

ABU DHABI COMMERCIAL BANK PJSC

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Third quarter 2023

Earnings presentation

25 October 2023

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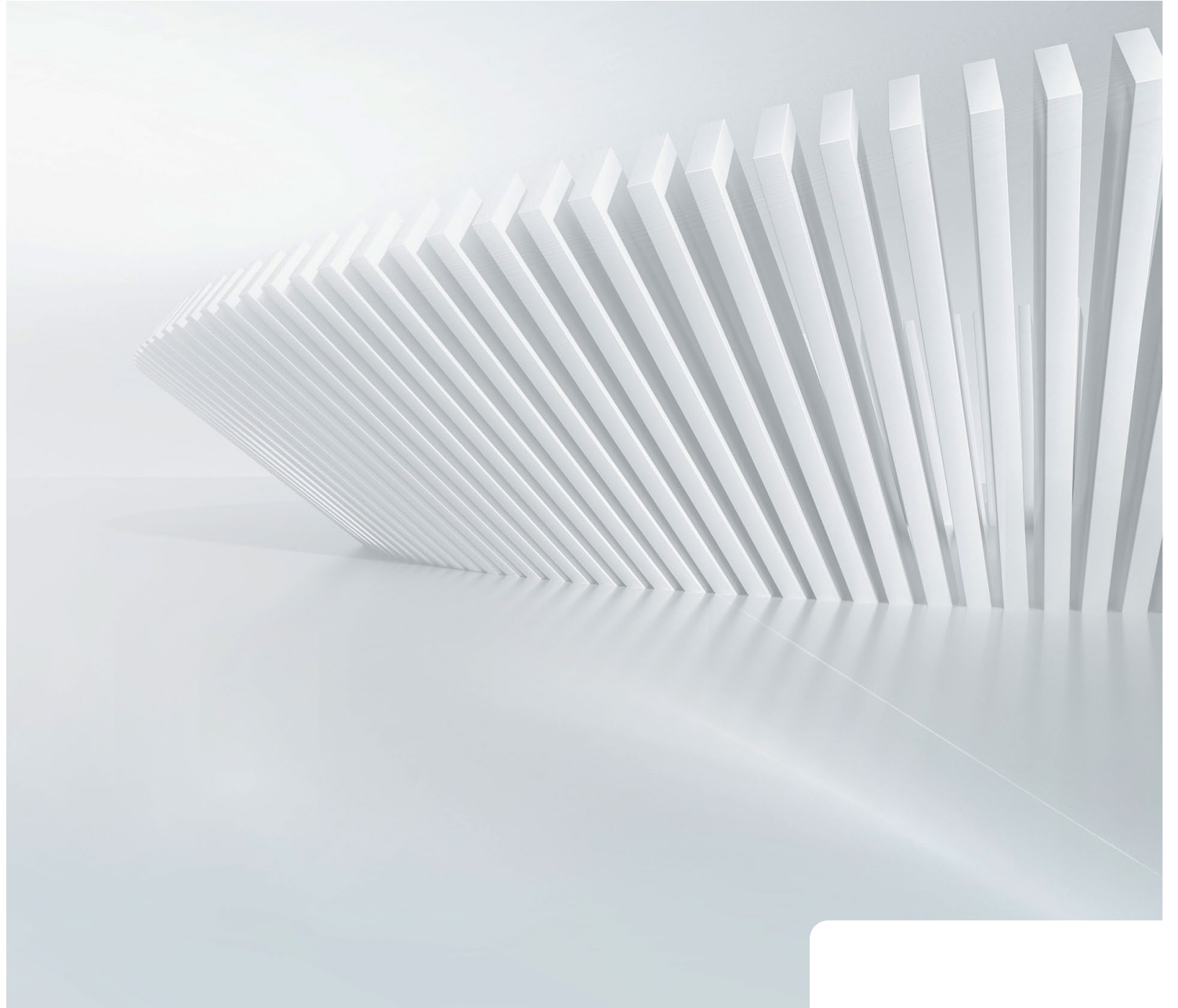
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1. Financial highlights

The background features a complex, abstract pattern of light gray lines that create a sense of depth and movement, resembling a tunnel or a series of overlapping planes. The lines are most dense on the right side and become more sparse towards the left, where the text is located. The overall color palette is a range of light grays, from very pale to a slightly darker shade, giving it a clean, modern, and technical appearance.

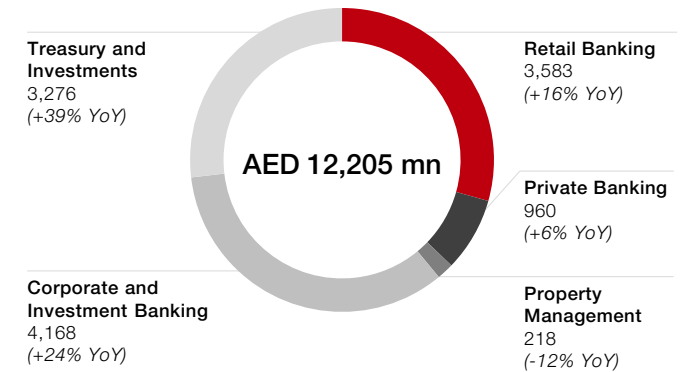
Record 9M'23 net profit marked by strong loan growth

Highlights

- **Record 9M'23 net profit** of AED 5.752 bn, up 24% YoY; **Q3'23 net profit** of AED 1.942 bn, up 22% YoY
- Higher volumes coupled with rising benchmark rates, drove 24% YoY **increase in Q3'23 net interest income, with NIM at 2.87%, up 41 bps YoY**
- **Solid momentum in loan growth, net loans up 10% YTD**, AED 52 bn of new credit extended YTD across diverse sectors, with increased lending to GREs and lower real estate exposure
- **Strongest ever quarter for personal loan disbursement, up 57% YoY**, with **credit card business issuing a quarterly record** of 67,000+ primary cards, an increase of 87% YoY⁽¹⁾
- Total customer deposits up 7% YTD, with **CASA deposits increasing AED 6.8 bn in Q3'23 sequentially**
- **Cost to income ratio improved 360 bps YoY** to 32.5% for 9M'23
- **Cost of risk of 73 bps** for Q3'23 and 9M'23 **remaining within guidance**
- The Bank remains **well-capitalised** with CET1 ratio of 13.46%
- Digital enabling customer growth as **c.167,000 new retail customers** welcomed to ADCB and AHB in Q3'23, with **81% onboarded digitally**
- Strong progress on ESG and climate agenda, with **second green bond issued in September** and significant expansion of green loan portfolio
- **Updated guidance for FY'23 driven by strong performance (slide 24)**. The Bank is also targeting a **50% cash dividend payout on FY'23 earnings**, supported by its robust capital position

Diversified growth by business streams

9M'23 operating income (AED mn)



Q3'23 net profit

+22% YoY

9M'23 net loan growth (AED)

+ 26 bn YTD

9M'23 net profit

+24% YoY

9M'23 deposit growth (AED)

+20 bn YTD

(1) ADCB Group's UAE operations, including Al Hilal Bank

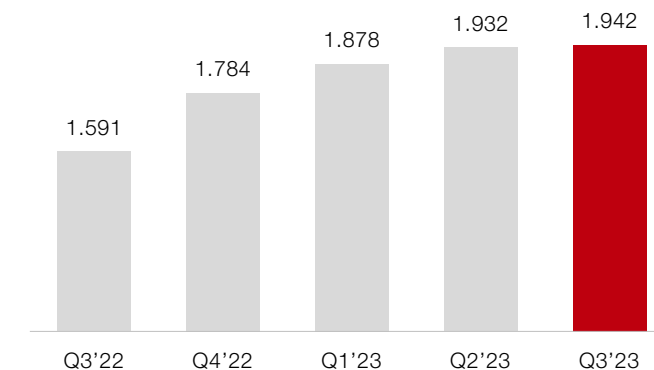
Record Q3'23 net profit, up 22% YoY on broad-based revenue growth

Income statement (AED mn)	Q3'23	Q2'23	Q3'22	ΔQoQ	ΔYoY
Total net interest income ⁽¹⁾	3,179	2,930	2,558	8%	24%
Non-interest income	1,054	1,129	952	(7%)	11%
Operating income	4,233	4,059	3,510	4%	21%
Operating expenses	(1,412)	(1,319)	(1,241)	7%	14%
Operating profit	2,822	2,740	2,269	3%	24%
Impairment charge	(819)	(748)	(636)	10%	29%
Net profit⁽²⁾	1,942	1,932	1,591	0.5%	22%

Q3'23 net profit (AED)

1.942 bn

(AED bn)



ROAA⁽³⁾

1.29%

Q3'22: 1.23%

ROATE⁽³⁾

13.3%

Q3'22: 13.1%

EPS (AED)

0.23

Q3'22: AED 0.20⁽⁴⁾

Note: Figures may not add up due to rounding differences

(1) Including Islamic financing

(2) After share in profit/loss of associates, overseas income tax charge, and profit/loss from discontinued operations

(3) For ROATE/ROAA calculations, net profit attributable to equity shareholders is considered, i.e., net profit after deducting interest expense on Tier 1 capital notes

(4) Restated based on revised share capital post stock dividend

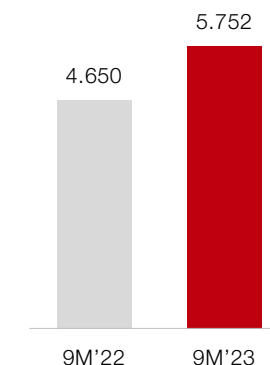
Strong 9M'23 performance amid robust UAE fundamentals and positive consumer and business confidence

Income statement (AED mn)	9M'23	9M'22	ΔYoY
Total net interest income ⁽¹⁾	8,961	7,276	23%
Non-interest income	3,244	2,665	22%
Operating income	12,205	9,941	23%
Operating expenses	(3,962)	(3,586)	10%
Operating profit	8,243	6,355	30%
Impairment charge	(2,315)	(1,586)	46%
Net profit⁽²⁾	5,752	4,650	24%

9M'23 net profit (AED)

5.752 bn

(AED bn)

ROAA⁽³⁾

1.39%

9M'22: 1.29%

ROATE⁽³⁾

14.3%

9M'22: 13.0%

EPS (AED)

0.73

9M'22: AED 0.61⁽⁴⁾

Note: Figures may not add up due to rounding differences

(1) Including Islamic financing

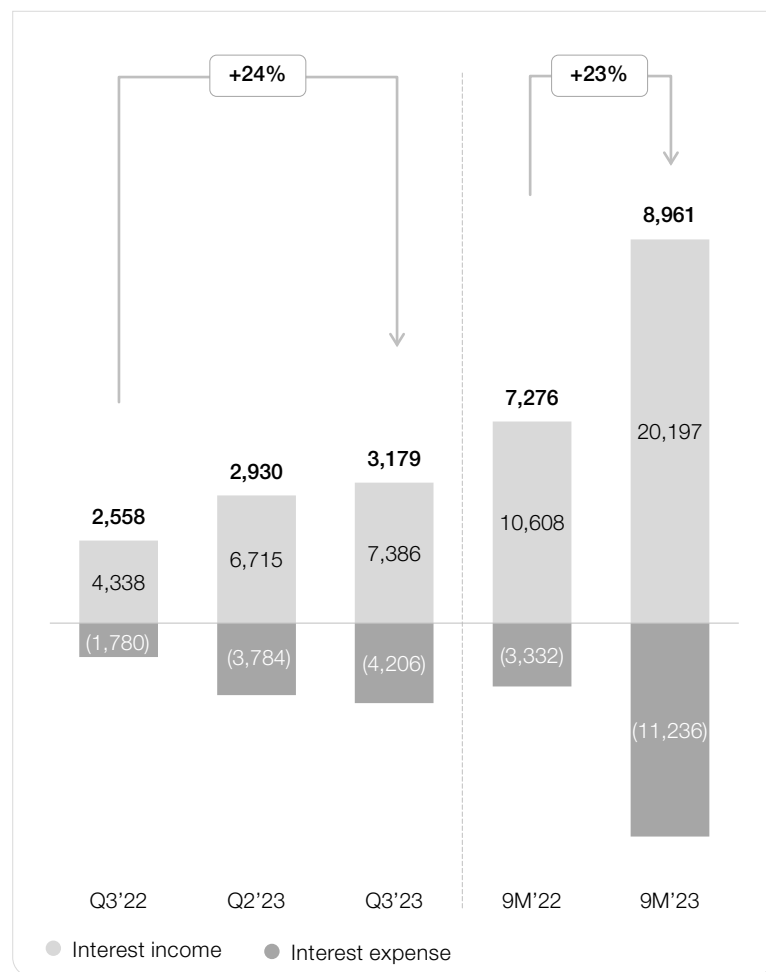
(2) After share in profit/loss of associates, overseas income tax charge, and profit/loss from discontinued operations

(3) For ROATE/ROAA calculations, net profit attributable to equity shareholders is considered, i.e., net profit after deducting interest expense on Tier 1 capital notes

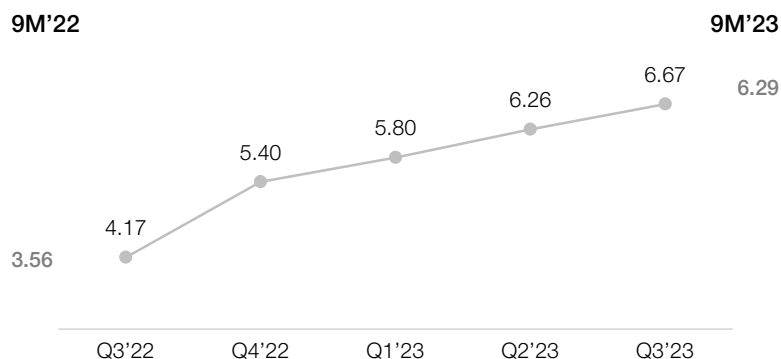
(4) Restated based on revised share capital post stock dividend

9M'23 NIM improved 35 bps supported by higher volumes and rising benchmark rates

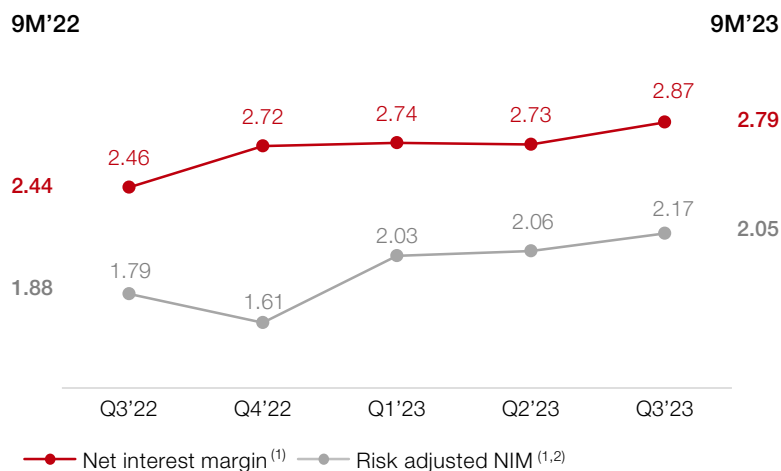
Net interest income (AED mn)



Asset yield (%)⁽¹⁾



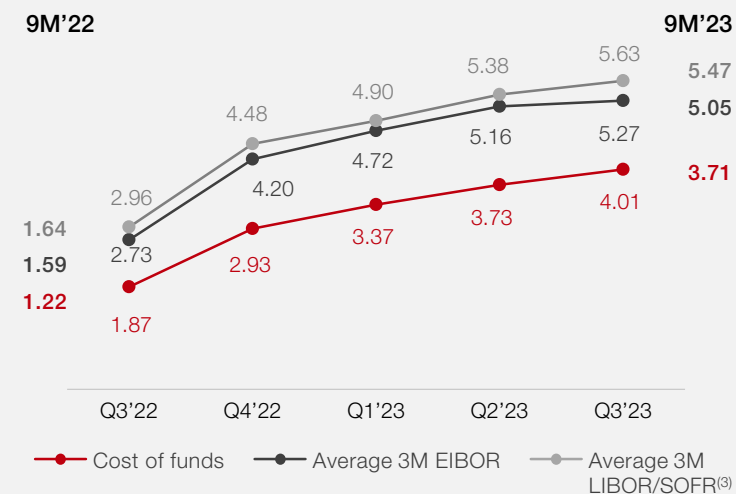
NIM and risk adjusted NIM (%)



Key highlights

- Q3'23 NIM was 41 bps higher YoY at 2.87%, while risk adjusted NIM increased 38 bps YoY to 2.17%
- 9M'23 NIM was 35 bps higher YoY at 2.79% and risk-adjusted NIM rose 17 bps to 2.05%
- CoF in 9M'23 was 3.71%, 249 bps higher YoY, below the increases of 346 bps in 3M average EIBOR and 383 bps in 3M average LIBOR/SOFR⁽³⁾, reflecting effective management of the Bank's funding mix

Cost of funds (%)



Note: Figures may not add up due to rounding differences

(1) Q1'23, Q2'23, Q3'23 and 9M'23 NIM, risk adjusted NIM and yield exclude 'Financial assets at fair value through profit or loss' and 'Loans and advances to customers at fair value through profit or loss' from interest earning assets

(2) Risk adjusted NIM: Net interest income less impairment charge on loans and advances to customers, banks, and investments securities divided by average interest earning assets

(3) Includes credit adjustment spread (CAS), which is the adjustment between LIBOR and risk free rate to reduce/eliminate the economic value transfer between the lender and the borrower when the index changes from LIBOR to the replacement risk free rate

Q3'23 non-interest income up 11% YoY supported by strong growth in card and loan processing fees

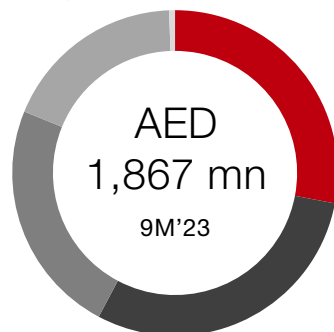
Non-interest income (AED mn)	Q3'23	Q2'23	Q3'22	ΔQoQ	ΔYoY	9M'23	9M'22	ΔYoY
Net fees and commission income	611	724	499	(16%)	22%	1,867	1,490	25%
Net trading income	356	383	281	(7%)	27%	1,195	657	82%
Other operating income ⁽¹⁾	87	22	172	296%	(49%)	182	518	(65%)
Total non-interest income	1,054	1,129	952	(7%)	11%	3,244	2,665	22%

Key highlights

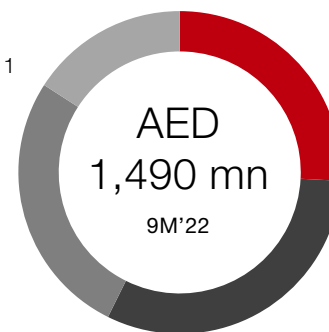
- **Q3'23 net fees and commission income increased 22% YoY** supported by increases in gross card and loan related fees. The card business achieved a quarterly record of 67k+ new primary cards issued
- The sequential decline in fee income was due to receipt of significant volume-related incentive fees in the previous quarter related to a card network partnership
- **Net trading income in Q3'23 was up 27% YoY**, and declined sequentially due to lower gains from derivatives
- Other operating income for 9M'23 was AED 336 mn lower YoY largely due to lower net gains from investment sales and retirement of hedges

Net fees and commission income⁽²⁾ (AED mn)

- Card related fees: 523 ↑
- Loan related fees: 556 ↑
- Trade finance commissions: 437 ↑
- Others⁽³⁾: 341 ↑
- Insurance commissions: 11



- Card related fees: 382
- Loan related fees: 466
- Trade finance commissions: 396
- Others⁽³⁾: 235
- Insurance commissions: 11



+27% YoY

Q3'23 gross card related fees

+35% YoY

Q3'23 gross loan processing fees

Note: Figures may not add up due to rounding differences

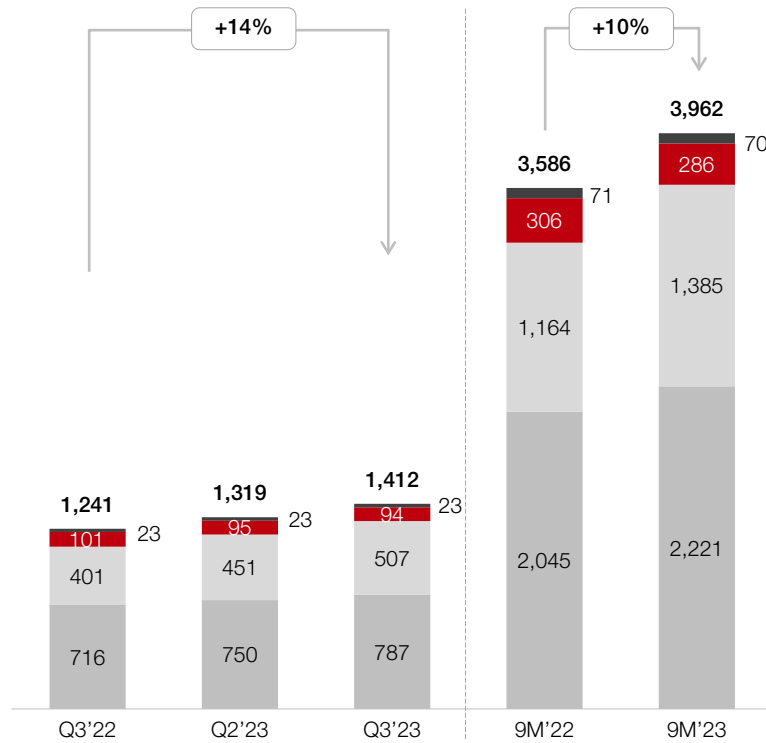
(1) Includes net gains/(losses) from investments properties

(2) All figures are net of related expenses

(3) Others include asset management and investment services, brokerage fees, accounts related fees and other fees

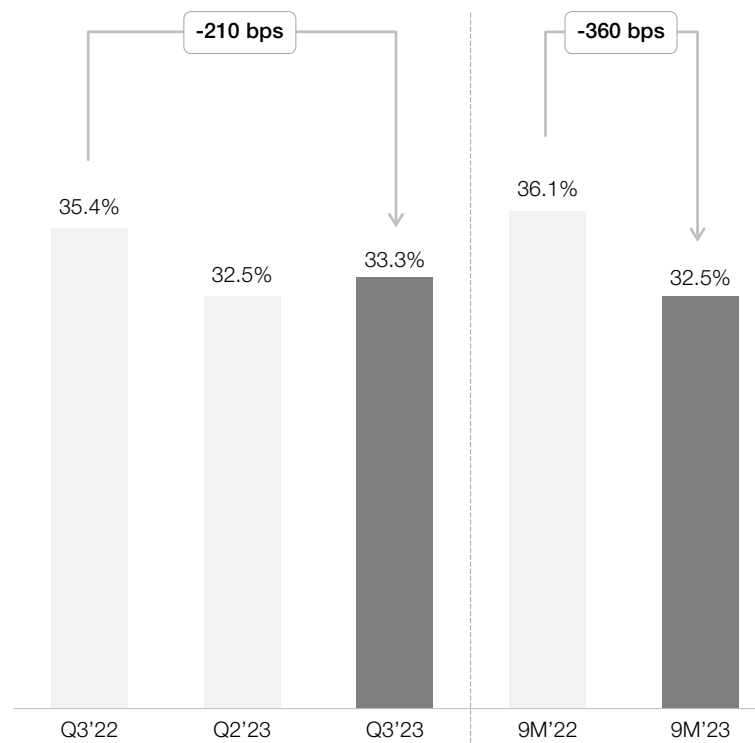
360 bps improvement in 9M'23 cost to income ratio, supported by strong growth in operating income

Operating expenses (AED mn)



● Staff costs ● General administrative expenses ● Depreciation
● Amortisation of intangible assets

Cost to income ratio



Key highlights

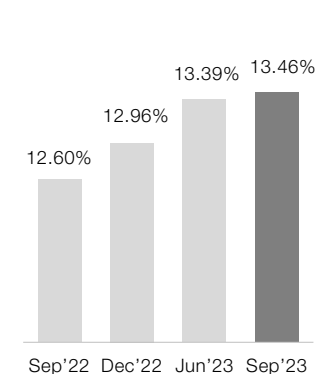
- Cost to income ratio was 32.5% in 9M'23, an improvement of 360 bps YoY, supported by a 23% increase in operating income
- Operating expenses in Q3'23 were 14% higher YoY and up 7% sequentially at AED 1.412 billion mainly due to investment in the growth of the business, including digital technology, people and sales incentives

Strong balance sheet, solid loan growth of 10% YTD, exceeding medium-term guidance, with customer deposits up 7%

Balance sheet (AED mn)	Sep'23	Jun'23	Dec'22	Sep'22	ΔQoQ	ΔYTD	ΔYoY
Total assets	536,889	521,301	497,842	486,365	3%	8%	10%
Net loans and advances to customers	284,257	271,960	258,493	251,202	5%	10%	13%
Net loans and advances to banks	26,831	26,430	26,436	28,230	2%	1%	(5%)
Investment securities	121,757	122,038	112,011	108,264	0%	9%	12%
Deposits from customers	329,276	315,908	308,931	302,262	4%	7%	9%
CASA	157,166	150,373	153,018	159,973	5%	3%	(2%)
Time deposits	172,111	165,535	155,913	142,289	4%	10%	21%
Borrowings (including ECP)	86,910	88,685	75,870	76,010	(2%)	15%	14%
Total shareholders' equity	65,300	63,705	61,418	58,860	3%	6%	11%

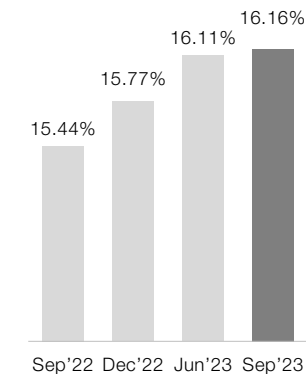
CET1 ratio

13.46%



CAR

16.16%



LCR

130.4%

Dec'22: 138.9%

Liquidity ratio⁽¹⁾

32.0%

Dec'22: 33.0%

LTD ratio

86.3%

Dec'22: 83.7%

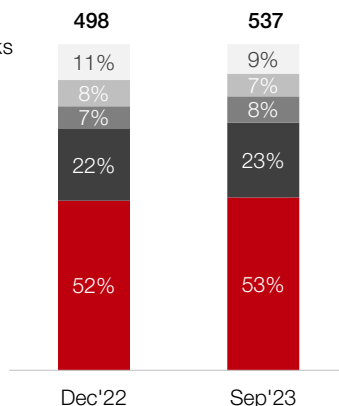
Note: Figures may not add up due to rounding differences

(1) Liquidity ratio: Liquid assets/total assets. Liquid assets include cash and balances with Central Banks, deposits and balances due from banks (excluding loans to banks), reverse repo placements, trading securities, and liquid investments (excluding unquoted investments)

Increased lending to GREs while real estate exposure continued to decline; strong credit demand from retail customers in Q3'23

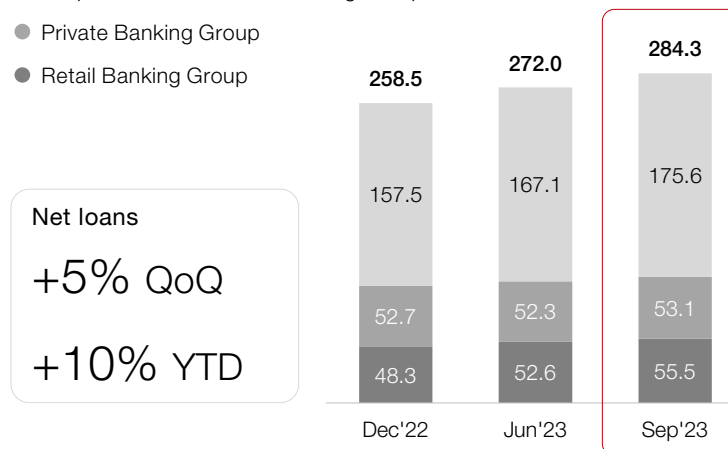
Asset mix (AED bn)

- Other assets⁽¹⁾
- Cash and balances with CB
- Deposits and balances due from banks
- Investment securities
- Net loans and advances



Net loans⁽²⁾ (AED bn)

- Corporate & Investment Banking Group
- Private Banking Group
- Retail Banking Group



Net loans
+5% QoQ
+10% YTD

Key highlights

- Increased lending in 9M'23 to **key economic sectors, including, GREs**, energy, financial institutions and trading
- Cards, personal & auto loans and mortgages provided combined asset growth of 15% YTD in 9M'23, while CIBG attracted major GRE & corporate clients regionally, growing +10% YTD
- **Well balanced portfolio: Abu Dhabi 50%; Dubai 25%;** outside UAE 19%; other Emirates 7%
- Floating interest rate loans represented 75% of total loans

52 bn

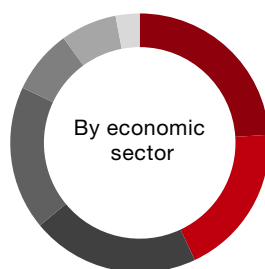
New credit extended in 9M'23 (AED)

32 bn

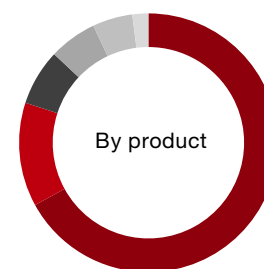
Repayments in 9M'23 (AED)

Gross loans⁽²⁾: AED 296 bn

- Government & PSE 24% ↑
Dec'22: 23%
Dec'21: 26%
- Real estate investment 19% ↓
Dec'22: 22%
Dec'21: 24%
- Personal 21%
- Others⁽³⁾ 18%
- Financial institutions 8%
- Trading 7% ↑
- Hospitality 3%



- Corporate loans 67%
- Retail loans⁽⁴⁾ 13%
- Other facilities 7%
- Overdrafts (retail & corporate) 6%
- Mortgages 5%
- Credit cards 2%

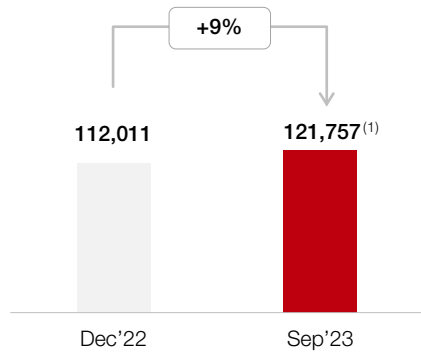


Note: Figures may not add up due to rounding differences
(1) Other assets include financial assets at fair value through profit or loss (Sep'23: AED 9.0 bn, Dec'22: AED 4.6 bn), derivative financial instruments, investment in associates, investment properties, property and equipment (net), intangible assets and assets held for sale
(2) Includes loans and advances at FVTPL (NMC loan)

(3) Others include: agriculture, energy, transport, manufacturing, services and others
(4) Retail loans include personal loans, auto loans and others
(5) Personal, mortgage and auto loans refer to disbursements
(6) Credit cards reflect the volume of cards issued

Investment securities up 9% YTD to AED 122 bn with 99% invested in bonds

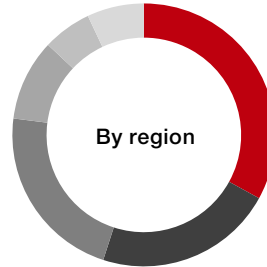
Investment securities (AED mn)



Investment securities: AED 121,757 mn⁽²⁾

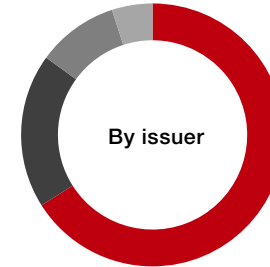
- Domestic 33%
- Other GCC countries 22%
- Asia 22%
- USA 10%
- Europe 6%
- Rest of the world 7%

55%
Invested in the UAE and GCC (Dec'22: 60%)

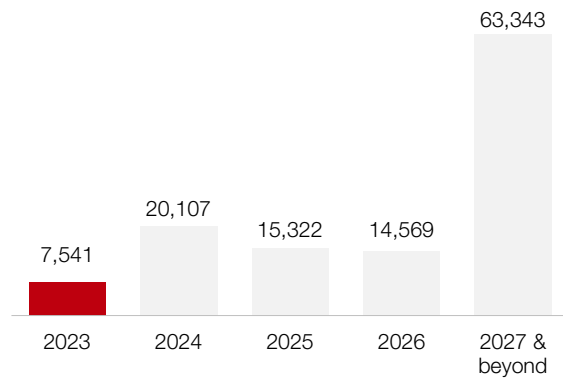


- Government 66%
- Public sector 19%
- Banks and FI 10%
- Others 5%

99%
Invested in bonds



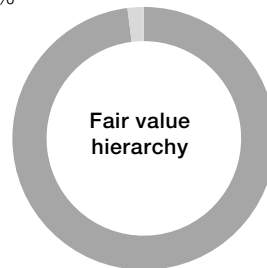
Maturity profile (AED mn)⁽³⁾



Total bond portfolio

Government and Non-Government bond portfolio: AED 120,906 mn

- Level 1
Quoted market prices 98%
- Level 2
Valuation techniques using observable inputs 2%



- AAA to AA- 48%
- A+ to A- 35%
- BBB+ to BBB- 12%
- BB+ to unrated 5%
- UAE Sovereign⁽⁴⁾ 0.4%



Key highlights

- Investment securities were AED 122 billion, up 9% YTD and 12% YoY
- **67% accounted for at amortised cost and 33% at fair value through other comprehensive income (FVTOCI) and mark to market on a daily basis**

Non-Government bond portfolio

- Rated A-or better: 86%
- Rated BBB+ to BBB-: 12%
- Rated below investment grade: (BB+ and below including unrated): 2%

Credit ratings

- Standard & Poor's, or equivalent of Fitch or Moody's. Issuer/guarantor's based ratings are used, where bonds are unrated

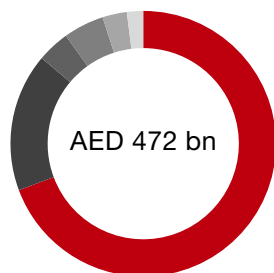
Note: Figures may not add up due to rounding differences
 (1) Includes AED 81 bn investments carried at amortised cost (31 Dec 2022: AED 56 bn)
 (2) Includes equity instruments and mutual funds

(3) Excluding investments in equity and funds
 (4) UAE Sovereign internal rating in Grade 3- and maps to external rating between AA to A-

Strong franchise supported AED 6.8 bn increase in CASA deposits in Q3'23

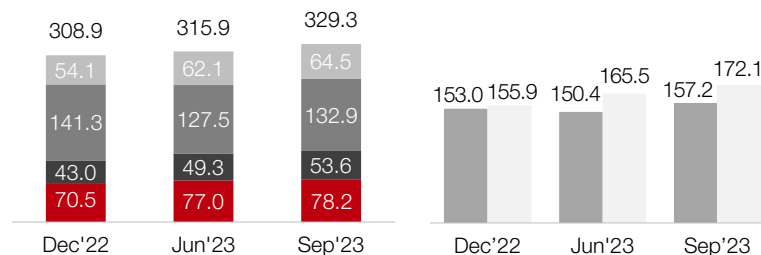
Liability mix

- Customer deposits 70%
- Borrowings 17%
- Other liabilities 4%
- Derivative financial instruments 5%
- Due to banks 3%
- Euro commercial paper 2%



Customer deposits (AED bn)

- Retail Banking⁽¹⁾
- Private Banking
- CIBG
- Treasury
- CASA deposits
- Time deposits



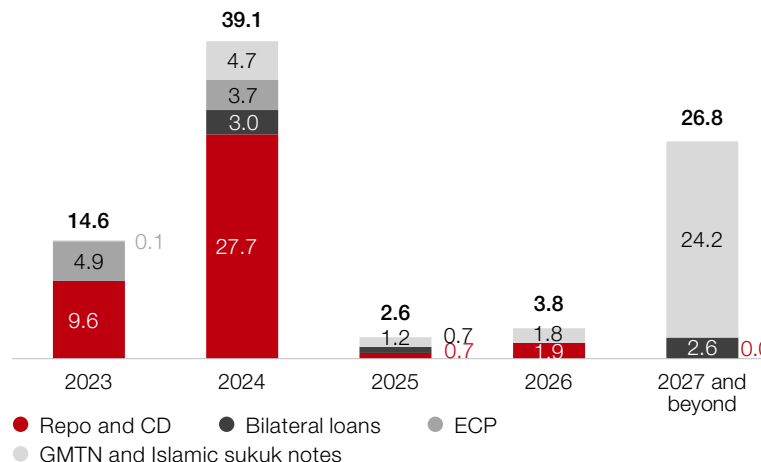
CASA split by business (AED mn)

As at 30 Sep 2023	Total deposits	CASA	CASA %	Contribution to Group's CASA %
Commercial	21,531	17,612	82%	11%
CIBG ⁽²⁾	111,406	63,173	57%	40%
PBG	53,595	16,147	30%	10%
RBG	77,171	58,701	76%	37%
Subtotal	263,702	155,632	59%	99%
Treasury	64,526	485	1%	0%
Property Management	1,048	1,048	100%	1%
ADCB Group	329,276	157,166	48%	100%

Wholesale funding

As at 30 Sep 2023	AED bn
Global medium-term notes (GMTN)	32.0
Repo	37.9
Euro commercial paper	8.6
Bilateral loans	6.4
Certificate of deposits	2.0
Total	86.9

Maturity profile (AED bn)



Key highlights

- Total customer deposits of AED 329 bn, up 7% YTD and 4% QoQ with strong growth across the Group
- Despite a rising rate environment, the Bank attracted **AED 6.8 bn in CASA deposits in Q3'23**
- **CASA deposits accounted for 48%** of total customer deposits and were well balanced across the business, with CIBG including commercial accounting for 52%, and Retail and Private Banking representing 48%
- Time deposits were up 4% sequentially and 10% YTD
- Net lender of AED 10 bn in the interbank markets⁽³⁾

Figures may not add up due to rounding differences

(1) Includes Property Management
(2) Excludes Commercial

(3) Excludes loans to banks of AED 26.8 bn from deposits and balances due from banks, net, but includes AED 1.4 bn of certificate of deposits with central banks and AED 9.0 bn overnight placement with Central Bank

The Bank remains well capitalised with capital ratios above regulatory requirements

Capital adequacy ratio walkthrough (%)

CAR⁽¹⁾

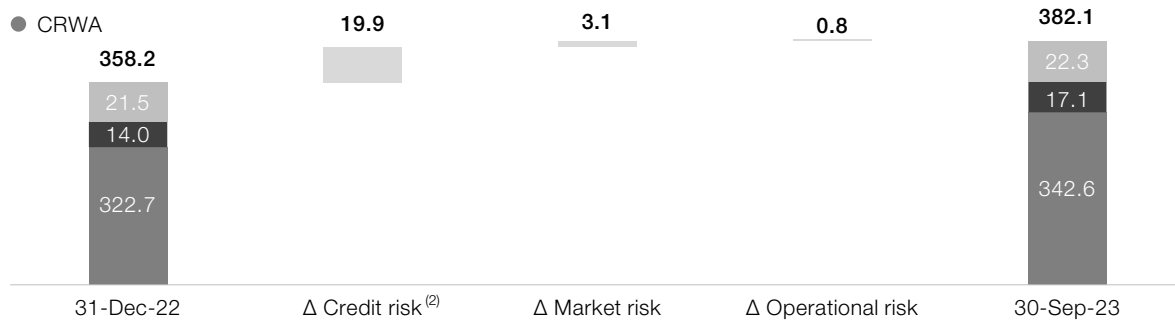
- Tier 2 ratio
- AT1 ratio
- CET1 ratio



Risk weighted assets walkthrough (AED bn)

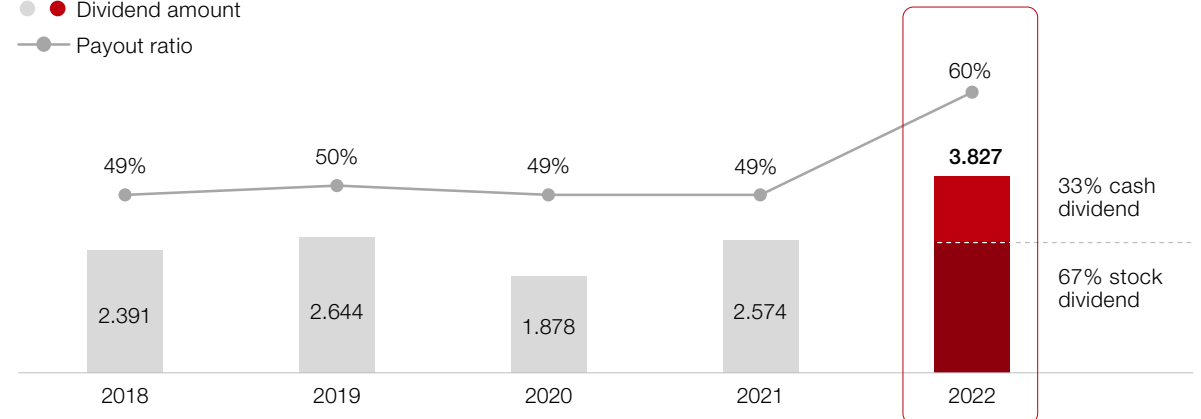
RWA

- ORWA
- MRWA
- CRWA



Dividend history and shareholders' returns (AED bn)

- Dividend amount
- Payout ratio



Note: Figures may not add up due to rounding differences

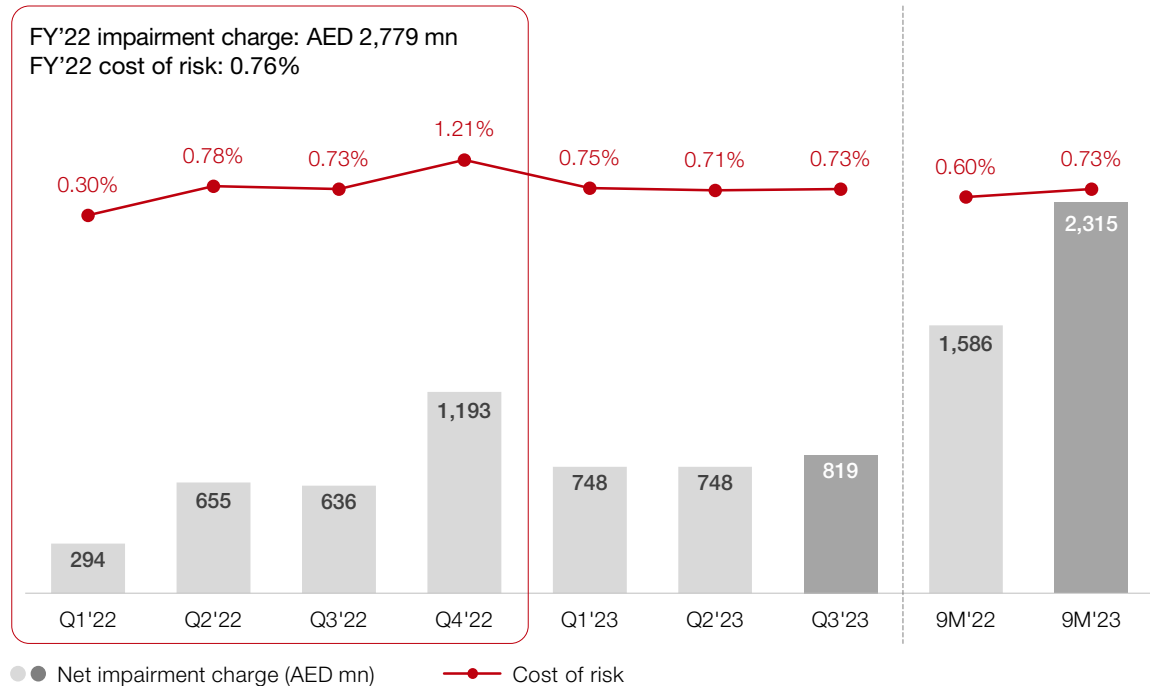
(1) UAE CB minimum CET1, Tier 1 and CAR requirements; 10%, 11.50% and 13.50% (13.56% including Credit Countercyclical Buffer regulatory requirement for Q3'23, subject to change every quarter)

(2) Includes credit valuation adjustment risk

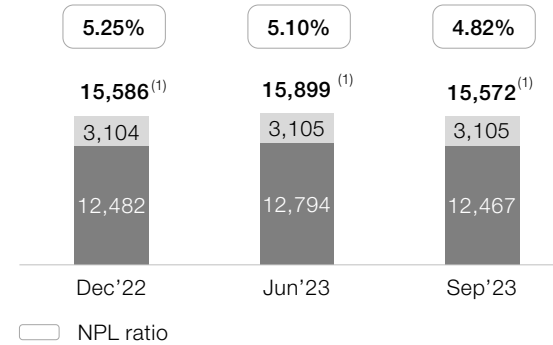
Q3'23 and 9M'23 cost of risk at 73 bps, remaining in line with medium-term guidance

Cost of risk

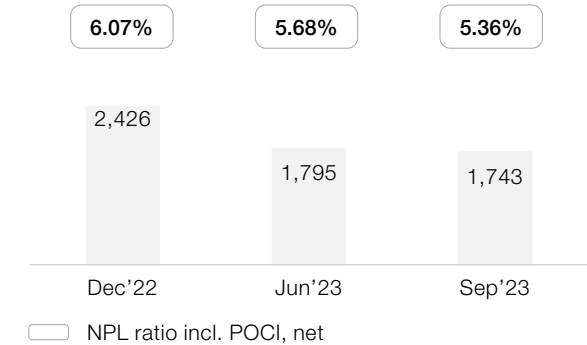
- Q3'23 net impairment charge of AED 819 mn was higher QoQ primarily on account of lower recoveries. For the nine-month period, impairment charge was higher due to provisioning on a few corporate accounts
- 9M'23 cost of risk increased to 73 bps, from 60 bps a year earlier when significant releases were recorded in Q1'22



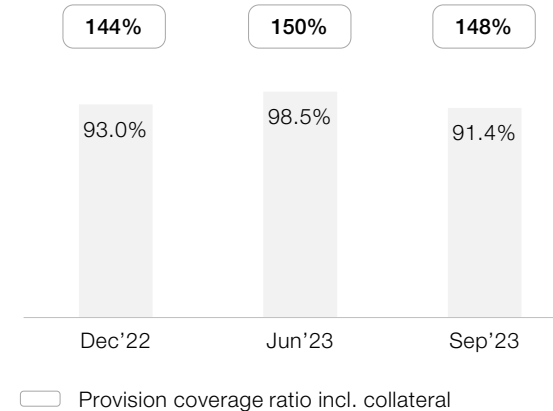
Non-performing loans (AED mn) and NPL ratio



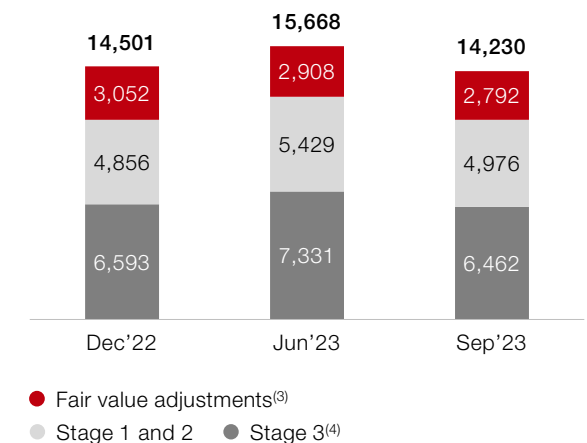
POCI assets (AED mn) and NPL ratio incl. POCI



Provision coverage ratio⁽²⁾



ECL by stage (AED mn)



Notes: Figures may not add up due to rounding differences
 POCI: Purchase or originated credit-impaired financial assets
 CoR: Net impairment charge on loans & advances and investments divided by net average loans & advances and investments
 (1) Includes NMC Holdco loan of AED 3.1 bn which has been classified as loans and advances at FVTPL
 For further information please refer to Note 9 of the financial statements

(2) Provisions on loans and advances, including fair value adjustments
 (3) Fair value adjustments on loans include the historical ECL carried in books of AHB and ex-UNB (excluding POCI)
 (4) Excludes AED 435 mn impairment allowances on POCI

Al Hilal super app attracted 33,000+ new banking customers in Q3'23, bringing total to c.223,000



- Super app featuring a virtual marketplace has **acquired approximately 590,000 registered users** since launch in Feb'22, with 80,000 joining the platform in Q3'23
- Over 33,000 new banking customers were onboarded by the app in Q3'23, bringing the total to c.223,000
- Average of c.8,800 daily transactions were conducted on the app in the quarter, with an average engagement time of 19 minutes per visit
- **The app launched a feature offering bookings at 400,000+ hotels using touchpoints and credit cards** and introduced the use of Emirates Face Recognition authentication when adding beneficiaries
- Through the app, Al Hilal Bank is extending its reach beyond its core Abu Dhabi market. Abu Dhabi residents account for 43% of banking customers, while Dubai and the Northern Emirates represent 32% and 25%, respectively
- The super app builds on a track record of **increasing digital engagement**, with active users of Al Hilal's digital platforms in Q3'23 up 78% YoY



Customers registered on digital platforms

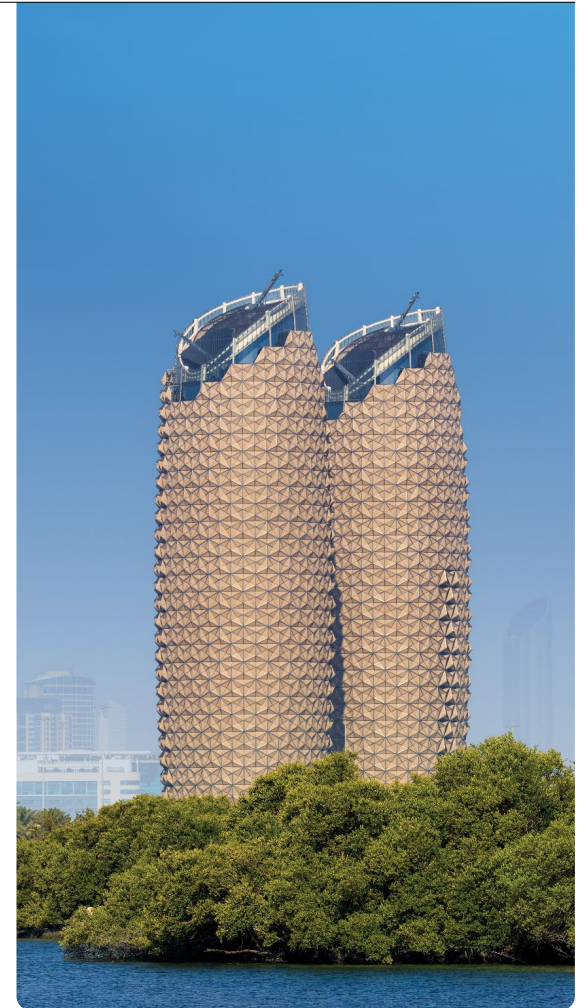
83%

Q3'22: 71%



Q3'23 digitally active customers

+78% YoY



Strong performance by ADCB Egypt despite macro-economic challenges, while transformation continues with first digital branch launched



- **ADCB Egypt delivered a strong financial performance despite** a backdrop of macro-economic challenges, with 9M'23 net profit⁽¹⁾ increasing 136% YoY to EGP 1.2 bn, with a return on equity of 21.9%
- **Q3'23 net profit of EGP 401 mn**, increased 323% YoY, with a return on equity of 21.2%
- **Net loans increased 9.7% YTD** to EGP 32.7 billion as at 30 September 2023
- Total deposits increased 0.3% YTD to EGP 75.6 billion as at 30 September 2023


- Continued digital transformation, with launch of a **first digital branch**
- Subscribers to digital banking platforms were 48% higher YoY in Q3'23, with digital transactions up 273%



9M'23 net profit (EGP)⁽¹⁾	9M'23 ROE
1.2 bn	21.9%
136% YoY	9M'22: 10.8%


Q3'23 digitally active customers

+55% YoY



Q3'23 digital subscribers

+48% YoY




(1) Based on IFRS

2. Digital & ESG highlights

Digital continues to enable customer growth, with 81% of new retail customers⁽¹⁾ onboarded digitally in Q3'23

Retail Banking Group (RBG)

- c.167,000 new retail customers at ADCB and AHB in Q3'23, with 81% onboarded digitally, **including 102,000 through onboarding app 'Hayyak'**
- Enhanced third-party partnerships including new digital onboarding for **ADCB credit card introduced on Talabat app**
- New self-service credit card applications on ADCB mobile app and website, with straight-through processing enabling **customers to receive digital credit card within 15 minutes**

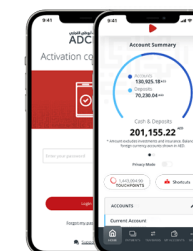
Corporate & Investment Banking Group (CIBG)

- Digital releases in Q3'23 included launch of an automated trade license renewal process using blockchain technology, and **introduction of a new supply chain and virtual accounts solution for corporate customers**
- **Continued simplification of the customer journey on the ProCash mobile app**

Q3'23 digital highlights⁽²⁾

Retail customers onboarded digitally through Hayyak
102k

Digital retail customer transactions
97%



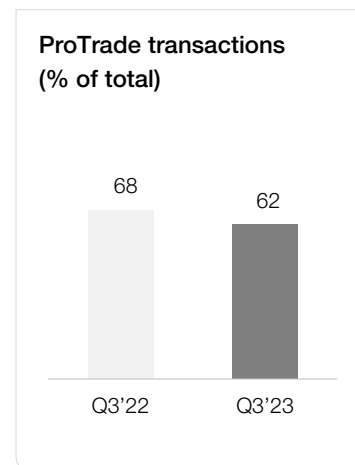
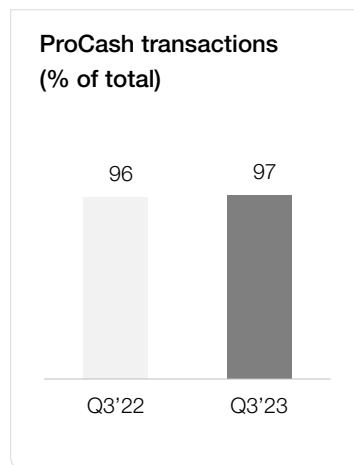
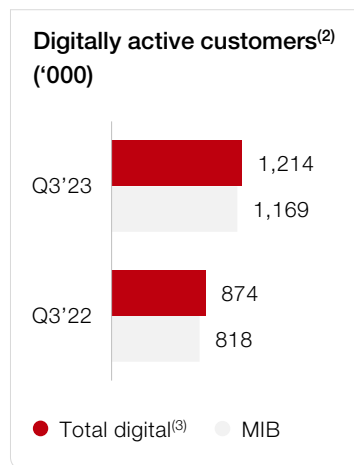
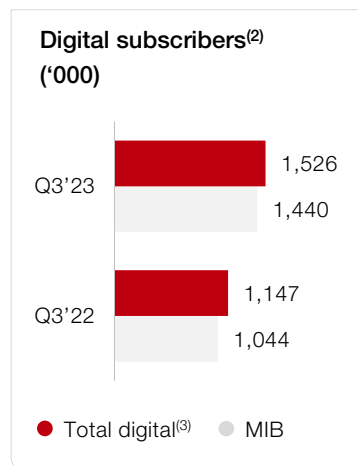
Highest number of customers subscribed on MIB in a quarter
114k



Customers are registered on Internet & Mobile Banking
88%



Mobile fund transfer transactions
+63% YoY



(1) ADCB UAE operations and Al Hilal Bank
(2) ADCB UAE operations only
(3) Total digital: Internet or Mobile Banking

Subscribers: Registered user having at least one active product relationship
Active: At least one transaction in past three months

ESG and climate agenda advancing, with second green bond issued and significant expansion of eligible green loan portfolio

- **Second green bond of USD 650 million was issued in September, 2.9x oversubscribed.** The issuance supports further investment in renewable and sustainable projects, supporting the UAE's transition to a net zero economy
- **Inaugural ADCB Green Bond Report published in September,** detailing the allocation and impact of the Bank's Eligible Green Loan Portfolio. The portfolio grew 61% YoY, reaching USD 1.65 billion as at June-end, with an impact of 119 tonnes of CO₂ emissions avoided per AED 1 million invested
- **Enhanced climate strategy being finalised in line with industry best-practice,** underpinned by key initiatives to ensure a credible approach
- Building on current **green/sustainable products and services,** the Bank launched our latest sustainable/green finance proposition, **Sustainable Call Account**
- **Completed baseline assessment of ADCB's scope 3 financed emissions** in accordance with **Partnership for Carbon Accounting Financials (PCAF) standards.** The assessment revealed that more than 80% of ADCB's financed emissions were from the real estate, oil & gas and aviation sectors

- **Delivered over 2,000 learning hours** so far on core learning initiatives to embed ESG awareness among employees in the Bank



Key highlights

'2022 Green Bond Report' published with third party assurance by Deloitte



Second Green bond issued in September

USD 650 mn



**5.5%
Coupon rate**

**2.9x
Oversubscribed**

**Over USD 1.9 bn
in total orders**

119 tCO₂e/AED mn

Annual financed emissions avoided as result of Eligible Green Bond Portfolio



Eligible Green Bond Portfolio +61%YoY

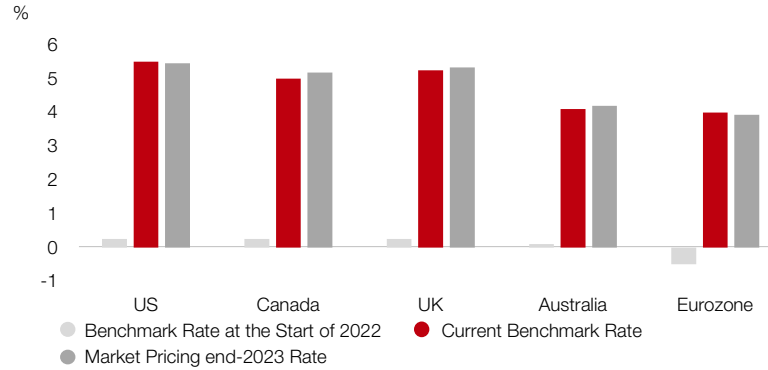
USD 1.65 bn



3. Operating environment & updated guidance

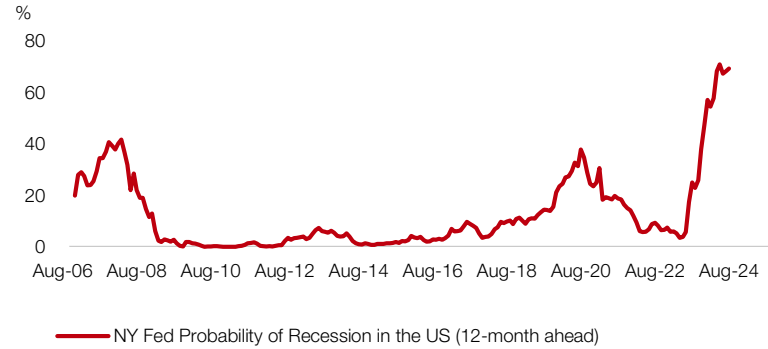
Resilient UAE economy despite heightened global uncertainty

Global: Central banks will keep interest rates at decade high levels to tame high inflation



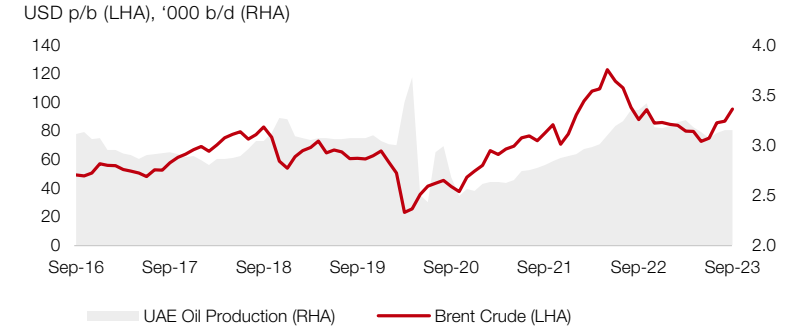
Source: Bloomberg, Federal Reserve, BoE, ECB, RBA, BoC, ADCB Economic Research

US: Probability of a recession in the next 12 months has risen significantly as the Fed hikes interest rates



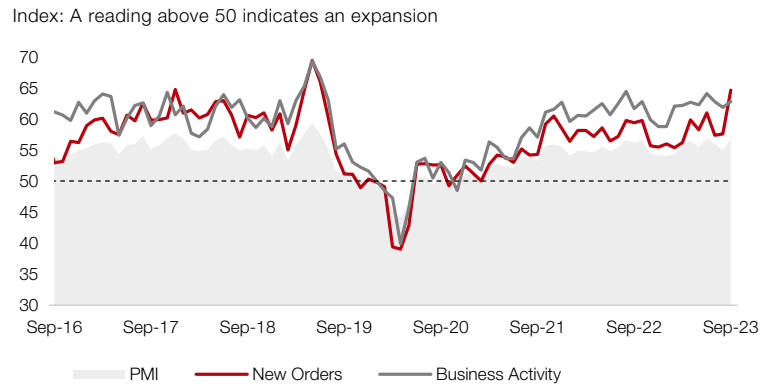
Source: NY Federal Reserve, Bloomberg, ADCB Economic Research

Global: Oil price accelerated sharply from June 2023 onwards reflecting Saudi and Russia's extended oil productions cuts



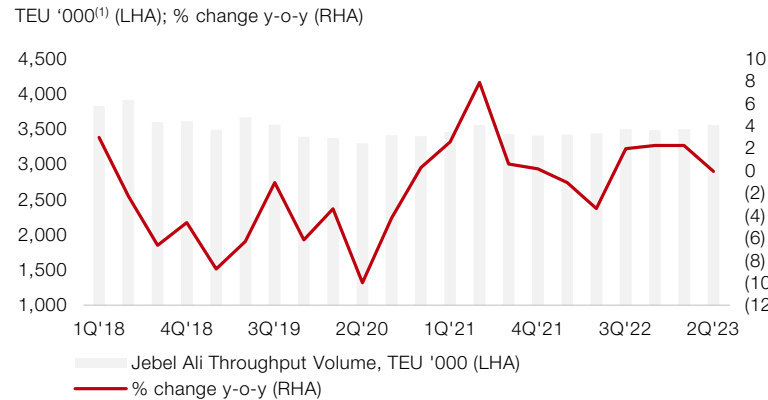
Source: Bloomberg, ADCB Economic Research

UAE: PMI data remains in the strongly expansionary territory in 2023 with supportive domestic demand backdrop



Source: S&P Global, ADCB Economic Research

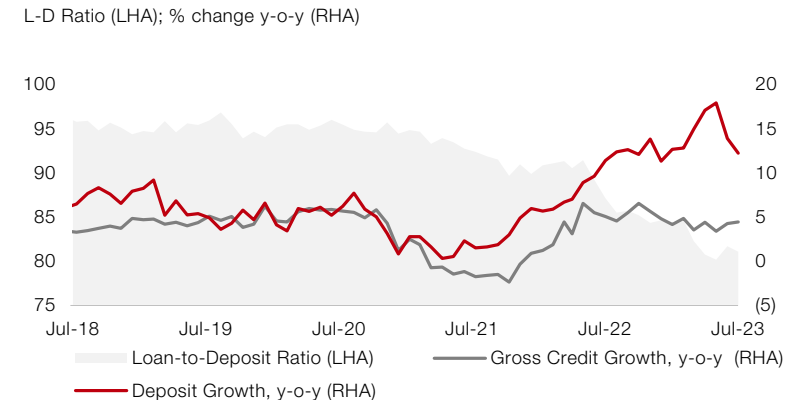
UAE: Externally facing service sector to face headwinds from global slowdown in 2023



(1) Twenty-foot equivalent units

Source: DP World, ADCB Economic Research

UAE: Banking sector liquidity remains comfortable with deposit growth outpacing credit growth in yearly terms



Source: Central Bank of the UAE, ADCB Economic Research

Updated guidance for FY'23 driven by strong YTD performance

Closing remarks

- Strong financial performance, driven by **robust loan growth** amid rising benchmark rates
- Healthy deposit inflows, including significant **sequential growth in CASA deposits**
- Digital continues to drive customer acquisition
- Strong progress on ESG, with focus on **enhanced climate strategy**
- **Looking into 2024, we remain confident in the country's fundamentals** and continued investment in its economic diversification strategy
- **ADCB is well-positioned** to benefit from strong consumer and business confidence

Medium-term (2021–2023) guidance

Loan growth Mid-single digit

Cost to income ratio ≈29–32%

Cost of risk⁽¹⁾ ≈80 bps

CET1 ratio >12%

Dividend payout ratio 50% of net profit

Updated guidance

Loan growth

FY'23 guidance

10-12%

9M'23 actual

10%

ROATE

14-15%

14.3%

NIM

Approx. 2.8%

2.79%

Cost of risk⁽¹⁾

≈80 bps

73 bps

CET1 ratio

>12%

13.46%

Dividend payout ratio - Cash

50% of net profit

(1) CoR: Net impairment charge on loans & advances and investments divided by net average loans & advances (excluding loans and advances at FVTPL) and investments

4. Appendix

The background of the slide features a complex, abstract pattern of light gray lines. These lines are arranged in a way that creates a sense of depth and movement, resembling a tunnel or a series of overlapping, curved planes. The lines are most dense and detailed on the right side of the image, where they form a series of parallel, slightly curved lines that recede into the distance. On the left side, the lines become more sparse and less defined, blending into the light gray background. The overall effect is one of a dynamic, three-dimensional space.

Balance sheet as at 30 September 2023

AED mn	Sep'23	Dec'22	ΔYTD
Cash and balances with central banks, net	34,975	39,429	(11%)
Deposits and balances due from banks, net	40,669	35,339	15%
Financial assets at fair value through profit or loss	8,981	4,642	93%
Derivative financial instruments	20,728	15,183	37%
Investment securities, net	121,757	112,011	9%
Loans and advances to customers, net	284,257	258,493	10%
Investment in associates	251	253	(1%)
Investment properties	1,688	1,692	0%
Other assets, net	14,632	21,711	(33%)
Property and equipment, net	1,885	1,938	(3%)
Intangible assets	7,065	7,152	(1%)
Total assets	536,889	497,842	8%
Due to banks	14,100	9,719	45%
Derivative financial instruments	22,409	16,225	38%
Deposits from customers	329,276	308,931	7%
Euro commercial paper	8,625	5,994	44%
Borrowings	78,286	69,876	12%
Other liabilities	18,887	25,671	(26%)
Total liabilities	471,583	436,416	8%
Total shareholders' equity	65,300	61,418	6%
Non-controlling interests	6	8	NM
Total liabilities and shareholders' equity	536,889	497,842	8%

Income statement for the nine month period ended 30 September 2023

AED mn	Quarterly trend			YTD trend		
	Q3'23	Q3'22	ΔYoY	9M'23	9M'22	ΔYoY
Interest and income from Islamic financing	7,386	4,338	70%	20,197	10,608	90%
Interest expense and profit distribution on Islamic financing	(4,206)	(1,780)	136%	(11,236)	(3,332)	237%
Net interest and Islamic financing income	3,179	2,558	24%	8,961	7,276	23%
Net fees and commission income	611	499	22%	1,867	1,490	25%
Net trading income	356	281	27%	1,195	657	82%
Other operating income	87	172	(49%)	182	518	(65%)
Non-interest income	1,054	952	11%	3,244	2,665	22%
Operating income	4,233	3,510	21%	12,205	9,941	23%
Staff expenses	(787)	(716)	10%	(2,221)	(2,045)	9%
General administrative expenses	(507)	(401)	26%	(1,385)	(1,164)	19%
Depreciation	(94)	(101)	(7%)	(286)	(306)	(6%)
Amortisation of intangible assets	(23)	(23)	0%	(70)	(71)	(1%)
Operating expenses	(1,412)	(1,241)	14%	(3,962)	(3,586)	10%
Operating profit before impairment charge	2,822	2,269	24%	8,243	6,355	30%
Impairment charge	(819)	(636)	29%	(2,315)	(1,586)	46%
Share in profit/(loss) of associates	(2)	(1)	NM	(1)	(4)	NM
Overseas income tax charge	(58)	(41)	41%	(174)	(106)	65%
Gain/(loss) from discontinued operations	-	2	NA	-	(10)	NA
Profit for the period	1,942	1,591	22%	5,752	4,650	24%

9M'23 awards

ADCB 9M'23 awards and recognition

Business Continuity Awards 2023

- Global Award Category

Recognition by the UAE Federal Government through the Majra (National CSR Fund)

- Impact Seal – Platinum Tier

The Digital Banker – Digital CX Awards 2023

- Outstanding Digital CX – Cash Management Platform
- Outstanding Digital CX – Trade Finance Initiative

The Digital Banker award – Middle East & Africa Innovation Awards 2023

- Best Bank for Cash Management
- Best Mobile App for Corporates
- Outstanding Client Onboarding & Account Opening

International Financial – Awards 2023

- Best Corporate Customer Service Bank – UAE 2023

The Asian Banker Excellence in Retail Financial Services Awards 2023

- Best Retail Bank in Middle East
- Best Retail Bank in UAE
- UAE Domestic SME Partnership Initiative of the Year
- SME Bank of the year in UAE
- New SME Lending Product of the year UAE
- UAE Domestic Customer Service Initiative of the Year – ProCash Mobile App

The International ARC Awards – Annual Report 2022

- Interior Design – Gold
- Cover Page – Gold
- Written Content – Gold
- Print Production – Gold
- Best Annual Report – Silver

ADCB Egypt 9M'23 awards and recognition

World Business Outlook

- Best New Bank Egypt 2023
- Fastest Growing Retail Bank Egypt 2023
- Fastest Growing Corporate Bank Egypt 2023
- Fastest Growing Bank Egypt 2023
- Best Digital Banking Services Provider Egypt 2023

International Business Magazine

- Best New Bank Egypt 2023
- Most Innovative Digital Bank 2023
- Best Internet Banking Egypt 2023

International Finance Magazine

- Most Innovative New Digital Bank – Egypt 2023
- Best Financial Inclusion Package Towards People with Disabilities – Erada – Egypt 2023

The Digital Banker

- Best New Wealth Management Product of the Year
- Credit Card of The Year – Egypt
- Excellence in Digital innovation – Highly Acclaimed
- Best Financial Inclusion Initiative

ADCB Investor Relations

Contact information

For more information, please visit adcb.com/ir
or contact ADCB Investor Relations at ir@adcb.com

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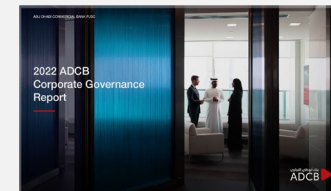
2022 Annual Report

adcb.com/annualreport



2022 Corporate Governance Report

adcb.com/cgreport



2022 ESG Report

adcb.com/esgreport

