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

October 2019
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Section 1
The ADCB Group
ADCB Group is a preeminent UAE-centric bank

- 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 equipped for sustainable growth, efficiency maximisation, and navigation of regulatory changes
- 60% owned by the Abu Dhabi government through ADIC
- Growing share of foreign institutional ownership
- A wide portfolio of market-leading products and services provided to a large customer base via state of the art infrastructure
- Reputable Board of Directors to guide the newly combined entity and an integrated organisation structure led by the existing leadership of ADCB
- Continued focus on ADCB’s strategy
- Clear strategy to create value for all stakeholders, by pursuing profitable growth
- Differentiated culture with strong focus on corporate values
- Strong platform for talent development

Solid market position  Resilient bank  Diverse ownership structure  Distinctive customer-centric proposition  Reputable leadership  Clear strategic focus  Centre of excellence for talent

Solid market position

Resilient bank

Diverse ownership structure

Distinctive customer-centric proposition

Reputable leadership

Clear strategic focus

Centre of excellence for talent
### Solid market position: ADCB is the 3\textsuperscript{rd} largest bank by assets and the 3\textsuperscript{rd} largest by market capitalisation in the UAE

#### Banking sector assets in the GCC

As of June 2019\(^1\) (US$ bn)

<table>
<thead>
<tr>
<th>Country</th>
<th>Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>UAE</td>
<td>806</td>
</tr>
<tr>
<td>KSA</td>
<td>658</td>
</tr>
<tr>
<td>Qatar</td>
<td>400</td>
</tr>
<tr>
<td>Kuwait</td>
<td>224</td>
</tr>
<tr>
<td>Bahrain</td>
<td>203</td>
</tr>
<tr>
<td>Oman</td>
<td>79</td>
</tr>
</tbody>
</table>

#### Total assets top 10 UAE banks

As of June 2019 (US$ bn)

<table>
<thead>
<tr>
<th>Bank</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAB</td>
<td>211</td>
</tr>
<tr>
<td>Emirates NBD</td>
<td>146</td>
</tr>
<tr>
<td>ADCB</td>
<td>114</td>
</tr>
<tr>
<td>Mashreq</td>
<td>62</td>
</tr>
<tr>
<td>ADIB</td>
<td>34</td>
</tr>
<tr>
<td>NCB</td>
<td>21</td>
</tr>
<tr>
<td>Commercial Bank of Qatar</td>
<td>21</td>
</tr>
<tr>
<td>Emirates Islamic</td>
<td>17</td>
</tr>
<tr>
<td>RAKbank</td>
<td>16</td>
</tr>
<tr>
<td>Sharjah Islamic Bank</td>
<td>12</td>
</tr>
</tbody>
</table>

#### Market cap top 10 UAE banks

As of 30 September 2019 (US$ bn)

<table>
<thead>
<tr>
<th>Bank</th>
<th>Capitalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAB</td>
<td>45</td>
</tr>
<tr>
<td>Emirates NBD</td>
<td>20</td>
</tr>
<tr>
<td>ADCB</td>
<td>15</td>
</tr>
</tbody>
</table>

#### Total assets top 10 GCC banks

As of June 2019 (US$ bn)

<table>
<thead>
<tr>
<th>Bank</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>QNB</td>
<td>244</td>
</tr>
<tr>
<td>FAB</td>
<td>211</td>
</tr>
<tr>
<td>Emirates NBD</td>
<td>146</td>
</tr>
<tr>
<td>NCB</td>
<td>128</td>
</tr>
<tr>
<td>Commercial Bank of Qatar</td>
<td>99</td>
</tr>
<tr>
<td>NBK</td>
<td>92</td>
</tr>
<tr>
<td>SABB</td>
<td>72</td>
</tr>
<tr>
<td>RAKbank</td>
<td>66</td>
</tr>
<tr>
<td>Samba</td>
<td>63</td>
</tr>
</tbody>
</table>

### 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

<table>
<thead>
<tr>
<th>Bank</th>
<th>Retail Loans (AED bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAB</td>
<td>71</td>
</tr>
<tr>
<td>Emirates NBD</td>
<td>67</td>
</tr>
<tr>
<td>ADCB</td>
<td>67</td>
</tr>
<tr>
<td>ADIB</td>
<td>51</td>
</tr>
<tr>
<td>Noor Bank</td>
<td>40</td>
</tr>
<tr>
<td>RAKBank</td>
<td>19</td>
</tr>
<tr>
<td>mashreq</td>
<td>16</td>
</tr>
</tbody>
</table>

Islamic loan size, as of June 2019

<table>
<thead>
<tr>
<th>Bank</th>
<th>Islamic Loans (AED bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAB</td>
<td>156</td>
</tr>
<tr>
<td>ADIB</td>
<td>82</td>
</tr>
<tr>
<td>Emirates NBD</td>
<td>57</td>
</tr>
<tr>
<td>ADCB</td>
<td>51</td>
</tr>
<tr>
<td>Noor Bank</td>
<td>34</td>
</tr>
<tr>
<td>FAB</td>
<td>32</td>
</tr>
<tr>
<td>Sharyah Islamic Bank</td>
<td>26</td>
</tr>
<tr>
<td>Aman Bank</td>
<td>17</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Foreign Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep'19</td>
<td>14.5%</td>
</tr>
<tr>
<td>2018</td>
<td>15.6%</td>
</tr>
<tr>
<td>2017</td>
<td>14.9%</td>
</tr>
<tr>
<td>2016</td>
<td>12.9%</td>
</tr>
<tr>
<td>2015</td>
<td>11.7%</td>
</tr>
<tr>
<td>2014</td>
<td>9.4%</td>
</tr>
<tr>
<td>2013</td>
<td>8.6%</td>
</tr>
<tr>
<td>2012</td>
<td>7.2%</td>
</tr>
<tr>
<td>2011</td>
<td>3.4%</td>
</tr>
<tr>
<td>2010</td>
<td>3.0%</td>
</tr>
<tr>
<td>2009</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

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

Strong share holding structure
(As at 30 September 2019)

- Abu Dhabi Investment Council (ADIC): 60.20%
- Retail investors: 14.76%
- Institutional investors: 20.71%
- Other domestic government entities: 4.33%

- Domestic Retail investors: 14.05%
- Foreign Retail investors: 0.71%
- UAE: 6.91%
- North America: 5.19%
- Europe: 2.69%
- Asia: 2.61%
- UK & Ireland: 2.00%
- MENA: 1.02%
- Rest of the world: 0.29%

14.51% Foreign ownership
39.80% Free float
Shareholders from 80 countries
Clear strategic focus: Continued focus on ADCB’s successful strategy

Strategic pillars

01 UAE-Centric
Generate sustainable profit growth through a UAE centric approach

02 Sustainable growth
Sustainability through liability growth and funding diversification

03 Customer centric
Superior customer experience through service excellence

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

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

Enablers

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

02 Agile organisation and innovative culture

MISSION: To create the most valuable and resilient bank in the UAE
Clear strategic focus: Growing market share in our core market, the UAE

9M’19 pro forma revenue split

- International 2%
- AED 9.9 bn
- UAE 98%

UAE market share by loans and deposits

- Net Loans: 15.9%
- Customer deposits: 14.8%

Source: UAE Central Bank data as at 31 Aug 2019
Section 2
integration update
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.

### Key updates on the integration

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>A</td>
<td>Integration proceeding well and twice as fast as originally planned</td>
</tr>
<tr>
<td>B</td>
<td>Synergy potential revised upwards to AED 840 million from AED 615 million</td>
</tr>
<tr>
<td>C</td>
<td>Al Hilal Bank’s (AHB) integration 100% complete</td>
</tr>
<tr>
<td>D</td>
<td>Union National Bank’s (UNB) integration ahead of schedule with successful execution of “Customer Day 1”</td>
</tr>
<tr>
<td>E</td>
<td>Clear view on path forward</td>
</tr>
</tbody>
</table>
Beating peer benchmarks, end-to-end integration timeline reduced by half to 17 months from initial target

**Banks**

**Regional peer benchmark 1**
- Announcement: 3 months
- Legal merger completed: 13-14 months
- End-to-end integration: 17 months
- New expected date of completion for the operational merger: Q2 2020

**Regional peer benchmark 2**
- Announcement: 9 months
- Time to legal merger: 27-33 Months

**Regional peer benchmark 3**
- Announcement: 7.5 months
- Time to legal merger: 31.5-43.5 Months

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

Timeline

**Announcement**  
29 January 2019

**Legal merger**  
1 May 2019

**Customer Day 1**  
6 October 2019

**End-state operational merger**  
Q2 2020

Key high level integration elements

**Pre-closing**
- 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

**Integration phase 1**
- Activate integration governance and processes
- Launch target operating model and organisational structure
- Initiate optimisation of branches and ATMs networks
- Activate branch and ATM interoperability
- Commence brand integration
- Initiate implementation of synergy capture plan

**Integration phase 2**
- 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

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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**

<table>
<thead>
<tr>
<th>Run-rate (2021) target for cost synergies</th>
<th>615</th>
<th>225</th>
<th>840</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Realised cost synergies</strong></td>
<td>159</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

**Incurred integration cost AED million**

<table>
<thead>
<tr>
<th>Expected integration cost</th>
<th>800</th>
<th>180</th>
<th>980</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Integration-related costs (actual)</strong></td>
<td>217</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

**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 migration\(^1\) to ADCB

Continuous commitment to UAE nationals with ~46% Emiratisation, 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
<table>
<thead>
<tr>
<th>ADCB signage placed on retained former UNB branches</th>
<th>Internal rebranding of retained former UNB branches</th>
<th>Rebranded ATM/CDMs</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="ADCB signage" /></td>
<td><img src="image2.png" alt="Internal rebranding" /></td>
<td><img src="image3.png" alt="Rebranded ATM/CDM" /></td>
</tr>
</tbody>
</table>

Rebranded all physical channels over a span of 3 days
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
Moderate acceleration in real GDP growth forecast for 2019

Real GDP growth to strengthen moderately in 2019

Economic activity

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

Source: Bloomberg, ADCB estimates

Real GDP growth by Emirate

Source: UAE National Bureau of Statistics, ADCB estimates

Project awards by Emirates

Source: Meed projects, ADCB estimates

Outlook for project awards

Source: Meed projects, ADCB estimates

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

Moderate acceleration in real GDP growth forecast for 2019
External sector

Challenging macro and global growth backdrop

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

Strong USD impacting tourism – Ongoing price discounting by hotels

External headwinds in 2019
Banking sector overview

Banking sector liquidity remains comfortable

Deflation continues in UAE

Economic indicators

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

Source: UAE National Bureau of Statistics, UAE Central Bank, IMF, ADCB estimates
Supply growth in housing continuing to outstrip demand growth
Section 4
Key financial highlights
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
- Resilient bank with measured growth
- Strong metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets (AED bn)</td>
<td>407</td>
</tr>
<tr>
<td>Net profit (AED bn)</td>
<td>4.2</td>
</tr>
<tr>
<td>Net loans and advances (AED bn)</td>
<td>250</td>
</tr>
<tr>
<td>Customer deposits (AED bn)</td>
<td>263</td>
</tr>
<tr>
<td>Number of customers</td>
<td>Over 1mn</td>
</tr>
<tr>
<td>Annual run-rate cost synergies (AED mn)</td>
<td>840</td>
</tr>
</tbody>
</table>
### 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

Components may not sum exactly to totals because of rounding.
### 9M’19 income statement highlights

<table>
<thead>
<tr>
<th>Income statement (AED mn)</th>
<th>9M’19</th>
<th>9M’18</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net interest and Islamic financing income</td>
<td>7,741</td>
<td>8,331</td>
<td>(7)</td>
</tr>
<tr>
<td>Non-interest income</td>
<td>2,177</td>
<td>2,244</td>
<td>(3)</td>
</tr>
<tr>
<td>Operating income</td>
<td>9,919</td>
<td>10,575</td>
<td>(6)</td>
</tr>
<tr>
<td>Operating expenses¹</td>
<td>(3,950)</td>
<td>(3,811)</td>
<td>4</td>
</tr>
<tr>
<td>Operating profit before impairment allowances</td>
<td>5,969</td>
<td>6,764</td>
<td>(12)</td>
</tr>
<tr>
<td>Impairment allowances</td>
<td>(1,745)</td>
<td>(1,820)</td>
<td>(4)</td>
</tr>
<tr>
<td>Net profit for the period</td>
<td>4,196</td>
<td>4,883</td>
<td>(14)</td>
</tr>
</tbody>
</table>

Components may not sum exactly to totals because of rounding.

### Return on average tangible equity² (%)

- **9M’18**: 12.4%
- **9M’19**: 12.6%

### Return on average assets² (%)

- **9M’18**: 1.45%
- **9M’19**: 1.24%

### Earnings per share (AED)

- **9M’18**: 0.66
- **9M’19**: 0.55

### 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

---

**Double-digit return on average tangible equity supported by substantial post-merger cost synergies**
Q3’19 income statement highlights

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.

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

<table>
<thead>
<tr>
<th>Components</th>
<th>Q1’19</th>
<th>Q2’19</th>
<th>Q3’19</th>
<th>Q1’19</th>
<th>Q2’19</th>
<th>Q3’19</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED bn</td>
<td>1.373</td>
<td>1.520</td>
<td>1.520</td>
<td>0.17</td>
<td>0.21</td>
<td>0.20</td>
</tr>
<tr>
<td>AED</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Resilient performance in a slow growth environment, while also executing integration

Strong fundamentals, steady net profit and earnings per share (excluding one-off integration costs)
Balance sheet metrics
Loan portfolio breakdown

- **Net loans and advances:** 61% (Dec’18: 61%)

- **Net Islamic financing assets:** -11%

- **Gross loans:** AED 256,661 mn

- **By economic sector:**
  - Personal 26%
  - Real estate investment 28%
  - Government & PSE 19%
  - Others’ 12%
  - Hospitality 5%
  - Trading 4%

- **By product:**
  - Corporate loans 70%
  - Retail loans 20%
  - Other facilities 4%
  - Overdrafts (retail and corporate) 4%
  - Credit cards 2%

- **By geography:**
  - Abu Dhabi 56%
  - Dubai 29%
  - Outside UAE 6%
  - Other Emirates 9%

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
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

Customer deposits 74% (Dec’18: 77%)
Euro commercial paper 1%
Due to banks 3%
Other liabilities 5%
Borrowings 15%
Derivative financial instruments 2%

Wholesale funding
As at 30 September 2019

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>AED mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global medium term notes (GMTN)</td>
<td>35,100</td>
</tr>
<tr>
<td>Islamic sukuk notes</td>
<td>1,826</td>
</tr>
<tr>
<td>Subordinated debt</td>
<td>2,798</td>
</tr>
<tr>
<td>Euro Commercial paper</td>
<td>2,354</td>
</tr>
<tr>
<td>Repo</td>
<td>832</td>
</tr>
<tr>
<td>Bilateral loans</td>
<td>5,457</td>
</tr>
<tr>
<td>Syndicated loans</td>
<td>3,029</td>
</tr>
<tr>
<td>Certificate of Deposits</td>
<td>2,484</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>53,881</strong></td>
</tr>
</tbody>
</table>

Maturity profile

2019 2020 2021 2022 2023 and beyond
GMTN and Islamic sukuk notes
ECP
Syndicated and bilateral loans
Repo and CD
Subdebt

Wholesale funding and 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 acrreting notes, interest rate between 3.82% to 5.79% p.a.
- CD Issuance of USD 468 mn with maturity ranging from 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 (AED mn)

- **By region**
  - Domestic: 49%
  - USA: 2%
  - Europe: 5%
  - Rest of the world: 5%
  - Asia: 13%
  - Other GCC: 26%
  - UAE: 10%
  - Rest of the world: 5%

- **By issuer**
  - Government securities: 54%
  - Bonds Public sector: 23%
  - Bonds Banks and FI: 19%
  - Other GCC Countries: 26%
  - Others*: 4%

#### Maturity profile*

- **AED mn**
  - 2019: 73,942
  - 2020: 72,930
  - 2021: 12,124
  - 2022: 11,205
  - 2023 & after: 17,366

#### Total bond portfolio

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

#### Investment securities (AED 72,930 mn)

- **75%** Invested in the UAE and GCC
- **99%** Invested in bonds

#### 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%

#### 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-
Capital adequacy ratio (%) (Basel III)

<table>
<thead>
<tr>
<th>CAR</th>
<th>17.74%</th>
<th>16.57%</th>
<th>12.75%</th>
<th>13.50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 2 ratio</td>
<td>1.66%</td>
<td>1.56%</td>
<td>2.24%</td>
<td>1.82%</td>
</tr>
<tr>
<td>AT1 ratio</td>
<td>2.00%</td>
<td>1.50%</td>
<td>2.00%</td>
<td>1.50%</td>
</tr>
<tr>
<td>CET1 ratio</td>
<td>13.85%</td>
<td>13.19%</td>
<td>9.25%</td>
<td>10.00%</td>
</tr>
</tbody>
</table>

Risk weighted assets (AED bn)

- RWA: 350
- Operational risk: 24
- Market risk: 9
- Credit risk: 317
- Credit risk: 297

Variance analysis

- 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

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

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

- Impairment allowances: 6,761 (Dec'18) vs. 6,956 (Sep'19)
  - Stage 1 and 2 (Collective impairment): 3,834 (Dec'18) vs. 3,796 (Sep'19)
  - Stage 3 (Individual impairment): 2,927 (Dec'18) vs. 3,160 (Sep'19)

- Non-performing loans: 5,191* (Dec'18) vs. 6,510 (Sep'19)

Risk indicators

- Coverage ratio: 130.2%* (Sep'19) vs. 106.8% (Sep'19)
- NPL ratio: 2.88%* (Sep'19) vs. 2.43% (Sep'19)
- Cost of risk (Annualised): 0.72% (Dec'18) vs. 0.75% (Sep'19)

* 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
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
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.
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**

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
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

Source: Company information
Completed major Al Hilal Bank integration milestones

- New Board appointed
- Completion of policies harmonisation
- ~25% of corporate portfolio migrated
- Branch optimisation
- Ahlan app launched
- SME client migration initiated
- Outsourcing agreement finalized with ITMAM

28 Jan 2019
29 Jan 2019
March 2019
March 2019
March 2019
April 2019
April 2019
April 2019
April 2019
May 2019
May 2019
May 2019
July 2019
July 2019
July 2019
Oct 2019

- Acquisition announcement
- Mobile internet banking app launched
- First corporate clients migrated
- Resource rationalisation completed
- New organisational structure with all N-1 appointments has been put in place
- Integration of Treasury functions completed
- 98% of corporate portfolio migrated
- Migration of all corporate liabilities completed
- SME client migration completed¹

Legal Day 1
Customer Day 1

¹ Pending tail-end SME accounts
Completed major UNB integration milestones

- Developed and activated integration governance with a detailed masterplan and workplan for each workstream
- OHI culture survey initiated
- Developed and activated integration governance with a detailed masterplan and workplan for each workstream
- Legal Day 1
- March 2019
- New Board for ADCB announced
- New Board in effect
- May 2019
- Integrated LD1 N-1 org structure & delegations in place
- Migration of Treasury portfolio completed
- May 2019
- Consolidated Q2 financial statements produced
- Branch & ATM network optimized; all remaining branches interoperable
- May 2019
- Consolidated Q3 financial statements produced
- July 2019
- Customer Day 1
- October 2019
- Rebranding of UNB to ADCB completed across all channels
Pro-forma financial statements
### Pro-forma balance sheet as at 30 September 2019

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

* 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

Components may not sum exactly to totals because of rounding
Pro-forma income statement for the nine month period ended 30 September 2019

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

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

Components may not sum exactly to totals because of rounding
Published financial statements
### Published balance sheet as at 30 September 2019

<table>
<thead>
<tr>
<th>AED mn</th>
<th>Published Sep-19</th>
<th>Published Dec-18</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with Central banks</td>
<td>26,579</td>
<td>19,590</td>
<td>36</td>
</tr>
<tr>
<td>Deposits and balances due from banks, net</td>
<td>25,815</td>
<td>19,627</td>
<td>32</td>
</tr>
<tr>
<td>Reverse-repo placements</td>
<td>0</td>
<td>2,204</td>
<td>NM</td>
</tr>
<tr>
<td>Trading securities</td>
<td>0</td>
<td>60</td>
<td>NM</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>7,826</td>
<td>4,447</td>
<td>76</td>
</tr>
<tr>
<td>Investment securities</td>
<td>72,930</td>
<td>52,362</td>
<td>39</td>
</tr>
<tr>
<td>Loans and advances to customers, net</td>
<td>249,530</td>
<td>166,426</td>
<td>50</td>
</tr>
<tr>
<td>Investment in associate</td>
<td>397</td>
<td>205</td>
<td>94</td>
</tr>
<tr>
<td>Investment properties</td>
<td>2,544</td>
<td>577</td>
<td>341</td>
</tr>
<tr>
<td>Other assets¹</td>
<td>14,578</td>
<td>13,331</td>
<td>9</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>2,204</td>
<td>983</td>
<td>124</td>
</tr>
<tr>
<td>Goodwill</td>
<td>4,514</td>
<td>19</td>
<td>NM</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>406,916</strong></td>
<td><strong>279,830</strong></td>
<td><strong>45</strong></td>
</tr>
<tr>
<td>Due to banks</td>
<td>9,722</td>
<td>3,071</td>
<td>217</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>8,146</td>
<td>5,696</td>
<td>43</td>
</tr>
<tr>
<td>Deposits from customers</td>
<td>262,533</td>
<td>176,654</td>
<td>49</td>
</tr>
<tr>
<td>Euro commercial paper</td>
<td>2,354</td>
<td>3,279</td>
<td>(28)</td>
</tr>
<tr>
<td>Borrowings</td>
<td>51,527</td>
<td>43,028</td>
<td>20</td>
</tr>
<tr>
<td>Other liabilities²</td>
<td>18,396</td>
<td>15,297</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>352,677</strong></td>
<td><strong>247,025</strong></td>
<td><strong>43</strong></td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>54,086</td>
<td>32,806</td>
<td>65</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>153</td>
<td>0</td>
<td>NA</td>
</tr>
<tr>
<td><strong>Total liabilities and shareholders’ equity</strong></td>
<td><strong>406,916</strong></td>
<td><strong>279,830</strong></td>
<td><strong>45</strong></td>
</tr>
</tbody>
</table>

* 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

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.

Components may not sum exactly to totals because of rounding.