

EMERGING STRONGER

ABU DHABI COMMERCIAL BANK PJSC



Q1'21 EARNINGS PRESENTATION

APRIL 2021

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Section 1

Financial highlights

Solid start to 2021 as UAE economy continues to recover

-  Strong increase in net profit driven by aggressive cost discipline, significantly higher non-interest income and marked improvement in cost of risk
-  Continued improvement in cost to income ratio, on track to exceed 2021 synergy target of AED 1 bn
-  New 5 year strategy embeds additional cost control measures and acceleration of digital transformation
-  CASA deposits increased to 58% of total deposits from 51% at year end
-  Well diversified and collateralised loan portfolio, with prudent and appropriate provisioning

Q1'21 key highlights

1.121 | +11% QoQ
+436% YoY

Net profit
(AED bn)

Return on average
tangible equity¹

9.8%

1.04%

Return on
average assets¹

Earnings per share (AED)

0.15

¹ 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

Net profit growth driven by greater efficiencies, higher non-interest income and improved cost of risk

Income statement (AED mn)	Q1'21	Q4'20	Q1'20	QoQ%	YoY%
Total net interest income ¹	2,119	2,362	2,789	(10)	(24)
Non-interest income	802	701	687	14	17
Operating income	2,922	3,063	3,476	(5)	(16)
Operating expenses ²	(1,061)	(1,073)	(1,325)	(1)	(20)
<i>Integration expenses</i>	-	74	(143)	NA	NA
Operating profit ³	1,861	1,990	2,151	(6)	(13)
Impairment allowances	(704)	(938)	(1,882)	(25)	(63)
Net profit	1,121	1,007	209	11	436

Figures may not add up due to rounding differences

¹ Including Islamic financing

² Operating expenses include non-recurring expenses pertaining to integration-related costs

³ Before impairment allowances

Key highlights

- ▶ Net profit of AED 1.121 bn was up 436% YoY and 11% QoQ, on lower operating expenses, higher non-interest income and improved cost of risk. Q1'20 net profit was impacted by significant impairment charges related to NMC
- ▶ Net interest income of AED 2.119 bn was 10% lower QoQ and 24% lower YoY on account of the low interest rate environment and subdued macro-economic conditions. This was partially offset by higher non-interest income, which was up 14% QoQ and 17% YoY to AED 802 mn
- ▶ Operating expenses decreased 20% YoY and 1% QoQ to AED 1.061 bn, driven by merger synergies, efficiencies derived from digital transformation and additional cost control measures

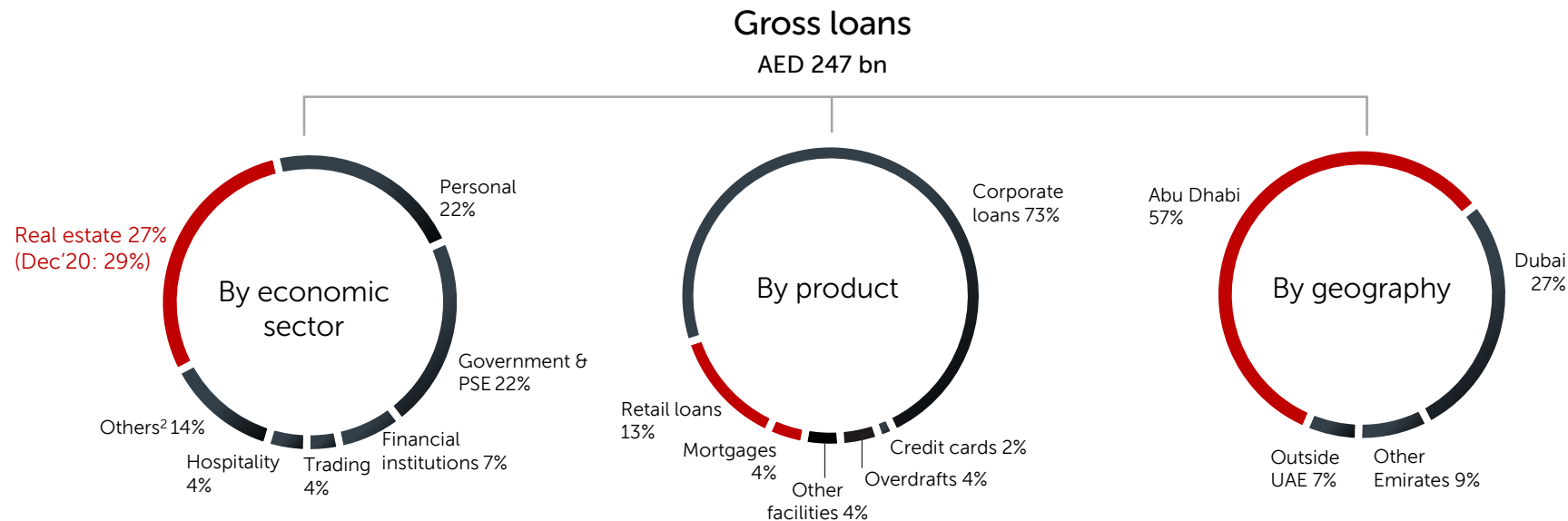
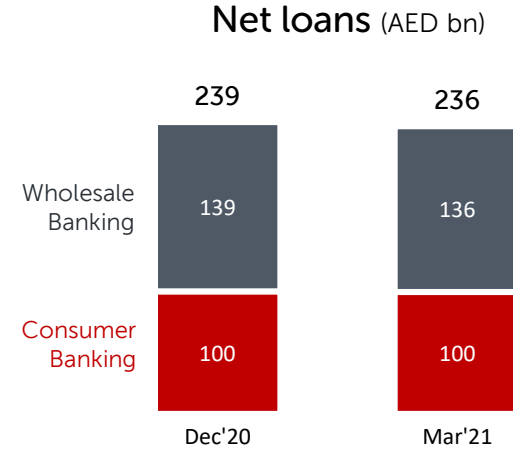
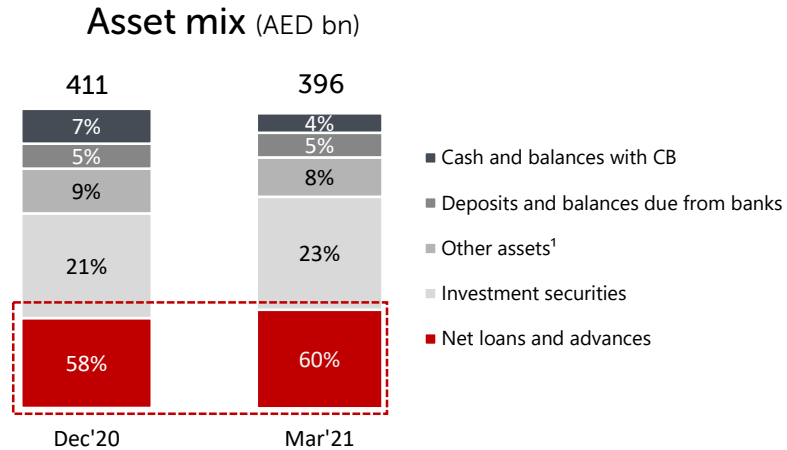
Sustained balance sheet strength, strategic approach to rebalance deposit mix and optimise cost of funds

Balance sheet (AED mn)	Mar'21	Dec'20	QoQ%
Total assets	395,819	411,156	(4)
Net loans and advances	235,725	238,976	(1)
Investment securities	91,057	88,206	3
Deposits from customers	238,830	251,395	(5)
Borrowings (including ECP)	73,123	70,150	4
Total shareholders' equity	55,719	56,597	(2)

Key highlights

- ▶ Net loans and advances of AED 236 bn was 1% lower vs. UAE industry average contraction of 0.2%*. The decrease was mainly on account of **corporate repayments**. Average loan balance was AED 233 bn during the quarter
- ▶ Customer deposits of AED 239 bn were 5% lower as the Bank continued to **rebalance the deposit base** to **optimise its funding mix**. Average deposit balance for the quarter was AED 246 bn
- ▶ Total shareholders' equity of AED 56 bn was 2% lower, on account of AED 1.9 bn dividend payout

Focus on higher yielding assets, with net loans comprising 60% of total assets



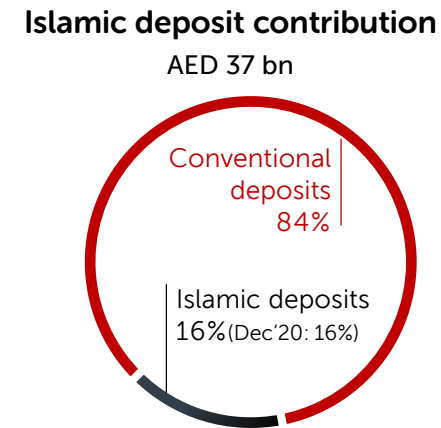
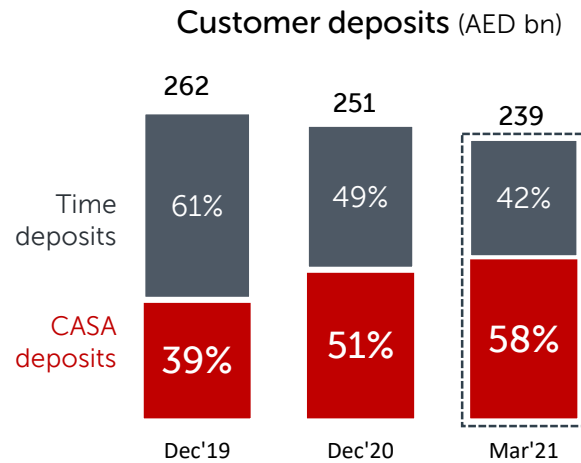
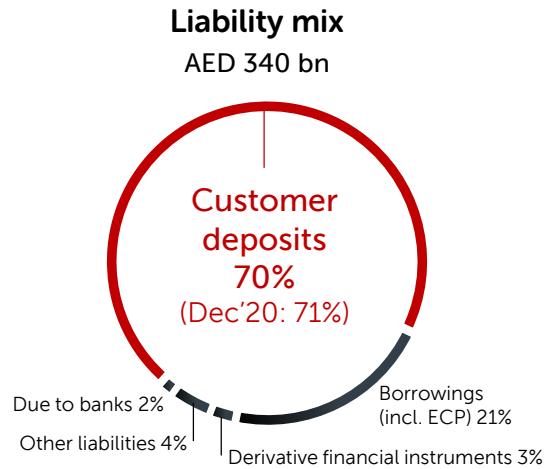
Key highlights

- ▶ Move to **reduce excess liquidity** in low-yielding overnight placement with the UAE CB, resulting in greater emphasis on loans and investments in asset mix
- ▶ **Net loans** accounted for **60%** of total assets at March end (2020:58%)
- ▶ **Exposure to real estate reduced to 27%** of total loans after corporate repayments of over AED 4 bn
- ▶ **Well diversified real estate portfolio** with **LTV of 78%** as at 31 March 2021; completed properties accounting for majority of the book
- ▶ Net Islamic financing assets were AED 42 bn

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

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

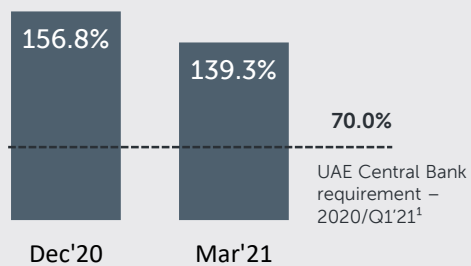
Rebalance of deposit mix, leveraging dominant CASA franchise



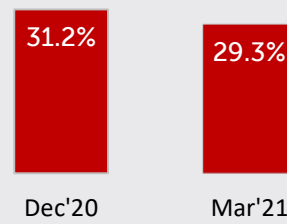
Key highlights

- ▶ **Customer deposits** comprised **70%** of total liabilities, reflecting the strength of the ADCB franchise. Wholesale borrowings (incl. ECP) accounted for 21%
- ▶ **CASA deposits** increased by AED 10.5 bn to **AED 138 bn**. Retail CASA deposits up AED 6 bn during the quarter. Continued increase in corporate CASA deposits driven by innovative cash management platform
- ▶ Continued reduction in **time deposits** by AED 23 bn to **AED 101 bn**

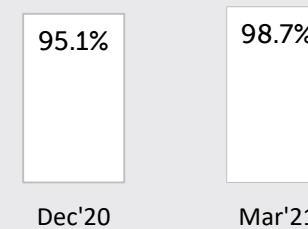
Liquidity coverage ratio (LCR %)



Liquidity ratio (%)²



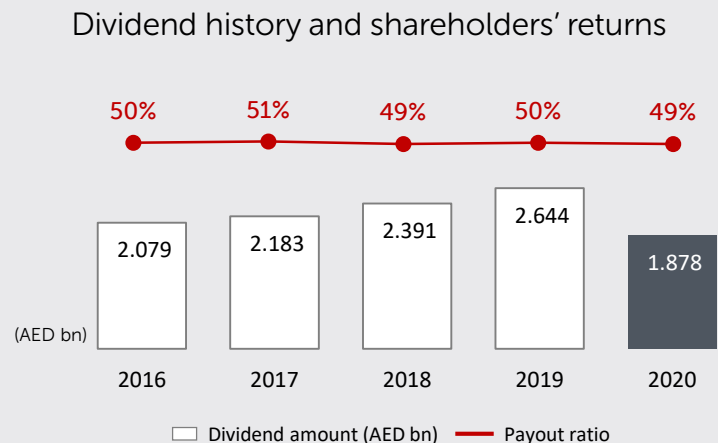
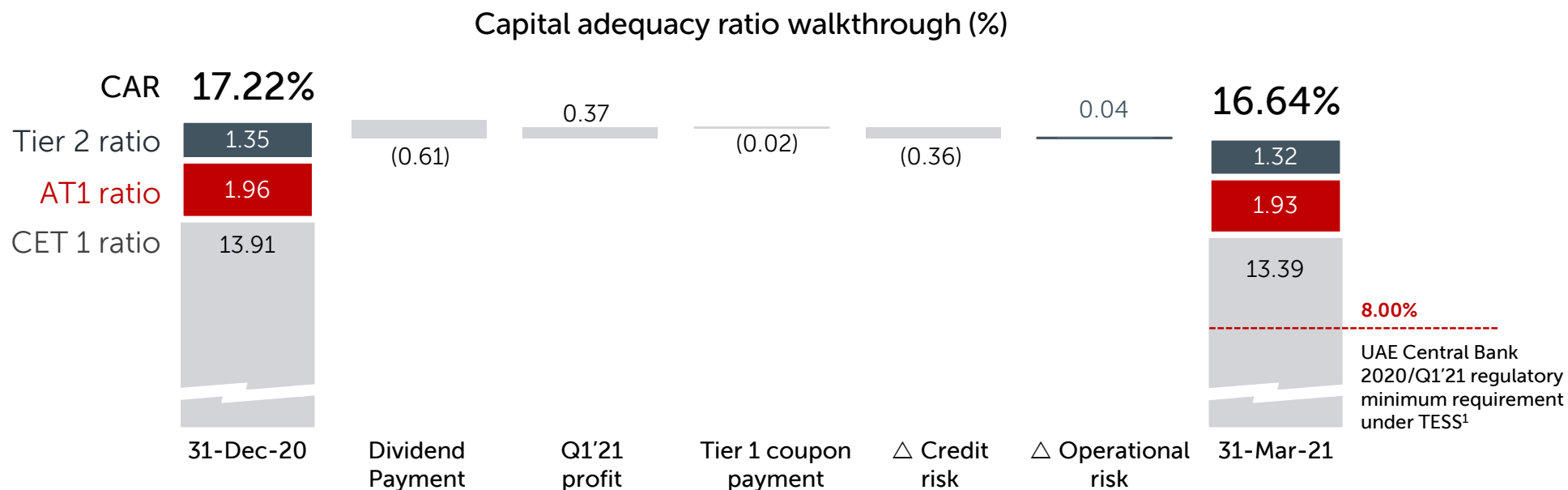
Loan to deposit ratio (LTD %)



¹ Central Bank has temporarily allowed banks to have a reduced LCR of 70% without any supervisory consequences until 31 December 2021

² 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)

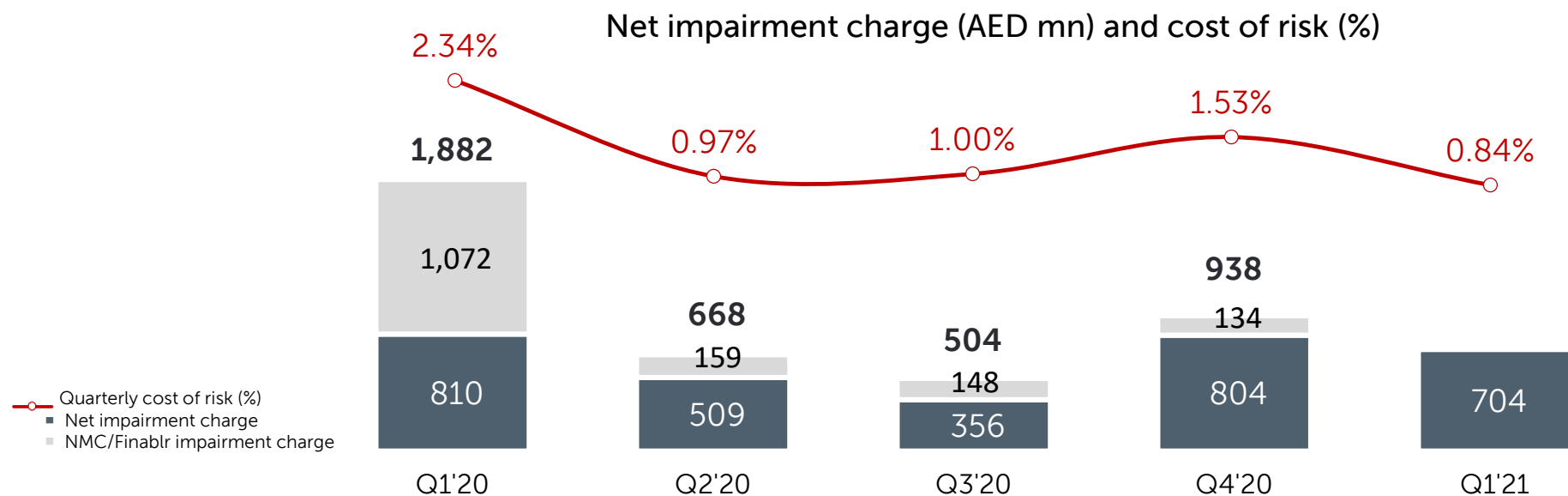
Capital ratios remain strong, dividend guidance consistent with historic payout ratio of 50%



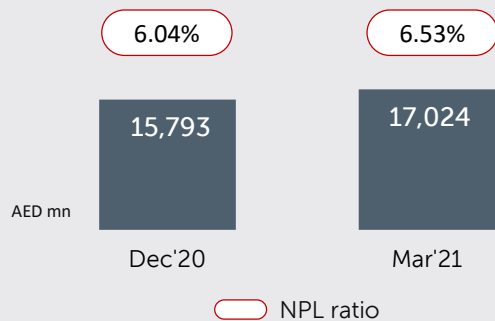
Dividend payout ratio guidance:
50% of net profit

¹ Under TESS, UAE Central Bank has temporarily allowed banks to use the CCF and D-SIB buffers without any supervisory consequences. Accordingly, CET1 and CAR regulatory minimum requirement has reduced to 8% and 11.50% respectively until 31 December 2021

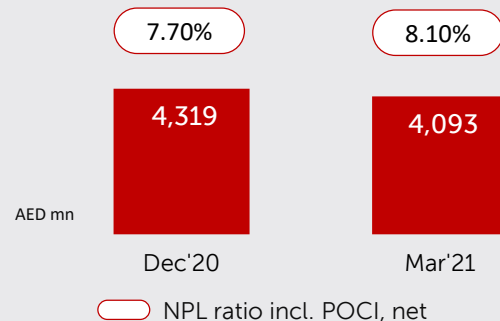
Significant improvement in cost of risk, prudent provisioning reflecting current operating environment



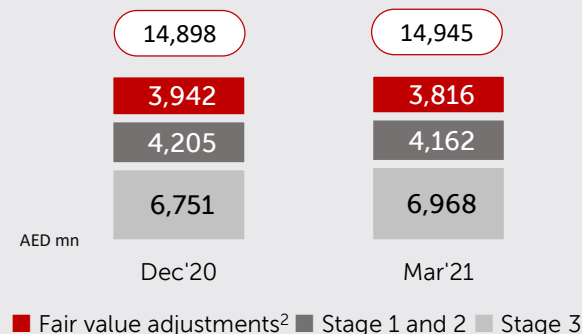
Non performing loans and NPL ratio



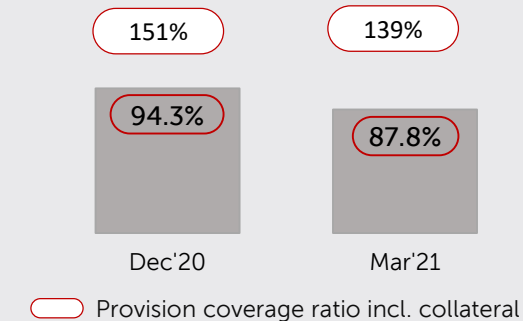
POCI assets and NPL ratio incl. POCI



ECL by stage



Provision coverage ratio¹



POCI: Purchase or originated credit-impaired financial assets ¹ Provisions on loans and advances, including fair value adjustments
²Fair value adjustments on loans include the historical ECL carried in books of AHB and ex-UNB (excluding POCI) ³Excludes AED 422 million impairment allowances on POCI

Strong momentum in NMC restructuring, provisioning levels reflect potential for recoveries

PROGRESS IN RESTRUCTURING

- ▶ Following entry into administration in 2020 of NMC Health Group (NMC) and its UAE subsidiaries, the **restructuring process has gathered strong momentum**
- ▶ ADCB continues to work closely with the joint administrators and other creditors to approve and implement a restructuring plan that preserves and builds value at NMC and maximises recoveries
- ▶ ADCB, together with a syndicate of lenders, **participated in a US\$ 325 mn Administration Funding Facility (AFF)** to ensure operational continuity of NMC and to pave the way for restructuring
- ▶ **Participation in the AFF confers super senior status to an equivalent amount contributed to the facility**, placing the Bank in a strong position to maximise the potential for its recoveries

FINANCIAL OUTPERFORMANCE

- ▶ **NMC has adopted a three-year business plan** and has been **outperforming its financial projections** on revenue and EBITDA metrics*
- ▶ The company has embarked on the **sale of non-core assets** and the divestment of Luarmia and Boston IVF to Fresenius for a total enterprise value of EUR 430¹ mn is expected to be completed in Q2'21
- ▶ Proceeds will be used to repay a portion of the AFF and for operating expenditure

GREATER CLARITY ON POTENTIAL RECOVERIES

- ▶ To date, the Bank has recorded **significant provisions and interest in suspense of AED 1.656 bn** on the NMC Group, Finablr and associated companies
- ▶ **ADCB considers these provision levels to be prudent and appropriate**, which are in line with independent assessments on value and recoverability, and are consistent with information on potential recoveries disclosed to creditors by NMC under the Entity Priority Model (EPM)
- ▶ Implementation of a Plan of Reorganisation (PoR) requires the support of at least 50.1% of unsecured creditors by value for each of the 29 entities under administration, with a 28 May 2021 deadline set for creditors to agree to proceed². The proposed alternative option is a sale of core assets

¹ Source: NMC website ² Source: NMC 'All lender update call' presentation, dated 8 April 2021

* Further information on the restructuring process, financial performance and projections is available in the Investor Relations section of the NMC website – nmc.ae

Well collateralised TESS exposure, active customer engagement resulted in repayments of AED 6.7 bn to date


Deferrals by group and business segment

Segment (AED mn)	Deferrals	Exposure	Provisions	Collaterals
Group 1				
Wholesale Banking ¹	4,552	46,348	286	68,685
Retail Banking	184	2,558	19	797
Group 1 total	4,736	48,906	305	69,482
Group 2				
Wholesale Banking ¹	1,712	6,276	709	5,530
Retail Banking	460	955	419	447
Group 2 total	2,172	7,230	1,128	5,977
Total	6,908	56,136	1,432	75,459

Components may not sum exactly to totals because of rounding

Group 1 - Customers that are temporarily and mildly impacted by the Covid-19 crisis

Group 2 - Customers that are expected to face substantial changes in their credit worthiness beyond liquidity issues



Key highlights

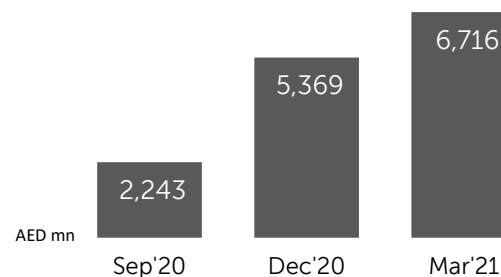
- Cumulative repayments of AED 6.716 bn, reduced outstanding deferrals to AED 6.908 bn at March end
- Collateral of AED 75.459 bn held against the total exposure of AED 56.136 bn to customers benefiting from deferrals
- AED 4.736 bn classified as "Group 1", representing 69% of total outstanding deferrals and 87% of exposure to these customers

TESS and other payment deferrals

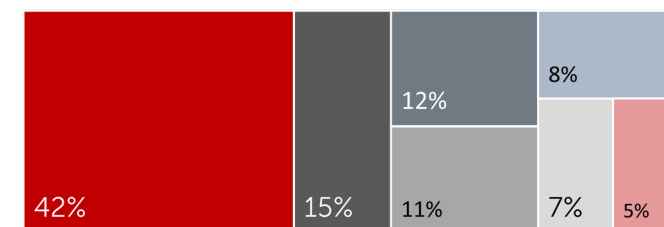
AED mn	Wholesale Banking	Retail Banking	Total
TESS deferrals	10,198	1,270	11,468
Other deferrals	2,156	0	2,156
Total deferrals	12,354	1,271	13,625
Repayments	(6,090)	(627)	(6,716)

Cumulative repayments

(TESS and other deferrals)²



Deferrals by economic sector



¹ For the purpose of this disclosure, high net worth clients are included in wholesale banking

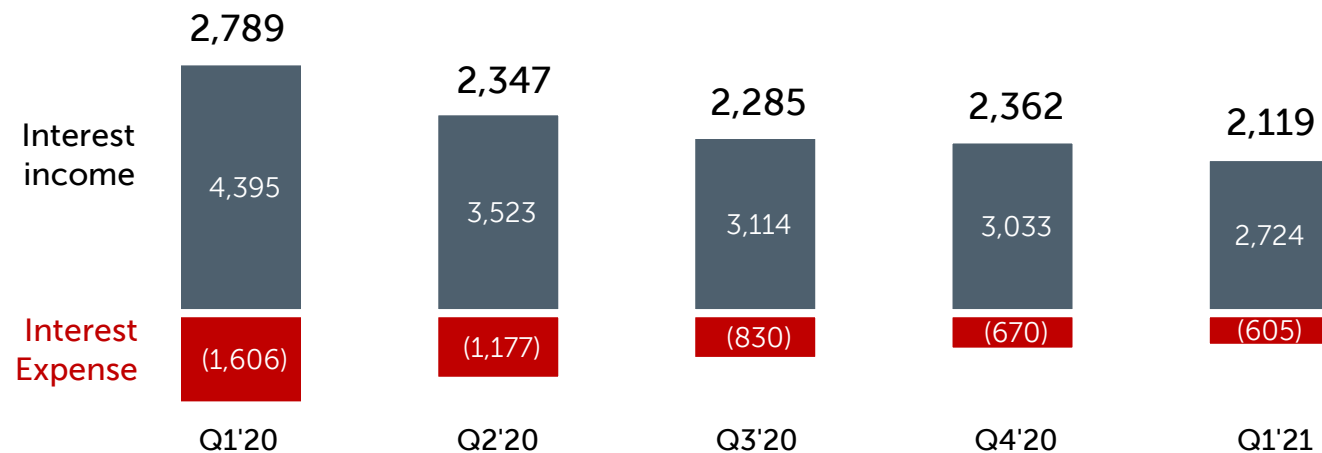
² Sept'20 repayments are for TESS only, whereas Dec'20 and Mar'21 include TESS and other deferrals

³ Others include: Agriculture, Energy, Transport and communication, Manufacturing and Services

⁴ Includes investment companies

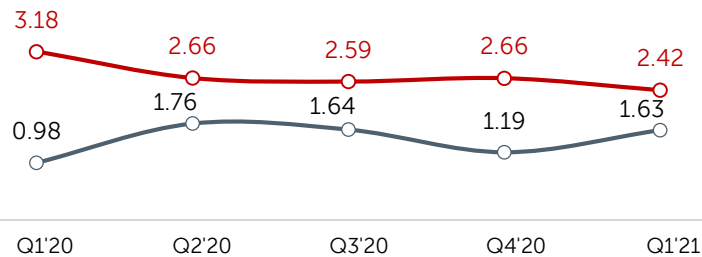
Risk adjusted NIM of 1.63% up 65 bps YoY and 44 bps QoQ, continued improvement in cost of funds

Net interest income (AED mn)



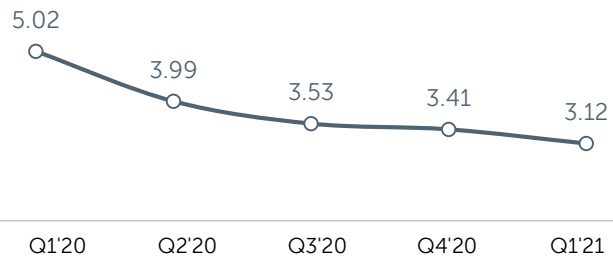
- ▶ NIM of 2.42% in Q1'21 was 24 bps lower QoQ, as the Bank recorded higher fair value unwinds and net interest in suspense reversals in Q4'20
- ▶ Risk adjusted NIM* of 1.63%, up 44 bps QoQ and 65 bps YoY
- ▶ Cost of funds improved to 0.78% in Q1'21 from 0.85% in Q4'20 and 1.98% in Q1'20 as the Bank continued to increase CASA deposits to optimise funding mix
- ▶ Decline in asset yields mainly on account of lower benchmark rates

NIM and risk adjusted NIM* (%)

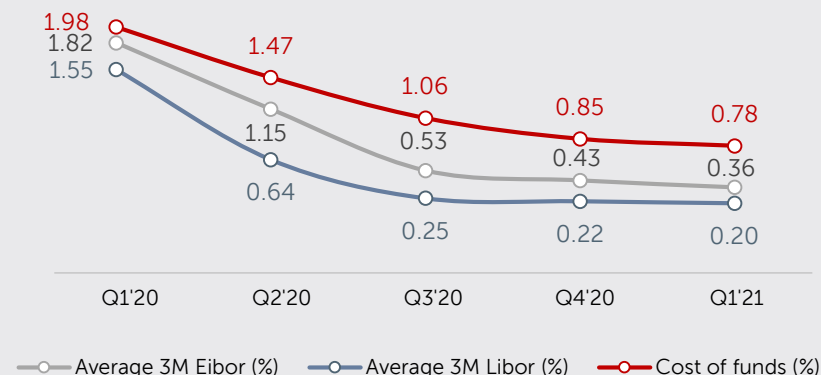


○ Net interest margin (%) ○ Risk adjusted net interest margin (%)

Asset yield (%)



Cost of funds (%)



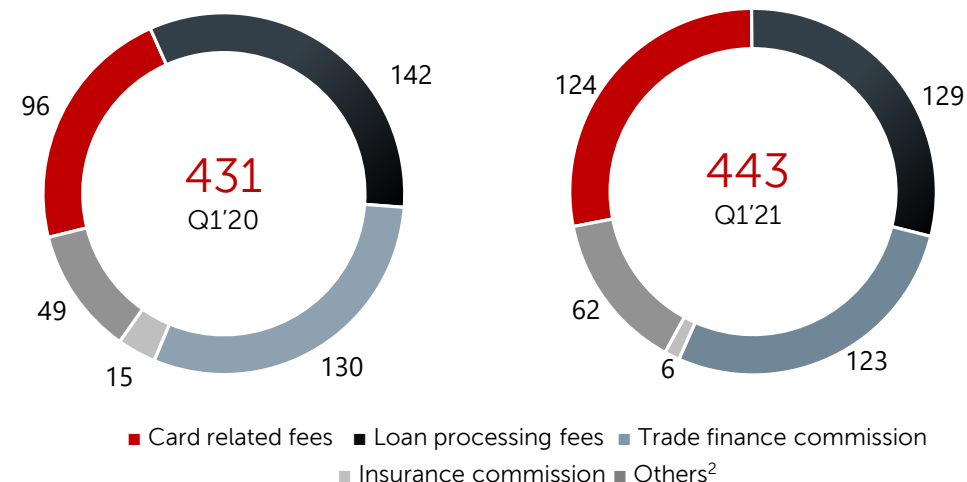
* Risk adjusted NIM: Net interest income less impairment charge on loans and advances to customers, banks, and investments securities divided by average interest earning assets

Significant uplift in non-interest income; fee income continued to rise on higher card fees

Non-interest income (AED mn)	Q1'21	Q4'20	Q1'20	QoQ%	YoY%
Net fees and commission income	443	434	431	2	3
Net trading income	154	131	139	18	11
Other operating income ¹	205	136	116	51	77
Total non interest income	802	701	687	14	17

Components may not sum exactly to totals because of rounding

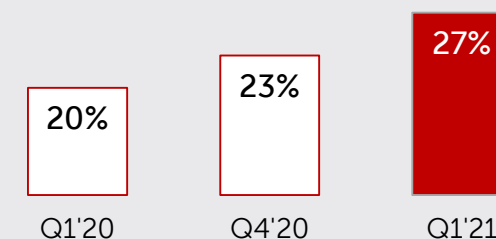
Net fees and commission income (AED mn)



Key highlights

- Non-interest income up 14% QoQ and 17% YoY to AED 802 mn to account for 27% of total operating income, vs. 20% in Q1'20
- Net fee and commission income of AED 443 mn was 3% higher YoY, mainly attributable to **higher card-related income**, which was **up 29%** to AED 124 mn. **Net trading income increased 11% YoY** to AED 154 mn on account of higher derivative income
- Other operating income of AED 205 mn increased 77% YoY, driven by gains on retirement of hedges and higher net gains from disposal of investment securities

Non-interest income/ total income (%)

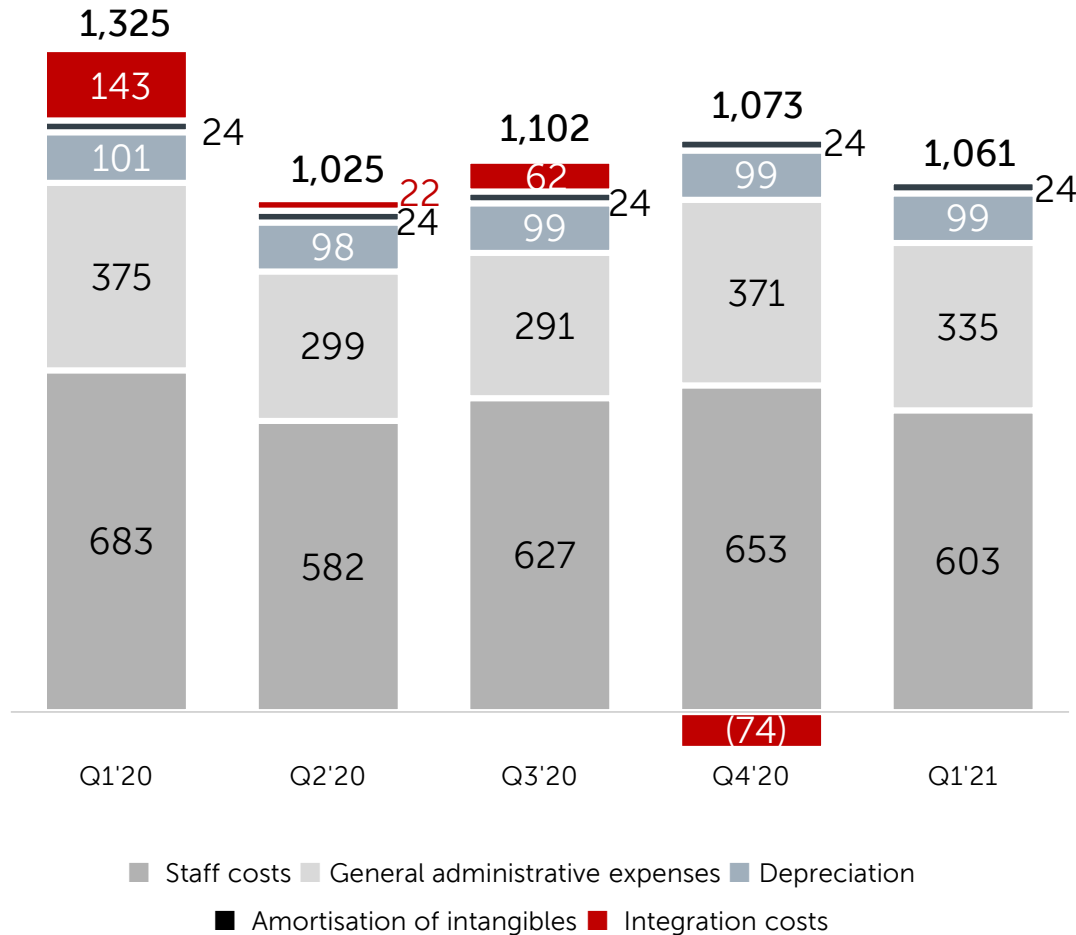


¹ Others include AED 51 million net losses from investment properties in Q4'20

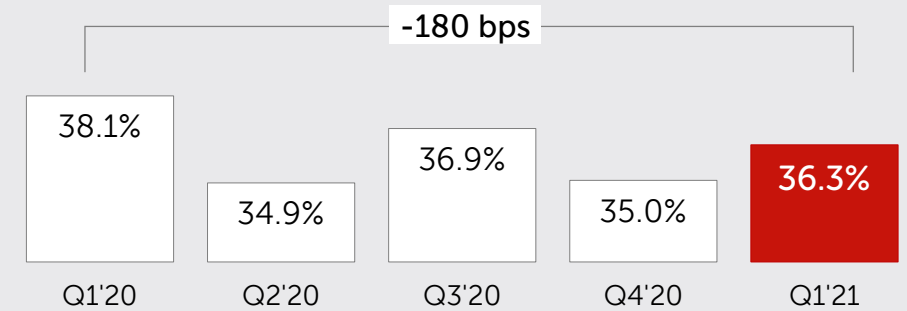
² Others include asset management, investment services brokerage, fees from accounts related activities and other fees

Sustained improvement in cost to income ratio, driven by merger synergies, digital transformation and cost efficiencies

Operating expenses (AED mn)



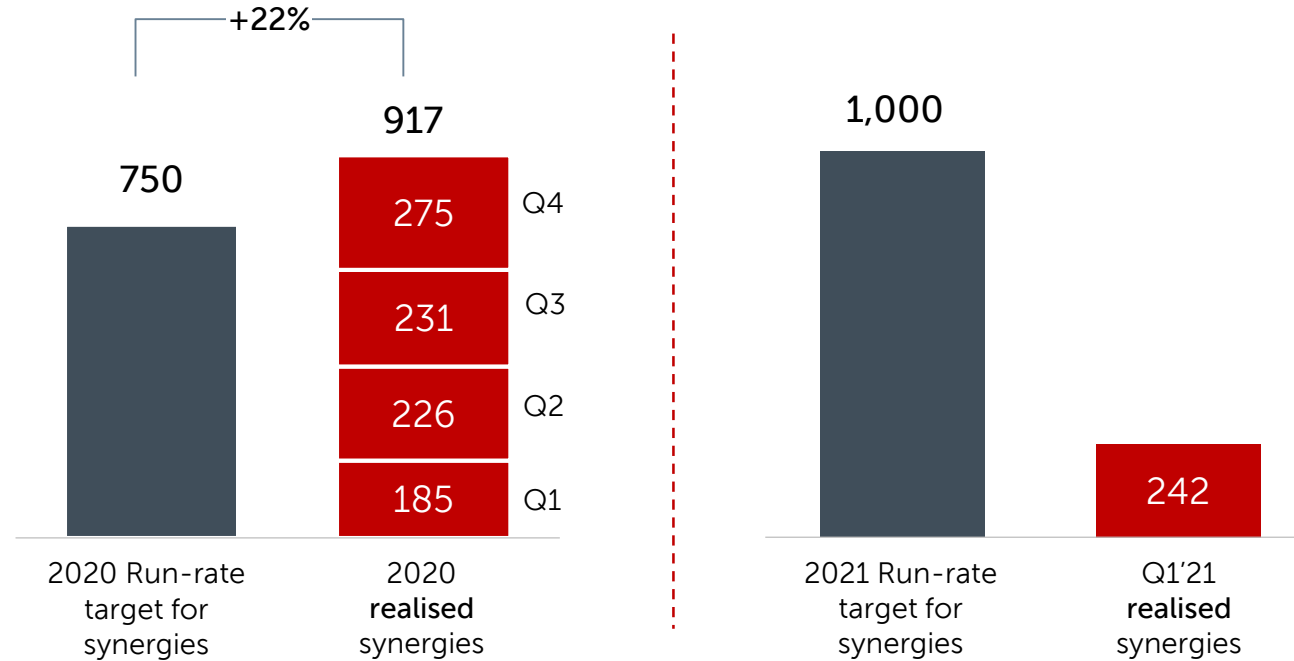
Cost to income ratio (%)



- Operating expenses decreased 20% YoY and 1% QoQ to AED 1.061 bn. Cost to income ratio of 36.3% in Q1'21, an improvement of 180 bps YoY
- The Bank is no longer incurring integration costs, with the final total of AED 545 mn (excluding capex) significantly below the original budget of AED 980 mn
- In 2020, the branch network was reduced to pre-merger levels of 54 locations in the UAE, from a peak of 127 on merger with UNB in May 2019
- Greater efficiencies are driven by digital transformation and a continuing programme of additional cost control measures in line with the Bank's new 5 year strategy

On track to exceed AED 1 bn cost synergy target for 2021

Realised synergies (AED million)



Integration journey in numbers

AED 1 bn

Cost synergy annual target to be achieved by 2021, up from initial target of AED 615 million

AED 242 mn

Cost synergies realised in Q1'21

AED 545 mn

One-off integration costs (exc. capex) remain below budget of AED 980 million

Full integration of UNB and Al Hilal Bank into ADCB was completed in April 2020, in an accelerated time frame of **11 months, less than half the initial target and below budget**




Section 2 Strategy & digital transformation


New five-year strategy targets sustainable growth with focus on accelerated digital transformation and enhanced efficiencies


1 Sustained profitable market share growth with the objective of creating superior benefits to shareholders in the long-term


2  **Growth:** Increase net profit in the UAE and from subsidiaries



3  **Efficiency:** Optimise costs by achieving additional savings beyond integration synergies


4  **Risk Appetite & demeanour:** Review risk appetite and demeanor to enable strategic growth

5  **Funding & liquidity:** Optimise funding & liquidity and reduce cost of funding


6  **Capital:** Efficient capital planning and deployment, with CET1 above regulatory requirements and internal limits

7  **Digitisation, artificial intelligence & advanced analytics:**

Implement comprehensive digital and AA roadmap across the Bank focusing on customer acquisition, engagement and experience

8  **Setting up and empowering a winning executive team and organisation:**

Maintain winning culture, reinforce lean organisation, continue developing capabilities, enhancing digital talent and linking incentives to clear strategic objectives

9  **Effective governance for strategy execution:**

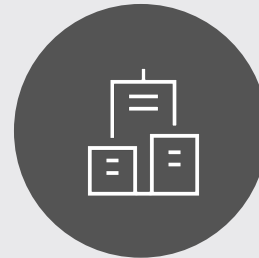
Established a strong governance structure with a dedicated steering committee to ensure smooth strategy implementation

2. Growth: Detailed roadmap to deliver superior digital offering and deeper customer engagement

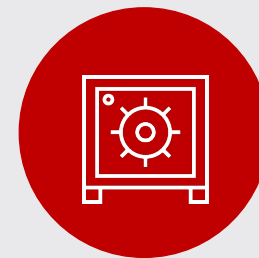
▶ Deep dive strategy slide



Consumer



Wholesale



Treasury



Subsidiaries



Strong growth in liabilities, mainly CASA



Significant growth in existing portfolio driven by value based account planning, yield/fee uplift and strong CASA collection



Broaden parameters of ADCB's investment portfolio by focusing on longer tenor bonds and increasing trading income



ADCB Egypt: significant growth in a large and promising market, with over double digit rate of expansion



Growth of Retail Loans ahead of market, significant growth in mortgages and credit cards, enabled by a revamped digital value proposition



Increased focus on new segments, high priority sectors



Construct incremental bilateral/public funding structures and opportunities



AHB: innovation, expansion and growth engine as a regional Islamic digital attacker



Notable growth in Wealth Management through upgraded products and services



Enhanced customer experience and service enabled by back office and front office digitisation

(Further details on next slide)

Subsidiaries – strategic aspirations

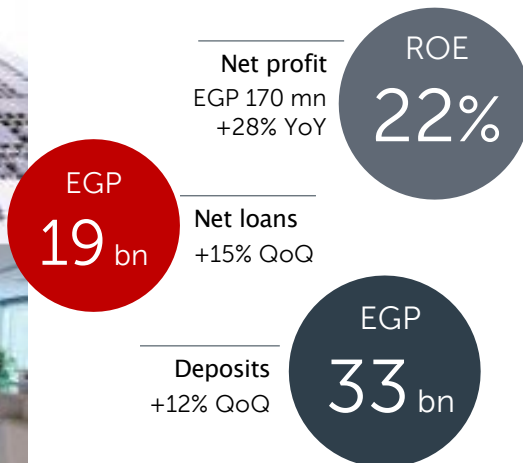


- ▶ **ADCB Egypt implementing 5 year strategy** with new operating model to achieve accelerated growth and greater efficiency, supported by recruitment in key areas
- ▶ **Consumer Banking** business focused on **affluent segment** and preparing launch of credit card and remittance payment solutions as well as a **new digital banking platform** to enhance customer experience
- ▶ **Wholesale Banking** business **capturing synergies** with the ADCB Group through facilitation of **cross-border services**, and introduction of new online banking platform

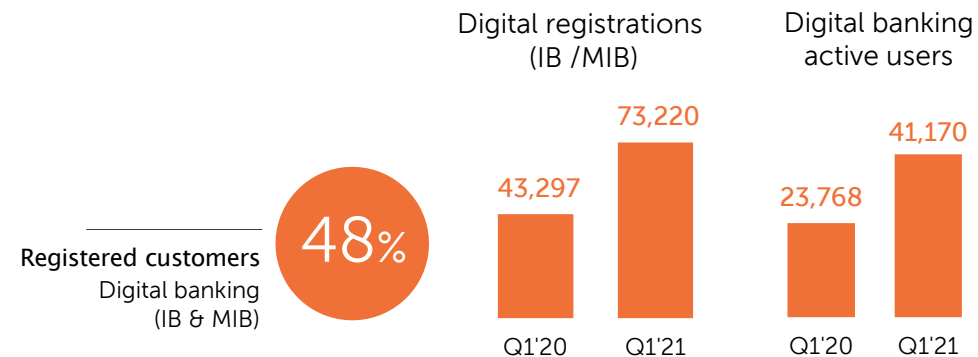


- ◻ Al Hilal Bank preparing **launch of a new Islamic digital financial services platform** in **Q4'21** to offer seamless digital financial solutions
- ◻ Platform will harness state-of-the-art technology to enable **non-banking financial solutions through an ecosystem of partnerships**. Proposition driven by customer insight through advanced data analytics, machine learning and artificial intelligence
- ◻ Scalable offering built on cloud-based platform to ensure agility, respond to evolving customer needs and capability to extend to customers in **key regional markets, post successful launch in the UAE**

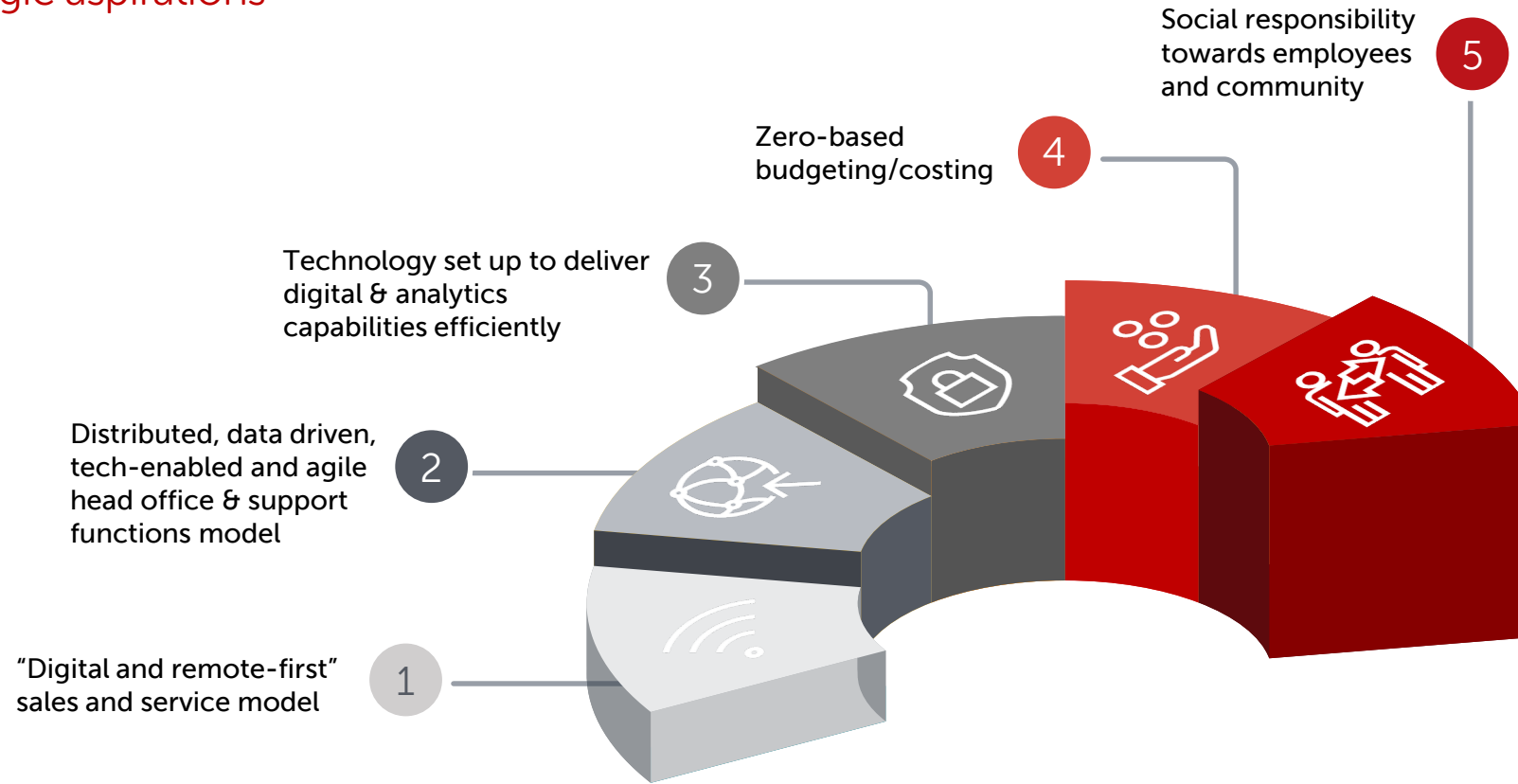
Q1'21 financial highlights



Q1'21 digital metrics



3. Efficiency: Reshape operating model to achieve highest levels of efficiency in line with strategic aspirations



1

Banking with **streamlined branch network**, processes (almost paperless), and business functions with enhanced **digital capabilities at the core**

2

Embracing the "new normal" with agile working capabilities and significant use of **analytics, robotization** and **artificial intelligence**

3

Modernizing and standardizing **technology setup** to enable delivery of digital and analytical capabilities **with speed and productivity**, while maintaining resilience and stability

4

Introducing a radical approach to **manage/lower business costs across the board** to provide room for future growth investments

5

Reskilling employees in line with operating model and enhancing **contributing to UAE and Abu Dhabi community**

7. Digitisation, artificial intelligence & advanced analytics: Vision to reimagine banking and to become a digital leader

End to end digital acquisition

Customer acquisition & sales:

- **Regional leader in digital onboarding** (market share)
- Sales of all products primarily through digital channels
- Drive digital enabled revenues

Seamless service at the palm of your hand:

Customer engagement:

- **Regional leader** in active customers and **digital engagement**
- Customers predominantly use **self-service channels** with fully automated, paperless and straight-through-processing that enhance customer experience and cost efficiency

Bespoke banking embedded in customer journeys and lives:

Customer experience:

- **Bank of choice** for customers due to excellent user experience delivered by superior functionality and design
- **Real-time customer insights**; effective and proactive execution
- **Embedded in customers' lives** through digital partnerships, innovative products and value-added services

Bank-wide enablers

- **Re-design operations:** Integrated end to end processes, leveraging automation and AI
- **Digital to the core:** Customer value proposition delivered by flexible and scalable technology
- **Ecosystems & beyond banking platforms:** New revenue streams through strategic ecosystem partnerships and blockchain
- **Insights driven:** Leveraging data to make banking personalised and insight driven
- **Talent magnet:** Employer of choice for digital talent, creating collaborative, agile, cross-functional teams focused on an exceptional customer experience

Acceleration of digital transformation: Q1'21 update

KEY ENABLERS

- ▶ **Cloud environment** launched for KYC blockchain, accelerating the delivery of our digital strategy
- ▶ Leveraged **advanced analytics** in collections and FX remittances
- ▶ **Launched API products and services to additional customers** increasing levels of innovation, collaboration and **creation of new revenue streams**

CONSUMER BANKING

- ▶ **Credit card loans** through the ADCB Mobile Banking App
- ▶ **Credit card payment** using **TouchPoints** in ADCB Internet Banking
- ▶ **Hayyak onboarding app** introduced uBank as a delivery channel
- ▶ **eKYC portal** launched allowing customers to update Emirates ID and passport details

WHOLESALE BANKING

- ▶ Enhance **self service capabilities** for customers with increased **automation** driving **down costs** in Wholesale Banking
- ▶ Enabled **bulk transactions approval** feature on **ProCash Mobile**
- ▶ **APIs** to allow the opening and closing of **virtual accounts** released to additional customers

Key digital metrics

71

Digital customer releases (Q1'20:45)

76%

Registered customers Digital banking (IB & MIB)

73%

Customers onboarded via 'Hayyak' (Q1'20:57%)

93%

Self-service customer transactions

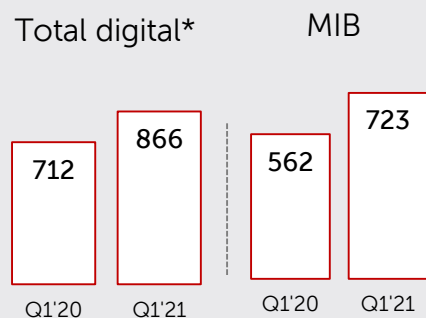
MIB trends

Fund transfer beneficiary setup **+105%** YoY

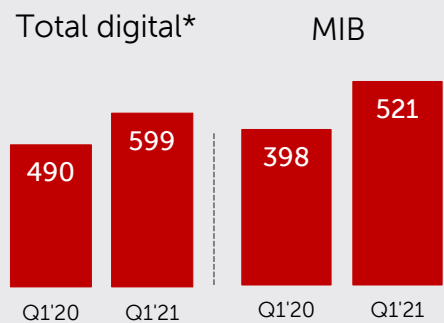
Fund transfer transactions **+97%** YoY

Consumer Banking digital metrics

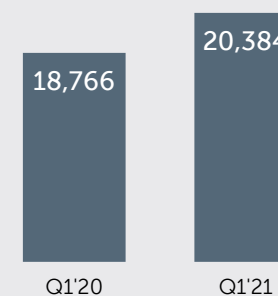
Digital registrations¹ ('000)



Digitally active customers² ('000)

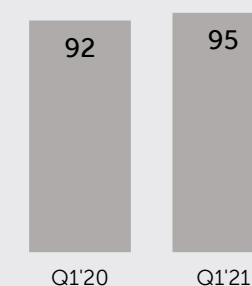


No. of digital transactions ('000)

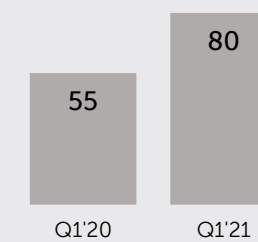


Wholesale Banking digital metrics

ProCash transactions (% of total)



ProTrade transactions (% of total)

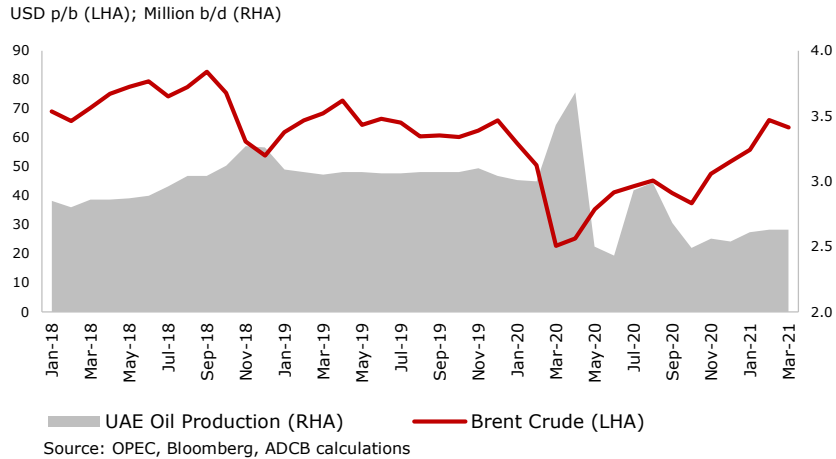


*Total digital: IB or MIB ¹Registration: Registered user having at least one active product relationship ²Active: At least one transaction in past three months

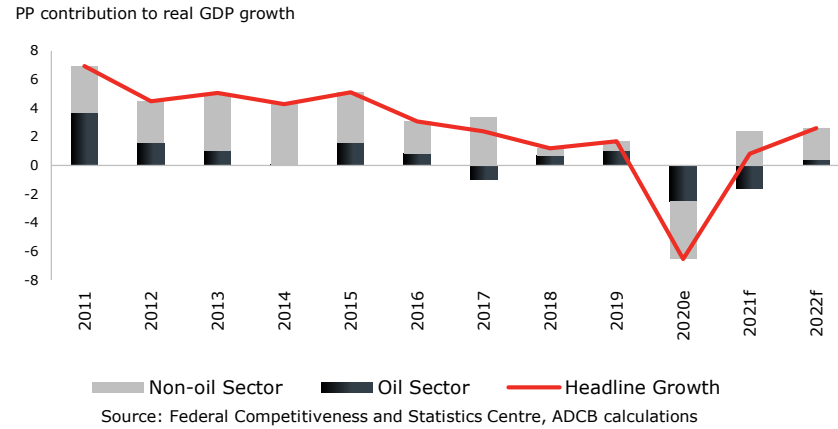
Section 3
Operating environment & guidance

Economic recovery to gather pace in H2'21 driven by strengthening oil price and high vaccination rate in the UAE

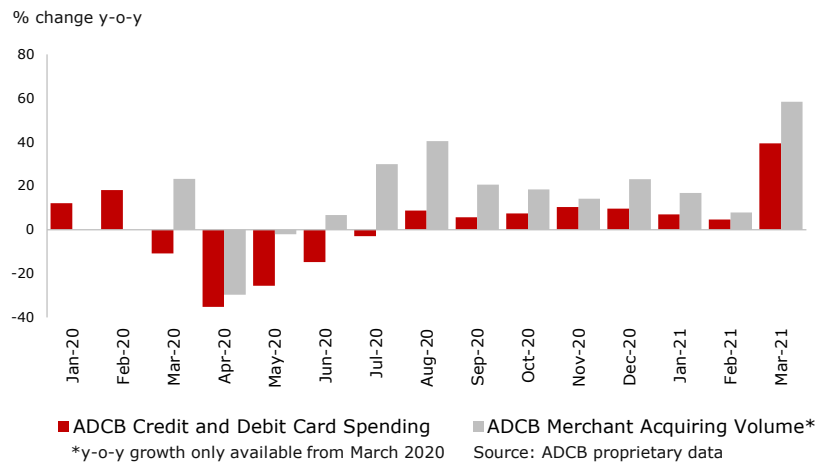
Strong rebound in oil price with OPEC+ supply restraint



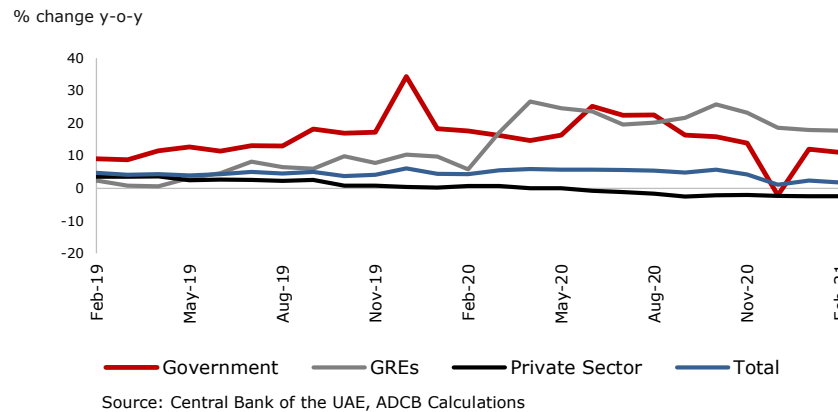
Non-oil activity to strengthen in 2021; headline GDP growth to reflect tight oil policy



Card spending data reflects the limited domestic mobility constraints



Gross credit demand driven by GREs and government, private loan growth weak



- ▶ UAE's **economic recovery** to gather pace in 2021 and 2022. **Strengthening oil price** and **high vaccination rate** boosting domestic sentiment and positive for economic fundamentals
- ▶ UAE has achieved one of the **strongest vaccination rates globally**, reaching 103 doses per 100 people as at 24 April
- ▶ **Recovery in externally facing services** likely to **gather pace** in H2'21, driven by progress in global vaccination and expected launch of Expo. This is likely to support a gradual population increase, though corporate focus will remain on labour force efficiency
- ▶ **Some sectors**, such as aviation, **expected to take longer to recover** to pre-COVID levels, with oversupply experienced in the real estate and hospitality sectors

Medium term (2021 – 2023) guidance

Financial metrics

Loan growth

Cost to income ratio

Cost of risk*

CET1 ratio

Dividend payout ratio

Medium term guidance

Mid-single digit

≈29-32%

≈80 bps

>12%

50% of net profit



*CoR: Net impairment charge on loans & advances and investments divided by net average loans & advances and investments

Summary



Solid start to 2021 driven by improved cost of risk, higher non-interest income and lower cost to income ratio



ADCB's strong franchise has ensured resilience, reflected in reaffirmation of credit ratings in Q1'21



Implementation of new five-year strategy underway to create shareholder value

Cost of risk: 84 bps
Non-interest income: +17% YoY
C/I ratio: 36.3% (-180 bps YoY)

Credit ratings:
S&P Global ratings: A/A-1/Stable
Fitch ratings: A+/F1/Stable

Digital transformation to drive revenue growth and further efficiencies



Section 4
Appendix

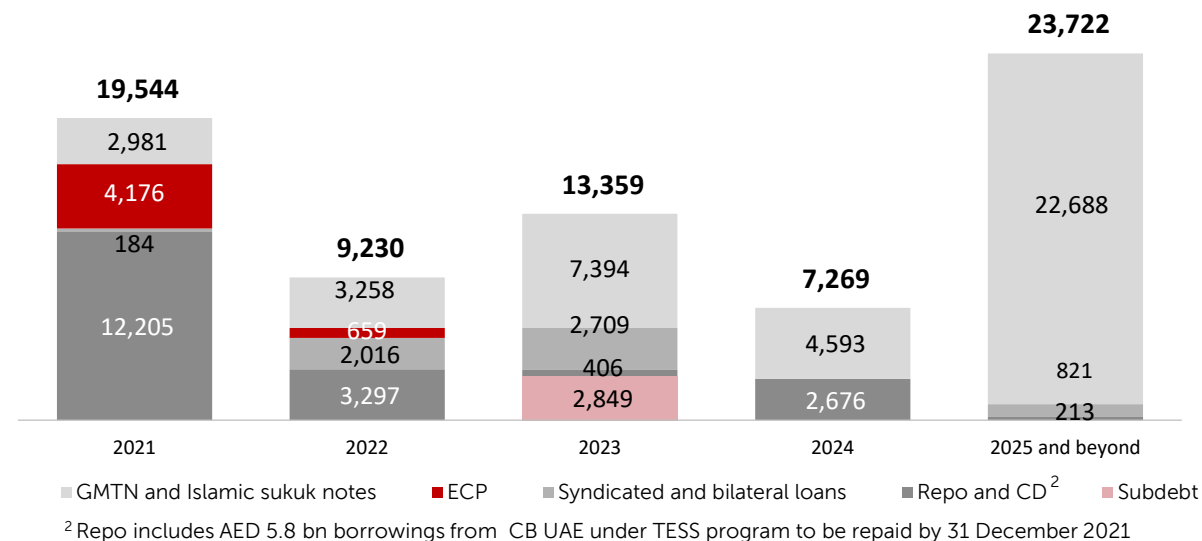
Diversified sources of funding by markets, tenors, currencies and products;
manageable maturities spread over several years

Wholesale funding

As at 31 Mar 2021	AED mn
GMTN	39,048
Repo ¹	17,815
Bilateral loans	5,730
Subordinated debt	2,849
Euro Commercial paper	4,834
Islamic Sukuk notes	1,865
Certificate of Deposits	982
Total	73,123

¹Repo includes AED 5.8 bn borrowings from CB UAE under TESS program at nil rate of interest

Maturity profile (AED mn)



The Bank maintained a net lending position of AED 5 billion in the interbank markets in Q1'21

Main issuances in 2021

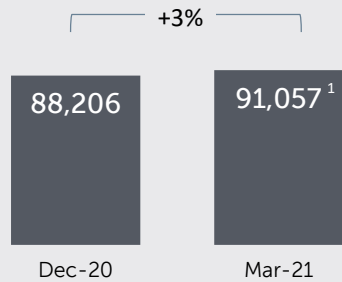
- USD 1,685 mn of repo issuance with fixed & floating interest rate, maturity of 3 months to 4 years
- USD 90 mn of CD issued with an IRR between 0.18% to 0.29%
- EUR 121 mn of CD issued with an IRR between negative 0.53% to negative 0.48%

Main repayments in 2021

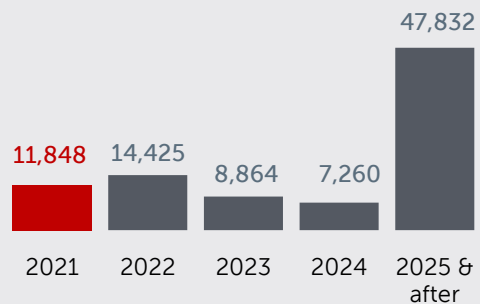
- CNH 240 mn GMTNs with coupons at fixed range from 4.85% p.a. to 5.02% p.a.
- USD 30 mn Accreting GMTNs with coupon at fixed rate of 5.00% p.a.
- USD 317 mn of CD repaid during the period
- USD 230 mn of Repos repaid during the period
- AED 573 mn of Tess related Repo re-paid during the period

Investment securities increased to AED 91 bn, with 99% invested in bonds

Investment securities (AED mn)

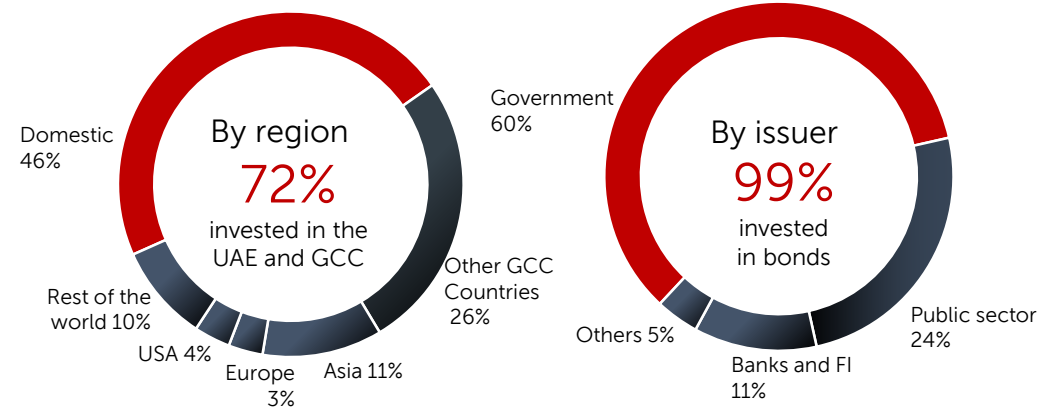


Maturity profile³ (AED mn)



Investment securities²

AED 91,057 mn

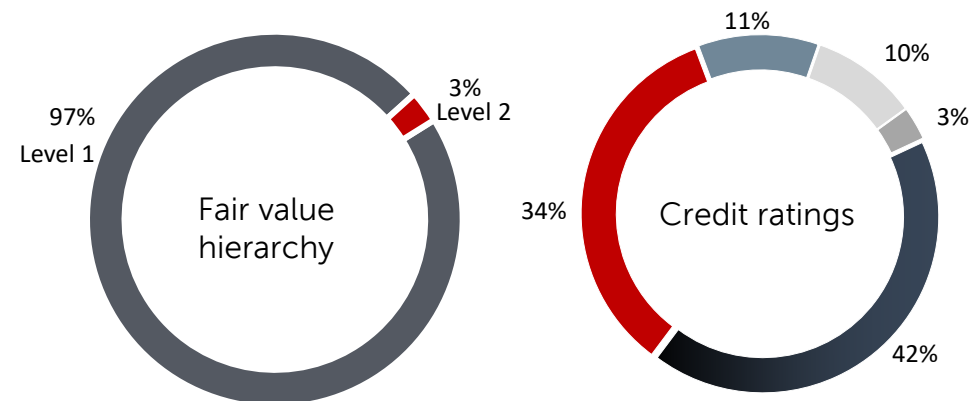


Non-government bond portfolio:

- Rated A- or better: 84%
- Rated BBB+ to BBB-: 13%
- Rated below investment grade: (BB+ and below including unrated): 3%

Total bond portfolio⁴

Government and Non-government bond portfolio: AED 90,045 mn



- AAA to AA-
- A+ to A-
- BBB+ to BBB-
- BB+ & unrated
- UAE Sovereign⁵

Credit ratings:

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

Level 1 - Quoted market prices
Level 2 - Valuation techniques using observable inputs

¹ Includes AED 25.1 bn investments carried at amortized cost (Dec 31, 2020 : AED 21.7 bn)

² Includes equity instruments and mutual funds

³ Excluding investments in equity and funds

⁴ Excluding trading securities

⁵ UAE Sovereign internal rating in Grade 3 and maps to external rating between A+ to A-

Delivered 71 digital customer releases across all businesses since the launch of our digital transformation programme

Key highlights

H1'18 releases

- Digital transformation roadmap defined and execution commenced
- Digital Studio completed as a workplace for innovation
- MyChoice roll out to customers packaging products as financial solutions

H2'18

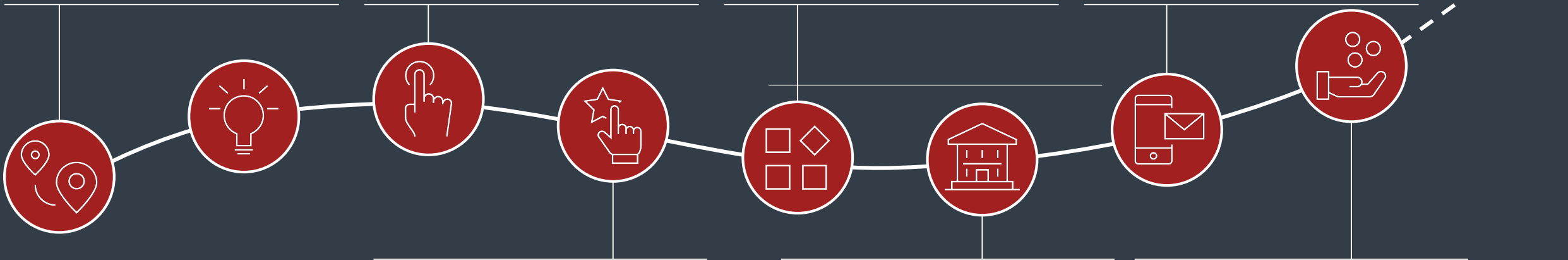
- SME account opening Digital onboarding journey
- ProCash Mobile banking on the go
- Samsung & Apple Pay enablement
- Trade workflow enhancement to improve TAT

H2'19

- Enhancements across MIB, Hayyak, ProCash Mobile, Trade Workflow
- MyChoice upgrades
- Partnership with Cleartrip

H2'20

- Personal Loan on Hayyak
- High value added features on ProCash Mobile
- Virtual Account API for RERA
- Data & Analytics use cases release (incl. campaign automation, email spam filter for call center)
- Instant Personal Loan on MIB
- Mortgage Digital Pre-approval with Bayut
- InstaPay



H1'19

- Hayyak provision of instant account opening
- MIB upgrades to improve customer experience
- SME Financing customer journey
- Launch of social media presence

H1'20

- Personal loans top-up on MIB
- IB technical upgrade
- MCD account opening
- SME Financing
- Virtual Accounts API for Noqoodi

Q1'21

- Cloud environment for KYC Blockchain
- Virtual Accounts API for additional customers
- ProCash Mobile enhancements
- Advanced Analytics use cases in Collections
- MIB enhancements on payments and personal loan journeys
- Hayyak onboarding app introduced uBank as delivery channel

Our sustainability commitments – ESG update

ADCB continues to ensure that **sustainability is embedded** in all facets of our **operating model**, through effective implementation of our Economic, Social and Governance (ESG) responsibilities

In 2021, the Bank developed a sustainability strategy through a detailed **materiality assessment** in accordance with the **Global Report Initiative (GRI) guidelines** and identified the following **key focus areas** that are considered important to our stakeholders

ESG Rating

MSCI  A

Key focus areas:

Delivering safe and sustainable financial solutions



Making banking more accessible and inclusive to all



Supporting the UAE's diverse and dynamic community



Enabling a responsible and growth-oriented working environment



Global & national framework alignments



MSCI



EQUATOR PRINCIPLES

ADX | سوق أبوظبي للأوراق المالية
ABU DHABI SECURITIES EXCHANGE

Delivering on our ESG strategic pillars - A focused approach to contribute sustainable and responsible solutions for our communities across the UAE



Governance and ethics

- Year on year, ADCB has maintained **100%** of all operations **assessed for corruption risk**
- Through our **Ambition University**, we deliver learning programmes that include **key risk management modules**, such as anti-money laundering, compliance, fraud, IT & physical security, code of conduct, operational risk, and business continuity



Accessible banking

- Our **Net Promoter Score*** conveyed **improvements** in Consumer Banking (from 67% to 69%) and Wholesale Banking (from 66% to 71%), illustrating the growth in **customer loyalty and acquisition**
- In 2020, **clients registered** for Wholesale Banking Group's market-leading **digital platforms**, ProCash and ProTrade, **increased** by 16% and 64%, respectively (Please refer to slide 24 for Q1'21 key digital metrics)



UAE centricity

- Launched **UAE's first virtual point of sale (PoS)** payment terminal, **ADCB Pace Pay**, designed to equip **small and micro-businesses** with a digital payment infrastructure at zero cost per transaction
- In 2020, a total of 184 female candidates passed through the Tamooha programme, which aims at assisting female UAE Nationals to develop career paths and access professional opportunities



Success enablers

- Delivered 170,000+ hours of learning in 2020. In total, 4,200+ employees undertook (self-paced) **e-learning courses**, while 5,500+ participated in virtual, live online learning sessions
- Total of AED 21.5 million invested in direct and indirect community donations



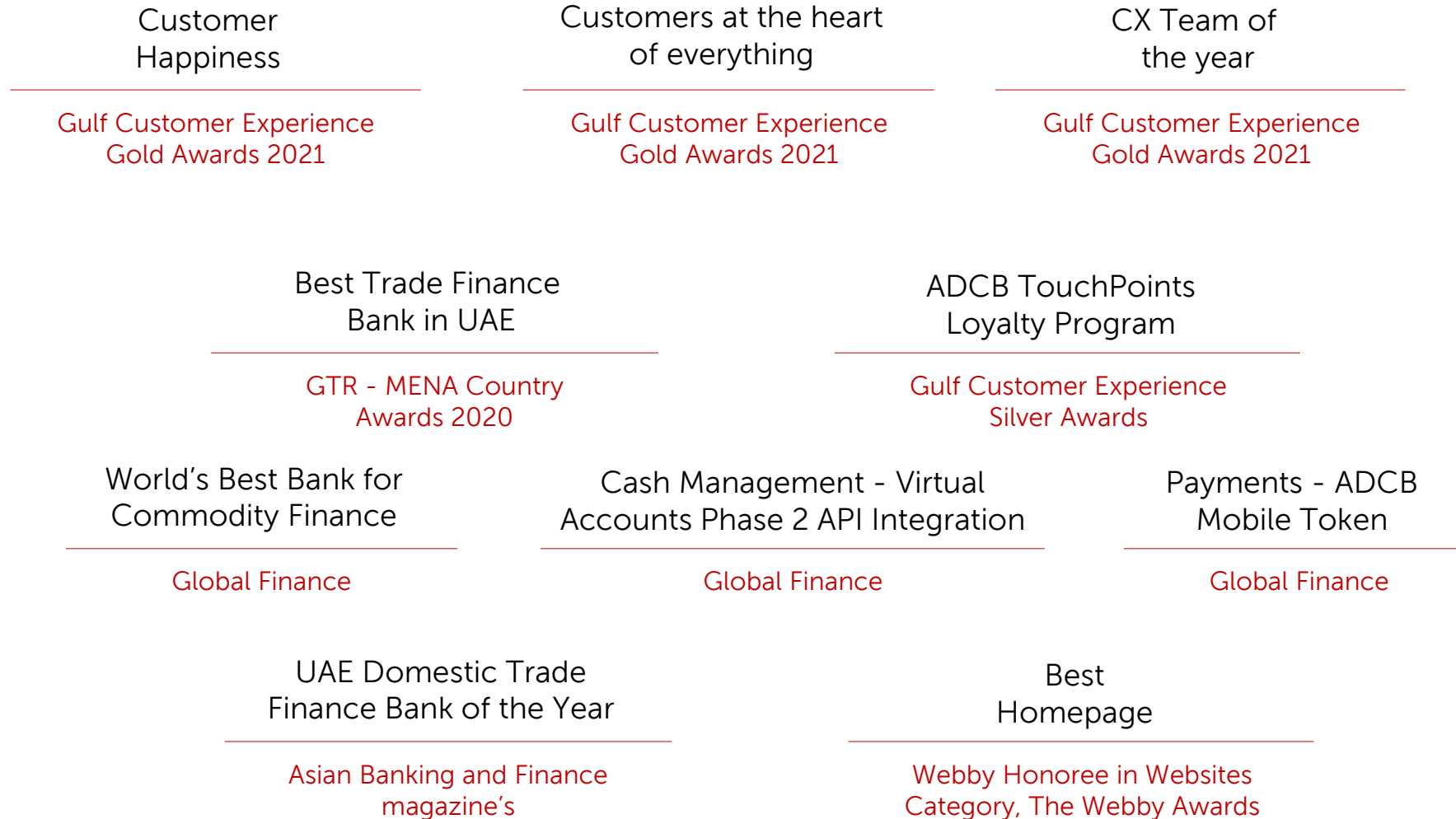
SDGs that ADCB contributes to



For further information on ESG, please refer to our 2020 Annual report at adcb.com/ir

*The NPS scores are up to Q1'20. In Q3'20, as part of our digitisation strategy, ADCB switched to a different methodology for measuring NPS. Due to the change in methodology, NPS will not be comparable to the previous years, and the 2020 NPS score will be used as a new baseline going forward

Q1'21 and 2020 awards



Published balance sheet as at 31 March 2021

AED mn	Mar-21	Dec-20	ΔQoQ %
Cash and balances with Central banks, net	17,228	29,602	(42)
Deposits and balances due from banks, net	21,141	21,535	(2)
Derivative financial instruments	8,687	11,146	(22)
Investment securities	91,057	88,206	3
Loans and advances to customers, net	235,725	238,976	(1)
Investment in associates	257	256	0
Investment properties	1,678	1,644	2
Other assets, net ¹	10,646	10,342	3
Property and equipment, net	2,033	2,059	(1)
Intangible assets ²	7,366	7,390	(0)
Total assets	395,819	411,156	(4)
Due to banks	5,179	8,222	(37)
Derivative financial instruments	8,767	10,855	(19)
Deposits from customers	238,830	251,395	(5)
Euro commercial paper	4,834	4,754	2
Borrowings	68,289	65,396	4
Other liabilities ³	14,197	13,933	2
Total liabilities	340,096	354,555	(4)
Total shareholders' equity	55,719	56,597	(2)
Non -controlling interests	4	4	NM
Total liabilities and shareholders' equity	395,819	411,156	(4)

¹ Other assets include assets held for sale

² Intangible assets include Goodwill

³ Other liabilities include liabilities directly related to assets held for sale
Components may not sum exactly to totals because of rounding

Income statement for the three month period ended 31 March 2021

AED mn	Q1'21	Q1'20	△ YoY%
Interest and income from Islamic financing	2,724	4,395	(38)
Interest expense and profit distribution	(605)	(1,606)	(62)
Net interest and Islamic financing income	2,119	2,789	(24)
Net fees and commission income	443	431	3
Net trading income	154	139	11
Net losses from investment properties	(1)	0	NM
Other operating income*	206	116	77
Non interest income	802	687	17
Operating income	2,922	3,476	(16)
Staff expenses	(603)	(688)	(12)
General administrative expenses	(335)	(513)	(35)
Depreciation	(99)	(101)	(2)
Amortisation of intangible assets	(24)	(24)	2
Operating expenses	(1,061)	(1,325)	(20)
Operating profit before impairment allowances & taxation	1,861	2,151	(13)
Impairment allowance charge on loans and advances	(747)	(1,979)	(62)
Recovery of loans	79	77	3
Other impairment	(36)	20	NM
Net impairment	(704)	(1,882)	(63)
Share of profit of associates	2	(11)	NM
Overseas income tax expense	(28)	(32)	(13)
Loss from discontinued operations	(10)	(16)	(37)
Published profit	1,121	209	436
Attributed to:			
Equity holders of the Parent	1,121	207	441
Non controlling Interests	0	2	NM
Net Profit	1,121	209	436

* Other operating income includes net gains/(losses) from disposal of investment securities, gains/(losses) arising from retirement of hedges, property management income and others
Components may not sum exactly to totals because of rounding

ADCB INVESTOR RELATIONS

adcb.com/ir

Email: ir@adcb.com

