

مركز الإحصاء
STATISTICS CENTRE



Bank Statistics

Methodology

2023

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1. Overview

1.1. Introduction

Statistics Center - Abu Dhabi (SCAD) is the official source of statistical data in Abu Dhabi Emirate. SCAD provides key indicators of financial intermediation activity that aims to identify the characteristics of banks activities in the Emirate. The banks statistics publication is based on data from the Central Bank of United Arab Emirates (UAE) for Abu Dhabi Emirate.

1.2. Concepts and definitions

Banks statistics are the characteristics of banks activities in the Abu Dhabi Emirate. The compilation of the Abu Dhabi banks statistics, including Islamic banking estimates, follows the key concepts and definitions outlined by the International Monetary Fund's and Financial Statistics Manual and Compilation Guide (2016).

Islamic finance refers to the provision of financial services in accordance with Islamic jurisprudence (Shariah). Shariah bans interest (Riba), products with excessive uncertainty (Gharar), gambling (Maysir), short-sales, as well as the financing of prohibited activities that it considers harmful to society. It requires parties to honor principles of fair treatment and the sanctity of contracts. Additionally, transactions must be underpinned by real economic activities, and there must also be a sharing of risks in economic transactions.

1.3. Abu Dhabi special considerations

It should be noted that Abu Dhabi is an emirate and one of 7 emirates in UAE, and data collected is limited to Abu Dhabi emirate region. However, since the administrative sources used for collecting data pertinent to Banks statistics also operate at the emirate level, this should not be a factor which compromises data quality.

1.4. Classifications and standards applied

SCAD aligns its data collection and processing, where possible, with the United Nations standards in the System of National Accounts (SNA 1993). The administrative data that contributed to the publication were classified in accordance with the International Monetary Fund's and Financial Statistics Manual and Compilation Guide (2016).

1.5. Available breakdown

SCAD publishes banks statistics breakdowns for commercial and Islamic banks. All breakdowns are based on data collected through the same set of administrative data.

Banks estimates are provided for: total revenue, net income, employees compensation and number of employees.

Interest rates on loans are provided by type of loan.

Interest rates on deposits are provided by type of maturity.

1.6. Importance and objectives of the indicator

The banks statistics provides data on income, revenue, number of employees and their compensation and interest rates on deposits, loans and advances for commercial and Islamic banks in Abu Dhabi Emirate.

The key uses of the bank's statistics are outlined below:

- Present the necessary information in order to support the development of the banking and investment sector in the Emirate of Abu Dhabi.
- Provide timely data to monitor the stability of the financial sector and its potential to affect the real economy.
- Contribute to the analysis of the efficiency of commercial and Islamic banking sector in intermediating activities in the rest of the economy.

2. Indicator information

2.1. Geographical coverage

The estimates cover the banks based in Abu Dhabi Emirate, distributed over the three regions: Abu Dhabi, Al Ain and Al Dhafra Regions.

2.2. Statistical population

The target population is composed of all commercial and Islamic banks based in the Emirate of Abu Dhabi.

2.3. Periodicity

The bank's statistics are issued on a quarterly basis.

2.4. Timeliness

SCAD normally publishes the estimates no later than 2 months after the reference period.

2.5. Units

Data is provided as discrete, percentage and value in millions of UAE Dirhams terms.

2.6. Reference period

The period covered by the collection is, in general, the 3 months of the relevant financial year.

3. Methodology

3.1. Alignment to international standards

The compilation of the statistics broadly follows, where possible, the recommendations outlined in Monetary and Financial Statistics Manual and Compilation Guide (2016) published by IMF. This means that procedures for data collection and validation, data imputation, compilation and dissemination are consistent with the methodology outlined therein and is broadly consistent with other national statistical offices' best practices.

3.2. Data sources

The bank's statistics are collected from administrative data developed by the Central Bank of UAE.

3.2.1 Survey data

The bank's statistics are based on administrative data only.

3.2.2 Administrative data

Administrative data from the Central Bank of UAE, including:

- Income statement for banks (commercial and Islamic) headquarters in the Emirate of Abu Dhabi.
- Total interest paid and received.
- Interest rates on loans and advances
- Interest rates on deposits
- Total number of personnel and cost

The Central bank of UAE collects data on interest rates from the largest four to five commercial banks. SCAD collects administrative data through e-link provided by the Central bank of UAE.

3.3. Data validation and editing

3.3.1 Data validation

SCAD does not apply validation methods to the bank's statistics.

3.3.2 Missing data adjustments

Quality adjustments and treatment of missing data is not applied to the data collected from the Central Bank of UAE.

3.4. Data processing

SCAD does not apply processing methods to the data collected from the Central Bank of UAE. Compiling the banks statistics complies with the Manual of Statistical Quality Standards and Procedures for Administrative Records and relevant manuals and classifications developed by SCAD.

3.4.1. Linking different datasets

Linking is not applicable to the production of the bank's statistics.

3.4.2. Sample Weighting

Weighting is not applied for the production of the bank's statistics.

3.4.3. Statistical calculation method

The key variables and indicators to be calculated include:

- Number of employees: Total number of employees by nationality (citizens and non-citizens) under study.
- Average compensation per employee: Wages, salaries and Bonuses in cash + Benefits granted + Social benefits accrued to the employees.
- Total net interest earnings: Total interest income of commercial + Total interest income of Islamic banks.
- Net interest income for commercial banks: Total interest received - Total interest paid plus investment income and other income.
- Net interest income for Islamic banks: Revenues generated from investment in various assets (e.g. joint venture, murabahah, mudharabah and others) - payments to applicants in the form of dividends on deposits.

3.4.4. Seasonal adjustment

Seasonally adjusted estimates are not produced for this publication.

3.4.5. Chain linking

Chain linking is not applied to the production of the bank's statistics.

4. Special cases

The bank's statistics do not present special cases of indicators.

5. Outputs and quality

5.1 Dissemination and accessibility

Banks statistics are disseminated in SCAD official website and available in Excel and PDF on annual basis.

5.2. Length of available dataset

The bank's statistics dataset consists of quarterly estimates starting in 2014.

5.3. Methodology changes

SCAD will publish changes to the bank's statistics methodology in accordance with the Statistical Quality Framework and relevant international standards.

5.4. Data coherence and comparability

The Abu Dhabi banks statistics were first compiled in 2014. For historical data, SCAD ensures consistency from the administrative source.

5.5. Data accuracy and potential sources of errors

Banks' statistics are not subject to sampling error as they represent the complete enumeration of banks registered in Abu Dhabi Emirate. However, they are subject to non-sampling error and the cyclical administrative workflows of the Central Bank of UAE may also impact on data interpretability.

5.6. Revision policy

Once the primary data are incorporated into the statistics, it is considered final for that year and are not revised unless further primary data from new sources become available. Please refer to Statistical Data Revision Policy & Procedures for more information about the revision of official statistics applied by SCAD, including its code of practice.

5.7. Limitations of dataset

Where figures have been rounded, discrepancies may occur between totals and the sums of the component items. Proportions, ratios and other calculated figures shown in this publication have been calculated using un-rounded estimates and may be different from, but are more accurate than, calculations based on the rounded estimates.

6. Institutional environment

Statistics Centre – Abu Dhabi (SCAD), as the competent government entity in charge of organizing statistical activities in the emirate, plays a pivotal role in supporting decision-makers, and policymakers in Abu Dhabi. The statistical activities in the emirate are organized by SCAD, with its strategic partners in the Statistical System of Abu Dhabi. The Law entrusts SCAD with the task of developing and organizing statistical in Abu Dhabi Emirate.

7. Glossary

Employees:

The number of employees in the establishment, whether working on full-time or part time basis (citizens or non-citizens), including absentees on sick or ordinary leaves, training courses or scholarships, etc., excluding trainees, seconded and those on annual leaves who do not get paid.

Employee's compensation:

wages and salaries and cash bonuses and benefits in kind granted to workers by the company for its workers.

Murabahah:

it 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:

It 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.

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.

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



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