

Investor Presentation

31 December 2018 results

Abu Dhabi: February 2019

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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



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

Stock Info
(Price and Ratio
as of 31
December 2018)

Market Cap (Price @ AED 3.90)	AED 14.2 bn (US\$ 3.9 bn)
Diluted EPS / share (AED)	0.637
PE Ratio	6 times
Price / Book Ratio	1.09
Shares Issued (@ AED 1)	3.6 Bn

Presence

- Domestic - 80 Branches and 684 ATMs (a 24 hour branch at Abu Dhabi International Airport). In addition, 4 Express Branches also.
- Overseas - Presence in UK, Saudi Arabia, Qatar, Iraq, Sudan & Egypt.

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 (EIC) 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.
- **2013** - Total assets crossed AED 100 bn for the first time.
- **2014** - Established Abu Dhabi Islamic Merchant Acquiring company LLC (ADIMAC) in Aug 2014.
- **2014** - Acquired Retail banking business of Barclays Bank UAE.
- **2015** - Raised capital AED 504 Mn by issuing right shares.
- **2015** - Fully repaid 2nd tranche, issued under \$5 Bn EMTN programme, of USD 750 Mn at maturity in 2015 .
- **2016** - Fully repaid 3rd tranche, issued under \$ 5 Bn EMTN programme, of USD 500 Mn at maturity in 2016.
- **2017** - Total Deposits reached AED 100 Bn in 1st Quarter.
- **2017** - Achieved AED 2 Bn net profit for the year for the 1st time.
- **2018** - Welcomed 1,000,000th customer.
- **2018** - Issued Shari'a-compliant hybrid perpetual Tier 1 sukuk amounting to USD 750 million.
- **2018** - Redeemed USD 1 Bn Tier 1 sukuk successfully.
- **2018** - Raised capital AED 1 Bn by issuing right shares

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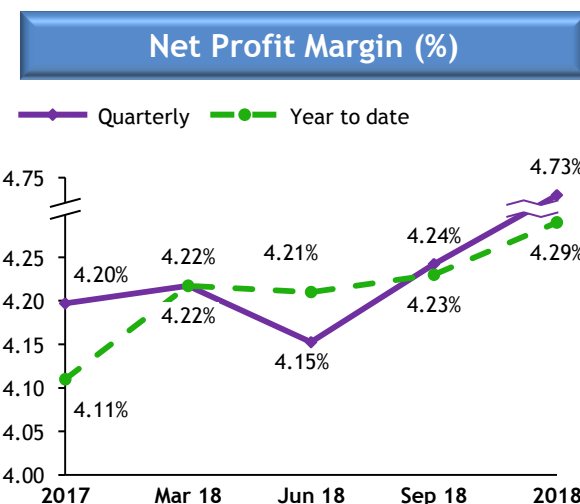
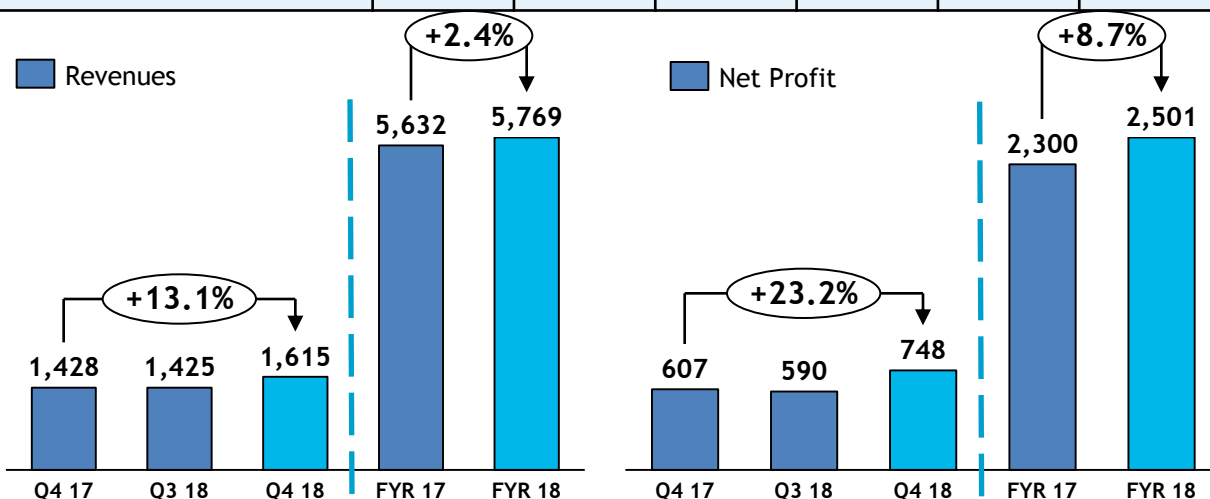
Business Review

Appendix

Q4 / FYR 2018– Key financial highlights – Income statement

AED Mn	Q4 17	Q4 18	Change %	FYR 17	FYR 18	Change %
Net Revenue from funds	935.0	1,078.1	15.3%	3,769.6	3,906.7	3.6%
Fees, commission and others	492.9	537.2	9.0%	1,862.7	1,862.8	0.01%
Operating income	1,427.9	1,615.3	13.1%	5,632.3	5,769.5	2.4%
Expenses	644.4	733.0	13.8%	2,509.2	2,643.8	5.4%
Operating profit	783.5	882.3	12.6%	3,123.1	3,125.7	0.1%
Provision for impairment	166.9	133.1	-20.2%	790.4	620.1	-21.5%
Zakat & tax	9.4	0.9	-90.2%	32.7	4.8	-85.2%
Net profit	607.2	748.3	23.2%	2,300.1	2,500.8	8.7%

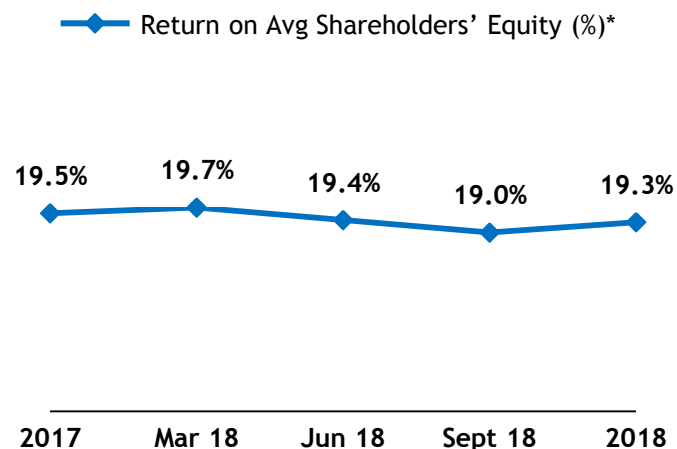
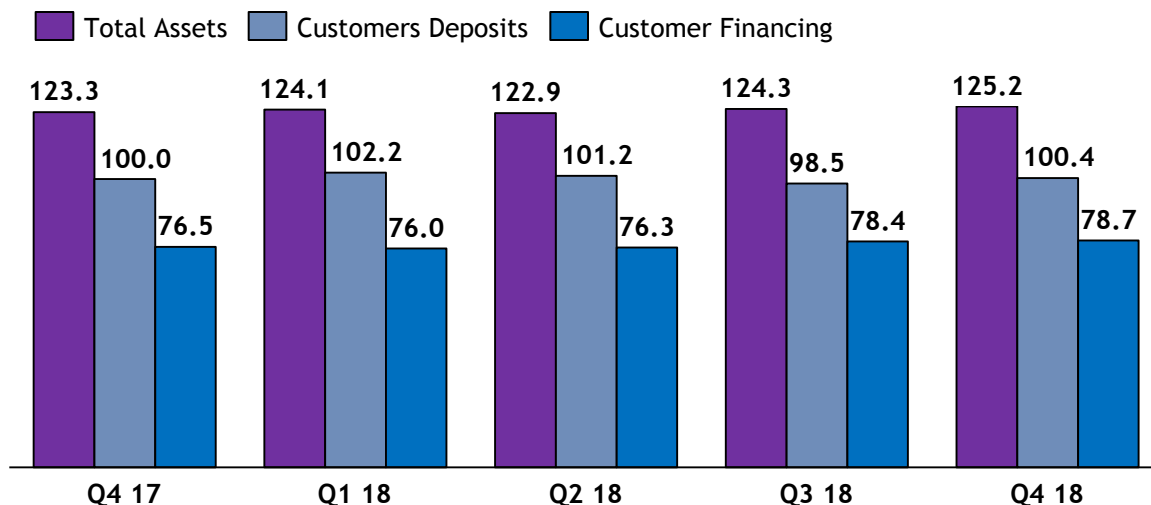
- Revenues are up by 2.4% mainly due to higher revenues from customer financings.
- Expenses up by 5.4% mainly due to continuous investment in our systems and people.
- Operating profit remains stable with only 0.1% growth.
- Provision for impairment down by 21.5%.
- Net profit up by 8.7%.



31 Dec 2018 - Key financial highlights - Balance sheet

AED Bn	Dec 17	Dec 18	Change %
Total assets	123.3	125.2	1.6%
Net customer financing	76.5	78.7	2.8%
Customers' deposits	100.0	100.4	0.4%
Total equity	16.6	17.7	7.0%

- Total assets increased by 1.6% over Q4 2017 to reach AED 125.2 Bn.
- Customer financing increased by 2.8% from Q4 2017 to reach AED 78.7 Bn.
- Customer deposits increased by 0.4% over Q4 2017.
- Advances to Stable Funds Ratio at 31 Dec 2018 was 82.9%. Advances to Deposits Ratio was 78.4% as at 31 Dec 2018.
- Capital adequacy ratio - Basel III at 31 Dec 2018 Total CAR was 17.18%, Tier 1 ratio was 16.09% and CET 1 ratio was 11.31% .



Key ratios

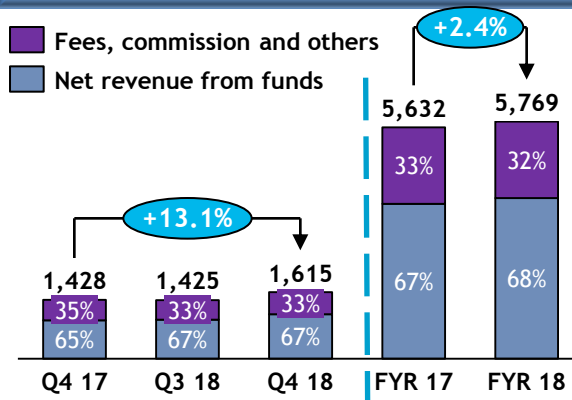
Ratios		Dec 2017	Dec 2018
Efficiency	Diluted Earnings per share (EPS in AED)	0.592	0.637
	Return on Average Shareholders' Equity (excluding - Tier 1 capital)	19.5%	19.3%
	Net profit margin (%)	4.11%	4.29%
	Cost of funds (%)	0.60%	0.70%
	Cost / income ratio	44.5%	45.8%
Liquidity	Percentage lent (Financing / Total Assets)	62.1%	62.8%
	Financing to Deposits ratio	76.5%	78.4%
	Advances to Stable funds ratio	80.0%	82.9%
	Liquid Assets to Total Assets ratio	21.4%	19.6%
Solvency	Capital Adequacy - Basel III	16.1%	17.2%
	Tier -1 ratio - Basel III	15.1%	16.1%
	Common Equity Tier -1 ratio (CET 1) - Basel III	9.4%	11.3%
	Leverage ratio (Assets / Equity)	744%	706%

Operating Performance - Net profit income

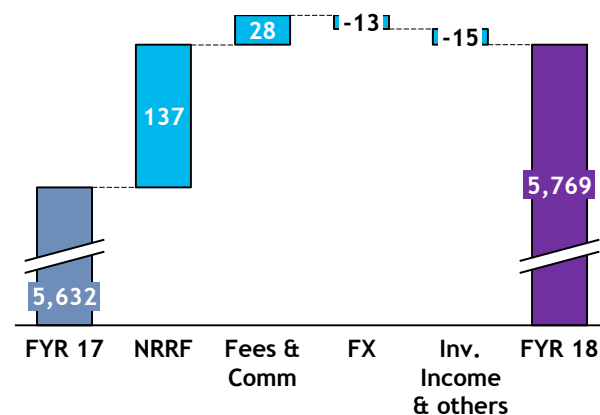
Highlights (FYR 2018 vs. FYR 2017)

- Revenues, up by 2.4% to AED 5,769.5 Mn.
- Net revenue from Funds (NRFF) up 3.6%, primarily due to 5.3% increase in customer financing revenues which is netted - off by increase in funding cost by 22.7%.
- Non-NRFF income was flat to 2017 and now constitutes 32.3% of total revenue.

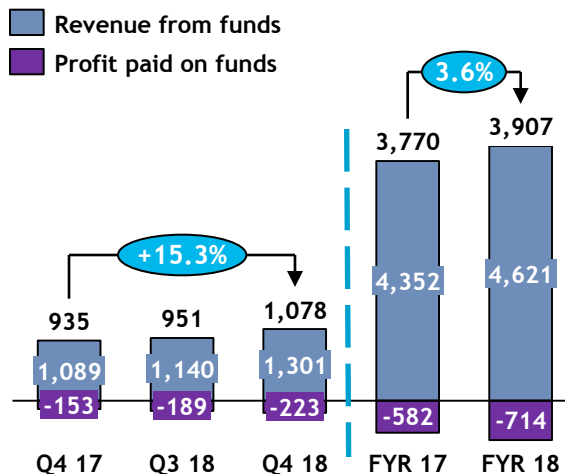
Revenues (AED Mn)



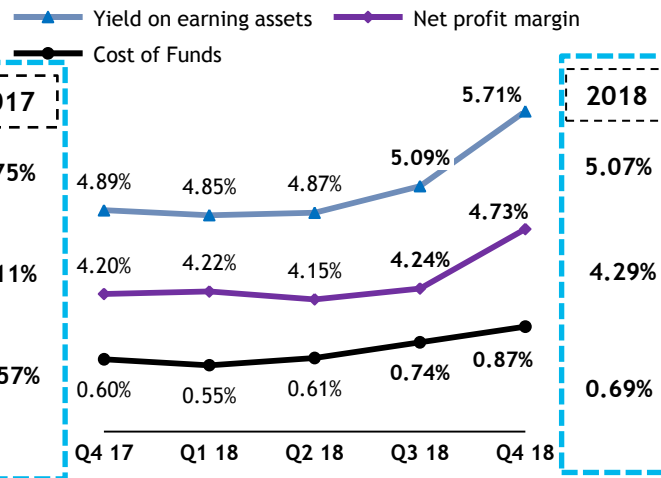
Key movements in Revenues (AED Mn)



Net Revenue from Funds (AED Mn)



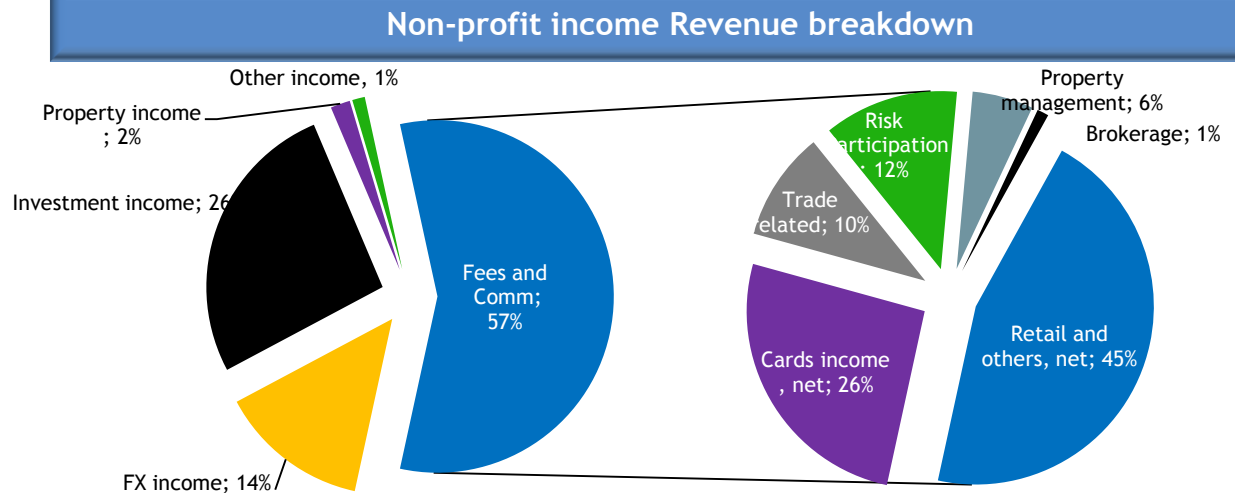
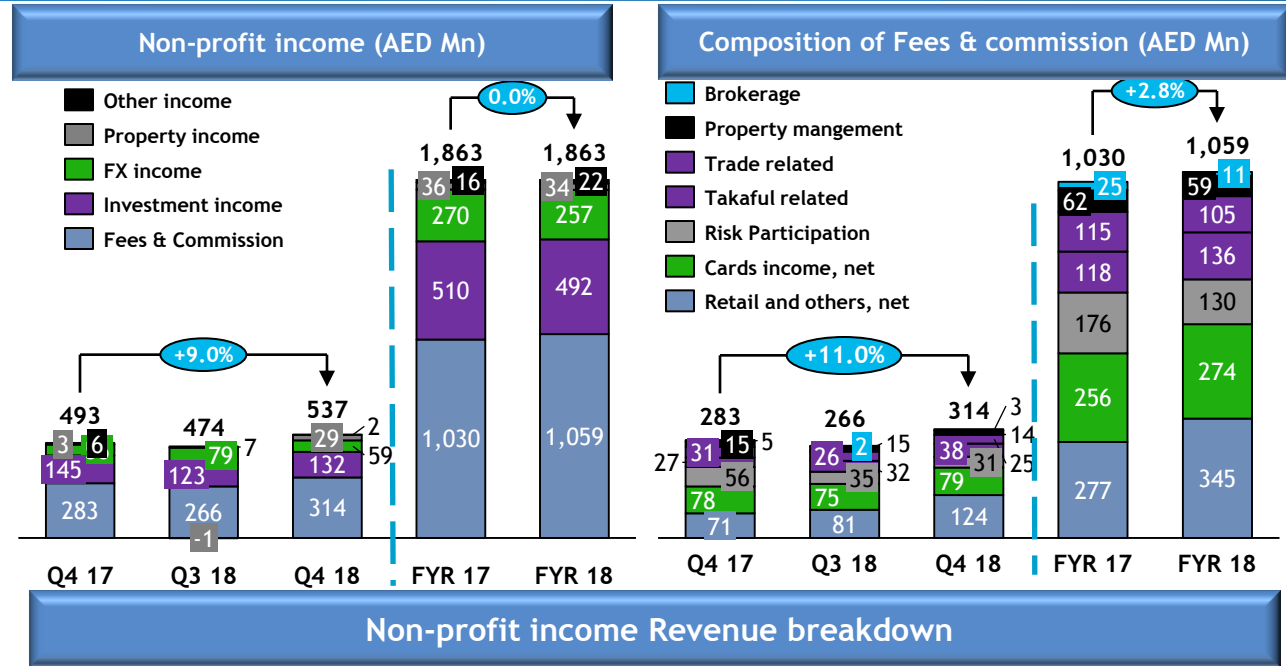
Evolution of Yields (%) *



Operating Performance - Non-profit income

Highlights (FYR 2018 vs. YFYR 2017)

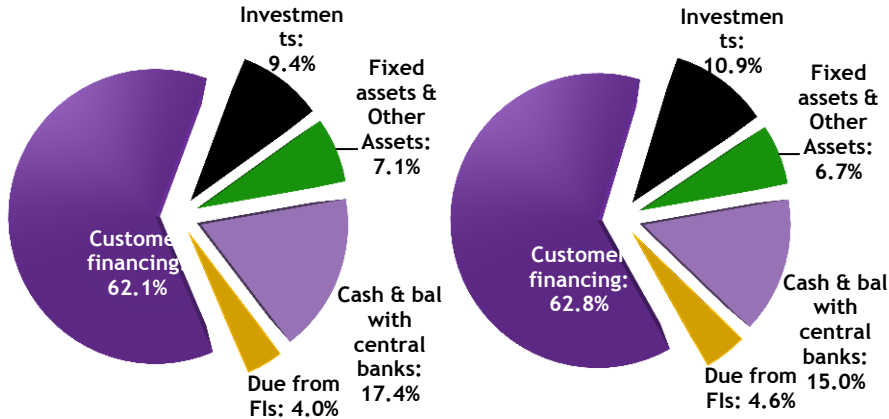
- Non-NRFF income flat to 2017 at AED 1,862.8 Mn.
- FX income lower by 4.9% at AED 257.0 Mn.
- Fees and commission income higher by 2.8% mainly due to increase in cards fees and investment related products fees partially offset by lower Risk participation fee, brokerage fees and lower International branch fees.
- Investment income dropped by 3.5% due to realised and unrealised losses, partially offset by increase in sukuk income, realised gain in FVTOCI Sukuk & higher associate income.



Balance Sheet Strength and Customer Financing

Customer Portfolio increased 2.3% vs. Dec 17, mainly due to Retail banking up by 1.7% and WBG up by 2.2%.

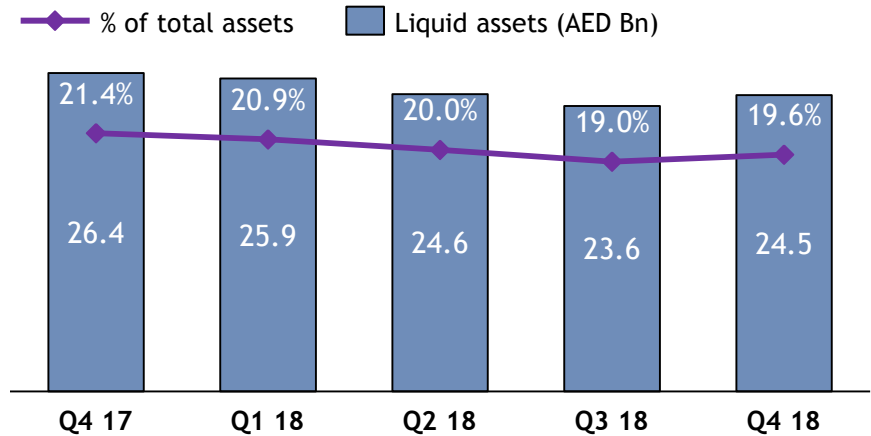
Composition of Total Assets - AED Bn



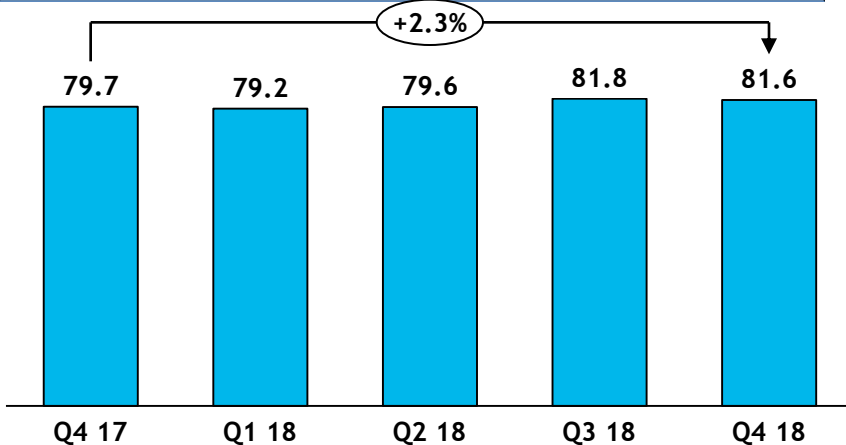
31 Dec 2017 - AED 123.3 Bn

31 Dec 2018 - AED 125.2 Bn

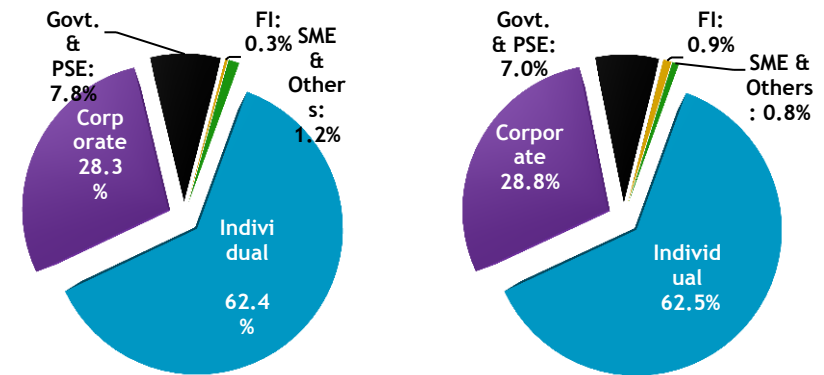
Liquidity ratio* (%)



Gross Customer Financing by Segment



Gross Customer Financing by Customer Segment



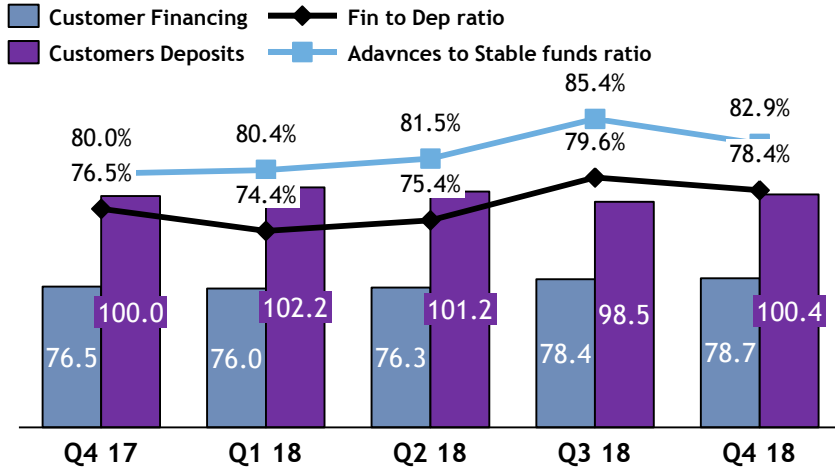
31 Dec 2017 - AED 79.7 Bn

31 Dec 2018 - AED 81.6 Bn

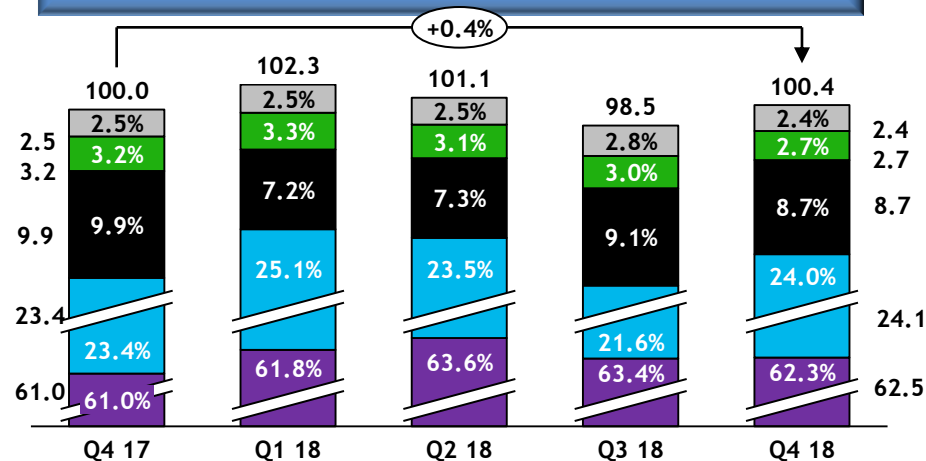
Funding Profile

Healthy Financing to Deposit ratio of 78.4%.

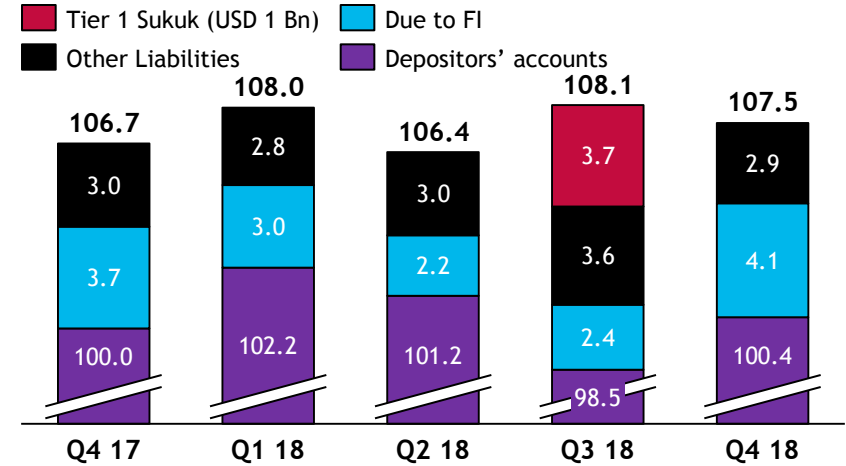
Net Customer Financing & Customers' Deposits (AED Bn)



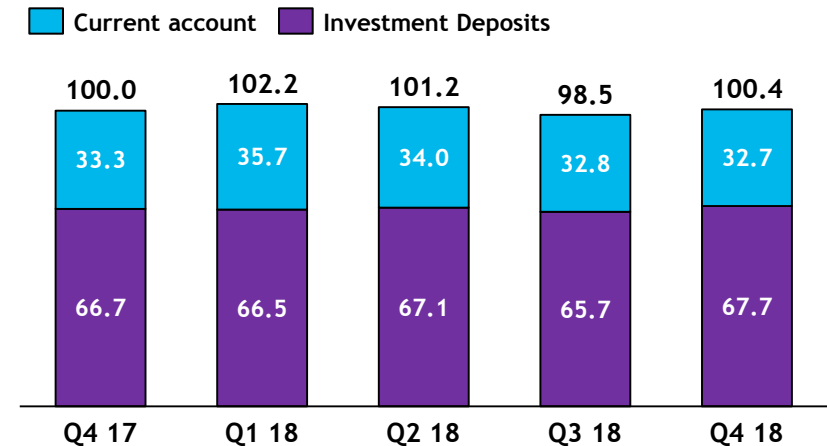
Customers' Deposits by Segment (AED Bn)



Composition of Liabilities (AED Bn)

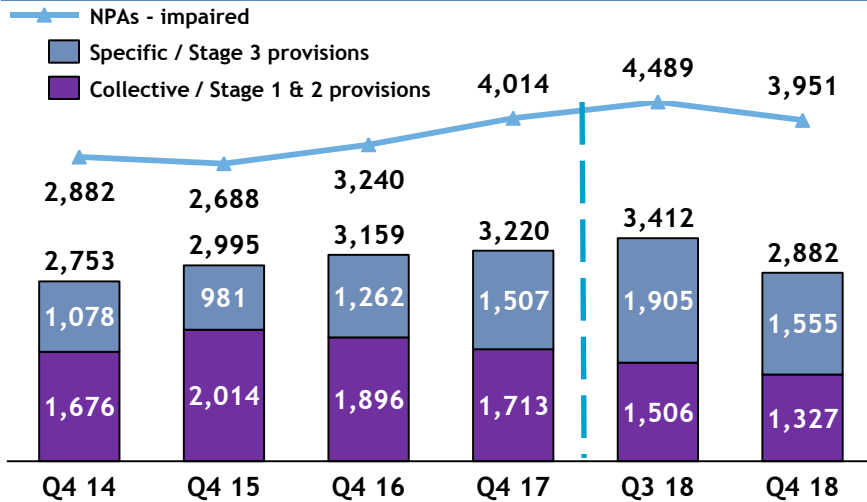


Customers' Deposits by Type (AED Bn)

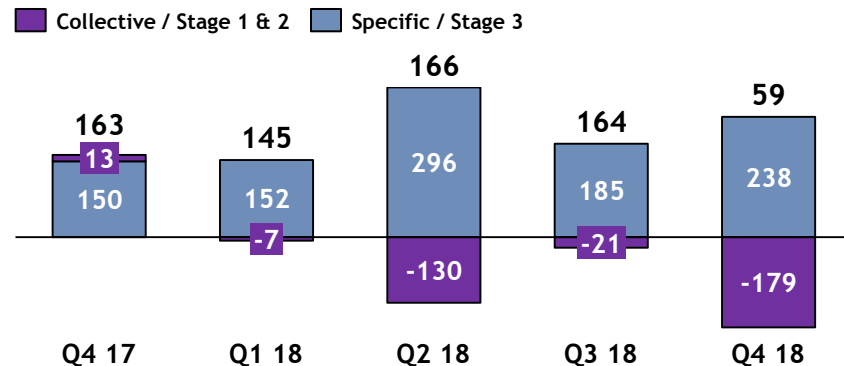


Asset quality - Customer financing only

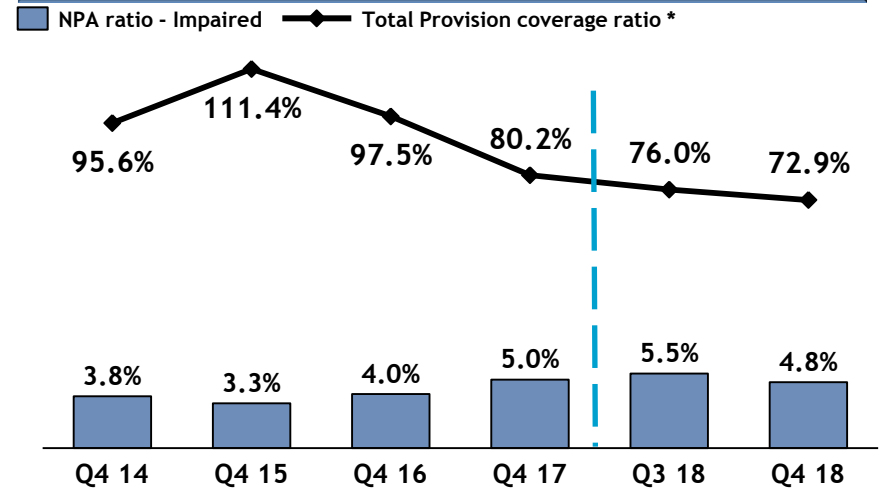
Provisions and NPAs - Customer financing (AED Mn)



Impairment charge - Customer financing (AED Mn)



NPA ratio and Provision Coverage ratio

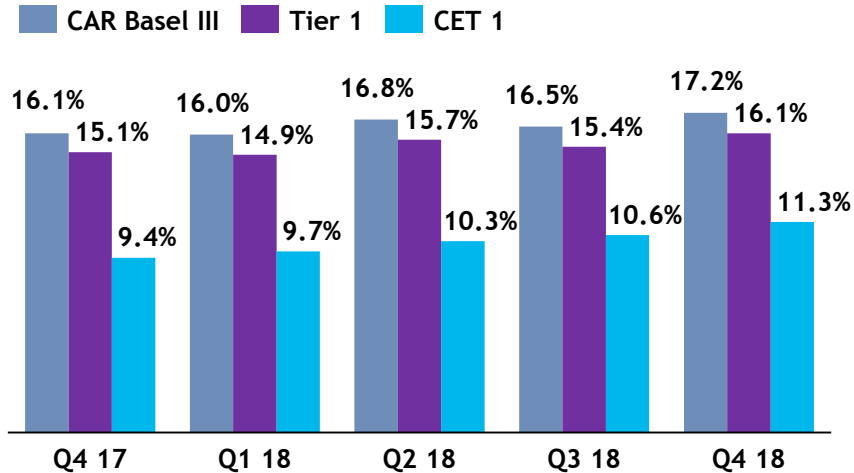


Key points

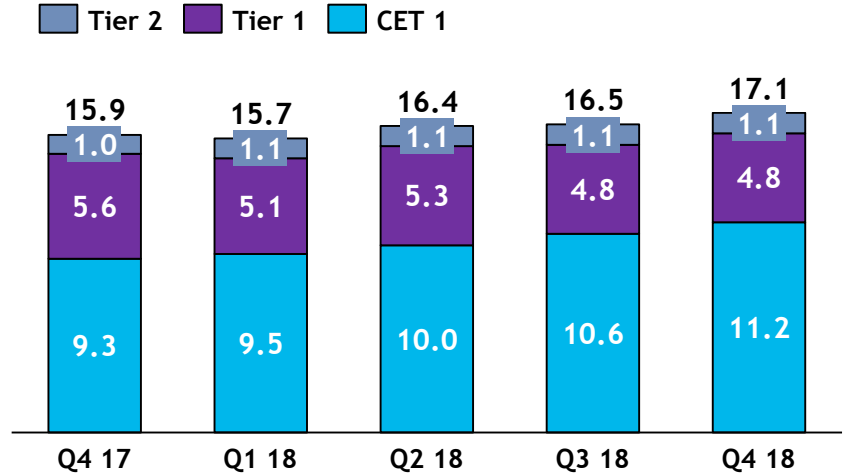
- Total impaired NPAs decreased by AED 63 Mn during 2018 to reach AED 3,951 Mn (31 Dec 17: AED 4,014 Mn).
- Impaired NPAs ratio at 4.8% as at 31 Dec 2018 (5.0% at 31 Dec 2017) with coverage of 72.9% (31 Dec 2017: 80.2%).
- Collective / Stage 1 & 2 provisions now stand AED 1,327 Mn at end of 2018 represents 1.52% of total Credit RWAs (31 Dec 2017: 1.95%).
- Specific / Stage 3 provisions of AED 1,555 Mn at 39.3% of impaired NPAs at end of 2018 (31 Dec 2017: 37.6%).
- Total provisions of AED 2,882 Mn represents 3.53% (31 Dec 2017: 4.04%) of Gross Financing portfolio.

Capital Adequacy Ratio (CAR)

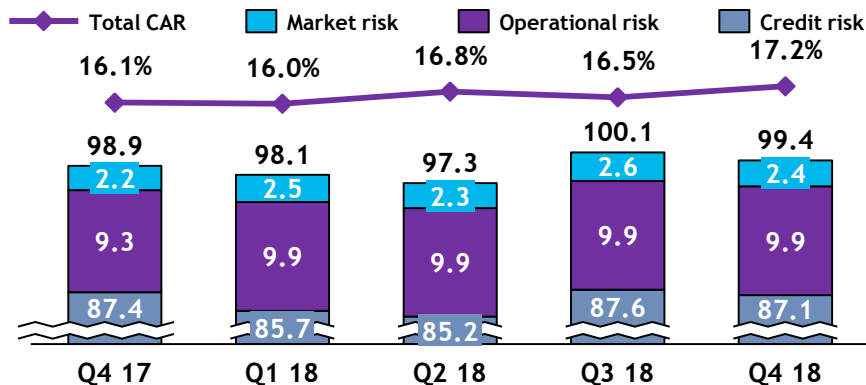
Capital Adequacy Ratio (%)



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



Total Capital Adequacy Ratio and RWA



Highlights

- Basel III Total Capital Adequacy ratio at end of Dec 2018 at 17.18% well above the regulatory requirement of 12.38%. (31 Dec 17: 16.09%).
- Basel III Tier I ratio at 16.09% at the end of Dec 2018 well above the regulatory requirement of 10.38%. (31 Dec 17: 15.06%).
- Basel III CET1 ratio at 11.31% at the end of Dec 2018 above the regulatory requirement of 8.88%. (31 Dec 17: 9.40%).

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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

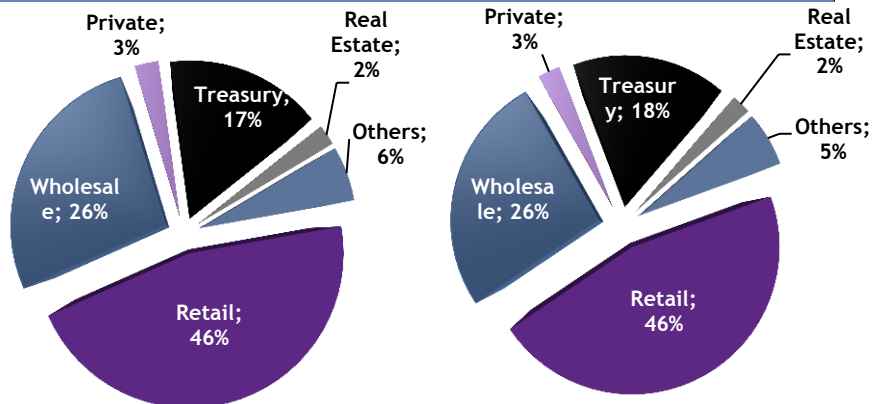
Mutual Benefit

Hospitality &
Tolerance

Shari'a Inspired

Business unit contribution

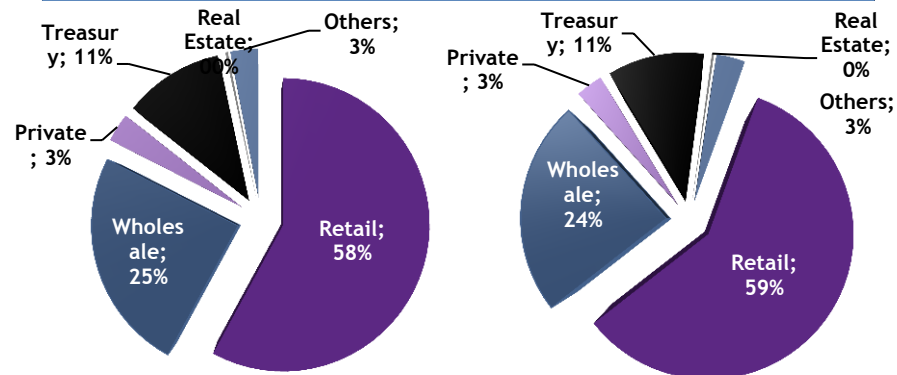
Composition of Total Assets - AED Bn



31 Dec 2017 - AED 123.3 Bn

31 Dec 2018 - AED 125.2 Bn

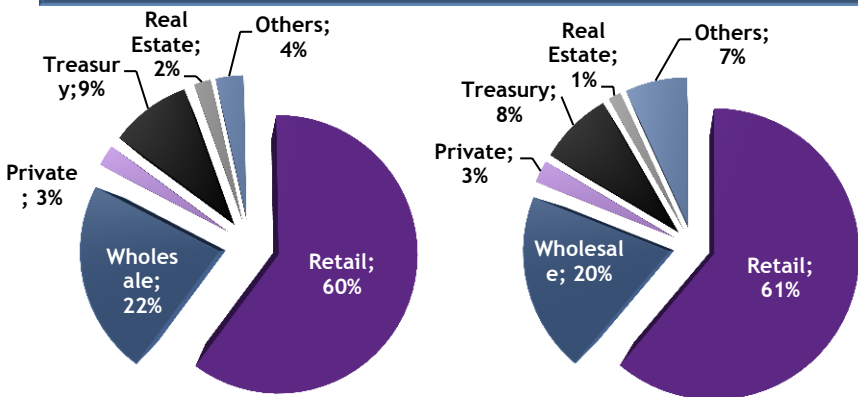
Composition of Total Liabilities - AED Bn



31 Dec 2017 - AED 106.7 Bn

31 Dec 2018 - AED 107.5 Bn

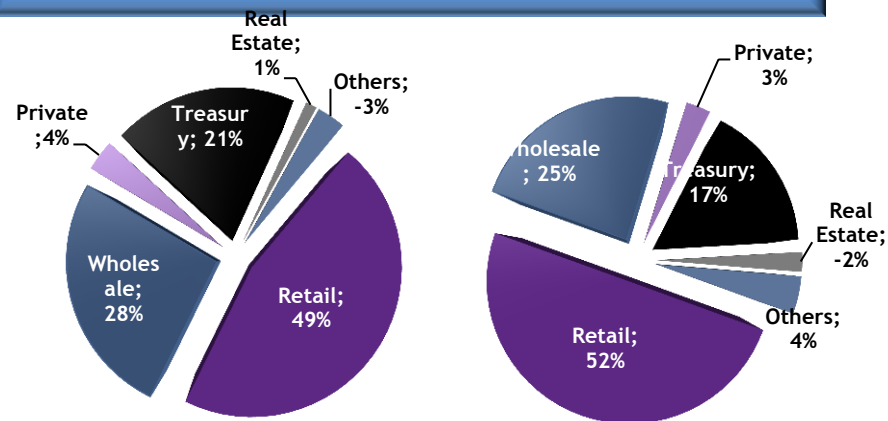
Composition of Revenues - AED Mn



FYR 2017 - AED 5,632.3 Mn

FYR 2018 - AED 5,769.5 Mn

Composition of Net profit - AED Mn



FYR 2017 - AED 2,300.1 Mn

FYR 2018 - AED 2,500.8 Mn

Global Retail Banking overview

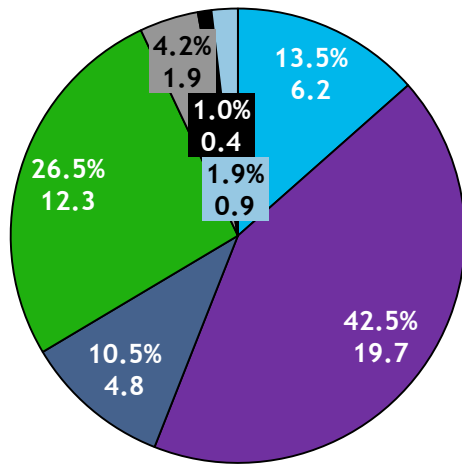
Retail banking financing assets grew 1.7% vs Dec 17

Global Retail Banking contributes 61% of Net Revenues:

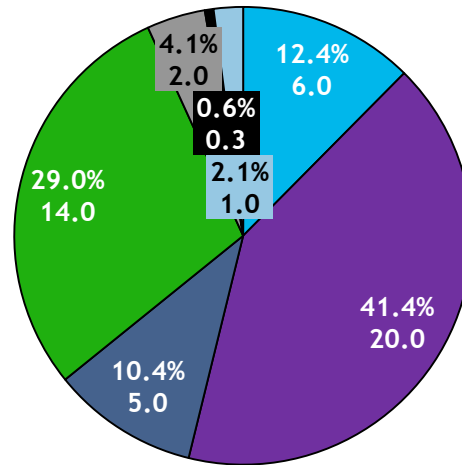
- Personal Banking Division provides services for individuals clients, while the Business Banking Division services the needs of SMEs.
- These services include a variety of Shari'a compliant financing.

Gross Retail Financing Portfolio

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

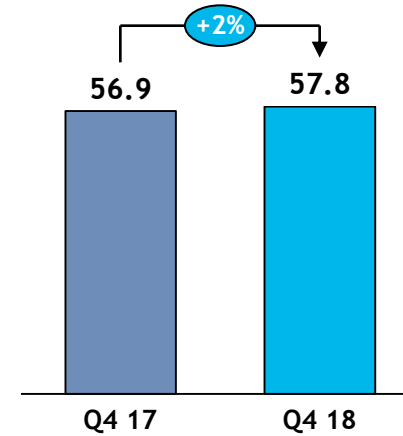


31 Dec 2017 - AED 46.3 Bn

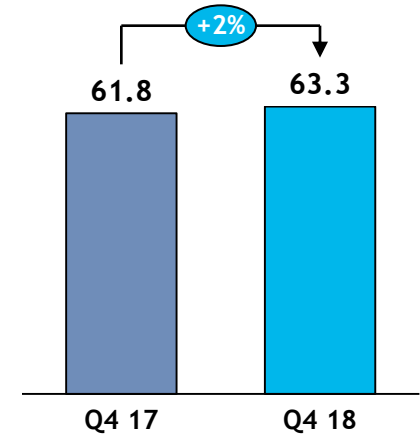


31 Dec 2018 - AED 47.1 Bn

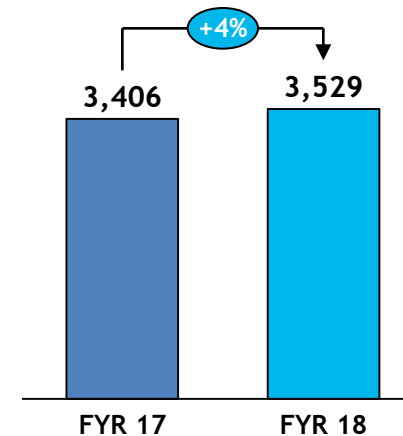
Assets (AED Bn)



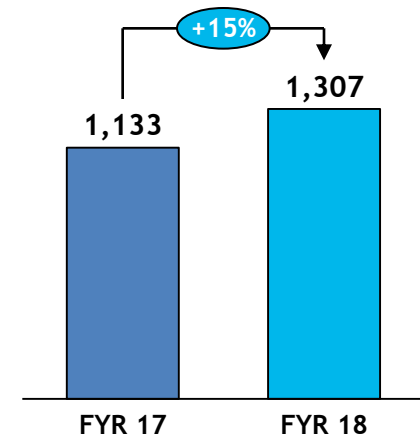
Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)



Global Wholesale Banking overview

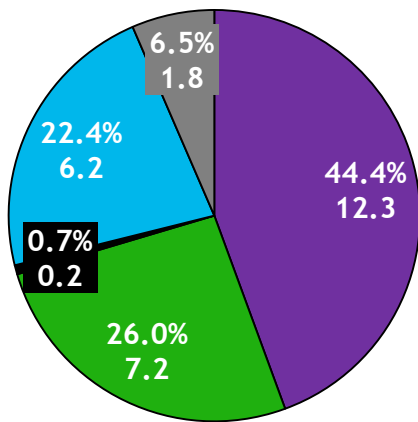
Customer Portfolio grew by 2.2% vs Dec 17

Global Wholesale Banking contributes 20% of Net Revenues:

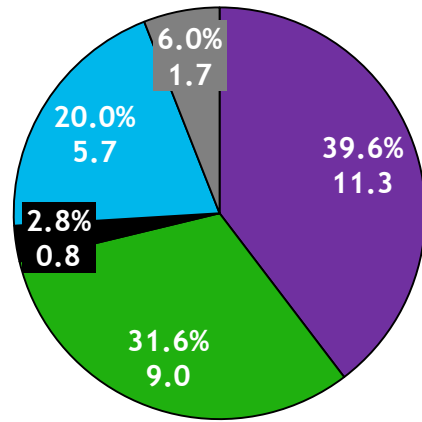
- Global Wholesale Banking encompasses the large corporates, emerging corporates and financial institutions divisions of the Bank. The array of services includes Transaction Banking and Corporate Finance and Investment Banking.

Gross Wholesale Financing Portfolio

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

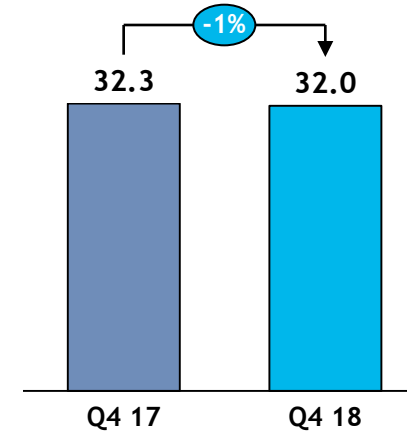


31 Dec 2017 - AED 27.9 Bn

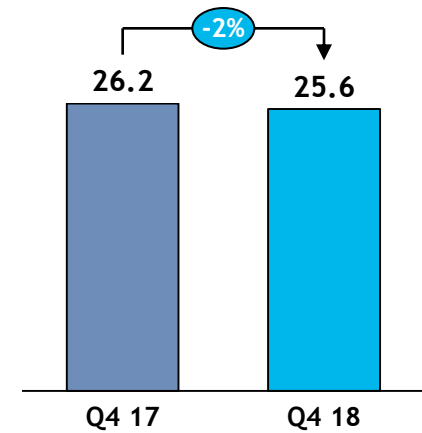


31 Dec 2018 - AED 28.5 Bn

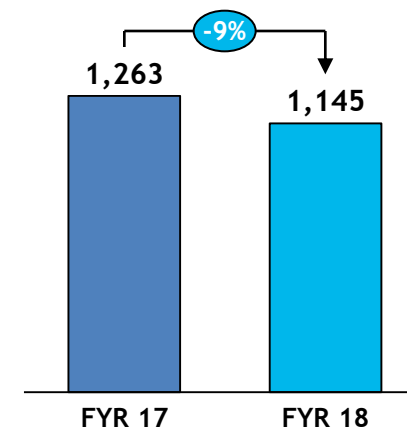
Assets (AED Bn)



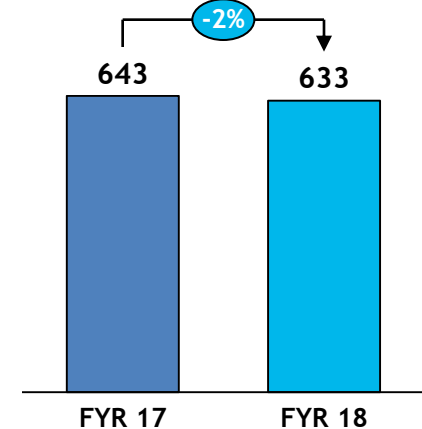
Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)

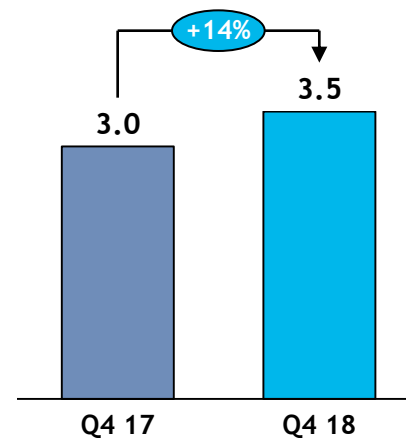


Private Banking overview

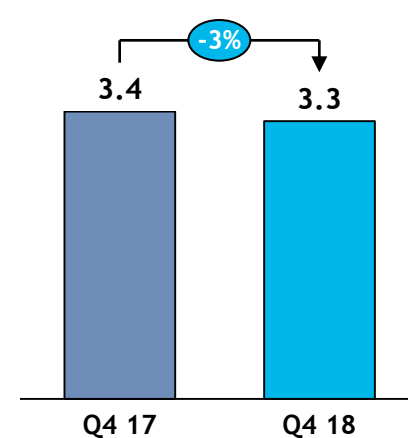
Private Banking contributes 3% of Net Revenues

- 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.

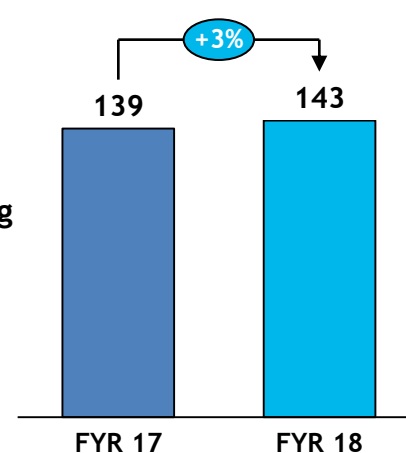
Assets (AED Bn)



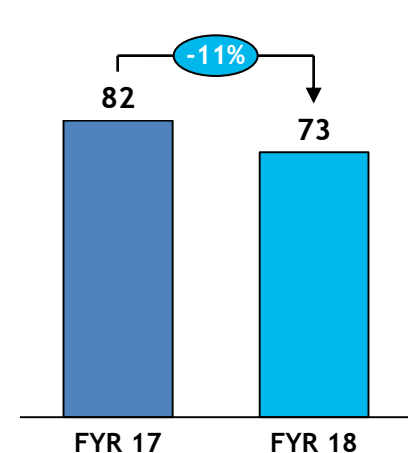
Liabilities (AED Bn)



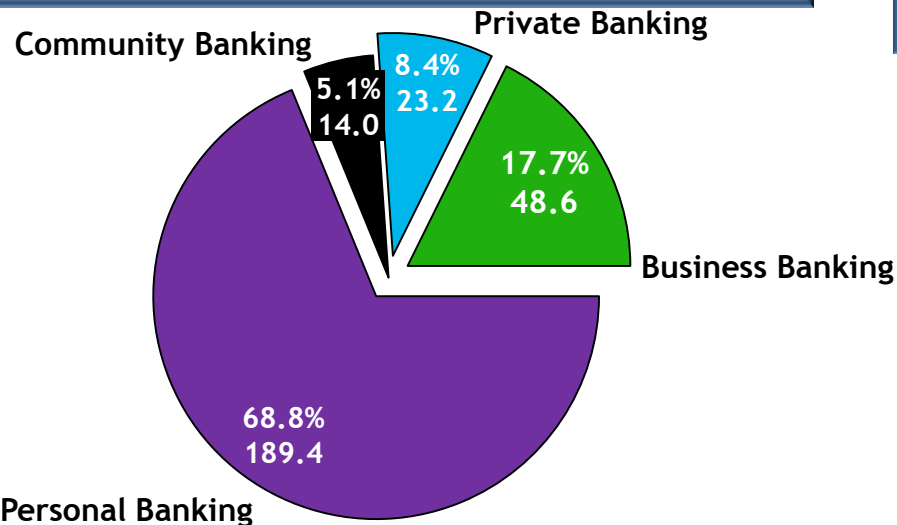
Revenues (AED Mn)



Net Profit (AED Mn)



Wealth Management AuM - AED 275.2 Mn



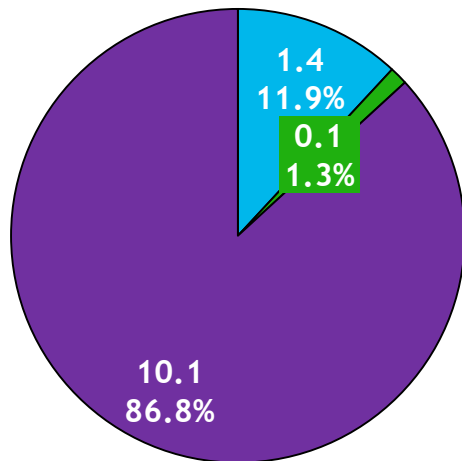
Treasury overview

Treasury contributes 19% of Net Revenues

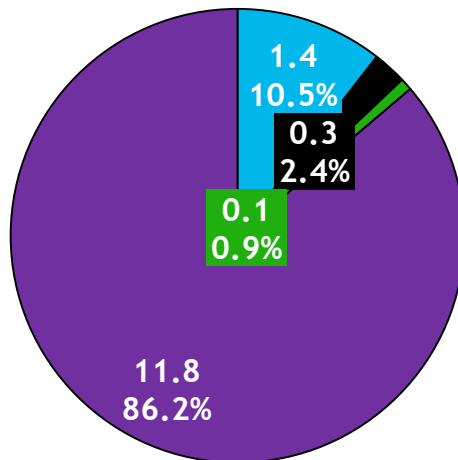
- Treasury principally handles money market brokerage, trading and treasury services, as well as the management of the Bank's funding operations by use of investment deposits.

Investments

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

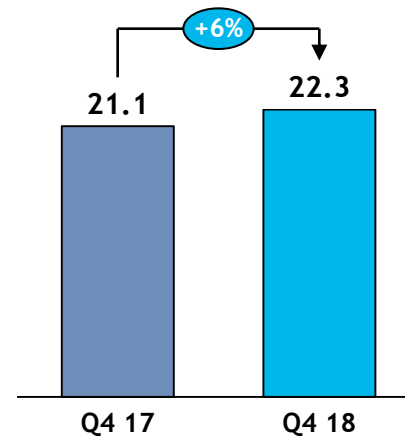


31 Dec 2017 - AED 11.6 Bn

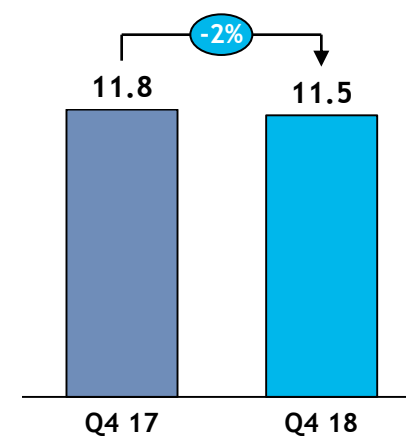


31 Dec 2018 - AED 13.7 Bn

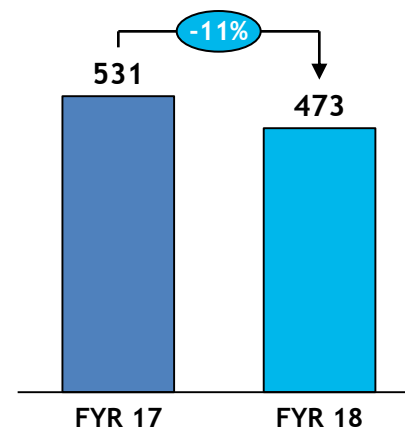
Assets (AED Bn)



Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)

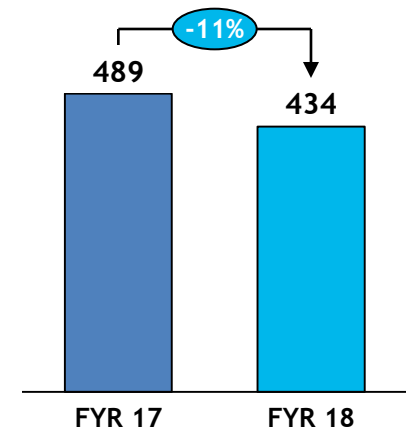


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Consolidated Statement of Income

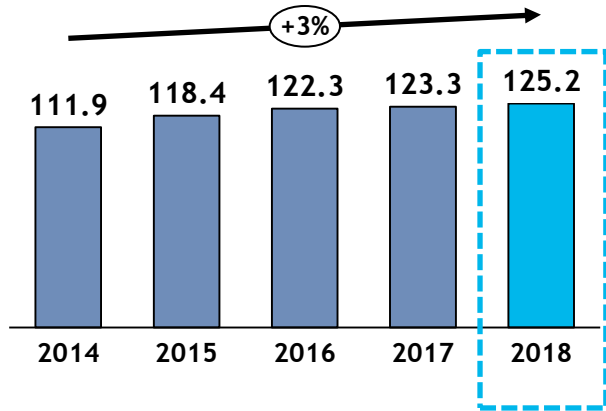
AED Mn	Q4 17	Q3 18	Q4 18	% chg Q4 18 vs Q4 17	% chg Q4 18 vs Q3 18	FYR 17	FYR 18	% chg FYR 18 vs FYR 17
Revenues	1,427.9	1,425.3	1,615.3	13.1%	13.3%	5,632.3	5,769.5	2.4%
Net Revenue from Funds	935.0	951.1	1,078.1	15.3%	13.4%	3,769.6	3,906.7	3.6%
Fees & commission	283.3	266.4	314.5	11.0%	18.0%	1,030.3	1,058.7	2.8%
Investment income	147.2	122.7	161.2	9.6%	31.4%	546.0	525.5	-3.8%
Foreign Exchange	56.3	78.5	59.1	4.9%	-24.8%	270.3	257.0	-4.9%
Other income	6.1	6.6	2.4	-60.4%	-63.1%	16.1	21.7	34.1%
Expenses	644.4	662.6	733.0	13.8%	10.6%	2,509.2	2,643.8	5.4%
Employee cost	392.3	387.0	388.3	-1.0%	0.34%	1,446.3	1,499.6	3.7%
Premises	66.1	57.5	68.3	3.3%	18.9%	263.6	265.3	0.6%
Depreciation	57.8	78.8	70.6	22.0%	-10.4%	222.7	279.0	25.3%
Other Operating expenses	128.2	139.4	205.8	60.6%	47.7%	576.5	599.9	4.0%
Operating Profit - Margin	783.5	762.7	882.3	12.6%	15.7%	3,123.1	3,125.7	0.1%
Provision for impairment	166.9	171.7	133.1	-20.2%	-22.5%	790.4	620.1	-21.5%
Net profit before zakat & tax	616.6	591.0	749.2	21.5%	26.8%	2,332.8	2,505.6	7.4%
Zakat & Tax	9.4	1.5	0.9	-90.2%	-38.7%	32.7	4.8	-85.2%
Net Profit after zakat & tax	607.2	589.5	748.3	23.2%	26.9%	2,300.1	2,500.8	8.7%

Consolidated Balance Sheet

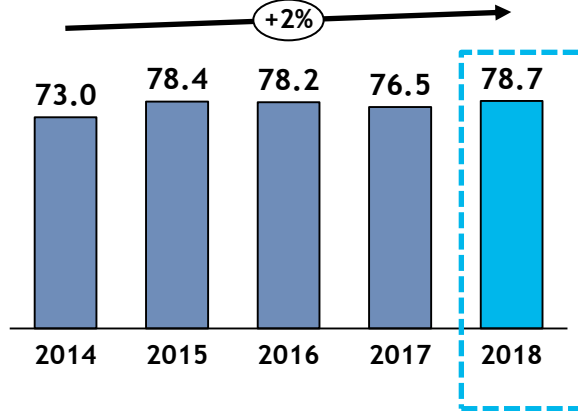
AED Mn	31 Dec 2017	30 Sept 2018	31 Dec 2018	% chg 31 Dec 2018 vs 31 Dec 2017	% chg 31 Dec 2018 vs 30 Sept 2018
Cash and balances with Central Banks	21,467	17,035	18,731	-12.7%	10.0%
Due from financial institutions	4,891	6,612	5,812	18.8%	-12.1%
Net Customer financing	76,530	78,430	78,677	2.8%	0.3%
Investments	11,579	13,101	13,667	18.0%	4.3%
Investment in associates	989	1,012	1,014	2.6%	0.2%
Investment and development properties	1,931	1,930	2,233	15.6%	15.7%
Other assets / fixed assets / intangibles	5,892	6,170	5,059	-14.1%	-18.0%
TOTAL ASSETS	123,278	124,290	125,194	1.6%	0.7%
Due to financial institutions	3,689	2,354	4,138	12.2%	75.8%
Customers' deposits	100,004	98,503	100,404	0.4%	1.9%
Other liabilities	3,012	3,572	2,915	-3.2%	-18.4%
Tier 1 Sukuk payable	-	3,673	-	-	-100.0%
TOTAL LIABILITIES	106,704	108,101	107,457	0.7%	-0.6%
Share capital	3,168	3,168	3,632	14.6%	14.6%
Tier 1 sukuk	5,673	4,754	4,754	-16.2%	-
Proposed dividend	915	-	994	8.7%	100.0%
Reserves	6,818	8,267	8,356	22.6%	1.1%
TOTAL EQUITY	16,573	16,189	17,737	7.0%	9.6%
TOTAL LIABILITIES AND EQUITY	123,278	124,290	125,194	1.6%	0.7%

Financial Snapshot (1/2)

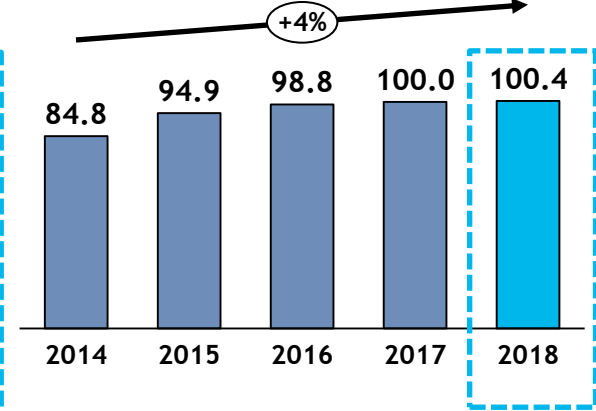
Total Assets (AED Bn)



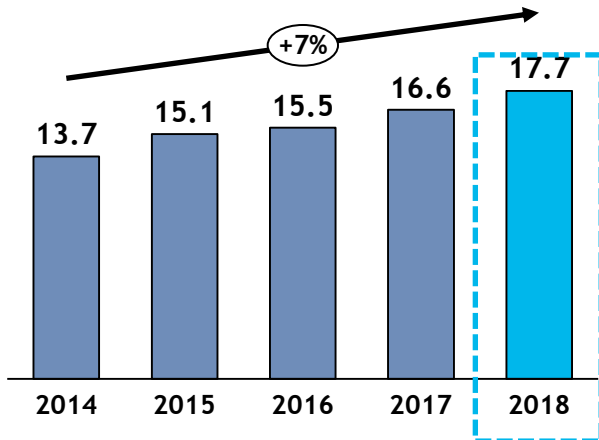
Net Customer Financing (AED Bn)



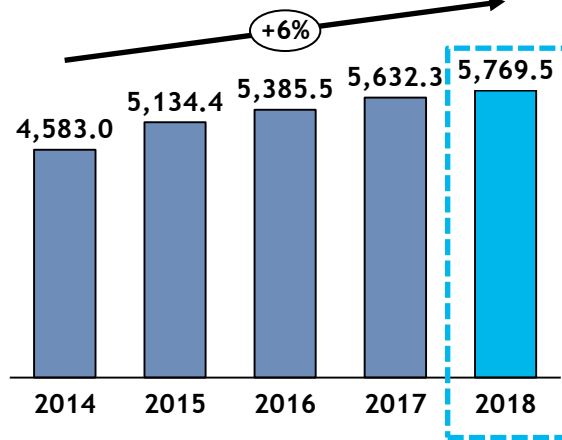
Customer Deposits (AED Bn)



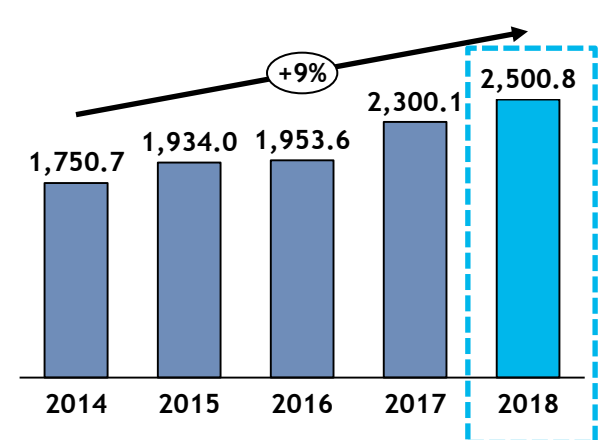
Equity (AED Bn)



Revenues (AED Mn)

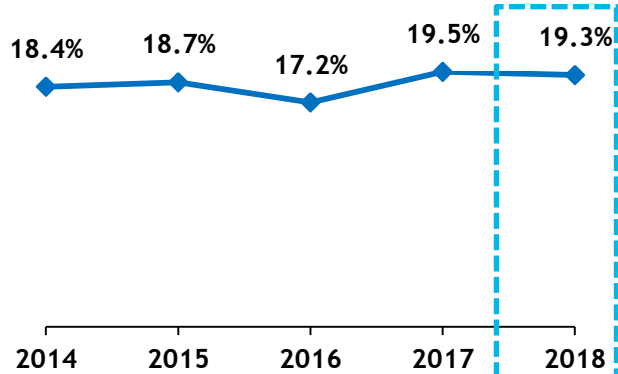


Net Profit (AED Mn)

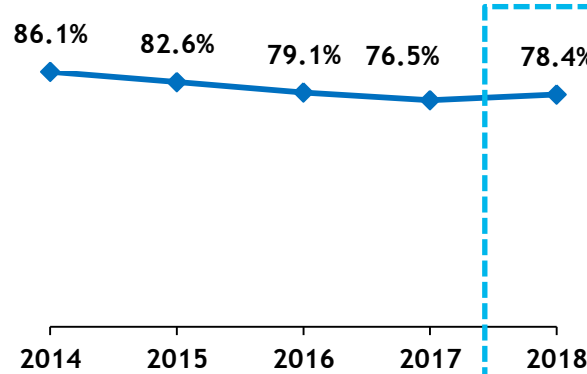


Financial Snapshot (2/2)

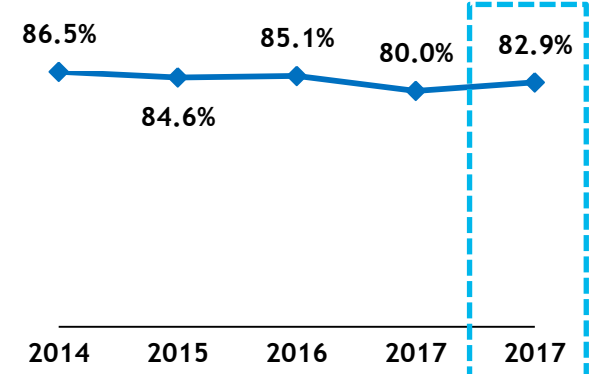
Return on Avg Shareholders' Equity (%)



Financing to Deposits Ratio (%)

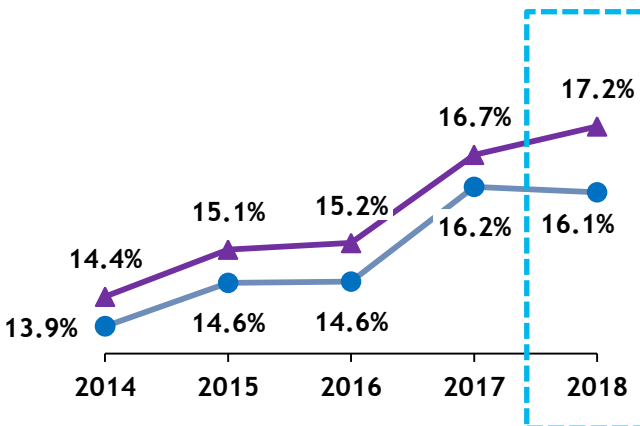


Advances to Stable Funds Ratio (%)



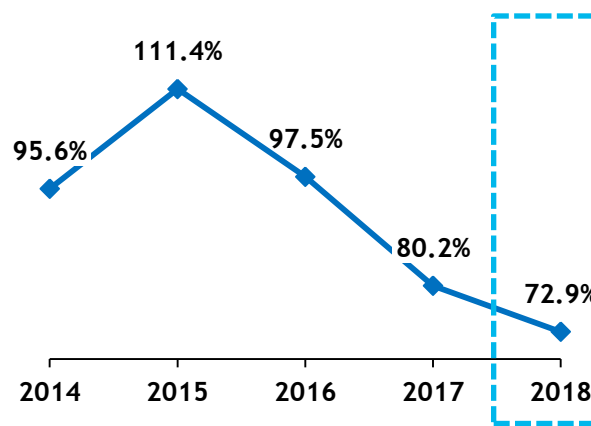
CAR (%) [Note 1]

▲ Total CAR ● Tier 1



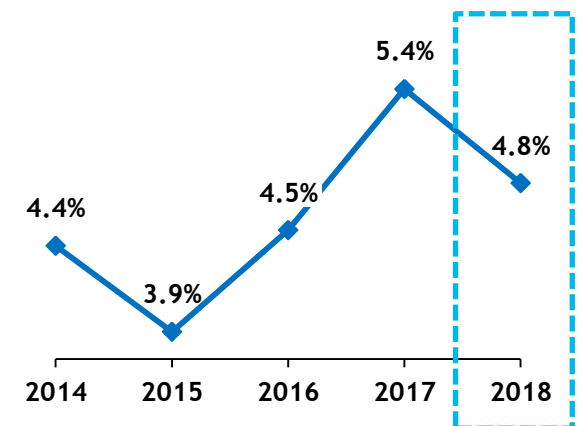
Provision Coverage (%)

◆ Total Provision coverage ratio - Impaired only *



Non - Performing Ratio (%)

◆ Total Non performing ratio



* Total Provision coverage ratio is defined as "total provision / impaired NPAs".

• Return on Average shareholders' equity calculation excludes Tier 1 payments from net income and non-controlling interest & Tier 1 sukuk from equity balance.

Note 1 : 2014 to 2017 as per Basel 2 and 2018 as per Basel 3

An award winning Bank – 2018



Best Islamic structured Finance House in the Middle East by **EMEA Finance Middle East Banking Awards**



Best Takaful Provider by **Islamic Finance News**



Best Structured Finance Deal in the Middle East by **EMEA Finance Middle East Banking Awards**



Security Leadership at **CISO 30 Awards 2018**



Best Syndicated Murabaha facility for the GEMS MENASA's US\$1.25bn by **EMEA Finance Middle East Banking Awards**



Best Premium Islamic Card by **Banker Middle East Magazine**

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

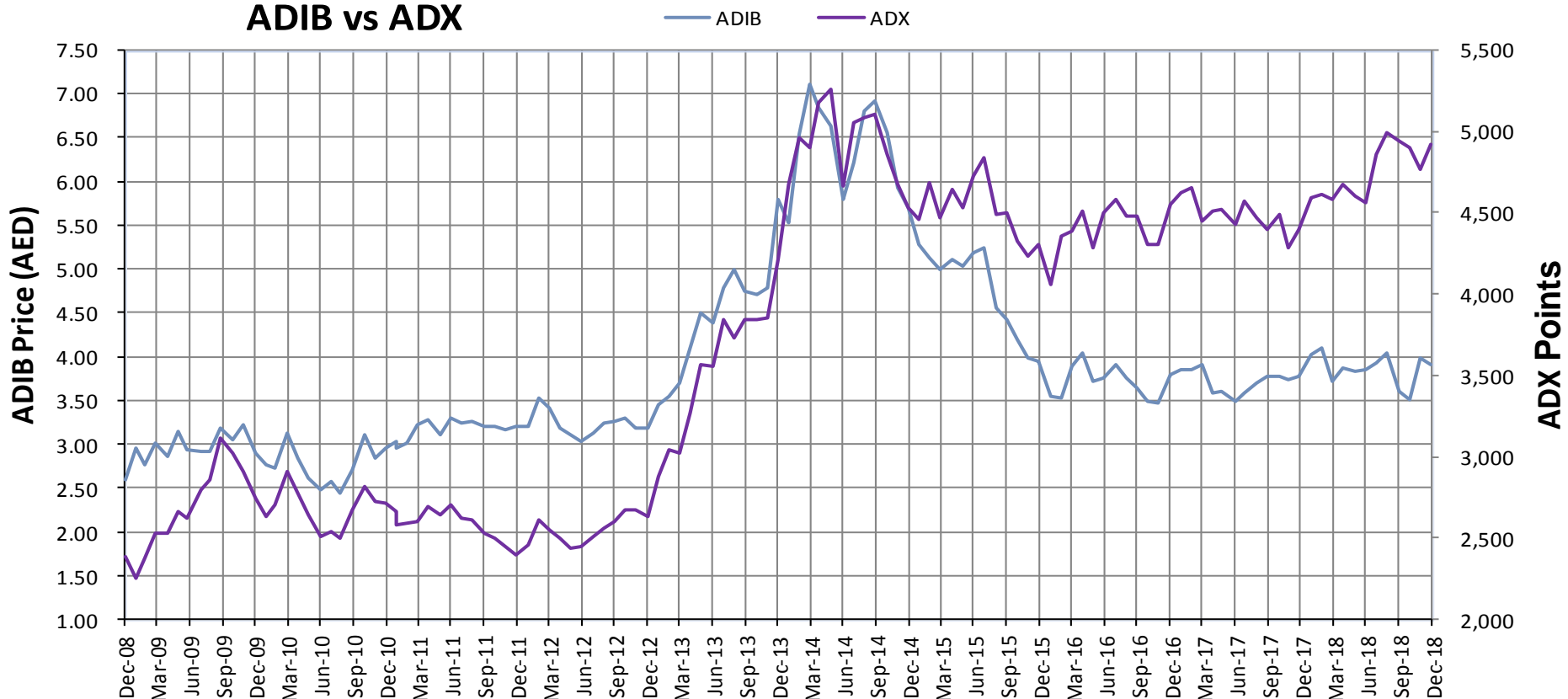
Dividend Distribution History

	2011	2012	2013	2014	2015	2016	2017	2018*
Net Profit (Mn)	1,155.1	1,201.2	1,450.2	1,750.7	1,934.0	1,953.6	2,300.1	2,500.8
Cash Dividend Payout Ratio (% of Net Profit)	50.0%	50.0%	50.0%	40.0%	39.8%	39.8%	39.8%	39.8%
Cash Dividend (% of Share Capital)	24.4%	25.4%	30.7%	23.3%	24.3%	24.5%	28.7%	27.4%
Cash Dividends (Mn)	577.5	600.6	725.1	700.2	769.0	776.8	941.5	994.3
Total Dividend Yield	7.7%	8.0%	9.9%	4.1%	6.2%	6.5%	7.6%	7.0%
Bonus shares (Mn)	-	-	635.3	-	-	-	-	-
Bonus Shares (% of Share Capital)	-	-	26.9%	-	-	-	-	-

Shareholders' Return

- 31 Dec 2018 share price was AED 3.90 per share (31 Dec 2017: AED 3.78 per share).
- Cash dividend of 39.8% of net profit, 27.38% of share capital (2017: 28.87% of share capital).
- Total dividend yield of ADIB share of 7.0%. (2017: 7.6%).

ADIB vs ADX



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