

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

Core FSIs for Deposit Takers		2013Q4	2014Q4	2015Q4	2016Q4	2017Q4	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2**
Regulatory capital to risk-weighted assets¹	%	19.3	18.1	18.3	18.9	18.1	17.5	17.9	17.9	17.7	17.7	16.9	17.6	18.0	18.1	17.9	17.5
Total regulatory capital	AED Million	303,031	322,002	352,340	376,726	378,295	376,960	393,513	398,423	413,389	411,081	405,430	417,914	425,105	419,474	414,977	424,026
Risk-weighted assets	AED Million	1,573,049	1,777,774	1,925,291	1,992,606	2,090,390	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	2,321,231	2,421,713
Regulatory Tier 1 capital to risk-weighted assets¹	%	16.9	16.2	16.5	17.3	16.6	16.2	16.6	16.7	16.5	16.5	15.8	16.4	16.9	17.0	16.7	16.4
Regulatory Tier 1 capital	AED Million	266,365	288,534	318,551	343,730	346,725	348,843	365,397	371,048	385,119	383,212	377,141	389,825	397,378	392,512	388,080	396,114
Risk-weighted assets	AED Million	1,573,049	1,777,774	1,925,291	1,992,606	2,090,390	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	2,321,231	2,421,713
Nonperforming loans net of provisions to capital	%	9.6	7.2	5.2	5.1	6.1	7.2	7.4	8.4	9.1	10.2	11.5	13.3	13.6	14.0	13.7	13.1
Nonperforming loans net of provisions	AED Million	28,944	23,276	18,213	19,388	22,929	27,187	28,932	33,548	37,539	41,881	46,559	55,622	57,689	58,814	56,962	55,573
Capital	AED Million	303,031	322,002	352,340	376,726	378,295	376,960	393,513	398,423	413,389	411,081	405,430	417,914	425,105	419,474	414,977	424,026
Nonperforming loans to total gross loans	%	6.7	5.6	5.0	5.1	5.3	5.6	5.7	6.1	6.4	6.5	6.9	7.4	7.7	8.2	8.3	8.2
Nonperforming loans ²	AED Million	83,301	76,582	73,695	78,771	82,425	91,444	93,903	102,321	108,348	111,651	120,584	130,957	136,570	142,396	141,999	142,276
Total gross loans	AED Million	1,251,584	1,358,627	1,465,960	1,553,107	1,556,573	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	1,718,888	1,732,656
Sectoral Distribution of Loans to Total Loans																	
Sectoral Distribution of Loans																	
Residents	%	88.4	89.5	89.7	89.5	88.9	87.9	87.5	87.5	86.8	86.8	86.6	87.5	85.7	85.5	85.9	85.3
Loans to Residents	AED Million	1,258,322	1,289,610	1,392,125	1,468,741	1,466,939	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	1,600,478	1,603,534
Sectoral distribution of total loans :Deposit-takers	%	3.9	0.8	0.7	0.9	0.9	1.1	1.0	0.8	0.7	0.8	0.8	0.9	0.9	0.6	0.6	0.4
Loans to Deposit takers	AED Million	55,005	11,989	10,945	14,326	14,243	19,251	17,587	14,708	13,198	15,655	14,518	17,534	17,536	10,577	10,870	7,952
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	1.1	1.1	0.9	0.9	0.8	0.9	0.9	0.9	0.9	0.9	0.7
Loans to Other financial corporations	AED Million	69,650	19,383	24,717	19,037	18,593	19,951	19,915	16,890	17,092	15,338	15,883	16,963	16,719	16,657	16,164	13,537
Sectoral distribution of total loans :General government	%	10.2	10.6	10.7	10.5	10.6	11.0	11.1	11.3	12.1	13.9	12.3	13.4	13.4	13.4	13.6	13.1
Loans to General government	AED Million	145,446	153,071	166,586	172,366	175,428	191,498	197,144	201,616	219,474	257,383	229,086	252,387	255,481	252,088	252,527	245,689
Sectoral distribution of total loans :Nonfinancial corporations	%	49.7	55.9	55.3	55.8	55.8	55.2	55.4	55.7	54.7	53.3	54.9	55.0	53.3	53.2	53.2	53.2
Loans to Nonfinancial corporations	AED Million	708,136	805,406	859,148	915,845	921,146	960,565	978,817	991,926	995,401	987,483	1,019,760	1,032,766	1,012,810	1,000,031	989,969	999,842
Sectoral distribution of total loans :Other domestic sectors	%	19.7	20.8	21.3	21.1	20.5	19.4	18.9	18.7	18.3	17.9	17.8	17.3	17.2	17.5	17.8	17.9
Loans to Other domestic sectors	AED Million	280,084	299,760	330,729	347,166	337,530	337,423	333,496	332,171	333,619	332,405	330,225	324,712	326,658	329,477	330,949	336,514
Nonresidents	%	11.6	10.5	10.3	10.5	11.1	12.1	12.5	12.5	13.2	13.2	13.4	12.5	14.3	14.5	14.1	14.7
Loans to Nonresidents	AED Million	165,068	152,031	160,590	173,227	182,536	210,946	221,201	223,430	239,928	244,290	249,666	235,059	272,560	271,864	261,992	276,147
Total gross loans ³	AED Million	1,423,390	1,441,641	1,552,715	1,641,968	1,649,476	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	1,862,470	1,879,681
Return on assets	%	2.0	1.9	1.6	1.5	1.5	1.6	1.8	1.7	1.7	1.6	0.9	0.9	0.8	0.7	0.9	1.0
Net income	AED Million	32,918	40,981	37,813	35,618	38,594	41,908	49,455	47,239	49,389	45,846	27,059	25,839	24,615	20,687	27,002	30,963
Total assets	AED Million	1,634,224	2,156,120	2,329,186	2,454,462	2,569,899	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	3,074,808	3,087,188
Return on equity	%	11.4	14.5	12.2	10.7	10.8	11.0	12.9	12.0	12.3	11.2	6.5	6.2	5.8	4.8	6.3	7.2
Net income	AED Million	32,918	40,981	37,813	35,618	38,594	41,908	49,455	47,239	49,389	45,846	27,059	25,839	24,615	20,687	27,002	30,963
Capital	AED Million	289,488	281,976	309,773	331,912	357,536	380,957	383,790	392,648	401,599	410,824	413,476	418,817	423,977	428,487	426,153	429,708
Interest margin to gross income	%	70.2	68.2	69.6	68.9	66.5	71.5	69.4	66.1	64.3	67.9	68.0	67.3	67.6	68.5	65.5	64.5
Interest margin	AED Million	53,338	58,956	61,763	60,964	61,385	66,796	17,085	33,251	49,188	68,013	16,375	30,449	44,201	58,443	12,855	26,377
Gross income	AED Million	75,959	86,464	88,729	88,443	92,296	93,388	24,619	50,267	76,514	100,130	24,078	45,274	65,363	85,361	19,638	40,902
Noninterest expenses to gross income	%	37.8	36.4	38.0	38.0	39.1	35.9	33.8	32.7	32.7	33.8	34.5	34.8	35.7	37.0	38.7	37.4
Noninterest expenses	AED Million	28,678	31,432	33,675	33,571	36,072	33,535	8,319	16,431	25,035	33,821	8,300	15,742	23,354	31,563	7,594	15,289
Gross income	AED Million	75,959	86,464	88,729	88,443	92,296	93,388	24,619	50,267	76,514	100,130	24,078	45,274	65,363	85,361	19,638	40,902
Liquid assets to total assets⁴	%	12.6	13.2	14.6	13.5	15.2	14.7	14.3	14.8	14.7	15.2	14.6	14.0	14.3	15.4	15.9	15.4
Liquid assets	AED Million	256,983	294,974	351,237	341,203	397,962	407,526	399,557	422,653	430,568	452,925	442,860	432,405	448,349	474,136	486,584	476,181
Total assets	AED Million	2,046,553	2,233,310	2,405,777	2,534,627	2,614,062	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	3,055,285	3,085,346
Liquid assets to short-term liabilities	%	35.7	31.3	34.2	32.1	38.5	39.6	37.4	39.0	40.2	42.1	38.3	36.1	36.2	37.1	35.9	34.6
Liquid assets	AED Million	256,983	294,974	351,237	341,203	397,962	407,526	399,557	422,653	430,568	452,925	442,860	432,405	448,349	474,136	486,584	476,181
Short-term liabilities	AED Million	720,811	941,007	1,026,961	1,063,929	1,032,729	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	1,354,805	1,378,185
Net open position in foreign exchange to capital	%	11.7	9.4	20.7	9.4	14.5	8.7	7.3	10.3	17.6	(2.3)	(2.5)	27.3	27.1	24.8	24.6	27.4
Net open position in foreign exchange	AED Million	31,945	28,126	67,269	32,747	55,235	34,832	29,079	41,554	73,758	(10,213)	(10,165)	115,289	116,925	109,440	104,234	117,759
Capital	AED Million	272,176	299,144	324,816	348,212	381,730	398,187	395,897	404,976	419,382	435,677	411,450	422,600	430,774	441,934	424,008	429,223

* 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