

Investor Presentation

9M 2022

November 2022

ADIB IR Website



IR App Download link:



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9M 2022 Investor Presentation

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ADIB Profile

9M 2022 Investor Presentation

= Abu Dhabi Islamic Bank Today

ADIB is a digitally advanced Islamic Bank serving as a **lifelong partner** for its customers, colleagues and community



#1 Bank for UAE Nationals

15%
UAE retail market share

55%
Market share of UAE
Nationals in Abu Dhabi

500K
UAE Nationals



A Leading Islamic Bank

AED 147bn
Total Assets

146
Branches

524
ATMs



Advanced Digital Bank

70%
Digitally Active Customers

40%
Digital sales

85%
Straight Through Processing



Leader in Customer Satisfaction

#1 in UAE
NPS

#1 in UAE
Bank
Banker FT

#1 in UAE
Safest Islamic Bank
by Global Finance

= ADIB Key Highlights

ADIB is a leading UAE Bank and one of the largest Islamic banks world-wide

= Presence in 7 markets



Employees

5,000

Customers

1mn

Market Cap*

AED **34** bn

= Value Drivers (9M 2022)

ROE

19.6%

ROA

2.33%

▼ Market leader ▼

CASA Ratio

74.0%

Net Profit Margin

3.35%

Cost of Risk

0.38%

P/B Ratio*

2.00 x

Total Assets

AED **147** bn

Financing

AED **103** bn

Net Income

AED **2.5** bn

C/I Ratio

37.6%

= Solid Ratings

Moody's

A2

Stable Outlook

Fitch Ratings

A+

Stable Outlook

MSCI
ESG RATINGS

A

EPS

AED **0.61**

Investments

AED **19** bn

Deposits

AED **119** bn

Revenues

AED **4.5** bn

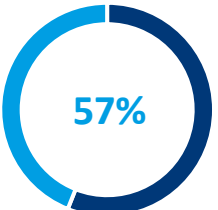
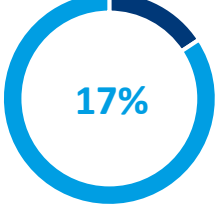
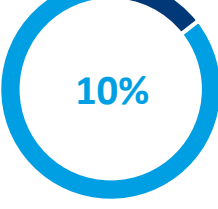
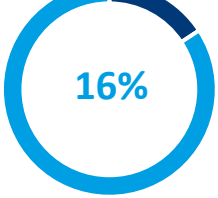
CAR

17.9%

* At 30/09/2022

= Business Segments

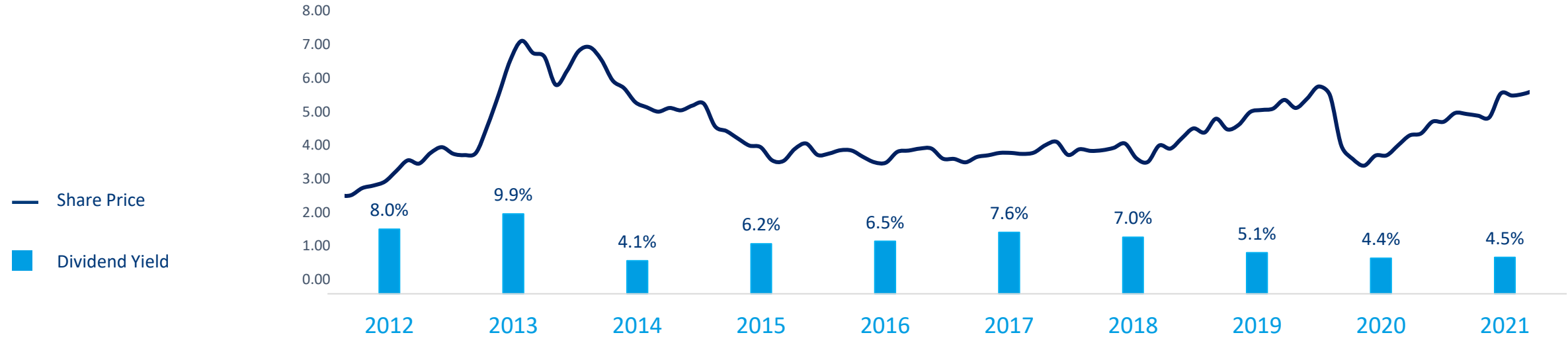
ADIB's business is comprised of 4 main segments

= % of Group Revenue	Business Segment	Description
 <p>57%</p>	Retail Banking	<p>Targets individuals and SME entities with main focus on UAE Nationals and mass affluent segment</p> <p>Product ranges offered include everyday banking products such as current accounts, deposits, cards, finance, wealth products, etc.</p>
 <p>17%</p>	Wholesale Banking	<p>Focuses on large corporates, Governments, GREs and FIs</p> <p>Product offerings include investment and corporate finance, corporate banking, contracting and commercial banking, transaction banking, liquidity, trade finance, payments and cash management services. ADIB offers wholesale banking internationally in Iraq, Qatar and Sudan.</p>
 <p>10%</p>	Treasury	<p>Offers risk management; an active investor in the global sukuk market, offering investment opportunities to customers and using debt assets to manage the bank's balance sheet.</p> <p>Expertise in FX, rates, hedging, money markets, equity and debt execution. Treasury also manages ADIB's balance sheet and asset/liability mix.</p>
 <p>16%</p>	Other	<p>ADIB is present in the following countries for the following services:</p> <ul style="list-style-type: none"> • ADIB UAE offers private banking and real estate asset class • ADIB Egypt caters to the needs of corporate and retail customers. • ADIB UK offers commercial and industrial real estate asset class

= Consistent dividend distribution

ADIB consistently distribute dividends with average yield of 4%

= Shareholder Return Metrics

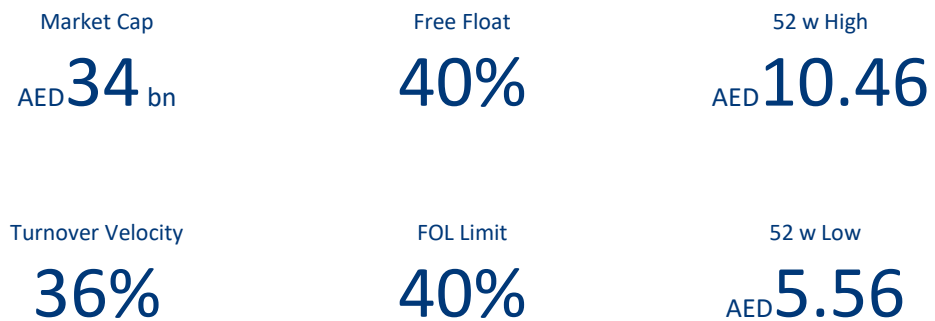


Net Profit in AEDmn	1,201	1,450	1,751	1,934	1,954	2,300	2,501	2,601	1,604	2,330
Cash Dividend Payout Ratio (% of Net Profit)	50.0%	50.0%	40.0%	39.8%	39.8%	39.8%	39.8%	38.2%	46.6%	48.5%
Cash Dividend (% of Share Capital)	25.4%	30.7%	23.3%	24.3%	24.5%	28.9%	27.4%	27.4%	20.6%	31.1%
Cash Dividend in AEDmn	601	725	700	769	777	915	994	994	747	1,130
Bonus shares	-	635.3	-	-	-	-	-	-	-	-
Bonus Shares (% of Share Capital)	-	26.9%	-	-	-	-	-	-	-	-

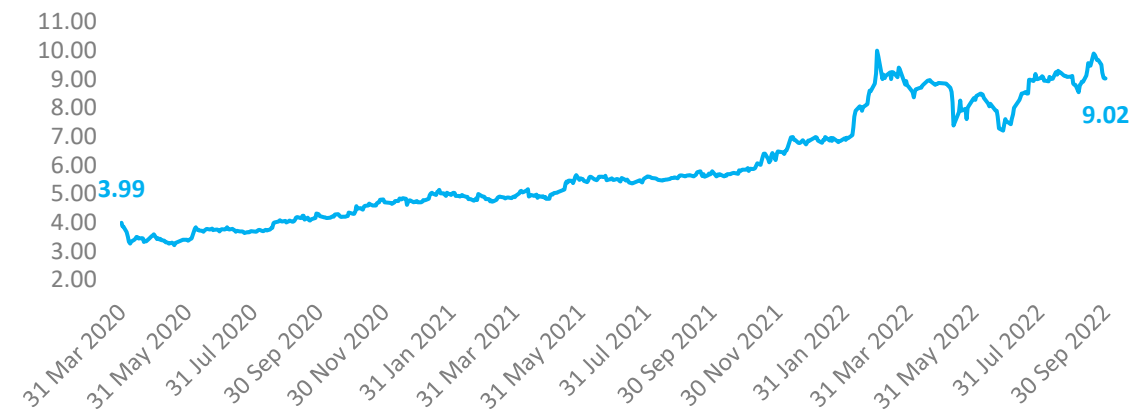
= Market Metrics & Ownership Structure

ADIB is a liquid stock with 15% foreign ownership

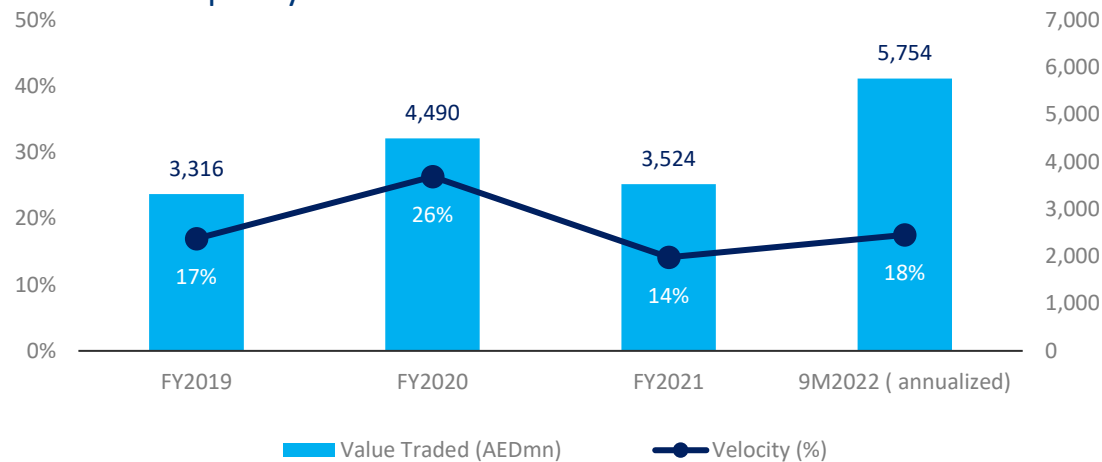
= Key Metrics*



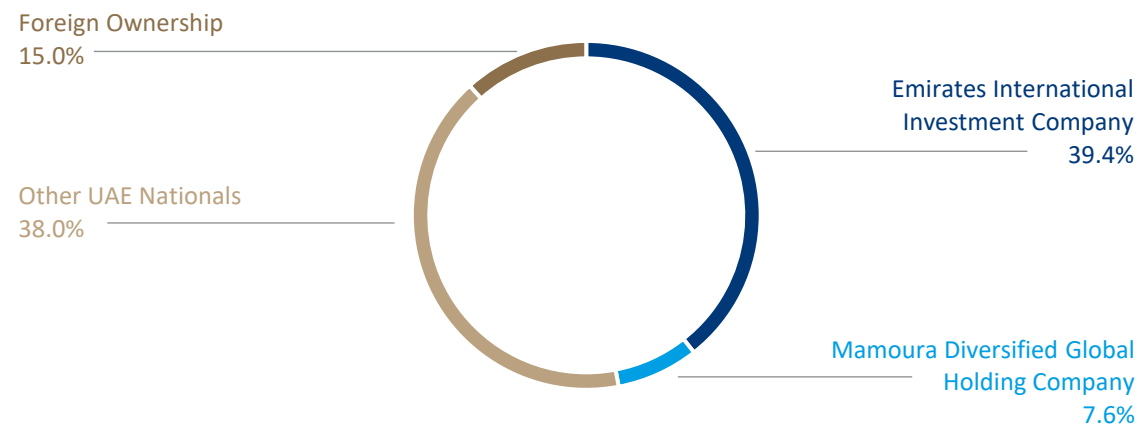
= Share Price (AED)



= ADIB Stock Liquidity



= Ownership Structure*

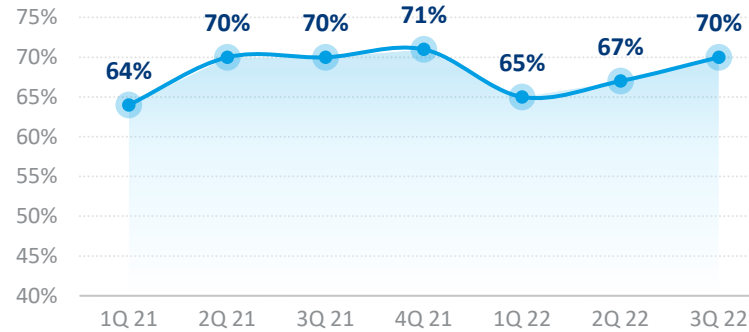


* At 30/09/2022

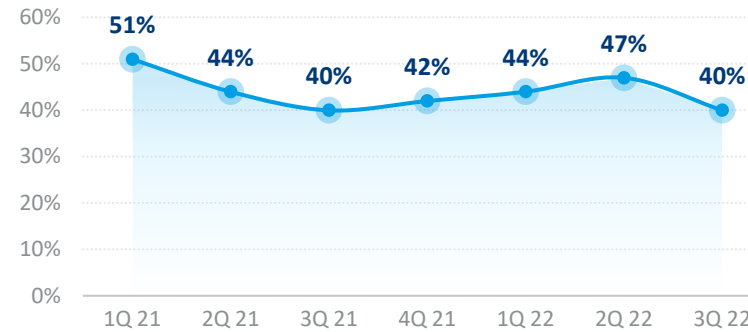
= Digital Banking

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

= Digitally Active Customers (%)

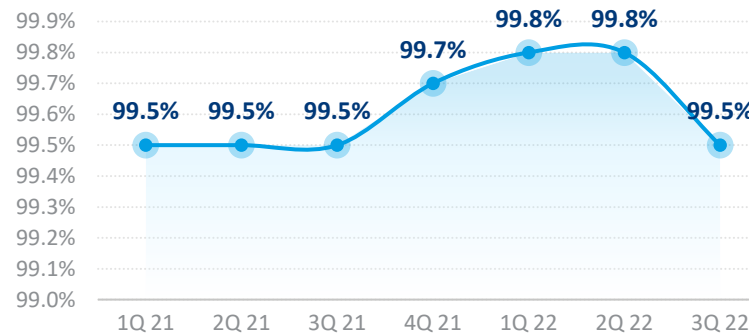


= Digital Sales (% of Total)

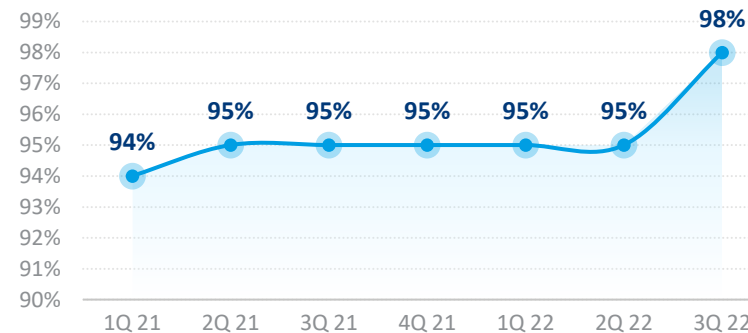


- = 22 ITM machines deployed across the network
- = Fully digital application process for cards, personal finance and account opening
- = Launched 1st open API platform
- = Enabled digital IPO subscription
- = Launched Amwali – 1st digital Islamic proposition for youth
- = New features added to mobile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

= Recent Achievements and Accolades

ADIB's recognition for excellence in Islamic banking

= Awards received in 2022



Forbes
 #1 UAE bank on Forbes' List of
 the World's Best Banks 2021



IFN
 Best Islamic Bank in the UAE,
 Iraq and Egypt



IFN
 Most Innovative Islamic Bank



Global Finance
 Best Islamic Bank in Egypt



IFN
 Best Bank in Treasury
 Management



Digital Banker
 Best Digital Banking
 Innovation



Global Finance
 Most Innovative Bank in the
 Middle East



Banker FT
 Best Bank in UAE



The Asian Banker
 Best Digital Platform for
 Corporates



Global Finance
 Safest Islamic Bank



ICX
 International Service
 Excellence Certificate



The Asian Banker
 Best Islamic Bank in the
 Middle East

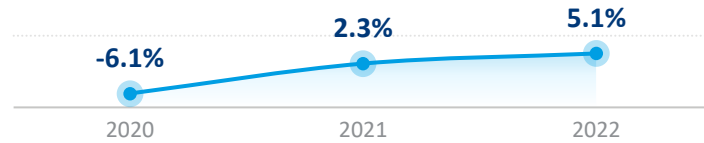
= Outlook and Guidance

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

= Market Outlook

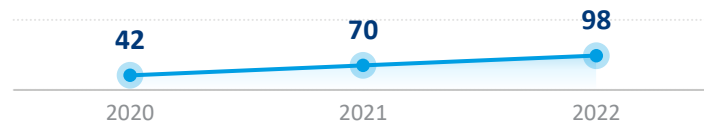
= GDP growth from rising oil prices

Real GDP growth (%)



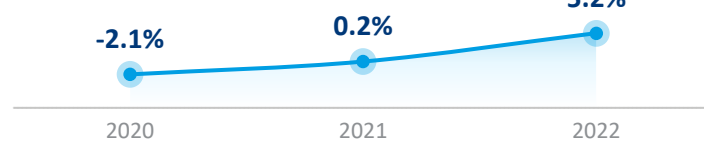
= Expected improvement in oil prices

Brent Price / Barrel (avg) (USD)



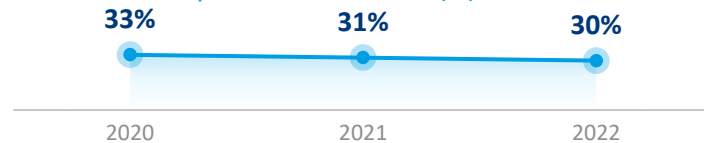
= Return from deflation to inflation

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

= Net Profit Margin

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

= Cost of Risk

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

= Cost to Income Ratio

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

= Return on Equity

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

9M 2022 Reported

FY 2022 Guidance
as at 1H 2022

FY 2022 Guidance Revised

+11%

5% to 7%

11% to 12%

3.35%

3.35% to 3.45%

3.35% to 3.45%

0.38%

0.60% to 0.70%

0.50% to 0.60%

37.6%

37% to 39%

37% to 39%

19.6%

17.5% to 18.5%

18.0% to 19.0%

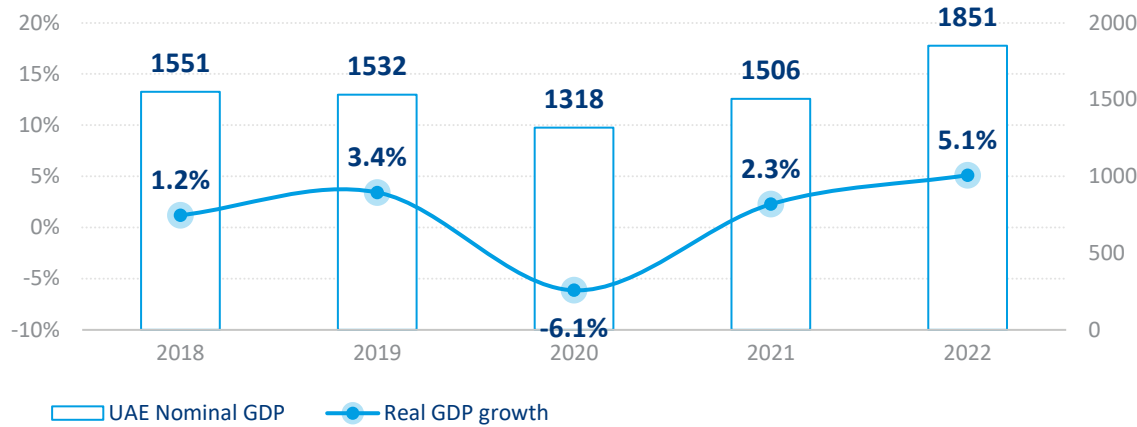
Operating Environment

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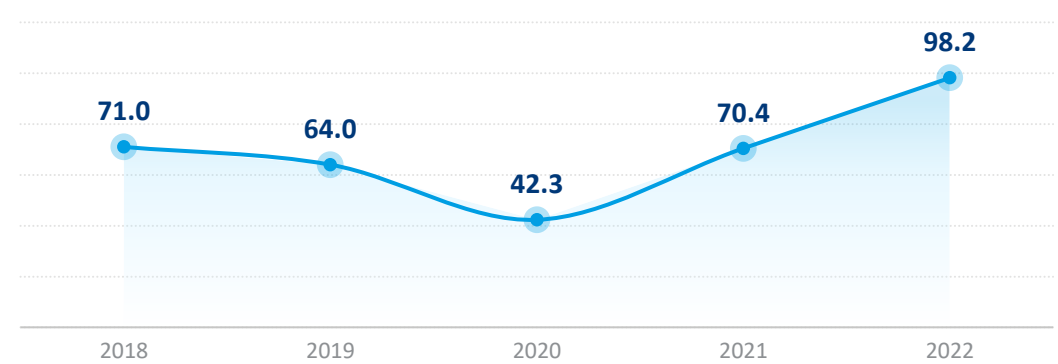
= UAE Economic Environment

Positive outlook for UAE economy with the highest growth projected in the past seven years

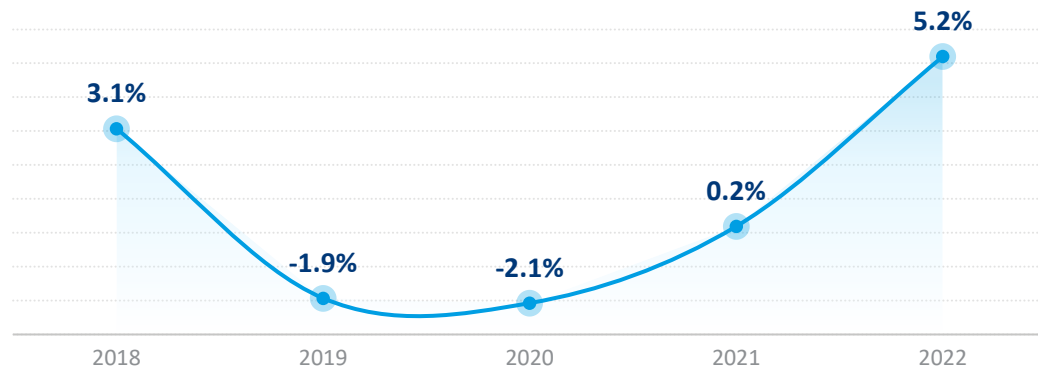
= Real GDP Growth (%) and Nominal GDP (AEDbn)



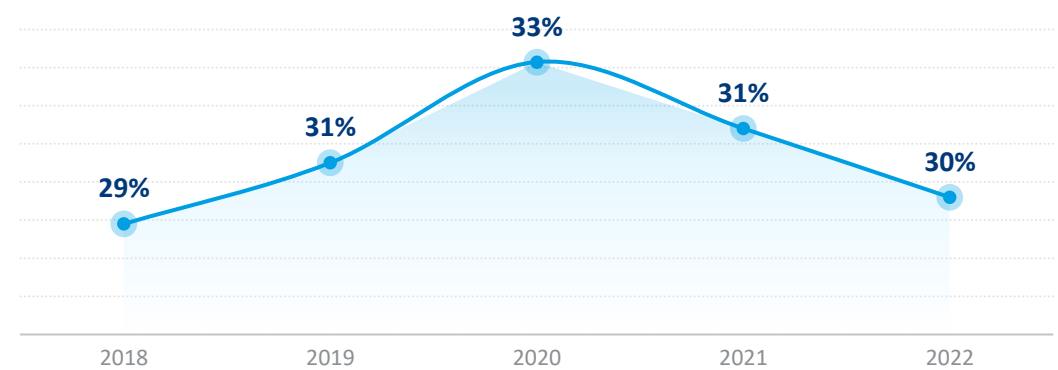
= Brent Price / Barrel (Avg) (USD)



= UAE Inflation (avg) (%)



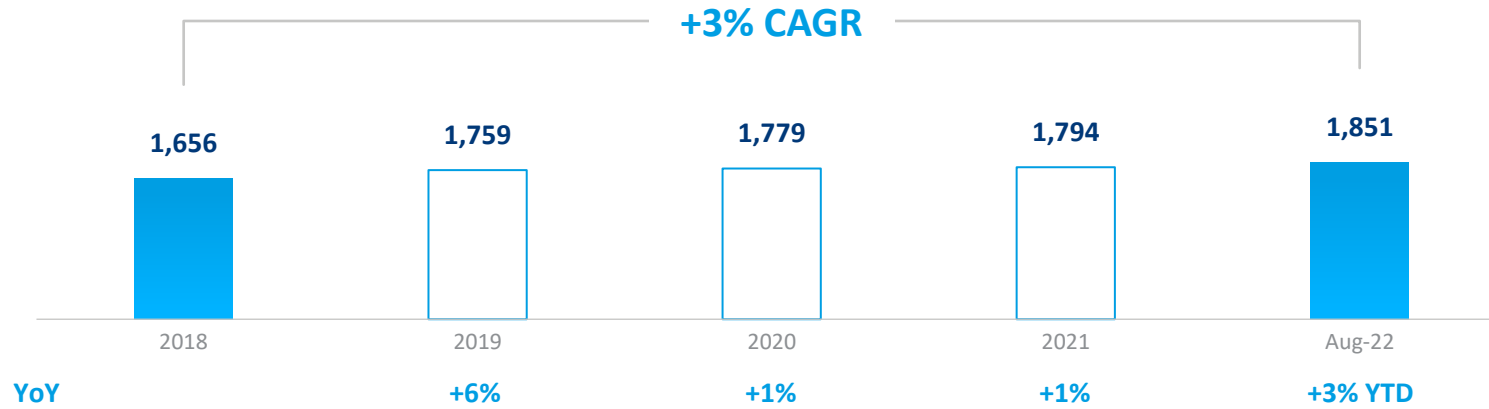
= Government Expenditure % of GDP (%)



= UAE Banking Sector Update (1)

Modest financing growth in recent years reflecting economic conditions and banking sector penetration

= Financing, Advances & Overdrafts (AEDbn)



= Size of the UAE Banking Sector

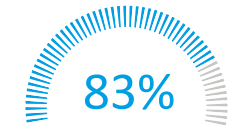
UAE Gross Banking Assets
(Aug 2022)

AED **3.5**tr

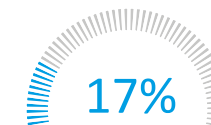
UAE Gross Banking Assets
(as % of GDP)

210%

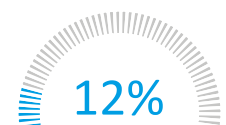
= Market Landscape (Aug 2022)



Share of Conventional
Banks (Total Assets)

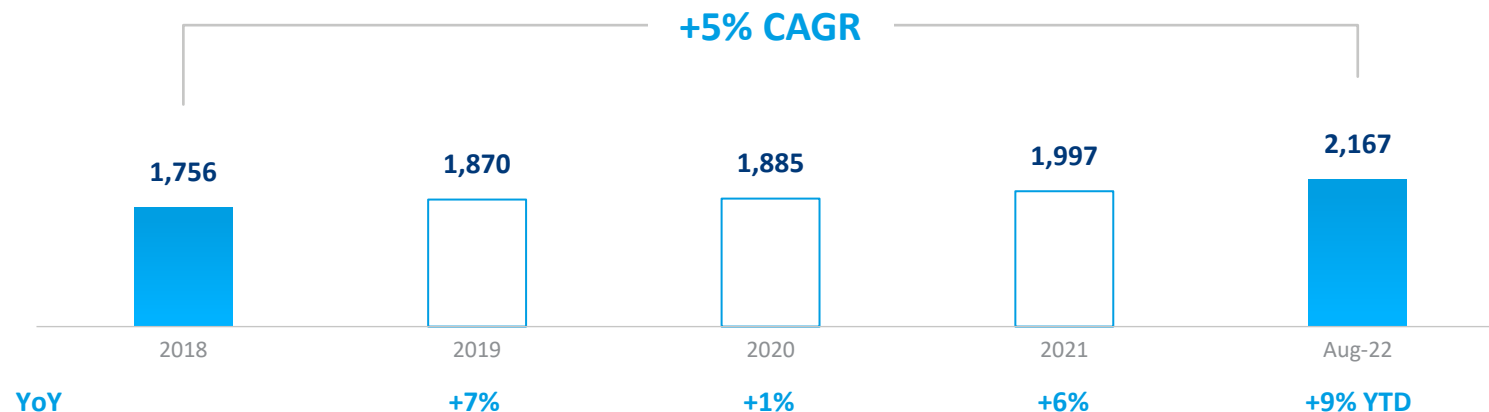


Share of Islamic Banks
(Total Assets)



Share of Foreign Banks
(Total Assets)

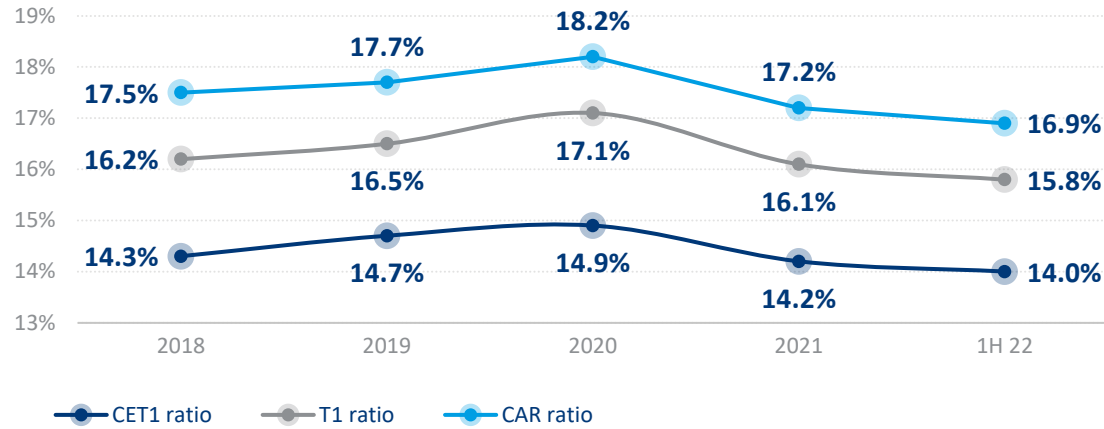
= Bank Deposits (AEDbn)



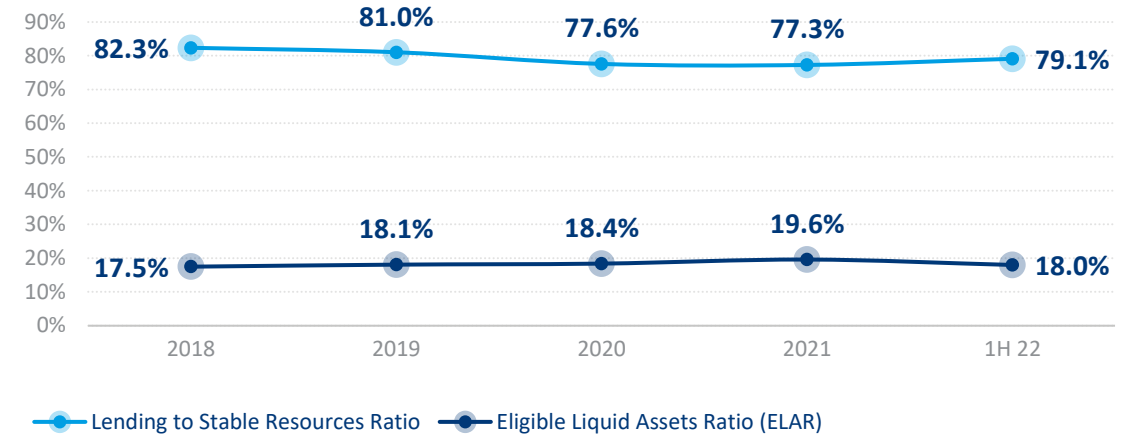
= UAE Banking Sector Update (2)

Strong sector capitalization and liquidity but lower rate environment impacting profitability

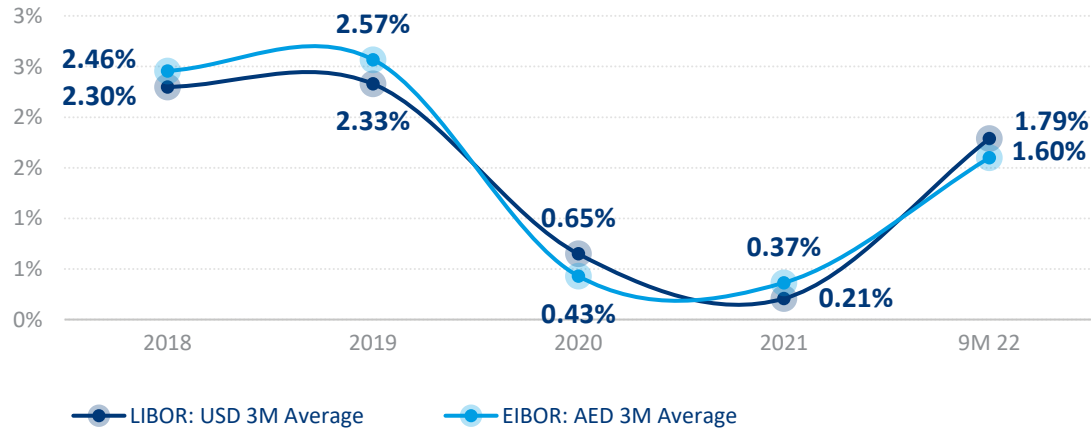
= Capitalization (%)



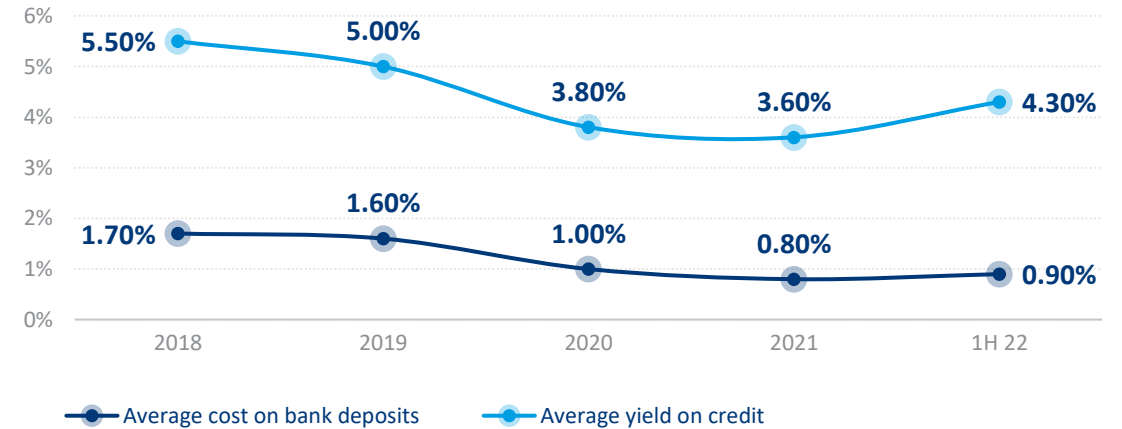
= Liquidity (%)



= Interest Rates (%)



= Yield and Funding Cost (%)



ADIB Strategy

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= A changing banking landscape

The global banking industry is experiencing an era of transformation and opportunity

Digitalization
Drive



Low Rate
Environment



Sustainability
Focus



Fintech
Disintermediation



Regulatory
Pressure



= 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

= ADIB 2025 Strategy

Continuous Innovation in Sharia-compliant banking products

▶ Continuous Innovation



Continuous Innovation

- Innovate Sharia-compliant banking products
- Re-engineer our processes
- Develop Islamic banking experts
- Launch digital ventures and new business models



Segment Focused



Digital Excellence



Sustainable Future

= ADIB 2025 Strategy

Build on strength in Emirati retail segment and expand underweight business segments

► Segment Focused



Continuous
Innovation



**Segment
Focused**

- Grow and strengthen existing segments
- Launch holistic Emirati lifecycle proposition
- Expand Business Banking
- Expand offerings to large and mid corporations
- Increase new to bank customers
- Expand FI and trade finance



Digital
Excellence



Sustainable
Future

= ADIB 2025 Strategy

Become a digital first financial institution

▶ Digital Excellence



Continuous
Innovation



Segment
Focused



**Digital
Excellence**

- Elevate customer convenience through digital
- Build a modern technology foundation for staff
- Become a data-driven company through advanced analytics and AI
- Reskill staff and enable them with new digital tools and capabilities
- Focus on growing payment



Sustainable
Future

= ADIB 2025 Strategy

Embed sustainability and ESG frameworks into our existing Islamic banking DNA

► Sustainable Future



Continuous
Innovation



Segment
Focused



Digital
Excellence









**Sustainable
Future**

- Launching ADIB Sustainability framework
- Develop ESG related policies
- Integrate ESG into ADIB's financing and investing portfolio





= Update on Strategy Progress

ADIB continues to deliver on its strategy in 9M 2022

Continuous Innovation	Key product launches <ul style="list-style-type: none"> • Yosr salary advance • Small business finance to support SME • Government payment services • Easy instalment plan 	Amwali Youth Account 8,000 Accounts	Asset Management \$154 mn Global Sukuk Fund	Payment Service AED 3.9 mn Revenue	
Segment Focused	UAE Nationals +40,000 New to bank UAE Nationals	Grow wholesale banking +20% Financing growth YoY	Retail sales +23% Asset growth YoY	Attract new customers +93,000 New customers	Deepen relationships 1.50 Cross-sell Ratio
Digital Excellence	Digitize processes 86% Overall STP	Digitize channels 99% Payments: Volumes received from Mobile App & Online Channels 37% Personal finance	Automate processes  69 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   1 st ESG report GRI accreditation	Employer of choice  78% Employee engagement index	Best customer experience #1 Number 1 bank NPS in UAE: 78% 		

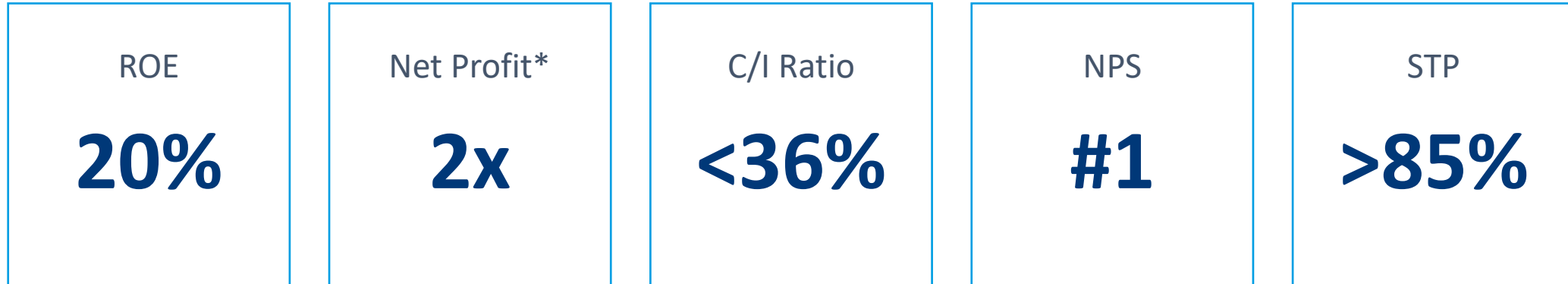
= Committed to Sustainability

Supporting ESG Initiatives

Sustainable Future	Leader in Financial Conduct  'A' ESG rating (MSCI)		Employer of Choice  78% Employee engagement index		Best Customer Experience #1 Number 1 bank NPS in UAE: 78% 
Environment	Green Finance 11 Green finance deals	Low Carbon Operation 4 Green building certificates 2mn Papers saved	Plantation 50k Mangrove trees planted 13kg Plastic recycled	Electric Cars 3 Electric charging stations installed at different locations	
Social	Create Economic Value 40% Emiratization rate TESS Relief Program	Diversity & Inclusion  36% Women in the workforce	Social Impact 12 Charity organizations	Empowering the Underbanked 7,000 Youth empowered by Amwali 386 ATM (people of determination)	
Governance	Responsible Governance Practices 6 Board committees 5 Independent Board members		Compliance & Risk Management * AAOIFI & IFSB compliant * Consumer protection guidelines * 1 st ESG Report Launched		

= ADIB Strategy 2025 Strategic Targets

A commitment to driving value



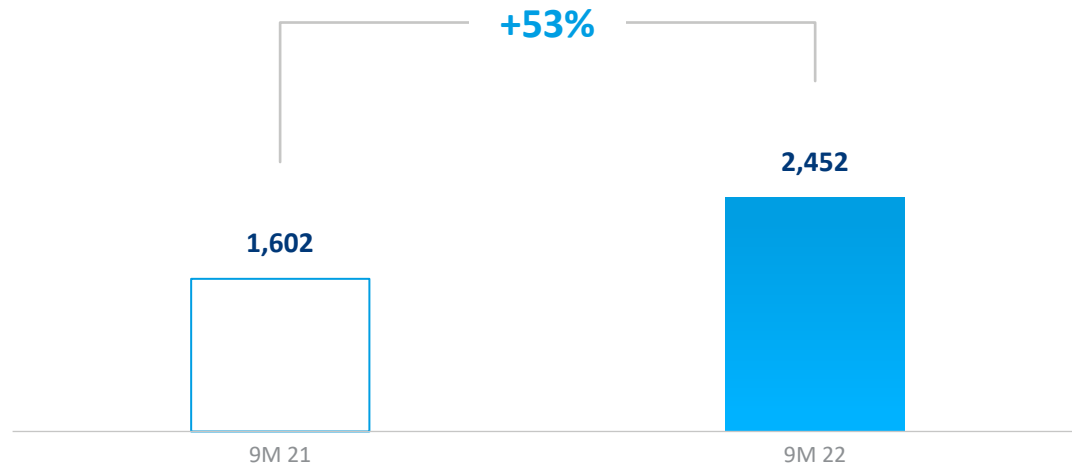
Financial Performance

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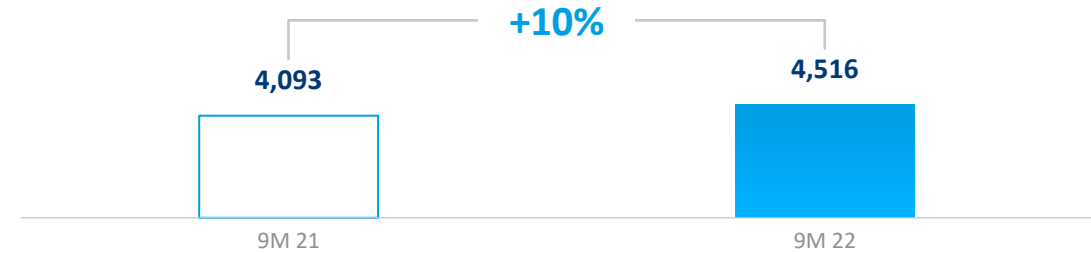
= Income Statement Highlights

Strong YoY growth in profitability driven by revenue growth and OPEX optimization

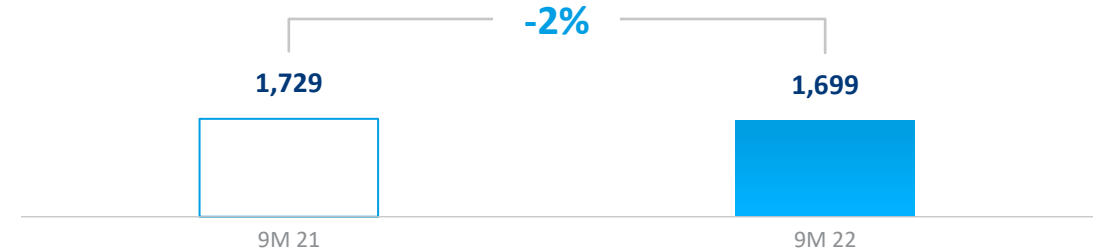
= Profit After Zakat & Tax (AEDmn)



= Revenues (AEDmn)



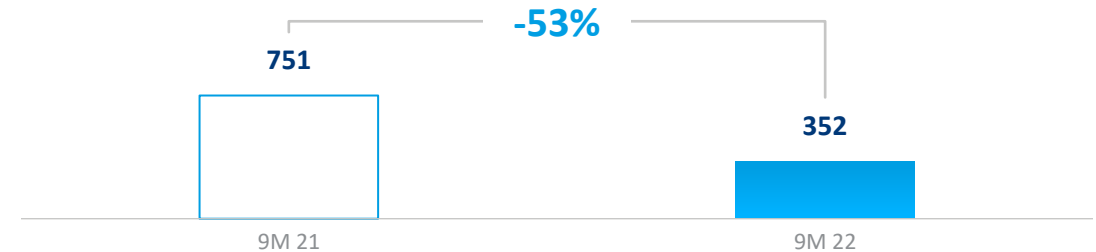
= Expenses (AEDmn)



= Key Highlights

- The rebound in UAE economic activity and an improvement in business momentum lifted revenues by 10%
- Profit growth was further boosted by a 2% YoY reduction in expenses
- The improved economic outlook allowed us to reduce impairments by 53% YoY

= Impairments (AEDmn)



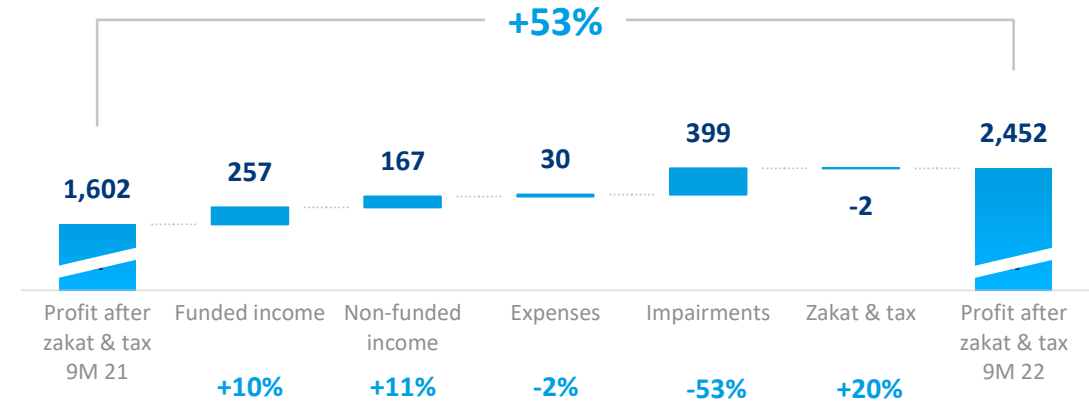
= Income Statement

53% growth in profitability underscored by positive increases in our assets, gross financing and revenue

= Net Income (AEDmn)



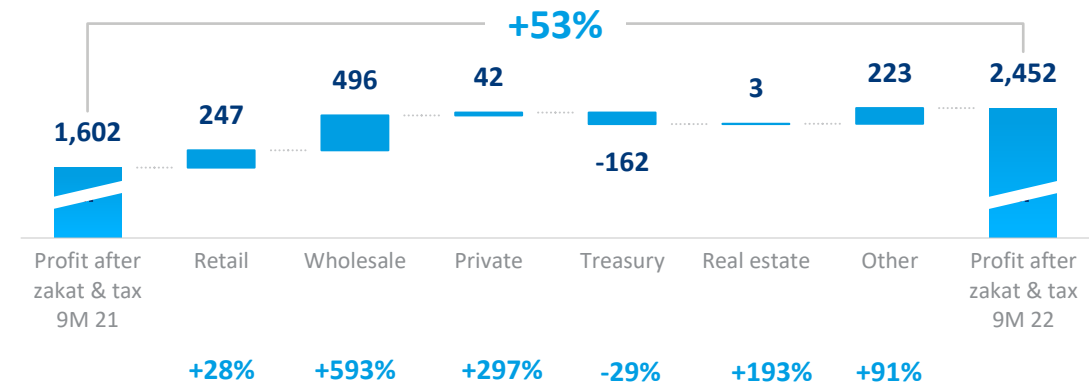
= Net Income Movement YoY (AEDmn)



= Income Statement Highlights

AED (mn)	9M 2022	9M 2021	Δ%	3Q 2022	3Q 2021	Δ%
Funded income	2,802	2,545	+10%	1,132	957	+18%
Non-funded income	1,715	1,548	+11%	546	491	+11%
Revenues	4,516	4,093	+10%	1,678	1,448	+16%
Operating expenses	(1,699)	(1,729)	-2%	(539)	(567)	-5%
Provision for impairment	(352)	(751)	-53%	(125)	(384)	-67%
Net Income after zakat and income tax	2,452	1,602	+53%	1,010	493	+105%

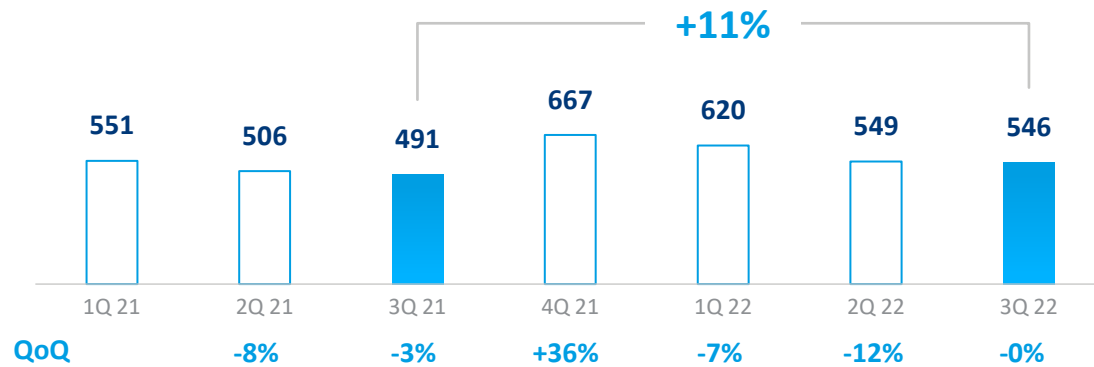
= Net Income Movement by Segment YoY (AEDmn)



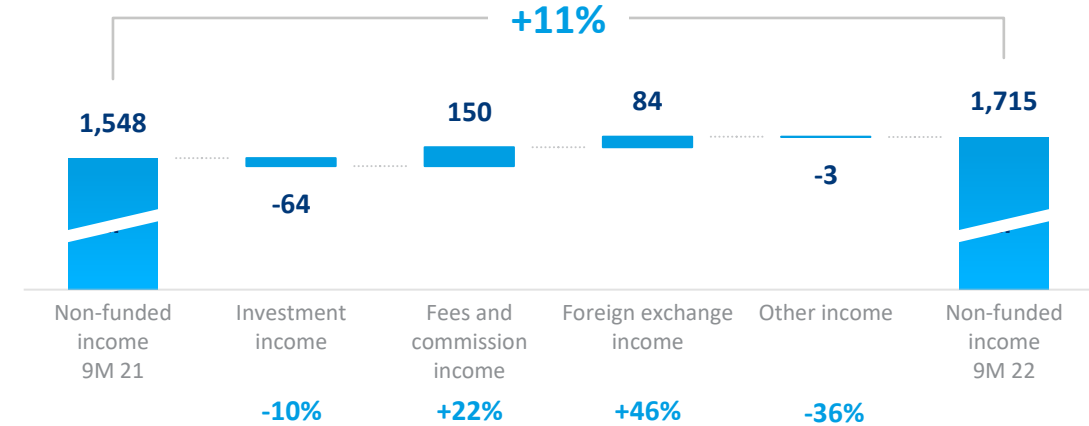
= Non-Funded Income

Robust fee generation drives 11% YoY growth in non-funded income

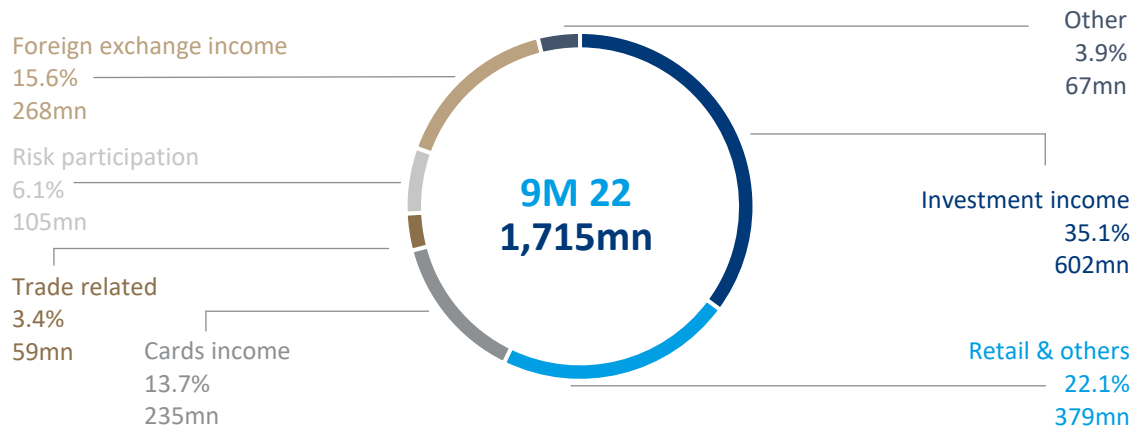
= Non-Funded Income (AEDmn)



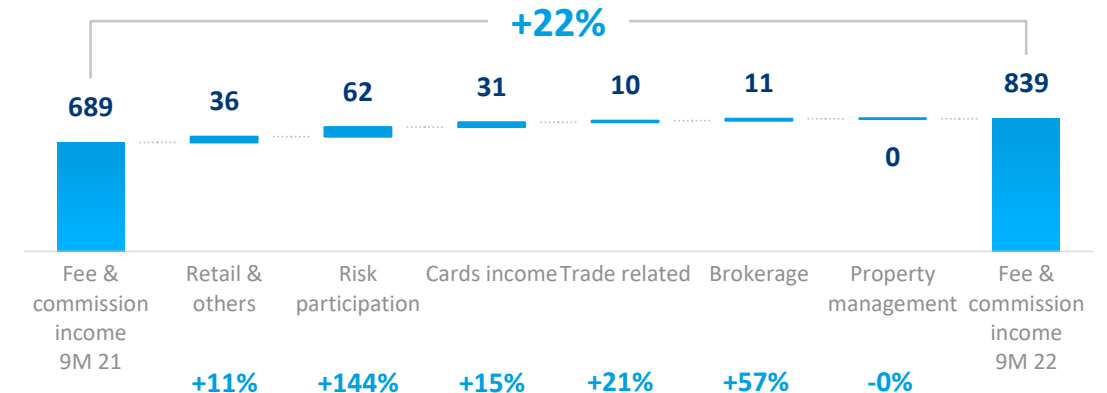
= Non-Funded Income Movement YoY (AEDmn)



= Non-Funded Income Composition (%)



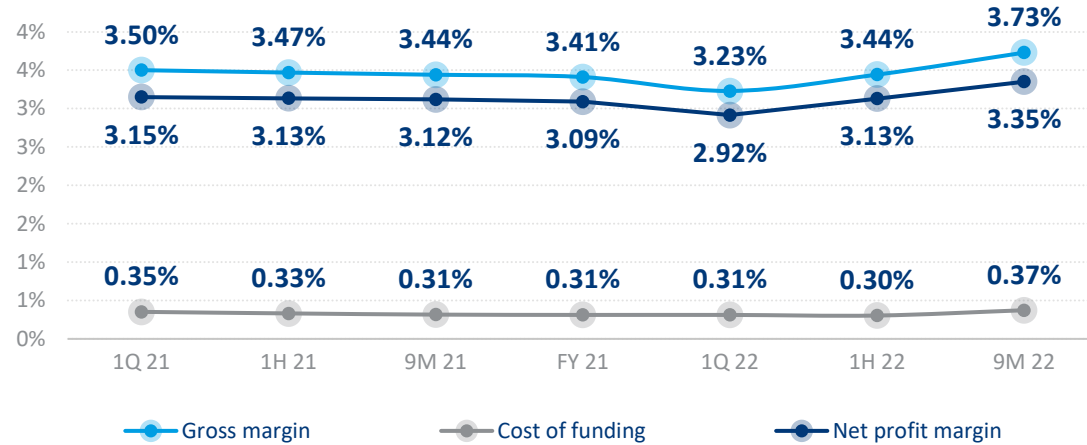
= Fee & Commission Income Movement YoY (AEDmn)



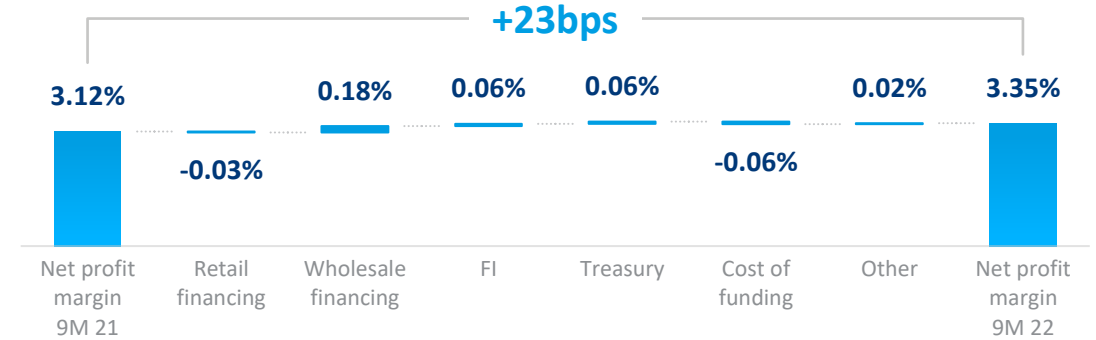
= Funded Income

Net profit margin saw a 23bps increase from 1H 2022 reflecting higher rates and stronger volumes

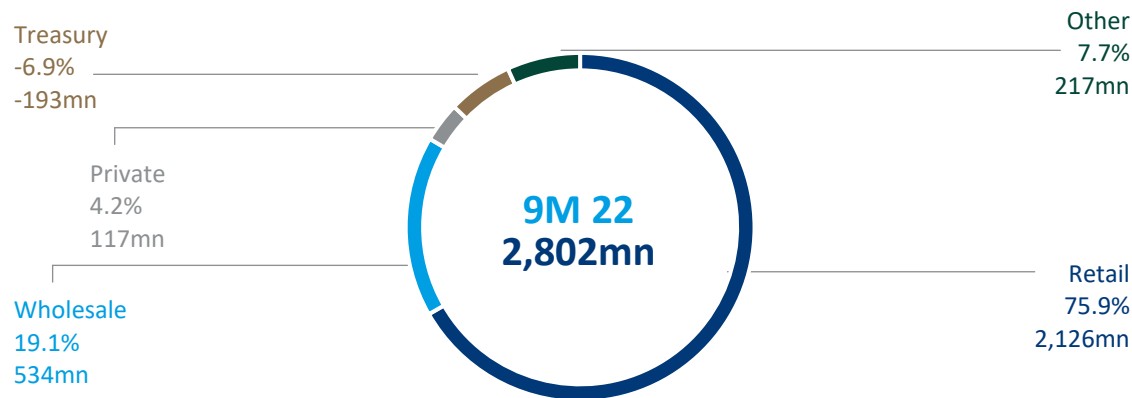
= Net Profit Margin (%)



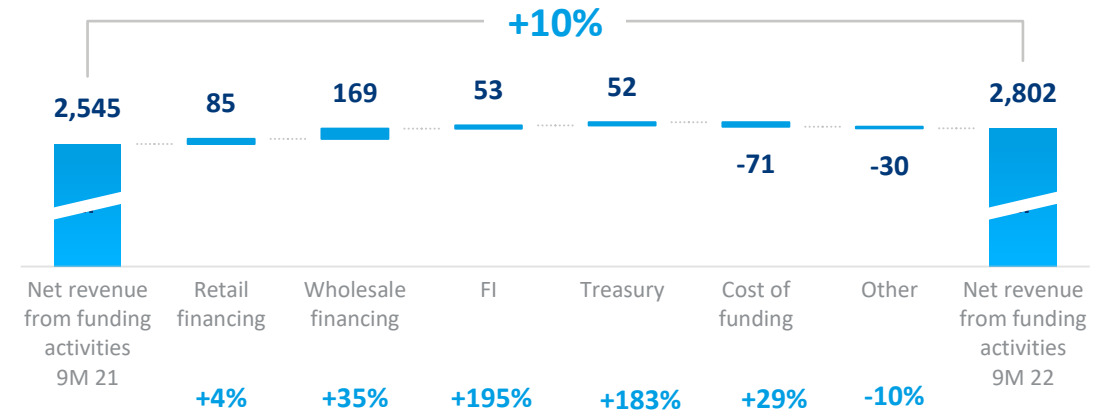
= Net Profit Margin Movement YoY (%)



= Funded Income Composition (AEDmn)



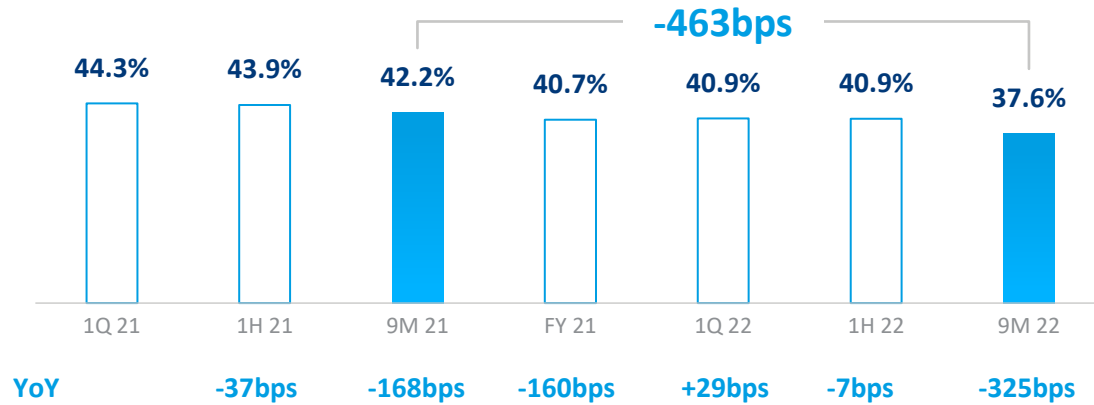
= Net Revenue from Funding Activities Movement YoY (AEDmn)



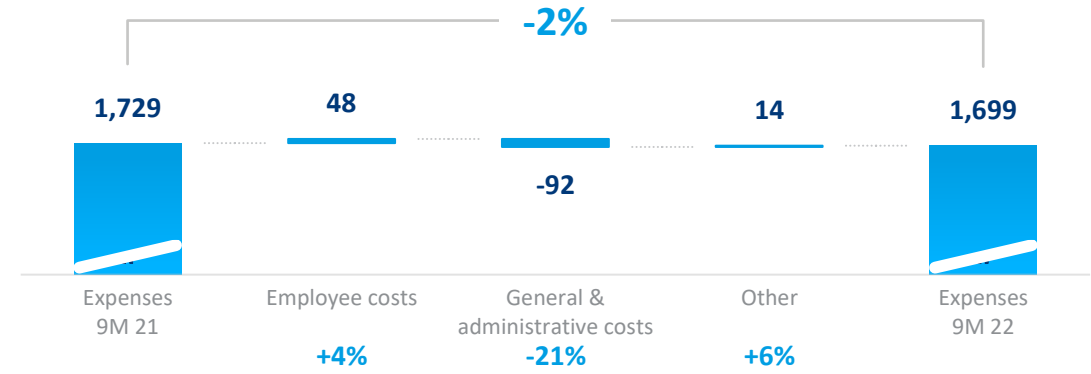
= Operating Expenses

Cost to income ratio improved to 37.6% helped by revenue growth and effective cost control strategy

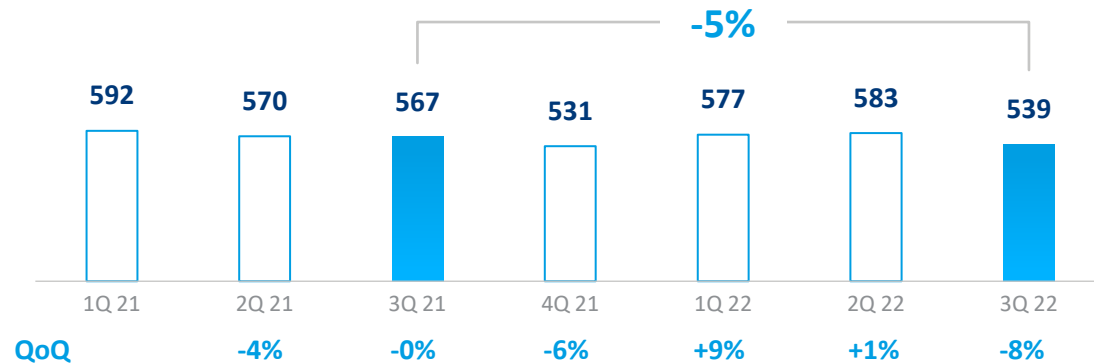
= Cost To Income Ratio (%)



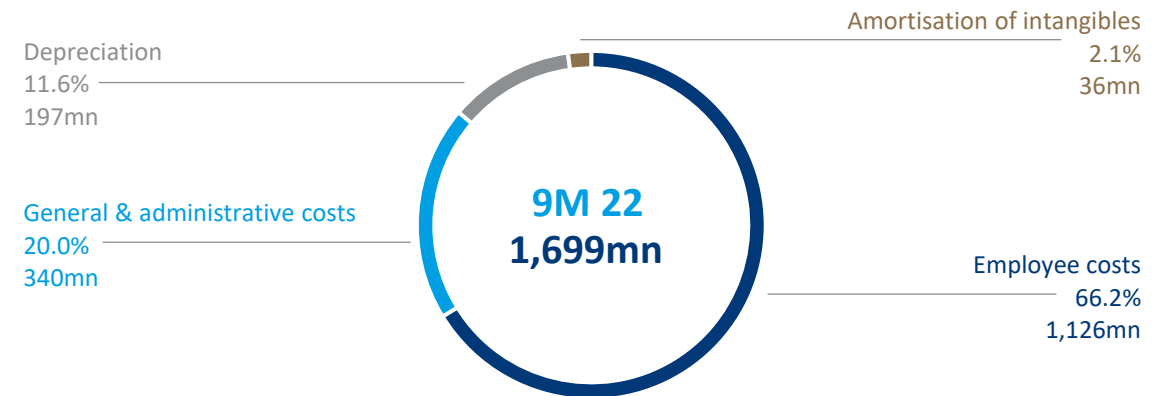
= Expenses Movement YoY (AEDmn)



= Expenses (AEDmn)



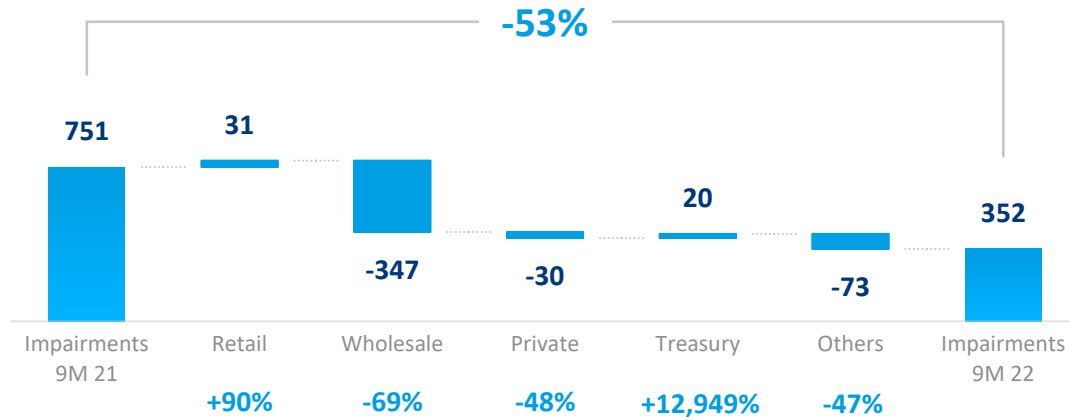
= Expenses Composition (%)



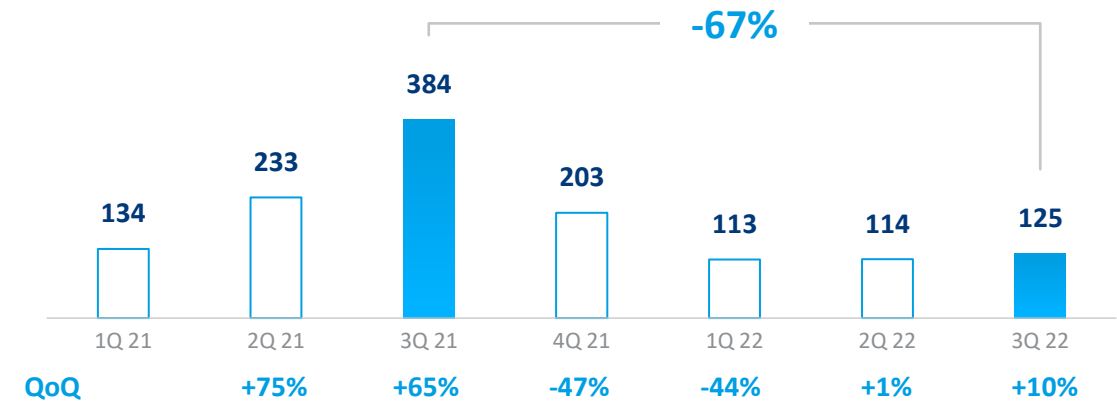
= Impairments

A 53% decline in impairments and 72bps decline in cost of risk YoY due to an improved economic outlook

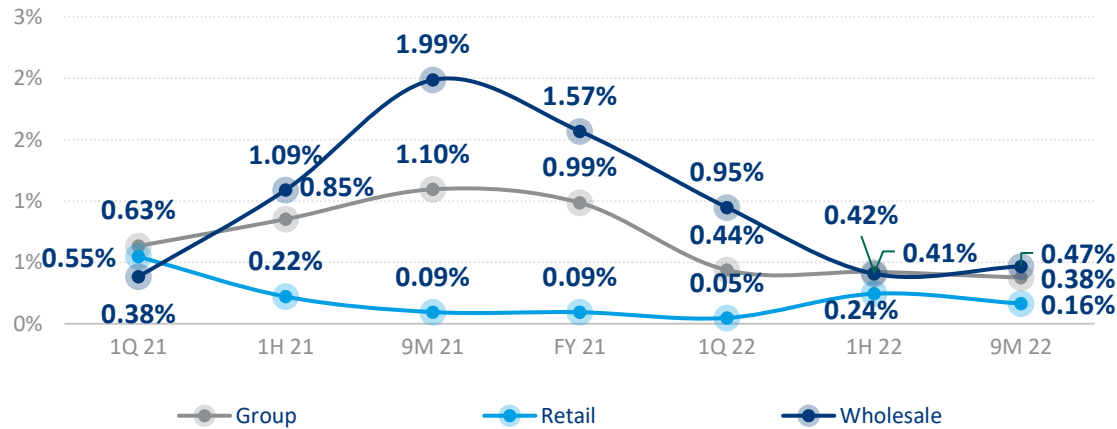
= Impairments Movement YoY (AEDmn)



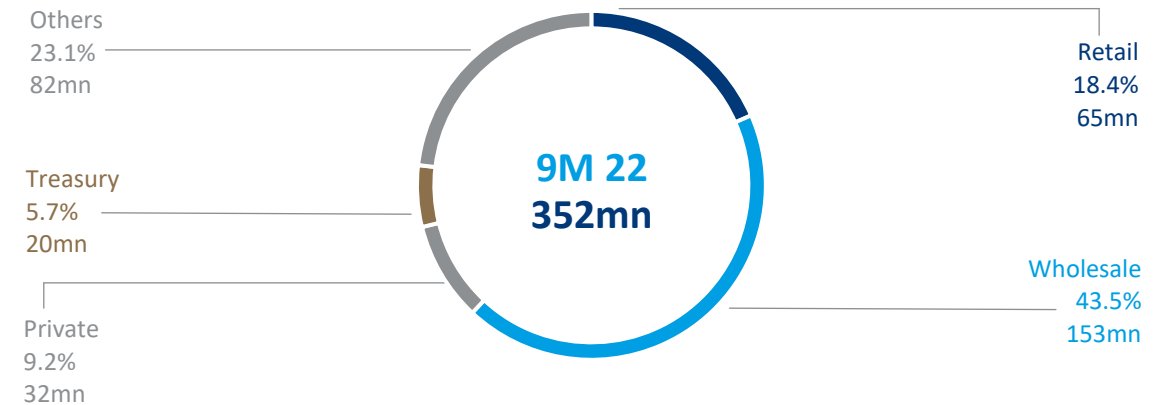
= Impairments (AEDmn)



= Cost Of Risk (%)

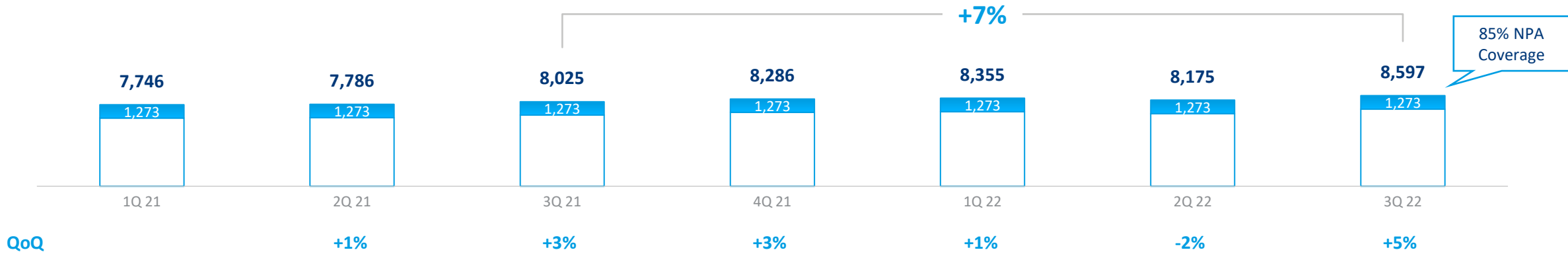


= Impairments Composition (%)

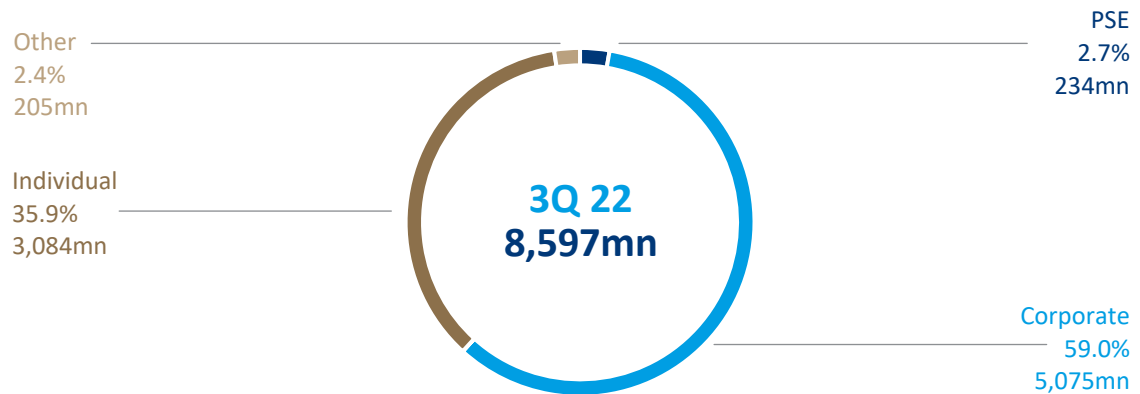


= Non-Performing Financing

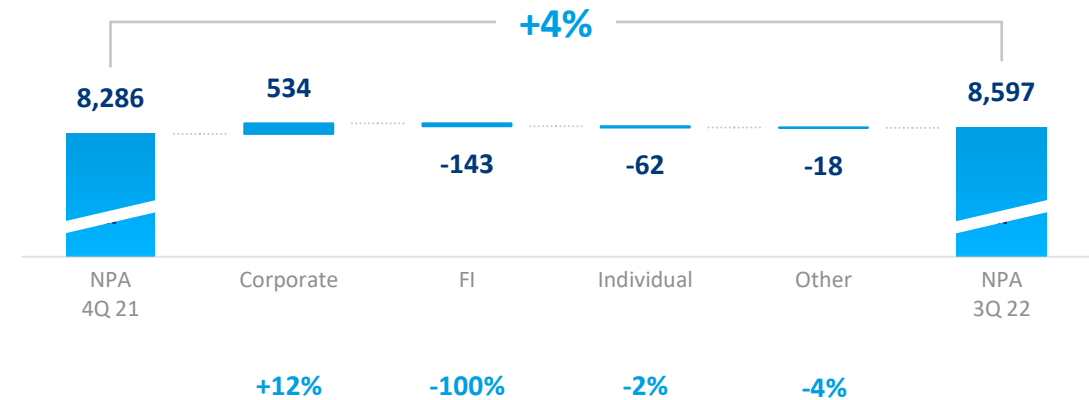
= NPA (AEDmn) ■ NMC Group



= NPA Composition by Sector (%)



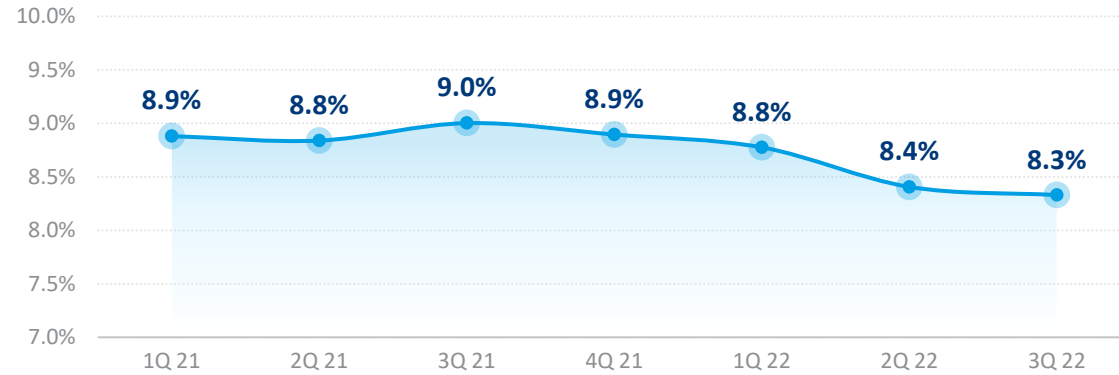
NPA Movement YTD (AEDmn)



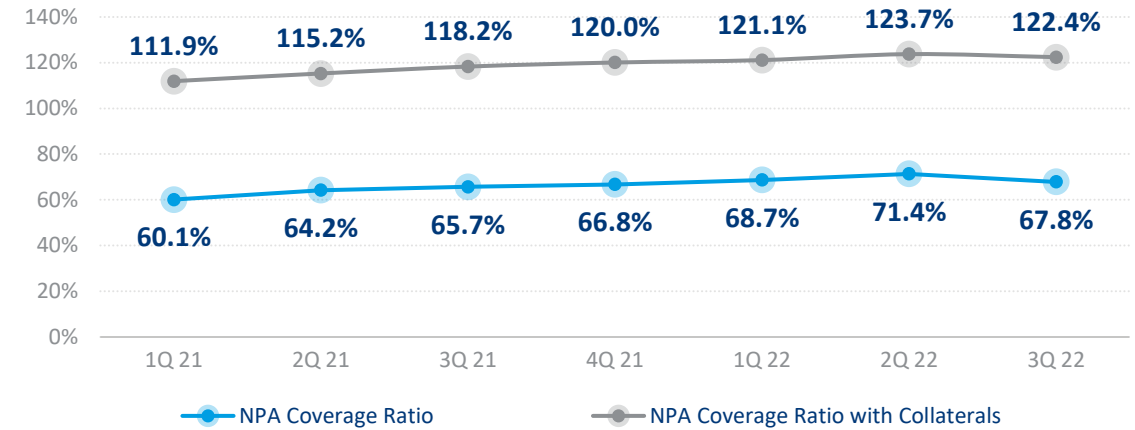
= Non-Performing Financing

NPA ratio and coverage ratio stabilizing with improved economic environment

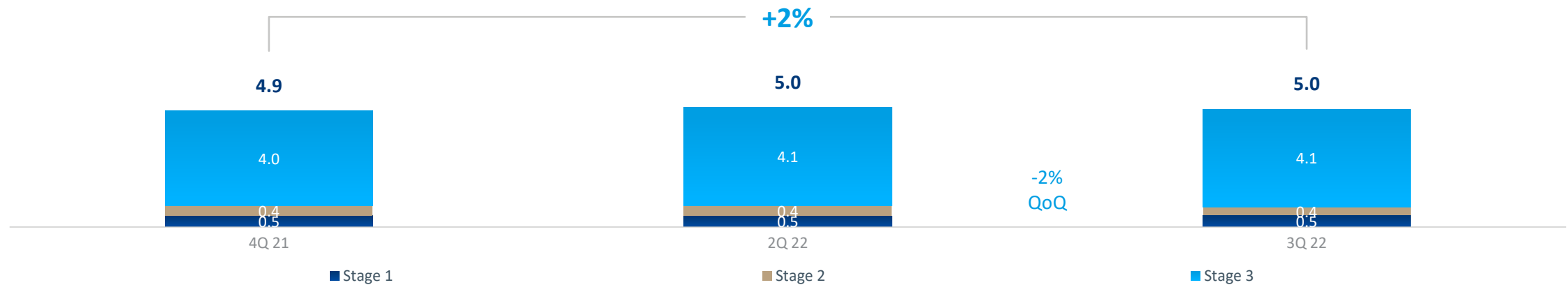
= NPA Ratio (%)



= NPA Coverage Ratio (%)



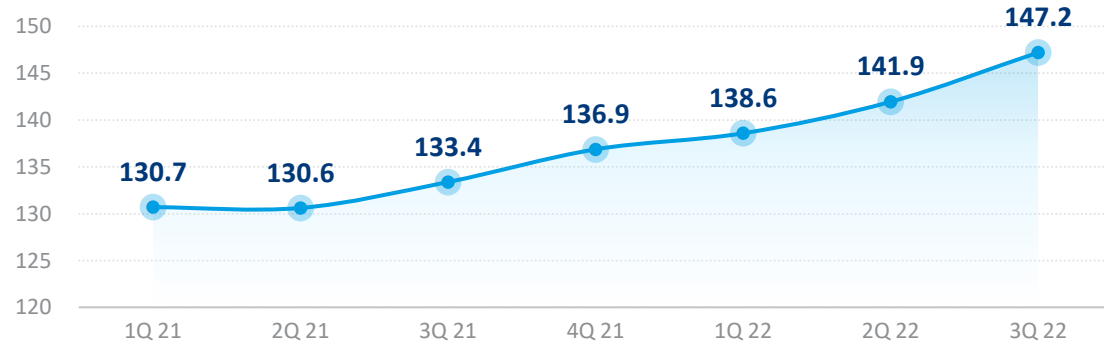
= ECL by Stage (AEDbn)



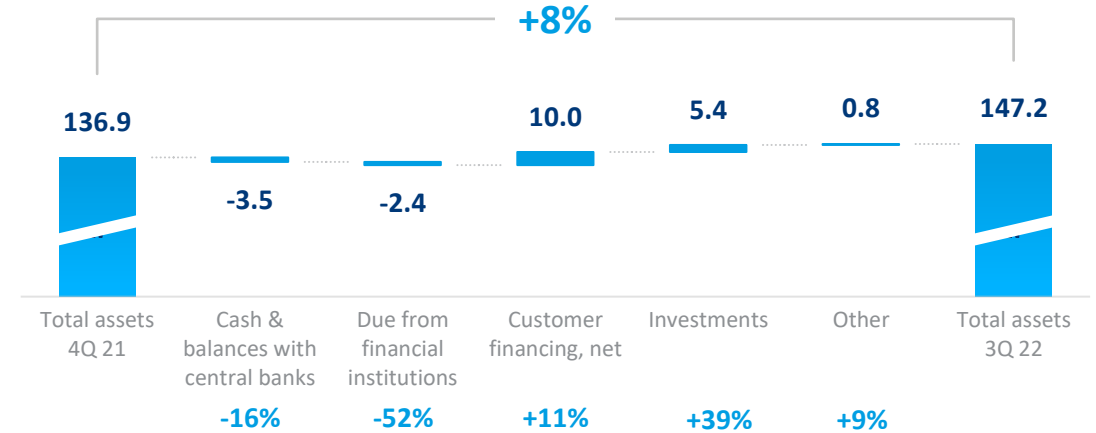
= Balance Sheet

ADIB reported 8% YTD growth in total assets

= Total Assets (AEDbn)



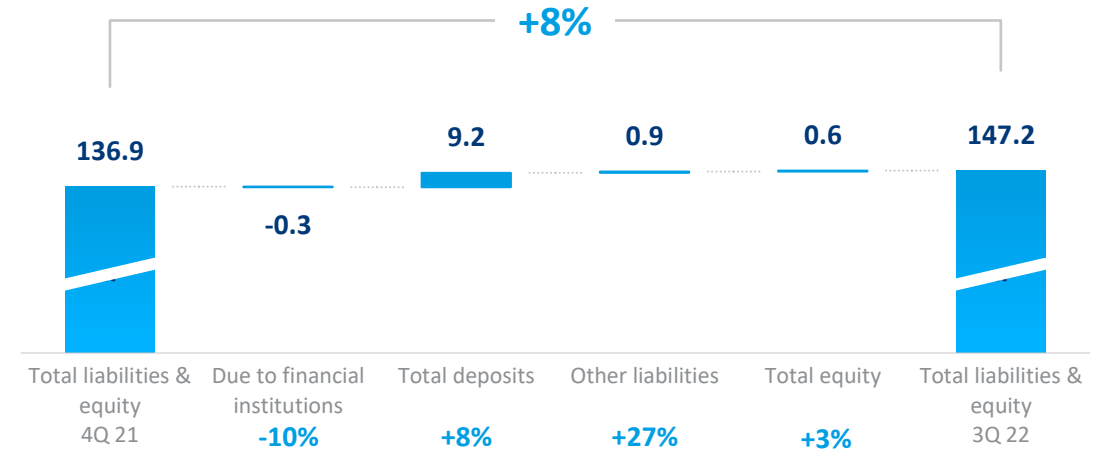
= Total Assets Movement YTD (AEDbn)



= Balance Sheet Highlights

AED (mn)	3Q 2022	2Q 2022	Δ%	4Q 2021	Δ%
Customer financing, net	98,240	92,190	+7%	88,252	+11%
Investments	19,072	18,572	+3%	13,691	+39%
Total assets	147,209	141,944	+4%	136,868	+8%
Total Deposits	118,823	115,188	+3%	109,611	+8%
Total liabilities	126,036	121,541	+4%	116,309	+8%
Total equity	21,173	20,404	+4%	20,559	+3%

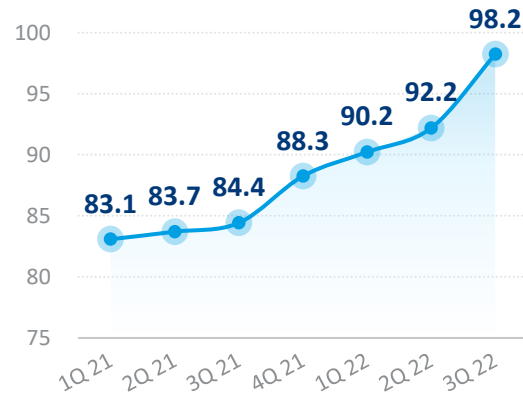
= Funding Movement YTD (AEDbn)



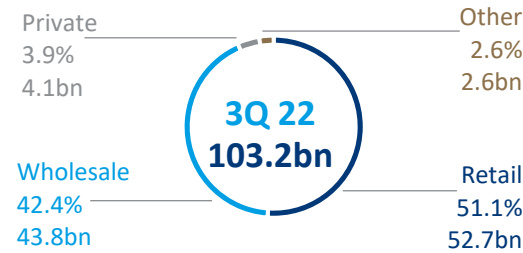
= Customer Financing

...with 11% YTD customer financing growth driven mainly by strong volumes from Capital and Retail...

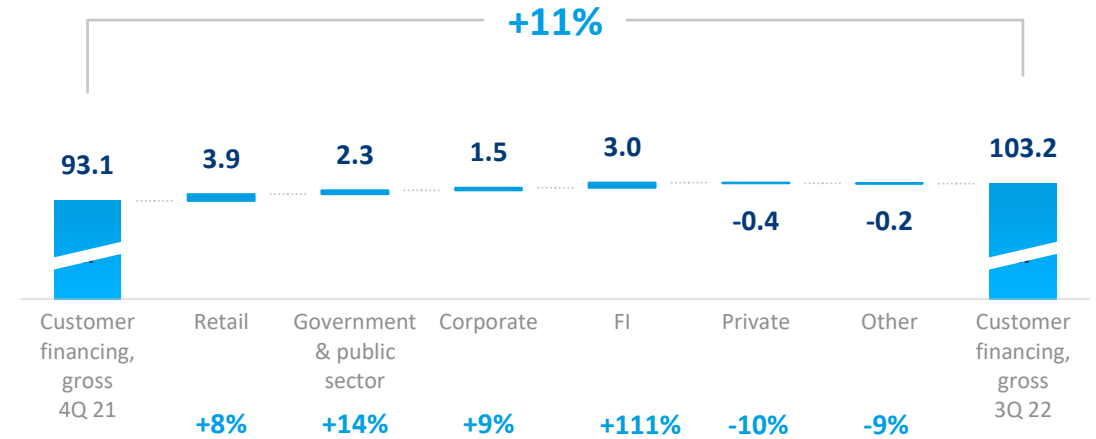
= Customer Financing, Net (AEDbn)



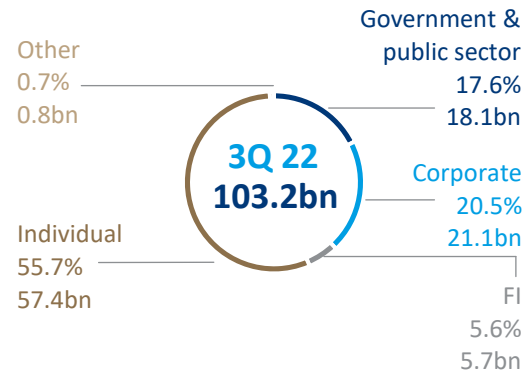
= Customer Financing, Gross by Segment (%)



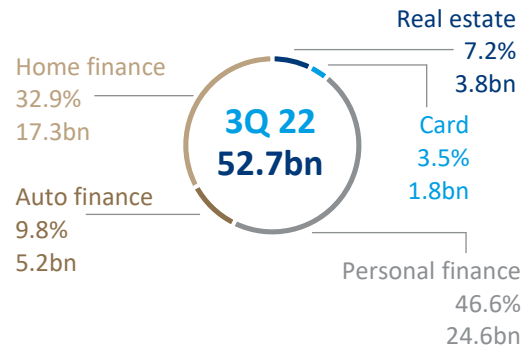
= Customer Financing, Gross Movement YTD (AEDbn)



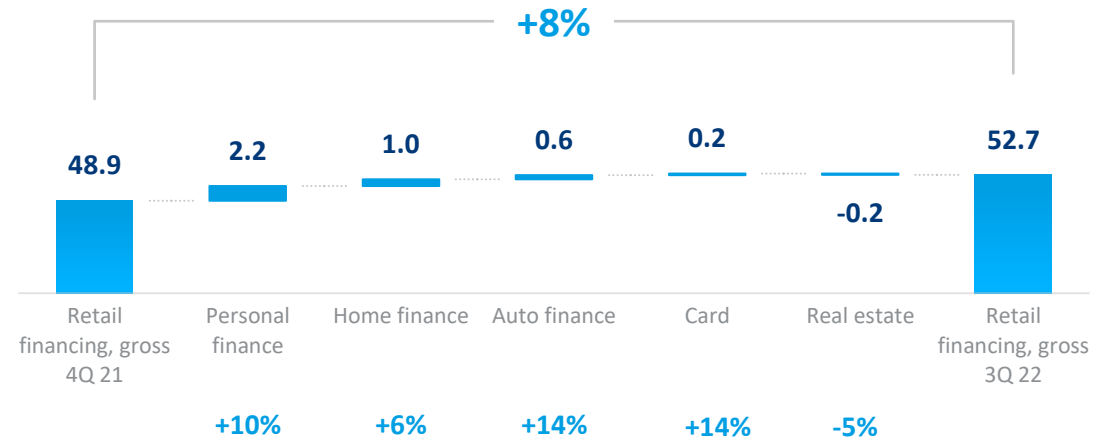
= Customer Financing, Gross by Sector (%)



= Retail Financing, Gross Composition (%)



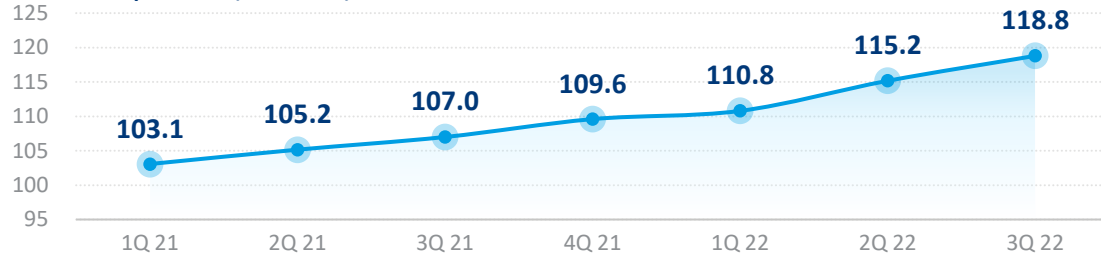
= Retail Financing, Gross Movement YTD (AEDbn)



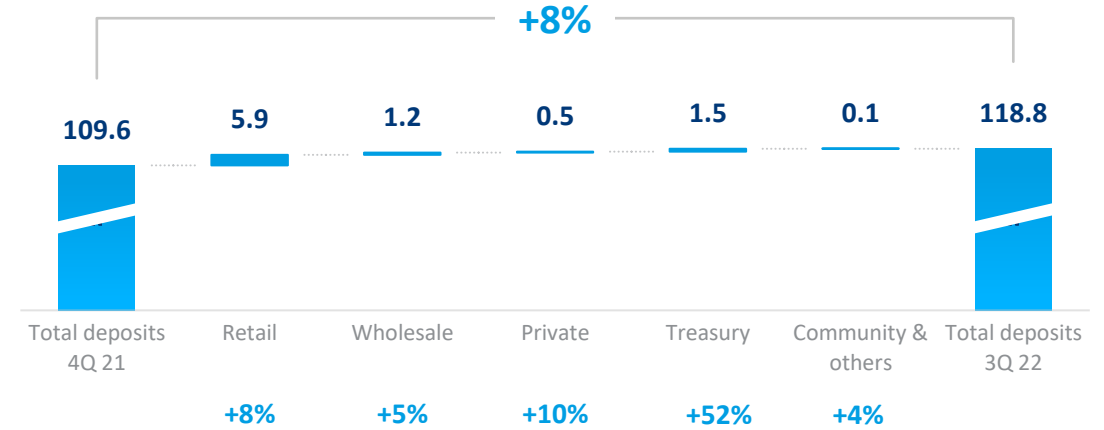
= Customer Deposits

...8% YTD deposit growth with CASA comprising 74% of total customer deposits

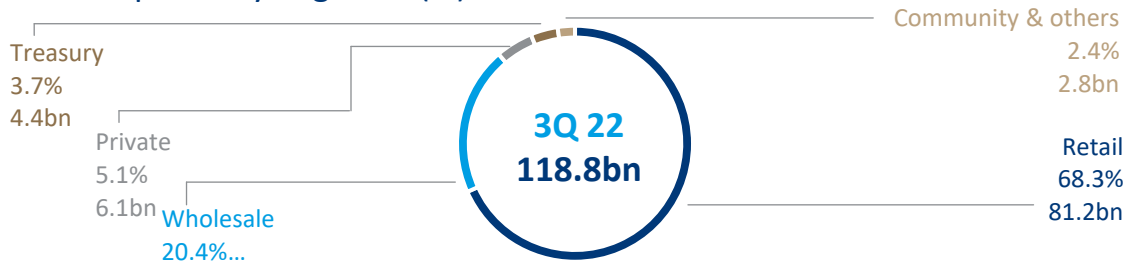
= Total Deposits (AEDbn)



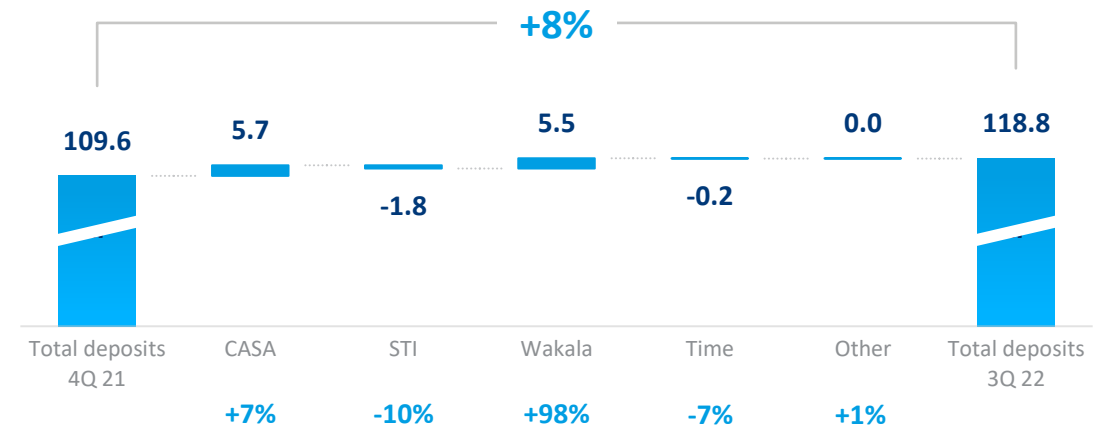
= Total Deposits Movement by Segment YTD (AEDbn)



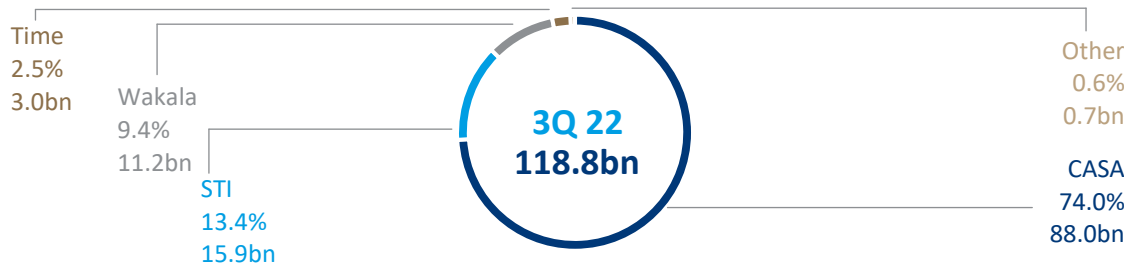
= Total Deposits by Segment (%)



= Total Deposits Movement by Type YTD (AEDbn)



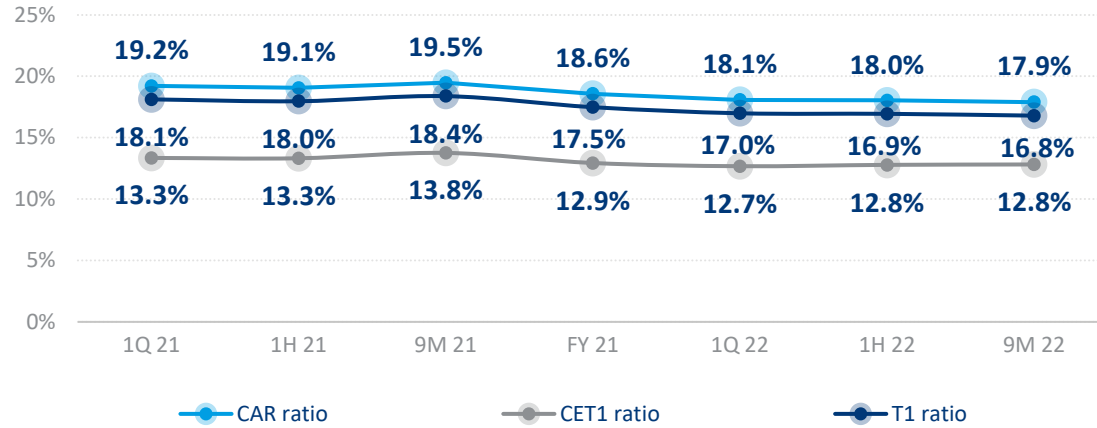
= Total Deposits by Type (%)



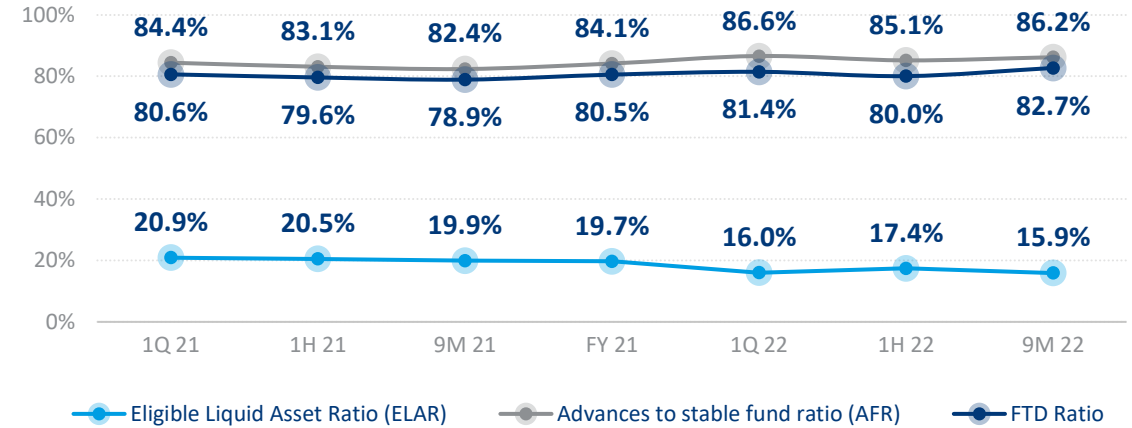
= Capital and Liquidity

Robust capitalization and liquidity positions, well within regulatory requirements

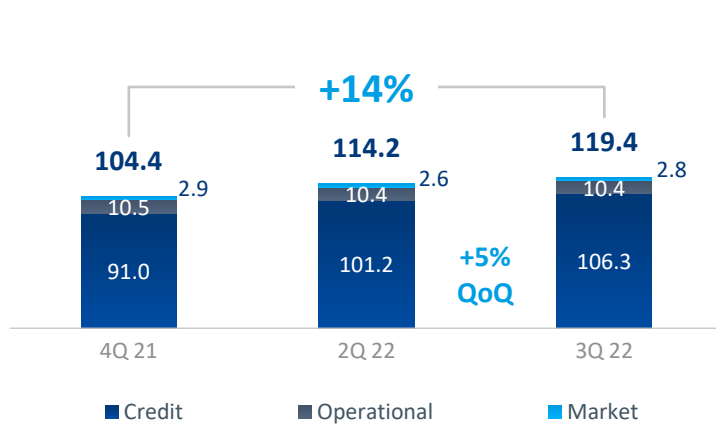
= Capitalization Ratios (%)



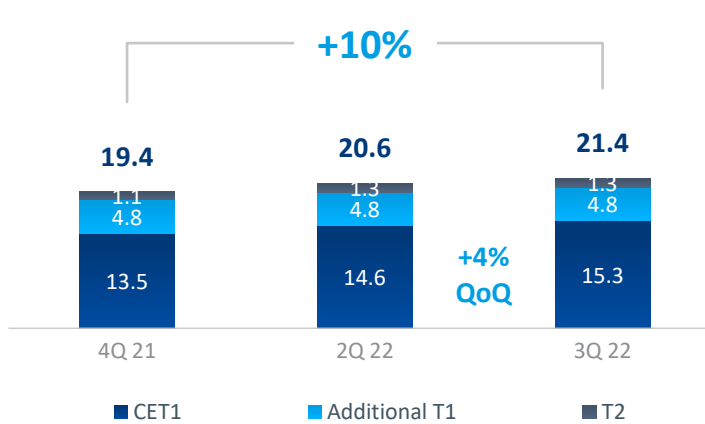
= Liquidity Ratios (%)



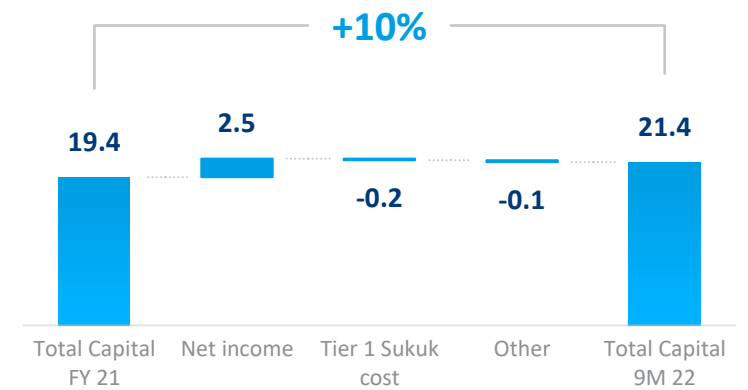
= RWA (AEDbn)



= Capitalization (AEDbn)



= Total Capital Movement YTD (AEDbn)



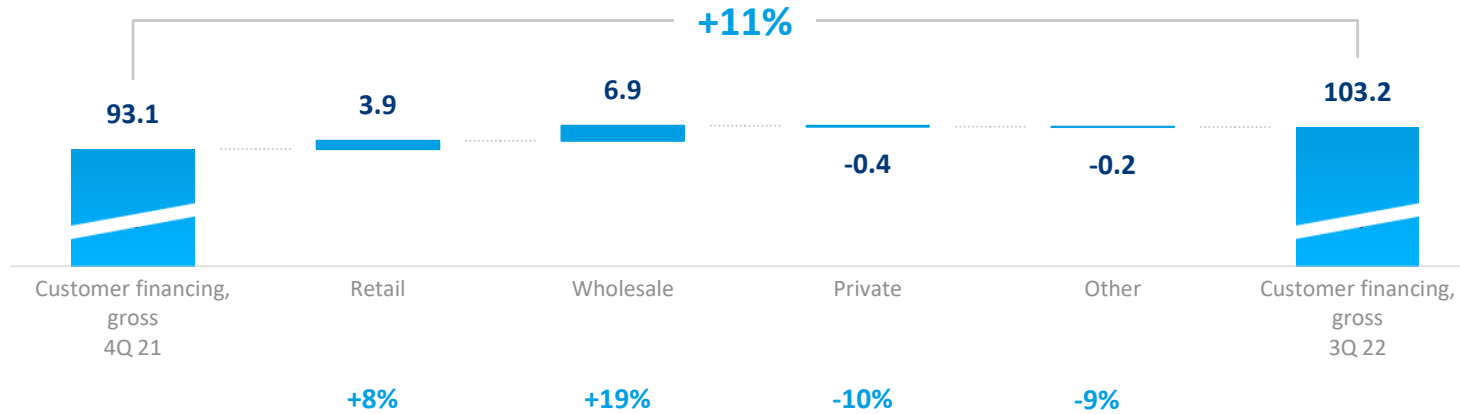
Segmental Performance

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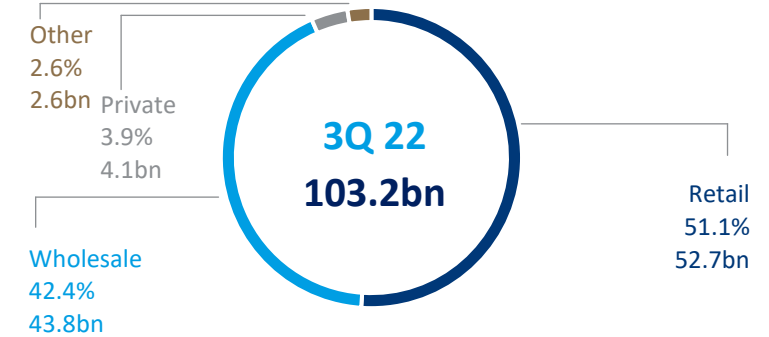
= Segmental Balance Sheet Summary

Financing and deposit growth led mainly by growth in Retail and Wholesale segments

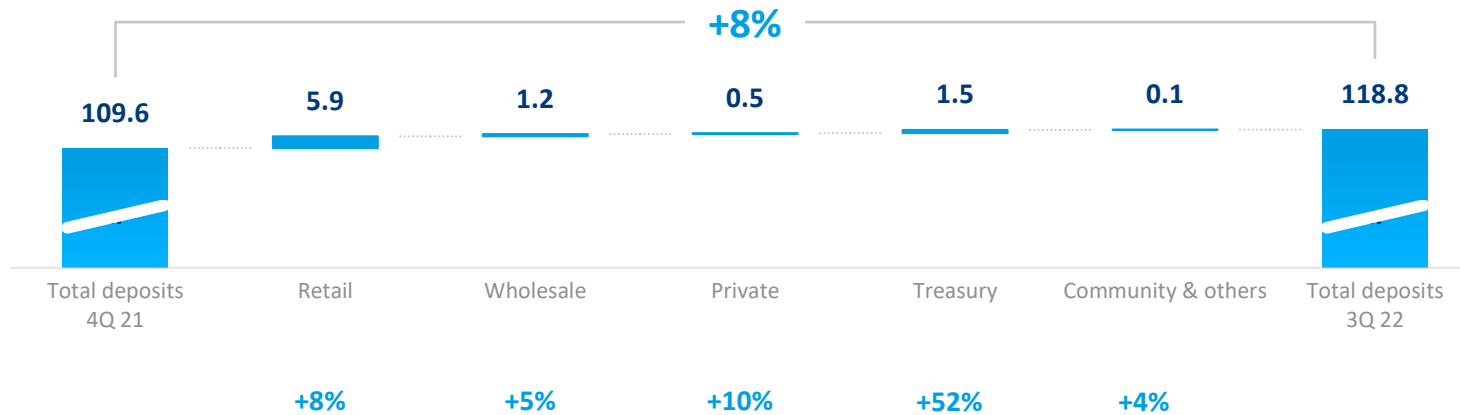
= Customer Financing, Gross Movement YTD (AEDbn)



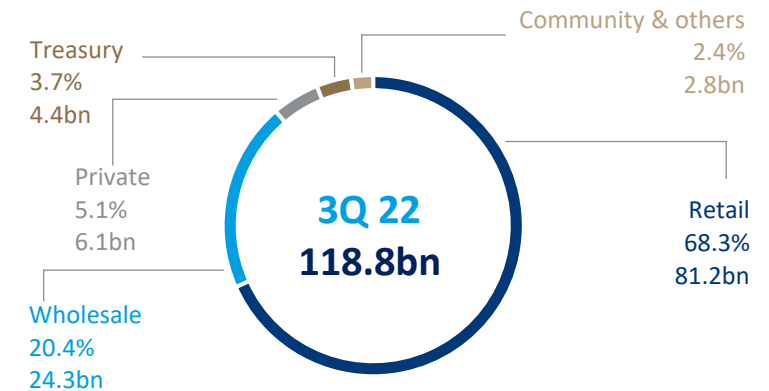
= Customer Financing, Gross Composition (AEDbn)



= Total Deposits Movement YTD (AEDbn)



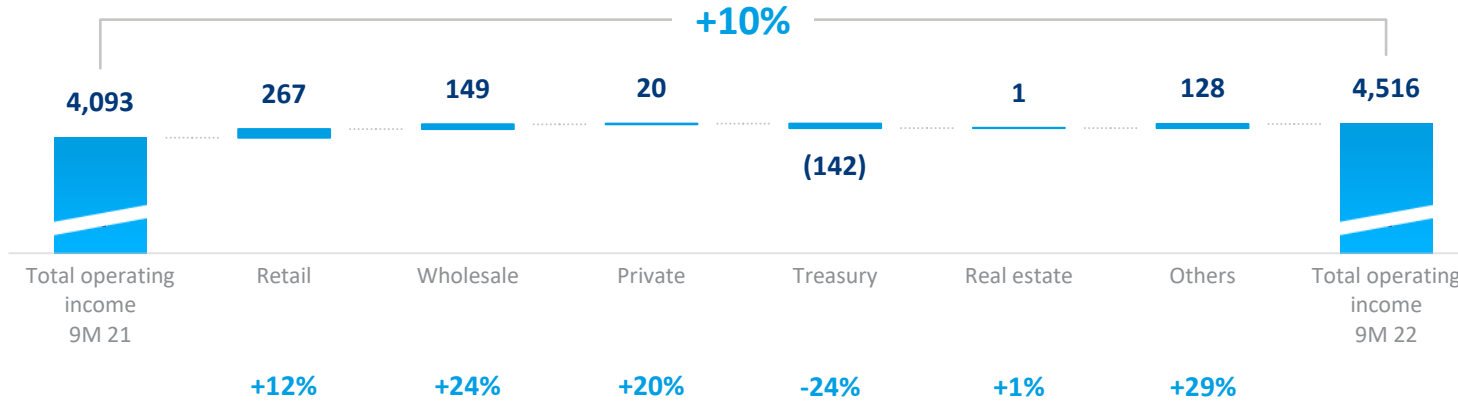
= Total Deposits Composition (AEDbn)



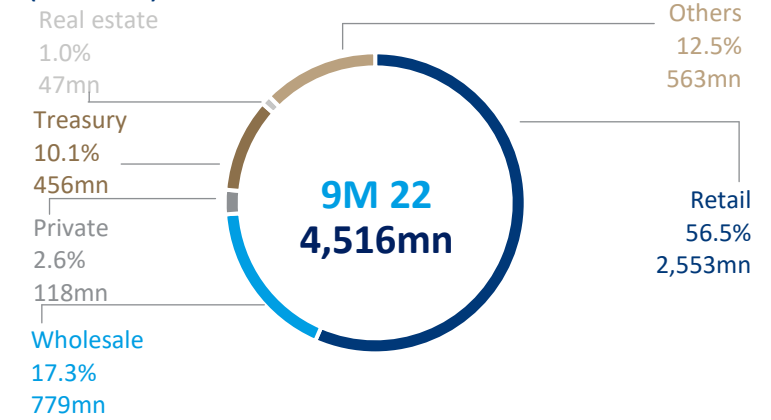
= Segmental Income Statement Summary

Profit growth driven mainly by core business growth

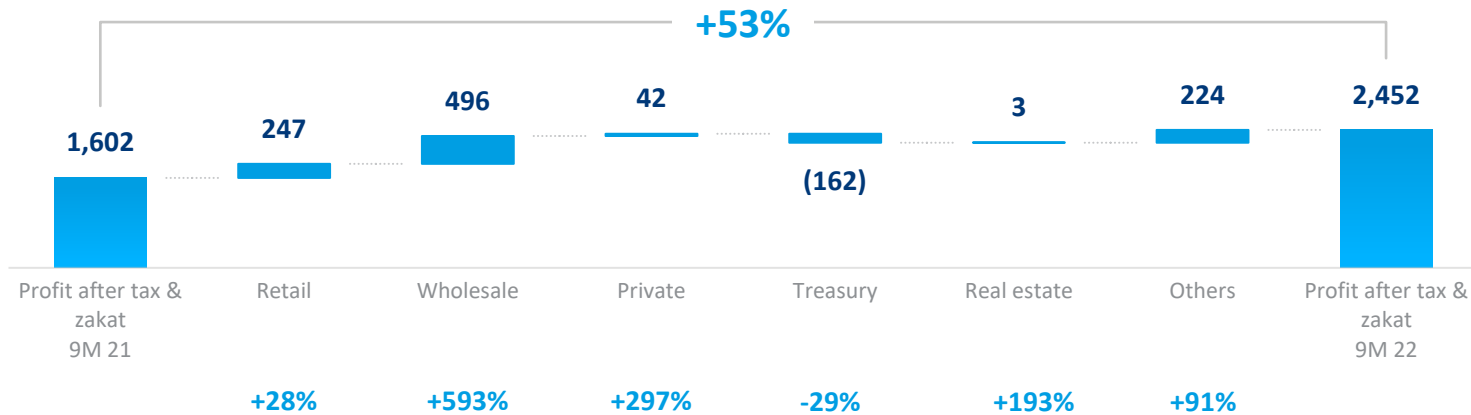
= Total Operating Income Movement YoY (AEDmn)



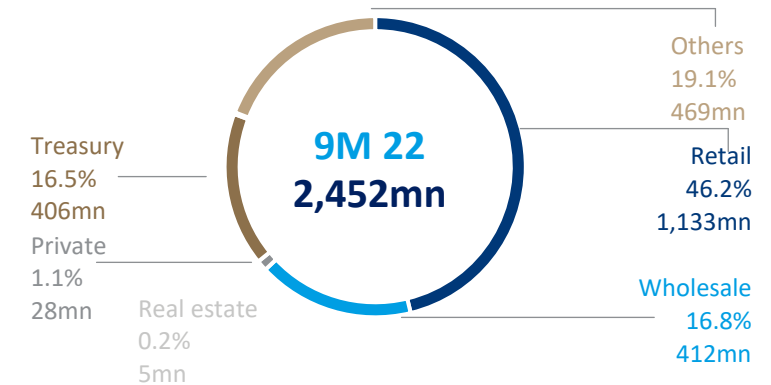
= Total Operating Income Composition (AEDmn)



= Profit After Tax & Zakat Movement YoY (AEDmn)



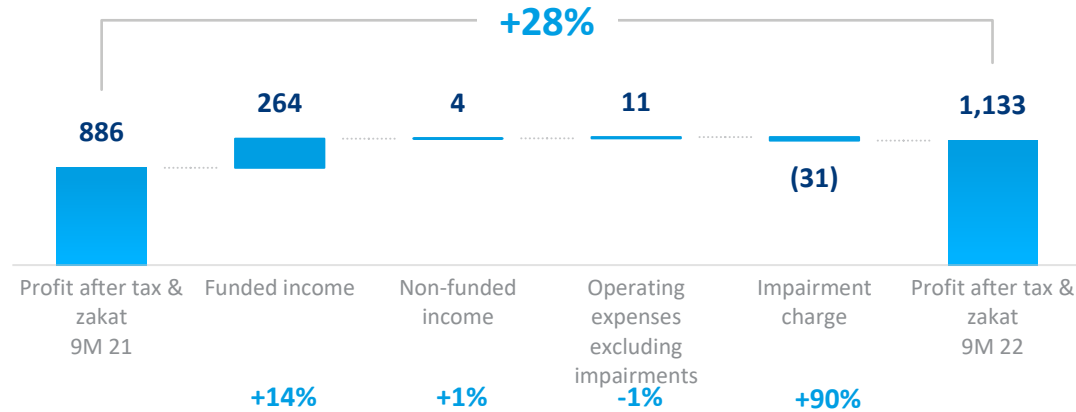
= Profit After Tax & Zakat Composition (AEDmn)



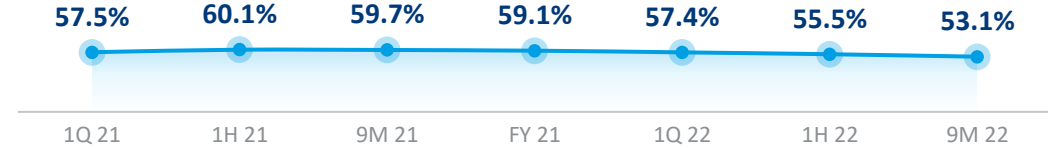
= Retail

28% retail profit increase driven by growth in customer financing and lower provisions

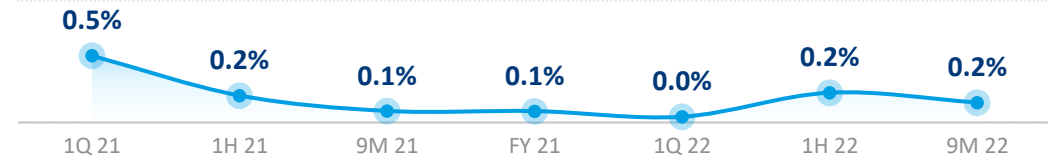
= Profit After Tax & Zakat Movement YoY (AEDmn)



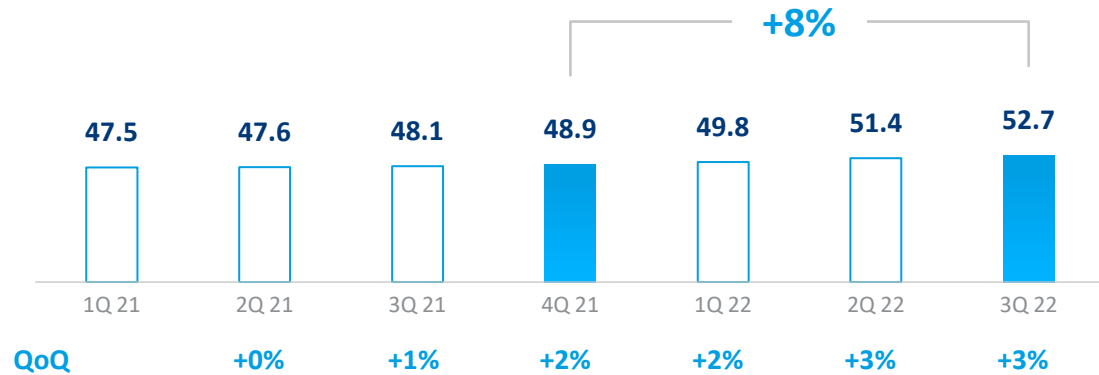
= Cost Income Ratio (%)



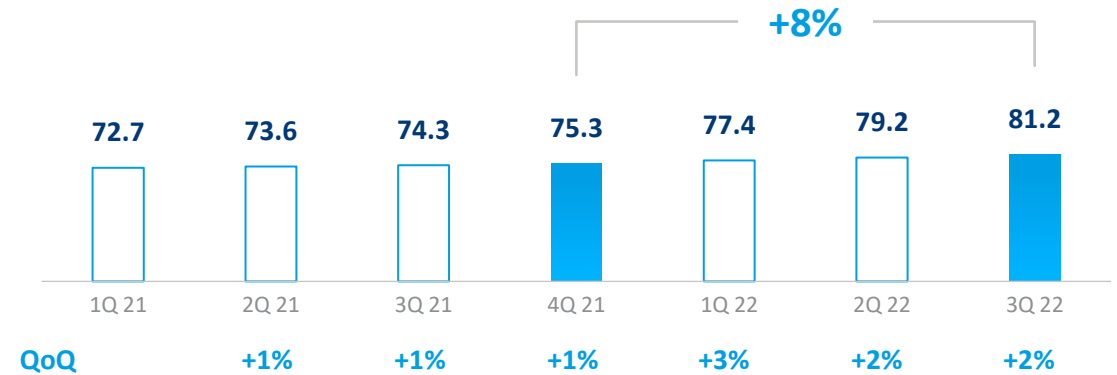
= Cost of Risk (%)



= Customer Financing, Gross (AEDbn)



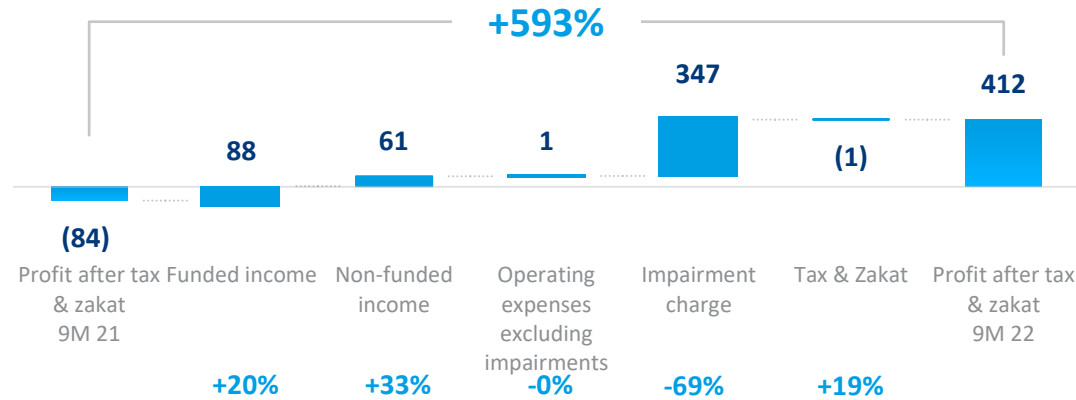
= Deposits (AEDbn)



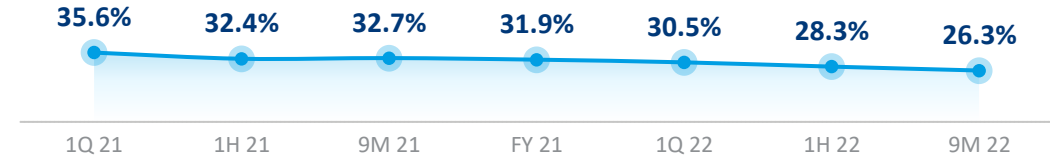
= Wholesale

Decrease in profit driven by an increase in impairment charges

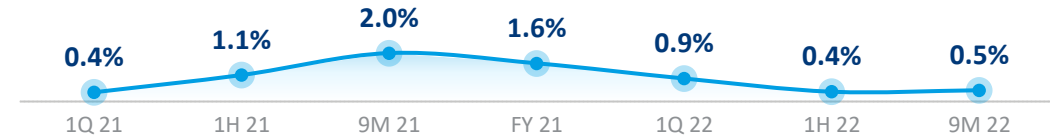
= Profit After Tax & Zakat Movement YoY (AEDmn)



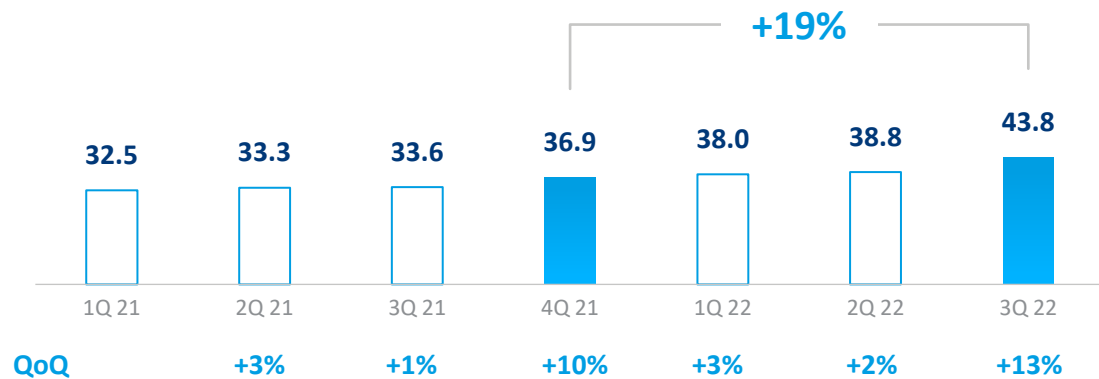
= Cost Income Ratio (%)



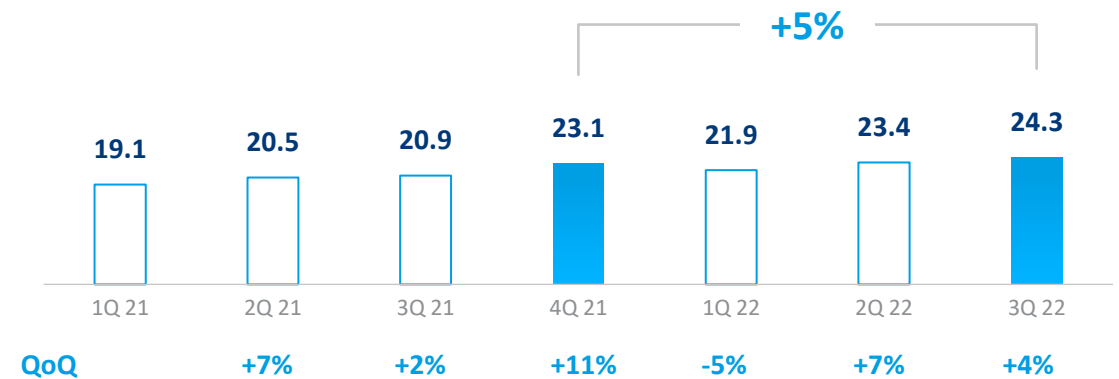
= Cost of Risk (%)



= Customer Financing, Gross (AEDbn)



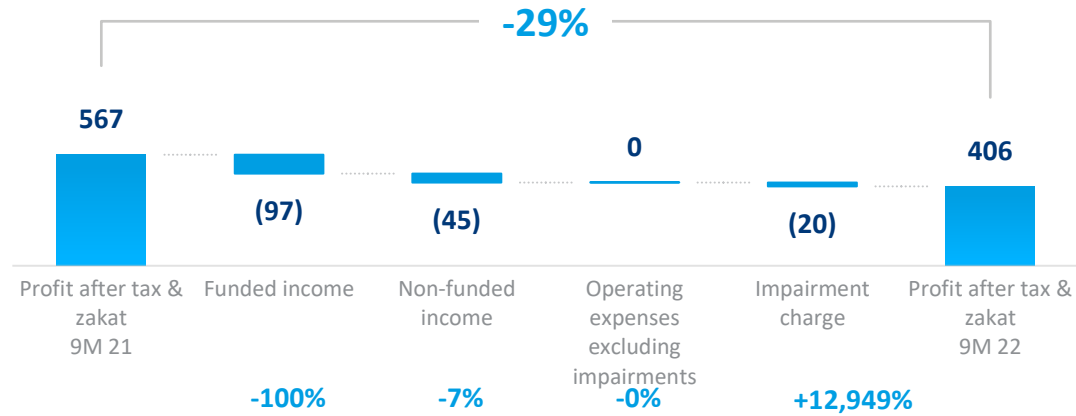
= Deposits (AEDbn)



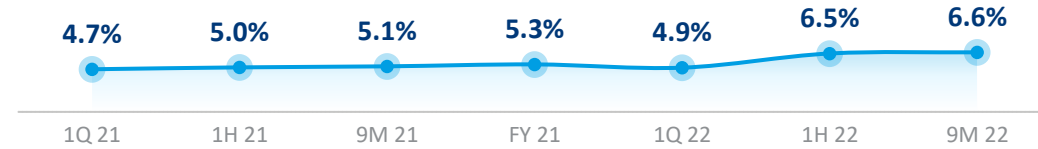
= Treasury

29% profit decline impacted by inventive income

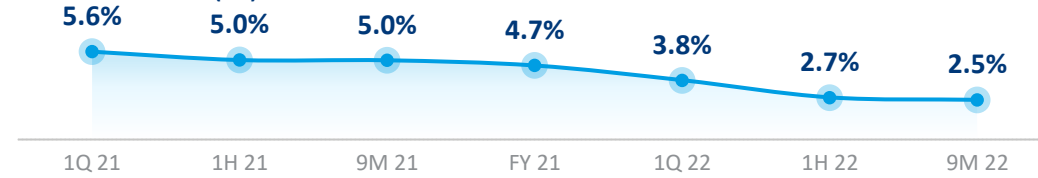
= Profit After Tax & Zakat Movement YoY (AEDmn)



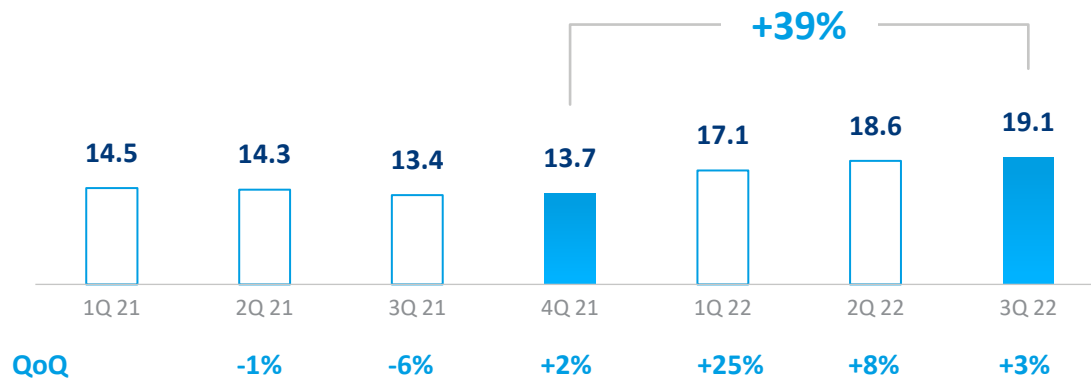
= Cost Income Ratio (%)



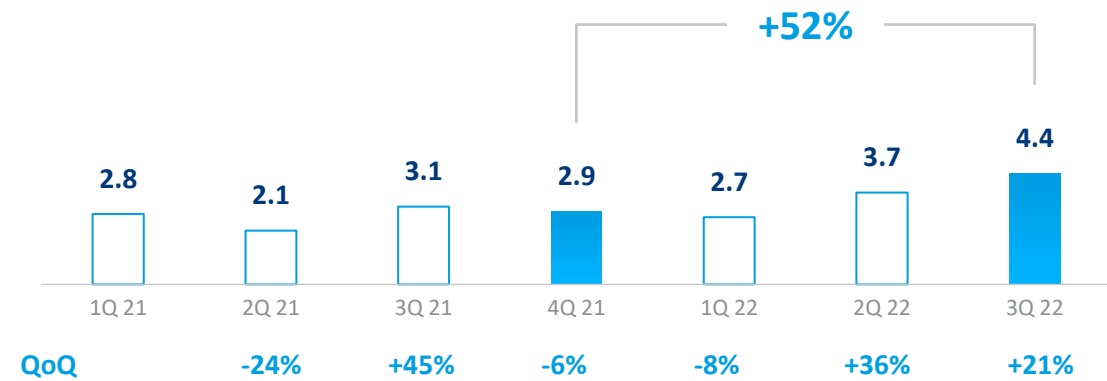
= Investment Yield (%)



= Investments (AEDbn)



= Deposits (AEDbn)



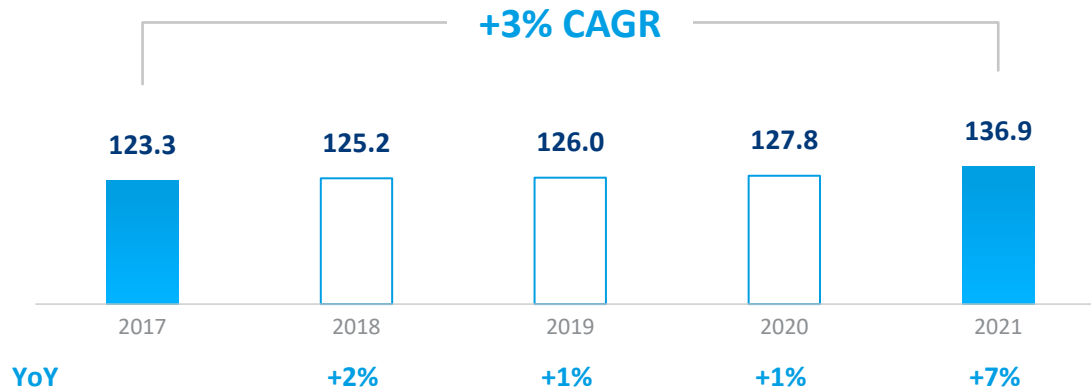
Performance Track Record

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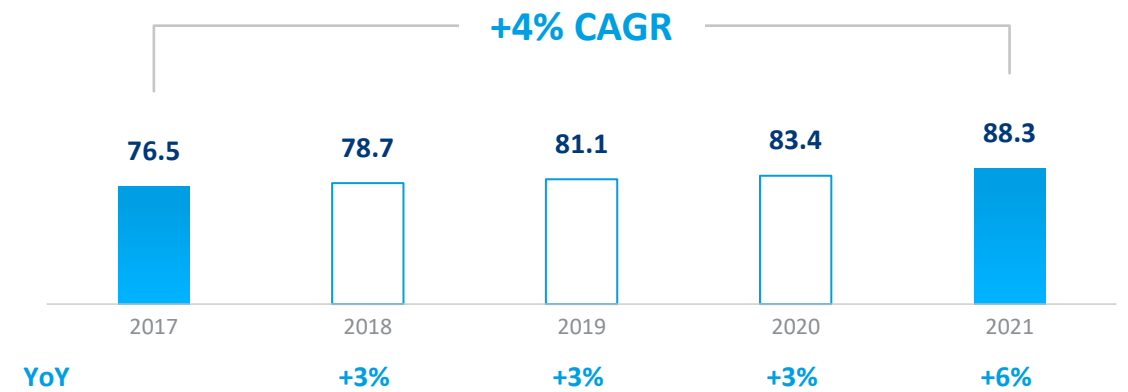
= Balance Sheet Trends

Steady balance sheet growth

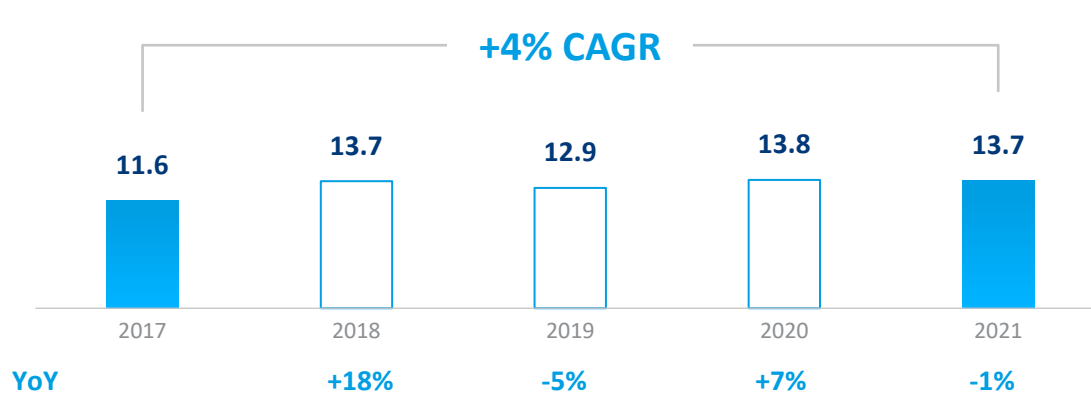
= Total Assets (AEDbn)



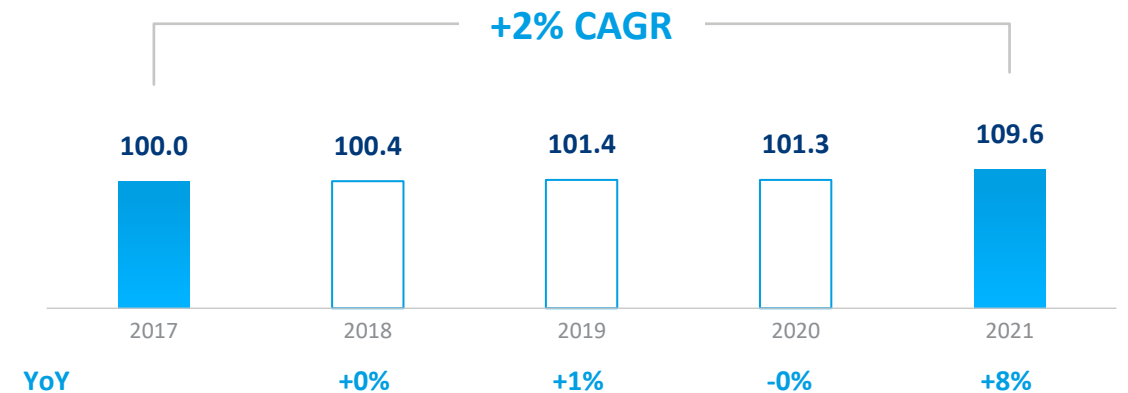
= Customer Financing, Net (AEDbn)



= Investments (AEDbn)



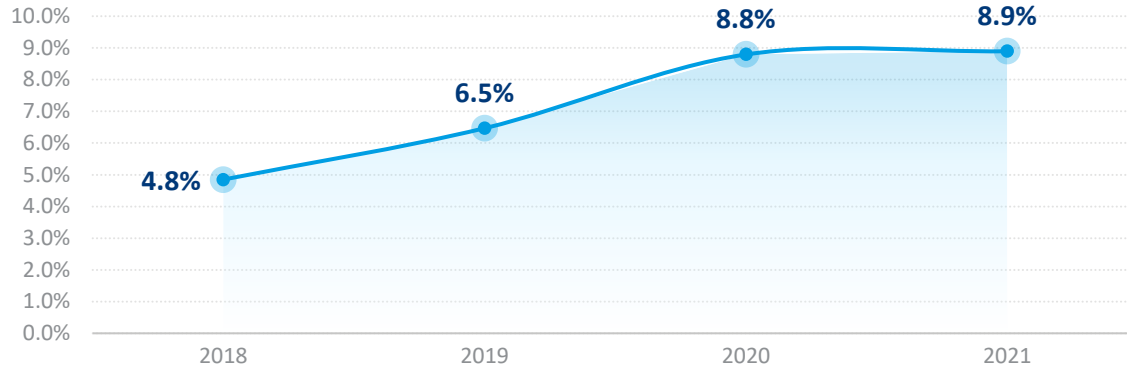
= Total Deposits (AEDbn)



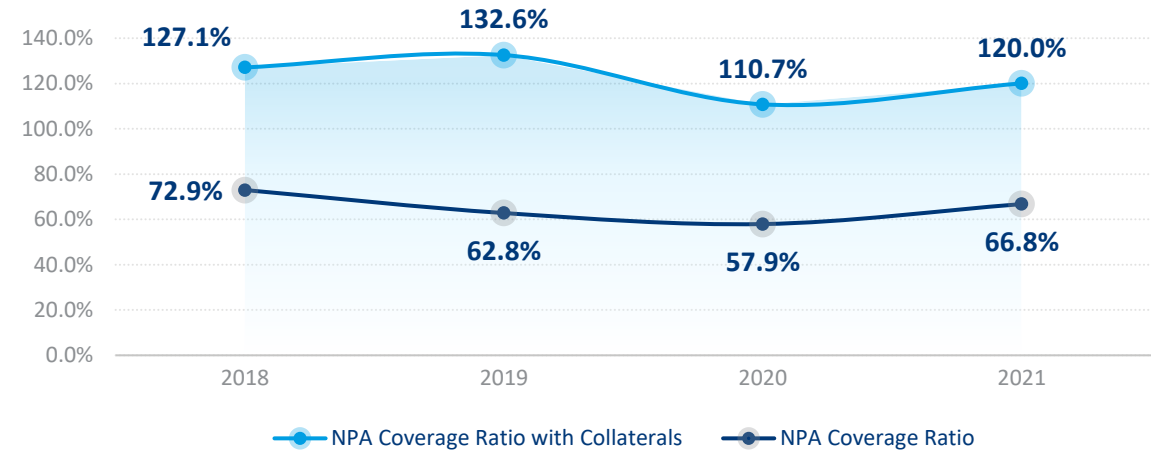
= Asset Quality, Capital & Liquidity

Improving capitalization and strong, stable liquidity position mitigate challenging credit quality

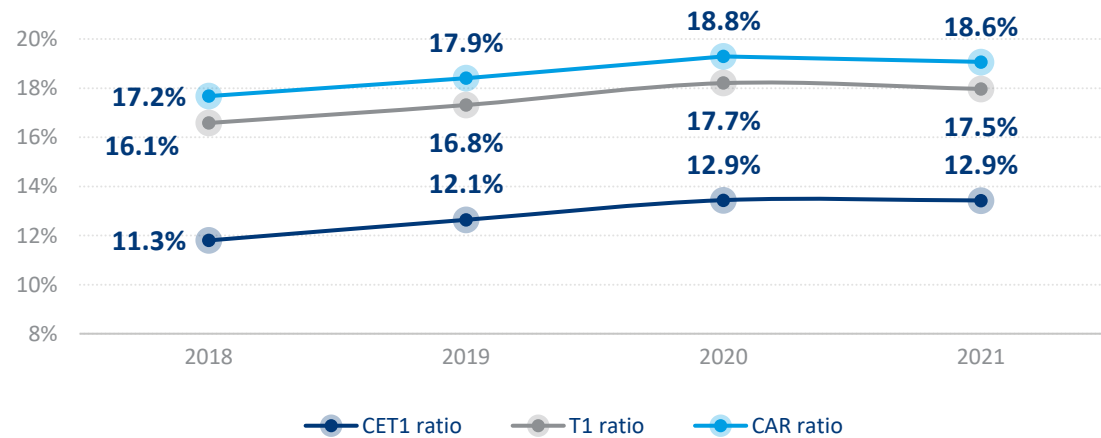
= NPA Ratio (%)



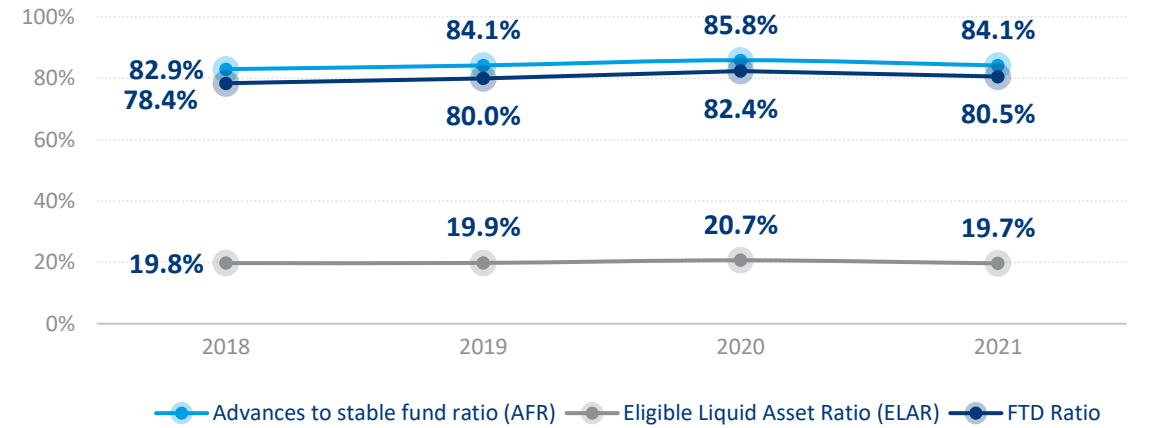
= NPA Coverage Ratio with Collaterals (%)



= Capitalization Ratios (%)



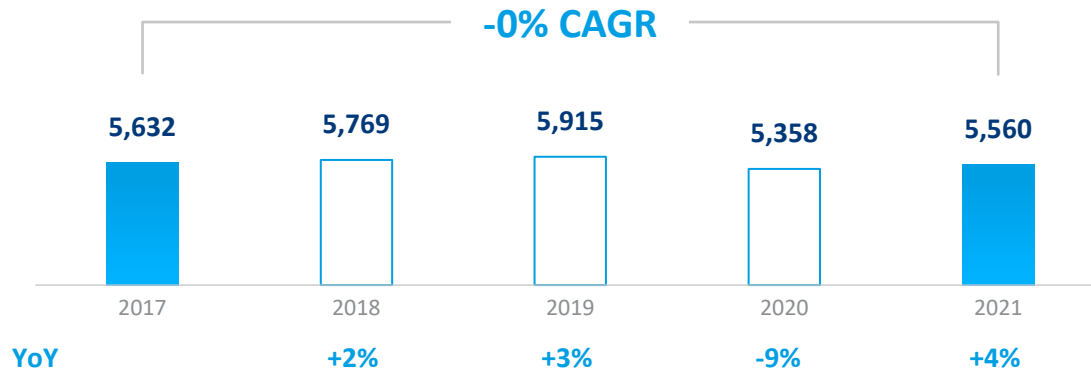
= Liquidity Ratios (%)



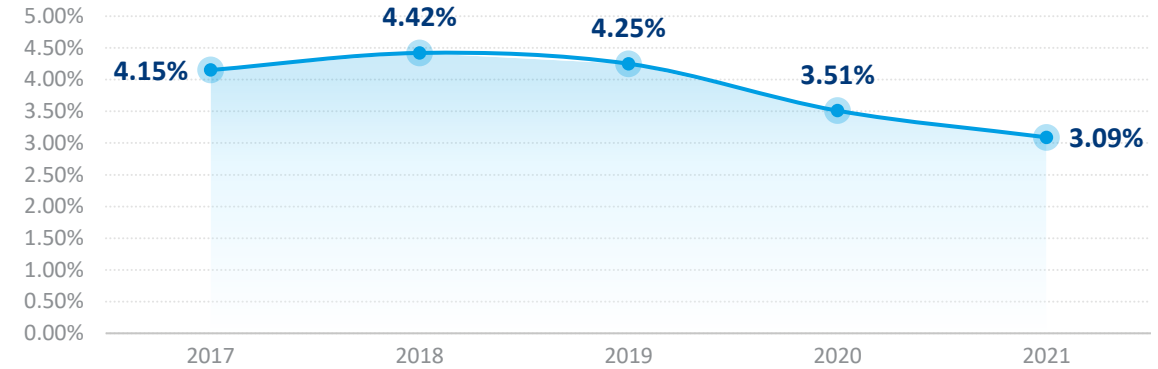
= Revenues and Expenses

Stable revenue and operating expense trends

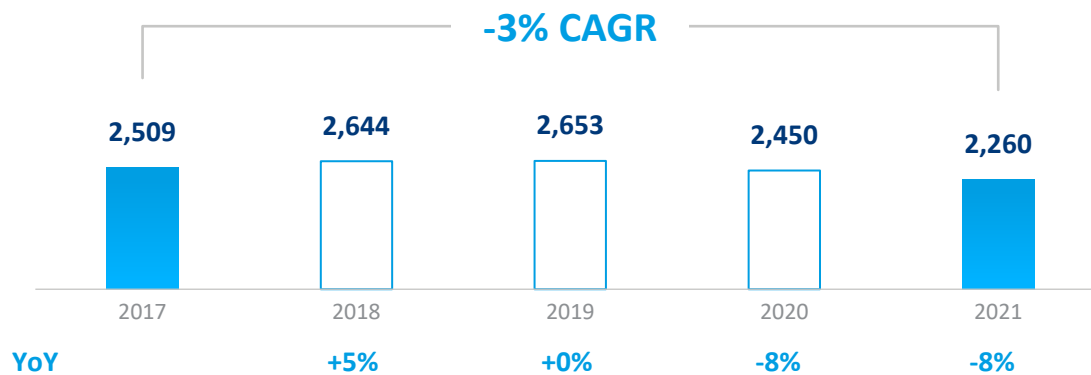
= Revenues (AEDmn)



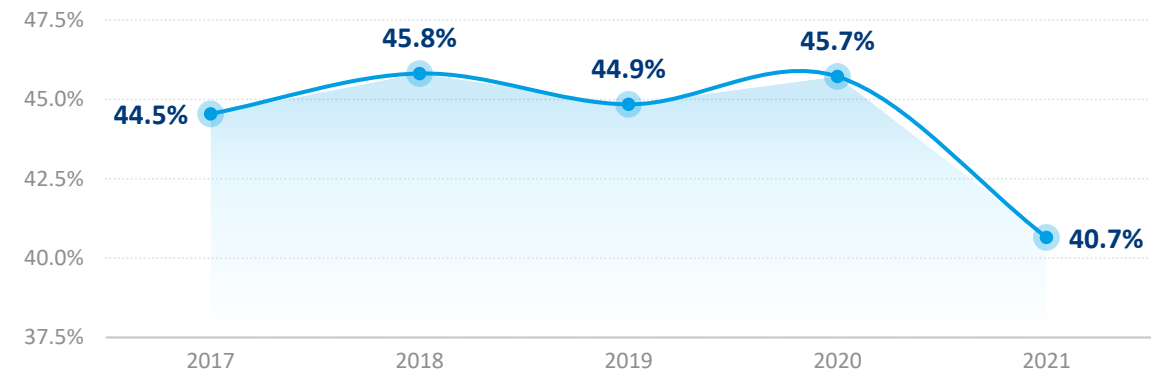
= Net Profit Margin (%)



= Expenses (AEDmn)



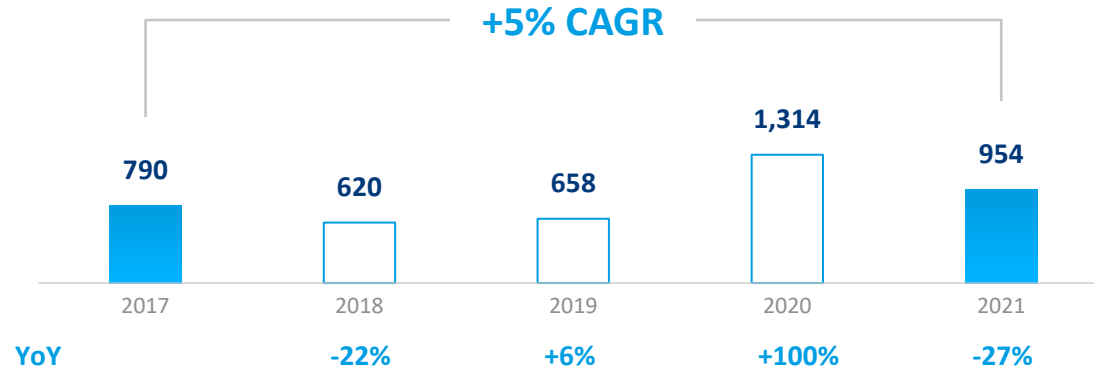
= Cost to Income Ratio (%)



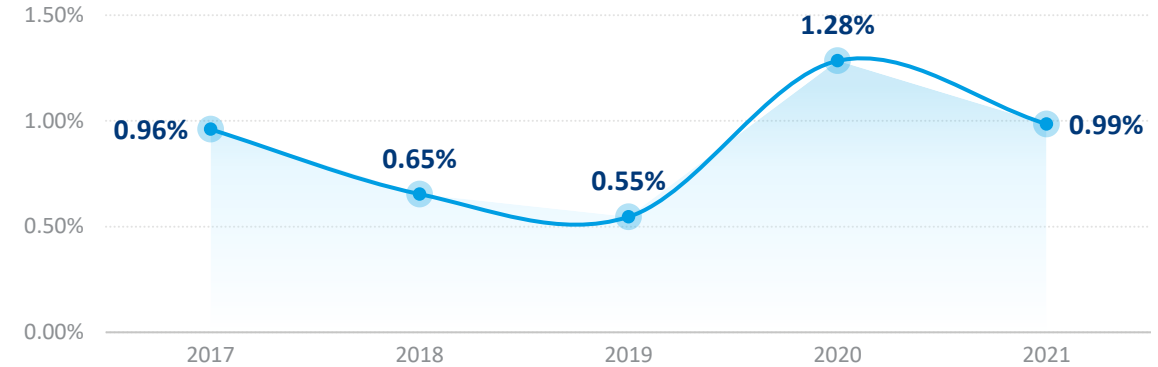
= Impairments and Profitability

Return to stable profitability and cost of risk in 2021

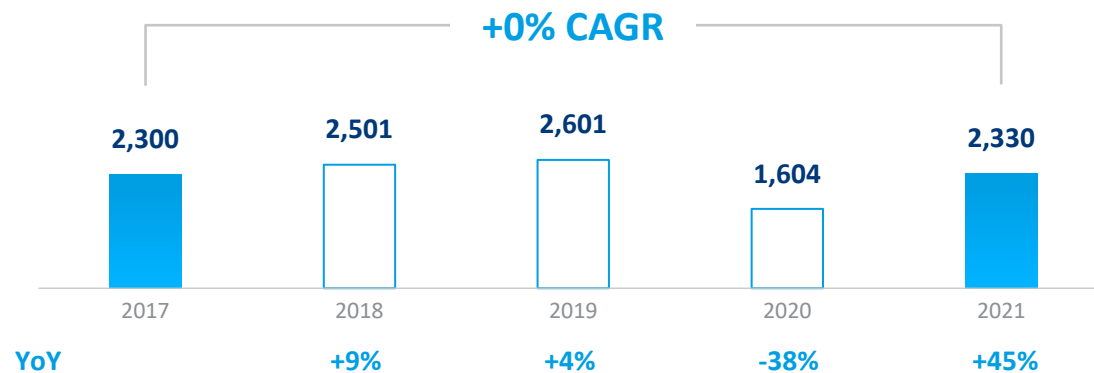
= Impairments (AEDmn)



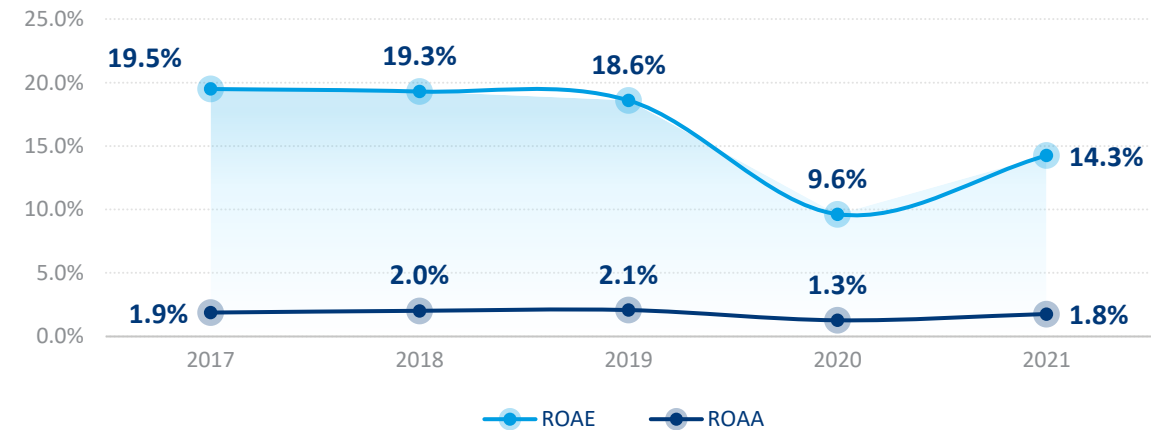
= Cost of risk (%)



= Profit After Zakat & Tax (AEDmn)



= Returns (%)



Appendix

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

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