*Financial Soundness Indicators (Core FSIs) - UAE Banking Sector **

Core FSIs for Deposit Takers		2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3**
Regulatory capital to risk-weighted assets[1]	%	**19.3**	**18.5**	**18.2**	**18.3**	**18.1**	**18.0**	**18.3**	**18.3**	**18.3**	**18.0**	**18.4**	**18.6**	**18.9**	**18.6**	**18.5**	**18.7**	**18.1**	**17.5**	**18.1**	**18.2**	**17.5**	**17.9**	**17.9**	**17.7**
Total regulatory capital	AED Million	303,031	303,235	310,529	318,701	322,002	332,212	342,247	349,616	352,340	353,760	366,780	375,365	376,726	375,568	380,525	390,066	378,295	370,549	384,500	395,326	376,960	393,513	398,423	413,389
Risk-weighted assets	AED Million	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	2,330,481
Regulatory Tier 1 capital to risk-weighted assets[1]	%	**16.9**	**16.2**	**16.0**	**16.3**	**16.2**	**16.1**	**16.4**	**16.5**	**16.5**	**16.3**	**16.8**	**16.9**	**17.3**	**16.9**	**16.9**	**17.1**	**16.6**	**16.0**	**16.6**	**16.8**	**16.2**	**16.6**	**16.7**	**16.5**
Regulatory Tier 1 capital	AED Million	266,365	266,189	273,719	283,808	288,534	298,267	307,719	315,935	318,551	320,448	333,784	341,508	343,730	342,238	347,039	356,183	346,725	338,183	353,619	365,046	348,843	365,397	371,048	385,119
Risk-weighted assets	AED Million	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	2,330,481
Nonperforming loans net of provisions to capital	%	**9.6**	**7.3**	**8.8**	**6.0**	**7.2**	**6.4**	**5.4**	**5.2**	**5.2**	**5.7**	**5.3**	**4.7**	**5.1**	**5.3**	**6.4**	**6.6**	**6.1**	**8.0**	**7.6**	**7.1**	**7.2**	**7.4**	**8.4**	**9.1**
Nonperforming loans net of provisions [2]	AED Million	28,944	22,021	27,240	19,226	23,276	21,192	18,398	18,261	18,213	20,115	19,397	17,537	19,388	19,834	24,438	25,604	22,929	29,756	29,276	27,921	27,187	28,932	33,548	37,539
Capital	AED Million	303,031	303,235	310,529	318,701	322,002	332,212	342,247	349,616	352,340	353,760	366,780	375,365	376,726	375,568	380,525	390,066	378,295	370,549	384,500	395,326	376,960	393,513	398,423	413,389
Nonperforming loans to total gross loans	%	**6.7**	**6.2**	**6.5**	**5.8**	**5.6**	**5.4**	**5.1**	**5.0**	**5.0**	**5.1**	**5.0**	**4.9**	**5.1**	**5.1**	**5.4**	**5.6**	**5.3**	**5.8**	**5.8**	**5.7**	**5.6**	**5.7**	**6.1**	**6.4**
Nonperforming loans [3]	AED Million	83,301	78,831	84,733	77,350	76,582	74,568	72,683	73,354	73,695	76,885	76,785	76,035	78,771	79,892	85,031	86,377	82,425	92,049	92,479	91,281	91,444	93,903	102,321	108,348
Total gross loans [4]	AED Million	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	1,690,626
Sectoral Distribution of Loans to Total Loans																									
Sectoral Distribution of Loans																									
Residents	%	88.4	87.1	90.5	89.2	89.5	89.0	88.8	89.1	89.7	89.8	89.3	89.4	89.5	89.2	88.8	88.4	88.9	88.8	88.9	87.6	87.9	87.5	87.5	86.8
Loans to Residents	AED Million	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	1,578,784
Sectoral distribution of total loans :Deposit-takers	%	3.9	3.9	1.5	1.1	0.8	0.8	0.8	0.5	0.7	1.0	1.0	1.1	0.9	1.2	0.8	1.0	0.9	0.9	1.0	1.3	1.1	1.0	0.8	0.7
Loans to Deposit takers	AED Million	55,005	57,575	21,662	16,628	11,989	11,781	11,916	7,454	10,945	15,087	15,936	18,073	14,326	20,236	13,697	16,623	14,243	14,833	17,302	21,844	19,251	17,587	14,708	13,198
Sectoral distribution of total loans :Central bank	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans to Central Bank	AED Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sectoral distribution of total loans: Other financial corporations	%	4.9	2.2	2.2	1.4	1.3	1.3	1.2	1.3	1.6	1.6	1.1	1.1	1.2	1.2	1.2	1.2	1.1	1.2	1.2	1.2	1.1	1.1	0.9	0.9
Loans to Other financial corporations	AED Million	69,650	32,219	30,727	19,956	19,383	19,378	18,165	19,885	24,717	25,340	18,376	18,169	19,037	20,075	19,537	20,506	18,593	20,754	19,956	21,302	19,951	19,915	16,890	17,092
Sectoral distribution of total loans :General government	%	10.2	9.7	10.5	10.0	10.6	10.9	11.1	10.8	10.7	10.7	10.4	10.6	10.5	10.6	10.7	11.0	10.6	10.8	10.7	10.7	11.0	11.1	11.3	12.1
Loans to General government	AED Million	145,446	143,078	148,288	147,043	153,071	160,972	168,495	166,400	166,586	168,667	168,627	174,085	172,366	176,849	177,806	181,528	175,428	181,081	180,780	185,571	191,498	197,144	201,616	219,474
Sectoral distribution of total loans :Nonfinancial corporations	%	49.7	51.8	55.3	55.7	55.9	55.1	54.7	55.2	55.3	55.3	55.5	55.5	55.8	55.4	54.8	54.9	55.8	55.8	56.1	54.9	55.2	55.4	55.7	54.7
Loans to Nonfinancial corporations	AED Million	708,136	761,900	779,755	816,765	805,406	813,458	829,920	850,320	859,148	874,280	897,427	908,012	915,845	926,346	907,581	909,927	921,146	934,372	948,464	951,164	960,565	978,817	991,926	995,401
Sectoral distribution of total loans :Other domestic sectors	%	19.7	19.5	21.0	20.9	20.8	21.0	21.0	21.4	21.3	21.3	21.2	21.1	21.1	20.9	21.2	20.2	20.5	20.1	19.9	19.5	19.4	18.9	18.7	18.3
Loans to Other domestic sectors	AED Million	280,084	286,661	295,461	306,846	299,760	309,779	319,263	329,713	330,729	336,094	341,866	345,843	347,166	349,294	351,918	335,099	337,530	336,544	337,330	338,381	337,423	333,496	332,171	333,619
Nonresidents	%	11.6	12.9	9.5	10.8	10.5	11.0	11.2	10.9	10.3	10.2	10.7	10.6	10.5	10.8	11.2	11.6	11.1	11.2	11.1	12.4	12.1	12.5	12.5	13.2
Loans to Nonresidents	AED Million	165,068	189,963	134,389	157,874	152,031	162,061	169,135	167,548	160,590	161,979	173,325	173,304	173,227	180,786	186,343	192,352	182,536	187,090	187,686	214,296	210,946	221,201	223,430	239,928
Total gross loans [5]	AED Million	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	1,818,712
Return on assets	%	**2.0**	**1.9**	**1.9**	**2.0**	**1.9**	**2.0**	**1.9**	**1.7**	**1.6**	**1.6**	**1.6**	**1.5**	**1.5**	**1.6**	**1.6**	**1.5**	**1.5**	**1.5**	**1.7**	**1.7**	**1.6**	**1.8**	**1.7**	**1.7**
Net income	AED Million	32,918	38,108	39,608	41,197	40,981	43,709	42,984	39,360	37,813	37,973	37,772	36,766	35,618	39,777	39,382	39,357	38,594	37,855	44,934	44,748	41,908	49,455	47,239	49,389
Total assets	AED Million	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	2,822,787
Return on equity	%	**11.4**	**13.5**	**14.2**	**14.7**	**14.5**	**15.2**	**14.5**	**13.0**	**12.2**	**12.1**	**11.8**	**11.3**	**10.7**	**11.9**	**11.6**	**11.3**	**10.8**	**10.5**	**12.2**	**11.9**	**11.0**	**12.9**	**12.0**	**12.3**
Net income	AED Million	32,918	38,108	39,608	41,197	40,981	43,709	42,984	39,360	37,813	37,973	37,772	36,766	35,618	39,777	39,382	39,357	38,594	37,855	44,934	44,748	41,908	49,455	47,239	49,389
Capital	AED Million	289,488	282,823	279,114	280,376	281,976	287,526	295,638	302,904	309,773	313,268	319,392	325,245	331,912	334,706	340,876	349,062	357,536	360,031	367,199	375,615	380,957	383,790	392,648	401,599
Interest margin to gross income	%	**70.2**	**68.1**	**68.7**	**68.1**	**68.2**	**68.1**	**68.5**	**69.2**	**69.6**	**67.6**	**67.9**	**68.4**	**68.9**	**65.4**	**66.3**	**66.8**	**66.5**	**69.6**	**70.6**	**70.5**	**71.5**	**69.4**	**66.1**	**64.3**
Interest margin	AED Million	53,338	13,671	28,370	43,399	58,956	15,015	30,689	45,359	61,763	14,986	30,061	44,998	60,964	14,970	30,180	45,648	61,385	16,035	33,473	49,391	66,796	17,085	33,251	49,188
Gross income	AED Million	75,959	20,075	41,298	63,689	86,464	22,062	44,771	65,532	88,729	22,172	44,248	65,747	88,443	22,879	45,518	68,292	92,296	23,054	47,418	70,057	93,388	24,619	50,267	76,514
Noninterest expenses to gross income	%	**37.8**	**36.8**	**36.3**	**36.0**	**36.4**	**37.1**	**37.2**	**38.1**	**38.0**	**38.3**	**37.9**	**38.0**	**38.0**	**37.8**	**38.5**	**38.2**	**39.1**	**36.2**	**37.7**	**35.6**	**35.9**	**33.8**	**32.7**	**32.7**
Noninterest expenses	AED Million	28,678	7,384	14,977	22,910	31,432	8,187	16,676	24,963	33,675	8,482	16,779	24,959	33,571	8,641	17,541	26,074	36,072	8,340	17,859	24,906	33,535	8,319	16,431	25,035
Gross income	AED Million	75,959	20,075	41,298	63,689	86,464	22,062	44,771	65,532	88,729	22,172	44,248	65,747	88,443	22,879	45,518	68,292	92,296	23,054	47,418	70,057	93,388	24,619	50,267	76,514
Liquid assets to total assets [6]	%	**12.6**	**12.6**	**13.2**	**12.8**	**13.2**	**12.5**	**12.0**	**11.9**	**14.6**	**13.2**	**13.4**	**13.1**	**13.5**	**14.0**	**14.3**	**14.7**	**15.2**	**14.6**	**14.2**	**13.5**	**14.7**	**14.3**	**14.8**	**14.7**
Liquid assets	AED Million	256,983	267,424	284,217	284,028	294,974	288,378	282,801	280,123	351,237	319,808	326,446	323,162	341,203	360,774	367,098	376,536	397,962	385,304	376,517	372,309	407,526	399,557	422,653	430,568
Total assets	AED Million	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	2,921,857
Liquid assets to short-term liabilities	%	**35.7**	**32.6**	**32.5**	**31.6**	**31.3**	**29.3**	**28.1**	**28.0**	**34.2**	**30.6**	**31.7**	**31.1**	**32.1**	**32.7**	**32.6**	**36.2**	**38.5**	**36.6**	**36.9**	**36.4**	**39.6**	**37.4**	**39.0**	**40.2**
Liquid assets	AED Million	256,983	267,424	284,217	284,028	294,974	288,378	282,801	280,123	351,237	319,808	326,446	323,162	341,203	360,774	367,098	376,536	397,962	385,304	376,517	372,309	407,526	399,557	422,653	430,568
Short-term liabilities	AED Million	720,811	819,240	875,691	899,851	941,007	984,444	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	########	1,069,961
Net open position in foreign exchange to capital	%	**11.7**	**18.0**	**24.5**	**3.2**	**9.4**	**4.4**	**1.4**	**0.4**	**20.7**	**18.8**	**13.6**	**11.9**	**9.4**	**10.9**	**11.3**	**13.3**	**14.5**	**20.1**	**21.2**	**15.6**	**8.7**	**7.3**	**10.3**	**17.6**
Net open position in foreign exchange	AED Million	31,945	48,575	68,142	9,351	28,126	13,137	4,352	1,230	67,269	59,492	44,964	40,460	32,747	36,950	39,058	49,379	55,235	72,451	79,245	60,683	34,832	29,079	41,554	73,758
Capital	AED Million	272,176	269,538	278,547	290,473	299,144	299,925	310,099	314,880	324,816	316,623	330,544	339,363	348,212	338,785	347,111	371,477	381,730	360,688	374,625	389,553	398,187	395,897	404,976	419,382

** Financial Soundness Indicator data variables are calculated in compliance to FSI Compilation Guide issued by IMF*

*** Preliminary subject to revision*

[1] Capital Adequacy Ratio and Tier 1 Ratio for the period starting from Dec 2017 are calculated according to Basel III Guidelines issued by CBUAE vide Circular 52/2017 .Whereas for the period prior to Dec 2017 are following Basel II Guidelines

[2] Slight modification has been applied due to enhanced reporting of specific provisions

[3] The Central Bank of the UAE enhanced its reporting of non-performing loans (NPL) for the UAE banking system to align its methodology with international best practices, in consultation with the International Monetary Fund. Under its previous reporting methodology, the UAE banking sector's NPL ratio was overstated compared to other jurisdictions, due to the inclusion of interest in s

[4] Total Gross loans were also amended slightly to exclude interbank loans and interest in suspense

[5] Includes loans to Other Depsoitory Corporations

[6] Liquid Assets Consist of Eligible Liquid Assets (Cash in Hand,Banks' Liquid Assets at the Central Bank and Eligible Bonds/Sukuks as prescribed by CBUAE regulation 33/2015) + Interbank Placements + Interbank Lending covered by repurchase agreements per the FSI Compilation Guide issued by IMF.Total Assets are net off Specicfic Provisions

asuadsn