

Investor Presentation 30 June 2017 results

Abu Dhabi: July 2017

Table of Content

Introduction

Financial Review

Business Review

Appendix

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
Fitch Ratings	A+	F1	Stable
MOODY'S INVESTORS SERVICE	A2	P1	Stable
RAM RATINGS	AAA	P1	Stable

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

Market Cap (Price @ AED 3.49)	AED 11.1 bn (US\$ 3.0 bn)
Diluted EPS / share (AED) - Annualised	0.596
PE Ratio	6 times
Price / Book Ratio	1.12
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 726 ATMs (a 24 hour branch at Abu Dhabi International Airport).
- Overseas - Presence in UK, Saudi Arabia, Qatar, Iraq, Sudan & Egypt.

Table of Content

Introduction

Financial Review

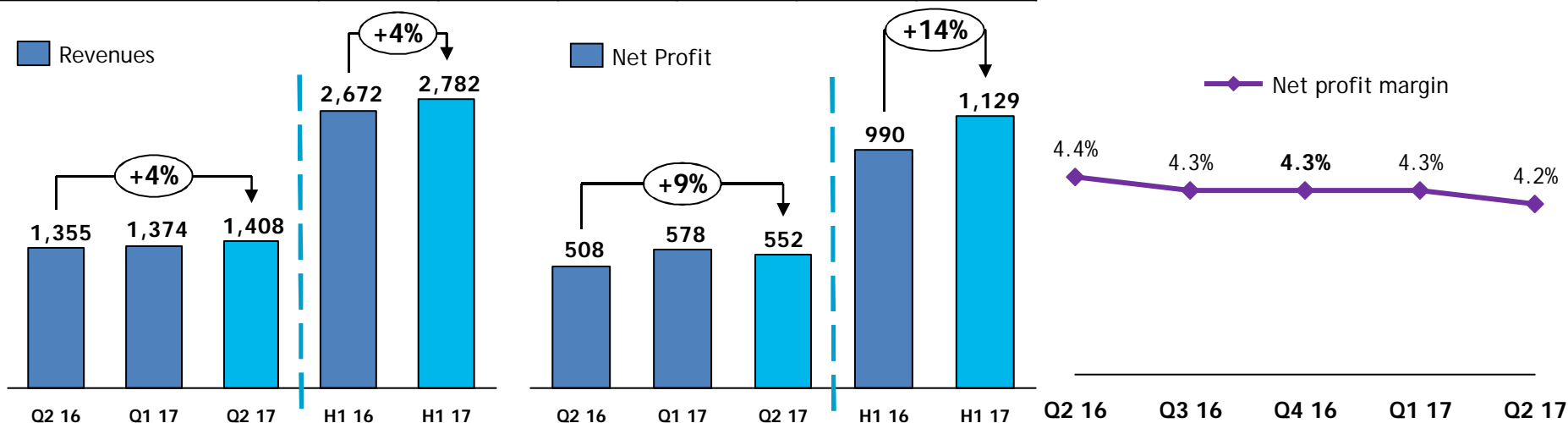
Business Review

Appendix

Q2 / H1 2017– Key financial highlights – Income statement

AED Mn	Q2 16	Q2 17	Change %	H1 16	H1 17	Change %
Net Revenue from funds	982.3	918.5	-6.5%	1,955.3	1,872.7	-4.2%
Fees, commission and others	372.7	489.5	31.4%	717.0	909.4	26.8%
Operating income	1,355.0	1,408.0	3.9%	2,672.3	2,782.1	4.1%
Expenses	610.0	627.2	2.8%	1,225.0	1,255.3	2.5%
Operating profit	745.0	780.8	4.8%	1,447.3	1,526.8	5.5%
Provision for impairment	234.0	216.4	-7.5%	450.1	380.8	-15.4%
Zakat & tax	3.5	12.8	260.7%	7.7	16.9	120.0%
Net profit	507.5	551.6	8.7%	989.5	1,129.1	14.1%

- **Revenues** are up by 4% driven by fee income mainly from cards, wealth management, Takaful products and FX income.
- **Expenses** up by 2% mainly due to continuous investment in our franchise, systems and people.
- **Operating profit** up by 6%.
- **Provision for impairment** down by 15%.
- **Net profit** up by 14%.

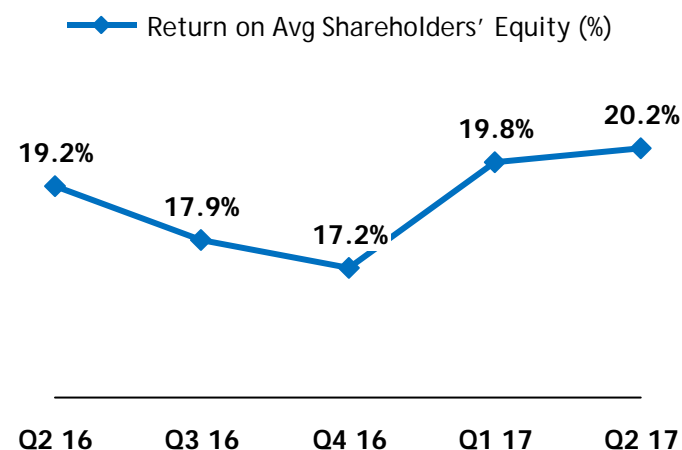
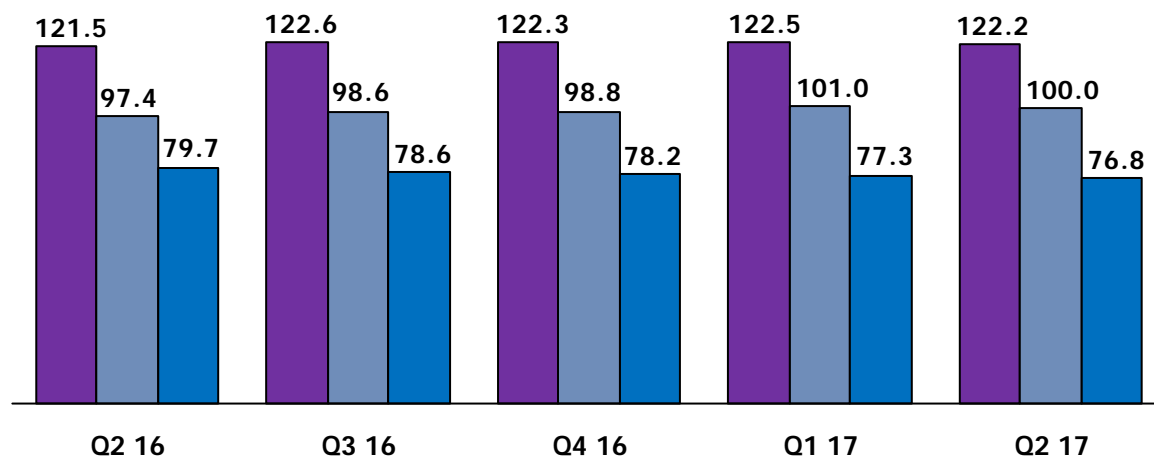


30 June 2017 - Key financial highlights - Balance sheet

AED Bn	Jun 16	Jun 17	Change %	Dec 16	Change %
Total assets	121.5	122.2	0.6%	122.3	-0.1%
Net customer financing	79.7	76.8	-3.7%	78.2	-1.9%
Customers' deposits	97.4	100.0	2.7%	98.8	1.2%
Total equity	15.1	15.6	3.3%	15.5	0.8%

- **Total assets** increased by 1% over Q2 2016 to reach AED 122.2 Bn.
- **Customer financing** dropped 4% from Q2 2016 to reach AED 76.8 Bn primarily due to repayments in Wholesale banking.
- **Customer deposits** increased by 3% over Q2 2016 due to growth in Retail banking.
- **Advances to Stable Funds Ratio** at 30 June 2017 was 81.0%. **Advances to Deposits Ratio** was 76.7% as at 30 June 2017.
- **Capital adequacy ratio** at 30 June 2017 was 15.61% - Basel II. Tier 1 ratio at 30 June 2017 was 15.00%.

■ Total Assets ■ Customers Deposits ■ Customer Financing



Key ratios

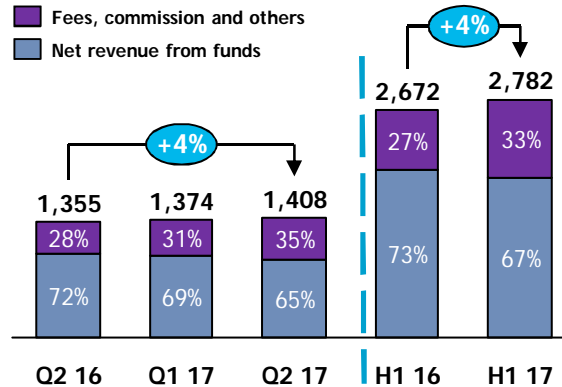
	Ratios	Jun 2016	Jun 2017
Efficiency	Diluted Earnings per share (EPS in AED)	0.265	0.307
	Return on Average Shareholders' Equity (excluding - Tier 1 capital)	19.2%	20.2%
	Net profit margin (%)	4.4%	4.2%
	Cost / income ratio	45.8%	45.1%
Liquidity	Percentage lent (Financing / Total Assets)	65.6%	62.8%
	Financing to Deposits ratio	81.8%	76.7%
	Advances to Stable funds ratio	85.7%	80.1%
	Liquid Assets to Total Assets ratio	20.4%	20.0%
Solvency	Capital Adequacy - Basel II	14.6%	15.6%
	Tier -1 ratio - Base II	14.0%	15.0%
	Leverage ratio (Assets / Equity)	806%	784%
Asset Quality	Non - performing ratio (Impaired NPA / Gross Financing)	3.2%	4.7%
	Total provision coverage (Total provisions / Impaired NPA)	115.7%	79.4%
	Specific provision coverage (Specific provisions / Impaired NPA)	38.3%	34.0%
	Total provisions / Gross Customer Financing	3.7%	3.7%

Operating Performance - Net profit income

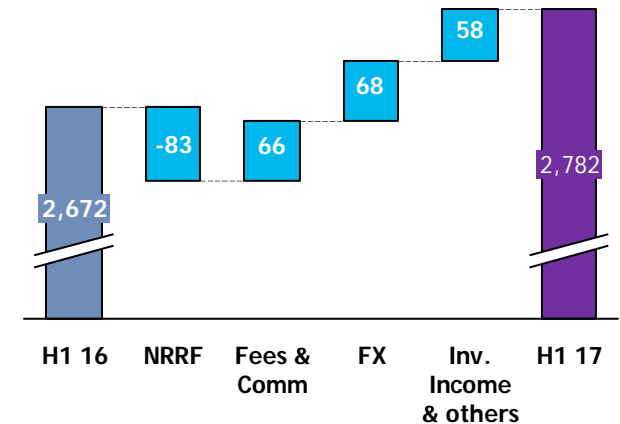
Highlights (H1 2017 vs. H1 2016)

- Revenues, up by 4.1% to AED 2,782.1 Mn.
- Net revenue from Funds (NRFF) 4.2% lower, primarily due to 4.7% drop in customer financing revenues which is partially netted - off by drop in funding cost by 7.8%.
- Non -NRFF income up by 26.8% and now constitute 32.7% of total revenue.

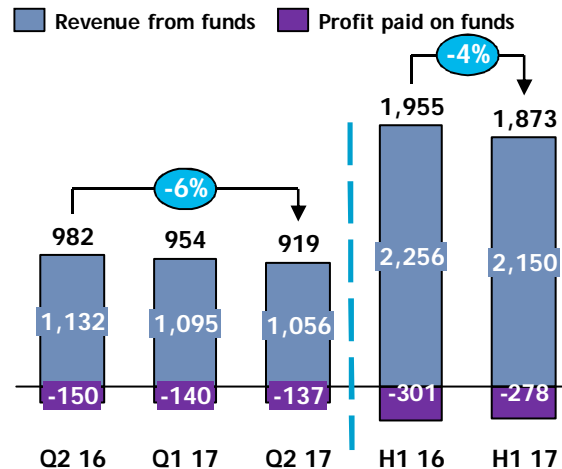
Revenues (AED Mn)



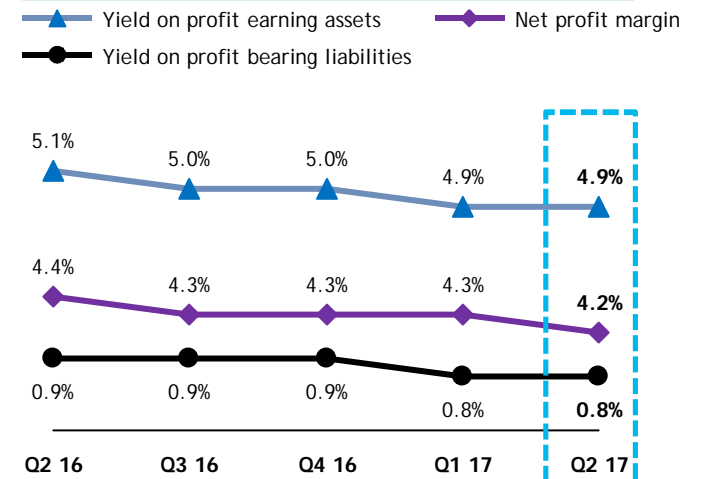
Key movements in Revenues (AED Mn)



Net Revenue from Funds (AED Mn)



Evolution of Yields (%)

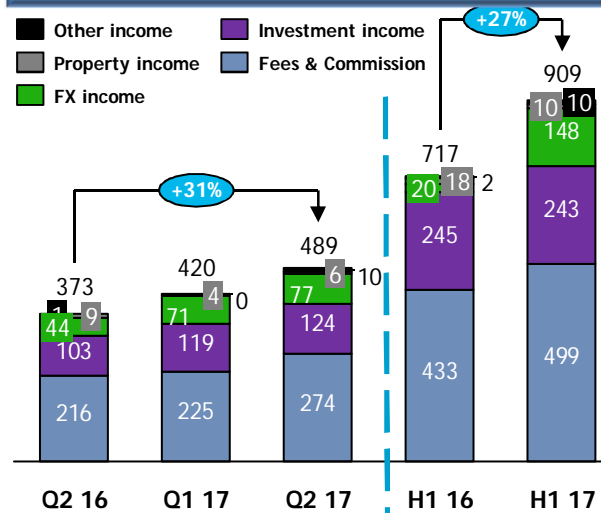


Operating Performance - Non-profit income

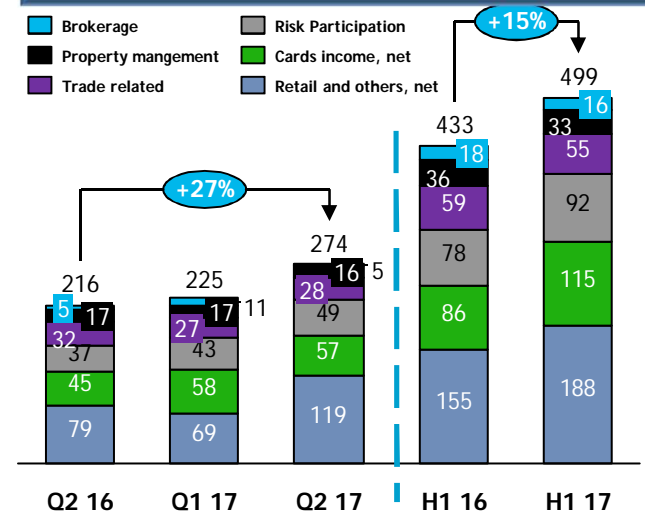
Highlights (H1 2017 vs. H1 2016)

- Non-profit income up by 26.8% at AED 919 Mn.
- FX income higher by 637.5% at AED 148 Mn primarily due to one off hit in H1 2016 of AED 60 Mn. Ex-off gain, the growth was 85.1%.
- Fees and commission income higher by 15.4% mainly from cards, wealth management and Takaful products.
- Investment income dropped due to one-off gain on sale of investment securities of AED 40 Mn in H1 2016. Ex-off gain, the growth was 13.6%.

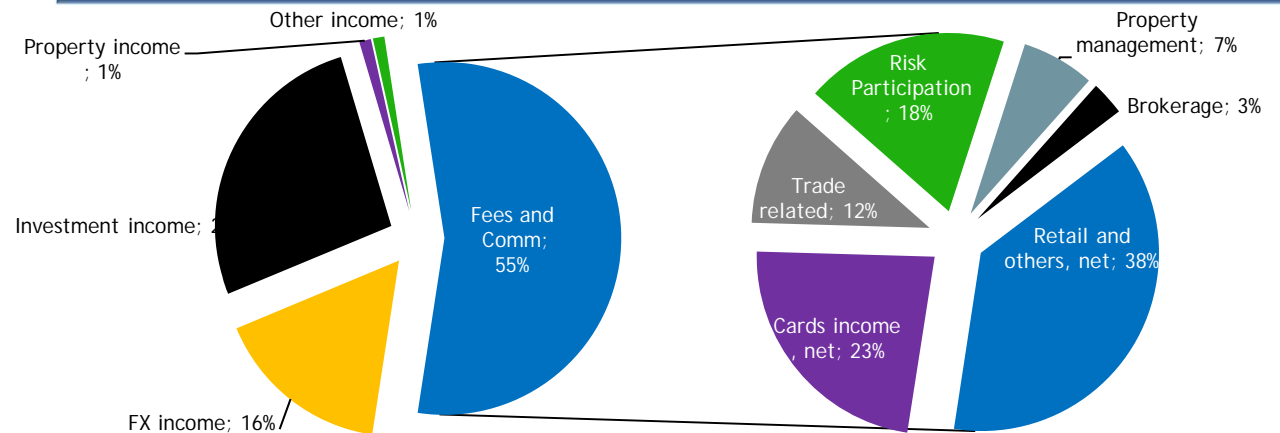
Non-profit income (AED Mn)



Composition of Fees & commission (AED Mn)



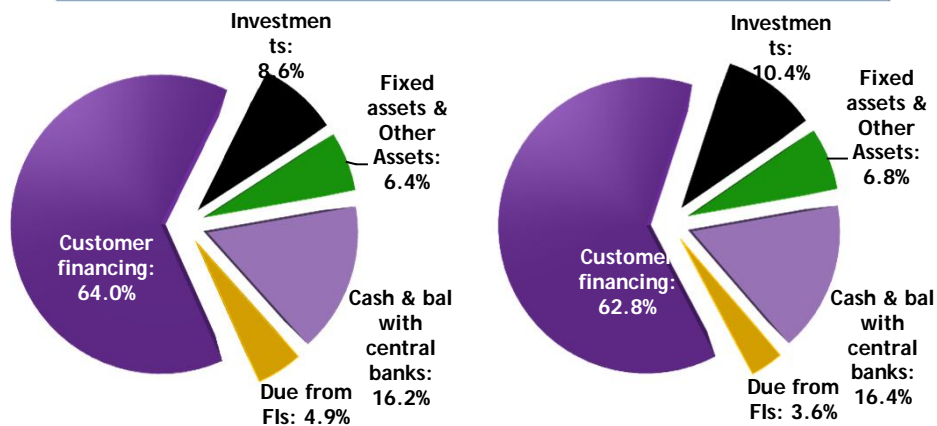
Non-profit income Revenue breakdown



Balance Sheet Strength and Customer Financing

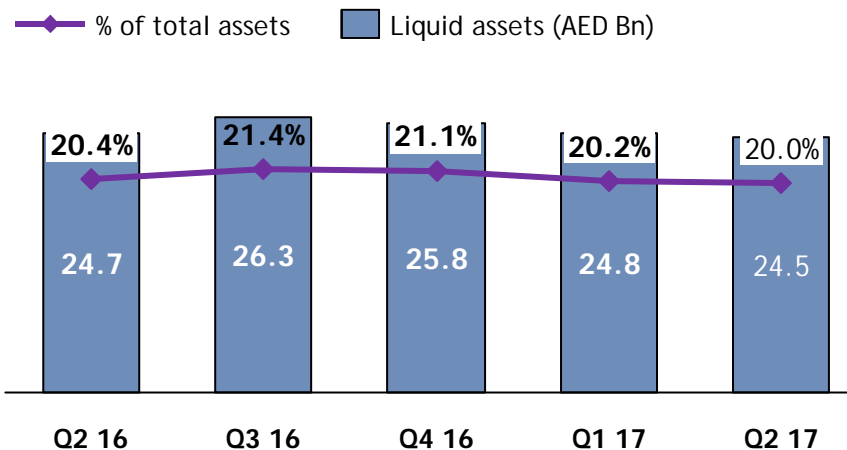
Customer Portfolio lower by 4% mainly due to early repayments in WBG, however Consumer assets grew 4% YoY

Composition of Total Assets - AED Bn

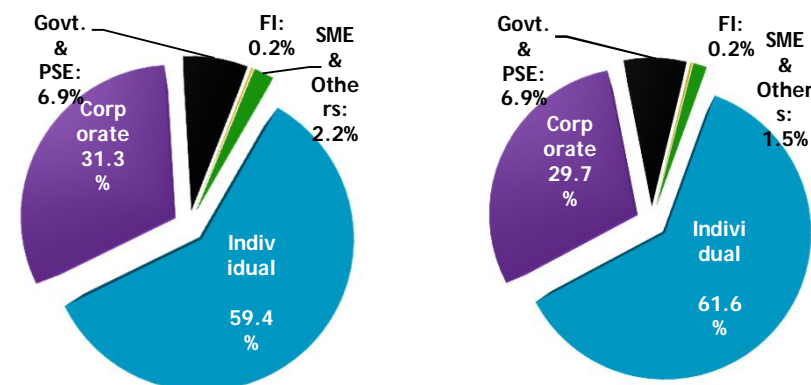
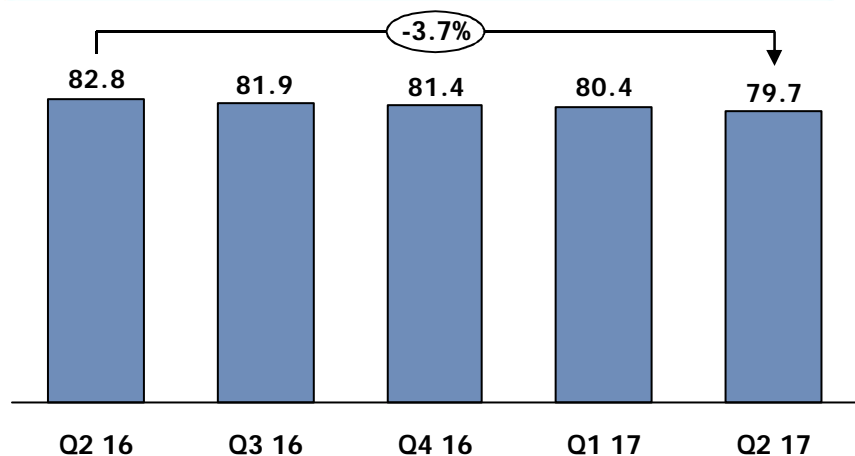


31 Dec 2016 - AED 122.3 Bn 30 Jun 2017 - AED 122.2 Bn

Liquidity ratio* (%)



Gross Customer Financing by Customer Segment

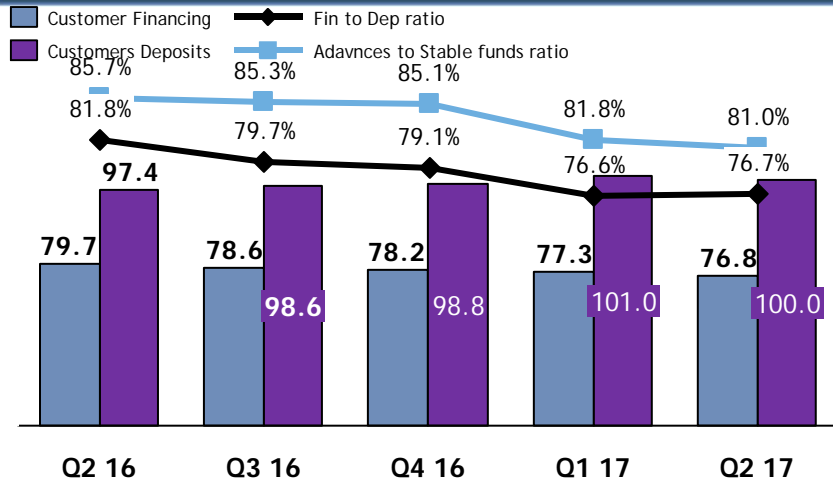


31 Dec 2016 - AED 81.4 Bn 30 Jun 2017 - AED 79.7 Bn

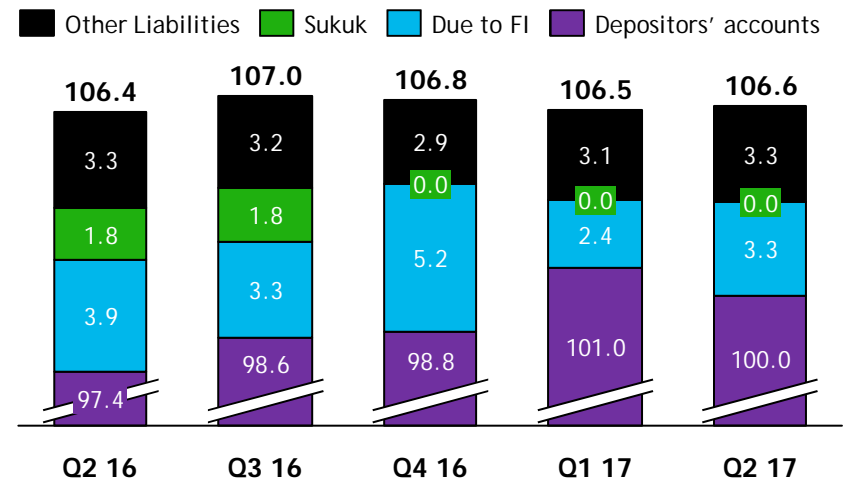
Funding Profile

Healthy Financing to Deposit ratio of 76.7%. Deposit grew 2.7% primarily on the back of growth in Retail segment of 7%

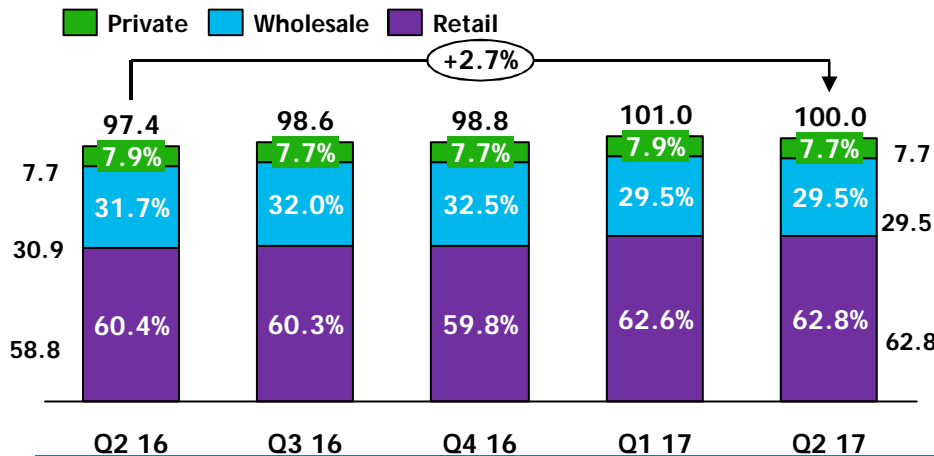
Net Customer Financing & Customers' Deposits (AED Bn)



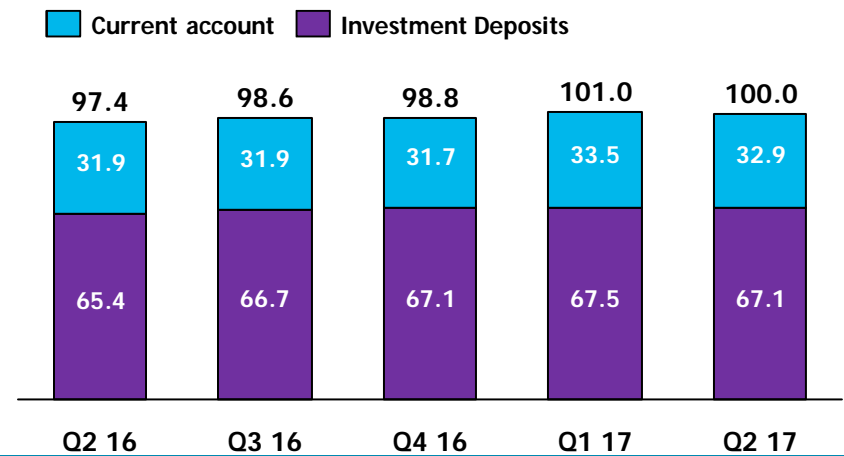
Composition of Liabilities (AED Bn)



Customers' Deposits by Segment (AED Bn)

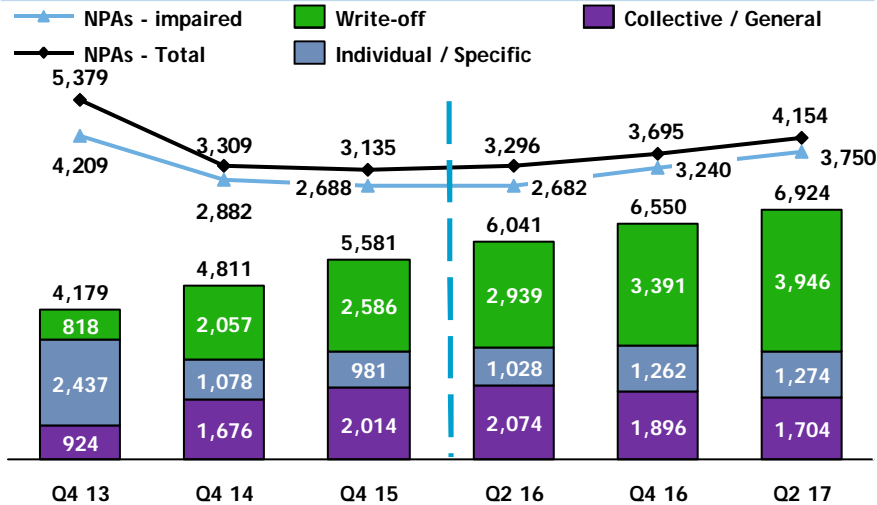


Customers' Deposits by Type (AED Bn)

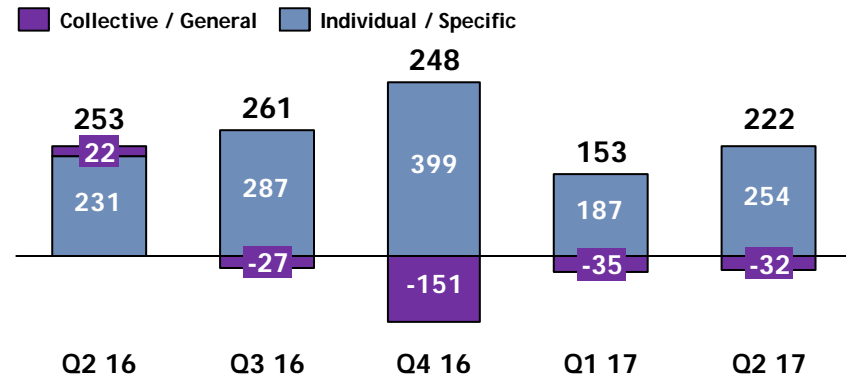


Asset quality - Customer financing only

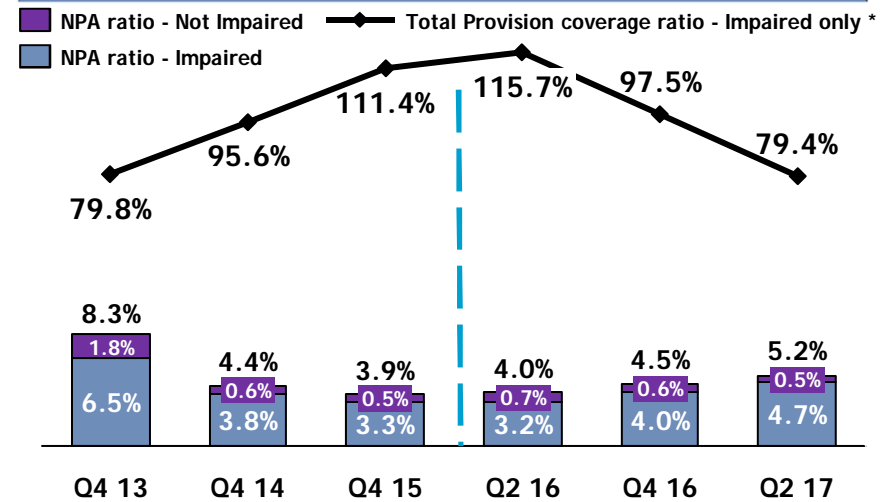
Provisions and NPAs - Customer financing (AED Mn)



Impairment charge - Customer financing (AED Mn)



NPA ratio and Provision Coverage ratio



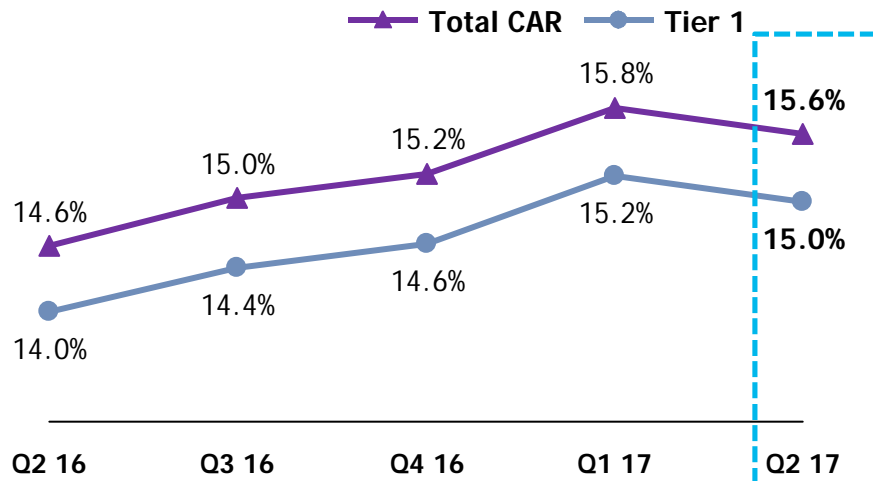
Key points

- Total NPAs increased by AED 459 Mn during H1 2017 to reach AED 4,154 Mn (31 Dec 16: AED 3,695 Mn).
- Impaired NPAs ratio at 4.7% as at 30 Jun 2017 (4.0% at 31 Dec 2016) with coverage of 79.4% (31 Dec 2016: 97.5%).
- Collective provisions of AED 1,704 Mn at end of Q2 2017 represents 1.96% of total Credit RWAs (31 Dec 2016: 2.12%).
- Individual provisions of AED 1,274 Mn at 34.0% of impaired NPAs at end of Q2 2017 (31 Dec 2015: 39.0%).
- Total provisions of AED 2,978 Mn (net of write-off of AED 3,946 Mn), represents 3.74% (31 Dec 2016: 3.88%) of Gross Financing portfolio.

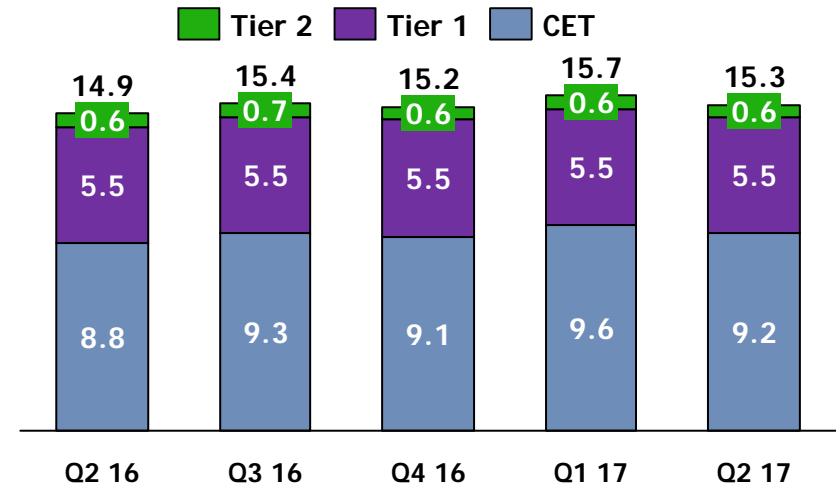
Capital Adequacy Ratio (CAR)

Total CAR at 15.6% remains above the minimum requirement of 12% under Basel 2

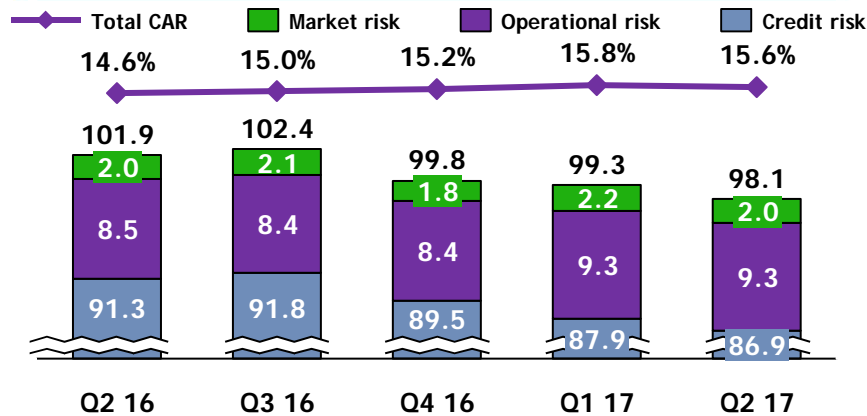
Capital Adequacy Ratio (%)



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



Total Capital Adequacy Ratio and RWA



Highlights

- Basel II Total Capital Adequacy ratio at end of Jun 2017 at 15.61% well above the regulatory requirement of 12%. (31 Dec 16: 15.25%).
- Basel II Tier I ratio at 15.00% at the end of Jun 2017 well above the regulatory requirement of 8%. (31 Dec 16: 14.61%).
- Basel II CET1 ratio at 9.42% at the end of Jun 2017 (31 Dec 16: 9.12%).
- **Basel III:** Total CAR: 15.27%; Tier 1: 14.16%, CET 1: 9.36%.

Table of Content

Introduction

Financial Review

Business Review

Appendix

ADIB Strategy

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

Build Market Leadership
within the UAE

Create an Integrated
Financial Services Group

Pursue International
Growth Opportunities

Simple & Sensible

Transparency

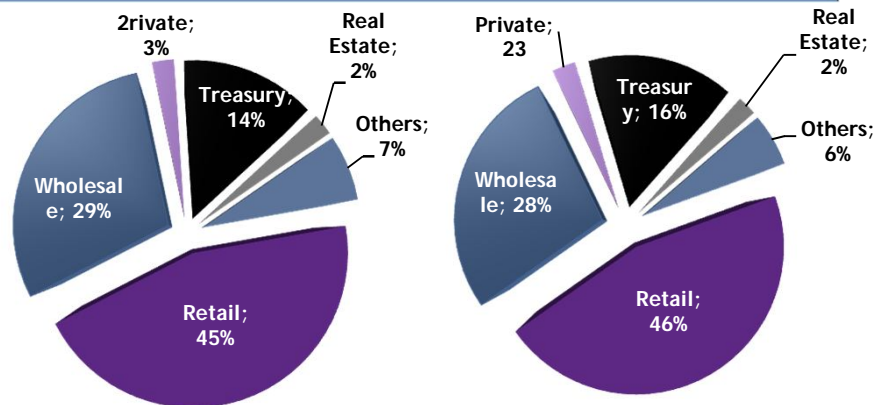
Mutual Benefit

Hospitality &
Tolerance

Shari'a Inspired

Business unit contribution

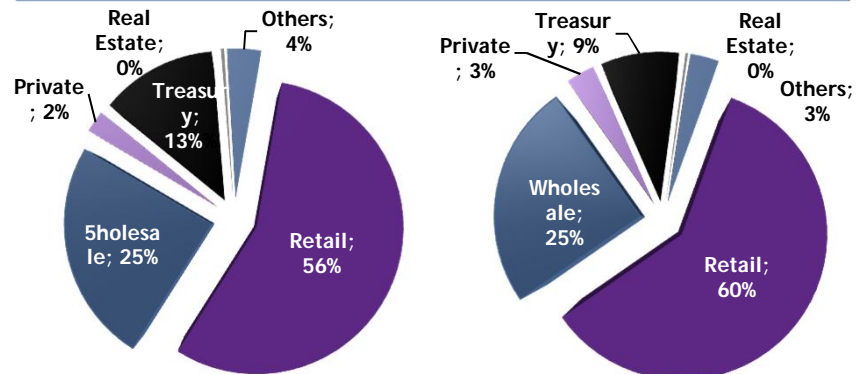
Composition of Total Assets - AED Bn



30 Jun 2016 - AED 121.5 Bn

30 June 2017 - AED 122.2 Bn

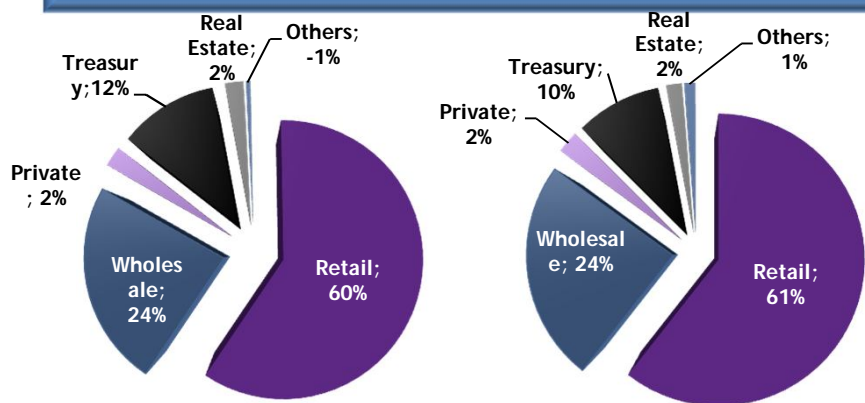
Composition of Total Liabilities - AED Bn



30 Jun 2016 - AED 106.4 Bn

30 Jun 2017 - AED 106.6 Bn

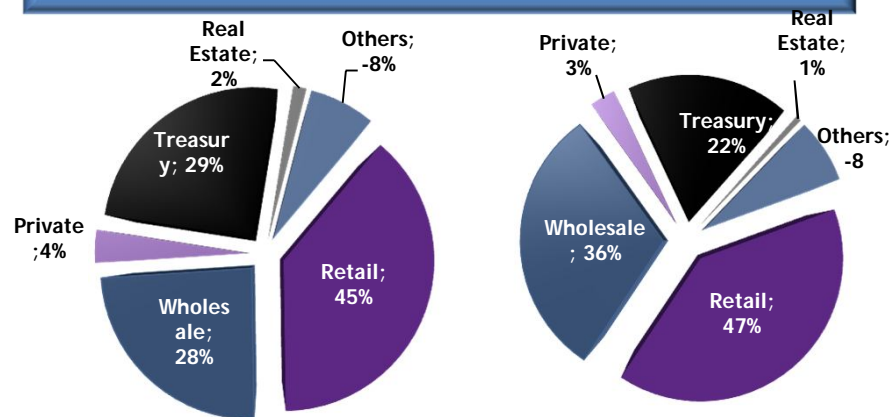
Composition of Revenues - AED Mn



H1 2016 - AED 2,672.3 Mn

H1 2017 - AED 2,782.1 Mn

Composition of Net profit - AED Mn



H1 2016- AED 989.5 Mn

H1 2017 - AED 1,129.1 Mn

Global Retail Banking overview

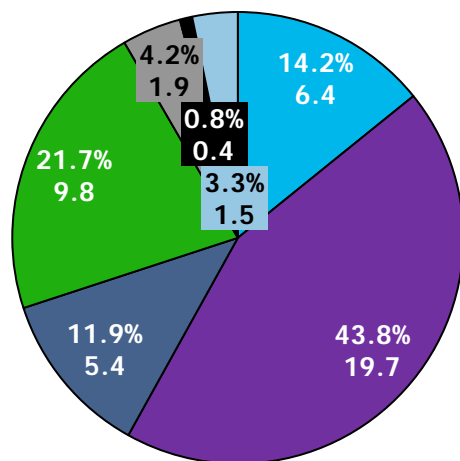
Consumer assets grew 4% YoY (2% vs Dec 16)

Global Retail Banking contributes 61% of Net Revenues:

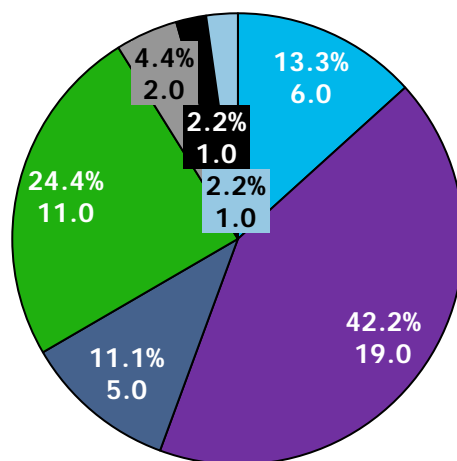
- Personal Banking Division provides services for individuals clients, while the Business Banking Division services the needs of SMEs.
- These services include a variety of Shari'a compliant financing.

Gross Retail Financing Portfolio

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

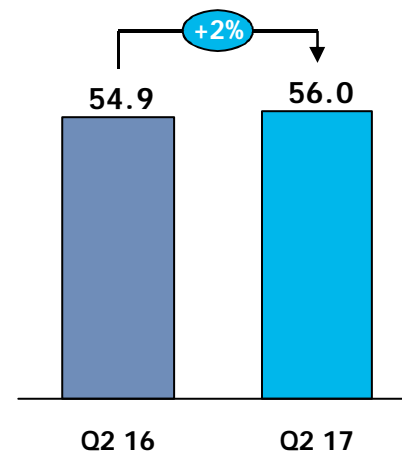


31 Dec 2016 - AED 44.9 Bn

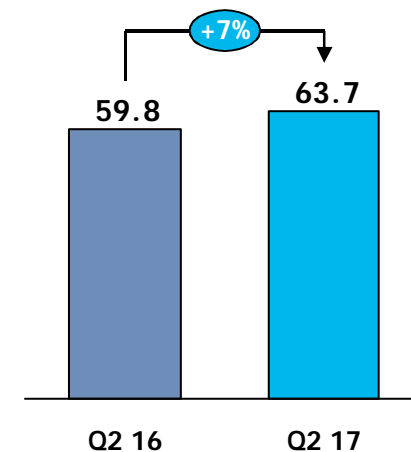


30 Jun 2017 - AED 45.3 Bn

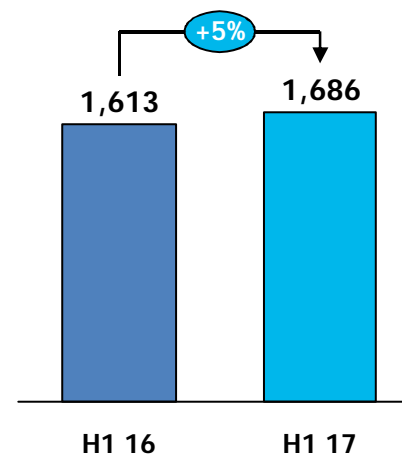
Assets (AED Bn)



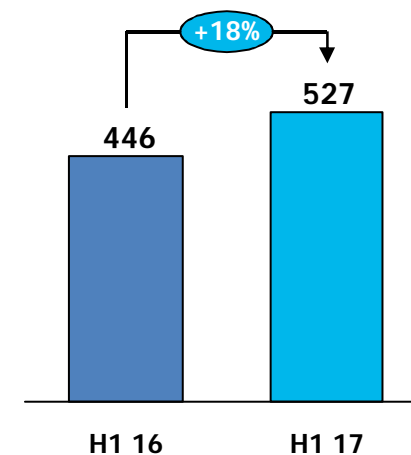
Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)



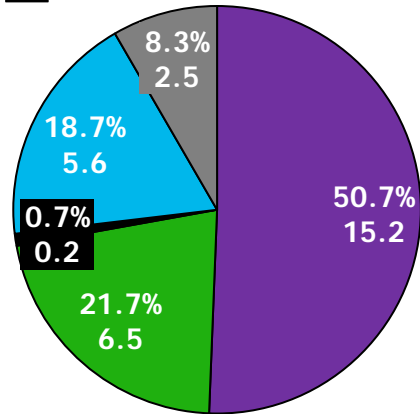
Global Wholesale Banking overview

Customer Portfolio lower by 7% YoY (4% vs Dec 16) mainly due to early repayments

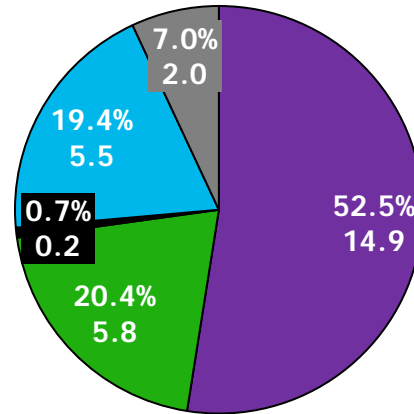
Global Wholesale Banking contributes 24% of Net Revenues:

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

Gross Wholesale Financing Portfolio

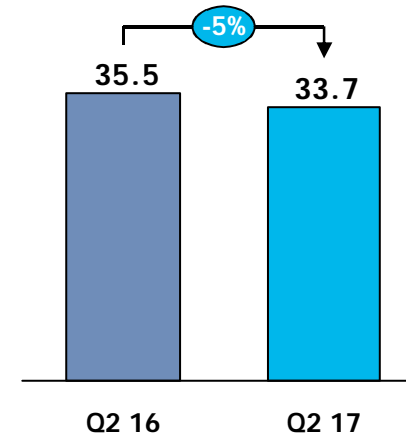


31 Dec 2016 - AED 30.0 Bn

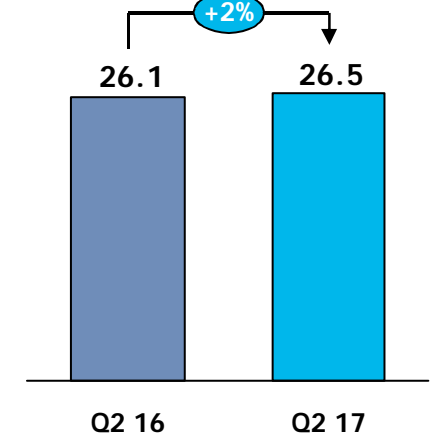


30 Jun 2017 - AED 28.5 Bn

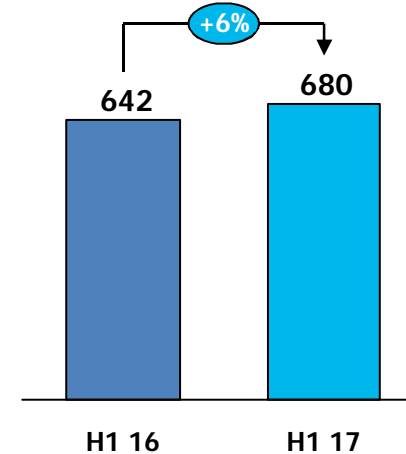
Assets (AED Bn)



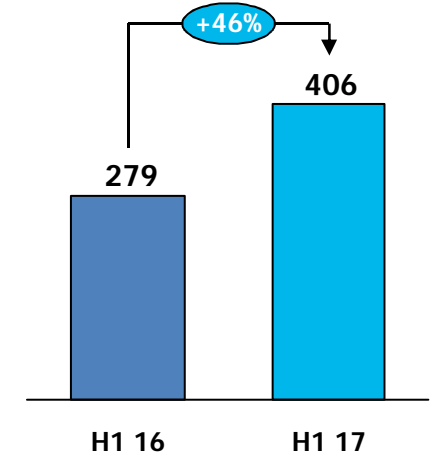
Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)

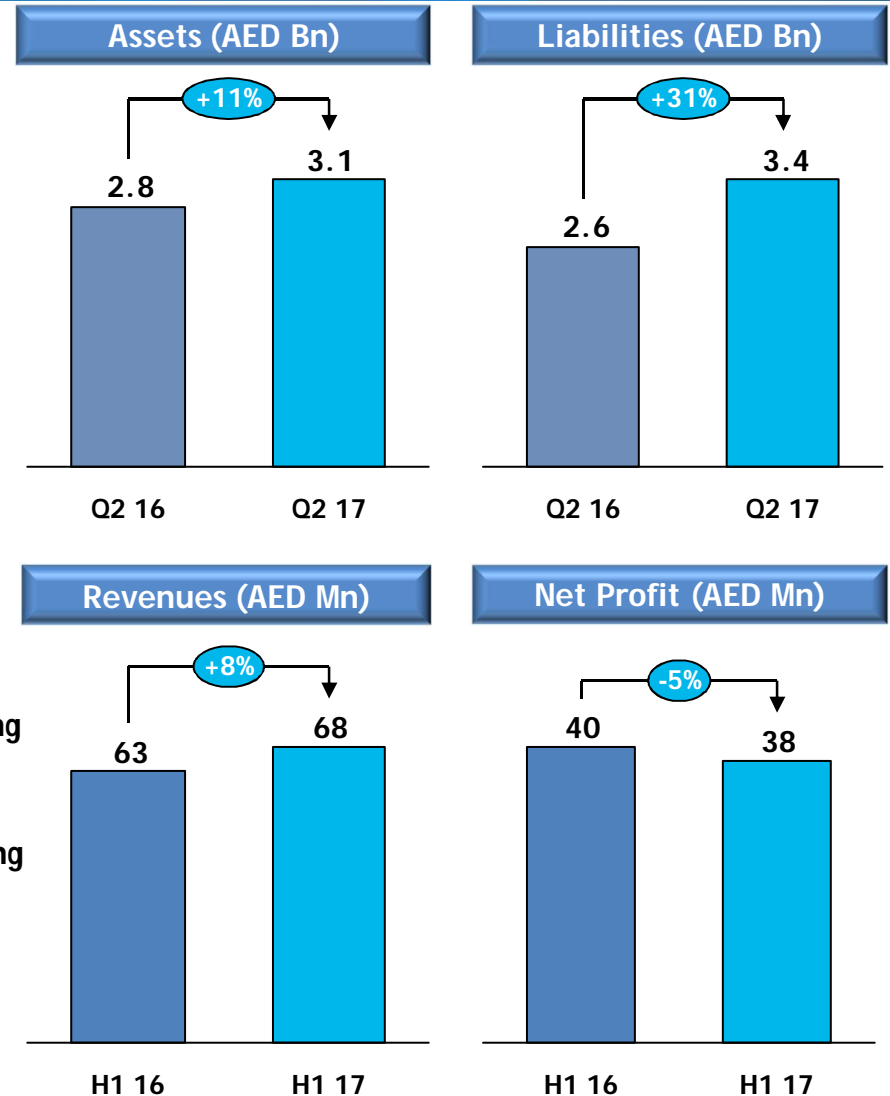
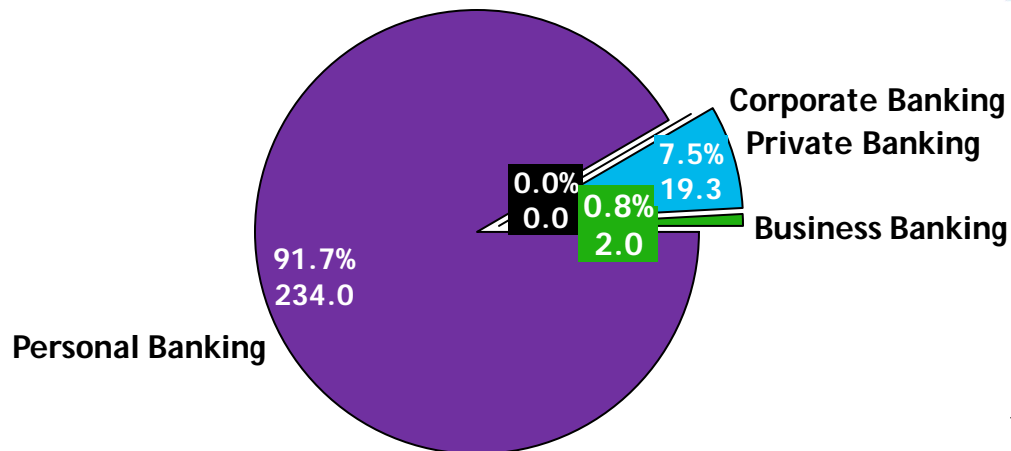


Private Banking overview

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 255.3 Mn



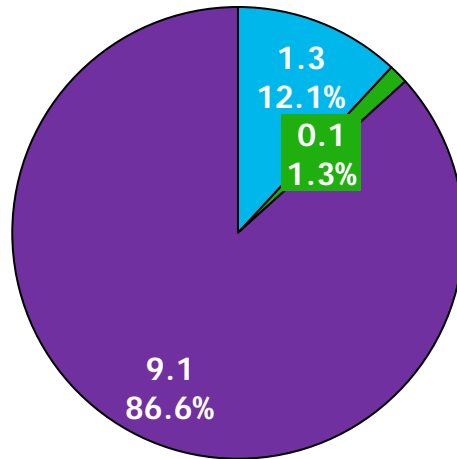
Treasury overview

Treasury contributes 10% of Net Revenues

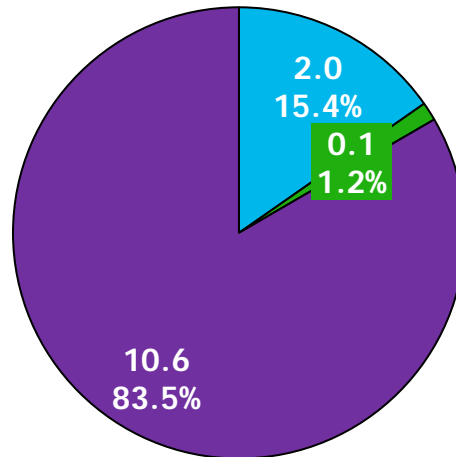
- Treasury principally handles money market brokerage, trading and treasury services, as well as the management of the Bank's funding operations by use of investment deposits.

Investments

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

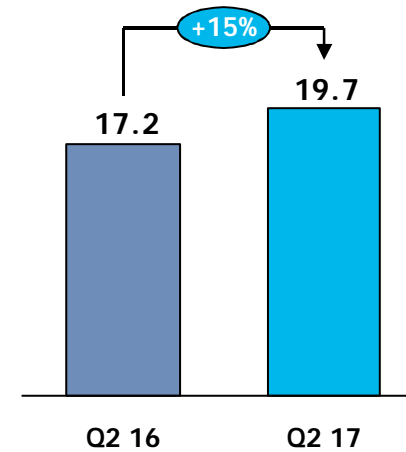


31 Dec 2016 - AED 10.5 Bn

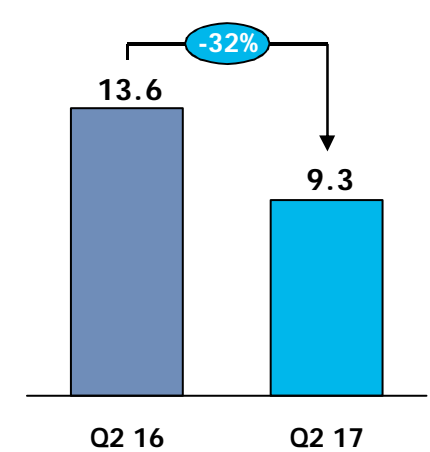


30 Jun 2017 - AED 12.7 Bn

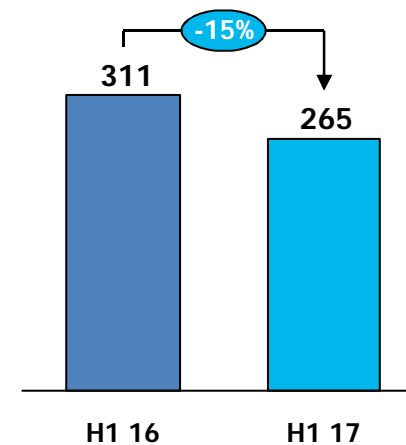
Assets (AED Bn)



Liabilities (AED Bn)



Revenues (AED Mn)



Net Profit (AED Mn)

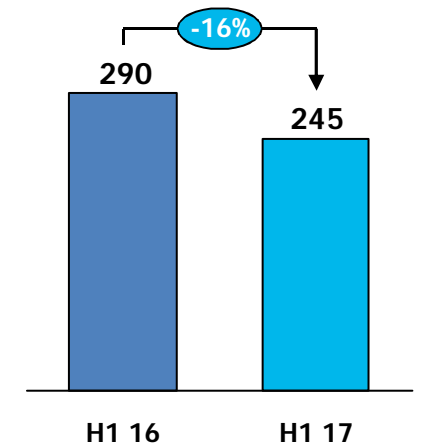


Table of Content

Introduction

Financial Review

Business Review

Appendix

Consolidated Statement of Income

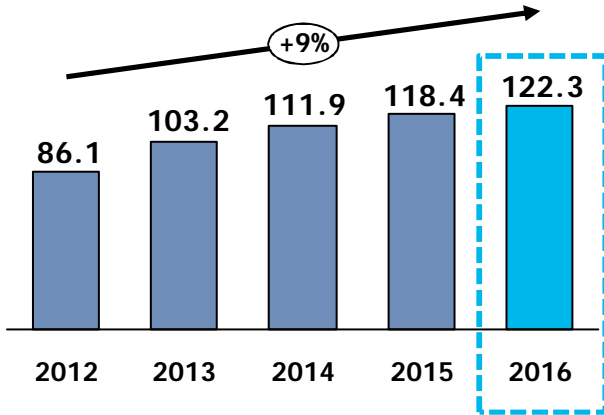
AED Mn	Q2 16	Q1 17	Q2 17	% chg Q2 17 vs Q2 16	% chg Q2 17 vs Q1 17	H1 16	H1 17	% chg H1 17 vs H1 16
Revenues	1,355.0	1,374.1	1,408.0	3.9%	2.5%	2,672.3	2,782.1	4.1%
Net Revenue from Funds	982.3	954.2	918.5	-6.5%	-3.7%	1,955.3	1,872.7	-4.2%
Fees & commission	215.7	225.4	273.7	26.9%	21.4%	432.6	499.0	15.4%
Investment income	112.3	123.0	129.2	15.0%	5.0%	262.6	252.2	-3.9%
Foreign Exchange	43.7	71.4	76.8	75.8%	7.5%	20.1	148.3	637.5%
Other income	0.9	0.1	9.8	965.6%	12282.3%	1.7	9.9	470.3%
Expenses	609.9	628.1	627.2	2.8%	-0.1%	1,224.9	1,255.3	2.5%
Employee cost	357.0	349.8	349.7	-2.1%	-0.04%	720.9	699.5	-3.0%
Premises	55.1	66.6	67.4	22.3%	1.1%	113.5	134.0	18.1%
Depreciation	50.9	55.3	55.4	8.8%	-0.2%	101.6	110.7	8.9%
Other Operating expenses	146.9	156.4	154.8	5.4%	-1.0%	288.9	311.2	7.7%
Operating Profit - Margin	745.0	746.0	780.8	4.8%	4.7%	1,447.4	1,526.8	5.5%
Provision for impairment	234.0	164.4	216.4	-7.5%	31.7%	450.1	380.8	-15.4%
- Individual / Specific	231.4	187.1	254.1	9.8%	35.8%	400.2	441.3	10.3%
- Collective / General	21.8	(34.6)	(32.4)	-249.0%	-6.3%	59.9	(67.0)	-211.9%
- Others	(19.1)	11.8	(5.3)	-72.4%	-144.7%	(9.9)	6.5	166.0%
Net profit before zakat & tax	511.1	581.6	564.3	10.4%	-3.0%	997.2	1,146.0	14.9%
Zakat & Tax	3.5	4.2	12.7	260.7%	206.1%	7.7	16.9	120.0%
Net Profit after zakat & tax	507.5	577.5	551.6	8.7%	-4.5%	989.5	1,129.1	14.1%

Consolidated Balance Sheet

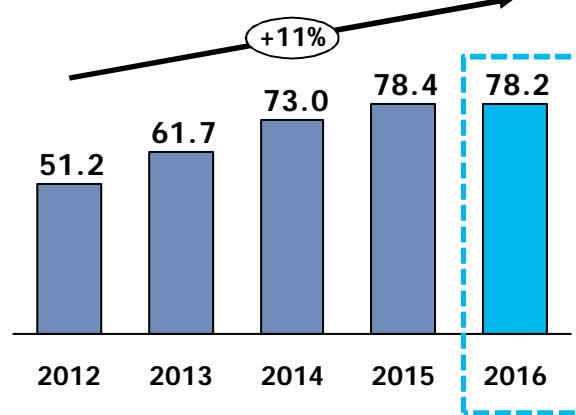
AED Mn%	30 June 2016	31 Dec 2016	30 June 2017	% chg 30 Jun 2017 vs 30 Jun 2016	% chg 30 Jun 2017 vs 31 Dec 2016
Cash and balances with Central Banks	18,808	19,778	20,066	6.7%	1.5%
Due from financial institutions	5,933	6,009	4,396	-25.9%	-26.8%
Net Customer financing	79,685	78,211	76,758	-3.7%	-1.9%
Investments	9,049	10,460	12,692	40.3%	21.3%
Investment in associates	767	754	772	0.7%	2.5%
Investment and development properties	2,057	2,045	2,034	-1.1%	-0.5%
Other assets / fixed assets / intangibles	5,208	5,033	5,509	5.8%	9.5%
TOTAL ASSETS	121,507	122,290	122,227	0.6%	-0.1%
Due to financial institutions	3,919	5,154	3,308	-15.6%	-35.8%
Customers' deposits	97,375	98,814	100,033	2.7%	1.2%
Other liabilities	3,296	2,863	3,306	0.3%	15.5%
Sukuk payable	1,836	-	-	-100%	-
TOTAL LIABILITIES	106,426	106,831	106,647	0.2%	-0.2%
Share capital	3,168	3,168	3,168	-	-
Tier 1 sukuk	5,673	5,673	5,673	-	-
Proposed dividend	-	777	-	-	-100%
Reserves	6,240	5,841	6,740	8.0%	15.4%
TOTAL EQUITY	15,081	15,459	15,580	3.3%	0.8%
TOTAL LIABILITIES AND EQUITY	121,507	122,290	122,227	0.6%	-0.1%

Financial Snapshot (1/2)

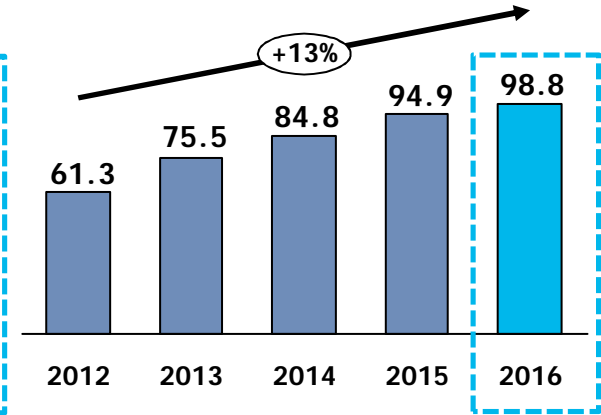
Total Assets (AED Bn)



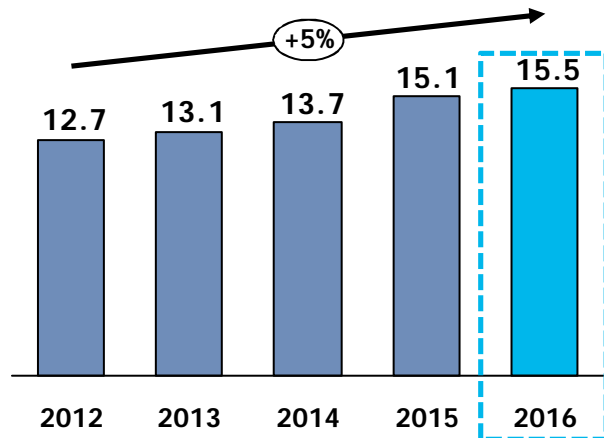
Net Customer Financing (AED Bn)



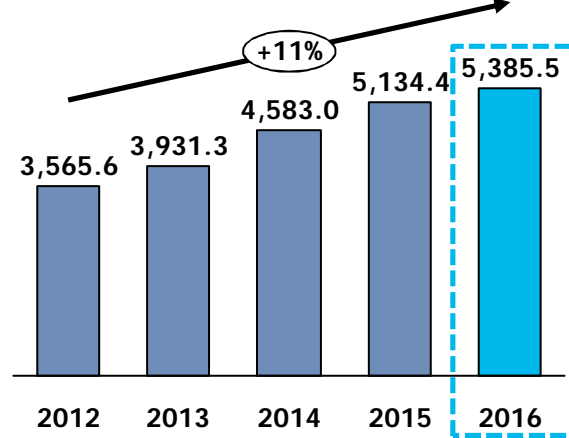
Customer Deposits (AED Bn)



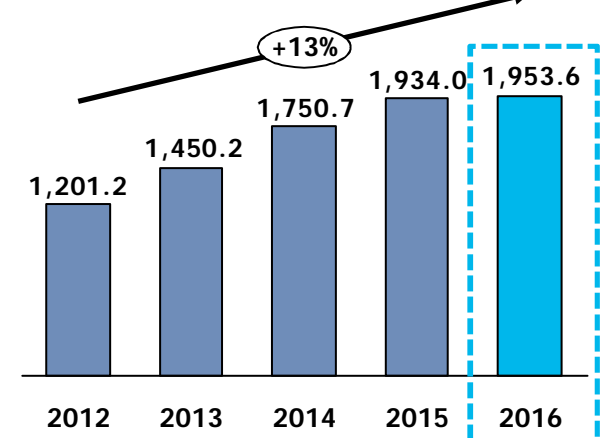
Equity (AED Bn)



Revenues (AED Mn)

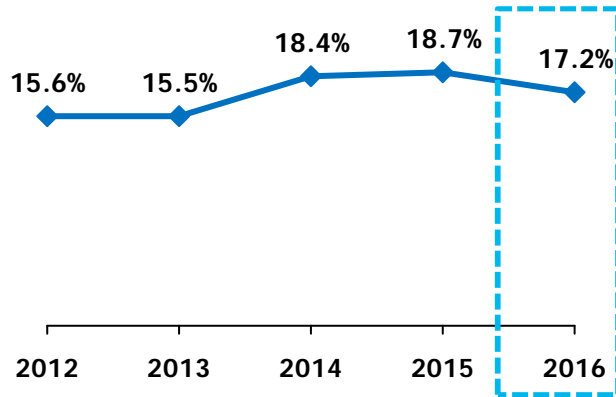


Net Profit (AED Mn)

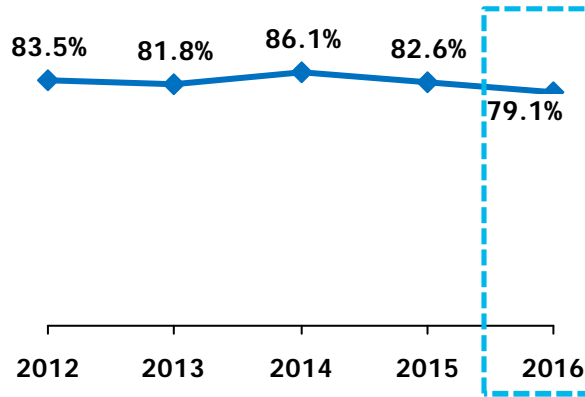


Financial Snapshot (2/2)

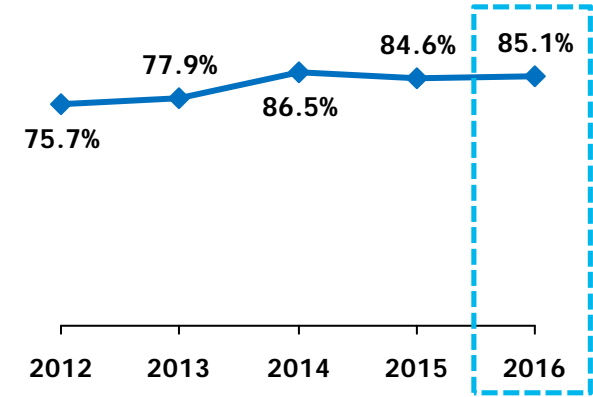
Return on Avg Shareholders' Equity (%)



Financing to Deposits Ratio (%)

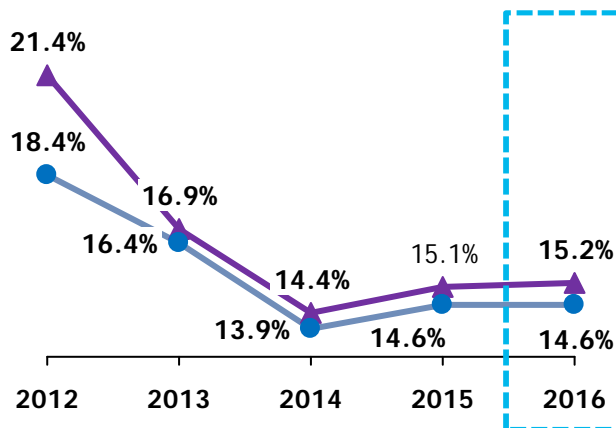


Advances to Stable Funds Ratio (%)



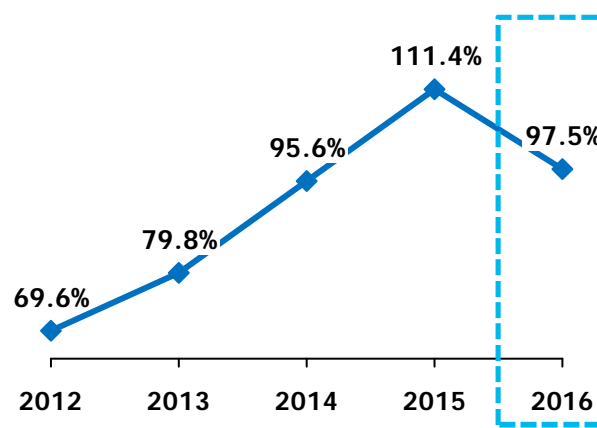
CAR (%)

▲ Total CAR ● Tier 1



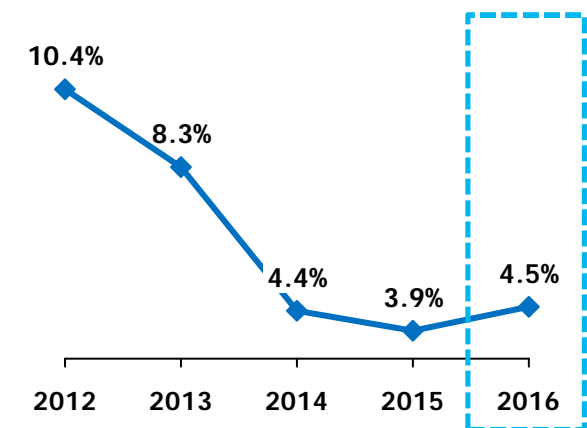
Provision Coverage (%)

◆ Total Provision coverage ratio - Impaired only *



Non - Performing Ratio (%)

◆ Total Non performing ratio



An award winning Bank – 2017 (1/3)



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 (2/3)



"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**

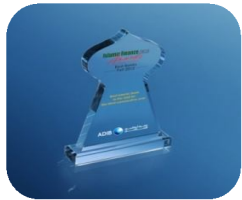
An award winning Bank (3/3)



“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**

28

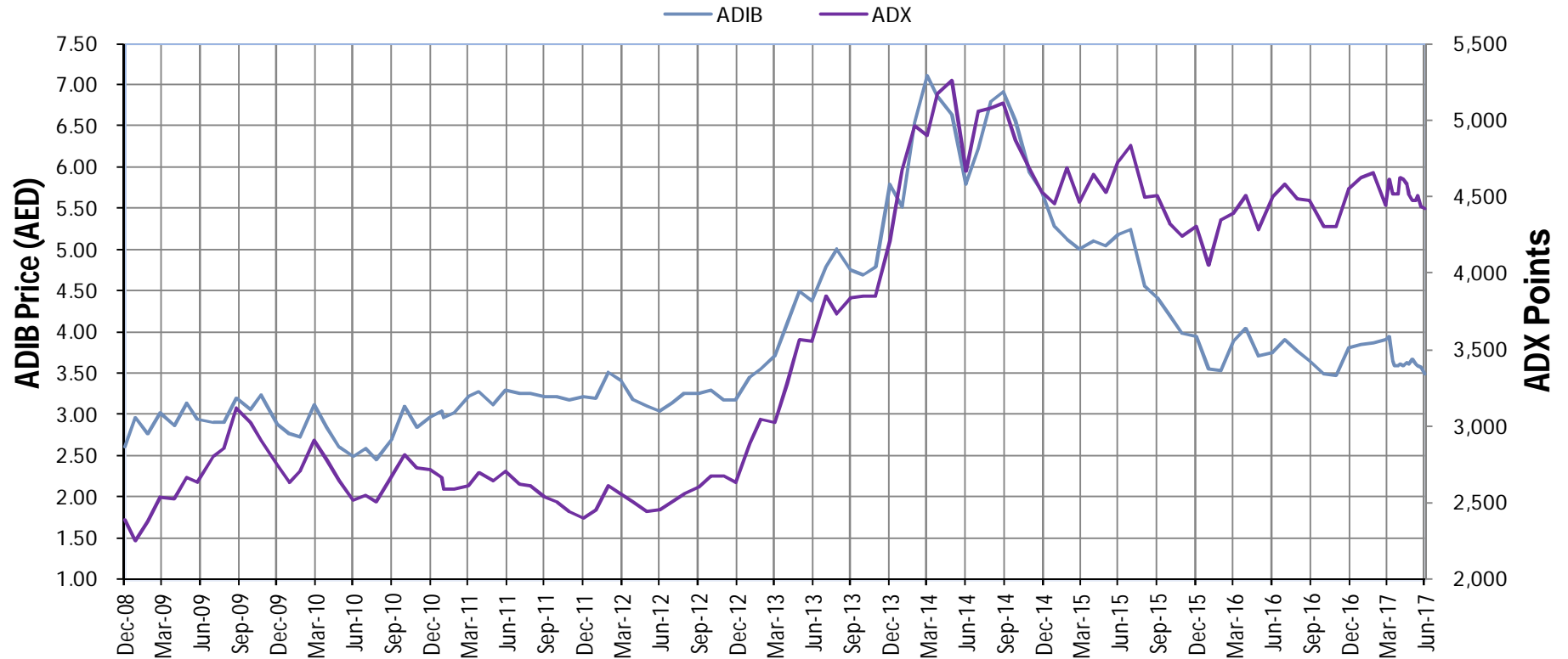
Dividend Distribution History

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

Shareholders' Return

- 30 June 2017 share price was AED 3.49 per share (31 Dec 2016: AED 3.80 per share).
- Cash dividend of 39.8% of net profit, 24.52% of share capital (2015: 24.27% of share capital).
- Total dividend yield of ADIB share - 6.5%. (2015: 6.2%).

ADIB vs ADX



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