



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

Credit Sentiment Survey

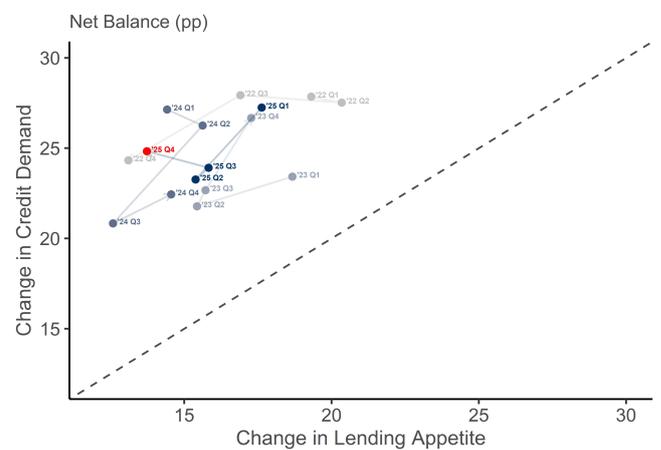
Survey Results | 2025 Q4

Executive Summary

Credit conditions continue to remain very favorable and reflect a strong macroeconomic outlook. The Q4 Survey indicates broad-based demand growth, with financial institutions showing persistent willingness to increase lending. This appears to have favored business loans over personal loans at historically high levels. A significant improvement in conditions for small and medium-sized enterprises (SMEs) suggests a broadening of supportive credit conditions. Economic factors continue to drive both borrowing and lending decisions, signaling ongoing confidence in the UAE's economic outlook. Lower interest rates are also contributing positively to credit conditions, following recent rate cuts. Credit conditions are likely to stay accommodative over the near term, with strong demand and a favorable lending environment.

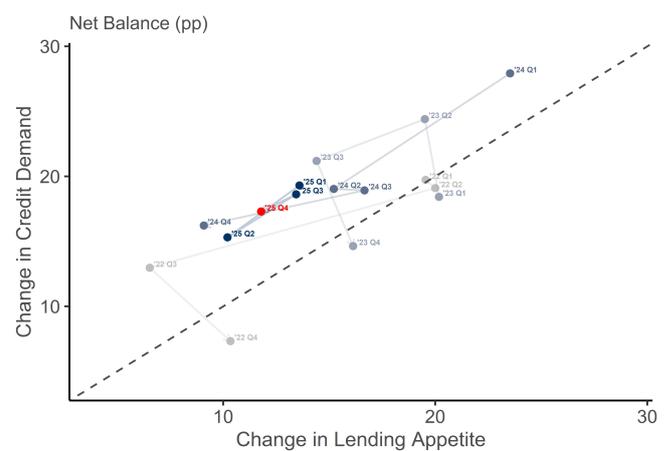
Business Lending – Business credit conditions were favorable throughout the quarter, with stronger loan demand even as lending appetite toward businesses slightly moderated (**Chart 1**). Credit conditions for SMEs improved markedly, with the demand measure hitting its highest level since 2014. Willingness to lend was solid, with the lending appetite measure for SMEs also reaching a record high. Demand rose across all major sectors, most notably in property development, followed by construction, transport, storage and communications, retail and wholesale trade, and manufacturing. Credit dynamics were supported by favorable macroeconomic conditions, a conducive investment environment, and increased working capital needs. Credit demand is expected to remain solid, alongside a supportive lending appetite over the near term.

Chart 1 Business Loans: Change in Supply vs. Demand



Personal Lending – Personal credit conditions remained positive over the quarter, though momentum eased slightly compared with the previous quarter across both demand and supply (**Chart 2**). Demand increased across all personal loan categories. Housing-investment loans grew at their strongest rate since the inception of the survey, while other housing loans (owner-occupier, refinancing and renovations) were also strong, tracking near record highs. Optimism about the state of the economy, rising incomes, a lower interest rate environment, and improving creditworthiness of borrowers were supportive of personal credit conditions. Over the next quarter, both borrowing demand and lending appetite among financial institutions are likely to remain favorable.

Chart 2 Personal Loans: Change in Supply vs. Demand



Business Lending¹

Business loan demand strengthened over the quarter, as highlighted by a net balance of +24.8pp. Among the financial institutions surveyed, 52.4% reported an increase in demand, while 44.1% indicated no change and 3.5% noted a decline. Northern Emirates led the increase, followed by Abu Dhabi and Dubai. Over the near term, business credit demand is expected to strengthen further, with the net balance rising to +33.8pp (Chart 3).

Demand increased across all firm categories, with SMEs recording the highest net balance, followed by large firms and government-related entities (GREs) (Chart 4). By borrower type, expatriate and local firms continued to account for higher demand than non-residents. Looking to the next quarter, financial institutions expect stronger demand from large firms and SMEs than from GREs.

Loan demand grew in every economic sector. Property development recorded the largest increase, followed by construction, transport, storage and communications, retail and wholesale trade, and manufacturing (Chart 5). Survey results suggest higher credit demand across all sectors also next quarter, with the strongest gains expected in property development, construction, manufacturing, retail and wholesale trade, and transport, storage and communications.

Chart 3 Business Loans: Change in Demand

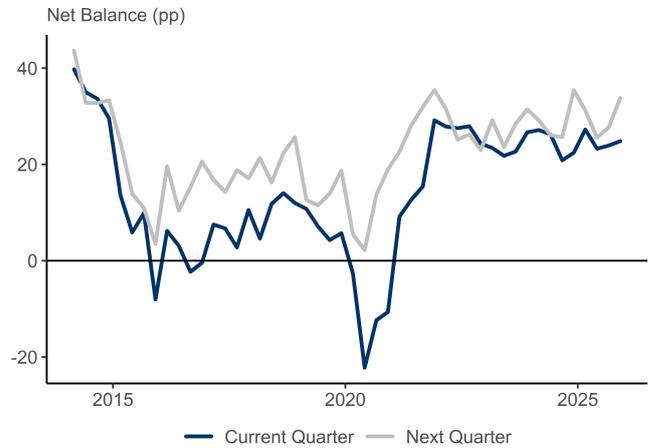


Chart 4 Business Loans: Change in Demand by Type

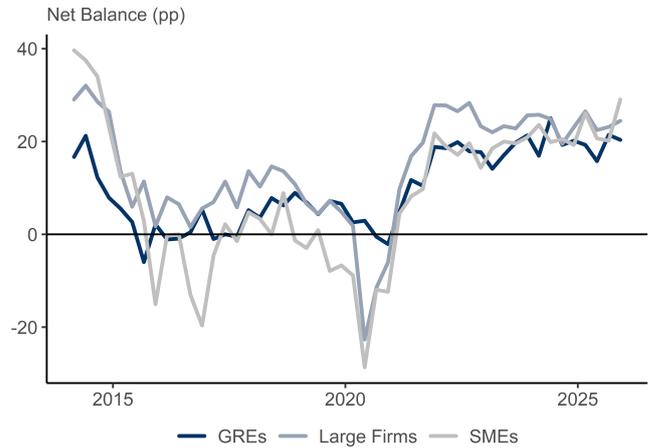
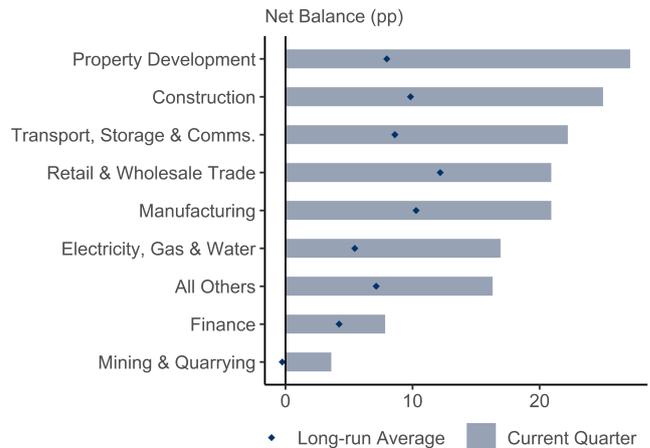


Chart 5 Business Loans: Change in Demand by Industry



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

Solid economic conditions, a favorable investment environment, increased working capital requirements, and higher government expenditure continue to underpin business credit demand. Interest rates remained favorable throughout the quarter, exerting a stronger positive effect than in the prior quarter (Chart 6). This followed cuts to the CBUAE Base Rate from 4.4% to 3.65% in the quarter.

Lending appetite within the banking sector remained strong (net balance of +13.7pp), although it eased slightly compared with the previous quarter, and was marginally higher for SMEs than for large firms. Financial institutions cited the overall economic outlook as the main driver of willingness to lend, while borrower creditworthiness and improving asset quality also provided support and other factors played a more limited role. Lending appetite is expected to strengthen further next quarter, as suggested by a net balance of +19.4pp.

Terms and conditions on business loans were broadly unchanged over the quarter. Financial institutions raised their maximum credit line sizes and marginally narrowed spreads over funding costs, pointing to mild easing. This was partially offset by tighter collateralization requirements, higher non-interest fees and charges, and higher premiums on riskier loans (Chart 7).

The share of rejected business loan applications showed little overall change, with a net balance measure of +1.1pp. Among borrower segments, rejection rates were higher for SMEs than for large firms.

Chart 6 Business Loans: Factors Influencing Demand

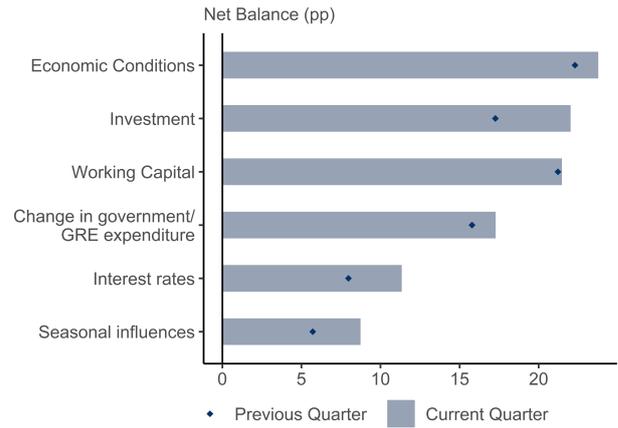
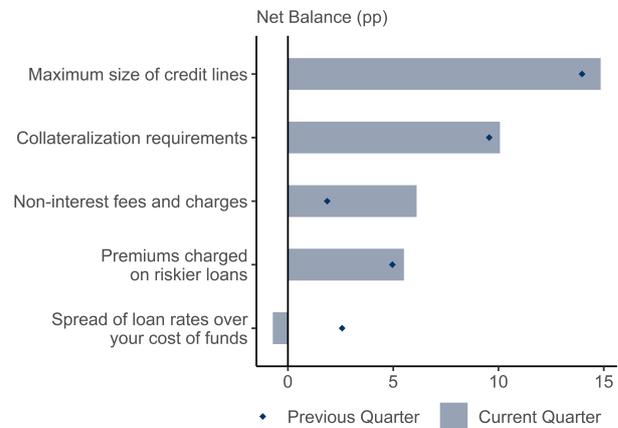


Chart 7 Business Loans: Change in Terms and Conditions on New Loans



Personal Lending²

Personal loan demand growth persisted throughout the quarter, with a net balance of +17.3pp, although momentum somewhat eased relative to the previous quarter. Across Emirates, Dubai recorded the strongest growth. The outlook points to stronger personal loan demand ahead, with the net balance at +31.3pp (Chart 8).

Demand rose across all loan segments, led by housing loans, with housing-investment reaching the highest level on record (Chart 9). Demand for car loans and credit cards was also strong. Survey results point to a continued positive change in credit demand across all loan categories, with the strongest momentum in housing loans (owner-occupier), credit cards, and personal (other) loans over the next quarter.

Demand for personal credit continues to be supported by favorable economic conditions and rising household incomes, alongside positive contributions from seasonal influences. A lower interest rate environment is also exerting an increasingly positive effect on loan demand.

Credit appetite increased across all loan segments, indicated by a net balance of +11.8pp, though the pace moderated relative to the previous quarter. Growth was led by housing loans (owner-occupier, investment, and other), credit cards, and personal (other) loans (Chart 10). Financial institutions anticipate a further improvement in lending appetite over the next quarter, with the strongest expected increases in credit cards, housing loans (owner-occupier and investment), and car loans.

Chart 8 Personal Loans: Change in Demand

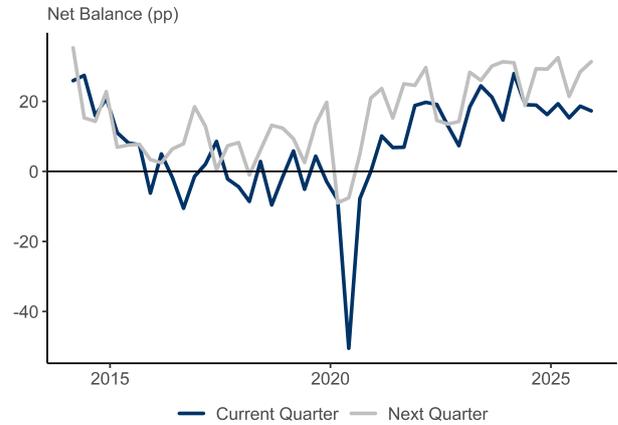


Chart 9 Personal Loans: Change in Demand for Housing-Related Loans

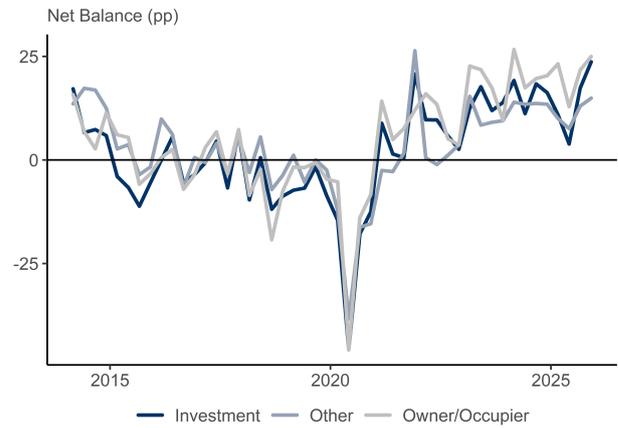
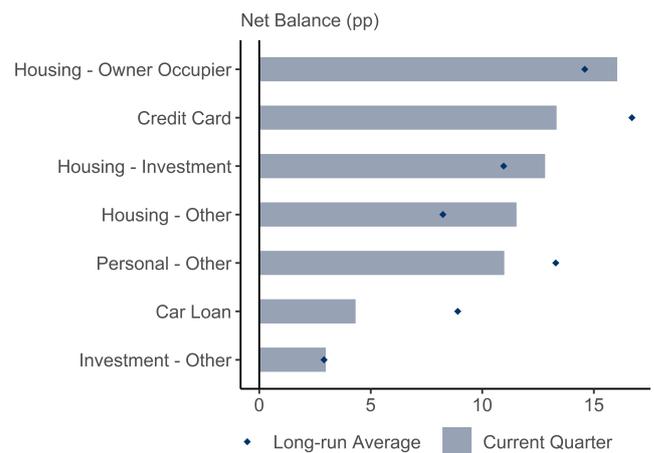


Chart 10 Personal Loans: Change in Lending Appetite by Type



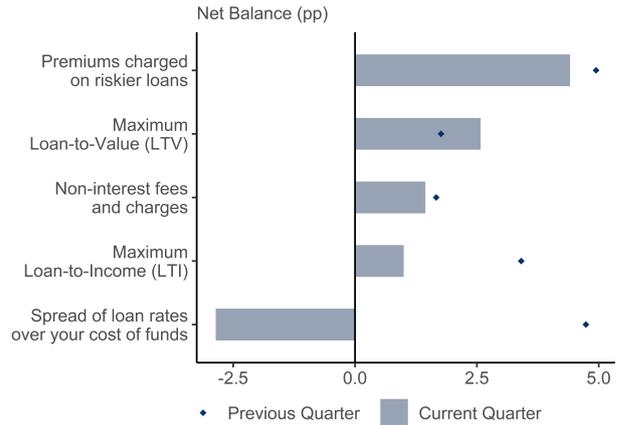
² Full survey results are presented in Annex 2 to this report

Optimism about the economic outlook was the main contributor to lending appetite. The competitive landscape, funding costs and borrower creditworthiness were also contributing factors.

Credit standards for personal loans remained broadly unchanged, with over 92% of respondents reporting no change. Where adjustments occurred, financial institutions reported higher premiums on riskier loans and moderate increases in maximum LTV ratios, while spreads over funding costs fell (Chart 11).

Overall rejection rates for personal loan applications were broadly stable (net balance of +4.0pp), with increases concentrated in car loans, and, to a lesser extent, credit card applications.

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 Q4 Survey, which was conducted during the period of 6 January – 3 February 2026. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the December quarter survey was 267 respondents, with 118 answering questions related to personal credit and 149 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:

- 2026 Q1 Survey in May 2026
- 2026 Q2 Survey in August 2026
- 2026 Q3 Survey in November 2026
- 2026 Q4 Survey in February 2027

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@cbuae.gov.ae

Annex 1

Business Lending Survey Questionnaire Results³

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	3.5	44.1	51.7	0.7	24.8
Abu Dhabi	0.0	3.9	43.1	51.0	2.0	25.5
Dubai	0.0	3.8	46.2	50.0	0.0	23.1
Northern Emirates	0.0	2.5	42.5	55.0	0.0	26.3
Small and Medium-Sized Enterprises	0.0	1.7	41.0	54.7	2.6	29.1
Large Firms	0.0	4.4	46.0	46.0	3.6	24.5
Government-Related Entities	0.0	0.0	61.1	37.2	1.8	20.4
Conventional	0.0	0.8	47.6	48.4	3.2	27.0
Islamic	0.0	4.2	70.8	23.6	1.4	11.1
Non-resident	0.0	0.0	82.1	17.9	0.0	9.0
Expatriate	0.0	0.0	52.6	47.4	0.0	23.7
Local	0.0	3.3	54.2	41.7	0.8	20.0

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	0.9	9.9	73.0	13.5	2.7	3.6
Manufacturing	0.0	0.0	60.3	37.6	2.1	20.9
Electricity, Gas and Water	0.0	3.1	62.2	32.3	2.4	16.9
Construction	0.0	1.5	50.7	44.1	3.7	25.0
Property Development	0.0	0.0	53.5	38.8	7.8	27.1
Retail and Wholesale Trade	0.0	0.7	58.9	38.3	2.1	20.9
Transport, Storage and Communications	0.0	2.2	54.1	40.7	3.0	22.2
Financial Institutions (excluding Banks)	0.0	0.0	84.3	15.7	0.0	7.8
All Others	0.0	2.2	63.0	34.8	0.0	16.3

³ 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	2.1	52.4	41.3	4.2	23.8
Working Capital	0.0	2.8	54.9	38.7	3.5	21.5
Investment	0.0	1.4	56.6	38.5	3.5	22.0
Interest Rates	0.0	2.8	72.3	24.1	0.7	11.3
Seasonal Influences	0.0	0.0	82.5	17.5	0.0	8.7
Change in Government/GRE Expenditure	0.0	0.0	66.2	33.1	0.7	17.3

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	1.4	64.8	30.3	1.4	13.7
Small and Medium-Sized Enterprises	2.5	1.7	58.0	36.1	1.7	16.4
Large Firms	2.1	3.5	60.3	31.9	2.1	14.2

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	1.4	80.3	14.8	1.4	6.0
Cost of Funds/Balance Sheet Constraints	2.1	4.9	79.7	12.6	0.7	2.4
Quality of Bank's Asset Portfolio	2.1	2.8	71.1	23.2	0.7	8.8
Competition from other Banks	0.0	5.8	78.4	15.8	0.0	5.0
Competition from other Financial Institutions	0.0	1.5	88.9	9.6	0.0	4.1
Economic Outlook	0.0	0.0	59.9	38.7	1.4	20.8
Regulatory Changes	0.0	2.1	85.3	11.9	0.7	5.6
Credit-worthiness of Borrowers	0.0	3.5	72.0	23.8	0.7	10.8

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	1.4	68.8	28.3	1.4	14.9
Spread over Cost of Funds	0.0	12.9	75.5	11.5	0.0	-0.7
Premiums Charged on Riskier Loans	0.0	0.0	89.0	11.0	0.0	5.5
Collateralization Requirements	0.0	1.4	77.0	21.6	0.0	10.1
Non-interest Fees and Charges	0.0	2.9	82.0	15.1	0.0	6.1

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	86.2	8.0	0.0	1.1
Small and Medium-Sized Enterprises	0.0	3.4	83.8	12.8	0.0	4.7
Large Firms	0.0	6.0	85.8	8.2	0.0	1.1

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	0.0	35.2	62.0	2.8	33.8
Small and Medium-Sized Enterprises	0.0	0.0	40.8	55.0	4.2	31.7
Large Firms	0.0	0.0	37.9	59.3	2.9	32.5
Government-Related Entities	0.0	0.0	55.5	39.5	5.0	24.8

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	0.0	87.6	12.4	0.0	6.2
Manufacturing	0.0	0.0	46.1	53.2	0.7	27.3
Electricity, Gas and Water	0.0	0.0	62.6	34.4	3.1	20.2
Construction	0.0	0.0	44.5	51.8	3.6	29.6
Property Development	0.0	0.8	43.0	46.9	9.4	32.4
Retail and Wholesale Trade	0.0	0.7	47.2	50.0	2.1	26.8
Transport, Storage and Communications	0.0	0.0	48.9	49.6	1.5	26.3
Financial Institutions (excluding Banks)	0.0	0.0	78.7	21.3	0.0	10.6
All Others	0.0	0.0	61.9	38.1	0.0	19.1

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	0.7	0.0	61.3	35.9	2.1	19.4
Small and Medium-Sized Enterprises	0.8	2.5	54.5	38.0	4.1	21.1
Large Firms	0.7	0.0	56.7	40.4	2.1	21.6

Annex 2

Personal Lending Survey Questionnaire Results⁴

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	11.2	44.9	42.1	1.9	17.3
Abu Dhabi	0.0	13.2	47.4	36.8	2.6	14.5
Dubai	0.0	10.5	42.1	44.7	2.6	19.7
Northern Emirates	0.0	9.7	45.2	45.2	0.0	17.7
Islamic	0.0	1.9	63.5	30.8	3.8	18.3
Conventional	0.0	12.5	44.3	43.2	0.0	15.3
Housing – Owner Occupier	2.6	0.0	51.3	37.2	9.0	25.0
Housing – Investment	0.0	1.3	56.6	35.5	6.6	23.7
Housing – Other (includes refinancing, renovations)	0.0	2.6	64.9	32.5	0.0	14.9
Car Loan	3.8	2.5	54.4	34.2	5.1	17.1
Non-housing Investment	0.0	1.5	82.1	14.9	1.5	8.2
Credit Card	1.1	13.8	40.2	44.8	0.0	14.4
Personal - Other	1.1	11.0	51.6	35.2	1.1	12.1

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	0.0	65.4	29.9	4.7	19.6
Change in Income	0.0	0.0	76.6	18.7	4.7	14.0
Interest Rates	0.0	1.0	82.4	15.7	1.0	8.3
Seasonal Influences	0.0	11.2	74.8	14.0	0.0	1.4

⁴ 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	2.8	0.0	68.9	27.4	0.9	11.8
Housing – Owner Occupier	3.7	0.0	59.3	34.6	2.5	16.0
Housing – Investment	3.8	1.3	62.8	29.5	2.6	12.8
Housing – Other (includes refinancing, renovations)	3.8	0.0	66.7	28.2	1.3	11.5
Car Loan	7.4	0.0	69.1	23.5	0.0	4.3
Non-housing Investment	4.5	0.0	82.1	11.9	1.5	3.0
Credit Card	0.0	3.3	67.8	27.8	1.1	13.3
Personal - Other	3.3	1.1	67.0	27.5	1.1	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	3.8	3.8	72.4	20.0	0.0	4.3
Cost of Funds/Balance Sheet Constraints	2.9	0.0	77.9	19.2	0.0	6.7
Quality of Bank's Asset Portfolio	3.7	5.6	69.2	21.5	0.0	4.2
Competition from other Banks	0.0	1.0	83.7	15.4	0.0	7.2
Competition from other Financial Institutions	1.0	1.0	87.0	11.0	0.0	4.0
Economic Outlook	0.0	0.9	74.1	24.1	0.9	12.5
Regulatory Changes	0.0	3.7	85.0	11.2	0.0	3.7
Credit-worthiness of Borrowers	0.0	0.9	88.0	11.1	0.0	5.1

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	6.7	92.4	1.0	0.0	-2.9
Premiums Charged on Riskier Loans	0.0	0.0	93.1	4.9	2.0	4.4
Non-interest Fees and Charges	0.0	0.0	97.1	2.9	0.0	1.4
Maximum Loan-to-Value	0.0	0.0	94.8	5.2	0.0	2.6
Maximum Loan-to-Income	0.0	0.0	98.0	2.0	0.0	1.0

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	1.0	4.0	81.2	13.9	0.0	4.0
Housing-related Loans	0.0	12.3	75.3	12.3	0.0	0.0
Car Loans	1.3	3.8	84.6	7.7	2.6	3.2
Credit Card Applications	1.1	2.2	88.8	7.9	0.0	1.7

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	38.3	60.7	0.9	31.3
Housing – Owner Occupier	0.0	0.0	40.0	53.8	6.3	33.1
Housing – Investment	0.0	0.0	53.2	44.2	2.6	24.7
Housing – Other (includes refinancing, renovations)	0.0	0.0	62.5	36.3	1.3	19.4
Car Loan	0.0	0.0	53.8	46.3	0.0	23.1
Non-housing Investment	0.0	0.0	69.7	30.3	0.0	15.2
Credit Card	0.0	0.0	36.0	62.9	1.1	32.6
Personal - Other	0.0	0.0	39.6	60.4	0.0	30.2

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	2.8	0.9	52.8	42.5	0.9	18.9
Housing – Owner Occupier	3.7	0.0	53.1	42.0	1.2	18.5
Housing – Investment	3.8	0.0	56.4	38.5	1.3	16.7
Housing – Other (includes refinancing, renovations)	3.7	0.0	65.4	30.9	0.0	11.7
Car Loan	3.7	2.5	55.6	37.0	1.2	14.8
Non-housing Investment	4.5	1.5	79.1	14.9	0.0	2.2
Credit Card	0.0	0.0	50.0	45.5	4.5	27.3
Personal - Other	3.3	0.0	60.4	36.3	0.0	14.8