

1H 2022 Earnings Presentation

Analyst & Investor Conference Call

Abu Dhabi, 21 July 2022

ADIB IR Website



IR App Download link:



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Key Highlights

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= Key Highlights

ADIB delivers strong 1H 2022 performance underpinned by growth in core business

- = 30% growth in net profit vs 1H2021 with ROE improving to 17.3%
- = Revenue up 7% driven by 26% growth in fees and commissions and 5% growth in funded income
- = Effective cost control strategy delivers positive jaws with C/I ratio improving 306 basis points
- = 9% asset growth driven by 10% growth in customers financing and 30% growth in investments
- = 10% deposits growth with CASA ratio of 75%
- = Robust capital position with a CET1 of 12.8%

Executing ADIB Strategy

1H 2022 Earnings Presentation

= ADIB Strategy 2025

ADIB has launched strategy 2025 with a renewed purpose and vision

= Purpose

Lifelong partner for customers, colleagues and community

= Vision

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

▶ 4-Pillar Strategy



Continuous
Innovation



Segment
Focused









Digital
Excellence



Sustainable
Future

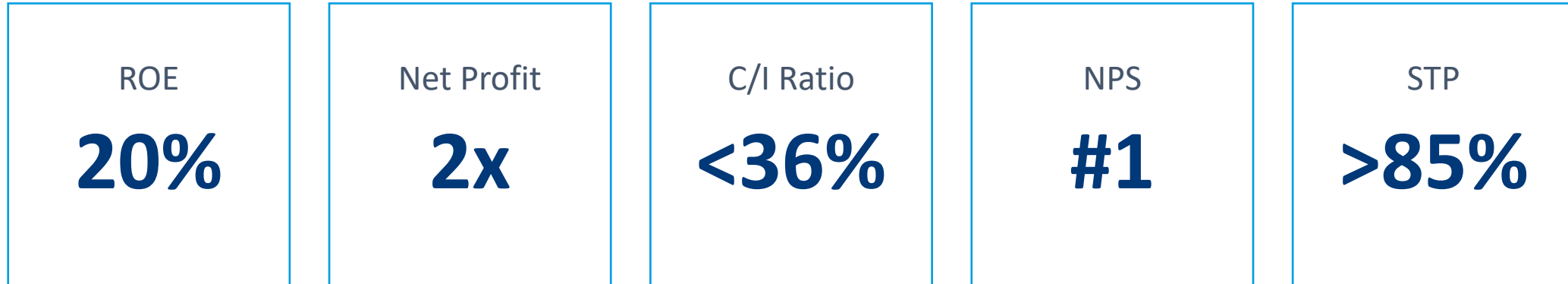
= Update on Strategy Progress

ADIB continues to deliver on its strategy in 1H 2022

Continuous Innovation	Key product launches - Launch of API Developer Portal plot - New land finance product - Exclusive partnership deal with Visa	Amwali Youth Account +7,478 Accounts	Asset Management \$162 mn Global Sukuk Fund	Payment Service AED 3.9 mn Revenue	
Segment Focused	UAE Nationals +21,346 New to bank UAE Nationals	Grow wholesale banking +16.4% Financing growth YoY	Retail sales +31% Asset growth YoY	Attract new customers +48000 New customers	Deepen relationships 1.50 Cross-sell Ratio
Digital Excellence	Digitize processes 99% Digital transfers	Digitize channels 99% Payments: Volumes received from Mobile App & Online Channels 44% Personal finance	Automate processes  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   1st ESG report GRI accreditation	Employer of choice  78% Employee engagement index	Best customer experience #1 Number 1 bank NPS in UAE: 78% 		

= ADIB Strategy 2025 Strategic Targets

A commitment to driving value



Financial Performance

1H 2022 Earnings Presentation

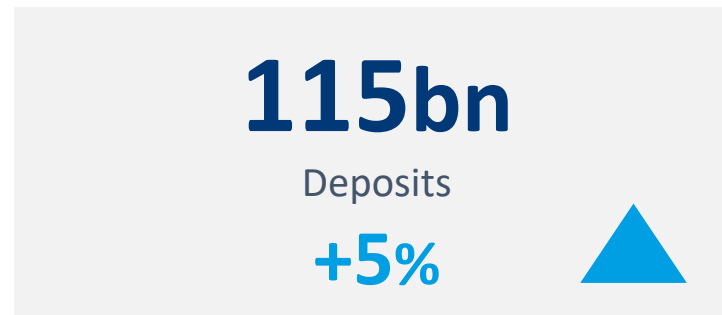
= Financial Performance Highlights

ADIB delivers strong 1H 2022 performance

= Strong YoY Growth in Profitability



= Solid Balance Sheet Growth YTD



= Robust Capital Position and Strong Return

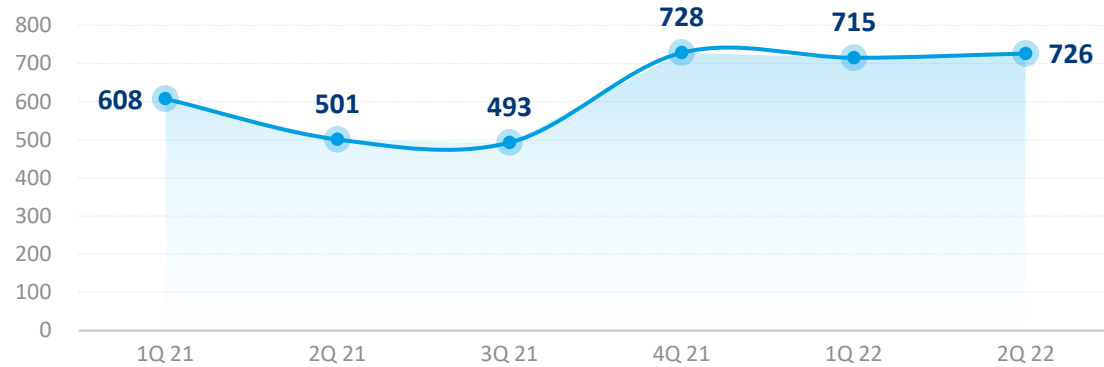


All figures in AED

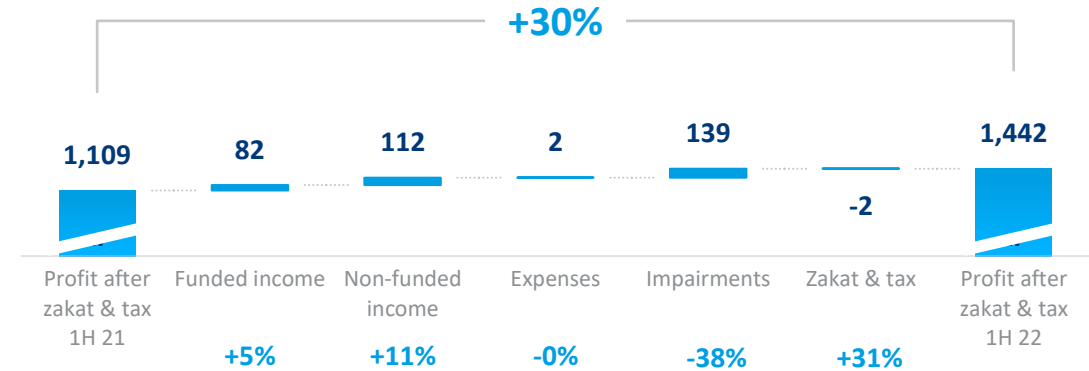
= Income Statement

30% growth in profitability underscored by positive increases in our assets, revenue and gross financing

= Net Income (AEDmn)



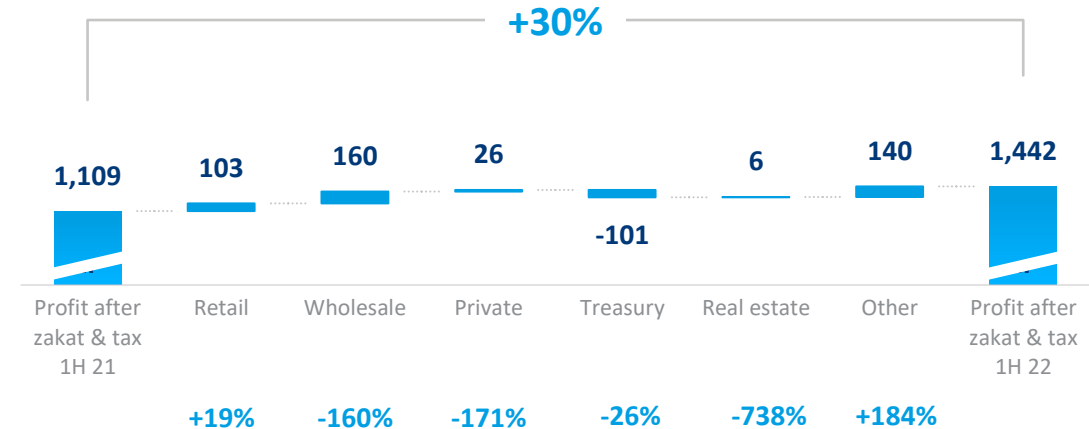
= Net Income Movement YoY (AEDmn)



= Income Statement Highlights

AED (mn)	1H 2022	1H 2021	Δ%	2Q 2022	2Q 2021	Δ%
Funded income	1,669	1,587	+5%	880	803	+10%
Non-funded income	1,169	1,057	+11%	549	506	+8%
Revenues	2,838	2,644	+7%	1,429	1,309	+9%
Operating expenses	(1,160)	(1,162)	-0%	(583)	(570)	+2%
Provision for impairment	(227)	(367)	-38%	(114)	(233)	-51%
Net Income after zakat and income tax	1,442	1,109	+30%	726	501	+45%

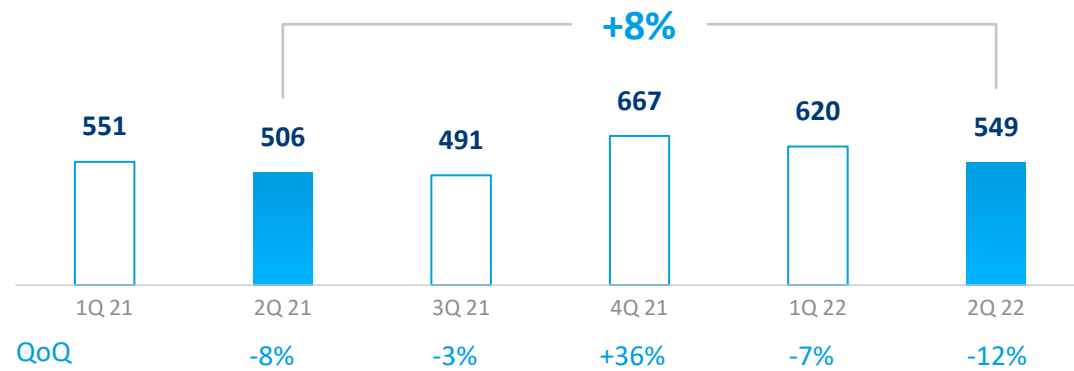
= Net Income Movement by Segment YoY (AEDmn)



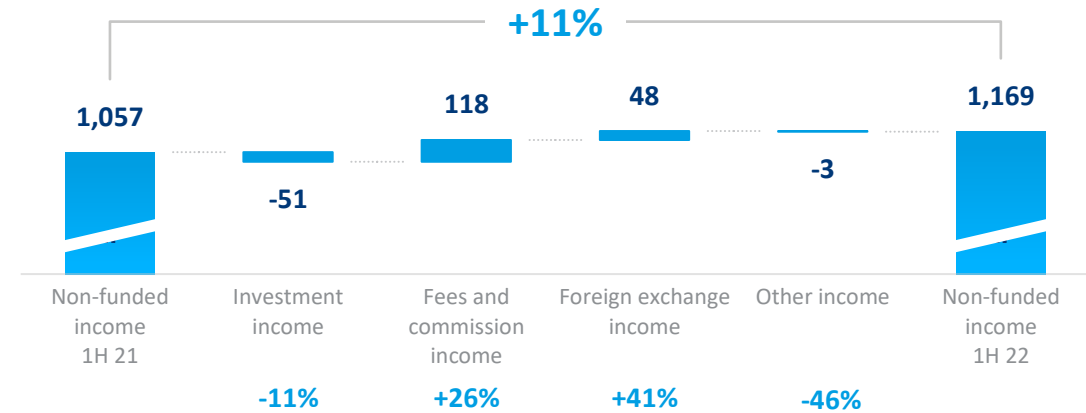
= Non-Funded Income

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

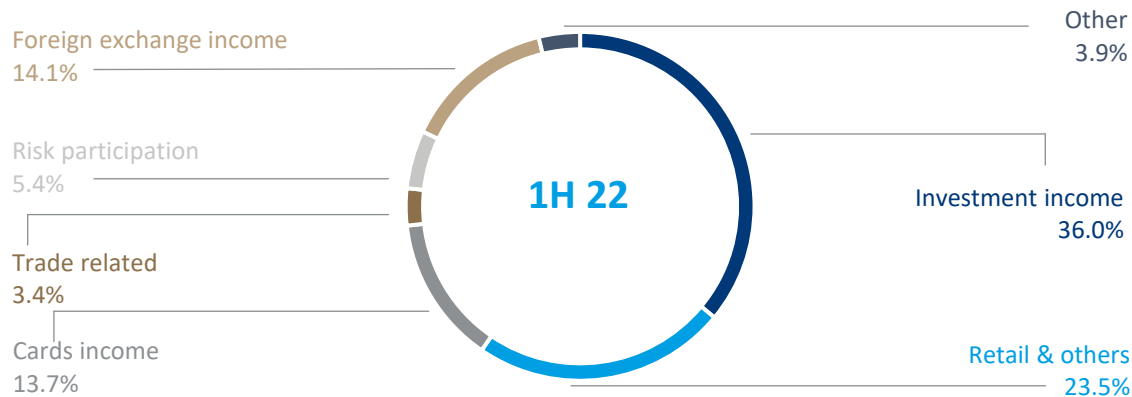
= Non-Funded Income (AEDmn)



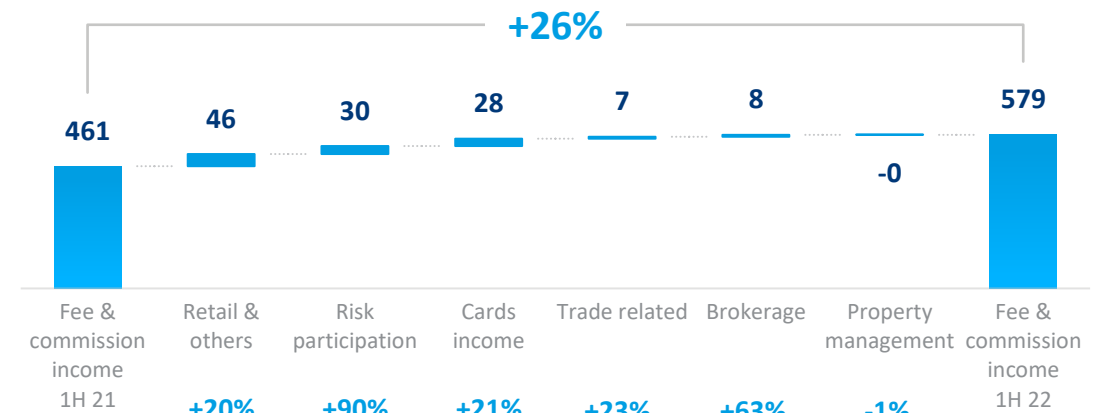
= Non-Funded Income Movement YoY (AEDmn)



= Non-Funded Income Composition (%)



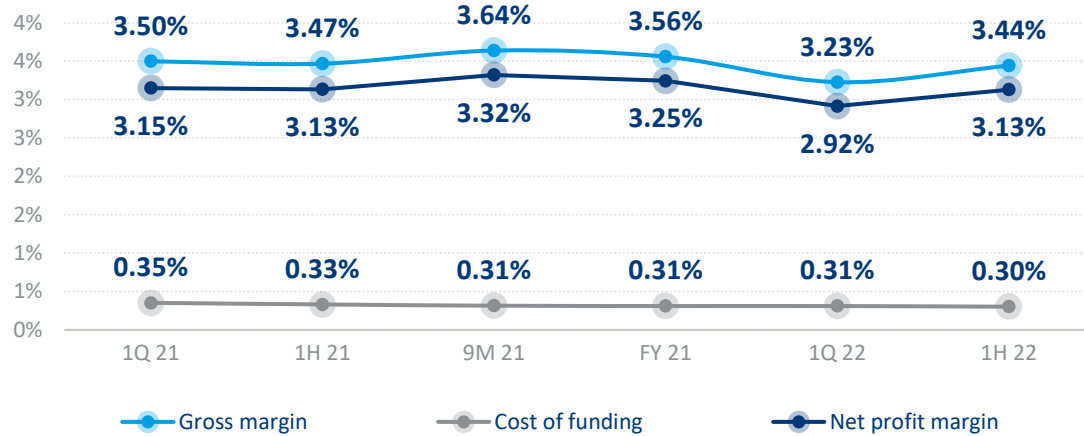
= Fee & Commission Income Movement YoY (AEDmn)



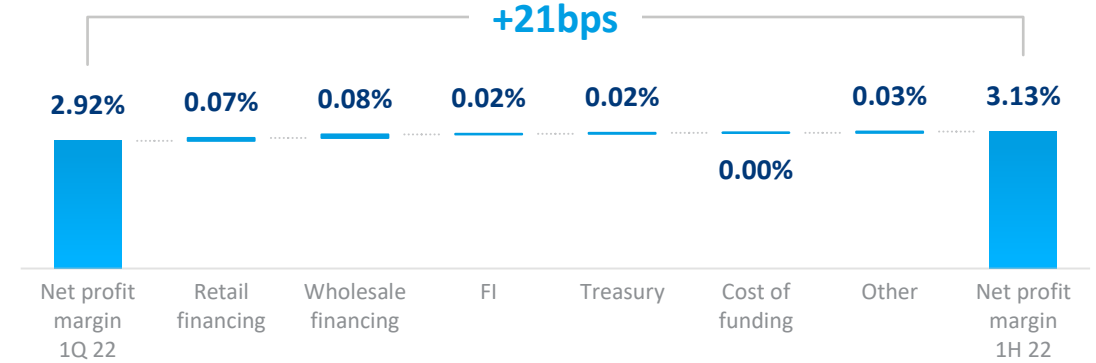
= Funded Income

Net profit margin saw a 21bps rebound from 1Q 2022

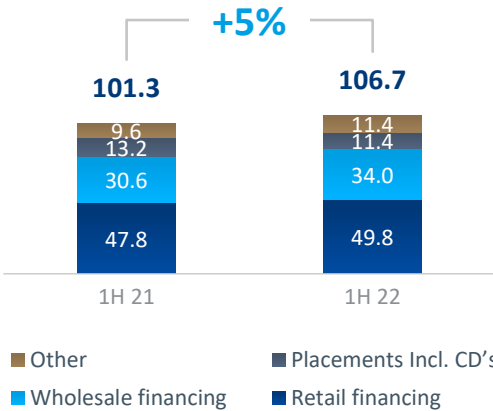
= Net Profit Margin (%)



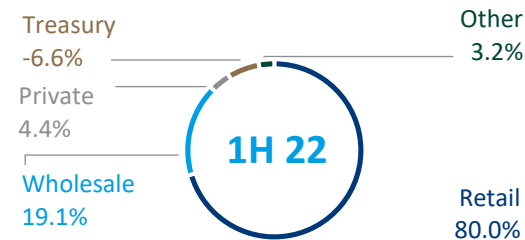
= Net Profit Margin Movement QoQ (%)



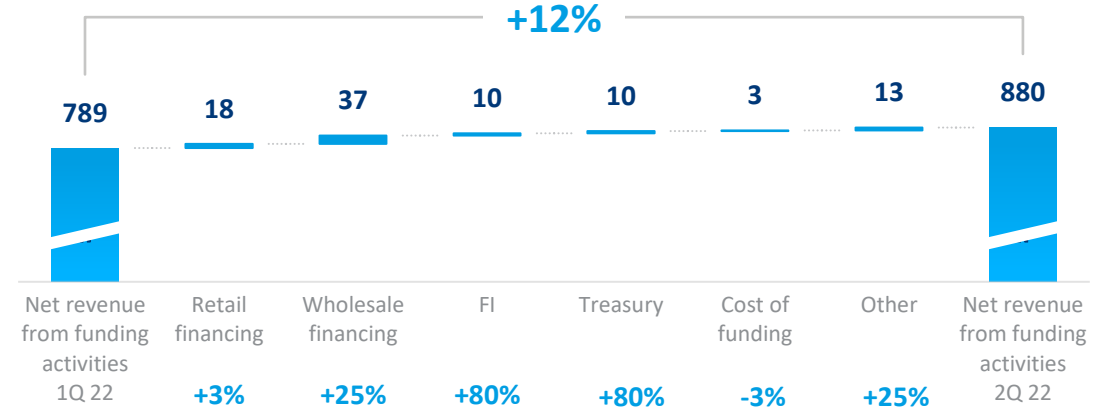
= Average Profit Earning Assets (AEDbn)



= Funded Income Composition (%)



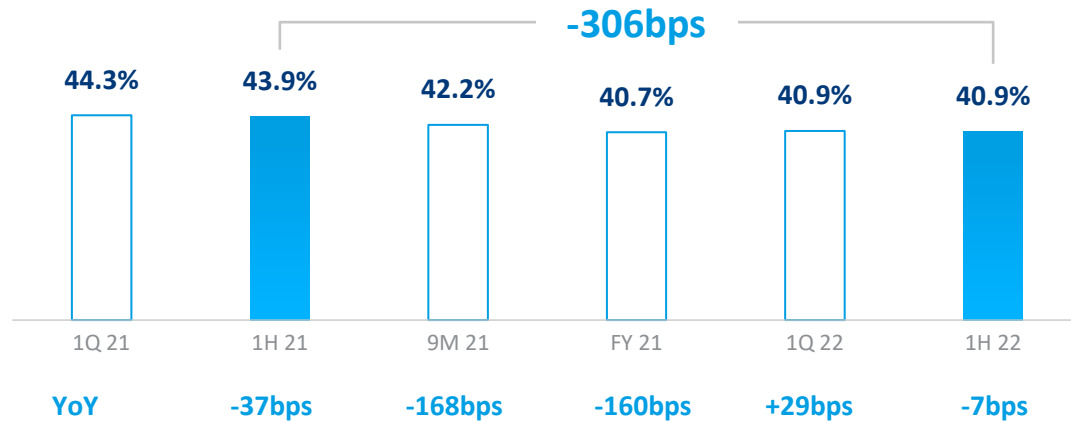
= Net Revenue from Funding Activities Movement QoQ (AEDmn)



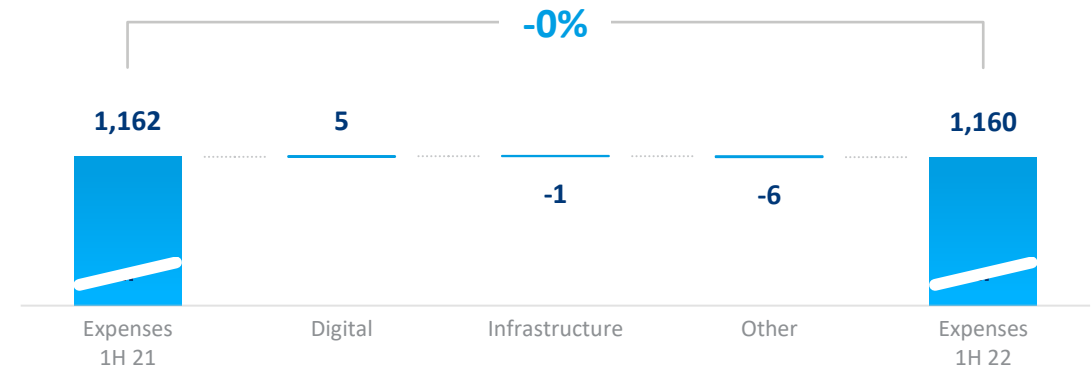
= Operating Expenses

Relatively stable expenses YoY with cost to income ratio improving on positive jaws

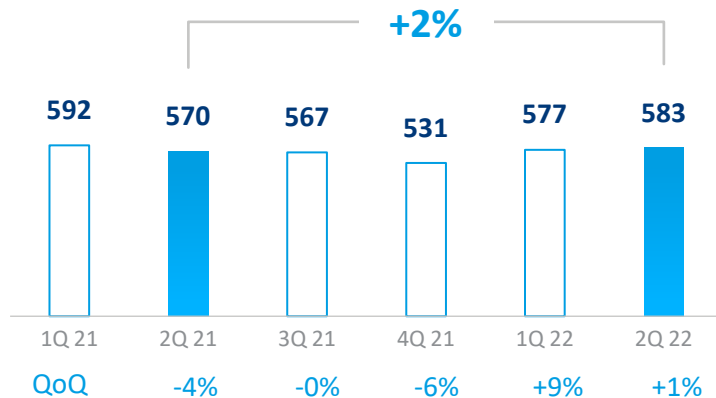
= Cost To Income Ratio (%)



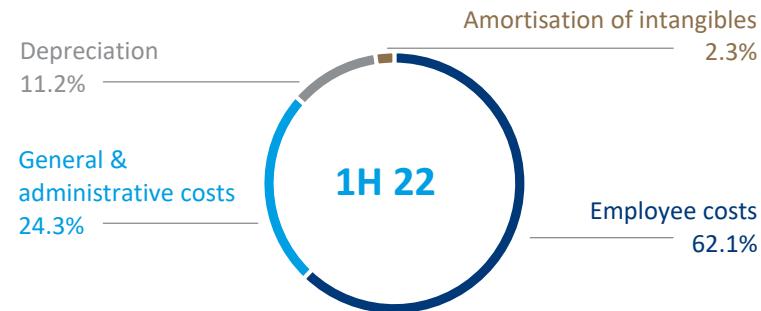
= Expenses Movement YoY (AEDmn)



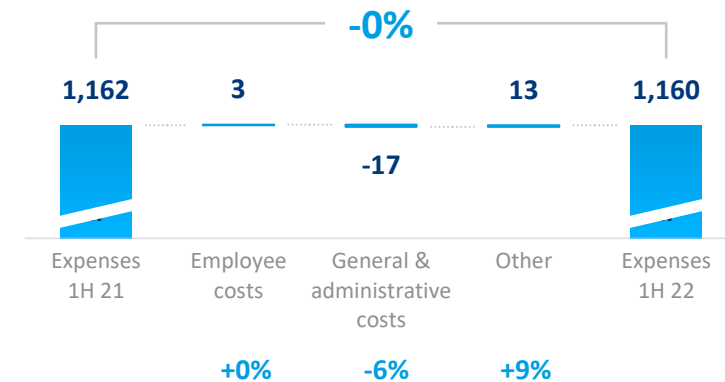
= Expenses (AEDmn)



= Expenses Composition (%)



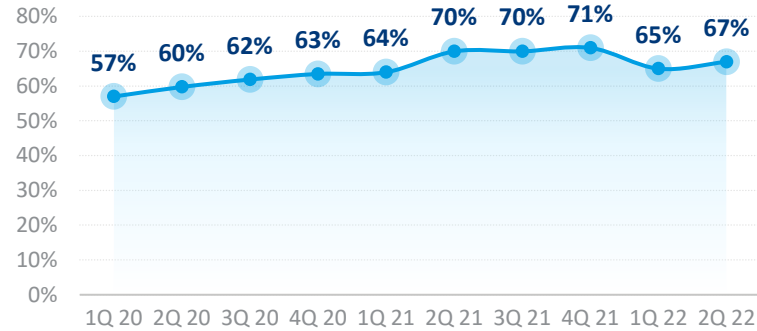
= Expenses Movement YoY (AEDmn)



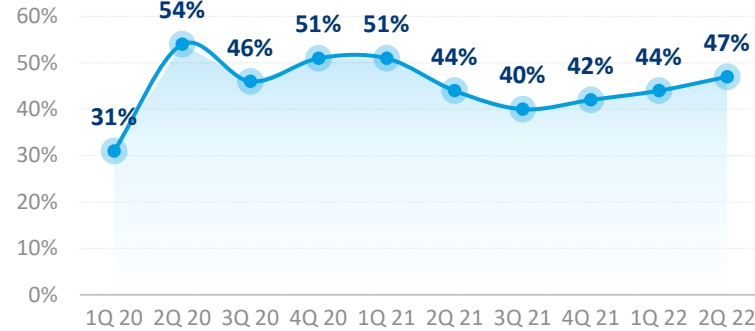
= Digital Banking

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

= Digitally Active Customers (%)



= Digital Sales (% of Total)



= Auto Digital Ecosystem



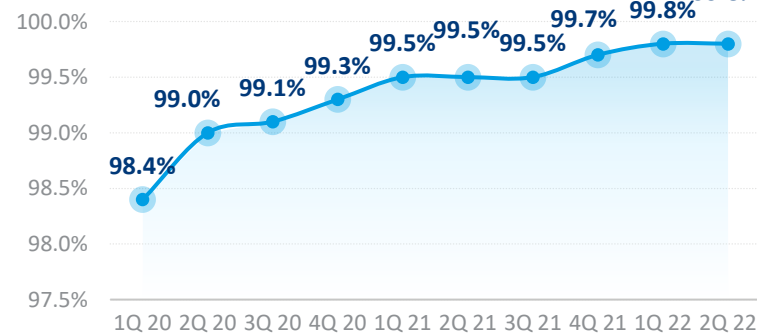
= Amwali Youth Bank Account



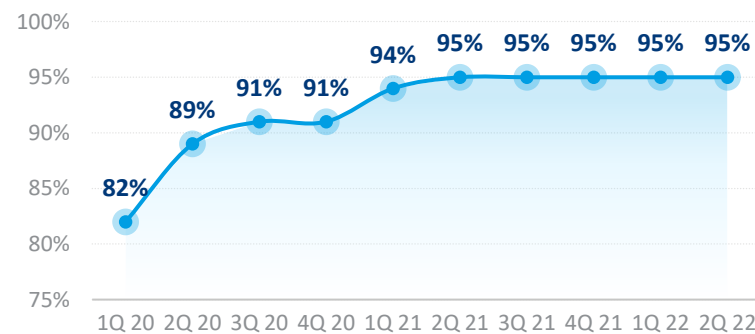
= Facial Recognition Account Opening



= Digital Transfers (%)



= Straight Through Processing (%)



= API developer portal



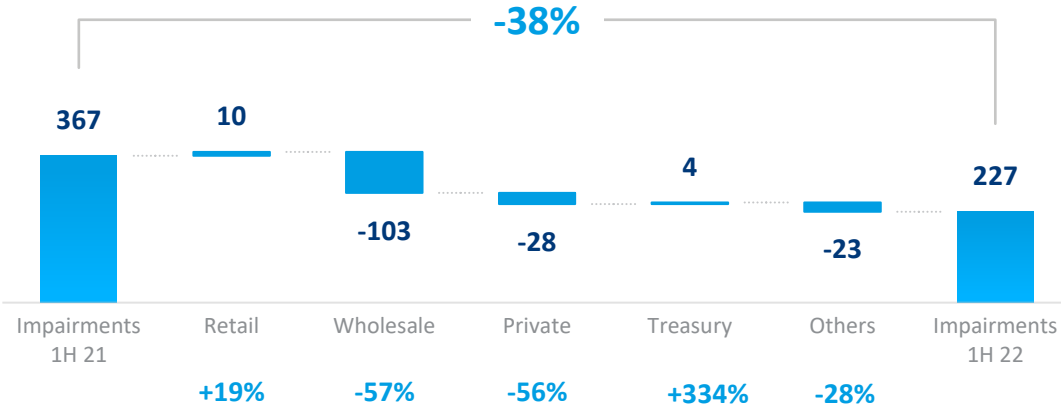
= Al Ghaf Initiative for Paperless Branches



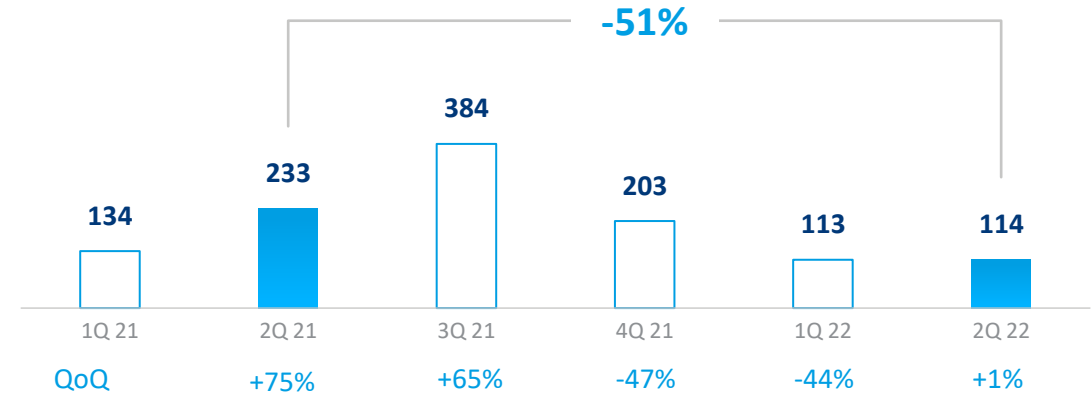
= Impairments

A 38% decline in impairments and 43bps decline in cost of risk YoY due to an improved economic outlook

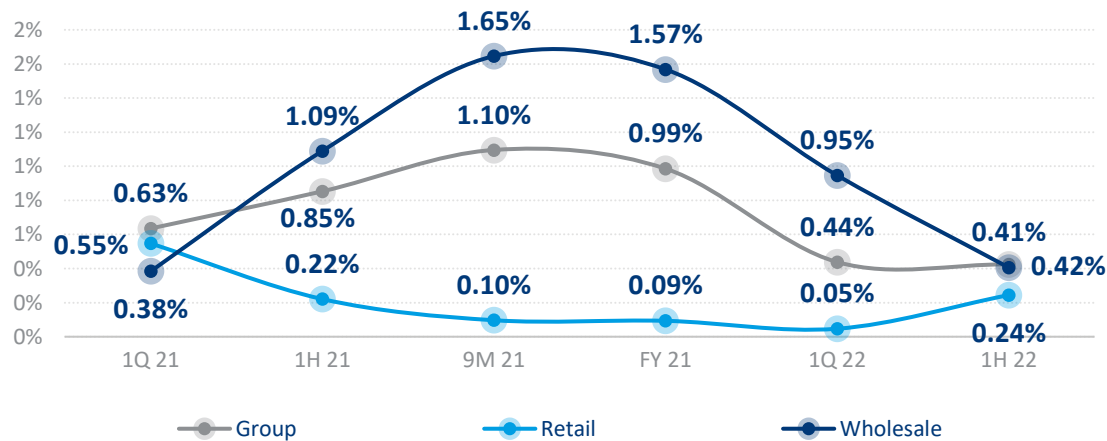
= Impairments Movement YoY (AEDmn)



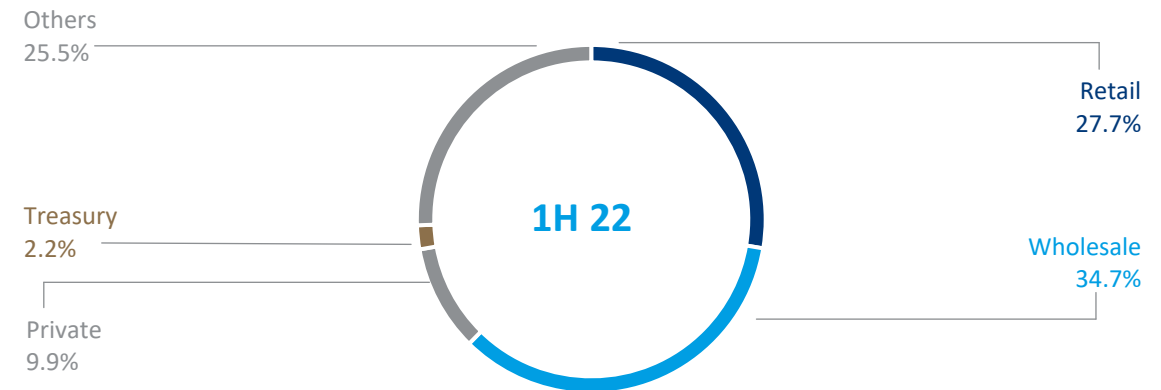
= Impairments (AEDmn)



= Cost Of Risk (%)



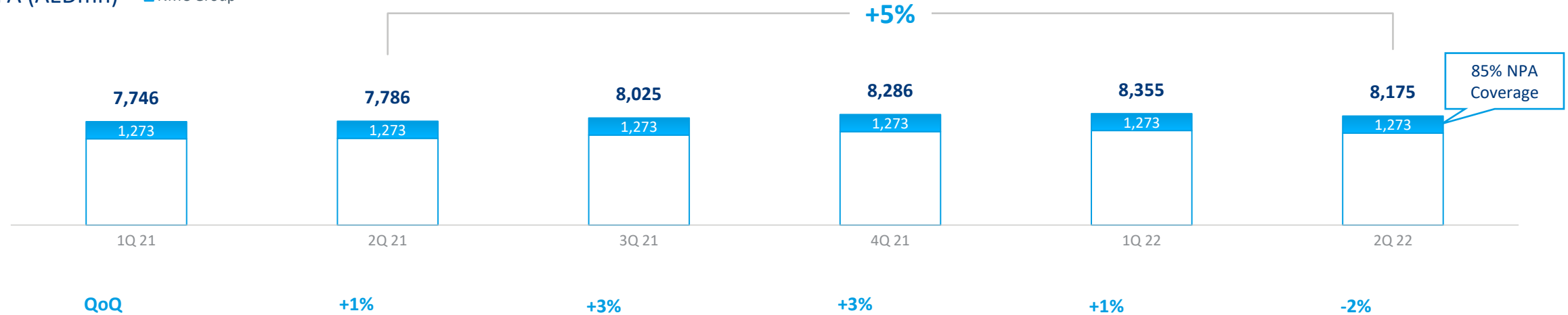
= Impairments Composition (%)



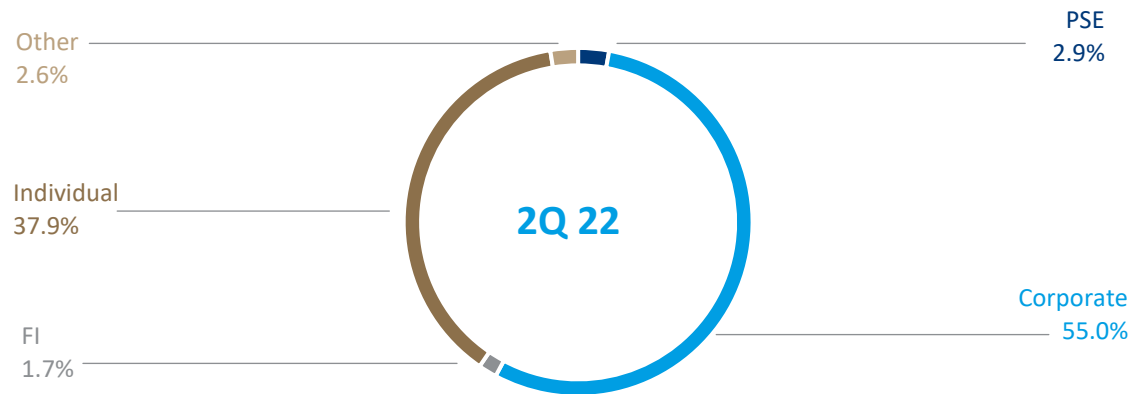
= Non-Performing Financing

High asset quality leading to a lower NPA formation

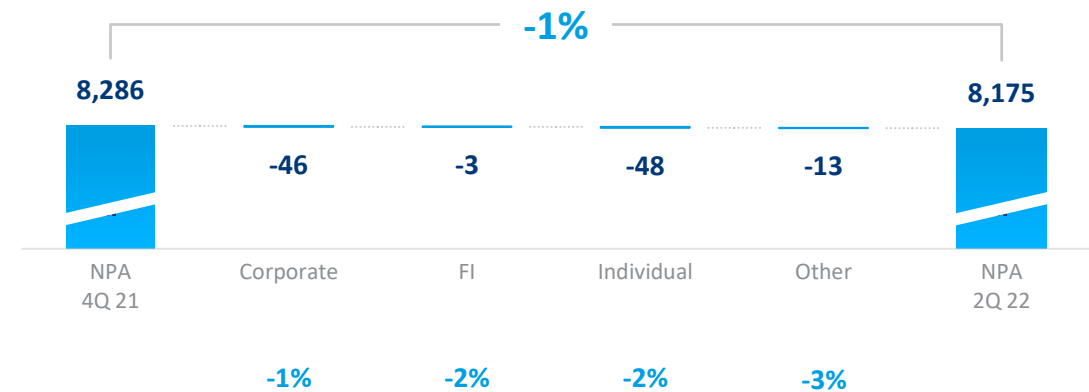
= NPA (AEDmn) ■ NMC Group



= NPA Composition by Sector (%)



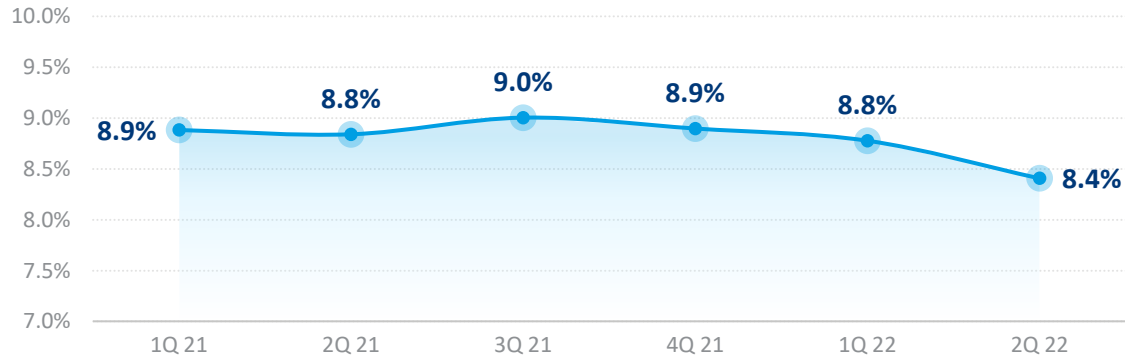
NPA Movement YTD (AEDmn)



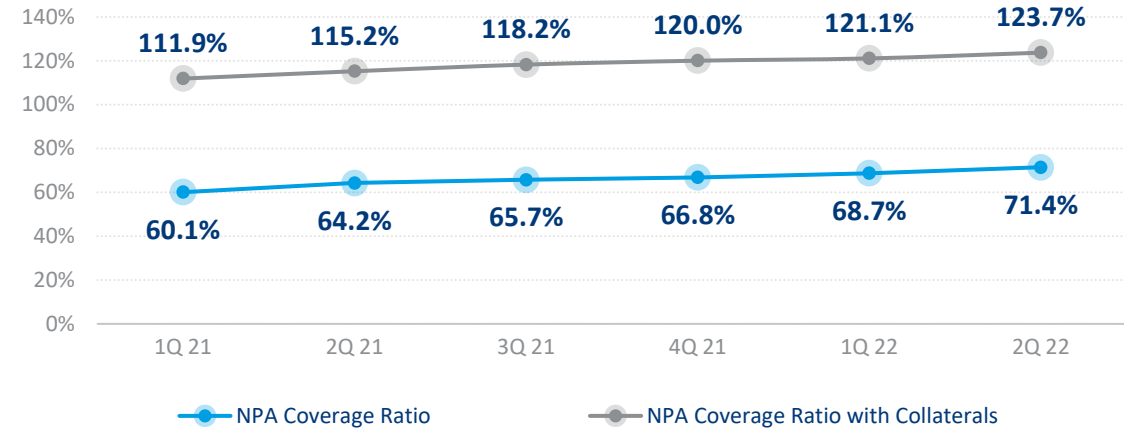
= Non-Performing Financing

Lower NPA ratio with higher coverage on non-performing financing

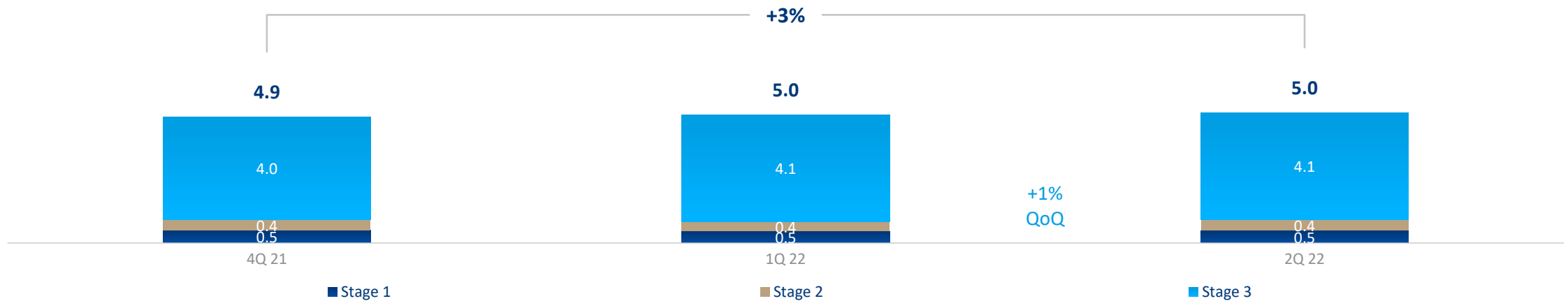
= NPA Ratio (%)



= NPA Coverage Ratio (%)



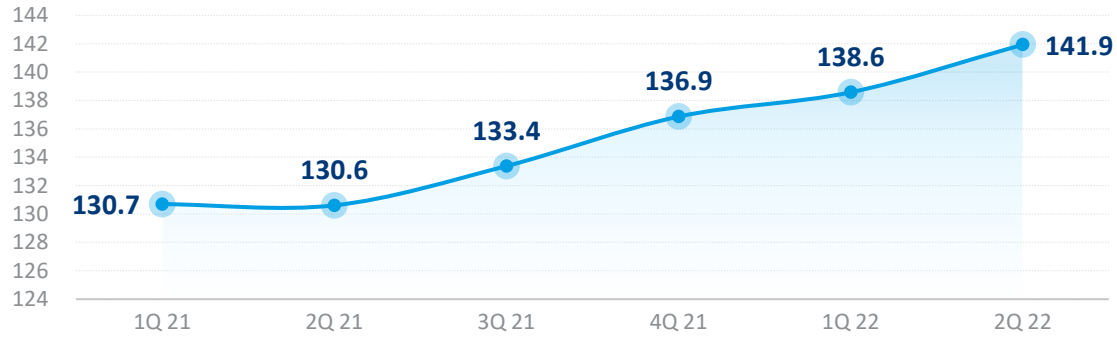
= ECL by Stage (AEDbn)



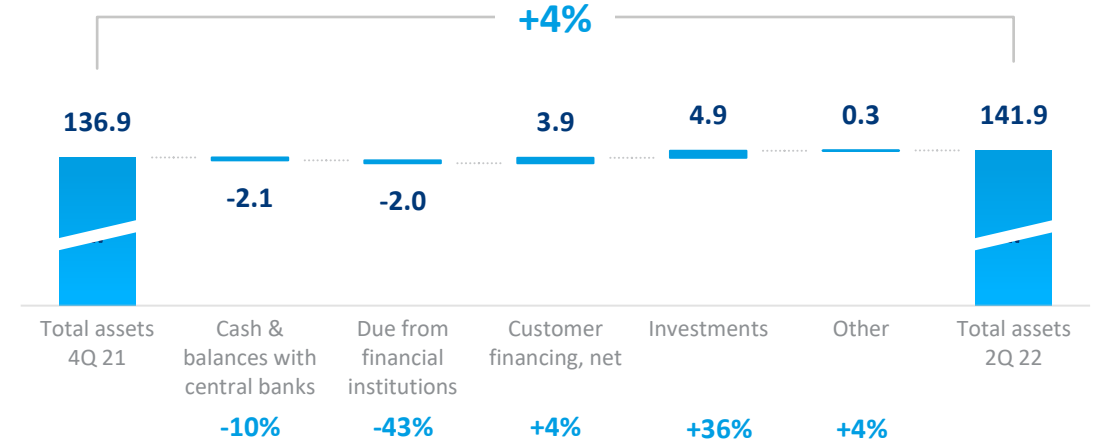
= Balance Sheet

ADIB reported 9% growth in total assets versus last year

= Total Assets (AEDbn)



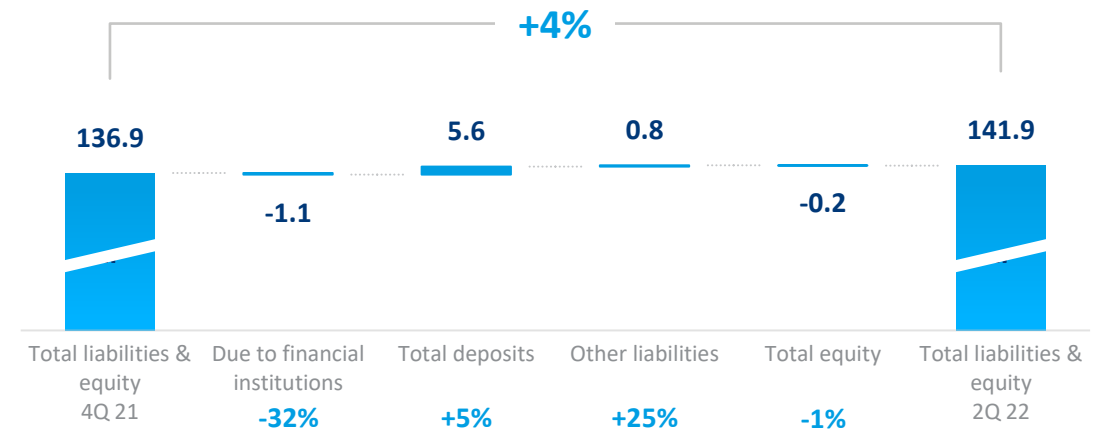
= Total Assets Movement YTD (AEDbn)



= Balance Sheet Highlights

AED (mn)	2Q 2022	1Q 2022	Δ%	4Q 2021	Δ%
Customer financing, net	92,190	90,224	+2%	88,252	+4%
Investments	18,572	17,139	+8%	13,691	+36%
Total assets	141,944	138,583	+2%	136,868	+4%
Total Deposits	115,188	110,808	+4%	109,611	+5%
Total liabilities	121,541	118,699	+2%	116,309	+4%
Total equity	20,404	19,885	+3%	20,559	-1%

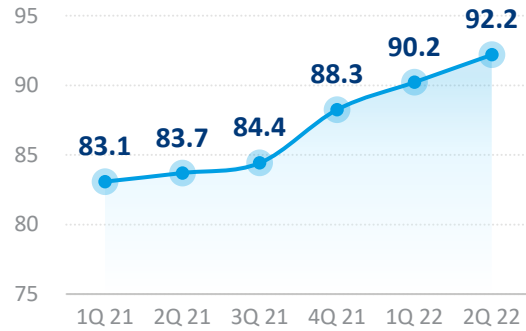
= Funding Movement YTD (AEDbn)



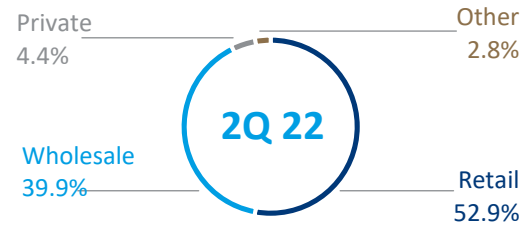
= Customer Financing

...with 4% YTD customer financing growth driven mainly by growth in Retail and Corporate financing...

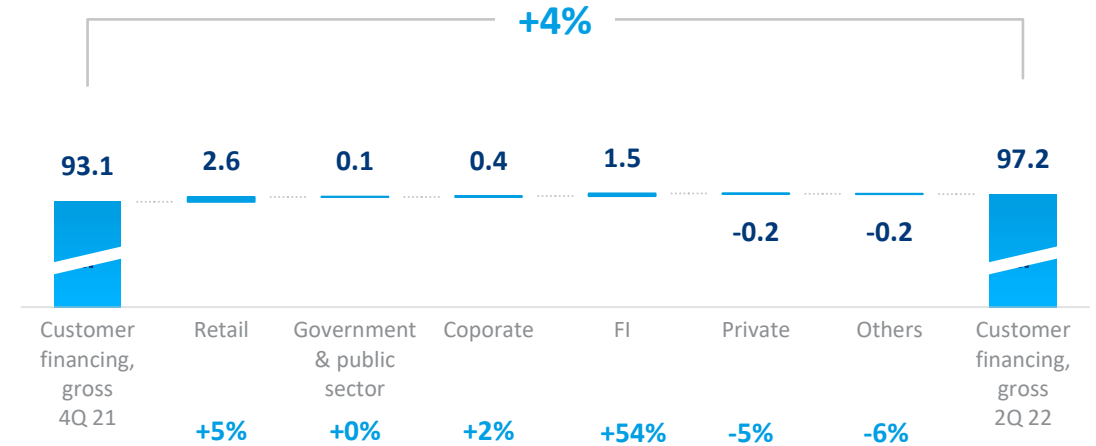
= Customer Financing, net (AEDbn)



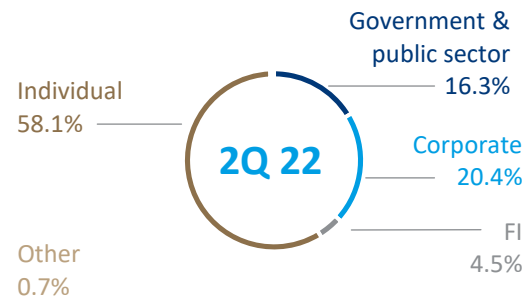
= Customer Financing, Gross by Segment (%)



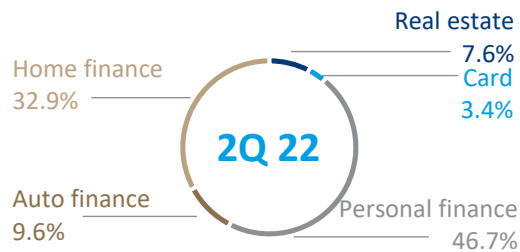
= Customer Financing, Gross Movement YTD (AEDbn)



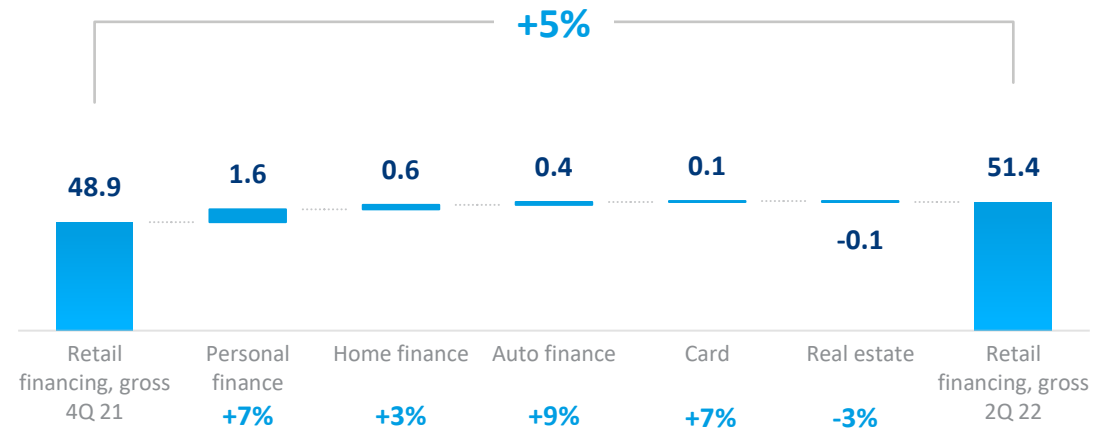
= Customer Financing, Gross by Sector (%)



= Retail Financing, Gross Composition (%)



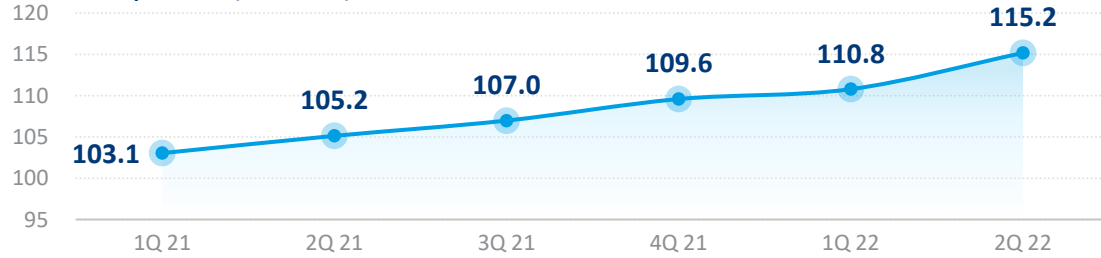
= Retail Financing, Gross Movement YTD (AEDbn)



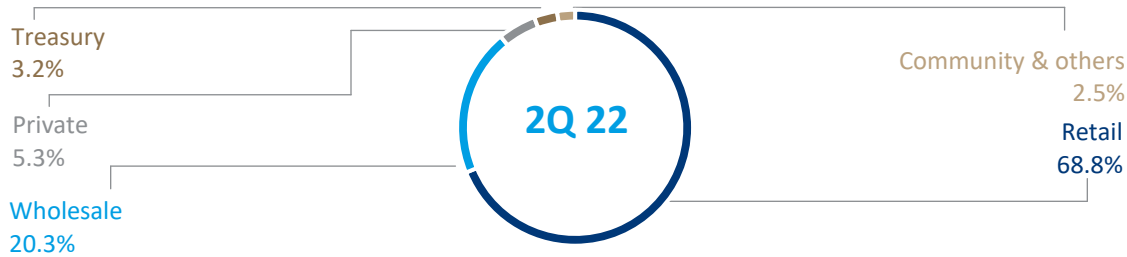
= Customer Deposits

...and 5% deposit growth with CASA comprising 75% of total customer deposits

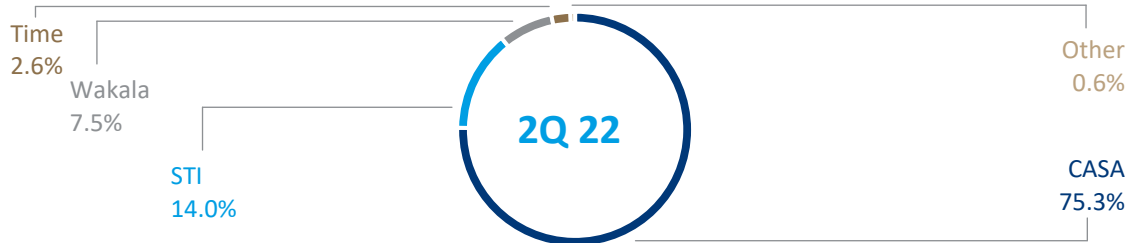
= Total Deposits (AEDbn)



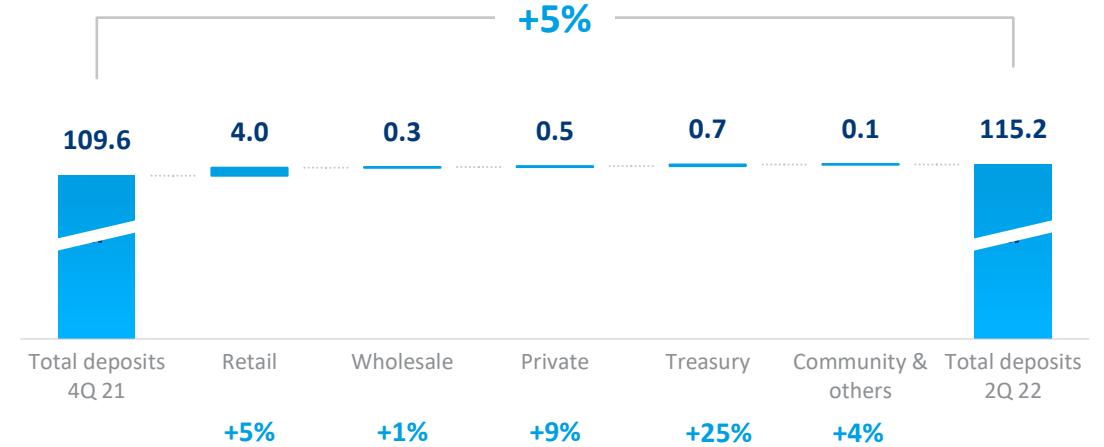
= Total Deposits by Segment (%)



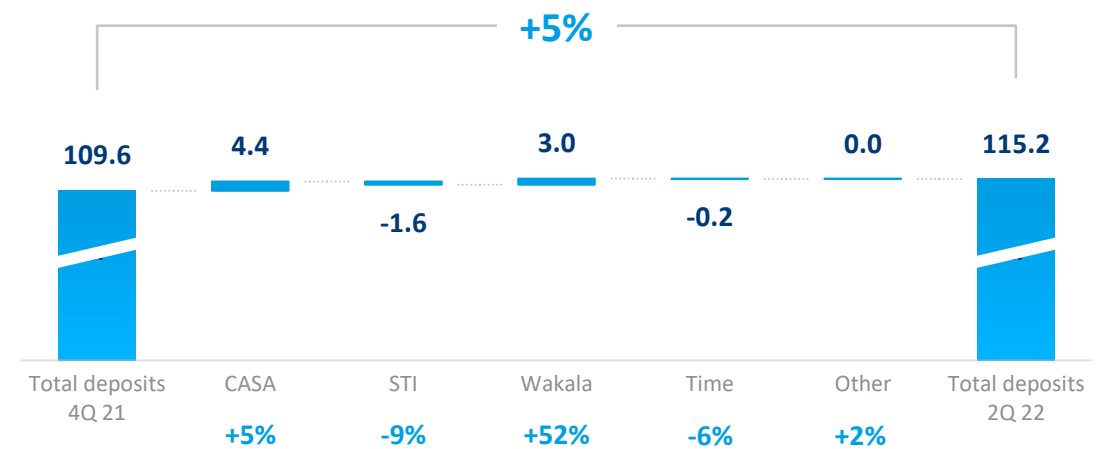
= Total Deposits by Type (%)



= Total Deposits Movement by Segment YTD (AEDbn)



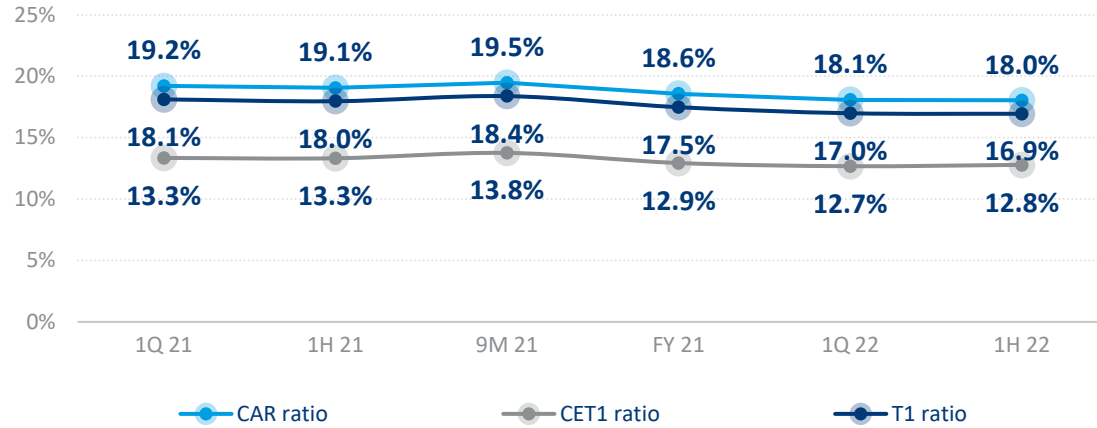
= Total Deposits Movement by Type YTD (AEDbn)



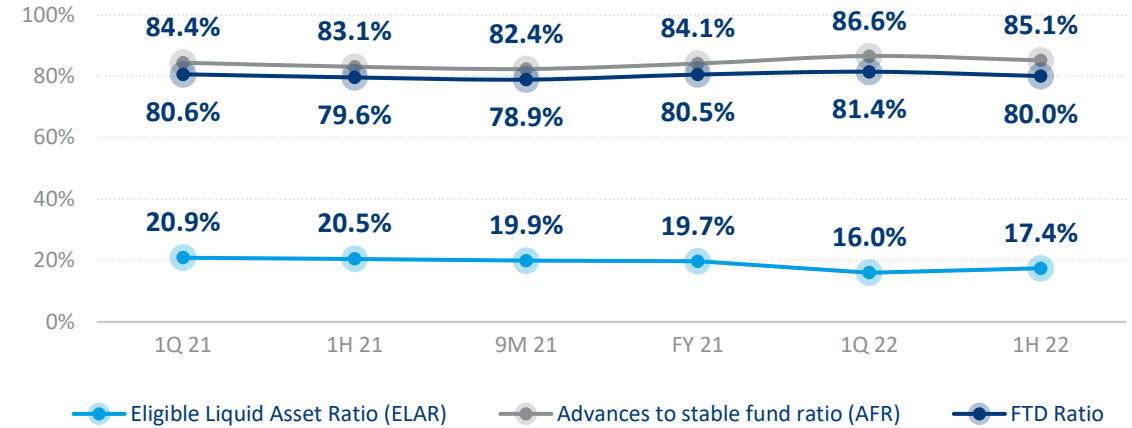
= Capital and Liquidity

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

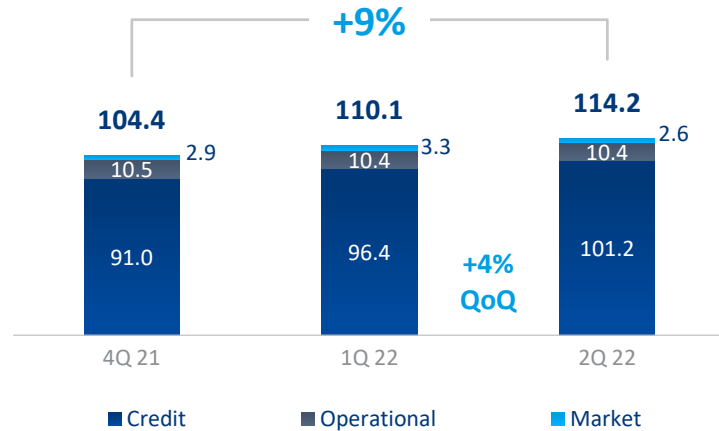
= Capitalization Ratios (%)



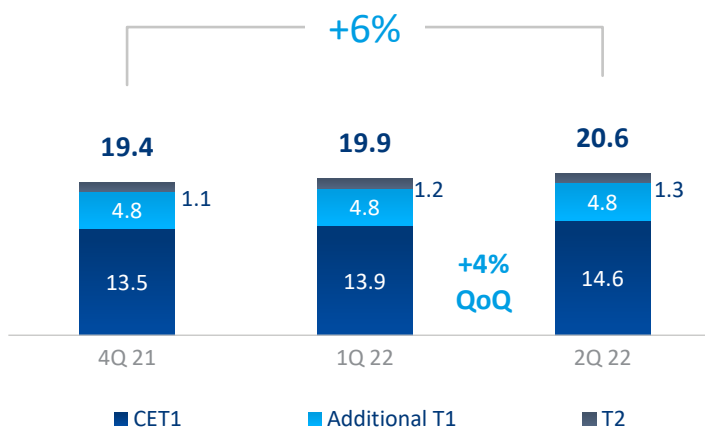
= Liquidity Ratios (%)



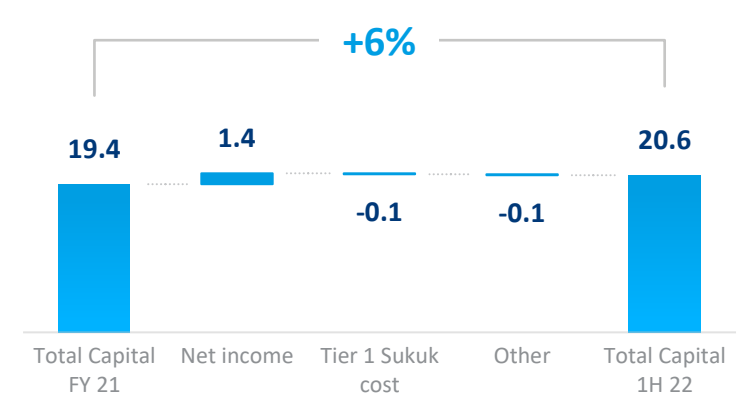
= RWA (AEDbn)



= Capitalization (AEDbn)



= Total Capital Movement YTD (AEDbn)



Outlook and Guidance

1H 2022 Earnings Presentation

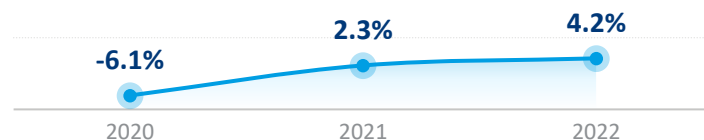
= Outlook and Guidance

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

= Market Outlook

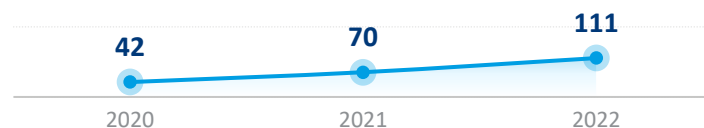
= GDP growth from rising oil prices

Real GDP growth (%)



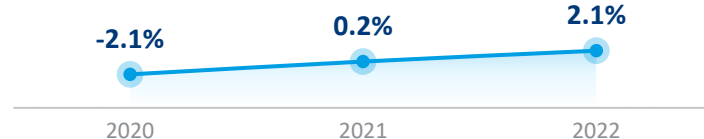
= Expected improvement in oil prices

Brent Price / Barrel (avg) (USD)



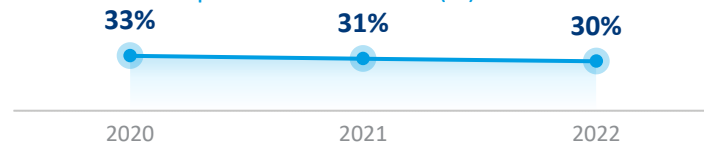
= Return from deflation to inflation

UAE Inflation (avg) (%)



= Expenditure expected to remain at 2020 level

Government expenditure % of GDP (%)



= Management Guidance

= Gross Financing Growth

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

1H 2022 Reported

+4%

FY 2022 Guidance
as at 1Q 2022

5% to 7%

FY 2022 Guidance Revised

5% to 7%

= Net Profit Margin

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

3.13%

2.90% to 3.10%

3.35% to 3.45%

= Cost of Risk

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

0.42%

0.60% to 0.70%

0.60% to 0.70%

= Cost to Income Ratio

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

40.9%

38% to 40%

37% to 39%

= Net Income Growth

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

+30%

15% to 20%

20% to 25%

= Return on Equity

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

17.3%

15% to 17%

17.5% to 18.5%

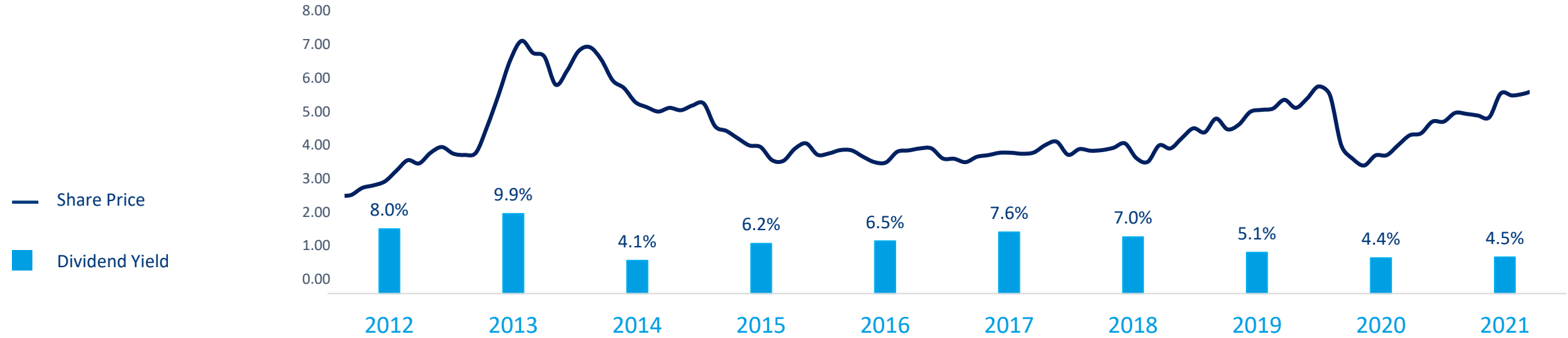
Questions & Answers

1H 2022 Earnings Presentation

= Consistent dividend distribution

ADIB consistently distribute dividends with average yield of 4%

= Shareholder Return Metrics



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Profit in AEDmn	1,201	1,450	1,751	1,934	1,954	2,300	2,501	2,601	1,604	2,330
Cash Dividend Payout Ratio (% of Net Profit)	50.0%	50.0%	40.0%	39.8%	39.8%	39.8%	39.8%	38.2%	46.6%	48.5%
Cash Dividend (% of Share Capital)	25.4%	30.7%	23.3%	24.3%	24.5%	28.9%	27.4%	27.4%	20.6%	31.1%
Cash Dividend in AEDmn	601	725	700	769	777	915	994	994	747	1,130
Bonus shares	-	635.3	-	-	-	-	-	-	-	-
Bonus Shares (% of Share Capital)	-	26.9%	-	-	-	-	-	-	-	-

= Ratings and Accolades

ADIB's recognition for excellence in Islamic banking

= Credit Ratings

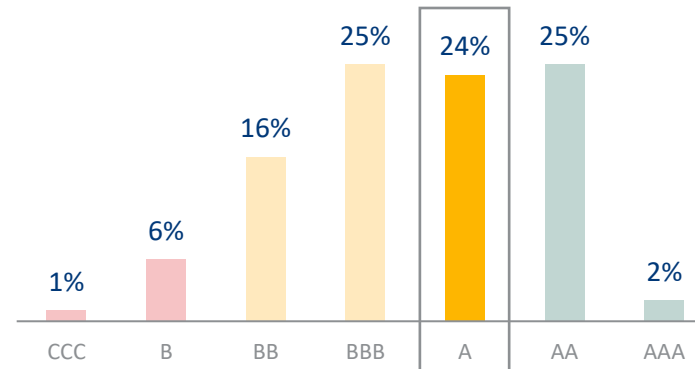
MOODY'S
A2
Stable Outlook

FitchRatings
A+
Stable Outlook

= ADIB's MSCI ESG Rating



= MSCI Rating Distribution



= Recent Accolades



#1
Digital Transformation Program



#1
Bank in the UAE
(April 2021)



#1
Islamic Bank in the UAE
(March 2021)

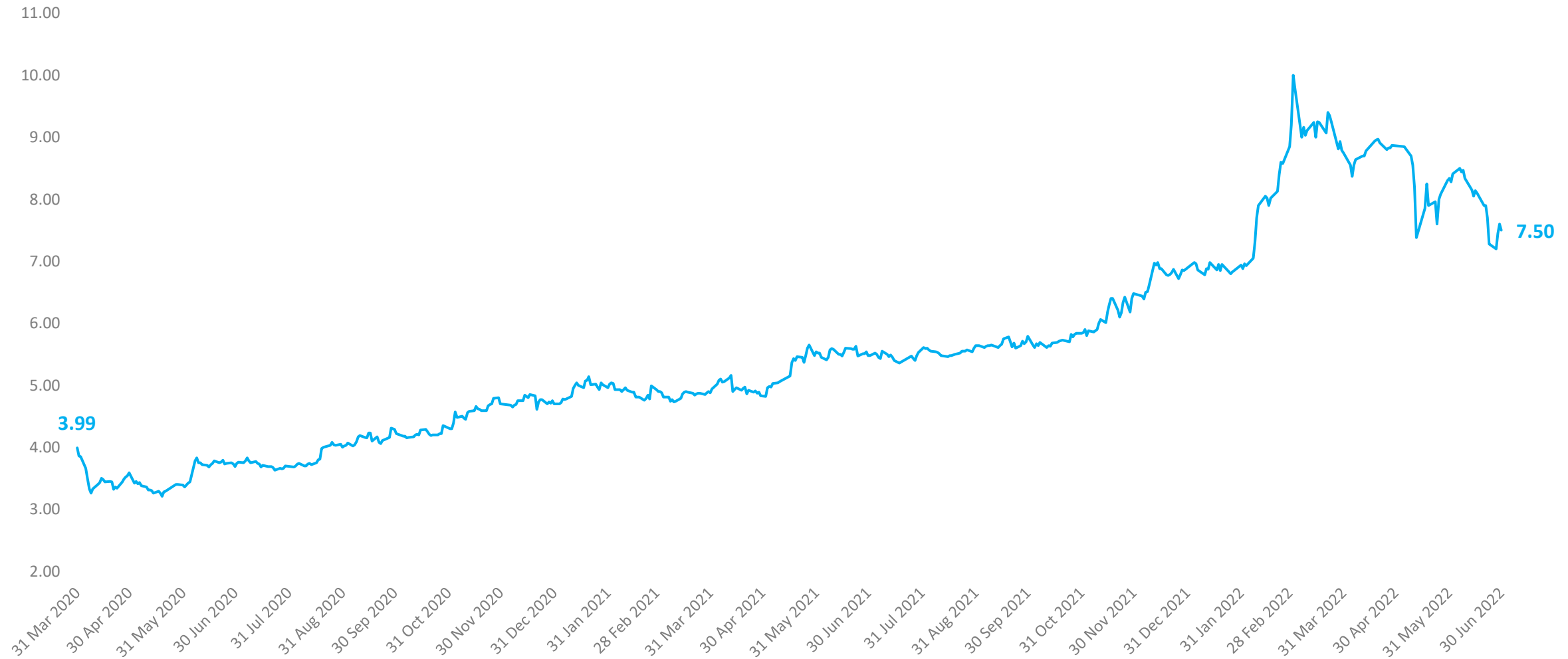


#1
Islamic Bank in Egypt
(March 2021)

= ADIB Share Price Performance

From 1Q 2020 to 2Q 2022 ADIB's share price is up 87.97%

= ADIB Share Price Chart



Contacts

1H 2022 Earnings Presentation

= Additional Information

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

= ADIB Investor Relations Contact

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