



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

CENTRAL BANK OF THE UAE ANNUAL REPORT 2024





**H.H. SHEIKH MOHAMED
BIN ZAYED AL NAHYAN**
PRESIDENT OF THE UNITED ARAB EMIRATES

LEADING FEDERAL ENTITY AWARD 2024



In a significant milestone for its success journey, and as a further incentive for its dedication in achieving leadership, embedding excellence as a core value and practice across its operations and activities, and becoming one of the top central banks globally, the Central Bank of the UAE (CBUAE) won the Leading Federal Entity Award in the category of entities with over 500 employees at the Mohammed bin Rashid Government Excellence Award 2024. As the UAE's highest award for institutional achievement, this award is granted to the federal entity that demonstrates the strongest performance across all criteria of the government excellence framework. It aims to enhance the role of government institutions in serving all segments of society, raise awareness of the principles and importance of excellence, and develop the necessary capabilities to drive excellence across all federal government institutions.

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THE CBUAE'S BOARD OF DIRECTORS



**H.H. SHEIKH MANSOUR
BIN ZAYED AL NAHYAN**
CHAIRMAN



**H.E. ABDULRAHMAN
AL SALEH**
VICE CHAIRMAN



**H.E. JASSEM
MOHAMMAD BU
ATABAH AL ZAABI**
VICE CHAIRMAN



**H.E. KHALED
MOHAMED BALAMA**
GOVERNOR



**H.E. YOUNIS HAJI
AL KHOORI**
MEMBER



**H.E. SAMI DHAEN
AL QAMZI**
MEMBER



**H.E. ALI MOHAMMED
BAKHEET AL RUMAITHI**
MEMBER



MESSAGE FROM H.H. SHEIKH MANSOUR BIN ZAYED AL NAHYAN

VICE PRESIDENT
DEPUTY PRIME MINISTER AND CHAIRMAN OF THE PRESIDENTIAL COURT
CHAIRMAN OF THE BOARD OF DIRECTORS

In 2024, the United Arab Emirates progressed further on its comprehensive and sustainable development pathway, underpinned by the strategic vision of our wise leadership, aiming to solidify the UAE's global standing in all sectors, reinforcing the country's position as a pivotal nation in the world economy and an active partner in shaping a sustainable future. The year 2024 was marked by unprecedented economic and financial achievements in support of this strategy, contributing to the resilience of the national economy and enhancing its ability to adapt to international developments.

The 2024 Annual Report from the Central Bank of the UAE (CBUAE) highlights the key achievements made during the year. It underscores the CBUAE's vital role in supporting economic growth, safeguarding financial stability, strengthening monetary and regulatory frameworks, and contributing to the advancement of the financial, banking, and insurance sectors through innovative policies and advanced digital services, aligning with global trends and future needs.

The UAE's economic performance in 2024 showed notable growth, estimated at 3.9%, driven by non-oil sectors. The banking sector's total assets reached a record AED 4.56 trillion, positioning the UAE as the Middle East's leader in this area. The UAE further strengthened its financial system's resilience through improved capital levels, asset quality, and banks' adaptability to global economic uncertainty. In line with the UAE's Net Zero 2050 strategy, the CBUAE directed financial institutions to adopt green economy policies and develop innovative systems to enhance resilience to environmental risks, contributing to a sustainable economy.

In conclusion, we affirm our continued commitment to advancing economic and financial development and progressing toward a more prosperous and sustainable future, guided by the vision of our wise leadership and the aspirations of our people.



MESSAGE FROM
H.E. KHALED MOHAMED BALAMA
 GOVERNOR

In 2024, the CBUAE continued its journey of excellence and leadership, in line with the aspirations and visions of the wise leadership and under the guidance of His Highness Sheikh Mansour bin Zayed Al Nahyan, Vice President, Deputy Prime Minister, Chairman of the Presidential Court, and Chairman of the Board of the CBUAE. This was reflected in the achievement of exceptional milestones that strengthen our efforts in financial and monetary stability, and support the development of a sustainable future for the nation.

This journey culminated in receiving prestigious awards at the local, regional, and international levels, most notably the Leading Federal Entity Award at the 2024 Mohammed bin Rashid Government Excellence Awards. This reflects our steadfast commitment to establishing a working ecosystem that keeps pace with the demands of the digital era, and our constant dedication to continuous development and innovation to achieve our vision of being among the top central banks globally.

The UAE banking system demonstrated strong credit growth, increased capital and liquidity levels, and improved asset quality, thereby enhancing the sector's resilience despite global economic uncertainty. The CBUAE also strengthened capital buffers in the banking sector as a proactive step to address cyclical fluctuations by increasing capital reserves, which contributes to longer-term financial stability and builds a strong and resilient banking system to support economic growth and keep pace with global economic variables.

A key development in monetary policy, the CBUAE introduced the Monetary Bills Buy-Back programme and launch a debt market platform. These contributed to the improvement of the UAE's ranking in the International Monetary Fund index, moving up from 13th to 11th rank, within a select group of 25 countries from the G20, BRICS, and GCC.

Among the significant achievements in 2024 was the CBUAE's issuance of legislations and regulations to enhance regulatory and supervisory framework, aligning with best practices and international standards. Furthermore, the CBUAE developed guidance to ensure compliance, improve the governance of licensed financial institutions, and efficiently manage risks. It also conducted inspections and implemented administrative and financial penalties.

As part of our financial infrastructure transformation programme, in 2024 the CBUAE continued to focus on those financial technology and innovation initiatives that will add significant value to the UAE's digital economy. These include delivering the financial infrastructure for Jaywan, the UAE's domestic card scheme, both locally and globally, through partnerships between Al Etihad Payments, a subsidiary of the CBUAE, and international payment networks.

We are proud to work on the launch of the "Open Finance Platform", which will be the first platform of its kind globally and distinguished by unique features that take into account the interests of consumers and ensure enhanced customer experiences.

We also continue to develop our "Supervisory Technology Platform", which aims to enhance the efficiency and effectiveness of supervisory operations by automating certain activities and providing access to more insightful regulatory data.

Emiratisation across the finance sector remains a strategic priority for the CBUAE, in line with the vision and directives of the wise leadership that aim to empower national talent. In a remarkable achievement, the Emiratisation rate in the financial sector exceeded targets for 2024 by approximately 153%. This reflects the exceptional efforts undertaken to train our Emirati talent according to the highest international standards, ensuring they become qualified professionals to lead the future progress of this vital sector.

Aligned with our strategy on international cooperation, the CBUAE signed numerous agreements and memoranda of understanding with local and international entities in 2024, in addition to participating in "Comprehensive Economic Partnership" and "Free Trade" agreements concluded by the country with global partners.

Finally, in line with the vision and directives of the wise leadership on the future of government services and its transformation into a global model, the CBUAE worked to achieve the objectives of the nation-wide "Zero Government Bureaucracy" programme through improving the quality of services in the financial sector.

In conclusion, I extend my sincerest thanks and gratitude to the country's wise leadership, and to His Highness Sheikh Mansour bin Zayed Al Nahyan, for their unlimited support and insightful guidance in formulating strategies and promoting innovation within the CBUAE. We, at the Central Bank of the UAE, affirm our continued commitment to supporting the stability of the UAE's financial and monetary systems, and working with diligence and determination to achieve our strategic goals thereby enhancing the country's global leadership.

I would also like to thank the Board of Directors for their continued support and active contributions in these distinctive achievements. I also extend my gratitude to all CBUAE dedicated staff members for their exceptional efforts and commitment in performing their duties, striving for excellence and ensuring continued success.

4. SUSTAINABILITY IS THE FUTURE OF FINANCE

In line with the extension of the Year of Sustainability into 2024, the CBUAE progressed significant initiatives in this critical area, including those adopted during COP28.

In 2024, the CBUAE started its 51st year of operations with a continued focus on delivering transformational strategy in the way it operates, with significant advancements across its core functional areas and in the digitalisation and innovation of financial services. At the heart of this new strategy is the understanding that all future finance must be sustainable. Simultaneously, the role of technology is pivotal in achieving sustainable development objectives, given the potential of sustainable finance to leverage digitalisation and innovation, to enhance global transformation towards sustainability.

The leadership shown by CBUAE in advancing sustainable finance at COP28 reflects its strong beliefs and progressive stance in driving climate action. This was exemplified by the CBUAE's efforts in overseeing the mobilisation of AED 1 trillion in sustainable finance by 2030 and the COP28 TechSprint, a global endeavour to promote technology innovation which will deliver sustainable finance.

Reflecting our vision to be among the top central banks globally in promoting monetary and financial stability, with Sustainability integral among five key CBUAE strategic pillars, 2024 saw the CBUAE win Leading Federal Entity Award (500+ employees' category) at the Mohammed bin Rashid Government Excellence Award.

The award, which reflected our vision of supporting the UAE's competitiveness, and also recognised CBUAE's continued role in supporting the financial and economic resilience of the nation as we progress into 2025 and beyond.

- **1973** Establishment of the "Currency Board" and introduction of the Dirham
- **1978** Establishment of the Banking Supervision Department
- **1980** Establishment of the CBUAE as a public institution via Union Law (10)
- **1982** Formation of the Risk Bureau
- **1991** Appointment of H.E. Sultan bin Nasser Al Suwaidi as Governor
- **2000** Formation of the National Anti-Money Laundering Committee
- **2009** Formation of Financial Stability Unit
- **2012** Formation of Regulatory Development Division
- **2014** Appointment of H.E. Mubarak Rashed Al Mansoori as Governor
- **2018** Issuance of Decretal Federal Law No. (14) regarding the CBUAE and Organisation of Financial Institutions and Activities, which established Regulations and Standards for the protection of Consumers of LFIs
- **2020**
 - Launch of the Dirham Monetary Framework
 - Appointment of H.E. Abdulhamid M. Saeed Alahmadi as Governor
- **2021**
 - Appointment of H.H. Sheikh Mansour bin Zayed Al Nahyan as Chairman of the Board of Directors
 - Appointment of H.E. Khaled Mohamed Balama as Governor
 - Integration of the UAE Insurance Authority into the CBUAE
 - Issuance of the CBUAE's first polymer banknote
- **2023**
 - Launch of the FIT Programme to accelerate the digital transformation of the financial services sector and the CBUAE
 - CBUAE leads on sustainable finance initiatives at the COP28, including the COP28 TechSprint to promote technology innovation and the mobilisation of AED 1 trillion in sustainable finance
 - CBUAE Launched AIEtiHAD Payments, a subsidiary of the CBUAE
 - AED 1000 wins Banknote of the year
- **2024**
 - His Highness Sheikh Mohamed Bin Zayed Al Nahyan, President of the UAE, conducted the first transaction using Jaywan card
 - His Highness Sheikh Mansour bin Zayed Al Nahyan, Chairman of the CBUAE, initiated the first cross-border Digital Dirham payment on the mBridge Minimum Viable Product (MVP) platform.
 - CBUAE win Leading Federal Entity Award (500+ employees' category) at the Mohammed bin Rashid Government Excellence Award.
 - CBUAE played an integral role in enhancing the UAE's global economic standing by ensuring a robust regulatory environment and compliance framework resulting in country's removal from the FATF grey list
 - Launch of Sanadak, the MENA region's first independent ombudsman unit
 - Launch of the world's first Open Finance regulation

ORGANISATIONAL STRUCTURE OF THE CBUAE

Over the last 50 years, the CBUAE has worked to establish a network of direct subsidiaries and independent entities dedicated to supporting the fulfilment of core areas of its mandate. These include the Emirates Institute of Finance, Al Etihad Payments, Oumolat, the Financial Intelligence Unit and Sanadak. These entities will have oversight from the CBUAE through Board representation or other reporting lines.



AL ETIHAD PAYMENTS:

A subsidiary of the CBUAE which aims to support the digital transformation of the UAE's financial market infrastructure through the provision of innovative banking solutions, specifically the management of ensuring seamless, secure digital payment services.

EMIRATES INSTITUTE OF FINANCE:

An independent, renowned training institute which aims to provide advanced educational programmes and training services to UAE nationals in the areas of banking, financing, and insurance to enable UAE cadres and enhance Emiratisation across the financial sector.

FINANCIAL INTELLIGENCE UNIT:

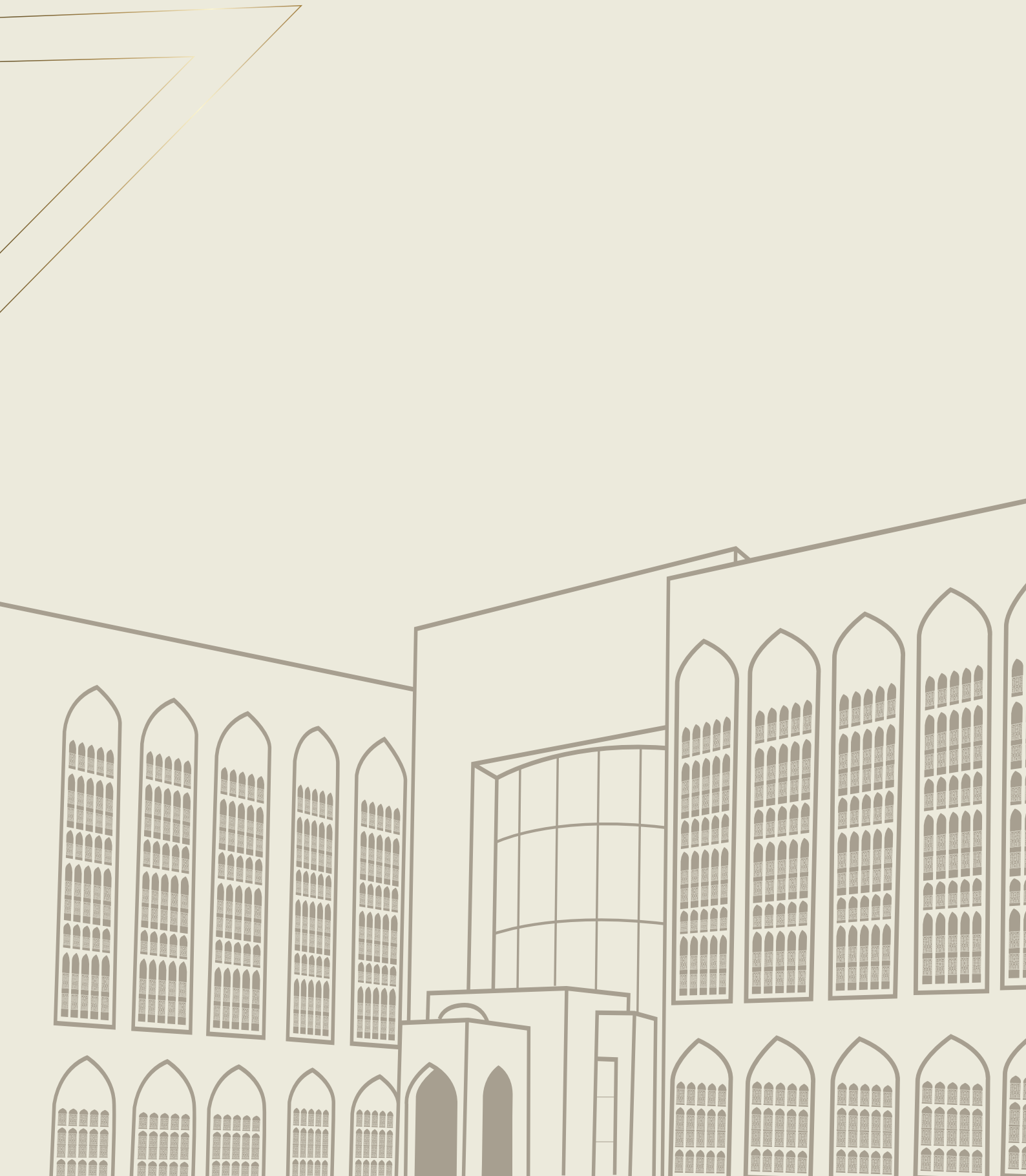
An independent unit established to investigate fraud and suspicious transactions in collaboration with various industry partners, thereby contributing to the aim of protecting the UAE and global economy from the threats of illicit activities.

OUMOLAT:

A subsidiary of the CBUAE providing comprehensive security printing services locally and globally, including currency notes printing, using the latest technological advancements.

SANADAK:

An independent unit mandated to receive and handle complaints from consumers of banking and insurance institutions, established with the aim of providing modern and innovative mechanisms that ensure independent and fair resolution of consumers' complaints.



5. PROGRESS DELIVERED AGAINST 2023-2026 STRATEGY



VISION

To be among the top central banks globally in promoting monetary and financial stability and supporting the UAE's competitiveness.



MISSION

Enhancing monetary management, financial stability, and protecting consumers through effective supervision of LFIs, the prudent management of reserves, robust financial infrastructure and the adoption of digital technologies.



VALUE

- Being Competitive**
 Our ambition is to be a global leader across various fields by investing in innovative technology grounded in best practices and research.
- Being Proactive**
 Establishing a proactive mindset that increases ownership, accountability, and innovation through empowering and enabling employees across all levels and facilitating effective decision-making.
- Being Transparent**
 Creating transparency and openness with the highest integrity across the organisation through effective communication and collaboration.
- Being Talent-centric**
 Building a caring, talent-centric organisation that rewards and recognises employees and emphasises their development.

THE FUTURE READY CENTRAL BANK

Underpinning CBUAE's headline achievements is a three-year strategy which commenced in 2024 and rests on seven actionable pillars:

Support UAE competitiveness, diversity and growth in the financial sector in line with future economic trends	Establish robust and innovative financial market infrastructure and support shaping the future of the UAE's financial technology and digitalisation journey	Enhance monetary and financial stability	Advance the regulatory and supervisory framework for LFIs	Enhance trust and confidence in the UAE's financial services sector	Strengthen the role of the insurance sector in providing the necessary protection for society and the economy	Attract, retain, and empower top talent and provide efficient and effective corporate services and digital infrastructure
1	2	3	4	5	6	7

YEAR IN REVIEW

- The **Central Bank of the UAE** won the **Leading Federal Entity Award** (500+ employees' category) at the **Mohammed bin Rashid Government Excellence Award 2024**, recognising its leadership in financial stability and innovation. The award highlights CBUAE's commitment to global excellence, digital transformation, and a resilient financial ecosystem and serves as a key milestone in its vision to become one of the world's top central banks.
- The UAE banking system has shown improvement in bank soundness indicators based on the CBUAE's internal comparison methodology, which uses data from IMF Financial Soundness Indicators. The CBUAE's table is based on a comparison group of 25 leading G20, BRICS and GCC peer countries with the aggregate comparison score for the UAE moving from 13th to 11th in the table.
- The UAE's Standalone Banking System Rating, measured through Moody's Baseline Credit Assessment, remained stable at BBB rating. This was also assessed against the CBUAE's internal comparison methodology with a similar list of 28 peer countries. The UAE's ranking remained in the top 10.
- The UAE achieved a significant improvement in the global Islamic finance rankings, rising from 6th place in 2023 to 3rd place in 2024, with Islamic banking industry assets passing the AED 1 trillion in assets. This growth was underpinned by the UAE's leading role in global sukuk issuances and supported by the CBUAE's collaboration with key authorities to enhance the governance, sustainability, and awareness of the sector.
- The UAE, with the support of the CBUAE, earned the 'Pioneering Model' title in an International Telecommunication Union (ICT) report. This recognition reflects the country's robust cybersecurity framework, proactive risk mitigation strategies, and commitment to securing its digital financial ecosystem.
- The Domestic Card Scheme – Jaywan was launched in the UAE with the aim of strengthening the country's position as a leading global head for digital payments.
- The CBUAE completed the first phase of implementing the "Digital Dirham", the UAE's Central Bank Digital Currency (CBDC), making substantial progress in designing, building, testing and deploying the Digital Dirham as a universal payment instrument for retail, wholesale and cross-border use. The first Digital Dirham was also issued as legal tender on the CBUAE's bespoke Issuance Platform, when His Highness Sheikh Mansour bin Zayed Al Nahyan initiated the first cross-border Digital Dirham payment on the mBridge minimum viable product (MVP) platform in January 2024.
- The Aani Instant Payment Platform (IPP) was adopted in 2024, enabling customers to transfer funds up to AED 50,000 immediately and conveniently on a 24/7 basis.
- The CBUAE has issued the Open Finance Regulation, the first of its kind globally, to ensure the soundness and efficiency of open finance services, encourage innovation, enhance competitiveness, achieve consumers' interests and reinforce the UAE's status as a leading financial technology hub.
- The CBUAE is collaborating with the Bank for International Settlements (BIS) Innovation Hub, central banks, and global financial institutions on Project Aperta that aims to connect open finance infrastructures of multiple jurisdictions to advance cross-border interoperability for financial institutions and businesses through a trusted network. This will minimise challenges that businesses face in trade finance when seeking financial products, such as letters of credit, trade credit insurance and supply chain financing from financial institutions.
- The CBUAE established "Sanadak," the first legally established independent Ombudsman Unit in the Middle East and North Africa, aligned with global best practices, aiming to handle disputes efficiently and swiftly, reducing the need for litigation, establishing clear rules of engagement between licensed financial institutions and their customers, increasing customer satisfaction, enhancing consumer trust and protection, and improving government services and competitiveness indicators.

- The CBUAE issued commemorative gold and silver coins to mark its 50th anniversary, highlighting its achievements and contributions to the development of the banking and financial sector and its role in driving economic development, in line with the wise leadership's vision to establish the UAE as a leading global financial hub.

As part of its commitment to adaptability, agility, and future preparedness, the CBUAE conducted its annual strategic review exercise in 2024 chaired by His Excellency the Governor and attended by CBUAE senior management. The objective of the exercise was to ensure the alignment of the Central Bank's priorities with evolving global and local financial developments while maintaining its leadership in monetary and financial stability.

The retreat included a series of structured sessions focused on the CBUAE's strategic pillars:

1. **Compliance with International Standards and Competitiveness** – Emphasising alignment with global best practices to enhance the UAE's financial sector standing and competitiveness.
2. **Sustainability** – Strengthening the integration of sustainable practices within the financial ecosystem, supporting long-term resilience and environmental goals.
3. **Innovation and Technology** – Driving advancements in financial technology to position the UAE as a hub for innovation and digital transformation in the financial sector.
4. **Transparency, Collaboration and Partnership** – Enhancing institutional transparency and fostering partnerships that contribute to the development of the UAE's financial sector.
5. **Building a High-Performance CBUAE** – Creating a culture of excellence through talent development, organisational efficiency, and high-impact leadership.

The retreat also included discussions on foresight and future preparedness, emphasising the importance of proactive strategies to address emerging global challenges and capitalise on future opportunities.

As a result of the discussions, the CBUAE approved its 2025 plan, revised strategic targets for 2025-2026, and prepared a consolidated list of projects under its transformational initiatives. These initiatives are designed to ensure the Central Bank remains agile and future-ready, achieving its vision of becoming one of the top central banks globally.

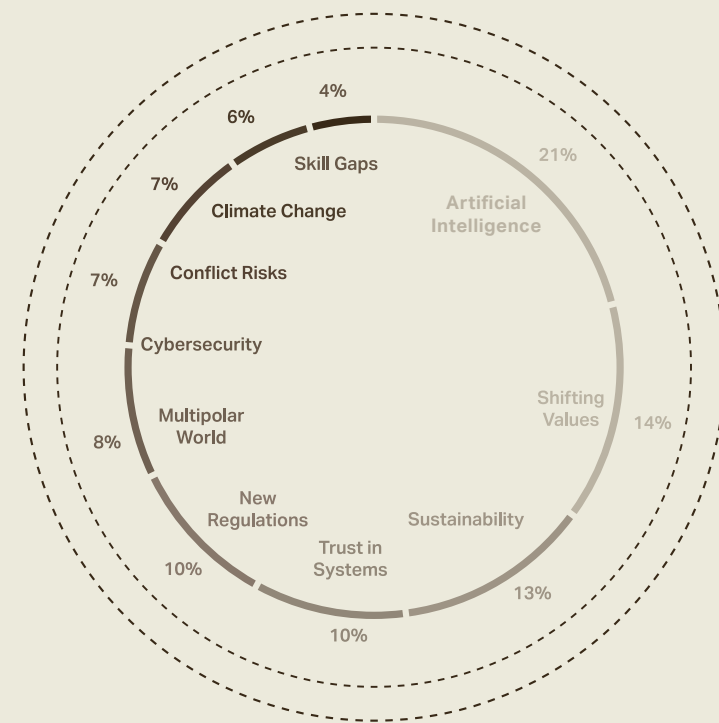
STRATEGIC FORESIGHT AT CBUAE

As part of the CBUAE’s initiative to become more future-ready in line with the UAE’s National Preparedness Agenda, it has started implementation of “The Future-Ready Central Bank” initiative - a project to help structure the future to support leadership and the Central Bank in making strategic decisions and visioning.

FIGURE 1
Key Themes of the Future Defined in the Strategy

Technology and Data	Financial Sector Evolution
Artificial Intelligence	Currency and Financial Systems
Climate Change and Sustainability	People and Talent
Remote Work and Workforce	Economic and Financial Stability
Geopolitical Risks	Global Order and Trends

FIGURE 2
Top 10 Trends Identified During Senior Leadership Workshops



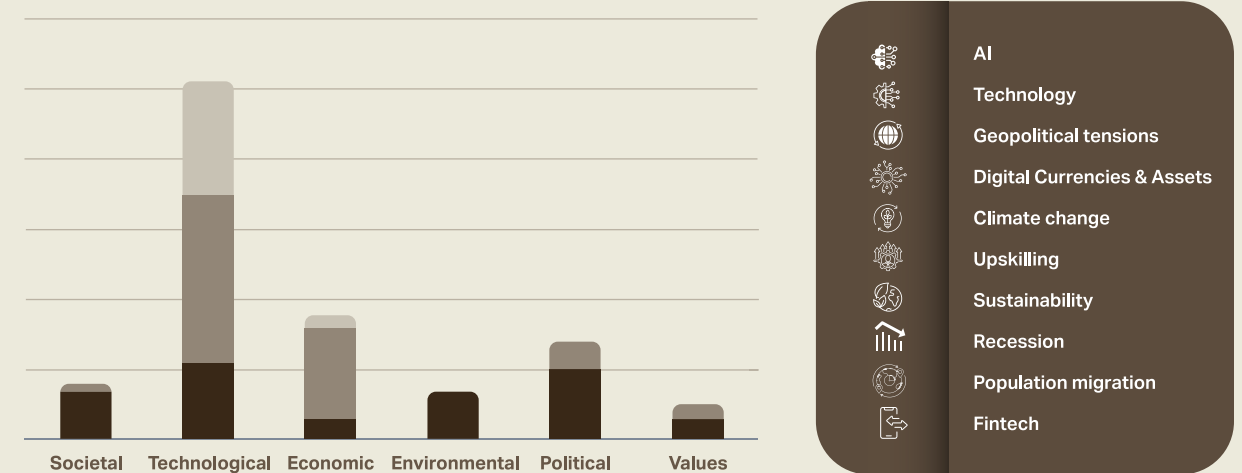
AI, shifting values, and sustainability were identified as key themes or mega-trends for the global future.

Other areas of focus included new regulations, Geopolitical change and uncertainty and growing skill gaps.

As part of this initiative, the Central Bank conducted workshops for senior leaders and a general awareness session, along with a presentation at the Annual Strategy Forum 2024.

The Forum discussed steps to ensure the future readiness and resilience of the UAE’s financial system and wider economy to mitigate emerging risks and benefit from opportunities.

FIGURE 3
CBUAE preparedness level and top 10 priority areas, on the basis of STEEPV



Technology and AI unsurprisingly emerged as a major trend across all levels of the Central Bank.

These sessions highlighted the level of change being faced and the importance of the Central Bank in helping the UAE prepare. In the next phase, the CBUAE will move to implement and institutionalise foresight within the organisation working across all departments to make CBUAE future ready.

Excellence, Innovation and Quality Management

In addition to winning the Leading Federal Entity Award (500+ employees’ category) at the Mohammed bin Rashid Government Excellence Award, CBUAE was shortlisted for six other institutional sub-awards:

1. Best Performance Improvement Entity
2. Best Achievement of the Leading Position and Competitiveness
3. Best Entity in Partnership & Integration
4. Best Entity in Adopting Transformational Thinking
5. Best Entity in Adopting Innovative Solutions
6. Best Entity in Developing Legislation and Laws

The award highlighted CBUAE’s commitment to excellence, digital transformation and leading a resilient financial ecosystem.

The CBUAE has made significant strides over the past year in fostering a culture of innovation, which is driving organisational excellence. One key initiative was the development and dissemination of a comprehensive Innovation Framework and Policy in line with ISO 56001:2019 Innovation Management Systems.

The CBUAE was also awarded two prestigious certifications – the **ISO 37301:2021 for Compliance Management System** and **ISO 27001:2022 for Information Security Management System** – for maintaining robust compliance standards, a relentless focus on protecting information assets and upholding the highest standards of data security.



6. 2024 AT A GLANCE

AED 4.6 trillion	Size of UAE banking sector in consolidated total commercial bank assets
AED 64.8 billion	Size of UAE insurance sector in gross written premiums
21.4%	Increase in gross written premiums Y-o-Y
AED 124.9 million	Financial sanctions/penalties imposed by the CBUAE
291	Total number of prudential examinations conducted by the CBUAE in 2024
258	Total number of AML/CFT examinations conducted by the CBUAE in 2024
1026	Number of full-time CBUAE employees
59.4%	CBUAE Emiratization rate

1.7%	Inflation rate
55	Enforcement cases decided
24	Local banks operating in the UAE
38	Foreign banks operating in the UAE
59	Number of licensed insurance companies in UAE
13	Number of stored value facilities licensed in the UAE
23	Number of retail payment services providers and card schemes licensed in the UAE



7. ECONOMIC DEVELOPMENTS

Global Economic Overview 2024

The global economy demonstrated resilience in 2024 based on two factors, the gradual easing of inflationary pressure and a moderate upward trend in growth, with the average global growth figure for the year estimated at 3.2%. However, the economic expansion was uneven, with emerging markets and developing economies outpacing the more modest growth seen in advanced economies. Key growth drivers included improved supply chains, robust consumer demand in select regions, sustained policy support, and a recovery in trade despite ongoing geopolitical tensions and trade fragmentation.

Inflation moderated notably in the second half of the year. Advanced economies saw a deceleration in headline inflation, primarily due to lower energy and food prices. Core inflation initially remained persistent, driven by tight labour markets, high service sector prices and the lingering effects of earlier supply disruptions. By year-end, broader easing of inflationary pressures led several central banks to implement consecutive rate

cuts. However, emerging markets faced stronger inflationary challenges, particularly in countries dependent on food and energy imports, where currency volatility and local supply constraints intensified price pressures.

Brent crude prices averaged USD 81 per barrel in 2024, up from USD 78 in 2023. Despite heightened geopolitical tensions in the Middle East and Red Sea shipping disruptions, oil prices maintained a relatively narrow trading range, influenced by weak demand and robust non-OPEC+ supply. Gold and precious metals saw significant price appreciation, buoyed by strong demand from central banks and investors seeking effective hedges against geopolitical uncertainty and market volatility.

The UAE's currency showed strength in 2024, with the average nominal effective exchange rate rising by 1.5% and the real effective exchange rate increased by 0.3%, reflecting the country's relatively low inflation.

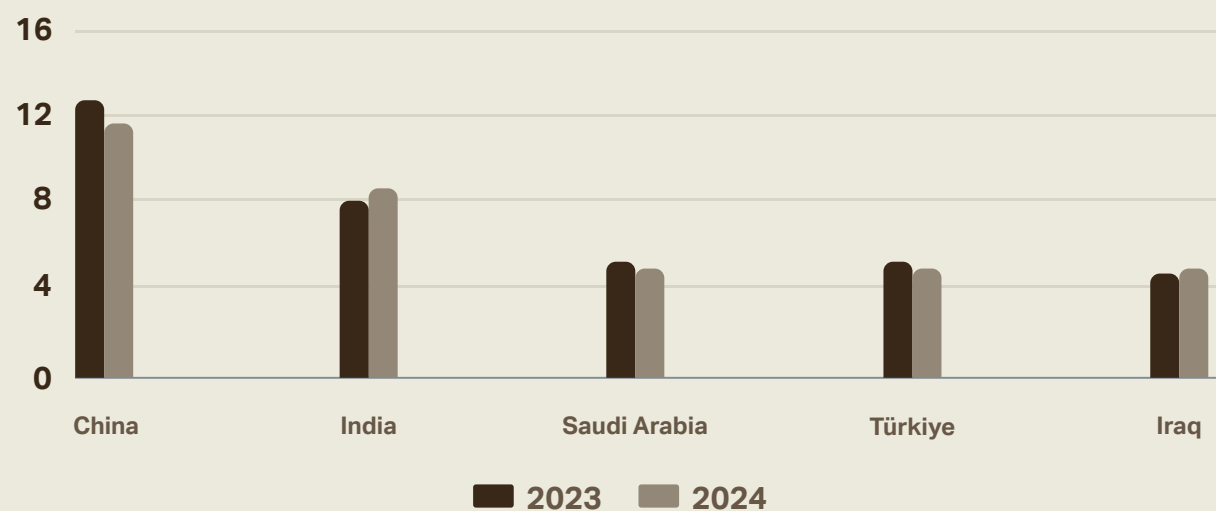
TABLE 1
Real GDP Growth and
Inflation in the UAE (%)

	2022	2023	2024 Estimate	2025 Forecast	2026 Forecast
Overall GDP	7.5	3.6	3.9	4.7	5.7
Non-hydrocarbon GDP	7.1	6.2	4.6	5.1	4.8
Hydrocarbon GDP	8.5	-3.1	1.6	3.6	8.5
Headline Inflation	4.8	1.6	1.7	2.0	2.1

Source: Federal Competitiveness and Statistics Centre for 2023, the Central Bank of the UAE (CBUAE) for 2024-2026

The UAE real GDP grew by an estimated 3.9% in 2024, supported by a robust non-hydrocarbon sector performance and gradual recovery in hydrocarbon activities. The CBUAE forecasts real GDP growth to reach 4.7% in 2025, driven by strengthening performance across both hydrocarbon and non-hydrocarbon sectors. The energy sector is expected to benefit from the planned easing of production cuts starting in Q2 2025, while the non-hydrocarbon sector continues to gain from government initiatives supporting foreign investment and economic diversification. These trends, combined with increased oil and gas production, are expected to push GDP growth to 5.7% in 2026.

FIGURE 4
UAE's Major Trading Partners (% of Total Trade)



Source: Federal Competitiveness and Statistics Centre

The United Arab Emirates non-oil foreign trade of goods surpassed AED 2.8 trillion in 2024, marking a 13.8% increase. This growth reflects the successful implementation of several important Comprehensive Economic Partnership Agreements (CEPAs). Non-oil exports rose by 29.3%, while re-exports grew by 3.8%, and imports increased by 13.5%. China was the major trading partner with 11.5% of total trade, followed by India (8.5%) and Saudi Arabia (5.4%). The main traded commodities were gold, telecommunication equipment, and motor vehicles.

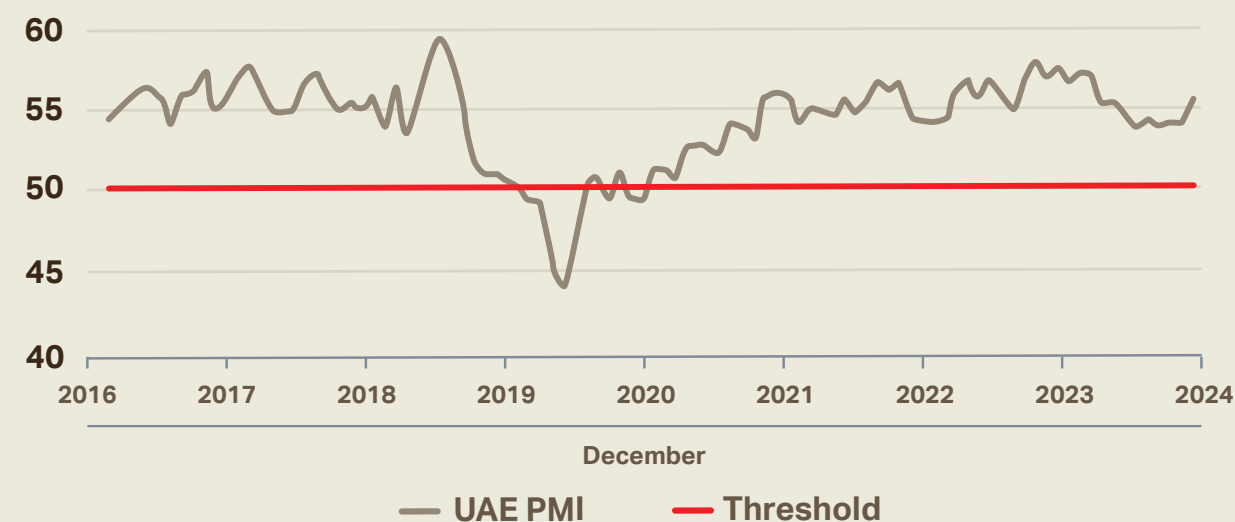
Inflation in the UAE remained well-controlled at 1.7% in 2024, substantially below the world average of 5.7%, driven primarily by lower tradeable inflation. In the non-tradeable segment, higher housing and utility costs were partially offset by reduced transportation expenses. The CBUAE projects inflation to reach 2.0% in 2025, driven mainly by non-tradeable components but tempered by moderating energy prices, before settling at 2.1% in 2026.

The UAE's real estate sector posted strong growth in 2024, benefiting from the country's position as a key economic and investment hub in the Middle East and North Africa (MENA) region. Residential sales transactions in Abu Dhabi and Dubai rose by 37.7% Y-o-Y, while rents increased by 1.0% Y-o-Y. The UAE fiscal sector performance remains strong, with notable improvement in government revenue generation. Revenue for January-September reached AED 404.9 billion, up 9.4% Y-o-Y, driven by a rise in tax revenues of 22.1% Y-o-Y to account for more than two-thirds of total

revenue, compared to 60.3% in the same period of 2023. The fiscal surplus expanded to AED 96.3 billion (6.5% of GDP), marking a 57.8% increase from AED 61.0 billion in the comparable period of 2023.

The UAE's economic momentum stayed strong through to the year-end, with the S&P Global Purchasing Managers' Index (PMI) reaching 55.4 in December, up from 54.2 in November and exceeding the 2024 average of 55.1. The latest reading was the highest reading since March, reflecting strong new order inflows and signalled positive prospects for 2025. Business output achieved its fastest growth in eight months, with firms citing sustained project development as a key driver.

FIGURE 5
UAE Purchasing Managers' Index (PMI)



Source: S&P Global

Tourism continued to grow in 2024, cementing the UAE's status as a global travel destination. Dubai attracted 18.7 million overnight visitors in 2024, representing a 9% annual increase. Hotel occupancy maintained a robust 78% average, buoyed by global events, business travel and leisure tourism. Abu Dhabi recorded equally impressive growth, welcoming 4.8 million international hotel guests during January-October, a 26% increase from the previous year. The emirate's Tourism Strategy 2030 targets 39.3 million visitors by the end of the decade, supported by substantial investments in cultural and hospitality infrastructure. Overall, the UAE welcomed around 150 million visitors through its airports and ports, while its hotels hosted 30 million guests, generating over 105 million occupied room nights and achieving among the highest occupancy rates globally.

Key Financial Metrics

Following the trajectory of the Interest on Reserve Balances (IORB) rate set by the US Federal Reserve in 2024, the CBUAE made three consecutive rate cuts, reducing the Base Rate by a total of 100 basis points, from 5.40% at the end of 2023 to 4.40% by the end of 2024. The average gap between the Dirham Overnight Index Average (DONIA) and the Base Rate narrowed by about 12 bps between 2023 and 2024. Specifically, the DONIA rate averaged around 20 bps below the

Base Rate in 2024, compared with an average of around 32 bps below the Base Rate in 2023.

The continued negative DONIA-Base Rate gap reflects large system-wide surplus liquidity in the banking sector. The smooth transmission of changes in the Base Rate to other market rates – such as EIBOR and lending rates – indicates robust monetary policy transmission, mainly due to the new Dirham Monetary Framework (DMF).

The UAE banking sector maintained its strong position in 2024, characterised by healthy capital and liquidity buffers and sustained profitability. Lending grew by 9.5% Y-o-Y through December, driven by increased credit to private retail and corporate borrowers. Strong deposit growth of 12.9% Y-o-Y and ample liquidity supported robust funding conditions. Credit sentiment remained positive, while asset quality continued to improve.

The insurance sector also demonstrated strong performance in 2024, maintaining healthy capital levels and steady growth. Gross written premiums reached AED 64.8 billion, up 21.4% Y-o-Y, while gross paid claims rose 35.8% Y-o-Y to AED 42.9 billion. The sector underwrote 15.9 million policies and achieved a retention ratio of 54.3%. Technical provisions increased by 25.6% Y-o-Y to AED 95.7 billion, while total assets grew by 9.6% Y-o-Y to AED 142.9 billion, in a year which saw some of the worst ever floods in Dubai.



8. OPERATIONAL HIGHLIGHTS

8.1 Monetary Policy and Domestic Markets

Dirham Monetary Framework

The implementation of the new Dirham Monetary Framework – first announced in 2020 – continued through 2024, with a focus on finalising the remaining policies and related liquidity management facilities as well as ensuring parity between conventional licensed financial institutions and those conducting their business in compliance with Shari’ah law. Key initiatives included the roll-out of the Monetary Bills (M-Bills) Buy-Back Programme (MBP), which allows the CBUAE to repurchase M-Bills via auction and provides an additional avenue to M-Bill monetisation. Completing the development of the remaining fine-tuning open market operations through term lending and reverse repo facilities was also a priority. When used alongside the existing FX swap facility, they will provide the CBUAE with additional liquidity tools to adjust short-term fluctuations in banking sector liquidity.

A key goal of the monetary policy framework is to ensure consistency between the governance and infrastructure for Shari’ah-compliant liquidity management instruments and those of conventional operations. This led to the development of an Overnight Murabaha Facility (OMF) which was implemented in Q1 2025. This facility provides a Shari’ah-compliant equivalent to an Overnight Deposit Facility. It utilises an innovative approach and API technology to automate commodity Murabaha-based transactions which can remunerate a bank holding excess reserves at the CBUAE.

The operational efficiency and governance of Shari’ah-compliant fine-tuning open market operations was enhanced in 2024 through the finalisation of the schedules to the Tahawwut Master Agreement, which will be launched in 2025, and governs the CBUAE’s operations with eligible counterparties in transactions such as Islamic FX Swaps. Such developments align the CBUAE’s Shari’ah-compliant open market operations with international best practice.

Pandemic-related liquidity support to the banking sector effectively ended in 2024 after the 14% pre-crisis statutory reserve requirements for demand deposits was restored. This followed a comprehensive evidence-based review, which included event studies, econometric analysis and surveys to understand the impact of changes in reserve requirements. This analysis found that the increases in reserve requirements in 2023 and 2024 had negligible impact on credit conditions, while banking sector profitability remained strong.

Market Development

The CBUAE developed and launched a comprehensive assessment programme of M-Bills Dealers in 2024. The underlying methodology was based on best practices in leading markets and provides a mechanism to assess whether M-Bills Dealers meet their obligations as stipulated in the M-Bills Dealer Code, with a focus on developing the secondary market. The annual assessment will encourage M-Bills dealers to adopt practices that are consistent with those in leading financial centres, supporting development of the local currency debt market.

CBUAE also conducted an independent review of domestic interest rate benchmarks in 2024. Ensuring the availability of accurate, reliable and trusted market information is key to fostering efficient and competitive markets. The review considered how benchmarks are used and understood by the wider market and provided important findings regarding effective regulations and communication. The key recommendations will be implemented in 2025 and help strengthen trust and transparency in benchmark interest rates, which are essential in the pricing of financial products and instruments in the domestic market.

Market Surveillance and Analytics

The CBUAE continued to enhance its analytical capabilities through adoption of state-of-the-art machine learning and econometric tools to support effective monetary policy implementation. Initiatives throughout the year included development of a medium-term liquidity forecasting framework and advanced models for analysing the characteristics of foreign exchange flows. Such tools introduce more foresight in liquidity management and inform data-driven decision-making for open market operations. Advanced analytics for monitoring M-Bill auctions were also developed. The real-time analysis of bidder behaviour in auctions helps the efficiency of open market operations and ensures mispricing can be detected and dealt with effectively.

The CBUAE’s monetary market surveillance initiatives included the establishment of regular internal reporting on local and regional markets as well as a further development of the analytical toolkit. A liaison programme with key market participants was introduced to complement the robust quantitative approach which analyses domestic markets and liquidity to give important context to the surveillance programme.

8.2 Financial Stability

The global economic landscape in 2024 witnessed several challenges including tight financial and monetary conditions, persistent inflationary pressure, geopolitical tensions and policy uncertainty. Despite these global headwinds, the UAE's financial system demonstrated significant financial stability and economic resilience through the year.

Macroprudential Policy Framework

Responding to the complex macro environment, the CBUAE implemented enhancements to its macroprudential policy framework in 2024. These included implementing a positive cycle-neutral Countercyclical Capital Buffer (CCyB) rate of 0.50% on private sector credit in the UAE. This decision, informed by lessons from the COVID-19 pandemic, is aimed at increasing macroprudential policy space. By building capital buffers during standard risk environments, banks will be better equipped to absorb losses and maintain lending in adverse scenarios. The CCyB will be phased in over 12 months beginning 1st January 2025 and will become fully operational on 1st January 2026.

In Q2 2024, the CBUAE conducted its annual review of the designation of Domestic Systemically Important Banks (D-SIBs), which reaffirmed the designations of First Abu Dhabi Bank, Emirates NBD, Abu Dhabi Commercial Bank, and Dubai Islamic Bank. These institutions are required to maintain additional capital buffers, ranging from 0.5% to 2% of risk-weighted assets. This targeted approach enhances the overall stability and resilience of the UAE's banking sector by imposing higher capital requirements on systemically important institutions.

Financial System Surveillance

Financial surveillance continued its assessment of the financial sector and comprehensive evaluation of vulnerabilities and resilience across both banking and non-banking institutions. Reports on financial system surveillance were conducted on a monthly, quarterly and annual basis, providing insights into the financial sector's soundness, thematic topics, potential risks, and corresponding mitigation policies and strategies. Furthermore, the CBUAE actively assessed emerging global, regional, and domestic risks to understand their potential impact on the UAE's financial system. Guided by the CBUAE's Financial Stability Policy Committee, these ongoing efforts ensure that the CBUAE is equipped to effectively monitor and mitigate systemic risks.

2024 Stress Testing Exercise

The CBUAE conducted its annual bottom-up stress test in 2024 as part of its macro and micro prudential supervisory mandate. The primary objective of this exercise was to rigorously assess the resilience of the UAE banks if faced with a hypothetical but plausible severe economic downturn.

The adverse scenarios considered for this stress test incorporated key macroeconomic risks, including a significant contraction in global trade due to geopolitical conflicts, global economic recession and their impact on the UAE economy. Concerns over operating in a high-interest rate environment and facing the emerging risks from climate change were also addressed. The testing methodology covered:

- **Assessing borrower capacity:** Explicitly evaluating the ability of corporate and retail borrowers to service their loan obligations in adverse conditions.
- **Accounting for unrealised losses:** Incorporating potential unrealised losses on (amortised cost) debt securities held by banks.
- **Climate risk assessment:** Conducting an assessment of the potential risks of the banking sector arising from climate change.

The results of the stress test demonstrated that the UAE banking sector possesses adequate capital and liquidity buffers to withstand the impact of hypothesised adverse scenarios.

Furthermore, the CBUAE continues to utilise frequent top-down stress tests to comprehensively evaluate the systemic impact of thematic risks such as elevated monetary policy tightening on the UAE banking industry. A key objective of these stress tests was to quantify the potential risks to the debt sustainability of UAE consumers and corporations arising from interest rate hikes, as well as to assess the consequent impact on the capital and liquidity positions of UAE banks.

Finally, recognising the growing importance of climate risk, the CBUAE conducted a dedicated climate physical risk scenario analysis. This evaluation examined the UAE banks' real estate lending exposure to two physical hazards, rainfall flood and storm surge, using two scenarios (Middle-of-the-road scenario and Fossil Fuel Development scenario) developed by the United Nations Intergovernmental Panel on Climate Change (IPCC) at 100-year and 250-year return periods. The results show that losses from physical hazards will affect banks' provision amounts because of decreased collateral values.

8.3 Reserve and Monetary Management

In 2024, assets and liabilities grew strongly in tandem with UAE domestic banking assets and reflect the CBUAE's enhanced role in managing monetary policy under the Dirham Monetary Framework.

Reserve Management

Reserves grew from USD 183 billion at the beginning of 2024 to USD 231 billion by year end. The reserves were managed in line with the existing Strategic Asset Allocation (SAA) and investment policy guidelines set by the CBUAE Board of Directors.

Fixed income markets were volatile as the US Federal Reserve reversed its monetary course during the year with three interest rate cuts in the second half of 2024. US elections introduced a higher level of market volatility and positioning in interest rate markets had to be carefully managed to attain optimal results. The CBUAE achieved the right balance and maintained correct market positions thereby contributing to a solid investment return over 2024 which was at a record level and ahead of the relevant benchmarks assigned for managing the reserves. Gold was also an outstanding contributor to overall performance due to its consistent rise during the year.

The CBUAE received approval from the CBUAE Board of Directors for the new SAA 2025-2029 along with updated Investment and External Managers policies. The new SAA builds on the initial SAA that was initiated in 2021 and further enhances the diversification of CBUAE's reserves while keeping the portfolio composition in line with its risk appetite and operational liquidity needs.

In 2024, the CBUAE initiated for the first time the hiring and onboarding of external asset managers to manage part of CBUAE's reserves. The introduction of these managers has prepared the ground for the next stage of diversification under the new SAA. In 2025, the CBUAE will build on this platform to implement the new SAA.

Monetary Management

CBUAE maintained its key role in supporting liquidity management of the banking sector and fostering the development of a reference UAE Dirham yield curve through the efficient issuance of Monetary Bills (M-Bills) and Islamic Certificates of Deposit (ICDs). Over the year, 24 M-Bills auctions were conducted, alongside the daily issuance of ICDs. As of 31st December 2024, the total outstanding amount of M-Bills was AED 209.1 billion, while the total outstanding amount of ICDs was AED 42.4 billion.

The CBUAE successfully managed the issuance of government T-Bonds and T-Sukuk on behalf of the Ministry of Finance by facilitating nine auctions, resulting in a total outstanding amount of AED 23.45 billion by year-end.

The updated Investment Policy expanded CBUAE's set of investment objectives by adding that investments are subject to sustainable and responsible investment considerations, as long as they are in line with its primary fiduciary objectives of capital preservation, liquidity and return. The CBUAE considers to introduce Socially Responsible Investment (SRI) screening incrementally into its various portfolios.

Additionally, under the new Dirham Monetary Framework, the CBUAE completed the development of the OMF, enhancing the availability of Shari'ah-compliant liquidity management tools.

8.4 Supervision

8.4.1 Prudential Supervision of Financial Institutions

The prudential supervision of financial institutions is at the heart of the work undertaken by the CBUAE. This task is now being helped by the adoption of technology which can ensure the resilience of banks through the measurement of asset quality, liquidity, operational resilience, and capital which then protects the funds of depositors.

The CBUAE provides oversight of all Licenced Financial Institutions (LFIs), which is achieved using risk rating tools. These link the operating models of the banks to the macro and local economic environment to understand where potential weakness could lie. This approach benefits the banks, providing them with independent assessment and provides confidence to investors. The work included the conduct of limited-scope and follow-up examinations and thematic assessments of LFIs.

In addition, finance companies, FinTechs and exchange houses were also examined for impending risks and adequate mitigating strategies to ensure resilience and robust operations.

The baseline examinations, which are comprehensive examinations of all risks covered in the Risk Assessment Methodology, are intended to provide a full understanding of the current risks within an LFI and the approach to managing and mitigating them.

TABLE 2
Prudential Examinations Conducted in 2024

	2023	2024
Bank Baselines / Full Scope	3	1
Bank Limited Scope / Follow-up	30	110
Bank-Thematic Examinations-Banks Covered	117	97
Finance Companies	8	10
Exchange Houses	39	4
Insurance Company Baselines	2	5
Insurance Company Limited Scope	10	12
Insurance Company Thematic Examinations	8	17
Insurance Related Professions	30	35
Total	247	291

The limited scope examinations cover various risk areas, but with less intensity and may be used as a 'health check', where moderate deterioration across multiple risk elements is observed by the off-site supervision. Thematic inspections, however, may focus on, for example, activities that are common across a peer group or a special area evident in several institutions – such as the management of cyber security risk at banks. Follow-up examinations are performed to validate supervisory findings or remediation actions proposed by LFIs.

The examination programme is part of the CBUAE's legal mandate for effective supervision and the work leads to the publication of multiple reports which are issued on a daily, monthly and quarterly basis. These cover the offsite surveillance, including a daily broadcast of the latest news and articles of the banking sector and a monthly report on banks. In addition, passport reports which include supervisory and non-supervisory information related to each entity and dashboard reports, which measured the supervisory score of every bank, were produced.

To ensure the sector continuously meets cyber-related regulations, the CBUAE is increasingly carrying out regularly audits on digital assets and the banks' exposure in this sector. Specialists are used to help with new subject matter areas and the examination has been further streamlined through the establishment of the Standard Operating Procedures.

TABLE 3
Total Number of Licensees by Type in 2024

	Total as of 2023	Total as of 2024
Banks	61	62
Finance Companies	17	18
Exchange Businesses	77	73
Representative Offices of Banks	62	59
Stored Valued Facilities	7	13
Retail Payment Services Providers	12	23
Payment Token Services	-	1
Insurance Companies	62	60
Insurance Brokers	168	163
Insurance Agents	29	22
Insurance Consultants	51	52
Loss and Damage Adjusters	136	146
Actuaries	74	74
Third-Party Administrator Companies "TPA"	21	22
Insurance Policies Price Comparison Websites	13	16
Hawala Providers	45	37
Total	835	841

BANKING

Foreign Operations of Local Banks

In 2024, as part of its approach to undertake risk-based supervision on a consolidated basis, the CBUAE continued strengthening its regulatory cooperation with relevant overseas counterparts. This supports the CBUAE's ongoing oversight of foreign operations of locally incorporated banks.

As in previous years, the CBUAE conducted two overseas examinations based on its risk-based supervisory plan. It also refined its requirements for Long-Form Audit Reports (A), which focus on assessing the application of its prudential standards to key risk areas of the overseas operations of locally incorporated banks. LFAR is used as an additional tool to extend the reach of supervisory activities of the foreign and cross-border operations of these banks, by providing information on any emerging risks related to cross-border activities.

Thematic Examinations

<p>Advanced Asset Quality Thematic Examination</p> <p>The asset quality of all material lenders, with selected exposures exceeding AED 300 million, was reviewed through the year. The key objective of the thematic review was to record and improve the consistency of the borrowers' credit risk classifications across the banking system. This identified any non-performing loans which could then be monitored and regularly reviewed.</p>	<p>Thematic Examination of Corporate Governance</p> <p>For selected banks to assess the effectiveness of mechanisms through which the board and the senior management execute their oversight responsibilities.</p>
<p>Thematic Examination of Pillar 2 Capital</p> <p>Review of Pillar 2 capital planning to identify areas of weakness in the banks' internal processes when assessing their capital needs in relation to their risk appetite and profile.</p>	<p>Thematic Examination of Liquidity</p> <p>Ensuring banks have a robust liquidity management framework and risk management strategy, suitable policies and procedures, and an adequate level of resilience to liquidity stress.</p>
<p>Thematic Examination of Stress Testing</p> <p>Stress testing of selected banks to review their internal frameworks to understand how banks assess their material risks and the adequacy of their respective capital resources and liquidity.</p>	<p>Thematic Examination of Exposure to Climate Risks</p> <p>A review of selected banks to see how they incorporate the management of material climate-related financial risks into their business strategies and corporate governance and internal control frameworks.</p>
<p>Thematic Examination on Operational Resilience</p> <p>A first review of operational resilience risks within the business model of selected banks looking at operational risk, business continuity planning, disaster recovery and the role of third parties.</p>	<p>Thematic Examination of Regulatory Reporting</p> <p>An examination of the adherence to timelines, accuracy and consistency, including the assessment of the responsibilities of the banks' senior management and the role of internal and external auditors.</p>

Commercial Credit System

Work continued in 2024 to increase the effectiveness of the Commercial Credit System (CCSYS) which ensures that lenders have greater visibility on the financial obligations of their existing and potential borrowers while also improving data quality and supervisory oversight.

Analytics and Modelling

Enhanced analytical capabilities enabled the CBUAE to assess the implications of the sudden rise in interest rates on a banks' balance sheet. This new tool was deployed to further support supervisory initiatives, guide banks and engage at a deeper level to identify, measure and mitigate interest rate risk.

Supervisory Review and Evaluation Process

The CBUAE completed seven Supervisory Review and Evaluation Processes (SREP) in 2024, which included all D-SIBs, in addition to other large national banks, which were identified for close monitoring by the SREP Steering Committee. The SREP is based on each financial institution's group consolidated structure.

Fitness and Propriety Assessments

The CBUAE continues to ensure that individuals within authorised LFIs have undergone the FPP in accordance with international criteria and must be approved by the CBUAE. By the close of the year, the CBUAE had conducted 531 FPP assessments across LFIs and rejected a total of 194 appointment requests.

Regulatory Cooperation

The main activities within this framework include handling requests from the Securities and Commodities Authority, UAE federal ministries, law enforcement agencies, and UAE and foreign regulators. The CBUAE conducted two Global Supervisory Colleges and participated in colleges organised by foreign regulators, and additional examinations were undertaken, as required, with the foreign regulators.

TABLE 4
Banks by Category

	National	Foreign
Commercial	21	27
Restricted	1	11
Specialised	2	-
Total	24	38

TABLE 5
Banks by Emirate

	Abu Dhabi	Dubai	Sharjah	Ajman	Umm Al Quwain	Ras Al-Khaimah	Fujairah
Commercial	14	26	4	1	1	1	1
Restricted	6	6	-	-	-	-	-
Specialise	1	-	-	1	-	-	-
Total							62

Insurance Supervision

The CBUAE continues to make a series of regulatory and strategic changes to enhance the supervision of insurance industry in the UAE.

A. NEW LICENSES

Through the year the number of licensed entities remained the same. The number increased by just 0.1% from 559 (2023) to 560 (2024).

TABLE 6
Number of Licensed Companies

	2023	2024
Licensed Insurance Companies	60	59
Related Insurance Professions	499	501
Total	559	560

B. KEY FINANCIAL DATA

TABLE 7
Key Financial Data

	Total	
AED Billions	2023	2024
Gross Written Premiums	53.4	64.8
Gross Paid Claims	31.6	42.9

Gross Written Premiums (GWP)

The insurance sector continued to grow in 2024. The GWP increased by 21.4% Y-o-Y, touching AED 64.8 billion, and the total number of written insurance policies reached 15.9 million. Similarly, gross paid claims increased by 35.8% to AED 42.9 billion; the retention ratio reached 54.3%; and technical provisions reached AED 95.7 billion.

Paid Claims

The gross paid claims by insurance companies during the year ended 2024 increased to AED 42.9 billion from AED 31.6 billion in the previous year. This was driven partly by flooding in many parts of the UAE because of incessant rainfall.

Total Assets

The total assets of the insurance companies reached AED 142.9 billion at the end of 2024, compared to AED 130.3 billion in 2023, allowing for diversification of assets classes in line with the financial regulations for conventional and takaful insurance companies.

C. INSURANCE REGULATIONS

Following the issuance of the Decretal Federal Law No. (48) 2023, Concerning Organisation of Insurance Operations on 31 October 2023, the CBUAE is implementing the new law that transfers the regulation and supervision from the Insurance Authority to the CBUAE. The CBUAE continues to ensure that Insurance Brokers are properly licensed and supervised, depending on the nature, scale and complexity of their business operations, the ability to manage risk prudently and actively engage with them.

D. ONSITE INSPECTION VISITS

The CBUAE's role in the insurance sector included onsite visits to the licensed entities to assess their ability to manage all risks, protect policyholders and require improvements to their approach if necessary. The CBUAE conducted 69 onsite inspections during 2024 (38% increase from 2023), covering insurance companies and related professions.

E. IMPLEMENTATION OF RISK ASSESSMENT FRAMEWORK (RAF)

As part of a key initiative to adopt a risk-based supervision approach, the CBUAE developed a RAF tool for the insurance sector. RAF considers a comprehensive list of quantitative data points and qualitative factors collected from the insurance companies. It then evaluates the risks these companies present to the regulatory and supervisory objectives of the CBUAE. The risk rating feeds into the over-arching supervisory review process and guides the supervisory frequency and intensity and determines the offsite and onsite examination planning process for the regulated entities.

F. INTERNAL CONTROLS OVER FINANCIAL REPORTING (ICFR)

In line with the CBUAE's incremental strategy for full ICFR adoption, a new requirement has been introduced in 2024 in order to ensure that the information reported in the financial statements is accurate and does not contain any material misstatement. Along with Management Assessment Reports, insurance companies must now provide a full review report on ICFR prepared by their internal auditors and approved by the board of directors.

G. INDUSTRY CONSULTATIONS AND COMMUNICATIONS

The CBUAE held a series of interactive industry workshops in 2024 to communicate the recent updates to the regulatory requirements and developments. The workshops targeted insurance companies, actuaries and external auditors.

Licensing

The CBUAE Licensing team processes requests from new applicants and existing licensees. The existing licensees are classified according to the services provided and licence type which covers Banks, Finance Companies, Exchange Business, Representative Offices, Stored Value Facilities Issuers (SVFs), Retail Payment Services Providers and Payment Token Issuers.

In 2024, CBUAE processed applications for the following service:

- New licence
- Licence modification
- Licence renewal (non-applicable for banks)
- Branches licences and approvals (opening/ relocation/ closure/ changing working hours)
- Electronic Banking Service Units licences and approvals (opening/ relocation/ closure/ changing working hours)
- Pay Offices licences and approvals (opening/ relocation/ closure/ changing working hours)
- ATMs installation and cancellation

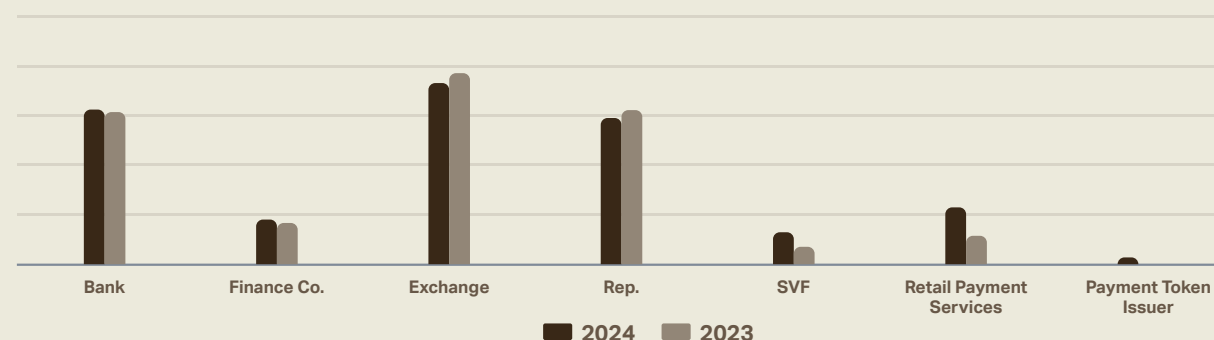
Below is the total number of licensees by their license type, as of 31st December 2024 compared to 31st December 2023:

TABLE 8
Total Number of Licensees by Their License Type

Type of Licence	Total as of 2024	Total as of 2023	% Change
Bank	62 ¹	61	2%
Finance Company	18 ²	17	6%
Exchange Business	73 ³	77	-5%
Representative Office	59	62	-5%
SVF	13	7	86%
Retail Payment Services	23	12	92%
Payment Token Issuer	1 ⁴	0	100%
Total	249	236	6%

1 New Islamic Specialised National Bank was licensed during 2024.
 2 New Conventional National Finance Company was licensed during 2024.
 3 The reduction in total number of Exchange Business companies was due to the merger of four Exchange Business companies to two, and closure of two Exchange Business companies.
 4 New type of license introduced during 2024.

FIGURE 6
CBUAE's Licensees Per License Type



During 2024, a significant number of new FinTech companies were granted licences to operate in the UAE. These mainly related to Stored Value Facilities Issuers (by 86%) and Payment Service Providers (by 92%). In relation to the issuance of regulation in 2024 for the introduction on new types of licences, the CBUAE has issued the first Dirham Payment Token Issuer licence.

8.4.2 Financial Crime Supervision

The CBUAE has demonstrated considerable progress during the past few years in combating global money laundering and terrorism financing, outlining robust and flexible frameworks. In a decision announced on 23rd February 2024, the Financial Action Task Force ("FATF") removed the United Arab Emirates ("UAE") from the FATF jurisdictions under "increased monitoring" classification. The UAE is committed to taking all necessary steps to maintain its current FAFT classification and will continue to maintain a proactive role in fighting financial crimes at the global level. A risk-based regulatory approach has been adopted covering the issuance of laws, regulations, and guidance, as well as enhancement of the LFIs understanding of the risks. This requires the effective implementation of their legal obligations related to mitigating illicit activities in the financial system.

CBUAE significantly increased the supervision of its LFIs, Insurance Companies and related professions, and Registered Hawala Service Providers (LFI/ ICRPs/ RHPs). All high-risk entities receive supervisory engagements through onsite and targeted risk-based inspections.

CBUAE has successfully implemented the "best in class" Skilled Persons Review (SPR) programme in line with its vision and strategy. With the addition of 82 Skilled Persons, and 30 CBUAE specialised AML/ CFT/ CPF resources, CBUAE has successfully completed all onsite examinations across the sector.

CBUAE has also enhanced its supervisory approach to detecting misconduct by working closely with Law Enforcement Agencies and the Financial Intelligence Unit. This collaborative approach has resulted in proactive surveillance of the sector and the detection of non-compliant LFIs for appropriate enforcement actions.

The increased resources led to a higher number of inspections in 2024, and lower number of deficiencies, and therefore less remedial actions. The decrease in remedial actions indicated a higher-level of compliance within the sector. The CBUAE additionally introduced a number of AML/ CFT related monitorships and third-party reviews, as well as penalising non-compliant LFIs.

Ongoing education and active engagement with international partners are cornerstones of the CBUAE's AML/ CFT/ CPF approach. This provides the opportunity to share ideas and experiences and increases the adaptation of emerging best international practices. Regular engagement with the public and private sector also embeds a whole-of-government approach to all aspects of AML/ CFT/ CPF. Since 2020, the CBUAE has issued more than 160 notices, circulars and published guidance in the field of AML/ CFT/ CPF.

The CBUAE also conducted more than 20 outreach events with the attendance of 11,478 participants from the private sector. For the first time the CBUAE established an AML/ CFT/ CPF Supervision International Outreach Programme as part of the international co-operation efforts and exchange programme. The exchange programme shared the progress and success of the CBUAE supervisory regime with AML/ CFT/ CPF supervisory bodies globally and with relevant AML/ CFT/ CPF stakeholders and regional bodies of FATF member/ non-member - members are countries or jurisdictions that have committed to implementing the FATF recommendations, while non-members are countries or jurisdictions that are not part of the FATF.

The exchange programme highlighted key factors that contributed to the CBUAE's successful enhanced supervisory framework, and the application of the risk-based AML/ CFT/ CPF supervision and monitoring, enforcement mechanisms, achievements, challenges, and the lessons learnt over the past five years (2020 to 2024).

The programmes were mutually beneficial to the CBUAE and the invited countries as they enabled the sharing of experiences which included the implementation of sectoral and institutional ML/ TF/ PF risk assessment, and application of the risk-based AML/ CFT/ CPF supervision. During the period under review, the outreach programme was conducted for a total of eight countries. A total of 32 participants attended the sessions.

The CBUAE, Ministry of Justice, Ministry of Economy, Securities and Commodities Authorities, Dubai Financial Services Authority, Abu Dhabi Global Markets, and more recently the General Commercial Gaming Regulatory Authority have worked closely to set the standards in

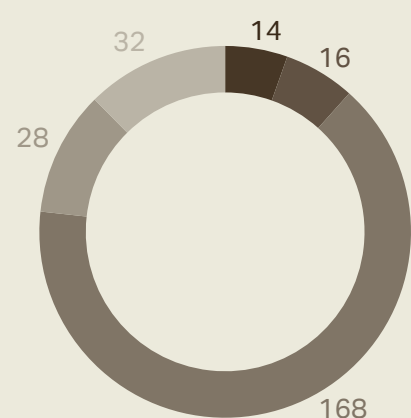
fighting financial crime through sharing best practices, conducting joint supervision and the identification of upcoming threats and trends. This strong collaboration also resulted in tangible outcomes such as the development of the National Risk Assessment, Sectoral Risk Assessments, Typology Reports and Best Practice Guidance on Licensing practices and unlicensed Virtual Asset Service Provider activities. In 2024, the SSC conducted outreaches with more than 39,000 attendees from the private sector.

In addition, strong domestic collaboration with the UAE's competent authorities led to drafting of the UAE's "Travel Rule" for Virtual Assets Service Providers (VASPs), which is designed to strengthen the UAE's controls around preventing and detecting money laundering, terrorist financing and proliferation financing in relation to VASPs. In line with FATF Recommendation 16, the UAE's Travel Rule sets minimum standards for VASPs to consider when making or receiving a crypto-asset transfer on behalf of customers. VASPs will be required to obtain and disclose precise details pertaining to the sender and recipient of a virtual asset transfer to counterpart VASPs or financial institutions, either during the transaction or prior to it.

To streamline supervisory processes, the CBUAE implemented an interim automated solution to enhance its supervisory processes and simplify

FIGURE 7
Supervisory Efforts

Onsite Examinations



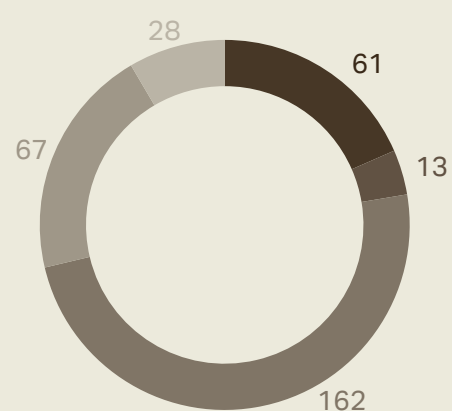
- #Banks
- #Finance Companies
- #Insurance Companies, Agents and Brokers
- #Exchange Houses
- #Registered Hawala Providers

LFI/ICRPs/RHPs reporting processes. Using the latest technology and data analytics, the CBUAE has improved its ability to identify and address emerging risks. Investments in the CBUAE's AML/CFT/CPF institutional risk assessment model also brings greater coherence across all inputs from examinations, thematic reviews, compliance officer reports, industry events and adverse news monitoring on LFI/ICRPs/RHPs. These inputs are used to update AML/CFT/CPF risk scores, and, where required, enable appropriate supervisory interventions.

The CBUAE will further enhance its supervisory efforts and adopt a real time data driven future proofed approach to supervision, through the application of advance surveillance. This will be implemented through SupTech, the CBUAE bank-wide solution for supervision and monitoring. Further guidance will be issued on areas that require improvement across the sector.

In 2025, CBUAE will plan to conduct topical risk assessments and self-assessments on its supervisory approaches and strategies. It will further contribute to international assessments such as the upcoming FATF planned in 2026. The CBUAE's goal is to protect the integrity and stability of financial markets and the global financial system and to ensure that its supervisory oversight is comprehensive and effective.

Offsite AML/CFT Data Returns



- #Banks
- #Finance Companies
- #Insurance Companies, Agents and Brokers
- #Exchange Houses
- #Registered Hawala Providers

AML/CFT/CPF Supervision Outreach Programme

FIGURE 8
AML/CFT/CPF Supervision Outreach Programme

Subject	
1	1 st Compliance Officers Forum of 2024
2	Virtual outreach session on Guidance on Proliferation Financing (PF) Institutional Risk Assessment (EOCN)
3	Virtual outreach session on Launching of New Portal for all Financial Institutions operating in UAE
4	Anti-Money Laundering and Targeted Financial Sanctions Outreach Session / for Insurance Sector
5	Anti-Money Laundering and Targeted Financial Sanctions Outreach Session / for Insurance Sector
6	Anti-Money Laundering and Targeted Financial Sanctions Outreach Session / for Insurance Sector
7	Anti-Money Laundering and Targeted Financial Sanctions Outreach Session / for Insurance Sector
8	Virtual outreach session regarding the UAE Common Reporting Standard (CRS) regulations, related obligations and audit observation of LFIs
9	AML / CFT Data Collection of all Insurance companies, Agents and Brokers
10	AML / CFT Data Collection of Registered Hawala Providers
11	AML / CFT Data collection of Finance Companies
12	AML / CFT Data Collection of Banks
13	AML / CFT Data Collection of Exchange Houses
14	Invitation to virtual workshop on Correspondent Banking
15	Invitation to virtual workshop on Correspondent Banking
16	National Summit on Financial Crime Compliance 'Threats, Vulnerabilities and Controls Virtual Invitation
17	National Summit on Financial Crime Compliance 'Threats, Vulnerabilities and Controls Virtual Invitation
18	Invitation to workshop on the results and outputs of the National Assessment of Proliferation Financing Risks Report
19	Invitation to workshop on the results and outputs of the National Assessment of Proliferation Financing Risks Report
20	Outreach session regarding the best practices on Anti Money Laundering and Combating the Financing of Terrorism obligation
21	Virtual outreach session on "Trends, Risks and Sector Practices associated with STR/SAR Filing"

8.4.3 Market Conduct and Consumer Protection

Significant expansion to Market Conduct Monitoring and Supervisory activity

As part of the objective to ensure Licensed Financial Institutions are respecting and acting in the best interests of Consumers, a total of 152 supervisory examinations were carried out in 2024. This was 108% more than 2023, which reflects an overarching commitment to ensure LFIs take appropriate steps to protect consumers in their use of financial products and services in the UAE.

Working closer with industry

In partnership with the UAE Banks Federation (UBF), Market Conduct Supervision designed and delivered a programme of stakeholder engagement sessions, which included over 2,500 participants across the financial sector. This collaborative initiative showcased the strategic importance to enhance regulatory compliance and understanding, through closer engagement with industry.

Establishing key partnerships with industry

Market Conduct Supervision continued to play an active role in industry forums to influence, engage and promote an effective and efficient market conduct culture in the financial sector. As well as maintaining critical membership in key UBF committees, permanent membership in the Foreign Exchange and Remittance Group (FERG) was also secured this year, which builds on growing cross-sector collaborations.

Issuance of regulatory guidance to promote Responsible Lending

Published an industry circular mandating the inclusion of card limits in affordability calculations, with the critical aim of ensuring lenders effectively reviewed consumer's overall ability to service existing or new liabilities. This underscores the drive to protect consumers from over-indebtedness, which in turn supports the wider efforts to maintain economic stability.

Introduction of Skilled Persons Supervisory Model

Implemented a globally benchmarked supervisory resource model for Market Conduct, aligned with international best practices. This further expands both capacity and capability within Market Conduct Supervision, in order to maintain pace with the rapidly evolving regulatory landscape and growing innovation of products and service introduced to the UAE market.

Risk-Based Supervision (RBS) Framework for Market Conduct

A robust and tailored RBS framework was developed for the banking, finance company, exchange house and payments service provider sectors, to support effective targeting of supervisory activity and ensure institutions with a higher risk of harming consumers receive greater attention from Market Conduct Supervision. This framework will support optimisation of resources and ensure proactive supervision by identifying high risks earlier.

Returning Funds to Consumers

Over AED 36 million were rightfully returned to consumers, following robust reviews carried out by Market Conduct Supervision across a number of LFIs. The findings led to clear directions being given for the identified LFIs to provide redress for charges and amounts that were incorrectly deducted or retained from consumers.

Utilised Enforcement referral powers

Initiated three enforcement cases to address breaches of consumer protection regulations. These were clear examples of violations to the provisions in the regulation and warranted escalation for appropriate sanctions by the CBUAE. These cases highlight the steps Market Conduct Supervision will take to ensure LFIs are held to account in instances of serious breaches.

Sanadak

2024 saw the launch of the MENA region's first independent ombudsman mechanism. As an independent entity, Sanadak resolves financial and insurance-related complaints through transparent, impartial, and timely processes, seeking to safeguard trust and confidence in the UAE's financial field. The launch also included an official website, mobile app and consumer happiness centre in Abu Dhabi, to provide easy access to Sanadak services and information.

Digital Integration with Dubai Courts

In continued efforts to enhance efficiency, effectiveness, and speed in the execution of judgments, orders, and judicial decisions, the Central Complaints Management System (CCMS) was linked to the Dubai Courts - linking electronic services related to the execution of judgments, orders, and decisions issued by the Dubai Courts through the CBUAE's court cases management system. This step ensures swift and precise justice, delivering exceptional judicial services that guarantee customer satisfaction, and upholding the values of justice, independence, and transparency.

Leadership Roundtable on Women's Economic Empowerment

Towards the end of 2024, CBUAE hosted Mary Ellen Iskenderian, the President and CEO of Women's World Banking, to discuss gender-inclusive policies and leadership in finance. Ms Iskenderian met Her Excellency Fatma Al-Jabri, the UAE Central Bank Assistant Governor, and 10 accomplished female leaders representing various departments across the institution. In a roundtable discussion, the assembled leaders shared their experiences navigating the banking sector, highlighting the transformative impact of visible female leadership.

Financial Inclusion and Literacy

The UAE boasts a robust economy, an advanced financial sector, and world-class digital infrastructure. Leveraging these strengths, the UAE is committed to enhancing financial inclusion and literacy at the national level. This commitment aims to:

- **Design targeted initiatives and policies:** Foster a deeper understanding of financial inclusion challenges to enable the development of more effective and impactful programs.
- **Position the UAE as a global leader:** Drive inclusive economic growth and sustainable development, aligning with national aspirations and international best practices.

The CBUAE is spearheading the development of a National Financial Inclusion Strategy and a National Financial Literacy Strategy through a collaborative effort involving government entities, the private sector, and key stakeholders. A unified strategy to advance financial literacy and inclusion across all segments of society was approved. This initiative aims to achieve inclusive economic growth by promoting equitable access to financial services for all segments of society, and align with national and international goals, including the UAE Centennial 2071, "We the UAE 2031," the Principles of the Fifty, and the United Nations Sustainable Development Goals (SDGs).

During 2024, a comprehensive assessment of the current state of financial inclusion and literacy in the UAE, compared with good practices, was conducted. In addition, the Financial Inclusion and Literacy Coordination Framework was established, along with a Financial Inclusion and Literacy Technical Committee (FITLC) to oversee the development and implementation of the National Financial Inclusion Strategy and the National Financial Literacy Strategy.

A critical component of the strategy development is the ongoing Financial Inclusion diagnostic study. Conducted in partnership with key stakeholders, this study employs a data-driven methodology to ensure that our strategies are grounded in real-world evidence and tailored to the specific context of the UAE.

Fraud Awareness Week

A focused week of sharing key messages to help prevent consumers from becoming victims of fraud was organised. The UAE Fraud Awareness Week and the establishment of a Fraud Prevention Department was part of a nationwide campaign in collaboration with LFIs, law enforcement agencies and Sanadak, which successfully delivered critical financial fraud educational programmes. As part of its ongoing commitment to combating fraud in the UAE, the CBUAE formally approved and operationalised the Industry Fraud Prevention Department to provide dedicated and specialist resources in this very important area.

8.4.4 Legislation and Regulatory

Regulatory Development

The regulatory framework for the UAE financial sector witnessed significant refinements during 2024, with a continued focus on the following key regulatory areas:

Recovery and Resolution

The CBUAE continued work on the development and implementation of a recovery and resolution framework for the financial sector, which is aligned with the UAE legal and regulatory framework and international standards. During 2024, the plans to implement a resolution regime were advanced with a focus on the drafting of regulations in respect of resolution of supervised entities and resolution funding.

Risk Management

To reinforce prudent risk management practices, a new Credit Risk Management Regulation and accompanying Standards, applicable to all Licensed Financial Institutions that provide credit facilities, was issued. This regulation strengthens the credit risk management requirements for LFIs towards improving financial resilience.

As part of its efforts to enhance the operational resilience of the UAE financial sector, the CBUAE developed a new Operational Risk Management Regulation for Banks, Insurance Companies, Insurance Brokers and Other Financial Institutions. This regulation will replace the existing 'Operational Risk Regulation' and the 'Operational Risk Standards'.

Governance

The CBUAE has made significant progress on enhancing the suitability framework for financial institutions with the publication of the Fit and Proper Regulation and accompanying Standards in October 2024. This was further supported by new fitness and propriety authorisation forms and the issuance of a revised list of Designated Functions, which are aligned with the requirements of the Central Bank Law, the new regulation and standards.

Financial Technology and Innovation

Given the dynamic nature of regulations for FinTechs, the CBUAE focused on revising the existing regulations, making sure the framework is fit for purpose. During the year, the Open Finance Regulation underwent revisions to bring the Application Programming Interface Hub and Trust Framework under the CBUAE's regulatory oversight.

Insurance Regulatory Regime

The CBUAE continued to strengthen its insurance regulatory framework in line with international standards and best practices, with the issuing of a new Insurance Brokers' Regulation and the Financial Reporting and External Audit regulation for Insurance Companies.

The Decretal Federal Law No. (48) 2023, Concerning Organisation of Insurance Operations was issued in 2023, with implementation of the new law in 2024, along with the Fitness and Propriety Regulation and Standards. These set out the minimum requirements to ensure that persons who hold designated functions and other key positions within licensees, including material risk takers, meet established criteria which support good governance and thereby protect policy holders, other customers and key stakeholders.

Also, Insurance Brokers' Regulation was introduced which set out the rules and conditions for licensing, regulating and supervising the operations of Insurance Brokers.

The CBUAE made significant progress on the following regulations, which are being prepared for issue.

- Public Disclosure Regulation for Insurance Companies
- Representation Offices of Foreign Insurance Companies and Foreign Reinsurance Companies Regulation
- Insurance Group Supervision Regulation
- Health Insurance Third Party Administrators' Regulation, which will replace the Instructions for Licensing Health Insurance Third Party Administrators and Regulation and Control of their Business

Islamic Finance

The following standards were issued by the CBUAE for Islamic Finance:

- Standard Re Shari'ah Compliance Function at Islamic Financial Institutions and Guidance Note Re Shari'ah Compliance Function at Islamic Financial Institutions
- Standard Re External Shari'ah Audit for Islamic Financial Institutions
- Standard Re Annual Shari'ah Report of Internal Shari'ah Supervision Committee for Takaful Insurance Companies
- Standard Re Charter of Internal Shari'ah Supervision Committee for Takaful Insurance Companies
- Standard Re External Shari'ah Audit for Takaful Insurance Companies

Other regulatory work

The CBUAE progressed the updating of the Dormant Account Regulation, with the purpose of expanding its scope of application to include all Licensed Financial Institutions and insurance companies.

Supervisory Education Initiative

The Supervisory Education Initiative aims to put in place a comprehensive approach to fostering collaboration and increased understanding of supervisory standards and the regulatory framework. The initiative encompasses several capacity building and outreach activities which are integral to carrying out supervisory

responsibilities.

The CBUAE continues the enhancement and delivery of the accredited Executive Certificate for Risk-Based Supervision Professionals programme. The programme aims to ensure that the CBUAE's supervisors are equipped with the necessary skills to identify the risks within licensees and take appropriate supervisory action, contributing to the UAE's financial stability. In 2024, the enhanced programme resulted in the certification of an additional 28 supervisors, bringing the total to 65 Executive Certificate holders and 48 Advanced Certificate holders.

A variety of customised supervisory programmes were developed with the aim of providing the CBUAE supervisors with technical expertise and an understanding of international best practices to further enhance supervision of the financial sector. These include specialised risk courses complemented with practical workshops to facilitate an in-depth and consistent supervisory approach. Overseeing the CBUAE participation in several international supervisory programmes further supported the development and exchange of knowledge and experience in emerging topics.

The Regulatory Update Series continues with the aim of increasing understanding of CBUAE regulations, delivering a series of briefings to provide an overview of regulatory issuances to support and enhance awareness of CBUAE's evolving regulatory framework to ensure

8.4.5 Enforcement

TABLE 9

Type of Violation and Amounts Imposed in 2024 in AED

Type of violation	Amounts imposed in 2024 in AED
AML/CFT	120,464,000
Emiratization	4,221,679
CRS/FATCA	20,000
Total	124,705,679

compliance with the requirements.

Electronic Know Your Customer (e-KYC)

The CBUAE launched the e-KYC initiative which is aimed at providing a secure framework for verifying customer identities (both individuals and corporate SMEs) and will also streamline the collection and processing of relevant data between various golden sources and LFI's.

The e-KYC entity will be established to operate the e-KYC platform, in alignment with Federal Decree-Law No. 30 of 2024 passed by His Highness Mohammed Bin Zayed Al Nahyan, President of the UAE. This project is one among nine initiatives within the CBUAE's Financial Infrastructure Transformation (FIT) programme and through increased transparency aim to increase confidence and trust in the UAE's business and financial systems.

The launch of the nationwide e-KYC platform is another significant example of the nation's global FinTech standing, while also fostering a stable and sustainable economic environment. By enhancing transparency in financial transactions, through the platform's accurate and comprehensive data, it will empower users to make informed decisions, streamline regulatory compliance, and bolster trust in the financial services sector in the UAE.

TABLE 10

Enforcement Actions against 55 Entities during 2024

Entity Type	Violation Type	Action Type	Number of Entities
Bank	Emiratization	Financial penalty	5
	AML/CFT	Financial penalty	6
Exchange House	AML/CFT	Financial penalty	20
	AML/CFT	Financial penalty Closure of 2 branches, and Suspension of activity for 3 Years	1
	AML/CFT	Licence revocation	1
Finance	Emiratization	Financial penalty	1
Insurance Company	Emiratization	Financial penalty	12
	Insurance Law	Prohibition for 6 months from entering new insurance contracts; and Warning	1
	Personal Data collection	Warning	1
Insurance-related profession	AML/CFT	Financial penalty	5
	Insurance Law	Licence revocation	1
Individual	CRS / FATCA	Financial penalty	1

Targeted, impactful and proportionate enforcement action supports the CBUAE's vision, mission and strategic objectives protecting consumer trust and confidence in the UAE's financial services sector. It also protects the rights of the insured, and the beneficiaries of the insurance business. This includes adopting preventive and deterrent actions against the bad actors to ensure and promote a healthy culture of compliance and preserve the financial stability and integrity of the economy by upholding the laws administered by the CBUAE. It also meets the related obligations arising out of domestic and international regulatory requirements, with a focused emphasis on AML/ CFT/ FATCA/CRS.

In 2024 the CBUAE took enforcement action against 55 entities, including banks, exchange houses, finance companies, insurance companies, insurance-related professions and an individual, for violations of Central Bank Law, Insurance law, the AML/ CFT law, Regulations, Cabinet Resolutions, Standards, Guidance and Notices related to various areas including CRS/FATCA requirements and Emiratization. The number of entities, covered under the scope of the CBUAE's enforcement actions, considerably reduced in 2024, in view of the improved levels of compliance with Emiratization requirements, by the Financial Institutions and the insurance sector entities.

Enforcement Decisions Made in 2024

Through the year, the CBUAE utilised its enforcement toolkit to take appropriate action against violations. Besides imposing penalties, the CBUAE exercised its administrative powers and issued directives, including revocation of licenses, suspension, prohibition/restriction on licensed activities, closure of branches, and issuance of warnings.

TABLE 11
Enforcement Sanctions and Penalties in 2024

Entity type	Number of Entities	Financial Penalties in AED
Bank	11	35,900,000
Exchange House	21	85,114,000
Finance Company	1	168,000
Insurance Company	12	3,253,679
Insurance-related profession	5	250,000
Individual	1	20,000
Total		124,705,679

In the banking sector, the CBUAE imposed financial penalties on 11 banks. Action against six banks was initiated for weak or absence of adequate AML/ CFT and sanctions compliance frameworks, and five banks were fined for violating the Emiratisation requirements.

In the insurance sector, a company was prohibited from entering specific insurance contracts due to its failure to comply with insurance laws, and another insurance company was warned for violating personal data requirements. A total of 12 insurance companies were penalised for their failure to comply with the Emiratisation legislation, with licenses revoked for failure to comply with insurance laws and fines imposed for failures to comply with AML/ CFT and compliance frameworks.

During 2024, the CBUAE proceeded against 22 exchange houses, with the imposition of both monetary penalty and administrative directives for the most serious offenders. The CBUAE also imposed financial penalties on companies for any failure to comply with the Emiratisation legislation as well as on individuals for failure to fulfil the CRS/ FATCA requirements.

The CBUAE also proactively conducted a strategic review of its enforcement approach, policies and procedures. The review involved a baseline assessment, benchmarking and gap analysis exercise, to identify enhancements and updates required to align the CBUAE with the global standards and best practices. The implementation of the new enhancements identified will follow in 2025 and the CBUAE's enforcement policy will be updated accordingly.

Grievances and Appeals Committee

The Grievances and Appeals Committee (GAC) received and decided on two appeals of Enforcement Notifications issued by the CBUAE. Both the appeals were rejected by GAC in favour of the CBUAE.

TABLE 12
Appeals of Enforcement

Firm Type	Outcome	Number of cases
Exchange House	Appeal rejected	1
Insurance Broker	Appeal rejected	1
Total		2

8.5 Islamic Finance

The CBUAE is actively driving the development of the UAE's Islamic finance industry to position the UAE as a global hub in Islamic finance, aligned with the CBUAE Strategy 2023-2026, which sets out the approach for market development, competitiveness, and sustainability.

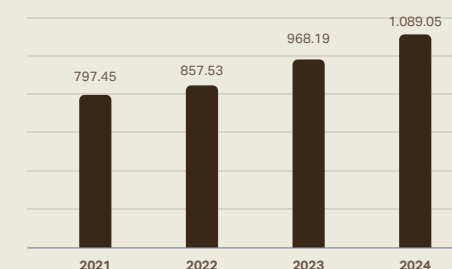
The CBUAE led collaborations with several authorities, including the Securities and Commodities Authority (SCA), Dubai Financial Services Authority (DFSA), Abu Dhabi Global Market (ADGM), and the UBF which aimed to strengthen the UAE Islamic finance ecosystem in relation to performance, governance, sustainability, knowledge, and awareness.

This effort has resulted in a significant jump of the **UAE ranking in global Islamic finance development, from 6th to 3rd place**. This achievement is also supported by the total size of the UAE's **Islamic banking industry which surpassed AED 1 trillion** in 2024. The UAE's Islamic banks are also active in arranging global sukuk issuances, accounting for USD 45 billion, or 19.24% out of USD 228.5 billion global sukuk issuances, solidifying the UAE as a leading international hub in facilitating global Islamic financial activities.

Additionally, the gross written contribution of takaful insurance reached AED 5.4 billion in 2024, increasing by 10.2% compared to 2023. The Takaful insurance market share represented 8.4% of the overall insurance sector in the UAE.

FIGURE 9

Total Asset of the UAE's Islamic Banking during 2021- 2024 (in AED billion)



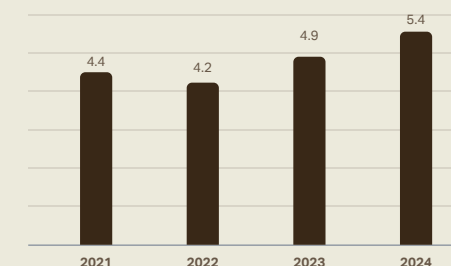
Total Asset of the UAE's Islamic Banking during 2021- 2024 (in AED billion)



Market Share of Global Sukuk Issuances Facilitated by the UAE's Islamic Banks (%) in 2023/2024



Gross Written Contribution of Takaful Insurance during 2021-2024 (in AED billion)



Prudential Aspects

The CBUAE continues to ensure the stability and resilience of the Islamic finance industry by issuing robust standards aimed at strengthening the governance framework of Islamic financial institutions. These standards are designed to foster trust and confidence among stakeholders. The CBUAE issued a standard and associated a guidance note on Shari'ah compliance functions at Islamic financial Institutions. This is aimed at improving the implementation of the second line of defence in the Shari'ah governance framework.

For Takaful insurance, the CBUAE issued two Standards to complement the Shari'ah governance standard and provide further details and guidance to Takaful insurance companies.

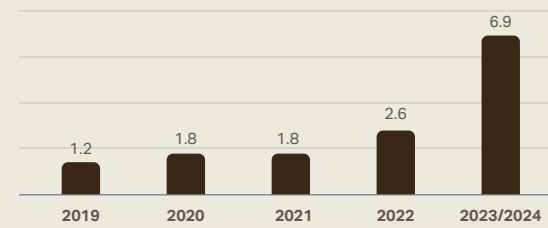
Driving Sustainable Finance Through Sukuk Issuance

Aligned with the CBUAE Strategy 2023-2026 in relation to sustainability, the Higher Shari’ah Authority (HSA) released Guiding Principles Regarding Sustainability in Islamic Financial Institutions to expand Shari’ah controls into sustainability.

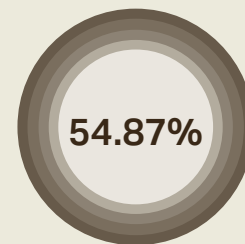
There was also a significant increase in sustainable sukuk issuances arranged by the UAE’s Islamic banks. The number went up from USD 2.6 billion in 2022 to USD 6.9 billion in 2023-2024, with an annual growth rate of 54.87% from 2019-2024. **The UAE’s Islamic banks have facilitated 19.24% of sustainable sukuk issuances globally, strengthening the UAE’s position as a leading hub for Islamic sustainable finance.**

FIGURE 10

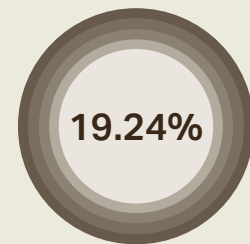
The UAE’s Sustainable Sukuk Outstanding Facilitated by Islamic Banks during 2019-2024 (in USD billion)



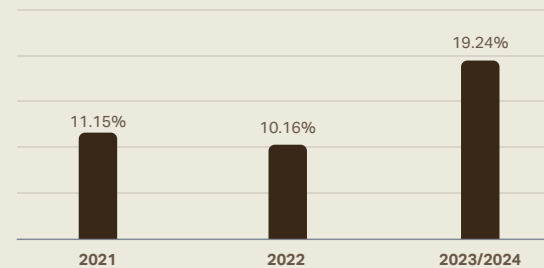
The UAE’s Sustainable Sukuk Annual Growth Rate (%) during 2019- 2024



Global Market Share of Sustainable Sukuk Facilitated by Islamic Banks (%) in 2023/2024



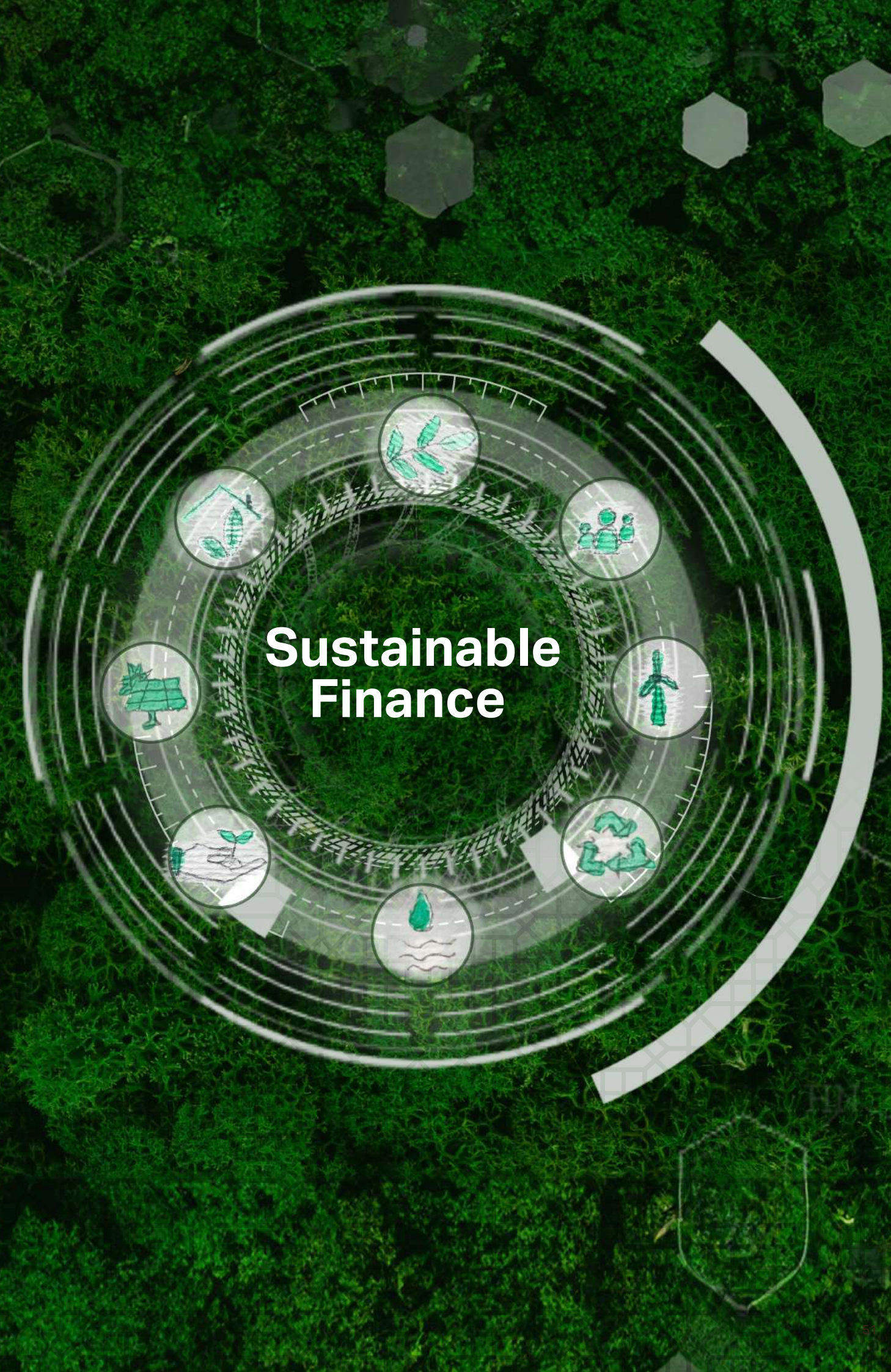
Global Market Share of Sustainable Sukuk Outstanding Facilitated by Islamic Banks (in USD billion) during 2021-2024



Regulatory Collaboration and Stakeholders Engagement

The CBUAE conducted high-level meetings in 2024 with the aim of developing Islamic finance within the UAE, especially in the Takaful insurance sector. These meetings with key stakeholders hold significance following the issuance of Decree-Law No. (48) of 2023 – Regulating Insurance Activities. The main point of discussion was the Takaful Insurance Fund and the operational model of Takaful business.

Furthermore, the CBUAE continued to collaborate with foreign regulators to promote standardisation and advancement of Islamic finance practices, including organising and hosting experience-sharing events and facilitating discussions.



8.6 Sustainable Finance

The UAE President, His Highness Sheikh Mohamed bin Zayed Al Nahyan, announced the Year of Sustainability in 2023, extending and continuing into 2024. The delivery of initiatives in 2024 built upon earlier work which included the hosting of COP28.

Sustainability is central to the CBUAE's mandate of delivering a resilient financial system for the UAE. In line with the Year of Sustainability in 2024 the CBUAE advanced implementation of several comprehensive sustainable finance initiatives, including those adopted during COP28.

The CBUAE's work throughout these two years integrated sustainability within all its key functional and policy areas, encompassing regulation, supervision, reserve management, assessment of climate-related finance risk in the UAE financial sector, among others.

Climate-Related Financial Risk Stress Testing

The UAE banking sector's climate-related financial risks stress-testing cover both transition and physical risks. With regard to transition risk, UAE banks conducted a pilot climate-risk stress test on corporate lending to climate-risk vulnerable sectors, focusing on the top 20 largest corporate borrowers in those sectors using NGFS climate scenarios. Additionally, the CBUAE performed a climate physical risk scenario analysis in 2024, examining banks' real estate lending exposure to rainfall flood and storm surge hazards under two IPCC scenarios.

Implementing Innovative Technologies for Sustainable Finance

The CBUAE in partnership with the COP28 Presidency and the Bank of International Settlement (BIS) launched the COP28 TechSprint to advance technology innovation for sustainable finance with a focus on artificial intelligence, blockchain, and sensory technologies. Throughout 2024, significant progress was made with key insights outlined in a report on "Innovative Technologies for Sustainable Finance" issued in 2024. The CBUAE has also implemented a proof of concept, in 2024, of one of the winning solutions of the COP28 TechSprint in its modelling of climate-related financial risks.

Supervision of Climate-Related Financial Risks

The CBUAE also completed its "Climate-Related Financial Risk Thematic Review", examining selected banks and insurance companies to determine their compliance with the principles for the "Effective Management of Climate Related Financial Risk". The CBUAE integrated climate-related financial risks as part of its risk-based supervisory approach.

Mobilizing Sustainable Finance in the UAE

At COP28's Finance Day, the CBUAE brought together key participants in the UAE banking sector with a target of mobilising AED 1 trillion (USD 272 billion) in sustainable finance by 2030. Building on the COP28 announcement, the implementation of the AED 1 trillion in sustainable finance advanced significantly in 2024 and will continue through 2030. This landmark commitment was achieved through close collaboration with the UBF and UAE national banks. The outcome advances the UAE's forward-looking and ambitious global and regional leadership in sustainable finance.

Effective Management of Climate-related Financial Risks

To enhance the regulatory standards for managing climate-related risk in the UAE financial sector, the "Principles for the Effective Management of Climate-related Financial Risks" were developed through collaboration with the UAE Sustainable Finance Working Group (SFWG), of which the CBUAE is a member. The principles define the expectations of the UAE regulators for the governance and risk management of climate-related financial risks by financial-sector entities operating in the UAE.

Principles for Sustainability-Related Disclosures

In 2024, the "Principles for Sustainability-Related Disclosures for Reporting Entities" were developed in collaboration with the UAE Sustainable Finance Working Group (SFWG). The principles aim to achieve high-quality and relevant sustainability-related disclosures, as part of the joint efforts of the UAE supervisory authorities to upgrade requirements for the UAE financial institutions according to the best international practices.

Advancing Sustainability Regulatory Frameworks

The CBUAE continued its efforts to raise the profile of sustainability in regulatory frameworks. Substantial progress was made on the "Climate-related Financial Risk Management Regulation", which seeks to establish an overarching prudential framework for climate-related risk management and aims to ensure that financial institutions have in place appropriate governance and risk management processes to identify and manage material climate-related financial risks.

Responsible Investments and Risk Management

Along with its primary fiduciary objectives, the CBUAE also accounts for Socially Responsible Investment (SRI) considerations in the management of official foreign exchange reserves. CBUAE foreign exchange reserve portfolios maintain exposure to ESG financial assets while maintaining a close alignment with relevant portfolio benchmarks. Furthermore, the CBUAE adopted an ESG Risk Framework for Foreign Reserves in 2024, further strengthening and broadening its comprehensive financial risk management approach.

Islamic Sustainable Finance

To encourage Islamic financial institutions to integrate sustainability into their practices and activities the CBUAE produced guiding principles consisting of 10 directives aimed at instituting and effectively implementing sustainability-related measures. The guiding principles aim to elevate the standing of Islamic finance and show, because of the robustness of Shari'ah regulations, that it is the leading sector for sustainable finance in the UAE.

Roadmap for Islamic Sustainable Finance

Roadmap for Islamic Sustainable Finance was announced at a roundtable attended by key Islamic finance infrastructure organisations including the Islamic Financial Services Board (IFSB), the General Council for Islamic Banks and Financial Institutions (CIBAFI), and the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). The roadmap outlines comprehensive steps to advance sustainability in Islamic finance, including prudential standards, disclosure guidelines, market development initiatives, and capacity-building programmes.

Sustainable Islamic M-Bills

The CBUAE commenced the development of a Sustainable Islamic M-Bills programme. This aims to develop a Shari'ah-compliant and sustainable-equivalent to existing M-Bills, which can be posted as collateral to access the CBUAE's standing and liquidity insurance facilities. Sustainable Islamic M-Bills would also support collateralisation among market participants and facilitate parity between conventional licensed financial institutions and those conducting their business in compliance with Shari'ah law. The first phase of the initiative focused on assessing the feasibility and potential size of such a programme.

Global Climate Action Through Fostering Sustainable Finance

The CBUAE continued its efforts to raise the profile of sustainability in regulatory frameworks.

Substantial progress was made on the "Climate-related Financial Risk Management Regulation", which seeks to establish an overarching prudential framework for climate-related risk management and aims to ensure that financial institutions have in place appropriate governance and risk management processes to identify and manage material climate-related financial risks.

Financial Sector Sustainability Roundtable

To support the CBUAE's efforts in promoting sustainability in the financial sector and facilitating collaboration amongst stakeholders, the UAE Financial Sector Sustainability Roundtable was organised to highlight the latest regulatory and industry developments. The roundtable brought together senior members of the CBUAE with selected CEOs and senior executives. It addressed the key challenges faced by LFIs and highlight regulatory efforts relating to the management of climate-related financial risks.

Currency Management

The CBUAE's new, award-winning AED 500 banknote was launched during the UAE's Year of Sustainability. The banknote, created from advanced polymer material, showcased a design comprised of the country's globally recognised approach to climate action and innovation of sustainable solutions. It uses imagery of the Terra Sustainability Pavilion in Expo City Dubai, the Museum of the Future, Emirates Towers and the Burj Khalifa, which derives most of its power from solar energy.



Art Through Banknotes Initiative

The CBUAE Youth Council, in collaboration with the Ministry of Culture and Youth, organised an art competition during COP28 called 'Art Through Banknotes'. Participating artists created art using shredded banknotes on one of the following themes: finance, trade, or gender equality. The winners were selected based on input from a panel of judges and public voting. The CBUAE Youth Council also organised the CBUAE Goes Green initiative, raising awareness and engaging CBUAE employees in sustainability.

8.7 Emiratisation of the Financial Sector

The CBUAE is committed to supporting LFIs in the UAE in achieving their Emiratisation strategies and fulfilling targets.

- LFIs exceeded targets, achieving 152.9% growth Y-o-Y.
- Emiratisation in critical roles increased by 20.2% compared to 2023.
- Emiratisation among executive committees as a direct report to a CEO or General Manager, increased by 14.3% from last year.
- Emiratisation representation in voting committees reached 24.9%, closer to 2026 targets of 30%.
- Five banks have pledged to hire 1,700 UAE nationals in the AI Ain area during the 2025-2026 period.
- Emiratisation was incorporated within overall assessments of all LFIs, in coordination with the Banking and Insurance Supervision.
- The Ethraa programme "Empowerment of Human Competencies in the Financial Sector" has effectively facilitated the placement of UAE nationals into critical roles, supported by specialised training plans.
- CBUAE closely collaborated with Nafis during the Nafis Award Cycle 2023-2024 to identify the winners in subcategories and recognise exceptional efforts in other categories.
- Additionally, quarterly meetings were actively held with the Chief Human Resources Officers - CHROs of licensed financial institutions to discuss Emiratisation targets and strategies on achieving these goals and outline the support the CBUAE can provide.
- Furthermore, the CBUAE partnered with the Emirates Institute of Finance - EIF to organise open days aimed at encouraging entities to identify UAE nationals for roles within LFIs.

CBUAE Payment Systems Improvement

The development and operation of the Payment System Infrastructure in 2024 was an important milestone for the CBUAE. It was a key initiative to improve the payments landscape in the UAE addressing diverse stakeholder needs whilst ensuring technological development, innovation, resiliency, and security.

8.8 Payments Infrastructure

8.8.1 Payments Systems

Given its mandate to strengthen market financial infrastructure, CBUAE has meticulously worked to improve the digital landscape of the UAE by implementing state-of-the-art technology. This ensures wider acceptance of non-cash payment means and market interoperability while providing payment and settlement services, overseeing financial market infrastructures and payment instruments, and fostering transparency and financial stability.

The Aani Instant Payment Platform (IPP) was adopted in 2024. Aani enables customers to transfer funds up to AED 50,000 immediately and conveniently on a 24/7 basis. The platform offers innovative services, including proxy payments, QR-code-based payments, Request to Pay, and split payments.

In addition to the state-of-the-art IPP, CBUAE has made significant progress in advancing "Jaywan," the UAE's Domestic Card Scheme. Jaywan enables the localisation of debit card transactions, ensuring payment-related data is processed and stored within the UAE.

In line with international best practices and benchmarking with several countries, where central banks do not directly operate retail payment systems, the operations CBUAE maintains an oversight role over retail payment schemes and systems operated by AEP.

CBUAE has further decided to transfer several functions to AI Etihad Payments (AEP), including the UAE Funds Transfer System (UAEFTS) and the UAESWITCH card system. The CBUAE continues to act primarily as a payment system supervisor of these infrastructures. CBUAE has reinforced its cross-border payment capabilities through:

- GCC Real-Time Gross Settlement System (AFAQ)
- Arab Regional Payment System (BUNA)
- Central Bank Digital Currency (CBDC) initiatives

These systems are designed to enable processing of cross-border payments using domestic currencies. CBUAE encourages LFI membership and participation in these systems through agreed-upon requirements, rules, and standards governing participant relationships and transaction parameters, including currency options, exchange rates, and settlement procedures.

1. Achievements

a) Domestic Card Scheme - Launching Jaywan

In 2024, CBUAE launched the Domestic Card Scheme - Jaywan to enable the routing of local Point of Sale (POS) domestic transactions locally through UAESWITCH. In collaboration with AEP, CBUAE plans to implement Phase 2, which encompasses designing specifications and launching full-fledged UAE-branded domestic cards. All Jaywan transactions are denominated in UAE dirhams, eliminating foreign exchange fees and currency conversion spreads.

b) ISO20022

CBUAE has actively worked towards implementing the ISO20022 standard for financial messaging. Following SWIFT's published roadmap, CBUAE is implementing the standard through a phased approach across key business areas.

ISO20022 is widely adopted by banks, corporations, payment systems, and financial applications providers for payment operations. The standard is currently utilised by numerous Real-Time Payment (RTP) schemes and Real-Time Gross Settlement (RTGS) markets.

ISO20022 enables richer, better-structured, and more granular transaction data in payment messages. This enhancement provides additional information for payment service providers and their customers, leading to the following:

- Improved client experience
- Reduced manual intervention
- More accurate compliance processes
- Enhanced resilience
- Improved fraud prevention measures

In 2024, CBUAE focused on enhancing internal system configuration, including:

- Core banking and treasury systems
- SWIFT Alliance and SWIFT Scope platforms
- System upgrades to accommodate the Dirham Monetary Framework, including Monetary Bills (M-Bills)

In this endeavour, CBUAE has conducted extensive testing with international counterparts to confirm readiness for effective ISO20022 standard adoption.

Operational Capacity of UAE Payment Systems

The UAE's payment systems that are operated by the CBUAE and AEP are outlined below. They demonstrated robust operational performance in 2024.

- Image Cheque Clearing System (ICCS)
- UAE Funds Transfer System (UAEFTS)
- UAE Direct Debit System (UAEDDS)
- UAE Wages Protection System (UAEWPS)
- Instant Payment Instruction (IPI)
- UAE Payment Gateway System (UAEPGS)
- UAE National Card Switch (UAESWITCH)

The UAEFTS processed 110 million transactions, showing a 22.5% increase in volume compared to the previous year. IPI processed 67.5 million transactions, representing a 5.31% growth.

Key System Performance:

a. Image Cheque Clearing System (ICCS)

The system processed 23.45 million cheques worth AED 1.38 trillion, showing increases of 2.23% in volume and 5.33% in value compared to the previous year.

b. UAE Funds Transfer System (UAFTS)

- Retail transfers: 109.7 million transactions worth AED 7.4 trillion (22.57% volume increase, 20.63% value increase)
- Institutional transfers: 758,000 transactions worth AED 12.5 trillion (12.37% volume increase, 13.37% value increase)

c. Instant Payment Instruction (IPI)

IPI transactions increased to 67.5 million worth AED 225.4 billion in 2024, compared to 64.1 million worth AED 164.7 billion in 2023.

d. UAE Wages Protection System (UAEWPS)

- Registered employees increased from 5.86 million to 6.06 million
- Total salaries processed increased from AED 62.6 million to AED 67.5 million
- Value of salaries paid rose to AED 341 billion from AED 296 billion
- Registered employers increased by 5% to 321,007 from 306,450

e. UAE Direct Debit System (UAEDDS)

UAEDDS processed 17.8 million transactions worth AED 106.9 billion, showing a 33.96% increase in transaction volume and 23.74% increase in value.

f. UAE Payment Gateway System (UAE PGS)

UAE PGS processed 2.1 million transactions worth AED 7.8 billion, showing a 13% decrease in both count and value compared to 2023.

8.8.2 Currency Management

1. CBUAE Launches Digital Service for Commemorative Coin Sales

The CBUAE launched a digital service for commemorative coin sales through its website. This user-friendly service offers streamlined steps with several advantages, notably instant and secure login via UAE Pass.

This initiative demonstrates CBUAE's commitment to implementing international best practices by:

- Elevating financial sector services
- Enhancing operational efficiency
- Delivering institutional services meeting global standards
- Reducing time, effort, and resources
- Providing a seamless experience through improved service accessibility
- Reducing unnecessary burden on consumers within and outside the UAE

2. Minting and Issuance of Commemorative Coins

a) Supreme Council for Motherhood and Childhood 20th Anniversary

In cooperation with the Supreme Council for Motherhood and Childhood, CBUAE issued 500 silver commemorative coins marking the Council's 20th Anniversary. This issuance highlights the Council's achievements since its 2003 establishment and honours pioneers who contributed to serving the UAE community. The coins feature:

- Front: Council building with inscription "Supreme Council for Motherhood and Childhood" in Arabic and English
- Reverse: Nominal value of "20 Dirhams" with "Central Bank of the UAE" in Arabic and English

b) Sultan bin Saqr Al Qasimi Library Centenary

CBUAE, in collaboration with the Sultan Bin Saqr Al Qasimi Library, issued 1,250 silver and 125 gold commemorative coins to honour the library's centenary (1925-2025), celebrating its role as a scientific and cultural icon. Design features:

- Front: Library building, years 1925-2025, nominal value, and the inscriptions, "Centennial of the Sultan bin Saqr Al Qasimi Library", as well as the "Central Bank of the UAE" in Arabic and English
- Reverse: Library's name, Sultan bin Saqr Al Qasimi

c) Scholarship Office 2024

In collaboration with the Presidential Court, CBUAE issued 120 silver commemorative coins for the Scholarship Office.

d) Eid Al Etihad

CBUAE issued 3,000 silver commemorative coins marking the 53rd Eid Al Etihad celebration in collaboration with the Presidential Court.

e) Al Etihad Credit Bureau 10th Anniversary

Marking a decade since launching credit reports, CBUAE issued 500 silver commemorative coins in collaboration with Al Etihad Credit Bureau.

f) CBUAE Golden Jubilee

CBUAE commemorated its 50th Anniversary by issuing 3,000 silver and 50 gold commemorative coins. This issuance highlights CBUAE's achievements in developing the banking and financial sector and its role in driving economic development. The coins feature:

- **Front:** Portrait of President His Highness Sheikh Mohamed bin Zayed Al Nahyan, surrounded by H.H. name in addition to the phrase "President of the United Arab Emirates" in Arabic
- **Reverse:** CBUAE building, along with the phrase "The 50th anniversary of the Central Bank of the UAE" on the upper and lower edges in Arabic and English, and the years 1973-2023.

g) Al-Nasr Sports Club 80th Anniversary

In recognition of one of the UAE's oldest sports clubs, CBUAE issued 1,000 silver commemorative coins to celebrate the club's eight decades of achievements in sports, cultural, and social domains, acknowledging its role in supporting athletics and strengthening national identity. It features:

- Front: Al Nasr Sports Club logo with the place and year of establishment "Dubai 1945"
- Reverse: AED 80 nominal value, with the words "80th anniversary of the founding of Al Nasr Sports Club", surrounded by the name "Central Bank of the UAE," as well as the words "Commemorative coin" in Arabic and English.

8.9 Digitalisation and Innovation

8.9.1 Digital Dirham

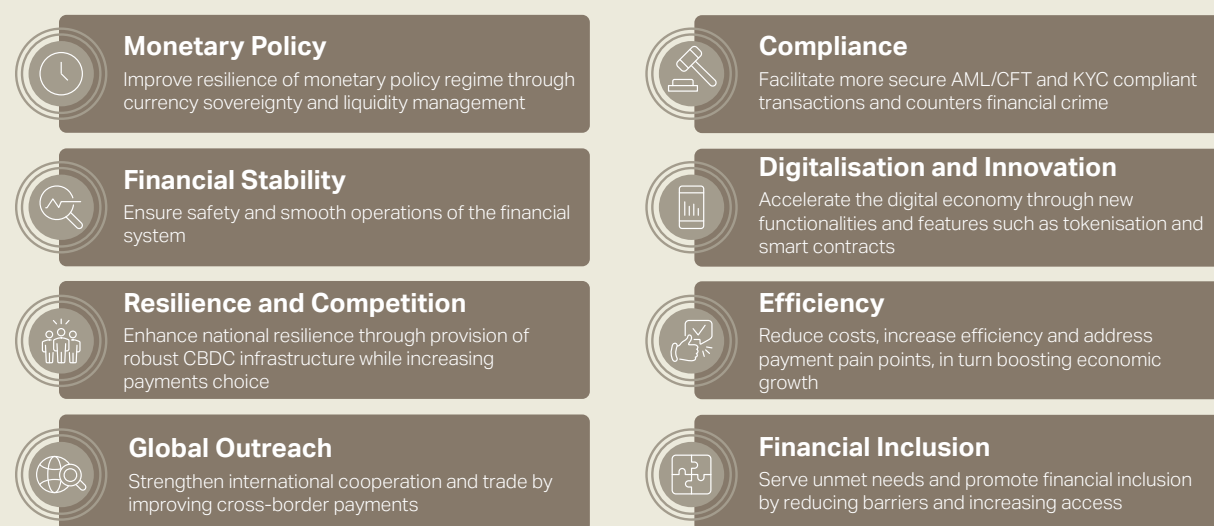
In 2024, the CBUAE completed the first phase of implementing the “Digital Dirham”, the UAE’s Central Bank Digital Currency (CBDC). The development of the Digital Dirham was initiated as a multi-year and multi-phased project under the CBUAE’s Financial Infrastructure Transformation (FIT) programme, which aims at modernising the UAE’s payment system and monetary framework. The objective of introducing the Digital Dirham is to improve payment system efficiency and effectiveness, promote access, usage and quality of financial services, and reinforce monetary policy execution.

The Digital Dirham will be issued by the CBUAE and serve as a digital version of the UAE’s national currency, which along with other benefits, will enable instant settlements and increase accessibility, with the security and trust of traditional central bank-backed money.

The Digital Dirham will provide an integrated and secure platform for retail, wholesale, and cross-border transactions with strong intermediary involvement through various use cases to encourage innovation and adoption. The CBUAE has already evaluated the design, technology and governance of the Digital Dirham which will give the UAE an innovative universal payment method and digital currency wallet, accelerating the digital economy, and promoting financial inclusion. Figure 11 summarises the policy objectives.

FIGURE 11

Policy Objectives of the Digital Dirham



During the first phase of implementation, the CBUAE has made substantial progress in designing, building, testing and deploying the Digital Dirham as a universal payment instrument for retail, wholesale and cross-border use.

In January 2024, the first Digital Dirham was issued as legal tender on the CBUAE’s bespoke Issuance Platform, when His Highness Sheikh Mansour bin Zayed Al Nahyan, Chairman of the CBUAE, initiated the first cross-border Digital Dirham payment on the mBridge minimum viable product (MVP) platform. mBridge is a multi-CBDC platform for wholesale cross-border payments.

In the same month, the CBUAE also successfully completed a real-value retail pilot of the Digital Dirham,

which tested foundational use cases, such as top-up, withdraw, transfer and pay, and included several digital economy use cases. These use cases were completed to test new functionalities including programmability and tokenisation. During the remainder of the first half of 2024, the CBUAE onboarded additional participants to the Issuance Platform and the mBridge project.

The Issuance Platform is fully integrated in the CBUAE’s system for managing bank reserves and

enables the minting, redemption and distribution of the Digital Dirham to LFI (Licenced Financial Institution). Following the first mBridge MVP payment, the CBUAE played an important role in supporting mBridge reaching MVP stage with all participants in June 2024. Finally, during the first half of 2024, the CBUAE also obtained Board approval on future scope and approval to proceed with the second phase of implementing the Digital Dirham.

FIGURE 12

Digital Dirham Phase 1 Accomplishments



In August 2024, the CBUAE began the second phase of implementation of the Digital Dirham. The second phase is expected take two years to complete and covers the following key areas of work (Figure 13).

FIGURE 13
Scope



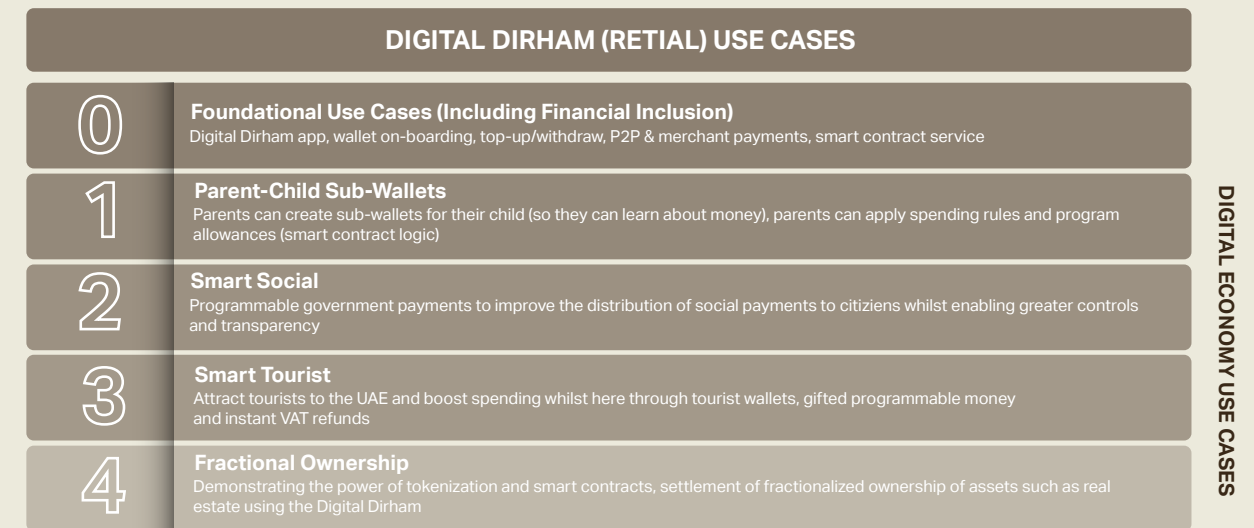
The second phase encompasses retail, wholesale and cross-border applications of the Digital Dirham, and includes legal, policy, regulatory, governance, business, technical and operational streams. The CBUAE has begun design and development of a multi-digital currency multilateral network owned and operated by the UAE.

FIGURE 14
Latest Design Work of the Digital Dirham App



Working with LFIs, FinTechs, other industry participants, businesses and government entities the CBUAE has also begun the development and implementation of several retail Digital Dirham use cases, which will be amongst the first to be offered to the general public (Figure 15).

FIGURE 15
First Digital Dirham Use Cases



DIGITAL ECONOMY USE CASES

8.9.2 SupTech (Supervisory Technology)

As part of the CBUAEs ongoing efforts to enhance financial supervision and ensure a resilient financial system, progress continued within the SupTech (Supervisory Technology) implementation programme. This initiative is strengthening the Central Bank’s supervisory capabilities by embedding advanced data analytics, automation, and artificial intelligence.

The SupTech programme has been developed to enhance the effectiveness of supervisory processes by leveraging data to enhance decision-making, foster innovation, and support the adoption of new technologies across the financial sector by enabling faster licensing through workflow, automation and decision support. It uses cutting-edge technologies to improve the efficiency, accuracy, and predictive power of regulatory oversight, enabling a more proactive and risk-sensitive approach to supervision. At the core of this transformation is a

commitment to Risk-Based Supervision, ensuring that supervisory resources are focused on the most significant risks to financial stability, rather than applying a one-size-fits-all approach.

The SupTech programme explores several use cases to help meet this goal. Network analytics are being deployed to help detect potential contagion effects from major financial events, while payment scenario simulations will identify stress points in the financial system. Additionally, a challenger model is being developed focused on validating banks’ ECL calculations under IFRS 9, ensuring alignment with prudential expectations.

The SupTech forecasting tools will assess the impact of macroeconomic trends on borrowers and lenders, providing deeper insights into emerging financial risks. The programme will also deliver an early warning system based on various risk factors, and a quality assurance tool to enhance regulatory consistency across reporting requirements.

SupTech and the FIT Programme

SupTech plays a key role in meeting the FIT programme’s objectives, including in the creation of a resilient, secure and advanced digital infrastructure.

- **Providing risk-based, proactive supervision aided by advanced analytics**
- **Improving financial intelligence through network analysis**
- **Enabling a single view across all functions of LFI**
- **Launching a single, unified portal for managing the interaction with FIs and tracking their financial data and entity structure**
- **Enabling event-triggered alerts for the CBUAE**
- **Enabling advanced data and AI capabilities for the CBUAE licencing, supervision, inspection, and enforcement**
- **Improving the workflow management of supervision by digitising and automating standardised tasks such as the upload, verification, and approval of documents**
- **Enabling proactive supervision by developing forward-looking capabilities through emerging technologies such as natural language processing, network analysis and predictive analysis**
- **Unlocking a granular view of data through big data and network analytics**
- **Developing a risk-based outlook projection of LFI for supervision**

8.9.3 Financial Technology and Virtual Assets

The CBUAE takes a forward-thinking approach to fostering a robust and innovative FinTech ecosystem, driven by the goal of establishing the UAE as a global leader in FinTech space. To achieve this, the CBUAE is focused on building a comprehensive environment that brings together FinTechs, financial institutions, regulators, and technology providers.

Recognizing the transformative potential of FinTech topics and emerging technologies, the CBUAE is also committed to building a conducive regulatory environment that supports the growth of the FinTech sector while maintaining financial stability. Notable FinTech regulations were issued by CBUAE in 2024, which further enhance the FinTech regulatory landscape in the UAE. One example includes:

Payment Token Services

In June 2024, CBUAE introduced a ground-breaking comprehensive Payment Token Services Regulation that establishes new global standards for stablecoins oversight in the UAE. The regulation addresses three fundamental areas: Payment Token Issuance, Payment Token Custody & Transfer, and Payment Token Conversion and offers an optimal balance between innovation and regulatory protection, providing clear guidelines for stablecoin usage in payments whilst ensuring a secure digital asset ecosystem.

The framework incorporates sophisticated risk management protocols, including robust anti-money laundering (AML) measures, enhanced consumer protection standards, and stringent conduct requirements. This proactive approach to risk mitigation and continuous monitoring, safeguards the financial system while supporting innovation. The regulation maintains technological neutrality, avoiding preference for specific blockchain infrastructures and fostering open competition.

8.9.4 Data Advancements

In 2024, the CBUAE significantly enhanced its data capabilities to strengthen oversight of the UAE’s monetary and financial systems. The central Data Office expanded from three to 17 specialists, focusing more on enabling data-driven decision-making within the CBUAE.

A key milestone was completing the first phase of CBUAE’s centralised Data Management platform, which enhances Supervisory Technology (SupTech) operations through integrated data collection, analysis, and dissemination. A new Data Committee, comprising Chiefs from 10 key departments, was established to ensure comprehensive data oversight.

The CBUAE advanced its data governance framework through new policies covering governance, quality, risk, and records

management. These frameworks implemented across 20 departments, established clear parameters for data stewardship. Deploying advanced data governance tools enhanced quality profiling and metadata management across business functions.

In collaboration with the Risk Management & Compliance Division, the CBUAE also developed a 2025 remediation plan to strengthen data integrity and security. The institution also introduced new data masking methodologies for secure analytics applications.

Artificial Intelligence (AI) integration accelerated with the development of 20 machine learning and natural language processing applications. The CBUAE evaluated over 60 pre-trained AI models, streamlining regulatory reporting processes across SupTech and Risk Management functions. Twelve team members achieved Certified Data Management Professional (CDMP) accreditation, strengthening the institution’s data expertise. These achievements were recognised through the Dataiku Award for Best Innovative Use of AI.

8.9.5 Open Finance

Ensuring the soundness and efficiency of open finance services, encouraging innovation, enhancing competitiveness, achieving consumers’ interests and ultimately reinforcing the UAE’s status as a leading financial technology hub, the UAE achieved significant milestones in Open Finance in 2024, marked by the publication of comprehensive regulations and the first version of technical standards. These standards encompassed both Open Banking and Open Insurance functionalities and were accompanied by supporting frameworks including the limitation of liability model, commercial and pricing structures, and regulated customer consent processes. The CBUAE also established the national branding framework and trust mark for the initiative, alongside technical sandbox environments for testing and development.

Throughout 2024, CBUAE fostered extensive collaboration with industry stakeholders, including FinTech’s, banks, and insurers, to develop the infrastructure necessary for Open Finance’s launch in 2025. This collaborative effort has produced several pioneering achievements in the financial sector: Throughout 2024, CBUAE maintained close oversight of operational readiness and infrastructure development, ensuring robust foundations for the system’s launch.

- Centralised Trust Framework and API Hub - Enables Licensed Financial Institutions (LFIs) to connect with Third Party Providers (TPPs) through a streamlined single connection point, significantly reducing technical complexity and operational overhead. Third party providers may offer a range of modelling contributions covering, amongst others, methodological support, system infrastructure, validation services and ready-made calibrations based on external data.
- Aggregated Consent Management - Allows TPPs and LFIs to offer comprehensive Open Finance consent management within their platforms. This system will be complemented by a central consent manager app that extends support to Financial Institutions that have not yet developed their own digital consent channels, ensuring broad accessibility across the sector.
- World Class Payments – Integration with Aani, the UAE’s instant payments system, has added new capabilities. This enables sophisticated payment functionalities, including bulk transfers, future-dated payments, and variable recurring transactions. Further, Open NFC-compatible Secure Customer Authentication ensures seamless operation across mobile operating systems.
- Sustainability – The CBUAE has laid a solid foundation for Open Finance in the UAE by carefully aligning the interests of Financial Institutions and TPPs while reducing aggregation costs.
- Open Foreign Exchange – Six foreign exchange institutions together with the CBUAE have volunteered to pioneer Open Foreign Exchange. This is significant given the UAE’s position as a major hub for international remittances.
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As these components prepare for market deployment in 2025, they represent the culmination of extensive planning and development work conducted throughout 2024. This comprehensive preparation puts the UAE in a position to establish one of the world's most sophisticated Open Finance ecosystems, setting new financial innovation and integration standards.

8.9.6 Innovation Hub

On 20th November 2024, the CBUAE successfully inaugurated its Innovation Hub at the Emirates Institute of Finance – Dubai Campus as a cornerstone step of the UAE's Digital Economy strategy. This centre for research, innovation, and development represents one of nine strategic initiatives under the FIT Programme. The Innovation Hub's mandate encompasses accelerating digital transformation, and advancing consumer protection, aligned with CBUAE's vision of global central banking excellence.

The Innovation Hub operates through six interconnected strategic labs, each driving a unique theme with regards to financial and technological advancement. **RegLab** shapes the regulatory landscape through industry

education and stakeholder engagement to ensure that all regulatory frameworks remain up to date and aligned with global best practices. **ColLab** strengthens domestic and international partnerships to foster collaboration, while **DigitalLab** provides a sophisticated technical sandbox for FinTech innovation. **LearnLab** focuses on workforce development. **FutureLab** analyses emerging trends and global best practices, complemented by **ThinkLab's** research initiatives in policy and technological advancement.

By fostering collaboration among financial institutions, regulators, technology providers, and academia, the Innovation Hub aims to strengthen the UAE's financial services sector, enhancing resilience and driving strong connections within the global financial ecosystem.

8.10 Human Capital

The CBUAE is committed to strengthening its workforce by introducing specialist talent to deliver its key strategic goals under its various mandates.

Key highlights for recruitment and turnover in 2024 include:

- CBUAE hired 123 Full Time Employees (FTEs) consisting of 61 UAE Nationals and 62 Expatriates
- 31 UAE Nationals were hired through the Graduate Development Programme and Future Tech Leaders Programme
- CBUAE attracted world-class talent to senior positions including Chief Investment Officer, Head of Corporate Governance and Head of Payment System Supervision
- Attrition rate stands at 8.4% with 77 FTEs leaving the organisation, and 11 UAE Nationals reaching retirement age

Emiratization

The CBUAE achieved a 59.9% Emiratization rate compared to 62.5% in 2023 which reflects the key priority of onboarding talent to critical roles.

- **CBUAE Graduate Development Programme:** The CBUAE welcomed 2 batches of 28 ambitious graduates. The programme consists of a carefully structured learning journey designed to bridge the gap between academic knowledge and practical expertise, where graduates undergo extensive training, mentorship, and real-world exposure, enabling them to thrive in dynamic business environments and evolve into future-ready professionals. From the first batch, nine graduates completed their graduation and joined various business areas this year.

- **Future Tech Leaders Programme:** The CBUAE expanded talent development initiatives with the second cohort of the Future Tech Leaders Programme. This specialised programme was targeted at 10 internal employees equipping them with cutting-edge skills and a deep understanding of emerging trends in the technology landscape, poised to drive innovation and lead the way in the digital era.

Talent Management and Succession Planning

The CBUAE's commitment to fostering a sustainable and forward-thinking organisation was exemplified in 2024 through a comprehensive approach to succession planning and talent management. Capability assessments were conducted for over 650 employees across the bank using the Mercer Talent Enterprise psychometric tools and structured feedback surveys, providing deep insights and forming the foundation of a bank-wide talent review and succession planning process.

The CBUAE also introduced a successor calibration exercise, ensuring a unified and consistent approach to identifying and preparing successors. This calibration process aligns talent decisions with organisational priorities providing an overarching focus on creating a sustainable organisation to ensure long-term operational excellence, enhanced leadership continuity, and to secure the bank's ability to thrive in an evolving industry landscape.

Leadership Development

The CBUAE conducted the Leadership Reimagined Programme in partnership with IMD, a renowned independent business school, specialising in developing leaders and driving impactful organisational change. CBUAE's top 50 senior leaders participated in a 5-day programme split over May and October providing them with global best practices on leadership actions needed to navigate the complexities of a dynamic business environment. Over 75% of team members reported noticeable improvements in leadership styles, with close to 90 actions being successfully completed by participants. A one-day session was also conducted with the CBUAE's Executive Committee to share the outcomes of the Reimagined Leadership Programme. This session was pivotal in aligning the top executives with the programme's key messages and strategic objectives, ensuring their full support in driving the next steps.

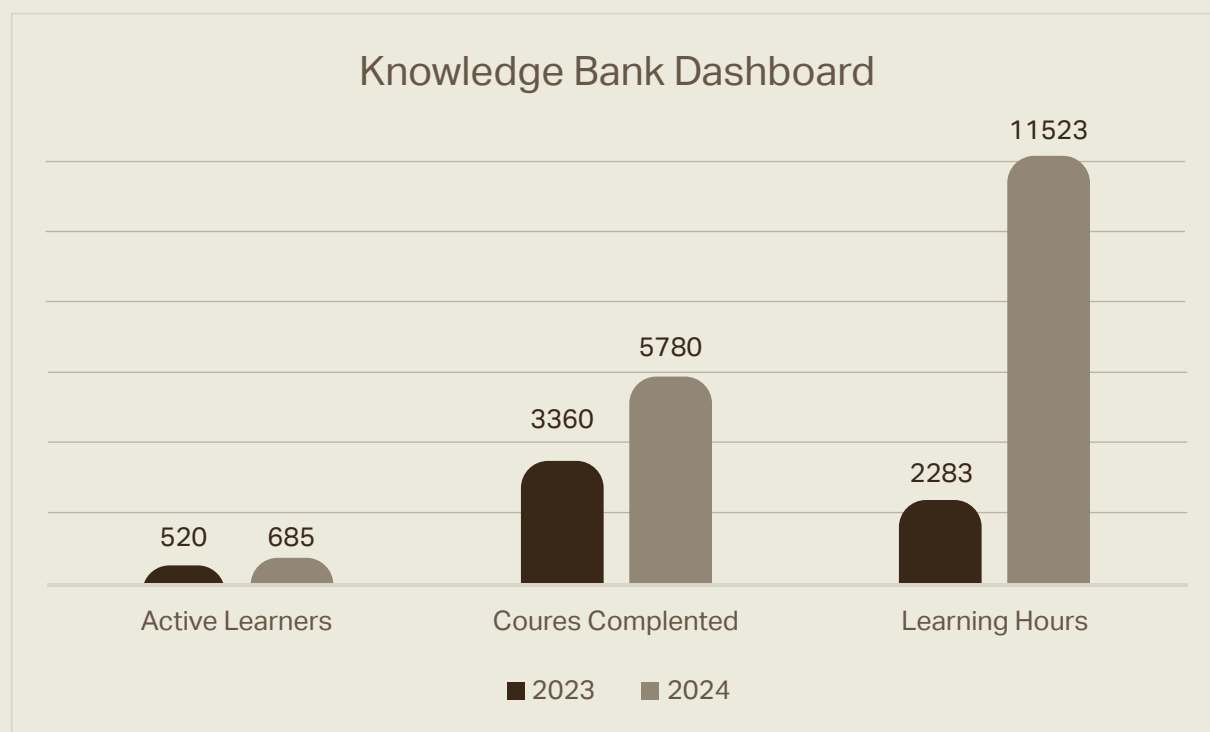
Staff Development Overview

Building on the success of 2023, the CBUAE continued to prioritise staff development in 2024. About 97% of staff underwent formal development, with an average of 39.9 learning hours per person. This was achieved with increased engagement and growth in the digital learning platform, CBUAE Knowledge Bank, along with unlimited access to world-class content from Coursera, OpenSesame and Intuition. On average 15 hours of learning per person was delivered via the digital platform.

As of 31st December 2024:

- 685 employees (89%) are actively learning through our new platforms
- 5,780 courses have been completed with an additional 2,718 courses in progress
- Collectively, over 11,523 learning hours have been achieved

FIGURE 16
Knowledge Bank Dashboard



Professional certifications

The CBUAE continued to prioritise professional certification as a key component of employee development. Over 75 employees have pursued various renowned professional certifications. Through financial support, time allowances, and targeted resources, the CBUAE empowered employees to gain certifications which contribute to their individual career growth and strengthened the overall capabilities of the institution. Thirteen staff were supported with over 300 learning hours inclusive of lectures and practice sessions in preparation for the final exams of the Chartered Financial Analyst (CFA) program, delivered in collaboration with Emirates Institute of Finance (EIF) and CFA Institute.

Career Pathway Initiative

The CBUAE commenced work on a new Career Pathway initiative to help employees understand the skills requirements of different roles and outline various potential career paths they can explore to grow within the organisation. Piloted

across Banking and Insurance Supervision, the new platform is designed to give staff clear visibility and guidance on the many opportunities available across departments within Banking and Insurance Supervision and the skills needed to facilitate internal mobility. The second phase aligns new targeted development initiatives and incorporates skills-based performance measures into career pathways and internal talent management practices to promote accelerated growth for talent.

Summer Internships

The CBUAE launched the third cohort of the Summer Internship Programme, a six-week programme offering nine Emirati university students and future job seekers the opportunity to gain practical work experience, explore career goals, build confidence and create a professional network.

8.11 Outreach

8.11.1 Communications

Extending the CBUAE internally and externally

In 2024, the CBUAE's outreach programme implemented a range of stakeholder and general public engagement programmes through selected channels, including the website, media and social media, on relevant subjects. The programmes were designed to keep all audiences informed of relevant regulatory, supervisory, and operational developments.

The CBUAE regularly published reports which outlined its overarching view of financial markets at a local, regional and international level which included an annual report, financial stability report, quarterly economic reviews, quarterly credit sentiment surveys, and quarterly reviews of UAE monetary banking and financial markets developments.

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Communicating regulatory, supervisory and operational developments

The CBUAE increased its visibility regionally and internationally with senior management and subject matter experts speeches and interventions at key global events with organisations such as the IMF, World Bank, FSB, G20, BIS, AMF and many more.

The Communications continue to develop brand marks for new public facing initiatives that resonate with the rich culture and heritage of the UAE. In particular, the introduction of the brand Jaywan for AEP – a subsidiary of the CBUAE – has its name derived from the purest pearl, reflecting the UAE's long-standing tradition and economic reliance on the pearling industry, and the brand mark which is crafted in a clear Arabic and English language.

In addition, the "Sanadak" brand name and mark was selected due to its meaning in the Arabic language, namely 'backing' and 'support'.

In 2024, the CBUAE footprints in outreach and events were spread-out across hosting key events through-out the year with the following highlights:

Increased visibility

The CBUAE increased its visibility regionally and internationally with senior management attendance and engagement at important forums through the year, including the delivery of keynote speeches and participation in panel discussions. The headline events through the year were the G20 meeting in Washington and Johannesburg, International Monetary Fund (IMF) and World Bank Group meetings and the Arab Monetary Fund meeting.

National Summit on Financial Crime Compliance

The CBUAE organised a two-day event bringing together high-level local and international experts and decision-makers from regulatory bodies and law enforcement authorities. Around 45 speakers addressed vital topics in financial crime compliance and Anti-Money Laundering (AML) and Combatting the Financing of Terrorism (CFT), with the event highlighting the role of the banking and financial sector in ensuring the integrity and safety of the financial system. It also updated on the CBUAE's pioneering SupTech (Supervisory Technology) initiative which enables early detection and warning of risks based on data assessment, as well as highlighting the processes needed to determine the extent of exposure to money laundering operations.

Inauguration event of Sanadak

Bringing together the banking and insurance sector along with the media together to launch the Sanadak brand and shed light on the role and mandate of the MENA's first ombudsman unit.

CBUAE 50th Anniversary Event

The CBUAE highlighted its jubilee achievements and transformational projects in a milestone event capturing historical photo moments with CBUAE Chairman and governors that worked across the 50 years.

Zero Government Bureaucracy

In CBUAE quest to further eliminate bureaucracy across the financial sector, CBUAE hosted a workshop attended by officials from Prime Minister Office and more than 300 officials from the UAE banking and insurance sector to identify ways of eliminating un-necessary steps to improve efficiency and turn-around time of services to enhance the public experience.

Expanding social media reach

The CBUAE activated two more social media channels through the year to increase communications with existing and new audiences, so it can keep them informed of developments, updates and news related to the financial and economic sector and services. After reviewing consumers' opinions and suggestions, the CBUAE added Facebook and YouTube to its current social media platforms which are LinkedIn, X and Instagram.

Internal Communications

In 2024, the CBUAE's internal communication efforts were further enhanced with the launch of an upgraded internal communication tool with interactive features allowing employees to stay aware of new projects and initiatives. Additionally, a range of internal events were hosted to increase employee engagement and contribute to positive workplace and culture in addition to increasing happiness. Such events include Ramadan Suhoor gathering, sport engagements and events that promote cross collaboration between different CBUAE verticals.

Accolades

His Excellency Khaled Mohamed Balama, Governor of the CBUAE, was named "Central Banker of the Year 2024 for the Middle East" by The Banker in recognition of the CBUAE's concerted efforts to enhance the country's financial and monetary stability and support economic growth. It also took into account the rigorous work on anti-money laundering and its combating the financing of terrorism (AML/CFT) measures, and the increasing cooperation with global central banks through partnership agreements.

8.11.2 Zero Bureaucracy Initiative

In 2024, the CBUAE launched the Zero Bureaucracy Programme in the financial sector, aligning with the UAE Government's objectives in the "Zero Government Bureaucracy" programme to enhance efficiency. The initiative aims to simplify financial services and enhance digital transformation, supporting the "We the UAE 2031" vision and the "UAE Centennial 2071" strategy, further reinforcing the UAE's leadership as a global financial hub.

Since its launch, the initiative has achieved significant milestones, including the optimisation of 17 financial services and processes, the removal of 399 procedures identified as not adding value, and the reduction of the time required to complete services by a total of 498 days. Additionally, major improvements were made in approvals for financial products, complaints handling, and licensing processes, leading a more efficient Central Bank in its engagement with the financial sector.

The CBUAE focused integrating the digital financial ecosystem, enhancing financial services for businesses and consumers, and optimising internal operations. This resulted in the automation of several regulatory processes, the removal of unnecessary approvals, and the adoption of AI-driven solutions to streamline service delivery. Notably, the approval process for investment products was reduced from two months to two weeks, and the processing time for customer complaints was cut in half, raising customer satisfaction from 70% to 85%.

These efforts had a direct impact on the UAE's financial sector, strengthening banking services, fostering innovation and modernisation, and supporting financial technology innovation. By eliminating bureaucratic inefficiencies, the CBUAE has reinforced the UAE's global financial competitiveness and enhanced the overall business environment.

To ensure a collaborative approach, the CBUAE engaged key stakeholders, including financial institutions, government entities, and the private sector, through workshops and consultations. Events such as the July 2024 workshop with UBF and the September 2024 session on UAE Digital Identity integration facilitated discussions on streamlining solutions and digital service enhancements with the goal of achieving Zero Bureaucracy.

8.11.3 International Relations

In 2024, the CBUAE reinforced its international relations strategy by facilitating the signing of several Memoranda of Understanding (MoUs) to advance strategic partnerships and engagement initiatives with international and domestic stakeholders.

These partnerships include collaborations with the National Bank of Tajikistan, the State Bank of Vietnam, the Central Bank of Seychelles, Bank Indonesia, the National Bank of Ethiopia, the National Security Institute, the Abu Dhabi Sports Council, and Dubai Courts. These frameworks are designed to enhance bilateral cooperation, foster knowledge exchange, and support financial sector development.

In addition, the CBUAE successfully hosted and coordinated high-level delegation visits from international organisations such as the IMF and the World Bank (WB), fostering valuable opportunities for dialogue and information exchange. Subsequently, CBUAE was represented by His Excellency Khaled Mohamed Balama, the Governor, and assistant governors, at prominent regional and international platforms, including GCC Governors' meetings and the Arab Governors meetings, as well as significant gatherings of international bodies such as the Bank for International Settlements (BIS), the Basel Committee on Banking Supervision (BCBS), the Financial Stability Board (FSB), and the Arab Monetary Fund (AMF). Furthermore, the CBUAE participated in key global forums such as G20 meetings and supported the UAE's accession to the BRICS group. In addition, CBUAE has demonstrated its leadership in the rapidly evolving area of digital assets by co-chairing a Financial Stability Board workstream on stablecoin issues. This commitment to responsible innovation is further evidenced by the CBUAE's draft regulation, which sets out comprehensive requirements on reserve assets, including the requirement to hold reserve assets in cash in an escrow account, initial and ongoing capital requirements for issuers, and specific requirements on the composition and credit quality of reserve assets.

The CBUAE played a key role in advancing knowledge transfer and capacity building to foster financial sector resilience by organising multiple IMF-led technical assistance programmes for local entities. These initiatives strengthened partnerships with global institutions and equipped local entities with the expertise and resources they require to address operational and regulatory gaps.

The CBUAE deepened the UAE's international relationships by leading negotiations on the Financial Services chapter of the Economic Partnership Agreement and other free trade agreements with countries and common markets such as New Zealand, Malaysia, the Republic of the Philippines, Mercosur, and the Commonwealth of Australia. Throughout these concerted initiatives, the CBUAE continues to strengthen its international footprint, foster collaboration, and contribute to the UAE's vision of becoming a globally integrated financial centre.

FIGURE 17
Global Cooperation



8.11.4 Research and Economic Analysis

The CBUAE complements informed decision-making with critical insights derived from robust research, economic analysis, and assessment of international and domestic economic developments.

In 2024, the CBUAE continued to produce its monthly Economic Surveillance Briefing, which identifies and highlights potential risks within the economy. A key highlight for the year was the introduction of a comprehensive weekly economic report that concisely summarises key developments in both domestic and international markets. The report highlights significant trends and incorporates empirical analyses, offering deeper insights into economic dynamics, emerging patterns, and their potential implications. Furthermore, the CBUAE continued to publish its flagship Quarterly Economic Review, which examines recent trends and outlines the prospects for the UAE economy.

The quarterly publications also provide the CBUAE's estimates and projections of GDP growth and inflation. The CBUAE, in collaboration with the IMF, developed a comprehensive macroeconomic framework designed to estimate and forecast key macroeconomic variables, in an integrated manner, using cutting-edge tools and methodologies. This advanced framework is customised to reflect the UAE's unique economic structure, ensuring relevance and accuracy in economic forecasting.

To enhance its non-oil sector forecasts, the CBUAE places a strong emphasis on industries such as manufacturing, construction, real estate, tourism, transportation and financial services, which collectively account for approximately two-thirds of the non-oil economy. The CBUAE held more than 25 meetings with major public and private stakeholders to gain insights into industry-specific trends, challenges, and opportunities.

The CBUAE has strengthened its analytical capabilities in the real estate sector by implementing advanced tools and monitoring frameworks to track sales and rental market trends, particularly in Dubai and Abu Dhabi. These efforts provide valuable insights into the sector's dynamics and their broader implications for financial and price stability.

In 2024, the CBUAE implemented a quarterly survey of inflation expectations for households, to understand the heterogeneity across different demographic and socio-economic groups. This initiative provides a granular perspective on how households perceive future price changes, capturing variations influenced by income levels, education, age, and regional factors. By analysing

these diverse expectations, the CBUAE can gain deeper insights into household behaviour, spending patterns, and the potential impact on demand-side dynamics.

The CBUAE actively supported the Emiratisation initiative under the "Nafis" programme in 2024 by providing valuable insights to guide workforce planning. Through partnerships with the Emirati Talent Competitiveness Council (ETCC) and the Ministry of Human Resources and Emiratisation (MoHRE), the CBUAE spearheaded data exchanges, discussions, and analysis of employment trends to project labour demand across 17 economic sectors over the next five years.

To foster innovation and knowledge sharing, the CBUAE hosted monthly internal research seminars serving as a platform for collaborative brainstorming to develop innovative solutions to pressing economic challenges. These sessions brought together researchers from academia, regional and international institutions and CBUAE staff to present their findings and engage in discussions on critical policy topics. CBUAE staff significantly contributed to research output, producing working papers focused on the UAE economy. Recent research topics include the drivers of inflation in the UAE, non-oil determinants of economic growth, and the broader economic implications of climate risks across the GCC. This body of work enriched understanding of the region's economic dynamics and supported evidence-based policymaking.

8.11.5 Youth

The CBUAE Youth Council continues to deliver on its mandate of creating a platform of Emirati youth representation, collaboration and promotion of the banking and financial sector. The Council continuously engages with young Emiratis, to create awareness, gain insights, and involve the youth in events centred around the banking sector.

Through the year the Council conducted over 52 meetings and held 26 different events, actively working with more than 300 young employees. A remarkable 88.5% attendance and participation rate was achieved among the senior leadership. The Council also successfully established strategic partnerships with over 10 different entities to support its ambitious initiatives.

Youth Townhall

In 2024 the Council held the CBUAE Youth Townhall, which provided a platform for Emirati youth young employees to interact with top management. This event contributed to developing their professional and personal skills,

fostering a spirit of collaboration and healthy competition, and gave them opportunities to enhance their debating and negotiation skills.

Promoting Sustainability and Innovation

The Council launched the "Art Through Banknotes" initiative in collaboration with the Abu Dhabi Youth Council. This innovative and unique initiative saw the participants use their creativity to transform recycled banknotes into artwork, reaffirming the CBUAE's commitment to promoting circular economy and fostering a culture of sustainability.

Developing Future Leaders

Further empowering young talent both locally and internationally, Youth Council members represented the CBUAE at official forums, both as speakers and official delegates. This honed their communication skills, enhanced their professional expertise, broadened their horizons, and developed their ability to address challenges. The Council also participated in career fairs aimed at attracting young Emirati talent and connecting them with different job opportunities.

Supporting the National Youth Agenda

Several CBUAE Youth Council members participated in the launch of the "National Youth Agenda 2031," raising awareness of an initiative which aims to establish Emirati youth as role models locally and globally. This initiative promotes active contribution to economic and social development and national responsibility by empowering and supporting promising young talent.

Prioritising Employee Well-being

The Council prioritised the mental and physical well-being of employees with a "Laughter Yoga" workshop on World Mental Health Day to raise awareness about mental fitness, while the three-month "Steps Challenge" saw participation from 346 employees, with 80 exceeding their targets and 12 winners receiving recognition awards. In addition, a Ramadan Football Tournament was organised with the aim of strengthening social bonds among employees and instilling values of cooperation and sportsmanship.

Strategic Partnership to Promote Sports and Social Engagement

The Council contributed to the signing of a Memorandum of Understanding between the CBUAE and the Abu Dhabi Sports Council to enhance the financial sector's participation in sports and social initiatives. This agreement

facilitated the organisation of the CBUAE Run, which will take place in 2025, and paves the way for other sporting events to promote awareness of the importance of sports and physical health.

Celebrating National Identity and Heritage

The Council organised various events to foster a sense of belonging during national and social occasions including: the Haq Al Laila initiative to revive national heritage, a motivational session on Zayed Humanitarian Workday, a lecture on welcoming the Holy Month of Ramadan, the Weekly Ramadan Challenge, and participation in UAE National Day and Emirati Women's Day celebrations.

Embracing Social Responsibility

The Council organised recreational visits for children at Salma Hospital in Abu Dhabi to celebrate World Health Day, as well as events for People of Determination at the Zayed Higher Organisation. On International Workers Day, CBUAE workers were honoured, acknowledging their outstanding efforts and dedicated performance. These initiatives align with the CBUAE's commitment to supporting community engagement, strengthening social bonds, fostering happiness, and promoting work-life balance.

Enhancing Operational Efficiency

In 2024, the Council launched the "Your Opinion Matters" initiative, which gathered employee suggestions to simplify procedures and eliminate bureaucracy. This initiative enhanced operational efficiency, by improving the work experience and fostering a collaborative work environment. The Council also participated in workshops organised by the Federal Authority for Government Human Resources in Dubai which looked at innovative ideas and solutions which enhance the government work system. The Council also participated in a youth forum on the impact of eliminating bureaucracy in public prosecution services.



9. OVERSIGHT AND DISCLOSURES

9.1 Governance

Corporate Governance

The CBUAE is committed to upholding the highest standards of corporate governance as part of its vision to be among the world's top central banks. As the custodian of the UAE's monetary policy, financial stability, and regulatory framework, CBUAE leads by example, setting the standard for Licensed Financial Institutions (LFIs) nationwide.

By establishing robust governance structures and principles, CBUAE ensures transparency, accountability, fairness, and equality in all its activities while maintaining alignment with international best practices.

The CBUAE is committed to a sustained process of improvement and voluntarily adopts globally recognised standards that uphold transparency, accountability, and innovation.

With this in mind, the CBUAE established the Corporate Governance and Sustainability (CG&S) department to maintain and enhance a robust governance framework, ensure adherence to international corporate governance standards and guidelines, and develop CBUAE's sustainability framework.

In 2024, the Board approved three key policies developed by the CG&S department: Corporate Governance Policy, Environmental Governance and Climate Change Policy, and Social Responsibility Governance Policy. These policies foster a culture of good governance and sustainability within CBUAE by instilling four key pillars: fairness, equality, transparency, and accountability.

The governance structure of CBUAE is designed to ensure effective decision-making, oversight, and strategic alignment with the vision and mission. The structure establishes clear lines of authority and responsibility while preventing conflicts of interest. The Board of Directors holds the ultimate authority for high-level strategic decisions and provides overall guidance and oversight to the CBUAE. The Board ensures that the organisation adheres to its mandate and operates in accordance with applicable laws, regulations, and best practices.

Specialised committees oversee specific areas delegated by the Board: the Board Audit Committee oversees financial reporting, internal controls, and audit functions; the Board Risk Committee provides oversight and makes key decision on risk management strategies and frameworks; and the Board Human Capital

Committee oversees human resource strategies, policies, and succession planning.

The Governor – His Excellency Khaled Mohamed Balama is responsible for implementing the strategies and policies approved by the Board. The Governor ensures the effective execution of the CBUAE's functions and represents the organisation externally.

Executive committees assist the Governor in managing day-to-day operations and implementing strategic initiatives. These include the Financial Stability Policy Committee, Monetary Reserve Management Committee, Supervisory and Regulatory Committee, Executive and Strategy Committee, Risk and Compliance Policy Committee, and the Committee on Green and Sustainable Finance.

The CBUAE's Corporate Governance Framework is built upon six core pillars: ethical leadership, transparency, accountability, strategic decision-making, stakeholder engagement, and risk management and compliance, all working in concert to ensure the organisation operates with integrity and effectiveness.

The Delegation of Authority framework within CBUAE defines decision-making powers at different levels, ensuring efficient decision making and accountability throughout the organisation. It aligns with the organisational structure through clearly defined roles and responsibilities, ensures authority and accountability, promotes efficiency and responsiveness, and maintains segregation of duties to prevent conflicts of interest.

The DoA ensures systematic processing of decisions with appropriate oversight at each level. This flow begins with the Board of Directors, continues through Board Committees and Executive Management, extends to Senior and Middle Management, and ultimately reaches Functional and Operational Staff who execute day-to-day operations within approved policies and procedures.

CBUAE continually enhances its governance and sustainability frameworks through regular policy reviews, benchmarking, staff development, transparent reporting, stakeholder engagement, and adaptation to emerging trends. This commitment positions CBUAE at the forefront of good governance.

Board Level Committees

Board Risk Committee

Responsible for risk management frameworks and defining risk categories associated with all CBUAE departments. These include risk measurement, risk appetite, risk limit definitions and risk management policies. In addition, it monitors and reviews the CBUAE's risk profile and risk management processes while making recommendations to the Board of Directors.

Members

Chairman:
H.E. Dr. Ali Mohammed Bakhit AIMadawi Al Rumaithi

Member:
H.E. Younis Haji Abdulla Hussain Al Khoori

Audit Committee

Monitors the integrity of the CBUAE's financial statements by evaluating its financial reporting and disclosure processes. It reviews and recommends the external auditor's terms of engagement, selection, appointment, and fees while overseeing the CBUAE's internal audit function.

Members

Chairman:
H.E. Younis Haji Abdulla Hussain Al Khoori

Member:
H.E. Sami Ahmad Dhaen Al Qamzi

Member:
Mr. Abdulaziz Abdulla Al Khoori

Human Capital Committee

Reviews the CBUAE's organisational structure and HC policies, approves the selection criteria for Heads of Departments, and recommends any required changes to the Board of Directors.

Members
Chairman: H.E. Sami Ahmad Dhaen Al Qamzi

Member:
H.E. Dr. Ali Mohammed Bakhit AIMadawi Al Rumaithi

Member:
Ms. Lubna Al Mheri

Executive Level Committees

Financial Stability Policy Committee (FSPC)

The FSPC's role is to identify threats to financial and economic stability environments through macro-surveillance. It mitigates systemic risk by proposing macro-prudential policies and crisis management measures for the banking and insurance sectors. The committee meets at least four times annually.

Monetary and Reserve Management Committee (MRMC)

The MRMC fulfils the CBUAE's objective for monetary stability through the design and use of monetary management tools, reserve management through investment policy, and optimisation of tactical reserve asset allocation and investment guidelines. The committee meets at least four times annually.

Supervisory and Regulatory Committee (SRC)

The SRC supervises the safety and soundness of financial institutions licensed by the CBUAE by proposing and implementing prudential regulations, and standards across all of its supervisory verticals, agreeing supervisory actions, licensing decisions, as well as enforcement actions. The committee meets at least twelve times annually.

Executive and Strategy Committee (ESC)

The ESC is responsible for all operational matters and support functions to ensure the effective use of CBUAE resources. The committee discusses the strategy of business units and the governmental requirements that affect CBUAE services, and strategic and operational initiatives. The ESC is the forum for the Governor to discuss general steering matters with the senior management team. The committee monitors and guides the implementation of the CBUAE Transformation plan. It also reviews and approves CBUAE Digital Innovation and FinTech initiatives. The committee meets at least six times annually.

Risk and Compliance Policy Committee (RCPC)

RCPC's role is to recommend a holistic Enterprise Risk Management Framework (ERMF) to the Board Risk Committee. This involves implementing effective risk management policies and processes across the CBUAE. It is also charged with ensuring compliance with all internal and external policies, and rules and regulations related to the CBUAE and its subsidiaries. The committee meets at least three times annually.

Human Capital Committee (HCC)

The HCC reviews and recommends HR policies and frameworks concerning the organisational structure, compensation, departmental mandates, and Emiratisation to the Board Human Resources Committee. The committee meets at least four times annually.

Financial Inclusion and Literacy Technical Committee (FITLC):

The CBUAE has established a Financial Inclusion and Literacy Technical Committee (FITLC) to oversee the development and implementation of the National Financial Inclusion Strategy and National Financial Literacy Strategy. The FITLC responsibilities are:

- **Provides strategic direction:** Guides the overall strategy for financial inclusion and literacy initiatives.
- **Ensures alignment with regulatory frameworks:** Aligns supervisory practices with financial inclusion objectives.
- **Allocates resources effectively:** Prioritises resource allocation for financial inclusion initiatives.
- **Drives industry collaboration:** Chairs relevant industry taskforces and ensures the achievement of action plans.

Green and Sustainable Finance Committee

The Committee on Green and Sustainability Finance led the CBUAE's cross-functional sustainability initiatives and advanced sustainable finance in the UAE. The Committee also oversaw the CBUAE's wide-ranging sustainable finance initiatives announced at the COP28 and sustainability initiatives during the Year of Sustainability in the UAE in 2023 and 2024.

9.2 Risk and Audit Profile

The CBUAE maintains a robust and comprehensive risk management framework that identifies, assesses, and mitigates potential risks, as part of its statutory, strategic, and operational objectives. The continually evolving framework is overseen by the Board of Directors and senior management to address a dynamic financial landscape.

1. Overview

Central to the CBUAE's risk management approach is a detailed risk taxonomy that identifies principal risks, including financial and non-financial risks, further categorised into sub-risks for comprehensive coverage. An overarching Enterprise Risk Management (ERM) policy establishes the culture, roles, responsibilities and tools for managing these risk types. The CBUAE's Risk Appetite policy defines acceptable risk levels and types the organisation can accept while achieving its mandate and strategic objectives. Risk limits set out in the Risk Appetite Statement use both quantitative and qualitative methods, to ensure exposure is within acceptable thresholds. CBUAE follows a conservative approach to risk management and accordingly has low appetite for the principal risks.

Adaptability and Continuous Improvement

The CBUAE reviews its principal risks and adapts its policies, limits, and risk management processes to reflect changes in its risk profile, strategic objectives, and market conditions. Independent reviews and audits further ensure the effectiveness and relevance of the framework. Meanwhile, continuous training and awareness sessions and other initiatives foster a strong risk awareness culture within the organisation. The CBUAE is committed to the evolution of its risk management framework to ensure resilience and adaptability in the face of existing and emerging risks.

Three Lines of Defence Model for Sound Internal Control System

The CBUAE has established a sound internal control system based on the internationally recognised Three Lines Model. This framework clarifies roles and responsibilities in risk management and control:

- **First Line:** Operational Management owns and manages risks, implementing controls and procedures to mitigate them in day-to-

day operations. This line also identifies and reports emerging risks.

- **Second Line:** Risk Management and Compliance functions provide oversight, guidance, and support to the First Line. They develop and maintain risk management frameworks, monitor control effectiveness, and facilitate risk reporting.
- **Third Line:** Internal Audit provides independent assurance to the Board and senior management on the effectiveness of the risk management and internal control framework, including the work of the first and second lines.

This model ensures a robust and integrated approach to risk management, with clear accountabilities at each level.

2. Principal Risks

a. Financial Risks

The CBUAE adopts a progressive, robust and strategic approach to Financial Risk Management (FRM) to ensure effective management of financial risks arising from its foreign reserves management. FRM identifies, mitigates, and manages exposure to various financial risks including market risk, credit risk, and liquidity risk from the CBUAE's activities. Existing financial risk policies and frameworks have been enhanced to reflect the Central Bank's evolving mandates. Risk universe was complemented by the ESG Risk framework for foreign reserves. The CBUAE completed significant updates to its collateral risk control frameworks related to monetary management operations in line with the Dirham Monetary Framework.

b. Non-Financial Risks

i. Operational Risk

The CBUAE adopts a proactive approach to Operational Risk Management (ORM), by continuously improving risk awareness, managing its risk profile, and ensuring rapid recovery from materialised risks. The ORM policy promotes efficiency, effectiveness, and transparency, in a confidential and accountable manner with a strong risk awareness culture. The CBUAE deploys a variety of tools and techniques, including Risk

and Control Self-Assessment (RCSA), control testing, key risk indicators and scenario analysis, to identify, assess and monitor operational risks. A unified taxonomy ensures a common language and understanding of operational risks across the organisation. Risk monitoring is conducted based on the CBUAE's risk appetite. This framework is supported by a centralised Governance, Risk, and Compliance (GRC) platform that includes all types of non-financial risks, providing management with a 360-degree view for more informed decision-making.

ii. Operational Resilience

In 2024, the CBUAE continued the maturing of its resilience capabilities. Further enhancements were made by going beyond maintaining and strengthening the core BCM framework to promoting a deep-rooted resilience culture across the CBUAE. Employees at different levels enhanced their knowledge and capabilities to navigate disruptions effectively through an extensive awareness and training programme. Structured exercising and crisis simulations were conducted, ensuring leadership and response teams remain prepared across a range of scenarios. These efforts reinforce the organisation's ability to sustain critical operations and adapt to evolving threats. This enables the CBUAE to uphold its commitment to resilience, stakeholders, and essential functions in an increasingly complex operating environment.

iii. Information Security

The CBUAE works closely with stakeholders and industry leaders to enhance the UAE's information security ecosystem to effectively address rising cyber-related threats, including promoting a secure financial environment through collaborative activities.

Regular (annual) cyber war gaming exercises are conducted with annually increased enhancement of coverage and capabilities to incorporate emerging threats. They provide valuable early threat detection across the financial sector through increased partner

participation and the maintenance and improvement of an industry-wide information sharing platform. The sector also benefits from a developing and well-maintained information security centre of excellence.

In addition, the CBUAE is fully aligned with the latest industry requirements and relevant certifications such as the ISO 27001:2022 standard - Information Security Management System (ISMS). Support is being given to the CBUAE subsidiary, AEP, to achieve PCI DSS (Payment Card Industry Data Security Standard) certification which ensures minimum security requirements are met.

iv. Compliance

The CBUAE made significant progress in enhancing its compliance capabilities in 2024 by investing in personnel, streamlining processes, and leveraging advanced compliance technologies. It received the International Organization for Standardization in Compliance Management Systems (ISO 37301:2021) certification. The certification ensures adherence to laws, regulations, and ethical standards. The CBUAE also renewed the (ISO37001:2016) certification for Anti-Bribery Management Systems.

To align with advances in technology, a comprehensive Generative AI (GenAI) policy was developed to ensure the ethical, transparent, and accountable use of AI technologies within the organisation. This policy is in line with the CBUAE's innovative vision

and provides guidelines and best practices for workplace GenAI use. It also highlights the need to safeguard confidential information and encourage accountability to ensure quality and accuracy. The policy establishes an oversight body to manage GenAI usage, enabling responsible and transparent AI applications across operations. By integrating this policy into the compliance framework, the CBUAE continues to enhance its compliance culture and focus on promoting innovation while safeguarding against potential GenAI risks. This initiative further underscores the CBUAE's commitment to maintaining high ethical, legal, and regulatory standards while promoting a transparent and compliant culture.

3. Internal Audit

The CBUAE's Internal Audit operates under a risk based annual audit plan, and accordingly:

- Conducted an internal review of ten departments/functions, five branches, and five concurrent activities.
- Performed quarterly internal follow-up of corrective actions.
- Provided regular reporting to senior management and the Board Audit Committee.
- Acted as liaison for UAE Accountability Authority (UAEAA) reviews.
- Performed an annual internal audit quality assessment.

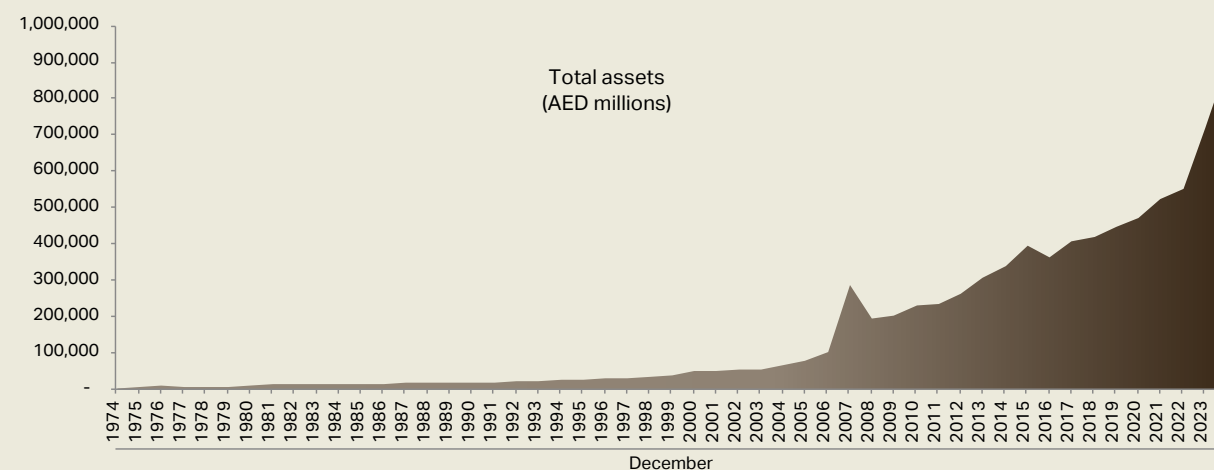
9.3 Financial Statements

Table 13- The CBUAE's Balance Sheet as of 31 December 2024	31 December 2024	31 December 2023
ASSETS		
Cash and balances with banks	456,230	370,655
Deposits placed with banks	148,273	100,957
Derivative financial instruments	17,659	7,270
Loans and advances	895	2,103
Investments at fair value through profit and loss	23,950	23,505
Investments at fair value through other comprehensive income	194,962	163,663
Investments at amortised cost	26,706	30,380
Gold bullion	22,982	18,147
Property and equipment	913	720
Other assets	3,225	3,402
TOTAL ASSETS	895,795	720,802
LIABILITIES AND EQUITY LIABILITIES		
Monetary bills and certificates of deposit	251,458	213,611
Current accounts and deposits	431,290	331,603
Derivative financial instruments	123	6,704
Deferred grant	266	282
Currency issued	152,749	135,780
Other liabilities	22,549	7,381
TOTAL LIABILITIES	858,435	695,361
EQUITY		
Fully paid-up capital	20,000	20,000
General reserve	14,475	9,421
Fair value reserve	2,747	(4,101)
Retained earnings	138	121
TOTAL EQUITY	37,360	25,441
TOTAL LIABILITIES AND EQUITY	895,795	720,802

Financial Highlights

The CBUAE ended the year with a robust balance sheet while maintaining a prudent approach to reserve management that safeguards monetary and financial stability. The asset base grew to AED 896 billion (or USD 244 billion) reflecting strong UAE net capital inflows.

FIGURE 18
Total Assets (AED Millions)



Year-on-year asset growth of 24% was driven by increased net US dollar-denominated inflows in the local economy. The CBUAE's assets predominantly comprise investments in foreign currency-denominated high-quality liquid assets (HQLA).

The monetary base cover ratio stood at 109% at the end of 2024. The monetary base comprises of interest or profit-bearing instruments aligned to the Federal Reserve System for market liquidity absorption. These include monetary bills, Islamic certificates of deposits, and the overnight deposit facility. Non-interest bearing components are comprised of reserve requirements as well as currency issued by the CBUAE.

The CBUAE's equity level rebounded and grew to achieve its highest historical level, following improved global valuations.

The consolidated financial statements were prepared in line with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. The external auditor issued an unqualified opinion on the financial statements for the year ending 31st December 2024.

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LIST OF ABBREVIATIONS	
AAOIFI	ACCOUNTING AND AUDITING ORGANISATION FOR ISLAMIC FINANCIAL INSTITUTIONS
AI	ARTIFICIAL INTELLIGENCE
ADGM	ABU DHABI GLOBAL MARKET
AED	ARAB EMIRATES DIRHAM
AEP	AL ETIHAD PAYMENTS
AFAQ	THE AFAQ PAYMENTS SYSTEM IS OPERATED BY THE GULF PAYMENT COMPANY AND OWNED BY GCC CENTRAL BANKS
API	APPLICATION PROGRAMMING INTERFACE
AMF	ARAB MONETARY FUND
AML	ANTI-MONEY LAUNDERING
AML/CFT/CPF	ANTI-MONEY LAUNDERING / COUNTERING FINANCING OF TERRORISM / COUNTER PROLIFERATION FINANCING
BIS	BANK OF INTERNATIONAL SETTLEMENT
BUNA	ARAB REGIONAL PAYMENTS SYSTEM
CBDC	CENTRAL BANK DIGITAL CURRENCY
CBUAE	CENTRAL BANK OF THE UAE
CCMS	COURT CASE MANAGEMENT SYSTEM
CCYB	COUNTERCYCLICAL CAPITAL BUFFER
CCSYS	CENTRAL BANK RISK BUREAU'S COMMERCIAL CREDIT SYSTEM
CEPA	COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENTS
CFA	CHARTERED FINANCIAL ANALYST
CFTE	CENTER FOR FINANCE TECHNOLOGY AND ENTREPREUNERSHIP
CG&S	CORPORATE GOVERNANCE AND SUSTAINABILITY
CIBAFI	GENERAL COUNCIL FOR ISLAMIC BANKS AND FINANCIAL INSTITUTIONS
CSR	COMMON REPORTING STANDARD
CPF	COUNTER PROLIFERATION FINANCING
CTF	COUNTERROSIT FINANCING

DBR	REGULATORY GUIDANCE ON DEBT BURDEN RATIO
DFSA	DUBAI FINANCIAL SERVICES AUTHORITY
DLT	DISTRIBUTED LEDGER TECHNOLOGY
DMF	DIRHAM MONETARY FRAMEWORK
DOA	DELEGATION OF AUTHORITY
DONIA	DIRHAM OVERNIGHT INTEREST AVERAGE
D-SIBS	DOMESTIC SYSTEMICALLY IMPORTANT BANKS
EIF	EUROPEAN INVESTMENT FUND
EIF	EMIRATES INSTITUTE OF FINANCE
EKYC	ELECTRONIC KNOW YOUR CUSTOMER
ERMF	ENTERPRISE RISK MANAGEMENT FRAMEWORK
ESC	EXECUTIVE AND STRATEGY COMMITTEE
ESG	ENVIORNEMT SOCIAL AND GOVERNANCE
ETCC	EMIRATI TALENT COMPETITIVENESS COUNCIL
FATF	FINANCIAL ACTION TASK FORCE
FERG	FOREIGN EXCHANGE & REMITTANCE GROUP
FIT	INANCIAL INFRASTRUCTURE TRANSFORMATION
FITLC	FINANCIAL INCLUSION AND LITERACY TECHNICAL COMMITTEE
FPP	FIT AND PROPER PROCESS
FRM	FINANCIAL RISK MANAGEMENT
FSPC	INANCIAL STABILITY POLICY COMMITTEE
FTE	FULL TIME EMPLOYEES
G20	GROUP OF TWENTY
GAC	GRIEVANCES AND APPEALS
GCC	GULF COOPERATION COUNCIL
GDP	GROSS DOMESTIC PRODUCT
GRC	GOVERNANCE RISK AND COMPLIANCE

GWP	GROSS WRITTEN PREMIUMS
HCC	HUMAN CAPITAL COMMITTEE
HQLA	HIGH-QUALITY LIQUID ASSETS
HAS	HIGHER SHARI'AH AUTHORITY
ICCS	IMAGE CHEQUE CLEARING SYSTEM
ICD	SLAMIC CERTIFICATES OF DEPOSIT
ICFR	INTERNAL CONTROLS OVER FINANCIAL REPORTING
ICRP	INSURANCE COMPANIES AND RELATED PROFESSIONS
ICT	INTERNATIONAL TELECOMMUNICATION UNION
IFRS	INTERNATIONAL FINANCIAL REPORTING STANDARDS
IFSB	ISLAMIC FINANCIAL SERVICES BOARD
IMF	INTERNATIONAL MONETARY FUND
IORB	INTEREST ON RESERVE BALANCES
ISMS	INFORMATION SECURITY MANAGEMENT SYSTEM
IOT	INTERNET OF THINGS
ISO	INTERNATIONAL ORGANISATION FOR STANDARDISATION
IPCC	INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE
IPI	INSTANT PAYMENT INSTRUCTION
IPP	INSTANT PAYMENT PLATFORM
KPI	KEY PERFORMANCE INDICATORS
LFAR	LONG FORM AUDIT REPORT
LFI	LICENSED FINANCIAL INSTITUTION
M-BILLS	MONETARY BILLS
MBP	MONETARY BUY BACK PROGRAMME
MENA	MIDDLE EAST AND NORTH AFRICA
MOHRE	MINISTRY OF HUMAN RESOURCES AND EMIRATISATION
MOU	MEMORANDUM OF UNDERSTANDING

MRMC	MONETARY AND RESERVE MANAGEMENT COMMITTEE
MVP	MINIMUM VIABLE PRODUCT
NAMLCFTC	NATIONAL ANTI-MONEY LAUNDERING AND COMBATTING FINANCING OF TERRORISM AND FINANCING OF ILLEGAL ORGANIZATIONS COMMITTEE
NGFS	NETWORK OF CENTRAL BANKS AND SUPERVISORS FOR GREENING THE FINANCIAL SYSTEM
OMF	OVERNIGHT MURABAHA FACILITY
OPEC	ORGANISATION OF PETROLEUM EXPORTING COUNTRIES
PCI DSS	PAYMENT CARD INDUSTRY DATA SECURITY STANDARD
PF	PROLIFERATION FINANCING
PMI	PURCHASING MANAGER'S INDEX
POS	POINT OF SALE
RAF	RISK ASSESSMENT FRAMEWORK
RBS	RISK BASED SUPERVISION
RCPC	RISK AND COMPLIANCE POLICY COMMITTEE
RCSA	RISK AND CONTROL SELF-ASSESSMENT
RHP	REGISTERED HAWALA PROVIDER
RMMD	RESERVE AND MONETARY MANAGEMENT DEPARTMENT
RTGS	REAL-TIME GROSS SETTLEMENT
RTP	REAL-TIME PAYMENT
SAA	STRATEGIC ASSET ALLOCATION
SCA	SECURITIES AND COMMODITIES AUTHORITY
SDG	SUSTAINABLE DEVELOPMENT GOALS
SFWG	SUSTAINABLE FINANCE WORKING GROUP
SKGED	SHEIKH KHALIFA GOVERNMENT EXCELLENCE PROGRAMME
SNBL	SAVE NOW PAY LATER
SPR	SKILLED PERSONS REVIEW
SRC	SUPERVISORY AND REGULATORY COMMITTEE

SRI	SOCIALLY RESPONSIBLE INVESTMENT
SUPTECH	SUPERVISORY TECHNOLOGY
SREP	SUPERVISORY REVIEW AND EVALUATION PROCESS
SSC	SUPERVISORY SUB-COMMITTEE
SVF	STORED VALUE FACILITIES
TPP	THIRD-PARTY PROVIDERS
UAEAA	UAE ACCOUNTABILITY AUTHORITY
UAEBF	UAE BANKING FEDERATION
UAEDDC	UAE DIRECT DEBIT SYSTEM
UAEFTS	UAE FUNDS TRANSFER SYSTEM
UAEPGS	UAE PAYMENT GATEWAY SYSTEM
UAESWITCH	UAE NATIONAL CARD SWITCH
UAEWPS	UAE WAGES PROTECTION SYSTEM
UBF	UAE BANKS FEDERATION
VASP	VIRTUAL ASSETS SERVICE PROVIDERS
WB	WORLD BANK
Y-O-Y	YEAR-ON-YEAR

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