



Credit Sentiment Survey

Survey Results | 2016 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.¹

> Executive Summary

Results from the June quarter Credit Sentiment Survey revealed an easing in overall credit conditions for both business and personal credit in the June quarter, as opposed to the registered recovery in the previous quarter. However, the ongoing tightening of credit conditions for corporate and small businesses likely due to the reduced willingness to extend business loans among financial institutions, reflecting a reversion of conditions towards a slower growth path.

Lending to Corporates & Small Businesses – According to survey respondents, demand growth for business credit softened in the June quarter, particularly in the emirate of Dubai. However, with more than one-third of respondents citing a moderate increase in demand, aggregate results were still suggestive of growth. The softening in credit demand was evident in SME and GRE market segments and across all sectors of economic activity, with the exception of manufacturing, retail & wholesale trade, and transport, storage & communications. At the same time, survey results also revealed further tightening in credit standards, suggesting a higher degree of risk aversion in extending loans, especially to SMEs. This was evident in the reported tightening of credit standards pertaining to all the terms and conditions. For the September quarter, survey respondents expected further tightening in credit standards, while the appetite for business lending would turn upward.

Lending to Individuals – According to survey respondents, demand for personal loans marginally slowed down across all the emirates during the June quarter, mainly for the Car Loan and Non-housing Investment categories. Looking to the September quarter, survey respondents showed a modest optimistic stance and suggested a modest demand growth. With respect to credit availability, nearly 90% of survey respondents reported no change in credit standards across all the categories. Nonetheless, aggregate results reported marginal easing of credit standards in June quarter, while expectations for the September quarter suggested an overall tightening, predominantly vis-à-vis the category of Personal – Other.

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)

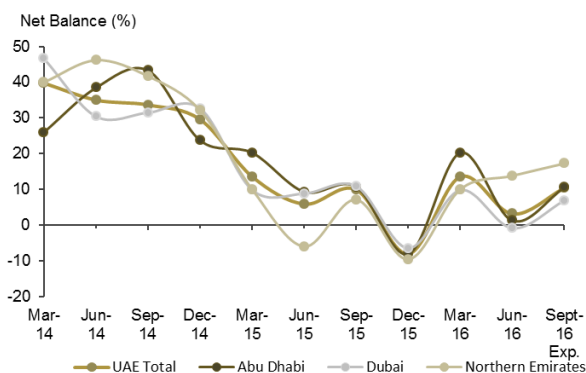
For credit standards, net balance = (% Reporting Significant Tightening + 0.5 x % Reporting Moderate Tightening) – (% Reporting Significant Easing + 0.5 x % Reporting Moderate Easing)

> Business Lending²

Results from the survey revealed a slowing in the demand growth for business loans in the June quarter. According to the survey results, 34.7 percent of respondents reported an increase in demand, 29.7 percent reported a decrease in demand, while 35.9 percent reported no change. Such results generated a net balance measure of +3.1 for the June quarter was indicative of ongoing demand growth, albeit at a relatively modest pace, down from +13.6 recorded in the 2016 March quarter. This suggested a lack of appetite for business loans. By emirate, survey respondents reported the softening in demand was observed in Abu Dhabi and Dubai, and most evident in Dubai where the registered net balance was slightly in the negative territory (-0.9). In contrast, survey respondents reported an expansion in demand for business loans in the Northern Emirates relative to the March quarter.

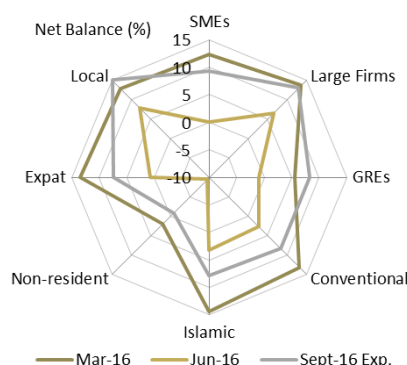
With respect to the expectation for the September quarter, a net balance measure of +10.4 suggested that the survey respondents were optimistic and expected the demand for business loans to increase further. By emirate, the strengthening in loan demand was attributable to the stronger demand across the board, with growth in Abu Dhabi and Northern Emirates expected to be strongest (Chart 1).

Chart 1 Change in Demand for Business Loans by Emirate



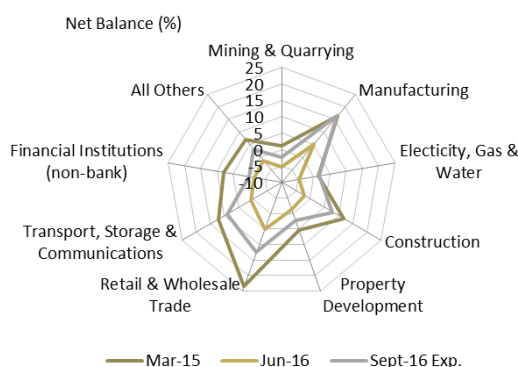
By market segment, demand eased across all categories during the June quarter, with corresponding net balance measures either unchanged or decreased from the March quarter. In particular, demand growth held up with SMEs and was in negative territory for GREs and Non-resident. In the September quarter, survey respondents were most optimistic about demand growth emanating from Large Firms and Local, while expectations regarding other market segments demand were also solid, except for Non-resident, which is anticipated to remain in the negative territory (Chart 2).

Chart 2 Change in Demand for Business Loans by Type



With the exception of Retail & Wholesale Trade and Transport, Storage & Communication, which both registered a relatively modest growth pace for business loans, net balance measures suggested that demand growth was negative across all other industries, with the exception of Mining & Quarrying, Electricity and Gas & Water suggested an evident lack of appetite for business loans in comparison to other industries. When asked about expectations for the September quarter, the pace of demand growth for business loans was expected to increase across all the other industries, with the exception of Mining & Quarrying, which is expected to remain in the negative territory. Survey respondents were most optimistic about prospects for demand growth in Manufacturing and Retail & Wholesale Trade sectors. Meanwhile, demand growth held up with Financial Institutions - excluding Banks (Chart 3).

Chart 3 Change in Demand for Business Loans by Industry

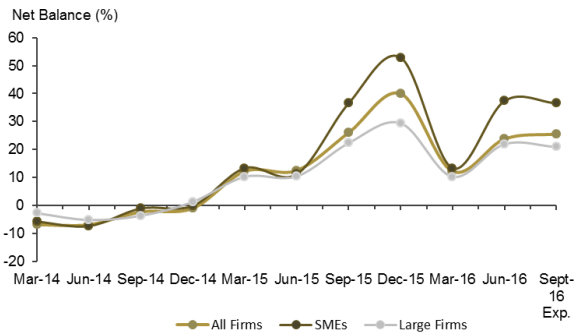


When asked about factors attributable to the change in demand for business loans, customers' sales, customers' fixed asset investment, and property market outlook were considered the most important, with around three-quarters of respondents citing the customers' related factors and more than two-thirds of them citing the property market outlook factor. With respect to the September quarter outlook for demand, survey respondents cited such factors as being the most important determining ones.

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

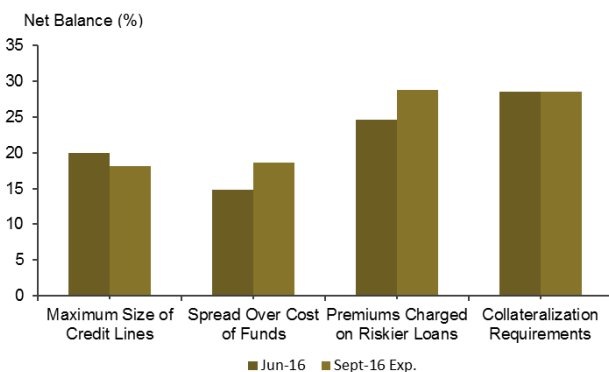
In terms of credit availability, a net balance measure of +23.8 suggested a further tightening of credit standards during the June quarter relative to that reported in the previous quarter. Such results were broadly consistent regardless of firm size, though respondents reported a higher level of tightening for SMEs relative to Large Firms. In the quarter ahead, survey respondents expect tightening in credit standards to persist more or less to a similar extent than reported in the June quarter (Chart 4).

Chart 4 Change in Credit Standards



With respect to specific terms and conditions, survey respondents reported a tightening across all categories. However, tightening in credit standards occurred most with respect to collateralization requirements and premiums charged on riskier loans. Terms and conditions pertaining to maximum size of credit lines relatively tightened as well, although to a lesser extent. In the September quarter, survey respondents expect 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



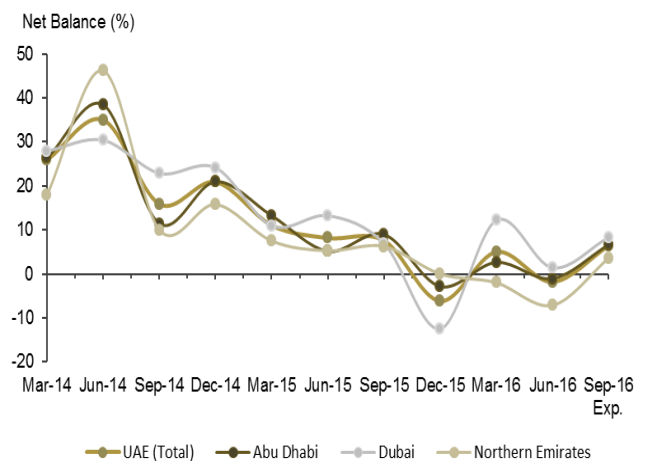
When asked about which factors were attributable to the change in credit standards, three quarters of survey respondents cited the quality of banks' asset portfolio, economic outlook, industry or firm specific conditions, and change in tolerance for risk as major factors in determining credit standards in the June quarter. Availability/cost of funds was also considered significant by respondents, although to a lesser extent. In contrast, competitive pressure from other financial institutions continued to have a little bearing on credit standards in this quarter.

> Personal Lending³

Echoing results for business lending, demand for personal loan in aggregate also eased in the June quarter. Demand was reported with a negative net balance measure of -1.8, although not quite to the same extent evident in Personal loans in the 2015 December quarter. By emirate, the marginal decrease in personal loan demand was attributable to the robust appetite notably in Abu Dhabi and Northern Emirates, while demand in Dubai remained slightly above the no change line.

In terms of the September quarter outlook for personal lending, survey respondents reported a net balance measure of +6.4 in aggregate, suggesting moderate increases in demand for personal loans. By emirate, survey respondents expected an increase in demand growth across the board (Chart 6).

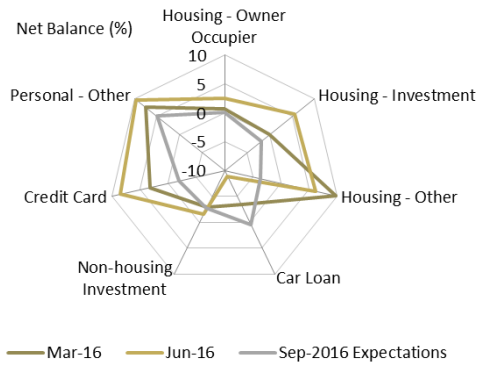
Chart 6 Change in Demand for Personal Loans by Emirate



By loan type, the softening in demand was notable among Car Loan and Non-housing investment with negative net balance measure of -8.9 and -1.5, respectively. In contrast, Credit Card, Personal – Other, and Housing – Other purposes (including refinancing and renovations). A slight improvement for Housing – Owner Occupiers, Housing – Investment, and Housing – Other recorded a moderate increase in loan demand. With respect to expectations for the September quarter, survey respondents expect demand to hold up or decline marginally across all categories, with the of Personal – Other, which is expected to improve slightly (Chart 7).

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

Chart 7 Change in Demand for Personal Loans by Type

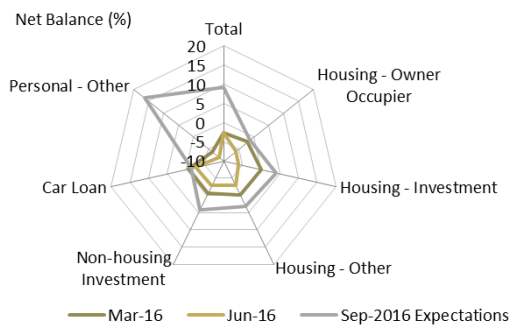


When asked about which factors contributed to the change in demand for loans, financial markets outlook was considered the most important, with more than three-quarters of respondents citing such a factor. Housing market outlook and change in income also featured prominently. For the September quarter, survey respondents cited the financial markets and housing markets outlook, as well as changes in income, to be the most important factors expected to influence personal loans demand.

In terms of credit availability, a net balance of -2.7 suggested marginal easing of credit standards in the June quarter. By loan category, the easing in credit standards was evident across the board, particularly due to the easing in Personal – Other purposes category, Housing – Investment, as well as Housing – Owner Occupier.

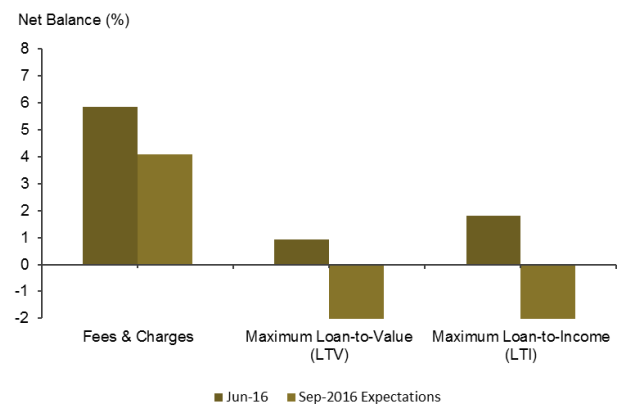
In terms of outlook, with a net balance of +9.1 in aggregate, expectations for the September quarter suggested a tightening in credit standards, where survey respondents expect such tightening in credit standards, predominantly driven by all loan categories, with the exception of Housing – Owner Occupier and Car Loan categories (**Chart 8**).

Chart 8 Change in Credit Standards



With respect to credit terms and conditions, more than 85% of the survey respondents reported no change across the board in the June quarter. In aggregate, positive net balance figures were cited by survey respondents for terms and conditions pertaining to Fee & Charges, Maximum Loan-to-Value (LTV), and maximum loan-to-income (LTI) ratios, suggesting a marginal tightening in such terms and conditions. With respect to the outlook for the September quarter, survey respondents expected terms and conditions pertaining to maximum Loan-to-Value (LTV) and to ease marginally, while Fees & Charges and maximum Loan-to-income (LTI) and maximum loan-to-income (LTI) would be tightened (**Chart 9**).

Chart 9 Change in Selected Terms and Conditions



When asked about those factors attributable to the change in credit standards during the June quarter, more than three-quarters of survey respondents overwhelmingly cited the economic outlook, the quality of their institutions’ asset portfolio, and customer specific as most important cited factors.

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 2016 Q2 Survey, which was conducted during the period of 23 – 29 June, 2016. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the September quarter survey was 242 respondents, with 115 answering questions related to personal credit and 128 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:

- 2016 Q3 Survey in October 2016
- 2016 Q4 Survey in January 2017
- 2017 Q1 Survey in April 2017
- 2017 Q2 Survey in July 2017

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 Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
All Firms	3.1	26.6	35.9	30	4.7	3.1
Abu Dhabi	4.9	26.8	31.7	34.1	2.4	1.2
Dubai	1.7	31.0	37.9	25.9	3.4	-0.9
Northern Emirates	3.4	17.2	37.9	31.0	10.3	13.8
Small and Medium Enterprises	6.3	18.0	49.5	21.6	4.5	0.0
Large Firms	1.6	23.6	40.7	28.5	5.7	6.5
Government Related Entities	3.7	12.0	68.5	13.9	1.9	-0.9
Conventional Loans	1.8	20.5	50.0	25.9	1.8	2.7
Islamic Finance	4.4	12.1	60.4	18.7	4.4	3.3
Non-resident	2.1	17.9	76.8	3.2	0.0	-9.5
Expat	1.6	18.5	57.3	21.8	0.8	0.8
Local	2.3	14.8	53.1	24.2	5.5	7.8

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	3.7	9.3	80.4	6.5	0.0	-5.1
Manufacturing	2.4	15.1	54.8	25.4	2.4	5.2
Electricity, Gas and Water	2.5	10.9	79.8	6.7	0.0	-4.6
Construction	8.0	20.0	44.0	24.0	4.0	-2.0
Property Development	5.1	16.9	55.1	21.2	1.7	-1.3
Retail and Wholesale Trade	3.1	24.2	35.9	32.8	3.9	5.1
Transport, Storage and Communications	2.4	12.9	68.5	12.9	3.2	0.8
Financial Institutions (excluding Banks)	3.0	8.1	79.8	7.1	2.0	-1.5
All Others	2.4	21.1	56.1	17.1	3.3	-1.2

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

	Not Important	Somewhat Important	Very Important
Customers' Sales	21.9	29.7	48.4
Customers' Fixed Asset Investment	27.3	42.2	30.5
Competition with Finance Companies	71.9	22.7	5.5
Competition with Banks	56.3	24.2	19.5
Interest Rates	37.5	36.7	25.8
Seasonal Influences	45.3	46.1	8.6
Property Market Outlook	33.6	33.6	32.8

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	3.1	46.1	46.1	4.7	0.0	23.8
Small and Medium Enterprises	21.7	34.8	40.9	1.7	0.9	37.4
Large Firms	2.4	43.2	50.4	4.0	0.0	22.0

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	23.4	10.5	66.1
Economic Outlook	19.4	15.3	65.3
Industry or Firm Specific Conditions	20.2	24.2	55.6
Competition from Banks	47.6	39.5	12.9
Competition from Finance Companies	73.4	26.6	0.0
Change in Tolerance for Risk	25.0	29.8	45.2
Availability/Cost of Funds	31.5	37.1	31.5
Current/Anticipated Regulatory Changes	37.1	19.4	43.5

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	3.1	36.7	57.8	1.6	0.8	19.9
Spread Over Your Cost of Funds	3.9	29.7	58.6	7.8	0.0	14.8
Premiums Charged on Riskier Loans	10.9	29.7	57.0	2.3	0.0	24.6
Collateralization Requirements	10.9	35.9	52.3	0.8	0.0	28.5

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	21.6	37.6	39	1.6	10.4
Abu Dhabi	0.0	23.7	34.2	39.5	2.6	10.5
Dubai	0.0	24.1	39.7	34.5	1.7	6.9
Northern Emirates	0.0	13.8	37.9	48.3	0.0	17.2
Small and Medium Enterprises	3.3	14.6	48.0	28.5	5.7	9.3
Large Firms	0.0	20.8	35.8	40.0	3.3	12.9
Government Related Entities	0.0	6.7	70.0	23.3	0.0	8.3
Conventional Loans	0.0	16.7	50.8	31.7	0.8	8.3
Islamic Finance	0.0	6.7	70.8	22.5	0.0	7.9
Non-resident	1.7	5.8	85.0	7.5	0.0	-0.8
Expatriate	1.7	14.0	54.5	27.3	2.5	7.4
Local	0.0	13.3	44.2	41.7	0.8	15.0

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	3.3	4.1	87.0	5.7	0.0	-2.4
Manufacturing	0.0	9.2	50.0	40.0	0.8	16.3
Electricity, Gas and Water	0.8	5.7	83.7	8.9	0.8	1.6
Construction	5.8	15.0	37.5	40.8	0.8	7.9
Property Development	5.0	15.8	52.5	23.3	3.3	2.1
Retail and Wholesale Trade	1.7	21.7	29.2	45.0	2.5	12.5
Transport, Storage and Communications	0.0	10.0	63.3	25.0	1.7	9.2
Financial Institutions (excluding Banks)	0.8	6.7	84.2	8.3	0.0	0.0
All Others	0.0	12.5	68.3	19.2	0.0	3.3

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	20.2	31.5	48.4
Customers' Fixed Asset Investment	28.2	37.9	33.9
Competition with Finance Companies	71.0	24.2	4.8
Competition with Banks	56.5	25.8	17.7
Interest Rates	38.7	35.5	25.8
Seasonal Influences	41.9	46.0	12.1
Property Market Outlook	29.0	36.3	34.7

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	4.0	47.2	44.8	4.0	0.0	25.6
Small and Medium Enterprises	17.1	40.7	40.7	1.6	0.0	36.6
Large Firms	4.0	37.9	54.0	4.0	0.0	21.0

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	23.4	12.1	64.5
Economic Outlook	21.0	18.5	60.5
Industry or Firm Specific Conditions	21.0	25.8	53.2
Competition from Banks	50.8	35.5	13.7
Competition from Finance Companies	70.2	28.2	1.6
Change in Tolerance for Risk	25.0	31.5	43.5
Availability/Cost of Funds	29.0	33.9	37.1
Current/Anticipated Regulatory Changes	33.9	21.8	44.4

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	4.1	33.1	57.9	5.0	0.0	18.2
Spread Over Your Cost of Funds	2.5	39.0	51.7	6.8	0.0	18.6
Premiums Charged on Riskier Loans	19.5	26.3	47.5	5.9	0.8	28.8
Collateralization Requirements	10.7	39.7	47.1	0.8	1.7	28.5

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	6.3	13.5	58.6	20.7	0.9	-1.8
Abu Dhabi	2.1	14.9	68.1	12.8	2.1	-1.1
Dubai	8.3	13.9	44.4	33.3	0.0	1.4
Northern Emirates	10.7	10.7	60.7	17.9	0.0	-7.1
Islamic	3.6	12.7	68.2	13.6	1.8	-1.4
Conventional	4.5	9.0	75.7	10.8	0.0	-3.6
Housing – Owner Occupier	5.1	12.2	57.1	23.5	2.0	2.6
Housing – Investment	1.0	12.2	63.3	21.4	2.0	5.6
Housing – Other (includes refinancing, renovations)	1.0	8.2	70.1	18.6	2.1	6.2
Car Loan	5.2	22.9	56.3	15.6	0.0	-8.9
Non-housing Investment	3.1	9.2	75.5	12.2	0.0	-1.5
Credit Card	0.0	17.2	49.5	32.3	1.0	8.6
Personal - Other	0.9	13.8	52.3	31.2	1.8	9.6

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

	Not Important	Somewhat Important	Very Important
Housing market outlook	33.3	39.6	27.0
Financial markets outlook	19.8	59.5	20.7
Change in income	30.6	38.7	30.6
Interest rates	36.9	23.4	39.6
Competition with other banks or financial institutions	43.2	36.9	19.8
Seasonal influences	45.0	40.5	14.4

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	94.7	5.3	0.0	-2.7
Housing – Owner Occupier	0.0	0.0	87.9	12.1	0.0	-6.0
Housing – Investment	0.0	0.0	88.1	11.9	0.0	-6.0
Housing – Other (includes refinancing, renovations)	0.0	0.0	94.3	5.7	0.0	-2.8
Non-housing Investment	0.0	0.0	95.5	3.4	1.1	-2.8
Car Loan	0.0	0.0	95.0	5.0	0.0	-2.5
Personal - Other	0.0	0.0	84.2	14.5	1.3	-8.6

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	22.5	14.4	63.1
Economic Outlook	19.8	22.5	57.7
Customer Specific	25.2	43.2	31.5
Competition from Banks	48.6	41.4	9.9
Competition from Finance Companies	79.3	14.4	6.3
Change in Tolerance for Risk	31.5	22.5	45.9
Availability/Cost of Funds	38.7	31.5	29.7
Current/Anticipated Regulatory Changes	28.8	21.6	49.5

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	12.6	86.5	0.9	0.0	5.9
Maximum Loan-to-Value (LTV)	0.9	3.7	91.7	3.7	0.0	0.9
Maximum Loan-to-Income (LTI)	0.0	5.4	92.8	1.8	0.0	1.8

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	2.8	15.6	50.5	28.4	2.8	6.4
Abu Dhabi	2.2	15.6	51.1	28.9	2.2	6.7
Dubai	0.0	16.7	52.8	27.8	2.8	8.3
Northern Emirates	7.1	14.3	46.4	28.6	3.6	3.6
Islamic	2.8	14.7	65.1	17.4	0.0	-1.4
Conventional	3.7	6.4	69.7	16.5	3.7	5.0
Housing – Owner Occupier	2.8	22.9	48.6	22.9	2.8	0.0
Housing – Investment	4.6	18.3	54.1	22.0	0.9	-1.8
Housing – Other (includes refinancing, renovations)	0.9	18.3	67.9	12.8	0.0	-3.7
Car Loan	0.9	16.5	63.3	19.3	0.0	0.5
Non-housing Investment	0.0	11.0	84.4	3.7	0.9	-2.8
Credit Card	0.0	29.4	45.0	25.7	0.0	-1.8
Personal - Other	0.0	24.8	43.1	29.4	2.8	5.0

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	24.5	48.2	27.3
Financial markets outlook	20.0	53.6	26.4
Change in income	28.2	30.0	41.8
Interest rates	40.9	25.5	33.6
Competition with other banks or financial institutions	42.7	40.0	17.3
Seasonal influences	30.9	40.9	28.2

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	7.3	15.5	68.2	6.4	2.7	9.1
Housing – Owner Occupier	5.5	2.7	78.2	10.9	2.7	-1.4
Housing – Investment	5.5	8.2	78.2	5.5	2.7	4.1
Housing – Other (includes refinancing, renovations)	5.5	6.4	80.0	5.5	2.7	3.2
Non-housing Investment	0.0	9.1	90.0	0.9	0.0	4.1
Car Loan	2.7	9.1	73.6	11.8	2.7	-1.4
Personal - Other	10.9	20.9	58.2	10.0	0.0	16.4

Q9. To what factors do you attribute any expected change in your bank/financial institutions credit standards? (% of total)

	Not Important	Somewhat Important	Very Important
Quality of Your Bank's Asset Portfolio	23.6	13.6	62.7
Economic Outlook	19.1	22.7	58.2
Industry or Firm Specific Conditions	30.9	40.0	29.1
Competition from Banks	36.4	55.5	8.2
Competition from Finance Companies	79.1	15.5	5.5
Change in Tolerance for Risk	28.2	29.1	42.7
Availability/Cost of Funds	41.8	26.4	31.8
Current/Anticipated Regulatory Changes	34.5	18.2	47.3

Q10. How do you expect the following terms and conditions changes at your bank/financial institution over the quarter? (% of total)

	Tighten Significantly	Tighten Moderately	No Change	Ease Moderately	Ease Significantly	Net Balance
Fees and Charges	0	8.2	91.8	0.0	0	4.1
Maximum Loan-to-Value (LTV)	0	0	93.6	6.4	0	-3.2
Maximum Loan-to-Income (LTI)	0	0.9	92.7	6.4	0	-2.7