



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

2024 – 3rd Quarter

November 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 keeps its stakeholders informed.

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

2. Monetary Developments in the UAE

Money Supply (M1)

Money Supply **M₁**, which comprises Currency in Circulation outside Banks (Currency Issued - Cash at banks) combined with Monetary Deposits, increased by 1.4% (Q/Q) during the third quarter of 2024. On an annual basis, the monetary aggregate **M₁** increased by 12.7% (Y/Y), reaching AED 896.3 bn. at the end of September 2024.

Money Supply (M₂)

Money Supply **M₂**, which comprises **M₁** combined with Quasi Monetary Deposits (Sum of Resident Time and Savings Deposits in AE Dirham and all the Resident Deposits in Foreign Currencies), increased by 3.7% (Q/Q) during the third quarter of 2024. On an annual basis, Money Supply **M₂** increased by 17.9% (Y/Y), reaching AED 2,249.6 bn. at the end of September 2024.

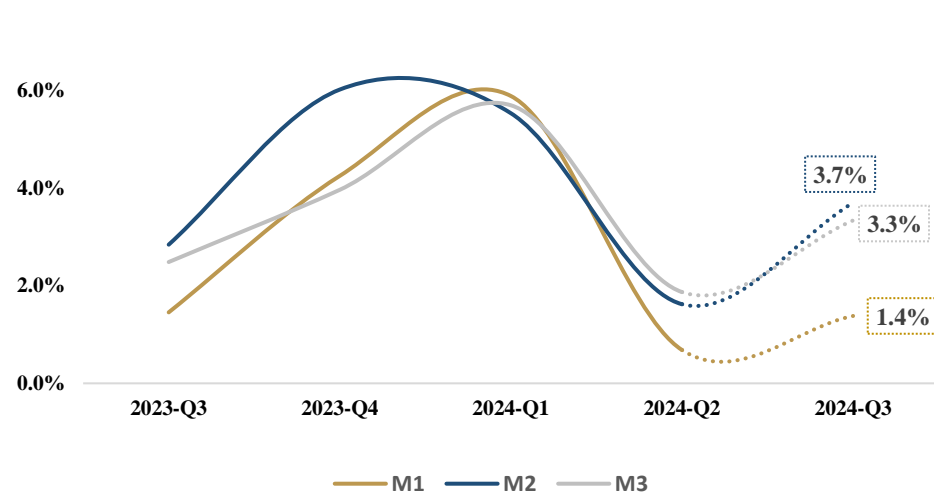
Money Supply (M₃)

Money Supply **M₃**, which comprises **M₂** and government deposits at banks and at the Central Bank, increased by 3.3% (Q/Q) in the third quarter of 2024. Accordingly, Money Supply **M₃** also increased by 15.7% (Y/Y), reaching AED 2,719.8 bn. at the end of September 2024.

	2023			2024		
	Q2	Q3	Q4	Q1	Q2	Q3*
M₁	784.1	795.5	829.3	878.1	884.1	896.3
Q/Q (%)	3.3%	1.5%	4.2%	5.9%	0.7%	1.4%
Y/Y (%)	8.0%	10.0%	12.4%	15.6%	12.8%	12.7%
M₂	1,855.4	1,908.1	2,022.9	2,134.8	2,169.4	2,249.6
Q/Q (%)	3.7%	2.8%	6.0%	5.5%	1.6%	3.7%
Y/Y (%)	14.4%	16.0%	18.7%	19.4%	16.9%	17.9%
M₃	2,294.3	2,351.3	2,444.5	2,583.7	2,632.0	2,719.8
Q/Q (%)	3.9%	2.5%	4.0%	5.7%	1.9%	3.3%
Y/Y (%)	18.0%	14.5%	16.0%	17.0%	14.7%	15.7%

*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 third quarter of 2024, the number of locally incorporated banks (excluding investment banks) remained constant at 23 banks. The branches of these locally incorporated banks decreased to 481 branches at the end of September 2024. The number of electronic banking service units of banks and cash offices remained constant at 46 units and 21 cash offices, respectively, at the end of Q3 2024.

The number of GCC banks continue to remain steady at the end of the third quarter of 2024 at six banks, plus one wholesale GCC bank. The branches of these banks also remained constant at six branches at the end of September 2024. The number of other foreign banks stood at 21 banks with 73 branches, while the number of electronic banking service units of the banks persisted at 21 units at the end of Q3 2024. The number of cash offices of banks remained consistent at one cash office during the third quarter of 2024.

The number of financial institutions licensed by the Central Bank reached 174 institutions, consisting of: 11 Wholesale Banks, 70 Representative Offices, 17 Finance Companies and 76 Money Changers stood at the end of Q3 2024. The number of ATMs of banks operating in the UAE increased by 10, reaching 4,672 ATMs at the end of Q3 2024.

Table 2: Banks, Other Financial Institutions & ATMs (2023-2024)

	2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3*
Locally Incorporated Banks⁽¹⁾							
<i>Main Branches</i>	22	22	22	22	23	23	23
<i>Additional Branches</i>	494	493	492	489	484	482	481
<i>Electronic Banking Service Units</i>	47	47	47	46	46	46	46
<i>Cash Offices</i>	21	21	21	21	21	21	21
GCC Banks⁽²⁾							
<i>Main Branches</i>	6	6	6	6	6	6	6
<i>Additional Branches</i>	6	6	6	6	6	6	6
Other Foreign Banks							
<i>Main Branches</i>	22	22	22	22	21	21	21
<i>Additional Branches</i>	66	66	66	66	66	72	73
<i>Electronic Banking Service Units</i>	21	21	21	21	21	21	21
<i>Cash Offices</i>	1	1	1	1	1	1	1
Wholesale Banks	11	11	11	11	11	11	11
<i>of which GCC Banks</i>	1	1	1	1	1	1	1
Representative Offices	72	71	71	71	72	70	69
Finance Companies	16	17	17	17	17	17	18
Moneychangers	84	77	81	74	77	76	75
ATMs	4,425	4,458	4,534	4,654	4,669	4,659	4,672

Source: CBUAE

*Estimates, subject to revision

⁽¹⁾ Excluding investment banks

⁽²⁾ Excluding wholesale banks

3.2. Aggregate Bank Assets and Loans

The overall total assets of banks operating in the UAE increased by 2.1% (Q/Q) in the third quarter of 2024, reaching AED 4,401.7 bn. During the period between September 2023 and September 2024, the aggregate assets of banks operating in the UAE increased by 11.4% (Y/Y). Gross credit increased by 2.9% (Q/Q); reaching AED 2,161.9 bn. at the end of September 2024, while recording an annual increase of 9.1% (Y/Y).

3.3. Customer Deposits

Total deposits of resident and non-resident customers with banks operating in the UAE increased by 2.6% (Q/Q) and 14.1% (Y/Y), reaching AED 2,761.4 bn. in Q3 2024. Resident deposits increased by 3.1% (Q/Q), reaching AED 2,547.9 bn., whereas, non-resident deposits decreased by 3.7% (Q/Q), reaching AED 213.5 bn. by the end of September 2024. While on a year-on-year basis, resident deposits increased by 14.2% and the non-resident deposits increased by 12.3%.

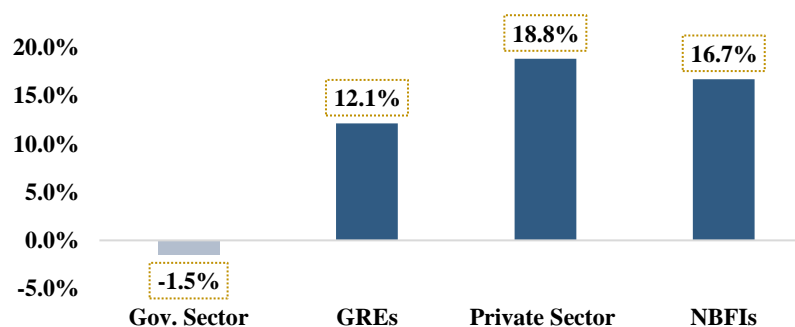
	2023 Q3	2024 Q2	2024 Q3*	Q/Q(%)	Y/Y(%)
Total Deposits	2,420.9	2,692.5	2,761.4	2.6%	14.1%
<i>Resident Deposits</i>	2,230.8	2,470.7	2,547.9	3.1%	14.2%
<i>Non-Resident Deposits</i>	190.1	221.8	213.5	-3.7%	12.3%

*Estimates, subject to revision

3.4. Capital and Reserves

The aggregate capital and reserves of banks operating in the UAE increased by 4.9% (Q/Q), reaching AED 519.5 bn. at the end of Q3 2024. The Capital adequacy ratio stood at 18.6%, remaining well above the minimum requirement of 13.0%, including the 2.5% Capital Conservation Buffer and the 8.5% Tier1 Ratio requirements, in compliance with the Basel III guidelines.

Chart 2: Breakdown of Resident Deposits (%)



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Table 4: UAE Banking Indicators (AED Bn.)											
	2023				2024						
	Q3	Q/Q (%)	Q4	Q/Q (%)	Q1	Q/Q (%)	Q2	Q/Q (%)	Q3*	Q/Q (%)	Y/Y (%)
Total Assets	3,951.9	2.0%	4,071.1	2.0%	4,254.5	4.5%	4,310.2	1.3%	4,401.7	2.1%	11.4%
Banks' Investments in Monetary Bills & Islamic Certificates of Deposit	200.6	-2.5%	213.6	-2.5%	264.1	23.6%	226.9	-14.1%	240.9	6.2%	20.1%
<i>Of which: Shariah Compliant Certificates of Deposit</i>	48.6	-1.2%	44.9	-1.2%	53.1	18.3%	43.9	-17.3%	44.5	1.4%	-8.4%
Gross Credit ⁽¹⁾	1,981.6	1.9%	1,991.3	1.9%	2,047.0	2.8%	2,100.9	2.6%	2,161.9	2.9%	9.1%
Personal Loans to Residents	408.1	3.1%	417.8	3.1%	430.6	3.1%	450.7	4.7%	473.3	5.0%	16.0%
Total Deposits ⁽²⁾	2,420.9	1.6%	2,521.9	1.6%	2,657.1	5.4%	2,692.5	1.3%	2,761.4	2.6%	14.1%
Capital & Reserves ⁽³⁾	464.6	3.8%	489.3	3.8%	476.6	-2.6%	495.2	3.9%	519.5	4.9%	11.8%
Capital Adequacy Ratio ⁽⁴⁾	18.5%	1.6%	17.9%	1.6%	18.0%	0.3%	18.3%	1.7%	18.6%	1.6%	0.5%
Tier-1 Ratio	17.4%	2.4%	16.6%	2.4%	16.7%	0.5%	17.0%	1.8%	17.2%	1.2%	-1.1%
Common Equity Tier 1 (CET 1) Capital Ratio	15.6%	2.0%	14.9%	2.0%	15.0%	0.8%	15.3%	2.0%	15.5%	1.3%	-0.6%

⁽¹⁾ 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.

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

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

⁽⁴⁾ 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

3.5. Foreign Assets of the Central Bank

The Central Bank's foreign assets increased by 6.2% (Q/Q), reaching AED 818.5 bn. in Q3 2024. The increase was driven by the quarterly expansions in current account balances & deposits with banks abroad by 66.9% Q/Q (a quarterly increase of AED 48.8 bn.) and in foreign investments by 9.4% Q/Q (a quarterly increase of AED 5.4 bn.), overriding the decline in other foreign assets by 11.2% Q-o-Q (a quarterly decrease of AED 6.4 bn.). On a year-on-

year basis, the central bank foreign assets increased by 40.2% at the end of September 2024.

4. Abu Dhabi and Dubai Financial Markets Values

4.1. Abu Dhabi Financial Market - Abu Dhabi's quarterly average Financial Market Index increased by 3.9% (Q/Q) during Q3 2024. The quarterly average market capitalization of companies listed at the Abu Dhabi Securities Exchange (ADX) increased by AED 105.6 bn. reaching AED 2,859.7 bn. at the end of September 2024. Meanwhile, the quarterly traded value also increased by 28.6%

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(Q/Q) during Q3 2024, settling at AED 77.4 bn. On an annual basis, the Abu Dhabi Financial Market Index decreased by 5.8%.

4.2. Dubai Financial Market - Dubai's quarterly average Financial Market Index grew by 7.7% (Q/Q) during Q3 2024. The quarterly average market capitalization of companies listed on Dubai

Financial Market (DFM) increased by AED 46.8 bn., reaching AED 732.9 bn. during the third quarter of 2024. The quarterly traded value also increased by 12.5% (Q/Q) reaching AED 24.3 bn. at the end of September 2024. On an annual basis, the Dubai Financial Market Index increased by 15.1%.

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

	2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3*
Number of listed Companies	91	93	93	96	96	98	99
General Share Price Index**	9,695.5	9,582.0	9,794.2	9,493.8	9,330.4	8,996.9	9,349.8
<i>Quarterly Variation (%)</i>	-6.7%	-1.2%	2.2%	-3.1%	-1.7%	-3.6%	3.9%
<i>Annual Variation Y/Y (%)***</i>	25.7%	12.2%	5.6%	-2.2%	-4.1%	-4.6%	-5.8%
Market Capitalization (Bn. AED)**	2,591.6	2,754.4	2,841.7	2,883.1	2,865.0	2,754.1	2,859.7
Quarterly Traded Values (Bn. AED)	85.4	64	70.9	65.8	67.0	60.2	77.4

Source: Abu Dhabi Securities Exchange (ADX)

** 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.

Table 6: Dubai Financial Market (DFM) Indicators (AED Bn.)

	2023				2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3*
Number of listed Companies*	67	62	62	62	63	64	64
General Share Price Index**	3,382.6	3,637.8	4,101.9	3,976.4	4,241.4	4,054.6	4,365.7
<i>Quarterly Variation (%)</i>	1.6%	7.5%	12.8%	-3.1%	6.7%	-4.4%	7.7%
<i>Annual Variation Y/Y (%)***</i>	13.2%	8.7%	9.4%	11.9%	18.1%	19.3%	15.1%
Market Capitalization (Bn. AED)**	589.0	630.9	689.6	671.9	723.1	686.1	732.9
Quarterly Traded Values (Bn. AED)	19	26.5	30.9	22	24.3	21.6	24.3

Source: Dubai Financial Markets (DFM)

* Includes foreign companies