



Leading Through

AMBITION + DISCIPLINE

Abu Dhabi Commercial Bank PJSC

Q2/H1'17 Investor presentation

July 2017

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Macro overview

Business overview

Our journey

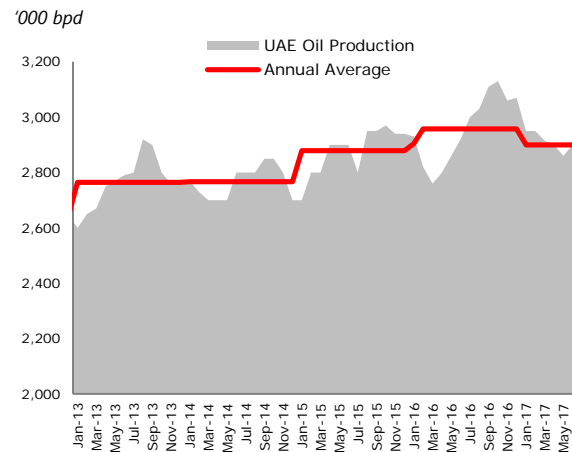
Financial highlights

Appendix

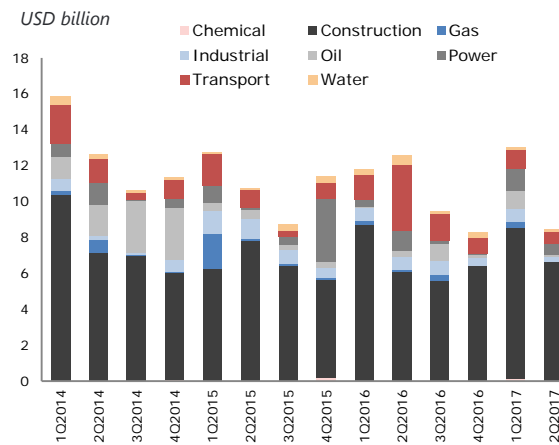
UAE economic overview: Some signs of a pickup, but challenges remain

- ▶ UAE's non-oil economy is forecast to see a moderate pickup in growth in 2017. However, economic challenges remain, including the weak oil price, strong USD and soft regional demand
- ▶ We expect headline real GDP growth to moderate in 2017 as the UAE reduces oil output in 2017, in line with the OPEC agreement. However, oil revenue will increase with a higher average oil price
- ▶ Real non-oil GDP growth is expected to strengthen to 3.1% in 2017, from 2.7% in 2016
- ▶ We expect the focus to remain in fiscal prudence in Abu Dhabi and do not expect to see an increase in government spending. Reforms include further reduction in utility subsidies (Jan 2017)
- ▶ Dubai announced an expansionary budget for 2017, with a focus on investment spending. Dubai saw an 11.6% rise in project awards in 2016 and investment activity around Expo 2020 to increase
- ▶ Key service sectors (tourism, transportation, logistics, etc.) are continuing to see growth, with some signs of gradual pickup so far in 2017.
- ▶ UAE introduces visa on arrival from China, Russia and India* (with US visas or permanent residency) already providing some support to tourism and related sectors
- ▶ UAE annual average inflation to tick up moderate in 2017 with higher fuel prices, before seeing an acceleration in 2018 with the GCC-wide introduction of VAT
- ▶ VAT estimated to raise c. 1.6% of GDP in revenue for the government in the first year

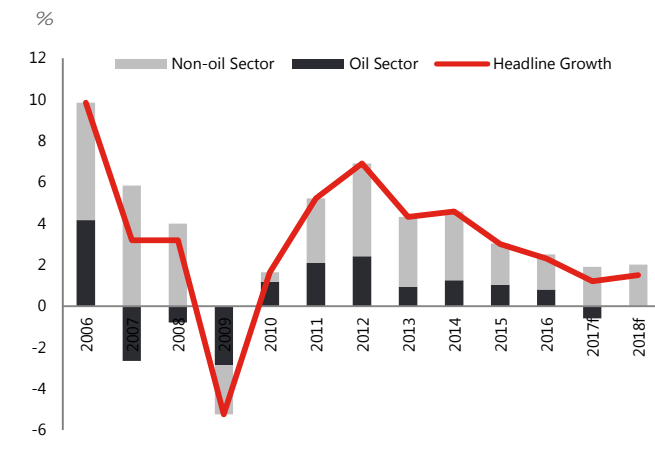
Oil production has to fall from end-2016 with the OPEC-led output cut, deal extended to 1Q2018



Total UAE project awards supported by awards linked to Expo 2020



Positive contribution to headline GDP growth from non-oil sectors, though oil sector to drag



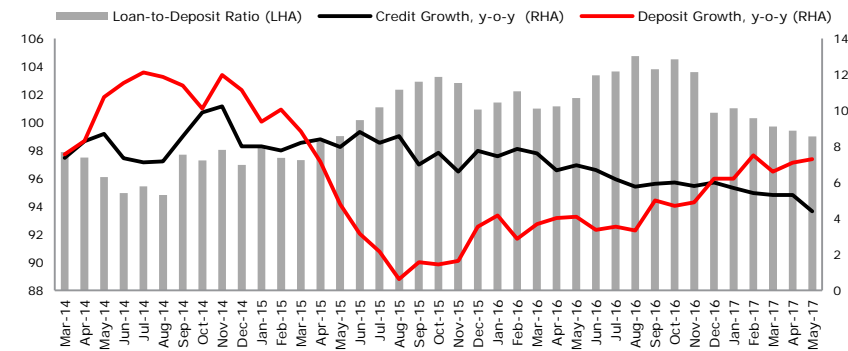
* For US visa and permanent residency holders only

UAE banks overview: Strong deposit growth, improved liquidity conditions

- ▶ The rise in interbank lending rate rises have moderated in 2017 as banking sector liquidity conditions have eased, despite the 50 bps rate hike in the FFTR and UAE repo rate. Funding from the debt capital markets (sovereign and corporate) helped to limited the upside pressure
- ▶ Gross YoY deposit growth outstripped credit growth since December 2016, resulting in improved liquidity conditions in the banking sector
- ▶ Government returned to being a net depositor to the banking sector in December 2016, largely due to a rise in government deposits. Government and GRE sectors (combined) were net depositors to the banking sector in 5M2017
- ▶ Private sector credit growth has steadily slowed to 4.8% YoY in May 2017. The decelerating retail credit growth has been particularly notable, with greater job uncertainties and losses in certain sectors
- ▶ Banking sector is well capitalised, with a CAR of 18.6% and Tier I of 16.9% as at 31 March 2017

Banking sector liquidity has improved from December 2016 as deposit growth outstrips credit growth

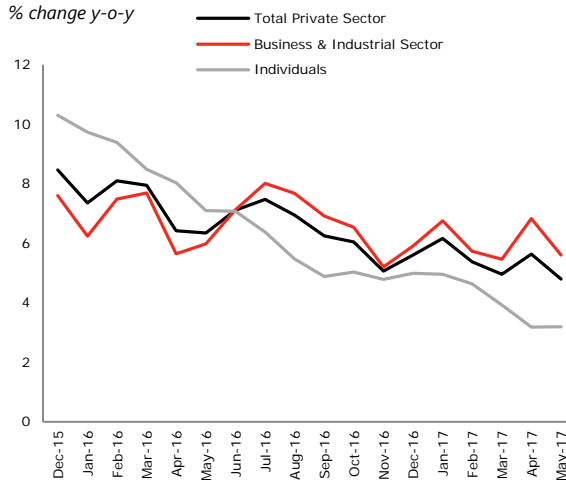
L-to-D ratio (LHA); % change y-o-y (RHA)



Source: Central Bank of UAE

Private sector credit growth continues to decelerate with retail growth particularly seeing a slowdown

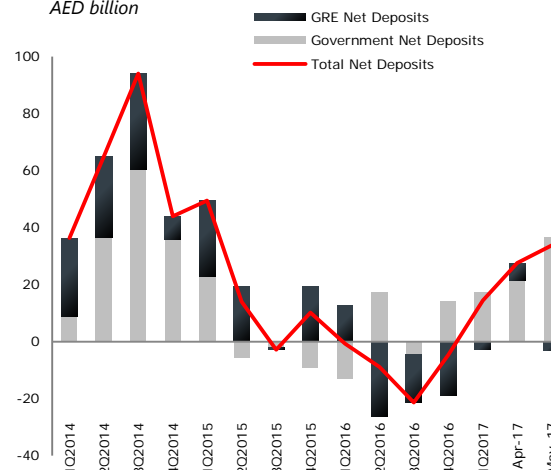
% change y-o-y



Source: Central Bank of UAE

Government has been a net depositor to the banking sector from 4Q2016, central to the improved liquidity

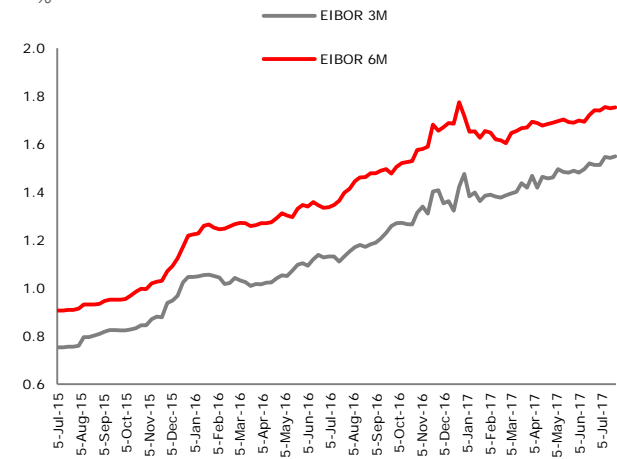
AED billion



Source: Central Bank of UAE

Pace of UAE interbank rate rises have moderated in 2017 and partly reflecting the more comfortable liquidity

%



Source: Bloomberg

Macro overview

Business overview

Our journey

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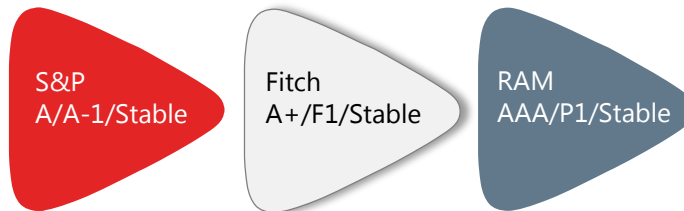
ADCB overview

ADCB franchise	June'17	Dec'16
Market cap (AED billion)	36	36
Branch network (UAE)	48	48
Overseas branches ¹	3	3
Market share of loans, net (%)	11.0*	10.8
Market share of deposits (%)	11.3*	9.9

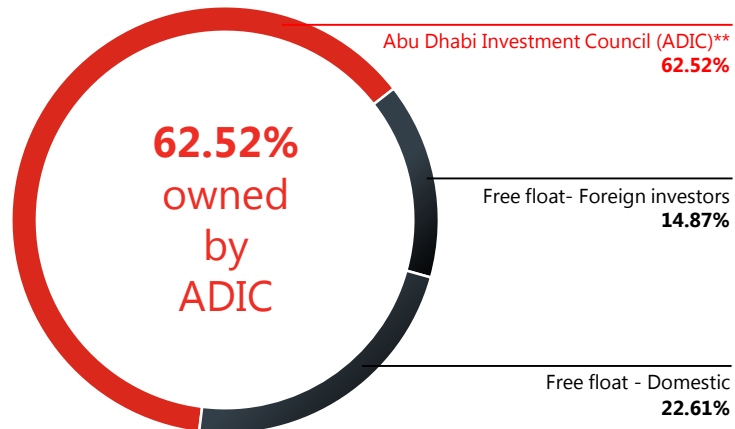
¹ Two branches in India and one branch in Jersey

* UAE Central Bank data available until May'17

Ratings



Ownership structure



** Following our buyback program concluded in January 2015, the Bank has cancelled 397,366,172 treasury shares. The new issued share capital is AED 5,198,231,209 (Effective 8 January 2017)



ADCB Head Office Branch



uBank Digital Centre, Yas Mall

Core strengths (As at 30 June 2017)

Well-placed to benefit from UAE economic growth

Supportive principal shareholders

Strong domestic franchise with a well known and trusted brand

Measured growth, sustainable profitability

Robust capital ratios, stable liquidity & funding profile, healthy asset quality

Experienced management team and strong corporate governance culture

- ▶ Remain positive on UAE's medium term outlook, despite the softening economic activity
- ▶ Diverse economic base and strong FX reserves support the economic outlooks
- ▶ UAE is one of the best placed amongst the global oil exporters to withstand the lower oil price

- ▶ The Government (Abu Dhabi Investment Council) owns 62.52% of the issued share capital
- ▶ Long-standing government related corporate client base

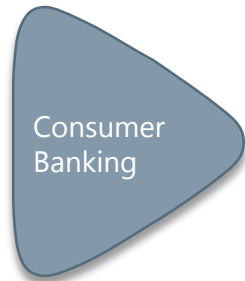
- ▶ Broad portfolio of innovative consumer and wholesale products, customised cash management and trade finance solutions; key enablers for CASA growth
- ▶ Tailor made financing and risk management solutions that facilitate access to capital markets, investment solutions and structured products that meet clients' needs
- ▶ Strategic partnership with Bank of America Merrill Lynch
- ▶ Representative offices in London and Singapore

- ▶ Continue to grow our balance sheet in a granular and prudent manner in our core geography and core businesses
- ▶ Total assets increased 8% and net loans increased 6% year on year
- ▶ Strong underlying performance, healthy top line growth, net interest income +7%, operating income +2% YoY in H1'17
- ▶ Diversified revenue stream, fees and commission income (gross) growth of +6% YoY in H1'17
- ▶ Strong cost discipline, cost to income ratio of 32.5% in H1'17

- ▶ Total CAR of 18.07%, Tier I capital ratio of 14.84% as at 30 June 2017
- ▶ Total customer deposits grew 9% year on year and CASA deposits comprised 44% of total deposits
- ▶ Net lender of AED 12 billion in the interbank markets
- ▶ Strong risk management culture, maintaining a rigorous control framework, NPL ratio of 2.81% and provision coverage ratio of 123.8%

- ▶ Management team has wealth of experience in international and regional institutions
- ▶ Regional leader in corporate governance, maintaining high standards with clear framework and policies emphasising transparency, integrity, accountability and fairness

Our business segments



Consumer Banking

- ▶ Covers retail, wealth management and Islamic operations
- ▶ Growth in consumer banking underpinned by an increased product offering, expansion of sales and distribution infrastructure and effective cross-selling
- ▶ Co-branded Visa Cards with Etihad Airways
- ▶ Touchpoints – Unique market leading rewards programme for customers



Wholesale Banking

- ▶ Serves SMEs, mid-corporates, large corporations, financial institutions, public enterprises and government institutions
- ▶ Responsible for ADCB's 2 Indian branches, Jersey branch and representative offices in London and Singapore
- ▶ Award winning world class cash management services and solutions
- ▶ Strong digital online transaction banking platform
- ▶ Strategic relationship with Bank of America Merrill Lynch



Treasury and Investments

- ▶ Manages liquidity and acts as the gateway for all financial market transactions with all counterparties including central banks and sovereign wealth funds
- ▶ Covers money market, FX, interest rates, currency, commodity derivatives and asset & liability management

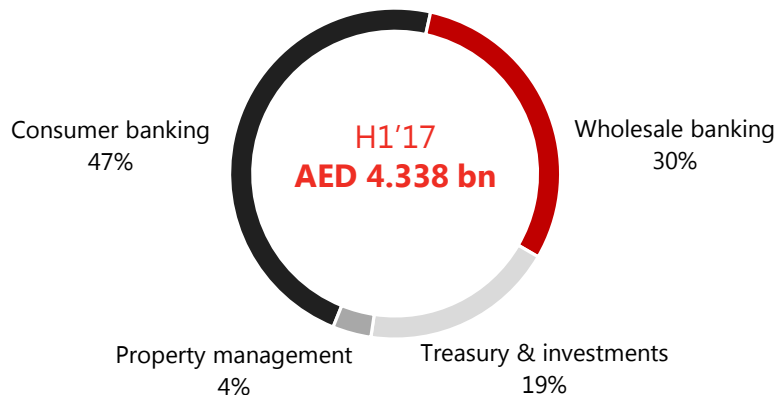


Property Management

- ▶ Includes real estate and property management activities
- ▶ Comprises real estate, 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

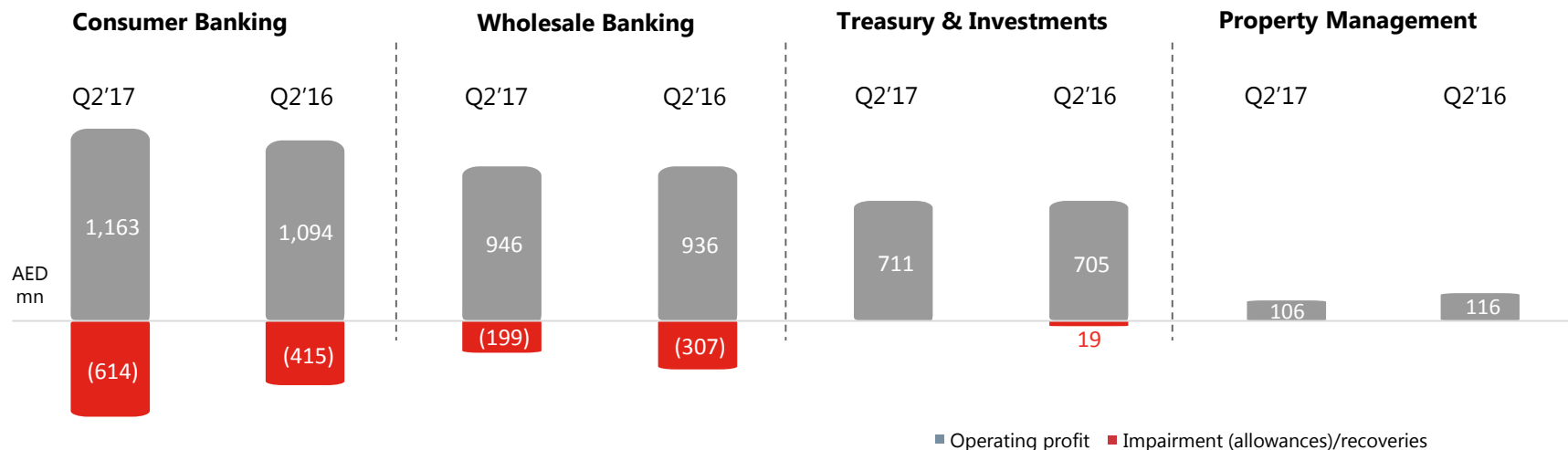
Our business segments provide a diversified revenue stream

Percentage contribution to operating income



- ▶ Each business segment continues to perform well, contributing to the strong underlying performance of the Bank
- ▶ Consumer Banking and Wholesale Banking comprised 47% and 30% of total operating income respectively in H1'17
- ▶ Operating profit for Consumer Banking was up 6% at AED 1.163 billion in H1'17, whilst impairment allowances increased to AED 614 million from AED 415 million in H1'16, due to the challenging economic environment and higher impairment allowance releases recorded in H1'16, which were not repeated in the first half of 2017
- ▶ Operating profit for Wholesale Banking was up 1% at AED 946 million, whilst impairment allowances were 35% lower year on year at AED 199 million in H1'17

Operating profit and impairment allowances by business segment



Leading through: Ambition + Discipline
 Our strategy remains steady and consistent – sharp focus on serving the UAE

Our five strategic pillars

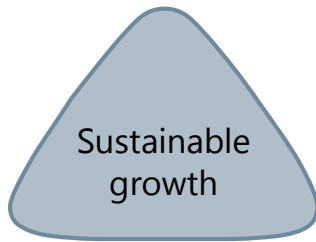
1. Growth through a UAE-centric approach with controlled internationalisation



94%

Gross loans within the UAE

2. Stability through liability growth



44%

CASA deposits/ Total deposits

3. Maintain a culture of service excellence and efficiency



#1

Achieved #1 position among our peers across our Wholesale, Mid Corporate, Treasury, SME, Institutional Clients Group, Private accounts and ADCB Securities segments¹

4. Manage our risk in line with pre-defined risk strategy



0.81%

Cost of risk

5. Success through staff



9 years

Average time span of Executive management

¹ Source: 2016 survey conducted by independent third party research agencies for ADCB customers

Recognised as a regional leader in corporate governance

Highlights

- ▶ 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, which has overall responsibility for guiding the Bank
- ▶ The Bank has a number of Board committees and management committees which 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 PLC, 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
 - In H1'17, NPL and provision coverage ratios were 2.81% and 123.8% respectively

Liquidity and Funding Risk

- ▶ Manage LCR at levels higher than mandated by the Basel Committee
- ▶ As at 30 June 2017, LCR was 110% 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 18.07%, 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
- ▶ There were no material incidents of regulatory non-compliance in 2016

Leading Through Customer Centricity

Highlights

▶ Continue to invest in technology

- Opened our first digital banking centre “uBank” in Yas Mall, Abu Dhabi at the end of 2016
- Adoption and usage of the internet and mobile banking platforms continued to grow, with the percentage of active users reaching 51% for internet banking and 65% for mobile banking
- VoicePass, multi-lingual voice authentication system, has over 64,000 registered users, with 30% active users every month and over 1,100 authentications every day
- In 2016, 16.4 million payments were processed with a value of (AED 1.7 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

Brands	Quotient
 بنك أبوظبي التجاري ADCB	49.3
 Emirates NBD	41.1
 UAEXCHANGE	37.5
 P	36.4
 VISA	30.6
 NBAD	29.2
 ANSARI EXCHANGE	29.1
 WU	24.6
 mashreq	24.2

Source: MBLM
(<http://mblm.com/brandintimacy/industries/financial-services-uae/>)

The 10 Most Powerful Brands in the Middle East

Brand Finance®	
 Emirates	BSI Score 87.3
 zain	BSI Score 81.8
 بنك أبوظبي التجاري ADCB	BSI Score 81.2
 Emirates NBD	BSI Score 79.8
 NBAD	BSI Score 79.3
 etisalat	BSI Score 79.3
 بنك دبي الإسلامي Dubai Islamic Bank	BSI Score 78.7
 سابك SABK	BSI Score 78.5
 QATAR AIRWAYS الخطوط الجوية القطرية	BSI Score 77.6
 du	BSI Score 77.3

Source: Brand Finance

Customer-first culture
We listen and respond to the needs of our customers

2,426

Service recovers following feedback from a fast feedback loop

22,100

Staff provided feedback on internal service providers

114,000

Customers spoken to for feedback

46

Live fast feedback loops

24

Service quality forums and customer experience working groups

2,444

Staff trained on service standards and Our Promise

24

Customer focus groups undertaken

5,177

Mystery shopping surveys

8

Processes fully re-engineered

236

Studies undertaken on the voice of the customer

Macro overview

Business overview

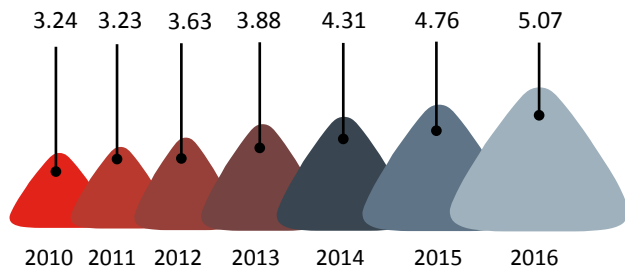
Our journey

Financial highlights

Appendix

Our journey: Strong financial performance, delivering long term value for shareholders

Book value per share (AED)

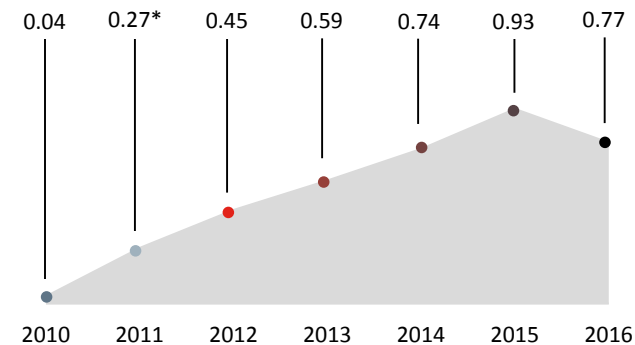


Total shareholder return (%)

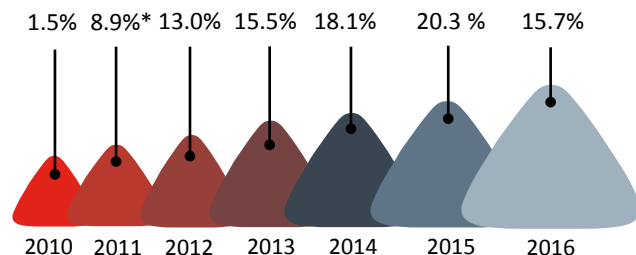
	ADCB	ADX	ADBF
1 Year	11%	11%	7%
5 Year	214%	137%	134%
7 Year	453%	123%	134%

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

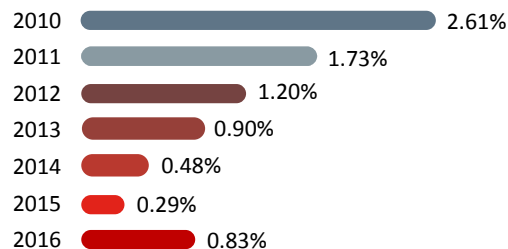
Basic earnings per share (AED)



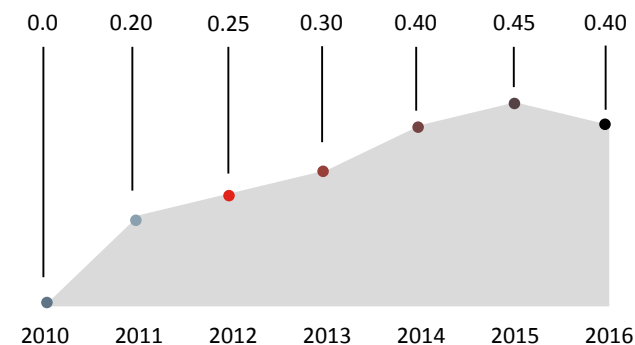
Return on average equity (%)



Cost of risk (%)



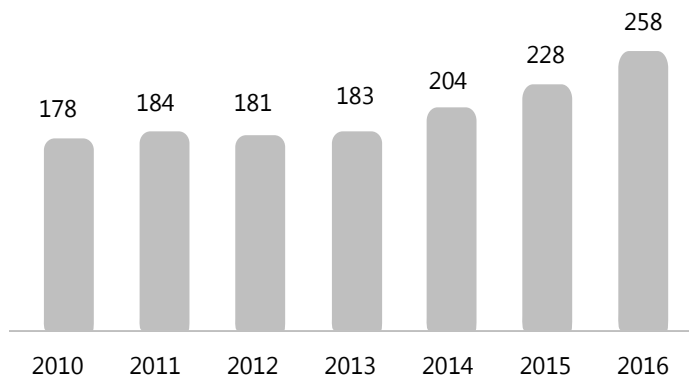
Dividend per share (AED)



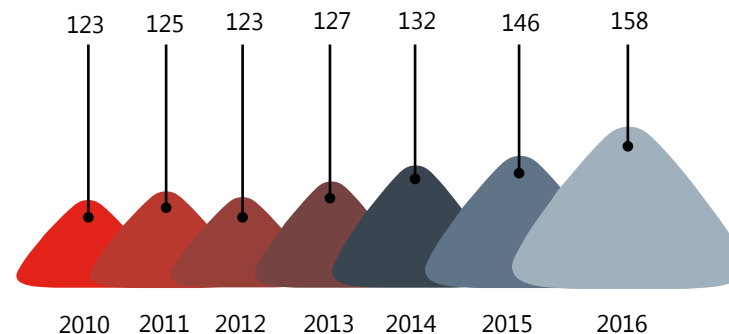
* Normalised to reflect sale of investment in associate

Our journey: Building on a proven strategy, delivering measured and profitable growth

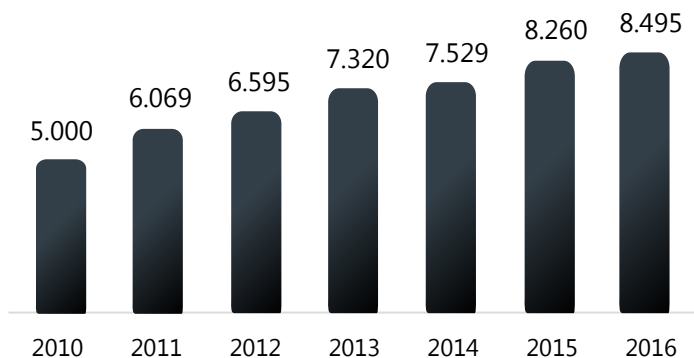
Total assets (AED billion)



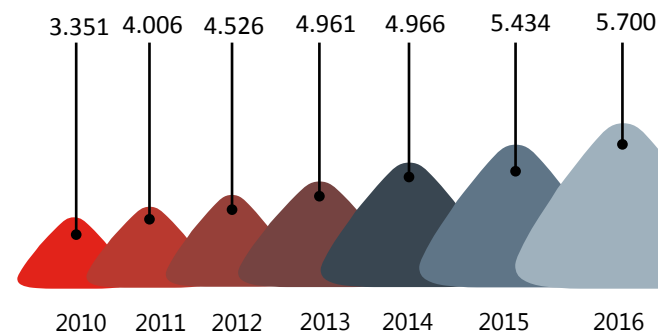
Net loans and advances* (AED billion)



Operating income (AED billion)



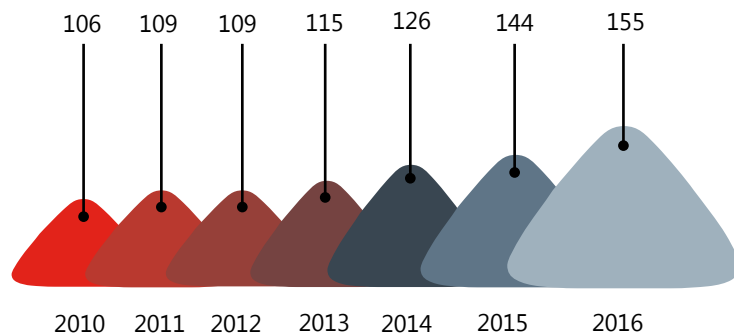
Operating profit (AED billion)



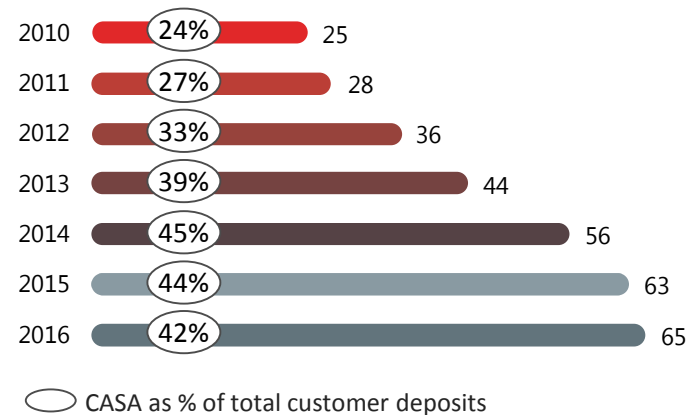
*In June 2016, loans and advances to banks have been reclassified to "Deposits and balances due from banks, net" to better reflect the underlying nature of the business of the borrowers. Accordingly, net loans in 2015 were reclassified to conform to current period's presentation

Our journey: Strong deposit gathering franchise, focus on growing CASA deposits

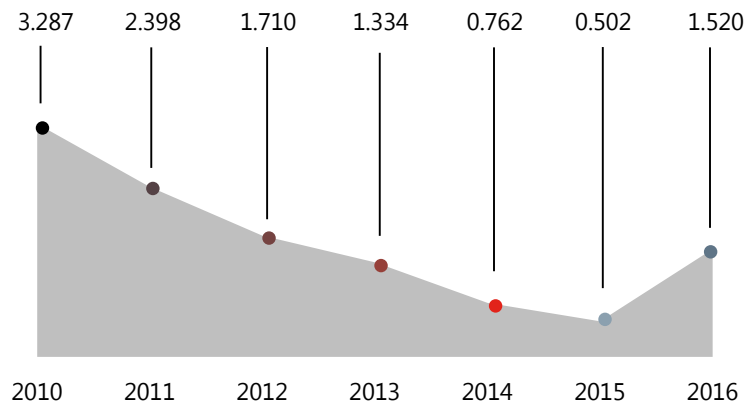
Customer deposits (AED billion)



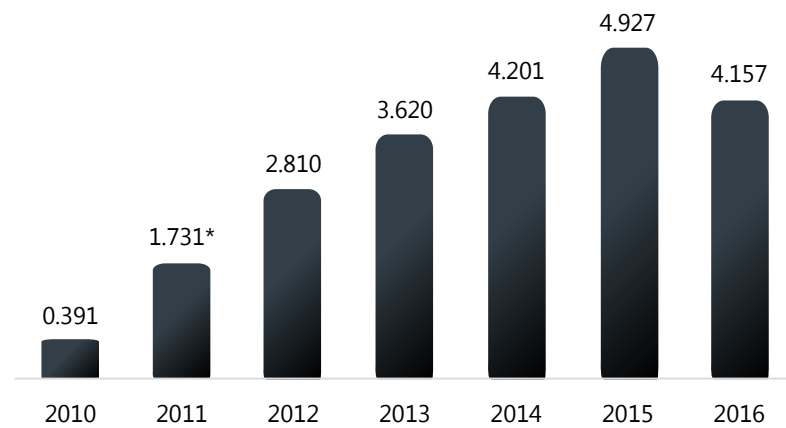
CASA deposits (AED billion)



Impairment allowance charge (AED billion)



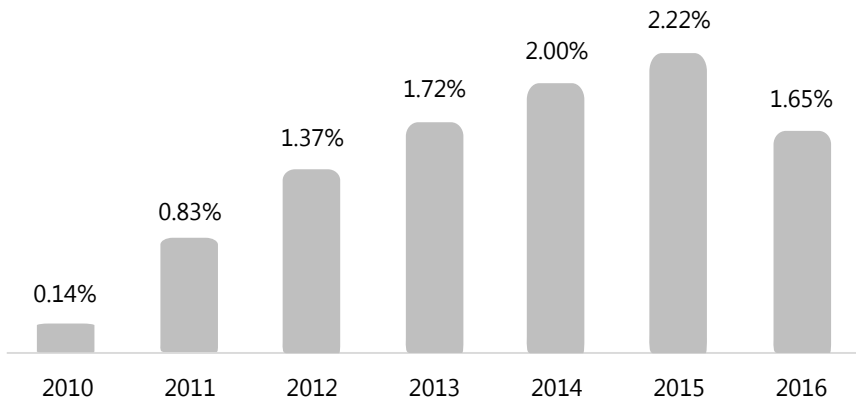
Net profit (AED billion)



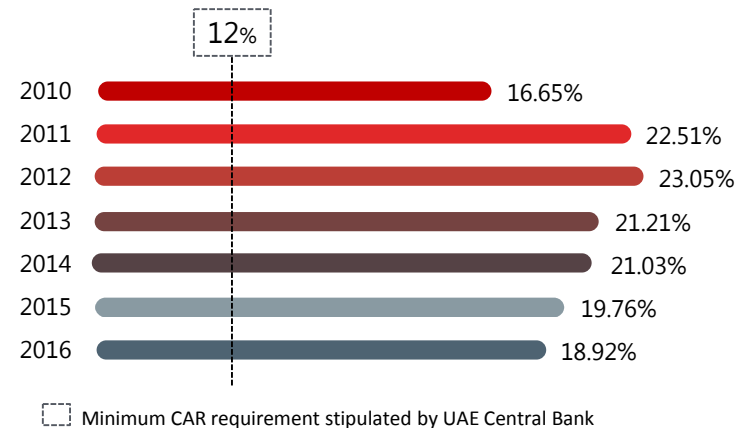
* Normalised to reflect sale of investment in associate

Our journey: Robust capital position, disciplined cost management

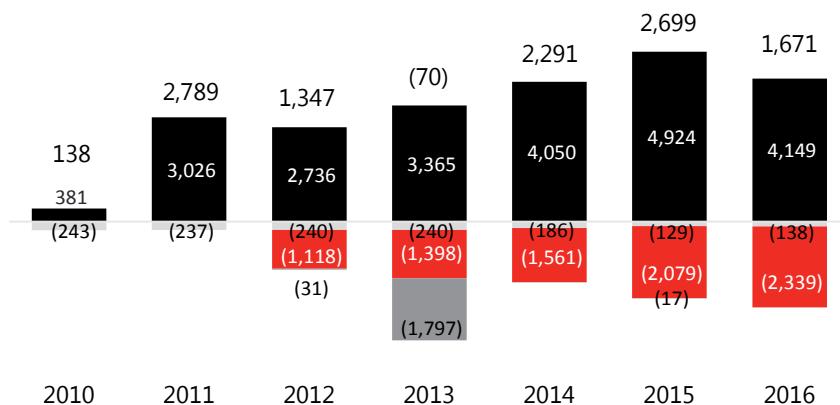
Return on average assets (%)



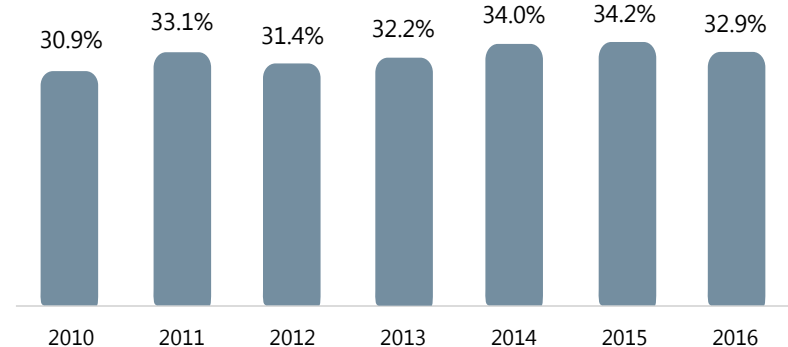
Capital adequacy ratio (%)



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

Macro overview

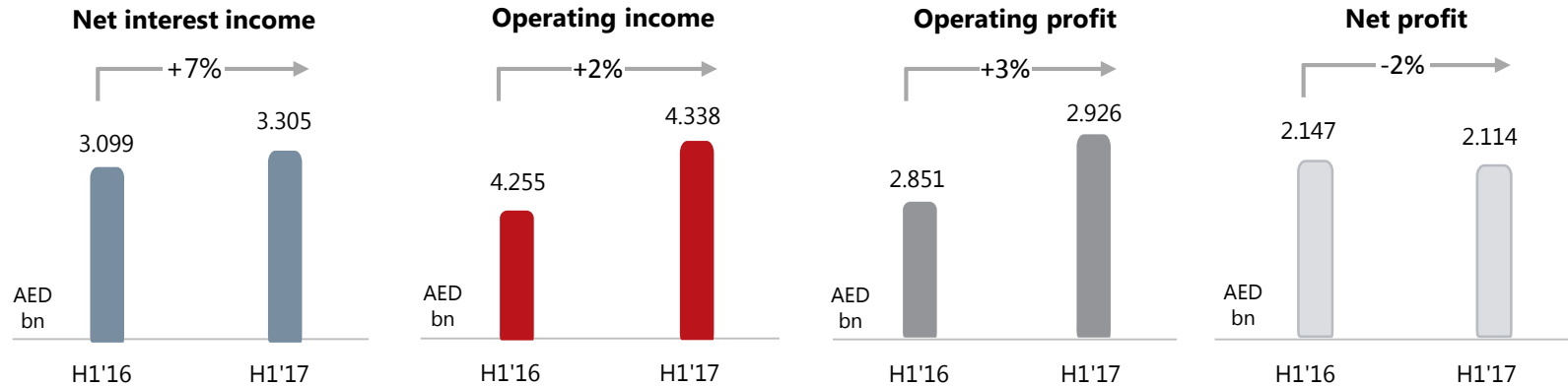
Business overview

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■ Healthy top line growth, bottom line impacted by adverse market conditions



Net profit impacted by:

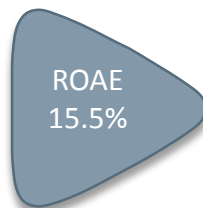
- Lower trading income on account of unrealised FX translation losses and higher impairment charges on account of significant one-off releases recorded in H1'16

■ Despite this backdrop, balance sheet growth remained strong

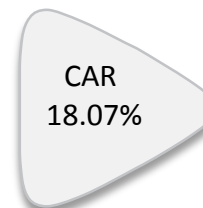
- Total assets at AED 259 billion +8% YoY, loans to customers +6% YoY, customer deposits +9% YoY, CASA 44% of total customer deposits

■ Maintain a conservative approach to risk management

- NPL and provision coverage ratios of 2.8 % and 123.8% respectively



Solid returns and disciplined cost management



Robust capital structure and liquidity profile



Q2/H1'17 Financial performance – key indicators

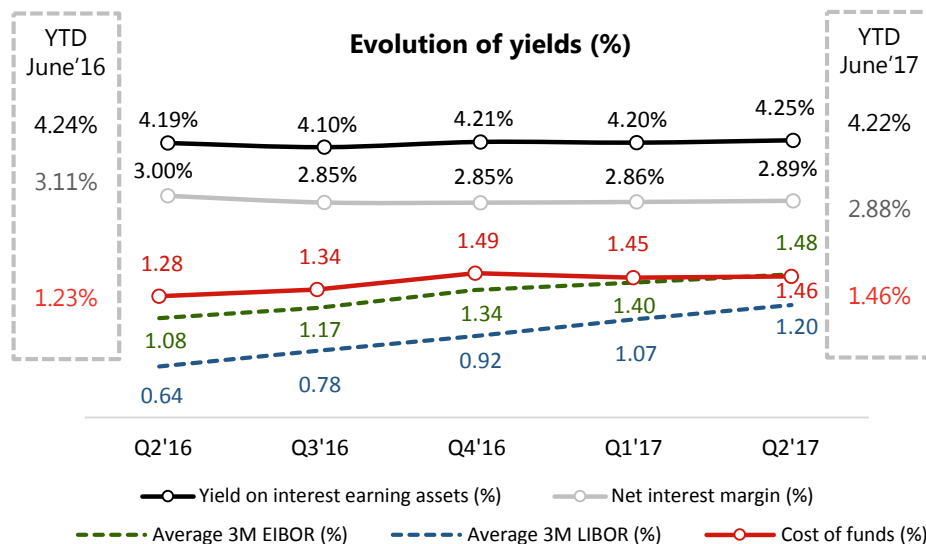
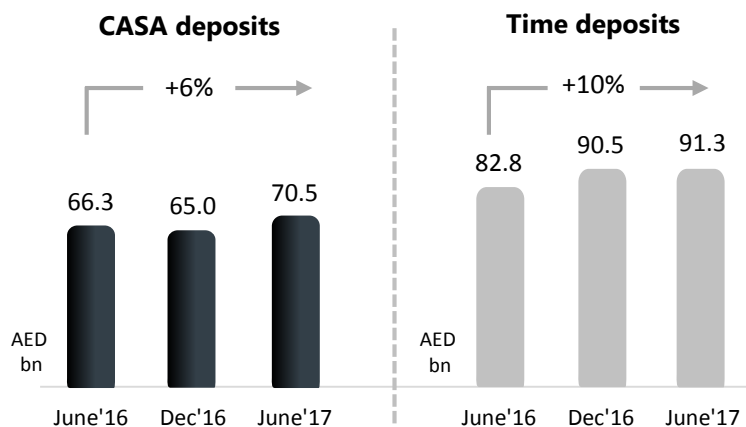
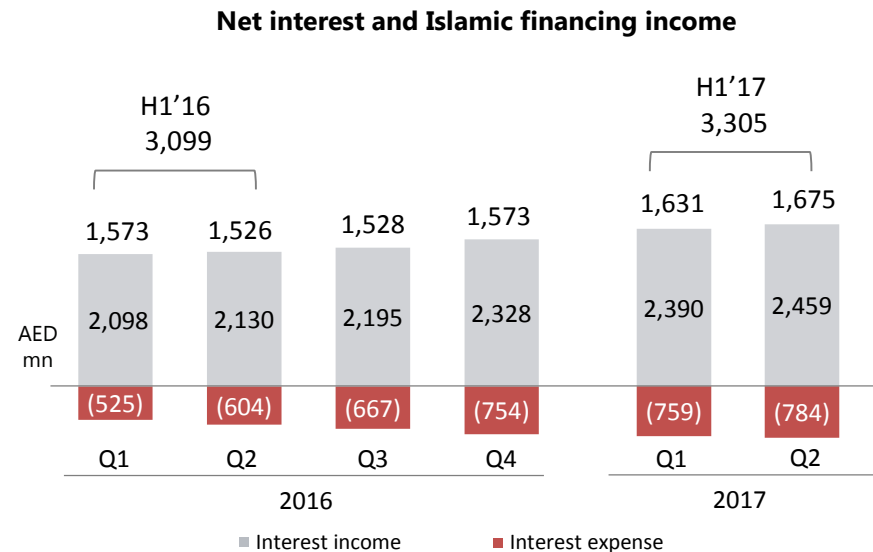
Income statement highlights (AED mn)	H1'17	H1'16	Change %	Q2'17	Q1'17	Q2'16	Change %	
			YoY				QoQ	YoY
Total net interest and Islamic financing income	3,305	3,099	7	1,675	1,631	1,526	3	10
Non - interest income	1,032	1,155	(11)	434	598	617	(27)	(30)
Operating income	4,338	4,255	2	2,109	2,229	2,143	(5)	(2)
Operating expenses	(1,411)	(1,404)	1	(671)	(740)	(666)	(9)	1
Operating profit before impairment allowance	2,926	2,851	3	1,438	1,489	1,477	(3)	(3)
Impairment allowances	(814)	(703)	16	(427)	(386)	(351)	11	22
Net profit for the period	2,114	2,147	(2)	1,008	1,105	1,126	(9)	(10)
Key indicators (%)	H1'17	H1'16	bps	Q2'17	Q1'17	Q2'16	bps	bps
Return on average equity	15.5	17.0	(150)	15.5	16.1	18.9	(60)	(340)
Net interest margin	2.88	3.11	(23)	2.89	2.86	3.00	3	(11)
Cost to income ratio	32.5	33.0	(50)	31.8	33.2	31.1	(140)	(70)
Balance sheet highlights (AED mn)	June'17	June'16	YoY	June'17	March'17	Dec'16	QoQ	YTD
Total assets	259,239	240,752	8	259,239	263,672	258,289	(2)	0
Net loans and advances	164,251	154,853	6	164,251	159,802	158,458	3	4
Deposits from customers	161,779	149,055	9	161,779	162,362	155,442	(0)	4
Ratios (%)	June'17	June'16	bps	June'17	March'17	Dec'16	bps	bps
Capital adequacy ratio (CAR)	18.07	18.40	(33)	18.07	17.83	18.92	24	(85)
Tier I ratio	14.84	15.07	(23)	14.84	14.55	15.66	29	(82)
Loan to deposit ratio (LTD)	101.5	103.9	(240)	101.5	98.4	101.9	310	(40)

There could be inconsistencies in totals due to rounding differences

Healthy volumes and well maintained NIMs, stable cost of funds despite rising benchmark rates

Highlights

- ▶ Interest and Islamic financing income in the first half of 2017, increased 15% over H1'16 to AED 4,849 million.
- ▶ Average interest earning assets increased 15% year on year. This was achieved in the absence of higher interest in suspense reversals which were not repeated in H1'17
- ▶ H1'17 net interest income of AED 3,305 million was up 7% year on year, while Q2'17 net interest income was up 10% at AED 1,675 million
- ▶ Net interest margin for the first half of 2017 was 2.88%; whilst cost of funds stood at 1.46%, which remained stable for the last two quarters despite the rising benchmark rates
- ▶ Average interest bearing liabilities increased 16% year on year
- ▶ CASA deposits grew 6% year on year to AED 71 billion

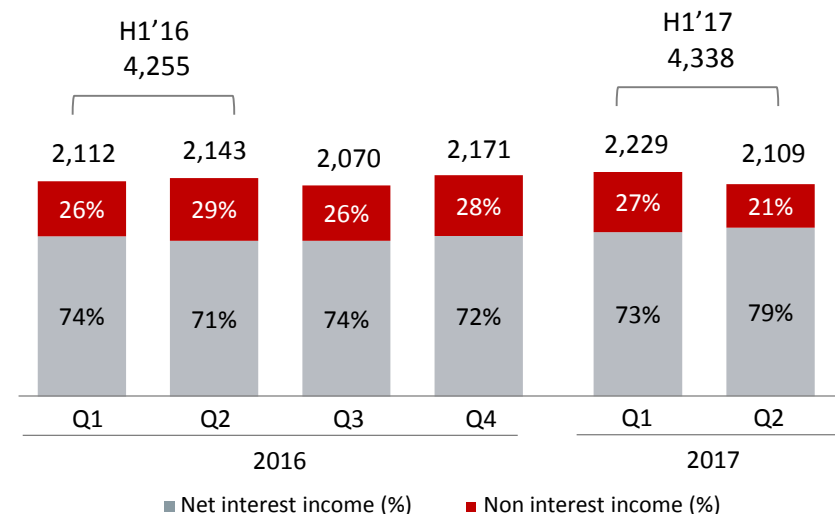


Fees and commission growth momentum maintained, Non-interest income impacted by lower trading income reflecting turbulent markets

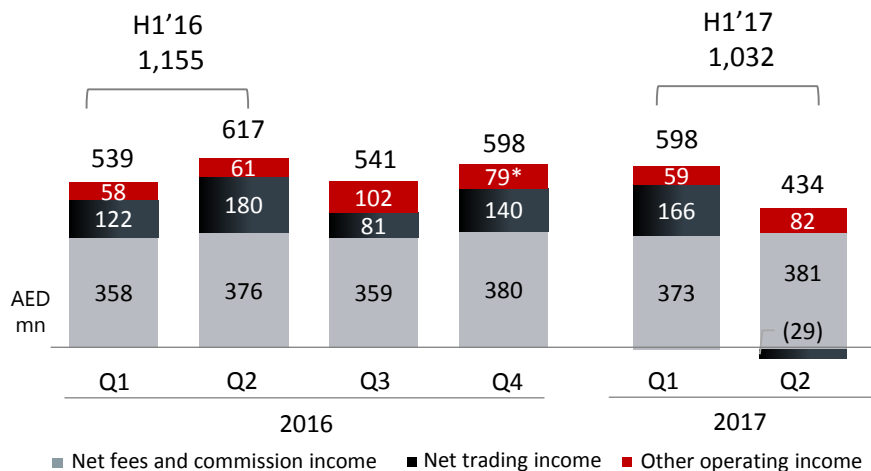
Highlights

- ▶ H1'17 operating income of AED 4,338 million was up 2% year on year, whilst Q2'17 operating income was 2% lower year on year, primarily due to lower non-interest income
- ▶ H1'17 non-interest income of AED 1,032 million was 11% lower year on year. This was primarily attributable to lower trading income recorded in Q2, which was partially offset by higher net fee and commission of AED 755 million in H1'17, up 3% year on year
- ▶ H1'17 trading income of AED 138 million was 54% lower year on year, mainly impacted by unrealised FX translation losses reflective of turbulent markets. This resulted in a trading loss of AED 29 million in Q2'17

Operating income (AED mn)

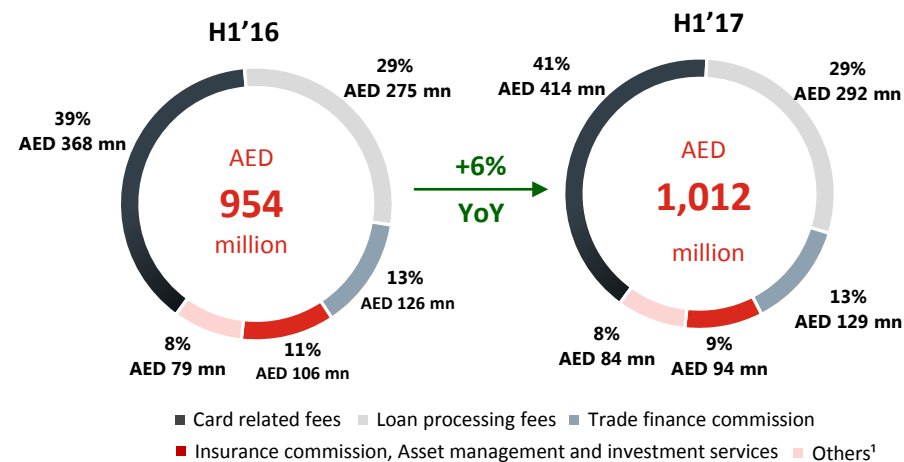


Non-interest income



* Other income includes revaluation of investment properties of AED 16 million in Q4'16

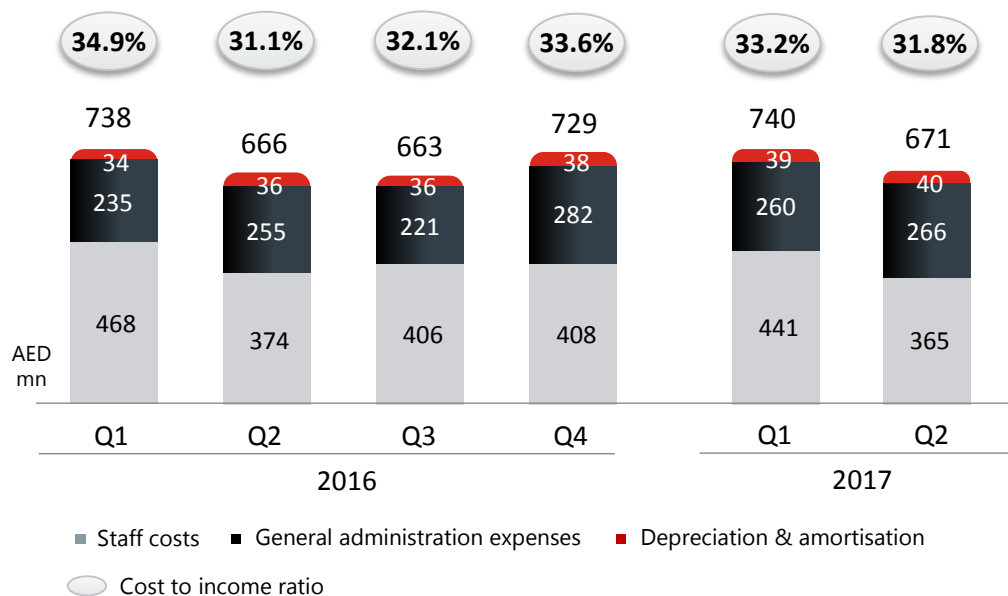
Gross fee income breakdown (AED mn)



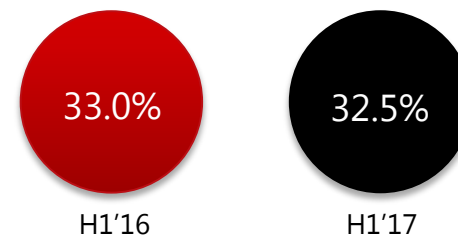
¹ Others include brokerage, fees from accounts related activities and other fees

Operating expenses continue to be well-managed
 Cost to income ratio improved to 32.5% in H1'17

Operating expenses



Cost to income ratio
 within our target range



Efficiently managed cost base,
 while continuing to reinvest in the business

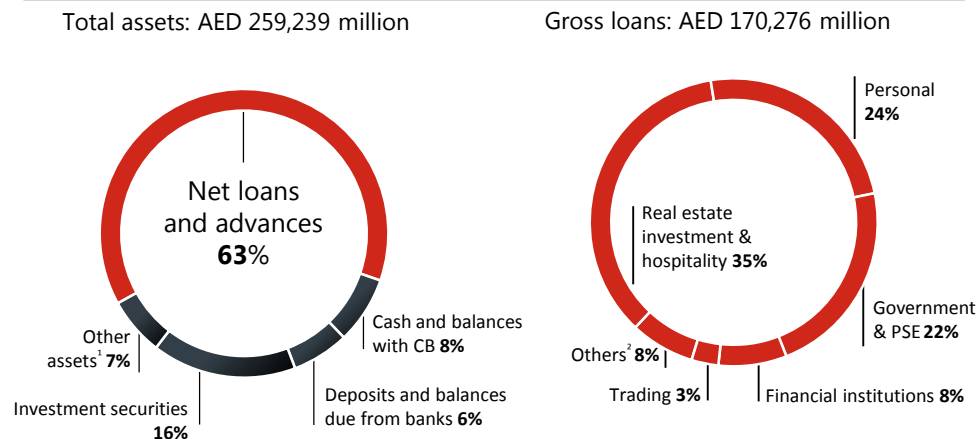
- ▶ H1'16 operating expenses of AED 1,411 million, increased 1% year on year, resulting in a cost to income ratio of 32.5% compared to 33% in H1'16
- ▶ Staff expenses were 57% of total operating expenses in the first half of 2017 compared with 60% in H1'16

Resilient balance sheet, healthy loan growth +6% YoY Disciplined and selective lending growth in our core geography

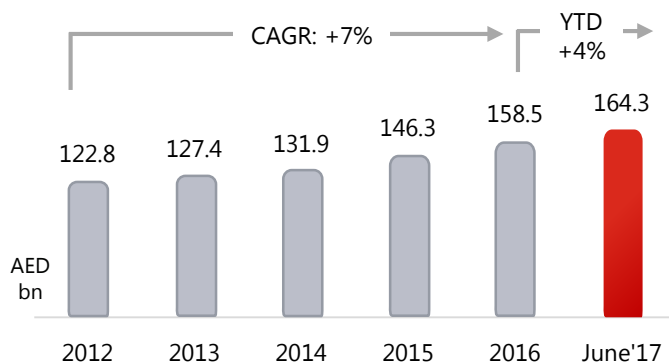
Highlights

- ▶ Net loans to customers increased 6% year on year to AED 164,251 million. System wide growth was 4% year on year*
- ▶ Net loans to customers comprised 63% of total assets, compared to 61% as at 31 December 2016
- ▶ Consumer Banking loans comprised 44% and Wholesale Banking loans comprised 56% of net loans
- ▶ 94% of loans were within the UAE in line with the Bank's UAE centric strategy
- ▶ 56% of loans (gross) were in Abu Dhabi, 31% were in Dubai and 7% in other Emirates as at 30 June 2017
- ▶ Personal loans comprised 24% of gross loans (2016: 25%)
- ▶ YTD Islamic financing assets grew 8% and 24% year on year to AED 19,979 million as at 30 June 2017

Gross loans by economic sector

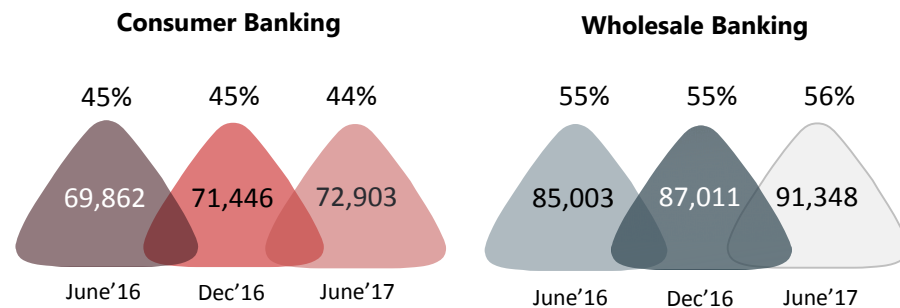


Net loans and advances



Net loans by business segment (AED million)

Net loans: AED 164,251 million (30 June 2017)



Consumer banking includes retail and high net worth individuals and their businesses

¹ Other assets include derivative financial instruments, investments in associate, investment properties, property and equipment (net), intangible assets and reverse repo placements

² Others include agriculture, energy, transport, manufacturing and services

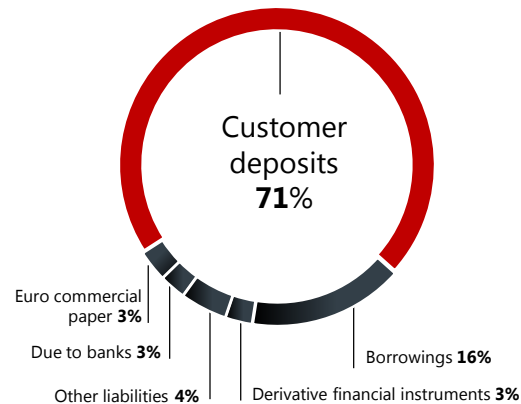
Solid funding mix, reinforced by increasing customer deposits, +9% YoY Significant increase in total Islamic deposits

Highlights

- ▶ Customer deposits increased 9% year on year to AED 161,779 million. System wide growth was 7% year on year*
- ▶ Customer deposits comprised 71% of total liabilities, compared to 68% as at 31 December 2016
- ▶ CASA deposits comprised 44% of total customer deposits
- ▶ Consumer Banking deposits comprised 33% and Wholesale Banking deposits comprised 39%, whilst Treasury deposits comprised 28% of total customer deposits
- ▶ YTD Islamic deposits increased 23% and 24% year on year to AED 14,735 million as at 30 June 2017

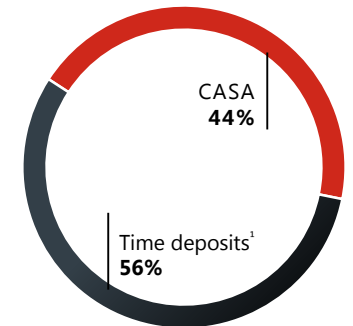
Composition of liabilities

Total liabilities: AED 228,735 million



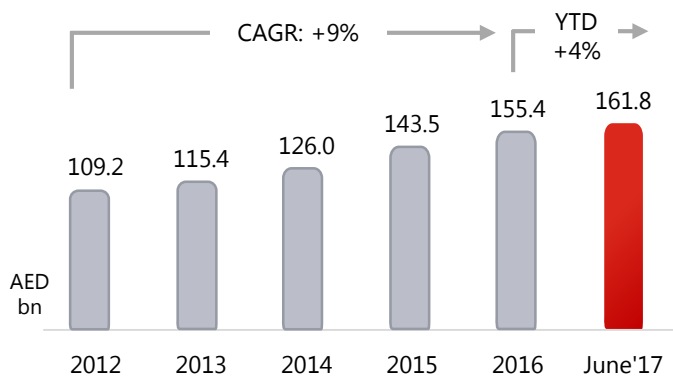
Customer deposit breakdown

Customer deposits: AED 161,779 million

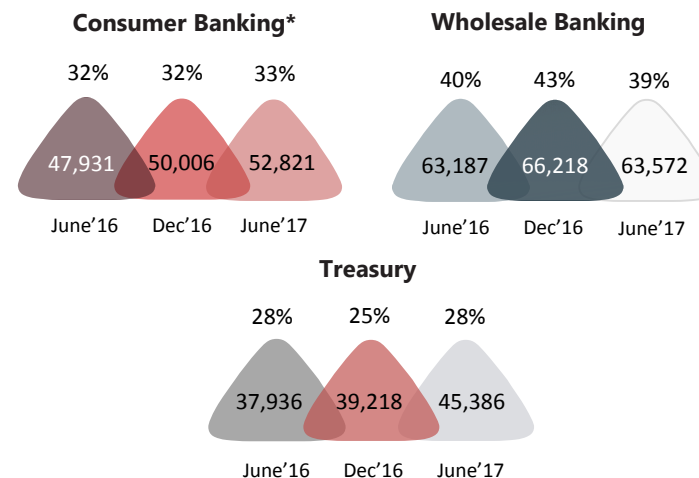


¹ Time deposits include long-term government and Murabaha deposits

Customer deposits



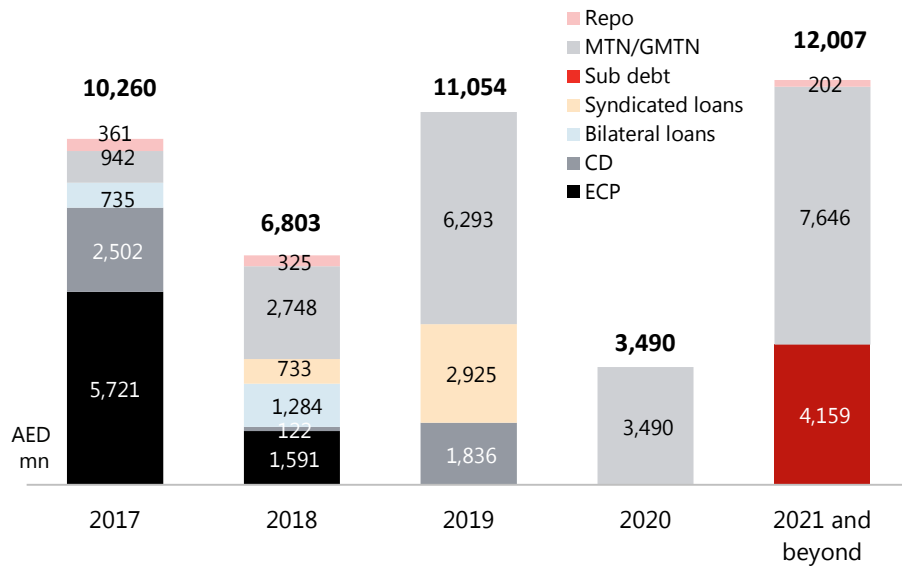
Contribution to total deposits by business segment (AED million)



* Consumer banking includes retail and high net worth individuals and their businesses

Wholesale funding and maturity profile Diversified sources of funding by markets, tenors, currencies and products

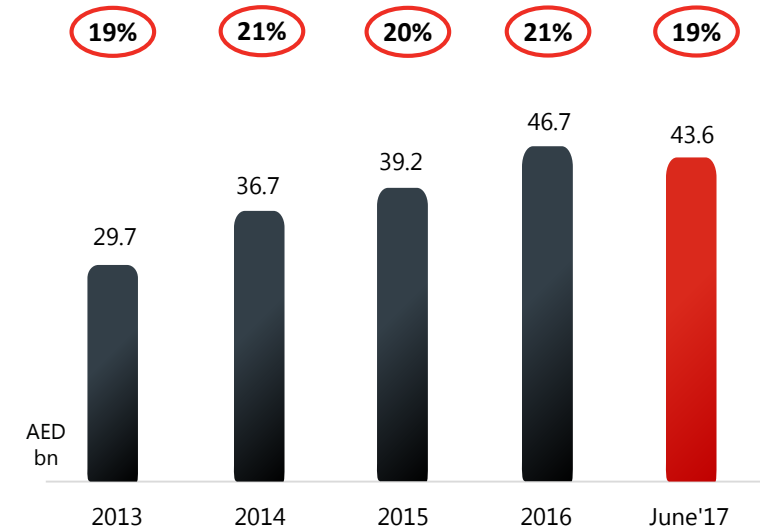
Maturity profile as at 30 June 2017



Wholesale funding split as at 30 June 2017

Source of funds	AED million
GMTN/EMTN	21,119
Subordinated debt	4,159
Euro Commercial paper	7,312
Borrowings through repurchase agreements	888
Bilateral loans	2,018
Syndicated loans	3,658
Certificate of Deposits	4,460
Total	43,615

Wholesale funding including Euro commercial paper



○ Wholesale funding as a % of total liabilities

Wholesale funding including Euro Commercial Paper accounted for 19% of total liabilities, providing a stable, long-term and reliable source of funding

Net lender of
AED 12 bn*
in the interbank markets
(As at 30 June 2017)

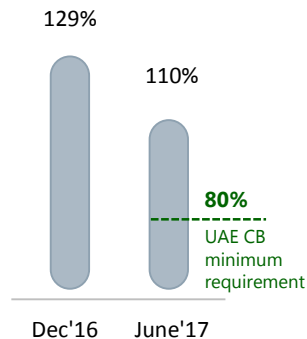
* Includes AED 5.5 billion of certificate of deposits with central banks

Robust capital ratios and comfortable liquidity levels

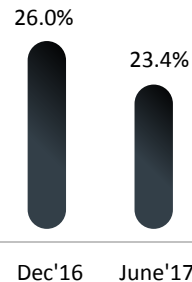
Highlights

- ▶ As at 30 June 2017, the Bank's total capital adequacy ratio was 18.07% compared to 12% minimum stipulated by the UAE Central Bank
- ▶ As at 30 June 2017, tier I ratio was 14.84% compared to 15.66% as at 30 December 2016. Core Tier I ratio was 12.87% compared to 13.57% as at 30 December 2016
- ▶ Liquidity coverage ratio was 110% compared to 80% minimum stipulated by the UAE Central bank
- ▶ As at 30 June 2017, total risk weighted assets were AED 203 billion
- ▶ Advances to stable resources ratio stood at 89.7% compared to 94.8% as at 31 December 2016

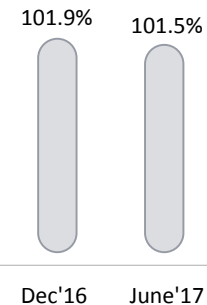
Liquidity coverage ratio



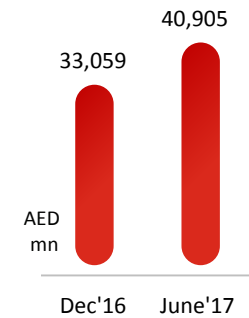
Liquidity ratio*



Loan to deposit ratio



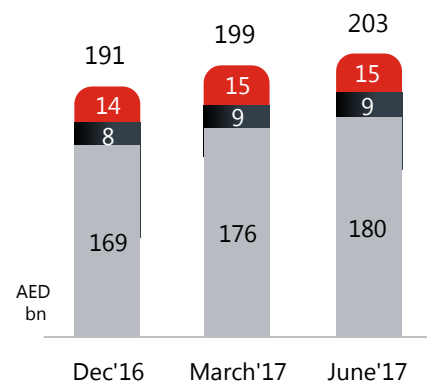
Investment securities



Liquidity ratio: liquid assets/total assets

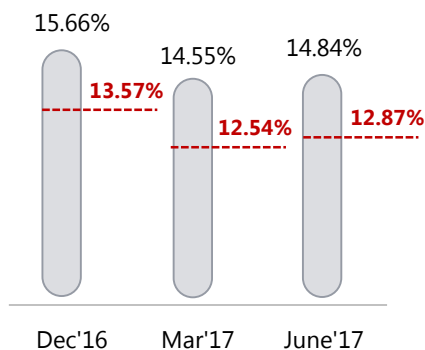
*Liquidity assets include cash and balances with Central Banks, deposits and balances due from banks, reverse repo placements, trading securities, and liquid investments (excluding unquoted investments)

Risk weighted assets



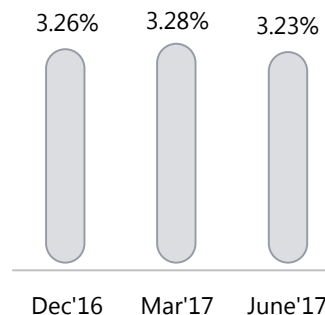
■ Credit risk ■ Market risk ■ Operational risk

Tier I capital ratio

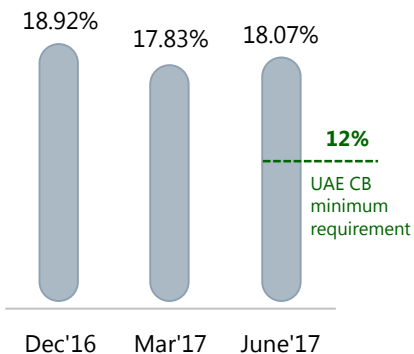


----- Core tier I ratio

Tier 2 capital ratio



Capital adequacy ratio (Basel II)



Investment securities, 99% of total portfolio invested in bonds

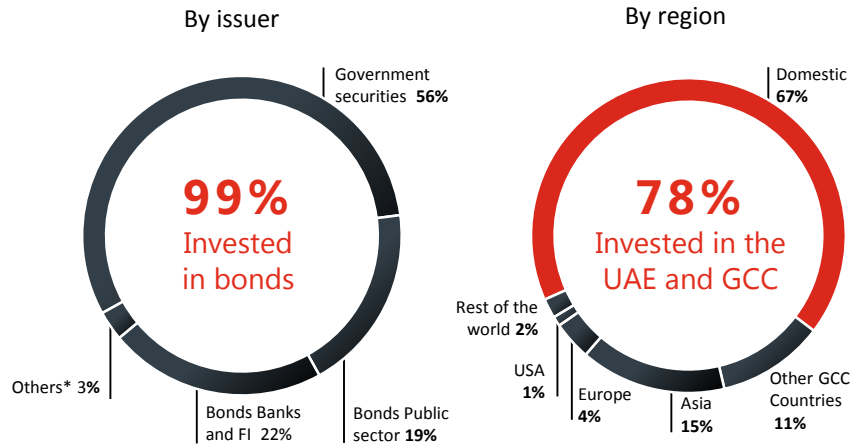
Highlights

- ▶ Investment securities stood at AED 40,905 million as at 30 June 2017
- ▶ 99% of the total portfolio was invested in bonds issued by government, public sector, banks, financial institutions and corporates
- ▶ Average life of the investment securities portfolio is 3.3 years
- ▶ 78% invested in the UAE and other GCC countries

Portfolio summary:

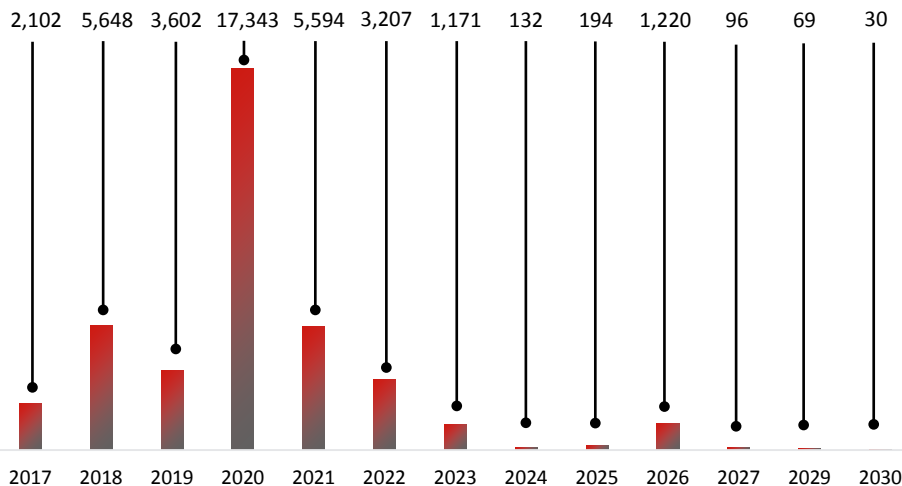
- ▶ 56% of the portfolio is invested in Government securities
- ▶ Non Government bond portfolio – 44% of total portfolio
 - Rated A- or better: 51%
 - Rated Investment grade (i.e. BBB+ to BBB-): 37%
 - Rated below IG (BB+ and below including unrated): 12%

Investments



* Include corporate bonds, equity instruments and mutual funds

Maturity profile of investment securities portfolio (AED million)*

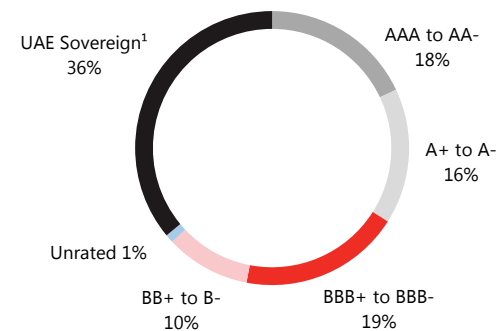


* Excluding investments in equity and funds

Total bond portfolio: AED 40,406 million

Credit ratings as at 30 June 2017

(Standard & Poor's, or equivalent of Fitch or Moody's)



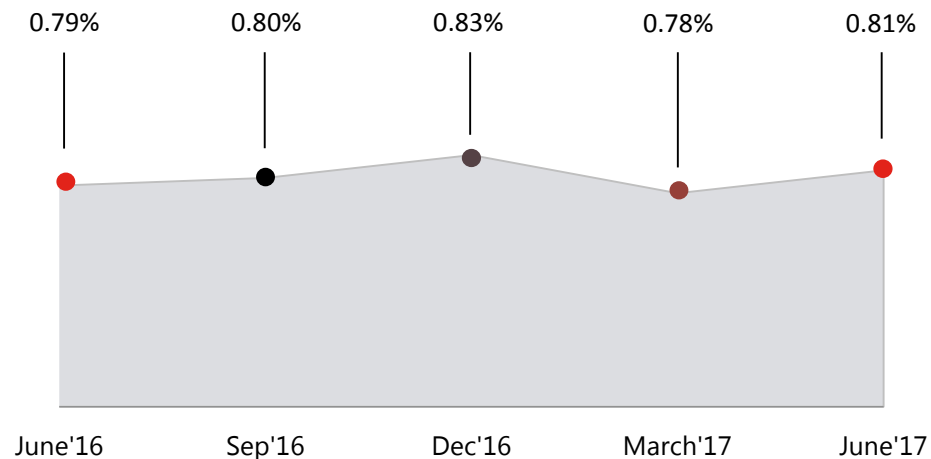
¹ UAE Sovereign internal rating mainly in Grade 2 and maps to external rating between AA to A

Stable asset quality metrics Conservative and prudent approach to risk management

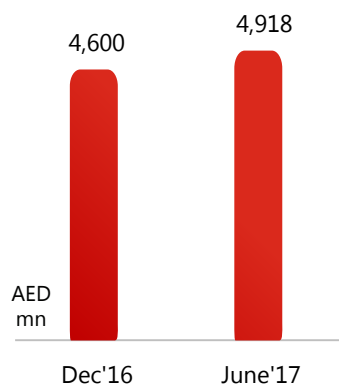
Highlights

- ▶ Non-performing loans (NPL) and provision coverage ratios were 2.8% and 123.8% respectively, compared to 2.7% and 129.9% as at 31 December 2016
- ▶ Cost of risk for H1'17 was 0.81% compared to 0.83% in 2016
- ▶ Impairment charges on loans, net of recoveries amounted to AED 813 million in H1'17, compared to AED 722 million in H1'16. H1'16 benefited from significant impairment allowance releases on loans which were not repeated in the first half 2017
- ▶ Recoveries during H1'17 totaled AED 162 million compared to AED 70 million in H1'16
- ▶ Collective impairment allowance balance was AED 1.76% of credit risk weighted assets, above the minimum 1.5% stipulated by the UAE Central Bank

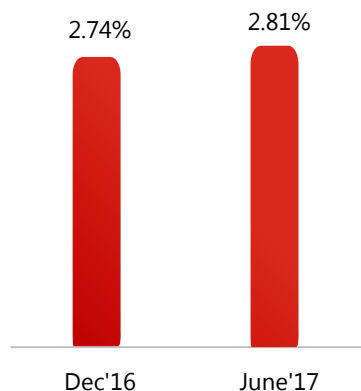
Cost of risk



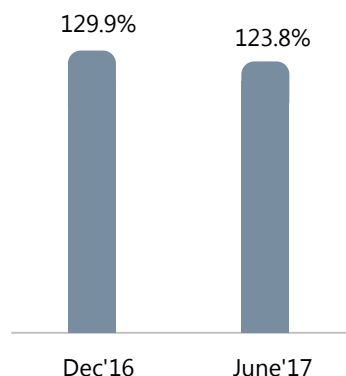
Non-performing loans



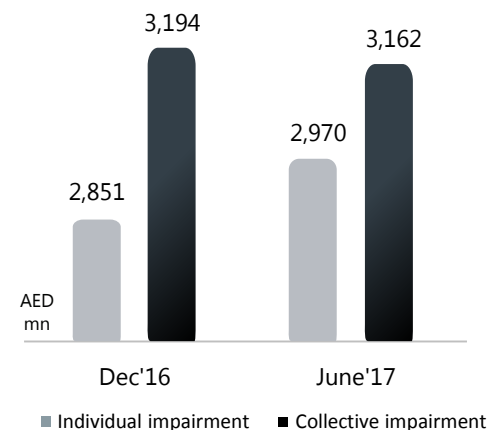
Non-performing loan ratio



Provision coverage ratio



Impairment allowances (Includes impairment allowances to banks)



Macro overview

Business overview

Our journey

Three year journey

Appendix

Rating agency views

S&P Global Ratings

“Abu Dhabi Commercial Bank (ADCB)'s business position has strengthened in recent years, and we have reassessed its stand-alone credit profile (SACP) to 'bbb+' from 'bbb'.”

“Over recent years, the bank has demonstrated a track record of improving returns, coupled with more balanced earnings generation across different business segments. In our view, the management team's execution capabilities are well reflected in the bank's key financial and business metrics, which have improved substantially.”

“The stable outlook on ADCB reflects our expectation that the bank's business and financial profiles will remain largely unchanged over the next two years, despite our expectation of a gradual weakening of operating conditions in the United Arab Emirates.”

FitchRatings

“ADCB's VR reflects the bank's solid commercial franchise, experienced management, good capital buffers, sound profitability metrics underpinned by eased provision charges, adequate liquidity position, a modest proportion of impaired loans and its full coverage by reserve.”

(22 February 2017)

“Capital ratios have improved significantly since 2010 due to a series of capital strengthening measures, including higher retained earnings.”

(4 August 2016)

Extracts from latest reports issued by Standard & Poor's (18 July 2016) and Fitch Ratings (22 February 2017) on ADCB

Note: These quotes are excerpts from Standard & Poor's and Fitch reports, and are qualified by the full reports which investors should refer to.

Credit ratings may not reflect all risks and are subject to change at any time

2017 Awards

"Best Business Change or Transformation – Delivery of a Great Customer Experience Through Change" for Operational Excellence Framework 'SIMPLearn'

Gulf Customer Experience Awards

"Innovative Approach to Emiratisation to Deliver Exceptional Customer Experience" for Tamooha

Gulf Customer Experience Awards

"Best Trade Finance Bank in The U.A.E"

Global Finance

"Best Insight and Feedback – Listening to Customers to Create an Impact" for Customer Experience and Research

Gulf Customer Experience Awards

"Five Star Cash Manager "

Euromoney

"Best Contact Centre in the Region" for Contact Centre

Gulf Customer Experience Awards

"Best Supply Chain Finance Bank in the Middle East"

Global Finance

"Best Employee Engagement in Financial Services" for the Human Resources Team

Gulf Customer Experience Awards

"Mohammed Bin Rashid Al Maktoum Business Innovation Award"

"The Mohammed Bin Rashid Al Maktoum Business Innovation Awards"

"Five Star Trade Finance provider in Middle East"

Euromoney

"Outstanding Award for Business Innovation"

"The Mohammed Bin Rashid Al Maktoum Business Innovation Awards"

"Best Trade Bank in the Middle East"

Trade and Forfaiting Review (TFR)

"3G CSR Award" " in recognition of excellence in transparency, good governance and social responsibility

The Global Good Governance Awards (3G Awards)

"Best Bank for Transaction Services in the Middle East"

Euromoney Awards for Excellence

Balance sheet

AED million	June'17	Dec'16	Change %
Cash and balances with central banks	19,535	19,262	1
Deposits and balances due from banks, net#	16,593	24,664	(33)
Reverse-repo placements	550	1,525	(64)
Investment securities	41,454	33,478	24
Loans and advances to customers, net	164,251	158,458	4
Other assets*	16,856	20,903	(19)
Total assets	259,239	258,289	0
Due to banks	6,159	3,843	60
Deposits from customers	161,779	155,442	4
Euro commercial paper	7,312	8,729	(16)
Borrowings	36,302	38,015	(5)
Other liabilities**	17,184	21,910	(22)
Total liabilities	228,735	227,938	0
Total shareholders' equity	30,503	30,351	1
Non -controlling interests	0	0	NM
Total liabilities and shareholders' equity	259,239	258,289	0

Note: #Deposits and balances due from banks include AED 4.4 bn as at June 30, 2017 (AED 3.6 bn as at December 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

AED million	H1'17	H1'16	Change %
Interest income and income from Islamic financing	4,849	4,228	15
Interest expense and profit distribution	(1,543)	(1,129)	37
Net interest and Islamic financing income	3,305	3,099	7
Net fees and commission income	755	734	3
Net trading income	137	302	(54)
Other operating income	140	120	17
Non interest income	1,032	1,155	(11)
Operating income	4,338	4,255	2
Staff expenses	(806)	(843)	(4)
Other operating expenses	(526)	(491)	7
Depreciation	(79)	(70)	12
Operating expenses	(1,411)	(1,404)	1
Operating profit before impairment allowances & taxation	2,926	2,851	3
Impairment allowances	(814)	(703)	16
Share in profit of associate	5	4	NM
Overseas income tax expense	(4)	(5)	(17)
Net profit	2,114	2,147	(2)
Attributed to:			
Equity holders of the Parent	2,114	2,145	(1)
Non-controlling interests		2	
Net Profit	2,114	2,147	(2)

Leading Through

AMBITION + DISCIPLINE



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