

Investor Presentation 30 September 2017 results

Abu Dhabi: October 2017

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ADIB at a glance

Overview

- Incorporated in **1997** to serve as first Islamic Bank in the Emirate of Abu Dhabi.
- Majority owned by members of the ruling family of Abu Dhabi and sovereign wealth fund.
- Listed on Abu Dhabi Securities Exchange (ADX).

Ratings

FitchRatings
MOODY'S
INVESTORS SERVICE

RAM
RATINGS

	Long term rating	Short term rating	Outlook
	A+	F1	Stable
	A2	P1	Stable
	AAA	P1	Stable

Stock Info
(Price and
Ratio as of
30 Sept 2017)

Market Cap (Price @ AED 3.77)	AED 11.9 bn (US\$ 3.3 bn)
Diluted EPS / share (AED) - Annualised	0.595
PE Ratio	6 times
Price / Book Ratio	1.14
Shares Issued (@ AED 1)	3.2 Bn

ADIB - Timeline and milestones

Early History
(1997 - 2000)

- Established by the Govt. of Abu Dhabi in **1997**.
- Licensed in 1998 as an Islamic bank by the Central bank and commenced operations.
- Listed on Abu Dhabi securities Exchange in 2000.

Intermediary
years
(2001 - 2007)

- Established Abu Dhabi Islamic Securities Company (ADIBS) and Burooj Properties in **2005**.
- New strategic shareholder (EIIIC) introduced in **2007**.
- **2007** - Acquired 49% of National Bank for Development based in Egypt.

Growth
(2008 - Present)

- **2008** - Arrival of new management and adoption of new strategic vision and mission.
- **2012** - Issued world's first Shari'a-compliant hybrid perpetual Tier 1 sukuk amounting to USD 1 billion.
- **2013** - Fully repaid AED 2.2 billion Tier 2 Wakala Capital.
- **2014** - Acquired 51% shares in Arab Link Money Exchange in April 2014
- **2014** - Established Abu Dhabi Islamic Merchant Acquiring company LLC (ADIMAC) in Aug 2014.
- **2014** - Acquired Retail banking business of Barclays Bank in the UAE.
- **2015** - Raised capital AED 504 Mn by issuing right shares.

Presence

- Domestic - 81 Branches and 731 ATMs (a 24 hour branch at Abu Dhabi International Airport).
- Overseas - Presence in UK, Saudi Arabia, Qatar, Iraq, Sudan & Egypt.

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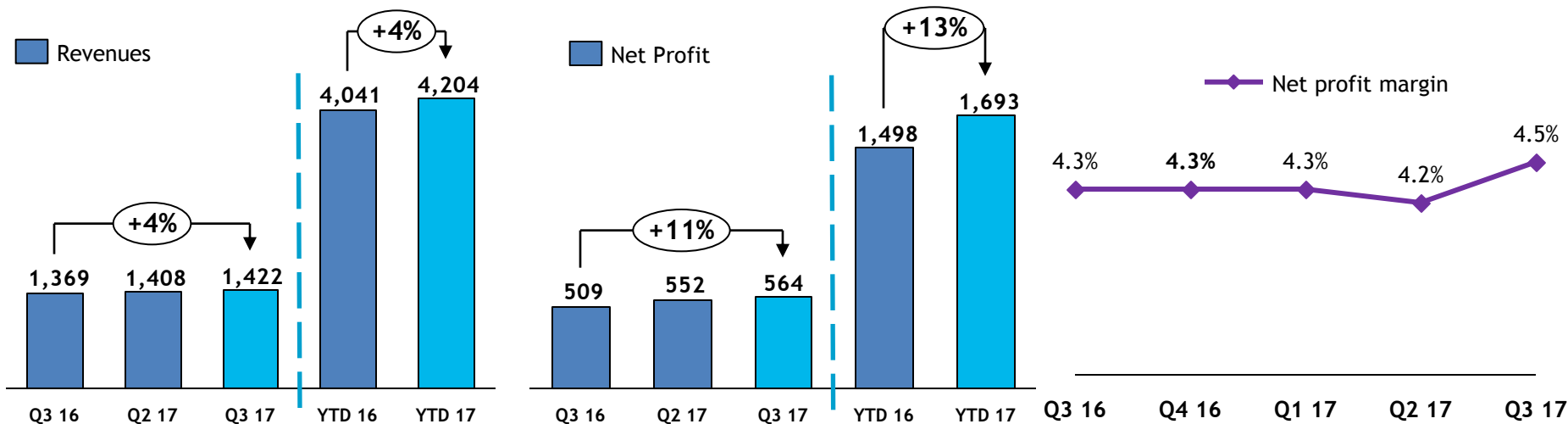
Business Review

Appendix

Q3 / YTD 2017 – Key financial highlights – Income statement

AED Mn	Q3 16	Q3 17	Change %	YTD Sep 16	YTD Sep 17	Change %
Net Revenue from funds	984.4	961.9	-2.3%	2,939.7	2,834.6	-3.6%
Fees, commission and others	384.7	460.4	19.7%	1,101.6	1,369.8	24.3%
Operating income	1,369.1	1,422.3	3.9%	4,041.3	4,204.4	4.0%
Expenses	588.2	609.4	3.6%	1,813.1	1,864.8	2.8%
Operating profit	780.9	812.9	4.1%	2,228.2	2,339.6	5.0%
Provision for impairment	267.7	242.7	-9.3%	717.8	623.4	-13.1%
Zakat & tax	4.3	6.3	48.7%	11.9	23.2	94.6%
Net profit	508.9	563.9	10.8%	1,498.4	1,693.0	13.0%

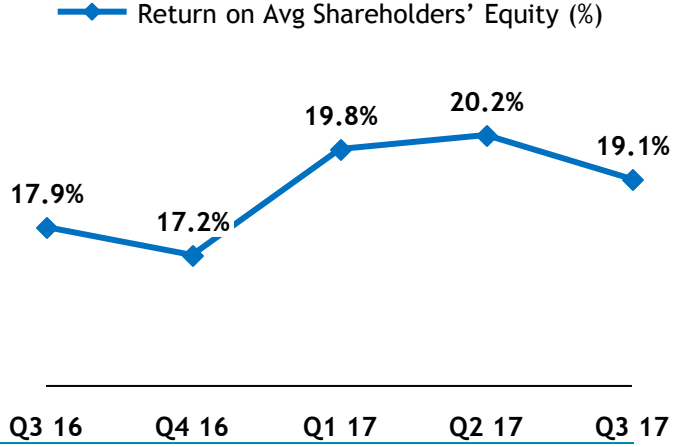
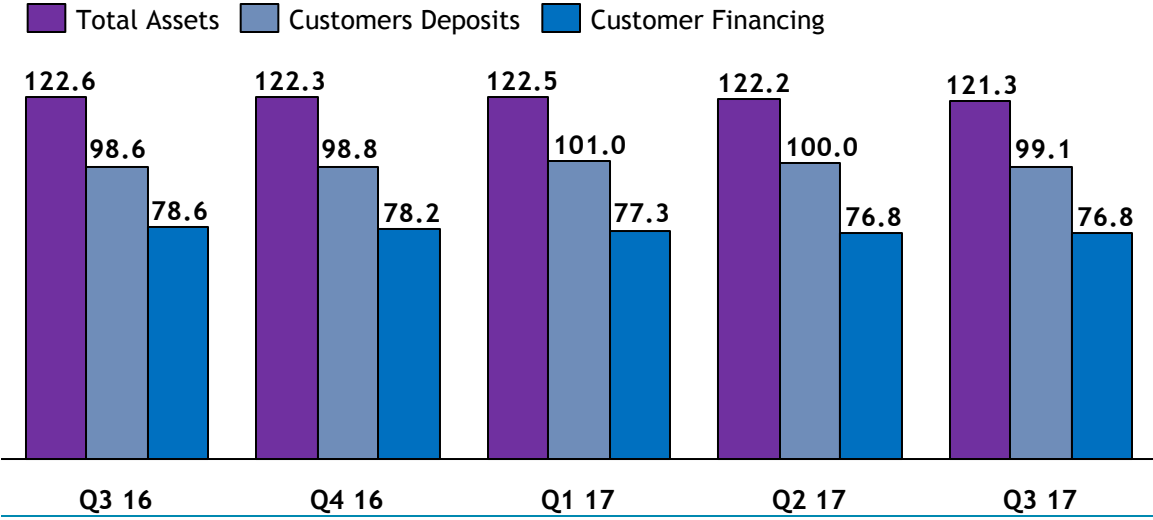
- Revenues are up by 4% driven by fee income mainly from Cards, Wealth management, Takaful products, FX and Investment income.
- Expenses up by 3% mainly due to continuous investment in our franchise, systems and people.
- Operating profit up by 5%.
- Provision for impairment down by 13%.
- Net profit up by 13%.



30 Sept 2017 - Key financial highlights - Balance sheet

AED Bn	Sept 16	Sept 17	Change %	Dec 16	Change %
Total assets	122.6	121.3	-1.1%	122.3	-0.8%
Net customer financing	78.6	76.8	-2.3%	78.2	-1.8%
Customers' deposits	98.6	99.1	0.5%	98.8	0.3%
Total equity	15.6	16.1	3.5%	15.5	4.4%

- Total assets decreased by 1% over Q3 2016 to reach AED 121.3 Bn.
- Customer financing dropped 2% from Q3 2016 to reach AED 76.8 Bn primarily due to repayments in Wholesale banking.
- Customer deposits increased by only 1% over Q3 2016 despite growth in Retail deposits by 6%.
- Advances to Stable Funds Ratio at 30 Sept 2017 was 81.1%. Advances to Deposits Ratio was 77.5% as at 30 Sept 2017.
- Capital adequacy ratio at 30 Sept 2017 was 16.28% - Basel II. Tier 1 ratio at 30 Sept 2017 was 15.68%.



Key ratios

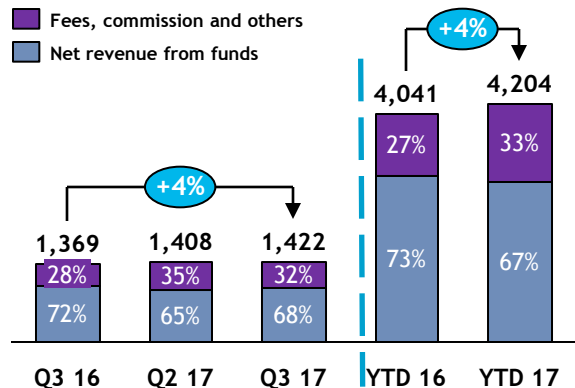
	Ratios	Sep 2016	Sep 2017
Efficiency	Diluted Earnings per share (EPS in AED)	0.425	0.485
	Return on Average Shareholders' Equity (excluding - Tier 1 capital)	17.9%	19.1%
	Net profit margin (%)	4.3%	4.5%
	Cost / income ratio	44.9%	44.4%
Liquidity	Percentage lent (Financing / Total Assets)	64.1%	63.3%
	Financing to Deposits ratio	79.7%	77.5%
	Advances to Stable funds ratio	85.3%	81.1%
	Liquid Assets to Total Assets ratio	21.4%	19.0%
Solvency	Capital Adequacy - Basel II	15.0%	16.3%
	Tier -1 ratio - Base II	14.4%	15.7%
	Leverage ratio (Assets / Equity)	786%	751%
Asset Quality	Non - performing ratio (Impaired NPA / Gross Financing)	3.5%	4.8%
	Total provision coverage (Total provisions / Impaired NPA)	114.5%	82.0%
	Specific provision coverage (Specific provisions / Impaired NPA)	42.2%	37.5%
	Total provisions / Gross Customer Financing	4.0%	3.9%

Operating Performance - Net profit income

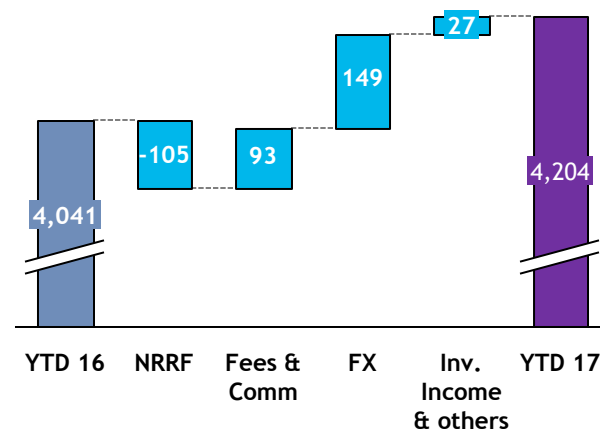
Highlights (YTD 2017 vs. YTD 2016)

- Revenues, up by 4.0% to AED 4,204.4 Mn.
- Net revenue from Funds (NRFF) 3.6% lower, primarily due to 3.9% drop in customer financing revenues which is partially netted - off by drop in funding cost by 5.9%.
- Non -NRFF income up by 24.3% and now constitute 32.6% of total revenue.

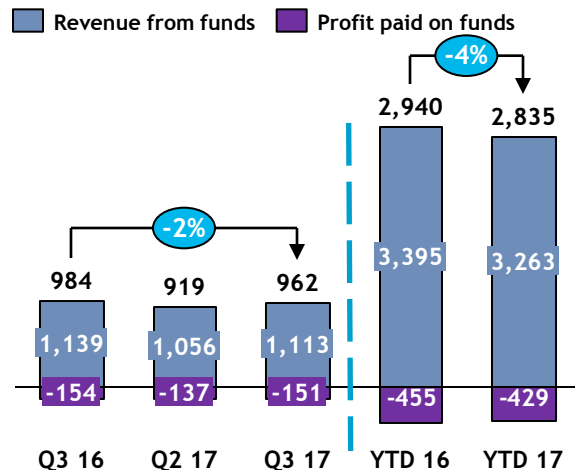
Revenues (AED Mn)



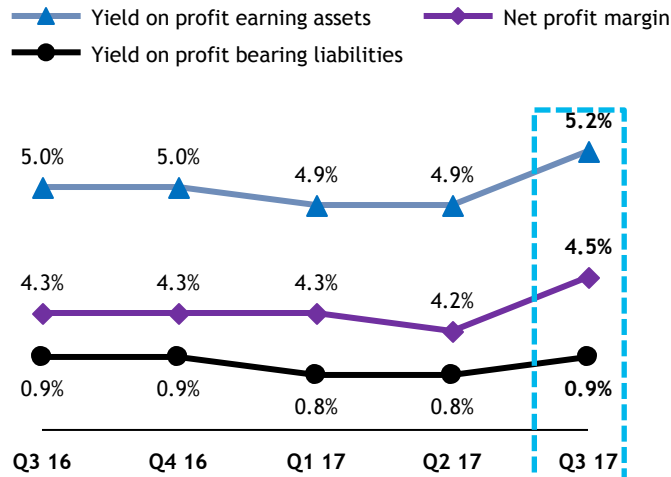
Key movements in Revenues (AED Mn)



Net Revenue from Funds (AED Mn)



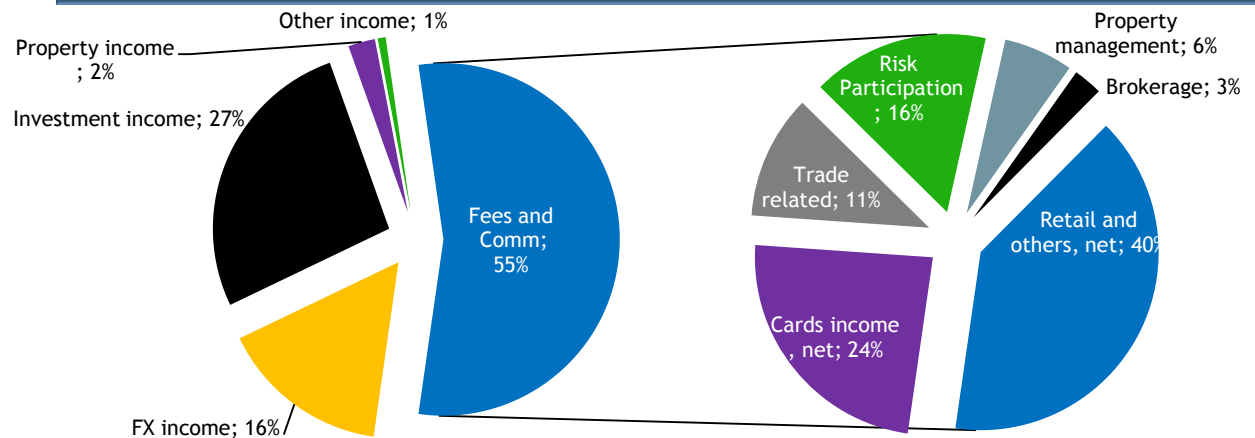
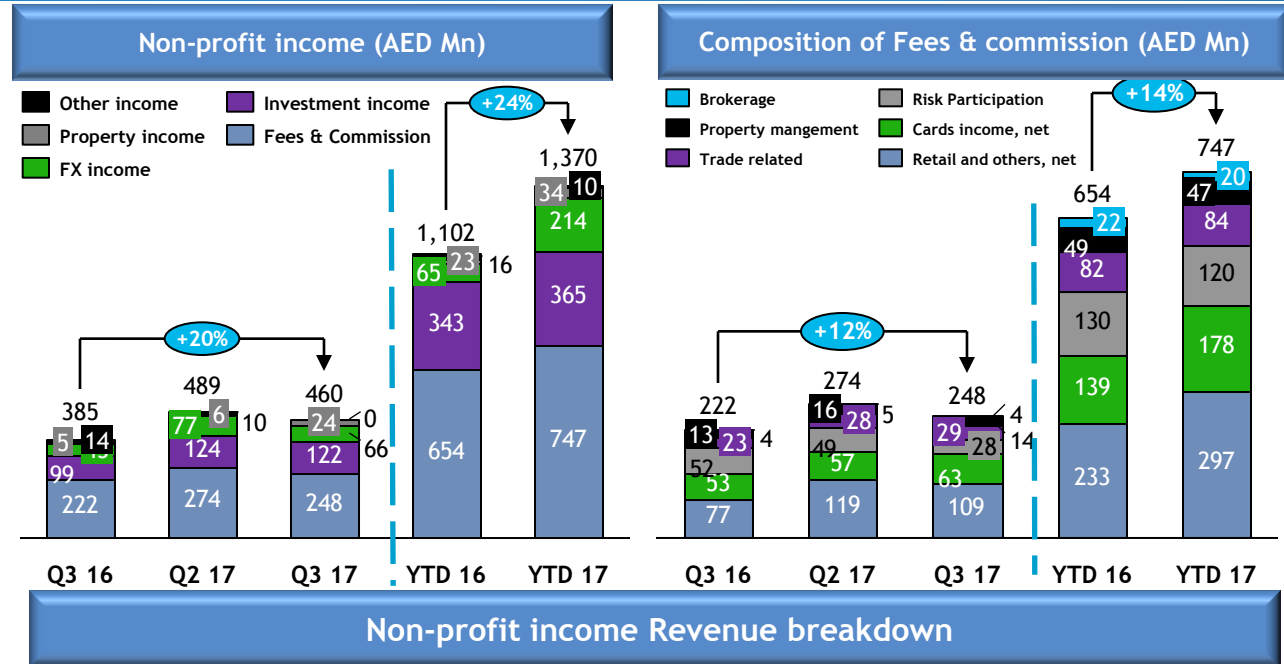
Evolution of Yields (%)



Operating Performance - Non-profit income

Highlights (YTD 2017 vs. YTD 2016)

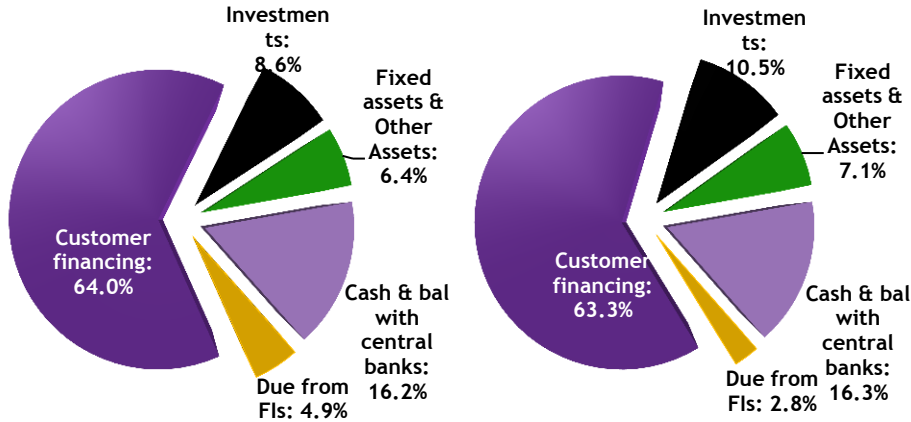
- Non-profit income up by 24.3% at AED 1,370 Mn.
- FX income higher by 228.2% at AED 214 Mn primarily due to one-off loss in YTD 2016 of AED 60 Mn. Ex one-off loss, the growth was 70.9%.
- Fees and commission income higher by 14.1% mainly from cards, wealth management and Takaful products.
- Investment income higher by 7.2% primarily due increase in sukuk income resulting from increase in trading and HTM portfolio. Ex one-off gain on sale of investment securities of AED 40 Mn in YTD 2016, the growth was 22.7%.



Balance Sheet Strength and Customer Financing

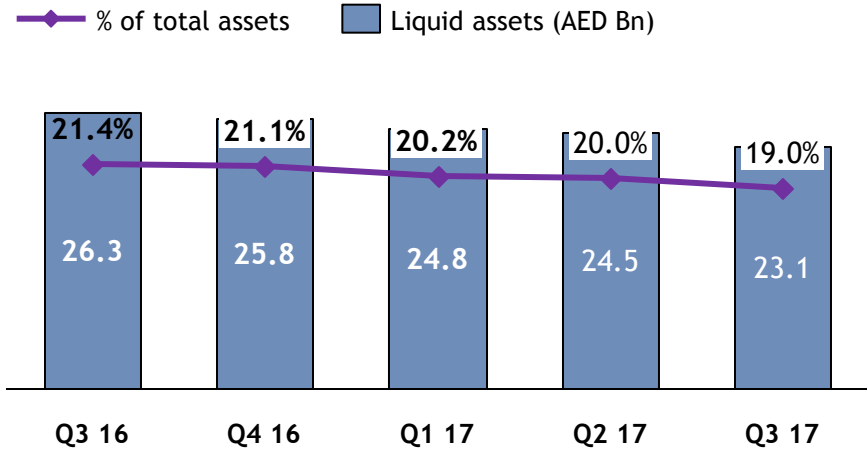
Customer Portfolio lower by 2.4% mainly due to repayments in WBG, however Personal banking assets grew 4.5%

Composition of Total Assets - AED Bn

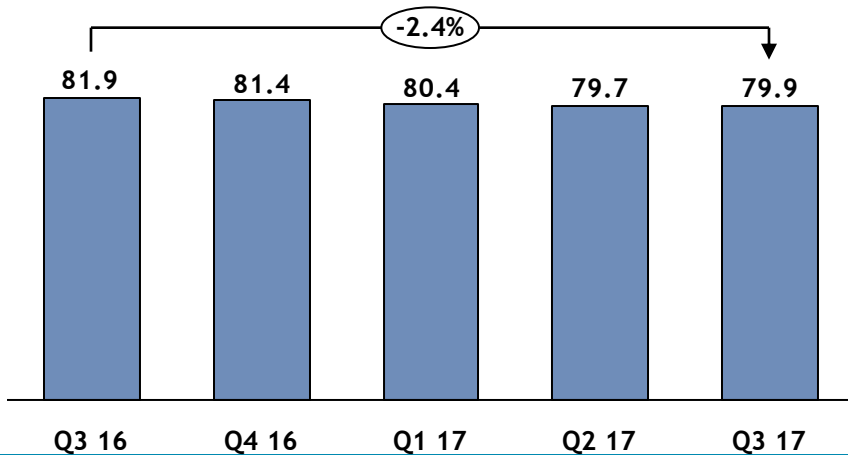


31 Dec 2016 - AED 122.3 Bn 30 Sept 2017 - AED 121.3 Bn

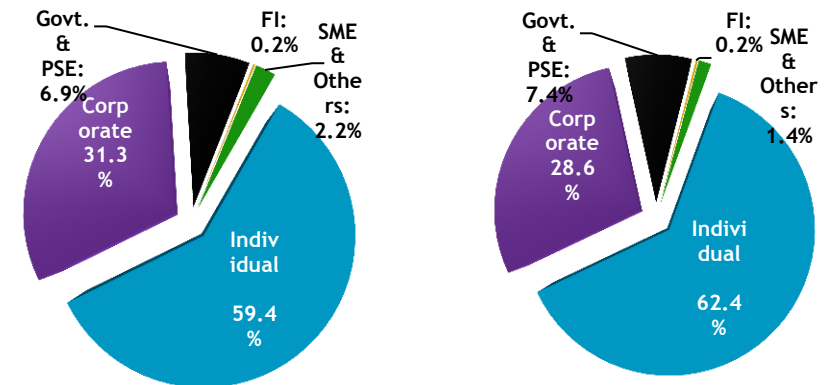
Liquidity ratio* (%)



Gross Customer Financing by Segment



Gross Customer Financing by Customer Segment



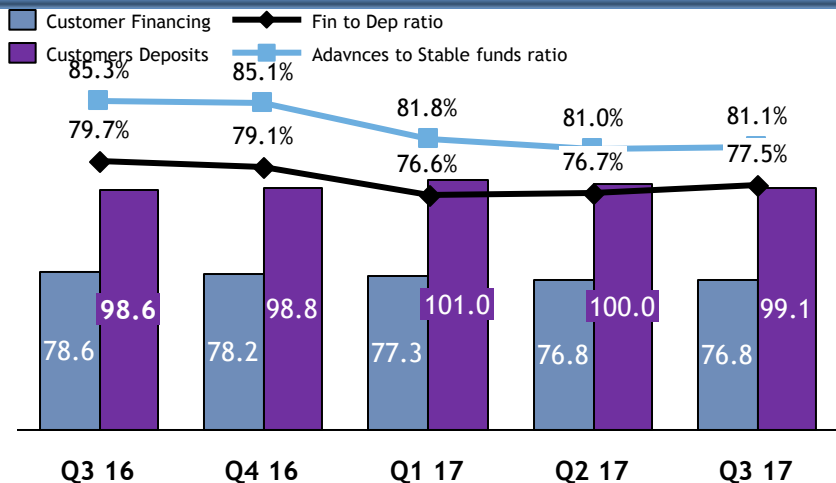
31 Dec 2016 - AED 81.4 Bn 30 Sep 2017 - AED 79.9 Bn

* Liquid assets include cash and balances with central banks and interbank placements (liquidity ratio is calculated as follows: liquid assets divided by total assets).

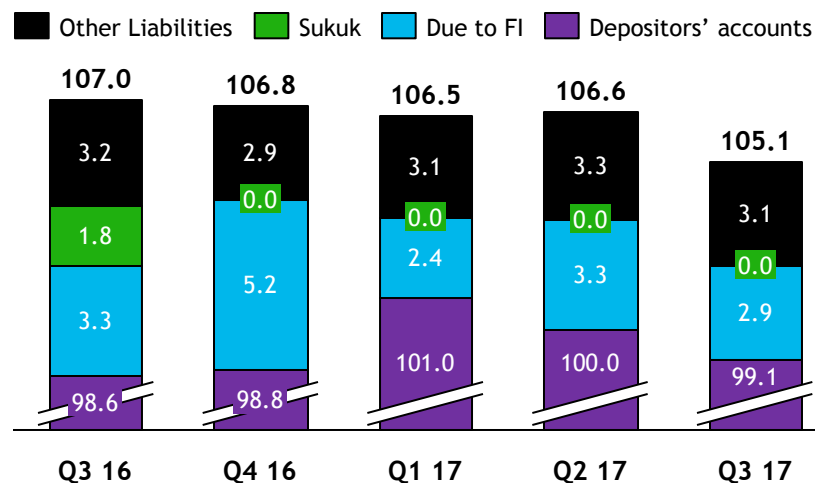
Funding Profile

Healthy Financing to Deposit ratio of 77.5%. While Deposit grew only 0.5% vs Q3 16, Retail segment deposits have increased by 6% due to growth in CASA

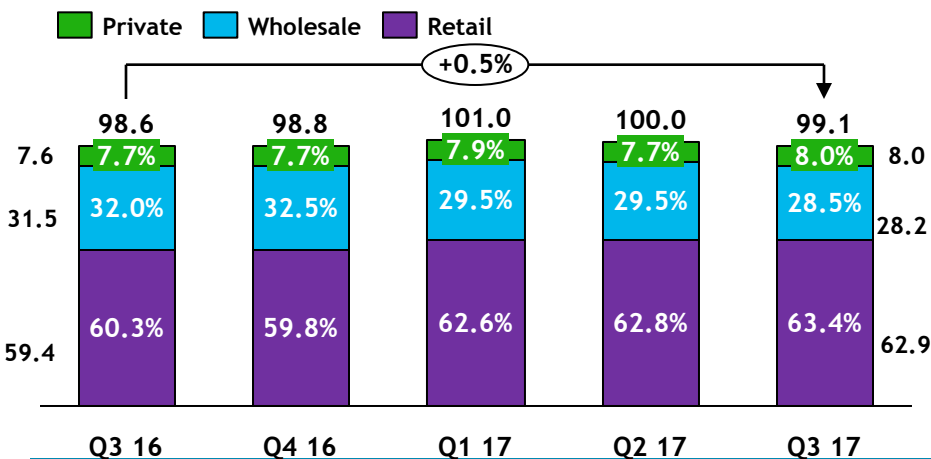
Net Customer Financing & Customers' Deposits (AED Bn)



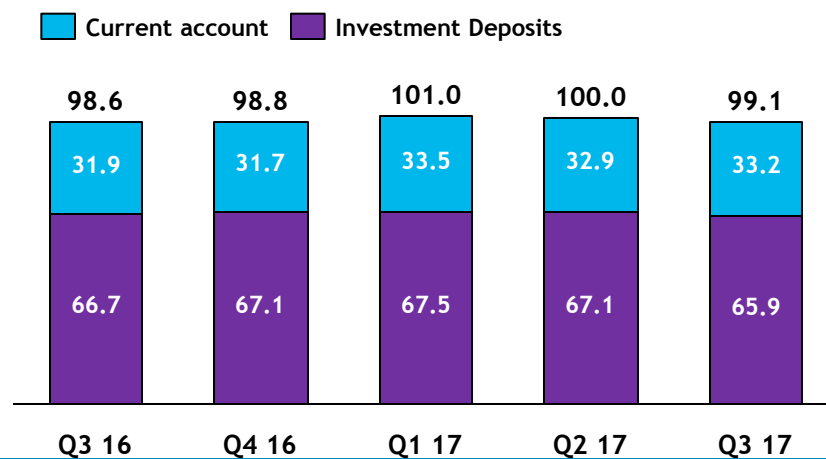
Composition of Liabilities (AED Bn)



Customers' Deposits by Segment (AED Bn)

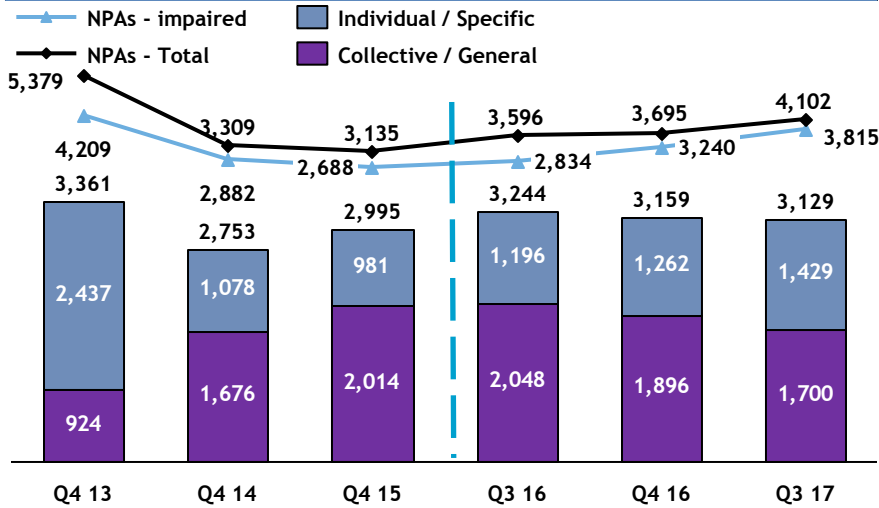


Customers' Deposits by Type (AED Bn)

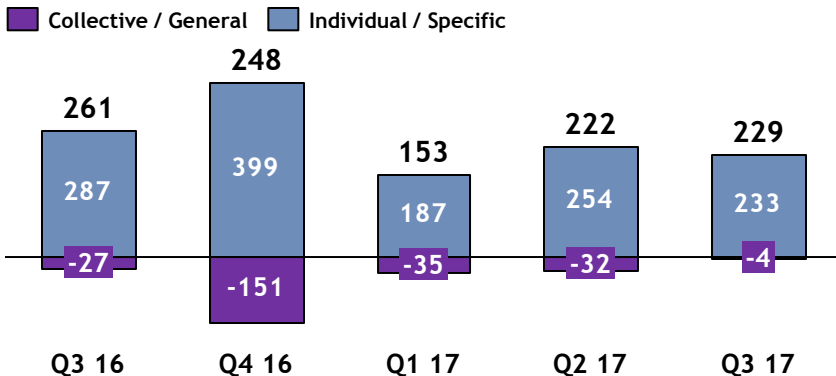


Asset quality - Customer financing only

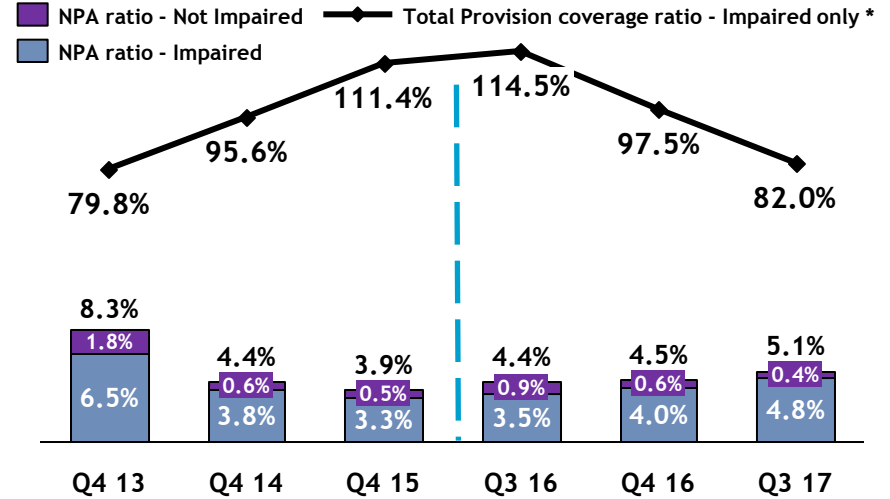
Provisions and NPAs - Customer financing (AED Mn)



Impairment charge - Customer financing (AED Mn)



NPA ratio and Provision Coverage ratio



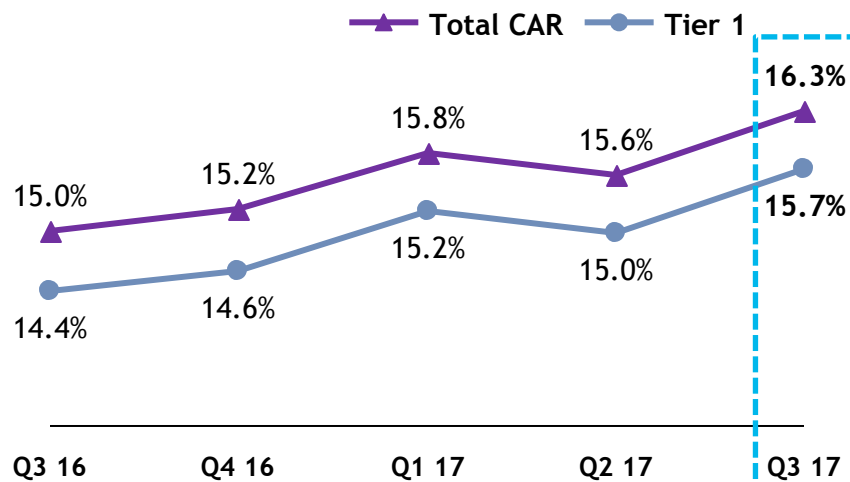
Key points

- Total NPAs increased by AED 506 Mn during 9 months of 2017 to reach AED 4,102 Mn (31 Dec 16: AED 3,695 Mn).
- Impaired NPAs ratio at 4.8% as at 30 Sept 2017 (4.0% at 31 Dec 2016) with coverage of 82.0% (31 Dec 2016: 97.5%).
- Collective provisions of AED 1,700 Mn at end of Q3 2017 represents 1.97% of total Credit RWAs (31 Dec 2016: 2.12%).
- Individual provisions of AED 1,429 Mn at 37.5% of impaired NPAs at end of Q3 2017 (31 Dec 2015: 39.0%).
- Total provisions of AED 3,129 Mn represents 3.91% (31 Dec 2016: 3.88%) of Gross Financing portfolio.

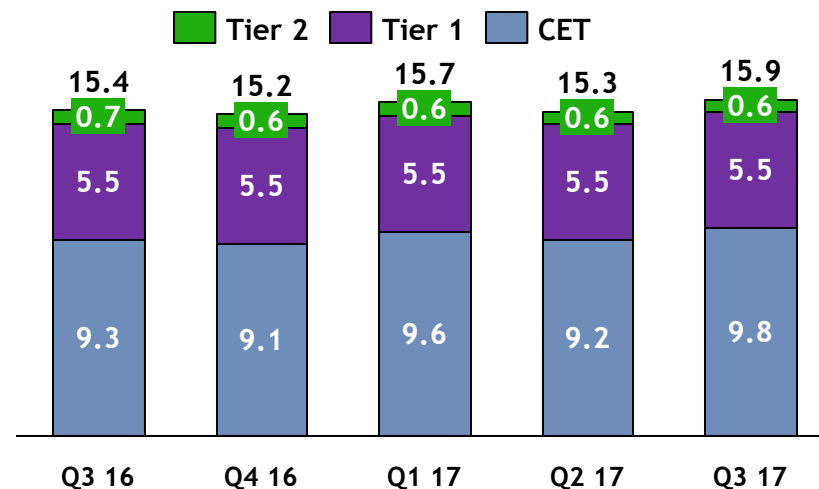
Capital Adequacy Ratio (CAR)

Total CAR at 16.3% remains above the minimum requirement of 12% under Basel 2

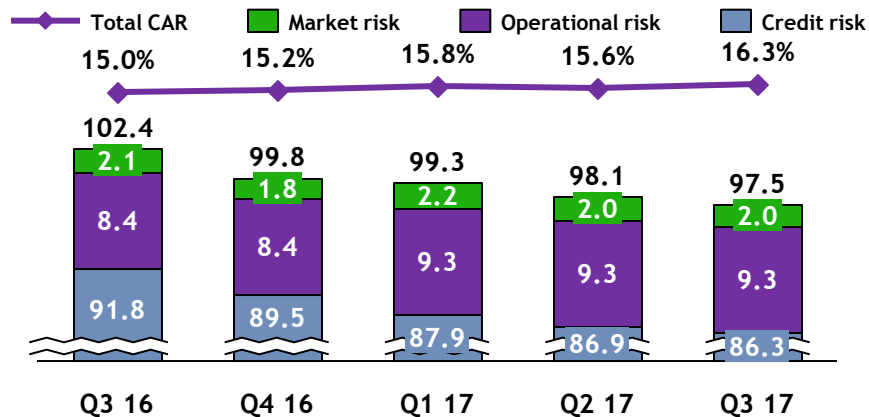
Capital Adequacy Ratio (%)



Capital base - CET, Tier 1 and Tier 2 - AED Bn



Total Capital Adequacy Ratio and RWA



Highlights

- Basel II Total Capital Adequacy ratio at end of Sept 2017 at 16.28% well above the regulatory requirement of 12%. (31 Dec 16: 15.25%).
- Basel II Tier I ratio at 15.68% at the end of Sept 2017 well above the regulatory requirement of 8%. (31 Dec 16: 14.61%).
- Basel II CET1 ratio at 10.06% at the end of Sept 2017 (31 Dec 16: 9.12%).
- Basel III: Total CAR: 16.59%; Tier 1: 15.53%, CET 1: 9.87%.

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ADIB Strategy

To become a top tier regional bank
by
Providing Islamic financial solutions for everyone

Build Market Leadership within the UAE

- The key customer service sectors are Personal Banking, Business Banking, Wholesale Banking, Private Banking and Community Banking supported by Cards, Treasury, Corporate Finance and Investment Banking, Wealth Management and Transaction Banking.
- ADIB's retail presence will continue to build towards market leadership.
- At the heart of ADIB's customer-centric approach is a Bank-wide focus on customer service excellence.

Create an Integrated Financial Services Group

- ADIB continues to build a diversified Islamic financial services model.
- Currently ADIB provides customers access to brokerage (through ADIB Securities), Takaful insurance (through Abu Dhabi National Takaful Company) and Real Estate Management (through MPM) and is building its merchant acquiring and foreign exchange business propositions.

Pursue International Growth Opportunities

- With the growing acceptance of Islamic banking worldwide, ADIB is increasingly turning its attention to replicating its business model through systematic geographic expansion.
- ADIB's international expansion began in Egypt with the acquisition via a joint venture structure of National Bank of Development followed by the establishment of Iraq, UK, Saudi Arabia operations and will continue with the new operations in Qatar and Sudan.
- ADIB is also in the process of applying for banking licenses in a range of other countries.

Simple & Sensible

Transparency

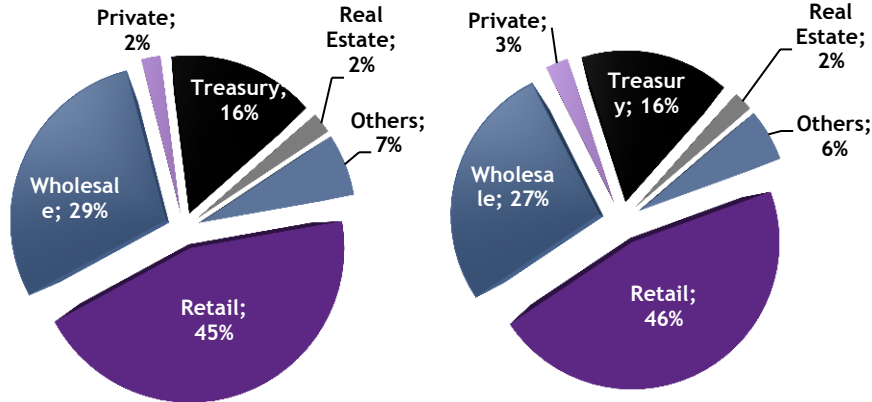
Mutual Benefit

Hospitality &
Tolerance

Shari'a Inspired

Business unit contribution

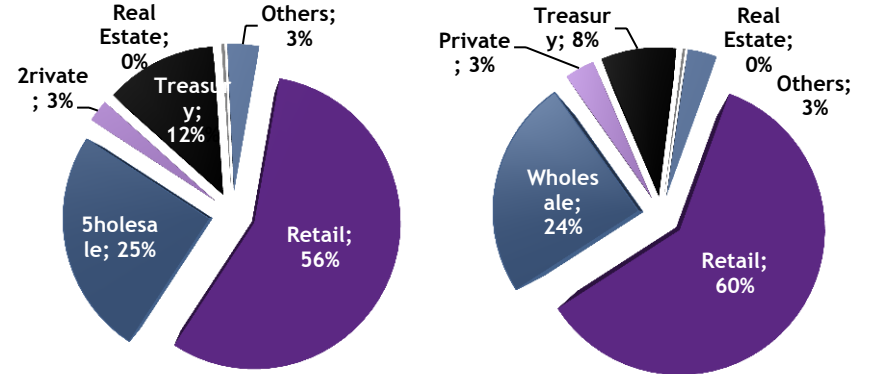
Composition of Total Assets - AED Bn



30 Sep 2016 - AED 122.6 Bn

30 Sep 2017 - AED 121.3 Bn

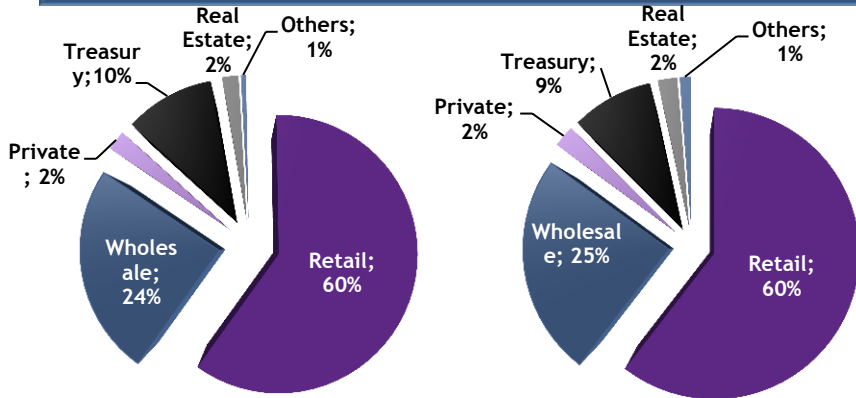
Composition of Total Liabilities - AED Bn



30 Sep 2016 - AED 107.0 Bn

30 Sep 2017 - AED 105.1 Bn

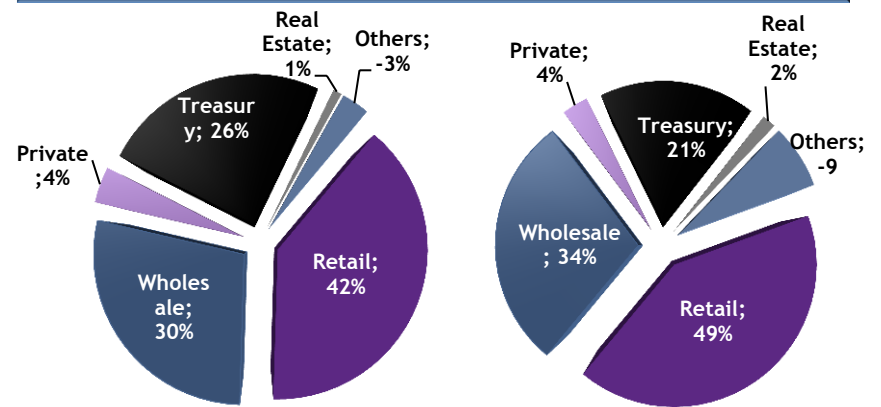
Composition of Revenues - AED Mn



YTD 2016 - AED 4,041.3 Mn

YTD 2017 - AED 4,204.4 Mn

Composition of Net profit - AED Mn



YTD 2016 - AED 1,498.4 Mn

YTD 2017 - AED 1,693.0 Mn

Global Retail Banking overview

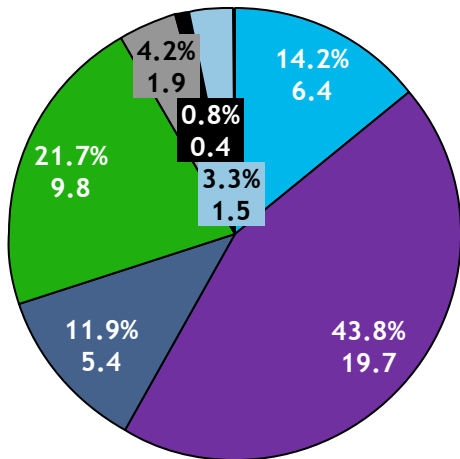
Personal banking assets grew 4.5% YoY (3.8% vs Dec 16)

Global Retail Banking contributes 61% of Net Revenues:

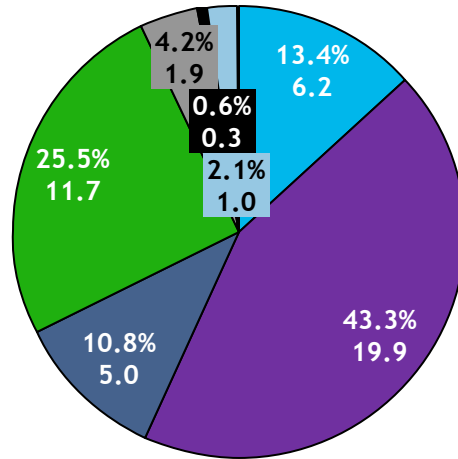
- Personal Banking Division provides services for individuals clients, while the Business Banking Division services the needs of SMEs.
- These services include a variety of Shari'a compliant financing.

Gross Retail Financing Portfolio

■ Car Finance ■ Mortgage ■ Covered Cards ■ SME
■ Personal Finance ■ Home Finance ■ Others

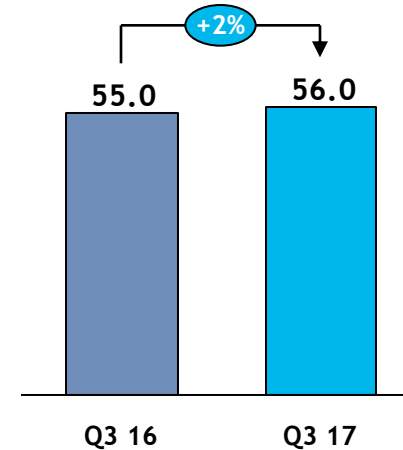


31 Dec 2016 - AED 44.9 Bn

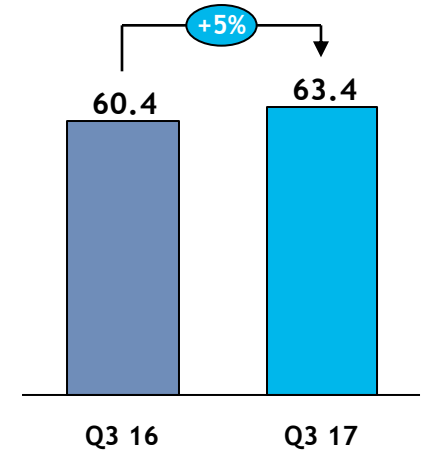


30 Sept 2017 - AED 46.0 Bn

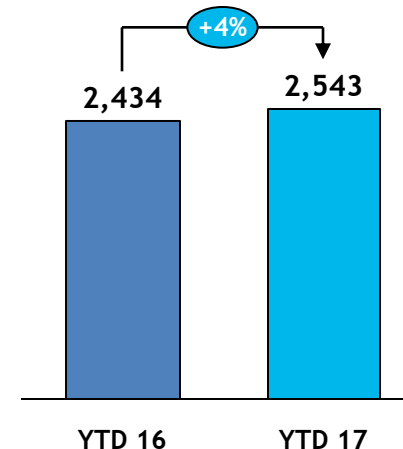
Assets (AED Bn)



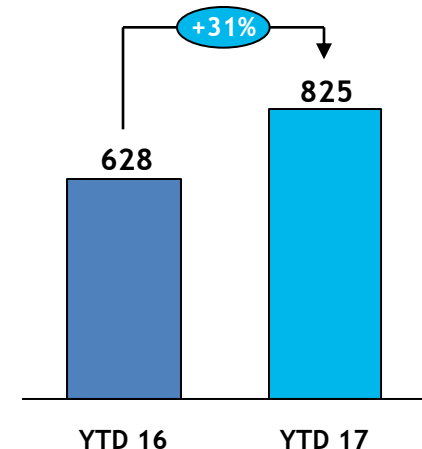
Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)



Global Wholesale Banking overview

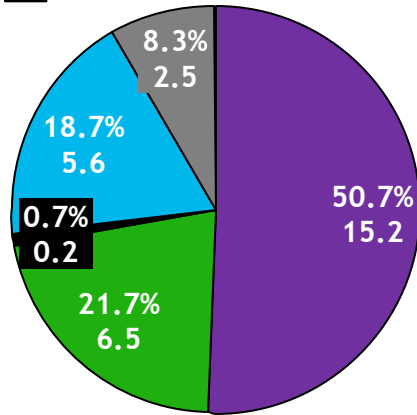
Customer Portfolio lower by 8.0% YoY (6.7% vs Dec 16) mainly due to repayments

Global Wholesale Banking contributes 24% of Net Revenues:

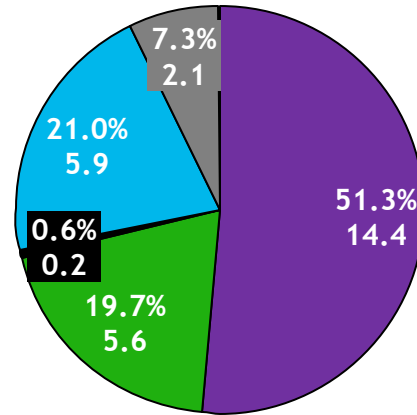
- Global Wholesale Banking encompasses the large corporates, emerging corporates and financial institutions divisions of the Bank. The array of services includes Transaction Banking and Corporate Finance and Investment Banking.

Gross Wholesale Financing Portfolio

- Corporate- AUH
- Corporate- Dubai & Others
- FI
- Government and Public sector
- International

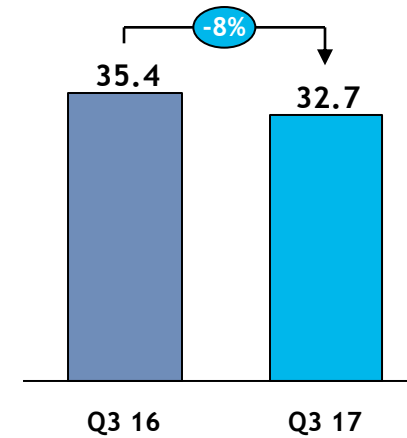


31 Dec 2016 - AED 30.0 Bn

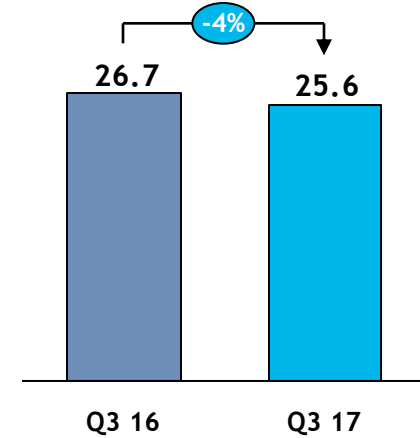


30 Sept 2017 - AED 28.2 Bn

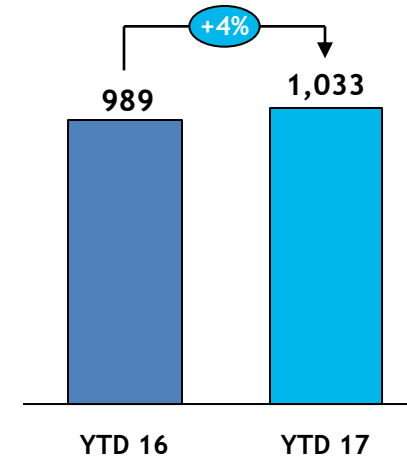
Assets (AED Bn)



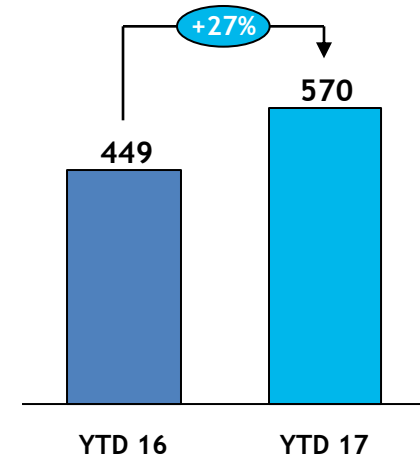
Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)

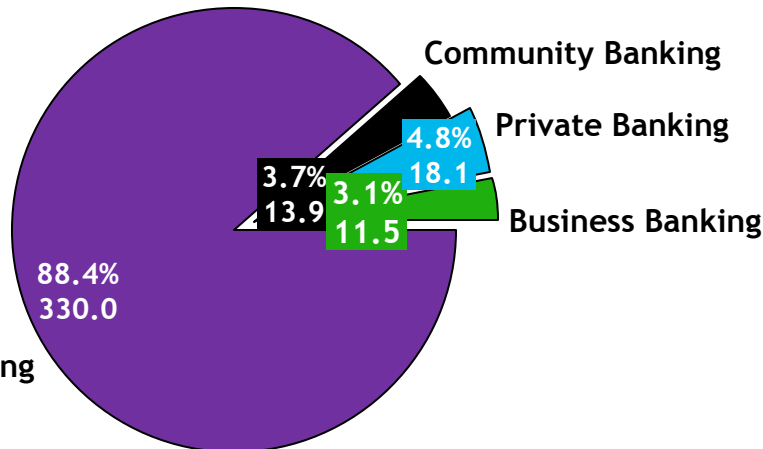


Private Banking overview

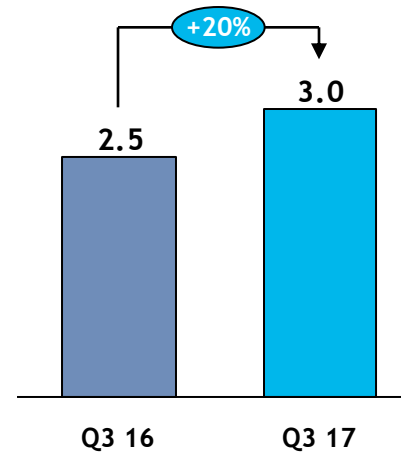
Private Banking contributes 2% of Net Revenues

- Private Banking focuses on high and ultra high net worth individuals.
- Wealth Management concentrates on developing, marketing and servicing a wide range of wealth management products (including third party and ADIB proprietary funds) for high net worth, affluent and mass market.

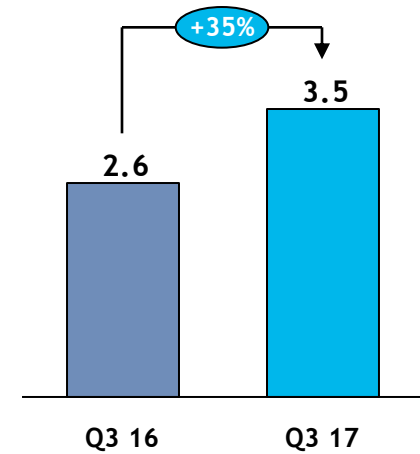
Wealth Management AuM - AED 373.5 Mn



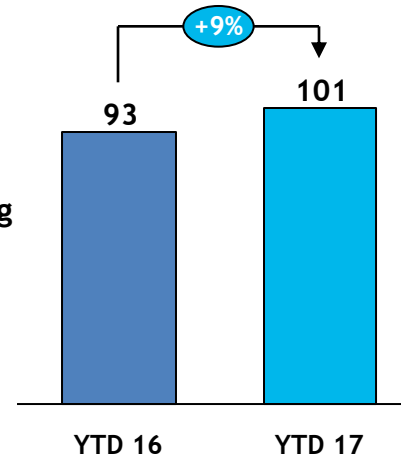
Assets (AED Bn)



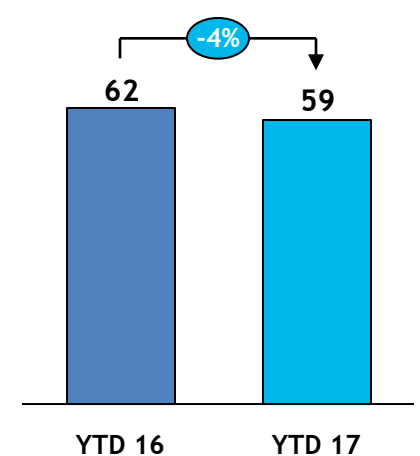
Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)



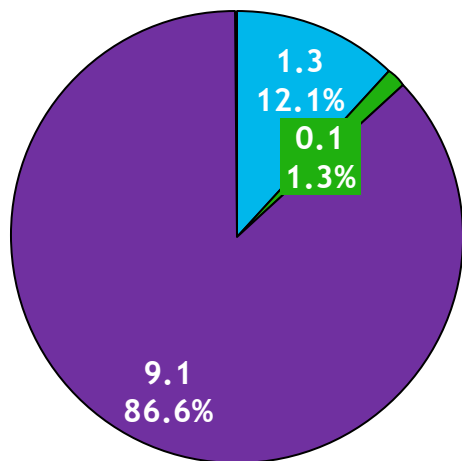
Treasury overview

Treasury contributes 9% of Net Revenues

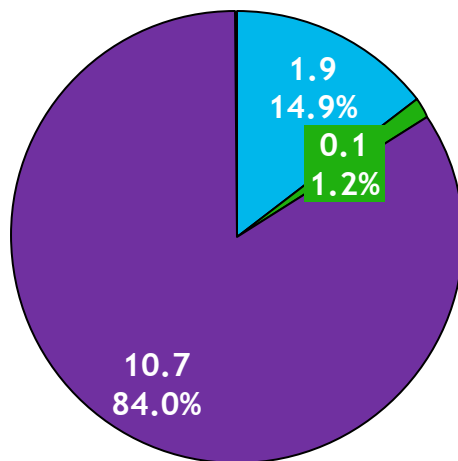
- Treasury principally handles money market brokerage, trading and treasury services, as well as the management of the Bank's funding operations by use of investment deposits.

Investments

- Fair value through P&L
- Amortised cost
- Fair value through OCI

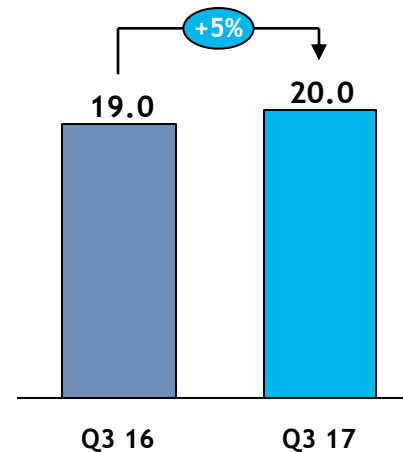


31 Dec 2016 - AED 10.5 Bn

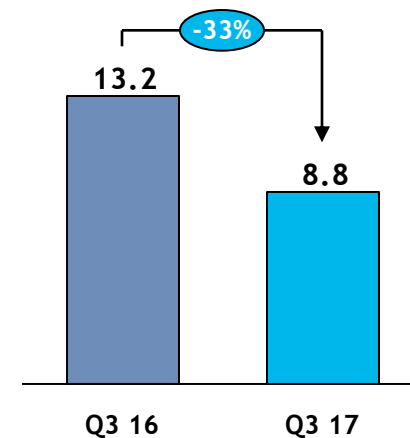


30 Sep 2017 - AED 12.7 Bn

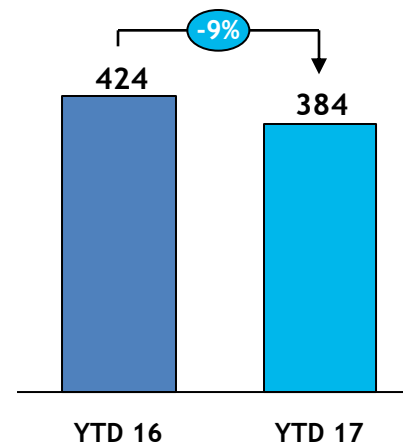
Assets (AED Bn)



Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)

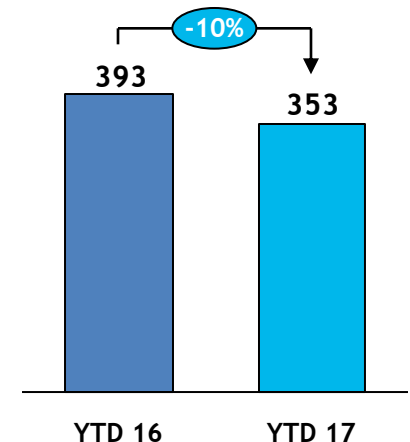


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Consolidated Statement of Income

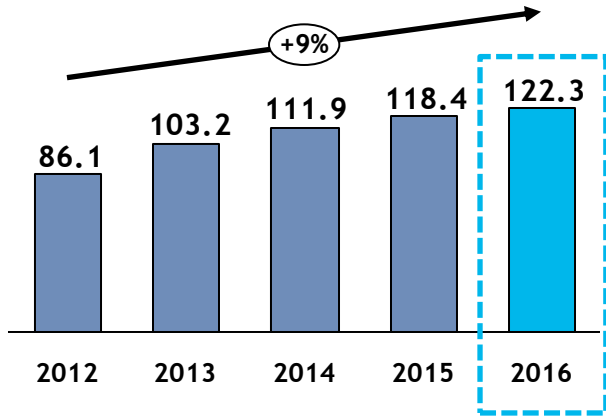
AED Mn	Q3 16	Q2 17	Q3 17	% chg Q3 17 vs Q3 16	% chg Q3 17 vs Q2 17	YTD 16	YTD 17	% chg YTD 17 vs YTD 16
Revenues	1,369.1	1,408.0	1,422.3	3.9%	1.0%	4,041.3	4,204.4	4.0%
Net Revenue from Funds	984.4	918.5	961.9	-2.3%	4.7%	2,939.7	2,834.6	-3.6%
Fees & commission	221.9	273.7	248.0	11.7%	-9.4%	654.5	747.0	14.1%
Investment income	103.3	129.2	146.6	41.9%	13.5%	365.9	398.8	9.0%
Foreign Exchange	45.1	76.8	65.7	45.7%	-14.5%	65.2	213.9	228.2%
Other income	14.3	9.8	0.2	-98.9%	-98.3%	16.0	10.0	-37.5%
Expenses	588.2	627.2	609.4	3.6%	-2.8%	1,813.1	1,864.8	2.8%
Employee cost	337.0	349.7	354.6	5.2%	1.40%	1,057.9	1,054.1	-0.4%
Premises	58.8	67.4	63.5	7.9%	-5.8%	172.3	197.5	14.6%
Depreciation	50.1	55.4	54.2	8.2%	-2.1%	151.7	164.9	8.7%
Other Operating expenses	142.3	154.8	137.2	-3.6%	-11.4%	431.2	448.4	4.0%
Operating Profit - Margin	780.9	780.8	812.9	4.1%	4.1%	2,228.2	2,339.6	5.0%
Provision for impairment	267.7	216.4	242.7	-9.3%	12.1%	717.8	623.4	-13.1%
- Individual / Specific	287.3	254.1	233.0	-18.9%	-8.3%	687.4	667.9	-2.8%
- Collective / General	(26.7)	(32.4)	(4.1)	-84.8%	-87.4%	33.1	(64.7)	-295.3%
- Others	7.2	(5.3)	13.7	91.6%	-360.1%	(2.7)	20.2	843.8%
Net profit before zakat & tax	513.2	564.3	570.2	11.1%	1.0%	1,510.4	1,716.2	13.6%
Zakat & Tax	4.3	12.7	6.3	48.7%	-50.3%	11.9	23.2	94.6%
Net Profit after zakat & tax	508.9	551.6	563.9	10.8%	2.2%	1,498.4	1,693.0	13.0%

Consolidated Balance Sheet

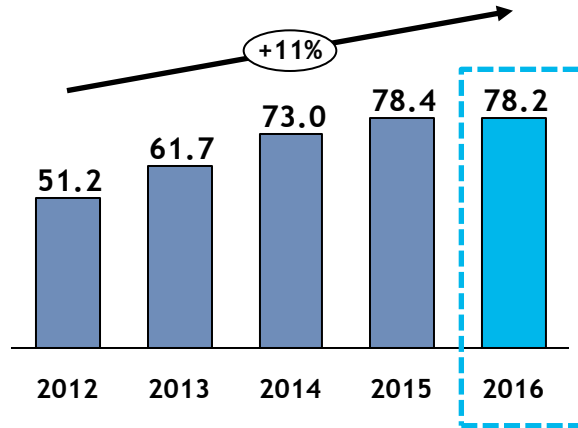
AED Mn	30 Sep 2016	31 Dec 2016	30 Sep 2017	% chg 30 Sep 2017 vs 30 Sep 2016	% chg 30 Sep 2017 vs 31 Dec 2016
Cash and balances with Central Banks	20,438	19,778	19,720	-3.5%	-0.3%
Due from financial institutions	5,857	6,009	3,363	-42.6%	-44.0%
Net Customer financing	78,624	78,211	76,808	-2.3%	-1.8%
Investments	9,710	10,460	12,775	31.6%	22.1%
Investment in associates	777	754	872	12.2%	15.7%
Investment and development properties	2,053	2,045	1,954	-4.8%	-4.5%
Other assets / fixed assets / intangibles	5,129	5,033	5,778	12.7%	14.8%
TOTAL ASSETS	122,589	122,290	122,269	-1.1%	-0.8%
Due to financial institutions	3,339	5,154	2,896	-13.3%	-43.8%
Customers' deposits	98,610	98,814	99,094	0.5%	0.3%
Other liabilities	3,210	2,863	3,137	-2.3%	9.6%
Sukuk payable	1,836	-	-	-100%	-
TOTAL LIABILITIES	106,996	106,831	105,127	-1.7%	-1.6%
Share capital	3,168	3,168	3,168	-	-
Tier 1 sukuk	5,673	5,673	5,673	-	-
Proposed dividend	-	777	-	-	-100%
Reserves	6,752	5,841	7,302	8.1%	25.0%
TOTAL EQUITY	15,593	15,459	16,142	3.5%	4.4%
TOTAL LIABILITIES AND EQUITY	122,589	122,290	121,269	-1.1%	-0.8%

Financial Snapshot (1/2)

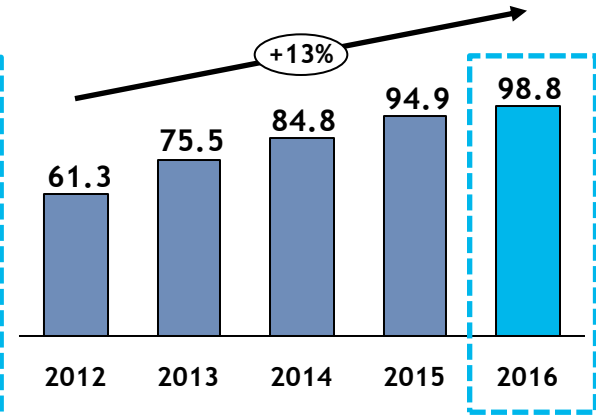
Total Assets (AED Bn)



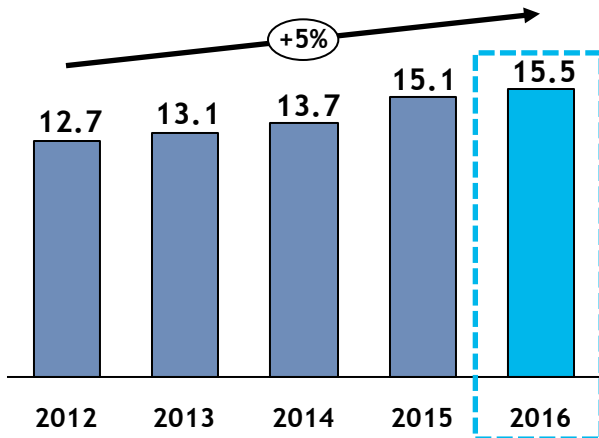
Net Customer Financing (AED Bn)



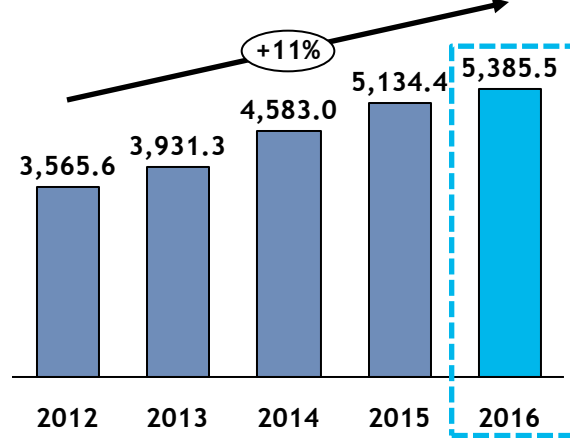
Customer Deposits (AED Bn)



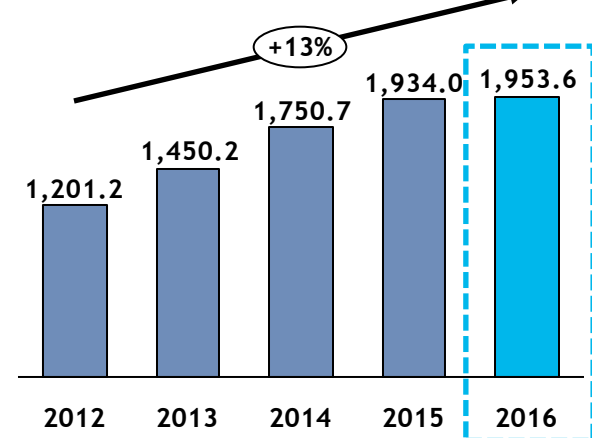
Equity (AED Bn)



Revenues (AED Mn)

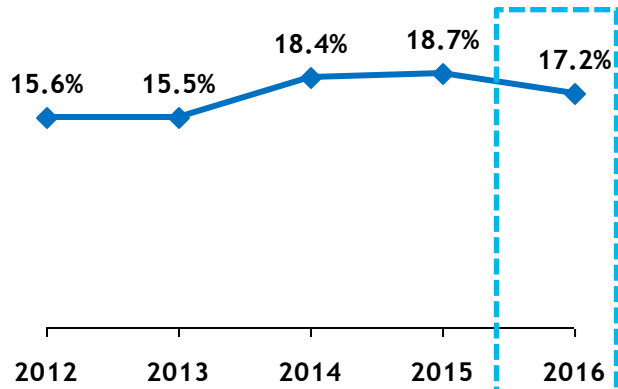


Net Profit (AED Mn)

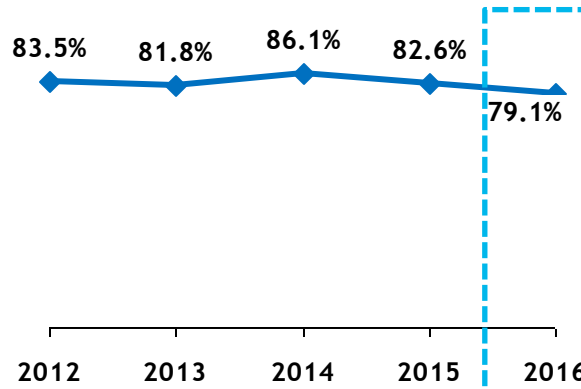


Financial Snapshot (2/2)

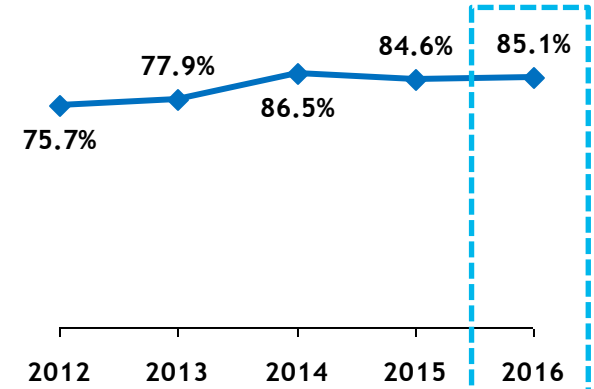
Return on Avg Shareholders' Equity (%)



Financing to Deposits Ratio (%)

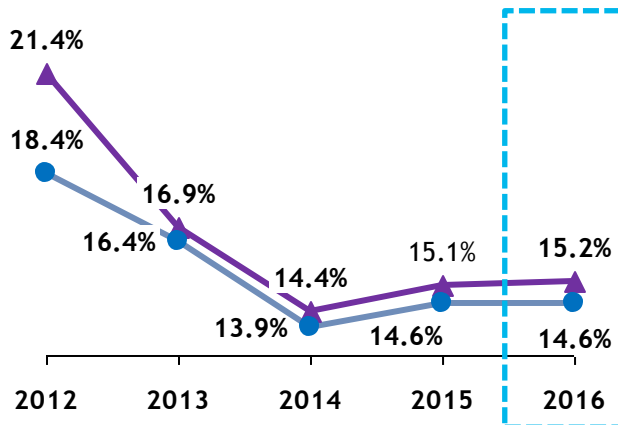


Advances to Stable Funds Ratio (%)



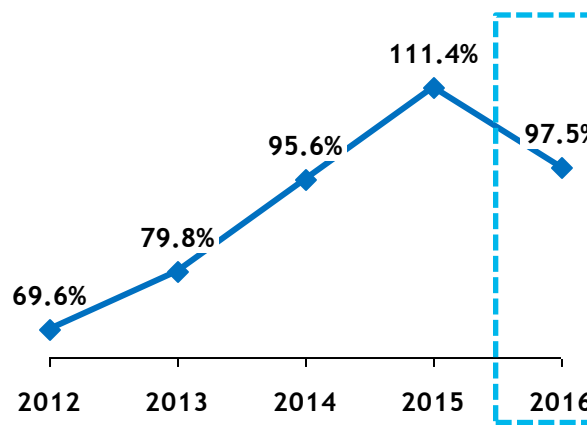
CAR (%)

▲ Total CAR ● Tier 1



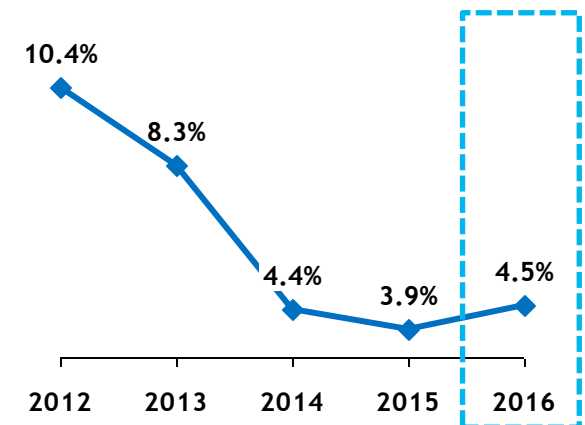
Provision Coverage (%)

◆ Total Provision coverage ratio - Impaired only *



Non - Performing Ratio (%)

◆ Total Non performing ratio



An award winning Bank – 2017 (1/2)



Global Islamic Business Award
by Department of Economic
Development



Best Online Banking Services
By Banker Middle East



Mena HR Excellence awards
Best Emiratization Initiative



Best Performance
Campaign' by MENA Digital
Awards



Best Islamic Bank in the UAE
Global Finance



Best Home Finance in
the Middle East



Best Sport CSR
Initiative of the Year



Best Youth
Development Program

An award winning Bank (2/2)



“SKEA - Gold category”
Sheikh Khalifa Excellence award -2016



Mohammed Bin Rashid Business
award for 2 consecutive years



“Best Overall Bank in Customer
Service” for 4 consecutive years
in the UAE by Ethos consultancy



“Best Overall Bank in Customer
Service” in the GCC
by Ethos consultancy



“Best Private Bank in the
Middle East for Islamic
Finance” by Private Banker
International



Best Islamic Bank of the year in
the Middle east and UAE -
Banker Magazine by Financial Times



“Best Islamic Bank in the UAE”
by Islamic Finance News



“Best Overall Islamic Bank “
International Financial Law Review
Magazine

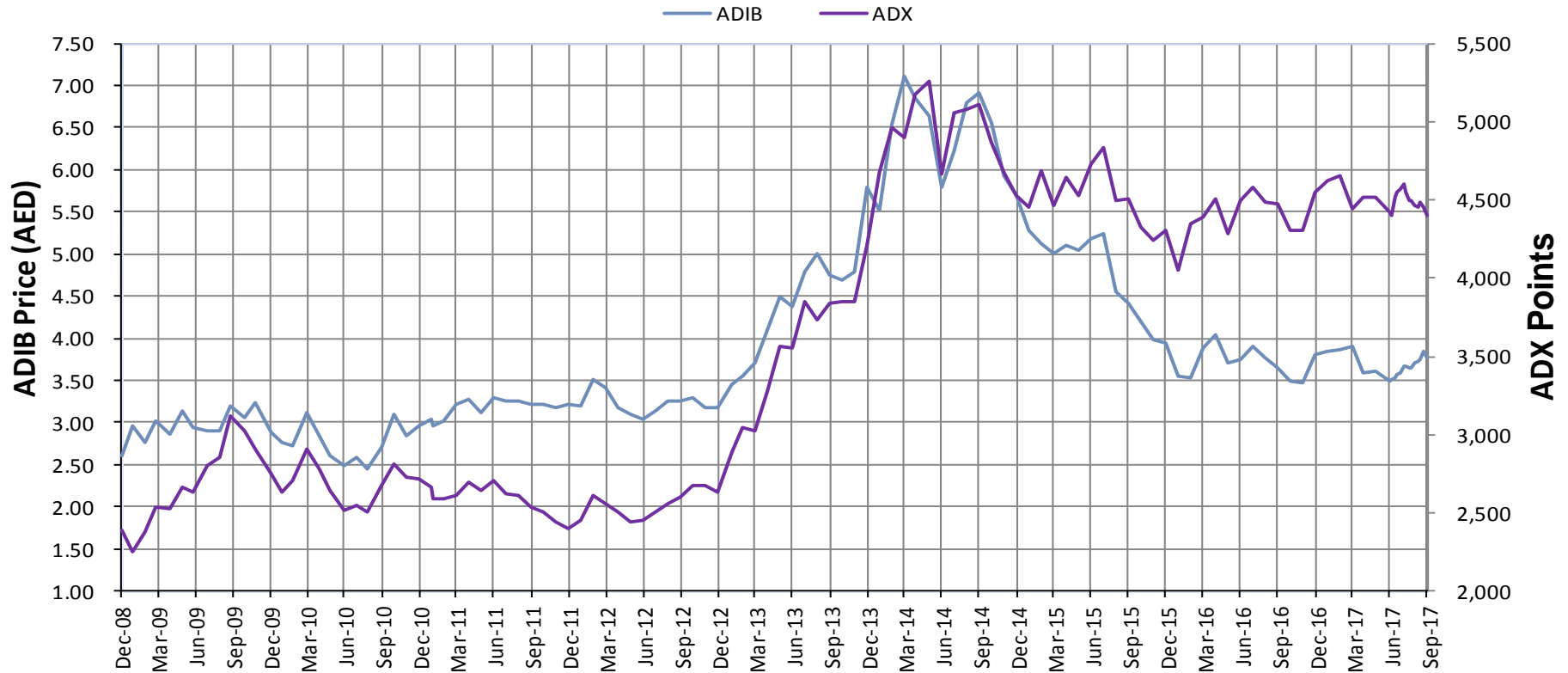
Dividend Distribution History

	2009	2010	2011	2012	2013	2014	2015	2016
Net Profit (Mn)	78.0	1,023.6	1,155.1	1,201.2	1,450.2	1,750.7	1,934.0	1,953.6
Cash Dividend Payout Ratio (% of Net Profit)	-	50.0%	50.0%	50.0%	50.0%	40.0%	39.8%	39.8%
Cash Dividend (% of Share Capital)	-	21.6%	24.4%	25.4%	30.7%	23.3%	24.3%	24.5%
Cash Dividends (Mn)	-	511.8	577.5	600.6	725.1	700.2	769.0	776.8
Total Dividend Yield	6.9%	7.3%	7.7%	8.0%	9.9%	4.1%	6.2%	6.5%
Bonus shares (Mn)	394.1	-	-	-	635.3	-	-	-
Bonus Shares (% of Share Capital)	20.0%	-	-	-	26.9%	-	-	-

Shareholders' Return

- 30 September 2017 share price was AED 3.77 per share (31 Dec 2016: AED 3.80 per share).
- Cash dividend of 39.8% of net profit, 24.52% of share capital (2015: 24.27% of share capital).
- Total dividend yield of ADIB share of 6.5%. (2015: 6.2%).

ADIB vs ADX



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