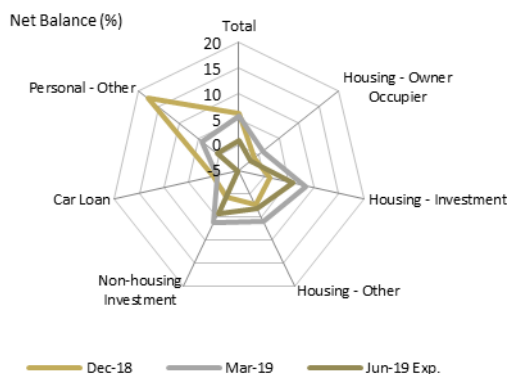


When asked about which factors attribute to the change in demand for loans in the March quarter, survey results reported that change in income, financial market outlook, housing market outlook, and interest rates were the most important. For the June quarter, survey respondents reported housing market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

In terms of credit availability, more than 72% of survey respondents reported that credit standards were unchanged. However, in aggregate, a net balance measure of +5.6 for all household suggested a moderate tightening of credit standards in the March quarter. By loan category, tightening in credit standards was evident across the board with the exception of car loan, which eased marginally.

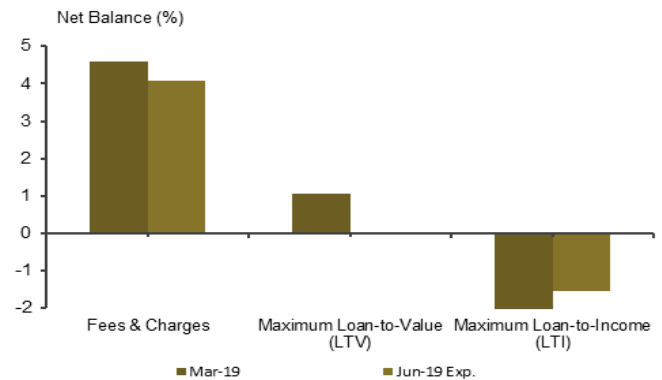
With respect to expectations for the June quarter, credit standards in aggregate were expected to continue tightening but marginally, as suggested by the net balance measure of +1.0. By loan type, survey respondents predicted credit standards to tighten across the board, with the exception of car loan and housing – owner occupier (Chart 8).

Chart 8 Change in Credit Standards



With respect to credit terms and conditions in the March quarter, nearly 85% of survey respondents reported no change across the board. In aggregate, however, survey respondents reported a marginal tightening in maximum loan-to-value (LTV) and fees and charges, while maximum loan-to-income (LTI) eased marginally. With respect to the outlook for the June quarter, survey respondents predicted that terms and conditions pertaining to fees & charges to tighten, while maximum loan-to-value (LTV) remained unchanged, and 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 March quarter, survey respondents reported economic outlook, quality of bank’s asset portfolio, change in tolerance for risk, and customer specific as very important. With respect to the June quarter, quality of bank’s asset portfolio, economic outlook, and industry or firm specific conditions were considered 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 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 2019 Q1 Survey, which was conducted during the period of 16 – 31 March 2019. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the June quarter survey was 227 respondents, with 101 answering questions related to personal credit and 126 answering questions related to business credit. The March 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:

- 2019 Q2 Survey in July 2019
- 2019 Q3 Survey in October 2019
- 2019 Q4 Survey in January 2020
- 2020 Q1 Survey in April 2020

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 Management Department via:

Monetary.Policy@cbuae.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	0.8	20.7	36.4	40.5	1.7	10.7
Abu Dhabi	0.0	27.9	32.6	39.5	0.0	5.8
Dubai	0.0	21.3	34.0	40.4	4.3	13.8
Northern Emirates	3.2	9.7	45.2	41.9	0.0	12.9
Small and Medium Enterprises	2.5	16.8	64.7	16.0	0.0	-2.9
Large Firms	0.8	20.7	43.0	35.5	0.0	6.6
Government Related Entities	0.0	6.0	75.9	16.4	1.7	6.9
Conventional Loans	3.6	12.7	50.0	32.7	0.9	7.3
Islamic Finance	1.0	9.7	70.9	18.4	0.0	3.4
Non-resident	0.9	7.5	86.9	4.7	0.0	-2.3
Expat	0.8	17.4	47.1	34.7	0.0	7.9
Local	0.0	9.1	57.0	33.9	0.0	12.4

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	7.6	85.7	5.7	0.0	-1.9
Manufacturing	0.8	15.0	64.2	19.2	0.8	2.1
Electricity, Gas and Water	0.0	8.8	85.0	5.3	0.9	-0.9
Construction	2.5	15.1	51.3	29.4	1.7	6.3
Property Development	2.6	20.5	60.7	14.5	1.7	-3.8
Retail and Wholesale Trade	0.8	20.7	52.9	24.8	0.8	2.1
Transport, Storage and Communications	1.7	12.5	66.7	18.3	0.8	2.1
Financial Institutions (excluding Banks)	0.0	0.9	83.8	12.6	2.7	8.6
All Others	0.8	10.8	65.0	22.5	0.8	5.8

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

	Not Important	Somewhat Important	Very Important
Customers' Sales	25.8	17.5	56.7
Customers' Fixed Asset Investment	26.7	33.3	40.0
Competition with Finance Companies	72.5	21.7	5.8
Competition with Banks	53.3	29.2	17.5
Interest Rates	42.5	26.7	30.8
Seasonal Influences	41.7	50.0	8.3
Property Market Outlook	35.8	19.2	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	4.2	24.6	69.5	1.7	0.0	15.7
Small and Medium Enterprises	8.3	23.3	67.5	0.8	0.0	19.6
Large Firms	4.2	21.2	72.9	1.7	0.0	14.0

Q5. What factors were attributable to the change in your bank/financial institution's credit standards? (% of total)

	Not Important	Somewhat Important	Very Important
Quality of Your Bank's Asset Portfolio	24.2	17.5	58.3
Economic Outlook	19.2	16.7	64.2
Industry or Firm Specific Conditions	22.5	26.7	50.8
Competition from Banks	56.7	35.0	8.3
Competition from Finance Companies	74.2	25.0	0.8
Change in Tolerance for Risk	31.7	27.5	40.8
Availability/Cost of Funds	37.5	23.3	39.2
Current/Anticipated Regulatory Changes	34.2	18.3	47.5

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	3.4	16.1	66.9	12.7	0.8	4.2
Spread Over Your Cost of Funds	0.0	16.1	83.1	0.8	0.0	7.6
Premiums Charged on Riskier Loans	5.2	20.9	69.6	3.5	0.9	13.0
Collateralization Requirements	4.2	32.2	56.8	6.8	0.0	16.9

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	13.0	48.8	38	0.0	12.6
Abu Dhabi	0.0	14.0	46.5	39.5	0.0	12.8
Dubai	0.0	16.7	43.8	39.6	0.0	11.5
Northern Emirates	0.0	6.3	59.4	34.4	0.0	14.1
Small and Medium Enterprises	1.6	14.6	56.9	26.8	0.0	4.5
Large Firms	0.0	15.8	50.0	34.2	0.0	9.2
Government Related Entities	0.0	8.3	71.7	20.0	0.0	5.8
Conventional Loans	0.0	10.8	60.0	29.2	0.0	9.2
Islamic Finance	0.8	6.7	78.3	11.7	2.5	4.2
Non-resident	0.0	5.0	85.0	10.0	0.0	2.5
Expat	0.0	12.5	62.5	25.0	0.0	6.3
Local	0.0	10.0	58.3	31.7	0.0	10.8

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	3.4	90.8	5.9	0.0	1.3
Manufacturing	0.0	10.1	60.5	28.6	0.8	10.1
Electricity, Gas and Water	0.0	4.9	80.3	13.9	0.8	5.3
Construction	0.8	14.8	50.0	29.5	4.9	11.5
Property Development	2.5	18.0	54.9	24.6	0.0	0.8
Retail and Wholesale Trade	0.0	13.9	54.1	32.0	0.0	9.0
Transport, Storage and Communications	0.0	7.4	64.8	27.0	0.8	10.7
Financial Institutions (excluding Banks)	0.0	5.7	86.9	7.4	0.0	0.8
All Others	0.0	6.6	82.0	10.7	0.8	2.9

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	28.3	47.5
Customers' Fixed Asset Investment	30.8	34.2	35.0
Competition with Finance Companies	75.8	23.3	0.8
Competition with Banks	59.2	29.2	11.7
Interest Rates	46.7	18.3	35.0
Seasonal Influences	30.8	53.3	15.8
Property Market Outlook	29.2	25.0	45.8

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	1.7	17.5	73.3	7.5	0.0	6.7
Small and Medium Enterprises	1.7	18.5	74.8	5.0	0.0	8.4
Large Firms	0.0	17.6	73.9	8.4	0.0	4.6

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	27.5	16.7	55.8
Economic Outlook	22.5	10.8	66.7
Industry or Firm Specific Conditions	29.2	17.5	53.3
Competition from Banks	58.3	30.0	11.7
Competition from Finance Companies	75.8	24.2	0.0
Change in Tolerance for Risk	37.5	23.3	39.2
Availability/Cost of Funds	37.5	25.0	37.5
Current/Anticipated Regulatory Changes	37.5	22.5	40.0

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	2.5	10.9	79.0	5.0	2.5	2.9
Spread Over Your Cost of Funds	0.0	11.8	84.0	4.2	0.0	3.8
Premiums Charged on Riskier Loans	7.6	16.0	75.6	0.8	0.0	15.1
Collateralization Requirements	5.9	19.3	72.3	2.5	0.0	14.3

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	0.0	12.6	66.0	18.4	2.9	5.8
Abu Dhabi	0.0	17.6	67.6	14.7	0.0	-1.5
Dubai	0.0	9.3	65.1	20.9	4.7	10.5
Northern Emirates	0.0	11.5	65.4	19.2	3.8	7.7
Islamic	0.0	7.5	75.3	17.2	0.0	4.8
Conventional	0.0	16.2	67.7	16.2	0.0	0.0
Housing – Owner Occupier	0.0	18.2	67.0	14.8	0.0	-1.7
Housing – Investment	0.0	18.0	79.8	1.1	1.1	-7.3
Housing – Other (includes refinancing, renovations)	0.0	14.6	68.5	16.9	0.0	1.1
Car Loan	2.5	30.9	55.6	8.6	2.5	-11.1
Non-housing Investment	0.0	12.3	85.2	0.0	2.5	-3.7
Credit Card	2.3	18.4	58.6	20.7	0.0	-1.1
Personal - Other	0.0	25.3	59.3	14.3	1.1	-4.4

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

	Not Important	Somewhat Important	Very Important
Housing market outlook	28.6	45.9	25.5
Financial markets outlook	28.4	38.2	33.3
Change in income	27.5	31.4	41.2
Interest rates	29.4	38.2	32.4
Competition with other banks or financial institutions	46.1	40.2	13.7
Seasonal influences	46.1	36.3	17.6

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	4.1	13.3	72.4	10.2	0.0	5.6
Housing – Owner Occupier	1.1	10.6	77.7	10.6	0.0	1.1
Housing – Investment	2.1	17.9	74.7	5.3	0.0	8.4
Housing – Other (includes refinancing, renovations)	1.1	13.2	82.4	3.3	0.0	6.0
Non-housing Investment	1.1	13.5	82.0	3.4	0.0	6.2
Car Loan	0.0	9.4	80.0	10.6	0.0	-0.6
Personal - Other	3.2	18.3	65.6	9.7	3.2	4.3

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	23.0	16.0	61.0
Economic Outlook	19.2	26.0	54.8
Customer Specific	23.5	29.4	47.1
Competition from Banks	36.3	46.1	17.6
Competition from Finance Companies	57.8	37.3	4.9
Change in Tolerance for Risk	23.5	31.4	45.1
Availability/Cost of Funds	32.4	25.5	42.2
Current/Anticipated Regulatory Changes	27.5	8.8	63.7

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	12.2	84.7	3.1	0.0	4.6
Maximum Loan-to-Value (LTV)	0.0	4.2	94.7	0.0	1.1	1.1
Maximum Loan-to-Income (LTI)	0.0	3.1	92.9	1.0	3.1	-2.0

Q6. How do you expect demand for loans from consumers to change over the next quarter? (% of total)

	Decrease Substantially	Decrease Moderately	No Change	Increase Moderately	Increase Substantially	Net Balance
All Households	0.0	8.8	63.7	27.5	0.0	9.3
Abu Dhabi	0.0	9.1	66.7	24.2	0.0	7.6
Dubai	0.0	9.3	65.1	25.6	0.0	8.1
Northern Emirates	0.0	7.7	57.7	34.6	0.0	13.5
Islamic	0.0	3.2	70.2	26.6	0.0	11.7
Conventional	0.0	8.2	70.4	19.4	2.0	7.7
Housing – Owner Occupier	0.0	0.0	71.1	26.8	2.1	15.5
Housing – Investment	1.0	12.4	71.1	13.4	2.1	1.5
Housing – Other (includes refinancing, renovations)	0.0	6.2	69.1	21.6	3.1	10.8
Car Loan	1.1	9.7	67.7	19.4	2.2	5.9
Non-housing Investment	1.1	3.2	87.1	8.6	0.0	1.6
Credit Card	0.0	10.8	60.2	29.0	0.0	9.1
Personal - Other	0.0	8.6	60.2	30.1	1.1	11.8

Q7. What factors do you attribute to the expected change in demand for loans? (% of total)

	Not Important	Somewhat Important	Very Important
Housing market outlook	29.6	33.7	36.7
Financial markets outlook	33.7	35.7	30.6
Change in income	33.7	24.5	41.8
Interest rates	29.6	33.7	36.7
Competition with other banks or financial institutions	46.9	42.9	10.2
Seasonal influences	33.7	46.9	19.4

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	0.0	8.2	85.7	6.1	0.0	1.0
Housing – Owner Occupier	0.0	8.3	79.2	12.5	0.0	-2.1
Housing – Investment	0.0	16.7	78.1	5.2	0.0	5.7
Housing – Other (includes refinancing, renovations)	0.0	10.4	85.4	4.2	0.0	3.1
Non-housing Investment	0.0	9.6	89.4	1.1	0.0	4.3
Car Loan	0.0	5.4	79.3	15.2	0.0	-4.9
Personal - Other	4.3	10.6	68.1	16.0	1.1	0.5

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	21.4	19.4	59.2
Economic Outlook	21.4	28.6	50.0
Industry or Firm Specific Conditions	26.5	30.6	42.9
Competition from Banks	39.8	50.0	10.2
Competition from Finance Companies	57.1	37.8	5.1
Change in Tolerance for Risk	27.6	28.6	43.9
Availability/Cost of Funds	35.7	25.5	38.8
Current/Anticipated Regulatory Changes	34.7	7.1	58.2

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	0.0	8.2	91.8	0.0	0.0	4.1
Maximum Loan-to-Value (LTV)	0.0	5.1	90.8	3.1	1.0	0.0
Maximum Loan-to-Income (LTI)	0.0	3.1	92.9	2.0	2.0	-1.5