Disclaimer

THIS PRESENTATION IS NOT AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR USE AS AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. BY READING THE PRESENTATION SLIDES YOU AGREE TO BE BOUND AS FOLLOWS:

This presentation has been prepared by Abu Dhabi Commercial Bank PJSC ("ADCB"), is furnished on a confidential basis and only for discussion purposes, may be amended and supplemented and may not be relied upon for the purposes of entering into any transaction. The information contained herein has been obtained from sources believed to be reliable but ADCB does not represent or warrant that it is accurate and complete. The views reflected herein are those of ADCB and are subject to change without notice. All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described herein. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future performance.

No action has been taken or will be taken that would permit a public offering of any securities in any jurisdiction in which action for that purpose is required. No offers, sales, resales or delivery of any securities or distribution of any offering material relating to any such securities may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations.

This presentation does not constitute an offer or an agreement, or a solicitation of an offer or an agreement, to enter into any transaction (including for the provision of any services). No assurance is given that any such transaction can or will be arranged or agreed. Before entering into any transaction, you should consider the suitability of the transaction to your particular circumstances and independently review (with your professional advisers as necessary) the specific financial risks as well as the legal, regulatory, credit, tax and accounting consequences.

This presentation may include forward-looking statements that reflect ADCB’s intentions, beliefs or current expectations. Forward-looking statements involve all matters that are not historical by using the words "may", "will", "would", "should", "expect", "intend", "estimate", "anticipate", "believe" and similar expressions or their negatives. Such statements are made on the basis of assumptions and expectations that ADCB currently believes are reasonable, but could prove to be wrong.

This presentation is for the recipient’s use only. This presentation is not for distribution to retail clients. In particular, neither this presentation nor any copy hereof may be sent or taken or distributed in the United States, Australia, Canada or Japan or to any U.S. person (as such term is defined in Regulation S under the U.S. Securities Act 1933, as amended (the "Securities Act")), except pursuant to an exemption from the registration requirements of the Securities Act. If this presentation has been received in error it must be returned immediately to ADCB. Accordingly, this presentation is being provided only to persons that are (i) "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act or (ii) not "U.S. persons" within the meaning of Regulation S under the Securities Act. By accepting the delivery of this presentation, the recipient warrants and acknowledges that it falls within the category of persons under clause (i) or (ii). No representation can be made as to the availability of the exemption provided by Rule 144 for re-sales of any securities offered by or guaranteed by ADCB. No securities offered by or guaranteed by ADCB have been recommended by, or approved by, the United States Securities and Exchange Commission (the "SEC") or any other United States federal or state securities commission or regulatory authority, nor has any such commission or regulatory authority passed upon the accuracy or adequacy of this presentation.

This document does not disclose all the risks and other significant issues related to an investment in any securities/transaction. Prior to transacting, potential investors should ensure that they fully understand the terms of any securities/transaction and any applicable risks. This document is not a prospectus for any securities. Investors should only subscribe for any securities on the basis of information in the relevant prospectus and term sheet, and not on the basis of any information provided herein.

This presentation is being communicated only to (i) persons who are outside the United Kingdom, (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (iii) those persons to whom it may otherwise lawfully be distributed (all such persons together being referred to as "relevant persons"). This presentation is communicated only to relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this presentation relates is available only to relevant persons and will be engaged in only with relevant persons.

By accepting this document you will be taken to have represented, warranted and undertaken that (i) you are a relevant person (as defined above); (ii) you have read and agree to comply with the contents of this notice; and (iii) you will treat and safeguard as strictly private and confidential all such information and take all reasonable steps to preserve such confidentiality.
# Table of contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1</td>
<td>Macro overview</td>
<td>4</td>
</tr>
<tr>
<td>Section 2</td>
<td>Business overview</td>
<td>9</td>
</tr>
<tr>
<td>Section 3</td>
<td>Financial highlights</td>
<td>15</td>
</tr>
<tr>
<td>Section 4</td>
<td>Our journey</td>
<td>31</td>
</tr>
<tr>
<td>Appendix</td>
<td></td>
<td>36</td>
</tr>
</tbody>
</table>
Macro overview
**Non-oil activity strengthening**

**Oil revenues to increase with higher oil prices, average oil production falls with OPEC agreement**

- **USD p/b**
  - Brent Crude
  - Annual Average

**Real GDP growth reflects contraction in oil sector**

**Dubai driving the acceleration in real non-oil growth**

- % change y-o-y, real
  - Dubai, GDP growth
  - Abu Dhabi, non-oil GDP growth

**Project award outlook remains strong in 2017**

- **2017 project award likely to surpass 2016 levels**

**Dubai seeing double-digit rise in project awards**

- **USD bn**
  - Emirate of Dubai
  - Emirate of Abu Dhabi
  - UAE Total

Source: Bloomberg, ADCB estimates
Source: UAE National Bureau of Statistics, ADCB estimates
Source: Statistics Centre Abu Dhabi, Dubai Statistics Centre
Source: Meed projects, ADCB estimates
Source: Meed projects, ADCB estimates
External sectors supporting recovery

**Pickup in global trade supporting Jebel Ali volumes**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1,500</td>
<td>2,000</td>
<td>2,500</td>
<td>3,000</td>
<td>3,500</td>
<td>4,000</td>
<td>4,500</td>
<td></td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

* TEU: Twenty-foot equivalent units
Source: DP World

**Impact of Qatar developments moderate**

UAE trade with Qatar 2016, % of total

- Non-oil Exports to Qatar
- Re-exports to Qatar
- Non-hydrocarbon Imports from Qatar

Source: UAE National Bureau of Statistics

**Strong growth in tourist numbers, supported by visa liberalisation**

**Abu Dhabi**

<table>
<thead>
<tr>
<th>Country</th>
<th>Visitor numbers, '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>60%</td>
</tr>
<tr>
<td>India</td>
<td>10%</td>
</tr>
<tr>
<td>UK</td>
<td></td>
</tr>
<tr>
<td>Philippines</td>
<td></td>
</tr>
<tr>
<td>Egypt</td>
<td>8%</td>
</tr>
<tr>
<td>US</td>
<td>9%</td>
</tr>
<tr>
<td>Saudia</td>
<td></td>
</tr>
</tbody>
</table>

Source: Abu Dhabi Tourism and Culture Authority, ADCB calculations

**Dubai**

<table>
<thead>
<tr>
<th>Country</th>
<th>Visitor numbers, '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>21%</td>
</tr>
<tr>
<td>KSA</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td></td>
</tr>
<tr>
<td>Oman</td>
<td>50%</td>
</tr>
<tr>
<td>China</td>
<td></td>
</tr>
<tr>
<td>US</td>
<td></td>
</tr>
<tr>
<td>Pakistan</td>
<td></td>
</tr>
<tr>
<td>Iran</td>
<td>17%</td>
</tr>
<tr>
<td>Germany</td>
<td></td>
</tr>
<tr>
<td>Kuwait</td>
<td></td>
</tr>
<tr>
<td>Russia</td>
<td>95%</td>
</tr>
</tbody>
</table>

Source: Dubai Department of Tourism and Commerce Marketing, ADCB calculations
Banking sector as a whole remains resilient

Banking sector liquidity remains comfortable

Deposit growth stronger than credit growth in 2017

% Change YoY

Credit Growth, y-o-y
Deposit Growth, y-o-y

Government and GREs remain net depositors in 2017

AED bn

GRE Net Deposits
Government Net Deposits
Total Net Deposits

Interbank rates partly reflect improved liquidity conditions

Source: Central Bank of the UAE, ADCB calculations

Consumer confidence remains muted

% of consumers who are positive on job prospects

Source: Nielsen

Economic indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Brent Crude Spot Price, USD p/b</td>
<td>108.8</td>
<td>99.5</td>
<td>52.3</td>
<td>43.7</td>
<td>52.9</td>
<td>54.5</td>
</tr>
<tr>
<td>Average Oil Production, mn bpd</td>
<td>2.76</td>
<td>2.77</td>
<td>2.9</td>
<td>2.96</td>
<td>2.89</td>
<td>2.91</td>
</tr>
<tr>
<td>GDP at Current Market Prices, USD bn</td>
<td>390.7</td>
<td>403.5</td>
<td>358.2</td>
<td>349</td>
<td>373.9</td>
<td>397.7</td>
</tr>
<tr>
<td>Real GDP Growth Rate, %</td>
<td>5.8</td>
<td>3.3</td>
<td>3.8</td>
<td>3</td>
<td>3.3</td>
<td>2.5</td>
</tr>
<tr>
<td>Real Non-Oil GDP Growth Rate, %</td>
<td>7</td>
<td>4.6</td>
<td>3.2</td>
<td>2.7</td>
<td>3.1</td>
<td>3.3</td>
</tr>
<tr>
<td>CPI Inflation, % average</td>
<td>1.1</td>
<td>2.3</td>
<td>4.1</td>
<td>1.7</td>
<td>1.9</td>
<td>3.5</td>
</tr>
<tr>
<td>Budget Balance, USD bn</td>
<td>40.4</td>
<td>7.7</td>
<td>(12.1)</td>
<td>(15)</td>
<td>(11)</td>
<td>(6.6)</td>
</tr>
<tr>
<td>Budget Balance, % of GDP</td>
<td>10.3</td>
<td>1.9</td>
<td>(3.4)</td>
<td>(4.3)</td>
<td>(2.9)</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Trade Balance, USD billion</td>
<td>141</td>
<td>108.4</td>
<td>76.6</td>
<td>65</td>
<td>72.4</td>
<td>75.4</td>
</tr>
<tr>
<td>Current Account, % of GDP</td>
<td>19</td>
<td>13</td>
<td>4.7</td>
<td>2</td>
<td>3</td>
<td>3.1</td>
</tr>
<tr>
<td>Growth in Credit to the Private Sector, %</td>
<td>4.2</td>
<td>11.7</td>
<td>8.3</td>
<td>5.8</td>
<td>2.5</td>
<td>5.4</td>
</tr>
</tbody>
</table>

Inclusive of VAT impact
Source: UAE National Bureau of Statistics, UAE Central Bank, IMF, ADCB estimates
UAE property overview

Abu Dhabi contraction in rental and sale prices

% change y-o-y

Abu Dhabi sale prices

% change y-o-y

Abu Dhabi rental prices

Source: Reidin, ADCB calculations

Falls in Dubai property sale prices contained in 2017

% change y-o-y

Dubai sale prices

% change y-o-y

Dubai rental prices

Source: Reidin, ADCB calculations
Business overview
ADC Franchise

Ownership structure¹

- Abu Dhabi Investment Council (ADIC) 62.52%
- Free float - Foreign investors 14.88%
- Free float - Domestic 22.60%

Market cap: AED37,426 million (25 October 2017)

Branch network

Domestic branches
- Abu Dhabi: 21
- Dubai: 12
- Others: 14
Total¹: 47

ATMs: 350

International presence:
- Representative office in London and a Jersey Branch
- 2 branches in India
- Representative office in Singapore

¹ Excludes 3 pay offices

Ratings re-affirmed in 2017

- S&P: A/A-1/Stable
- Fitch: A+/F1/Stable
- RAM: AAA/P1/Stable

Market share by loans and deposits²

- Net loans (2016:10.8%)
- Deposits (2016:9.9%)

² Source: UAE Central Bank, September 2017

Following our buyback program concluded in January 2015, the Bank has cancelled 397,366,172 treasury shares. The new issued share capital is AED5,198,231,209 (Effective 8 January 2017)

Branch network

Domestic branches
- Abu Dhabi: 21
- Dubai: 12
- Others: 14
Total¹: 47

ATMs: 350

International presence:
- Representative office in London and a Jersey Branch
- 2 branches in India
- Representative office in Singapore

¹ Excludes 3 pay offices

Ratings re-affirmed in 2017

- S&P: A/A-1/Stable
- Fitch: A+/F1/Stable
- RAM: AAA/P1/Stable

Market share by loans and deposits²

- Net loans (2016:10.8%)
- Deposits (2016:9.9%)

² Source: UAE Central Bank, September 2017

Following our buyback program concluded in January 2015, the Bank has cancelled 397,366,172 treasury shares. The new issued share capital is AED5,198,231,209 (Effective 8 January 2017)
Core strengths

Highlights

- Remain UAE centric and well positioned to benefit from the long-term growth prospects of the UAE economy

- Supportive principal shareholders, Abu Dhabi Investment Council owns 62.52% of the issued share capital

- Strong domestic franchise, with a well known brand and world class cash management solutions and products

- Selective international presence and strategic partnerships (Bank of America Merrill Lynch)

- Strong risk management culture

- Experienced and stable management team with a wealth of experience in international and regional institutions
Leading Through Customer Centricity

**Highlights (2016)**

- **Continue to invest in technology**
  - Opened first digital banking centre “uBank”
  - Growing internet and mobile banking usage, 51% for internet banking and 65% for mobile banking
  - VoicePass, multi-lingual voice authentication system has over 64,000 registered users
  - 16.4 million payments processed, with a value of (AED1.7 trillion), an increase of 19% year on year, with 93% straight through processing (STP) for electronic payments

- **Award winning cash management platform**
  - Received the “Five Star” status by Euromoney for our world-class cash management platform, based on extensive survey of client feedback, an accolade fewer than ten banks have earned worldwide

- **Strong brand**
  - Recognised as number 1 “Financial Services Brand” in the UAE according to MBLM Brand Intimacy Report in 2016 and amongst the “Top 10 Most powerful brands” in the Middle East by Brand Finance

- **Over 90% of retail financial transactions are conducted electronically**

**UAE Top 10 Financial Services Brands (2016)**

<table>
<thead>
<tr>
<th>Brands</th>
<th>Quotient</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADCB</td>
<td>49.3</td>
</tr>
<tr>
<td>Emirates NBD</td>
<td>41.1</td>
</tr>
<tr>
<td>UAE Exchange</td>
<td>37.5</td>
</tr>
<tr>
<td>VISA</td>
<td>36.4</td>
</tr>
<tr>
<td>NABD</td>
<td>30.6</td>
</tr>
<tr>
<td>Mashreq</td>
<td>29.2</td>
</tr>
<tr>
<td>Al Arabi Exchange</td>
<td>29.1</td>
</tr>
<tr>
<td>WU</td>
<td>24.6</td>
</tr>
<tr>
<td>Mashreq</td>
<td>24.2</td>
</tr>
</tbody>
</table>

**The 10 Most Powerful Brands in the Middle East (2016)**

![Brand Finance](source)

Source: Brand Finance

Over 90% of retail financial transactions are conducted electronically.

Creating the most valuable and resilient bank in the UAE

1. UAE- Centric
   - Generate sustainable profit growth through a UAE centric approach

2. Sustainable growth
   - Sustainability through liability growth and funding diversification

3. Customer centric
   - Superior customer experience through service excellence

4. Risk-aware
   - Effective risk taking and management in line with a predefined risk appetite

5. Digitisation
   - Exploitation of digital for growth and efficiency - leveraging data analytics

Attracting and rewarding the best talent with incentives aligned with strategic objectives

Agile organisation and innovative culture
Strong underlying performance by each business segment

Operating profit and impairment allowances by business segment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Banking</td>
<td>1,634</td>
<td>1,689</td>
<td>(690)</td>
<td>(851)</td>
<td>(690)</td>
<td>(851)</td>
<td>(690)</td>
<td>(851)</td>
</tr>
<tr>
<td>Wholesale Banking</td>
<td>1,409</td>
<td>1,448</td>
<td>1,038</td>
<td>1,147</td>
<td>1,038</td>
<td>1,147</td>
<td>1,038</td>
<td>1,147</td>
</tr>
<tr>
<td>Treasury &amp; Investments</td>
<td>19</td>
<td>19</td>
<td>176</td>
<td>153</td>
<td>176</td>
<td>153</td>
<td>176</td>
<td>153</td>
</tr>
<tr>
<td>Property Management</td>
<td>19</td>
<td>19</td>
<td>176</td>
<td>153</td>
<td>176</td>
<td>153</td>
<td>176</td>
<td>153</td>
</tr>
</tbody>
</table>

Percentage contribution to operating income

- **Consumer banking** - 47%
- **Wholesale banking** - 30%
- **Treasury & investments** - 46%
- **Property management** - 31%

Operating profit for Consumer Banking was up 3% at AED1,689 million in 9M'17, whilst impairment allowances increased to AED851 million from AED690 million in 9M'16, reflective of the ongoing market conditions.

Operating profit for Wholesale Banking was also up 3% at AED1,448 million, whilst impairment allowances were 8% lower year on year at AED381 million in 9M'17.

**Highlights**

- Covers full range of Retail, Islamic and Private Banking product suite, including Asset Management services and offshore banking
- Full range of credit and debit cards, including merchant acquiring services and co-branded cards with Etihad Airways and Lulu - one of the largest supermarkets chains in UAE
- Serves SMEs, mid-corporates, large corporations, financial institutions, public enterprises and government institutions
- Award winning world class cash management services and solutions
- Strong digital online transaction banking platform
- Manages liquidity and financial market transactions with counterparties including central banks and sovereign wealth funds
- Covers money market, FX, interest rates, currency, commodity derivatives and asset & liability management
- Comprises property management and engineering services through subsidiaries Abu Dhabi Commercial Proprieties and Abu Dhabi Commercial Engineering Services
- Management of investment properties and ADCB rental income

- Operating profit for Consumer Banking was up 3% at AED1,689 million in 9M'17, whilst impairment allowances increased to AED851 million from AED690 million in 9M'16, reflective of the ongoing market conditions
- Operating profit for Wholesale Banking was also up 3% at AED1,448 million, whilst impairment allowances were 8% lower year on year at AED381 million in 9M'17
Financial highlights
## Balance sheet highlights

### Balance sheet (AED mn)

<table>
<thead>
<tr>
<th></th>
<th>Sep’17</th>
<th>Dec’16</th>
<th>Change %</th>
<th>June’17</th>
<th>Sep’16</th>
<th>QoQ</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>259,599</td>
<td>258,289</td>
<td>1</td>
<td>259,239</td>
<td>254,679</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Net loans and advances</td>
<td>165,988</td>
<td>158,458</td>
<td>5</td>
<td>164,251</td>
<td>161,562</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Investment securities</td>
<td>42,247</td>
<td>33,059</td>
<td>28</td>
<td>40,905</td>
<td>25,750</td>
<td>3</td>
<td>64</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>163,122</td>
<td>155,442</td>
<td>5</td>
<td>161,779</td>
<td>153,353</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Borrowings (including ECP)</td>
<td>44,724</td>
<td>46,744</td>
<td>(4)</td>
<td>43,615</td>
<td>46,185</td>
<td>3</td>
<td>(3)</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>31,566</td>
<td>30,351</td>
<td>4</td>
<td>30,503</td>
<td>29,602</td>
<td>3</td>
<td>7</td>
</tr>
</tbody>
</table>

### Year to date trend

- Total assets grew 1% to AED260 billion, interbank placements reduced by AED14 billion, while investments increased AED9 billion, mainly driven by an increase in government bonds.

### QoQ and YoY trend

- Net loans increased by 5% to AED166 billion; WBG loans +6% and CBG loans +3%.

- Customer deposits increased by 5% to AED163 billion, CASA deposits +8% (AED5 billion), while Murabaha deposits +36% (AED2 billion).

- CASA deposits comprise 43% of total customer deposits.

- Islamic Banking remains a key area of focus, net Islamic financing asset of AED21 billion, up +14%, Islamic deposits of AED15 billion, up +22%.

- Loan to deposit ratio stable at 101.8% compared to 101.9% as at 31 December 2016.

- Borrowings of AED45 billion comprise 20% total liabilities, Euro commercial paper balances of AED4.4 billion decreased 49%.

Figures may not add up due to rounding differences.
### Income statement highlights

#### Year to date trend

<table>
<thead>
<tr>
<th>Income statement (AED mn)</th>
<th>9M'17</th>
<th>9M'16</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net interest and Islamic financing income</td>
<td>4,983</td>
<td>4,628</td>
<td>8</td>
</tr>
<tr>
<td>Non-interest income</td>
<td>1,602</td>
<td>1,697</td>
<td>(6)</td>
</tr>
<tr>
<td>Operating income</td>
<td>6,585</td>
<td>6,324</td>
<td>4</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(2,147)</td>
<td>(2,067)</td>
<td>4</td>
</tr>
<tr>
<td>Operating profit before impairment allowance</td>
<td>4,437</td>
<td>4,257</td>
<td>4</td>
</tr>
<tr>
<td>Impairment allowances</td>
<td>(1,232)</td>
<td>(1,083)</td>
<td>14</td>
</tr>
<tr>
<td>Net profit for the period</td>
<td>3,206</td>
<td>3,153</td>
<td>2</td>
</tr>
</tbody>
</table>

#### Quarterly trend

<table>
<thead>
<tr>
<th>Year to date trend</th>
<th>Q3’17</th>
<th>Q2’17</th>
<th>Q3’16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net interest and Islamic financing income</td>
<td>1,677</td>
<td>1,675</td>
<td>1,528</td>
</tr>
<tr>
<td>Non-interest income</td>
<td>569</td>
<td>434</td>
<td>541</td>
</tr>
<tr>
<td>Operating income</td>
<td>2,247</td>
<td>2,109</td>
<td>2,070</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(736)</td>
<td>(671)</td>
<td>(663)</td>
</tr>
<tr>
<td>Operating profit before impairment allowance</td>
<td>1,511</td>
<td>1,438</td>
<td>1,406</td>
</tr>
<tr>
<td>Impairment allowances</td>
<td>(418)</td>
<td>(427)</td>
<td>(380)</td>
</tr>
<tr>
<td>Net profit for the period</td>
<td>1,092</td>
<td>1,008</td>
<td>1,006</td>
</tr>
</tbody>
</table>

#### Change %

<table>
<thead>
<tr>
<th>Year to date trend</th>
<th>QoQ</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net interest and Islamic financing income</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Non-interest income</td>
<td>31</td>
<td>5</td>
</tr>
<tr>
<td>Operating income</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Operating profit before impairment allowance</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Net profit for the period</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>

### Highlights

#### 9M’17 vs. 9M’16

- Net profit of AED3,206 million, up +2%
- Net interest income of AED4,983 million, up +8%, driven by higher volumes
- Non-interest income of AED1,602 million, down -6%, primarily on account of weaker trading income driven by lower volatility against a very strong prior year
- Operating income of AED6,585 million, up +4%, operating expenses of AED2,147 million, also up +4%, resulted in a stable cost to income ratio of 32.6%
- Impairment allowance of AED1,232 million, up +14%. While recoveries remained strong, current year saw lower impairment allowance releases compared to last year

#### Q3’17 vs. Q3’16

- Net profit of AED1,092 million, up +9%
- Net interest income of AED1,677 million, up +10%
- Non-interest income of AED569 million, up +5% year on year, on account of stronger FX income and higher fee & commission income
- Operating income of AED2,247 million, up +9% driven by an increase in both net interest income and non interest income
- Operating profit before impairment allowances of AED1,511 million, up +7%

Figures may not add up due to rounding differences
Stable key performance indicators

Net profit:

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>9M'16</th>
<th>9M'17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,006</td>
<td>1,004</td>
<td>1,105</td>
<td>1,008</td>
<td>1,092</td>
<td>3,153</td>
<td>3,206</td>
</tr>
</tbody>
</table>

Earnings per share (AED):

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>9M'16</th>
<th>9M'17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.18</td>
<td>0.19</td>
<td>0.20</td>
<td>0.19</td>
<td>0.20</td>
<td>0.58</td>
<td>0.59</td>
</tr>
</tbody>
</table>

Return on average equity (%):

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>9M'16</th>
<th>9M'17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14.7%</td>
<td>15.4%</td>
<td>16.1%</td>
<td>15.5%</td>
<td>14.9%</td>
<td>16.0%</td>
<td>15.1%</td>
</tr>
</tbody>
</table>

Return on average assets (%):

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>9M'16</th>
<th>9M'17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.49%</td>
<td>1.56%</td>
<td>1.60%</td>
<td>1.55%</td>
<td>1.55%</td>
<td>1.66%</td>
<td>1.57%</td>
</tr>
</tbody>
</table>

9M'17 average equity: AED27 billion
9M'17 average assets: AED259 billion

+7% AED2 billion
+7% AED18 billion
Balance sheet metrics
Resilient balance sheet, healthy and diversified loan growth
Disciplined and selective lending growth in our core geography

**Highlights (YTD comparison)**

- Net loans increased 5% (AED7.5 billion) to AED166 billion, compared to flat system wide¹ growth until September'17
- Gross Islamic financing assets up +14% to AED22 billion
- 94% of loans were within the UAE
- Credit card portfolio of AED4.2 billion, up +10%
- SME portfolio +2%, while MCD loans +27%

**Resilient balance sheet**
**Composition of assets**
Total assets: AED259,599 mn

<table>
<thead>
<tr>
<th>Category</th>
<th>Dec'16</th>
<th>Sep'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loans and advances</td>
<td>158,458</td>
<td>165,988</td>
</tr>
<tr>
<td>Cash and balances with CB</td>
<td>87,011</td>
<td>92,628</td>
</tr>
<tr>
<td>Deposits and balances due from banks</td>
<td>71,446</td>
<td>73,360</td>
</tr>
</tbody>
</table>

**Portfolio exposure geared to Abu Dhabi and Dubai**

<table>
<thead>
<tr>
<th>Region</th>
<th>Dec'16</th>
<th>Sep'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abu Dhabi</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>Dubai</td>
<td>31%</td>
<td></td>
</tr>
<tr>
<td>Outside UAE</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Other Emirates</td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>

Well diversified by business segment, with focus on Retail, SME and MCD

<table>
<thead>
<tr>
<th>Segment</th>
<th>Dec'16</th>
<th>Sep'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBG</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>WBG</td>
<td>56%</td>
<td></td>
</tr>
<tr>
<td>SME</td>
<td>44%</td>
<td></td>
</tr>
<tr>
<td>MCD</td>
<td>14%</td>
<td></td>
</tr>
</tbody>
</table>

Strong growth in Islamic financing assets (Gross)

<table>
<thead>
<tr>
<th>Month</th>
<th>AED mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec'16</td>
<td>18,876</td>
</tr>
<tr>
<td>Sep'17</td>
<td>21,573</td>
</tr>
</tbody>
</table>

Net loans increased 5% (AED7.5 billion) to AED166 billion, compared to flat system wide¹ growth until September'17

Gross Islamic financing assets up +14% to AED22 billion

94% of loans were within the UAE

Credit card portfolio of AED4.2 billion, up +10%

SME portfolio +2%, while MCD loans +27%

Net loans increased 5% (AED7.5 billion) to AED166 billion, compared to flat system wide¹ growth until September'17

Gross Islamic financing assets up +14% to AED22 billion

94% of loans were within the UAE

Credit card portfolio of AED4.2 billion, up +10%

SME portfolio +2%, while MCD loans +27%

¹ UAE CB September 2017 data for retail credit has been adjusted to reflect accounting adjustments made by Banks to set off the amount of Refinancing against related Personal loans
² Murabaha includes other Islamic financing assets of AED172 million as at 30 Sep 2017 and AED170 million as at 31 Dec 2016
³ Other assets include derivative financial instruments, investments in associate, investment properties, property and equipment (net), intangible assets and reverse repo placements
⁴ Others include agriculture, energy, transport, manufacturing and services
**Highlights (YTD Comparison)**

- Customer deposits increased 5% to AED163 billion, compared to system wide growth of 2.1% until September’17
- Customer deposits as a proportion of total liabilities increased to 72% from 68% over 31 December 2016
- CASA/total customer deposits stable at 43%
- Islamic deposits increased +22% to AED15 billion, primarily attributable to increase in CASA and Wakala deposits
- WBG deposits contracted 3%, resulting from a strategic decision to replace higher cost deposits with alternative customer base/sources

---

**Diversified liability base, with increasing customer deposits**

Total liabilities: AED228,033 mn

Customer deposits: 72%
- 2016: 68%
- Euro commercial paper 2%
- Due to banks 2%
- Other liabilities 4%
- Borrowings 18%
- Derivative financial instruments 2%

---

**Solid growth in CASA deposits, whilst maintaining a stable CASA %**

CASA: 43%
- 2016: 42%
- Time deposits¹
  - 57%

---

**Healthy growth in customer deposits**

<table>
<thead>
<tr>
<th>Dec'16</th>
<th>Sep'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED mn</td>
<td>AED mn</td>
</tr>
<tr>
<td>155,442</td>
<td>163,122</td>
</tr>
<tr>
<td>39,218</td>
<td>45,887</td>
</tr>
<tr>
<td>66,218</td>
<td>64,484</td>
</tr>
<tr>
<td>50,006</td>
<td>52,751</td>
</tr>
</tbody>
</table>

- CBG: +5%
- Treasury: +17%
- WBG: -3%

---

**Customer deposits well diversified by business segment**

Customer deposits: AED163,122 mn

- Consumer Banking 32%
- Wholeale Banking 40%
- Treasury 28%

---

**Strong growth in Islamic deposits¹**

<table>
<thead>
<tr>
<th>Dec'16</th>
<th>Sep'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED mn</td>
<td>AED mn</td>
</tr>
<tr>
<td>11,987</td>
<td>14,682</td>
</tr>
<tr>
<td>5,841</td>
<td>6,380</td>
</tr>
<tr>
<td>3,521</td>
<td>4,691</td>
</tr>
<tr>
<td>2,625</td>
<td>3,610</td>
</tr>
</tbody>
</table>

- Wakala deposits
- Current account deposits
- Mudaraba savings deposits

¹ Wakala deposits include Mudaraba term deposits, current account deposits include margin deposits
² Time deposits include long-term government and Murabaha deposits
Wholesale funding and maturity profile
Diversified sources of funding by markets, tenors, currencies and products

Maturity profile as at 30 September 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Repo</th>
<th>MTN/GMTN</th>
<th>Sub debt</th>
<th>Syndicated loans</th>
<th>Bilateral loans</th>
<th>CD</th>
<th>ECP</th>
<th>Wholesale funding including Euro commercial paper</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>4,524</td>
<td>632</td>
<td>791</td>
<td>1,027</td>
<td>2,074</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>9,300</td>
<td>296</td>
<td>2,751</td>
<td>1,286</td>
<td>1,872</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>11,811</td>
<td>6,316</td>
<td>733</td>
<td>2,926</td>
<td>1,836</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>4,868</td>
<td>4,868</td>
<td>3,489</td>
<td>1,281</td>
<td>98</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021+</td>
<td>202</td>
<td>9,840</td>
<td>4,180</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Wholesale funding as a % of total liabilities

- 2013: 29.7%
- 2014: 36.7%
- 2015: 39.2%
- 2016: 46.7%
- Sep’17: 44.7%

Wholesale funding including Euro Commercial Paper accounted for 20% of total liabilities, providing a stable, long-term and reliable source of funding.

Net lender of AED14 bn* in the interbank markets
(As at 30 Sep 2017)

*Includes AED 8.5 bn of certificate of deposits with central banks
Investment securities, 99% of total portfolio invested in bonds

**Highlights**

- Investment securities of AED42,247 million
- 99% of the total portfolio invested in bonds issued by government, public sector, banks, financial institutions and corporates
- Average life of the investment securities portfolio is 3.2 years
- 74% invested in the UAE and other GCC countries

**Portfolio summary:**

- 55% of the portfolio is invested in Government securities
- Non Government bond portfolio – 45% of total portfolio
  - Rated A- or better: 55%
  - Rated Investment grade (i.e. BBB+ to BBB-): 33%
  - Rated below IG (BB+ and below including unrated): 12%

**Maturity profile of investment securities portfolio (AED mn)**

* Excluding investments in equity and funds

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2029 &amp; after</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>489</td>
<td>5,928</td>
<td>3,655</td>
<td>16,807</td>
<td>6,465</td>
<td>5,541</td>
<td>1,056</td>
<td>133</td>
<td>194</td>
<td>1,226</td>
<td>138</td>
<td>114</td>
</tr>
</tbody>
</table>

**Highlights**

- Investment securities of AED42,247 million
- 99% of the total portfolio invested in bonds issued by government, public sector, banks, financial institutions and corporates
- Average life of the investment securities portfolio is 3.2 years
- 74% invested in the UAE and other GCC countries

**Portfolio summary:**

- 55% of the portfolio is invested in Government securities
- Non Government bond portfolio – 45% of total portfolio
  - Rated A- or better: 55%
  - Rated Investment grade (i.e. BBB+ to BBB-): 33%
  - Rated below IG (BB+ and below including unrated): 12%

**Maturity profile of investment securities portfolio (AED mn)**

* Excluding investments in equity and funds

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2029 &amp; after</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>489</td>
<td>5,928</td>
<td>3,655</td>
<td>16,807</td>
<td>6,465</td>
<td>5,541</td>
<td>1,056</td>
<td>133</td>
<td>194</td>
<td>1,226</td>
<td>138</td>
<td>114</td>
</tr>
</tbody>
</table>

**High quality investment portfolio mainly invested in the UAE and GCC**

By issuer

- Government securities 55%
- Bonds Banks and Fi 22%
- Bonds Public sector 20%
- USA 1%
- Europe 4%
- Asia 18%
- Other GCC Countries 13%

By region

- Domestic 61%
- Rest of the world 3%
- UAE Sovereign 32%
- Others* 3%

* Include corporate bonds, equity instruments and mutual funds

**Total bond portfolio**

Credit ratings as at 30 Sept 2017 (S&P or equivalent of Fitch or Moody's)

- AED41,747 million
- UAE Sovereign 32%
- A+ to A- 19%
- BBB+ to BBB- 17%
- BB+ & below 10%
- Unrated 1%

* UAE Sovereign internal rating mainly in Grade 2 and maps to external rating between AA to A
Stable asset quality metrics
Conservative and prudent approach to risk management

Highlights

- Non-performing loans and provision coverage ratios were 2.9% and 118.7% respectively, compared to 2.7% and 129.9% as at 31 December 2016

- Impairment charges on loans, net of recoveries amounted to AED1,232 million in 9M’17, compared to AED1,115 million in 9M’16

- Recoveries for the nine month period totaled AED206 million compared to AED96 million in 9M’16, while current year saw lower impairment allowance releases compared to the previous year

- Collective impairment allowance balance was AED3,163 million, 1.78% of credit risk weighted assets, above the minimum 1.5% stipulated by the UAE Central Bank

Non-performing loan ratio

<table>
<thead>
<tr>
<th></th>
<th>Dec’16</th>
<th>Sep’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>2.74%</td>
<td>2.88%</td>
</tr>
</tbody>
</table>

Provision coverage ratio

<table>
<thead>
<tr>
<th></th>
<th>Dec’16</th>
<th>Sep’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>69.4%</td>
<td>62.1%</td>
</tr>
<tr>
<td></td>
<td>60.4%</td>
<td>56.6%</td>
</tr>
</tbody>
</table>

Non-performing loans

<table>
<thead>
<tr>
<th></th>
<th>Dec’16</th>
<th>Sep’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>4,600</td>
<td>5,095</td>
</tr>
</tbody>
</table>

Impairment allowances*

<table>
<thead>
<tr>
<th></th>
<th>Dec’16</th>
<th>Sep’17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowances</td>
<td>2,851</td>
<td>2,914</td>
</tr>
</tbody>
</table>

Cost of risk remaining within the 80 basis points range

[Graph showing cost of risk with values 0.80%, 0.83%, 0.78%, 0.81%, 0.81% for Sep’16, Dec’16, March’17, June’17, Sep’17 respectively]
Robust capital ratios and comfortable liquidity levels

**Highlights**

- Total capital adequacy ratio of 18.47% compared to 12% minimum stipulated by the UAE Central Bank
- Tier I ratio of 15.25% (Dec'16:15.66%) and core tier I ratio of 13.29% (Dec'16:13.57%)
- Liquidity coverage ratio of 117% compared to 80% minimum stipulated by the UAE Central bank
- Liquidity ratio of 23.4%, 2.6% lower over Dec'16, on account of reduction in interbank placements offset by increase in liquid investments
- Advances to stable resources ratio stood at 86.9% compared to 94.8% in Dec'16

**Risk weighted assets**

- Dec'16: 191 AED bn
- Sep'17: 204 AED bn

**Tier I capital ratio**

- Dec'16: 15.66%
- Mar'17: 14.55%
- June'17: 14.84%
- Sep'17: 15.25%

**Tier 2 capital ratio**

- Dec'16: 3.26%
- Mar'17: 3.28%
- June'17: 3.23%
- Sep'17: 3.22%

**Capital adequacy ratio (Basel II)**

- Dec'16: 18.92%
- Mar'17: 17.83%
- June'17: 18.07%
- Sep'17: 18.47%

**Liquidity coverage ratio**

- Dec'16: 129%
- Sep'17: 117%

**Liquidity ratio**

- Dec'16: 26.0%
- Sep'17: 23.4%

**Investment securities**

- Dec'16: 33,059 AED mn
- Sep'17: 42,247 AED mn

*Liquid assets include cash and balances with Central Banks, deposits and balances due from banks, reverse repo placements, trading securities, and liquid investments (excluding unquoted investments)*
Income statement metrics
Stable cost of funds despite rising benchmark rates

**Highlights**

- Interest and Islamic financing income of AED7,307 million increased 14% over 9M'16, mainly driven by higher volumes. The prior year benefited from interest in suspense reversals, which were not repeated in 2017.

- Interest expense of AED2,324 million increased 29% over 9M'16, due to declining LTD ratio and move towards longer tenor funding.

- Average interest earning assets increased 12.4% and average interest bearing liabilities increased 12.6% over the prior year.

- YTD NIM of 2.89% and cost of funds of 1.46%, stable for the last three quarters despite the rising benchmark rates.

**Strong top line growth, 9M'17 net interest income +8% YoY**

<table>
<thead>
<tr>
<th></th>
<th>Q3'16</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>9M'16</th>
<th>9M'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED mn</td>
<td>1,528</td>
<td>1,675</td>
<td>1,677</td>
<td>4,628</td>
<td>4,983</td>
</tr>
<tr>
<td>(AED mn)</td>
<td>(667)</td>
<td>(784)</td>
<td>(781)</td>
<td>(1,796)</td>
<td>(2,324)</td>
</tr>
</tbody>
</table>

**CASA and time deposits**

<table>
<thead>
<tr>
<th></th>
<th>Sep'16</th>
<th>Dec'16</th>
<th>Sep'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED bn</td>
<td>88.7</td>
<td>90.5</td>
<td>70.1</td>
</tr>
<tr>
<td></td>
<td>64.7</td>
<td>65.0</td>
<td>93.1</td>
</tr>
</tbody>
</table>

**Stable cost of funds, despite rising benchmark rates**

<table>
<thead>
<tr>
<th></th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of funds (%)</td>
<td>1.34%</td>
<td>1.34%</td>
<td>1.40%</td>
<td>1.46%</td>
<td>1.47%</td>
</tr>
<tr>
<td>Average 3M EIBOR (%)</td>
<td>1.17%</td>
<td>0.92%</td>
<td>1.07%</td>
<td>1.20%</td>
<td>1.31%</td>
</tr>
<tr>
<td>Average 3M LIBOR (%)</td>
<td>1.45%</td>
<td>1.49%</td>
<td>1.48%</td>
<td>1.54%</td>
<td>1.47%</td>
</tr>
</tbody>
</table>

**NIMs well maintained, increasing asset yields**

<table>
<thead>
<tr>
<th></th>
<th>Q3'16</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
<th>Q4'16</th>
<th>Q1'17</th>
<th>Q2'17</th>
<th>Q3'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yield on interest earning assets (%)</td>
<td>2.85%</td>
<td>2.85%</td>
<td>2.86%</td>
<td>2.89%</td>
<td>2.92%</td>
<td>4.10%</td>
<td>4.21%</td>
<td>4.20%</td>
<td>4.25%</td>
</tr>
<tr>
<td>Net interest margin (%)</td>
<td>3.02%</td>
<td>2.85%</td>
<td>2.86%</td>
<td>2.89%</td>
<td>2.92%</td>
<td>4.10%</td>
<td>4.21%</td>
<td>4.20%</td>
<td>4.25%</td>
</tr>
</tbody>
</table>
Healthy top line growth, diversified revenue stream

Highlights

- Non-interest income of AED1,602 million was 6% lower over 9M’16, primarily on account of weaker trading income this year compared to strong FX gains recorded last year.

- 9M’17 net fee and commission income grew 3% year on year to AED1,130 million, mainly driven by higher card related and loan processing fees.

- For the quarter, non-interest income of AED569 million was up 5% over Q3’16, on account of stronger FX income and higher fee & commission income.

Fees and commission growth momentum maintained (Gross)

9M’16
AED1,410 mn

9M’17
AED1,531 mn

+9% YoY

Card related fees  Loan processing fees  Trade finance commission

Insurance commission, Asset management and investment services  Others¹

Non-interest income of AED1,602 million was 6% lower over 9M’16, primarily on account of weaker trading income this year compared to strong FX gains recorded last year.

9M’17 net fee and commission income grew 3% year on year to AED1,130 million, mainly driven by higher card related and loan processing fees.

For the quarter, non-interest income of AED569 million was up 5% over Q3’16, on account of stronger FX income and higher fee & commission income.

YTD non-interest income impacted by lower trading income

9M’17 operating income +4% YoY
Stable growth in revenues, despite lower non-interest income

9M’16 9M’17
AED mn

Q3’16 2,070 1,528
Q2’17 2,109 1,675
Q3’17 2,247 1,677

+9%  +4%

6,324 6,585

1,697 1,602

4,628 4,983

+5%  -6%

569 569

63 63

131 131

204 204

269 269

Q3’16 Q2’17 Q3’17

AED mn

Q3’16 202 222 222
Q2’17 434 382 382
Q3’17 541 569 569

AED mn

Net fees and commission income  Net trading income  Other operating income

² Others include brokerage, fees from accounts related activities and other fees
Disciplined cost management and stable cost to income ratio

Operating expenses continue to be well managed

Stable cost to income ratio

<table>
<thead>
<tr>
<th></th>
<th>9M’16</th>
<th>9M’17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9M’17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses of AED2,147 million was up +4% year on year, and in line with revenue growth, resulting in a stable cost to income ratio of 32.6% compared to 32.7% in 9M’16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff expenses for 9M’17 remained stable at AED1,248 million and comprised 58% of total operating expenses compared to 60% in 9M’16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9M’17 other operating expenses of AED779 million was up 10% over the prior year, primarily attributable to the Bank’s on-going investments in improved system, capabilities and digital technology to enhance operational efficiency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Successfully completed the migration and consolidation of our core banking system, following two years of complex programming, testing and training</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Numbers may not add up due to rounding
A good quarter, strong YTD performance, with stable key indicators

- Current operating environment remains challenging, muted consumer confidence and weak private sector credit growth

- Improved liquidity conditions, deposit growth continues to outpace credit growth, while Government and GREs remain net depositors

- Both net loans and customer deposits +5% YTD vs. industry wide* flat growth in net loans and +2.1% growth in deposits

- CASA/total customer deposits maintained at 43% of total customer deposits (Dec’16: 42%)

- Investment securities +28% YTD, mainly invested in government bonds

- Net profit of AED3.2bn, +2% YoY and ROE of 15% for the nine month period of 2017

- Operating income of AED6.6bn, +4% YoY, net interest income +8% YoY, despite much lower IIS revenues compared to 2016

- Non-interest income of AED1.6bn, -6% YoY, mainly on account of lower trading income, whilst fees and commission grew 3% YoY

- Cost to income ratio stable at 32.6% vs. 32.7% in 9M’16

- Cost of funds stable over the last 3 quarters despite the rising benchmark rates (9M’17 cost of funds: 1.46%)

- Stable asset quality indicators, cost of risk of 0.81% compared to 0.83% in 2016

*September 2017 data for retail credit has been adjusted to reflect accounting adjustments made by Banks to set off the amount of Refinancing against related Personal loans
Our journey
Our journey: Strong financial performance, delivering long term value for shareholders

**Book value per share (AED)**


**Total shareholder return (%)**

- **ADCB**
  - 1 Year: 11%
  - 5 Year: 214%
  - 7 Year: 453%

- **ADX**
  - 1 Year: 11%
  - 5 Year: 137%
  - 7 Year: 123%

- **ADBF**
  - 1 Year: 7%
  - 5 Year: 134%
  - 7 Year: 134%

Source: Bloomberg: ADCB, ADX: Abu Dhabi Exchange, ADBF: Banking Index
As at 31 December 2016

**Basic earnings per share (AED)**

2010: 0.04, 2011: 0.27*, 2012: 0.45, 2013: 0.59, 2014: 0.74, 2015: 0.93, 2016: 0.77

**Return on average equity (%)**

2010: 1.5%, 2011: 8.9%, 2012: 13.0%, 2013: 15.5%, 2014: 18.1%, 2015: 20.3%, 2016: 15.7%

**Cost of risk (%)**

2010: 2.61%, 2011: 1.73%, 2012: 1.20%, 2013: 0.90%, 2014: 0.48%, 2015: 0.29%, 2016: 0.83%

**Dividend per share (AED)**

2010: 0.0, 2011: 0.20, 2012: 0.25, 2013: 0.30, 2014: 0.40, 2015: 0.45, 2016: 0.40

* Normalised to reflect sale of investment in associate
Our journey: Building on a proven strategy, delivering measured and profitable growth

Net profit (AED billion)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.391</td>
<td>1.731</td>
<td>2.810</td>
<td>3.620</td>
<td>4.201</td>
<td>4.927</td>
<td>4.157</td>
</tr>
</tbody>
</table>

Operating income (AED billion)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>5.000</td>
<td>6.069</td>
<td>6.595</td>
<td>7.320</td>
<td>7.529</td>
<td>8.260</td>
<td>8.495</td>
</tr>
</tbody>
</table>

Operating profit (AED billion)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.351</td>
<td>4.006</td>
<td>4.526</td>
<td>4.961</td>
<td>4.966</td>
<td>5.434</td>
<td>5.700</td>
</tr>
</tbody>
</table>

Impairment allowance charge (AED billion)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.287</td>
<td>2.398</td>
<td>1.710</td>
<td>1.334</td>
<td>0.762</td>
<td>0.502</td>
<td>1.520</td>
</tr>
</tbody>
</table>

* Normalised to reflect sale of investment in associate
Our journey: Strong deposit gathering franchise, focus on growing CASA deposits

Customer deposits (AED billion)

CASA deposits (AED billion)

Total assets (AED billion)

Net loans and advances* (AED billion)

*In June 2016, loans and advances to banks have been reclassified to “Deposits and balances due from banks, net” to better reflect the underlying nature of the business of the borrowers. Accordingly, net loans in 2015 were reclassified to conform to current period’s presentation.
Our journey: Robust capital position, disciplined cost management

Return on average assets (%)

Capital adequacy ratio (%) Basel II

Capital generation (AED million)

Cost to income ratio (%)

- Share buy back
- Dividends paid
- Capital notes coupon paid
- Net profit attributable to equity holders of the Bank
Recognised as a regional leader in corporate governance

- Adhere to the highest standards of corporate governance, reflecting local and international best practices
- Continuously enhance and improve governance principles and framework; emphasising transparency, integrity, accountability and fairness
- Governance structure headed by the Board
- Number of Board committees and management committees oversee and monitor day to day activities of the Bank
- Reporting lines are an important part of governance structure:
  - **Group Chief Risk Officer** is independent and reports to the Board Risk & Credit Committee (BRCC)
  - **Group Chief Internal Auditor** is independent and reports to the Board Audit & Compliance Committee
  - **Group General Counsel and Board Secretary** is independent and has a dual reporting line to the Board and the CEO
- In 2013, Sir Gerry Grimstone was appointed as an independent Adviser to Board of Directors – Chairman of Standard Life and Deputy Chairman of Barclays, to bring an independent perspective to the Bank’s governance
- Aysha Al Hallami, first woman appointed to the Bank’s Board of Directors in 2013, in line with international practices and the Bank’s efforts to promote greater diversity at Board level
Effective risk management is fundamental to our core strategy

Our risk appetite is approved by the Board

Highlights

Credit Risk

- Monitor concentrations on a continuous basis by customer group, industry, geography and by credit profile
- Our discipline credit process resulted in:
  - The portfolio rating improving by one notch in 2016
  - In 2016, the 20 largest customer exposures constituted 35.38% of gross loans compared to 37.01% in 2015
  - NPL and provision coverage ratios were 2.88% and 118.7% respectively as at 30 September 2017

Liquidity and Funding Risk

- Manage LCR at levels higher than mandated by the Basel Committee
- As at 30 September 2017, LCR was 117% compared to UAE CB minimum requirement of 80% (2016 LCR: 129% compared to UAE CB requirement of 70%)
- Funding remains diversified, raised through both retail and wholesale operations. Strive to maintain a large portion of funding as sticky deposits
- Treasury Department ensures access to diverse sources of funding, including long-term funding such as debt securities and subordinated liabilities

Capital Risk

- At 18.47%, capital adequacy ratio remains strong and above UAE Central Bank hurdle rate
- Manage capital adequacy and the use of regulatory capital on a regular basis, employing techniques based on the guidelines developed by the Basel Committee and the CB of the UAE

Regulatory Risk

- Regulatory compliance is closely monitored by the Risk and Audit areas, under the oversight of Board-level committees
- No material incidents of regulatory non-compliance
Customer-first culture
We listen and respond to the needs of our customers

- 2,426 Service recoveries following feedback from a fast feedback loop
- 2,444 Staff trained on service standards and Our Promise
- 46 Live fast feedback loops
- 22,100 Staff provided feedback on internal service providers
- 24 Service quality forums and customer experience working groups
- 114,000 Customers spoken to for feedback
- 24 Customer focus groups undertaken
- 5,177 Mystery shopping surveys
- 236 Studies undertaken on the voice of the customer
- 8 Processes fully re-engineered
2017 Awards

- **Gulf Customer Experience Awards**
  - “Best Business Change or Transformation – Delivery of a Great Customer Experience Through Change” for Operational Excellence Framework ‘SIMPLean’
  - “Best Contact Centre in the Region” for Contact Centre
  - “Best Supply Chain Finance Bank in the Middle East”
  - “Mohammed Bin Rashid Al Maktoum Business Innovation Award”
  - “The Mohammed Bin Rashid Al Maktoum Business Innovation Awards”
  - “Best Contact Centre in the Region” for Contact Centre

- **Global Finance**
  - “Best Trade Finance Bank in The U.A.E”
  - “Five Star Trade Finance provider in Middle East”
  - “Five Star Cash Manager”

- **Euromoney**
  - “Best Insight and Feedback – Listening to Customers to Create an Impact” for Customer Experience and Research
  - “3G CSR Award” in recognition of excellence in transparency, good governance and social responsibility
  - “Five Star Trade Finance provider in the Region (Middle East)”
  - “DEBT CAPITAL MARKETS in UAE” - Real Estate Survey 2017
  - “The Best Annual Report Category in the Middle East”

- **The Global Good Governance Awards (3G Awards)**
  - “Outstanding Award for Business Innovation”

- **Global Islamic Finance Awards (GIFA)**
  - “Islamic Banker of the Year 2017 Award”

- **Wholesale Banking Awards 2017**
  - “UAE Domestic Trade Finance Bank of the Year Award”

- **The 9th Middle East Investor Relations Association (MEIRA) Awards**
  - “Best Investor Relations Website in the Middle East”

- **The Capital Finance International (CFI)**
  - “APCP- Best Property Management Team - UAE 2017”

- **Trade and Forfaiting Review (TFR)**
  - “Best Trade Bank in the Middle East”

- **Euromoney Awards for Excellence**
  - “Outstanding Award for Business Innovation”
  - “Best Bank for Transaction Services in the Middle East”

- **Euromoney**
  - “Five Star Cash Manager”

- **Global Finance**
  - “Innovative Approach to Emiratisation to Deliver Exceptional Customer Experience” for Tamoooha
  - “Best Employee Engagement in Financial Services” for the Human Resources Team
  - “Outstanding Award for Business Innovation”

- **Global Finance**
  - “Best Trade Finance Bank in The U.A.E”
  - “Five Star Trade Finance provider in the Region (Middle East)”

- **Euromoney**
  - “Best Supply Chain Finance Bank in the Middle East”
  - “Outstanding Award for Business Innovation”
## Balance sheet

<table>
<thead>
<tr>
<th>AED million</th>
<th>Sep’17</th>
<th>Dec’16</th>
<th>Change%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with central banks</td>
<td>21,213</td>
<td>19,262</td>
<td>10</td>
</tr>
<tr>
<td>Deposits and balances due from banks, net#</td>
<td>13,361</td>
<td>24,664</td>
<td>(46)</td>
</tr>
<tr>
<td>Reverse-repo placements</td>
<td>229</td>
<td>1,525</td>
<td>(85)</td>
</tr>
<tr>
<td>Investment securities</td>
<td>42,750</td>
<td>33,478</td>
<td>28</td>
</tr>
<tr>
<td>Loans and advances to customers, net</td>
<td>165,988</td>
<td>158,458</td>
<td>5</td>
</tr>
<tr>
<td>Other assets*</td>
<td>16,058</td>
<td>20,903</td>
<td>(23)</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>259,599</strong></td>
<td><strong>258,289</strong></td>
<td><strong>1</strong></td>
</tr>
<tr>
<td>Due to banks</td>
<td>3,668</td>
<td>3,843</td>
<td>(5)</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>163,122</td>
<td>155,442</td>
<td>5</td>
</tr>
<tr>
<td>Euro commercial paper</td>
<td>4,436</td>
<td>8,729</td>
<td>(49)</td>
</tr>
<tr>
<td>Borrowings</td>
<td>40,288</td>
<td>38,015</td>
<td>6</td>
</tr>
<tr>
<td>Other liabilities**</td>
<td>16,519</td>
<td>21,910</td>
<td>(25)</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>228,033</strong></td>
<td><strong>227,938</strong></td>
<td><strong>0</strong></td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>31,566</td>
<td>30,351</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td><strong>259,599</strong></td>
<td><strong>258,289</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>

Note: 
- #Deposits and balances due from banks include AED4.6bn as at Sep 30, 2017 (AED3.6bn as at Dec 31, 2016) of loans to banks that were earlier reported under loans and advances to customers, net. 
- *Other assets include derivative financial instruments, investment in associate, investment properties, property and equipment (net), intangible assets.
- **Other liabilities include derivative financial instruments.
## Income statement

<table>
<thead>
<tr>
<th>AED million</th>
<th>9M’17</th>
<th>9M’16</th>
<th>Change%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income and income from Islamic financing</td>
<td>7,307</td>
<td>6,423</td>
<td>14</td>
</tr>
<tr>
<td>Interest expense and profit distribution</td>
<td>(2,324)</td>
<td>(1,796)</td>
<td>29</td>
</tr>
<tr>
<td><strong>Net interest and Islamic financing income</strong></td>
<td><strong>4,983</strong></td>
<td><strong>4,628</strong></td>
<td><strong>8</strong></td>
</tr>
<tr>
<td>Net fees and commission income</td>
<td>1,130</td>
<td>1,092</td>
<td>3</td>
</tr>
<tr>
<td>Net trading income</td>
<td>269</td>
<td>382</td>
<td>(30)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>204</td>
<td>222</td>
<td>(8)</td>
</tr>
<tr>
<td><strong>Non interest income</strong></td>
<td><strong>1,602</strong></td>
<td><strong>1,697</strong></td>
<td><strong>(6)</strong></td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td><strong>6,585</strong></td>
<td><strong>6,324</strong></td>
<td><strong>4</strong></td>
</tr>
<tr>
<td>Staff expenses</td>
<td>(1,248)</td>
<td>(1,249)</td>
<td>(0)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(779)</td>
<td>(712)</td>
<td>9</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(120)</td>
<td>(106)</td>
<td>13</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td><strong>(2,147)</strong></td>
<td><strong>(2,067)</strong></td>
<td><strong>4</strong></td>
</tr>
<tr>
<td><strong>Operating profit before impairment allowances &amp; taxation</strong></td>
<td><strong>4,437</strong></td>
<td><strong>4,257</strong></td>
<td><strong>4</strong></td>
</tr>
<tr>
<td>Impairment allowances</td>
<td>(1,232)</td>
<td>(1,083)</td>
<td>14</td>
</tr>
<tr>
<td>Share in profit of associate</td>
<td>7</td>
<td>5</td>
<td>NM</td>
</tr>
<tr>
<td>Overseas income tax expense</td>
<td>(6)</td>
<td>(26)</td>
<td>(77)</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td><strong>3,206</strong></td>
<td><strong>3,153</strong></td>
<td><strong>2</strong></td>
</tr>
</tbody>
</table>

**Attributed to:**
- **Equity holders of the Parent**: 3,206
- **Non-controlling interests**: 3,144

**Net Profit**: 3,206
Leading Through
AMBITION + DISCIPLINE