



Sustainability Report 2012

Our Ambition for Sustainability



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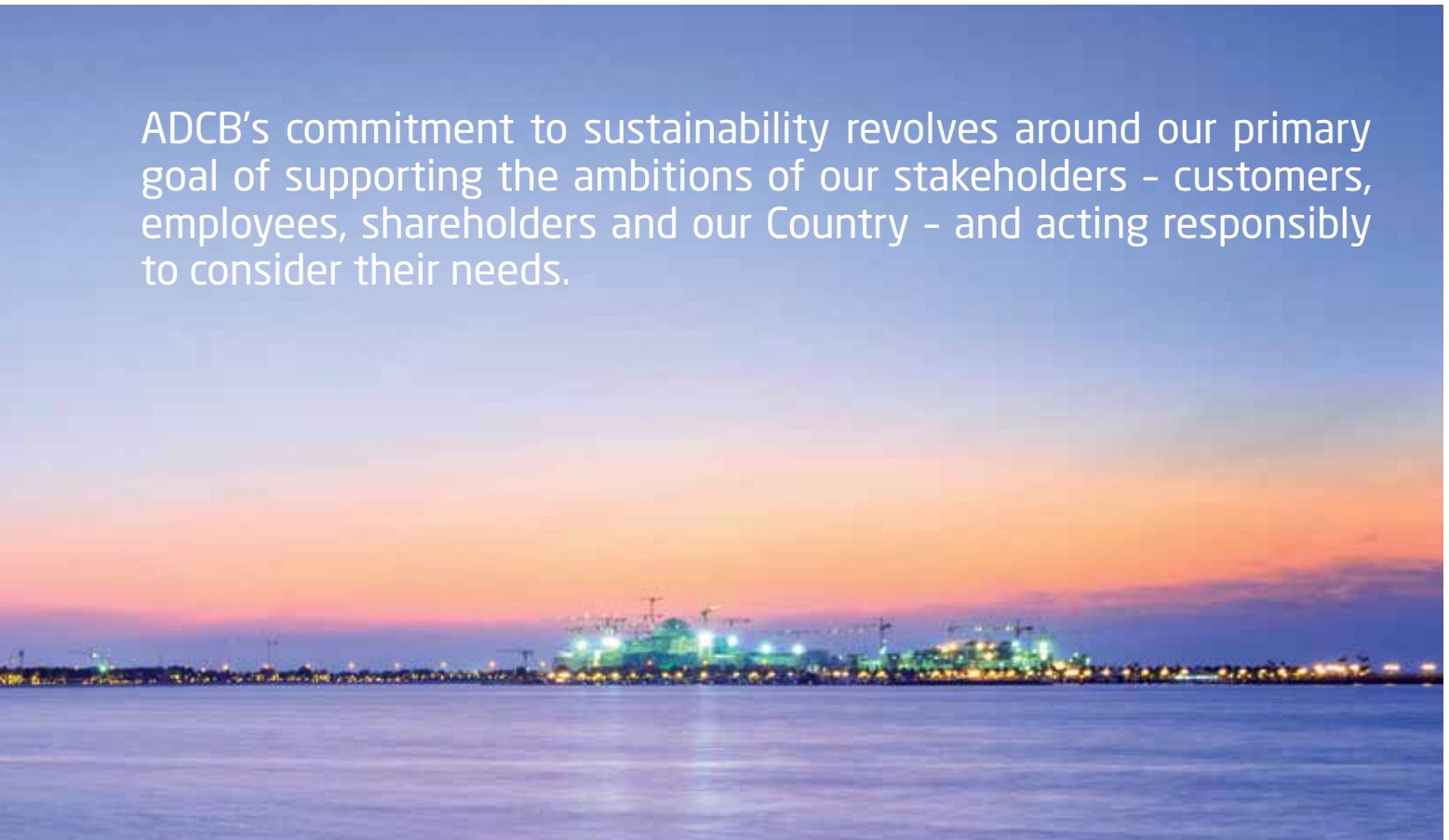
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ADCB's commitment to sustainability revolves around our primary goal of supporting the ambitions of our stakeholders – customers, employees, shareholders and our Country – and acting responsibly to consider their needs.



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His Highness
Sheikh Khalifa bin Zayed Al Nahyan

President of the United Arab Emirates
Supreme Commander of the UAE Armed Forces



His Highness

Sheikh Mohammed bin Zayed Al Nahyan

Crown Prince of Abu Dhabi
Deputy Supreme Commander of the UAE Armed Forces
Chairman of the Abu Dhabi Executive Council



Message from the Chairman

On behalf of ADCB's Board of Directors, I am pleased to present ADCB's 2012 Sustainability Report, which outlines our commitment to sustainability and our efforts to continually improve our performance.

The financial sector is a cornerstone of the UAE economy and proportionate is our responsibility towards our stakeholders to operate in a sustainable way. Companies, including banks, worldwide as well as within the UAE, are increasingly considered as being accountable not only to deliver bottom-line financial results, but at the same time to take into consideration the needs and expectations of their stakeholders, including employees, customers, shareholders and the countries they operate in. At ADCB we have decided to embrace the trend of integrating sustainability into our practices and approach.

By their nature, ADCB's financial activities support the development of the economies of the UAE and Abu Dhabi. In particular, we are committed to ensuring that, where consistent with the Bank's prudent financial approach, the Bank is a key supporter of, and aligned with, the Abu Dhabi Economic Vision 2030.

Furthermore, we consider the adoption of sustainable development as a way of management, which integrates management of economic, environmental and social considerations, to create value for all of our stakeholders. To put this into practice, we joined the Abu Dhabi Sustainability Group (ADSG) in our aim to further integrate sustainability and responsible practices in our everyday operations.

In recognition of our efforts, amongst our many awards this year, ADCB received the 'Bank of the Year-UAE Award' at 'The Banker's Bank of the Year Awards 2012' from The Banker Magazine (FT), the 'Hawkamah Bank Corporate Governance Award 2012', the 'Best Investor Relations website' in the UAE and Middle East by KW Digital web-banking survey, the 'Human Resources Award' in the Banking & Financial Sector at the National Career Exhibition and the 'Best Woman Award' in the Banking & Financial Sector at the National Career Exhibition.



I would like to express my sincere appreciation and gratitude to His Highness Sheikh Khalifa bin Zayed Al Nahyan, the UAE President and Ruler of Abu Dhabi, to His Highness Sheikh Mohamed bin Zayed Al Nahyan, Abu Dhabi Crown Prince and Deputy Supreme Commander of the UAE Armed Forces, and to His Highness Sheikh Mansour bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Presidential Affairs, for their valuable support, as without their wise guidance, ADCB's achievements would not have been possible.

In closing, I would like to express ADCB's support, in practice, of our Leaders' vision for a sustainable economy through our ongoing commitment to excellence and sustainability.

Eissa Mohammad Al Suwaidi

Chairman of the Board of Directors,
Abu Dhabi Commercial Bank





Message from the CEO

On behalf of ADCB, I am proud to present our second Sustainability Report, in which we transparently present and discuss our social, economic and environmental practices, performance and challenges.

At ADCB, we recognize that our success depends on our ability to meet and exceed our stakeholders' ambitions. To meet these expectations, we initiated a comprehensive campaign in 2011 to embed sustainability within the organisation and produced our first baseline Sustainability Report.

During 2012, ADCB considered and addressed the needs and expectations of each stakeholder through a variety of innovative products, services and actions. We managed to resolve 93% of InterAct customer complaints within 3 working days, increasing our overall customer satisfaction to 97%. We demonstrated our commitment to corporate social responsibility by going over and above the MOU signed with the UAE Nationals Defaulted Debts Settlement Fund and in 2012 waived 100% of receivables from debt-burdened Nationals which totalled AED 22.7 mn for 184 UAE Nationals. We achieved growth of our operating income by 9% and reduced our overdue but not impaired loans by 61%.

Over the last 3 years, we have granted 321 Educational Loans worth AED 14 mn, forwarded over 18 tons of electronic waste for recycling and increased our sourcing of goods and services from locally-based suppliers to 95.3%. We secured 5,660 jobs for our diverse workforce, originating from 55 countries, of whom 41% are UAE Nationals, increased our spending on training by 40% and provided similar benefits to Bank and outsourced employees, with an appropriate differentiation depending on employment level.

By adopting sustainability management, ADCB believes that it will create value for its stakeholders and achieve their ambitions. Going forward, we aim to embed further sustainability criteria into our core commercial activities, in order to disseminate sustainability within our value chain.



I would like to take this opportunity to thank our Board of Directors, our senior management team, our employees, as well as our various stakeholders, for their contribution to achieving financial and reputational success, and for enabling us to deliver our results in a responsible and increasingly sustainable way.

Finally, I would like to express our commitment to continue our operations, aligned with internationally recognised standards of responsible operation, aiming to meet and exceed the needs and expectations of our stakeholders and therefore support the development of a more sustainable business environment and society at large.

Ala'a Eraiqat

Chief Executive Officer and Member of the Board of Directors,
Abu Dhabi Commercial Bank



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Message

from the Head of Sustainability

Welcome to Abu Dhabi Commercial Bank's second annual Sustainability Report. Within this Report, we present the approaches we have followed, the results we have achieved and the issues we further need to improve towards our sustainable development and responsible operation.

In order to more systematically manage the issue of sustainability, our approach has focused on addressing material sustainability issues, presenting more quantitative results and standardizing qualitative results within our Sustainability Report. Thus, using a systematic analysis, our 2012 Report clearly defines the material areas we focus on and the performance indicators we report on, following the international Global Reporting Initiative's G3.1 Guidelines on Sustainability Reporting, at level "B".

It is our intention to continue to expand both the scope of material issues reported, as well as the depth of reporting on each of them. It is our belief that this will support our bottom-line objective to become more responsible and sustainable.

Ms Sonya Santolin

Head of Sustainability,
Abu Dhabi Commercial Bank

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About this Report

Scope

The Report refers to the period 1/1/2012-31/12/2012 (unless indicated otherwise at certain points), while it:

- refers to all activities of ADCB (including its principal subsidiaries Abu Dhabi Commercial Properties LLC, Abu Dhabi Commercial Engineering Services LLC, Al Dhabi Brokerage LLC, Abu Dhabi Commercial Islamic Finance Pvt JSC, ADCB Services FZ-LLC), with the exception of our 2 branches in India and our 1 branch in Jersey
- addresses all our company's operations (offices, sales, after sales)
- contains, as a norm, quantitative results for all indicators presented for the last three years
- contains, as a norm, quantitative data from direct measurements, with exceptions of estimations clearly noted in the respective sections.

Restrictions

Our company recognizes limitations in the Report it publishes (limitations it intends to handle in future publications), such as:

- following external assurance of the Report principles and content
- expansion of its quantitative measurement system
- setting quantitative targets in all programmes described within this Report.

Principles

Our Report follows the basic principles, guidelines and directives "Sustainability Reporting Guidelines" (publication G3.1, 2011) of the Global Reporting Initiative (GRI), while the following have also been utilised:

- for certain sector specific issues, the GRI Financial Sector Supplement Guidelines
- for the content of the Report, the AA1000-Assurance Standard of Accountability
- for the principles of the Report, the UN's Global Compact
- for the presentation of data, the EFQM's RADAR Card

Development

This Report has been developed in cooperation with STREAM Management (www.stream-eu.com) and the contribution of ADCB's Sustainability Champions & Friends:



Abdulrahman Ahmed Ismael	Joanne Fidler
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Frank Farrell	Ruxanda Liimatainen
Girish Suryaprakash	Zoe Thompson

Feedback

We welcome your comments, thoughts and remarks, which should be directed to:

Attn: Head of Sustainability
Abu Dhabi Commercial Bank PJSC,
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Abu Dhabi, United Arab Emirates

Email: sustainability@adcb.com

www.adcb.com

Main Terms

For convenient reading of this Report, please pay attention to the following terms, which are widely used:

- the terms "company", "Bank", "we" and "ADCB", refer to Abu Dhabi Commercial Bank PJSC (which this Report addresses)
- the term "Report" refers to the present 2012 Sustainability Report
- Terms indicated as "1.01, 1.02" etc. refer to the area and section of this Report (e.g. used in the GRI, Stakeholder Table). For example, the term "2.02 a)" makes reference to section 2 Serving our Customers' Ambitions, sub-section 2.02 Public Accessibility, and paragraph a) We serve our customers.

Application Level

We have self-declared our Report to be application level "B", according to the Global Reporting Initiative's (GRI) G3.1 Guidelines. The "B" application level has also been confirmed by the GRI.

See Appendix D: GRI Application Level Check

About ADCB

ADCB at a Glance (as of 31st December 2012)

Total Assets AED 180.8 bn			
Total Equity AED 24.7 bn	Net Profit AED 2,810 mn	Over 500,000 retail and corporate customers	
50 UAE branches	4 UAE pay offices	2 India branches	1 Jersey branch

Our Business Environment

Since 2008, the global economic crisis has seen significant impact to the financial sector globally and has resulted in financial implications for countries, institutions and banks, as well as a decrease in the confidence of citizens in their economic prosperity and trust in their financial institutions.

The Emirate of Abu Dhabi, however, with the 2nd highest GDP per capita in the GCC and the 11th highest globally (source: EIU, IMF country reports 2012), has succeeded in keeping these consequences minimal. The highly competitive UAE banking system consists of 23 local banks with 805 branches and 28 licensed foreign banks with 85 branches¹, with average loan growth year on year reported at 2.7% across all banks in the UAE² and GDP growth projections (source: IMF estimates) for UAE reported at 4.0% in 2012 and 2.6% in 2013.

Our Company

Abu Dhabi Commercial Bank JPSC (ADCB) is a public joint stock company formed in 1985, registered under the 1984 UAE Federal Commercial Companies' Law No (8) (registration No 4), with its headquarters located in Abu Dhabi. The Bank employs over 4,200 people from 55 nationalities, serves over 469,000 retail customers and over 36,900 corporate and SME clients, through 50 branches, 299 ATMs and 4 pay offices in the UAE, 2 branches in India and 1 branch in Jersey.

ADCB - Timelines & Milestones

1985	Established following merger of three local Abu Dhabi banks
2001	Listed on Abu Dhabi Securities Market
2003	Bank-wide reorganisation designed to create competitive, contemporary and full-service bank
2005	Established treasury and corporate finance joint ventures with Australia's Macquarie Bank
2006	Developed "ADCB Fast Forward" programme to restructure and overhaul Bank's products
2008	Acquired 25% of Malaysia's RHB Capital Berhad
2010	Completed acquisition of RBS' UAE retail, wealth management and SME banking businesses
	Terminated treasury joint venture arrangement with Macquarie Bank
2011	Sale of ADCB's stake in RHB Capital Berhad
	Strategic partnership with Bank of America Merrill Lynch signed
2012	Strategic partnerships with Kookmin Bank and Banco Santander signed

¹ Source: UAE Central Bank Monthly Banking Indicators, December 2012.

² Ibid.

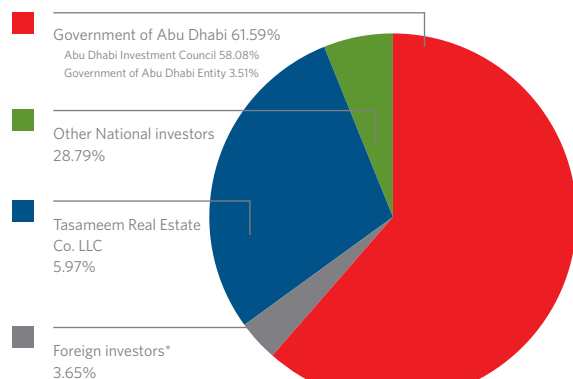


Ranking Among the Best

ADCB is the third largest bank in the UAE and second largest in Abu Dhabi by assets, at AED 180.8 bn as at 31 December 2012. It has a 11.21% market share by loans and 9.35% market share by deposits (source: UAE Central Bank, December 2012).

The Government of Abu Dhabi indirectly holds 61.59% of the Bank's share capital (of which the Abu Dhabi Investment Council owns 58.08%). ADCB is listed on ADX, the Abu Dhabi Securities Exchange, with its capitalization, at 31 December 2012, being AED 17 bn.

Stakeholder Structure - ADCB Ownership as at 31st December 2012



* Foreign investors are defined as non-Nationals, including GCC, Arab and other nationalities.

Our Vision, Mission, Values & Strategy

Our Vision is "to be the number one Bank of choice in the UAE. A constantly innovating, financially successful organisation of the highest integrity, respected by our customers, by our competitors and by the community".

Our Mission is to build a lifelong partnership with our customers by:

- treating every customer as an individual
- offering innovative products and unparalleled service
- always remembering that our customer has a choice.

Our Strategy for 2012-2016, features:

- growth through a UAE-centric approach and controlled 'internationalisation'
- sustainability through liability growth
- maintaining a culture of service excellence and efficiency
- managing ADCB's risks in line with a predefined risk strategy
- attracting, developing, and retaining the best talent, with incentives aligned with the Bank's strategic objectives.

Our Core Values:

Our core values embed responsibility to cultivate a respectful business culture and employee behavioural framework designed to deliver:

- **Integrity** - honesty and transparency in everything we say and do
- **Responsibility** - embracing our commitment to the local community and our shareholders by nurturing and developing our employees
- **Stability** - pursuing growth, based on prudence, proven business principles and financial strength
- **Empowerment** - creating an environment where employees are involved, recognized and rewarded for good performance
- **Efficiency** - providing customer service standards designed to reach optimum efficiency and reliability
- **Innovation** - encouraging employees to be creative, continuously improving and lateral thinking
- **Consistency** - ensuring that products and services are uniform and satisfactorily maintained by measuring customer satisfaction levels.

Our Lines of Business:

ADCB is a full-service commercial bank which offers a wide range of products and services, such as retail banking, wealth management, private banking, corporate banking, commercial banking, cash management, investment banking, corporate finance, foreign exchange, interest rate and currency derivatives, Islamic products, project finance and property management services.

Our principal business groups are Wholesale Banking, Consumer Banking, Treasury & Investments, and Property Management, ensuring a range of products and services which meet our customers' needs.

Consumer Banking provides ADCB's retail banking, private accounts, and wealth management services and manages the Islamic banking operations and the marketing function of ADCB. The group is also responsible for ADCB's Jersey branch.

Wholesale Banking provides ADCB's business banking, government & public enterprises coverage, cash management, trade finance, financial institutions, corporate finance and investment banking services. The group is also responsible for ADCB's Indian branches.

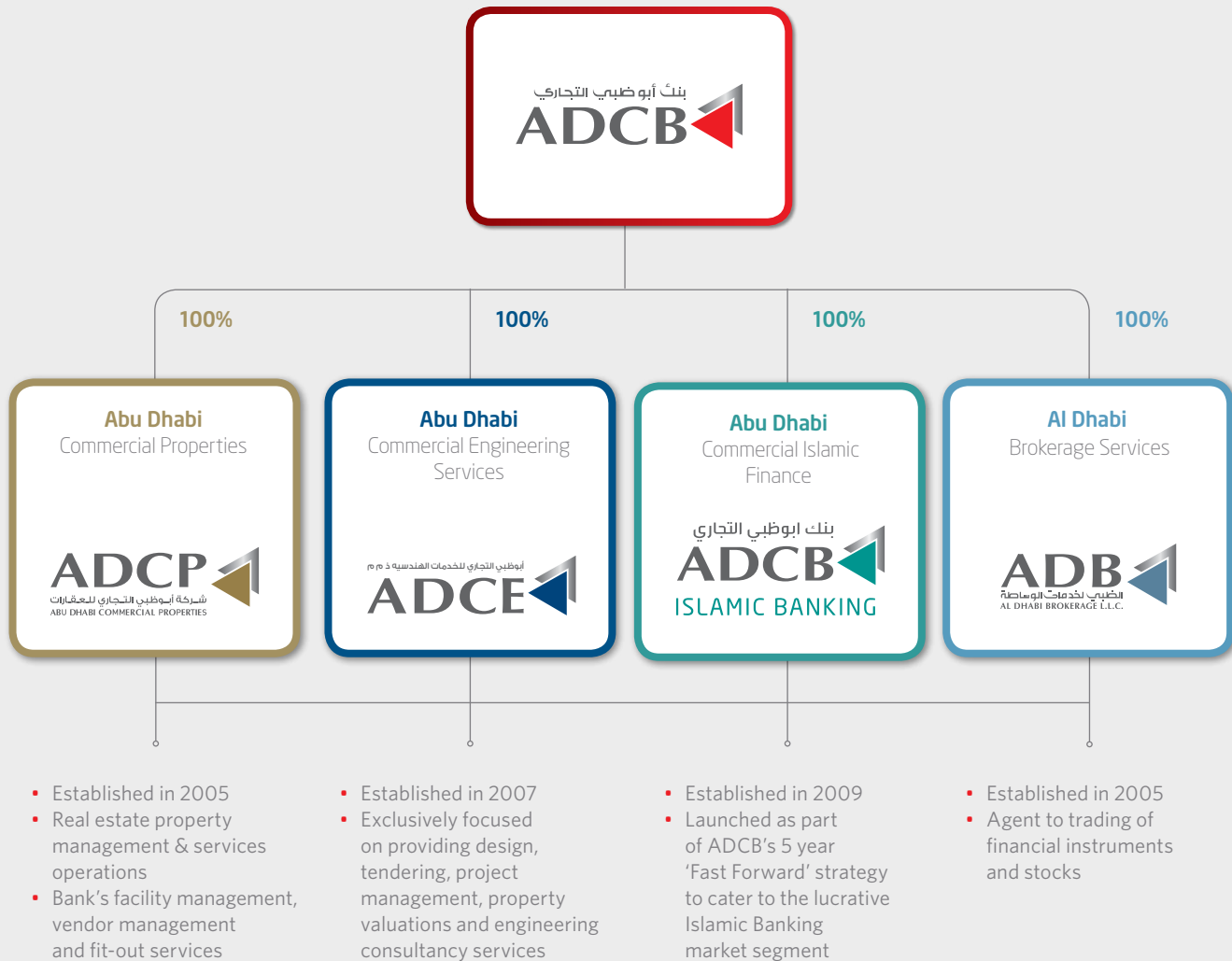
Treasury & Investments manages ADCB's commercial treasury operations, investment portfolio and interest rate, currency and commodity derivatives business.

Property Management comprises the real estate management and engineering service operations through the Bank's subsidiaries: Abu Dhabi Commercial Properties LLC and Abu Dhabi Commercial Engineering Services LLC.

Our Principal Subsidiaries

ADCB's brokerage products, real estate management and services operations and certain Islamic products are conducted through ADCB's principal subsidiaries, which include Abu Dhabi

Commercial Properties LLC, Abu Dhabi Commercial Engineering Services LLC, Abu Dhabi Commercial Islamic Finance Pvt JSC and Al Dhabi Brokerage LLC.





Our Awards

ADCB has distinguished itself in recent years by ranking among the leading banks in the UAE and achieving excellence across our business lines, as recognised through the following awards in 2012:

Our Customers Retail and Corporate Customers 	'The Best Domestic Cash Management Bank' in the UAE and in the Middle East (third best in the UAE and Middle East) in the Euromoney Cash Management Survey 2012.
	'Best Premium Card' at the Middle East Smart Card Awards 2012.
	'The Freddie Award' for 2012 for 'Best Loyalty Credit Card' in the Middle East, Asia and Oceania region.
	'Best Retail Bank in the UAE' for the fifth year in a row by The Asian Banker and 'Best Retail Bank in the Gulf Region'.
Our Country Government, Community, Environment, and Suppliers 	'Most Improved Islamic Bank in the Middle East' by Euromoney.
	'Best SME Account Award' for 'BusinessEdge Free Zone Platinum Account' for the second year in a row.
	'Best SME Trade Finance Offering' for 'BusinessEdge Trade 360'.
Our Employees 	'Human Resources Award' in the Banking and Financial Sector at the National Career Exhibition.
	'Best Woman Award' in the Banking & Financial Sector at the National Career Exhibition.
	'Elite Quality Recognition Award' from Deutsche Bank, J.P. Morgan Chase and Commerzbank for exceptional international payment processing.
	'Best Premium Card' in the international category for Etihad Guest Credit Card, presented at the Innovative Cards 2012 ceremony of Publi-News France.
Our Shareholders 	'Bank of the Year-UAE Award' at 'The Banker's Bank of the Year Awards 2012' from The Banker Magazine.
	'Best Investor Relations website' in the UAE and Middle East by KW Digital web-banking survey.
	'The Hawkamah Bank Corporate Governance Award 2012'.
	'Best Bank in the UAE', 'Best Transaction Bank' and 'Best Corporate Bank' at Banker Middle East Industry Awards 2012.



Our Memberships

ADCB is an active member in a number of organisations and associations, such as:

- The Khalifa Fund (associate)
- The UAE Banks' Federation (UBF) and various committees of the UBF (member)
- The Sheikh Mohammed Bin Rashid Establishment For Young Entrepreneurs ("SME 100") (associate)
- The Union of Arab Banks (member)
- The Institute of International Finance (member).

Section

1



Managing Sustainability Systematically

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Managing Sustainability Systematically

We support our Country's vision to achieve sustainability thus we aim to "achieve and maintain superior performance over a period of time, while at the same time taking into consideration all our stakeholders' present and future needs" ...*

*Source: Abu Dhabi Sustainability Group.

Stakeholder groups	GRI indicators reported	Quantitative indicators reported	GRI G3.1 application level
4	66	127	"B"

1.01 Introduction

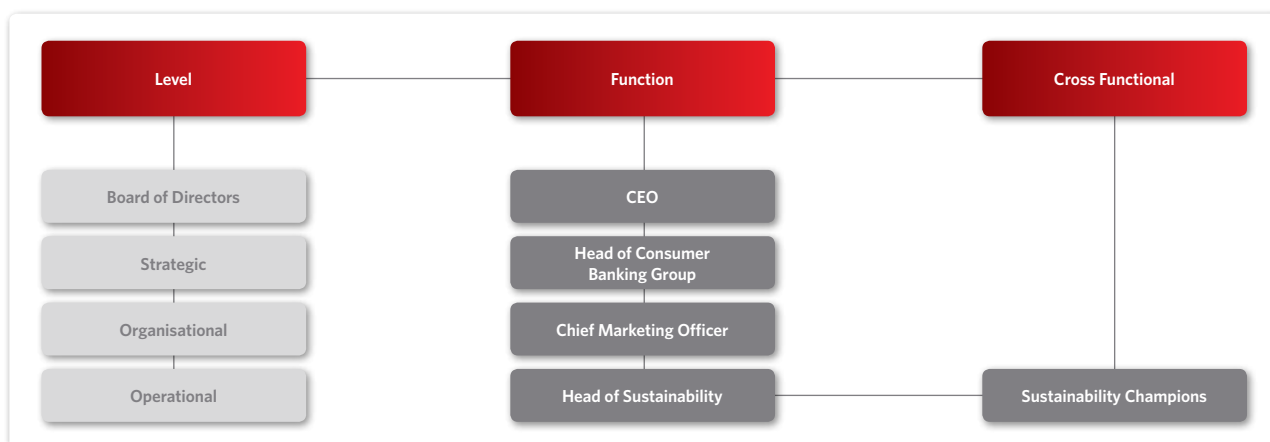
At ADCB, we consider the adoption of sustainable development as a way of management, which integrates management of economic, environmental and social considerations, to create value for all of our stakeholders. To put this concept into practice, we have adopted the above definition of sustainable development, as expressed by the Abu Dhabi Sustainability Group (ADSG).

- The responsibility for planning and coordinating sustainability-related actions lies with the respective sustainability function, while the responsibility to embed actions lies with each function of the Bank.
- This organisational structure is also used to gather and report our performance indicators.

We established a formal sustainability function.

1.02 Developing Our Sustainability Structure

To ensure that sustainability is coordinated in a systematic way, we have developed appropriate organisational structures, to manage sustainability at a strategic, organisational and operational level, as indicated in the following framework:

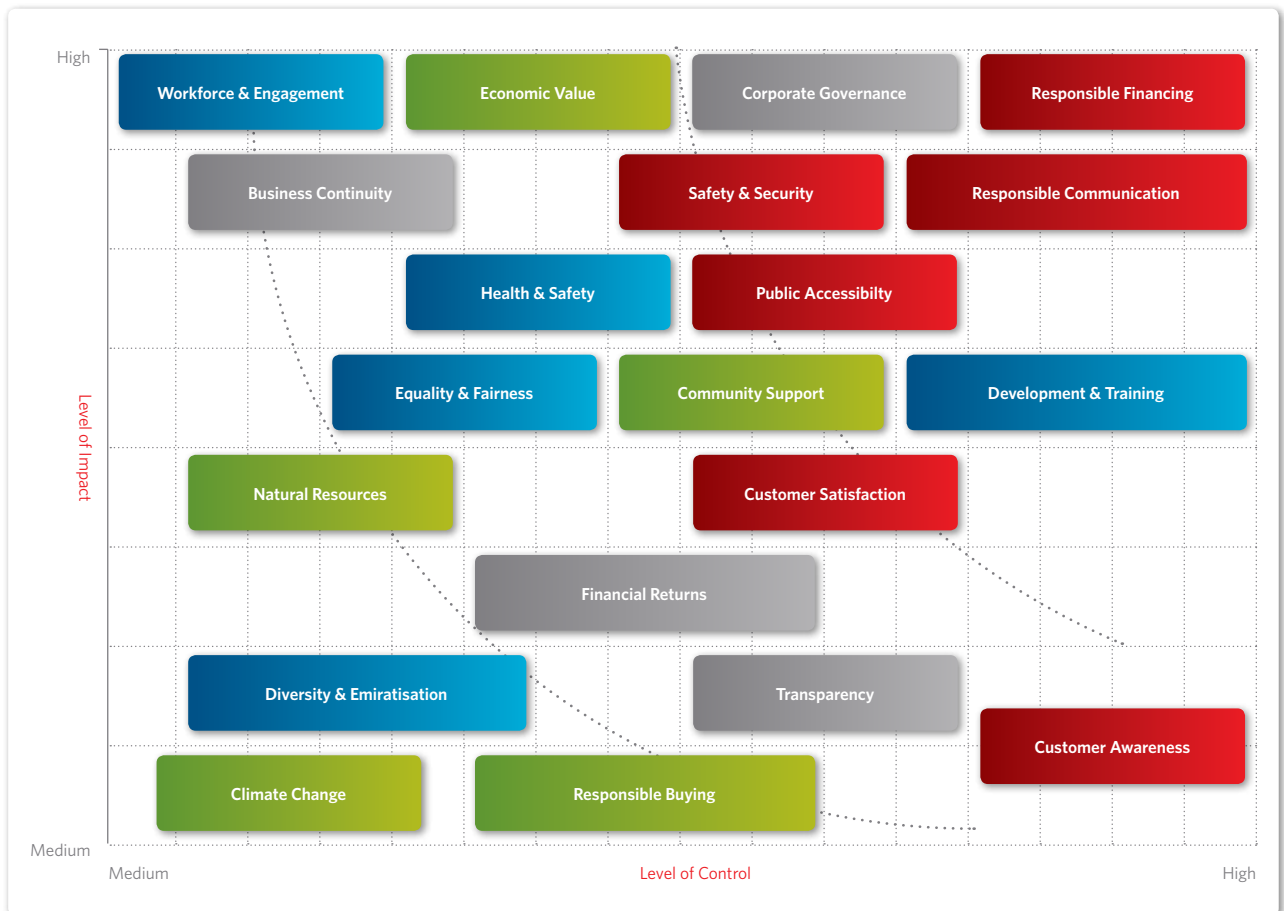




1.03 Identifying Our Material Issues

To identify our material sustainability issues, we have conducted an impact analysis to consider whether and which topics could negatively impact or positively support our stakeholders. These are graphically prioritised according

to (a) the level of impact they have (or could potentially have) on our stakeholders and (b) the level of control the Bank has over each topic.



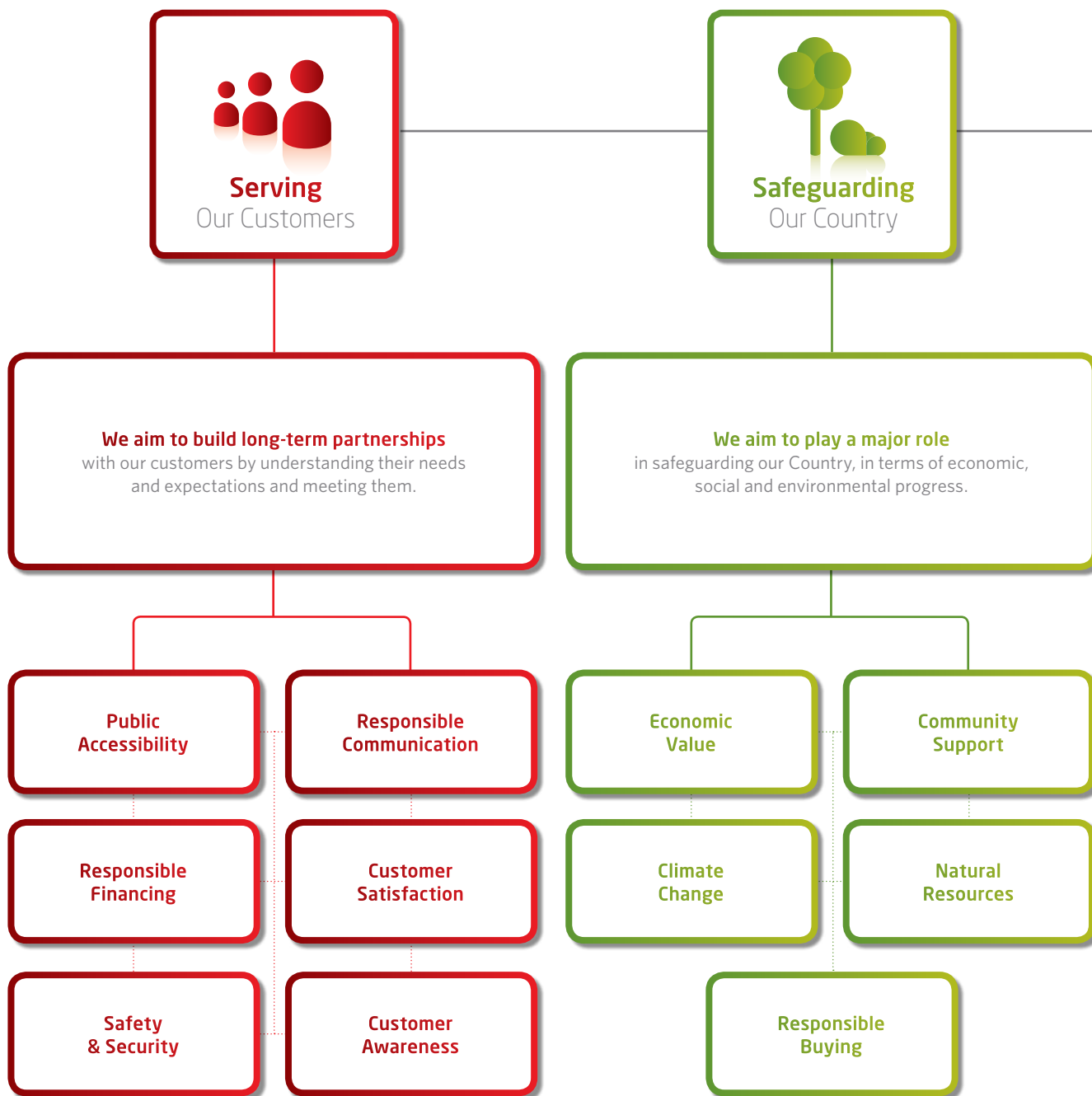
We developed a comprehensive sustainability framework to define our focus areas.

The outcome of this analysis is summarised and represented in the following sustainability framework, which is used by ADCB to systematically manage sustainability issues to meet stakeholder expectations and avoid focusing on issues not related to the nature of our business.

Section 1

Managing Sustainability Systematically

1.04 Our Sustainability Framework





Valuing Our Employees' Ambitions

We believe that we fulfill our vision through our people, therefore we value our employees by creating a safe, fair and engaging work environment, where our employees can share experience and knowledge, develop, grow and reach their ambitions.

**Workforce
& Engagement**

**Equality
& Fairness**

**Diversity &
Emiratisation**

**Development
& Training**

Health & Safety



Rewarding Our Shareholders

We value our shareholders' investments and believe that they should be rewarded, therefore we strive to deliver significant returns to them through responsible internal operations and successful commercial decisions.

**Corporate
Governance**

**Financial
Returns**

**Transparent
Communication**

**Business
Continuity**

Section 1

Managing Sustainability Systematically

1.05 Meeting Our Stakeholders' Ambitions

Stakeholders (which are defined as those directly or indirectly affected by our decisions) are increasingly requiring transparency and, simultaneously, the active involvement of companies in societal and environmental issues.

Responding to this trend, we have systematically identified our stakeholders' needs and ambitions and how we respond to them in appropriate ways, as summarized in the following table:

	Means of Communication	Means of Engagement	Needs & Ambitions	Our Response (Refer to section...)
Our Customers 	- Sustainability Report - Annual Report - Internet banking - Mobile banking - SMS banking - ATMs - Media - Market surveys - Focus magazine - Excellency magazine	- Branches - Contact Centre - Phone banking	- Low lending rates - Service excellence - Innovative products - Safety of deposits - Accessibility to deposits (anywhere, anytime) - Easy banking - Secure banking	2.04 2.05 d) 2.05 a) 2.06 a) 2.02 a) 2.02 a) 2.06 a)
Retail Customers		Relationship Manager (mass affluent, High Net Worth customers)	Support financial prosperity (e.g. housing, education, business start etc.)	2.04, 3.03
Corporate Customers		- SME Advisor - Relationship Manager	- Understand corporate needs - Support becoming self-reliant	2.05 c) 2.04 a)



	Means of Communication	Means of Engagement	Needs & Ambitions	Our Response (Refer to section...)
Our Country Government 	- Sustainability Report - Annual Report - Media	- Board of Directors - Meetings	- Support Abu Dhabi Vision 2030 - Finance strategic projects - Financial viability - Profitability - Environmental protection - Emiratisation - Increase job positions - Community investment - Responsible lending	3.02 a) 3.02 b) 3.02 b) 3.02 b) 3.01, 3.04, 3.05, 3.06 4.03 b) 3.02 c), 4.02 a) 3.03 2.04 a)
Community	- Sustainability Report - Media - Sponsorships - Donations - Social products (e.g. Zakat Fund, Meethaq Credit Card)	Meetings	- Increase job positions - Community investment - Health and education - Culture and heritage	3.02 c), 4.02 a) 3.03 3.03 b), 4.06 b), 4.06 c) 5.02 c)
Environment	- Sustainability Report - Strategic Partnerships (EWS-WWF)	- Meetings (with EAD and other organisations concerned about environmental issues) - Strategic Partnerships (EWS-WWF)	- Reduce quantity of natural resources used - Adhere to legislation and regulation	3.05 a) 3.06 a), 5.02 b)
Suppliers	- Sustainability Report - Request for proposals	- Contracts - Meetings	- Payment terms - On time payment - Fairness - Local procurement	3.06 b) 3.06 b) 3.06 b) 3.06 c)

Section 1

Managing Sustainability Systematically

	Means of Communication	Means of Engagement	Needs & Ambitions	Our Response (Refer to section...)
Our Employees 	- Sustainability Report - Tawasul - Trainings	- Employee satisfaction survey (annual) - Performance review (annual) - Operations meeting (weekly) 1-to-1 meetings - HR Help Desk - Grievance system	- Equality & fairness - Health - Workplace safety - Being listened to - Salary and benefits - Recognition - Career development - Training	4.04 a) 4.06 b) 4.06 a) 4.04 b) 4.04 c) 4.04 c) 4.05 b) 4.05 c)

	Means of Communication	Means of Engagement	Needs & Ambitions	Our Response (Refer to section...)
Our Shareholders 	- Sustainability Report - Quarterly earnings releases - Annual Report	- Annual general assembly - Investor presentations - Board of Directors meetings	- Profitability and growth - Financial returns - Reduce volatility of dividends - Financial sustainability - Corporate reputation	5.03 5.03 3.02 b) 5.05 b) 2.05 e)



We said	We have	Progress	We will	By
Issue a 2012 Sustainability Report	See About this Report	100%	Issue a 2013 Sustainability Report.	2013
New Objective			Establish a formal sustainability function.	2013
New Objective			Become members of the Abu Dhabi Sustainability Group.	2013
New Objective			Participate in networking activities (conferences, events, roundtables etc.).	2013
New Objective			Conduct a training course for our sustainability champions.	2013
New Objective			Conduct an awareness training course for our Senior Management.	2013
New Objective			Launch an internal sustainability campaign.	2014

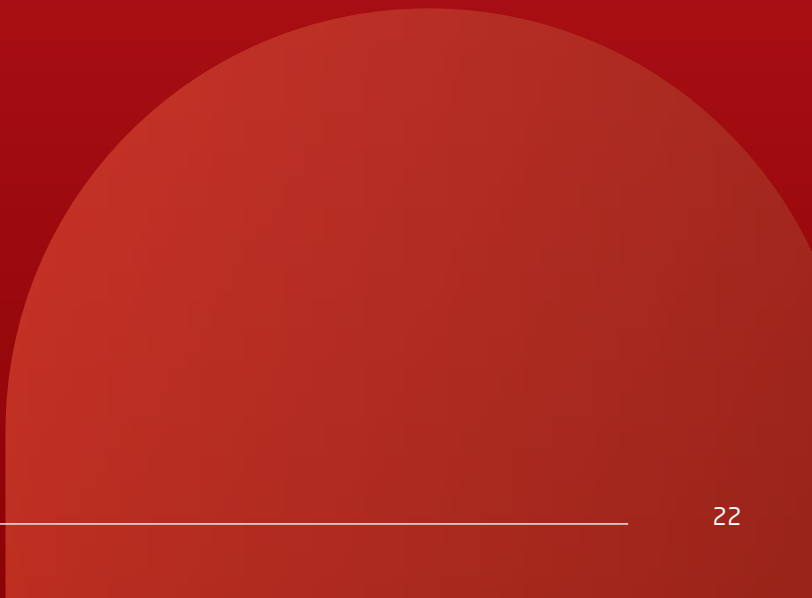
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2



Serving Our Customers' Ambitions

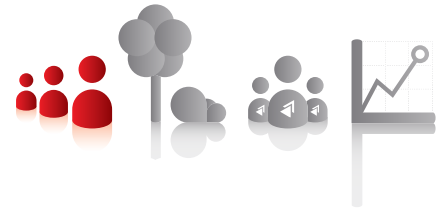
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Serving Our Customers' Ambitions

We believe our customers are the foundation of our existence, therefore we aim to build long-term partnerships with our customers by understanding their needs and expectations and meeting them.





Facts & Figures

Over
469,000
retail customers

Over
36,900
corporate customers

22
new products
since 2009

6,200
SME customers
financed

253,273
e-statement
subscribers

93% InterAct
customer complaints
resolved within
3 working days

2.01 Introduction

ADCB is aware that globally, general levels of consumer trust and confidence in banks are low and, as a result, more and more people seem to be attracted to ethical banking and responsible financing. As a bank which serves over half a million customers, ADCB's approach to responsibly serve each customer in the best possible way is multi-fold:

- ensure accessibility to our products and services for the wider public
- communicate our products and services in a responsible and honest way
- ensure the viability of our financing processes
- ensure satisfaction of customers
- deliver our products and services in a safe and secure way.

2.02 Public Accessibility

a) We serve our customers:

We recognise that we play a critical role towards our customers and the development of the communities in which we operate. In 2012, ADCB served over 500,000 customers in total, who span the range of individual, corporate, and government clients.

Customer Base (UAE)			
	2010	2011	2012
Retail Customers (number)	561,921	446,000	469,032
Corporate Customers (number)	23,945	43,193	36,987
Retail & Corporate customers (number)	585,866	489,193	506,019

* Data for 2010 have been restated.

At year-end 2012, we serviced our customers through over 50 branches, 4 pay offices and 299 ATM machines in the UAE. To ensure public accessibility by potential customers, as well as convenient and seamless banking for existing customers, we regularly renew and diversify our product delivery channels. In addition to catering to our customers' conventional banking practices, we encourage the adoption of alternative banking channels, which helps to reduce the amount of time spent accessing our banking services and generally serves as a catalyst for improving the customer experience. Our channels include our ADCB Personal Internet Banking (formerly ADCB@ctive) and ADCB Mobile SMS Banking services, in addition to e-statements, websites, 24-hour Contact Centre with automated phone banking and ATM machines.

The RBS integration process started in October 2010 and seamless migration of all accounts to ADCB went live in September 2011 with minimal customer impact. Customers continued to enjoy all facilities previously provided by RBS whilst enjoying the broader infrastructure offered by ADCB. Complete migration including credit cards was completed in March 2012. During this entire period, customers enjoyed full access to their accounts, ATMs and branches.

For further information on our customer communication channels, please visit:

www.adcb.com/waystobank/overview.asp

Good Practice: New payment mechanism - "Mobi"

Our customer value proposition was improved with the introduction of Mobi. Mobi is a first-of-its-kind payment mechanism in the world, which is cash-less, card-less and even phone-less.

Good Practice: Mobile channel - new mobile banking application The mobile banking application was launched for i-phones with over 12,000 downloads within a month of its launch. Mobile banking services range from account/credit card enquiry to bill payments and money transfers.



Conventional Banking Channels			
	2010	2011	2012
Branches (number)	46	48	50
Pay offices (number)	4	4	4
ATMs (number)	265	294	299
Alternative Banking Channels			
	2010	2011	2012
Mobile banking subscribers (number)	303,013	378,055	456,131
ADCB Personal Internet Banking subscribers (number)	142,762	199,037	252,287

2.03 Responsible Communication

a) We communicate responsibly:

By following our Code of Conduct, a 4-tier approval process and our brand guidelines, we ensure that our communication material is legal, appropriate, fair and sincere, corresponds to reality and respects peoples' diversity in terms of age, gender, race, religion, physical and mental status. To ensure implementation, our marketing department controls all advertising messages and campaigns, before deploying them to the public.

Extract from our Code of Conduct: Communication

"All communications must be truthful, and must not intentionally directly or indirectly mislead others."

We seek to provide timely information to customers about their relationship with the Bank. Such enhancements include alerts for various transactions, clearly displaying rates and pricing information prior to completion of each transaction and continuous customer education on how to safely bank in an electronic environment.

We proactively ensure that our customers clearly understand the terms and conditions they sign, through our Call-Back process: an ADCB representative calls our new customer with investment or bank assurance products, to ensure that his/her understanding of the signed business terms is clear.

2.04 Responsible Financing

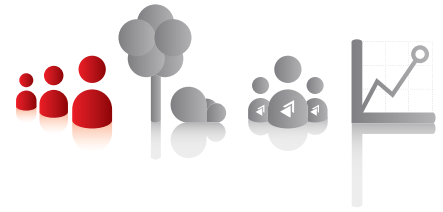
a) We proactively apply responsible practices:

For ADCB, responsible financing means only doing business with customers who are able to manage their debt comfortably, ensuring that we deal with customers and projects that fall within the scope of ethical acceptability. This requires putting in place the right compliance mechanisms, screening policies and risk procedures, which overall help us protect the long-term interests of all our stakeholders, beyond short-term financial success for ourselves. This approach also protects the interests of customers themselves.

Compliance Screening

We ensure that we only bank customers who are within the scope of ethical acceptability. To do this, we have defined a list of unacceptable classifications (through our Compliance AML/KYC Policy, as well as Sanctions Compliance Policy). Based on these policies, in addition to the sanctions of USA, UN, EU and UAE and the Arab boycott, ADCB does not establish business relationship with any of the following customer types:

- individual customers who are residents of Afghanistan, Cuba, Iran, Myanmar (Burma), North Korea, Sudan, Syria, Yemen or Israel
- entities incorporated in Afghanistan, Cuba, Iran, Myanmar (Burma), North Korea, Sudan, Syria, Yemen or Israel
- entities that are shell banks & shell companies (i.e. without physical presence)
- customers dealing in Hawala business
- non-government owned customers dealing in armaments/ weapons manufacturing &/or trading
- purpose of account opening is for tax evasion
- individuals or entities designated by the Central Bank of the UAE, UN Resolutions, EU Restrictions, OFAC & UKHMT (name screening is a requirement prior to relationship establishment)
- individuals known or suspected to have been involved in corrupt, fraudulent or illegal activities
- accounts with assumed names or numbers
- entities where the legal and beneficial ownership is not absolutely clear and evident
- customers who failed the identification and verification process.



During 2012, our compliance procedures reviewed 1,594 commercial opportunities, out of which 79 were found to be in conflict with the above policies and were declined as business opportunities. Furthermore, ADCB did not conduct any business with countries in the top 2nd and 3rd quartile of the Transparency International Corruption Barometer.

We rejected 79 commercial opportunities, for conflicts with our compliance procedures.

Lending Screening (Corporate)

Corporate lending is done under the aegis of a pre-defined risk strategy which is formulated based on the macro-economic conditions under which the Bank operates. The risk strategy is approved by the Bank's Board of Directors and sets segment-wise guidance on acceptable credits. Each corporate credit is assessed for client requirements against client need, ability of the client to repay even under stress scenarios, clearly identified and un-encumbered repayment source. ADCB applies different credit limits and approval criteria depending on the types of loans, customers and industry sectors. Approvals are made at various levels of the organization, including the Board, the Board Risk & Credit Committee, the Management Risk & Credit Committee, and credit officers, thereby ensuring that an adequate amount of diligence is exercised before a lending commitment is made to a customer.

The Bank also has policies and procedures in place to ensure that the customer does not over-leverage himself, which include a set of concentration limits, debt-service coverage-ratio criteria, the incorporation of appropriate covenants into loan documentation, checks against the Central Bank Risk Repository (CBRR) information, account monitoring processes to check for returned cheques, over-limit overdrafts, etc. ADCB also acts as a financial partner to the customer to ensure that the right product is sold to the right customer - for example, derivatives limits are recommended only for hedging or to de-risk the balance sheet of the corporate customer.

As part of our new approach, we will be looking at ways that we can integrate environmental and governance risks into our lending criteria. Although currently there are no stand-alone screenings, the Bank applies the following:

- Our Lending Policy is designed to favour and support projects related to Abu Dhabi Vision 2030.
- Our Policy requires credit applications to specify any environmental claims against the customer (in order to take these into consideration in credit decisions).
- Our Credit Policy requires all project finance transactions to be assessed for environmental risks (i.e. non compliance with local regulatory bodies' directives, with which the project is required to comply).

Lending Screening (Retail)

ADCB only does business with retail customers who are able to manage their debt comfortably. Therefore, consumer banking loans are granted in accordance with Central Bank regulations and after our staff have assessed the affordability of loan repayment, based on our risk management policies, in order to provide assurance that credit services are sold only to customers who are able to manage their debt comfortably, thus not over-leveraging customers.

Loan Quality

Within 2012, overdue but not impaired loans showed a significant decline of 61% to AED 4 bn, non-performing loans increased 15% and the non-performing loan ratio was 5.4% while the provision coverage ratio improved by 2.2%.

Loan Quality**			
	2011	2012	Year on Year Change
Overdue but not impaired loans (AED mn)*	10,202	4,010	-61%
Non-performing loans (AED mn)	6,025	6,939	+15%
Non-performing loan ratio (%)	4.6%	5.4%	+80 bps*
Provision coverage ratio (%)	80.0%	82.2%	+220 bps*

* Overdue but not impaired loans - between 31 and 90 days past due.

** The above table excludes the exposure and provision on Dubai World, which was moved to performing category in 2011.

Overdue but not impaired loans were 61% lower year on year.

Good Practice: Housing Development

In line with Abu Dhabi Vision 2030 and the President of the UAE's initiative to provide quality accommodation for limited-income workers and labourers, ADCB has financed the completion of 4 such projects which deliver socio-economic benefits to over 140,000 workers improving their well-being & quality of life by providing better health & hygienic living conditions, increased safety, and accessible hospitals, shops and recreation.

Good Practice: Loans Waived

To handle the impact of the financial crisis ignited in 2008, ADCB embraced the MOU signed with the UAE Nationals Defaulted Debts Settlement Fund and as a goodwill gesture to the community went over and above the MOU and waived 100% of receivables from debt-burdened Nationals, which totalled AED 22.7 mn for 184 UAE Nationals.

Responsible Selling

At ADCB we seek to ensure that our sales people do not utilise potentially unethical methods to increase sales volumes such as Tied Selling. Our Code of Conduct prohibits such practices.

Extract from our Code of Conduct: Tied Selling

"Employees **may not** sell or offer a product or service - including a loan - **on the condition that** a customer is required to:

- bring other business to ADCB,
 - [buy] services from ADCB, or
 - refrain from using a competitor's product or services."
- (emphasis added)

Transactions

ADCB does not facilitate any inward/outward, local or international SWIFT transactions in any currency where any of the parties in the SWIFT payment chain are confirmed as appearing on the agreed sanctions list and/or involving a sanctioned jurisdiction. Furthermore, in 2012, ADCB did not finance any Politically Exposed Party (PEP), as per its respective policy.

b) We acknowledge trends on SRI investments:

ADCB recognises the emerging global trend of Socially Responsible Investment funds (SRI), which beyond financial performance take into consideration social and environmental performance of companies in investment decisions. Although, within our countries of operation, investing in such funds is still not widespread, we consider respective trends and stakeholders' expectations.

c) We deliver Shari'ah-compliant products and services:

Islamic Banking offers financial products and services consistent with the principles and guidelines of "Shari'ah." All ADCB Islamic Banking products, processes and policies are in strict compliance with Islamic Banking principles and guidelines, ensuring the exclusion of "Riba" (interest). ADCB Islamic Banking is open to all faith clients. Since inception until end of year 2012, over 100,000 clients availed of one or more Islamic products and services. In 2012 Islamic financing grew from AED 3.8 bn to AED 6.6 bn, which represents a growth of 76% year on year.



2.05 Customer Satisfaction

a) We offer innovative products:

ADCB aims to be recognised as the most distinguished Bank in the UAE through the delivery of seamless and reliable banking services to our customers, contributing to an average length of customer relationship of 4.5 years, an important indicator considering the usual short time of expatriates in the country. Consequently, we seek new ways to direct our expertise to create products and services that serve customers' needs and achieve their ambitions. Our philosophy in innovation supports our mission to provide customers with state-of-the-art banking solutions.

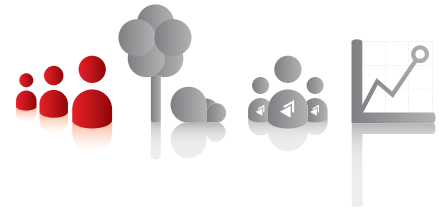
For example, in 2012 our banking proposition was expanded to include investment custody services based in Jersey, whereby a common relationship manager exists for the UAE onshore and Jersey accounts and customers benefit from the flexibility to instantly transfer funds between the two accounts.

Since 2009, this philosophy has manifested in our launching 22 new products and services, with Mobi and mobile internet banking being officially launched within 2012.

New Products

	2010	2011	2012
New products launched (number)	6	6	2

For further information on our products and services, please visit: www.adcb.com.



b) We reward our customers:

We strive to reward our customers for doing business with us by applying loyalty programmes which facilitate long-term cooperation.

Good Practice: TouchPoints

TouchPoints is the loyalty programme from ADCB where we reward our customers for banking with us. Customers earn TouchPoints for almost every ADCB Product or Service they 'touch', from savings, mortgages loans, credit cards to fixed deposits, personal loans and investment products. TouchPoints can be redeemed for a variety of attractive lifestyle rewards, shopping vouchers or flight tickets and upgrades.

For further information, please visit: adcbtouchpoints.com

Good Practice: Free Banking

At the core of our innovative products is Free Banking which we offer to our retail customers, for personal current and savings accounts. Free Banking was launched in 2011 with the goal of increasing customer satisfaction and enhancing loyalty. With this service, our customers benefit from a wide range of transactional services with no charges applied to them.

c) We effectively handle complaints:

To ensure that our customers receive excellent service and feedback on any complaints they might have, and to cultivate ADCB's reputation as a service-focused organisation, the Bank endeavours to resolve customer complaints as quickly as possible. The vast majority of complaints are resolved directly at the front line either by relationship managers, through the Contact Centre or at branches. For those more complex complaints which are not resolved at the first point of contact, the Bank has established the InterAct department. The department comprises of 22 customer-service professionals, who handled an average of 4,200 escalated complaints per month in 2012 across ADCB, received through different channels, including the Contact Centre, ADCB website, branch network, walk-in customers, media and Central Bank. It is worth noting that complaints is broadly defined and includes matters (approx 50%) which involve no mistake or failure. As a result, this numerical figure may be confusing. Complaints are managed and closed directly by the team, as per delegated authority, while the remainder are resolved through cooperation with all groups and departments within the Bank.

93% of InterAct customer complaints were resolved within 3 working days.

In 2012, the InterAct team resolved 93% of complaints within 3 working days.

Customer Complaints

	2010	2011	2012
Customer complaints (number)	50,376	52,318	50,873
Customer complaints on privacy breaches (number)	7	4	9
Customer complaints on responsible product/ service communication (mis-selling) (number)	1,711	1,786	2,118
Customer complaints on products/service charges (mis-charge) (number)	5,579	4,976	4,263
Customer complaints resolved (%)	100%	100%	100%
Customer complaints resolved within 3 working days by InterAct (%)	91%	92%	93%

d) We focus on Service Excellence:

To facilitate Service Excellence offered to our customers, an employee development programme was launched in September 2011 to help our employees improve service levels provided to our customers and learn how to live and breathe our Service Excellence Values:

- Transparency
- Accessibility
- Commitment
- Trustworthiness
- Integrity
- Consistency.

The programme encompasses a range of workshops which are tailored to the needs of the specific business and include Service Excellence Fundamentals, Managing Service Excellence, Service Excellence Working in Practice and Handling Complaints and Service Excellence Mindset. In 2012, a further 1,700 employees participated in the programme, from Retail Banking, Operations, Retail Credit Administration Department, Credit Initiation Unit and Direct Sales, while a further 900 employees are scheduled to participate within 2013.

The workshops are delivered by TSE Facilitators from the business area so that practical, real examples can be used.

e) We monitor satisfaction:

Having such a wide array of customer diversity, we acknowledge that a full understanding of all our customers' ambitions is a task that requires ceaseless work at all levels of the Bank. We seek to understand our customers' needs and ambitions, as a priority, and to continuously address our customers' life aspirations in our quest to be a trusted partner. This acknowledgement and the understanding that it grants, helps us to more efficiently use our business acumen to positively influence customers' quality of life and enable them to achieve success.

To monitor and consequently be able to improve our customers' satisfaction levels, we conduct several segmented satisfaction surveys across Bank departments and subsidiaries, monitoring various processes (e.g. excellence, relationship, channels, service, etc.) Overall:

- Currently, ADCB is considered the second best for enabling customers "to live a better quality of life."
- ADCB has sustained the top position in providing opportunities to customers to "achieve their dreams."
- ADCB is considered among the top 3 banks for "convenience of branch location and ATM."
- ADCB is ranked first in terms of "having an excellent reputation in the UAE."
- ADCB is considered among the top 3 banks when it comes to "trust."
- ADCB is consistently considered the top bank for "community service contribution."

Source: Ipsos Brand tracking - survey conducted between December 2012 and February 2013 among 699 primary account holder across the UAE.

Our overall customer satisfaction reached 97%.*

* 7-10 scores on a 1-10 point scale.

Customer Satisfaction			
	2010	2011	2012
Overall customer satisfaction (%)	84	88	97

2.06 Safety & Security

a) We ensure secured transactions:

ADCB is dedicated to safeguarding the privacy and confidentiality of all customer information: personal, business, financial and other. ADCB's privacy standards represent our commitment to respecting and protecting the privacy of our customers, following our internal policies. As part of operational risk monitoring, we record all instances of customer breach that lead to a loss, customer complaint or malicious use of data.

To properly uphold these privacy standards, employees must follow all of the Bank's privacy directives, which include standards of operating procedures for communicating to customers and respecting customers' consent or non-consent regarding use of their information for marketing purposes or otherwise.

Like all banks, ADCB is also exposed to potential fraud cases. Through numerous automated and manual controls, ADCB has managed to effectively mitigate risks:

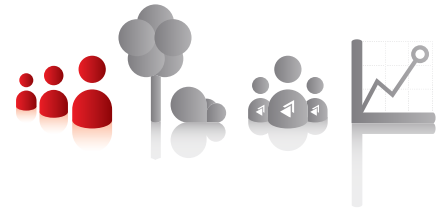
- Only low-severity cases have taken place during the year.
- Insurance is available for potential material losses.
- No robberies have occurred in any of our branches in 2012.

2.07 Customer Awareness

a) We increase our customers' awareness:

With almost half a million customers served in 2012, we recognise our potential to influence our customers' lifestyle and any associated social and environmental challenges that our planet and our country face. For this reason, we seek to increase the awareness of our customers and try to make them part of the solution, both directly (through our products and services) and indirectly (through communication events). Examples of our respective activities are (for further details please see sections 2.04, 3.03):

- Zakat Fund Alliance
- Khorfakkan Club for Handicapped
- Islamic Banking Credit Card
- ATM Donations (Red Crescent, EWS-WWF, Safe & Sound, the BurJuman Breast Cancer Awareness Programme)
- ADCB Tree of Hope
- Pink Polo presented by ADCB
- Ghantoot Racing and Polo Club Seasonal Sponsorship (H.H. President of the UAE Polo Cup, Pink Polo, Ghantoot Golden Cup)
- ADCB Breast Cancer Awareness Booklet
- BurJuman Pink Walkathon
- Abu Dhabi Striders running events
- Abu Dhabi Art and through this, Abu Dhabi's 2012 Wings Project
- Emirates Woman of the Year Award
- Abu Dhabi Harlequins
- The Club (Abu Dhabi) and various events throughout 2012 to support their 50th anniversary
- Emirates Wildlife Society in association with WWF (EWS-WWF) to enrich the community and the environment.



We Said - We Have - We Will:

We Said	We Have	Progress	We Will	By
All employees to have attended the employee development programme (TSE).	See section 2.05 d)	60%	Train further 900 employees.	2013
Review current lending criteria against the Equator Principles.	See section 2.04 a)	50%	Strive to apply the Equator principles in lending decisions.	2013
New Objective			Include rotating sustainability messages within branches.	2013
New Objective			Expand sustainability on our website.	2013
New Objective			Include quarterly sustainability article in Focus Magazine.	2013
New Objective			Develop a code of responsible marketing (CoRM).	2013
New Objective			Integrate sustainability into our brand survey.	2013



Section

3



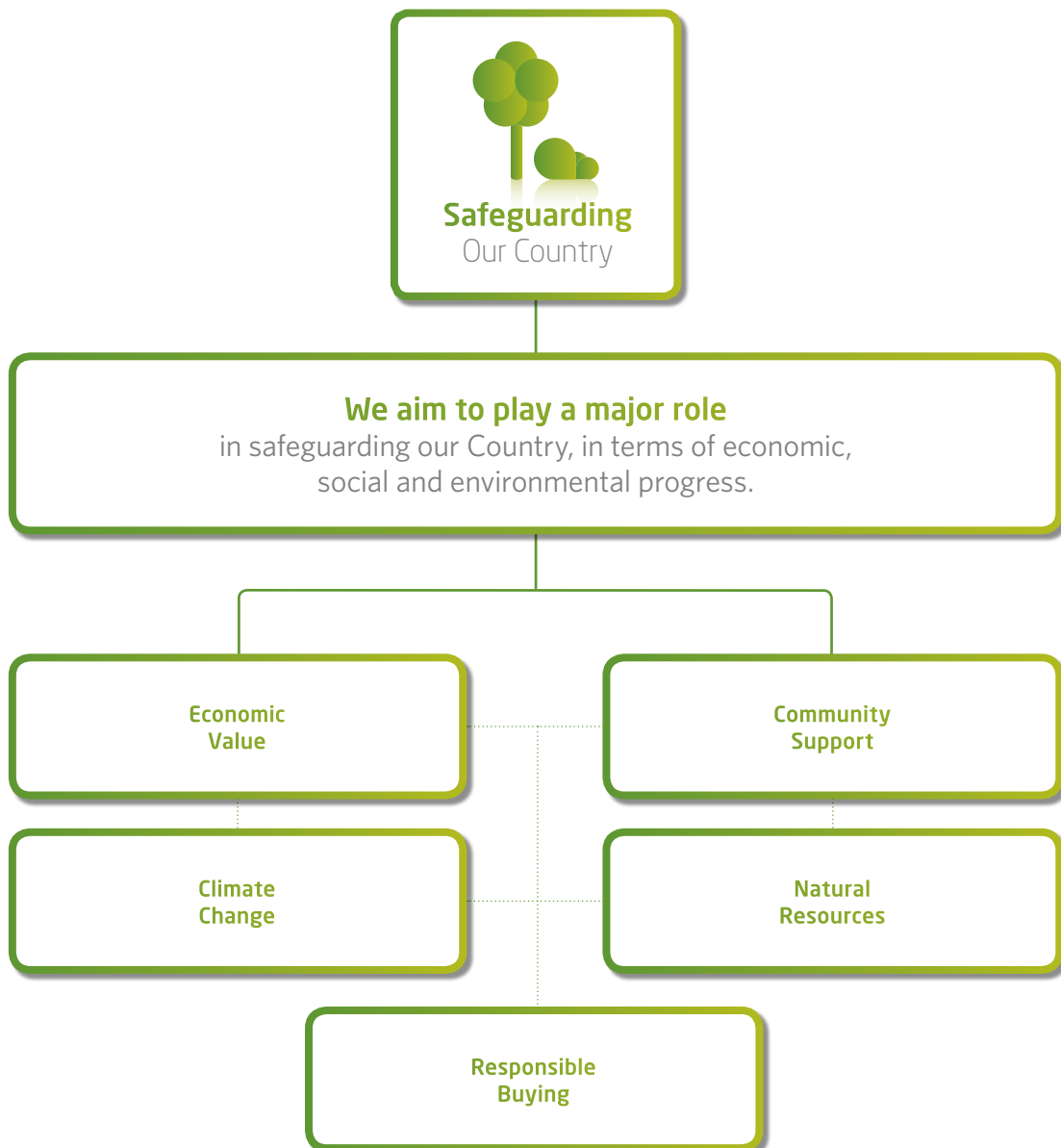
Safeguarding Our Country's Ambitions

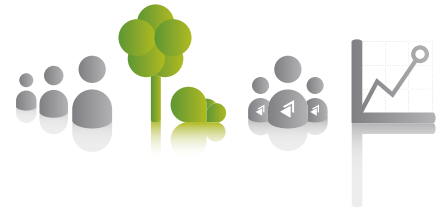
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Safeguarding Our Country's Ambitions

We believe our financial activities have a significant social footprint and that we have a major role to play in building the communities we work in – economically, socially and environmentally.





Facts & Figures

AED 2,590 mn economic value

5,660
jobs secured

AED 4.1 mn
community investment

100,381 tons
GHG emissions

506,546 sheets of paper saved

3.6 tons
e-waste recycled

95.3%
spending on
local suppliers

AED 14.3 ('000)
education loans

AED 22.7 mn
loans waived

3.01 Introduction

As a premier financial institution, ADCB's role in the community transcends our business activities. Our responsibility towards our Country is threefold: we must simultaneously facilitate a sound financial system by adding economic value to our Country and contribute to the social fabric of our community; we must safeguard the environment by reducing our potential impact on climate change and resource use; and we must support responsible operation of our supply chain by integrating responsibility into our procurement processes and by supporting our suppliers' growth.

3.02 Economic Value

a) We support the Abu Dhabi Vision 2030:

Since ADCB's inception in 1985, we have directed our financial activities in support of our overarching commitment to contribute to the development of the UAE's economy. We continue to uphold this commitment by aligning our sustainability approach with the Abu Dhabi Economic Vision 2030, since our business operations can practically facilitate all aspects of the Vision.

Source:

The Emirate of Abu Dhabi
Policy Agenda 2007-08

"The vision for Abu Dhabi
consists of a secure society
and a dynamic open economy"

A large empowered
private sector

The creation of a sustainable
knowledge-based economy

An optional transparent
regulatory environment

A contribution of strong and diverse
international relationships

Emirati resource optimization

Premium education, healthcare
and infrastructure assets

Complete international
and domestic security

Maintaining Abu Dhabi's values,
culture and heritage

A significant and ongoing contribution
to the federation of the UAE

Priority Area

Economic Development

Social & Human Resources
Development

Infrastructure Development
and Environment Sustainability

Government Operations
Optimization

b) We catalyse economic value:

Commercial organisations contribute to national wealth via added-economic value. Benefits are delivered to stakeholders as salaries distributed to employees, as donations to charitable causes, as profits, dividends and reserves distributed to owners and as payments to suppliers.

As a result of our operations, in 2012, we contributed over AED 2.5 bn to national wealth:

Economic Value Distributed			
	2010	2011	2012
Salaries* to employees (AED mn)	830	1,095	1,165
Dividends to shareholders (AED mn)	0	1,119	1,399
Community Investment** (AED mn)	2.5	3.8	4.1
Waived loans to customers (UAE Nationals) (AED mn)	N/A	N/A	23
Total (AED mn)	806	3,218	2,590

* Salaries includes allowances, benefits and variable pay.

** Donations, Sponsorships, ATM, other.

c) We support job creation :

Beyond our direct impact on job positions, such as our over 4,200 Bank employees and over 1,400 outsourced staff, our operations also have an indirect impact on creating and maintaining several thousand job positions, throughout our value chain, such as positions created by our corporate customers (due to our financing support) and our suppliers (due to our business), making us a strong contributor to job market growth.

Job Creation			
	2010	2011	2012
ADCB employees (including subsidiaries) (number)	3,824	4,118	4,223
ADCB employees (including subsidiaries and outsourced employees) (number)	5,757	5,469	5,660

d) We support SMEs:

The nature of our business strengthens and develops the UAE's economic system, as it directly facilitates the economic development of our customers, especially SMEs. Operating under the brand name of 'Business Banking' (formerly 'Business Edge'), our SME Division covers a wide range of financial solutions: transaction accounts, trade finance, and other financing products. It also offers a range

of lending products from which our SME customers may choose. These include unsecured loans, working capital and loans to finance the purchase of commercial vehicles, and construction, medical and professional equipment.

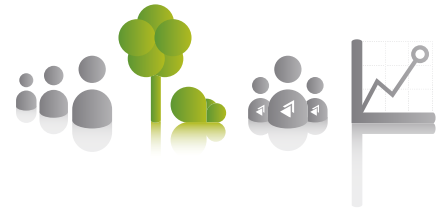
We seek to simplify our procedures in order to reduce the associated administrative costs for both our SME customers as well as for ADCB. Furthermore, we have over 170 dedicated SME Support Professionals and a team of Relationship Managers to serve them.

SME Customers			
	2010	2011	2012
SME customers (number)	26,700	29,387	31,300
SME support professionals (number)	111	163	174
SME customers financed (number)	2,600	3,700	6,200

Good Practice: SME Support

In addition to providing SMEs with financial services, our role expands to support the operation and recognition of SMEs in the region through various initiatives:

- ADCB was the presenting partner of SME Advisor magazine, which helps SMEs connect with information networks, a service that goes above and beyond the practical advice already provided by the magazine.
- ADCB was the presenting partner of the largest voluntary SME recognition platform in the region, the 'Stars of Business Awards and Summit'. This platform accepts voluntary nominations from over 5,000 SMEs every year, to be selected by a jury for one of the twenty three categories of businesses. The winners are offered a special business support package by ADCB and similar packages by other partners on the platform.
- ADCB organised 3 SME Success Series events within 2012, in various UAE free zones, along with other partners of the SME ecosystem.
- ADCB supported the Khalifa Fund for Enterprise Development and provides complete banking solution to clients supported by the Khalifa Fund, facilitating the Fund to support a large number of Emirati entrepreneurs.
- ADCB associated with ADNOC's Distribution Community Support Services, to support UAE Nationals enrolling as vendors of ADNOC.
- ADCB cooperated with Dubai SME, a Dubai Government initiative (established under MBRE - Sheikh Mohammed Bin Rashid Establishment) to support SME's on various initiatives that support and promote SME's in the UAE, including the Dubai SME 100, a ranking exercise of the top SMEs in Dubai. We are proud to have 23 of these SMEs banking with ADCB.
- ADCB presented the ADCB Ambition Award for SME business women in the UAE to foster and recognize entrepreneurial ambition, as part of the Emirates Woman of the Year Award.



3.03 Community Support

a) We develop products and services for social benefits:

We strive to utilise our products and services to support the community in their social and environmental sustainability ambitions, while increasing customer awareness of the diversity of issues our society faces.

ADCB also facilitates donations through its customers on behalf of Red Crescent and EWS-WWF via our ATMs and other means (standing donation orders, cash). For example, customers can donate AED 1 at the end of their ATM transactions. In 2012, the amounts raised on behalf of these organisations totalled AED 692,000 (Red Crescent) and AED 56,448 (EWS-WWF).

Good Practice: Zakat Fund Alliance

ADCB has formed a strategic partnership with the UAE-based Zakat Fund. ADCB customers are able to contribute to Zakat through electronic channels while ADCB provides the funding for all technical systems and support by displaying the Zakat icon on our customers' electronic communications and transactions. In 2012, our customers donated AED 30,000 to the Zakat Fund through our electronic channels.

Good Practice: MOSA cooperation

Another example of social service is ADCB's cooperation with the Ministry of Social Affairs (MOSA) to ensure that benefits are paid to beneficiaries identified by MOSA. Every month, ADCB processes over AED 200 mn in payments to identified beneficiaries and provides ATM cards and related infrastructure to support the programme, including administrative support, systems and installation costs for ATMs in remote regions. As the facilitator of this programme, ADCB improves the delivery of and access to MOSA benefits by beneficiaries.

b) We facilitate education:

We understand that education is one of our customers' most important ambitions and therefore support it, despite the fact that the financial benefits from such loans are less profitable. ADCB has helped many individuals pursue their education goals through our Education Loans. Our Loans can be used by customers to further education and continue learning and to finance the education of their children, utilising optimal loan conditions with only simple documentation required for approval. As of 2012, we have granted 321 Educational Loans totalling over AED 14 mn.

Education Loans			
	2010	2011*	2012*
Education loans granted (AED '000)	7,754	8,696	14,256
Education loans (number)	271	313	321

* Data is cumulative

We granted 321 educational loans worth AED 14 million.

c) We contribute financially:

ADCB recognizes that the provision of financial assistance is one small part of operating responsibly towards the communities in which we conduct our business, and recognizes the need to provide further financial support through social organisations, which in turn support people in need. The below examples are indicative of our donation efforts to assist communities in 2012:

- We donated to Latifa Hospital.
- We donated to Al Ain Centre for Care and Rehabilitation.
- We donated to the Emirates Association of the Blind.
- We donated, on behalf of Emirati Millionaire Saving Account (EMSA) customers, to the Khorfakkan Club for Handicapped.
- We donated, on behalf of Emirati Millionaire Saving Account (EMSA) customers, to Zakat Fund.
- We donated AED 20,000 to the Jack O'Donnell Foundation and helped to raise a total of AED 129,000 for the charity through various other fund raising activities.

Section 3

Safeguarding Our Country's Ambition

Good Practice: Breast Cancer Awareness

ADCB believes the fight against breast cancer is one we can all be part of. Within 2012, ADCB facilitated fundraising of over AED 120,000, but more importantly, raised awareness around Breast Cancer through various initiatives:

BurJuman Pink Walkathon

ADCB employees were among more than 13,000 people at the 2012 Walkathon, which raised AED 81,131 for the BurJuman Safe & Sound Campaign, one of the UAE's largest breast cancer awareness programmes.

ATM Use

ATM users raised AED 70,521 for Safe & Sound, the BurJuman Breast Cancer Awareness Programme, throughout October, by opting to donate AED 1 during their cash machine transactions. Safe & Sound has been instrumental in raising awareness of breast cancer, educating women and men about the benefits of regular screening and helping those who cannot afford medical treatment to access life-saving care.

ADCB Tree of Hope

A man-made tree toured a number of the Bank's branches and events in October, raising AED 10,810 for Safe & Sound. For a donation of AED 5, members of the public were invited to help the tree grow by posting handwritten messages of support on paper 'leaves of hope'.

Pink Polo presented by ADCB

Pink Polo is a bespoke charity polo match held at Ghantoot Polo Club, Abu Dhabi, in aid of Breast Cancer Awareness and in conjunction with Abu Dhabi Health Authority.

The event's objective is to educate, as opposed to raise funds. The "Pink Majilis" is a centre point where guests have the opportunity to talk to medical experts, learn self-examination techniques and undergo free screenings at the ADCB mobile mammography unit.

The ADCB Polo Team went head-to-head with the St Regis Polo Team at the 2012 Pink Polo presented by ADCB in an exciting match to raise awareness of breast cancer in the UAE. The well-known ADCB Pink Garden featured arts and crafts activities, a bouncy castle, a climbing wall, gifts for ladies and much more.

For more information see www.pinkpolo.ae

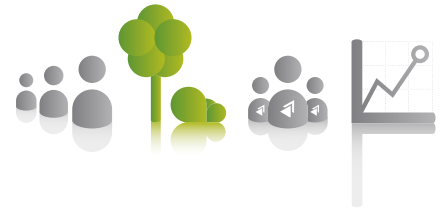
Raising Awareness

ADCB produced an ADCB Breast Cancer Awareness booklet, to help readers understand the importance of early detection, learn about survivor stories and become educated on preventive means against the disease.

The booklet was distributed to a wide network of recipients, including all visitors to the ADCB Tree of Hope, all attendees to the Pink Polo presented by ADCB, all guests of Emirates Woman of the Year Awards, as a supplement to Hello magazine's first edition in October, as well as throughout ADCB Head Office.

Overall, it is estimated that through the above activities, ADCB reached over 60,000 people to raise their awareness on the important issue of breast cancer.





Good Practice:

Empowering Women/Emirates Woman of the Year Awards

ADCB was presenting sponsor of the Emirates Woman of the Year Awards 2012, for the fourth year running. The event aims to reward and recognize women in the UAE who make a difference to the community in various ways. The ADCB Ambition Award was one of the Award categories and for each vote cast for The ADCB Ambition Award nominees, ADCB donated AED 5 to Safe & Sound, the BurJuman Breast Cancer Awareness Programme. The process raised AED 9,525. ADCB increased this donation to AED 40,000 on the night of the Awards ceremony.

For further information see

www.emirateswomanawards.com



In total, during 2012, we actively supported the local community by facilitating and contributing over AED 4.1 mn to various causes in the UAE in which we operate. Community support has concentrated on sponsorships rather than donations during 2012, with the aim of more directly contributing to and participating in community events.

Community Investment			
	2010	2011	2012
Donations (AED)	512,500	1,020,440	607,000
Sponsorships (AED)	1,997,970	2,823,806	2,708,475
ATM and other (AED)	N/R	N/R	818,969
Total community support (AED)	2,510,470	3,844,246	4,134,444

3.04 Climate Change

a) We manage our energy impact:

Although our operations are not energy intensive, the Bank consciously seeks to reduce energy consumption, which is linked to global climate change. The main source of our operations' energy consumption is the electricity entirely purchased from third-party suppliers, transportation fuels (for staff transportation and senior managers' cars) and business-related travel.

Monitoring overall consumption represents a significant challenge. In 2011, we began to calculate and track our energy use, composed of electricity consumed at our head office and of fuel consumed by transportation. In 2012, we initiated a system to track the billing of energy consumption from all our activities on all of our premises.

In order to reduce our energy consumption, we have taken a variety of reduction and conservation measures:

- We apply a lights-off policy.
- We implement a down-time component to use of air conditioning at Head Office.
- We require security personnel to check all floors at the end of the working hours to switch off lights.

Our total energy consumption reached 155,595 gigajoules in 2012. Due to the expanding scope of our measurements, the comparison with past data is not feasible.

Indirect Energy Consumption*			
	2010	2011	2012
Electricity consumption (kWh)	12,671,333	12,211,333	39,477,277

Direct Energy Consumption*			
	2010	2011	2012
Vehicle diesel consumption (litres)	42,527	257,744	278,009
Vehicle gasoline consumption (litres)	22,343	135,416	101,141
Total vehicle fuel consumption (litres)**	64,870	393,160	379,150
Employee flights over 3 hours (mileage)***	N/R	N/R	346,916

* Data for 2010-2011 refer to our Headquarter Offices. Data for 2012 refer to all ADCB premises, including all branches.

** Data refer to fleet of buses and cars operated by our rental company (do not include usage of taxis or ADCB own car).

*** Data refer to October - December 2012.

b) We report on our emissions:

Being a non-energy intensive industry, our indirect impact related to greenhouse gas emissions is limited, however, the importance of the issue at a global scale, leads us to measure and report on our greenhouse gas emissions, which were approximately 100,000 tonnes of carbon dioxide in 2012. Due to the expanding scope of our measurements, the comparison with past data is not feasible. The use of fossil fuels has also an indirect impact of limited sulfur dioxide, nitric oxide and nitrogen dioxide emissions, while the amount of ozone depleting substances, which was replenished from the 13 fire extinguishing systems within our branches, was 55 kg of CO₂.

GHG Emissions by Source*			
	2010	2011	2012
Vehicle diesel consumption (tons CO ₂ eq)	116	703	742
Vehicle gasoline consumption (tons CO ₂ eq)	54	327	235
Electricity consumption (tons CO ₂ eq)**	9,639	9,289	20,133
Water consumption (tons CO ₂ eq)	N/R	N/R	79,201
Air flights (tons CO ₂ eq)	N/R	N/R	69
Total GHG emissions (tons CO₂ eq)	9,809	10,319	100,381

* Conversion Factor Sources: Diesel-GHG Protocol Mobile Combustion-GHG Emissions Calculation Tool V 2.0 May 2010; Gasoline-GHG Protocol Mobile Combustion-GHG Emissions Calculation Tool V 2.0 May 2009; Electricity & Water-EAD Inventory 2010; Flights-GHG Calculation Tools V 4.01-Oct 2010, IPCC 2006 Guidelines.

** Data for 2010-2011 refer to our Headquarter Offices. Data for 2012 refer to all ADCB promises, including all branches.

Other Emissions ***			
	2010	2011	2012
NO _x emissions (kgr)	N/R	N/R	758
SO ₂ emissions (kgr)	N/R	N/R	227
Ozone Depleting Potential (CFC-11 equivalent)	N/R	N/R	0

***Estimated data.

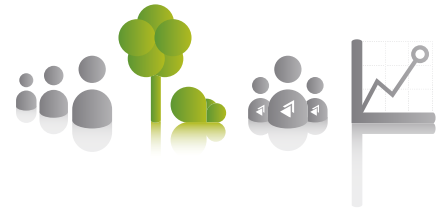
3.05 Natural Resources

a) We manage our natural resource consumption:

ADCB's impact on natural resources arises from our employees, business conduct and the services we provide to our customers. We believe that successfully managing the associated direct and indirect environmental impacts will contribute to the sustainability of our business by reducing associated operating costs and, at the same time, safeguarding the environment. Although, at the moment, we do not use any recycled materials, it is our intention to initiate such practices.

Paper: Paper is the material used in the greatest quantities by our operations, for contracts and procurement, services offered to clients and correspondence and promotional materials. Our initiatives taken to reduce paper consumption at the Bank in the last years were:

- The adoption of electronic bank statements ('e-statements'), which resulted in a reduction of 506,546 sheets of paper in 2012, saving the Bank AED 678,772.
- Our continued use of double-sided printing, as approximately 65% of our printers and 95% of our employees have the option to print on both sides.
- The transition to a paperless procurement system (including tendering documents) and incorporation of paperless internal systems. In 2012, we conducted over 115 tenders with a minimum of 3 suppliers per tender, resulting a significant reduction in paper usage and travel required by suppliers for document submissions and tender negotiations, and encouraging suppliers to receive Local Procurement Orders and invoices online. By end of 2012, ADCB went live with e-procurement and e-invoice (electronic procurement and invoicing) whereby purchase orders and invoices are issued and managed electronically. All suppliers now receive their purchase orders through electronic data interchange (EDI) and are encouraged to submit their invoices electronically. The Bank has also created a special automated portal, for which 92 suppliers have registered and all new suppliers are invited to adopt the process.
- Procurement embarked on a 2-year project to implement a procure-to-pay system, which will turn the whole operation paperless. In 2012 we completed the transition from paper-based to electronic solution for tendering, purchasing and invoicing.
- The amount of paper items bought from recycled paper suppliers (business cards and annual report paper) totalled 370 kg in 2012.



The total amount of paper used in 2012 was approximately 215 tons.

Paper Use and Recycling			
	2010	2011	2012
Paper used (tons)*	N/R	173	215
Paper recycled (tons)	N/R	N/R	46.99

* Estimated data.

Good Practice: e-statement

Driven by our intention to improve our customers' experience and reduce our paper consumption, we launched the e-statement as an alternative form of bank statement.

Customers who subscribe to this service automatically receive their regular statements by e-mail instead of through the post. In recent years, we have witnessed a major customer migration to the use of the e-statement system, which currently has approximately 250,000 subscribers. This has enhanced our customer experience and reduced our paper use by approximately one million sheets of paper.

E-statement Figures			
	2010	2011***	2012
Electronic transactions vs manual transactions (%)	81%	85%	87%
e-statement subscriptions (number)	162,591	220,237	253,273
e-statement subscriptions (% of total)	49%	50%	55%
Paper saved by e-statements (sheets*)	325,182	440,474	506,546
Money saved by e-statements (AED)**	435,744	590,235	678,772

* 2 sheets per customer.

** AED 1.34 per statement.*

*** Data for 2011 have been restated.

b) We dispose waste responsibly:

Our facilities generate domestic non-hazardous waste, which is managed by the local municipality. This waste consists mainly of paper, toner, plastic products, food waste and electronic devices. The latter contain environmentally harmful materials in addition to valuable materials that can be reused. To dispose of this potentially harmful waste, we initiated a programme to ship 18.7 tons of electronic waste to licensed recycling partners abroad over the course of the last 3 years.

E-waste Recycled			
	2010	2011	2012
E-waste recycled (tons)	11.5	3.6	3.6

We have forwarded over 18 tons of electronic waste for recycling in the last 3 years.

c) We manage our water consumption:

Our water consuming activities are minimal and can be mainly attributed to employee usage and cleaning purposes. All water consumption originates from municipal water, while all water waste is directed to the public sewage company. Although our water consumption does not represent a significant impact on specific water sources, we implemented water-saving devices in the facilities of our head office. No significant water spills were noticed during the reported period. At the moment we do not follow any water recycling or reuse practices.

Total water consumption at our head office was 6,610 cubic meters, while our overall water consumption was 5,755,954 cubic meters in 2012.

Water Use *			
	2010	2011	2012
Water consumption (m3)	41,181	31,955	5,755,954

* Data for 2010 and 2011 refer to our Headquarter Offices.

Data for 2012 refer to HQ Offices and all branches.

d) We manage our impact on ecosystems:

The impact of our activities on biodiversity is insignificant and does not constitute a priority for action; however, we take this important environmental issue into consideration.

ADCB owns 20,506.92 m² and leases 50,866.39 m² of land (not including lands in the Bawabat area), none of which is in protected areas or areas of high biodiversity value.

Section 3

Safeguarding Our Country's Ambition

3.06 Responsible Buying

a) We acquire products responsibly:

ADCB is one of the largest financial institutions in the UAE, therefore, our size can significantly influence our suppliers' responsible operations. For this reason, we strive to deploy responsibility principles through our purchasing policy by expecting our suppliers to:

- be socially and environmentally sensitive
- operate according to respective legislation and internationally agreed regulations.

b) We treat our Suppliers fairly:

We negotiate payment terms with each of our suppliers individually and endeavour to pay them in accordance with their specific payment terms.

Extract from our Code of Conduct: Treatment & Selection of Suppliers

"At ADCB, suppliers are treated fairly and equitably and their selection is based strictly on value, quality, service and price. ADCB strives to deal with suppliers who have high standards of business conduct that are similar to ADCB's standards."

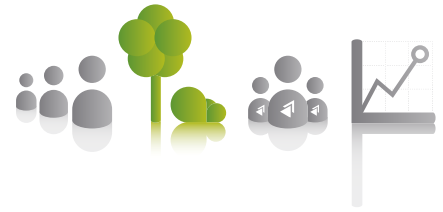
c) We support local suppliers:

Our supply chain's economic contribution to the community can be significant, as we believe that continued reliance upon local sourcing will provide further support to the communities in which we work. In 2012, our spending on local procurement was approximately 95.3% of our total procurement spending, with local suppliers being defined as organisations registered for operation in the UAE.

Local Supplies			
	2010	2011	2012
Locally-based suppliers (%)	94.7%	94.6%	95.3%

95.3% of our products and services are sourced from locally-based suppliers.





We Said – We Have – We Will:

We Said	We Have	Progress	We Will	By
Launch a website dedicated to education, offering a wide range of solutions to support our customers' pursuit of further learning.	See section 3.03	100%		
Present The ADCB Ambition Award.	See section 3.03	100%		
Investigate creation of a community investment strategy.	See section 3.02	50%		
Research an ADCB-led initiative to increase financial literacy among Emiratis and expats.	See section 4.05	30%	Support financial literacy advisory service through strategic partnerships (e.g. Emirates Foundation).	2013
Go paperless in our procurement system, through automation.	See section 3.05	50%	Reduce total paper use (e.g. automate internal expense process, increase use of recycled paper).	2013
Implement a reduction of carbon footprint of Head Office.	See section 3.04	0%	Reduce energy consumption.	2013
Expand energy measurement to all our activities.	See section 3.04	100%		
New Objective			Integrate sustainability in supplier selection.	2013
New Objective			Expand partnership programme (e.g. EWS-WWF, Pearl Initiative, Emirates Foundation).	2013
New Objective			Expand disabled access to branches/offices.	2013
New Objective			Develop an environmental loan product.	2014
New Objective			Implement a waste recycling scheme.	2014

Section

4



Valuing Our Employees' Ambitions

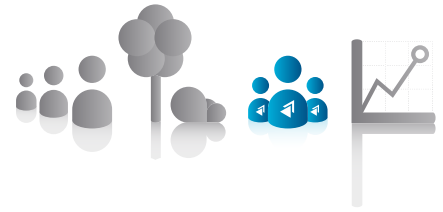
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Valuing Our Employees' Ambitions

We believe that we fulfill our vision through our people, therefore we value our employees by creating a safe, fair and engaging work environment, where our employees can share experience and knowledge, develop, grow and reach their ambitions.





Facts & Figures

AED 19 mn
training and development

74,295
training hours

41%
Emirati employees

45%
female employees

10%
turnover rate*

4.01 Introduction

As a major corporate financial institution and employer, we value our thousands of employees and enable them to reach their ambitions, while at the same time achieving our business objectives. Our responsibility towards our employees is multi-fold: we aim to ensure long-term fulfilling careers and engage our employees, foster diversity while driving Emiratisation, foster a work environment characterised by meritocracy and fairness in all employee-related processes, offer employees long-term development and training opportunities and ensure a safe and healthy work environment.

4.02 Workforce & Engagement

a) We support employment:

As a successfully growing business, we seek to ensure a stable working environment for our employees and engage them in a way that realizes their full potential and serves as an investment in the future: both our employees' future and the Bank's.

Our workforce has almost doubled since 2009, reaching a total of 5,660 employees at the end of 2012, which includes 4,223 Bank employees and 1,437 outsourced employees. Of great pride to us is the fact that, despite the financial crisis, which globally affected the financial industry, we decided and applied a policy not to downsize, but rather increased performance standards and quality of outcomes.

We provide 5,660 jobs.

A company's turnover rate should be balanced between, on the one hand, a healthy inflow of new skills and, on the other, stability required to ensure continuation of operations. In addition to reflecting employee engagement, a low turnover rate is beneficial in terms of workforce stability, low hiring costs, and higher productivity.

ADCB's total employee turnover* in 2011 and 2012 were 267 and 279, respectively. These figures include all forms of departure, such as retirement, resignation and dismissal. Turnover rates from resignation and dismissal are presented below, per employee level, age group and gender.

Workforce (including subsidiaries)			
	2010	2011	2012
Bank employees (number)	3,824	4,118	4,223
Workforce by Gender			
Male employees (number)	1,988	2,100	2,326
Female employees (number)	1,836	2,018	1,897
Workforce by Type			
	2010	2011	2012
Full-time contract employees	N/R	N/R	77.7%
Part-time contract employees	N/R	N/R	22.3%
Temporary contract employees	N/R	N/R	0%

Employee Turnover*			
	2010	2011	2012
Turnover of all employees	7%	8%	10%
Turnover by Gender*			
Turnover of female employees	6%	7%	9%
Turnover of male employees	8%	10%	10%

* excludes ADCB Services FZ-LLC.

Section 4

Valuing Our Employees' Ambitions

Turnover by Level*			
	2010	2011	2012
Turnover of senior management (%)	9%	12%	5%
Turnover of middle management (%)	7%	13%	9%
Turnover of staff (%)	6%	7%	11%
Turnover by Age Group*			
	2010	2011	2012
18-30 (%)	4%	4%	18%
31-40 (%)	8%	12%	7%
41-50 (%)	8%	10%	7%
51-60 (%)	11%	12%	15%

* excludes ADCB Services FZ-LLC.

b) We engage our employees:

We believe in the importance of remaining responsive to our employees' opinions. ADCB's employee engagement strategy is designed to heighten employees' identification with the purpose of their role, the Bank's vision and strategy, their co-workers' and their managers' goals and ways of working.

It is also intended to encourage them to apply additional effort and to maintain a level of enthusiasm for their professional development and the Bank's overall interests.

ADCB's annual Employee Engagement Survey was conducted in the years 2005-2012 (with the exception of 2011 during which its scope was under review), in order to obtain valuable employee feedback on topics which actively affect their working lives, including Confidence in Leaders, Quality & Customer Focus, Respect & Recognition, Pay & Benefits, Authority & Empowerment etc. For 2012, the employee participation in the survey was 92%, a participation rate which is higher than the local and the regional benchmarks.

92% of our employees participated in our employee satisfaction survey.*

* Source: The Hay Group.

Good Practice: Tawasul Platform

Tawasul is an HR management system, designed to help us manage the employee data base and facilitate employee transactions, timely and accurately. Tawasul achieved the following improvements for internal operations:

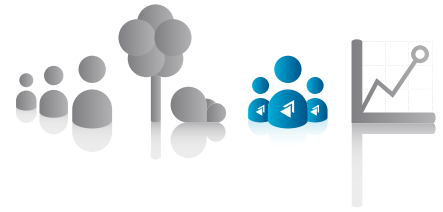
- reduced volume of paperwork through use of online request authorization and processing
- improved data tracking and extraction
- eliminated errors in the payroll process
- improved access to employee records and information
- integrated employee recognition and award system
- streamlined employee performance management system
- simplified leave management

4.03 Diversity & Emiritisation

a) We foster Diversity:

At ADCB, we foster a work environment that embraces diversity. This brings a wider range of experiences and insights to the Bank and acts as a catalyst for creativity and innovation. The employees in our workforce come from 55 countries (2012) around the world and possess diverse backgrounds. This has resulted in a highly-blended workforce with great diversity of gender, age, nationality, religion and individuals with disabilities. 45% of ADCB's workforce is female, including 25% of middle management and 18% of senior management (defined as level E3 and above).

Employee Diversity			
	2010	2011	2012
Diversity by Nationality			
Countries of origin (number)	48	49	55
Diversity by Needs			
Special needs employees (number)	N/R	4	4
Diversity by Level			
Female employees (%)	48%	49%	45%
Females in middle management (%)	21%	23%	25%
Females in senior management (%)	10%	18%	18%



Diversity by Age Group			
	2010	2011	2012
18-30	1,236	1,441	1,678
31-40	1,069	1,133	1,707
41-50	440	427	562
51-60	257	233	276

Our employees originate from 55 countries.

b) We focus on Emiratisation:

In parallel with diversity, we focus on empowering UAE Nationals, aligned with the UAE's 'Emiratisation' strategy, to ensure long-term viability and development of our Country. In order to consolidate and orchestrate our Emiratisation efforts, ADCB has implemented three main approaches and policies:

Emiratisation Committee: This Committee has the mission to be a catalyst in identifying, developing and empowering UAE Nationals within ADCB by offering tools to enhance their skills and capabilities through training, mentoring, marketing and socially-responsible activities, thus enabling them to positively impact the Bank and the community.

The Committee focuses on two main directions for our Emiratisation initiatives: prioritising Emiratis for employment opportunities and creating the Emirati Academy. The Committee has held forums in the past 2 years to open the lines of communication between Nationals, Committee members and the Executive leadership of the Bank. For example, in 2012, ADCB participated in the Tawdheef and Sharjah Career Exhibition for UAE Nationals in order to present career opportunities available in the financial and banking sector.

Emirati Priority: As a policy, expatriates are employed only in positions for which suitable Emiratis are not available. We are currently in the process of training more UAE Nationals as branch managers and our ultimate goal is to achieve Emiratis among Bank managers to a full 100%.



Emirati Academy Programme: The Academy is designed to develop Emirati fresh graduates to be "desk-ready" to take-on full-time job responsibilities within various business areas across the Bank. Irrespective of the business stream to which the trainees will be assigned, our training programmes offer a broad while practical business experience via sequential job rotations, providing technical skills training and opportunities to gain relevant professional qualifications.

Good Practice: National Student Sponsorship Programme (2012)

Under ADCB's UAE National Student Sponsorship Programme, the Bank has recruited 100 second and third year students on sponsorship, which commits them to a minimum of 24-month service after graduation from University. The top 30 students will go through our Graduate Management Programme, to be launched in the first half of 2013, with the aim of accelerating the managerial careers of high-potential UAE Nationals.

Good Practice: Mahara Programme

The Mahara Programme, one of the initiatives driven by the Emirati Academy Programme, ensures that Emirati trainees are familiar with ADCB-specific conventional and Islamic personal and corporate banking products and services, in addition to understanding the fundamentals of banking operations and financial services within the UAE. During this Programme, trainees receive on-the-job training in their preferred business areas and launch on to a successful career in banking. In 2012 the Programme was modified so that trainees are fully integrated into the business through on-the-job training, which resulted in a reduction in the number of youth trained in 2012.

Mahara Programme

	2010	2011	2012
Youth trained in the Mahara Programme (number)	685	893	205

As a result of our Emiratisation initiatives, we have garnered great respect in the UAE business community and were honoured with the Best Emiratisation Award for each of the previous 4 years, as our Emiratisation rates stabilised at 41% in 2012.

Emiratisation Rates

	2010	2011	2012
Emirati employees (%)	36%	41%	41%
Emirati branch managers (%)	16%	80%*	86%

*Data for 2011 have been restated.

Section 4

Valuing Our Employees' Ambitions

41% of our employees are Emiratis.

4.04 Equality & Fairness

a) We ensure a fair working environment:

Our Bank fosters a work environment which is fair and treats all employees with respect, in accordance with local legislation and regulation, through appropriate policies and principles. Together, they eliminate any potential negative discrimination based on gender, nationality, ethnicity, physical disablement or age, and ensure that our hiring, promotion and reward system is fairly and equally applied:

- We do not have any operations with risk of forced or compulsory labour.
- We do not limit disabled candidates' opportunities for recruitment or advancement.
- We proceed with employing individuals, only if they are above the legal work age limit (as defined by the UAE labour legislation), and under no circumstance will we engage employees below the age of 15 years.
- Our performance appraisal and review system is used as the basis for all decisions concerning career development and advancement. In the period 2005 to 2012, all Bank employees underwent performance reviews on a yearly basis.

Extract from our Code of Conduct: Harassment Policy

"Harassment of an individual or group on the basis of race, sex or gender, disability, national or ethnic origin, colour, religion, marital status or any other category is prohibited at ADCB."

b) We handle grievances:

The fair and impartial administration of policies governing employees and the effective protection of employees' rights and privileges requires a system whereby employees can present grievances and receive redress. We have established just such a system, which allows employees to voice their grievances and obtain a hearing with management representatives:

- The employee discusses the case with his/her line manager and provides a written grievance within 5 working days.
- The line manager has to respond in writing within 5 working days and keeps evidence of the action.
- In case the line manager fails to give a satisfactory solution or respond within 5 working days, the employee can raise his/her grievance through 'Tawasul'. In such a case, the grievance is forwarded to the line manager's manager and Group Head, who has to resolve the case within 5 working days.
- The employee has to request a written final review/decision, by the concerned department, which must be issued within 10 working days.

Prompt and fair consideration is given to each grievance and employees are protected from any potential retaliation concerning initiating or participating as witnesses in the grievance process. The confidentiality of all complainants is fully assured.

Within 2012, a total of 11 grievances were registered. Out of these, 3 cases were not substantiated and were therefore dismissed, while 8 cases were handled. It must be noted that none of these cases were related to ethical conduct or bribery.

c) We reward and recognise our people:

Our reward policies are designed to ensure that our total pay remains performance driven, market competitive, aligned with external best suitable practices and industry benchmarked. In 2012, our total amount of salaries (including allowances, benefits and variable pay) paid amounted to AED 1,165 mn. In parallel, our employees also receive a range of benefits, which include:

End-of-Service Gratuity: An amount paid to departing employees in good standing who have worked with us for at least one year.

Leave Airfare: A benefit provided to all employees based on the IATA airfare rates between Abu Dhabi and hometown of the employee.

Life Insurance: A benefit provided to all employees through the Bank's life and accident policy.

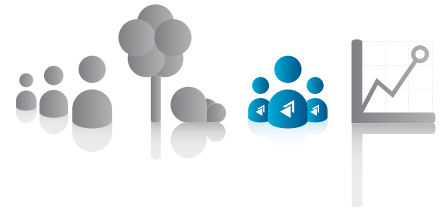
Medical Insurance: A benefit provided to all employees residing in the UAE. Coverage includes employees' spouses and up to 3 children under 18 years of age.

Loans and Advances: Employees are eligible for personal loans, mortgage loans and car loans as per our loan policies at preferential interest rates.

Retirement Pensions and Benefits: ADCB is a member of the Abu Dhabi Retirement Pensions and Benefits Fund, participates in the mandatory pension scheme for all UAE Nationals and is also member of UAE General Pension and Social Security Authority, participating in the mandatory pension schemes for all GCC national employees.

Variable Pay: A Bank-wide variable pay framework supplements the Bank's fixed pay and benefits structure, to reward high levels of performance in line with international best practices.

It is worth noting that we provide similar benefits to all our outsourced employees as well, in order to practice meritocracy and indicate our appreciation for all our peoples' efforts, with an appropriate differentiation depending on employment level.



Good Practice: Variable Pay Plan

ADCB aims to reward its employees for their contribution and performance through our pay-for-performance approach. This means that we aim to pay employees against their performance and to differentiate between different levels of performance. In addition to the Bank's fixed pay and benefits structure, high levels of performance are rewarded through a variable pay plan, which incorporates a deferred compensation element, designed to ensure that total pay and total reward remain performance-driven (at both the individual and Bank-wide level), market competitive and recognise differing pay levels and practices for different business areas. The variable pay plan aligns to international best practices and reflects external realities for hiring, motivating and retaining the best people.

We provide similar benefits to Bank and outsourced employees.

4.05 Development & Training

a) We systematically manage the performance of our employees:

We work in a fast-moving, competitive, and skill-intensive industry, where our competitive advantage extensively depends on the knowledge and expertise of our employees. To ensure that these are continuously developed, we engage our employees through our Performance Management System, which we see as essential for our success.

Good Practice: Performance Management System

Consistent implementation of an effective performance management system is critical to our success. Performance reviews are conducted every 6 months and recorded in 'Tawasul', our online HR Management System, in coordination with department heads and line management. During the performance reviews:

- Individual achievements against set objectives are assessed, as well as progress towards required levels of competency.
- High-potential employees are identified, in order to ensure that they are managed in alignment with the Talent Management Policy.
- Changes and improvements are identified as well as appropriate timely remedial actions.
- An equitable basis for the granting of performance-based rewards is established.
- Learning and development needs are identified, as well as plans to successfully close performance gaps.

As in previous years, during 2012, 100% of our employees participated in the Performance Appraisal.

b) We strive for in-house advancement:

We seek to optimize the use of skills and experience of our employees, rather than outsource new skills, to meet needs of our operations, as this approach strengthens the commitment of our people and fulfils our ethical obligation to provide them with professional development opportunities. At the core of this effort is each employee's Individual Development Plan (IDP), which forms the basis of his/her advancement and career path. The IDP is mutually agreed by the employee and his/her line manager, through the performance management review process, in order to ensure clear understanding of the activities involved and their relevance to the job competencies and business unit objectives. Employees' IDPs are reviewed periodically to ensure that the development activities are completed on time and with optimal outcomes and to secure the relevance of remaining activities as evaluated against the business unit's objectives and the Bank's strategic direction.

As a result, we are able to implement a policy of internal recruitment, to promote advancement of staff to intermediate and senior management positions and to actively coach and train suitable individuals for leadership positions. We have also created a succession planning programme which is endorsed and implemented by all ADCB Business Groups and the Bank's senior managers.

Internally Filled Job Openings & Appraisals

	2010	2011	2012
Employees who received performance review (%)	100%	100%	100%
Senior management positions filled from within (%)	25%	N/R	1.9%
Middle management positions filled from within (%)	N/R	N/R	8.6%
All positions filled from within (%)	N/R	N/R	20.5%

c) We offer continuous training:

Our development programmes are attended by participants who are nominated by the line management, based on performance and development goals, as outlined in employees' yearly IDPs and discussion with the relevant Group/Department Heads. To effectively deliver training programmes, we deploy a number of core initiatives:

The 'Aspiring Managers Programme': The Aspiring Managers Programme for UAE Nationals and expatriates is a 10-month initiative that develops 16 top-talent officer-level employees into future managers of ADCB. The Programme includes both internal and external development workshops, in addition to practical business projects.

Section 4

Valuing Our Employees' Ambitions

ADCB Learning Centre: The Learning Centre is responsible for addressing the group-training needs for the Bank, as well as implementing development interventions and analysis of the effectiveness of our development programmes, across all business areas of the Bank.

As a result of the above, a total of over 74,000 hours of training were completed within 2012 for Bank employees, with an average of 17 hours of training per employee for a total investment of AED 19 mn. Data was not available for outsourced employees in 2012.

Bank Employee Training			
	2010	2011	2012
Training Investment			
Investment in training (AED '000)	10,200	13,500	19,000
Investment in training per employee (AED)	3,642	3,800	4,499
Training			
Training for all employees (hours)	37,973	81,095	74,295
Trainees (number)	N/R	N/R	32,800
Average training per employee (hours)	14	12	17
Ambition University (hours)	N/R	N/R	2,852
E-Learning (hours)	N/R	N/R	1,896
Training by Gender			
Training for female employees (hours)	12,775	27,969	26,776
Average training per female employee (hours)	13	12	14
Training for male employees (hours)	25,198	53,126	47,519
Average training per male employee (hours)	14	13	20
Training by Level			
Senior management (hours)	12,566	19,511	7,307
Middle management (hours)	7,913	19,325	45,077
Staff (hours)	10,455	29,298	21,911

We increased our investment on training by 40%.

It must be noted that we provide training on all core competencies to our outsourced employees as well, in order to ensure that our customers' experience is consistently provided at ADCB's standards. This information was not available for 2012 but will be measured going forward.

Good Practice: "Ambition University"

We created the Ambition University, our corporate university, home of learning and development at ADCB. Ambition University is about business-driven learning, learning that will add value to our business, our shareholders and our customers.

Ambition University has been built by involving all levels and parts of the business and links all its activities to both the short and long-term goals of the organisation and each business area.

Similar to a traditional University, the structure of Ambition University is based on a 3-level hierarchical model comprising of Academies under which reside specific Faculties that are responsible for the development of curriculum that are delivered through a series of Programmes. The Academies focus on 4 centres of excellence, viz. Emirati, Leadership & Management, Business Excellence and Organisation Excellence.

A key part of the Ambition University is our Leadership and Management Academy, the aim of which is to develop sustainable leadership and management capabilities within ADCB. Investing in our employees allows us to increase our efficiency and continuously evolve to meet current and future business challenges.

4.06 Health & Safety

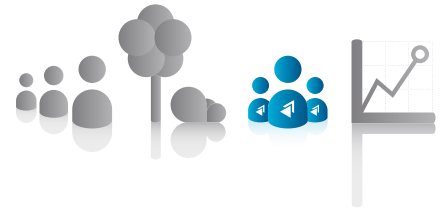
a) We maintain a safe work environment:

Our employees are mainly office-based and face few direct occupational health and safety hazards. Notwithstanding, starting in 2010, we implemented a full fire-safety training and fire drills programme in all ADCB branches and operational premises and introduced our new health and safety policy, as well as an updated health and safety statement.

As a result of our policy of highlighting risks in the workplace and training staff in the management of those risks, we incurred zero safety incidents in the years 2010, 2011 and 2012.

Health & Safety			
	2010	2011	2012
Fatal accidents of employees (number)	0	0	0
Accidents* which resulted absence from work (number)	N/R	N/R	1
Accidents* which resulted absence from work of over 3 days(number)	N/R	N/R	1
Absence rate of employees due to illness (%)	0.8%	1.07%	1.18%

* Accidents refer to unforeseen or unplanned events which arise from work-related activities.



b) We facilitate our employees' health:

Beyond safety at the workplace, we expand our efforts to issues related to the health of our employees and their families during non-work hours. We provide medical insurance to all of our employees, their dependants (spouses and up to 3 children under 18 years of age), with an appropriate differentiation, depending on employment level. In 2013 the Bank intends to conduct an equalisation exercise for outsourced staff.

- At the low end of the policy (Grade E4 and below), our employees enjoy a wide range of benefits including medical coverage in the Middle East Region, the Asian subcontinent and in their home country.
- At the high end of the policy (Grade E3 and above) we reimburse 100% of medical bills incurred outside of these geographic regions (excluding the USA, except for Senior Executive Management) including bills for emergency treatment, dental, vision coverage and free annual health check-ups. The policy covers a wide-range of conditions, including pregnancy, physiotherapy and pre-existing conditions, as well as prescriptions.

c) We foster work-life balance:

We recognise that our employees are dedicated to ADCB, however their priority is and should remain their personal life and families. Therefore, the Bank has an internal policy which encourages management and employees to fully utilise their annual leave, which is 30 days for level 02 and above and 25 days for level 03 and below. To further support this, the Bank adopts many procedures to facilitate the taking of annual leave:

- All employee are required to take a mandatory 2-weeks cumulative leave during each calendar year.
- Reminder emails are sent-out towards the end of the year encouraging all managers and employees to fully take any undertaken entitled leave before year-end.
- Employees are entitled to carry-over a maximum of 10-days to the following year and, subject to exceptional circumstances, forfeit all other unused days.

During 2012, 45.8% of our employees (excluding trainees) completely utilised their annual leave.

We Said - We Have - We Will:

We Said	We Have	Progress	We Will	By
Create an HR Help Desk.	See section 4	80%	Launch the HR Help Desk.	2013
Conduct Bank-wide sustainability training for employees.	See section 4.05	10%		
New Objective			Conduct an equalisation exercise for medical coverage.	2013
New Objective			Issue an Emiritisation Report.	2013
New Objective			Measure training hours for outsourced employees.	2013
New Objective			Integrate sustainability into the annual appraisal process.	2014
New Objective			Achieve 100% rate of Emirati branch managers.	2015

Section

5



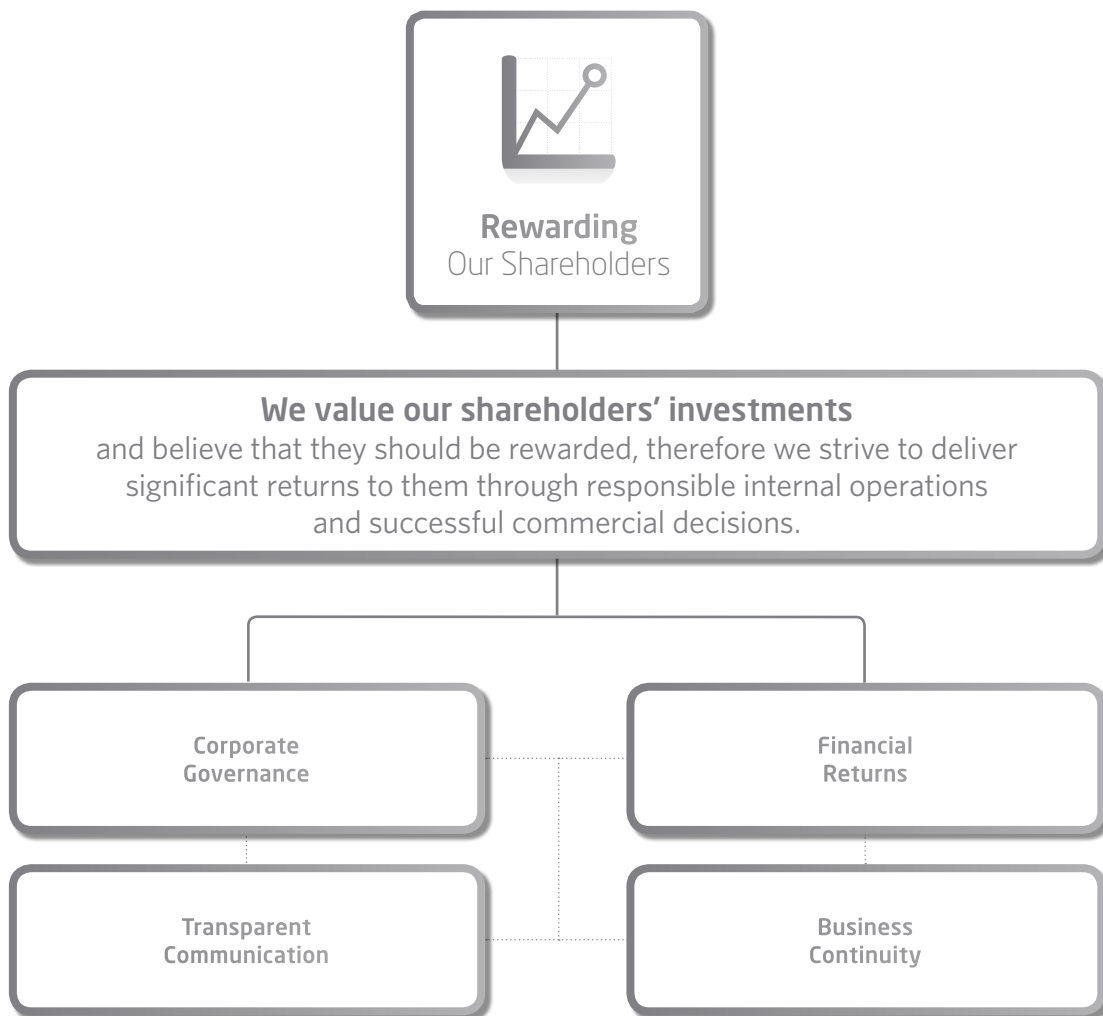
Rewarding Our Shareholders' Ambitions

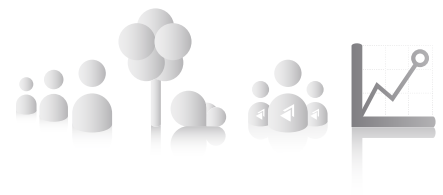
5.01 Introduction	56
5.02 Corporate Governance	56
5.03 Financial Returns	58
5.04 Transparent Communication	60
5.05 Business Continuity	60



Rewarding Our Shareholders' Ambition

We value our shareholders' investments and believe that they should be rewarded, therefore we strive to deliver significant returns to them through responsible internal operations and successful commercial decisions.





Facts & Figures

AED 6,595 mn
operating income (2012)*

AED 2,810 mn
net profit (2012)

13%
return on equity (2012)

0
incidents of material non-compliance**

* Excludes share of profit of associates.

** Relates to regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

5.01 Introduction

ADCB is a listed company whose majority shareholder is the government of Abu Dhabi, with 58.08% held by the Abu Dhabi Investment Council. ADCB aims to continue to be a quality investment for its shareholders, which delivers financial rewards and sustainable growth achieved through greater efficiency, strategic opportunities, excellent governance and commitment to transparency and accountability. Our responsibility to our shareholders is to balance financial rewards on investments in the short-term whilst simultaneously ensuring business continuity and value through long-term sustainability.

5.02 Corporate Governance

a) We establish appropriate structures:

Abu Dhabi Commercial Bank believes in and is committed to good corporate governance practices, in observation of the guiding principles of the Bank's corporate governance policies, namely,

- **Responsibility** - the clear division and delegation of authority
- **Accountability** - in the relationships between the Bank's Management and the Board, and between the Board, shareholders and other stakeholders
- **Transparency** - and disclosure to enable stakeholders to assess the Bank's financial performance and condition
- **Fairness** - in the treatment of all stakeholders.

The Bank reports comprehensively on its Board and governance issues in the Bank's annual report and on its website.

For further information on Board and Governance issues, please view our Annual Report 2012: www.adcb.com/about/investorrelations/financialinformation/ARsite/2012/pdf/adcb_annual_report_2012.pdf

Topic	Page
Board composition, external appointments	14-17
Appointment, retirement and re-election	28
Independence	28
Membership and attendance	29
Board committees	29-32
Board remuneration, attendance fees & share interest	33
Performance evaluations	33

Further, as regards our Board operations, we note the following:

- The highest governing body is the Board of Directors, which is composed as follows:

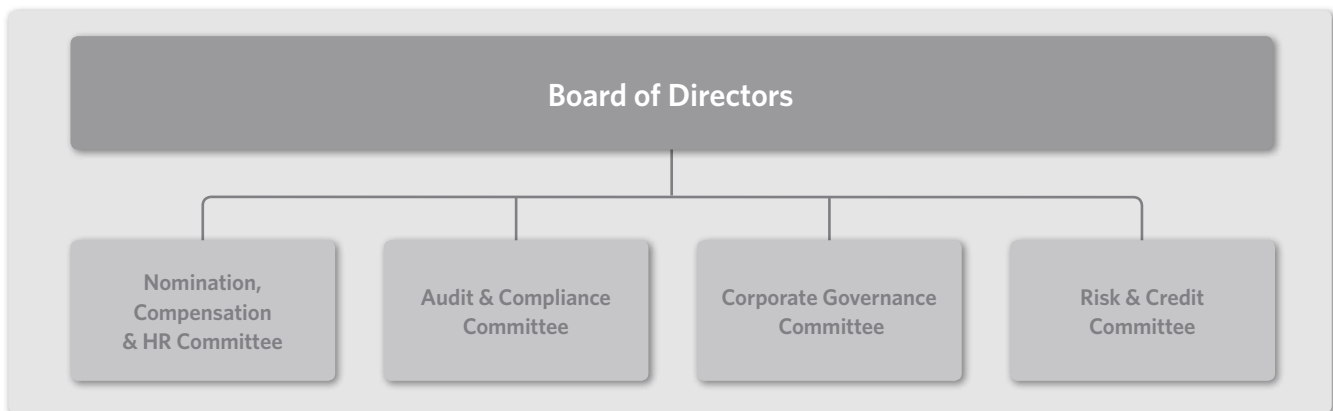
Name	Position	Independent Member*
Eissa Mohammed Al Suwaidi	Chairman	
Mohamed Sultan Ghannoum Al Hameli	Vice Chairman	✓
Ala'a M Eraiqat	Executive Director, Chief Executive Officer	
Mohamed Darwish Al Khoori	Director	✓
Abdulla Khalil Al Mutawa	Director	✓
Salem Mohamed Athaith Al Ameri	Director	
Khaled H Khoori	Director	✓
Mohamed Ali Al Dhaheiri	Director	
Sheikh Sultan Bin Suroor Al Dhahiri	Director	✓
Khalid Deemas Al Suwaidi	Director	✓
Jean-Paul Pierre Villain	Director	✓

* The definition of independence is defined as per the criteria established by the Bank.



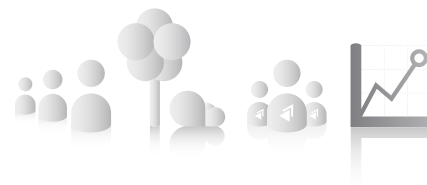
- All members of the Board during 2012 were male.
- The Board is involved in sustainability issues in specific aspects, including review of disclosure and performance benchmarking for the report development process, while the CEO has delegated this function to the Sustainability Department to drive such initiatives at the Bank. The Board will receive regular updates on sustainability in 2013 and beyond, including progress and policy initiatives.
- The selection criteria of Board members considers diversity of perspective in the Boardroom, although this is not specifically enumerated by gender and other diversity aspects.
- There is an official process for evaluating the highest governance body's performance which, in 2012, introduced the consideration of social and environmental factors; however, at the moment, the compensation of Board members is not linked with such performance.
- For the time being, there is no formal mechanism for employees to provide direct recommendations to the Board, other than through the Board Committees and whistle-blowing processes.

The Board Committees are:



The Bank's excellent governance practices have been quantitatively measured and recognized through numerous international awards:

- Hawkamah Corporate Governance Award 2009 and 2012
- World Finance Corporate Governance UAE Award 2010 and 2011
- The ACC Financial Institution of the Year and Corporate Governance Officer of the Year Award 2011



b) We follow regulatory and legal requirements:

As a result of the practices we follow, within 2012, no fines or non-monetary sanctions were imposed for non-compliance with environmental laws, violations of rights for indigenous people, incidents of discrimination, or non-compliance with regulations and voluntary marketing codes.

In order to proactively identify potential issues of non-conformance, ADCB has an employees' whistle blowing mechanism and respective policy. Within 2012, 18 such cases were reported, all of which were looked into and 9 required further investigation. None was deemed to be substantial.

Extract from our Code of Conduct: Whistle-blowing Mechanism

"Where any employee has, at any time, doubts or concerns about any matter arising which may relate to compliance with this spirit of this Code of Conduct, he or she should discuss the matter without delay with his or her manager. No employee will suffer as a consequence of bringing to the attention of his or her management, a breach, or suspected breach, of these principles. All employees will sign a statement of compliance to indicate that they have read and understood the contents of the Code of Conduct, and agree to adhere to the Bank's ethical, professional standards and core values."

For further information, please visit:

<http://www.adcb.com/about/corpgovernance/overview.asp>

Extract from our Code of Conduct: Our Values

"ADCB has established a set of core values that are designed to provide the framework for employee behaviour and foster a customer centric and responsibility oriented culture:

- **Integrity** - Honesty and transparency in everything we say and do
- **Responsibility** - Embracing our commitment to the local community and our shareholders by nurturing and developing our employees
- **Stability** - The pursuit of growth based on prudence, proven business principles and financial strength
- **Empowerment** - Creating an empowered, stimulating environment, where employees are involved, recognized and rewarded for good performance
- **Efficiency** - Maintaining customer centric service standards designed to reach optimum efficiency and reliability
- **Innovation** - Encouraging customer and employee participation to foster creativity, continuous improvement and lateral thinking
- **Consistency** - Maintaining uniformity across our products, services and delivery to ensure customer assurance, as measured by customer satisfaction levels."

c) We facilitate a culture of ethical conduct:

At ADCB, we have applied a detailed Code of Conduct, communicated and signed by all employees, which facilitates a culture of legal, and more importantly, ethical conduct.

For example, our Code of Conduct addresses employee gift practices.

Extract from our Code of Conduct: Gift Policy

"Employees may give or accept another type of gift, benefit or entertainment, provided that each of the following is true:

- it is of nominal value,
- a gift or benefit which in an employee's best assessment is approximately \$100 or less and within normal business practices,
- it is not solicited,
- it is not given or received in return for doing a specific transaction with a customer or supplier,
- it is not given or received in return for the referral of business, except for approved referral payment arrangements,
- if knowledge of the situation were to become public, it would not adversely affect ADCB's reputation,
- it is not illegal."

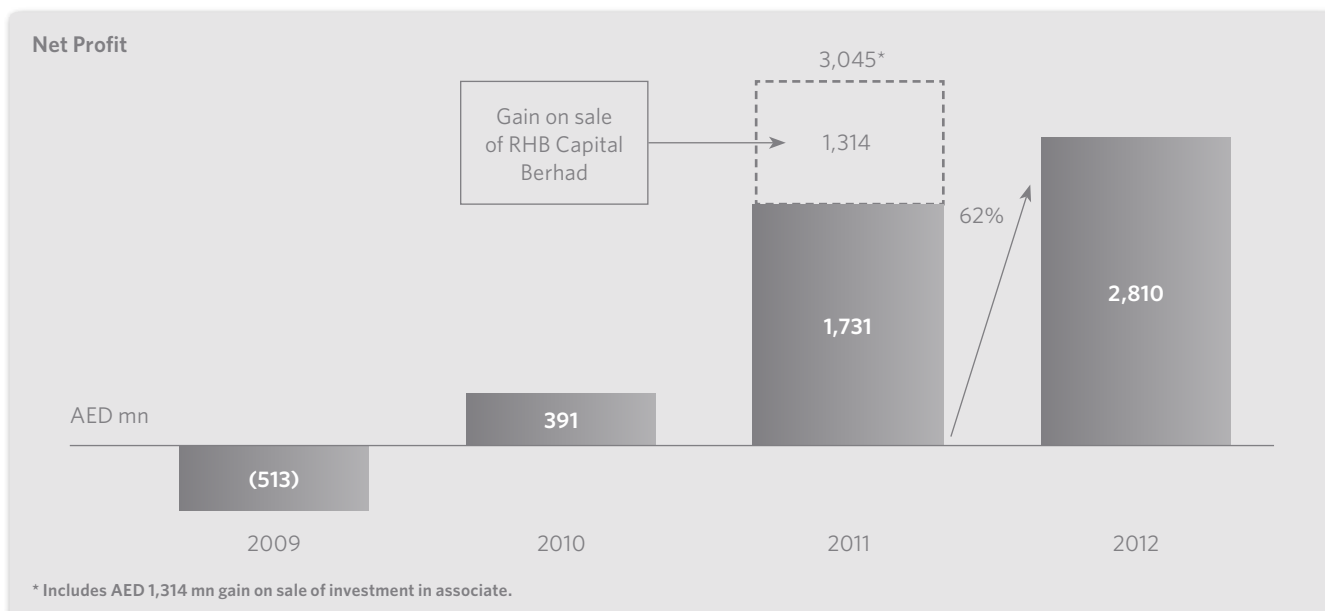
5.03 Financial Returns

a) We ensure financial returns:

At ADCB, we endeavour to maximise our value to shareholders by consistently providing them with excellent returns on their investments. In 2012, ADCB continued to build on its strong position, delivering strong growth and returns in operating income and sustainable profitability. We significantly strengthened our capital position, improving liquidity levels and funding profile, while remaining prudent in our risk management approach.

The Bank reported a net profit of AED 2,810 mn compared to AED 3,045 mn in 2011. The 2011 net profit included AED 1,314 mn gain on the sale of ADCB's stake in RHB Capital Berhad in June 2011. On a comparable basis, excluding the non-recurring gain, net profit was up 62% over 2011 at AED 1,731 mn.

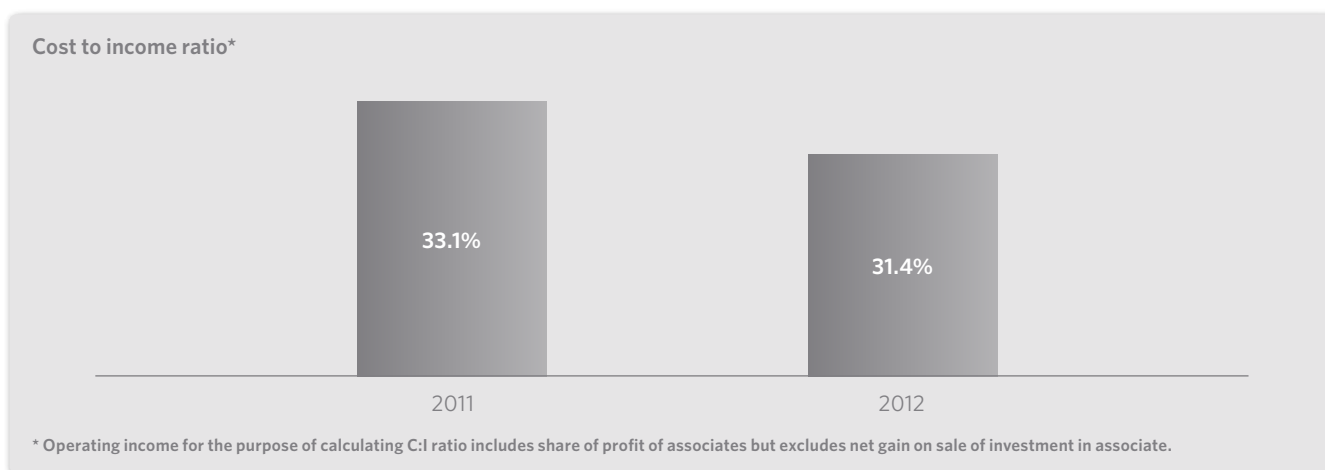
Our 2012 operating income grew 9% from 2011. This outstanding financial performance was a result of prudence in our risk management approach, improvement in our liquidity levels and funding profile, and smart diversification of income growth based on a UAE-centric and controlled internationalization strategy. Remaining focused on maximising shareholder value, the Board of Directors recommended a 25% cash dividend of AED 1.4 bn, equivalent to 50% of net profit. As per the Bank's normal dividend distribution strategy of 20%, the additional 5% represented a special pay out as a result of the Bank's strong capital base and financial performance in 2012.



b) We improve efficiency:

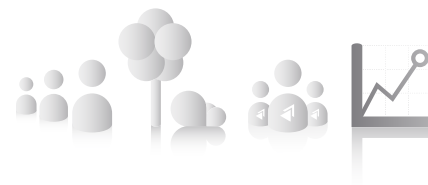
In the current business environment, it is vital for banks to grow their business while remaining aware of the need for reducing costs and increasing overall efficiency.

In 2012, our cost-to-income ratio was 31.4%, a significant improvement from 2011's 33.1%, and we continued to invest in our business lines. Although we have made great progress thus far, we will continue to aim at increasing efficiency.



For further information on our financial performance, please visit (2012 Annual Report):

www.adcb.com/about/investorrelations/financialinformation/ARsite/2012/pdf/adcb_annual_report_2012.pdf



5.04 Transparent Communication

a) We cultivate transparency:

Transparency is a key component of building trust among all stakeholders. Operating in a business environment where transparency is increasing, but still with area for expansion, we recognise the importance of remaining transparent especially to our shareholders, and of disclosing all relevant information to them in straightforward and understandable reports devoid of clutter. We therefore employ a system of disclosure through our Annual Reports and our Sustainability Reports, which are publicly available through our website, as well as through adherence to disclosure standards through various exchanges including the Abu Dhabi Securities Exchange, the London Stock Exchange, the Luxembourg Stock Exchange and the SIX Swiss Exchange. Furthermore, we started publishing our Pillar 3 Reports, which refer to enhanced disclosures on risk management practices and capital adequacy.

For further information on Pillar 3 Reports, please visit: www.adcb.com/images/Pillar3_31_Dec_2012.pdf



5.05 Business Continuity

a) We proactively handle risks:

ADCB has developed a risk management strategy, which uses management processes and practices to proactively handle risks, in order to ensure business continuity and ability to deliver on objectives set. Our risk management framework addresses the following aspects: Credit Risk, Liquidity Risk, Interest Rate Risk, Market Risk, Operational Risk, Compliance Risk and Reputational Risk. It has been devised by management and approved by the Board. The Board Risk & Credit Committee is actively involved in risk strategy and oversees the risk function.

For further information on our risk management strategy and framework, please visit: www.adcb.com/about/investorrelations/financialinformation/arsite/2012/risk.html

b) We ensure financial health:

The Bank focused on improving its financial health and viability and improved its balance sheet during 2012: as at 31 December 2012, the Bank was a net lender of AED 15 bn in the interbank markets; we remained well capitalized at 23.05% (well above the minimum requirement of 12% as determined by the Central Bank); our Tier I ratio improved to 17.47% (well above the minimum requirement of 8% determined by the Central Bank) from 15.90% in 2011; our loans to deposit ratio improved to 112.80%; and our liquidity ratio improved to 24.0%.

Financial Health			
	2010	2011	2012
Loans to deposit ratio (%)	116.37%	114.27%	112.80%
Tier I ratio (%)	11.97%	15.90%	17.47%
Capital adequacy ratio (%)	16.65%	22.51%	23.05%
Liquidity ratio (%)	17.5%	22.1%	24.0%

We Said - We Have - We Will:

We Said	We Have	Progress	We Will	By
			Update the Board of Directors on sustainability issues and progress.	2013
			Formulate a sustainability policy, for approval by the Board of Directors.	2013
			Integrate Sustainability issues into our Internal Auditing process.	2014

Appendices

Appendix A: GRI Index Table

The correspondence between the content of this Report and the Global Reporting Initiative's (GRI - G3.1) Profile Disclosures and Performance Indicators, is presented in the following table.

- Additional GRI Indicators are indicated in grey background, while Core GRI Indicators in white background.
- Coverage of Indicators is characterized as Full (F), Partial (P), Not Reported (NR) or Not Applicable (NA).

Profile Disclosures	Summary	Report Section	Coverage/ Omission
Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organisation.	Message from the Chairman, Message from the CEO	F
1.2	Description of key impacts, risks, and opportunities.	Message from the Chairman, Message from the CEO, 1.03	F
Organisational Profile			
2.1	Name of the organisation.	About ADCB	F
2.2	Primary brands, products, and/or services.	About ADCB	F
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	About ADCB	F
2.4	Location of organisation's headquarters.	About ADCB	F
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	About ADCB	F
2.6	Nature of ownership and legal form.	About ADCB	F
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	About ADCB, 3.02 a), 3.02 b)	F
2.8	Scale of the reporting organisation.	About ADCB 4.02 a), Annual Report pp 53-55	F
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	About ADCB	F
2.10	Awards received in the reporting period.	About ADCB	F
Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	About this Report	F
3.2	Date of most recent previous report (if any).	About this Report	F
3.3	Reporting cycle (annual, biennial, etc.)	About this Report	F
3.4	Contact point for questions regarding the report or its contents.	About this Report	F



Profile Disclosures	Summary	Report Section	Coverage/ Omission
3.5	Process for defining report content.	About this Report, 1.03	F
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	About this Report, 1.03	F
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	About this Report	F
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	About this Report	F
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	About this Report	F
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	About this Report	F
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	About this Report	F
3.12	Table identifying the location of the Standard Disclosures in the report.	Appendices	F
3.13	Policy and current practice with regard to seeking external assurance for the report.	About this Report	F
Governance, Commitments and Engagement			
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	5.02 a)	F
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	5.02 a)	F
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	5.02 a)	F
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	5.02 a)	F
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	5.02 a)	F
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	5.02 a)	F
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	5.02 a)	F

Sustaining Ambition. Building Value.

ADCB Sustainability Report 2012

Profile Disclosures	Summary	Report Section	Coverage/ Omission
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	About ADCB, 5.02	F
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	5.02 a)	F
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	5.02 a)	F
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	2,03, 5.05 a)	F
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	About ADCB	F
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	About ADCB	F
4.14	List of stakeholder groups engaged by the organisation.	1.05	F
4.15	Basis for identification and selection of stakeholders with whom to engage.	1.03, 1.05	F
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	1.05	F
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	1.05	F
DMAs - Disclosures on Management Approach			
DMA (EC)	Disclosure on Management Approach Economic (EC)	3.01, 3.02, 5.02, 5.03	F
DMA (EN)	Disclosure on Management Approach Environment (EN)	3.04, 3.05	F
DMA (LA)	Disclosure on Management Approach Labour Practices (LA)	4.02, 4.03, 4.04, 4.05	F
DMA (HR)	Disclosure on Management Approach Human Rights (HR)	4.02	F
DMA (SO)	Disclosure on Management Approach Society (SO)	3.02, 3.03	F
DMA (PR)	Disclosure on Management Approach Product Responsibility (PR)	2.02, 2.04, 2.05, 2.06	F



Performance Indicator	Summary of Aspect	Report Section	Coverage / Omission
Economic – Economic performance, market presence, indirect economic impact			
Goals and performance		3, 3.02	F
Policy		Message from the Chairman, Message from the CEO, 3	F
Additional contextual information		3.02	F
Economic Performance			
EC1	Direct economic value	3.02 b), 3.03 c), 4.04 c), 5.03 a)	F
EC2	Financial implications due to climate change	-	N/R
EC3	Benefit plan coverage	4.04 c)	F
EC4	Financing assistance from government	-	N/R
Market Presence			
EC5	Ratios of entry wage to minimum wage	-	N/R
EC6	Spending on locally based suppliers	3.06 a), 3.06 c)	F
EC7	Engagement of local personnel	4.03 b)	F
Indirect Economic Impacts			
EC8	Impact of infrastructure investments and services	3.02	F
EC9	Upstream and downstream impact	3.02 b), 3.03 b), 3.03 c), 3.06 c)	F
Environment – Materials, energy etc.			
Goals and performance		3	F
Policy		Message from the Chairman, Message from the CEO, 3	F
Organisational responsibility		1.02, 5.02	F
Training and awareness		2.07, 4.05 c)	F
Monitoring and follow up		1.02, 1.05	F
Additional contextual information		3	F

Sustaining Ambition. Building Value.

ADCB Sustainability Report 2012

Performance Indicator	Summary of Aspect	Report Section	Coverage / Omission
Materials			
EN1	Materials used (weight or volume)	3.05 a)	P
EN2	Recycled materials used (percentage)	3.05 a)	F
Energy			
EN3	Direct energy consumption (by source)	3.04 a)	P
EN4	Indirect energy consumption (by source)	3.04 a)	P
EN5	Energy saved due to improvements	-	N/R
EN6	Initiatives for energy efficient/renewable based products	-	N/R
EN7	Initiatives for indirect energy consumption (result)	3.04 a)	F
Water			
EN8	Water withdrawal (by source)	3.05 c)	F
EN9	Water sources affected	3.05 c)	F
EN10	Water recycled (percentage, volume)	-	N/R
Biodiversity			
EN11	Areas of high biodiversity value	3.05 d)	F
EN12	Impact on biodiversity	3.05 d)	F
EN13	Habitats protected or restored	3.05 d)	P
EN14	Plans for biodiversity management	3.05 d)	P
EN15	Red List of IUCN species (by number)	3.05 d)	P
Emissions, Effluents, Waste			
EN16	Direct and indirect GHG emissions (by weight)	3.04 b)	F
EN17	Indirect GHG emissions	3.04 b)	P
EN18	Initiatives and achievements on GHG (by weight)	3.04 b)	F
EN19	Emission of ODS (by weight)	3.04 b)	F
EN20	Emission of NOx, SOx (by type, weight)	3.04 b)	F
EN21	Water discharge (by quality, destination)	3.05 c)	P
EN22	Waste (by type, disposal method)	3.05 b)	P
EN23	Significant spills (by type, volume)	3.05 c)	P
EN24	Hazardous waste handling (by weight, percentage)	3.05 b)	P
EN25	Water discharge impact on biodiversity	3.05 c), 3.05 d)	F



Performance Indicator	Summary of Aspect	Report Section	Coverage / Omission
Products and Services			
EN26	Initiatives of environmental impact of products	3.04, 3.05	P
EN27	Products sold vs reclaimed (by percentage, category)	-	N/R
Compliance			
EN28	Fines and sanctions of non-compliance (by value, number)	5.02 b)	F
Transports			
EN29	Impact of people and product transportation	3.04	P
Overall			
EN30	Investment for environmental protection (by value, type)	-	N/R
Labour Practice - Employment, labour relations, OHS, training, diversity etc.			
Goals and performance		4	F
Policy		Message from the Chairman, Message from the CEO, 4	F
Organisational responsibility		1.02	F
Training and awareness		2.07, 4.05 c)	F
Monitoring and follow up		1.02, 1.05	F
Additional contextual information (success, shortcomings, risks, opportunities)		4	F
Equal remuneration for women and men		4.04a)	F
Employment			
LA1	Workforce (by type, contract, region)	4.02 a), 4.03	F
LA2	Turnover of personnel (by age group, gender, region)	4.02 a), 4.05 b)	F
LA3	Benefits of full time vs part time employees (by operation)	4.04 c)	F
Labour/Management Relations			
LA4	Employees with collective agreements (by percentage)	4.04 a)	F
LA5	Minimum notice period for operational changes	-	N/R

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Performance Indicator	Summary of Aspect	Report Section	Coverage / Omission
Occupational Health and Safety			
LA6	Employees represented by HS committees (percentage)	-	N/R
LA7	Injury, disease, lost days, absenteeism, fatalities (rates)	4.06 a)	P
LA8	Education with regard to serious diseases	4.06 b)	P
LA9	Health and safety issues in collective agreements	-	N/R
Education and Training			
LA10	Training (by average hour, employee category)	4.05 c)	F
LA11	Programmes for life-long learning and career	4.05 c)	P
LA12	Employees with appraisals (by percentage)	4.04 a), 4.05 b)	F
Diversity and Equal Opportunity			
LA13	Breakdown of employees (by category, gender etc.)	4.03 a)	F
Equal remuneration women-men			
LA14	Ratio of basic salary of men of/women (by type)	-	N/R
LA15	Return to work and retention after parental leave (by gender)	-	N/R
Human Rights – ILO Tripartite Declaration: procurement practices, discrimination, child labour, forced labour, grievance practices, security practices, indigenous rights			
Management practice	Goals and performance (link to universal standards)	5.02 a)	F
Policy		Message from the Chairman, Message from the CEO, 4	F
Organisational responsibility		1.02, 5.02	F
Training and awareness		2.07, 4.05 c)	F
Monitoring and follow up		1.02, 1.05	F
Additional contextual information		4	F
Organisational risk assessment		4.04 a)	F
Impact assessment		4.04 a)	F
Investments and Procurement Practices			
HR1	Investments with human rights screening (by percentage, number)	-	N/R
HR2	Suppliers and contractors with human rights screening (percentage)	-	N/R
HR3	Training on human rights (by percentage, hours)	-	N/R



Performance Indicator	Summary of Aspect	Report Section	Coverage / Omission
Non-discriminations			
HR4	Discrimination incidents (number)	4.04 a)	F
Freedom of Association and Bargaining			
HR5	Operations identified with freedom in risk and actions	4.04 a)	F
Child Labour			
HR6	Operations identified with child labour risk and actions	4.04 a)	F
Forced and Compulsory Labour			
HR7	Operations identified with forced labour risk and actions	4.04 a)	P
Security Practices			
HR8	Security personnel training on human rights (percentage)	-	N/R
Indigenous Rights			
HR9	Violations of indigenous rights and actions (number)	4.04 a)	F
Assessment			
HR10	Human rights review in operations incidents (number, percentage)	-	N/R
Remediation			
HR11	Human rights grievances solved (number)	4.04 b)	F
SOCIETY – Community, corruption, public policy, anti-competitive, compliance			
Goals and performance		3	F
Policy		Message from the Chairman, Message from the CEO, 3	F
Organisational responsibility		1.02, 5.02	F
Training and awareness		2.07, 4.05 c)	F
Monitoring and follow up		1.02, 1.05	F
Additional contextual information		3	F
Community			
SO1	Programmes to manage impact on community (by stage)	3.03	F
SO9	Operations with negative impact on local communities	-	N/R
SO10	Prevention and mitigation measures taken	-	N/R

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Performance Indicator	Summary of Aspect	Report Section	Coverage / Omission
Corruption			
SO2	Units analysed for risks (percentage, number)	5.02 a)	F
SO3	Employees trained on anti-corruption policies (percentage)	-	N/R
SO4	Actions taken on incidents	5.02 b)	F
Public Policy			
SO5	Public Policy positions and lobbying practices	-	N/R
SO6	Contribution to political parties and institutions (value)	2.04 a)	F
Anti-Competitive Behaviour			
SO7	Legal actions for anti-trust and monopoly practices (number, outcome)	5.02 b)	F
Compliance			
SO8	Fines and sanctions for anti-trust and monopoly practices (value, number)	5.02 b)	F
Product Responsibility - Customer HS, labeling, communication, privacy, compliance			
Goals and performance		2	F
Policy		Message from the Chairman, Message from the CEO, 2	F
Organisational responsibility		1.02, 5.02	F
Training and awareness		2	F
Monitoring and follow up		2.07, 4.05 c)	F
Additional contextual information (success, shortcomings, risks, opportunities)		2	F
Customer Health and Safety			
PR1	Life cycle HS analysis of products (by stage, percentage)	3.04	P
PR2	Non-compliance with regulation and voluntary codes (by number, outcomes)	5.02 b)	F
Labelling			
PR3	Products with labelling requirement (by type, percentage)	2.03 a), 5.02 b)	P
PR4	Non-compliance incidents (by number, outcomes)	5.02 b)	F
PR5	Practices of customer satisfaction (results)	2.05 e)	P



Performance Indicator	Summary of Aspect	Report Section	Coverage / Omission
Marketing Communication			
PR6	Programmes for adherence to law and optional codes	2.03 a)	F
PR7	Non-compliance incidents (by number, outcomes)	5.02 b)	F
Customer Privacy			
PR8	Substantial complaints for privacy, lost data (by number)	2.06 a)	P
Compliance			
PR9	Fines concerning use and provision (by value)	5.02 b)	F
Financial Sector Supplement			
FS2	Procedures for assessing and screening environmental and social risks in business lines	2.04 a)	P
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	-	N/R
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	3.03	F
FS15	Policies for the fair design and sale of financial products and services	2.02, 2.03, 3.03	F
FS16	Initiatives to enhance financial literacy by type of beneficiary	3.02	F

Appendix B: Acromyms

AED	United Arab Emirates Dirham	IT	Information Technology
ADCB	Abu Dhabi Commercial Bank	kg	Kilogram
ATM	Automatic Teller Machine	kWh	Kilowatt Hour
bn	Billion	KPI	Key Performance Indicator
CEO	Chief Executive Officer	mn	Million
CO₂	Carbon Dioxide	m³	Cubic Meter
GHG	Greenhouse Gas	N/A	Not Applicable
GJ	Gigajoules	N/R	Not Reported
GRI	Global Reporting Initiative	SME	Small and Medium Enterprise
HR	Human Resources	SMS	Short Message Service
IDP	Individual Development Plan	UAE	United Arab Emirates

Appendix C: Glossary

Abu Dhabi Vision 2030	A vision developed by the Government, in consultation with the private sector, as a 22-year strategy to achieve socio-economic progress through a set of guidelines and priorities, ensuring that all stakeholders in the economy are moving in concert, with a clear view of the long-term goals
Emiratisation	An initiative by the government of the United Arab Emirates to employ its citizens in a meaningful and efficient manner in the public and private sector
Equator Principles	A credit risk management framework for determining, assessing and managing environmental and social risk in project finance transactions
Global Reporting Initiative	A non-profit, multi-stakeholder organisation whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines. Its Secretariat is headquartered in Amsterdam, the Netherlands
Greenhouse Gas Emissions	Gas emissions, such as carbon dioxide, methane or hydro fluorocarbons, which contribute to climate change
G3.1 Reporting Guidelines	A GRI framework for reporting on an organisations' economic, environmental and social performance
Sustainable Development	Commonly defined as 'development which meets the needs of current generations without compromising the ability of future generations to meet their own needs'
Sustainability Report	A voluntary public disclosure of information about an organisation's economic, social and environmental performance over time, usually released annually. Sustainability report can be issued as a stand-alone report, on a company web site or integrated into its annual report
Stakeholders	Groups or individuals who affect and/or could be affected by an organisation's activities, products or services and associated performance



Appendix D: GRI Application Level Check



Statement GRI Application Level Check

GRI hereby states that **Abu Dhabi Commercial Bank** has presented its report "Sustainability Report 2012" to GRI's Report Services which have concluded that the report fulfils the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 22 August 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 15 August 2013. GRI explicitly excludes the statement being applied to any later changes to such material.



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ADCB welcomes your feedback concerning this Report, or our sustainability approach and performance.
Please keep in touch with us using the following channel: sustainability@adcb.com

