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 HALF 2018 NET PROFIT OF AED 2.332 BILLION,

SECOND QUARTER 2018 NET PROFIT OF AED 1.125 BILLION

Abu Dhabi, 26 July 2018 – Abu Dhabi Commercial Bank PJSC ("ADCB" or the "Bank") today reported its half year financial results for the period ended 30 June 2018 ("H1'18").

Key highlights (30 June 2018)

- **Strong bottom and top line growth in an evolving operating and regulatory environment**

  Half year comparison (H1'18 vs. H1'17)

  - Net profit of AED 2.332 billion was up 10%
  - Total net interest income and Islamic financing income of AED 3.612 billion was up 9%
  - Operating income of AED 4.643 billion was up 7%
  - Operating profit before impairment allowances of AED 3.097 billion was up 6%
  - Impairment allowances (net) of AED 770 million was 5% lower
  - Non-interest income of AED 1.030 billion was at par
  - Net interest margin of 3.11% compared to 2.88% in H1'17

- **Well managed cost base and healthy asset quality indicators**

  - Cost to income ratio for H1'18 was 33.3% compared to 32.5% in H1'17, remaining within our target range
  - Cost of funds for H1'18 was 1.74% compared to 1.46% in H1'17, in line with the rising benchmark rates
  - Cost of risk for H1'18 improved to 0.68% from 0.81% in H1'17
  - As at 30 June 2018, NPL and provision coverage ratios were 2.7% and 145.9% respectively, compared to 2.1% and 162.9% as at 31 December 2017

- **Delivering sustainable growth, reliance on customer deposits for funding**

  - Net loans and advances increased 2% to 166 billion over 31 December 2017
  - Deposits from customers increased 5% to AED 172 billion over 31 December 2017
  - Low cost CASA (Current and savings account) deposits increased 5% to AED 75 billion over 31 December 2017 and comprised 43.4 % of total customer deposits
  - Loan to deposit ratio of 96.6% compared to 100.1% as at 31 December 2017

- **Strong capital position and comfortable liquidity levels**

  - Capital adequacy ratio (Basel III) of 16.66% and common equity tier 1 (CET1) ratio of 12.37% remained above the UAE Central Bank minimum capital requirements of 12.75% and 9.25% (including buffers)
  - Liquidity coverage ratio (LCR) of 132% compared to a minimum ratio of 90% prescribed by UAE Central Bank
  - Maintaining a strong liquidity ratio of 26.2%
  - Net lender of AED 11 billion in the interbank markets

Commenting on the results, Eissa Mohamed Al Suwaidi, Chairman said:

“Our financial performance in the first half of 2018 reflects the Bank’s continued growth and resilience year over year. We continued to post solid results in a testing environment.

The strengthening regulatory environment has resulted in an enhanced supervisory framework and improved financial stability in the UAE. In 2018, the Bank successfully transitioned to the IFRS9 accounting standard, following the smooth transition to Basel III at the end of 2017. The Bank is well positioned to comply with evolving regulatory requirements, and maintains a comfortable liquidity position and healthy capital ratios, which remain well above the minimum requirements of the Central Bank. Our risk management discipline and UAE-centric strategy continue to serve us well.

We remain committed to support the development of the UAE Banking Sector and continue to deliver long-term value for our customers and shareholders.”

Ala’a Eraiqat, Member of the Board and Chief Executive Officer, commented on the results:

“The Bank reported a strong set of results for the first half of 2018, delivering double digit growth in net profit with a return on equity of 16.5%. First half 2018 net profit of AED 2.332 billion represented an increase of 10% year on year and second quarter net profit of AED 1.125 billion represented an increase of 12% over the corresponding period in 2017.

Good progress was made on a significant number of fronts. Consistent with our objective of delivering sustainable growth, customer deposits increased 5.2% year to date, outpacing system wide growth of 2.7%*. Loan to deposit ratio improved to 96.6% from 100.1% as at 31 December 2017. CASA deposits increased 5% over 31 December 2017. In a rising rate environment, cost of funds increased less than the benchmark rates, whilst asset yields continued to improve. Gross fee income for the first half of 2018 was up 2% year on year. Our asset quality indicators remain healthy with a cost of risk of 0.68%, at its lowest levels since 2016.

We continue to invest in our businesses and focus on our commitment to build digital technologies to deliver a better customer experience, whilst effectively managing our cost base and optimising our balance sheet.”

*UAE Central Bank data available only until May 2018

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

بنك أبوظبي التجاري ADCB

ABU DHABI COMMERCIAL BANK PJSC REPORTS

FIRST HALF 2018 NET PROFIT OF AED 2.332 BILLION,

SECOND QUARTER 2018 NET PROFIT OF AED 1.125 BILLION

Abu Dhabi, 26 July 2018 – Abu Dhabi Commercial Bank PJSC ("ADCB" or the "Bank") today reported its half year financial results for the period ended 30 June 2018 ("H1'18").

Financial highlights

	Half yearly trend			Quarterly trend				
			Change %				Q2'18 Change %	
Income statement highlights (AED mn)	**H1'18**	H1'17	YoY	**Q2'18**	Q1'18	Q2'17	QoQ	YoY
Total net interest and Islamic financing income	**3,612**	3,305	9	**1,784**	1,828	1,675	(2)	7
Non - interest income	**1,030**	1,032	0	**504**	526	434	(4)	16
Operating income	**4,643**	4,338	7	**2,288**	2,354	2,109	(3)	9
Operating expenses	**(1,545)**	(1,411)	9	**(775)**	(770)	(671)	1	15
Operating profit before impairment allowances	**3,097**	2,926	6	**1,513**	1,584	1,438	(4)	5
Impairment allowances	**(770)**	(814)	(5)	**(390)**	(380)	(427)	2	(9)
Share in profit/(loss) of associate	**6**	5	NM	**3**	3	1	NM	NM
Profit before taxation	**2,333**	2,118	10	**1,126**	1,207	1,012	(7)	11
Overseas income tax expense	**(1)**	(4)	NM	**(1)**	0	(3)	NM	NM
Net profit for the period	**2,332**	2,114	10	**1,125**	1,207	1,008	(7)	12

			Change %				Change %	
Balance sheet highlights (AED mn)	**June'18**	June'17	YoY	**June'18**	March'18	Dec'17	QoQ	YTD
Total assets	**271,722**	259,239	5	**271,722**	266,649	265,003	2	3
Net loans and advances	**165,733**	164,251	1	**165,733**	162,824	163,282	2	2
Deposits from customers	**171,521**	161,779	6	**171,521**	166,881	163,078	3	5
Ratios (%)	**June'18**	June'17	bps	**June'18**	March'18	Dec'17	bps	bps
Basel III Capital adequacy ratio (CAR)	**16.66**	18.07*	(141)	16.66	17.48	19.09	(82)	(243)
Tier I ratio	**14.25**	14.84*	(59)	14.25	14.32	15.92	(7)	(167)
Loan to deposit ratio (LTD)	**96.6**	101.5	(490)	96.6	97.6	100.1	(100)	(350)

* Basel II
Components may not sum exactly to totals because of rounding

Key indicators (H1'18)

Net profit (AED billion)	**Return on average equity** (ROAE %)[1]	**Return on average assets** (ROAA %)[1]	**Basic earnings per share** (EPS – AED)
2.332	16.5	1.69	0.43

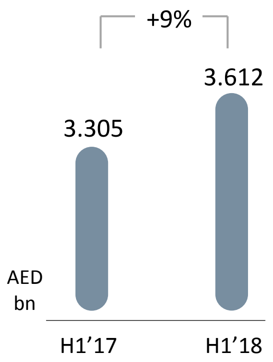
[1] Annualised, for ROE/ROAA calculations, net profit attributable to equity shareholders is considered, i.e., net profit after deducting minority interest and interest expense on Tier I capital notes

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

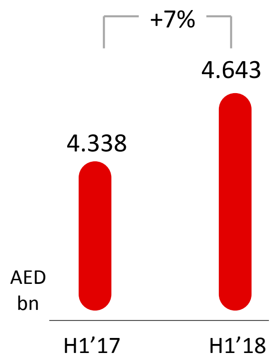
Strong bottom and top line growth in an evolving operating and regulatory environment

- The Bank reported a net profit of AED 2.332 billion for the first half of 2018, and AED 1.125 billion for the second quarter of 2018, an increase of 10% and 12% respectively over the previous year. The Bank's key financial indicators remain strong with a return on average equity of 16.5% and a return on average assets of 1.69% in H1'18 compared to 15.5% and 1.59%, respectively, in H1'17. On a quarterly basis, net profit was down 7%, on account of rising cost of funds, in line with higher benchmark rates and lower FX gains, whilst operating expenses and impairment allowances were well-maintained.

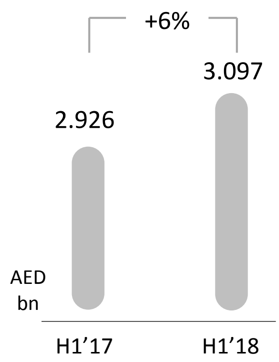
Net interest income



Operating income

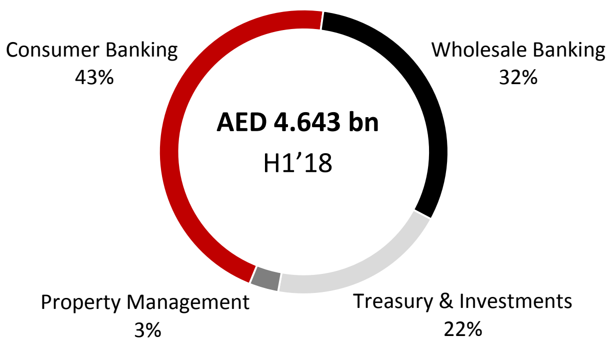


Operating profit before impairment allowances



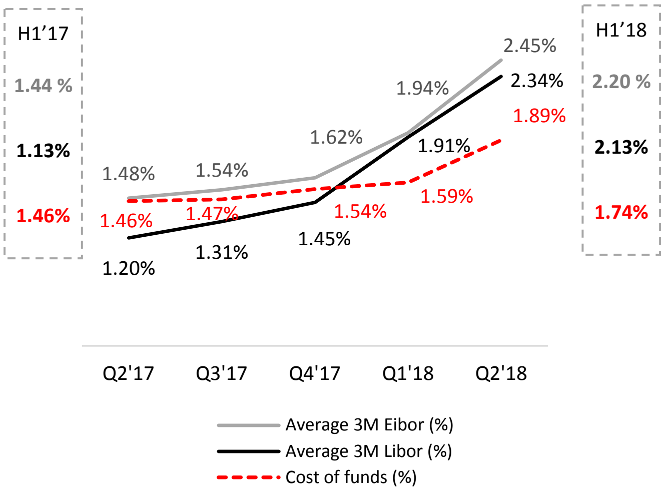
- Total operating income was AED 4.643 billion, up 7%. Each business segment contributed to the strong underlying performance of the Bank. The Consumer and Wholesale Banking groups comprised 43% and 32% of total operating income. Treasury and Property Management contributed 22% and 3% to total operating income respectively.

Percentage contribution to operating income

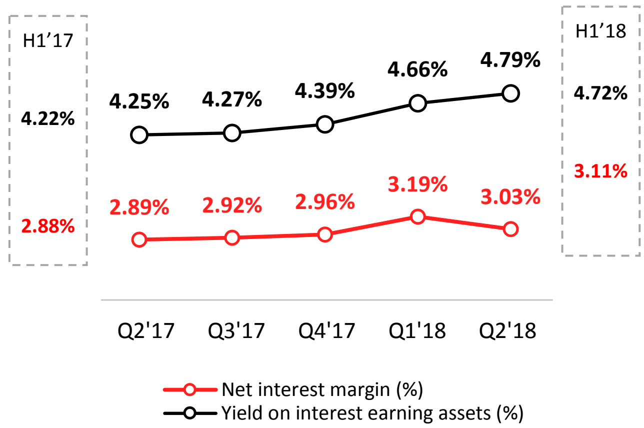


- Net interest and Islamic financing income was AED 3.612 billion, up 9%, predominantly driven by the impact of rising rates, higher interest in suspense reversals and a change in the composition of the asset book towards higher yielding assets. Net interest margin for H1'18 improved to 3.11% from 2.88% in H1'17, an increase of 23 basis points year on year. The increase in cost of funds was lower than the increase in benchmark rates, whilst asset yields increased by 50 basis points to 4.72% in H1'18, supported by repricing of assets. On a quarterly basis, yield on interest earning assets was up 13 basis points, in line with higher benchmark rates. Q1'18 yields benefited from a one-off write-back of interest in suspense on a few accounts. NIM contraction of 16 basis points on a quarterly basis was driven by the strategic decision taken last year to de-risk the retail unsecured loan portfolio and increased cost of carrying high quality liquid assets (HQLA) to meet LCR and recently introduced NSFR regulations. The de-risking of the retail portfolio in the current economic environment has resulted in a much improved cost of risk for H1'18.

Cost of funds



Net interest margin and asset yields



- Non-interest income was AED 1.030 billion, unchanged from H1’17. Net fees and commission income of AED 708 million was 6% lower, reflecting lower business volumes, higher card related expenses and the setup costs related to the merchant acquiring business. The decline in net fees and commission income was partially offset by an increase in net trading income, which grew 67% year on year to AED 230 million, driven by higher FX gains. The decrease in other operating income was primarily due to the non-recurrence of one-off gains recorded in H1’17 and lower income from property management business in H1’18.

- Operating expenses were AED 1.545 billion, up 9%, mainly driven by higher staff costs and ongoing investments in our businesses to accelerate the Bank’s digital transformation. Cost to income ratio of 33.3% remained within our target range.

Cost to income ratio

32.5%	33.3%
H1’17	H1’18

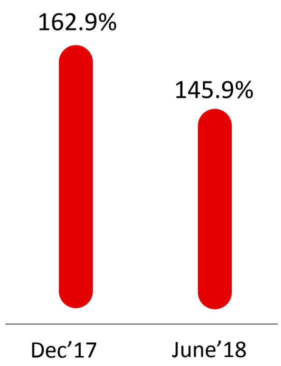
Healthy asset quality indicators

- Net impairment charges were AED 770 million, 5% lower year on year, translating to an annualised cost of risk of 0.68% compared to 0.81% in June’17, at its lowest level since 2016.

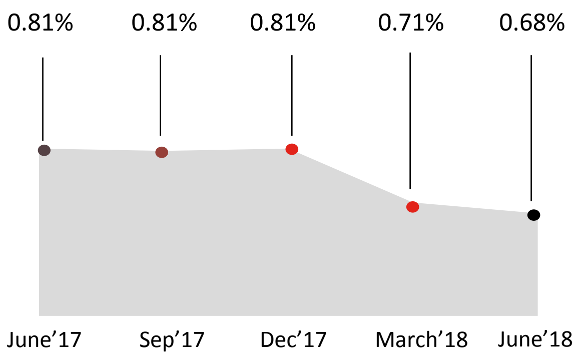
- As at 30 June 2018, non-performing loan ratio (NPL) was 2.7% compared to 2.1% at year end. Non-performing loans increased to AED 4.814 billion from AED 3.692 billion as at 31 December 2017, impacted by an increase in a few corporate accounts. Effective 1 January 2018, the Bank successfully transitioned to the IFRS 9 accounting standard. Under IFRS 9, impairment allowances against loans and advances were AED 6.995 billion, with a provision coverage ratio of 145.9%. Stage 1 and 2 expected credit loss allowances were 2.64% 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



Delivering sustainable growth, reliance on customer deposits for funding

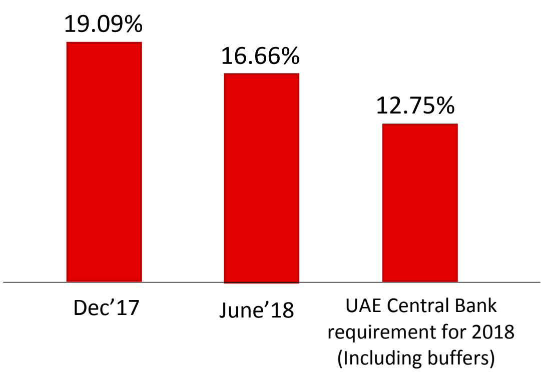
- Net loans and advances to customers increased to AED 166 billion, up 2% year to date, driven by an increase in Wholesale Banking loans. Increase in loans to the Real estate, Investment and Hospitality economic sector was primarily due to the novation of an existing loan from a Government related enterprise (GRE) to a real estate development company. Consumer Banking loans reported a contraction on account of the continued de-risking of the unsecured loan portfolio. Total customer deposits increased to AED 172 billion, up 5% year to date, driven by an increase in both Consumer and Wholesale Banking deposits. CASA balances totaled AED 75 billion and comprised 43.4% of total customer deposits. With deposit growth continuing to outpace loan growth, the Bank's loan to deposit ratio improved significantly during the period to 96.6% from 100.1% at year end.

Strong capital position and comfortable liquidity levels

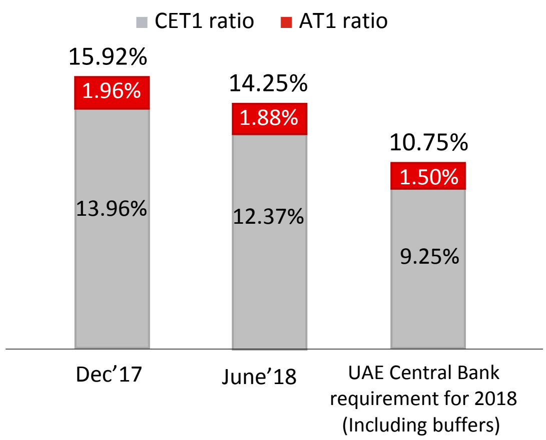
- The Bank continues to maintain a comfortable liquidity position, with a liquidity coverage ratio of 132%, compared to a minimum ratio of 90% prescribed by the UAE Central Bank. Liquidity ratio was 26.2% compared to 24.5% as at 31 December 2017, led by an increase in deposits and balances due from banks.

- The Bank remains well capitalised with a Basel III capital adequacy ratio (CAR) of 16.66% 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 reduction in CAR compared to December 2017 was primarily on account of the 2017 dividend payout, IFRS 9 adjustments, increases in credit risk weighted assets and repayment of subordinated debt (Tier 2 capital).

Capital adequacy ratio (Basel III)



Tier I ratio (Basel III)



2018 Awards

"Best Cash Management Bank in the Middle East"	"Best Cash Management Bank in the U.A.E"	"Best affinity Card in Middle East & North Africa"	Ranked the 2nd in S&P/Hawkamah ESG Pan Arab Index for Leadership in Corporate Sustainability
Global Finance	Global Finance	MasterCard Leadership Forum	Hawkamah
"Most popular Credit Card of the Year 2018"	"Credit Card Product of the Year in Middle East"	"Best Affinity Credit Card in Middle East & Asia/Oceania"	"Best Domestic Trade Finance Bank Of The Year"
Souqalmal.com	The Asian Banker	Freddie Awards 2018	Global Finance

About ADCB (30 June 2018):

ADCB was formed in 1985 and as at 30 June 2018 employed over 5,000 people from 80 nationalities, serving retail customers and corporate clients in 50 branches, in addition to the 2 SimplyLife Sales & Service Centers and 3 uBank Centers in the UAE, 2 branches in India, 1 branch in Jersey and representative offices in London and Singapore. As at 30 June 2018, ADCB's total assets were AED 272 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 30 June 2018, ADCB's market capitalisation was AED 37 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.