Abu Dhabi Commercial Bank
Sheikh Zayed Bin Sultan Street
P. O. Box: 939, Abu Dhabi
http://www.adcb.com

ABU DHABI COMMERCIAL BANK PJSC

REPORTS FIRST QUARTER 2018 NET PROFIT OF AED 1.207 BILLION,

AN INCREASE OF 13% QUARTER ON QUARTER, AND 9% YEAR ON YEAR

Abu Dhabi, 26 April 2018 – Abu Dhabi Commercial Bank PJSC ("**ADCB**" or the "**Bank**") today reported its financial results for the first quarter of 2018 ("Q1'18").

Financial highlights (31 March 2018)

- Robust underlying performance

  (Q1'18 vs. Q1'17)

  - Net profit of AED 1.207 billion was up 9%
  - Total net interest income and Islamic financing income of AED 1.828 billion was up 12%
  - Net interest margin increased to 3.19% from 2.86% in Q1'17
  - Operating income of AED 2.354 billion was up 6%,
  - Operating profit before impairment allowances of AED 1.584 billion was up 6%
  - Gross impairment charge of AED 431 million was 15% lower
  - Non-interest income of AED 526 million was 12% lower, mainly on account of lower trading income from dealing in foreign currencies and an increase in fee and commission expenses coupled with lower loan processing fees
  - Cost to income ratio improved to 32.7% in Q1'18 from 33.2% in Q1'17, remaining within our target range

- Outpacing the industry on customer deposit growth, with continued focus on CASA[1] deposits

  - Total assets grew 1% to AED 267 billion and net loans to customers remained unchanged at AED 163 billion over 31 December 2017, on account of significant repayments (UAE banking industry average grew 0.6%*)
  - Deposits from customers increased 2% to AED 167 billion over 31 December 2017, whilst the UAE banking industry average contracted 0.4%*.
  - CASA deposits increased by AED 2 billion to AED 73 billion over 31 December 2017, and comprised 43.6% of total customer deposits compared to 43.4% as at 31 December 2017
  - Customer deposit growth outpaced loan growth, resulting in an improved loan to deposit ratio of 97.6% compared to 100.1% as at 31 December 2017

- Strong capital and liquidity position and solid foundation to comply with evolving regulatory requirements

  - Capital adequacy ratio (Basel III) of 17.48% and common equity tier 1 (CET1) ratio of 12.37% remained well above the UAE Central Bank minimum capital requirements of 12.75% and 9.25% (including buffers), post dividend payout of AED 2.2 billion and IFRS 9 adjustment of AED 1.36 billion
  - Liquidity coverage ratio (LCR) of 141% compared to a minimum ratio of 90% prescribed by the UAE Central Bank
  - Maintaining a strong liquidity ratio of 25.6%

- Stable asset quality indicators

  - NPL and provision coverage ratios of 2.2% and 179.7% compared to 2.1% and 162.9% as at 31 December 2017
  - Cost of risk improved to 0.71% from 0.81% as at 31 December 2017
  - Stage 1 and 2 expected credit loss allowances were 2.88% of credit risk weighted assets, above the minimum 1.5% stipulated by the UAE Central Bank

[1] CASA: Current and Savings account
* Latest data available from the UAE Central Bank up to February 2018

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

"The Bank had a very good start to the year, reporting strong top and bottom line growth for the first three months of 2018, with a net profit of AED 1.207 billion, an increase of 13% quarter on quarter and 9% year on year. Our businesses continue to perform well and our return on average equity of 16.8% continues to be at industry leading levels.

In the first quarter of 2018, ADCB has successfully transitioned to the IFRS 9 accounting standard, following the smooth transition to Basel III in the last quarter of 2017, reflecting the Bank's strong ability to comply with the evolving regulatory environment.

Amidst a more controlled regulatory environment, growing competition and volatility in the markets, the Bank successfully launched and priced a USD 750 million RegS/144A bond offering in March 2018, marking the Bank's first USD public debt issuance since 2015 and first US 144A compliant market issuance since 2009. The strong demand for the issuance was a testament to the continued growth in investor appetite for ADCB's bonds."

Our results reflect our ability to adapt to the changing environment and our performance has once again demonstrated our stability and resilience."

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

"2018 has been a good start for the Bank, with significant progress made in several key areas including, increased margins, continued improvement in our funding profile (with rising CASA balances), maintained a robust liquidity profile and capital position despite the strengthening regulatory environment and improved cost of risk on account of lower impairment charges within a challenging operating environment. Our cost base continues to be efficiently managed, with a cost to income ratio of 32.7%, compared to 34.6% in Q4'17, while we continue to reinvest in our businesses to drive further efficiencies, with a focus on accelerating the Bank's digital transformation.

Net interest margin improved to 3.19% in Q1'18 from 2.86% in Q1'17, an increase of 33 basis points year on year, mainly on account of rising benchmark rates. Gross fee and commission income of AED 507 million was up 2% year on year, primarily on account of card related and other fee income.

The Bank's efforts to expand its secured loan book to build resilience in the asset portfolio is now yielding results, with an improved cost of risk of 71 basis points, compared to 78 basis points in March'17.

Despite the healthy drawdown levels seen in both Wholesale and Consumer Banking, net loans to customers remained flat due to significant repayments over the course of the first quarter of 2018. This resulted in an improved loan to deposit ratio of 97.6% as at 31 March 2018."

Abu Dhabi Commercial Bank
Sheikh Zayed Bin Sultan Street
P. O. Box: 939, Abu Dhabi
http://www.adcb.com

ABU DHABI COMMERCIAL BANK PJSC

REPORTS FIRST QUARTER 2018 NET PROFIT OF AED 1.207 BILLION,

AN INCREASE OF 13% QUARTER ON QUARTER, AND 9% YEAR ON YEAR

Abu Dhabi, 26 April 2018 – Abu Dhabi Commercial Bank PJSC ("**ADCB**" or the "**Bank**") today reported its financial results for the first quarter of 2018 ("Q1'18").

Q1'18 financial highlights

Income statement highlights (AED mn)	Q1'18	Q4'17	Q1'17	Change% QoQ	Change% YoY
Total net interest and Islamic financing income	**1,828**	1,718	1,631	6	12
Non - interest income	**526**	592	598	(11)	(12)
Operating income	**2,354**	2,311	2,229	2	6
Operating expenses	**(770)**	(800)	(740)	(4)	4
Operating profit before impairment allowances	**1,584**	1,511	1,489	5	6
Impairment allowances	**(380)**	(441)	(386)	(14)	(2)
Operating profit after impairment allowances	**1,204**	1,069	1,102	13	9
Share in profit of associate	**3**	3	3	NM	NM
Overseas income tax income/ (expense)	**0**	(0)	(1)	NM	NM
Net profit for the period	**1,207**	**1,072**	**1,105**	13	9

Balance sheet highlights (AED mn)	March'18	Dec'17	March'17	Change% QoQ	Change% YoY
Total assets	**266,649**	265,003	263,672	1	1
Loans and advances to customers, net	**162,824**	163,282	159,802	(0)	2
Deposits from customers	**166,881**	163,078	162,362	2	3

Ratios (%)	March'18	Dec'17	March'17	bps	bps
CAR (Capital adequacy ratio – Basel III)	**17.48**	19.09	17.83*	(161)	(35)
Tier I ratio	**14.32**	15.92	14.55*	(160)	(23)
Loan to deposit ratio	**97.6**	100.1	98.4	(250)	(80)

Figures may not add up due to rounding differences
* Basel II

Key indicators

Net profit (AED billion)	Return on average equity (ROAE %)[1]	Return on average assets (ROAA %)[1]	Basic earnings per share (EPS – AED)
1.207	16.8	1.71	0.22

[1] Annualised, 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 I capital notes

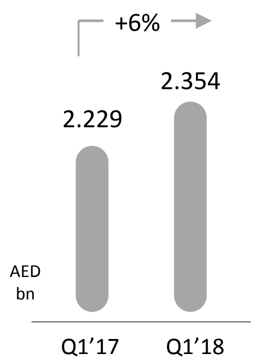
Comparisons in this section are for the first quarter of 2018 versus the first quarter of 2017, unless otherwise specified.

A good start to the year with a solid underlying performance resulting in both top and bottom line growth

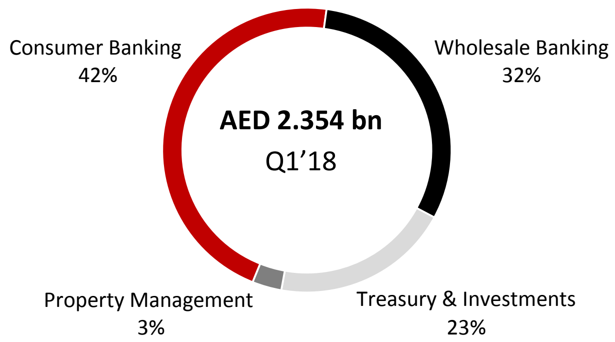
- The Bank reported a net profit of AED 1.207 billion for the first quarter of 2018, an increase of 9%. The increase in net profit was primarily driven by higher margins, a well managed funding mix and a disciplined cost base. The Bank's key financial indicators remained strong with a return on average equity of 16.8% and a return on average assets of 1.71% for Q1'18 compared to 16.1% and 1.60%, respectively for Q1'17.

- Total operating income was AED 2.354 billion, up 6%. Each business segment contributed to the strong underlying performance of the Bank. Consumer and Wholesale Banking Groups comprised 42% and 32% of total operating income. Treasury and Property Management comprised 23% and 3% of total operating income respectively.

Operating income

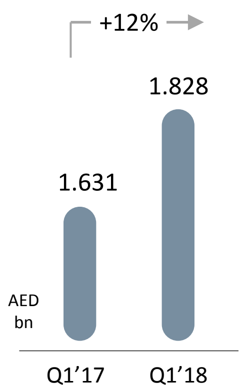


Percentage contribution to operating income

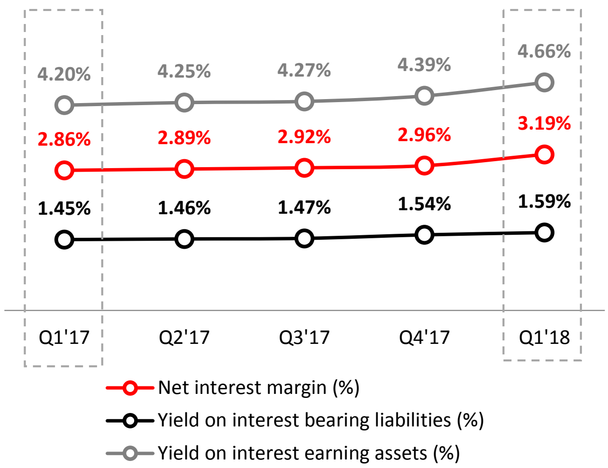


- Net interest and Islamic financing income was AED 1.828 billion, up 12% driven by the impact of increasing benchmark rates, rising volumes and higher interest in suspense reversals. Net interest margin for Q1'18 was 3.19% compared to 2.86% in Q1'17, an increase of 33 basis points year on year. The Bank is positively positioned to benefit from a rising rate environment. Cost of funds for Q1'18 was 1.59% compared to 1.45% in Q1'17, as the Bank successfully continues to manage its funding costs by maintaining a good mix of CASA and term deposits.

Net interest income



Evolution of yields



- Non-interest income was AED 526 million, down 12%, mainly on account of a weaker trading income and lower net fees and commission income. Net fees and commission income was AED 350 million, down 6%, primarily on account of higher fees and commission expense, driven by the launch of the new Travel Card and the setup costs related to the new merchant acquiring business. This coupled with the Bank's strategic efforts to grow the secured loan book and its increased focus on the UAE national segment resulted in lower loan processing fees in the current quarter. This was partially offset by higher card related and other fees, reflective of the Bank's continued focus to grow and diversify its fee base. As a result, gross fees and commission income of AED 507 million was up 2%. Trading income was AED 131 million, a decrease of AED 35 million, predominantly driven by lower FX income against a strong prior year, which benefited from opportunistic trades.

- Operating expenses were AED 770 million, up 4%, driven by higher staff costs and ongoing investments in our businesses to accelerate the Bank's digital transformation. Cost to income ratio of 32.7% remained within our target range.

Cost to income ratio

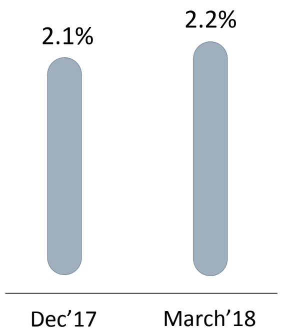
33.2%	32.7%
Q1'17	Q1'18

Smooth transition to IFRS 9 accounting standard

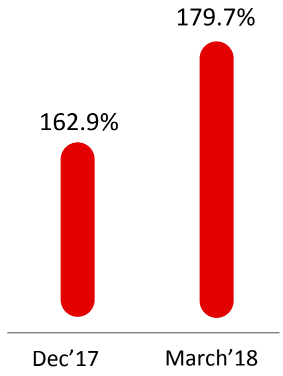
- Non-performing loan (NPL) ratio of 2.2% and provision coverage ratio of 179.7%, compared to 2.1% and 162.9% as at 31 December 2017. Non-performing loans were AED 3.946 billion compared to AED 3.692 billion as at 31 December 2017, an increase of 7% year to date. Cost of risk was 0.71% compared to 0.78% in March'17, mainly on account of higher volumes, whilst net impairment charges reported a slight improvement. Net impairment charge of AED 380 million was 2% lower compared to Q1'17. Prior year benefited from higher recoveries of AED 118 million compared to AED 51 million in the current quarter.

- Under IFRS 9, impairment allowance balance on loans and advances to customers increased to AED 7.070 billion as at 31 March 2018, compared to AED 5.907 billion calculated in accordance with IAS 39 as at 31 December 2017. Stage 1 and 2 expected credit loss allowances were 2.88% of credit risk weighted assets, well above the minimum 1.5% stipulated by the UAE Central Bank.

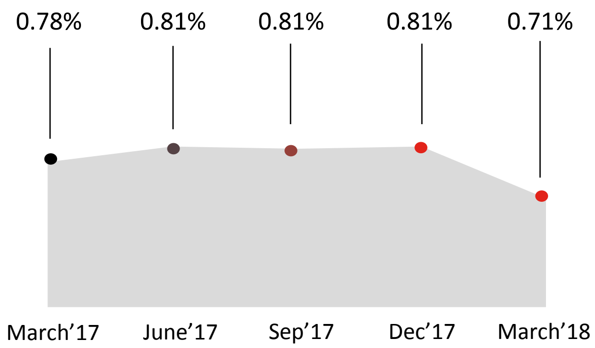
NPL ratio



Provision coverage ratio



Cost of risk



Continued focus on gathering CASA deposits, improvement in loan to deposit ratio

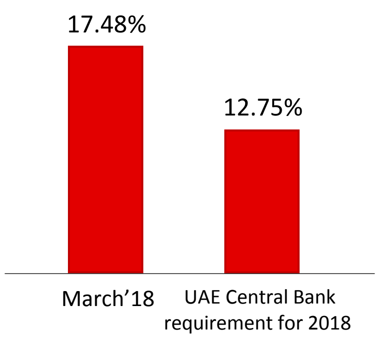
- Net loans were AED 163 billion, unchanged from 31 December 2017 and total customer deposits increased to AED 167 billion, an increase of 2% over the year end. CASA balances totaled AED 73 billion and comprised 43.6% of total customer deposits. Loan to deposit ratio improved to 97.6% from 100.1% as at 31 December 2017.

Robust CAR post dividend payout and IFRS 9 adjustments and comfortable liquidity levels

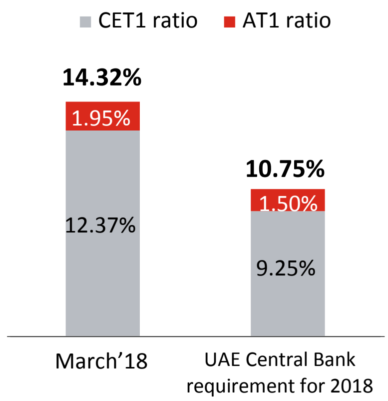
- The Bank continues to maintain a comfortable liquidity position, with a liquidity coverage ratio of 141%, compared to a minimum ratio of 90% prescribed by the UAE Central Bank. Liquidity ratio was 25.6% compared to 24.5% as at 31 December 2017, driven by an increase in deposits and balances due from banks.

- The Bank remains well capitalised with a capital adequacy ratio (Basel III) of 17.48% and a common equity tier 1 (CET1) ratio of 12.37%, well above the minimum capital requirements of 12.75% and 9.25% (including buffers), respectively as prescribed by the UAE Central Bank. The 1.61% reduction in CAR compared to December 2017 was primarily on account of a dividend payout of AED 2.2 billion and IFRS 9 adjustment of AED 1.36 billion.

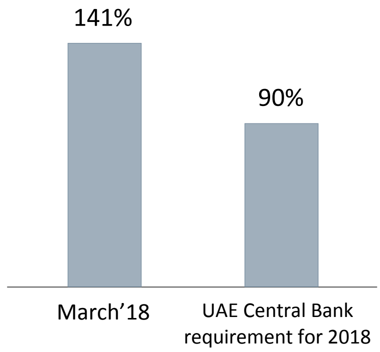
Capital adequacy ratio (Basel III)



Tier I ratio (Basel III)



Liquidity coverage ratio



Awards

Q1'18 Awards

- "Best Cash Management Bank in the Middle East" — Global Finance
- "Best Cash Management Bank in the U.A.E" — Global Finance
- "Best affinity Card in Middle East & North Africa " — MasterCard Leadership Forum
- ranked the 2nd in S&P/Hawkamah ESG Pan Arab Index for leadership in corporate sustainability — Hawkamah

2017 Awards

- "Best Business Change or Transformation – Delivery of a Great Customer Experience Through Change" for Operational Excellence Framework 'SIMPLean' — Gulf Customer Experience Awards
- "Best Trade Finance Bank in The U.A.E" — Global Finance
- "Five Star Cash Manager " — Euromoney
- "Innovative Approach to Emiratisation to Deliver Exceptional Customer Experience" for Tamooha — Gulf Customer Experience Awards
- "Best Contact Centre in the Region" for Contact Centre — Gulf Customer Experience Awards
- "Best Supply Chain Finance Bank in the Middle East" — Global Finance
- "Five Star Trade Finance provider in Middle East" — Euromoney
- "Best Employee Engagement in Financial Services" for the Human Resources Team — Gulf Customer Experience Awards
- "Best Insight and Feedback – Listening to Customers to Create an Impact" for Customer Experience and Research — Gulf Customer Experience Awards
- "UAE Domestic Trade Finance Bank of the Year Award" — Asian Banking & Finance
- "Best Bank for Transaction Services in the Middle East" — Euromoney Awards for Excellence
- "3G CSR Award" in recognition of excellence in transparency, good governance and social responsibility — The Global Good Governance Awards (3G Awards)
- "Mohammed Bin Rashid Al Maktoum Business Innovation Award" — "The Mohammed Bin Rashid Al Maktoum Business Innovation Awards"
- "Debt Capital Markets in UAE"- Real Estate Survey 2017 — Euromoney
- "Outstanding Award for Business Innovation" — "The Mohammed Bin Rashid Al Maktoum Business Innovation Awards"
- "The Best Annual Report Category in the Middle East" — The 9th Middle East Investor Relations Association (MEIRA) Awards
- "Best Investor Relations Website in the Middle East" — The 9th Middle East Investor Relations Association (MEIRA) Awards
- "APCP- Best Property Management Team - UAE 2017" — The Capital Finance International (CFI)
- "Islamic Banker of the Year 2017 Award" — Global Islamic Finance Awards (GIFA)
- "(Market Leader) in 2017" - Cash management — Euromoney
- "Best Trade Bank in the Middle East" — Trade and Forfaiting Review (TFR)
- "The Institute for Corporate Governance" — Hawkamah
- "Women in Leadership Achievement Award" under the category of best DNI (Diversity and Inclusion Initiative) for its Tamooha — The 19th Global Women in Leadership Economic Forum

About ADCB (31 March 2018):

ADCB was formed in 1985 and as at 31 March 2018 employed over 5,000 people from 80 nationalities, serving retail customers and corporate clients in 49 branches, 1 pay office and 2 branches in India, 1 branch in Jersey and representative offices in London and Singapore. As at 31 March 2018, ADCB's total assets were AED 267 billion.

ADCB is a full-service commercial bank which offers a wide range of products and services in both conventional and Shari'ah compliant banking, operating in four business segments including Consumer Banking, Wholesale Banking, Treasury and Investments and Property Management.

ADCB is owned 62.52% by the Government of Abu Dhabi (Abu Dhabi Investment Council). Its shares are traded on the Abu Dhabi Securities Exchange. As at 31 March 2018, ADCB's market capitalisation was AED 34 billion.

For further details please contact:

Corporate Communications
Majdi Abd El Muhdi
E: majdi.a@adcb.com

Investor Relations
Denise Caouki
E: adcbir@adcb.com

*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 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 press release 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. 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.

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.