

**Abu Dhabi Commercial Bank**  
**Annual General Assembly**  
**31<sup>st</sup> March 2009**  
**Chief Executive Officer / Board of Directors' Report**

Dear Shareholders,

It is my honour to apprise you of ADCB's Financial Statements as at 31 December 2008.

I am privileged to fulfil our standing promise to present to you, our shareholders, all the information in a fully transparent and credible manner beyond the imposed minimum limit, without any omission of details, achievements or strategies.

As you are aware, since the 2<sup>nd</sup> half of 2008, financial markets all over the world have been witnessing the worst financial crisis in the current times. This crisis has severely affected the global economy and spared no economic sector.

Being a leading participant in the UAE economy, ADCB was influenced by this crisis.

As you are well aware, the Federal and Local Governments as well as the Central Bank have taken several actions to provide support to the Economy and the Banking sector which have had a great impact in achieving relative balance, stability and enhancement of trust.

The most important strategic decisions taken by ADCB's Board of Directors and Executive Management in 2008 were to establish

general provisions and reserves as preventive action against future economic downturns.

ADCB is well known for its ability to take advantage and benefit from growth opportunities during economic booms but during this crisis we intend to be extremely cautious and prudent. The total General Portfolio Impairment and the Investment Impairment Provisions taken in 2008 reached AED 1.49 billion. Although these seem to be relatively high provisions, they should be viewed as a reflection of uncertainty of the future economic conditions and trends in the Banking sector in general and not a negative reflection on the Bank's Credit Portfolio.

I would like to reiterate our promise for full transparency and disclosure of important information regardless to what extent such information is considered to be positive or negative and assure you that disclosure and credibility has been and shall always be our top priority.

The relatively high general Provisions made this year had a negative impact on the Bank's profits which dropped by 35% as compared to last year. These provisions also had a negative impact on the Bank's capital ratio which, although still healthy and within the Central Bank's guidelines, reduced compared to last year to reach 11.59%. Furthermore, the Bank's Return on Equity dropped to 12%.

However, as you will observe in the following presentation, the Bank's profits from core operations confirm the soundness of our financial position. We are proud of the numerous achievements during the last year. Amongst the most important of our achievements was the Bank's winning for the third year in a row The Human Resources Development Award in Emiratisation. We are proud to announce that the UAE national workforce has now reached 31% of the total number of ADCB staff members.

I am also proud to announce that in a survey conducted during the year by an independent organization, 83% of our customers expressed total satisfaction with ADCB's banking and financial services. In addition, ADCB also achieved several other awards and accolades from well known international organizations recognized for their independence and application of the most stringent evaluation standards. I am pleased to present such Awards to our Shareholders as a token of our appreciation for their support.

Thank you in anticipation.