

**CENTRAL BANK  
OF  
THE UNITED ARAB EMIRATES**

**ANNUAL REPORT**



**2004**

# CENTRAL BANK OF THE UNITED ARAB EMIRATES

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# **PART - I**

## **INTERNATIONAL ECONOMIC TRENDS**

## PART - I

### International Economic Trends

Global growth picked up in 2004, reaching 5.1% against 4.0% in 2003. Within the group of major industrial countries, the rate of growth increased in the USA to 4.4%, against 3.0% and to 2.6% in Japan, against 1.4% and to 3.1% in the United Kingdom, against 2.2%. In France, the rate of growth rose to 2.3% in 2004 against 0.5% in 2003.

The rate of growth within the group of Asian developing countries increased to 8.2% in 2004 against 8.1% in 2003, within the group of Euro area to 2.0% against 0.5%, and in the group of African countries to 5.1% against 4.6%. Within the group of Middle East countries, however, the rate of growth slowed to 5.5% in 2004 against 5.8% in 2003.

The rate of unemployment dropped in advanced industrial countries to 6.3% in 2004 against 6.6% in 2003, in the USA to 5.5% against 6.0%, in Japan to 4.7% against 5.3% , in Britain to 4.8% against 5.0% and in Germany to 9.2% against 9.6%. Meanwhile, the rate of unemployment rose to 9.7% against 9.4% in France, , and to 8.8% against 8.7% in the Euro area as a whole

The rate of inflation, measured by consumer prices, rose within the group of advanced economies as a whole to 2.0% in 2004, against 1.8% in 2003. In the USA, inflation rate rose to 2.7% against 2.3% and in the Euro area to 2.2% against 2.1%. Inflation rate also rose in the group of Asian developing countries to 4.2% in 2004 against 2.6% in 2003. In the Middle East, inflation rate rose to 8.3% against 7.1% while it dropped in African countries to 7.7% against 10.6%.

In Germany, inflation rate rose to 1.8% in 2004 against 1.0% in 2003, and in France to 2.3% against 2.2%. Meanwhile it dropped to 1.3% against 1.4% in Britain, while it remained constant in Japan at the negative rate of -0.2% in 2004 and 2003.

Growth rate in the volume of trade in goods and services increased to 9.9% in 2004, against 4.9% in 2003. Meanwhile, short-term interest rates rose in the USA but fell in the Euro area.

The overall real domestic demand rate of growth rose in most major industrial countries and the Euro area. In the USA it increased to 4.8% in 2004 against 3.3% in 2003, in Britain to 3.8% against 2.4%, in Japan to 1.9% against 0.8% and in France to 3.5% against 1.3% in 2003. However, in Germany it remained constant at 0.5% in both years while it dropped in Canada to 3.6% against 4.4%.

# **PART - II**

## **ECONOMIC, FINANCIAL AND BANKING TRENDS IN THE UNITED ARAB EMIRATES**

## PART - II

# Economic, Financial and Banking Trends in The United Arab Emirates

### 1. General Economic Activity

Gross domestic product at base price and at the year 2000 constant prices grew by 7.4% in 2004 compared to its level in 2003, reaching AED 323.6 billion. The rate of increase in non-oil sectors reached 9.4%. The output of these sectors constituted 71.7% of gross domestic product in 2004. The output of oil and natural gas sector rose from AED 91.03 billion in 2003 to AED 93.63 billion in 2004, i.e., an increase by 2.9% (table 2-1).

With output growth rate increasing at a faster pace than population growth rate, GDP per capita (at 2000 constant prices) increased in 2004 to reach AED 74.9 thousand, against AED 74.6 thousand in 2003.

Preliminary estimates of the balance of payments showed that surpluses were achieved in both the trade balance and the current account in 2004. The surplus in the trade balance increased by 34.0% and the surplus in the current account rose by 71.3% above the levels achieved in 2003. The overall balance surplus reached AED 12.8 billion in 2004 against a surplus of AED 4.7 billion in 2003.

With regard to monetary and banking developments, money supply (M1) rose by 38.7% to reach AED 80.82 billion by the end of 2004. Meanwhile, quasi-monetary deposits increased by AED 25.25 billion (17.7%). Consequently, private domestic liquidity (M2) expanded by AED 47.81 billion (23.8%) to reach AED 248.41 billion.

An analysis of the factors affecting private domestic liquidity shows that the impact of net foreign assets was expansionary, by AED 15.39 billion (11.3%), in addition to the expansionary impact of net domestic credit of AED 41.26 billion (27.1%). However, the impact of net other factors (capital, reserves, provisions and other items), which grew by AED 8.84 billion (10.02%), was contractionary.

Financial markets in the UAE witnessed marked growth in all performance indicators. As a result of increases in the number of traded shares and the number of listed companies, trading volume increased by 343% in Abu Dhabi Securities Market and by 1238% in Dubai Financial Market.



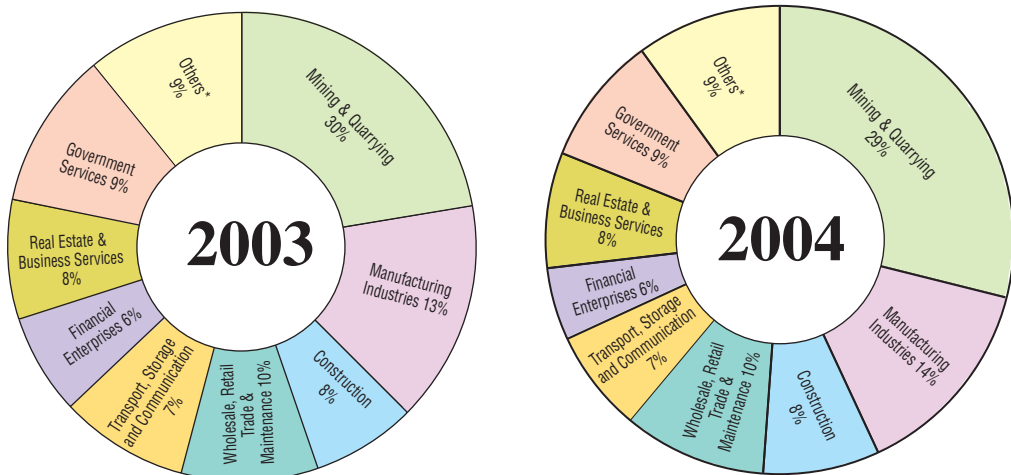
## 2. Gross Domestic Product

Preliminary estimates published by the Ministry of Economy and Planning indicate that gross domestic product, at base price and at constant prices of 2000, rose from AED 301.3 billion in 2003 to AED 323.6 billion in 2004 (7.4%). Despite the increase in the value added of the mining industries sector (oil in particular), the contribution of the non-oil sectors to GDP rose from 69.8% in 2003 to 71.7% in 2004 and with an increase of AED 20 billion (9.4%) in the value added of these sectors, compared to its levels in 2003.

The output of the mining industries sector rose from AED 91.8 billion in 2003 to AED 94.4 billion in 2004. However, its contribution to GDP fell to 29.2% in 2004, against 30.5% in 2003.

Table (2-1) below shows the development achieved in various non-oil sectors during 2004, which reflected the UAE success in setting up the appropriate conditions for achieving economic diversification and ensuring optimal utilization of available resources including its distinctive geographical location, which in turn, enabled the private sector to perform its role with increased effectiveness and higher competitiveness. The growth achieved across economic sectors was also owed to the increase in domestic demand which resulted from the increases in population and capital flows in the form of direct foreign investments. This was particularly reflected in the increase in the value added of the construction, real estate and the financial enterprises sectors in addition to other sectors such as transportation and communications.

**Gross Domestic Product (By Sector)**



\* Including agriculture, livestock & fishing, electricity & water, restaurants & hotels, social & personal services and household services.

**Table (2 - 1)**

**Gross Domestic Product at Base Price by Economic Sectors  
(at constant prices of 2000)**

(In Millions of AEDs)

<b>Sectors</b>	<b>2003</b>	<b>2004*</b>
<b>(1) Non-Financial Enterprises Sector</b>	<b>257,763</b>	<b>277,478</b>
- Agriculture, Livestock and Fishery	8,942	9,806
- Mining	91,763	94,415
A. Crude Oil & Natural Gas	91,025	93,625
B. Other	738	790
- Manufacturing	39,170	45,047
- Electricity, Gas and Water	5,777	6,412
- Construction	23,809	25,380
- Wholesale / Retail Trade and Maintenance	32,293	33,947
- Restaurants and Hotels	5,700	6,395
- Transportation, Storage and Communication	21,121	23,260
- Real Estate and Business Services	23,272	26,554
- Social and Private Services	5,916	6,262
<b>(2) Financial Enterprises Sector</b>	<b>18,954</b>	<b>21,075</b>
<b>(3) Government Services Sector</b>	<b>28,222</b>	<b>29,315</b>
- Household Services	1,970	2,005
<b>(Less): Imputed Bank Services Charges</b>	<b>5,598</b>	<b>6,243</b>
<b>TOTAL</b>	<b>301,311</b>	<b>323,630</b>
<b>Total Non-Oil Sectors</b>	<b>210,286</b>	<b>230,005</b>

Source : Ministry of Economy &amp; Planning

\* Preliminary Data

**Table (2 - 2)**

**Gross Domestic Product at Base Price by Economic Sectors  
(at current prices)**

(In Millions of AEDs)

<b>Sectors</b>	<b>2003</b>	<b>2004*</b>
<b>(1) Non-Financial Enterprises Sector</b>	<b>274,873</b>	328,702
- Agriculture, Livestock & Fishery	9,152	10,100
- Mining	92,901	124,089
A. Crude Oil & Natural Gas	92,136	123,261
B. Other	765	828
- Manufacturing	42,215	49,546
- Electricity, Gas and Water	6,009	6,720
- Construction	26,072	28,468
- Wholesale / Retail Trade and Maintenance	35,460	38,682
- Restaurants and Hotels	6,525	7,343
- Transportation, Storage and Communication	24,692	27,263
- Real Estate and Business Services	25,355	29,540
- Social and Private Services	6,492	6,951
<b>(2) Financial Enterprises Sector</b>	<b>19,902</b>	<b>22,318</b>
<b>(3) Government Services Sector</b>	<b>30,737</b>	<b>32,201</b>
- Household Services	2,065	2,126
<b>(Less): Imputed Bank Services Charges</b>	<b>5,825</b>	<b>6,586</b>
<b>TOTAL</b>	<b>321,752</b>	<b>378,761</b>
<b>Total Non-Oil Sectors</b>	<b>229,616</b>	<b>255,500</b>

Source : Ministry of Economy &amp; Planning

\* Preliminary Data

Data on growth and contribution of non-oil sectors to output increase in 2004 indicate that the manufacturing sector achieved the highest rate of increase compared to other sectors, reaching 15.0% compared to 2003 level. The value added in this sector rose from AED 39.2 billion in 2003 to AED 45.0 billion in 2004, while its contribution to output rose from 13.0% to 13.9%. The increase in the output of this sector mainly resulted from the expansion in the refining and production capacities of liquefied gas factories and oil refineries in the country due to the increase in production of associated gas and condensates.

The real estate and business services sector recorded the highest increase compared to other services sectors, recording an increase by 14.1% compared to 2003 level. The value added in this sector rose from AED 23.3 billion in 2003 to AED 26.6 billion in 2004, while its contribution to output increased from 7.7% to 8.2%. This sector is a major pivot of the development process in the country.

With the increase in tourist activity as a result of provision of world class infrastructures, the output of the hotels and restaurants grew by 12.2% in 2004 compared to its level in 2003, reaching AED 6.4 billion. The value added of the financial enterprises sector also rose by 11.2% in 2004, compared to 2003 level, reaching AED 21.1 billion. The output of this sector doubled over the past few years, thereby achieving the country's objective of becoming a regional and international financial center.

The output of the electricity, gas and water recorded an increase of 11.0% in 2004, compared to its level in 2003 to reach AED 6.7 billion as a result of large expansions in this sector aimed at meeting the increasing demand which ensued from increases in population and residential and production units.

The value added of the transportation, communication and storage sector grew by 10.1% in 2004, compared to 2003, to reach AED 23.3 billion. The agriculture sector also showed marked development owing to the use of modern technologies, increased productivity, education and encouragement of farmers to select the best tools, provision of necessary inputs and addition of more arable lands. The output of this sector rose by 9.7% in 2004, compared to 2003, reaching AED 9.8 billion.

Owing to a firm UAE commitment to provide higher standards of public services to meet the increasing requirements of a growing population, the output of this sector rose by 3.9% in 2004 compared to its level in 2003, reaching AED 29.3 billion, against AED 28.2 billion.

In line with the pick-up in commercial activity in the country, the output of the wholesale/retail trade and maintenance sector rose by 5.1%, from AED 32.3 billion in 2003 to AED 33.9 billion in 2004. The value added of the construction sector rose by AED 1.6 billion compared to 2003 level, to reach AED 25.4 billion.

**Table (2 - 3)**  
**Per Capita Gross Domestic Product**

	2002	2003	2004
GDP at constant prices of 2000 (AED Millions)	269,304	301,311	323,630
Population (Thousands)	3,754	4,041	4,320
GDP Per Capita (AED)	71,738	74,563	74,914

On the other hand, the output of the mining sector rose from AED 91.8 billion in 2003 to AED 94.4 billion in 2004 (2.9%).

GDP at base price and constant prices of 2000 rose in 2004 at a faster rate (7.4%) than population increase (6.9%), hence per capita GDP rose to AED 74.9 thousand in 2004 against AED 74.6 thousand in 2003.

**Table (2 - 4)**  
**Sector Shares of Gross Domestic Product**

(Percent)

Sectors	Gross Domestic Product			Non-Mining Gross Domestic Product*		
	2002	2003	2004	2002	2003	2004
<b>A. Goods Production Sectors</b>	<b>56.2</b>	<b>56.2</b>	<b>55.9</b>	<b>37.4</b>	<b>37.1</b>	<b>37.8</b>
Agriculture, Live- Stock & Fishery	3.3	3.0	3.0	4.7	4.3	4.3
Mining	30.0	30.5	29.2	-	-	-
Manufacturing	13.5	13.0	13.9	19.3	18.7	19.7
Construction	7.6	7.9	7.8	10.8	11.4	11.1
Electricity, Gas & Water.	1.8	1.9	2.0	2.6	2.8	2.8
<b>B. Services Sectors</b>	<b>43.8</b>	<b>43.8</b>	<b>44.1</b>	<b>62.6</b>	<b>62.9</b>	<b>62.2</b>

\* Percentage to GDP at factor cost after excluding mining sector.

As a result of the drop in the contribution of the oil sector in GDP, the contribution of the goods production sectors' to total output decreased from 56.2% in 2003, to 55.9% in 2004. When excluding the output of the quarrying industries (mainly oil and natural gas), the contribution of the goods production sectors would rise slightly in 2004 to reach 37.8% against 37.1% in 2003 as a result of the increase in the contribution of manufacturing industries to output, therefore the services sector had continued to account for more than 62.0% of total output over the past three years.

**Table (2 - 5)**  
**Expenditure on Gross Domestic Product**  
**(At Current Prices)**

(In Millions of AEDs)

<b>Spending</b>	<b>2003</b>	<b>2004*</b>
<b>Final Consumption:</b>	<b>204,104</b>	<b>232,898</b>
- Government Consumption.	46,057	48,221
- Private Consumption.	158,047	184,677
<b>Gross Fixed Capital Formation:</b>	<b>73,105</b>	<b>81,255</b>
- Government	16,129	17,500
- Public Sector	24,520	28,395
- Private Sector	32,456	35,360
<b>Variation in Inventory</b>	<b>2,950</b>	<b>3,392</b>
<b>Exports of Goods &amp; Services:</b>	<b>256,775</b>	<b>314,988</b>
<b>Minus: Imports of Goods &amp; Services</b>	<b>211,786</b>	<b>249,844</b>
- Net Exports	44,989	65,144
<b>Minus: Net Indirect Tax</b>	<b>3,396</b>	<b>3,928</b>
<b>Gross Domestic Product at Base Prices (at current prices)</b>	<b>321,752</b>	<b>378,761</b>

Source : Ministry of Economy & Planning

\* Preliminary Data

Available data on gross domestic product at current prices and by major expenditure categories show that it reached AED 378.8 billion in 2004 against AED 321.8 billion in 2003, an increase of 17.7%.

Total final consumption (government and private) rose by 14.1% in 2004 compared to its 2003 level, reaching AED 232.9 billion, despite the drop in its ratio to overall output from 63.4% in 2003 to 61.5% in 2004. As a result of population increase and the rise in price levels, private final consumption increased by 16.8% in 2004, compared to its 2003 level, to reach AED 184.7 billion, forming 79.3% of gross consumption spending, i.e. with a two percentage points increase over 2003 level.

Gross fixed capital formation rose by 11.1% compared to its level in 2003, reaching AED 81.3 billion against AED 73.1 billion. The share of the public sector rose from 33.5% in 2003 to 34.9% in 2004, at the expense of the shares of the government and the private sectors.

On the other hand, net exports of goods and services increased from AED 45.0 billion in 2003 to AED 65.1 billion in 2004 (44.8%).

### 3. Population and Labour

UAE population grew by 6.9% in 2004, reaching 4.32 millions, with males constituting 67.8% of the population. The shares of emirates of Abu Dhabi, Dubai and Sharjah in total UAE population reached 38.8%, 30.2% and 15.7% respectively.

**Table (2 - 6)**  
**Population by Gender and Emirate (2003 & 2004)\***

(In Thousands)

Emirates	Males		Females		Total	
	2003	2004*	2003	2004*	2003	2004*
Abu Dhabi	1,140	1,199	451	479	1,591	1,678
Dubai	835	903	369	403	1,204	1,306
Sharjah	406	434	230	244	636	678
Ajman	139	153	96	105	235	258
Umm Al Qaiwain	37	40	25	28	62	68
Ras Al Khaimah	115	121	80	84	195	205
Fujairah	73	79	45	48	118	127
<b>Grand Total</b>	<b>2,745</b>	<b>2,929</b>	<b>1,296</b>	<b>1,391</b>	<b>4,041</b>	<b>4,320</b>

Source : Ministry of Economy & Planning

\* Preliminary Estimates

Table (2-7) below, which shows distribution of population by gender and age groups, indicate that the number of population in the age group (less than 15 years) reached 1.09 million in 2004, compared to 1.02 million in 2003, i.e., an increase of 71 thousands (6.9%). The number of population in the age group (15 years to less than 40 years) reached 2.36 millions in 2004, compared to 2.21 millions in 2003, i.e., an increase of 154 thousands (6.9%).

Meanwhile, the number of population in the age group (40 years and up to less than 60 years) reached 793 thousands in 2004, compared to 743 thousands in 2003, i.e., an increase of 50 thousands (6.7%). The number of population in the age group (60 years and more) reached 69 thousands in 2004, compared to 65 thousands in 2003, i.e., an increase of 4 thousands (6.6%).

**Table (2 - 7)**  
**Population by Gender & Age Group \***

Age Groups	2002			2003			2004		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Less than 15	499,132	456,679	955,811	535,414	487,560	1,022,974	571,862	522,163	1,094,025
15 to less than 40	1,454,816	594,729	2,049,545	1,572,762	637,758	2,210,520	1,678,448	685,696	2,364,144
40 to less than 60	552,802	135,181	687,983	598,155	144,798	742,953	637,440	155,573	793,013
60 and above	36,250	24,411	60,661	38,669	25,884	64,553	41,250	27,568	68,818
<b>TOTAL</b>	<b>2,543,000</b>	<b>1,211,000</b>	<b>3,754,000</b>	<b>2,745,000</b>	<b>1,296,000</b>	<b>4,041,000</b>	<b>2,929,000</b>	<b>1,391,000</b>	<b>4,320,000</b>

\* Mid-year estimates.

The total number of workers in the UAE rose during 2004 by nearly 125 thousands, reaching 2.46 million workers.

The construction sector ranked first in terms of number of workers, which reached 498 thousands, i.e., 20.2% of the total in 2004. The wholesale, retail trade and maintenance services sector ranked second (479 thousand workers, 19.5% of the total). The manufacturing industries ranked third (319 thousand workers, 13.0% of the total). Government services sector ranked fourth (265 thousand workers, 10.8% of the total). The ratio of workers in other sectors ranged between 0.2% and 8.1% of the total.



**Table (2 - 8)****Employees by Economic Sectors**

<b>Sectors</b>	<b>2002</b>	<b>2003</b>	<b>2004*</b>
<b>Non-Financial Enterprises Sector</b>	<b>1,715,383</b>	<b>1,858,039</b>	<b>1,967,326</b>
– Agriculture, Livestock and Fisheries.	163,193	166,428	168,574
– Mining Industries.	31,702	32,911	35,575
– Crude Oil & Natural Gas.	27,197	28,073	30,015
– Quarries.	4,505	4,838	5,560
– Manufacturing Industries.	276,476	299,064	319,384
– Water Gas and Electricity.	26,591	28,359	28,848
– Construction and Building	420,896	473,577	497,974
– Wholesale / Retail Trade and Maintenance.	415,974	450,208	478,716
– Restaurants and Hotels.	94,930	98,509	109,931
– Transportation, Storage and Communication	130,923	142,548	147,807
– Real Estate and Business Services.	63,664	67,107	73,817
– Social and Private Services.	91,035	99,328	106,700
<b>Financial Enterprises Sector</b>	<b>25,724</b>	<b>26,368</b>	<b>27,011</b>
<b>Government Services Sector.</b>	<b>237,368</b>	<b>250,174</b>	<b>264,568</b>
– Household.	197,825	199,731	200,240
<b>Total</b>	<b>2,176,300</b>	<b>2,334,312</b>	<b>2,459,145</b>

Source : Ministry of Economy &amp; Planning.

\* Preliminary Data.

## 4. Public Finance

### The Consolidated Government Finance Account

#### 1 Revenues

Revenues increased by 22.6% in 2004 to reach AED 94.4 billion, against AED 77.0 billion in 2003, mainly due to the increase in oil and gas earnings.

##### – Tax Revenues

Tax revenues (customs duties, other charges and revenues) increased in 2004 by 31.4 % to reach AED 9.3 billion, against AED 7.0 billion in 2003, forming 9.8% of total revenues. The increase mainly occurred in other tax revenues, which rose by AED 1.6 billion (35.3%). Customs revenues also rose by AED 591 million to reach AED 3.0 billion.

##### – Non-Tax Revenues

Non-tax revenues rose by 21.7% in 2004, reaching AED 85.2 billion, against AED 70.0 billion in 2003, forming 90.2% of total revenues. This was attributed to an increase by AED 16.6 billion (29.2%) in receipts of oil and gas exports, that recorded AED 73.3 billion in 2004 against AED 56.7 billion in 2003. Likewise, profits of shareholding companies rose by 13.2% in 2004 to reach AED 3.3 billion against AED 2.9 billion in 2003. On the other hand, other non-tax revenues dropped by AED 1.8 billion to reach AED 8.5 billion.

#### 2 Expenditures

Expenditures increased in 2004 by AED 3.8 billion (4.2%), reaching AED 95.3 billion, against AED 91.4 billion in 2003.

##### – Current Expenditures

Current expenditures constituted 84.0% of total expenditures in 2004, reaching AED 80.0 billion, against AED 74.3 billion in 2003.

Expenditures on the salaries and wages item rose in 2004 by AED 325 million (2.1%) to reach AED 15.5 billion. Expenditures on goods and services also increased by AED 459 million to reach AED 24.3 billion.

Likewise, expenditures on subsidies and transfers rose by AED 873 million (8.4%) to reach AED 11.3 billion, and other unclassified current expenditures rose by AED 4.1 billion (16.4%) to reach AED 29.0 billion.

– ***Development Expenditures***

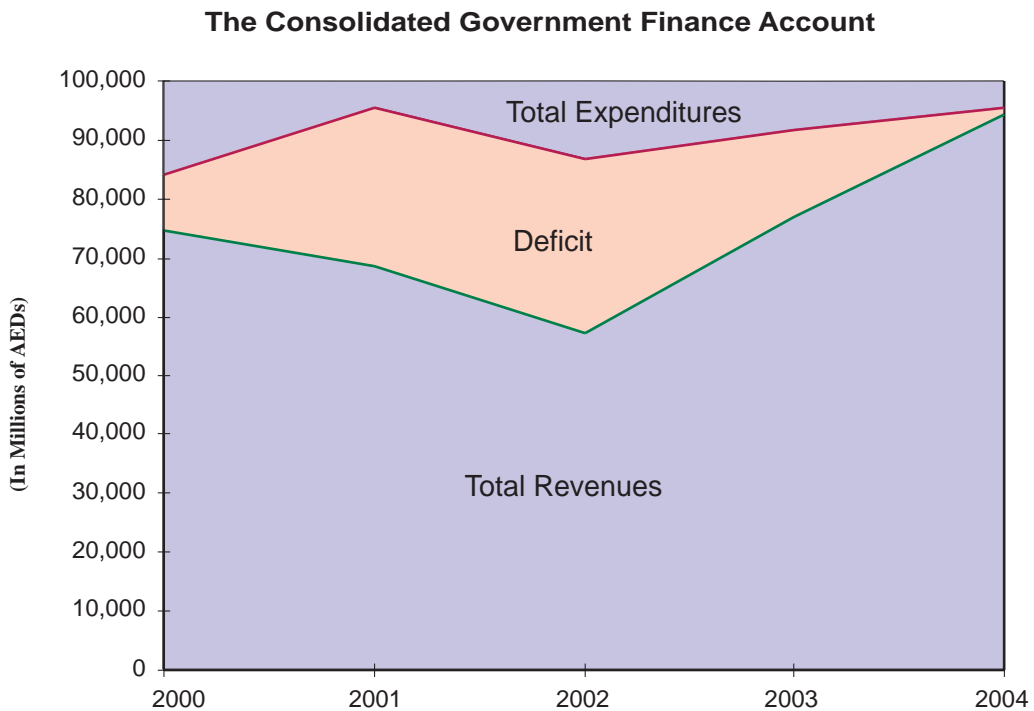
Development expenditures decreased by 3.0% to reach AED 15.6 billion in 2004, against AED 16.0 billion in 2003.

– ***Loans and Equity Participations***

Loans and equity participations declined by 123.2% in 2004 compared to its level in 2003, reaching AED –267 million.

**3 The Deficit**

The deficit narrowed by 94.1% to reach AED 855 million in 2004, against a deficit of AED 14.4 billion in 2003. This deficit was financed, in its entirety, by returns on government investments.



**Table (2 - 9)****The Consolidated Government Finance Account**

(In Millions of AEDs)

<b>Items</b>	<b>2003*</b>	<b>2004**</b>
<b>Revenues</b>	<b>77,012</b>	<b>94,415</b>
<i><b>Tax Revenues</b></i>	<b>7,044</b>	<b>9,255</b>
Customs	2,449	3,040
Other	4,595	6,215
<i><b>Non-Tax Revenues</b></i>	<b>69,968</b>	<b>85,160</b>
Oil and Gas	56,738	73,322
Joint Stock Corporations	2,935	3,322
Other	10,295	8,516
<b>Expenditures</b>	<b>91,433</b>	<b>95,270</b>
<i><b>Current Expenditures</b></i>	<b>74,253</b>	<b>79,986</b>
Salaries and Wages	15,159	15,484
Goods and Services	23,801	24,260
Subsidies and Transfers	10,408	11,281
Other Unclassified	24,885	28,961
<i><b>Development Expenditures</b></i>	<b>16,028</b>	<b>15,551</b>
<i><b>Loans and Equity Participations</b></i>	<b>1,152</b>	<b>-267</b>
Local	-810	3,154
Foreign	1,962	-3,421
<b>Surplus (+) or Deficit (-)</b>	<b>(-)14,421</b>	<b>(-)855</b>
<b>Financing</b>	<b>14,421</b>	<b>855</b>
Changes in net Government Deposits with Banks	2,383	-1,574
Other <sup>(1)</sup>	12,038	2,429

Source : Ministry of Economy &amp; Planning.

\* Adjusted data.

\*\* Preliminary data.

(1) Transfer from returns on government's investments.

## 5. Monetary and Credit Policy

### 5-1 Dirham Exchange Rate

Due to its fixed peg to the US dollar, the dirham depreciated as a result of depreciation of the US dollar against most major currencies during 2004, the dirham depreciated against the Euro (9.2%), the Pound Sterling (10.2%), the Japanese Yen (7.3%), the Swiss Franc (7.3%) and the SDR (5.5%).

The rate of exchange of the dirham remained unchanged against all GCC currencies at the end of 2004 compared to its rate at the end of 2003.

**Table (2 - 10)**  
**Dirham Exchange Rate Index**  
**(Foreign Currency Units Per Dirham)**  
**(1999 = 100)**

Currency	1999	2000	2001	2002	2003	2004
US Dollar	100.0	100.0	100.0	100.0	100.0	100.0
Japanese Yen	100.0	105.0	123.0	121.8	112.9	104.7
Euro	100.0	109.4	113.0	106.1	89.5	81.3
Pound Sterling	100.0	106.3	112.0	106.8	98.7	88.6
Swiss Franc	100.0	106.4	105.6	98.0	85.0	78.8
SDR	100.0	104.0	107.8	106.0	98.1	92.7

## 5-2 Monetary and Banking Indicators

### 5-2-1 Monetary Survey

The monetary and banking indicators rose during 2004, as money supply (M1) increased by AED 22.56 billion (38.7%), to reach AED 80.82 billion, compared to AED 58.26 billion at the end of 2003. Monetary deposits also rose by AED 20.56 billion (46.24%), and currency with the public by AED 1.99 billion (14.5%).

Private Domestic Liquidity (M2) expanded by AED 47.81 billion (23.8%) to reach AED 248.41 billion. This was due to the increase in money supply (M1) together with a rise of AED 25.25 billion (17.7%) in quasi-monetary deposits, which reached AED 167.59 billion.

Overall Liquidity (M3) rose by AED 59.89 billion (23.9%) to reach AED 310.83 billion by the end of 2004. This increase resulted from the expansion of private domestic liquidity (M2) and the increase by AED 12.08 billion (24.0%) in government deposits that reached AED 62.42 billion.

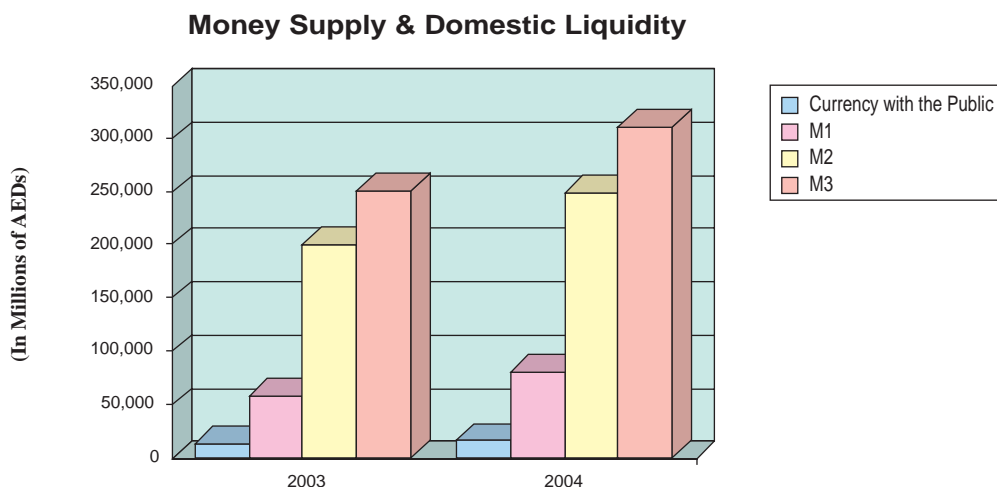


Table (2 - 11)

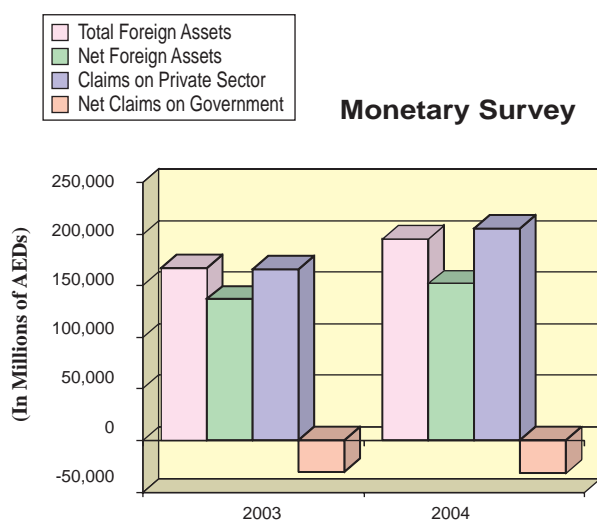
## Major Monetary Indicators and Affecting Factors\*

(In Millions of AEDs)

Items	2003	2004
Currency with the Public	13,785	15,778
Monetary Deposits	44,477	65,050
<b>Money Supply (M1)</b>	<b>58,262</b>	<b>80,818</b>
Quasi - Monetary Deposits	142,338	167,588
<b>Private Domestic Liquidity (M2)</b>	<b>200,600</b>	<b>248,406</b>
Government Deposits	50,342	62,424
<b>Overall Liquidity (M3)</b>	<b>250,942</b>	<b>310,830</b>
<i>Factors Affecting Domestic Liquidity (M2)</i>		
Net Foreign Assets	136,601	151,988
Net Domestic Credit	152,227	193,485
Net Other Factors	(-)88,228	(-)97,067

\* Including deposits of residents with national banks' branches (including offshore units) and their subsidiaries abroad.

A review of the factors affecting private domestic liquidity shows that the effect of net foreign assets was expansionary, as they increased by AED 15.39 billion (11.3%). Likewise, the effect of net domestic credit was expansionary, as it rose by AED 41.26 billion (27.10%). In contrast, net other factors which rose by AED 8.84 billion (10.02%) had a contractionary impact on private domestic liquidity (M2).



## 5-2-2 Banks Operating in the Country

The aggregated balance sheet of banks operating in the country grew by AED 83.11 billion (22.7%), to reach AED 450.02 billion at the end of 2004, against AED 366.91 billion at the end of 2003.

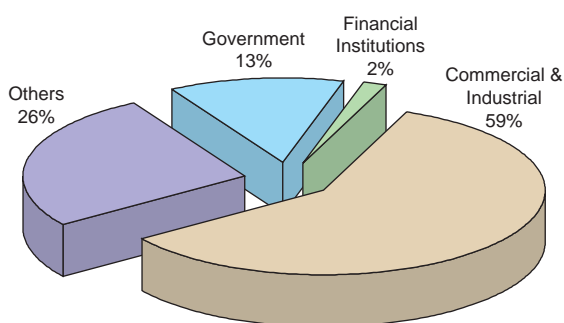
Cash and deposits with the Central Bank increased by AED 11.23 billion (41.2%) to reach AED 38.52 billion at the end of 2004.

Net foreign assets of banks reached AED 83.99 billion at the end of 2004, recording an increase by AED 2.56 billion (3.1%). This was due to the fact that foreign assets increased by AED 14.65 billion (13.1%) to reach AED 126.38 billion, while foreign liabilities rose by AED 12.10 billion (39.9%) to reach AED 42.39 billion.

Credit extended by banks operating in the country increased by AED 60.71 billion (26.9%) to record AED 286.72 billion, against an increase by AED 35.12 billion (18.4%) recorded in 2003. Growth in this item at the end of 2004 had mainly occurred in credit extended to residents, which rose by AED 50.05 billion (25.4%) to reach AED 246.95 billion. Likewise, credit extended to non-residents rose by AED 10.66 billion (36.6%), to reach AED 39.77 billion.

Distribution of credit to residents according to type of facility shows that the increase in credit mainly occurred in loans, advances and overdrafts, which rose by AED 47.63 billion (26.4%). The bulk of this increase went to the industrial and trading enterprises, as the credit extended to these institutions rose by AED 21.39 billion (18.8%) at the end of 2004, forming

**Loans, Advances and Overdrafts (total)  
to Residents by Sectors**  
(As at End of December 2004)



59.2% of total loans, advances and overdrafts. Credit extended under "other", which includes, inter-alia, credit extended to individuals, also rose by AED 15.48 billion (34.5%). Credit extended to the government also rose by AED 9.53 billion (48.5%), and credit extended to financial institutions increased by AED 1.23 billion (54.0%).



Credit extended to residents against discounted commercial bills grew by AED 2.28 billion (38.6%), and credit extended to residents in the form of mortgaged real estate loans rose by AED 132 million (1.3%).

**Table (2 - 12)**  
**Credit (Gross) Extended by Banks**

(In Millions of AEDs)

Items	2003	2004
<b>1) Credit to Residents:</b>	<b>196,905</b>	<b>246,953</b>
A) Loans, Advances and Overdrafts	180,516	228,148
- Government	19,650	29,184
- Financial Institutions	2,273	3,500
- Industrial and Commercial Institutions	113,761	135,149
- Other	44,832	60,314
B) Mortgaged Real Estate Loans	10,472	10,604
C) Discounted Commercial Bills	5,917	8,201
<b>2) Credit to Non-Residents:</b>	<b>29,107</b>	<b>39,767</b>
A) Loans, Advances and Overdrafts	24,722	31,270
B) Real Estate Mortgaged Loans	114	161
C) Discounted Commercial Bills	4,271	8,336
<b>Total Bank Credit</b>	<b>226,012</b>	<b>286,720</b>

Analysis of credit according to economic activity shows that most economic sectors witnessed variations in the amounts of bank credit they had received. Credit extended to the trade sector rose by AED 12.45 billion (21.8%), reaching AED 69.50 billion at the end of 2004. Likewise, credit extended to the government rose by AED 9.53 billion, to the construction sector by AED 4.84 billion (18.0%), to the mining and industry sectors by AED 3.14 billion (23.8%), to other financial institutions by AED 1.23 billion (54.1%), to the transportation, storage and communication sector by AED 509 million (8.0%) and to the agriculture sector by AED 32 million (3.9%). Meanwhile, credit to the water and electricity sector dropped by AED 2.01 billion (18.1%) while credit extended to other sectors increased by AED 20.34 billion (34.1%).

**Table (2 - 13)****Bank Credit (Gross) to Residents by Economic Activity**

(In Millions of AEDs)

<b>Economic Sectors</b>	<b>2003</b>	<b>2004</b>
- Agriculture	830	862
- Mining and Industry	13,159	16,294
- Electricity and Water	11,110	9,099
- Construction	26,845	31,681
- Trade	57,053	69,501
- Transportation, Storage and Communication	6,325	6,834
- Other Financial Institutions	2,272	3,501
- Government	19,650	29,184
- Others	59,662	79,997
<b>Total</b>	<b>196,906</b>	<b>246,953</b>

By the end of 2004, total deposits with banks operating in the country amounted to AED 297.18 billion, recording an increase of AED 59,62 billion (25.1%) compared to its level at the end of 2003.

**Table (2 - 14)****Deposits According to Ownership\***

(In Millions of AEDs)

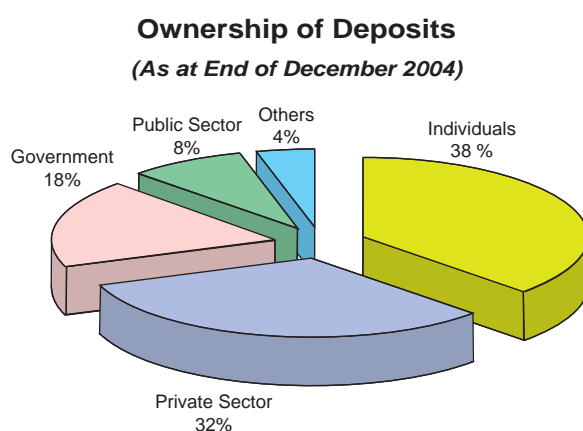
<b>Sectors</b>	<b>2003</b>	<b>2004</b>
<b>Total Deposits</b>	<b>237,557</b>	<b>297,180</b>
<b>A) Residents Deposits</b>	<b>226,338</b>	<b>283,626</b>
- Government	40,133	51,786
- Public Sector**	20,621	23,344
- Private Sector**	67,657	90,779
- Individuals	90,360	106,186
- Others	7,567	11,532
<b>B) Non-Residents Deposits</b>	<b>11,219</b>	<b>13,553</b>

\* Including resident deposits with branches of national banks abroad (including offshore units) and their subsidiaries abroad.

\*\* Including Business Sector, Industry and Financial Institutions.

The increase at the end of 2004 mainly occurred in residents deposits which rose by AED 57.29 billion (25.3%). Non-residents deposits also increased by AED 2.33 billion (20.8%).

Data on the distribution of residents' deposits by ownership indicate that individuals' deposits grew by 17.5% to form 37.4% of total residents' deposits. Deposits of the private sector, which include business, industries and financial institutions, also grew by 34.2% to constitute 32.0% of total residents' deposits. Meanwhile, government deposits constituted 18.3%, and public sector and other deposits constituted 8.2% and 4.1% respectively.



Excluding government deposits and commercial prepayments, total deposits classified according to type reflected an increase in current deposits by AED 25.57 billion (44.2%). Time deposits increased by AED 18.68 billion (15.6%) and savings deposits increased by AED 2.54 billion (16.0%).

**Table (2 - 15)**

**Deposits According to Type and Currency \***

(In Millions of AEDs)

Items	2003	2004
<b>A) Type:</b>		
-Current Deposits	57,856	83,421
-Savings Deposits	15,855	18,397
-Time Deposits	120,068	138,751
<b>Total</b>	<b>193,779</b>	<b>240,567</b>
<b>B) Currency:</b>		
-Deposits in Local Currency	134,992	165,743
-Deposits in Foreign Currency	58,787	74,826
<b>Total</b>	<b>193,779</b>	<b>240,569</b>

Notes : \* Excluding Government deposits, commercial prepayments and Inter-bank deposits.  
 \* Excluding inter-bank deposits  
 \* Including residents' deposits with branches of national banks abroad (including offshore units) and subsidiaries abroad.

Distribution of private deposits, according to type of currency as at end of 2004, shows that deposits in local currency increased by AED 30.75 billion (22.8%). while deposits in foreign currency rose by AED 16.04 billion (27.3%). Accordingly, deposits in local currency accounted for 68.9% of total private deposits.

An analysis of banks' capital position at the end of 2004 shows that the total of capital and reserves accounts reached AED 52.46 billion, an increase of AED 8.01 billion (18.0%), compared to the end of 2003. Accordingly, the ratio of capital and reserves to total assets reached 11.7%.

Banks' net unclassified liabilities rose by AED 1.65 billion (4.3%) to reach AED 40.03 billion at the end of 2004. This resulted from an increase of AED 3.98 billion (8.5%) in unclassified liabilities, which reached AED 51.11 billion at the end of 2004, and a rise of AED 2.34 billion (26.7%) in unclassified assets, which reached AED 11.08 billion.

## 6. Consumer Price Index

Data recently published by the Ministry of Economy & Planning indicate that the general consumer price index (2000 base year) rose from 109.1 in 2003 to 114.2 in 2004 (4.7%).

Due to price rises in all major expenditure groups, the index for the housing and related housing services rose from 112.7 in 2003 to 120.2 in 2004, for the foodstuffs, beverages and tobacco rose from 104.7 to 110.2, for the transportation and communications from 106.6 to 112.9 and for the medical care and medical services from 115.3 to 118.8. The index for the remaining groups registered only slight increases.

## 7. The Balance of Payments

The balance of payments achieved an overall surplus of AED 12.8 billion in 2004 against a surplus of AED 4.7 billion in 2003. Both the trade balance and the current account reflected higher surpluses compared to 2003, while the negative balance of the capital and financial account increased by 8.3%.

Despite an increase by 18.3% in value of total imports (FOB) compared to 2003, the surplus in the trade balance rose by 34.0% in 2004 compared to 2003, to reach AED 104.9 billion. This was mainly due to the increase in receipts of exports of the hydrocarbon sector, other exports and re-exports, and accordingly the value of total exports and re-exports increased by 23.3% in 2004 compared to 2003, reaching AED 303.9 billion.

The increase in value of exports of the hydrocarbon sector was mainly due to increased production volumes resulting from increase in the refining capacity, gas production capacity and the expansion in production of condensates on the one hand, and to the increase in oil prices and hence prices of gas, condensates and petroleum products, during 2004 compared to 2003, on the other. The weighted average price of oil rose from US \$ 28.1 a barrel in 2003 to US \$ 36.1 a barrel in 2004 (28.5%). This, in turn, led to an increase in value of exports of oil (including condensates which are not included in the country's production quota set by OPEC) from AED 81.2 billion in 2003 to AED 108.8 billion in 2004 (34.0%) and in value of exports of gas by 19.9%, compared to 2003, to reach AED 17.2 billion. The value of exports of petroleum products also increased to AED 15.2 billion in 2004 against AED 13.0 billion in 2003 (16.7%).

The value of commodity exports including the free zones continued to rise over the past few years, to reach AED 60.9 billion in 2004 against AED 51.2 billion in 2003 (19.1%). Exports of the free zones constitute 80.0% of the country's commodity exports, valued at AED 48.0 billion in 2004. Moreover, the value of re-exports (including non-monetary gold) also rose from AED 86.1 billion in 2003 to AED 101.8 billion in 2004 (18.3%). A substantial portion of this increase reflect increased reliance by some GCC countries on the country's seaports for imports, as a result of the GCC Countries Customs Union.

On the other hand, the value of total imports FOB (including free zone imports) increased from AED 168.3 billion in 2003 to AED 199.0 billion in 2004. This may be attributed to rapid construction and building activity, rising domestic and external demand resulting from population increase and the need to meet the requirements of re-exports.

Due to the increase in estimated net imports CIF (minus estimated total value of re-exports and exclusive of imports of free zones and imports of non-monetary gold) by 19.4% in 2004 compared to 2003, with an increase by 6.9% in population, imports per capita rose from AED 15.3 thousand in 2003 to AED 17.1 thousand in 2004.

Data on the structure of imports during 2004 show that consumer, capital and intermediate goods maintained almost the same shares recorded in 2003, reaching 60.0%, 30.0% and 10.0% of total imports respectively.

The geographical distribution of the total value of imports shows that the share of European countries dropped from 30.1% in 2003 to 29.8% in 2004. Within this group, the share of the Republic of Germany was the highest, increasing from 7.1% to 7.5%. The share of Asian countries rose slightly to 45.0% against 44.7% in 2003. It is noteworthy that countries of this group maintained the same respective shares recorded last year. Meanwhile, the share of the American countries declined from 9.9% in 2003 to 9.6% in 2004.

**Table (2 - 16)****Estimates of U.A.E. Balance of Payments \***

(In Billions of AEDs)

<b>Items</b>	<b>2003*</b>	<b>2004*</b>
<b>Current Account</b>	<b>27.73</b>	<b>47.51</b>
<b>Trade Balance (FOB)</b>	<b>78.26</b>	<b>104.86</b>
Total Exports of Hydrocarbon	108.57	141.18
Oil Exports	81.22	108.79
Petroleum Products Exports	12.99	15.16
Gas Exports.	14.36	17.23
Total Goods Exports	51.93	60.94
Free Zone Exports	41.34	47.97
Other Exports <sup>1</sup>	10.59	12.97
Re-Exports <sup>2</sup>	86.06	101.78
<b>Total Exports and Re-Exports (FOB)</b>	<b>246.56</b>	<b>303.90</b>
<b>Total Imports (FOB)</b>	<b>-168.29</b>	<b>-199.04</b>
<b>Total Imports (CIF)</b>	<b>-191.24</b>	<b>-226.18</b>
Other Imports <sup>3</sup>	-147.93	-175.68
Free Zone Imports	-43.31	-50.50
Services (Net)	-33.27	-39.72
Travel	-9.25	-10.58
Transportation	-1.19	-2.12
Government Services	0.11	0.16
Freight and Insurance	-22.95	-27.14
Investment Income(Net)	-0.14	0.93
Banking System <sup>4</sup>	1.66	2.72
Private Non-Banks	0.28	0.30
Public Sector Enterprises	7.16	13.91
Foreign Hydrocarbon Companies in UAE	-9.24	-16.00
Transfers (Net)	-17.12	-18.57
Government Transfers	-1.00	-1.50
Workers Transfers	-16.12	-17.07

1) Including Estimates of Exports from all Emirates.

2) Including Re-Exports of Non-Monetary Gold.

3) Including Imports of all Emirates and Imports of Non-Monetary Gold.

4) Central Bank and All Banks.

\* Adjustable preliminary Estimates

**Table (2 - 16)****Estimates of U.A.E. Balance of Payments \***

(In Billions of AEDs)

<b>Items</b>	<b>2003*</b>	<b>2004*</b>
<b>Capital and Financial Account (Net)</b>	<b>-19.58</b>	<b>-21.21</b>
Capital Account <sup>5</sup>	-	-
Financial Account	-19.58	-21.21
Private Sector Enterprises	19.44	39.80
Direct Investment	11.99	27.00
Outward	-3.64	-3.70
Inward	15.63	30.70
Portfolio Investments	-	7.35
Banks	1.05	-2.56
Securities	-6.55	0.40
Other Investment	7.60	-2.96
Private Non-Banks	6.40	8.01
Public Sector Enterprises	-39.02	-61.01
Net Errors and Omissions	-3.42	-13.47
<b>Overall Balance: Surplus (+) or Deficit (-)</b>	<b>4.73</b>	<b>12.83</b>
<b>Changes in Reserves {(-) Indicates Increase}</b>	<b>-4.73</b>	<b>-12.83</b>
Net Foreign Assets with Central Bank	-4.59	-12.97
Reserve Position with IMF	-0.14	0.14

5) Data non available at present

\* Adjustable preliminary Estimates



The balance of the current account rose by 71.3% in 2004 compared to 2003 to reach AED 47.5 billion. Within its items which are not indicated above, the outcome of investment income increased from AED -142 million in 2003 to AED 931 million in 2004. The debit balance of the freight and insurance, tourism, travel and government services continued to rise, reaching AED 39.7 billion in 2004, against AED 33.3 billion in 2003.

The negative value of the capital and financial account rose by 8.3% in 2004, compared to 2003, to reach AED -21.2 billion. This was mainly due to the increase in the negative value of the enterprises of the public sector item, despite the increase in the private sector enterprises from AED 19.4 billion in 2003 to AED 39.8 billion in 2004.

## 8. Financial Markets

### 8-1 Abu Dhabi Securities Market (ADSM)

#### 8-1-1 ADSM Performance during 2004

ADSM recorded marked growth in all performance indicators during 2004. Trading volume increased by 343%, number of traded shares rose by 303% and number of executed deals by 228% compared to 2003. The number and market capitalization of listed companies have also increased.

##### *a) Trading Volume (Value of traded shares)*

Trading volume increased by AED 12.66 billion during 2004 to reach AED 16.34 billion compared to AED 3.69 billion at the end of 2003.

In terms of sectorial contribution to trading volume, the banking sector ranked first, forming 44.9% of the market's total trading volume. The services sector ranked second with a ratio of 36.8%, followed by the industry sector with a ratio of 10.4% and the insurance sector with a ratio of 6.0% and finally, hotels sector with a ratio of 1.8%

##### *b) Number of Traded Shares*

The number of traded shares rose by 713.9 million shares during 2004, reaching 947.2 million shares, compared to 235.2 million shares at the end of 2003.

With regard to distribution of traded shares by sector, the industry sector ranked first, with number of traded shares forming 44.0% of total traded shares. The banking sector ranked second with a ratio of 38.9%, followed by the services sector (13.7%) , the insurance sector (3.2%) and finally the hotels sector (0.2%).

*c) Number of Deals*

The number of executed deals rose by 57.9 thousands to reach 83.3 thousand deals at the end of 2004, compared to 25.4 thousand deals at the end of 2003.

With regard to distribution of executed deals by sector, the banking sector ranked first with 39.1% of the total. The services sector followed next with a ratio of 34.8%, followed by the industry sector (21.4%), the insurance sector (3.8%) and finally the hotels sector (0.9%).

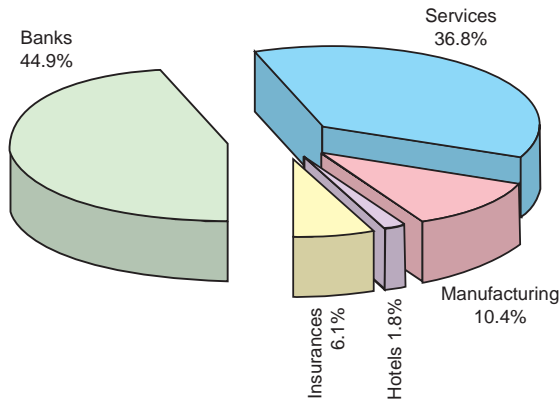
*d) Number of Listed Companies*

The number of listed companies reached 34 at the end of 2004, compared to 30 at the end of 2003. The market capitalization of local listed companies amounted to AED 176.6 billion, i.e. an equivalent of 46.6% of gross domestic product.

e) *Share Prices Indicator (Index)*

ADSM price index rose by 1314 points for 2003 closing, reaching 3070.9 points for 2004 closing, i.e., an increase of 74.8%. The industry index achieved the highest increase (92.9%) followed by the banking index (86.9%), the services sector (67.5%), the insurance sector (55.3%) and last the hotels sector (48.2%).

**Distribution of Trading Volume at ADSM by Sector - 2004**



**Table (2 - 17)****Abu Dhabi Securities Market**

	Number of Traded Shares		Value of Traded Shares		Number of Executed Deals	
	2003	2004	2003	2004	2003	2004
Banking Sector	96,535,497	368,808,694	1,633,280,694	7,341,902,392	11,891	32,570
Services Sector	24,118,397	129,592,613	1,392,174,040	6,022,297,000	9,355	29,010
Industry Sector	102,599,755	416,509,340	264,692,912	1,699,893,486	2,677	17,854
Hotels Sector	2,388,776	2,120,720	256,458,801	290,961,845	492	709
Insurance Sector	9,559,250	30,126,167	140,356,655	988,600,943	1,019	3,203
<b>TOTAL</b>	<b>235,201,675</b>	<b>947,156,864</b>	<b>3,686,963,102</b>	<b>16,343,637,666</b>	<b>25,434</b>	<b>83,346</b>

**8-2 Dubai Financial Market (DFM)****8-2-1 DFM Performance During 2004***a) Trading Volume (Value of traded shares)*

Trading volume increased by AED 46.68 billion during 2004, reaching AED 50.45 billion, compared to AED 3.77 billion at the end of 2003.

In terms of sectorial contribution to trading volume, the services sector ranked first with a ratio of 80.4% of the total by the end of 2004. The banking sector ranked second(13.2%), followed by the investment sector (6.1%) and the insurance sector (0.3%).

*b) Number of Traded Shares*

The total number of traded shares increased by 4.80 billion shares during 2004, reaching 5.12 billion shares, compared to 326.24 million shares at the end of 2003.

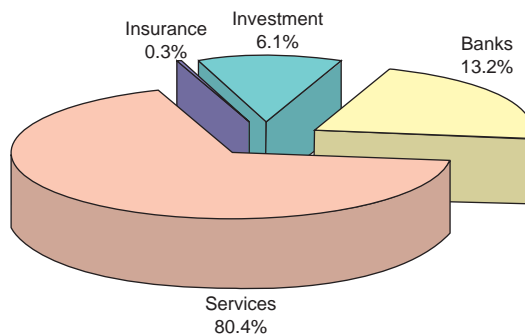
With regard to distribution of traded shares by sector, the services sector ranked first, with a ratio of 91.9% of the total traded. The investment sector ranked second (6.2%), followed by the banking sector (1.8%) and the insurance sector (0.1%)

*c) Number of Deals*

The total number of executed deals rose by 190.6 thousands to reach 215.9 thousand deals in 2004 compared to 25.3 thousand deals at the end of 2003.

With regard to distribution of executed deals by sector, the services sector ranked first, with a ratio of 81.4%. The banking sector followed (9.1%), the investment sector (9.1%) and the insurance sector (0.4%).

### Distribution of Trading Volume at DFM By Sector - 2004



**Table (2 - 18)**

#### Dubai Financial Market

Sector	Number of Traded Shares		Value of Traded Shares		Number of Executed Deals	
	2003	2004	2003	2004	2003	2004
Banking Sector	28,628,301	94,735,965	1,240,244,799	6,651,049,458	5,368	19,705
Services Sector	274,975,888	4,706,278,948	2,330,160,204	40,562,880,120	17,157	175,861
Insurance	321,185	4,647,700	6,775,238	155,662,487	96	857
Investment Sector	22,310,687	316,457,014	194,310,877	3,084,228,618	2,655	19,551
<b>TOTAL</b>	<b>326,236,061</b>	<b>5,122,119,587</b>	<b>3,771,491,118</b>	<b>50,453,820,682</b>	<b>25,276</b>	<b>215,934</b>

**PART - III**  
**CENTRAL BANK ACHIEVEMENTS**



## PART - III

### Central Bank Achievements

#### 1. Central Bank Balance Sheet

**The total assets/liabilities** of the Central Bank grew by AED 13.14 billion (24.1%) to reach AED 67.64 billion at the end of December 2004, against AED 54.50 billion at the end of 2003.

**On the assets side**, cash and bank balances rose by AED 996 million (208.8%) to reach AED 1.47 billion at the end of 2004, while deposits dropped by AED 6.47 billion (15.3%) to reach AED 35.86 billion. Held-to-maturity securities rose by AED 18.36 billion (163.9%) to reach AED 29.56 billion, and other assets increased by AED 393 million (161.1%) to reach AED 637 million. Fixed assets rose by AED 47 million (82.6%) to equal AED 104 million.

**On the liabilities side**, current accounts and deposits increased by AED 6.12 billion (39.8%) to reach AED 21.50 billion and certificates of deposit by AED 4.22 billion (35.8%) to reach AED 15.98 billion. Likewise, currency issued grew by AED 2.52 billion (15.8%) to reach AED 18.49 billion. The Federal Government's permanent deposit also increased by AED 240 million (2.5%) to reach AED 9.97 billion and other liabilities rose from AED 105 million at the end of 2003 to AED 146 million at the end of 2004.

**Table (3 - 1)**  
**Central Bank Balance Sheet**

(In Millions of AEDs)

Items	End of Period	December 2003	December 2004
<b><u>Assets</u></b>			
Cash & Banks Balances		477	1473
Deposits		42326	35861
Trading Securities		147	-
Held-To-Maturity Securities		11201	29564
Loans & Advances		50	-
Other Assets		244	637
Fixed Assets		57	104
<b>Total Assets</b>		<b>54502</b>	<b>67639</b>
<b><u>Liabilities</u></b>			
Current Accounts & Deposits		15381	21499
Certificates of Deposit		11762	15977
Permanent Deposit from Federal Government		9725	9965
Currency Issued		15969	18492
Other Liabilities		105	146
<b>Total Liabilities</b>		<b>52942</b>	<b>66079</b>
<b><u>Capital</u></b>			
Authorized Issued & Fully Paid Capital		300	300
General Reserve		1200	1260
Special Reserve		60	-
<b>Total Liabilities &amp; Capital</b>		<b>54502</b>	<b>67639</b>
Contra Accounts		483	1528

## 2. Central Bank Financial Results

The balance of foreign currency assets of the Central Bank reached AED 67.4 billion at the end of 2004, registering an increase of 24.35% , compared to 2003 level and accounting for 99.6% of the total Central Bank Assets. The daily average of these balances reached AED 59.1 billion during 2004, against AED 50.6 billion in 2003. This increase was due to the increase in the net US dollar sales of the government and banks operating in the country to the Central Bank, in addition to the increase in the statutory reserve.

Due to the increase in its foreign currency assets and the rise of interest rates thereon in addition to investment of a portion of its assets in foreign bonds, the Central Bank achieved a net profit of AED 801.9 million at the end of 2004, against AED 559.2 million at the end of 2003.

**Table (3 - 2)**

### **Investment of the Central Bank's Foreign Assets**

(In Billions of AEDs)

<b>Items</b>	<b>2003</b>	<b>2004</b>
<b>Total Foreign Assets</b>	<b>54,2</b>	<b>67,4</b>
– Central Bank's Investments in Securities, Premium Bonds and Treasury	11,3	29,6
– Deposit Accounts With Banks Abroad	42,8	37,3
– Other Foreign Assets	0,1	0,5
<b>– Net Profit From Foreign Assets</b>	<b>0,5</b>	<b>0,9</b>
<b>– Net Profit</b>	<b>0,6</b>	<b>0,8</b>

### **3. 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 "Fills".

#### **3-1 Currency Notes**

The total value of issued currency notes of various denominations reached AED 18.19 billion at the end of 2004, against AED 15.68 billion at the end of 2003, an increase of AED 2.50 billion (16.0%).

#### **3-2 Currency Coins**

The total value of issued non-gold currency coins of various denominations reached AED 303.56 million at the end of 2004, against AED 285.85 million at the end of 2003, an increase of AED 17.70 million (6.2%).

#### **3-3 New Issues During 2004**

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

On 1/9/2004, the Central Bank issued the reprinted currency note of AED 50 denomination with new security features incorporating a demetallized filigree foil (Oryx Head) design, surrounded by an interlocking pattern showing the value of the note on the right hand side of the note. The watermark which appears in the form of a falcon head on the left side of the note's front has been improved by addition of a coffee pot and value numerals which becomes visible when the note is viewed against direct light.

##### **3-3-2 Commemorative Coins**

In contribution to the commemoration of national occasions, the Central Bank issued on 1/6/2004 a gold coin , a silver coin and a commemorative dirham on the 40th anniversary of export of the first oil shipment from Abu Dhabi off-shore fields, in favor of Abu Dhabi Company for Onshore Oil Operations (ADCO).

## 4. Organization of the Banking and Financial Sector

### 4-1 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 2004. The most important of these measures are summarized as follows:

1. *Notice No. 984/2004 dated 7/4/2004*, regarding facilities for customers with special needs( Handicapped). The Central Bank had received a letter from a group of disabled individuals requesting that some facilities be provided to them given their special needs, particularly with respect to use of ATMs. In response, the Central Bank called upon all banks around the country which have ATMs, to carry out the following:
  - a. Assign a special entrance for the disabled , to avoid any obstacles.
  - b. Assign a special window inside the bank's hall for their transactions
  - c. Provide an ATM with a low height for the disabled
  - d. Allocate a special parking right in front of the bank for the disabled
2. *Notice No. 1850/2004 dated 14/6/2004*, regarding loans and credit facilities to officers and staff of the General Head Quarters of The Armed Forces. In an attempt to clearly and precisely specify the relationship between banks and financing companies on the one hand and their borrower customers on the other, for the interest of both parties, the Central Bank discussed certain items relating to the above subject with the General Head Quarters of The Armed Forces, for the interest of officers

and staff of the Armed Forces, those wanting to borrow from banks, as follows:

- a. Personal consumer loans for the staff of the General Head Quarters of The Armed Forces shall be defined as "loans" extended to the officers and staff of the armed forces for specific purposes, secured by assigning salary and gratuity. It is prohibited to take the private houses of officers and staff of the Armed Forces as security for these loans, or take personal guarantees of UAE nationals as security when these loans are extended to non- national staff.
- b. The amount of a personal consumer loan should not exceed fifteen-folds (15) the monthly salary of a borrowing officer or staff of the General Head Quarters of the Armed Forces. Monthly installments must be in a reasonable proportion to the borrower's salary and the deducted amount should not exceed 25% of his gross salary.
- c. The period of a personal consumer loan as per this Notice should not exceed 60 months.
- d. No penalty of any sort should be imposed , if a borrowing officer or staff of the General Head Quarters of the Armed Forces chooses to prepay his loan (any of the three types of loans).
- e. if any bank fails to honor its commitments towards the General Head Quarters of the Armed Forces in respect of services mentioned herein, the General Head Quarters of the Armed Forces shall transfer the salary of the officer or the staff concerned to any other bank without referring to the bank that extended the loan/ credit facilities.

3. *Notice No- 2446/2004 dated 28/7/2004*: Based on the ongoing coordination and cooperation between the Central Bank of the UAE, on one hand, and the concerned authorities in the United Kingdom, on the other hand, regarding shipments of "Sterling Pound banknotes", which banks and moneychangers in the UAE import, or ship to the UK, and for the purpose of controlling this operation and increasing its transparency, which would make it easier for concerned authorities in the UK to understand the purpose of such operations, the Central Bank requested banks and moneychangers in the country to provide the following data:
- a. The amount your bank (or your moneychanger) imported of Sterling Pound banknotes from the UK from the beginning of 2004 up to 30 June 2004, distributed on a monthly basis and the purpose of importation.
  - b. Amounts of the Sterling Pound banknotes shipped to the UK, distributed also on a monthly basis for the same period.
  - c. Amounts of the Sterling pound banknotes imported from other countries except the UK, as a total on a monthly basis for the same period, specifying the country and underneath it the imported amount for the whole period.
  - d. Amounts of the Sterling pound banknotes shipped to other countries except the UK, as a total on a monthly basis for the same period, specifying the country and underneath it the shipped amount for the whole period.

4. *Notice No- 2487/2004 dated 4/8/2004* regarding change of name of "Credit Agricole Indosuez" to "Calyon – Corporate & Investment Bank", with effect from 25/7/2004.
5. *Notice No. 2261/2004 dated 4/8/2004*, whereby the Central Bank informed all banks and other financial institutions operating in the country that it has developed a new electronic system called "Online STR System". This system would particularly facilitate the process of transmitting these reports, specially by banks and moneychangers to the Anti-Money Laundering and Suspicious Cases Unit.
6. *Notice No. 2970/2004 dated 5/10/2004* regarding change of name of "Middle East Bank" to "Emirates Islamic Bank", with effect from 9/10/2004.
7. *Notice No. 3191/2004 dated 26/10/2004* whereby the Central Bank reminded banks of the need to strictly adhere to Central Bank requirements under circular No- 19/97 dated 4/11/1997, particularly in regard to the limitations on loans extended to subscribers in the public subscription of companies under establishment, particularly Clause (3) of the above mentioned circular, which states the following:

"Loans extended to subscribers in the public subscription of companies under establishment against an undertaking to pledge their allotted shares should not exceed 10% of the nominal value of the subscribed shares, except in the case where the issuing company or the bank receiving the subscription funds (subscription bank) undertakes to refund excess funds directly to the lending bank (or lending party). In this case, the percentage may be raised to 50% of the nominal value of the subscribed shares".



8. *Notice No. 3319/2004 dated 24/11/2004*, whereby the Central Bank requested all banks operating in the country, while issuing LCs, to clarify the intended boycott degree, as per the interpretation issued by the Ministry of Economy & Commerce (currently Ministry of Economy & Planning) in this regard, based on the Ministry of Foreign Affairs letter dated 11/10/2004.
  
9. *Notice No. 2458/2004 dated 13/12/2004* regarding import and export of Sterling Pound banknotes from/to the United Kingdom, whereby the Central Bank requested banks and moneychangers to provide previously requested data, but for the months from July to November 2004.

## 4-2 Structure of the Banking System

The number of the locally incorporated banks operating in the country remained unchanged during 2004 at 21 banks. The number of branches and cash offices of these banks increased from 367 (330 branches and 37 cash offices) at the end of 2003, to 383 (344 branches and 39 cash offices) at the end of 2004.

The number of foreign banks operating in the country, their branches and cash offices remained unchanged during 2004 , compared to 2003, at 25 head offices and 87 branches (including one cash office and three customer service offices).

## 4-3 Representative Offices

The number of licensed representative offices of foreign banks and other financial institutions in the country reached 50 by the end of 2004, compared to 48 offices at the end of December 2003, following issuance of new licenses and cancellation of others by the Central Bank. The following table shows names of new representative offices licensed during 2004.

**Table (3 - 3)**  
**New Representative Offices Licensed in 2004**

Serial	Representative Office	Emirate
1.	ING Asia Private Bank – Ltd.	Dubai
2.	Sanpaolo IMI S.P.A.	Dubai
3.	Commercial International Bank (Egypt) LLC	Dubai

#### 4-4 Moneychangers

At the end of 2004, the number of head offices of moneychangers operating in the country reached 110, with 182 branches, against 108 head offices and 166 branches at the end of 2003.

**Table (3 - 4)**  
**Number and Geographical Distribution of**  
**Licensed Moneychangers in the U.A.E.**  
**(As at 31-12-2004)**

<b>Emirate</b>	<b>Head Office</b>	<b>Branch</b>	<b>Total</b>
Abu Dhabi	21	43	64
Dubai	69	78	147
Sharjah	10	32	42
Ras Al Khaimah	2	4	6
Fujairah	1	5	6
Ajman	2	3	5
Al Ain City	4	16	20
Khor Fakkan City	1	1	2
<b>Total</b>	<b>110</b>	<b>182</b>	<b>292</b>

#### 4-5 Monetary and Financial Brokers

The number of licensed monetary and financial brokers remained unchanged, compared to their number at the end of 2003, at 32 head offices and one branch.

#### **4-6 Financial Investment Companies and Banking, Financial and Investment Consultation Establishments and Companies**

The number of financial investment companies and banking, financial and investment consultation establishments and companies reached 18 at the end of 2004, following issuance of new licenses and cancellation of others by the Central Bank. The following table shows companies licensed during 2004.

**Table (3 - 5)**

#### **Financial Investment Companies and Banking, Financial and Investment Consultation Establishments and Companies Licensed During 2004**

<b>Serial</b>	<b>Company Name</b>	<b>Emirate</b>
1.	Union National Financial Consultancies LLC	Dubai

#### **4-7 Financing Companies**

The number of licensed financing companies increased from 6 companies at the end of December 2003 to 7 companies at the end of December 2004.

**Table (3 - 6)**

#### **Financing Companies Licensed During 2004**

<b>Serial</b>	<b>Company Name</b>	<b>Emirate</b>
1.	Finance House, P.J.C.	Dubai

# **PART - IV**

## **STATISTICAL SUPPLEMENT**

## STATISTICAL SUPPLEMENT

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## **Independent Auditor's Report to the Directors of The Central Bank of the United Arab Emirates**

We have audited the accompanying balance sheet of the Central Bank of the United Arab Emirates ("the Bank") as of 31 December 2004 and the related statements of income and cash flows for the year then ended.

### **Respective Responsibilities of the Bank's Management and the Auditors**

These financial statements are the responsibility of the Bank's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

### **Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

### **Opinion.**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Central Bank of the United Arab Emirates as at 31 December 2004, and the results of its operations, and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### **Other Matters**

We further confirm that proper financial records have been kept by the Bank and the financial statements are in agreement therewith.

K.P.M.G.  
Abu Dhabi  
12 February 2005

**Table (4 - 1)**

**Central Bank of the United Arab Emirates  
Statement of Profit and Loss Account  
for the Year as at 31/12/2004, 2003**

(In Thousands of AED's)

Item	End of Period	
	2003	2004
Interest Income	497,174	530,552
Investment Income	135,048	627,005
Interest Expenses	(170,256)	(218,255)
<b>Net Interest Income</b>	<b>461,966</b>	<b>939,302</b>
Other Income	15,044	18,128
Profit on Sale of Gold	221,134	-
Net Gain / (Loss) on Revaluation of Foreign Currencies	492	345
Administration Expenses	(144,421)	(155,873)
Provisions Recovered from BCCI	5,013	-
<b>Net Profit</b>	<b>559,228</b>	<b>801,902</b>



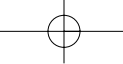


Table (4 - 2)

**Central Bank of The United Arab Emirates  
Balance Sheet as at 31 December 2004, 2003**

(In Thousands of AED's)

Assets	2003	2004	Liabilities	2003	2004
Current and Call Accounts	477,177	1,472,772	Current Accounts & Deposits	15,381,022	21,499,422
Placement with Banks	42,326,049	35,860,693	Certificates of Deposit	11,762,000	15,977,000
Available for Sale Securities	146,847	-	Permanent Deposit from		
Held-to-Maturity Securities	11,201,125	29,563,625	U.A.E. Government	9,724,746	9,965,295
Loans & Advances	50,000	-	Currency Issued	15,969,048	18,491,615
Other Assets	244,156	637,525	Other Liabilities	105,559	145,674
Fixed Assets	57,021	104,391	<b>Total Liabilities</b>	<b>52,942,375</b>	<b>66,079,006</b>
			<b>Capital</b>		
			Authorised, Issued & Fully Paid Capital	300,000	300,000
			General Reserve	1,200,000	1,200,000
			Special Reserve	60,000	60,000
				1,560,000	1,560,000
<b>Total Assets</b>	<b>54,502,375</b>	<b>67,639,006</b>	<b>Total Liabilities &amp; Capital</b>	<b>54,502,375</b>	<b>67,639,006</b>
Off Balance Sheet Commitments	482,934	1,527,936	Off Balance Sheet Commitments	482,934	1,527,936

*Sultan Bin Nasser Al-Suwaidi  
Governor*

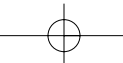


Table (4 - 3)

## Aggregated Balance Sheet of Banks \*

(In Millions of AED's)

Item	End of Period	2004												
	2003	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Assets</b>														
<b>Cash &amp; Deposits with C.B.</b>	<b>27,283</b>	<b>31,735</b>	<b>31,804</b>	<b>32,226</b>	<b>32,199</b>	<b>33,185</b>	<b>31,522</b>	<b>31,956</b>	<b>32,824</b>	<b>31,650</b>	<b>32,180</b>	<b>31,786</b>	<b>38,515</b>	
Cash in Hand (L.C.)	2,184	2,707	2,155	2,074	2,299	2,107	2,190	2,352	2,221	2,244	2,738	2,477	2,714	
Deposits with Central Bank	25,099	29,028	29,649	30,152	29,900	31,078	29,332	29,604	30,603	29,406	29,442	29,309	35,801	
<b>Due From Resident Banks</b>	<b>15,362</b>	<b>21,592</b>	<b>16,544</b>	<b>11,909</b>	<b>13,479</b>	<b>14,701</b>	<b>13,887</b>	<b>13,834</b>	<b>21,000</b>	<b>13,018</b>	<b>14,547</b>	<b>12,183</b>	<b>17,046</b>	
Money at Call & Short Notice	2,461	1,667	1,439	1,652	2,115	2,139	1,946	1,533	5,694	1,234	1,305	960	1,498	
Demand Deposits	312	2,495	3,123	540	573	534	738	646	1,867	574	544	627	801	
Time Deposits	12,539	17,366	11,904	9,676	10,738	11,819	11,101	11,587	13,379	11,114	12,646	10,523	14,681	
Cheques in the Course of Collection	50	64	78	41	53	209	102	68	60	96	52	73	66	
<b>Foreign Assets</b>	<b>111,727</b>	<b>111,686</b>	<b>114,812</b>	<b>108,087</b>	<b>112,154</b>	<b>112,590</b>	<b>112,684</b>	<b>115,563</b>	<b>124,506</b>	<b>113,679</b>	<b>116,346</b>	<b>119,107</b>	<b>126,381</b>	
Net Due from Head Office and / or Branches Abroad	10,614	10,617	16,163	9,947	9,478	10,191	8,425	9,210	9,268	9,010	9,565	7,606	7,619	
Due From Other Banks Abroad	36,813	36,119	34,038	31,571	34,156	31,876	32,859	33,697	44,087	34,894	36,987	40,221	44,021	
Cash in Hand (F.C.)	195	64	95	87	80	97	83	70	88	97	91	96	102	
Securities **	33,730	32,965	32,961	33,112	34,441	35,627	36,021	35,836	32,699	32,745	32,486	33,158	33,326	
Credit to Non-Residents **	29,107	30,696	30,295	32,096	32,806	33,476	33,726	35,349	36,888	35,457	35,777	36,497	39,768	
Other Foreign Assets	1,268	1,225	1,260	1,274	1,193	1,323	1,570	1,401	1,476	1,476	1,440	1,529	1,545	

\* Including Deposits of UAE Residents Booked in Overseas Branches (Including off-shore units) and Subsidiaries of National Banks abroad, But Excluding Overseas Branches of National Banks.

\*\* Including provisions for bad and doubtful debts as well as interest in suspense.

Table (4 - 3 Contd.)

## Aggregated Balance Sheet of Banks \*

(In Millions of AED's)

Item	End of Period	2004											
	2003	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.
<b>Domestic Credit &amp; Investments**</b>	<b>203,792</b>	<b>214,023</b>	<b>212,417</b>	<b>215,822</b>	<b>219,484</b>	<b>229,008</b>	<b>229,432</b>	<b>233,096</b>	<b>249,370</b>	<b>246,018</b>	<b>251,372</b>	<b>257,224</b>	<b>256,999</b>
<b>a) Credit Facilities</b>	<b>196,906</b>	<b>206,943</b>	<b>205,135</b>	<b>207,698</b>	<b>211,851</b>	<b>221,368</b>	<b>221,745</b>	<b>225,223</b>	<b>241,561</b>	<b>238,209</b>	<b>243,354</b>	<b>247,836</b>	<b>246,953</b>
<b>Claims on Government</b>	<b>19,650</b>	<b>20,114</b>	<b>21,724</b>	<b>23,100</b>	<b>24,367</b>	<b>24,049</b>	<b>25,265</b>	<b>26,697</b>	<b>28,693</b>	<b>29,134</b>	<b>32,296</b>	<b>30,113</b>	<b>29,184</b>
<b>Claims on Official Entities</b>	<b>12,215</b>	<b>12,875</b>	<b>11,790</b>	<b>13,116</b>	<b>13,096</b>	<b>13,094</b>	<b>13,338</b>	<b>12,616</b>	<b>12,113</b>	<b>13,544</b>	<b>11,548</b>	<b>12,573</b>	<b>12,479</b>
Loans, Advances & Overdrafts	12,215	12,875	11,790	13,116	13,096	13,094	13,338	12,616	12,113	13,544	11,548	12,573	12,479
<b>Claims on Private Sector</b>	<b>162,769</b>	<b>171,110</b>	<b>169,226</b>	<b>168,959</b>	<b>171,818</b>	<b>180,901</b>	<b>180,150</b>	<b>183,000</b>	<b>197,301</b>	<b>191,786</b>	<b>196,015</b>	<b>197,546</b>	<b>201,789</b>
Commercial Bills	5,917	6,144	6,236	6,430	6,804	6,932	7,496	7,421	7,304	7,536	7,893	8,050	8,201
Real Estate Mortgage Loans	10,472	10,577	10,507	10,553	10,532	10,687	10,695	10,755	10,720	10,889	10,428	12,299	10,604
Loans, Advances & Overdrafts	146,380	154,389	152,483	151,976	154,482	163,282	161,959	164,824	179,277	173,361	177,694	177,197	182,984
<b>Claims on other Financial Inst.</b>	<b>2,272</b>	<b>2,844</b>	<b>2,395</b>	<b>2,523</b>	<b>2,570</b>	<b>3,324</b>	<b>2,992</b>	<b>2,910</b>	<b>3,454</b>	<b>3,745</b>	<b>3,495</b>	<b>7,604</b>	<b>3,501</b>
Loans, Advances & Overdrafts	2,272	2,844	2,395	2,523	2,570	3,324	2,992	2,910	3,454	3,745	3,495	7,604	3,501
<b>b) Domestic Investments</b>	<b>6,886</b>	<b>7,080</b>	<b>7,282</b>	<b>8,124</b>	<b>7,633</b>	<b>7,640</b>	<b>7,687</b>	<b>7,873</b>	<b>7,809</b>	<b>7,809</b>	<b>8,018</b>	<b>9,388</b>	<b>10,046</b>
<b>Unclassified Assets</b>	<b>8,744</b>	<b>10,665</b>	<b>9,754</b>	<b>9,490</b>	<b>9,920</b>	<b>10,418</b>	<b>9,589</b>	<b>10,671</b>	<b>9,772</b>	<b>9,384</b>	<b>9,951</b>	<b>14,147</b>	<b>11,079</b>
Fixed Assets	2,536	2,536	2,506	2,510	2,518	2,528	2,561	2,551	2,567	2,573	2,594	2,620	2,767
Inter-Branch Transactions	124	374	316	163	262	458	183	671	164	275	341	458	155
Other Assets	6,084	7,755	6,932	6,817	7,140	7,432	6,845	7,449	7,041	6,536	7,016	11,069	8,157
<b>Total Assets/Liabilities **</b>	<b>366,908</b>	<b>389,701</b>	<b>385,331</b>	<b>377,534</b>	<b>387,236</b>	<b>399,902</b>	<b>397,114</b>	<b>405,120</b>	<b>437,472</b>	<b>413,749</b>	<b>424,396</b>	<b>434,447</b>	<b>450,020</b>

\* Including Deposits of UAE Residents Booked in Overseas Branches (Including off-shore units) and Subsidiaries of National Banks abroad, But Excluding Overseas Branches of National Banks.

\*\* Including provisions for bad and doubtful debts as well as interest in suspense.

Table (4 - 3 Contd.)

## Aggregated Balance Sheet of Banks \*

(In Millions of AED's)

Item	End of Period	2004												
	2003	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Liabilities</b>														
<b>Monetary Deposits</b>		<b>44,477</b>	<b>46,208</b>	<b>49,893</b>	<b>50,938</b>	<b>52,308</b>	<b>53,287</b>	<b>56,253</b>	<b>55,598</b>	<b>59,156</b>	<b>57,183</b>	<b>60,871</b>	<b>58,486</b>	<b>65,040</b>
Demand Deposits (L.C.)		43,867	44,965	49,226	50,111	51,599	52,518	55,333	54,872	58,398	56,268	59,726	57,566	64,253
Bankers Drafts		610	1,243	667	827	709	769	920	726	758	915	1,145	920	787
<b>Quasi-Monetary Deposits</b>		<b>142,338</b>	<b>142,311</b>	<b>145,014</b>	<b>147,891</b>	<b>148,187</b>	<b>147,179</b>	<b>147,704</b>	<b>146,950</b>	<b>155,632</b>	<b>150,694</b>	<b>152,083</b>	<b>159,518</b>	<b>167,588</b>
Time Deposits (L.C.)		76,241	75,559	75,763	76,439	75,942	75,902	75,664	74,665	79,813	76,350	76,433	82,890	84,114
Savings Deposits (L.C.)		13,133	13,153	13,352	14,026	14,500	14,700	14,849	14,598	14,674	14,534	14,508	14,334	14,905
Commercial Prepayments (L.C.)		2,620	3,224	2,758	2,842	2,969	3,176	3,211	3,351	3,502	3,426	3,513	4,343	3,656
Other Deposits (F.C.)		50,344	50,375	53,141	54,584	54,776	53,401	53,980	54,336	57,643	56,384	57,629	57,951	64,913
<b>Foreign Liabilities</b>		<b>30,294</b>	<b>31,769</b>	<b>37,562</b>	<b>31,536</b>	<b>33,580</b>	<b>34,407</b>	<b>36,573</b>	<b>45,554</b>	<b>39,671</b>	<b>41,553</b>	<b>45,136</b>	<b>43,985</b>	<b>42,391</b>
Net Due to Head Office and / or Branches Abroad		904	869	2,194	951	786	1,559	1,534	2,310	1,420	1,847	1,894	1,667	1,468
Due to Other Banks Abroad		16,329	18,078	22,548	17,624	19,988	19,682	21,635	27,681	22,595	24,159	27,611	26,324	25,497
Other Deposits (L.C. + F.C.)		11,219	11,005	11,030	11,133	10,986	11,596	11,691	13,838	13,925	13,772	13,843	14,204	13,553
Provisions <sup>(1)</sup>		1,354	1,352	1,356	1,356	1,343	1,216	1,346	1,340	1,341	1,335	1,343	1,343	1,353
Other Foreign Liabilities		488	465	434	472	477	354	367	385	390	440	445	447	520
<b>Government Deposits (L.C. + F.C.)</b>		<b>40,133</b>	<b>38,207</b>	<b>37,459</b>	<b>38,709</b>	<b>42,700</b>	<b>44,326</b>	<b>43,948</b>	<b>43,103</b>	<b>53,857</b>	<b>47,726</b>	<b>46,266</b>	<b>47,496</b>	<b>51,786</b>
<b>Government Lending Funds <sup>(2)</sup></b>		<b>23</b>	<b>23</b>	<b>19</b>	<b>23</b>	<b>23</b>	<b>21</b>	<b>21</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>

\* Including Deposits of UAE Residents Booked in Overseas Branches (Including off-shore units) and Subsidiaries of National Banks abroad, But Excluding Overseas 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 (4 - 3 Contd.)

## Aggregated Balance Sheet of Banks \*

(In Millions of AED's)

Item	End of Period	2004											
	2003	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.
Due to Central Bank	163	165	1,379	227	465	62	758	92	95	781	84	824	18
Capital & Reserves	44,455	44,373	45,602	46,514	46,076	46,340	47,186	48,095	48,819	49,656	49,964	50,749	52,463
Due to Resident Banks	17,899	24,301	16,860	14,597	15,921	17,247	16,172	16,396	23,650	15,184	16,723	18,192	19,607
Money at Call & Short Notice	1,207	1,716	1,552	1,398	1,645	1,160	1,646	1,030	1,577	964	1,429	1,280	3,257
Demand Deposits	774	865	790	564	632	614	713	1,016	775	558	664	905	1,712
Time Deposits	15,918	21,720	14,518	12,635	13,644	15,473	13,813	14,350	21,298	13,662	14,630	16,007	14,638
Unclassified Liabilities	47,126	62,344	51,543	47,099	47,976	57,033	48,499	49,314	56,574	50,954	53,251	55,179	51,109
Inter-Branch Transactions	34	48	78	33	104	236	221	38	34	33	46	52	217
Provisions <sup>(1)</sup>	31,983	32,480	32,406	32,427	32,511	32,316	32,209	32,303	32,082	33,609	33,158	33,599	29,768
Other Liabilities	15,109	29,816	19,059	14,639	15,361	24,481	16,069	16,973	24,458	17,312	20,047	21,528	21,124
Memoranda Accounts	412,193	446,170	507,664	461,875	450,184	458,305	465,377	455,532	458,909	467,529	475,846	452,845	481,786
Letters of Credit	49,258	49,735	50,012	52,838	53,364	54,546	53,677	54,664	52,581	53,372	52,027	51,923	54,221
Guarantees & Other Endorsements	88,180	90,378	90,113	89,323	92,664	94,073	95,354	99,838	101,436	103,306	103,187	103,840	109,872
Acceptances	7,524	8,274	8,773	8,410	9,488	9,831	9,315	10,356	10,276	9,608	10,507	10,263	10,520
Forward Exchange Contracts	141,208	172,999	231,493	178,048	161,779	163,952	163,704	147,917	151,803	145,974	162,478	131,450	133,740
Other Memoranda Accounts	126,023	124,784	127,273	133,256	132,889	135,903	143,327	142,757	142,813	155,269	147,647	155,369	173,433

\* Including Deposits of UAE Residents Booked in Overseas Branches (Including off-shore units) and Subsidiaries of National Banks abroad, But Excluding Overseas Branches of National Banks.

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

**Table (4 - 4)**  
**Monetary Survey \***

(In Millions of AED's)

End of Period Item	2003			2004									
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Net Foreign Assets</b>	<b>136,601</b>	<b>140,814</b>	<b>137,897</b>	<b>137,294</b>	<b>144,448</b>	<b>139,743</b>	<b>135,248</b>	<b>130,170</b>	<b>145,561</b>	<b>131,893</b>	<b>133,356</b>	<b>141,483</b>	<b>151,988</b>
Foreign Assets	167,244	172,952	177,627	173,228	178,496	174,611	172,295	198,229	185,701	173,935	178,979	185,971	194,927
Foreign Liabilities	-30,643	-32,138	-39,730	-35,934	-34,048	-34,868	-37,047	-68,059	-40,140	-42,042	-45,623	-44,488	-42,939
<b>Net Domestic Assets</b>	<b>63,999</b>	<b>62,599</b>	<b>70,986</b>	<b>75,978</b>	<b>70,781</b>	<b>75,559</b>	<b>83,500</b>	<b>86,870</b>	<b>83,323</b>	<b>90,579</b>	<b>94,920</b>	<b>91,818</b>	<b>96,418</b>
Net Claims on Government	-30,232	-28,056	-25,369	-25,002	-28,281	-30,055	-28,003	-25,866	-34,891	-28,293	-23,650	-26,366	-31,806
Claims on Official Entities	12,990	13,809	12,735	14,546	14,460	14,481	14,754	14,051	13,281	14,744	12,797	13,967	13,884
Claims on Private Sector	165,218	173,512	171,597	171,475	174,300	183,312	182,638	185,614	199,988	194,360	198,686	200,308	204,795
Claims on Nonbank Financial Institutions	4,251	5,063	4,824	5,019	5,075	5,882	5,486	5,421	6,085	6,483	6,229	10,774	6,612
Capital and Reserves	-46,015	-45,933	-47,162	-48,074	-47,636	-47,900	-48,746	-49,655	-50,379	-51,216	-51,524	-52,309	-54,023
Other Items (net)	-42,213	-55,796	-45,639	-41,986	-47,137	-50,161	-42,629	-42,695	-50,761	-45,499	-47,618	-54,556	-43,044
<b>Domestic Liquidity</b>	<b>200,600</b>	<b>203,413</b>	<b>208,883</b>	<b>213,272</b>	<b>215,229</b>	<b>215,302</b>	<b>218,748</b>	<b>217,040</b>	<b>228,884</b>	<b>222,472</b>	<b>228,276</b>	<b>233,301</b>	<b>248,406</b>
<b>Money</b>	<b>58,262</b>	<b>61,102</b>	<b>63,869</b>	<b>65,381</b>	<b>67,042</b>	<b>68,123</b>	<b>71,044</b>	<b>70,090</b>	<b>73,252</b>	<b>71,778</b>	<b>76,193</b>	<b>73,783</b>	<b>80,818</b>
Currency Outside Banks	13,785	14,894	13,976	14,443	14,734	14,836	14,791	14,492	14,096	14,595	15,322	15,297	15,778
Monetary Deposits	44,477	46,208	49,893	50,938	52,308	53,287	56,253	55,598	59,156	57,183	60,871	58,486	65,040
<b>Quasi - Money</b>	<b>142,338</b>	<b>142,311</b>	<b>145,014</b>	<b>147,891</b>	<b>148,187</b>	<b>147,179</b>	<b>147,704</b>	<b>146,950</b>	<b>155,632</b>	<b>150,694</b>	<b>152,083</b>	<b>159,518</b>	<b>167,588</b>
Foreign Currency Deposits	50,344	50,375	53,141	54,584	54,776	53,401	53,980	54,336	57,643	56,384	57,629	57,951	64,913
Dirham Deposits	91,994	91,936	91,873	93,307	93,411	93,778	93,724	92,614	97,989	94,310	94,454	101,567	102,675

\* Including Deposits of UAE Residents Booked in Overseas Branches (Including off-shore units) and Subsidiaries of National Banks abroad.

Table (4 - 5)

## Money Supply and Domestic Liquidity \*

(In Millions of AED's)

Year	Month	Money Supply (M1)					Private Domestic Liquidity 2 (M2)	Overall Domestic Liquidity 3 (M3)
		Currency			Monetary Deposits 1	(M1)		
		Issued	With Banks	With Public				
2003	December	15,969	2,184	13,785	44,477	58,262	200,600	250,942
2004	January	17,601	2,707	14,894	46,208	61,102	203,413	251,886
	February	16,131	2,155	13,976	49,893	63,869	208,883	256,289
	March	16,517	2,074	14,443	50,938	65,381	213,272	261,885
	April	17,033	2,299	14,734	52,308	67,042	215,229	268,071
	May	16,943	2,107	14,836	53,287	68,123	215,302	269,601
	June	16,981	2,190	14,791	56,253	71,044	218,748	272,672
	July	16,843	2,352	14,492	55,598	70,090	217,040	270,059
	August	16,318	2,221	14,096	59,156	73,252	228,884	292,703
	September	16,839	2,244	14,595	57,183	71,778	222,472	280,119
	October	18,060	2,738	15,322	60,871	76,193	228,276	284,511
	November	17,774	2,477	15,297	58,486	73,783	233,301	290,745
	December	18,492	2,714	15,778	65,040	80,818	248,406	310,830

\* Including Deposits of UAE Residents Booked in Overseas Branches (Including off-shore units) and Subsidiaries of National Banks abroad.

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.

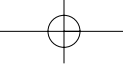
**Table (4 - 6)**  
**Currency Notes Issued by Denominations \***

(In Thousands of AED's)

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
2003	December	<b>15,683,196</b>	142,481	352,626	56,319	333,174	1,859,175	634,860	8,323,053	3,981,508
2004	January	<b>17,314,178</b>	159,141	381,193	61,835	358,200	2,167,864	623,029	9,204,057	4,358,859
	February	<b>15,842,991</b>	147,847	357,616	58,359	333,152	1,907,063	566,848	8,111,723	4,360,383
	March	<b>16,228,448</b>	141,162	350,418	57,408	326,168	1,949,881	540,159	8,303,130	4,560,122
	April	<b>16,743,255</b>	137,473	349,941	56,178	325,321	2,005,912	526,147	8,641,192	4,701,091
	May	<b>16,650,864</b>	134,636	348,093	55,664	323,424	1,981,905	526,100	8,527,783	4,753,259
	June	<b>16,687,868</b>	132,600	346,906	55,055	321,661	1,978,631	510,956	8,579,209	4,762,850
	July	<b>16,548,641</b>	131,015	345,317	53,978	319,100	1,983,743	476,625	8,425,063	4,813,801
	August	<b>16,022,107</b>	130,263	343,252	53,507	315,451	1,922,797	453,738	8,012,366	4,790,733
	September	<b>16,539,623</b>	133,745	351,258	55,112	329,462	1,996,475	443,635	8,187,621	5,042,315
	October	<b>17,758,658</b>	142,961	377,053	60,837	367,578	2,214,729	433,772	8,945,358	5,216,370
	November	<b>17,471,005</b>	160,382	405,943	70,094	402,156	2,200,454	405,957	8,617,345	5,208,674
	December	<b>18,188,057</b>	150,768	389,454	67,786	383,537	2,278,892	380,732	9,058,182	5,478,706

\* Excluding Mutilated Notes.





**Table (4 - 7)**  
**Currency Coins Issued by Denominations \***

(In Thousands of AED's)

Year	Month	Total	One	Five	Ten	Twenty-	Fifty	One	Five	Twenty-	Fifty
			Dirham	Dirham	Dirham	five	Dirham	Dirham	Dirham	Dirham	Dirham
			Total	Total	Total	Total	Total	Total	Total	Total	Total
2003	December	285,853	27	1,365	2,911	18,737	39,637	218,249	1,139	200	3,588
2004	January	286,747	27	1,373	2,936	18,872	39,927	218,659	1,139	200	3,614
	February	288,400	27	1,376	2,950	18,887	40,070	220,123	1,139	200	3,628
	March	288,301	27	1,372	2,963	18,994	40,243	219,720	1,137	200	3,645
	April	289,979	27	1,375	2,972	19,098	40,536	220,985	1,138	200	3,648
	May	292,282	27	1,381	2,992	19,284	40,871	222,736	1,138	200	3,653
	June	292,653	27	1,384	3,003	19,449	41,184	222,441	1,136	200	3,829
	July	294,530	27	1,393	3,012	19,653	41,510	223,767	1,136	200	3,832
	August	295,708	27	1,396	3,025	19,791	41,774	224,526	1,136	200	3,833
	September	298,959	27	1,399	3,037	19,961	42,481	226,883	1,136	200	3,835
	October	301,807	27	1,407	3,062	20,294	43,828	228,016	1,136	200	3,837
	November	303,096	27	1,412	3,074	20,557	44,455	228,392	1,137	200	3,842
	December	303,558	27	1,415	3,079	20,678	44,624	228,550	1,137	200	3,848

\* Excluding Gold Coins Issued.

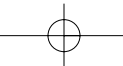


Table (4 - 8)

## DMB's Foreign Assets and Liabilities \*

(In Millions of AED's)

End of Period Item	2003		2004										
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
<b>Foreign Assets</b>	<b>111,727</b>	<b>111,686</b>	<b>114,812</b>	<b>108,087</b>	<b>112,154</b>	<b>112,590</b>	<b>112,684</b>	<b>115,563</b>	<b>124,506</b>	<b>113,679</b>	<b>116,346</b>	<b>119,107</b>	<b>126,381</b>
Notes and Coins	195	64	95	87	80	97	83	70	88	97	91	96	102
Due From H.O. & Branches	10,614	10,617	16,163	9,947	9,478	10,191	8,425	9,210	9,268	9,010	9,565	7,606	7,619
Money at Call & Short Notice	4,890	3,416	5,465	2,980	3,217	2,296	3,243	5,040	7,629	5,221	3,874	5,639	5,017
Deposits with Banks 1	31,897	32,696	28,566	28,581	30,929	29,564	29,591	28,645	36,451	29,667	33,106	34,571	38,980
Securities	33,730	32,965	32,961	33,112	34,441	35,627	36,021	35,836	32,699	32,745	32,486	33,158	33,326
Loans and Advances 2	29,107	30,696	30,295	32,096	32,806	33,476	33,726	35,349	36,888	35,457	35,777	36,497	39,768
Other Foreign Assets 3	1,294	1,232	1,267	1,284	1,203	1,339	1,595	1,413	1,483	1,482	1,447	1,540	1,569
<b>Foreign Liabilities</b>	<b>30,294</b>	<b>31,769</b>	<b>37,562</b>	<b>31,536</b>	<b>33,580</b>	<b>34,407</b>	<b>36,573</b>	<b>45,554</b>	<b>39,671</b>	<b>41,553</b>	<b>45,136</b>	<b>43,985</b>	<b>42,391</b>
Due To H.O. & Branches	904	869	2,194	951	786	1,559	1,534	2,310	1,420	1,847	1,894	1,667	1,468
Due To Banks	1,045	1,345	1,014	1,897	1,041	827	1,742	1,183	1,575	1,150	1,366	1,943	992
Deposits of Banks	15,284	16,734	21,534	15,727	18,947	18,855	19,893	26,498	21,020	23,010	26,245	24,381	24,505
Other Deposits	11,077	10,850	10,881	10,981	10,812	11,457	11,556	13,666	13,688	13,507	13,574	14,040	13,249
Other Foreign Liabilities 4	1,984	1,971	1,939	1,980	1,994	1,709	1,848	1,897	1,968	2,039	2,057	1,954	2,177

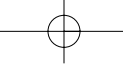
\* Including Deposits of UAE Residents Booked in Overseas Branches (Including off-shore units) and Subsidiaries of National Banks abroad.

1) Demand and Time Deposits.

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

2) Including Purchased or Discounted Commercial Bills.

4) Including Commercial Prepayments.

**Table (4 - 9)****Bank Credit (Gross) to Residents and Non-Residents \*****(In Millions of AED's)**

Year	Month	Total Bank Credit to Residents and Non- Residents	Residents			Non-Residents		
			Loans, Advances and Overdrafts	Real Estate Mortgage Loans	Commercial Bills	Loans, Advances and Overdrafts	Real Estate Mortgage Loans	Commercial Bills
2003	December	<b>226,012</b>	180,516	10,472	5,917	24,722	114	4,271
2004	January	<b>237,639</b>	190,222	10,577	6,144	26,181	115	4,400
	February	<b>235,429</b>	188,391	10,507	6,236	25,417	105	4,773
	March	<b>239,796</b>	190,716	10,553	6,430	26,594	109	5,394
	April	<b>244,655</b>	194,514	10,532	6,804	26,771	110	5,924
	May	<b>254,843</b>	203,748	10,687	6,932	27,065	131	6,280
	June	<b>255,472</b>	203,555	10,695	7,496	27,025	139	6,562
	July	<b>260,572</b>	207,047	10,755	7,421	28,184	139	7,026
	August	<b>278,448</b>	223,536	10,720	7,304	29,322	144	7,422
	September	<b>273,665</b>	219,783	10,889	7,536	27,635	148	7,674
	October	<b>279,131</b>	225,033	10,428	7,893	28,097	152	7,528
	November	<b>284,334</b>	227,488	12,299	8,050	28,688	143	7,666
	December	<b>286,720</b>	228,148	10,604	8,201	31,270	161	8,336

\* Excluding Inter-Bank Lending.

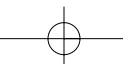


Table (4 - 10)

Bank Credit (Gross) to Residents by Economic Activity <sup>1\*</sup>

(In Millions of AED's)

Economic Activity	End of Period	2003		2004		
		Dec.	Mar.	June	Sep.	Dec.
1) Agriculture		830	892	856	880	862
2) Mining & Quarrying		2,077	2,075	2,096	2,497	2,692
3) Manufacturing		11,082	11,924	13,026	13,717	13,602
3.1 Food, Beverages & Tobacco		1,269	1,506	1,651	1,777	1,719
3.2 Textiles & Leather Products		1,140	1,162	1,217	1,211	1,136
3.3 Furniture & Other Wood Products		514	542	572	623	634
3.4 Paper & Paper Products		574	574	580	608	632
3.5 Chemicals & Chemicals Products, Petroleum & Petro-Chemicals		1,699	1,734	1,775	2,032	1,851
3.6 Basic Metal Prod. (incl Aluminium)		1,642	1,799	2,023	2,038	1,791
3.7 Fabricated Metal Products, Machinery and Equipment		554	591	641	722	892
3.8 Other Manufacturing		3,690	4,019	4,567	4,706	4,947
4) Electricity, Gas and Water		11,110	8,640	9,101	9,113	9,099
5) Construction		26,845	29,034	30,325	31,856	31,681
6) Trade		57,053	61,912	65,476	69,083	69,501
6.1 Wholesale		43,685	47,295	50,482	51,894	51,325
6.2 Retail		13,368	14,617	14,994	17,189	18,176
7) Transport, Storage & Communication		6,325	6,061	6,343	6,573	6,834
8) Financial Institutions (Excl. Banks)		2,272	2,523	2,992	3,745	3,501
9) Government		19,650	23,100	25,265	29,134	29,184
10) Personal Loans for Business purposes		23,965	24,792	27,757	30,392	35,519
11) Personal Loans for Consumption purposes		21,443	21,914	22,480	23,195	24,069
12) All Others <sup>2</sup>		14,254	14,832	16,028	18,023	20,409
<b>Total</b>		<b>196,906</b>	<b>207,699</b>	<b>221,745</b>	<b>238,208</b>	<b>246,953</b>

1) Amount Outstanding Excluding Inter-Bank Lending.

2) Including Loans to Services and Non-Profit Institutions.

**Table (4 - 11)****Loans, Advances and Overdrafts (Gross) to Residents by Sectors <sup>1</sup>****(In Millions of AED's)**

<b>Year</b>	<b>Month</b>	<b>Government</b>	<b>Financial Institutions <sup>2</sup></b>	<b>Business &amp; Industrial Enterprises <sup>2</sup></b>	<b>Other Sectors <sup>3</sup></b>	<b>Total</b>
2003	December	19,650	2,272	113,761	44,833	<b>180,516</b>
2004	January	20,114	2,844	119,282	47,982	<b>190,222</b>
	February	21,724	2,395	117,566	46,706	<b>188,391</b>
	March	23,100	2,523	118,817	46,276	<b>190,716</b>
	April	24,367	2,570	119,486	48,091	<b>194,514</b>
	May	24,049	3,324	123,091	53,284	<b>203,748</b>
	June	25,265	2,992	124,476	50,822	<b>203,555</b>
	July	26,697	2,910	125,170	52,270	<b>207,047</b>
	August	28,693	3,411	131,134	60,298	<b>223,536</b>
	September	29,134	3,745	132,433	54,471	<b>219,783</b>
	October	32,296	3,495	133,671	55,571	<b>225,033</b>
	November	30,113	7,604	131,607	58,164	<b>227,488</b>
	December	29,184	3,501	135,149	60,314	<b>228,148</b>

1) *Excluding Inter-Bank Lending.*2) *Including Public and Private Sectors.*3) *Including Personal Loans for Business and Consumption Purposes.*

**Table (4 - 12)**  
**Deposits by Ownership \***

(In Millions of AED's)

Item	End of Period	2004				
		Dec.	Mar.	June	Sep.	Dec.
<b>1) Residents</b>		<b>226,338</b>	<b>236,711</b>	<b>246,985</b>	<b>254,688</b>	<b>283,627</b>
1.1 Government		40,133	38,709	43,948	47,726	51,786
1.2 Public Sector		20,621	19,697	19,961	20,567	23,344
1.2.1 Financial Institutions		2,131	1,826	1,746	1,600	3,212
1.2.2 Business & Industrial Inst.		18,490	17,871	18,215	18,967	20,132
1.3 Private Sector		67,657	71,828	74,135	78,255	90,779
1.3.1 Financial Institutions		3,691	3,678	3,728	4,980	6,034
1.3.2 Business & Industrial Inst.		63,966	68,150	70,407	73,275	84,745
1.4 Individuals		90,360	97,130	100,282	100,618	106,186
1.5 Others		7,567	9,347	8,659	7,522	11,532
<b>2) Non-Residents</b>		<b>11,219</b>	<b>11,133</b>	<b>11,691</b>	<b>13,772</b>	<b>13,553</b>
2.1 Government & Diplomatic Missions		980	906	695	1,088	995
2.2 Financial Institutions		805	606	749	1,279	1,284
2.3 Business & Industrial Inst.		3,563	3,764	4,274	5,285	4,715
2.4 Individuals & Others		5,871	5,857	5,973	6,120	6,559
<b>Total Deposits</b>		<b>237,557</b>	<b>247,844</b>	<b>258,676</b>	<b>268,460</b>	<b>297,180</b>

\* Excluding Inter-Bank Deposits and Bank Drafts, But Including Commercial Prepayments, and Deposits of UAE Residents Booked in Overseas Branches (Including off-shore units) and Subsidiaries of National Banks abroad.

Table (4-13)

**List of National Banks & Their Branches**  
(As at 31/12/2004)

	NATIONAL BANKS	Abu Dhab	Dubai	Sharjah	Ras-Al Khaimah	Ajman	Umm-Al Qaiwain	Al-Fujairah	Total	Pay Offices	Grand Total
1	National Bank of Abu Dhabi (P.L.C.)	31	6	5	2	1	1	2	48	11	59
2	Abu Dhabi Commercial Bank (P.L.C.)	*24	6	2	1	1	-	2	36	5	41
3	Arab Bank For Investment & Foreign Trade	3	1	1	-	-	-	-	5	-	5
4	Union National Bank (P.L.C.)	15	10	1	1	1	-	1	29	3	32
5	The National Bank of Dubai (P.L.C.)	2	*22	1	1	1	1	1	29	7	36
6	Commercial Bank of Dubai (P.S.C.)	4	11	1	1	1	-	-	18	5	23
7	Dubai Islamic Bank (P.L.C.)	6	7	3	1	1	-	1	19	-	19
8	Emirates Bank International (P.L.C.)	3	18	3	1	-	-	1	26	6	32
9	Emirates Islamic Bank	3	4	1	1	-	1	1	11	-	11
10	Mashreq Bank (P.L.C.)	10	*15	6	2	1	1	2	37	-	37
11	National Bank of Sharjah (P.L.C.)	1	1	7	-	-	-	-	9	1	10
12	Bank of Sharjah (P.L.C.)	1	1	1	-	-	-	-	3	-	3
13	United Arab Bank (P.L.C.)	2	3	2	1	1	-	-	9	-	9
14	Invest Bank (P.L.C.)	2	2	*3	-	-	-	-	7	-	7
15	The National Bank of Ras-Al Khaimah (P.S.C.)	2	4	2	5	-	-	-	13	1	14
16	Commercial Bank International (P.L.C.)	2	2	1	2	-	-	-	7	-	7
17	National Bank of Fujairah (P.S.C.)	1	2	1	-	-	-	2	6	-	6
18	National Bank of Umm-Al Qaiwain (P.L.C.)	2	2	1	-	2	2	1	10	-	10
19	First Gulf Bank (P.L.C.)	3	1	1	-	1	-	-	6	-	6
20	Abu Dhabi Islamic Bank (P.L.C.)	7	3	1	1	-	-	2	14	-	14
21	Dubai Bank	1	1	-	-	-	-	-	2	-	2
	<b>TOTAL</b>	<b>125</b>	<b>122</b>	<b>44</b>	<b>20</b>	<b>11</b>	<b>6</b>	<b>16</b>	<b>344</b>	<b>39</b>	<b>383</b>

\* Including Automated Branch/Customers Service Unit.

Table (4-14)

**List of Foreign Banks & Their Branches**  
(As at 31/12/2004)

	FOREIGN BANKS	Abu Dhabi	Dubai	Sharjah	Ras-Al Khaimah	Ajman	Umm-Al Qaiwain	Al-Fujairah	Customer Serv. Lice	Total
1	National Bank of Bahrain (BSC)	1	-	-	-	-	-	-	-	1
2	Rafidain Bank	1	-	-	-	-	-	-	-	1
3	Arab Bank (PLC)	2	2	1	1	1	-	1	-	8
4	Banque Du Caire	2	1	1	-	-	-	-	-	4
5	El Nillien Bank	1	-	-	-	-	-	-	-	1
6	National Bank of Oman Limited (S.A.O.G.)	1	-	-	-	-	-	-	-	1
7	Calyon-Corporate and Investment Bank	1	1	-	-	-	-	-	-	2
8	Bank of Baroda	2	2	1	1	-	-	-	-	6
9	BNP Paribas	1	1	-	-	-	-	-	-	2
10	Janata Bank	2	1	1	-	-	-	-	-	4
11	HSBC Bank Middle East	2	3	1	1	-	-	1	3	11
12	Arab African International Bank	1	1	-	-	-	-	-	-	2
13	Banque Libanaise Pour Le Commerce (France) S.A.	1	1	1	1	-	-	-	-	4
14	Al Ahli Bank of Kuwait (K.S.C.)	-	1	-	-	-	-	-	-	1
15	Barclays Bank (PLC)	1	1	-	-	-	-	-	-	2
16	Habib Bank Limited	3	3	2	-	-	-	-	-	8
17	Habib Bank AG Zurich	2	5	1	-	-	-	-	-	8
18	Standard Chartered Bank	4	5	2	-	-	-	-	-	11
19	CitiBank N.A.	2	2	1	-	-	-	-	-	5
20	Bank Saderat Iran	2	3	1	-	1	-	1	-	8
21	Bank Melli Iran	2	*3	1	1	-	-	1	-	8
22	Banque Banorabe	-	1	1	-	-	-	-	-	2
23	Lloyds TSB Bank PLC	-	1	-	-	-	-	-	-	1
24	ABN Amro Bank N.V.	1	1	1	-	-	-	-	-	3
25	United Bank Limited	4	3	1	-	-	-	-	-	8
	<b>TOTAL</b>	<b>39</b>	<b>42</b>	<b>17</b>	<b>5</b>	<b>2</b>	<b>-</b>	<b>4</b>	<b>3</b>	<b>112</b>

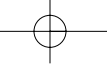
\* Including one cash office in Dubai.





**Table (4-15 Contd.)****List of Specialized Banks, Investment Institutions, Finance Companies and Representative Offices  
(As at 31/12/2004)**

17. Philippine National Bank	(Dubai)	34. HSBC Bank International Ltd.	(Dubai)
18. Clear Stream Banking S.A.	(Dubai)	35. Fidelity Investments International	(Dubai)
19. Bank of America -National Association	(Dubai)	36. Wachovia Bank National Association	(Dubai)
20. Bank of Bahrain and Kuwait (B.S.C.)	(Dubai)	37. West LB A.G.	(Dubai)
21. Union de Banques Arabes et Françaises	(Dubai)	38. Kotak Mahindra International Ltd.	(Dubai)
22. Bank Muscat (S.A.O.G.)	(Dubai)	39. HDFC Bank Ltd.	(Dubai)
23. Nationwide International (Ltd.)	(Dubai)	40. Deutsche Bank AG.	(Dubai)
24. Société Générale Bank	(Dubai)	41. Bank of Beirut SAL	(Dubai)
25. Standard Bank London (Ltd.)	(Dubai)	42. UTI Mutual Fund	(Dubai)
26. State Street Bank & Trust Company	(Dubai)	43. Citigroup Global Markets Inc.	(Dubai)
27. Natexis Banque - BFCE	(Dubai)	44. Korea Exchange Bank	(Dubai)
28. Union Bancaire Privee (CBI-TDB)	(Dubai)	45. ICICI Bank Limited	(Dubai)
29. ED & F Man Investment Products Ltd.	(Dubai)	46. IndusInd Bank Limited	(Dubai)
30. Coutts & Co.	(Dubai)	47. Doha Bank	(Dubai)
31. Towry Law Asia HK (Ltd.)	(Dubai)	48. ING Asia Private Bank Limited	(Dubai)
32. Royall Bank of Canada	(Dubai)	49. Sanpado IMI S.P. A.	(Dubai)
33. Kuwait Interests for Financial Investment	(Dubai)	50. Commercial International Bank (Egypt) S.A.E.	(Dubai)

**Table (4-16)**

**List of Licensed Financial and Monetary Intermediaries  
(As at 31/12/2004)**

<b>Brokers in the Sale and Purchase of Domestic Shares</b>					
<b>Name of Brokers</b>	<b>Emirate</b>	<b>Branch</b>	<b>Name of Brokers</b>	<b>Emirate</b>	<b>Branch</b>
1. Al Madinah Enterprises for Shares	Abu Dhabi	-	10. United International Shares	Dubai	-
2. Al Ain Center for Securities Brokerage	Abu Dhabi	-	11. Damac Al Baraka Securities Co. (L.L.C.)	Dubai	-
3. Al Wathba Shares and Bonds Center (L.L.C.)	Abu Dhabi	-	12. Al Damman Securities Establishment	Dubai	-
4. International Market Company for Financial Business (L.L.C.)	Abu Dhabi	-	13. Al Sharhan Office for Shares and Bonds (L.L.C.)	Sharjah	-
5. Al Nahdha for Shares and Bond Establishment	Abu Dhabi	-	14. International Shares and Bonds Center	Al-Ain	-
6. Abu Dhabi Securities Establishment	Abu Dhabi	-			
7. Al Ramz Shares and Bonds Centre	Abu Dhabi	-			
8. Shurooq for Shares and Bonds	Dubai	-			
9. Al Taleea for Shares and Bonds	Dubai	-			

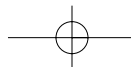


Table (4-16 Contd.)

**List of Licensed Financial and Monetary Intermediaries  
(As at 31/12/2004)**

**Brokers in the Sale and Purchase of Domestic & Foreign Shares and Bonds**

Name of Brokers	Emirate	Branch
1. Emirates Commercial Centre for Shares and Bonds (L.L.C.)	Abu Dhabi	-
2. Dubai International Securities Company (L.L.C.)	Dubai	-
3. Barjeel for Shares and Bonds (L.L.C.)	Dubai	-
4. Al Sahel Shares Centre	Sharjah	-

**Brokers in the Sale and Purchase of Currencies, Commodities and Intermediaries in Money Market Operations**

1. Royal Index (L.L.C.)	Abu Dhabi	-
2. Leader Middle East (L.L.C.)	Dubai	-
3. Century Financial Brokers (L.L.C.)	Dubai	-
4. Sterling Financial Brokers	Dubai	-
5. Orient Financial Brokers	Dubai	-
6. Eastern Trust (L.L.C.)	Dubai	-

**Brokers in Dealing in Local Shares, Currencies and Commodities as well as in Money Market Operations**

1. Forex International (L.L.C.)	Abu Dhabi	Dubai
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**Brokers in Dealing in all Financial and Monetary Operations**

1. National Financial Brokerage Company (L.L.C.)	Abu Dhabi	-
2. Abu Dhabi Financial Services Co. (L.L.C.)	Abu Dhabi	-
3. International Financial Services	Abu Dhabi	-
4. National Financial Services (L.L.C.)	Dubai	-
5. Wifco Financial Brokerage (L.L.C.)	Dubai	-
6. Blue Ship Empire (L.L.C.)	Dubai	-
7. Swiss Precious Metals Commodities	Dubai	-

**Table (4-17)**

**List of Licensed Moneychangers, Financial Investment Companies &  
Banking, Financial and Investment Consultation Establishment and Companies  
(As at 31/12/2004)**

<b>Moneychangers</b>			
<b>EMIRATES</b>	<b>Head Office</b>	<b>Branches</b>	<b>Total</b>
Abu Dhabi	21	43	64
Dubai	69	78	147
Sharjah	10	32	42
Ras Al-Khaimah	2	4	6
Fujairah	1	5	6
Ajman	2	3	5
Al Ain City	4	16	20
Khorfakan City	1	1	2
<b>Total</b>	<b>110</b>	<b>182</b>	<b>292</b>

<b>Financial Investment Companies</b>	
<b>Commercial Name</b>	<b>Head Office</b>
1. Oman & Emirates Investment Holding Company (S.A.O.G.)	Abu Dhabi
2. The National Investor (P.J.S.C.)	Abu Dhabi
3. Merrill Lynch International & Co. C.V. (Netherlands Antille Islands)	Dubai
4. Emirates Financial Services (P.J.S.C.)	Dubai
5. Shuaa Capital - PSC	Dubai
6. Islamic Investment Company (P.J.S.C.)	Dubai

**Banking, Financial and Investment Consultation  
Establishment and Companies**

<b>Commercial Name</b>	<b>Head Office</b>
1. Synergy Financial (L.L.C.)	Abu Dhabi
2. Elfina Financial Investment Consultancy	Dubai
3. Landmark International Consulting Services	Dubai
4. Professional Investment Consultants Co. (L.L.C.)	Dubai
5. Regent Investment Consultants (L.L.C.)	Dubai
6. Financial Consultancy Services Company - Partnership	Dubai
7. Network Corporate Services (L.L.C.)	Dubai
8. Mondial (Dubai) L.L.C.	Dubai
9. Al Sahel Financial Advisory Est.	Dubai
10. Continental Financial Services	Dubai
11. Acuma	Dubai
12. Union National Financial Consultancy (L.L.C.)	Dubai