

Abu Dhabi Commercial Bank PJSC

LONG LIVE
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Q1'11 Investor presentation
May 2011

adcb.com

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- Business overview
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Q1'11 highlights

Analysis of ADCB's first quarter results

AED million	Q1'11*	Q4'10*	Q1'10	% Change	
				Q4'10	Q1'10
Income statement highlights					
Net interest and Islamic financing income	926	1,034	872	(10)	6
Non-interest income	484	370	398	31	22
Operating income	1,410	1,404	1,270	0	11
Operating expenses	(427)	(379)	(362)	13	18
Operating profit before impairment allowances and taxation	983	1,025	908	(4)	8
Net impairment allowances	(399)	(647)	(681)	(38)	(41)
Income tax	(1)	(7)	(2)	(86)	(50)
Net profit	583	371	225	57	159
Basic earnings per share (AED)	0.09	0.07	0.02	29	350
Balance sheet highlights					
	March'11	Dec'10	March'10	From Dec'10 Change	YoY % Change
Total assets	180,705	178,271	163,701	1	10
Gross loans and advances	126,101	129,068	121,902	(2)	3
Deposits from customers	109,132	106,134	90,139	3	21
Ratios					
	March'11	Dec'10	March'10	From Dec'10 Change	YoY Change
Capital adequacy ratio %	17.03	16.65	17.47	38 bps	-44 bps
Tier I ratio (%)	12.39	11.97	12.43	42 bps	-4 bps
Net interest margin %	2.52	2.57	2.59	-5 bps	-7 bps
Loan to deposit ratio %	110.94	115.68	130.06	-474 bps	-1,912 bps
ROE % ¹	12.34	1.54	3.35	1080 bps	899 bps
ROAA % ¹	1.08	0.14	0.31	94 bps	77 bps

✓ *Well diversified revenue streams*

✓ *Healthy gains in net profit*

✓ *Selective lending*

✓ *Effective deposit growth strategy*

✓ *Improved loans:deposits ratio*

✓ *Steady NIMs*

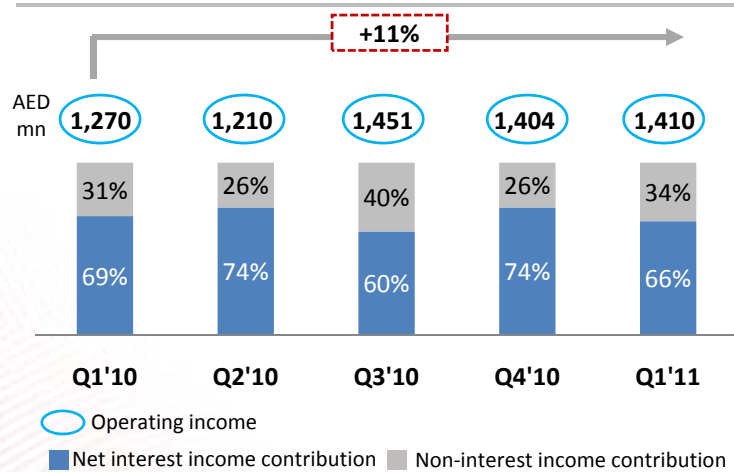
✓ *Significant ROE & ROAA growth*

* Includes results of operations from the acquisition of RBS retail banking, wealth management and SME businesses in the UAE acquired in Q4'10

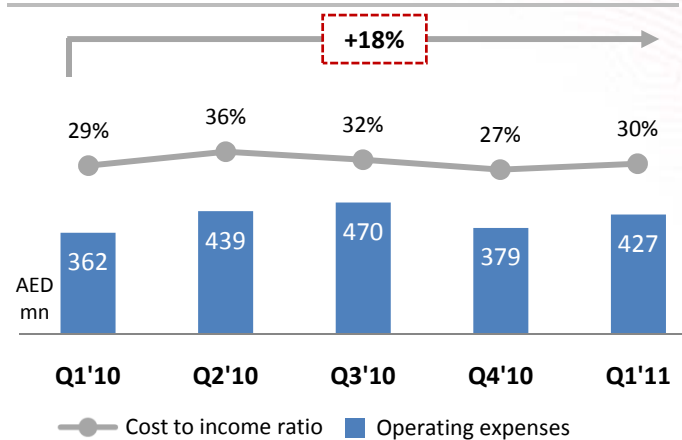
¹ For ROE/ROAA calculations, net profit attributable to equity shareholders is considered, i.e., net profit after deducting minority interest and interest expense on Tier 1 capital notes and adding back interest expense on mandatory convertible securities.

Steady growth in operating income...

Operating income



Operating expenses



Provisions

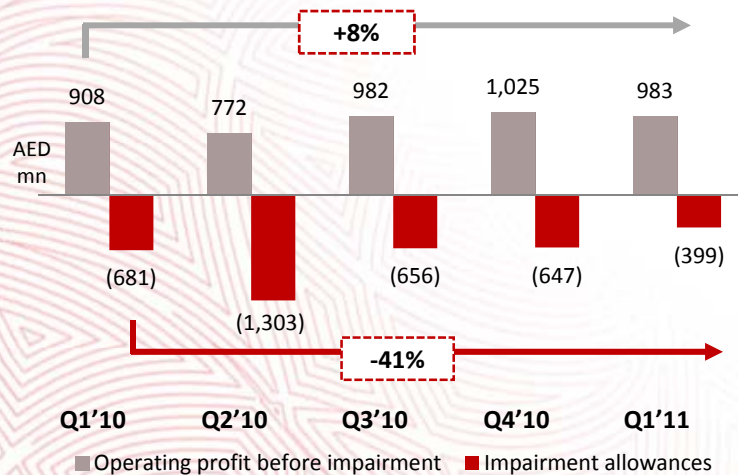
41% ↓
 YoY

*Non-interest
 income
 contribution*

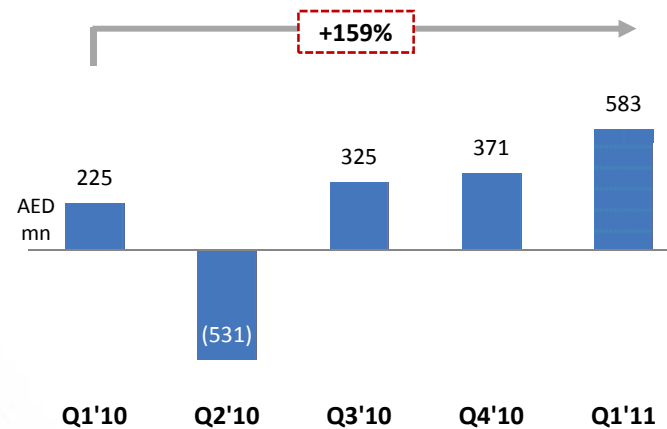
34%

of operating income

Operating profit and impairment allowances



Net profit



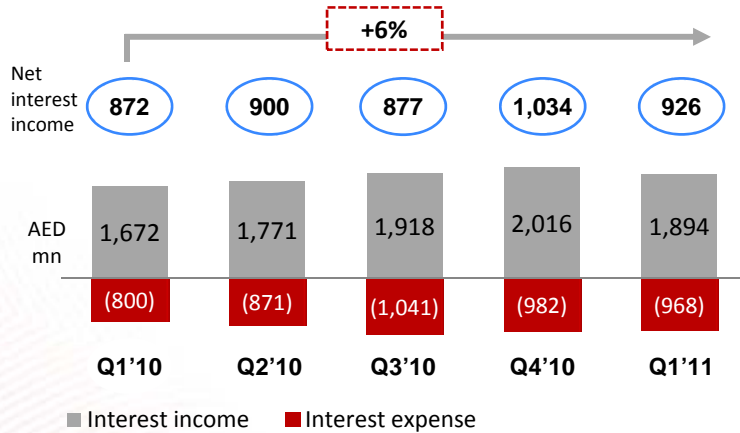
Cost to income

30%

Q1'11

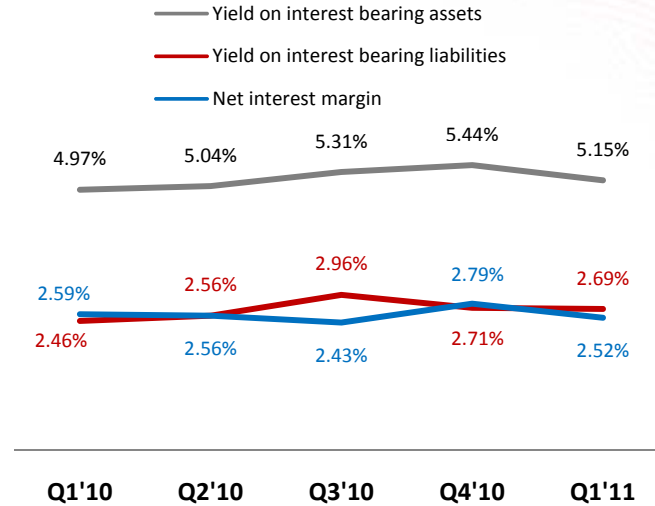
Diversified revenue streams... Improved non-interest income contribution...

Net interest income*



*Includes income from Islamic financing

Evolution of yields



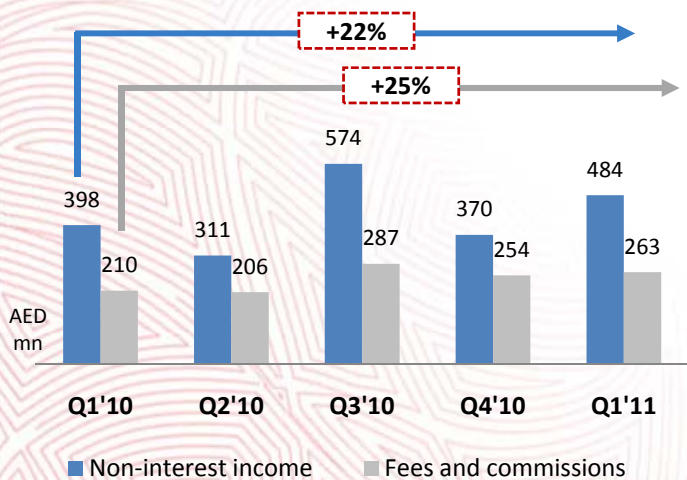
Net interest income

6% ↑
 YoY

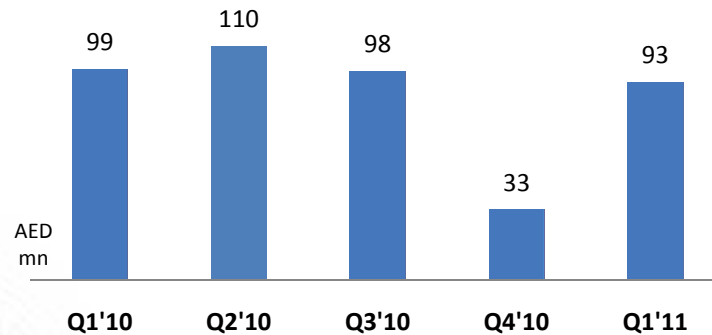
Non-interest income

22% ↑
 YoY

Non-interest income and fee & commission contribution



RHB contribution

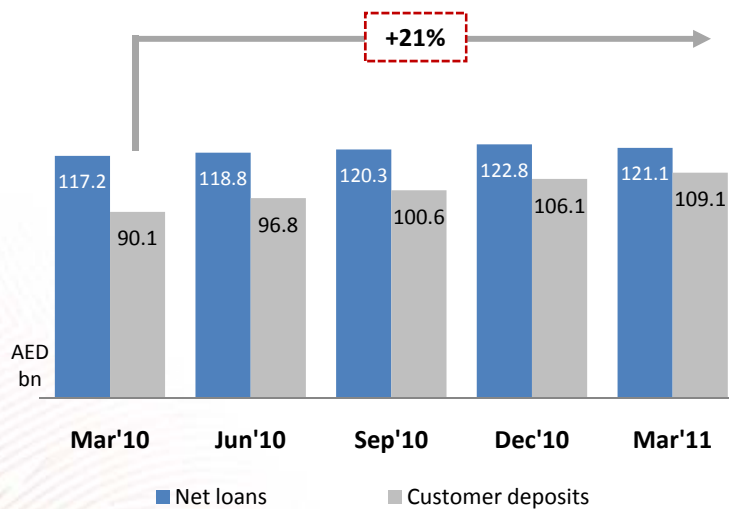


NIMs
2.52%
 Q1'11

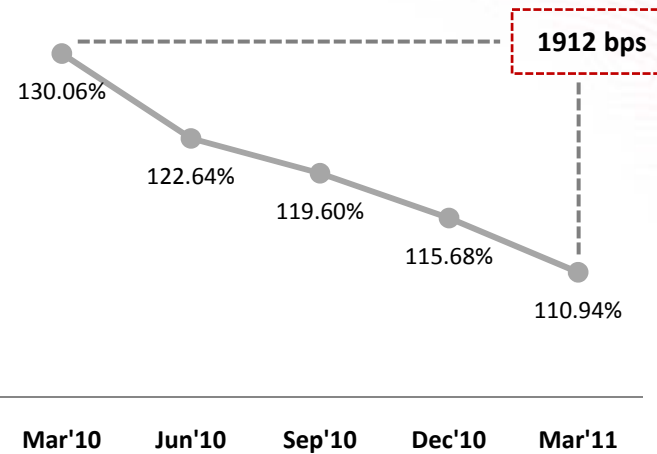
RHB contribution to non-interest income
19%

Continued focus on balance sheet management... Selective lending, improved LTD...

Balance sheet matrix



Loan to deposit ratio



Loan split

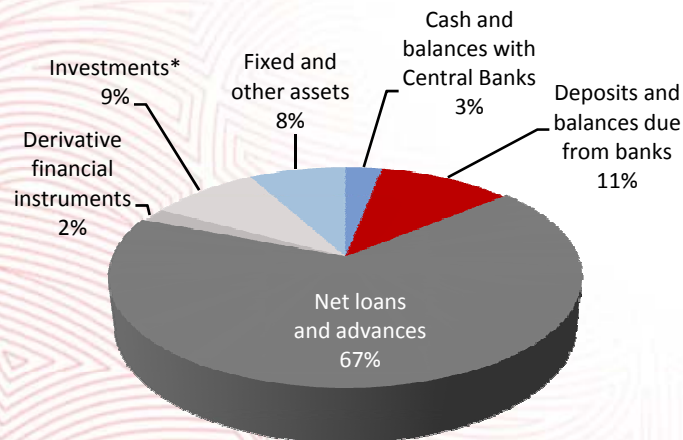
61%

Abu Dhabi

28%

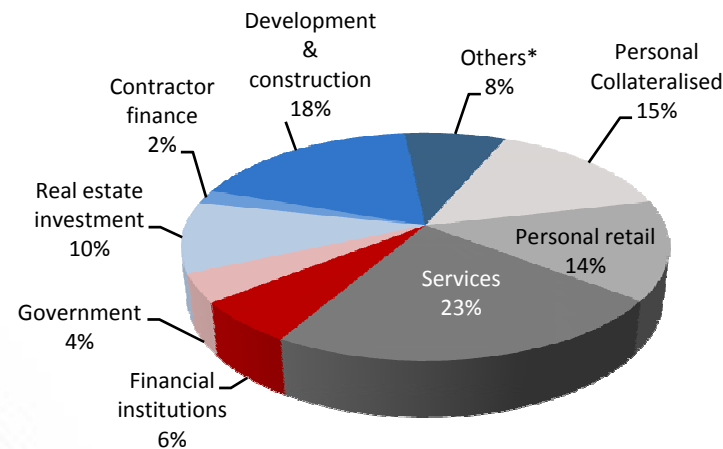
Dubai

Composition of assets (AED 180.7 bn)



* Investments include: investment securities, investment associates and investment properties

Split of the loan portfolio, gross (AED 126.1 bn)



* Agriculture, energy, trading, manufacturing, transport and others

Domestic focus

95%

gross loans in the UAE

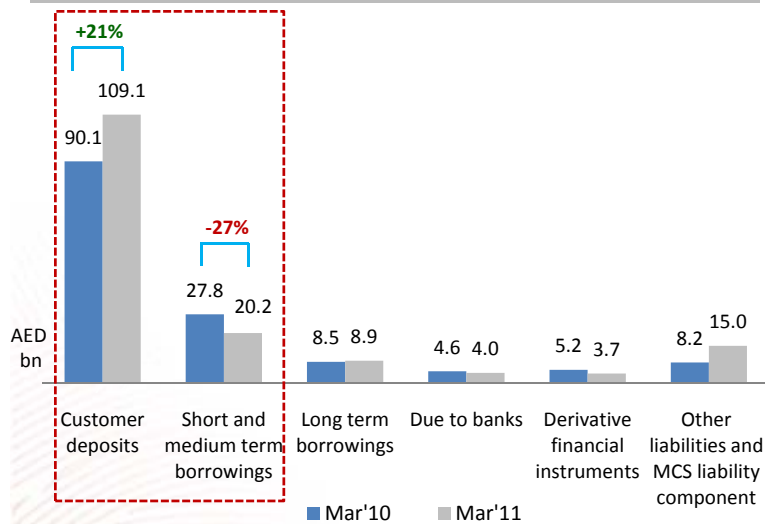
Real estate, contractor finance development & constructions

30%

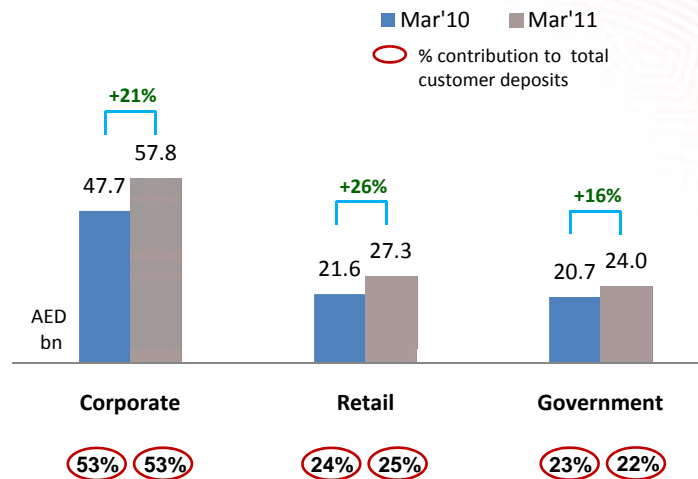
of gross loans

Well balanced and diversified funding base...

Composition of liabilities (AED 160.8 bn)



Customer deposits



Call & demand deposits

27% ↑

YoY
AED 25 bn

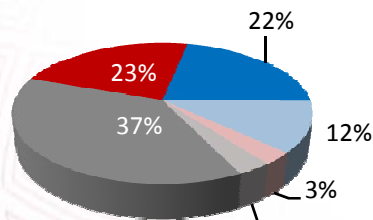
Time deposits

14% ↑

YoY
AED 68 bn

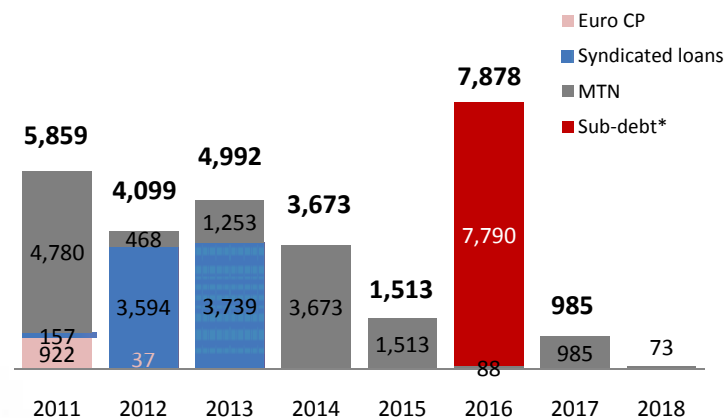
Composition of wholesale funding

Source of funds	AED mn
GMTN/EMTN	12,833
Sub. FRN*	7,790
Syndicated loans	7,490
Interbank	3,982
Euro Commercial paper	959
Other	1,063
Total	34,117



* Includes AED 6.6 bn Tier II loan

Maturity profile as at 31 March'11 (AED mn)



* Includes AED 6.6 bn Tier II loan

Islamic product deposits

70% ↑

YoY
AED 15 bn

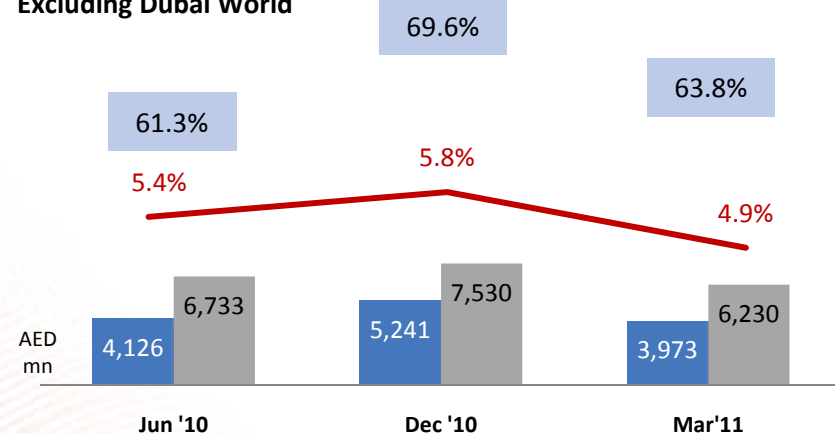
Total sources of wholesale funding

AED 34 bn

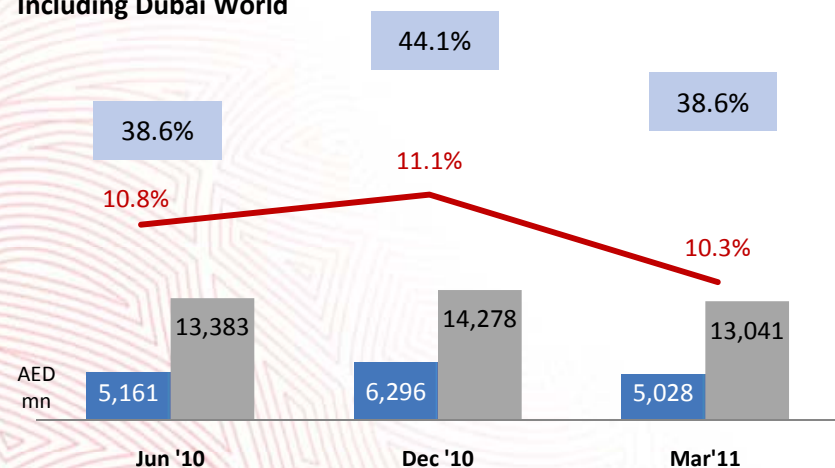
Asset quality and provisioning levels... Reduced impairment allowances and cost of risk...

Provision coverage and NPL trend

Excluding Dubai World

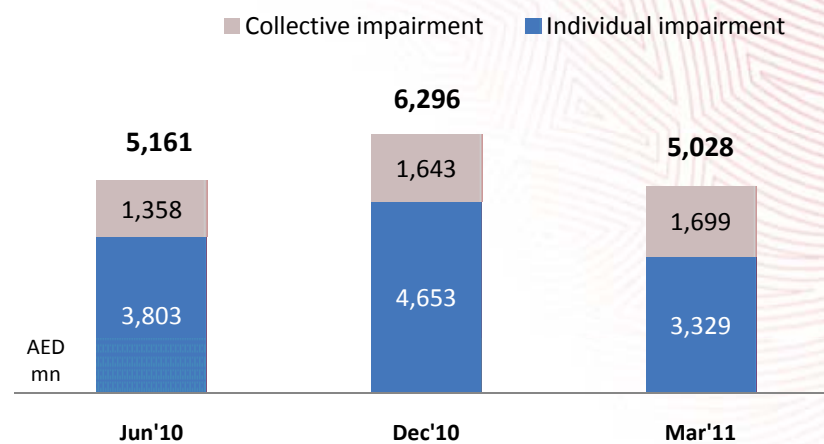


Including Dubai World

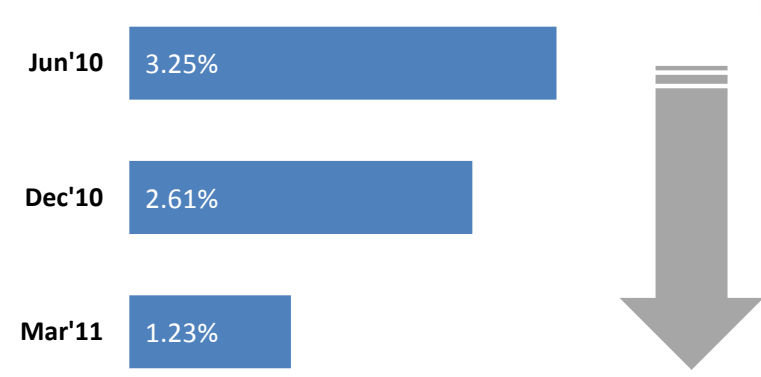


■ Provision coverage ratio (%) — NPL to gross loans (%)
■ Provisions ■ Non performing loans

Individual vs. collective impairment allowances



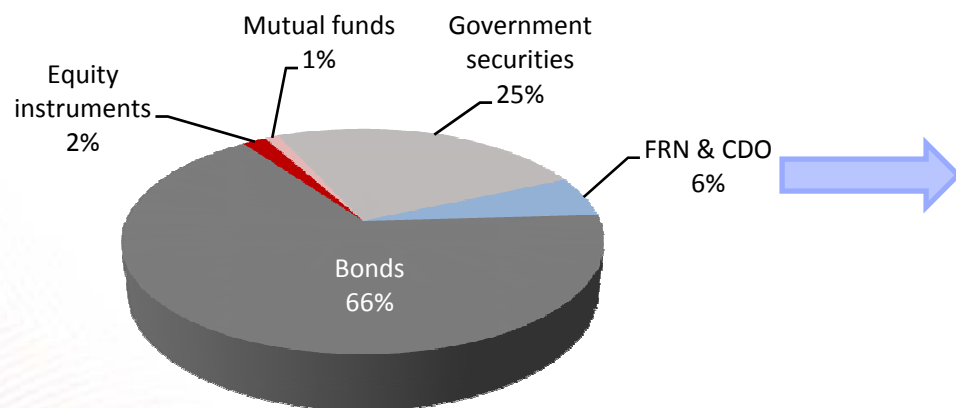
Cost of risk*



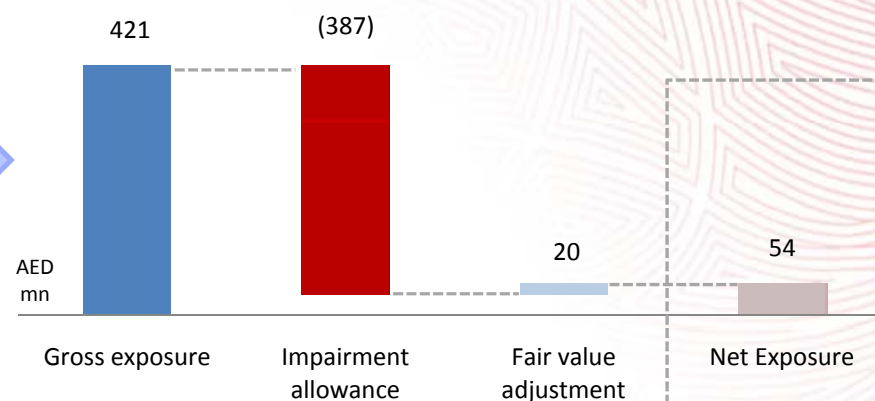
*Total provisions including investments/ average loans & advances and investments

Investment portfolio – reduced CDS exposure...

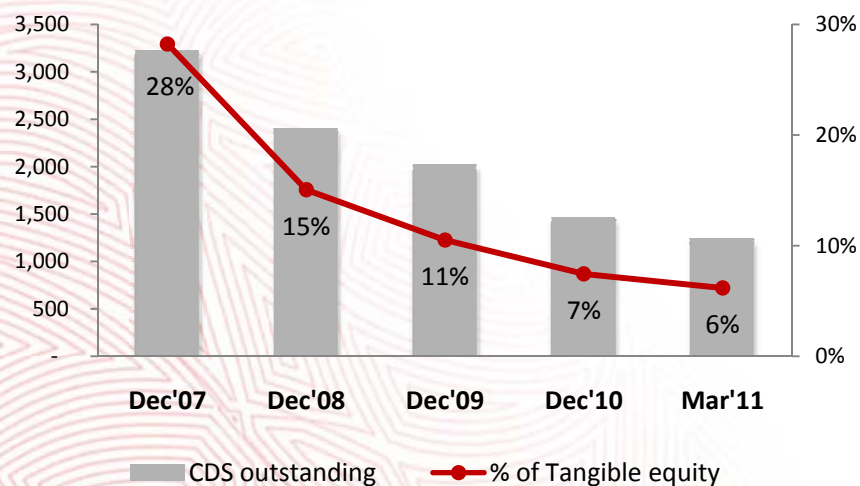
Funded investment securities (AED 10.6 bn)



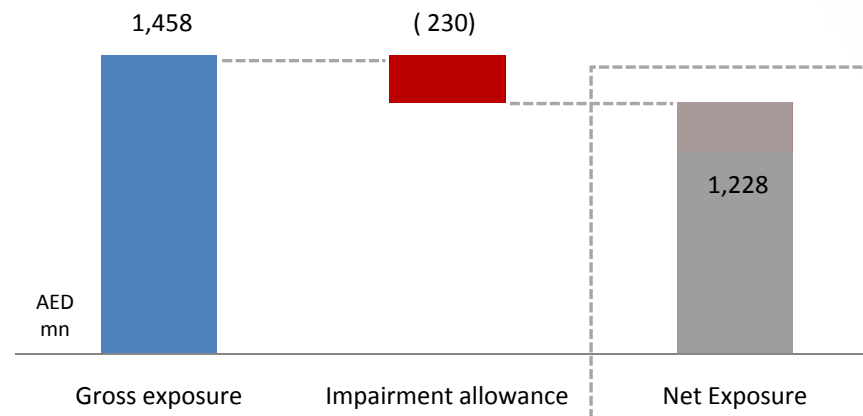
Remaining funded FRN & CDO exposure in AED mn



Net unfunded investments

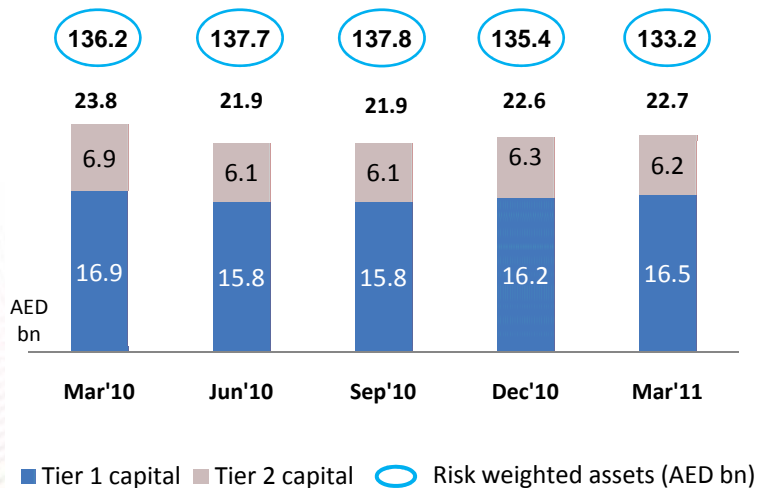


Net CDS exposure in AED mn

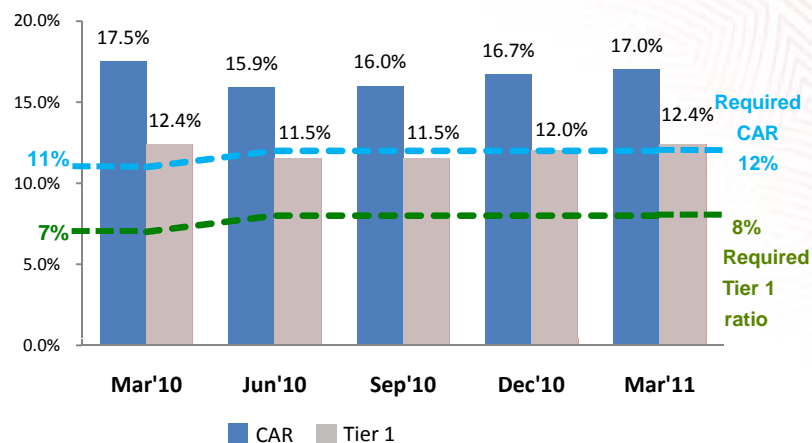


Capital position...

Capital position and risk weighted assets (AED bn)



Capital adequacy ratio

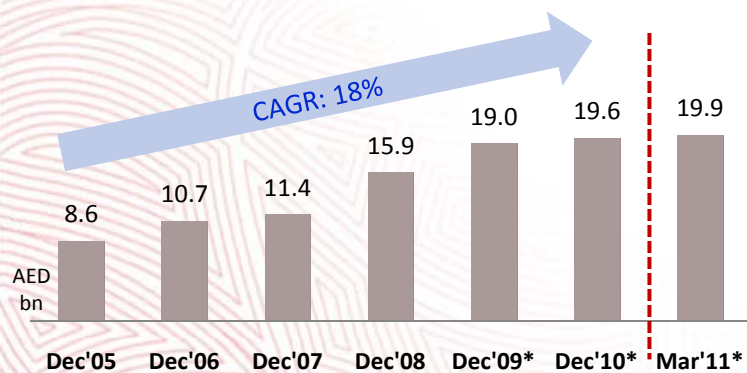


• UAE Central Bank minimum capital adequacy requirement is 12% as at June 2010 and Tier I minimum level is at 8%

CAR
17.0%

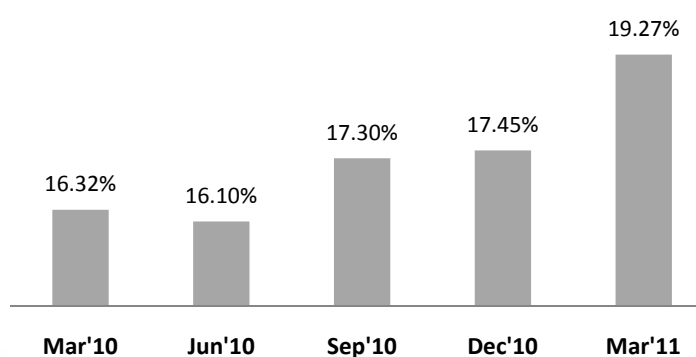
Tier I
12.4%

Total equity and reserves



* Includes AED 4 bn of Tier I capital notes

Liquidity ratio



• Liquid assets include cash and balances with Central Banks, deposits and balances due from banks, trading securities, and liquid investments

Liquidity
ratio
19.27%

Net
interbank
lender of
AED 16 bn

Business overview

ADCB – a leading bank in the UAE with government ownership...

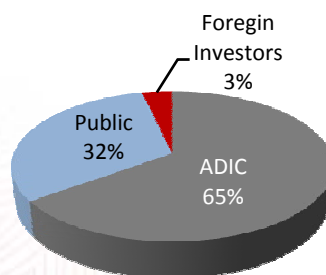
Overview

- Third largest bank in the UAE and second largest in the Emirate of Abu Dhabi in terms of total assets. 12% market share by loans and 10% market share by deposits as at 31 March 2011*
- Approximately 500,000 retail customers and approximately 33,000 wholesale customers in the UAE. Network of 50 branches, (2 branches in India) and 264 ATMs in the UAE
- The Bank is listed on the Abu Dhabi Securities Market, with a market cap of AED 12 bn as at 31 March 2011

* Source: UAE Central Bank

Strong and supportive government ownership

- 58.08% owned by the Government of Abu Dhabi through the Abu Dhabi Investment Council (ADIC). (Prior to the MCS conversion – 64.8%*)
- Second largest ownership by the Government of Abu Dhabi in a bank
- Strong government representation on ADCB's board including one member from the Department of Finance, two members from Abu Dhabi Investment Authority (ADIA) and three members from ADIC
- Government support provided to local banks including ADCB, AED 4bn Tier I capital notes in Q1'09



* As at 31 March 2011

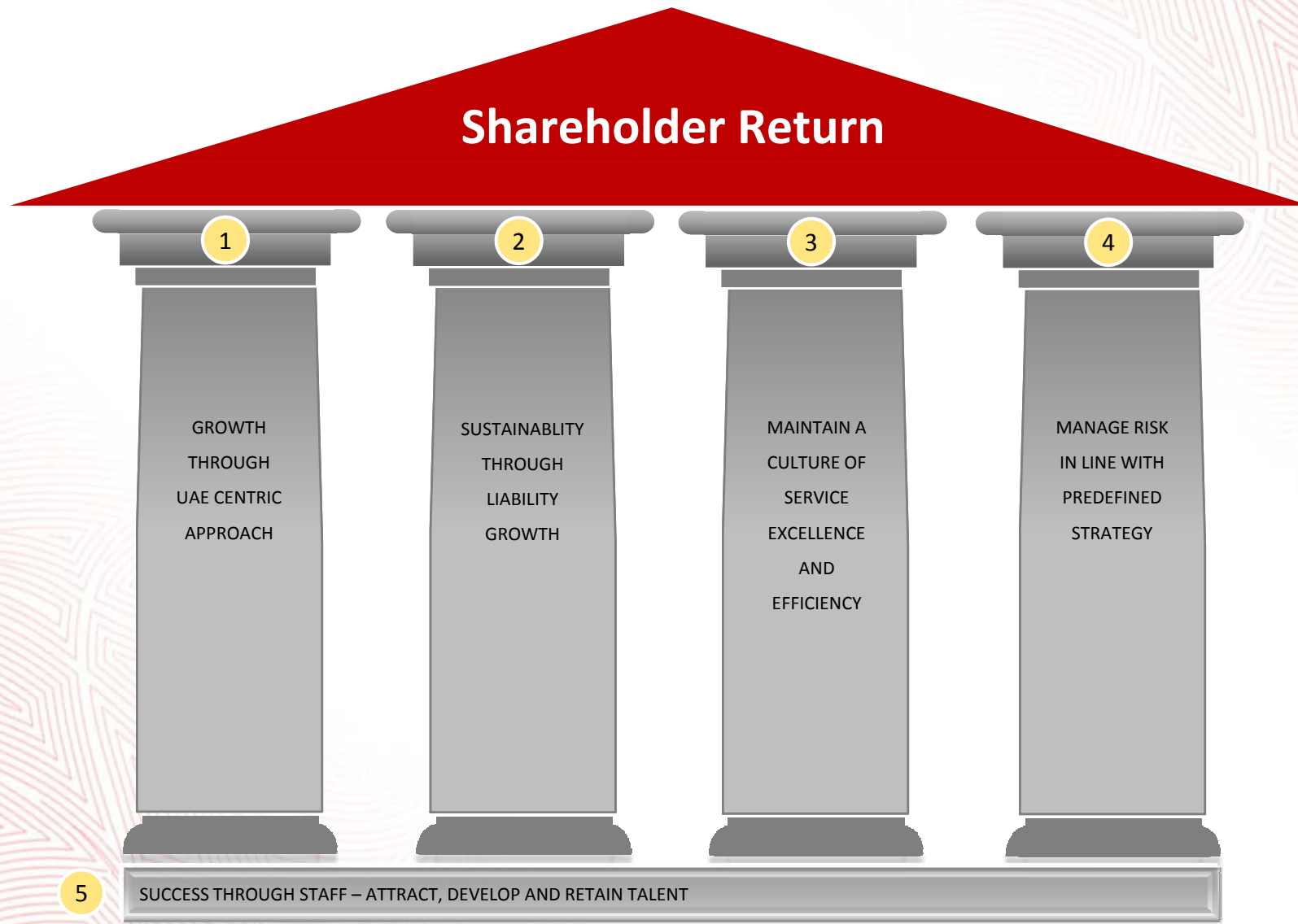
Investment grade rating

	LT Rating	ST Rating	Outlook
S&P	A-	A-2	Stable
Moody's	A1	P-1	Negative

ADCB – recent timeline and milestones

1985	• Established following merger of three local Abu Dhabi banks
2001	• Listed on Abu Dhabi Securities Market
2003	• Bank-wide reorganization designed to create competitive, contemporary and full-service bank
2005	• Established joint ventures with Australia's Macquarie Bank
2006	• Developed "ADCB Fast Forward" programme to restructure and overhaul Bank's products
2008	• Acquired 25% of Malaysia's RHB Capital Berhad
2010	• Completed acquisition of RBS' UAE retail, wealth management and SME banking businesses

Strategic overview – aiming for fundamentally – sound growth...



ADCB Services - active across all business lines...

Business segment

Overview

Consumer banking

- Covers retail, wealth management and Islamic operations
- Growth in consumer banking underpinned by an increased product offering, expansion of sales and distribution infrastructure and effective cross-selling
- Islamic banking – ADCB “Meethaq” brand launched in September 2008
- Wealth management – ADCB Excellency Wealth Management
- Exclusive private banking partnership with Schroder & Co Bank AG
- Launch of co-branded Visa Cards with Etihad Airways
- Acquired RBS’ UAE retail, wealth management and SME banking businesses

Wholesale banking

- Relationship coverage to SMEs and large corporate clients, financial institutions, Indian operations, international business development, strategic client operations, corporate finance and investment banking
- Focus on tight management of balance sheet growth and monitoring asset quality
- JV with Macquarie Bank covering infrastructure funds and infrastructure advisory services
- Includes the 25% stake in RHB Capital Berhad, the fourth largest banking group by assets in Malaysia (Source: Bank Negara/Malaysia)
- RHB Capital Berhad offers retail banking, Islamic banking, investment banking and insurance and provides access to the growth in the Malaysian and South-East Asian economies and banking markets
- Strategic relationship with Bank of America Merrill Lynch to allow clients who require services in the region to access capabilities provided by ADCB

Treasury and investments*

- The Bank’s treasury business and investment portfolio provides interest rate, commodities and foreign exchange services
- Covers money market, FX, interest rates, currency, commodity derivatives and asset liability management

Contribution to operating income Q1'11

49%

AED 698 mn

31%

AED 439 mn

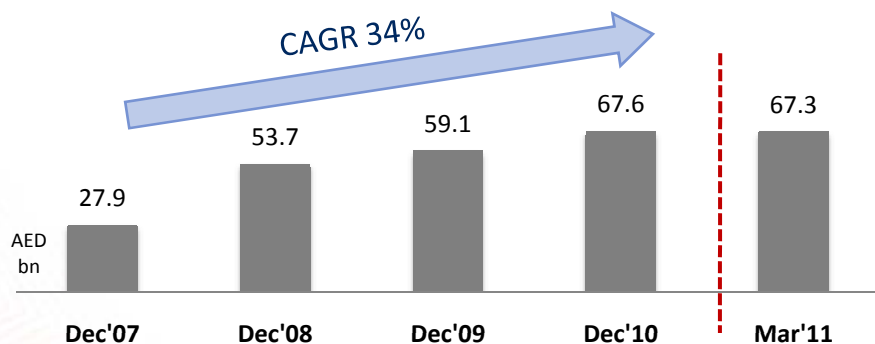
20%

AED 274 mn

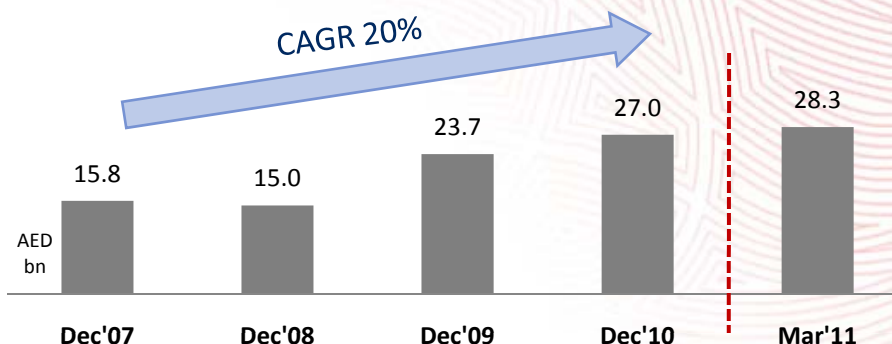
*Includes revenues from corporate support

Consumer banking overview...

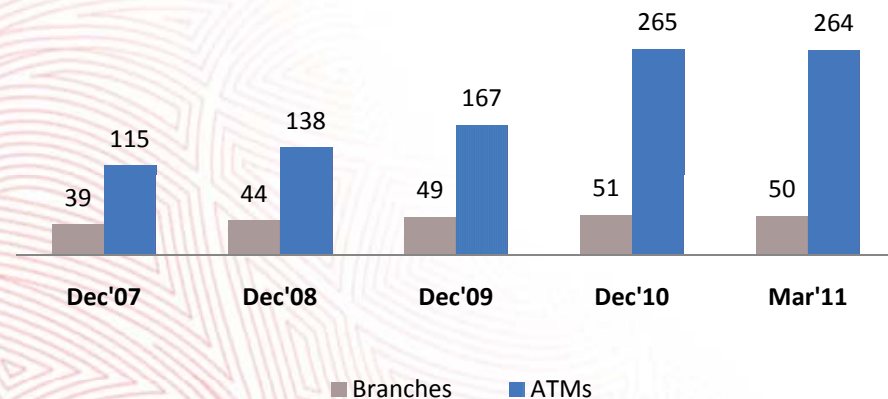
Customer assets



Customer liabilities



Retail network



500,000

Customers

AED 2.6 bn

Credit card portfolio



Asian Banker Award

Best Retail Bank in Retail Financial Services Awards Programme, March 2010



Global Finance Award

Best Consumer Internet Bank in UAE, August 2010

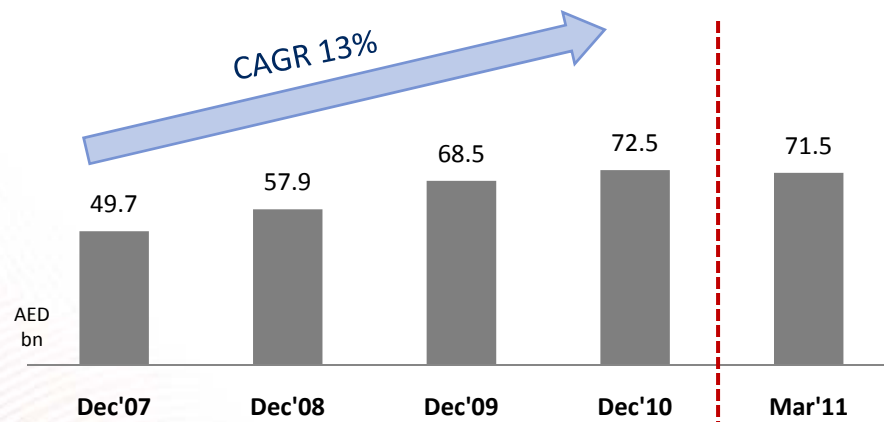


Asian Banker Award

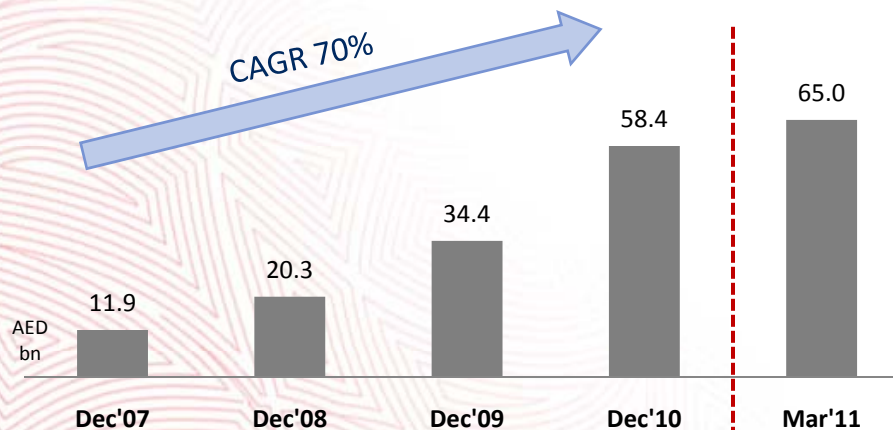
Best Retail Bank in Retail Financial Services Awards Programme, March 2011

Wholesale banking overview...

Assets



Liabilities



Highlights

- Approximately 33,000 customers
- Rapid growth in float and deposit balances; restrained asset growth
- Tight control over problem loans and proactive efforts to ensure exposures restructured
- Investment in state of the art trade finance system
- Strong performance in SME (liability:asset ratio at 7:1)
- Plans in place to build world class management capability

Awards



Best premium Banking services Award by the Banker Middle East Annual Product Awards



Best SME Bank in MENA Award by the Banker Middle East Industry Awards



Best SME Account Award by the Banker Middle East Annual Product Awards

Treasury and investment group – leading regional platform...

Manages commercial, liquidity and proprietary treasury operations along with the investment portfolio

Foreign exchange

- Leading regional market makers in GCC & G7 currencies providing liquidity to both institutions and corporate customers
- In 2010, transacted FX volumes of more than AED 600 bn

Interest rate and commodity derivatives

- Providing clients with comprehensive and innovative risk management solutions executed efficiently covering a variety of interest rate hedging structures
- Bespoke service covering liability hedging and structured investor solutions to a wide range of domestic and foreign, public and private sector clients covering both traditional and Islamic products
- Breadth of coverage from energy and base metals markets in commodities. Local currency and G7 interest rate risk management, enabling clients to actively manage price risks and invest in tailored structures that closely reflect individual investment objectives

Capital markets and funding

- Implementation of Board approved funding plan inclusive of major funding and deposit pricing through market based Funds Transfer Pricing mechanism
- One of the first banks in the region to issue EMTN and ECP in multi-currency, as well as issuing local currency bonds and set up local currency certificate of deposit programme
- First Reg S/144A deal for a bank from the GCC (October 2009). One of the first regional banks to target Malaysian Ringgit (MYR) markets, issuance of MYR 750 mn in August 2010 followed by MYR 400 mn issue in November 2010
- Managing the liquid asset portfolio of regional and international bonds
- Managing liquidity via international recognized liquidity standards, inclusive of contingency planning, asset liability management triggers and regulatory /rating agency metrics
- Managing customer deposits of top 10-15 clients

Risk management pillars – achieving sustainable growth...

<p><i>Credit risk</i></p>	<ul style="list-style-type: none"> • Single borrower, group, industry and country concentration limits • Regular audits of business units • Continuous monitoring of all customer exposures • Pricing tool incorporating Basel norms & funds transfer pricing (FTP) in place to price risk appropriately
<p><i>Liquidity risk</i></p>	<ul style="list-style-type: none"> • Assets liabilities committee (ALCO) sets and monitors liquidity and treasury limits • Monitors and reports liquidity on a daily and a weekly basis • Stress testing on a regular basis
<p><i>Interest rate risk</i></p>	<ul style="list-style-type: none"> • Assets and liabilities predominantly floating rate • Monitored by risk management function within established limits and parameters
<p><i>Market risk</i></p>	<ul style="list-style-type: none"> • Independent market risk function • Established monitoring, review and reporting processes for market risk reporting
<p><i>Operational risk</i></p>	<ul style="list-style-type: none"> • Operational risk management (ORM) governance framework established • Policy and processes (ORM tools) in place to effectively manage and monitor operational risk • Process, systems and tools currently being upgraded

Corporate governance - in line with best international practices...

Corporate governance principles

- Focused around principles of integrity, transparency, responsibility and accountability
- Rated 'top bank in GCC' in terms of transparency according to a survey by The National Investor and Hawkamah in April 2009 and The Best Corporate Governance Award in the UAE by World Finance in February 2010 and 2011

Corporate governance Board committees include:

Audit and Compliance

- Integrity of the Bank's financial statements
- Qualifications, independence and performance of the Bank's external auditors
- Qualifications, independence and performance of the Bank's internal audit department
- Bank's internal controls, including internal controls over financial reporting and disclosure; and the Bank's compliance with legal and regulatory requirements, and with the Bank's ethics policy, code of conduct, and fraud policy

Risk and Credit Committee

- Development of risk measurement tools
- Development and implementation of risk management strategies and limits
- Compliance with regulatory requirements relating to risk management
- Bank's public reporting on risk management matters

Corporate Governance Committee

- Development of corporate governance procedures and 'best practices' within the Bank
- Bank's compliance with regulatory requirements relating to corporate governance
- Bank's public reporting on corporate governance matters

Nomination, Follow-up & Remuneration Committee

- Appropriate composition of the Board
- Nomination of appropriate directors to the Board and its committees
- Assessment of the performance of the Board and of individual directors and senior management
- Succession plans for Board members and senior management
- Remuneration policies for the Bank's directors and senior management
- Bank's public reporting on remuneration matters

Appendix

United Arab Emirates (UAE) – second largest economy in the GCC...

United Arab Emirates

Country rating	<ul style="list-style-type: none"> Moody's: Aa2 (unsolicited)
Federal structure	<ul style="list-style-type: none"> Composed of seven emirates
Economy	<ul style="list-style-type: none"> Second largest economy in the GCC, after Saudi Arabia Relatively well diversified economy – with hydrocarbon sector accounting for less than one third of the UAE GDP in 2009 The UAE has an impressive endowment in hydrocarbons, with the 6th highest reserves of oil and gas, respectively, in the world*

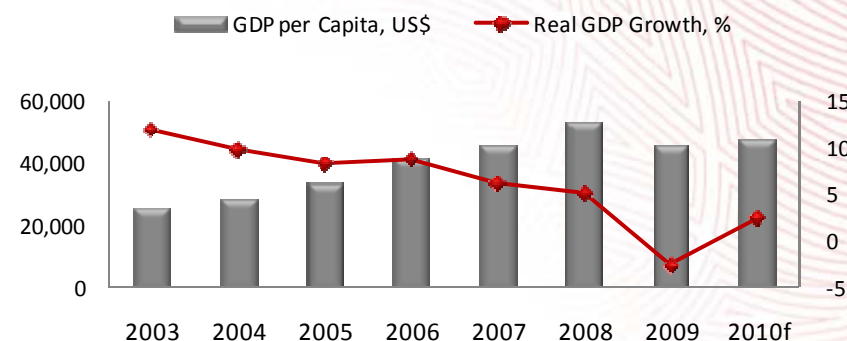
*BP Statistical Review of World Energy 2010

Key economic indicators

2010 Forecasts	UAE	Singapore	Hong Kong
Nominal GDP (US\$ bn)	239.6	237.5	229.8
Real GDP Growth (%)	2.4	13.2	6.5
GDP per Capita (US\$)	47,408	46,546	32,575
Population (mn)	5.1	5.1	7.1
Government Debt (% of GDP)	22.7	41.8	1.7
Current Account Balance (% of GDP)	7.4	15.9	8.3

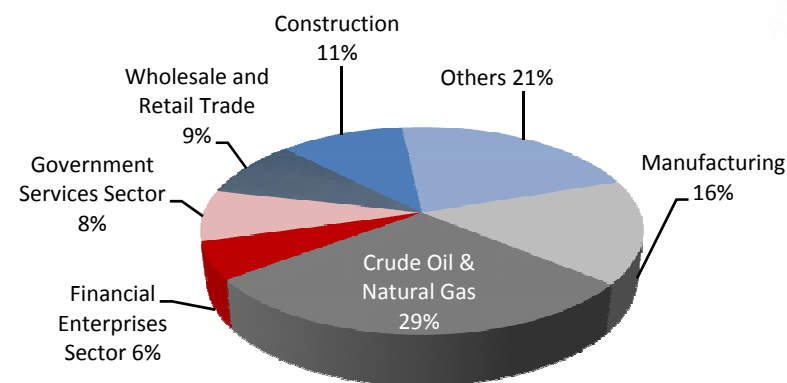
Sources: Moody's Investor Services

Robust economic growth and wealth



Source: Moody's Country Statistics: United Arab Emirates (Dec 2010)

Diversified economy – GDP by sector (2009)



Source: UAE National Bureau of Statistics

Abu Dhabi – more than oil and gas...

Abu Dhabi

Emirate rating

- Moody's: Aa2, S&P: AA, Fitch: AA

Nominal GDP

- US\$ 105bn in 2009, US\$ 142bn in 2008

Strong prospects

- Vast hydrocarbon wealth underpinning economic development
- Government focus on driving economic diversification
- The Emirate of Abu Dhabi is the largest and wealthiest of the seven emirates forming the UAE, holding the vast majority of the country's oil and gas reserves

2030 Economic Vision – seven areas of ongoing economic policy focus

Build open, efficient, effective and globally integrated business environment

Adopt disciplined fiscal policies, responsive to economic cycles

Establish resilient monetary and financial market environment

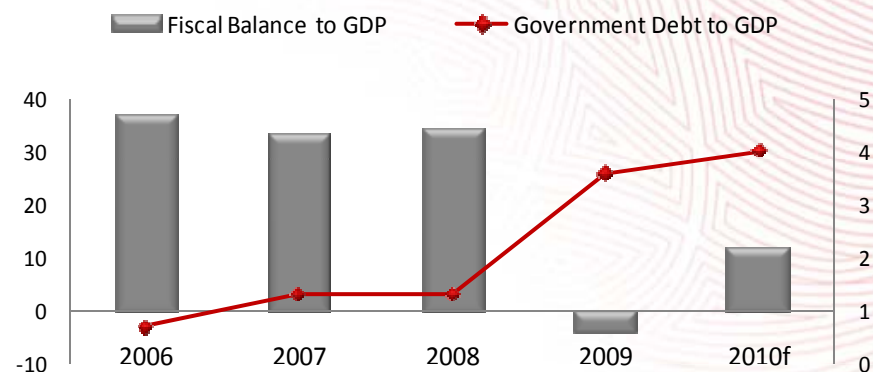
Improve efficiency of the labour market

Develop a sufficient and resilient infrastructure

Develop highly skilled, highly productive workforce

Enable financial markets to become the key financiers of economic sectors and projects

Healthy public finances



Source: Moody's Credit Opinion, October 2010

Key economic indicators

	2006	2007	2008	2009
Real GDP growth (%)	12.8	1.0	-4.0	0.2
GDP per capita (US\$)*	75,970	98,652	115,425	90,538
Population (mn)	1.441	1.506	1.573	1.643
Oil and gas % of GDP	59.2	56.4	60.9	49.4
CPI (average, % change)	9.3	11.1	12.3	1.6

Sources: Standard & Poor's, December 2010 and Abu Dhabi Statistics Centre

*GDP per capita is calculated using nominal GDP

UAE Banking Sector – biggest asset base in the GCC...

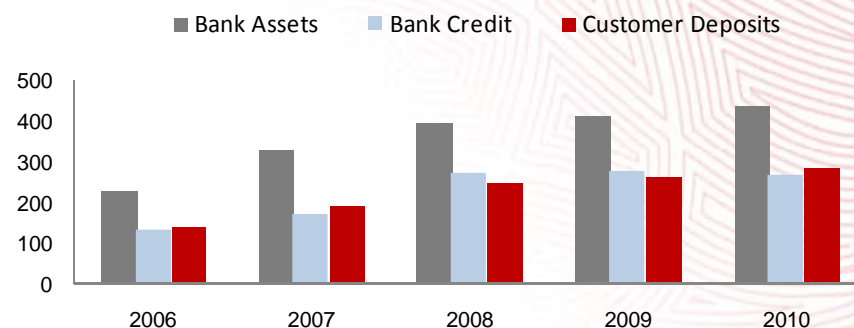
As at 31 March 2011:

- Regulated by the UAE Central Bank
 - 23 local banks with 736 branches
 - 28 licensed foreign banks with 83 branches

- The banking sector remains well-capitalized, providing a buffer in case of further deterioration in the operating environment, with capital adequacy ratio averaging 20.7% in the local banking sector

Source: UAE Central Bank

UAE banking sector (US\$ bn)



Sources: UAE Central Bank and UAE National Bureau of Statistics

Support provided & measures implemented by local authorities

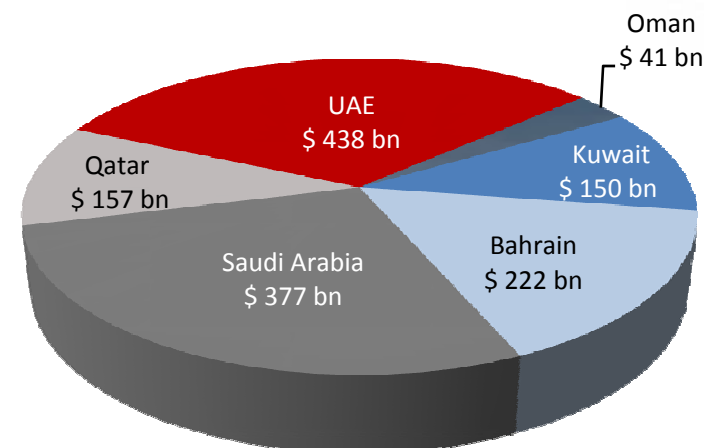
Creation of a CD repo facility with the Central Bank for AED funding

Injection of AED 50 billion in the form of deposits, which has been converted into Tier 2 capital

Increase in CAR to 12%, with a minimum of 8% in the form of Tier 1 ratio

Tier 1 Capital injection by the Government of Abu Dhabi to Abu Dhabi banks amounting to AED 16 billion

GCC banking sector assets as at January '11 (US \$ bn)



Source: Country Central Banks

“Long Live Ambition...”

It's what gets us out of bed in the morning.
 It's why we don't give up projects and intentions.
 It's why we compare.

It's why people with money don't stop trying to make more money.
 It's why the world's tallest building never stops that way for long.
 It's why the length of a country's coastline is negotiable.

It's why world records are hard to break.
 And why they sometimes do get broken.

Someone built it. Someone broke it. Someone built it.
 Without it, history books would be filled with the number zero.
 Without it, possibilities would be that way.
 Without it, we'd still be living in the Stone Age.

It's why we're never satisfied. And it's why we like it that way.
 It comes from asking "why?" and empowering us to ask "why not?"
 It's the seed of all progress.
 And it's why we're the only creatures on the planet
 who have a hand in our own evolution.

LONG LIVE AMBITION

بنك أبوظبي التجاري
ADCB

**AMBITION
 IT GETS HASSAN, RAKESH AND FRANK
 AROUND THE SAME BOARDROOM TABLE.**

بنك أبوظبي التجاري
ADCB

**THEY DON'T HANG INTENTIONS
 ON THE WALLS OF MUSEUMS.**

LONG LIVE AMBITION **ADCB**

There's no such thing as a free lunch. You've got to put in the work.
 At ADCB, we have the means to help it flourish. From
 world-class talent to help your dreams take shape at ADCB.

LONG LIVE AMBITION **ADCB**

In the UAE, we come from different places and backgrounds. But there's one thing we all share: the desire to do something great. At ADCB, we work quickly and efficiently to make sure your finances keep up with your aspirations. We help people turn possibility into greatness. Because that's what keeps us all moving forward.

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**STEP 1: WANT IT.
 STEP 2: WANT IT BAD ENOUGH.**

بنك أبوظبي التجاري
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**IT'S NOT WHERE YOU'RE FROM,
 IT'S WHERE YOU'RE GOING.**

LONG LIVE AMBITION **ADCB**

There are people who embody the pioneering spirit. For them, aspirations never live in the past, but in the future. A future they plan to build with their own hands.
 At ADCB, we're here to help your dreams take shape as fast as you can dream them.

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**IF YOU STOP CHASING YOUR DREAMS,
 SOMEONE ELSE MIGHT CATCH THEM.**

LONG LIVE AMBITION **ADCB**

Some dreams won't wait forever. That's why, at ADCB, we're here to help the people who refuse to yield just because of a little uncertainty. Because ambition never truly stops. It just changes strategies.

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