مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

CBUAE Issues Financial Stability Report 2025, Affirming the Strength and Resilience of the UAE Financial System

- *The banking sector continues to maintain strong levels of capital, liquidity, and asset quality, demonstrating a high degree of resilience and an ability to withstand shocks.*

Abu Dhabi (17 August 2026): The Central Bank of the UAE (CBUAE) issued its Financial Stability Report 2025, affirming the strength and resilience of the UAE financial and banking system, supported by the robust performance of the banking sector, adequate capitalisation and liquidity, improved asset quality, and continued growth in credit, deposits and profitability, amid the positive performance of the UAE economy.

The report showed that the UAE banking system's total assets increased by 17.1% to AED 5.3 trillion at the end of 2025, while the loan portfolio expanded by 17.8%, primarily driven by increased domestic lending, particularly across the retail and private corporate segments.

Asset quality indicators continued to improve, with the non-performing loan (NPL) ratio declining to 3.3% in 2025, compared to 4.7% in 2024 and 8.2% in 2020. The UAE banking system also maintained adequate capitalisation, with the Capital Adequacy Ratio (CAR) at 17.0% at the end of 2025, remaining well above minimum regulatory requirements.

The banking system maintained strong profitability, with net profits increasing by 11.7% to AED 90.8 billion in 2025, supported by growth in total operating income. It also maintained strong liquidity, supported by continued deposit growth.

The results of the 2025 supervisory stress tests confirmed the banking sector's resilience to severe economic and financial shocks. Under the adverse scenario, the average Common Equity Tier 1 (CET1) capital ratio declined from 14.1% to 11.1% at its lowest point during the stress-test horizon, while remaining above the minimum regulatory requirements.

The report also highlighted the continued resilience of other segments of the financial system, including the insurance sector and Islamic banking, as well as the continued development of the UAE's financial infrastructure and payment systems under the Financial Infrastructure Transformation (FIT) Programme, contributing to the efficiency and resilience of the financial system and supporting digital transformation.

The report highlighted developments in payment systems, including Aani, the Instant Payments Platform, and Jaywan, the UAE's national card payment scheme, alongside developments in cross-border payments, further enhancing the efficiency and resilience of the UAE's financial infrastructure.

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H.E. Khaled Mohamed Balama, Governor of the CBUAE, said: "The Financial Stability Report 2025 affirms the strength and resilience of the UAE financial system and its ability to continue supporting the national economy efficiently, underpinned by adequate capital and liquidity, improved asset quality, and continued growth in credit, deposits and profitability. The CBUAE will continue to strengthen its supervisory and prudential frameworks and enhance the financial system's preparedness to address future risks and challenges, contributing to safeguarding financial stability and supporting sustainable economic growth."

To read the Report, please click here.

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