

ABU DHABI COMMERCIAL BANK PJSC REPORTS
NINE MONTH 2012 NET PROFIT OF AED 2,131 MN,
OPERATING INCOME OF AED 4,985 MN

Abu Dhabi Commercial Bank PJSC (“ADCB” or the “Bank”) today reported its financial results for the nine month period to 30 September 2012 (“9M’12”).

Further analysis of ADCB’s results as at 30 September 2012:

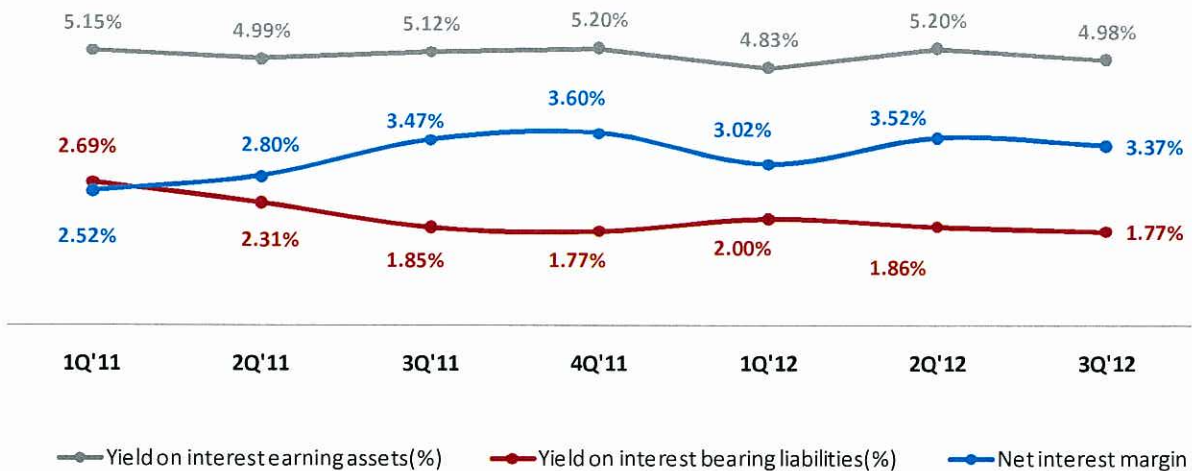
AED million	9 Month financial review			Quarterly trends		
	9M’12	9M’11	Change % YoY	Q3’12	Q3’11	Change % YoY
Income statement highlights						
Total net interest and Islamic financing income	3,909	3,296	19	1,331	1,335	(0)
Non - interest income	1,076	1,150	(7)	301	364	(17)
Operating income	4,985	4,447	12	1,632	1,699	(4)
Operating expenses	(1,559)	(1,515)	3	(516)	(528)	(2)
Operating profit before impairment allowances	3,426	2,931	17	1,115	1,171	(5)
Net impairment allowances	(1,308)	(1,848)	(29)	(529)	(514)	3
Net gain on sale of investment in associate	-	1,314	-	-	-	-
Share of (loss)/profit of associates	16	168	(90)	9	(8)	(204)
Overseas income tax expense	(4)	(34)	(88)	0	(35)	(101)
Net profit for the period	2,131	2,531	(16)	595	613	(3)
Balance sheet highlights	September’12	December’11	YTD Change %	June’12	QoQ Change %	
Total assets	181,891	183,726	(1)	180,797	1	
Net Loans	123,777	124,755	(1)	123,463	0	
Deposits from customers*	108,988	109,171	(0)	111,247	(2)	
Ratios (%)			Change bps		Change bps	
CAR	22.53	22.51	2	22.34	19	
Tier I ratio	16.22	15.90	32	16.04	18	
LTD*	113.57	114.27	(70)	110.98	259	

*Deposits from customers were reclassified in June’12 to show Euro commercial paper separately

Total operating income

- Total operating income for the first nine months of 2012 was AED 4,985 mn, an increase of 12% year on year. Total operating income in Q3’12 at AED 1,632 mn, declined 4% over Q3’11 due to lower non-interest income reported in Q3’12.
- Total net interest and Islamic financing income for the first nine months of the year in 2012 was AED 3,909 mn, an increase of 19% over 9M’11 which was mainly attributed to the Bank’s continued improved funding profile. On a quarterly basis at AED 1,331 mn, Q3’12 net interest income remained flat over Q3’11. Interest expenses at AED 2,009 mn in 9M’12 recorded an improvement of 17% over 9M’11, primarily as a result of carefully managed cost of funds and lower EIBOR. Cost of funds for the first nine months of 2012 were reported at 1.88%, an improvement of 41 bps over the corresponding period in 2011. The improving trends increased the net interest margin to 3.30% in 9M’12 compared to 2.93% over 9M’11.
- Non-interest income for the first nine months ended 30 September 2012 was at AED 1,076 mn, 7% lower over 9M’11, which was primarily due to lower net trading income in 9M’12. Net fees and commission income increased 2% over 9M’11.

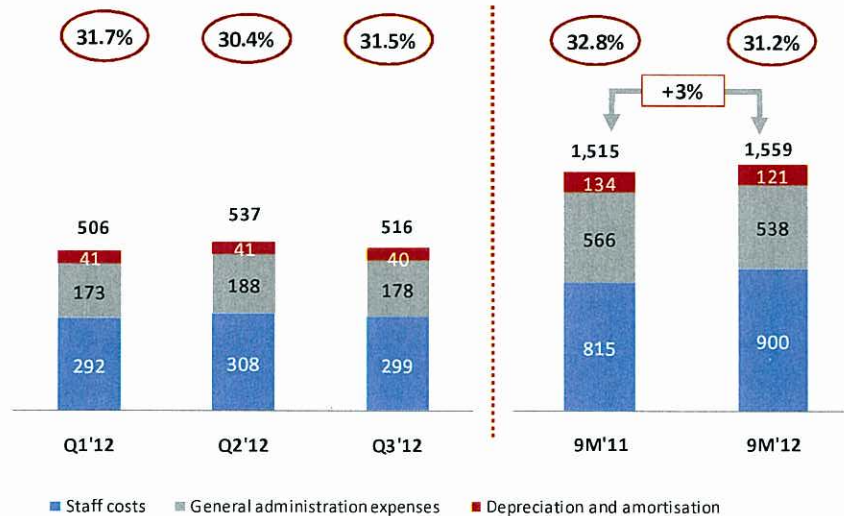
Evolution of yields



Cost to income ratio

- Operating expenses were carefully managed at AED 1,559 mn in the first nine months of 2012, 3% higher compared to the corresponding period in 2011, whilst cost to income ratio improved to 31.2% in 9M'12 from 32.8% in 9M'11 driven by proactive cost management. On a quarterly basis at AED 516 mn, Q3'12 operating expenses reported an improvement of 2% over Q3'11 with staff costs remaining flat year on year.

Cost to income ratio*



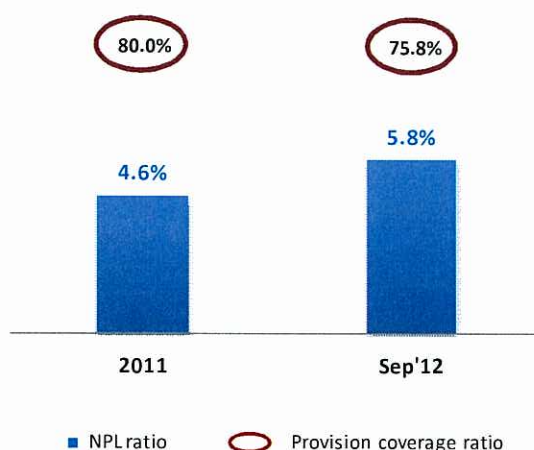
* Operating income for the purpose of calculating C:I ratio includes share of profit of associates but excludes net gain on sale of investment in associate

Asset quality

- As at 30 September 2012, the NPL ratio was 5.8% and provision coverage was 75.8% compared to 4.6% and 80.0% as at 31 December 2011.
- As at 30 September 2012, cost of risk improved to 1.22% compared to 1.77% as at 31 December 2011, an improvement of 55 bps year to date.
- Portfolio impairment allowance balance was AED 2,214 mn and 1.68% of credit risk weighted assets as at 30 September 2012 (UAE Central Bank directive requires banks to increase the level of collective provisions to 1.50% of credit risk weighted assets by 2014). Individual impairment balance stood at AED 4,261 mn as at 30 September 2012.

- Net impairment allowance charge for the first nine months of 2012 was 29% lower at AED 1,308 mn compared to the same period last year. Charges for impairment allowances on loans and advances, net of recoveries amounted to AED 1,279 mn in 9M'12 compared to AED 1,607 mn in 9M'11.
- Provisions for the funded and unfunded investment portfolios totaled AED 7 mn in 9M'12, compared to AED 241 mn in 9M'11. 9M'12 impairment allowance charge also included AED 21 mn on property and equipment.

NPL and provision coverage ratios*



* The above excludes the exposure and provision on Dubai World which was moved to performing category in 2011

Total assets (30 September 2012)

- Total assets were AED 182 bn, 1% lower over 31 December 2011.
- Gross customer loans remained flat at AED 130 bn over 31 December 2011.
- 96% of gross loans were within the UAE.
- Investment securities portfolio increased to AED 19 bn from AED 15 bn as at 31 December 2011. 97% of the portfolio was invested in bonds and government securities providing a liquidity pool for the Bank.

Customer deposits* (30 September 2012)

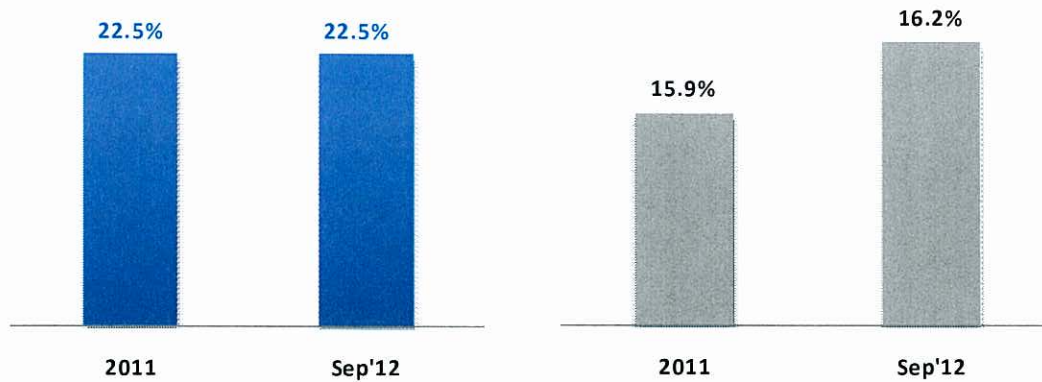
- Total customer deposits remained flat at AED 109 bn over 31 December 2011.
- Loans to deposit ratio* improved to 113.57% from 114.27% as at 31 December 2011.
- Advances to stable resources ratio was 86% compared to 92% as at 31 December 2011.

* Deposits from customers were reclassified in June'12 to show Euro commercial paper separately

Capital adequacy and liquidity ratios (30 September 2012)

- The Bank's capital adequacy ratio was 22.53% compared to 22.51% as at 31 December 2011 and above the minimum requirement of 12% determined by the Central Bank.
- The Bank's Tier I ratio stood at 16.22% compared to 15.90% as at 31 December 2011, above the minimum requirement of 8% determined by the Central Bank. The increase in Tier 1 ratio was mainly driven by increased retained earnings.
- The Bank's liquidity ratio for the nine month period of 2012 was 22.3% compared to 21.6% over the corresponding period in 2011.

CAR and Tier I ratios



2012 Awards

Human Resources Award in the Banking & Financial Sector at the National Career Exhibition

"Best Woman Award" in the Banking & Financial Sector at the National Career Exhibition

"Most Improved Islamic Bank in the Middle East" by Euromoney

Best SME Account Award for "BusinessEdge Free Zone Platinum Account" for the second year in a row

Best SME Trade Finance Offering for 'BusinessEdge Trade 360'

"Best Retail Bank in the UAE" for the fifth year in a row by The Asian Banker and **"Best Retail Bank in the Gulf Region"**

The Freddie Award for 2012 for **"Best Loyalty Credit Card"** in the Middle East, Asia and Oceania region

"Best Premium Card" at the Middle East Smart Card Awards 2012

The Hawkamah Bank **Corporate Governance Award 2012**

The Banker Middle East Awards for **'Best Bank in the UAE'**, **'Best Transaction Bank'** and **'Best Corporate Bank'**

The Best Domestic Cash Management Bank in the UAE and in the Middle East (Third best in the UAE and Middle East) in the Euromoney Cash Management Survey 2012

"Elite" quality recognition award from Deutsche Bank, J.P. Morgan Chase and Commerzbank for exceptional international payment processing

Nabil Juma
Head of Strategic Relations