

Investor Presentation

30 September 2010

Abu Dhabi: 18 October 2010

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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

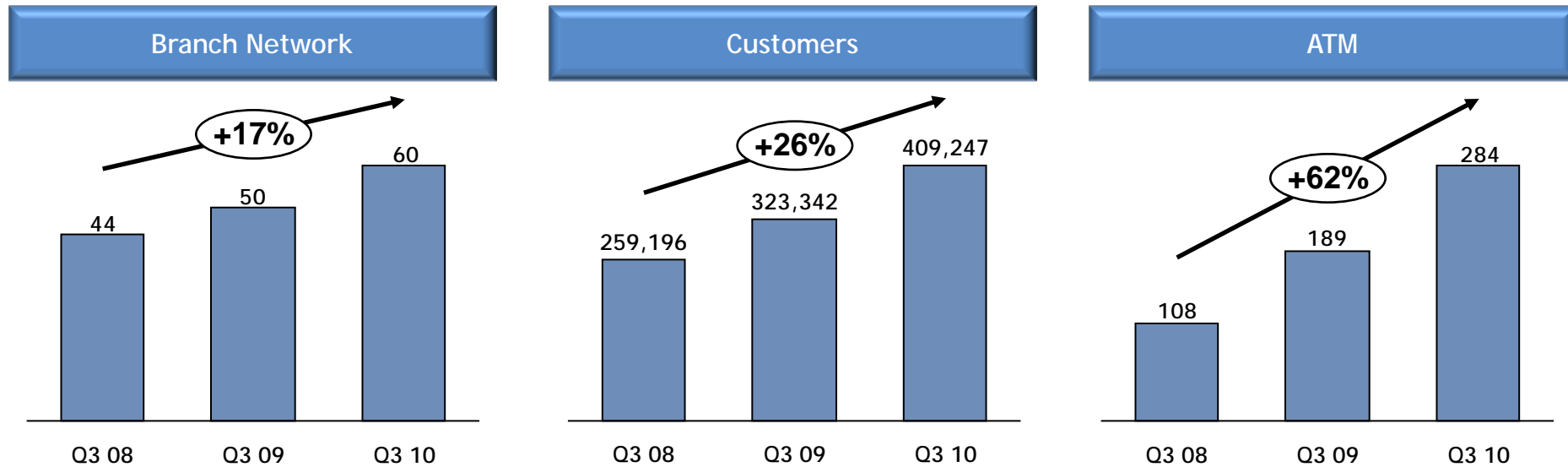
- UAE - 60 Branches
- 284 ATMs in all the 7 emirates
- First 24 hour branch at Abu Dhabi International Airport

Stock Info (Price as of 30 Sep 2010; ratios based on Q3 10 financials)

Market Cap (Price @ AED 2.71)	AED 6.4 bn (US\$ 1.7 bn)
EPS / share (AED) - (9 months)	0.359
PE Ratio (on annualised EPS)	5.7 times
Price / Book Ratio	0.79
Shares Issued (@ AED 1)	2,365 Mn

Focus on networking expansion continues

ADIB continues to investment in coverage during the downturn



- 60 Branches in 11 years.
- 26% CAGR growth in Customers from Q3 2008 to Q3 2010 to reach at 409,247 customers.
- ATM revamped; 163% more machines from 108 at Q3 2008 to 284 in Q3 2010.
- Service Quality ranking improved by 27% from 23 in 2008 to 18 in 2009.
- Awarded "Best Islamic Bank in the Middle East" award by Banker Middle East
- Introduced '24 Hour' Banking ; '10 to 10' Banking and 'Anywhere' Banking.
- First Islamic Business Covered Card.
- 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".

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

Salient features of Q3 / YTD 2010 results

1 Group net profit for Q3 2010 was a record AED 314.5 Mn vs. AED 239.5 Mn in Q3 2009, an increase of 31.3%.

2 Group operating profit ("margin") for 9 months 2010 was AED 1,314.9 Mn vs. AED 1,087.2 Mn for 9 months 2009, an increase of 20.9%.

3 Balance sheet footing has crossed AED 70 Bn for the first time and stands at AED 71.2 Bn.

4 Deposits increased by 23% y-o-y to reach AED 54.0 Bn, further strengthening the Advances to Deposits at 87.3%.

5 Total Capital Adequacy Ratio under Basel II remains strong at 16.52 % and Tier 1 Ratio of 13.23 % at 30 Sep 2010, comfortably above the CB UAE requirements of 12% and 8% respectively.

6 Total credit provisions reached AED 2.08 Bn at the end of Q3 2010, which amounts to 4.22% of the Gross Customer Financing assets.






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

Q3 2010 - Balance sheet highlights

Consolidated Balance Sheet	30 Sept '10 AED (Bn)	% chg (vs Dec '09)	% chg (vs Sept '09)	
Assets	71.2	↑ 11%	↑ 21%	■ Total Assets increased by 21% from Q3 2009 to reach AED 71.2 bn.
Customer Financing	47.2	↑ 17%	↑ 20%	■ Customer financing increased by 20% from Q3 2009 to reach AED 47.2 bn.
Customers' Deposits	54.0	↑ 12%	↑ 23% ⁽¹⁾	■ Customer deposits showed a healthy growth of 23% over Q3 2009 and Advances to Stable Funds Ratio at 30 Sep 2010 was 86.3% (one of the few banks to meet UAE CB guidelines).
Total Equity	8.1	↑ 13%	↑ 2%	■ Capital adequacy ratio at 30 Sep 2010 was 16.52% - Basel II, well above the CB UAE requirement of 12%.
Total Capital resources	13.2	↑ 8%	↑ 22%	■ Capital resources reached AED 13.2 bn, up 22% over end Q3 2009.

Note : (1) Customer deposits growth rate is conservative in that includes the UAE Federal Government AED 2.2 bn deposit in the September 2009 base but not in Q3 2010 since it converted to Tier 2 capital on 31 December 2009.

YTD 30 September 2010 - Income statement highlights

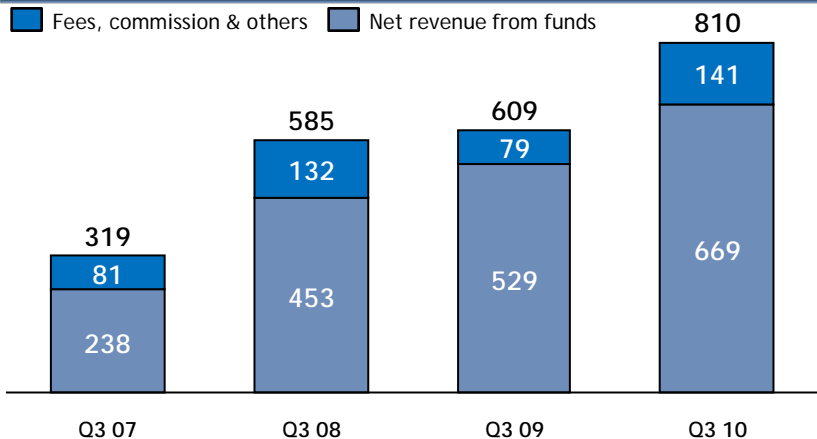
Consolidated Income Statement	30 Sep '09 AED (Mn)	30 Sep '10 AED (Mn)	% chg	
Revenues	1,786.9	2,235.1	 25%	■ Revenues up by 25% on the back of higher net revenue from funds (up 22%) and fees & commissions (up 87%).
Expenses	699.7	920.2	 31%	■ Expenses up by 31% mainly due to continuous investment in our franchise, network, systems and people.
Operating profit - Margin	1,087.2	1,314.9	 21%	■ Operating profit -Margin up by 21%
Credit loss provision	385.9	405.4	 5%	■ Credit loss provision up by 5% as the Bank continues its conservative approach to provisioning including a minimum 1.25% collective provision.
Net profit	701.3	909.5	 30%	■ Net profit up by 30% on continued growth in core operations while maintaining prudent risk policies.

Consolidated Statement of Income

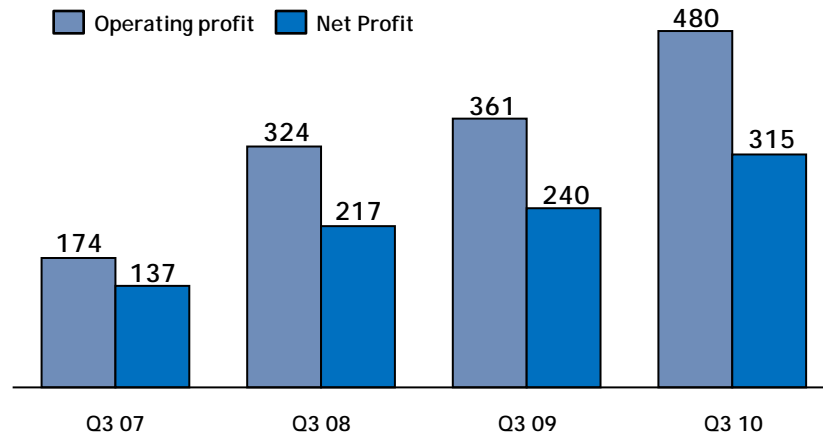
AED Mn	Q3 09	Q2 10	Q3 10	% chg Q3 10 vs Q3 09	% chg Q3 10 vs Q2 10	YTD Sep 09	YTD Sep 10	% chg Sep 10 vs Sep 09
Revenues	608.6	744.2	810.3	33.1%	8.9%	1,786.9	2,235.1	25.1%
Net Revenue from Funds	529.1	647.6	668.8	26.4%	3.3%	1,545.8	1,888.0	22.1%
Fees & commission	66.8	78.9	118.2	76.8%	49.8%	135.5	253.2	86.8%
Investment income	6.1	7.2	23.9	294.0%	233.3%	72.2	71.8	-0.5%
Foreign Exchange	6.5	10.1	0.0	-99.8%	-99.9%	30.7	21.3	-30.5%
Other income	0.0	0.4	(0.7)	-1699.2%	-259.0%	2.7	0.8	-71.7%
Expenses	247.5	307.9	330.1	33.4%	7.2%	699.7	920.2	31.5%
Employee cost	162.4	189.5	199.3	22.8%	5.2%	466.7	563.0	20.6%
Premises	21.5	28.6	31.3	45.0%	9.1%	63.8	85.5	33.9%
Depreciation	11.6	21.0	18.4	58.4%	-12.1%	33.0	57.8	75.4%
Other Operating expenses	52.0	68.8	81.1	56.0%	17.9%	136.2	213.9	57.0%
Operating Profit - Margin	361.0	436.2	480.1	33.0%	10.1%	1,087.2	1,314.9	20.9%
Credit Loss Provisions	121.5	134.6	165.6	36.3%	23.0%	385.9	405.4	5.0%
- Individual / Specific	103.4	82.5	55.2	-46.6%	-33.1%	340.6	220.3	-35.3%
- Collective / General	18.1	52.1	110.4	509.8%	111.9%	45.3	185.1	308.8%
Net Profit	239.5	301.6	314.5	31.3%	4.3%	701.3	909.5	29.7%

Key income parameters

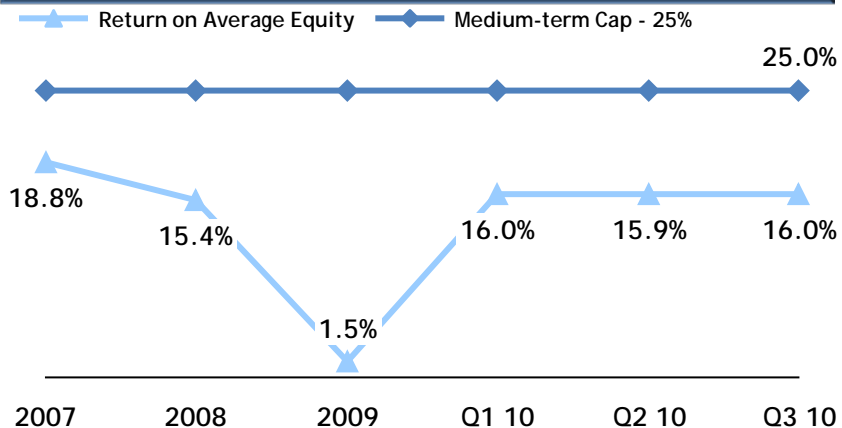
Revenues (AED Mn)



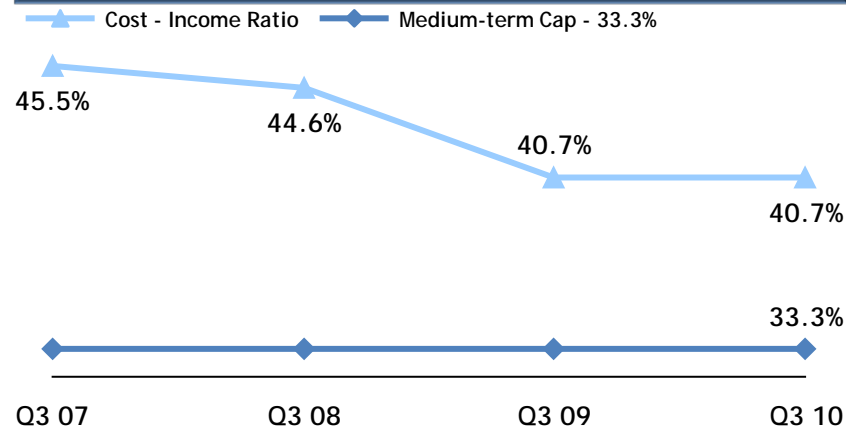
Net Profit (AED Mn)



Return on Shareholders' Equity (%)



Cost to Income Ratio (%)



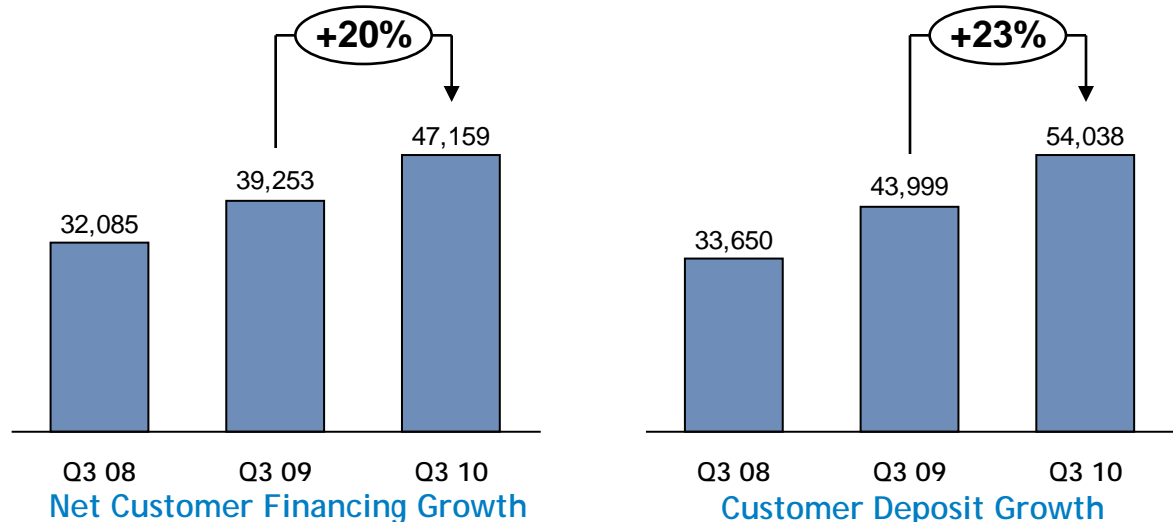
Consolidated Balance Sheet

AED Mn	30 Sep 2009	31 Dec 2009	30 Sep 2010	% chg 30 Sep 2010 vs 30 Sep 2009	% chg 30 Sep 2010 vs 31 Dec 2009
Cash and balances with Central Banks	3,523	3,331	4,522	28.4%	35.8%
Due from financial institutions	10,340	14,658	13,365	29.3%	-8.8%
Net Customer financing	39,253	40,474	47,159	20.1%	16.5%
Investments	1,196	1,010	1,223	2.2%	21.1%
Investment in associates	736	738	834	13.2%	12.9%
Investment, development and properties held for sale	1,017	1,138	1,210	19.0%	6.4%
Other assets / fixed assets	2,598	2,735	2,862	10.2%	4.7%
TOTAL ASSETS	58,663	64,084	71,175	21.3%	11.1%
Due to financial institutions	1,830	1,278	1,317	-28.0%	3.0%
Customers' deposits	43,999	48,220	54,038	22.8%	12.1%
Other liabilities	1,985	2,296	2,611	31.5%	13.7%
Tier 2 wakala capital	-	2,207	2,207	100.0%	-
Sukuk payable	2,938	2,938	2,938	-	-
TOTAL LIABILITIES	50,752	56,939	63,111	24.4%	10.8%
Share capital	1,971	1,971	2,365	20.0%	20.0%
Tier 1 sukuk	2,000	2,000	2,000	-	-
Proposed dividend	-	394	-	-	-100%
Reserves	3,940	2,780	3,699	-6.1%	33.1%
TOTAL EQUITY	7,911	7,145	8,064	1.9%	12.9%
TOTAL LIABILITIES AND EQUITY	58,663	64,084	71,175	21.3%	11.1%

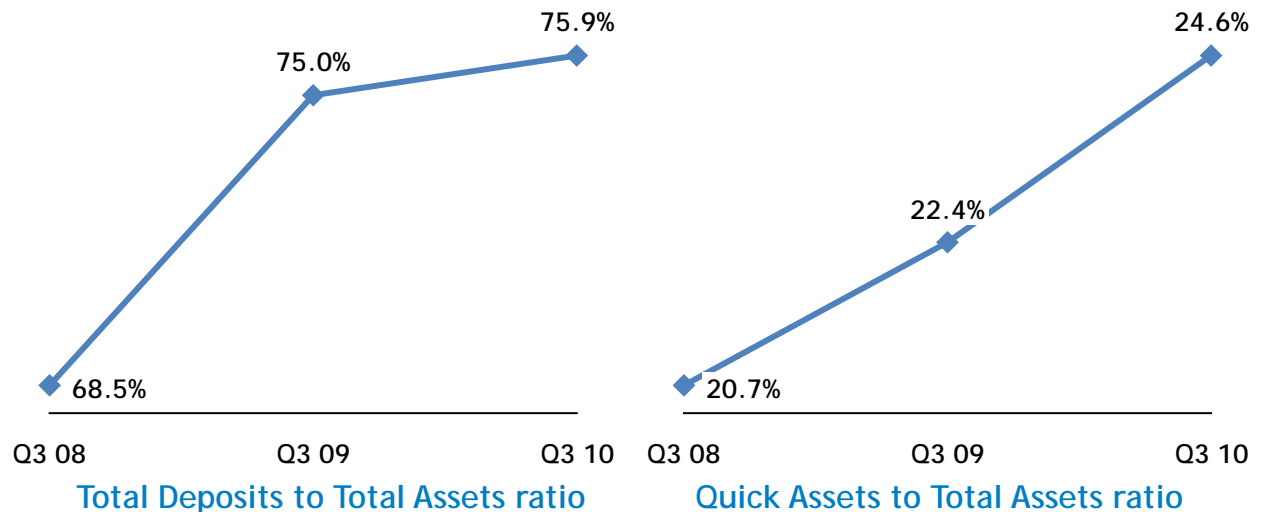
Balance Sheet Strength

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

- Total Assets increased by 21% in Q3 2010 to reach AED 71.2 Bn.
- Net Customer financing increased by 20% in Q3 2010 to reach 47.2 Bn.
- Customer deposits showed a healthy growth of 23% over Q3 2009.

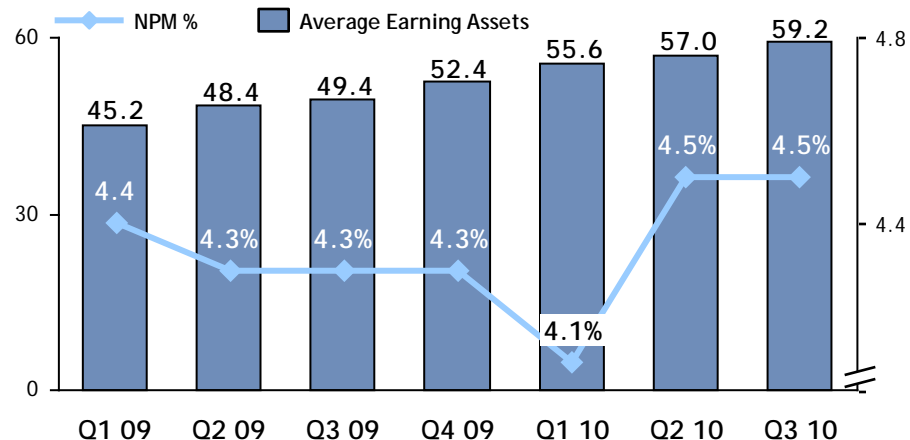


- Strong Financing to Deposit ratio at 87.3%
- Stable Funds Ratio is at 86.3%

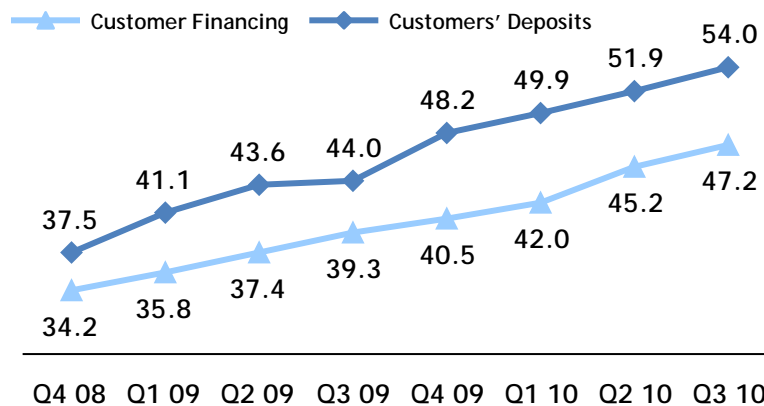


Assets and Liquidity

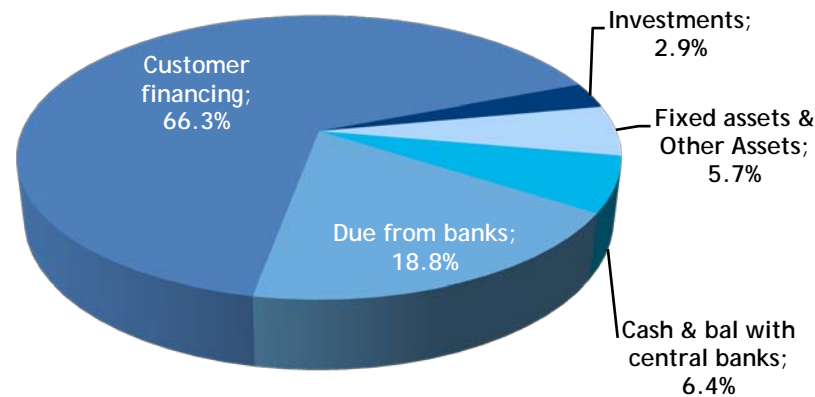
Average Earning Assets (AED Bn) & Net Profit Margin (%)



Net Customer Financing & Customers' Deposits (AED Bn)



Composition of Assets - AED 71 Bn



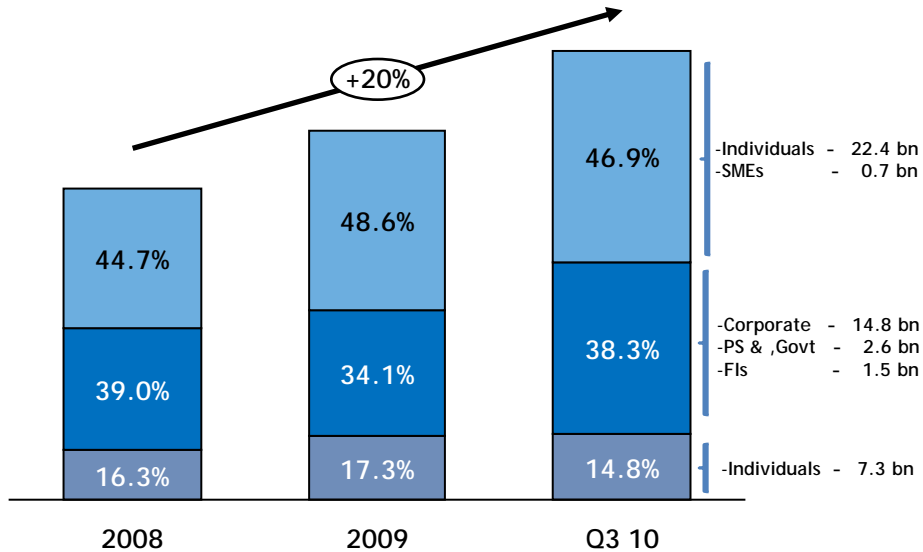
Key points

- Strong asset quality and liquidity.
- CAGR (Q3 08 - Q3 10)
 - Total Assets 20.4%
 - Customer financing 21.2%
 - Customers' Deposits 26.7%
- Net Profit Margin (NPM) was 4.5% for Q3 10 and Q2 10.

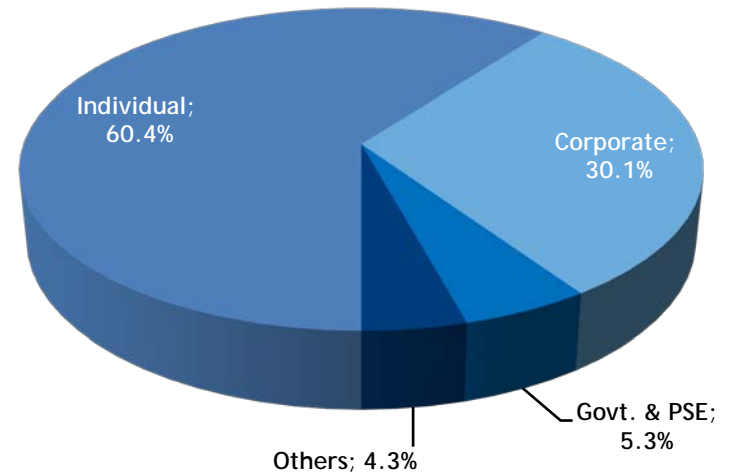
Customer Financing

Gross Customer Financing by Segment

■ Retail
 ■ Wholesale
 ■ Private



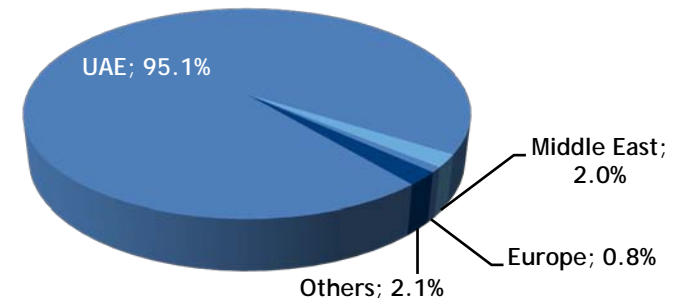
Gross Customer Financing by Customer Type



Highlights

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

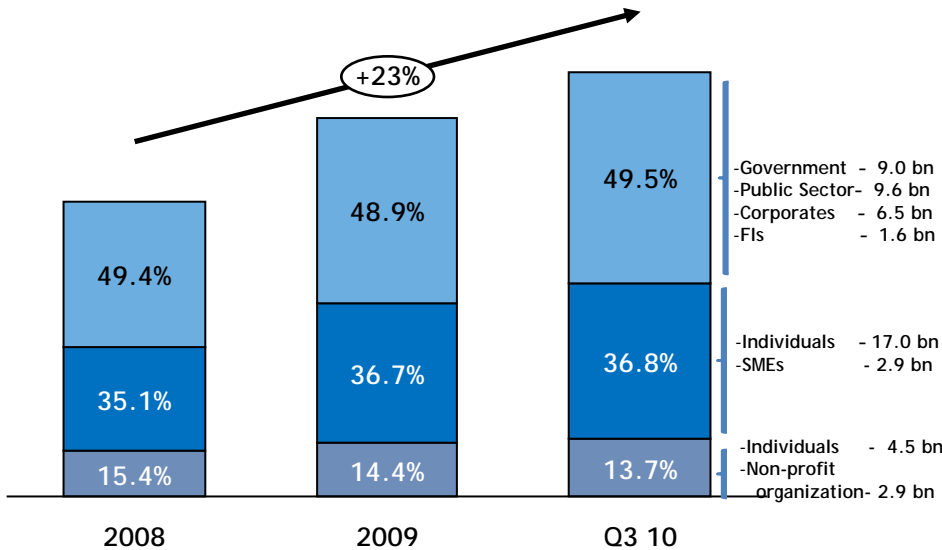
Gross Customer Financing by Geographic Region



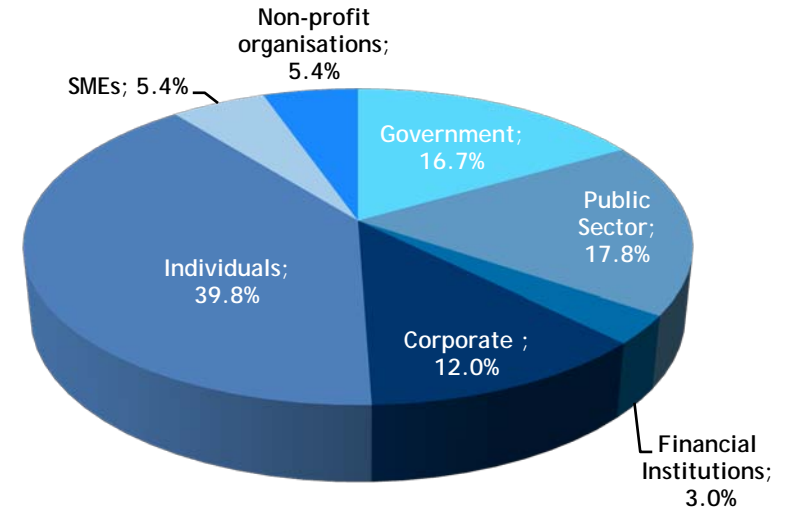
Customers' Deposits

Gross Customers' Deposits by Segment

Wholesale Retail Private



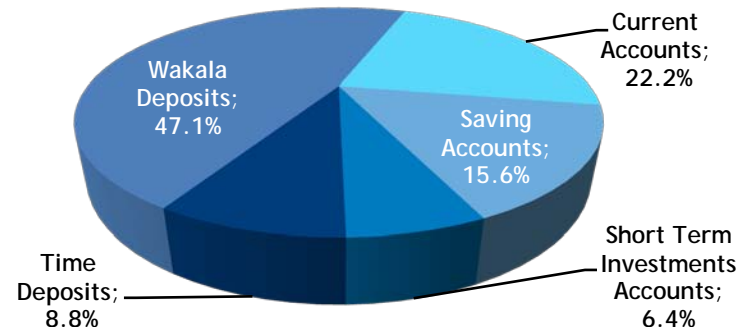
Gross Customers' Deposits by Customer Type



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 establishment of a US\$ 5bn Sukuk programme.

Gross Customers' Deposits by Type

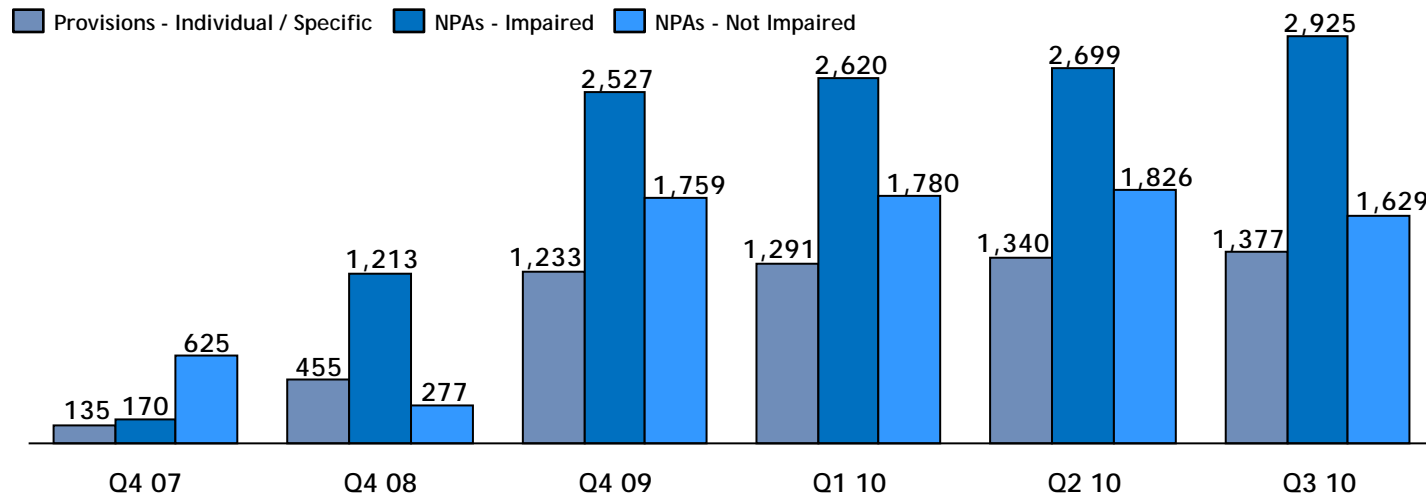


NPAs & Provisions

Cumulative Provisions	2008	2009	Q3 10
Financing Portfolio			
Individual/Specific	455	1,233	1,377
Collective/General	135	518	703
Total financing provisions	589	1,751	2,080
Investments	129	58	80
Placements	-	186	175
Others	144	186	159
Total	862	2,181	2,494

Key points

- NPAs increase by AED 226.1 Mn in Q3 2010 to AED 2,925 Mn at end of Q3 2010.
- NPAs ratio at 5.9% as at end Q3 2010 (6.0% at end 09) with a coverage of 71.1% (2009: 69.3%).
- Collective provisions of AED 703 Mn at end of Q3 2010 represents 1.52% of performing financing portfolio.
- Individual provisions of AED 1,377 Mn at 47.1% of NPAs at end of Q3 2010 (2009: 48.8%).
- Total provisions of AED 2,080 Mn, represents 4.22% (2009: 4.15%) of Gross Financing portfolio.

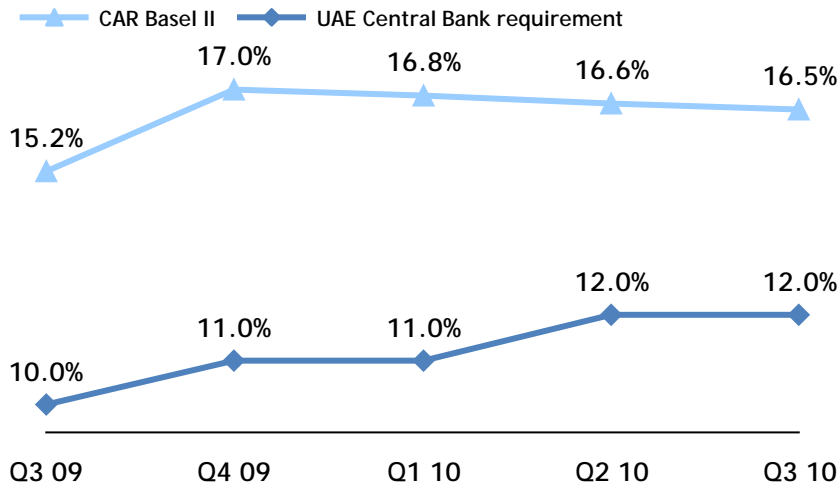


Note: NPA classification till 2007: 180 days and above.
NPA classification 2008 onwards ; 90 days and above.

Capital Adequacy

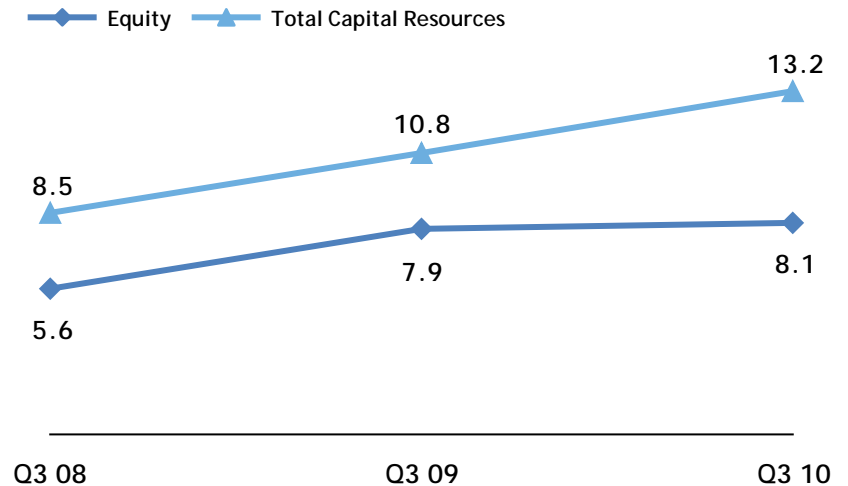
ADIB's CAR of 16.52% remains above the new Central Bank threshold of 12% for CAR

Capital Adequacy (%)



- Basel-II total Capital Adequacy ratio at end of Q3 '10 at 16.52% comfortably above the minimum UAE Central Bank requirement of 12%.
- Basel-II Tier I ratio at 13.23% at the end of Q3 '10 above the 8% minimum required by UAE Central Bank.

Capital Resources (AED Bn)



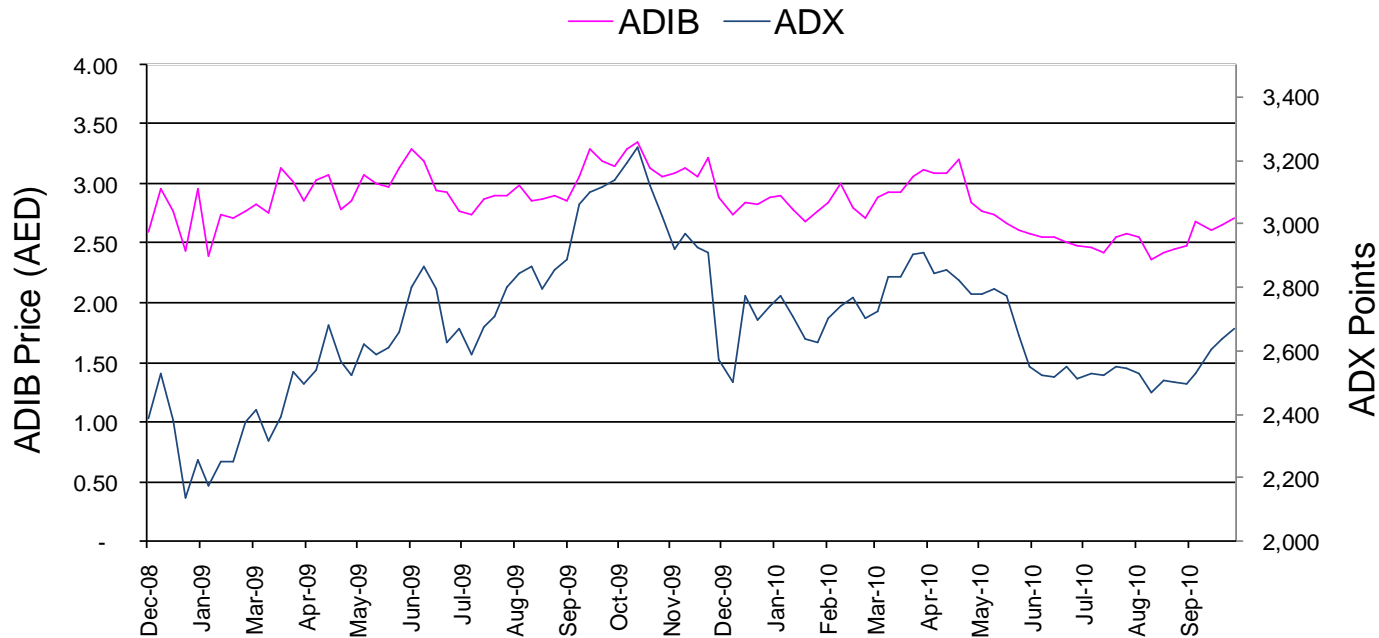
- Capital resources include:
 - Tier I from Abu Dhabi Department of Finance of AED 2 bn.
 - Tier II from the UAE Ministry of Finance of AED 2.2 bn.
- Sukuk payable AED 2.9 bn @ LIBOR + 40bps maturing in Dec 2011 [This program has been updated].

Shareholders Return

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

- 30 September 2010 Share price was AED 2.71 per share.
- 30 June 2010 Share price was AED 2.48 per share (includes impact of 20 % bonus share dividend - Dec 09 Share price AED 2.89).
- Bonus share dividend of 20% for 2009 (Cash dividend of AED 21.6% for 2008).
- 2009 Total Yield of ADIB share was 19%.

ADIB vs ADX



Outlook - 2010

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 maintain collective provisions at 1.25% of performing customer financing.

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 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.

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
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
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.