



**Quarterly Monetary, Banking &  
Financial Markets Developments Report**

**2024 – 1<sup>st</sup> Quarter**

**May 2024**

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**1. Introduction**

The Central Bank of the UAE actively fosters a stable and efficient financial system by providing effective central banking services, as part of its commitment to promote economic and financial stability and growth in the UAE.

The *United Arab Emirates Monetary, Banking and Financial Markets Developments Report* is one of the several avenues through which the Central Bank seeks to keep its stakeholders informed.

This report discusses the monetary and banking activities as well as developments in the UAE financial markets during the first quarter of 2024. The report also reviews ratios of annual change over the period from March 2023 to March 2024.

## 2. Monetary Developments in the UAE

### Money Supply (M1)

Money Supply **M<sub>1</sub>**, which comprises Currency in Circulation outside Banks (Currency Issued - Cash at banks) combined with Monetary Deposits, increased by 5.9% (Q/Q) during the first quarter of 2024. On an annual basis, the monetary aggregate **M<sub>1</sub>** increased 15.6% (Y/Y), reaching AED 878.1 bn at the end of March 2024.

### Money Supply (M<sub>2</sub>)

Money Supply **M<sub>2</sub>**, which comprises **M<sub>1</sub>** combined with Quasi Monetary Deposits (Sum of Resident Time and Savings Deposits in Dirham and all the Resident Deposits in Foreign Currencies), increased by 5.5% (Q/Q) in the first quarter of 2024. On an annual basis, Money Supply **M<sub>2</sub>** increased 19.4% (Y/Y), reaching AED 2,134.8 bn at the end of March 2024.

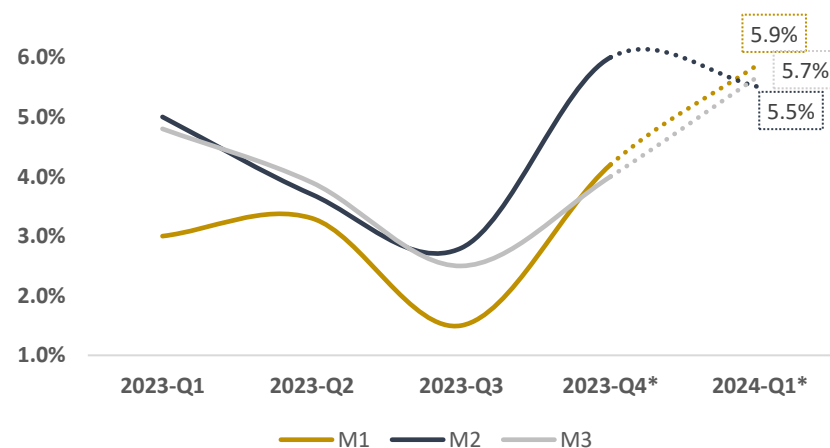
### Money Supply (M<sub>3</sub>)

Money Supply **M<sub>3</sub>**, which combines **M<sub>2</sub>** and government deposits at banks, as well as at the Central Bank increased 5.7% (Q/Q) in the first quarter of 2024. While the Money Supply **M<sub>3</sub>** increased 17.0% (Y/Y), reaching AED 2,583.7 bn at the end of March 2024.

	2023				2024
	Q1	Q2	Q3	Q4*	Q1*
<b>M<sub>1</sub></b>	<b>759.3</b>	<b>784.1</b>	<b>795.5</b>	<b>829.3</b>	<b>878.1</b>
Q/Q (%)	3.0%	3.3%	1.5%	4.2%	5.9%
Y/Y (%)	4.3%	8.0%	10.0%	12.4%	15.6%
<b>M<sub>2</sub></b>	<b>1,788.4</b>	<b>1,855.4</b>	<b>1,908.1</b>	<b>2,023.4</b>	<b>2,134.8</b>
Q/Q (%)	5.0%	3.7%	2.8%	6.0%	5.5%
Y/Y (%)	12.2%	14.4%	16.0%	18.8%	19.4%
<b>M<sub>3</sub></b>	<b>2,209.0</b>	<b>2,294.3</b>	<b>2,351.3</b>	<b>2,445.2</b>	<b>2,583.7</b>
Q/Q (%)	4.8%	3.9%	2.5%	4.0%	5.7%
Y/Y (%)	17.0%	18.0%	14.5%	16.0%	17.0%

\*Estimates, subject to revision

Chart 1: Quarterly Monetary Developments in the UAE (%)



### 3. Banking Sector Development

#### 3.1. Banks operating in the UAE

At the end of the first quarter of 2024, the number of locally incorporated banks (excluding investment banks) increased by one bank to reach 23 banks. The branches of the locally incorporated banks decreased five branches, reaching an aggregate of 484 branches at the end of March 2024. The number of electronic banking service units of banks remained constant at 46 units at the end of Q1 2024. Similarly, the number of Cash Offices remained constant at 21 Cash Offices at the end of March 2024.

The number of GCC banks continue to remain steady at the end of the first quarter of 2024 at six banks, plus one wholesale GCC Bank. The branches of these banks also remain constant at six branches at the end of March 2024. The number of other foreign banks stood at 21 banks with 66 branches, while the number of electronic banking service units of the banks persisted at 21 units at the end of Q1 2024. The number of cash offices of banks remained consistent at one cash office during the first quarter of 2024.

The number of financial institutions licensed by the Central Bank, i.e., Wholesale Banks, Representative Offices, Finance Companies and Money Changers reached 11, 72, 17 and 77, correspondingly, at the end of Q1 2024. The aggregate number of ATMs of banks operating in the UAE increased by 15, reaching 4,669 ATMs at the end of Q1 2024.

**Table 2: Banks, Other Financial Institutions & ATMs (2022-2024)**

	2022	2023				2024
	Q4	Q1	Q2	Q3	Q4*	Q1*
<b>Locally Incorporated Banks<sup>(1)</sup></b>						
<i>Main Branches</i>	22	22	22	22	22	23
<i>Additional Branches</i>	498	494	493	492	489	484
<i>Electronic Banking Service Units</i>	45	47	47	47	46	46
<i>Cash Offices</i>	21	21	21	21	21	21
<b>GCC Banks<sup>(2)</sup></b>						
<i>Main Branches</i>	6	6	6	6	6	6
<i>Additional Branches</i>	6	6	6	6	6	6
<b>Other Foreign Banks</b>						
<i>Main Branches</i>	22	22	22	22	22	21
<i>Additional Branches</i>	67	66	66	66	66	66
<i>Electronic Banking Service Units</i>	21	21	21	21	21	21
<i>Cash Offices</i>	1	1	1	1	1	1
<b>Wholesale Banks</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
<i>of which GCC Banks</i>	1	1	1	1	1	1
<b>Representative Offices</b>	<b>72</b>	<b>72</b>	<b>71</b>	<b>71</b>	<b>71</b>	<b>72</b>
<b>Finance Companies</b>	<b>16</b>	<b>16</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>
<b>Moneychangers</b>	<b>86</b>	<b>84</b>	<b>77</b>	<b>81</b>	<b>74</b>	<b>77</b>
<b>ATMs</b>	<b>4,426</b>	<b>4,425</b>	<b>4,458</b>	<b>4,534</b>	<b>4,654</b>	<b>4,669</b>

Source: Banking Supervision Department and UAESWITCH

\*Estimates, subject to revision

<sup>(1)</sup> Excluding investment banks

<sup>(2)</sup> Excluding wholesale banks

UAE MONETARY, BANKING & FINANCIAL MARKETS DEVELOPMENTS – 2024 Q1

**3.2. Aggregate Bank Assets and Loans**

The overall total assets of banks operating in the UAE increased by 4.4% (Q/Q) in the first quarter of 2024, reaching AED 4,254.5 bn. During the period between March 2023 and March 2024, the aggregate assets of banks operating in the UAE increased by 13.0% (Y/Y). Gross credit increased 2.8% (Q/Q); reaching AED 2,047.0 bn at the end of March 2024, while recording an annual increase of 8.0% (Y/Y).

**3.3. Customer Deposits**

Total deposits of resident and non-resident customers with banks operating in the UAE increased by 5.4% (Q/Q) and 15.2% (Y/Y), reaching AED 2,657.1 bn in Q1 2024. Resident deposits increased by 5.0% (Q/Q), reaching AED 2,436.2 bn, and non-resident deposits increased by 9.6% (Q/Q), reaching AED 220.9 bn by the end of March 2024. While on a year-on-year basis, resident deposits increased 16.4%, whereas, the non-resident deposits increased 3.5%.

Table 3: Resident and Non-resident Deposits (AED Bn)					
	2023 Q1	2023 Q4*	2024 Q1*	Q/Q(%)	Y/Y(%)
<b>Resident Deposits</b>	2,092.6	2,320.4	<b>2,436.2</b>	<b>5.0%</b>	<b>16.4%</b>
<b>Non-Resident Deposits</b>	213.4	201.5	<b>220.9</b>	<b>9.6%</b>	<b>3.5%</b>

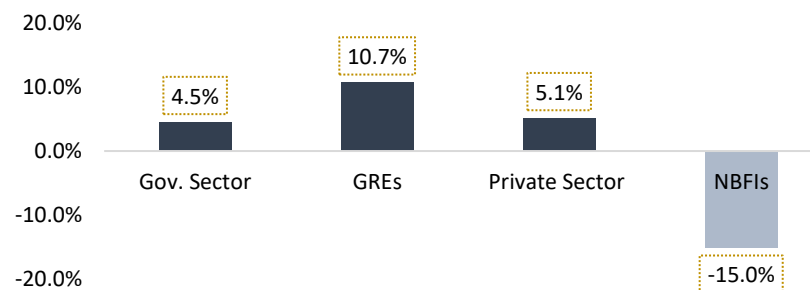
\*Estimates, subject to revision

**3.4. Capital and Reserves**

Capital adequacy ratios measure the amount of a bank’s capital expressed as a percentage of its risk weighted exposures. A high capital adequacy ratio provides protection to depositors and promotes the stability and efficiency of the financial system of an economy. Effective December 2017, banks in the UAE follow Basel III principles for calculating the Capital Adequacy Ratios in line with the Regulation and Standards issued by the Central Bank.

The aggregate capital and reserves of banks operating in the UAE decreased by 2.5% (Q/Q), reaching AED 476.6 bn at the end of Q1 2024. The Capital adequacy ratio reached 18.0%, remaining well above the minimum requirement of 13%, including the 2.5% Capital Conservation Buffer requirement and the 8.5% Tier1 Ratio, as prescribed by the Central Bank regulations in compliance with the Basel III guidelines.

**Chart 2: Breakdown of Resident Deposits (%)**



## UAE MONETARY, BANKING &amp; FINANCIAL MARKETS DEVELOPMENTS – 2024 Q1

Table 4: UAE Banking Indicators (AED Bn)

	2023							2024		
	Q1	Q/Q (%)	Q2	Q/Q (%)	Q3	Q/Q (%)	Q4*	Q1*	Q/Q (%)	Y/Y (%)
<b>Total Assets</b>	<b>3,764.7</b>	<b>2.6%</b>	<b>3,873.1</b>	<b>2.9%</b>	<b>3,951.9</b>	<b>2.0%</b>	<b>4,075.2</b>	<b>4,254.5</b>	<b>4.4%</b>	<b>13.0%</b>
Banks' Investments in Monetary Bills & Islamic Certificates of Deposit	196.0	19.0%	205.7	4.9%	200.6	-2.5%	213.6	264.1	23.6%	34.7%
<i>Of which: Shariah Compliant Certificates of Deposit</i>	55.4	5.5%	49.2	-11.2%	48.6	-1.2%	44.9	53.1	18.3%	-4.2%
Gross Credit <sup>(1)</sup>	1,895.8	0.9%	1,944.8	2.6%	1,981.6	1.9%	1,991.7	2,047.0	2.8%	8.0%
Personal Loans to Residents	384.1	2.5%	395.8	3.0%	408.1	3.1%	418.0	430.6	3.0%	12.1%
Total Deposits <sup>(2)</sup>	2,306.0	3.8%	2,382.1	3.3%	2,420.9	1.6%	2,521.9	2,657.1	5.4%	15.2%
Capital & Reserves <sup>(3)</sup>	430.7	0.5%	447.8	4.0%	464.6	3.8%	488.7	476.6	-2.5%	10.7%
Capital Adequacy Ratio <sup>(4)</sup>	17.8%	2.3%	18.2%	2.2%	18.5%	1.6%	17.9%	18.0%	0.2%	1.0%
Tier-1 Ratio	16.6%	2.5%	17.0%	2.4%	17.4%	2.4%	16.6%	16.7%	0.4%	0.4%
Common Equity Tier 1(CET 1 ) Capital Ratio	14.8%	2.8%	15.3%	3.4%	15.6%	2.0%	14.9%	15.0%	0.7%	1.0%

<sup>(1)</sup> Includes credit to residents and non-residents: loans to non-banking financial institutions, Trade Bills Discounted and Loans and Advances to the Government and Public Sector, Private sector (corporates and individuals) in local and foreign currencies.

<sup>(2)</sup> Net of inter-bank deposits and bank drafts, including commercial prepayments.

<sup>(3)</sup> Excluding subordinated borrowings/deposits, but including current year profit.

<sup>(4)</sup> Total Capital Ratio, Tier 1 Ratio and CET 1 Ratio for the period starting from Dec 2017 are calculated according to the Basel III Guidelines issued by CBUAE vide Circular 52/2017. Whereas CAR for period prior to Dec 2017 are according to Basel II Guidelines.

\*Estimates, subject to revision

## UAE MONETARY, BANKING &amp; FINANCIAL MARKETS DEVELOPMENTS – 2024 Q1

**3.5. Foreign Assets of the Central Bank**

The Central Bank's foreign assets increased by 7.4% (Q/Q), reaching AED 731.6 bn in Q1 2024. The increase was driven by the quarterly expansions in current account balances & deposits with banks abroad by 10.3% (a quarterly increase of AED 45.9 bn) and in other foreign assets by 11.7% (a quarterly increase of AED 5.9 bn), overriding the decline in foreign investments by 0.7% (a quarterly decrease of AED 1.3 bn). On a year-on-year basis, the central bank foreign assets increased by 36.1% at the end of March 2024.

**4. Abu Dhabi and Dubai Financial Markets Values****4.1. Abu Dhabi Financial Market**

Abu Dhabi's quarterly average Financial Market Index decreased 1.7% (Q/Q) during the first quarter of 2024. The quarterly average

market capitalization of companies listed at the Abu Dhabi Securities Exchange (ADX) decreased AED 18.1 bn reaching AED 2,865.0 bn at the end of March 2024. Meanwhile, the quarterly traded value increased by 1.8% (Q/Q) during Q1 2024, reaching AED 67.0 bn. On an annual basis, the Abu Dhabi Financial Market Index decreased by 4.1%.

**4.2. Dubai Financial Market**

Dubai's quarterly average Financial Market Index increased 6.7% (Q/Q) during Q1 2024. The quarterly average market capitalization of companies listed on Dubai Financial Market (DFM) increased by AED 51.2 bn, reaching AED 723.1 bn during the first quarter of 2024. The quarterly traded value increased by 10.5% (Q/Q) reaching AED 24.3 bn at the end of March 2024. On an annual basis, the Dubai Financial Market Index increased by 18.1%.

Table 5: Abu Dhabi Financial Market (ADX) Indicators (AED Bn)

	2022				2023				2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1*
<b>Number of listed Companies</b>	83	86	86	89	91	93	93	96	96
<b>General Share Price Index**</b>	9,324.1	9,968.4	9,762.9	10,391.9	9,695.5	9,582.0	9,794.2	9,493.8	9,330.4
<i>Quarterly Variation (%)</i>	12.3%	6.9%	-2.1%	6.4%	-6.7%	-1.2%	2.2%	-3.1%	-1.7%
<i>Annual Variation Y/Y (%) ***</i>	64.3%	63.2%	51.5%	40.5%	25.7%	12.2%	5.6%	-2.2%	-4.1%
<b>Market Capitalization (Bn AED)**</b>	1,753.6	1,963.4	2,104.1	2,574.1	2,591.6	2,754.4	2,841.7	2,883.1	2,865.0
<b>Quarterly Traded Values (Bn AED)</b>	100.9	98.8	88.0	92.6	85.4	64.0	70.9	65.8	67.0

*Source: Abu Dhabi Securities Exchange (ADX)*

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Table 6: Dubai Financial Market (DFM) Indicators (AED Bn)									
	2022				2023				2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1*
<b>Number of listed Companies*</b>	62	63	65	67	67	62	62	62	63
<b>General Share Price Index**</b>	3,361.4	3,430.1	3,373.4	3,330.6	3,382.6	3,637.8	4,101.9	3,976.4	4,241.4
<i>Quarterly Variation (%)</i>	10.4%	2.0%	-1.7%	-1.3%	1.6%	7.5%	12.8%	-3.1%	6.7%
<i>Annual Variation Y/Y (%) ***</i>	30.9%	27.8%	26.0%	20.9%	13.2%	8.7%	9.4%	11.9%	18.1%
<b>Market Capitalization (Bn AED)**</b>	421.6	554.2	566.9	577.6	589.0	630.9	689.6	671.9	723.1
<b>Quarterly Traded Values (Bn AED)</b>	22.8	26.6	19.8	20.4	19.0	26.5	30.9	22.0	24.3

*Source: Dubai Financial Markets (DFM)*

\* Includes foreign companies

\*\* The Quarterly Share Price Index and the Quarterly Market Capitalization are measured as the quarterly average of monthly observations.

\*\*\* The annual variation of the Share Price Indices are measured as the yearly averages of monthly observations.