ADIB Q1 2023 Earnings Call

Lamia Hariz (Lamia Hariz, Head of Corporate Communications):

Before we get started, just a quick reminder that today's presentation and all our financial disclosures are already on the corporate website on the IR section and on our IR app.

With me in the room I have our group CFO Mr Mohamed Abdel Bary and our Group Financial Controller Mr Ahsan Akhter.

So to get started just a quick overview of the agenda. We will go through the key highlights for the quarter. We will give a quick update on our strategic initiative, and we will go through the details of our financial performance, and we will then provide guidance for the rest of the year, and we will open the room for Q&A.

Just to start with the very quick highlights. As you have seen from the results, ADIB was able to report yet another subset of results.

We had our net income for the quarter, reaching 1.1 billion in a case of 54% vis a vis week last year. The results were driven by very strong revenue momentum 45 %up from last year, driven mainly by margin and balance sheet expansion, our ROE expanded to 23.4, which is exceeding our guidance range for the year, which was 21% to 22%. We were able to grow our customers financing by 19%, this was funded by growth, and that was mainly from CASA that increased 15% and is now 68% of our total deposits. As you remember, in our fourth quarter last year we have increased our stake in ADIB Egypt to 52.6%.

As ADIB Egypt is not yet as a listed company, and they didn't publish the quarterly results, we will not be able to disclose it separately, but you will see it in our financials on the subsidiaries and Associates which is compromised and the majority of ADIB business. So, with that I will now move to the next slide, which is about our strategy, as you know, ADIB have announced a new purpose, which is to be a lifelong partner for our customers, and a new vision which is to be the world's most innovative Islamic Bank. The strategy is built around for key pillars which are continuous innovation, focusing on certain segments. That's just an excellence. And as you ESG and sustainability. Just to go quickly through an update on our strategy, on the continuous innovation, the bank has launched new campaigns and new products, including a salary cash back campaign which are hopefully launching tomorrow to the market. This is a campaign that aims at attracting new customers to ADIB. We've also launched a new cash back card. We've introduced a digital onboarding. It's a fully automated digital onboarding system for our corporate customers, mainly the SME customers, and we have our youth product, which is Amwali, which I've seen more than 10,000 customers logging into Amwali so far and in segments we have been focusing on attracting new customers and gaining market Share. In Q1 alone we've attracted 46,000 customers to the bank, out of which 15,000 customers are UAE Nationals. We're also focusing on growing our wholesale banking, and we have seen a finance growth of 18%, and wholesale banking, and we were able to grow our assets growth by 10% in terms of retail. Also, we have maintained a strong relationship with our customers, and now our cross-sell ratio is around 1.5.

In terms of the system, the bank has been investing in digital, and now we have around 91% of our process, our Stp, are all fully automated. Also, our app is still ranked number one across the Google play and Apple store, and we have deployed more than 63 bots. In terms of sustainability and ESG, the bank, was able to maintain a rating in the MSCI ESG Index. We've issued our second ESG Report, and we have received the GRI Accreditation for this. Also, we keep reporting on our employee engagement, and Nps which is around 78%. With that I will now hand over to Mohamed to go over the details of the financial results.

<u>Mohamed Abdelbary (Group CFO):</u>

All right, thank you, Lamia, and good morning. Good afternoon, everyone, and thank you for joining us on today's call.

As mentioned in the opening remarks, we are very excited to see continuation of strong growth momentum, and net income once again exceeding our 1 billion mark in this quarter. We've seen it a couple of times, also in 2022.

So revenue growth was strong at 45% year on year backed by funded revenue growth of 81% so ongoing expansion of the net profit margins, as well as the robust year on year asset and financing growth, while still maintaining our healthy funding profile.

We are very happy to see our ROE continuously improving, and we are now reporting a return on equity of 23.4%.

Moving forward. Okay, on this slide, just a snapshot on our income statement, we continue to be very pleased with the quality of the process. Profits which we are delivering as you can see, on the top right shot. The key drivers of profit growth were predominantly coming from the funded income side. This was partially offset by growth in our expenses, and some increase in the impairment line as well.

From a segmental perspective. We have seen healthy growth across all our segments contributing to that stellar performance.

The decline you see on the Treasury side, and we can talk about it a bit more in the later slides is driven by the fact that given the high-rate environment, we had the opportunity to recognize some of the capital gains last year, which were clearly not available in 2023.

The net profits from associates have seen a margin decline, and that's again predominantly driven by the accounting impact from the consolidation of our Egypt franchise.

On the final note you will see on the bottom left table that net income declines 6% quarter on quarter. I would just like to remind the audience what we have also called out, when we reported our full year numbers is that in Q4 of last year we had I would say, some one-offs to the tune of 200 million coming from I would say 2 incidents, one being fees from signing exclusivity contracts, as well as the impact from the consolidation of our Egypt franchise.

Moving forward to funded income. We've seen funded income growing by 81% year on year, and that is predominantly driven by a healthy improvement, in our net profit margins. For the first quarter we are reporting 4.35%, and if one would compare it to the first quarter of last year, that compares to 2.92%. Now we're very happy to see that the gross yields are picking up nicely, and it re-emphasizes the point that we mentioned regarding the behavioral, repricing mix of our portfolio, whereby half of the portfolio reprices within one year's time, so we can expect to continue seeing improvement in that perfect margin, as well as our ability to ensure that our cost of funding remains resilient and robust, and is growing at the slower pace than we see in the market as well.

So on the non-funded income side, both are stable at 611 million. If you look at the waterfall, there is a reduction in investment income is the point. I have pulled out the lower capital gains this year, but we are happy to see that fees and commissions have increased by 4%. It's important to know that this 4% underlying is probably more into double digits.

However, in Q1 of last year we have witnessed a lot of IPO events which had triggered also some healthy fees, which we have not seen in this quarter, as well.

Moving forward, the expenses. The expenses we're reporting 726 million for the quarter versus 577 for the first part of last year. Headline numbers indicate a growth of 26% year on year. One element of adjustment I would like you to consider is that this number includes approximately 78 million or so from the Egypt consolidation just to put things again into context. Last year Egypt was an associate reported as one line. This quarter, it's a line by line consolidation. So, 0 cost last year, versus 78 this year. This needs to be adjusted. So, our underlying cost growth year on year, is approximately 11%, and the reason of the increase is coming from 2 areas. One is from the from employee rated as well as IT.

The employee component is, we have done significant investment, particularly in our people cost this year to recognize the significant contribution of our workforce, but also to ensure that we are keeping up with the market in terms of fairly compensating our employees.

Moving forward in terms of impairments, we saw 4% Mp. Of growth year on year. The 1 point which I think is important to call out is that our cost of risk has remained quite stable and predictable. The growth in our impairments, year on year, is an affection of the growth in our financing assets, as well as well as an element of the Egypt consolidation. So, no surprises here, and we remain to enjoy a fairly healthy cost of risk component.

If one would now look at this slide which articulates our non-performing financing, the important, the few numbers to call out is our NPA Ratio has remained stable at 7.7%. So in line with how we closed the year, and we do expect that this ratio will continue to improve as we go through the remaining quarters of 2023.

Our coverage ratio has slightly dipped in the first quarter. If one would compare to the fourth quarter of 22. The reason of the reduction, and it can be attributed to again our Egypt franchise, whereby the provisions held against non-performing assets have in dirham terms reduced given the Fx devaluation. And just as a reminder that by the end of 22 the exchange rate to the dirham for the Egyptian pound was approximately, I would say, 6 points /7/6.8, which now is closer to 8/8.25 to the dirham.

Okay, looking forward on the balance sheet slide. The bank reported 24% balance sheet growth yea on year and a 2% growth year to date. The 24% grows year on year on year is predominantly coming from 11% growth in domestic financing with the remaining portion coming from our Egypt franchise.

The year-to-date growth of 2% is a reflection of the market, so we have underlying growth in our financing book, but as we've also witnessed in the past few quarters some of our clients have cash availability, so we have witnessed some repayments on that front which have been back filled. So while you might see headline numbers fairly stable from the beginning of the year, the underlying growth has been still healthy, and in close to high mid-single digital numbers.

We can go to the deposits directly. So when it comes to deposits, so customer deposits have grown 3% on a year to date basis, but it's important to call out that from the beginning of the year, if one would look at where we've moved from 138 billion to 142, we're very happy to see that the majority of the contribution has come from that ... that is quite unusual, and unique to the ADIB franchise whereby in a high rate environment you would expect that the driver of the growth would probably come from Wakala and profit earning liabilities. But given our value proposition and given our clientele and given some of the campaigns as Lamia called out, we were able to attract healthy CASA balances given the value that our clients see the franchise.

Okay, I think, before we conclude and go into the outlook and guidance, our capital position and liquidity position has remained healthy and robust.

Our CET1 ratio has shown a continuous improvement, so we close the year at 12.1, after considering our dividend payments for the year.

First quarter is 12.5, reflecting the contribution of our net income for the first quarter, but also our strong discipline in terms of our ability to write capital accretive business. We are very conscious about our RWA consumption. We write only business which is accretive to us, and this strategy has been in place, and will continue so, and it's reflected in our numbers.

Our credit ratios are very healthy. So, in fact, our ... ratios have improved from the full year 22. We are now trending close to 80% in terms of our asset advances to stable fund ratio, and again it's a reflection of our ability to raise healthy deposits. Our financing being stable has led to that improvement. However, we are looking at, probably taking this ratio closer to 85% as we are starting to see faster financing build up in the next few quarters.

Okay, in terms of outlook and guidance, I'll start with the financing growth. We have initially ... to the market as we expect to close the year anywhere between 5% to 8%. This number is still within range, and we hold that number, despite the flattish growth from December to Q1. Our net profit margin, we are advising our outlook upwards to approximately 4.5% given again what we've seen in Q1, and our ability to accelerate our funding grows within the CASA balances vs the Wakala. Our cost of risk is
still held anywhere between 55 to 65 business points. Cost to income ratio, our AIM is to come below 35%. We are 35.7%, as we speak, and then we expect that number to be below 35%. ... At this stage we are flagging that we will be above 22%. That is a health ratio to be held, and I think we are making good progress to help to these numbers.

I think with that we are concluding our opening remarks, and I suggest we open up now for Q&A from the audience.

<u>Olga Veselova (Bofa, Head of EEMEA Financials):</u>

Thank you very much for presenting. Dear participants, if you want to ask a question, please press button, raise hand, at the bottom of your screen.

I see we already have several participants with raised hands. Waleed Mohsin from Goldman Sachs, please unmute yourself and ask your question.

Waleed Mohsin - Goldman Sachs: Yes, thank you much for the presentation. 3 quick questions from my side. Number One. If you could remind us on the interest rate sensitivity, and the reason why I ask this question is that on one end you've got a fixed rate book. As you said, 50% reprices within one year. On the other hand, you've got a very large CASA balance. So if you think about, you know rates normalizing and starting to come off. You know. How quickly would that transpire, and what would be the impact as rates go lower. So that's the first one. Secondly, if you look at your capital ratios. Obviously, you've optimized your balance sheet leverage, and you're not classified as a ..... So you know you do not subject to as stringent regulations as the others on capital. How do you think about optimizing the capital ratios? I mean, we saw some risk rate asset growth, despite almost 0 loan growth.

So is there much you can do in terms of risk rate optimization, especially given in an environment where this showing more 81s could be difficult, and that's something which you've relied on historically.

And my third and final question is on your medium term, ROE expectations. You've already exceeded your guidance for what you presented at the start of 2023. You're also well on track to exceed your medium term guidance, but given, you know expectations of low rates for the medium term and the introduction of a corporate tax in the UAE. How do you think about your You know aspirations for medium ROE, given the out performance that you've delivered in the first quarter. Thank you very much.

ADIB - Mohamed Abdelbary: Thank you. So I take them one by one. And please do let me know if any of the points I will address needs for clarification. So, in terms of rate sensitivity, we are still based on our latest estimate that still 50 business points for us give or take gives us an uplift of 100 to 120 million dirhams and we've seen that happening over the past few months. Now we have been again very cautious in terms of pushing that further. If we were to take the portfolio, as it would behave in terms of free pricing. This number could actually be a bit higher. But we have consciously decided that we will not push the repricing too fast to ensure that we don't put additional pressures on our clients. So 50% is a 120 number. What we expect to see from here onwards. Probably we are in line with the market consensus that by June it will top out in terms of rate hikes. I think the market is factoring inverted curve, even going all the way to December 24 below the 3%. I think that's probably a fair assumption, and accordingly what we expect that this year we will still have a lot of benefit in terms of rate hikes next year as well. Our nature of the book will suggest that benefits will continue to flow through the impact is probably going to only be seen as we go into the last quarter of next year. Because our portfolio will still hold, and we are already positioning the balance sheet in that manner, whereby we are going long in terms of some of our fixed assets, financing opportunities, whether it's for clients or for sukuks.

That's on the rate sensitivity. In terms of our capital ratios and other re-optimization. The reasons why you're seeing our ... is going up, despite our flattish financing growth from December is that the Egypt Consolidation is a phased consolidation, right? So, the full consolidation of Egypt is going to conclude by December of 2023 this year, so it started in Jan. 22. We are 5 quarters into the Consolidation. We have ... quarters to go and that's why, you see that growth happening. But the good thing is that our ability to create internal equity, to absorb that growth has been quite successful, and your point is absolutely spot on. We are very conscious about other re-optimization initiatives, and we have been able to originate assets which give us a capital leap, and accordingly we are able to absorb the Egypt impact, but also grow the balance sheet and business without putting pressure on any of our capital ratios. And the third point in terms of the return on equity, today we 23.5. We're looking at 22% guidance, on average, or about 22%. Where do we see this number going. I think it will probably remain at that level. We don't want to also push it way too high, because then it becomes slightly more stressful in terms of our capital. So we have a lot of options in place.

So far our internal equity has helped us all to for the balance sheet growth but the magic number for us is really to stay anywhere between 22 to 24 for now.

Waleed Mohsin - Goldman Sachs: that's very helpful thanks so much. Everything is answered except just one, a quick follow up. So when you said, in terms of your NIM evolution, would it be fair to assume that somewhere in the second quarter next year or third quarter. That's where your NIM... will be on a sequential basis?

ADIB - Mohamed Abdelbary: Yes, yes, you should expect, probably, that NIM start to normalize and ... start also to decline at Q3 of next year.

Waleed Mohsin - Goldman Sachs: Perfect. That's very helpful. Thank you very much.

ADIB - Mohamed Abdelbary: Thank you.

BofA - Olga Veselova: Thank you. Next question is coming from Chiro Ghosh from SICO. Please unmute yourself and ask your question.

Chiro Ghosh | SICO: Hi. Thanks, thanks for hosting the call and congratulations for a fairly good set of reasons. I have a couple of questions in the sense I'm. Seeing that ADIB is doing much better than it's peers on multiple parameters. So I want to know how sustainable it is. So my first one is related to the loan growth. The loan growth guidance is still quite strong. So I want to get a sense from where you believe the loan borrowing would be coming from the corporate side, and the retail side second is more from the term deposit and the casa. So not only have maintained your cost at a very good level, I I observed that the interest expense on your time. Deposit is also quite less compared to your peers. So again, how sustainable it is! Another third one is I. I know we have asked this question in the past is, how? How?What is the quality of your collateral, especially of the non performing loan? Because your ... coverage is relatively lesser than your peers.

ADIB - Mohamed Abdelbary: fantastic. Thank you so much. So let me start with first. I think your question on loan growth year on year. We've seen a strong financing growth close to 19% from December. It was slightly muted. So I think your question, Where is it coming from? So the good thing about ADIB is that we have a fairly diversified loan book. It's heavier on the retail side vis a vis corporate, but corporate, has also managed to grow nicely year on year. I feel one would just look at where it's coming from. Specifically within retail. We are market leading in terms of home finance, and personal finance, and I'm talking when I say market leading, I’m even including the conventional banks, right? So it's not even in Islamic banking space. We have one of the biggest books in these 2 products, and the reason is that number one our product offering is very competitive. Our xxx to market, and the turn around to address customer needs is also very good, and we have a very big client base. So that's where you have seen the growth coming in, and particularly on the home finance side, where we've seen the market growing quite nicely, I think even quarter one of this year has been a record quarter in terms of the property market. Granted that a lot of it is cash driven, but the portion which is finance to the banks we enjoy a very big market share, given our tie ups with some of the biggest developers, not only in Abu Dhabi, but in the UAE as well.

So that's on the retail side, on the corporate side we are continuing to focus on growing the book in a very balanced way, and then to the point that Waleed made is that we are very conscious of.... We have been positioning the growth between .... We enjoy a lot of capabilities, but also corporates within the ecosystem who are secured from a risk perspective. But they would attract better margins. So you need to balance these two quite nicely, and they help you at times where..... have repaid you like we've seen in Q1 that you're able to backfill, that space, or that void, to some of the better corporate lendings.

Chiro Ghosh| SICO: So these are the sectors where we will continue to focus in2023.

ADIB - Mohamed Abdelbary: Yeah. So ADIB has been quiet, quite transparent and clear on where the segments we would like to compete in and retail it's product predominantly home finance and personal finance and the corporate side. It's a mix between .... and corporates within the ecosystem of our corporate.

Chiro Ghosh| SICO: Okay.

ADIB - Mohamed Abdelbary: Okay. So in terms of your question on CASA. So CASA has been, I I think, a point of strength for ADIB, and not only this year or last year, but, I think from inception. The reason that is that we enjoy a fairly large population of UAE nationals and the value proposition provided for this specific segment goes beyond being just price sensitive right. So we not really competing with clients on pricing, but on value service. Most of our clients have .....in our wealth management propositions. They enjoy our entire ecosystem, and our costs:ratio is quite strong. So that's why, you see, even at times where rates are going up, our CASA proposition also increases quite nicely, just to give you some context, and I think we probably enjoy one of the highest newly originated salary transfer accounts in the UAE. We cannot disclose the number, but I think we are probably one of the highest salary transfers coming to ADIB, not only in Abu Dhabi, but across the UAE, and particularly in the UAE national segments, and they come with the CASA balances as well as the ability to cross sell.

In terms of your question on collaterals. So the coverage ratio, including collaterals, is at 128%. These are being stressed quite heavily every quarter. They are predominantly property backed. And in most of the cases we take a 50% back up on the external independent valuation of these collections. and the reason that is, it's not only central bank guidelines, but from our side as well. We ensure that we incorporate some of the more logistical challenge in terms of realization of this collaterals of the time to market, and that there could be in some cases for sale

proposition as well. So at this stage we are very comfortable with our collateral values. We will continue to build our coverage, excluding collaterals, and our targets for the year is definitely enhancing on the 71%, you see, for the first quarter of this year.

Chiro Ghosh| SICO: Oh, thank you. No. Just one thing. home finance. These are a fixed, rated loans of floating rated loans. It's fixed it right.

ADIB - Mohamed Abdelbary: No. We offer our clients the option to either opt for fixed converting into floating or start with floating immediately. The good thing is that our book today is quite diversified in both angles, and it is part of our hedge in terms of as rates start to come off. We also have what we call a floor against our floating rates, so it always covers you, even if rates start to come off, you still priced nicely for the risk of the product you offer.

Chiro Ghosh| SICO: Oh, thank you very much, really and brilliant. Thank you very much.

BofA - Olga Veselova: Our next question is coming from Shabbir Malik from EFG Hermes. Please unmute yourself and ask the question.

Shabbir Malik - EFG Hermes: Hi. Thank you very much. Thank you. Muhammad and Lamia. Just 2 questions from my side on when we talk about. When I look at your expenses. There has been a decent up trend this year. Appreciate that your cost to income ratio has come down because of strong revenue growth. But is there a way of looking at the variable versus the more fixed composition of this cost? So you know how much would you attribute to variable composition, such as bonuses or sales incentives? So if you can give a breakdown of that it's going to be pretty useful. and secondly, I believe there is an 81 that's coming up for renewal this year. How you know, Given the somewhat challenges that we've seen in this market. What is your strategy with that? Do you expect to refinance that paid back and any thoughts on that would be quite helpful. Thank you.

ADIB - Mohamed Abdelbary: Thank you so much. Let me start with the 81 first. So you're absolutely correct. We have an 81 /750 million dollars coming up for, for, for I think the first call date is towards the later part of September of this year. We are at this stage still doing our internal assessment of what is the best way forward for the bank, whether it's calling and re-issuance or not. So we have all the at least approval from our AGM to make the right decision, and very soon, and I'm talking probably weeks' time. We will come to the market with very clear direction. The good thing is, we have options, and your point on some of the market dislocation, given what's happening in Europe, particularly in Switzerland, is putting some clouds around it. But this does not divert us from still making that decision for our shareholders and our franchise.

and we will definitely provide some update on this fairly soon. In terms of the expense. Mix. So 7, 26 is our cost for the quarter, of which a 78 is coming, probably from Egypt, so the gross is 11% Your question was of the growth of 11% How much is attributed to fixed, variable, and probably what will continue with us now. The 11%, I would say. Probably half of it is probably a catch up on cost, and when you do salary increases / adjustment, and I want to be very clear, because the bank was very keen, not only to do a normal amount of increases or increments, but to definitely ensure that our increase is rewarded fairly in line with market dynamics and inflation. And what that has triggered is that, given some of the pension gratuity impact. You do need to adjust your balance sheet position to make up or the increment, so it's not only the income, but you adjust the opening position as well. So half of it has been actually, we took to that. And accordingly, when you fast forward into the next few quarters, this would not continue with you, right? So this would be one time impact, and we will then accordingly adjust at the lower levels for the next few quarters. the other attribute to the growth in cost is that, as we continue to invest, particularly in our digital capabilities, we are now accelerating the delivery of the projects, and accordingly a lot of it you will see in terms of depreciation impact as well as the licenses, the software support. And that is something which will continue without giving specific numbers for the next few quarters. This 7, 26, I can tell you. Probably 15 to 20 million is probably not going to continue with us. There might be other ... coming up as well, but there is a definitely a onetime impact in this number. Given some of the adjustments we had done on this salary side. The question between split between what is fixed and variable, most of our workforce are incremental hires has been on the variable side to support the front line in terms of the sales activities which have also reflected in the year on year growth particularly in retail. Our model is more twisted towards variable cost versus fixed in terms of frontline Sales.

Shabbir Malik - EFG Hermes: great. Thank you very much.

ADIB - Mohamed Abdelbary: Thank you.

BofA - Olga Veselova: Our next question is from Raj at international Securities.

Raj - International Securities: Thank you. Hi. And thanks for taking my question. Actually, I have 2 questions: one with respect to the you know financing book sort of last year, quarter on quarter. We have seen a healthy growth in the financing portfolio sort of in the first quarter that trend seems to be have stalled. Sort of. Could you please clarify sort of what could be the reason why it was like a flattish quarter on the financing front one, and the second one is more on the net profit margins. You mentioned that probably the net profit margins are going to peak in the third quarter of 2024 sort of what do you think like? If an example there's another rate hike coming, maybe in the month of Maybe, or maybe next time. and then the rate kind of plateaus over there. What kind of a net profit margin growth can we expect from the current levels?

ADIB - Mohamed Abdelbary: Thank you. The first question regarding the slightly flattish financing situation in the first quarter of this year, if compared to December 22. So that is a correct. Now there are 2 elements to that, and we've. I've mentioned some of the repayments we have seen, particularly on the ...side which I think is not very unique to ADIB. We've seen it across the market as Well, some of the ... is given the high-rate environment, and the availability of cash has opted to do some repayments and really ... and probably pick up some of the new financing at the later stage. So we've been able to back through that with some of the corporate financing as well as retail Accordingly, while you might see a flat number headline quarter on quarter the underlying that's probably in the mid to high mid-single digit for the first quarter. So once we start to stabilize, in the next 3 quarters, you should expect this number to go up, and we're still holding to the full year guidance which we mentioned. I think when you have 3, 5 to 8%.

Now, I think your second question was regarding the net profits margin, and where we see that happening, we still believe. By the end of this year 4.5 will be acceptable as we go into next year This number might slightly continue to improve, because your legacy book, which is probably still priced at low rates, would have been replaced by higher margin or higher yielding assets, and accordingly that will benefit. But given where we see the outlook in the rates in the market. Yes, we still believe that the second half of next year probably there will be some slow down to decline in net profit margins. but I still believe for us in ADIB it will be at the slower pace. Given that our portfolio is positioned to have 6 ... for some longer ... and protecting us from a quick rebound in rates

Raj - International Securities: got it. Thanks a lot.

BofA - Olga Veselova: Our next question is from Ankit, Mittal, HSBC: Please go ahead.

Ankit Mittal (HSBC): Yes, thank you for the opportunity. Just one question from my side. You mentioned about the ADIB Egypt consolidation being a phased consolidation. So I wanted to ask, like the risk density which is the ratio of the total ... assets to total assets is currently at 71% as of Q.1. So by end of this year what level can we expect that ratio to be? I mean pre consolidation of Egypt t used to be around 78 to 79%. So what level you expect it to settle. thank you.

ADIB - Mohamed Abdelbary: Thanks. So Probably it will not change much, because, while we are adding the ... in full for agent, and we have most of it behind the side. We only last 3 quarters left. We've only done 5 quarters out of 8. But why am I saying? Probably to not change much, because our direction of still originating capital live assets, we will continue, and accordingly, as you are putting on financing assets they are. We are looking to protect our... ratio to refinancing. Now, if that could change, it will not be very material, but we are making sure that our capital issues are fully protected as we go and finalize the consolidation, because it will obviously be important for us, as we make decisions by the end of the year. What we are proposing for the ... of dividends and other elements. So we are very much focused on ensuring that this ratio is protected.

Ankit Mittal (HSBC): Thank you

BofA - Olga Veselova: As a gentle reminder. If anybody wants to ask a question. There is a button at the bottom of your screen, the right hand. Let me give several seconds to see if any more questions come through.

BofA - Olga Veselova: I don't see any more questions. Please over to you to close the call.

Lamia Hariz (Lamia Hariz, Head of Corporate Communications):Thank you. Everyone as usual. If you have any follow up question, you can always email us and thank you all for joining, and hopefully we will see you next quarter. Thank you.

BofA - Olga Veselova: Thank you very much for presenting today. We may close the call now. Thank you.