



**Quarterly Monetary, Banking &
Financial Markets Developments
Report**

2026 – 1st Quarter

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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 first quarter of 2026. The report also reviews ratios of annual change over the period from March 2025 to March 2026.

2. Monetary Developments in the UAE

Money Supply (M₁)

Money Supply **M₁**, increased by 0.3% (Q/Q) during the first quarter of 2026. On an annual basis, the monetary aggregate **M₁** improved by 8.8% (Y/Y), reaching AED 1,072.7 bn. at the end of March 2026.

Money Supply (M₂)

Money Supply **M₂**, increased by 4.2% (Q/Q) at the end of the first quarter of 2026. The Government Related Entities (GREs) had the largest contribution to growth, providing 2.4 percentage points (p.p), out of total 4.2%, primarily driven by the growth of their foreign currency time deposits and CDs. On an annual basis, Money Supply **M₂** increased by 17.7% (Y/Y) reaching AED 2,869.3 bn. at the end of March 2026.

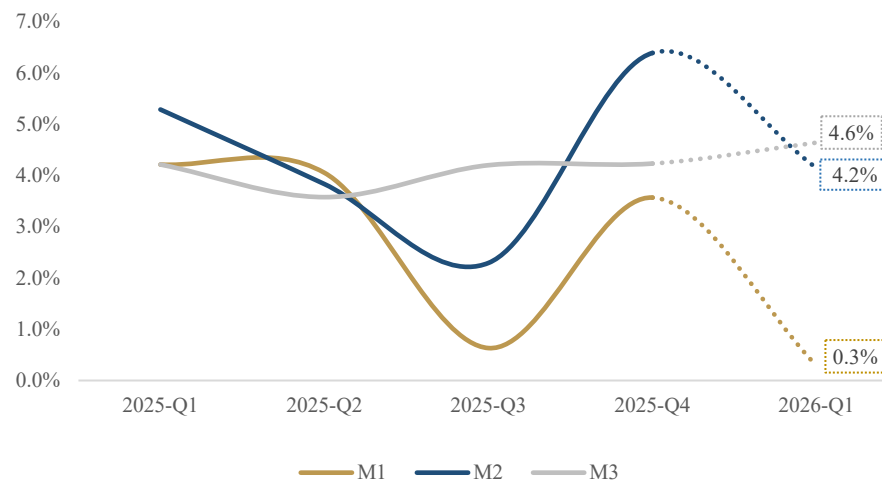
Money Supply (M₃)

Money Supply **M₃** also increased by 4.6% (Q/Q) in the first quarter of 2026. Money Supply **M₃** increased by 17.7% (Y/Y) reaching AED 3,406.8 bn. at the end of March 2026 due to quarterly rise in Government Sector deposits by 7.4%.

	2025				2026
	Q1	Q2	Q3	Q4	Q1*
M₁	986.2	1,026.2	1,032.7	1,069.6	1,072.7
Q/Q (%)	4.2%	4.1%	0.6%	3.6%	0.3%
Y/Y (%)	12.3%	16.1%	15.2%	13.0%	8.8%
M₂	2,437.7	2,531.2	2,589.3	2,754.9	2,869.3
Q/Q (%)	5.3%	3.8%	2.3%	6.4%	4.2%
Y/Y (%)	14.2%	16.7%	15.1%	18.9%	17.7%
M₃	2,893.7	2,997.6	3,123.3	3,255.6	3,406.8
Q/Q (%)	4.2%	3.6%	4.2%	4.2%	4.6%
Y/Y (%)	12.0%	13.9%	14.8%	17.2%	17.7%

*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 AED 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 first quarter of 2026, the number of locally incorporated banks remained constant at 23 banks. The branches of these locally incorporated banks decreased to 453 branches at the end of March 2026. 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 continue to remain steady at six banks, plus one wholesale GCC bank at the end of the first quarter of 2026. The branches of these banks also remained constant at six branches at the end of March 2026. The number of other foreign banks settled at 21 banks with 65 branches, while the number of electronic banking service units of the banks remained 21 units at the end of Q1 2026. The number of cash offices of banks continued to 3 cash office during the first quarter of 2026.

The total number of financial institutions licensed by the Central Bank decreased to 162 institutions, consisting of: 11 Wholesale Banks, 67 Representative Offices, 20 Finance Companies and 64 Money Changers. The number of ATMs of banks operating in the UAE decreased to 4,720 ATMs at the end of Q1 2026.

	2025				2026
	Q1	Q2	Q3	Q4	Q1*
Locally Incorporated Banks⁽¹⁾					
<i>Main Branches</i>	23	23	23	23	23
<i>Additional Branches</i>	479	444	449	447	453
<i>Electronic Banking Service Units</i>	46	45	45	45	45
<i>Cash Offices</i>	21	21	21	21	21
GCC Banks⁽²⁾					
<i>Main Branches</i>	6	6	6	6	6
<i>Additional Branches</i>	6	6	6	6	6
Other Foreign Banks					
<i>Main Branches</i>	21	21	21	21	21
<i>Additional Branches</i>	67	66	66	66	65
<i>Electronic Banking Service Units</i>	21	21	21	21	21
<i>Cash Offices</i>	1	3	3	3	3
Wholesale Banks	11	11	11	11	11
<i>of which GCC Banks</i>	1	1	1	1	1
Representative Offices	68	68	68	66	67
Finance Companies	18	18	18	19	20
Moneychangers	75	69	68	66	64
ATMs	4,813	4,831	4,831	4,752	4,720

*Preliminary, subject to revision

⁽¹⁾ Excluding investment banks

⁽²⁾ Excluding wholesale banks

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3.2. Aggregate Bank Assets and Loans

Total assets of banks operating in the UAE increased by 4.1% (Q/Q) in the first quarter of 2026 reaching AED 5,556.5 bn. During the period between March 2025 and March 2026, the aggregate assets of banks operating in the UAE increased by 17.7% (Y/Y). Gross credit increased by 4.9% (Q/Q) reaching AED 2,695.6 bn. at the end of March 2026 and recording an annual increase of 20.3%.

3.3. Deposits

Total resident and non-resident deposits with banks operating in the UAE increased by 4.3% (Q/Q) and 17.4% (Y/Y), reaching AED 3,446.0 bn. in Q1 2026. Resident deposits increased by 4.4% (Q/Q) reaching AED 3,138.8 bn., and non-resident deposits increased by 3.1% (Q/Q) reaching AED 307.2 bn. by the end of March 2026. The GREs Sector had the largest contribution to quarterly resident deposits growth, contributing 2.2 p.p., followed by Government and Private Sector contributing by 1.1. p.p. and 0.9 p.p. respectively. On a year-on-year basis, resident deposits increased by 16.8% and the non-resident deposits increased by 23.5%.

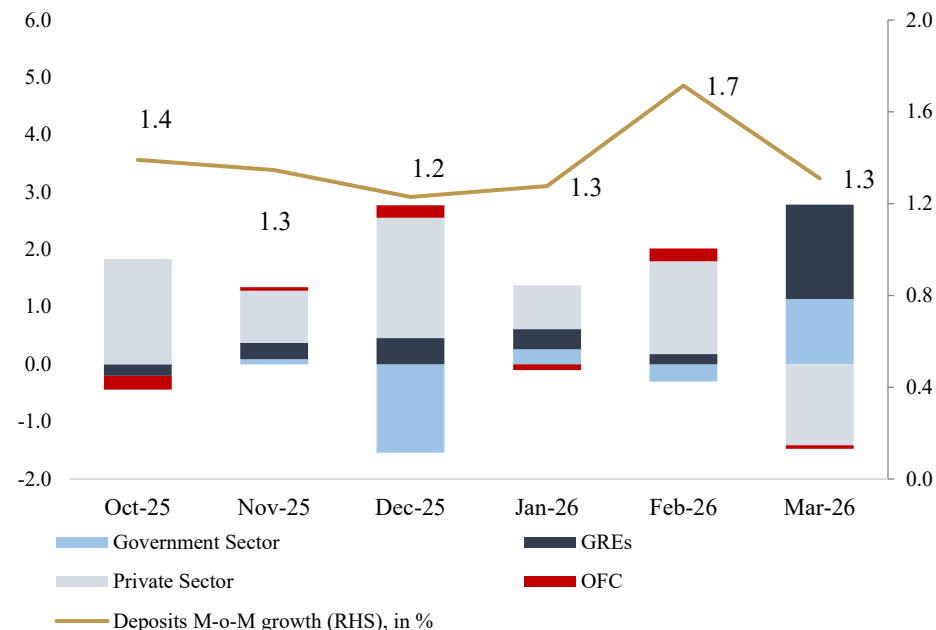
3.4. Capital and Reserves

The aggregate capital and reserves of banks operating in the UAE decreased by 1.8% (Q/Q), settling at AED 586.9 bn. at the end of Q1 2026. The Capital adequacy ratio declined at 16.8%, 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.

	2025 Q1	2025 Q4	2026 Q1*	Q/Q(%)	Y/Y(%)
Total Bank Deposits	2,936.3	3,305.5	3,446.0	4.3%	17.4%
Resident Deposits	2,687.7	3,007.6	3,138.8	4.4%	16.8%
Non-Resident Deposits	248.6	297.8	307.2	3.1%	23.5%

*Preliminary, subject to revision

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



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Table 4: UAE Banking Indicators (AED Bn.)							
	2025				2026		
	Q1	Q/Q (%)	Q4	Q/Q (%)	Q1*	Q/Q (%)	Y/Y (%)
Total Assets	4,719.4	3.5%	5,339.7	2.7%	5,556.5	4.1%	17.7%
Banks' Investments in Monetary Bills & Islamic Certificates of Deposit	271.6	8.0%	289.0	-3.8%	279.5	-3.3%	2.9%
<i>Of which: Shariah Compliant Certificates of Deposit</i>	35.2	-17.0%	50.1	21.3%	46.5	-7.2%	32.1%
Gross Credit ⁽¹⁾	2,240.0	2.7%	2,569.8	3.7%	2,695.6	4.9%	20.3%
Personal Loans to Residents	505.9	3.5%	567.9	3.7%	579.9	2.1%	14.6%
Total Deposits ⁽²⁾	2,936.4	3.1%	3,305.5	3.7%	3,446.0	4.3%	17.4%
Capital & Reserves ⁽³⁾	524.2	-1.8%	597.6	4.9%	586.9	-1.8%	12.0%
Capital Adequacy Ratio ⁽⁴⁾	17.6%	-0.9%	17.0%	-2.0%	16.8%	-1.2%	-4.6%
Tier-1 Ratio	16.2%	-0.9%	15.8%	-2.1%	15.7%	-1.2%	-3.6%
Common Equity Tier 1(CET 1) Capital Ratio	14.7%	0.0%	14.4%	-2.8%	14.3%	-0.7%	-3.2%

⁽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.

* Preliminary, subject to revision

4. Foreign Assets of the Central Bank

The Central Bank's foreign assets decreased by 5.3% (Q/Q), reaching AED 1,002.1 bn. in Q1 2026. The decrease was driven by^{5.1.} the quarterly decreases in current account balances & deposits with banks abroad (a quarterly decline of AED 26.6 bn.), foreign investments by 6.9% Q/Q (a quarterly decrease of AED 52.8 bn.), and in other foreign assets by 23.6% Q/Q (a quarterly decrease of AED 14.7 bn.). On a year-on-year basis, the central bank foreign assets increased by 7.2% at the end of March 2026.

5. Abu Dhabi Securities Exchange and Dubai Financial Markets Values

5.1. Abu Dhabi Securities Exchange - Abu Dhabi's quarterly average Securities Exchange Index increased by 1.4% (Q/Q) during Q1 2026, and on an annual basis, the Abu Dhabi Securities Exchange Index increased by 7.4%. The quarterly average market capitalization of companies listed at the Abu Dhabi Securities Exchange (ADX) decreased by AED 91.0 bn. settling at AED 3,013.0 bn. The quarterly traded value of these companies decreased by 28.9% (Q/Q) during Q1 2026 reaching AED 89.4 bn.

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5.2. Dubai Financial Market - Dubai's quarterly average Financial Market Index decreased by 0.2% (Q/Q) during Q1 2026 and on an annual basis, the Dubai Financial Market Index increased by 27.8%. The quarterly average market capitalization of companies listed on Dubai Financial Market (DFM) decreased by AED 9.1 bn., settling at AED 970.9 bn. during the first quarter of 2026.

The quarterly traded value increased by 19.4% (Q/Q) reaching AED 44.5 bn. at the end of March 2026.

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

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

Source: Abu Dhabi Securities Exchange (ADX)

* Preliminary, subject to revision

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

	2025				2026
	Q1	Q2	Q3	Q4	Q1*
Number of listed Companies*	65	65	65	65	65
General Share Price Index**	5,198.1	5,497.8	6,020.8	5,981.1	5,969.0
<i>Quarterly Variation (%)</i>	6.8%	5.8%	9.5%	-0.7%	-0.2%
<i>Annual Variation Y/Y (%)***</i>	15.8%	21.7%	28.7%	29.5%	27.8%
Market Capitalization (Bn. AED)**	912.1	953.2	1013.6	980.0	970.9
Quarterly Traded Values (Bn. AED)	40	43.1	42.8	37.3	44.5

Source: Dubai Financial Markets (DFM)

* Preliminary, subject to revision

* 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.