



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

Credit Sentiment Survey

Survey Results | 2026 Q1



Credit Sentiment Survey

The Credit Sentiment Survey (“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.

The opinions expressed in this report, including all results and analyses, are solely those of the survey respondents and do not represent the views of the Central Bank of the UAE (“CBAE”). Further details about the Survey, along with its questionnaire results, are available in the “About the Survey” section and annexes to this report.

Executive Summary

Credit conditions have become less favorable during Q1, reflecting softer borrowing demand and a more cautious lending environment compared to the strong momentum over the recent quarters. Business lending conditions have generally held up slightly better than personal lending against the background of a challenging economic environment and lower risk tolerance. Looking ahead, credit conditions are expected to remain relatively subdued in the next quarter for both business and personal lending.

Business Lending – Business loan demand growth remained positive during the quarter, albeit at a more moderate pace, while lending appetite among financial institutions softened (Chart 1). Demand conditions varied across sectors, though most continued to record positive credit demand, led by retail and wholesale trade, followed by construction. Business borrowing was primarily supported by working capital requirements and investment activity. In contrast, a less favorable economic outlook, lower risk tolerance, and softer borrower creditworthiness contributed to more cautious lending behavior among banks. Over the next quarter, business credit conditions are expected to moderate further, with both demand and lending appetite expected to ease.

Personal Lending – Personal credit conditions softened during the quarter, as slower borrowing demand was accompanied by a more cautious lending appetite among financial institutions (Chart 2). Demand moderated across all personal loan categories, with credit card lending recording the weakest conditions, followed by housing-related loans, particularly owner-occupier and other housing loans, including refinancing and renovations. Weaker economic conditions and seasonal influences weighed on personal borrowing activity, while a softer economic outlook and lower risk tolerance contributed to tighter lending conditions and lower credit appetite. Looking ahead, personal credit conditions are expected to remain relatively soft across all lending segments.

Chart 1 Business Loans: Change in Supply vs. Demand

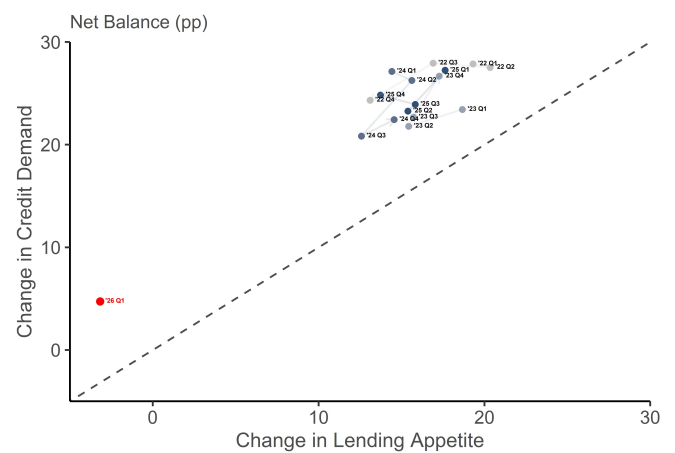
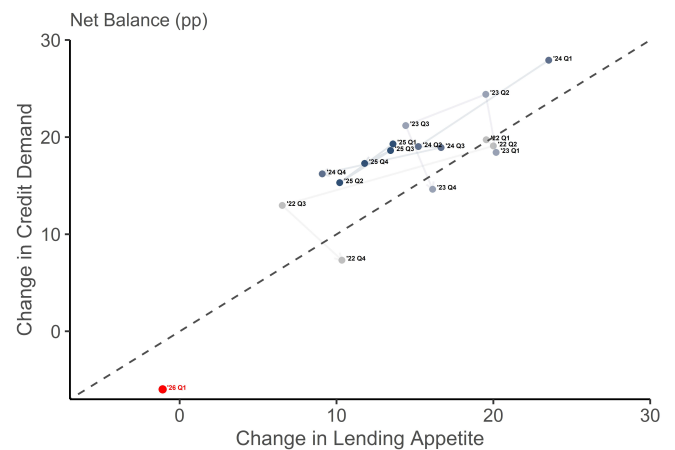


Chart 2 Personal Loans: Change in Supply vs. Demand



Business Lending¹

Business loan demand remained positive but moderated during the quarter, with the net balance easing to +4.7pp. Among surveyed financial institutions, 43.3% indicated no change in demand, while 33.1% reported an increase and 23.6% reported a decline. Across the Emirates, Abu Dhabi recorded the strongest demand, followed by the Northern Emirates and Dubai. Over the next quarter, survey results point to a slight softening in business loan demand, with the net balance standing at -1.2pp (Chart 3).

Across firm categories, government-related entities (GREs) reported the highest demand, followed by large firms and small and medium-sized enterprises (SMEs) (Chart 4). Local firms continued to lead demand by borrower type, ahead of expatriate firms, whereas demand from non-residents remained weak. Looking ahead, financial institutions expect demand from GREs and large firms to remain robust, while SME demand is expected to soften next quarter.

Most sectors showed positive loan demand growth during the quarter, but demand conditions were mixed across sectors and dropped below the long-run average (from 2014-present). Retail and wholesale trade posted the highest net balance, followed by construction. Demand declined in the mining and quarrying sector, while transport, storage and communications remained broadly stable (Chart 5). For the next quarter, demand growth is primarily expected in electricity, gas and water, manufacturing, and transport, storage and communications, whereas property development and mining and quarrying are projected to weaken.

Chart 3 Business Loans: Change in Demand

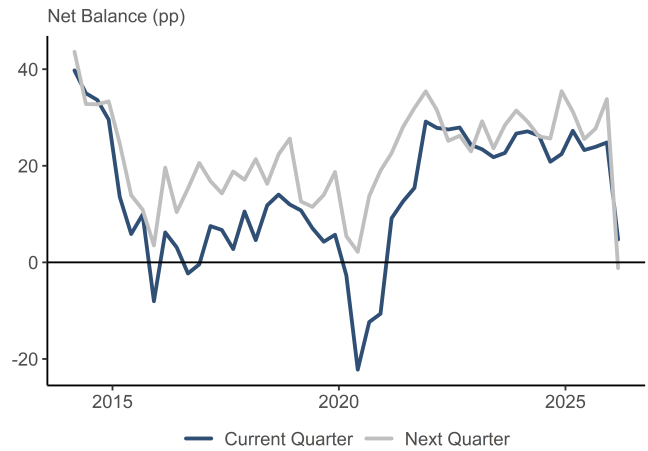


Chart 4 Business Loans: Change in Demand by Type

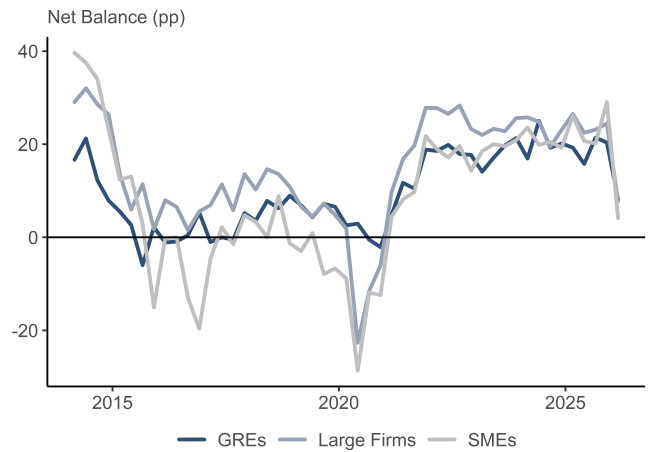
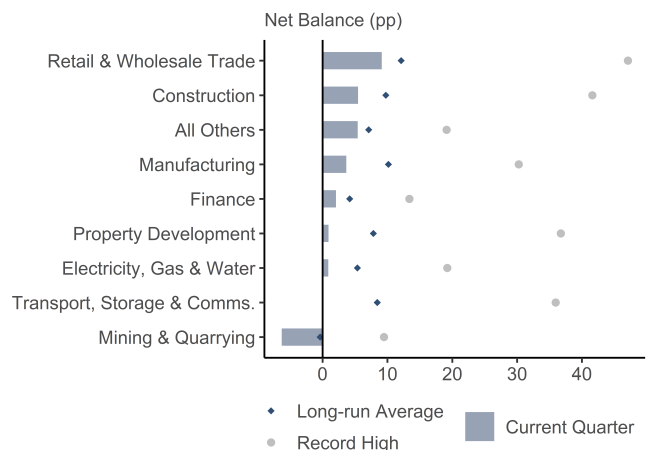


Chart 5 Business Loans: Change in Demand by Industry



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

Working capital requirements was the most important driver of business credit demand during the quarter, followed by investment activity, changes in government-related expenditure, and interest rates. Unlike previous quarters, economic conditions exerted a slight negative effect on demand, while seasonal influences provided more moderate support (Chart 6). Several financial institutions also cited regional geopolitical developments and uncertainty surrounding the broader operating environment as factors adversely affecting business credit demand.

Banks became more cautious during the quarter, with the overall net balance declining to -3.2pp, reflecting weaker lending appetite towards SMEs, while appetite for lending to large firms remained broadly stable. Improving asset quality, competition within the banking sector and from other financial institutions, regulatory developments, and funding conditions continued to support willingness to lend. In contrast, lower risk tolerance, a less favorable economic outlook, and softer borrower creditworthiness weighed on lending appetite. Banks also pointed to heightened uncertainty surrounding the regional economic outlook, alongside stricter adherence to internal financing policies and regulatory guidelines, as factors contributing to softer lending appetite. Looking ahead, financial institutions expect lending appetite to weaken further next quarter, with the overall net balance projected to decline to -7.1pp.

Business lending terms remained largely unchanged during the quarter, despite some tightening in selected credit conditions. Financial institutions reported higher collateralization requirements and increased premiums on riskier loans, while non-interest fees and charges rose modestly. In contrast, there was minimal change in the maximum size of credit lines and spreads over funding costs (Chart 7).

Rejected business loan applications stayed consistent during the quarter, with the overall net balance rising moderately to +2.9pp, while rejection rates were slightly higher for large firms than for SMEs.

Chart 6 Business Loans: Factors Influencing Demand

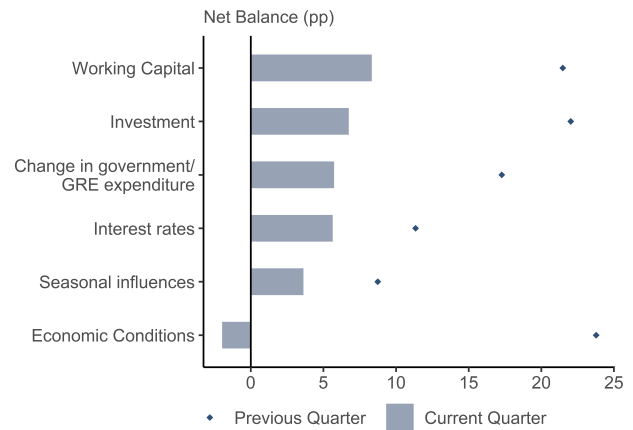
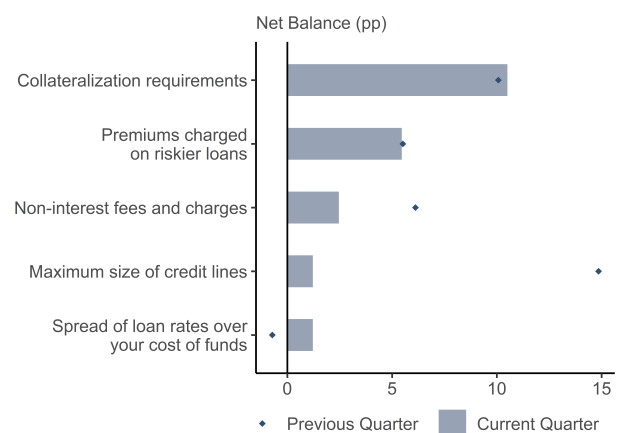


Chart 7 Business Loans: Change in Terms and Conditions on New Loans



Personal Lending²

Demand for personal loans declined during the quarter, with the net balance falling to -6.0pp. The Northern Emirates registered the sharpest decline in demand, followed by Abu Dhabi, while Dubai saw the mildest decline. Looking ahead, survey results suggest a further weakening in personal loan demand next quarter, with the net balance projected to ease to -10.9pp (Chart 8).

Personal loan demand weakened across all loan categories, with credit card lending recording the largest decline, followed by housing loans, particularly owner-occupier and other (includes refinancing and renovations) (Chart 9). Survey results indicate that personal loan demand is expected to remain weak across all categories next quarter, with the sharpest declines anticipated in housing loans (owner-occupier, investment and other) and car loans.

Weaker economic conditions and seasonal influences weighed on demand during the quarter, although lower interest rates and changes in household income continued to provide some support. Several financial institutions also cited heightened regional uncertainty, softer consumer sentiment, and more cautious household spending behavior as factors affecting personal borrowing demand.

Financial institutions reported generally broadly unchanged credit appetite across personal loan segments. However, the small decline of the overall net balance at -1.1pp during the quarter is significantly below the long-run average, and indicates a slowing positive momentum that has underpinned credit expansion over the recent years. Lending appetite continued to improve across all housing loan categories (owner-occupier, investment, and other), while appetite softened for non-housing investment, car loans, credit cards, and personal (other) loans (Chart 10). Over the next quarter, lending appetite is expected to soften further, with the weakest appetite projected for other housing loans (includes refinancing and renovations), car loans, and non-housing investment loans.

Chart 8 Personal Loans: Change in Demand

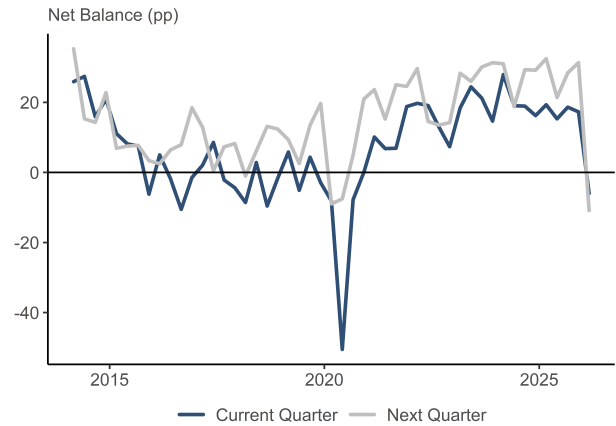


Chart 9 Personal Loans: Change in Demand for Housing-Related Loans

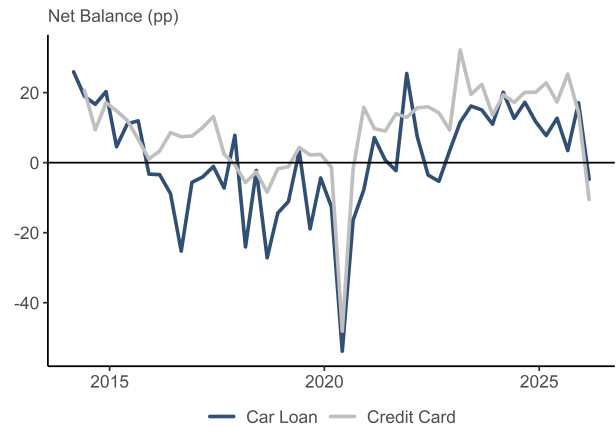
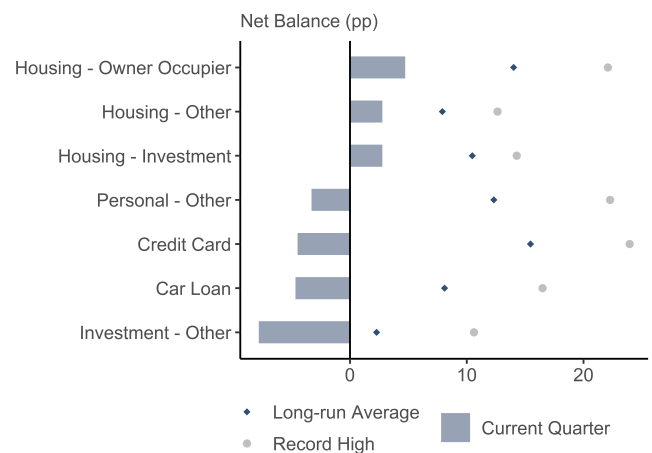


Chart 10 Personal Loans: Change in Lending Appetite by Type



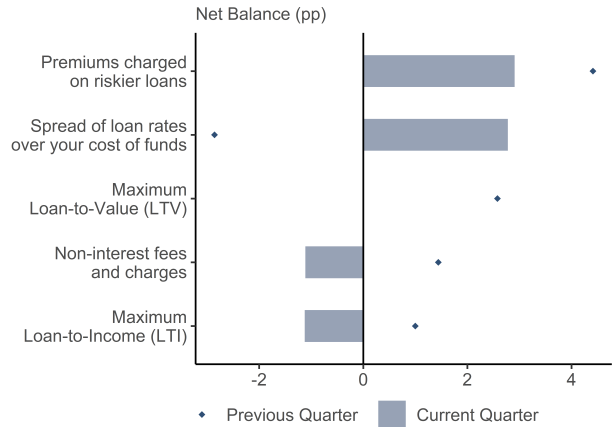
² Full survey results are presented in Annex 2 to this report

A weaker economic outlook and lower risk tolerance weighed on lending appetite during the quarter, although improving asset quality and regulatory developments remained supportive factors. Banks also pointed to geopolitical developments, alongside stricter adherence to internal financing policies and parameters, as factors contributing to softer lending appetite.

Credit standards remained broadly stable, with more than 90% of respondents indicating that standards were unchanged. In cases where terms and conditions were adjusted, financial institutions cited higher premiums on riskier loans and wider spreads over funding costs, while LTV ratios and non-interest fees and charges eased modestly (Chart 11).

Rejection rates for personal loan applications showed little overall change, with the net balance rising marginally to +1.1pp. Higher rejection rates were reported for car loans, while credit card applications remained largely unchanged, and housing-related loans recorded lower rejection rates.

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 2026 Q1 Survey, which was carried out between 4 March and 30 April 2026. The Survey questionnaire results are available in the annexes attached to this report.

The total sample size for the March quarter survey was 238 respondents, with 106 answering questions related to personal credit and 132 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:

- 2026 Q2 Survey in August 2026
- 2026 Q3 Survey in November 2026
- 2026 Q4 Survey in February 2027
- 2027 Q1 Survey in May 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@cbae.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	0.8	22.8	43.3	32.3	0.8	4.7
Abu Dhabi	2.3	20.5	40.9	34.1	2.3	6.8
Dubai	0.0	25.5	42.6	31.9	0.0	3.2
Northern Emirates	0.0	22.2	47.2	30.6	0.0	4.2
Small and Medium-Sized Enterprises	0.9	20.9	48.2	29.1	0.9	4.1
Large Firms	0.0	21.3	42.6	35.2	0.8	7.8
Government-Related Entities	0.0	10.2	64.3	24.5	1.0	8.2
Conventional	0.0	21.7	48.1	29.2	0.9	4.7
Islamic	0.0	7.7	64.6	27.7	0.0	10.0
Non-resident	0.0	13.2	75.0	11.8	0.0	-0.7
Expat	0.0	14.6	57.3	28.2	0.0	6.8
Local	0.0	10.2	56.5	31.5	1.9	12.5

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	2.1	13.7	78.9	5.3	0.0	-6.3
Manufacturing	0.0	16.3	61.0	22.0	0.8	3.7
Electricity, Gas and Water	0.9	13.3	69.0	16.8	0.0	0.9
Construction	0.0	17.6	55.5	25.2	1.7	5.5
Property Development	0.9	20.0	57.3	20.0	1.8	0.9
Retail and Wholesale Trade	0.0	16.7	48.4	34.9	0.0	9.1
Transport, Storage and Communications	0.0	21.0	58.8	19.3	0.8	0.0
Financial Institutions (excluding Banks)	1.0	9.3	74.2	15.5	0.0	2.1
All Others	0.0	11.7	65.8	22.5	0.0	5.4

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	1.6	29.1	40.9	28.3	0.0	-2.0
Working Capital	0.8	15.9	50.0	32.5	0.8	8.3
Investment	0.8	11.1	62.7	24.6	0.8	6.7
Interest Rates	0.8	3.2	81.5	12.9	1.6	5.6
Seasonal Influences	0.8	6.5	78.2	13.7	0.8	3.6
Change in Government/GRE Expenditure	0.8	4.9	77.0	16.4	0.8	5.7

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	3.2	15.9	65.1	15.9	0.0	-3.2
Small and Medium-Sized Enterprises	4.6	19.3	61.5	14.7	0.0	-6.9
Large Firms	3.3	14.6	61.0	21.1	0.0	0.0

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	4.0	19.0	60.3	16.7	0.0	-5.2
Cost of Funds/Balance Sheet Constraints	2.4	3.1	82.7	11.8	0.0	2.0
Quality of Bank's Asset Portfolio	2.4	0.8	78.6	18.3	0.0	6.3
Competition from other Banks	0.0	1.6	87.0	11.4	0.0	4.9
Competition from other Financial Institutions	0.0	0.0	91.7	8.3	0.0	4.2
Economic Outlook	3.9	21.3	52.8	21.3	0.8	-3.1
Regulatory Changes	0.8	4.8	80.8	12.8	0.8	4.0
Credit-worthiness of Borrowers	1.6	14.3	70.6	12.7	0.8	-1.6

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	11.4	74.8	13.8	0.0	1.2
Spread over Cost of Funds	0.0	4.9	87.8	7.3	0.0	1.2
Premiums Charged on Riskier Loans	0.0	1.7	85.7	12.6	0.0	5.5
Collateralization Requirements	0.0	2.5	74.8	21.8	0.8	10.5
Non-interest Fees and Charges	0.0	4.1	86.9	9.0	0.0	2.5

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	3.3	87.7	9.0	0.0	2.9
Small and Medium-Sized Enterprises	0.0	5.5	84.5	10.0	0.0	2.3
Large Firms	0.0	3.4	87.3	9.3	0.0	3.0

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	3.1	33.9	25.2	37.8	0.0	-1.2
Small and Medium-Sized Enterprises	5.5	34.5	27.3	32.7	0.0	-6.4
Large Firms	4.1	25.6	30.6	39.7	0.0	2.9
Government-Related Entities	0.0	9.0	51.0	40.0	0.0	15.5

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	4.1	14.4	67.0	14.4	0.0	-4.1
Manufacturing	3.3	21.3	37.7	36.9	0.8	5.3
Electricity, Gas and Water	2.6	13.9	53.0	30.4	0.0	5.7
Construction	2.5	29.2	31.7	35.8	0.8	1.7
Property Development	4.5	30.9	40.9	22.7	0.9	-7.7
Retail and Wholesale Trade	3.1	26.0	29.9	40.9	0.0	4.3
Transport, Storage and Communications	4.2	21.8	33.6	40.3	0.0	5.0
Financial Institutions (excluding Banks)	3.0	11.1	61.6	24.2	0.0	3.5
All Others	2.5	19.8	50.4	27.3	0.0	1.2

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	4.8	23.0	54.0	18.3	0.0	-7.1
Small and Medium-Sized Enterprises	5.5	26.6	52.3	15.6	0.0	-11.0
Large Firms	4.9	20.5	54.1	20.5	0.0	-4.9

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	6.5	26.1	40.2	27.2	0.0	-6.0
Abu Dhabi	6.3	25.0	43.8	25.0	0.0	-6.3
Dubai	6.5	25.8	38.7	29.0	0.0	-4.8
Northern Emirates	6.9	27.6	37.9	27.6	0.0	-6.9
Islamic	7.0	34.9	37.2	20.9	0.0	-14.0
Conventional	8.1	23.0	45.9	23.0	0.0	-8.1
Housing – Owner Occupier	6.9	26.4	41.7	25.0	0.0	-7.6
Housing – Investment	4.3	28.6	41.4	22.9	2.9	-4.3
Housing – Other (includes refinancing, renovations)	4.3	27.1	45.7	22.9	0.0	-6.4
Car Loan	4.1	27.0	43.2	25.7	0.0	-4.7
Non-housing Investment	0.0	17.2	72.4	10.3	0.0	-3.4
Credit Card	9.2	26.3	40.8	23.7	0.0	-10.5
Personal - Other	4.0	24.0	52.0	20.0	0.0	-6.0

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	3.3	34.8	43.5	15.2	3.3	-9.8
Change in Income	2.2	11.0	72.5	11.0	3.3	1.1
Interest Rates	1.1	0.0	87.6	11.2	0.0	4.5
Seasonal Influences	5.4	8.7	71.7	14.1	0.0	-2.7

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	4.3	12.0	65.2	18.5	0.0	-1.1
Housing – Owner Occupier	4.1	9.5	59.5	27.0	0.0	4.7
Housing – Investment	5.6	6.9	63.9	23.6	0.0	2.8
Housing – Other (includes refinancing, renovations)	4.2	9.7	62.5	23.6	0.0	2.8
Car Loan	9.3	9.3	62.7	18.7	0.0	-4.7
Non-housing Investment	6.3	7.8	81.3	4.7	0.0	-7.8
Credit Card	0.0	23.1	62.8	14.1	0.0	-4.5
Personal - Other	3.9	11.8	71.1	13.2	0.0	-3.3

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	4.4	13.3	64.4	17.8	0.0	-2.2
Cost of Funds/Balance Sheet Constraints	3.3	2.2	86.7	7.8	0.0	-0.6
Quality of Bank's Asset Portfolio	3.3	2.2	77.2	17.4	0.0	4.3
Competition from other Banks	0.0	2.2	83.1	14.6	0.0	6.2
Competition from other Financial Institutions	0.0	3.6	89.3	7.1	0.0	1.8
Economic Outlook	1.1	28.3	54.3	16.3	0.0	-7.1
Regulatory Changes	0.0	6.6	84.6	8.8	0.0	1.1
Credit-worthiness of Borrowers	0.0	8.7	82.6	8.7	0.0	0.0

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	2.2	90.0	7.8	0.0	2.8
Premiums Charged on Riskier Loans	0.0	0.0	94.2	5.8	0.0	2.9
Non-interest Fees and Charges	1.1	0.0	98.9	0.0	0.0	-1.1
Maximum Loan-to-Value	0.0	2.3	95.3	2.3	0.0	0.0
Maximum Loan-to-Income	1.1	1.1	96.6	1.1	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	2.2	9.0	74.2	13.5	1.1	1.1
Housing-related Loans	2.6	17.1	72.4	6.6	1.3	-6.6
Car Loans	2.6	2.6	81.6	13.2	0.0	2.6
Credit Card Applications	1.2	7.4	82.7	7.4	1.2	0.0

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	3.3	42.4	28.3	25.0	1.1	-10.9
Housing – Owner Occupier	4.1	43.2	32.4	20.3	0.0	-15.5
Housing – Investment	4.2	44.4	33.3	13.9	4.2	-15.3
Housing – Other (includes refinancing, renovations)	4.2	43.7	35.2	16.9	0.0	-17.6
Car Loan	0.0	47.9	36.6	15.5	0.0	-16.2
Non-housing Investment	0.0	33.3	52.4	14.3	0.0	-9.5
Credit Card	3.9	31.2	37.7	27.3	0.0	-5.8
Personal - Other	0.0	30.3	44.7	25.0	0.0	-2.6

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	2.2	30.4	55.4	12.0	0.0	-11.4
Housing – Owner Occupier	2.7	28.0	50.7	18.7	0.0	-7.3
Housing – Investment	2.7	24.7	57.5	15.1	0.0	-7.5
Housing – Other (includes refinancing, renovations)	2.7	27.4	60.3	9.6	0.0	-11.6
Car Loan	2.7	29.3	56.0	12.0	0.0	-11.3
Non-housing Investment	3.0	22.7	66.7	7.6	0.0	-10.6
Credit Card	0.0	33.3	46.2	20.5	0.0	-6.4
Personal - Other	2.6	21.1	67.1	9.2	0.0	-8.6