





**His Highness Sheikh Zayed Bin Sultan Al Nahyan**  
President of the United Arab Emirates



**His Highness Sheikh Khalifa Bin Zayed Al Nahyan**  
Crown Prince of Abu Dhabi  
Deputy Supreme Commander of the Armed Forces

بنك أبو ظبي التجاري  
**ADCB** 



<b>ADCB</b>		
<b>Financial Highlights</b>	<b>USD millions</b>	
<b>As at 31 December</b>	<b>2003</b>	<b>2002</b>
Total Assets	7,828	7,537
Loans and Advances, net	5,247	4,737
Due from Banks	1,261	1,438
Equity (excl. proposed dividend)	1,135	1,112
Due from Banks	916	934
Deposits from Customers	5,273	4,972
Long-Term Loan	327	327
Capital/Assets ratio	16%	15%
Capital/Loans Ratio	23%	23%
Operational Expenses	68	56
Net Profit	110	161

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# Board of Directors



**FADHEL SAEED AL DARMAKI**

Chairman of the Board



**RASHID HUMAID AL MAZROUI**

Board Member

Chairman, Audit Committee



**ABDULLA KHALIL AL MUTAWA**

Board Member

Chairman, Strategy Committee and Member, Executive Committee.



# Board of Directors



**MUBARAK MATTAR AL HUMAIRI**

Board Member

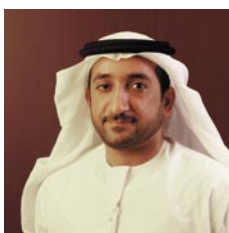
Member, Executive Committee



**SAEED MUBARAK RASHID AL HAJERI**

Board Member

Chairman, Executive Committee and Deputy Chairman, Audit Committee and  
Member, Strategy Committee



**HAMAD SAEED MOHAMMED AL BADI**

Board Member

Chairman, Recoveries Committee and New Headquarters Building Committee,  
Member, Strategy Committee and Audit Committee

# Board of Directors



## **ABDULLA MOHAMMED HASSAN AMEERI**

Board Member

Chairman, Core Banking Infrastructure Committee and Member,  
Strategy Committee



## **AAMER ABDUL JALIL AL FAHIM**

Board Member

Member, Strategy Committee and Audit Committee



## **KHALIFA MOHAMMED HASSAN**

Board Member

# Chairman's Message



**Mr. FADEL SAEED AL DARMAKI**  
*Chairman of the Board*

In 2003 we embarked on a journey to become UAE's leading financial institution and to set the standard within the banking industry.

During this year we have focused on the difficult task of rebuilding the foundations upon which we can construct sustainable success. Throughout the bank, from the Board to our staff across the counter in the branches, we are creating a new and powerful dynamic.

We are becoming more efficient, more competitive and getting closer than ever to our corporate, private and retail customers. The goal we are aiming for: unique customer relationships that yield loyalty over generations and match perfectly the needs of people, enterprises and institutions banking in our market.

Abu Dhabi Commercial Bank's (ADCB) planned series of strategic business initiatives proved instrumental in maintaining strong financial results for 2003. The refocused strategy produced an increase of 11% in loans and advances. In addition, customer deposits registered an increase of 6%. Total assets increased by 4%. We maintained our cash dividend of 25%, the same level as the past two years. The consequence, however, of our investment in restructuring and one-off charges for cleaning up legacy issues, was a 31% decrease in net profit. In 2004 we expect a return to our profitable ways, revitalized and strengthened for the years to come.

Domestically, the UAE has performed well over the course of 2003. GDP and oil prices sustained their

stability. GDP grew by 4.7% with strong oil revenue, prices and evidence of robust domestic demand growth throughout 2003.

On an international front there is cautious optimism that with each passing month, the prospects for a global economic recovery in late 2003 and in 2004 become more favorable.

There are many indicators of success at an organization, but success at ADCB has always begun with doing the important things really well. I am confident that the sustained momentum we gathered as a team in 2003 will provide the push needed to forge ahead in 2004. The measures taken should be viewed as a significant investment to create the new heritage of ADCB.

On behalf of the Board of Directors, management and staff, I wish to extend our profound gratitude to His Highness Sheikh Zayed Bin Sultan Al Nahyan, the President, and to His Highness Sheikh Khalifa Bin Zayed Al Nahyan, the Crown Prince and Deputy Chief of the Armed Forces and Chairman of the Executive Council for their kind blessings, patronage and constructive guidance which we shall always appreciate and be proud of.

I would also like to express our sincere thanks to His Highness Sheikh Maktoum Bin Rashid Al Maktoum, the Vice President, Prime Minister and Ruler of Dubai and to their Highnesses, Members of the Supreme Council and Rulers of other Emirates for their consistent support. I also wish to express our sincere thanks and appreciation to His Highness Sheikh Ahmed Bin Zayed Al Nahyan, the Managing Director of Abu Dhabi Investment Authority, Abu Dhabi Finance Department and UAE Central Bank for their continued support and guidance, which is our success and a source of great encouragement.

I look forward to the exciting work ahead of us in 2004. I would like to take this opportunity to sincerely thank my colleagues on the Board, senior management and employees for their commitment and perseverance in 2003. Finally, I wish to extend my thanks to both clients and shareholders for their loyalty to ADCB and belief in all we are trying to achieve into the future.



**Mr. FADEL SAEED AL DARMAKI**  
*Chairman of the board*

# Management Review

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# The resolve to scale new peaks.

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“Success is never a destination, but a journey dotted with milestones”. ADCB understands this philosophy well. So, when we reach a milestone, we consider it as a starting point for another ambitious journey towards the next.

# Identifying the challenges



**Mr. Eirvin Knox**  
*Chief Executive Officer*

## **Achieving everyday for our customers**

In 2003 we challenged ourselves to rebuild Abu Dhabi Commercial Bank (ADCB), with the aim of becoming UAE's leading financial institution. Our motivation to be the best has led us to evolve and meet the changing environment around us and structure the whole bank to deliver service excellence to our clients.

Our ambition is for each customer to walk away with an unequalled banking experience when dealing with ADCB. Innovative customised products, dedicated service and outstanding financial performance make up the fundamentals of our future success.

## **Focused and planned investment for the future**

The initiatives undertaken in 2003 are an indication of where we are headed. The rigours of change are part of any company's growth; however, with every change that occurs at ADCB, we take a new stride forward to accomplish our plan. The best way to describe this year is - focused and planned investment for the future. We believe the only way to move forward is to change the status quo.

Investing in both technology and our people is a primary focus in the process of re-energising the bank. The commitment at the highest level to the restructuring programme is a clear reflection of the Board's unwavering commitment to each and every customer and staff member.

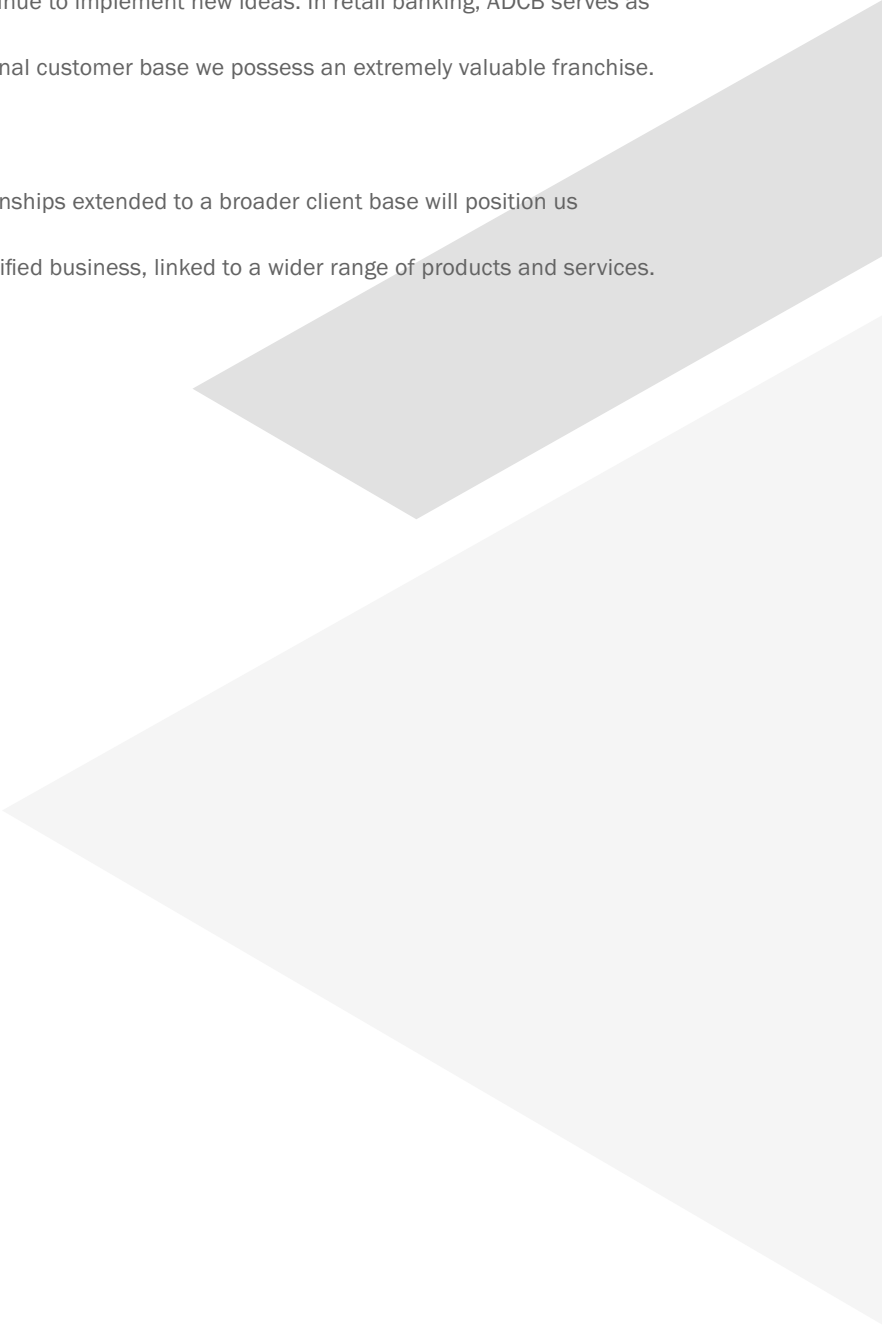


## **The new tradition**

At ADCB we are creating the new tradition in regional banking. We have long been one of UAE's strongest and regionally recognised banking institutions and that is not about to change. However, even though we embrace our roots and are proud of our guiding principles, we at ADCB are in the business of creating new customs. Combining these with innovation will serve as the platform for exciting growth in the corporate, private banking and retail sectors and for greater profitability.

Our innovation is seen daily as we continue to implement new ideas. In retail banking, ADCB serves as a model for service quality. In our national customer base we possess an extremely valuable franchise.

Continued investment in deeper relationships extended to a broader client base will position us strongly to create a robust, more diversified business, linked to a wider range of products and services.





# The attitude to grow wings and fly.

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“It takes two to tango and more to innovate and succeed”.

Driven by an uncompromising passion towards team work, ADCB constantly re-innovates and redefines itself to conquer a marketplace, where change is often the only constant.

# Embracing the challenges

## **From relationships to partnerships**

ADCB's growth and future success is founded on solid partnerships. At the core of every successful corporation is a dedicated team. No matter how strong a company's financial performance might be, the wheels will not turn without the right team working together. ADCB takes pride in its leadership on this front.

We offer a distinct advantage to deliver quality service of the highest standard because of our unique culture of teamwork. An illustration is the continuous expansion of our loan portfolio, supported by international standard credit risk management policies. We offer a streamlined, efficient process for each client coming through our doors. As the holder of the largest local consumer loan portfolio in the UAE, ADCB's responsibility to its shareholders and customers is to raise the bar for the entire industry in this area.

As the corporate partner of choice, growing businesses rely on ADCB for expertise, support and advice. We now lead the sector in catering to the needs of the dynamic medium-sized enterprise market that fuels much of the region's growth.

Our partnerships extend beyond our branches at ADCB and into the local community. An unwavering commitment for social responsibility drives many of our initiatives in the communities we serve. From sponsorships of local sports clubs to wholehearted participation in charitable drives, ADCB serves as an integral part of the community.

## **Setting the standard**

ADCB now sets the standard in the banking industry. We adhere to these standards and use them as a springboard to keep reaching higher. Our commitment is to always surpass our own expectations.

With a large portion of our customers utilising our branch space, we set on a path of upgrading and refurbishing this network. ADCB now boasts one of the largest branch networks in the UAE.

With the help of a visionary Board and senior management team, ADCB prepared a new corporate identity for launch in early 2004. Our new image – and ultimately our new headquarters building, currently under construction in Abu Dhabi - reflects externally the transformation taking place within. By embracing modernity and progressiveness, we have developed a vital new corporate identity that captures the dynamic nature of ADCB.

Technology is paving the way of the future. Last year witnessed ADCB investing extensively in core IT banking systems to create the infrastructure to support our new aggressive business model.

Through careful research we know what our customers want and how to provide them with the most effective services. In the retail sector, ADCB has become truly competitive and our retail business will be product-driven by centralised product managers. We have evolved our knowledge to the stage where we can update our branch model to identify and respond to client needs based on in-depth market segmentation. The Contact Centre provides an additional channel for customers waiting to bank via the telephone and online.



# The spirit to explore new frontiers.

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“Constant innovation often involves taming the unknown”.

Be it the moon or the marketplace. Given our solid legacy in banking, it’s only natural that we set our sights high enough and go about chartering new courses, which others could follow.

# Meet up with the future

## Creating value in the corporate sector

Partnerships with our corporate clients are now serviced far more effectively through centralised centers in Abu Dhabi and Dubai, with assigned relationship managers providing superior advice and implementation of customer requirements.

ADCB has also diversified into more high value corporate business, through project financing and investment banking products. Greater participation in larger deals is enabling us to flex our muscles and exploit our leading position in the regional banking sector.

Looking forward, we shall aggressively pursue opportunities in cross-border trade, exploiting our competencies and skill in overcoming market barriers, to execute greater volumes of structured cross-border business.

## Our national commitment

As part of our strategy moving forward, we are actively increasing the number of local nationals employed by the bank. Our Emiratisation policy has resulted in a steady flow of talent into our bank at senior and middle management levels, creating a valuable resource for the challenges of the forthcoming years.

This year we have all pulled together and delivered on a far-reaching programme of change. All of our efforts are directed at one goal, that of achieving for our clients. In 2004 we fully expect to report on further achievements, a leaner, stronger and highly profitable bank.



Eirvin Knox  
Chief Executive Officer



Reports and financial statements for  
the year ended December 31, 2003

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# Independent auditor's report

the Shareholders of Abu Dhabi Commercial Bank P.J.S.C.

Deloitte & Touche (M.E.)  
Bin Ghanim Tower, 10th floor  
Hamdan Street  
P.o. box 990, Abu Dhabi  
United arab Emirates

**Deloitte  
& Touche**

We have audited the accompanying balance sheet of Abu Dhabi Commercial Bank P.J.S.C. – Public Joint Stock Company (the Bank) as of December 31, 2003, and the related statements of income, changes in equity and cash flows for the year then ended as set out in pages 27 to 65. 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. The financial statements of the Bank for the year ended December 31, 2002 were audited by other auditors whose report dated February 8, 2003 expressed an unqualified opinion on those statements.

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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2003, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Also, in our opinion, proper books of account are maintained by the Bank, and the information included in the Board of Directors' report is in agreement with the books of account. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. According to the information available to us, there were no contraventions of the UAE Federal Commercial Companies Law No. (8) of 1984 (as amended) or the Articles of Association of the Bank which might have a material effect on the financial position of the Bank or on the results of its operations for the year.

Abu Dhabi, United Arab Emirates

February 11,2004



for Deloitte & Touche



Ahmed Nimer

(Registration Number 380)

# Balance sheet

as at December 31, 2003

	Notes	2003 AED'000	2002 AED'000	2003 US\$'000
<b>ASSETS</b>				
Cash and balances with Central Banks	3	1,314,840	1,298,431	357,975
Deposits and balances due from banks		4,633,181	5,286,298	1,261,416
Trading investments	5	-	4,408	-
Loans and advances, net	6	19,270,500	17,400,494	5,246,528
Non trading investments	7	2,956,703	3,181,579	804,983
Other assets	8	430,999	368,081	117,343
Property, plant and equipment, net	9	144,971	144,072	39,469
<b>Total assets</b>		<b>28,751,194</b>	<b>27,683,363</b>	<b>7,827,714</b>
<b>LIABILITIES</b>				
Due to banks	10	3,363,606	3,430,693	915,765
Customers' deposits		19,368,212	18,262,920	5,273,132
Long term loan	11	1,200,000	1,200,000	326,708
Other liabilities	12	337,473	390,058	91,879
Taxation	13	2,353	1,837	641
<b>Total liabilities</b>		<b>24,271,644</b>	<b>23,285,508</b>	<b>6,608,125</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	14	1,250,000	1,250,000	340,321
Statutory and legal reserves	15	1,024,279	943,273	278,868
General and contingency reserves	15	1,850,000	1,850,000	503,676
Proposed dividends	16	312,500	312,500	85,080
Cumulative change in fair values		29,599	39,200	8,058
Retained earnings		13,172	2,882	3,586
<b>Total shareholders' equity</b>		<b>4,479,550</b>	<b>4,397,855</b>	<b>1,219,589</b>
<b>Total liabilities and shareholders' equity</b>		<b>28,751,194</b>	<b>27,683,363</b>	<b>7,827,714</b>
<b>Commitments and contingent liabilities</b>	<b>23</b>	<b>14,625,663</b>	<b>15,419,976</b>	<b>3,981,939</b>

Fadhel Saeed Al Darmaki  
Chairman

Eirvin Knox  
Chief Executive Officer

The accompanying notes are an integral part of these financial statements.

# Income statement

for the year ended December 31, 2003

	Notes	2003 AED'000	2002 AED'000	2003 US\$'000
Interest income	17	1,061,454	1,194,700	288,988
Interest expense	18	(333,374)	(464,457)	(90,763)
<b>Net interest income</b>		<b>728,080</b>	<b>730,243</b>	<b>198,225</b>
Net fee and commission income		145,653	132,503	39,655
Net trading income	19	42,450	34,118	11,557
Dividend income		1,244	1,923	339
Gain on sale of non trading investments		4,509	16,177	1,228
Other operating income		17,259	21,332	4,699
<b>Operating income</b>		<b>939,195</b>	<b>936,296</b>	<b>255,703</b>
Staff expenses		(175,858)	(143,744)	(47,879)
Depreciation	9	(18,377)	(17,856)	(5,003)
Other operating expenses		(54,134)	(46,263)	(14,738)
Provision for doubtful loans and advances, net of recoveries	6	(283,305)	(139,942)	(77,132)
<b>Operating expenses</b>		<b>(531,674)</b>	<b>(347,805)</b>	<b>(144,752)</b>
<b>Profit from operations, before taxation</b>		<b>407,521</b>	<b>588,491</b>	<b>110,951</b>
Overseas income tax (expense)/write back	13	(2,496)	1,846	(680)
<b>Net profit for the year</b>		<b>405,025</b>	<b>590,337</b>	<b>110,271</b>
<b>Basic earnings per share</b>	<b>20</b>	<b>3.24</b>	<b>4.72</b>	<b>0.88</b>

The accompanying notes are an integral part of these financial statements.

# Statement of cash flows

for the year ended December 31, 2003

Note	<b>2003</b> AED'000	<b>2002</b> AED'000	<b>2003</b> US\$ 000
<b>OPERATING ACTIVITIES</b>			
Net profit before taxation	407,521	588,491	110,951
<b>Adjustments for:</b>			
Currency translation	2,535	232	690
Depreciation	18,377	17,856	5,003
Profit on sale of property, plant and equipment	(199)	(14)	(54)
Provision for doubtful loans and advances	305,762	156,357	83,246
Recovery of provision for doubtful loans and advances	(22,457)	(16,415)	(6,114)
Gain on sale of non-trading investments	(4,509)	(16,177)	(1,228)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>707,030</b>	<b>730,330</b>	<b>192,494</b>
<b>Changes in operating assets and liabilities</b>			
(Increase)/decrease in due from banks	(366,952)	511,701	(99,905)
Increase in loans and advances to customers	(2,153,311)	(1,184,920)	(586,254)
Decrease in trading investments	4,408	9,114	1,200
Increase in other assets	(74,789)	(33,338)	(20,362)
Increase in due to banks	168,026	212,645	45,746
Increase in customers' deposits	1,105,292	537,229	300,924
Decrease in other liabilities	(52,585)	(28,830)	(14,317)
<b>Cash from operations</b>	<b>(662,881)</b>	<b>753,931</b>	<b>(180,474)</b>
Directors' remuneration paid	(1,850)	(1,275)	(504)
Overseas taxation refunded/(paid)	9,891	(27,122)	2,693
<b>Net cash (used in)/from operations</b>	<b>(654,840)</b>	<b>725,534</b>	<b>(178,285)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of non-trading investments	(865,892)	(1,063,119)	(235,745)
Proceeds from sale of non-trading investments	1,083,440	1,059,570	294,974
Purchase of property, plant and equipment	(19,720)	(16,496)	(5,369)
Proceeds from sale of property, plant and equipment	965	170	263
<b>Net cash from/(used in) investing activities</b>	<b>198,793</b>	<b>(19,875)</b>	<b>54,123</b>
<b>FINANCING ACTIVITIES</b>			
Dividend paid	(312,500)	(312,500)	(85,080)
<b>Cash used in financing activities</b>	<b>(312,500)</b>	<b>(312,500)</b>	<b>(85,080)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(768,547)</b>	<b>393,159</b>	<b>(209,242)</b>
Cash and cash equivalents at beginning of the year	2,893,064	2,499,905	787,657
<b>Cash and cash equivalents at the end of the year</b> <b>21</b>	<b>2,124,517</b>	<b>2,893,064</b>	<b>578,415</b>

The accompanying notes are an integral part of these financial statements.

# Statement of changes in shareholders' equity

for the year ended December 31, 2003

Notes	Share capital AED'000	Statutory reserve AED'000	Legal reserve AED'000	General reserve AED'000	Contingency reserve AED'000	Proposed dividends AED'000	Cumulative changes in fair values AED'000	Retained earnings AED'000	Total AED'000
Balance at January 1, 2002	1,250,000	434,996	390,209	1,550,000	150,000	312,500	20,624	5,630	4,113,959
Dividends paid 16	-	-	-	-	-	(312,500)	-	-	(312,500)
Net profit for the year 2002	-	-	-	-	-	-	-	590,337	590,337
Realised gain on sale of available for sale investments (previously included in retained earnings on adoption of IAS 39)	-	-	-	-	-	-	-	(10,925)	(10,925)
Difference arising on translation of the operating assets and liabilities of overseas branches	-	-	-	-	-	-	-	258	258
Transfer to statutory reserve 15	-	59,034	-	-	-	-	-	(59,034)	-
Transfer to legal reserve 15	-	-	59,034	-	-	-	-	(59,034)	-
Transfer to general reserve 15	-	-	-	150,000	-	-	-	(150,000)	-
Net movement in cumulative change in fair values	-	-	-	-	-	-	18,576	-	18,576
Proposed dividends 16	-	-	-	-	-	312,500	-	(312,500)	-
Board of Directors' remuneration	-	-	-	-	-	-	-	(1,850)	(1,850)
Balance at January 1, 2003	1,250,000	494,030	449,243	1,700,000	150,000	312,500	39,200	2,882	4,397,855
Dividends paid 16	-	-	-	-	-	(312,500)	-	-	(312,500)
Net profit for the year 2003	-	-	-	-	-	-	-	405,025	405,025
Realised gain on sale of available for sale investments (previously included in retained earnings on adoption of IAS 39)	-	-	-	-	-	-	-	(2,236)	(2,236)
Difference arising on translation of the operating assets and liabilities of overseas branches	-	-	-	-	-	-	-	2,857	2,857
Transfer to statutory reserve 15	-	40,503	-	-	-	-	-	(40,503)	-
Transfer to legal reserve 15	-	-	40,503	-	-	-	-	(40,503)	-
Net movement in cumulative change in fair values	-	-	-	-	-	-	(9,601)	-	(9,601)
Proposed dividends 16	-	-	-	-	-	312,500	-	(312,500)	-
Board of Directors' remuneration	-	-	-	-	-	-	-	(1,850)	(1,850)
Balance at December 31, 2003	1,250,000	534,533	489,746	1,700,000	150,000	312,500	29,599	13,172	4,479,550

The accompanying notes are an integral part of these financial statements.

# Notes to the financial statements

for the year ended December 31, 2003

## **1) Activities**

Abu Dhabi Commercial Bank P.J.S.C. (the Bank) is a public joint stock company with limited liability incorporated in the Emirate of Abu Dhabi, United Arab Emirates. The Bank changed its name from Khalij Commercial Bank to Abu Dhabi Commercial Bank after merging with Emirates Commercial Bank and Federal Commercial Bank on July 1, 1985. The Bank carries on retail, commercial, investment and merchant banking activities through its network of thirty-six branches in the United Arab Emirates and two branches in India and employed 1546 employees as of December 31, 2003 (2002: 1440 employees).

The registered head office of the Bank is at P.O.Box 939, Abu Dhabi, United Arab Emirates (U.A.E.).

The Bank is registered as a public joint stock company in accordance with U.A.E. Federal Commercial Companies Law No. (8) of 1984 (as amended).

The financial statements of the Bank are prepared in United Arab Emirate Dirhams (AED). The US Dollar (US\$) amounts are presented for the convenience of the reader.

## **2) Summary of significant accounting policies**

### **Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee and applicable requirements of the Laws of the U.A.E.

# Notes to the financial statements

for the year ended December 31, 2003

The significant accounting policies adopted are as follows:

## **Accounting convention**

The financial statements are prepared under the historical cost convention except for certain financial instruments which are carried at fair value. In addition, as more fully explained below, assets and liabilities that are hedged are carried at fair value to the extent of the risk being hedged. The accounting policies are consistent with those adopted in the previous year.

## **Due from banks**

Due from banks are stated at cost less any amounts written off and provision for impairment. The carrying values of such assets which are being effectively hedged for changes in fair value are adjusted to the extent of the changes in fair value being hedged with the resultant adjustment taken to the income statement.

## **Investments**

### *Trading investments*

Trading investments are carried at fair value with any unrealised gain or loss arising from the change in fair value and realised gains and losses taken to the income statement.

### *Non-trading investments*

These are classified as follows:

- Held to maturity
- Available for sale
- Originated loans



# Notes to the financial statements

for the year ended December 31, 2003

All investments are initially recognised at cost, being the fair value of the consideration given including acquisition charges associated with the investment.

Premiums and discounts on investments designated as held to maturity are amortised on a systematic basis to maturity using the effective interest method and taken to interest income.

## *Held to maturity*

Investments which have fixed or determinable payments and are intended to be held to maturity, are carried at amortised cost, less provision for impairment in value. Amortised cost is calculated by taking into account any discount or premium on acquisition.

## *Available for sale*

After initial recognition, investments which are classified as “available for sale” are remeasured at fair value. Unrealised gains and losses on remeasurement to fair value of investments which are not part of an effective hedging relationship, are reported as a separate component of equity until the investment is sold, collected or otherwise disposed of, or the investment is determined to be impaired, at which time the cumulative gains or losses previously reported in equity are included in the income statement.

Any gains or losses arising from a change in fair value of available for sale investments which are part of an effective hedging relationship, are recognised directly in the income statement to the extent of the changes in fair value being hedged.

# Notes to the financial statements

for the year ended December 31, 2003

## *Originated loans*

Originated loans consist of debt securities which are funded directly to the original issuer and are stated at amortised cost less provision for impairment. An adjustment is made to such securities where effective fair value hedges have been made to adjust their value for the fair value being hedged with the resultant gains or losses being recognised in the income statement.

## **Loans and advances**

Loans and advances are stated at cost less any amounts written off and provision for doubtful accounts. The carrying values of loans and advances which are being effectively hedged for changes in fair value are adjusted to the extent of the changes in fair value being hedged with the resultant adjustment are recognised in the income statement.

Allowance for impairment is made against loans and advances when their recovery is in doubt taking into consideration IFRS requirements for fair value measurement. Loans and advances are written off only when all possible courses of action to achieve recovery have proved unsuccessful.

## **Property, plant and equipment**

Property, plant and equipment, including land, acquired as at July 1, 1985, are reported at the Directors' determination of net realisable value at the date of acquisition. Property, plant and equipment purchased subsequent to July 1, 1985 are initially recorded at cost. The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amount and, where carrying values exceed the recoverable amount, assets are written down to their recoverable amount.

# Notes to the financial statements

for the year ended December 31, 2003

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives using the straight-line method as follows:

Freehold properties	15 to 25 years
Leasehold properties	5 to 7 years
Furniture, equipment and vehicles	3 to 5 years

Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset at that date and is recognised in the income statement.

## **Capital work in progress**

Capital work in progress is stated at cost. When commissioned, capital work in progress is transferred to the appropriate property, plant and equipment category and depreciated in accordance with the Bank's policies.

## **Collateral pending sale**

The Bank occasionally acquires real estate and other collateral in settlement of certain loans and advances. Such real estate and other collateral is stated at the lower of the net realisable value of the loans and advances and the current fair value of such assets at the date of acquisition. Gains or losses on disposal and unrealised losses on revaluation, are recognised in the income statement.

## **Taxation**

Provision is made for current and deferred taxes arising from operating results of overseas branches in accordance with the fiscal regulations of the countries in which the Bank operates.

# Notes to the financial statements

for the year ended December 31, 2003

## **Provisions**

Provisions are recognised when the Bank has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

## **Deposits**

All money market and customer deposits are carried at cost less amounts repaid and adjustments for effective fair value hedges.

## **Fiduciary assets**

Assets held in trust or in a fiduciary capacity are not treated as assets of the Bank and accordingly are not included in these financial statements.

## **Revenue and expense recognition**

Interest income and expense and loan commitment fees are recognised on a time proportion basis, taking into account of the principal outstanding and the rate applicable. Commission and fee income are generally accounted for on the date the transaction arises. Interest accruing on loans and advances considered doubtful is excluded from income until received. Subsequently, notional interest is recognised on doubtful loans and advances and other financial assets based on the rate used to discount the net present value of future cash flows. Other fees receivable or payable are recognised when earned. Dividend income is recognised when the right to receive payment is established.

## **Foreign currencies**

Transactions in currencies other than AED are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are

# Notes to the financial statements

for the year ended December 31, 2003

revalued at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in the income statement.

The assets and liabilities of the Bank's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and transferred to the Bank's retained earning. Such translation difference are recognised as income or as expense in the period in which the operation is disposed of.

## **Cash and cash equivalents**

Cash and cash equivalents comprise cash and balances with Central Banks, deposits with banks which mature within three months of the date of placement, net of balances due to banks maturing within three months from the date of taking.

## **Repurchase and resale agreements**

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the balance sheet and are measured in accordance with accounting policies for non-trading investments. The liability for amounts received under these agreements is included in other liabilities. The difference between sale and repurchase price is treated as interest expense using the effective yield method. Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the balance sheet. Amounts paid under these agreements are included in other assets. The difference between purchase and resale price is treated as interest income using the effective yield method.

# Notes to the financial statements

for the year ended December 31, 2003

## **Employees' end of service benefits**

The Bank provides end of service benefits for its expatriate employees. The entitlement to these benefits is based upon the employees' length of service and completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

## **Derivative financial instruments**

The Bank enters into derivative instruments including futures, forwards, swaps and options in the foreign exchange and capital markets for hedging purposes as part of its asset and liability management activities in order to reduce its own exposure to fluctuations in exchange and interest rates. Derivatives are stated at cost and are subsequently re-measured at fair value. Derivatives with positive market values (unrealised gains) are included in other assets and derivatives with negative market values (unrealised losses) are included in other liabilities in the balance sheet.

Fair values are generally obtained by reference to quoted market prices, discounted cash flow models and recognised pricing models as appropriate.

For the purposes of hedge accounting, hedges are classified as either: (a) fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability; or (b) cash flow hedges which hedge exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction or firm commitment that will affect future reported net income.

In relation to fair value hedges, which meet the conditions for hedge accounting, any gain or loss from remeasuring the hedging instrument to fair value is recognised immediately in the income statement.

# Notes to the financial statements

for the year ended December 31, 2003

In relation to cash flow hedges which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised initially in equity and the ineffective portion is recognised in the income statement. The gains or losses on effective cash flow hedges recognised initially in equity are either transferred to the income statement in the period in which the hedged transaction impacts the income statement or included in the initial measurement of the cost of the related asset or liability.

For hedges which do not qualify for hedge accounting, any gains or losses arising from changes in the fair value of the hedging instrument are taken to the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gains or losses on the cash flows hedging instrument that was recognised in equity remains in equity until the forecasted transaction occurs. Where the hedged forecasted transaction is no longer expected to occur, the net cumulative gains or losses recognised in equity are transferred to the income statement.

## **Impairment and uncollectability of financial assets**

At each balance sheet date, the Bank reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# Notes to the financial statements

for the year ended December 31, 2003

The provision for doubtful loans and advances also covers losses where there is objective evidence that probable losses are present in components of the loans and advances portfolio at the balance sheet date. These are estimated based on historical patterns of losses in each component, and the credit ratings allocated to the borrowers and reflect the current economic climate in which the borrowers operate.

## **Trade and settlement date accounting**

The “regular way” purchase and sales of financial assets are recognised on the settlement date basis i.e. the date that the Bank physically receives or transfers the assets. Regular way purchases or sales are those that require delivery of assets within the time frame generally established by regulation or convention in the market place. Any significant change in the fair value of assets which the Bank has committed to purchase at the balance sheet date is recognised in the income statement for assets classified as held for trading and in the statement of changes in equity for assets classified as available for sale.

## **Fair values**

For investments traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics .

For investments where there is no quoted market price, a reasonable estimate of the fair value is



# Notes to the financial statements

for the year ended December 31, 2003

determined by reference to the current market value of another instrument which is substantially the same, or is based on the expected discounted cash flows or the underlying net asset base of the investment. For loans where no quoted market prices are available, future cash flows are discounted at current market rates for loans with similar terms and risk characteristics.

## Pension and national insurance

Pension and national insurance contributions for U.A.E. citizens are made by the Bank in accordance with Federal Law No. 7 of 1999.

## Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported net in the balance sheet only when there is a legally enforceable right to set off the recognised amounts or when the Bank intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## Off balance sheet financial instruments

The Bank utilises forward foreign exchange contracts in the management of its foreign currency positions. All foreign exchange contracts are marked to market and the resultant gains and net losses are recognised in the income statement.

## 3) Cash and balances with Central Banks

	<b>2003</b> <b>AED'000</b>	<b>2002</b> <b>AED'000</b>
Cash on hand	169,001	210,847
Balances with Central Banks	1,145,839	1,087,584
	<b>1,314,840</b>	<b>1,298,431</b>

# Notes to the financial statements

for the year ended December 31, 2003

## 4) Foreign currency balances

Net assets amounting to the Indian Rupee equivalent of AED 57.4 million (2002: AED 53.4 million)

held in India are subject to the exchange control regulations of India.

## 5) Trading investments

	2003 AED'000	2002 AED'000
Fair value	-	4,408

Trading investments represent investments in listed equity securities that present the Bank with opportunity for return through dividend income and trading gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on quoted market prices.

## 6) Loans and advances, net

	2003 AED'000	2002 AED'000
Overdrafts	5,756,001	4,210,553
Personal installment loans	3,045,608	2,738,323
Term loans	11,653,593	11,470,951
Credit cards	118,657	107,870
Other facilities	462,863	461,226
	<b>21,036,722</b>	<b>18,988,923</b>
Less: provision for doubtful loans and advances	(1,766,222)	(1,588,429)
	<b>19,270,500</b>	<b>17,400,494</b>

# Notes to the financial statements

for the year ended December 31, 2003

## 6) Loans and advances, net (continued)

Loans and advances are stated net of provision for non-recovery. The movements in the provision

during the year were as follows:

	2003 AED'000	2002 AED'000
<b>At January 1</b>	<b>1,588,429</b>	<b>1,452,304</b>
Currency translation adjustment	1,210	162
Net amounts written off	(52,811)	(13,163)
Transfer from interest in suspense	-	38,483
Recoveries	(22,457)	(16,415)
Charge for the year	305,762	156,357
Interest on doubtful loans and advances (note 17)	(53,911)	(29,299)
<b>At December 31</b>	<b>1,766,222</b>	<b>1,588,429</b>

The composition of the loans and advances portfolio net of provision for non-recovery and interest in suspense is as follows:

	2003			2002		
	Domestic AED'000	International AED'000	Total AED'000	Domestic AED'000	International AED'000	Total AED'000
<b>Economic sector</b>						
Agriculture	177,018	-	177,018	414,863	-	414,863
Energy	1,512,703	-	1,512,703	1,022,514	9,917	1,032,431
Trading	1,630,117	47,009	1,677,126	1,641,948	38,913	1,680,861
Construction	3,288,847	37,299	3,326,146	3,816,558	32,433	3,848,991
Transport	913,503	62,119	975,622	852,972	69,839	922,811
Personal	8,303,607	26,637	8,330,244	7,976,393	22,496	7,998,889
Government	2,947,759	157,295	3,105,054	1,244,653	172,195	1,416,848
Others	1,645,520	287,289	1,932,809	1,392,372	280,857	1,673,229
<b>Total</b>	<b>20,419,074</b>	<b>617,648</b>	<b>21,036,722</b>	<b>18,362,273</b>	<b>626,650</b>	<b>18,988,923</b>
Less: provision for doubtful loans and advances			(1,766,222)			(1,588,429)
<b>Total</b>			<b>19,270,500</b>			<b>17,400,494</b>

# Notes to the financial statements

for the year ended December 31, 2003

## 6) Loans and advances, net (continued)

As at December 31, 2003, non-performing loans and advances on which interest is not being accrued or where interest is suspended amounted to AED 7,698 million (2002: AED 7,350 million). As at December 31, 2003, interest in suspense amounted to AED 3,917 million (2002: AED 3,747 million).

The specific provision for non-performing loans and advances is arrived at after taking into account the indemnification provided by the Government of Abu Dhabi amounting to AED 1.2 billion (2002: AED 1.2 billion).

## 7) Non trading investments

	2003 AED'000	2002 AED'000
<b>Available for sale investments</b>		
Quoted investments	635,384	913,464
Unquoted investments	88,729	75,835
	<b>724,113</b>	<b>989,299</b>
<b>Held to maturity</b>		
Floating rate notes	246,500	228,444
Fixed rate notes	629,460	597,480
	<b>875,960</b>	<b>825,924</b>
<b>Originated</b>		
Bonds	1,356,630	1,366,356
	<b>2,956,703</b>	<b>3,181,579</b>

The fair value of held to maturity and originated investments at December 31, 2003 amounted to AED 957,361 thousand (2002: AED 880,520 thousand) and AED 1,419,757 thousand (2002: AED 1,369,608 thousand) respectively. Included in originated investments is an amount of AED 973,345 thousand (2002: AED 1,101,900 thousand) linked to reference assets as part of credit default swap transactions.

# Notes to the financial statements

for the year ended December 31, 2003

## 8) Other assets

	<b>2003</b> <b>AED'000</b>	<b>2002</b> <b>AED'000</b>
Interest receivable	96,810	121,087
Withholding taxation	60,475	68,640
Prepayments	12,848	10,903
Positive fair value of derivative (note 23)	636	165
Clearing receivables	103,941	86,648
Others	156,289	80,638
	<b>430,999</b>	<b>368,081</b>

## 9) Property, plant and equipment, net

	<b>Freehold properties</b> <b>AED'000</b>	<b>Leasehold properties</b> <b>AED'000</b>	<b>Furniture, equipment and vehicles</b> <b>AED'000</b>	<b>Capital work in progress</b> <b>AED'000</b>	<b>Total</b> <b>AED'000</b>
<b>Cost or valuation</b>					
At 1 January 2003	216,379	11,059	91,736	1,965	321,139
Exchange difference	270	3	280	-	553
Additions during the year	778	1,834	12,537	4,571	19,720
Cost of disposals	(20,609)	(33)	(4,441)	-	(25,083)
<b>At December 31, 2003</b>	<b>196,818</b>	<b>12,863</b>	<b>100,112</b>	<b>6,536</b>	<b>316,329</b>
<b>Depreciation</b>					
At 1 January 2003	94,793	6,984	75,290	-	177,067
Exchange difference	20	1	210	-	231
Charge during the year	8,970	1,416	7,991	-	18,377
Disposals	(19,939)	(33)	(4,345)	-	(24,317)
<b>At December 31, 2003</b>	<b>83,844</b>	<b>8,368</b>	<b>79,146</b>	<b>-</b>	<b>171,358</b>
<b>Net book value</b>					
At December 31, 2003	112,974	4,495	20,966	6,536	144,971
At December 31, 2002	121,586	4,075	16,446	1,965	144,072

Freehold property includes properties recorded at directors' valuation with a gross carrying value of AED 19 million (2002: AED 37 million). Included in freehold property is an amount of AED 0.5 million (2002: AED 1.3 million) which represents collateral acquired in settlement of loans and advances.

# Notes to the financial statements

for the year ended December 31, 2003

## 10) Due to banks

	2003 AED'000	2002 AED'000
Current and demand deposits	88,623	98,751
Deposits maturing within one year	1,984,115	2,518,052
Deposits maturing after one year	1,290,868	813,890
	<b>3,363,606</b>	<b>3,430,693</b>

## 11) Long term loan

A long term interest bearing loan of AED 1,200 million (2002 : AED 1,200 million) has been provided by the Government of Abu Dhabi under an agreement with the Bank. Interest is payable annually to the Government of Abu Dhabi at a rate advised by the U.A.E. Central Bank and such interest for the year amounted to AED 15 million (2002 : AED 21 million) has been charged as an expense for the year (note 18).

## 12) Other liabilities

	2003 AED'000	2002 AED'000
Interest payable	59,459	69,273
Employees' end of service benefits	61,519	53,924
Accounts payable and other creditors	34,761	41,000
Deferred income	12,330	7,568
Negative fair value of derivatives (note 23)	65,728	118,047
Others	103,676	100,246
	<b>337,473</b>	<b>390,058</b>

The negative fair value of derivatives is in respect of derivatives held for hedging the fair value of certain loans and advances and investments. A positive increase of a similar amount has been adjusted to the carrying value of these hedged loans and advances and investments.

# Notes to the financial statements

for the year ended December 31, 2003

## 13) Taxation

	2003 AED'000	2002 AED'000
<b>Current liability</b>		
Current year	2,353	1,837
<b>Income statement</b>		
Current year (expense)/write back	(2,496)	1,846

## 14) Share capital

	Authorised AED'000	2003 Issued and fully paid AED'000	2002 AED'000
Ordinary shares of AED 10 each	1,500,000	1,250,000	1,250,000

Abu Dhabi Investment Authority holds 64.796% (2002 : 64.796%) of the issued and fully paid up share capital. The balance is held by U.A.E. institutions and U.A.E. nationals.

In the extraordinary general meeting held on April 10, 2002, the shareholders approved the split of the nominal value of the share from AED 100 to AED 10 and the resulting amendment to the Bank's Articles of Association and the number of shares issued.

## 15) Reserves

### Statutory Reserve

As required by Article 82 of Union Law No. 10 of 1980, 10% of the net profit for the year is transferred to the statutory reserve. The Bank may resolve to discontinue such annual transfers when the reserve

# Notes to the financial statements

for the year ended December 31, 2003

## **15) Reserves (continued)**

equals 50% of the nominal value of the paid up share capital. The statutory reserve is not available for distribution.

### **Legal reserve**

In accordance with the U.A.E. Federal Commercial Companies Law No. 8 of 1984 (as amended) and Article 60 of the Memorandum and Articles of Association of the Bank, 10% of the net profit for the year is transferred to the legal reserve. The Bank may resolve to discontinue such annual transfers when the reserve equals 50% of the nominal value of the paid up share capital. The legal reserve is not available for distribution.

### **General reserve**

Transfers to the general reserve are made upon the recommendation of the Board of Directors. This reserve may only be used for the purposes recommended by the Board of Directors and approved by the shareholders.

### **Contingency reserve**

The contingency reserve is established to cover unforeseen future risks or contingencies which may arise from general banking risks.

## **16) Proposed dividends**

For the year ended December 31, 2003, the Board of Directors have proposed to pay a cash dividend of 25% of the issued share capital amounting to AED 312.5 million (2002 : 25% of the issued share capital amounting to AED 312.5 million) out of the profits for the year subject to the approval of the shareholders at the Annual General Meeting.



# Notes to the financial statements

for the year ended December 31, 2003

## 17) Interest income

	<b>2003</b> <b>AED'000</b>	<b>2002</b> <b>AED'000</b>
Loans and advances	781,233	875,024
Deposits with banks	66,683	128,259
Investment securities	156,021	161,750
Trading securities	-	368
Interest on doubtful loans and advances (note 6)	53,911	29,299
Others	3,606	-
	<b>1,061,454</b>	<b>1,194,700</b>

## 18) Interest expense

	<b>2003</b> <b>AED'000</b>	<b>2002</b> <b>AED'000</b>
Bank deposits	125,330	146,256
Customers' deposits	193,044	297,201
Long term loan (note 11)	15,000	21,000
	<b>333,374</b>	<b>464,457</b>

## 19) Net trading income

	<b>2003</b> <b>AED'000</b>	<b>2002</b> <b>AED'000</b>
Foreign exchange	41,025	36,352
Trading securities and derivatives	1,425	(2,234)
	<b>42,450</b>	<b>34,118</b>

# Notes to the financial statements

for the year ended December 31, 2003

## 20) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit for the year by the weighted average number of shares outstanding during the year as follows:

	2003	2002
Net profit for the year (AED 000)	405,025	590,337
Ordinary shares in issue throughout the year (000's)	125,000	125,000
Basic earnings per share (AED)	3.24	4.72

The Bank has not issued any instruments which would have an impact on earnings per share when exercised.

## 21) Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following balance sheet amounts:

	2003 AED'000	2002 AED'000
Cash and balances with Central Banks	1,314,840	1,298,431
Due from banks	4,633,181	5,286,298
Due to banks	(3,363,606)	(3,430,693)
	2,584,415	3,154,036
Less: Due from banks – original maturity more than 3 months	(2,524,400)	(2,157,448)
Add: Due to banks – original maturity more than 3 months	2,064,502	1,896,476
	2,124,517	2,893,064

## 22) Related party transactions

The Bank enters into transactions with major shareholders, directors, senior management and their related concerns in the ordinary course of business at commercial interest and commission rates.

# Notes to the financial statements

for the year ended December 31, 2003

## 22) Related party transactions (continued)

The year end balances in respect of related parties included in the balance sheet are as follows:

	<b>2003</b> <b>AED'000</b>	<b>2002</b> <b>AED'000</b>
Loans and advances to customers	1,552,704	444,752
Customers' deposits	2,809,149	2,182,004
Irrevocable commitments and contingencies	231,088	1,323,865

Significant transactions with related parties during the year are as follows:

	<b>2003</b> <b>AED'000</b>	<b>2002</b> <b>AED'000</b>
Interest and commission income	8,119	8,799
Interest expense	22,992	30,327

## 23) Commitments and contingent liabilities

The Bank has the following commitments and contingent liabilities at December 31

	<b>2003</b> <b>AED'000</b>	<b>2002</b> <b>AED'000</b>
<b>Commitments on behalf of customers</b>		
Acceptances	186,040	257,981
Letters of credit	1,153,741	1,044,385
Guarantees	7,300,173	7,259,114
Irrevocable commitments to extend credit	3,622,195	4,357,181
Commitments for future capital expenditure	157,405	131,260
	<b>12,419,554</b>	<b>13,049,921</b>
<b>Derivative instruments</b>		
Forward foreign exchange contracts	795,627	1,009,574
Interest rate swaps	1,410,482	1,360,481
	<b>2,206,109</b>	<b>2,370,055</b>
	<b>14,625,663</b>	<b>15,419,976</b>

# Notes to the financial statements

for the year ended December 31, 2003

## **23) Commitments and contingent liabilities (continued)**

### **Credit-related commitments**

Credit-related commitments include commitments to extend credit, standby letters of credit, guarantees and acceptances, which are designed to meet the requirements of the Bank's customers.

Commitments to extend credit represent contractual commitments to make loans and revolving credits. Commitments generally have fixed expiry dates, or other termination clauses. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

Letters of credit, guarantees and acceptances commit the Bank to make payments on behalf of customers contingent upon the failure of the customer to perform under the terms of the contract. These contracts would have market risk if issued or extended at a fixed rate of interest. However, these contracts are primarily made at a floating rate.

### **Derivative instruments**

In the ordinary course of business the Bank enters into various types of transactions that involve financial instruments. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price in one or more underlying financial instrument, reference rate or index. Derivative financial instruments, which the Bank enters into, include forwards, options and swaps.

The table below shows the notional amounts of derivative financial instruments analysed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year end and are neither indicative of the market risk nor credit risk.

# Notes to the financial statements

for the year ended December 31, 2003

## 23) Commitments and contingent liabilities (continued)

Notional amounts by term to maturity				
	<b>Total</b>	<b>Within 3</b>	<b>Within 3-12</b>	<b>1-5 years</b>
	<b>AED'000</b>	<b>months</b>	<b>months</b>	<b>AED'000</b>
		<b>AED'000</b>	<b>AED'000</b>	
At December 31, 2003				
<b>Derivatives held for hedging</b>				
Interest rate swaps	1,410,482	-	110,190	1,300,292
Forward foreign exchange contracts	795,627	640,780	154,847	-
	<b>2,206,109</b>	<b>640,780</b>	<b>265,037</b>	<b>1,300,292</b>
At December 31, 2002				
<b>Derivatives held for hedging</b>				
Interest rate swaps	1,360,481	18,365	538,292	803,824
Forward foreign exchange contracts	1,009,574	865,708	143,866	-
	<b>2,370,055</b>	<b>884,073</b>	<b>682,158</b>	<b>803,824</b>

At December 31, 2003 the positive and negative fair values of these derivatives amounted to AED 636 thousand (2002 : AED 165 thousand) and AED 65,728 thousand (2002 : AED 118,047 thousand) respectively. These are included in other assets (note 8) and other liabilities (note 12).

### Derivative related credit risk

Credit risk in respect of derivative financial instruments arises from the potential for a counterparty to default on its contractual obligations and is limited to the positive fair value of instruments that are favourable to the Bank. The Bank enters into derivative contracts with a number of financial instruments of good credit rating.

### Derivatives held or issued for trading purposes

Most of the Bank's derivative trading activities relate to positioning and arbitrage activities. Sales activities involve offering products to customers at competitive prices in order to enable them to transfer, modify or reduce current and expected risks. Positioning involves managing positions

# Notes to the financial statements

for the year ended December 31, 2003

## 23) Commitments and contingent liabilities (continued)

with the expectation of profiting from favourable movements in prices, rates and indices. Arbitrage activities involve identifying and profiting from price differentials between markets and products.

### Derivatives held or issued for hedging purposes

The Bank uses derivative instruments for hedging purposes as part of its asset and liability management activities in order to reduce its own exposure to fluctuations in exchange and interest rates. The Bank uses forward foreign exchange contracts to hedge exchange rate risk and interest rate swaps to hedge interest rate risk. The Bank also uses interest rate swaps to hedge against the fair value risks arising on certain fixed rate financial instruments. In all such cases the hedging relationship and objective, including details of the hedged item and hedging instrument, are formally documented and the transactions are accounted for as fair value hedges.

The Bank has the following significant net exposures denominated in foreign currencies

at 31 December:

	2003 AED'000 equivalent long/(short)	2002 AED'000 equivalent long/(short)
US Dollar	464,100	1,025,038
Indian Rupees	97,180	46,646
Omani Riyal	2,449	263
Pound Sterling	(1,260)	1,372
Euro	(1,142)	(954)
Bahraini Dinar	627	166
Saudi Riyal	1,257	(141)

# Notes to the financial statements

for the year ended December 31, 2003

## 24) Segmental information

### Primary segment information

For operating purposes, the Bank is organised into two major business segments: (i) Commercial Banking, which principally provides loans and other credit facilities, deposit and current accounts for the Bank's customers, and (ii) Investment Banking, which involves the management of the Bank's investment portfolio and its treasury activities. These segments are the basis on which the Bank reports its primary segment information. Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds.

Segmental information for the year was as follows:

	Commercial Banking		Investment Banking		Total	
	2003 AED'000	2002 AED'000	2003 AED'000	2002 AED'000	2003 AED'000	2002 AED'000
<b>Operating income</b>	<b>867,267</b>	<b>866,097</b>	<b>71,928</b>	<b>70,199</b>	<b>939,195</b>	<b>936,296</b>
Segment result and profit from operations	379,020	554,276	28,501	34,215	407,521	588,491
Income tax (expense)/ write back unallocated					(2,496)	1,846
Net profit for the year					405,025	590,337
<b>Other information</b>						
Segment assets	18,873,513	17,984,344	9,877,681	9,699,019	28,751,194	27,683,363
Segment liabilities	14,393,963	13,586,489	9,877,681	9,699,019	24,271,644	23,285,508
Equity					4,479,550	4,397,855
Total liabilities and equity					28,751,194	27,683,363

# Notes to the financial statements

for the year ended December 31, 2003

## Secondary segment information

Although the Bank is organised primarily on business segments, the Bank operates in two geographic markets. The United Arab Emirates which is designated as Domestic and represent the operations of the Bank which originate from the U.A.E. branches, and International which represents the operations of the Bank which originate from its branches in India. The following table shows the distribution of the Bank's operating income, total assets, total liabilities and capital expenditure by geographical segment.

	Domestic		International		Total	
	2003 AED'000	2002 AED'000	2003 AED'000	2002 AED'000	2003 AED'000	2002 AED'000
<b>Operating income</b>	<b>918,749</b>	<b>923,035</b>	<b>20,446</b>	<b>13,261</b>	<b>939,195</b>	<b>936,296</b>
Profit before taxation	403,851	586,403	3,670	2,088	407,521	588,491
Income tax (expense)/ write back	-	-	(2,496)	1,846	(2,496)	1,846
Net profit for the year	403,851	586,403	1,174	3,934	405,025	590,337
Segment assets	27,210,764	26,085,196	1,540,430	1,598,167	28,751,194	27,683,363
Segment liabilities	22,798,843	21,750,780	1,472,801	1,534,728	24,271,644	23,285,508
Capital expenditure incurred during the year	19,374	15,828	346	668	19,720	16,496



# Notes to the financial statements

for the year ended December 31, 2003

## **25) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Bank attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter-parties, and continually assessing the creditworthiness of counter-parties. In addition to monitoring credit limits, the Bank manages the credit exposure relating to its trading activities by entering into master netting agreements and collateral arrangements with counter-parties in appropriate circumstances, and limiting the duration of exposure. In certain cases, the Bank may also close out transactions or assign them to other counter-parties to mitigate credit risk.

Concentrations of credit risk arise when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographic location.

The Bank seeks to manage its credit risk exposure through diversification of lending activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. It also obtains security when appropriate.

For details of the composition of the loans and advances portfolio refer note 6. Information on credit risk relating to derivative instruments is provided in note 23.

# Notes to the financial statements

for the year ended December 31, 2003

## 26) Concentration of assets, liabilities and off balance sheet items

The distribution of assets, liabilities and off balance sheet items by geographic region and industry

sector during the year was as follows:

	2003			2002		
	Assets AED'000	Liabilities and equity AED'000	Off-balance sheet items AED'000	Assets AED'000	Liabilities and equity AED'000	Off-balance sheet items AED'000
<b>Geographic region</b>						
Domestic (UAE)	21,109,514	25,799,776	8,471,003	19,192,842	24,474,228	8,940,443
Other GCC countries	2,837,760	1,010,415	505,814	3,259,293	556,296	706,205
Other Arab countries	1,934	161,701	126,272	659	87,537	32,271
South Africa	74,290	-	231,806	221,043	8,916	350,789
India	1,874,874	1,486,250	705,900	1,809,448	1,538,964	848,004
Europe	608,826	215,353	3,551,046	669,771	278,307	3,802,253
USA	226,369	32,994	104,320	264,026	54,190	74,597
Japan	3,506	140	210,428	4,342	776	168,166
Hongkong	73,550	116	-	184,808	-	-
Singapore	202,374	30	1,279	140,997	23	1,458
South Korea	1,363,991	2,307	566,794	1,577,492	359	375,371
Rest of the World	374,206	42,112	151,001	358,642	683,767	120,419
<b>Total</b>	<b>28,751,194</b>	<b>28,751,194</b>	<b>14,625,663</b>	<b>27,683,363</b>	<b>27,683,363</b>	<b>15,419,976</b>
<b>Industry sector</b>						
Commercial & business	7,233,035	3,979,815	5,432,825	8,168,068	3,016,251	4,662,851
Personal	7,860,162	9,629,614	1,106,895	7,469,715	9,201,294	929,269
Public sector	1,373,257	1,084,442	827,423	677,023	1,280,456	1,171,329
Government	6,045,356	9,491,975	870,003	4,693,520	8,677,600	2,188,237
Banks and financial institutions	6,239,384	4,565,348	6,388,517	6,675,037	5,507,762	6,468,290
<b>Total</b>	<b>28,751,194</b>	<b>28,751,194</b>	<b>14,625,663</b>	<b>27,683,363</b>	<b>27,683,363</b>	<b>15,419,976</b>

# Notes to the financial statements

for the year ended December 31, 2003

## **27) Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The Bank is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off balance sheet instruments that mature or re-price in a given period. The Bank manages this risk by matching the re-pricing of assets and liabilities through risk management strategies.

The substantial majority of the Bank's assets and liabilities re-price within one year. Accordingly, there is limited exposure to interest rate risk.

The effective interest rate (effective yield) of a monetary financial instrument is the rate that, when used in a present value calculation, results in the carrying amount of the instrument. The rate is a historical rate for a fixed rate instrument carried at amortised cost and a current market rate for a floating rate instrument or an instrument carried at fair value.

# Notes to the financial statements

for the year ended December 31, 2003

## 27) Interest rate risk (continued)

The Bank's interest sensitivity position based on contractual re-pricing arrangements at December 31, 2003 was as follows:

	Effective rate	Less than 3 months AED'000	3 months to less than 6 months AED'000	6 months to less than 1 year AED'000	1 year to less than 3 years AED'000	Over 3 years AED'000	Non-interest bearing items AED'000	Total AED'000
<b>Assets</b>								
Cash and balances with Central Banks	-	-	-	-	-	-	1,314,840	1,314,840
Due from Banks	1.49	4,373,066	164,998	40,350	8,070	-	46,697	4,633,181
Loans and advances, net	4.34	12,521,608	1,068,993	802,020	1,957,155	906,256	2,014,468	19,270,500
Non-trading investments	4.96	1,493,253	340,050	169,375	765,364	96,756	91,905	2,956,703
Other assets	-	-	-	-	-	-	430,999	430,999
Property, plant & equipment, net	-	-	-	-	-	-	144,971	144,971
<b>Total assets</b>		<b>18,387,927</b>	<b>1,574,041</b>	<b>1,011,745</b>	<b>2,730,589</b>	<b>1,003,012</b>	<b>4,043,880</b>	<b>28,751,194</b>
<b>Liabilities and Equity</b>								
Due to banks	3.70	1,865,809	123,624	-	1,290,868	-	83,305	3,363,606
Customers' deposits	1.32	13,531,985	937,379	505,777	236,481	1,257	4,155,333	19,368,212
Long term loan	1.25	-	-	-	1,200,000	-	-	1,200,000
Other liabilities	-	-	-	-	-	-	337,473	337,473
Taxation	-	-	-	-	-	-	2,353	2,353
Equity	-	-	-	-	-	-	4,479,550	4,479,550
<b>Total liabilities and equity</b>		<b>15,397,794</b>	<b>1,061,003</b>	<b>505,777</b>	<b>2,727,349</b>	<b>1,257</b>	<b>9,058,014</b>	<b>28,751,194</b>
<b>On-balance sheet gap</b>		<b>2,990,133</b>	<b>513,038</b>	<b>505,968</b>	<b>3,240</b>	<b>1,001,755</b>	<b>(5,014,134)</b>	<b>-</b>
<b>Off-balance sheet gap</b>		<b>264,787</b>	<b>638,821</b>	<b>(470,144)</b>	<b>(339,801)</b>	<b>(93,663)</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap</b>		<b>3,254,920</b>	<b>1,151,859</b>	<b>35,824</b>	<b>(336,561)</b>	<b>908,092</b>	<b>(5,014,134)</b>	<b>-</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>3,254,920</b>	<b>4,406,779</b>	<b>4,442,603</b>	<b>4,106,042</b>	<b>5,014,134</b>	<b>-</b>	<b>-</b>

Included in non-trading investments and due to banks are interest bearing amounts of AED 1,060,262 thousand and AED 869,559 thousand respectively relating to the Bank's overseas branches with effective rates of 9.54% and 10.89% respectively.

# Notes to the financial statements

for the year ended December 31, 2003

## 27) Interest rate risk (continued)

The Bank's interest sensitivity position based on contractual re-pricing arrangements at December 31, 2002 was as follows:

	Effective rate	Less than 3 months AED'000	3 months to less than 6 months AED'000	6 months to less than 1 year AED'000	1 year to less than 3 years AED'000	Over 3 years AED'000	Non-interest bearing items AED'000	Total AED'000
<b>Assets</b>								
Cash and balances with Central Banks	-	-	-	-	-	-	1,298,431	1,298,431
Due from Banks	1.93	5,141,232	106,058	-	-	-	39,008	5,286,298
Trading investments	-	-	-	-	-	-	4,408	4,408
Loans and advances, net	5.39	9,803,181	1,730,070	1,319,918	1,999,351	533,802	2,014,172	17,400,494
Non-trading investments	5.22	1,390,734	308,740	442,113	256,528	670,789	112,675	3,181,579
Other assets	-	-	-	-	-	-	368,081	368,081
Property, plant and equipment, net	-	-	-	-	-	-	144,072	144,072
<b>Total assets</b>		<b>16,335,147</b>	<b>2,144,868</b>	<b>1,762,031</b>	<b>2,255,879</b>	<b>1,204,591</b>	<b>3,980,847</b>	<b>27,683,363</b>
<b>Liabilities and Equity</b>								
Due to banks	3.94	2,122,179	332,215	67,282	813,890	-	95,127	3,430,693
Customers' deposits	1.77	13,352,985	895,404	485,152	48,369	10,070	3,470,940	18,262,920
Long term loan	1.75	-	-	-	1,200,000	-	-	1,200,000
Other liabilities	-	-	-	-	-	-	390,058	390,058
Taxation	-	-	-	-	-	-	1,837	1,837
Equity	-	-	-	-	-	-	4,397,855	4,397,855
<b>Total liabilities and equity</b>	-	<b>15,475,164</b>	<b>1,227,619</b>	<b>552,434</b>	<b>2,062,259</b>	<b>10,070</b>	<b>8,355,817</b>	<b>27,683,363</b>
<b>On-balance sheet gap</b>	-	<b>859,983</b>	<b>917,249</b>	<b>1,209,597</b>	<b>193,620</b>	<b>1,194,521</b>	<b>(4,374,970)</b>	-
<b>Off-balance sheet gap</b>	-	<b>681,205</b>	<b>642,546</b>	<b>(519,927)</b>	<b>(763,755)</b>	<b>(40,069)</b>	-	-
<b>Total interest rate sensitivity gap</b>	-	<b>1,541,188</b>	<b>1,559,795</b>	<b>689,670</b>	<b>(570,135)</b>	<b>1,154,452</b>	<b>(4,374,970)</b>	-
<b>Cumulative interest rate sensitivity gap</b>	-	<b>1,541,188</b>	<b>3,100,983</b>	<b>3,790,653</b>	<b>3,220,518</b>	<b>4,374,970</b>	-	-

Included in non-trading investments and due to banks are interest bearing amounts of AED 1,030,582 thousand and AED 971,772 thousand respectively relating to the Bank's overseas branches with effective rates of 10.46% and 9.55% respectively. The off balance sheet gap represents the net notional amounts of off balance sheet financial instruments, such as interest rate swaps which are used to manage the interest rate risk.

# Notes to the financial statements

for the year ended December 31, 2003

## 28) Liquidity risk

Liquidity risk is the risk that an institution will be unable to meet its funding requirements. Liquidity risk can be caused by market disruptions or a credit downgrade which may cause certain sources of funding to dry up immediately. To guard against this risk, management has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash, cash equivalents, and readily marketable securities.

The table below summarises the maturity profile of the Bank's assets and liabilities. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date and do not take into account the effective maturities as indicated by the Bank's deposit retention history and the availability of liquid funds.

The maturity profile is monitored by management to ensure that adequate liquidity is maintained.

The maturity profile of the assets and liabilities at the year end is based on contractual repayment arrangements was as follows:

	Total	Less than 3 months	3 months to less than 6 months	6 months to less than 1 year	1 year to less than 3 years	3 years to less than 5 years	Over 5 years
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
<b>Assets</b>							
Cash and balances with Central Banks	1,314,840	1,314,840	-	-	-	-	-
Due from Banks	4,633,181	3,917,463	164,998	75,350	475,370	-	-
Trading investments	-	-	-	-	-	-	-
Loans and advances, net	19,270,500	8,498,963	1,199,792	1,664,407	4,082,888	1,543,409	2,281,041
Non-trading investments	2,956,703	236,133	253,738	719,512	1,224,798	510,637	11,885
Other assets	430,999	344,520	67,968	18,511	-	-	-
Property, plant and equipment, net	144,971	-	-	-	-	-	144,971
<b>Total assets</b>	<b>28,751,194</b>	<b>14,311,919</b>	<b>1,686,496</b>	<b>2,477,780</b>	<b>5,783,056</b>	<b>2,054,046</b>	<b>2,437,897</b>
<b>Liabilities and Equity</b>							
Due to banks	3,363,606	1,949,114	123,624	-	1,290,868	-	-
Customers' deposits	19,368,212	16,769,068	1,855,629	505,777	236,481	1,216	41
Long term loan	1,200,000	-	-	-	-	-	1,200,000
Other liabilities	337,473	169,766	5,061	19,734	81,356	24	61,532
Taxation	2,353	2,353	-	-	-	-	-
Equity	4,479,550	312,500	-	-	-	-	4,167,050
<b>Total liabilities and equity</b>	<b>28,751,194</b>	<b>19,202,801</b>	<b>1,984,314</b>	<b>525,511</b>	<b>1,608,705</b>	<b>1,240</b>	<b>5,428,623</b>

# Notes to the financial statements

for the year ended December 31, 2003

## 28) Liquidity risk (continued)

Trading investments are assumed to be immediately realisable. Maturities of other assets and liabilities have been determined on the basis of the period remaining at the balance sheet date to the contractual maturity date.

The maturity profile of the assets and liabilities at December 31, 2002 was as follows:

	Total AED'000	Less than 3 months AED'000	3 months to less than 6 months AED'000	6 months to less than 1 year AED'000	1 year to less than 3 years AED'000	3 years to less than 5 years AED'000	5 years and Over AED'000
<b>Assets</b>							
Cash and balances with Central Banks	1,298,431	1,298,431	-	-	-	-	-
Due from Banks	5,286,298	5,180,240	106,058	-	-	-	-
Trading investments	4,408	4,408	-	-	-	-	-
Loans and advances, net	17,400,494	6,712,127	1,182,987	2,118,609	4,169,193	1,128,443	2,089,135
Non trading investments	3,181,579	133,225	327,149	593,486	1,098,406	1,012,314	16,999
Other assets	368,081	260,682	75,067	28,504	3,828	-	-
Property, plant and equipment, net	144,072	-	-	-	-	-	144,072
<b>Total assets</b>	<b>27,683,363</b>	<b>13,589,113</b>	<b>1,691,261</b>	<b>2,740,599</b>	<b>5,271,427</b>	<b>2,140,757</b>	<b>2,250,206</b>
<b>Liabilities and Equity</b>							
Due to banks	3,430,693	2,217,306	332,215	67,282	813,890	-	-
Customers' deposits	18,262,920	16,823,925	895,404	485,152	48,369	10,070	-
Long term loan	1,200,000	-	-	-	-	-	1,200,000
Other liabilities	390,058	201,072	14,553	24,672	95,749	76	53,936
Taxation	1,837	1,837	-	-	-	-	-
Equity	4,397,855	312,500	-	-	-	-	4,085,355
<b>Total liabilities and equity</b>	<b>27,683,363</b>	<b>19,556,640</b>	<b>1,242,172</b>	<b>577,106</b>	<b>958,008</b>	<b>10,146</b>	<b>5,339,291</b>

Trading investments are assumed to be immediately realisable. Maturities of other assets and liabilities have been determined on the basis of the period remaining at the balance sheet date to the contractual maturity date.

# Notes to the financial statements

for the year ended December 31, 2003

## 29) Fair value of financial instruments

While the Bank prepares its financial statements under the historical cost convention modified for measurement to fair value of trading and available for sale investment securities and derivatives, in the opinion of management, the estimated carrying values and fair values of those financial assets and liabilities that are not carried at fair value in the financial statements are not materially different, since assets and liabilities are either short term in nature or in the case of deposits and performing loans and advances, frequently re-priced. For non-performing loans and advances, expected cash flows, including anticipated realisation of collateral, were discounted using the original interest rates, considering the time of collection and a provision for the uncertainty of the flows.

The fair value of held to maturity investments and originated by the Bank investments are disclosed in note 7.

## 30) Capital adequacy

The capital adequacy ratio calculated in accordance with the guidelines of the United Arab Emirates

Central Bank is as follows:

	2003 AED'000	2002 AED'000
<b>Capital base</b>	<b>4,167,050</b>	<b>4,085,355</b>
<b>Risk weighted assets:</b>		
Off-balance sheet exposures	3,525,546	3,419,873
Balance sheet assets	17,459,962	17,300,275
<b>Total risk weighted assets</b>	<b>20,985,508</b>	<b>20,720,148</b>
<b>Capital adequacy ratio</b>	<b>19.86%</b>	<b>19.72%</b>



# Notes to the financial statements

for the year ended December 31, 2003

## **31) Comparative figures**

Certain comparative figures for the prior year have been reclassified, where necessary, to conform with the current year presentation.

## **32) Approval of financial statements**

The financial statements were approved by the Board of Directors and authorised for issue in their meeting on February 11, 2004.



# Management Directory

## GENERAL MANAGEMENT

### HEAD OFFICE

**Eirvin Knox**

Chief Executive Officer

**Norman Alexander**

Head, Strategic Planning & Projects

**Shariq Azhar**

Head, Corporate Banking Group

**Ajay Bimbhet**

Head, Retail Banking Group

**Steve Dickens**

Chief Operations Officer

**Darren Robinson**

Chief Financial Officer

**Bassam Daoud**

Head, Credit Group

**Abdulla Jasem**

Head, Human Resources Group

**Zaki Hamadani**

Head, Legal and Special Asset Management

**Abdul Hakim Kanan**

Head, Internal Audit

**Zuhair Aref Zaher**

Board Secretary

# Head Office & Branches Directory

## HEAD OFFICE

ADCB, Abu Dhabi Mall (East Tower), Tourist Club Area, P.O. Box 939, Abu Dhabi-UAE

Reuter Dealing : ADCU, Reuter Commentary : ADCB 01

Telephone : 971 (2) 6962222 - PABX

## BRANCHES AND ADDRESSES IN THE UAE

<b>ABU DHABI EMIRATE</b>	<b>P.O. Box</b>	<b>TELEPHONE</b>	<b>TELEFAX</b>	<b>TELEX</b>
Al Salam Street	2934	(02) 6720000	(02) 6793788	-
Corniche	2054	(02) 6275500	(02) 6275400	24241 ADCBCO EM
Hamdan Street	2832	(02) 6335820	(02) 6320396	22523 ADCBHM EM
Souk	25994	(02) 6224949	(02) 6224770	-
Tourist Club Area	2800	(02) 6442800	(02) 6446980	-
Sh. Rashid Road	25993	(02) 4458288	(02) 4432491	24491 ADCBAK EM
Khalidiya	29923	(02) 6669910	(02) 6650227	23485 ADCBKL EM
Al Murroor	939	(02) 4447960	(02)4444795	-
GHQ	25994	(02) 4415626	(02)4415800	-
Al Najda Street	5154	(02) 6767700	(02)6769966	23286 ADCBBS EM
Mussafah	9331	(02) 5544272	(02) 5544273	-
Al Shahama	76122	(02) 5632255	(02) 5633446	22746 ADCBAS EM
Baniyas Town	11616	(02) 5821550	(02) 5823529	23573 ADCBBT EM
Al Dhafra Air Base	11616	(02) 5851030	(02) 5851045	-
Zayed Town	50013	(02) 8846180	(02) 8847663	52206 ADCBZT EM
Ruwais	11851	(02) 8775015	(02) 8774704	52225 ADCBRW EM
Al Baya	76889	(02) 8721300	(02) 8728124	52219 ADCBSI EM
Gayathi	77731	(02) 8742155	(02) 8741626	52202 ADCBGB EM

# Head Office & Branches Directory

<b>AL AIN CITY</b>	P.O. Box	TELEPHONE	TELEFAX	TELEX
Main Branch	15180	(03) 7550000	(03) 7541455	33544 ADCBMS EM
Khalifa Street	1820	(03) 7669999	(03) 7660349	33536 ADCBAL EM
Sina'eya (Industrial Area)	24699	(03) 7210009	(03) 7216193	-
Al Wagan	21879	(03) 7351444	(03) 7351799	-
Al Yahar	81084	(03) 7814000	(03) 7826600	-
Al Hayer	21112	(03) 7321888	(03) 7322883	-

## **DUBAI EMIRATE**

Al Riggah Road	5550	(04) 2958888	(04) 2959310	46211 ADCBDI EM
Al Karama	12808	(04) 3345000	(04) 3348000	49191 ADCBKR EM
Naif Road	1069	(04) 2279000	(04) 2275095	49149 ADCBNF EM
Al Mina Road	9286	(04) 3984444	(04) 3982664	47866 ADCBDB EM
Al Quoz	37363	(04) 3388000	(04) 3386677	45410 ADCBDI EM
Al Qusais	19678	(04) 2634440	(04) 2633282	48107 ADCBAG EM

## **SHARJAH EMIRATE**

Main Branch	4377	(06) 5737000	(06) 5725331	68544 ADCBSJ EM
Industrial Area	23657	(06) 5433300	(06) 5421285	-

## **RAS AL KHAIMAH EMIRATE**

Ras Al Khaimah	1633	(07) 2332200	(07) 2332020	99224 ADCBRK EM
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# Head Office & Branches Directory

<b>FUJAIRAH EMIRATE</b>	P.O. Box	TELEPHONE	TELEFAX	TELEX
Fujairah	770	(09) 2223900	(09) 2224900	89015 ADCBFJ EM
Dibba	13212	(09) 2446444	(09) 2444838	-

<b>AJMAN EMIRATE</b>	P.O. Box	TELEPHONE	TELEFAX	TELEX
Ajman	1843	(06) 7443444	(06) 7443300	69569 ADCBAJ EM

<b>OVERSEAS BRANCHES - INDIA</b>	P.O. Box	TELEPHONE	TELEFAX	TELEX
Mumbai	11248	(91) 22 22855658	(91) 22 22870686	11-85481 ADCB IN
Bangalore	5271	(91) 80 5582000	(91) 80 5582323	845-2934 ADCB IN