

Beyond Ambition

Abu Dhabi Commercial Bank PJSC
ADCB Q3/9M 2019 Investor presentation

October 2019

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ADCB's condensed consolidated interim financial information for the nine month period ended 30 September 2019 contains pro forma financial information relating to the merger between ADCB and Union National Bank PJSC ("UNB"), and the subsequent acquisition of Al Hilal Bank PJSC ("AHB"). Pro forma financial information in this presentation has been compiled based on the accounting policies of ADCB being the accounting acquirer under IFRS 3 and consists of the unaudited pro forma condensed consolidated statement of financial position of ADCB, UNB and AHB (together referred to as the "Group") as at 31 December 2018 which give effect to the merger and acquisition as if it had occurred on 31 December 2018, the unaudited condensed consolidated interim statement of financial position as at 30 September 2019 and the unaudited pro forma condensed consolidated interim income statement for the nine months ended 30 September 2019 and 30 September 2018 which give effect to the merger and acquisition as if it had occurred on 1 January 2018. The purpose of the pro forma financial information is to show the material effects that the merger of ADCB and UNB along with the subsequent acquisition of AHB would have had on the historical consolidated statement of financial position and on the historical consolidated income statement if the Group had already existed in the structure created by the combination. They are not representative of the financial situation and performance that could have been observed if the indicated business combination had been undertaken at an earlier date. Pro forma financial information included in this presentation has not been subject to audit, is subject to change and has been provided for illustrative purposes only.

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Section 1

The ADCB Group

ADCB Group is a preeminent UAE-centric bank

Solid market position



- ▶ Third largest bank by market capitalisation, third largest by assets in the UAE
- ▶ Third largest retail lender and fourth largest Islamic bank in the UAE

Resilient bank



- ▶ Resilient bank equipped for sustainable growth, efficiency maximisation, and navigation of regulatory changes

Diverse ownership structure



- ▶ 60% owned by the Abu Dhabi government through ADIC
- ▶ Growing share of foreign institutional ownership

Distinctive customer-centric proposition



- ▶ A wide portfolio of market-leading products and services provided to a large customer base via state of the art infrastructure

Reputable leadership



- ▶ Reputable Board of Directors to guide the newly combined entity and an integrated organisation structure led by the existing leadership of ADCB

Clear strategic focus



- ▶ Continued focus on ADCB's strategy
- ▶ Clear strategy to create value for all stakeholders, by pursuing profitable growth

Centre of excellence for talent

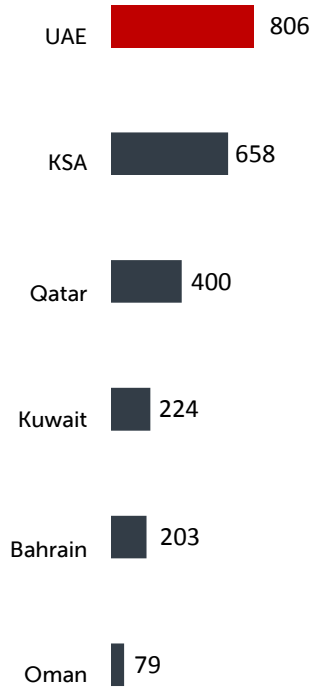


- ▶ Differentiated culture with strong focus on corporate values
- ▶ Strong platform for talent development

Solid market position: ADCB is the 3rd largest bank by assets and the 3rd largest by market capitalisation in the UAE

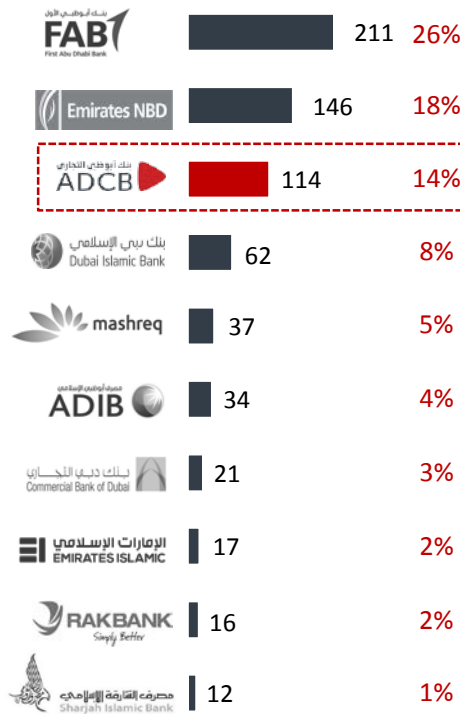
Banking sector assets in the GCC

As of June 2019¹ (US\$ bn)



Total assets top 10 UAE banks

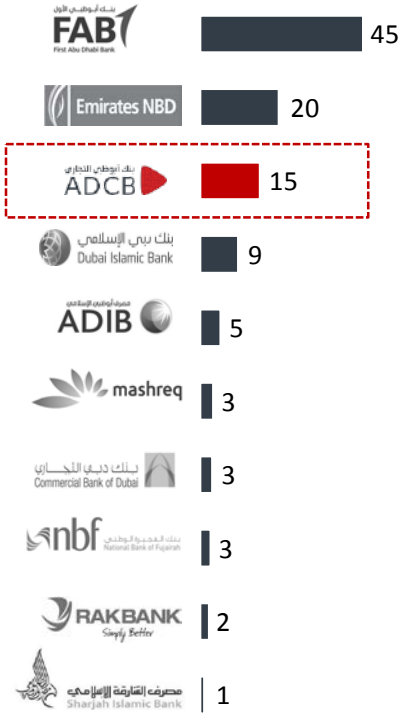
As of June 2019 (US\$ bn)



Market share² %

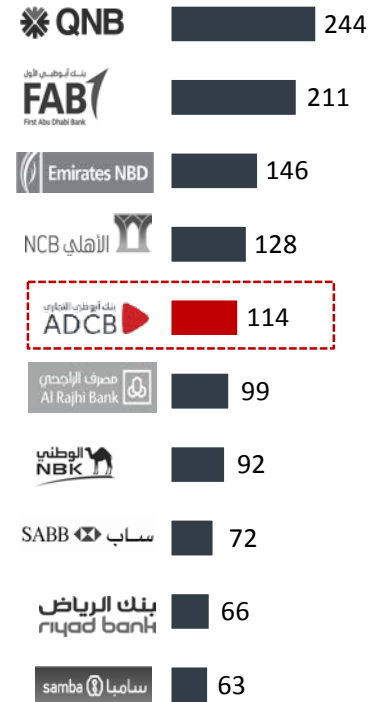
Market cap top 10 UAE banks

As of 30 September 2019 (US\$ bn)



Total assets top 10 GCC banks

As of June 2019 (US\$ bn)



Note:

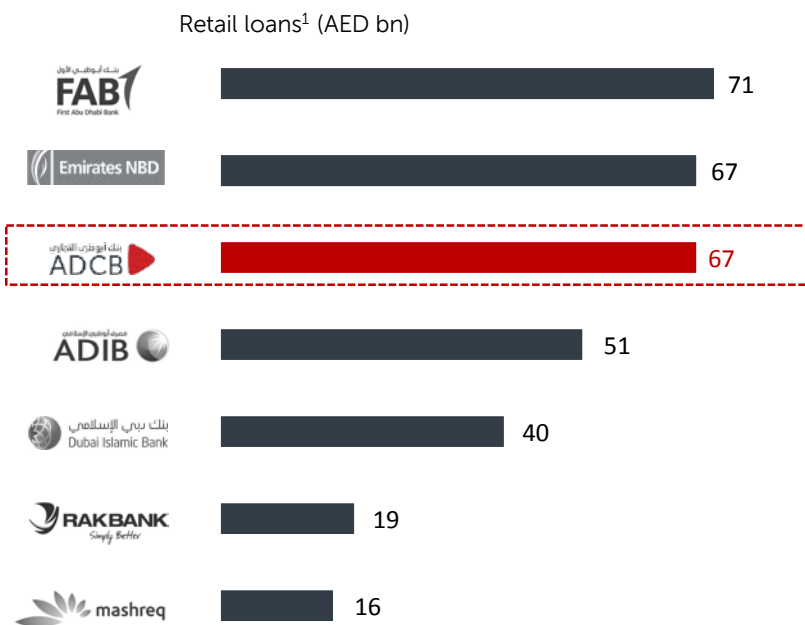
Rankings are based on consolidated financials, including international subsidiaries and participations
Exchange rates from local currencies to USD as of 30 June 2019 for Q2 2019 numbers (reflected in ranking by total assets)

¹ June 2019 data for the UAE; Qatar banking assets figure does not include assets of specialised banks ² Based on total assets of US\$ 806 bn as of June 2019, as per the UAE Central Bank

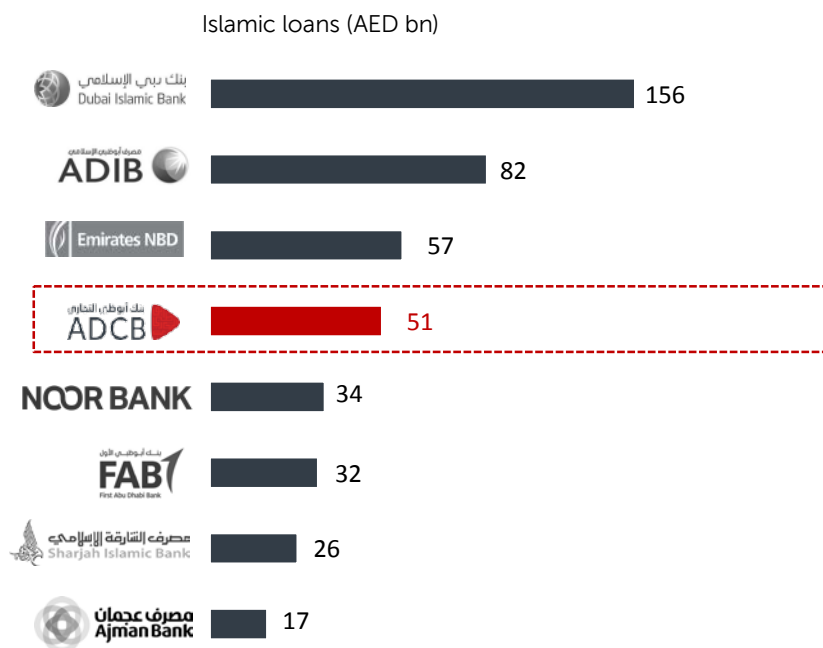
Source: Capital IQ, Bloomberg, Abu Dhabi Securities Exchange, Central Banks of GCC countries, Pro forma financials for the ADCB Group

Solid market position: ADCB is the 3rd largest retail lender and the 4th largest Islamic banking franchise in the UAE

Retail loan size, as of June 2019



Islamic loan size, as of June 2019



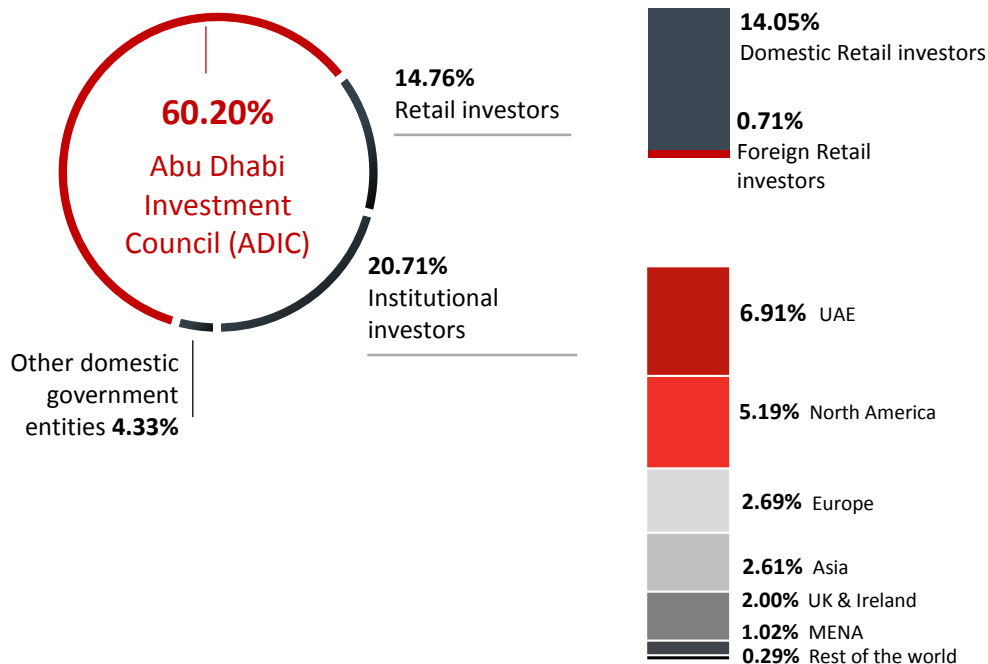
¹ Group level numbers as per financial statements. Economic sector breakdown has been used to estimate gross retail loans. Personal, individual, consumer, retail have been considered as part of retail loans.

If breakdown by economic sector has not been reported, product breakdown has been used to estimate the retail loans. Loans below AED 15 bn have not been included in the rankings

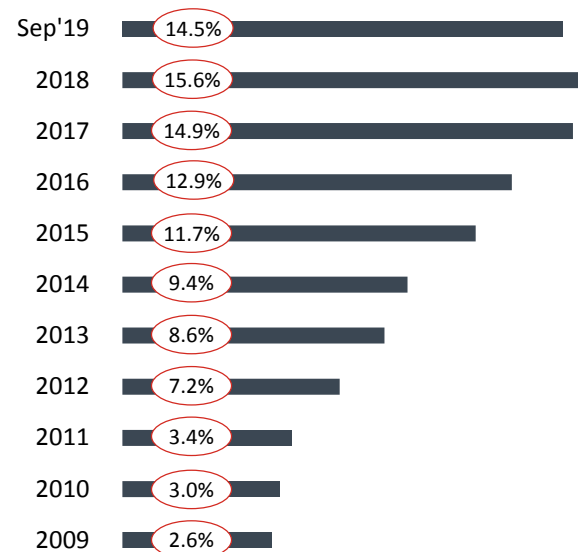
Source: Financial statements, pro forma preliminary financials for the ADCB Group

Diverse institutional ownership: ~60% ownership of the Abu Dhabi Government coupled with growing share of foreign institutional shareholders

Strong share holding structure (As at 30 September 2019)



Growing foreign shareholder ownership



Sep'19 reflects the foreign ownership level for the combined entity, while prior years reflect the foreign ownership levels for the standalone ADCB entity

14.51%
Foreign ownership

39.80%
Free float

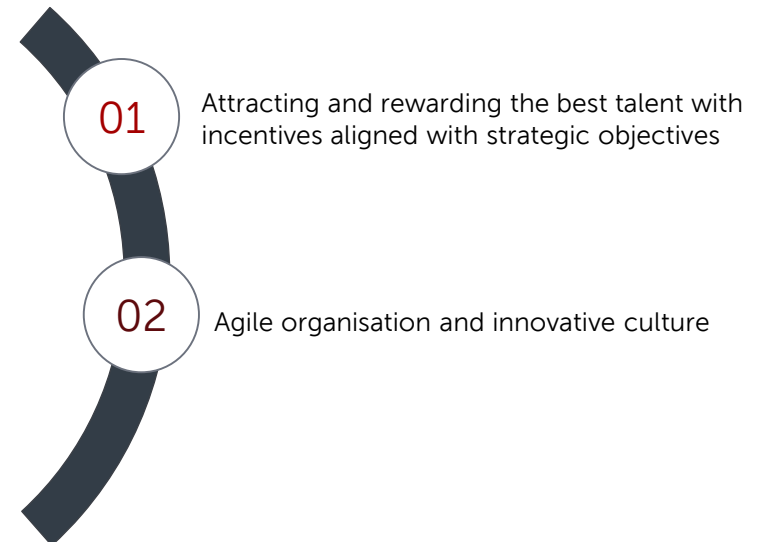
Shareholders from
80 countries

Clear strategic focus: Continued focus on ADCB's successful strategy

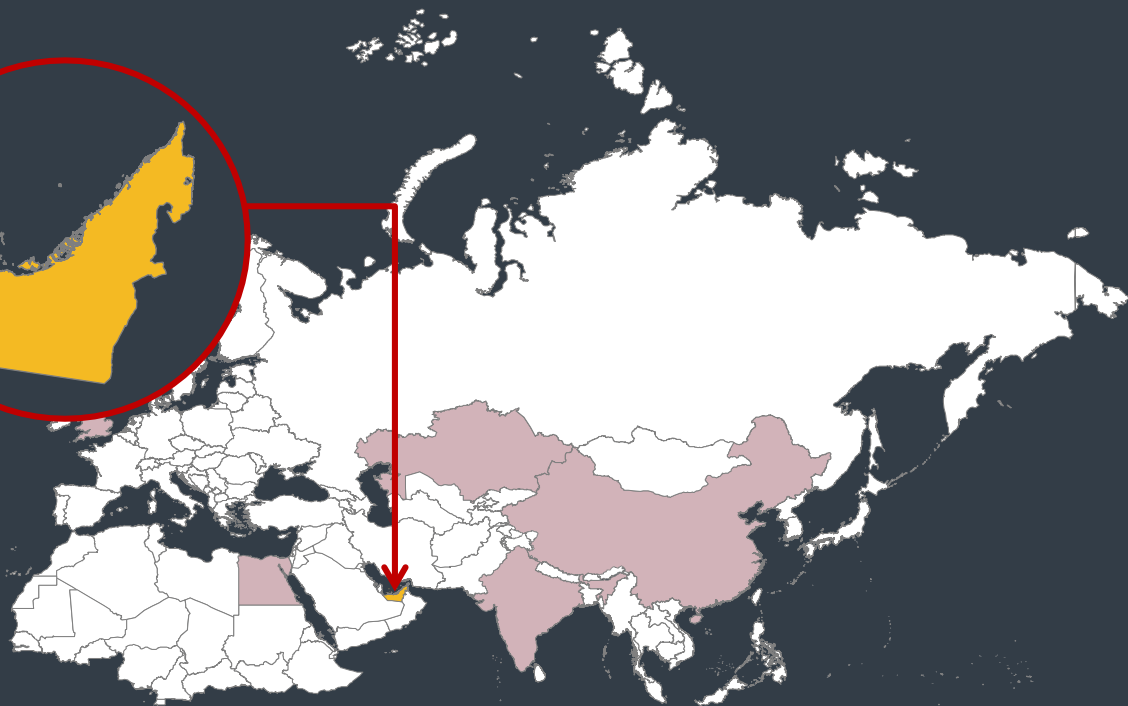
Strategic pillars



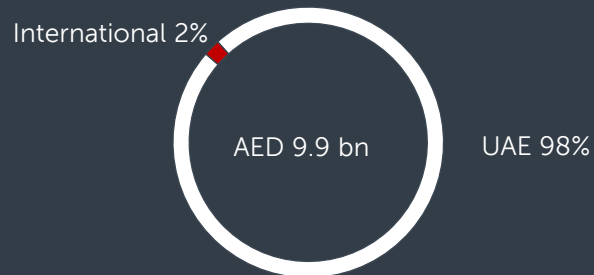
Enablers



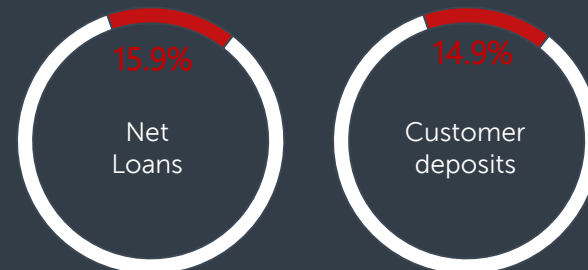
Clear strategic focus: Growing market share in our core market, the UAE



9M'19 pro forma revenue split



UAE market share by loans and deposits

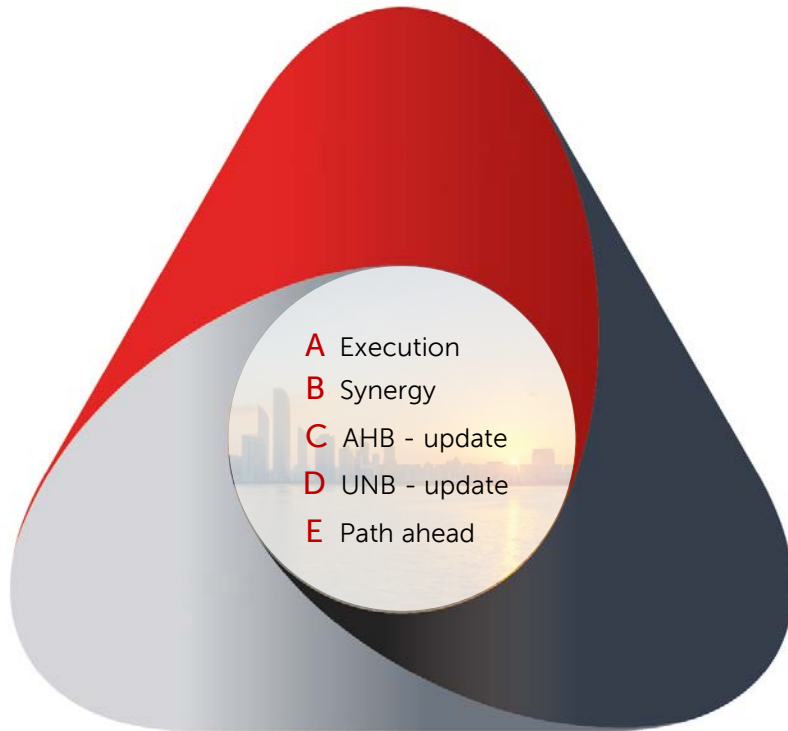


Source: UAE Central Bank data as at 31 Aug 2019

Section 2

Integration update

Key updates on the integration



- A** Integration **proceeding well** and **twice as fast** as originally planned

- B** Synergy potential revised upwards to **AED 840 million** from AED 615 million

- C** Al Hilal Bank's (AHB) **integration 100% complete**

- D** Union National Bank's (UNB) integration **ahead of schedule** with **successful execution** of "Customer Day 1"

- E** Clear view on **path forward**

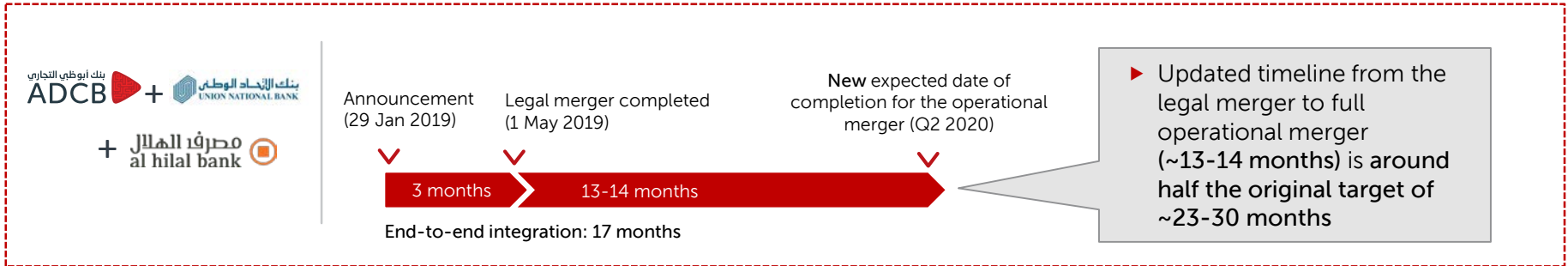
Customer Day 1 involved the combination of the entire ADCB and UNB branch and ATM networks, as well as the roll-out of the ADCB brand across all physical and digital channels

Beating peer benchmarks, end-to-end integration timeline reduced by half to 17 months from initial target

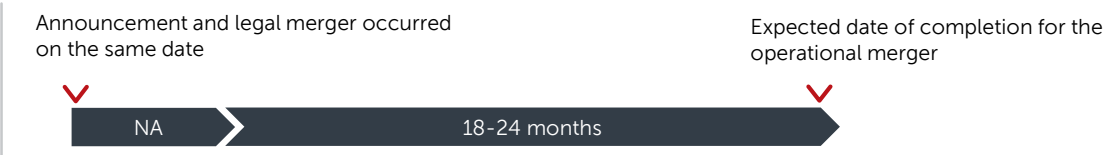


Banks

Merger timelines



Regional peer benchmark 1



Regional peer benchmark 2



Regional peer benchmark 3



Source: Company investor presentations

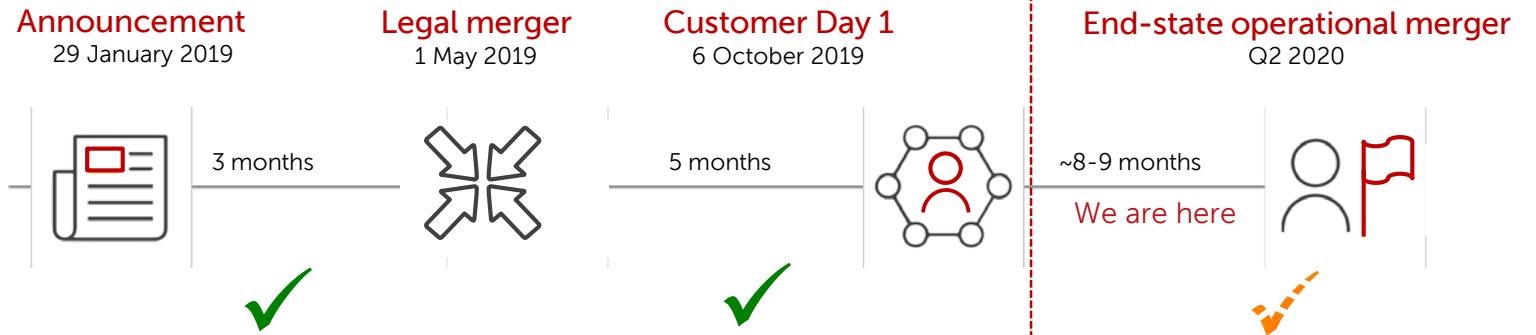
Complex 3 way merger: ADCB and UNB merged through a statutory merger and together acquired AHB

We are in the last phase of the integration



✓ Completed ✓ In progress

Timeline



Key high level integration elements

- | Pre-closing | Integration phase 1 | Integration phase 2 |
|--|---|---|
| <ul style="list-style-type: none"> ▶ Appoint merger integration teams and set up interim governance mechanism for the integration process ▶ Define target operating model and design detailed organisation structure for the combined entity ▶ Construct comprehensive communication plan for all stakeholders ▶ Design detailed integration plan and roadmap, including synergies capture ▶ Pre-closing estimate of cost and revenue synergies | <ul style="list-style-type: none"> ▶ Activate integration governance and processes ▶ Launch target operating model and organisational structure ▶ Initiate optimisation of branches and ATMs networks ▶ Activate branch and ATM interoperability¹ ▶ Commence brand integration ▶ Initiate implementation of synergy capture plan | <ul style="list-style-type: none"> ▶ Reach end-state operating model and organisational structure ▶ Complete harmonisation of policies, procedures and processes ▶ Integrate all IT infrastructure and applications ▶ Integrate data management ▶ Optimise network of subsidiaries and overseas branches |

¹ Branch interoperability refers to any customer, whether ADCB or former UNB, being able to access the combined network of 72 branches and over 450 ATMs

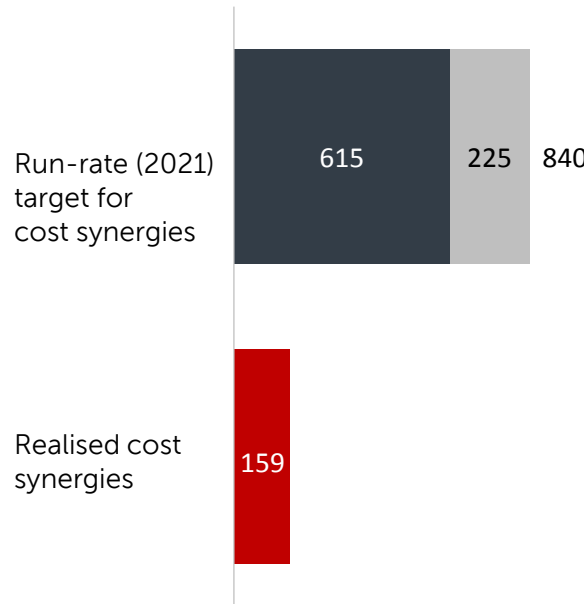
Revised synergy targets are significantly higher than initial estimates



Major synergy drivers

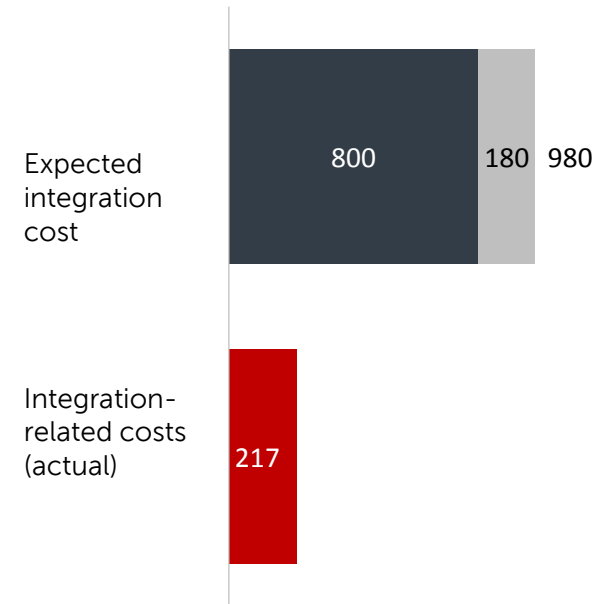
- ▶ **Manpower:** Cost efficiency gains achieved through manpower optimisation, productivity enhancements and economies of scale
- ▶ **IT:** Cost efficiency and higher stability of IT infrastructure through IT integration
- ▶ **Physical channels:** Improved coverage, customer service and efficiency through branch and ATM optimisation

Realised cost synergies AED million



- ~46% of smaller banks' cost base
- ~18% of Group's cost base¹

Incurred integration cost AED million



- ~117% of cost synergies
- ~13% lower than first announcement

■ Previously committed ■ Revised additions ■ Realised to date

Note: All figures are as of September 2019
¹ Increased from 13% since the transaction presentation

Increased synergy target driven by further optimisation of manpower and physical channels, as well as centralisation and outsourcing of key departmental functions

Key achievements in Al Hilal Bank integration since Q2'19



Appointment of new CEO, **Abdul Shakeel Aidaroos**, bringing **25+ years of banking experience** and deep expertise in **retail banking, digital innovation and risk management**



Completed **100%** of **Wholesale and SME portfolio migration¹** to ADCB



Continuous commitment to UAE nationals with ~46% Emiratization, the highest in the UAE banking sector



Consolidated financial and regulatory reporting across all entities



Finalised and activated **detailed digital strategy** to focus on serving retail customers through digital channels

¹ Pending tail-end SME accounts

Key achievements in Union National Bank integration since Q2'19



Harmonised employee **benefits and policies** and aligned majority of job titles with end state organisation structure



Established a **leaner franchise** with a focus on realising positive change in our community by promoting local talent – **ADCB Group employs 1,397 UAE nationals**



Consolidated financial and regulatory reporting across all entities



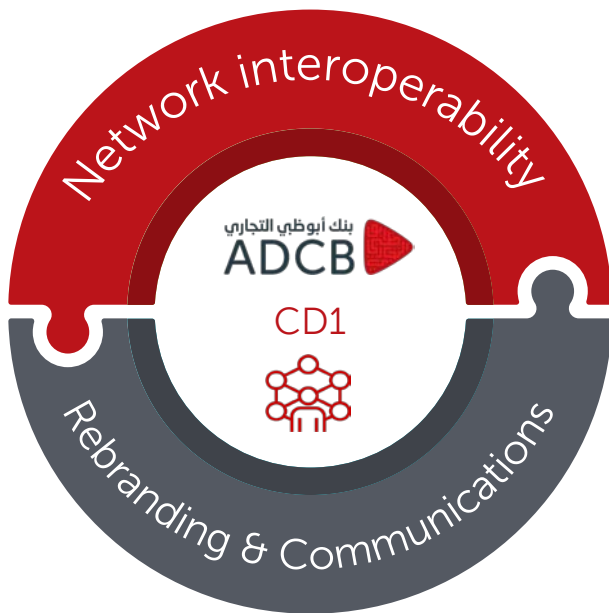
Ensured a smooth launch of **Customer Day 1** without compromising on customer experience:

- ▶ Rationalised the new Group's entire **branch and ATM network** and activated interoperability
- ▶ Rolled out the **ADCB brand** across all physical and digital channels
- ▶ Sent **communications** informing customers of relevant changes

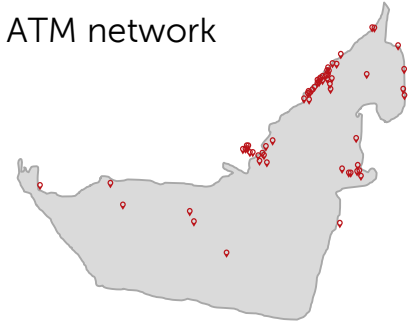
Customer Day 1 (CD1) is the major milestone for ADCB and former UNB customers



Activated interoperability of **72** Branches and **450+** ATMs serving all ADCB & former UNB customers



- ▶ Rationalised the Group's entire branch and ATM network
- ▶ Trained branch staff extensively and conducted system readiness tests to uphold service excellence
- ▶ Eliminated inter-bank (former UNB & ADCB) transaction fees



Unified all physical and digital channels under the ADCB brand

- ▶ Rebranded all retained former UNB branches, ATMs and physical collateral
- ▶ Rolled out ADCB branding across all digital channels
- ▶ Sent customers regular updates related to CD1 changes



Rebranded all physical channels over a span of 3 days



ADCB signage placed on retained former UNB branches

Internal rebranding of retained former UNB branches

Rebranded ATM/CDMs



Recap of key achievements since legal merger



Target organisation structure and operating model activated



Branch & ATM network optimised and interoperability launched



Al Hilal Bank integration complete



Employee benefits and policies harmonised



ADCB branding unified across physical and digital channels



Merger synergies revised upwards



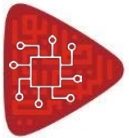
The full integration set to be completed by Q2'20



Key next steps for ADCB-UNB integration



Reach end-state organisation and implement cultural integration initiatives



Continue IT infrastructure and applications integration



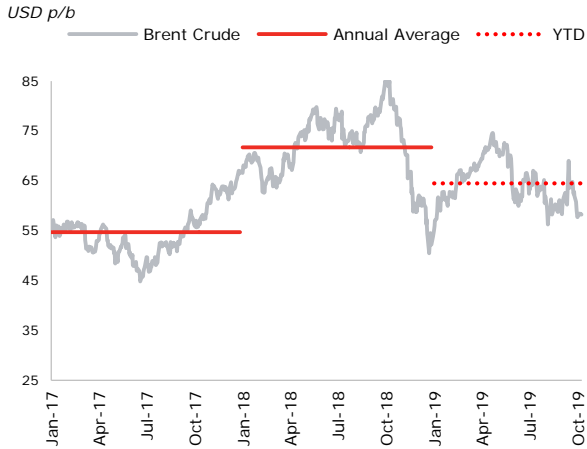
Optimise subsidiaries and overseas branch network

Section 3

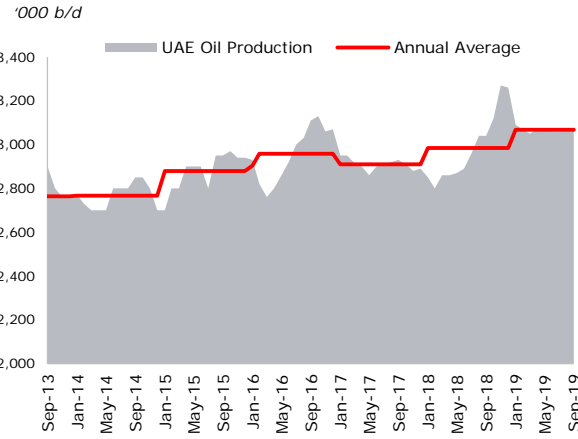
Operating environment

Economic activity

Crude prices have come under downward pressure since end-May'19 amid global demand concerns

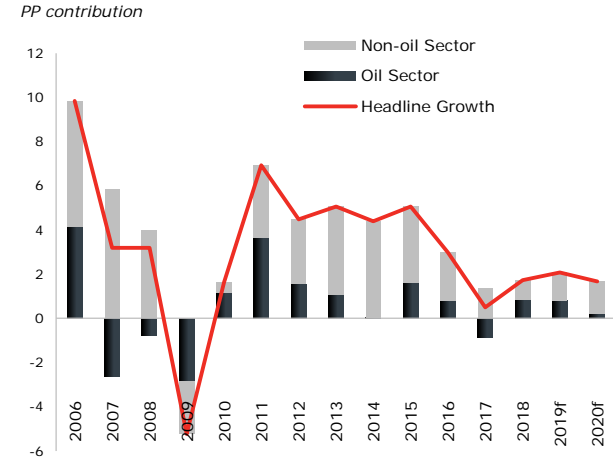


Source: Bloomberg, ADCB estimates



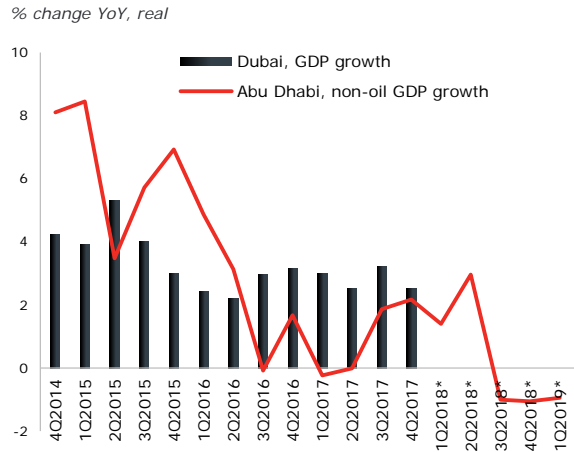
Source: Bloomberg

Real GDP growth to strengthen moderately in 2019



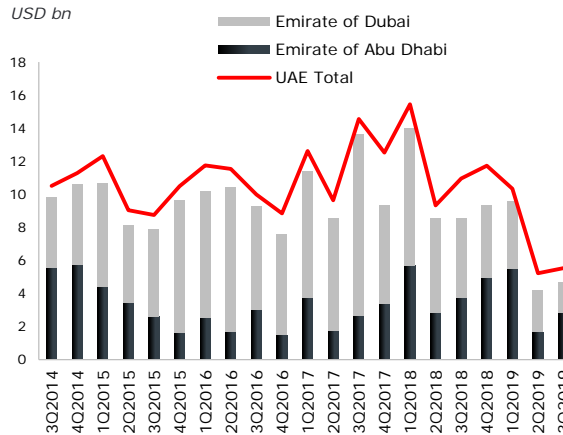
Source: UAE National Bureau of Statistics, ADCB estimates

Real GDP growth by Emirate



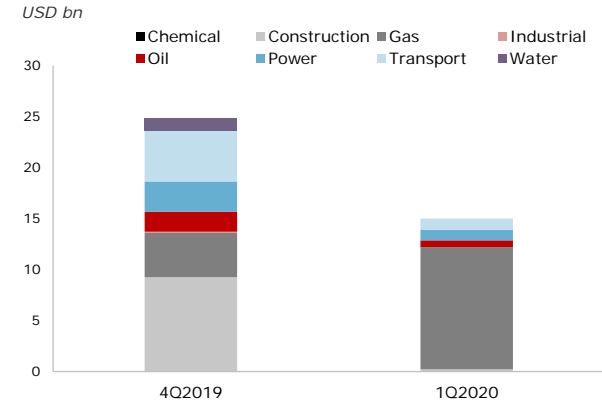
* Dubai Q1'18 to Q1'19 GDP data is yet to be released
Source: Statistics Centre Abu Dhabi, Dubai Statistics Centre

Project awards by Emirates



Source: Meed projects, ADCB estimates

Outlook for project awards



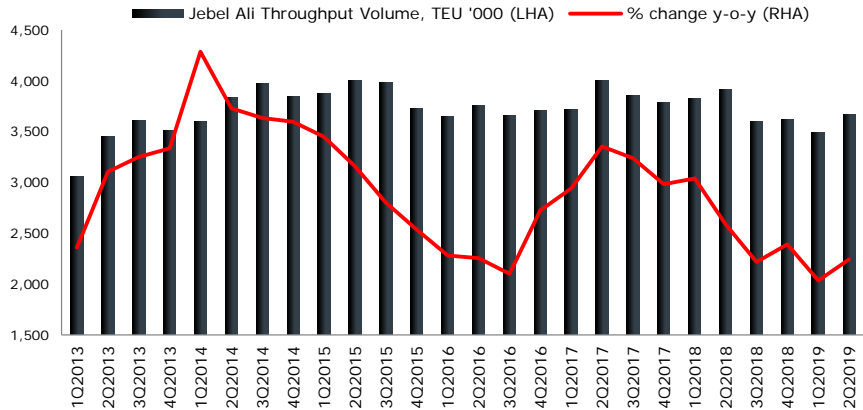
Source: Meed projects, ADCB estimates

Moderate acceleration in real GDP growth forecast for 2019

External sector

Challenging macro and global growth backdrop

TEU '000 (LHA); % change YoY (RHA)

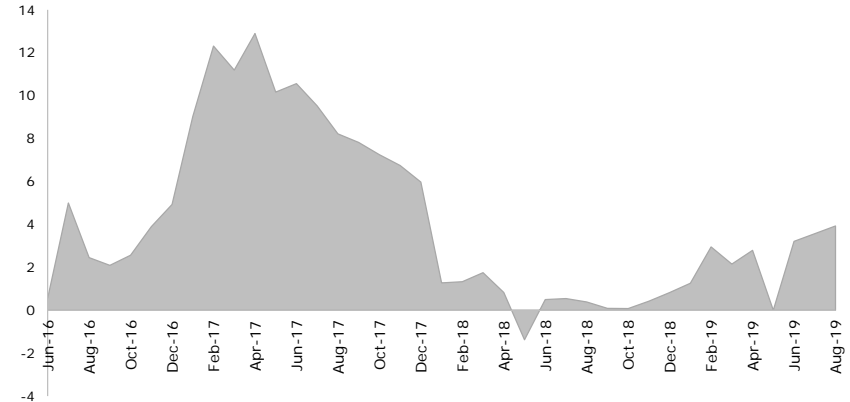


* TEU: Twenty-foot equivalent units

Source: DP World

Dubai visitors growth seeing a gradual up-tick in 8M, May data reflects Ramadan

% change YoY, YTD



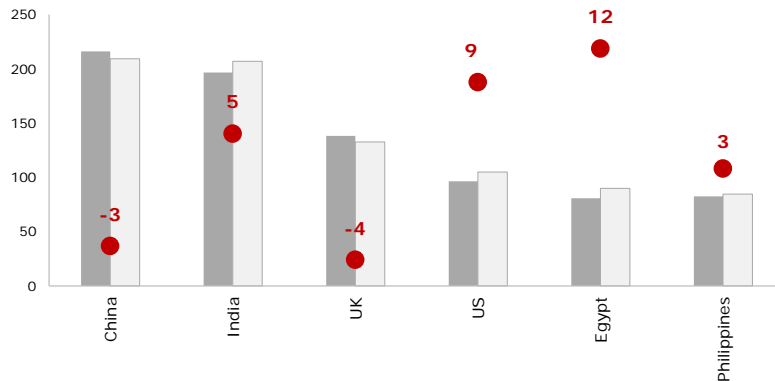
Source: Dubai Department of Tourism and Commerce Marketing

Strong USD impacting tourism – Ongoing price discounting by hotels

Hotel guests by nationality, '000

Abu Dhabi

■ 1H2018 (LHA) □ 1H2019 (LHA) ● % change y-o-y (RHA)

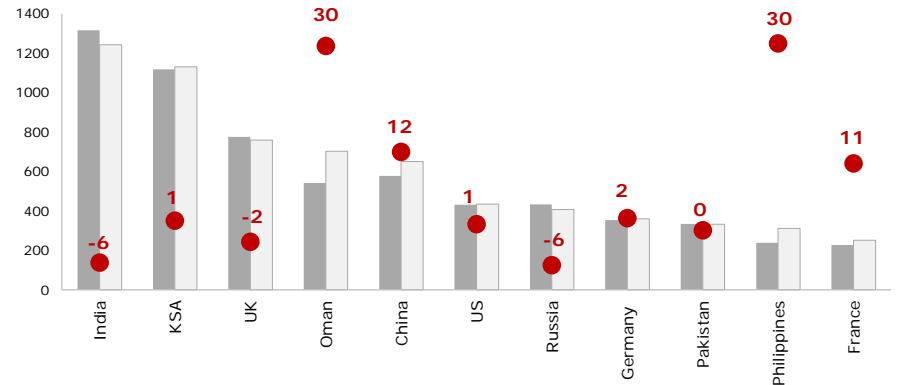


Source: Abu Dhabi Tourism and Culture Authority, ADCB calculations

Tourist numbers, '000

Dubai

■ 8M2018 (LHA) □ 8M2019 (LHA) ● % Change, y-o-y (RHA)



Source: Dubai Department of Tourism and Commerce Marketing, ADCB calculations

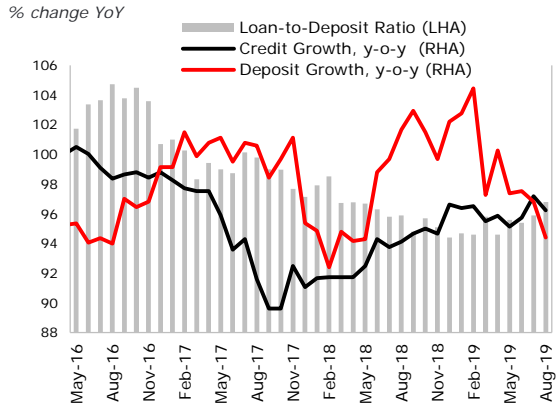
External headwinds in 2019

Banking sector overview

Banking sector liquidity remains comfortable

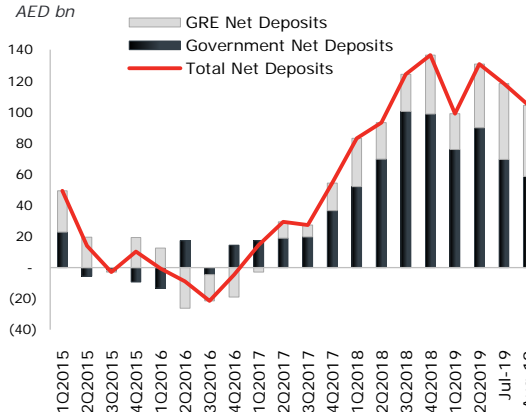
Eibor followed US Libor down from mid-April'19 as market priced in Fed rate cuts

Credit growth outpaced deposit growth in July & August

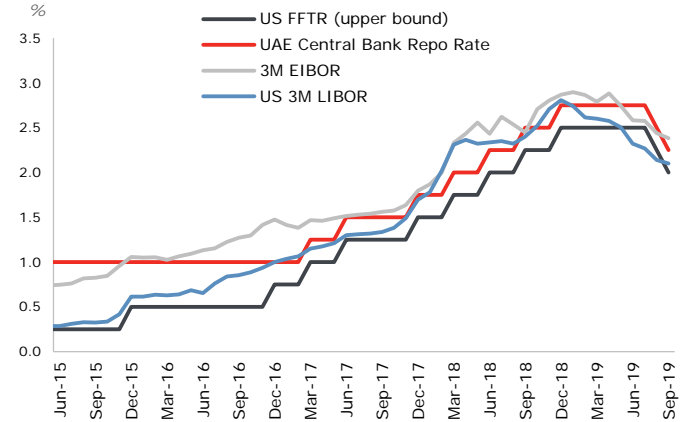


Source: Central Bank of the UAE

Government and GREs net deposits remain high

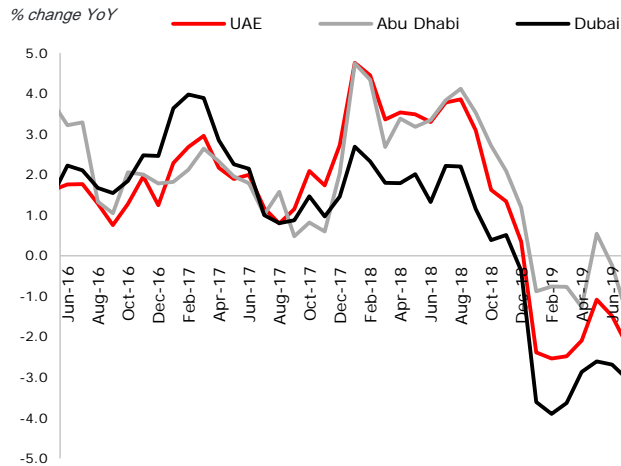


Source: Central Bank of the UAE, ADCB calculations



Source: Central Bank of the UAE, Bloomberg

Deflation continues in UAE



Source: UAE National Bureau of Statistics

Economic indicators

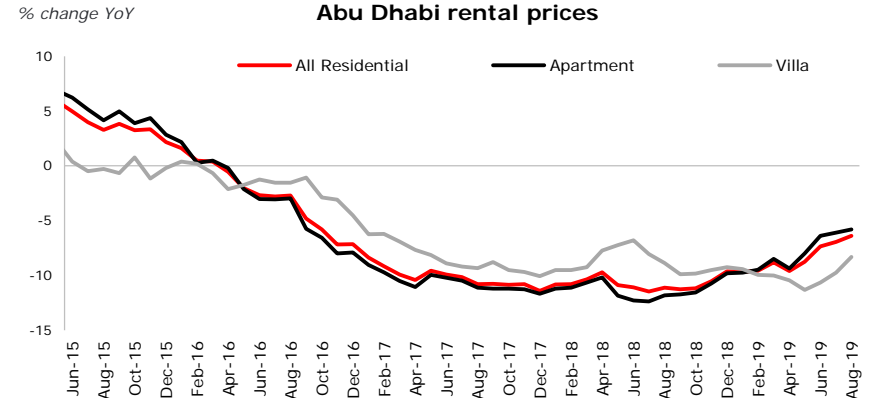
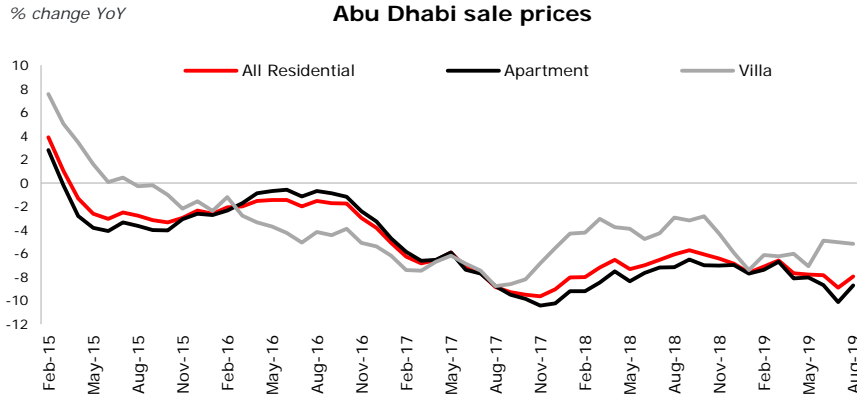
UAE	2014	2015	2016	2017	2018e	2019f	2020f
Average Brent Crude Spot Price, USD p/b	99.5	52.3	43.7	54.7	71.7	64.7	62.5
Average Oil Production, mn bpd	2.77	2.9	2.96	2.91	2.98	3.06	3.06
GDP at Current Market Prices, USD bn	403	358	357	378	414	415	421
Real GDP Growth Rate, %	4.3	5.1	3	0.5	1.7	2.1	1.7
Real Non-Oil GDP Growth Rate, %	6.2	5.1	3.3	1.9	1.3	1.8	2.4
CPI Inflation, % average	2.3	4.1	1.7	2.0	3.1	(2.0)	0.2
Budget Balance, USD bn	7.7	(12.1)	(7.2)	(2.3)	16.2	3.2	0.1
Budget Balance, % of GDP	1.9	(3.4)	(2.0)	(0.6)	3.9	0.8	0.0
Trade Balance, USD billion	108.4	76.6	68.4	79.2	90.9	85.3	81.4
Current Account, % of GDP	13.3	4.9	2.6	7.0	7.9	6.1	5.1
Growth in Credit to the Private Sector, %	11.7	8.4	5.5	3	4.0	3.8	4.1

Source: UAE National Bureau of Statistics, UAE Central Bank, IMF, ADCB estimates

Banking sector liquidity remains comfortable

UAE property overview

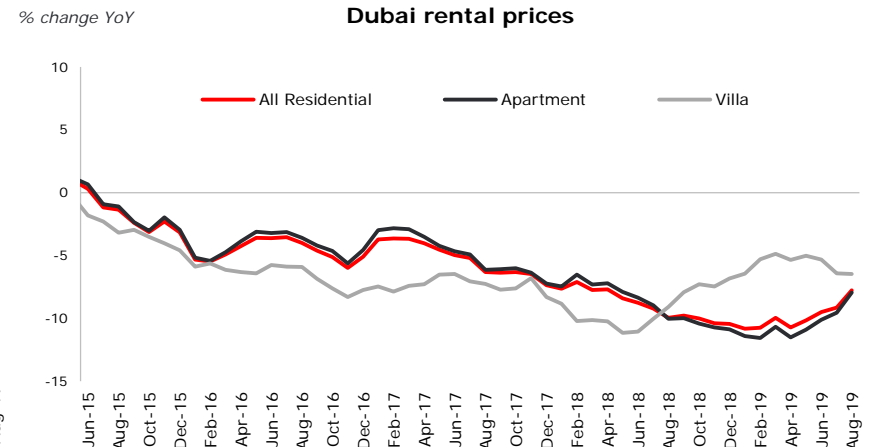
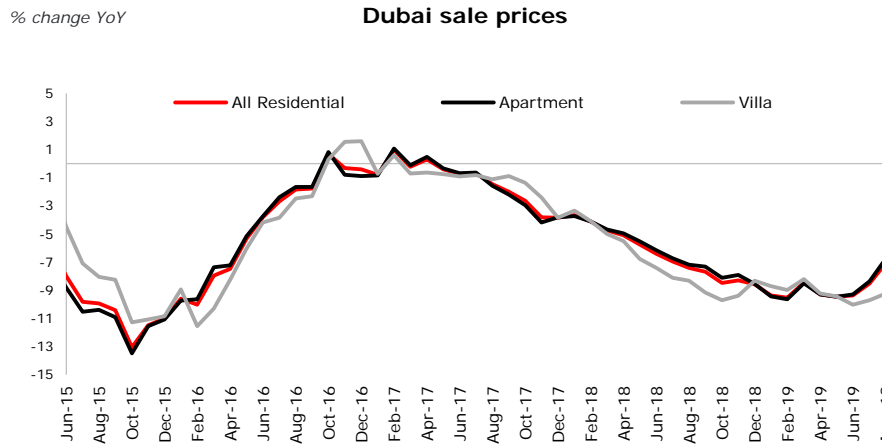
Abu Dhabi rental and sale prices continued to contract in 8M 2019



Source: Reidin, ADCB calculations

Source: Reidin, ADCB calculations

Fall in Dubai property sale prices showing signs of gradual moderation



Source: Reidin, ADCB calculations

Source: Reidin, ADCB calculations

Supply growth in housing continuing to outstrip demand growth

Section 4

Key financial highlights

Pro-forma financial statement are most relevant comparatives in the current scenario

Pro-forma financial statements are the only meaningful comparatives. Also, as the budgets of these three banks are no longer relevant due to various merger related issues such as reduction of staff, integration costs, rationalization of other operating costs, alignment of accounting policies and fair value adjustments.

The pro forma financial information consists of the unaudited pro forma condensed consolidated statement of financial position of ADCB, UNB and AHB (together referred to as “the Group”) as at September 30, 2019, as if the merger has taken place as at January 1, 2018, and its unaudited pro forma condensed consolidated income statement for the nine months ended September 30, 2019, and notes to the unaudited pro forma financial information.

The purpose of the pro forma financial information is to show the material effects that the merger of ADCB and UNB with subsequent acquisition of AHB would have had on the historical consolidated statement of financial position if the Group had already existed in the structure created by the combination as at January 1, 2018 and on the historical consolidated income statement for the nine months ended September 30, 2019.

The presentation of the pro forma financial information of the Group is based on certain pro forma assumptions and has been prepared for illustrative purposes only and, because of its nature, the pro forma condensed consolidated statement of financial position and condensed consolidated income statement addresses a hypothetical situation and, therefore may not give a true picture of the financial position of the Group. Furthermore, the pro forma financial information is only meaningful in conjunction with the historical consolidated financial statements of ADCB, UNB and AHB as at and for the financial period ended December 31, 2018.

Resilient performance in 9M'19

Cost synergies target increased significantly

✓ High shareholder value creation potential



407 AED bn
Total assets



4.2 AED bn
Net profit

✓ Resilient bank with measured growth



250 AED bn
Net loans and advances



263 AED bn
Customer deposits

✓ Strong metrics



Over
1mn
Number of customers



840 AED mn
Annual run-rate cost synergies

Balance sheet highlights

Balance sheet (AED mn)	Year to date		Change %
	Sep'19	Dec'18	YTD
Total assets	406,916	423,419	(4)
Net loans and advances	249,530	260,340	(4)
Investment securities	72,930	73,942	(1)
Deposits from customers	262,533	285,417	(8)
Borrowings (including ECP)	53,881	53,512	1
Total shareholders' equity	54,086	51,020	6

Components may not sum exactly to totals because of rounding

9M'19 highlights (YTD comparison)

- ▶ Total assets declined 4% to AED 407 billion and net loans to customers declined 4% to AED 250 billion, due to corporate repayments and fair value adjustments
- ▶ Deposits from customers decreased 8% to AED 263 billion reflecting the Bank's conscious decision to exit expensive time deposits
- ▶ CASA deposits increased by 4% to AED 98 billion and comprised 37.5% of total customer deposits compared to 33.1% as at 31 December 2018
- ▶ Loan to deposit ratio of 95.0% compared to 91.2% at year end

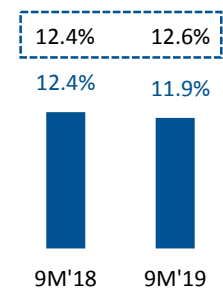
Deposit mix inclined towards low cost CASA

9M'19 income statement highlights

Income statement (AED mn)	Nine-month trend		Change %
	9M'19	9M'18	YoY
Total net interest and Islamic financing income	7,741	8,331	(7)
Non-interest income	2,177	2,244	(3)
Operating income	9,919	10,575	(6)
Operating expenses ¹	(3,950)	(3,811)	4
Operating profit before impairment allowances	5,969	6,764	(12)
Impairment allowances	(1,745)	(1,820)	(4)
Net profit for the period	4,196	4,883	(14)

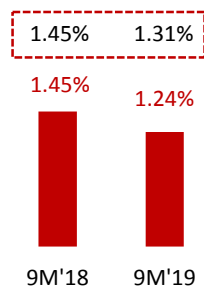
Components may not sum exactly to totals because of rounding

Return on average tangible equity² (%)



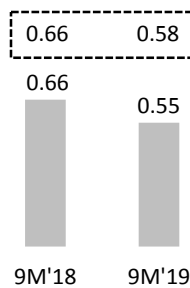
Average tangible equity (AED bn) 49 43

Return on average assets² (%)



Average assets (AED bn) 419 415

Earnings per share (AED)



Total number of shares 6.957 billion

Excluding one-off integration-related costs

Key highlights (YoY)

- ▶ Nine-month group net profit at AED 4.196 billion with a double-digit annualised return on average tangible equity of 11.9%
- ▶ Net interest and Islamic financing income of AED 7.741 billion was 7% lower, mainly attributable to the harmonisation of the combined entity's liquidity management standards and intense competition on loan yields
- ▶ Non-interest income of AED 2.177 billion was 3% lower, on account of lower net fees and commission income and decreased trading income
- ▶ Operating expenses were AED 3.950 billion, up 4%, primarily attributable to one-off integration-related expenses and continued investments in digital transformation
- ▶ Bottom line impacted by lower revenues, partially offset by 4% decrease in impairment allowances

¹ Operating expenses include non-recurring expenses pertaining to integration-related costs of AED 217 million, for the nine-month period ended 30 September 2018: AED Nil

² Annualised, for ROATE/ROAA calculations, net profit attributable to equity shareholders is considered, i.e., net profit after deducting interest expense on Tier I capital notes

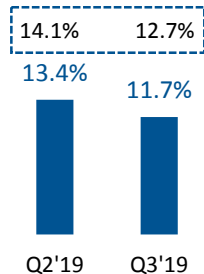
Q3'19 income statement highlights

Income statement (AED mn)	Quarterly trend		Change %
	Q3'19	Q2'19	QoQ
Total net interest and Islamic financing income	2,522	2,596	(3)
Non-interest income	749	656	14
Operating income	3,272	3,252	1
Operating expenses ¹	(1,279)	(1,366)	(6)
Operating profit before impairment allowances	1,993	1,886	6
Impairment allowances	(572)	(429)	33
Net profit for the period	1,413	1,448	(2)

Key highlights (QoQ)

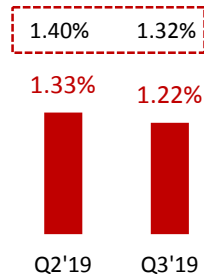
- ▶ Net profit (excluding one-off integration-related costs) of AED 1.520 billion remained stable on a quarterly basis
- ▶ Non-interest income of AED 749 million was up 14%, driven by higher fees and commission income, as well as higher trading income
- ▶ Operating income of AED 3.272 billion was up 1%
- ▶ Operating expenses of AED 1.279 billion improved 6%, driven by the Bank's disciplined cost control and cost synergies realised ahead of plan
- ▶ Drop in ROATE reflects the rise of AED 1 billion in equity base and payment of coupon on Tier 1 notes in Q3'19

Return on average tangible equity² (%)



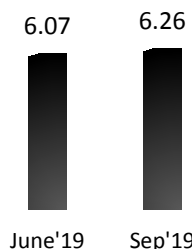
Average tangible equity (AED bn) 42 43

Return on average assets² (%)



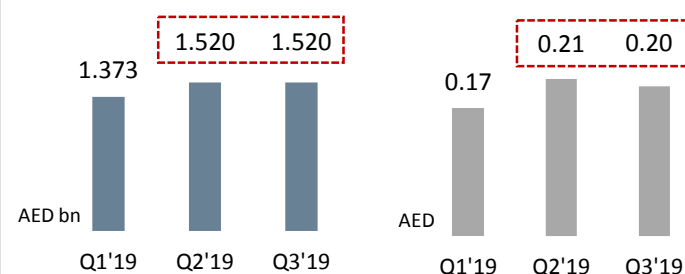
Average assets (AED bn) 421 412

Tangible book value per share (AED)



Total number of shares 6.957 billion

Net profit and earnings per share (Excluding one-off integration-related costs)



¹ Operating expenses include non-recurring expenses pertaining to integration-related costs of AED 107 million in Q3'19, AED 72 million in Q2'19 and AED 38 million in Q1'19

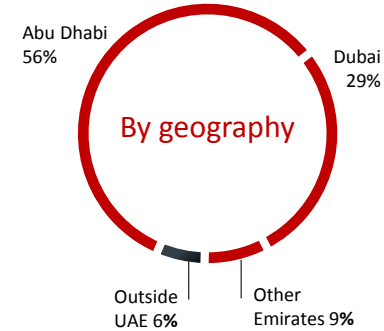
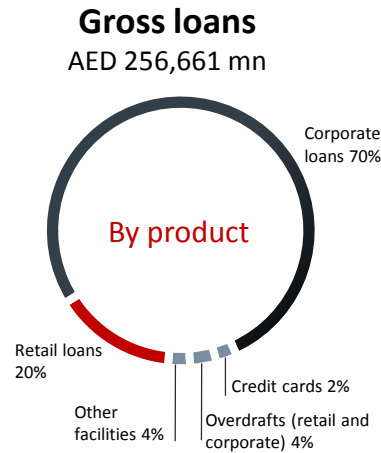
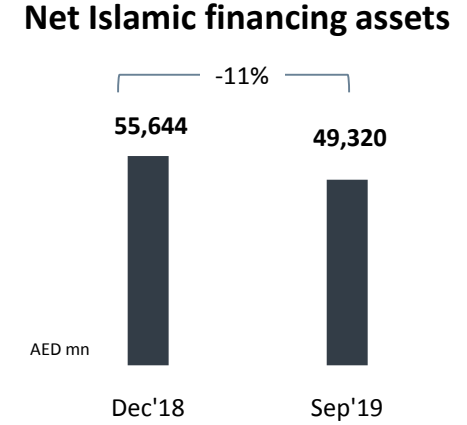
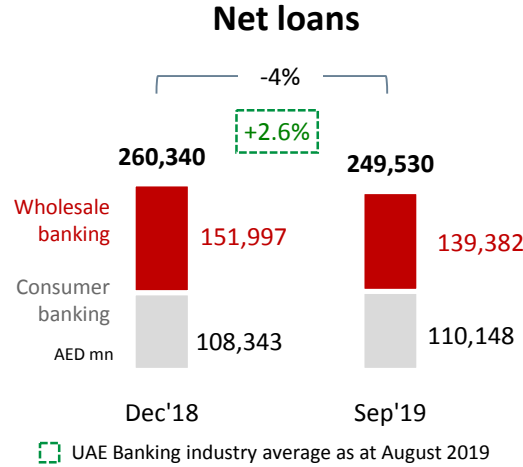
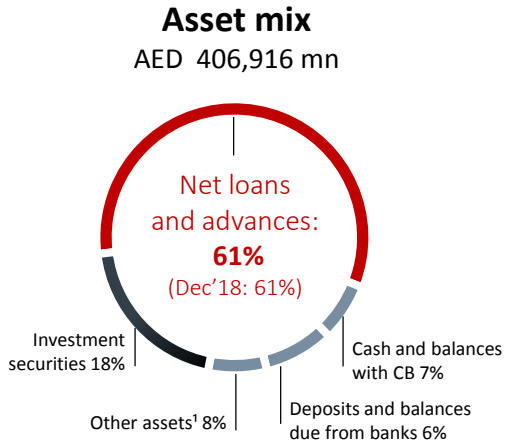
² Annualised, for ROATE/ROAA calculations, net profit attributable to equity shareholders is considered, i.e., net profit after deducting interest expense on Tier 1 capital notes

Excluding one-off integration-related costs

Components may not sum exactly to totals because of rounding

Balance sheet metrics

Loan portfolio breakdown



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

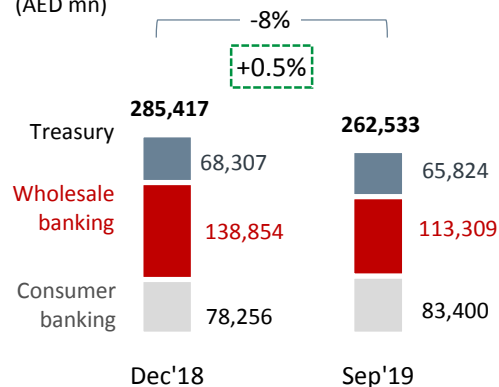
² Others include: Agriculture, Energy, Transport, Manufacturing, Services and others

- ▶ YTD net loans declined by 4%, due to corporate repayments and fair value adjustments. Wholesale Banking loans -8%, while Consumer Banking loans +2%
- ▶ Consumer banking loans comprise 44% of net loans, while Wholesale banking loans constitute 56%
- ▶ Islamic financing assets comprise 20% of net loans and advances to customers

Deposit base breakdown

Deposits

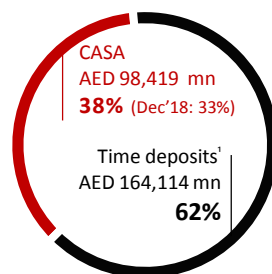
(AED mn)



UAE Banking industry average as at August 2019

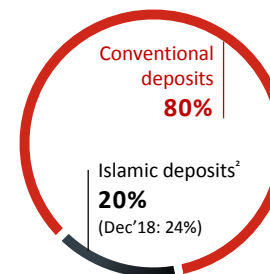
CASA contribution

Customer deposits: AED 262,533 mn



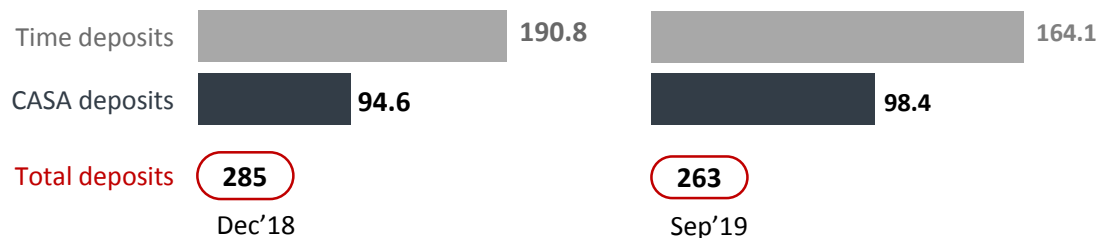
¹ Time deposits include long-term government and Murabaha deposits

Islamic deposits contribution



² Islamic deposits include Murabaha deposits

Customer deposits (AED bn)



Islamic deposits (AED bn)

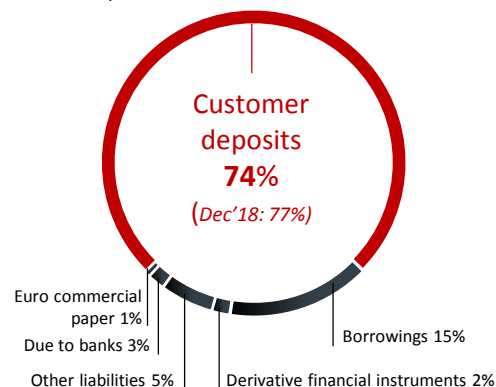


- ▶ YTD deposits declined by 8%, driven by the Bank's conscious decision to exit expensive time deposits. Consumer Banking deposits increased by 7%
- ▶ CASA deposits increased by AED 3.8 billion (+4%), while time deposits declined by AED 26.7 billion (-14%)
- ▶ Islamic deposits comprised 20% of total customer deposits

Wholesale funding and maturity profile

Liability base

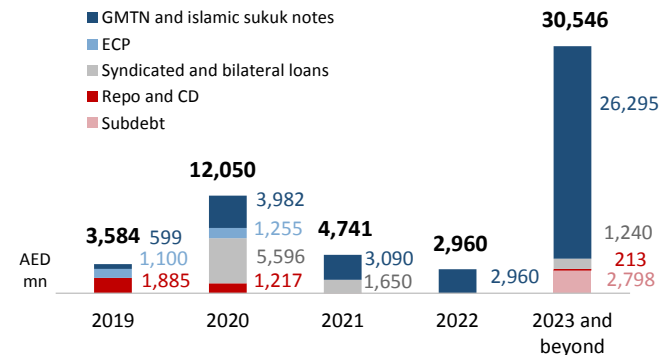
AED 352,677 mn



Wholesale funding

As at 30 September 2019	AED mn
Global medium term notes (GMTN)	35,100
Islamic sukuk notes	1,826
Subordinated debt	2,798
Euro Commercial paper	2,354
Repo	832
Bilateral loans	5,457
Syndicated loans	3,029
Certificate of Deposits	2,484
Total	53,881

Maturity profile



Comfortable liquidity position

Liquidity ratio¹

26.9%

Liquidity coverage ratio

121.2%

UAE Central Bank requirement 100%

Loan to deposit ratio

91.2%

95.0%

Dec'18

Sep'19

Average system LDR for 2019: 89.0%

Net lender in the interbank markets

AED 11 bn²

Main issuances in 9M'19

- ▶ 6 year CHF 200 mn with coupon of 0.51% p.a.
- ▶ 10 year IDR 1.4 bn with coupon of 8.16% p.a.
- ▶ 5 year USD 518 mn with coupon of 3M Libor + 1.10% p.a. to 1.55% p.a.
- ▶ 30 to 40 year USD 505 mn interest accreting notes, interest rate between 3.82% to 5.79% p.a.
- ▶ CD Issuance of USD 468 mn with maturity ranging form 3 months to 1 year with cost ranging from 0.92% to 3.72% p.a.

Main maturities in 9M'19

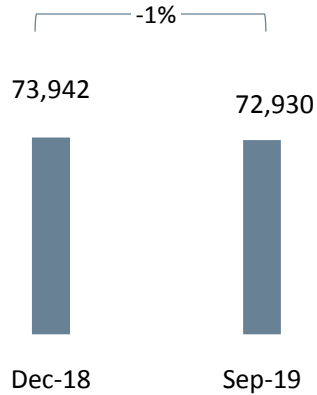
- ▶ USD 1.5 bn issued under Bank's GMTN issuances program with coupon ranging from 2.74% p.a. to 5.12% p.a.
- ▶ AUD 250mn issued at coupon of 4.75% p.a
- ▶ USD 100mn Islamic Sukuk Note at coupon rate of 3M Libor + 0.9% p.a.
- ▶ CD issuances in equivalent USD 380mn with coupon rate ranging from 1.12 % p.a. to 2.88 % p.a.

¹ Liquidity ratio: liquid assets/total assets. Liquid assets include cash and balances with Central Banks, deposits and balances due from banks (excluding loans to banks), reverse repo placements, trading securities, and liquid investments (excluding unquoted investments)

² Includes AED 5.9 bn of certificate of deposits with central banks

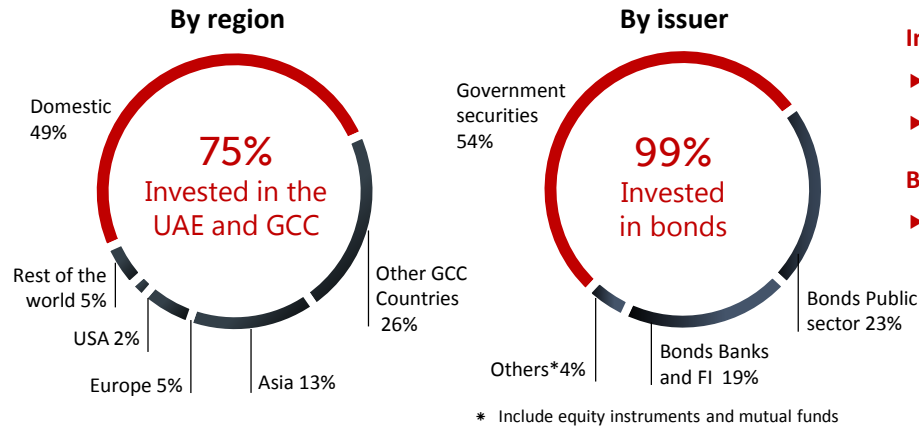
Investment securities

Investment securities (AED mn)



Investment securities

AED 72,930 mn



Non-Government bond portfolio

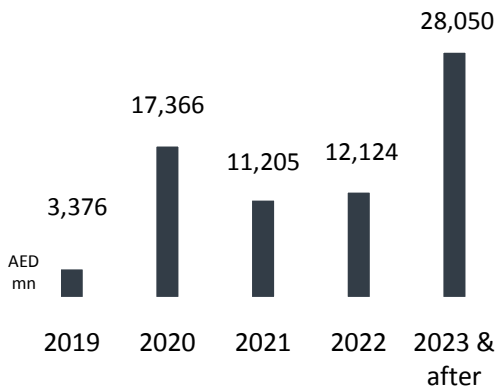
Investment grade:

- ▶ Rated A- or better: 76%
- ▶ Rated BBB+ to BBB-: 20%

Below investment grade:

- ▶ (BB+ and below including unrated): 4%

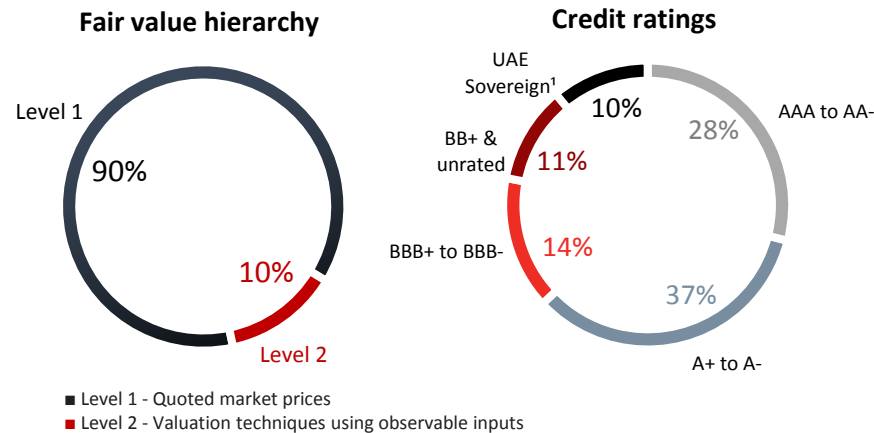
Maturity profile*



* Excluding investments in equity and funds

Total bond portfolio

Government and Non-Government bond portfolio: AED 72,122 mn



Credit ratings:

Standard & Poor's, or equivalent of Fitch or Moody's. Issuer/guarantor's based ratings are used, where bonds are unrated

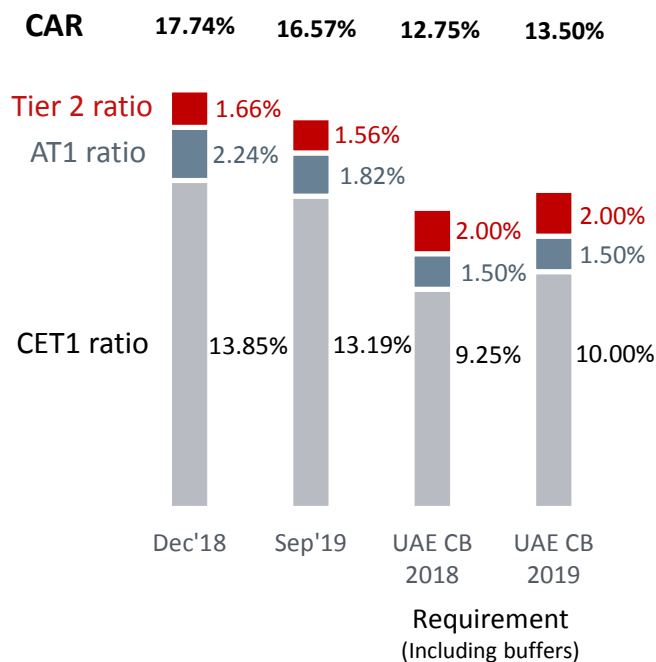
¹ UAE Sovereign internal rating mainly in Grade 2 to Grade 3 and maps to external rating between AA to A-

High quality investment portfolio, with 99% invested in bonds

Capital ratios

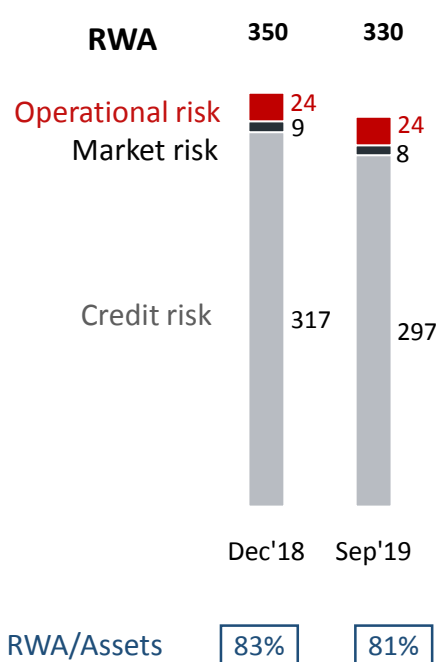
Capital adequacy ratio (%)

(Basel III)



Risk weighted assets

(AED bn)



Risk weighted assets declined by AED21bn mainly due to reduction in CRWA due to reduction in total assets

Variance analysis

Capital adequacy ratio movement	%
Dec'18 capital adequacy ratio	17.74%
Profit for the period	1.12%
Other capital movements*	-1.30%
Dividend payment	-0.72%
Goodwill deduction	-1.35%
Decrease in CRWA	1.07%
Sep'19 capital adequacy ratio	16.57%

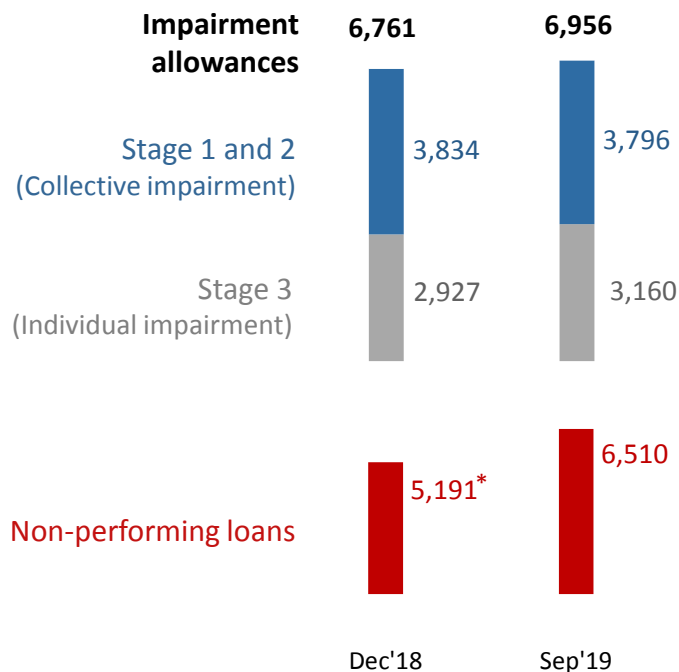
*AHB Tier 1 repayment, FVOCI reserve movement, Tier-2 amortization, AHB capital reduction (FV adj.), etc.

Components may not sum exactly to totals because of rounding

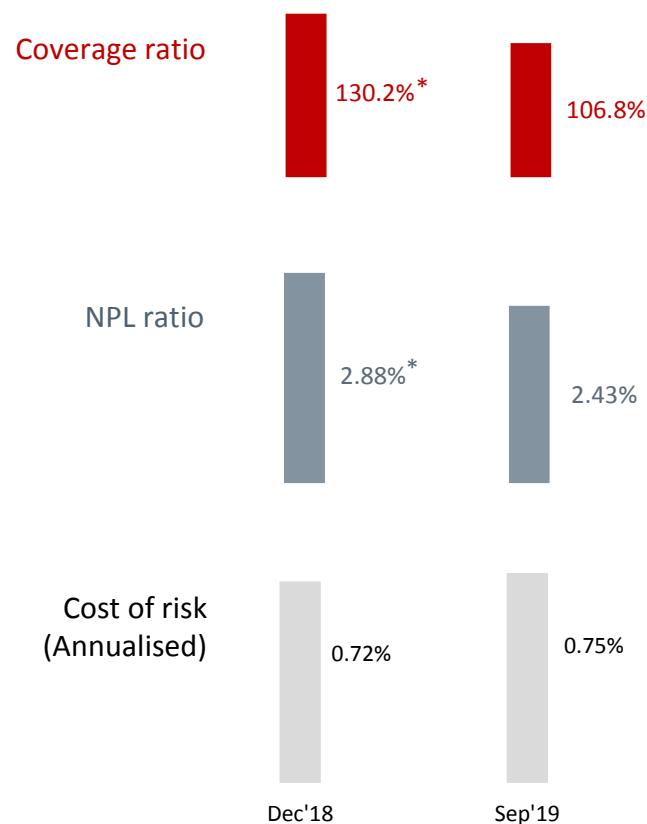
Capital ratios above the minimum regulatory requirements

Asset quality

Stage 3 (NPL) and impairment allowances¹ (AED mn)



Risk indicators



* ADCB standalone

¹ Impairment allowances for loans and advances to customers and banks

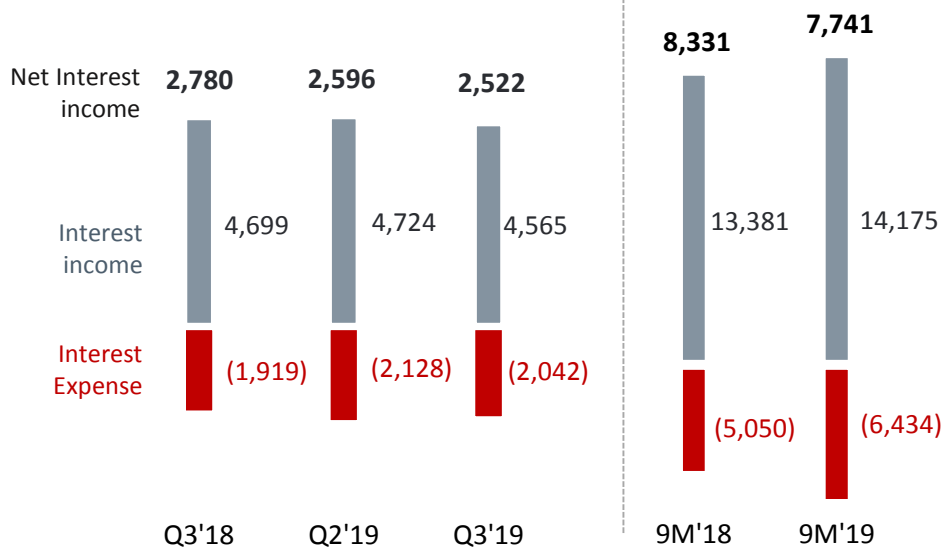
- ▶ Stage 3 (non-performing loans) increased to AED 6.510 billion, due to a few corporate accounts
- ▶ Impairment allowances on loans and advances to customers and banks account for 79% of the total
- ▶ Stage 1 and 2 expected credit loss allowances were 1.85% of credit risk weighted assets, above the minimum 1.5% stipulated by the UAE Central Bank

Income statement metrics

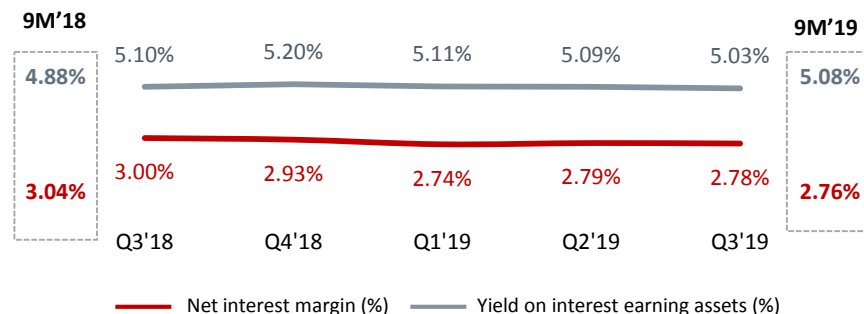
Net interest income

Net interest income

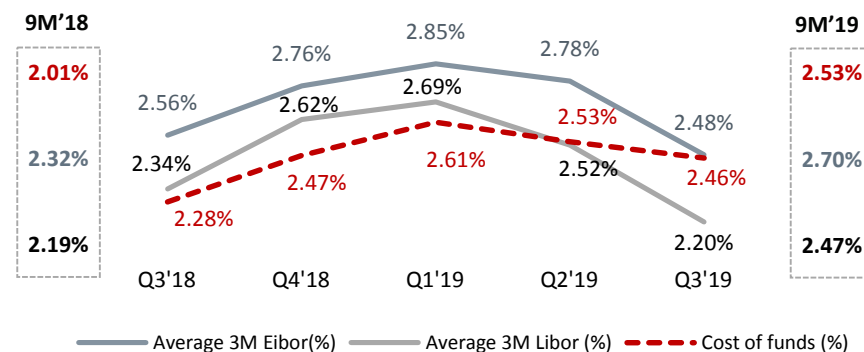
(AED mn)



Q3'19 NIM remained stable despite benchmark rate cuts



CoF improved 7 bps QoQ, driven by repayment of expensive time deposits

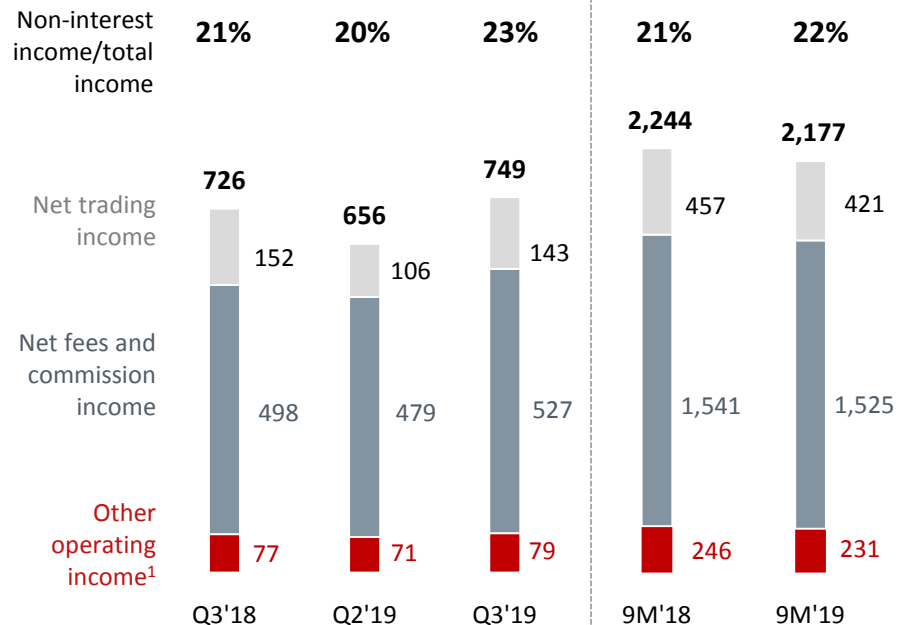


- ▶ 9M'19 gross interest and Islamic financing income of AED 14.175 billion was up 6% YoY, primarily driven by comparatively higher benchmark rates and higher volumes (average interest earning assets increased by AED 6.5 billion)
- ▶ 9M'19 NIM stood at 2.76%, a contraction of 28 basis points over 9M'18, mainly on account of:
 - Increase in the cost of carrying high quality liquid assets (HQLA) in H1'19 in preparation for the merger
 - Lower balances in the unsecured retail loan book
 - Higher interest in suspense charges compared to one-off reversals in 9M'18

Non-interest income

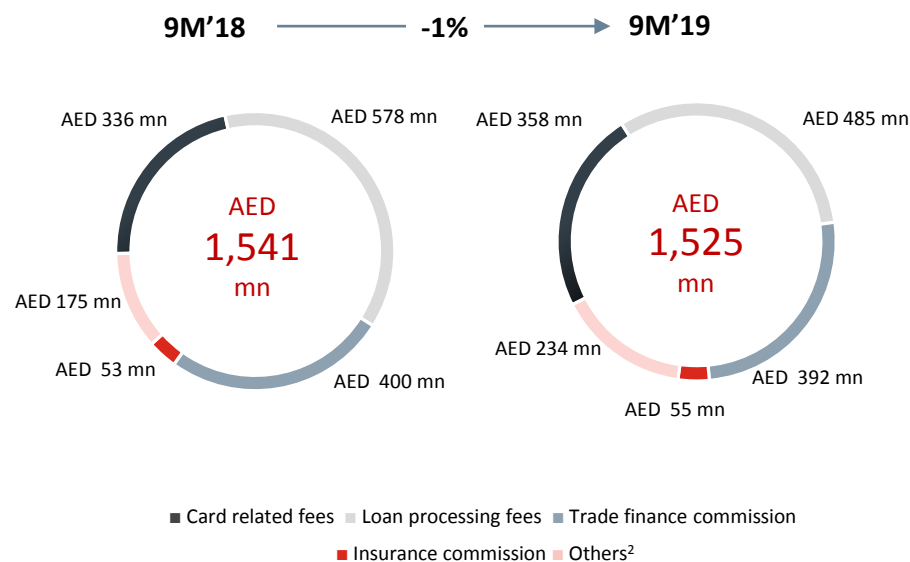
Non-interest income

(AED mn)



¹ Others operating income includes revaluation loss on investment properties

Net fees and commission income



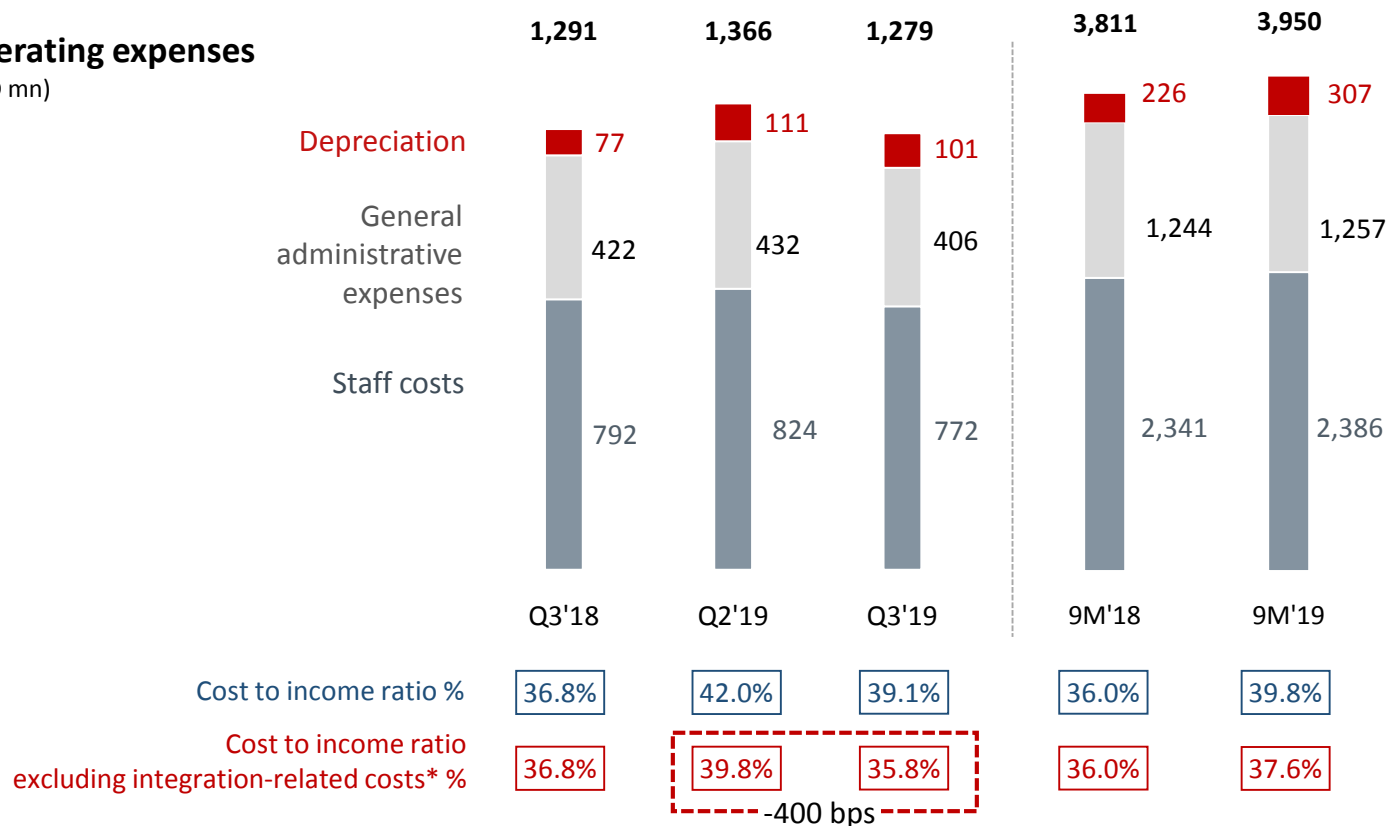
²Others include asset management, investment services brokerage, fees from accounts related activities and other fees

- ▶ 9M'19 non-interest income of AED 2.177 billion was down 3% YoY and comprised 22% of operating income
- ▶ Net fees and commission income of AED 1,525 million was down 1% over 9M'18, largely attributable to lower loan processing fees, partially offset by higher card related fees. Net trading income of AED 421 million was down 8% YoY, on account of lower gains from dealing in foreign exchange
- ▶ Q3'19 non-interest income of AED 749 million was up 14% quarter on quarter, boosted by a 10% rise in fee income and 35% increase in trading income

Operating expenses

Operating expenses

(AED mn)



*Integration - related costs include integration costs as well as transaction costs

- ▶ 9M'19 operating expenses were AED 3.950 billion, up 4% YoY
- ▶ Integration-related costs stood at AED 217 million to date, of which AED 107 million were recorded in Q3'19
- ▶ Q3'19 cost to income ratio (excluding integration-related costs) stood at 35.8% compared to 39.8% in Q2'19, an improvement of 400 basis points QoQ, supported by the Bank's disciplined cost control and realisation of cost synergies ahead of plan
- ▶ Cost to income ratio continues to be higher than the pre-merger ADCB levels, primarily due to the high cost to income ratios of Union National Bank and Al Hilal Bank

Key highlights of Q3/9M'19

- ▶ Moving at a powerful pace on integration, with timeline reduced by half to 17 months. Full integration to be completed by Q2 2020
- ▶ Run-rate cost synergy target increased significantly to AED 840 million, from original target of AED 615 million
- ▶ Resilient Q3/9M performance, with cost controls and synergies driving substantial savings
- ▶ Stable NIMs despite the two benchmark rate cuts
- ▶ Merger-related purchase price allocation (PPA) expected to be completed by the first quarter of 2020
- ▶ CASA deposits continue to rise, while Bank exits expensive time deposits
- ▶ Strong liquidity and capital position, comfortably above regulatory requirements

Section 5
Appendix

Reaffirmation of ratings reflects the combined entity's strong business proposition and solid financial profile

**Fitch
Ratings**
02 May 2019

A+/F1

Stable
OUTLOOK

"ADCB's VR after the merger is driven by its solid domestic franchise, which has further strengthened as a result of the merger, adequate capitalisation, low level of reported impaired loans and reasonable performance."

"The affirmation of ADCB's IDRs, Support Rating (SR) and Support Rating Floor (SRF), which are at the level of the other Abu Dhabi domestic important banks (D-SIB), reflects the bank's high systemic importance, which has increased as a result of the merger, but not to the extent that this would justify rating the bank above its current IDR."

VR: Viability rating
IDR: Issuer default rating

**STANDARD
& POOR'S**

27 June 2019

A/A-1

Stable
OUTLOOK

"Our ratings on ADCB reflect the bank's well-established franchise, stable management, and its predictable and balanced earnings generation across different business segments. We believe that the ongoing merger between ADCB, UNB, and AHB will further strengthen ADCB's already strong franchise in the United Arab Emirates (UAE), particularly in the retail and Islamic banking segments."

"We regard ADCB's capital and earnings as strong. This reflects the bank's high level of capital, its strong core earnings generation, and manageable dividend payout policy, which enables it to maintain its capitalisation."

"We expect ADCB will continue to enjoy sound access to long-term funding. It is one of the few banks in the region with well-established, long-term funding programs and access to hard currency, overseas funding at strong rates."


MOODY'S
Unsolicited

3 February 2019

Aa3/A1

Stable
OUTLOOK

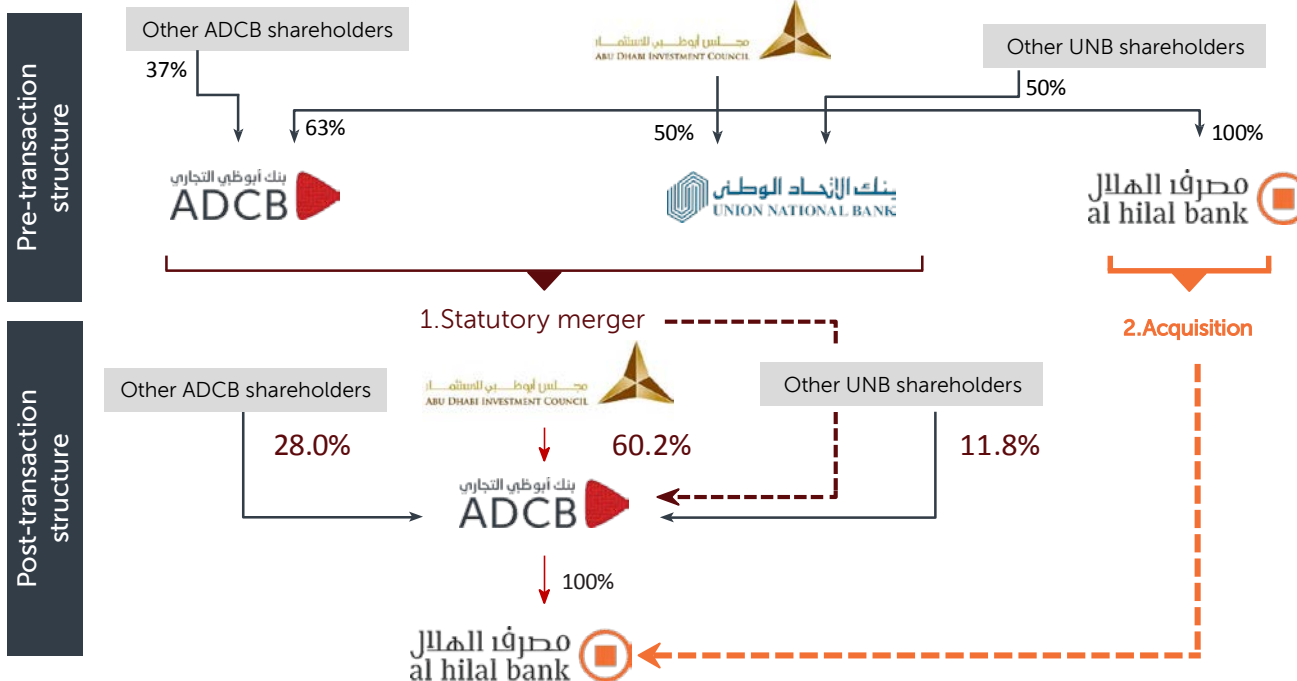
"We assign A1 long-term deposit ratings to Abu Dhabi Commercial Bank (ADCB). These ratings are underpinned by the bank's baa3 standalone baseline credit assessment (BCA) and our expectation of a very high probability of support from the Government of United Arab Emirates (UAE, Aa2 stable), if needed."

"ADCB's baa3 BCA is driven by the bank's (1) solid asset quality, (2) sound capitalisation and profitability, and (3) robust liquid asset buffers. These strengths are moderated by the bank's high credit concentrations and increasing funding costs. We also assign a Counterparty Risk (CR) Assessment of Aa3(cr)/P-1(cr) to ADCB."

Note: These quotes are excerpts from Fitch's, Standard & Poor's 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

Transaction structure

ADCB and UNB merged through a statutory merger and together acquired Al Hilal Bank



Key highlights

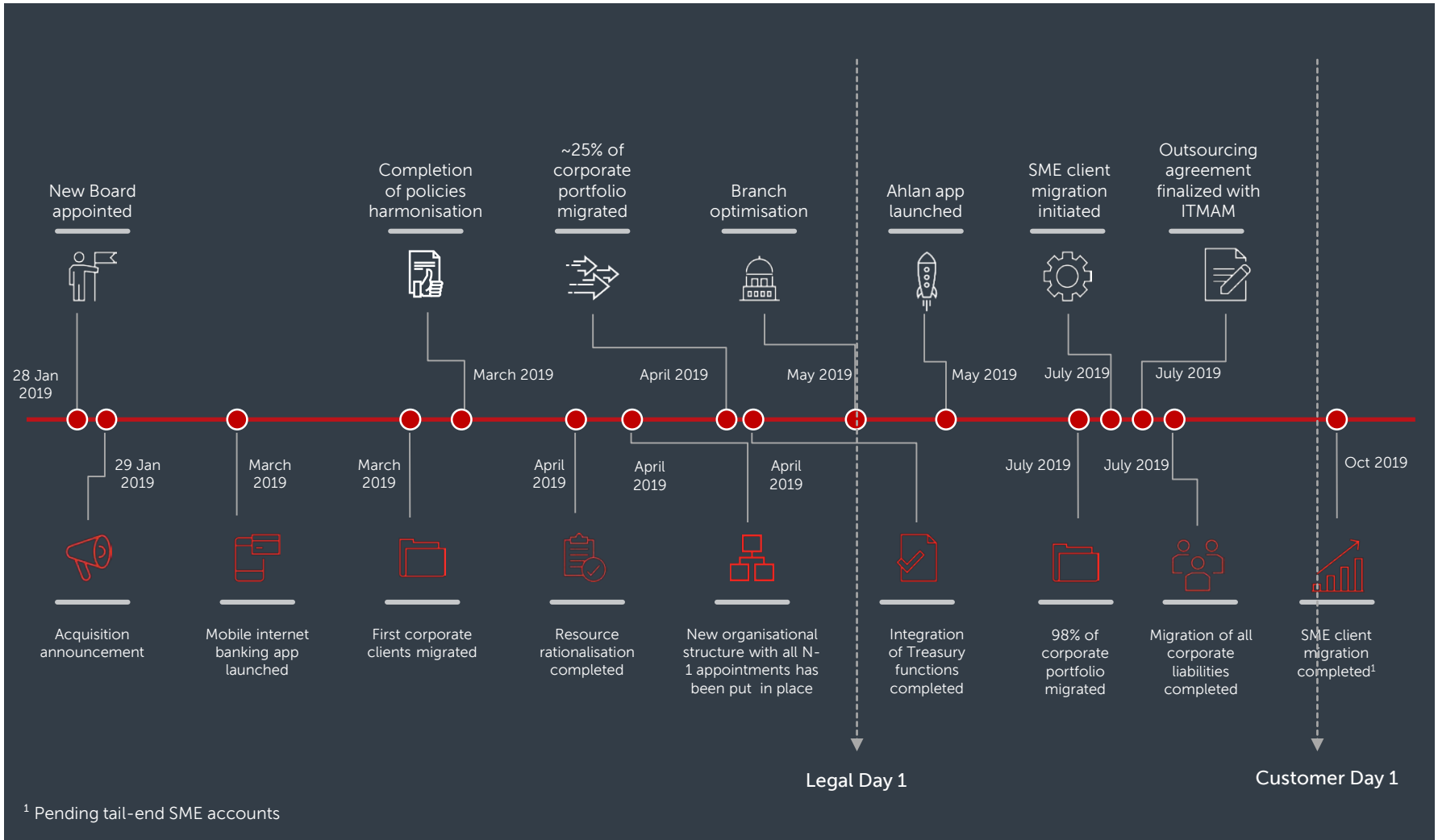
1- Merger of ADCB and UNB

- ADCB issued 0.5966 ADCB shares for every UNB share, which corresponded to a total of 1,641,501,087 new shares issued to UNB shareholders
- Based on ADCB's closing share price of AED 9.88 on April 30, 2019, this translated to a consideration of AED 16,218 million

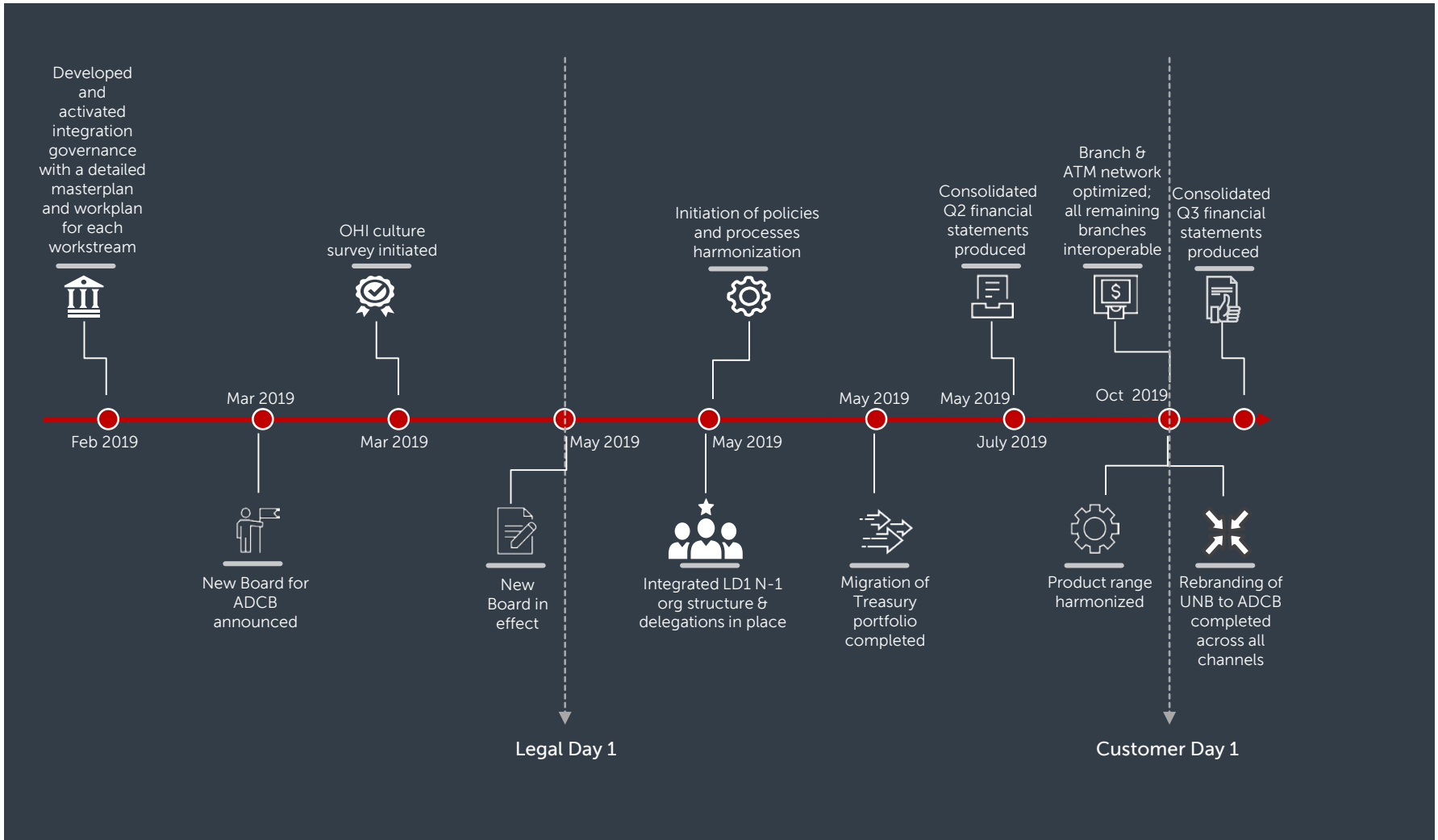
2- Acquisition of Al Hilal Bank

Al Hilal Bank was acquired by the combined ADCB/UNB entity for a consideration of AED 1 billion, through issuance of a mandatory convertible note for up to 117,647,058 post-merger ADCB shares to ADIC

Completed major Al Hilal Bank integration milestones



Completed major UNB integration milestones



Pro-forma financial statements

Pro-forma balance sheet as at 30 September 2019

AED mn	Actual Sep-19	(Pro-forma) Dec-18*	Variance %
Cash and balances with Central banks	26,579	33,317	(20)
Deposits and balances due from banks, net	25,815	26,942	(4)
Reverse-repo placements	0	2,204	NM
Trading securities	0	377	NM
Derivative financial instruments	7,826	4,773	64
Investment securities	72,930	73,942	(1)
Loans and advances to customers, net	249,530	260,340	(4)
Investment in associate	397	394	NM
Investment properties	2,544	2,528	1
Other assets ¹	14,578	16,032	(9)
Property and equipment, net	2,204	2,004	10
Goodwill	4,514	565	NA
Total assets	406,916	423,419	(4)
Due to banks	9,722	9,068	7
Derivative financial instruments	8,146	5,851	39
Deposits from customers	262,533	285,417	(8)
Euro commercial paper	2,354	3,279	(28)
Borrowings	51,527	50,232	3
Other liabilities ²	18,396	18,402	0
Total liabilities	352,677	372,250	(5)
Total shareholders' equity	54,086	51,020	6
Non -controlling interests	153	149	NM
Total liabilities and shareholders' equity	406,916	423,419	(4)

* Pro- forma includes balance sheet of Abu Dhabi Commercial Bank, Union National Bank and Al Hilal Bank PJSC for the period ended Dec 31, 2018

¹ Other assets include assets held for sale

² Other liabilities include liabilities directly related to assets held for sale

Pro-forma income statement for the nine month period ended 30 September 2019

AED mn	Quarterly trends			Yearly trends		
	3Q'19	3Q'18	Variance %	9M'19	9M'18	Variance %
Interest and income from Islamic financing	4,565	4,699	(3)	14,175	13,381	6
Interest expense and profit distribution	(2,043)	(1,919)	6	(6,434)	(5,050)	27
Net interest and Islamic financing income	2,522	2,780	(9)	7,741	8,331	(7)
Net fees and commission income	527	498	6	1,525	1,541	(1)
Net trading income	143	152	(6)	421	457	(8)
Revaluation of investment properties	(0)	(0)	NM	1	1	NM
Other operating income	79	77	3	231	245	(6)
Non interest income	749	726	3	2,177	2,244	(3)
Operating income	3,272	3,506	(7)	9,919	10,575	(6)
Staff expenses	(772)	(792)	(3)	(2,387)	(2,341)	2
General administrative expenses	(406)	(422)	(4)	(1,257)	(1,244)	1
Depreciation	(101)	(77)	31	(307)	(226)	35
Operating expenses	(1,279)	(1,291)	(1)	(3,950)	(3,811)	4
Operating profit before impairment allowances & taxation	1,993	2,215	(10)	5,969	6,764	(12)
Impairment allowance charge on loans and advances	(766)	(652)	18	(2,084)	(2,109)	(1)
Recovery of loans	70	87	(20)	194	301	(35)
Other impairment	125	(1)	NM	144	(11)	NM
Net impairment	(572)	(566)	1	(1,745)	(1,820)	(4)
Share of profit of associates	2	(6)	NM	12	(8)	NM
Overseas income tax expense and loss from discontinued operations	(10)	(19)	(47)	(40)	(53)	(24)
Published profit	1,413	1,624	(13)	4,196	4,883	(14)
Attributed to:						
Equity holders of the parent	1,412	1,620	(13)	4,194	4,873	(14)
Non-controlling interests	1	4	NM	2	10	NM
Net Profit	1,413	1,624	(13)	4,196	4,883	(14)

Figures include the results of Union National Bank PJSC and Al Hilal Bank PJSC for the full mentioned period.

Published financial statements

Published balance sheet as at 30 September 2019

AED mn	Published Sep-19	Published Dec-18	Variance %
Cash and balances with Central banks	26,579	19,590	36
Deposits and balances due from banks, net	25,815	19,627	32
Reverse-repo placements	0	2,204	NM
Trading securities	0	60	NM
Derivative financial instruments	7,826	4,447	76
Investment securities	72,930	52,362	39
Loans and advances to customers, net	249,530	166,426	50
Investment in associate	397	205	94
Investment properties	2,544	577	341
Other assets ¹	14,578	13,331	9
Property and equipment, net	2,204	983	124
Goodwill	4,514	19	NM
Total assets	406,916	279,830	45
Due to banks	9,722	3,071	217
Derivative financial instruments	8,146	5,696	43
Deposits from customers	262,533	176,654	49
Euro commercial paper	2,354	3,279	(28)
Borrowings	51,527	43,028	20
Other liabilities ²	18,396	15,297	20
Total liabilities	352,677	247,025	43
Total shareholders' equity	54,086	32,806	65
Non -controlling interests	153	0	NA
Total liabilities and shareholders' equity	406,916	279,830	45

* Published balance sheet as at Dec 31, 2018 is for ADCB only (as the surviving entity)

¹ Other assets include assets held for sale

² Other liabilities include liabilities directly related to assets held for sale

Components may not sum exactly to totals because of rounding

Published income statement for the nine month period ended 30 September 2019

AED mn	Quarterly trends			Yearly trends		
	3Q'19	3Q'18	Variance %	9M'19	9M'18	Variance %
Interest and income from Islamic financing	4,565	2,972	54	11,862	8,465	40
Interest expense and profit distribution	(2,042)	(1,167)	75	(5,331)	(3,048)	75
Net interest and Islamic financing income	2,522	1,804	40	6,531	5,417	21
Net fees and commission income	527	328	61	1,345	1,036	30
Net trading income	143	113	26	356	343	4
Other operating income	79	49	62	197	141	40
Non interest income	749	490	53	1,898	1,521	25
Operating income	3,272	2,295	43	8,429	6,937	22
Staff expenses	(772)	(481)	60	(1,920)	(1,394)	38
General administrative expenses	(406)	(272)	49	(1,056)	(820)	29
Depreciation	(101)	(45)	123	(256)	(130)	97
Operating expenses	(1,279)	(799)	60	(3,233)	(2,344)	38
Operating profit before impairment allowances & taxation	1,993	1,496	33	5,196	4,593	13
Impairment allowance charge on loans and advances	(766)	(386)	98	(1,736)	(1,276)	36
Recovery of loans	70	40	73	165	170	(3)
Other impairment	125	(1)	NM	128	(11)	NM
Net impairment	(572)	(347)	65	(1,443)	(1,117)	29
Share of profit of associates	2	2	32	7	7	(1)
Overseas income tax expense and loss from discontinued operations	(10)	1	NM	(17)	(0)	NM
Published profit	1,413	1,151	23	3,744	3,483	7
Attributed to:						
Equity holders of the parent	1,412	1,151	23	3,742	3,483	7
Non-controlling interests	1	-	NM	3	-	NM
Net Profit	1,413	1,151	23	3,744	3,483	7

Current period's results include the result of Union National Bank PJSC and Al Hilal Bank PJSC from May'19 to September'19, whereas prior year has only ADCB results. Therefore, meaningful comparisons are not possible

Abu Dhabi Commercial Bank PJSC

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