

Press Release: Immediate Release

**ABU DHABI COMMERCIAL BANK P.J.S.C REPORTS
THIRD QUARTER 2011 NET PROFIT OF AED 613 MN,
YEAR TO DATE 2011 NET PROFIT OF AED 2,531 MN**

Abu Dhabi, 25 October 2011 – Abu Dhabi Commercial Bank PJSC (“**ADCB**” or the “**Bank**”) today reported its financial results for the nine month period ended 30 September 2011.

Highlights

- Robust financial performance reported both for the quarter and year to date:

Quarterly highlights (Q3'11 over Q3'10)

Record quarter in terms of:

- Operating income at AED 1,699 mn, up 26%
- Operating profit before impairment allowances at AED 1,171 mn, up 33%
- Total net interest and Islamic financing income at AED 1,335 mn, up 52%
- Net interest margin at 3.47%, an increase of 104 bps

Year to Date highlights (YTD'11 over YTD'10)

Strong year to date performance delivering both top and bottom line growth:

- Operating income at AED 4,447 mn, up 22%
 - Operating profit before impairment allowances at AED 2,931 mn, up 24%
 - Total net interest and Islamic financing income at AED 3,296 mn, up 24%
 - Non-interest income at AED 1,150 mn, up 16%
- Continued focus on disciplined cost management and conservative risk management:
 - Cost of funds was at lowest level at 1.85% in Q3'11, an improvement of 111 bps over Q3'10
 - Cost to income ratio recorded marginal improvement in Q3'11 at 31% compared to 32% in Q3'10. Year to date, cost to income ratio was at 33% compared to 32% in YTD'10
 - In Q3'11, net impairment allowances amounted to AED 514 mn, down 22% over Q3'10. YTD'11, net impairment allowances were 30% lower at AED 1,848 mn
 - Net CDS exposure significantly lower at AED 115 mn, compared to AED 1,457 mn as at 31 December 2010
 - Cost of risk reported strong improvement for the quarter and year to date. In Q3'11, cost of risk was at 1.50% compared to 2.04% in Q3'10 and as at 30 September 2011, it stood at 1.83% compared to 2.83% over the same period last year
 - Capital adequacy and liquidity ratios at strong levels:
 - CAR strengthened to 22.18% compared to 16.65% as at 31 December 2010
 - Tier 1 ratio strengthened to 15.57% from 11.97% as at 31 December 2010
 - Liquidity ratio improved to 21.5% from 17.4% as at 31 December 2010

Commenting on the Bank's performance, **Ala'a Eraiqat, CEO and a member of the Board** said: “ADCB has delivered a strong performance with record levels of income and profits for the quarter. We are seeing good momentum in business whilst maintaining a disciplined approach to risk management. Our capital position remains strong and positions us well to leverage opportunities for growth in the UAE. I am proud of the sustainability ADCB has shown throughout the year providing our shareholders with the value they seek.”

Deepak Khullar, Group Chief Financial Officer commented on the results: “Our disciplined approach to balance sheet and capital management resulted in significant improvement in our liquidity levels and strengthened funding profile. For the quarter, funding costs were at their lowest level and the Bank’s net interest margin recorded a new high at 3.47%. We ended the third quarter with a Tier I ratio of 15.57% and capital adequacy ratio of 22.18%. Our liquidity ratios improved to 21.5% from 17.4% as at 31 December 2010. Cost to income ratio for the nine month period was controlled at 33% (YTD’10 – 32%). Net impairment allowances for the nine month period were 30% below the same period last year. This quarter has seen another positive period for ADCB with sustainability in our financial performance and delivering both top and bottom line growth.”

About ADCB:

ADCB was formed in 1985 and as at 30 September 2011 employed over 3,800 people from 48 nationalities, serving over 480,000 retail customers and approximately 34,000 corporate and SME clients in 47 branches, 4 pay offices and 1 kiosk in the UAE and two branches in India. It is the third largest bank in the UAE and second largest in Abu Dhabi by assets, at AED 183 bn as at 30 September 2011.

ADCB is a full-service commercial bank which offers a wide range of products and services such as retail banking, wealth management, private banking, corporate banking, commercial banking, cash management, investment banking, corporate finance, foreign exchange, interest rate and currency derivatives and Islamic products, project finance and property management services.

ADCB is owned 58.08% by the Abu Dhabi Government through the Abu Dhabi Investment Council. Its shares are traded on the Abu Dhabi Securities Exchange. As at 30 September 2011, ADCB’s market capitalisation was AED 16bn.

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