



Main Highlights of the UAE Banking Indicators

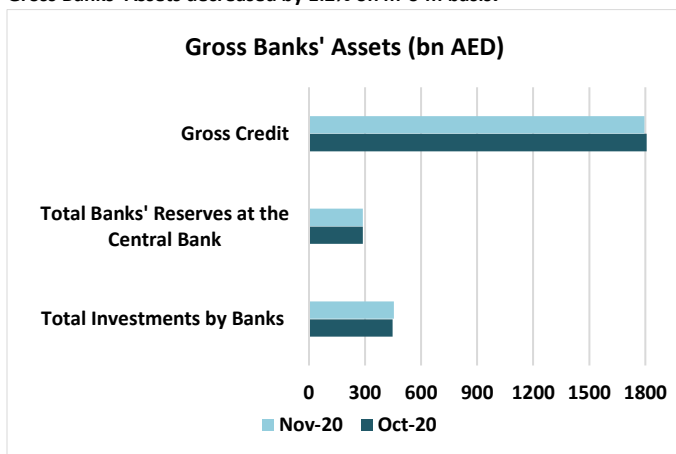
November 2020

Assets

On month-on-month basis, Gross Banks' Assets reduced by 1.2%, falling from AED 3241.2 billion at the end of October 2020 to AED 3202.2 billion at the end of November 2020.

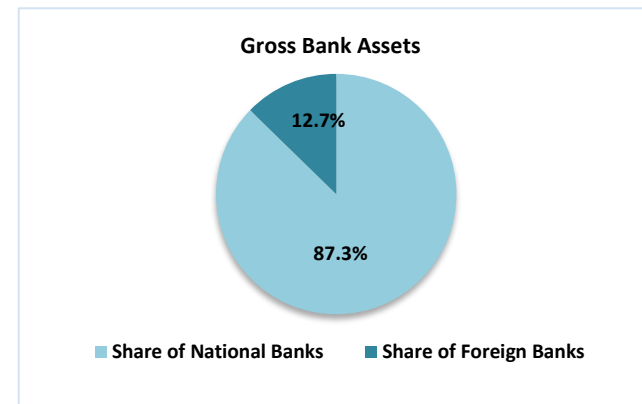
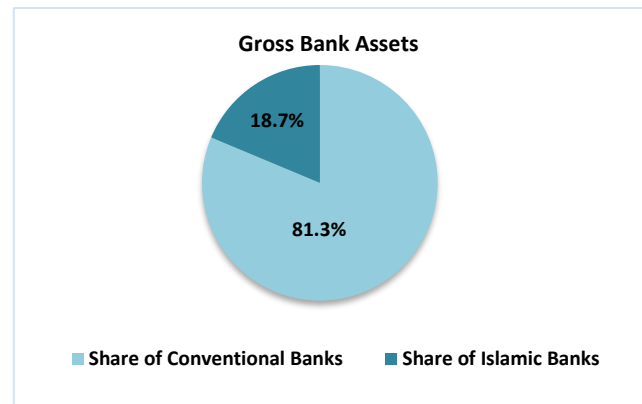
Gross Banks' Assets decreased due to reductions in Total Banks' Reserves at the Central Bank by 0.4% (9.0% of the Gross Banks' Assets), Gross Credit by 0.6% (56.1% of the Gross Banks' Assets) and Other Assets by 4.6% (20.8% of the Gross Banks' Assets). These reductions overshadowed the increase in Total Investments by Banks by 1.4% (14.2% of the Gross Banks' Assets). On an annual basis, Gross Banks' Assets grew by 5.2%.

Gross Banks' Assets decreased by 1.2% on m-o-m basis.



During November 2020, conventional banks and Islamic banks contributed 81.3% and 18.7% to the Gross Banks' Assets, respectively. Whereas, National Banks made up 87.3% and Foreign Banks made up 12.7% of the Gross Banks' Assets.

The fall in Total Banks' Reserves at the Central Bank was a result of reductions in Current Accounts & Overnight Deposits of Banks by 14.4% and in



Certificates of Deposits Held by Banks by 0.2%, dominating the increase in Reserve Requirements by 12.6%.

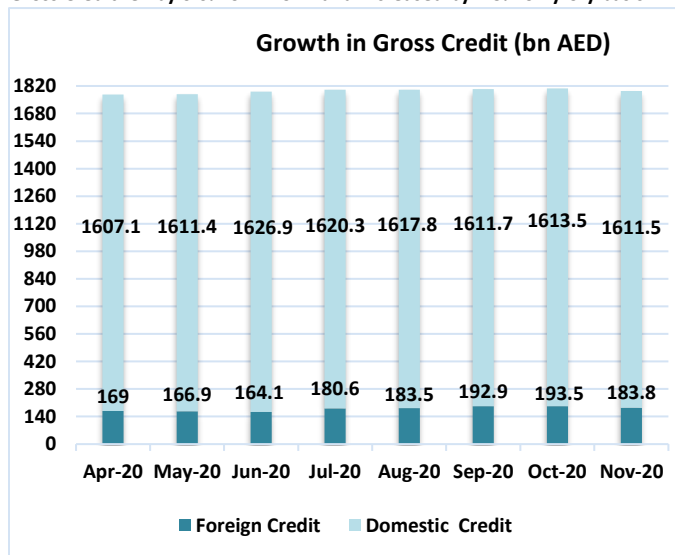
The reduction in required reserves ratio from 14% to 7% on Demand Deposits per the Targeted Economic Support Scheme (TESS) offered to Banks by the CBUAE since April 2020, continue to support the banking system in the UAE.

The fall in Gross Credit during November 2020 was due to reductions in Domestic and Foreign Credit by 0.1% and 5.0%, respectively. Domestic Credit fell due to decreases in Government Credit by 0.3%, in Public Sector (GREs Govt. ownership of more than

50%) Credit by 0.3% and Non-Banking Financial Institutions Credit by 6.6%.

From the end of October 2020 to the end of November 2020, Gross Credit decreased by 0.6%, settling at AED 1795.3 billion. On a year on year basis, Gross Credit grew by 4.3%.

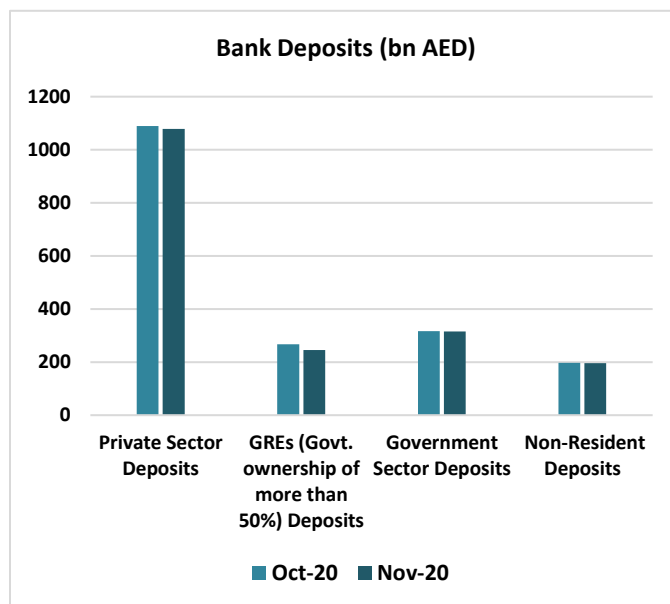
Gross Credit fell by 0.6% on m-o-m and increased by 4.3% on y-o-y basis.



At the end of November 2020, Total Investments by Banks reached AED 454.2 billion, a 1.4% m-o-m increase and a 14.6% y-o-y increase.

Liabilities

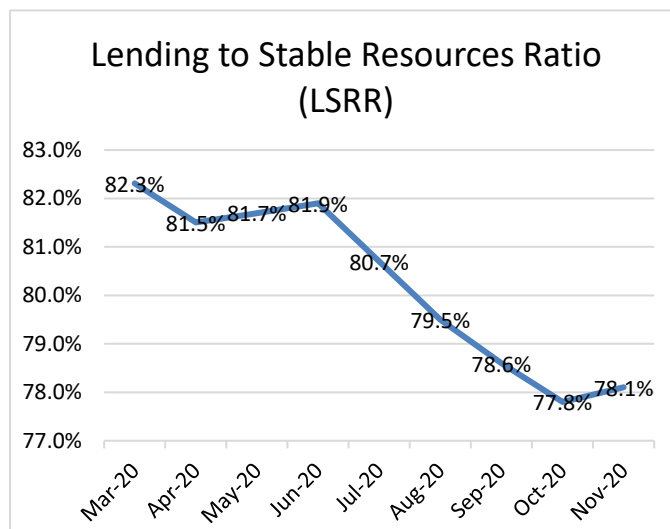
Bank Deposits decreased by 1.8% during November 2020, driven by a reduction in Resident Deposits by 2.0% and in Non-Resident Deposits by 0.3%. The decrease in Resident Deposits was brought about by fall in Government Sector Deposits (18.8% of Resident Deposits) by 0.2%, in GRE deposits (14.6% of Resident Deposits) by 8.1%, in Private Sector Deposits (64.2% of Resident Deposits) by 1.0% and in Non-Banking Financial Institutions' Deposits (2.4% of Resident Deposits) by 1.7%. On an annual basis, deposits increased by 3.1%.



Implications of Lending to Stable Resources Ratio

During November 2020, the Lending to Stable Resources Ratio rose by 0.4%, standing at 78.1%, reflecting smaller reduction in lending, compared to the larger reduction in deposits and other stable resources.

Lending to Stable Resources stood at 78.1%, reflecting a smaller reduction in lending relative to the larger reduction in stable resources.



UAE Banking Indicators							
(End of month, figures in billions of Dirhams unless otherwise indicated)							
	2019			2020			
	Nov	Dec	Oct	Nov*	% Month-on- Month	% Year-to- Date	% Year-on- Year
Gross Banks' Assets	3043.1	3082.9	3241.2	3202.2	-1.2%	3.9%	5.2%
1.Total Banks' Reserves at the Central Bank	309.6	315.2	288.6	287.4	-0.4%	-8.8%	-7.2%
Reserve Requirements **	127.5	129.7	75.6	85.1	12.6%	-34.4%	-33.3%
Current Accounts & Overnight Deposits of Banks ¹	32.3	25.3	72.2	61.8	-14.4%	144.3%	91.3%
Certificates of Deposit held by Banks	149.8	160.2	140.8	140.5	-0.2%	-12.3%	-6.2%
of which: Islamic Certificates of Deposit	30.7	37.5	53.5	50.6	-5.4%	34.9%	64.8%
2.Gross Credit	1721.9	1758.6	1807.0	1795.3	-0.6%	2.1%	4.3%
Domestic Credit	1561.8	1592.6	1613.5	1611.5	-0.1%	1.2%	3.2%
Government	223.7	257.4	255.5	254.8	-0.3%	-1.0%	13.9%
Public Sector (GREs)	179.9	185.3	222.3	221.7	-0.3%	19.6%	23.2%
Private Sector	1141.2	1134.6	1117.5	1118.0	0.04%	-1.5%	-2.0%
Business & Industrial Sector Credit ²	806.7	802.2	789.1	787.4	-0.2%	-1.8%	-2.4%
of which: Total Funded SME Lending	-	89.5	-	-			
Individual	334.5	332.4	328.4	330.6	0.7%	-0.5%	-1.2%
Non-Banking Financial Institutions	17.0	15.3	18.2	17.0	-6.6%	11.1%	0.0%
Foreign Credit ³	160.1	166.0	193.5	183.8	-5.0%	10.7%	14.8%
of which: Loans & Advances to Non-Residents in AED	18.8	16.7	16.8	16.1	-4.2%	-3.6%	-14.4%
3.Total Investments by Banks	396.2	399.0	448.1	454.2	1.4%	13.8%	14.6%
Debt securities	245.4	246.1	281.4	284.9	1.2%	15.8%	16.1%
Equities	10.5	10.8	9.0	9.3	3.3%	-13.9%	-11.4%
Held to maturity securities	97.0	99.1	112.7	115.9	2.8%	17.0%	19.5%
Other Investments	43.3	43.0	45.0	44.1	-2.0%	2.6%	1.8%
4. Other Assets	615.4	610.1	697.5	665.3	-4.6%	9.0%	8.1%
Due from Head Office/Own Branches/Banking Subsidiaries	153.6	154.6	199.4	169.7	-14.9%	9.8%	10.5%
Due from Other Banks	215.4	210.6	218.2	213.2	-2.3%	1.2%	-1.0%
Other Items ⁴	246.4	244.9	279.9	282.4	0.9%	15.3%	14.6%
Bank Deposits	1819.6	1870.2	1910.6	1876.2	-1.8%	0.3%	3.1%
Resident Deposits	1615.2	1648.8	1713.6	1679.7	-2.0%	1.9%	4.0%
Government Sector	299.9	301.3	316.0	315.5	-0.2%	4.7%	5.2%
GREs (Govt. ownership of more than 50%)	231.4	245.3	266.7	245.1	-8.1%	-0.1%	5.9%
Private Sector	1041.7	1057.9	1089.3	1078.2	-1.0%	1.9%	3.5%
Non-Banking Financial Institutions	42.2	44.3	41.6	40.9	-1.7%	-7.7%	-3.1%
Non-Resident Deposits	204.4	221.4	197.0	196.5	-0.3%	-11.2%	-3.9%
Average Cost on Bank Deposits⁵		1.6%					
Average Yield on Credit⁶		5.0%					
Capital & Reserves⁷	391.2	392.9	394.0	397.3	0.8%	1.1%	1.6%
Specific provisions & Interest in Suspense	101.4	99.3	112.1	114.7	2.3%	15.5%	13.1%
General provisions	35.1	33.1	38.1	39.0	2.4%	17.8%	11.1%
Lending to Stable Resources Ratio⁸	80.9%	81.0%	77.8%	78.1%	0.4%	-3.6%	-3.5%
Eligible Liquid Assets Ratio (ELAR)⁹	18.1%	18.1%	16.4%	17.0%	3.7%	-6.1%	-6.1%
Capital Adequacy Ratio - (Tier 1 + Tier 2)¹⁰		17.7%					
of which: Tier 1 Ratio		16.5%					
Common Equity Tier 1(CET 1) Capital Ratio		14.7%					

* 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 Starting July 2020, includes deposits at the Overnight Deposit Facility (ODF) offered to conventional banks by the CBUAE.

² Includes lending to (Resident): Trade Bills Discounted, Insurance Companies and SMEs.

³ 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

⁴ Includes Cash in Hand, Fixed Assets, Inter-Branch Position, Positive Fair Value of Derivatives and Other Accounts Receivables

⁵ Weighted average of costs on Demand, Savings & Time Deposits at varying maturities.

⁶ Weighted average of yield on all types of outstanding credit.

⁷ Excluding subordinated borrowings/deposits, but including current year profit.

⁸ 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)

⁹ 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)

¹⁰ 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.