

Investor Presentation

31 March 2011

Abu Dhabi: May 2011

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

Presence

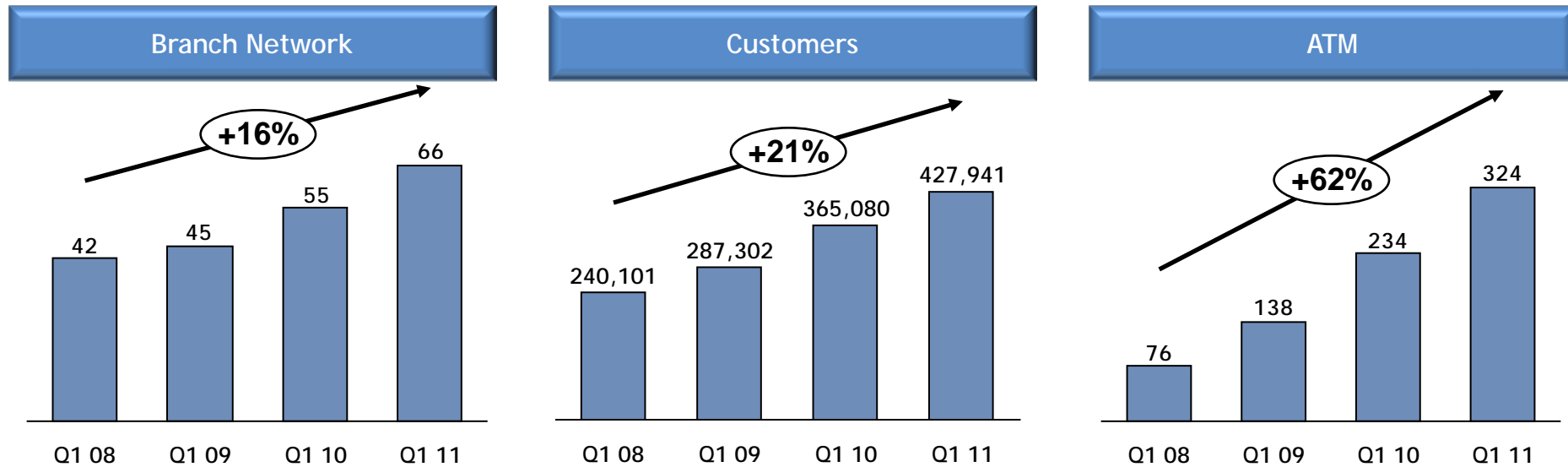
- UAE - 66 Branches
- 324 ATMs in all the 7 emirates

Stock Info (Price and Ratio as of 31 Mar 2011)

Market Cap (Price @ AED 3.22)	AED 7.6 bn (US\$ 2.1 bn)
EPS / share (AED) - Annualized	0.462
PE Ratio	7.0 times
Price / Book Ratio	0.97
Shares Issued (@ AED 1)	2,365 Mn

Focus on networking expansion continues

ADIB continues to investment in coverage during the downturn



- 66 Branches in 11 years.
- 21% CAGR growth in Customers from end of Q1 2008 to Q1 2011 to reach at 427,941 customers.
- ATM revamped; 62% CAGR growth in machines from 76 in Q1 2008 to 324 in Q1 2011.
- Service Quality ranking improved from 24th in 2007 to 3rd in 2010.
- Introduced '24 Hour' Banking; '10 to 10' Banking and 'Anywhere' Banking.
- Co-branded card for Etihad Airlines.
- Launched Diamond proposition.
- Launched new brand identity in line with its vision to become a top tier global Islamic financial services group and to deliver on its mission of providing "Islamic financial solutions for the Global community".

An award winning Islamic Bank

Franchise Awards



"Best Islamic Bank 2010" in the Middle East by Bankers Middle East

June 2010



"Best Islamic Bank" award by Islamic Business & Finance

December 2010



"Best Islamic Bank" in the UAE

November 2010



"Best Islamic Bank" in the UAE by Islamic Finance News 2010

January 2011



Institutional Excellence Award

November 2010

Product & Marketing



"Best Savings Account 2010" in the Middle East for ADIB's GHINA savings account

April 2010



"Best Islamic Branding" award by Islamic Business & Finance

December 2010



"Best Deal in the UAE" by Islamic Finance News 2010 (Emirates Steel)

January 2011



"Best SME Card" award by Banker Middle East Product Award

March 2011

An award winning Islamic Bank

Customer Services Awards



ADIB ranked 3rd in Annual Bank Benchmarking Index for Service Excellence

October 2010



Best Bank - Call Centre Performance

October 2010



"Best Private Sector Customer Service Team" by The International Customer Service Institute (TICSI)

July 2010



Most improved bank for Service Excellence

October 2010



"Best Ladies Banking Service"

By Banker Middle East Product Award

March 2011

Human resources development



Emirates Institute of Banking & Financial Studies HRD Award for Emiratisation

February 2010

Financial targets over the medium term

1

ROASE of 20%

2

Cost to Income Ratio of less than 35%

3

Earnings increase of 15% p.a.

Salient features of Q1 2011 results

1

Group net profit for Q1 2011 was AED 303.2 Mn vs. AED 293.3 Mn in Q1 2010, an increase of 3.4%.

2

Group operating profit ("margin") for Q1 2011 was AED 462.8 Mn vs. AED 398.5 Mn for Q1 2010, an increase of 16.1%.

3

Balance sheet footing stands at AED 71.4 Bn vs. AED 66.0 Bn at Q1 2010, growth of 8.2%.

4

Deposits increased by 4.0% y-o-y to reach AED 51.9 Bn, with Advances to Deposits ratio at 92.7%.

5

Total Capital Adequacy Ratio under Basel II remains strong at 15.29% and Tier 1 Ratio of 12.36% at 31 Mar 2011, comfortably above the CB UAE requirements of 12% and 8% respectively.






6

Total credit provisions reached AED 2.43 Bn at the end of Q1 2011, which amounts to 4.81% of the Gross Customer Financing assets.

7

Overall, a solid set of results in challenging economic and market conditions.

31 March 2011 - Balance sheet highlights

	31 Mar '10 AED Bn	31 Mar '11 AED Bn	% chg	
Total Assets	66.0	71.4	 8%	■ Total Assets increased by 8% over Q1 2010 to reach AED 71.4 bn.
Net Customer Financing	42.0	48.1	 15%	■ Customer financing increased by 15% from Q1 2010 to reach AED 48.1 bn.
Customers' Deposits	49.9	51.9	 4%	■ Customer deposits showed a growth of 4% over Q1 2010 and Advances to Stable Funds Ratio at 31 Mar 2011 was 86.8%.
Total Equity	7.5	7.9	 5%	■ Capital adequacy ratio at 31 Mar 2011 was 15.29% - Basel II, well above the Central Bank of UAE requirement of 12%.
Total Capital Resources	12.6	15.7	 24%	■ Capital resources reached AED 15.7 bn, up 24% over Q1 2010.

Q1 2011 - Income statement highlights

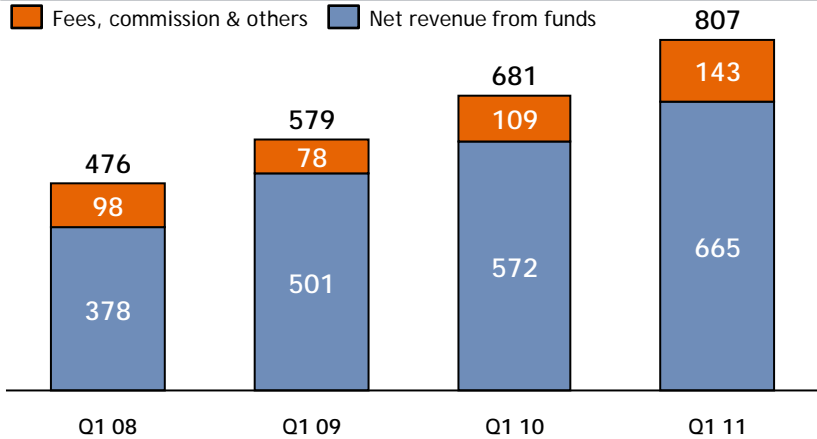
	Q1 2010 AED Mn	Q1 2011 AED Mn	% chg	
Revenues	680.7	807.5	↑ 19%	<ul style="list-style-type: none"> Revenues up by 19% on the back of higher net revenue from funds (up 16%) and fees & commission (up 98%).
Expenses	282.1	344.7	↑ 22%	<ul style="list-style-type: none"> Expenses up by 22% mainly due to continuous investment in our franchise, network, systems and people.
Operating profit - Margin	398.5	462.8	↑ 16%	<ul style="list-style-type: none"> Operating profit -Margin up by 16%
Provision for impairment	105.2	159.6	↑ 52%	<ul style="list-style-type: none"> Provision for impairment up by 52%. The Bank continues its conservative approach to provisioning.
Net profit	293.3	303.2	↑ 3%	<ul style="list-style-type: none"> Net profit up by 3% on continued growth in core operations while maintaining prudent risk policies.

Consolidated Income Statement

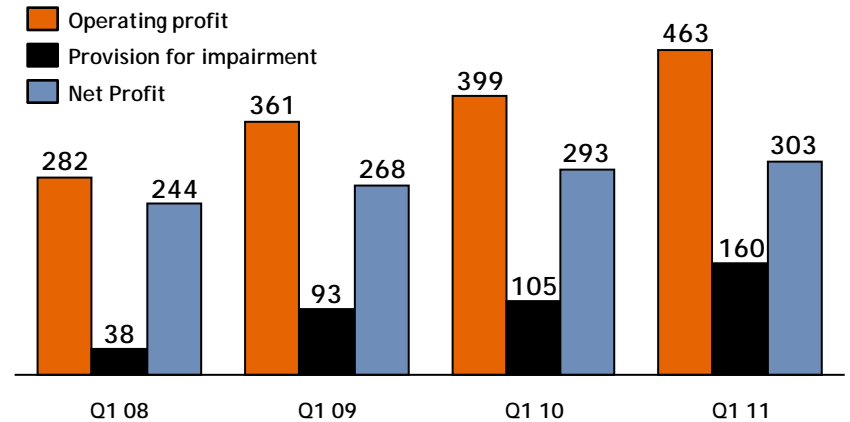
AED Mn	Q1 10	Q4 10	Q1 11	% chg Q1 11 vs Q1 10	% chg Q1 11 vs Q4 10
Revenues	680.7	839.0	807.5	18.6%	-3.7%
Net Revenue from Funds	571.6	707.7	664.7	16.3%	-6.1%
Fees & commission	56.1	90.2	111.2	98.2%	23.3%
Investment income	39.2	21.1	28.8	-26.7%	36.4%
Foreign Exchange	11.3	7.7	0.2	-98.1%	-97.3%
Other income	2.4	12.3	2.6	8.3%	-78.4%
Expenses	282.2	381.0	344.7	22.2%	-9.5%
Employee cost	174.1	229.8	216.0	24.1%	-6.0%
Premises	25.6	30.7	30.2	18.0%	-1.6%
Depreciation	18.5	19.4	20.8	12.8%	7.5%
Other Operating expenses	64.0	101.1	77.7	21.4%	-23.1%
Operating Profit - Margin	398.5	457.9	462.8	16.1%	1.1%
Provision for impairment	105.2	343.8	159.6	51.7%	-53.6%
- Individual / Specific	58.7	324.9	123.5	115.0%	-62.0%
- Collective / General	22.7	(127.4)	27.5	21.1%	121.6%
- Others	23.8	146.3	8.6	-75.2%	-91.6%
Net Profit	293.3	114.1	303.2	3.4%	165.8%

Key income parameters - Group

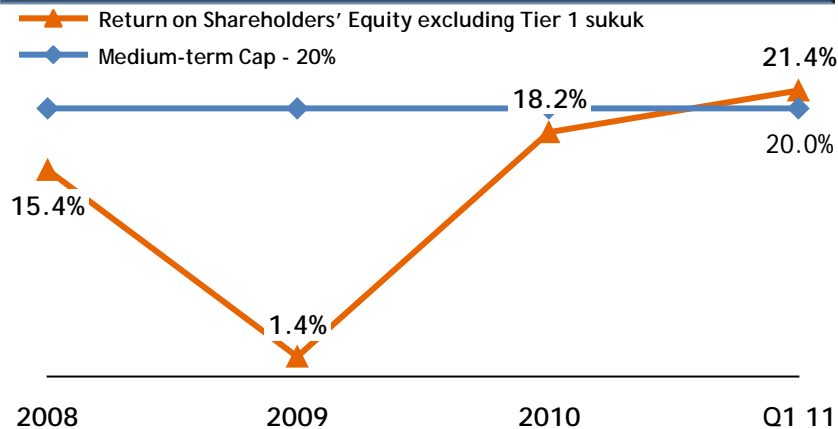
Revenues (AED Mn)



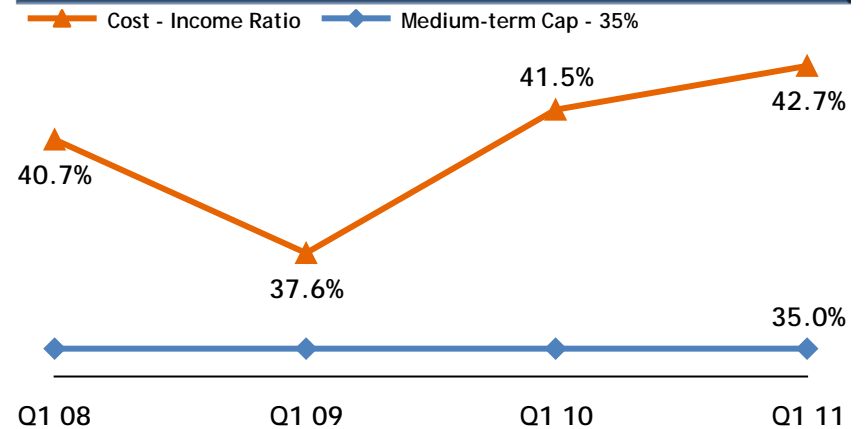
Net Profit (AED Mn)



Return on Shareholders' Equity (%)

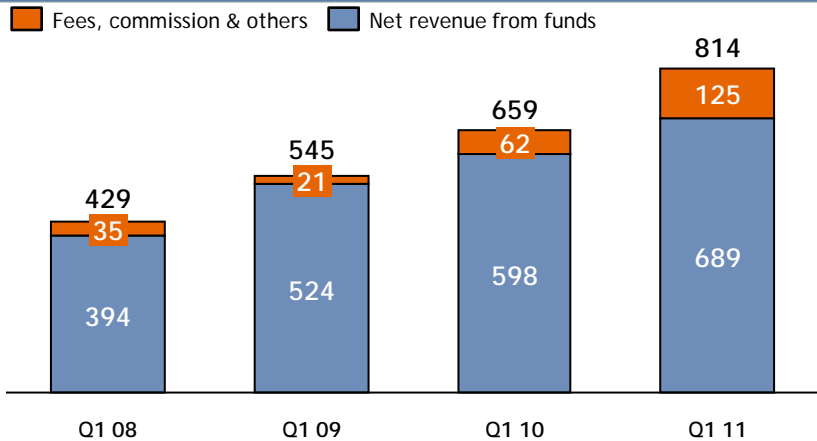


Cost to Income Ratio (%)

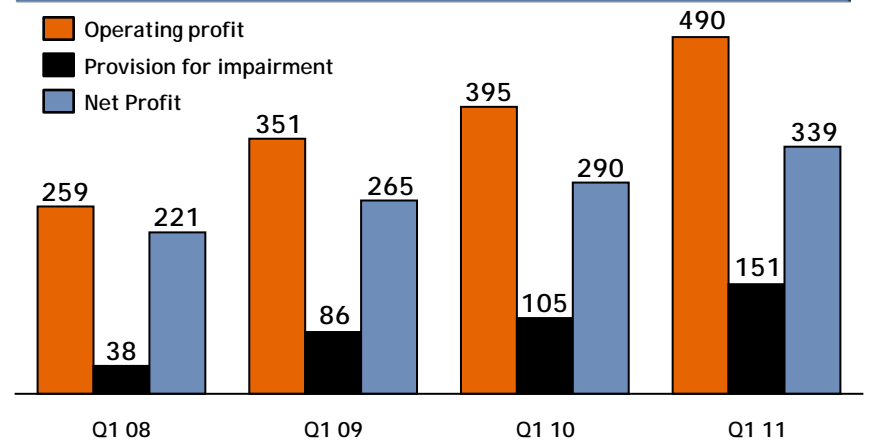


Key income parameters - Bank only

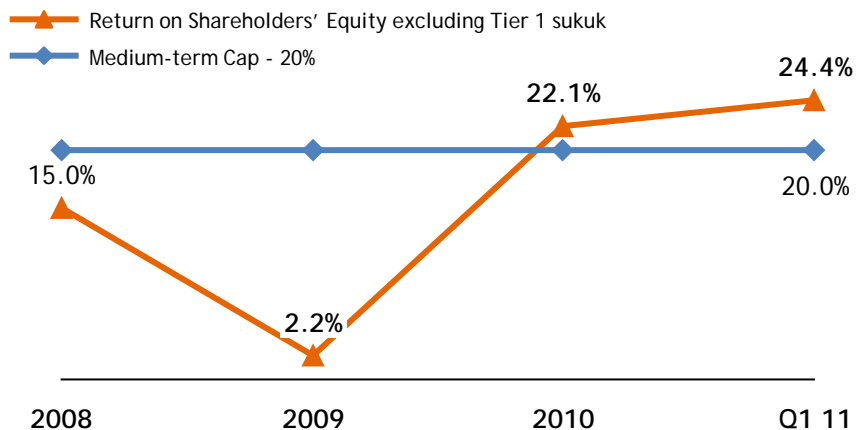
Revenues (AED Mn)



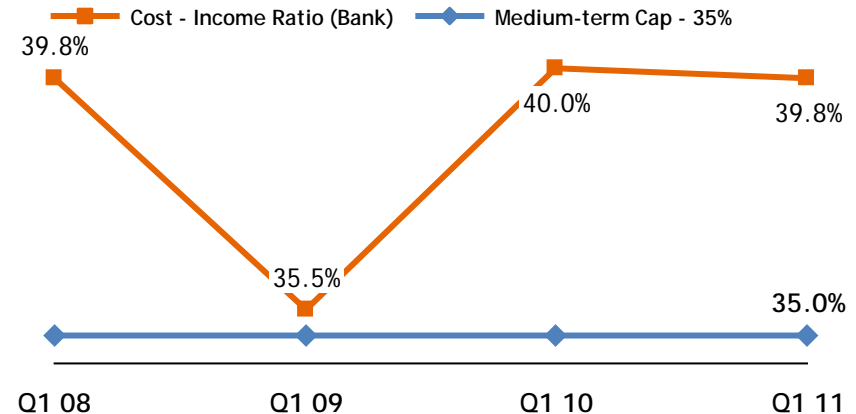
Net Profit (AED Mn)



Return on Shareholders' Equity (%)



Cost to Income Ratio (%)

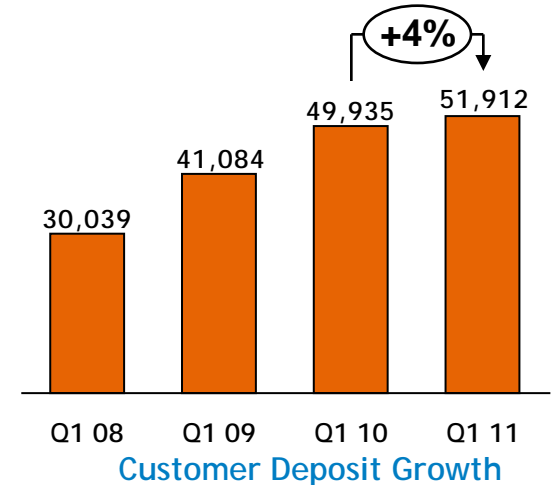
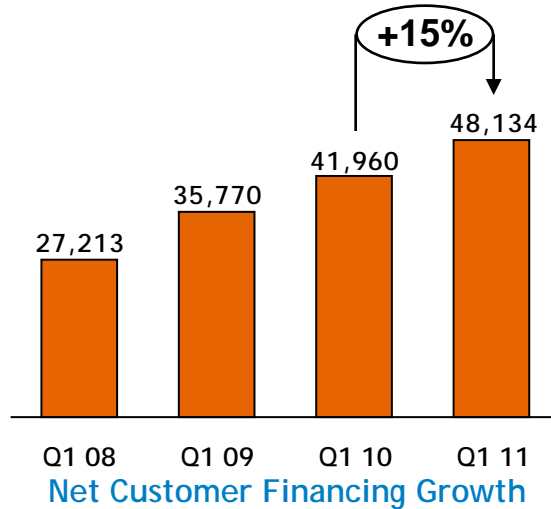


Consolidated Balance Sheet

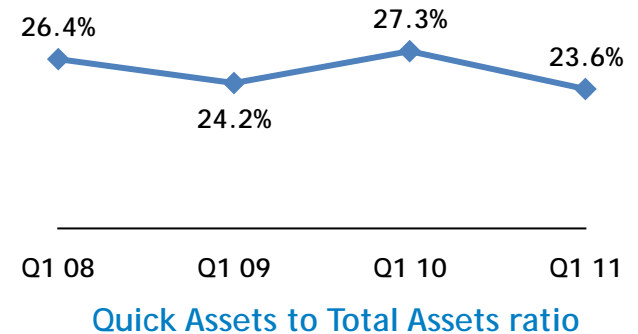
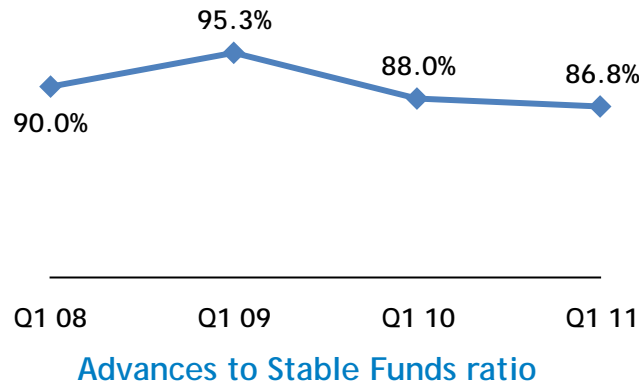
AED Mn	31 Mar 2010	31 Dec 2010	31 Mar 2011	% chg 31 Mar 2011 vs 31 Dec 2010	% chg 31 Mar 2011 vs 31 Mar 2010
Cash and balances with Central Banks	4,242	5,400	5,995	11.0%	41.3%
Due from financial institutions	14,160	15,730	11,203	-28.8%	-20.9%
Net Customer financing	41,960	47,953	48,134	0.4%	14.7%
Investments	1,181	1,639	1,373	-16.2%	16.3%
Investment in associates	740	837	844	0.9%	14.1%
Investment and development properties	1,122	1,242	1,246	0.3%	11.1%
Other assets / fixed assets	2,636	2,456	2,653	8.0%	0.6%
TOTAL ASSETS	66,041	75,258	71,449	-5.1%	8.2%
Due to financial institutions	1,076	891	1,129	26.7%	5.0%
Customers' deposits	49,935	56,517	51,912	-8.1%	4.0%
Other liabilities	2,400	2,092	2,715	29.8%	13.2%
Tier 2 wakala capital	2,207	2,207	2,207	-	-
Sukuk payable	2,938	5,440	5,607	3.1%	90.8%
TOTAL LIABILITIES	58,555	67,147	63,571	-5.3%	8.6%
Share capital	1,971	2,365	2,365	-	20.0%
Tier 1 sukuk	2,000	2,000	2,000	-	-
Proposed dividend	394	512	-	-100.0%	-100.0%
Reserves	3,121	3,234	3,513	8.6%	12.6%
TOTAL EQUITY	7,486	8,111	7,878	-2.9%	5.2%
TOTAL LIABILITIES AND EQUITY	66,041	75,258	71,449	-5.1%	8.2%

Balance Sheet Strength

- Total Assets increased by 8% in Q1 2011 to reach AED 71.4 Bn.
- Net Customer financing increased by 15% in Q1 2011 to reach AED 48.1 Bn.
- Customer deposits showed a growth of 4% over Q1 2010 to reach AED 51.9 Bn.

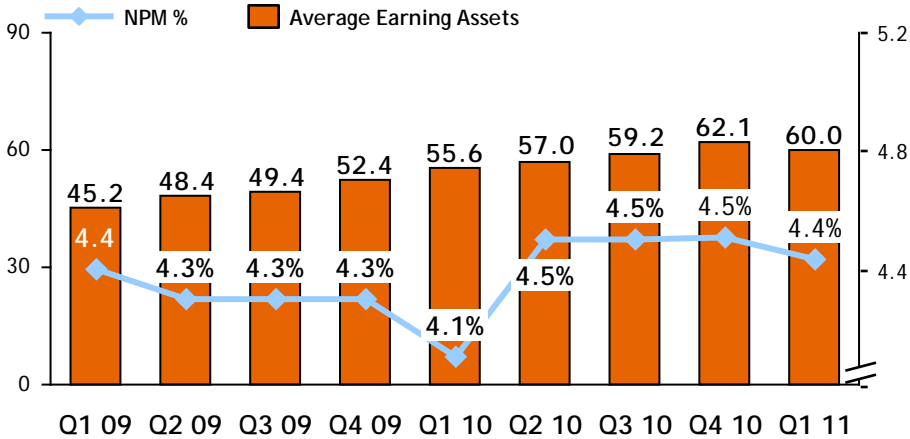


- Strong Financing to Deposit ratio at 92.7%
- Advances to Stable Funds Ratio is at 86.8%

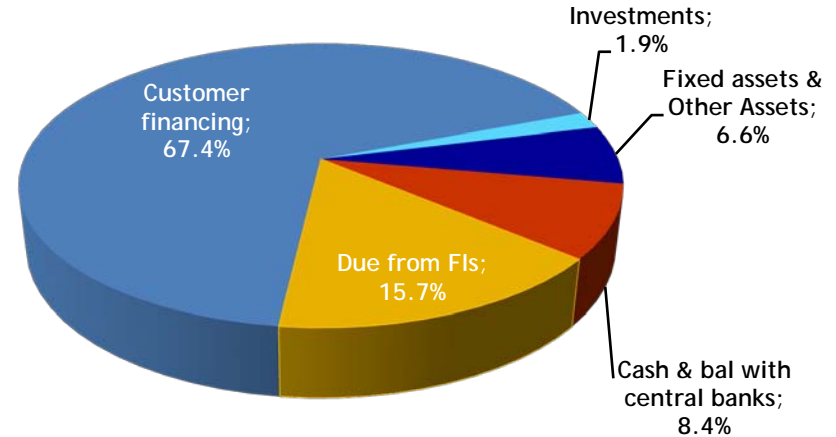


Assets and Liquidity

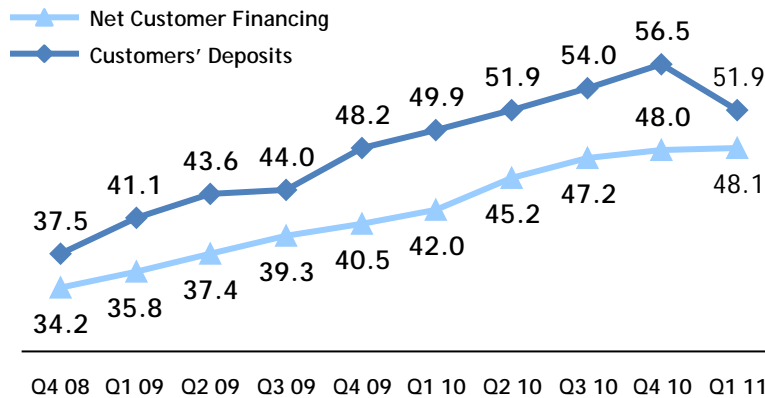
Average Earning Assets (AED Bn) & Net Profit Margin (%)



Composition of Assets - AED 71.4 Bn



Net Customer Financing & Customers' Deposits (AED Bn)



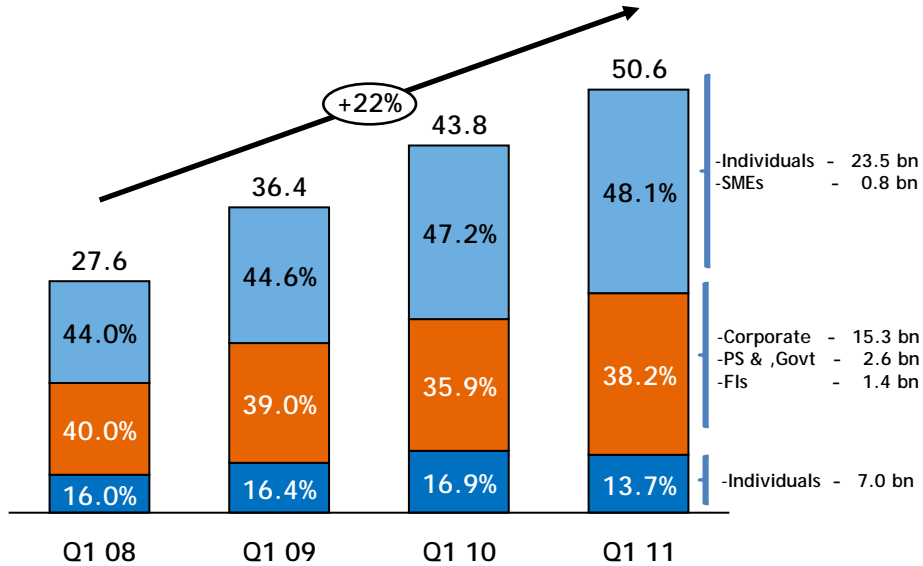
Key points

- Strong asset quality and liquidity.
- CAGR (Q1 2008 - Q1 2011)
 - Total Assets 17.3%
 - Customer financing 20.9%
 - Customers' Deposits 20.0%
- Net Profit Margin (NPM) was 4.4% for Q1 11 and 4.5% for Q4 10.

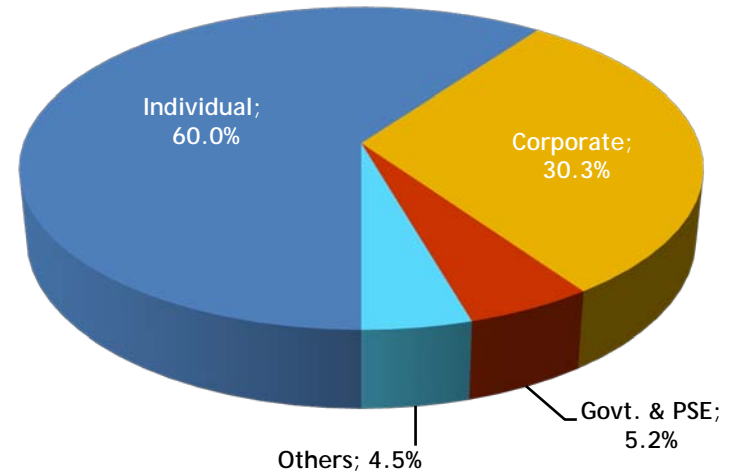
Customer Financing

Gross Customer Financing by Segment

■ Retail
 ■ Wholesale
 ■ Private



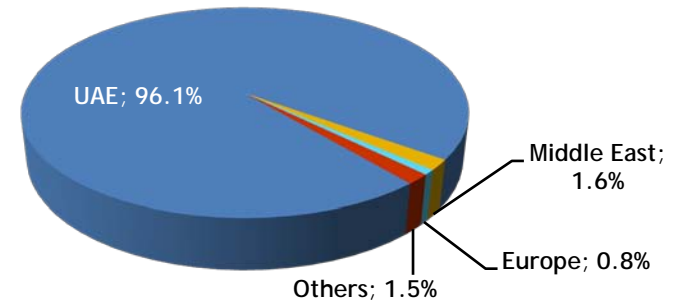
Gross Customer Financing by Customer Type



Highlights

- Retail and Wholesale remains ADIB's pricing market focus.
- Diversified portfolio across various segments.
- Leader in car financing in the UAE.
- Support the vision of Govt. of Abu Dhabi and development of the UAE.

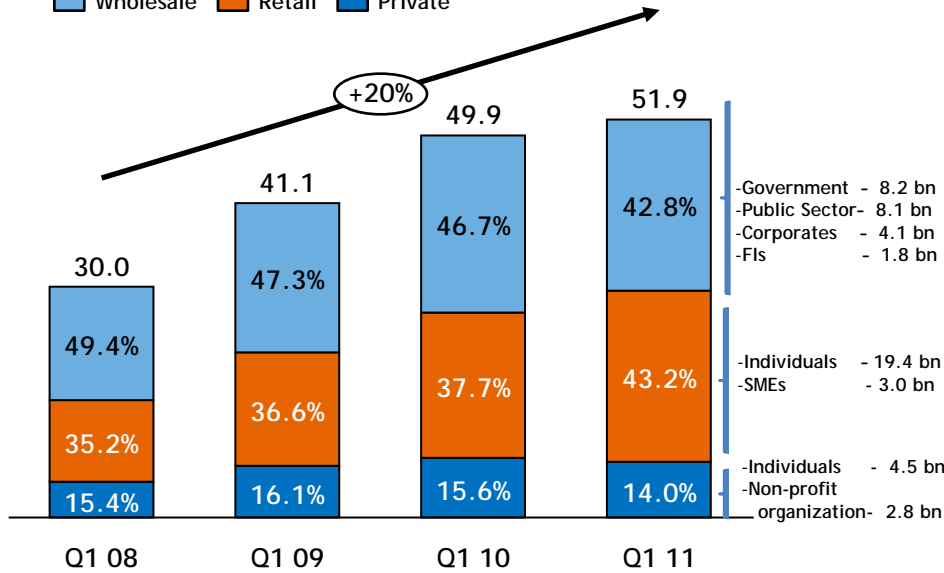
Gross Customer Financing by Geographic Region



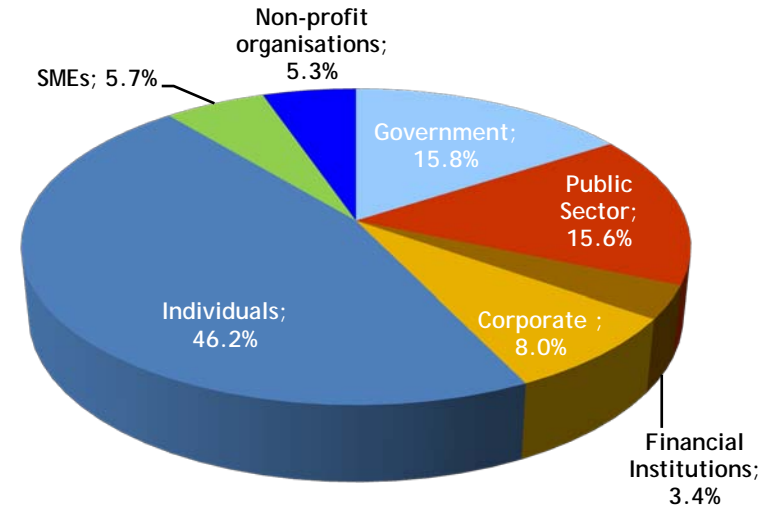
Customers' Deposits

Gross Customers' Deposits by Segment

Wholesale Retail Private



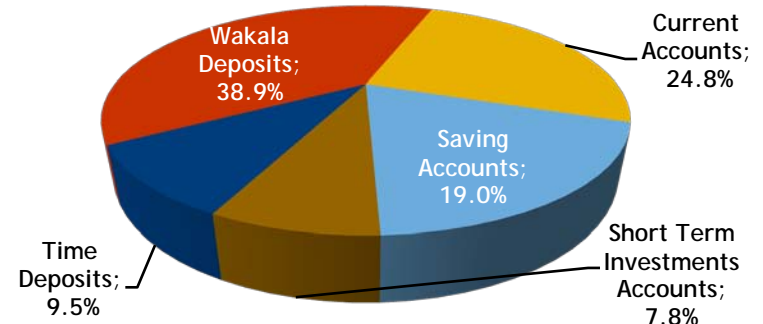
Gross Customers' Deposits by Customer Type



Highlights

- Wholesale and Retail segment to remain as major source of deposits.
- Diversified deposits by type - main deposit contributors are individuals and government/public sectors.
- ADIB has begun to diversify its funding sources, as highlighted by the recent successful USD 750 Mn issue.

Gross Customers' Deposits by Type



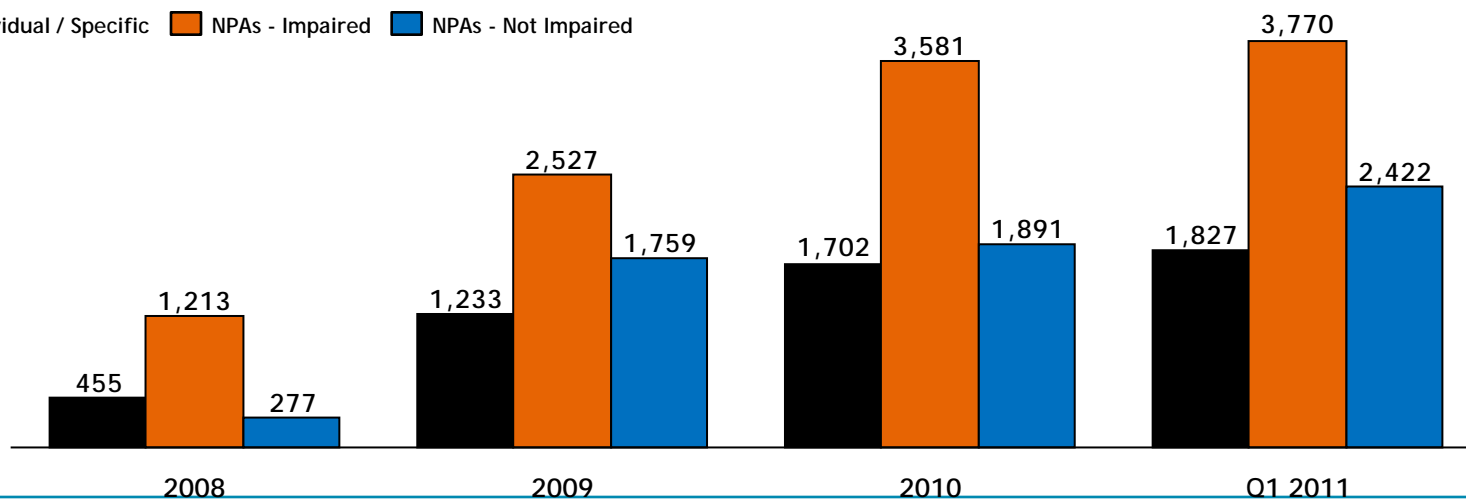
NPAs, Credit Provisions and Impairments - Group

Cumulative Provisions	2008	2009	2010	Q1 2011
Customer Financing Portfolio				
Individual/Specific	455	1,233	1,702	1,827
Collective/General	135	518	575	603
Total customer financing provisions	589	1,751	2,277	2,430
Investments	129	58	108	108
Due from FI's	-	186	190	188
Investment Properties	-	-	18	18
Others	144	186	254	263
Total	862	2,181	2,847	3,007

Key points

- Impaired NPAs increase by AED 189 Mn in 2010 to reach AED 3,770 Mn at end of Q1 2011.
- Impaired NPAs ratio at 7.5% as at 31 Mar 2011 (7.1% at end 2010) with a coverage of 64.5% (31 Dec 2010: 63.6%).
- Collective provisions of AED 603 Mn at end of Q1 2011 represents 1.28% of Customer on and off Balance Sheet RWAs.
- Individual provisions of AED 1,827 Mn at 48.5% of impaired NPAs at end of Q1 2011 (31 Dec 2010: 47.5%).
- Total provisions of AED 2,430 Mn, represents 4.81% (31 Dec 2010: 4.53%) of Gross Financing portfolio.

Provisions - Individual / Specific
 NPAs - Impaired
 NPAs - Not Impaired

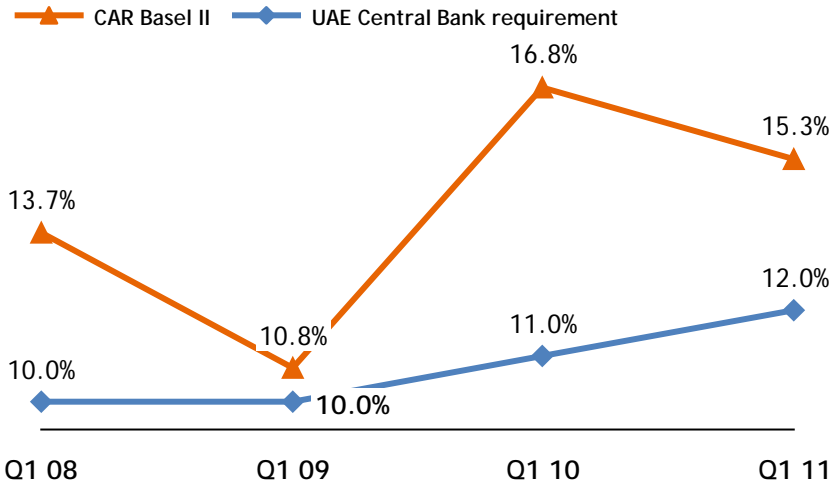


Note: NPA classification till 2007: 180 days and above.
NPA classification 2008 onwards ; 90 days and above.

Capital Adequacy

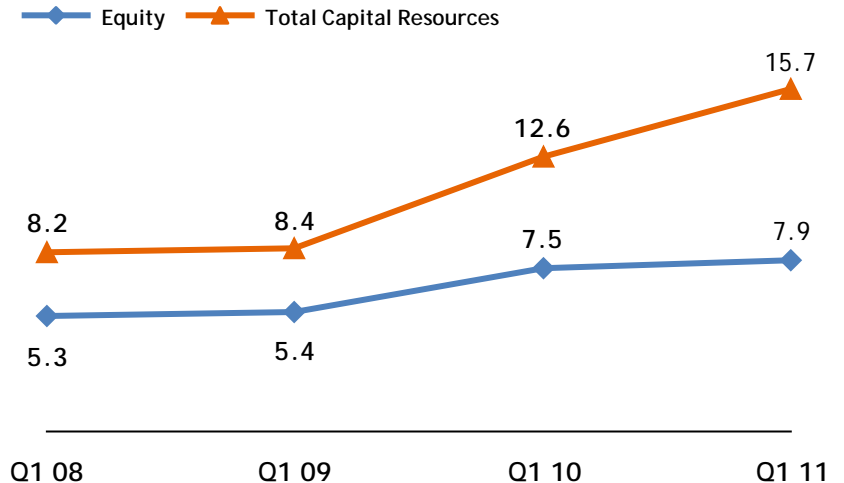
ADIB's CAR of 15.29% remains above the new Central Bank threshold of 12% for CAR

Capital Adequacy (%)



- Basel-II total Capital Adequacy ratio at end of Q1 2011 at 15.29% comfortably above the minimum UAE Central Bank requirement of 12%.
- Basel-II Tier I ratio at 12.36% at the end of Q1 2011 above the 8% minimum required by UAE Central Bank.

Capital Resources (AED Bn)



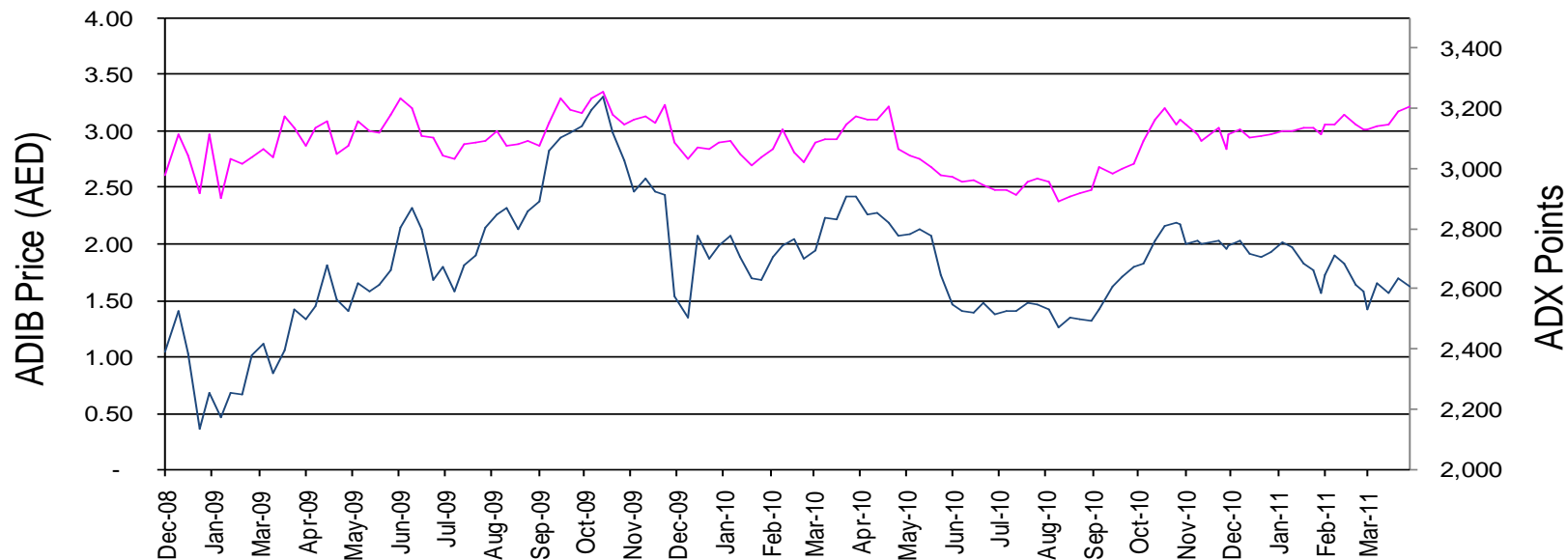
- Capital resources include:
 - Tier I from Abu Dhabi Department of Finance of AED 2 bn.
 - Tier II from the UAE Ministry of Finance of AED 2.2 bn.
- Sukuk payable USD 800 Mn @ LIBOR + 40bps maturing in Dec 2011.
- Sukuk payable USD 750 Mn @ 3.745% maturing in Nov 2015.

Shareholders' Return

- 31 March 2011 share price was AED 3.22 per share.
- Cash dividend of 21.64% for 2010 (Bonus share dividend of 20% for 2009).
- Dividend Yield for FYR 2010 of ADIB share is 7.3%.

ADIB vs ADX

— ADIB — ADX



Outlook - 2011

1

On the back of our rebranding we are implementing a broad range of initiatives to enhance our product portfolio, improve our processes and introduce new banking channels, all of which is designed to provide support to our customers, with best in market service and Shari'a inspired solutions.

2

We continue increasing our reserves as a leading credit policy bank .

3

Continue to build up collective provisions as per Central Bank requirement until it reaches 1.5% of customer risk weighted assets.

4

We will continue to grow our Retail Banking presence across the UAE where we want to be the leading financial services provider to UAE nationals.

5

We continue to invest intelligently in our franchise and people to reach our stated objective and as evidenced by our cost to income ratio.

6

We are committed to acting in accordance with best practices and in a transparent manner for the benefit of all our stakeholders.

7

We continue to focus on enhancing customer service and improving delivery channels, including more ATMs and e-solutions.

Disclaimer

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Executive 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 Loyala 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.

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.

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.

Masarrat Husain
Global Head of Risk

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.

Majaz Khan
Global 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).

Andrew Moir
Global Head of Strategy
& 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).

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

Executive Management Profile (II)

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

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.

Malik Sarwar
Co-Head of Private Banking
& Wealth Management, UAE

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, UAE

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.

Badaruzzaman Ahmed
Global Head of Corporate
Governance & Compliance

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
Head - New Country Expansion
& 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

Abdulla Al Shahi
Project Management Office
-New Country Expansion
-and Strategic Initiatives

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.

Dr. Abdulrahman Yousif Habil
Head of Legal, UAE

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.

Executive Management Profile (III)

Waheeb Al Khazraji
Head of Human Resource,
UAE

Joined ADIB on 10 December 2005 . He holds Chemical Engineering and MBA degrees along with Chartered Human Resource Consultant (CHRC), Canada and Chartered in Personal Development (CIPD), UK. He has 5 years banking experience. His previous position was HR & Training Manager with ADCO, Abu Dhabi.

Ahsan Ahmad Akhtar
Group Financial Controller

Joined ADIB on 9 April 2008. He is a Chartered Accountant from the UK and holds a Bachelor of Science degree in Accounting & Finance from the London School of Economics and Political Science. He has previously worked with Pricewaterhouse Coopers (1991- 1998) and Citibank (1998-2008). His previous position was Country CFO with Citibank, Pakistan.

Abdul Hakim Kanan
Global Head of Audit &
Chief Internal Auditor, UAE

Joined ADIB on 18 April 2010. He holds a Certified Public Accountant (CPA) from State Board of Accountancy, New Hampshire, US. He also holds professional qualification CIA, CISA, CITP, CFSA, CFE and CGEIT. He has over 24 years of experience. His previous positions were Group Chief Internal Auditor of Dubai Islamic Bank.