



Main Highlights of the UAE Banking Indicators

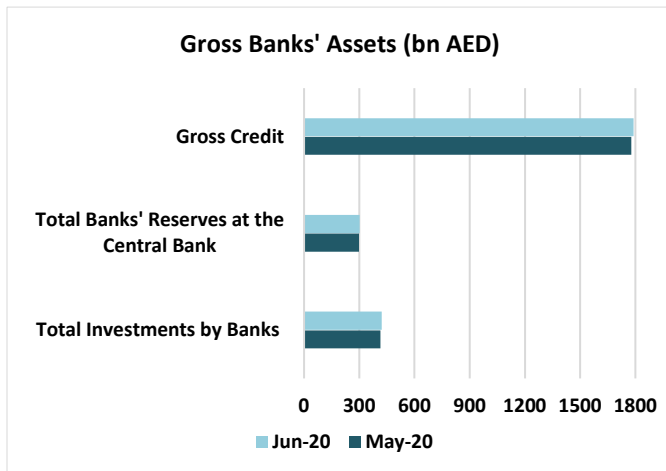
June 2020

Assets

On a month-on-month basis, Gross Banks' Assets grew by 0.8%, rising from AED 3165.7 billion at the end of May 2020 to AED 3190.2 billion at the end of June 2020.

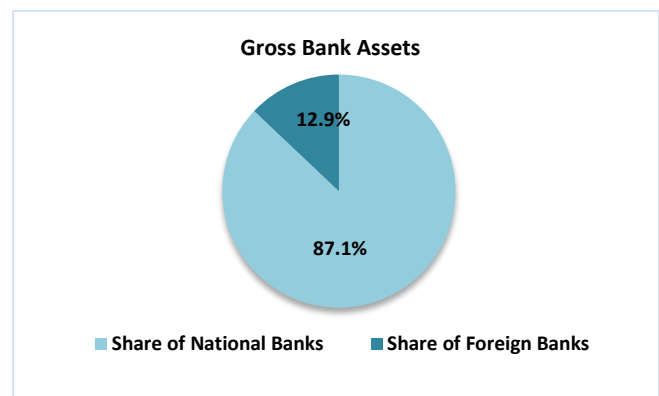
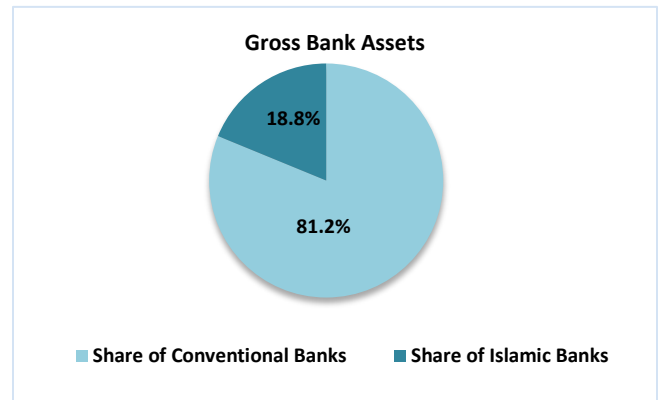
Gross Banks' Assets rose due to increases in Total Banks' Reserves at the Central Bank by 1% (9.5% of the Gross Banks' Assets), in Gross Credit by 0.7% (56.1% of the Gross Banks' Assets), in Total Investments by Banks by 1.8% (13.2% of the Gross Banks' Assets), and Other Assets by 0.2% (21.2% of the Gross Banks' Assets). On a y-o-y basis, Gross Banks' Assets grew by 7.8%.

Gross Banks' Assets increased by 0.8% on a m-o-m basis.



During June 2020, conventional banks and Islamic banks contributed 81.2% and 18.8% to the Gross Banks' Assets, respectively. Whereas, National Banks made up 87.1% and Foreign Banks made up 12.9% of the Gross Banks' Assets.

The increase in Total Banks' Reserves at the Central Bank was brought about by increases in Banks' Reserve Requirements by 3.2% and in Current Accounts



of Banks by 49.2%, overriding the reduction in Certificates of Deposits Held by Banks by 8.1%.

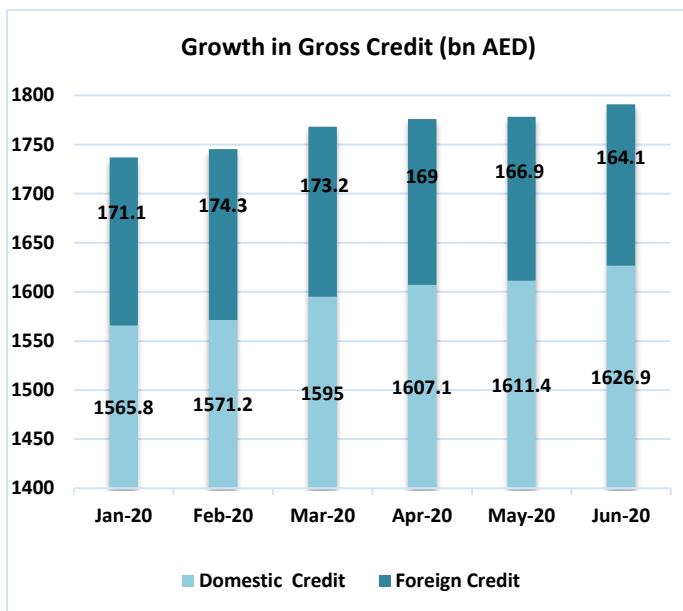
Reserve Requirements continue to be lower than the pre April 2020 amounts due to the reduction in the required reserves ratio from 14% to 7% on Demand Deposits per the Targeted Economic Support Scheme (TESS) offered to Banks by the CBUAE since April 2020.

The main driver of the rise in Gross Credit during June 2020 was growth in Domestic Credit by 1%, dominating the reduction in Foreign Credit by 1.7%. Domestic Credit rose due to an increase in Government Credit by 5.9% and in credit to GREs (Govt. ownership of more than 50%) by 1%, overshadowing the reductions in credit to Private

Sector by 0.04% and in credit to Non-Banking Financial Institutions by 1.7%.

From the end of May 2020 to the end of June 2020, Gross Credit increased by 0.7%, reaching AED 1791 billion. On a y-o-y basis, Gross Credit grew by 5.8%.

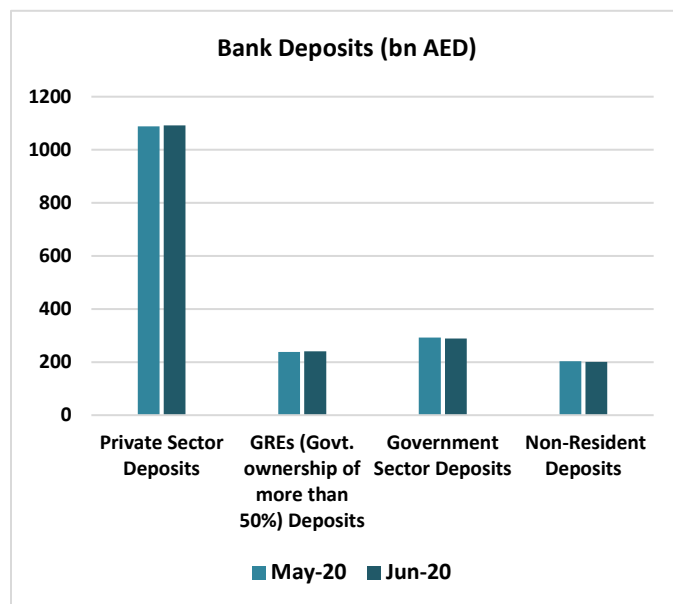
Gross Credit increased by 0.7% on m-o-m and by 5.8% on y-o-y basis.



At the end of June 2020, Total Investments by Banks reached AED 422.4 billion, a 15.1% increase on a y-o-y basis.

Liabilities

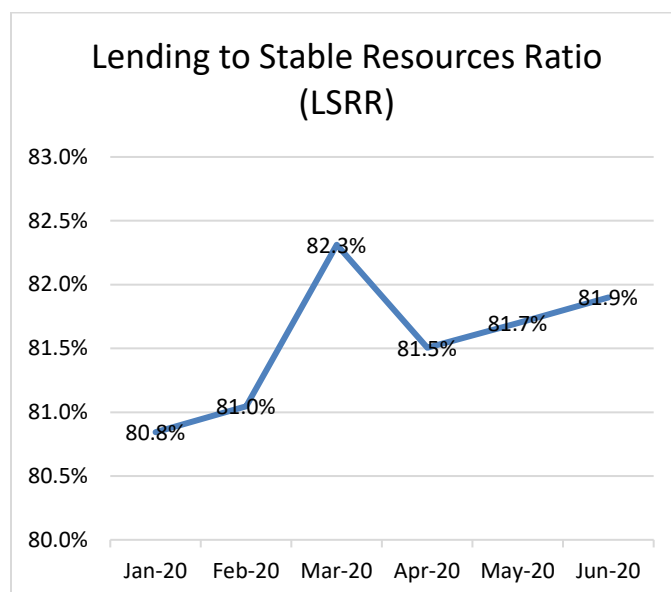
Bank Deposits increased by 0.04% during June 2020, driven by an increase in Resident Deposits by 0.2%, dominating a reduction in Non-Resident Deposits by 1.2%. The increase in Resident Deposits was due to increases in GREs' deposits (14.4% of Resident Deposits) by 1.1% and in Private Sector Deposits (65.5% of Resident Deposits) by 0.4%, superseding the reductions in Government Sector Deposits (17.3% of Resident Deposits) by 1% and in Non-Banking Financial Institutions' Deposits (2.7% of Resident Deposits) by 0.9%.



Implications of Lending to Stable Resources Ratio

From the end of May to the end of June 2020, the Lending to Stable Resources Ratio rose by 0.2%, standing at 81.9%, reflecting a slower growth in deposits and other stable resources by 0.7%, compared to the increased lending by 1%.

Lending to Stable Resources stood at 81.9%, reflecting a faster growth in lending relative to stable resources.



UAE Banking Indicators							
(End of month, figures in billions of Dirhams unless otherwise indicated)							
	2019		2020				
	Jun	Dec	May	Jun *	% Month-on-Month	% Year-to-Date	% Year-on-Year
Gross Banks' Assets	2958.6	3082.9	3165.7	3190.2	0.8%	3.5%	7.8%
1.Total Banks' Reserves at the Central Bank	305.3	315.2	298.6	301.5	1.0%	-4.3%	-1.2%
Reserve Requirements **	124.8	129.7	71.0	73.3	3.2%	-43.5%	-41.3%
Current Accounts of Banks	24.7	25.3	33.3	49.7	49.2%	96.4%	101.2%
Certificates of Deposit held by Banks	155.8	160.2	194.3	178.5	-8.1%	11.4%	14.6%
of which: Islamic Certificates of Deposit	32.6	37.5	39.1	46.4	18.7%	23.7%	42.3%
2.Gross Credit	1692.7	1758.6	1778.3	1791.0	0.7%	1.8%	5.8%
Domestic Credit	1542.6	1592.6	1611.4	1626.9	1.0%	2.2%	5.5%
Government	201.6	257.4	238.3	252.4	5.9%	-1.9%	25.2%
Public Sector (GREs)	176.3	185.3	216.0	218.1	1.0%	17.7%	23.7%
Private Sector	1147.8	1134.6	1139.8	1139.4	0.0%	0.4%	-0.7%
Business & Industrial Sector Credit ¹	815.6	802.2	815.7	814.7	-0.1%	1.6%	-0.1%
of which: Total Funded SME Lending	88.5	89.5	-	92.5	-	3.4%	4.5%
Individual	332.2	332.4	324.1	324.7	0.2%	-2.3%	-2.3%
Non-Banking Financial Institutions	16.9	15.3	17.3	17.0	-1.7%	11.1%	0.6%
Foreign Credit ²	150.1	166.0	166.9	164.1	-1.7%	-1.1%	9.3%
of which: Loans & Advances to Non-Residents in AED	19.1	16.7	16.3	17.0	4.3%	1.8%	-11.0%
3.Total Investments by Banks	367.1	399.0	414.9	422.4	1.8%	5.9%	15.1%
Debt securities	235.3	246.1	255.0	263.7	3.4%	7.2%	12.1%
Equities	10.4	10.8	9.2	8.8	-4.3%	-18.5%	-15.4%
Held to maturity securities	87.8	99.1	101.3	100.6	-0.7%	1.5%	14.6%
Other Investments	33.6	43.0	49.4	49.3	-0.2%	14.7%	46.7%
4. Other Assets	593.5	610.1	673.9	675.3	0.2%	10.7%	13.8%
Due from Head Office/Own Branches/Banking Subsidiaries	144.3	154.6	168.8	177.5	5.2%	14.8%	23.0%
Due from Other Banks	226.6	210.6	221.6	218.4	-1.4%	3.7%	-3.6%
Other Items ³	222.6	244.9	283.5	279.4	-1.4%	14.1%	25.5%
Bank Deposits	1774.3	1870.2	1865.5	1866.2	0.0%	-0.2%	5.2%
Resident Deposits	1577.6	1648.8	1662.6	1665.8	0.2%	1.0%	5.6%
Government Sector	291.4	301.3	292.0	289.0	-1.0%	-4.1%	-0.8%
GREs (Govt. ownership of more than 50%)	217.4	245.3	237.9	240.5	1.1%	-2.0%	10.6%
Private Sector	1029.7	1057.9	1087.8	1091.8	0.4%	3.2%	6.0%
Non-Banking Financial Institutions	39.1	44.3	44.9	44.5	-0.9%	0.5%	13.8%
Non-Resident Deposits	196.7	221.4	202.9	200.4	-1.2%	-9.5%	1.9%
Average Cost on Bank Deposits ⁴	1.8%	1.6%		1.2%			
Average Yield on Credit ⁵	5.4%	5.0%		4.1%			
Capital & Reserves ⁶	364.8	392.9	381.0	382.5	0.4%	-2.6%	4.9%
Specific provisions & Interest in Suspense	97.3	99.3	106.5	107.2	0.7%	8.0%	10.2%
General provisions	35.4	33.1	38.1	38.4	0.8%	16.0%	8.5%
Lending to Stable Resources Ratio ⁷	82.1%	81.0%	81.7%	81.9%	0.2%	1.1%	-0.2%
Eligible Liquid Assets Ratio (ELAR) ⁸	17.6%	18.1%	16.6%	16.6%	0.0%	-8.3%	-5.7%
Capital Adequacy Ratio - (Tier 1 + Tier 2) ⁹	17.9%	17.7%		17.6%			
<i>of which: Tier 1 Ratio</i>	<i>16.7%</i>	<i>16.5%</i>		<i>16.4%</i>			
<i>Common Equity Tier 1(CET 1) Capital Ratio</i>	<i>14.9%</i>	<i>14.7%</i>		<i>14.7%</i>			

* 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 Currency³ Includes Cash in Hand, Fixed Assets, Inter-Branch Position, Positive Fair Value of Derivatives and Other Accounts Receivables⁴ 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/Sukuk 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.