

1Q 2022 Earnings Presentation

Analyst & Investor Conference Call

Abu Dhabi, 28 April 2022

ADIB IR Website



IR App Download link:



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Key Highlights

1Q 2022 Earnings Presentation

= Key Highlights

ADIB delivers a strong start to 2022 with all businesses showing positive momentum

- = 18% growth in net profit with ROE improving to 17.0%
- = Revenue up 6% driven by 19% growth in fees and commissions
- = Effective cost control strategy delivers positive jaws with C/I ratio improving 336 basis points
- = Customers' financing growth of 9%; sustained deposit growth, record CASA ratio of 76%
- = Robust capital position with a CET1 of 12.7%

Executing ADIB Strategy

1Q 2022 Earnings Presentation

= ADIB Strategy 2025

ADIB has launched strategy 2025 with a renewed purpose and vision

= Purpose

Lifelong partner for customers, colleagues and community

= Vision

The world's **most innovative Islamic bank**

▶ 4-Pillar Strategy



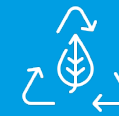
Continuous
Innovation



Segment
Focused








Digital
Excellence



Sustainable
Future

= Update on Strategy Progress

ADIB continues to deliver on its strategy in 1Q 2022

Continuous Innovation	Key product launches Wealth Management Digital Platform Product to Finance Sukuk	Amwali Youth Account +4,627 Accounts	Asset Management \$160 mn Global Sukuk Fund	Payment Service AED 1.9 mn Revenue	
Segment Focused	UAE Nationals +10,400 New to bank UAE Nationals	Grow corporate banking +2.5% Asset growth YoY	Retail sales +24% Asset growth YoY	Attract new customers +28,541 New customers	Deepen relationships 1.50 Cross-sell Ratio
Digital Excellence	Digitize processes 99% Digital transfers	Digitize channels 99% Payments: Volumes received from Mobile App & Online Channels 44% Personal finance	Automate processes  68 bots	Leverage digital channels 4.70/5 ★★★★★ AppStore rating 4.54/5 ★★★★★ Google Play rating	Paperless strategy:  2m Papers Saved (2021)
Sustainable Future	Leader in financial conduct MSCI ESG RATINGS  'A' ESG rating (MSCI)	Employer of choice  78% Employee engagement index	Best customer experience #1 Number 1 bank NPS in UAE: 78% 		

= ADIB Strategy 2025 Strategic Targets

A commitment to driving value

ROE

20%

Net Profit

2x

C/I Ratio

<36%

NPS

#1

STP

>85%

Financial Performance

1Q 2022 Earnings Presentation

= Financial Performance Highlights

Strong revenue growth and positive jaws drives a good start to 2022

= Strong YoY Growth in Profitability

715mn

Net Income

+18%



1.4bn

Revenues

+6%



577mn

Expenses

-2%



= Solid Balance Sheet Growth YTD

139bn

Total Assets

+1%



95bn

Gross Customer Financing

+2%



111bn

Deposits

+1%



= Robust Capital Position and Strong Return

18.1%

CAR

-113bps



17.0%

Return on Equity

+210bps



40.9%

Cost to Income Ratio

-336bps



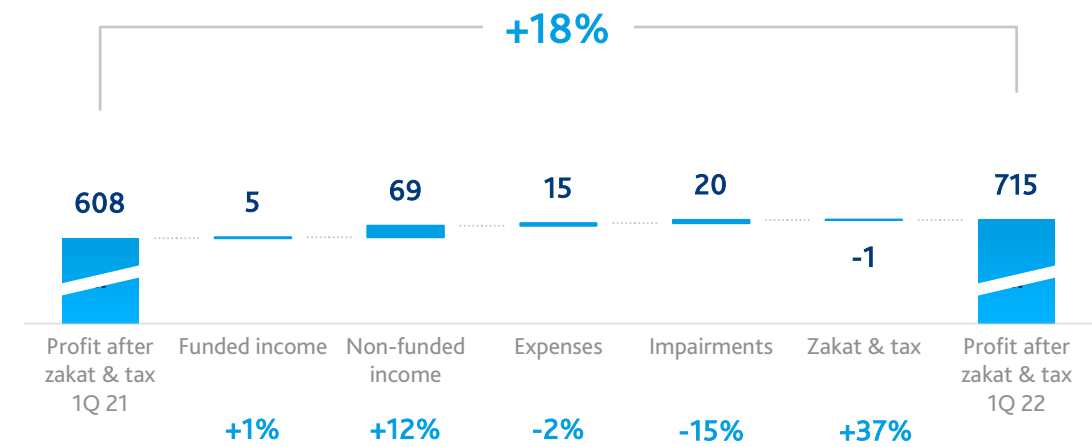
= Income Statement

18% growth in profitability driven by the retail banking group

= Net Income (AEDmn)



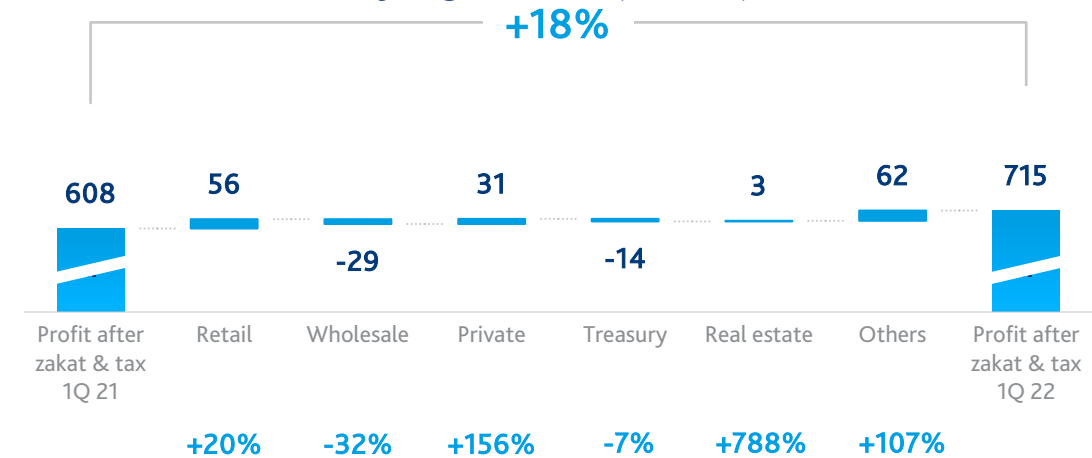
= Net Income Movement YoY (AEDmn)



= Income Statement Highlights

AED (mn)	1Q 2022	1Q 2021	Δ%
Funded income	789	784	+1%
Non-funded income	620	551	+12%
Revenues	1,409	1,336	+6%
Operating expenses	(577)	(592)	-2%
Provision for impairment	(113)	(134)	-15%
Net Income after zakat and income tax	715	608	+18%

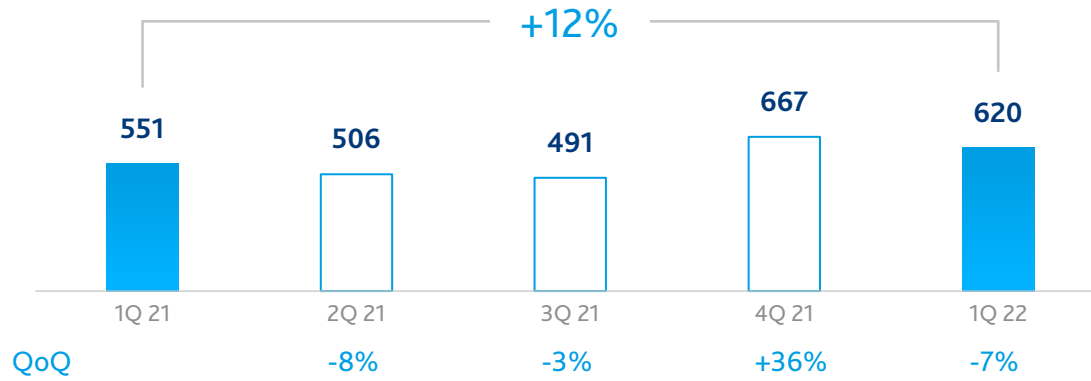
= Net Income Movement by Segment YoY (AEDmn)



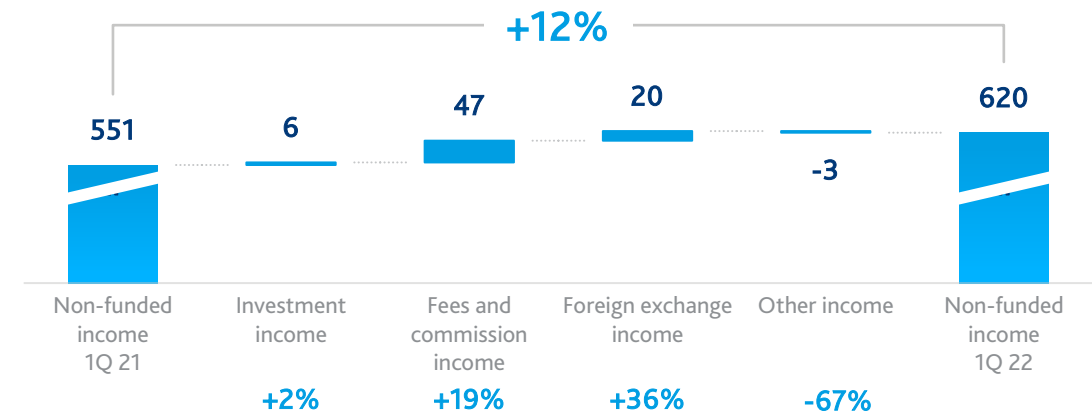
= Non-Funded Income

Robust fee generation drives 12% YoY growth in non-funded income

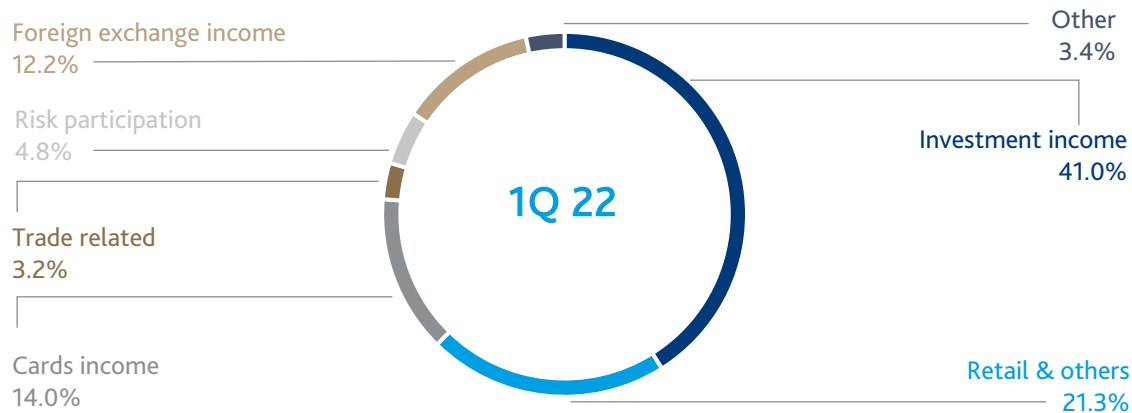
= Non-Funded Income (AEDmn)



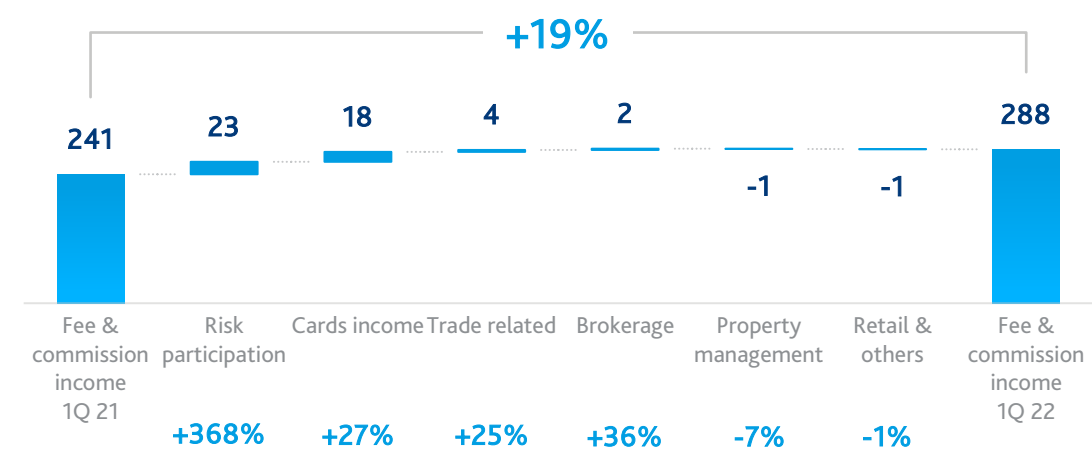
= Non-Funded Income Movement YoY (AEDmn)



= Non-Funded Income Composition (%)



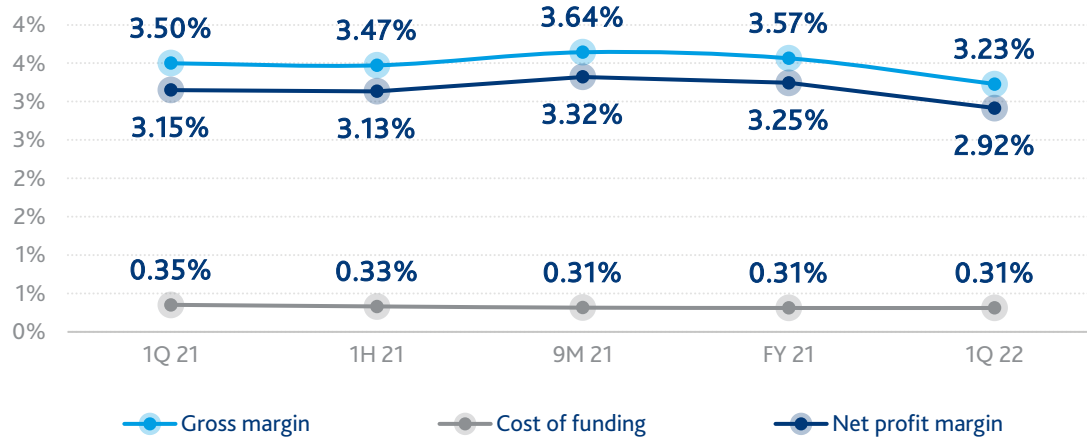
= Fee & Commission Income Movement YoY (AEDmn)



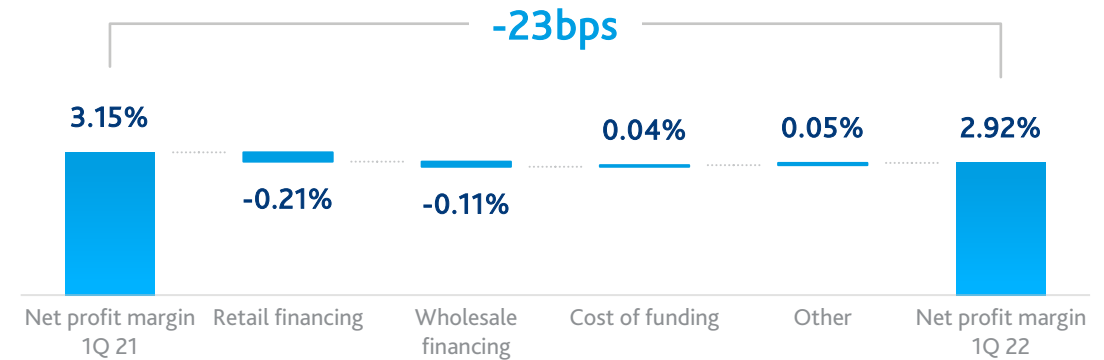
= Funded Income

Net profit margin trends reflect a low rate environment offset by asset growth and low cost of funds

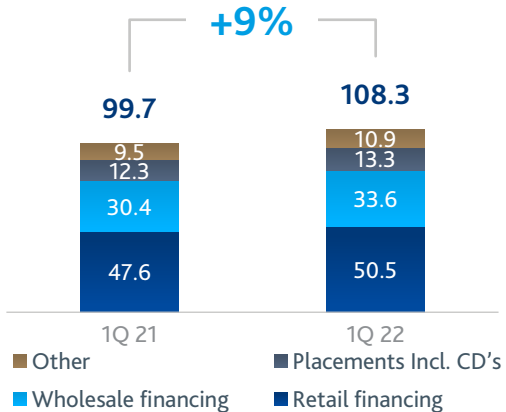
= Net Profit Margin (%)



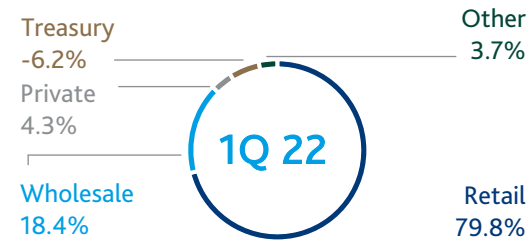
= Net Profit Margin Movement YoY (%)



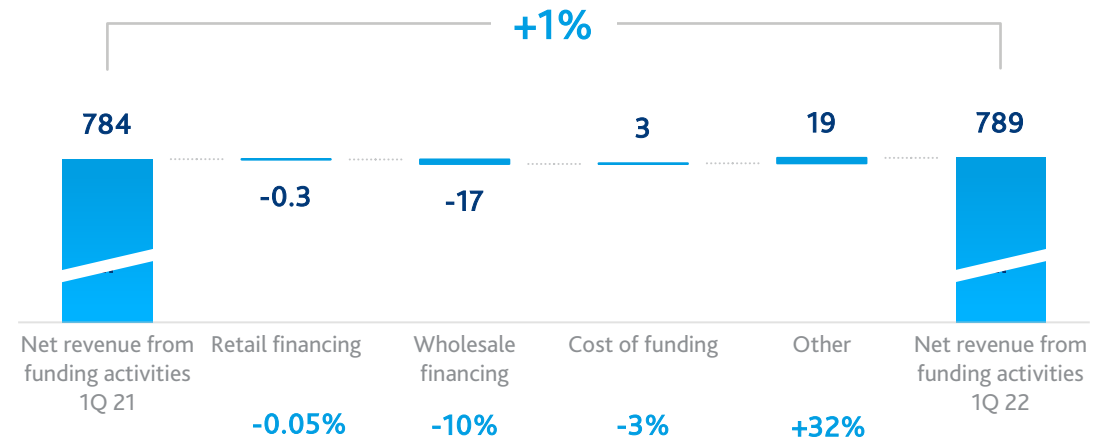
= Average Profit Earning Assets (AEDbn)



= Funded Income Composition (%)



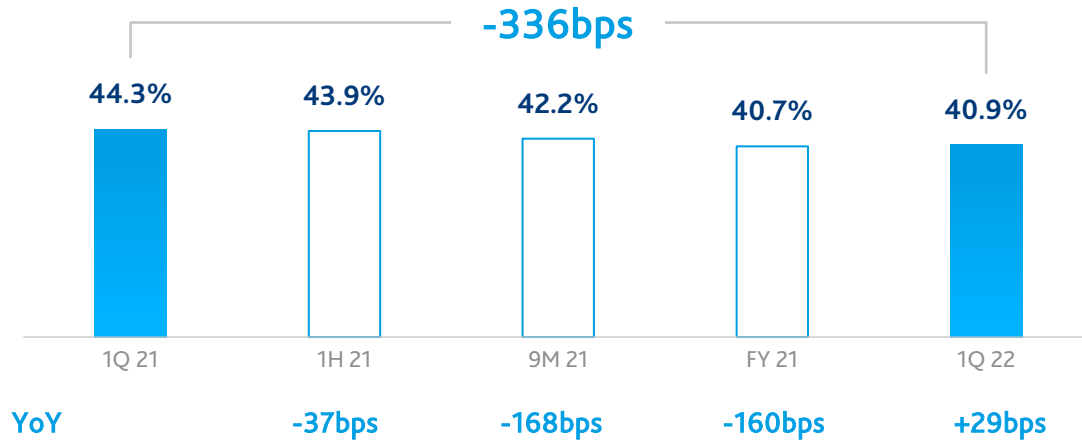
= Net Revenue from Funding Activities Movement YoY (AEDmn)



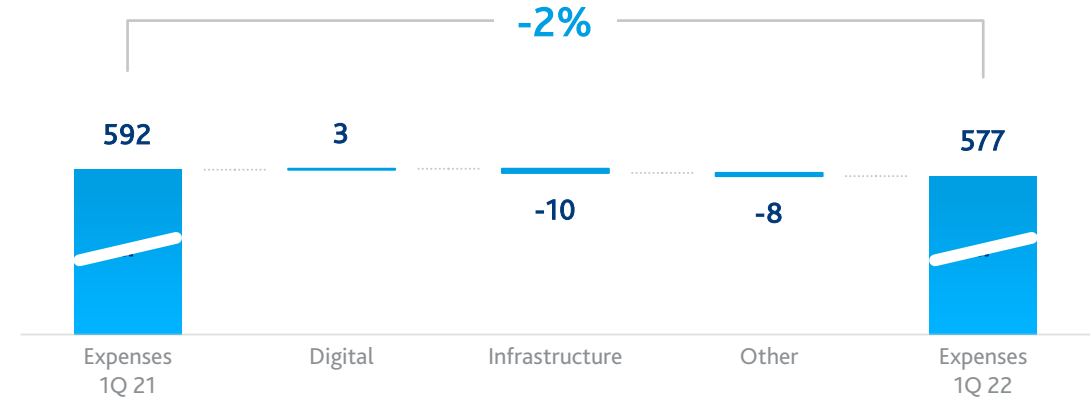
= Operating Expenses

2% YoY reduction in 1Q 2022 expenses with cost to income ratio improving on positive jaws

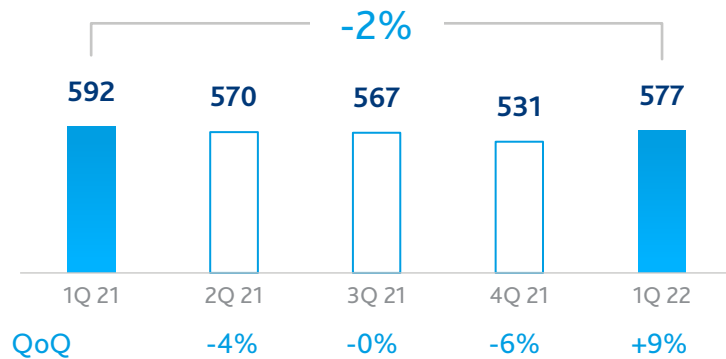
= Cost To Income Ratio (%)



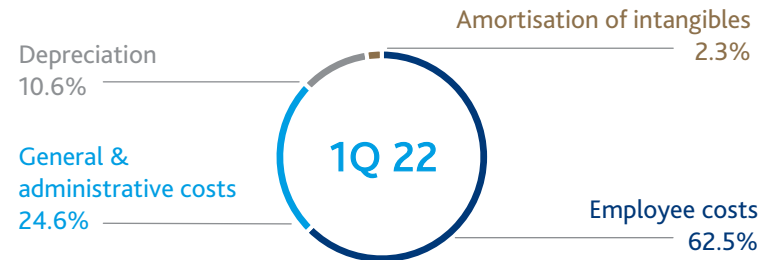
= Expenses Movement YoY (AEDmn)



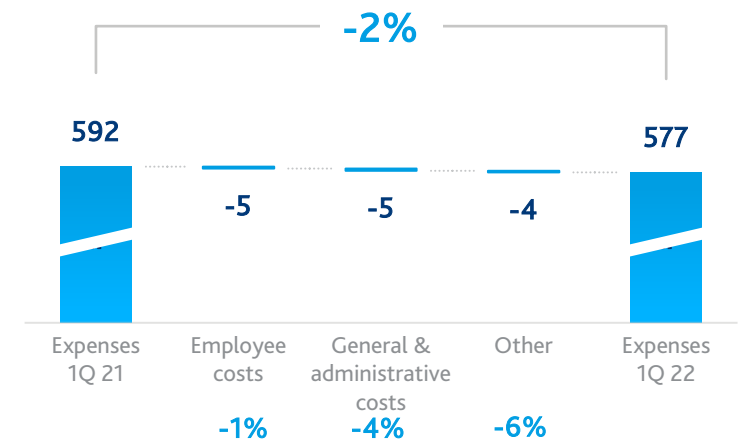
= Expenses (AEDmn)



= Expenses Composition (%)



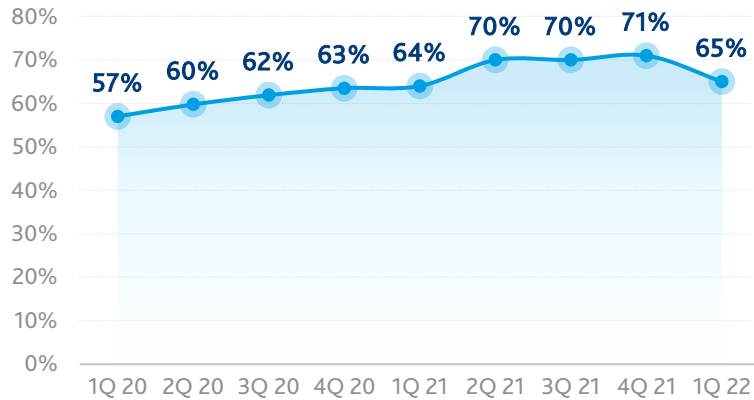
= Expenses Movement YoY (AEDmn)



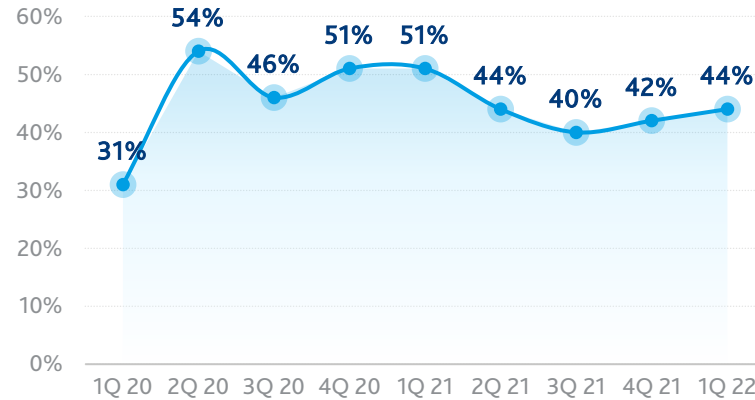
= Digital Banking

Progress made on ADIB's digital strategy is reflected in UAE's highest customer ratings and other key digital metrics.

= Digitally Active Customers (%)



= Digital Sales (% of Total)



= Auto Digital Ecosystem



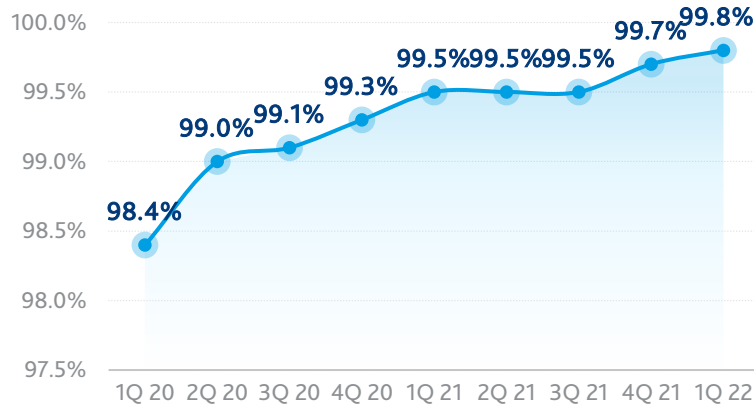
= Amwali Youth Bank Account



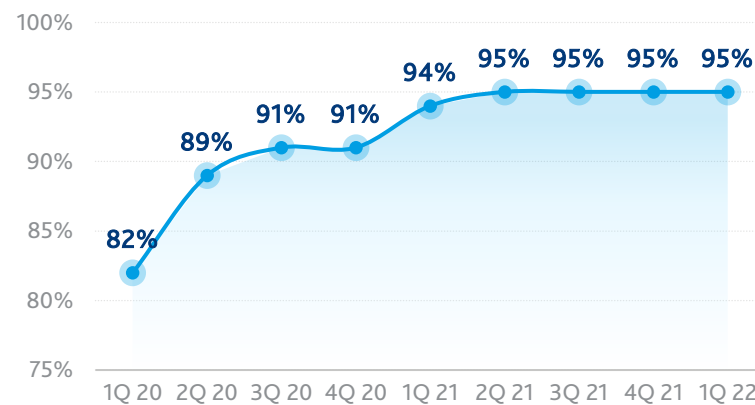
= Facial Recognition Account Opening



= Digital Transfers (%)



= Straight Through Processing (%)



= Analytics Center of Excellence



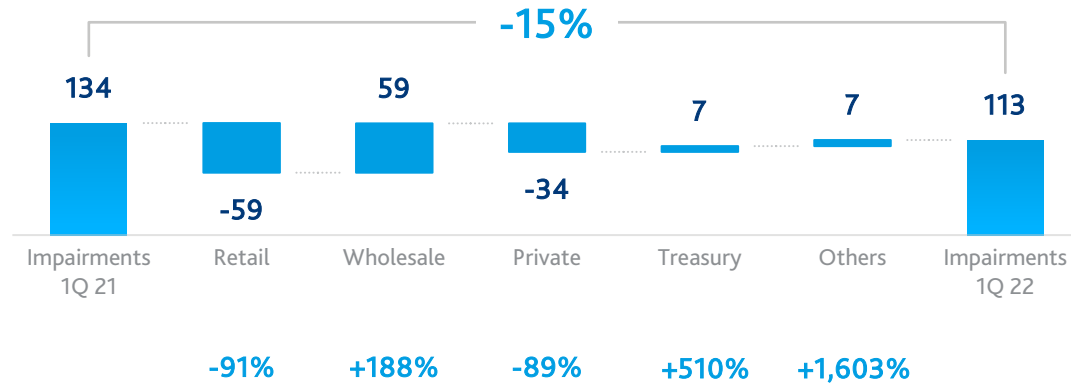
= Al Ghaf Initiative for Paperless Branches



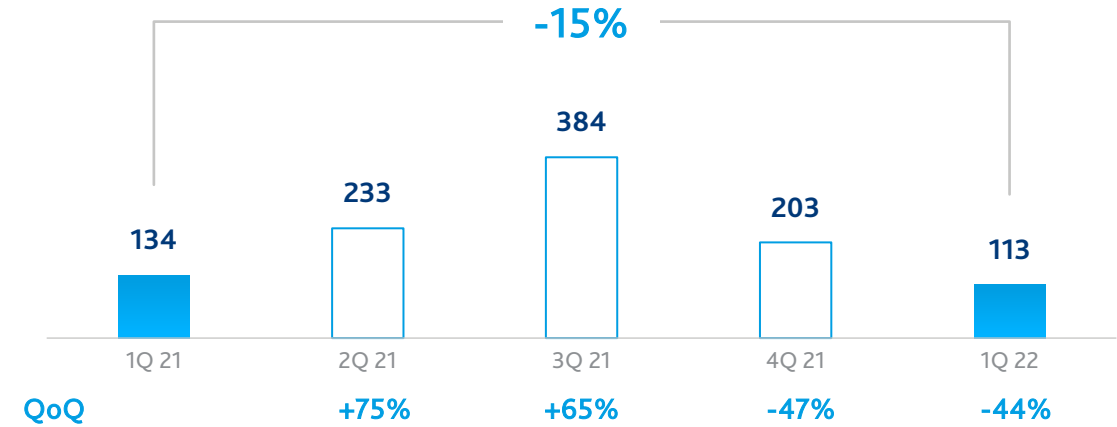
= Impairments

A 15% YoY decline in impairments due to an improved economic outlook...

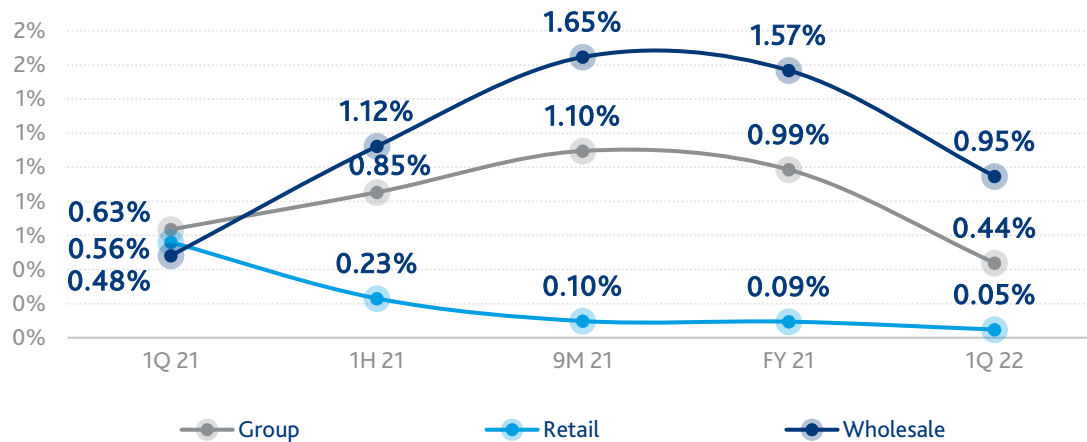
= Impairments Movement YoY (AEDmn)



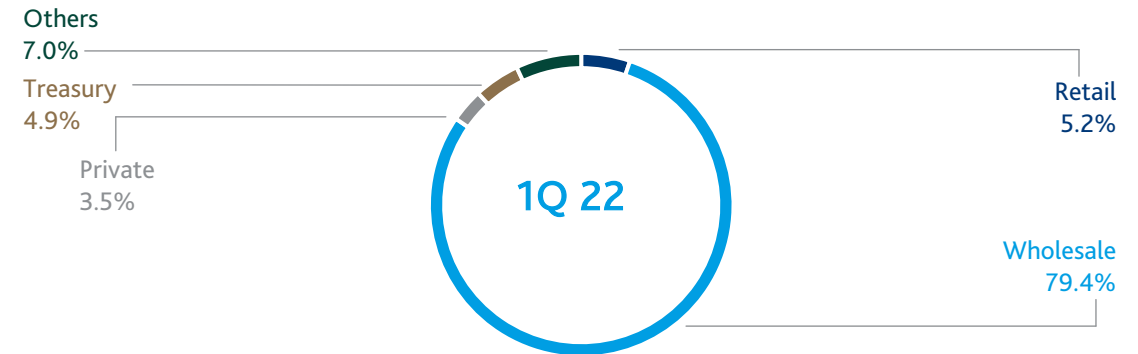
= Impairments (AEDmn)



= Cost Of Risk (%)



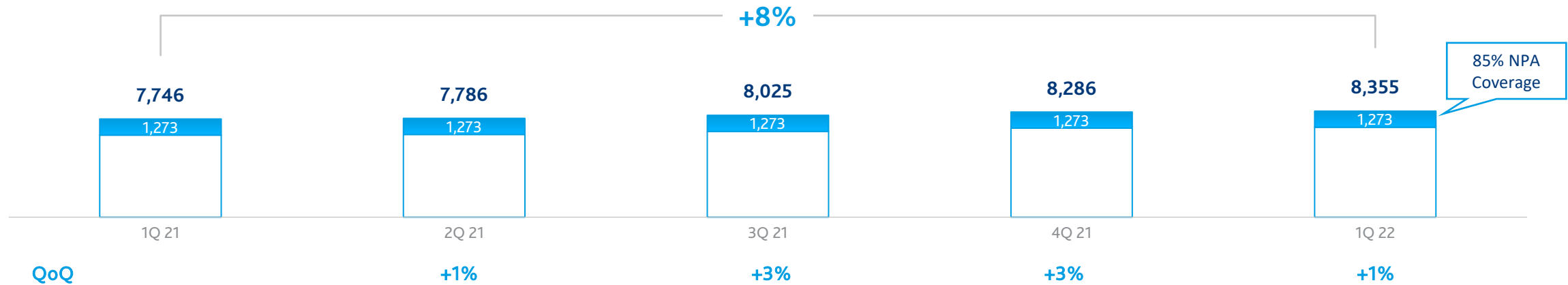
= Impairments Composition (%)



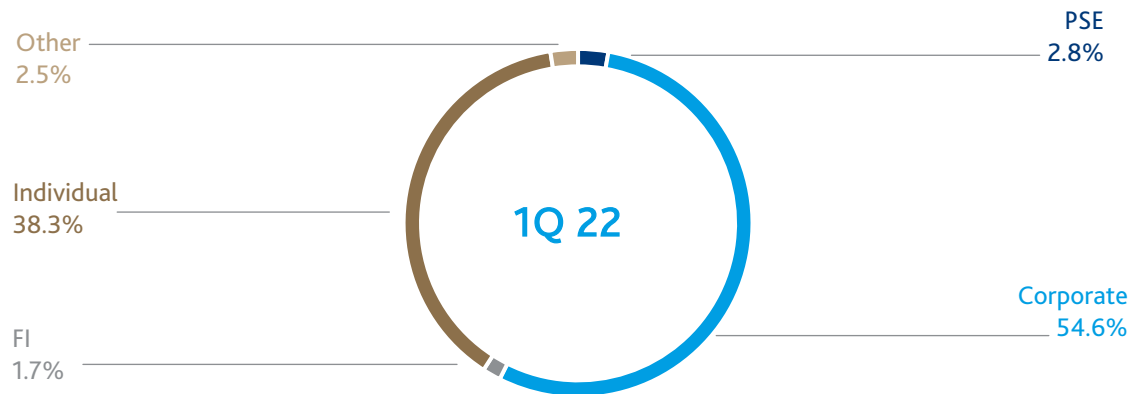
= Non-Performing Financing

...resulting in modest NPA growth...

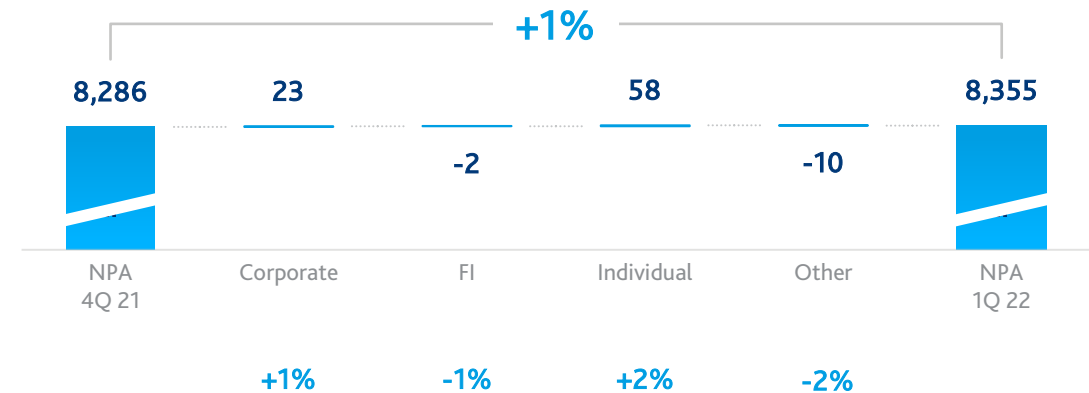
= NPA (AEDmn) ■ NMC Group



= NPA Composition by Sector (%)



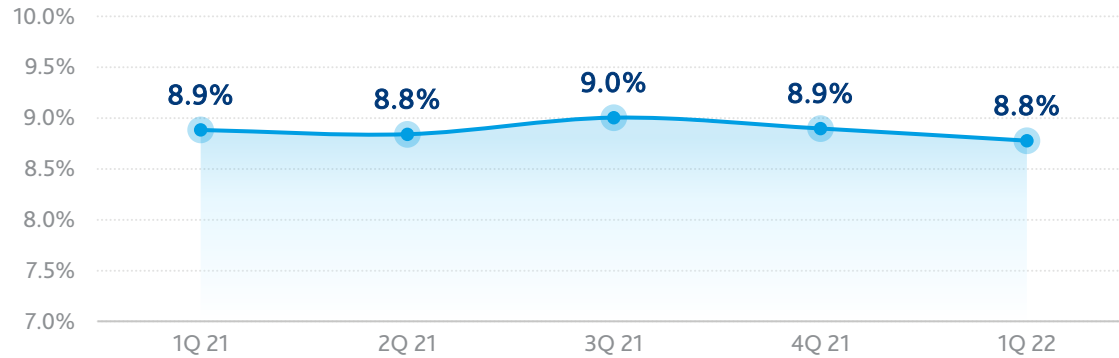
NPA Movement YTD (AEDmn)



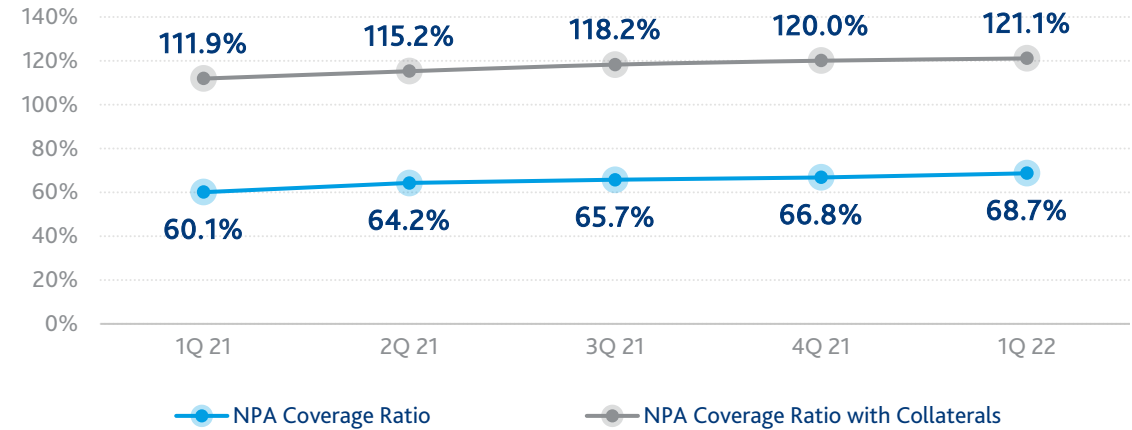
= Non-Performing Financing

... and a stable NPA ratio, with NPA coverage at 121.1% including the benefit of significant and high-quality collaterals.

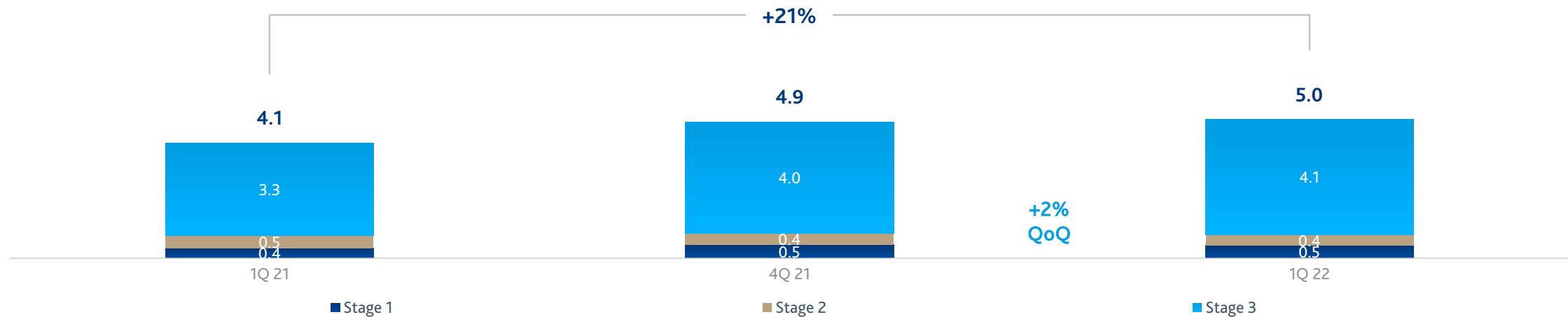
= NPA Ratio (%)



= NPA Coverage Ratio (%)



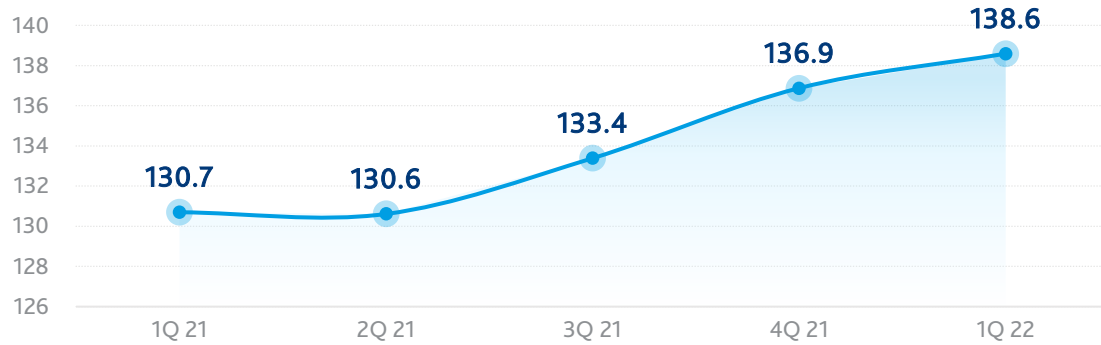
= ECL by Stage (AEDbn)



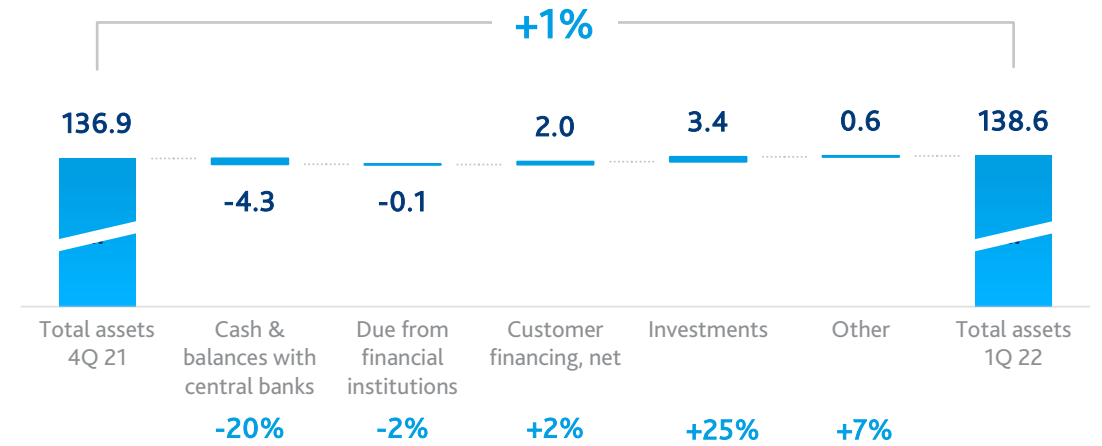
= Balance Sheet

ADIB reported modest balance sheet growth during 1Q 2022...

= Total Assets (AEDbn)



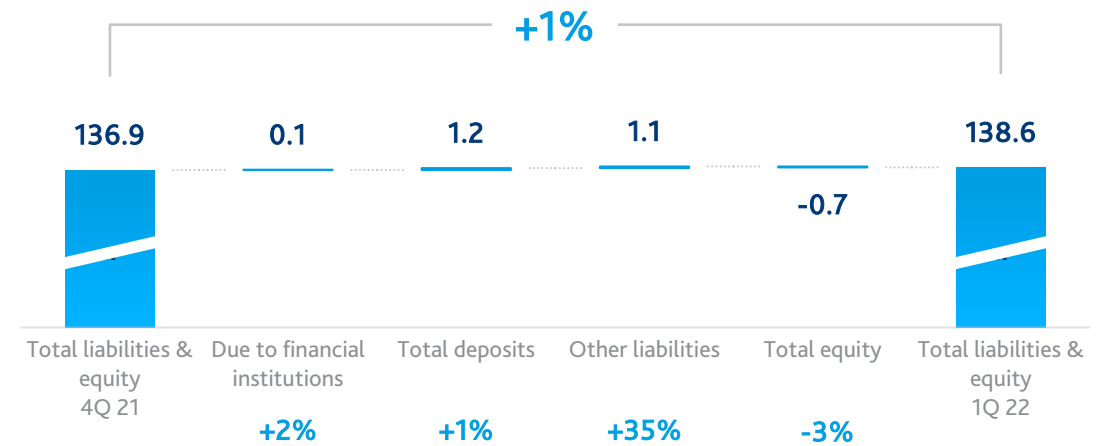
= Total Assets Movement YTD (AEDbn)



= Balance Sheet Highlights

AED (mn)	1Q 2022	4Q 2021	Δ%	1Q 2021	Δ%
Customer financing, net	90,224	88,252	+2%	83,082	+9%
Investments	17,139	13,691	+25%	14,467	+18%
Total assets	138,583	136,868	+1%	130,694	+6%
Total Deposits	110,808	109,611	+1%	103,069	+8%
Total liabilities	118,699	116,309	+2%	110,859	+7%
Total equity	19,885	20,559	-3%	19,835	+0.3%

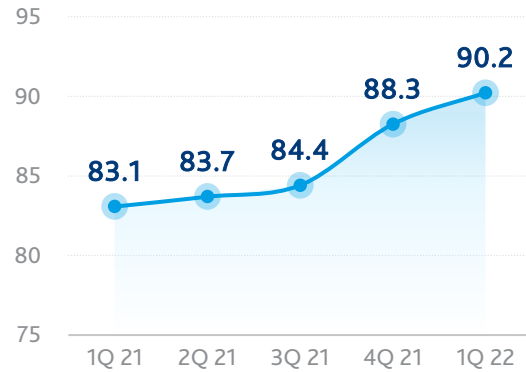
= Funding Movement YTD (AEDbn)



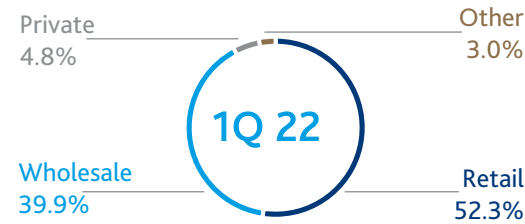
= Customer Financing

...with 2% YTD customer financing growth driven mainly by growth in Government and PSE financing...

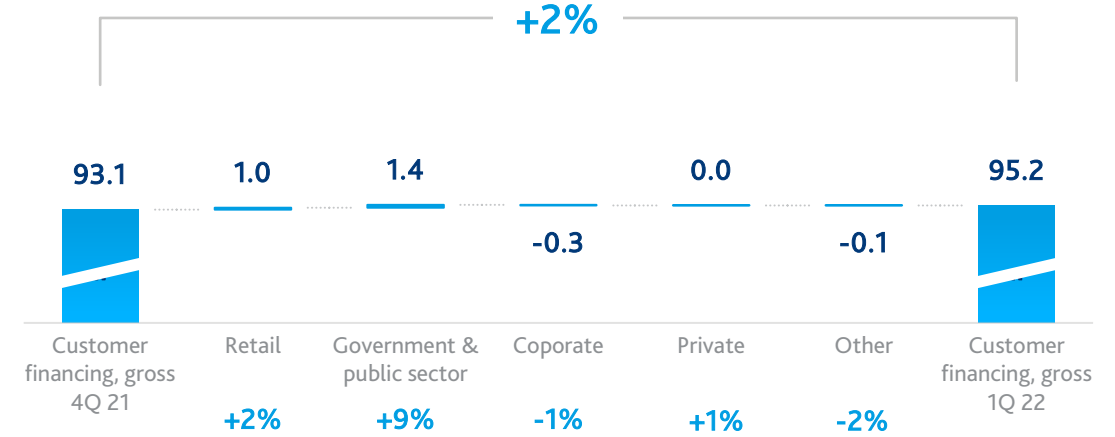
= Customer Financing, net (AEDbn)



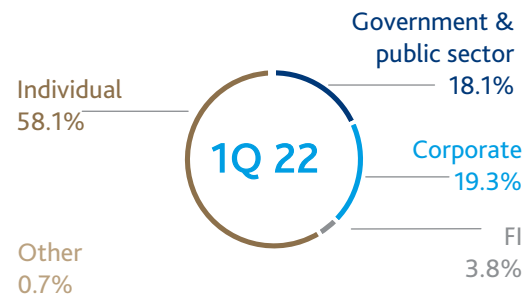
= Customer Financing, Gross by Segment (%)



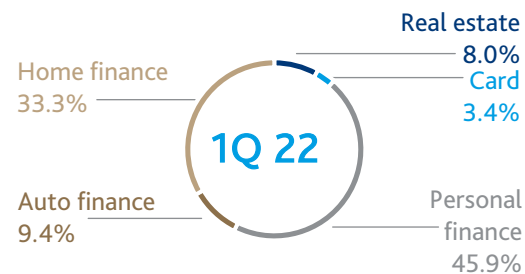
= Customer Financing, Gross Movement YTD (AEDbn)



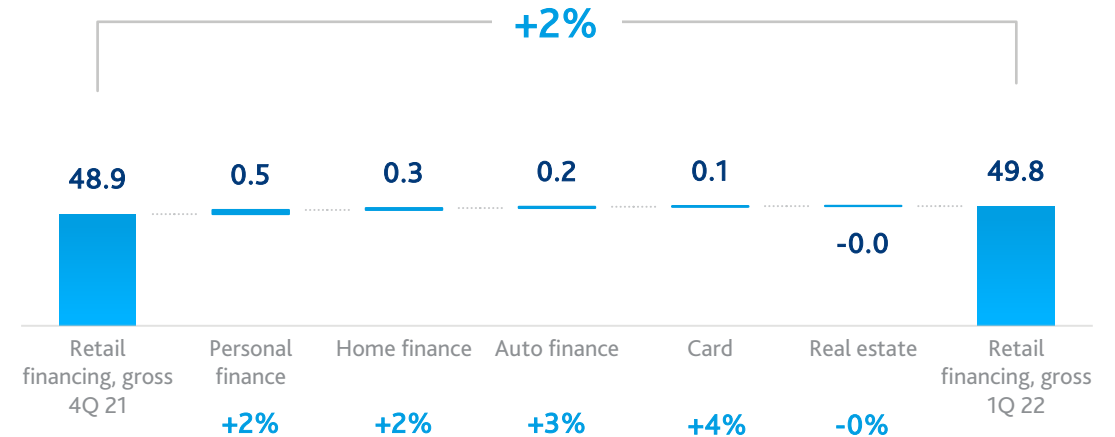
= Customer Financing, Gross by Sector (%)



= Retail Financing, Gross Composition (%)



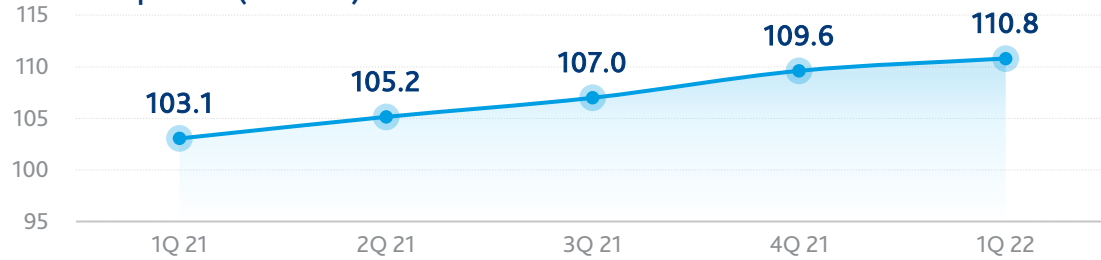
= Retail Financing, Gross Movement YTD (AEDbn)



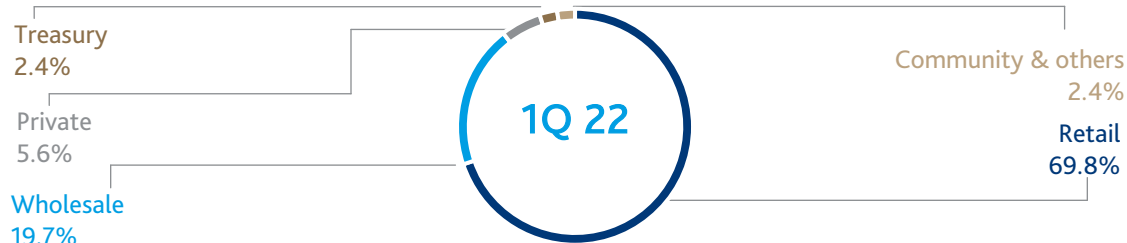
= Customer Deposits

...and modest 1% deposit growth from CASA generation, mainly in the Retail segment...

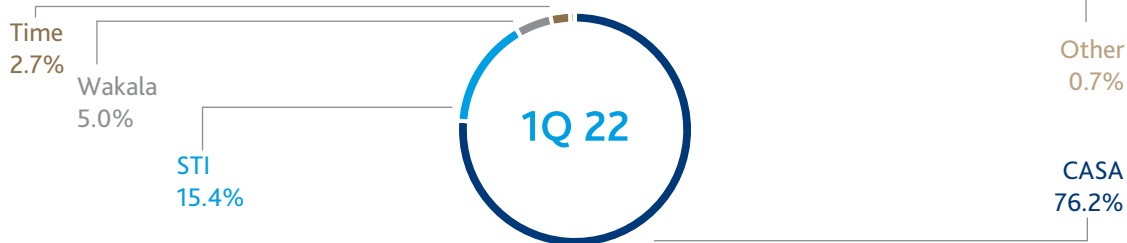
= Total Deposits (AEDbn)



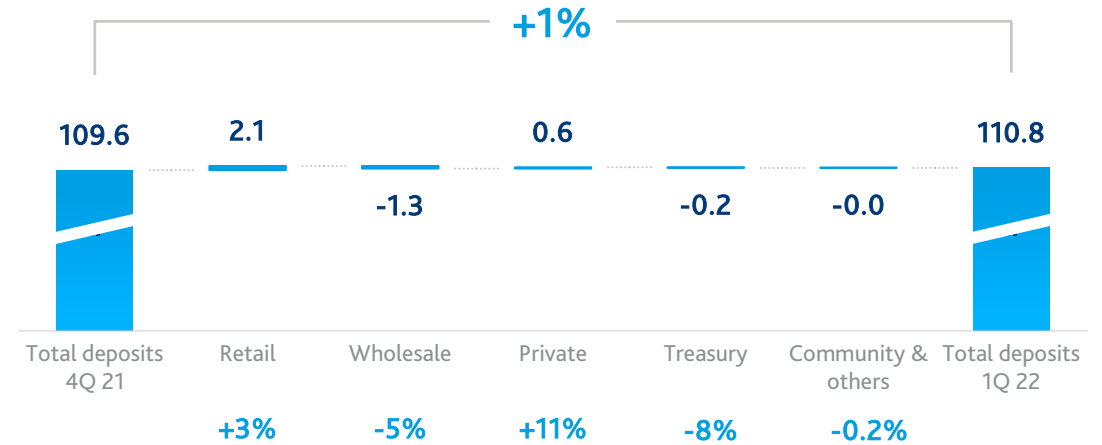
= Total Deposits by Segment (%)



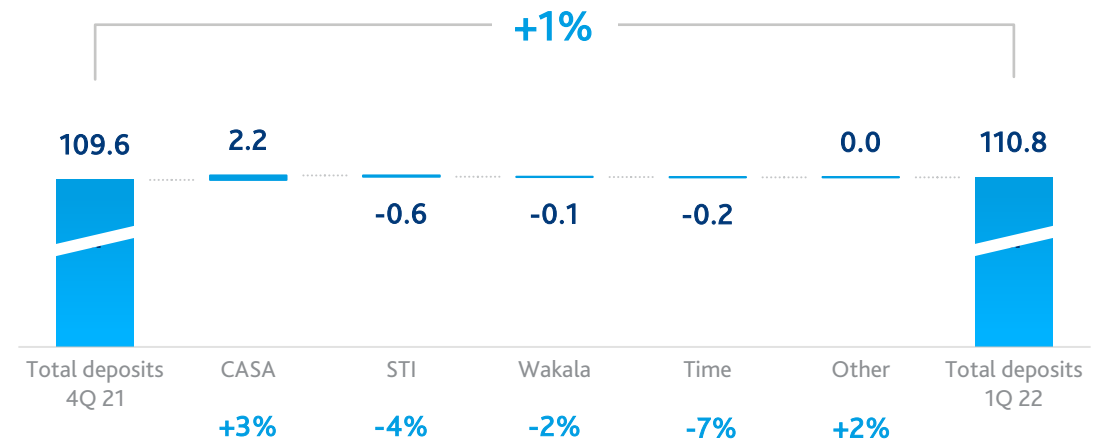
= Total Deposits by Type (%)



= Total Deposits Movement by Segment YTD (AEDbn)



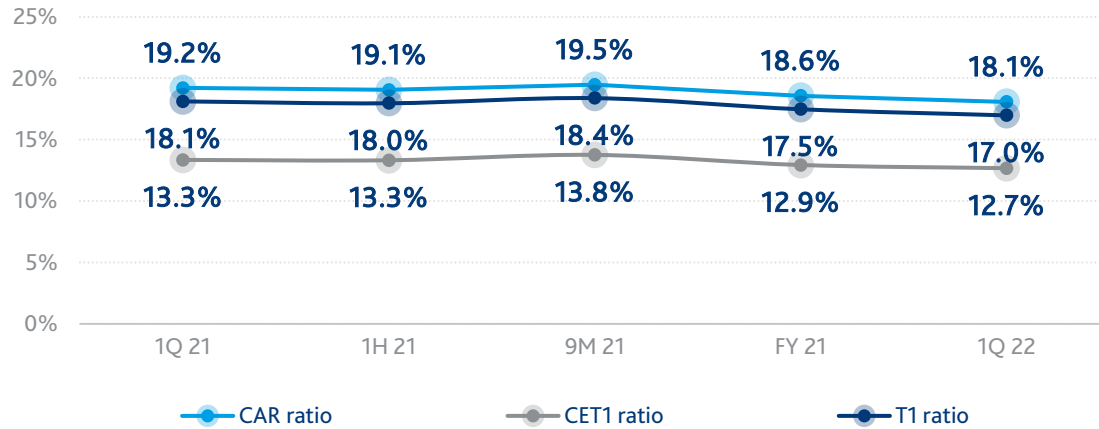
= Total Deposits Movement by Type YTD (AEDbn)



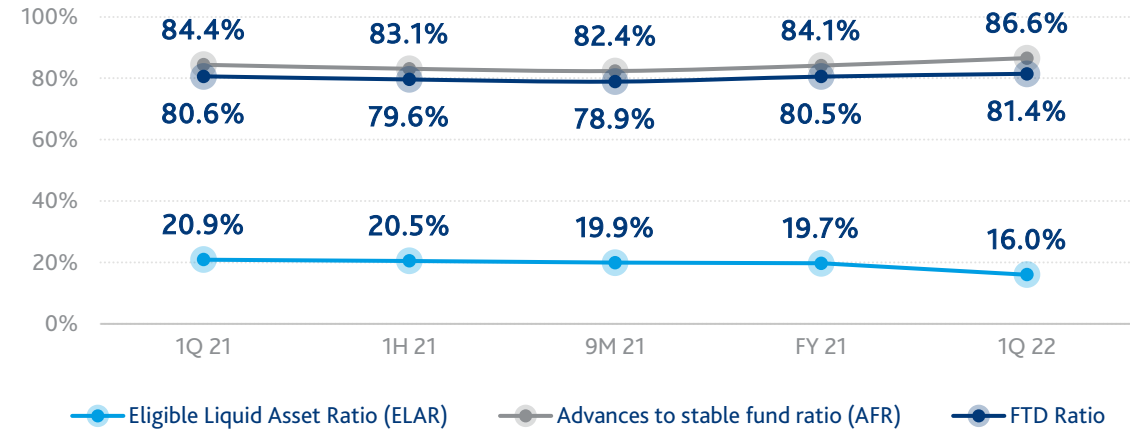
= Capital and Liquidity

...while maintaining robust capitalization and liquidity positions, well within regulatory requirements.

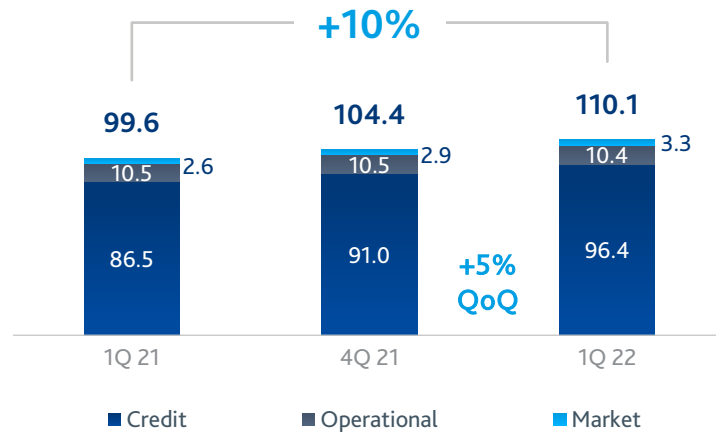
= Capitalization Ratios (%)



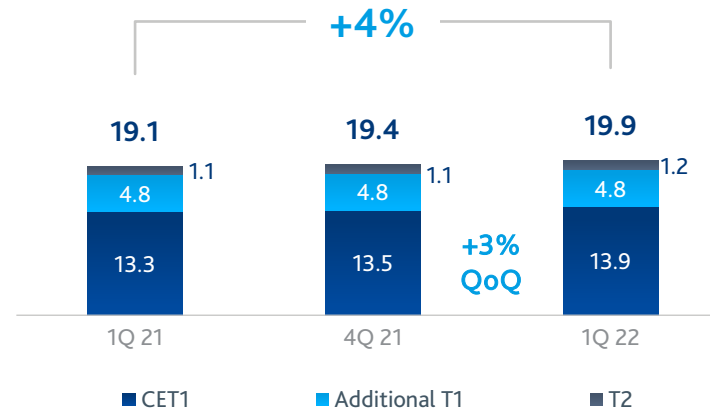
= Liquidity Ratios (%)



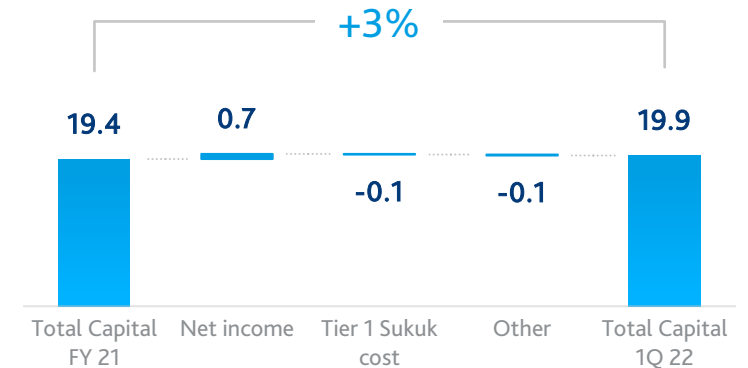
= RWA (AEDbn)



= Capitalization (AEDbn)



= Total Capital Movement YTD (AEDbn)



Outlook and Guidance

1Q 2022 Earnings Presentation

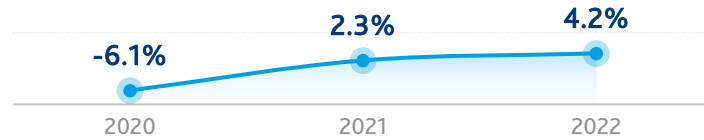
= Outlook and Guidance

Improving economic fundamentals and solid YTD financial performance drive a promising outlook for 2022

= Market Outlook

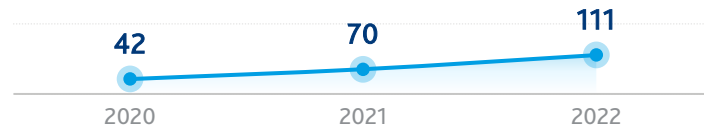
= GDP growth from rising oil prices

Real GDP growth (%)



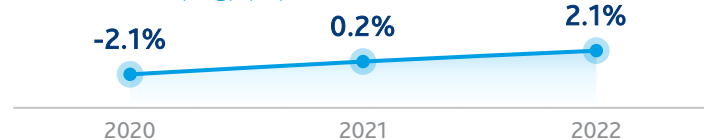
= Expected improvement in oil prices

Brent Price / Barrel (avg) (USD)



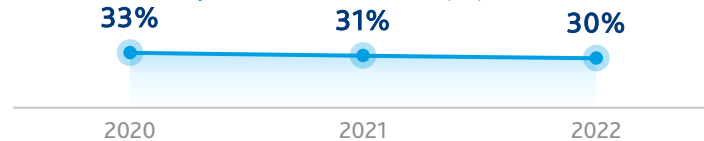
= Return from deflation to inflation

UAE Inflation (avg) (%)



= Expenditure expected to remain at 2020 level

Government expenditure % of GDP (%)



= Management Guidance

= Gross Financing Growth

Executing ADIB's growth strategy against the backdrop of an expected economic expansion

1Q 2022 Reported

+9%

FY 2022 Guidance

5% to 7%

FY 2022 Guidance Revised

5% to 7%

= Net Profit Margin

Early benefit of expected rate hikes offset by continued competitive yield pressure

2.92%

3.00% to 3.20%

2.90% to 3.10%

= Cost of Risk

Stable credit quality outlook and continued build-up of prudent provisioning

0.44%

0.80% to 0.90%

0.60% to 0.70%

= Cost to Income Ratio

Stable cost base from disciplined management and digital efficiencies with expected growth in revenue

40.9%

38% to 40%

38% to 40%

= Net Income Growth

Healthy financing growth, stable NPM and COR, and positive "Jaws" drive expected solid profit growth

+18%

15% to 20%

15% to 20%

= Return on Equity

Solid expected profit growth and focus on capital-efficient income growth expected to drive further ROE increase

17.0%

15% to 17%

15% to 17%

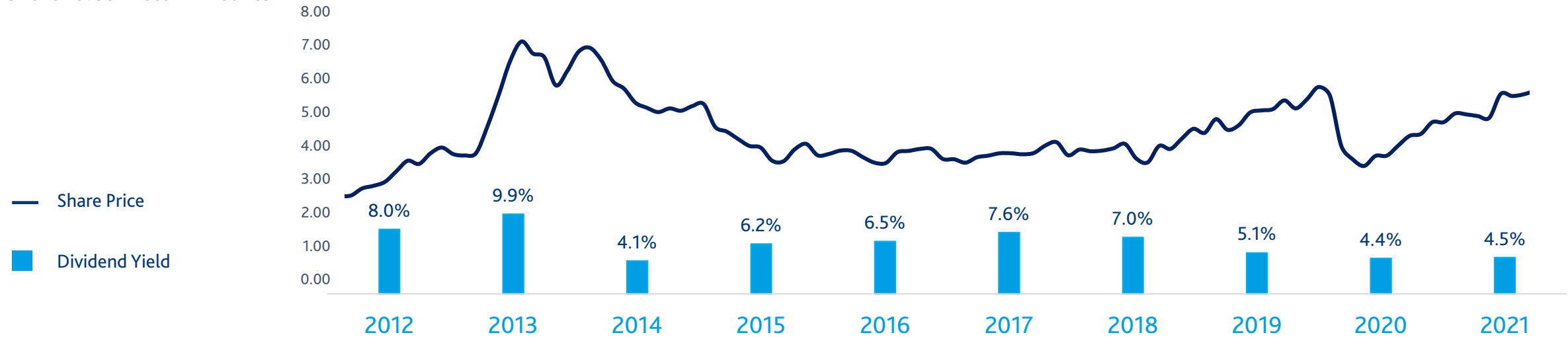
Questions & Answers

1Q 2022 Earnings Presentation

= Consistent dividend distribution

ADIB consistently distribute dividends with average yield of 4%

= Shareholder Return Metrics



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Profit in AEDmn	1,201	1,450	1,751	1,934	1,954	2,300	2,501	2,601	1,604	2,330
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%
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%
Cash Dividend in AEDmn	601	725	700	769	777	915	994	994	747	1,130
Bonus shares	-	635.3	-	-	-	-	-	-	-	-
Bonus Shares (% of Share Capital)	-	26.9%	-	-	-	-	-	-	-	-

= Ratings and Accolades

ADIB's recognition for excellence in Islamic banking

= Credit Ratings

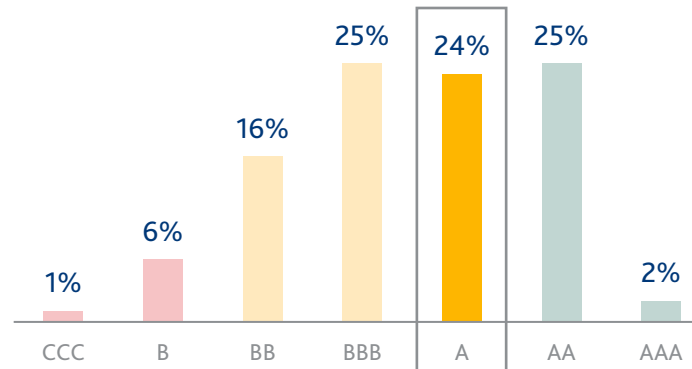
MOODY'S
A2
Stable Outlook

FitchRatings
A+
Stable Outlook

= ADIB's MSCI ESG Rating



= MSCI Rating Distribution



= Recent Accolades



#1
Digital
Transformation
Program



#1
Bank in the UAE
(April 2021)



#1
Islamic Bank in
the UAE
(March 2021)

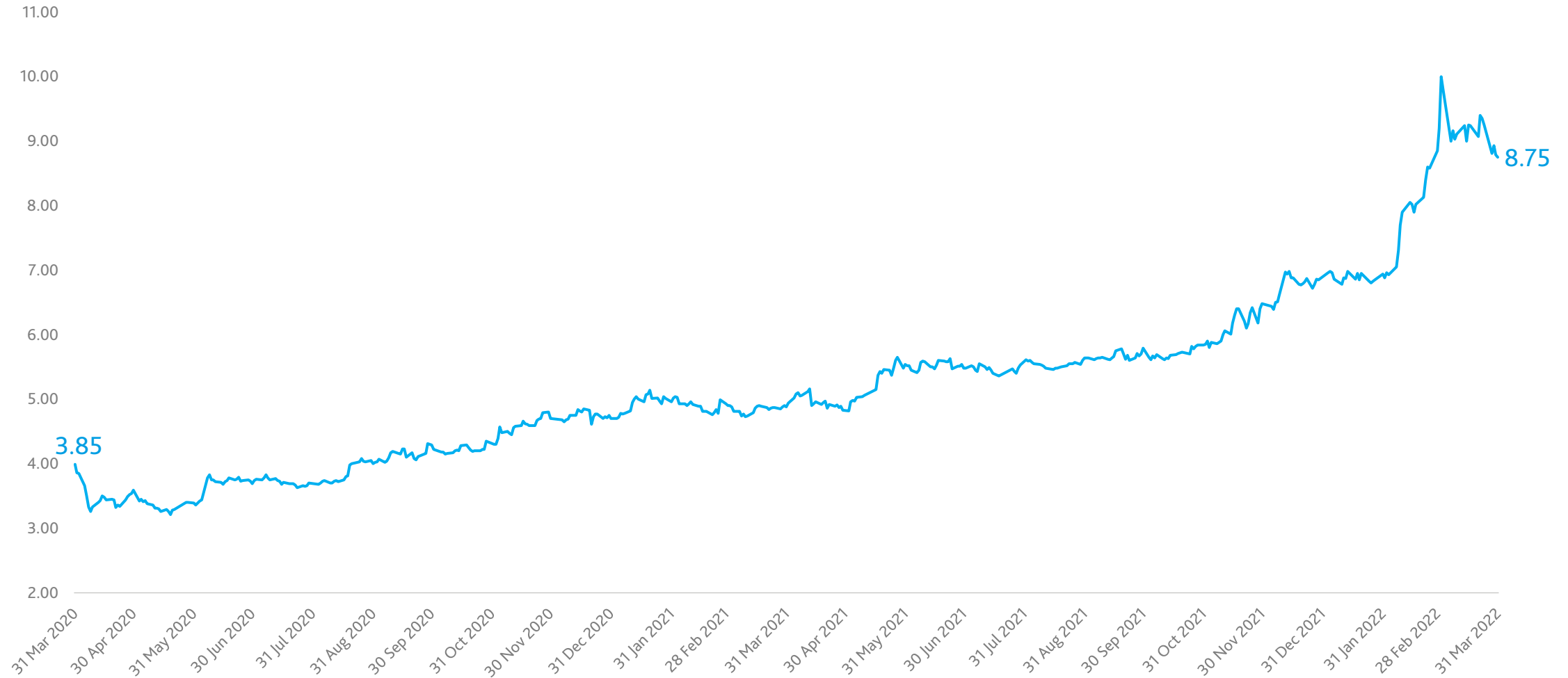


#1
Islamic Bank in
Egypt
(March 2021)

= ADIB Share Price Performance

From 1Q 2020 to 1Q 2022 ADIB's share price is up 119%

= ADIB Share Price Chart



Contacts

1Q 2022 Earnings Presentation

= Additional Information

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

= ADIB Investor Relations Contact

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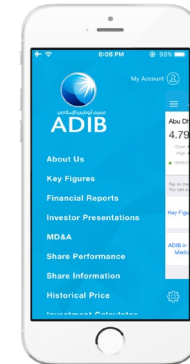
T: +917 2 634 3000

M: +971 50 682 4207

= ADIB Investor Relations App



Download link:



= ADIB Investor Relations Website

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

Disclaimer

1Q 2022 Earnings Presentation

= Disclaimer

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