

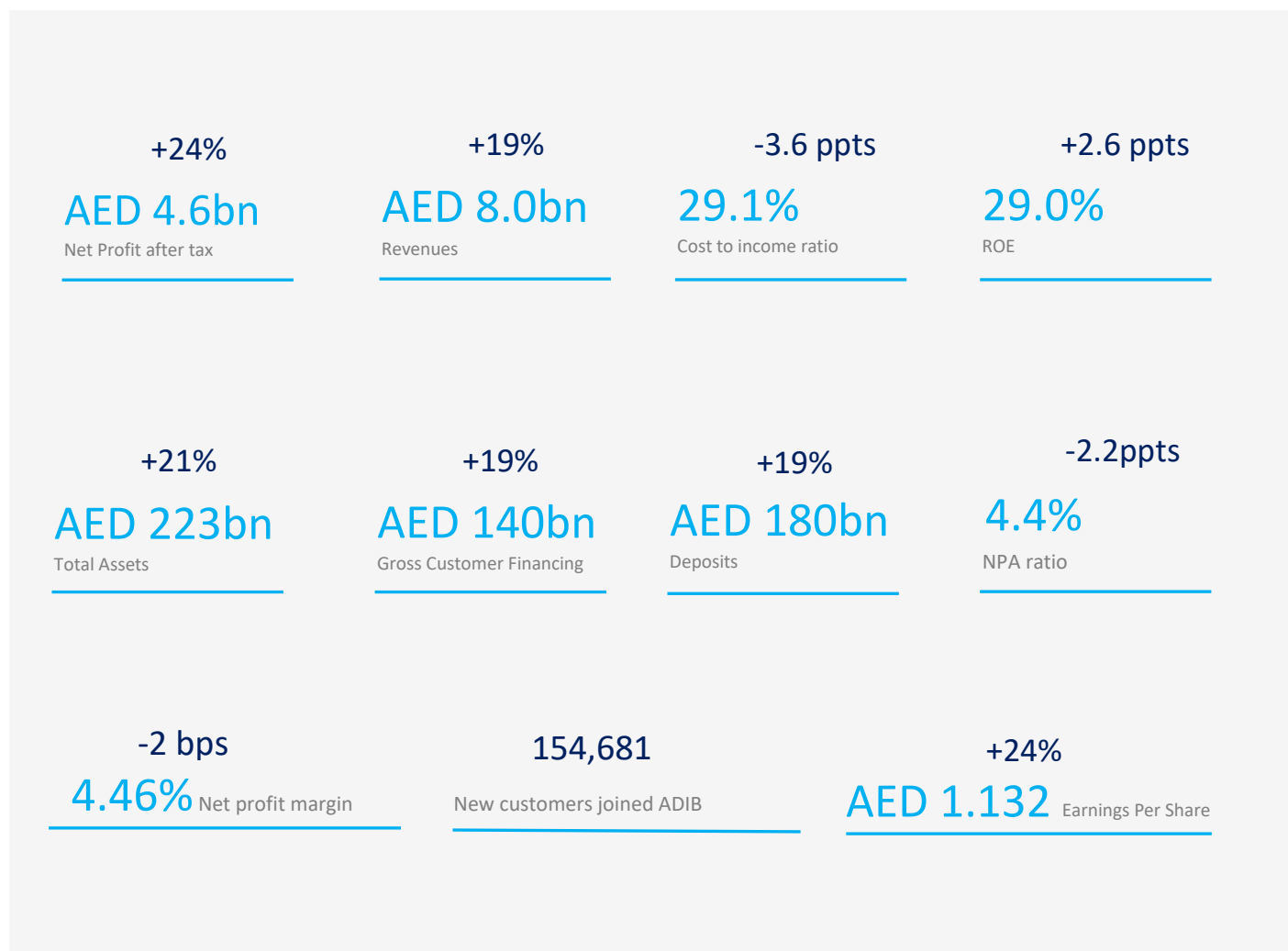
MANAGEMENT DISCUSSION & ANALYSIS

First 9 months of 2024 Financial Results

ADIB delivered an exceptional performance in the first nine months of 2024 with Net Profit (before tax) up 33% YoY to AED 5.2 billion, implying an industry leading return on equity of 29%

- Net Profit after tax grew 24% YoY to AED 4.6 billion
- Quarterly profit (after tax) of AED 1.6 billion up 13% YoY and 2% sequentially
- ADIB Board appoints Mohamed Abdelbary as Group CEO effective immediately.

Exceptional financial performance in the first 9M 2024 reflecting increased client activity & strong business momentum



Net Profit

- Abu Dhabi Islamic Bank reported a growth in **Net Profit after tax** of **24%** for the first nine months of 2024 to **AED 4.6 billion** from AED 3.75 billion in the corresponding period. Strong Balance Sheet growth coupled with increased business momentum and diversified revenue growth has fueled the bank's exceptional financial performance.
- Net profit before tax** was **AED 5.2 billion, up 33%** versus the first nine months of 2023.
- Q3 2024 Net Profit** after tax reached **AED 1.6 billion**, up **2%** sequentially and **13%** YoY.

Revenues

- Revenue for the first nine months of 2024** improved by **19%** to **AED 8.0 billion** compared to AED 6.7 billion last year for the same period supported by strong growth in both income from financing activities and non-funding income driven by strong business volumes across all business segments and products, and continued strength in fee-based businesses.
- Revenue for Q3 2024** increased **9% YoY** to **AED 2.6 billion**.
- Funded income** grew by **9% YoY** to **AED 4.9 billion** in the first nine months of 2024 compared to AED 4.5 billion last year, driven by solid business volumes.
- Net Profit Margin (NPM)** reached **4.5%**. 2bps lower YoY.
- Non-funded income** grew by **41% YoY** to reach **AED 3.1 billion** in the first nine months of 2024 versus AED 2.2 billion in the corresponding period last year driven by **33% growth in fees and commissions** from various product sales. **Non-funded Income contributes 39%** to Operating Income versus 33% in the same period of 2023, underlining continued strategic focus on revenue diversification. In Q3 2024, non-funded income rose 25% YoY to AED 853 million.

Expenses

- Operating expenses** for the first nine months of 2024 were **AED 2.3 billion**, up 6% YoY with ongoing investments in people, digital and new technology.
- Cost to income ratio** improved by 3.6 percentage points to **29.1%** versus 32.6% in the previous corresponding period.

Provisions and asset quality

- Impairments** decreased **22%** to **AED 448 million** for the first nine months of 2024 in translating to an annualized cost of risk (CoR) at **49bps**.
- Non-Performing asset ratio** improved to **4.4%**, its lowest level since Q1 2017, due to active remediation of our legacy portfolio coupled with strong underwriting standards.
- Provision Coverage ratio**, including collaterals, improved by **22.6 percentage points** to **154.0%**. **Provision coverage ratio (excluding collaterals)** improved from 69.6% in Q3 2023 to **78.2%** in Q3 2024.

Balance sheet

- Total assets** increased **15% YTD** to reach **AED 223 billion**, driven by financing growth in both retail and corporate banking and an expansion in the Investment portfolio.
- Customer financing grew 16% YTD** with AED 19 billion of new financing extended to customers with retail financing delivering a strong quarter, reflecting market share gains across key segments, and wholesale banking closing landmark deals.
- Customer deposits rose 14% YTD and 19% YoY** to **AED 180 billion** compared with AED 152 billion same period last year maintaining a healthy funding mix with **10% YoY** growth in **Current and Savings Accounts (CASA)**, with **CASA** comprising **61%**.

Liquidity and capital

- ADIB maintained a robust capital position with a **Common Equity Tier 1 ratio of 13.4%** and a total **Capital Adequacy Ratio of 17.6%**. The Bank's liquidity position was healthy and within regulatory requirements, with the **advances to stable funding ratio at 76.9%** and the **eligible liquid asset ratio at 20.6%**.
- Total shareholders' equity rose 13% YoY** to **AED 21 billion** led by growth in earnings.

“We continued on a positive growth trajectory, achieving a 33% increase in net profit before tax to AED 5.2 billion, implying a strong return on equity of 29%, one of the highest in the region’s banking sector.”

H.E Jawaan Awaidah Al Khaili

Chairman



1.42mn

Total number of customers

AED 223bn

Total assets



29%

Return on shareholders' equity



“We continued on a positive growth trajectory, achieving a 33% growth in net profit before tax to AED 5.2 billion, implying a strong return on equity of 29%, one of the highest levels in the region’s banking sector. This strong growth was underpinned by a robust revenue growth, reflecting the healthy and resilient local economy, coupled with our focus on sustaining business momentum and delivering a customer centric strategy.

The Board is pleased to appoint Mohamed Abdelbary as the ADIB Group Chief Executive officer. He is a seasoned banker with a strong commitment to deliver value to customers, shareholders and staff. He will now lead ADIB through our next stage of expansion under our 2035 vision.

We have seen notable improvement across all metrics as we continued to grow market share across key segments, with the total asset base reaching AED 223 billion, supported by a growth of 16% YTD in customer financing with more than AED 19 billion in new financing provided in 2024.

This represents consistent strategic execution and a relentless focus on serving as a trusted partner and putting our customers at the center of everything we do, as evidenced by expanding our customer base across all our businesses, adding more than 150,000 new customers in the first nine months of 2024, bringing the total number of customers to 1.42 million.

A particular highlight in this quarter is ADIB receiving an upgrade to a AA rating on ESG from MSCI, which reflects our continued commitment to enhancing our ESG practices and governance. This achievement is a direct result of our focused efforts to enhance transparency, implement rigorous risk management processes, and set ambitious environmental targets, including our net-zero emissions goal.

Our credit profile remains solid with our A+ rating recently reaffirmed by Fitch Ratings. In addition, ADIB maintained its notable ranking for the third consecutive year as the Safest Islamic Bank Globally by Global Finance. This indicates our solid financial position, efficient risk management, and advanced cybersecurity systems, which will position us well to navigate an ever-evolving environment.

The UAE continues to achieve remarkable growth led by a resilient economy and financial stability, driven by an acceleration of economic diversification. As a leading bank and an Islamic regional financial powerhouse, we have a clear strategy to benefit from the growth opportunities presented by the market while continue to invest in technology and innovation to drive efficiencies and enhance our service."



“ADIB's exceptional performance in the first nine months of 2024 underlines the tangible progress we are making in implementing our long-term growth strategy, including growing our market share.”

Mohamed Abdelbary

Group Chief Executive Officer (GCEO)

AED **4.6bn** 
 Net profit after tax
 up 24%

29.1%
 Cost to Income Ratio

4.4%
 Non-Performing asset
 ratio

" I am deeply honored by the trust placed in me from the board of directors to lead this great institution at a time when the bank is achieving strong momentum, and as its sets out to deliver its 2035 growth strategy. ADIB's exceptional performance in the first nine months of 2024 underlines the tangible progress we are making in implementing our long-term growth strategy, including growing our market share. Across all our businesses, we are broadening our revenue mix, diversifying our funding sources, and continuing to deliver the level of customer service that have become synonymous with our brand.

We generated considerable momentum across all divisions, positioning us strongly for the rest of the year. This was driven by a **19% growth in revenues**, supported by an increase in customer financing and fee income, which remains a key strategic focus for the bank. Fee and commission income represents now 17% of total revenues and will continue to grow further, benefiting from the investments in digital, product enhancements and strengthened cross sell capabilities.

From a balance sheet perspective, our total assets reached AED 223 billion, driven by a record 20% year-on-year growth in customer financing, as we gained market share in retail and closed some landmark deals in corporate banking. This growth was efficiently funded by adding **AED 28 billion of new deposits**, including growing our Current and Savings accounts by **AED 9.5 billion**.

We demonstrated balance sheet strength across all key ratios, with asset quality matrix improving as our non-performing asset ratio reaching 4.4%, its lowest level since Q1 2017 due to active management of legacy portfolios and strong underwriting standards. While we continue making substantial investments in new technologies like Gen AI, the efficiencies gained from cost savings efforts have significantly improved the **Cost-to-Income Ratio to reach 29.1%**, reflecting our ability to drive higher income while maintaining cost discipline.

On the digital front, ADIB has strengthened its history of innovation with the launch of **ADIB Ventures**, aiming to create an ecosystem that fosters fintech partnerships and accelerate development of digital solutions. By collaborating with fintech disruptors, ADIB is integrating advanced technologies to meet the evolving needs of its **1.42 million customers**.

ADIB's strong brand equity, backed by a solid financial and capital foundation, positions us to continue delivering exceptional value to our customers and shareholders alike. With our renewed **2035 vision**, we are focused on product innovation, expanding into new market segments and investing in advanced technologies to build a future-proof bank that not only meets today's dynamic needs but also anticipates tomorrow's challenges. Our commitment to growth and innovation will cement ADIB's leadership in the evolving digital banking landscape."

GROUP FINANCIAL REVIEW

> Income statement

AED (Mn)	Q3 2024	Q3 2023	Δ%	YTD Sept 2024	YTD Sept 2023	Δ%
Net revenue from funds	1,581	1,577	+0.3%	4,903	4,506	+9%
Non-funded income	1,064	853	+25%	3,092	2,188	+41%
Total operating income	2,645	2,430	+9%	7,995	6,694	+19%
Total operating expenses before impairment charge	(796)	(740)	+8%	(2,324)	(2,185)	+6%
Provision for impairment	(46)	(202)	-77%	(448)	(571)	-22%
Profit before Zakat and tax	1,804	1,488	+21%	5,223	3,938	+33%
Zakat and tax	(198)	(64)	+210%	(588)	(188)	+213%
Profit after Zakat and tax	1,605	1,424	+13%	4,635	3,750	+24%
EPS (AED) – YTD				1.132	0.914	+24%
Net profit margin – YTD				4.46%	4.48%	-2bps
Cost to income ratio - YTD				29.1%	32.6%	-3.6ppt
Cost of risk – YTD				0.49%	0.50%	-1bps
ROAE – YTD				29.0%	26.4%	+2.6ppt
ROAA – YTD				3.04%	3.02%	+2bps

- ▷ **Group net profit after tax grew 24%** in the **first nine months of 2024** to **AED 4.6 billion** compared to AED 3.75 billion in the corresponding period of 2023 implying **earnings per share of AED 1.132**.
- ▷ **Net profit before tax** was **AED 5.2 billion**, up **33% YoY** reflecting strong business momentum.
- ▷ In Q3 2024, net profit after tax was up 13% YOY and 2% versus Q2 2024 to reach AED 1.6 billion.
- ▷ **Revenues increased by 19%** in the **first nine months of 2024** to **AED 8.0 billion** versus AED 6.7 billion in the corresponding period of 2023 on strong business volumes coupled with strength in fee-based businesses and higher Investment income. In Q3 2024, revenues up 9% compared to the same period last year to reach AED 2.6 billion.
- ▷ **Funded income rose 9%** to reach **AED 4.9 billion** supported by higher volumes in financing with 9% growth in average earning assets thereby showing stability in the **net profit margin to 4.46%**. ADIB preserves one of the highest margins in the market, supported by one of the lowest cost of funds in the market.
- ▷ **Non-funded income increased by 41%** to **AED 3.1 billion** for the first nine months of 2024, driven by a 42% increase in investment income and 33% increase in fees and commissions from various products including card sales. **Non-funded income represents 39% of total income**, underlining the strategic focus on revenue diversification compared to 33% in the same period last year.
- ▷ **Fees and commissions income was up 33%** year-on-year, driven mainly by higher processing fees, card and CFIB related fees.
- ▷ Overall revenues were supported by growth in **new customers** of more than **150,000** during the first nine months of 2024, showcasing ADIB's long-term commitment to its customers and continuous efforts to deliver superior customer service.
- ▷ **Operating expenses were up by 6% YoY only to reach AED 2.3 billion** demonstrating continued investments in talent and strategic initiatives to support business growth. Despite this, there was an overall **improvement in the cost-to-income ratio of 3.6 percentage points to 29.1%**.
- ▷ **The net impairment charge** for the same period **decreased by 22%** to **AED 448 million**. The **cost of risk** remains stable at **0.49%**, well within the guidance.
- ▷ **NPA ratio is 4.4%** declining from 6.6% in the same period last year. The **provision coverage** of non-performing financing (including collaterals) improved by **22.6 percentage points to 154.0%**.

> Balance Sheet

AED (Mn)	30 Sept 2024	30 Sept 2023	Δ%
Cash and balances with central banks	37,398	27,472	+36%
Due from financial institutions	10,100	11,027	-8%
Customer financing, net	135,132	112,595	+20%
Investments	28,844	23,000	+25%
Investment in associates	872	816	+7%
Investment and development properties	2,060	1,980	+4%
Other assets	8,161	7,233	+13%
Total assets	222,567	184,124	+21%
Due to financial institutions	6,737	2,954	+128%
Depositors' accounts	179,745	151,545	+19%
Other liabilities	7,182	4,926	+46%
Sukuk financing instrument	1,836	-	+100%
Total liabilities	195,500	159,424	+23%
Share capital	3,632	3,632	-
Retained earnings	12,711	10,358	+23%
Other reserves	5,035	4,936	+2%
Equity attributable to shareholders of the bank	21,378	18,926	+13%
Tier 1 sukuk	4,754	4,754	-
Non - controlling interest	934	1,019	-8%
Equity attributable to equity holders of the bank	27,067	24,699	+10%
Non-performing financing	6,116	7,762	-21%
NPA ratio	4.4%	6.6%	-2.2ppts
NPA coverage ratio	78.2%	69.6%	+8.6ppts
NPA coverage ratio with collaterals	154.0%	131.4%	+22.6ppts
Risk weighted assets	158,190	134,300	+18%
Common Equity Tier 1 Ratio	13.38%	13.36%	+2bps
Tier 1 Ratio	16.43%	16.90%	-47bps
Capital Adequacy Ratio	17.57%	18.03%	-46bps
Financing to deposit ratio	75.2%	74.3%	+88bps
Advances to stable fund ratio (ASFR)	76.9%	78.6%	-1.7ppts
Eligible Liquid Asset Ratio (ELAR)	20.6%	18.8%	+1.8ppts

- ▷ **Total assets reached AED 222.6 billion** as of 30 September 2024, an **increase of 21%** from 30 September 2023, driven mainly by a growth in net financing, growth in cash and balances with central bank, and growth in the investment portfolio. The balance sheet has expanded AED 98 billion in the last 5 years at CAGR of 12.4%.
- ▷ **Gross customer financing increased 19% YoY to AED 139.6 billion** from growth in retail financing portfolios and wholesale financing across government and public sector enterprises, reflecting our ability to gain market share across different segments. **YTD customer financing increased by 16%** with the bank extending **AED 19 billion** of new financing to customers in the first nine months of the year.
- ▷ ADIB continued to implement a strategy to increase focus on deploying high quality assets with GREs contributing 32% YTD in gross customer financing growth.
- ▷ The bank's **investment portfolio increased 25% YoY** on 30 September 2024 to **AED 28.8 billion** with 80% accounted for at amortised cost.
- ▷ **Customer deposits** amounted to **AED 179.7 billion** as of 30 September 2024, **up 19%** from 30 September 2023 as **CASA deposits increased by 10%** to **AED 109.0 billion**, comprising **61%** of total customer deposits.
- ▷ **Non-performing financing reached AED 6.1 billion** as of 30 September 2024, compared to AED 7.8 billion at the same time last year.
- ▷ Non-performing financing ratio **improved to 4.4%** versus 6.6% as of 30 September 2023.
- ▷ ADIB continued to maintain a **healthy liquidity position** with an **advance to stable funding ratio** at **76.9%** compared to 78.6% on 30 September 2023, while the **eligible liquid asset ratio** was **20.6%** as of 30 September 2024 versus 18.8% on 30 September 2023.
- ▷ The bank **further strengthens its capital position** with the **Common Equity Tier 1 ratio** at **13.38%**, compared to 13.36% as of 30 September 2023 on the back of strong earnings and ongoing optimisation initiatives. **Capital adequacy ratio** of **17.57%** as of 30 September 2024, exceeding regulatory requirements prescribed by the UAE Central Bank.

Strategy

Strategy

ADIB's Strategy focuses on its renewed purpose as a lifelong partner for our clients, community, and colleagues. The bank is actively pursuing its vision of becoming [the world's most innovative Islamic bank](#), consistently advancing initiatives that enhance customer experience and technological progress.

Under its four strategic pillars, the bank has delivered following initiatives:

Continuous Innovation

ADIB launched various products that enabled a growth in market share and continue to drive innovation to better serve our customers.

- ▷ **Istiqrar:** ADIB launched UAE's first long-term, fixed-rate home finance. This unique product offers customers a consistent, fixed monthly instalment throughout the chosen tenor rate, eliminating any variations or fluctuations.
- ▷ **Digital SME Instant Account Opening:** ADIB became the first bank in the UAE to provide small and medium-sized enterprises (SMEs) with convenient remote account opening services through a mobile app by deploying Emirates Face Recognition (EFR) technology. This new feature allows businesses to apply for a business account without the need to visit a branch or submit physical documents or signatures. Through this technology, ADIB can perform highly secure identity verification before opening a new account for businesses in less than 24 business hours.
- ▷ **Exceed loyalty program:** ADIB launched "EXCEED", a new digital reward program that rewards customers for their loyalty to the bank. Customers will receive Exceed Rewards into their mobile bank application, which can be instantly redeemed via the Mobile App for utility payments, e-com vouchers, retail vouchers, flight purchases and more.
- ▷ **Business Souq:** ADIB Business Souq, an innovative digital marketplace designed to provide comprehensive support to Small and Medium-sized Enterprises (SMEs). This all-in-one digital platform aims to significantly reduce the cost of doing business by offering a wide range of exclusive offers and discounts.
- ▷ **Abu Dhabi Securities Exchange (ADX signed a memorandum of understanding with ADIB Securities, wholly owned subsidiary of Abu Dhabi Islamic Bank (ADIB), to collaborate on the development of a new digital onboarding platform. This platform will integrate National Investor Number (NIN) creation and trading account APIs directly into ADIB Securities' mobile and online applications.**

Segment Focused

ADIB continued to build on its existing strength in the Emirati retail segment while attracting and developing new business segments where the bank can grow profitably. In first nine months of 2024, we were able to grow market share and strengthened our relationship with our customers by enhancing new offerings and strategic partnerships.

- ▷ ADIB welcomed more than 150,000 new customers.
- ▷ ADIB continued to underpin its market leadership in the retail segment growing [its retail market share to 15%](#).
- ▷ ADIB delivered strong financing growth in retail with Personal finance, Auto finance and Home finance growing. The cards business is also growing fueled by strong partnerships.
- ▷ ADIB continued to grow its wholesale banking portfolio with a focus on GREs and large corporates.
- ▷ ADIB expanded beyond UAE with banking services for selected top-tier names in GCC markets.
- ▷ ADIB signs an agreement with Emirates Development Bank ("EDB" or "the Bank"), to support small and medium enterprises (SMEs) in the UAE through a joint finance guarantee scheme.

Digital excellence

Digital remains at the heart of [ADIB's 2025 strategy](#), and the bank strives to become a digital-first financial institution. We are digitising at scale, investing in technology and operational capabilities to drive productivity and efficiency across the business.

- ▷ ADIB launched ADIB Ventures, a new strategic initiative designed to accelerate innovation and collaboration within the global financial technology (fintech) sector. Through ADIB Ventures, the bank plans to create a robust ecosystem by connecting with emerging fintech players and integrating advanced technologies and Gen AI to enhance the banking experience.
- ▷ Digitally Registered customers [crossed the 1 million mark with 80% of our customers now using the mobile app](#).
- ▷ ADIB's mobile app is top ranked on the UAE App store at 4.7.
- ▷ Launch of a new end-to-end digital solution whereby ADIB customers can apply for a covered card on their mobile app. The new feature allows preapproved customers to apply for a covered card, get instant approval and agreed on limits in just few minutes.
- ▷ Strategic partnership with Silent Eight, a pioneering RegTech company that offers comprehensive solutions across the compliance workflow through an AI and machine learning platform designed to identify and prevent financial crime.

Sustainable Future

ADIB continues to advance its sustainability agenda with a strong oversight from the board of directors and management.

- ▷ ADIB received an upgrade in its Environmental, Social, and Governance (ESG) rating from MSCI, a leading global provider of ESG indexes. Additionally, ADIB ranks among 27% of organisations listed on the MSCI ACWI index globally, recognised for their excellence in managing ESG risks. In first half of 2024, ADIB finalised its ESG risk policy and framework.
- ▷ ADIB continued to play a crucial role in helping to deliver the region's sustainable finance agenda facilitating new sustainable projects that are now at AED 5.7 billion.
- ▷ ADIB made [significant progress towards our Net Zero journey](#) by setting carbon emission reduction targets across the highest emitting sectors in our portfolio.

35 INDUSTRY AWARDS IN 2024

Awards	Categories
Bonds and loans and sukuk	1. Bonds, Loans & Sukuk Middle East Awards 2024
Euromoney	2. World's Best Islamic Bank for ESG 3. Middle East's Best Islamic Bank 4. UAE's Best Domestic Islamic Bank 5. UAE's Best Bank for corporate responsibility 6. UAE's Best Bank for HNWIs
Global Finance	7. Best bank for transition/ sustainability linked bonds in the Middle East 8. Safest Islamic bank in the world 9. Best Islamic Bank for ESG award 10. Best Bank for SMEs in the U.A.E.
IFN	11. IFN Social Impact, SRI ESG Deal of the Year 2023 12. IFN Sovereign & Multilateral Deal of the Year 2023 13. IFN UAE Deal of the Year 2023 14. Best Islamic Bank for Treasury Management 2023
EMEA	15. Best Islamic bank in the UAE 16. Sustainability award (Middle East level)
Meed	17. MENA Islamic Finance Bank of the Year 18. Best Islamic Bank for ESG 19. Best Retail Bank - UAE
Banker FT	20. Islamic Bank of the Year - Middle East
IJGlobal MENA	21. Renewable Energy Deal of the Year 22. Desalination Deal of the Year 23. Water Deal of the Year
Digital banker	24. Islamic Credit Card of the Year 25. Best Islamic Digital Bank – Middle East 26. Best Islamic Digital Bank – United Arab Emirates 27. Best Domestic Islamic Retail Bank – United Arab Emirates 28. Best Islamic Retail Bank – Middle East
The asset Triple A	29. Islamic Issuer of the year 30. Islamic Bank of the Year 31. Best Islamic Retail Bank 32. Best Green Sukuk (ADIB US\$500 million green sukuk) 33. Best Green Sukuk – Retail (Majid Al-Futtaim Holding US\$500 million green wakala/murabaha) 34. Best Green Sukuk – Real Estate (Aldar Investment Properties US\$500 million wakala/murabaha) 35. Best New Sukuk (Ittihad International Investment US\$350 million ijara/murabaha sukuk)

About ADIB

ADIB is a leading bank in the UAE with AED 223 billion in assets. The bank also offers world-class online, mobile and phone banking services, providing clients with seamless digital access to their accounts 24 hours a day. ADIB provides Retail, Corporate, Business, Private Banking and Wealth Management Solutions. The bank was established in 1997, and its shares are traded on the Abu Dhabi Securities Exchange (ADX).

ADIB has a strong presence in six strategic markets: Egypt, where it has 70 branches, the Kingdom of Saudi Arabia, the United Kingdom, , Qatar, and Iraq.

Named **World's Best Islamic Bank by The Financial Times** - The Banker publication, ADIB has a rich track record of innovation, including introducing the award-winning Ghina savings account, award-winning co-branded cards with Emirates airlines, Etihad and Etisalat and a wide range of financing products.

ADIB Investor relations Mobile application

Please download the ADIB Investor relations dedicated mobile app available on both Apple and Google play stores. The application will keep you up to date with the latest developments - from latest share prices and press releases to investor days, financial results, and our document library. You can view stock exchange announcements, presentations, annual and quarterly reports, and interact with key data onscreen.





For media information, please visit www.adib.ae or contact:

Lamia Hariz

Head of Corporate Communications, Marketing ESG & Investor Relations

Email: lamia.hariz@adib.com

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