

Main Highlights of the UAE Banking Indicators

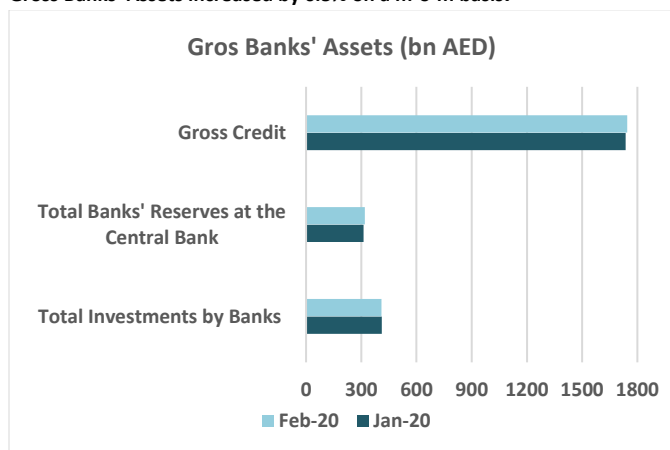
February 2020

Assets

On a month-on-month basis, Gross Banks' Assets grew by 0.5%, rising from AED 3080.3 billion at the end of January 2020 to AED 3095.3 billion at the end of February 2020.

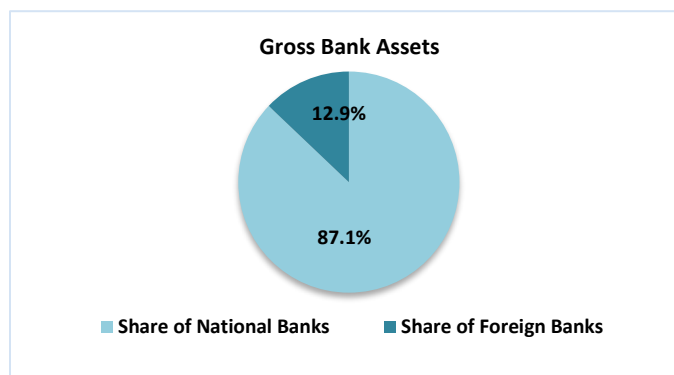
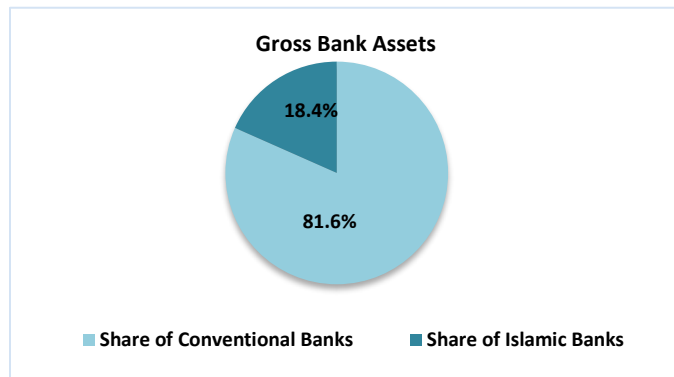
This increase was largely brought about by a combined increase in Total Banks' Reserves at the Central Bank by 2% (10.3% of the Gross Banks' Assets), in Gross Credit by 0.5% (56.4% of the Gross Banks' Assets) and in Other Assets by 0.5% (20.1% of the Gross Banks' Assets). These increases overshadowed the reduction in Total Investment by Banks by 0.6% (13.2% of the Gross Banks' Assets).

Gross Banks' Assets increased by 0.5% on a m-o-m basis.



During February 2020, conventional banks and Islamic banks contributed 81.6% and 18.4% 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 the Total Banks' Reserves at the Central Bank was brought about by increase in Certificates of Deposits Held by Banks by 5%, with



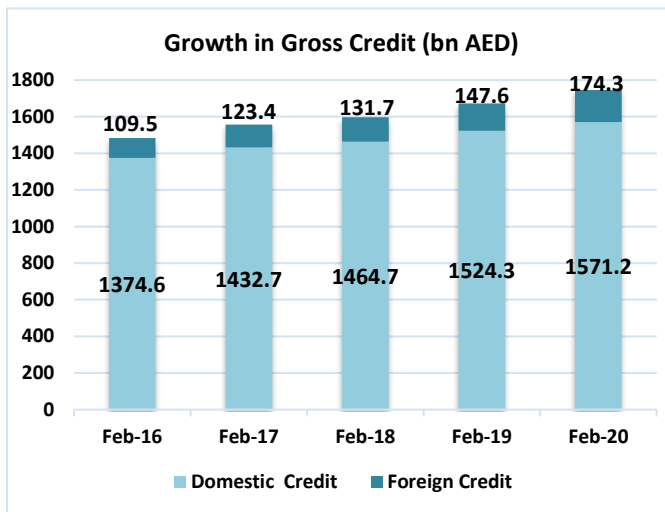
Islamic Certificates of Deposits staying constant at 35.2 billion.

From the end of January 2020 to the end of February 2020, Gross Credit also increased by 0.5%, reaching AED 1745.5 billion. On a y-o-y basis, Gross Credit grew by 4.4%.

The main driver of the rise in Gross Credit during February 2020 was growth in Domestic Credit by 0.3% and Foreign Credit by 1.9%.

Domestic Credit rose due to increases in; Government Credit by 1%, in Public Sector (GREs) Credit by 1% and in Private Sector Credit by 0.3%, minimizing an 11.3% reduction in Non-Banking Financial Institutions' Credit. In spite of the monthly fluctuations, Gross Credit continues to grow steadily over time.

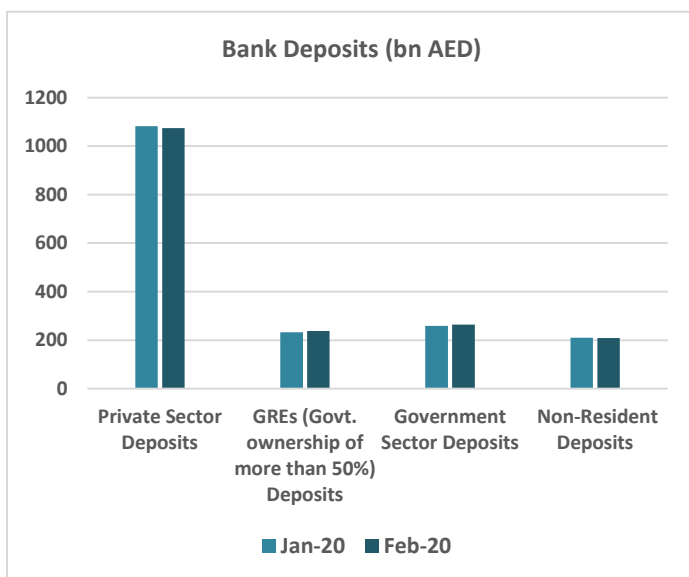
Gross Credit increased by 0.5% on m-o-m and by 4.4% on y-o-y basis.



At the end of February 2020, Total Investments by Banks reached AED 409.6 billion, showing a 0.6% reduction on a m-o-m basis and a 14.3% increase on a y-o-y basis.

Liabilities

Bank Deposits increased by 0.1% during February 2020, driven by increase in Resident Deposits by 0.2%, overshadowing the reduction in Non-Resident Deposits by 0.9%. The increase in Resident Deposits was due to increases in Government Deposits (16.3% of Resident Deposits) by 2.1% and in GREs (Govt. ownership of more than 50%) (14.7% of

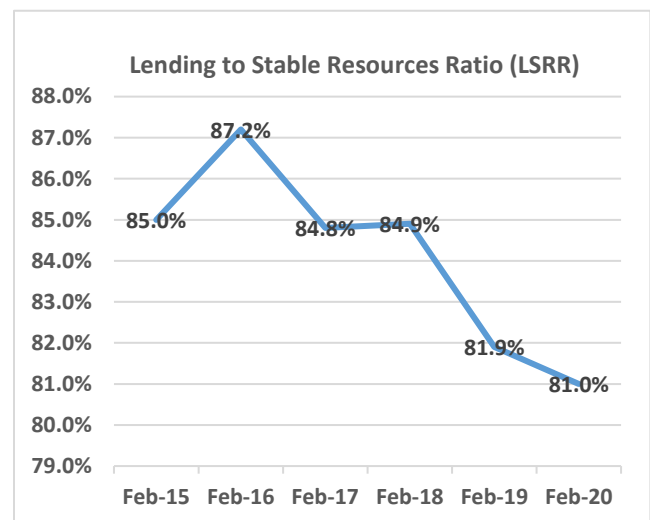


Resident Deposits) by 2.6%, superseding the reductions in Private Sector Deposits (66.3% of Resident Deposits) by 0.7% and in Non-Banking Financial Institutions Deposits (2.7% of Resident Deposits) by 0.7%

Implications

The Lending to Stable Recourses Ratio stood at 81% at the end of February 2020, reflecting faster growth in deposits and other stable resources, compared to the pace of growth in lending.

Lending to Stable Resources stood at 81%, 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)
Feb-15	1437.1	1689.8	85.0%
Feb-16	1555.4	1784.1	87.2%
Feb-17	1619.7	1909.2	84.8%
Feb-18	1640.5	1931.8	84.9%
Feb-19	1715.6	2095.2	81.9%
Feb-20	1773.7	2188.5	81.0%

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				
	Feb	Dec *	Jan	Feb *	% Month -on-Month	% Year -to- Date	% Year- on- Year
Gross Banks' Assets	2909.5	3085.8	3080.3	3095.3	0.5%	0.3%	6.4%
1.Total Banks' Reserves at the Central Bank	290.4	315.2	312.8	318.9	2.0%	1.2%	9.8%
Reserve Requirements	124.2	129.7	130.8	130.1	-0.5%	0.3%	4.8%
Current Accounts of Banks	19.7	25.3	25.7	24.7	-3.9%	-2.4%	25.4%
Certificates of Deposit held by Banks	146.5	160.2	156.3	164.1	5.0%	2.4%	12.0%
of which: Islamic Certificates of Deposit	39.8	37.5	35.2	35.2	0.0%	-6.1%	-11.6%
2.Gross Credit	1671.9	1759.2	1736.9	1745.5	0.5%	-0.8%	4.4%
Domestic Credit	1524.3	1593.9	1565.8	1571.2	0.3%	-1.4%	3.1%
Government	196.8	258.3	229.3	231.5	1.0%	-10.4%	17.6%
Public Sector (GREs)	174.8	184.6	183.1	185.0	1.0%	0.2%	5.8%
Private Sector	1132.6	1134.9	1137.5	1140.6	0.3%	0.5%	0.7%
Business & Industrial Sector Credit ¹	796.2	802.1	804.8	807.3	0.3%	0.6%	1.4%
of which: Total Funded SME Lending	-	84.6	-	-	-	-	-
Individual	336.4	332.8	332.7	333.3	0.2%	0.2%	-0.9%
Non-Banking Financial Institutions	20.1	16.1	15.9	14.1	-11.3%	-12.4%	-29.9%
Foreign Credit ²	147.6	165.3	171.1	174.3	1.9%	5.4%	18.1%
of which: Loans & Advances to Non-Residents in AED	19.8	16.6	17.0	16.3	-4.1%	-1.8%	-17.7%
3.Total Investments by Banks	358.4	399.0	412.2	409.6	-0.6%	2.7%	14.3%
Debt securities	229.5	246.0	253.7	252.6	-0.4%	2.7%	10.1%
Equities	10.5	10.8	10.7	10.5	-1.9%	-2.8%	0.0%
Held to maturity securities	86.8	99.1	99.5	98.3	-1.2%	-0.8%	13.2%
Other Investments	31.6	43.1	48.3	48.2	-0.2%	11.8%	52.5%
4. Other Assets	588.8	612.4	618.4	621.3	0.5%	1.5%	5.5%
Due from Head Office/Own Branches/Banking Subsidiaries	146.7	154.5	151.0	142.7	-5.5%	-7.6%	-2.7%
Due from Other Banks	226.4	210.5	214.3	213.3	-0.5%	1.3%	-5.8%
Other Items ³	215.7	247.4	253.1	265.3	4.8%	7.2%	23.0%
Bank Deposits	1768.2	1870.2	1826.3	1828.1	0.1%	-2.3%	3.4%
Resident Deposits	1557.3	1648.8	1615.9	1619.5	0.2%	-1.8%	4.0%
Government Sector	295.4	303.0	258.5	263.9	2.1%	-12.9%	-10.7%
GREs (Govt. ownership of more than 50%)	196.6	243.7	232.1	238.2	2.6%	-2.3%	21.2%
Private Sector	1029.9	1057.8	1081.9	1074.3	-0.7%	1.6%	4.3%
Non-Banking Financial Institutions	35.4	44.3	43.4	43.1	-0.7%	-2.7%	21.8%
Non-Resident Deposits	210.9	221.4	210.4	208.6	-0.9%	-5.8%	-1.1%
Average Cost on Bank Deposits ⁴		1.6%					
Average Yield on Credit ⁵		5.0%					
Capital & Reserves ⁶	356.8	393.3	400.3	394.6	-1.4%	0.3%	10.6%
Specific provisions & Interest in Suspense	91.7	98.8	100.3	101.2	0.9%	2.4%	10.4%
General provisions	31.2	33.2	33.3	33.1	-0.6%	-0.3%	6.1%
Lending to Stable Resources Ratio ⁷	81.9%	81.0%	80.8%	81.0%	0.2%	0.0%	-1.1%
Eligible Liquid Assets Ratio (ELAR) ⁸	17.1%	18.2%	17.9%	18.0%	0.6%	-1.1%	5.3%
Capital Adequacy Ratio - (Tier 1 + Tier 2) ⁹		17.6%					
of which: Tier 1 Ratio		16.4%					
Common Equity Tier 1(CET 1) Capital Ratio		14.6%					

* Preliminary data subject to revision

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/Sukukas 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.