



CBUAE Governor and bank CEOs discuss continued support to the UAE economy

Abu Dhabi (22 June 2021): His Excellency Khaled Mohamed Balama, Governor of the Central Bank of the UAE (CBUAE), today held a meeting with the CEOs of all banks operating in the UAE to discuss the macroeconomic environment, provide the CBUAE's assessment of financial stability, and inform about the CBUAE's ongoing regulatory and supervisory initiatives. A particular focus of the meeting was on the role of banks in supporting the UAE's economic recovery by ensuring the continued flow of credit to the economy.

The Governor informed bank CEOs of the CBUAE's assessment of financial stability in the UAE. The CBUAE assesses the financial system of the UAE as stable. Liquidity and capital buffers of banks remain adequate, supported by stable deposit volumes and growth in capital market funding. Meeting participants also discussed areas subject to close monitoring by the CBUAE, which included asset quality and credit conditions.

The CBUAE emphasised the role of the banking sector in the continued flow of credit to the private sector, supported by different components of the CBUAE's Targeted Economic Support Scheme (TESS). His Excellency emphasised that the TESS was extended until 30 June 2022, in the expectation that banks will continue to support the UAE's recovery by continuing to lend to creditworthy customers.

Against the background of gradual economic recovery, continued government support and healthy funding growth, bank lending remains flat, reflecting subdued demand and the conservative risk appetite of banks. Meeting participants discussed the pre-requisites and critical enablers for the banking sector to increase their support of the UAE economy, especially during the early stages of recovery.

Meeting participants also discussed the trends in the real estate market and the CBUAE's proposed framework for surveillance and supervision of real estate exposures, with a view of addressing the risks associated with lending to this sector.

H.E. Khaled Mohamed Balama, Governor of the Central Bank of the UAE, said: "Our assessment and recent economic data point to a post-pandemic rebound of the UAE economy. The UAE banking system remains resilient, and our support measures in the form of the CBUAE's Targeted Economic Support Scheme and other measures will remain in place until the middle of next year. Against this background, we expect banks to support the economy and ensure a continued flow of funds to creditworthy retail and corporate clients."

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