

Main Highlights of the UAE Banking Indicators

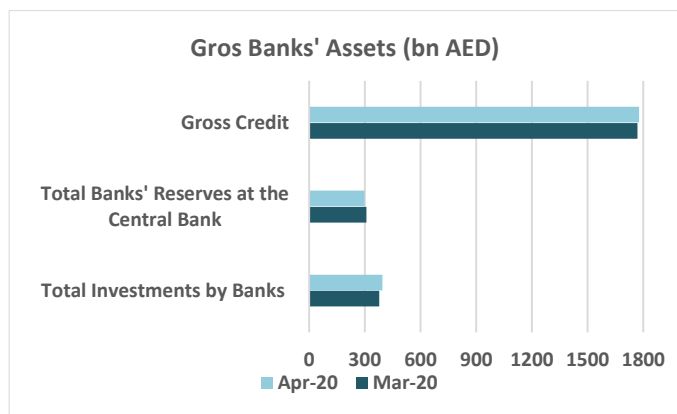
April 2020

Assets

On a month-on-month basis, Gross Banks' Assets grew by 0.9%, rising from AED 3128 billion at the end of March 2020 to AED 3155.7 billion at the end of April 2020.

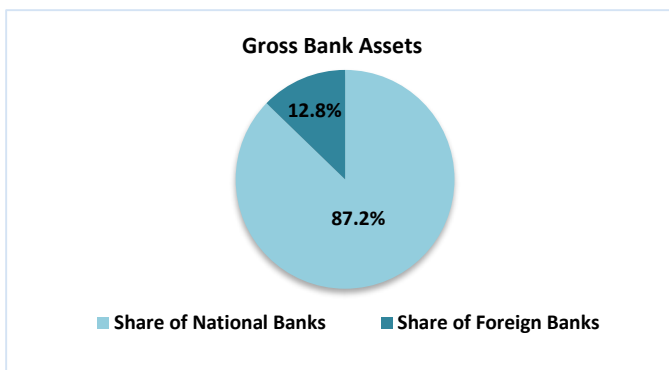
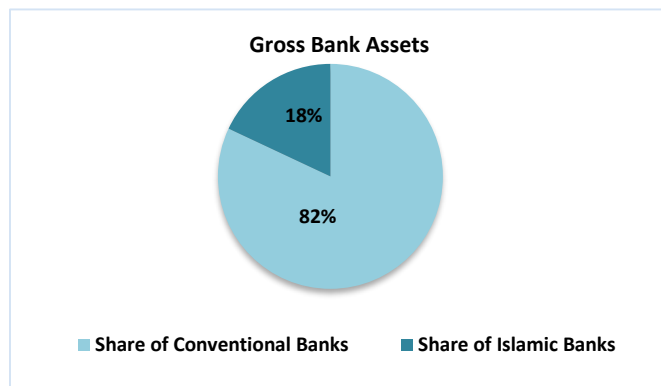
Gross Banks' Assets rose due to increases in Gross Credit by 0.4% (56.3% of the Gross Banks' Assets), Total Investment by Banks by 4.4% (12.5% of the Gross Banks' Assets) and Other Assets by 2% (21.7% of the Gross Banks' Assets), overriding the reduction in Total Banks' Reserves at the Central Bank by 3.2% (9.5% of the Gross Banks' Assets). On a y-o-y basis Total Banks' Reserves at the Central Bank grew by 1.1%.

Gross Banks' Assets increased by 0.9% on a m-o-m basis.



During April 2020, conventional banks and Islamic banks contributed 82% and 18% to the Gross Banks' Assets, respectively. Whereas, National Banks made up 87.2% and Foreign Banks made up 12.8% of the Gross Banks' Assets.

The decrease in the Total Banks' Reserves at the Central Bank in April was brought about by reductions in Reserve Requirements at the Central Bank by 46.6% and Current Accounts of Banks at the



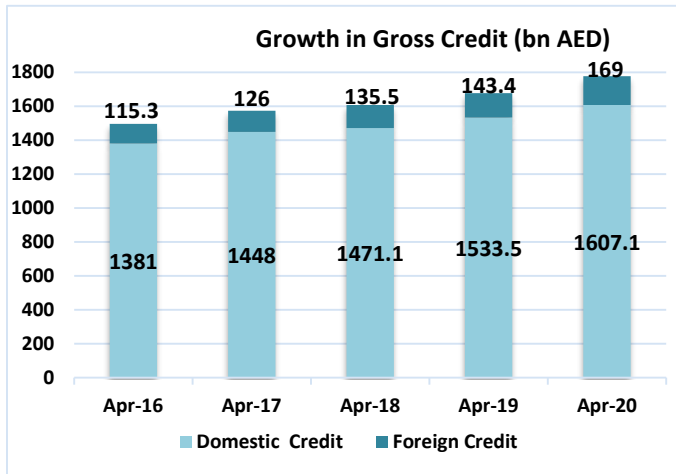
Central Bank by 7.5%. The significant decline in the Reserve Requirements is due to the reduction in the required reserves ratio from 14% to 7% on Demand Deposits per the Targeted Economic Support Scheme (TESS) offered to Banks by the CBUAE in April 2020. Certificates of Deposits Held by Banks increased by 37.5% in April, with Islamic Certificates of Deposits also increasing by 18.7%, settling at 39.3 billion.

From the end of March 2020 to the end of April 2020, Gross Credit increased by 0.4%, reaching AED 1776.1 billion. On a y-o-y basis, Gross Credit grew by 5.9%.

The main driver of the rise in Gross Credit during April 2020 was growth in Domestic Credit by 0.8%, dominating the reduction in Foreign Credit by 2.4%.

Domestic Credit rose due to increases in Government Credit by 0.9%, credit to GREs (Govt. ownership of more than 50%) by 8.2% and credit to Non-Banking Financial Institutions by 10.7%, dominating a 0.7% reduction in Private Sector Credit.

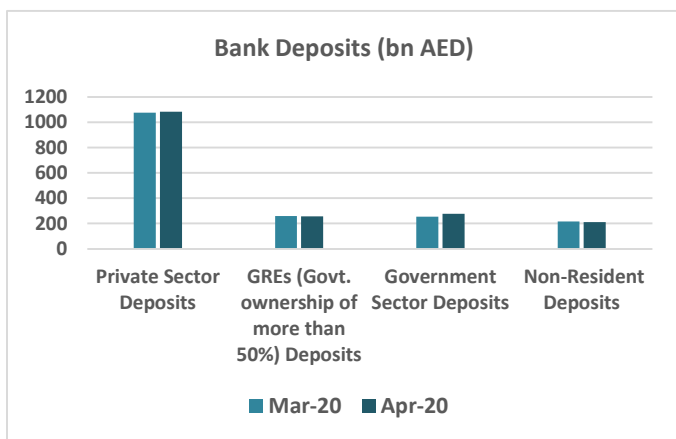
Gross Credit increased by 0.4% on m-o-m and by 5.9% on y-o-y basis.



At the end of April 2020, Total Investments by Banks reached AED 394.2 billion, showing a 4.4% increase on a m-o-m basis and a 6% increase on a y-o-y basis.

Liabilities

Bank Deposits increased by 1.1% during April 2020, driven by increases in Resident Deposits by 1.6%, overshadowing a reduction in Non-Resident Deposits by 3%. The increase in Resident Deposits was due to increases in Government Sector Deposits (16.7% of Resident Deposits) by 8.5% and in Private

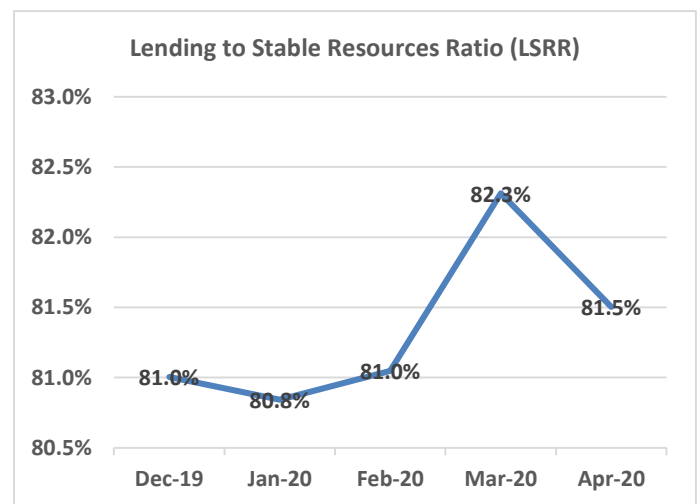


Sector Deposits (65.2% of Resident Deposits) by 0.7%, overriding reductions in GREs' deposits (15.5% of Resident Deposits) by 1% and in Non-Banking Financial Institutions' Deposits (2.6% of Resident Deposits) by 0.5%.

Implications

From the end of March to the end of April 2020, the Lending to Stable Recourses Ratio fell by 1%, reflecting faster growth in deposits and other stable resources by 0.7%, compared to the reduced lending by -0.3%.

Lending to Stable Resources stood at 81.5%, reflecting a slower growth in lending relative to stable resources.



Lending To Stable Recourses Ratio (LSRR)			
in bn AED			
	Total Advances	Total Stable Resources	Lending to Stable Resources Ratio (LSRR)
Apr-19	1718.8	2117.4	81.2%
Dec-19	1798.7	2220.5	81.0%
Jan-20	1765.7	2184.1	80.8%
Feb-20	1773.7	2188.5	81.0%
Mar-20	1807.9	2196.4	82.3%
Apr-20	1802.3	2211.3	81.5%

The Ratio of the Total Advances (Net Lending + Net Financial Guarantees & Stand -by LC + Interbank Placements more than 3 months) to the sum of (Net Free Capital Funds + Total Other Stable Resources)

UAE Banking Indicators

(End of month, figures in billions of Dirhams unless otherwise indicated)

	2019		2020				
	Apr	Dec	Mar	Apr *	% Month -on-Month	% Year -to-Date	% Year- on- Year
Gross Banks' Assets	2925.4	3082.9	3128.0	3155.7	0.9%	2.4%	7.9%
1.Total Banks' Reserves at the Central Bank	296.0	315.2	309.2	299.2	-3.2%	-5.1%	1.1%
Reserve Requirements **	124.1	129.7	132.6	70.8	-46.6%	-45.4%	-42.9%
Current Accounts of Banks	22.9	25.3	32.0	29.6	-7.5%	17.0%	29.3%
Certificates of Deposit held by Banks	149.0	160.2	144.6	198.8	37.5%	24.1%	33.4%
of which: Islamic Certificates of Deposit	41.1	37.5	33.1	39.3	18.7%	4.8%	-4.4%
2.Gross Credit	1676.9	1758.6	1768.2	1776.1	0.4%	1.0%	5.9%
Domestic Credit	1533.5	1592.6	1595.0	1607.1	0.8%	0.9%	4.8%
Government	201.5	257.4	229.1	231.2	0.9%	-10.2%	14.7%
Public Sector (GREs)	171.7	185.3	201.1	217.5	8.2%	17.4%	26.7%
Private Sector	1140.7	1134.6	1148.9	1140.8	-0.7%	0.5%	0.0%
Business & Industrial Sector Credit ¹	808.1	802.2	818.7	814.6	-0.5%	1.5%	0.8%
of which: Total Funded SME Lending	-	89.5	93.4	-	-	-	-
Individual	332.6	332.4	330.2	326.2	-1.2%	-1.9%	-1.9%
Non-Banking Financial Institutions	19.6	15.3	15.9	17.6	10.7%	15.0%	-10.2%
Foreign Credit ²	143.4	166.0	173.2	169.0	-2.4%	1.8%	17.9%
of which: Loans & Advances to Non-Residents in AED	18.9	16.7	16.5	16.4	-0.6%	-1.8%	-13.2%
3.Total Investments by Banks	371.8	399.0	377.6	394.2	4.4%	-1.2%	6.0%
Debt securities	239.6	246.1	228.2	241.4	5.8%	-1.9%	0.8%
Equities	10.5	10.8	9.1	9.3	2.2%	-13.9%	-11.4%
Held to maturity securities	90.7	99.1	90.8	94.1	3.6%	-5.0%	3.7%
Other Investments	31.0	43.0	49.5	49.4	-0.2%	14.9%	59.4%
4. Other Assets	580.7	610.1	673.0	686.2	2.0%	12.5%	18.2%
Due from Head Office/Own Branches/Banking Subsidiaries	142.4	154.6	153.0	165.2	8.0%	6.9%	16.0%
Due from Other Banks	220.9	210.6	229.0	232.2	1.4%	10.3%	5.1%
Other Items ³	217.4	244.9	291.0	288.8	-0.8%	17.9%	32.8%
Bank Deposits	1773.2	1870.2	1851.9	1872.2	1.1%	0.1%	5.6%
Resident Deposits	1567.5	1648.8	1635.1	1661.8	1.6%	0.8%	6.0%
Government Sector	293.6	301.3	255.1	276.8	8.5%	-8.1%	-5.7%
GREs (Govt. ownership of more than 50%)	197.1	245.3	260.1	257.6	-1.0%	5.0%	30.7%
Private Sector	1039.1	1057.9	1076.2	1083.9	0.7%	2.5%	4.3%
Non-Banking Financial Institutions	37.7	44.3	43.7	43.5	-0.5%	-1.8%	15.4%
Non-Resident Deposits	205.7	221.4	216.8	210.4	-3.0%	-5.0%	2.3%
Average Cost on Bank Deposits ⁴		1.6%	1.4%				
Average Yield on Credit ⁵		5.0%	4.7%				
Capital & Reserves ⁶	356.1	392.9	369.9	374.6	1.3%	-4.7%	5.2%
Specific provisions & Interest in Suspense	94.5	99.3	103.3	105.6	2.2%	6.3%	11.7%
General provisions	33.0	33.1	37.1	37.6	1.3%	13.6%	13.9%
Lending to Stable Resources Ratio ⁷	81.2%	81.0%	82.3%	81.5%	-1.0%	0.6%	0.4%
Eligible Liquid Assets Ratio (ELAR) ⁸	17.4%	18.1%	17.3%	16.8%	-2.9%	-7.2%	-3.4%
Capital Adequacy Ratio - (Tier 1 + Tier 2) ⁹		17.7%	16.9%				
of which: Tier 1 Ratio		16.5%	15.8%				
Common Equity Tier 1(CET 1) Capital Ratio		14.7%	13.9%				

* Preliminary data subject to revision

** The amount of Reserve Requirements declined due to the reduction in the rate of required reserves from 14% to 7% on Demand Deposits per the Targeted Economic Support Scheme (TESS) offered to Banks by the CBUAE in April 2020. Banks' liquidity increased as a result of the reduction in the required reserves ratio.

¹ Includes lending to (Resident): Trade Bills Discounted, Insurance Companies and SMEs.

² Includes lending to (Non Resident): Loans to Non Banking Financial Institutions, Trade Bills Discounted and Loans & Advances (Government & Public Sector, Private Sector (corporate and Individuals) in Local and Foreign Currency

³ Includes Cash in Hand, Fixed Assets, Inter-Branch Position, Positive Fair Value of Derivatives and Other Accounts Receivables

⁴ Weighted average of costs on Demand, Savings & Time Deposits at varying maturities.

⁵ Weighted average of yield on all types of outstanding credit.

⁶ Excluding subordinated borrowings/deposits, but including current year profit.

⁷ The Ratio of the Total Advances (Net Lending + Net Financial Guarantees & Stand-by LC + Interbank Placements more than 3 months) to the sum of (Net Free Capital Funds + Total Other Stable Resources)

⁸ ELAR = The Ratio of Total Banks' Eligible Liquid Assets (Consist of Cash in Hand, Liquid Assets at the Central Bank and Eligible Bonds/Sukuks as prescribed by regulation 33/2015 & Basel Principles but excludes interbank positions) to Total Liabilities***

*** Total Liabilities = Balance Sheet Total Assets - (Capital & Reserves + All Provisions & Interest in Suspense except Staff Benefit Provisions + Refinancing + Subordinated Borrowing/Deposits)

⁹ Capital Adequacy Ratio , Tier 1 Ratio and CET 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.

¹⁰ Representing one branch each from KSA, Bahrain, Oman & Qatar and two branches from Kuwait.

