

1Q 2023 Earnings Presentation

Analyst & Investor Conference Call

Abu Dhabi, 27 April 2023

ADIB IR Website



IR App Download link:



= Contents

1Q 2023 Earnings Presentation

= Key Highlights

= ADIB Strategy

= Financial Performance

= Outlook & Guidance

= Questions & Answers

= Appendix

= Contacts

= Disclaimer

Key Highlights

1Q 2023 Earnings Presentation

1
2
3
4
5
6
7
8

= Key Highlights

Another solid set of results with a net profit of AED 1.1 bn up 54% from last year

= 54% YoY increase in net income to AED 1.1 billion in 1Q 2023 driven by broad-based revenue growth

= Revenue up 45% to AED 2.0 billion driven by 81% growth in funded income

= ROE improving 6.4 percentage points YoY to reach 23.4%

= Cost to income ratio improved 5.3 percentage points to 35.7% helped by strong revenue growth

= 24% YoY asset growth driven by 19% growth in customers financing

= 28% YoY deposits growth with CASA increasing 15% representing 68% of total deposits

= Robust capital position with a CET1 of 12.55%

1Q'23 Net Profit growth YoY

+54%



1Q'23 Revenue growth YoY

+45%



1Q'23 ROE

+23.4%



1Q'23 financing growth YoY

AED 17 bn



Executing ADIB Strategy

1Q 2023 Earnings Presentation

1

2

3

4

5

6

7

8

= ADIB Strategy

Our purpose, values and vision are supported by a clear set of strategic goals

= Purpose

Lifelong partner for customers, colleagues and community

= Vision

To be the world's **most innovative Islamic bank**

= Values

We keep it
simple and sensible

We are
transparent

We work for
mutual benefit

We nurture **hospitality**
and tolerance

We are
Shari'a inspired

► 4-Pillar Strategy



Continuous
Innovation



Segment
Focused









Digital
Excellence



Sustainable
Future

= Update on Strategy Progress

ADIB continues to deliver on its strategy in 2023

Continuous Innovation	Key product launches <ul style="list-style-type: none"> • Salary cash back campaign • Digital on-boarding for business banking • New cash back card • Remittance programs to new corridors 	Amwali Youth Account 10,701 Accounts	Asset Management \$153 mn Global Sukuk Fund	Payment Service AED 3.9 mn Revenue	
Segment Focused	UAE Nationals +15,323 New to bank UAE Nationals	Grow wholesale banking +15% Financing growth YoY	Retail sales +10% Asset growth YoY	Attract new customers +45,972 New customers	Deepen relationships 1.50 Cross-sell Ratio
Digital Excellence	Digitize processes 91% Overall STP	Digitize channels 98% Payments: Volumes received from Mobile App & Online Channels 49% Personal finance	Automate processes  63 bots	Leverage digital channels 4.70/5 ★★★★★ AppStore rating 4.54/5 ★★★★★ Google Play rating	Paperless strategy:  5m Papers Saved (2022)
Sustainable Future	Leader in financial conduct   Included in ESG MSCI Leaders Index \$2bn in sustainable finance	Employer of choice  78% Employee engagement index	Best customer experience #1 Number 1 bank NPS in UAE: 78% 		

Financial Performance

1Q 2023 Earnings Presentation

= Financial Performance Highlights

Successful start into 2023, maintaining our growth momentum by delivering a 54% growth of net income to AED 1.1bn

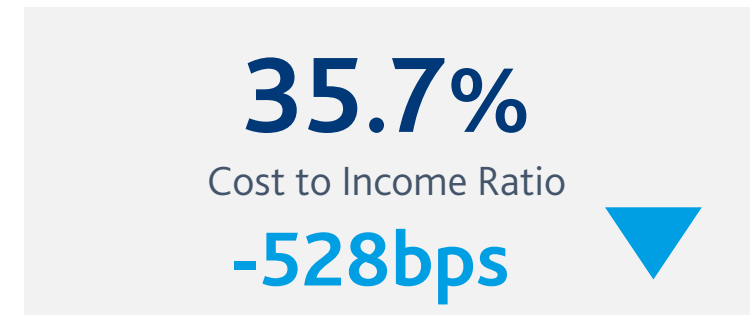
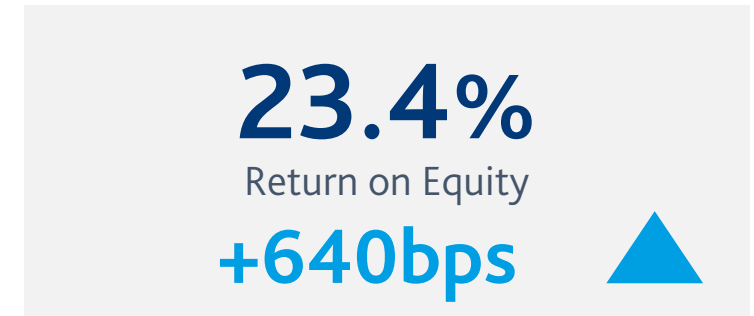
= Strong YoY Growth in Profitability



= Solid Balance Sheet Growth YoY



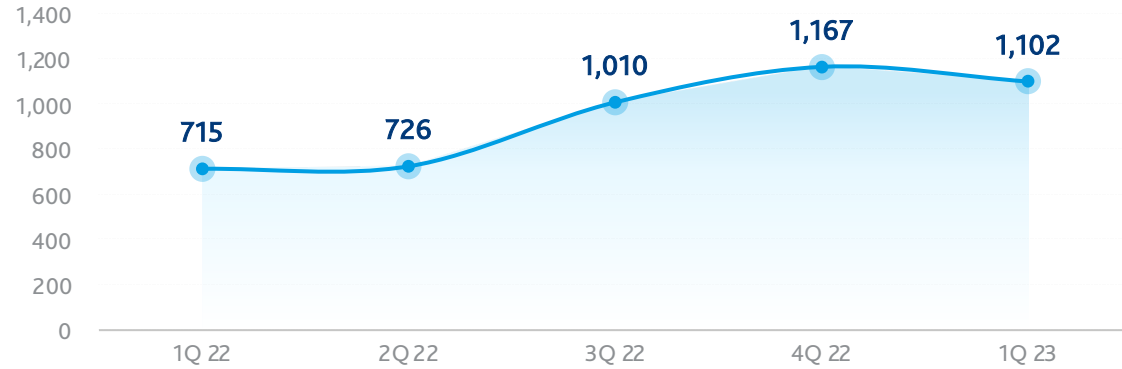
= Robust Capital Position and Strong Return



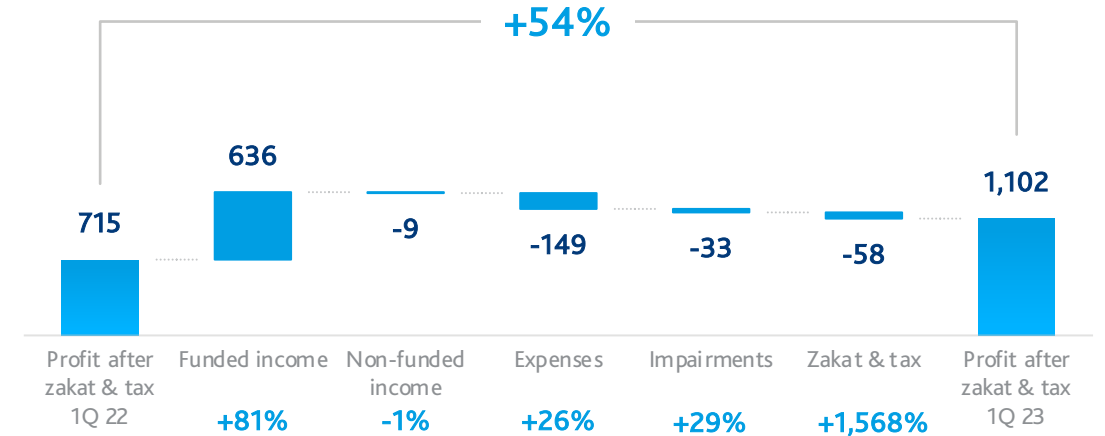
= Income Statement

54% YoY growth in net income underscored by increase in financing assets and funded revenues

= Net Income (AEDmn)



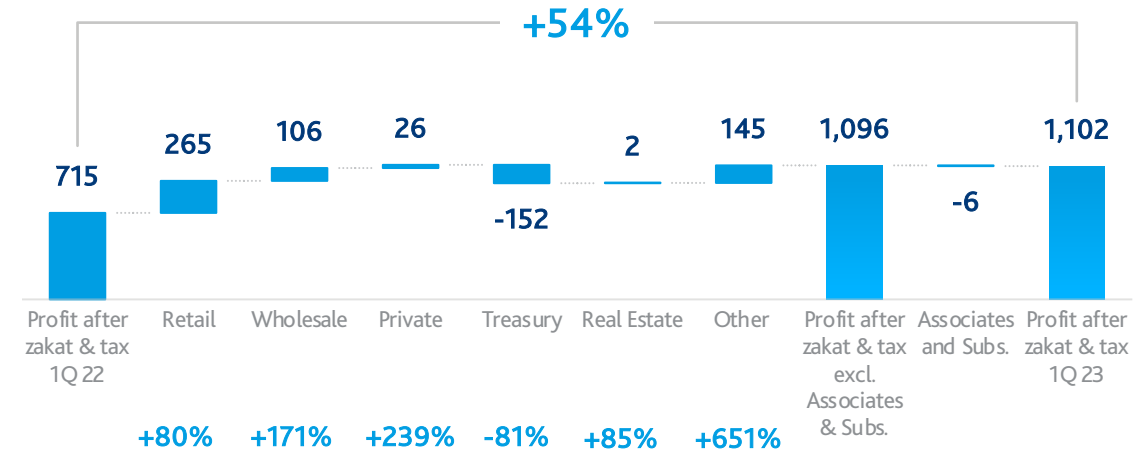
= Net Income Movement YoY (AEDmn)



= Income Statement Highlights

AED (mn)	1Q 2023	4Q 2022	Δ%	1Q 2022	Δ%
Funded income	1,425	1,349	+6%	789	+81%
Non-funded income	611	970	-37%	620	-1%
Revenues	2,037	2,319	-12%	1,409	+45%
Operating expenses	(726)	(688)	+6%	(577)	+26%
Provision for impairment	(146)	(416)	-65%	(113)	+29%
Net Income before zakat and income tax	1,102	1,167	-6%	715	+54%

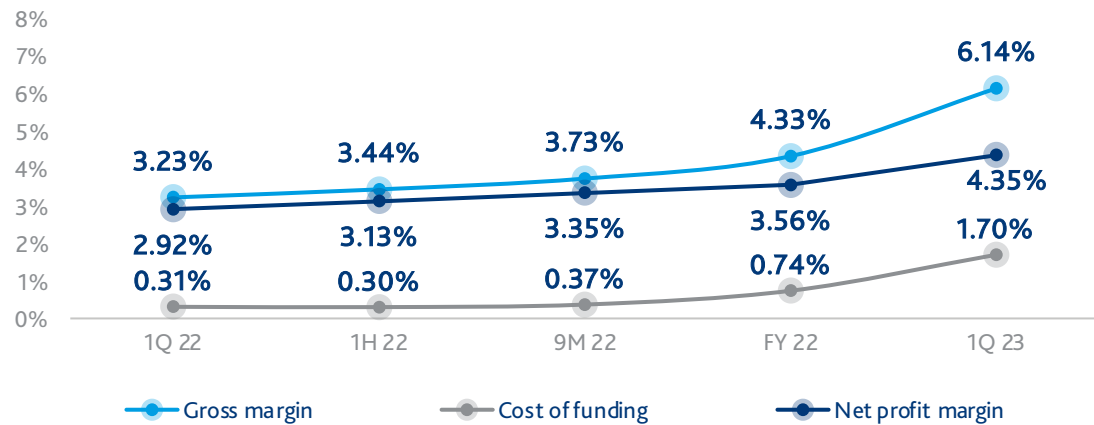
= Net Income Movement by Segment YoY (AEDmn)



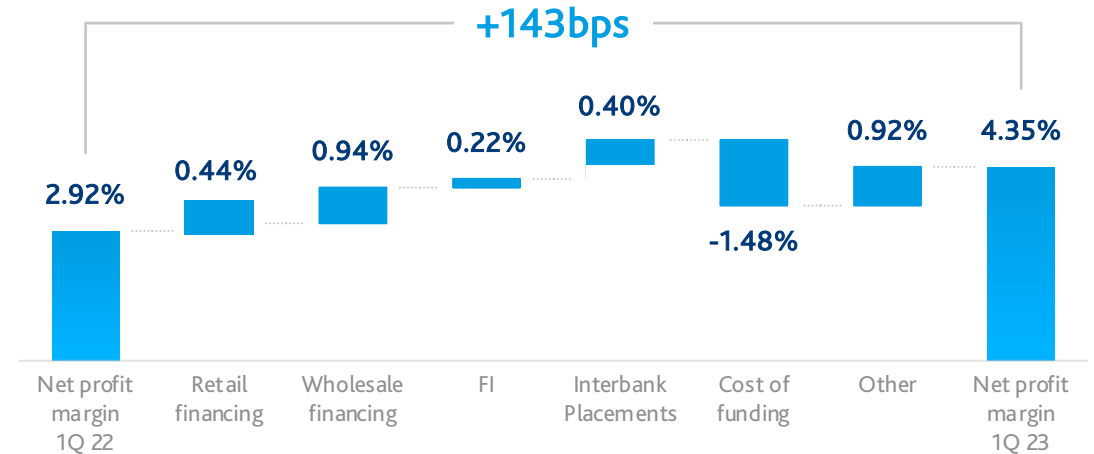
= Funded Income

Continued increase in yields driven by higher rates and expansion of net profit margin to 4.35%

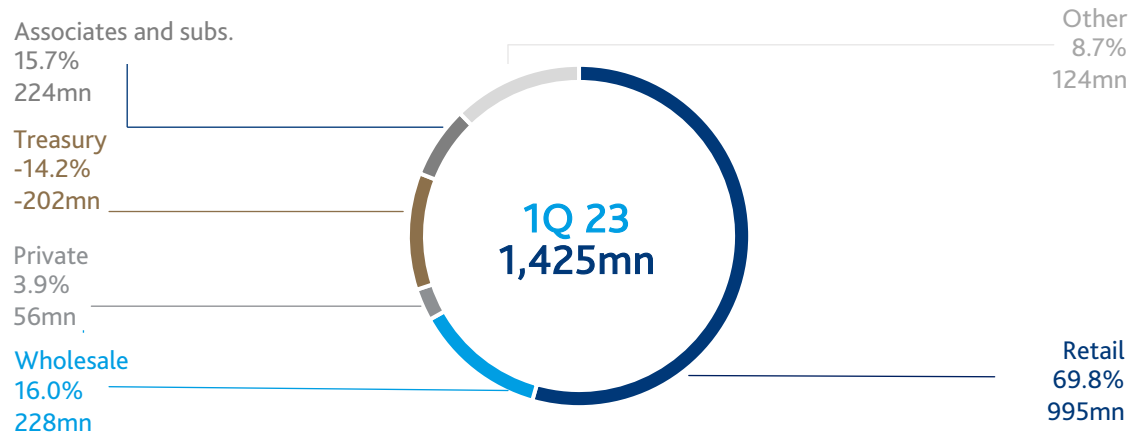
= Net Profit Margin (%)



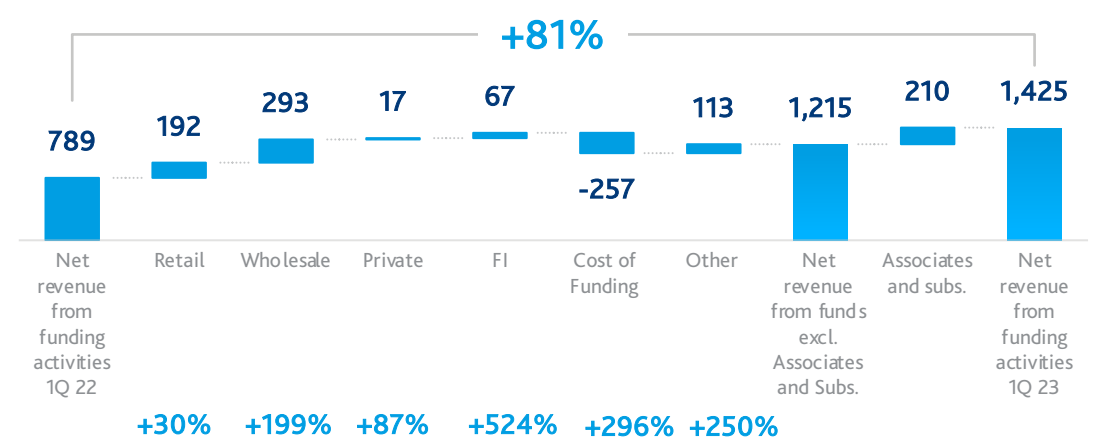
= Net Profit Margin Movement YoY (%)



= Net Revenue from Funding Activities Composition (AEDmn)



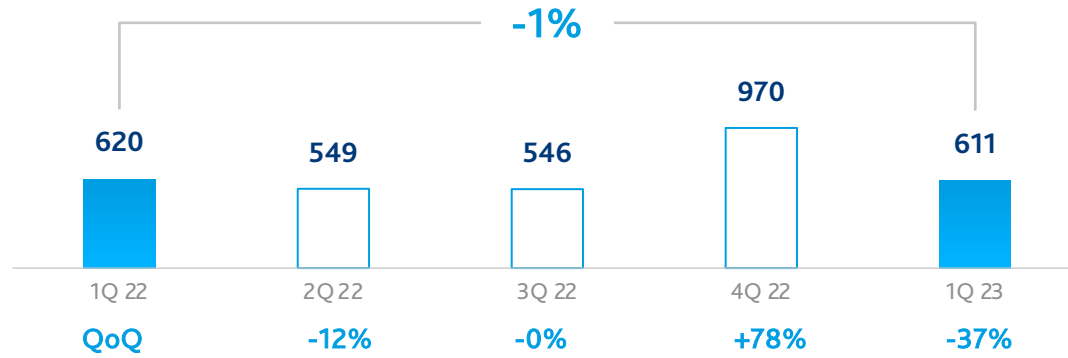
= Net Revenue from Funding Activities YoY (AEDmn)



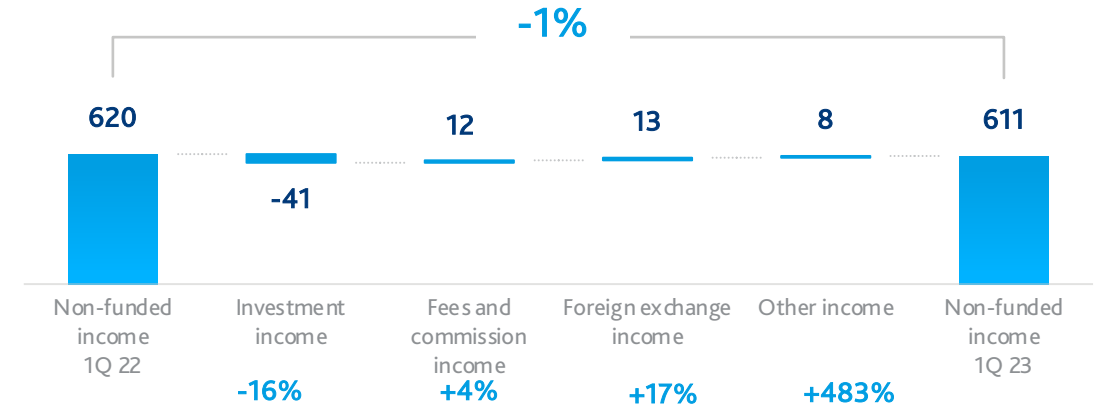
= Non-Funded Income

Stable non-funded income as growth in trade finance and FX income was offset by lower investment income

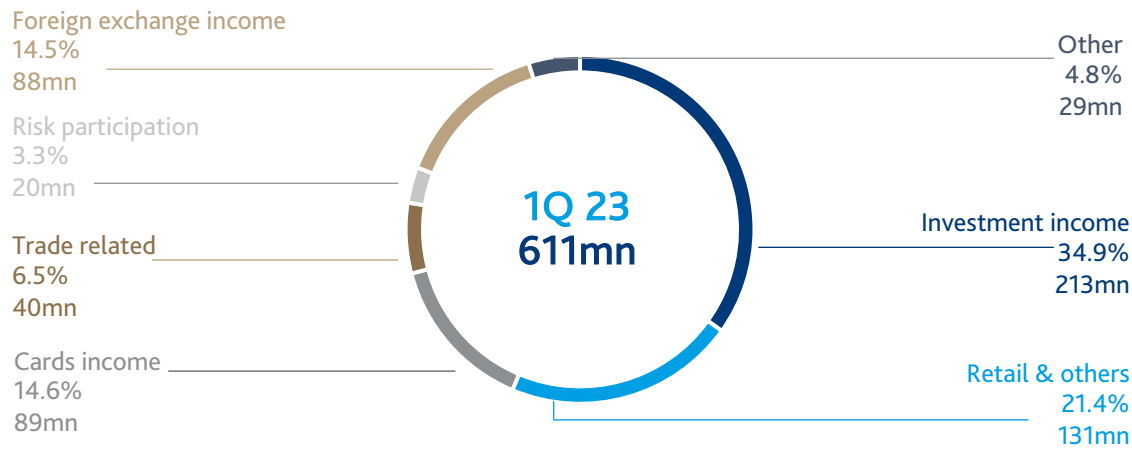
= Non-Funded Income (AEDmn)



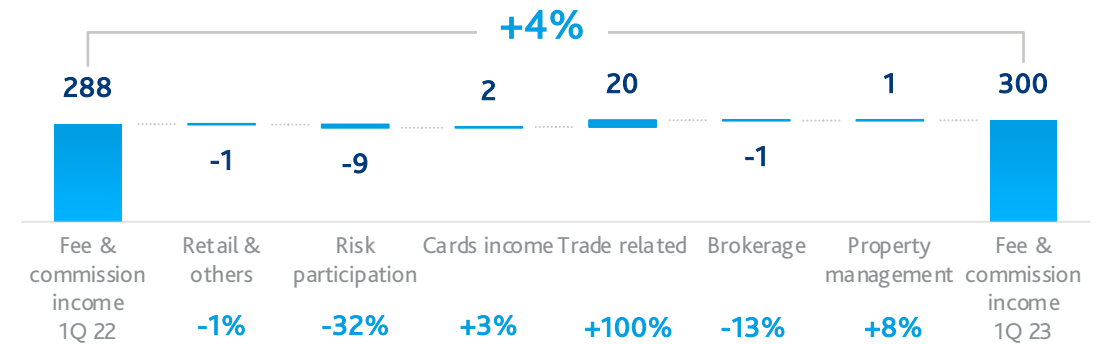
= Non-Funded Income Movement YoY (AEDmn)



= Non-Funded Income Composition (%)



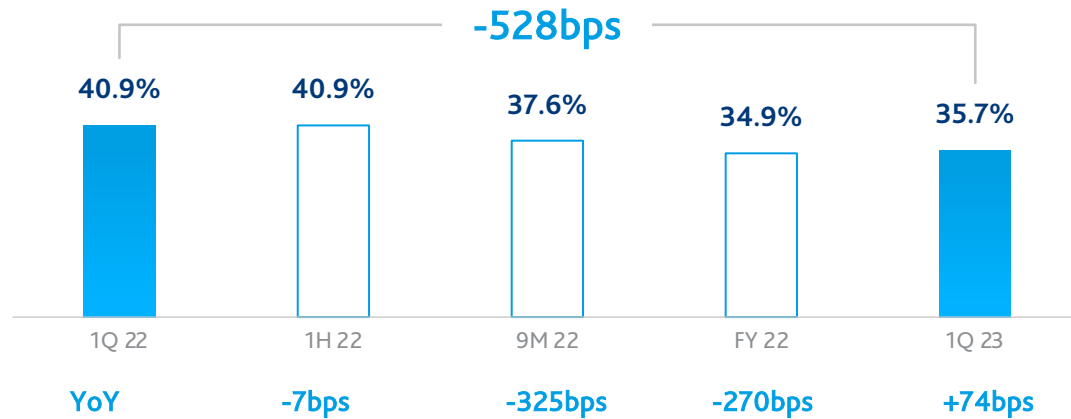
= Fee & Commission Income Movement YoY (AEDmn)



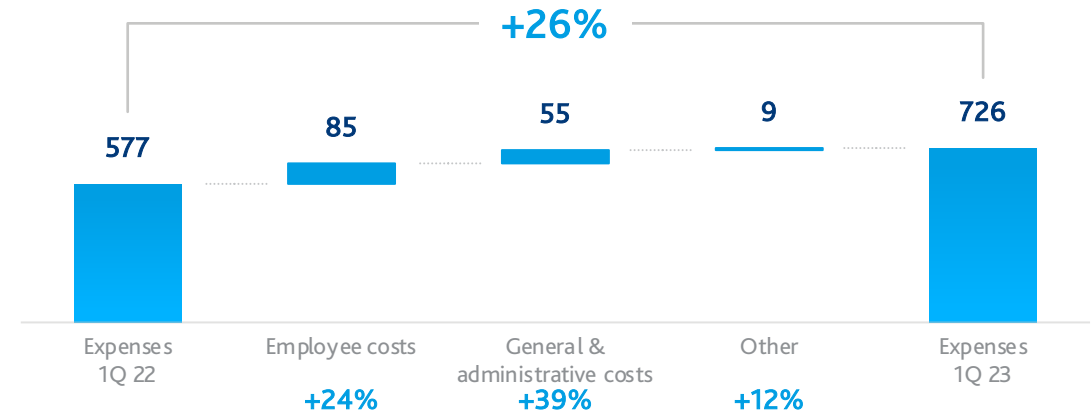
= Operating Expenses

Cost to income ratio improved by 528bps to 35.7% on revenue growth

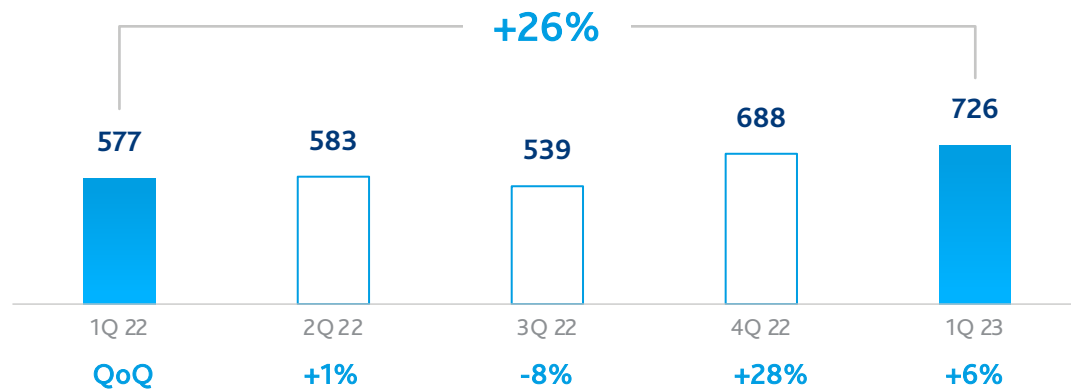
= Cost To Income Ratio (%)



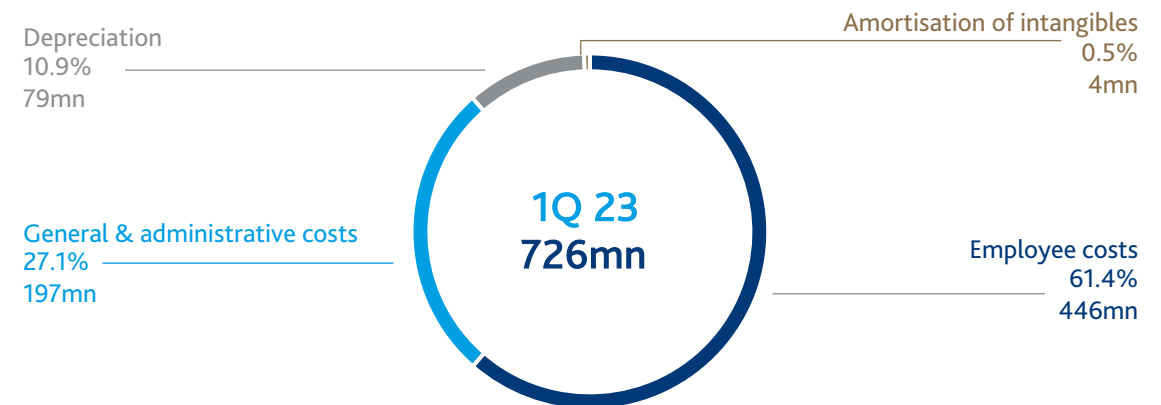
= Expenses Movement YoY (AEDmn)



= Expenses (AEDmn)



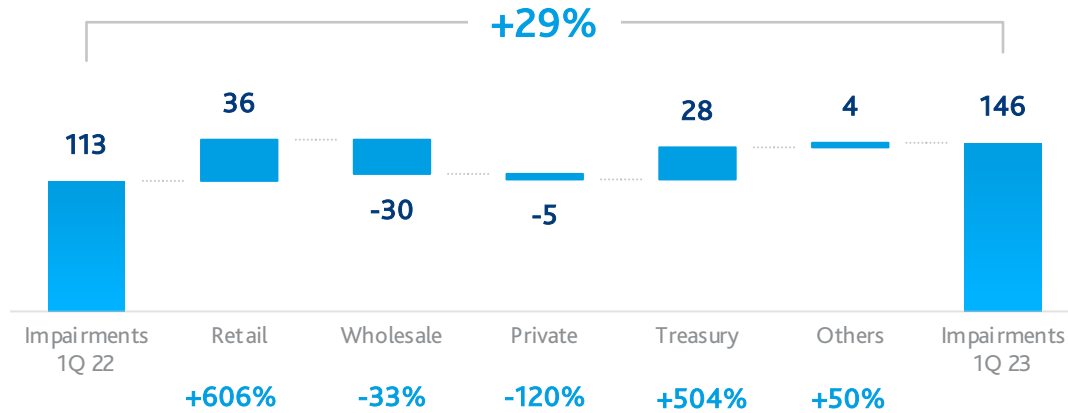
= Expenses Composition (%)



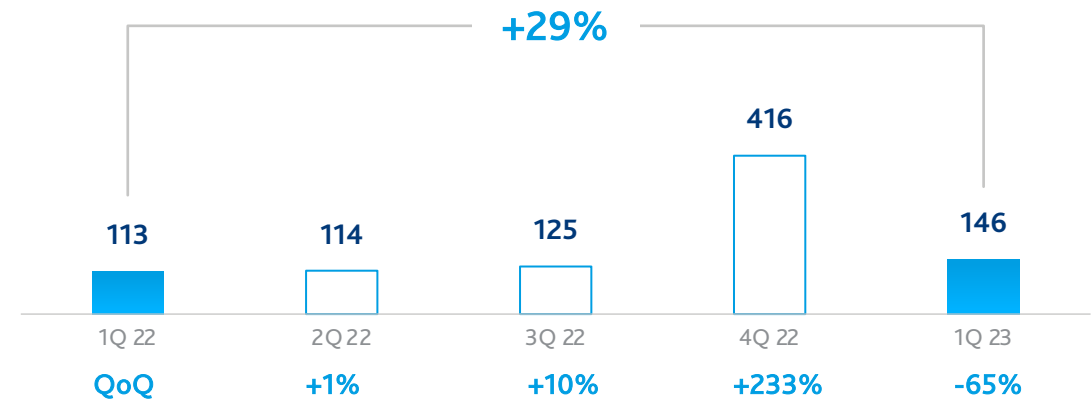
= Impairments

29% increase in provisions at a Group level with COR improving to 29 bps

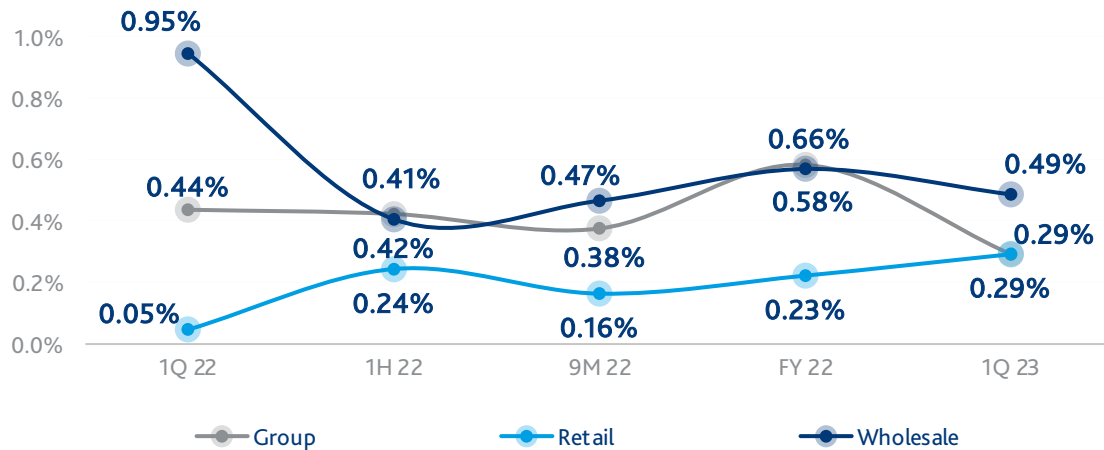
= Impairments Movement YoY (AEDmn)



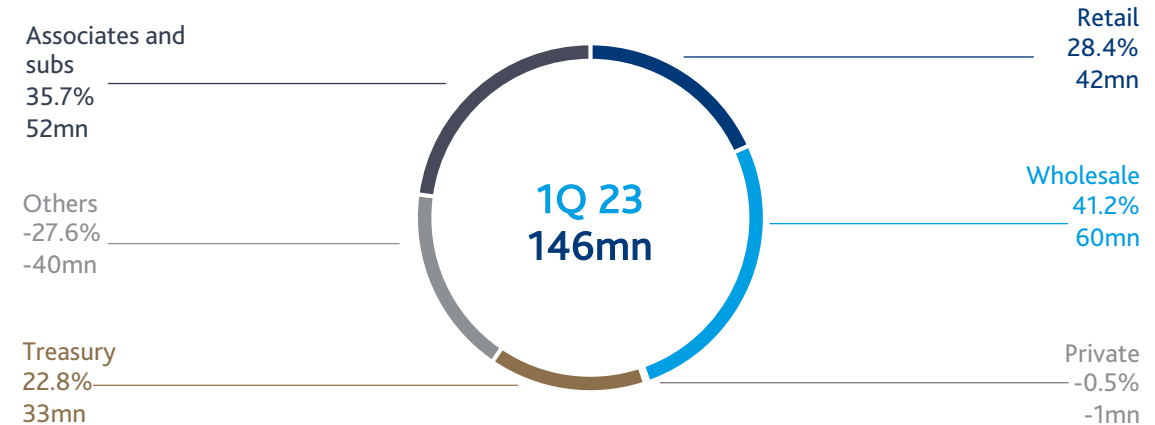
= Impairments (AEDmn)



= Cost Of Risk (%)



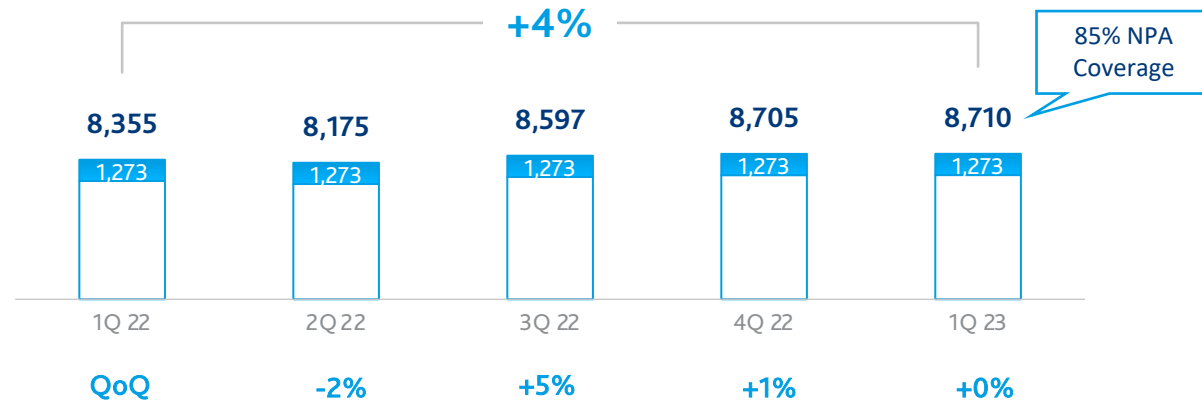
= Impairments Composition (%)



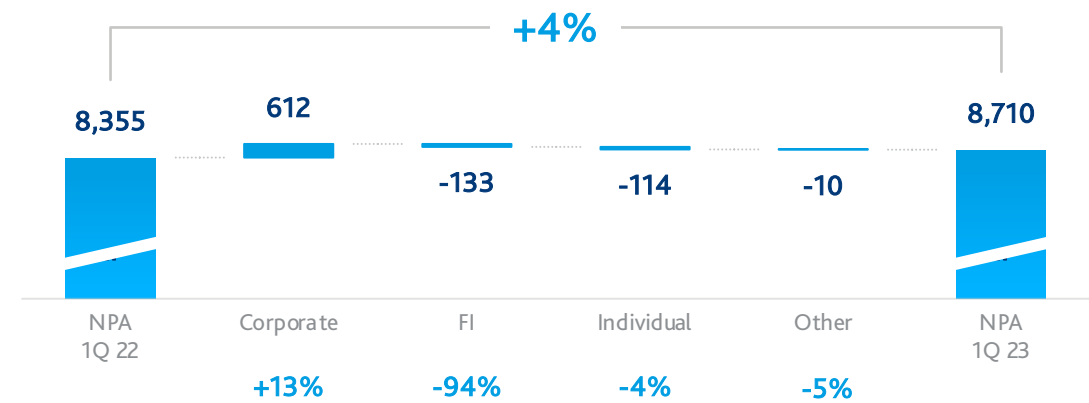
= Non-Performing Financing

NPA ratio moderating and coverage ratio improving

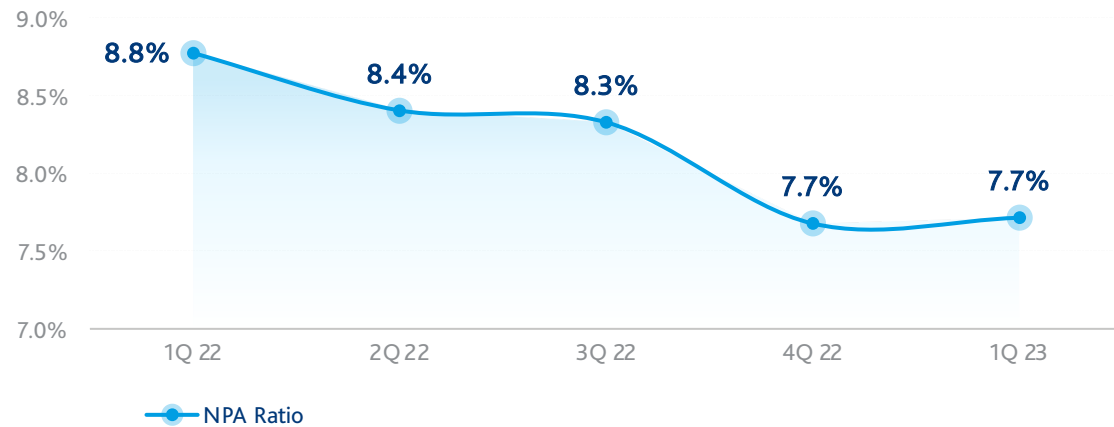
= NPA (AEDmn)



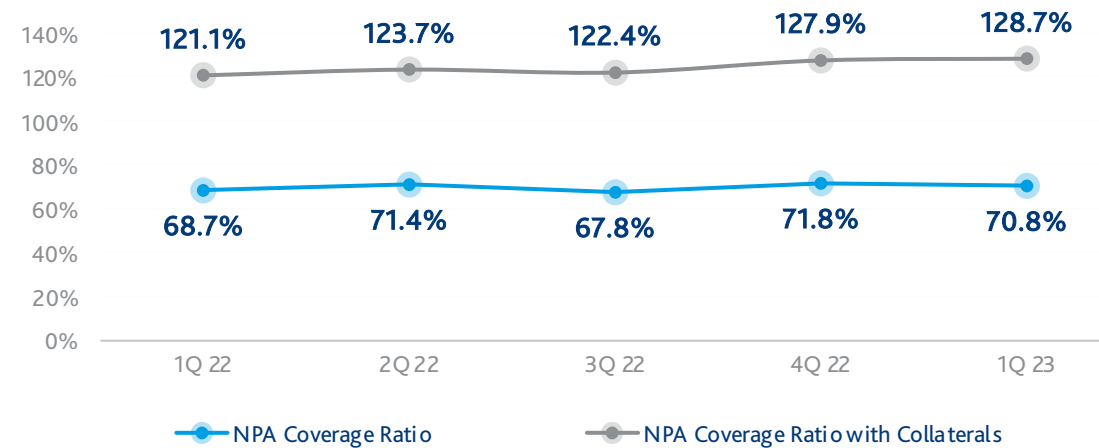
= NPA Movement YoY (AEDmn)



= NPA Ratio (%)



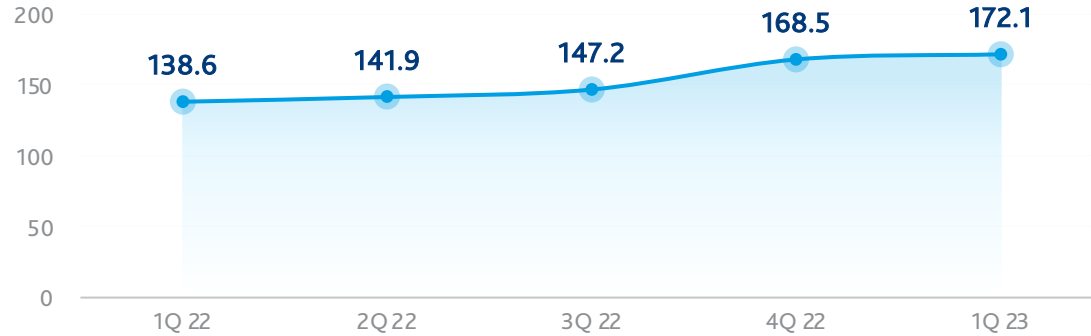
= NPA Coverage Ratio (%)



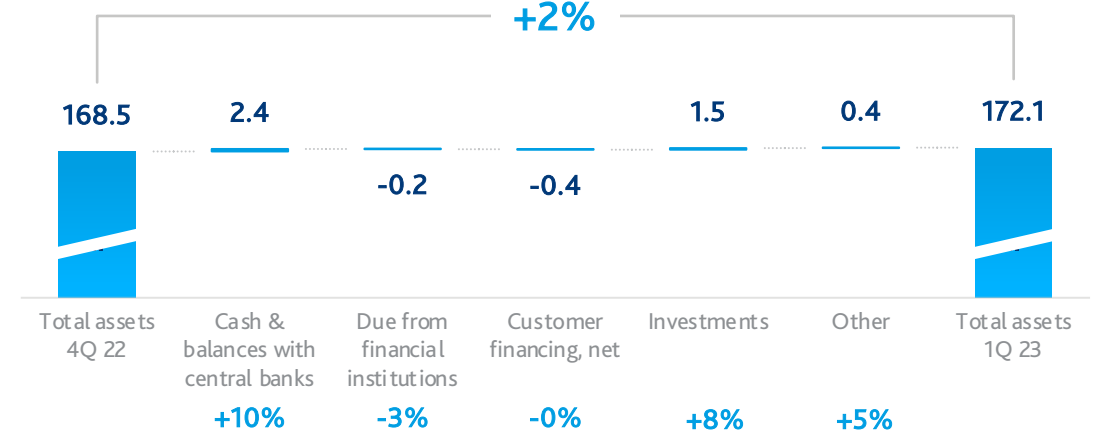
= Balance Sheet

Total assets increased by 24% YoY driven by 11% growth in customer financing

= Total Assets (AEDbn)



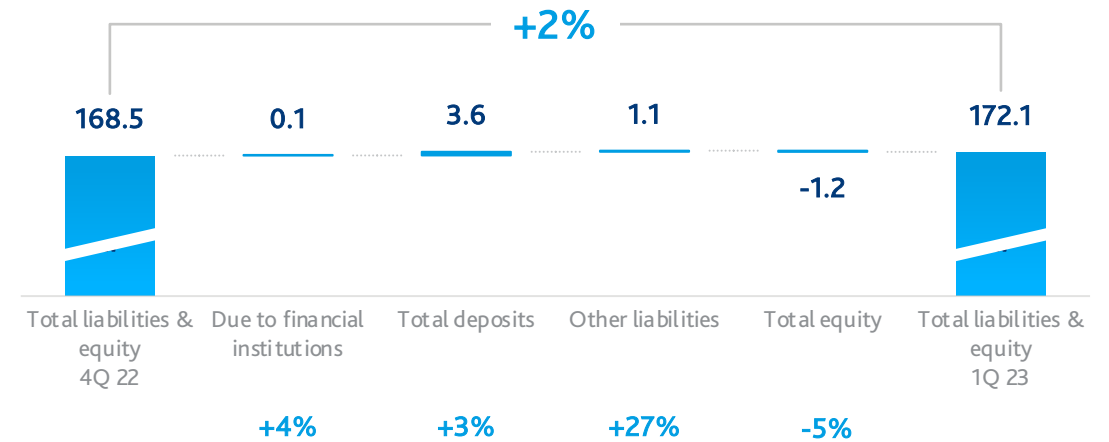
= Total Assets Movement YTD (AEDbn)



= Balance Sheet Highlights

AED (mn)	1Q 2023	4Q 2022	Δ%	1Q 2022	Δ%
Customer financing, net	107,274	107,717	-0%	90,224	+19%
Investments	20,954	19,432	+8%	17,139	+22%
Total assets	172,147	168,517	+2%	138,583	+24%
Total Deposits	141,756	138,137	+3%	110,808	+28%
Total liabilities	149,891	145,056	+3%	118,699	+26%
Total equity	22,255	23,461	-5%	19,885	+12%

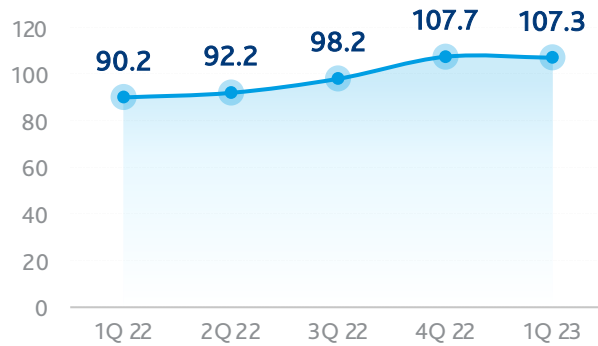
= Funding Movement YTD (AEDbn)



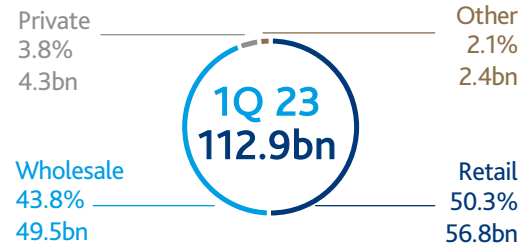
= Customer Financing

AED 17 billion growth in financing assets versus last year mainly from Retail, Government and Public sector

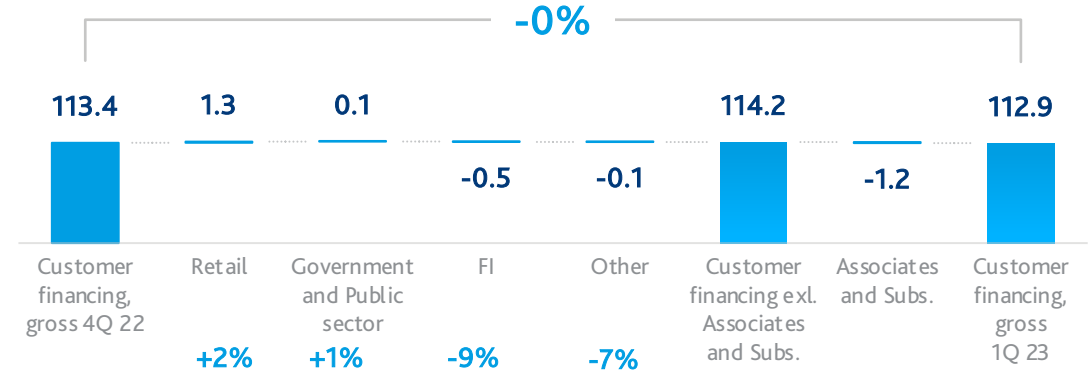
= Customer Financing, Net (AEDbn)



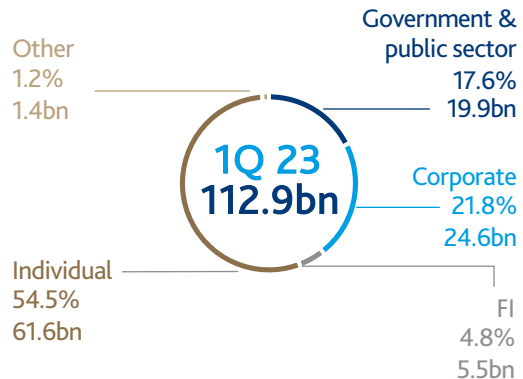
= Customer Financing, Gross by Segment (%)



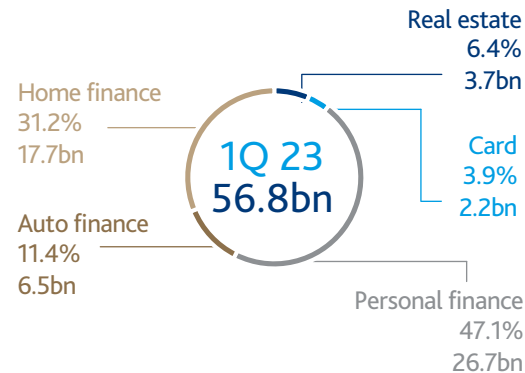
= Customer Financing, Gross Movement YTD (AEDbn)



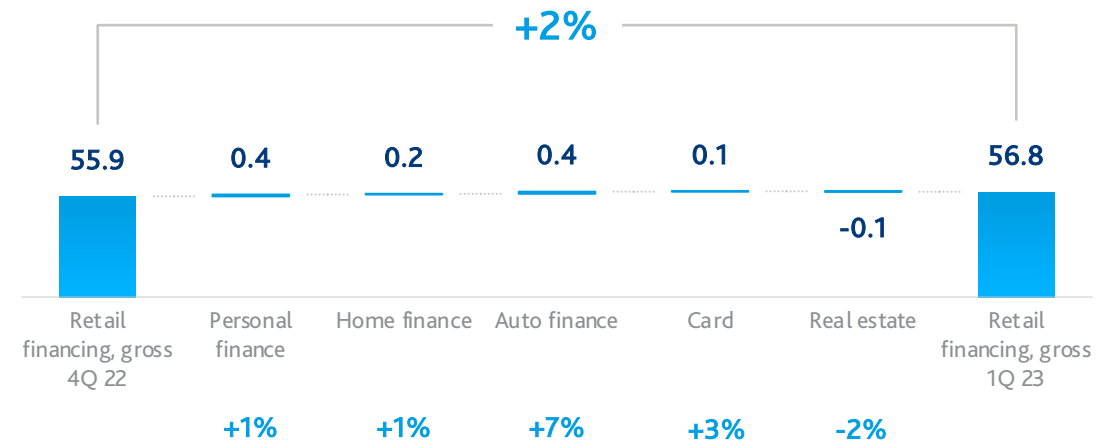
= Customer Financing, Gross by Sector (%)



= Retail Financing, Gross Composition (%)



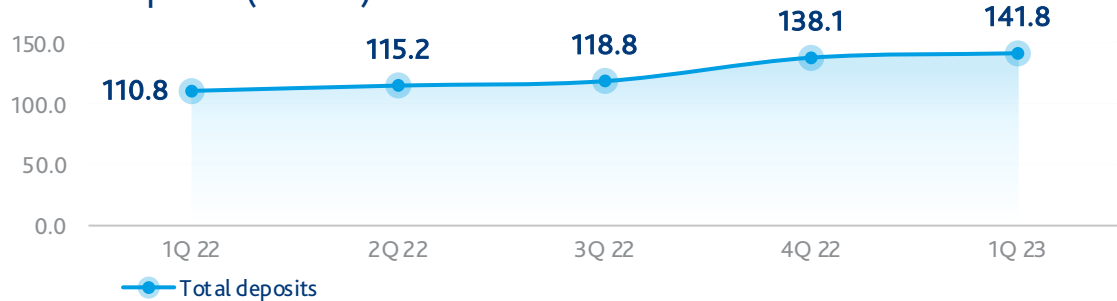
= Retail Financing, Gross Movement YTD (AEDbn)



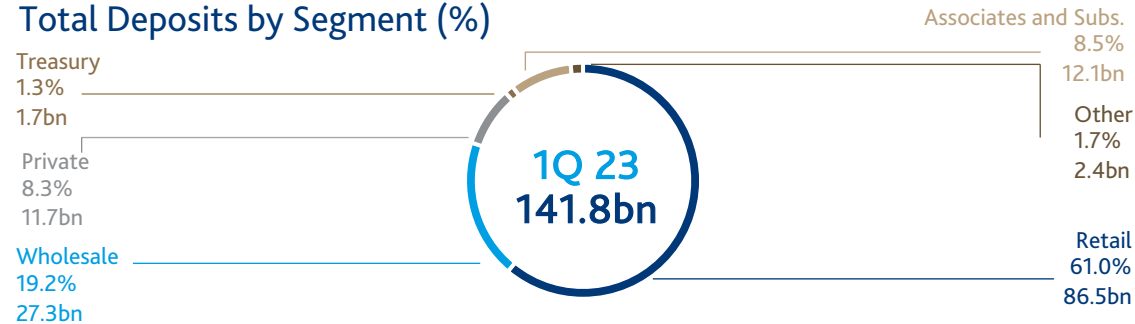
= Customer Deposits

Strong CASA growth despite higher rates environment

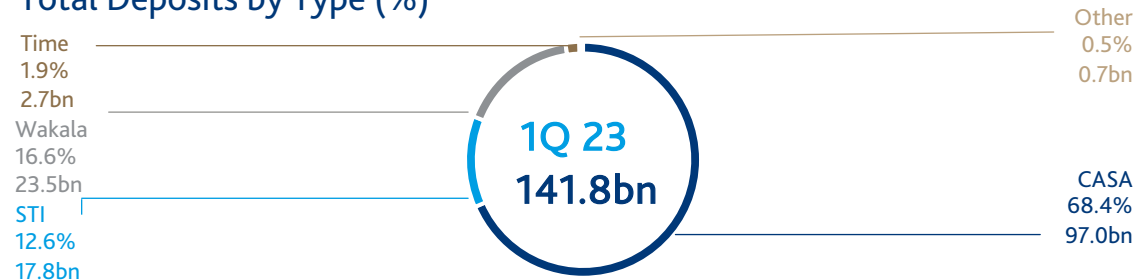
= Total Deposits (AEDbn)



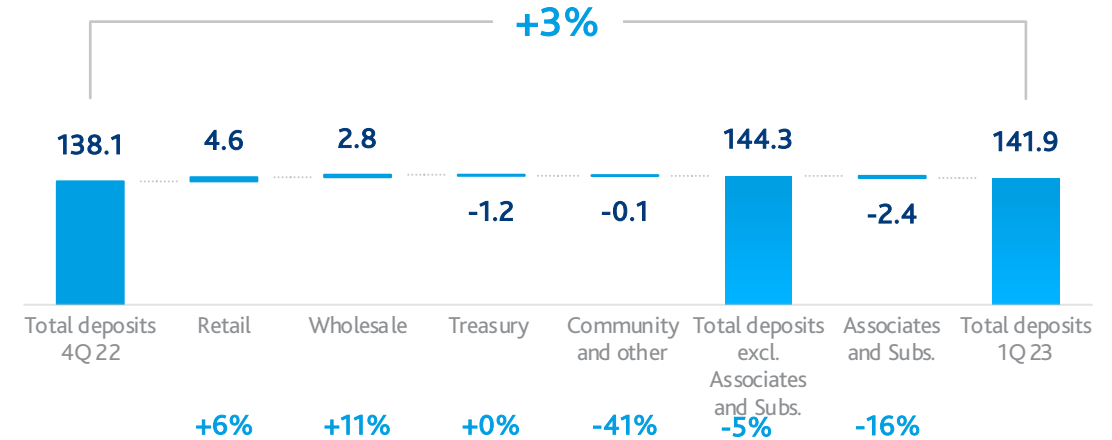
= Total Deposits by Segment (%)



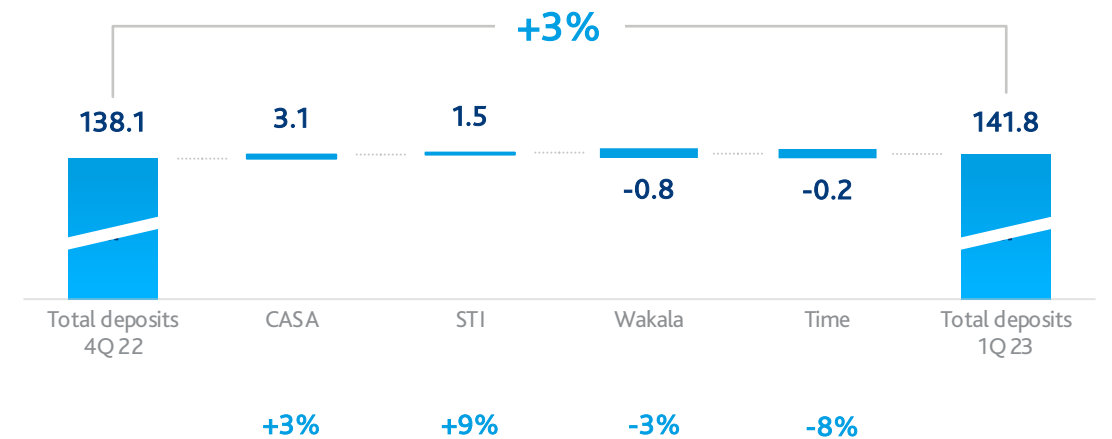
= Total Deposits by Type (%)



= Deposits Movement by Segment YTD (AEDbn)



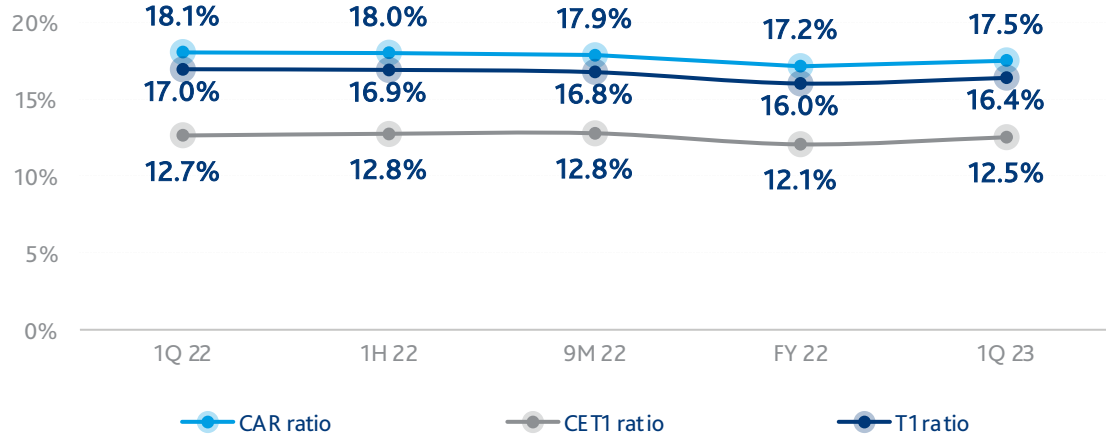
= Total Deposits Movement by Type YTD (AEDbn)



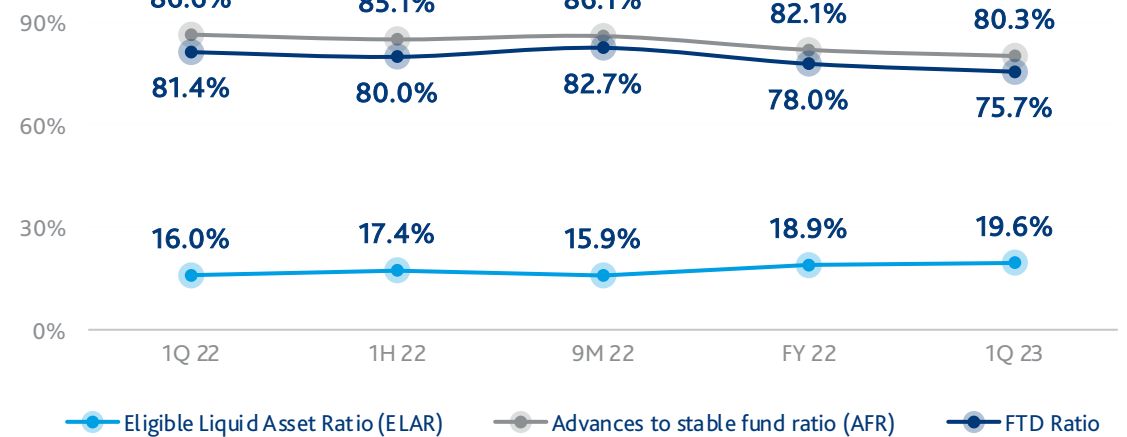
= Capital and Liquidity

Robust capitalization and liquidity positions, well within regulatory requirements

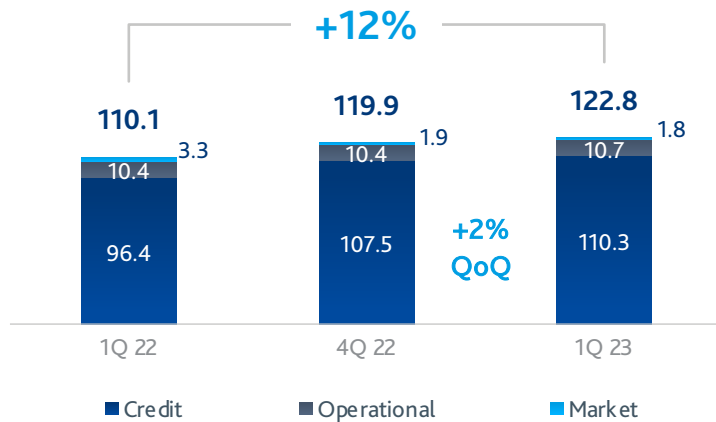
= Capitalization Ratios (%)



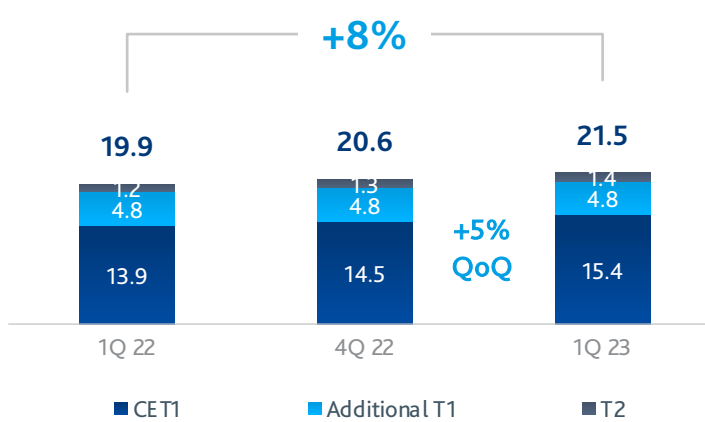
= Liquidity Ratios (%)



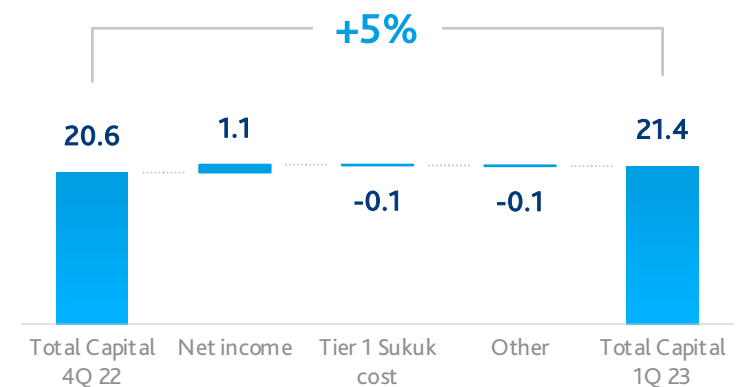
= RWA (AEDbn)



= Capitalization (AEDbn)



= Total Capital Movement YTD (AEDbn)



Outlook and Guidance

1Q 2023 Earnings Presentation

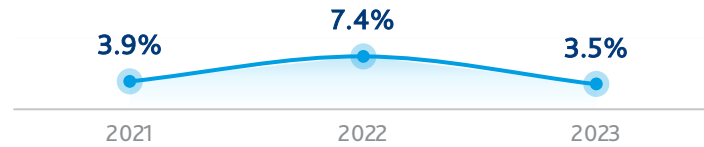
= Outlook and Guidance

Solid financial & strategic foundations drive a promising outlook for 2023

= Market Outlook

= Solid GDP growth

Real GDP growth (%)



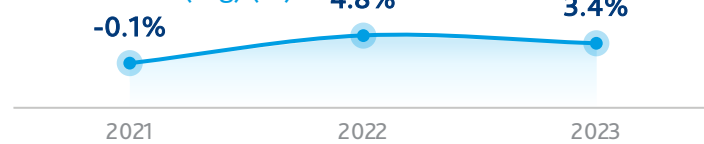
= Oil prices to remain supportive

Brent Price / Barrel (avg) (USD)



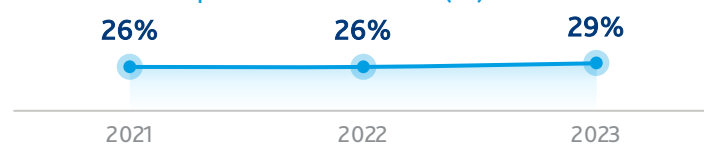
= Inflation to moderate

UAE Inflation (avg) (%)



= Expenditure expected to remain at 2022 level

Government expenditure % of GDP (%)



= Management Guidance

= Gross Financing Growth

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

1Q 2023 Actual

19% YoY

FY2023 Old Guidance

5% to 8%

FY2023 Revised Guidance

5% to 8%

= Net Profit Margin

Benefit of rate hikes offset by continued competitive yield pressure

4.35%

3.8% to 4.1%

~4.5%

= Cost of Risk

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

0.29%

0.55% to 0.65%

0.55% to 0.65%

= Cost to Income Ratio

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

35.7%

Below 35%

Below 35%

= Return on Equity

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

23.4%

21% to 22%

Above 22%

Questions & Answers

1Q 2023 Earnings Presentation

= Consistent dividend distribution

ADIB consistently distribute dividends with average yield of 4.5%

= Shareholder Return Metrics



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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
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%
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%
Cash dividend in AEDmn	601	725	700	770	778	915	995	994	747	1,130	1,779
Bonus shares	-	635.3	-	-	-	-	-	-	-	-	-
Bonus shares (% of Share Capital)	-	26.9%	-	-	-	-	-	-	-	-	-

= Ratings and Accolades

ADIB's recognition for excellence in Islamic banking

= Credit Ratings

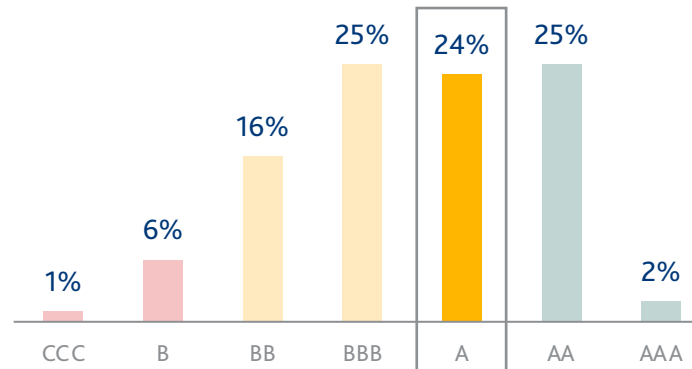
MOODY'S
A2
Stable Outlook

FitchRatings
A+
Stable Outlook

= ADIB's MSCI ESG Rating



= MSCI Rating Distribution



= Recent Accolades

THE DIGITAL BANKER
#1
Digital Transformation Program

BEST ISLAMIC FINANCIAL INSTITUTIONS 2021
GLOBAL FINANCE
#1
Islamic Bank in the UAE (March 2021)

Forbes 2021
WORLD'S BEST BANKS
#1
Bank in the UAE (April 2021)

BEST ISLAMIC FINANCIAL INSTITUTIONS 2021
GLOBAL FINANCE
#1
Islamic Bank in Egypt (March 2021)

= ADIB Share Price Performance

Over the last 24 months ADIB's share price is up 105%

= ADIB Share Price Performance, AED



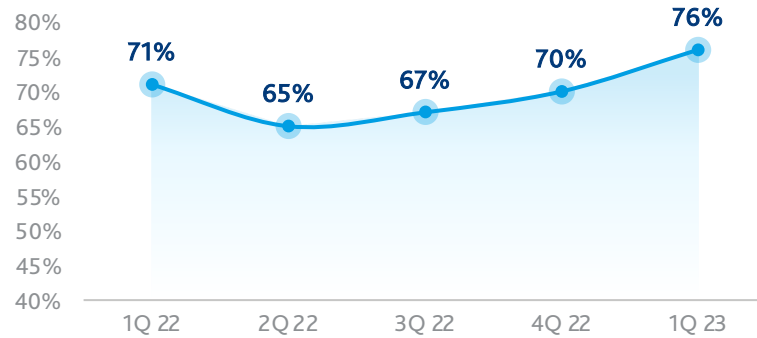
Appendix

1Q 2023 Earnings Presentation

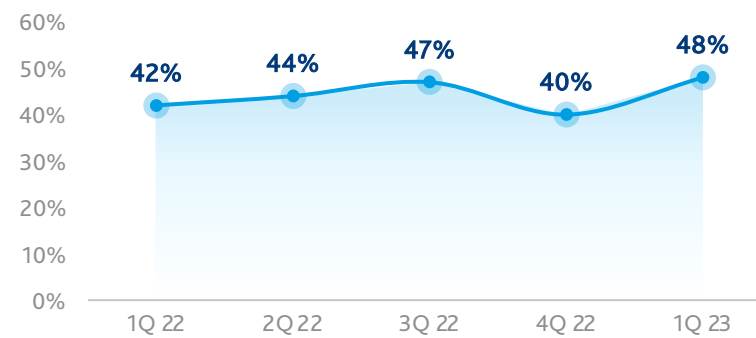
= Digital Banking

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

= Digitally Active Customers (%)

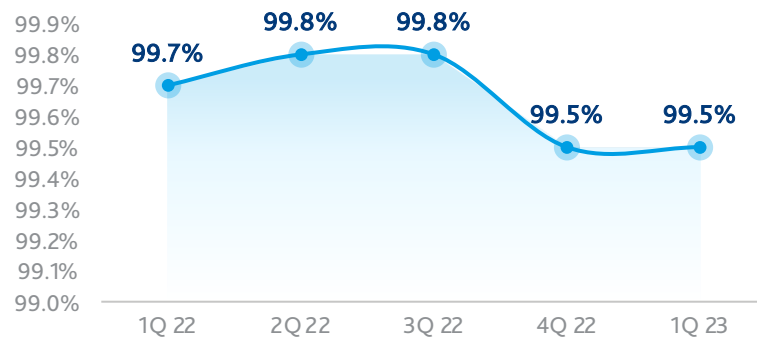


= Digital Sales (% of Total)

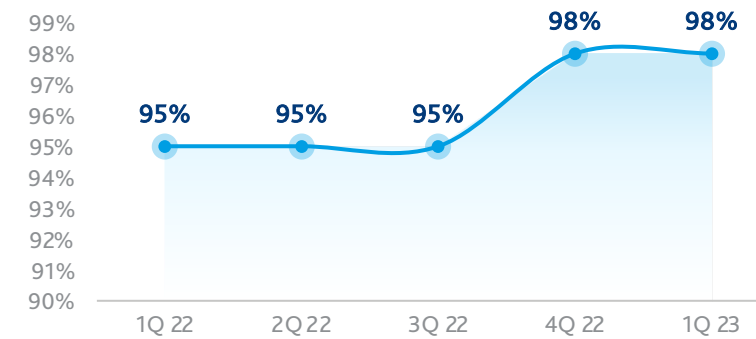


- 22 ITM machines deployed across the network
- Fully digital application process for cards, personal finance and account opening
- Launched 1st open API platform
- Enabled digital IPO subscription
- Launched Amwali – 1st digital Islamic proposition for youth
- New features added to mobile app including push notifications

= Digital Transfers (%)



= Straight Through Processing (%)



- Facial recognition account opening
- Auto Wealth management portal
- Partnership with UTC platform on Blockchain transaction
- Digital remote sales
- Analytics Center of Excellence

Contacts

1Q 2023 Earnings Presentation

= Additional Information

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

= ADIB Investor Relations Contact

Mrs. Lamia Khaled Hariz

Head of Public Affairs and Investor Relations

E: Lamia.Hariz@adib.com

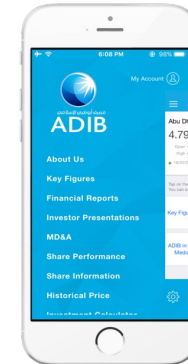
T: +917 2 634 3000

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 2023 Earnings Presentation

-
- = The information contained herein has been prepared by Abu Dhabi Islamic Bank PJSC (ADIB). ADIB relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

This presentation has been prepared for information purposes only and is not and does not form part of any offer for sale or solicitation of any offer to subscribe for or purchase or sell any securities nor shall it, or part of it, form the basis of or be relied on in connection with any contract or commitment whatever.

Some of this information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of ADIB. These forward-looking statements include all matters that are not historical facts. The inclusion of such forward looking information shall not be regarded as representation by ADIB or any other person that the objectives or plans of ADIB will be achieved. ADIB undertakes no obligation to publicly update or publicly revise any forward-looking statement, whatever as a result of new information, future events or otherwise.