

Financial Soundness Indicators (Core FSIs) - UAE Banking Sector *

Core FSIs for Deposit Takers		2013Q4	2014Q4	2015Q4	2016Q4	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4**
Regulatory capital to risk-weighted assets¹	%	19.3	18.1	18.3	18.9	18.1	17.5	18.1	18.2	17.5	17.9	17.9	17.7	17.7	16.9	17.6	18.0	18.1
Total regulatory capital	AED Million	303,031	322,002	352,340	376,726	378,295	370,549	384,500	395,326	376,960	393,513	398,423	413,389	411,081	405,430	417,914	425,105	419,474
Risk-weighted assets	AED Million	1,573,049	1,777,774	1,925,291	1,992,606	2,090,390	2,112,692	2,128,567	2,169,905	2,148,537	2,199,271	2,222,851	2,330,481	2,323,347	2,393,851	2,373,933	2,358,267	2,311,853
Regulatory Tier 1 capital to risk-weighted assets¹	%	16.9	16.2	16.5	17.3	16.6	16.0	16.6	16.8	16.2	16.6	16.7	16.5	16.5	15.8	16.4	16.9	17.0
Regulatory Tier 1 capital	AED Million	266,365	288,534	318,551	343,730	346,725	338,183	353,619	365,046	348,843	365,397	371,048	385,119	383,212	377,141	389,825	397,378	392,512
Risk-weighted assets	AED Million	1,573,049	1,777,774	1,925,291	1,992,606	2,090,390	2,112,692	2,128,567	2,169,905	2,148,537	2,199,271	2,222,851	2,330,481	2,323,347	2,393,851	2,373,933	2,358,267	2,311,853
Nonperforming loans net of provisions to capital	%	9.6	7.2	5.2	5.1	6.1	8.0	7.6	7.1	7.2	7.4	8.4	9.1	10.2	11.5	13.3	13.6	14.0
Nonperforming loans net of provisions	AED Million	28,944	23,276	18,213	19,388	22,929	29,756	29,276	27,921	27,187	28,932	33,548	37,539	41,881	46,559	55,622	57,689	58,814
Capital	AED Million	303,031	322,002	352,340	376,726	378,295	370,549	384,500	395,326	376,960	393,513	398,423	413,389	411,081	405,430	417,914	425,105	419,474
Nonperforming loans to total gross loans	%	6.7	5.6	5.0	5.1	5.3	5.8	5.8	5.7	5.6	5.7	6.1	6.4	6.5	6.9	7.4	7.7	8.2
Nonperforming loans ²	AED Million	83,301	76,582	73,695	78,771	82,425	92,049	92,479	91,281	91,444	93,903	102,321	108,348	111,651	120,584	130,957	136,570	142,396
Total gross loans	AED Million	1,251,584	1,358,627	1,465,960	1,553,107	1,556,573	1,583,898	1,597,015	1,612,425	1,629,891	1,647,868	1,664,037	1,690,626	1,729,016	1,737,547	1,758,950	1,771,634	1,746,128
Sectoral Distribution of Loans to Total Loans																		
Sectoral Distribution of Loans																		
Residents	%	88.4	89.5	89.7	89.5	88.9	88.8	88.9	87.6	87.9	87.5	87.5	86.8	86.8	86.6	87.5	85.7	85.5
Loans to Residents	AED Million	1,258,322	1,289,610	1,392,125	1,468,741	1,466,939	1,487,584	1,503,832	1,518,262	1,528,688	1,546,959	1,557,311	1,578,784	1,608,264	1,609,472	1,644,361	1,629,204	1,608,830
Sectoral distribution of total loans :Deposit-takers	%	3.9	0.8	0.7	0.9	0.9	0.9	1.0	1.3	1.1	1.0	0.8	0.7	0.8	0.8	0.9	0.9	0.6
Loans to Deposit takers	AED Million	55,005	11,989	10,945	14,326	14,243	14,833	17,302	21,844	19,251	17,587	14,708	13,198	15,655	14,518	17,534	17,536	10,577
Sectoral distribution of total loans :Central bank	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans to Central Bank	AED Million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sectoral distribution of total loans: Other financial corporations	%	4.9	1.3	1.6	1.2	1.1	1.2	1.2	1.1	1.1	0.9	0.9	0.8	0.9	0.9	0.9	0.9	0.9
Loans to Other financial corporations	AED Million	69,650	19,383	24,717	19,037	18,593	20,754	19,956	21,302	19,951	19,915	16,890	17,092	15,338	15,883	16,963	16,719	16,657
Sectoral distribution of total loans :General government	%	10.2	10.6	10.7	10.5	10.6	10.8	10.7	10.7	11.0	11.1	11.3	12.1	13.9	12.3	13.4	13.4	13.4
Loans to General government	AED Million	145,446	153,071	166,586	172,366	175,428	181,081	180,780	185,571	191,498	197,144	201,616	219,474	257,383	229,086	252,387	255,481	252,088
Sectoral distribution of total loans :Nonfinancial corporations	%	49.7	55.9	55.3	55.8	55.8	55.8	56.1	54.9	55.2	55.4	55.7	54.7	53.3	54.9	55.0	53.3	53.2
Loans to Nonfinancial corporations	AED Million	708,136	805,406	859,148	915,845	921,146	934,372	948,464	951,164	960,565	978,817	991,926	995,401	987,483	1,019,760	1,032,766	1,012,810	1,000,031
Sectoral distribution of total loans :Other domestic sectors	%	19.7	20.8	21.3	21.1	20.5	20.1	19.9	19.5	19.4	18.9	18.7	18.3	17.9	17.8	17.3	17.2	17.5
Loans to Other domestic sectors	AED Million	280,084	299,760	330,729	347,166	337,530	336,544	337,330	338,381	337,423	333,496	332,171	333,619	332,405	330,225	324,712	326,658	329,477
Nonresidents	%	11.6	10.5	10.3	10.5	11.1	11.2	11.1	12.4	12.1	12.5	12.5	13.2	13.2	13.4	12.5	14.3	14.5
Loans to Nonresidents	AED Million	165,068	152,031	160,590	173,227	182,536	187,090	187,686	214,296	210,946	221,201	223,430	239,928	244,290	249,666	235,059	272,560	271,864
Total gross loans ³	AED Million	1,423,390	1,441,641	1,552,715	1,641,968	1,649,476	1,674,674	1,691,518	1,732,557	1,739,634	1,768,160	1,780,741	1,818,712	1,852,554	1,859,138	1,879,420	1,901,764	1,880,694
Return on assets	%	2.0	1.9	1.6	1.5	1.5	1.5	1.7	1.7	1.6	1.8	1.7	1.7	1.6	0.9	0.9	0.8	0.7
Net income	AED Million	32,918	40,981	37,813	35,618	38,594	37,855	44,934	44,748	41,908	49,455	47,239	49,389	45,846	27,059	25,839	24,615	20,687
Total assets	AED Million	1,634,224	2,156,120	2,329,186	2,454,462	2,569,899	2,589,391	2,607,955	2,643,416	2,687,018	2,724,746	2,770,583	2,822,787	2,869,517	2,918,577	2,974,632	3,030,573	3,060,473
Return on equity	%	11.4	14.5	12.2	10.7	10.8	10.5	12.2	11.9	11.0	12.9	12.0	12.3	11.2	6.5	6.2	5.8	4.8
Net income	AED Million	32,918	40,981	37,813	35,618	38,594	37,855	44,934	44,748	41,908	49,455	47,239	49,389	45,846	27,059	25,839	24,615	20,687
Capital	AED Million	289,488	281,976	309,773	331,912	357,536	360,031	367,199	375,615	380,957	383,790	392,648	401,599	410,824	413,476	418,817	423,977	428,487
Interest margin to gross income	%	70.2	68.2	69.6	68.9	66.5	69.6	70.6	70.5	69.4	69.4	66.1	64.3	67.9	68.0	67.3	67.6	68.5
Interest margin	AED Million	53,338	58,956	61,763	60,964	61,385	16,035	33,473	49,391	66,796	17,085	33,251	49,188	68,013	16,375	30,449	44,201	58,443
Gross income	AED Million	75,959	86,464	88,729	88,443	92,296	23,054	47,418	70,057	93,388	24,619	50,267	76,514	100,130	24,078	45,274	65,363	85,361
Noninterest expenses to gross income	%	37.8	36.4	38.0	38.0	39.1	36.2	37.7	35.6	35.9	33.8	32.7	32.7	33.8	34.5	34.8	35.7	37.0
Noninterest expenses	AED Million	28,678	31,432	33,675	33,571	36,072	8,340	17,859	24,906	33,535	8,319	16,431	25,035	33,821	8,300	15,742	23,354	31,563
Gross income	AED Million	75,959	86,464	88,729	88,443	92,296	23,054	47,418	70,057	93,388	24,619	50,267	76,514	100,130	24,078	45,274	65,363	85,361
Liquid assets to total assets ⁴	%	12.6	13.2	14.6	13.5	15.2	14.6	14.2	13.5	14.7	14.3	14.8	14.7	15.2	14.6	14.0	14.3	15.4
Liquid assets	AED Million	256,983	294,974	351,237	341,203	397,962	385,304	376,517	372,309	407,526	399,557	422,653	430,568	452,925	442,860	432,405	448,349	474,136
Total assets	AED Million	2,046,553	2,233,310	2,405,777	2,534,627	2,614,062	2,632,085	2,660,835	2,749,959	2,778,146	2,802,703	2,861,273	2,921,857	2,983,609	3,023,446	3,082,975	3,140,980	3,071,354
Liquid assets to short-term liabilities	%	35.7	31.3	34.2	32.1	38.5	36.6	36.9	36.4	39.6	37.4	39.0	40.2	42.1	38.3	36.1	36.2	37.1
Liquid assets	AED Million	256,983	294,974	351,237	341,203	397,962	385,304	376,517	372,309	407,526	399,557	422,653	430,568	452,925	442,860	432,405	448,349	474,136
Short-term liabilities	AED Million	720,811	941,007	1,026,961	1,063,929	1,032,729	1,054,154	1,020,289	1,021,851	1,029,093	1,066,988	1,084,135	1,069,961	1,076,734	1,155,680	1,198,891	1,238,321	1,277,508
Net open position in foreign exchange to capital	%	11.7	9.4	20.7	9.4	14.5	20.1	21.2	15.6	8.7	7.3	10.3	17.6	(2.3)	(2.5)	27.3	27.1	24.8
Net open position in foreign exchange	AED Million	31,945	28,126	67,269	32,747	55,235	72,451	79,245	60,683	34,832	29,079	41,554	73,758	(10,213)	(10,165)	115,289	116,925	109,440
Capital	AED Million	272,176	299,144	324,816	348,212	381,730	360,688	374,625	389,553	398,187	395,897	404,976	419,382	435,677	411,450	422,600	430,774	441,934

* Financial Soundness Indicator data variables are calculated in compliance to FSI Compilation Guide issued by IMF

** Preliminary subject to revision

¹ Capital Adequacy Ratio and Tier 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 Guidelines² The Central Bank of the UAE enhanced its reporting of non-performing loans (NPL) for the UAE banking system in 2019 to align its methodology with international best practices, in consultation with the International Monetary Fund. Under its previous reporting methodology, the UAE banking sector's NPL ratio was overstated compared to other jurisdictions, due to the inclusion of interest in suspense³ Includes loans to Other Depository Corporations⁴ Liquid Assets Consist of Eligible Liquid Assets (Cash in Hand, Banks' Liquid Assets at the Central Bank and Eligible Bonds/Sukuks as prescribed by CBUAE regulation 33/2015) + Interbank Placements + Interbank Lending covered by repurchase agreements per the FSI Compilation Guide issued by IMF. Total Assets are net off Specific Provisions