



جمعية مصارف الإمارات  
EMIRATES BANKS ASSOCIATION

# Annual Report

## 2010

# Emirates Banks Association

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# Some of General Economic Developments 2010

# United Arab Emirates

His Highness Sheikh Mohammed bin Rashed Al Maktoum, Vice-President, Prime Minister and Ruler of Dubai, confirmed that the coming point of time required a lot of developmental work to ensure the continued excellence in the United Arab Emirates. He expressed his strong optimism to attain high levels of good management, quality and productivity during the current period, which followed the years of global financial crisis. He also confirmed again that UAE has recovered from the effects of the crisis, which placed a new responsibility on the shoulders of people in charge of local departments. They are required to continue the process of modernization, development and the provision of outstanding service.

International reports consensually affirmed that the UAE economy has recovered and averted the worst in the financial crisis faster than any other economy in the region. The crisis had more than an area and more than a reason to affect the national economy to varying degrees, but thanks to the prudent leadership of the UAE, led by His Highness Sheikh Khalifa bin Zayed Al Nahyan and his brother, His Highness Sheikh Mohammed bin Rashed Al Maktoum, Vice-President, Prime Minister and Ruler of Dubai, the UAE stands today, two years after the crisis, on a ground that is more solid and anticipates a more prosperous future on the basis of rules and principles of action, programs of transparency and self-denial and a well advanced infrastructure, including road networks, ports, airports, communications, transmission lines, power networks, basic industries and services sector, that all represent a solid base for economic growth capable of meeting the needs of the national economy for thirty years to come.

The UAE is today the second largest GCC and Arab economy. Throughout the past 39 years, the GDP of the State experienced a steady growth, with its size rising from AED 6.5 billion in 1971 to reach for the first time the threshold of one trillion Dirhams in the year 2010, marking an increase of 154 times. The reason for such growth was not only attributed to oil production, despite its price rises in the global market but to the policy adopted by the State to diversify the sources of income and expand the economic resource base, in addition to its endeavor to avoid fluctuations in the oil market, which was an outstanding achievement under the global financial crisis.

**UAE GDP at Current Prices**  
**For the years 2009 and 2010, according to data**  
**from the Ministry of Economy**

(Billion Dirhams)

<b><u>Indicator</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>Growth</u></b>	<b><u>Ration to GDP</u></b> <b><u>In 2010</u></b>
<b>Non-oil GDP</b>	621.7	653.5	%5.1	%65.3
<b>Oil GDP</b>	320.3	346.5	%8.2	%34.7
<b>GDP</b>	942,-	1000,-	%6.2	

Growth at the rate of 5.1% of the gross non-oil GDP in 2010 was due to the significant growth in the conversion industry sector and the return of activity to the tourism and service sectors, which contributed to the relative stability of the contribution of non-oil sectors in the GDP in spite of the continued decline in certain non-oil sectors, such as real estate and construction.

**Declaration of the UAE National Charter for the year 2021**

His Highness Sheikh Mohammed bin Rashed Al Maktoum, Vice-President, Prime Minister and Ruler of Dubai, launched at the end of the retreat of the Council of Ministers the UAE National Document for the year 2021, the year which marks the celebration of the State' Golden Jubilee, entitled "We want to be one of the best countries in the world". The Document identified four key elements representing the components of the National Agenda as follows:

- I. Ambitious and confident people adhering to their heritage;
- II. Strong Union bound by common destiny;
- III. A competitive economy led by Emiratis who are characterized by innovation and knowledge; and
- IV. High quality of life in a sustainable bountiful environment.

His Highness asserted that the Document was inspired by the prospects of the National Action Program launched by His Highness Sheikh Khalifa bin Zayed Al Nahyan, and adopted by Their Highnesses Members of the Supreme Council and Rulers of the Emirates. His Highness also confirmed that the Union aimed at achieving balance in all Emirates, stressing that the human being was at the forefront of government priorities.

**- The federal budget have achieved a growth of 56% over four years:**

The federal budget under the leadership of His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE, has achieved a growth rate of more than 56% over a period of 4 years. The total size of the budget amounted to about AED 43.6 billion in 2010, compared to the size of the 2006 budget of AED 27.88 billion.

Under the directions of His Highness Sheikh Mohammed bin Rashed Al Maktoum, Vice-President, Prime Minister and Ruler of Dubai, the Federal Government also maintained the balance in the volume of expenditure against revenue after the cessation of deficit as of 2005 under the unlimited support of His Highness, the Head of the State.

**Foreign investments in the United Arab Emirates**

The United Arab Emirates has emerged as one of the most important investment regions worldwide. It has ranked 23<sup>rd</sup> among the countries of the world in terms of the value of outbound foreign investments from the UAE to countries of the world, where the value of such investments amounted to approximately US\$ 15.8 billion in 2008.

While the UAE ranked 28 among countries of the world in terms of the value of inward FDI to the United Arab Emirates, amounting to approximately US\$ 137 billion in 2008. The UAE also ranked 11 worldwide and the first in the Arab region in terms of the 25 top attractive destinations of foreign direct investment in 2010.

- Investments of the sovereign funds in the United Arab Emirates accounted for 34.9% of the total direct investments made by the international sovereign wealth funds (SWFs) during the year 2009, running around US\$ 22.9 billion. The share of the UAE funds amounted to US\$ 8 billion, which placed UAE in the first place globally, according to the World Investment Report issued by UNCTAD.

The list of the largest SWFs of the world in 2010, issued by the Global Finance magazine, included the following:

- Abu Dhabi Investment Authority (ADIA) ranked first worldwide. The assets of ADIA, which operates in the oil field, were estimated at about 627 billion U.S. dollars.
- Investment Corporation of Dubai (ICD) ranked 25<sup>th</sup>, with assets of US\$ 19.6 billion in value. ICD is also active in the oil field.
- The International Petroleum Investment Company (IPIC) of Abu Dhabi ranked 27<sup>th</sup>, with its assets valued at US\$ 14 billion.

- The Mubadala Development Company (MDC), based in Abu Dhabi, rank 29<sup>th</sup>, with an asset value of US\$ 13.3 billion.
- The Ras Al Khaimah Investment Authority (Rakia) ranked 41<sup>st</sup>, with an asset value of US\$ 1.2 billion.

The report of the Global Finance magazine estimated the total assets of international sovereign wealth funds at about 3.9 trillion U.S. dollars.

### **Foreign Trade of the United Arab Emirates**

According to the World Trade Organization statistics in the area of foreign trade, the United Arab Emirates achieved the following:

- The UAE ranked 19<sup>th</sup> among the nations of the world in terms of exports, with its total value amounting to US\$ 175 billion in 2009 and accounting for 1.4% of the total world exports.
- The UAE ranked 24<sup>th</sup> among countries of the world in terms of imports, with a total value amounting to US\$ 14 billion in 2009 and accounting for 1.1% of total world imports.
- The UAE ranked fourth in terms of re-exports, with a total value amounting to US\$ 44.3 billion, coming after Hong Kong, Singapore and the United States of America.
- The UAE ranked first in the Arab world, the Middle East and North Africa, and ranked 16<sup>th</sup> globally among 125 developed and developing countries as per the trade enabler index, according to the Global Enabling Trade Report 2010 issued by the World Economic Forum.
- The UAE ranked sixth in the world in the area of quality infrastructure, according to the Global Enabling Trade Report 2010 issued by the World Economic Forum.

### **UAE Foreign Trade with the Arab States**

- The value of UAE foreign trade with the Arab states rose up to AED 101.524 billion in 2009, compared to AED 93.337 billion in 2008.
- According to the statistics of the Ministry of Foreign Trade the value of UAE imports from Arab countries increased to AED 36.772 billion in 2009 compared to AED 33.855 billion in 2008.
- However, the value of non-oil exports to Arab countries decreased to AED 17.08 billion in 2009 compared to AED 23.349 billion in 2008.

- Re-export trade from the United Arab Emirates to Arab countries recorded a significant increase of up to AED 47.67 billion in 2009 compared to AED 36.132 billion in 2008.
- The trade balance has increased in favor of the United Arab Emirates with the Arab countries to AED 27.978 billion in 2009 compared to AED 25.626 billion in 2008.

### **UAE Order in Some Indicators**

The United Arab Emirates was placed in the following ranks in the Arab world and worldwide:

- First among Arab countries in terms of economic liberation
- First in the classification of countries most integrated in the globalized economy
- Third in the world in terms of the appropriate economic climate for entrepreneurs

The World Economic Forum has issued its Report of the Global Information Technology for the years 2009 – 2010, which was based on the assessment of readiness of countries to deal with information and communication technology (ICT) and measurement of the availability of an environment that allows for the development and use of such technology. The UAE has led Arab States, and has also ranked 23<sup>rd</sup> globally, followed by Bahrain 29<sup>th</sup>, Qatar 30<sup>th</sup> and then Saudi Arabia 38<sup>th</sup>.

Statistics issued by report on Doing Business in 2010 indicated that the UAE has occupied the following ranks:

- The 44<sup>th</sup> for the year 2010 in (project startup) after having been ranked 118<sup>th</sup> in 2009.
- The 33<sup>rd</sup> for the year 2010 in (Doing Business), compared to 47<sup>th</sup> in 2009.
- The 5<sup>th</sup> for the year 2010 in (cross-border trade), compared to 13<sup>th</sup> in 2009.

The UAE was also ranked 23<sup>rd</sup> globally in the field of competitiveness among the 133 countries included in the Global Competitiveness Report for 2009-2010, published by the World Economic Forum. The report confirmed that the UAE had a sophisticated infrastructure that included public facilities, roads, railways, ports and air transport in addition to electric power. The report, in such advanced classification, was based on the rate of use of fixed telephone lines per 100 inhabitants and the number of air flight seats available per week per million inhabitants.



Moody's, the credit rating agency, has maintained the sovereign rating of the United Arab Emirates among the best sovereign ratings given to Middle Eastern countries at the level of **Aa2** with a stable outlook, according to the semi-annual report for 2010 issued by this international agency.

The UAE maintained the said rating, which was awarded by Moody's for about three years in a row, because of the State's high economic power and very strong government funding, as well as the State's enjoyment of a limited level of risk due to the strength of its institutions, according to the agency.

- The UAE ranked first in the compound index of "companiesandmarkets.com" for the economic climates in the Middle East. A report issued by the site attributed this advanced rank to the fact that the UAE is characterized by a solid base of oil and gas resources to its pro-investment economic climate, which provides investments with security in the short and long run.
- The UAE ranked first at the Middle Eastern level in the compound classification of the business environment for upstream and downstream industries in the oil and gas sectors together. According to the latest report of the "Companies and Markets", this market research firm stated that the rating reflected the strong base of oil and gas resources in the UAE, coupled with the favorable business climate for investment in the State.
- MEED magazine indicated that the one hundred largest and most important projects in the Arab Gulf region worth one half of the total value of existing projects in the Middle East, which are estimated at a total value of about US\$ 1.3 trillion. This amount exceeds the GDP of the GCC states.  
The share of UAE's amounts to a total of 38 projects of those projects, with a total value of about half a trillion dollars.

## **Dubai World Debt Restructuring**

International observers have seen the consent of creditors to restructure the debt of Dubai World as a positive indication for Dubai in general enhancing the confidence in the Emirate, its banks and its international markets. It confirmed the ability of Dubai to adapt to changes and overcome challenges. A recent study by the World Bank stressed that the success of the Dubai World debt restructuring has contributed to clarifying the picture of the overall economic and financial situation of the UAE and eliminating doubt and uncertainty.

In September 2010, the Dubai government announced the news of reaching a formal agreement with more than 99% of the creditors of the Dubai World Company on the restructuring of approximately US\$ 24.9 billion in debts.

In a related context, Nakheel Company confirmed that it had received the approval of its financial and trading creditors, who accounted for about 85% of its debts, on a restructuring plan. Nakheel noted that the move has paved the way for achieving the goal of the company to obtain the approval of 95% of creditors in the near future.

# Arab Countries and GCC Arab States

The economy of the GCC states accounts for 2% of the gross world economy. Furthermore, the combined GDP for the GCC states, standing at more than a trillion dollars, accounts for 0.8% of global GDP, and the states own more than 23% of oil reserves in the world.

The volume of foreign trade of the GCC States with countries of the world amounted to 843 billion dollars, with the UAE leading by a lion's share of this trade thanks to its activities in the field of re-exports. The total bilateral trade of the GCC states, on the other hand, amounted to 66.8 billion dollars as stated in the statistical report of the Gulf Common Market.

The report of the International Monetary Fund for the Middle East, which was launched in Dubai in October 2010, expected that most of the GCC oil-exporting states would grow in the years 2010 and 2011 faster than their growth in 2009. It is expected the GDP to grow by 4.7% in 2011 but less than level of 5.7% achieved in 2008 before the global financial crisis.

The report also expected the crude oil production to increase to 25 million barrels per day in 2010 and to 26 million barrels per day in 2011 due to the rising global demand. On the other hand, oil prices which increased by 27% in 2010 higher than 2009 prices were expected to continue their rise, which would lead to a remarkable shift in the balance of foreign transactions.

The report also predicted an increase in the combined trade transaction surplus in the region's oil-exporting countries to about US\$ 80 billion between 2009 and 2011, including about US\$ 50 billion for the GCC states in light of the current forecasts for oil prices.

## Key Economic Indicators for GCC States

	<u>Percentage</u>				<u>Million US\$</u>		
	<u>Estimates of 2009</u>	<u>Estimates of 2010</u>	<u>Estimates of 2011</u>		<u>Estimates of 2009</u>	<u>Estimates of 2010</u>	<u>Estimates of 2011</u>
Real GDP Growth	0.3	4.4	4.7	Nominal GDP	855	984	1073
Hydro carbonates (Oil & Gas)	5.3–	6.0	4.9	Hydro carbonates (Oil & Gas)	335	431	471
Non-oil Sectors	2.7	3.3	4.4	Non-oil Sectors	520	553	602
Inflation Rate	2.7	3.2	4.2				
Financial Balance (% of GDP)	3.2	9.4	9.3	Financial Balance	27	93	100

\* Source: estimates and projections of the Institute of International Finance

### "Gulf budgets for the year 2010"

The data of the GCC annual budgets, announced in the beginning of 2010, indicated that the GCC states were capable to rectify the consequences of the global financial crisis and to retain their relatively high growth rates.

The announced budgets of the six GCC states were seen as budgets of record due the high public spending at a rate ranging between 3.5% and 20%, which would lead to the revitalization of the economic conditions in all the GCC states in the year 2010.

**Total budgets for the six GCC states**  
**For the years 2009 and 2010**

**Year 2009**

(Billion US\$)

	<b><u>Spending</u></b>	<b><u>Revenues</u></b>	<b><u>Surplus/Deficit</u></b>
<b>Total</b>	235.40	255,-	+19.6

**Year 2010**

(Billion US\$)

	<b><u>Spending</u></b>	<b><u>Revenues</u></b>	<b><u>Surplus/Deficit</u></b>
<b>Total</b>	269.20	266.30	-2.90

As the GCC states have developed their annual budgets for the year 2010 on the basis of estimates whereby the price per a barrel of oil was determined at US\$ 50 per barrel at the time when the mean price of a barrel of oil in 2010 was about US\$ 75 a barrel. The modest deficits in the GCC budgets for 2010 amounting to US\$ 2.9 billion could be turned into a surplus by the end of 2010.

The approval of record budgets, with such volumes, would allow for significant potentials to implement many planned projects and would activate the financial and economic conditions in the GCC states. It was expected that projects worth US\$ 25 billion would be implemented in 2010, particularly in the area of infrastructure.

## **Private Wealth Management Portfolios**

About 128 portfolios for private wealth management were established in the region since 2001. The value of capitals currently held in such portfolios was estimated at about US\$ 21 billion (AED 77 billion). Around US\$ 12 billion (AED 44.1 billion) thereof was invested so far while the US\$ 9 billion (AED 33.1 billion) remained un-invested because of the lack of adequate investment opportunities. It is likely that the decline and decrease in asset prices to attractive levels will accelerate the investment of parts of the liquidity available in these portfolios during the coming period and the pace of acquisitions of companies in all sectors will increase.

## **Spending on Infrastructure Projects in the GCC States**

The GCC states achieved a significant progress in establishing infrastructures (over the past three decades), on which the economic and industrial build-up was dependable in these countries, Such infrastructures included the most important components required for industrial growth, such as the sources of energy, water, import and export centers, communication and transportation network of all types .

## **Estimates of Spending on Infrastructure Projects in the GCC States**

(Billion US\$)

<b><u>2000-2010</u></b>	<b><u>2011-2020</u></b>	<b><u>Growth Rate</u></b>
<b>170</b>	<b>245</b>	<b>%44</b>

These estimates were calculated on the bases of the projects that were implemented in the past decade and the projects announced as future projects for the current decade, as well as on the percentages adopted in the GCC budgets for infrastructure projects.

Spending on infrastructure projects in the GCC states over the recent decades were mainly limited to developing the infrastructures within each individual state, if we exclude the King Fahad Causeway between Saudi Arabia and Bahrain. However, the present stage also includes the GCC common infrastructure projects, such as the project of the GCC railway extending from Kuwait in the north to Oman in the south at a cost of US\$ 25 billion, as well as a project to connect this GCC railway network with the railways of Yemen and a similar railway network in Iraq in addition to the Bahrain-Qatar Causeway Project, which will form, if completed in 2014, the largest bridge in the world with an initial cost estimated at three billion dollars.

### **Oil Markets and the GCC Economies**

Despite the continuing repercussions of the global financial crisis, oil prices remained consistent at their high levels of 2010, thanks to the stability of the global demand for oil, which mainly stemmed from the ability of emerging economies to grow at high rates, especially the economies of the BRIC group, which includes Brazil, Russia, India and China.

The commitment of the member countries of the OPEC to the production quotas have contributed to the strengthening of the balance between supply and demand in the global oil markets.

### **Oil Revenues in the States of CCG** **For the years 2008 - 2010**

(Billion US\$)			
<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>* 2010</u></b>	<b><u>Growth Rate</u></b> <b><u>(2009-2010)</u></b>
537	402	465	%15.6

\* Estimates

The developments in the international oil markets in the current year have resulted in an increase in the mean price of oil barrel to amount to US\$ 75 during the first 10 months of the year, compared to US\$ 59 per barrel for the past year 2009, marking an increase of 27%.

Such increase in the oil revenues positively influenced Gulf economies. The GCC states have increased government spending in the annual budgets, which significantly helped in revitalizing the economic situation and contributed to the rapid overcoming of the financial crisis. The GCC states were also able to provide more support to the financial and banking sector, which was forced to allocate a large portion of its profits as provisions for the bad debts that they could not collect on due dates. The step saved this sector serious complications or possible bankruptcies, as was the case in countries of Western Europe and the United States of America.

### **The Most Important Economic Indications of the Arab states for the year 2009:**

Preliminary estimates of the Arab Economic Report for 2009 showed an evident decline in the general indicators of the economies of Arab states in 2009. In a condition of economic downturn and rising unemployment rates to 14.8%, the estimates indicated a decrease in the GDP of the Arab states by about 11.9% in 2009, down to 1.7 trillion dollars, which led to a decline in the Arab GDP per capita by about 16%, down to approximately 5 thousand dollars annually, compared to 6 thousand dollars in 2008.

According to the report's data, the surplus of the Arab current account declined to US\$ 60 billion compared to US\$ 319 billion in 2008, which mainly resulted from the decline in oil revenues in 2009.

Production of crude oil in the Arab States also declined in 2009 to 21.6 million barrels per day compared to 23.7 million barrels in 2008.



Inter-Arab trade accounted for about 10.3% of total world trade in 2009 compared to 9.4% in 2008. However, the external public debt of the borrowing Arab states amounted to about US\$ 162 billion compared to US\$ 156.5 billion in 2008, whereas the debt service decreased to US\$ 14.6 billion compared to US\$17.9 Billion in 2008.

The ratio of external public debt of the Arab states to GDP was about 22.7% and debt service ratio was 6%.

The report also indicated a population increase in the Arab states of about 8 million people in 2009, marking an increase of 2.4% compared to 2008. The size of the Arab workforce amounted to approximately 136 million people, i.e. 41% of the total population.

On the other hand, according to IMF forecasts, all indicators showed that it was expected that the Arab region would have a gross growth rate by 5.38% and 5.88% in 2010 and 2011 respectively. Such growth rates will be driven by increasing domestic consumption and external demand for the exports of Arab States (the oil in particular), in addition to government spending. Substantially, these export earnings will help revitalize the economic growth rates. It should be noted that the GCC states will lead the economic growth in the Arab region as a result of the significant improvement in oil prices and growing stability in the financial sectors of these states.

# The Banking Sector in the United Arab Emirates

The banking sector in the UAE witnessed a rapid growth over the past years. The commercial and specialized banks have played a significant role in promoting the economic and commercial activity in the State. The UAE Central Bank has also played a vital role, since the beginning of the global financial crisis, in the stability of the monetary conditions in the national economy. To this end, the UAE Central Bank has adopted a prudent monetary policy aimed at enhancing stability and sustaining growth rates, which was reflected in a growing movement in local lending, low interest rates and the reduce of the gap between loans and deposits for the first time since the outbreak of the financial crisis in 2008. Deposits have exceeded loans by about AED 18 billion by the end of December 2010 as a sign of the increasing strength of the banking sector to overcome the effects of the crisis.

In addition, the capital adequacy of the banks operating in the State exceeded the requirements of the Central Bank and Basel 2, despite the allocations of high provisions to cope with the decline in the values of certain assets in the real estate sector. The Central Bank affirmed, in its reports, that the banks operating in the State have a strong base of capital and reserves, where the reserves have increased from AED 231.4 billion by the end of 2009 to AED 256 billion by the end December 2010, which led to a higher capital adequacy in the banking sector up to 20.8% compared with 19.2% and 13.3% by the end of December for each of 2009 and 2008, respectively.

Furthermore, the indicators of the banking sector in the State demonstrated a growth in performance as of the end of December 2010 compared with performance at the end of December 2009 and December 2008:

## Some of Banking Indicators in the United Arab Emirates

<u>In Billion Dirhams</u>	<u>Dec. 2010</u>	<u>Dec. 2009</u>	<u>Dec. 2008</u>	<u>Ratio Changes by end of Dec. 2010</u>	
				<u>For Dec. 2009</u>	<u>For Dec. 2008</u>
				<b>Total Bank Assets</b>	1605.6
<b>Total Bank Deposits</b>	1049.6	982.6	922.5	6.8%	13.8%
<b>Loans &amp; Advances</b>	1031.3	1017.7	993.7	1.3%	3.8%
<b>of which: Personal Loans</b>	247.1	237.9	227.1	3.9%	8.8%
<b>Certificate of Deposits held by Banks</b>	94	71.9	47.1	30.7%	99.6%
<b>Capital &amp; Reserves</b>	256	231.4	153.6	10.6%	66.7%
<b>Provisions (including General)</b>	56.8	43.3	25.0	31.2%	127.2%

Total Bank Assets and Deposits have been doubled more than five times during the last ten years (since end of 2001), meanwhile Loans & Advances doubled around eight times.

Statistics of Central Bank of the UAE as at the end of Dec. 2010 indicates the following:

- Number of Commercial banks operating in UAE : 51 Banks
- Number of National banks operating in UAE : 23 banks (out of them 8 Islamic banks)
- Number of Foreign banks operating in UAE : 28 banks (out of them 6 banks from GCC)

The total number of the banks and their branches including pay offices, customer services unites and automated branches were 977 as follows:

- 844 National
- 133 Foreign

Statistics also indicates the following as at the end of Dec. 2010 :

	<u>Head Offices</u>	<u>Branches</u>
Number of Investment Banks	2	----
Number of Specialized Banks	3	---
Number of Finance Companies	23	26
Number of Representative Offices	101	---
Number of Finance Investments Companies	21	---
Number of Financial Investment Consultancy	13	1

Number of Money Changers:

- |  |     |     |
|--|-----|-----|
| - Buying & Selling Currencies & Travel Cheques   | 10  | 5   |
| - All kind of Money Changing including Transfers | 104 | 557 |

Total	114	562
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The Number of ATMs linked with UAE Switch at the end of 2010 was 3758 ATM compared with 3599 ATM, at the end of 2009 and 2420 ATM, at the end of 2008.

17 UAE national banks emerged on the list of top 1000 world banks according to “The Banker” magazine (on July 2010).

UAE also occupied a leading place among the list of the top 100 Arabic banks in concern of Assets for the end of 2009, 15 UAE national banks (including 4 Islamic banks) emerged on the list followed by Saudi Arabia (12 banks), Kingdom of Bahrain (10 banks), Qatar (9 banks), Kuwait (7 banks) and Oman (3 banks) .

**National Employees in Banking Sector:**

35.4% The percentage of National Employees in banking sector (as on Dec. 2010).

Human Resources Development Committee for Banking and Financial Sector issued statistics in regards of the number of National Employees and overall number employees in banking sector for Dec. 2010 compared with Dec. 2009 as follows:

Percentage of National Employees	Number of National Employees	Overall Number of Employees	Date
34.4%	12851	37340	31/12/2009
35.4%	12993	36700	31/12/2010
1%	142	-640	Different
1%	1.1%	-1.72%	Percentage Change

The number of Female employees reached 15821 being 43.1% of the overall number of employees in the banking sector, out of them 8729 the number of female national employees in the sector being:

67.2% of the total number of national employees in the sector and 55.2% of the total number of female employees in the sector and 23.8% of the overall number of employees in the sector

National branches managers percentage raised by 0.4% at the end of Dec. 2010 to reach 71.7% compared with 71.3 at the end of 2009.

The number of national branches managers raised from 534 (end of Dec. 2009) to reach 568 – including 200 female manager – (end of Dec. 2010) and 12 banks achieved 100% in national branch managers position.

### **New Criteria for measuring the levels of liquidity:**

Central Bank of the UAE trends to develop a new system includes criteria for measuring the level of liquidity at the working banks in the country to commensurate the new local, regional and international variables.

The Central bank issued a circular to all working banks & financial companies in concern of Data Collection for Quantitative impact study on changes to Central Bank liquidity regulation.

### **Successful Auction of Shariah-Compliant Certificate of Deposit:**

Central Bank of UAE announced the successful inaugural auction of shariah – compliant certificates of deposit (ICDs) on Wednesday 10<sup>th</sup> Nov. 2010.

Islamic banks operating in UAE have started participating in the auction of these certificates for tenors from 1 week to 12 months.

The ICDs which are based on Murabahah concept, are the first Islamic liquidity management tools issued by the Central Bank of the UAE.

The ICDs enable Islamic banks to better manage their liquidity, on par with conventional banks operating in UAE, these issuances mark as important milestone in the development of Islamic Banking in the country.

### **Implementation of International Bank Account Number (IBAN) in the UAE:**

Central Bank of the UAE announced that all banks must be fully prepared to give live with IBAN on 1<sup>st</sup> July 2011.

The adoption of IBAN will improve the accuracy of electronic payments passing through Central Bank payment systems namely, the UAEFTS and WPS systems. It will also benefit customers receiving payment from other countries.

# Arab Banking Sector

During the past two decades Arab banking sector enabled the development of its financial abilities, human resources, potential technology, and experience in order to achieve the growth competitiveness despite the harsh circumstances resulting from the global financial crisis, the Arab banks achieved in 2009 a remarkable growth up to 3.9% in total assets, reaching around US\$ 2.3 Billion, equals 155.6% of the GDP of the Arab Countries in 2009, compared with 153% in 2008, around 141% in 2007, and 114% in 2006, and expected to reach 160% in 2010 which reflects the huge financial depth of the economy in Arab region.

## Arab Banking Sector

(In Billion US\$)

	2008	2009	Growth Percentage
<b>Total Assets</b>	2,177,546	2,262,270	3.9%
<b>Total Credits</b>	974,148	1,018,426	4.5%
<b>Total Deposits</b>	1,188,579	1,299,364	9.3%
<b>Total Shareholders' equity</b>	197,249	240,368	21.9%

\* Source: Union of Arab Banks

GCC Banks total assets reached US\$ 1.3 Trillion in 2009, UAE topped the list (around US\$ 413.6 Billion) followed by Saudi Arabia (US\$ 365.4 Billion), and on the third place Bahrain (US\$ 221.8 Billion) for the year 2009.

## GCC Banking Sector

(In Billion US\$)

	2009	2008	Growth Percentage
<b>Total Assets</b>	1307,1	1284,7	1.8%
<b>Total Credits</b>	676,6	659,6	2.6%
<b>Total Deposits</b>	755,7	697,8	8.3%
<b>Total Shareholders' equity</b>	178,-	142,9	24.6%

\*Source: Union of Arab Banks

The Arab Banks have succeeded in achieving further development and occupied a leading position among international banks within a framework of criteria and international different classifications, maintaining the global sites despite the financial crisis.

Internationally 84 arab banks joined the list of the top 1000 world banks, the list included 56 of GCC banks, 17 of them from UAE according to “The Banker” magazine July 2010.

Experts estimated Arab Banks provisions covering bad loans and debts for \$12 Billion, meanwhile the banks losses due to crisis has not exceeded \$3 Billion which is a minor percentage compared to \$2.3 Trillion being aggregated balance sheet of the Arab Banks.

Arab Banks expected to reach a good average in profits up to 22% during 2010.

### **The First 100 Arab Banks**

The available data and financial indicators for the first 100 Arab Banks with size indicator (Total Assets), indicates that the total assets exceeds \$1.66 Trillion at the end of 2009 achieving a growth rate of 7.9% compared with \$1.54 Trillion in 2008.

The same total assets formed around 73.4% of the total assets of the Arab banking sector in 2009, which reflects its relative importance and site at Arab arena, where its turnover and activity.

### **Financial Indicators for the First 100 Arab Bank**

(In Billion US\$)

	2008	2009	Growth %	Percentage of the total Arab Banks (2009)
<b>Total Assets</b>	1539	1660	7.9	73.4%
<b>Total Credits</b>	845	877	3.8	86%
<b>Total Deposits</b>	1019	1115	9.4	85.8%
<b>Total Shareholders' equity</b>	164,5	189	14.9	78.8%
<b>Net Profits</b>	24,9	22.8	8.4	

\*Source: Union of Arab Banks

### **Islamic Banks Joined the list of the first 100 Arab Banks**

18 Islamic banks joined the list of the first 100 Arab banks, Al Rajhi Bank topped the list with assets reached (\$45.5 Billion) in 2009, followed by Kuwait Financial House (\$39.1 Billion) and in the third place Dubai Islamic Bank (\$23 Billion).

The base of assets of the Islamic Banks expanded to reach \$215 Billion being 13% of the total assets of the first 100 Arab Banks.

Islamic Banks achieved a net profit of \$ 3.8 Billion in 2009, and 13 GCC Islamic Banks joined the list of the top 1000 world banks.

### **Islamic Banks Indicators within the First 100 Arab Bank**

(In Billion US\$)

	<b>2008</b>	<b>2009</b>	<b>Growth %</b>
<b>Total Assets</b>	197,500	215,047	8.9%
<b>Total Credits</b>	124,559	137,348	10.3%
<b>Total Deposits</b>	132,021	144,835	9.7%
<b>Total Shareholders' equity</b>	30,601	35,359	15.5%
<b>Net Profits</b>	5,044	3,823	24.2-%

Source: Union of Arab Banks



# Emirates Banks Association

# *Membership*

## ***E.B.A. MEMBERSHIP***

### ***(2010)***

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At the end of 2010, the total number of member banks in Emirates Banks Association was 50 Banks as follows :

1. National Bank Of Abu Dhabi (P.L.C.)
2. Abu Dhabi Commercial Bank ( P.L.C.)
3. Union National Bank (P.L.C.)
4. Emirates NBD (P.J.S.C.) \*
5. Commercial Bank of Dubai (P.S.C.)
6. Dubai Islamic Bank (P.J.S.C.)
7. Emirates Islamic Bank ((P.L.C.)
8. MashreqBank (P.L.C.)
9. Sharjah Islamic Bank (P.L.C.)
10. Bank Of Sharjah (P.L.C.)
11. United Arab Bank (P.L.C.)
12. InvestBank (P.L.C.)
13. RAK Bank (National Bank Of Ras Al-Khaimah P.S.C.)
14. Commercial Bank International (P.L.C.)
15. National Bank Of Fujairah (P.S.C.)
16. National Bank Of Umm-AlQaiwain (P.L.C.)
17. First Gulf Bank ( P.L.C.)
18. Abu Dhabi Islamic Bank ( P.L.C.)
19. Dubai Bank
20. Al-Hilal Bank
21. Noor Islamic Bank
22. Ajman Bank
23. Real Estate Bank
24. Arab Bank For Investment & Foreign Trade (Al Masraf )
25. Arab Bank (P.L.C.)
26. Banque Misr
27. Calyon - Corporate and Investment Bank
28. BNP Paribas
29. HSBC Bank Middle East
30. Arab African International Bank
31. Al Khaliji(France)S.A.
32. Al Ahli Bank Of Kuwait ( K.S.C.)
33. Habib Bank Limited
34. Habib Bank AG.Zurich
35. Standard Chartered Bank
36. Citibank N.A.

37. Bank Saderat Iran
38. Bank Melli Iran
39. BLOM BANK FRANCE
40. Royal Bank of Scotland N.V
41. Doha Bank
42. Bank-Audi SAL- Audi Saradar Group
43. National Bank of Bahrain
44. Barclays Bank
45. Bank of Baroda
46. National Bank of Oman
47. United Bank Limited
48. SAMBA Financial Group
49. Lloyds TSB Bank
50. Deutsche Bank

Emirates Banks Association welcoming the joining of the following new members during the year 2010 : Ajman Bank, Lloyds TSB Bank, SAMBA Financial Group, Deutsche Bank.

In addition, the association welcoming the joining of Industrial and Commercial Bank of China who joined the Association's membership at the beginning of 2011.

Indeed the association is looking forward to have the rest of foreign banks joining the association's membership to accomplish the membership of all banks in UAE as members in the association.

*\* Emirates Bank International and National Bank Of Dubai has been merged affective 28/1/2010 as per the notice issued by the Central Bank of UAE ref. 1009/2010 dated 24/2/2010.*

# *Activities*

*Activities  
Of  
Emirates Banks Association  
In 2010*

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**General Assembly:**

The General Assembly of Emirates Banks Association held its annual meeting on Wednesday 25/4/2010, the minutes of this meeting was distributed to all member banks attached with our letter No. 196/2010 dated 4/5/2010.

During the meeting, the Board of Directors of E.B.A. was elected for two years (2010-2011) upon announcing the nomination of the following member banks:

Commercial Bank of Dubai	: Represented by H.E. Ahmad Humaid Al Tayer
Invest Bank	: Represented by H.E. Khalfan M. Al Roumi
Mashreqbank	: Represented by Mr. Ali Rashid Lootah
Abu Dhabi Commercial Bank	: Represented by Mr. Abdullah Khalil Al Mutawa
National Bank of Abu Dhabi	: Represented by Mr. Abdulla M. Ghobash
National Bank of Ras Al Khaimah	: Represented by Mr. AbdulAziz Al Zaabi
National Bank of Umm Al Qaiwain	: Represented by Mr. Issa AbdulRahman Ateeq

According to what stipulated in the article (23) of EBA Constitution:

(If the number of candidates for membership of the Board of Directors is equal either to the number of members of the Board of Directors or to the vacant posts, the nominated members are to be declared as elected automatically without need for voting).

Therefore, the members of AGM approved unanimously the election of the new members mentioned above to form the Board of Directors of EBA for 2010-2011.

### **EBA Board of Directors:**

The Board of Directors held four meetings during 2010, including a meeting on 25/4/2010 after being elected for the years (2010-2011) in the General Assembly Meeting held same date, in accordance of article No.(28) of the constitution of the association, it was agreed on electing the following Messrs:

H.E. Ahmed H. Al Tayer : Chairman  
H.E. Khalfan M. Al Roumi : Deputy Chairman  
Mr. Abdulla M. Ghobash : Chairman of Technical Committee

The board among the meetings as well as the contacts between members reviewed the developments on the banking and financial issues locally, regionally and globally. Also reviewed the reports and recommendations raised by the association's committees, addressing for taking the necessary actions with the Central Bank and other concerned authorities.

### **Amendment of E.B.A. Constitution:**

The Ministry of Social Affairs approved amending some articles of the constitution as recommended by the Board of Directors, especially to increase the number of board members to nine instead of seven, and the board term to three years instead of two years, that to be presented to extraordinary general assembly to take the suitable decision in this regard.

## **Central Bank of the UAE :**

### **1. The Quarterly Consultative Meetings:**

In addition to the ongoing meetings and communications with the concerned officials in the Central Bank for the purposes of coordination and follow-up, EBA attends the quarterly consultative meetings of the CEOs, general managers and regional managers of the banks operating in the State, which are called for by His Excellency the Governor of the Central Bank to discuss issues related to the banking business, developments and exchange views on such issues.

### **2. The new Regulation for Classification of Loans and their provisions:**

The Central Bank of the UAE issued the said regulation under Circular No. 28/2010 dated 11/11/2010, informing all banks and other financial institutions in UAE, that - after a due consultation with the banks operating in the UAE - , the Central Banks has revised the basis of Classification of loans and their provisions, which is in line with the international prudential standards, stressing that this review will also serve as catalyst in depicting a truly realistic financial position of banks and other financial institutions.

Subsequently, the Central Bank also issued Circular No. 702/2011 dated 27/01/2011 including the clarification and guidelines manual for the circular 28/2010 to assist banks in applying the requirements of the said circular, indicating that implementation date of this manual is January 1<sup>st</sup>, 2011.

EBA has solicited the views and comments of the banks with respect to this regulation. The responses were consolidated and forwarded to the Central Bank before issuing the guidelines manual referred to above.

### **3. The new Regulations Regarding Banks Loans & Other Services Offered to Individual Customers:**

The Central Bank issued the above mentioned regulations under No. (29/2011) dated 23/02/2011, indicating that the objective of these regulations is to determine the relationship between banks (Conventional and Islamic) and finance companies on the one hand, and their individual customers on the other hand, in more transparent manner, so as to boost confidence in banks and finance companies and enhance credibility of the banking system. Above regulation s shall come into effect one month after publication in the Official Gazette.



These regulations included a table showing the maximum limits as per a special; annex to Regulations, containing a detailed table rates , which require banks and financial companies not to impose banks any commissions, fees, charges or fines other than those mentioned in this table without Central Bank's written approval .

The Circular also, in its Article No (12) stipulated that conditions for opening accounts of all types as well as conditions for obtaining credits cards must be included in a standard agreement , drafted in both Arabic and English and written in an easily readable font, and in accordance with texts drafted and approved by the Emirates Banks Association.

In this regard, both the Technical Committee and the Legal Consultation Committee of EBA held a joint meeting for consultation, where a sub-committee from the two committees was formed and mandated to prepare a draft of the required conditions under these regulations to be discussed, agreed upon and then adopted.

#### **4. Certified Cheques:**

The Central Bank's notice No 1202/2010 dated 31/03/2010 confirmed that cheques of value AED 1,000,000 and above should be certified by a bank. A beneficiary's acceptance of such cheques without being certified by a bank operating in the UAE shall be at his own responsibility.

EBA explained that the certified cheques in the Commercial Transactions Law are discretionary on the one hand, whereas article (606) of the Law, on the other hand, stipulates that "**The drawer shall guarantee payment of the cheque and any condition by which the drawer releases himself from this guarantee shall be deemed null and void.**"

#### **5- The Annual Eid Al-Fitr Holiday for the banking sector:**

EBA Board of Directors submitted a letter to His Excellency the Governor of the Central Bank of the UAE, recommending that Eid Al-Fitr Holiday for the banking sector is to begin annually from the day following the 29<sup>th</sup> of Ramadan.

### **The Ministry of Justice:**

A meeting was held at the Ministry's headquarters on 09/05/2010 to review some of the follow-up topics.

A joint meeting was held at the Ministry's headquarters on 11/04/2010 with representatives of the Ministry of Economy to review the amendments to certain articles of the Commercial Transactions. Law

### **The Ministry of Economy:**

#### **Lease Financing:**

During a previous meeting of H.E Ahmed Humaid Al Tayer, Chairman of EBA, with H.E. Engineer Sultan bin Saeed Al Mansouri, Minister of Economy, it was agreed that there was a need to establish a special law for Lease Financing in the UAE, especially after the increased use of such transactions in the country.

Several meetings with concerned officials in the Ministry were held to prepare a draft of this law in anticipation to taking the necessary actions to study and issue such law.

### **The Securities and Commodities Authority (SCA):**

#### **a. The Mechanism for distributing cash dividends of joint stock companies to shareholders:**

Under the Decision No. (28/r) of 2010 issued by H.E. the Chairman of the SCA Board of Directors on 01/06/2010, joint stock companies shall deposit the cash dividends in the bank account of the financial market first, and then the financial market shall deposit the cash dividends in the bank accounts of the shareholders.

There has been communications in this regard with SCA to point out that the majority of shareholders in national banks maintain accounts with these banks, and therefore, dividends payable to each shareholder should be deposited directly in his account with the relevant bank, whereas cheques should be sent to the other shareholders to their addresses by the registered mail.

The SCA Board issued the Decision No (7) of 2011 dated 02/06/2011 including amendments demanding that each company shall deposit cash dividends in the bank account of the shareholder or send same by a bank cheque by the registered mail, and that the mechanism of distributing dividends by depositing them first in the bank account of the market shall be optionally applicable rather than mandatory.

**b. Declaration of the annual financial statements of the company:**

SCA has required joint stock companies to provide it with a declaration on their respective annual financial statements attached to such statements when submitted to SCA and the market.

However, SCA has kindly agreed that the submission of such declaration shall be optional for national banks, taking into account that banks are subject to the Federal Law No (10) of 1980 pertaining to the Central Bank, Monetary System, and the Banking Profession Regulation, as well as the Federal Law No (8) of 1980 pertaining to Commercial Companies and the amending laws thereof, in addition to the certificate of the external auditors of the bank in their report annually submitted to general assemblies along with the financial statements.

- **Human Resource Development Committee in the Banking and Financial Sector:**

EBA gives special attention to the subject of Emiratization in the banking sector in the country, and is participating as a member in the Human Resource Development Committee in the Banking and Financial Sector formed under the Council of Minister's Decision No 62/6 of 1996 dated 04/03/1996. Meanwhile, the Committee is chaired by H.E. Ahmed Humaid Al Tayer, and the association is represented in the said committee by H.E. Khalfan Mohammed Al Roumi, Vice Chairman of the Board of Directors of EBA.

It should also be noted that the Charter of the Banking Business in the UAE, issued by EBA in 2004, stipulated that: “ **Banks have to contribute to creating national banking cadre. They have to encourage the UAE local graduates by employing, qualifying ,training them and develop their skills**”.

## **Arab Monetary Fund:**

### **Feasibility Study for the Creation of a Regional Payment System for the Arab Region:**

During its last meeting, held on September 16, 2010, the Board of Governors of Arab Central Banks and Monetary Agencies referred the draft study on establishing a regional payment system for the Arab Region to the Arab Committee for Payment and Settlement Systems for further examination.

EBA has recommended, through its follow-up on this issue with the Arab Monetary Fund, that it was necessary to set a deadline for this matter in order to take the appropriate decision thereon and put it into practice because of its utmost importance to enhance pan Arab economic action and to protect the high Arab interests.

## **International Monetary Fund:**

EBA participated in the business dinner hosted by H.E. the Governor of the Central Bank in honor of H. E. John Lipsky, Deputy Managing Director of the IMF in the presence of Mr. Masoud Ahmed, Director of Middle East and Central Asia Department in the Fund.

During the visit of IMF mission to the UAE to observe the economic and financial developments in the State, a delegation of the mission headed by Mrs. Tallinn Khuranshleyan, Head of the Mission paid a visit to the headquarters of EBA, where discussion took place and views were exchanged with respect to the said developments in general, and the banking sector in particular.

## **Union of Arab Banks:**

H.E. Ahmed Humaid Al Tayer, Chairman of EBA, received Mr. Adnan Ahmad Yousef, Chairman of the Union of Arab Banks (UAB) on 9/6/2010, where they had discussions and exchanged views on financial and economic issues in general and the concerns of our Arab region in particular, as well as ways of cooperation between the UAB and EBA.

At the end of the Annual Arab Banking Conference held in Beirut during November 2010, the UAB marked the 35<sup>th</sup> anniversary of its establishment in a grand ceremony under the patronage of H.E. President of the Republic of Lebanon. H.E. Ahmed Humaid Al Tayer, Chairman of EBA, was honored in the ceremony along with some Arab banking leaders who contributed to the support

and sustainment of UAB's action and maintaining it in the ranks of Arab successful institutions.

The UAB organized the two following forums in Dubai:

- a. The banking forum entitled: "Transforming Challenges Into Opportunities " held in cooperation with EBA, under the sponsorship of the UAE Central Bank (From 24 to 25 March 2010) .
- b. " Media Economic Forum: Impact on the Arab Banking and Financial Sector", held in cooperation with EBA and Dubai International Financial Centre, under the patronage of H.H. Sheikh Maktoum Bin Mohamad Bin Rashid Al Maktoum, Deputy Ruler of Dubai, President of DIFC (From 22 to 23 September 2010).

The Forum was opened by H.E. Ahmad Humaid Al Tayer, Governor of the Dubai International Financial Centre and Chairman of EBA. He honored Mr. Adnan Ahmad Yousef, Chairman of Union of Arab Banks in the closing session of the Forum.

## **Other Activities**

### **1. Union Law No (10) of 1980: Concerning the Central Bank, The Monetary System and Organization of Banking :**

His Highness Sheikh Hamdan bin Rashed Al Maktoum, Deputy Ruler of Dubai and Minister of Finance, issued a ministerial decision to form a committee to oversee the amendment of the above-mentioned Law and the Federal Law No (6) of 1985 pertaining to Banks, Financial Institutions and Islamic Investment Companies, in accordance with the approval of the Council of Ministers for the Ministry of Finance and the Central Bank to embark on amending both laws.

In this regard, EBA has developed some proposed amendments to certain articles of Law No (10) of 1980 and forwarded same to the Ministry of Finance. Subsequently, a meeting was held at EBA headquarters to discuss those amendments with a group of consultants assigned by the Ministry, in the presence of the Legal Consultation Committee in EBA.

**2. The Federal Law No (6) of 2010 pertaining to Credit Information:**

His Highness Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE, issued the Federal Law No (6) of 2010 pertaining to Credit Information on 07/10/2010.

It is expected to launch of the Federal Company for Credit Information - which will be established under this Law - before the end of this year 2011.

It should be noted that EBA was involved in several stages and meetings before the issuance of this law, starting from the submission of the recommendation through the Central Bank in 2005 on the need for the establishment of a credit authority at the federal level, and through to the discussion of the draft law with the Financial, Economic and Industrial Affairs Committee in the Federal National Council on 17/02/2009.

**3. Banks Association of Indonesia:**

HE Ahmad Humaid Al Tayer, Chairman of EBA, received a delegation representing the Association of Certified Wealth Managers emanating from the Banks Association of Indonesia. Aspects of possible cooperation were discussed and the delegation was briefed on the growing economic and financial activity in the UAE, with particular focus on the Islamic banking sector, as the first Islamic bank in the world was founded in the State about forty years ago. It was indicated that the number of national Islamic banks operating in the State increased to eight banks at present.

**4. UAE-Swiss Friendship Council:**

EBA participated in the celebration to announce the establishment of the UAE-Swiss friendship Council under the honorary chairmanship of His Highness Sheikh Dr. Sultan bin Khalifa Al Nahyan, Personal Advisor of His Highness the President of State, and Mr. Pascal Cochiben - former President of Switzerland.

A workshop was held on this occasion where a meeting with His Excellency the Chairman of the Swiss Association of Banks was held.

**5. UAE Italian Economic Forum:**

By the kind invitation of His Excellency the Italian Ambassador in the UAE, EBA participated by presenting a working paper in the UAE Italian Economic Forum held in the Emirate of Abu Dhabi during November 2011. A meeting was also with the Vice-Chairman and General Director of the Italian Association of Banks.

## **6. Basel Requirements Development:**

Under the patronage of H.E. Ahmad Humaid Al Tayer, Chairman of EBA, EBA organized a one-day seminar on : “ Basel requirements development ” that included the following discussion points:

1. Basel III and its Relative Effects on UAE Banks:  
Presented by Mr. Jamal Saleh, Head of the Risk Management in the Commercial Bank of Dubai, Regional Director
2. The Importance of Reiterating Basel II in the Tide of New International Reforms:  
Presented by Mr. Mark Markani, Head of Basel II implementation – Senior Banking Reviewer – Head of Business Risk Review Group in the Central Bank of the UAE.
3. Presentation of the Laws and Legislations Relevant to the Banking and Financial Sector in the State:

Up-date on Laws and Regulations relevant to Banks and Financial Institutions in the UAE: Presented by Mr. Husam Hourani, Managing Partner of Al Tamimi & Company Advocates and Legal Consultants.

### **The Website of EBA: [www.eba-ae.com](http://www.eba-ae.com)**

EBA has posted the full addresses of member banks on its website, which is planned to be developed and updated at a later stage.

# *Publication*



## **E.B.A. Publications Matters:**

### **1. The Financial Position of Banks in U.A.E.**

As every year, Emirates Banks Association published the volume 23 of its yearly book on The Financial Position of Banks in U.A.E. for the years (2008-2009).

### **2. The Group of Verdicts on Banking Cases:**

The association has issued the supplement No.(13) including a various number of verdicts issued during (2009-2010) and a translated copy of the same issued this year and will be continued onward.

### **3. S.W.I.F.T. News Letter:**

Emirates Banks Association continue issuing the quarterly SWIFT newsletter on SWIFT service and distributing the same to all users in UAE, in addition to the Traffic messages sent and received by UAE Users and comparing it with those of GCC figures.

## **SWIFT Services :**

Emirates Banks Association continued submitting and providing to SUG (UAE) assistant & information and data about SWIFT services and its developments through direct communication with Headquarters of the company in Belgium, and their Dubai regional office - MENA located in DIFC.

It is worth to mention that the number of banks and financial institutions using SWIFT services in UAE increased to 114 users from all types at the end of 2010 including all national banks in UAE.

## **Regional Conference (MERC) :**

The SWIFT Regional Conference held this year in Dubai with the cooperation of Emirates Banks Association during 1-3 March 2010 in the presence of High level of senior officers from SWIFT and more than 100 participants from the region.

## **SWIFT Presentation/Workshops:**

The Association organised two one day workshops on SWIFT Services and SWIFT Users in UAE presented by Mr. Edward Decourcy, the regional Accounts Director, Dubai Office -MENA.

**Comparative List for SWIFTNet FIN Traffic Messages Sent &  
Received in G.C.C.  
(2009 – 2010)**

<b>Total Sent</b>			
	<b>2010</b>	<b>2009</b>	<b>Growth</b>
<b>Total GCC</b>	<b>44,693,598</b>	<b>45,307,877</b>	<b>%1,36-</b>
<b>Total UAE</b>	<b>18,427,761</b>	<b>16,870,556</b>	<b>%9,23</b>
<b>UAE %</b>	<b>%41,23</b>	<b>%37,24</b>	

<b>Total Received</b>			
	<b>2010</b>	<b>2009</b>	<b>Growth</b>
<b>Total GCC</b>	<b>29,116,036</b>	<b>28,357,048</b>	<b>%2,68</b>
<b>Total UAE</b>	<b>15,204,657</b>	<b>14,481,124</b>	<b>%4,99</b>
<b>UAE %</b>	<b>%52,22</b>	<b>%51,07</b>	

**Among Top 25 Countries in :**

**Europe, Middle East & Africa:**

**United Arab Emirates Rank**

**20 in (Traffic Sent)**

**19 in (Traffic Received)**

At the end of our annual report for 2010, we hope that we have covered most of the important activities and communication of EBA, as well as highlighting on some of the economic developments in the UAE and Arab Countries, and the banking sector which indicators published in the UAE as at the end of 2010, showing notable growth comparing with previous years.

Thanking you all, for your kind attention and cooperation, welcoming any comments or guidance, that will meet our consideration and appreciation.

Assuring you of our best cooperation.

29.3.2010

Emirates Banks Association