



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

# Credit Sentiment Survey

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Survey Results | 2025 Q2



# 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 ("CBAUE"). Further details about the Survey, along with its questionnaire results for the June quarter, are available in the "About the Survey" section and annexes to this report.

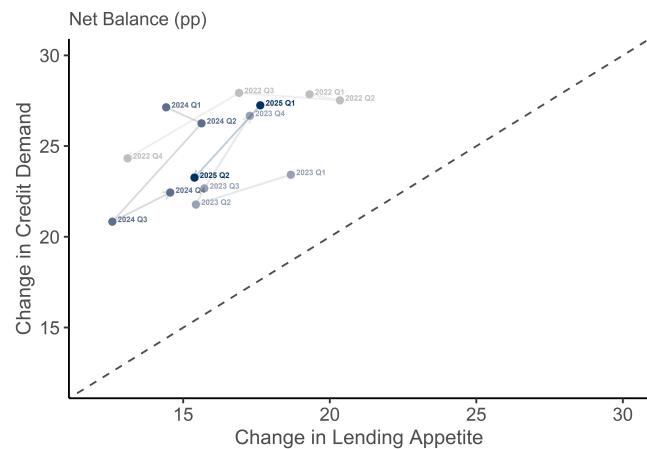
# Executive Summary

June quarter results were consistent with robust credit conditions, supported by steady demand from both individuals and businesses together with continued lending appetite from financial institutions.<sup>1</sup> Growth of both credit demand and supply eased compared to the previous quarter, but remains in positive territory (similar to conditions last observed in Q4 2024). Business lending was strongest in Dubai, while Abu Dhabi recorded the largest increase in personal loans. Strong economic conditions, rising household incomes, and a supportive investment climate continued to underpin credit activity. Looking ahead, credit conditions are expected to stay positive, reflecting continued strength in both demand and supply.

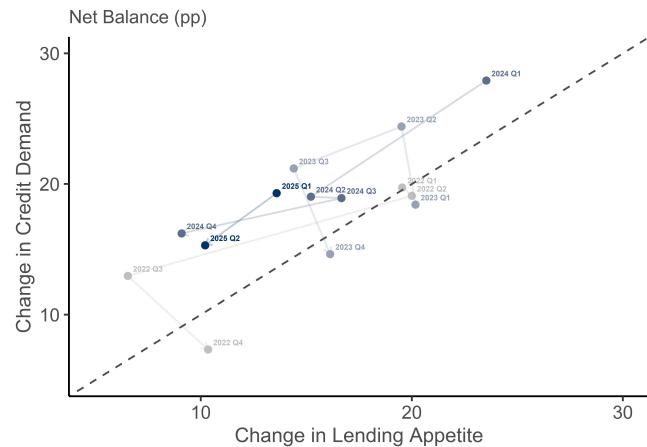
**Business Lending** – Business loan demand increased across all Emirates, though growth moderated from the previous quarter (**Chart 1**). Property development recorded the largest sectoral rise, followed by retail and wholesale trade, construction, and manufacturing. Growth was underpinned by stronger economic conditions as well as high working capital requirements, resilient investment, and high government expenditure. Interest rates were also reported as a factor positively impacting demand. Supply conditions eased slightly but stayed supportive, backed by a positive economic outlook, improving bank asset quality, stable borrower creditworthiness, and a higher risk tolerance. Loan demand and lending appetite are expected to remain in positive territory in the coming quarter, pointing to further improvement in overall business credit conditions.

**Personal Lending** – Personal credit conditions remained favorable, though both demand and supply softened compared to the last quarter (**Chart 2**). All Emirates registered demand growth, with the strongest gains in credit cards, housing (owner-occupier) loans, car loans, and personal (other) loans. Strong economic conditions and higher household incomes, along with accommodative interest rates, continued to support lending activity. Lending appetite among financial institutions was supported by a solid economic outlook, strong competition from other banks and financial institutions, improving bank asset quality, and solid borrower creditworthiness. Expectations for the next quarter suggest that both demand and supply will strengthen, supporting a favorable outlook for personal credit conditions.

**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>

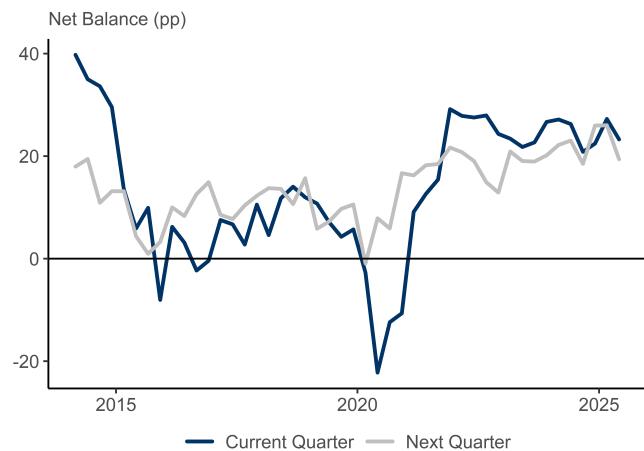
Survey findings suggest solid growth in business credit demand during the quarter, registering a net balance of +23.3pp. Among respondents, 49.3% reported no change in demand, 47.9% observed an increase, while 2.8% noted a decline. By Emirate, demand growth was strongest in Dubai, followed by Abu Dhabi and the Northern Emirates. Over the next three months, demand for business loans is expected to strengthen moderately, with a net balance of +25.5pp (**Chart 3**).

Growth was evident across all market segments, with large firms recording the highest net balance, followed by small and medium-sized enterprises (SMEs) and government-related entities (GREs) (**Chart 4**). Loan demand from both expats and locals continued to exceed that of non-residents. Large firms expect slightly stronger growth than SMEs and GREs.

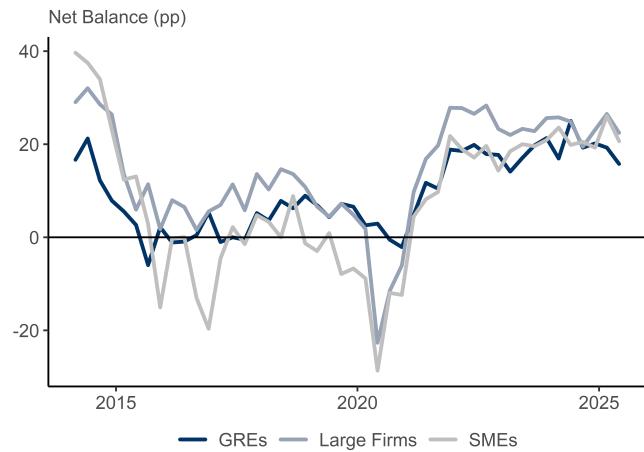
From an industry perspective, property development posted the sharpest increase, followed by retail and wholesale trade, construction, and manufacturing (**Chart 5**).

Looking ahead, all economic sectors are projected to see further growth in demand, whereby the strongest increases are expected in construction, retail and wholesale trade, manufacturing, transport, storage & communications, and property development.

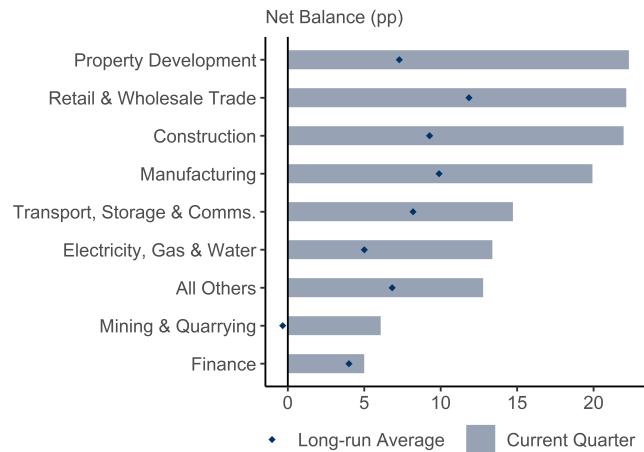
**Chart 3** Business Loans: Change in Demand



**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.

Growth in demand was underpinned by working capital requirements, solid economic conditions, a supportive investment climate, and changes in government expenditure, while interest rates remained a positive influence (Chart 6).

Lending appetite among financial institutions remained positive in Q2 2025, with a net balance of +15.4pp, and was stronger for large firms than for SMEs. Respondents pointed to the economic outlook, quality of bank asset portfolios, and changes in borrower creditworthiness and risk tolerance as the main drivers, while other factors played a smaller role. Lending appetite is also expected to improve, with a net balance of +18.9pp for all firms, and a slightly stronger outlook for large firms than SMEs.

Terms and conditions for business loans were largely unchanged from the previous quarter. However, maximum credit line sizes increased, alongside moderate rises in collateralization requirements and non-interest fees (Chart 7).

The share of rejected loan applications saw a marginal rise, with a net balance of +0.7pp, more pronounced for SMEs than for large firms.

Chart 6 Business Loans: Factors Influencing Demand

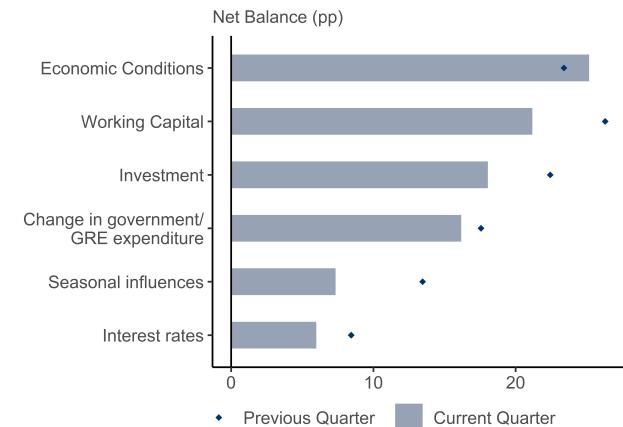
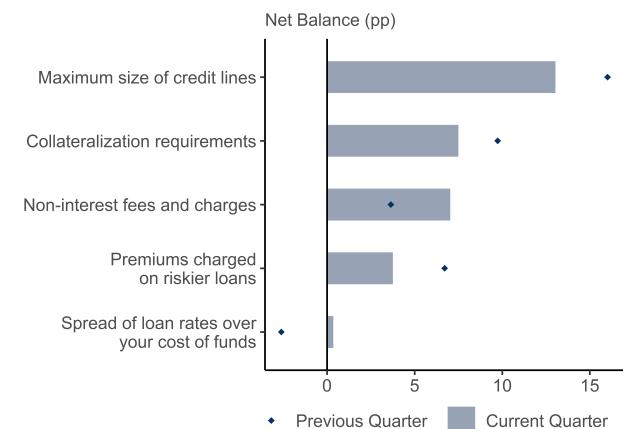


Chart 7 Business Loans: Change in Terms and Conditions on New Loans



# Personal Lending<sup>3</sup>

Personal lending conditions remained favorable in Q2 2025, with a net balance of +15.3pp. Steady demand growth and a generally positive lending environment supported this outcome, and was evident across all Emirates, with Abu Dhabi recording the highest growth. For the next quarter, financial institutions expect demand to increase further, as suggested by a net balance of +21.4pp (Chart 8).

Credit cards, housing (owner-occupier) loans, car loans, and personal (other) loans registered the highest increases in demand (Chart 9). Demand is likely to remain strong across all loan categories, with the fastest growth expected in credit cards, housing loans (owner-occupier and investment), and car loans.

Strong economic conditions and rising household incomes drove personal loan demand, with seasonal influences and interest rates also supporting credit growth.

Lending appetite strengthened across most loan categories, with the exception of non-housing investment. Growth was particularly strong for credit cards and housing loans (owner-occupier, investment and other) (Chart 10).

Over the coming quarter, lending appetite for personal loans is expected to increase further, with a forecast net balance of +15.8pp, particularly for credit cards and housing loans (owner-occupier, investment and other).

Chart 8 Personal Loans: Change in Demand

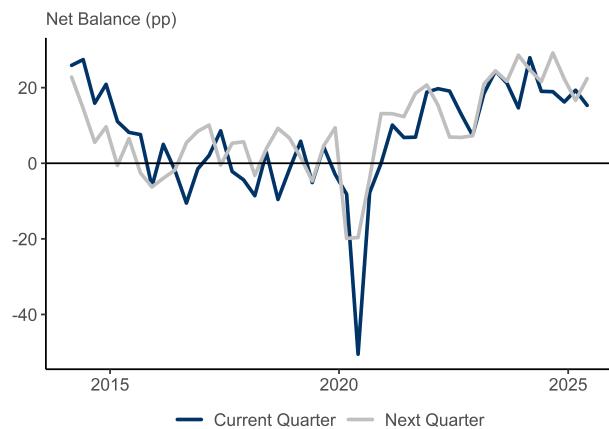


Chart 9 Personal Loans: Change in Demand for Housing-Related Loans

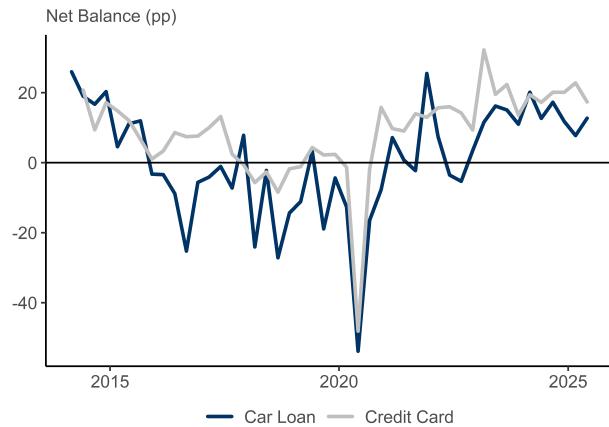
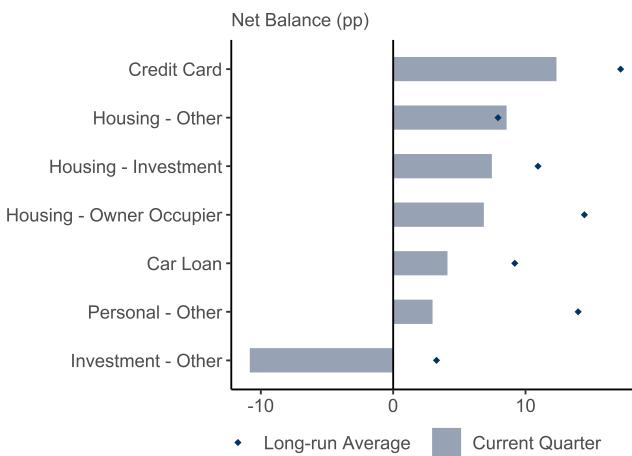


Chart 10 Personal Loans: Change in Lending Appetite by Type



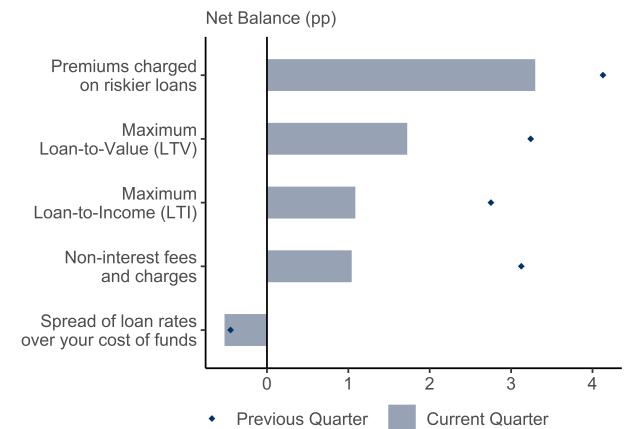
<sup>3</sup> Full survey results are presented in Annex 2 to this report

Financial institutions' lending appetite was supported by a solid economic outlook, strong competition from other banks and financial institutions, improving bank asset quality and stable borrower creditworthiness.

Changes in credit standards were mixed. Financial institutions increased premiums charged on riskier loans, while adjustments to LTV/LTI ratios and non-interest fees & charges registered only a minor increase. Conversely, the spread of loan rates over cost of funds narrowed slightly (Chart 11).

Rejection rates for personal loan applications rose moderately, with a net balance of +2.7pp. Car loans had a higher rejection rate, which more than offset the decline in credit card 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 Q2 Survey, which was conducted during the period of 25 June – 5 August 2025. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the June quarter survey was 259 respondents, with 112 answering questions related to personal credit and 147 answering questions related to business credit. The June 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 Q3 Survey in November 2025
- 2025 Q4 Survey in February 2026
- 2026 Q1 Survey in May 2026
- 2026 Q2 Survey in August 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	2.8	49.3	46.5	1.4	23.3
Abu Dhabi	0.0	2.1	47.9	47.9	2.1	25.0
Dubai	0.0	1.9	44.2	51.9	1.9	26.9
Northern Emirates	0.0	4.5	56.8	38.6	0.0	17.0
Small and Medium-Sized Enterprises	0.0	3.3	52.1	44.6	0.0	20.7
Large Firms	0.0	7.2	42.0	49.3	1.4	22.5
Government-Related Entities	0.0	1.8	64.9	33.3	0.0	15.8
Conventional	0.0	2.5	52.1	43.8	1.7	22.3
Islamic	0.0	3.9	67.5	28.6	0.0	12.3
Non-resident	0.0	0.0	75.6	21.8	2.6	13.5
Expat	0.0	1.8	54.0	42.5	1.8	22.1
Local	0.0	3.2	57.1	37.3	2.4	19.4

### Q2. By economic activity, how has demand for loans from firms changed compared to the preceding quarter? (% of total)

	Decreased Substantially	Decreased Moderately	No Change	Increased Moderately	Increased Substantially	Net Balance
Mining and Quarrying	0.0	3.7	81.3	14.0	0.9	6.1
Manufacturing	0.0	0.7	60.1	37.7	1.4	19.9
Electricity, Gas and Water	0.0	2.4	70.1	26.0	1.6	13.4
Construction	0.0	5.3	50.8	38.6	5.3	22.0
Property Development	0.0	2.5	54.5	38.8	4.1	22.3
Retail and Wholesale Trade	0.0	2.1	52.9	43.6	1.4	22.1
Transport, Storage and Communications	0.0	5.4	61.2	31.8	1.6	14.7
Financial Institutions (excluding Banks)	0.0	3.6	82.7	13.6	0.0	5.0
All Others	0.0	3.0	68.4	28.6	0.0	12.8

<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	1.4	58.3	36.8	3.5	21.2
Working Capital	0.0	0.0	53.8	42.0	4.2	25.2
Investment	0.0	2.8	62.5	30.6	4.2	18.1
Interest Rates	2.8	0.7	78.2	18.3	0.0	6.0
Seasonal Influences	0.7	0.7	81.8	16.8	0.0	7.3
Change in Government/GRE Expenditure	0.0	0.7	67.6	30.1	1.5	16.2

**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	2.1	0.0	65.0	30.8	2.1	15.4
Small and Medium-Sized Enterprises	2.5	0.0	61.5	36.1	0.0	15.6
Large Firms	2.2	2.2	55.1	37.7	2.9	18.5

**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	2.1	0.7	73.6	23.6	0.0	9.4
Cost of Funds/Balance Sheet Constraints	2.1	3.5	77.5	16.9	0.0	4.6
Quality of Bank's Asset Portfolio	2.1	0.0	70.1	27.1	0.7	12.2
Competition from other Banks	0.7	5.0	77.0	16.5	0.7	5.8
Competition from other Financial Institutions	0.7	3.6	85.5	9.4	0.7	2.9
Economic Outlook	0.0	0.7	66.4	32.9	0.0	16.1
Regulatory Changes	0.0	2.1	88.8	9.1	0.0	3.5
Credit-worthiness of Borrowers	0.0	0.7	77.5	21.8	0.0	10.6

**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	0.0	73.9	26.1	0.0	13.0
Spread over Cost of Funds	0.0	11.4	76.4	12.1	0.0	0.4
Premiums Charged on Riskier Loans	0.0	3.8	85.0	11.3	0.0	3.8
Collateralization Requirements	0.0	0.7	83.6	15.7	0.0	7.5
Non-interest Fees and Charges	0.0	0.0	85.9	14.1	0.0	7.0

**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	8.0	84.8	5.1	2.2	0.7
Small and Medium-Sized Enterprises	0.0	5.9	83.9	6.8	3.4	3.8
Large Firms	0.0	8.3	82.0	7.5	2.3	1.9

**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	1.4	46.9	51.0	0.7	25.5
Small and Medium-Sized Enterprises	0.0	0.8	50.8	48.4	0.0	23.8
Large Firms	0.0	1.4	46.5	51.4	0.7	25.7
Government-Related Entities	0.0	2.6	56.9	39.7	0.9	19.4

**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	0.9	89.3	8.9	0.9	4.9
Manufacturing	0.0	1.4	54.3	43.5	0.7	21.7
Electricity, Gas and Water	0.0	0.8	70.0	27.7	1.5	15.0
Construction	0.0	1.5	44.3	51.1	3.1	27.9
Property Development	0.0	1.6	58.2	36.9	3.3	20.9
Retail and Wholesale Trade	0.0	0.7	45.1	54.2	0.0	26.8
Transport, Storage and Communications	0.0	0.0	57.9	42.1	0.0	21.1
Financial Institutions (excluding Banks)	0.0	0.9	85.2	13.9	0.0	6.5
All Others	0.0	0.0	69.6	29.7	0.7	15.6

**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	62.2	37.8	0.0	18.9
Small and Medium-Sized Enterprises	0.0	0.0	62.8	37.2	0.0	18.6
Large Firms	0.0	0.7	56.4	42.9	0.0	21.1

## 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	0.0	14.3	44.9	36.7	4.1	15.3
Abu Dhabi	0.0	11.8	41.2	41.2	5.9	20.6
Dubai	0.0	14.7	52.9	29.4	2.9	10.3
Northern Emirates	0.0	16.7	40.0	40.0	3.3	15.0
Islamic	0.0	6.5	39.1	52.2	2.2	25.0
Conventional	0.0	15.3	47.2	33.3	4.2	13.2
Housing – Owner Occupier	1.4	8.6	54.3	34.3	1.4	12.9
Housing – Investment	3.1	10.8	63.1	21.5	1.5	3.8
Housing – Other (includes refinancing, renovations)	0.0	12.1	60.6	27.3	0.0	7.6
Car Loan	0.0	15.5	47.9	32.4	4.2	12.7
Non-housing Investment	0.0	11.1	74.1	13.0	1.9	2.8
Credit Card	0.0	9.3	49.3	38.7	2.7	17.3
Personal - Other	1.2	8.4	60.2	26.5	3.6	11.4

### Q2. How have the following factors affected the change in demand for personal 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	3.1	70.4	22.4	4.1	13.8
Change in Income	0.0	0.0	78.4	18.6	3.1	12.4
Interest Rates	0.0	1.1	86.0	12.9	0.0	5.9
Seasonal Influences	0.0	6.2	71.1	22.7	0.0	8.2

<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	3.1	4.1	62.2	30.6	0.0	10.2
Housing – Owner Occupier	4.1	4.1	65.8	26.0	0.0	6.8
Housing – Investment	4.5	0.0	71.6	23.9	0.0	7.5
Housing – Other (includes refinancing, renovations)	4.3	0.0	70.0	25.7	0.0	8.6
Car Loan	8.2	5.5	56.2	30.1	0.0	4.1
Non-housing Investment	8.3	15.0	66.7	10.0	0.0	-10.8
Credit Card	0.0	7.8	59.7	32.5	0.0	12.3
Personal - Other	3.6	6.0	71.4	19.0	0.0	3.0

**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	3.2	4.2	77.9	14.7	0.0	2.1
Cost of Funds/Balance Sheet Constraints	3.2	1.1	81.1	14.7	0.0	3.7
Quality of Bank's Asset Portfolio	3.0	3.0	69.7	24.2	0.0	7.6
Competition from other Banks	0.0	1.1	77.9	21.1	0.0	10.0
Competition from other Financial Institutions	0.0	0.0	83.7	16.3	0.0	8.2
Economic Outlook	0.0	2.0	72.7	25.3	0.0	11.6
Regulatory Changes	0.0	8.2	85.7	6.1	0.0	-1.0
Credit-worthiness of Borrowers	0.0	2.0	77.6	20.4	0.0	9.2

**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	4.2	92.7	3.1	0.0	-0.5
Premiums Charged on Riskier Loans	0.0	2.2	89.0	8.8	0.0	3.3
Non-interest Fees and Charges	0.0	2.1	93.8	4.2	0.0	1.0
Maximum Loan-to-Value	0.0	1.1	94.3	4.6	0.0	1.7
Maximum Loan-to-Income	0.0	2.2	93.5	4.3	0.0	1.1

**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	1.1	7.4	76.6	14.9	0.0	2.7
Housing-related Loans	2.6	7.9	77.6	10.5	1.3	0.0
Car Loans	0.0	4.2	78.9	12.7	4.2	8.5
Credit Card Applications	3.8	3.8	84.6	7.7	0.0	-1.9

**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	8.2	40.8	51.0	0.0	21.4
Housing – Owner Occupier	0.0	9.6	43.8	46.6	0.0	18.5
Housing – Investment	0.0	0.0	55.2	44.8	0.0	22.4
Housing – Other (includes refinancing, renovations)	0.0	10.3	48.5	41.2	0.0	15.4
Car Loan	0.0	4.1	52.7	43.2	0.0	19.6
Non-housing Investment	0.0	0.0	66.1	33.9	0.0	16.9
Credit Card	0.0	5.0	43.8	51.3	0.0	23.1
Personal - Other	0.0	3.6	59.5	36.9	0.0	16.7

**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	1.0	66.3	32.7	0.0	15.8
Housing – Owner Occupier	0.0	0.0	63.0	37.0	0.0	18.5
Housing – Investment	0.0	0.0	68.6	31.4	0.0	15.7
Housing – Other (includes refinancing, renovations)	0.0	0.0	71.8	28.2	0.0	14.1
Car Loan	4.1	2.7	62.2	31.1	0.0	10.1
Non-housing Investment	0.0	3.1	73.8	23.1	0.0	10.0
Credit Card	0.0	1.3	61.0	37.7	0.0	18.2
Personal - Other	0.0	1.2	76.2	22.6	0.0	10.7