



مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

Credit Sentiment Survey

Survey Results | 2025 Q1



Credit Sentiment Survey

The Credit Sentiment Survey ("The Survey") is a quarterly publication, which collects information from Senior Credit Officers from all banks and credit-providing financial institutions in the UAE. The information collected is based on qualitative responses to a series of questions relating to credit conditions in the most recent quarter and expectations for the upcoming quarter.

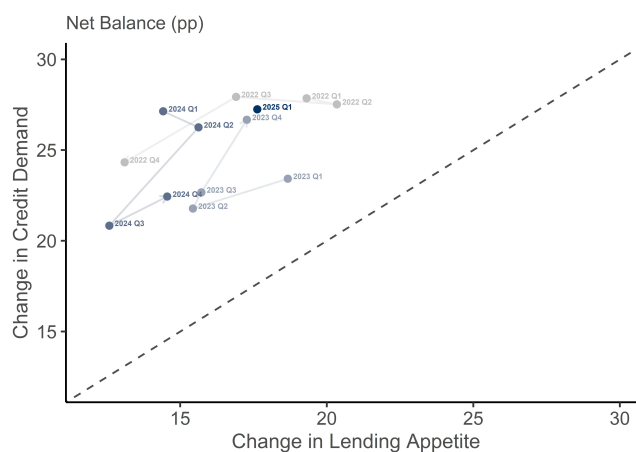
All results and analyses contained in this report constitute the opinions of Survey respondents only, and do not reflect the views of the Central Bank of the UAE ("CBUAE"). Further details about the Survey, along with its questionnaire results for the March quarter, are available in the "About the Survey" section and annexes to this report.

Executive Summary

March quarter survey results underscore the persistence of robust credit conditions, characterized by sustained demand growth from both individuals and businesses, coupled with solid willingness to extend credit.¹ Compared to the previous quarter, improved credit conditions for personal loans were driven by higher demand growth, while greater willingness to lend has spurred business lending. The growth dynamic for business loans was particularly strong in Abu Dhabi, while Dubai stands out as a particularly strong market for personal lending growth. Economic conditions have further improved, incomes have risen, and investment climates have become more favorable, supporting credit demand and financial institutions' lending appetite. Over the near term, the positive outlook for credit conditions is expected to continue.

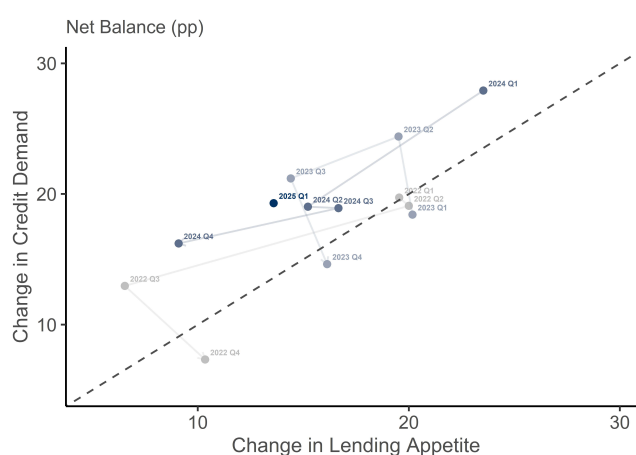
Business Lending – Business credit conditions exhibit a consistent upward trend across all Emirates (**Chart 1**). Across all market segments and economic sectors, the demand for business loans has risen, with retail and wholesale trade, construction, manufacturing, property development, and the electricity, gas & water sectors experiencing the most significant increases. Higher demand is fueled by robust economic conditions, working capital needs, and solid investment. Interest rates have continued to positively impact demand. On the supply side, a positive economic outlook, stable borrower creditworthiness, improving bank asset quality, and a higher risk tolerance have led financial institutions to extend more business loans. Projections for business loan demand and lending appetite remain favorable for the upcoming quarter.

Chart 1 Business Loans: Change in Supply vs. Demand



Personal Lending – Personal credit conditions have improved during the last quarter (**Chart 2**). Solid economic conditions and increasing incomes have pushed up demand, particularly for housing (owner-occupier) loans, credit cards, and other personal loans, which experienced the most notable increases. Furthermore, lower interest rates have continued to support growth. Financial institutions' willingness to extend personal loans has been primarily driven by a positive economic outlook, alongside improving bank asset quality and stable borrower creditworthiness. The prevailing trend of robust credit demand, coupled with a readiness to extend personal loans, is expected to persist.

Chart 2 Personal Loans: Change in Supply vs. Demand



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 appetite to extend loans minus the weighted percentage of respondents reporting a decrease in demand for loans or appetite to extend loans. Responses indicating a modest change are given half the weighting of those reporting a significant change in the surveyed quarter. A positive score indicates growth in demand for loans or appetite to extend loans.

For example, the net balance for loan demand is calculated as $(\% \text{ of Respondents Reporting a Substantial Increase} + 0.5 \times \% \text{ of Respondents Reporting a Moderate Increase}) - (\% \text{ of Respondents Reporting a Substantial Decrease} + 0.5 \times \% \text{ of Respondents Reporting a Moderate Decrease})$. The same calculation applies to other measures, such as appetite to extend loans, changes in terms and conditions, and factors influencing loan demand and credit appetite.

Business Lending²

Survey results indicate persistent robust growth in business credit demand, with a net balance of +27.2pp. Specifically, 37.2% of respondents observed no change, 58.3% noted an increase, and only 4.5% reported a decrease in demand. All Emirates experienced moderate demand growth, especially Abu Dhabi. The growth in business loan demand is anticipated to accelerate in early 2025, as reflected by a net balance of +31.2pp (Chart 3).

The increase occurred in all market segments, but was particularly strong for large firms, followed by small and medium-sized enterprises (SMEs) and government-related entities (GREs) (Chart 4). Demand growth from locals and expats outpaced that of non-residents. Over the next three months, credit demand from large firms is expected to grow more rapidly than that of SMEs and GREs.

Business loan demand rose across all economic sectors, with the strongest increase seen in the retail and wholesale trade sector. This was followed by the construction, manufacturing, property development, and electricity, gas & water sectors (Chart 5).

Over the next three months, all economic sectors are expected to see higher demand growth, with the most significant increases in construction, retail and wholesale trade, manufacturing, and property development.

Chart 3 Business Loans: Change in Demand

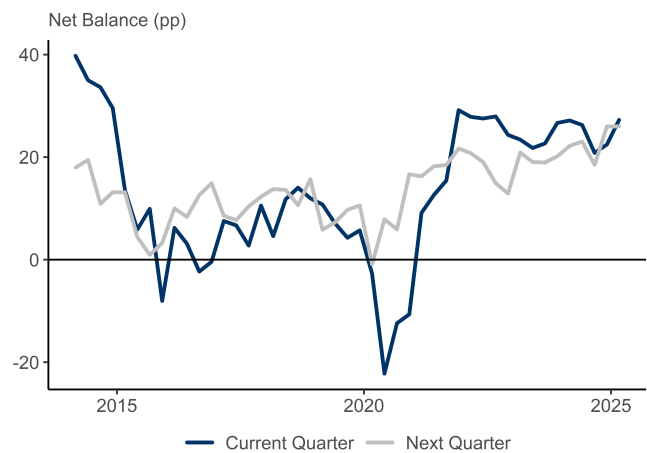


Chart 4 Business Loans: Change in Demand by Type

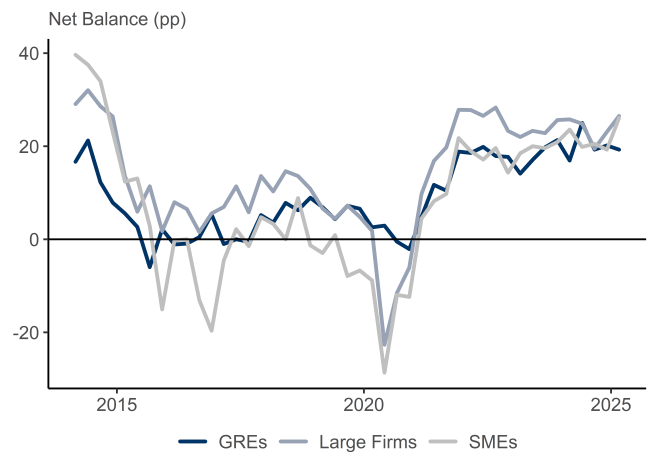
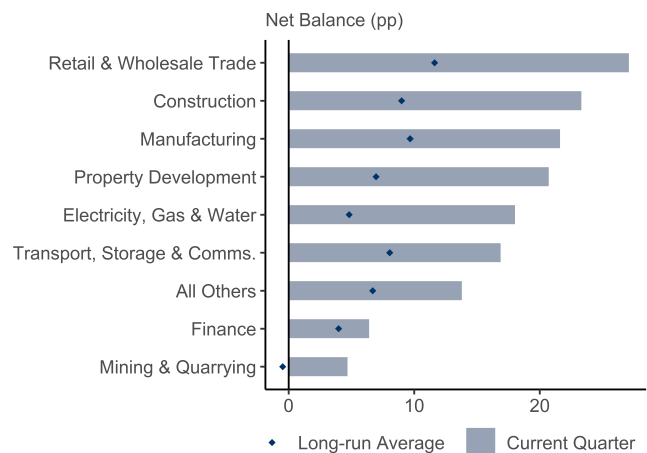


Chart 5 Business Loans: Change in Demand by Industry



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

Growth in demand was sustained by factors such as strong economic conditions, working capital requirements, increased investment, and changes in government expenditure. The influence of interest rates on demand remained strongly positive (Chart 6).

A net balance of +17.6pp confirms that robust appetite for business lending continued into early 2025, which is expected to keep growing steadily. A favorable economic outlook, stable borrower creditworthiness, improving bank asset quality, and higher risk tolerance have encouraged financial institutions to extend more business loans.

Changes in terms and conditions for business loans remained relatively unchanged from the previous quarter. Maximum size of credit lines continued to increase though, while higher collateralization requirements and premiums charged on riskier loans were reported, suggesting that lending appetite is not accompanied by a significant shift in risk appetite (Chart 7).

The share of rejected business loan applications was higher compared to the previous quarter, with a net balance of +3.2pp. Financial institutions noted that the increase was more pronounced for SMEs than for large firms.

Chart 6 Business Loans: Factors Influencing Demand

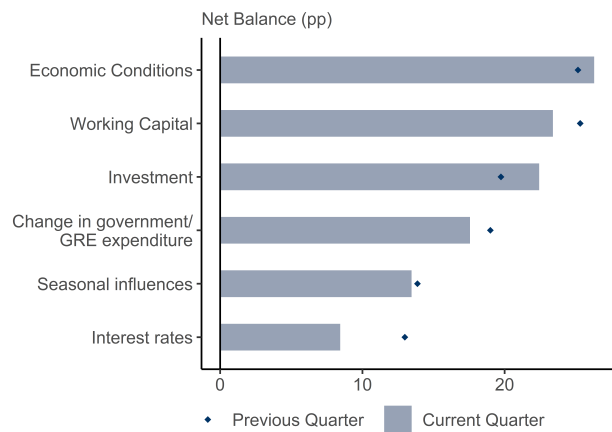
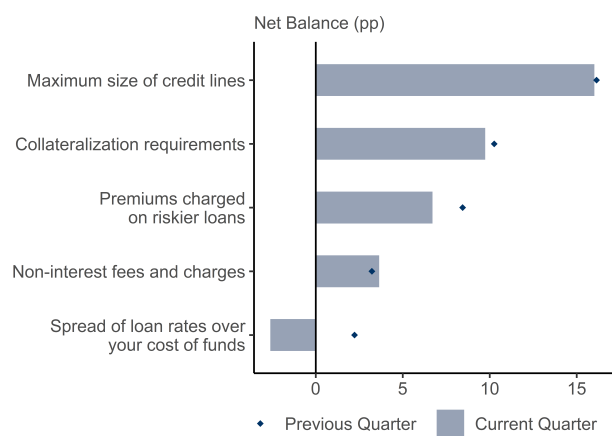


Chart 7 Business Loans: Change in Terms and Conditions on New Loans



Personal Lending³

Demand for personal loans keeps trending up, as shown by a net balance of +19.3pp. Growth was recorded across all Emirates, with Dubai experiencing the highest increase. Expectations for the coming quarter remain positive, as financial institutions anticipate further growth in loan demand, reflected by a net balance of +32.5pp (Chart 8).

Housing (owner-occupier) loans, credit cards and personal (other) loans saw the most significant rise in demand (Chart 9). Looking ahead, expectations for credit demand remain robust across all segments, with credit cards, housing loans (owner-occupier), personal (other) loans, and car loans projected to experience the strongest growth.

Improved economic conditions and rising incomes played a key role in driving personal loan demand. Additionally, interest rates maintained a favorable influence, further supporting the growth in demand.

Over the past three months, lending appetite among financial institutions increased, reflected by a net balance of +13.6pp. The increase was evident across all loan categories, with particularly strong interest in credit cards, housing loans (owner-occupier and investment), and personal (other) loans (Chart 10).

Expectations for the coming quarter point to sustained strength in financial institutions' lending appetite, with a net balance of +20.6pp, especially for credit cards, personal (other) loans, housing loans (owner-occupier and investment), and car loans.

Chart 8 Personal Loans: Change in Demand

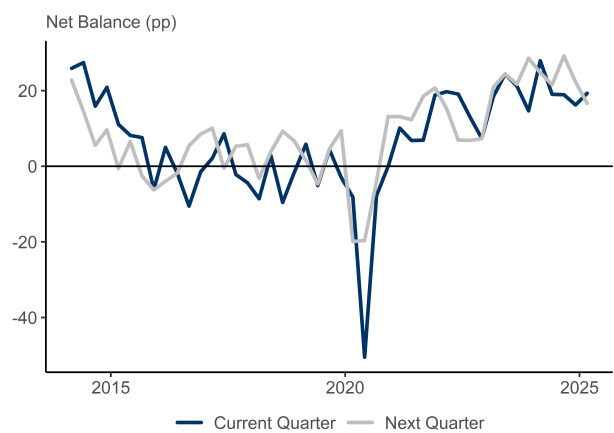


Chart 9 Personal Loans: Change in Demand for Housing-Related Loans

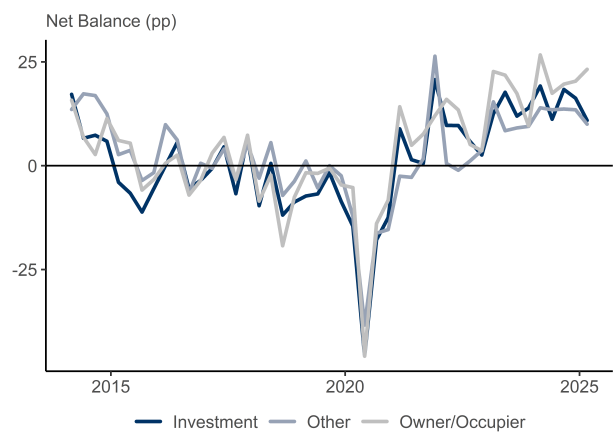
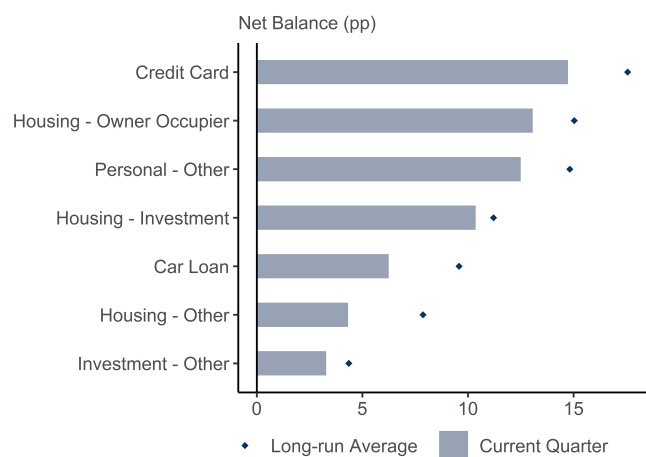


Chart 10 Personal Loans: Change in Lending Appetite by Type



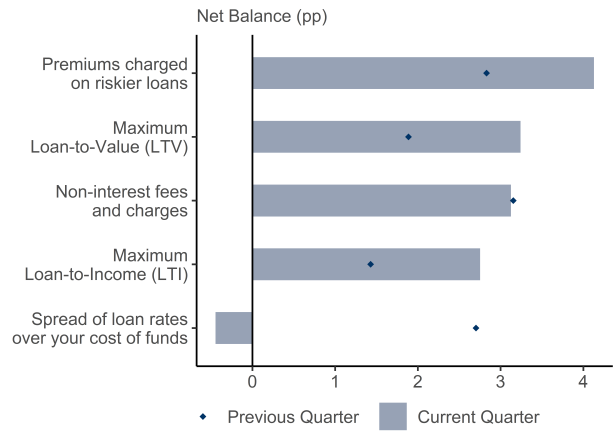
³ Full survey results are presented in Annex 2 to this report

Financial institutions’ appetite for extending personal loans was primarily driven by a favorable economic outlook, with improving bank asset quality and stable borrower creditworthiness also playing significant roles.

Despite their higher willingness to lend, financial institutions reported moderate increases in premiums charged on riskier loans, maximum LTV/LTI ratios, and non-interest fees & charges. Conversely, a marginal narrowing was recorded in the spread of loan rates over cost of funds (Chart 11).

The share of rejected personal loan applications increased marginally, reflected by a net balance of +2.2pp. This was primarily driven by higher rejection rates in credit card applications and car loans, which outweighed the decline in housing-related loan rejections.

Chart 11 Personal Loans: Change in Terms and Conditions on New Loans



About the Survey

The Credit Sentiment Survey ("The Survey") is a quarterly publication which collects information from all banks and credit-providing financial institutions in 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 2025 Q1 Survey, which was conducted during the period of 18 March – 25 April 2025. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the March quarter survey was 290 respondents, with 128 answering questions related to personal credit and 162 answering questions related to business credit. The March quarter sample included responses from Senior Credit Officers, covering Abu Dhabi, Dubai and the Northern Emirates, of all banks and finance companies, conventional and Islamic financial institutions. **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). Taking demand for loans as an example, net balance is calculated as the weighted percentage of respondents reporting an increase in demand for loans minus the weighted percentage of respondents reporting a decrease in demand for loans. Responses indicating a modest change are given half the weighting of those reporting a significant change in the surveyed quarter. A positive net balance measure indicates an increase in demand for loans during the quarter.

For example, the net balance for loan demand = (% of Respondents Reporting a Substantial Increase + 0.5 x % of Respondents Reporting a Moderate Increase) – (% of Respondents Reporting a Substantial Decrease + 0.5 x % of Respondents Reporting a Moderate Decrease). The same calculation applies to other measures, such as appetite to extend loans, changes in terms and conditions, and factors influencing loan demand and credit appetite.

The scheduled publication dates for the upcoming surveys are:

- 2025 Q2 Survey in August 2025
- 2025 Q3 Survey in November 2025
- 2025 Q4 Survey in February 2026
- 2026 Q1 Survey in May 2026

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 the CBUAE's Monetary Policy Department via: Monetary.Policy@cbae.gov.ae

Annex 1

Business Lending Survey Questionnaire Results⁴

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

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
All Firms	0.0	4.5	37.2	57.7	0.6	27.2
Abu Dhabi	0.0	5.6	31.5	63.0	0.0	28.7
Dubai	0.0	3.6	37.5	57.1	1.8	28.6
Northern Emirates	0.0	4.3	43.5	52.2	0.0	23.9
Small and Medium-Sized Enterprises	0.0	2.2	45.6	50.0	2.2	26.1
Large Firms	0.0	4.6	39.1	55.0	1.3	26.5
Government-Related Entities	0.0	7.4	48.4	42.6	1.6	19.3
Conventional	0.0	4.5	40.9	52.3	2.3	26.1
Islamic	0.0	5.8	54.7	38.4	1.2	17.4
Non-resident	0.0	1.2	74.7	24.1	0.0	11.4
Expat	0.0	0.8	43.8	54.6	0.8	27.7
Local	0.0	3.6	45.3	50.4	0.7	24.1

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	0.0	4.7	82.0	12.5	0.8	4.7
Manufacturing	0.0	3.9	51.0	43.2	1.9	21.6
Electricity, Gas and Water	0.0	2.0	63.9	29.9	4.1	18.0
Construction	0.0	3.4	50.0	43.2	3.4	23.3
Property Development	0.0	1.4	60.7	32.9	5.0	20.7
Retail and Wholesale Trade	0.0	1.3	44.5	52.9	1.3	27.1
Transport, Storage and Communications	0.0	4.5	58.4	35.7	1.3	16.9
Financial Institutions (excluding Banks)	0.0	6.0	75.2	18.8	0.0	6.4
All Others	0.0	4.8	62.8	32.4	0.0	13.8

⁴ All figures are rounded to one decimal place

Q3. How have the following factors affected the change in demand for business loans? (% of total)

	Substantial Contribution to a Fall in Demand	Moderate Contribution to a Fall in Demand	No Impact	Moderate Contribution to an Increase in Demand	Substantial Contribution to an Increase in Demand	Net Balance
Economic Conditions	0.0	1.3	46.8	50.0	1.9	26.3
Working Capital	0.0	3.2	47.4	48.7	0.6	23.4
Investment	0.0	3.2	50.6	44.2	1.9	22.4
Interest Rates	0.6	3.9	73.4	22.1	0.0	8.4
Seasonal Influences	0.0	4.5	64.1	31.4	0.0	13.5
Change in Government/GRE Expenditure	0.0	0.0	65.5	33.8	0.7	17.6

Q4. How has your institution's appetite to extend loans changed relative to the preceding quarter? (% of total)

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
All Firms	1.9	0.0	59.0	39.1	0.0	17.6
Small and Medium-Sized Enterprises	2.2	0.7	63.8	33.3	0.0	14.1
Large Firms	2.0	0.0	58.0	40.0	0.0	18.0

Q5. How have the following factors affected your institution's appetite to extend business loans? (% of total)

	Substantial Contribution to a Fall in Appetite	Moderate Contribution to a Fall in Appetite	No Impact	Moderate Contribution to an Increase in Appetite	Substantial Contribution to an Increase in Appetite	Net Balance
Change in Risk Tolerance	1.9	2.6	65.2	30.3	0.0	11.9
Cost of Funds/Balance Sheet Constraints	1.9	2.5	76.4	19.1	0.0	6.4
Quality of Bank's Asset Portfolio	1.9	3.2	63.7	29.9	1.3	12.7
Competition from other Banks	0.7	5.2	74.5	19.0	0.7	6.9
Competition from other Financial Institutions	0.7	6.0	78.0	14.7	0.7	4.3
Economic Outlook	0.0	0.6	55.1	42.9	1.3	22.4
Regulatory Changes	0.7	2.6	81.7	14.4	0.7	5.9
Credit-worthiness of Borrowers	0.0	3.9	66.7	29.4	0.0	12.7

Q6. How have the following terms and conditions for new business loans changed? (% of total)

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
Maximum Size of Credit Lines	0.0	2.0	64.7	32.7	0.7	16.0
Spread over Cost of Funds	0.0	15.7	73.9	10.5	0.0	-2.6
Premiums Charged on Riskier Loans	0.0	2.7	81.2	16.1	0.0	6.7
Collateralization Requirements	0.0	1.9	77.3	20.1	0.6	9.7
Non-interest Fees and Charges	0.0	3.3	86.1	10.6	0.0	3.6

Q7. How has the share of rejected business loan applications changed? (% of total)

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
All Firms	0.0	5.2	83.2	11.6	0.0	3.2
Small and Medium-Sized Enterprises	0.0	2.9	87.5	9.6	0.0	3.3
Large Firms	0.0	4.7	86.7	8.7	0.0	2.0

Q8. Over the next quarter, how do you expect demand for business loans to change? (% of total)

	Decrease Substantially	Decrease Moderately	No Change	Increase Moderately	Increase Substantially	Net Balance
All Firms	0.0	1.3	35.0	63.7	0.0	31.2
Small and Medium-Sized Enterprises	0.0	0.7	47.8	50.0	1.5	26.1
Large Firms	0.0	0.7	36.8	62.5	0.0	30.9
Government-Related Entities	0.0	0.8	46.4	52.8	0.0	26.0

Q9. Over the next quarter, how do you expect demand for business loans to change by economic activity? (% of total)

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
Mining and Quarrying	0.0	0.8	85.0	14.2	0.0	6.7
Manufacturing	0.0	0.0	47.4	52.6	0.0	26.3
Electricity, Gas and Water	0.0	0.0	57.9	42.1	0.0	21.0
Construction	0.0	0.7	42.7	56.0	0.7	28.3
Property Development	0.0	0.7	51.1	47.5	0.7	24.1
Retail and Wholesale Trade	0.0	0.6	43.2	55.5	0.6	28.1
Transport, Storage and Communications	0.0	1.3	57.8	40.3	0.6	20.1
Financial Institutions (excluding Banks)	0.0	0.8	74.2	25.0	0.0	12.1
All Others	0.0	0.7	61.6	37.7	0.0	18.5

Q10. Over the next quarter, how do you expect your institution's appetite to extend business loans to change? (% of total)

	Decrease Substantially	Decrease Moderately	No Change	Increase Moderately	Increase Substantially	Net Balance
All Firms	0.0	0.6	62.4	36.9	0.0	18.2
Small and Medium-Sized Enterprises	0.0	1.5	66.2	31.6	0.7	15.8
Large Firms	0.0	0.7	59.6	39.7	0.0	19.5

Annex 2

Personal Lending Survey Questionnaire Results⁵

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

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
All Households	2.6	3.5	46.5	47.4	0.0	19.3
Abu Dhabi	2.6	2.6	51.3	43.6	0.0	17.9
Dubai	0.0	5.0	45.0	50.0	0.0	22.5
Northern Emirates	5.7	2.9	42.9	48.6	0.0	17.1
Islamic	5.8	3.8	65.4	25.0	0.0	4.8
Conventional	1.1	3.4	48.3	47.2	0.0	20.8
Housing – Owner Occupier	0.0	1.2	54.8	40.5	3.6	23.2
Housing – Investment	3.8	3.8	59.0	33.3	0.0	10.9
Housing – Other (includes refinancing, renovations)	0.0	0.0	80.0	20.0	0.0	10.0
Car Loan	4.8	6.0	58.3	31.0	0.0	7.7
Non-housing Investment	2.6	2.6	67.5	27.3	0.0	9.7
Credit Card	2.2	1.1	46.7	48.9	1.1	22.8
Personal - Other	2.1	5.2	53.6	38.1	1.0	15.5

Q2. How have the following factors affected the change in demand for loans? (% of total)

	Substantial Contribution to a Fall in Demand	Moderate Contribution to a Fall in Demand	No Impact	Moderate Contribution to an Increase in Demand	Substantial Contribution to an Increase in Demand	Net Balance
Economic Conditions	0.0	0.0	74.1	21.6	4.3	15.1
Change in Income	0.0	1.7	73.0	22.6	2.6	13.0
Interest Rates	0.0	2.7	78.6	18.8	0.0	8.0
Seasonal Influences	0.0	6.1	75.7	18.3	0.0	6.1

⁵ All figures are rounded to one decimal place

Q3. How has your institution's appetite to extend personal loans changed relative to the preceding quarter? (% of total)

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
All Households	3.5	2.6	57.0	36.8	0.0	13.6
Housing – Owner Occupier	3.4	3.4	59.1	31.8	2.3	13.1
Housing – Investment	3.7	1.2	67.1	26.8	1.2	10.4
Housing – Other (includes refinancing, renovations)	3.7	0.0	80.2	16.0	0.0	4.3
Car Loan	3.4	3.4	70.5	22.7	0.0	6.3
Non-housing Investment	3.9	1.3	78.9	15.8	0.0	3.3
Credit Card	0.0	4.2	62.1	33.7	0.0	14.7
Personal - Other	3.1	3.1	59.4	34.4	0.0	12.5

Q4. How have the following factors affected your institution's appetite to extend personal loans? (% of total)

	Substantial Contribution to a Fall in Appetite	Moderate Contribution to a Fall in Appetite	No Impact	Moderate Contribution to an Increase in Appetite	Substantial Contribution to an Increase in Appetite	Net Balance
Change in Risk Tolerance	2.7	0.9	80.5	15.9	0.0	4.9
Cost of Funds/Balance Sheet Constraints	2.7	1.8	77.9	17.7	0.0	5.3
Quality of Bank's Asset Portfolio	2.6	1.7	66.1	29.6	0.0	11.3
Competition from other Banks	0.0	1.8	80.4	17.9	0.0	8.0
Competition from other Financial Institutions	0.0	0.9	89.1	10.0	0.0	4.5
Economic Outlook	0.0	0.9	71.6	27.6	0.0	13.4
Regulatory Changes	0.0	2.6	87.0	10.4	0.0	3.9
Credit-worthiness of Borrowers	0.0	0.9	80.2	19.0	0.0	9.1

Q5. How have the following terms and conditions for new personal loans changed? (% of total)

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
Spread over Cost of Funds	0.0	6.3	88.4	5.4	0.0	-0.4
Premiums Charged on Riskier Loans	0.0	0.0	91.7	8.3	0.0	4.1
Non-interest Fees and Charges	0.0	0.0	93.8	6.3	0.0	3.1
Maximum Loan-to-Value	0.0	0.0	93.5	6.5	0.0	3.2
Maximum Loan-to-Income	0.0	0.0	94.5	5.5	0.0	2.8

Q6. How has the share of rejected personal loan applications changed? (% of total)

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
All Households	0.9	7.1	78.8	13.3	0.0	2.2
Housing-related Loans	2.3	6.8	84.1	6.8	0.0	-2.3
Car Loans	0.0	2.2	90.1	7.7	0.0	2.7
Credit Card Applications	1.1	4.2	77.9	15.8	1.1	5.8

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

	Decrease Substantially	Decrease Moderately	No Change	Increase Moderately	Increase Substantially	Net Balance
All Households	0.0	0.0	39.5	56.1	4.4	32.5
Housing – Owner Occupier	0.0	3.5	50.6	42.4	3.5	22.9
Housing – Investment	0.0	3.7	61.7	32.1	2.5	16.7
Housing – Other (includes refinancing, renovations)	0.0	3.8	70.9	25.3	0.0	10.8
Car Loan	0.0	1.1	55.7	43.2	0.0	21.0
Non-housing Investment	0.0	0.0	64.9	35.1	0.0	17.6
Credit Card	0.0	0.0	35.2	62.6	2.2	33.5
Personal - Other	0.0	0.0	56.7	41.2	2.1	22.7

Q8. Over the next quarter, how do you expect your institution's appetite to extend personal loans to change? (% of total)

	Decrease Substantially	Decrease Moderately	No Change	Increase Moderately	Increase Substantially	Net Balance
All Households	0.0	0.0	60.5	37.7	1.8	20.6
Housing – Owner Occupier	0.0	1.2	65.9	29.4	3.5	17.6
Housing – Investment	0.0	1.2	67.5	27.7	3.6	16.9
Housing – Other (includes refinancing, renovations)	0.0	2.5	82.5	15.0	0.0	6.3
Car Loan	0.0	0.0	72.4	27.6	0.0	13.8
Non-housing Investment	0.0	0.0	80.5	19.5	0.0	9.7
Credit Card	0.0	0.0	51.1	46.7	2.2	25.6
Personal - Other	0.0	0.0	62.5	35.4	2.1	19.8