



CBUAE's Annual Report for 2021 underlines the UAE's continued economic recovery and increase financial sector resilience

Abu Dhabi (06 June 2022): The Central Bank of the United Arab Emirates (CBUAE) issued its Annual Report for 2021 today, which provides an insight into the CBUAE's measures and initiatives to support the national economy and to ensure the financial sector's resilience aimed at building the UAE's financial system future.

Through the annual report, the CBUAE expressed its pride in its vital role in promoting the country efforts to contain the financial and economic challenges caused by the Covid-19 pandemic by applying a policy-based approach in the banking and insurance sectors, which are under its supervision.

The report highlights the results achieved at the UAE's economic activity level which has begun to flourish again as a result of the country's success in containing the health and economic impacts of the pandemic. The real GDP growth jumped to 3.8% in 2021, and is expected to reach 5.4% in 2022, while the non-oil GDP growth rose to 5.3% in 2021.

Outlooks also show that the current account surplus in the balance of payments increased from AED 77.5 billion in 2020 to AED 176.2 billion in 2021, as a result of the increase in oil and non-oil exports, in addition to a rise in the surplus in the balance of services. The banking system in the UAE continued to enjoy a good level of capitalization and liquidity. Equity, liquid assets and other indicators reflect the improvement of liquidity conditions in the market.

These results support CBUAE's outlook, which indicates that the UAE economic recovery is gaining steady momentum, as a result of the early and strong response to the various challenges and their repercussions, the supportive macroeconomic policies, appropriate decisions and the leadership of the CBUAE Board of Directors, chaired by H.H. Sheikh Mansour bin Zayed Al Nahyan, Deputy Prime Minister of the UAE, Minister of Presidential Affairs.

The Annual Report of the CBUAE outlines its key achievements in 2021, which are represented in several main areas, including follow-up to the implementation of the



Targeted Economic Support Scheme (TESS), strengthening anti money laundering and combatting the financing of terrorism efforts, measures taken to enhance the flexibility of the financial system in the UAE, as well as measures to ensure the supervisory and monitoring performance of the banking and insurance sectors. In addition to the new tools for managing the UAE monetary market, green and sustainable finance programmes, digital transformation projects, strengthening of the payment systems and the financial technology sector, and readiness to face cyber threats, operational risks and other risks.

The Report highlights measures taken by the CBUAE to help affected companies and individuals in the UAE by the decrease in demand and the increase in costs, as a part of the TESS, which was rebalanced in 2021. These recovery measures will replace other designed measures to ease pressures on retail, corporate and banks.

As a financial regulator, the CBUAE also introduced a range of internal measures and processes to promote national monetary and financial stability, ensure access to liquidity, and deliver a prudent risk-based supervision framework in the financial sector. It also conducted stress testing to examine the ability of the UAE's banks to overcome future economic changes.

In the field of anti-money Laundering and combatting the financing of terrorism, the report focuses on the efforts made by the CBUAE at various levels, most notably its contribution to national initiatives, improved supervisory tools to monitor the degree and level of risks, issuance of regulations and guidelines in various sectors, training programmes and national and international cooperation, including the International Financial Action Task Force (FATF).

The CBUAE has achieved several milestones during 2021, including the issue of the third edition of the national currency, by launching the new AED 50 polymer banknote, which comes in honour of the founding fathers and to commemorate the nation's 50th anniversary.

The Report addresses the CBUAE's various digital transformation initiatives, some of which are being implemented to enhance the financial system and the relevant digital infrastructure, facilitate innovation and increase cost efficiency at the country level, including projects aimed at improving payment systems, and increasing the reliance on the UAE dirham as a cross-border currency, both through the UAE National Instant Payment Platform and Central Bank Digital Currencies (CBDCs), in cooperation with some Central banks in the region and the world.



In parallel, the CBUAE has achieved tangible results in developing readiness to face potential risks and issues in information security, cyber threats, operational risks, and providing whistle-blowing channels.

The CBUAE's strategic plan for 2023-2026 sets out its mission to be among the top central banks globally in promoting monetary and financial stability and support the UAE's competitiveness. This aligns with the UAE government's comprehensive roadmap for the next fifty years which consists of supporting and training Emiratis to promote Emiratisation in the financial sector and create 5000 new jobs by the end of 2026, and supporting Fintech and digital transformation initiatives.

The CBUAE confirmed that it would continue to focus on ensuring financial stability and consumer protection through effective supervision of licensed financial institutions, strengthening the monetary framework and payment infrastructure, and investing in the adoption of new digital technologies. These help the CBUAE look to the future with confidence and achieve the UAE's future ambitions.

To view the Annual Report, please [click here](#).

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