

FY 2024 Earnings Presentation

Analyst & Investor Conference Call

Abu Dhabi, 29 January 2025

ADIB IR Website



IR App Download link:



= Contents

FY 2024 Earnings Presentation

= Key Highlights

= Financial Performance

= Questions & Answers

= Appendix

= Contacts

= Disclaimer

Key Highlights

FY 2024 Earnings Presentation

= Financial highlights

Record earnings driven by strong business momentum & growth across diverse income streams

Record FY 2024 performance with net income before tax of AED 6.9bn up 26% YoY and up 16% after tax to AED 6.1bn, translating to ROE of 27.9%

Revenue up 14% YoY to AED 10.6bn reflecting strong business volumes and improved revenue mix with higher non-funded income contribution

Cost / Income ratio dropped to 29.6% an improvement of 336bps YoY helped by strong revenue growth and continued cost discipline

ADIB welcomed more than 216,000 new customers since the beginning of the year

Total assets crossed AED 226bn milestone driven by 24% growth in customer financing that were efficiently funded by 16% YoY deposits growth with CASA increasing 9%

Continuous improvement in asset quality with NPA ratio at 4.0% lowest since Q1 2017 and increased coverage ratio to 81.5%

Proposing a cash dividend of 83 fils per share compared to 71 fils per share last year equivalent to 50% of net profit

FY'24 Net Income growth YoY

+26% **+16%**
 Before tax After tax

FY'24 Cost / Income ratio

29.6% 

FY'24 ROE

27.9% 

FY'24 Net financing growth YoY

+24% 

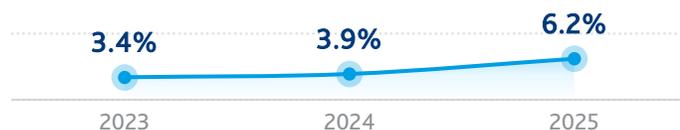
= Outlook and Guidance

Solid financial & strategic foundations drive a promising outlook for 2025

= Market Outlook

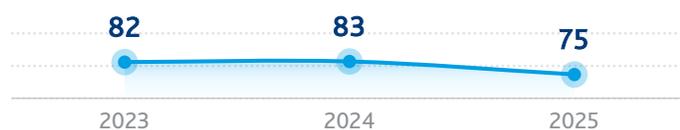
= Solid GDP growth

Real GDP growth (%)



= Oil prices to remain supportive

Brent Price / Barrel (avg) (USD)



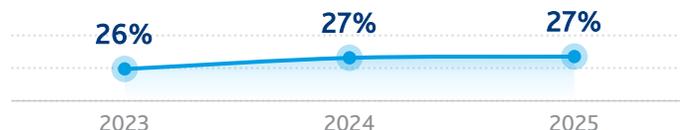
= Inflation expectations are modest

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

FY 2024 Actual

22% ✓

FY 2025 Guidance

> 10%

= Net Profit Margin

Expectation for another 50bps rate cut in 2025. NPM moderating towards 4% average for FY 2025

4.35% ✓

> 4%

= Cost of Risk

Modest rise in CoR from ongoing expansion of portfolio and continued build-up of prudent provisioning

0.53% ✓

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"

29.6% ✓

< 30%

= Return on Equity

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

27.9% ✓

> 25%

Financial Performance

FY 2024 Earnings Presentation

1

2

3

4

5

6

= Financial Performance Highlights

Record profitability in FY 2024 with 26% growth in net profit before tax driven by strong customer financing and non-funded income growth

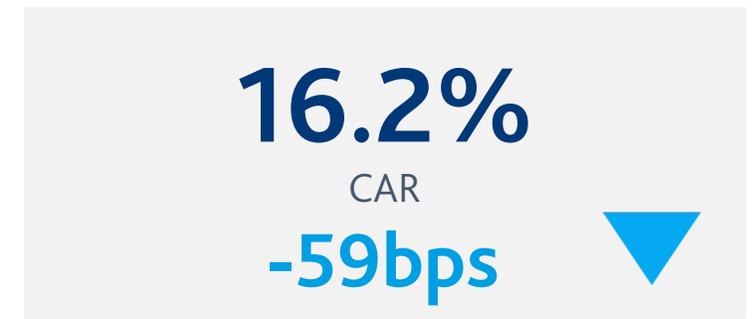
= Strong YoY Growth in Profitability



= Robust Balance Sheet Growth YoY



= Strong Capital Position and Return YoY



= Key financial metrics – FY 2024 vs FY 2023

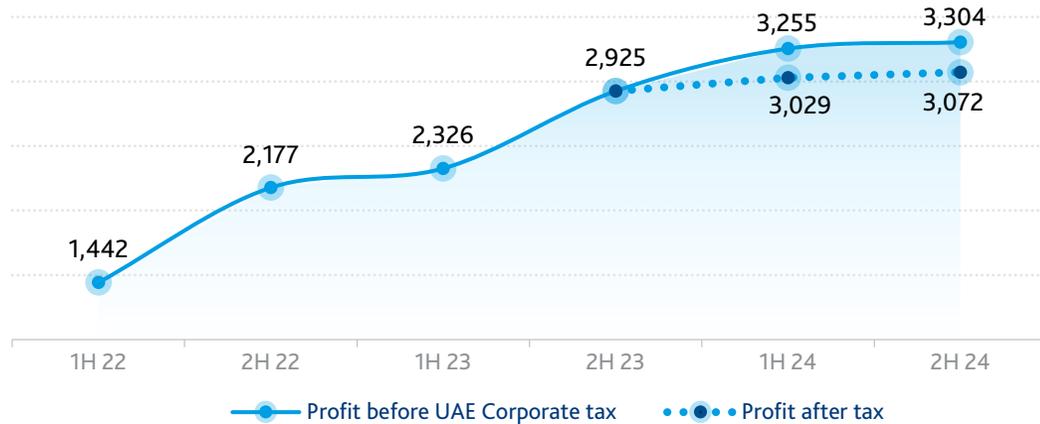
Record set of results with ROE reaching 27.9% driven strong commercial momentum, diversified revenue streams and cost discipline

	FY 2023	FY 2024	FY 2024 vs FY 2023		
			Amount	%	
Profitability (AED mn)	Revenue	9,294	10,632	1,338	14%
	Expenses	-3,061	-3,145	-83	3%
	Margin	6,232	7,487	1,255	20%
	Cost of Credit	-760	-620	141	-18%
	Net Income before Zakat & Tax	5,472	6,868	1,396	26%
	Zakat & Tax	-221	-766	-545	247%
	Net Income after Zakat & Tax	5,251	6,101	850	16%
Balance Sheet (AED bn)	Total Assets	192.8	225.9	33.1	17%
	Gross Financing Assets	120.2	147.1	27.0	22%
	Risk Weighted Assets	138.2	160.0	21.8	16%
	Customer Deposits	157.1	182.7	25.6	16%
	Investments	24.5	29.3	4.8	20%
Key Ratios	Cost to Income	32.94%	29.58%		-3.36%
	Return on Equity	27.11%	27.92%		0.82%
	NPA Coverage	74.3%	81.5%		7.2%
	NPA	6.1%	4.0%		-2.0%

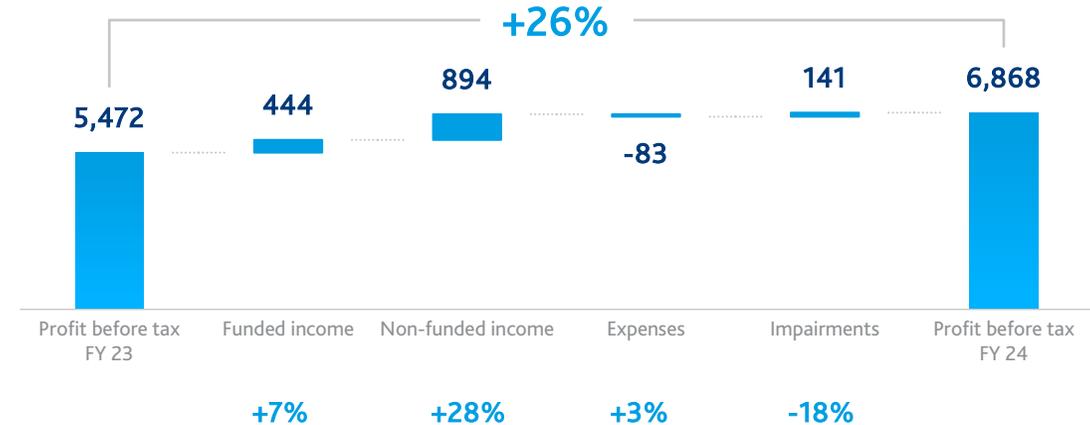
= Income Statement

FY 2024 net income before tax growth of 26% YoY driven by strong revenue momentum, operating efficiency and balance sheet growth

= Net Income (AEDmn)



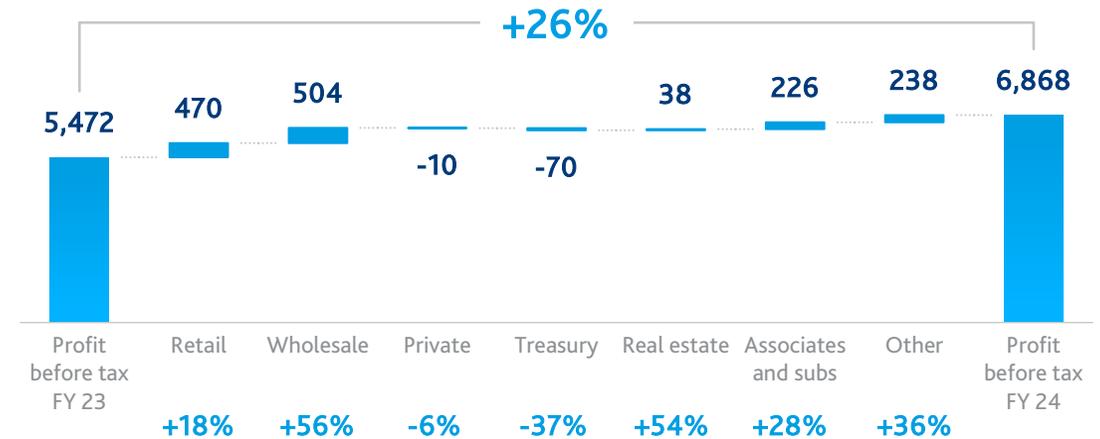
= Net Income before Tax Movement YoY (AEDmn)



= Income Statement Highlights

AED (mn)	FY 2024	FY 2023	Δ%	4Q 2024	4Q 2023	Δ%
Funded income	6,566	6,122	+7%	1,663	1,616	+3%
Non-funded income	4,066	3,172	+28%	974	984	-1%
Revenues	10,632	9,294	+14%	2,637	2,599	+1%
Operating expenses	(3,145)	(3,061)	+3%	(821)	(876)	-6%
Provision for impairment	(620)	(760)	-18%	(172)	(189)	-9%
Net Income before zakat and tax	6,868	5,472	+26%	1,645	1,534	+7%
Net Income after zakat and tax	6,101	5,251	+16%	1,467	1,501	-2%

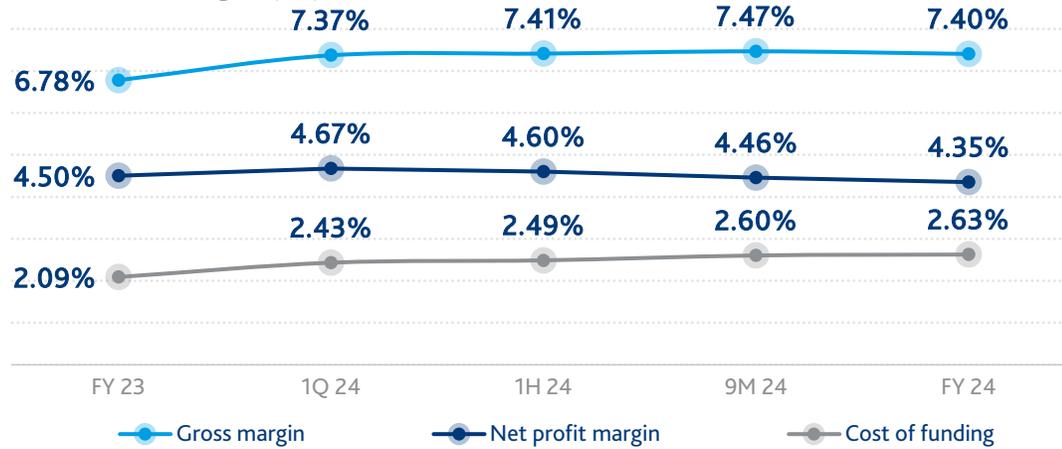
= Net Income before Tax Movement by Segment YoY (AEDmn)



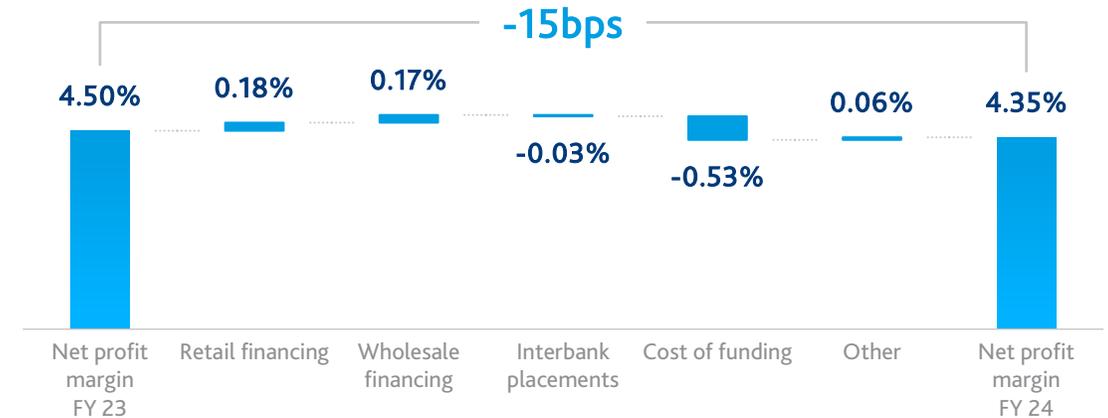
= Funded Income

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

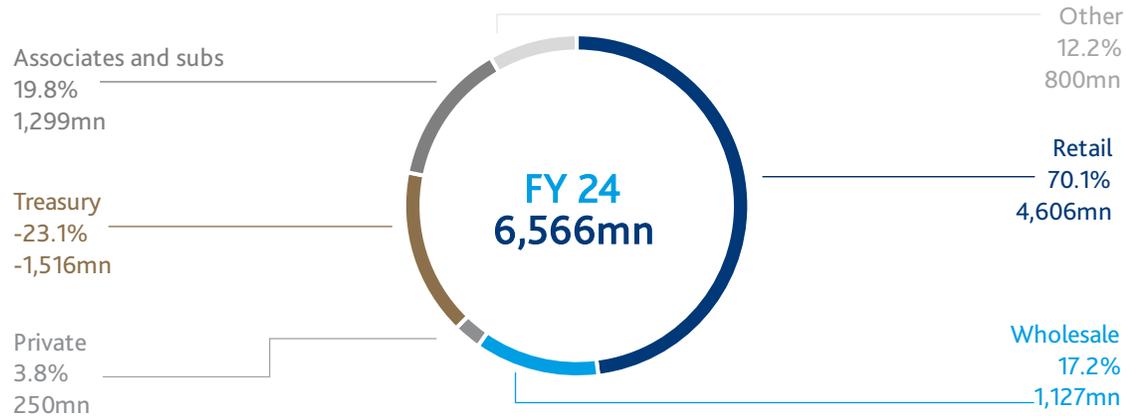
= Net Profit Margin (%)



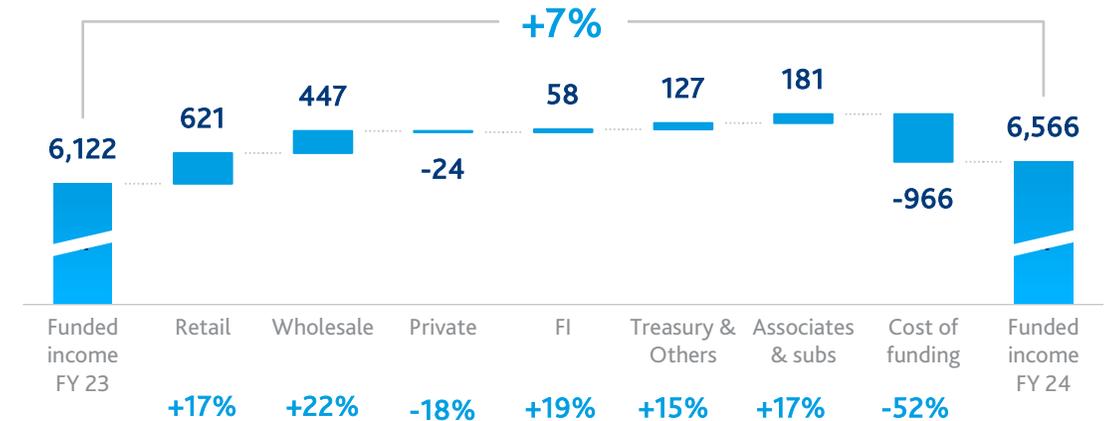
= Net Profit Margin Movement YoY (%)



= Funded Income Composition (AEDmn)



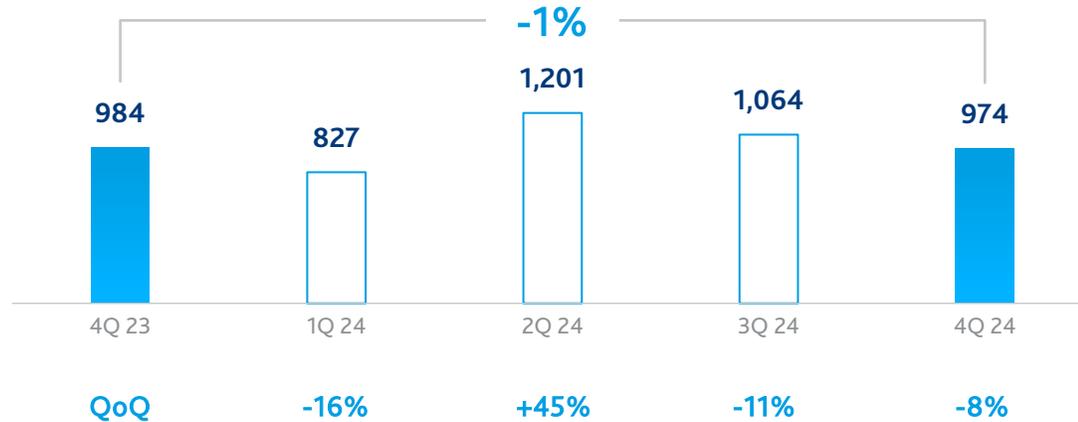
= Net Revenue from Funding Activities Movement YoY (AEDmn)



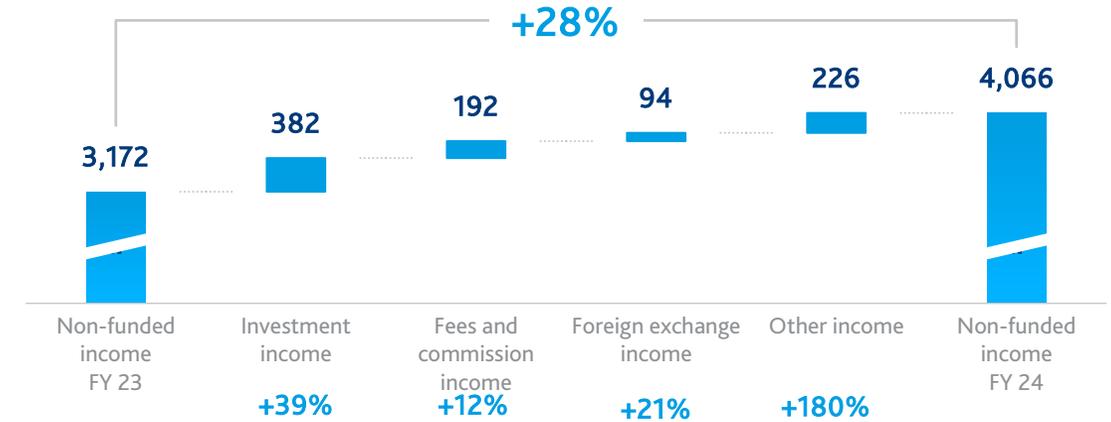
= Non-Funded Income

Strong non-funded income growth YoY on F&C and investment income, underlining strategic focus on revenue diversification

= Non-Funded Income (AEDmn)



= Non-Funded Income Movement YoY (AEDmn)



= Non-Funded Income Composition (%)



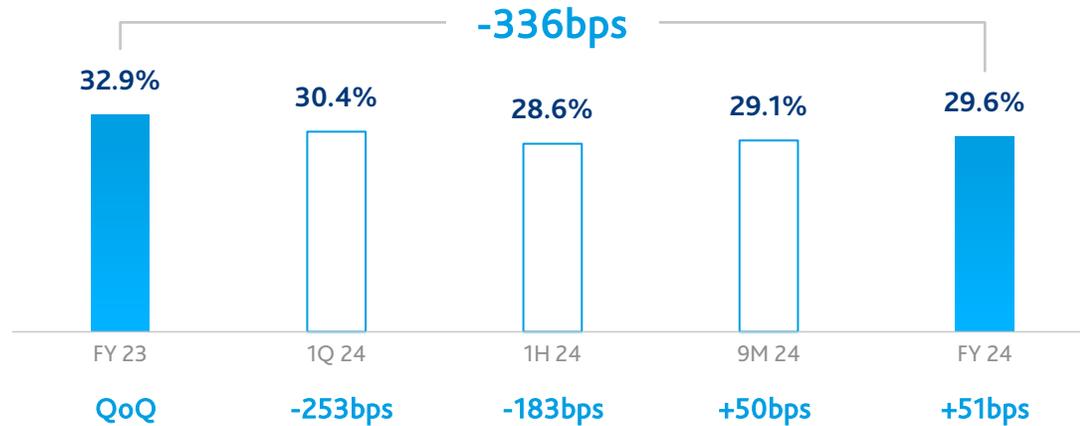
= Fee & Commission Income Movement YoY (AEDmn)



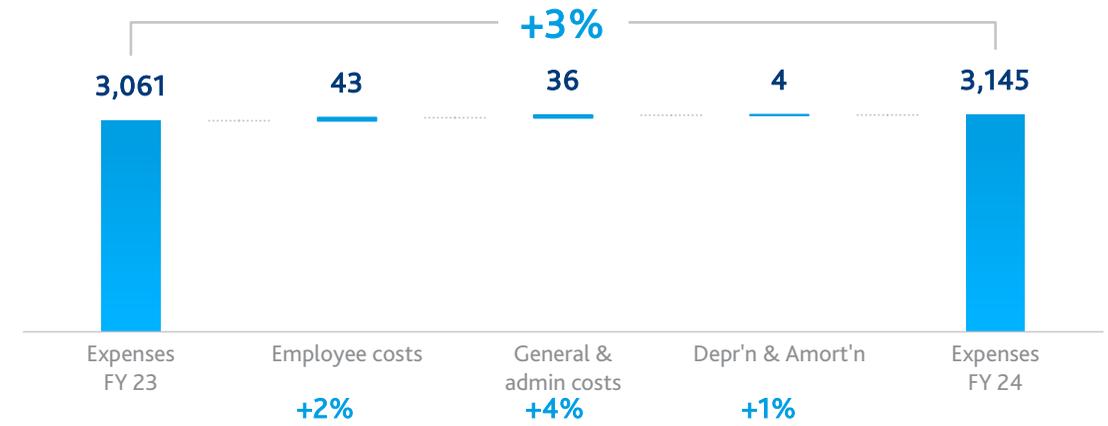
= Operating Expenses

Discipline cost management and revenue growth drove 336bps YoY improvement in Cost/Income ratio

= Cost To Income Ratio (%)



= Expenses Movement YoY (AEDmn)



= Expenses (AEDmn)



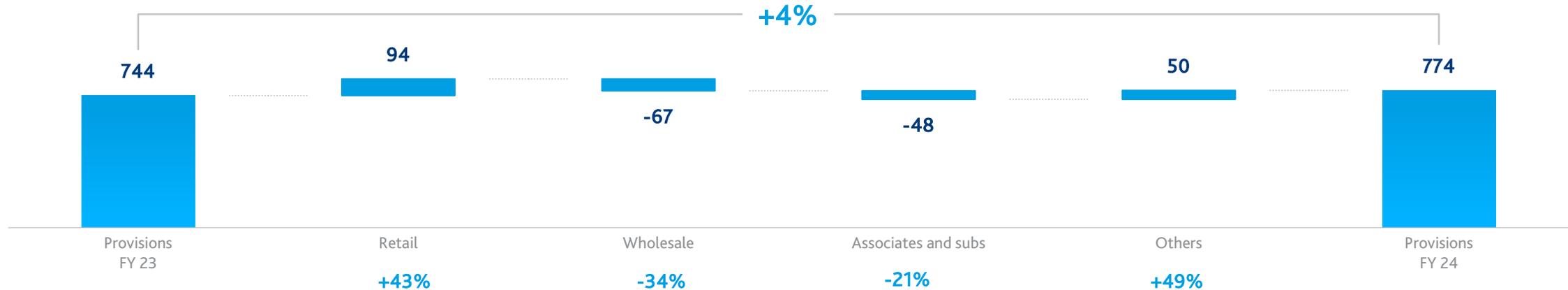
= Expenses Composition (%)



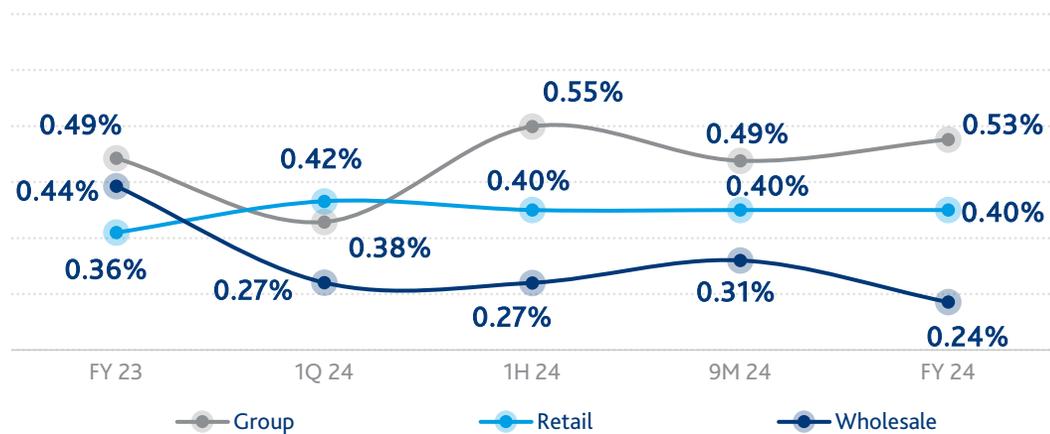
= Provisions

Improved asset quality metrics underpinned by prudent provisioning

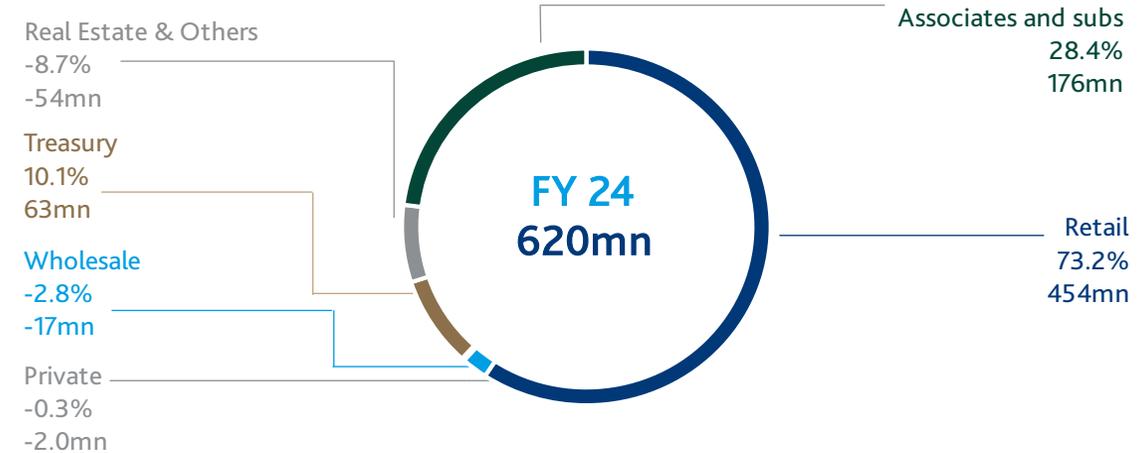
= Provisions Movement YoY (AEDmn)



= Cost Of Risk (%)



= Impairments Composition (%)



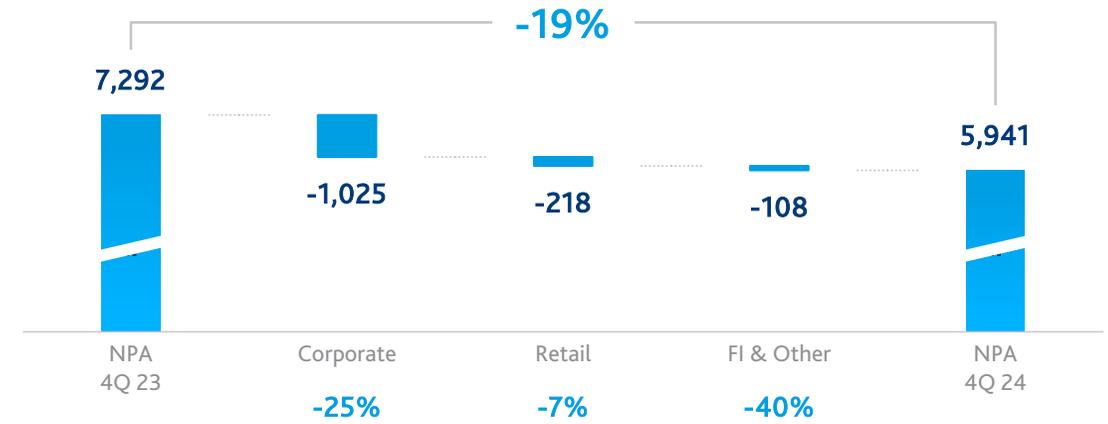
= Non-Performing Financing

Asset quality continues to improve significantly with NPA ratio of 4.0% lowest since 1Q 17 while coverage ratio increased to 82%

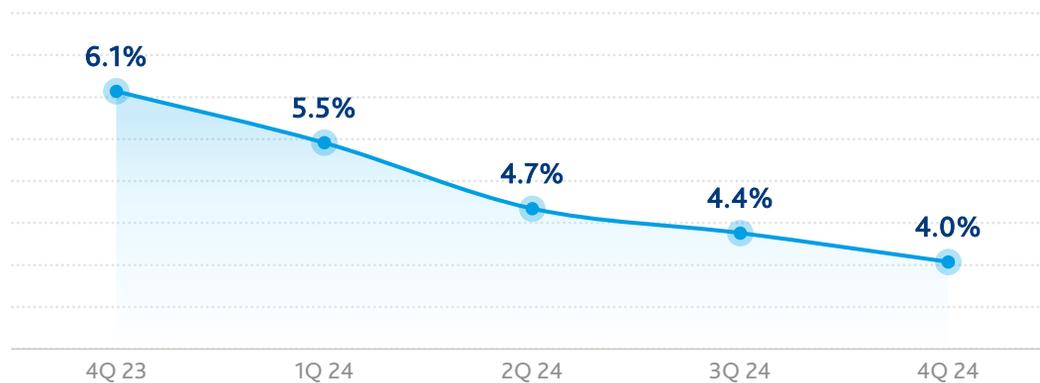
= NPA (AEDmn)



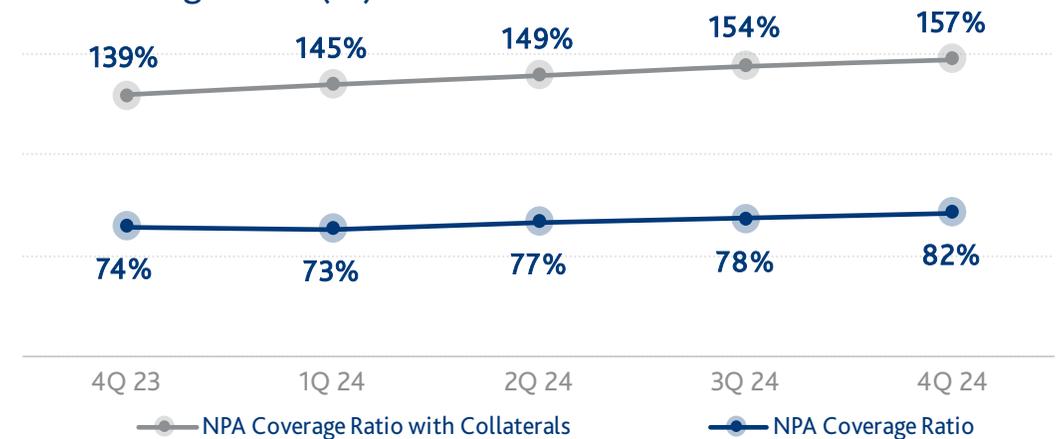
= NPA Movement YoY (AEDmn)



= NPA Ratio (%)



= NPA Coverage Ratio (%)



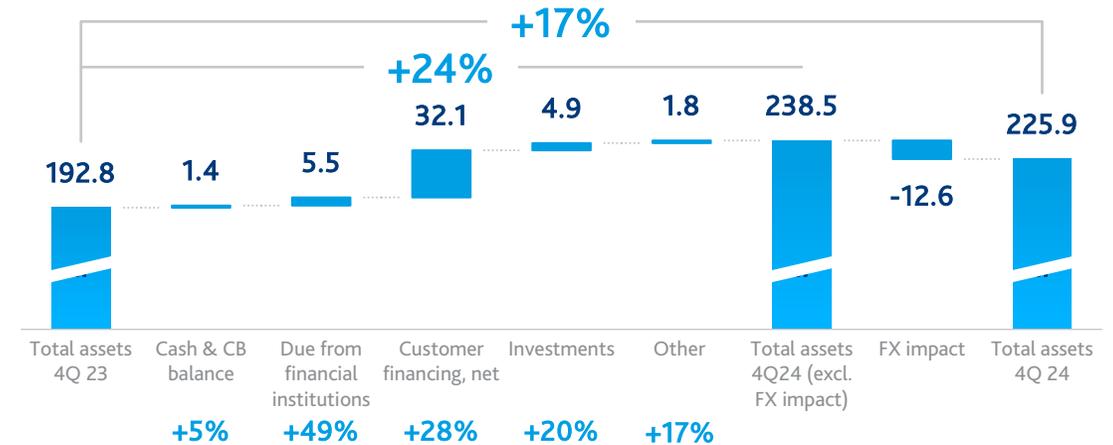
= Balance Sheet

Total assets surpassed AED 225bn driven by 24% growth in customer financing supported by strong and diversified funding position

= Total Assets (AEDbn)



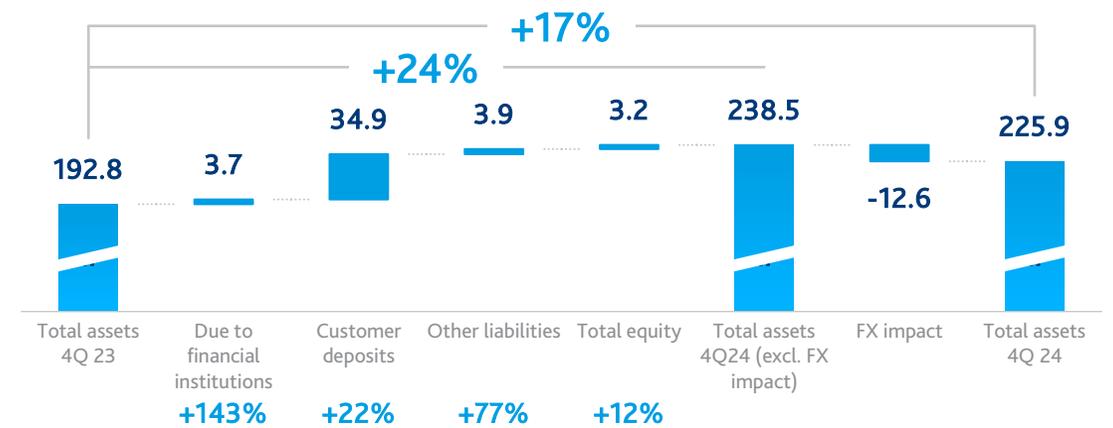
= Total Assets Movement YoY (AEDbn)



= Balance Sheet Highlights

AED (mn)	4Q 2024	3Q 2024	Δ%	4Q 2023	Δ%
Customer financing, net	142,611	135,132	6%	115,002	24%*
Investments	29,286	28,844	2%	24,483	20%
Total assets	225,910	222,567	2%	192,827	17%
Total Deposits	182,675	179,745	2%	157,067	16%**
Total liabilities	197,593	195,500	1%	166,585	19%
Total equity	28,317	27,067	5%	26,242	8%

= Funding Movement YoY (AEDbn)



*28% growth of customer financing in constant currency, excluding devaluation of EGP | ** 22% growth of total deposits in constant currency, excluding devaluation of EGP

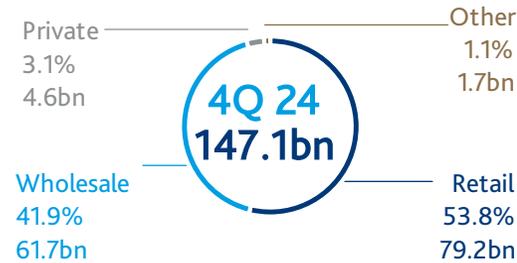
= Customer Financing

22% YoY growth reflecting market share gains in retail and corporate market

= Customer Financing, Net (AEDbn)



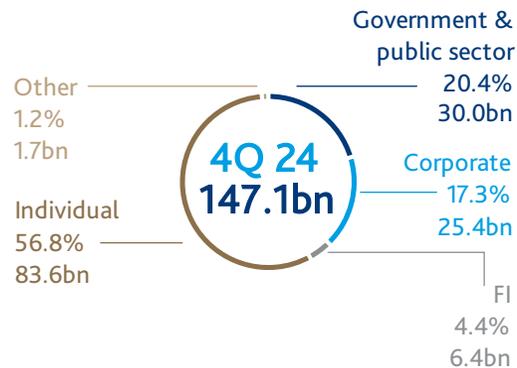
= Customer Financing, Gross by Segment (%)



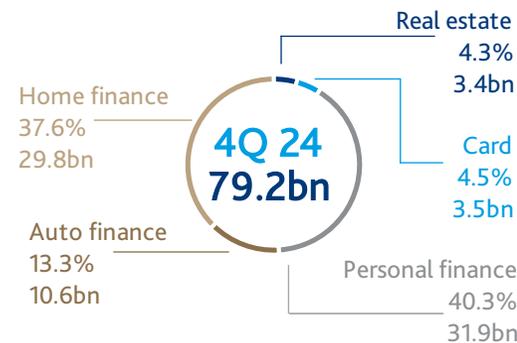
= Customer Financing, Gross Movement YoY (AEDbn)



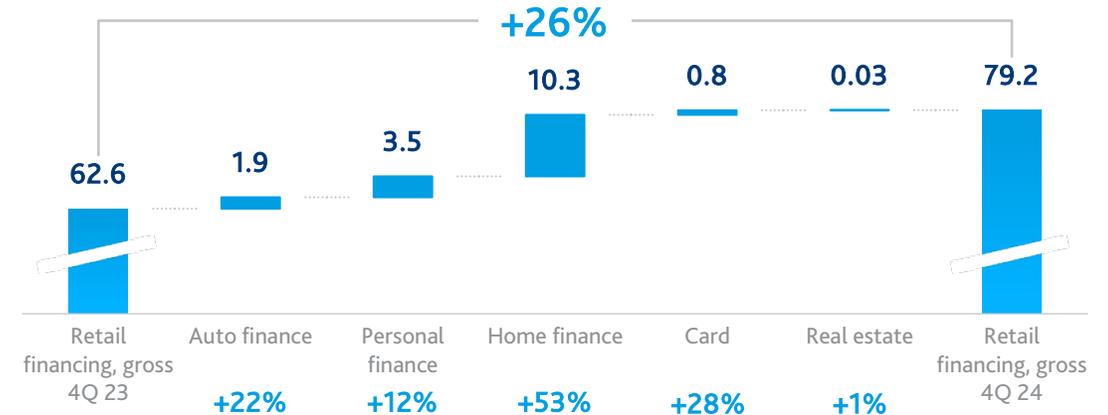
= Customer Financing, Gross by Sector (%)



= Retail Financing, Gross Composition (%)



= Retail Financing, Gross Movement YoY (AEDbn)



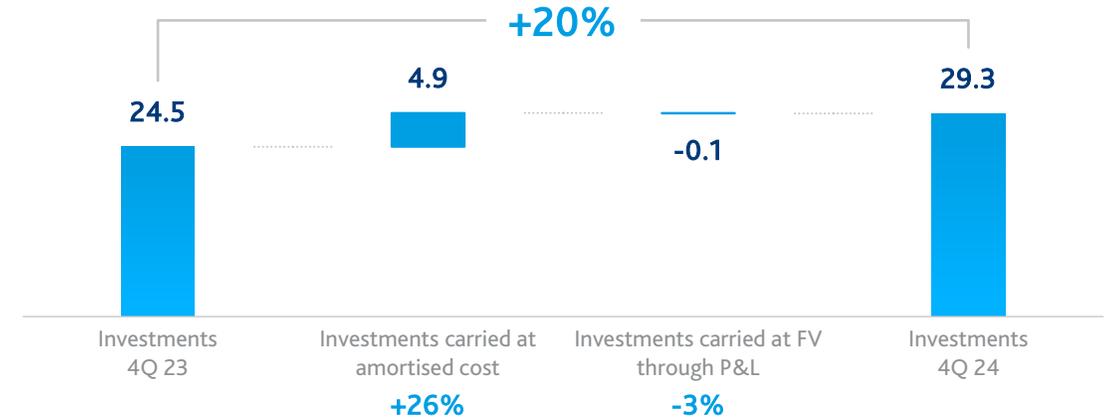
= Investments

Diversified Investment Portfolio grew 20% vs 4Q 23

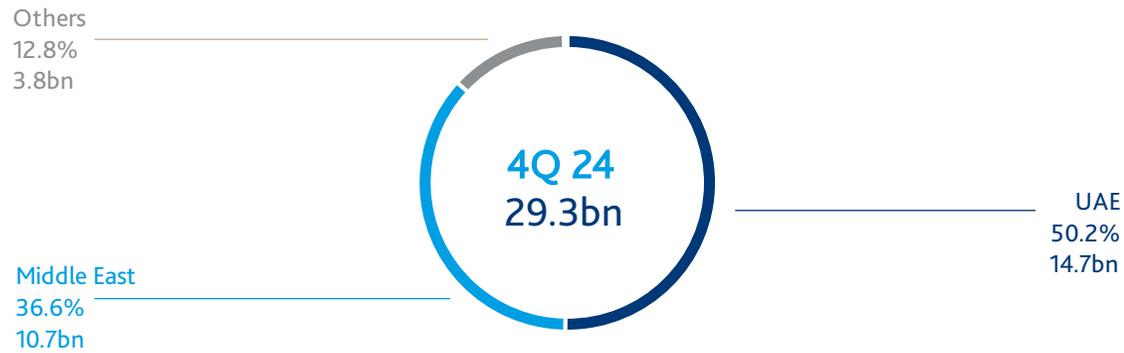
= Investments (AEDbn)



= Investments Movement YoY (AEDbn)



= Investments by Country (%)



= Investments by Type (%)



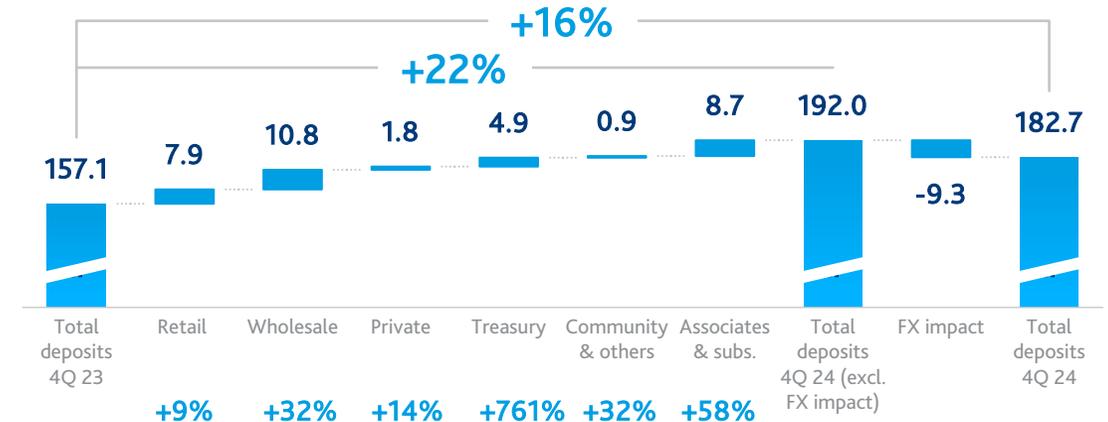
= Customer Deposits

YoY growth of 16% with AED 8.7bn increase in CASA, demonstrating strategic initiatives to grow market share

= Total Deposits (AEDbn)



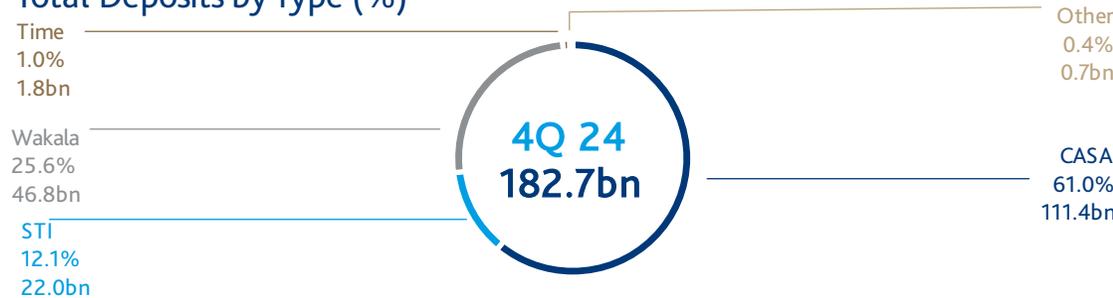
= Total Deposits Movement YoY (AEDbn)



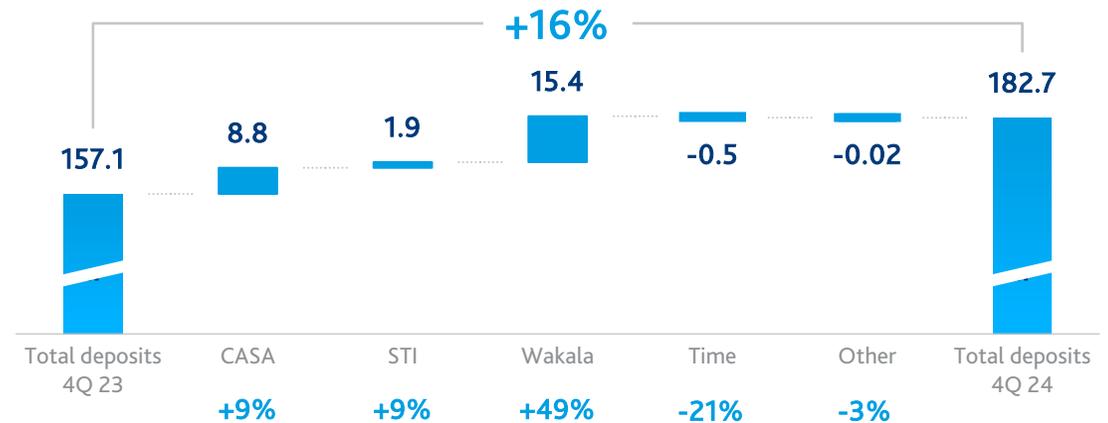
= Total Deposits by Segment (%)



= Total Deposits by Type (%)



= Total Deposits Movement by Type YoY (AEDbn)



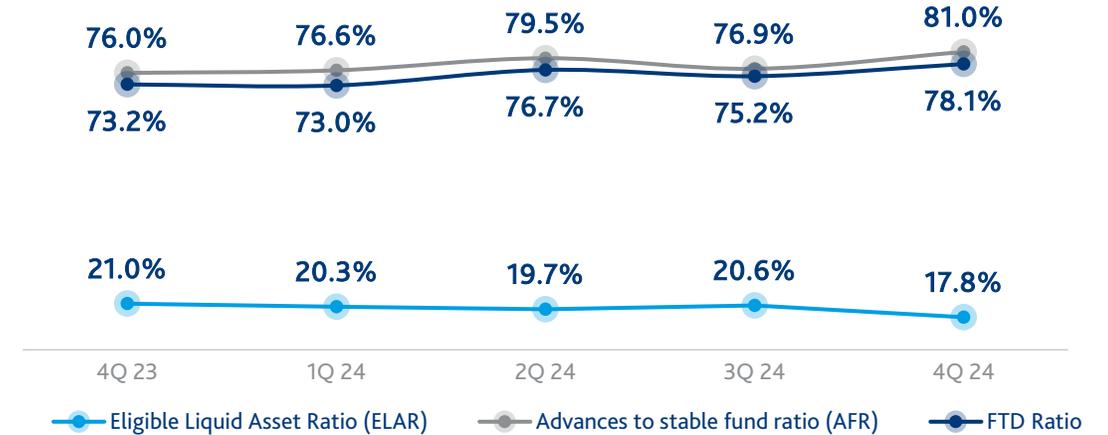
= Capital and Liquidity

Robust fundamentals across all key metrics reflecting strong capital and liquidity ratios comfortably above regulatory requirements

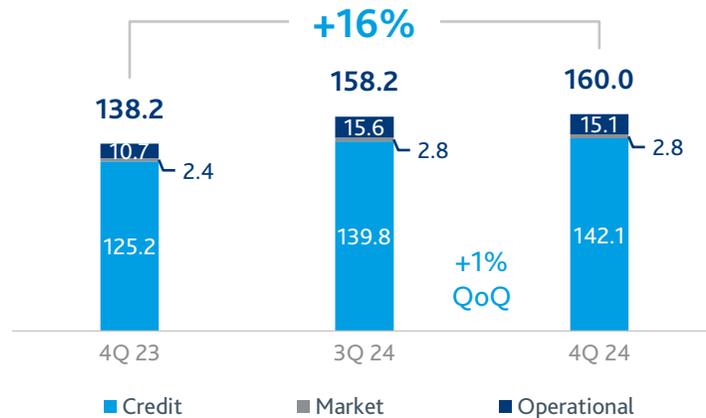
= Capitalization Ratios (%)



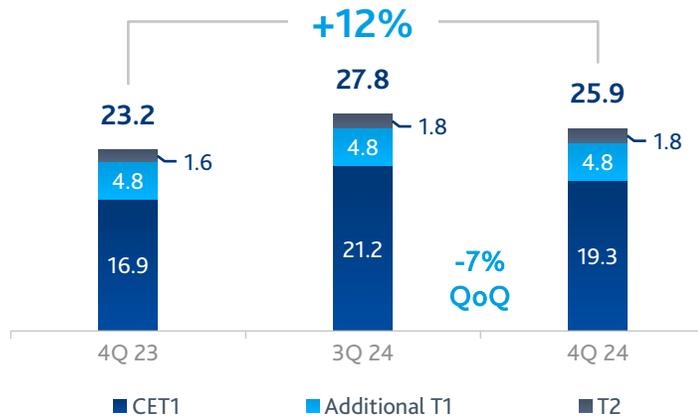
= Liquidity Ratios (%)



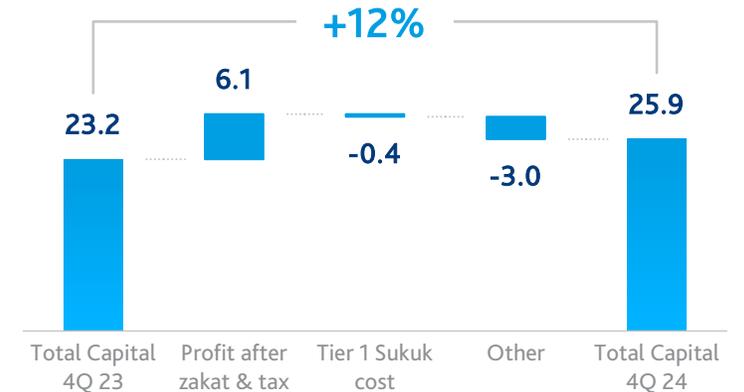
= RWA (AEDbn)



= Capitalization (AEDbn)



= Total Capital Movement YoY (AEDbn)



Questions & Answers

FY 2024 Earnings Presentation

Appendix

FY 2024 Earnings Presentation

= Investment Highlights

Strong Management, Solid Fundamentals and Clear Strategy

Clear Strategy

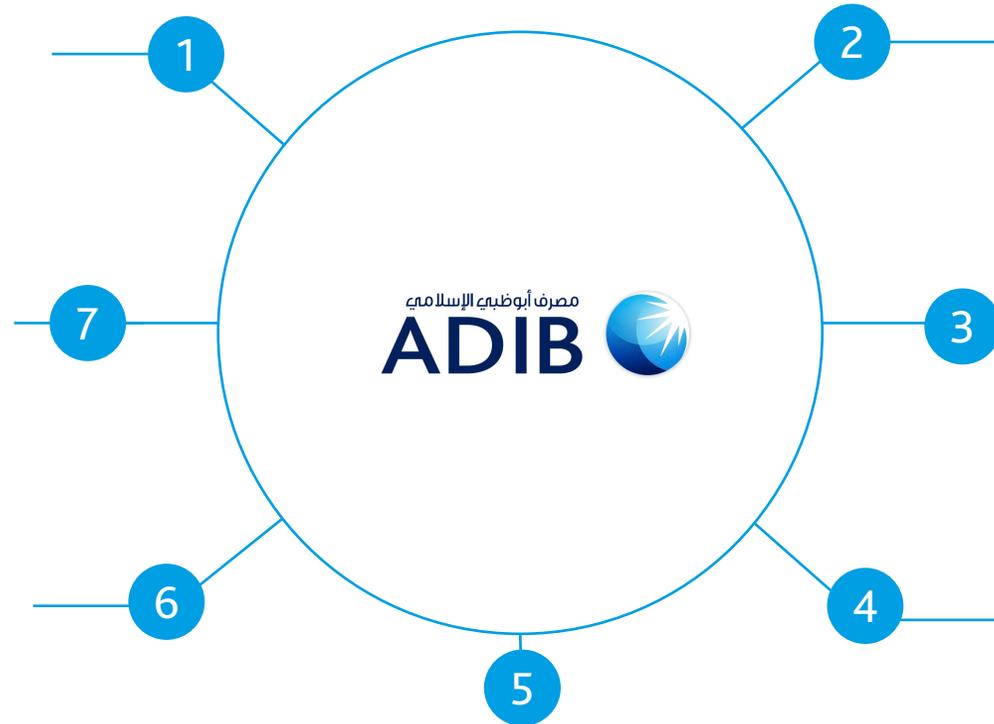
- Strengthen Islamic leadership position
- Deepening customer relationships
- Create productivity and efficiency gains
- Focus on innovation and digital
- Deliver sustainable growth

Strong Fundamentals

- Strong liquidity and funding profile with ELAR at 17.8%
- Healthy credit quality with stable NPAs, low cost of risk and adequate coverage
- Solid capital generation with CAR 16.2%, T1 15.1%, CET1 12.1%

Strong financial track record

- 27.9% ROE- highest in the market
- Highly profitable organisations with a 19% 5Y CAGR in net income
- Efficiently run bank with Cost to income ratio at 29.6%



Experienced management

- Best in class management team
- Extensive banking experience with leading regional and global banks
- Ongoing investment in talents

Unique market position

- N1 Bank for Emiratis
- One of the highest NPB deposit ratios
- Best performing share price
- Strong brand association

Maximising positive impact

- A Group wide sustainability strategy
- Sustainable Finance FRAMEWORK
- Included in MSCI EM ESG Leaders

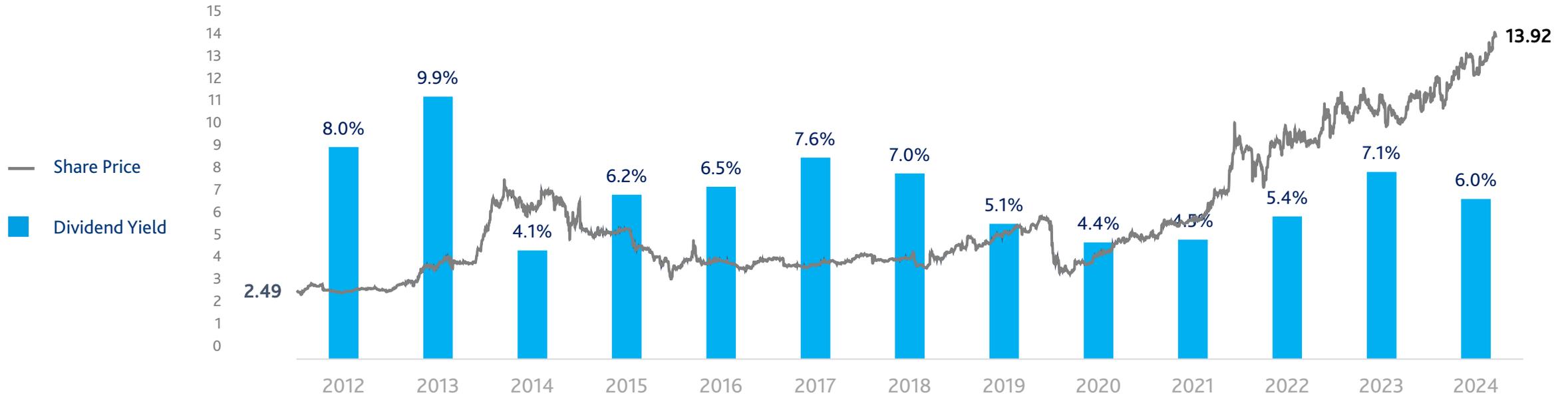
Strong Capitalisation

- Strong capitalisation ratios
- Strong Buffers
- Strong distance to MDA
- Strong Coverage of MDA and ADI

= Consistent dividend distribution

ADIB consistently distribute dividends with average yield of above 5%

= Shareholder Return Metrics



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	6,101
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%	49.7%
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%	83.4%
Cash dividend in AEDmn	600	725	700	770	778	915	995	994	747	1,130	1,779	2,595	3,030
Bonus shares	-	635	-	-	-	-	-	-	-	-	-	-	-
Bonus shares (% of Share Capital)	-	26.9%	-	-	-	-	-	-	-	-	-	-	-

= Ratings and Accolades

ADIB's recognition for excellence in Islamic banking

= Credit Ratings

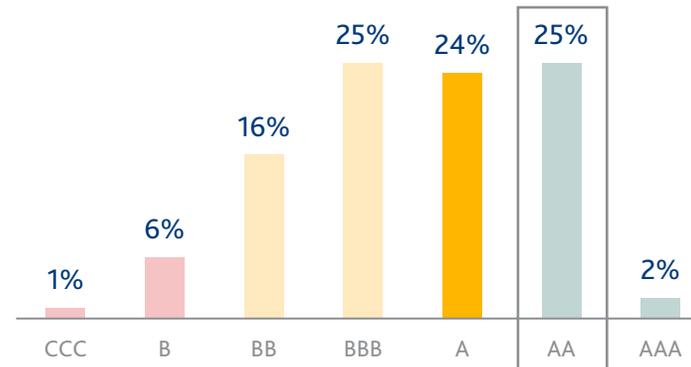
MOODY'S
A2
 Stable Outlook

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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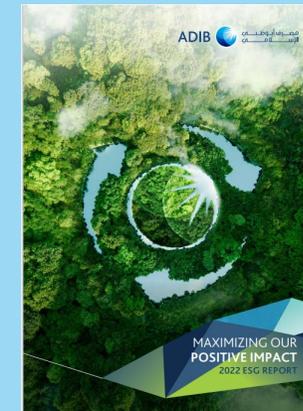
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