

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

Core FSIs for Deposit Takers		2013Q4	2014Q4	2015Q4	2016Q4	2017Q4	2018Q4	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4
Regulatory capital to risk-weighted assets ¹	%	19.3	18.1	18.3	18.9	18.1	17.5	17.7	16.9	17.6	18.0	18.1	17.9	17.5	17.7	17.1
Total regulatory capital	AED Million	303,031	322,002	352,340	376,726	378,295	376,960	411,081	405,430	417,914	425,105	419,474	414,977	424,026	432,349	420,636
Risk-weighted assets	AED Million	1,573,049	1,777,774	1,925,291	1,992,606	2,090,390	2,148,537	2,323,347	2,393,851	2,373,933	2,358,267	2,311,853	2,321,231	2,421,713	2,448,583	2,456,246
Tier 1 capital to risk-weighted assets ¹	%	16.9	16.2	16.5	17.3	16.6	16.2	16.5	15.8	16.4	16.9	17.0	16.7	16.4	16.5	16.0
Tier 1 capital	AED Million	266,365	288,534	318,551	343,730	346,725	348,843	383,212	377,141	389,825	397,378	392,512	388,080	396,114	404,613	392,833
Risk-weighted assets	AED Million	1,573,049	1,777,774	1,925,291	1,992,606	2,090,390	2,148,537	2,323,347	2,393,851	2,373,933	2,358,267	2,311,853	2,321,231	2,421,713	2,448,583	2,456,246
Nonperforming loans net of provisions to capital	%	9.6	7.2	5.2	5.1	6.1	7.2	10.2	11.5	13.3	13.6	14.0	13.7	13.1	12.9	12.8
Nonperforming loans net of provisions	AED Million	28,944	23,276	18,213	19,388	22,929	27,187	41,881	46,559	55,622	57,689	58,814	56,962	55,573	55,908	53,902
Total regulatory capital	AED Million	303,031	322,002	352,340	376,726	378,295	376,960	411,081	405,430	417,914	425,105	419,474	414,977	424,026	432,349	420,636
Common Equity Tier 1 capital to risk-weighted assets ¹	%	15.0	14.3	14.4	15.1	14.8	14.3	14.7	13.9	14.7	15.1	14.8	14.7	14.5	14.7	14.2
Common Equity Tier 1 capital	AED Million	236,197	254,404	276,983	300,362	310,135	306,794	340,750	333,573	349,131	355,447	342,901	342,142	351,427	359,926	348,146
Risk-weighted assets	AED Million	1,573,049	1,777,774	1,925,291	1,992,606	2,090,390	2,148,537	2,323,347	2,393,851	2,373,933	2,358,267	2,311,853	2,321,231	2,421,713	2,448,583	2,456,246
Tier 1 capital to assets	%	12.5	12.5	12.9	13.2	12.9	12.2	12.4	12.1	12.2	12.2	12.3	12.2	12.3	12.5	11.8
Tier 1 capital	AED Million	266,365	288,534	318,551	343,730	346,725	348,843	383,212	377,141	389,825	397,378	392,512	388,080	396,114	404,613	392,833
Total assets	AED Million	2,124,061	2,304,869	2,478,226	2,613,611	2,693,810	2,868,516	3,082,935	3,127,908	3,190,154	3,252,485	3,189,034	3,175,850	3,208,761	3,247,128	3,321,754
Nonperforming loans to total gross loans	%	5.9	5.3	4.7	4.8	5.0	5.3	6.0	6.5	7.0	7.2	7.6	7.6	7.6	7.5	7.3
Nonperforming loans ²	AED Million	83,301	76,582	73,695	78,771	82,425	91,444	111,651	120,584	130,957	136,570	142,396	141,999	142,276	141,098	139,618
Total gross loans ³	AED Million	1,423,390	1,441,641	1,552,715	1,641,968	1,649,476	1,739,634	1,852,554	1,859,138	1,879,421	1,901,764	1,880,694	1,862,471	1,879,681	1,892,467	1,916,002
Provisions to nonperforming loans	%	65.3	69.6	75.3	75.4	72.2	70.3	62.5	61.4	57.5	57.8	58.7	59.9	60.9	60.4	61.4
Specific provisions ⁴	AED Million	54,357	53,306	55,482	59,383	59,496	64,257	69,770	74,025	75,335	78,881	83,582	85,037	86,703	85,190	85,716
Nonperforming loans	AED Million	83,301	76,582	73,695	78,771	82,425	91,444	111,651	120,584	130,957	136,570	142,396	141,999	142,276	141,098	139,618
Return on assets	%	1.7	1.9	1.6	1.4	1.5	1.5	1.6	0.9	0.8	0.8	0.7	0.9	1.0	1.1	1.2
Net income before taxes ⁵	AED Million	32,918	40,981	37,813	35,618	38,594	41,909	45,846	27,060	25,840	24,615	20,687	27,004	30,962	33,856	36,526
Total assets ⁶	AED Million	1,931,756	2,181,381	2,346,653	2,472,812	2,590,651	2,711,031	2,897,809	3,033,525	3,060,623	3,088,868	3,092,185	3,098,132	3,106,107	3,120,065	3,099,992
Return on equity	%	10.9	14.0	11.9	10.5	10.6	10.8	11.0	6.3	5.9	5.7	4.7	6.1	7.0	7.7	8.2
Net income after taxes ⁵	AED Million	31,649	39,397	36,982	34,861	37,873	40,998	45,320	26,712	25,118	24,292	20,351	26,384	30,222	33,231	35,688
Capital ⁷	AED Million	289,488	281,976	309,773	331,912	357,463	380,957	410,824	423,564	423,242	425,125	428,487	432,971	431,722	433,390	435,724
Interest margin to gross income	%	70.2	68.2	69.6	68.9	66.5	71.5	67.9	68.0	67.3	67.6	68.5	65.5	64.5	63.6	62.7
Interest margin	AED Million	53,338	58,956	61,763	60,964	61,385	66,796	68,012	16,375	30,449	44,202	58,443	12,854	26,377	40,353	54,162
Gross income	AED Million	75,959	86,464	88,729	88,443	92,296	93,388	100,130	24,078	45,274	65,364	85,361	19,638	40,902	63,414	86,365
Noninterest expenses to gross income	%	37.8	36.4	38.0	38.0	39.1	35.9	33.8	34.5	34.8	35.7	37.0	38.7	37.4	36.4	36.4
Noninterest expenses	AED Million	28,678	31,432	33,675	33,571	36,072	33,535	33,821	8,300	15,742	23,354	31,563	7,594	15,289	23,071	31,415
Gross income	AED Million	75,959	86,464	88,729	88,443	92,296	93,388	100,130	24,078	45,274	65,364	85,361	19,638	40,902	63,414	86,365
Liquid assets to total assets ⁸	%	12.4	13.1	14.5	13.4	15.1	14.5	15.0	14.5	13.9	14.1	15.3	15.7	15.3	15.3	16.4
Liquid assets	AED Million	256,983	294,974	351,237	341,203	397,962	407,526	452,925	442,860	432,405	448,349	474,136	486,584	476,181	485,223	529,327
Total assets	AED Million	2,069,704	2,251,563	2,422,744	2,554,228	2,634,311	2,804,259	3,013,166	3,053,883	3,114,819	3,173,605	3,105,451	3,090,813	3,122,058	3,161,938	3,236,040
Liquid assets to short-term liabilities	%	35.7	31.3	34.2	32.1	38.5	39.6	42.1	38.3	36.1	36.2	37.1	35.9	34.6	33.8	35.7
Liquid assets	AED Million	256,983	294,974	351,237	341,203	397,962	407,526	452,925	442,860	432,405	448,349	474,136	486,584	476,181	485,223	529,327
Short-term liabilities	AED Million	720,811	941,007	1,026,961	1,063,929	1,032,729	1,029,093	1,076,734	1,155,680	1,198,891	1,238,321	1,277,508	1,354,805	1,378,185	1,435,067	1,482,237
Liquidity coverage ratio	%						141.5	140.2	120.2	132.1	149.2	148.5	144.4	131.1	134.5	140.3
High-quality liquid assets	AED Million						443,101	512,492	497,937	512,929	615,716	615,731	629,609	595,187	632,562	668,449
Total net cash outflows	AED Million						313,055	365,616	414,110	388,189	412,667	414,641	435,916	454,091	470,417	476,475
Net stable funding ratio	%						108.5	107.5	105.8	108.2	110.7	109.8	112.0	109.7	109.3	109.9
Available amount of stable funding	AED Million						1,126,054	1,371,873	1,375,484	1,426,936	1,486,199	1,477,634	1,489,179	1,514,713	1,531,708	1,532,005
Required amount of stable funding	AED Million						1,038,178	1,276,286	1,299,988	1,319,126	1,342,570	1,346,041	1,330,005	1,380,849	1,401,554	1,394,471
Net open position in foreign exchange to capital	%	10.5	8.7	19.1	8.7	14.6	9.2	(2.5)	(2.5)	27.6	27.5	26.1	25.1	27.8	25.7	24.8
Net open position in foreign exchange ⁹	AED Million	31,945	28,126	67,269	32,747	55,235	34,832	(10,213)	(10,165)	115,289	116,925	109,440	104,234	117,759	111,175	104,513
Total regulatory capital	AED Million	303,031	322,002	352,340	376,726	378,295	376,960	411,081	405,430	417,914	425,105	419,474	414,977	424,026	432,349	420,636

* Financial Soundness Indicator data variables are calculated in compliance with the latest Financial Soundness Indicators Compilation Guide (2019 FSI Guide) issued by IMF.

¹ Regulatory Capital Ratio, Tier 1 Capital Ratio, and CET 1 Capital Ratio for the period starting from Dec 2017 are calculated according to the Basel III Capital Guidelines issued by Central Bank of the UAE. Whereas for the period prior to Dec 2017 are following Basel II Capital Guidelines.

² NPLs are net off Interest In Suspense.

³ Gross loans includes loans to Other Depository Corporations (Banks).

⁴ Specific Provisions against impaired loans & advances excludes Interest In Suspense.

⁵ Net Income is for the trailing 12 months using monthly figures.

⁶ Total Assets is calculated based on the average assets net of provisions for the trailing 12 months using monthly figures.

⁷ Capital is calculated based on the average capital for the trailing 12 months using monthly figures.

⁸ Liquid Assets Consist of Eligible Liquid Assets - Cash in Hand, Banks' Liquid Assets at the Central Bank (Reserve Account, Current Account and Monetary Bills & Certificate of Deposits)and Eligible Bonds/Sukuks as prescribed by Central Bank of the UAE regulation 33/2015. Total Assets are ne

⁹ The U.S. Dollar, which the U.A.E. Dirham is pegged for, is included in the foreign currencies accounted for in the calculation of the net open position.