

The background of the slide features a large, semi-transparent watermark of the Abu Dhabi Commercial Bank PJSC logo. The logo is rendered in a light red color and is set against a background of intricate, wavy, red and white patterns that resemble a stylized map or a complex geometric design. The logo itself consists of a stylized 'A' and 'C' intertwined, with the letters 'A' and 'C' positioned above and below the main emblem respectively.

Abu Dhabi Commercial Bank PJSC

Earnings Presentation

Q2'12

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Key messages

- Strong operating performance, record revenues and operating profit in Q2'12
- Improved net interest margins
- Improved cost to income ratio
- Strategically managed balance sheet, sustainable customer deposit growth
- Healthy capital position

Profitability driven by core banking revenues...

Quarterly financials (AED million)

Balance sheet highlights	June'12	Mar'12	Dec'11	QoQ % Change	YTD% Change
Total assets	180,797	182,914	183,726	(1)	(2)
Net loans and advances	123,463	123,866	124,755	0	(1)
Deposits from customers ¹	111,247	112,829	109,171	(1)	2
Total equity ²	22,727	23,051	22,072	(1)	3
Loan-to-deposit ratio (%)	110.98	109.78	114.27	120 bps	(329 bps)
Capital adequacy ratio (%)	22.34	23.19	22.51	(85) bps	(17) bps

Income statement highlights	Q2'12	Q1'12	Q2'11	QoQ % Change	YoY% Change
Total net interest and Islamic financing income	1,383	1,195	1,036	16	34
Non-interest income	386	389	386	(1)	0
Operating income	1,769	1,584	1,422	12	24
Operating expenses	(537)	(506)	(560)	6	(4)
Operating profit before impairment allowances	1,232	1,078	862	14	43
Net impairment allowances	(492)	(287)	(935)	72	(47)
Net gain on sale of investment in associate	-	-	1,314	-	NA
Share of (loss)/profit of associates	(5)	12	91	(138)	(105)
Overseas income tax (expense)/refund	(3)	(2)	3	61	(202)
Net profit for the period	733	802	1,335	(9)	(45)
Net interest margin (%)	3.52	3.02	2.80	50 bps	72 bps
Cost-to-income ratio (%) ³	30.4	31.7	37.0	(130) bps	(660) bps

¹ Deposits from customers have been reclassified to show Euro commercial paper separately

² Excluding non-controlling interests

³ Operating income for the purpose of calculating C:I ratio includes share of profit of associates but excludes net gain on sale of investment in associate

Key messages

- **Record revenues and operating profit** for the quarter
- **Improved NIMs** as a result of carefully managed cost of funds
- Strict cost management and operational efficiency resulting in **improved cost to income ratio**
- Diversified loan portfolio
- **Sustainable customer deposit growth**, improved loan to deposit ratio year to date
- **Strong capital base**, well above regulatory minimum

Half - year results demonstrate strong operating performance...

Half-year financials (AED million)

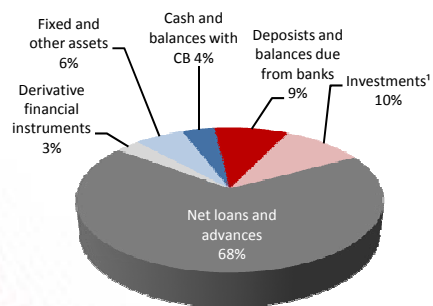
Key messages (Half year)

Income statement highlights	H1'12	H1'11	YoY% Change
Total net interest and Islamic financing income	2,578	1,961	31
Non - interest income	775	787	(2)
Operating income	3,353	2,748	22
Operating expenses	(1,042)	(987)	6
Operating profit before impairment allowances	2,311	1,761	31
Net impairment allowances	(779)	(1,334)	(42)
Net gain on sale of investment in associate	-	1,314	NA
Share of (loss)/profit of associates	8	176	(96)
Overseas income tax expense	(4)	1	NM
Net profit for the period	1,535	1,918	(20)
Cost of risk (%)	1.08	2.05	(97) bps
ROE (%)	15.4	14.2	120 bps

- **Robust operating performance**, strong top line growth, revenues 22% higher and operating profit 31% higher year on year
- **Strong net interest income**, 31% higher year on year primarily driven by actively managed cost of funds
- **Improved cost to income ratio** at 31.0% compared to 33.8% in H1'11
- Net impairment allowances 42% lower year on year

Strategically managed balance sheet, diversified loan portfolio...

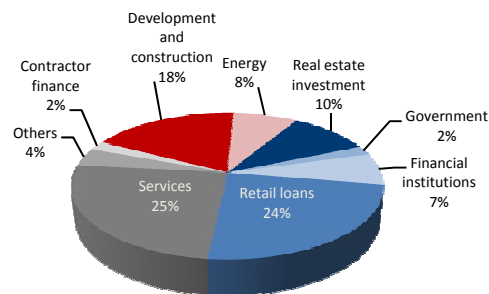
Composition of assets (Jun'12)



Total assets = AED 181 bn

¹ Investments include: investment securities, trading securities, investment in associates, investment properties

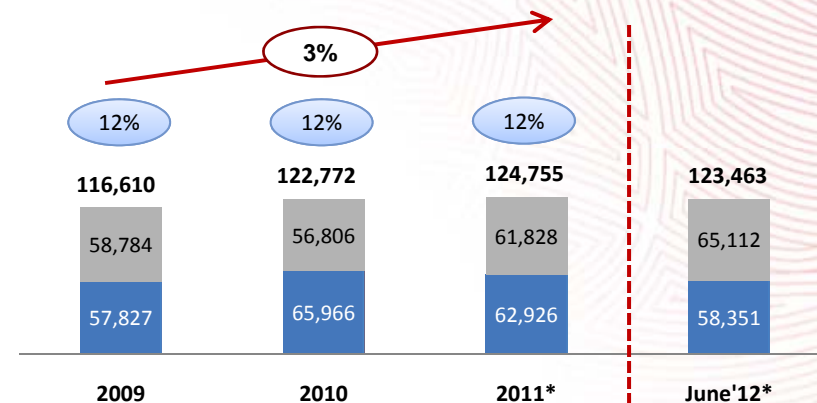
Split of the loan portfolio, gross (Jun'12)



Total gross loans = AED 130 bn

¹ Agriculture, trading, manufacturing and transport
² Retail loans include personal retail loans and personal collateralised loans

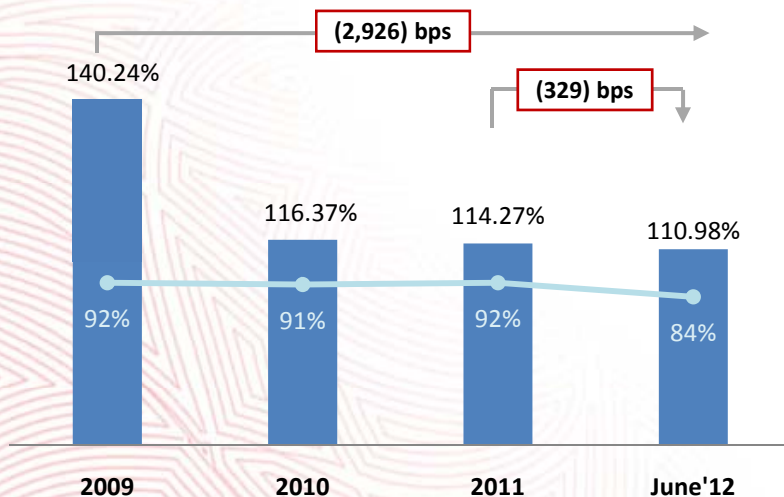
Evolution of net loans (AED mn)



■ Consumer ■ Wholesale
○ CAGR ○ Market share

* Increase/decrease in net loans due to reclassification of certain loans

Loan to deposit ratio* evolution (Jun'12)

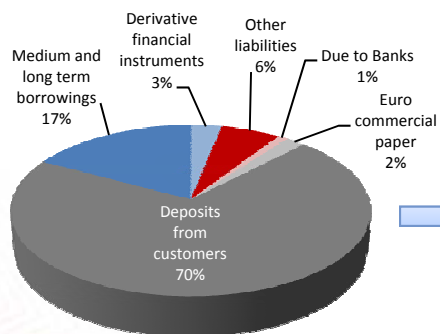


*Deposits from customers have been reclassified to show Euro commercial paper separately

- Core banking focused balance sheet with loans/assets ratio of 68%
- Strong domestic focus with 96% of gross loans within UAE
- Share of retail loan portfolio – 24% of gross loans
- Improving loan to deposit ratio, reflecting a prudent lending policy and strong deposit growth

Diversified funding base, increasing customer deposits...

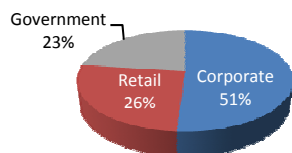
Composition of liabilities (Jun'12)



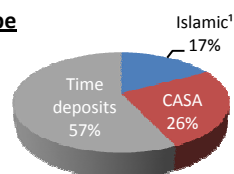
Total liabilities = AED 158 bn

Composition of customer deposits (Jun'12)

By counterparty



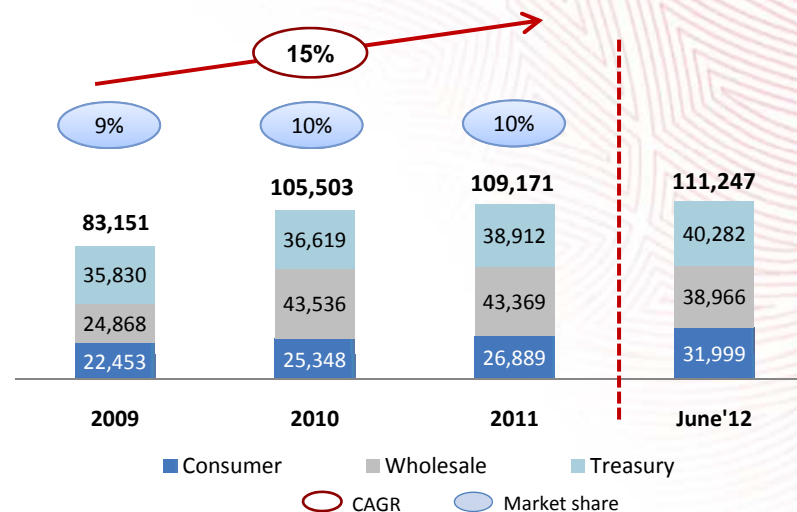
By type



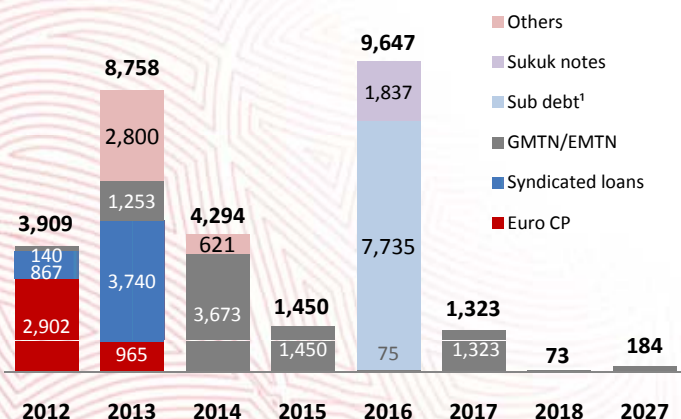
¹ Islamic related products include Murabaha deposits
² Long-term government deposits included in time deposits

Total customer deposits = AED 111 bn

Evolution of deposits (AED mn)



Maturity profile (AED mn)



¹ Includes AED 6,617 mn Tier II loan

* Includes fair value adjustment on short, medium and long term borrowings being hedged

Wholesale funding split (Jun'12)

Source of funds	AED mn
GMTN/EMTN ¹	8,511
Sub. FRN ²	7,735
Syndicated loans	4,619
Interbank ³	2,113
Islamic Sukuk notes	1,836
Euro Commercial paper	3,867
Other	3,421
Total	32,102

¹ Includes fair value adjustment on short, medium and long term borrowings being hedged

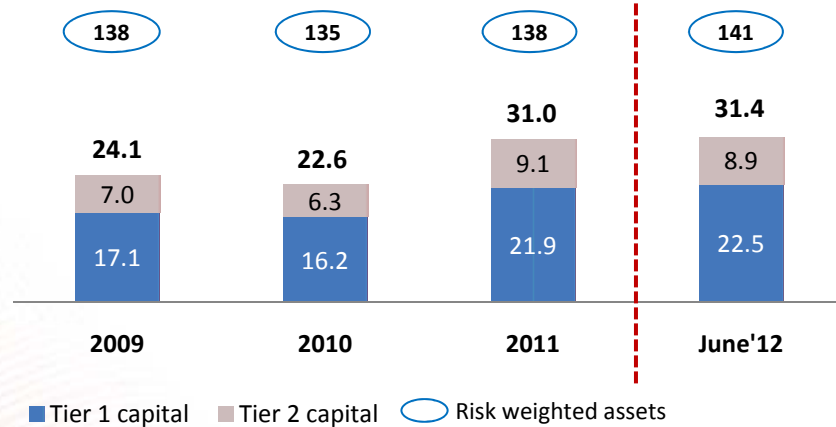
² Includes AED 6,617 mn Tier II loan from UAE Ministry of Finance

³ Includes due to Central Banks

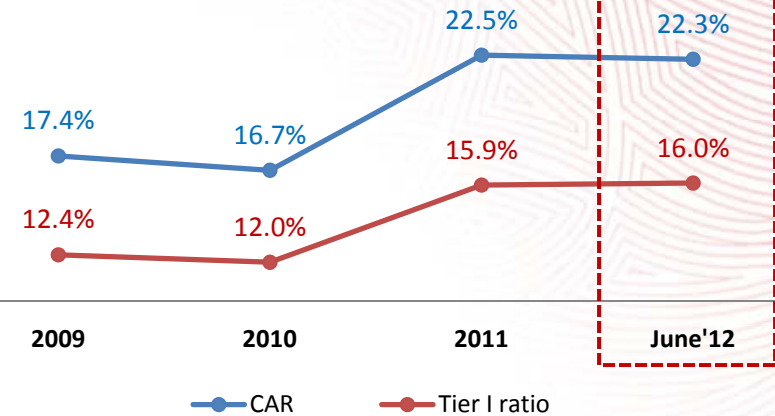
- Customer deposits as a percentage of total liabilities at 70%
- Increasing Islamic product deposits at AED 10 bn, an increase of 9% year to date
- Reduced wholesale funding at AED 32 bn compared to AED 36 bn as at 31 December 2011
- Government deposits 23% of total customer deposits
- Net interbank lender of AED 16 bn as at 30 June 2012

High quality capital base significantly above regulatory requirements...

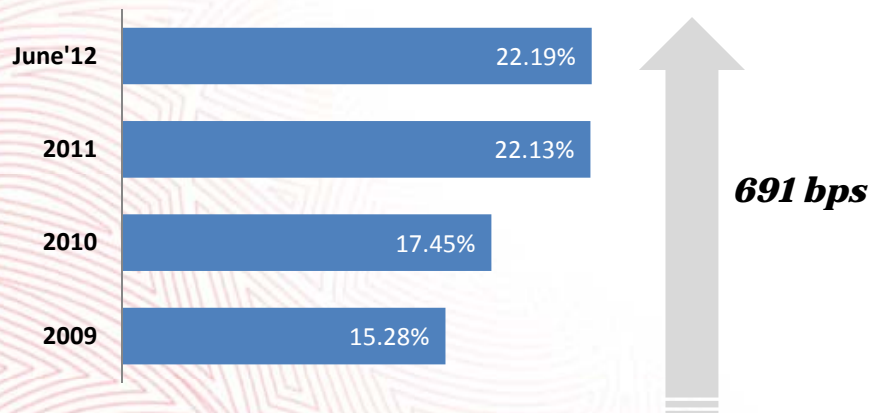
Capital position and risk weighted assets (AED bn)



Capital adequacy ratio and Tier I ratio



Liquidity ratio¹

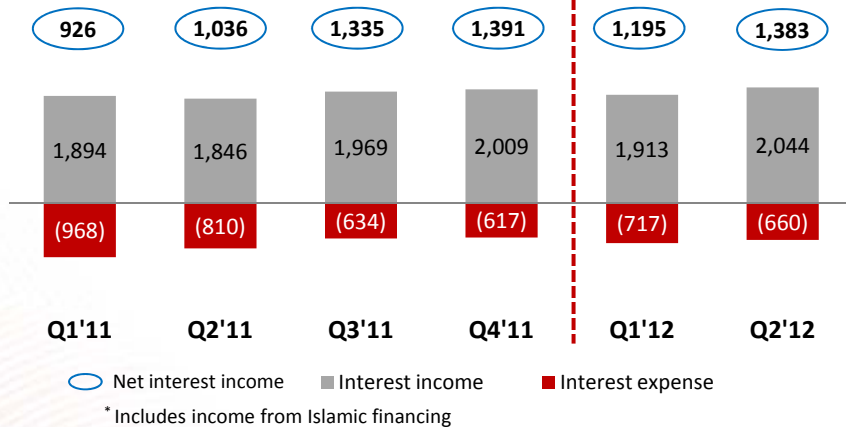


¹ Liquid assets include cash and balances with Central Banks, deposits and balances due from banks, trading securities, and liquid investments (liquidity ratio: liquid assets/total assets)

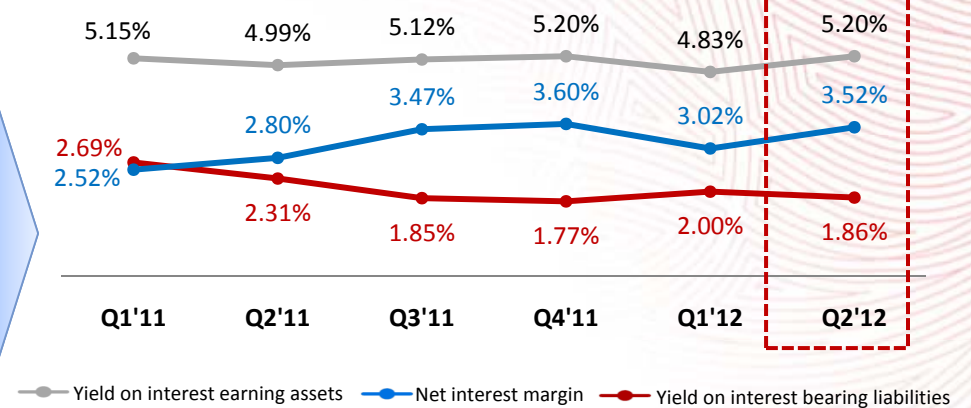
- Steady increase in capital ratios since 2009
- Capital adequacy ratio significantly above UAE Central Bank requirement of 12%
- Strong Tier I capital base of 16.0%

Record revenues for the quarter, improved cost of funds...

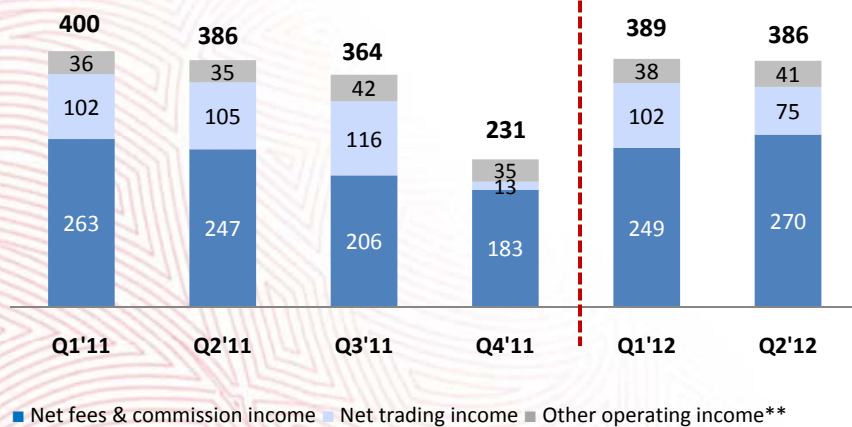
Net interest income* (AED mn)



Evolution of yields



Non-interest income* (AED mn)



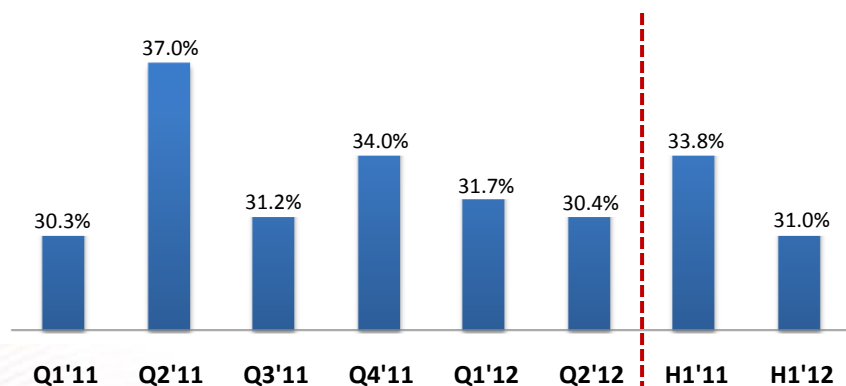
* Excludes share of profit of associates

** Other operating income includes decrease in fair value of investment properties

- Record gross interest income for the quarter
- Increase in net interest income primarily driven by improved cost of funds
- Q2'12 NIM at 3.52% compared to 2.80% in Q2'11
- Q2'12 non-interest income remained stable year on year and showed marginal decline (-1%) quarter on quarter

Improved cost to income ratio...

Cost to income ratio*



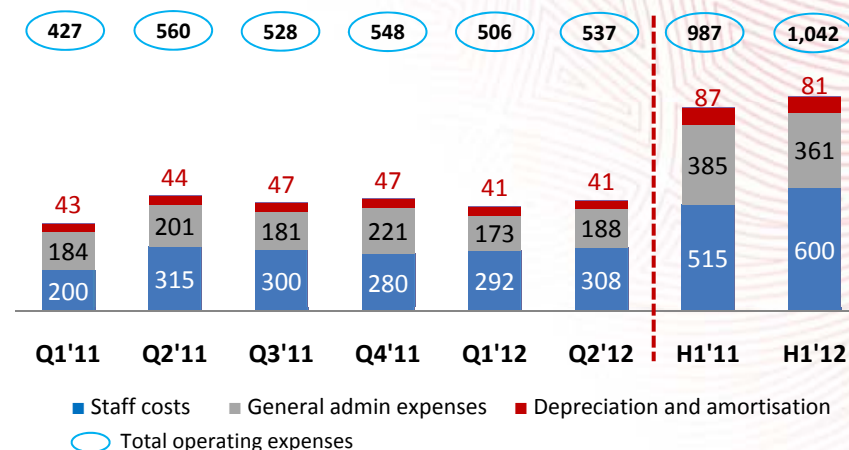
* Operating income for the purpose of calculating C:I ratio includes share of profit of associates but excludes net gain on sale of investment in associate

Branch network

Branches	2010	2011	June'12
UAE – traditional branches	46	48	48
UAE – pay offices	4	4	4
UAE – Service Centres	1	1	-
India	2	2	2
Jersey - offshore	-	1	1
Total	53	56	55
ATMs	265	294	293

Alternative banking channels available:
 • Internet banking
 • ADCB Mobile
 • Toll free phone banking

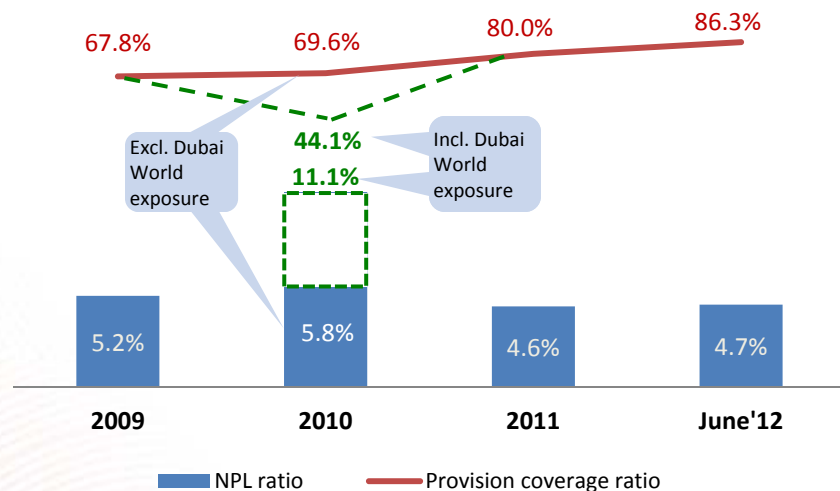
Operating expenses (AED mn)



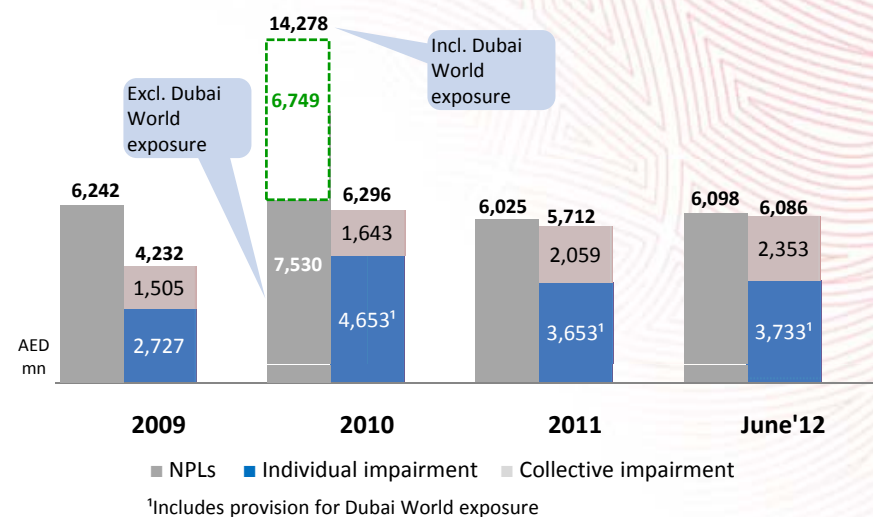
- Migration to alternative distribution channels leading to stable management of cost/income ratio
- Q2'12 cost to income ratio at 30.4% reported an improvement of 660 bps year on year and 130 bps quarter on quarter
- Stable number of branches operating and increasing availability of automated retail channels

Asset quality....

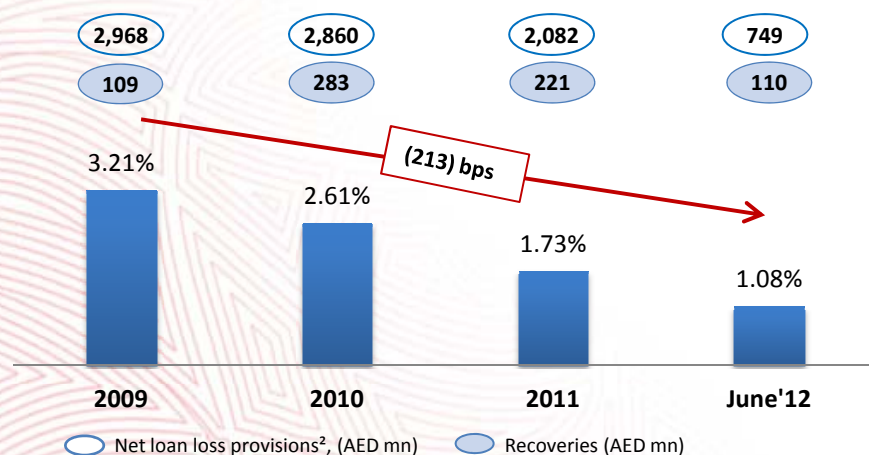
NPL ratio and provision coverage ratio



NPLs and impairment allowances (AED mn)



Cost of risk¹



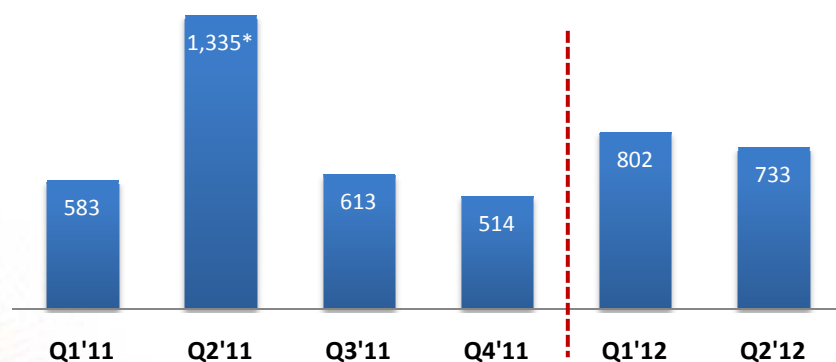
¹ Total provisions including investments/ average loans & advances and investments

² Loan loss provisions net of recoveries for the period

- Portfolio impairment allowance balance 1.78% of credit risk weighted assets above UAE Central Bank 2014 target of 1.50%
- Non-performing loan ratio of 4.7% and provision coverage ratio of 86.3% as at 30 June 2012
- Steadily decreasing cost of risk

Strong bottom line profitability reflected in increasing ROE and ROA...

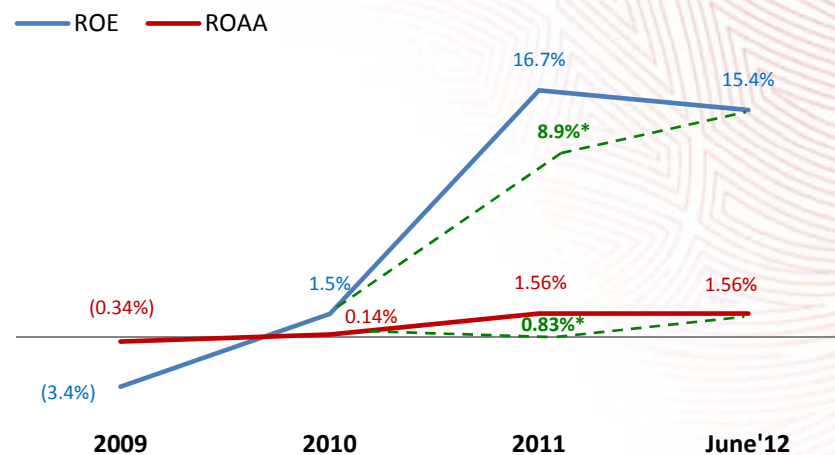
Net profit evolution (AED mn)



* Includes AED 1,315 mn gain on sale of stake in associate

- H1'12 net profit of AED 1,535 mn compared to AED 1,918 mn in H1'11. H1'11 included AED 1,314 mn gain on the sale of stake in RHB Capital Berhad in June 2011

Return on equity and return on average assets



* ROE and ROAA from normal operations (excluding net gain on sale of investment in associate)

- Strong profitability driven by core banking revenues and proactive cost management
- ROE of 15.4% as at 30 June 2012
- ROAA of 1.56% as at 30 June 2012

Awards in Q2'12

<p>“Human Resources Award in the Banking & Financial Sector 2011” by Human Resources Development Committee in Banking & Financial Sector At the 14th edition of the National Career Exhibition</p> <p>HRDC لجنة الورد البشرية في القطاع المصرفي و المالي Human Resources Development Committee in Banking and Financial Sector</p> <p>February 2012</p>	<p>“Best Woman Award in the Banking & Financial Sector 2011 ” by Human Resources Development Committee in Banking & Financial Sector At the 14th edition of the National Career Exhibition</p> <p>HRDC لجنة الورد البشرية في القطاع المصرفي و المالي Human Resources Development Committee in Banking and Financial Sector</p> <p>February 2012</p>	<p>“Best SME Account” for BusinessEdge Free Zone Platinum Account By Banker Middle East product awards 2012</p> <p>Banker MIDDLE EAST PRODUCT AWARDS - 2012 -</p> <p>March 2012</p>	<p>“Best SME Trade Finance” for Business Edge Trade 360 By Banker Middle East product awards 2012</p> <p>Banker MIDDLE EAST PRODUCT AWARDS - 2012 -</p> <p>March 2012</p>
<p>“Most Improved Islamic Bank in the Middle East” By Euromoney</p> <p>EUROMONEY 2012 Awards for excellence</p> <p>March 2012</p>	<p>“Best Retail Bank in the UAE” By The Asian Banker</p> <p>THE ASIAN BANKER EXCELLENCE IN RETAIL FINANCIAL SERVICES AWARDS 2012</p> <p>March 2012</p>	<p>“Best Retail Bank in the Gulf Region” By The Asian Banker</p> <p>THE ASIAN BANKER EXCELLENCE IN RETAIL FINANCIAL SERVICES AWARDS 2012</p> <p>March 2012</p>	
<p>“Best Premium Card in the Middles East” for Co-branded Etihad Guest Credit Card By Smart Card Award Middle East 2012</p> <p>ETIHAD ABOVE VISA MIDDLE EAST</p> <p>SMART CARD Awards MIDDLE EAST</p> <p>By The Freddie Awards</p> <p>the freddie awards</p> <p>May 2012</p>	<p>“Best Bank in the UAE” “Best Transaction Bank” “Best Corporation Bank” By Banker Middle East Industry awards 2012</p> <p>Banker MIDDLE EAST INDUSTRY AWARDS - 2012 -</p> <p>June 2012</p>	<p>“the Hawkamah Bank Corporate Governance Award 2012 ” By Hawkamah</p> <p>HAWKAMAH THE INSTITUTE FOR CORPORATE GOVERNANCE</p> <p>June 2012</p>	

Appendix

Group performance – balance sheet

AED mn	June'12	Dec'11	Change (%)
Cash and balances with Central Banks	6,710	6,630	1
Deposits and balances due from banks	16,801	20,840	(19)
Loans and advances, net	123,463	124,755	(1)
Derivative financial instruments	4,678	4,845	(3)
Investment securities	18,316	15,068	22
Investment in associates	89	82	9
Investment properties	654	397	65
Other assets	9,213	10,021	(8)
Property and equipment, net	765	965	(21)
Intangibles assets	108	124	(13)
Total assets	180,797	183,726	(2)
Due to Central bank	-	48	(100)
Due to banks	2,113	3,090	(32)
Euro commercial paper	3,867	717	440
Deposits from customers	111,247	109,171	2
Wholesale borrowings including Tier II	26,123	31,897	(18)
Derivative financial instruments	4,900	4,822	2
Other liabilities	9,812	11,904	(18)
Total liabilities	158,063	161,648	(2)
Total shareholders' equity	22,727	22,072	3
Non -controlling interest	7	6	29
Total liabilities and shareholders' equity	180,797	183,726	(2)

Group performance - income statement

AED mn	H1'12	H1'11	Change (%)
Interest and income from Islamic financing	3,956	3,739	6
Interest expense and profit distribution	(1,378)	(1,778)	(22)
Net interest and Islamic financing income	2,578	1,961	31
Net fees and commission income	519	510	2
Net trading income	177	207	(14)
Decrease in fair value of investment properties	0	0	0
Other operating income	79	70	12
Non interest income	775	787	(2)
Operating income	3,353	2,748	22
Staff expenses	(600)	(515)	17
Other operating expenses	(361)	(385)	(6)
Depreciation	(65)	(73)	(10)
Amortisation of intangible assets	(16)	(14)	12
Operating expenses	(1,042)	(987)	6
Operating profit before impairment allowances & taxation	2,311	1,761	31
Net impairment allowance on loans & advances	(749)	(1,064)	(30)
Other impairment	(30)	(270)	(89)
Share of profit of associates	8	176	(96)
Net gain on sale of investment in associate	0	1,314	(100)
Overseas income tax expense	(4)	1	(537)
Net profit	1,535	1,918	(20)