



Credit Sentiment Survey

Survey Results | 2019 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 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 in the June quarter revealed an increase in appetite for business loans coupled with a further tightening of credit standards. Demand appetite for personal loans, however, has decrease moderately, although credit standards remained unchanged. This decrease in demand for personal loans was attributable to the weakening in demand across all Emirates. With respect to expectations for the September quarter, survey respondents are expecting an increase in the demand appetite for both business and personal loans, while credit standards are projected for a further tightening.

Lending to Corporates & Small Businesses – In the June quarter, survey respondents reported a moderate increase in demand for business loans across all Emirates. By loan type, demand increased across all categories, with the exception of non-resident. In terms of credit standards, 76% of survey respondents reported no change. However, in aggregate, a positive net balance measure of 10.2 was recorded suggesting a further tightening of credit standards. For the September quarter expectations, survey respondents were optimistic and expected demand for business loans to increase further across all emirates and firms. In terms of credit availability, survey respondents also expected further tightening in credit standards and across all terms and conditions.

Lending to Individuals – Demand for personal loans, in aggregate has decreased moderately for the June quarter. The modest decrease was attributable to the weakening in demand across all emirates, most significantly in Abu Dhabi. Survey results revealed that housing market outlook, financial market outlook, change in income, and interest rates were the most important factors that attribute in change in demand for personal loans. In terms of credit availability, more than 83% of survey respondents cited that the credit standards were unchanged with a net balance of 0.0. For the September quarter, demand for personal loans is expected to increase and credit standards in aggregate is 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)

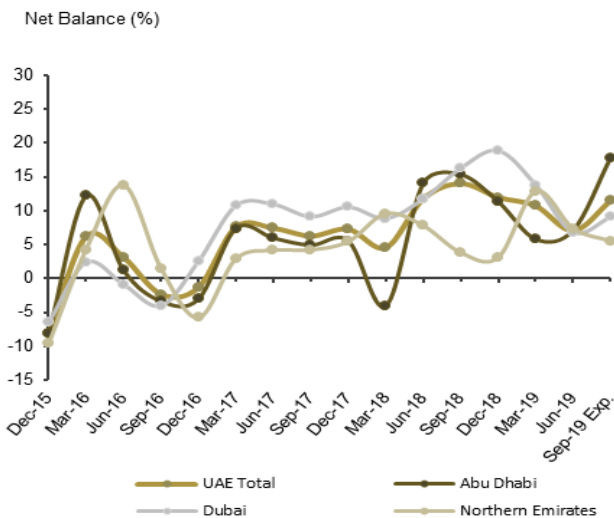
For credit standards, net balance = (% Reporting Significant Tightening + 0.5 x % Reporting Moderate Tightening) – (% Reporting Significant Easing + 0.5 x % Reporting Moderate Easing)

> Business Lending²

For the June quarter, survey respondents reported that demand for business loans has increased moderately with a net balance measure of +7.1. According to the survey results, 43.4 percent reported no change, 36.3 percent reported an increase in demand, while 20.4 percent of respondents reported a decrease in demand. By emirate, survey respondents reported an increase in demand across the board.

In terms of outlook for the September quarter, a net balance measure of +11.5 was recorded, suggesting a positive outlook for demand of business loans. By emirate, the strengthening in loan demand was attributable to stronger demand across the board, most significantly in Abu Dhabi.

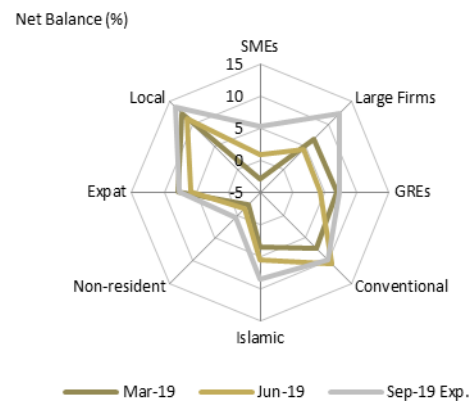
Chart 1 Change in Demand for Business Loans by Emirate



By market segment, survey results suggested an increase in demand across all categories in the June quarter with the exception of non-resident. The increase in demand for loans was most significant among local and conventional loans. Expat, Islamic finance, large firms government related entities, and small and medium enterprises increased but to a lesser extent.

With respect to expectations for the September quarter, survey respondents suggested that the demand for business loans to increase across all categories, predominately for local, large firms, and conventional loans (Chart 2).

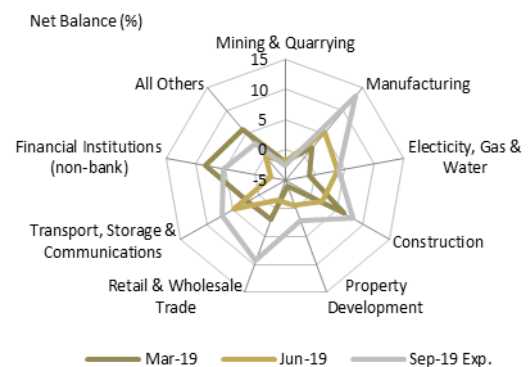
Chart 2 Change in Demand for Business Loans by Type



When asked about the change in demand for business loans by industry in the June quarter, survey respondents reported an increase in demand in manufacturing, transport, storage and communications, electricity, gas and water, and construction. On the other hand, survey results suggested a decrease in business loans in financial institutions (excluding banks), mining and quarrying, retail and wholesale trade, and property development, while all others economic activities remain unchanged.

In terms of outlook for the September quarter, survey respondents predicted demand for loans to increase across all industries with the exception of mining and quarrying. The increase in demand was most evident in manufacturing, retail and wholesale trade, and construction (Chart 3).

Chart 3 Change in Demand for Business Loans by Industry

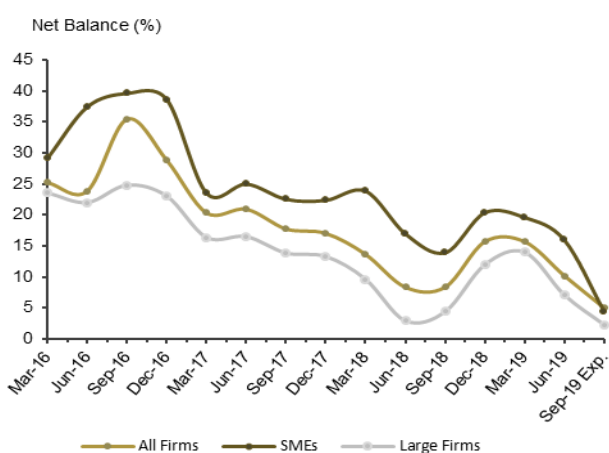


² Full survey results are presented in Annex 1 to this report

The main factors determining the change in demand for business loans were customers' fixed asset investment, customers' sales, and property market outlook. For the September quarter, survey respondents cited customers' sales, property market outlook, and customers' fixed asset investment to be the most important determining factors.

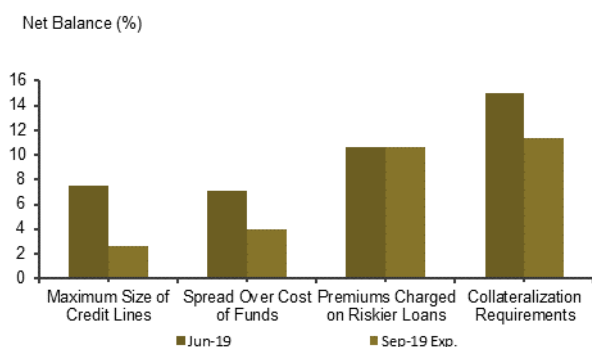
In terms of credit standards, 76% of survey respondents reported no change. However, in aggregate, a positive net balance measure of 10.2 was recorded suggesting a tightening of credit standards. For the June quarter, survey results reported a stronger tightening for small and medium enterprises relative to large firms. Moreover, survey respondents expected tightening in credit standards but to a lesser extent for the September quarter (Chart 4).

Chart 4 Change in Credit Standards



With respect to specific terms and conditions, survey results suggested a tightening that occurred across the board, most evidently related to terms and conditions pertaining to collateralization requirements, and premiums charged on riskier loans. In the September quarter, survey respondents predicted a 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, 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 and competition from banks continued to have minimum bearing on credit standards in the June quarter.

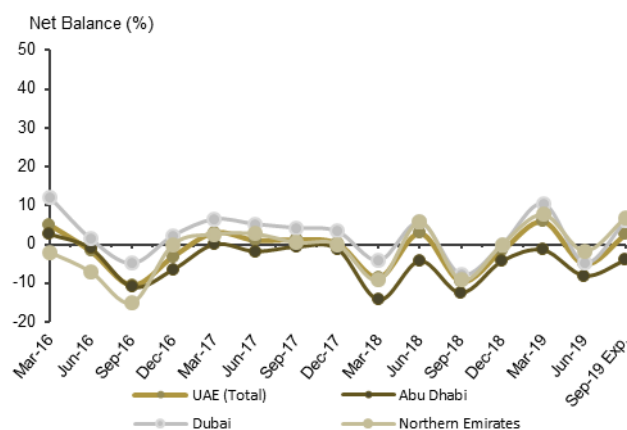
For the September quarter, the factors that are expected to impact in credit standards will be economic outlook, quality of bank's asset portfolio, and industry or firm specific conditions.

> Personal Lending³

In the June quarter, demand for personal loans, in aggregate, has decreased moderately as suggested by the net balance measure of -5.1. The modest decrease was attributable to the weakening in demand across all emirates, most significantly in Abu Dhabi.

With respect to expectations for the September quarter, survey respondents expected the demand for personal loans to increase marginally as suggested by a net balance measure of +2.5. By emirate, survey respondents anticipated an increase in the demand appetite in Northern Emirates and Dubai, while demand in Abu Dhabi is expected to decrease (Chart 6).

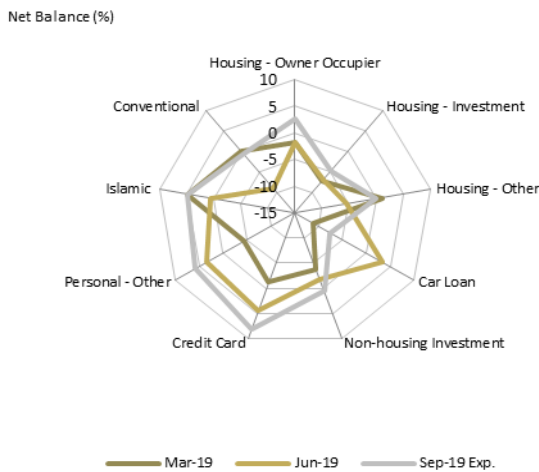
Chart 6 Change in Demand for Personal Loans by Emirate



For the June quarter, survey results reported an increase in personal loans for credit card, personal – other, car loan, and Islamic finance. On the other hand, the decrease in demand for loans was most evident among conventional loan, housing – investment, housing other (includes refinancing, renovations), non-housing investment, and housing – owner occupier. For the September quarter, survey respondents expected an increase in demand across the board, with the exception of car loan, housing – investment, and conventional loans, while housing – other (includes refinancing, renovations) is expected to remain unchanged (Chart 7).

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

Chart 7 Change in Demand for Personal Loans by Type

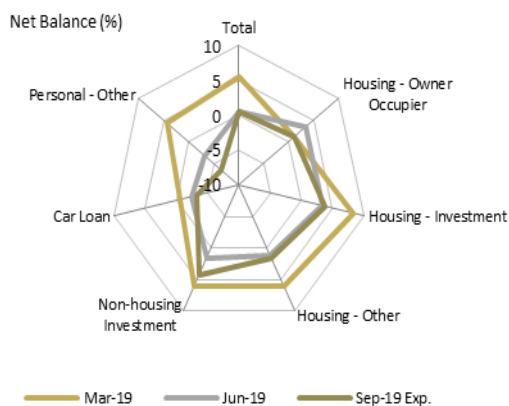


When asked about which factors attributed to the change in demand for loans in the June quarter, survey results revealed that housing market outlook, financial market outlook, change in income, and interest rates were the most important. For the September quarter, survey respondents cited housing market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

In terms of credit availability, survey results reported no change with a net balance measure of 0.0 for all household in the June quarter. However, more than 83% of survey respondents reported that credit standards were unchanged. By loan category, tightening in credit standards was evident across the board with the exception of personal other, and car loan, which eased marginally.

For the September quarter, credit standards in aggregate were expected to tighten marginally, as suggested by the net balance measure of +0.5. By loan type, survey respondents predicted credit standards to tighten across the board, with the exception of personal - other, and car loan, which were expected to continue easing (Chart 8).

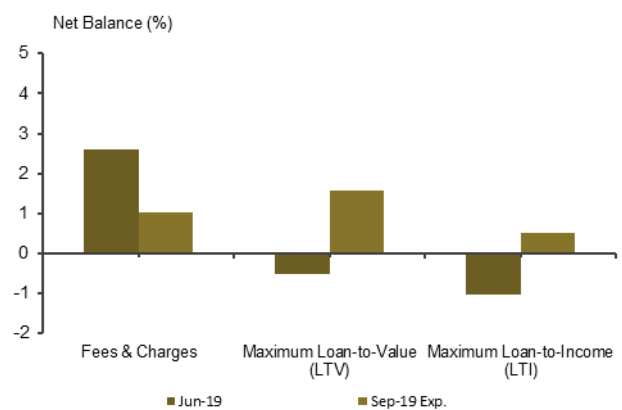
Chart 8 Change in Credit Standards



With respect to credit terms and conditions in the June quarter, around 95% of survey respondents reported no change across the board. In aggregate, however, survey respondents reported a tightening in fees and charges, while maximum loan-to-value (LTV) and maximum loan-to-income (LTI) eased marginally.

With respect to the outlook for the September quarter, survey respondents expected that terms and conditions pertaining to fees & charges, maximum loan-to-value (LTV), and maximum loan-to-income (LTI) to continue tightening, but 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, survey respondents reported economic outlook, customer specific, quality of bank's asset portfolio, and change in tolerance for risk as very important. With respect to the September quarter, housing market outlook, change in income, and seasonal influences 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 Q2 Survey, which was conducted during the period of 16 – 31 June 2019. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the June quarter survey was 215 respondents, with 99 answering questions related to personal credit and 116 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 Q3 Survey in October 2019
- 2019 Q4 Survey in January 2020
- 2020 Q1 Survey in April 2020
- 2020 Q2 Survey in July 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@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	1.8	18.6	43.4	36.3	0.0	7.1
Abu Dhabi	2.4	16.7	45.2	35.7	0.0	7.1
Dubai	0.0	22.7	40.9	36.4	0.0	6.8
Northern Emirates	3.7	14.8	44.4	37.0	0.0	7.4
Small and Medium Enterprises	1.8	15.3	62.2	20.7	0.0	0.9
Large Firms	1.8	15.0	55.8	27.4	0.0	4.4
Government Related Entities	1.0	7.7	73.1	18.3	0.0	4.3
Conventional Loans	2.9	8.8	52.0	36.3	0.0	10.8
Islamic Finance	1.1	7.5	73.1	16.1	2.2	5.4
Non-resident	0.0	7.2	88.7	4.1	0.0	-1.5
Expat	1.8	10.9	60.9	26.4	0.0	5.9
Local	0.9	8.8	57.5	32.7	0.0	11.1

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	9.2	85.7	5.1	0.0	-2.0
Manufacturing	0.0	13.3	65.5	18.6	2.7	5.3
Electricity, Gas and Water	0.0	3.9	87.4	5.8	2.9	3.9
Construction	3.6	12.6	59.5	24.3	0.0	2.3
Property Development	2.8	17.8	57.0	22.4	0.0	-0.5
Retail and Wholesale Trade	0.9	21.2	57.5	20.4	0.0	-1.3
Transport, Storage and Communications	0.9	11.6	65.2	21.4	0.9	4.9
Financial Institutions (excluding Banks)	3.0	4.0	88.0	5.0	0.0	-2.5
All Others	2.8	8.3	75.0	13.9	0.0	0.0

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

	Not Important	Somewhat Important	Very Important
Customers' Sales	24.8	24.8	50.4
Customers' Fixed Asset Investment	26.5	34.5	38.9
Competition with Finance Companies	85.0	13.3	1.8
Competition with Banks	61.1	23.0	15.9
Interest Rates	51.3	23.9	24.8
Seasonal Influences	42.5	50.4	7.1
Property Market Outlook	36.3	18.6	45.1

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	1.8	19.5	76.1	2.7	0.0	10.2
Small and Medium Enterprises	5.3	21.2	73.5	0.0	0.0	15.9
Large Firms	1.8	13.3	82.3	2.7	0.0	7.1

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	31.9	15.9	52.2
Economic Outlook	24.8	13.3	61.9
Industry or Firm Specific Conditions	30.1	27.4	42.5
Competition from Banks	66.4	24.8	8.8
Competition from Finance Companies	78.8	21.2	0.0
Change in Tolerance for Risk	38.1	18.6	43.4
Availability/Cost of Funds	48.7	15.9	35.4
Current/Anticipated Regulatory Changes	43.4	14.2	42.5

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	1.8	15.9	77.9	4.4	0.0	7.5
Spread Over Your Cost of Funds	0.0	15.0	84.1	0.9	0.0	7.1
Premiums Charged on Riskier Loans	1.8	19.5	77.0	1.8	0.0	10.6
Collateralization Requirements	1.8	28.3	68.1	1.8	0.0	15.0

Q7. Over the next quarter, how do you expect demand for loans from firms to change? (% of total)

	Decrease Substantially	Decrease Moderately	No Change	Increase Moderately	Increase Substantially	Net Balance
All Firms	0.0	12.4	52.2	35	0.0	11.5
Abu Dhabi	0.0	9.5	45.2	45.2	0.0	17.9
Dubai	0.0	13.6	54.5	31.8	0.0	9.1
Northern Emirates	0.0	14.8	59.3	25.9	0.0	5.6
Small and Medium Enterprises	0.9	11.5	64.6	22.1	0.9	5.3
Large Firms	0.0	8.0	59.3	32.7	0.0	12.4
Government Related Entities	0.0	2.7	80.0	17.3	0.0	7.3
Conventional Loans	0.0	8.8	62.8	28.3	0.0	9.7
Islamic Finance	0.0	4.7	75.7	17.8	1.9	8.4
Non-resident	0.0	5.5	88.2	6.4	0.0	0.5
Expat	0.0	8.8	67.3	23.9	0.0	7.5
Local	0.0	5.3	61.9	32.7	0.0	13.7

Q8. By economic activity, how do you expect demand for loans from firms to change? (% of total)

	Decrease Substantially	Decrease Moderately	No Change	Increase Moderately	Increase Substantially	Net Balance
Mining and Quarrying	0.0	7.3	90.9	1.8	0.0	-2.7
Manufacturing	0.0	4.4	64.6	31.0	0.0	13.3
Electricity, Gas and Water	0.0	2.7	86.4	10.9	0.0	4.1
Construction	0.9	14.2	55.8	26.5	2.7	8.0
Property Development	1.8	13.3	63.7	21.2	0.0	2.2
Retail and Wholesale Trade	0.0	14.2	53.1	32.7	0.0	9.3
Transport, Storage and Communications	0.0	6.2	73.5	20.4	0.0	7.1
Financial Institutions (excluding Banks)	0.0	0.0	89.1	10.9	0.0	5.5
All Others	0.0	6.4	81.8	11.8	0.0	2.7

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	30.1	16.8	53.1
Customers' Fixed Asset Investment	32.7	31.9	35.4
Competition with Finance Companies	78.8	20.4	0.9
Competition with Banks	62.8	20.4	16.8
Interest Rates	45.1	22.1	32.7
Seasonal Influences	35.4	49.6	15.0
Property Market Outlook	31.9	19.5	48.7

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	15.5	79.1	5.5	0.0	5.0
Small and Medium Enterprises	2.7	11.5	77.9	8.0	0.0	4.4
Large Firms	0.0	10.9	82.7	6.4	0.0	2.3

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	34.5	15.9	49.6
Economic Outlook	29.2	9.7	61.1
Industry or Firm Specific Conditions	34.5	26.5	38.9
Competition from Banks	70.8	19.5	9.7
Competition from Finance Companies	77.0	22.1	0.9
Change in Tolerance for Risk	45.1	21.2	33.6
Availability/Cost of Funds	44.2	23.0	32.7
Current/Anticipated Regulatory Changes	45.1	14.2	40.7

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	0.9	9.7	85.0	2.7	1.8	2.7
Spread Over Your Cost of Funds	0.0	12.4	83.2	4.4	0.0	4.0
Premiums Charged on Riskier Loans	1.8	17.7	80.5	0.0	0.0	10.6
Collateralization Requirements	1.8	20.9	75.5	1.8	0.0	11.4

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	26.5	57.1	16.3	0.0	-5.1
Abu Dhabi	0.0	32.4	51.4	16.2	0.0	-8.1
Dubai	0.0	21.9	65.6	12.5	0.0	-4.7
Northern Emirates	0.0	24.1	55.2	20.7	0.0	-1.7
Islamic	0.0	11.2	76.4	12.4	0.0	0.6
Conventional	2.1	22.1	67.4	8.4	0.0	-8.9
Housing – Owner Occupier	0.0	16.0	71.6	12.3	0.0	-1.9
Housing – Investment	0.0	19.8	74.1	6.2	0.0	-6.8
Housing – Other (includes refinancing, renovations)	0.0	16.7	77.4	6.0	0.0	-5.4
Car Loan	0.0	18.4	57.9	22.4	1.3	3.3
Non-housing Investment	0.0	8.8	86.3	5.0	0.0	-1.9
Credit Card	0.0	17.3	56.8	25.9	0.0	4.3
Personal - Other	0.0	16.3	60.5	23.3	0.0	3.5

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

	Not Important	Somewhat Important	Very Important
Housing market outlook	28.1	46.9	25.0
Financial markets outlook	28.3	42.4	29.3
Change in income	31.3	28.3	40.4
Interest rates	31.3	31.3	37.4
Competition with other banks or financial institutions	41.4	47.5	11.1
Seasonal influences	32.3	50.5	17.2

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	8.3	83.3	8.3	0.0	0.0
Housing – Owner Occupier	0.0	8.0	85.1	6.9	0.0	0.6
Housing – Investment	0.0	11.2	84.3	4.5	0.0	3.4
Housing – Other (includes refinancing, renovations)	0.0	5.6	91.1	3.3	0.0	1.1
Non-housing Investment	0.0	10.1	83.1	6.7	0.0	1.7
Car Loan	0.0	7.1	81.2	11.8	0.0	-2.4
Personal - Other	0.0	8.6	76.3	15.1	0.0	-3.2

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	27.1	6.3	66.7
Economic Outlook	22.2	23.2	54.5
Customer Specific	25.3	29.3	45.5
Competition from Banks	37.4	47.5	15.2
Competition from Finance Companies	60.6	33.3	6.1
Change in Tolerance for Risk	29.3	23.2	47.5
Availability/Cost of Funds	37.4	16.2	46.5
Current/Anticipated Regulatory Changes	30.3	6.1	63.6

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	5.2	94.8	0.0	0.0	2.6
Maximum Loan-to-Value (LTV)	0.0	3.1	93.8	2.1	1.0	-0.5
Maximum Loan-to-Income (LTI)	0.0	2.1	94.8	2.1	1.0	-1.0

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	13.1	68.7	18.2	0.0	2.5
Abu Dhabi	0.0	27.0	54.1	18.9	0.0	-4.1
Dubai	0.0	6.1	75.8	18.2	0.0	6.1
Northern Emirates	0.0	3.4	79.3	17.2	0.0	6.9
Islamic	0.0	8.6	73.1	18.3	0.0	4.8
Conventional	0.0	16.7	67.7	15.6	0.0	-0.5
Housing – Owner Occupier	0.0	14.6	65.6	19.8	0.0	2.6
Housing – Investment	0.0	17.7	74.0	8.3	0.0	-4.7
Housing – Other (includes refinancing, renovations)	0.0	11.5	77.1	11.5	0.0	0.0
Car Loan	1.1	19.4	73.1	6.5	0.0	-7.5
Non-housing Investment	0.0	6.5	86.0	7.5	0.0	0.5
Credit Card	1.1	7.5	65.6	25.8	0.0	8.1
Personal - Other	0.0	10.8	67.7	20.4	1.1	5.9

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	31.3	31.3	37.5
Financial markets outlook	35.4	30.2	34.4
Change in income	32.3	31.3	36.5
Interest rates	35.4	27.1	37.5
Competition with other banks or financial institutions	36.5	53.1	10.4
Seasonal influences	33.3	45.8	20.8

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	5.2	90.6	4.2	0.0	0.5
Housing – Owner Occupier	0.0	8.6	84.9	6.5	0.0	1.1
Housing – Investment	0.0	8.6	90.3	1.1	0.0	3.8
Housing – Other (includes refinancing, renovations)	0.0	4.3	94.6	1.1	0.0	1.6
Non-housing Investment	0.0	8.6	91.4	0.0	0.0	4.3
Car Loan	0.0	3.3	86.7	10.0	0.0	-3.3
Personal - Other	0.0	5.4	76.3	18.3	0.0	-6.5

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	24.0	14.6	61.5
Economic Outlook	24.0	24.0	52.1
Industry or Firm Specific Conditions	30.2	16.7	53.1
Competition from Banks	43.8	44.8	11.5
Competition from Finance Companies	62.5	32.3	5.2
Change in Tolerance for Risk	33.3	22.9	43.8
Availability/Cost of Funds	43.8	15.6	40.6
Current/Anticipated Regulatory Changes	31.3	4.2	64.6

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	2.1	97.9	0.0	0.0	1.0
Maximum Loan-to-Value (LTV)	0.0	5.2	93.8	0.0	1.0	1.6
Maximum Loan-to-Income (LTI)	0.0	5.2	91.7	2.1	1.0	0.5