

**CENTRAL BANK  
OF  
THE UNITED ARAB EMIRATES**

**ANNUAL REPORT**



**2008**

# CENTRAL BANK OF THE UNITED ARAB EMIRATES

## BOARD OF DIRECTORS

### CHAIRMAN

H.E Khalil Mohammed Sharif Foulathi,

### Deputy Chairman

H.E Dr. Omar Mohammed Ahmed Bin Sulaiman

### Governor

H.E Sultan Bin Nasser Al Suwaidi

### Deputy Governor

H.E Mohamed Ali Bin Zayed Al Falasi

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H.E. Younis Haji Khoori

H.E. Mubarak Rashid Al Mansouri

H.E. Hilal Khalfan Bin Dhahir Al Muhairi

H.E. Khalid Mohammed Salem Balama

### Head Office

**P.O. Box 854, Abu Dhabi**

**Telephone** +9712 6652220 , +9712 6915555

**Telex** 22330 MARKZI EM

22396 MARKZ

24153 MARKZI EM

**Fax** 23316 MARKZI / 22566 MARKZI

02-6668483 / 02-6652504

**Website:** [www.centralbank.ae](http://www.centralbank.ae)

**Research & Statistics Department**

**P. O Box 645 - Sharjah - Tel: 06-5592592 - Fax: 06-5595300**

**E-mail:** [rsdbuae@emirates.net.ae](mailto:rsdbuae@emirates.net.ae)

## Branches

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### **Dubai Branch**

P. O. Box 448

Dubai Telephone : 04-3939777

Telex: 45645 MARKZI EM

Fax: 04-3939933

### **Sharjah Branch**

P. O. Box 645

Sharjah

Telephone : 06-5592592

Telex: 68078 MARKZI EM

Fax : 06-5593977

### **Ras Al Khaimah Branch**

P. O. Box 5000

Ras Al Khaimah Telephone :07-

2284444

Telex 99126 MARKZI EM

Fax: 07-2284646

### **Fujairah Branch**

P. O. Box 768

Fujairah

Telephone :09-2224040

Telex: 89066 MARKZI EM

Fax: 09-2226805

### **Al Ain Branch**

P.O. Box 1414

Al Ain

Telephone : 03-7656656

Telex :34073 MARKZI EM

Fax : 03-7664777

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# **CHAPTER ONE**

## **INTERNATIONAL ECONOMIC TRENDS**

Global economic growth rate slowed from 5.2% in 2007 to 3.4% in 2008. Within the group of major industrial countries, the rate of growth dropped in the USA, during the same period, from 2.0% to 1.1%, in Japan from 2.4% to 0.3%, in France from 2.2% to 0.8% and in Germany from 2.5% to 1.3%.

Within the Euro zone, the rate of economic growth decreased from 2.8% to 2.5%, while it dropped in the United Kingdom from 3.0% to 0.7% and from 5.6% to 2.1% in the group of Asian countries.

World average rate of inflation decreased from 5.0% in 2007 to 3.9% in 2008. Within the group of advanced economies, inflation rate decreased during the same period from 2.6% to 1.5%. Within this group of countries, inflation dropped in the USA from 2.0% to 1.6%, in the Euro zone from 2.6% to 1.3% and in Japan from 2.1% to 0.7%.

World trade in goods and services slowed down from an increase of 7.2% in 2007 to 4.1% in 2008. Likewise, the increase in imports in advanced economies slowed down during the same period, from 4.5% to 1.5%, and in emerging economies and developing countries from 14.5% to 10.4%, while the increase in exports slowed down in advanced economies from 5.9% in 2007 to 3.1% in 2008, and in emerging economies and developing countries from 9.6% to 5.6%.

The UAE economy was impacted by the global economic developments cited above. Nevertheless, the UAE economy managed to achieve a relatively high rate of growth in the order of 7.4% in 2008. This was mainly due to higher oil prices, and the liquidity support facilities to banks provided by the Central Bank, in collaboration with the Ministry of Finance, from beginning of September 2008.

As regards the inflation rate, the general consumer prices index rose from 11.1% in 2007 to 12.3% in 2008, as a result of an increase of 13.4% in housing rents which account for 39.3% of the consumer prices basket.

## **CHAPTER TWO**

# **MONETARY & FINANCIAL MARKETS DEVELOPMENTS**

## 1- Monetary Developments

Money Supply (M1), which consists of currency issued in circulation plus current accounts and call- accounts balances at banks operating in the UAE, increased from AED 181.8 billion at the end of 2007 to AED 244.1 billion at the end of June 2008. It then continued to rise by 3.6% during the third quarter, and by 11.5% during the last quarter of the same year, reaching AED 208.2 billion by the end of December 2008, i.e., an increase by 14.5% during 2008.

Broad money (M2), which comprises (M1) plus quasi-monetary deposits, increased from AED 565.7 billion at the end of 2007 to AED 676.4 billion at the end of June 2008. Following a slight increase of 0.7% during the third quarter, (M2) decreased by 1% during the last quarter, reaching AED 674.3 billion at the end of 2008, i.e. an increase of 19.2% during 2008.

Meanwhile, overall broad money (M3), which comprises (M2) plus government deposits with the banking sector, continued to increase, rising from AED 696.2 billion at the end of 2007 to AED 815.5 billion at the end of June 2008, reaching AED 899.1 billion at the end of the same year, i.e. an increase of 29.1% during 2008.

These developments indicate a contraction in liquidity at the banking sector, which may be attributed to lack of liquidity in international markets and the exit of speculative money that entered the UAE during the second half of 2007 and the first quarter of 2008. Such contraction is reflected in the balance of banks' investments in Certificates of Deposits issued by the Central Bank. The balance of those investments dropped to AED 112.7 billion at the end of June 2008, and further decreased to AED 64.1 billion at the end of September, and to AED 47.1 billion at the end of December 2008.

**Table 1: Monetary Developments in the UAE**

(In Billions of AEDs)

	2007	2008							
	Dec.	March		June		September		December	
	Amount	Quarterly increase (%)	Amount	Quarterly increase (%)	Amount	Quarterly increase (%)	Amount	Quarterly increase (%)	Amount
<b>Money Supply (M1)</b>	181.8	22.1	221.9	10.0	244.1	-3.6	235.3	-11.5	208.2
<b>Broad Money (M2)</b>	565.7	10.4	624.4	8.3	676.4	0.7	681.4	-1.0	674.3
<b>Overall Broad Money (M3)</b>	696.2	8.4	754.6	8.1	815.5	1.9	831.3	8.2	899.1

## 2. UAE Financial Markets

The general index of share prices witnessed fluctuations during the first half of 2008, followed by a sharp decline by 21.2% during the third quarter, and 46.2% during the last quarter of the same year. Meanwhile, market capitalization declined from AED 844.5 billion at the end of June to AED 671.7 billion at the end of September and to AED 363.9 billion at the end of December 2008.

Price earning ratio (share price divided by investor's earnings) declined from 14.4 times at Abu Dhabi Securities Market and 13.5 times at Dubai Financial Market as at the end of June 2008, to 7.3 times and 6.0 times respectively, at the end of December 2008. That means, compared to similar ratios prevailing in advanced and emerging economies, share prices in the UAE financial markets were very low.

**Table 2: UAE Financial Markets Indicators**

	2008			
	March	June	September	December
Number of listed companies	120	125	128	129
Generals Share Price Index	5,703.50	6,015.56	4,741.20	2,552.23
Variation during the period	-6.1%	5.5%	-21.2%	-46.2%
<b>Market Capitalization (in Billions of AEDs)</b>	<b>789.96</b>	<b>844.53</b>	<b>671.71</b>	<b>363.87</b>
Price Earning Ratio:				
- Abu Dhabi Securities Exchange	15.25	14.40	11.30	7.30
- Dubai Financial Market	15.20	13.48	10.35	6.00

*Source: UAE Securities & Commodities Authority*

Since mid-June 2008, the financial markets in the UAE entered a period of substantial decline, due to the exit of foreign speculative funds, and the overall downturn in international financial markets, which led to a marked decline in trading volumes.



**CHAPTER THREE**

**THE BALANCE OF PAYMENTS**

## **1- An outlook of the balance of payments**

Preliminary estimates of the balance of payments indicate an increase in the surpluses of both the trade and the current account balances during 2008. The surplus in the trade balance (FOB) rose from AED 170.85 billion in 2007 to AED 231.09 billion in 2008 (35.3%). The surplus in the current account balance also rose from AED 72.13 billion in 2007 to AED 81.82 billion in 2008 (13.4%). The increase in the trade balance surplus was mainly attributed to a rise by 33.9% in the value of total exports and re-exports in 2008 (including the hydrocarbon sector, other goods exports from free zones, in addition to re-exports), reaching AED 878.51 billion in 2008.

Despite adherence to the quota allocated for the UAE by OPEC, the value of oil exports rose by 39.7% during 2008 to reach AED 313.74 billion, mainly as a result of increase of oil prices in international markets and the increase in condensates production which is not subject to OPEC production quota. The weighted average of oil prices rose from US \$ 70.7 a barrel in 2007 to US \$ 90.0 a barrel in 2008 (27.3%). The value of gas exports also increased from AED 28.50 billion in 2007 to AED 39.08 billion in 2008 (37.1%).

The increase in oil prices led to an increase in the value of petroleum products from AED 17.98 billion in 2007 to AED 22.10 billion in 2008 (22.9%). The value of goods exports also rose by 25.5% in 2008, reaching AED 157.81 billion at the end of the year. Exports of free zones increased from AED 83.70 billion in 2007 to AED 97.46 billion in 2008 (16.4%). And the value of re-exports reached AED 345.78 billion in 2008, against AED 259.12 billion in 2007 (33.4%).

With the pick-up of activity in the non-oil sectors, the rise of domestic demand due to increase in population and income levels and the expansion of re-export trade, particularly to neighboring countries, the value of total imports CIF, including estimated goods imports to all emirates of the country, free zone imports and imports of non-monetary gold, increased by 33.4% in 2008, reaching AED 735.70 billion, with imports of the free zones accounting for 30.1% of total imports. As a result of depreciation of the US dollar, and hence the UAE dirham against most major currencies and against currencies of UAE major partners, in addition to the moderate increase in prices of commodities in countries of origin, the increase in value of imports in 2008 may not reflect a significant increase in their volume, compared to 2007.

With the continued increase in estimated net imports (total imports minus re-exports and exclusive of free zones imports and imports of non-monetary gold) by 29.9% in 2008, imports per capita rose from AED 42.4 thousand in 2007 to AED 50.7 thousand in 2008.

The structure of imports in 2008 show that the shares of the consumer goods and capital goods in total imports rose to 54.4% and 35.7% respectively, against 54.1% and 35.4% in 2007, whereas the share of intermediate goods dropped from 10.6% in 2007 to 9.9% in 2008.

The geographical distribution of total imports shows that the share of Asian countries increased from 46.0% in 2007 to 46.5% in 2008. Within this group, India continued to rank first with a share of 17%. Meanwhile, the share of European countries dropped to 35.6%. Within this group, the European Union countries recorded a share of 27.7%, including the United Kingdom (6.6%). The share of the group of Arab countries decreased to 5.2%, while the share of the Americas maintained its last year's level of 9.2%.

Within the current account items, the debit balance of services, which includes freight and insurance, tourism, travel and government services rose to AED 159.48 billion in 2008, against AED 124.96 billion in 2007 (27.6%), while the credit balance of services increased from AED 29.60 billion in 2007 to AED 35.24 billion in 2008. The net outcome of investment income achieved by various investment institutions dropped from AED 30.75 billion in 2007 to AED 13.97 billion in 2008. Meanwhile, workers transfers abroad rose from AED 31.95 billion during 2007 to AED 36.70 billion during 2008.

Contrary to previous year, the net balance of the capital and financial account was negative in 2008 (AED -203.06 billion) as a result of outflow of funds, including hot money which entered the UAE in 2007, speculating on an increase in the Dirham exchange rate, financial transfers abroad through banks (AED 44.86 billion), non-banking private sector (AED 50.40 billion) and public sector institutions (AED 108.20 billion).

Accordingly, the final position of the balance of payments in 2008 showed a deficit of AED 172.49 billion, against a surplus of AED 183.24 billion in 2007.

## **2- Estimates of the balance of payments (2007-2008)**

The Table below provides estimates of the balance of payments in the UAE for the years 2007-2008.

**Table 3:  
Estimates of UAE Balance of Payments**

(In Millions of AEDs)

	2007	2008*
<b>Current Account</b>	<b>72,132</b>	<b>81,817</b>
<b>Trade Balance (FOB)</b>	<b>170,852</b>	<b>231,092</b>
Total Exports of Hydrocarbon	271,128	374,915
-Oil Exports	224,647	313,735
-Petroleum Products Exports	17,981	22,100
-Gas Exports	28,500	39,080
Total Goods Exports	125,768	157,814
-Free Zone Exports	83,700	97,455
-Other Exports 1	42,068	60,359
Re-Exports 2	259,124	345,779
<b>Total Exports and Re-Exports (FOB)</b>	<b>656,020</b>	<b>878,508</b>
<b>Total Imports (FOB)</b>	<b>-485,169</b>	<b>-647,417</b>
<b>Total Imports (CIF)</b>	<b>-551,328</b>	<b>-735,701</b>
-Other Imports 3	-395,718	-513,980
-Free Zone Imports	-155,610	-221,721
<b>Services (Net)</b>	<b>-95,359</b>	<b>-124,244</b>
<b>Credit</b>	<b>29,600</b>	<b>35,240</b>
-Travel	-22,300	-26,301
-Transportation	-5,000	-6,598
-Government Services	2,300	2,341
<b>Debit</b>	<b>-124,959</b>	<b>-159,484</b>
-Travel	-41,400	-48,800
-Transportation	-15,000	-20,000
-Government Services	-2,400	-2,400
-Freight and Insurance	-66,159	-88,284
<b>Investment Income (Net)</b>	<b>30,750</b>	<b>13,970</b>
-Banking System 4	8,150	4,870
-Private Non-Banks	-2,800	-2,700
-Public Sector Enterprises	46,300	30,000
-Foreign Hydrocarbon Companies in UAE	-20,900	-18,200
<b>Transfers (NET)</b>	<b>-34,111</b>	<b>-39,000</b>
-Government Transfers	-2,159	-2,300
-Workers Transfers	-31,952	-36,700

**Table 3- Estimates of UAE Balance of Payments (cont.)**

	2007	2008*
<b>Capital and Financial Account</b>	<b>105,424</b>	<b>-203,061</b>
<b>Capital Account</b>	-	-
<b>Financial Account</b>	<b>105,424</b>	<b>-203,061</b>
A. Private Sector Enterprises	217,324	-94,861
A.1 Direct Investment	-1,400	7,700
A.1.1 Outward	-53,500	-58,100
A.1.2 Inward	52,100	50,400
A.2 Portfolio Investment	5,300	8,100
A.3 Banks	178,324	-44,861
A.3.1 Securities	-1,157	4,731
A.3.2 Other Investment	179,481	-49,592
A.4 Private Non-Banks	35,100	-50,400
B. Public Sector Enterprises	-111,900	-108,200
Net Errors and Omissions	5,683	-51,241
<b>Overall Surplus (+) or Deficit (-)</b>	<b>183,238</b>	<b>-172,485</b>
<b>Changes in Reserves { (-) Indicates Increase }</b>	<b>-183,238</b>	<b>172,485</b>
Net Foreign Assets with Central Bank	-183,127	172,287
Reserve Position with IMF	-111	198

\* Preliminary estimates and adjustable figures

1. Including Estimates of Other Exports from all Emirates
2. Including Re-exports of Non-Monetary Gold
3. Including Estimates of Imports of all Emirates, in addition to imports of Non-Monetary Gold
4. Central Bank and all Banks.

# **CHAPTER FOUR**

## **CENTRAL BANK ACHIEVEMENTS**

## 1- Central Bank Balance Sheet

The total assets of the Central Bank decreased from AED 285.9 billion at the end of 2007 to AED 193.7 billion at the end of 2008, due to a decrease in deposits from AED 184 billion in 2007 to AED 82.9 billion in 2008, in addition to a decline of held-to-maturity securities from AED 98.9 billion to AED 29.6 billion, during the same period, whereas bonds issued by the Ministry of Finance stood at AED 55 billion by the end of 2008.

On the liabilities side, current accounts and deposits increased from AED 65.3 billion at the end of 2007 to AED 84.8 billion at the end of 2008 and issued currency from AED 31.7 billion to AED 45.3 billion respectively. Meanwhile, certificates of deposit issued by the Central Bank declined from AED 173.6 billion at the end of 2007 to AED 47.2 billion at the end of 2008.

**Table 4: Central Bank Balance Sheet**

(In Millions of AEDs)

	2007	2008
<b><u>ASSETS</u></b>		
Cash & Banks Balances	329	1,904
Deposits	184,042	82,869
Loans to Banks Against Certificates of Deposit	-----	2,967
Certificates of Deposit Against REPOS	-----	16,275
Discounting Facilities Available for Banks	-----	4,551
Held-To-Maturity Foreign Bonds	98,857	29,576
Held-To-Maturity Bonds Issued by Ministry of Finance	-----	55,000
Other Assets	2,593	498
Fixed Assets	128	107
<b>Total Assets</b>	<b>285,949</b>	<b>193,747</b>
Memoranda Accounts	56,219	31,822
<b><u>LIABILITIES</u></b>		
Current Accounts & Deposits	65,261	84,842
Certificates of Deposit	173,577	47,183
Currency Issued	31,671	45,327
Other Liabilities	1,449	1,315
<b>Total Liabilities</b>	<b>271,958</b>	<b>178,667</b>
<b><u>CAPITAL &amp; RESERVES</u></b>		
Authorized Issued & Fully Paid Capital	300	300
General Reserve	1,200	1,200
Special Reserve	60	-----
Permanent Deposit from Federal Government	12,431	13,580
<b>Total Liabilities &amp; Capital</b>	<b>285,949</b>	<b>193,747</b>
Memoranda Accounts	56,219	31,822

## 2- Statement of Profit & Loss Account

The Central Bank profit and loss account shows a decrease in interest income from AED 5.77 billion at the end of 2007 to AED 5.69 billion at the end of 2008, and in investment income from AED 2.31 billion to AED 1.54 billion. Meanwhile, interest expenses dropped from AED 4.11 billion to AED 3.19. As a result, net interest and investment income rose from AED 3.97 billion at the end of 2007 to AED 4.04 billion at the end of 2008.

**Table 5: Statement of Profit & Loss Account**

(In Millions of AEDs)

	2007	2008
Interest Income	5,769	5,688
Investment Income	2,308	1,538
Interest Expense	-4,112	-3,187
<b>Net Interest &amp; Investment Income</b>	<b>3,965</b>	<b>4,039</b>
Other Income	30	69
Net Gain (Loss) on Revaluation of Foreign Currencies	34	72
Staff & Administration Expenses	-252	-408
Provisions Reversed	1	-----
<b>Net Profit</b>	<b>3,778</b>	<b>3,772</b>

## 3- Central Bank Financial Results

The Central Bank balance of foreign currency assets reached AED 116 billion at the end of 2008, registering a drop by 59.4%, compared to 2007 levels. Such decline was mainly attributed to the repatriation of speculative funds, when all probabilities of a revaluation of the UAE Dirham have faded.

**Table 6: Investment of the Central Bank's Foreign Assets**

(In Billions of AEDs)

	2007	2008
<b>Total Foreign Assets</b>	<b>285.7</b>	<b>116.0</b>
Central Bank's Investments in Securities, Premium Bonds and Treasury Bills	98.9	29.6
Deposit Account ,Cash with Banks Abroad and Loans to Banks Against Certificates of Deposit	184.4	86.3
Other Foreign Assets	2.4	0.1
Profit from Investment of Foreign Assets	4.0	3.9
<b>Net Profit</b>	<b>3.78</b>	<b>3.77</b>

Owing to investment of a portion of its assets in high yield, high liquid, and premium bonds, the Central Bank achieved a net profit of AED 3.77 billion during 2008, against AED 3.78 billion during 2007.



# **CHAPTER FIVE**

## **CURRENCY ISSUE**

Issue of currency is solely and exclusively exercised by the Central Bank of UAE. The dirham is the official currency unit of the United Arab Emirates and is divided into 100 equal units each called “Fils”.

### 1. Currency Notes

The total value of issued currency notes of various denominations reached AED 44.76 billion at the end of 2008, against AED 31.22 billion at the end of 2007.

### 2. Currency Coins

The total value of issued non-gold currency coins of various denominations increased from AED 455.59 million at the end of 2007 to AED 567.64 million at the end of 2008.

### 3. New Issues During 2008

#### *3-1 New Currency Notes Issues*

With a view to updating the first print of the AED 200 denomination currency note which had been put in circulation in December 1989, the Central Bank launched an updated reprint (new) of the said currency note, starting 28 May 2008. The new currency note included new security features, new combination of colors (orange) which differ from the prevailing color in the previous print, while maintaining the same dimensions, measurements and designs.

#### *3-2 Commemorative Coins*

In contribution to the commemoration of important occasions of distinguished institutions, the Central Bank issued several silver and dirham commemorative coins in circulation during 2008.

**Table 7: Issues of Commemorative Coins During 2008**

Occasion	Coin		Issue Date
	Denomination	Type	
1. The Silver Jubilee of the UAE Bankers Association	AED 50	Silver	31 January 2008
2. The 75 <sup>th</sup> Anniversary of Sharjah Int. Airport	Dirham	Commemorative in circulation	18 February 2008
3. The 10 <sup>th</sup> Anniversary of Hamdan Bin Rashid Al Maktoum Award for Distinguished Academic Performance	AED 50	Silver Commemorative in circulation	6 April 2008

## **CHAPTER SIX**

# **ORGANIZATION OF THE BANKING & FINANCIAL SECTOR**

## 1- Organization of Banking

Pursuant to provisions of Union Law No-10 of 1980, regarding the Central Bank, the Monetary System and Organization of Banking, and within a context of continued efforts to organize banking activities, the Central Bank took several measures and issued a number of important directives and circulars during 2008. The most important of these are as follows:

1. ***Notice No. 1701/2008  
Dated 1/4/2008*** Requesting all banks and finance companies to forward comments and suggestions regarding interest rates and fees for personal consumer loans.
2. ***Notice No. 1730/2008  
Dated 5/4/2008*** Notifying banks of issuance of a silver commemorative coin and a dirham commemorative coin on the occasion of the 10<sup>th</sup> anniversary of Hamdan Bin Rashid Al Maktoum Award for Distinguished Academic Performance.
3. ***Notice No. 1732/2008  
Dated 8/4/2008*** Notifying banks of the new system for dormant accounts.
4. ***Notice No. 2009/2008  
Dated 21/4/2008*** Requesting banks to fill a special form for customers imprisoned for non-payment of loans or banking facilities.
5. ***Notice No. 2222/2008  
Dated 1/5/2008*** Notifying banks of commencement of the live operation of the Image Cheque Clearing System.
6. ***Notice No. 2404/2008  
Dated 15/5/2008*** Regarding Image Cheque Clearing System Membership Agreement.
7. ***Notice No. 2602/2008  
Dated 24/5/2008*** 200 Dirham currency note, reprinted with new security features, to be added to currency in circulation.
8. ***Notice No. 2916/2008  
Dated 16/6/2008*** Security and awareness measures for bank customers, within the framework of a Ministry of Interior campaign, in collaboration with the Central Bank, to reduce the phenomena of withdrawal of large cash amounts from banks.
9. ***Notice No. 2922/2008  
Dated 22/6/2008*** Regarding amendments to some provisions of the Regulation Concerning Anti-Money Laundering Procedures.
10. ***Notice No. 2923/2008  
Dated 26/6/2008*** Requesting banks to provide feedback on their satisfaction with Central Bank services.
11. ***Notice No. 3210/2008  
Dated 25/6/2008*** Regarding actual implementation of the Image Cheque Clearing System for all banks operating in the UAE.
12. ***Notice No. 3003/2008  
Dated 29/6/2008*** Online reporting to the Central Bank of the fees and charges of banks and finance companies operating in the UAE.

13. **Notice No. 3355/2008, dated 7/7/2008**, addressed to all banks, finance companies and financial investment companies, whereby the Central Bank requested those institutions to provide, on quarterly basis, details of the loans they sanctioned to brokerage firms.
14. **Notice No. 4310/2008 dated 24/9/2008**, whereby it was decided as follows:
- To suspend the six-day rule for banks' overdrafts from their current accounts at the Central Bank.
  - For banks that their withdrawal balances exceed their deposits within a week, an interest will be charged on the excess balance, equivalent to 3% above the current Central Bank Repo Rate.
  - The maximum banks can overdraw from their accounts would be 100% of the balance of their dirham and US dollar reserve requirements.
  - If banks need to exceed the limit above, the Central Bank will charge for the excess funds the Repo Rate plus 5%.
15. **Notice No. 4347/2008, dated 5/10/2008**, whereby the Central Bank requested all finance & financial investment companies operating in the UAE to send the following reports to the Banking Supervision & Examination Department:
- The company's business plan updated every 6 months.
  - Deposits vs credit portfolio, as per a table attached for that purpose, on monthly basis.
  - Break- down of exposure to real estate sector, as per a table attached for that purpose, on quarterly basis.
  - Break-down of exposure to shares/bonds, as per a table attached for that purpose, on quarterly basis.
  - Audited annual report and un-audited quarterly reports of company's financials, prepared as per international accounting standards.
16. **Notice No. 4381/2008, dated 8/10/2008**, whereby the Central Bank introduced amendments to the interest rate structure on the various liquidity facilities provided by the Central Bank, as follows:
1. For borrowings against Liquidity Support Facilities and withdrawals up to the reserve held at the Central Bank:
    - A rate equivalent to the official Central Bank interest rate (Repo) plus 150 basis points.

2. For borrowings beyond the reserves held:

- A rate equivalent to the official Central Bank interest rate (Repo) plus 300 basis points. All terms and conditions attached to Notices 4310 and 4312 shall remain unchanged. The notice will be effective from Thursday, 9<sup>th</sup> October 2008, and will continue until further notice.

17. **Notice No. 5203/2008, dated 20/11/2008**, whereby the Central Bank requested all banks to fill –in a banking statistics table, in order for the Central Bank to have a better picture of the banks' position.

18. **Notice No. 5502/2008, dated 1/12/2008**, which notified banks of the decision to exempt them from depositing any Cash Reserve Requirements on facilities granted by the Federal Government to support liquidity. The Central Bank required banks to show those funds in a separate item as special deposits from the government in the statement sent on the 15<sup>th</sup> of the month.

19. **Circular No. 26/2008, dated 24/12/2008**, for the purpose of providing further services to the banking system, the Central Bank Board of Directors has resolved to provide swap facilities (Dirham/US Dollar) to banks operating in the UAE according to the following steps:

- These facilities shall be provided to all banks operating in the UAE, regardless of whether or not they have a shortfall in their dirham net position.
- These operations will begin by the Central Bank buying US Dollar against the Dirham (spot) and selling US Dollar against the Dirham (forward) at the same time.
- The tenors of these facilities shall be as follows: one week, one month, three months, six months, nine months, and twelve months. These steps shall come into effect from Wednesday 24 December 2008, and replace circular No. 302, dated 10 October 1984, regarding the Dirham net position and swap facilities, which should be considered as cancelled.

## **2- Finance & Financial Investment Companies**

### **A. Finance Companies**

The number of finance companies licensed to operate in the UAE rose to 22, by the end of 2008, against 16 companies at the end of 2007. The following table shows names of new companies licensed during 2008:

**Table 8: New Finance Companies Licensed in 2008**

<b>Ser.</b>	<b>Name of Company/Establishment</b>
<b>1.</b>	Islamic Facilities House
<b>2.</b>	Emirates Money Consumer Finance
<b>3.</b>	Majid Al Futtaim JCB Finance
<b>4.</b>	Al Futtaim JCB Finance LLC
<b>5.</b>	Dunia Finance - LLC
<b>6.</b>	Abu Dhabi Finance

### **B. Financial Investment Companies**

The number of financial investment companies licensed by the Central Bank reached 19 as at the end of 2008 (see list of these companies in the Statistical Supplement).

### 3- Developments in the Banking System

The number of national banks remained unchanged at 24 banks in 2008, while the number of their branches increased from 508 at the end of 2007 to 614 at the end of 2008, and the number of their electronic/customer service units from 11 to 19. Likewise, the number of branches of GCC banks increased from 5 at the end of 2007 to 6 at the end of 2008. Meanwhile, the number of foreign banks remained unchanged at 22, with their branches increasing from 81 at the end of 2007 to 82 at the end of 2008, and the number of their electronic/customer service units from 30 to 35, during the same period.

**Table 9: Banks Operating in the UAE**

	2007	2008			
		March	June	September	December
<b><u>National Banks</u></b>					
Head Offices	22	24	24	24	24
Branches	508	534	565	578	614
Electronic/Customer Service Units	11	13	19	19	19
Cash Offices	56	60	61	60	60
<b><u>GCC Banks</u></b>					
Main Branches	5	6	6	6	6
Additional Branches	-	-	-	-	1
<b><u>Foreign Banks</u></b>					
Main Branches	22	22	22	22	22
Additional Branches	81	81	82	82	82
Electronic/Customer Service Units	30	31	35	35	35
Cash offices	1	1	1	1	1
<b>Number of ATMs</b>	2057	2063	2121	2247	2420



The number of Automated Teller Machines (ATMs) in the UAE increased from 2,057 at the end of 2007 to 2,420 at the end of 2008.

Government spending on projects and incoming financial transfers contributed to an increase in bank deposits, which rose from AED 716 billion at the end of 2007 to AED 722.1 billion at the end of March 2008, then further to AED 833.9 billion at the end of June, and to AED 867.1 billion at the end of September, to stand at AED 912.2 billion at the end of 2008.

Despite some sluggishness in growth, additional financial resources resulting from the increase in deposits and the liquidity support facilities made available by the Central Bank and the Federal Government, appeared to have helped banks expand in the area of loans, advances and overdrafts (net of provisions for bad and doubtful loans and interest in suspense), which increased from AED 554.0 billion at the end of 2007 to AED 622.6 billion at the end of March 2008, then further increased to AED 692.5 billion at the end of June, and to AED 746.5 billion at the end of September, to stand at AED 773.2 billion at the end of December 2008. Total personal loans also increased from AED 148.4 billion at the end of 2007 to AED 227.1 billion at the end of 2008.

**Table 10: Banking Indicators**

(In Billions of AEDs)

Banks Aggregated Figures	2007	2008							
	Amount 31/12	1 <sup>st</sup> Quarter Increase (%)	Amount 31/3	2 <sup>nd</sup> Quarter Increase (%)	Amount 30/6	3 <sup>rd</sup> Quarter Increase (%)	Amount 30/9	4 <sup>th</sup> Quarter Increase (%)	Amount 31/12
Total Assets <sup>(1)</sup>	1,202.3	9.5	1,316.8	6.5	1,402.5	1.4	1,421.9	1.8	1,447.9
Total Deposits <sup>(2)</sup>	716.0	7.0	766.1	8.9	833.9	4.0	867.1	5.2	912.2
Loans, Advances & Overdrafts <sup>(1)</sup>	554.5	12.3	622.6	11.2	692.5	7.8	746.5	3.6	773.2
Total Personal Loans	148.4	16.0	172.1	17.2	201.7	11.2	224.2	1.3	227.1
Capital & Reserves	130.9	11.1	145.4	10.8	161.1	5.5	170.0	-2.61	165.6

1) Net of Provisions for bad & doubtful loans and interest in suspense.

2) Exclusive of inter-bank deposits and banker cheques, but including commercial prepayments.

The total assets of banks operating in the UAE (net of provisions for bad and doubtful loans and interest in suspense) rose from AED 1,202 billion at the end of 2007 to AED 1,403 billion at the end of June 2008, and increased further to AED 1,448 billion at the end of 2008.

On the other hand, the foreign assets of the Central Bank dropped from AED 285.9 billion at the end of 2007 to AED 194.7 billion at the end of June 2008, then to AED 113.1 billion at the end of December 2008. Meanwhile, the foreign assets of banks operating in the UAE rose from AED 196.9 billion at the end of 2007 to AED 231 billion at the end of June 2008, to stand at AED 203.4 billion at the end of the year. Accordingly, the total foreign assets of the banking sector dropped from AED 482.8 billion at the end of 2007 to AED 316.5 billion at the end of 2008.

**Table 11: Foreign Assets of the Central Bank & the Banking Sector**

(In Billions of AEDs)

	2007	2008			
	December	March	June	September	December
Central Bank	285.9	277.3	194.7	152.0	113.1
Banks	196.9	187.8	231.0	223.4	203.4
<b>TOTAL</b>	<b>482.8</b>	<b>465.1</b>	<b>425.7</b>	<b>375.4</b>	<b>316.5</b>

#### 4- Representative Offices of Foreign Banks

By the end of 2008, the number of representative offices of foreign banks licensed to operate in the UAE reached 90, compared to 74 at the end of 2007, following issuance/cancellation of licenses by the Central Bank. The table below shows names of new representative offices licensed during 2008.

**Table 12: New Representative Offices Licensed During 2008**

<b>Serial</b>	<b>Representative Office Name</b>	<b>Location</b>
1.	Blom Bank	Abu Dhabi
2.	Northern Trust Global Services Ltd.	Abu Dhabi
3.	The Federal Bank Limited	Abu Dhabi
4.	ICICI Bank Ltd.	Abu Dhabi
5.	BBAC- S.A.L	Abu Dhabi
6.	Coutts & Company	Abu Dhabi
7.	Banque Centrale Populaire	Abu Dhabi
8.	Societe Generale Bank	Abu Dhabi
9.	AXIS Bank Ltd.	Dubai
10.	Banque Pasche S.A	Dubai
11.	Banco do Brazil S.A	Dubai
12.	Australia & New Zealand Banking Group Ltd. ANZ	Dubai
13.	Corporation Bank	Dubai
14.	International Bank of Azerbaijan - OJSC	Dubai
15.	State Bank of Travancore	Dubai
16.	AIG- Private Bank	Dubai
17.	Oriental Bank of Commerce	Dubai
18.	Kotak Mahindra Bank Ltd.	Dubai

## 5- Moneychangers

By the end of 2008, the number of moneychangers' head offices operating in the UAE reached 109, in addition to 424 branches, against 108 head offices and 431 branches at the end of 2007.

**Table 13: Distribution of Licensed Moneychangers (End 2008)**

<b>Emirate/City</b>	<b>Head Offices</b>	<b>Branches</b>	<b>Total</b>
Abu Dhabi	22	76	98
Dubai	70	204	274
Sharjah	9	76	85
Ajman	2	14	16
Umm-Al Qaiwain	-	3	3
Ras Al Khaimah	-	12	12
Fujairah	1	10	11
Al Ain	5	29	34
<b>Grand Total</b>	<b>109</b>	<b>424</b>	<b>533</b>

## **Independent Auditors' Report To The Board Of Directors Of Central Bank Of The United Arab Emirates**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Central Bank of the United Arab Emirates ('the Bank'), which comprise the balance sheet as at 31 December 2008 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2008 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**ERNST & YOUNG**

1 April 2009

Abu Dhabi

# STATISTICAL SUPPLEMENT

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TABLE (A – 1)

**STATEMENT OF CENTRAL BANK PROFIT AND LOSS ACCOUNT**

(In Millions of AEDs)

	<b>2007</b>	<b>2008</b>
Interest Income	5,769	5,688
Investment Income	2,308	1,538
Interest Expenses	-4,112	-3,187
<b>Net Interest and Investment Income</b>	<b>3,965</b>	<b>4,039</b>
Other Income	30	69
Net Gain / (Loss) on Revaluation of Foreign Currencies	34	72
Administration & Staff Expenses	-252	-408
Recovered Provisions	1	-
<b>Net Profit</b>	<b>3,778</b>	<b>3,772</b>

**TABLE (A-2)**  
**UAE CENTRAL BANK BALANCE SHEET**

(In Millions of AEDs)

	2007	2008
<b>Assets</b>		
Cash and Bank balances	329	1,904
Deposits	184,042	82,869
Loans to Banks against CDs	-	2,967
CDs under Repo	-	16,275
Liquidity Support Facility	-	4,551
Held to Maturity Foreign Securities	98,857	29,576
Held to Maturity Securities Issued by MOF	-	55,000
Other Assets	2,593	498
Property & Equipments	128	107
<b>Total Assets</b>	<b>285,949</b>	<b>193,747</b>
<b>Off Balance Sheet Commitments</b>	<b>56,219</b>	<b>31,822</b>
<b>Liabilities</b>		
Current Accounts & Deposits	65,261	84,842
Certificates of Deposit	173,577	47,183
Currency Issued	31,671	45,327
Other Liabilities	1,449	1,315
<b>Total Liabilities</b>	<b>271,958</b>	<b>178,667</b>
<b>Capital &amp; Reserves</b>		
Authorized, Issued & Fully Paid Capital	300	300
General Reserve	1,200	1,200
Special Reserve	60	-
Permanent deposit from UAE Government	12,431	13,580
<b>Total Liabilities &amp; Capital</b>	<b>285,949</b>	<b>193,747</b>
<b>Off Balance Sheet Commitments</b>	<b>56,219</b>	<b>31,822</b>



**TABLE (A – 3)**

**AGGREGATED BALANCE SHEET OF BANKS**

(In Millions of AEDs)

	2007	2008
<b>Assets (Net of Provisions and Interest in Suspense)</b>		
Cash & Deposits with Central Bank	236,852	108,146
Cash in Hand (L.C.Y)	5,730	8,360
Deposits with Central Bank	231,122	99,786
<b>Due from Resident Banks</b>	<b>44,377</b>	<b>76,696</b>
Money at Call & Short Notice	5,512	7,540
Demand Deposits	919	687
Time Deposits	37,816	68,288
Cheques in the Course of Collection	130	181
<b>Foreign Assets</b>	<b>196,896</b>	<b>203,386</b>
Net Due from H.O. and/or Branches Abroad	4,174	22,088
Due from Other Banks Abroad	60,222	56,239
Cash in Hand (F.C.Y)	106	110
Securities	57,795	53,064
Credit to Non-Residents	70,599	63,021
Other Foreign Assets	4,000	8,864
<b>Domestic Credit &amp; Investments (Net of Provisions and Interest in suspense)</b>	<b>679,920</b>	<b>991,058</b>
<b>a) Credit Facilities</b>	<b>626,694</b>	<b>924,383</b>
<b>Claims on Private Sector</b>	<b>491,528</b>	<b>729,825</b>
Commercial Bills	12,772	20,338
Real Estate Mortgage Loans	56,471	125,834
Loans, Advances & Overdrafts	422,285	583,653
<b>Claims on Government</b>	<b>58,402</b>	<b>72,260</b>
<b>Claims on Official Entities</b>	<b>39,823</b>	<b>47,368</b>
Loans, Advances & Overdrafts	39,823	47,368
<b>Claims on other Financial Institutions</b>	<b>36,941</b>	<b>74,930</b>
Loans, Advances & Overdrafts	36,941	74,930
<b>b) Domestic Investments</b>	<b>53,226</b>	<b>66,675</b>
<b>Unclassified Assets</b>	<b>44,240</b>	<b>68,608</b>
Fixed Assets	8,658	14,275
Inter-Branch Transactions	1,299	518
Other Assets	34,283	53,815
<b>Total Assets (Net of Provisions and Interest in Suspense)</b>	<b>1,202,285</b>	<b>1,447,894</b>

**TABLE (A – 3 cont'd)**

**AGGREGATED BALANCE SHEET OF BANKS**

(In Millions of AEDs)

	2007	2008
<b>Liabilities</b>		
<b>Monetary Deposits</b>	<b>155,722</b>	<b>171,171</b>
Demand Deposits (L.C.Y)	152,721	168,961
Bankers Drafts	3,001	2,210
<b>Quasi-Monetary Deposits</b>	<b>384,038</b>	<b>466,172</b>
Time Deposits (L.C.Y)	259,374	303,563
Savings Deposits (L.C.Y)	24,654	30,939
Commercial Prepayments (L.C.Y)	9,003	11,460
Other Deposits (F.C.Y)	91,007	120,210
<b>Foreign Liabilities</b>	<b>320,970</b>	<b>282,599</b>
Due to Head Office and/or Branches Abroad	44,476	17,749
Due other Banks Abroad	209,303	176,593
Other Deposits (L.C.Y + F.C.Y)	64,684	78,738
Provisions (1)	819	2,480
Other Foreign Liabilities	1,688	7,039
<b>Government Deposits (L.C.Y + F.C.Y)</b>	<b>114,579</b>	<b>198,298</b>
<b>Government Lending Funds (2)</b>	<b>16</b>	<b>5,622</b>
<b>Due to Central Bank</b>	<b>94</b>	<b>25,150</b>
<b>Capital &amp; Reserves</b>	<b>130,882</b>	<b>165,569</b>
<b>Due to Resident Banks</b>	<b>46,026</b>	<b>71,572</b>
Money at Call & Short Notice	2,008	1,711
Demand Deposits	1,255	1,025
Time Deposits	42,763	68,836
<b>Unclassified Liabilities</b>	<b>70,746</b>	<b>87,010</b>
Inter-Branch Transactions	372	1,132
Provisions*	20,788	25,269
Other Liabilities	49,586	60,609
<b>Memoranda Accounts</b>	<b>1,416,622</b>	<b>1,588,907</b>
Letters of Credit	110,860	112,191
Guarantees and other Endorsements	252,402	350,833
Acceptances	18,272	20,796
Forward Exchange Contracts	569,807	599,576
Other Memoranda Accounts	465,281	505,511

\* Excluding foreign branches of National Banks

(1) Provisions for bad and doubtful debts as well as interest in suspense.

(2) Refinancing for Construction through the Government of Abu Dhabi

**TABLE (A – 4)**  
**MONETARY SURVEY**

(In Millions of AEDs)

	<b>2007</b>	<b>2008</b>
<b>Net Foreign Assets</b>	<b>160,326</b>	<b>33,098</b>
Foreign Assets	482,821	316,855
Foreign Liabilities	-322,495	-283,757
<b>Net Domestic Assets</b>	<b>405,376</b>	<b>641,212</b>
Net Claims on Government	-61,380	-75,031
Claims on Official Entities	45,385	56,064
Claims on Private Sector	530,790	777,190
Claims on Non-bank Financial Institutions	55,208	97,940
Capital and Reserves	-132,442	-165,569
Other Items (net)	-32,185	-39,382
<b>Broad Money (M2)</b>	<b>565,702</b>	<b>674,310</b>
<b>Money Supply (M1)</b>	<b>181,664</b>	<b>208,138</b>
Currency outside Banks	25,942	33,967
Monetary Deposits	155,722	171,171
<b>Quasi-Money</b>	<b>384,038</b>	<b>466,172</b>
Foreign Currency Deposits	91,007	120,210
Dirham Deposits	293,031	345,926

**TABLE (A – 5)**

**MONEY SUPPLY**

(In Millions of AEDs)

Year	Month	Money Supply (M1)						
		Currency			Monetary Deposits 1	Money Supply (M1)	Broad Money 2 (M2)	Overall Broad Money 3 (M3)
		Issued	With Banks	With Public				
<b>2007</b>	<b>December</b>	21,671	5,729	25,942	155,722	181,664	565,702	696,229
<b>2008</b>	<b>January</b>	32,460	5,399	27,060	164,227	191,287	597,872	725,454
	<b>February</b>	33,846	5,629	28,217	178,187	206,404	609,590	741,893
	<b>March</b>	35,246	6,313	28,932	192,925	221,857	624,357	754,575
	<b>April</b>	36,333	6,368	29,965	204,869	234,834	648,990	784,586
	<b>May</b>	37,189	6,317	30,872	211,986	242,858	669,969	813,032
	<b>June</b>	37,765	6,522	31,242	212,839	244,081	676,366	815,511
	<b>July</b>	38,282	7,207	31,075	219,910	250,985	686,609	816,062
	<b>August</b>	38,062	6,700	31,362	206,591	237,953	692,485	818,012
	<b>September</b>	42,922	8,048	34,874	200,420	235,294	681,373	831,341
	<b>October</b>	42,461	8,082	34,379	188,475	222,854	668,982	856,619
	<b>November</b>	44,389	8,189	36,200	182,960	219,160	685,953	892,601
	<b>December</b>	45,327	8,360	36,967	171,171	208,138	684,310	899,093

1. Including Private Demand Deposits of Residents in AED and Bankers Drafts
2. M1 plus Quasi-Monetary Deposits
3. M2 plus Government Deposits in AED and Foreign Currencies

**TABLE (A – 6)**

**CURRENCY NOTES ISSUED BY DENOMINATIONS\***

(In Millions of AEDs)

Year	Month	Total	Five Dirham	Ten Dirham	Twenty Dirham	Fifty Dirham	One Hundred Dirham	Two Hundred Dirham	Five Hundred Dirham	One Thousand Dirham
		Total	Total	Total	Total	Total	Total	Total	Total	Total
2007	December	31,216	281	532	178	613	4,140	73	15,786	9,612
2008	January	31,997	267	514	169	589	4,058	70	16,145	10,185
	February	33,370	263	515	171	589	4,177	69	16,303	11,285
	March	34,757	259	515	175	597	4,397	67	16,533	12,214
	April	35,836	258	519	182	603	4,515	66	16,506	13,187
	May	36,662	258	522	187	603	4,612	327	16,688	13,464
	June	37,250	258	525	197	600	4,571	987	16,258	13,855
	July	37,761	255	524	202	588	4,604	1,292	16,476	13,820
	August	37,527	260	532	210	584	4,590	1,219	16,296	13,837
	September	42,376	318	626	271	708	4,831	1,601	19,659	14,361
	October	41,906	305	603	258	681	4,579	1,356	19,762	14,362
	November	43,827	326	637	273	719	4,548	1,424	21,561	14,340
	December	44,759	321	623	263	694	4,597	1,454	22,557	14,250

\* Excluding Mutilated Notes

**TABLE ( A - 7)**

**CURRENCY COINS ISSUED BY DENOMINATION\***

(In Thousands of AEDs)

Year	Month	Total	One Fils	Five Fils	Ten Fils	Twenty-five Fils	Fifty Fils	One Dirham	Five Dirham	Twenty-Five Dirhams Silver Coins	Fifty Dirham Silver Coins
		Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
<b>2007</b>	<b>December</b>	455,590	28	1,660	3,706	29,574	62,246	352,554	1,146	200	4,476
<b>2008</b>	<b>January</b>	461,851	28	1,667	2,727	29,958	63,039	358,596	1,146	200	4,490
	<b>February</b>	475,602	28	1,671	3,741	30,229	64,891	369,135	1,146	200	4,561
	<b>March</b>	488,959	28	1,678	3,759	31,154	66,806	379,550	1,146	200	4,638
	<b>April</b>	497,312	28	1,685	3,783	31,617	68,184	385,956	1,147	200	4,712
	<b>May</b>	506,005	28	1,690	3,804	32,041	69,715	392,626	1,147	200	4,754
	<b>June</b>	514,435	28	1,699	3,833	32,465	71,359	398,877	1,148	200	4,826
	<b>July</b>	521,066	28	1,705	3,848	32,731	72,191	404,338	1,148	200	4,878
	<b>August</b>	534,795	28	1,713	3,865	33,796	74,168	414,970	1,148	200	4,907
	<b>September</b>	546,356	28	1,721	3,887	34,367	75,678	424,419	1,148	200	4,908
	<b>October</b>	554,782	28	1,725	3,904	35,368	77,647	429,836	1,149	200	4,925
	<b>November</b>	562,337	28	1,731	3,924	35,755	78,362	436,251	1,149	200	4,937
	<b>December</b>	567,643	28	1,740	3,942	35,989	78,930	440,725	1,149	200	4,940

\* Excluding Issued Gold Coins

**TABLE (A – 8)****BANKS' FOREIGN ASSETS AND LIABILITIES**

(In Millions of AEDs)

<b>Item</b>	<b>2007</b>	<b>2008</b>
<b>Foreign Assets</b>	<b>196,896</b>	<b>203,386</b>
Notes and Coins	106	110
Due from Head Office & Branches	4,174	22,088
Money at Call & Short Notice	7,602	6,786
Deposits with Banks 1	52,606	49,447
Securities	57,795	53,064
Loans and Advances 2	70,599	63,021
Other Foreign Assets 3	4,014	8,870
<b>Foreign Liabilities</b>	<b>320,970</b>	<b>282,599</b>
Due from Head Office & Branches	<b>44,476</b>	<b>17,749</b>
Due to Banks	3,620	920
<b>Deposits of Banks</b>	<b>205,684</b>	<b>175,673</b>
Other Deposits	64,349	78,285
Other Foreign Liabilities 4	2,841	9,972

1) Demand and Time Deposits

2) Including Purchase or Discounted Commercial Bills

3) Including Fixed Assets, Cheques in the Course of Collection on Non-Resident Banks and Other Assets

4) Including Commercial Prepayments

**Table (A- 9)****BANK CREDIT TO RESIDENTS BY ECONOMIC ACTIVITY 1\***

(In Millions of AEDs)

	2007	2008
<b>Economic Activity</b>		
<b>1) Agriculture</b>	<b>1,605</b>	<b>2,391</b>
<b>2) Mining &amp; Quarrying</b>	<b>7,782</b>	<b>11,853</b>
<b>3) Manufacturing</b>	<b>32,840</b>	<b>45,668</b>
3.1 Food, Beverages & Tobacco	3,197	5,170
3.2 Textile & Leather Products	1,535	955
3.3 Furniture & Other Wood Products	837	1,324
3.4 Paper & Paper Products	756	823
3.5 Chemical & Chemical Products, Petroleum & Petro Chemicals	4,301	6,265
3.6 Basic Metal Products (incl. Aluminum)	6,267	8,139
3.7 Fabricated Metal Products, Machinery & Equipment	-	-
3.8 Other Manufacturing	1,790	3,386
3.9 Other Industrial Products	14,157	19,608
<b>4) Electricity, Gas &amp; Water</b>	<b>12,094</b>	<b>20,250</b>
<b>5) Construction</b>	<b>66,003</b>	<b>119,251</b>
<b>6) Trade</b>	<b>102,444</b>	<b>124,243</b>
6.1 Wholesale	69,489	75,510
6.2 Retail	32,955	48,733
<b>7) Transport, Storage &amp; Communication</b>	<b>21,211</b>	<b>25,039</b>
<b>8) Financial Institutions (Excl. Banks)</b>	<b>35,637</b>	<b>72,772</b>
<b>9) Government</b>	<b>58,402</b>	<b>72,260</b>
<b>10) Personal Loans for Business Purposes</b>	<b>106,449</b>	<b>160,103</b>
<b>11) Personal Loans for Consumption Purposes</b>	<b>41,923</b>	<b>67,039</b>
<b>12) All Others 2</b>	<b>140,304</b>	<b>203,516</b>
<b>Total</b>	<b>626,694</b>	<b>924,383</b>

\* Net of Provisions and Interest in Suspense.

1) Amount outstanding excluding inter-bank lending

2) Including Loans to Services and Non-Profit Institutions



**TABLE (A – 10)****Bank Deposits by ownership\*****(In Millions of AEDs)**

	<b>2007</b>	<b>2008</b>
<b>1) Residents</b>	<b>651,338</b>	<b>833,432</b>
1.1 Government	114,879	198,298
1.2 Public Sector	36,196	44,760
1.2.1 Financial Institutions	4,819	4,934
1.2.2 Business & Industrial Inst.	31,377	39,826
1.3 Private Sector	272,241	338,451
1.3.1 Financial Institutions	22,101	20,407
1.3.2 Business & Industrial Inst.	250,140	318,044
1.4 Individuals	202,780	225,483
1.5 Others	25,542	26,440
<b>2) Non-Residents</b>	<b>64,683</b>	<b>78,738</b>
2.1 Government & Diplomatic Missions	6,075	5,314
2.1 Financial Institutions	14,289	15,591
2.3 Business & Industrial Inst.	18,780	28,580
2.4 Individuals & Others	25,557	29,253
<b>Total Deposits</b>	<b>716,021</b>	<b>912,170</b>

\* Excluding Inter-Bank Deposits and Bank Drafts, but Including Commercial Prepayments.

**TABLE (A – 11)****LIST OF NATIONAL BANKS AND DISTRIBUTION OF THEIR BRANCHES IN THE UAE**

No.	Name of Banks	Head Office	Abu Dhabi	Dubai	SHJ	RAK	Ajman	UAQ	Fujairah	Al Ain	Total	Pay Offices	Electron. B/S Units
1	National Bank of Abu Dhabi	Abu Dhabi	23	10	8	2	1	1	3	10	68	20	0
2	Abu Dhabi Commercial Bank	Abu Dhabi	20	8	3	1	1	0	2	6	41	5	0
3	ARBIFT	Abu Dhabi	3	2	1	0	0	0	1	1	7	0	0
4	Union National Bank	Abu Dhabi	13	11	6	1	1	6	1	6	39	10	0
5	National Bank of Dubai	Dubai	2	35	2	1	1	1	2	1	45	6	1
6	Commercial Bank of Dubai	Dubai	3	14	2	1	1	0	1	1	23	5	0
7	Dubai Islamic Bank PJSC	Dubai	6	19	11	3	2	1	2	4	48	0	6
8	Emirates Bank International	Dubai	6	41	5	2	1	0	1	2	58	10	0
9	Emirates Islamic Bank	Dubai	3	16	4	1	1	1	1	3	30	1	0
10	Mashreq Bank PSC	Dubai	12	29	9	2	2	1	2	3	60	0	4
11	Sharjah Islamic Bank	Sharjah	1	3	16	0	0	0	1	1	22	1	0
12	Bank of Sharjah PSC	Sharjah	1	1	1	0	0	0	0	1	4	0	0
13	United Arab Bank PSC	Sharjah	1	3	2	1	1	0	0	1	9	0	0
14	InvestBank PLC	Sharjah	2	2	4	1	1	0	1	1	12	0	0
15	National Bank of R.A.K.	RAK	2	10	4	7	1	0	0	1	25	1	5
16	Commercial Bank International	Dubai	1	3	2	2	1	1	1	1	12	0	0
17	National Bank of Fujairah PSC	Fujairah	2	4	2	0	1	0	5	0	14	1	0
18	National Bank of U.A.Q. PSC	U.A.Q.	2	6	2	1	2	2	1	1	17	0	1
19	First Gulf Bank	Abu Dhabi	6	3	2	1	2	0	1	2	17	0	0
20	Abu Dhabi Islamic Bank	Abu Dhabi	23	3	4	2	1	1	2	9	45	0	0
21	Dubai Bank	Dubai	4	9	3	1	1	0	1	1	20	0	0
22	Noor Islamic Bank	Dubai	1	8	2	0	0	0	0	1	12	0	2
23	Al Hilal Bank	Dubai	4	2	1	0	0	0	0	1	8	0	0
24	Ajman Bank	Dubai	0	0	0	0	2	0	0	0	2	0	0
	<b>Total</b>		<b>151</b>	<b>242</b>	<b>96</b>	<b>30</b>	<b>24</b>	<b>9</b>	<b>28</b>	<b>58</b>	<b>638</b>	<b>60</b>	<b>19</b>

**TABLE NO. ( A - 12 )****LIST OF FOREIGN BANKS AND DISTRIBUTION OF THEIR BRANCHES IN THE UAE**

No.	Name of Banks	Head Office	Abu Dhabi	Dubai	Sharjah	RAK	Ajman	UAQ	Fujairah	Al Ain	Pay Offices
1	National Bank of Bahrain	Abu Dhabi	1	0	0	0	0	0	0	0	0
2	Rafidain Bank	Abu Dhabi	1	0	0	0	0	0	0	0	0
3	Arab Bank PLC	Abu Dhabi	1	2	1	1	0	0	1	1	0
4	Banque Misr	Abu Dhabi	1	1	1	0	0	0	0	1	0
5	El Nilein Bank	Abu Dhabi	1	0	0	0	0	0	0	0	0
6	National Bank of Oman	Abu Dhabi	1	0	0	0	0	0	0	0	0
7	Calyon – Corporate and Investment Bank	Dubai	1	1	0	0	0	0	0	0	0
8	Bank of Baroda	Dubai	1	2	1	1	0	0	0	1	2
9	BNP Paribas	Abu Dhabi	1	1	0	0	0	0	0	0	2
10	Janata Bank Ltd.	Abu Dhabi	1	1	1	0	0	0	0	1	0
11	HSBC Middle East Limited	Dubai	1	3	1	1	0	0	1	1	12
12	Arab African International Bank	Dubai	1	1	0	0	0	0	0	0	0
13	Al Khaliji (France) S.A.	Dubai	1	1	1	1	0	0	0	0	0
14	Al Ahli Bank of Kuwait	Dubai	1	1	0	0	0	0	0	0	0
15	Barclays Bank PLC	Dubai	1	1	0	0	0	0	0	0	2
16	Habib Bank Limited	Dubai	1	4	1	0	0	0	0	1	0
17	Habib Bank A.G. Zurich	Dubai	2	5	1	0	0	0	0	0	1
18	Standard Chartered Bank	Dubai	2	7	1	0	0	0	0	1	3
19	Citibank N.A.	Dubai	1	2	1	0	0	0	0	1	5
20	Bank Saderat Iran	Dubai	1	3	1	0	1	0	0	1	0
21	Bank Melli Iran	Dubai	1	2	1	1	0	0	1	1	1
22	Blom Bank France	Dubai	0	1	1	0	0	0	0	0	0
23	Lloyds TSB Bank PLC	Dubai	0	1	0	0	0	0	0	0	4
24	ABN-Amro Bank N.V.	Dubai	1	1	1	0	0	0	0	0	2
25	United Bank Limited	Dubai	3	3	1	0	0	0	0	1	2
26	Doha Bank	Dubai	0	1	0	0	0	0	0	0	0
27	Samba Financial Group	Dubai	0	1	0	0	0	0	0	0	0
28	National Bank of Kuwait	Dubai	0	1	0	0	0	0	0	0	0
	<b>Total</b>		<b>27</b>	<b>47</b>	<b>15</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>11</b>	<b>36</b>

## TABLE (A - 13a)

### LIST OF REPRESENTATIVE OFFICES IN ABU DHABI

1. Bank of Tokyo-Mitsubishi, UFJ, Ltd. - Japan
2. BNP Paribas – France
3. Credit Suisse – Switzerland
4. Gulf International Bank ( B.S.C) – Bahrain
5. U.B.S. AG. – Switzerland
6. Arab Banking Corporation (B.S.C) – Bahrain
7. The Bank of New York – USA
8. Deutsche Bank A.G.- Germany
9. The Housing Bank for Trade & Finance – Jordan
10. HypoVereinsbank A.G (HVB Group) – Germany
11. Bank Al Falah Limited – Jordan
12. Liechtensteinische Landes Bank (Switzerland) Ltd.
13. Byblos Bank S.A.L – Lebanon
14. BHF Bank Aktiengesellschaft – Germany

15. Bank – Audi SAL , Audi Saradar Group – Lebanon
16. Credit Agricole Asset Management – France
17. Bank Julius Bear & Co. Ltd. – Switzerland
18. Union Bank of India – India
19. The Royal Bank of Scotland – Britain
20. Rothschild Europe B.V. – Netherlands
21. Blom Bank – Lebanon
22. Northern Trust Global Services Ltd.- India
23. The Federal Bank Limited- India
24. ICICI Bank Ltd. – India
25. BBAC – S.A.L – Lebanon
26. Coutts & Company
27. Banque Centrale Populaire – Morocco
28. Societe Generale Bank – France

## TABLE NO. (A – 13b)

### LIST OF REPRESENTATIVE OFFICES IN DUBAI

- |  |   |
|--|---|
| 1. American Express Bank Ltd.                    | 32. Deutsche Bank A.G                               |
| 2. ING Asia Private Bank Limited                 | 33. Doha Bank                                       |
| 3. Credit Suisse                                 | 34. Punjab National Bank                            |
| 4. UBS A.G.                                      | 35. ABN- Amro Asset Management                      |
| 5. Dresdner Bank A.G.                            | 36. Andhra Bank                                     |
| 6. Philippine National Bank                      | 37. Arner Bank Ltd.                                 |
| 7. State Street Bank and Trust Company           | 38. Bank Julius Baer & Co. Ltd.                     |
| 8. Merrill Lynch Bank (Suisse) S.A               | 39. National Bank of Egypt                          |
| 9. Clearstream Banking S.A.                      | 40. First Rand Bank Ltd                             |
| 10. Bank of America - National Association       | 41. Ashburton (Jersy)Ltd.                           |
| 11. Wachovia Bank National Association           | 42. RMB Investment Services (Guernsey)              |
| 12. West LB A.G.                                 | 43. Lombard Odier Darier Hentsch & Cie              |
| 13. Bank of Bahrain and Kuwait (B.S.C)           | 44. Intesa Sanpaulo SPA                             |
| 14. Union de Banques Arabes et Francaises (UBAF) | 45. Commercial International Bank (Egypt) S.A.E     |
| 15. Bank Muscat (S.A.O.G)                        | 46. The Honk Kong and Shanghai Banking LTD          |
| 16. Societe Generale Bank                        | 47. Antwerp Diamond Bank Asia Pacific Ltd (ADBAP)   |
| 17. Standard Bank plc.                           | 48. BNP Paribas                                     |
| 18. UTI (Mutual Fund) International Ltd.         | 49. BNP Paribas Private Bank (Suisse) SA            |
| 19. Natexis Banque – Pupulaires                  | 50. Bank Turan Alem                                 |
| 20. Union Bancaire Privee (CBI-TDB)              | 51. Pictet & Cie Banquiers                          |
| 21. Coutts & Co.                                 | 52. MCB Ltd (Muslim Commercial Bank Ltd)            |
| 22. Royal Bank of Canada                         | 53. Banque Piguet & Cie S.A                         |
| 23. HSBC Bank International Ltd.                 | 54. Royal Bank of Scotland – Dubai                  |
| 24. Fidelity Investments International           | 55. AXIS Bank Ltd. – Dubai                          |
| 25. Citigroup Global Markets Inc.                | 56. Banque Pasche S.A – Dubai                       |
| 26. Kotak Mahindra International Ltd.            | 57. Banco do Brasil S.A                             |
| 27. HDFC Bank Ltd.                               | 58. Australia and New Zealand Banking Group Ltd.ANZ |
| 28. Korea Exchange Bank                          | 59. Corporation Bank                                |
| 29. Bank of Beirut SAL                           | 60. Bank of India                                   |
| 30. ICICI Bank Limited                           | 61. International Bank of Azerbaijan                |
| 31. IndusInd Bank Limited                        | 62. State Bank of Travancore                        |

## TABLE (A-14)

### LIST OF FINANCE COMPANIES

1	Osool "A Finance Company" L.L.C - Dubai
2	Gulf Finance Corporation - Dubai
3	HSBC Middle East Finance Co. Ltd - Dubai
4	Maf Orix Finance - P.P.C – Dubai
5	Amlak for Finance – P.J.S.C – Dubai
6	Tamweel - P.J.S.C - Dubai
7	Finance House - P.J.S.C - Abu Dhabi
8	Al Wifaq Finance Company-P.P.C– Abu Dhabi
9	Al Bader Islamic Finance Co.- P.P.C – Dubai
10	Islamic Finance Co. P.P.C – Dubai
11	Dubai First - P.P.C – Dubai
12	Aseel Finance "Aseel" P.P.C - Abu Dhabi
13	Mawarid Finance P.P.C-Dubai
14	Al Watani Al Islami-PPC-Dubai
15	Abu Dhabi National Islamic Finance P.J.S.C- Abu Dhabi
16	Reem Finance - P.J.S.C - Abu Dhabi
17	Islamic Finance House - Abu Dhabi
18	Emirates Money Consumer Finance –Dubai
19	Majid Al Futtaim JCB Finance – L.L.C. – Dubai
20	Al Futtaim GE Finance –P.P.C. – Dubai
21	Dunia Finance L.L.C - Abu Dhabi
22	Abu Dhabi Finance - P.P.C.- Abu Dhabi

## TABLE (A – 15)

### LIST OF FINANCIAL INVESTMENT COMPANIES

- |    |  |
|----|--|
| 1  | Oman & Emirates Investment Holding Co. S.A.O.G |
| 2  | Merrill Lynch International & Co. C.V          |
| 3  | Emirates Financial Services-P.S.C              |
| 4  | Shuaa Capital-P.S.C                            |
| 5  | The National Investor-P.J.S.C                  |
| 6  | Abu Dhabi Investment House P.J.S               |
| 7  | Al Mal Capital P.S.C                           |
| 8  | Injaz Mena Investment Company-P.S.C            |
| 9  | Noor Capital-P.S.C                             |
| 10 | Unifund Capital Financial Investment P.S.C     |
| 11 | Daman Investments - P.P.Co.                    |
| 12 | Allied Investment Partners - P.P.Co.           |
| 13 | Gulf Capital - P.P.Co.                         |
| 14 | Cap M Investment                               |
| 15 | Royal Capital                                  |
| 16 | Al Bashayer Investment – L.L.C                 |
| 17 | Dubai Commodity Asset Management-L.L.C         |
| 18 | Islamic Investment Company *                   |
| 19 | National Bonds Corporation – P.S.C *           |

\* Financial Investment Companies Operating in accordance with Islamic Principles