



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

# Credit Sentiment Survey

Survey Results | 2024 Q4



# 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 December quarter, are available in the “About the Survey” section and annexes to this report.

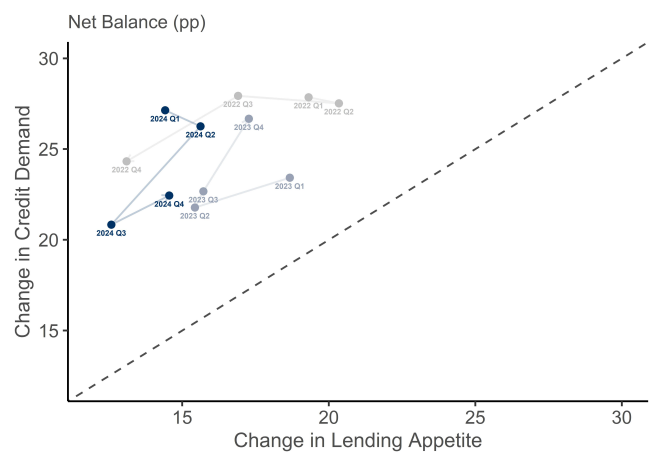
# Executive Summary

December quarter survey results confirm the persistence of strong credit conditions, with continuing demand growth from both individuals and businesses, alongside increased appetite to extend credit.<sup>1</sup> Business credit conditions have improved relative to the previous quarter, while personal lending conditions slightly deteriorated but remain expansionary. A positive economic outlook and favorable investment conditions continue to support both credit demand and financial institutions' lending appetite. Strengthening business and consumer credit demand and supply are expected to persist across key sectors over the near term.

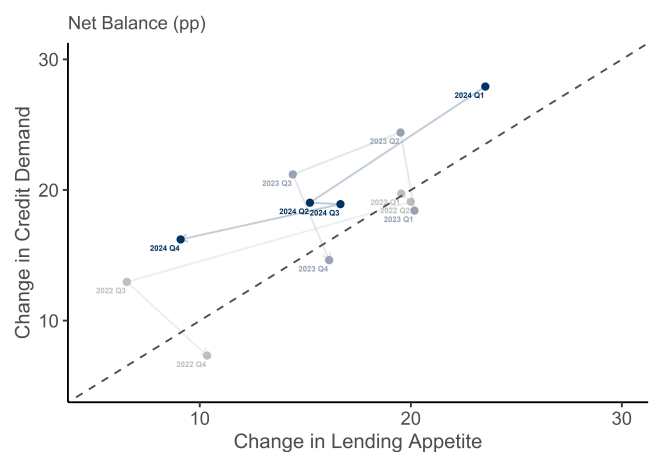
**Business Lending** – Business credit conditions improved slightly towards the end of the year from both the demand and supply side (**Chart 1**). Loan demand increased across all Emirates and sectors of the economy, with the retail & wholesale trade sector recording the strongest growth rate, followed by construction, property development, manufacturing, and transport, storage & communications. Working capital needs and strong economic conditions, as well as higher investment, continue to drive demand growth. Further, interest rates are now firmly a net positive influence on loan demand following cuts to the Base Rate. On the supply side, lending appetite was driven by a positive economic outlook, stable credit-worthiness of borrowers, improving banks' asset quality and higher risk tolerance. Strong credit demand and willingness to extend business loans is expected to persist well into early 2025.

**Personal Lending** – December data highlighted the persistence of solid personal credit conditions, though slightly weaker than previous quarters (**Chart 2**). Favorable economic conditions and rising incomes supported demand growth, which was most pronounced for credit cards and housing (owner-occupier and investment) loans. Lower interest rates have also been an important driver of demand for personal loans. Improving economic outlook and asset quality, as well as stable credit-worthiness of borrowers, stimulated financial institutions' strong lending appetite. Personal loan demand and lending appetite expectations remain positive over the next three months.

**Chart 1** Business Loans: Change in Supply vs. Demand



**Chart 2** Personal Loans: Change in Supply vs. Demand



<sup>1</sup> 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 Lending<sup>2</sup>

Survey results point to solid growth in business credit demand continuing through the second half of 2024 (net balance of +22.4pp). According to survey results, 41.0% of respondents reported no change and 51.9% reported an increase in demand, while only 7.1% of respondents reported a decrease in demand. All Emirates recorded a moderate increase in demand growth, with Dubai recording the strongest growth rate. Business loan demand growth is expected to accelerate in early 2025, as suggested by a net balance of +35.4pp (Chart 3).

The increase applied to all market segments, and was strongest for large firms, followed by government-related entities (GREs) and small & medium-sized enterprises (SMEs) (Chart 4). Demand growth from locals and expats grew at a higher rate than that of non-residents. Credit demand from large firms and SMEs is expected to grow faster compared to demand from GREs over the next three months.

Business loan demand increased across all sectors of the economy, with the retail & wholesale trade sector recording the strongest growth rate, followed by construction, property development, manufacturing, and transport, storage & communications (Chart 5).

Increased demand growth is expected across all economic activities and industries over the next three months, mainly in construction, retail & wholesale trade, manufacturing, and property development.

Chart 3 Business Loans: Change in Demand

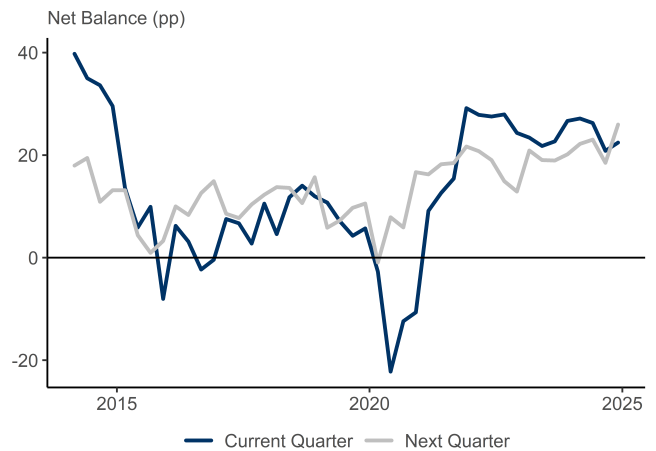


Chart 4 Business Loans: Change in Demand by Type

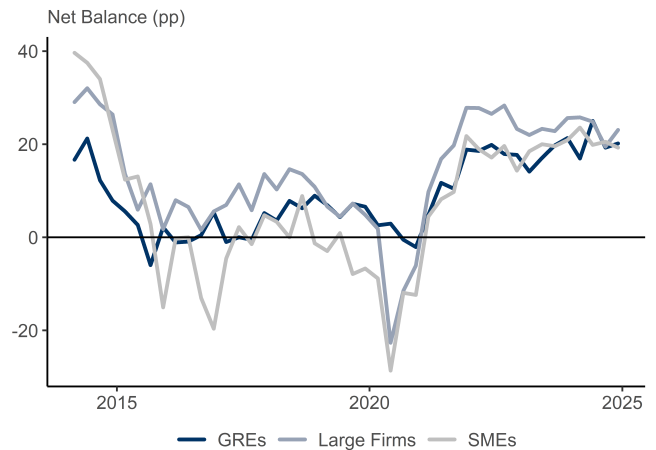
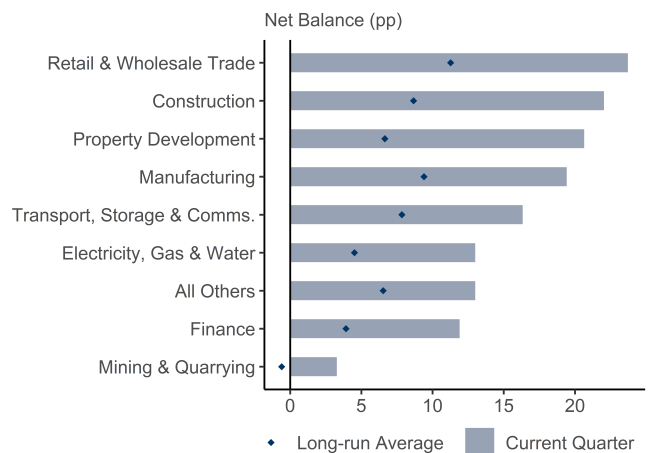


Chart 5 Business Loans: Change in Demand by Industry



<sup>2</sup> Full survey results are presented in Annex 1 of this report.

Working capital needs, economic conditions, investment and change in government expenditure continued to drive demand growth. The impact of interest rates on demand was firmly in positive territory following cuts to the Base Rate in 2024 (Chart 6).

Strong business lending appetite persisted well into the second half of the year, evidenced by a net balance of +14.6pp, and is anticipated to continue to increase at a steady pace. A positive economic outlook, stable credit-worthiness of borrowers, improving banks’ asset quality, and higher risk tolerance stimulated financial institutions’ appetite to extend business loans.

Credit terms and conditions for new business loans remained broadly unchanged, although the maximum size of credit lines, collateralization requirements and premiums charged on riskier loans recorded a considerable increase relative to the previous quarter (Chart 7).

Financial institutions reported that the share of rejected applications for loans to firms increased marginally compared to the previous quarter, highlighted by a net balance of +2.2pp, where the rise in the share of rejected applications for loans to large firms was somewhat higher compared to the share of rejected applications for loans to SMEs.

Chart 6 Business Loans: Factors Influencing Demand

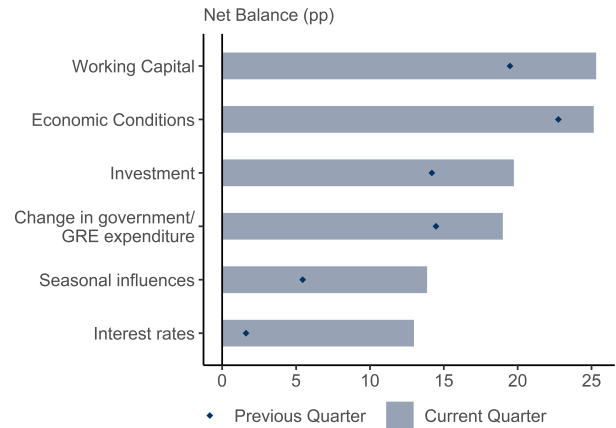
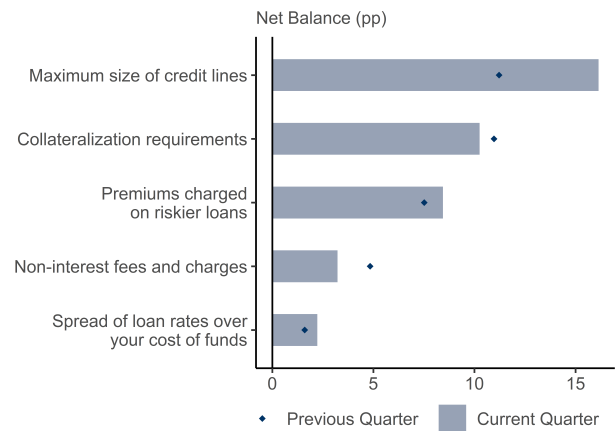


Chart 7 Business Loans: Change in Terms and Conditions on New Loans



# Personal Lending<sup>3</sup>

Personal loan demand continued to increase at a steady pace, as indicated by a net balance of +16.2pp. Increased demand was evident across all Emirates, with the Northern Emirates leading the way. Looking ahead, financial institutions remain optimistic about personal loan demand, as suggested by a net balance of +29.2pp for Q1 2025 expectations (Chart 8).

The rise in demand was most pronounced for credit cards and housing (owner-occupier and investment) loans (Chart 9). Credit demand expectations were strong across all categories, with the strongest growth anticipated in credit cards, housing loans (owner-occupier and investment), and personal (other) loans.

Ongoing improvement in economic conditions and incomes supported demand growth. Interest rates continued to positively impact demand for personal loans.

Financial institutions' appetite to lend increased over the past three months, as indicated by a net balance of +9.1pp, which was notable across all loan categories, mainly credit cards, housing loans (owner-occupier and investment), personal (other) loans, and car loans (Chart 10).

Looking forward, financial institutions' overall willingness to lend is expected to remain strong, as suggested by a net balance of +19.8pp, where credit cards, housing loans (owner-occupier and investment), car loans, and personal (other) loans were the strongest categories.

Chart 8 Personal Loans: Change in Demand

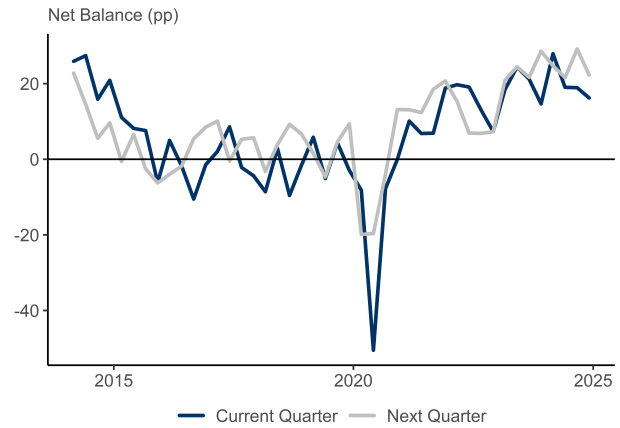


Chart 9 Personal Loans: Change in Demand for Housing-Related Loans

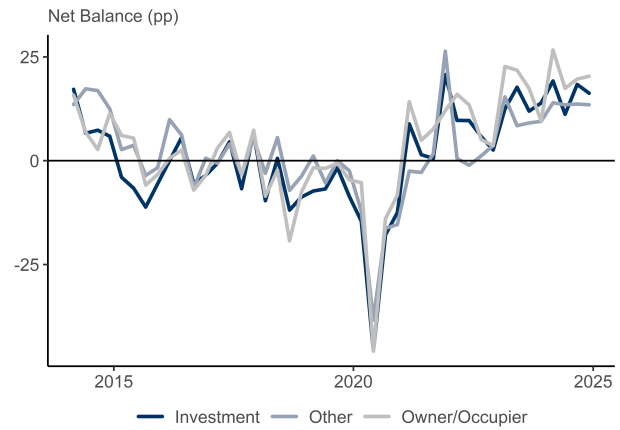
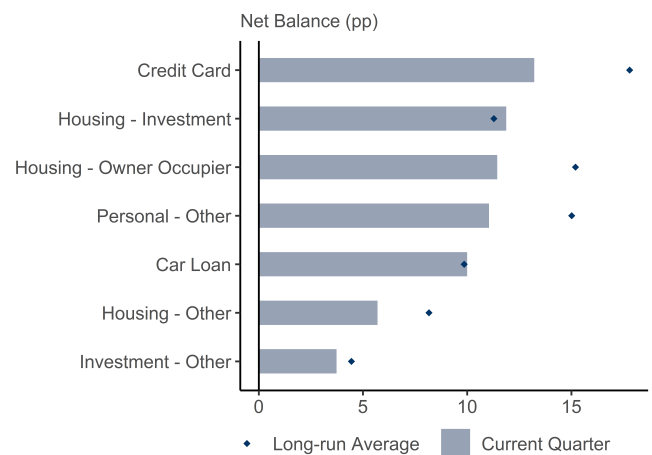


Chart 10 Personal Loans: Change in Lending Appetite by Type



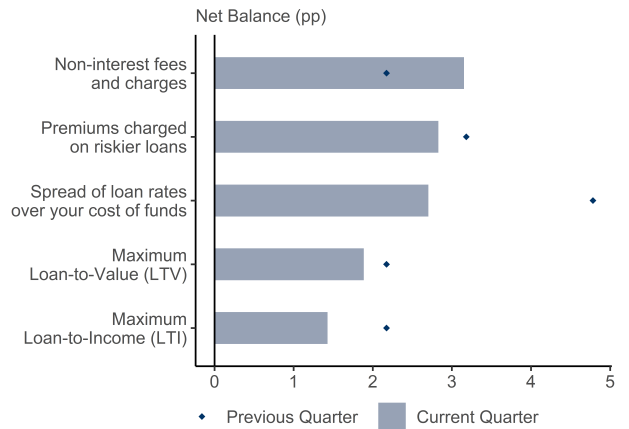
<sup>3</sup> Full survey results are presented in Annex 2 to this report

The key factor driving financial institutions' appetite to extend personal loans was the economic outlook, followed by banks' asset quality and change in credit-worthiness of borrowers.

Credit terms and conditions on new personal loans remained broadly unchanged, although a moderate increase was registered in non-interest fees & charges, premiums charged on riskier loans and the spread of loan rates over cost of funds, followed by marginal increases in the maximum LTV/LTI ratios (Chart 11).

The net share of rejected personal loan applications increased moderately, as suggested by a net balance of +4.1pp. The increase is attributable to increases in the share of credit card applications, followed by rejected car loans and housing-related loans.

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 2024 Q4 Survey, which was conducted during the period of 24 December 2024 – 23 January 2025. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the December quarter survey was 289 respondents, with 125 answering questions related to personal credit and 164 answering questions related to business credit. The December 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 =  $(\% \text{ of Respondents Reporting a Substantial Increase} + 0.5 \times \% \text{ of Respondents Reporting a Moderate Increase}) - (\% \text{ of Respondents Reporting a Substantial Decrease} + 0.5 \times \% \text{ of Respondents Reporting a Moderate Decrease})$ . 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.

The scheduled publication dates for the upcoming surveys are:

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

These publications will be available on the CBUAE’s website at [www.centralbank.ae](http://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@cbuae.gov.ae](mailto:Monetary.Policy@cbuae.gov.ae)



# Annex 1

## Business Lending Survey Questionnaire Results<sup>4</sup>

### 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	7.1	41.0	51.9	0.0	22.4
Abu Dhabi	0.0	5.5	47.3	47.3	0.0	20.9
Dubai	0.0	7.1	35.7	57.1	0.0	25.0
Northern Emirates	0.0	8.9	40.0	51.1	0.0	21.1
Small and Medium-Sized Enterprises	0.0	8.1	45.2	46.7	0.0	19.3
Large Firms	0.0	6.4	41.7	51.3	0.6	23.1
Government-Related Entities	0.0	2.3	56.6	39.5	1.6	20.2
Conventional	0.0	6.0	48.5	45.5	0.0	19.8
Islamic	0.0	7.9	61.8	30.3	0.0	11.2
Non-resident	0.0	1.2	78.8	20.0	0.0	9.4
Expatriate	0.0	6.9	49.2	43.8	0.0	18.5
Local	0.0	4.3	54.0	41.0	0.7	19.1

### 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	4.9	83.6	11.5	0.0	3.3
Manufacturing	0.0	3.8	54.1	41.4	0.6	19.4
Electricity, Gas and Water	2.0	4.0	60.7	32.7	0.7	13.0
Construction	0.0	5.9	46.1	46.1	2.0	22.0
Property Development	0.7	1.4	56.5	38.4	2.9	20.7
Retail and Wholesale Trade	0.0	5.1	42.9	51.3	0.6	23.7
Transport, Storage and Communications	0.0	4.0	60.0	35.3	0.7	16.3
Financial Institutions (excluding Banks)	0.0	0.8	74.6	24.6	0.0	11.9
All Others	0.0	6.7	61.3	31.3	0.7	13.0

<sup>4</sup> 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	3.2	45.2	49.7	1.9	25.2
Working Capital	0.0	2.5	44.9	51.9	0.6	25.3
Investment	0.0	1.3	59.9	36.9	1.9	19.7
Interest Rates	1.3	4.5	61.7	31.8	0.6	13.0
Seasonal Influences	0.0	3.9	65.8	29.0	1.3	13.9
Change in Government/GRE Expenditure	0.0	1.3	60.0	38.0	0.7	19.0

**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	1.3	1.9	63.3	33.5	0.0	14.6
Small and Medium-Sized Enterprises	1.5	2.2	62.2	34.1	0.0	14.4
Large Firms	1.3	2.6	58.7	35.5	1.9	17.1

**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	1.9	75.3	19.6	1.3	8.2
Cost of Funds/Balance Sheet Constraints	1.9	7.0	75.3	15.2	0.6	2.8
Quality of Bank's Asset Portfolio	1.9	1.9	69.0	25.3	1.9	11.7
Competition from other Banks	0.0	5.7	77.7	15.9	0.6	5.7
Competition from other Financial Institutions	0.0	3.9	82.6	13.5	0.0	4.8
Economic Outlook	0.0	1.9	55.1	41.1	1.9	21.5
Regulatory Changes	0.0	3.2	81.5	15.3	0.0	6.1
Credit-worthiness of Borrowers	0.0	3.2	65.8	30.4	0.6	14.2

**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	1.3	66.5	31.0	1.3	16.1
Spread over Cost of Funds	0.0	13.4	68.8	17.8	0.0	2.2
Premiums Charged on Riskier Loans	0.0	1.9	80.5	16.2	1.3	8.4
Collateralization Requirements	0.0	0.0	80.8	17.9	1.3	10.3
Non-interest Fees and Charges	0.0	3.9	85.8	10.3	0.0	3.2

**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	5.8	84.0	10.3	0.0	2.2
Small and Medium-Sized Enterprises	0.0	3.0	85.9	11.1	0.0	4.1
Large Firms	0.0	3.9	81.8	13.6	0.6	5.5

**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	0.6	29.1	69.0	1.3	35.4
Small and Medium-Sized Enterprises	0.7	0.7	36.3	59.3	3.0	31.5
Large Firms	0.0	0.6	33.3	63.5	2.6	34.0
Government-Related Entities	0.0	0.0	49.6	48.8	1.6	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	79.2	19.2	0.8	10.0
Manufacturing	0.0	0.0	39.7	57.7	2.6	31.4
Electricity, Gas and Water	0.0	0.0	56.0	42.0	2.0	23.0
Construction	0.0	0.0	34.0	61.4	4.6	35.3
Property Development	0.0	0.7	44.4	49.3	5.6	29.9
Retail and Wholesale Trade	0.0	0.0	35.7	62.4	1.9	33.1
Transport, Storage and Communications	0.0	0.0	51.0	46.4	2.6	25.8
Financial Institutions (excluding Banks)	0.0	0.0	72.1	27.9	0.0	14.0
All Others	0.0	0.0	55.6	43.0	1.3	22.8

**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	0.0	52.9	46.5	0.6	23.9
Small and Medium-Sized Enterprises	0.0	1.5	52.6	45.2	0.7	22.6
Large Firms	0.0	0.0	47.7	51.0	1.3	26.8

## Annex 2

# Personal Lending Survey Questionnaire Results<sup>5</sup>

### 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	1.8	3.6	55.0	39.6	0.0	16.2
Abu Dhabi	0.0	7.9	52.6	39.5	0.0	15.8
Dubai	5.1	2.6	56.4	35.9	0.0	11.5
Northern Emirates	0.0	0.0	55.9	44.1	0.0	22.1
Islamic	1.9	3.8	63.5	30.8	0.0	11.5
Conventional	1.1	2.2	52.7	44.1	0.0	19.9
Housing – Owner Occupier	2.3	2.3	50.0	43.0	2.3	20.3
Housing – Investment	0.0	6.3	60.0	28.8	5.0	16.3
Housing – Other (includes refinancing, renovations)	0.0	2.6	67.9	29.5	0.0	13.5
Car Loan	4.9	1.2	64.2	24.7	4.9	11.7
Non-housing Investment	0.0	2.9	70.6	26.5	0.0	11.8
Credit Card	2.3	5.7	42.5	48.3	1.1	20.1
Personal - Other	0.0	4.7	65.9	29.4	0.0	12.4

### 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	0.9	71.3	21.3	6.5	16.7
Change in Income	0.0	0.9	73.0	23.4	2.7	14.0
Interest Rates	0.0	0.0	79.0	21.0	0.0	10.5
Seasonal Influences	0.0	10.0	66.4	22.7	0.9	7.3

<sup>5</sup> 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	0.0	3.6	74.5	21.8	0.0	9.1
Housing – Owner Occupier	0.0	1.2	74.7	24.1	0.0	11.4
Housing – Investment	0.0	1.3	73.8	25.0	0.0	11.9
Housing – Other (includes refinancing, renovations)	0.0	1.3	86.1	12.7	0.0	5.7
Car Loan	0.0	3.8	72.5	23.8	0.0	10.0
Non-housing Investment	0.0	1.5	89.6	9.0	0.0	3.7
Credit Card	1.1	1.1	67.8	29.9	0.0	13.2
Personal - Other	0.0	0.0	77.9	22.1	0.0	11.0

**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	2.8	3.7	83.2	9.3	0.9	0.9
Cost of Funds/Balance Sheet Constraints	2.8	0.9	80.6	15.7	0.0	4.6
Quality of Bank's Asset Portfolio	2.7	3.6	69.1	24.5	0.0	7.7
Competition from other Banks	0.0	2.7	88.2	9.1	0.0	3.2
Competition from other Financial Institutions	0.0	1.9	92.4	5.7	0.0	1.9
Economic Outlook	0.0	0.9	80.2	18.9	0.0	9.0
Regulatory Changes	0.0	1.8	96.4	0.9	0.9	0.5
Credit-worthiness of Borrowers	0.0	0.9	84.7	14.4	0.0	6.8

**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	2.7	89.2	8.1	0.0	2.7
Premiums Charged on Riskier Loans	0.0	0.0	94.3	5.7	0.0	2.8
Non-interest Fees and Charges	0.0	0.9	91.9	7.2	0.0	3.2
Maximum Loan-to-Value	0.0	0.9	94.3	4.7	0.0	1.9
Maximum Loan-to-Income	0.0	1.0	95.2	3.8	0.0	1.4

**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	0.0	5.5	81.7	11.9	0.9	4.1
Housing-related Loans	0.0	4.7	86.0	5.8	3.5	4.1
Car Loans	0.0	4.9	81.7	13.4	0.0	4.3
Credit Card Applications	0.0	4.5	76.1	17.0	2.3	8.5

**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	0.9	40.7	57.5	0.9	29.2
Housing – Owner Occupier	0.0	1.2	44.2	53.5	1.2	27.3
Housing – Investment	0.0	1.2	54.2	43.4	1.2	22.3
Housing – Other (includes refinancing, renovations)	0.0	2.5	61.7	34.6	1.2	17.3
Car Loan	0.0	5.8	48.8	43.0	2.3	20.9
Non-housing Investment	0.0	1.4	65.2	33.3	0.0	15.9
Credit Card	0.0	1.1	41.6	53.9	3.4	29.8
Personal - Other	0.0	1.1	52.7	46.2	0.0	22.5

**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	60.4	39.6	0.0	19.8
Housing – Owner Occupier	0.0	0.0	61.9	38.1	0.0	19.0
Housing – Investment	0.0	1.2	67.9	30.9	0.0	14.8
Housing – Other (includes refinancing, renovations)	0.0	0.0	83.8	16.3	0.0	8.1
Car Loan	0.0	3.7	57.3	37.8	1.2	18.3
Non-housing Investment	0.0	1.5	80.6	17.9	0.0	8.2
Credit Card	1.2	1.2	51.8	44.7	1.2	21.8
Personal - Other	0.0	0.0	65.6	34.4	0.0	17.2