



PRESS RELEASE

ADCB Q1 Net Profit of AED 354 Million

Abu Dhabi, April, 23rd, 2009: ADCB reported a net profit of AED354mn for the quarter ended 31st March 2009.

Total income of ADCB for Q1-2009 is at AED 1,008 million registering a growth of 9% over Q1-2008. Operating profit before provisions of AED632mn reflects a growth of 5% over Q1-2008 on the back of a robust net interest income for the period.

The Bank in its continuous prudent approach took provisions totalling AED 277 million (representing an increase of 250 % to the same period of 2008) out of which AED 142 million for the investment portfolio and the balance (AED135mn) for loan and advances portfolio.

Net interest income of 708mn registered a growth of 20% over Q1-2008 net interest income of AED506mn. The bank's net interest margin for the period reflects an improvement over 2008 due to ongoing repricing of assets and proactive management of funding cost. Non-interest income of AED299mn is 28% lower than Q1-08 on account of lower loan related fee and FX income.

Operating expenses of AED375mn are 17% higher than Q1-08 operating expenses of AED321mn, however recent trends indicate a slow down in the costs due to proactive cost management, reflected in a decrease of 22% over Q4-08.

Eissa Al Suwaidi, Chairman of ADCB, said 'our strategy, to focus on our core business, and good operating performance, has resulted in the rise of the Bank's first quarter operating profit and concluded by thanking the regulators and the government for their support to the banking and financial sector in the UAE.

Total assets of AED144.3bn reflect a marginal decline of 2.3% over Dec-2008 assets of AED147.7bn mainly on account of lower interbank placements. Net loans and advances of AED110.3bn registered a growth of 1.3% over Dec-2008 loans and advances of AED108.8bn. Customer deposits of AED73.2bn reflect a decline of 13.2% over 59.2billion for the same period in 2008, customer deposits of AED84.3bn mainly on account of conversion of Federal Government deposits to Tier-II capital (AED 6.6 billion)

Ala'a Eraiqat, Chief Executive Officer of ADCB added, 'Our core businesses are experiencing continued successes in the fields of wealth management, Corporate Banking, Retail Banking and the SME segment . 'This growth in the first quarter earnings is the

result of proactive price management both on the liabilities and assets sides . The increased provisioning is a reflection of the challenging environment and ambiguous outlook for the year , and not a direct reflection of deterioration of the loans and advances portfolio , nor a worsening in the investment portfolio .

We shall continue to provide adequately to our provisions throughout the year , this will make ADCB much stronger and capable of moving faster once the crisis is behind us .

Customer needs, customer service and customer satisfaction come first at ADCB. In line with this philosophy, the bank introduced innovative products and services that offer superior returns and convenience to its customers. In the first quarter, ADCB launched a number of new products that meet the evolving needs of our customers .

In the first quarter, for the third year in a row, ADCB won the Human Resources Development Award in Emiratization in the banking industry and was recognised as the ‘Gulf States Best Retail Bank’ in the eighth Asian Banker Excellence in Retail Financial Services Awards Programme. ADCB was also awarded the “Best Premium Banking Service Award” at the Banker Middle East Annual Products Awards 2009 for the ADCB’s Privilege Club proposition’, Eraiqat added.

During the quarter, the bank issued AED4bn of Tier-I capital to Abu Dhabi Department of Finance. Further the bank also converted AED6.6bn customer deposits received from the Federal Government to Tier-II subordinated loans. Consequently the bank’s capital adequacy ratio under Basel-II stands at 19.60% reflecting an improvement of 8.01% over Dec-2008 Basel-II ratio of 11.59%.

‘We are proud to have secured such achievements and look forward to more progress at all fronts and in all lines of business’, concluded the CEO.

About ADCB:

ADCB is a full-service commercial bank which offers a wide range of products and services such as retail banking, wealth management, private banking, corporate banking, commercial banking, cash management, investment banking, corporate finance, foreign exchange, interest rate, currency, derivative and Islamic products, project finance, property management, brokerage, asset management, and strategic investments.

ADCB is owned 64.8 percent by the Abu Dhabi Government through Abu Dhabi Investment Council. Its shares are traded on the Abu Dhabi Securities Market in Abu Dhabi.

In 2008, ADCB was named “Bank of the Year” by Banker Middle East Magazine. For more information, please visit us on www.adcb.com

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