

Press Release: Immediate Release

ABU DHABI COMMERCIAL BANK PJSC REPORTS

FIRST QUARTER 2015 NET PROFIT OF AED 1.249 BN,

AN INCREASE OF 13% YEAR ON YEAR, AND 22% QUARTER ON QUARTER

Abu Dhabi, 21 April 2015 – Abu Dhabi Commercial Bank PJSC (“ADCB” or the “Bank”) today reported its financial results for the first quarter of 2015 (“Q1’15”).

Financial highlights

- ▶ Strong top and bottom line growth with a record return on equity and operating income for the quarter
 - (Q1’15 vs. Q1’14)
 - Net profit up 13% to AED 1.249 bn
 - Net profit attributable to equity shareholders up 31% to AED 1.248 bn
 - Record quarterly operating income, up 15% to AED 2.192 bn
 - Record quarterly net interest income and non-interest income, up 19% and 6% respectively to AED 1.641 bn and AED 551 mn
 - Net fees and commission income up 32% to AED 375 mn
 - Record quarterly operating profit, up 17% to AED 1.492 bn
 - Return on equity of 21.9% compared to 17.0% for Q1’14
 - ▶ Conservatively managed balance sheet with strong CASA (current & savings account) deposits contribution
 - Net loans and advances increased by 532 mn to AED 141 bn over 31 December 2014
 - Deposits from customers increased 2% to AED 128 bn over 31 December 2014
 - Advances to stable resources improved to 86.6% from 88.5% as at 31 December 2014
 - Low cost CASA deposits comprised 46% of total deposits compared to 45% as at 31 December 2014
 - ▶ Capital and liquidity position continue to be at industry leading levels
 - Capital adequacy ratio of 19.49% and Tier 1 ratio of 15.73% as at 31 March 2015
 - Net lender of AED 18 bn in the interbank markets as at 31 March 2015
 - ▶ Well managed cost base, continued improvement in cost of funds and strong asset quality metrics
 - Cost to income ratio for the quarter improved to 31.9% compared to 32.9% in Q1’14
 - Cost of funds for the quarter improved to 85 bps from 97 bps in Q1’14
 - As at 31 March 2015, NPL and provision coverage ratios were 3.2% and 134.1% respectively

Commenting on the Bank's performance Ala'a Eraqat, Member of the Board and Group Chief Executive Officer, said:

"The Bank had a very good start to the year, reporting a record return on equity of 21.9% and a record operating income of AED 2.192 bn for the first quarter in 2015, crossing the AED 2 bn mark in operating income for the first time and delivering a net profit of AED 1.249 bn, up 13% year on year. Excluding income attributable to non-controlling interests, net profit attributable to equity shareholders grew by 31% in Q1'15.

Our strong results reflect the strength of our franchise and on-going customer demand for our products and services in a challenging and competitive environment, while we continue to pro-actively manage our cost base, in turn driving an improvement in our profitability.

We continue to focus on sustainable growth by striking a balance between ambition and discipline as we strive to create the most valuable bank in the UAE and a better way to bank for our customers.

All of our businesses contributed to these strong set of results reported by the Bank, demonstrating the diversity of our franchise and our dedication to disciplined execution and customer centricity.

We are pleased with our first quarter results and remain positive about future growth. Whilst markets remain competitive, we are confident that with our resilient balance sheet and robust strategic pillars, we can deliver sustainable growth for our customers and shareholders."

Deepak Khullar, Group Chief Financial Officer, commented on the results:

"ADCB reported strong top and bottom line growth in the first quarter of 2015. Our capital adequacy ratio continues to be at industry leading levels at 19.49% compared to 21.03% as at 31 December 2014, the decline was mainly due to dividend payments in Q1'15. Even with significantly high levels of capital, our businesses have delivered a record return on equity of 21.9%, which is amongst the highest in our peer group.

Our cost base is efficiently managed, with a cost to income ratio of 31.9% for the quarter and asset quality metrics continue to remain strong, with a provision coverage of 134.1% and cost of risk reported at 60 bps.

Our fee income reported solid growth, up 32% year on year and contributed 68% towards total non-interest income, compared to 55% in Q1'14, demonstrating our commitment to diversify our revenue stream and our increased emphasis on fee income generation across the Bank."

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Income statement highlights

AED mn	Q1'15	Q4'14	Q1'14	QoQ Change %	YoY Change %
Total net interest and Islamic financing income	1,641	1,392	1,380	18	19
Non - interest income	551	493	520	12	6
Operating income	2,192	1,885	1,901	16	15
Operating expenses	(700)	(709)	(625)	(1)	12
Operating profit	1,492	1,176	1,276	27	17
Impairment allowances	(241)	(154)	(174)	57	39
Overseas income tax expense	(2)	1	1	NA	NA
Net profit for the period	1,249	1,023	1,103	22	13
Net profit attributable to equity shareholders	1,248	1,022	953	22	31
EPS (AED)	0.23	0.19	0.16	0.04	0.07

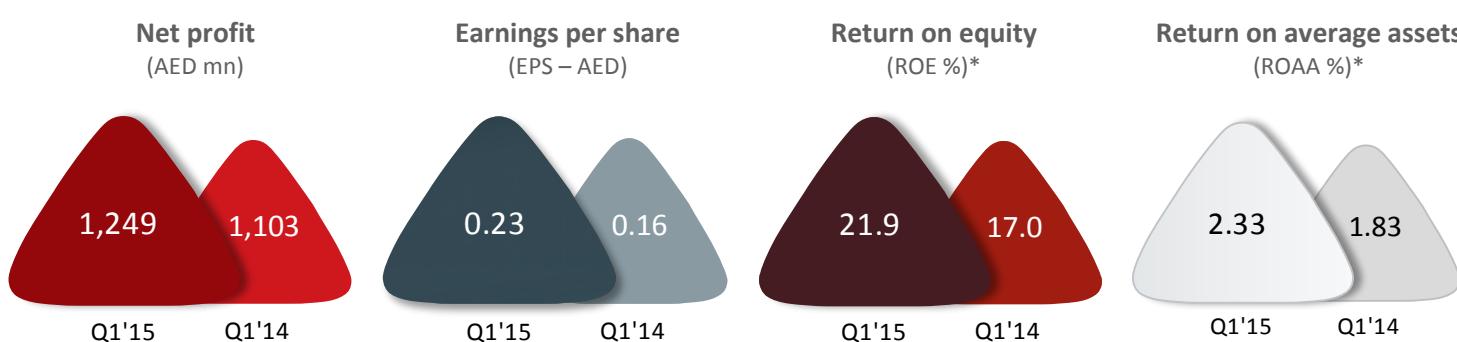
Balance sheet highlights

AED mn	March'15	Dec'14	March'14	QoQ change %	YoY Change %
Total assets	206,886	204,019	186,103	1	11
Net loans and advances	141,095	140,562	132,197	0	7
Deposits from customers	128,471	126,011	115,704	2	11

Ratios (%)	March'15	Dec'14	March'14	Change bps	Change bps
CAR (Capital adequacy ratio)	19.49	21.03	20.15	(154)	(66)
Tier I ratio	15.73	17.01	15.57	(128)	16
Advances to stable resources	86.6	88.5	93.7	(190)	(710)
ROE (Return on equity)	21.9	18.4	17.0	350	490
ROAA (Return on average assets)	2.33	2.01	1.83	32	50

There could be inconsistencies in totals due to rounding errors

Key indicators



* Annualised, for ROE/ROA 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

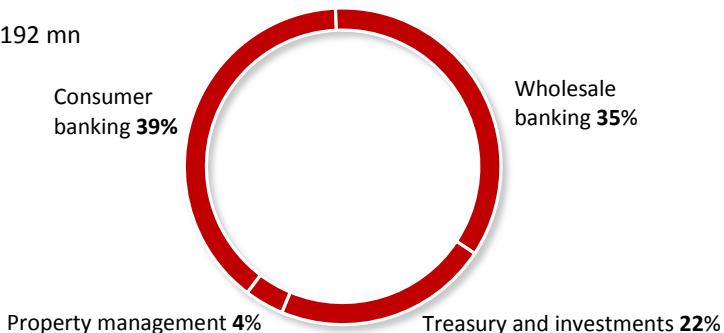
Strong top and bottom line growth with a record return on equity and operating income for the quarter

- ▶ The Bank reported a net profit of AED 1,249 mn compared to AED 1,103 mn in Q1'14, an increase of 13% year on year and 22% quarter on quarter. Excluding income attributable to non-controlling interests, net profit attributable to equity shareholders grew by 31% to AED 1,248 mn in Q1'15.
- ▶ Basic earnings per share were AED 0.23 compared to AED 0.16 in Q1'14, an increase of 44% year on year.
- ▶ Record ROE for the quarter at 21.9% compared to 17.0% in Q1'14 and ROAA for Q1'15 at 2.33% compared to 1.83% in Q1'14.
- ▶ Record quarterly operating income, crossing the AED 2 bn mark for the first time at AED 2,192 mn, an increase of 15% over Q1'14, supported by a healthy growth in both net interest income and non-interest income. Total net interest and Islamic financing income grew 19% to AED 1,641 mn and non-interest income grew by 6% to AED 551 mn in Q1'15.
- ▶ Diversified revenue stream with each business segment contributing to top and bottom line growth

Percentage contribution to operating income

31 March 2015

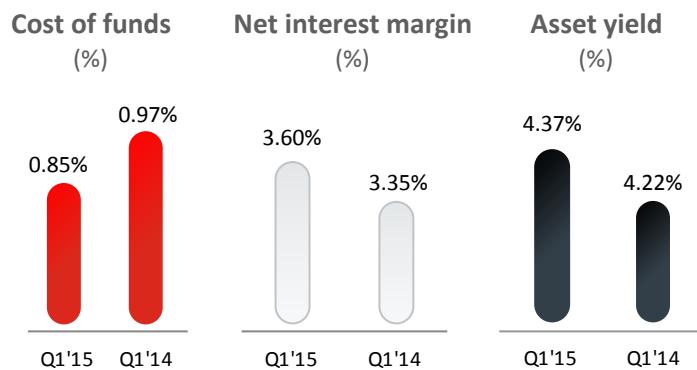
Total operating income = AED 2,192 mn



- ▶ Net fees and commission income reported a significant growth year on year, up 32% reaching AED 375 mn in Q1'15. This was primarily attributable to higher corporate banking fees, up 46% year on year at AED 157 mn, and higher retail banking fees, up 13% year on year at AED 220 mn. Net fees and commission income accounted for 68% of total non-interest income in Q1'15, compared to 55% in Q1'14. Net trading income for Q1'15 was reported at AED 123 mn, 30% lower year on year mainly on account of funds de-consolidation on 31 March 2014. This was partially offset by higher gains from dealing in foreign currencies, up 68% year on year at AED 106 mn in Q1'15.
- ▶ Record quarterly operating profit before impairment allowances at AED 1,492 mn in Q1'15, up 17% year on year.

Continued improvement in cost of funds and efficiently managed cost base

- ▶ Cost of funds for the quarter improved further to 85 bps compared to 97 bps in Q1'14. This was primarily on account of a higher proportion of low cost CASA deposits (comprised 46% of total customer deposits) combined with an efficiently managed wholesale funding strategy and lower EIBOR, which resulted in a lower interest expense reported at AED 351 mn in Q1'15.



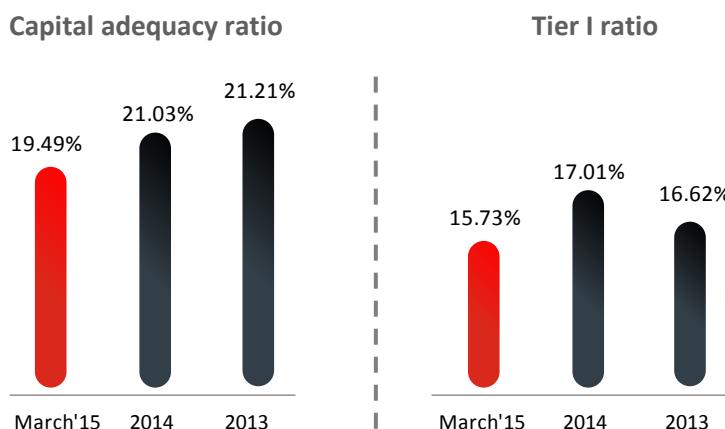
- ▶ Cost to income ratio for the quarter improved to 31.9% compared to 32.9% in Q1'14. Operating expenses for Q1'15 were AED 700 mn, an increase of 12% year on year as the Bank continued to invest in people, infrastructure and IT systems.

Conservatively managed balance sheet, strong CASA (current and savings account) deposits contribution

- ▶ As at 31 March 2015, total assets reached AED 207 bn, representing an increase of 11% year on year and 1% quarter on quarter.
- ▶ Gross loans and advances increased by AED 502 mn to AED 147,842 mn as at 31 March 2015. 90% of gross loans were within the UAE, in line with the Bank's UAE centric strategy. Total customer deposits increased 2% to AED 128,471 mn as at 31 March 2015. As at 31 December 2015, advances to stable resources was 86.6% and loan to deposit ratio was 109.83% compared to 111.55% as at 31 December 2014.

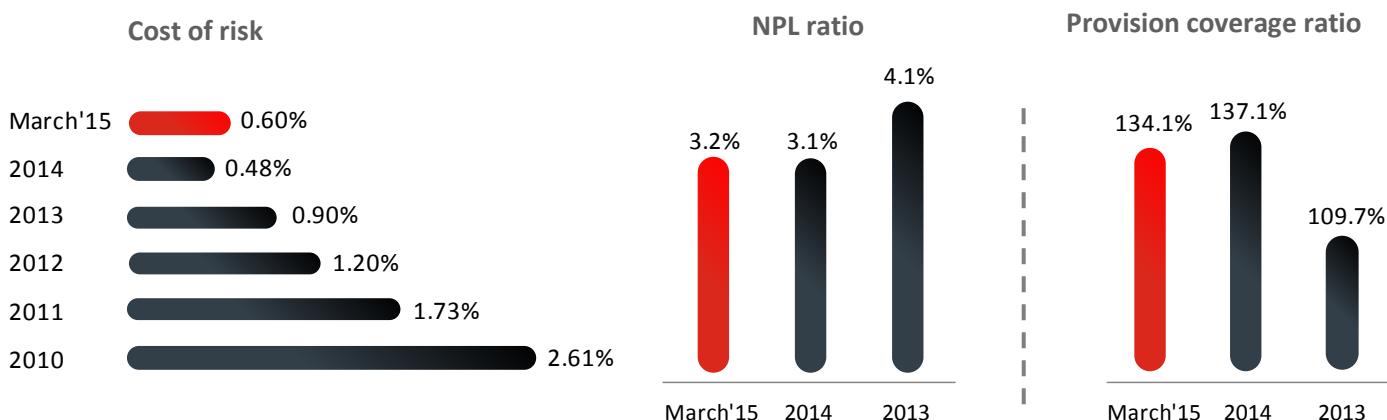
Strong liquidity and capital position at industry leading levels

- ▶ As at 31 March 2015, the Bank's capital adequacy ratio was 19.49% compared to 21.03% as at 31 December 2014. The decline in CAR was mainly on account of dividend payments of AED 2.1 bn in Q1'15 and a change in asset mix. Tier I ratio was 15.73% compared to 17.01% as at 31 December 2014. The capital adequacy ratio minimum requirement stipulated by the UAE Central Bank is 12% and Tier I minimum requirement is 8%.
- ▶ As at 31 March 2015, the Bank was a net lender of AED 18 bn in the interbank markets, and the liquidity ratio improved to 25.5% from 22.9% as at 31 March 2014.
- ▶ As at 31 March 2015, investment securities portfolio totaled AED 21,678 mn providing further liquidity for the Bank with 98% of the portfolio invested in available for sale investments in government securities and bonds.



Strong asset quality metrics

- As at 31 March 2015, NPL and provision coverage ratios were 3.2% and 134.1% respectively, whilst cost of risk for Q1'15 was 60 bps.
- Charges for impairment allowances on loans and advances, net of recoveries amounted to AED 241 mn in Q1'15.
- As at 31 March 2015, the Bank's collective impairment allowance balance was AED 3,034 mn, 2.13% of credit risk weighted assets and the individual impairment balance stood at AED 3,713 mn.



Awards 2015

"Best Cash Management"	"Best Trade Finance Offering"	"Best Trade Finance Provider in the UAE"
Banker Middle East	Banker Middle East	Euromoney Award
"Best Corporate Governance Award 2015"	"Best for Cash Management in the UAE"	"Best Bank for Cash Management in the Middle East"
World Finance	Euromoney Award	Global Finance
"Best Trade Finance Bank in UAE"	"Best Customer Service - Corporate Banking"	"Best Supply Chain Finance Provider Award- Middle East"
Global Finance	Banker Middle East	Global Finance

About ADCB (31 March 2015):

ADCB was formed in 1985 and as at 31 March 2015 employed over 4,000 people from 62 nationalities, serving over 600,000 retail customers and approximately 50,000 corporate and SME clients in 48 branches, 4 pay offices and 2 branches in India, 1 branch in Jersey and a representative office in London. As at 31 March 2015, ADCB's total assets were AED 207 bn.

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 Government of Abu Dhabi (Abu Dhabi Investment Council). Its shares are traded on the Abu Dhabi Securities Exchange. As at 31 March 2015, excluding treasury shares, ADCB's market capitalisation was AED 34 bn.

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