



مركز الإحصاء
STATISTICS CENTRE

Banks Statistics

2015

Third Quarter

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Introduction

This publication is based on data from the Central Bank of the UAE for Abu Dhabi Emirate (Abu Dhabi, Al Ain and Western regions) about the third quarter 2015 data. It includes data of Abu Dhabi based banks such as; the total production, number of employees and their compensation. Additional information such as the statement of earnings and interest rates on deposits, loans, and advances and gross interest paid and received from commercial and Islamic banks, are also provided.

The purpose of the publication is to identify the characteristics of bank activities in the Emirate and to present the necessary information in order to support the development of the banking and investment sectors in the Emirate of Abu Dhabi.

The last section of the publication contains technical notes and definitions gathered from the administrative data of the Central Bank of the United Arab Emirates.

Key Points

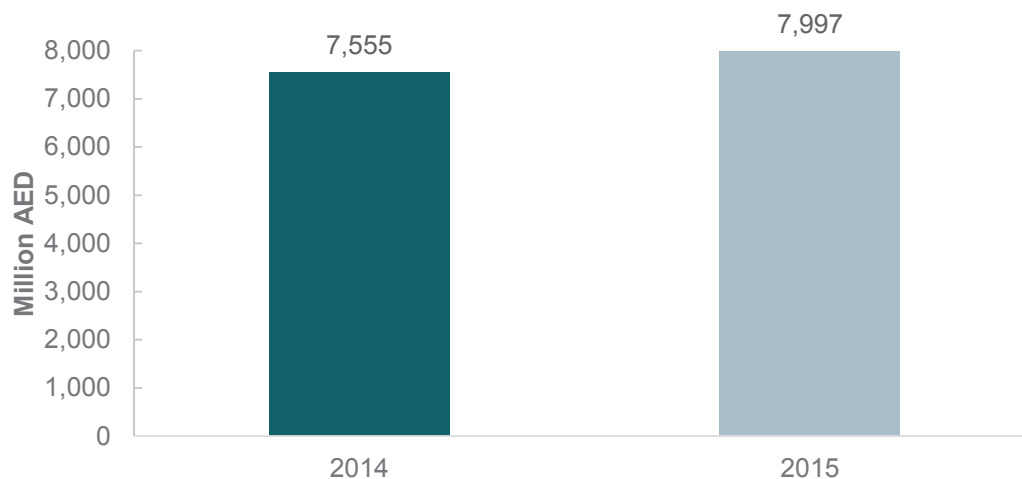
- Net earnings for banks operating in the Emirate of Abu Dhabi increased by 5.3% to AED 8.0 billion in the third quarter of 2015 compared with the third quarter of 2014.
- Interest earned by banks accounted for the highest percentage of their main revenues in the third quarter of 2015, with a share of 60.0%.
- The annual average compensation per employee increased by 6.3% in the third quarter of 2015 compared with the same quarter of 2014 and decreased by 0.05% compared with the second quarter of 2015.
- The total number of employees for Abu Dhabi Emirate based banks increased by 6.0% in the third quarter of 2015 compared with the same period in 2014 to 13.2 thousand employees.

Results Analysis

Statement of total net interest earnings

Net earnings of commercial and Islamic banks increased by 5.3% to AED 8.0 billion during the third quarter of 2015 compared with the third quarter of 2014.

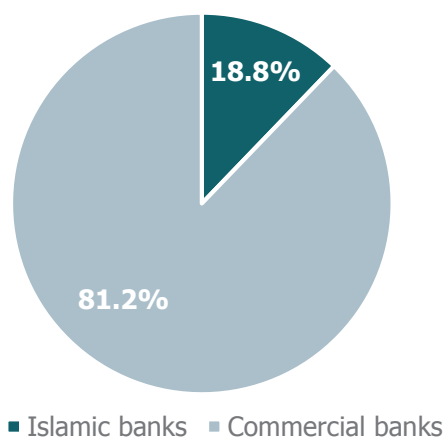
Figure 1: Total net interest earnings during the third quarter, 2014 and 2015



Source: Central Bank- UAE

The gross interest income of commercial banks represented 81.2% of the net earnings of all banks while Islamic banks gross interest income represented 18.8% in the third quarter 2015 (Figure 2).

Figure 2: Net earnings of commercial and Islamic Banks, second quarter 2015



Source: Central Bank- UAE

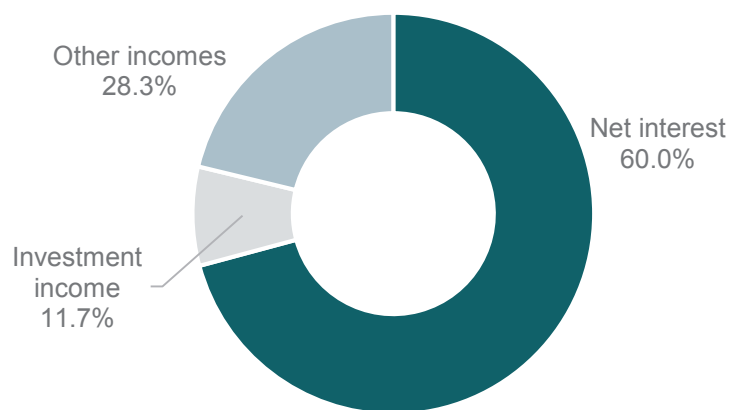
The quarterly net interest income for Abu Dhabi based banks in the third quarter of 2015 was AED 8.0 billion. The figure below shows the net earnings for the quarters of 2014 and 2015.

The interest received by commercial banks increased by 7.5% in the third quarter of 2015 compared with the third quarter of 2014. While interest paid increased by 16.0% and net interest income of commercial banks by 4.1%. The gross interest income of Islamic banks decreased by 14.1% in the third quarter of 2015 compared with the same quarter of 2014.

The interest received and interest paid increased by 13.0% and 5.0% respectively during the third quarter of 2015 compared with the second quarter of 2015 resulting in a drop in the rate of 19.0% on gross interest income. On the other hand, the gross interest income in the Islamic banks decreased by 34.6%.

Total interest received contributed 60.0% to the gross income of commercial banks in the Emirate of Abu Dhabi, followed by other income with 28.3% and investment income with 11.7%.

Figure 3: Gross income of commercial banks during the third quarter of 2015

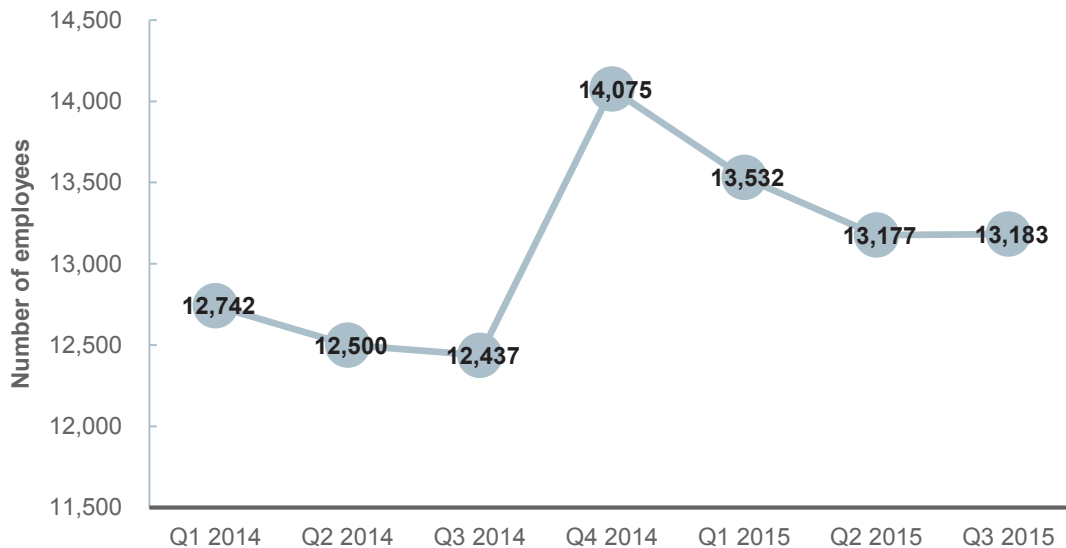


Source: Central Bank- UAE

Number of employees

The total number of employees increased by 6.0% from the third quarter of 2014 to the third quarter of 2015 to 13,183 employees for all banks, including commercial and Islamic. At the same time, the number of employees increased by 0.05% in the third quarter of 2015 compared with the second quarter of 2015. Figure (5) below shows the change in the quarterly number of employees during 2014 and the first, second and third quarters of 2015.

Figure 4: Quarterly number of employees at banks during the quarters of 2014 and 2015



Source: Central Bank- UAE

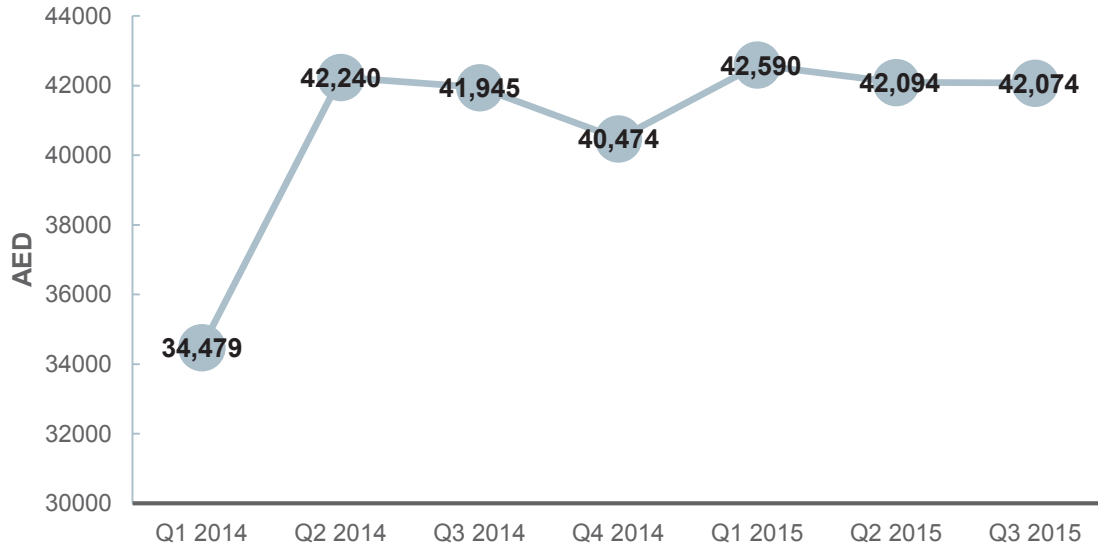
Compensation of employees

Annual average compensation per employee in Abu Dhabi based banks increased by 6.3% in the third quarter of 2015 compared with the same quarter of 2014 and decreased by 0.05% compared with the second quarter of 2015.

The following figure shows the change in the average compensation per employee in the quarters of 2014 and the first, second and third quarters of 2015. It reflect the trend in the average compensation per

employee based on two variables: the compensation of employees and the number of employees in each quarter.

Figure 5: Quarterly average compensation of employees in the quarters of 2014 and 2015

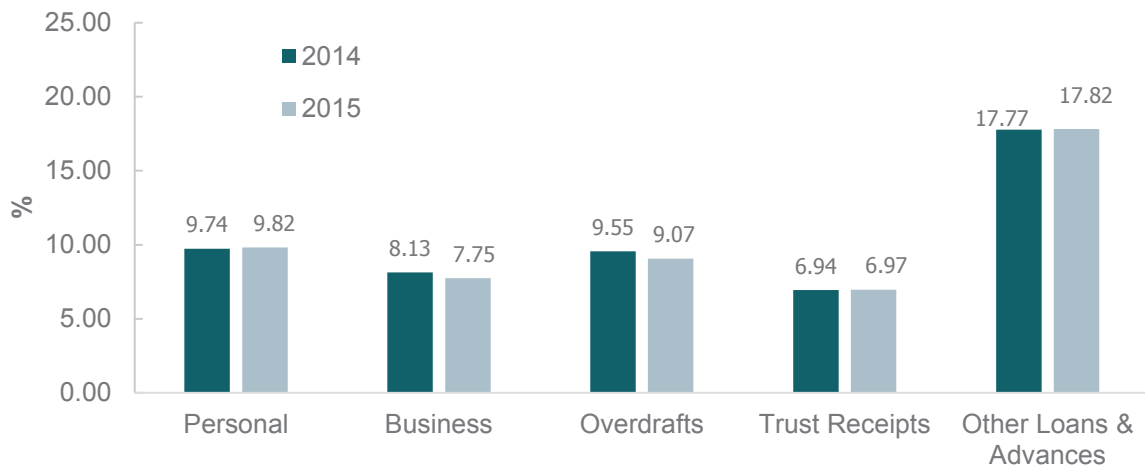


Source: Central Bank- UAE

Interest rates on deposits, loans and advances

The interest rate on personal loans remained the same in the third quarter 2015 with an average of 9.82%. In addition, the interest rate on overdrafts decreased from 9.55% in the third quarter of 2014 to 9.07% in the third quarter of 2015.

Figure 6: Interest rate on loans, third quarter of 2014 and 2015



Source: Central Bank- UAE

Statistical Table

Table 1: Abu Dhabi based banks, quarterly data

| Type | | 2014 | | | | 2015 | | |
|---|---|-------------|--------|--------|--------|-------|--------|--------|
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Savings deposit average annual rates | Savings Deposit | 0.18 | 0.21 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| | Over 1 Year | 1.08 | 1.09 | 1.06 | 1.06 | 1.06 | 1.09 | 1.08 |
| | 1 Year | 0.80 | 0.83 | 0.79 | 0.79 | 0.79 | 0.79 | 0.78 |
| | 6 Months | 0.76 | 0.78 | 0.75 | 0.75 | 0.75 | 0.74 | 0.74 |
| | 3 Months | 0.67 | 0.69 | 0.66 | 0.66 | 0.66 | 0.65 | 0.64 |
| | 2 Months | 0.55 | 0.55 | 0.54 | 0.54 | 0.54 | 0.55 | 0.54 |
| | 1 Month | 0.35 | 0.35 | 0.34 | 0.34 | 0.34 | 0.35 | 0.35 |
| | Up to 7 Days | 0.02 | 0.02 | 0.02 | 0.03 | 0.02 | 0.02 | 0.02 |
| Type | | 2014 | | | | 2015 | | |
| | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Average annual interest rates on loans and advances | Personal Loans | 9.71 | 9.80 | 9.74 | 9.67 | 9.74 | 9.82 | 9.82 |
| | Business Loans | 8.13 | 7.49 | 8.13 | 7.83 | 8.13 | 7.64 | 7.75 |
| | Overdrafts | 9.69 | 8.87 | 9.55 | 9.30 | 9.55 | 8.99 | 9.07 |
| | Trust Receipts | 6.90 | 6.99 | 6.94 | 6.80 | 6.94 | 6.98 | 6.97 |
| | Other Loans & Advances | 17.78 | 17.89 | 17.77 | 17.77 | 17.77 | 17.85 | 17.82 |
| Type | | 2014 | | | | 2015 | | |
| | | Million AED | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Cumulative Interest as at the end of the quarter | Gross interest collected | 8,620 | 17,540 | 26,216 | 35,283 | 9,066 | 19,776 | 27,507 |
| | Gross interest paid | 2,720 | 5,511 | 7,950 | 10,571 | 2,523 | 2,695 | 8,048 |
| | Net interest income of commercial banks | 5,900 | 12,029 | 18,266 | 24,712 | 6,543 | 17,081 | 19,459 |
| | Net interest income of Islamic banks | 1,184 | 2,386 | 3,704 | 5,016 | 1,331 | 2,448 | 3,952 |
| Type | | 2014 | | | | 2015 | | |
| | | Million AED | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Quarterly figures | Gross interest receive | 8,620 | 8,920 | 8,676 | 9,067 | 9,066 | 10,710 | 9,323 |
| | Gross interest paid | 2,720 | 2,791 | 2,439 | 2,621 | 2,523 | 2,695 | 2,830 |
| | Net interest income of commercial banks | 5,900 | 6,129 | 6,237 | 6,446 | 6,543 | 8,015 | 6,493 |
| | Net interest income of Islamic banks | 1,184 | 1,202 | 1,318 | 1,312 | 1,331 | 1,117 | 1,504 |
| | Total net interest earnings | 7,084 | 7,331 | 7,555 | 7,758 | 7,874 | 9,132 | 7,997 |

Source: Central Bank- UAE

Explanatory Notes

Glossary:

Net interest income of commercial banks: income generated by subtracting the interest paid from the total interest received.

Net interest income of Islamic banks: the difference between the revenues generated for the bank from investment in various forms of assets (e.g. joint venture, murabahah and mudharabah and others) and payments to clients in the form of dividends on deposits.

Total net interest earnings: the gross interest income of commercial banks and Islamic banks

Number of employees: the number of employees (citizens and non-citizens) during the period under study.

Gross income: includes net interest (difference between interest received and interest paid) plus income from investments and other income.

Employee's compensation: wages and salaries and cash bonuses and benefits in kind granted by the company its workers.

Murabahah: is a particular kind of sale, compliant with shariah, where the seller expressly mentions the cost he has incurred on the commodities for sale and sells it to another person by adding some profit or mark-up thereon, which is known to the buyer.

Mudharabah: is a contract, with one party providing 100 percent of the capital and the other party providing its specialized knowledge to invest the capital and manage the investment project. Profits generated are shared between the parties according to a pre-agreed ratio.

Data source

- Statistics obtained from the UAE Central Bank:
 - Income statement for banks (commercial and Islamic) headquartered in the Emirate of Abu Dhabi.
 - The total interest paid and received in the quarters of 2014 and the first, second and third quarters of 2015.
 - Interest rates on loans and advances in the quarters of 2014 and the first, second and third quarters of 2015.
 - Interest rates deposit in dirhams in the quarters of 2014 and the first, second and third quarters of 2015.
 - The total number of employees and their compensation in the quarters of 2014 and the first, second and third quarters of 2015.

Technical notes

Scope:

- This publication covers statistics on administrative data obtained from the Central Bank about banks with headquarters in Abu Dhabi.

The reference period:

- From 01/07/2015 to 30/09/2015.

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