

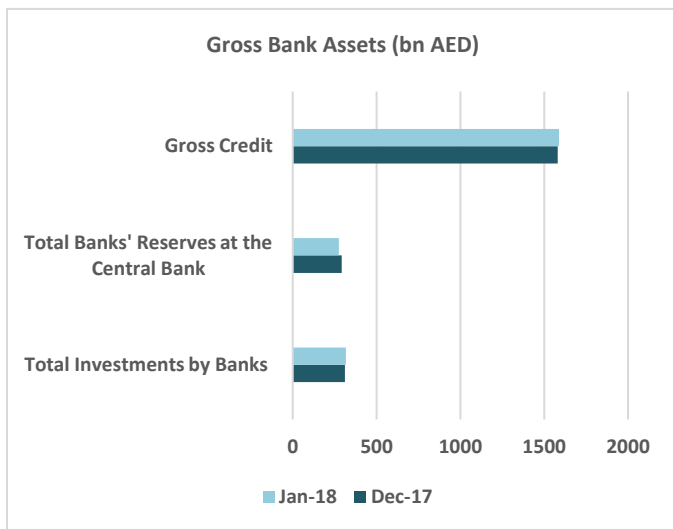
Main Highlights of the UAE Banking Indicators

January 2018

Assets

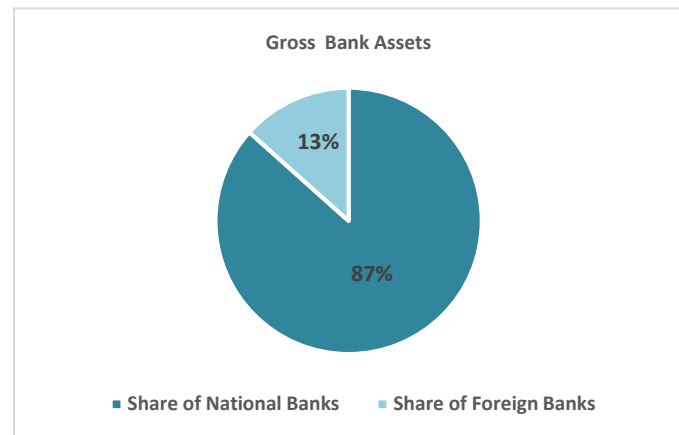
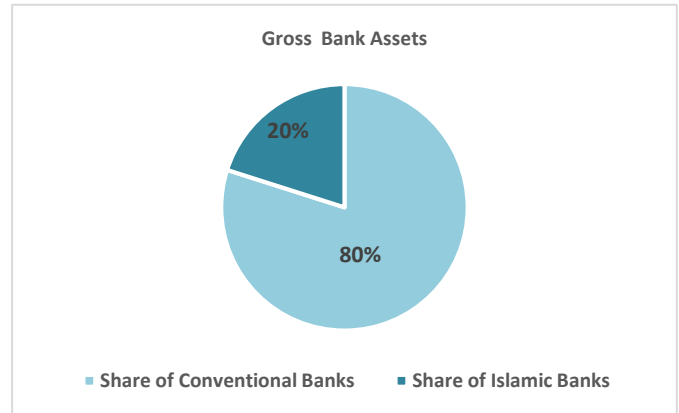
On a Month-on-Month basis, Gross Bank Assets decreased by 0.3%, falling from AED 2695 billion in December 2017 to AED 2688.1 billion in January 2018. This decrease was mainly brought about by a combined reduction in Total Banks' Reserves at the Central Bank by 5.9% (10.2% of the Gross Bank Assets) and Other Assets by 0.3% (19% of the Gross Bank Assets). The reduction overshadowed the increases in Gross Credit by 0.5% (59.1% of the Gross Bank Assets) and in Total Investment by Banks by 1.5% (11.8% of the Gross Bank Assets).

Gross Bank Assets decreased by 0.3% on a m-o-m basis.



During January 2018, conventional banks and Islamic banks contributed 79.9% and 20.1% to the Gross Bank Assets, respectively. Whereas, National Banks made up 86.6% and Foreign Banks made up 13.4% of the Gross Bank Assets.

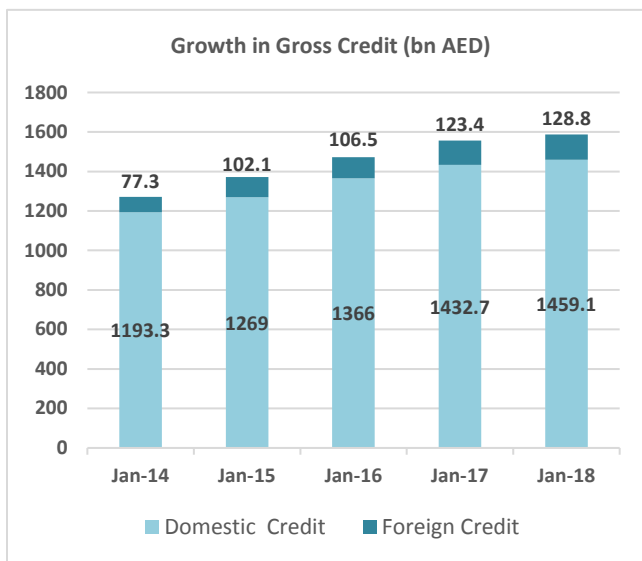
The reduction in the Total Banks' Reserves at the Central Bank was brought about by decreases in Current Accounts of Banks by 41.3% and Certificates of Deposits Held by Banks by 2%.



From the end of December 2017 to the end of January 2018, Gross Credit increased by 0.5%, reaching AED 1587.9 billion. On a Y-o-Y basis, Gross Credit grew by 2%.

The main drivers of the rise in Gross Credit during January 2018 were increases in both Domestic and Foreign Credit, by 0.4% and 1.1%, respectively. Domestic Credit increased due to a rise in Government Credit by 1.5%, in Private Sector Credit by 0.4% and in Non-Banking Financial Institutions' Credit by 7%, dominating a 1.1% reduction in Public Sector (GREs) Credit.

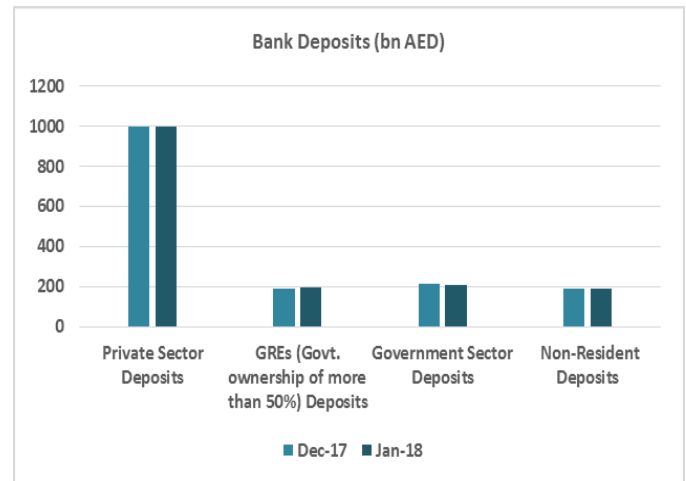
Gross Credit increased by 2% on a YoY basis and by 0.5% on a MoM basis.



At the end of January 2018, Total Investments by Banks reached AED 316.3 billion, showing a 1.5% increase on a MoM basis.

Liabilities

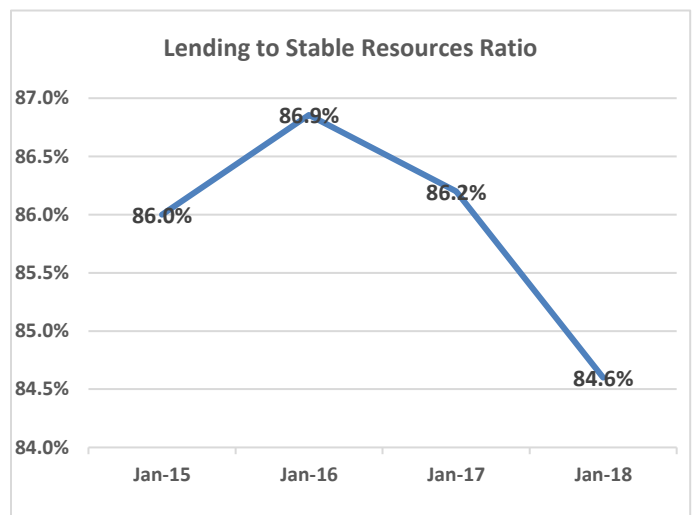
Bank Deposits decreased by 0.4% during January 2018, driven by decreases in both Resident Deposits by 0.4% and Non-Resident Deposits by 0.3%. The reduction in Resident Deposits was due to decreases in Government Deposits (14.3% of Resident Deposits) by 3.2% and Private Deposits (69.8% of Resident Deposits) by 0.3%, overshadowing the rise in GREs (Govt. ownership of more than 50%) (13.6% of Resident Deposits) by 1.6% and Non-Banking Financial Institutions Deposits (2.3% of Resident Deposits) by 4.2%.



Implications

The Combined result of growth in Credit and reduction in Deposits is the Lending to Stable Recourses, which at the end of January 2018, stood at 84.6% reflecting faster growth in deposits and other stable resources, compared to the pace of growth in credit

Lending to Stable Resources stood at 84.6%, reflecting a slower growth in credit relative to stable resources



UAE Banking Indicators								
(End of month, figures in billions of Dirhams unless otherwise indicated)								
	2014	2015	2016	2017		2018		
	Jan	Jan	Jan	Jan	Dec*	Jan*	% Month - on- Month	% Year - on - Year
Gross Bank Assets ¹	2,134.6	2288.4	2461.0	2588.7	2695.0	2688.1	-0.3%	3.8%
1.Total Banks' Reserves at the Central Bank	224.6	222.5	242.3	247.7	291.4	274.3	-5.9%	10.7%
Reserve Requirements	89.3	105.6	113.9	116.8	121.4	121.4	0.0%	3.9%
Current Accounts of Banks	18.9	23.8	25.2	23.6	34.9	20.5	-41.3%	-13.1%
Certificates of Deposit held by Banks	116.4	93.1	103.2	107.3	135.1	132.4	-2.0%	23.4%
of which: Islamic Certificates of Deposit	29.2	12.5	16.5	21.7	38.3	34.4	-10.2%	58.5%
2.Gross Credit ¹	1270.6	1371.1	1472.5	1556.1	1580.7	1587.9	0.5%	2.0%
Domestic Credit ¹	1193.3	1269.0	1366.0	1432.7	1453.3	1459.1	0.4%	1.8%
Government	146.8	154.0	166.3	172.9	175.4	178.0	1.5%	2.9%
Public Sector (GREs)	152.6	171.6	179.8	185.4	174.2	172.2	-1.1%	-7.1%
Private Sector ¹	821.5	924.5	994.7	1055.2	1085.1	1089.0	0.4%	3.2%
Business & Industrial Sector Credit ²	554.7	638.9	681.6	727.6	747.5	751.7	0.6%	3.3%
Individual ¹	266.8	285.6	313.1	327.6	337.6	337.3	-0.1%	3.0%
Non-Banking Financial Institutions	72.4	18.9	25.2	19.2	18.6	19.9	7.0%	3.6%
Foreign Credit ³	77.3	102.1	106.5	123.4	127.4	128.8	1.1%	4.4%
of which: Loans & Advances to Non-Residents in AE	14.5	9.9	9.4	15.1	15.6	16.0	2.6%	6.0%
3.Total Investments by Banks	189.1	219.1	248.4	292.1	311.7	316.3	1.5%	8.3%
Debt securities	107.5	129.5	144.3	189.3	206.8	206.1	-0.3%	8.9%
Equities	13.5	14.1	12.5	12.2	11.3	11.0	-2.7%	-9.8%
Held to maturity securities	41.7	47.9	62.8	60.1	62.5	67.8	8.5%	12.8%
Other Investments	26.4	27.6	28.8	30.5	31.1	31.4	1.0%	3.0%
4. Other Assets	450.3	475.7	497.8	492.8	511.2	509.6	-0.3%	3.4%
Due from Head Office/Own Branches/Banking Subsidiaries	107.9	99.4	101.3	90.7	105.0	90.3	-14.0%	-0.5%
Due from Other Banks	213.9	218.6	229.3	223.7	203.9	214.0	5.0%	-4.3%
Other Items	128.4	157.7	167.2	178.4	202.3	205.3	1.5%	15.1%
Bank Deposits	1291.3	1412.2	1471.1	1561.9	1627.3	1621.5	-0.4%	3.8%
Resident Deposits	1175.0	1269.3	1305.8	1365.0	1435.7	1430.5	-0.4%	4.8%
Government Sector	172.5	176.8	157.3	185.7	212.0	205.2	-3.2%	10.5%
GREs (Govt. ownership of more than 50%)	170.2	182.6	196.0	172.1	191.9	194.9	1.6%	13.2%
Private Sector	791.2	874.6	924.7	979.4	1000.7	998.0	-0.3%	1.9%
Non-Banking Financial Institutions	41.1	35.3	27.8	27.8	31.1	32.4	4.2%	16.5%
Non-Resident Deposits	116.1	143.0	165.3	196.9	191.6	191.0	-0.3%	-3.0%
Average Cost on Bank Deposits⁴					1.3%			
Average Yield on Credit⁵					5.1%			
Capital & Reserves⁶	248.9	272.7	287.0	310.4	337.7	339.1	0.4%	9.2%
Specific provisions & Interest in Suspense	78.7	71.4	73.4	79.5	78.7	80.2	1.9%	0.9%
General provisions	19.2	24.0	26.5	28.8	29.9	31.4	5.0%	9.0%
Lending to Stable Resources Ratio ⁷	85.9%	86.0%	86.9%	86.2%	84.6%	84.6%	0.0%	-1.9%
Eligible Liquid Assets Ratio (ELAR) ⁸	14.9%	14.5%	15.0%	15.3%	18.2%	17.7%	-2.7%	15.7%
Capital Adequacy Ratio - (Tier 1 + Tier 2)					18.9%			
of which: Tier 1					17.4%			

* Preliminary data subject to revision.

¹ Revised backwards starting Dec 2013 to reflect the effect of accounting adjustments made by banks to set-off the amount of government refinancing against related Housing Mortgage Loans which have been taken off effective August 2017.

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

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 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 Assets**

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