

Investor Presentation 2009 Financial Results

Abu Dhabi: 14 February 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>	<u>Moody's</u>	<u>CI</u>
LT	A+	A-2	A
ST	F1	P-1	A-2
Outlook	Stable	Stable	Stable

Presence

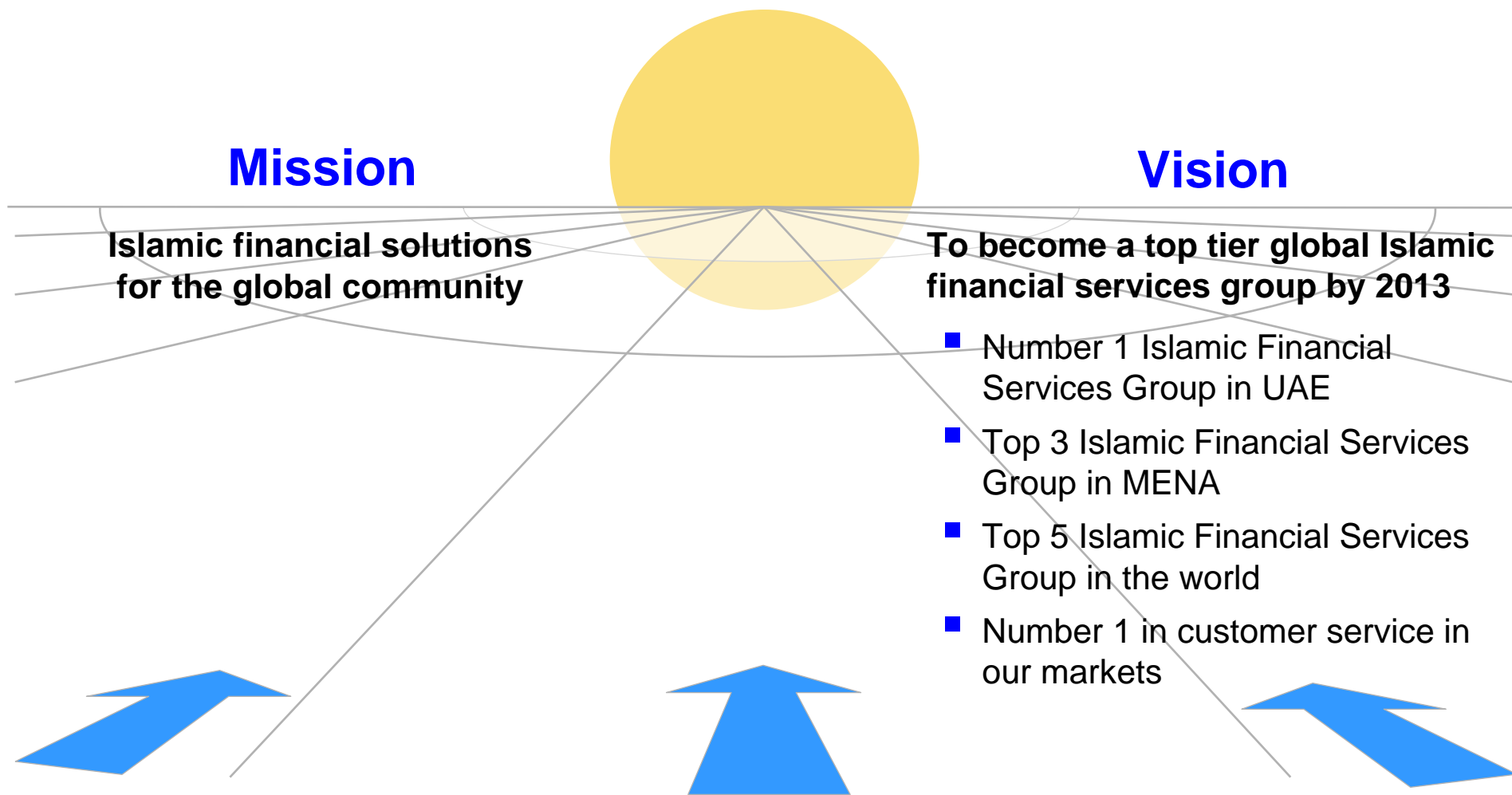
- UAE - 52 Branches
- 204 ATMs in all the 7 emirates
- First 24 hour branch at Abu Dhabi International Airport

Stock Info

Market Cap (Price @ AED 2.89)	AED 5.7 bn (US\$ 1.6 bn)
EPS / share (AED)	(0.004)
PE Ratio (AED)	(722.5)
Price / Book (AED)	3.6
Shares Issued (@ AED 1)	1,971 Mn

ADIB is focused on its vision and mission

Pre-emptive decisions will see ADIB at the forefront of the next economic upturn

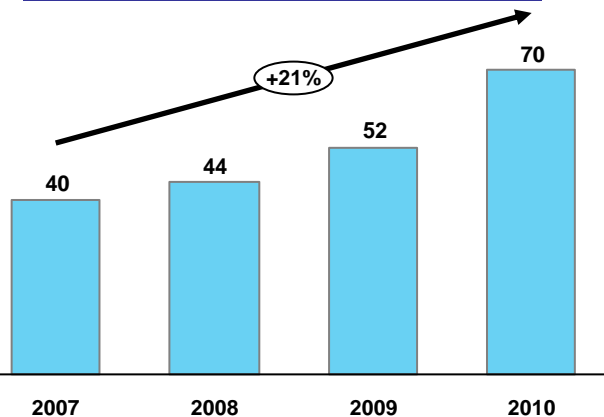


The new management team has created the necessary momentum for growth

Three core pillars of ADIB's growth strategy

Best practice based approach to meet the highest global standards in banking

Build market leadership at home



52 Branches in 11 years

- 30% growth in Customers from 2007 to 342,097
- ATM revamped; 65% more machines from 75 in 2007 to 204 in 2009
- Service Quality ranking improved by 27% from 23 in 2008 to 18 in 2009
- Introduced '24 Hour' Banking; '10 to 10' Banking and 'Anywhere' Banking
- First Islamic Business Covered Card
- Launching cash management, investment banking, new women's banking, premier banking, wealth management, upgraded private banking in 2010

Create an integrated Financial Services Group

Abu Dhabi Islamic Bank
Public listed Company - Formed in 1997

Subsidiaries / Associates

Abu Dhabi Financial Services
Stock Brokerage 95%

- 2009 Market Share 6th based on Volume
- New Trading System launched in Feb 2010

Burooj Properties LLC
Real Estate Development 99%

- 2009 completed Al Qurm Project

Abu Dhabi National Takaful
Insurance - UAE 39.6%

- Increasingly offered as a solution to Retail customers

Pursue International growth opportunities

Country



Egypt

- 49% Acquisition in 2007
- Turnaround, Alignment and Conversion in progress



Algeria

- License application submitted



Iraq

- License awarded in 2009

Financial targets over the medium term

1

Core business ROE of 25% over the medium term

2

Cost to Income Ratio of less than 33%

3

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

FY 2009 – Highlights

- **Assets** increased by 25% in 2009 to reach AED 64.1 bn.
- **Customer financing** increased by 18% in 2009 to reach 40.5 bn.
- **Customer deposits** showed a healthy growth of 29% over end-2008.
- **Capital resources** reached AED 12.3 bn, up 43% over end - 2008.
- **Banks capital adequacy** ratio at 31 Dec 09 was 17.11%, Basel II – 16.96%.
- **Stable Funds Ratio** at 31 Dec '09 was 91%.

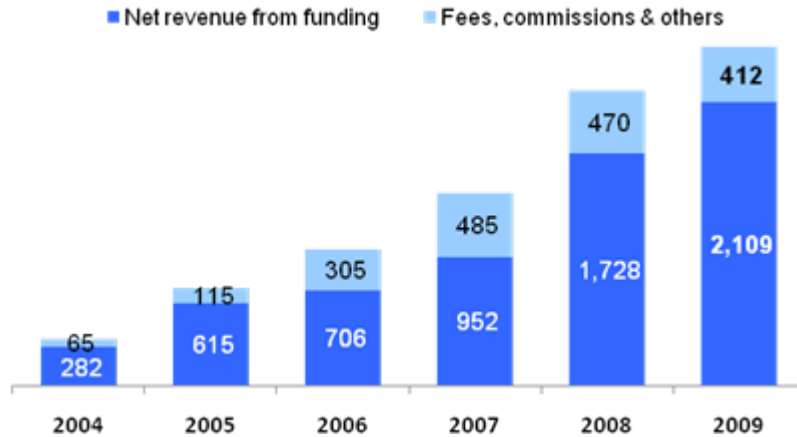
Consolidated Balance Sheet	31 Dec '09 AED (bn)	% chg (vs Dec '08)
Assets	↑ 64.1	25%
Customer Financing	↑ 40.5	18%
Customers' Deposits	↑ 48.2	29%
Equity	↑ 7.1	27%
Total Capital resources	↑ 12.3	43%

Consolidated Income Statement

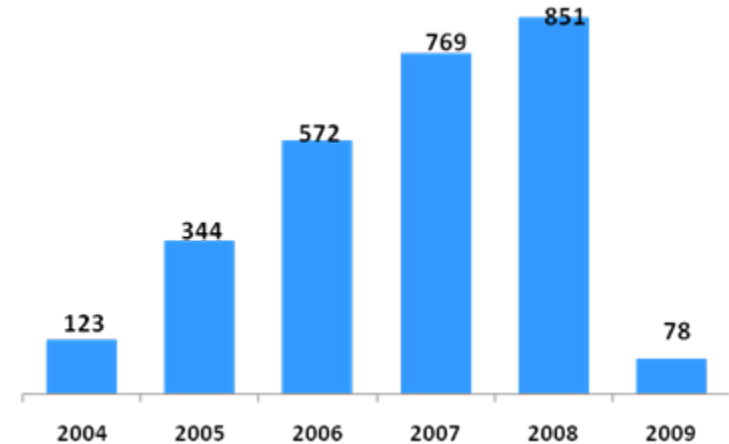
AED MM	Q4 09	Q4 08	% chg (yoy)	Q3 09	% chg (qoq)	YTD Dec-09	YTD Dec-08	% chg (yoy)
Revenues	733.4	513.1	42.9%	608.5	20.5%	2,520.3	2,198.5	14.6%
Net Revenue from Funds	562.7	467.9	20.3%	529.1	6.4%	2,108.6	1,728.5	22.0%
Fees & commission	63.0	34.9	80.7%	66.8	-5.7%	198.6	135.1	47.0%
Investment income	102.9	(6.1)	-1793.0%	6.1	1593.3%	175.0	310.5	-43.6%
Foreign Exchange	8.3	14.1	-41.6%	6.5	27.9%	39.0	19.5	100.1%
Other income	(3.6)	2.3	-252.1%	0.0	-8473.3%	(0.9)	5.0	-116.9%
Expenses	293.7	246.3	-19.2%	247.5	-18.7%	993.4	887.8	-11.9%
Employee cost	167.3	149.3	-12.0%	162.4	-3.1%	634.0	536.8	-18.1%
Premises	26.3	19.3	-36.0%	22.4	-17.4%	90.1	75.6	-19.2%
Depreciation	20.3	14.2	-43.4%	11.6	-74.6%	53.3	38.4	-38.6%
Other Operating expenses	79.8	63.5	-25.7%	51.1	-56.1%	216.0	237.0	8.9%
Margin	439.6	266.8	64.8%	361.0	21.8%	1,526.8	1,310.7	16.5%
Credit Loss Provisions	1,062.9	152.4	-597.4%	121.5	-774.8%	1,448.8	459.7	-215.2%
Net income	(623.3)	114.4	-644.9%	239.5	-360.2%	78.0	851.1	-90.8%

Key income parameters

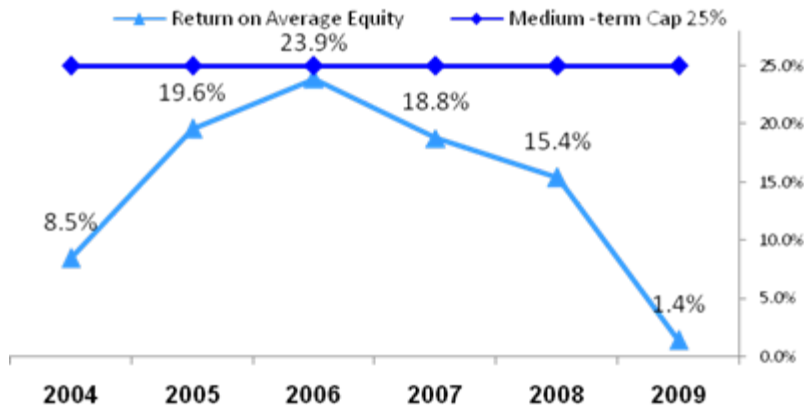
Revenues (AED Mn)



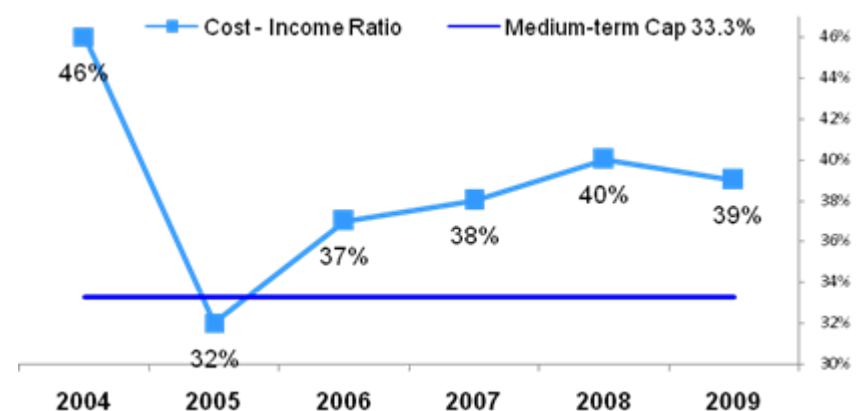
Net Income (AED Mn)



Return on shareholders' Equity



Cost to income ratio (%)



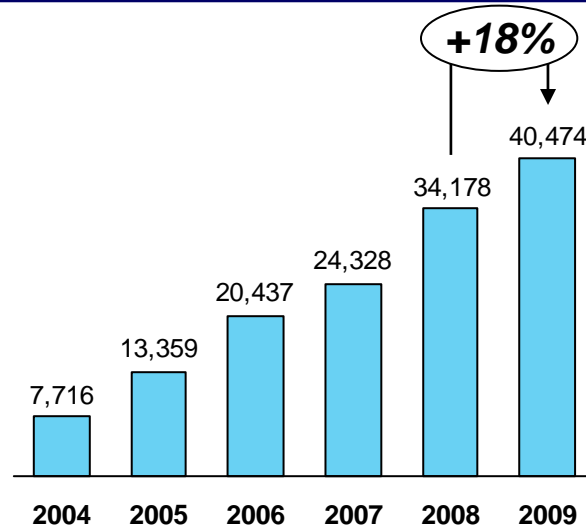
Consolidated Balance Sheet

AED MM	31 Dec 2009	31 Dec 2008	% chg
Cash and balances with Central Banks	3,331	2,824	18.0%
Due from FI	14,658	8,897	64.8%
Net Customer financing	40,474	34,178	18.4%
Investments	1,748	2,006	-12.9%
Investment, development and properties held for sale	1,138	909	25.2%
Other assets / fixed assets	2,735	2,396	14.1%
TOTAL ASSETS	64,084	51,210	25.1%
Due to FI	1,279	3,576	-64.2%
Customers' deposits	48,220	37,486	28.6%
Other liabilities	2,296	1,573	46.0%
Tier 2 wakala capital	2,207	-	100.0%
Sukuk payable	2,938	2,938	-
LIABILITIES	56,940	45,573	24.9%
Share capital	1,971	1,971	-
Tier 1 sukuk	2,000	-	100.0%
Reserves	3,173	3,666	-13.4%
EQUITY	7,144	5,637	26.7%
LIABILITIES AND EQUITY	64,084	51,210	25.1%

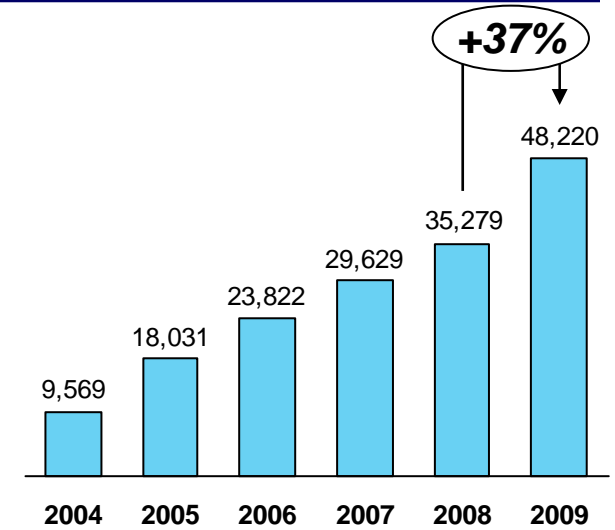
Balance Sheet Strength

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

- **Assets** increased by 25% in 2009 to reach AED 64.1 bn.
- **Customer financing** increased by 18% in 2009 to reach 40.5 bn.
- **Customer deposits** showed a healthy growth of 37% over end-2008.

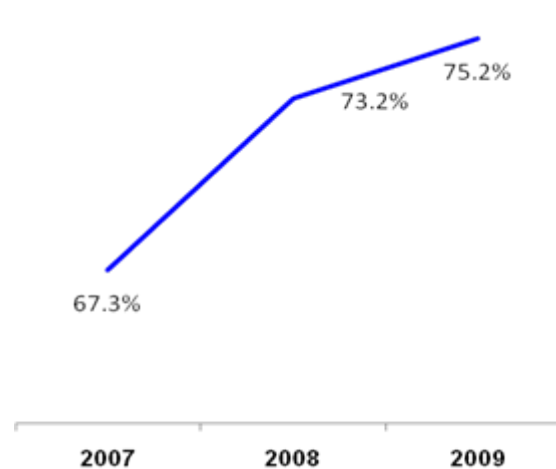


Customer Financing Growth

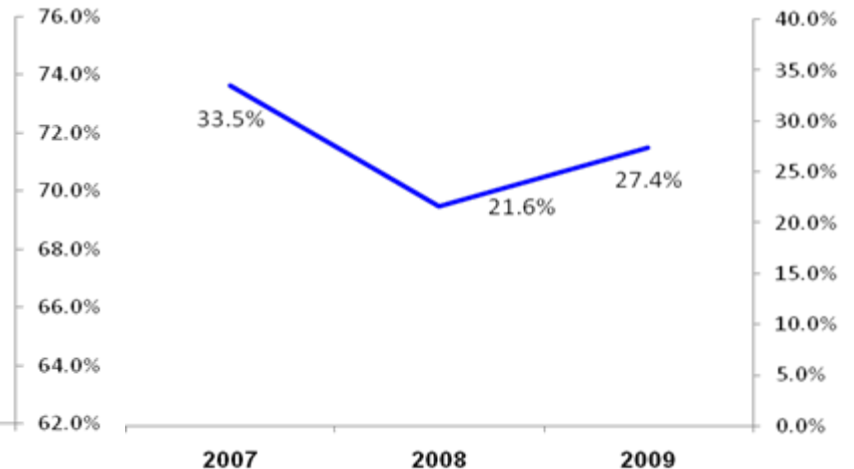


Customer Deposit Growth

- **Strong Financing to Deposit ratio** at 84%
- **Stable Funds Ratio** is at 91%
- ADIB maintains Central Bank guideline; Stable Funds to be under 100%



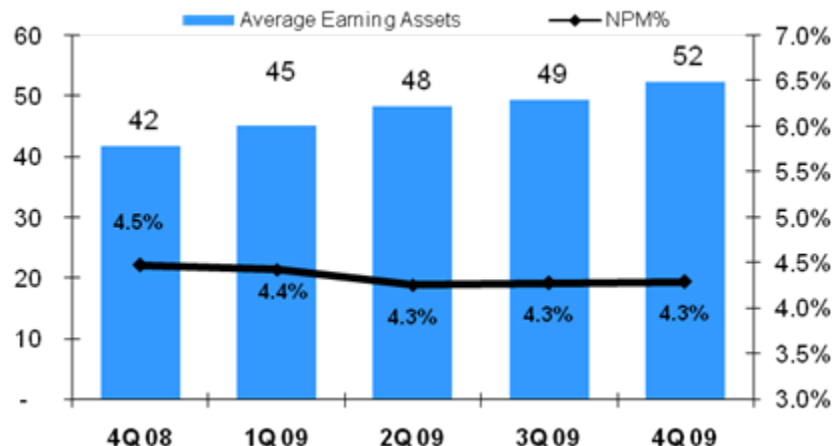
Total Deposits to Total Assets ratio



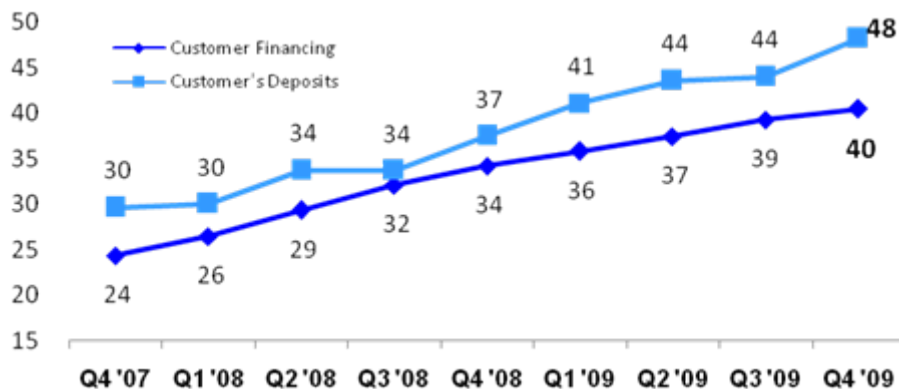
Quick Assets to Total Assets ratio

Assets and liquidity

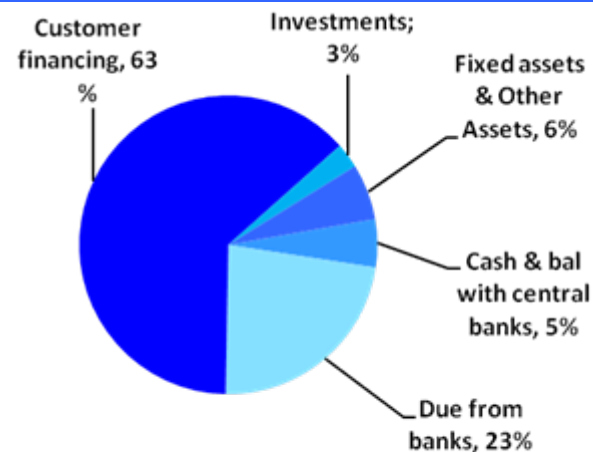
Average Earning Assets (AED bn) and Net Profit Margin %



Net Customer Financing and Customers' Deposits (AED bn)



Composition of Assets – AED 64 bn



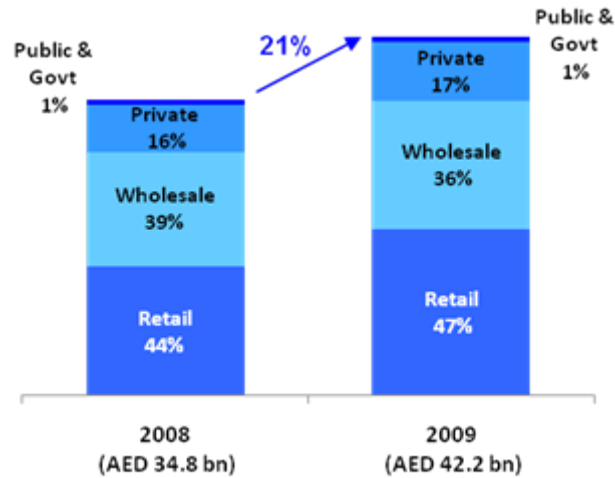
Key points

- Strong asset quality and liquidity.
- CAGR (2005 – 2009)

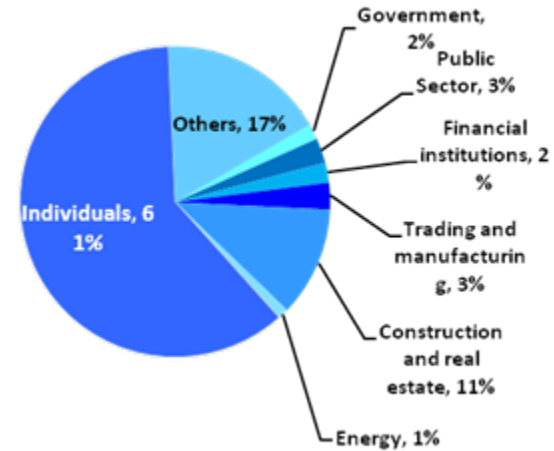
Assets	30%
Customer financing	32%
Customers' Deposits	28%
- Net Profit Margin (NPM) was 4.3% for Q4 '09 and 4.0% for FY '09.

Customer Financing

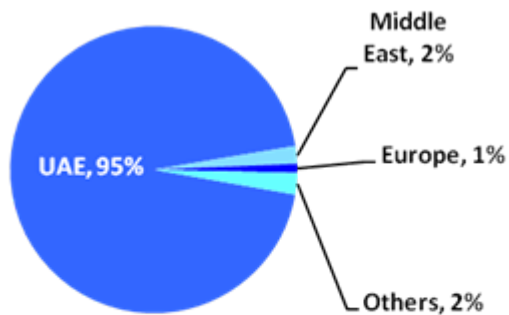
Gross Customer financing by Segment



Gross Customer financing by Industry Sector



Gross Customer financing by Geographic Region

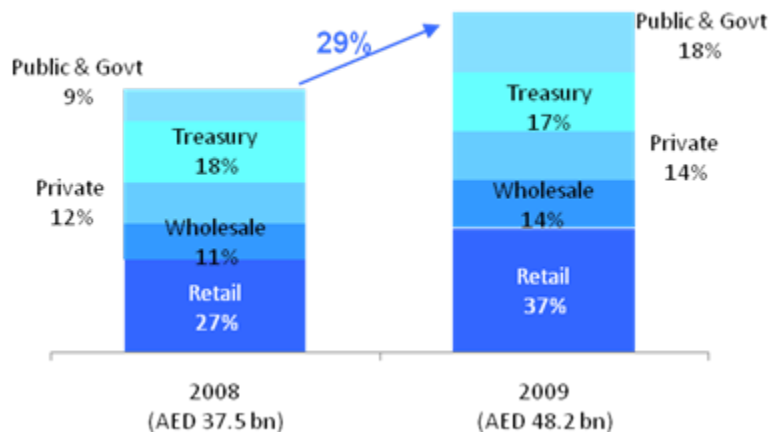


Key points

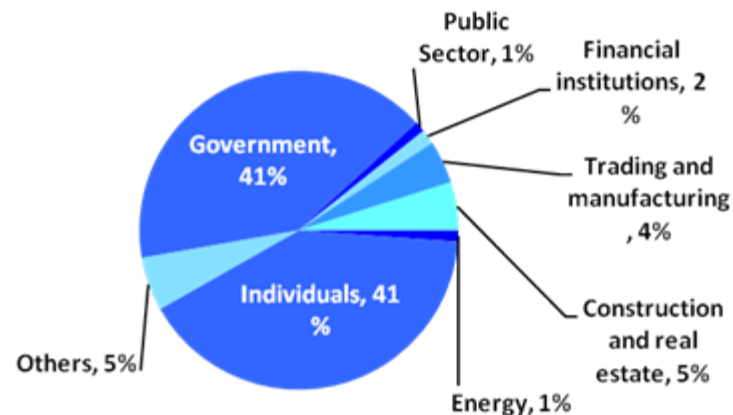
- Wholesale remains ADIBs niche market.
- ADIB leader in car financing in UAE
- Support the vision of Govt. of Abu Dhabi and development of UAE
- Diversified portfolio across various segment

Customers' Deposits

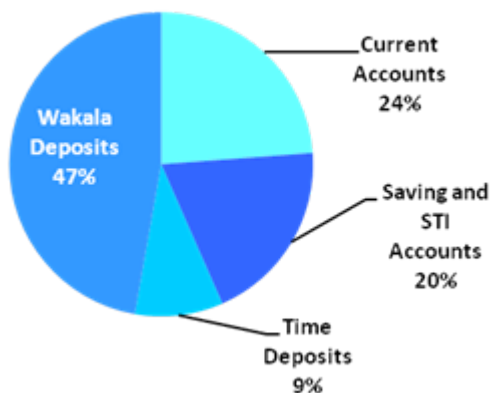
Gross Customer s' Deposits by Segment



Gross Customers' Deposits by Industry Sector



Gross Customers' Deposits by Type



Key points

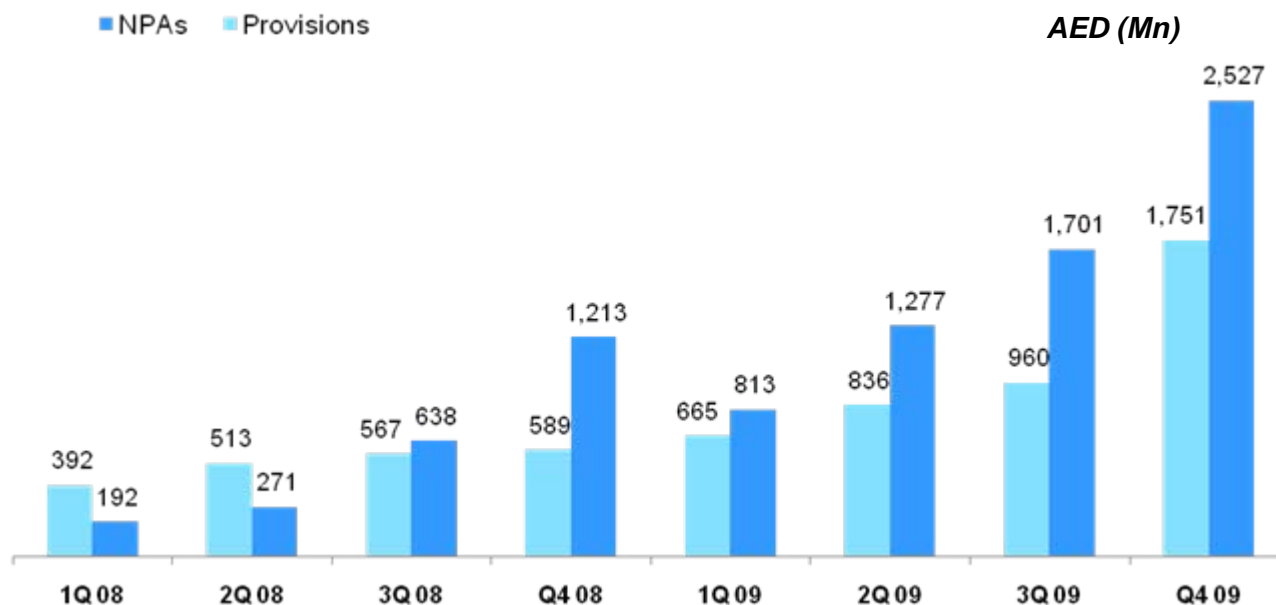
- Retail, Government and Public sector to remain as major source of Deposits.
- Diversified deposits by type.

NPAs & Provisions

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

Key points

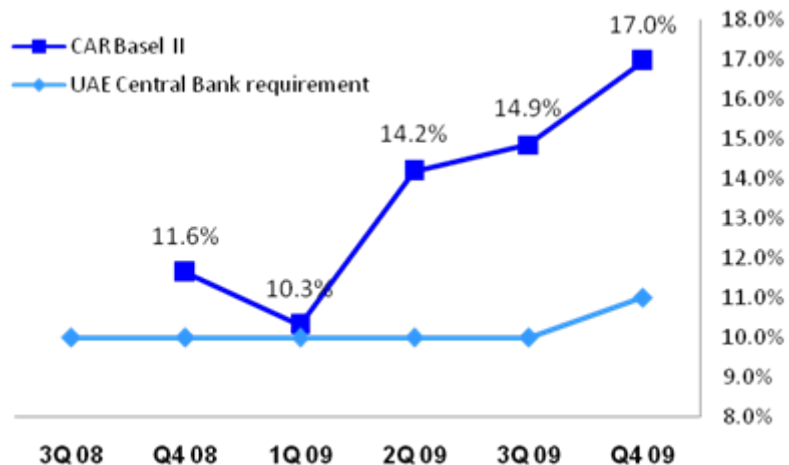
- NPAs increase by AED 1,314 Mn in FY 09 (AED 1,213 Mn in Q4 08) to AED 2,527 Mn at end of 2009.
- NPAs ratio at 5.9 % as at end 2009 (3.5% at end 08) with a coverage of 69.3% (2008: 48.6%).
- Collective provisions of AED 517.6 Mn at end of 2009 represents 1.25% of performing financing portfolio.
- Specific provision of AED 1,233 Mn at 48.8% of NPAs at end of 2009 (2008: 37.5%).
- Total provisions of AED 2,527 Mn, represents 4.15% (2008: 1.6%) of Gross Financing portfolio.



Capital Adequacy

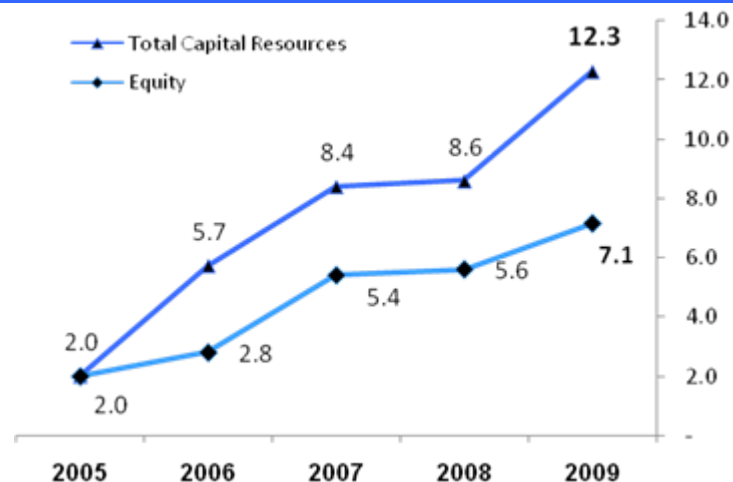
With strong shareholder and government backing ADIB's capital strength is now top tier

Capital Adequacy %



- Capital Adequacy ratio at 31 Dec '09 at 17.0% comfortably above the minimum UAE Central Bank requirement of 11%.
- Basel-I Tier I ratio at 14.5% at the end of Dec '09 above the 7% minimum required by UAE Central Bank.
- Basel-II Tier I ratio at 13.5% at the end of Dec '09 above the 7% minimum required by UAE Central Bank.
- Basel-II total Capital Adequacy ratio at end of Dec '09 at 17.0% comfortably above the minimum UAE Central Bank requirement of 11%.

Capital Resources – AED bn

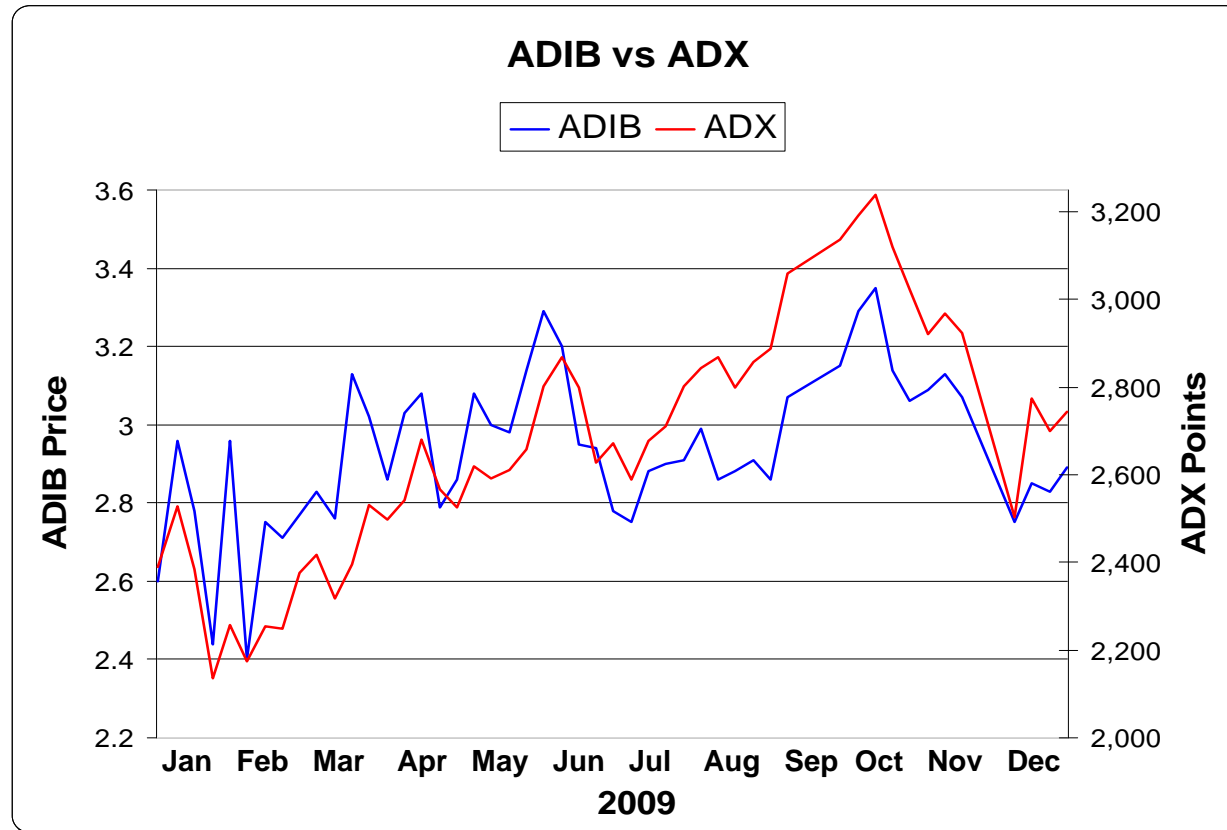


- In 2009 Capital resources further increased by AED 4.2 bn over end of 2008:
 - Tier I from Abu Dhabi Department of Finance of AED 2 bn.
 - Tier II from the UAE Ministry of Finance of AED 2.2 bn.
- Sukuk payable AED 2.9 bn @ LIBOR + 40bps maturing in Dec 2011.
- Capital resources CAGR (2005 – 2009): 57%

Shareholders Return

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

- Dec 08 Share price AED 2.60
- Dec 09 Share price AED 2.89
- Dividend / Share AED 0.216 for 2008
- Yield = 0.29 Gain + 0.216 Dividend = AED 0.506 / share
- **2009 Total Yield on ADIB share was 19%**



In summary

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

ADIB is extremely well positioned to sustain it's growth momentum.

We continue increasing our reserves in anticipation of the crises extending well into 2010.

We continue to invest aggressively in our franchise and people to reach our stated objective.

We are committed to acting prudently, for the benefit of all our stakeholders.

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Management Biographies

Executive Management Profile (I)

Tirad Marouf Mahmoud
Chief Executive Officer

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

Nuhad Saliba
Global Head of
Wholesale Banking

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

Sarvesh Sarup
Global Head of
Retail Banking

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

Masarrat Husain
Group Chief Risk Officer

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

Andrew Moir
Global Head of Strategy
And Finance

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

Majaz Khan
Group Head of Operations
& Technology

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

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

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

Executive Management Profile (II)

Malik Sarwar
**Co-Head of Private Banking
& Wealth Management**

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

Bashar Jallad
Treasurer

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

Abdulla Al Shahi
**Head of
Human Resources**

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

Osaid Kilani
Global Head of Shari'a

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

Badaruzzaman Ahmed
**Group Head of
Internal Audit**

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

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

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

Dr. Abdulrahman Yousif Habil
**Head of Legal &
Corporate Secretary**

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