

1H 2024 Earnings Presentation

Analyst & Investor Conference Call

Abu Dhabi, 25 July 2024

ADIB IR Website



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Key Highlights

1H 2024 Earnings Presentation

= 1H 2024 Key Highlights

Very solid set of financial results showing consistent growth trend on strong customer financing growth and healthy funding strategy

Record 1H 2024 performance with net income after tax of AED 3.03bn up 30% YoY and up 40% before tax to AED 3.42bn, translating to ROE of 28.8%

Quarterly profit (before tax) of AED 1.78bn up 8% sequentially and 38% YoY

Revenue up 25% to AED 5.35bn driven by 13% growth in funded income and 52% growth in non-funded income reflecting strong business volumes and continued strength in fee-based businesses

Cost / Income ratio dropped to 28.6% an improvement of 183bps sequentially helped by strong revenue growth and continued cost discipline

ADIB welcomed 97,465 new customers since the beginning of the year

Assets surpassed AED 200bn milestone driven by 21% growth in customer financing that were efficiently funded by 15% YoY deposits growth with CASA increasing 9%

Maintained robust fundamentals through solid asset quality with NPA reaching 4.7%, strong liquidity profile and robust capital position with a CAR of 17.2%

1H'24 Net Income growth YoY

+40% Before tax **+30%** After tax

1H'24 Revenue growth YoY

+25%



1H'24 ROE

28.8%



1H'24 net financing growth YoY

+21%



Financial Performance

1H 2024 Earnings Presentation

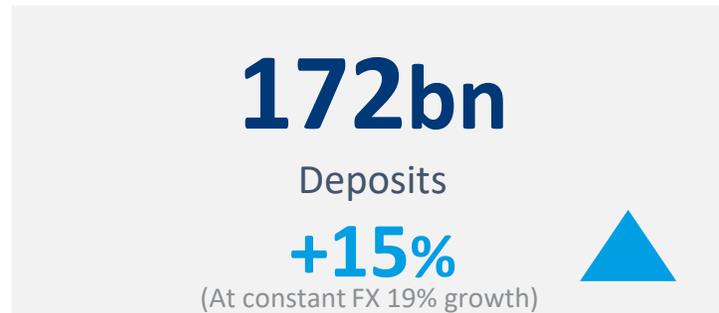
= Financial Performance Highlights

Delivered solid net income of AED 3.03bn in 1H 2024, growing 30% YoY on solid balance sheet growth and non-funded income growth

= Strong YoY Growth in Profitability



= Solid Balance Sheet Growth YoY



= Strong Capital Position and Return YoY



= Key financial metrics – 1H 2024 vs 1H 2023

Another set of record results with ROE reaching 28.8% driven by solid growth in balance sheet and diversified revenues streams

	1H 2023	1H 2024	Change %
Profitability (AED mn)			
Revenue	4,264	5,349	25%
Expenses	-1,446	-1,528	6%
Margin	2,819	3,821	36%
Cost of Credit	-369	-402	9%
Net Income before Zakat & Tax	2,450	3,419	40%
Zakat & Tax	-124	-390	215%
Net Income after Zakat & Tax	2,326	3,029	30%
Balance Sheet (AED bn)			
Total Assets	182.2	213.4	17%
Gross Financing Assets	115.1	136.6	19%
Risk Weighted Assets	128.3	152.0	18%
Customer Deposits	150.4	172.2	15%
Investments	22.6	27.2	20%
Key Ratios			
Cost to Income	33.90%	28.57%	-5.33%
Return on Equity	24.92%	28.80%	3.88%
NPA Coverage	72.5%	76.9%	4.4%

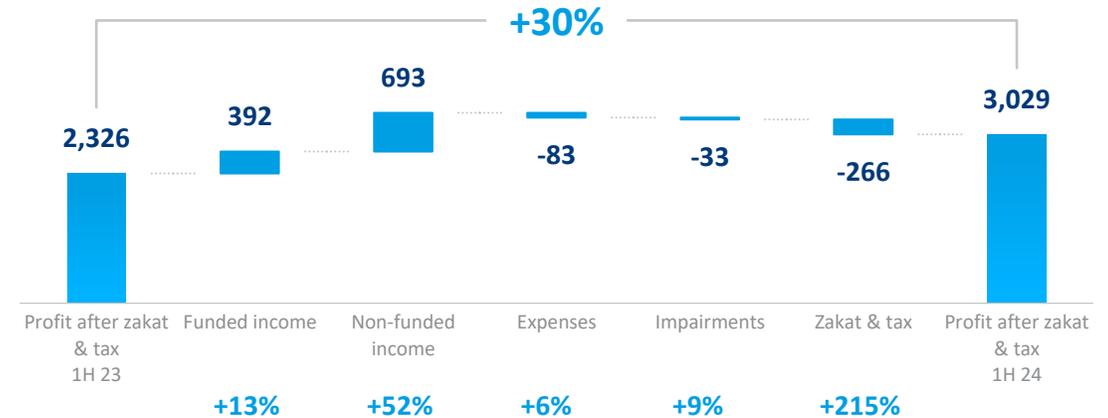
= Income Statement

1H 2024 net income up 30% YoY on accelerated core revenue momentum and operational discipline

= Net Income (AEDmn)



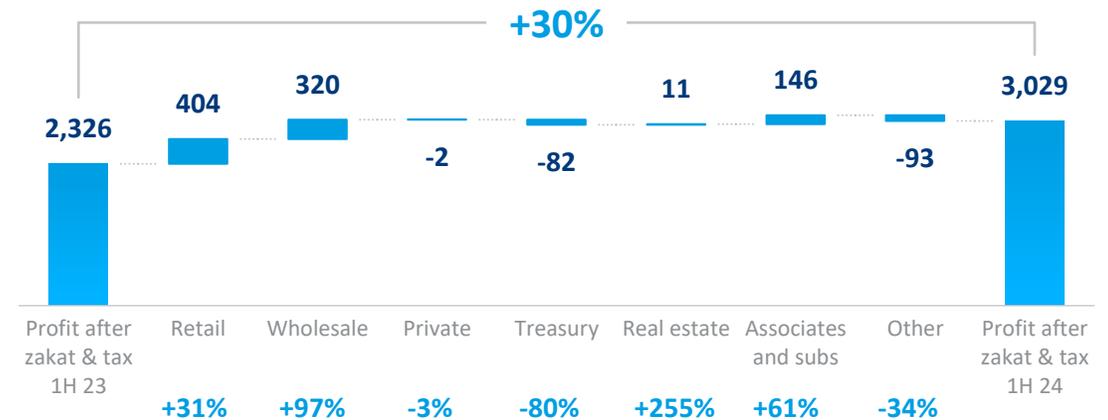
= Net Income Movement YoY (AEDmn)



= Income Statement Highlights

AED (mn)	1H 2024	1H 2023	Δ%	2Q 2024	2Q 2023	Δ%
Funded income	3,322	2,930	+13%	1,631	1,504	+8%
Non-funded income	2,028	1,335	+52%	1,201	724	+66%
Revenues	5,349	4,264	+25%	2,832	2,228	+27%
Operating expenses	(1,528)	(1,446)	+6%	(763)	(719)	+6%
Provision for impairment	(402)	(369)	+9%	(293)	(223)	+31%
Net Income after zakat and tax	3,029	2,326	+30%	1,578	1,224	+29%

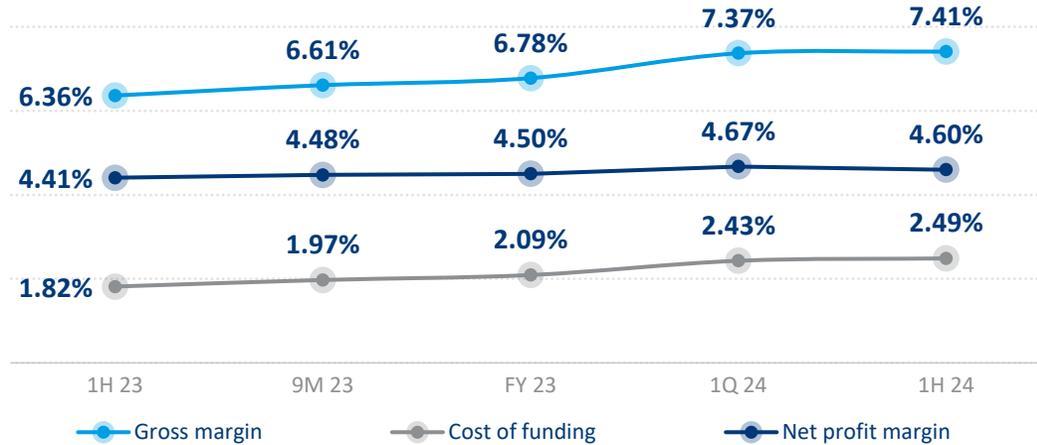
= Net Income Movement by Segment YoY (AEDmn)



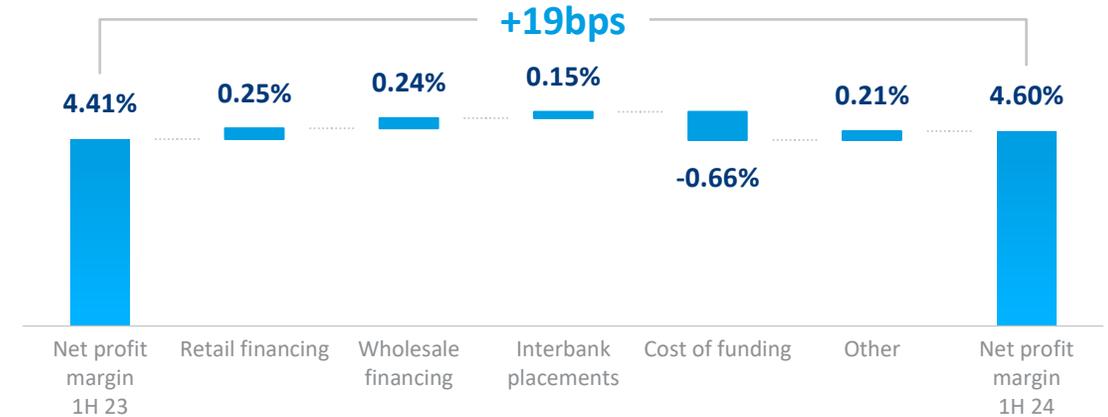
= Funded Income

Strong growth in funded income with NPM trending strong reflecting discipline on both asset and liability pricing

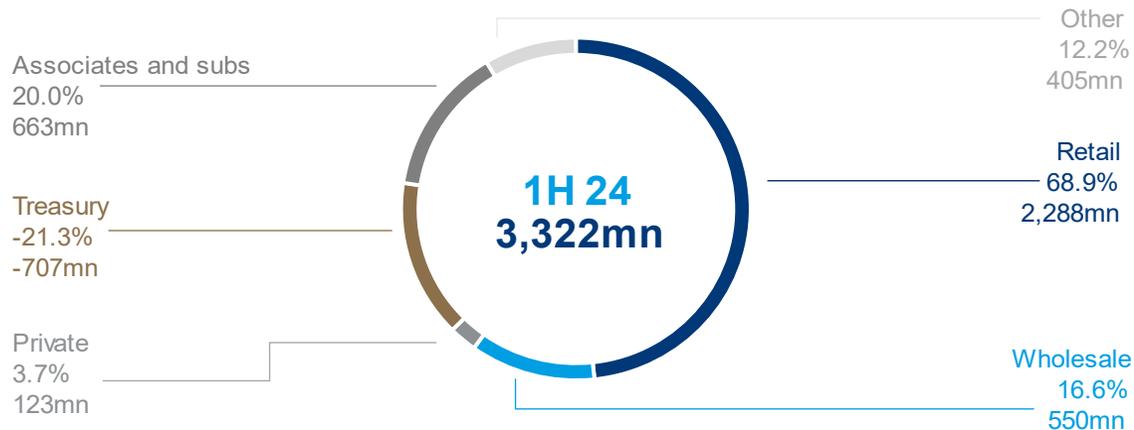
= Net Profit Margin (%)



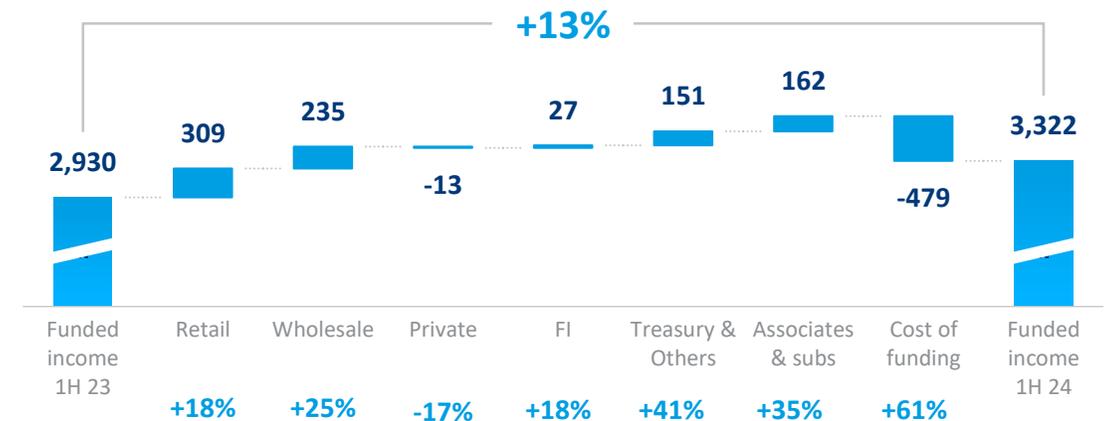
= Net Profit Margin Movement YoY (%)



= Funded Income Composition (AEDmn)



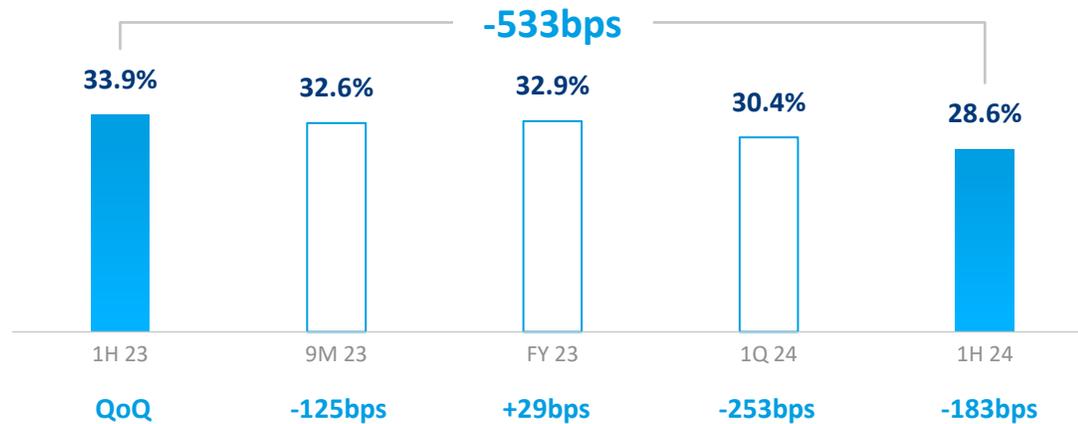
= Net Revenue from Funding Activities Movement YoY (AEDmn)



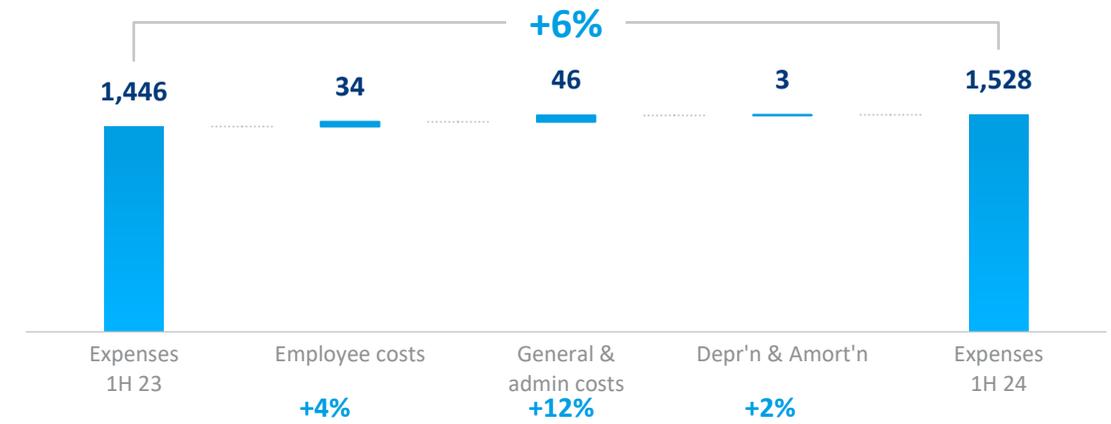
= Operating Expenses

Outstanding operating efficiency with C/I ratio improving by more than 500 bps YoY helped by higher income and cost discipline

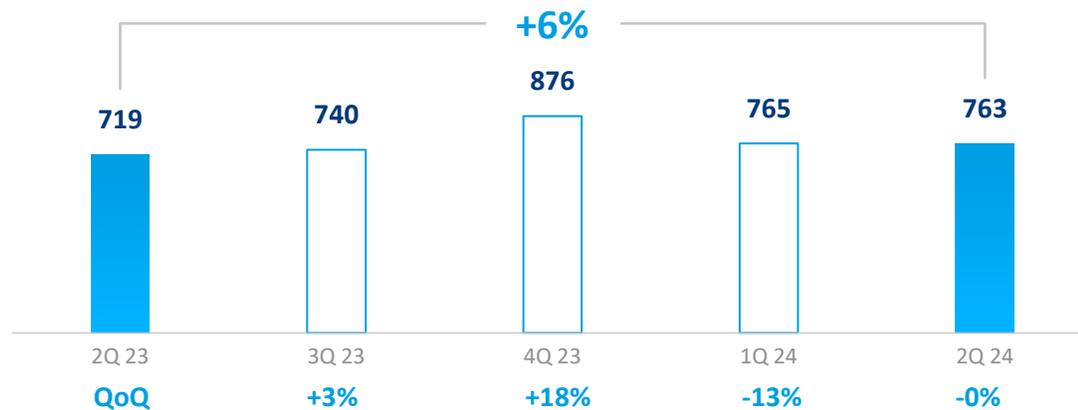
= Cost To Income Ratio (%)



= Expenses Movement YoY (AEDmn)



= Expenses (AEDmn)



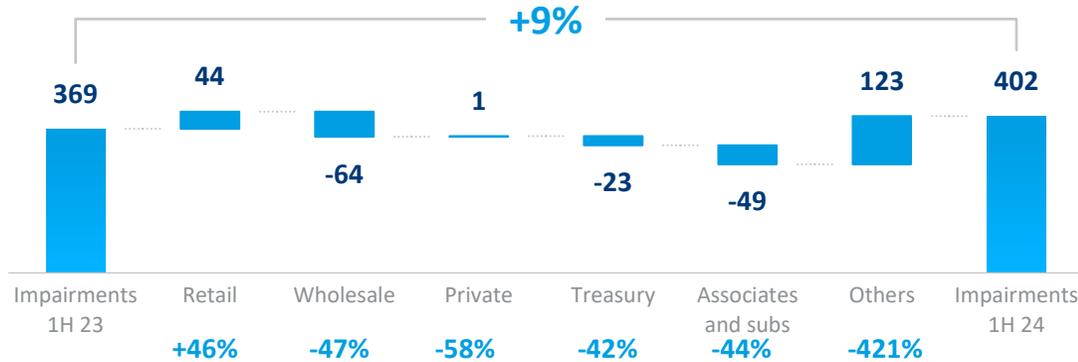
= Expenses Composition (%)



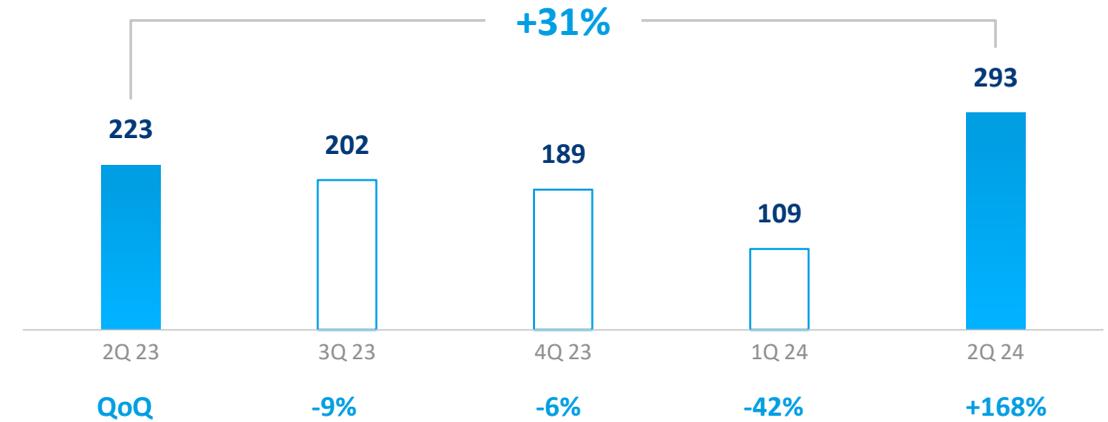
= Impairments

Impairment charge up 9% YoY and COR is at a comfortable 55bps for 1H 2024

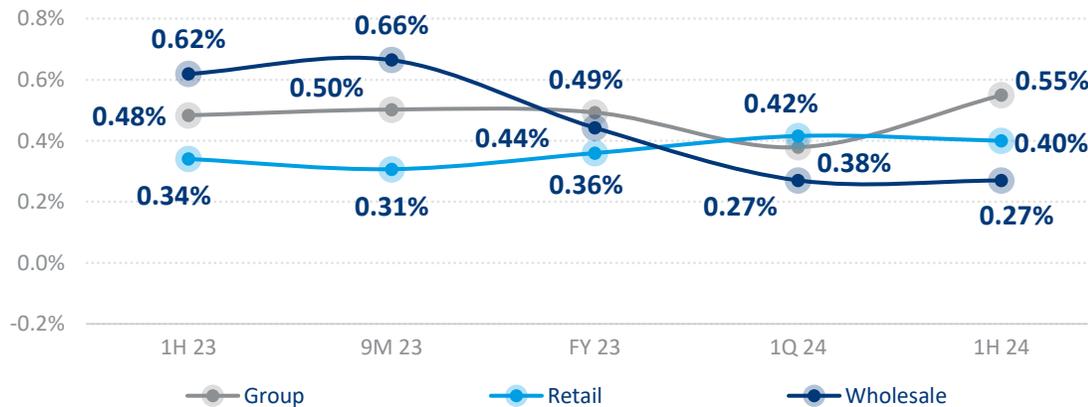
= Impairments Movement YoY (AEDmn)



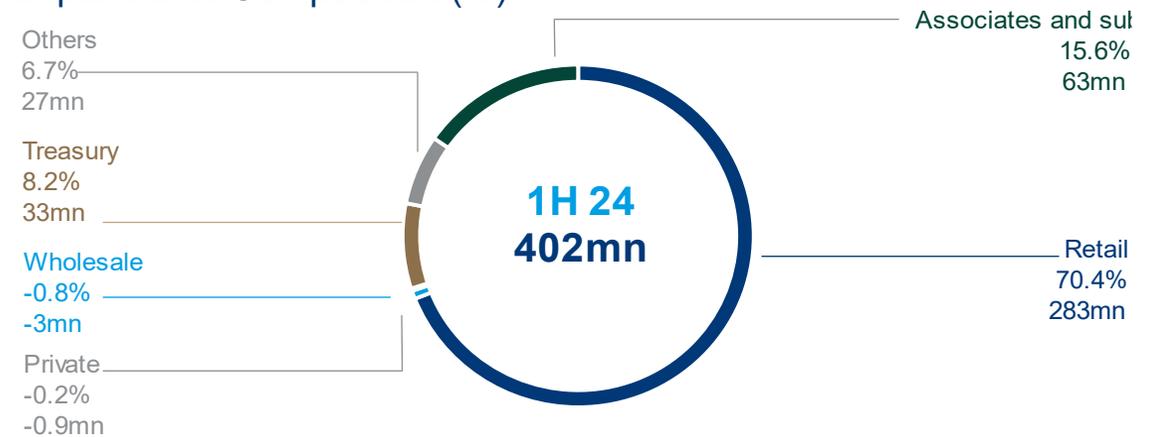
= Impairments (AEDmn)



= Cost Of Risk (%)



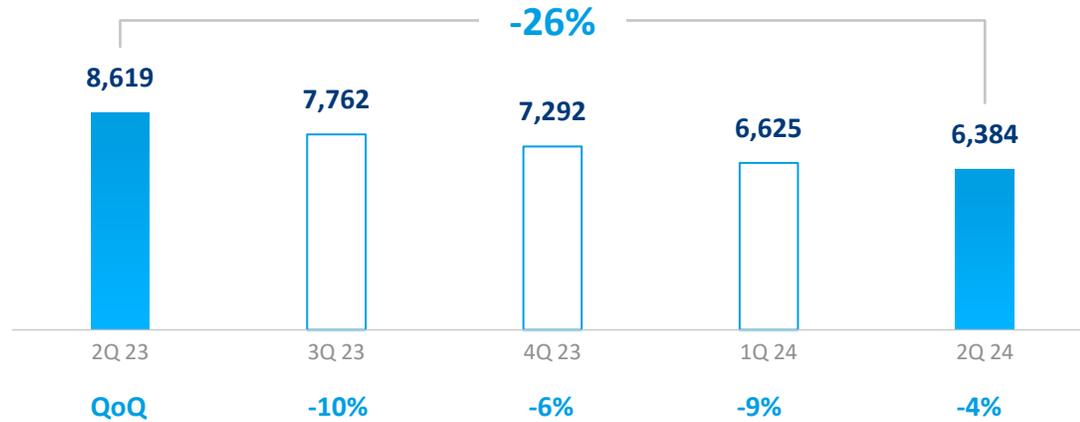
= Impairments Composition (%)



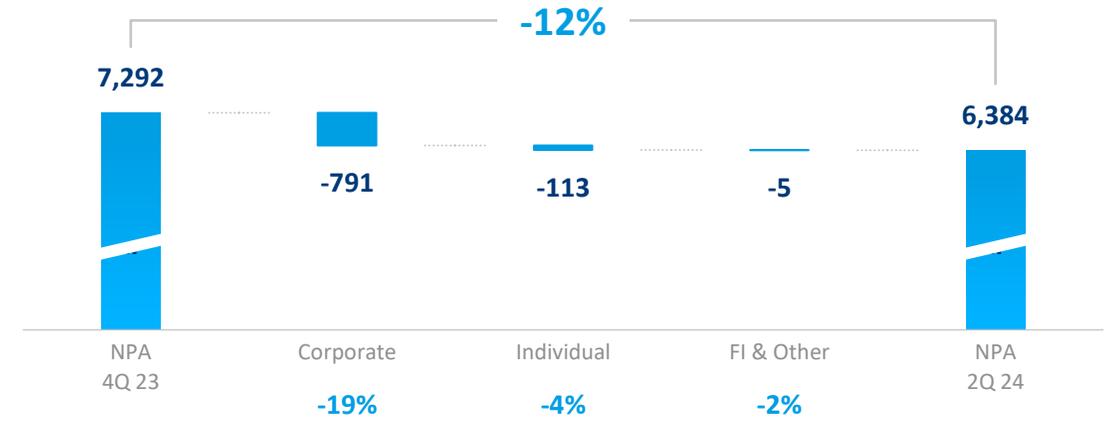
= Non-Performing Financing

Asset quality continues to significantly improve with NPA ratio of 4.7% lowest since 4Q 18 while coverage ratio increased to 77%

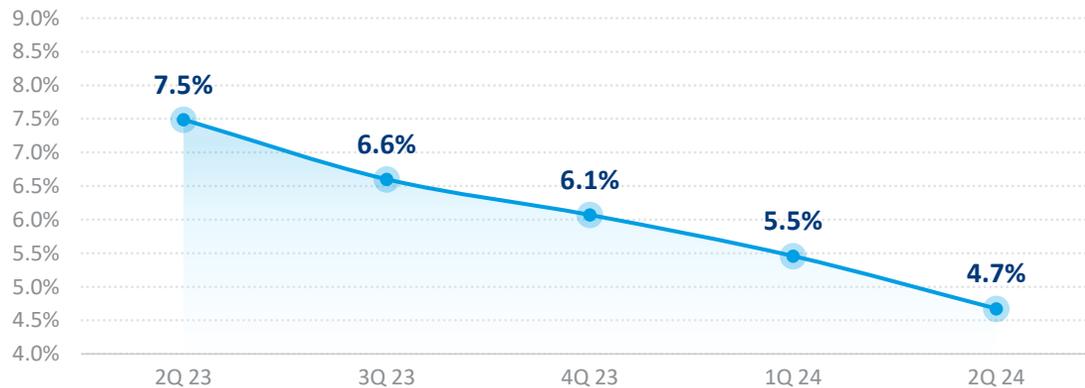
= NPA (AEDmn)



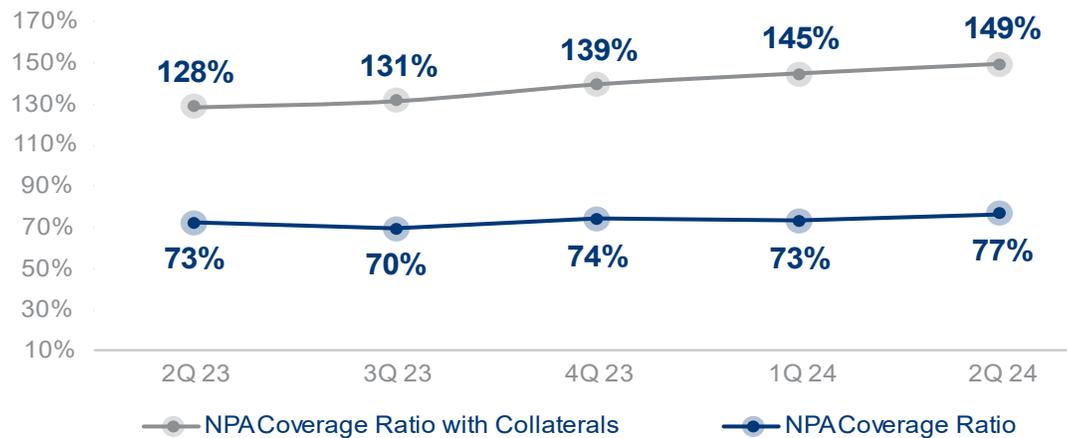
= NPA Movement YTD (AEDmn)



= NPA Ratio (%)



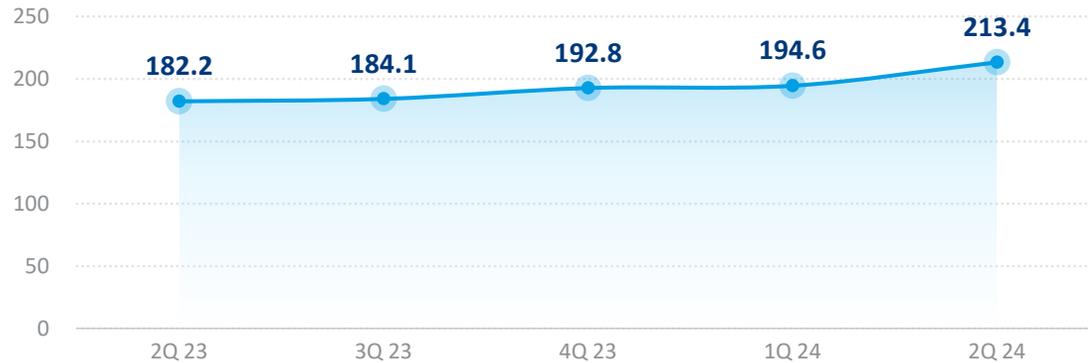
= NPA Coverage Ratio (%)



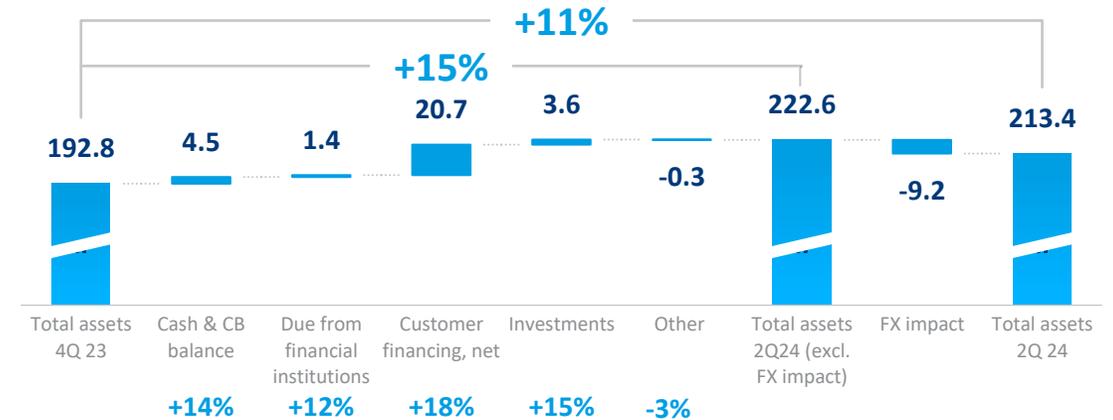
= Balance Sheet

Total assets surpassed AED 200bn driven by 21% growth in customer financing supported by a very strong funding position

= Total Assets (AEDbn)



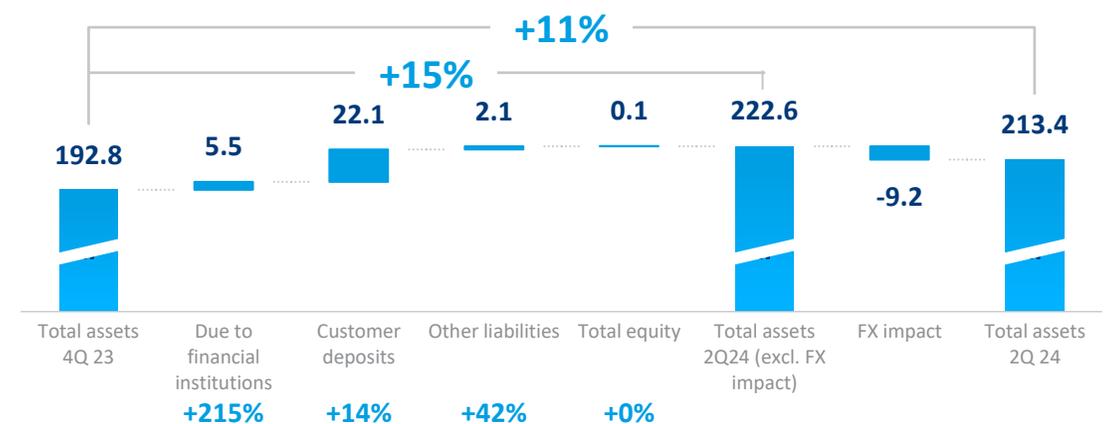
= Total Assets Movement YTD (AEDbn)



= Balance Sheet Highlights

AED (mn)	2Q 2024	4Q 2023	Δ%	2Q 2023	Δ%
Customer financing, net	132,066	115,002	15% ⁽¹⁾	109,329	21%*
Investments	27,153	24,483	11%	22,590	20%
Total assets	213,403	192,827	11%	182,167	17%
Total Deposits	172,244	157,067	10% ⁽²⁾	150,401	15%**
Total liabilities	187,916	166,585	13%	158,718	18%
Total equity	25,486	26,242	-3%	23,449	9%

= Funding Movement YTD (AEDbn)



*24% growth of customer financing in constant currency, excluding devaluation of EGP | ** 19% growth of total deposits in constant currency, excluding devaluation of EGP
(1) 18% growth of customer financing in constant currency, excluding devaluation of EGP | (2) 14% growth of total deposits in constant currency, excluding devaluation of EGP

= Customer Financing

AED 17 bn YTD growth in customer financing reflecting retail gaining market share and corporate banking closing landmark deals

= Customer Financing, Net (AEDbn)



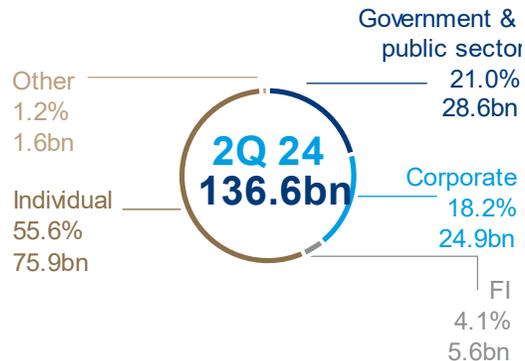
= Customer Financing, Gross by Segment (%)



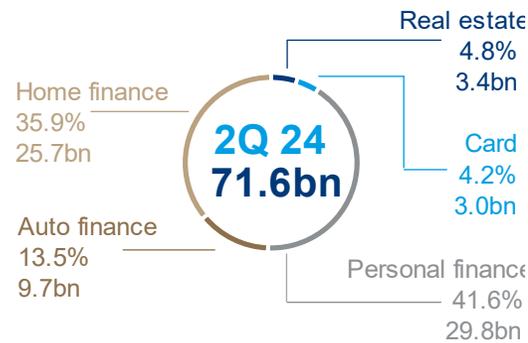
= Customer Financing, Gross Movement YTD (AEDbn)



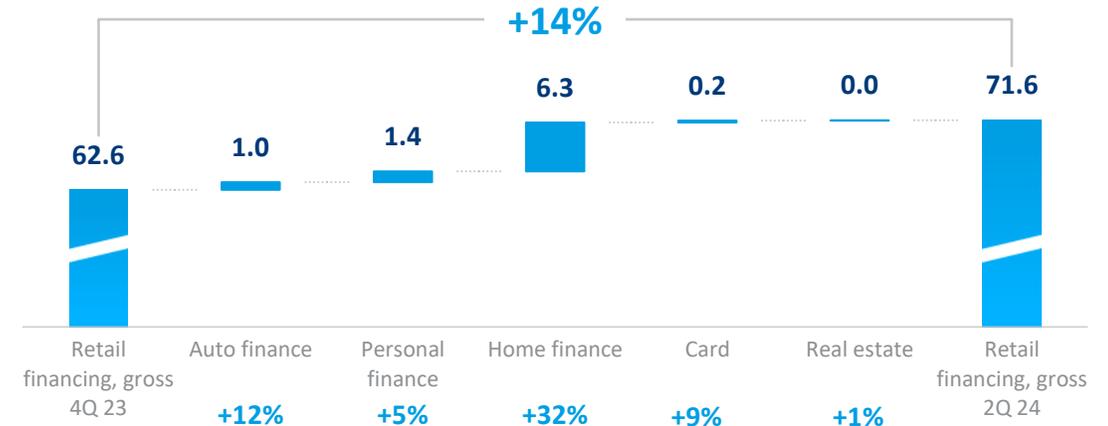
= Customer Financing, Gross by Sector (%)



= Retail Financing, Gross Composition (%)



= Retail Financing, Gross Movement YTD (AEDbn)



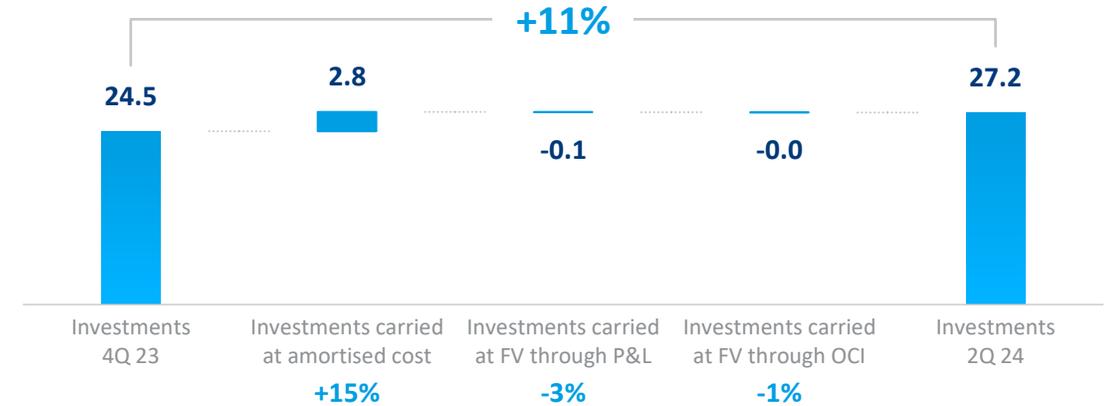
= Investments

Diversified Investment Portfolio growing 20% vs 2Q 23

= Investments (AEDbn)



= Investments Movement YTD (AEDbn)



= Investments by Country (%)



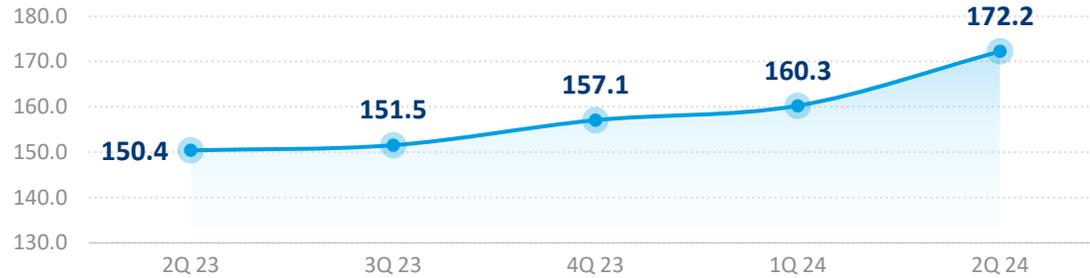
= Investments by Type (%)



= Customer Deposits

Up 10% YTD reflecting our ability to gain market share with 5.5 bn increase in CASA, demonstrating effective deposit gathering strategy

= Total Deposits (AEDbn)



= Total Deposits by Segment (%)



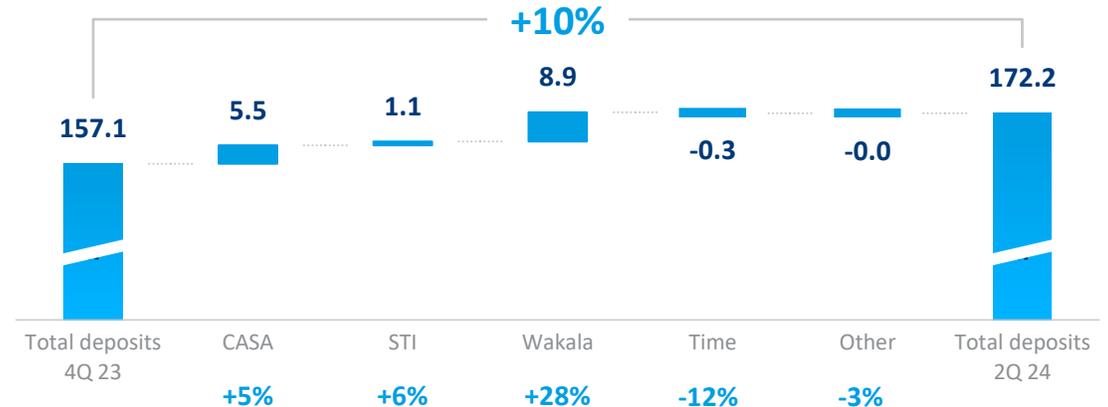
= Total Deposits by Type (%)



= Total Deposits Movement YTD (AEDbn)



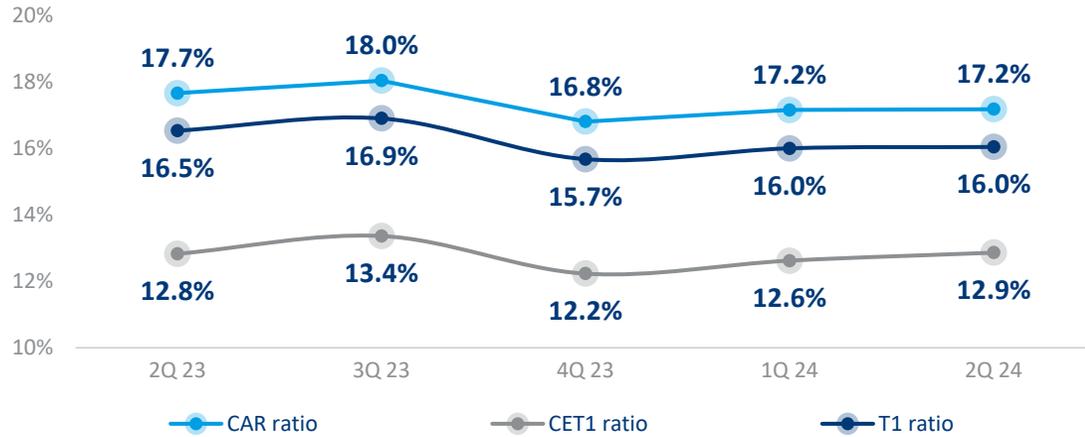
= Total Deposits Movement by Type YTD (AEDbn)



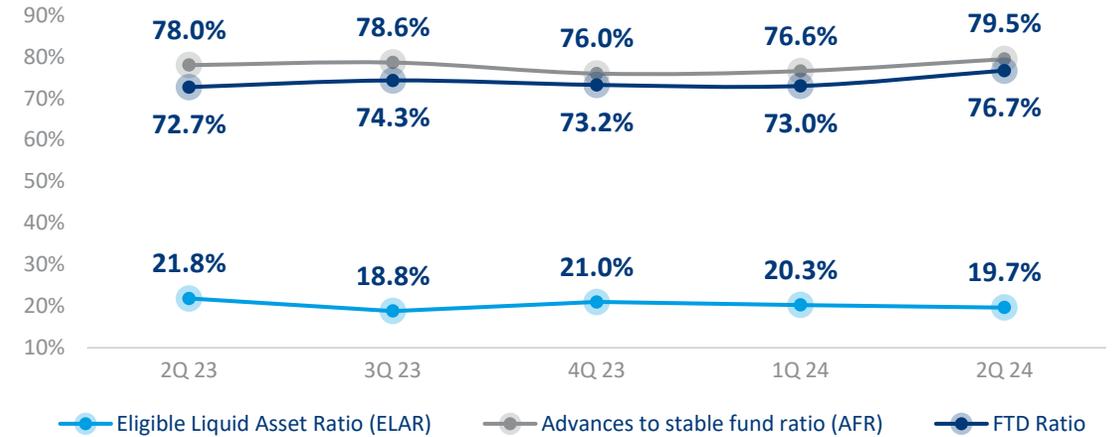
= Capital and Liquidity

Robust foundation across all key metrics including strong capital and liquidity ratios

= Capitalization Ratios (%)



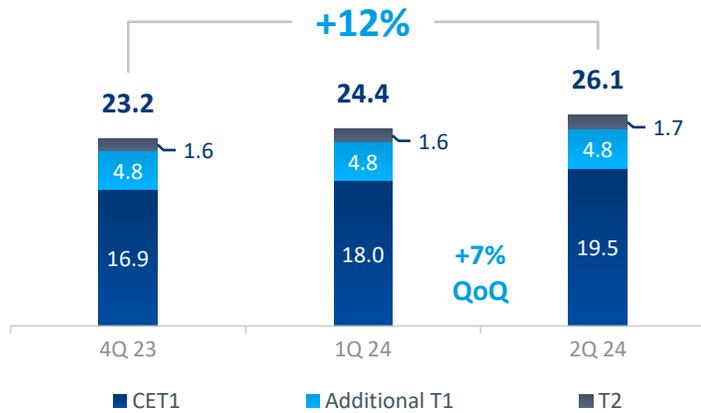
= Liquidity Ratios (%)



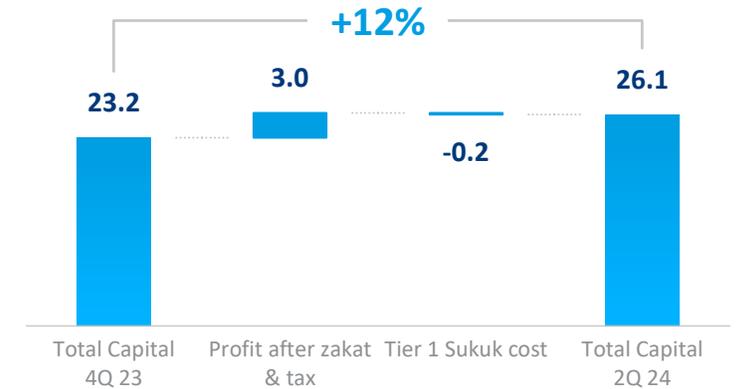
= RWA (AEDbn)



= Capitalization (AEDbn)



= Total Capital Movement YTD (AEDbn)



Outlook and Guidance

1H 2024 Earnings Presentation

= Outlook and Guidance

Solid financial & strategic foundations drive a promising outlook for 2024

= Market Outlook

= Solid GDP growth

Real GDP growth (%)



= Oil prices to remain supportive

Brent Price / Barrel (avg) (USD)



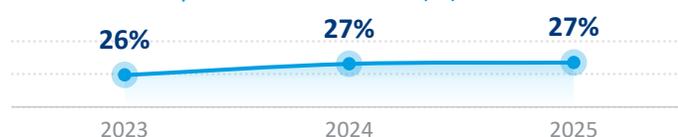
= Inflation expectations are modest

UAE Inflation (avg) (%)



= Expenditure expected to remain stable

Government expenditure % of GDP (%)



= Management Guidance

= Gross Financing Growth

Executing ADIB's growth strategy against a positive economic backdrop resulting in balanced growth across Retail & Wholesale

1H 2024 Actual

14% YTD

FY 2024 Guidance

> 16%

Revised guidance

= Net Profit Margin

Higher 4Q23 NPM exit rate moderating towards 4.5% average for FY 2024 from modest expected rate cuts during the year

4.60%

> 4.5%

= Cost of Risk

Modest rise in CoR from ongoing expansion into SME and retail expat sectors and continued build-up of prudent provisioning

0.55%

0.40% to 0.60%

= Cost to Income Ratio

Opex growth to support business expansion moderated by disciplined management and digital efficiencies with overall positive "jaws"

28.6%

< 30%

= Return on Equity

Solid expected profit growth and focus on capital-efficient income growth expected to drive continued superior returns

28.8%

> 25%

Questions & Answers

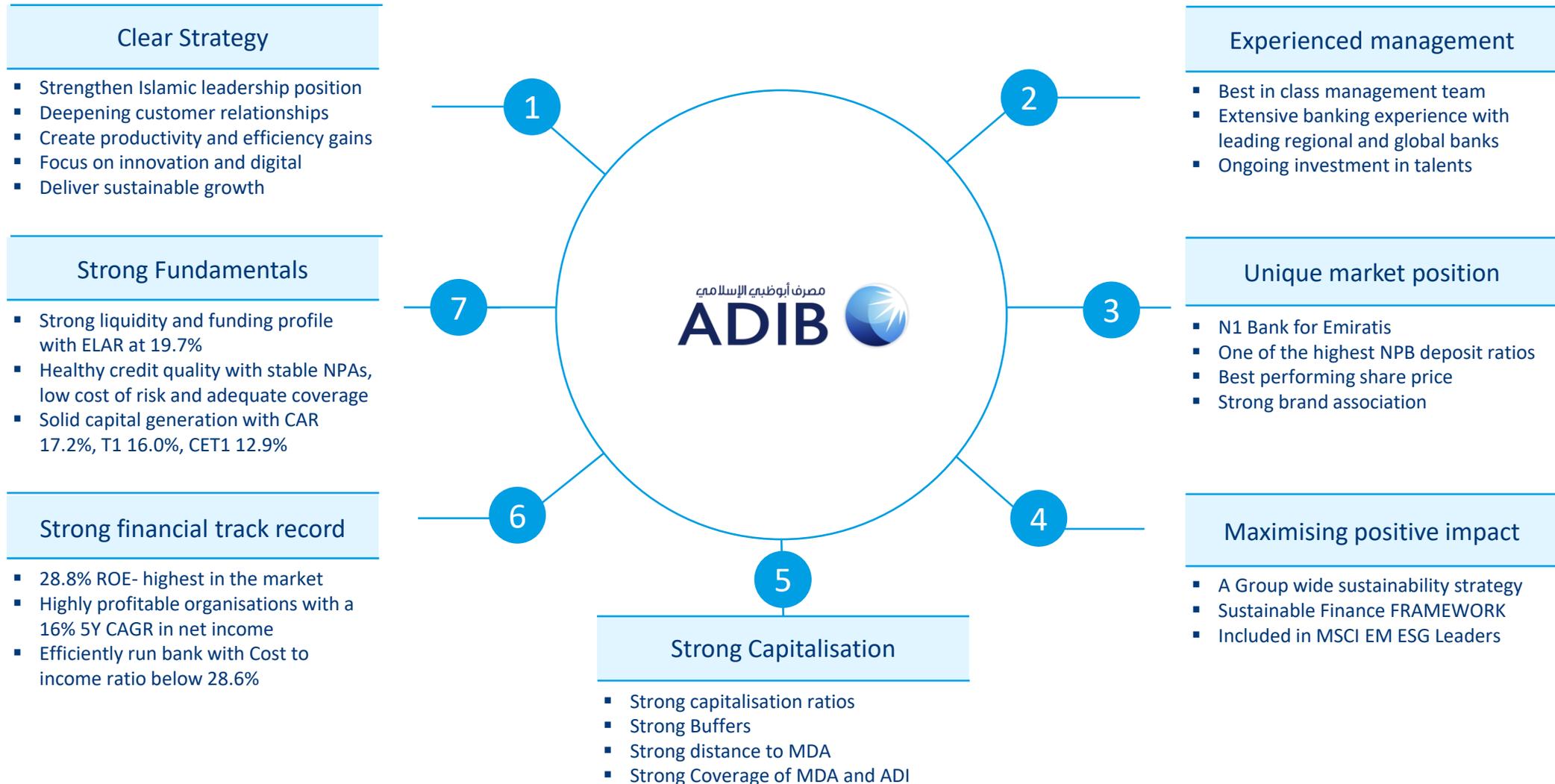
1H 2024 Earnings Presentation

Appendix

1H 2024 Earnings Presentation

= Investment Highlights

Strong Management, Solid Fundamentals and Clear Strategy



= Consistent dividend distribution

ADIB consistently distribute dividends with average yield of above 5%

= Shareholder Return Metrics



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Profit in AED mn	1,201	1,450	1,751	1,934	1,954	2,300	2,501	2,601	1,604	2,330	3,619	5,251
Cash Dividend Payout ratio (% of Net Profit)	50.0%	50.0%	40.0%	39.8%	39.8%	39.8%	39.8%	38.2%	46.6%	48.5%	49.2%	49.4%
Cash Dividend (% of Share Capital)	25.4%	30.7%	23.3%	24.3%	24.5%	28.9%	27.4%	27.4%	20.6%	31.1%	49.0%	71.9%
Cash dividend in AEDmn	600	725	700	770	778	915	995	994	747	1,130	1,779	2,595
Bonus shares	-	635	-	-	-	-	-	-	-	-	-	-
Bonus shares (% of Share Capital)	-	26.9%	-	-	-	-	-	-	-	-	-	-

= Ratings and Accolades

ADIB's recognition for excellence in Islamic banking

= Credit Ratings

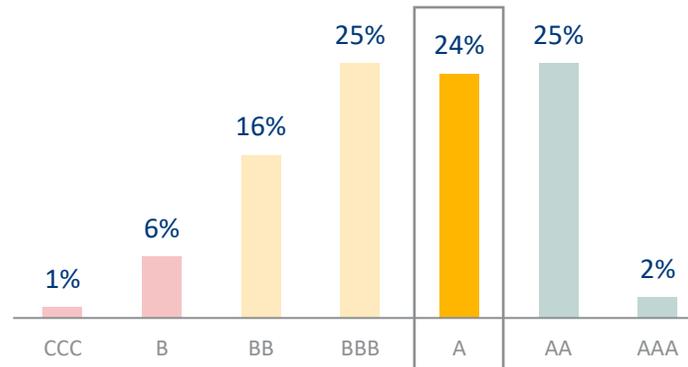
MOODY'S
A2
 Stable Outlook

FitchRatings
A+
 Stable Outlook

= ADIB's MSCI ESG Rating



= MSCI Rating Distribution



= Recent Accolades


#1
 Islamic Retail bank


#1
 Market leader in digital


#1
 Bank in the UAE


#1
 Safest Islamic bank globally

Contacts

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= Additional Information

Please contact the Investor Relations team for additional information or download ADIB's IR App

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ADIB Investor Relations Website

<https://adib.com/en/Pages/Investor-Relations.aspx>

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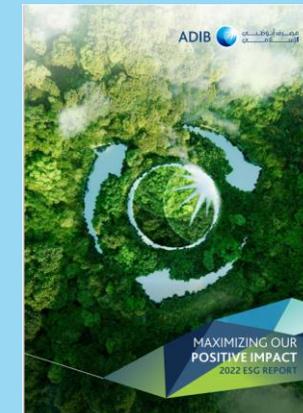
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