

The image features a red background with intricate, white, stylized Arabic calligraphy. The calligraphy is dense and forms a complex, repeating pattern. In the lower portion of the image, there is a curved, white, cloud-like shape that separates the red patterned area from the bottom text. The overall aesthetic is modern and culturally significant.

Abu Dhabi Commercial Bank PJSC

Earnings presentation

Financial year 2011 results

Disclaimer

This document has been prepared by Abu Dhabi Commercial Bank PJSC (“ADCB”) for information purposes only. The information, statements and opinions contained in this presentation do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. This document shall not be reproduced, distributed or transmitted without the consent of ADCB and is not intended for distribution in any jurisdiction in which such distribution would be contrary to local law or reputation.

The material contained in this presentation is intended to be general background information on ADCB and its activities and does not purport to be complete. It may include information derived from publicly available sources that have not been independently verified and inconsistencies between sub-totals and totals due to rounding errors. No representation or warranty is made as to the accuracy, completeness or reliability of the information. It is not intended that this document be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending on their specific investment objectives, financial situation or particular needs.

Without prejudice to the foregoing, we do not accept any liability whatsoever for any loss howsoever arising, directly or indirectly, from the use of this presentation or its contents or otherwise arising in connection with this presentation.

This document may contain certain forward-looking statements with respect to certain of ADCB’s plans and its current goals and expectations relating to future financial conditions, performance and results. These statements relate to ADCB’s current view with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond ADCB’s control and have been made based upon management’s expectations and beliefs concerning future developments and their potential effect upon ADCB.

By their nature, these forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond ADCB’s control, including, among others, the UAE domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory and Governmental authorities, the impact of competition, the timing impact and other uncertainties of future acquisition or combinations within relevant industries.

As a result, ADCB’s actual future condition, performance and results may differ materially from the plans, goals and expectations set out in ADCB’s forward-looking statements and persons reading this document should not place reliance on forward-looking statements. Such forward-looking statements are made only as at the date on which such statements are made and ADCB does not undertake to update forward-looking statements contained in this document or any other forward-looking statement it may make.

Key messages...

- Strong core banking franchise delivering record income and net profit
- Improved funding profile and margins
- Improved asset quality and cost of risk
- Strong capital position and comfortable liquidity levels
- Investing in people, businesses, systems and technology for long term growth
- Strengthening position in the UAE

ADCB – a leading bank in the UAE...

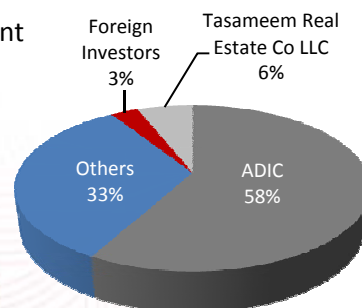
Overview

- 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 30 September 2011 *
- Serving over 450,000 retail customers and over 34,000 corporate and SME clients in 48 branches and 4 pay offices in the UAE, 2 branches in India and 1 offshore branch in Jersey
- The Bank is listed on the Abu Dhabi Securities Market, with a market cap of AED 16 bn as at 31 December 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)
- Second largest bank shareholding by the Government of Abu Dhabi
- 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 4 bn Tier I capital notes in Q1'09



* As at 31 December 2011

Investment grade rating

	Long term rating	Short term rating	Outlook
S&P*	A	A-1	Stable
Moody's	A1	P-1	Negative
Fitch	A+	F1	Stable
RAM	AAA	P1	Stable

* Ratings raised to A/A-1 on improved capitalisation after sale of stake in RHB Capital Berhad, June 21, 2011. Previous rating A-/A-2/Stable

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 treasury and corporate finance 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 • Terminated treasury joint venture arrangement with Macquarie Bank
2011	• Sale of RHB Capital Berhad Stake

Analysis of ADCB's full year and quarterly results...

Income Statement highlights (AED mn)	Full year			Quarterly trends		
	2011	2010	% Change	4Q'11	4Q'10	% Change
Total net interest and Islamic financing income	4,688	3,682	27	1,391	1,034	35
Non -interest income	1,382	1,317	5	231	327	(29)
Operating income	6,069	5,000	21	1,623	1,361	19
Operating expenses	(2,063)	(1,649)	25	(548)	(379)	45
Operating profit before impairment allowances	4,006	3,351	20	1,075	982	9
Net impairment allowances	(2,398)	(3,287)	(27)	(549)	(647)	(15)
Share of (loss)/profit of associates	159	336	(53)	(9)	43	N/A
Net gain on sale of investment in associate	1,314	-	-	-	-	-
Overseas income tax expense	(36)	(9)	N/A	(2)	(7)	(71)
Net profit for the period	3,045	391	N/A	514	371	39
Basic earnings per share (AED)	0.51	0.04	AED 0.47	0.09	0.07	AED 0.02
Balance sheet highlights	Dec'11	Dec'10	% Change	Dec'11	Dec'10	% Change
Total assets	183,726	178,271	3	183,726	178,271	3
Gross loans and advances	130,467	129,068	1	130,467	129,068	1
Deposits from customers	109,887	106,134	4	109,887	106,134	4
Ratios	Dec'11	Dec'10	YoY Bps change	Dec'11	Dec'10	QoQ Bps change
Capital adequacy ratio (%)	22.51	16.65	586	22.51	16.65	586
Tier I ratio (%)	15.90	11.97	393	15.90	11.97	393
Loan to deposit ratio (%)	113.53	115.68	(215)	113.53	115.68	(215)
ROE (%)*	16.74	1.54	1,520	11.33	10.14	119
ROAA (%)*	1.56	0.14	142	1.10	0.88	22

* 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.

Balance sheet strength (December 2011 vs. December 2010 highlights)

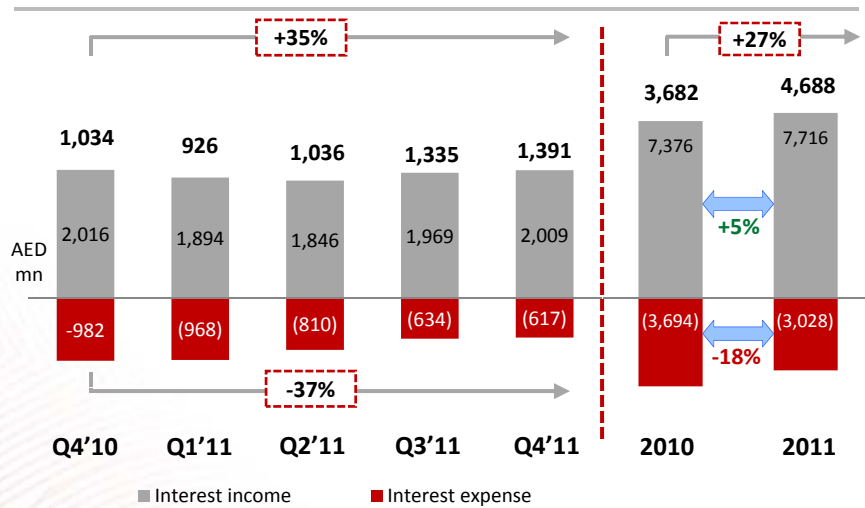
- Balance sheet restructuring yielding results
 - Disciplined lending and focus on liability gathering, gross loans +1% YoY, and customer deposits +4% YoY
 - Loan to deposit ratio reported at lowest level at 113.53%
- Improved asset quality
 - NPL ratio at 4.6% compared to 11.1%* in 2010 (*5.8% excluding Dubai World exposure)
 - Provision coverage improved to 80.0% compared to 44.1%* in 2010 (*69.6% excluding Dubai World exposure)
 - Cost of risk reported at reported at 1.77% in 2011 compared to 2.61% in 2010
- Strengthened capital adequacy and comfortable liquidity levels
 - CAR at 22.51% compared to 16.65% in 2010
 - Net interbank lender of AED 18.7 bn as at 31 December 2011

Positive earnings momentum (2011 vs. 2010 highlights)

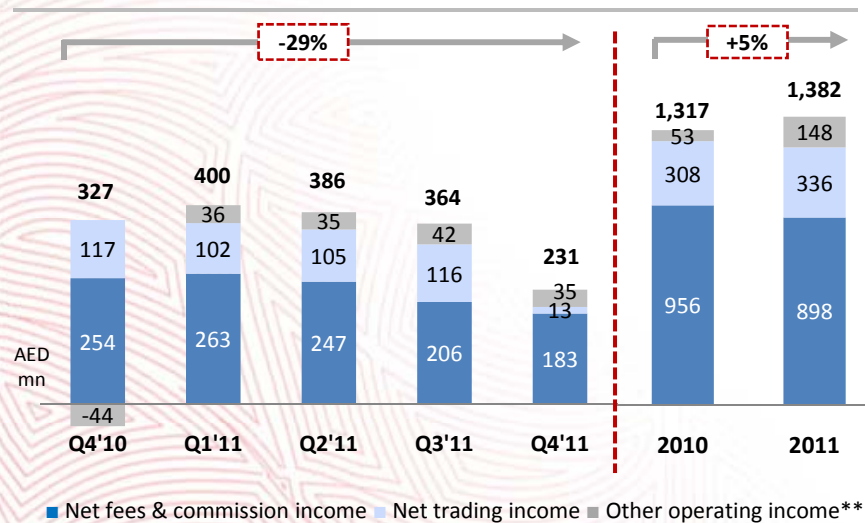
- Robust operating performance with record levels of income and net profit
 - Net profit of AED 3,045 mn, compared to AED 391 mn in 2010
 - Record net interest and Islamic financing income at AED 4,688 mn, +27% YoY
 - Non-interest income increased to AED 1,382 mn, +5% YoY
 - Operating income at record level reaching AED 6,069 mn, +21% YoY
- Healthy margins and improved cost of funding
 - NIMs increased to 3.10% in 2011, compared to 2.57% in 2010
 - CoF reported at lowest level at 2.16% compared to 2.64% in 2010
- Lower impairment allowance charges
 - Net impairment allowance charge was AED 2,398 mn, -27% YoY
 - Provision for loans and advances were AED 2,082 mn (net), -27% YoY
- Disciplined cost management
 - Cost to income ratio at 33%

Lower funding costs and improved NIM's...

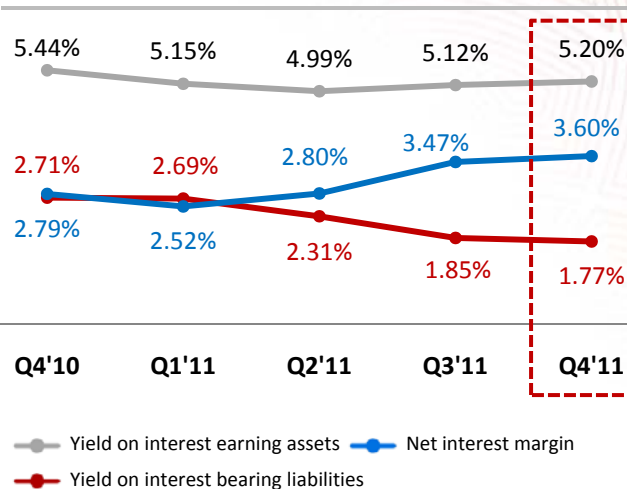
Net interest income*



Non-interest income*



Evolution of yields



2011 vs. 2010

Record net-interest income

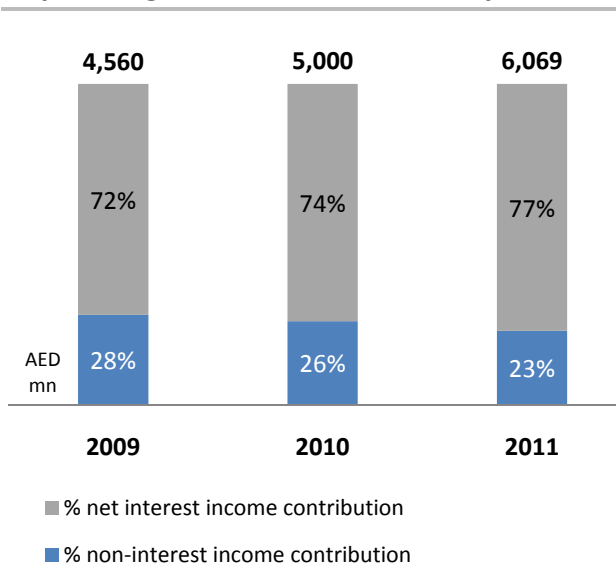
+27%

AED 4,688 mn

NIM 2011 **3.10%**
CoF 2010 **2.64%**

↑ **2.57%** 2010
↓ **2.16%** 2011

Operating income contribution split



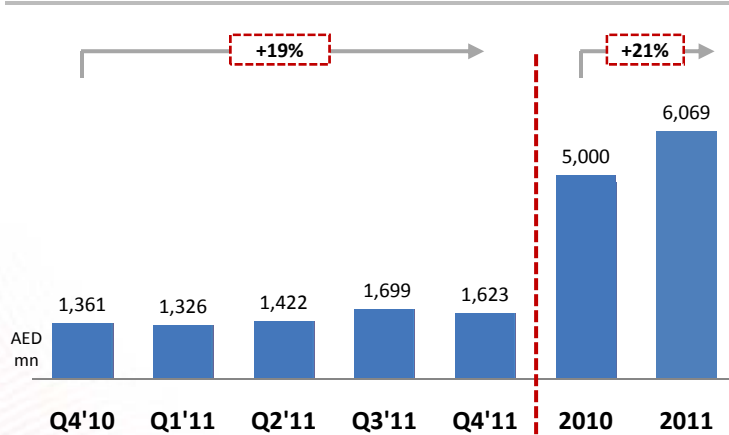
Non-interest income

+5%

AED 1,382 mn

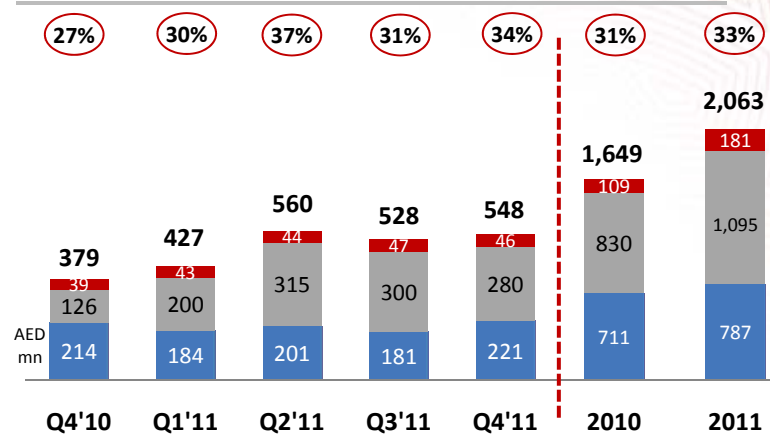
Strong core banking franchise delivering record income and net profit...

Operating income*



* Excludes share of profit from associates

Operating expenses



■ General admin expenses ■ Staff costs ■ Depreciation and amortisation

○ Cost to income ratio (includes share of profit of associates)

2011 vs. 2010

Record operating income

+21%

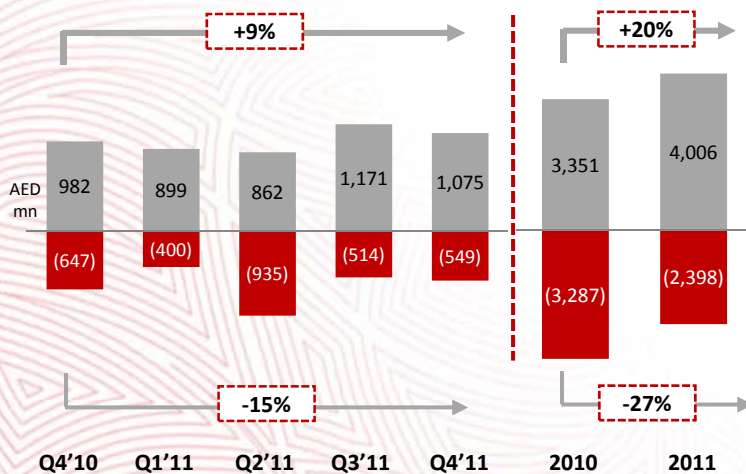
AED 6,069 mn

Record operating profit before impairment

+20%

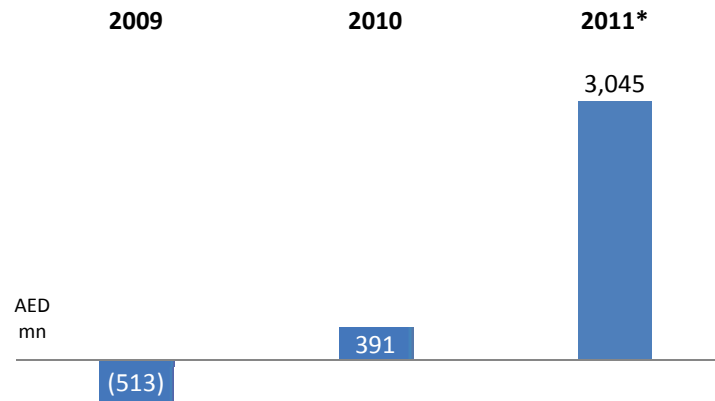
AED 4,006 mn

Operating profit and impairment allowances



■ Operating profit ■ Impairment allowances

Net profit



* Includes AED 1.3 bn from sale of investment in associate

Impairment Allowances charged

AED 2,398 mn

-27%

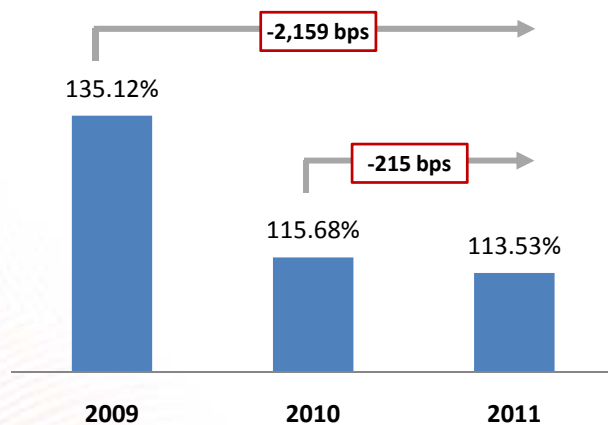
Cost to income ratio

33%

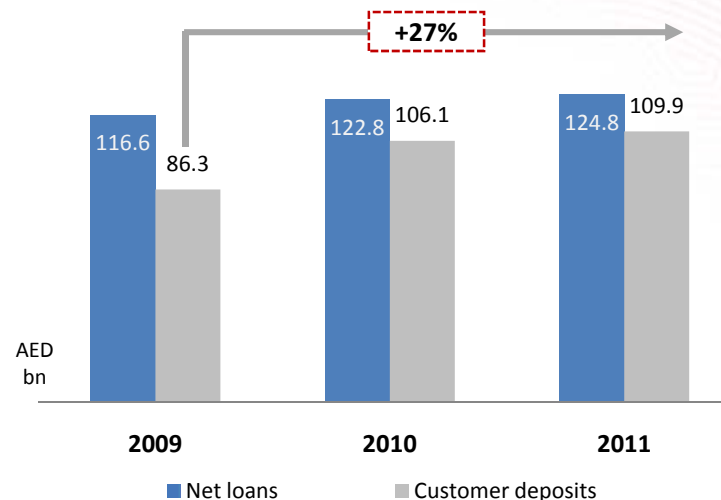
2011

Loan to deposit reported at lowest levels...

Loan to deposit ratio



Net loans and customer deposits



Highlights

Loan split

Abu Dhabi

65%

&

26%

Dubai

Domestic focus

96%

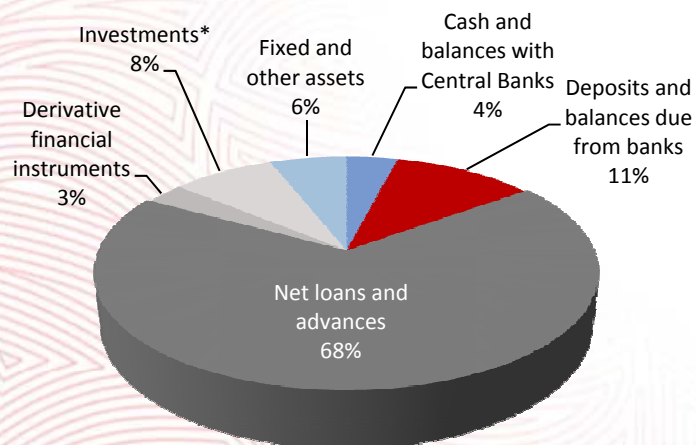
gross loans in the UAE

Real estate investment, contractor finance, development & construction

29%

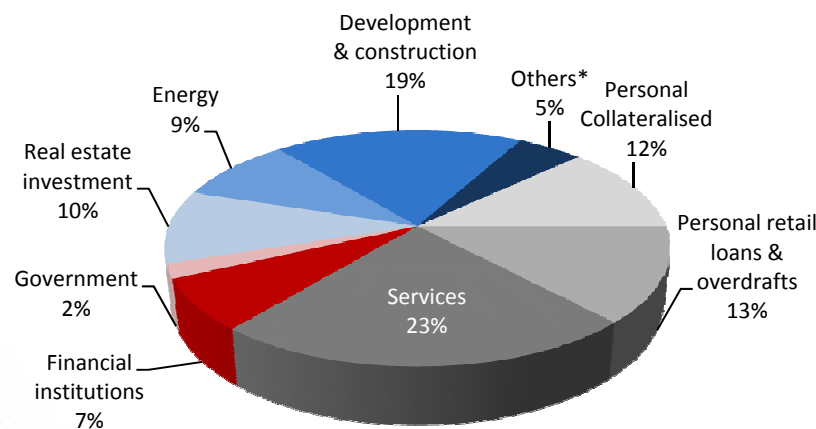
of gross loans

Composition of assets (AED 184 bn)



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

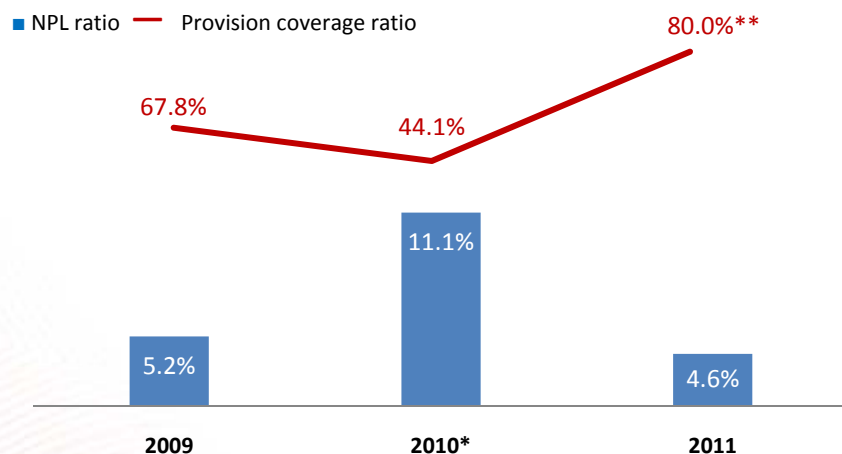
Split of the loan portfolio, gross (AED 130 bn)



*Agriculture, contractor finance, trading, manufacturing, transport and others

Improved asset quality and provision coverage...

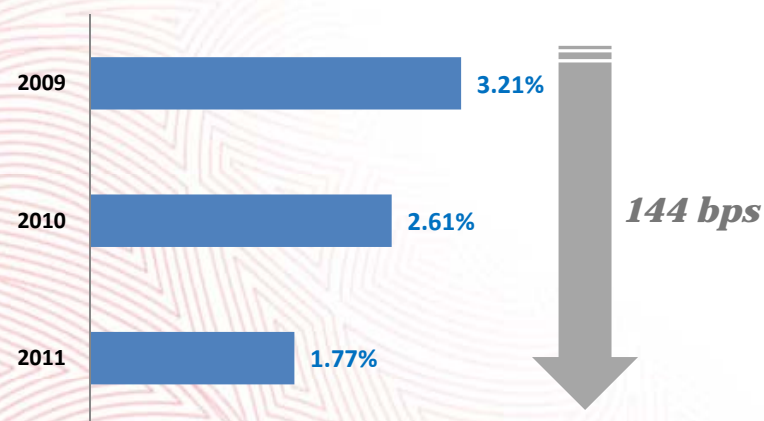
NPL ratio and provision coverage ratio



* Includes Dubai World exposure

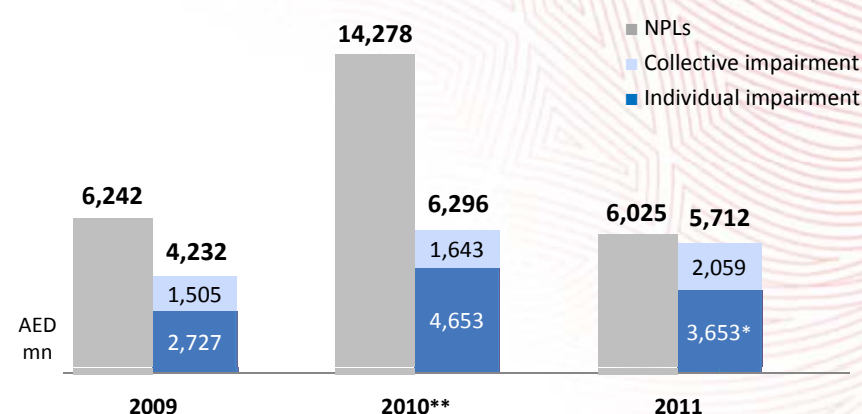
** Excludes Dubai World exposure and related provision

Cost of risk*



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

NPLs and impairment allowances



* Includes provision for Dubai World exposure

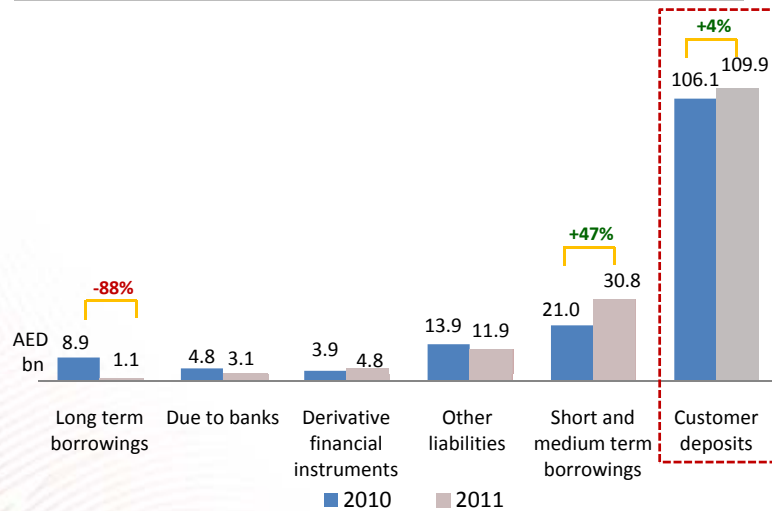
** Includes Dubai World exposure

Highlights

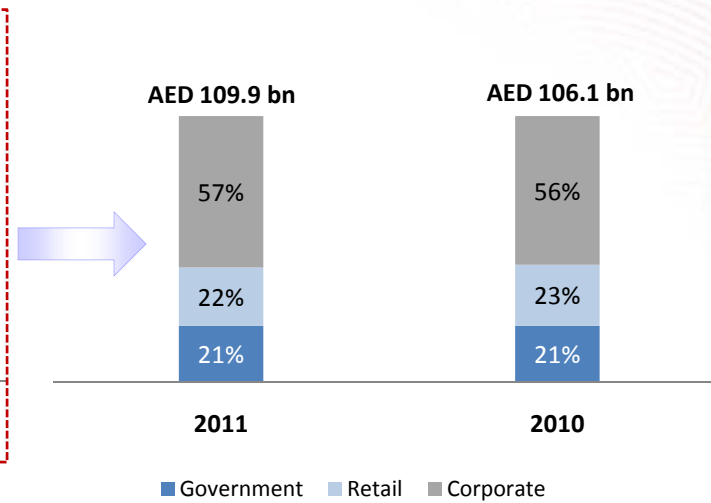
- Portfolio impairment allowance balance was AED 2,059 mn and 1.59% of credit risk weighted assets as at 31 December 2011. The UAE Central Bank directive requires banks to increase the level of collective provisions to 1.50% of credit risk weighted assets by 2014
- Impairment allowances on doubtful loans and advances, net of recoveries amounted to AED 2,082 mn in 2011, compared to AED 2,860 mn in 2010, 27% lower
- The estimated fair value of collateral and other security enhancements held against loans and advances to customers and banks for the year ended 2011 was AED 83,740 mn compared to AED 85,754 mn in 2010
- In 2011 a loan of AED 6,749 mn has been transferred from impaired to performing category based on the performance of agreed renegotiated terms.

Growing customer deposits, strengthened funding profile...

Composition of liabilities (AED 162 bn)



Customer deposits by counterparty



2011 vs. 2010

CASA*

+15%

AED 27 bn

*Includes call & demand deposits and savings deposits

Time deposits*

AED 64 bn

-4%

Islamic product deposits*

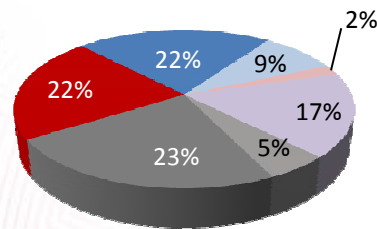
+20%

AED 18 bn

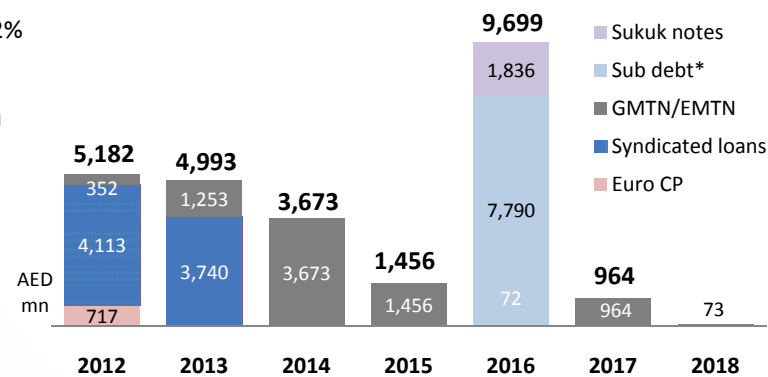
*AED 9 bn in 2011 and AED 7 bn in 2010 Islamic deposits taken by bank's treasury in the normal course of business have been reclassified from time deposits to Islamic product deposits

Composition of wholesale funding

Source of funds	AED mn
GMTN/EMTN	8,277
Sub. FRN*	7,790
Syndicated loans	7,858
Interbank	3,090
Euro Commercial paper	717
Other**	6,135
Islamic sukuk notes	1,836
Total	35,703



Maturity profile as at 31 December 2011



* Includes AED 6.6 bn Tier II loan from UAE Ministry of Finance
** Includes AED 2.9 bn of borrowing through total return swaps and AED 3.2 bn of borrowing through repurchase agreement

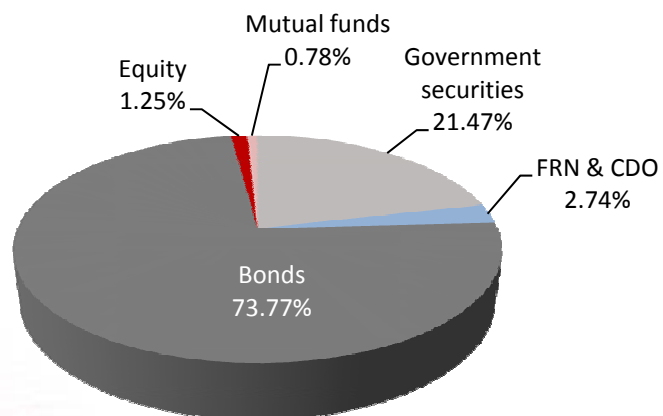
* Includes AED 6.6 bn Tier II loan

Total sources of wholesale funding

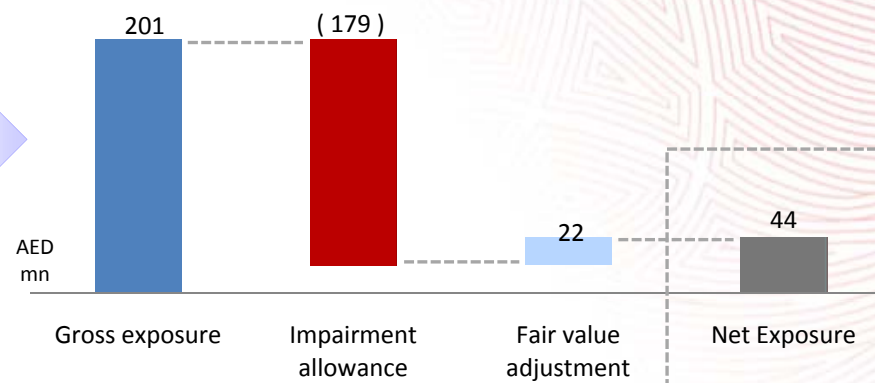
AED 36 bn

Net CDS exposure reduced substantially...

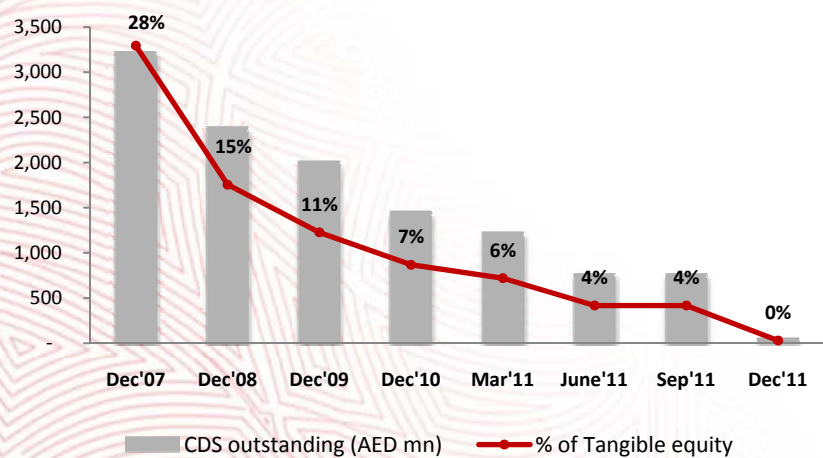
Funded investment securities (AED 15 bn)



Remaining funded FRN & CDO exposure



Net unfunded investments

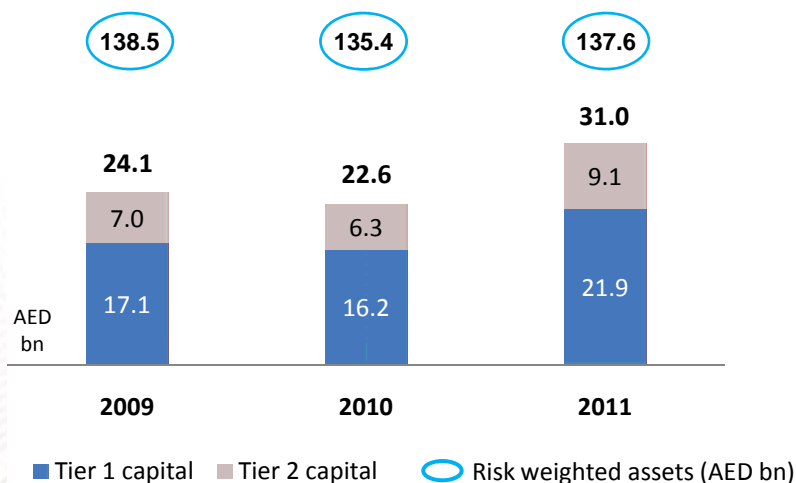


Available for sale investment securities

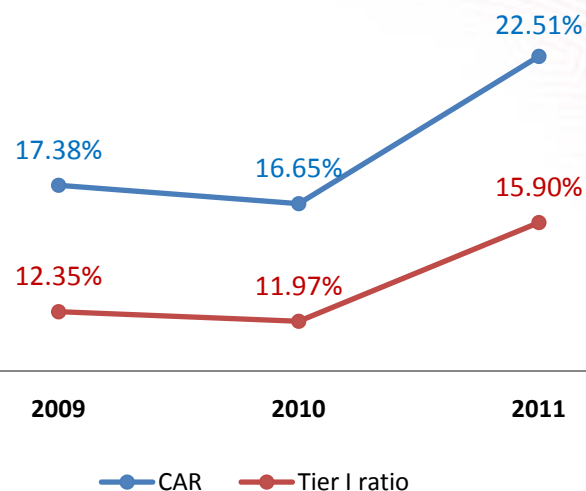
Ratings	2011	2010
	AED' 000	AED' 000
Aaa to Aa 3	6,513,130	4,480,019
A 1 to A 3	5,059,478	2,458,829
Baa1 to Ba 3	1,679,903	280,077
B1 to B 3	706,829	549,167
Not rated	1,092,763	495,045
Total	15,052,103	8,263,137

Strong capital position, comfortable liquidity levels and funding profile...

Capital position and risk weighted assets



Capital adequacy ratio and Tier I ratio

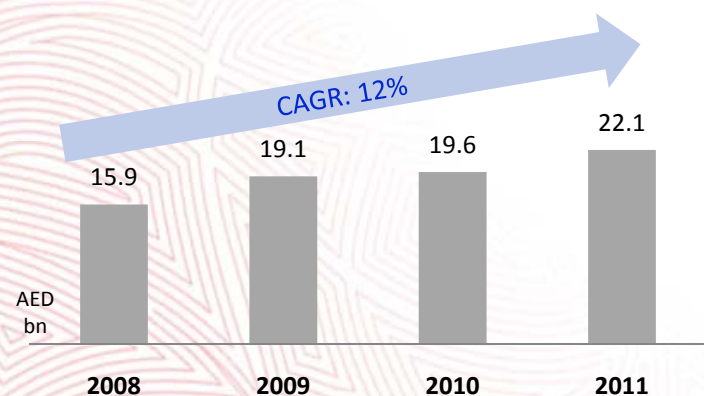


Highlights

CAR
22.51%

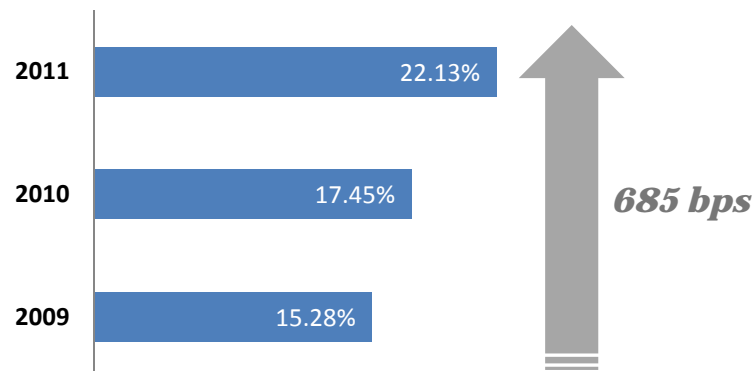
Tier I ratio
15.90%

Total equity* and reserves



* Tier I capital notes of AED 4 bn included in equity since March 2009

Liquidity ratio*



* Liquid assets include cash and balances with Central Banks, deposits and balances due from banks, trading securities, and liquid investments (liquidity ratio is calculated as follows: liquid assets divided by total assets)

***Net interbank lender of**
AED 19 bn

*Certificate of deposits with Central Bank is considered as due to banks for the purpose of calculating net position in interbank market

Liquidity ratio
22.13%

Awards in 2011...

Best Retail Bank in the UAE

By



March 2011

Best Corporate Governance in United Arab Emirates

By

World Finance
 Corporate Governance Awards

WORLD FINANCE

March 2011

Best SME Account Award

By

Banker Middle East product awards 2011



April 2011

ADCB won the coveted Best Credit Card Award for its LuLu Credit Card and the Best Co-branded Card Award for its Etihad Guest Above Credit Card



May 2011

Best Commercial Bank Award

By

Banker Middle East Industry Awards



June 2011

World's Safest Banks 2011 in the Middle East

Ranked number seven by

Global Finance Magazine



August 2011

Financial Institution of the Year

at

The ACC 3rd Annual International GRC & Financial Crimes Conference and Exhibition



November 2011

Most Improved Islamic Bank in the UAE

By

the Global Islamic Finance Awards (GIFA) committee



December 2011