

UAE

Dubai's debt – Whose problem is it?

- Over the weekend, the UAE Central Bank announced measures to provide additional liquidity to local and foreign banks operating in the UAE. In our view, the global market response has been exaggerated by end-month effects and the US and regional Eid holidays. We believe the Dubai crisis does not pose a risk to the global financial system.
- The Dubai crisis is far from playing itself out and will leave a higher risk premium for UAE assets, even if a scenario materialises in which repayment of the Nakheel sukuk due on 14 December is made on time.
- While relative and absolute spread levels will adjust, the market has already begun to re-price UAE debt based on greater differentiation in the scope and targeting of Abu Dhabi and federal UAE support for Dubai entities.
- The terms of the bailout remain unclear and we would need to see more signs of collaboration between Abu Dhabi and Dubai to calm the markets in UAE. We would focus much more on actions and comments from the UAE Central Bank and Abu Dhabi authorities than on those from Dubai at this juncture, and on financial flows in the coming weeks.
- The UAE local market reaction this morning was capped by the central bank's supportive weekend announcements with regard to new liquidity facilities. This should help curb undue pressure by also signalling strong support. Interbank confidence is likely to remain low however, and price competition to attract deposits may also keep interbank rates under upward pressure.
- Although global markets may price limited contagion risks in the coming weeks, it may spur a further winding down of position-taking into year-end. Longer term, this is a reminder of the sovereign and sub-/quasi-sovereign support question marks and warranted differentiation between debtor entities of EMEA and the stronger balance sheets of Latin America and Asia.
- We estimate the debt subject to the standstill at c.\$18bn. We believe that the Dubai Government's actions have introduced the risk that restructuring of other corporates could follow. We would focus on those with weak fundamentals and upcoming maturities and we view Dubai Holdings as being most at risk.
- At the same time, we are monitoring the market for potential opportunities. We believe that the underperformance of Qtel's paper is not justified and we would be buyers of the Qtel 2014s at current levels. In Abu Dhabi, our preference would be to stay with the sovereign or Dolphin while in Dubai we would monitor DEWA, DP World and JAFZ (in this order).

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What happened since Wednesday?

Lack of clarity spurred a series of rating downgrades

Last Wednesday, the Dubai Government announced that Dubai World intended to ask creditors for a standstill agreement on all its debt repayments and those of its property unit, Nakheel, until next May (*Emerging EMEA Strategy: Dubai and Abu Dhabi – Emerging Islamic Default*, 25 November 2009) the Chairman of Dubai's Supreme Fiscal Committee confirmed on Friday the government's intention to proceed with the restructuring of Dubai World

Confusion surrounding the announcement and its coordination with UAE and Abu Dhabi authorities led the rating agencies and markets to re-rate and reprice a much broader set of Dubai entities beyond Dubai World (Figure 1). This is due to the size of the liabilities of the Dubai entities and re-assessment of the support from the federal and Abu Dhabi governments.

Figure 1: Rating action on Dubai Inc corporates last week

	S&P			Moody's		
	Rating	Outlook	Notches cut	Rating	Outlook	Notches cut
Dubai Holding	BBB-	CWN	4	Ba2	CWN	4
Emaar	BBB-	CWN	2	Ba2	CWN	4
DIFC	BBB-	CWN	4	Ba1	CWN	4
Jafza	BBB-	CWN	2	Ba1	CWN	3
DP World	BBB-	CWN	2	Baa2	CWN	2
DEWA	NR			Baa2	CWN	2

Source: Rating Agencies, Barclays Capital

leading the central bank to deploy a liquidity facility to banks

Over the weekend, the UAE Central Bank (CBUAE) announced a welcome show of support for the banking sector with a new liquidity facility to weather market turbulence and risks of deposit withdrawal. The facility linked to banks' current accounts at the CBUAE, will be renewable for periods of one-week from now until end- March 2010, and will be charged at the rate of 50 basis points above 3-months EIBOR. But, on the issue of UAE support for debt management, there has been no firm commitment yet, with a comment that any future support is most likely to be selective and far from being unconditional. Furthermore, Dubai authorities have still not revealed additional details for their restructuring plan.

The impact on credit markets was felt across the region ...

As events in Dubai unfolded, credit spreads gapped wider, across the GCC region and across Emerging Markets in general as market sentiment plunged and risk aversion surged. However, a closer look reveals that the sell-off has not been indiscriminate (Figure 2). While contagion effects were felt in countries such as Turkey or Russia, the spread widening was abrupt but recoveries occurred on Friday. Even in the GCC, markets seem to be differentiating across sovereigns. Unsurprisingly, the impact was most heavily felt in Dubai itself, with sovereign and GRE spreads widening several hundred basis points. Abu Dhabi sovereign spreads also widened significantly, with 5y CDS now trading in the 140 area, a significant premium compared with its AA/Aa2 rating. While Bahrain CDS spreads also widened by 50bp, the arguably strongest name in the region, Qatar, showed relative resilience. Corporate and financials names have also been hurt, notably the likes of Dubai Holding and Emirates and NDB (Figure 2).

... although the sell-off has not been indiscriminate

Regional local markets will be under pressure this week

In local markets, the confluence of a holiday in the US and GCC has meant that other EM local markets – primarily FX and equities – have borne the brunt of the contagion. Late last Friday, there was a modest rebound in risk-correlated assets but the focus will be on how GCC local markets open up this week, particularly in the UAE (Qatar and Saudi Arabia's markets re-open on Tuesday), as local and international investors ponder the consequence

of reduced capital inflows and/or higher external costs of lending to the private sector at large. The brunt of this impact is most likely to fall on the UAE and probably other GCC equity markets given the cross ownership by regional as well as international investors, and the market expectations that local banks and companies have higher exposure to Dubai World entities. Against this backdrop, pressures on credit spreads are also likely to persist in the short term.

Figure 2: Spread movements – how did markets react?

	5y CDS Monday 23 Nov	5y CDS Friday 27 Nov	Change (bp)	Change (relative, in %)
Dubai Holding	670	1650	980	146%
Emirate Bank	345	800	455	132%
Dubai	317	630	313	99%
DP World	355	700	345	97%
Natl Bank of Abu Dhabi	135	250	115	85%
TDIC	155	275	120	77%
Abu Dhabi	100	175	75	75%
Mubadala	133	225	92	69%
Abu Dhabi Commercial Bank	210	305	95	45%
TAQA	155	225	70	45%
Bahrain	175	225	50	29%
Qatar	94	120	26	28%
BarCap USD GCC bond index (OAS)	237	302	65	27%
Russia	191	215	24	13%
Hungary	217	242	25	12%
Latvia	552	600	48	9%
Egypt	221	235	14	6%
BarCap Global USD EM Sovereign Index (OAS)	315	323	8	3%

Source: Bloomberg, Barclays Capital

Markets' concern about western banks' exposure likely to fade

*Western banks exposure to
Dubai World is relatively limited*

The looming signs of a potential default and large-scale debt restructuring at the level of Dubai's largest conglomerate, Dubai World, highlighted the risk exposure of western banks to Dubai. The BIS consolidated banking statistics on banks' 'Foreign claims' comprise 'Cross-border claims' of these banks and also the 'Local claims of foreign affiliates' in FX and local currency. The exposure by BIS banks to the UAE using this measure amount to USD112.7bn, of which about USD70bn are cross-border claims (ie, loans BIS reporting banks directly extended to UAE based entities including their affiliates in UAE). This exposure is largely concentrated (to the order of USD75bn), in what the BIS categorises as "non-banks private sector" which includes, quasi-sovereign entities, similar to the Dubai World, ICD, Dubai Holding, Mubadala, etc

*British banks are the
most exposed*

While total exposure is not significant as a share of total banks' balance sheet and capital, there are a few banks that are likely to feel a greater impact than others. Overall, BIS data reveals an estimated foreign claims towards UAE entities of USD50.2bn for British banks followed by France (USD11.3bn), Germany and the US at USD10.6bn each. In the case of exposures to Dubai World, total bank loans reported are a much smaller figure of USD17bn (Figure 3).

How big is the Dubai debt problem? Where are the liabilities?

Dubai's FC non-bank debt stands at c 87 bn

While we and the markets are not so concerned about western banks' exposures, we believe it is important to update our estimates (UAE: The Dubai Debt Problem, 9 January 2009) and highlight the magnitude of the foreign currency debt in UAE, Dubai and Dubai World. In the absence of official statistics, we estimate UAE's foreign currency (FC) debt using various sources in view of assessing the extent of refinancing risk involved. Figure 3 outlines the composition of debt and Appendix 2 explains the methodology used.

Focus on non-bank quasi-sovereign debt

We estimate the overall stock of Dubai FC non-bank debt at c.USD87bn by end-November 2009, or 53% of total UAE FC non-bank debt. This is equivalent to 126% of estimated Dubai's GDP, compared to 72% for Abu Dhabi. Other emirates have so far accumulated a negligible amount of foreign liabilities (Figure 3).

Given the move by the CBUAE to support bank liquidity, we are most concerned with the non-bank FC debt in Dubai. Based on our calculations, non-bank quasi-sovereign entities accounted for 58.1% of Dubai's FC non-bank debt as of today. Those entities are wholly or partially owned by the Dubai Government such as Dubai World and its affiliates (Dubai Ports World and Nakheel), and entities under the Investment Corporation of Dubai (ICD). In Abu Dhabi, large infrastructure developers such as Mubadala, and their related companies account for most of the FC liabilities, totalling USD55.4bn.

Banks' refinancing is largely taken care of

While the UAE banking system has also been extensively reliant on external funding from international banks and capital markets, we believe that there are no imminent refinancing risks for banks given the explicit and continued support by the CBUAE and its earlier announcement that it would be ready to support any bank in meeting its external obligations. In fact, the federal government guaranteed deposits, and had injected through the Ministry of Finance since last November an AED70bn (USD38bn). Should there be any need to support banks further beyond the new facility, we would imagine that the Federal Ministry of Finance could step in with further liquidity to support bank re-capitalisation, as it has done in the past few months.

While the maturity profile of non-bank debt is challenging

Looking more in depth at the UAE debt size and composition, it seems to us that the challenge is not only in the total amount of Dubai's indebtedness, but also in its repayment profile. Although we expect Dubai entities to roll over USD12-13bn in 2010, they will need to service more than USD25bn in 2011. This is why Dubai authorities are keen to engage creditors to restructure their obligations as soon as possible.

Figure 3: Estimates of UAE non-bank* foreign currency debt as at end-November 2009

	Total outstanding (\$ bn)			Maturing in 2010 (\$ bn)			Maturing in 2011 (\$ bn)		
	Bonds	Loans	Total	Bonds	Loans	Total	Bonds	Loans	Total
Total UAE	58.8	105.6	164.4	0.8	19.4	20.3	3.3	26.0	29.3
Abu Dhabi*	21.0	49.3	70.2	0.7	7.9	8.6	1.4	8.9	10.4
Sovereign	4.0		4.0						
Non Bank private	2.8	8.0	10.8	0.5	0.7	1.2	1.1	3.2	4.3
Non Bank Quasi-Sovereign**	14.1	41.3	55.4	0.3	7.2	7.4	0.3	5.8	6.1
Dubai*	36.0	51.1	87.1	0.1	10.9	11.0	1.7	16.2	17.9
Sovereign	16.3		16.3						
Quasi-Sovereign publicly guaranteed		1.3	1.3						
o/w DEWA		1.3	1.3						
Non Bank private	5.1	13.8	18.9	0.1	2.2	2.3	0.2	4.5	4.7
o/w Dubai Holding	4.3	5.4	9.7		1.9	1.9			
Non Bank Quasi-Sovereign	14.7	35.9	50.6		8.7	8.7	1.4	11.7	13.1
Dubai World	7.5	16.6	24.1		5.0	5.0	0.8	12.3	13.0
o/w Nakheel	4.3	2.2	6.5				0.8		0.8
o/w Dubai Drydocks World LLC		2.2	2.2					2.2	2.2
o/w Dubai Ports World Ltd - DP World	3.3	3.1	6.4						
o/w Peninsular & Oriental Steam Navigation Co		15	1.5		1.5	1.5			
o/w Limitless		1.2	1.2						
o/w Ports Customs & Free Zone Corp - PCFC		0.9	0.9					0.9	0.9
Investment Corporation of Dubai		12.1	12.1			0.0	0.7	4.5	5.2
o/w Borse Dubai Ltd		2.5	2.5		2.5	2.5			
o/w Emirates Airlines		2.7	2.7		0.2	0.2	0.7	0.4	1.1
o/w Emirates National Oil		0.5	0.5						
o/w Investment Corp of Dubai		6.1	6.1					4.1	4.1

Note: *Non-bank debt includes non-recourse loans of around 8bn USD and off-balance contingent liabilities from operations involving Special Purpose Vehicles.

**Quasi sovereign entities include those where the sovereign government or any of its wholly owned institutions has a controlling stake (>51%). Source: BIS, Dealogic, Central Bank of UAE, Bloomberg, Barclays Capital

What is the size of the debt subject to the potential standstill?

We estimate c.USD18bn of debt is subject to the potential standstill

The government's announcement did not specify which Dubai World entities are subject to the potential standstill. In the analysis below, we have made a conservative assumption that all subsidiaries are included except DP World, in line with the press release issued by the company last week.

According to Dealogic, Dubai World entities have c.USD24bn of foreign currency debt. Of this, DP World debt amounts to USD6.25bn. This leaves us with c.USD18bn that is potentially subject to the restructuring as summarised in Figure 4:

Figure 4: Dubai World foreign currency debt

Issuer		Amount (USD)	Final maturity	Next instalment due
Nakheel	Sukuk	3,520	14 Dec 09	
Nakheel Co PJSC	Loan	1,850	20 Aug 12	25 Feb 10
Limitless	Loan	1,200	31 Mar 10	
Dubai World	Loan	5,500	01 May 13	01 May 10
P&O Steam Navigation	Loan	1,500	24 Jun 10	
Labroy Marine Ltd	Loan	187	04 Aug 10	
Nakheel	Sukuk	750	16 Jan 11	
PCFC	Loan	853	10 Jul 11	
Dubai Drydocks World	Loan	2,200	30 Sep 11	
Nakheel Co PJSC	Loan	350	08 Aug 14	
Total debt ex-DP World		17,910		
DP World	Loan	3,000	22 Oct 12	
DP World	Loan	139	04 Oct 16	
DP World	Sukuk	1,500	02 Jul 17	
DP World	Eurobond	1,750	02 Jul 37	
Total DP World		6,389		

Source: Dealogic, Barclays Capital

How do we reconcile our USD24bn with the widely reported (*The New York Times*, *The Times* (London), *The Wall Street Journal*, Bloomberg) USD59bn figure?

So what is in the \$59bn?

The USD59bn figure came from a filing listing Dubai World consolidated total liabilities as of 31 December 2008. It is important to point out that this includes not just debt, but also other liabilities, such as payables to suppliers, government land grants, etc. As an example, Nakheel's total liabilities at end-2008 were USD21bn, only USD8bn of which was debt (the rest is roughly equally split between advances from customers and payables to suppliers). DP World non-debt liabilities account for another USD2bn of the difference, and JAFZ's AED-denominated sukuk for another USD2bn.

On the whole, we cannot account for USD16bn of the USD59bn number. We take this to be the amount of private debt and other liabilities at its unlisted entities – we believe that Istithmar is the biggest one of these so we estimate that it would account for most of this amount. Istithmar is Dubai World's investment arm. It owns a wide portfolio of offshore assets, including a stake in Standard Chartered Bank, The W Hotels and Barneys New York.

Beyond Nakheel and Dubai World

No cross-default provisions with other subsidiaries

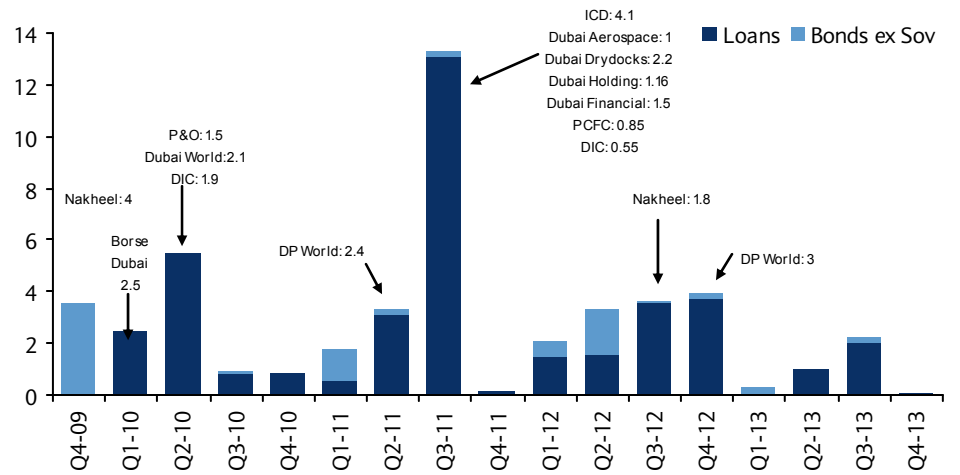
First, it is important to point out that the direct impact of a potential default at Nakheel or Dubai World is limited, in our view. To the best of our knowledge, there are no cross-default provisions between Nakheel and Dubai World, and any of the other Dubai World subsidiaries, such as DP World or JAFZ, or with the government of Dubai.

Fundamentally weak corporates with upcoming maturities most at risk

However, the move to restructure Dubai World is a clear statement that there will be no indiscriminate support for Dubai Inc. issuers, putting pressure on those that have fundamentally weak credit profiles and upcoming maturities. Unfortunately, last Wednesday's action has shut the door for some of the emirates' issuers that otherwise may have been able to refinance in the market without government support.

Figure 5: Maturity profile of Dubai's non-bank quasi-sovereign debt Dec 2009-Dec 2013 (USD bn)

Debt rollovers in 2010 and 2011 are significant



Source: Dealogic, Barclays Capital

Dubai Holdings most at risk, in our view

Of the issuers in our universe, we feel that Dubai Holdings is most at risk of being next in line. The company operates in the property sector, is highly leveraged and has faced problems in the last year, which prompted the government to propose a consolidation with its stronger peer Emaar.

At the other end of the spectrum, in our view, are Dubai Electricity and Water Authority (DEWA) and DP World, which we believe are the least exposed. Both companies have strong fundamental credit profiles and no liquidity issues, in addition to being strategically important quasi-sovereign entities.

One thing to monitor regarding DP World (aside from the possibility of its rating being cut to sub-investment grade) is access to its cash balance. The company fully drew down its USD3bn loan facility this year and deposited the cash with the local banks. Although not our base case at this point, if a local banking crisis developed in Dubai, we believe the availability of the cash balance could come into question, similar to the situation with KMG in Kazakhstan.

Strategy for Dubai, UAE and GCC assets

Sovereign credits: The case for differentiation

Markets are differentiating across credits

The effects of Dubai's announcement on GCC and Middle East credit are unlikely to spill over significantly beyond the confines of the UAE, in our view.

Abu Dhabi's solid balance sheet caps the downside risks

We expect pressure on Dubai sovereign spreads to remain elevated, given the lack of clarity around the rationale behind Wednesday's decision. While last week's events confirm that Abu Dhabi is likely to adopt a selective approach to supporting Dubai, there is still uncertainty regarding the size, the scope and the timing of this support. This uncertainty is not only weighing on Dubai spreads, but also adds to pressures on Abu Dhabi itself. While concerns about the exposure of Abu Dhabi banks to Dubai World are another negative factor for their spreads, any further downside is capped by Abu Dhabi's strong balance sheet, in our view.

Qatar remains a resilient credit

We continue to see Qatar as a high-quality, fundamentally strong credit. While it can not be ruled out that some short-term contagion risk will persist, we would see value in Qatar when the general market has stabilised. While there is also some concern about the

exposure of Qatari banks to Dubai World, we expect any risks to be contained swiftly and do not expect spillover effects from Dubai into Qatar to persist in the longer term.

Corporate credits: Is this an opportunity?

While we expect the market to remain under pressure in the near term, or at least until there is some sort of clarity with respect to the scope of a potential restructuring, some investors may already be thinking about picking up high-quality paper at attractive levels.

Figure 2 shows the change in GCC CDS levels over the course of the week.

Qtel has underperformed – we recommend buying

As discussed above, Qatar's fundamentals remain largely unaffected by the Dubai debt crisis, and we would view any significant widening of Qatar names as a buying opportunity. The market seems to agree, in general, as Qatar credits have been the least affected by the widening. However Qatar Telecom has underperformed significantly, with its 2014 notes closing the week at a Z-spread of 335/331, c.110bp wider from Tuesday's close. We recommend buying of the Qtel 2014s at these levels.

We like Dolphin in Abu Dhabi

The situation in Abu Dhabi is less clear cut. The issuers from the emirate (Mubadala, Tourism Development and Investment Co (TDIC), Taqa and Aldar) are fundamentally weak on a standalone basis – especially the first two (as discussed in *The UAE & Qatar Corporate Handbook*, 13 July 2009). Ignoring for a minute the way it was handled, Abu Dhabi's decision not to support fundamentally unsound Dubai companies is a sensible one, but it raises questions with regards to its willingness to support its own corporates in the future, if the Emirate's own ambitious growth and diversification plan falters. Therefore, our preference would be to stay with the sovereign or Dolphin in Abu Dhabi.

We would monitor DEWA, DP World and JAFZ

Among the Dubai corporates, we believe that the crisis could create a good opportunity to obtain exposure to high-quality names in the emirate once the market has settled. We would focus our attention on DEWA, DP World and JAFZ, in that order.

Rates and liquidity – Waiting for a squeeze...

The risk of liquidity hoarding is not negligible

After the holiday closure, UAE interbank markets opened today with 3mth fixings of EIBOR rising only 3bp to 1.94. The anticipated squeeze in liquidity was, we think, largely avoided due to the new liquidity facility set up by the UAE central bank. The magnitude of the debt overhang is also limited relative to other countries in the broader EMEA region like Hungary or Russia, and this too is probably helping to cap the magnitude of the moves. We note however, that although the move so far has been limited, pressures have not completely gone away. Even if liquidity conditions remain ample, experiences of other banking systems since last year suggest that cash hoarding and a tendency for price competition on deposits will tend to keep interbank rates under upward pressure. The central bank is likely to remain vigilant and we expect further supportive measures if liquidity conditions tighten too much. The AED swap market has at least partially anticipated this, with the spread over US swaps having risen 30bp last week. Before last week's developments, liquidity/Eibor conditions had been slowly easing (Figure 7), but even then there was competition for local deposits, as banks have been trying to curb their loan-to-deposit ratios.

FX and swaps – noise and volatility

Concerns about capital outflows will likely push risk premia higher

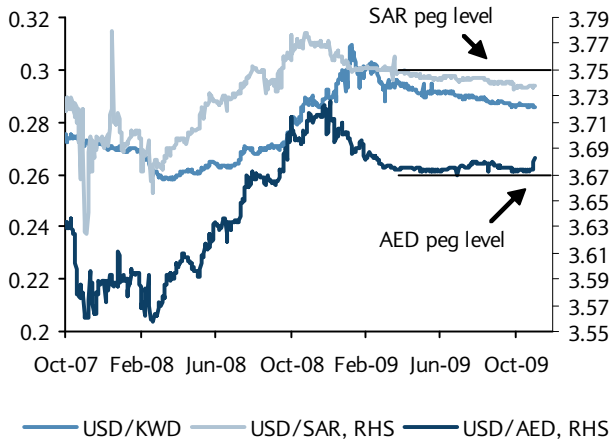
Investor concerns about the economic challenges ahead may dovetail with some outright capital outflows (savings and/or investments from the local stock market), which will likely push risk premia higher in AED FX. Moreover, one may also see speculative selling of the AED

versus the USD, with the initial pressure on both spot FX and USD/AED FX forward points. The FX forwards points have already moved to the right in the last few days, but this has been modest thus far, and the initial knee-jerk reaction may be a further rightwards adjustment.

However, central bank intervention and technical effects may cap forward FX points...

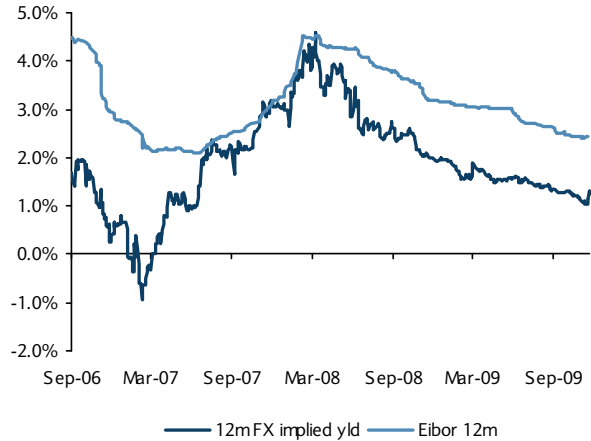
However, one should be very careful in forecasting a sharp, sustained rise in FX forward points. The UAE central bank can, and probably will (either with its own resources or that of the sovereign wealth fund), intervene to shore up the AED peg.

Figure 6: USD/GCC forward outright exchange rates (12m)



Source: Barclays Capital

Figure 7: Yields in the UAE



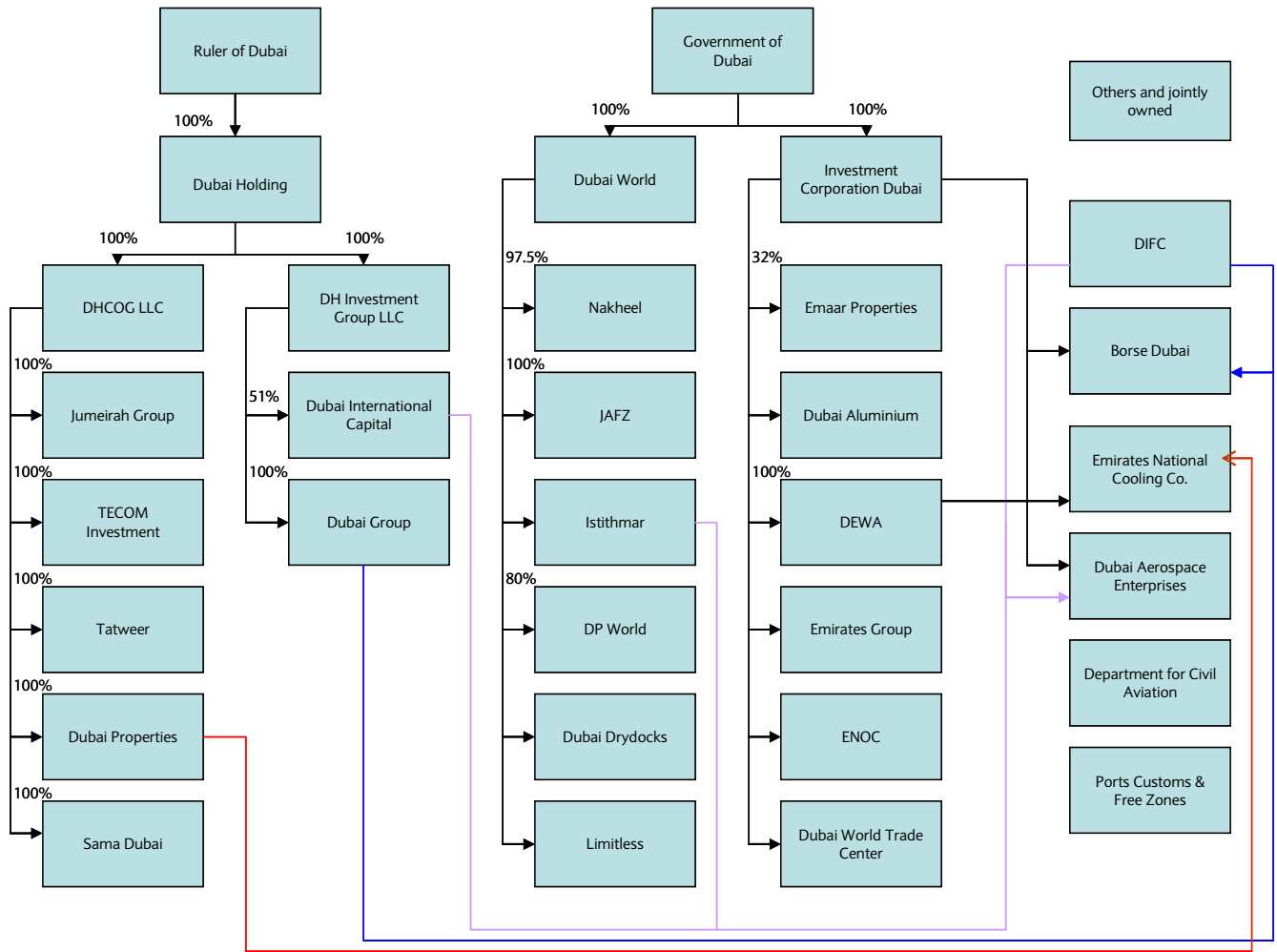
Source: Barclays Capital

Moreover, since late 2008, the central bank has bolstered the tools it uses to manage both the AED and FX liquidity. For example, there are formal lines with local banks to trade USD/AED FX swaps up to three months and these could easily be increased in size and duration if the central bank is concerned that a shift in FX forward points had become overstretched. In addition, technical effects may eventually cap forward FX points on USD/AED: UAE corporates and banks, given more limited funding avenues (external bond sales or syndicated loans), may lean on the cross-currency swap market to obtain FX funding. UAE institutions would, after the initial cash exchange (receiving FX, paying AED), pay USD Libor rates over the life of the cross-currency swap and may in return be willing to receive very low AED rates. This would have the converse effect of pushing down FX implied AED rates either in absolute levels or relative to Eibor rates. If this were to materialise, we might see a move to the left after the initial shift right in USD/AED forward points.

... and oil prices and regional policy considerations limit the room for AED devaluation

From a fundamental perspective, we feel it is unrealistic to think that the developments in Dubai debt market will result in a materially higher risk of an AED devaluation. The positive oil price outlook and regional policy considerations limit the room for a devaluation. Indeed, at a time of heightened investor uncertainty in the region, a stable currency is probably even more important than under normal circumstances. The coming week will very interesting in the FX market, but heightened volatility in the USD/AED forward points seems a very high risk.

APPENDIX 1: WHO'S WHO IN DUBAI INC?



Source: Government of Dubai, Moody's, Barclays Capital

ANNEXE 2: METHODOLOGY FOR COMPILING UAE FOREIGN CURRENCY DEBT

In the absence of officially published statistics on UAE debt, both for public and private entities, external or domestic, we estimate UAE's external debt based on the methodology explained below.

Data definitions: Debt data include all foreign currency denominated loans and issued bonds, excluding other contingent liabilities (asset-backed securities, CDOs, and non-recourse debt instruments). It is worth noting the following clarifications on the nature of data incorporated and/or omitted:

Currency versus residency: External debt refers to foreign currency denominated debt and not to debt held by non-residents. This may overstate the true value of external debt given that local UAE resident investors may be holders of this debt. At the same time, debt issued in local currency and held by non-residents is not included. Total non-bank local currency issued debt amounts to USD13bn equivalent.

Omissions: Data exclude official loans from bilateral and multilateral banks and development institutions. It does not account for cross-border lending from non-resident foreign corporate in the form of supplier credit or trade finance facilities.

Maturity profile: Data on the maturity profile are mostly available for non-bank debt and partly for banks.

Debtor categorisation: Institutions were divided into four categories:

Sovereign: Federal government and governments of the respective emirates.

Quasi sovereign publicly guaranteed: Government fully or partially-owned entities whose debt is guaranteed by the sovereign (eg, DEWA,).

Non-bank quasi sovereign: Entities where the federal/emirate government or one of its wholly-owned companies has a controlling stake (>51% of shareholders' capital).

Non-bank private sector: Privately owned non-bank institutions.

Banks.

The geographic attributions to a particular emirate were based on the debtor's headquarter location. Where this was not identified, we classified them as national UAE.

Data sources: Individual loan and bond issuance data retrieved from Deal Logic, Thomson Reuters and Bloomberg, were complemented by data on foreign liabilities of resident banks from the Central Bank of UAE and the Bank of International Settlement (BIS).

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