

Investor Presentation

31 March 2010

Abu Dhabi; 20 April 2010

Confidential

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ADIB at a glance

Overview

- Incorporated in **1997** to serve as first Islamic Bank in the Emirate of Abu Dhabi.
- Owned (40 %) by Emirates International Investment Co. LLC.
- Listed on Abu Dhabi Securities Exchange (ADX).

Credit Rating

	<u>Fitch</u> (Re-affirmed 23 Feb 2010)	<u>Moody's</u> (Re-affirmed 21 Feb 2010)
LT	A+	A-2
ST	F1	P-1
Outlook	Stable	Stable

Presence

- UAE - 55 Branches
- 234 ATMs in all the 7 emirates
- First 24 hour branch at Abu Dhabi International Airport

Stock Info

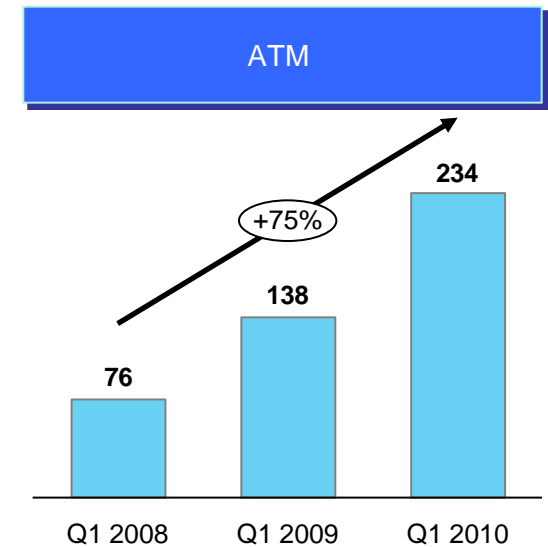
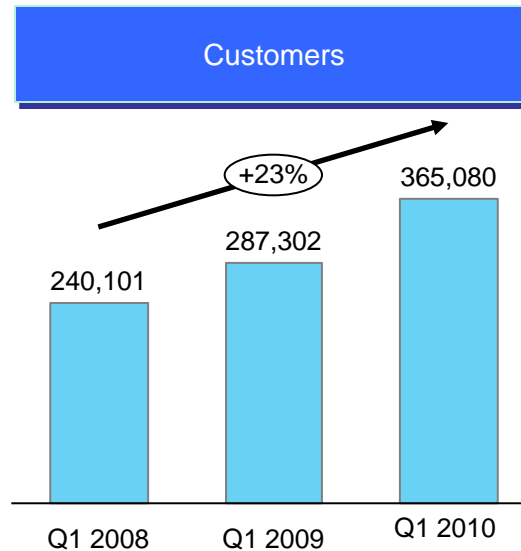
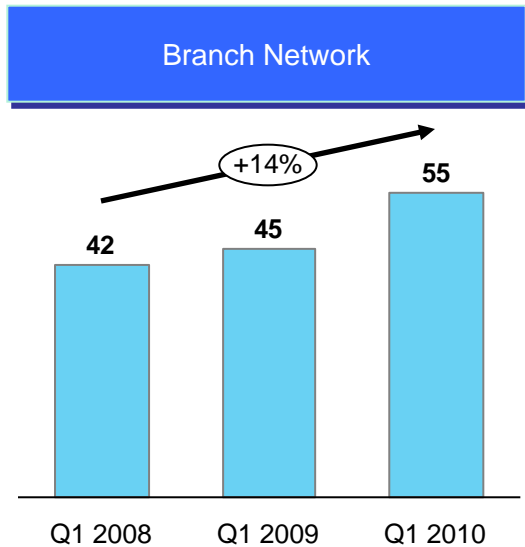
(Price as of 31 Mar 2010; ratios based on Q1 10 financials)

Market Cap (Price @ 3.12 AED)	AED 6.2 bn (US\$ 1.7 bn)
EPS / share (AED) - Quarterly	0.134
PE Ratio	5.8 times
Price / Book Ratio	0.82
Shares Issued (@ AED 1)	1,971 Mn*

- To be increased by 20% bonus shares amounting to AED 395 Mn after the approval of the shareholders in the AGM.

Focus on networking expansion continues

ADIB continues to investment in coverage during the downturn



- 55 Branches in 11 years.
- 23% CAGR growth in Customers from Q1 2008 to Q1 2010 to reach at 365,080 customers.
- ATM revamped; 208% more machines from 76 at Q1 2008 to 234 in Q1 2010.
- Service Quality ranking improved by 27% from 23 in 2008 to 18 in 2009.
- Introduced '24 Hour' Banking ; '10 to 10' Banking and 'Anywhere' Banking.
- First Islamic Business Covered Card.
- Launching cash management, investment banking, new women's banking, premier banking, wealth management, upgraded private banking in 2010.

Financial targets over the medium term

1

Core business ROE of 25% over the medium term

2

Cost to Income Ratio of less than 33%

3

Earnings increase of 20% p.a. over the medium term

FY Q1 2010 – Highlights

Consolidated Balance Sheet	31 Mar '10 AED (bn)	% chg (vs Mar '09)	
Assets	66.0	↑ 20%	Total Assets increased by 20% from Q1 2009 to reach AED 66.0 bn.
Customer Financing	42.0	↑ 17%	Customer financing increased by 17% from Q1 2009 to reach AED 42.0 bn.
Customers' Deposits ⁽¹⁾	49.9	↑ 22%	Customer deposits showed a healthy growth of 22% over Q1 2009 and Stable Funds Ratio at 31 March 2010 was 88% (one of the few banks to meet UAE CB guidelines).
Total Equity	7.5	↑ 37%	Capital adequacy ratio at 31 Mar 10 was 16.84% - Basel II.
Total Capital resources	12.6	↑ 51%	Capital resources reached AED 12.6 bn, up 51% over end Q1 2009.

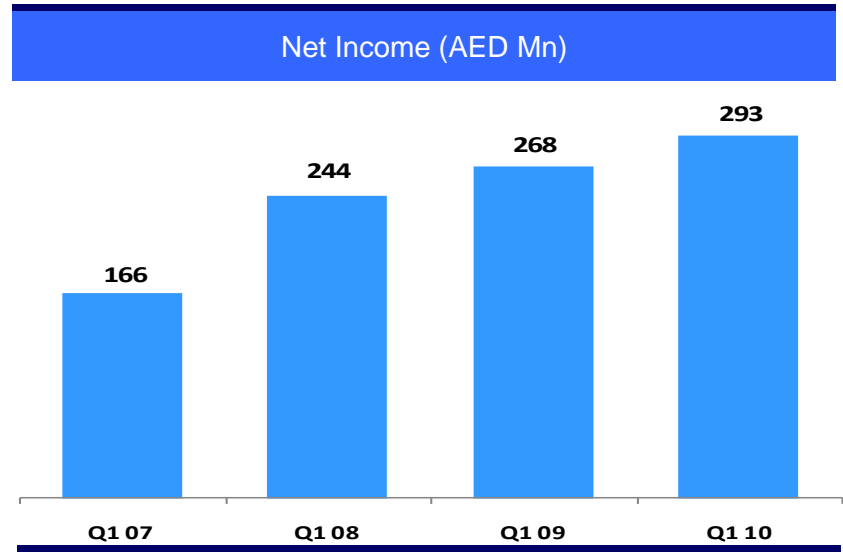
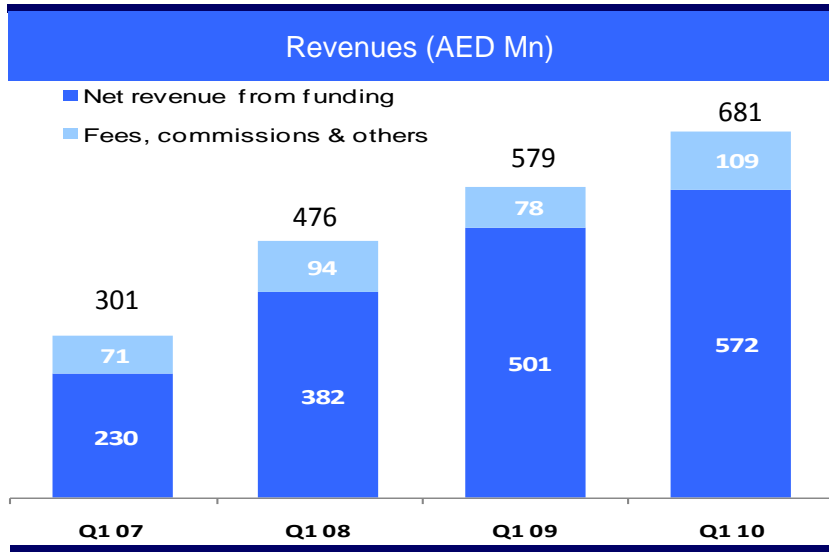
Note : (1) Customer deposits growth rate is conservative in that includes the UAE Federal Government AED 2.2 bn deposit in the Mar 2009 base but not in Q1 2010 since it converted to Tier 2 capital on 31 December 2009.

Consolidated Income Statement

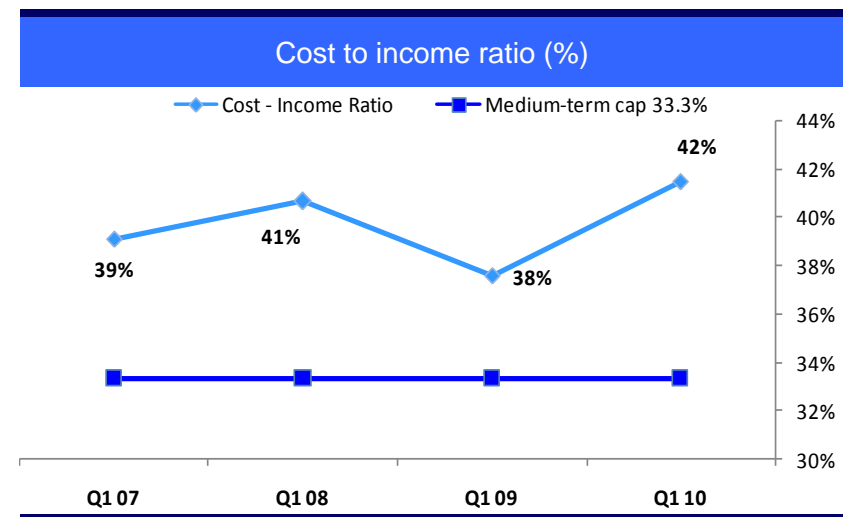
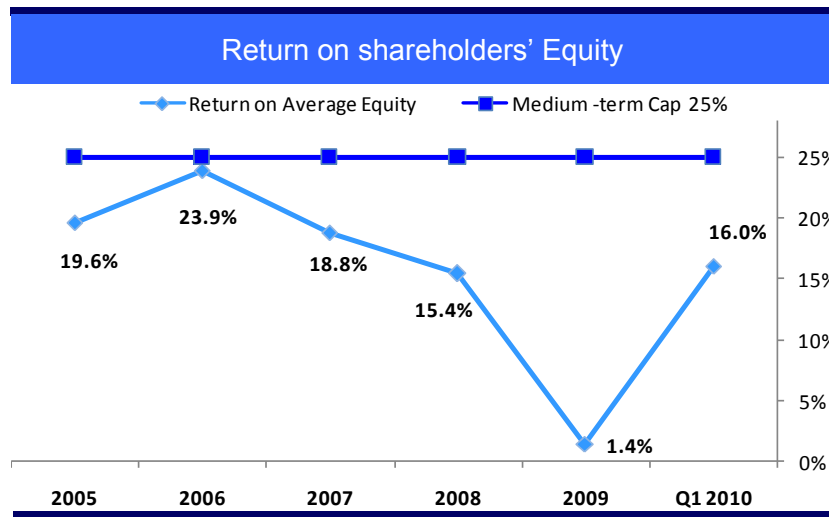
The first quarter of 2010 was a highest earning quarter in ADIB's history

AED MM	Q1 09	Q4 09	Q1 10	% chg Q1 10 vs Q1 09	% chg Q1 10 vs Q4 09
Revenues	578.9	733.4	680.7	17.6%	-7.2%
Net Revenue from Funds	501.4	562.7	571.6	14.0%	1.6%
Fees & commission	33.6	63.0	56.1	67.0%	-11.0%
Investment income	26.0	102.9	40.7	56.2%	-60.5%
Foreign Exchange	15.3	8.3	11.3	-26.4%	36.8%
Other income	2.5	(3.6)	1.0	-59.9%	128.6%
Expenses	217.6	293.7	282.1	29.7%	-3.9%
Employee cost	147.3	167.3	174.1	18.2%	4.0%
Premises	18.5	26.3	25.6	38.4%	-2.6%
Depreciation	10.4	20.3	18.5	77.1%	-9.0%
Other Operating expenses	41.4	79.8	64.0	54.5%	-19.9%
Margin	361.3	439.6	398.5	10.3%	-9.3%
Credit Loss Provisions	93.0	1,063.0	105.2	13.1%	-90.1%
Cost of credit & impairment – Specific	82.5	725.3	82.5	0%	-88.6%
- General	10.5	337.7	22.7	116.2%	-93.3%
Net income	268.3	(623.3)	293.3	9.3%	147.1%

Key income parameters



▪ **Highest ever net income recorded in a single quarter in Q1 '10**



Consolidated Balance Sheet

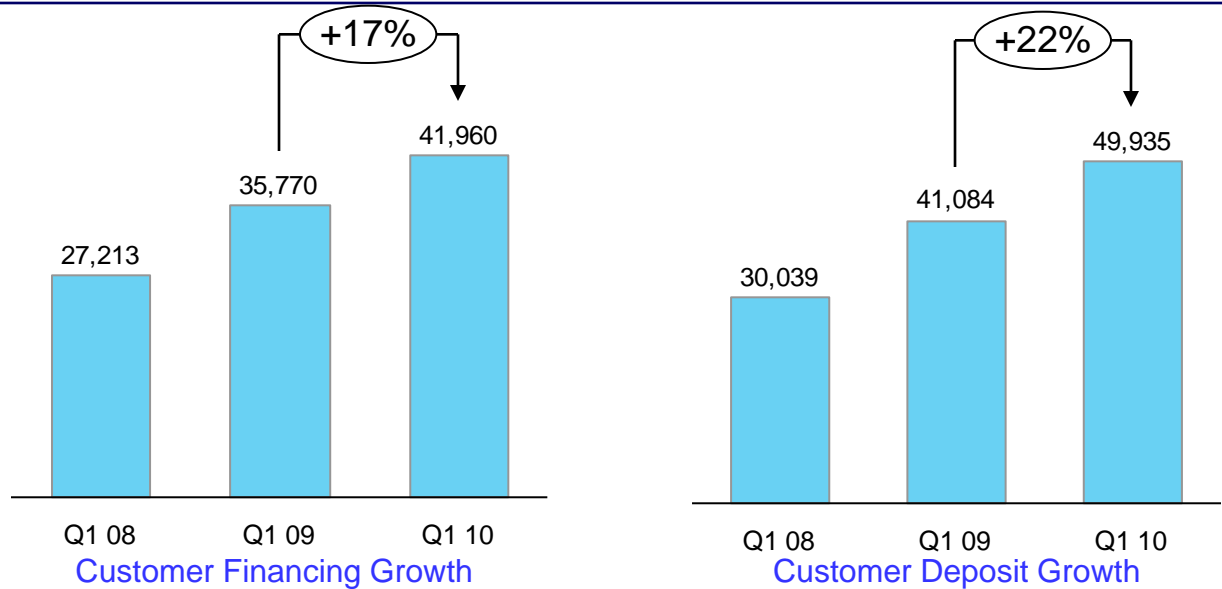
Balance Sheet has grown by 20% in the past 12 months

AED MM	31 Mar 2009	31 Dec 2009	31 Mar 2010	% chg 31 Mar 2010 vs 31 Mar 2009	% chg 31 Mar 2010 vs 31 Dec 2009
Cash and balances with Central Banks	2,272	3,331	4,242	86.7%	27.3%
Due from financial institutions	11,651	14,658	14,160	21.5%	-3.4%
Net Customer financing	35,770	40,474	41,960	17.3%	3.7%
Investments	1,096	1,010	1,181	7.8%	16.9%
Investment in associates	794	738	740	-6.8%	0.3%
Investment, development and properties held for sale	929	1,138	1,122	20.8%	-1.4%
Other assets / fixed assets	2,540	2,735	2,636	3.8%	-3.6%
TOTAL ASSETS	55,052	64,084	66,041	20.0%	3.1%
Due to financial institutions	3,555	1,278	1,075	-69.8%	-15.9%
Customers' deposits	41,084	48,220	49,935	21.5%	3.6%
Other liabilities	2,030	2,296	2,400	18.2%	4.5%
Tier 2 wakala capital	-	2,207	2,207	100.0%	0.0%
Sukuk payable	2,938	2,938	2,938	0.0%	0.0%
LIABILITIES	49,607	56,939	58,555	18.0%	2.8%
Share capital	1,971	1,971	1,971	0.0%	0.0%
Tier 1 sukuk	-	2,000	2,000	100.0%	0.0%
Reserves	3,474	3,174	3,515	1.2%	10.7%
EQUITY	5,445	7,145	7,486	37.5%	4.8%
LIABILITIES AND EQUITY	55,052	64,084	66,041	20.0%	3.1%

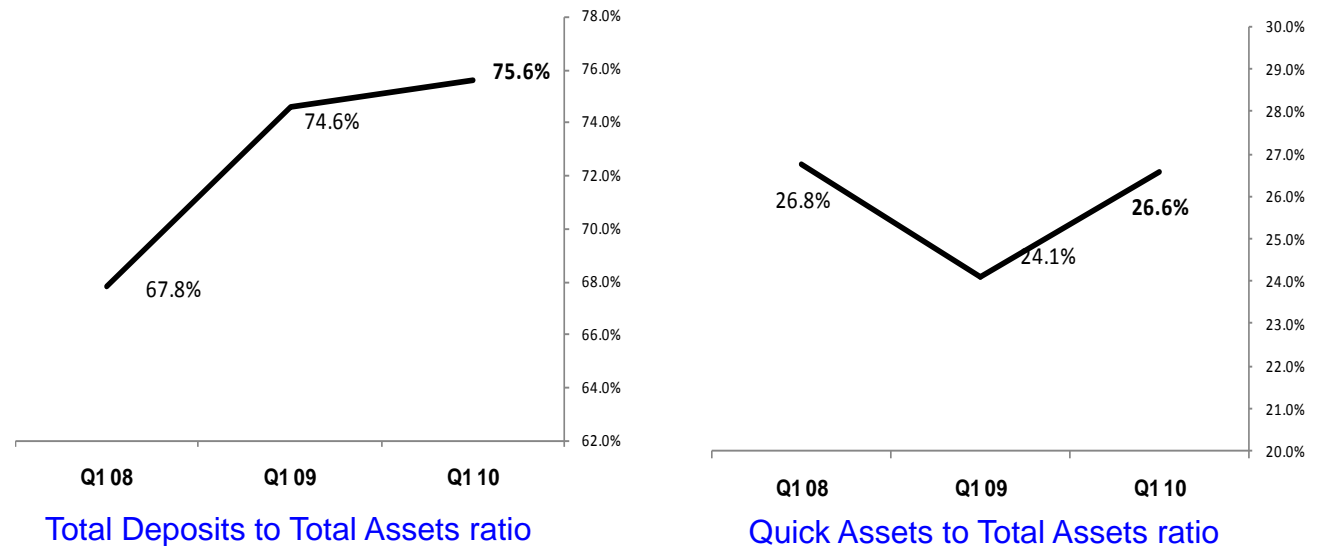
Balance Sheet Strength

Remain one of the most liquid bank's in the UAE on the back of above market balance sheet growth

- Assets increased by 20% in Q1 2010 to reach AED 66.0 bn.
- Customer financing increased by 17% in Q1 2010 to reach 42.0 bn.
- Customer deposits showed a healthy growth of 22% over Q1 2009.

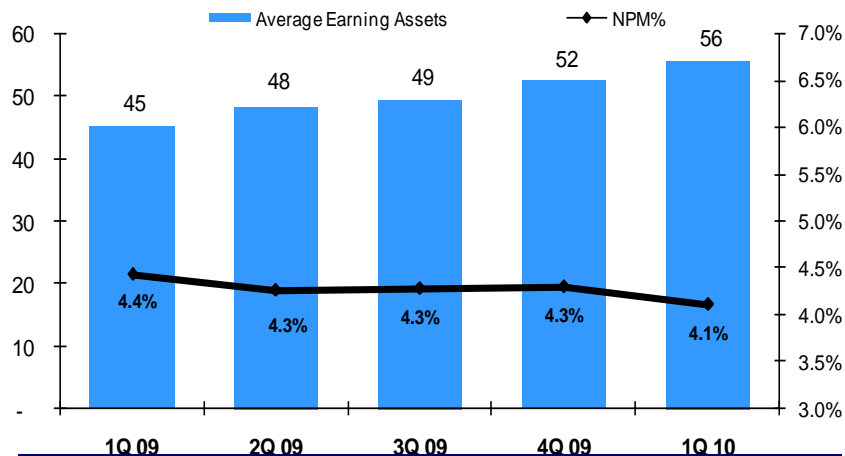


- Strong Financing to Deposit ratio at 84%.
- Stable Funds Ratio is at 88%.
- ADIB maintains Central Bank guideline; Stable Funds to be under 100%.

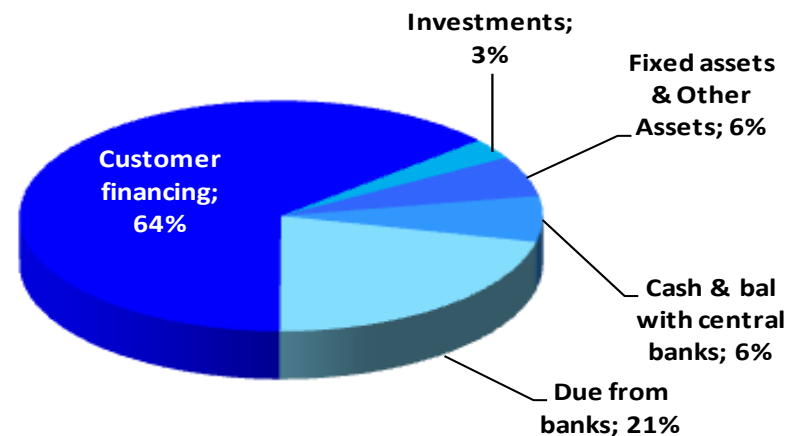


Assets and Liquidity

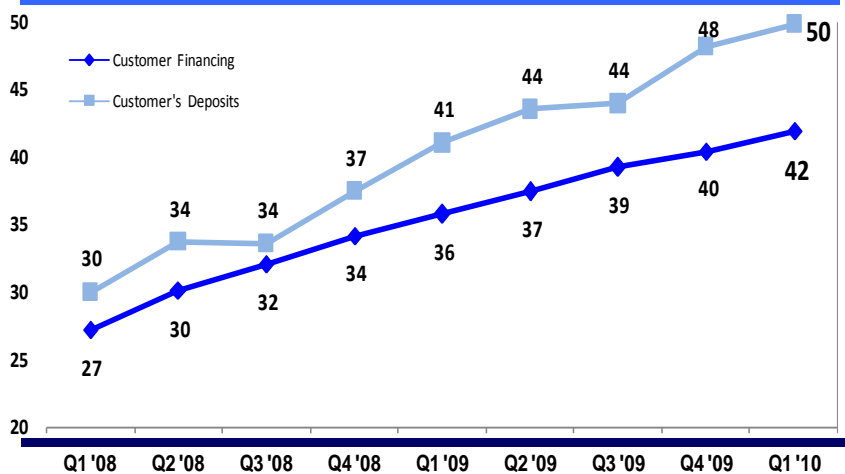
Average Earning Assets (AED bn) and Net Profit Margin %



Composition of Assets – AED 66 bn



Net Customer Financing and Customers' Deposits (AED bn)

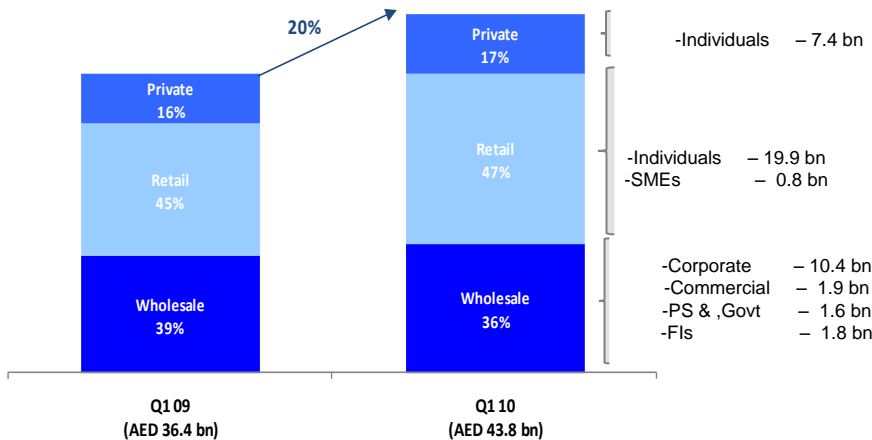


Key points

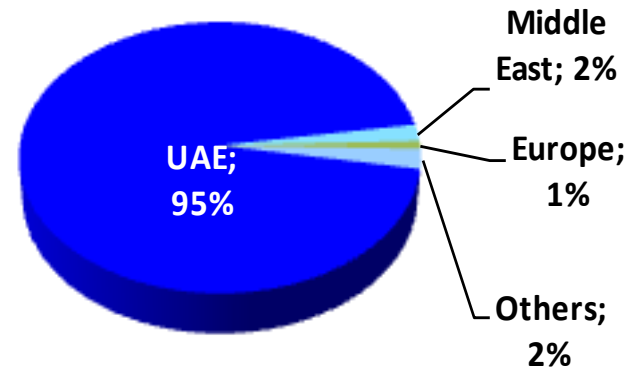
- Strong asset quality and liquidity.
- CAGR (Q1 08 – Q1 10)
 - Assets 22%
 - Customer financing 26%
 - Customers' Deposits 29%
- Net Profit Margin (NPM) was 4.1% for Q1 10 and 4.3% for Q4 09.

Customer Financing

Gross Customer financing by Segment



Gross Customer financing by Geographic Region

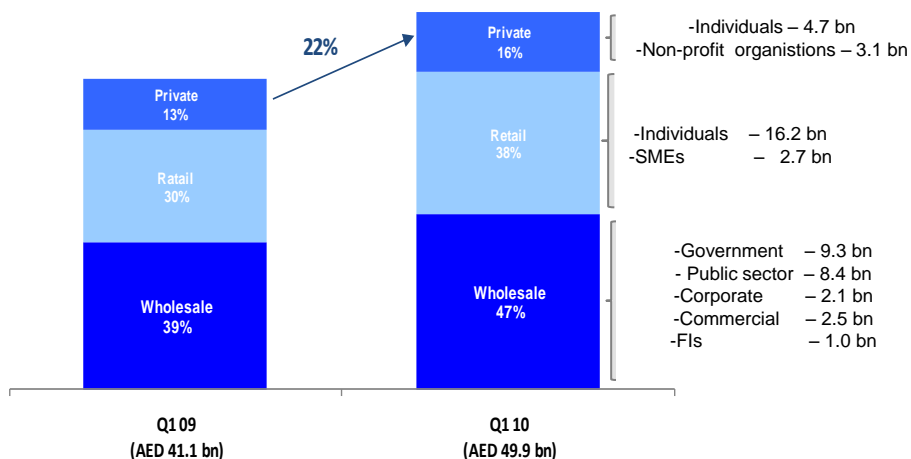


Key points

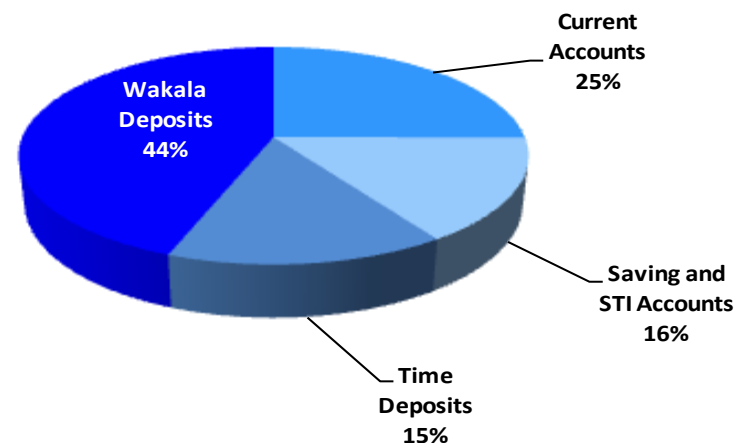
- Retail and Wholesale remains ADIBs niche market.
- ADIB leader in car financing in UAE.
- Support the vision of Govt. of Abu Dhabi and development of UAE.
- Diversified portfolio across various segment.

Customers' Deposits

Gross Customers' Deposits by Segment



Gross Customers' Deposits by Type



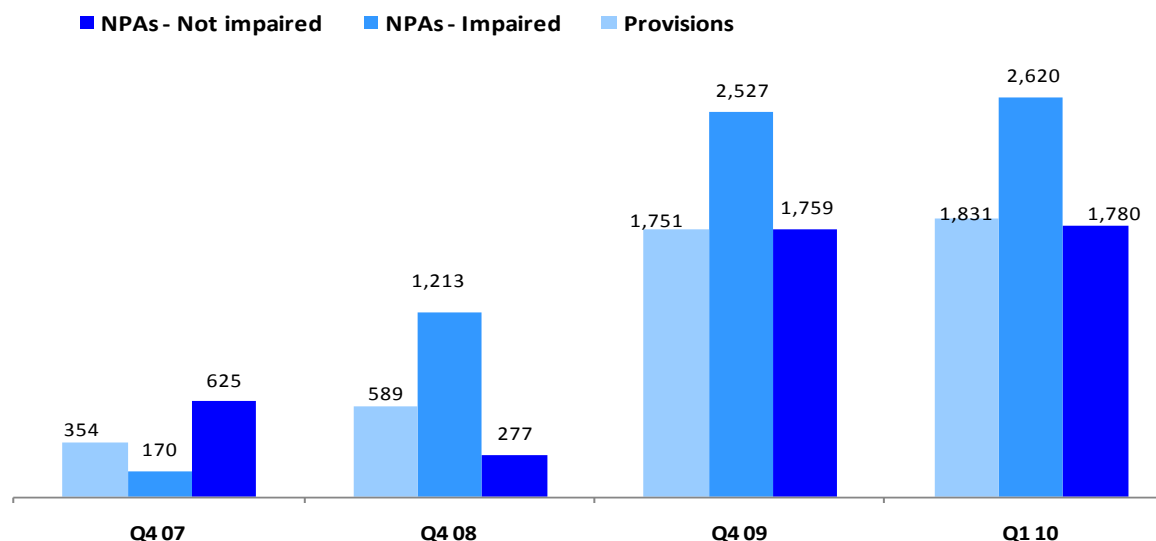
Key points

- Wholesale and Retail segment to remain as major source of Deposits.
- Diversified deposits by type.

NPAs & Provisions

Provisions (AED Mn)	2008	2009	Q1 10
Financing Portfolio:			
- Specific provisions	455	1,233	1,291
- Collective provisions	135	518	540
	589	1,751	1,831
Impairment on investments	129	58	58
Others	144	372	386
Total	862	2,181	2,275

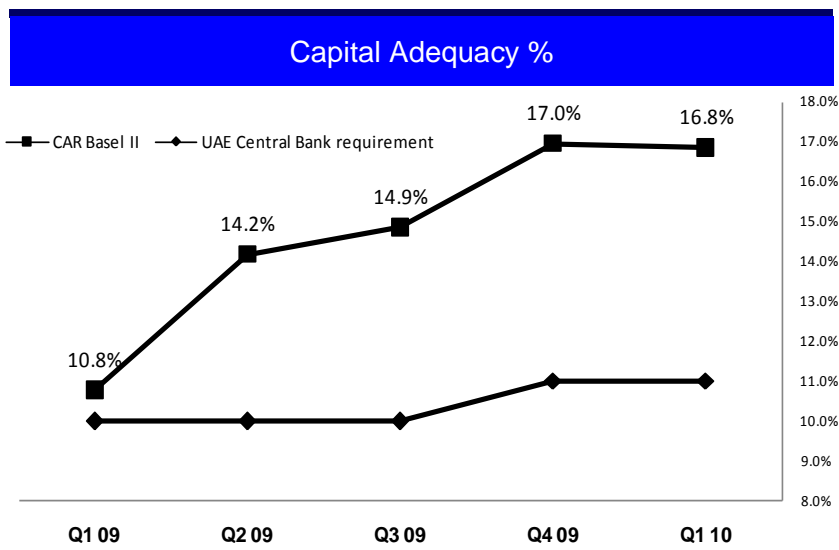
Key points	
❑	NPAs increase by AED 93.3 Mn in Q1 2010 to AED 2,620 Mn at end of Q1 2010.
❑	NPAs ratio at 6.0% as at end Q1 2010 (5.9% at end 09) with a coverage of 70% (2009: 69%).
❑	Collective provisions of AED 540.3 Mn at end of Q1 2010 represents 1.25% of performing financing portfolio.
❑	Specific provisions of AED 1,291 Mn representing 49.2% of NPAs at end of Q1 2010 (2009: 48.8%).
❑	Total provisions of AED 1,831 Mn, represents 4.18% (2009: 4.15%) of Gross Financing portfolio.



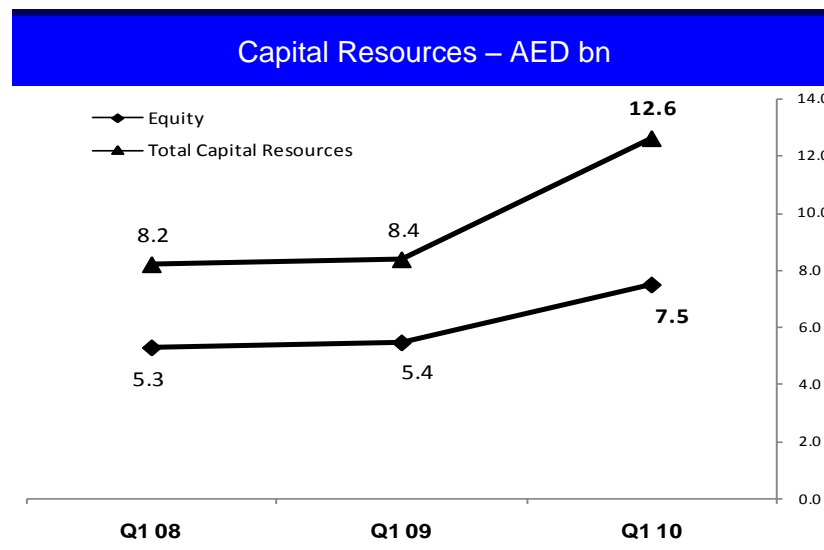
Note: NPA classification till 2007: 180 days and above.
NPA classification 2008 onwards ; 90 days and above.

Capital Adequacy

With strong shareholder and government backing ADIB's capital strength is now top tier



- ❑ Basel-I total Capital Adequacy ratio at end of Q1 10 at 17.0% comfortably above the minimum UAE Central Bank requirement of 11%.
- ❑ Basel-II total Capital Adequacy ratio at end of Q1 10 at 16.8% comfortably above the minimum UAE Central Bank requirement of 11%.
- ❑ Basel-I Tier I ratio at 14.4% at the end of Q1 10 above the 7% minimum required by UAE Central Bank.
- ❑ Basel-II Tier I ratio at 13.4% at the end of Q1 10 above the 7% minimum required by UAE Central Bank.

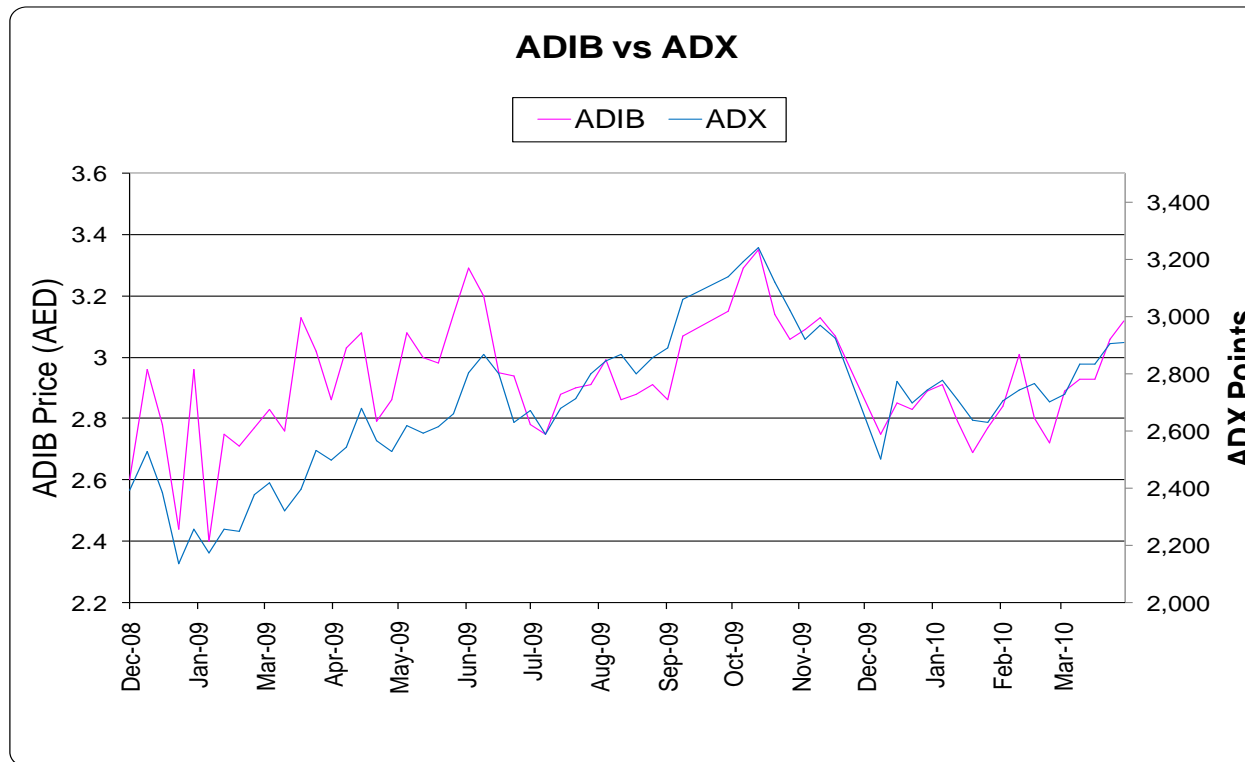


- ❑ Capital resources include:
 - ❑ Tier I from Abu Dhabi Department of Finance of AED 2 bn.
 - ❑ Tier II from the UAE Ministry of Finance of AED 2.2 bn.
- ❑ Sukuk payable AED 2.9 bn @ LIBOR + 40bps maturing in Dec 2011.

Shareholders Return

Despite the economic downturn ADIB still delivered a Total shareholder return of 19% in 2009

- Mar 2010 Share price AED 3.12 per share (includes impact of 20 % bonus share dividend to be approved in AGM)
- Dec 09 Share price AED 2.89
- Dividend / Share AED 0.216 for 2008
- Yield = 0.29 Gain + 0.216 Dividend = AED 0.506 / share
- 2009 Total Yield on ADIB share was 19%



In summary

ADIB is uniquely positioned to build for growth from a strong base

- ADIB is extremely well positioned to sustain its growth momentum.
- We continue increasing our reserves in anticipation of the crises extending well into 2010.
- We continue to invest aggressively in our franchise and people to reach our stated objective.
- We continue to increase focus on customer service and delivery channels, including more ATMs and e-solutions.
- We are committed to acting prudently, for the benefit of all our stakeholders.

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Management Biographies

Executive Management Profile (I)

Tirad Marouf Mahmoud
Chief Executive Officer

Joined ADIB in March 2008. He holds a Bachelor degree (major in Corporate Finance) from Loyola of Concordia University in Montreal, Canada and has also completed the Executive Management Program at Wharton. He has previously worked at Citibank for 22 years on various assignments. His previous position was General Manager and Head of the Corporate and Investment Banking with Samba Financial Group, KSA

Nuhad Saliba
Global Head of
Wholesale Banking

Joined ADIB on 1 September 2008. He holds MBA from Wake Forest University, NC USA and BS, Biology from American University of Beirut. He has previously worked for 27 years at Citibank (1982-2008). His previous position was Chief Executive Officer with Citibank N.A. Egypt.

Sarvesh Sarup
Global Head of
Retail Banking

Joined ADIB on Dec 2008. He holds Master of Business Administration from University of Delhi, India. He has 23 years of banking experience . Previously worked Citibank as Country Manager, India; Division Executive , UK / Germany and Retail Banking Head, EMEA

Masarrat Husain
Group Chief Risk Officer

Joined ADIB on 3 June 2008. He holds a Masters in Business Administration from Tulane University, Louisiana, USA and BS of Science Chemical Engineering from Texas A&M University, Texas, USA. He has 33 years experience working with Citibank and SAMBA Financial Group, Riyadh. His previous position was GM/Deputy Chief Risk Officer with SAMBA Financial Group, Riyadh

Andrew Moir
Global Head of Strategy
And Finance

Joined ADIB on 1 October 2007. He holds B.Com (Hons.) Degree from Rhodes University and MBA from University of Cape Town. He previously worked at HSBC (1990-2007). His previous position was Chief Operating Officer, Sub Saharan Africa with HSBC Bank (2003-2007).

Majaz Khan
Group Head of Operations
& Technology

Joined ADIB on November 08, 2009. He holds an MBA from Central Michigan University and a Bachelors in Commerce from University of Karachi. He has worked with Citigroup in 5 countries (1981-2007). His previous position was Chief Operating Officer for Arab Bank, Plc – Amman Jordan (2007-2009).

Abdul Rahman Abdullah
Co-Head of Private Banking
& Wealth Management

Joined ADIB on 12 September 1998. He holds a Bachelor in Science. He has 28 years banking experience His previous position was Deputy Head of Private Banking Department at the National Bank of Abu Dhabi.

Executive Management Profile (II)

Malik Sarwar
Co-Head of Private Banking
& Wealth Management

Joined ADIB on 31 May 2009. He holds a post MBA Specialization in Corporate Finance from New York University, USA. He has 15 years banking experience. His previous positions were SVP / Head of US Business at Permal, New York; USA, President & Chairman, Citicorp Investment Services, New York, USA.

Bashar Jallad
Treasurer

Joined ADIB on 20 Jan 2008. He holds BA in Finance from Hillsdale College - Michigan, USA - 1989. He has 18 years banking experience. His previous position was Head of GCC Money Market – Financial Market Group with National Bank of Abu Dhabi.

Abdulla Al Shahi
Head of
Human Resources

Joined ADIB in November 1998. He holds an MBA from the UAE University. He has 18 years banking experience. His previous position was as a branch manager for Oman Housing Bank.

Osaid Kilani
Global Head of Shari'a

Holds a B.A. in Shari'a and Law and a Diploma in Islamic law. He has 15 years of banking experience. He is a member of Shari'a Standard Committee related to Accounting and Auditing Organisation for Islamic Financial Institutions in Bahrain

Badaruzzaman Ahmed
Group Head of
Internal Audit

Joined ADIB on 12 January 1998. He holds a Bachelor of Commerce degree and professional certifications from The Institute of Internal Auditors (USA), Institute of Chartered Accountants (PAK), He has 18 years banking experience. His previous position was Assistant Manager - Internal Audit with Kuwait Finance House

Noor Imam Beck
Project Management Office
New Country Expansion
And Other initiatives

Joined ADIB on 30 September 1999. He holds a Diploma in International Securities from ISMA, England and an Executive Management Program Certificates from the Institute of Banking and Finance, Singapore. His previous positions was Vice President and Team Leader at Arab Banking Corporation, Bahrain

Dr. Abdulrahman Yousif Habil
Head of Legal &
Corporate Secretary

Joined ADIB on 3 August 2000. He holds a PhD. (Islamic Legal Theory) and a Master of Laws from Indiana University, USA. He has 10 years of banking experience. His previous positions were Legal and Shari'a Consultant for ABC Islamic Bank and Legal Consultant for the Department of Ports and Customs, Dubai.