Quarterly Monetary, Banking & Financial Markets Developments Report

2026 – 2nd Quarter

CBUAE June 2026

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1. Introduction

The Central Bank of the UAE actively fosters a stable and efficient financial system by providing effective central banking services, as part of its commitment to promote economic and financial stability and growth in the United Arab Emirates.

The *United Arab Emirates Monetary, Banking and Financial Markets Developments Report* is one of the several avenues through which the Central Bank keeps its stakeholders informed.

This report discusses the monetary and banking activities as well as developments in the UAE financial markets during the second quarter of 2026. The report also reviews ratios of annual change over the period from June 2025 to June 2026.

2. Monetary Developments in the UAE

Money Supply (M_1)

Money Supply **M_1** stood at AED 1,040.0 bn. by the end of the second quarter of 2026, showing 1.4% annual increase. Currency in circulation outside banks stood at AED 160.0 bn., while Monetary deposits totaled AED 880.0 billion.

Money Supply (M_2)

Money Supply **M_2**, increased by 0.3% (Q/Q) at the end of the second quarter of 2026. Both Corporate and Government Related Entities (GREs) had the largest contribution to growth, providing 0.5 percentage points (p.p) each. On an annual basis, Money Supply **M_2** increased by 13.6% reaching AED 2,876.6 bn. at the end of June 2026.

Money Supply (M_3)

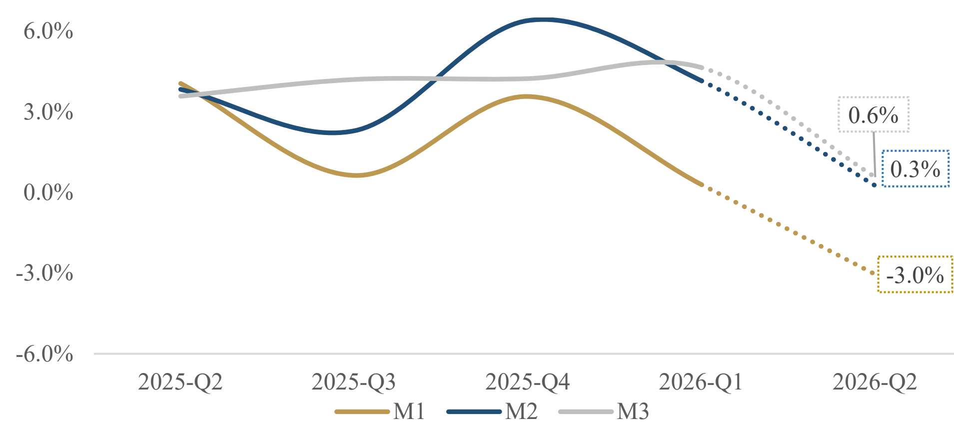
Money Supply **M_3** also increased by 0.6% (Q/Q) in the second quarter of 2026, due to quarterly improvement in Government Sector deposits by 2.3%, contributing positively by 0.4 p.p. On an annual basis, Money Supply **M_3** increased by 14.3% reaching AED 3,426.3 bn. at the end of June 2026.

Table 1: Monetary Developments in the UAE (AED Bn.)

	2025				2026	
	Q1	Q2	Q3	Q4	Q1	Q2*
M_1	**986.2**	**1,026.2**	**1,032.7**	**1,069.6**	**1,072.7**	**1,040.0**
Q/Q (%)	*4.2%*	*4.1%*	*0.6%*	*3.6%*	*0.3%*	**-3.0%**
Y/Y (%)	*12.3%*	*16.1%*	*15.2%*	*13.0%*	*8.5%*	**1.4%**
M_2	**2,437.7**	**2,531.2**	**2,589.3**	**2,754.9**	**2,869.3**	**2,876.6**
Q/Q (%)	*5.3%*	*3.8%*	*2.3%*	*6.4%*	*4.2%*	**0.3%**
Y/Y (%)	*14.2%*	*16.7%*	*15.1%*	*18.9%*	*13.0%*	**13.6%**
M_3	**2,893.7**	**2,997.6**	**3,123.3**	**3,255.6**	**3,406.8**	**3,426.3**
Q/Q (%)	*4.2%*	*3.6%*	*4.2%*	*4.2%*	*4.6%*	**0.6%**
Y/Y (%)	*12.0%*	*13.9%*	*14.8%*	*17.2%*	*12.5%*	**14.3%**

**Preliminary, subject to revision*

Chart 1: Quarterly Monetary Developments in the UAE (%)



M1= Currency in Circulation outside Banks (Currency Issued - Cash at banks) + Monetary Deposits,
M2= M1 + Quasi Monetary Deposits (Resident Time and Savings Deposits in AE D and Foreign Currencies)
M3= M2 + and Government Deposits at banks and at the Central Bank

3. Banking Sector Development

3.1. Banks operating in the UAE

At the end of the second quarter of 2026, the number of locally incorporated banks increased to a total of 24 banks. The number of branches of these locally incorporated banks stood almost at the same level (444 branches) compared to previous quarter. The number of electronic banking service units of banks settled at 45 units and cash offices remained constant at 21 cash offices.

The number of GCC banks remained at six, in addition to one wholesale GCC bank, as of the end of the second quarter of 2026. The number of branches of these banks also stood at five as of the end of June 2026. The number of other foreign banks is 20, with a total of 66 branches.

The total number of financial institutions licensed by the Central Bank stood at 161 institutions, consisting of: 12 Wholesale Banks, 66 Representative Offices, 20 Finance Companies and 63 Money Changers. The number of ATMs of banks operating in the UAE remained at 4,384 ATMs at the end of Q2 2026.

Table 2: Banks, Other Financial Institutions & ATMs (2025-2026)

	2025				2026	
	Q1	Q2	Q3	Q4	Q1	Q2*
Locally Incorporated Banks[(1)]						
Main Branches	23	23	23	23	23	24
Additional Branches	479	444	449	447	443	444
Electronic Banking Service Units	46	45	45	45	45	45
Cash Offices	21	21	21	21	21	21
GCC Banks						
Main Branches	6	6	6	6	6	6
*Additional Branches***	6	5	5	5	5	5
Other Foreign Banks						
Main Branches	21	21	21	21	21	20
*Additional Branches***	67	66	66	66	66	66
Electronic Banking Service Units	21	21	21	21	21	21
Cash Offices	1	3	3	3	3	3
Wholesale Banks	**11**	**11**	**11**	**11**	**11**	**12**
of which GCC Banks	1	1	1	1	1	1
Representative Offices	**68**	**68**	**68**	**66**	**67**	**66**
Finance Companies	**18**	**18**	**18**	**19**	**20**	**20**
Moneychangers	**75**	**69**	**68**	**66**	**64**	**63**
ATMs	**4,813**	**4,831**	**4,831**	**4,752**	**4,384**	**4,384**

**Preliminary, subject to revision*
(1) Excluding investment banks

*** Revised*

3.2. Aggregate Bank Assets and Loans

Total assets of banks operating in the UAE increased by 0.7% (Q/Q) in the second quarter of 2026 reaching AED 5,593.8 bn. During the period between June 2025 and June 2026, the aggregate assets of banks operating in the UAE increased by 12.5% (Y/Y). Gross credit increased by 2.3% (Q/Q) reaching AED 2,757.8 bn. at the end of June 2026 and recording an annual increase of 18.1%.

3.3. Deposits

Total deposits with banks operating in the UAE increased by 0.8% (Q/Q) and 14.0% (Y/Y), reaching AED 3,472.8 bn. in Q2 2026. Resident deposits increased by 1.4% (Q/Q) reaching AED 3,181.2 bn. While Non-Resident deposits recorded annual increase of 13.3%, standing at AED 291.5 bn. by the end of June 2026. The Private sector had the largest contribution to quarterly resident deposits growth, contributing 1.6 p.p., followed by the Government sector providing 0.9 p.p. On a year-on-year basis, Resident deposits increased by 14.1% and the Non-resident deposits increased by 13.3%.

3.4. Capital and Reserves

The aggregate capital and reserves of banks operating in the UAE increased by 4.2% (Q/Q), reaching AED 611.3 bn. at the end of Q2 2026. The Capital adequacy ratio improved to 17.0%, remaining well above the minimum requirement of 13.0%, including the 2.5%. Capital Conservation Buffer and the 15.7% Tier-1 Ratio requirements, in compliance with the Basel III guidelines.

Table 3: Resident and Non-resident Deposits (AED Bn.)

	2025 Q2	2026 Q1	2026 Q2*	Q/Q(%)	Y/Y(%)
Total Bank Deposits	**3,045.8**	**3,446.0**	**3,472.8**	**0.8%**	**14.0%**
Resident Deposits	2,788.6	3,138.8	3,181.2	1.4%	**14.1%**
Non-Resident Deposits	257.2	307.2	291.5	-5.1%	**13.3%**

**Preliminary, subject to revision*

Chart 2: Contributions to quarterly growth in Resident Deposits, by sectors (in p.p.)

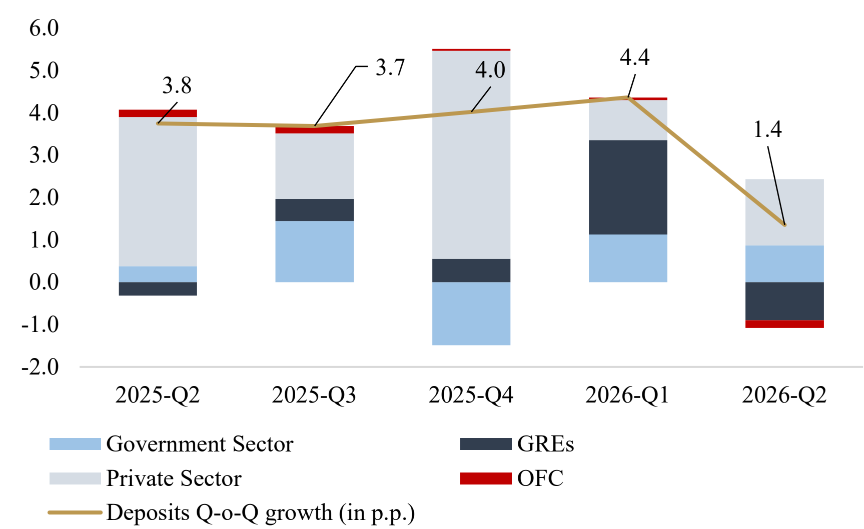


Table 4: UAE Banking Indicators (AED Bn.)							
	2025		2026				
	Q2	Q/Q (%)	Q1	Q/Q (%)	Q2*	Q/Q (%)	Y/Y (%)
Total Assets	**4,973.3**	**5.4%**	**5,556.5**	**4.1%**	**5,593.8**	**0.7%**	**12.5%**
Banks' Investments in Monetary Bills & Islamic Certificates of Deposit	256.8	-5.5%	280.2	-3.0%	242.2	-13.6%	-5.7%
Of which: Shariah Compliant Certificates of Deposit	35.3	0.3%	46.5	-7.2%	51.3	10.3%	45.2%
Gross Credit (1)	2,334.2	4.2%	2,695.6	4.9%	2,757.8	2.3%	18.1%
Personal Loans to Residents	526.0	4.0%	579.9	2.1%	597.6	3.0%	13.6%
Total Deposits (2)	3,045.8	3.7%	3,446.0	4.3%	3,472.8	0.8%	14.0%
Capital & Reserves (3)	545.7	4.1%	586.9	-1.8%	611.3	4.2%	12.0%
Capital Adequacy Ratio (4)	17.3%	-1.6%	16.8%	-1.2%	17.0%	1.0%	-2.0%
Tier-1 Ratio	16.0%	-1.5%	15.7%	-1.2%	15.8%	0.7%	-1.4%
Common Equity Tier 1(CET 1) Capital Ratio	14.6%	-1.1%	14.3%	-0.7%	14.5%	1.5%	-0.6%

(1) Includes credit to residents and non-residents: loans to non-banking financial institutions, Trade Bills Discounted and Loans and Advances to the Government and Public Sector, Private sector (corporates and individuals) in local and foreign currencies.
(2) Net of inter-bank deposits and bank drafts, including commercial prepayments.
(3)Excluding subordinated borrowings/deposits, but including current year profit.
(4)Total Capital Ratio , Tier 1 Ratio and CET 1 Ratio for the period starting from Dec 2017 are calculated according to the Basel III Guidelines issued by CBUAE vide Circular 52/2017 .Whereas CAR for period prior to Dec 2017 are according to Basel II Guidelines.
**Estimates, subject to revision.*

4. Foreign Assets of the Central Bank

The Central Bank's foreign assets settled at AED 931.4 bn. in Q2 2026. During the second quarter, Foreign investments increased by 1.2% (a quarterly increase of AED 8.6 bn.).

5. Abu Dhabi Securities Exchange and Dubai Financial Markets Values

5.1. Abu Dhabi Securities Exchange - Abu Dhabi's quarterly average Securities Exchange Index moderated by 3.2% (Q/Q) during Q2 of 2026, and on an annual basis, the Abu Dhabi Securities Exchange Index increased by 5.4%. The quarterly average market capitalization of companies listed at the Abu Dhabi Securities Exchange (ADX) moderated by AED 163.8 bn. settling at AED 2,849.2 bn. The quarterly traded value of these companies decreased by 8.8% (Q/Q) during Q2 2026 reaching AED 81.5 bn.

5.2. Dubai Financial Market - Dubai's quarterly average Financial Market Index decreased by 4.9% (Q/Q) during Q2 2026 and on an annual basis, the Dubai Financial Market Index increased by 20.2%.

The quarterly average market capitalization of companies listed on Dubai Financial Market (DFM) decreased by AED 30.3 bn., settling at AED 940.6 bn. during the second quarter of 2026.

The quarterly traded value increased by 20.4% (Q/Q) reaching AED 53.6 bn. at the end of June 2026.

Table 5: Abu Dhabi Financial Market (ADX) Indicators (AED Bn.)

	2025				2026	
	Q1	Q2	Q3	Q4	Q1	Q2*
Number of listed Companies	101	101	104	104	104	104
General Share Price Index**	9,506.5	9,725.7	10,160.0	9,946.6	10,085.5	9,761.6
Quarterly Variation (%)	*1.9%*	*2.3%*	*4.5%*	*-2.1%*	*1.4%*	*-3.2%*
*Annual Variation Y/Y (%) ****	*-2.7%*	*0.8%*	*4.2%*	*6.3%*	*7.4%*	*5.4%*
Market Capitalization (Bn. AED)**	2,959.0	3,006.9	3,127.6	3,104.0	3,013.0	2,849.2
Quarterly Traded Values (Bn. AED)	83.0	96.1	80.3	125.7	89.4	81.5

__Source:__ Abu Dhabi Securities Exchange (ADX)
** Estimates, subject to revision*

Table 6: Dubai Financial Market (DFM) Indicators (AED Bn.)

	2025				2026	
	Q1	Q2	Q3	Q4	Q1	Q2*
Number of listed Companies*	65	65	65	65	65	65
General Share Price Index**	5,198.1	5,497.8	6,020.8	5,981.1	5,969.0	5,988.2
Quarterly Variation (%)	*6.8%*	*5.8%*	*9.5%*	*-0.7%*	*-0.2%*	*-4.9%*
*Annual Variation Y/Y (%)****	*15.8%*	*21.7%*	*28.7%*	*29.5%*	*27.8%*	*20.2%*
Market Capitalization (Bn. AED)**	912.1	953.2	1,013.6	980.0	970.9	940.6
Quarterly Traded Values (Bn. AED)	40	43.1	42.8	37.3	44.5	53.6

__Source:__ Dubai Financial Markets (DFM)
** Includes foreign companies*
*** The Quarterly Share Price Index and the Quarterly Market Capitalization are measured as the quarterly average of monthly observations.*
**** The annual variation of the Share Price Indices is measured as the yearly averages of monthly observations.*