

ABU DHABI COMMERCIAL BANK PJSC



Q4/FY 2021 Earnings presentation

January 2022

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Section 1

Financial highlights

Solid Q4/FY'21 performance based on a number of underlying positive trends



Solid financial performance, with net profit up 38% YoY in FY'21 and 44% YoY in Q4



Loan growth of 2.2% in 2021 ahead of banking sector¹, with AED 40 bn in new credit extended; while CASA deposits grew AED 25.5 bn to represent 58% of total deposits



NIM declined by 34 bps YoY to 2.43% in FY'21, however risk adjusted NIM improved 30 bps YoY to 1.69% reflecting rebalancing of loan portfolio towards GREs and reduced real estate exposure



Non-interest income up 26% to account for 28% of operating income, with strong growth across all revenue streams and gain of AED 166 mn on acquisition of ADF



Synergies of AED 1.2 bn, well above 2021 target of AED 1 bn



Cost of risk halved to 77 bps in FY'21 in line with medium-term guidance of 80 bps, with successful delivery of TESS programme and NMC restructuring



Proposed dividend of AED 0.37 per share equivalent to pay-out ratio of 49%

KEY HIGHLIGHTS

Q4'21 | FY'21

NET PROFIT (AED BN)

1.448 | 5.247

QoQ: 13%
YoY: 44%

YoY: 38%

ROATE²

12.6% | 11.4%

Q3'21: 10.7%
Q4'20: 9.4%

FY'20: 8.3%

ROAA²

1.31% | 1.19%

Q3'21: 1.12%
Q4'20: 0.98%

FY'20: 0.86%

EPS (AED)

0.21 | 0.73

Q3'21: 0.17
Q4'20: 0.15

FY'20: 0.51

¹UAE CB data available to end of November 2021

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

FY'21 net profit up 38%, despite low interest rate environment, driven by higher non-interest income, efficiencies, synergies and lower cost of risk

Income statement (AED mn)	FY'21	FY'20	ΔYoY%
Total net interest income ¹	8,864	9,783	(9)
Non-interest income	3,396	2,688	26
Operating income	12,259	12,471	(2)
Operating expenses ²	(4,257)	(4,526)	(6)
<i>Integration expenses</i>	-	(153)	-
Operating profit ³	8,002	7,945	1
Net impairment charge	(2,646)	(3,993)	(34)
Net profit⁴	5,247	3,809	38

Figures may not add up due to rounding differences

Key highlights (FY'21 vs. FY'20)

- ▶ Net profit of AED 5.247 bn increased 38%, despite a low interest rate environment, driven by higher non-interest income, reduced cost of risk and greater efficiencies, with synergies well above target
- ▶ Net interest income of AED 8.864 bn declined 9% mainly on account of lower benchmark interest rates
- ▶ Non-interest income of AED 3.396 bn increased 26%, with net fee and commission income, trading income and other operating income increasing
- ▶ Operating expenses of AED 4.257 bn improved 6% as the Bank exceeded its cost synergy target for 2021 and continued to streamline its operating model
- ▶ Impairment charges of AED 2.646 bn were 34% lower primarily on account of provisioning recorded in FY'20 related to NMC, Finablr and associated companies

¹ Including Islamic financing

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

³ Before impairment allowances

⁴ After share in profit of associates, overseas income tax charge, and profit/loss from discontinued operations

Increase in Q4'21 net profit and operating profit, with net interest income and non-interest income rising sequentially

Income statement (AED mn)	Q4'21	Q3'21	Q4'20	ΔQoQ%	ΔYoY%
Total net interest income ¹	2,250	2,179	2,362	3	(5)
Non-interest income	1,027	726	701	41	47
Operating income	3,277	2,905	3,063	13	7
Operating expenses ²	(1,128)	(1,013)	(1,073)	11	5
<i>Integration expenses</i>	-	-	74	-	-
Operating profit ³	2,149	1,892	1,990	14	8
Net impairment charge	(669)	(596)	(938)	12	(29)
Net profit⁴	1,448	1,276	1,007	13	44

Figures may not add up due to rounding differences

Q4'21 key highlights

- ▶ **Strong quarterly performance**, with a net profit of AED 1.448 bn, up 44% YoY and 13% QoQ
- ▶ **Net interest income of AED 2.250 bn increased 3% QoQ** on account of **higher interest in suspense reversals**, and was 5% lower YoY on lower benchmark rates and a change in the composition of interest earning assets
- ▶ **Non-interest income of AED 1.027 bn increased 47% YoY and 41% QoQ** with net fee and commission income and trading income increasing. Gains recorded on the acquisition of the mortgage portfolio from Abu Dhabi Finance also contributed to an increase in other operating income
- ▶ Operating expenses of AED 1.128 bn was 5% higher YoY and 11% QoQ driven by **higher accruals for compensation costs, reflecting strong performance and investment in business**
- ▶ Net impairment charges of AED 669 mn were 29% lower YoY and 12% higher QoQ mainly due to a few corporate accounts

¹ Including Islamic financing

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

³ Before impairment allowances

⁴ After share in profit of associates, overseas income tax charge, and profit/loss from discontinued operations

Loan growth outpaced UAE banking sector driven by lending to GREs; CASA deposits continue to rise

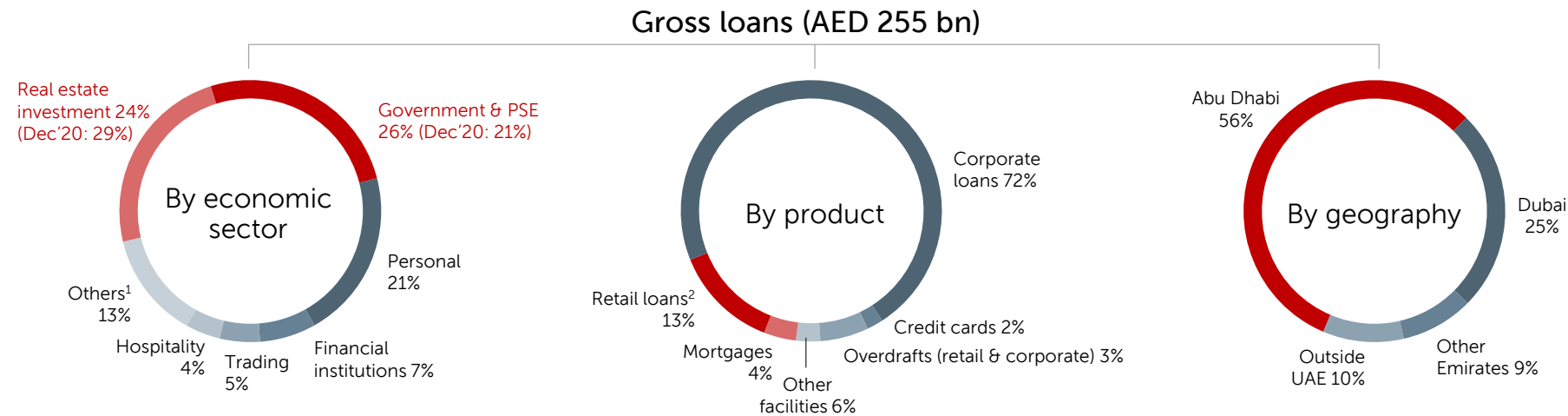
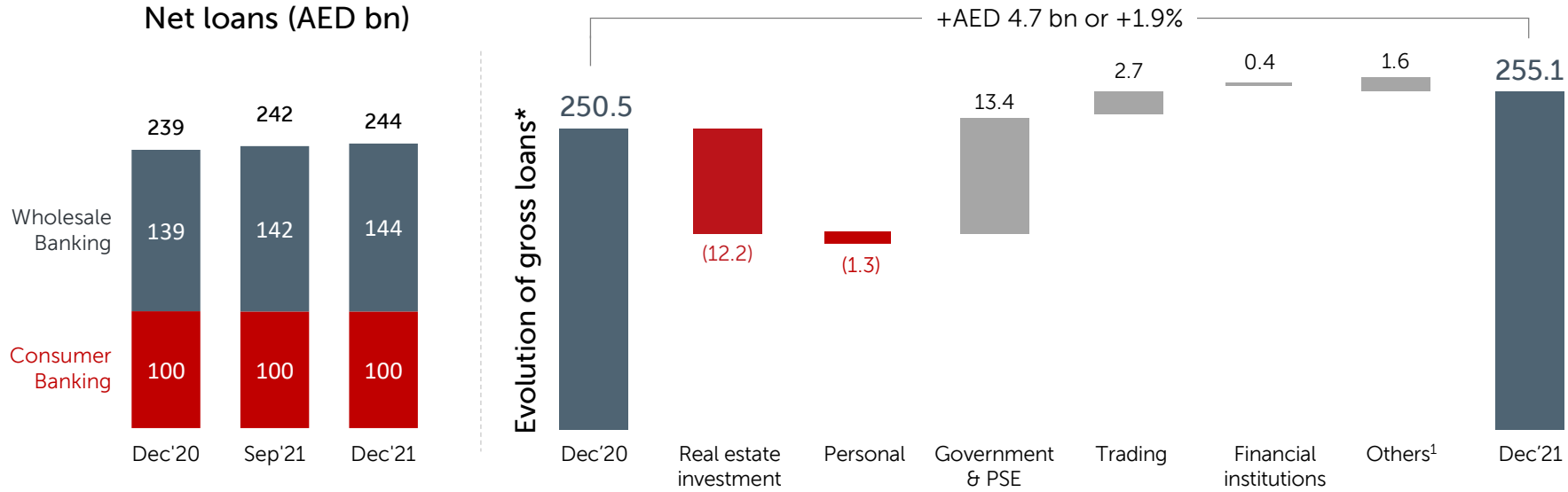
Balance sheet (AED mn)	Dec'21	Sep'21	Dec'20	ΔQoQ%	ΔYoY%
Total assets	440,278	432,061	411,156	2	7
Net loans and advances to customers	244,282	241,912	238,976	1	2
Net loans and advances to banks	20,907	18,755	10,790	11	94
Investment securities	96,513	95,482	88,206	1	9
Deposits from customers	265,052	255,753	251,395	4	5
Borrowings (including ECP)	78,698	82,643	70,150	(5)	12
Total shareholders' equity	59,360	58,161	56,597	2	5

Figures may not add up due to rounding differences

Key highlights

- ▶ Total assets at AED 440 bn were 7% higher YoY, mainly on account of **increased investment securities**, which were up 9% to AED 97 bn, and **loans to banks**, up 94% to AED 21 bn
- ▶ **Net loans** at AED 244 bn were 1% higher QoQ and **2.2% higher YoY, outpacing 0.5% growth in the overall UAE banking sector***. Loan growth was primarily driven by **increased lending to GREs**. The average customer loan balance was AED 236 bn in FY'21
- ▶ **Including loans to banks, net loan growth was 6.2% YoY**
- ▶ Borrowings (including ECP) increased 12% YoY through repurchase agreements, offset by TESS repayments
- ▶ **Deposits** of AED 265 bn were up 4% QoQ and **5% YoY**, compared to **system-wide deposit growth of 4.4%***. **CASA deposits continued to increase** during the quarter. The average deposit balance in FY'21 was AED 249 bn
- ▶ Total shareholders' equity was AED 59 bn, up 5% from a year earlier, after accounting for retained earnings and proposed dividend for 2021

Growth and rebalancing of loan portfolio in line with strategy, with increased lending to GREs and reduced exposure to real estate



▶ The Bank extended **AED 40 bn of new loans in FY'21** to targeted economic sectors in line with 5-year growth strategy

▶ **Lending to the government and public sector enterprises increased by AED 13.4 bn** during FY'21 to AED 67 bn, accounting for 26% of gross loans, up from 21% at end-2020

▶ **Exposure to real estate reduced by AED 12.2 bn** to AED 60 bn, reducing to 24% of gross loans from 29% at end-2020, mainly driven by corporate repayments

▶ **Acquisition of mortgage portfolio from Abu Dhabi Finance completed in Q2'21** resulted in an increase of AED 1.077 bn in mortgage loan book

▶ Well diversified real estate portfolio with LTV of 81% as at December-end

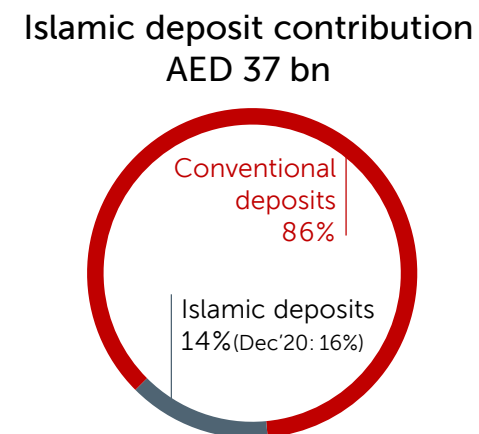
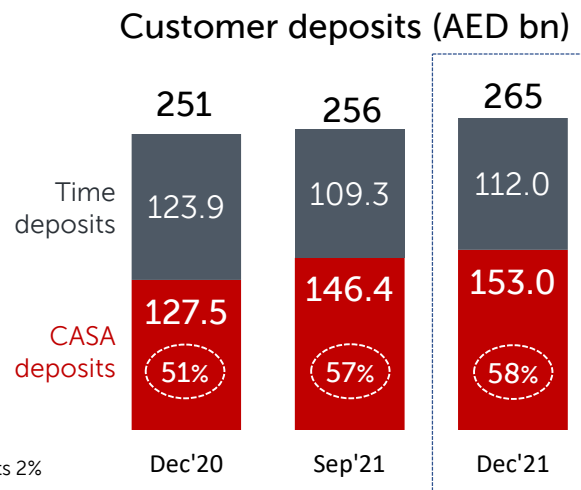
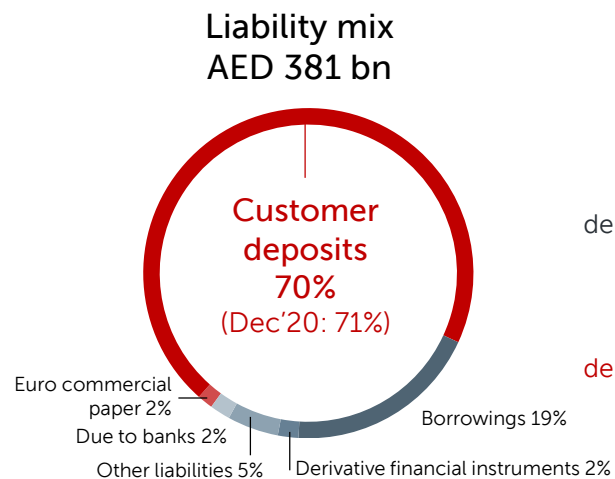
▶ **Continued commitment to SME financing** through pandemic, with AED 3.9 bn in loans to sector

Figures may not add up due to rounding differences
* Net of repayments and new credit extended

¹ Others include: Energy, Transport & Communication, Manufacturing, Services and others

² Retail loans include personal loans, auto loans and others

Continued success in attracting CASA deposits with growth of AED 6.6 bn in Q4'21, bringing total CASA growth to AED 25.5 bn in 2021



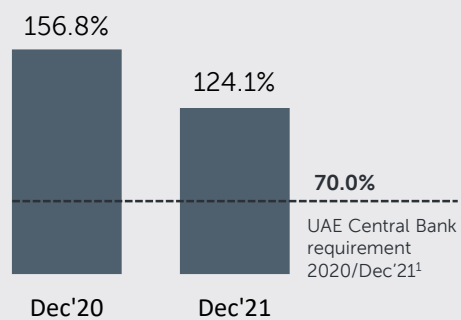
▶ **Customer deposits** comprised **70%** of total liabilities, reflecting the strength of the ADCB franchise

▶ **CASA deposits increased by AED 25.5 bn** in 2021 and **AED 6.6 bn** in Q4'21 to **AED 153 bn at December-end**, and accounted for **58%** of total customer deposits, up from 51% at end-2020

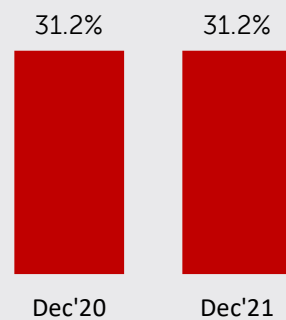
▶ **Retail CASA deposits accounted for 89%** of total retail customer deposits, versus 82% a year earlier, and **Wholesale CASA deposits accounted for 63%** of total wholesale customer deposits, up from 58% a year earlier

▶ Time deposits of AED 112 bn were 10% lower YoY

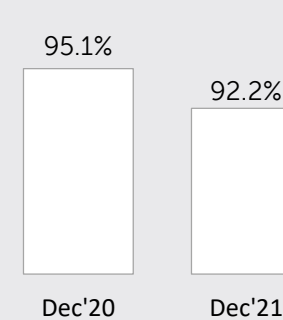
Liquidity coverage ratio (LCR %)



Liquidity ratio (%)²



Loan to deposit ratio (LTD %)³



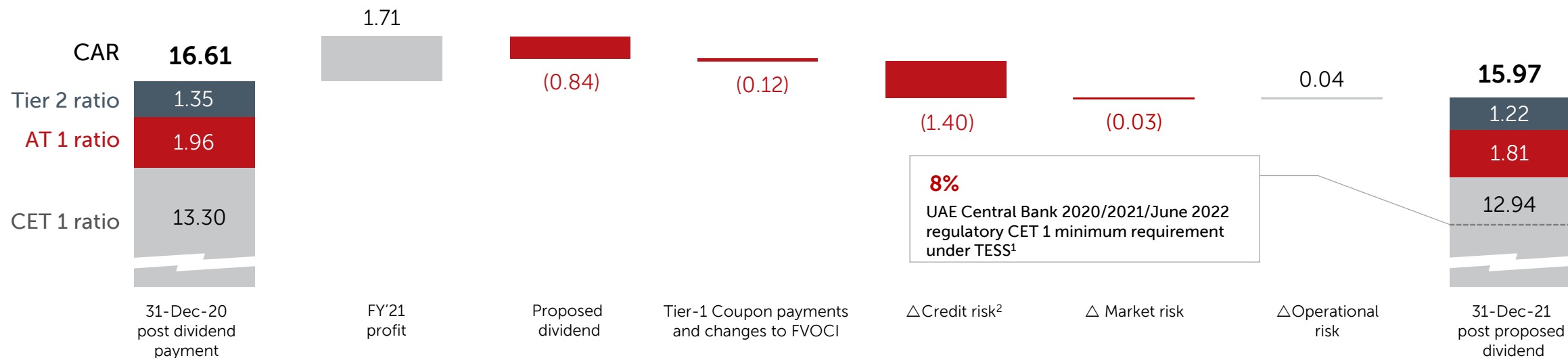
¹ Central Bank has temporarily allowed banks to have a reduced LCR of 70% without any supervisory consequences

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)

³ Not a regulatory requirement

Capital ratios remain comfortably above regulatory minimum requirements; strong CET1 of 12.94% after deducting proposed dividend for 2021

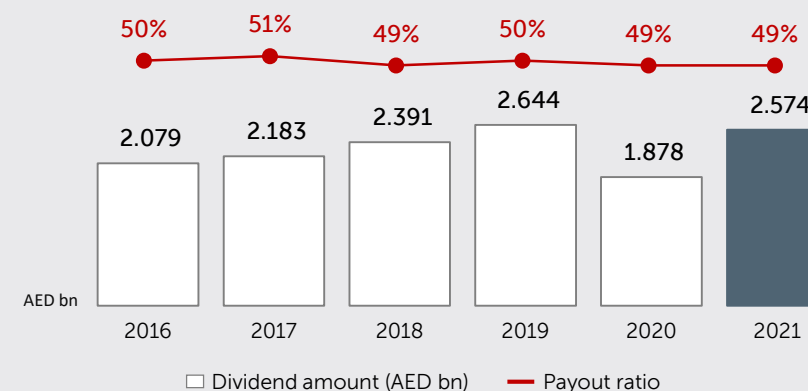
Capital adequacy ratio walkthrough (%)



Risk weighted assets walkthrough (AED bn)



Dividend history and shareholders' returns



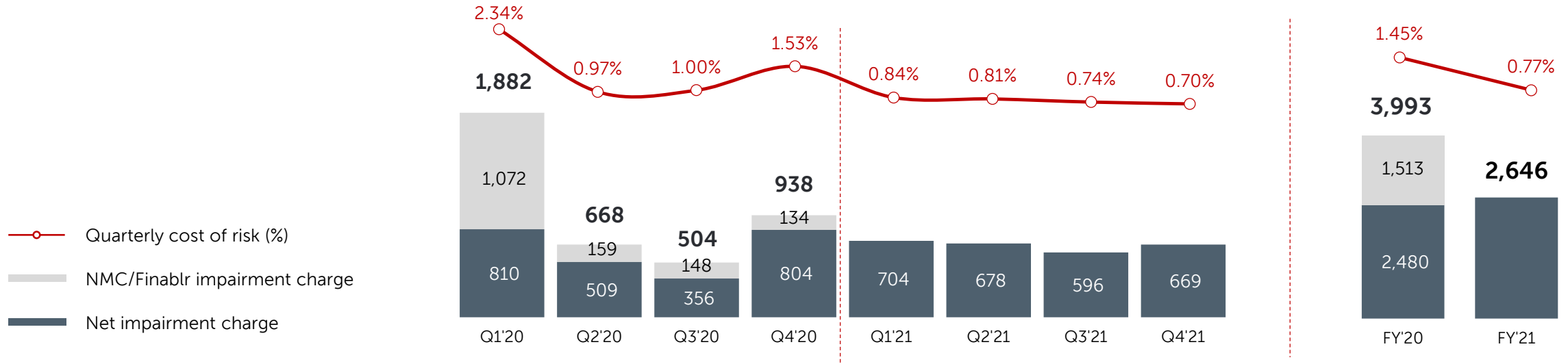
¹ Under TESS, UAE Central Bank temporarily allowed banks to use the CCF and D-SIB buffers without any supervisory consequences.

Accordingly, CET1 and CAR regulatory minimum requirement reduced to 8% and 11.50% respectively until 30 June 2022.

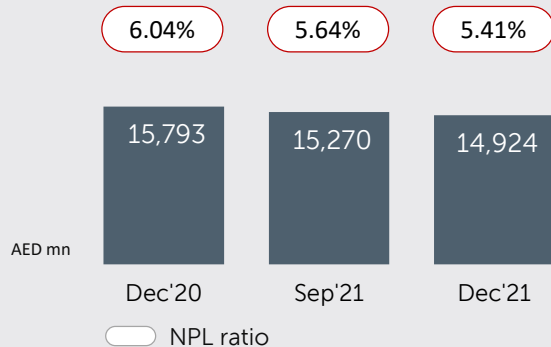
² Change in credit and market risk weighted assets is mainly due to new regulations by the Central Bank with regards to GCC exposure

Significant improvement in cost of risk in line with guidance, successful delivery of TESS programme and NMC restructuring

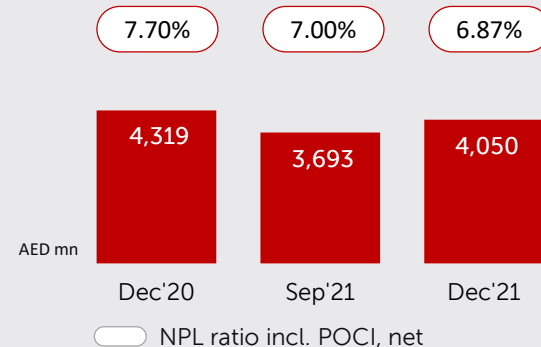
Net impairment charge (AED mn) and cost of risk (%)



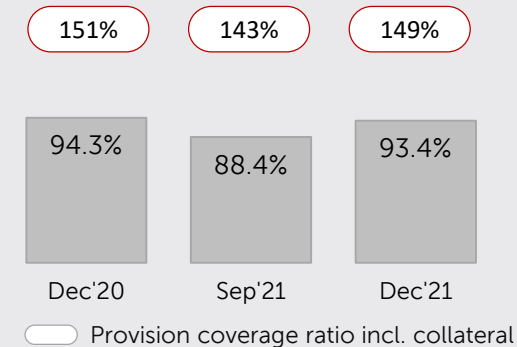
Non performing loans and NPL ratio



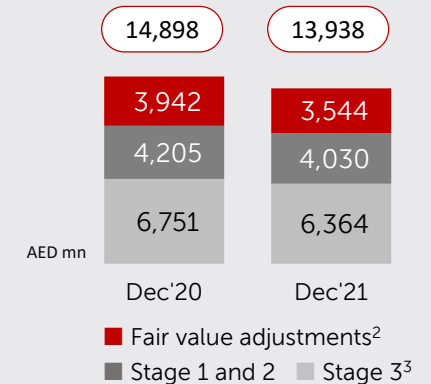
POCI assets and NPL ratio incl. POCI



Provision coverage ratio¹





ECL by stage





POCI: Purchase or originated credit-impaired financial assets ¹ Provisions on loans and advances, including fair value adjustments
² Fair value adjustments on loans include the historical ECL carried in books of AHB and ex-UNB (excluding POCI) ³ Excludes AED 478 mn impairment allowances on POCI


Loan deferral programme completed successfully on expiry of TESS in December 2021

 From H1'20 to December 2021, ADCB provided a comprehensive package of support, including loan deferrals, to customers impacted by the global pandemic in line with the UAE Central Bank's 'Targeted Economic Support Scheme' (TESS)

 Active engagement by ADCB resulted in a large majority of customers resuming repayments or agreeing long-term solutions

 Following expiry of the TESS loan deferral programme at the end of 2021, ADCB resumed full application of normal classifications for SICR (significant increase in credit risk) and staging rules, and no longer provides TESS deferrals

 A TESS "recovery programme", under the auspices of the UAE Central Bank, continues to allow banks to extend new loans to customers, who have temporarily lost revenue due to Covid 19 but are otherwise in good economic health

 Employing its usual internal credit policies and underwriting processes, ADCB has provided a total of AED 873 million of loans under the programme as at 31 December 2021, of which AED 219 million has been repaid

Major progress on NMC restructuring, with ADCB set to receive c.38% of \$2.25 bn facility



NMC RESTRUCTURING APPROVED BY CREDITORS

- ▶ On 1 September 2021, NMC Group creditors voted overwhelmingly in favour of a debt restructuring plan, which will see NMC exit administration, scheduled for Q1'22
- ▶ Creditors will receive “exit instruments” in a US\$ 2.25 bn “Holdco facility”, a debt claim sized to the expected future value of NMC
- ▶ All net proceeds from a future sale of the business will return to holders of exit instruments, including value in excess of US\$ 2.25 bn
- ▶ There are further possibilities to benefit from any recoveries from ongoing litigation
- ▶ Participants in exit instruments will benefit from a cash margin of 0.5% per annum, as well as payment in kind of 2% per annum (paid along with principal), which will accrue from the date of the signing of the facility document, expected in Q1'22

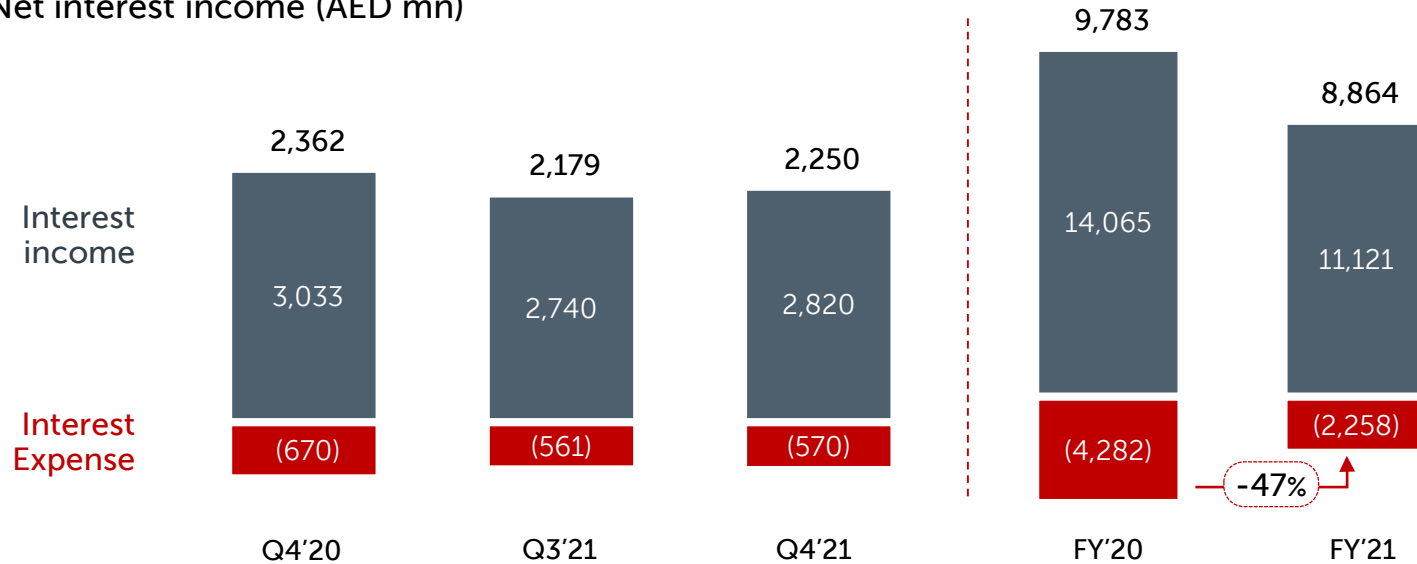


STRONG POSITION TO MAXIMISE RECOVERIES

- ▶ ADCB is expected to receive approximately 38% of the US\$ 2.25 bn exit instruments, which will be treated as a loan in the Bank's asset book
- ▶ The Bank participated in a US\$ 325 mn “Administration Funding Facility” (AFF), which granted elevation and conversion rights in the new Holdco Facility. As part of restructuring, the AFF will be repaid in full through the proceeds already generated from the sale of non-core assets and partially from the proceeds of a new USD 350 mn facility extended to NMC Group on the effective date of restructuring. ADCB has offered to underwrite up to USD 165 mn of this new facility
- ▶ Given this material progress in restructuring, the Bank considers the provisions and interest in suspense for NMC recorded to date to be at an appropriate level (AED 1.142 bn as at 31 December 2021)
- ▶ ADCB will appoint three of the seven non-executive directors that participants in the exit instruments will select to the new Holdco's BoD

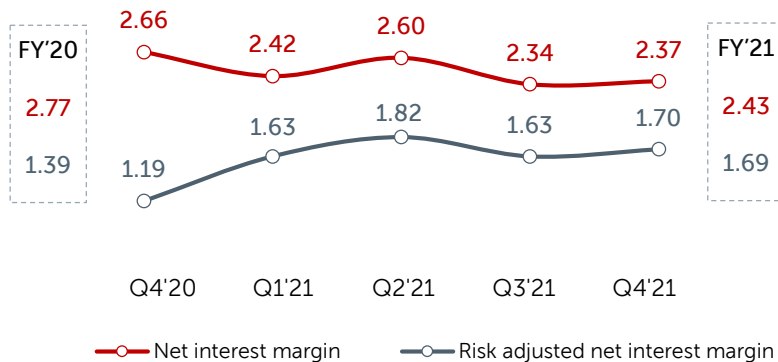
Improvement in cost of funds supported by significant increase in CASA deposits;
lower benchmark rates resulting in decline in full-year NIM, while risk adjusted NIM improved 30 bps

Net interest income (AED mn)

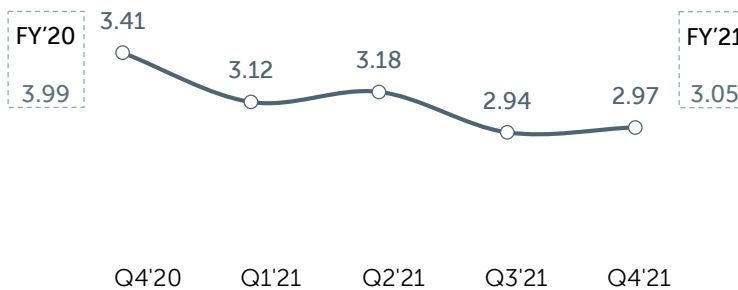


- ▶ NIM of 2.37% in Q4'21 was up 3 bps QoQ mainly due to higher interest in suspense reversals. NIM in FY'21 was 34 bps lower at 2.43% primarily due to a decline in asset yields driven by lower benchmark interest rates
- ▶ Risk adjusted NIM improved 30 bps YoY to 1.69% in FY'21, reflecting rebalancing of loan portfolio towards GREs and reduced real estate exposure
- ▶ Cost of funds was flat sequentially at 67 bps and improved by 65 bps in FY'21 supported by an increase of AED 26 bn in average CASA deposits and a reduction of AED 29 bn in average time deposits over the prior year

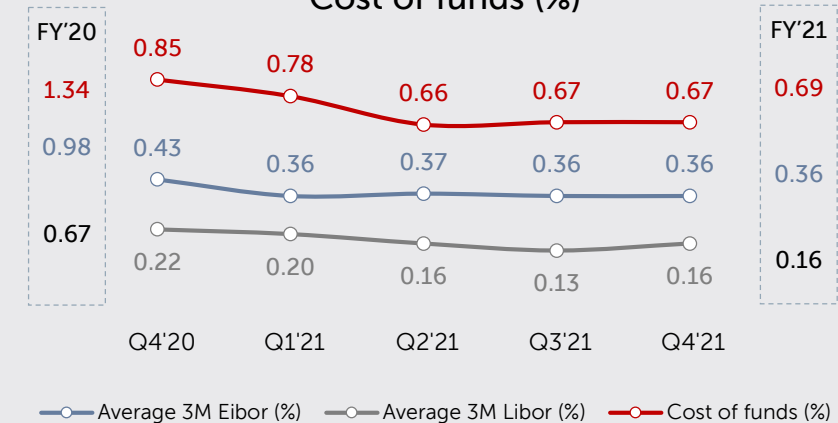
NIM and risk adjusted NIM* (%)



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

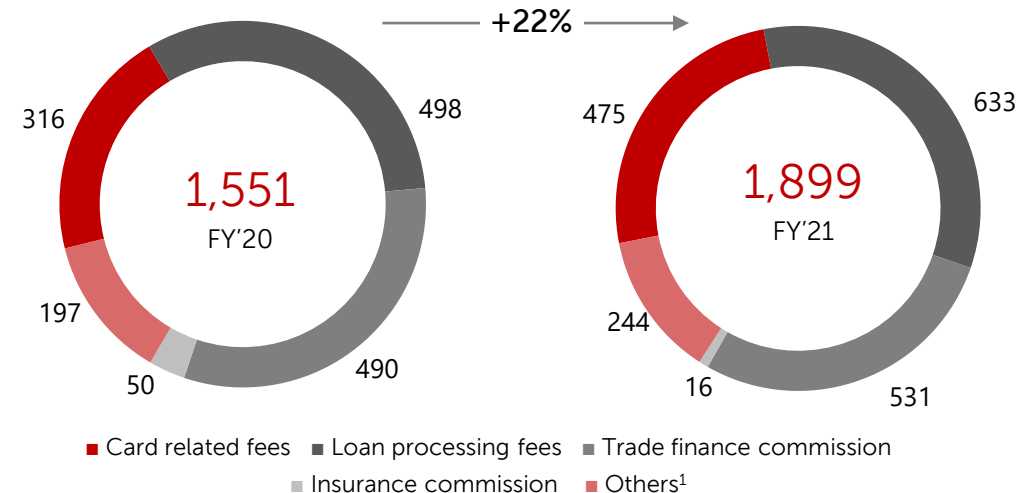
Strong growth in non-interest income driven by card-related and loan processing fees, as well as gain on acquisition of mortgage portfolio from Abu Dhabi Finance

Non-interest income (AED mn)	Q4'21	Q3'21	Q4'20	QoQ%	YoY%	FY'21	FY'20	YoY%
Net fees and commission income	519	436	434	19%	20%	1,899	1,551	22%
Net trading income	198	149	131	33%	51%	676	555	22%
Other operating income*	309	141	136	119%	127%	821	582	41%
Total non interest income	1,027	726	701	41%	47%	3,396	2,688	26%

*Includes net gains/(losses) from investments properties

Figures may not add up due to rounding differences

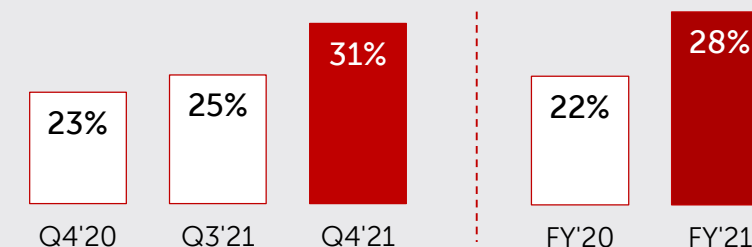
Net fees and commission income (AED mn)



Key highlights

- FY'21 non-interest income increased 26% YoY to AED 3.396 bn, representing 28% of operating income, up from 22% in 2020
- Non-interest income of AED 1.027 bn in Q4'21, was up 47% YoY and 41% QoQ, representing 31% of operating income
- Net fees and commission income of AED 1.899 billion in FY'21 was up 22%. This was mainly attributable to a 50% increase in card related fees, reflecting improving consumer sentiment, and a 27% rise in loan processing fees, mainly from early settlement and arrangement fees.
- Net trading income of AED 676 mn in FY'21 was up 22% due to higher FX and derivative income
- The Bank recorded a gain of AED 166 mn during FY'21 on the acquisition of the mortgage portfolio from Abu Dhabi Finance (ADF)

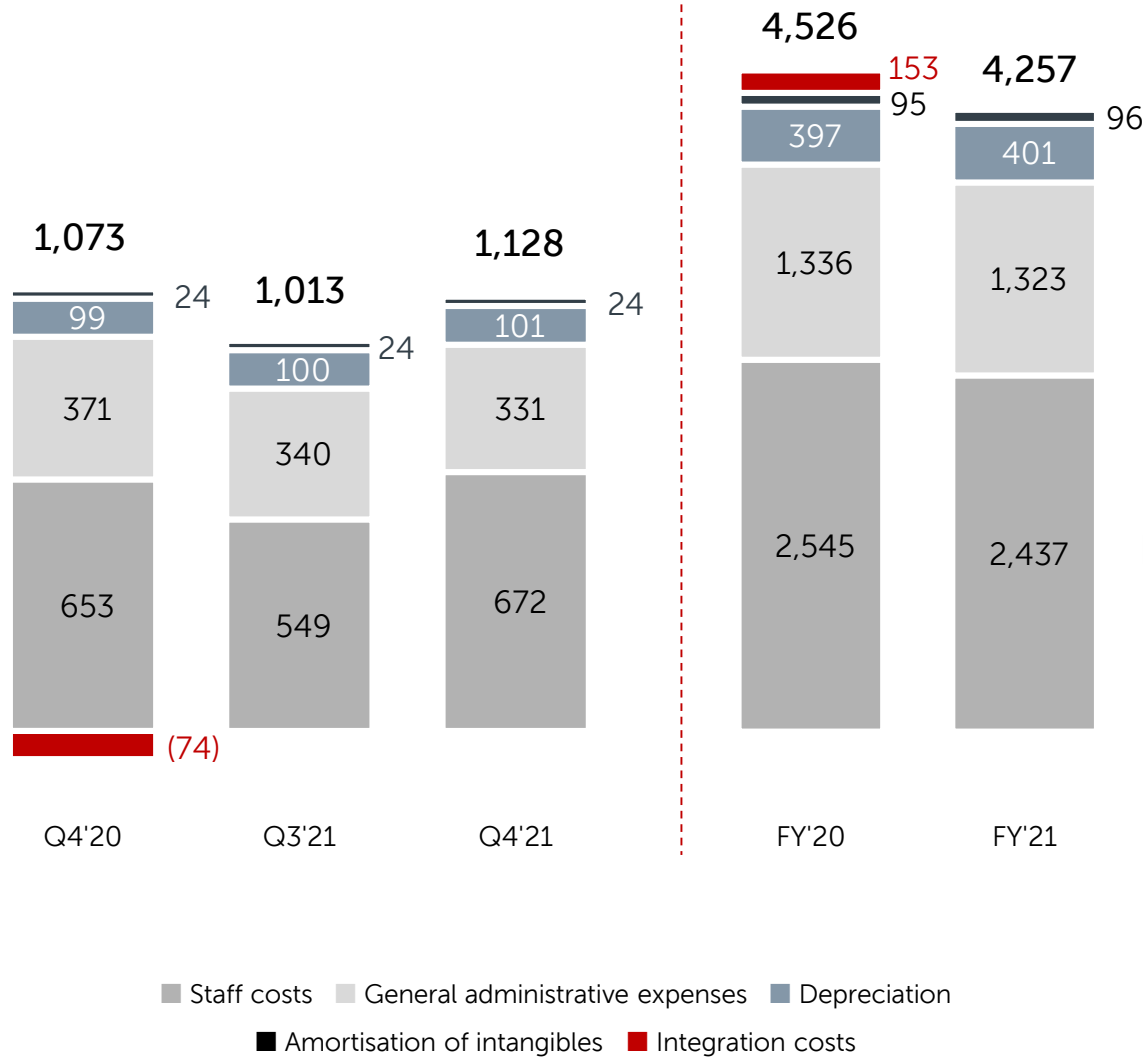
Non-interest income/total income (%)



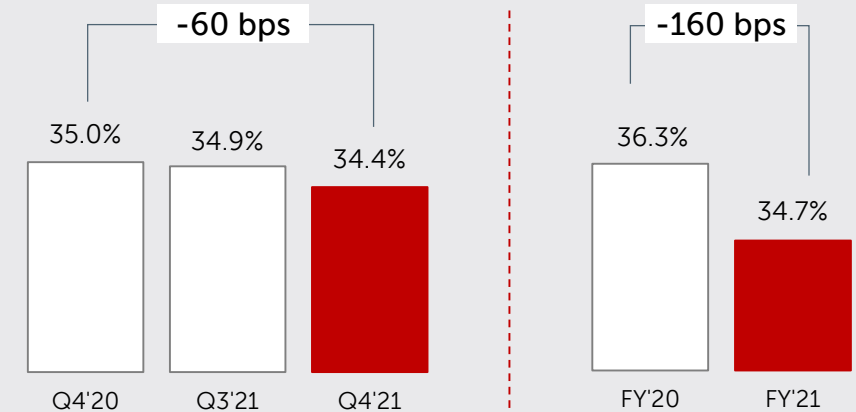
¹ Others include asset management, investment services, brokerage fees, fees from accounts related activities and other fees

Reduction in opex supported improvement in FY'21 cost to income ratio despite a 21% decline in gross interest income

Operating expenses (AED mn)



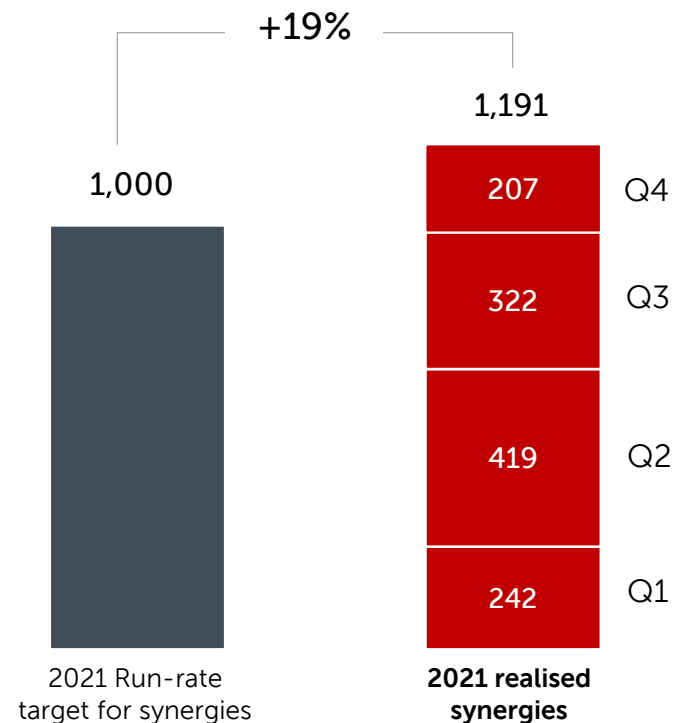
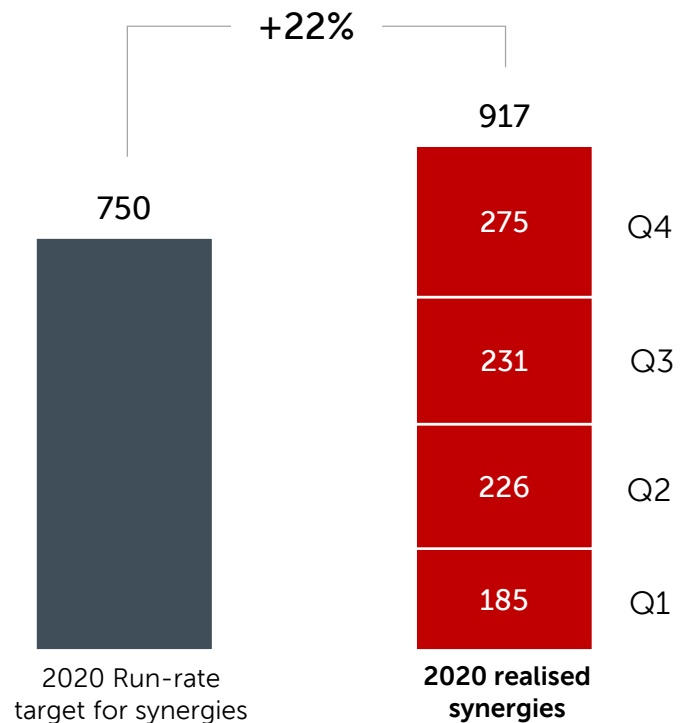
Cost to income ratio (%)



- Cost to income ratio improved 160 bps to 34.7% in FY'21, despite a 21% decline in gross interest income amid a subdued macro-economic environment and low benchmark rates
- Operating expenses in FY'21 decreased 6% to AED 4.257 bn, and were up 5% YoY and 11% QoQ at AED 1.128 bn in Q4'21, on account of higher accruals for compensation costs, reflecting strong performance and continued investment in growth of the business

Realised synergies of AED 1.2 bn in 2021 well above target

Realised synergies (AED mn)



Figures may not add up due to rounding differences

Integration journey in numbers

AED 1 bn

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

AED 1.191 bn

Cost synergies realised in 2021

AED 545 mn

One-off integration costs (exc. capex) remained below budget of AED 980 mn

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
Subsidiaries & digital update

Subsidiaries – Strong progress in implementation of growth strategies



- ▶ ADCB Egypt delivered strong performance, expanding customer base and significantly increasing loans and deposits
- ▶ Growth underpinned by digital transformation, with enhanced internal systems and over 100 services digitised
- ▶ Significant increase in subscribers to digital platforms and 51% of transfers and payments conducted digitally

FY'21 financial highlights

Net profit*

EGP 413 mn +32% YoY

* Based on IFRS

ROE
9.07%

Net loans

+28% YoY

EGP
21 bn

Deposits

+42% YoY

EGP
41 bn



- ▶ Strong progress in strategy to be fully-digital Shari'ah-compliant bank focused on providing retail customers with differentiated offering that goes beyond traditional banking services
- ▶ The Bank is set to launch a new cloud-based digital platform that will offer financial solutions and a wide range of non-banking financial solutions through an ecosystem of partnerships
- ▶ The proposition is driven by customer insight through advanced data analytics, machine learning and artificial intelligence
- ▶ The fully scalable platform will enable regional expansion post successful launch in the UAE

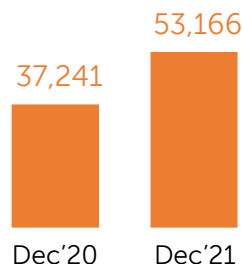
FY'21 digital metrics

Registered customers

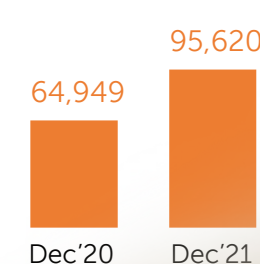
Digital banking (IB & MIB)

58%

Digital banking active users



Digital banking subscribers (IB /MIB)



Accelerated digital transformation, with over 1 mn subscribers to mobile and internet banking*

*As of January 2022

CONSUMER BANKING HIGHLIGHTS

- ▶ Launch of **ADCB WhatsApp Banking services** in November 2021
- ▶ **Launch of FlexiPay** on Mobile and Internet Banking to convert credit card balances to instalments
- ▶ Revamped payments and transfers journey on Mobile Banking
- ▶ **IPO Online Portal** launched to receive subscriptions
- ▶ **eKYC portal launched** to allow customers to update ID documentation
- ▶ Credit card loans introduced to Mobile Banking
- ▶ Enabled **credit card payment using touchpoints** through internet banking
- ▶ Personalised customer journey with tailored offerings on ADCB.com

WHOLESALE BANKING HIGHLIGHTS

- ▶ **Launch of self-onboarding to ProCash Mobile** for micro- and small businesses with '**Business Choice Accounts**'
- ▶ Additional features on ProCash Mobile help to drive **c.35% increase in users in 2021** and improved app ratings
- ▶ Over 20 enhancements to ProCash Desktop, including facilitation of cross border payments
- ▶ Enhancements to ProTrade include revamped user experience and upgraded MIS reporting
- ▶ **Virtual Accounts** offered as **automated reconciliation** tool for WBG clients, with more than 20,000 accounts opened in 2021



Key highlights

76%

Digitally onboarded customers

80%

Registered customers (Internet & Mobile Banking)

95%

Self-service customer transactions

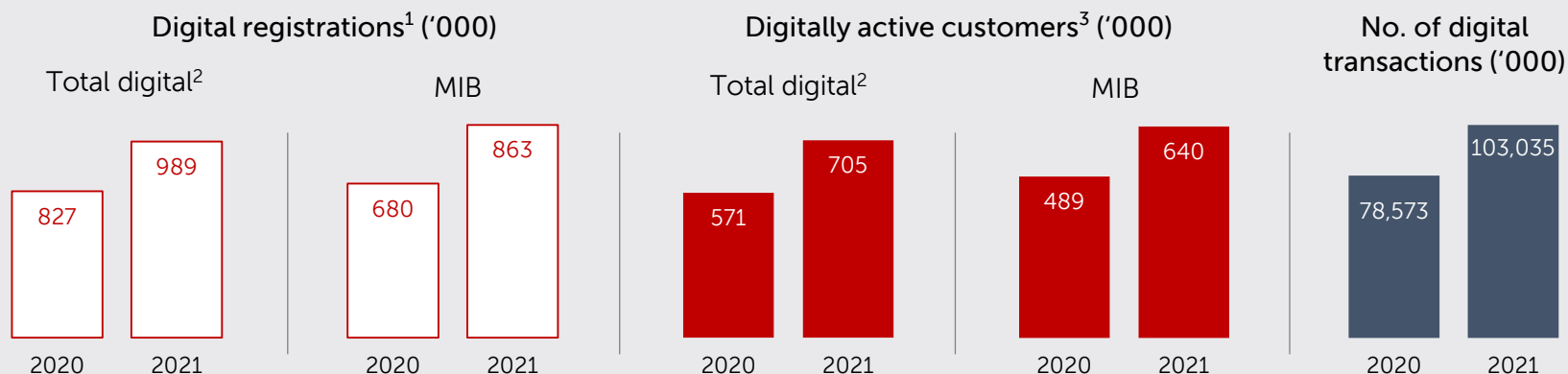
66%

Improved bankwide NPS score in 2021

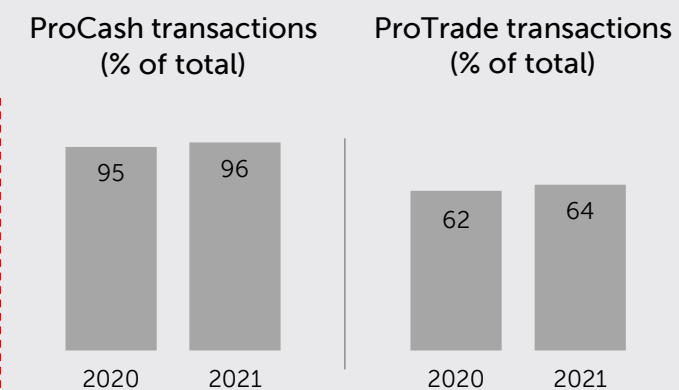
#1 App Store
Google store

ADCB Mobile app and 'Hayyak' onboarding app highest rated amongst peer group on both Apple Store and Google Play

Consumer Banking digital metrics



Wholesale Banking digital metrics



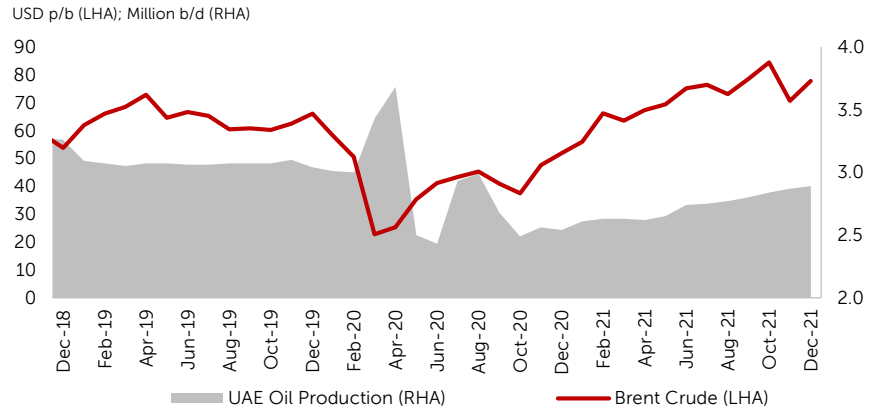
¹Registration: Registered user having at least one active product relationship ²Total digital: Internet or Mobile Banking ³Active: At least one transaction in past three months



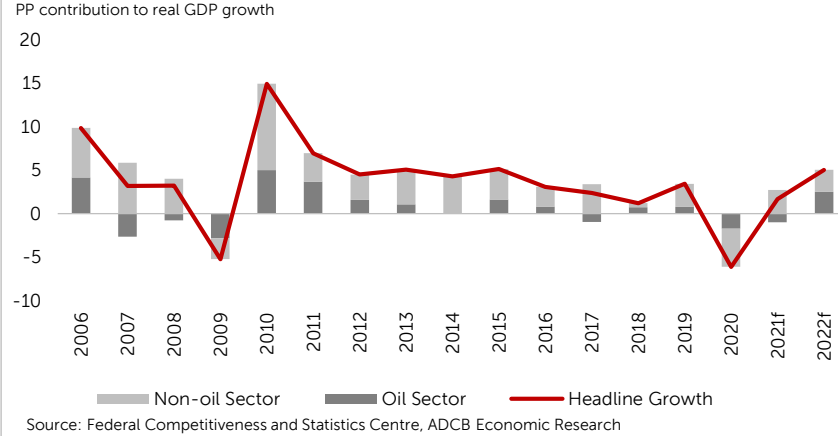
Section 3
Operating environment & guidance

Economic recovery to continue in 2022 driven by strong oil market fundamentals and high vaccination rate in the UAE

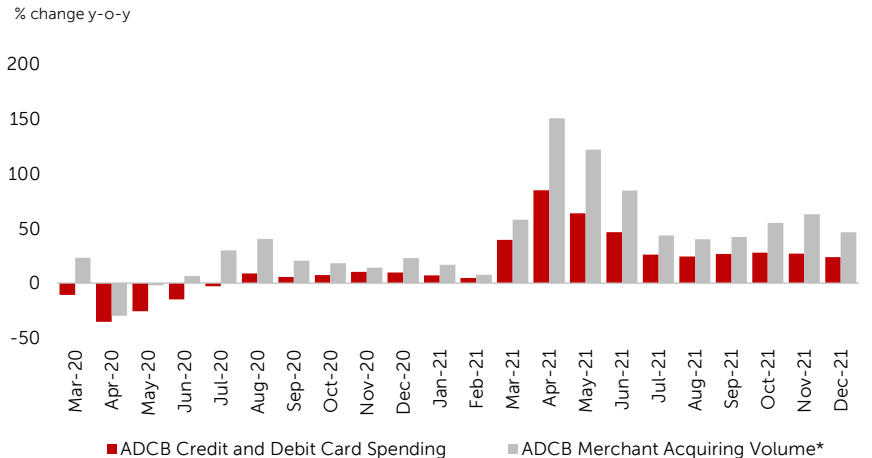
Tight oil market fundamentals, resilient global demand, supply disruptions and dwindling global spare capacity supportive for oil price



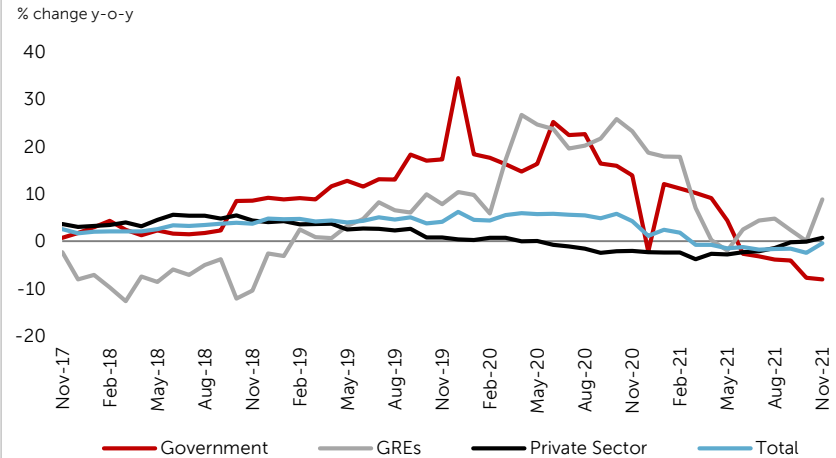
Real headline GDP growth to strengthen to 5% in 2022 on the back of higher oil production and ongoing recovery in non-oil sector



Card spending data reflects limited restrictions, stronger sentiment and low base



Yearly credit demand driven by GREs and private sector



- ▶ **UAE's economic recovery likely to continue in 2022**, supported by limited restrictions and high vaccination rates; oil production to rise further with new baseline coming into effect from May 2022
- ▶ UAE has achieved among the highest vaccination rates globally, **with 238 doses per 100 people** as at 30 January 2022
- ▶ **Recovery in externally facing services likely to continue in 2022** due to greater global vaccination, EXPO and the potential boost from Qatar hosting the FIFA World Cup. **This should support population growth**, though corporate focus will remain on labour force efficiency
- ▶ Some sectors, such as aviation, are expected to take a number of years to return to pre-COVID levels
- ▶ **Maturity of the non-oil investment programme to be a key headwind**, due to oversupply in various areas including real estate and hospitality

Summary and medium term guidance



Strong progress in implementation of five-year strategy



Credit growth led by increased lending to GREs and other targeted economic sectors in line with strategy



Successful delivery of synergies and continued focus on operational efficiency



Digital transformation driving customer acquisition and increased engagement

Medium term (2021 – 2023) guidance



Financial
metrics



FY'21



Medium
term guidance

Loan growth

2.2%

Mid-single digit

Cost to
income ratio

34.7%

≈29-32%

Cost of risk*

77 bps

≈80 bps

CET1 ratio

12.94%

>12%

Dividend
payout ratio

49%

50% of net profit

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



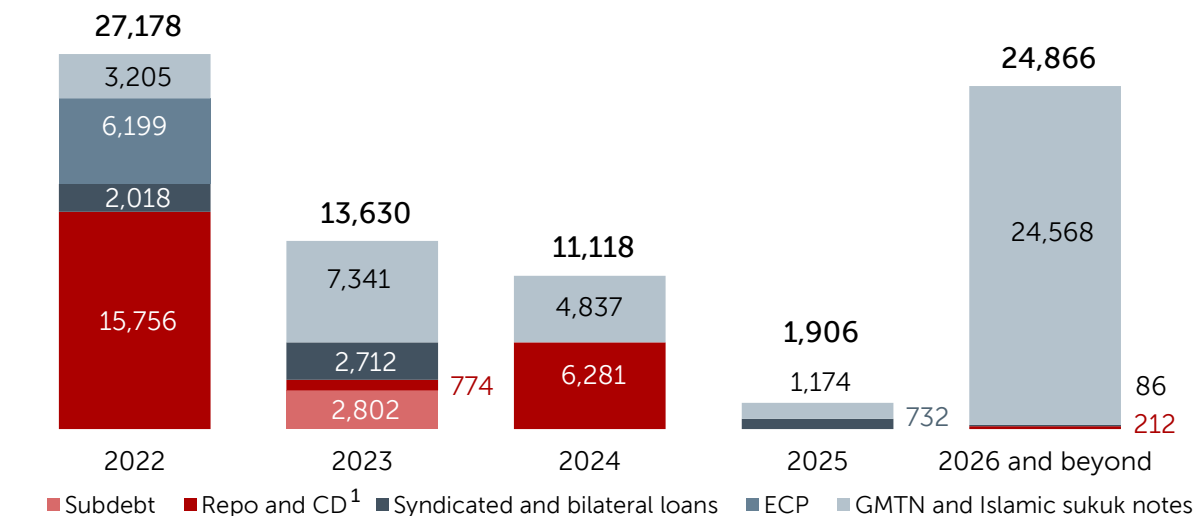
Section 4
Appendix

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

Wholesale funding

As at 31 Dec 2021	AED mn
Global medium term notes (GMTN)	39,268
Repo ¹	21,780
Bilateral loans	5,549
Subordinated debt	2,802
Euro Commercial paper	6,199
Islamic Sukuk notes	1,857
Certificate of Deposits	1,244
Total	78,698

Maturity profile (AED mn)



The Bank was a net lender of AED 16 bn² in the interbank markets as at 31 Dec 2021

Main issuances in 2021

- USD 6,097 mn of Repo Issuance with fixed & floating interest rate, maturity of 3 months to 4 years
- USD 455 mn of GMTN with coupon of 1.63% to 1.72%. for maturity of 5 years
- USD 275 mn 40 year callable interest accreting notes, with IRR between 3.615% to 3.7%
- CNH 680 mn of GMTN with coupon of 3.35% to 3.38%. for maturity of 5 years

Main repayments in 2021

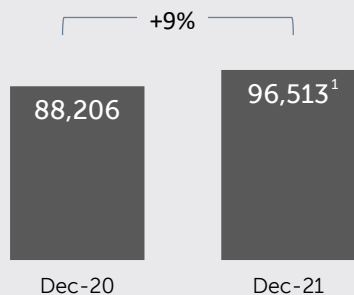
- AED 5,673 mn of TESS related Repo re-paid
- USD 2,169 mn of Repo repaid
- CHF 80 mn GMTN with an IRR of negative 0.05% p.a.
- USD 180 mn Accreting GMTNs repaid on first call date with an IRR of 4.30% to 5.10% p.a.
- USD 630 mn GMTNs with coupons at fixed range from 0.83% p.a. to 3.51% p.a.

¹ Repo includes AED 0.6 bn borrowings from CB UAE under TESS program at nil rate of interest

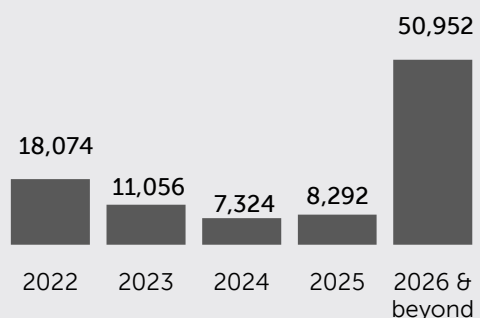
² Excludes loans to banks of AED 21 bn from deposits and balances due from banks, net, but includes AED 1.3 bn of certificate of deposits with central banks and AED 16.4 bn overnight placement with Central Bank

Investment securities increased to AED 97 bn, with 99% invested in bonds

Investment securities (AED mn)



Maturity profile³ (AED mn)



¹ Includes AED 30 bn investments carried at amortised cost (Dec 31, 2020: AED 22 bn)

² Includes equity instruments and mutual funds

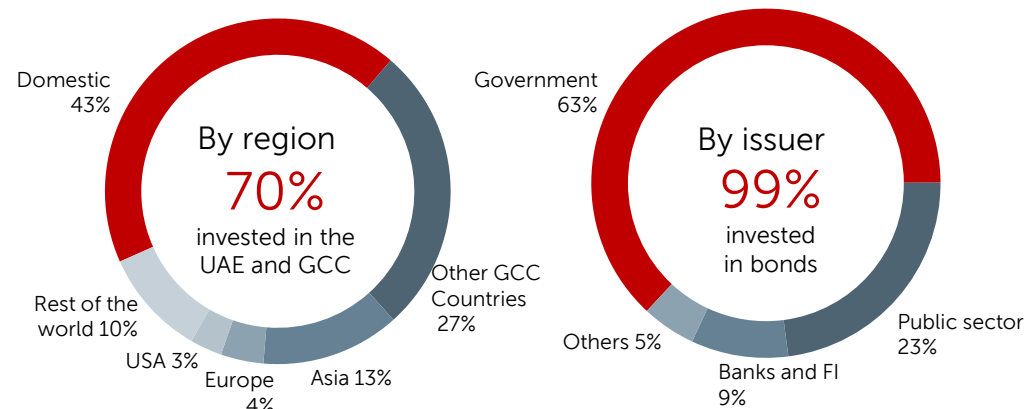
³ Excluding investments in equity and funds

⁴ Excluding trading securities

⁵ UAE Sovereign internal rating in Grade 2 to 3 and maps to external rating between AA to A

Investment securities²

AED 96,513 mn

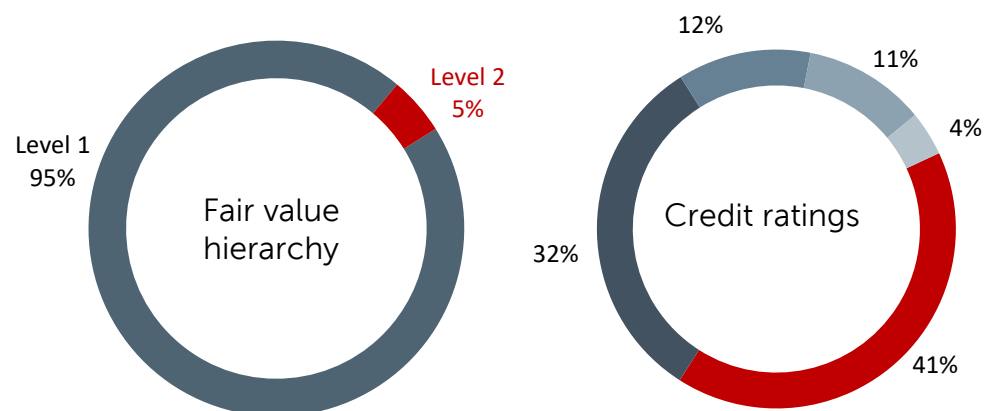


Non-Government bond portfolio:

- Rated A- or better: 83%
- Rated BBB+ to BBB-: 15%
- Rated below investment grade: (BB+ and below including unrated): 3%

Total bond portfolio⁴

Government and Non-Government bond portfolio: AED 95,697 mn



Level 1 – Quoted market prices

Level 2 – Valuation techniques using observable inputs

Credit ratings:

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

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

Delivered 93 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

H1'19

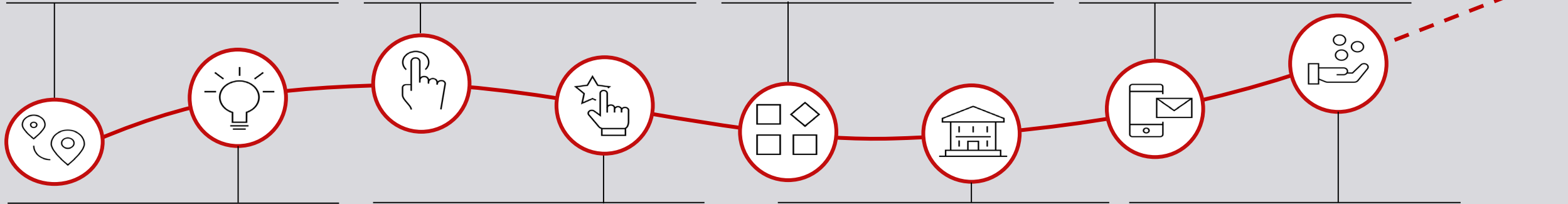
- Hayyak provision of instant account opening MIB upgrades to improve customer experience
- SME Financing customer journey
- Launch of social media presence

H1'20

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

H1'21

- Cloud environment for KYC Blockchain
- Virtual Accounts API for additional customers
- ProCash Mobile & Protrade enhancements
- Advanced Analytics use cases in Personal Loan pricing and collections
- MIB enhancements on privacy, payments and personal loan journeys
- Hayyak onboarding app introduced uBank as delivery channel
- ADCB.com enhancements with tailor made offers



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

H2'21

- Series of self-service capabilities on WBG digital platforms, additional security features on ProCash mobile and automated statement analysis for SMEs
- Launch of 'FlexiPay' on Internet Banking and MIB
- ADCB WhatsApp services launched for CBG customers

2021 Awards

ADCB 2021 awards

▶▶▶▶ **BEST CUSTOMER ONBOARDING APP (ADCB HAYYAK)**

ASIAN BANKER AWARDS 2021

▶▶▶▶ **CUSTOMER HAPPINESS**

GULF CUSTOMER EXPERIENCE GOLD AWARDS 2021

▶▶▶▶ **OUTSTANDING DIGITAL ACCELERATION IN RESPONSE TO COVID-19**

MIDDLE EAST AND AFRICA RETAIL BANKING INNOVATION AWARDS

▶▶▶▶ **BEST API INITIATIVE**

MIDDLE EAST AND AFRICA RETAIL BANKING INNOVATION AWARDS

▶▶▶▶ **BEST ANNUAL REPORT IN THE MIDDLE EAST (PRINT CATEGORY)**

MIDDLE EAST INVESTOR RELATIONS ASSOCIATION (MEIRA) AWARDS 2021

▶▶▶▶ **BEST TRADE FINANCE PROVIDER IN THE UAE**

Global Finance

▶▶▶▶ **MOST HELPFUL BANK DURING COVID-19 IN THE MIDDLE EAST AND UNITED ARAB EMIRATES**

ASIAN BANKER AWARDS 2021

▶▶▶▶ **CUSTOMERS AT THE HEART OF EVERYTHING**

GULF CUSTOMER EXPERIENCE GOLD AWARDS 2021

▶▶▶▶ **DIGITAL LENDING PRODUCT OF THE YEAR, VIA ADCB MOBILE BANKING APP**

MIDDLE EAST AND AFRICA RETAIL BANKING INNOVATION AWARDS

▶▶▶▶ **THE 2021 INVESTOR IN PEOPLE**

ISLAMIC RETAIL BANKING AWARDS (IRBA)

▶▶▶▶ **BRONZE AWARD BEST INTERNATIONAL ANNUAL REPORT**

ARC AWARDS 2021

▶▶▶▶ **MOST RECOMMENDED RETAIL BANK IN THE MIDDLE EAST AND UNITED ARAB EMIRATES**

ASIAN BANKER AWARDS 2021

▶▶▶▶ **CX TEAM OF THE YEAR**

GULF CUSTOMER EXPERIENCE GOLD AWARDS 2021

▶▶▶▶ **BEST FRICTIONLESS CREDIT EVALUATION**

MIDDLE EAST AND AFRICA RETAIL BANKING INNOVATION AWARDS

▶▶▶▶ **UAE DOMESTIC TRADE FINANCE BANK OF THE YEAR**

ABF WHOLESALE BANKING AWARDS 2021

▶▶▶▶ **BEST SERVICE IN THE UAE**

EUROMONEY CASH MANAGEMENT SURVEY

ADCB Egypt 2021 awards

▶▶▶▶ **BEST GRADUATE EMPLOYMENT PROGRAM FOR ADCB EGYPT'S ACADEMY**

THE DIGITAL BANKER

▶▶▶▶ **BEST FINANCIAL INCLUSION INITIATIVE FOR INTEGRATING PEOPLE WITH DISABILITIES**

THE DIGITAL BANKER

▶▶▶▶ **BEST DIGITAL TRANSFORMATION PROGRAM**

THE DIGITAL BANKER

▶▶▶▶ **OUTSTANDING IT TRANSFORMATION**

THE DIGITAL BANKER

▶▶▶▶ **FASTEST GROWING DIGITAL BANK**

GLOBAL BUSINESS OUTLOOK AWARDS

Balance sheet as at 31 December 2021

AED mn	Dec'21	Dec'20	ΔYoY%
Cash and balances with Central banks, net	33,746	29,602	14
Deposits and balances due from banks, net	26,670	21,535	24
Financial assets at fair value through profit or loss	1,707	–	NM
Derivative financial instruments	6,488	11,146	(42)
Investment securities	96,513	88,206	9
Loans and advances to customers, net	244,282	238,976	2
Investment in associates	263	256	3
Investment properties	1,675	1,644	2
Other assets, net ¹	19,575	10,342	89
Property and equipment, net	2,064	2,059	0
Intangible assets ²	7,295	7,390	(1)
Total assets	440,278	411,156	7
Due to banks	7,205	8,222	(12)
Derivative financial instruments	6,563	10,855	(40)
Deposits from customers	265,052	251,395	5
Euro commercial paper	6,199	4,754	30
Borrowings	72,499	65,396	11
Other liabilities ³	23,389	13,933	68
Total liabilities	380,908	354,555	7
Total shareholders' equity	59,360	56,597	5
Non-controlling interests	10	4	NM
Total liabilities and equity	440,278	411,156	7

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

Income statement for the year ended 31 December 2021

AED mn	Quarterly trend			Yearly trend		
	Q4'21	Q4'20	ΔYoY %	FY'21	FY'20	ΔYoY %
Interest and income from Islamic financing	2,820	3,033	(7)	11,121	14,065	(21)
Interest expense and profit distribution	(570)	(670)	(15)	(2,258)	(4,282)	(47)
Net interest and Islamic financing income	2,250	2,362	(5)	8,864	9,783	(9)
Net fees and commission income	519	434	20	1,899	1,551	22
Net trading income	198	131	51	676	555	22
Net gains/(losses) from investment properties	12	(51)	NM	11	(45)	NM
Other operating income	297	187	59	809	627	29
Non interest income	1,027	701	47	3,396	2,688	26
Operating income	3,277	3,063	7	12,259	12,471	(2)
Staff expenses	(672)	(630)	7	(2,437)	(2,552)	(5)
General administrative expenses	(331)	(316)	5	(1,323)	(1,475)	(10)
Depreciation	(101)	(103)	(2)	(401)	(404)	(1)
Amortisation of intangible assets	(24)	(24)	(0)	(96)	(95)	0
Operating expenses	(1,128)	(1,073)	5	(4,257)	(4,526)	(6)
Operating profit before impairment allowances	2,149	1,990	8	8,002	7,945	1
Impairment charge	(669)	(938)	(29)	(2,646)	(3,993)	(34)
Share of profit of associates	1	4	NM	8	18	NM
Overseas income tax expense	(29)	(32)	(9)	(100)	(120)	(17)
Loss from discontinued operations	(4)	(17)	NM	(16)	(41)	(61)
Published profit	1,448	1,007	44	5,247	3,809	38

ADCB INVESTOR RELATIONS

adcb.com/ir

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