

Investor Presentation

31 December 2017 results

Abu Dhabi: February 2018

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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
31 Dec 2017)

Market Cap (Price @ AED 3.78)	AED 12.0 bn (US\$ 3.3 bn)
Diluted EPS / share (AED) -	0.627
PE Ratio	6 times
Price / Book Ratio	1.10
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 - 81 Branches and 722 ATMs (a 24 hour branch at Abu Dhabi International Airport).
- Overseas - Presence in UK, Saudi Arabia, Qatar, Iraq, Sudan & Egypt.

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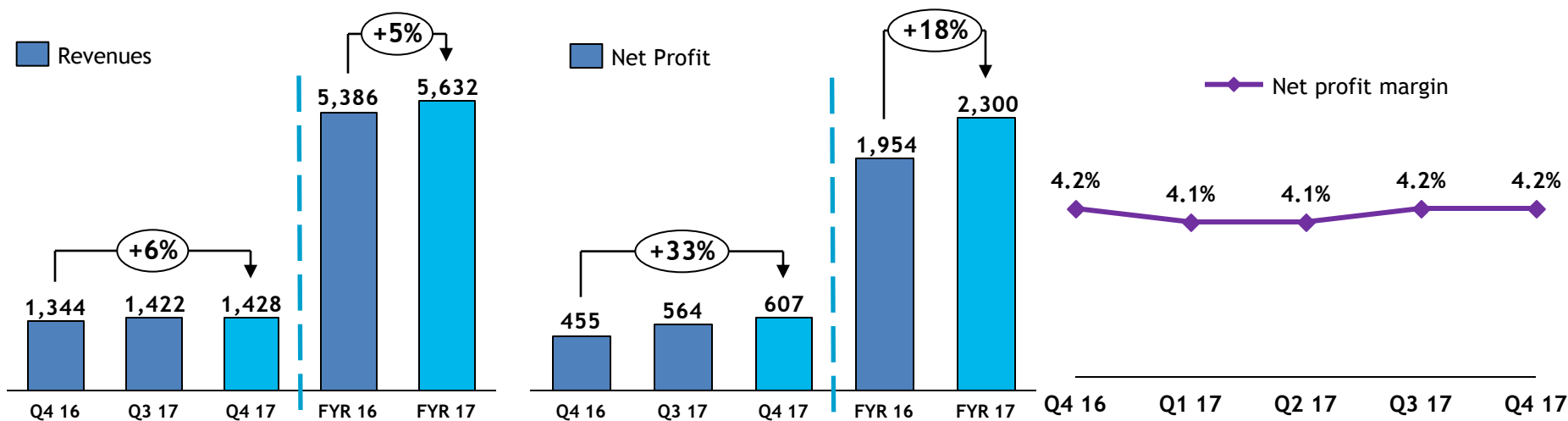
Business Review

Appendix

FYR 2017– Key financial highlights – Income statement

AED Mn	FYR 2016	FYR 2017	Change %
Net Revenue from funds	3,921.0	3,768.8	-3.9%
Fees, commission and others	1,464.5	1,863.5	27.2%
Operating Income	5,385.5	5,632.3	4.6%
Expenses	2,447.9	2,509.2	2.5%
Operating profit	2,937.6	3,123.1	6.3%
Provision for impairment	970.0	790.4	-18.5%
Zakat & tax	14.0	32.6	131.3%
Net Profit	1,953.6	2,300.1	17.7%

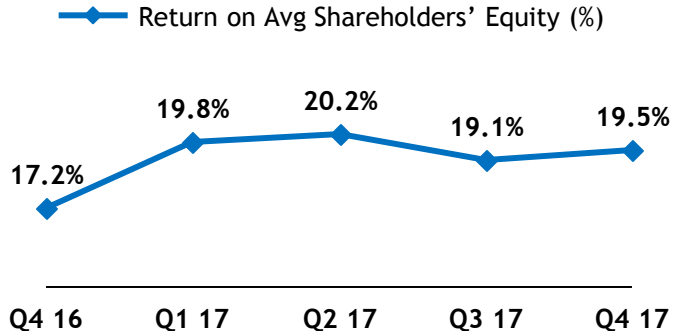
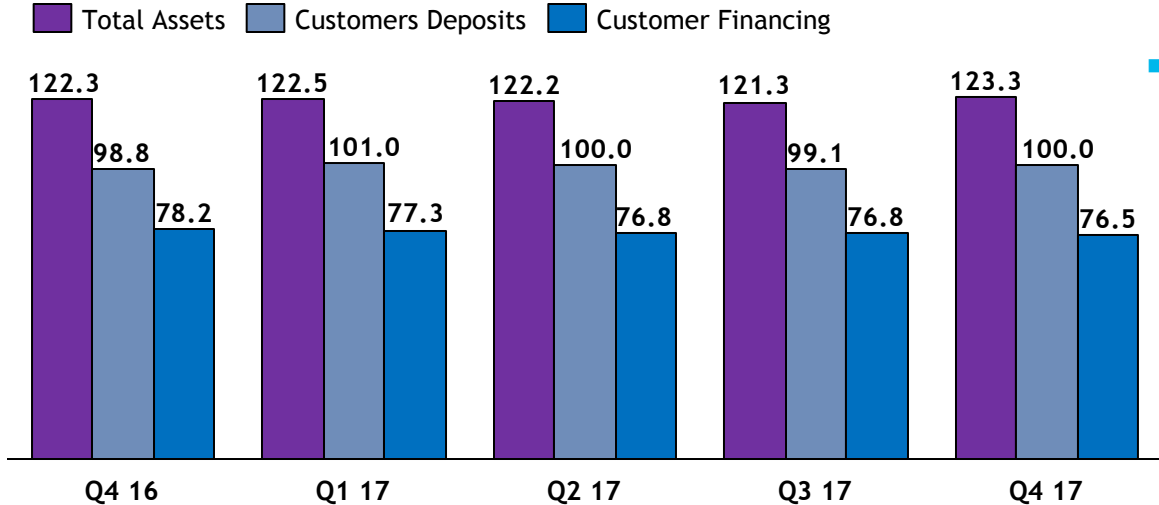
- Revenues are up by 5% driven by fee income mainly from Cards, Wealth management, Takaful products, FX and Investment income.
- Expenses up by 3% mainly due to continuous investment in our franchise, systems and people.
- Operating profit up by 6%.
- Provision for impairment down by 19%.
- Net profit up by 18%.



31 Dec 2017 - Key financial highlights - Balance sheet

AED Bn	Dec 16	Dec 17	Change %
Total assets	122.3	123.3	0.8%
Net customer financing	78.2	76.5	-2.1%
Customers' deposits	98.8	100.0	1.2%
Total equity	15.5	16.6	7.2%

- **Total assets** increased by 1% over Q4 2016 to reach AED 123.3 Bn.
- **Customer financing** dropped 2% from Q4 2016 to reach AED 76.5 Bn primarily due to repayments in Wholesale banking.
- **Customer deposits** increased by only 1% over Q4 2016 despite growth in Retail deposits by 3%.
- **Advances to Stable Funds Ratio** at 31 Dec 2017 was 80.0%. **Advances to Deposits Ratio** was 76.5% as at 31 Dec 2017.
- **Capital adequacy ratio - Basel II** at 31 Dec 2017 Total CAR was 16.71% and Tier 1 ratio was 16.18%.
- **Capital adequacy ratio - Basel III** at 31 Dec 2017 Total CAR was 17.02%, Tier 1 ratio was 15.99% and CET 1 ratio was 10.32% .



Key ratios

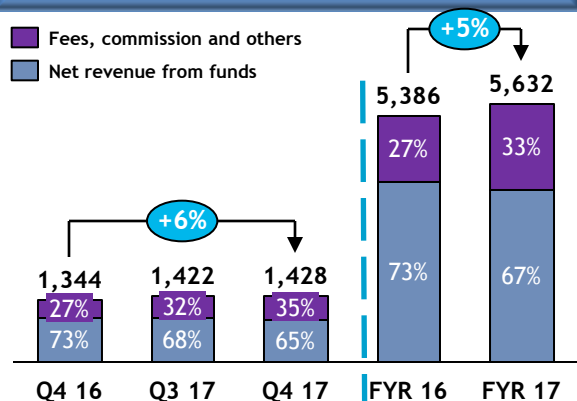
	Ratios	Dec 2016	Dec 2017
Efficiency	Diluted Earnings per share (EPS in AED)	0.520	0.627
	Return on Average Shareholders' Equity (excluding - Tier 1 capital)	17.2%	19.5%
	Net profit margin (%)	4.2%	4.2%
	Cost / income ratio	45.5%	44.5%
Liquidity	Percentage lent (Financing / Total Assets)	64.0%	62.1%
	Financing to Deposits ratio	79.1%	76.5%
	Advances to Stable funds ratio	85.1%	80.0%
	Liquid Assets to Total Assets ratio	21.1%	21.4%
Solvency	Capital Adequacy - Basel II	15.2%	16.7%
	Tier -1 ratio - Base II	14.6%	16.2%
	Leverage ratio (Assets / Equity)	791%	751%
Asset Quality	Non - performing ratio (Impaired NPA / Gross Financing)	4.0%	5.0%
	Total provision coverage (Total provisions / Impaired NPA)	97.5%	80.2%
	Specific provision coverage (Specific provisions / Impaired NPA)	39.0%	37.6%
	Total provisions / Gross Customer Financing	3.9%	4.0%

Operating Performance - Net profit income

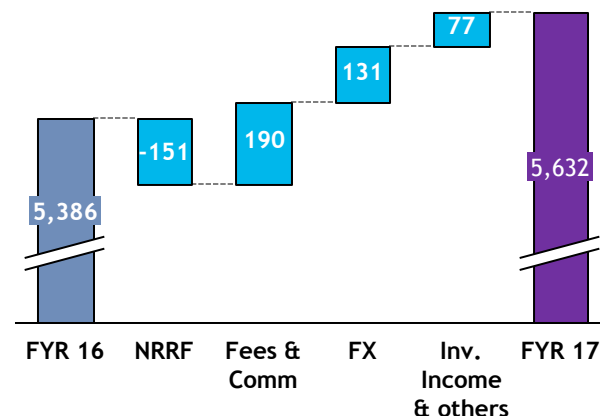
Highlights (FYR 2017 vs. FYR 2016)

- Revenues, up by 4.6% to AED 5,632.3 Mn.
- Net revenue from Funds (NRFF) 3.9% lower, primarily due to 3.9% drop in customer financing revenues which is partially netted - off by drop in funding cost by 4.2%.
- Non -NRFF income up by 27.2% and now constitute 33.1% of total revenue.

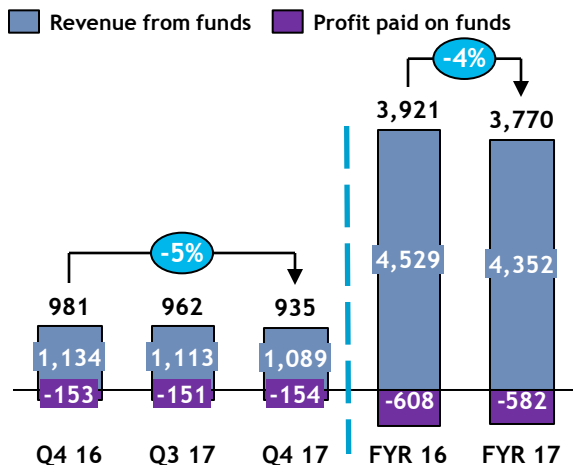
Revenues (AED Mn)



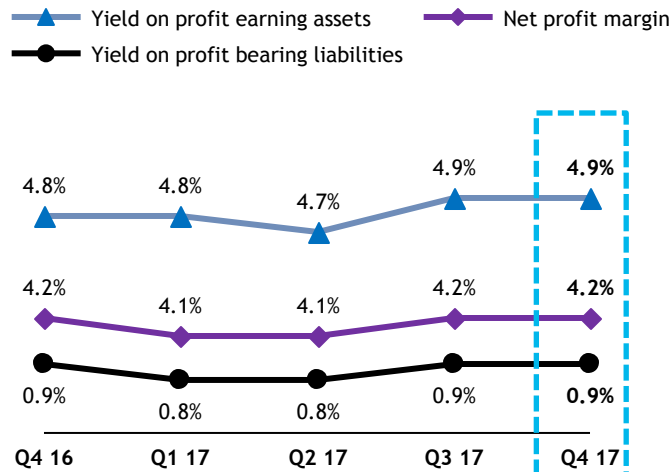
Key movements in Revenues (AED Mn)



Net Revenue from Funds (AED Mn)



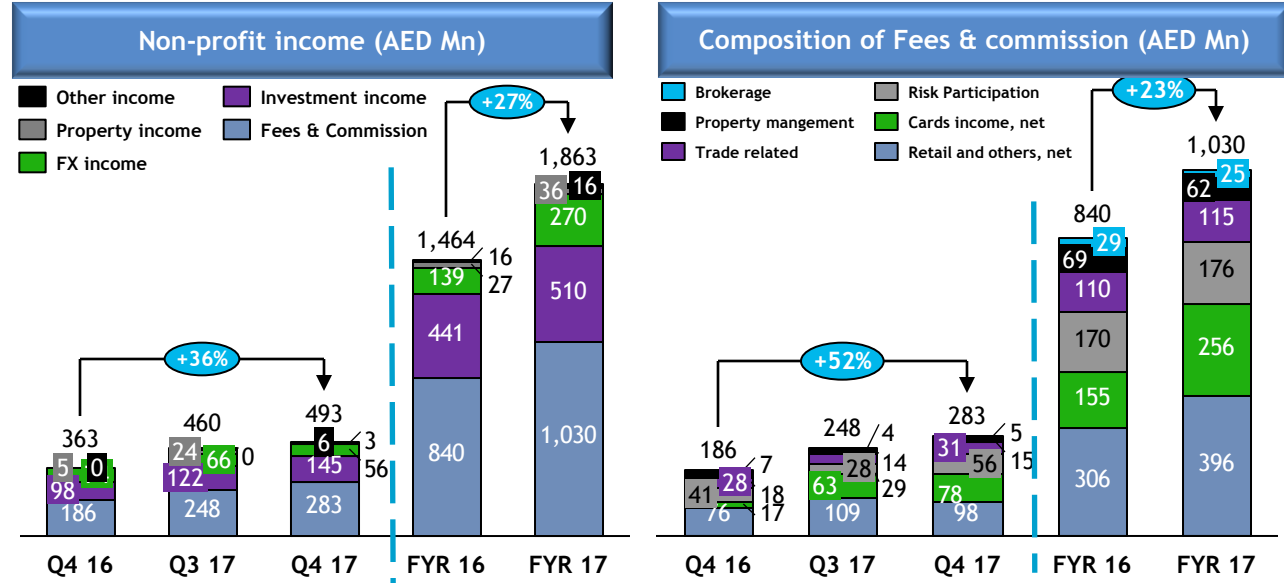
Evolution of Yields (%)



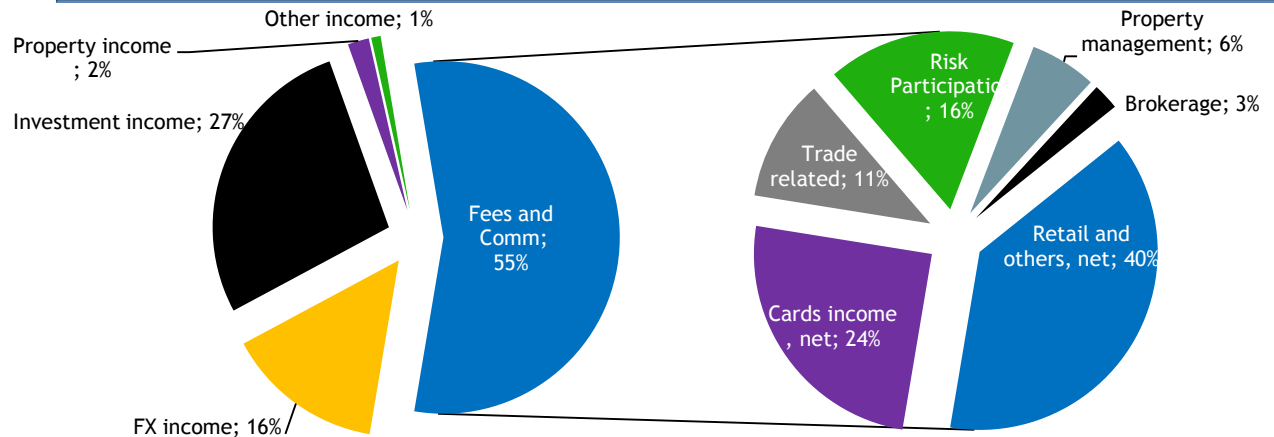
Operating Performance - Non-profit income

Highlights (FYR 2017 vs. FYR 2016)

- Non-profit income up by 27.2% at AED 1,862.7 Mn.
- FX income higher by 94.2% at AED 270 Mn primarily due to one-off loss in 2016 of AED 49 Mn. Ex one-off loss, the growth was 43.6%.
- Fees and commission income higher by 22.6% mainly from cards, wealth management and Takaful products.
- Investment income higher by 18.5% primarily due increase in sukuk income resulting from increase in trading and HTM portfolio.



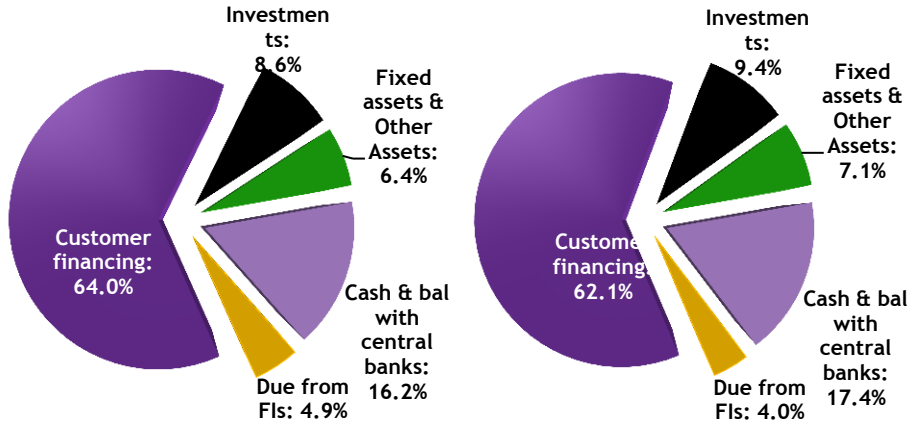
Non-profit income Revenue breakdown



Balance Sheet Strength and Customer Financing

Customer Portfolio lower by 2.0% mainly due to early repayments in WBG (-7.2%), however Personal Banking assets grew 4.6%

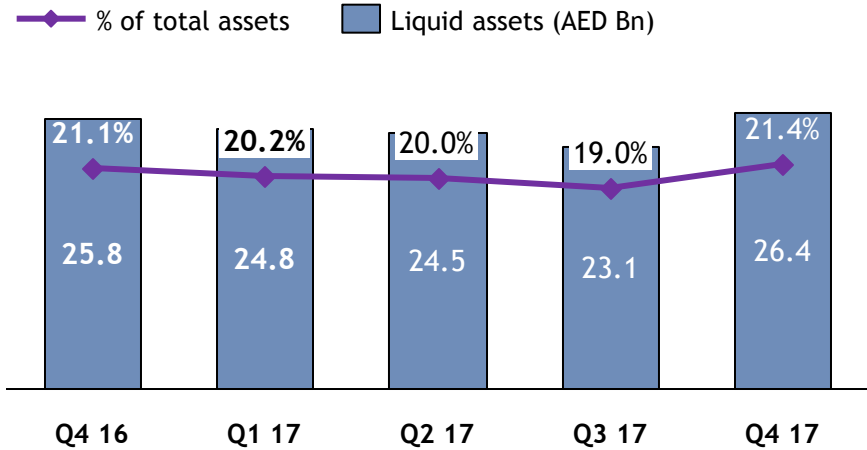
Composition of Total Assets - AED Bn



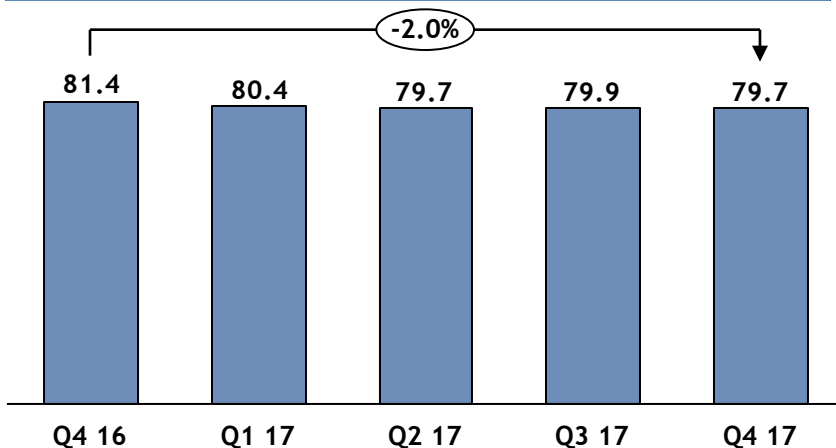
31 Dec 2016 - AED 122.3 Bn

31 Dec 2017 - AED 123.3 Bn

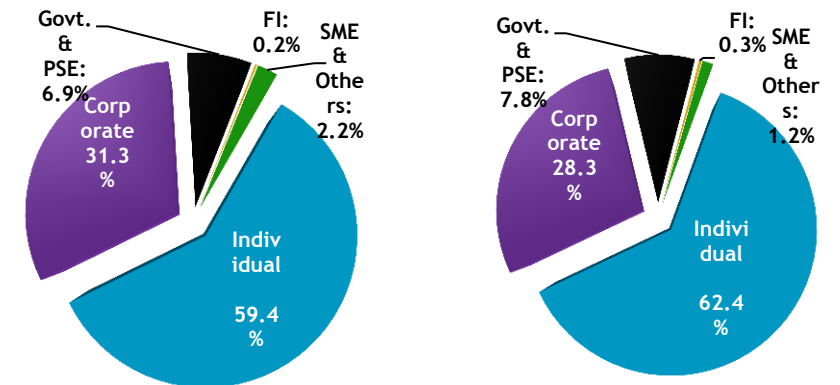
Liquidity ratio* (%)



Gross Customer Financing by Segment



Gross Customer Financing by Customer Segment



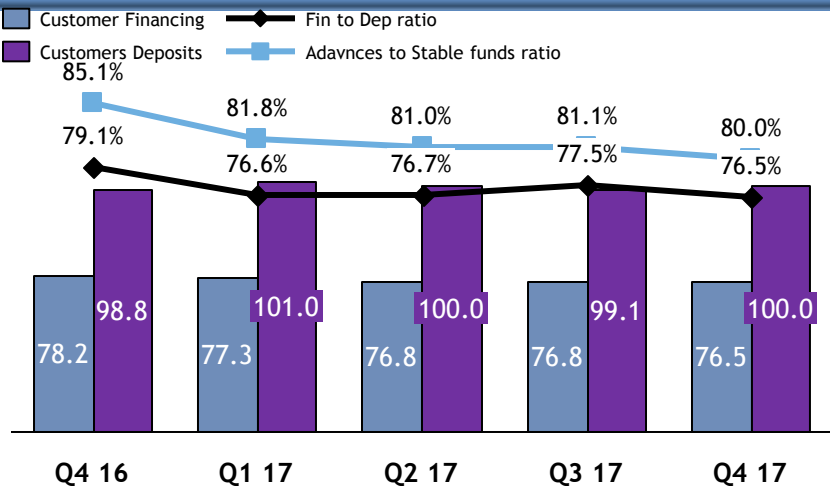
31 Dec 2016 - AED 81.4 Bn

31 Dec 2017 - AED 79.7 Bn

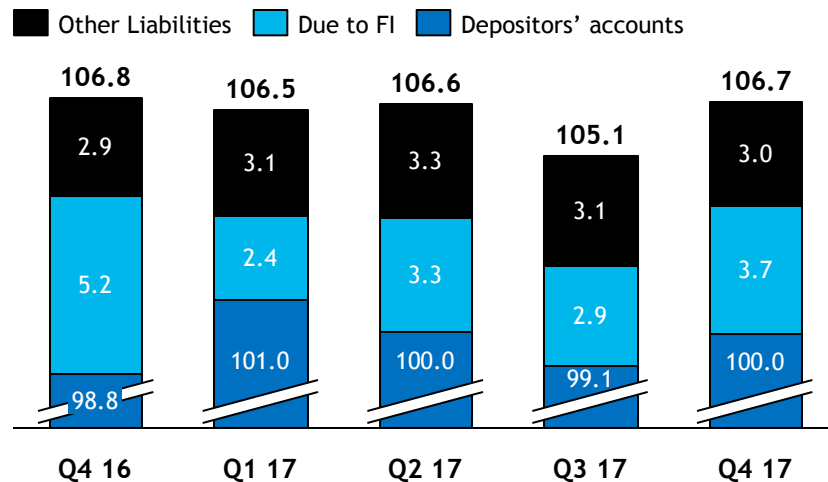
Funding Profile

Healthy Financing to Deposit ratio of 76.5%. While Deposit grew only 1.2% vs Q4 16, Retail segment deposits have increased by 3% due to growth in CASA

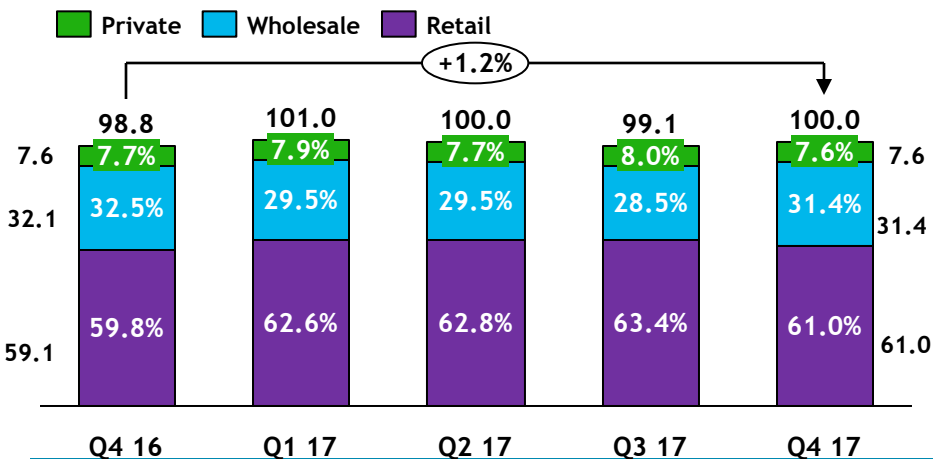
Net Customer Financing & Customers' Deposits (AED Bn)



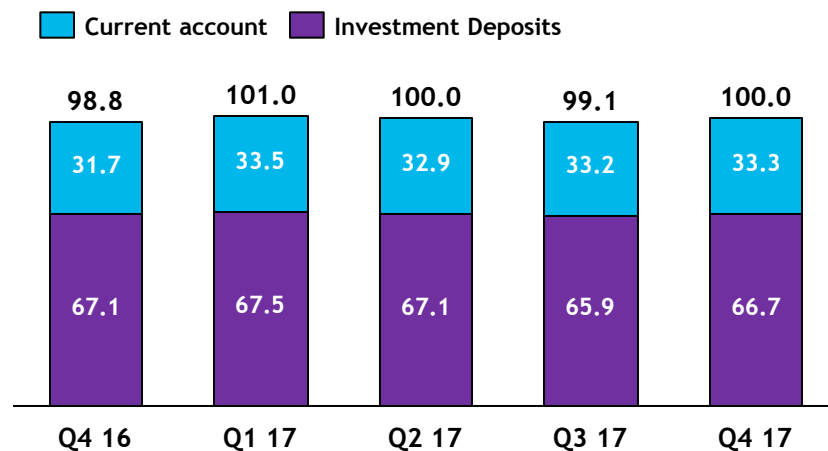
Composition of Liabilities (AED Bn)



Customers' Deposits by Segment (AED Bn)

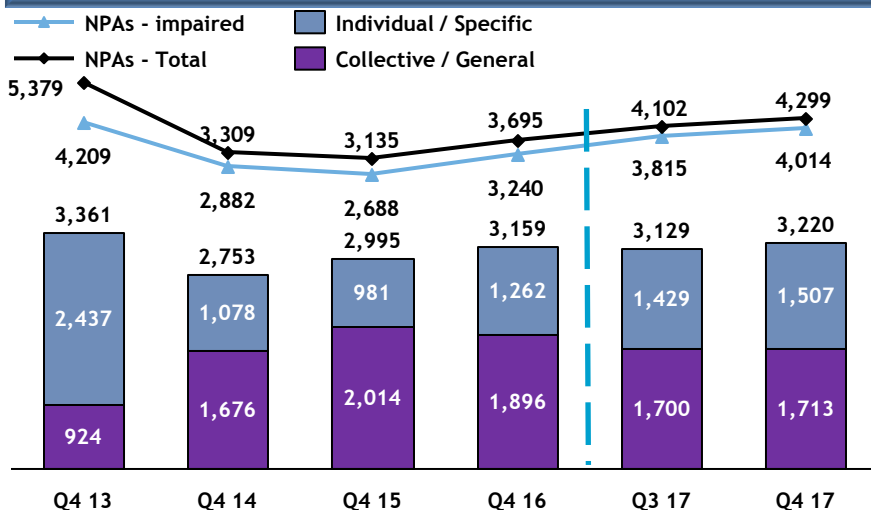


Customers' Deposits by Type (AED Bn)

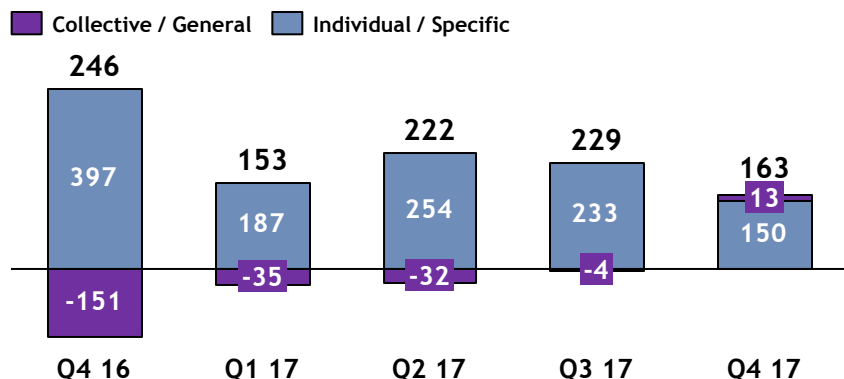


Asset quality - Customer financing only

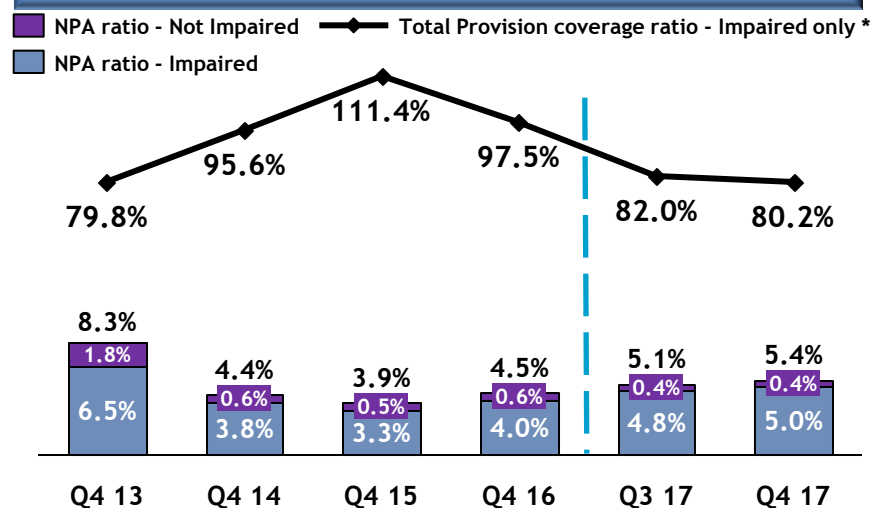
Provisions and NPAs - Customer financing (AED Mn)



Impairment charge - Customer financing (AED Mn)



NPA ratio and Provision Coverage ratio



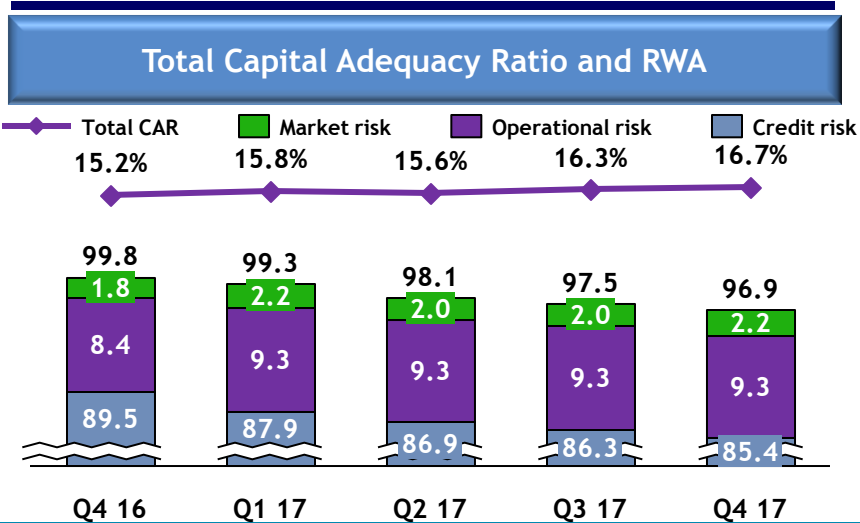
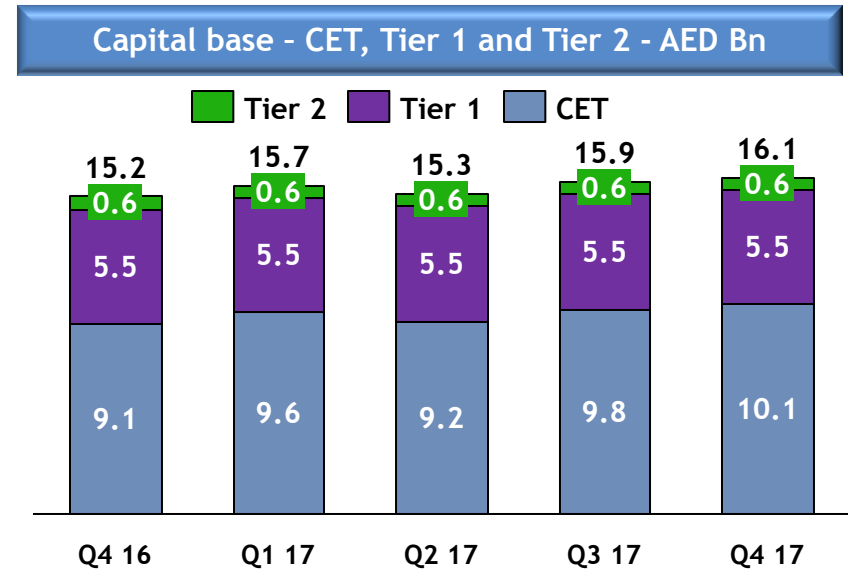
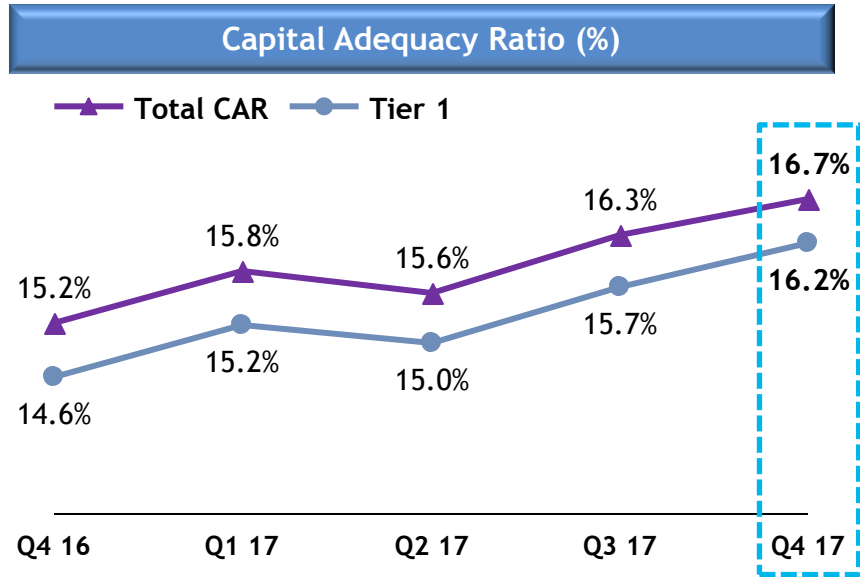
Key points

- Total NPAs increased by AED 604 Mn during 2017 to reach AED 4,299 Mn (31 Dec 16: AED 3,695 Mn).
- Impaired NPAs ratio at 5.0% as at 31 Dec 2017 (4.0% at 31 Dec 2016) with coverage of 80.2% (31 Dec 2016: 97.5%).
- Collective provisions of AED 1,713 Mn at end of Q4 2017 represents 2.01% of total Credit RWAs (31 Dec 2016: 2.12%).
- Individual provisions of AED 1,507 Mn at 37.6% of impaired NPAs at end of Q4 2017 (31 Dec 2016: 39.0%).
- Total provisions of AED 3,220 Mn represents 4.04% (31 Dec 2016: 3.88%) of Gross Financing portfolio.

Capital Adequacy Ratio (CAR)

Basel II - Total CAR at 16.7% remains above the minimum requirement of 12%

Basel III - CET1 remains low at 10.32%, when compared to CB UAE requirement of 8.25%



Highlights

- Basel II Total Capital Adequacy ratio at end of Dec 2017 at 16.71% well above the regulatory requirement of 12%. (31 Dec 16: 15.25%).
- Basel II Tier I ratio at 16.18% at the end of Dec 2017 well above the regulatory requirement of 8%. (31 Dec 16: 14.61%).
- Basel II CET1 ratio at 10.56% at the end of Dec 2017 (31 Dec 16: 9.12%).
- Basel III: Total CAR: 17.02%; Tier 1: 15.99%, CET 1: 10.32%.

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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

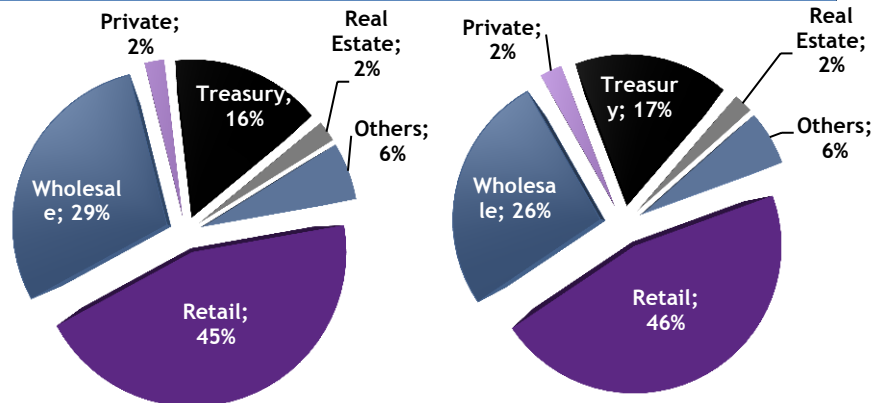
Mutual Benefit

Hospitality &
Tolerance

Shari'a Inspired

Business unit contribution

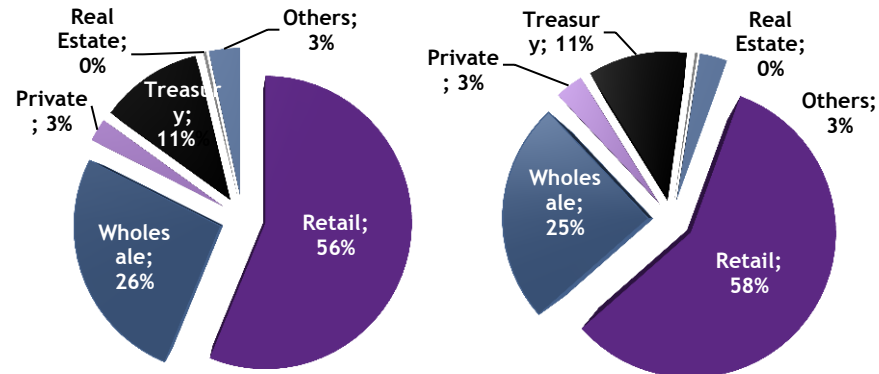
Composition of Total Assets - AED Bn



31 Dec 2016 - AED 122.3 Bn

31 Dec 2017 - AED 123.3 Bn

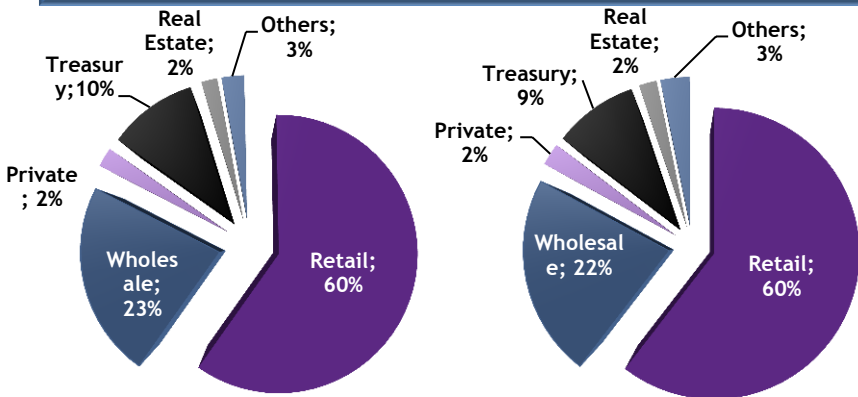
Composition of Total Liabilities - AED Bn



31 Dec 2016 - AED 106.8 Bn

31 Dec 2017 - AED 106.7 Bn

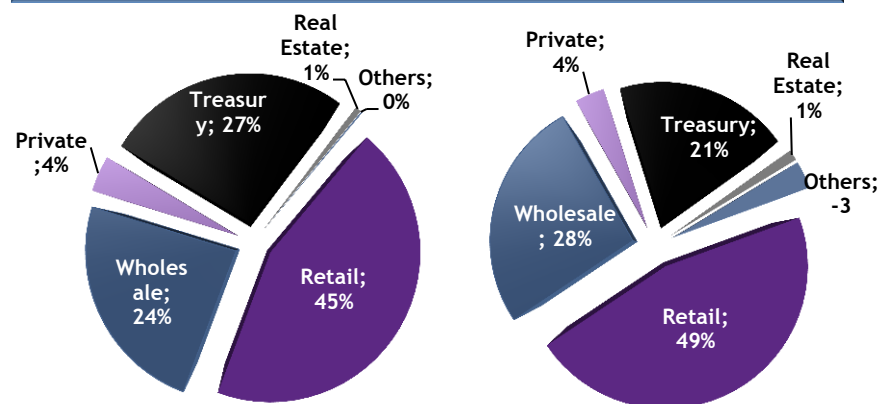
Composition of Revenues - AED Mn



FYR 2016 - AED 5,385.5 Mn

FYR 2017 - AED 5,632.3 Mn

Composition of Net profit - AED Mn



FYR 2016 - AED 1,953.6 Mn

FYR 2017 - AED 2,300.1 Mn

Global Retail Banking overview

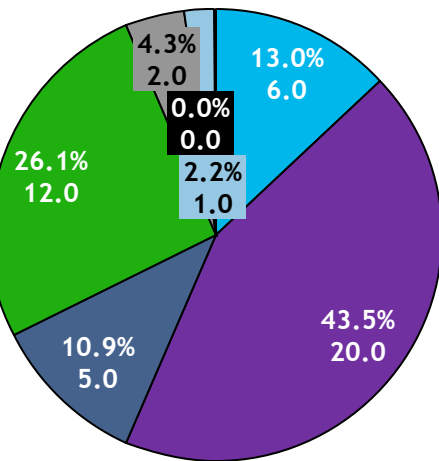
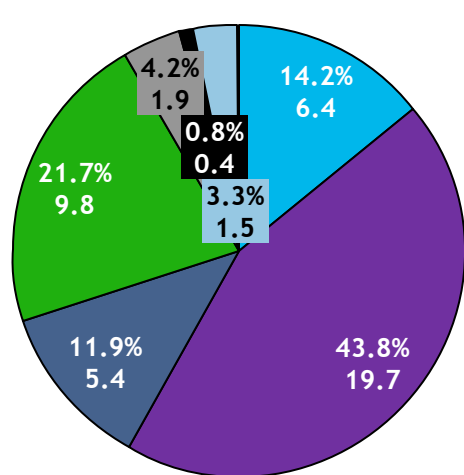
Personal banking assets grew 4.6% vs Dec 16

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

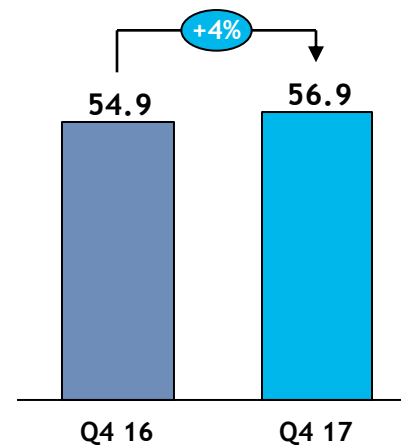
■ Car Finance ■ Mortgage ■ Covered Cards ■ SME
■ Personal Finance ■ Home Finance ■ Others



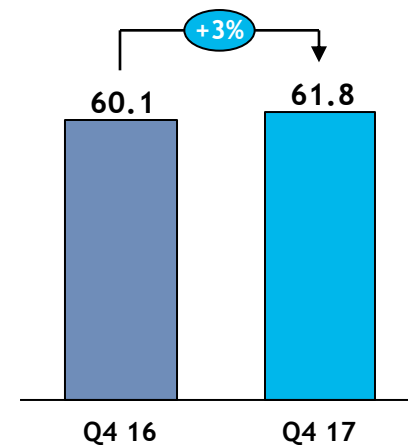
31 Dec 2016 - AED 44.9 Bn

31 Dec 2017 - AED 46.3 Bn

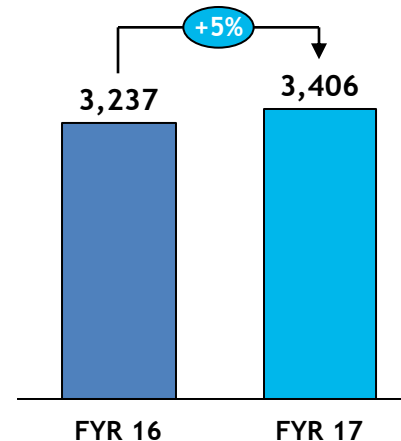
Assets (AED Bn)



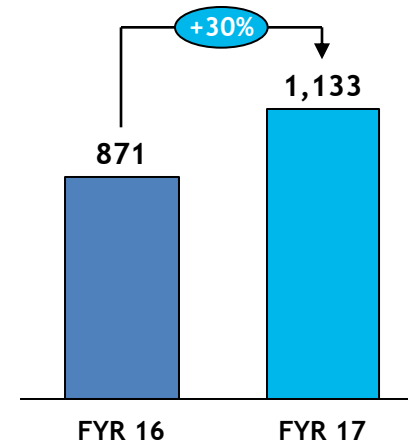
Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)



Global Wholesale Banking overview

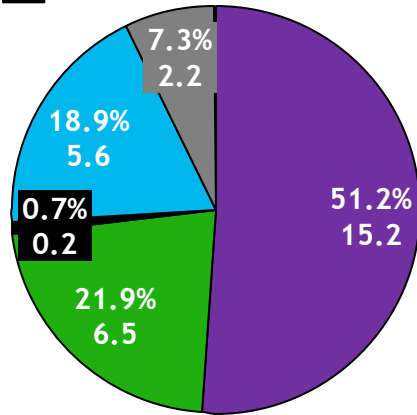
Customer Portfolio lower by 7% vs Dec 16 mainly due to repayments

Global Wholesale Banking contributes 22% of Net Revenues:

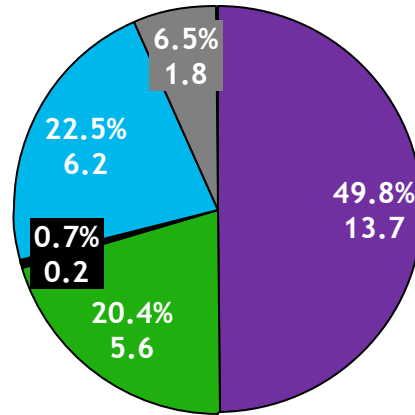
- Global Wholesale Banking encompasses the large corporates, emerging corporates and financial institutions divisions of the Bank. The array of services includes Transaction Banking and Corporate Finance and Investment Banking.

Gross Wholesale Financing Portfolio

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

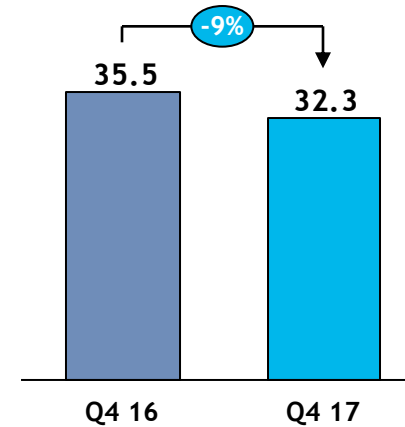


31 Dec 2016 - AED 29.6 Bn

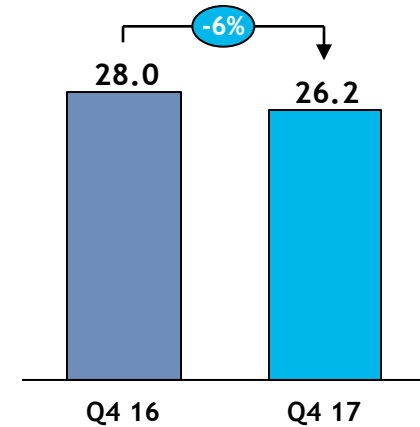


31 Dec 2017 - AED 27.6 Bn

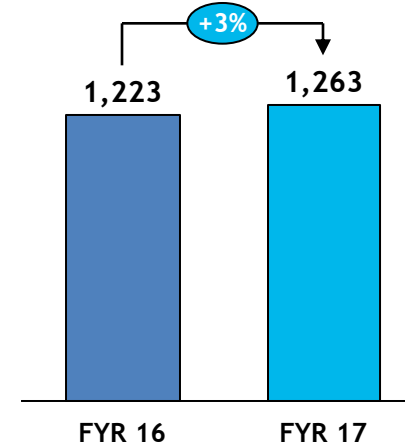
Assets (AED Bn)



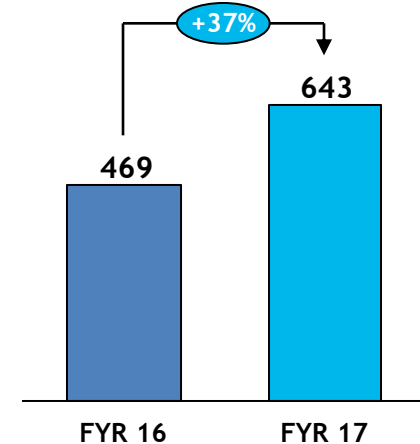
Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)

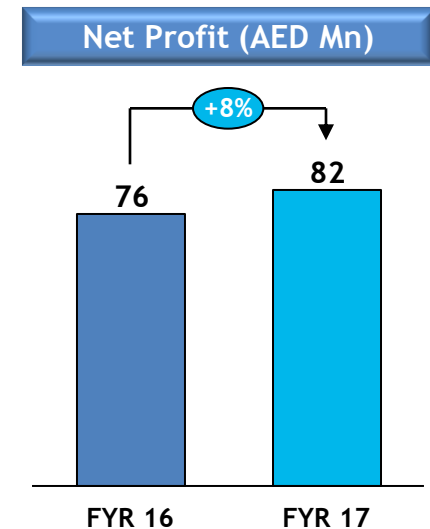
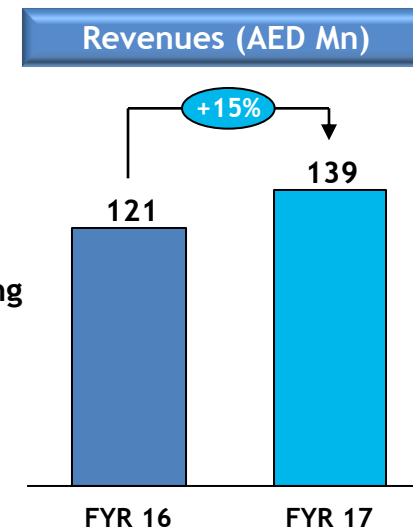
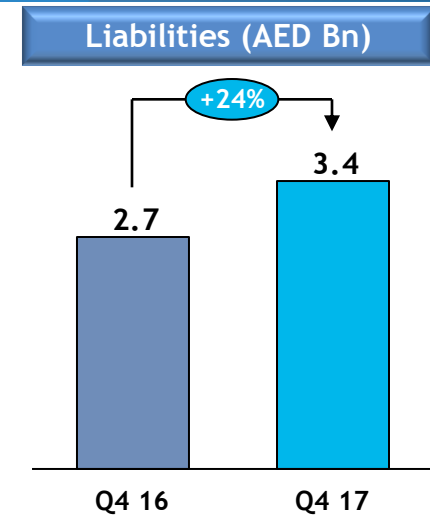
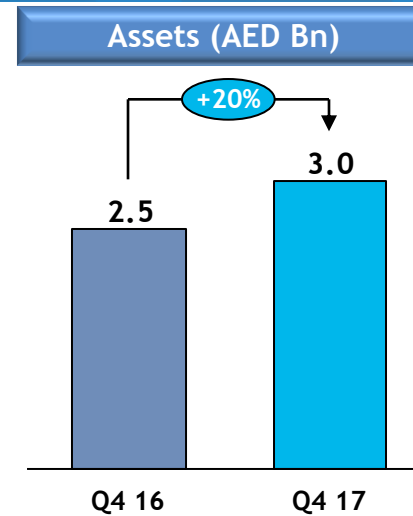
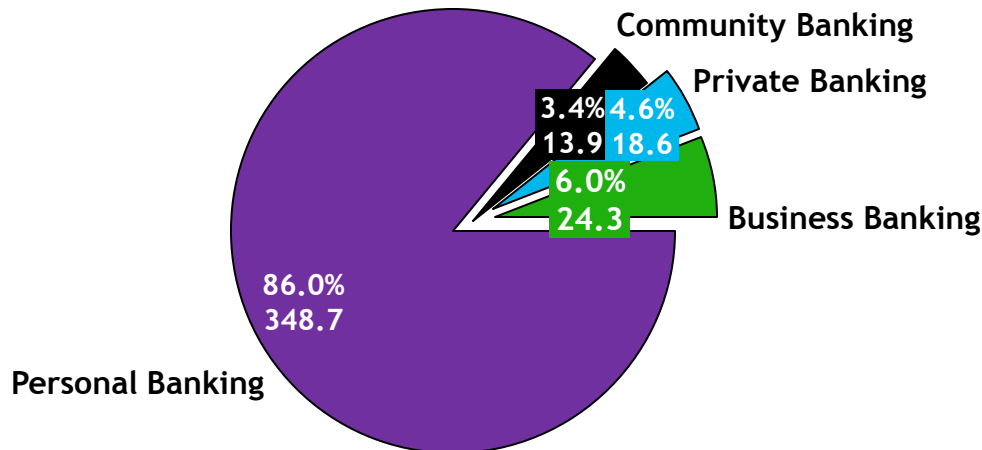


Private Banking overview

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 405.6 Mn



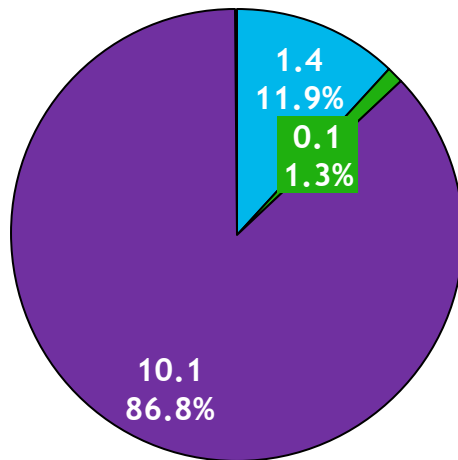
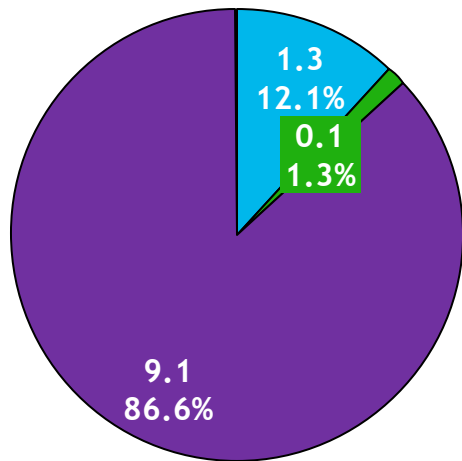
Treasury overview

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

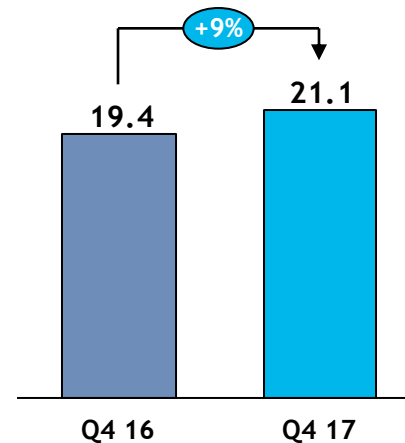
- Fair value through P&L
- Amortised cost
- Fair value through OCI



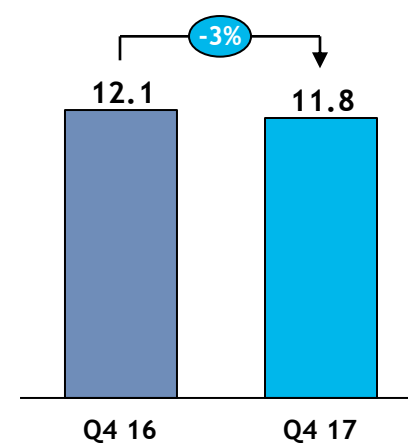
31 Dec 2016 - AED 10.5 Bn

31 Dec 2017 - AED 11.6 Bn

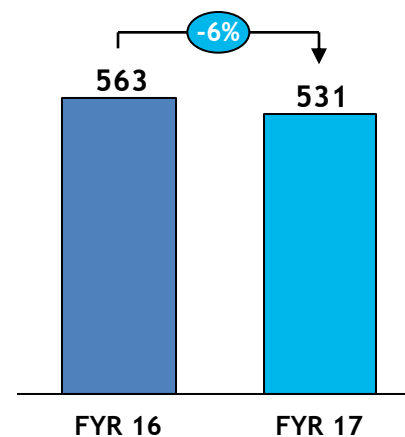
Assets (AED Bn)



Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)

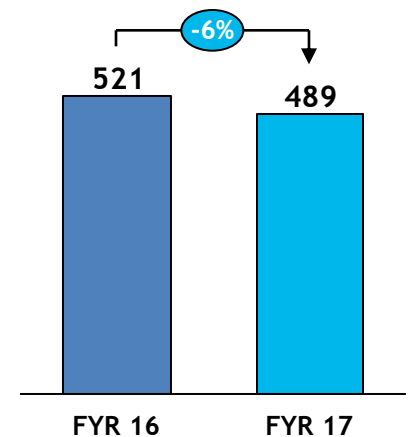


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Consolidated Statement of Income

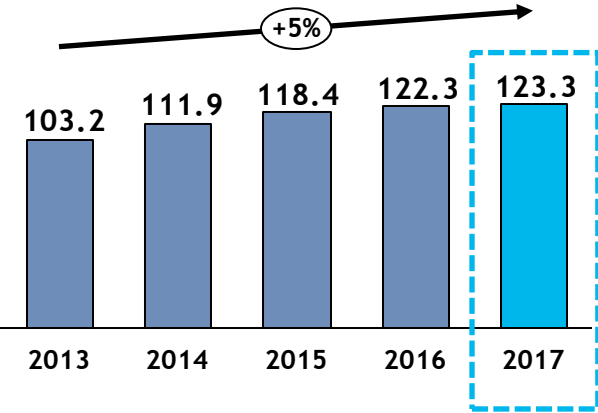
AED Mn	Q4 16	Q3 17	Q4 17	% chg Q4 17 vs Q4 16	% chg Q4 17 vs Q3 17	FYR 16	FYR17	% chg FYR17 vs FYR 16
Revenues	1,344.2	1,422.3	1,427.9	6.2%	0.4%	5,385.5	5,632.3	4.6%
Net Revenue from Funds	981.3	961.9	935.0	-4.7%	-2.8%	3,921.0	3,769.6	-3.9%
Fees & commission	185.9	248.0	283.3	52.4%	14.2%	840.4	1,030.3	22.6%
Investment income	102.6	146.6	147.2	43.4%	0.4%	468.5	546.0	16.5%
Foreign Exchange	74.0	65.7	56.3	-23.8%	-14.2%	139.2	270.3	94.2%
Other income	0.3	0.2	6.1	1705.6%	3632.3%	16.4	16.1	-1.4%
Expenses	634.8	609.4	644.4	1.5%	5.7%	2,447.9	2,509.2	2.5%
Employee cost	378.9	354.6	392.3	3.5%	10.6%	1,436.9	1,446.3	0.7%
Premises	63.8	63.5	66.1	3.6%	4.2%	236.2	263.6	11.6%
Depreciation	88.9	54.2	57.8	-35.0%	6.7%	240.6	222.7	-7.4%
Other Operating expenses	103.0	137.2	128.2	24.4%	-6.6%	534.2	576.5	7.9%
Operating Profit - Margin	709.4	812.9	783.5	10.4%	-3.6%	2,937.6	3,123.1	6.3%
Provision for impairment	252.1	242.7	166.9	-33.8%	-31.2%	970.0	790.4	-18.5%
Net profit before zakat & tax	457.3	570.2	616.6	34.8%	8.1%	1,967.7	2,332.8	18.6%
Zakat & Tax	2.2	6.3	9.4	333.1%	48.6%	14.1	32.7	131.3%
Net Profit after zakat & tax	455.1	563.9	607.2	33.4%	7.7%	1,953.6	2,300.1	17.7%

Consolidated Balance Sheet

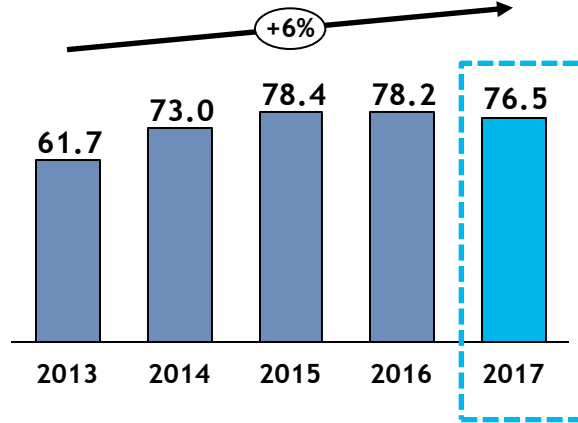
AED Mn	31 Dec 2016	30 Sep 2017	31 Dec 2017	% chg 31 Dec 2017 vs 31 Dec 2016	% chg 31 Dec 2017 vs 30 Sep 2017
Cash and balances with Central Banks	19,778	19,720	21,467	8.5%	8.9%
Due from financial institutions	6,009	3,363	4,891	-18.6%	45.4%
Net Customer financing	78,211	76,808	76,530	-2.1%	-0.4%
Investments	10,460	12,775	11,579	10.7%	-9.4%
Investment in associates	754	872	989	31.2%	13.4%
Investment and development properties	2,045	1,954	1,931	-5.6%	-1.2%
Other assets / fixed assets / intangibles	5,033	5,778	5,892	17.1%	2.0%
TOTAL ASSETS	122,290	122,269	123,278	0.8%	1.7%
Due to financial institutions	5,154	2,896	3,689	-28.4%	27.4%
Customers' deposits	98,814	99,094	100,004	1.2%	0.9%
Other liabilities	2,863	3,137	3,012	5.2%	-4.0%
TOTAL LIABILITIES	106,831	105,127	106,704	-0.1%	1.5%
Share capital	3,168	3,168	3,168	-	-
Tier 1 sukuk	5,673	5,673	5,673	-	-
Proposed dividend	777	-	915	17.7%	100%
Reserves	5,841	7,302	6,818	16.7%	-6.6%
TOTAL EQUITY	15,459	16,142	16,573	7.2%	2.7%
TOTAL LIABILITIES AND EQUITY	122,290	121,269	123,278	0.8%	1.7%

Financial Snapshot (1/2)

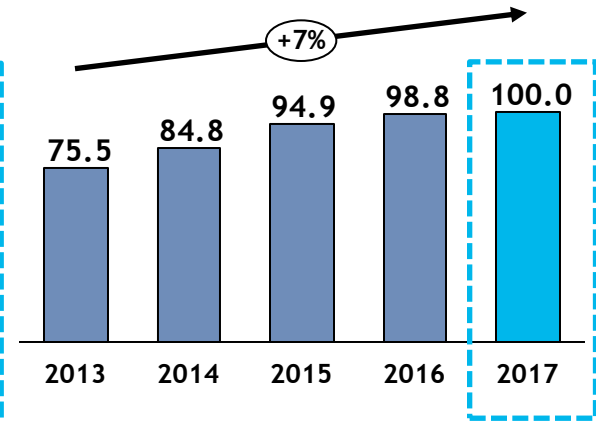
Total Assets (AED Bn)



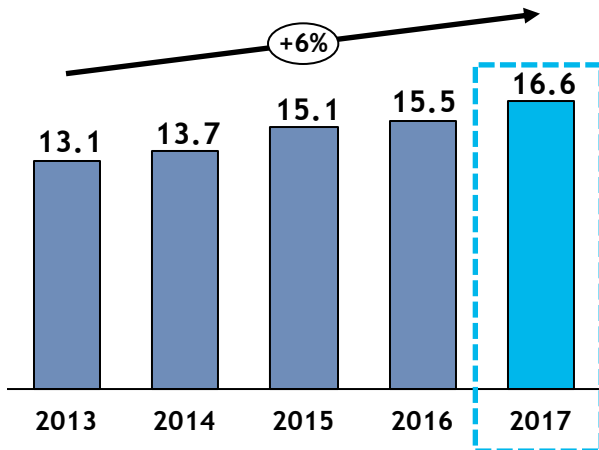
Net Customer Financing (AED Bn)



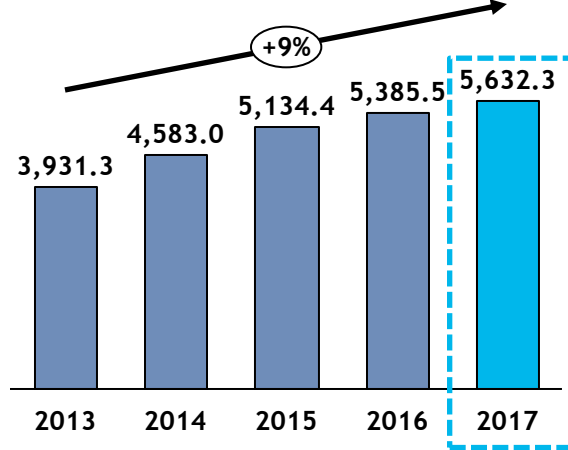
Customer Deposits (AED Bn)



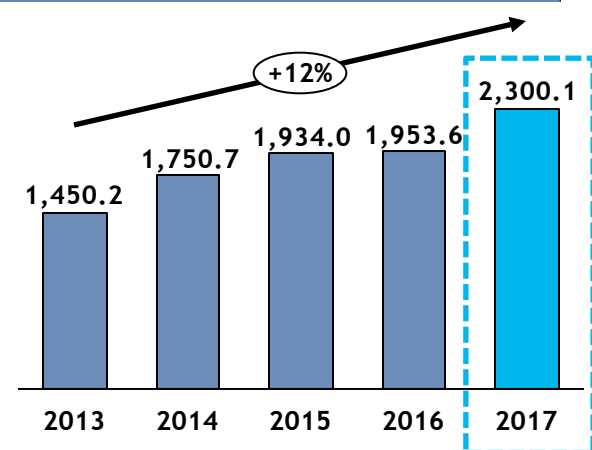
Equity (AED Bn)



Revenues (AED Mn)

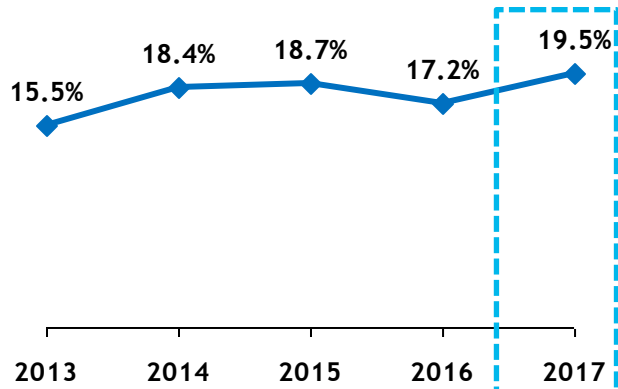


Net Profit (AED Mn)

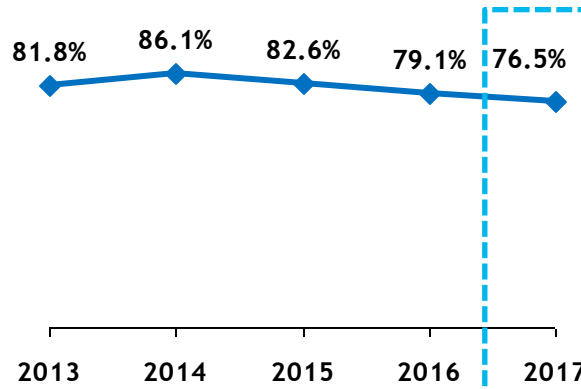


Financial Snapshot (2/2)

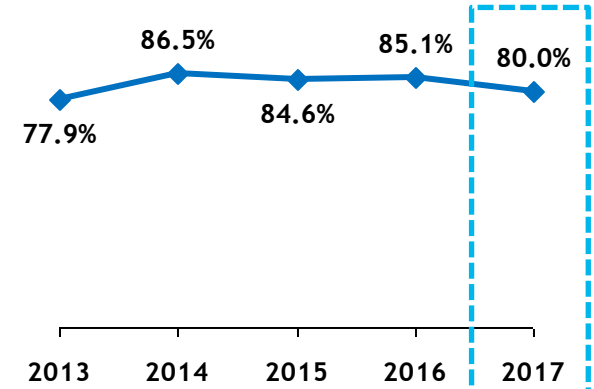
Return on Avg Shareholders' Equity (%)



Financing to Deposits Ratio (%)

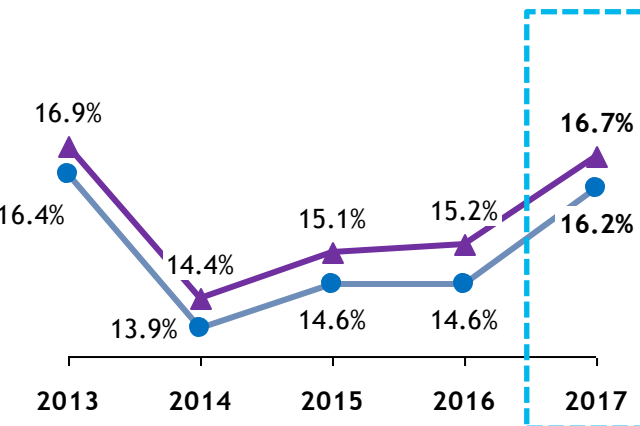


Advances to Stable Funds Ratio (%)



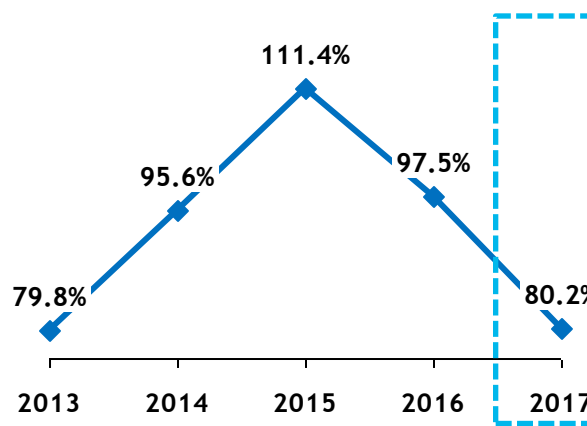
CAR (%)

▲ Total CAR ● Tier 1



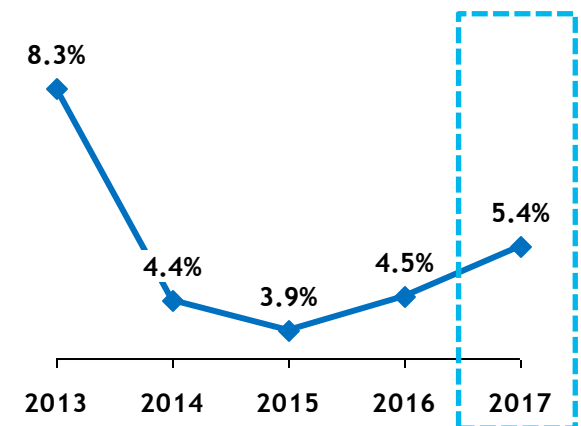
Provision Coverage (%)

◆ 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



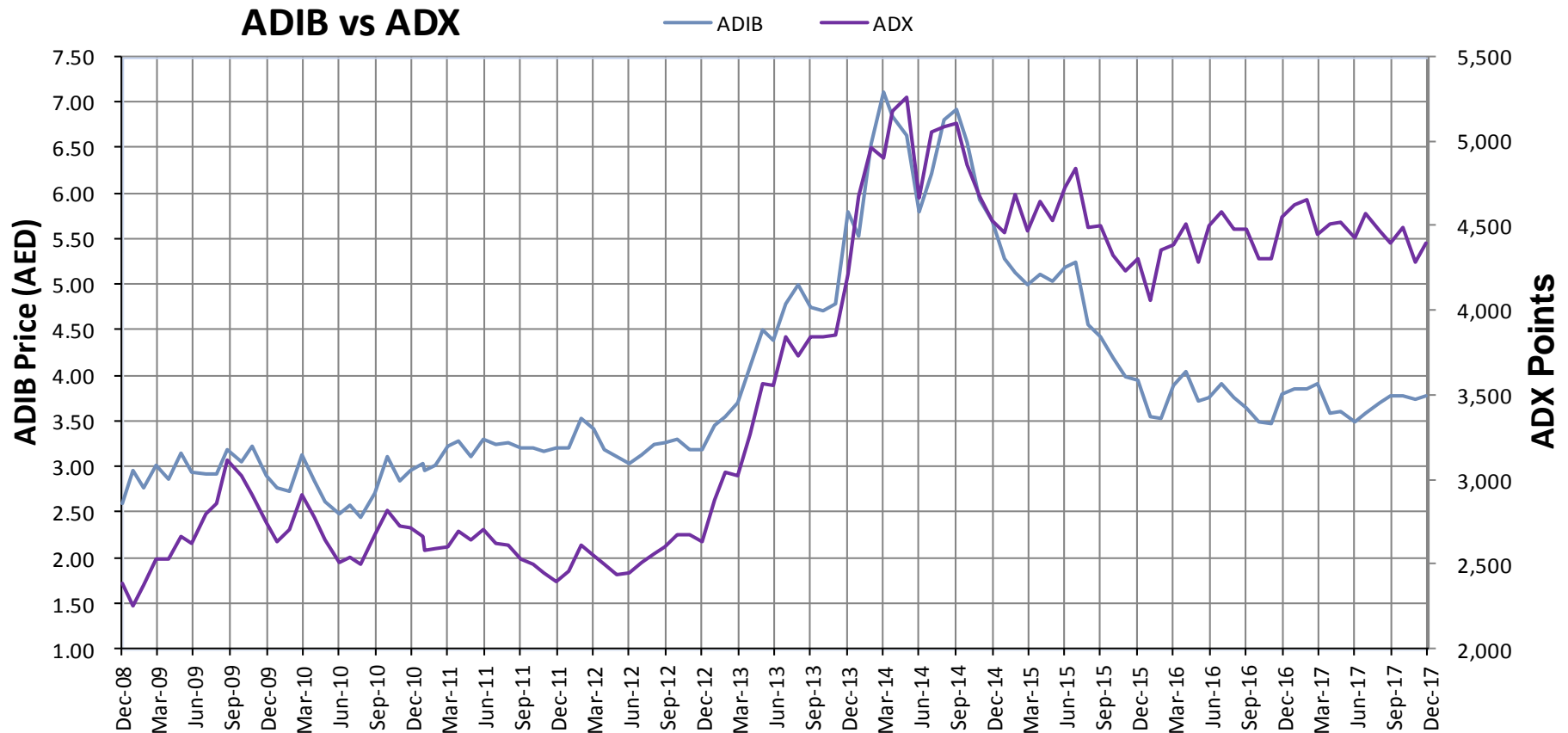
“Best Overall Islamic Bank “
International Financial Law Review
Magazine

Dividend Distribution History

	2010	2011	2012	2013	2014	2015	2016	2017*
Net Profit (Mn)	1,023.6	1,155.1	1,201.2	1,450.2	1,750.7	1,934.0	1,953.6	2,300.1
Cash Dividend Payout Ratio (% of Net Profit)	50.0%	50.0%	50.0%	50.0%	40.0%	39.8%	39.8%	39.8%
Cash Dividend (% of Share Capital)	21.6%	24.4%	25.4%	30.7%	23.3%	24.3%	24.5%	28.7%
Cash Dividends (Mn)	511.8	577.5	600.6	725.1	700.2	769.0	776.8	941.5
Total Dividend Yield	7.3%	7.7%	8.0%	9.9%	4.1%	6.2%	6.5%	7.6%
Bonus shares (Mn)	-	-	-	635.3	-	-	-	-
Bonus Shares (% of Share Capital)	-	-	-	26.9%	-	-	-	-

Shareholders' Return

- 31 December 2017 share price was AED 3.78 per share (31 Dec 2016: AED 3.80 per share).
- Cash dividend of 39.8% of net profit, 28.87% of share capital (2016: 24.52% of share capital).
- Total dividend yield of ADIB share of 7.6%. (2016: 6.5%).



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