



مركز الإحصاء
STATISTICS CENTRE

Banks Statistics

Emirate of Abu Dhabi based banks

2015
Second 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 second 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

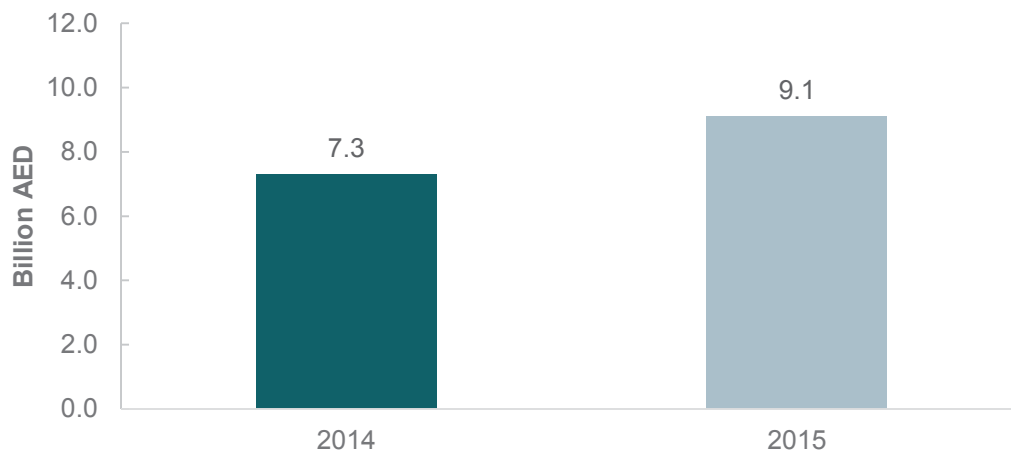
- Net earnings for banks operating in the Emirate of Abu Dhabi increased by 24.6% to AED 9.1 billion in the second quarter of 2015 compared with the second quarter of 2014.
- Interest earned by banks accounted for the highest percentage of their main revenues in the second quarter of 2015, with a share of 65.4%.
- The annual average compensation per employee increased by 5.1% in the second quarter of 2015 compared with the same quarter of 2014 and decreased by 3.7% compared with the first quarter of 2015.
- The total number of employees for Abu Dhabi Emirate based banks increased by 3.0% in the second quarter of 2015 compared with the same period in 2014 to 12.9 thousand employees.

Results Analysis

Statement of net earnings

Net earnings of commercial and Islamic banks increased by 24.6% to AED 9.1 billion during the second quarter of 2015 compared with the second quarter of 2014. In addition, the net earnings of commercial and Islamic banks increased by 16.0% during the second quarter of 2015 compared with the first quarter of 2015.

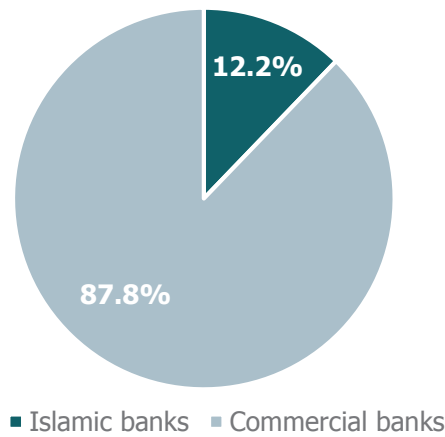
Figure 1: Net earnings during the second quarter, 2014 and 2015



Source: Central Bank- UAE

The gross interest income of commercial banks represented 87.8% of the net earnings of all banks while Islamic banks gross interest income represented 12.2% (Figure 2).

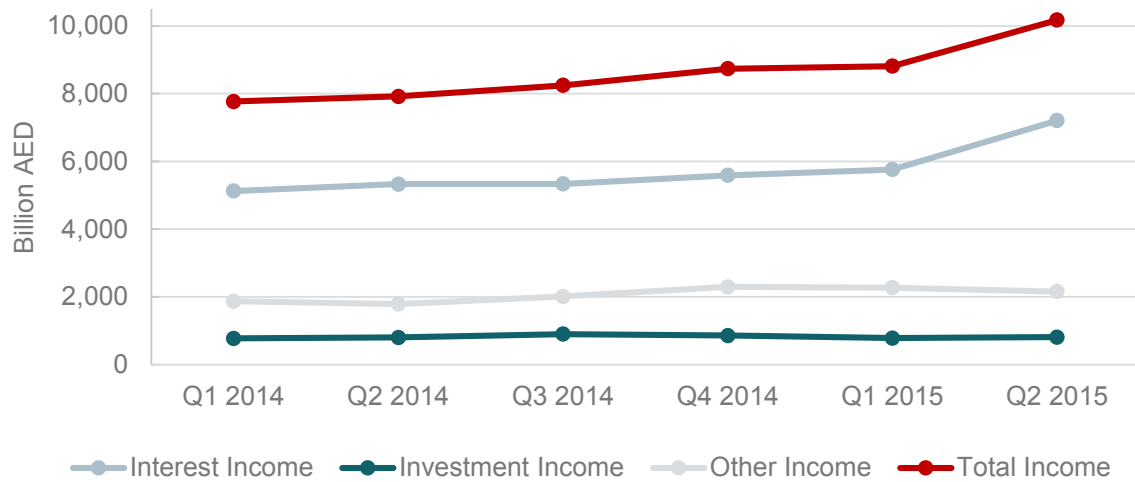
Figure 2: Net earnings of commercial and Islamic Banks, second quarter 2015



Source: Central Bank- UAE

The quarterly gross interest income for Abu Dhabi based banks in the second quarter of 2015 was AED 9.1 billion. The figure below shows the growth in the net earnings for the quarters of 2014 and 2015.

Figure 3: Total quarterly incomes of commercial banks during the quarters of 2014 and 2015



Source: Central Bank- UAE

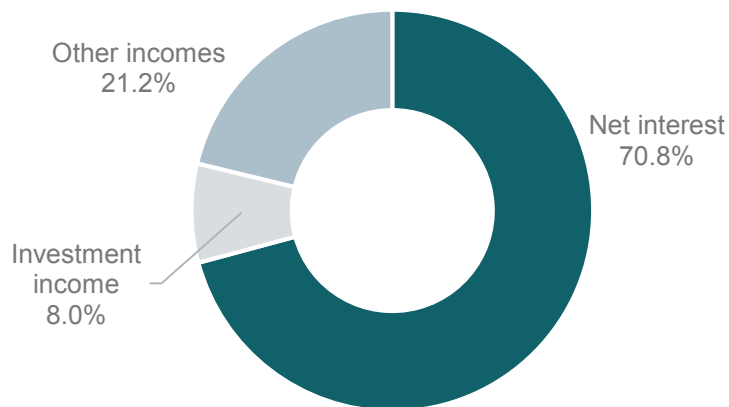
The interest received by commercial banks increased by 20.1% in the second quarter of 2015 while interest paid decreased by 3.4% with a growth rate of 30.8% in gross interest income of commercial banks,

compared with the second quarter of 2014. The gross interest income of Islamic banks decreased by 7.1% in the second quarter of 2015 compared with the same quarter of 2014.

The interest received and interest paid increased by 18.1% and 6.8% respectively during the second quarter of 2015 compared with the first quarter of 2015 resulting in a growth rate of 22.5% on gross interest income. On the other hand, the gross interest income in the Islamic banks decreased by 16.1%.

About two- thirds (70.8%) of the gross income of commercial banks in Abu Dhabi Emirate, was earned from net interest received in the second quarter of 2015, while 21.2% was from other income and 8.0% from investment.

Figure 4: Gross income of commercial banks during the second quarter of 2015



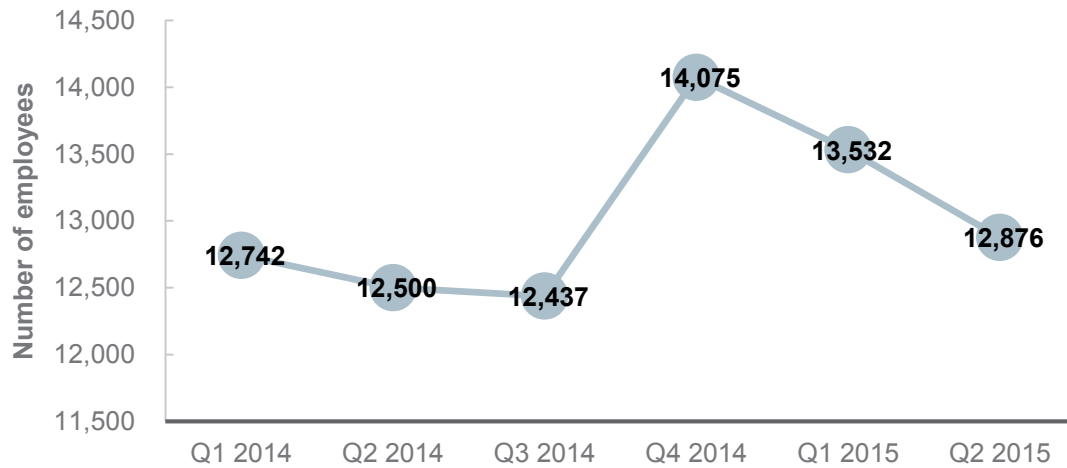
Source: Central Bank- UAE

Number of employees

The total number of employees increased by 3.0% from the second quarter of 2014 to the second quarter of 2015 to 12,876 employees for all banks, whether commercial or Islamic. However, the number of employees decreased by 4.9% in the second quarter of 2015 compared with the first quarter of 2015. Figure

(5) below shows the change in the quarterly number of employees during 2014 and the first and second quarters of 2015.

Figure 5: Quarterly number of employees at banks during the quarters of 2014 and 2015



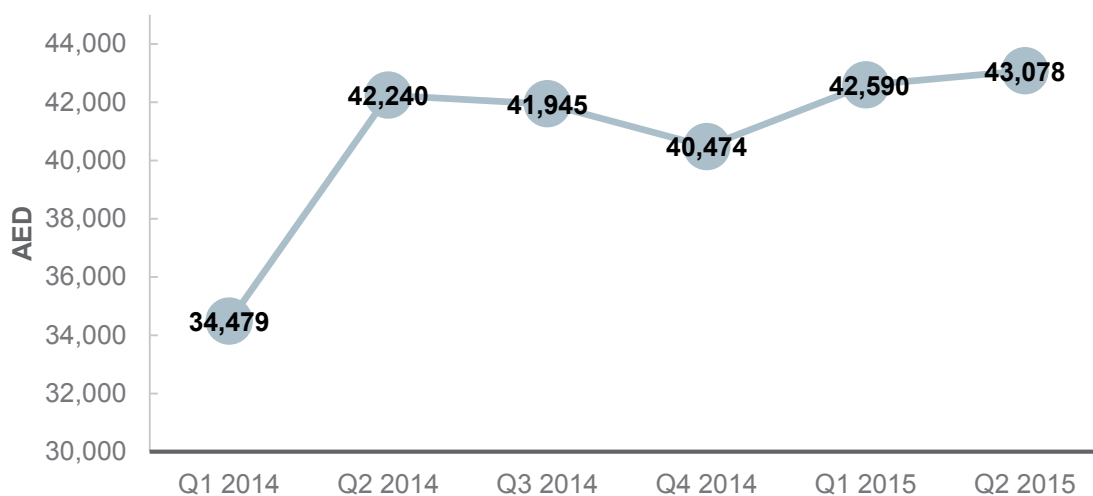
Source: Central Bank- UAE

Compensation of employees

Annual average compensation per employee in Abu Dhabi based banks increased by 5.1% in the second quarter of 2015 compared with the same quarter of 2014 and decreased by 3.8% compared with the first quarter of 2015.

The following figure shows the change in the average compensation per employee in the quarters of 2014 and the first and second 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 6: Quarterly average compensation of employees in the quarters of 2014 and 2015

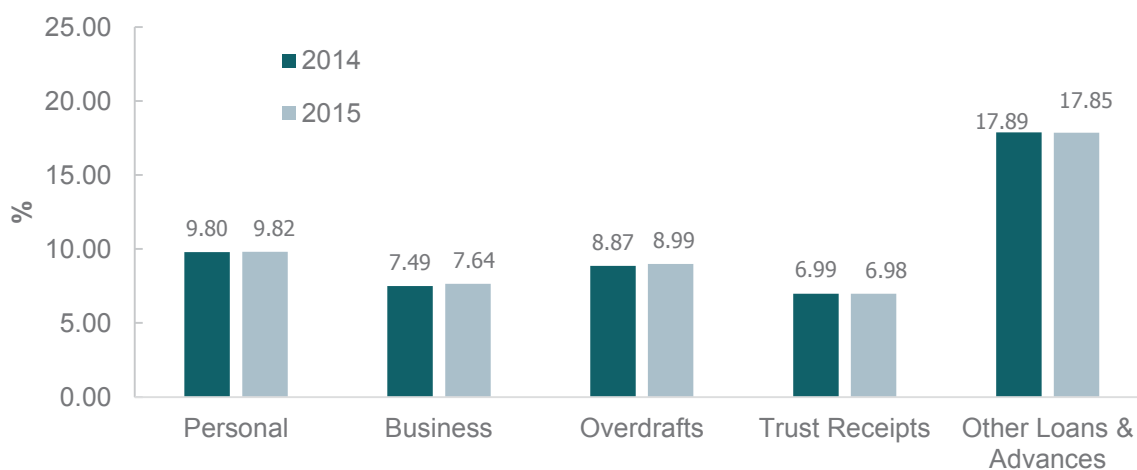


Source: Central Bank- UAE

Interest rates on deposits, loans and advances

The interest rate on personal loans increased from 9.80% to 9.82% over the same period. In addition, the interest rate on overdrafts increased from 8.87% in the second quarter of 2014 to 8.99% in the second quarter of 2015.

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

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 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 the quarters of 2014 and the first and second quarters of 2015.
 - Interest rates on loans and advances in the quarters of 2014 and the first and second quarters of 2015.
 - Interest rates deposit in dirhams in the quarters of 2014 and the first and second quarters of 2015.
 - The total number of employees and their compensation in the quarters of 2014 and the first and second quarters of 2015.

Technical notes

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 1/1/2014 to 30/06/2015.

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