

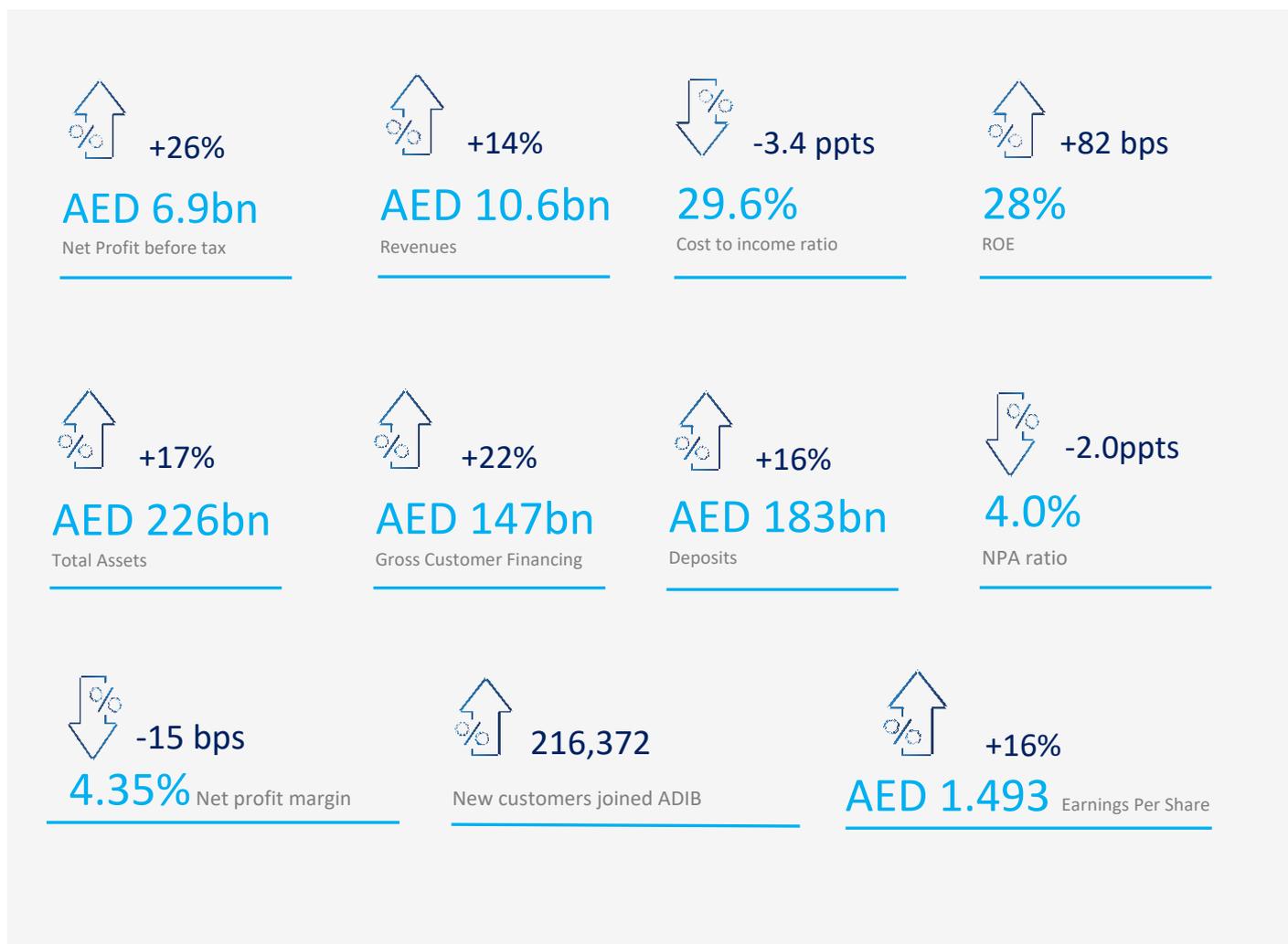
MANAGEMENT DISCUSSION & ANALYSIS

2024 Full Year Financial Results

ADIB achieved a record performance in 2024, with net profit before tax increasing by 26% year-over-year to AED 6.9 billion, resulting in an industry-leading return on equity of 28%

- The proposed cash dividend of 83 fils per share representing a total payout of AED 3.030 billion and equivalent to 50% of 2024 net profit ⁽¹⁾
- Net Profit after tax grew 16% YoY to AED 6.1 billion

Exceptional financial performance in 2024 reflecting increased client activity & strong business momentum



(1) subject to shareholders approval at the annual general meeting.

Net Profit

- **2024 full year net profit before tax** was **AED 6.9 billion**, rising **26% year-over-year**. The strong balance sheet growth, coupled with increased business momentum and diversified revenue growth, has fueled the bank's exceptional financial performance.
- **Net profit after tax for 2024** was **AED 6.1 billion**, reflecting a **16% increase** compared to the full year 2023.
- **Q4 2024 net profit before tax** reached **AED 1.6 billion**, up **7% YoY**.

Revenues

- **Revenue for 2024** improved by **14% to AED 10.6 billion** compared to AED 9.3 billion last year. This growth was supported by strong increases in both income from financing activities and non-funding income. The strong business volumes across all segments and products, along with continued strength in fee-based businesses, played a significant role in this improvement.
- **Funded income** grew by **7% year-over-year** to **AED 6.6 billion in 2024**, compared to AED 6.1 billion last year. This growth was driven by solid business volumes.
- **Net Profit Margin (NPM)** reached **4.35%**.
- **Non-funded income** grew by **28% year-over-year** to reach **AED 4.1 billion in 2024**, compared to AED 3.2 billion last year. This growth reflects continued strength in **fee-generation revenues**, which saw a **12% increase** from various product sales, and a **39% growth in investment income**. **Non-funded income now contributes 38%** to operating income, up from 34% in 2023, underlining the continued strategic focus on revenue diversification.

Expenses

- **Operating expenses** for 2024 were **AED 3.1 billion**, reflecting a **3% year-over-year increase**. This rise is attributed to ongoing investments in people, digital initiatives, and new technology.
- The **cost to income ratio** improved by **3.4 percentage points to 29.6% in 2024**, compared to 32.9% in 2023.

Provisions and asset quality

- **Impairments** decreased by **18% to AED 620 million** during 2024, translating to a **cost of risk (CoR) of 53bps**.
- The **non-performing asset ratio** improved to **4.0%**, its lowest level since Q1 2017, due to active remediation of our legacy portfolio coupled with strong underwriting standards.
- The **provision coverage ratio**, including collaterals, improved by **17.9 percentage points to 157.4%**. The provision coverage ratio (excluding collaterals) improved to **81.5%** from 74.3% year-over-year.

Balance sheet

- **Total assets** increased by **17% year-over-year** to reach **AED 226 billion**. This growth was driven by financing growth in both retail and corporate banking, as well as an expansion in the investment portfolio.
- **Customer financing** grew by **24% year-over-year**, representing AED 28 billion increase in financing in 2024. This reflects market share gains across key segments and wholesale banking closing landmark deals.
- **Customer deposits** rose by **16% year-over-year** to **AED 183 billion**, compared with AED 157 billion last year. This growth maintained a healthy funding mix, with a **9% year-over-year growth** in **Current and Savings Accounts (CASA)**, which now comprise **61% of total deposits**.

Liquidity and capital

- ADIB maintained a robust capital position with a **Common Equity Tier 1 ratio of 12.1%** and a total **Capital Adequacy Ratio of 16.2%**.
- The bank's liquidity position was healthy and within regulatory requirements, with the **advances to stable funding ratio at 81.0%** and the **eligible liquid asset ratio at 17.8%**.
- **Total shareholders' equity** rose **11% year-over-year** to **AED 23 billion**, led by growth in earnings.
- The **return on equity (RoE)** stood at **28% in 2024**.

“In 2024, we continued to achieve significant milestones, setting new financial records with an ROE of 28%, advancing our digital transformation journey and accelerating our sustainability initiatives.”

H.E Jawaan Awaidah Al Khaili

Chairman



1.46mn

Total number of customers

AED 226bn

Total assets



28%

Return on
shareholders' equity



“In 2024, we continued to achieve significant milestones fueled by our commitment to providing innovative solutions that go beyond our customers’ needs. We achieved new financial records, made substantial progress in our digital transformation journey and accelerated our sustainability initiatives while leveraging our unique brand and reputation. Our robust financial performance with a record net profit of **AED 6.9 billion before tax showing a growth of 26% YoY** driven by **topline growth in revenue of 14%**. This is a testament to the success of our business strategy and sets ADIB on the right path for future growth.

The record return on equity of 28% reflect the healthy and resilient local economy coupled with our focus on delivering transformational initiatives that align with the UAE's dynamic economic landscape which enabled us to capitalize on the growth opportunities and deliver exceptional value to our shareholders.

The substantial increase in our profitability and the strength of our capital position has allowed the Board to recommend a **cash dividend per share of 83 fils** for 2024 amounting to **AED 3.030 billion**.

ADIB’s strong market position has allowed us to grow our market share by attracting approximately 216,000 new customers to ADIB in 2024. **Total asset reaching AED 226 billion** supported by a growth in customer financing of **AED 28 billion in 2024**.

Our clear commitment to excellence has been recognized by many local and international organizations. We were named the **Best Bank in the UAE for 2024 by Global Finance Magazine** and maintained our notable ranking from last year as the Safest Islamic Bank Globally.

In 2024, we actively **drove the sustainability agenda** and led initiatives that significantly contributed to our ESG roadmap, including **our commitment to reduce carbon emission as part of our Net Zero plan**. A particular highlight of this year is ADIB receiving an upgrade to an **“AA” ESG rating from MSCI**, which reflects our continued commitment to enhancing our ESG practices and governance.

We believe this broad momentum sets up 2025 very well for ADIB. With the launch of **2035 Vision**, we are putting into place a transformative roadmap that positions us at the forefront of our industry. It is a vision that will be fueled by technological advancements, an uncompromising focus on our customers, and a deep commitment to sustainability principles.”



“ADIB continued to successfully execute its ambitious growth strategy against a positive economic backdrop in the UAE. The Bank delivered solid financial performance, achieving record highs in net profit and return on equity. This is testament to ADIB’s unique market position, our customer centric approach, underpinned by a solid balance sheet and prudent risk management.”

Mohamed Abdelbary

Group Chief Executive Officer (GCEO)

AED **6.9bn**

Net profit before tax
up 26%



29.6%

Cost to Income Ratio

4.0%

Non-Performing asset
ratio

"In 2024, ADIB continued to successfully execute its ambitious growth strategy against a positive economic backdrop in the UAE, marked by robust consumer and business sentiment. The Bank delivered solid financial performance, achieving record highs in net profit and return on equity. This is testament to ADIB’s unique market position, our customer centric approach, underpinned by a solid balance sheet and prudent risk management, which position us well to be an important partner to our customers and the community.

Earnings were propelled by higher volumes in customers’ financing, which drove **the funded income up by 7%** compared to 2023. **Non-funded income saw a notable rise of 28%** compared to last year, bolstered by wealth management fees, card fees and customer financing related fees. **Non-funded income represents 38% of total income**, underlining the strategic focus on revenue diversification. This has been accompanied by significant discipline in our expenses as the **cost to Income ratio improved to 29.6% from 32.9% last year**.

The balance sheet grew 17% year-over-year, driven by a **record 24% year-on-year growth in customer financing**, as we gained market share in retail and closed some landmark deals in corporate banking. This growth was efficiently funded by **AED 26 billion customer deposits**, including growing our Current and Savings accounts by **AED 8.8 billion**.

We demonstrated balance sheet strength across all key ratios, with asset quality matrix improving as our non-performing asset **ratio reaching 4.0%, its lowest level since Q1 2017** due to active management of legacy portfolios and strong underwriting standards.

On the digital front, we embraced new opportunities by envisioning future technological advancements and continuing to deliver digital solutions that drive seamless banking experiences. We introduced 110 new features to our mobile app and increasingly used data to provide our staff with the tools and insights for effective customer management. Digitalization has enabled us to handle higher volumes with faster turnaround times, improve efficiency, and strengthen risk management. This year also saw the launch of ADIB Ventures, which aims to create an ecosystem that fosters fintech partnerships and accelerates the development of digital solutions

With our renewed 2035 vision, we aspire to build a future-proof bank that not only meets today’s dynamic needs but also anticipates tomorrow’s challenges. Our vision aligns closely with the national priorities, emphasizing the use of Gen AI, focusing on Emiratization and sustainability."

GROUP FINANCIAL REVIEW

> Income statement

AED (Mn)	Q4 2024	Q4 2023	Δ%	FY 2024	FY 2023	Δ%
Net revenue from funds	1,663	1,616	+3%	6,566	6,122	+7%
Non-funded income	974	984	-1%	4,066	3,172	+28%
Total operating income	2,637	2,599	+1%	10,632	9,294	+14%
Total operating expenses before impairment charge	(821)	(876)	-6%	(3,145)	(3,061)	+3%
Provision for impairment	(172)	(189)	-9%	(620)	(760)	-18%
Profit before Zakat and tax	1,645	1,534	+7%	6,868	5,472	+26%
Zakat and tax	(178)	(33)	+437%	(766)	(221)	+247%
Profit after Zakat and tax	1,467	1,501	-2%	6,101	5,251	+16%
EPS (AED)				1.493	1.284	+16%
Net profit margin				4.35%	4.50%	-15bps
Cost to income ratio				29.6%	32.9%	-3.4ppts
Cost of risk				0.53%	0.49%	+3bps
ROAE				27.9%	27.1%	+82bps
ROAA				2.91%	2.91%	+1bps

- ▷ **Group Net profit before tax was AED 6.9 billion, up 26% YoY** compared to AED 5.47 billion in 2023 reflecting strong business momentum.
- ▷ **Group net profit after tax grew 16% in 2024 to AED 6.1 billion** compared to AED 5.25 billion in 2023 implying **earnings per share of AED 1.493**.
- ▷ **Revenues increased by 14% in 2024 to AED 10.6 billion** versus AED 9.3 billion in 2023 on strong business volumes coupled with strength in fee-based businesses and higher Investment income.
- ▷ **Funded income rose 7%** to reach **AED 6.6 billion** supported by higher volumes in financing with 10% growth in average earning assets thereby showing overall stability in the **net profit margin to 4.35%**. ADIB preserves one of the highest margins in the market, supported by one of the lowest cost of funds in the market.
- ▷ The bank continues to benefit from growth in diversified income streams, with non-funded income increasing by 28% to AED 4.1 billion during 2024, driven by a 39% increase in investment income and 12% increase in fees and commissions from various products including card sales
- ▷ Non-funded income represents 38% of total income, underlining the strategic focus on revenue diversification compared to 34% last year.
- ▷ **Fees and commissions income was up 12%** year-on-year.
- ▷ Overall revenues were supported by growth in **new customers** of more than **216,000** during 2024, showcasing ADIB's long-term commitment to its customers and continuous efforts to deliver superior customer service.
- ▷ **Operating expenses** for 2024 were **AED 3.1 billion**, reflecting a **3%** year-over-year increase. This rise demonstrates cost discipline despite continued investments in talent and strategic initiatives to support business growth. Despite this, there was an overall improvement in the cost-to-income ratio of 3.4 percentage points to **29.6%**.
- ▷ **The net impairment charge** for the full year **decreased** by **18%** to **AED 620 million**. The **cost of risk** remains stable at **0.53%**, well within the guidance.

> Balance Sheet

AED (Mn)	31 Dec 2024	31 Dec 2023	Δ%
Cash and balances with central banks	32,040	31,498	+2%
Due from financial institutions	10,607	11,304	-6%
Customer financing, net	142,611	115,002	+24%
Investments	29,286	24,483	+20%
Investment in associates	896	834	+7%
Investment and development properties	2,056	1,986	+4%
Other assets	8,413	7,719	+9%
Total assets	225,910	192,827	+17%
Due to financial institutions	5,530	2,555	+116%
Depositors' accounts	182,675	157,067	+16%
Other liabilities	7,551	5,127	+47%
Sukuk financing instrument	1,836	1,836	-
Total liabilities	197,593	166,585	+19%
Share capital	3,632	3,632	-
Retained earnings	13,501	11,358	+19%
Other reserves	5,458	5,384	+1%
Equity attributable to shareholders of the bank	22,591	20,374	+11%
Tier 1 sukuk	4,754	4,754	-
Non - controlling interest	972	1,114	-13%
Equity attributable to equity holders of the bank	28,317	26,242	+8%
Non-performing financing	5,941	7,292	-19%
NPA ratio	4.0%	6.1%	-2.0ppts
NPA coverage ratio	81.5%	74.3%	+7.2ppts
NPA coverage ratio with collaterals	157.4%	139.5%	+17.9ppts
Risk weighted assets	159,983	138,211	+16%
Common Equity Tier 1 Ratio	12.07%	12.23%	-16bps
Tier 1 Ratio	15.10%	15.67%	-57bps
Capital Adequacy Ratio	16.21%	16.80%	-59bps
Financing to deposit ratio	78.1%	73.2%	+4.9ppts
Advances to stable fund ratio (ASFR)	81.0%	76.0%	+5.0ppts
Eligible Liquid Asset Ratio (ELAR)	17.8%	21.0%	-3.2ppts

- ▷ **Total assets reached AED 226 billion** as of 31 December 2024, an **increase of 17%** from 31 December 2023. This growth was driven mainly by an increase in net financing and in the investment portfolio. **The balance sheet has expanded by almost AED 100 billion since 2020, achieving a compound annual growth rate (CAGR) of 15%.**
- ▷ **Gross customer financing increased by 22% year-over-year to AED 147 billion**, driven by growth in retail financing portfolios and wholesale financing, mainly government and public sector enterprises. This reflects our ability to gain market share across different segments.
- ▷ The bank's **investment portfolio increased 20% year-over-year** to AED **29.3 billion**.
- ▷ **Customer deposits** amounted to **AED 183 billion** as of 31 December 2024, **up 16%** from 31 December 2023 as **CASA deposits increased by 9%** to **AED 111 billion**, comprising **61% of total customer deposits**.
- ▷ **Non-performing financing** reached **AED 5.9 billion** as of 31 December 2024, compared to AED 7.3 billion last year.
- ▷ **Non-performing financing ratio** improved to **4.0%** versus 6.1% as of 31 December 2023. The **provision coverage** of non-performing financing (including collaterals) improved by **17.9 percentage points** to **157.4%**.
- ▷ **Total shareholders' equity** stood at **AED 28.3 billion** compared to AED 26.2 billion last year.
- ▷ ADIB continued to maintain a healthy liquidity position with an **advance to stable funding ratio** at **81.0%** compared to 76.0% on 31 December 2023, while the **eligible liquid asset ratio** was **17.8%** as of 31 December 2024 versus 21.0% on 31 December 2023.
- ▷ The bank further strengthens its capital position with the **Common Equity Tier 1 ratio** at **12.07%**, compared to 12.23% as of 31 December 2023 on the back of strong earnings and ongoing optimization initiatives. **Capital adequacy ratio of 16.21%** as of 31 December 2024, exceeding regulatory requirements prescribed by the UAE Central Bank.

ADIB 2035

ADIB 2035

Building from our strong foundations as a leading Islamic bank, operating across 7 countries and serving around 1.5 million customers, ADIB has strongly positioned itself for another growth phase backed by its solid financial performance, strong customer base and brand value. ADIB has announced a 2035 vision, reinforcing our ambition to be the World's most innovative Islamic Bank. Through the 2035 vision, ADIB will continue its development path for the next 10 years, with a focus on three strategic pillars that will guide our efforts to achieve this vision.

1. Leading with new technologies and Gen AI

We will seamlessly integrate Gen AI into every aspect of our business, from delivering hyper personalized customer experiences to optimizing our operations, enhancing our risk management and unlocking new growth opportunities.

1. Revolutionize customer experience

By leveraging digital technologies and placing customers at the heart of every decision by delivering fast, simple and seamless banking solutions and experiences, we are transforming the way our customers interact with us. We are committed to creating an exceptional customer experience that sets us apart in the marketplace.

2. Advancing sustainability initiatives

We will remain committed to embed sustainability into every aspect of our business. Our commitment is to provide sustainable financing solutions and support business in their transition plan. We are also committed to foster an environment where inclusion, staff wellbeing and empowerment are at the heart of everything we do.

By aligning with these strategic pillars, ADIB is positioning itself for long term growth with the aim to be a digitally transformed regional and global Islamic financial powerhouse delivering exponential growth from diverse sources of income.

35 INDUSTRY AWARDS IN 2024

Awards	Categories
Bonds and loans and sukuk	1. Bonds, Loans & Sukuk Middle East Awards 2024
Euromoney	2. World's Best Islamic Bank for ESG 3. Middle East's Best Islamic Bank 4. UAE's Best Domestic Islamic Bank 5. UAE's Best Bank for corporate responsibility 6. UAE's Best Bank for HNWIs
Global Finance	7. Best bank for transition/ sustainability linked bonds in the Middle East 8. Safest Islamic bank in the world 9. Best Islamic Bank for ESG award 10. Best Bank for SMEs in the U.A.E.
IFN	11. IFN Social Impact, SRI ESG Deal of the Year 2023 12. IFN Sovereign & Multilateral Deal of the Year 2023 13. IFN UAE Deal of the Year 2023 14. Best Islamic Bank for Treasury Management 2023
EMEA	15. Best Islamic bank in the UAE 16. Sustainability award (Middle East level)
Meed	17. MENA Islamic Finance Bank of the Year 18. Best Islamic Bank for ESG 19. Best Retail Bank - UAE
Banker FT	20. Islamic Bank of the Year - Middle East
IJGlobal MENA	21. Renewable Energy Deal of the Year 22. Desalination Deal of the Year 23. Water Deal of the Year
Digital banker	24. Islamic Credit Card of the Year 25. Best Islamic Digital Bank – Middle East 26. Best Islamic Digital Bank – United Arab Emirates 27. Best Domestic Islamic Retail Bank – United Arab Emirates 28. Best Islamic Retail Bank – Middle East
The asset Triple A	29. Islamic Issuer of the year 30. Islamic Bank of the Year 31. Best Islamic Retail Bank 32. Best Green Sukuk (ADIB US\$500 million green sukuk) 33. Best Green Sukuk – Retail (Majid Al Furtaim Holding US\$500 million green wakala/murabaha) 34. Best Green Sukuk – Real Estate (Aldar Investment Properties US\$500 million wakala/murabaha) 35. Best New Sukuk (Ittihad International Investment US\$350 million ijara/murabaha sukuk)

About ADIB

ADIB is a leading bank in the UAE with AED 226 billion in assets. The bank also offers world-class online, mobile and phone banking services, providing clients with seamless digital access to their accounts 24 hours a day. ADIB provides Retail, Corporate, Business, Private Banking and Wealth Management Solutions. The bank was established in 1997, and its shares are traded on the Abu Dhabi Securities Exchange (ADX).

ADIB has a strong presence in six strategic markets: Egypt, where it has 70 branches, the Kingdom of Saudi Arabia, the United Kingdom, Qatar, and Iraq.

Named **World's Best Islamic Bank by The Financial Times** - The Banker publication, ADIB has a rich track record of innovation, including introducing the award-winning Ghina savings account, award-winning co-branded cards with Emirates airlines, Etihad and Etisalat and a wide range of financing products.

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