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

Improved Asset Quality Reflects the Resilience of the Financial System

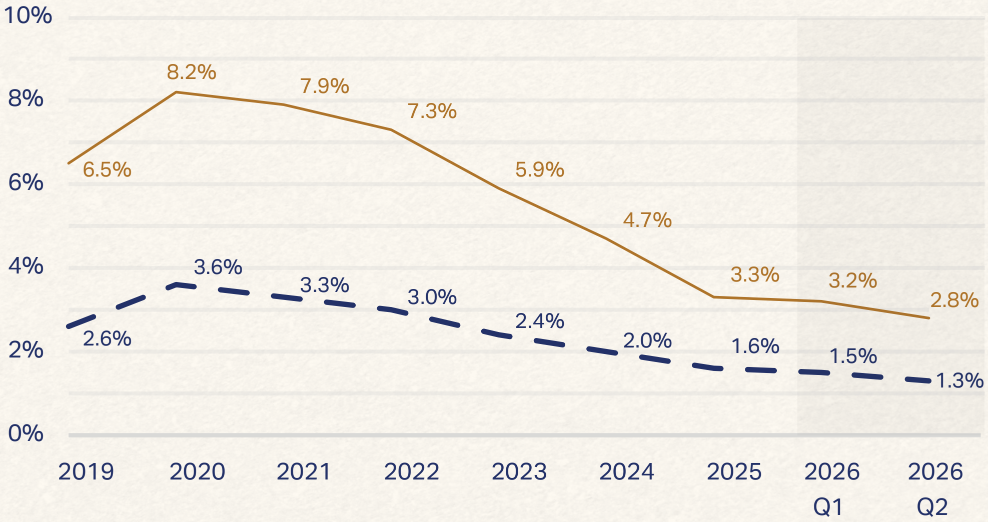
The UAE banking sector achieved its best asset quality ratios by the end of Q2 2026, supported by a significant reduction in the stock of non-performing loans as a result of the CBUAE's targeted supervisory measures.

Asset Quality Indicators

The Non-Performing Loans (NPL) Ratio declined significantly to 2.8% in Q2 2026, reaching a record level, compared with 8.2% in 2020.

The Net NPL Ratio reduced notably reaching a record level of 1.3% in Q2 2026, compared with 3.6% in 2020.

Asset Quality Ratios (%)



Source: CBUAE

NPL Ratio — Net NPL Ratio

Reduction in NPL Ratio

↓ **5.4** percentage points

Reduction in Net NPL Ratio

↓ **2.3** percentage points

As of 30 June 2026, compared with year-end 2020

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Reduction in Non-Performing Loans Driven by Effective Supervision

The CBUAE's effective supervisory measures contribute to the continued improvement in non-performing loans across the UAE banking system.

In-depth Surveillance
Comprehensive surveillance and reviews of asset quality across the banking system.

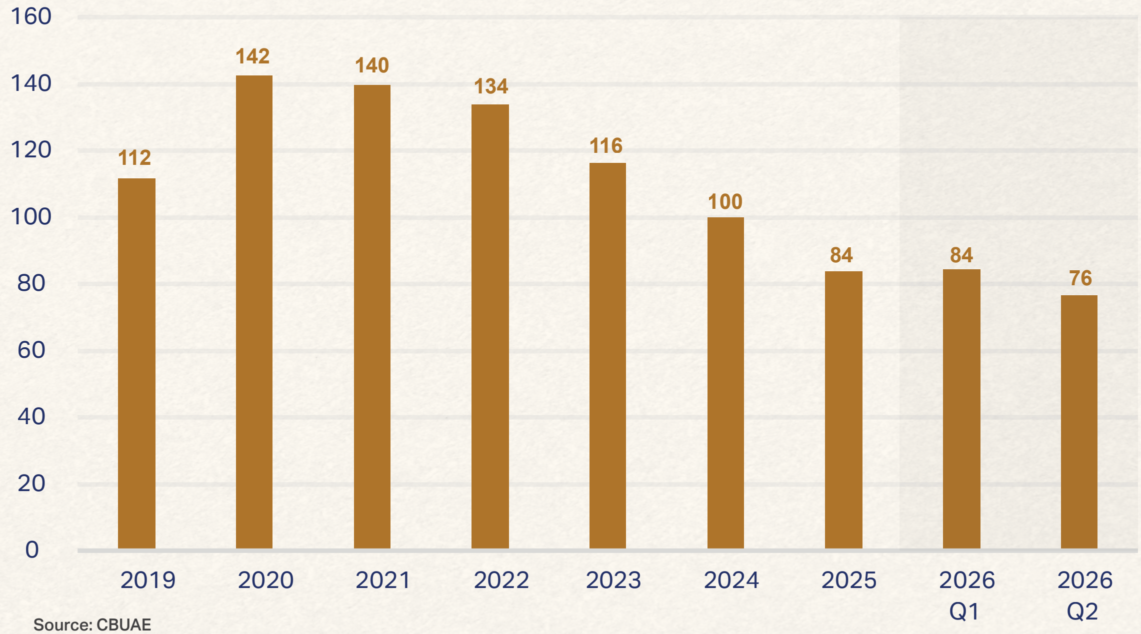
Targeted Supervision
Intensive oversight and targeted supervisory actions focused on banks' asset quality.

Effective Engagement
Enhanced dialogue and exchange of views with industry representatives and risk officers.

Regulatory Framework
Implementation of the Credit Risk Management Regulation and Standards to reinforce the comprehensive regulatory framework.

Write-Off Guidance
Development of guidelines and procedures for the write-off and recovery of non-performing loans, in line with the international best practices and standards.

Stock of Non-Performing Loans (Ð billion)



Source: CBUAE

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Effective Implementation of the Comprehensive Proactive Package to Enhance the Resilience of Financial Institutions

The comprehensive Financial Institutions Resilience Package, adopted in March 2026, enabled loan repayment deferrals for temporarily affected bank customers.

These measures reinforce the CBUAE's overarching approach to prudential oversight of credit risk, enabling the banking sector to manage asset quality proactively.

Value of Loans Benefiting from Instalment Repayment Deferrals

Đ13.5 billion

- **Đ9.1 billion** Corporates
- **Đ2.4 billion** SMEs
- **Đ2.0 billion** Individuals

Number of Bank Clients Benefiting from Instalment Repayment Deferrals

135,031

- **1,080** Corporates
- **6,198** SMEs
- **127,753** Individuals

As of 30 July 2026

Core Indicators Confirm the Continued Resilience and Growth of the Banking Sector

Assets	↑ 12.5 %
Loans	↑ 18.1 %
Deposits	↑ 14.0 %

As of 30 June 2026, compared with the same period in 2025