

Speech

By

**HE GOVERNOR OF CENTRAL BANK OF THE UAE
MR. SULTAN BIN NASSER AL-SUWAIDI,**

AT THE

BANKERS' LUNCHEON

HOSTED BY

**THE BANK OF NEW YORK MELLON
FOR THE UAE BANKERS FORUM**

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*Emirates Palace Hotel
Abu Dhabi*

Excellencies,

Ladies & Gentlemen,

I am pleased to be here with you today.

At the outset, I would like to thank The Bank of New York for hosting us and I would also wish to congratulate them on the occasion of their tenth anniversary in the UAE. Also, I would like to welcome Mr. Thomas A. Renyi, Executive Chairman and Mr. Robert P. Kelly, CEO of Bank of New York Mellon Corporation, both are with us today.

I promised to give a short speech on this occasion, therefore, I will speak briefly on three subjects, namely:

I- PERFORMANCE OF BANKS IN 2007

II- IMPLEMENTATION OF THE CENTRAL BANK'S STRATEGY

III- THE WAY AHEAD

I- PERFORMANCE OF BANKS IN 2007

Banks performed well in 2007 compared to 2006, as can be seen from the following figures:

1- **Total deposits** grew by around 35% (195 Bln) as at 31 Dec 2007 to AED 750 Bln from AED 555.0 Bln as at the end of 2006,

2- **Total loans & advances** grew by around 39% (AED 205 Bln) to AED 725 Bln from AED 520 Bln as at the end of 2006.

3- **Total assets / liabilities** grew by around 45% (AED 388 Bln) to AED 1.240 Tri from AED 852 Bln as at the end of 2006, and

4- **Total profits** grew by 28.8% (AED 5.6 Bln) to AED 25 Bln from AED 19.4 Bln as at the end of 2006.

These figures exhibit a strong banking sector, which is expected to continue to grow at reasonable rates in the foreseeable future.

II- IMPLEMENTATION OF THE CENTRAL BANK STRATEGY

Federal Government Strategy was announced by H.H. Shaikh Mohamed Bin Rashid Al Maktoum, UAE Vice President, Prime Minister and Ruler of Dubai, on 17th April 2007, and was actively pursued by Ministries and Federal Government Authorities including the Central Bank.

The Central Bank was part of the Ministerial Economic Development team, responsible for issues that would create the enabling environment for growth and economic stability in the country.

This year, in January 2008 we started implementing the Central Bank's Strategy. I am sure that once we complete implementing the Strategy, the environment for banking business in the UAE will improve enormously.

There are several areas where we will improve the business environment, to mention a few:

1– Business and financial laws will be reviewed, improved and those that do not exist will be introduced. The Central bank, Ministry of Justice, Ministry of Finance and Ministry of Economy will work together on this initiative. The new laws are going to be drafted in accordance with best practices.

2– Banking supervision and examination will become more robust and more interactive, as it will be run under the umbrella of a separate committee within the Central Bank. The Banking Supervision and Examination Department of the Central Bank will be guided, on policy issues, by the decisions of this committee.