

Investor Presentation

31 December 2016 results

Abu Dhabi: February 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	Negative
	AAA	P1	Stable

Stock Info
(Price and
Ratio as of
31 Dec 2016)

Market Cap (Price @ AED 3.80)	AED 12.0 bn (US\$ 3.3 bn)
Diluted EPS / share (AED) -	0.520
PE Ratio	7 times
Price / Book Ratio	1.23
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 (EIIC) 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 - 86 Branches and 749 ATMs (a 24 hour branch at Abu Dhabi International Airport).
- Overseas - Presence in UK, Saudi Arabia, Qatar, Iraq, Sudan & Egypt.

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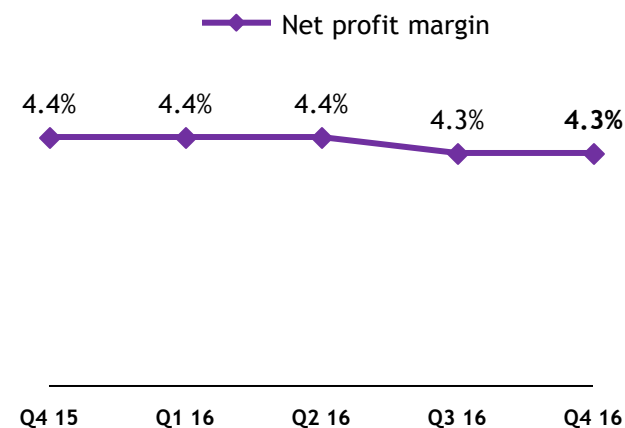
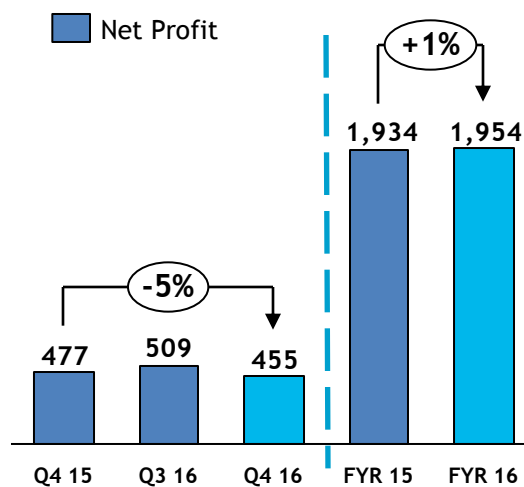
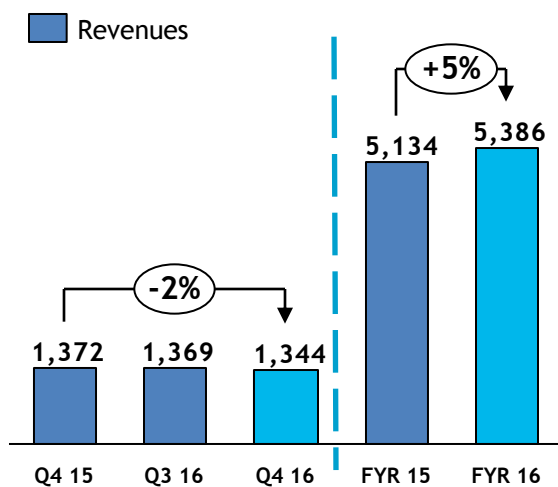
Business Review

Appendix

FYR 2016 – Key financial highlights – Income statement

AED Mn	FYR 2015	FYR 2016	Change %
Net Revenue from funds	3,771.3	3,921.0	4.0%
Fees, commission and others	1,363.1	1,464.5	7.4%
Operating Income	5,134.4	5,385.5	4.9%
Expenses	2,374.1	2,447.9	3.1%
Operating profit	2,760.3	2,937.6	6.4%
Provision for impairment	820.0	970.0	18.3%
Zakat & tax	6.3	14.0	123.6%
Net Profit	1,934.0	1,953.6	1.0%

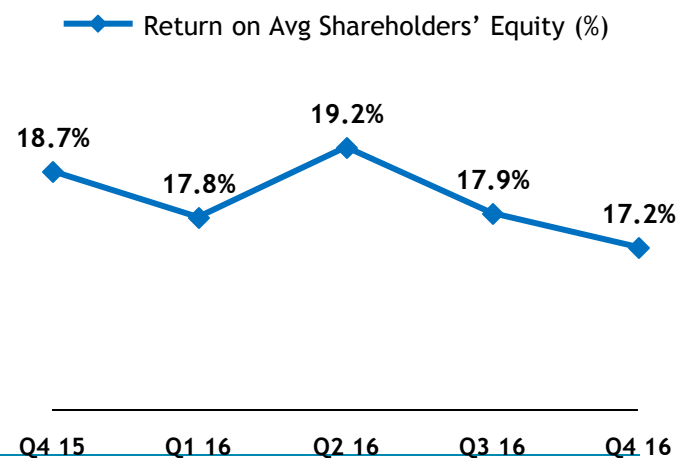
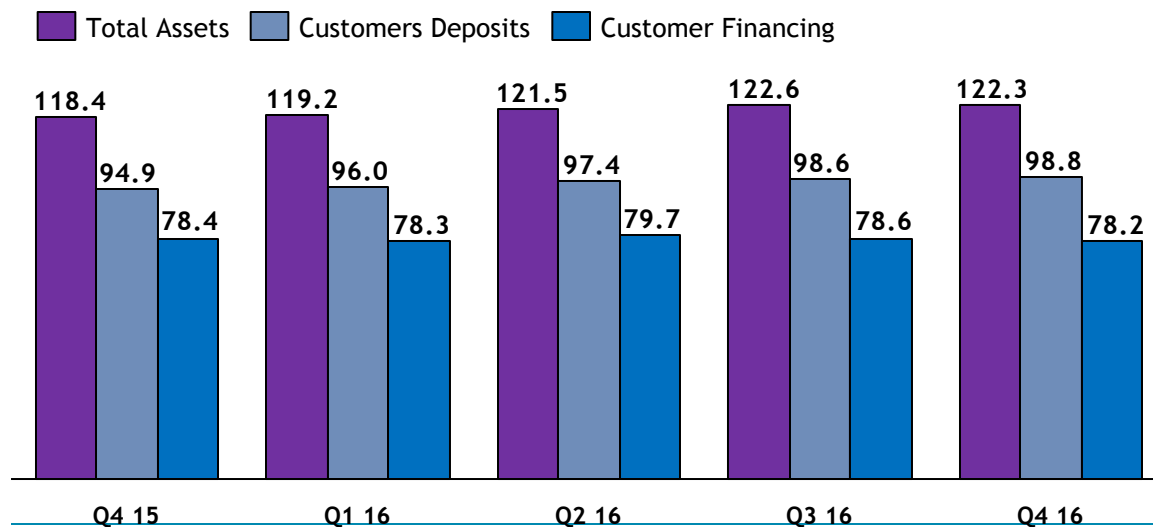
- Revenues are up by 5% on the back of higher Customer revenue, foreign exchange and Investment income.
- Expenses up by 3% mainly due to continuous investment in our franchise, network, systems and people.
- Operating profit up by 6%.
- Provision for impairment up by 18%. There was AED 6.2 Mn impairment (31 Dec 2015: AED 5.2 Mn) pertaining to Burooj Properties LLC, a real estate subsidiary of the Bank.
- Net profit up by 1% on continued growth in core operations.



31 December 2016 - Key financial highlights - Balance sheet

AED Bn	Dec 15	Dec 16	Change %
Total assets	118.4	122.3	3.3%
Net customer financing	78.4	78.2	-0.2%
Customers' deposits	94.9	98.8	4.1%
Total equity	15.1	15.5	2.5%

- **Total assets** increased by 3% over Q4 2015 to reach AED 122.3 Bn.
- **Customer financing** remains flat from Q4 2015 to reach AED 78.2 Bn.
- **Customer deposits** increased by 4% over Q4 2015.
- **Advances to Stable Funds Ratio** at 31 December 2016 was 85.1%. **Advances to Deposits Ratio** was 79.1% as at 31 December 2016.
- **Capital adequacy ratio** at 31 Dec 2016 was 15.25% - Basel II. Tier 1 ratio at 31 Dec 2016 was 15.14%.



Key ratios

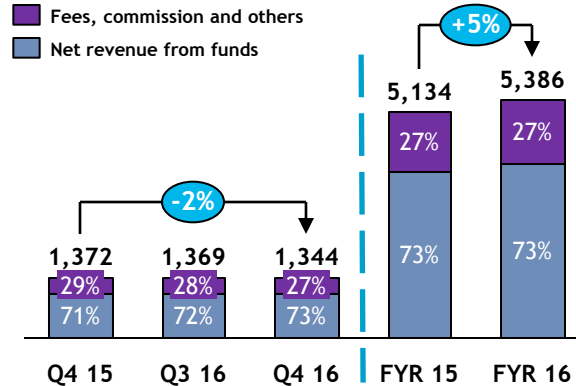
	Ratios	2015	2016
Efficiency	Diluted Earnings per share (EPS in AED)	0.529	0.520
	Return on Average Shareholders' Equity (excluding - Tier 1 capital)	18.7%	17.2%
	Net profit margin (%)	4.4%	4.3%
	Cost / income ratio	46.2%	45.5%
Liquidity	Percentage lent (Financing / Total Assets)	66.2%	64.0%
	Financing to Deposits ratio	82.6%	79.1%
	Advances to Stable funds ratio	84.6%	85.1%
	Liquid Assets to Total Assets ratio	19.7%	21.1%
Solvency	Capital Adequacy	15.1%	15.2%
	Tier -1 ratio	14.6%	14.6%
	Leverage ratio (Assets / Equity)	785%	791%
Asset Quality	Non - performing ratio (Impaired NPA / Gross Financing)	3.3%	4.0%
	Total provision coverage (Total provisions / Impaired NPA)	111.4%	97.5%
	Specific provision coverage (Specific provisions / Impaired NPA)	36.5%	39.0%
	Total provisions / Gross Customer Financing	3.7%	3.9%

Operating Performance - Net profit income

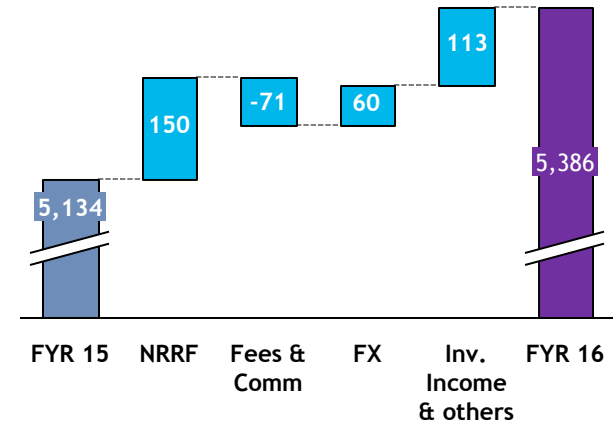
Highlights (FYR 2016 vs. FYR 2015)

- Revenues, up by 4.9% to AED 5,386 Mn.
- Net revenue from Funds (NRFF) 4.0% higher, primarily driven by 3.2% increase in customer financing revenues and drop in funding cost by 1.4%.
- Non -NRFF income up by 7.4% and now constitute 27% of total revenue.

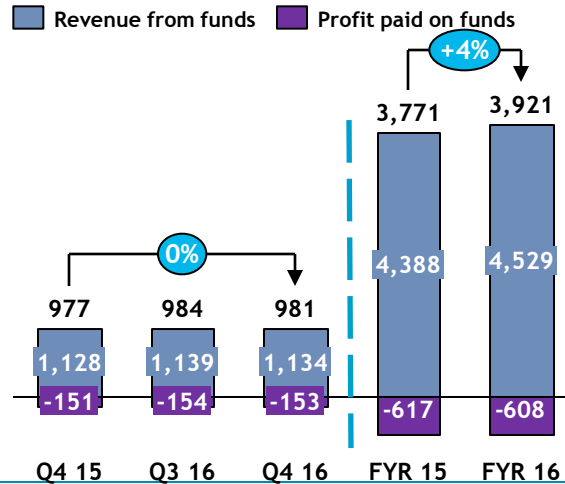
Revenues (AED Mn)



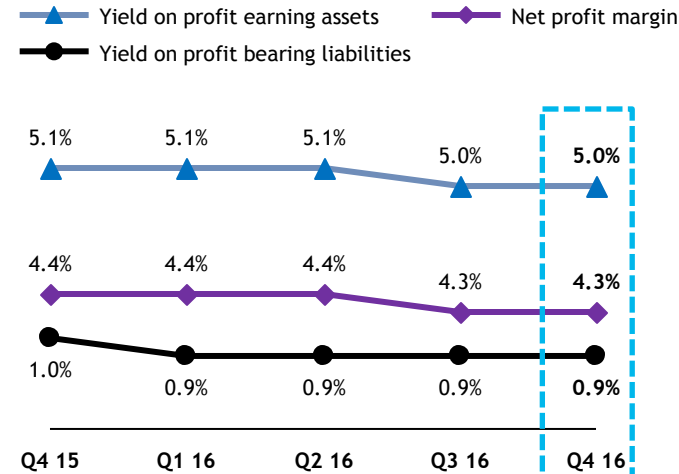
Key movements in Revenues (AED Mn)



Net Revenue from Funds (AED Mn)



Evolution of Yields (%)

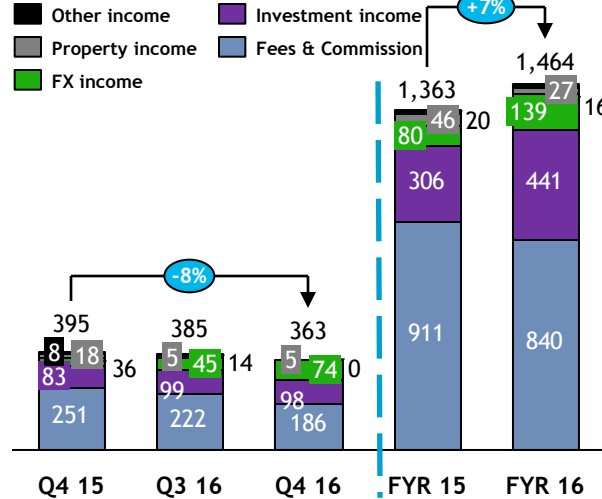


Operating Performance - Non-profit income

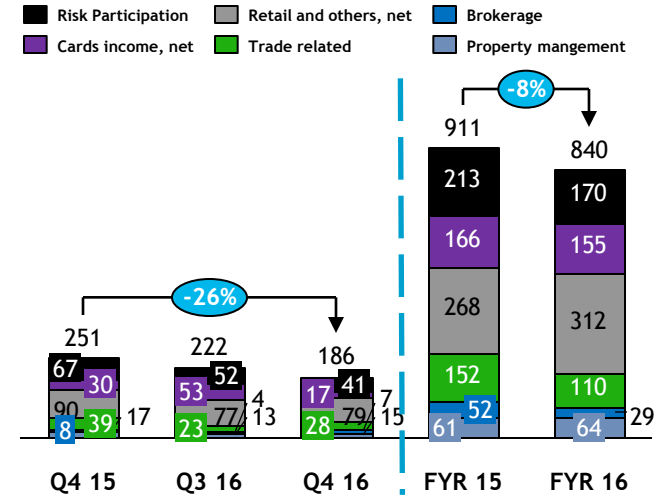
Highlights (FYR 2016 vs. FYR 2015)

- Non-profit income up by 7.4% at AED 1,464 Mn.
- Investment income higher 41.8% mainly due to increase in Sukuk income and higher trading gains.
- FX income higher by 74.8% at AED 139 Mn.
- Fees and commission income lower by 7.8% mainly due to lower brokerage fees, trade related fees and risk participation and arrangement fees.

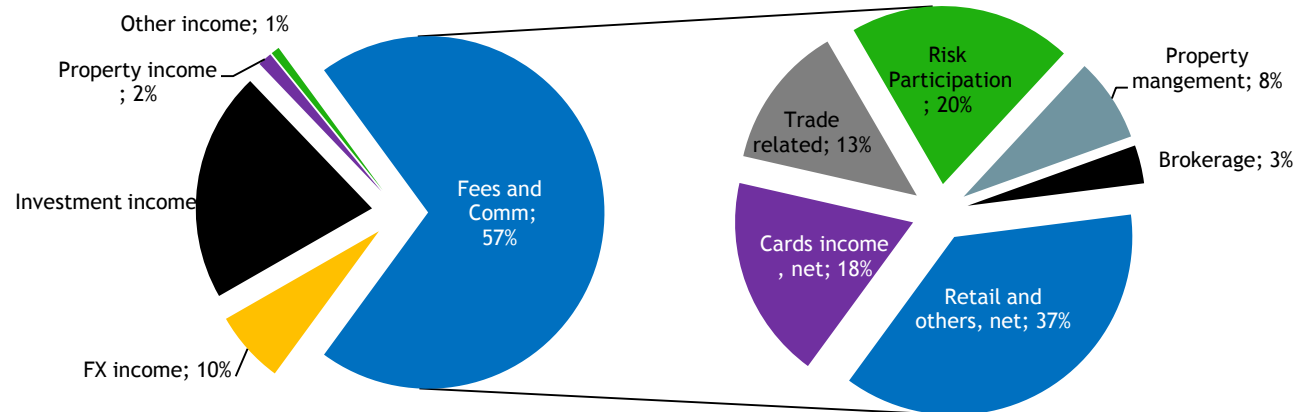
Non-profit income (AED Mn)



Composition of Fees & commission (AED Mn)



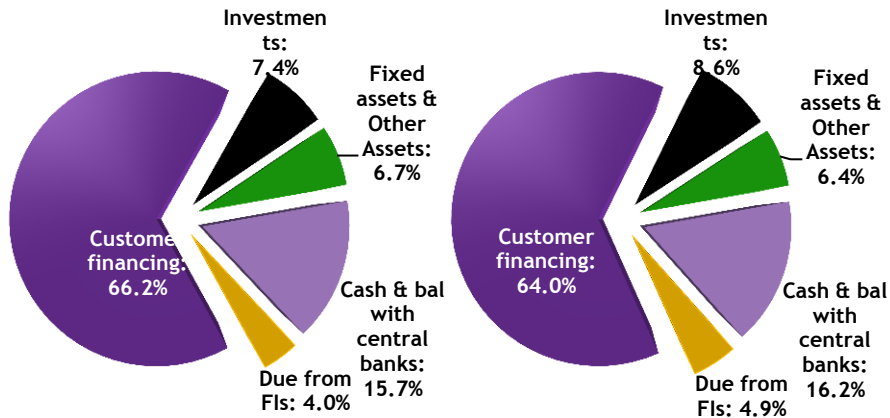
Non-profit income Revenue breakdown



Balance Sheet Strength and Customer Financing

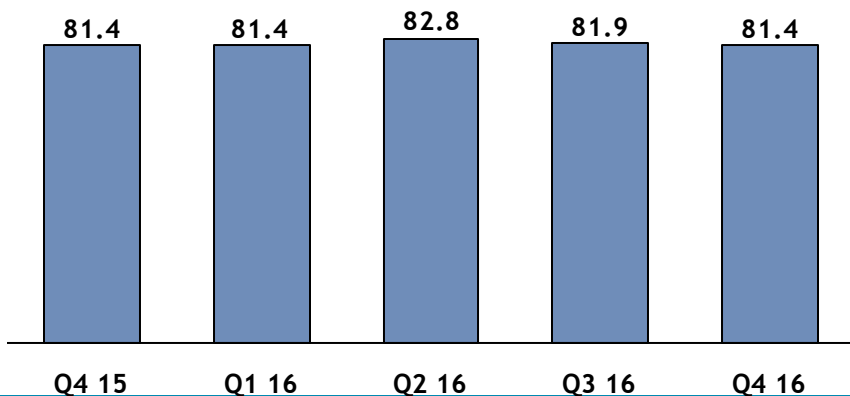
Customer Portfolio remained flat at AED 81.4 Bn, despite Consumer asset growth of 8%

Composition of Total Assets - AED Bn

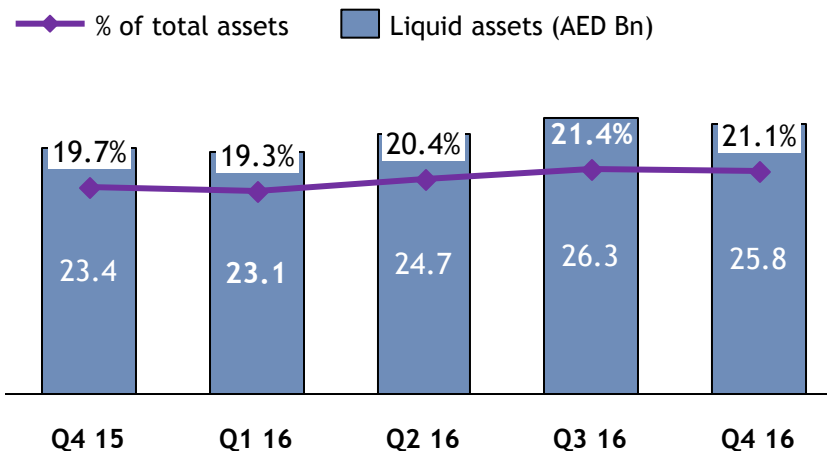


31 Dec 2015 - AED 118.4 Bn 31 Dec 2016 - AED 122.3 Bn

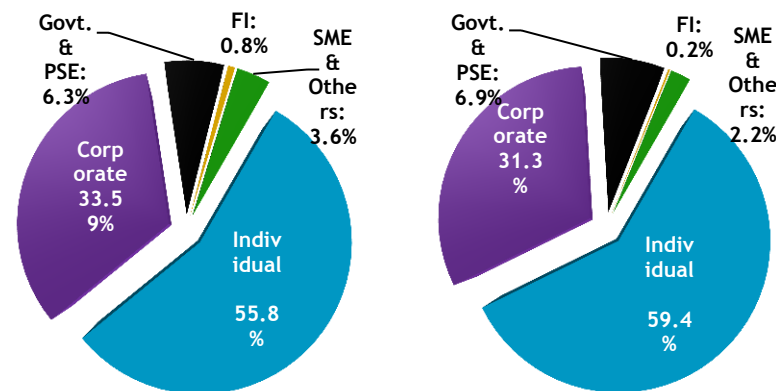
Gross Customer Financing



Liquidity ratio* (%)



Gross Customer Financing by Customer Segment



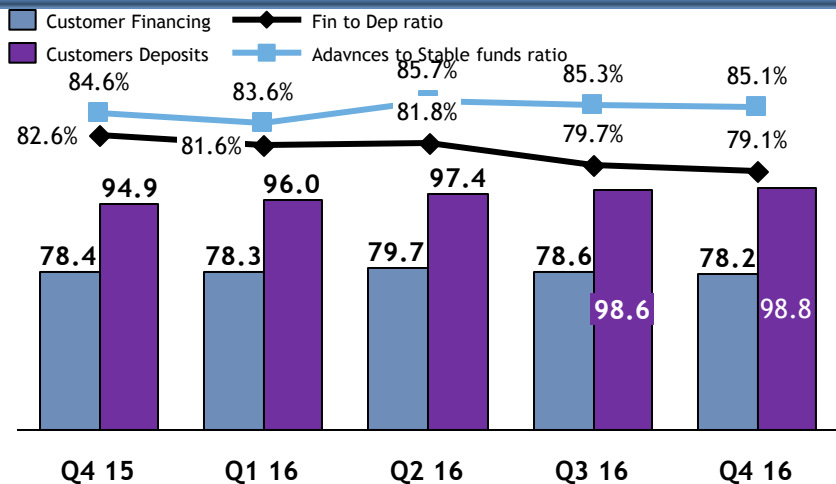
31 Dec 2015 - AED 81.4 Bn 31 Dec 2016 - AED 81.4 Bn

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

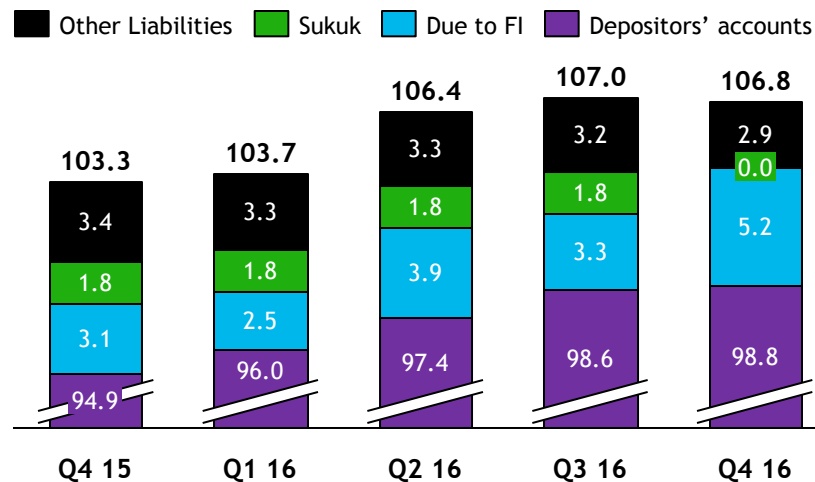
Funding Profile

Healthy Financing to Deposit ratio of 79.1%. Deposit growth of 4.1% primarily on the back of Retail segment of 10%

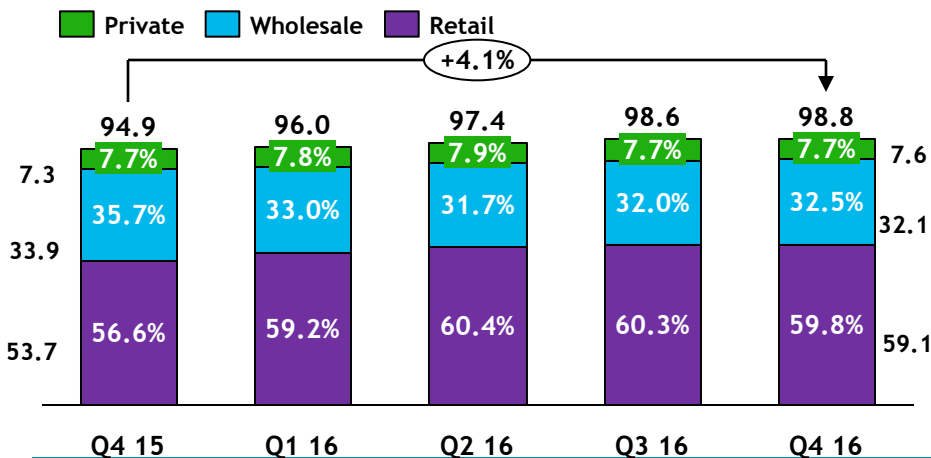
Net Customer Financing & Customers' Deposits (AED Bn)



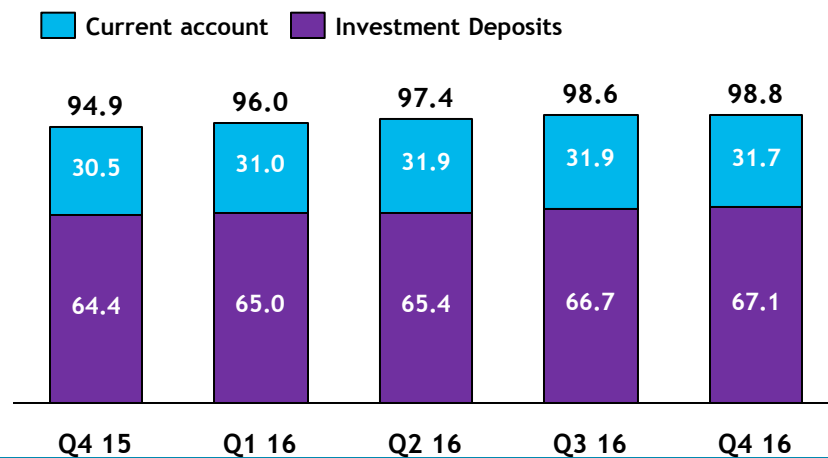
Composition of Liabilities (AED Bn)



Customers' Deposits by Segment (AED Bn)



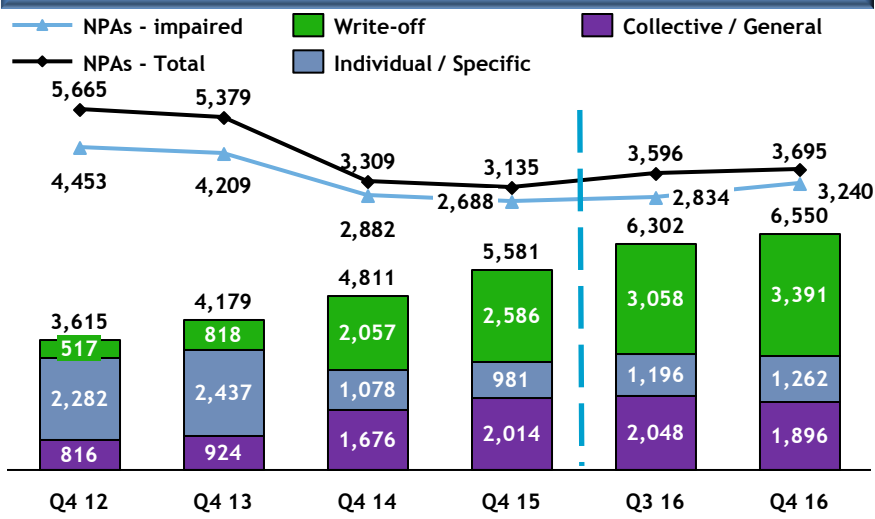
Customers' Deposits by Type (AED Bn)



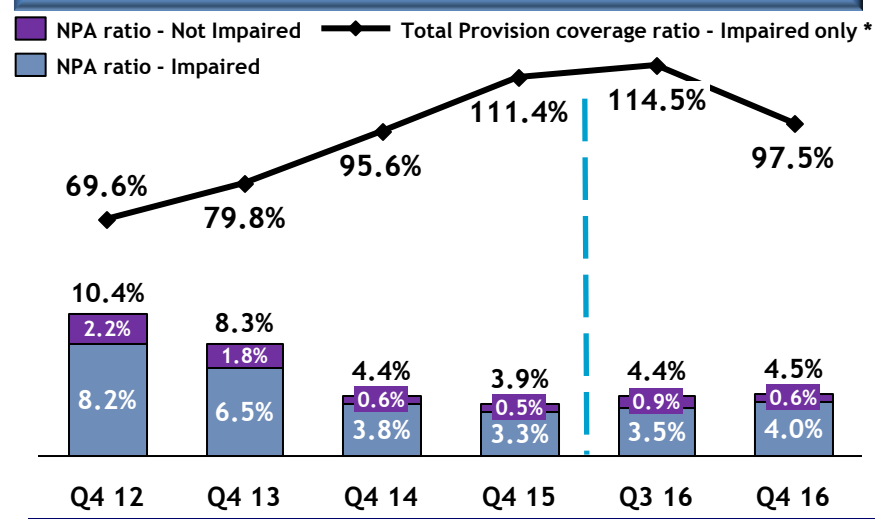
Asset quality - Customer financing only

Total NPAs slightly higher at 4.5% of gross customer financing with coverage ratio of 97.5%

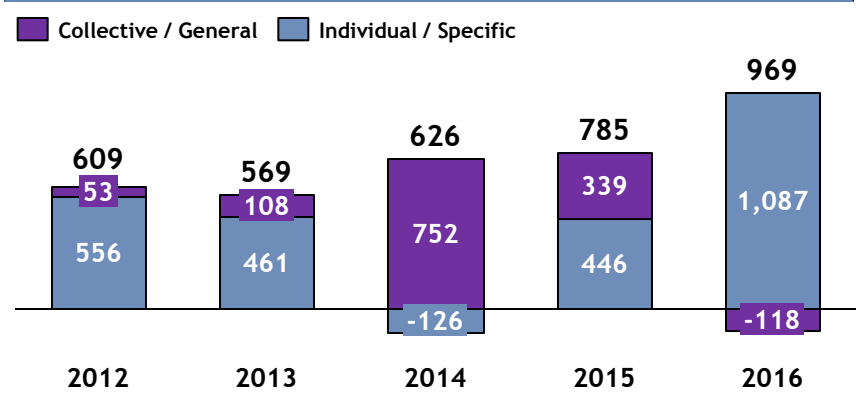
Provisions and NPAs - Customer financing (AED Mn)



NPA ratio and provision coverage ratio



Impairment charge - Customer financing (AED Mn)



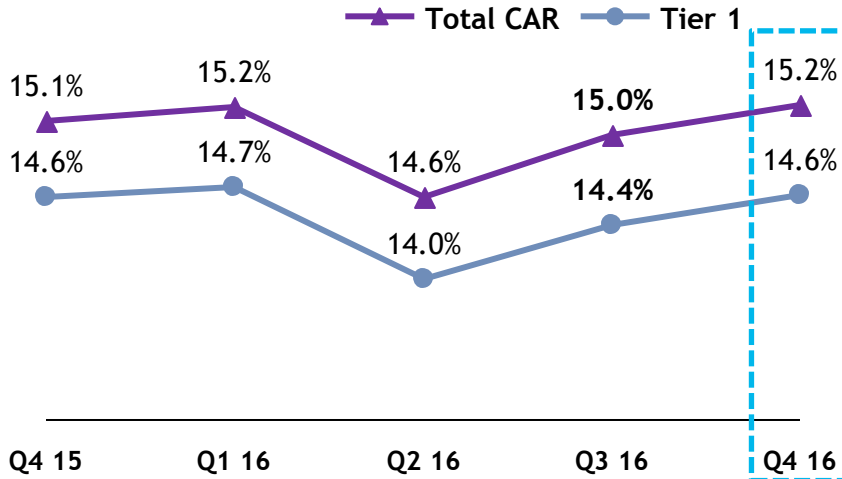
Key points

- Total NPAs increased by AED 560 Mn during 12 months of 2016 to reach AED 3,695 Mn (31 Dec 15: AED 3,135 Mn).
- Impaired NPAs ratio at 4.0% as at 31 Dec 2016 (3.3% at 31 Dec 2015) with coverage of 97.5% (31 Dec 2015: 111.4%).
- Collective provisions of AED 1,896 Mn at end of Q4 2016 represents 2.12% of total Credit RWAs (31 Dec 2015: 2.30%).
- Individual provisions of AED 1,262 Mn at 39.0% of impaired NPAs at end of Q4 2016 (31 Dec 2015: 36.5%).
- Total provisions of AED 3,159 Mn (net of write-off of AED 3,391 Mn), represents 3.88% (31 Dec 2015: 3.68%) of Gross Financing portfolio.

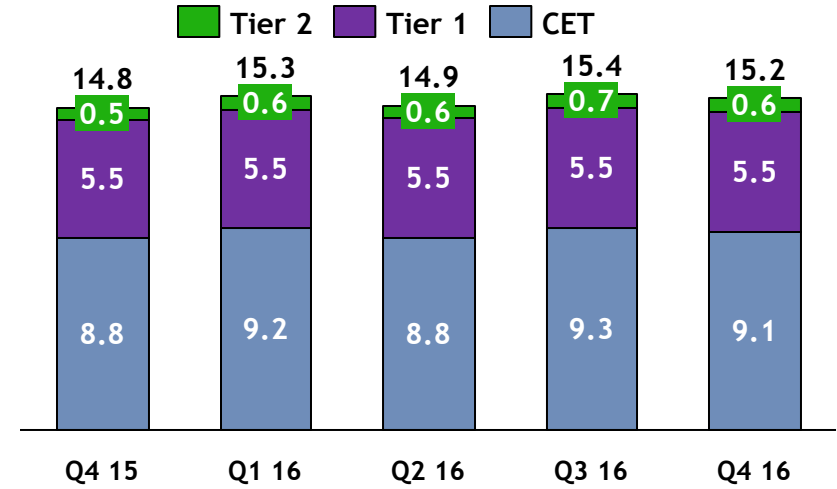
Capital

CAR remains above the minimum requirement of 12%

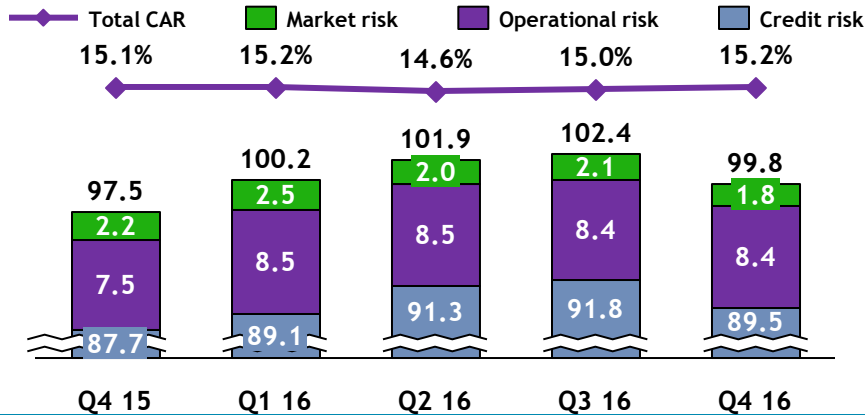
Capital Adequacy (%)



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



Total CAR and RWA



Highlights

- Basel II Total Capital Adequacy ratio at end of Dec 2016 at 15.25% well above the regulatory requirement of 12% (31 Dec 15: 15.14%).
- Basel II Tier I ratio at 14.61% at the end of Dec 2016 well above the regulatory requirement of 8% (31 Dec 15: 14.59%).
- Basel 2 CET1 ratio at 9.12% at the end of Dec 2016.

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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

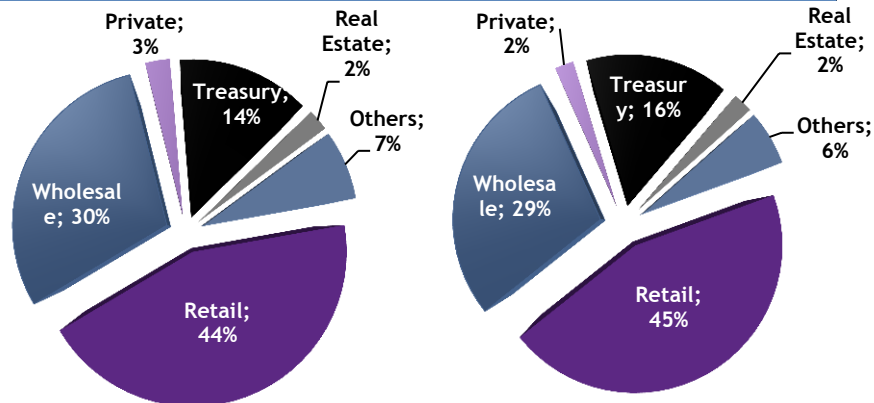
Mutual Benefit

Hospitality &
Tolerance

Shari'a Inspired

Business unit contribution

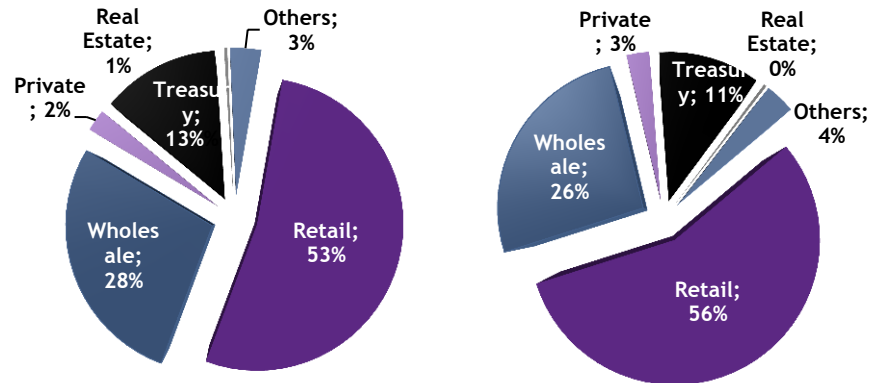
Composition of Total Assets - AED Bn



31 Dec 2015 - AED 118.4 Bn

31 Dec 2016 - AED 122.3 Bn

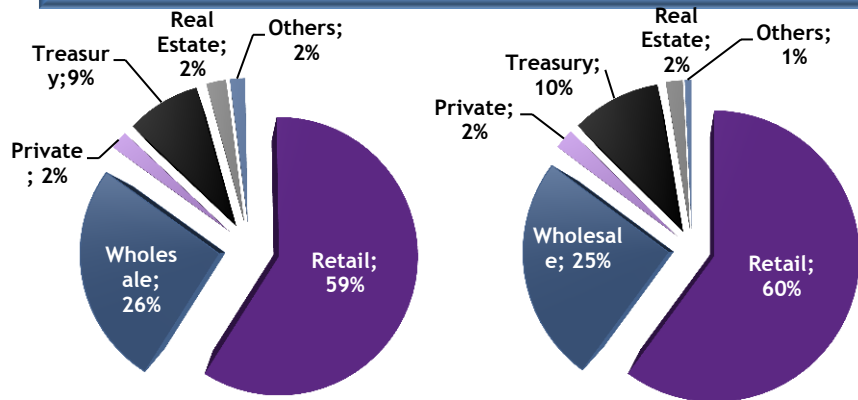
Composition of Total Liabilities - AED Bn



31 Dec 2015 - AED 103.3 Bn

31 Dec 2016 - AED 106.8 Bn

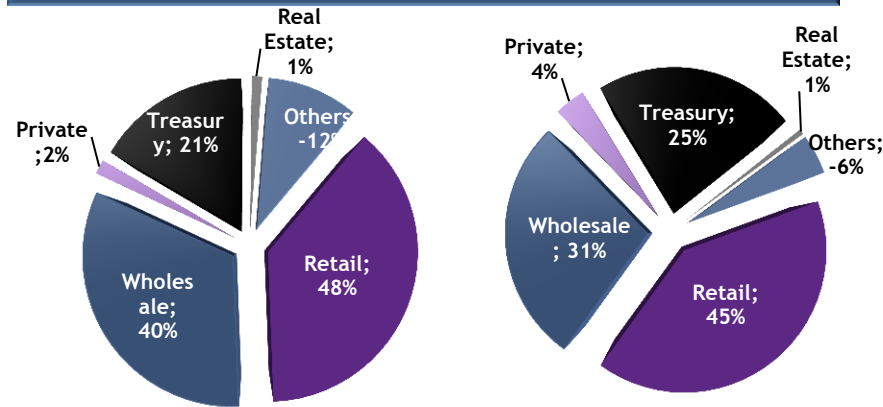
Composition of Revenues - AED Mn



FYR 2015 - AED 5,134.4 Mn

FYR 2016 - AED 5,385.5 Mn

Composition of Net profit - AED Mn



FYR 2015 - AED 1,934.0 Mn

FYR 2016 - AED 1,953.6 Mn

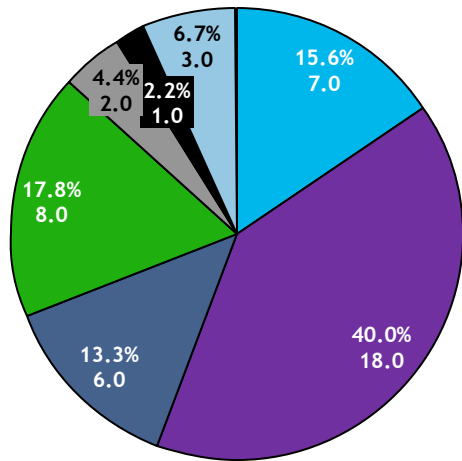
Global Retail Banking overview

Global Retail Banking contributes 60% of Net Revenues:

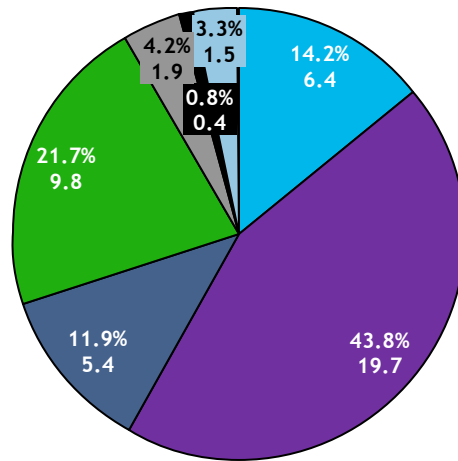
- Personal Banking Division provides services for individuals clients, while the Business Banking Division services the needs of SMEs.
- These services include a variety of Shari'a compliant financing.

Gross Retail Financing Portfolio

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

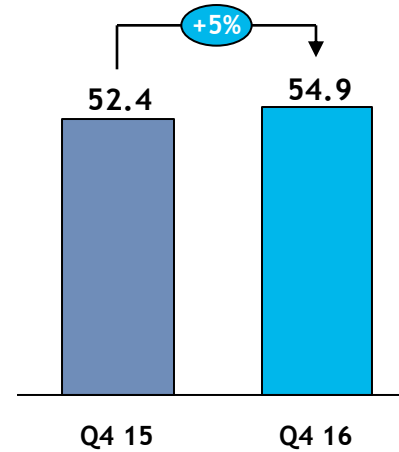


31 Dec 2015 - AED 43.0 Bn

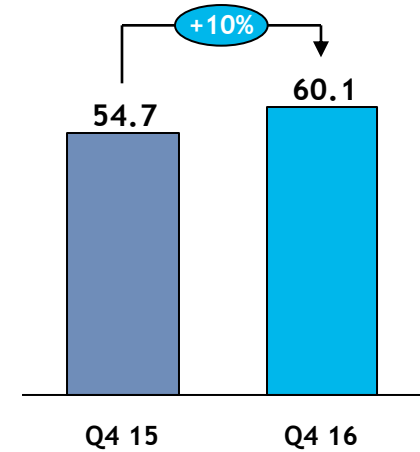


31 Dec 2016 - AED 44.9 Bn

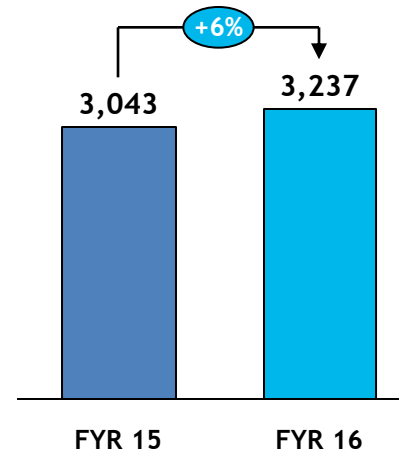
Assets (AED Bn)



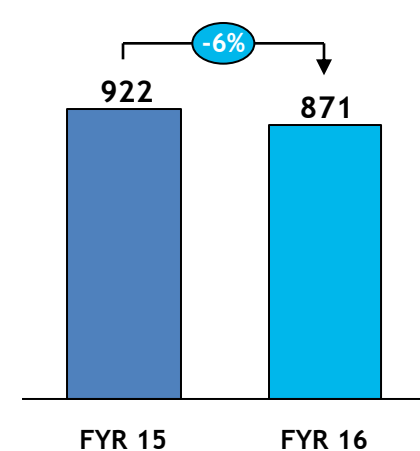
Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)

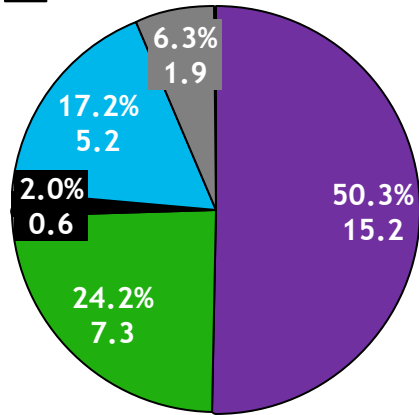
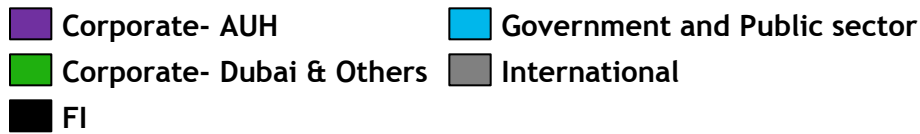


Global Wholesale Banking overview

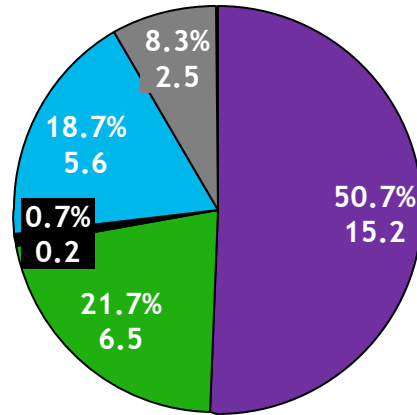
Global Wholesale Banking contributes 25% of Net Revenues:

- 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

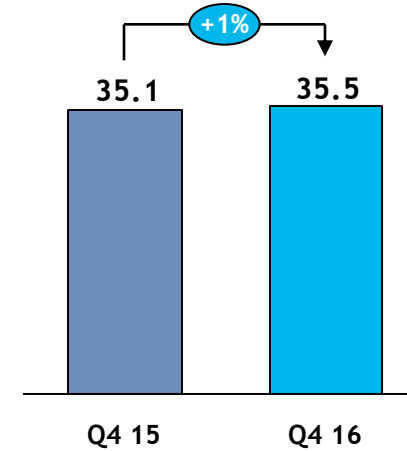


31 Dec 2015 - AED 30.2 Bn

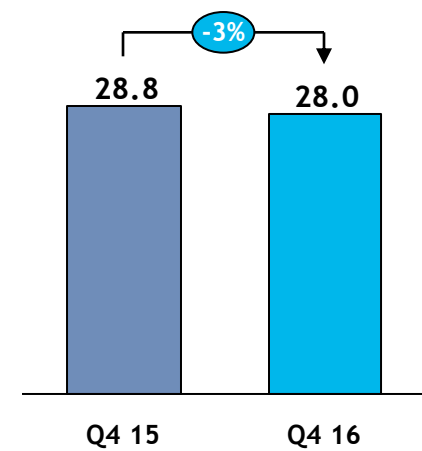


31 Dec 2016 - AED 30.0 Bn

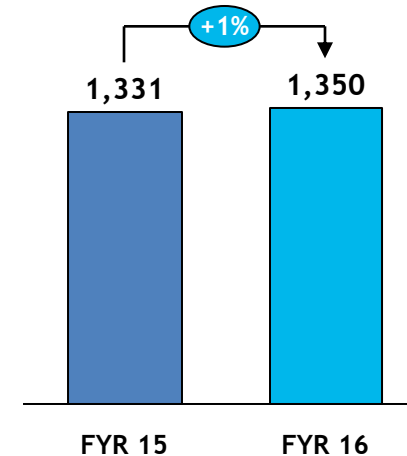
Assets (AED Bn)



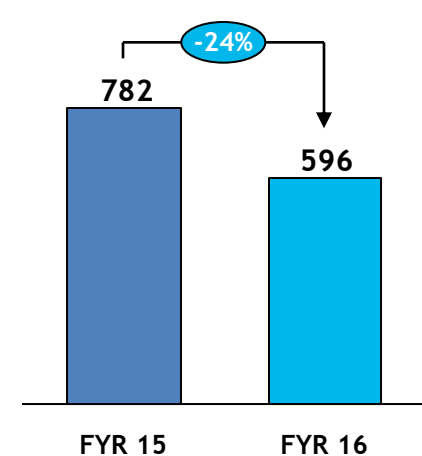
Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)

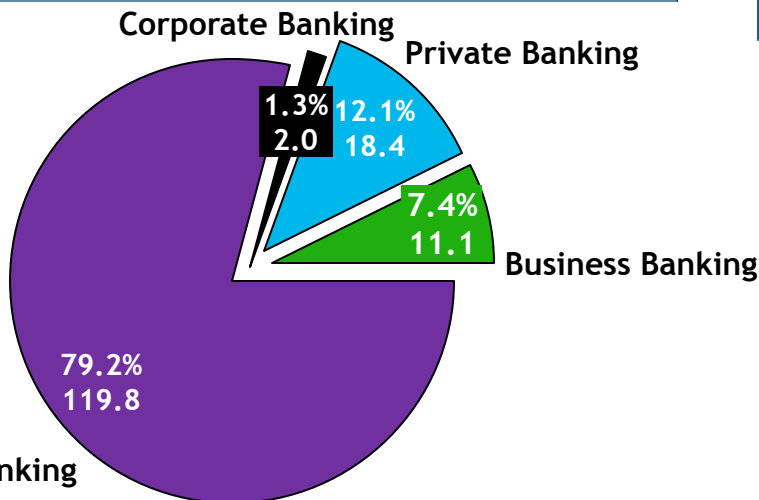


Private Banking overview

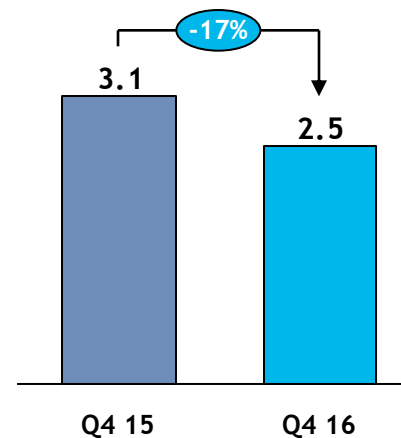
Private Banking contributes 2% of Net Revenues

- 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.

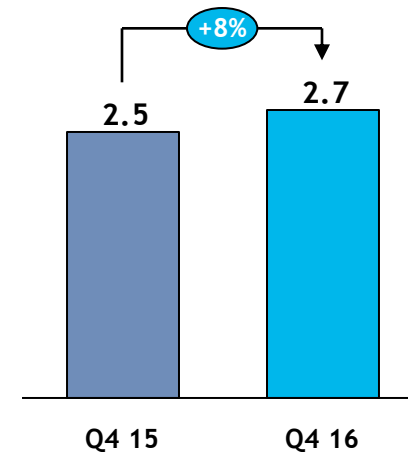
Wealth Management AuM - AED 151.3 Mn



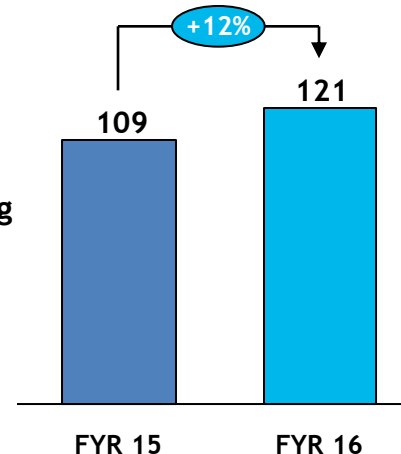
Assets (AED Bn)



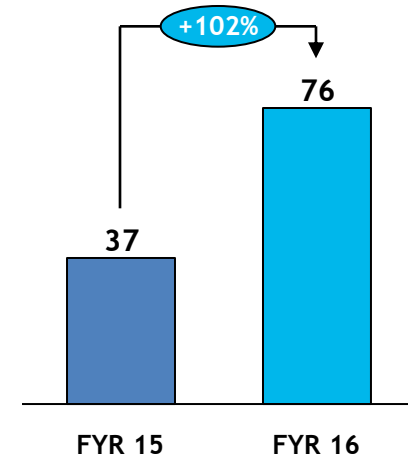
Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)



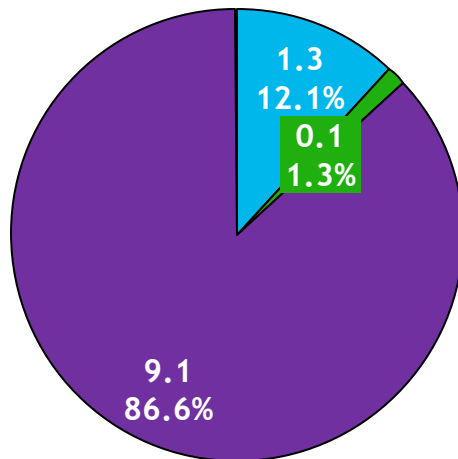
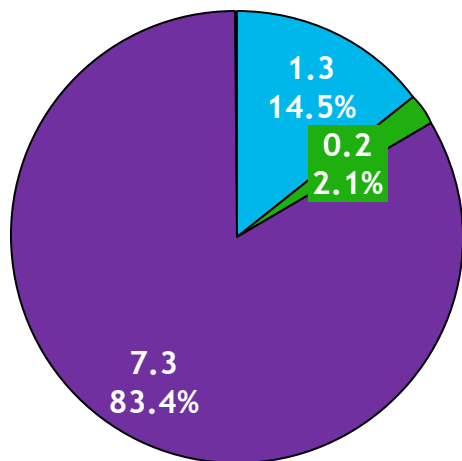
Treasury overview

Treasury contributes 10% 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

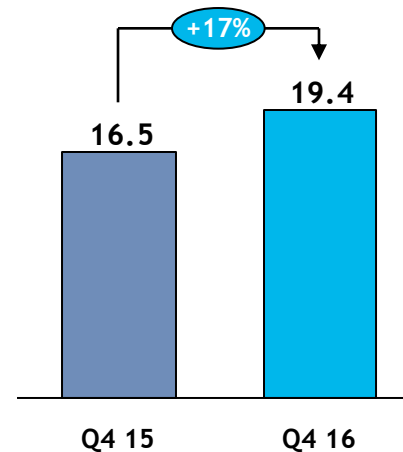
- Fair value through P&L
- Amortised cost
- Fair value through OCI



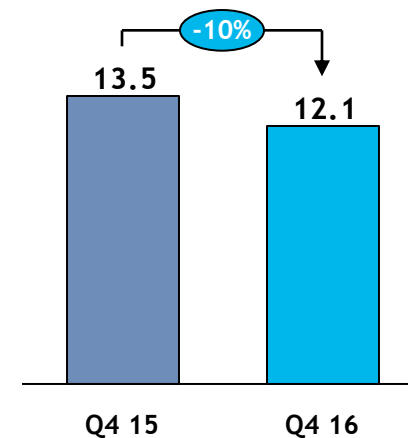
31 Dec 2015 - AED 8.7 Bn

31 Dec 2016 - AED 10.5 Bn

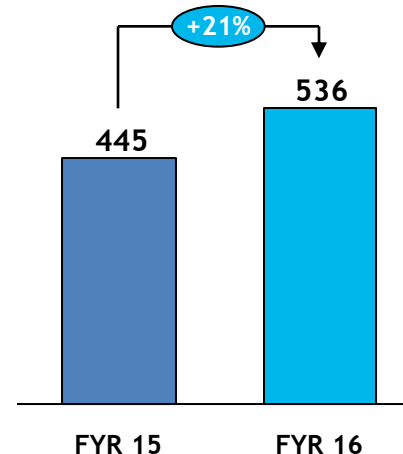
Assets (AED Bn)



Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)

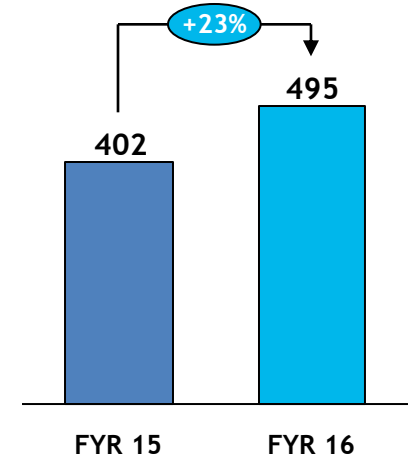


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Consolidated Statement of Income

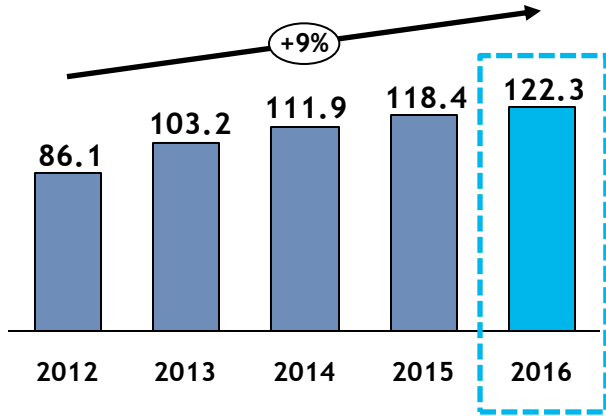
AED Mn	Q4 15	Q3 16	Q4 16	% chg Q4 16 vs Q4 15	% chg Q4 16 vs Q3 16	FYR15	FYR 16	% chg FYR 16 vs FYR 15
Revenues	1,371.9	1,369.1	1,344.2	-2.0%	-1.8%	5,134.4	5,385.5	4.9%
Net Revenue from Funds	976.8	984.4	981.3	0.5%	-0.3%	3,771.3	3,921.0	4.0%
Fees & commission	251.1	221.9	185.9	-26.0%	-16.2%	911.3	840.4	-7.8%
Investment income	100.6	103.3	102.6	2.0%	-0.7%	352.1	468.5	33.1%
Foreign Exchange	35.8	45.1	74.0	106.7%	64.1%	79.6	139.2	74.8%
Other income	7.6	14.3	0.3	-95.5%	-97.6%	20.1	16.4	-18.5%
Expenses	643.3	588.2	634.8	-1.3%	7.9%	2,374.1	2,447.9	3.1%
Employee cost	366.7	337.0	378.9	3.3%	12.4%	1,403.5	1,436.9	2.4%
Premises	55.4	58.8	63.8	15.3%	8.5%	226.2	236.2	4.4%
Depreciation	50.8	50.1	88.9	75.1%	77.5%	200.3	240.6	20.1%
Other Operating expenses	170.4	142.3	103.0	-39.5%	-27.6%	544.0	534.2	-1.8%
Operating Profit - Margin	728.6	780.9	709.4	-2.6%	-9.1%	2,760.3	2,937.6	6.4%
Provision for impairment	249.3	267.7	252.1	1.2%	-5.8%	820.0	970.0	18.3%
Net profit before zakat & tax	479.4	513.2	457.3	-4.6%	-10.9%	1,940.4	1,967.7	1.4%
Zakat & Tax	2.0	4.3	2.2	11.0%	-49.0%	6.3	14.1	123.6%
Net Profit after zakat & tax	477.4	508.9	455.1	-4.7%	-10.6%	1,934.0	1,953.6	1.0%

Consolidated Balance Sheet

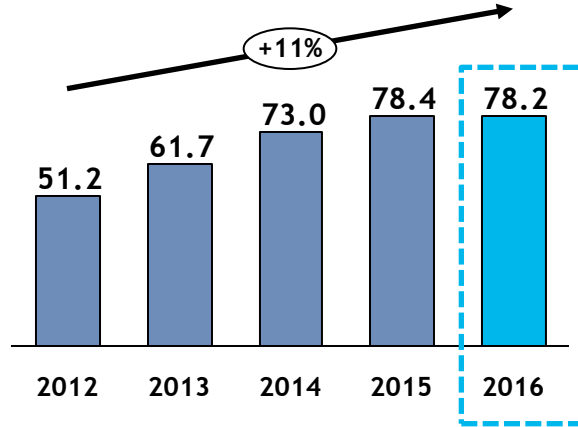
AED Mn%	31 Dec 2015	30 Sep 2016	31 Dec 2016	% chg 31 Dec 2016 vs 31 Dec 2015	% chg 31 Dec 2016 vs 30 Sep 2016
Cash and balances with Central Banks	18,629	20,438	19,778	6.2%	-3.2%
Due from financial institutions	4,742	5,857	6,009	26.7%	2.6%
Net Customer financing	78,403	78,624	78,21	-0.2%	-0.5%
Investments	8,736	9,710	10,460	19.7%	7.7%
Investment in associates	799	777	754	-5.7%	-3.0%
Investment and development properties	1,084	2,053	2,045	88.8%	-0.4%
Other assets / fixed assets / intangibles	5,984	5,129	5,033	-15.9%	-1.9%
TOTAL ASSETS	118,378	122,589	122,290	3.3%	-0.2%
Due to financial institutions	3,106	3,339	5,154	66.0%	54.4%
Customers' deposits	94,927	98,610	98,814	4.1%	0.2%
Other liabilities	3,433	3,210	2,863	-16.6%	-10.8%
Sukuk payable	1,836	1,836	-	-100.0%	-100.0%
TOTAL LIABILITIES	103,302	106,996	106,831	3.4%	-0.2%
Share capital	3,168	3,168	3,168	-	-
Tier 1 sukuk	5,672	5,673	5,673	0.01%	-
Proposed dividend	769	-	777	1.0%	100%
Reserves	5,466	6,752	5,841	6.9%	-13.5%
TOTAL EQUITY	15,075	15,593	15,459	2.5%	-0.9%
TOTAL LIABILITIES AND EQUITY	118,378	122,589	122,290	3.3%	-0.2%

Financial Snapshot (1/2)

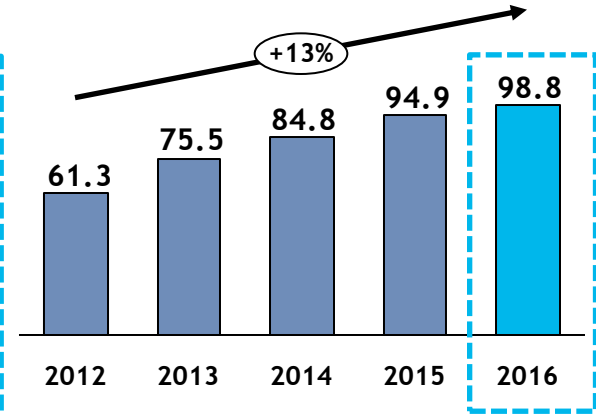
Total Assets (AED Bn)



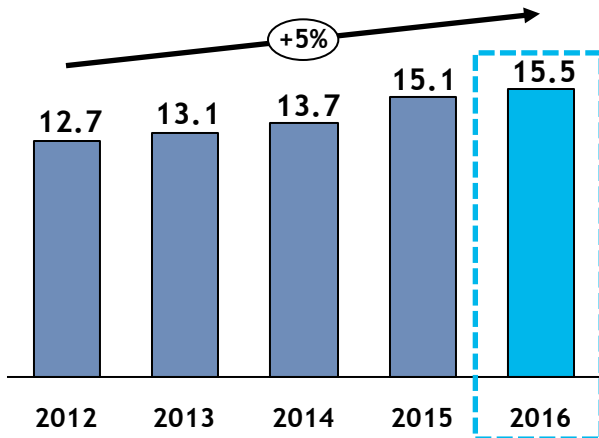
Net Customer Financing (AED Bn)



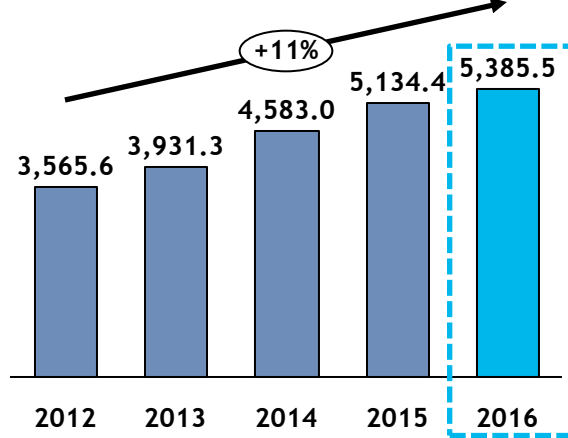
Customer Deposits (AED Bn)



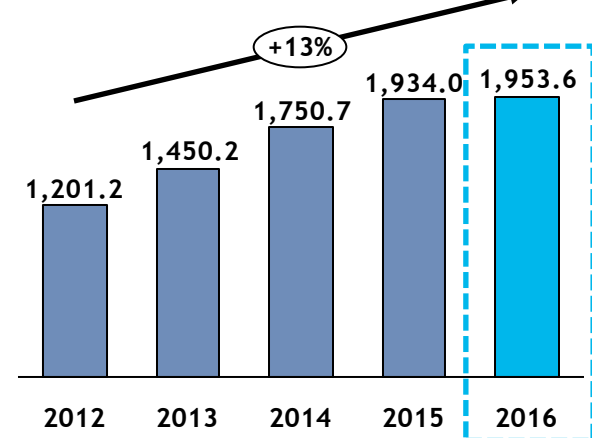
Equity (AED Bn)



Revenues (AED Mn)

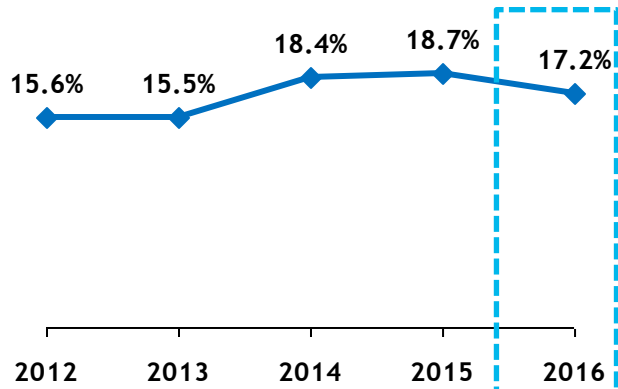


Net Profit (AED Mn)

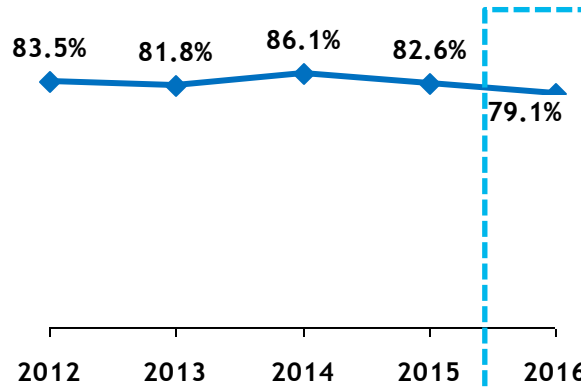


Financial Snapshot (2/2)

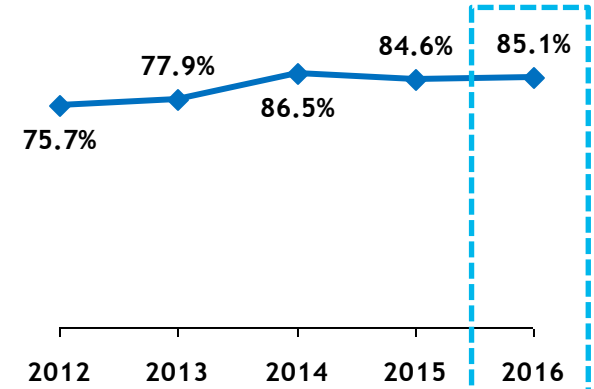
Return on Avg Shareholders' Equity (%)



Financing to Deposits Ratio (%)

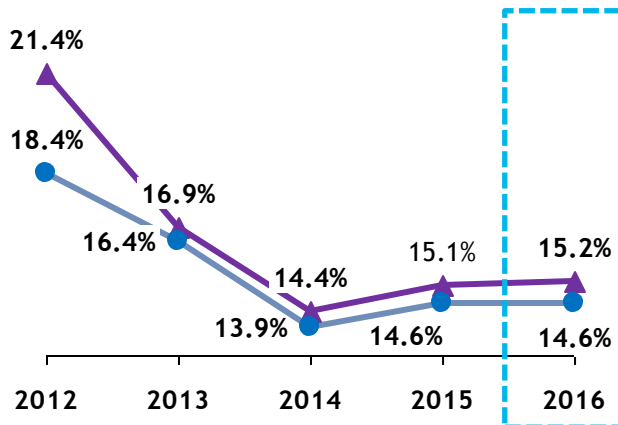


Advances to Stable Funds Ratio (%)



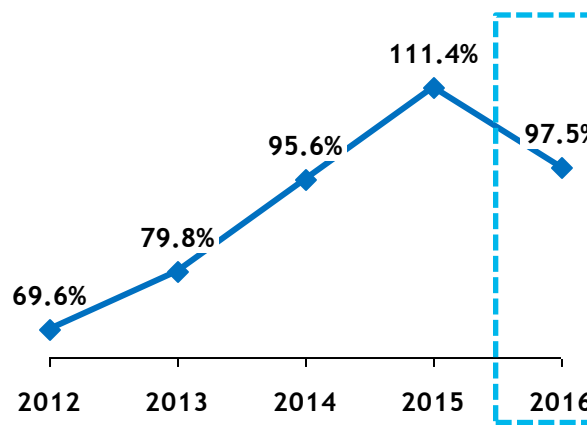
CAR (%)

▲ Total CAR ● Tier 1



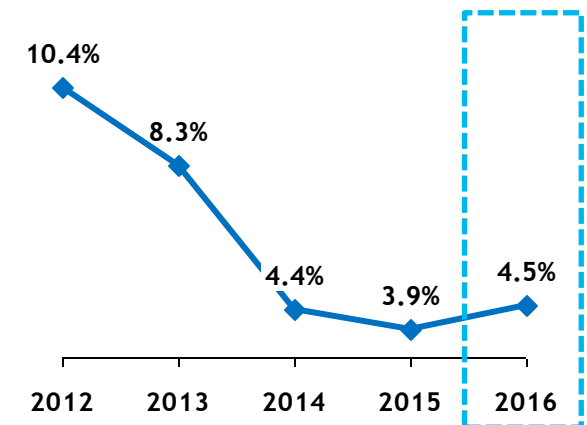
Provision Coverage (%)

◆ Total Provision coverage ratio - Impaired only *



Non - Performing Ratio (%)

◆ Total Non performing ratio



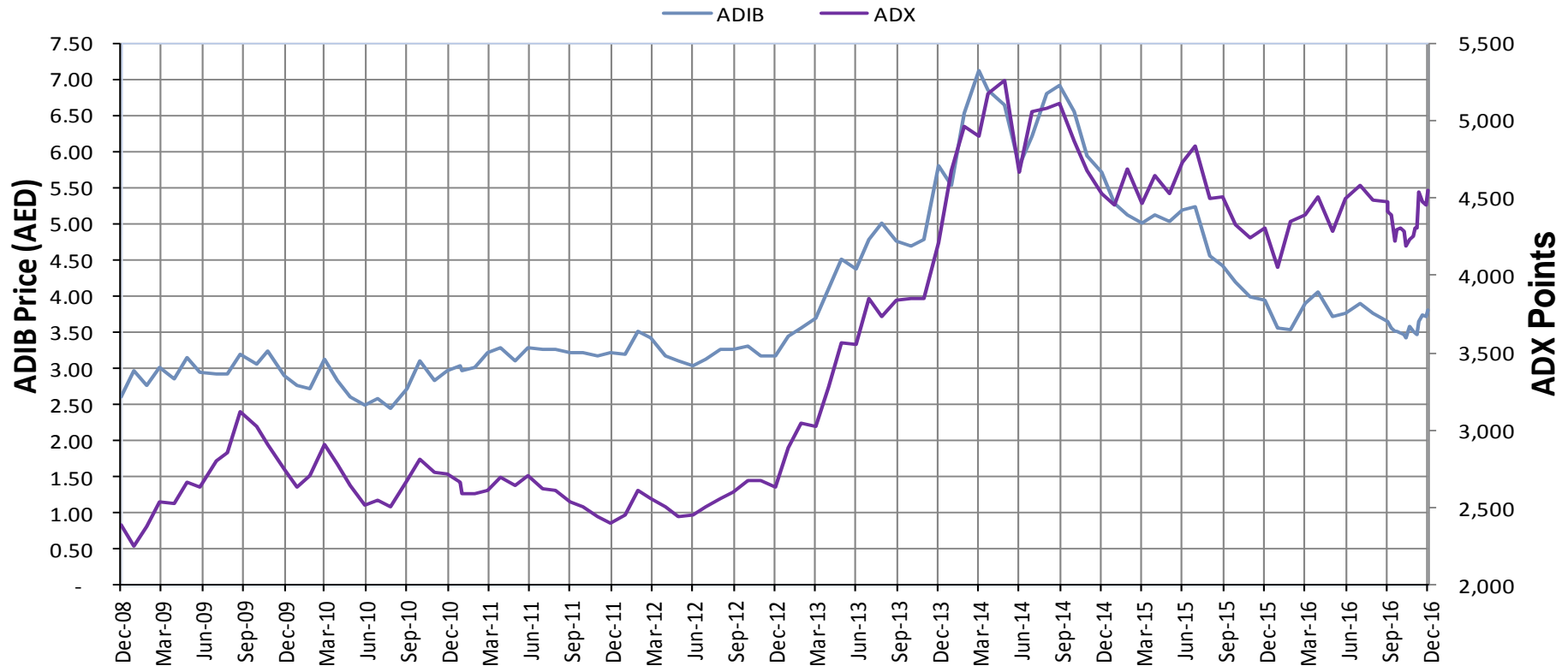
Dividend Distribution History

	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%	24.27%	24.52%
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

- 31 December 2016 share price was AED 3.80 per share (31 Dec 2015: AED 3.94 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 - 6.5%. (2015: 6.2%).

ADIB vs ADX



An award winning Bank (1/2)



“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 Bank of the year in the
UAE” - Banker Magazine by Financial
Times



“Best Islamic Bank in the
Middle East and the UAE”
- by Euromoney



“Most Innovative Bank in the
Middle East” - by EMEA Finance



Best Premium Banking Service-
by Banker Middle East

An award winning Bank (2/2)



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



“Best Private Bank UAE” by **Global Finance**



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



“Best Branch Award in the UAE” by **Ethos Consultancy**



“The Leading Arab Islamic Bank for 2015” - by **Union of Arab Banks**



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



“Best Overall Islamic Bank “
International Financial Law Review Magazine



“Best Overall Islamic Bank”
by **Islamic Finance News**

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