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Abu Dhabi Commercial Bank PJSC
Investor presentation – Q2/H1 2014

بنك أبوظبي التجاري
ADCB 

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Macro overview

Business overview

Financial highlights

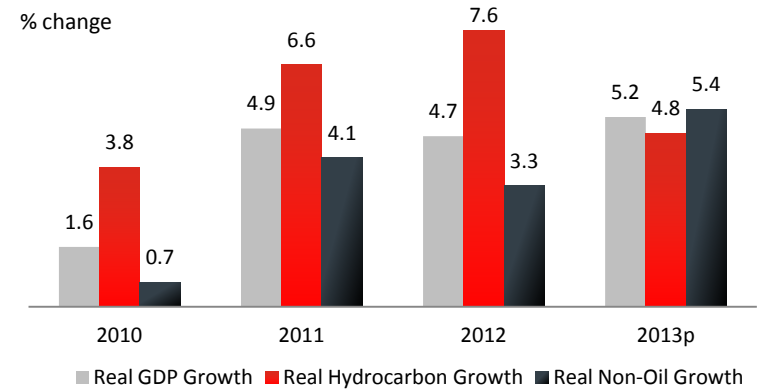
Appendix

Macro overview

Strengthening Economic Outlook

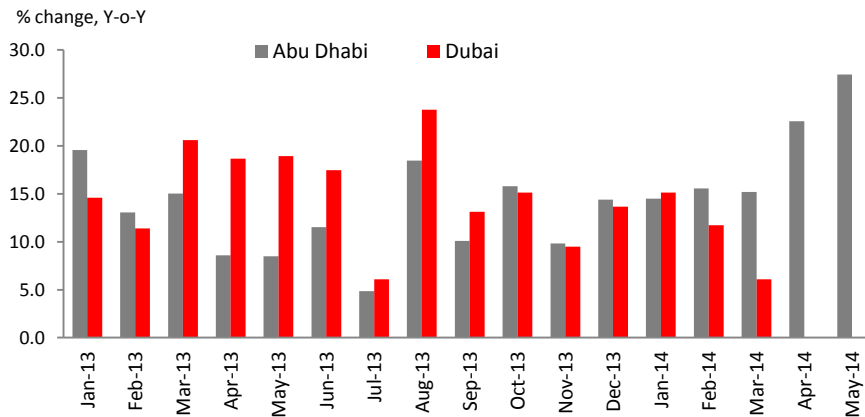
- ▶ The UAE's growth outlook is gaining momentum. Real GDP growth strengthened to 5.2% in 2013, with real non-oil GDP growth accelerating to 5.4%.
- ▶ Interim indicators point to a further pickup in economic activity in 2014 and into 2015, with broad-based growth drivers.
- ▶ Investments are expected to play an important role in the strengthening growth outlook. There has been a notable rise in project awards in 2013 and into 2014. Construction, hydrocarbon and transportation have dominated awards.
- ▶ The investment in the UAE's core infrastructure and expansion in its economic capacity will also be central to further expansion in important non-oil service sectors, such as transportation, hospitality and trade. This is reflected in both Dubai and Abu Dhabi seeing a strong rise in airport passenger numbers, amongst other areas.

UAE: Real GDP Growth Drivers



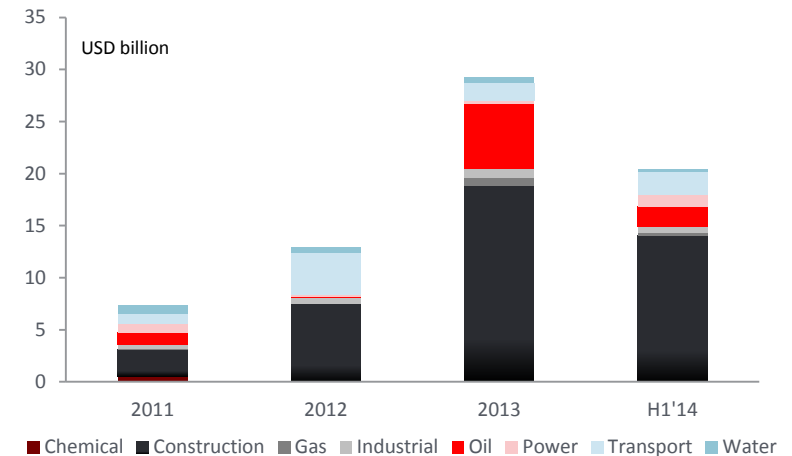
Source: National Bureau of Statistics

Abu Dhabi and Dubai Airports Passenger Numbers



Source: Dubai and Abu Dhabi Airports

Sharp Rise in UAE Project Awards in 2013 and 2014



Source: MEED Projects, ADCB

UAE banks overview

Highlights

- ▶ UAE Banking sector is ranked highest in the GCC in terms of assets
- ▶ As of June 2014, deposit growth of 9.5% outpaced loan growth of 4.2%
- ▶ The banking system maintains significant capital and liquidity buffers
- ▶ As at 30 June 2014, average Tier I ratio was at 16.0% and CAR at 18.2%

Source: UAE Central Bank

UAE banking sector indicators

| AED bn | 2011 | 2012 | 2013 | June'14 | YTD % Change |
|--------------------------------------|-------|-------|-------|---------|--------------|
| Total assets (gross) | 1,734 | 1,877 | 2,100 | 2,237 | 6.5% |
| Loans and advances (gross) | 1,143 | 1,185 | 1,276 | 1,330 | 4.2% |
| Deposits | 1,070 | 1,168 | 1,279 | 1,400 | 9.5% |

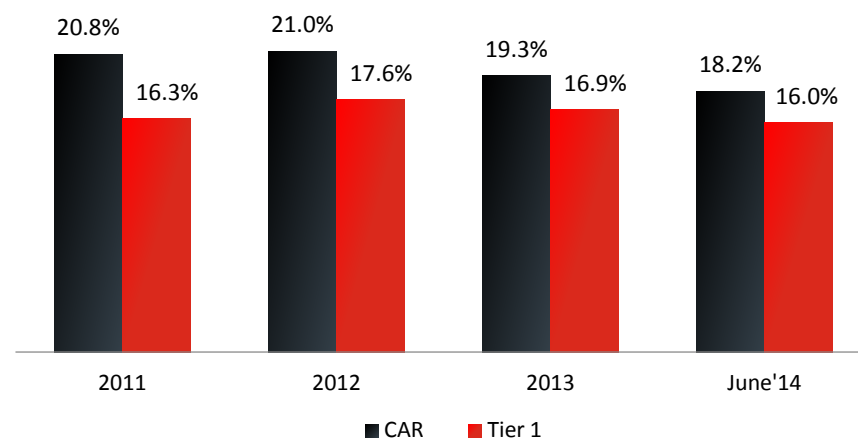
Source: UAE Central Bank, as at 30 June 2014

Comparable UAE banks– key metrics

| June'14 | ADCB | ENBD | NBAD | FGB | Mashreq |
|----------------------------|-------|-------|-------|-------|---------|
| Net Loans (AED bn) | 134.3 | 241.8 | 181.7 | 128.2 | 56.0 |
| Total Deposits (AED bn) | 119.0 | 252.9 | 237.4 | 137.5 | 70.8 |
| Total Equity (AED bn) | 24.7 | 42.8 | 36.0 | 31.0 | 14.9 |
| Loan to Deposit ratio (%) | 112.8 | 95.6 | 76.5 | 93.2 | 79.1 |
| Return on Equity (%) | 18.7 | 14.7 | 17.4 | 19.0 | 15.9 |
| Net Interest Margin (%) | 3.30 | 3.14 | 2.18 | 3.82 | 3.78 |
| Capital Adequacy Ratio (%) | 20.1 | 19.6 | 16.2 | 19.0 | 16.1 |

Source: Company financials

UAE banks capital adequacy and Tier I ratios



Source: UAE Central Bank, as at 30 June 2014

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ADCB overview

ADCB at a glance

- ▶ 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
- ▶ Established in 1985 and is listed on the ADX with a market cap of AED 37 bn as at 30 June 2014
- ▶ Serves over 561,000 retail customers and approximately 43,000 corporate and SME clients
- ▶ Operates from 50 branches, 3 pay offices with 2 branches in India, 1 branch in Jersey and a representative office in London
- ▶ Over 4,300 employees
- ▶ Ratings
 - S&P: A/A-1/positive
 - Fitch: A+/F1/stable
 - RAM: AAA/P1/stable

ADCB strategy

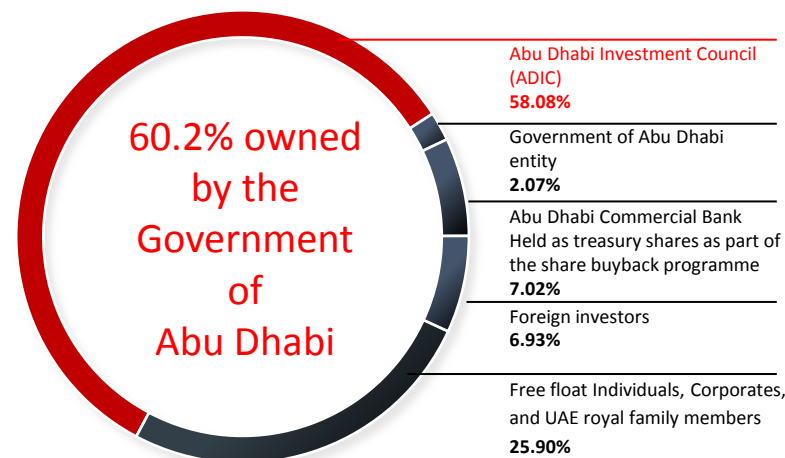
- ▶ Growth through a UAE-centric approach and controlled 'internationalisation'
- ▶ Sustainability through liability growth
- ▶ Maintaining a culture of service excellence and efficiency
- ▶ Managing ADCB's risks in line with a predefined risk strategy
- ▶ Attracting, developing, and retaining the best talent with incentives aligned with the strategic objectives

ADCB franchise

| | June'14 | Dec'13 |
|-----------------------------------|---------|---------|
| Number of retail customers | 561,388 | 520,000 |
| Number of wholesale clients | 42,945 | 41,000 |
| Market cap (AED bn) | 37 | 34 |
| Branch network (UAE) ¹ | 50 | 50 |
| Overseas branches ² | 3 | 3 |
| Market share of loans (gross) | 10.6% | 10.9% |
| Market share of deposits | 8.5% | 9.0% |
| Total assets (AED bn) | 198 | 183 |
| Total equity (AED bn) | 25 | 24 |
| Net profit (AED mn) | 2,161 | 903 |

¹ Excludes pay offices ² Two branches in India and a branch in Jersey

Ownership structure (30 June 2014)



Core strengths

Situated to benefit from UAE economic growth

- ▶ Resilience in earnings and ability to grow operating income
- ▶ Well managed balance sheet
- ▶ Recently announced government projects will provide opportunities for all of ADCB's businesses

Supportive principal shareholders

- ▶ The Government owns 60.2% of the issued share capital, with ADIC ownership at 58.08%
- ▶ Long-standing government related corporate client base
- ▶ Financial support provided during global crisis by the government

Capital base and liquidity

- ▶ Total CAR of 20.12%
- ▶ Tier I capital ratio of 15.83% / Core Tier I capital ratio of 13.22%
- ▶ Strong liquidity position, net lender of AED 14 bn in the interbank markets as at 30 June 2014

Strong domestic franchise with a well known and trusted brand

- ▶ Broad portfolio of consumer and wholesale products
- ▶ Extensive distribution network and well established relationships
- ▶ Over 561,000 retail customers and approximately 43,000 corporate customers

Experienced management team and innovative banking products

- ▶ Management team has experience in international and regional institutions
- ▶ Customised cash management and trade finance solutions
- ▶ Strategic partnerships with Bank of America Merrill Lynch and Banco Santander

Diversified revenue stream



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
- ▶ Co-branded Visa Cards with Etihad Airways
- ▶ Touchpoints – Unique market leading rewards programme for customers



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
- ▶ JV with Macquarie Bank covering infrastructure funds
- ▶ Established cash management franchise
- ▶ Disciplined management of balance sheet growth and well monitored asset quality
- ▶ Strategic relationship with Bank of America Merrill Lynch and Banco Santander to allow clients who require services in the region to access capabilities provided by ADCB



Treasury and investments

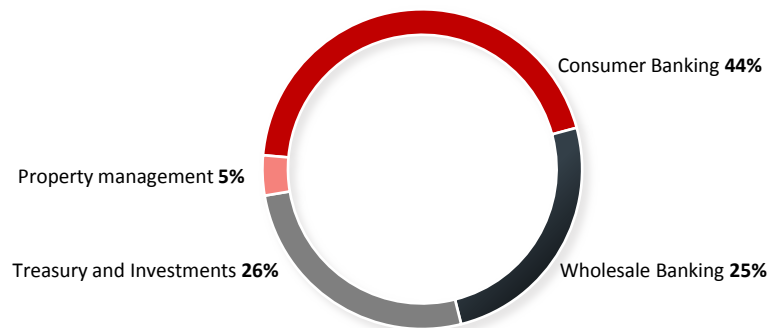
- ▶ Treasury business and investment portfolio provides interest rate, commodities and foreign exchange services
- ▶ Covers money market, FX, interest rates, currency, commodity derivatives and asset & liability management



Property Management

- ▶ Includes real estate and property management activities
- ▶ Comprises real estate management and engineering service operations of subsidiaries - Abu Dhabi Commercial Properties, Abu Dhabi Commercial Engineering Services, investment properties and rental income of ADCB

Percentage contribution to operating income



| AED mn | Consumer Banking | | Wholesale Banking | | Treasury and investments | | Property management | |
|---|------------------|--------------|-------------------|------------|--------------------------|--------------|---------------------|------------|
| | June'14 | June'13 | June'14 | June'13 | June'14 | June'13 | June'14 | June'13 |
| Net interest and Islamic financing income | 1,135 | 1,057 | 677 | 776 | 926 | 825 | 55 | 62 |
| Non - interest income | 542 | 449 | 263 | 204 | 65 | 283 | 113 | 79 |
| Operating income | 1,677 | 1,506 | 939 | 981 | 991 | 1,108 | 168 | 140 |

Macro overview

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ADCB overview (30 June 2014)

H1'14 Key financial highlights

198 bn

Total assets (AED)

18.7%

ROE *

25 bn

Total equity (AED)

2.0%

ROA *

2,161 mn

Net profit (AED)

20.12%

CAR

* 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

Balance Sheet highlights

Ambitious vision and measured growth...

As at 30 June 2014

| | AED mn | June'14 | Dec'13 | Change % |
|---|------------------------------|----------------|---------|-------------------|
| ▶ Total assets grew 8% year to date, mainly on account of higher cash and balances with central banks and higher deposits and balances due from banks | | | | |
| | Net loans | 134,302 | 131,649 | 2 |
| | Investment securities | 22,635 | 20,855 | 9 |
| | Total assets | 197,799 | 183,143 | 8 |
| ▶ Net loans increased 2% and customer deposits grew 3% year to date | | | | |
| | Customer deposits | 119,041 | 115,428 | 3 |
| | Borrowings | 28,427 | 23,786 | 20 |
| | Shareholders' equity | 24,698 | 24,177 | 2 |
| ▶ Strong capital and liquidity position, CAR of 20.12% and net lender of AED 14 bn in the interbank markets as at 30 June 2014 | | | | |
| | Ratios (%) | | | Change bps |
| | Capital adequacy ratio (CAR) | 20.12 | 21.21 | (109) |
| | Tier I ratio | 15.83 | 16.62 | (79) |
| ▶ LTD improved to 112.82% | | | | |
| | Loan to deposit ratio (LTD) | 112.82 | 114.05 | (123) |

¹ Shareholders' equity attributable to equity holder of the bank

Income Statement highlights

Double digit improvement in net profit...

H1'14 vs. H1'13 Highlights

- ▶ H1'14 net profit up 19% at AED 2,161 mn

- ▶ Operating income up 1% at AED 3,775 mn. H1'13 included (AED 103 mn) one-off gain rising from retirement of hedges. Excluding the non-recurring gain, operating income was up 4% and non-interest income was up 8% at AED 982 mn

- ▶ Interest expense improved 24% to AED 719 mn

- ▶ Cost to income ratio of 31.9% in H1'14

- ▶ Net impairment allowance charge reduced to AED 407 mn in H1'14

| AED mn | H1'14 | H1'13 | Change % | Q2'14 | Q2'13 | Change % |
|---|----------------|---------|----------|--------------|-------|----------|
| Total net interest income ¹ | 2,793 | 2,720 | 3 | 1,412 | 1,461 | (3) |
| Non - interest income | 982 | 1,016 | (3) | 462 | 531 | (13) |
| Operating income | 3,775 | 3,735 | 1 | 1,874 | 1,991 | (6) |
| Operating expenses | (1,206) | (1,083) | 11 | (581) | (565) | 3 |
| Operating profit | 2,569 | 2,653 | (3) | 1,293 | 1,426 | (9) |
| Impairment allowances | (407) | (829) | (51) | (233) | (507) | (54) |
| Overseas income tax | (1) | (4) | (67) | (2) | (2) | 47 |
| Net profit | 2,161 | 1,820 | 19 | 1,058 | 917 | 15 |
| Net profit attributable to: Equity holders of the Bank | 2,010 | 1,698 | 18 | 1,057 | 869 | 22 |

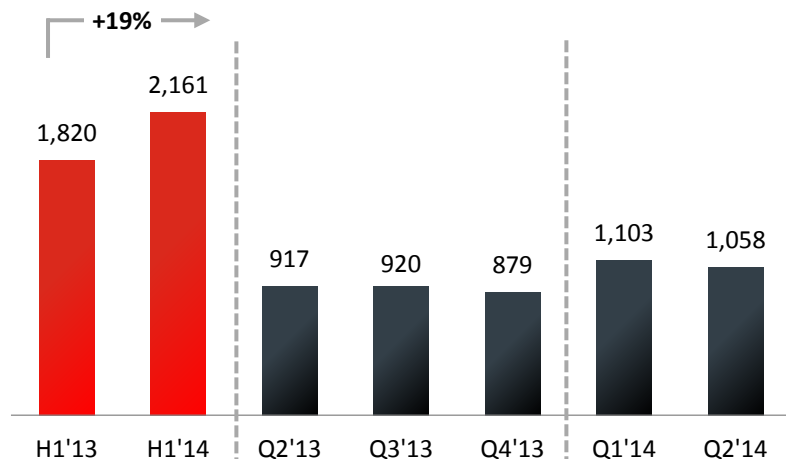
¹ Includes income from Islamic financing and Islamic profit distribution

Key performance indicators

Sustained profitability...

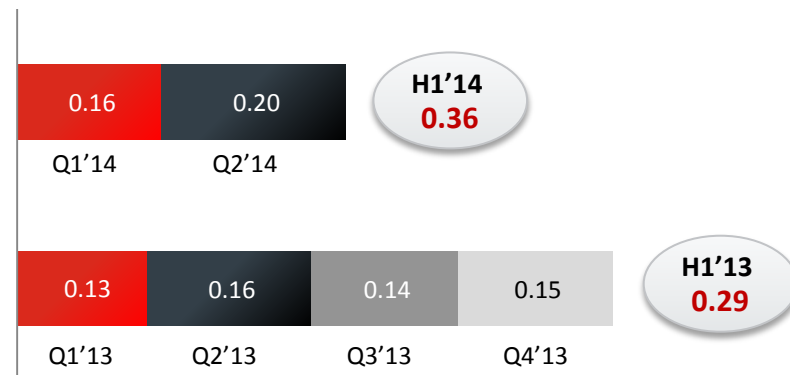
Net profit

(AED mn)

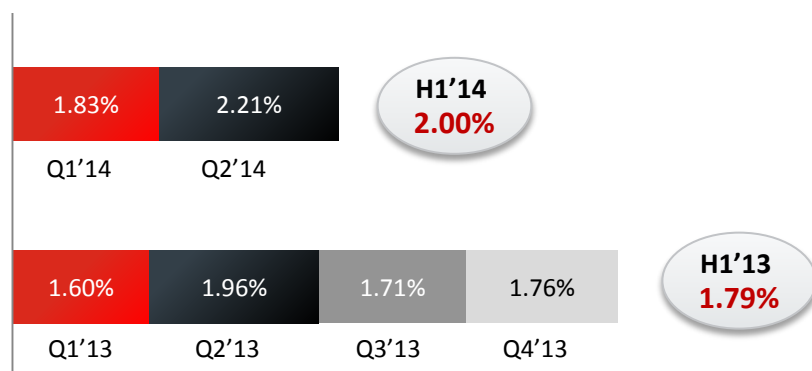


Earnings per share

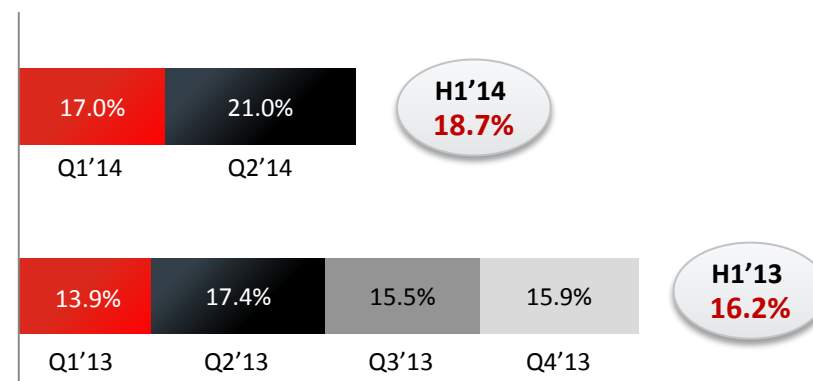
(EPS – AED)



Return on average assets (ROAA %)*



Return on equity (ROE%)*



*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

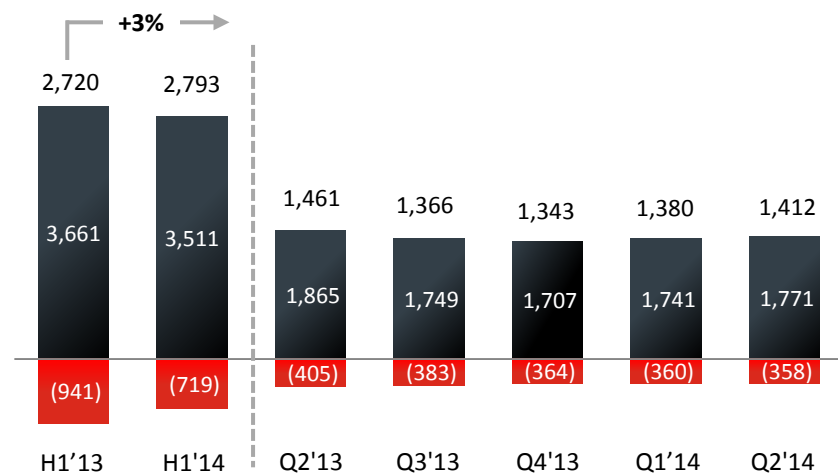
Operating performance - Net interest income and yields

Continued improvement in cost of funds...

H1'14 vs. H1'13 Highlights

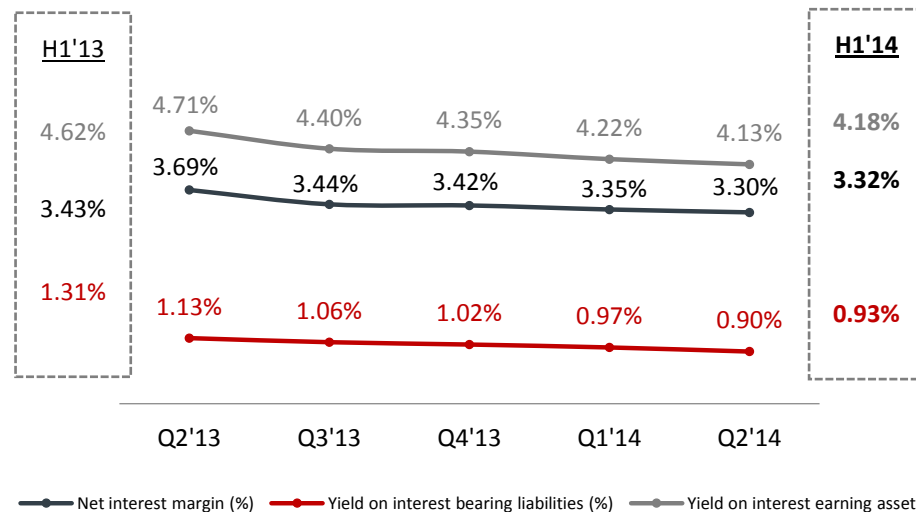
- ▶ Net interest income up 3% at AED 2,793 mn
- ▶ Cost of funds improved to 93 bps compared to 131 bps in H1'13, driven by the Bank's improved funding profile and lower EIBOR
- ▶ NIM for H1'14 was reported at 3.32%, down 11 bps year on year

Net interest income* (AED mn)



* Includes income from Islamic financing and Islamic profit distribution

Evolution of yields



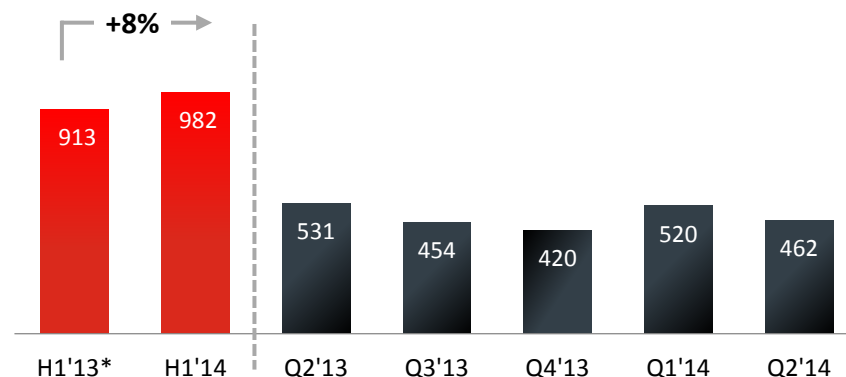
Operating performance – Non-interest income

Net fees and commission income significantly higher...

H1'14 vs. H1'13 Highlights

- ▶ Non-interest income comprised 26% of total operating income
- ▶ Net fees and commission income increased 24% to AED 589 mn, primarily attributable to higher corporate banking fees, up 47% year on year
- ▶ Net fees and commission income accounted for 60% of total non-interest income in H1'14 compared to 47% in H1'13

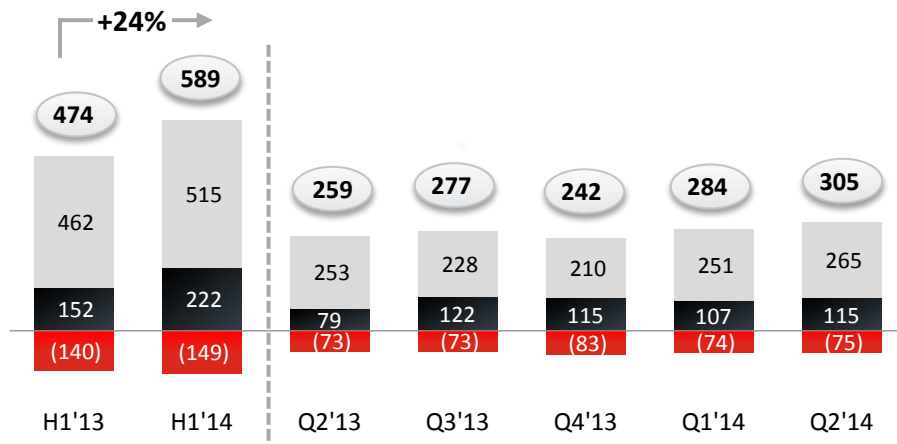
Non interest income (AED mn)



* Excludes one-off gain rising from retirement of hedges (AED 103 mn) in H1'13

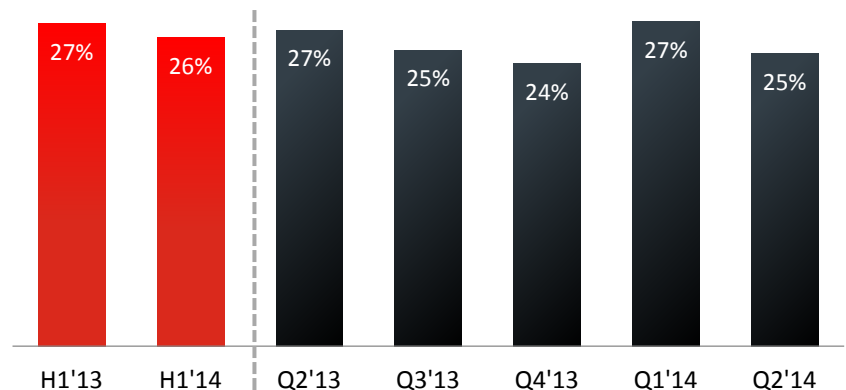
Net fee and commission income

(AED mn)



■ Retail banking fees
■ Corporate banking fees
■ Fees and commission expenses
○ Total net fee and commission income

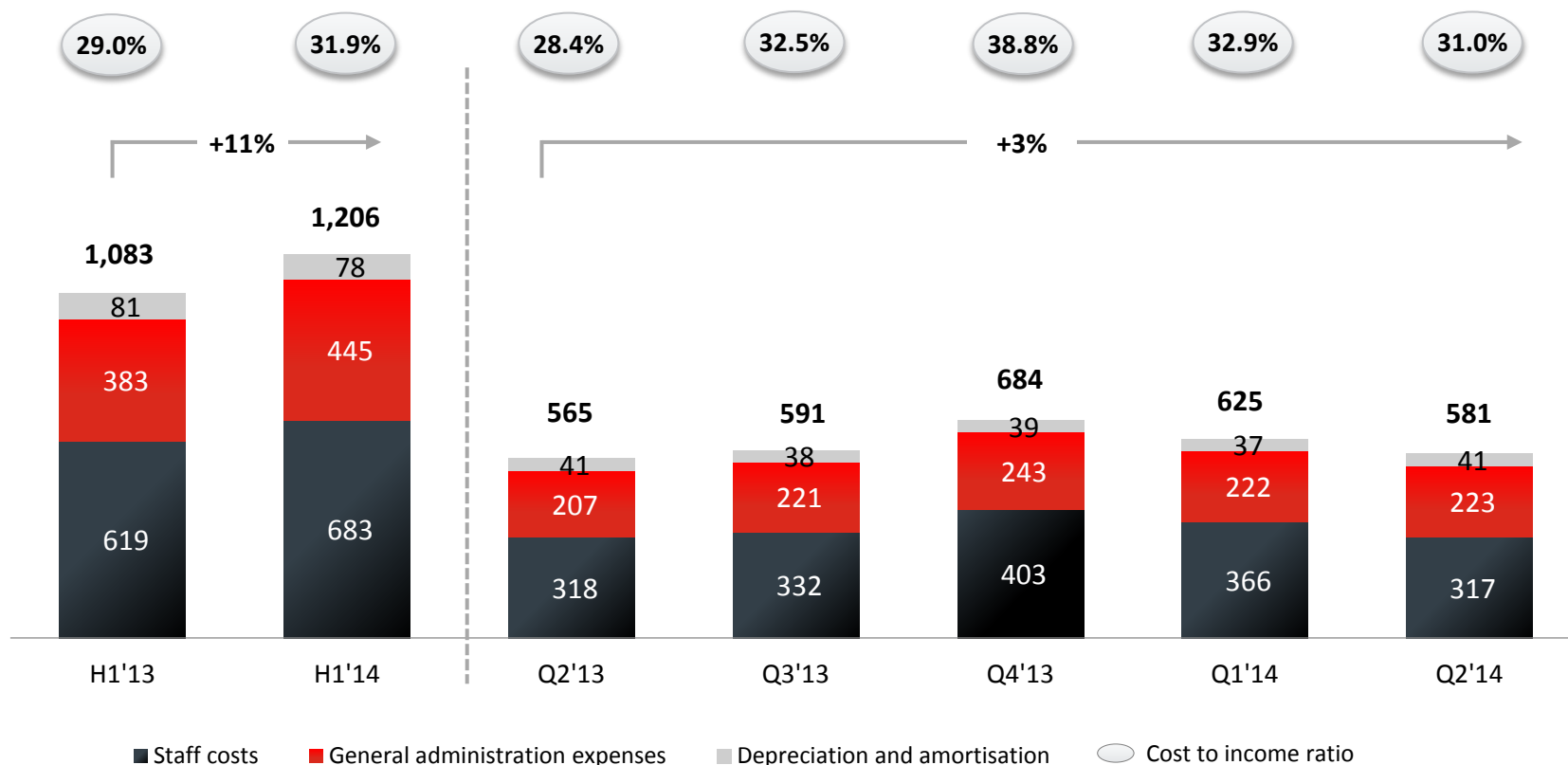
Non-interest income to total operating income



Operating expenses Disciplined cost management....

H1'14 vs. H1'13 Highlights

- ▶ Cost to income ratio of 31.9% in H1'14
- ▶ Operating expenses in H1'14 increased 11% year on year to AED 1,206 mn



Composition of assets and loan book

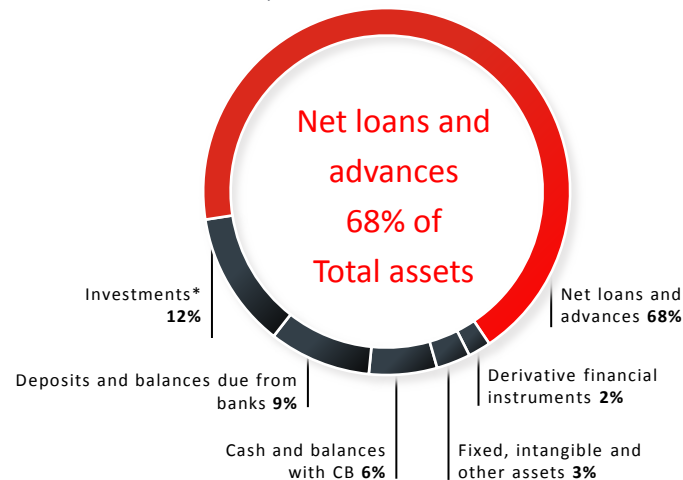
Resilient balance sheet, UAE centric loan book...

Highlights

- ▶ Net loans and advances comprised 68% of total assets as compared to 72% at year end
- ▶ Gross loans increased 2% to AED 141 bn over 31 December 2013
- ▶ 92% of gross loans within UAE in line with the Bank's UAE centric strategy
- ▶ 58% of loan book (gross) in Abu Dhabi and 30% in Dubai
- ▶ Personal loans comprised 23% of total gross loans
- ▶ Wholesale banking loans comprised 55% and consumer banking loans comprised 45% of total loans (net)

Composition of assets

Total assets = AED 197,799 mn

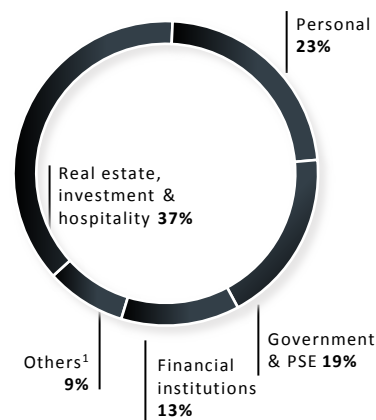


* Investments include: investment securities, trading securities, investment properties

Gross loans by industry

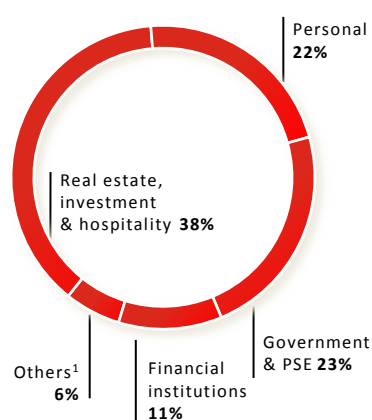
June'14

Gross loans = AED 141,026 mn



Dec'13

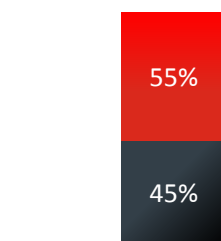
Gross loans = AED 138,539 mn



Evolution of net loans

June'14

Net loans = AED 134,302 mn



June'14

■ Consumer

■ Wholesale

Dec'13

Net loans = AED 131,649 mn



Dec'13

¹ Agriculture, energy, trading, transport, manufacturing, services and others

Composition of liabilities and customer deposits

CASA contribution significantly higher...

Highlights

- ▶ Customer deposits comprised 69% of total liabilities as compared to 73% at year end
- ▶ Customer deposits increased 3% to AED 119 bn over 31 December 2013
- ▶ CASA customer deposits improved significantly, accounting for 48% of total customer deposits compared to 39% at year end
- ▶ Consumer Banking deposits comprised 29% and Wholesale Banking deposits comprised 37% of total customer deposits
- ▶ Total Islamic deposits grew 13% to AED 9 bn year to date

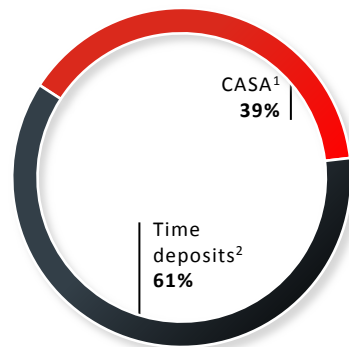
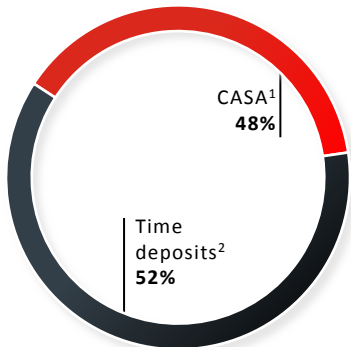
Customer deposits by type

June'14

Customer deposits = AED 119,041 mn

Dec'13

Customer deposits = AED 115,428 mn



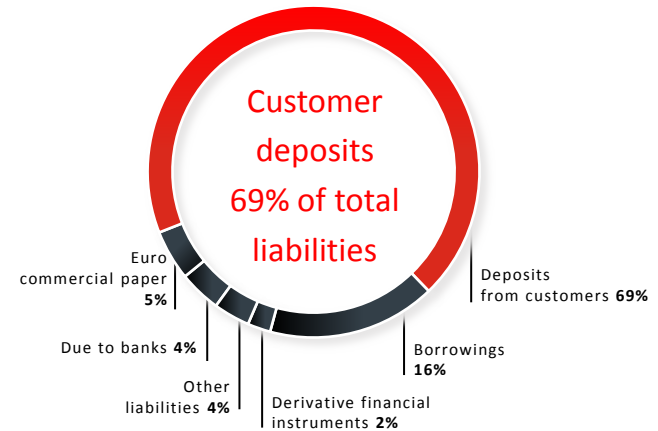
¹ CASA includes current account deposits, saving deposits and margin deposits

² Time deposits include long-term government deposits and Murabaha deposits

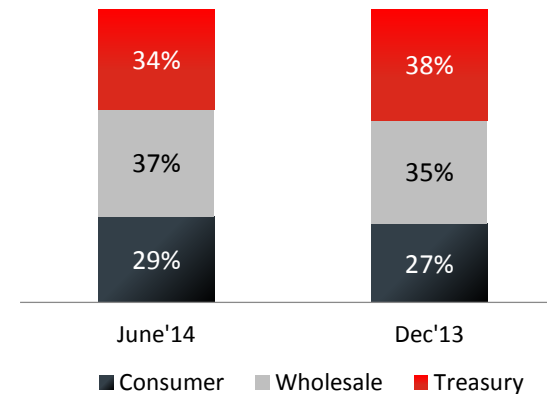
Composition of liabilities

June'14

Total liabilities = AED 173,092 mn



Evolution of deposits



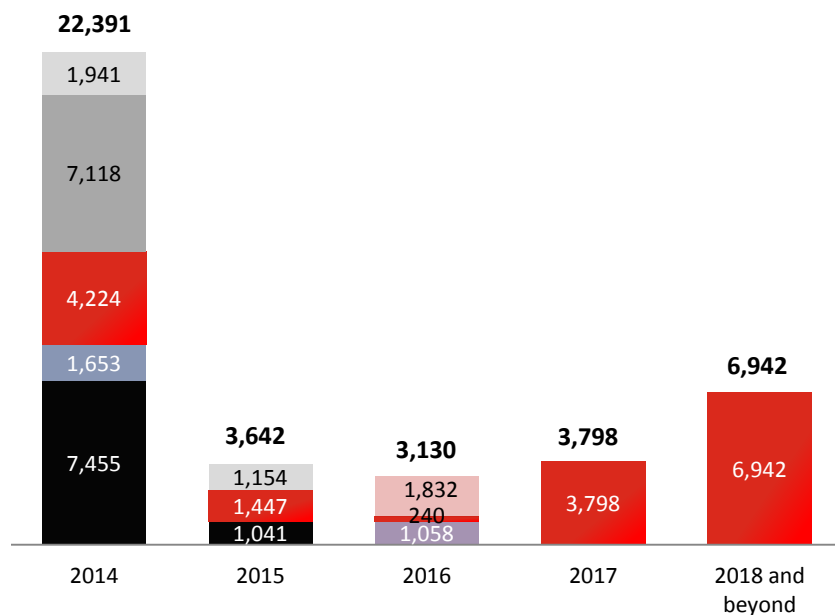
Wholesale funding and maturity profile

Stable funding and liquidity profile...

► Diversified sources of funding by markets, tenors, currencies and products

Maturity profile

As at 30 June 2014 (AED mn)



■ ECP ■ Loans ■ Sub Debt ■ MTN/GMTN¹ ■ Sukuk ■ Interbank borrowings² ■ Others

¹ Does not include fair value adjustment on short, medium and long term borrowings being hedged

² The above reflects only the borrowings in the interbank markets, the Bank was a lender of AED 21 bn in the interbank markets as at 30 June 2014. Net lending in the interbank market AED 14 bn

Wholesale funding split

As at 30 June 2014

| Source of funds | AED mn |
|-----------------------------------|---------------|
| GMTN/EMTN ¹ | 16,650 |
| Sub Debt | 5,257 |
| Interbank borrowings ² | 7,119 |
| Euro Commercial Paper | 8,946 |
| Others (Repo) | 3,095 |
| Islamic Sukuk Notes | 1,832 |
| Bilateral loans | 1,653 |
| CD Issuances | - |
| Total | 44,552 |

Investment securities

98% of the total portfolio invested in bonds...

Highlights

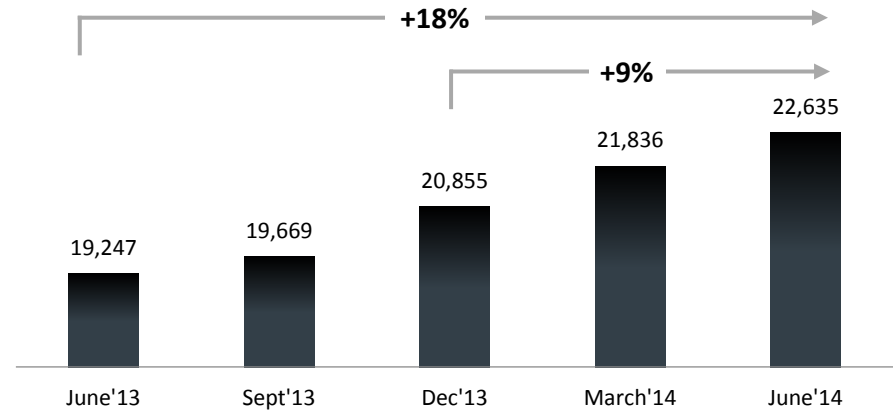
- ▶ Investment securities portfolio increased to AED 22,635 mn, representing an increase of 9% year to date, mainly attributable to increase in available for sale investments in government securities in the UAE
- ▶ 98% of the total portfolio was invested in bonds issued by government, corporate, public sector, banks and financial institutions
- ▶ Average life of the investment securities portfolio is 2.4 years
- ▶ 62% invested in the UAE and other GCC countries

Portfolio Summary:

- ▶ 52% of Non Government available for sale investments are rated A3 or better
- ▶ 26% of the portfolio is invested in Government securities
- ▶ 10% is invested in local public sector bonds

Investment securities

(AED mn)



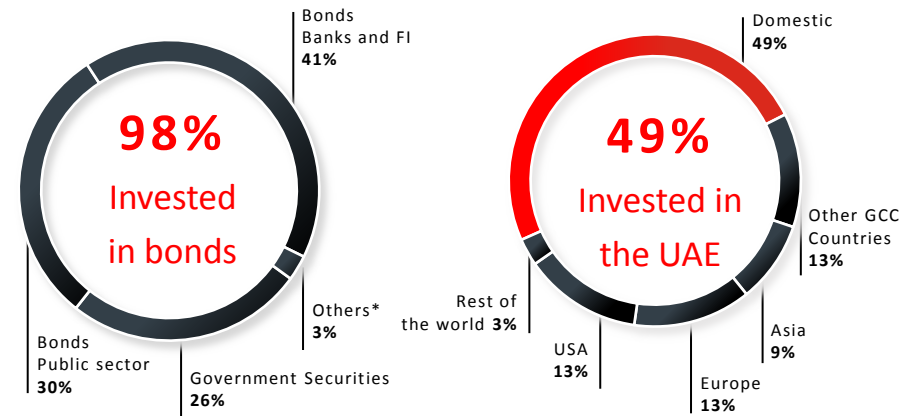
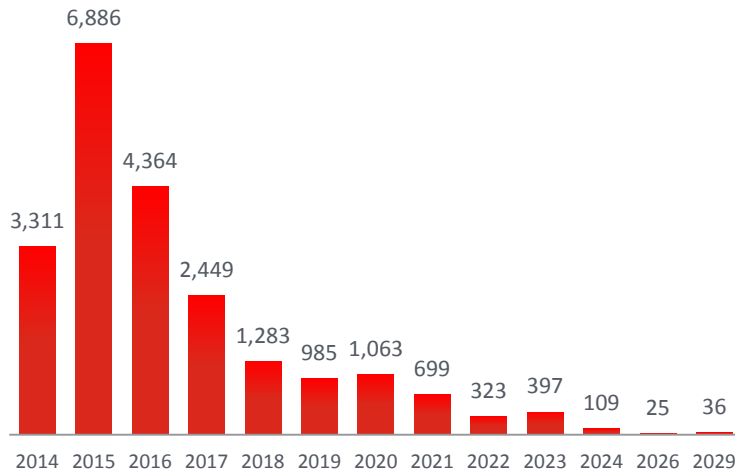
Investments

By issuer

By region

Maturity profile of investment securities portfolio

(AED mn)



* Include corporate bonds, equity instruments and mutual funds

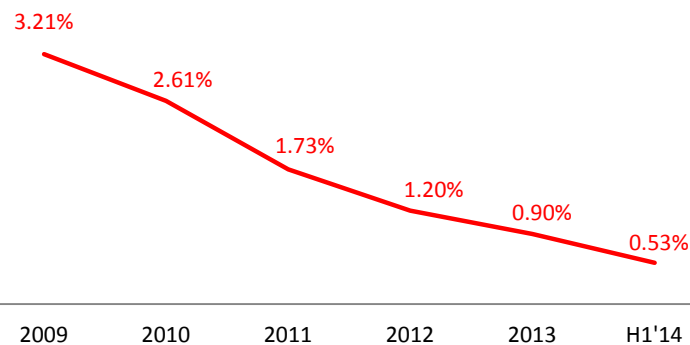
Asset quality

Continued improvement in credit quality...

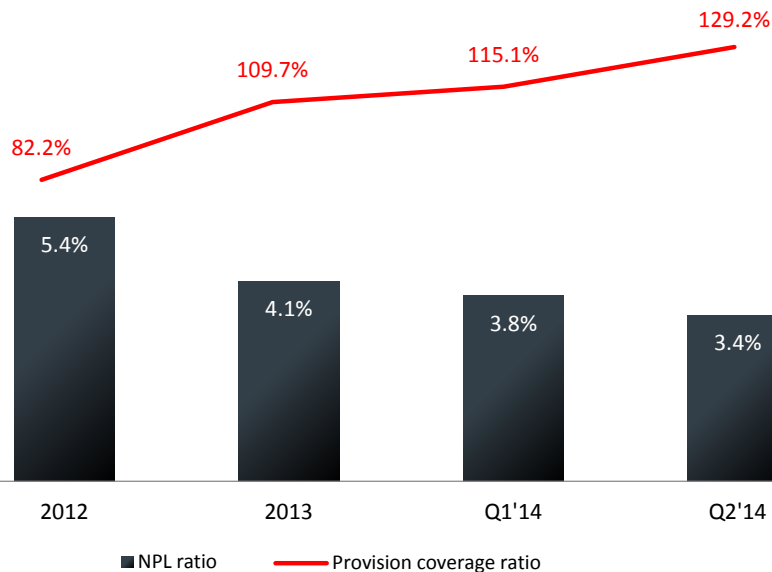
Highlights

- ▶ Cost of risk for H1'14 was reported at 53 bps
- ▶ NPL ratio improved to 3.4% vs. 4.1% at year end, and provision coverage ratio improved to 129.2% from 109.7% at year end
- ▶ Non-performing loans were at AED 4,787 mn compared to AED 5,722 mn as at 31 December 2013, an improvement of 16% year to date
- ▶ Collective impairment allowance balance was AED 2,919 mn and 2.14% of credit risk weighted assets and individual impairment allowance balance was AED 3,804 mn as at 30 June 2014

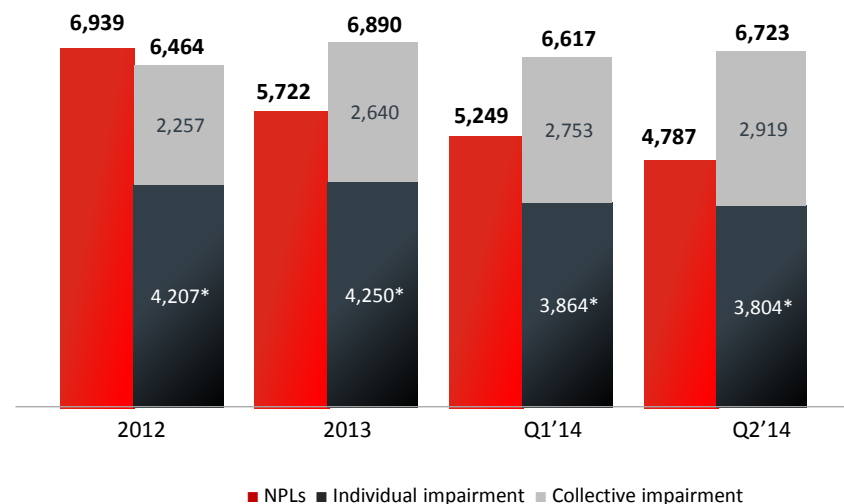
Cost of risk¹



NPL and provision coverage ratios



NPLs and impairment allowances (AED mn)



Dubai World exposure classified to performing status in 2011 as the client is performing in accordance with the new restructured terms

¹ Cost of risk: Total provisions including investments/average loans & advances and investments

* Includes provision for Dubai World exposure

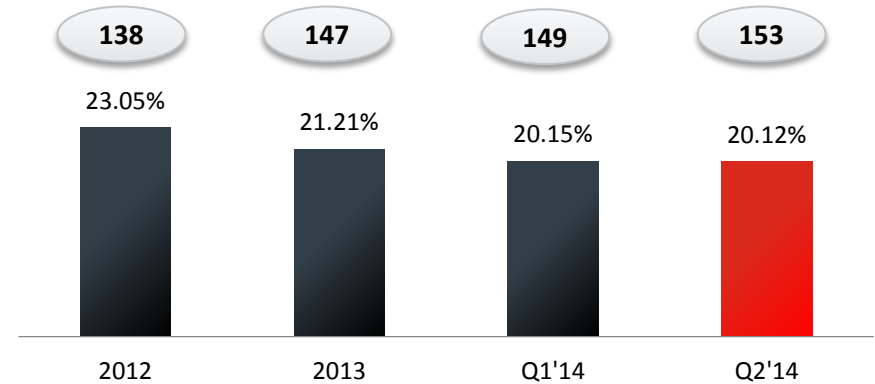
Strong capital and liquidity position...

Highlights

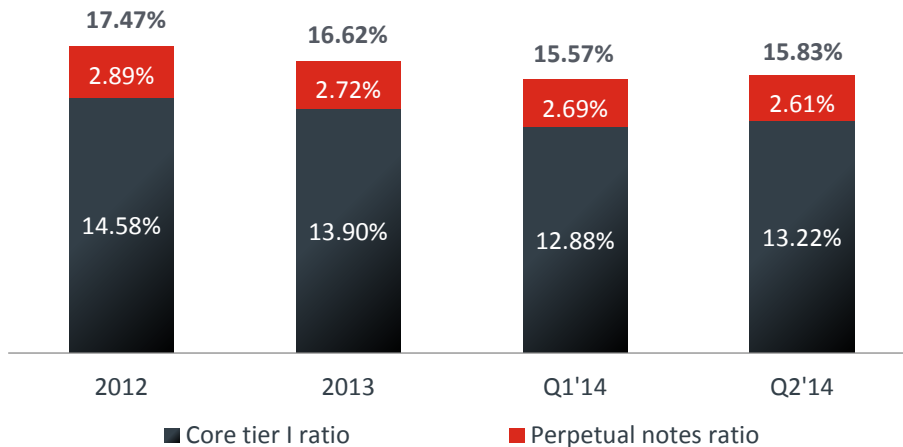
- ▶ CAR of 20.12% and core tier 1 of 13.22%
- ▶ Liquidity ratio improved to 26.5% from 22.8% at year end

Capital adequacy ratio

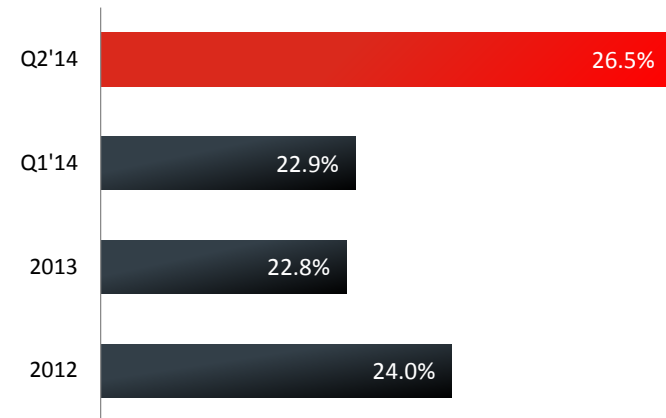
Risk weighted assets (AED bn)



Tier I and core Tier I ratios



Liquidity ratio*



* 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)

Summary

- ▶ Continue to follow a corporate strategy based on measured growth and discipline
- ▶ Double digit improvement in net profit in the first half of 2014
- ▶ Resilient balance sheet, CASA contribution significantly higher
- ▶ Disciplined cost management, interest expense reduced significantly
- ▶ Continued improvement in asset quality
- ▶ Capital position at industry leading levels

Macro overview

Business overview

Financial highlights

Appendix

Rating agency views

“... ADCB has a high-quality management team. By focusing on improving deposit granularity, increasing the amount of low-cost current account deposits and lengthening funding tenors, the bank has improved its funding profile substantially since 2008. As the bank sharply decelerated lending growth in the same period, its liquidity metrics improved visibly...”

“... We regard ADCB's capital and earnings as "strong." This reflects the bank's high level of capital, its strong core earnings generation, and manageable dividend payout policy, which enables it to maintain its capitalization. ...”

August 2014

**STANDARD
& POOR'S**

“... ADCB is well funded by customer deposits due to its strong franchise and links to the Abu Dhabi government ...”

“... the bank's liquidity position is supported by a good stock of highly liquid assets and a very diverse funding mix. Capital has improved significantly over the last four years due to a series of capital-strengthening measures ...”

June 2013

FitchRatings

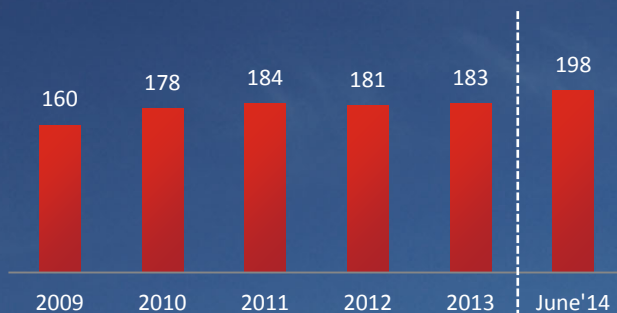
Note: These quotes are excerpts from Standard & Poor's and Fitch reports, and are qualified by the full reports which investors should refer to. Credit ratings may not reflect all risks and are subject to change at any time

ADCB 5 year overview

Balance sheet

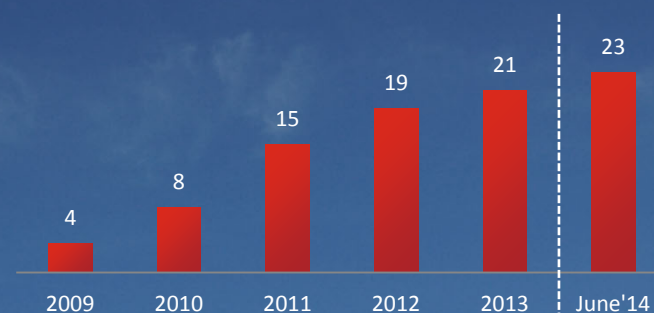
Strategically managed balance sheet

Total assets (AED bn)



Investment portfolio providing a liquidity pool

Investment securities portfolio (AED bn)



Strong capital position

Capital adequacy ratio (%)



Strengthened funding profile

Loan to deposit ratio (%)



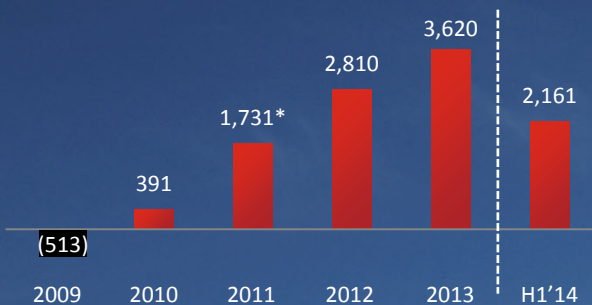
¹ Post share buy back of 7.02% of the issued share capital

ADCB 5 year overview

Income statement

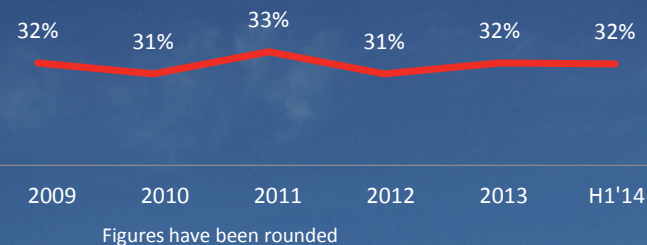
Improved profitability

Net profit (AED mn)



Disciplined cost management

Cost to income ratio** (%)



Strong operating performance

Operating income (AED mn)



Improved asset quality

Impairment allowance charge (AED mn)



* Normalised to reflect sale of investment in associate.

** Operating income for the purpose of calculating cost to income ratio includes share of profit of associates but excludes net gain on sale of investment in associate.

Corporate governance:

Focused around principles of integrity, transparency, responsibility and accountability

Consistently in line with best international practices – principles and awards

Selected by World Bank
for a case study on
“Corporate
Governance Success
Stories” by IFC MENA
Corporate Governance

“The Hawkamah Bank
Corporate Governance
Award 2012 ”

June, 2012

Financial Institution
of the Year and Corporate
Governance Officer of
the year
At the ACC 3rd Annual
International GRC & Financial
Crimes Conference and
Exhibition
November, 2011

“The Best Corporate
Governance
In United Arab Emirates”
by
World Finance Corporate
Governance Awards

2010 , 2011,
2013 and 2014

H1'14 awards

The Banker Middle East Product Awards 2014; “Best New SME Product”, “Best SME Customer Service” and “Best Trade Finance Offering”

World Finance Magazine Award;
“Best Corporate Governance in UAE”

Banker Middle East Industry Awards;
“Best Corporate Bank and Best Transaction Bank”

Global Finance Magazine; “Best Overall Bank for Cash Management (first time by a Middle East Bank)” and “Best Trade Finance Bank in the UAE”

The Asian Banker Awards; “Best Retail Bank in the UAE” (for the sixth year) and “Best Deposit Product Business in Middle East”

The Asian Banker Magazine;
“Best Domestic Cash Management Bank in the UAE”

Asian Banking and Finance Magazine; “UAE Domestic Cash Management Bank of the Year”

Trade Finance Magazine; “Best Trade Bank in the Middle East and North Africa” and “Best Islamic Trade Finance Bank in the Middle East and North Africa”

Balance sheet

| AED mn | June'14 | Dec'13 | Change % |
|---|----------------|----------------|----------|
| Cash and balances with Central Banks | 12,741 | 9,961 | 28 |
| Deposits and balances due from banks | 18,256 | 11,345 | 61 |
| Trading securities | 211 | 885 | (76) |
| Derivative financial instruments | 3,613 | 3,616 | (0) |
| Investment securities | 22,635 | 20,855 | 9 |
| Loans and advances, net | 134,302 | 131,649 | 2 |
| Investment properties | 593 | 561 | 6 |
| Other assets | 4,605 | 3,405 | 35 |
| Property and equipment, net | 796 | 805 | (1) |
| Intangible assets | 48 | 62 | (22) |
| Total assets | 197,799 | 183,143 | 8 |
| Due to banks | 7,119 | 4,291 | 66 |
| Derivative financial instruments | 3,885 | 3,966 | (2) |
| Deposits from customers | 119,041 | 115,428 | 3 |
| Euro Commercial Paper | 8,496 | 5,940 | 43 |
| Borrowings | 28,427 | 23,786 | 20 |
| Other liabilities | 6,124 | 4,911 | 25 |
| Total liabilities | 173,092 | 158,321 | 9 |
| Total shareholders' equity | 24,698 | 24,177 | 2 |
| Non -controlling interests | 9 | 645 | (99) |
| Total liabilities and shareholders' equity | 197,799 | 183,143 | 8 |

Income statement

| AED mn | June'14 | June'13 | Change % |
|---|----------------|----------------|------------|
| Interest income and income from Islamic financing | 3,511 | 3,661 | (4) |
| Interest expense and profit distribution | (719) | (941) | (24) |
| Net interest and Islamic financing income | 2,793 | 2,720 | 3 |
| Net fees and commission income | 589 | 474 | 24 |
| Net trading income | 252 | 299 | (16) |
| Other operating income | 141 | 243 | (42) |
| Non interest income | 982 | 1,016 | (3) |
| Operating income | 3,775 | 3,735 | 1 |
| Staff expenses | (683) | (619) | 10 |
| Other operating expenses | (445) | (383) | 16 |
| Depreciation | (65) | (65) | (1) |
| Amortisation of intangible assets | (14) | (16) | (14) |
| Operating expenses | (1,206) | (1,083) | 11 |
| Operating profit before impairment allowances & taxation | 2,569 | 2,653 | (3) |
| Impairment allowance on loans and advances | (564) | (966) | (42) |
| Recovery of loans | 142 | 111 | 28 |
| Recoveries on written off available for sale investments | 15 | 27 | (44) |
| Overseas income tax expense | (1) | (4) | (67) |
| Net profit | 2,161 | 1,820 | 19 |
| Attributed to: | | | |
| Equity holders of the Parent | 2,010 | 1,698 | 18 |
| Non-controlling interests | 151 | 122 | 23 |
| Net Profit | 2,161 | 1,820 | 19 |