



مركز الإحصاء  
STATISTICS CENTRE

# Bank Statistics

Emirate of Abu Dhabi based banks  
Third Quarter 2014

December 2014

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## Introduction

The Statistics center – Abu Dhabi is pleased to present the Banks Statistics publication for quarter three of 2014. The publication is based on data from the Central Bank of UAE for Abu Dhabi Emirate (Abu Dhabi, Al Ain and Western regions) and include 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 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 administration data of the Central Bank of the United Arab Emirates.



## Key Points

- Total Production for banks operating in the Emirate of Abu Dhabi increased by 10.7% to AED 8.2 billion in the third quarter of 2014 compared with the same quarter of 2013.
- Interest income for banks accounted for the highest percentage of main revenues in the third quarter of 2014, with a share of 64.7%. The share of investment income was 10.9% of main revenues.
- Compensation of employees increased by 12.5% in the third quarter of 2014 compared with the same quarter of 2013.
- The total number of employees for Abu Dhabi Emirates based banks increased by 10.9% in the third quarter of 2014 compared with the same period in 2013 to 12.4 thousand employees.
- The interest on deposits in the third quarter of 2014 dropped by 2.6% compared with the third quarter of 2013.



## Results Analysis

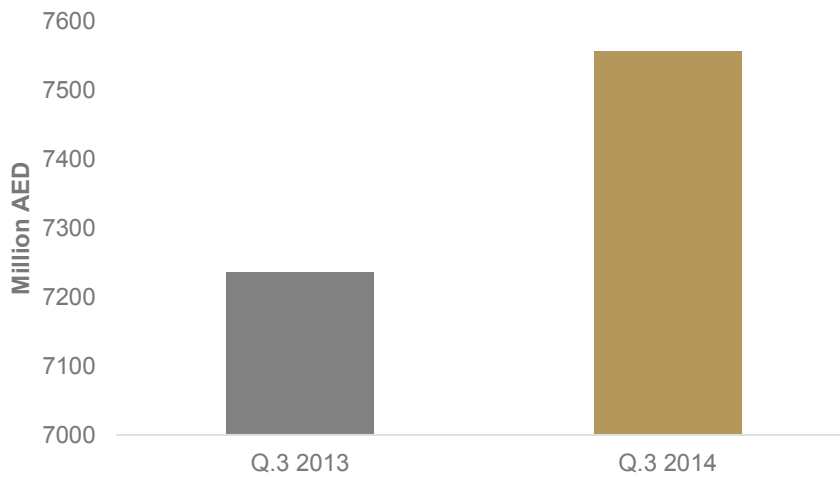
The net income of commercial and Islamic banks increased by 4.4% during the third quarter of 2014 compared with the third quarter of 2013. The number of employees increased by 10.9% in the third quarter of 2014 compared with the same quarter of 2013.

### Statement of earnings

Net income in the publication, is the income generated after subtracting the total interest paid from total interest received for commercial banks, in addition to investment income. For Islamic banks, it is the difference between the revenues generated from investment in various forms of assets (e.g. joint venture, murabahah and mudharabah and others) and payments to applicants in the form of dividends on deposits.

Commercial banks' net income increased by 4.4% in the third quarter of 2014 compared with the same quarter of 2013. The graph below shows the trend in income during the quarters of 2013 and the first, second and third quarters of 2014.

**Figure (1): Net income during the third quarter 2013 and 2014**



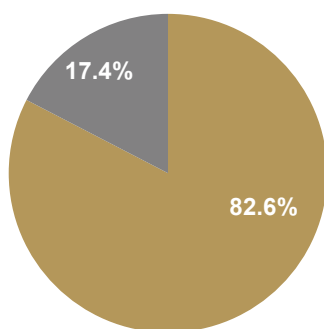
Source: Central Bank- UAE

The net income of commercial banks represented 82.6% of the total net income of all banks while Islamic banks represented 17.4% (Figure 2).



**Figure (2) Net income for Commercial and Islamic Banks, third quarter 2014**

■ Commercial Banks ■ Islamic Banks



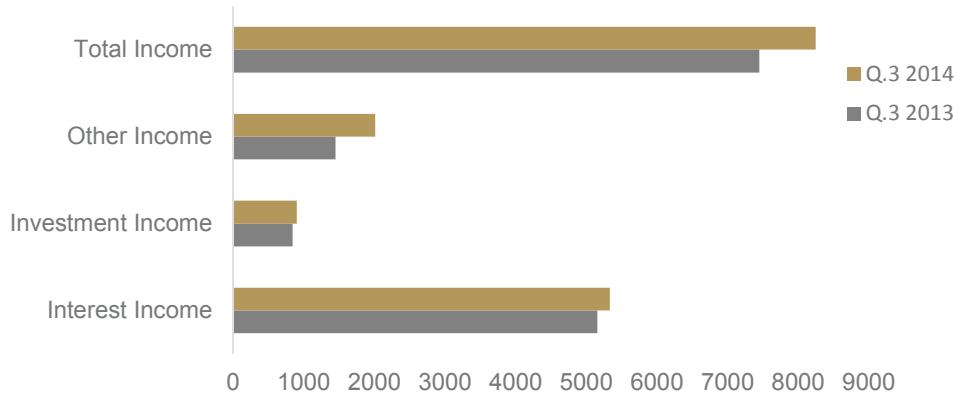
Source: Central Bank- UAE

#### **Total production**

The net income of banks consist mainly of interest received minus interest paid. In addition, to income from investment and other income, Islamic banks earn revenues from various forms of investment (e.g. joint venture, murabahah and mudharabah and others) while they make payments to clients in the form of dividends on deposits.

Total income of commercial banks that are based in Abu Dhabi increased by 10.7% to 8.2 billion in the third quarter of 2014, compared with the third quarter of 2013. The following figure shows the development of different types of income for all 2013 quarters and the first, second and third quarters of 2014.

**Figure (3) Total revenue for commercial banks in the third quarter 2013 and 2014**

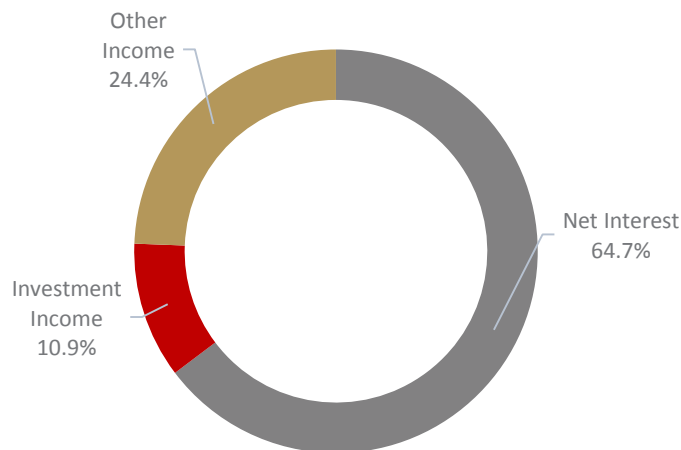


Source: Central Bank- UAE

The net earnings of commercial banks increased by 1.0% in the third quarter of 2014 while interest paid decreased by 5.9% with a growth of 4.0% in net income, compared with the third quarter of 2013. Islamic banks has achieved net income growth of 6.6% in the third quarter of 2014 compared with the same quarter of 2013.

About two- thirds of the net income of commercial banks in Abu Dhabi Emirates, in the third quarter of 2014, was earned from net interest received, while 24.4% was from other income and 10.9% from investment.

**Figure (4) Net income of commercial banks in the third quarter 2014**



Source: Central Bank- UAE

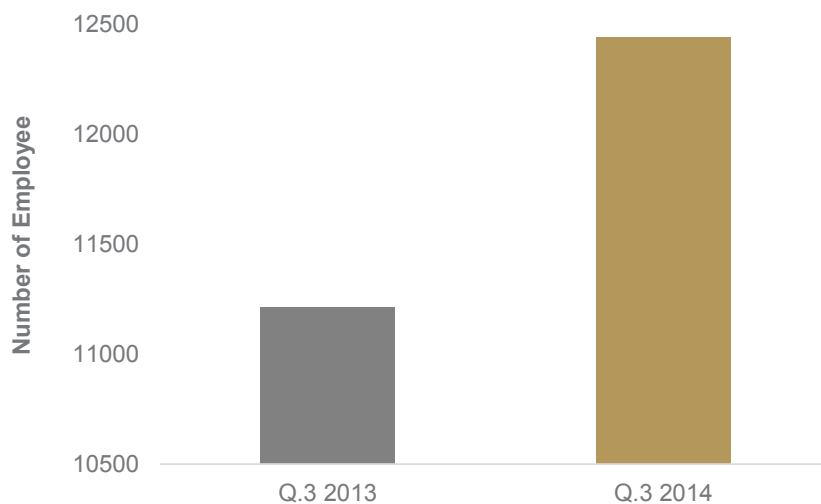


### Number of employees

The total number of employees increased by 10.9% in the third quarter of 2014 to 12,437 employees for all banks, whether commercial or Islamic.

The following figure shows the change in the number of bank employees from third quarter 2013 to third quarter of 2014. The number of employees decreased during the first and second quarters of 2013, but then it increased again in the last quarter of 2013 and the first quarter of 2014. However, it decreased again in the second and third quarters of 2014.

**Figure (5) Number of employees at banks in the third quarter, 2013 and 2014**



Source: Central Bank- UAE

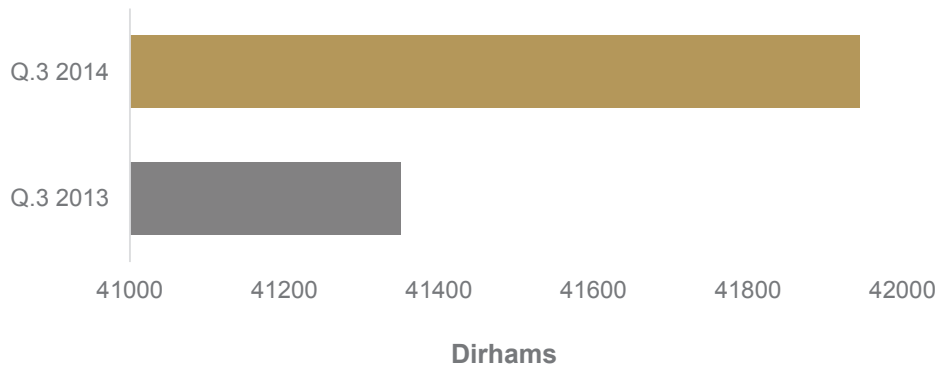
### Compensation of employees

Annual compensation per worker in Abu Dhabi based banks increased by 12.5% in the third quarter of 2014 compared with the same quarter of 2013.

The following figure shows the change in the average compensation per worker in the third quarter 2013 and third quarter of 2014. It reflect the trend in the average compensation per worker based on two variables: the compensation of employee+s and the number of employees in each quarter.



**Figure (6) Average compensation of employees per worker in the third quarter, 2013 and 2014**

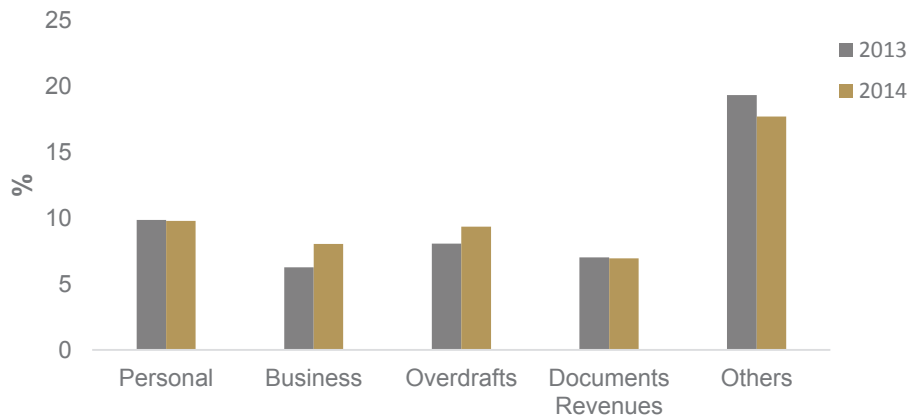


Source: Central Bank- UAE

#### Interest rates on deposits loans and advances

The interest rate on deposits decreased by 2.6% in the third quarter of 2014 compared with the third quarter of 2013. The interest rate on personal loans decreased by 0.8% in the third quarter of 2014 compared with the same quarter of 2013. In addition, the interest rate on business loans increased by 28.8% compared with the third quarter of 2013 and by 16.0% on overdrafts in the third quarter of 2014 compared with the same quarter of 2013.

**Figure (7) Interest rate on loans, third quarter 2013 and 2014**



Source: Central Bank- UAE

## Statistical Tables

Table (1) Abu Dhabi based banks

	Type	Q12013	Q22013	Q32013	Q42013	Q12014	Q22014	Q32014
Savings Deposit Rates (average rates)	Savings Deposit	0.35	0.28	0.27	0.28	0.18	0.21	0.20
	Over 1 Year	0.35	0.28	0.27	0.28	0.18	0.21	0.20
	1 Year	1.09	1.05	1.13	1.05	1.08	1.09	1.06
	6 Months	0.60	0.58	0.43	0.71	0.80	0.83	0.79
	3 Months	0.65	0.62	0.65	0.73	0.76	0.78	0.75
	2 Months	0.55	0.41	0.34	0.64	0.67	0.69	0.66
	1 Month	0.39	0.22	0.33	0.50	0.55	0.55	0.54
	Up to 7 Days	0.19	0.14	0.12	0.33	0.35	0.35	0.34
Interest Rates on Loans and Advances (average rate)	Other Loans & Advances	17.91	18.55	18.59	17.64	17.78	17.89	17.77
	Trust Receipts	17.91	18.55	18.59	17.64	17.78	17.89	17.77
	Overdrafts	6.99	6.93	6.05	6.82	6.90	6.99	6.94
	Business Loans	8.82	9.13	6.53	9.52	9.69	8.87	9.55
	Personal Loans	7.50	6.89	5.96	8.49	8.13	7.49	8.13
Year to date figures	Gross interest collected (million AED)	8,387	17,026	25,617	34,488	8,620	17,540	26,216
	Gross interest paid (million AED)	2,867	5,518	8,109	10,846	2,720	5,511	7,950
	Net earnings (million AED)	5,520	11,508	17,508	23,642	5,900	12,029	18,266
	Net earnings from Islamic banks (million AED)	1,051	2,123	3,359	4,518	1,184	2,386	3,704
	Gross interest collected (million AED)	8,387	8,639	8,591	8,871	8,620	8,920	8,676
	Gross interest paid (million AED)	2,867	2,651	2,591	2,737	2,720	2,791	2,439
	Net earnings (million AED)	5,520	5,988	6,000	6,134	5,900	6,129	6,237
	Net earnings (million AED)	1,051	1,072	1,236	1,159	1,184	1,202	1,318
	Net earnings (Thousand AED)	1,051,000	1,072,000	1,236,000	1,159,000	1,184,000	1,202,000	1,318,000

Source: Central Bank- UAE



## Explanatory Notes

### Glossary:

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

**Net income of the 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.

**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.

**The cost of an employee:** wages and salaries and cash bonuses and benefits in kind granted to workers by the company for 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 2013 and the first, second and third quarters of 2014.
  - Interest rates on loans and advances in 2013 and the first, second and third quarters of 2014.
  - Interest rates deposit in dirhams in 2013 and the first, second and third quarters of 2014.
  - The total number of personnel and cost in 2013 and the first, second and third quarters of 2014.

### Scope:

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

### The reference period:

- From the first quarter of 2013 to the third quarter of 2014.

### Disclaimer:

While all care and diligence has been taken with the compilation of official statistics, the Statistics Centre – Abu Dhabi gives no warranty that the information, data or statistics, supplied are free of errors. SCAD shall not be liable for any loss or damage suffered by the user following the direct or indirect use of the statistics supplied in good faith by SCAD. Users of Official Statistics are responsible for determining when and how to use the statistics for specific purposes.



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