

**Press Release: Immediate Release**

**ABU DHABI COMMERCIAL BANK REPORTS  
FIRST QUARTER 2012 NET PROFIT OF AED 802 MN**

**COMPARED TO AED 583 MN IN THE FIRST QUARTER 2011, ↑ 38%**

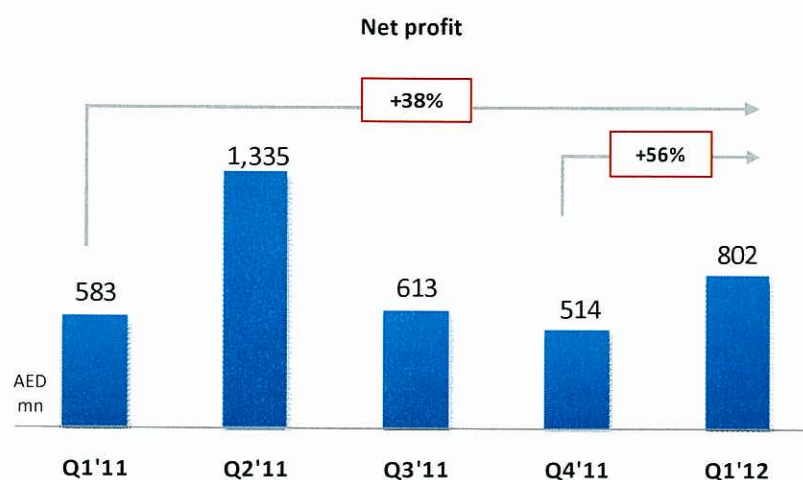
**Abu Dhabi, 24 April 2012** – Abu Dhabi Commercial Bank PJSC (“ADCB” or the “Bank”) today reported its financial results for the first quarter of 2012 (“Q1’12”).

**Further analysis of ADCB’s first quarter results:**

AED million	Q1’12	Q4’11	Q1’11	Q4’11	Q1’11
				QoQ % Change	YoY% Change
<b>Income statement highlights</b>					
Total net interest and Islamic financing income	1,195	1,391	926	(14)	29
Non-interest income	389	231	400	68	(3)
Operating income	1,584	1,623	1,326	(2)	19
Operating expenses	(506)	(548)	(427)	(8)	18
Operating profit before impairment allowances	1,078	1,075	899	0	20
Net impairment allowances	(287)	(549)	(399)	(48)	(28)
Share of (loss)/profit of associates	12	(9)	84	(236)	(86)
Overseas income tax expense	(2)	(2)	(2)	NM	NM
Net profit for the period	802	514	583	56	38
<b>Balance sheet highlights</b>	March’12	Dec’11	March’11	QoQ % Change	YoY% Change
Total assets	182,914	183,726	180,705	NM	1
Gross loans and advances	129,786	130,467	126,101	(1)	3
Deposits from customers	114,462	109,887	109,132	4	5

**Net profit and earnings per share**

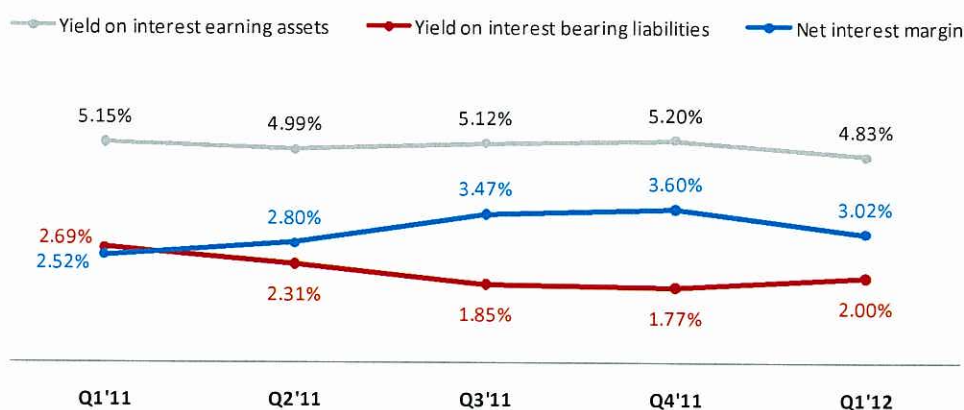
- ADCB reported a net profit of AED 802 mn in Q1’12, compared to AED 583 mn in Q1’11, an increase of 38% year on year and an increase of 56% quarter on quarter
- As at 31 March 2012, basic earnings per share were AED 0.12 compared to AED 0.09 reported as at 31 March 2011 and 31 December 2011
- As at 31 March 2012, ROE was reported at 14.74% and ROAA at 1.49% compared to 12.34% and 1.08% respectively over the same period last year and 11.33% and 1.10% respectively as at 31 December 2011



## Operating income

- Total operating income in the first quarter of 2012 reached AED 1,584 mn, an increase of 19% over the same period in 2011 and reported a marginal decline of 2% quarter on quarter
- At AED 389 mn, non-interest income reported a marginal decrease of 3% over Q1'11, primarily attributed to lower fee and commission income which stood at AED 249 mn compared to AED 263 mn in Q1'11, registering a 5% decline, whilst net trading income remained flat at AED 102 mn year on year
- Quarter on quarter, non-interest income contribution to operating income reported a strong improvement, increasing from 14% to 25%
- The Bank reported a total net interest and Islamic financing income of AED 1,195 mn, an increase of 29% compared to Q1'11 and 14% lower quarter on quarter. The strong growth recorded year on year was mainly driven by the Bank's improved funding profile as interest expenses reported an improvement of 26% over Q1'11 and cost of funds reported an improvement of 69 bps at 2.00% in Q1'12
- Net interest margin for Q1'12 was 3.02% compared to 2.52% in Q1'11 and 3.60% in Q4'11

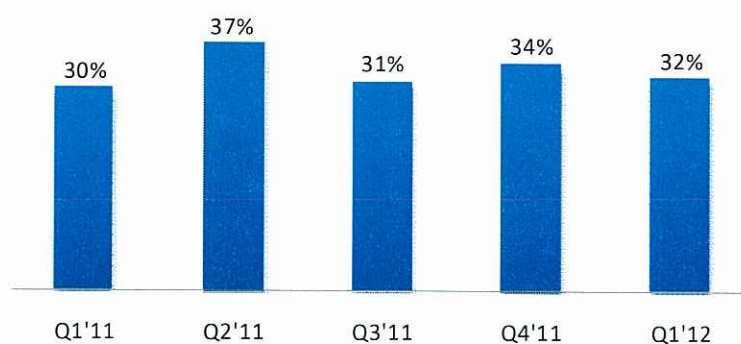
### Evolution of yields



## Operating expenses and cost to income ratio

- Operating expenses totaled AED 506 mn in Q1'12, 18% higher compared to Q1'11 and 8% lower compared to Q4'11
- Cost to income ratio improved from 34% in Q4'11 to 32% in Q1'12. In Q1'12 whilst the percentage contribution of staff costs in relation to total operating expenses increased to 58% from 51% over Q4'11, the percentage contribution of general administration expenses to total expenses declined from 40% in Q4'11 to 34% in Q1'12

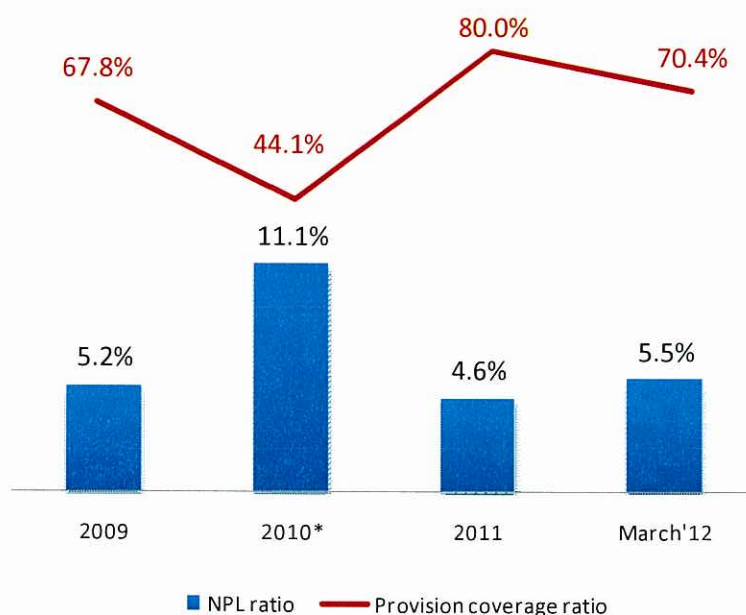
### Cost to income ratio\*



\* Includes share of profit of associates

### Asset quality

- As at 31 March 2012, the NPL ratio was at 5.5% and provision coverage ratio was 70.4% compared to 4.6% and 80.0% respectively as at 31 December 2011
- Net impairment allowance charge for the first quarter was AED 287 mn, 28% lower compared to Q1'11 and 48% lower compared to Q4'11. Charges for impairment allowance on loans and advances, net of recoveries amounted to AED 287 mn in Q1'12 compared to AED 325 mn in Q1'11 and AED 476 mn in Q4'11, representing a 12% decline year on year and a 40% decline quarter on quarter. Provisions for the funded and unfunded investment portfolios totaled a net writeback of AED 1 mn in Q1'12, compared to provision charged AED 74 mn in Q1'11 and Q4'11
- Portfolio impairment allowance balance was AED 2,073 mn and 1.61% of credit risk weighted assets as at 31 March 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 3,847 mn as at 31 March 2012
- As at 31 March 2012 exposure to investments in CDS were reported at AED 55 mn, unchanged from 31 December 2011
- Cost of risk reported an improvement of 95 bps at 0.82% for the quarter compared to 1.77% for full year 2011



\* Includes Dubai World exposure and related provisions

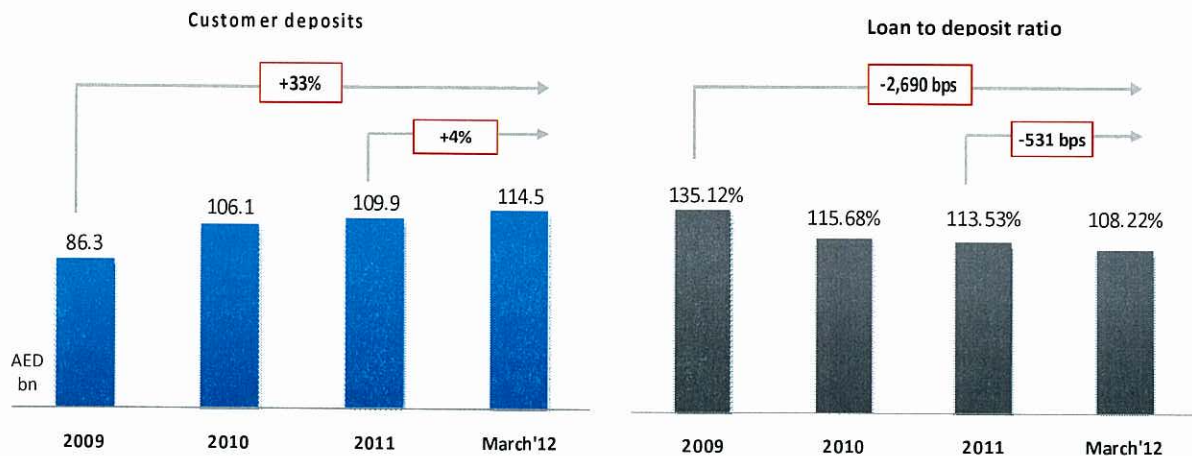
### Assets

- Total assets aggregated to AED 182,914 mn as at 31 March 2012, representing a marginal decline compared to 31 December 2011 at AED 183,726 mn
- Gross customer loans as at 31 March 2012 were at AED 129,786 mn compared to AED 130,467 mn as at 31 December 2011
- As at 31 March 2012, 96% of gross loans were within the UAE in line with the Bank's UAE centric strategy



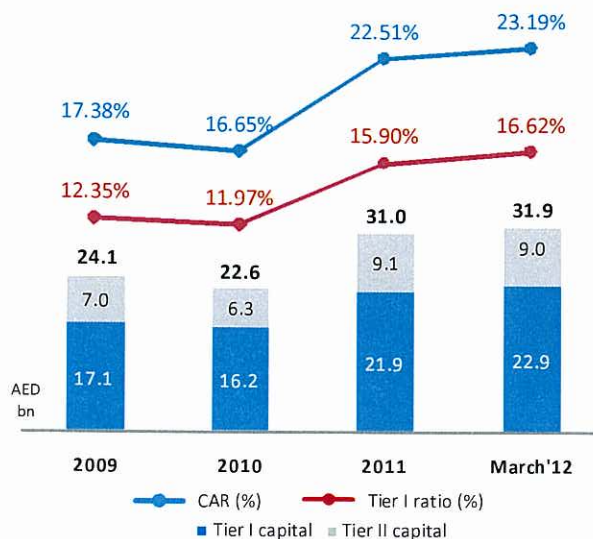
### Customer deposits

- As at 31 March 2012, total customer deposits were at AED 114,462 mn, representing an increase of 4% over 31 December 2011
- Loan to deposit ratio was reported at lowest level at 108.22% compared to 135.12% as at 31 December 2009, an improvement of 2,690 bps and reported an improvement of 531 bps over 31 December 2011
- Advances to stable resources ratio as defined by the UAE Central Bank was also reported at lowest level at 85% compared to 92% as at 31 December 2011 and well below the 100% maximum level set by the Central Bank



### Capital and liquidity

- As at 31 March 2012, the Bank's capital adequacy ratio was 23.19% compared to 22.51% as at 31 December 2011 and above the minimum requirement of 12% determined by the Central Bank
- As at 31 March 2012, the Bank's Tier I ratio stood at 16.62% compared to 15.90% as at 31 December 2011, above the minimum requirement of 8% determined by the Central Bank
- As at 31 March 2012, the Bank's liquidity ratio was 21.58% compared to 22.13% as at 31 December 2011



## **Awards**

### ***February 2012***

ADCB won two awards at the National Career Exhibition in the UAE, "Human Resources Award in the Banking & financial Sector 2011" and "Best Woman Award in the Banking & Financial Sector 2011"

### ***March 2012***

ADCB was named 'Most Improved Islamic Bank in the Middle East' by the leading international finance magazine Euromoney

Second year in a row, ADCB was awarded the Best SME Account award for its "BusinessEdge Free Zone Platinum Account". Adding to this success, ADCB was also awarded the Best SME Trade Finance Offering for its 'BusinessEdge Trade 360'

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

## **About ADCB:**

ADCB was formed in 1985 and as at 31 March 2012 employed over 3,500 people from 49 nationalities, serving approximately 455,000 retail customers and over 34,000 corporate and SME clients in 47 branches, 4 pay offices and 1 service centre in the UAE, 2 branches in India and 1 offshore branch in Jersey. It is the third largest bank in the UAE and second largest in Abu Dhabi by assets, at AED 183 bn as at 31 March 2012.

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 Abu Dhabi Government through the Abu Dhabi Investment Council. Its shares are traded on the Abu Dhabi Securities Exchange. As at 31 March 2012, ADCB's market capitalisation was AED 17 bn.

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