ADIB (UK) LIMITED

REPORTS OF THE BOARD OF DIRECTORS AND
FINANCIAL STATEMENTS
Registered Number: 07327879

31 DECEMBER 2015

FINANCIAL STATEMENTS
Year ended 31 December 2015

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FINANCIAL STATEMENTS
Year ended 31 December 2015

Directors

Michael Robert Hanlon	Chairman
David John Smith	
Sarvesh Sarup	
Brian Keith Belcher	
Nuhad Saliba	
Masarrat Husain	
Keith George McLeod	

Company Secretary

Amanda Evans

Registered Office

One Hyde Park
100 Knightsbridge
London
SW1X 7LJ

Bankers

Barclays Bank plc
128 Moorgate
London
EC2M 6SX

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

BOARD OF DIRECTORS' REPORT
Year ended 31 December 2015

The Board of Directors have pleasure in submitting their report together with the financial statements of ADIB (UK) Limited (the 'Company' or the 'Bank') for the year ended 31 December 2015.

Principal activity

The activities of the Bank are conducted in accordance with Islamic Shari'a, which prohibits usury, and within the provisions of the Articles and Memorandum of Association. The Bank is an authorised banking institution incorporated in the UK, authorised by the Prudential Regulation Authority (PRA) and regulated by both the PRA and the Financial Conduct Authority (FCA). The Bank is a wholly owned subsidiary of Abu Dhabi Islamic Bank PJSC, Abu Dhabi, UAE.

The Board believes that, after allowing for the period of initial development, the Bank has good prospects in the UK market.

Basis of preparation of financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

Financial commentary

The financial statements for the year ended 31 December 2015 are shown on pages 11 to 41. The loss for the year is £4,094,205 (2014: loss of £3,740,068).

The Bank's risk management policies are set out in Note 31 to the financial statements.

Prohibited income

According to the Fatwa and Shari'a Supervisory Board "FSSB", the Bank is required to avoid any transaction or activity deemed to be not acceptable by Shari'a and to identify any income from such source and to set it aside in a separate account (charity account) to be disposed to charity by the Bank under the supervision of the FSSB.

Charitable donations and political contribution

During the year the Bank did not make any charitable donations or political contributions.

Dividends

The Board of Directors do not recommend the payment of a dividend (2014: £Nil).

Organisation and governance

The Board of Directors has overall responsibility for the Bank, including approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance and corporate values. The Board is also responsible for providing oversight of senior management.

The Directors who served on the Board of Directors and various Board Committees during the year are set out below together with those noted as appointed subsequently.

1.	Michael Robert Hanlon[1,2,3]	Board Member
2.	David John Smith[1,2,3]	Board Member
3.	Sarvesh Sarup[2,3]	Board Member

4.	Brian Keith Belcher[1]	Board Member	
5.	Nuhad Saliba	Board Member	
6.	Stuart Joseph Taylor	Board Member	((Chief Executive Officer) – Resigned on 19 February 2015)
7.	Masarrat Husain	Board Member	((Chief Executive Officer) – Appointed on 19 August 2015)
8.	Keith George McLeod	Board Member	((Chief Financial Officer) – Appointed on 1 July 2015)

None of the directors had any beneficial interest in the share capital of the Bank or any other ADIB Group Company at any time during the year.

Key to Board Committees:

[1]Denotes member of Audit & Risk Committee
[2]Denotes member of Remuneration Committee
[3]Denotes member of Nomination Committee

Board meetings are held at least four times a year, the board has formed the following committees to set policy, review progress and to deal with specific and critical issues relevant to the committee's objectives. The committees and their responsibilities are:

Board Audit & Risk Committee

The Audit & Risk Committee (ARC) is a Board-level committee with responsibility for ensuring that the Bank's operations are adequately supported by a comprehensive and proportionate risk management framework. The ARC has responsiblility to review the effectiveness of the Bank's internal controls and consider management's response to findings and recommendations made in external and internal audit reviews.

Key responsibilities of the ARC include:

- Review financial reports and regulatory disclosures for compliance with all regulatory requirements and ensure appropriateness of accounting policies
- Review significant financial reporting policies, issues and judgements made
- Ensure the establishment of a robust and comprehensive audit framework
- Review and recommend the appointment, removal and evaluation of internal and external auditors
- Review and approve the annual risk-based audit plan
- Ensure that audit observations are acted upon by the management in a timely manner
- Ensure the independence, and review the effectiveness, of internal and external audit
- Ensure that an appropriate agreement or SLA has been established covering internal audit
- Review and recommend for Board approval the Bank's overarching risk management framework, risk policies and regulatory submissions
- Review and recommend for Board Approval the ICAAP (Internal Capital Adequacy Assessment Process), ILAAP (Individual Liquidity Adequacy Assessment Process), LCP (Liquidity Contingency Plan) and RRP (Recovery and Resolution Plan)
- Review the Bank's internal controls systems and assess control effectiveness
- Review the Bank's aggregated risk profile in context of its risk appetite
- Liaise with the Remuneration Committee on Bank's remuneration framework as needed.
- Review compliance with corporate governance standards
- Ensure that the Bank is compliant with all relevant regulations and review the effectiveness of the Bank's compliance management framework
- Review the findings of any examinations by audit authorities/regulatory agencies and ensure timely management actions

The ARC is chaired by an Independent Non Executive Director and meets at least quarterly.

Remuneration Committee

The Remuneration Committee (RC) is a Board-level committee with responsibility for considering and recommending to the Board an overall remuneration policy aligned to its long-term objectives and risk appetite. The RC ensures that remuneration decisions compensate executives and other employees fairly and responsibly.

Key responsibilities of the RC are:

- Consider and recommend to the Board an overall remuneration policy aligned to the Bank's business and risk strategies and risk appetite
- Ensure that the remuneration and benefits provided to senior management are reasonable and aligned to the Bank's performance
- Determine the design, eligibility and targets for any long term performance related pay schemes and review performance against these targets
- Oversee the preparation of the remuneration report
- Determine the overall manpower requirements of the Bank
- Appoint, employ or retain such professional advisors as the committee may consider appropriate
- Ensure that conflicts of interest are identified and resolved in the determination of remuneration
- Satisfy itself as to the accuracy of performance measures that govern quantum of incentives
- Review HR issues, including employee retention, motivation and commitment and succession planning for senior management positions
- Liaise with the ARC and CRO on remuneration affairs in the broader context of risk management
- Ensure that risks arising from the Bank's remuneration policy are appropriately managed and remuneration structures and incentive pay-outs are adjusted for risks
- Review all appraisals of the CEO and Senior Management and approve their compensation including bonuses
- Review, at least annually, the remuneration policy to ensure that members of senior management are provided with appropriate incentives
- Review, on an annual basis, the policy for remuneration, benefits and incentives of all employees
- Ensure that remuneration levels are benchmarked to industry peers on a periodic basis

The RC is chaired by an Independent Non Executive Director and meets at least annually.

Nomination Committee

The Nomination Committee (NC) is a Board-level committee with responsibility for nominating and recommending for the approval of the Board, additional or alternative Board members, Board-level Committee members and Senior Management appointments in the Bank.

Key responsibilities are to:-

- when needed, consult key shareholder(s) regarding the structure, size and composition of the Board and of the Board committees
- regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes
- regularly review the structure, size and composition (including the skills, knowledge and experience) of all Board committees and make recommendations to the Board with regard to any changes, in consultation with the chairmen of those committees
- regularly review the structure, size and composition of the senior management team and make recommendations to the Board concerning the appointment of individuals to senior management positions
- give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Bank and what skills and expertise are therefore needed in the future
- when making a nomination to the Board, a Board committee or to a senior management position, evaluate the skills, knowledge and experience required and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment, including the time commitment expected as a Non-Executive Director
- consider candidates from a wide range of backgrounds

- prior to the appointment of a director, require the proposed appointee to disclose any other business interests that may result in a conflict of interest and require any appointee to report any future business interests that could result in a conflict of interest.

In relation to Non-Executive Directors

- on receipt of a shareholder nomination consider the candidate's CV and statement of recommendation from the nominating shareholder as to whether the Bank is content to submit an application for PRA approval, based on the candidate's competence and capability in line with PRA expectations
- if, on receipt of a shareholder nomination, the Committee has concerns about a candidate (for example, their level of skill or experience) communicate these concerns to the nominating shareholder
- ensure that on appointment to the Board, Independent Non-Executive Directors receive a formal letter of appointment and all Non-Executive Directors receive a role profile setting out clearly what is expected of them in terms of time commitment, committee service and involvement in Board meetings

The NC meets at least annually and is chaired by an Independent Non Executive Director.

Directors' Liabilities

The Bank has indemnified all directors of the Bank against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year.

Going Concern

The Directors have reviewed the business activities and financial position of the Bank and have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. In particular the Directors have assessed the 2016 budget and future plans. In making this assessment the Directors have considered a wide range of information about the current and future condition of the Bank and including the strategic direction, activities and risks that affect the financial position. For these reasons the financial statements have been prepared on a going concern basis.

Disclosure of Information to the Auditors

The Directors who held office at the date of approval of this Directors' report confirm that so far as they are each aware there is no relevant audit information of which the Bank's auditors are unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Bank's auditors are aware of that information.

Auditors

Ernst & Young LLP (EY) were appointed as auditors during the prior period and will continue in office in accordance with Section 487 of the Companies Act 2006.

On behalf of the Board

Masarrat Husain

Masarrat Husain
Chief Executive Officer
21 March 2016
UK

STRATEGIC REPORT
Year ended 31 December 2015

Strategic Report

The Bank, a wholly-owned subsidiary of Abu Dhabi Islamic Bank PJSC (“ADIB”), provides personal banking services in London to High Net Worth Individual (HNWI) customers of ADIB Group (ADIB and all of its subsidiaries). The Bank seeks to be the preferred choice in the UK for these ADIB Group customers today. The Bank’s activities are conducted in accordance with Islamic Sharia principles. The Bank offers current accounts, accepts deposits and facilitates the transactional and payment requirements of these customers. The Bank’s strategy is to build a sustainable banking business in the London market that will serve these and other individuals and entities from the Middle East and North Africa through the delivery of a full banking service model including deposit and credit products to HNWI customers based in these countries. The success of the Bank will be built on providing superior customer service and treating customers fairly, both values enshrined in Abu Dhabi Islamic Bank PJSC’s domestic franchise in the UAE.
The key risks currently faced by the Bank are operating risk, and reputational risk, these are mitigated by the strong risk management culture, and corporate governance structure which exist within the Bank.
2015 was a year of consolidation for the Bank. The overall loss for the year of £4,094,205 (2014 :£3,740,068) was in line with Management and Board expectations, and reflected investments in key hires, and the ongoing development of the Bank’s business model and product offering. The Bank retains the confidence of ADIB Group, this was evidenced by the investment of £26,107,000 by the Group into the Bank’s equity capital, this was financed by the repayment of an equivalent amount of perpetual subordinated debt.
The Bank aims to have the full complement of services available to our customers and to be a profitable and sustainable business by 2017.

On behalf of the Board

Masarrat Husain
Chief Executive Officer
21 March 2016
UK

STATEMENT OF DIRECTORS' RESPONSIBILITIES
Year ended 31 December 2015

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the independent auditors report on page 8, is made by the directors to explain their responsibilities in relation to the preparation of the Director's Report, Strategic Report and Financial Statements.

The directors are responsible for preparing the Directors' Report, Strategic Report and the Financial Statements in accordance with applicable Law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Bank and of the profit or loss of the Bank for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Bank's financial position and financial performance; and
- state that the Bank had complied with IFRSs, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Bank, and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are satisfied that the Bank has adequate resources to continue in business for the foreseeable future. For this reason, the financial statements are prepared on a going concern basis.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADIB (UK) LIMITED

We have audited the financial statements of ADIB (UK) Limited ('the Bank') for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 36. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Bank's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Bank's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Bank's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports of the Board of Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Bank's affairs for the year ended 31 December 2015 and of the Bank's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Kenneth Eglinton (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP,
Statutory Auditor
London

Date: 21 March 2016

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2015

	Notes	***31 December 2015 GBP***	*31 December 2014 GBP*
OPERATING INCOME			
Income from murabaha and wakala with financial institutions	5	83,421	97,779
Investment income on sukuk	6	856,708	796,713
Income from murabaha and other Islamic financing with customers	7	806,891	991,119
Fees and commission income, net	8	371,601	295,885
Foreign exchange gain/ (loss)		37,557	198,300
Fair value (loss)/gain on forward foreign exchange (wa'ad)	19	(40,287)	(123,940)
		2,115,891	2,255,856
OPERATING EXPENSES			
Employees' costs	9	(2,513,865)	(2,178,593)
General and administrative expenses	10	(2,769,797)	(2,883,456)
Depreciation	21	(732,450)	(663,954)
		(6,016,112)	(5,726,003)
LOSS FROM OPERATIONS, BEFORE DISTRIBUTION TO DEPOSITORS		(3,900,221)	(3,470,147)
Distribution to depositors	11	(193,984)	(269,921)
Loss before taxation		(4,094,205)	(3,740,068)
Corporation tax credit	12	-	-
Loss for the year after taxation and total comprehensive loss for the year		(4,094,205)	(3,740,068)
OTHER COMPREHENSIVE INCOME			
Cumulative changes in fair value of Available for Sale Asset	18	(337,837)	(272,071)
Related tax credit on taxable items in the OCI		-	-
Other comprehensive income, net of tax		(337,837)	(272,071)
Total comprehensive loss for the year		(4,432,042)	(4,012,139)

All the loss for the current year was derived from continuing activities.

There were no recognised gains and losses in the year other than the loss set out above.

The attached notes 1 to 36 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Notes	***31 December 2015 GBP***	*31 December 2014 GBP*
ASSETS			
Cash	13	264,290	144,861
Balances with Islamic banks and other financial institutions	14	11,753,693	7,692,995
Murabaha and wakala deposits with financial institutions	15	9,502,517	16,006,068
Murabaha and other Islamic financing	16	-	15,960,000
Investment securities held to maturity	17	675,802	644,738
Investments securities available for sale	18	50,805,133	50,057,342
Other assets	20	797,872	1,060,032
Property and equipment	21	1,842,902	2,441,349
TOTAL ASSETS		**75,642,209**	**94,007,385**
LIABILITIES			
Due to financial institutions	22	15,483	42,334,594
Depositors' accounts	23	28,011,931	26,458,131
Shari'a alternative for derivative financial instruments	29	198,244	123,940
Other liabilities	24	2,124,200	1,473,327
Total liabilities		30,349,858	70,389,992
EQUITY			
Share capital	25	58,041,000	31,934,000
Accumulated losses		(12,638,172)	(8,543,967)
Cumulative changes in fair value of Available for Sale sukuk		(110,477)	227,360
Total equity		45,292,351	23,617,393
TOTAL LIABILITIES AND EQUITY		**75,642,209**	**94,007,385**

Masarrat Husain
Chief Executive Officer
21 March 2016

Keith McLeod
Chief Financial Officer
21 March 2016

The attached notes 1 to 36 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2015

	Share Capital GBP	*Accumulated losses GBP*	*Cumulative changes in fair value GBP*	*Total GBP*
Balance at 1 January 2014	31,934,000	(4,803,899)	499,431	27,629,532
Loss for the year after tax	-	(3,740,068)	-	(3,740,068)
Cumulative changes in fair value	-	-	(272,071)	(272,071)
Balance at 1 January 2015	**31,934,000**	**(8,543,967)**	**227,360**	**23,617,393**
Share capital issued	26,107,000	-	-	26,107,000
Loss for the year after tax	-	(4,094,205)	-	(4,094,205)
Cumulative changes in fair value	-	-	(337,837)	(337,837)
Balance at 31 December 2015	**58,041,000**	**(12,638,172)**	**(110,477)**	**45,292,351**

The attached notes 1 to 36 form part of these financial statements.

STATEMENT OF CASHFLOWS
Year ended 31 December 2015

	Notes	***31 December 2015 GBP***	*31 December 2014 GBP*
OPERATING ACTIVITIES			
(Loss) for the year		(4,094,205)	(3,740,068)
Adjustments for:			
Depreciation on property and equipment	21	732,450	663,954
Foreign exchange (gain) on investments		(1,047,006)	(2,644,786)
Operating loss before changes in operating assets and liabilities		(4,408,761)	(5,720,900)
Decrease/(Increase) in murabaha and other Islamic financing		15,960,000	(8,954,220)
Increase in Shari'a alternative for derivative financial instruments		74,304	279,739
Decrease/(Increase) in other assets		262,161	(318,585)
(Decrease)/Increase in due to financial institution		(42,319,111)	10,573,785
Increase in depositors' accounts		1,553,800	5,476,659
Increase in other liabilities		650,871	219,464
Net cash from operating activities		(28,226,735)	1,555,942
INVESTING ACTIVITIES			
Net additions to available for sale investments		(69,686)	(8,468,195)
Purchase of property and equipment	21	(134,003)	(346,385)
Net cash used in investing activities		(203,689)	(8,814,580)
FINANCING ACTIVITIES			
Share capital issued		26,107,000	-
Net cash used in investing activities		26,107,000	-
DECREASE IN CASH & CASH EQUIVALENTS		(2,323,424)	(7,258,638)
Cash and cash equivalents at 1st January		23,843,924	31,102,562
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	28	21,520,500	23,843,924

The attached notes 1 to 36 form part of these financial statements.

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

ADIB (UK) Limited ("the Bank") is an authorised banking institution incorporated in the UK and regulated by the PRA and FCA. The Bank is a wholly owned subsidiary of Abu Dhabi Islamic Bank PJSC. The Bank received its authorisation from the Financial Services Authority (FSA) in April 2012 and is presently, concentrating on building its retail banking business.

The Bank carries out banking services, activities through various Islamic instruments such as Murabaha, Wakala, Sukuk etc. The activities of the Bank are conducted in accordance with Islamic Shari'a, as determined by the Fatwa and Shari'a Supervisory Board of the Bank, which prohibits usury, and within the provisions of the Articles and Memorandum of Association.

The registered office of the Bank is at One Hyde Park, 100 Knightsbridge, London SW1X 7LJ.

The financial statements of the Bank were authorised for issue by the Board of Directors on 21 March 2016.

2 DEFINITIONS

The following terms are used in the financial statements with the meanings specified:

Murabaha
A sale contract, in which the Bank sells to a customer a physical asset, goods, or shares already owned and possessed (either physically or constructively) at a selling price consisting of the purchase cost plus a profit mark-up.

Wakala
A contract between the Bank and a customer whereby one party (the principal: the Muwakkil) appoints the other party (the agent: Wakil) to invest certain funds according to the terms and conditions of the Wakala for a fixed fee in addition to any profit exceeding the expected profit as an incentive for the Wakil for the good performance. Any losses as a result of the misconduct or negligence or violation of the terms and conditions of the Wakala are borne by the Wakil; otherwise, they are borne by the principal.

Sukuk
Certificates which are equal in value and represent common shares in the ownership of a specific physical asset (leased or to be leased either existing or to be constructed in future), or in the ownership of cash receivables of selling an existing-owned asset, or in the ownership of goods receivables, or in the ownership of the assets of Mudaraba or Partnership companies. In all these cases, the Sukuk holders shall be the owners of their common shares in the leased assets, or in the cash receivables, or the goods receivable, or in the assets of the Partnership or the Mudaraba.

3 BASIS OF PREPARATION

3.1 (a) Statement of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

3.1 (b) Accounting convention
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and have been prepared under the historical cost convention, except available for sale financial assets which have been measured at fair value.

The financial statements have been presented in Great Britain Pounds (GBP), which is the functional currency of the Bank.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all the years presented in these financial statements.

3.2 NEW AND AMENDED STANDARDS ADOPTED

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2015 that have had a material impact on the Bank.

3.3 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these are expected to have a material impact on the financial statements of the Company, except the following set out below:

IFRS 9, ‘Financial instruments’, addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

IFRS 15, ‘Revenue from contracts with customers’ outlines the principles an entity must apply to measure and recognise revenue. IFRS 15 is effective for annual periods beginning on or after 1 January 2018. The standard requires an entity to recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company is yet to assess the full impact of the above and intends to adopt the required changes before 1 January 2018, subject to endorsement by the EU.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Bank.

3 BASIS OF PREPARATION continued

3.4 SIGNIFICANT JUDGMENTS AND ESTIMATES

The preparation of the financial statements in conformity with the International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes.

Estimates and judgments are currently evaluated and are based on historical experience and other factors. In order to reduce the element of subjectivity, the Bank has laid down clear criteria to enable estimation of future cash flows. As estimates are based on judgments, actual results may differ, resulting in future changes in such provisions.

Going concern
The Bank's directors have made an assessment of the Banks's ability to continue as a going concern and are satisfied the Bank has the resources to continue in business for the foreseeable future and the Bank is supported by its parent financially. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Impairment losses on financing assets and held to maturity investments
The Bank reviews its assets and investments carried at amortised cost on a regular basis to assess whether a provision for impairment should be recorded in the Statement of Comprehensive Income in relation to any non-performing assets. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of individually impaired provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty, and actual results may differ resulting in future changes to such provisions.

Classification and measurement of financial assets
The classification and measurement of the financial assets depend on management's business model for managing its financial assets and on the contractual cash flow characteristics of the financial asset assessed. Management is satisfied that the Bank's investments in securities are appropriately classified and measured.

Fair value of financial instruments
The fair values of financial assets recorded in the statement of financial position are derived from active markets.

Useful life of property and equipment
The cost of property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors.

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are set out below:

Revenue recognition
Murabaha
Murabaha income is recognised on a time apportioned basis over the period of the contract based on the principal amounts outstanding using the effective yield method.

Wakala
Profit and cost are recognised in the Statement of Comprehensive Income throughout the period of the contract using the effective profit share basis. The effective profit share rate is the rate that exactly discounts the estimated future cash payments and receipts through the agreed payment term of the contract to the carrying amount of the financial asset or liability.

4 SIGNIFICANT ACCOUNTING POLICIES continued

Sukuk
Coupon payments on sukuk are accounted for on a time apportioned basis over the term of the sukuk using the effective yield method.

Fee and commission income
Fee and commission income is recognised when the related services are performed.

Profit distribution
Profit distributions are recognised in the Statement of Comprehensive Income throughout the period of the contract using the 'effective profit share' basis The 'effective profit share rate' is the rate that exactly discounts the estimated future cash payments through the agreed payment term of the contract to the carrying amount of the financial liability.

Costs of getting financing
Costs of getting financing are expensed in the period in which they are incurred and reported in Notes 22 and 23.

Financial instruments
(i) Classification
The Bank classifies its financial instruments in the following categories:

Financial assets or financial liabilities at amortised cost
Balances and wakala deposits with Islamic banks and other financial institutions are stated at amortised cost less amounts written off and provision for impairment, if any.

Financial assets available for sale
Financial assets available for sale are initially recognised at fair value. Subsequent to initial measurement, the fair value gain or loss on these assets is reported into the Statement of Changes in Equity. On sale or impairment of the asset, the cumulative gain or loss previously recognised in the Statement of Changes in Equity is reclassified within the Statement of Comprehensive Income.

Murabaha and other Islamic financing
Murabaha and other Islamic financing i.e. customer financing are measured at amortised cost, if both the following conditions are met:

- the asset is held within a business model whose objective is to hold asset in order to collect contractual cash flows; and
- the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Murabaha with financial institutions are stated at amortised cost less provisions for impairment and deferred or expected profits.

Held to maturity sukuk
Held to maturity investments are financial assets with fixed or determinable payments and fixed maturity and the Bank's management has the positive intention and the ability to hold to maturity.

Available for sale sukuk
Investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Investments in this category are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in response to changes in the market conditions.

4 SIGNIFICANT ACCOUNTING POLICIES continued

(ii) Recognition / De-recognition
The Bank initially recognises financial assets held to maturity on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

A financial liability is recognised on the date the Bank becomes a party to the contractual provisions of the instruments.

A financial asset is de-recognised when the contractual rights to the cash flows from the financial asset expires or when it transfers the financial asset. A financial liability is de-recognised when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(iii) Measurement
Financial assets and liabilities are measured initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities.

All financial assets or liabilities at amortised cost and held-to-maturity investments are measured at amortised cost, less any reduction for impairment. Amortised cost is calculated using the effective profit rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective profit rate of the instrument.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value.
Unrealised gains and losses are recognised directly in equity (Other comprehensive income) in the cumulative change in the fair value of available-for-sale financial assets. When the investment is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the income statement in other operating income.

(iv) Offsetting of financial instruments
Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the Bank intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

(v) Impairment of financial assets

Held to maturity investments
Impairment losses on held to maturity investments carried at amortised cost are measured as the difference between the carrying amount and the present value of estimated cash flows discounted at the original profit rate. Impairment losses are recognised in the income statement and reflected in an allowance account against such financial assets. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through the statement of comprehensive income.

Available for sale investments
The losses arising from impairment of available for sale investments are recognised in the income statement. Any cumulative change in the fair value of the available for sale financial asset recognised before the impairment is reversed through the statement of comprehensive income

Impairment of non-financial assets
The carrying amounts of the Bank's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Income tax

Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

4 SIGNIFICANT ACCOUNTING POLICIES continued

The current tax charge is calculated on the taxable income for the year and on the basis of the tax laws enacted or substantively enacted at 31 December 2015.

IAS 12 requires a mechanistic approach to the calculation of deferred tax, deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by 31 December 2015 and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Provisions
Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Bank expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Property and equipment
Property and equipment are recorded at cost less accumulated depreciation and any impairment in value.
Depreciation is provided on a straight-line basis over the estimated useful lives of property and equipment. The rates of depreciation are based upon the following estimated useful lives:

- Furniture and leasehold improvements — 7 years
- Computer and office equipment — 4 years

The carrying values of properties and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such conditions exist and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Any subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the Statement of Comprehensive Income as the expense is incurred.

Trade and Settlement date accounting
All “regular way’’ purchase and sales of financial assets are recognised on the settlement date, i.e. the date the asset is delivered to the counterparty. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Due to financial institution
Investment deposits represent profit bearing wakala placements of financial institutions with the Bank and carried at amortised cost.

Customers’ deposits
Customers' deposits are carried at amortised cost.

Operating leases
Costs in respect of operating leases are charged against profit for the year on a straight line basis over the term of the lease. Lease incentives are recognised on the same basis over the lease term.

Employees’ pension
The Bank does not operate a defined contribution pension scheme for all staff, but pays 8.33% of the employee gross salary as pension contribution to the employee. It is up to the employee to put that money in his or her own pension fund. The cost is recognised within personnel expenses in the profit and loss account. The Bank has no other obligation once the contributions have been paid.

4 SIGNIFICANT ACCOUNTING POLICIES continued

Cash and cash equivalents

Cash equivalents are short-term liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less.

Other assets

Trade and other assets are stated at their nominal amount less impairment losses.

Lease payments

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Foreign currencies

The Bank's financial statements are presented in GBP, which is the Bank's functional currency. That is the currency of the primary economic environment in which the Bank operates. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the Statement of Comprehensive Income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Segment reporting

The Bank has presented the segment information in respect of its business and geographical segments in the same way as it is presented internally to management.

5 INCOME FROM MURABAHA AND WAKALA WITH FINANCIAL INSTITUTIONS

	31 December 2015 GBP	*31 December 2014 GBP*
Income from wakala deposits with financial institutions	83,421	79,265
Income from international murabaha	-	18,514
	83,421	97,779

6 INVESTMENT INCOME ON SUKUK

	31 December 2015 GBP	*31 December 2014 GBP*
Investment income on sukuk	856,708	796,713
	856,708	796,713

7 INCOME FROM MURABAHA AND OTHER ISLAMIC FINANCING WITH CUSTOMERS

	31 December 2015 GBP	*31 December 2014 GBP*
Goods murabaha	806,891	991,119
	806,891	991,119

8 FEES AND COMMISSION INCOME, NET

	31 December 2015 GBP	*31 December 2014 GBP*
Fees and commission income		
Fees and commission income on cards	63,744	63,747
Fees and commission income related to murabaha and other Islamic financing	295,762	253,715
Account maintenance fees	29,650	32,030
Others	37,812	18,691
Total fees and commission income	426,968	368,183
Fees and commission expenses		
Card related fees and commission expenses	(52,072)	(56,838)
Other fees and commission expenses	(3,295)	(15,460)
Total fees and commission expenses	(55,367)	(72,298)
Fees and commission income, net	371,601	295,885

9 EMPLOYEES' COSTS

	31 December 2015 GBP	*31 December 2014 GBP*
Salaries and wages (including directors)	2,085,668	1,718,653
Pension costs (including directors)	97,943	79,467
Other staff expenses	330,254	380,473
	2,513,865	2,178,593

The following table summarises the number of employees (including directors) within the Bank.

	2015 Number	*2014 Number*
Average for the year - management	4	4
Average for the year – non management	22	16

9.1 Directors' emoluments

	31 December 2015 GBP	*31 December 2014 GBP*
Directors' remuneration	749,824	459,909

The aggregate of remuneration of the highest paid director was £241,400 (2014: £260,250) and Bank pension contributions of £14,777 (2014: £15,898) were made on his behalf.

The remuneration of some directors is included in the accounts of ADIB Group or fellow subsidiaries of the holding company. The Bank does not pay for their services as a director of the Bank. It is estimated that the remuneration for their services to the Bank in the year totaled £27,000 (£14,000).

10 GENERAL AND ADMINISTRATIVE EXPENSES

	31 December 2015 GBP	31 December 2014 GBP
Legal and professional expenses	439,709	861,269
Operating lease	943,504	877,741
Premises expenses	573,873	398,325
Marketing and advertising expenses	657	3,000
Communication expenses	139,941	33,892
Hardware and software expenses	480,269	384,770
Other expenses	191,844	324,459
	2,769,797	2,883,456

Included within legal and professional expenses are fees paid to the auditors categorised as follows:

	31 December 2015 GBP	31 December 2014 GBP
Auditors' remuneration		
Fees payable to the Bank's auditor for the audit of financial statements	33,500	31,500
Fees payable to Bank's auditors for other services;		
Tax compliance	22,731	17,265
	56,231	48,765

11 DISTRIBUTION TO DEPOSITORS

	31 December 2015 GBP	31 December 2014 GBP
Bank Wakala deposits	185,790	267,308
Investment accounts	8,193	2,613
	193,983	269,921

12 TAXATION

	31 December 2015 GBP	31 December 2014 GBP
Current tax:		
United Kingdom Corporation tax on profit for the year	-	-
Deferred tax:	-	-
Total tax charge/(credit) for the year	-	-

Factor affecting the tax charge for the year
The tax assessed for the year differs from the standard rate of corporation tax in the UK for the period of 20.25% (2014 – 21.50%). The differences are explained below.

12 TAXATION continued

Loss on ordinary activities before tax	(4,094,205)	(3,740,068)
Tax losses on ordinary activities GBP 4,094,205 multiplied by the standard the standard rate of corporation tax in the UK of 20.25% (2014 – 21.50%)	(829,077)	(804,115)
Effects of:		
Expenses not deductible for tax	(25,559)	38,331
Change in tax rates	94,959	53,427
Deferred tax not recognised	759,677	712,357
Total tax charge/(credit) for the year	-	-

A deferred tax asset has not been recognised in view of the uncertainty about future profitability which in the opinion of directors makes the recovery of the asset uncertain. The unrecognised deferred tax asset is in relation to trading losses of £10,835,054 (gross) and capital allowances in excess of depreciation is £339,589 (gross) (2014: trading losses of £6,748,680 (gross) and depreciation in excess of capital allowances of £194,595 (gross)).

The headline rate of UK corporation tax reduced from 21% to 20% on 1 April 2015, and will remain 20% in 2016. The enactment of the Finance (No. 2) Act 2015 confirmed the reduction in the corporation tax rate to 19% on 1 April 2017 and then to 18% on 1 April 2020.

The banking loss restriction, which restricts the proportion of a bank's annual taxable profit that can be offset by certain carried forward tax losses, came into force on 1 April 2015. The restriction applies to relevant tax losses arising prior to this date. Tax losses arising in the first five years of the bank commencing a banking activity, as well as tax losses arising in an accounting period prior to the one in which the company began undertaking a banking activity are not included within the restriction. The tax losses carried forward at 1 April 2015 fall outside the restriction as they arose within the first five years of the Company undertaking a banking activity.

13 CASH

	31 December 2015 GBP	*31 December 2014 GBP*
Cash on hand	264,290	144,861

The distribution of the cash holdings by geographic region is as follows:

UK	264,290	144,861

14 BALANCES WITH ISLAMIC BANKS AND OTHER FINANCIAL INSTITUTIONS

	31 December 2015 GBP	*31 December 2014 GBP*
Current accounts	11,753,693	7,692,995
	11,753,693	7,692,995

In accordance with Shari'a principles deposits are invested only with Islamic financial institutions. The Bank does not earn profits on current accounts with banks and financial institutions.

14 BALANCES WITH ISLAMIC BANKS AND OTHER FINANCIAL INSTITUTIONS continued

The distribution of the balances with Islamic banks and other financial institutions by geographic region is as follows:

	31 December 2015 GBP	*31 December 2014 GBP*
UAE	6,326,047	2,266,429
UK	5,427,646	5,426,566
	11,753,693	7,692,995

15 MURABAHA AND WAKALA DEPOSITS WITH FINANCIAL INSTITUTIONS

	31 December 2015 GBP	*31 December 2014 GBP*
Murabaha and wakala	9,502,517	16,006,068

The distribution of the gross murabaha and wakala with financial institutions by geographic region is as follows:

	31 December 2015 GBP	*31 December 2014 GBP*
Other Middle East	3,501,727	7,002,654
UK	6,000,790	9,003,414
	9,502,517	16,006,068

16 MURABAHA AND OTHER ISLAMIC FINANCING

	31 December 2015 GBP	*31 December 2014 GBP*
Goods murabaha	-	15,959,000
Others	-	1,000
	-	15,960,000

The distribution of murabaha and other Islamic financing by geographic region is as follows:

	31 December 2015 GBP	*31 December 2014 GBP*
UK	-	15,960,000

17 INVESTMENT SECURITIES HELD TO MATURITY

The analysis of the Bank's investments held to maturity is as follows:

	31 December 2015 GBP	*31 December 2014 GBP*
Investments held to maturity:		
At 1 January	644,738	602,662
Addition during the year	-	-
Foreign exchange gain on investment	31,064	42,076
At 31 December	675,802	644,738

The distribution of held to maturity sukuk investments by geographic region is as follows:

	31 December 2015 GBP	*31 December 2014 GBP*
UAE	675,802	644,738

18 INVESTMENT SECURITIES AVAILABLE FOR SALE

The analysis of the Bank's investments held as available for sale instrument is as follows:

	31 December 2015 GBP	*31 December 2014 GBP*
Investments carried at fair value:		
At 1 January	50,057,342	39,258,508
Additions during the year	28,085,614	19,070,275
Disposals during the year	(28,015,928)	(10,602,080)
Foreign exchange gain	1,015,942	2,602,710
Decrease in fair value	(337,837)	(272,071)
At 31 December	50,805,133	50,057,342

The distribution of available for sale sukuk investments by geographic region is as follows:

	31 December 2015 GBP	*31 December 2014 GBP*
UAE	2,260,640	-
Other Middle East	17,430,810	38,462,122
UK	20,680,000	5,184,000
Hong Kong	10,433,684	6,411,220
	50,805,133	50,057,342

19 SHARI'A ALTERNATIVE FOR DERIVATIVE FINANCIAL INSTRUMENTS

	31 December 2015 GBP	*31 December 2014 GBP*
Fair value (loss) of outstanding forward (wa'ad) foreign exchange undertakings	(198,244)	(123,940)
Notional amount by term to maturity less than 3 months	31,351,353	19,535,878

The Bank entered into forward (wa'ad) foreign exchange undertakings in the year to manage its foreign currency exposures. The movement in the fair value of forward (wa'ad) foreign exchange is included in the Statement of Comprehensive Income. As at 31 December 2015 there was a year to date loss of £40,287 (2014: loss £123,940).

20 OTHER ASSETS

	31 December 2015 GBP	*31 December 2014 GBP*
VAT Receivable	53,190	112,550
Prepaid expenses	398,740	367,249
Income receivable	327,973	490,760
Others	17,969	89,473
	797,872	1,060,032

21 PROPERTY AND EQUIPMENT

2015	*Furniture & leasehold improvements GBP*	*Computer &office equipment GBP*	*Total GBP*
Cost			
At 1 January 2015	2,992,119	1,173,053	4,165,172
Additions during the year	13,135	120,868	134,003
At 31 December 2015	3,005,254	1,293,921	4,299,175
Depreciation			
At 1 January 2015	1,051,552	672,271	1,723,823
Charge in the year	423,888	308,562	732,450
At 31 December 2015	1,475,440	980,833	2,456,273
Net book value			
31 December 2015	**1,529,814**	**313,088**	**1,842,902**
2014			
Cost			
At 1 January 2014	2,804,140	1,014,647	3,818,787
Additions during the year	187,979	158,406	346,385
At 31 December 2014	2,992,119	1,173,053	4,165,172
Depreciation			
At 1 January 2014	650,961	408,908	1,059,869
Charge in the year	400,591	263,363	663,954
At 31 December 2014	1,051,552	672,271	1,723,823
Net book value			
31 December 2014	**1,940,567**	**500,782**	**2,441,349**

22 DUE TO FINANCIAL INSTITUTIONS

	31 December 2015 GBP	*31 December 2014 GBP*
Current accounts	15,483	2,120
Wakala deposits	-	16,032,130
Investment deposit	-	26,300,344
Due to financial institutions	15,483	42,334,594

The distribution of due to financial institutions by geographic region was as follows:

Other Middle East	15,483	2,120
UAE	-	42,332,474
	15,483	42,334,594

The investment deposit of £26,300,344 shown under year 2014 comprised of unsecured amounts advanced from Abu Dhabi Islamic Bank PJSC, the Bank's parent undertaking, this was converted to Ordinary Share Capital during 2015.

The wakala deposit of £16,032,130 shown under year 2014 comprised amounts advanced from Abu Dhabi Islamic Bank PJSC as collateral against a murabaha financing extended to a third party, this was repaid during 2015.

23 DEPOSITORS' ACCOUNTS

	31 December 2015 GBP	*31 December 2014 GBP*
Current accounts	25,411,073	25,666,342
Investment accounts	2,600,858	791,789
	28,011,931	26,458,131

The distribution of the gross depositors' accounts by industry sector, geographic region and currency was as follows:

Industry sector:		
Individuals	23,621,765	21,755,385
Corporates	4,390,166	4,702,746
	28,011,931	26,458,131
Geographic region:		
UK	2,325,614	2,809,133
UAE	5,825,217	6,251,960
Other Middle East	6,922,196	5,314,921
Rest of the world	12,938,904	12,082,117
	28,011,931	26,458,131
Currency:		
GBP	28,011,931	26,458,131

24 OTHER LIABILITIES

	31 December 2015 GBP	*31 December 2014 GBP*
Deferred income	-	269,232
Accounts payable	1,113,554	319,431
Accrued expenses	411,826	473,742
Other liabilities - Staff related	598,820	410,922
	2,124,200	1,473,327

25 SHARE CAPITAL

	31 December 2015 GBP	*31 December 2014 GBP*
Authorised and fully paid up share capital:		
Issue of ordinary share capital		
ordinary shares of £1 each at the beginning of the year	31,934,000	31,934,000
ordinary shares of £1 each issued in the year	26,107,000	-
ordinary shares of £1 each at the end of the year	58,041,000	31,934,000

26 FINANCIAL COMMITMENTS

	31 December 2015 GBP	*31 December 2014 GBP*

The Bank's principal operational premises are leased
The cumulative commitments under non-cancellable operating leases are as follows:

Within one year	927,725	927,725
In two to five years	3,710,900	3,710,900
After five years	4,510,900	5,438,625
	9,149,525	10,077,250

27 CONTINGENT LIABILITIES AND COMMITMENTS

	31 December 2015 GBP	*31 December 2014 GBP*
Undrawn facilities commitments	-	4,181,000

Commitments to extend Islamic credit facilities represent contractual commitments under Islamic financing contracts. Commitments generally have fixed expiration dates or other termination clauses and normally require the payment of a fee. Since commitment may expire without being drawn, the total contract amounts do not necessarily represent future cash requirements.

28 CASH AND CASH EQUIVALENTS

	31 December 2015 GBP	*31 December 2014 GBP*
Cash	264,290	144,861
Balances with Islamic banks and other financial institutions, short term	11,753,693	7,692,995
Murabaha and wakala deposits with financial institutions, short term	9,502,517	16,006,068
	21,520,500	23,843,924

29 RELATED PARTY TRANSACTIONS

Related parties represent the Parent, associated companies, directors and key management personnel of the Bank, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Bank's management.

Transactions with related parties included in the Statement of Comprehensive Income:

	31 December 2015 GBP	*31 December 2014 GBP*
Profit paid on investment deposits	193,984	269,921

Balances with the related parties included in the statement of financial position are as follows:

	31 December 2015 GBP	*31 December 2014 GBP*
Balances with Islamic banks and other financial institutions	6,341,530	2,266,429
Due to financial institutions	15,483	42,334,594
Other Assets	84,827	89,474
Fair value of forward (wa'ad) foreign exchange undertakings	(198,244)	(123,940)
Off balance sheet		
Standby Letter of Credit Guarantee	-	4,181,000

Profit rates earned on balances with banks and financial institutions extended to related parties during the year ranged from 0% to 0.5% (2014: 0% to 0.8% per annum).

Profit rates paid on due to financial institution and investment deposits placed by related parties during the year ranged from 0% to 1.00% per annum (2014: 0% to 1.25% per annum).

The credit related commitment was a Standby Letter of Credit Guarantee given by the parent company in respect of murabaha financing provided to a third party.

30 SEGMENT INFORMATION

Retail banking - Principally handling small and medium businesses and individual customers' deposits, providing consumer and commercial murabaha, Islamic covered card and funds transfer facilities.

All segment revenues, expenses, operating losses (margin), assets and liabilities pertain to the retail segment.

The Bank operates principally in only one geographic area, the United Kingdom and in one sector, retail. Accordingly no further geographical analysis of segment revenues, expenses, operating losses (margin), assets and liabilities is given.

31 RISK MANAGEMENT

31.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Individual counterparty limits are set in relation to credit exposures for wakala and murabaha deposits, the exposures are monitored on a daily basis. The credit limits are reviewed on an annual basis.

31.1.1 Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

The table below shows the maximum exposure to credit risk for the components of the statement of financial position. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting and collateral agreements.

	Notes	***Gross maximum exposure 2015 GBP***	*Gross maximum exposure 2014 GBP*
Balances with Islamic banks and other financial institutions	14	11,753,693	7,692,995
Murabaha and wakala deposits with financial institutions	15	9,502,517	16,006,068
Murabaha and other Islamic financing	16	-	15,960,000
Investments held to maturity	17	675,802	644,738
Investments available for sale	18	50,805,133	50,057,342
Other assets (excluding prepaid expenses)	20	399,132	692,783
		73,136,277	91,053,926
Off balance sheet commitment	27	-	4,181,000
Total credit risk exposure		73,136,277	95,234,926

31 RISK MANAGEMENT continued

31.2 Credit risk concentration

The concentration of the Bank's assets and liabilities by geographical segment is based primarily upon the location of the counter party.

	Balances with Islamic banks and other financial institutions	*Murabaha and wakala deposits with financial institutions*	*Investments*	*Financing*	*Other assets*	*Total*
31 December 2015	GBP	GBP	GBP	GBP	GBP	GBP
UAE	6,326,047	-	2,936,442	-	-	9,262,489
Middle East	-	3,501,727	17,430,810	-	-	20,932,536
UK	5,427,646	6,000,790	20,680,000	-	399,132	32,507,568
Far East	-	-	10,433,684	-	-	10,433,684
Financial assets subject to credit risk	11,753,693	9,502,517	51,480,935	-	399,132	73,136,277
UK Committed facilities	-	-	-	-	-	-
Total	11,753,693	9,502,517	51,480,935	-	-	73,136,177
31 December 2014						
UAE	2,266,429	7,002,654	644,738	-	-	9,913,821
Middle East	-	-	38,462,122	-	-	38,462,122
UK	5,426,566	9,003,414	5,184,000	15,960,000	692,783	36,266,763
Far East	-	-	6,411,220	-	-	6,411,220
Financial assets subject to credit risk	7,692,995	16,006,068	50,702,080	15,960,000	692,783	91,053,926
UK Committed facilities	-	-	-	4,181,000	-	4,181,000
Total	7,692,995	16,006,068	50,702,080	20,141,000	692,783	95,234,926

31 RISK MANAGEMENT continued

The distribution of the Bank's financial assets by industry sector is as follows:

31 December 2015						
Financial institutions	11,753,693	9,502,517	17,430,810	-	399,132	39,086,151
Governments	-	-	31,113,684	-	-	31,113,684
Corporate	-	-	2,936,442	-	-	2,936,442
Real estate	-	-	-	-	-	-
Retail	-	-	-	-	-	-
Financial assets subject to credit risk	11,753,693	9,502,517	51,480,935	-	399,132	73,136,277
UK Committed facilities	-	-	-	-	-	-
Total	11,753,693	9,502,517	51,480,935	-	399,132	73,136,277
31 December 2014						
Financial institutions	7,692,995	16,006,068	38,462,122	-	692,783	62,853,968
Governments	-	-	11,595,220	-	-	11,595,220
Corporate	-	-	644,738	-	-	644,738
Real estate	-	-	-	15,959,00	-	15,959,000
Retail	-	-	-	1,000	-	1,000
Financial assets subject to credit risk	7,692,995	16,006,068	50,702,080	15,960,000	692,783	91,053,926
UK Committed facilities	-	-	-	4,181,000	-	4,181,000
Total	7,692,995	16,006,068	50,702,080	20,141,000	-	95,234,926

31.3 Credit quality per class of financial assets

The Bank measures its exposure to credit risk by reference to the gross carrying amount of financial assets less amounts offset and impairment losses, if any. The table shows the maximum exposure (excluding committed facilities) to credit risk for murabaha, investments and other Islamic financing.

31 RISK MANAGEMENT continued

	Balances with Islamic banks and other financial institutions	*Murabaha and wakala deposits with financial institutions*	*Investments*	*Murabaha and other Islamic financing*
	GBP	*GBP*	*GBP*	*GBP*
31 December 2015				
Neither past due nor impaired and the carrying amount	11,753,693	9,502,517	51,480,935	-
Financial assets subject to credit risk	11,753,693	9,502,517	51,480,935	-
31 December 2014				
Neither past due nor impaired and the carrying amount	7,692,995	16,006,068	50,702,080	15,960,000
Financial assets subject to credit risk	7,692,995	16,006,068	50,702,080	15,960,000

The credit quality of financial assets (including committed facilities) that are neither past due nor impaired are set out in the following tables which show the exposure values associated with each credit quality step for credit exposures under the standardised approach. For risk weighting purposes external credit ratings provided by Fitch have been exclusively used for Financial Institutions.

31 December 2015

Fitch Rating (where Applicable)	**Exposure Values (GBP thousands)**	**Exposure Values after mitigation (GBP thousands)**
AAA	48,544	48,544
A+	9,827	9,827
A	5,428	5,428
BBB	676	676
BBB-	2,260	2,260
N/A	6,401	6,401
Total per Credit Risk Concentration	73,136	73,136

31 December 2014

Fitch Rating (where Applicable)	**Exposure Values (GBP thousands)**	**Exposure Values after mitigation (GBP thousands)**
AAA	50,057	50,057
A+	9,266	9,266
A	5,427	5,427
BBB	644	644
N/A	29,841	9,701
Total per Credit Risk Concentration	95,235	75,095

The largest exposure value represents the Bank's investment in the Islamic Development Bank (by way of a Sukuk), a multilateral Development Bank.

31 RISK MANAGEMENT continued

31.4 Liquidity risk and funding management

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations when they fall due under normal and stress circumstances. Oversight of the Bank's liquidity risk management is provided by the Bank's Asset and Liability Committee (ALCO) which meets on a monthly basis. The Bank operates strong liquidity management, with funds placed in high quality liquid instruments with carefully chosen counterparties. The Bank has prepared a liquidity contingency plan, which identifies early warning indicators of potential liquidity stress, and identifies the Bank's response to such stress. The early warning indicators are monitored on a daily basis. The Bank operates within the Prudential Regulatory Authority liquidity regime. There were no breaches of regulatory limits during 2015.

31.4.1 Analysis of financial assets and financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Bank's financial assets and liabilities at reporting date based on contractual maturities.

	Less than 3 months GBP	*3 months to 1 year GBP*	*1 year to 5 years GBP*	*Over 5 years GBP*	*Total GBP*
31 December 2015					
ASSETS					
Cash and balances	264,290	-	-	-	264,290
Balances with Islamic banks and other financial institutions	11,753,693	-	-	-	11,753,693
Murabaha and wakala deposits with financial institutions	9,502,517	-	-	-	9,502,517
Investments	-	7,222,888	44,258,046	-	51,480,934
Other assets (excluding prepaid expenses)	394,611	4,521	-	-	399,132
Financial assets	21,915,111	7,227,409	44,258,046	-	73,400,566
Non-financial assets					1,842,902
Total assets					75,243,468
LIABILITIES					
Due to financial institutions	15,483	-	-	-	15,483
Depositors' accounts	27,151,931	860,000	-	-	28,011,931
Shari'a alternative for derivative Financial Instruments	198,244	-	-	-	198,244
Other liabilities	2,124,200	-	-	-	2,124,200
Total liabilities	29,489,858	860,000	-	-	30,349,858

	Less than 3 months GBP	*3 months to 1 year GBP*	*1 year to 5 years GBP*	*Over 5 years GBP*	*Total GBP*
31 December 2014					
ASSETS					
Cash and balances	144,861	-	-	-	144,861
Balances with Islamic banks and other financial institutions	7,692,995	-	-	-	7,692,995
Murabaha and wakala deposits with financial institutions	16,006,068	-	-	-	16,006,068
Murabaha and other Islamic financing	-	1,000	15,959,000	-	15,960,000
Investments	-	25,359,112	25,342,968	-	50,702,080
Other assets (excluding prepaid expenses)	692,783	-	-	-	692,783
Financial assets	24,536,707	25,360,112	41,301,968	-	91,198,787
Non-financial assets					2,441,349
Total assets					93,640,136
	LIABILITIES				
Due to financial institutions	2,120	-	16,032,130	26,300,344	42,334,594
Depositors' accounts	26,258,131	200,000	-	-	26,458,131
Shari'a alternative for derivative Financial Instruments	123,940	-	-	-	123,940
Other liabilities	1,473,327	-	-	-	1,473,327
Total liabilities	27,857,518	200,000	16,022,853	26,309,621	70,389,992

31 RISK MANAGEMENT continued

31.4 Liquidity risk and funding management continued

The table below summarises the maturity profile of the Bank's financial liabilities at 31 December based on contractual undiscounted repayment obligations, including cash flows pertaining to principal repayment and profit payable to maturity.

	Less than 3 months GBP	*3 months to 1 year GBP*	*1 year to 5 years GBP*	*Over 5 years GBP*	*Total GBP*
31 December 2015					
LIABILITIES					
Due to financial institutions	15,483	-	-	-	15,483
Depositors' accounts	27,151,931	860,000	-	-	28,011,931
Other liabilities	2,322,444	8,534	-	-	2,330,978
Total liabilities	27,489,858	868,534	-	-	30,358,392
31 December 2014					
LIABILITIES					
Due to financial institutions	2,120	-	16,041,407	26,364,197	42,407,724
Depositors' accounts	26,258,397	200,000	-	-	26,458,397
Other liabilities	1,597,270	627	-	-	1,597,897
Total liabilities	27,857,787	200,627	16,041,407	26,364,197	70,464,018

The disclosed financial instruments in the above table are the net undiscounted cash flows.

31.4.2 Profit rate risk

Profit rate risk arises from the possibility that changes in profit rates will affect future profitability of the fair values of financial instruments. The Bank is exposed to profit rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and instruments that mature or re-price in a given period. Oversight of the management of Profit rate risk is provided by the Bank's ALCO, which meets on a monthly basis. The Bank manages this risk by managing re-pricing gaps and by investing in both fixed and variable rate assets.

The effective profit rate (effective yield) of a monetary instrument is the rate that, when used in present value calculation, results in the carrying amount of the instrument. The rate is a historical rate for a fixed rate instrument carried at amortised cost and a current rate for a floating instrument or an instrument carried at fair value.

The following table estimates the sensitivity of the Bank's Statement of Comprehensive Income to a reasonable possible change in profit rates, with all other variables held constant. The sensitivity of the Statement of Comprehensive Income is the effect of the assumed changes in profit rates (whether increase or decrease) on the net profit for one year, based on the variable profit rate non-trading financial assets and financial liabilities held at 31 December.

	Increase in basis points	*Sensitivity of profit on financial assets and liabilities* ***2015 GBP***	*Sensitivity of profit on financial assets and liabilities 2014 GBP*
Currency			
GBP	**50**	41,000	111,975
USD	**50**	-	-

31 RISK MANAGEMENT continued

31.5 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Board has set limits on positions by currency in accordance with the Bank's policy. Oversight of the management of currency risk is provided by the Bank's ALCO, which meets on a monthly basis. Positions are monitored on a daily basis and foreign exchange forward (wa'ad) undertakings are used to ensure positions are maintained within established limits. The table below indicates the extent to which the Bank was exposed to currency risk at 31 December on its non-trading monetary assets and liabilities, and forecast cash flows. The analysis is performed for a reasonable possible movement of the currency rate against GBP, with all other variables held constant, on the Statement of Comprehensive Income (due to the changes in fair value of currency sensitive non-trading monetary assets and liabilities) and equity (due to the change in fair value of foreign currency denominated in Statement of Comprehensive Income on investments carried at fair value through other comprehensive income.

	% Increase currency rates	*Effect on net profit GBP*	*Effect on equity GBP*
31 December 2015			
Currency			
USD	5	(2,998)	(2,998)
31 December 2014			
Currency			
USD	5	(2,604)	(2,604)

The USD exposures are covered by a forward (wa'ad) foreign exchange undertakings.

The table below shows the Bank's exposure to foreign currencies.

	GBP GBP	USD GBP	AED GBP	Total GBP
31 December 2015				
Assets				
Cash and balances	264,290			264,290
Balances with Islamic banks and other financial institutions	9,979,013	532,650	1,242,030	11,753,693
Murabaha and wakala deposits with financial institutions	9,502,517			9,502,517
Murabaha and other Islamic financing	-			-
Investments held to maturity	-	675,802		675,802
Investments available for sale	20,680,000	30,125,133		50,805,133
Property and equipment	1,842,902			1,842,902
Other assets	598,087	150,701	49,153	794,941
	42,866,739	**31,480,286**	**1,291,183**	**75,642,209**
Liabilities				
Due to financial institutions	15,483			15,483
Depositors' accounts	28,011,931			28,011,931
Shari'a alternative for derivative financial instruments	198,244			198,244
Other liabilities	1,952,699	31,729	139,772	2,124,200
	30,178,357	**31,729**	**139,772**	**30,349,857**
Off Balance sheet				
FX forward undertakings	**31,351,353**	**(31,549,597)**		**(198,244)**

31 RISK MANAGEMENT continued

	GBP GBP	USD GBP	AED GBP	Total GBP
31 December 2014				
Assets				
Cash and balances	144,861			144,861
Balances with Islamic banks and other financial institutions	7,180,032	382,939	130,024	7,692,995
Murabaha and wakala deposits with financial institutions	16,006,068			16,006,068
Murabaha and other Islamic financing	15,960,000			15,960,000
Investments held to maturity		644,738		644,738
Investments available for sale	5,184,000	44,873,342		50,057,342
Property and equipment	2,441,349			2,441,349
Other assets	751,827	203,086	105,119	1,060,032
	47,668,137	**46,104,105**	**235,143**	**94,007,385**
Liabilities				
Due to financial institutions	16,024,973	26,309,621		42,334,594
Depositors' accounts	26,458,131			26,458,131
Shari'a alternative for derivative financial instruments	123,940			123,940
Other liabilities	1,431,480	20,180	21,667	1,473,327
	44,038,524	**26,329,801**	**21,667**	**70,389,992**
Off Balance sheet				
FX forward Contracts	**19,535,878**	**(19,659,818)**		**(123,940)**

31.6 Price Risk

Price risk is the risk that the Bank will be adversely affected by price movements in traded instruments. The Bank's ALCO has oversight responsibility for market risk, which includes price risk. The AFS sukuk portfolio is marked to market prices on a daily basis which is reported to the members of EXCO. The held to maturity portfolio is not revalued, reflecting the Bank's intention to hold the securities within the portfolio to maturity.

31.7 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

The Bank has adopted the basic indicator approach to the pillar 1 minimum capital requirement for operational risk.

Responsibility for operational risk lies with the Bank's management, with oversight provided by the Audit & Risk Committee. The Bank has in place robust procedures and controls to mitigate the incidence of operational losses. Risk and Control Self Assessments are undertaken to identify risk and mitigants, corrective action plans derived from these assessments are tracked to conclusion.

31.7.1 Shari'a non-compliance risk

Shari'a non-compliance risk is the risk that arises from the failure to comply with the Shari'a rules and principles determined by the Fatwa and Shari'a Supervisory Board of the Bank.

The Bank has in place robust procedures and controls to mitigate the incidence of losses attributed to Shari'a non-compliance risk.

31 RISK MANAGEMENT continued

31.8 Capital management

The Bank's capital requirement are set and monitored by the PRA.
The following table shows the Bank's regulatory capital position as at 31 December 2015.

Tier 1 Capital

	Note	***31 December 2015 GBP***	*31 December 2014 GBP*
Ordinary share capital		58,041,000	31,934,000
Accumulated loss		(12,748,649)	(8,305,968)
Total tier 1 capital		45,292,351	23,628,032
Tier 2 Capital (investment deposit)	22	-	23,628,032
Total regulatory capital		45,292,351	47,256,064

At 31 December 2015 and throughout the year, the Bank complied with the capital requirements that were in force as set out by the PRA.

The PRA has set Individual Capital Guidance (ICG) for the Bank.

Regulatory and internal capital adequacy is monitored on a daily basis and reported to the Board Audit & Risk Committee on a quarterly basis.

32 FAIR VALUE OF FINANCIAL INSTRUMENTS

The directors have considered the fair values of the Bank's main financial assets, which are balances and wakala deposits with Islamic banks and other financial institutions, murabaha with financial institutions, murabaha and other Islamic financing and investment securities.

In the opinion of the directors, no liquid secondary market currently exists for the balances and wakala deposits with Islamic banks and other financial institutions, murabaha with financial institutions, murabaha and other Islamic financing and investment securities. The directors believe that the book value is the best approximation of the fair value at this time. The directors do not consider this fair value has changed from the initial issue despite tightening credit spreads in the marketplace.

Fair value of investments held to maturity

	Carrying amount GBP	*Fair value GBP*
31 December 2015		
Sukuk held to maturity (note 17)	675,802	686,104
31 December 2014		
Sukuk held to maturity	644,738	655,379

Fair value hierarchy measurement recognised in the statement of financial position

32 FAIR VALUE OF FINANCIAL INSTRUMENTS continued

IFRS 7 specifies three hierarchy of valuation techniques depending on whether the inputs to the valuation techniques are observable or unobservable in the market. Inputs are observable if they reflect market data obtained from independent sources and unobservable if they are based on market assumptions. The valuation of financial asset and liability therefore follows one of the levels below.

Level 1: quoted (unadjusted prices in active markets for identical assets or liabilities).

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible. The fair value for available for sale sukuk is based on quoted price as defined in level 1, under IFRS 7.

Derivative Financial Instruments (Shari'a alternative foreign currency forward undertakings - level 2) are not traded in active markets. These have been fair valued using observable forward exchange rates and profit rates corresponding to the maturity of the undertakings. The effects of non-observable inputs are not significant for foreign currency forward undertakings.

The following table presents the Bank's assets that are measured at fair value as at 31 December.

31 December 2015	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
Financial assets at fair value through profit and loss				
- Sukuk instruments	-	-	-	-
- Equity instruments	-	-	-	-
Shari'a alternative for derivative financial instruments	-	(198,244)	-	(198,244)
Investments securities available for sale				
- Equity instruments	-	-	-	-
- Sukuk instruments	50,805,133	-	-	50,805,133
Total Assets	**50,805,133**	**(198,244)**	**-**	**50,606,889**

32 FAIR VALUE OF FINANCIAL INSTRUMENTS continued

31 December 2014				
Financial assets at fair value through profit and loss				
Financial assets at fair value through				
- profit and loss				
- Sukuk instruments	-	-	-	-
Equity instruments	-	-	-	-
Shari'a alternative for derivative financial instruments	-	(123,940)	-	(123,940)
Investments securities available for sale				
- Equity instruments	50,057,342			
- Sukuk instruments				50,057,342
Total Assets	**50,057,342**	**(123,940)**	-	**49,933,402**

There were no transfers made between level 1 and level 2 instruments.

32 FAIR VALUE OF FINANCIAL INSTRUMENTS continued

The following table presents the Bank's assets that are measured at amortised cost as at 31 December.

31 December 2015	**Carrying Amount**	**Fair value**	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
Investment securities held to maturity	675,802	686,104	686,104			686,104
Total Assets	**675,802**	**686,104**	**686,104**	-	-	**686,104**

31 December 2014	**Carrying Amount**	**Fair value**	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
Investment securities held to maturity	644,738	655,379	655,379			655,379
Total Assets	**644,738**	**655,379**	**655,379**	-	-	**655,379**

There were no transfers made between level 1 and level 2 instruments.

Valuation of Sukuk securities in issue above: Sukuk securities are valued using a cash flow model, discounted as appropriate to the security's funding and profit rates.

33 PARENT COMPANY

ADIB (UK) Ltd is wholly owned by Abu Dhabi Islamic Bank PJSC, a bank incorporated in UAE and quoted on the UAE Stock Exchange.

Copies of the Group accounts of the Abu Dhabi Islamic Bank PJSC can be obtained from:

www.adib.ae/financial-results

Abu Dhabi Islamic Bank PJSC
P.O. Box 313
Abu Dhabi
United Arab Emirates

34 EVENTS AFTER THE BALANCE SHEET DATE

There are no post balance sheet events.

35 PRA PILLAR 3 DISCLOSURES

ADIB (UK) Pillar 3 Disclosures can be found at the following web address: www.adib.co.uk

36 COUNTRY BY COUNTRY REPORTING

Capital Requirements Directive IV ("CRD IV") – country by country reporting

During 2015, the UK Government enacted legislation (contained in the Financial Services and Markets Act 2000 Statutory Instrument 3118) which requires CRD IV regulated institutions to publish the following information:

a) The name, nature of activities and geographical location of the institution and any subsidiaries and branches;
b) Turnover;
c) The average number of employees on a full time equivalent basis;
d) Profit or loss before tax;
e) Corporation tax paid; and
f) Public subsidies received.

The Bank falls within the scope of these regulations and accordingly the disclosures for the year ended 31 December 2015 are set out below.

		UK	Total
a) Entity name:	ADIB (UK) Limited		
b) Nature of activities	Shari'a compliant bank		
c) Operating income (£)		2,115,891	2,115,891
d) Average number of employees		26	26
e) Loss before tax (£)		(4,094,205)	(4,094,205)
f) Corporation tax paid (£)		-	-
g) Public subsidies received (£)		-	-