

ABU DHABI COMMERCIAL BANK PJSC

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Fourth quarter and full year 2023

Earnings presentation

31 January 2024

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1. Financial highlights

Record earnings driven by strong fundamentals, significant advancements made in delivering strategic priorities

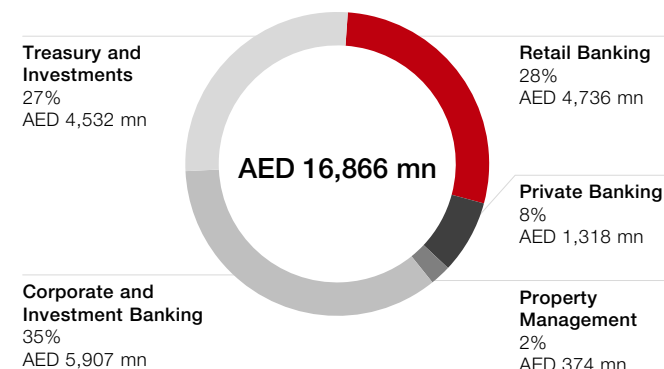
Highlights

- **Successful execution of strategy delivering strong growth** in core earnings, with net profit up 28% in FY'23 and 38% YoY in Q4'23, with ROATE of 15.1% for the full year
- Net loan growth of 17% driven by both Retail and Corporate Banking, with **AED 74 bn of new corporate credit** extended in FY'23
- Strong disbursement of personal loans, auto loans and mortgages, with **the cards business achieving its best year ever – with 21% share** of all Q4 UAE credit cards issuance
- Customer deposits increased 17% in FY'23, with the Bank **attracting AED 14 bn of CASA deposits** despite the higher interest rate environment
- **FY'23 cost to income ratio improved 180 bps YoY** to 32.3% reflecting disciplined cost management
- **Cost of risk at 79 bps in FY'23, remaining in line with medium-term guidance of 80 bps**, with the NPL ratio reducing to 3.73%, its lowest level since 2020
- Strong progress on strategic priorities:
 - **Joined the UN-convened industry-led Net Zero Banking Alliance (NZBA)** and tripled sustainable finance commitment to AED 125 bn by 2030
 - **Received a significant ESG rating upgrade by Sustainalytics to 'low risk'** – the highest ranked bank in the MENA region and in top 6% of all companies covered globally
 - **Divested of 80% stake in Abu Dhabi Commercial Properties (ADCP)** in Q4'23, recording a net gain of AED 490 mn (including fair value gain of 20% retained interest), in line with strategy to focus on core businesses
 - Approval obtained from Saudi Arabia's Council of Ministers in Jan'24 for **ADCB to open a branch in Riyadh** to serve corporate clients
 - **Digital platforms instrumental in growth** of the customer base, with onboarding app crossing the milestone of 1 mn customers since launch in 2019

Key highlights

Diversified growth by business streams

% contribution to FY'23 operating income



Q4'23 net profit

38% YoY

FY'23 loan growth (AED)

+44 bn YoY

FY'23 net profit

28% YoY

FY'23 deposit growth (AED)

+54 bn YoY

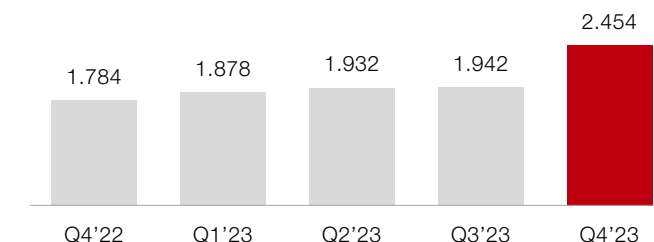
Accelerated earnings growth in Q4'23 with an ROATE of 18.1%

Income statement (AED mn)	Q4'23	Q3'23	Q4'22	ΔQoQ	ΔYoY
Total net interest income ⁽¹⁾	3,413	3,179	2,918	7%	17%
Non-interest income	1,249	1,054	1,486	19%	(16%)
Operating income	4,662	4,233	4,403	10%	6%
Operating expenses	(1,491)	(1,412)	(1,302)	6%	14%
Operating profit	3,171	2,822	3,101	12%	2%
Impairment charge	(1,162)	(819)	(1,193)	42%	(3%)
Net gain on disposal of stake in subsidiary ⁽²⁾	490	–	–	NA	NA
Net profit⁽³⁾	2,454	1,942	1,784	26%	38%

Q4'23 net profit (AED)

2.454 bn

(AED bn)

ROAA⁽⁴⁾

1.76%

Q4'22: 1.44%

ROATE⁽⁴⁾

18.1%

Q4'22: 15.1%

EPS (AED)⁽⁵⁾

0.34

Q4'22: AED 0.25⁽⁶⁾

Note: Figures may not add up due to rounding differences

(1) Including Islamic financing

(2) Net gain on disposal of stake in subsidiary and fair value gain on retained interest

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

(4) 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

(5) Diluted earnings per share for Q4'23 is AED 0.34 and Q4'22 is AED 0.24

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

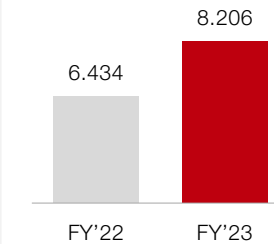
Record earnings driven by strong credit expansion in a higher interest rate environment and growth across diverse income streams

Income statement (AED mn)	FY'23	FY'22	ΔYoY
Total net interest income ⁽¹⁾	12,374	10,194	21%
Non-interest income	4,493	4,151	8%
Operating income	16,866	14,344	18%
Operating expenses	(5,453)	(4,888)	12%
Operating profit	11,414	9,456	21%
Impairment charge	(3,477)	(2,779)	25%
Net gain on disposal of stake in subsidiary ⁽²⁾	490	–	NA
Net profit⁽³⁾	8,206	6,434	28%

FY'23 net profit (AED)

8.206 bn

(AED bn)



ROAA⁽⁴⁾

1.47%

FY'22: 1.33%

ROATE⁽⁴⁾

15.1%

FY'22: 13.3%

EPS (AED)⁽⁵⁾

1.07

FY'22: AED 0.86⁽⁶⁾

Note: Figures may not add up due to rounding differences

(1) Including Islamic financing

(2) Net gain on disposal of stake in subsidiary and fair value gain on retained interest

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

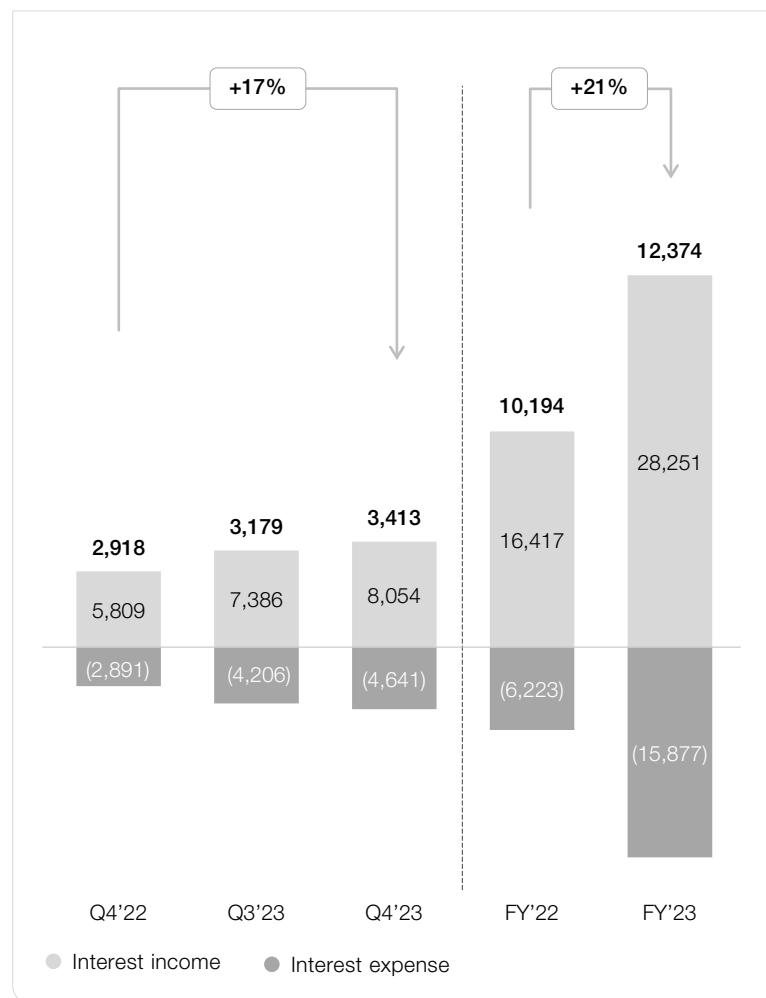
(4) For ROATE/ROAA calculations, net profit attributable to equity shareholders is considered, i.e., net profit after deducting interest expense on Tier 1 capital notes

(5) Diluted earnings per share for FY'23 is AED 1.07 and FY'22 is AED 0.85

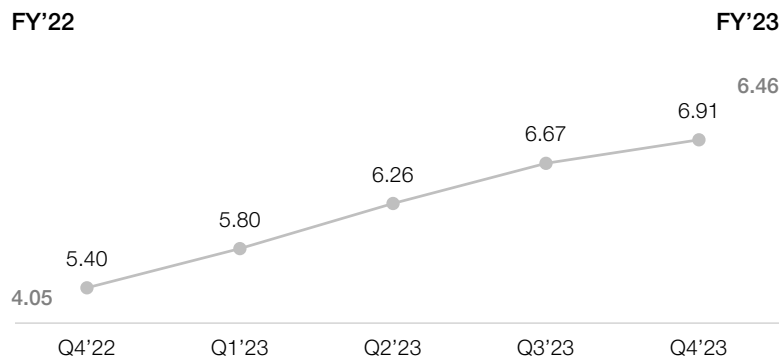
(6) Restated based on revised share capital post stock dividend

NIMs widened on increased volumes, higher interest rates and effective management of cost of funds

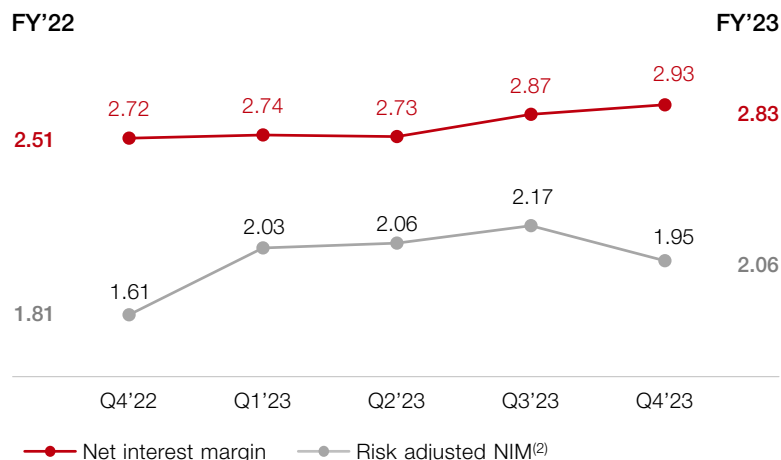
Net interest income (AED mn)



Asset yield (%)⁽¹⁾



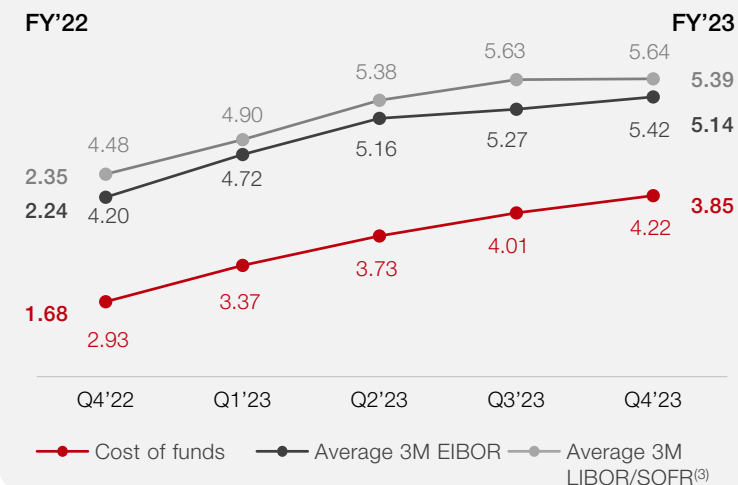
NIM and risk adjusted NIM (%)⁽¹⁾



Key highlights

- **FY'23 NIM improved by 32 bps YoY to 2.83%** and risk adjusted NIM increased 25 bps to 2.06%.
- **Q4'23 NIM was 21 bps higher YoY at 2.93%**, while risk adjusted NIM rose 34 bps to 1.95%
- **CoF in FY'23 increased by 217 bps YoY to 3.85%** in FY'23, **below the increases of 290 bps in 3M average EIBOR** and **304 bps in 3M average LIBOR/SOFR⁽³⁾** in FY'23, reflecting effective management of the Bank's funding mix

Cost of funds (%)



Note: Figures may not add up due to rounding differences

(1) Quarterly and full year 2023 NIM and risk adjusted NIM and asset yield exclude financial assets at fair value through profit or loss (FVTPL) and loans and advances to customers at FVTPL 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

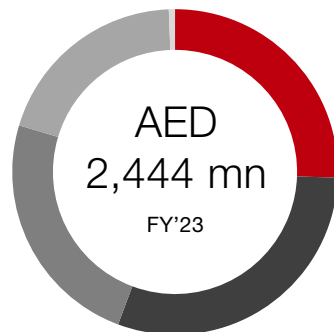
(3) Includes credit adjustment spread (CAS), which is the adjustment between LIBOR and risk free rate to reduce/eliminate the economic value transfer between the lender and the borrower when the index changes from LIBOR to the replacement risk free rate

FY'23 non-interest income up 8% with increased trading and fee income supported by a stand-out year in cards business

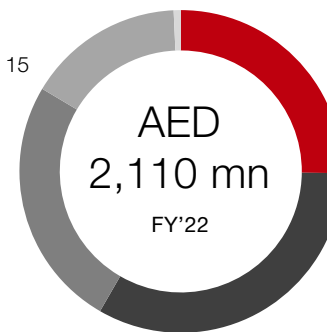
Non-interest income (AED mn)	Q4'23	Q3'23	Q4'22	ΔQoQ	ΔYoY	FY'23	FY'22	ΔYoY
Net fees and commission income	577	611	620	(5%)	(7%)	2,444	2,110	16%
Net trading income	398	356	256	12%	56%	1,593	913	74%
Other operating income ⁽¹⁾	274	87	610	215%	(55%)	456	1,127	(60%)
Non-interest income	1,249	1,054	1,486	19%	(16%)	4,493	4,151	8%
Net gain on disposal of stake in subsidiary ⁽²⁾	490	-	-	NA	NA	490	-	NA
Total non-interest income	1,739	1,054	1,486	65%	17%	4,983	4,151	20%

Net fees and commission income⁽³⁾ (AED mn)

- Card related fees: 625 ^
- Loan related fees: 736 ^
- Trade finance commission: 585 ^
- Others⁽⁴⁾: 483 ^
- Insurance commission: 15



- Card related fees: 531
- Loan related fees: 700
- Trade finance commission: 532
- Others⁽⁴⁾: 332
- Insurance commission: 15



← +16%

Key highlights

- **FY'23 net fees and commission income increased 16% YoY** primarily supported by increases in gross card and loan related fees. **The card business had its strongest year ever** with c.220k new credit cards issued, up 82% YoY
- **Net trading income in FY'23 was up 74% YoY** mainly on account of net gains from financial assets at fair value through profit or loss (FVTPL), as well as higher gains on derivatives and foreign exchange
- FY'23 other operating income was lower YoY largely due to lower net gains from non-trading investments and sale/settlement of loans
- In Q4'23, ADCB **divested 80% stake in Abu Dhabi Commercial Properties (ADCP)** and booked a net gain of AED 490 mn including fair value gain on 20% retained interest
- **Q4'23 non-interest income was 19% higher QoQ**, and 16% lower YoY primarily due to gains recorded a year earlier on the sale of NPLs and lower fee and commission income

+24% YoY
FY'23 card-related fees (gross)

+7% YoY
FY'23 loan processing fees (gross)

Note: Figures may not add up due to rounding differences

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

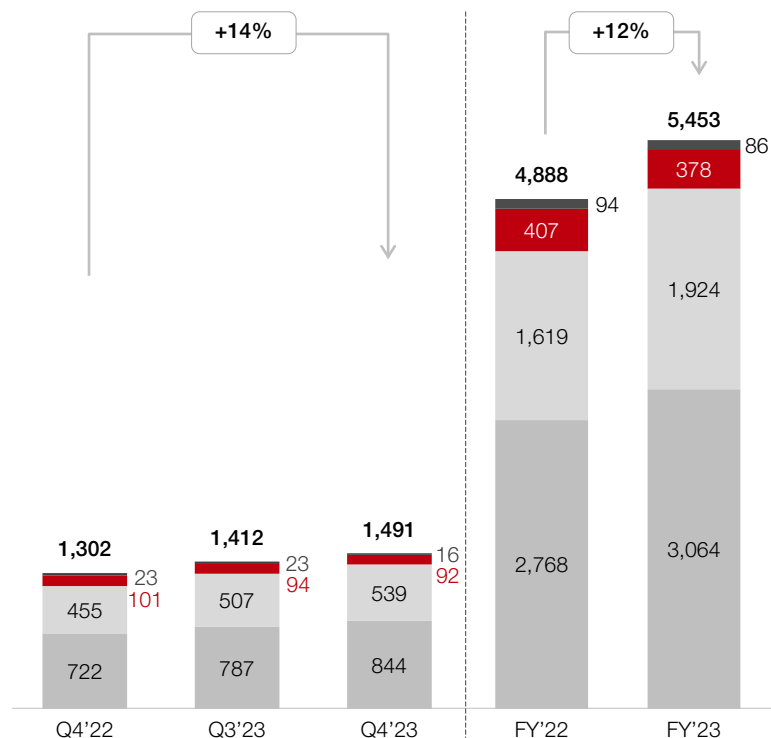
(2) Net gain on disposal of stake in subsidiary and fair value gain on retained interest

(3) All figures are net of related expenses

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

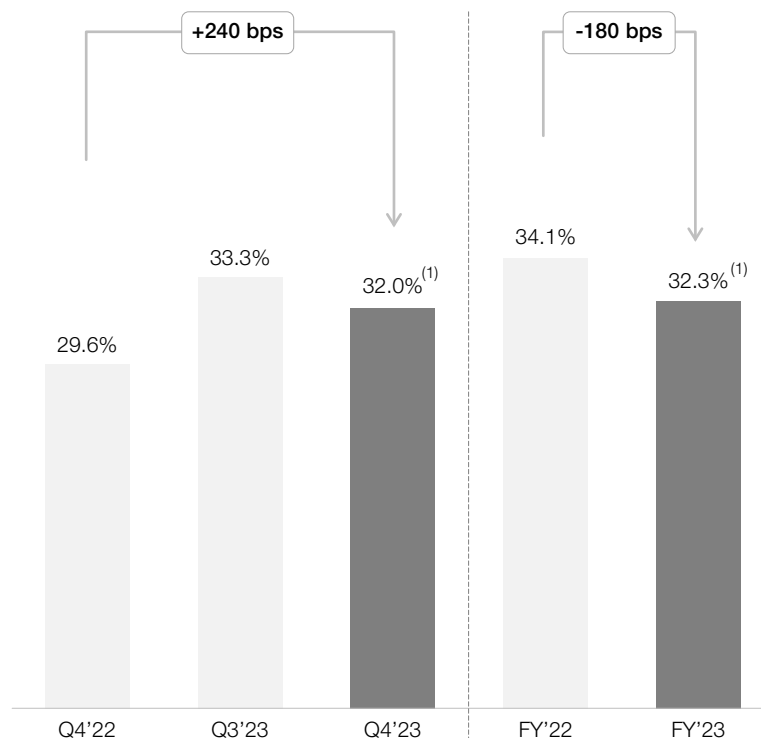
Improvement of 180 bps in FY'23 cost to income ratio as the Bank achieved efficiencies alongside growth in operating income

Operating expenses (AED mn)



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

Cost to income ratio



Key highlights

- **FY'23 cost to income ratio of 32.3%, improved 180 bps**, supported by an 18% increase in operating income. Including the net gain on disposal of stake in ADCP the cost to income ratio was 31.4%
- **Continued broad based investment in the growth of the business** including digital technology, people and sales incentives as well as regulatory requirements, resulted in operating expenses increasing 12% YoY to AED 5.453 bn
- In Q4'23, the cost to income ratio was 32.0% as operating income increased 6% YoY and 10% QoQ

Note: Figures may not add up due to rounding differences

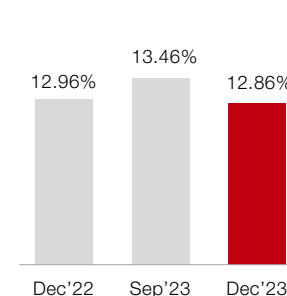
(1) Including net gain of AED 490 mn on disposal of stake in subsidiary and fair value gain on retained interest, operating income is up 21% and cost to income ratio is 31.4% (Q4'23: 28.9%)

Strong franchise delivering solid deposit and loan growth of 17% YoY, exceeding medium-term loan guidance of 10-12%

Balance sheet (AED mn)	Dec'23	Sep'23	Dec'22	ΔQoQ	ΔYoY
Total assets	567,194	536,889	497,842	6%	14%
Net loans and advances to customers	301,995	284,257	258,493	6%	17%
Net loans and advances to banks	28,190	26,831	26,436	5%	7%
Investment securities	128,268	121,757	112,011	5%	15%
Deposits from customers	362,905	329,276	308,931	10%	17%
CASA	167,373	157,166	153,018	6%	9%
Time deposits	195,532	172,111	155,913	14%	25%
Borrowings (including ECP) ⁽¹⁾	84,431	86,910	75,870	(3%)	11%
Total shareholders' equity	71,247	65,300	61,418	9%	16%

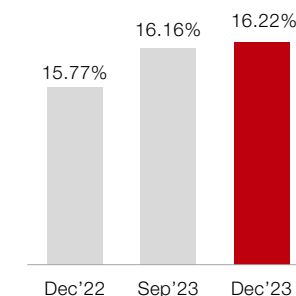
CET1 ratio

12.86%



CAR

16.22%



LCR

158.1%

Dec'22: 138.9%

Liquidity ratio⁽²⁾

32.6%

Dec'22: 33.0%

LTD ratio

83.2%

Dec'22: 83.7%

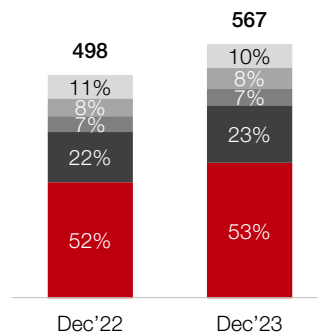
Note: Figures may not add up due to rounding differences

(1) Euro commercial paper

(2) 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)

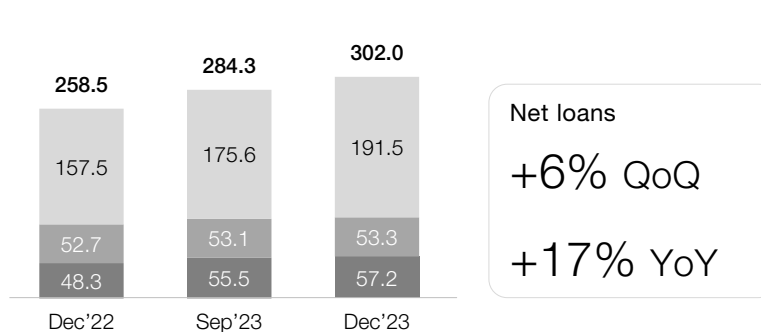
AED 74 bn in new corporate credit extended in FY'23, with increased lending to GREs and further reduction in real estate exposure

Asset mix (AED bn)



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

Net loans⁽²⁾ (AED bn)



Net loans
 +6% QoQ
 +17% YoY

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

Key highlights

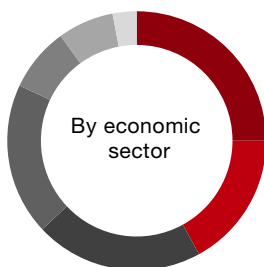
- **Robust credit pipeline** with increased lending in FY'23 to corporate clients in key economic sectors including GREs, trading, transport, manufacturing and financial institutions
- **Continued de-risking of the loan portfolio**, with exposure to the real estate sector further declining to 17% in FY'23 from 22% in FY'22
- RBG experienced strong momentum with disbursement of **personal loans, mortgages & auto loans at highest levels**
- Well balanced portfolio: Abu Dhabi 51%, Dubai 23%, outside UAE 19% and other Emirates 7%

74 bn
 New corporate credit extended in FY'23 (AED)

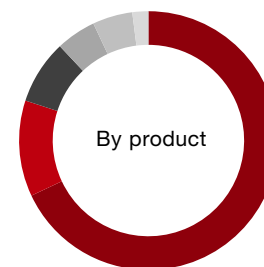
37 bn
 Repayments in FY'23 (AED)

Gross loans⁽²⁾: AED 312,683 mn

- Government & PSE 25% ▲
 Dec'22: 23%
 Dec'21: 26%
- Real estate investment 17% ▼
 Dec'22: 22%
 Dec'21: 24%
- Personal 21%
- Others⁽³⁾ 19%
- Financial institutions 8%
- Trading 7%
- Hospitality 3%



- Corporate loans 68%
- Retail loans⁽⁴⁾ 12%
- Trade finance 8%
- Overdrafts (retail & corporate) 5%
- Mortgages 5%
- Credit cards 2%



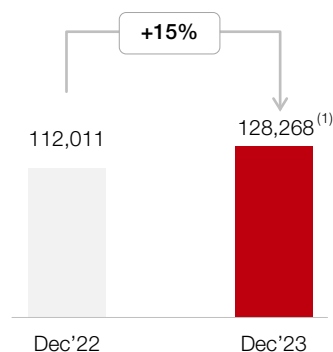
Note: Figures may not add up due to rounding differences
 (1) Other assets include financial assets at fair value through profit or loss (Dec'23: AED 10.1 bn, Dec'22: AED 4.6 bn), derivative financial instruments, investment in associates, investment properties, property and equipment (net), intangible assets
 (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

Retail Banking Group	% increase in acquisitions (Q4'23 vs. Q4'22)	% increase in portfolio balance (Dec'23 vs. Dec'22)
Personal loans	33% ⁽⁵⁾	13%
Mortgage loans	67% ⁽⁵⁾	26%
Auto loans	16% ⁽⁵⁾	32%
Credit cards	72% ⁽⁶⁾	14%

Investment securities increased to +15% YoY to AED 128 bn, with 99% being invested in bonds

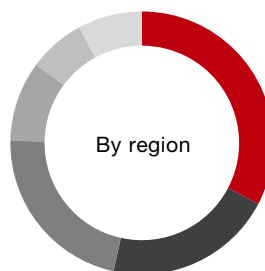
Investment securities (AED mn)



Investment securities: AED 128,268 mn⁽²⁾

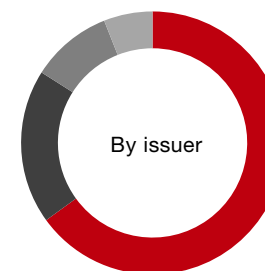
- Domestic 33%
- Other GCC countries 21%
- Asia 22%
- USA 10%
- Europe 7%
- Rest of the world 8%

54%
Invested in the UAE
and GCC (Dec'22: 60%)

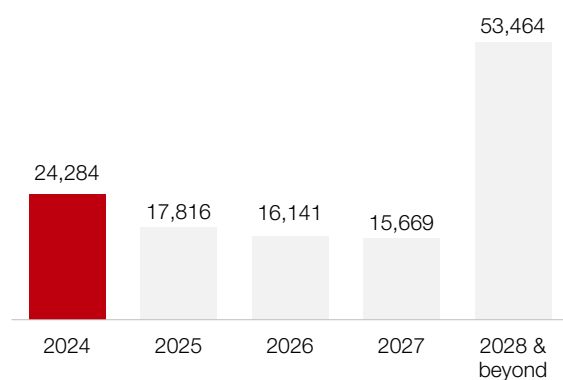


- Government 65%
- Public sector 19%
- Banks and FI 10%
- Others 6%

99%
Invested in bonds



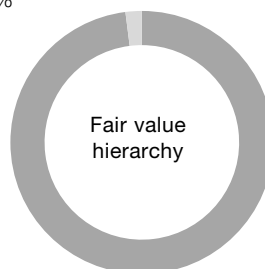
Maturity profile (AED mn)⁽³⁾



Total bond portfolio

Government and Non-Government bond portfolio: AED 127,374 mn

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



- AAA to AA- 48%
- A+ to A- 34%
- BBB+ to BBB- 12%
- BB+ to unrated 5%
- UAE Sovereign⁽⁴⁾ 0.4%



Key highlights

- Investment securities were AED 128 bn, up 5% QoQ and 15% YoY
- **68% accounted for at amortised cost, and 32% at fair value through other comprehensive income (FVTOCI)** and mark to market on a daily basis

Non-Government bond portfolio

- Rated A-or better: 87%
- 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

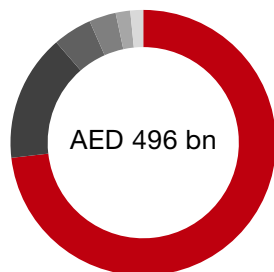
Note: Figures may not add up due to rounding differences
 (1) Includes AED 87 bn investments carried at amortised cost (31 Dec 2022: AED 56 bn)
 (2) Includes equity instruments and mutual funds

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

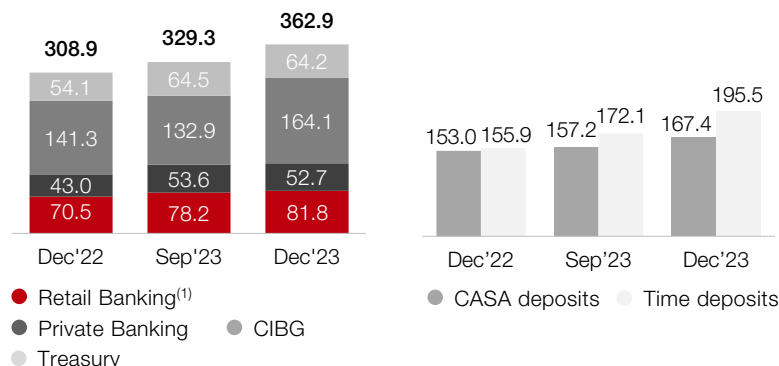
CASA deposits increased AED 14 bn in FY'23 despite higher interest rate environment reflecting franchise strength

Liability mix

- Customer deposits 73%
- Borrowings 15%
- Other liabilities 5%
- Derivative financial instruments 3%
- Due to banks 2%
- Euro commercial paper 2%



Customer deposits (AED bn)



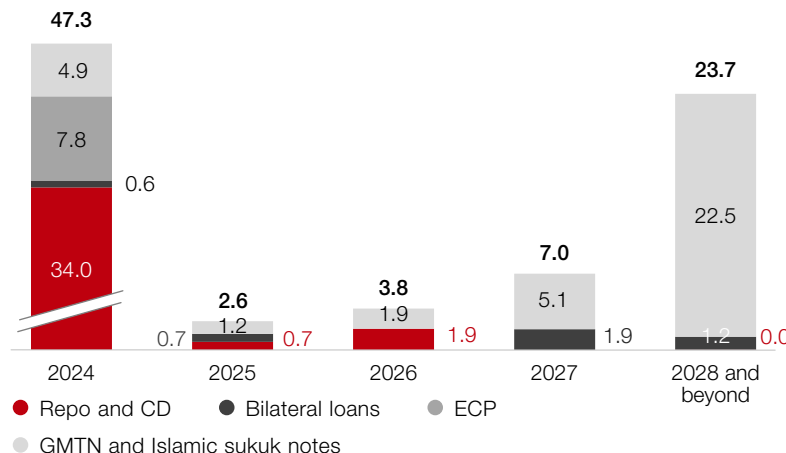
CASA split by business (AED mn)

As at 31 Dec 2023	Total deposits	CASA	CASA %	Contribution to Group's CASA %
Commercial	23,497	19,351	82%	12%
CIBG ⁽²⁾	140,599	68,317	49%	41%
PBG	52,735	17,180	33%	10%
RBG ⁽¹⁾	81,842	61,998	76%	37%
Subtotal	298,673	166,846	56%	100%
Treasury	64,249	543	1%	0%
ADCB Group	362,921	167,389	46%	100%

Wholesale funding

As at 31 Dec 2023	AED bn
Global medium term notes (GMTN)	35.5
Repo	34.9
Euro commercial paper	7.8
Bilateral loans	4.5
Certificate of deposits	1.8
Total	84.4

Maturity profile (AED bn)



Key highlights

- **Total customer deposits** of AED 363 bn, up 10% QoQ and 17% YoY **with strong growth across the group** -> RBG +16%, PBG +23%, CIBG +16% and Treasury +19%
- The Bank attracted **AED 14 bn in CASA deposits** in FY'23 despite a rising rate environment
- **CASA deposits represented 46% of the total customer deposits** and were balanced across the businesses
- Time deposits were up 14% QoQ and 25% YoY driven by a higher interest rate environment
- Net lender of AED 21.9 bn in the interbank markets⁽³⁾

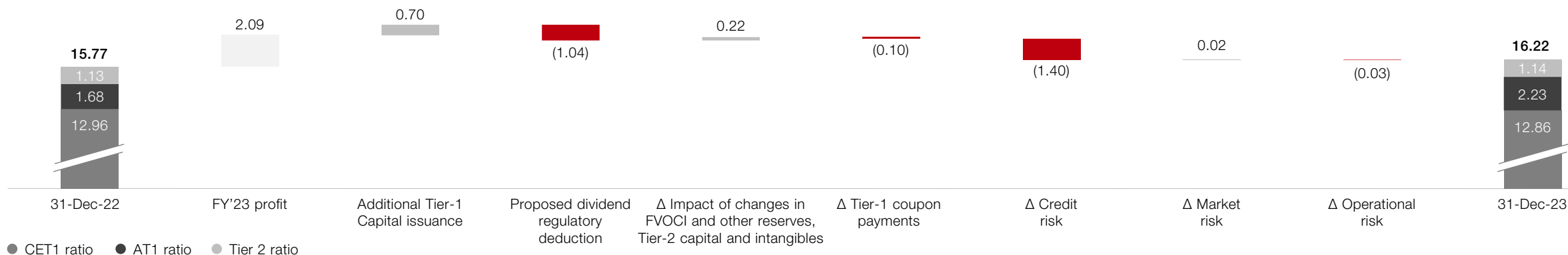
Note: Figures may not add up due to rounding differences

(1) Includes Property Management
(2) Excludes Commercial

(3) Excludes loans to banks of AED 28.2 bn from deposits and balances due from banks, net, but includes AED 1.6 bn of certificate of deposits with central banks and AED 19.6 bn overnight placement with Central Bank

The Bank remains well capitalised with capital ratios above regulatory requirements

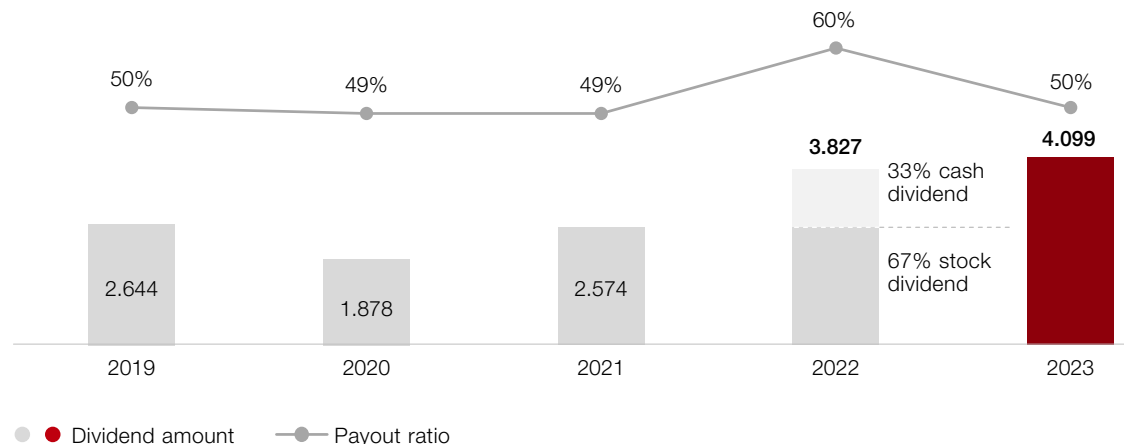
Capital adequacy ratio walkthrough⁽¹⁾ (%)



Risk weighted assets walkthrough (AED bn)



Dividend history and shareholders' returns (AED bn)



Note: Figures may not add up due to rounding differences

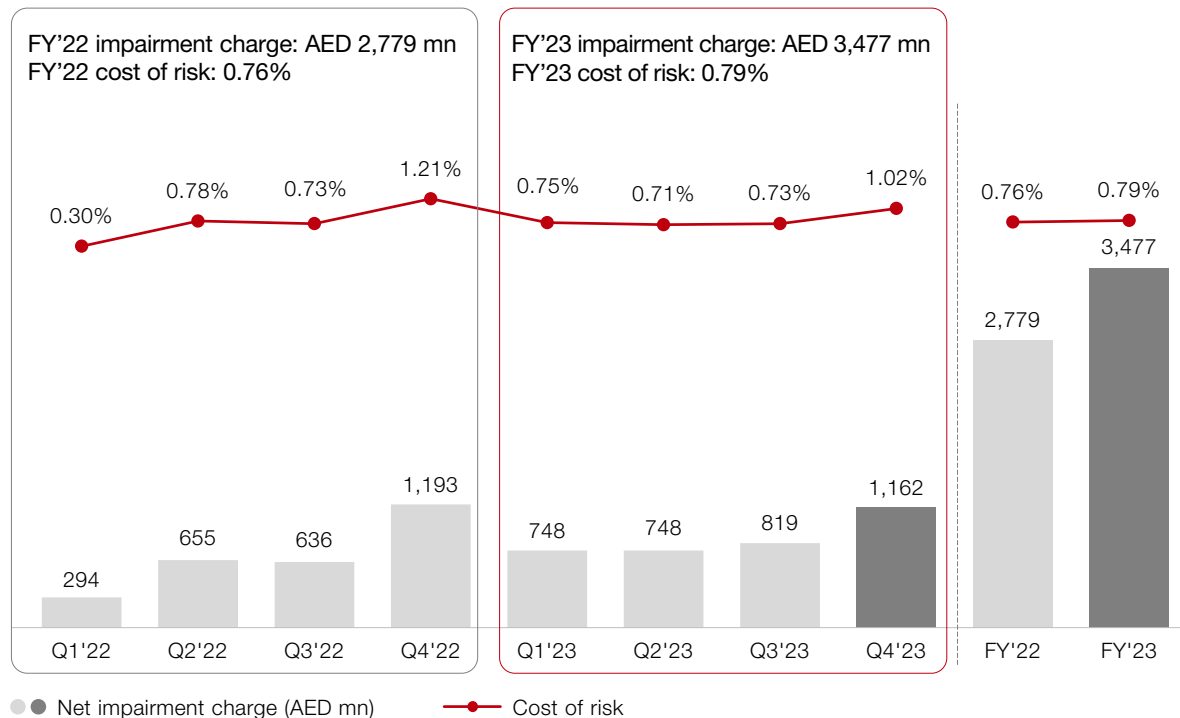
(1) UAE CB minimum CET1, Tier 1 and CAR requirements; 10%, 11.50% and 13.50% (13.55% including Credit Countercyclical Buffer regulatory requirement for Q4'23, subject to change every quarter)

(2) Includes credit valuation adjustment risk

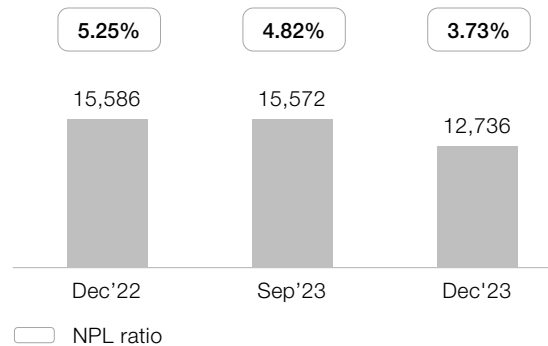
Cost of risk remains in line with guidance of 80 bps, while NPL ratio of 3.73% is at the lowest level since 2020

Cost of risk

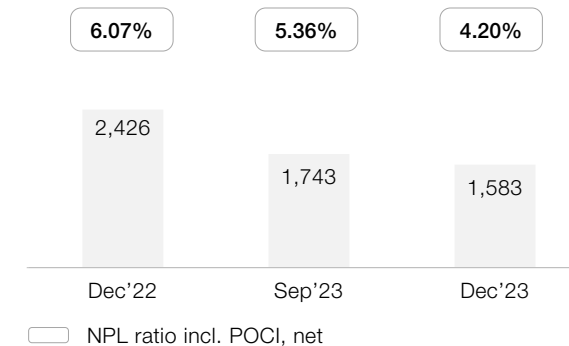
- FY'23 cost of risk was 79 bps, remaining within medium-term guidance of 80 bps, and compared to 76 bps the previous year
- Q4'23 cost of risk was 102 bps compared to 121 bps a year earlier and 73 bps in Q3'23, with the sequential increase due to provisioning for a few corporate accounts



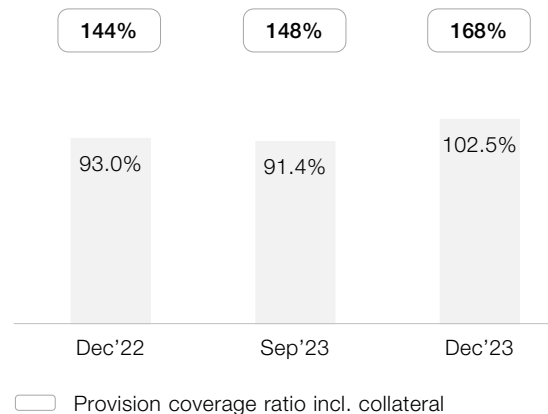
Non-performing loans⁽¹⁾ (AED mn) and NPL ratio



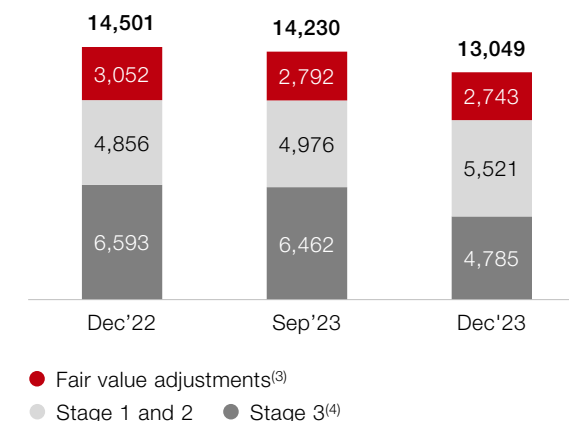
POCI assets (AED mn) and NPL ratio incl. POCI



Provision coverage ratio⁽²⁾



ECL by stage (AED mn)



Note: POCI: Purchased 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 which has been classified as loans and advances at FVTPL in 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 509 mn impairment allowances on POCI

Al Hilal Bank's super app attracted 130,000 new banking customers in FY'23, supported by enhanced marketplace ecosystem



- Al Hilal Bank's cloud-based super app is making strong progress, **acquiring approximately 654,000 registered users** since its launch in early 2022, with more than 64,000 joining the platform in Q4'23 and 294,000 in FY'23
- Over 39,000 **new banking customers** were onboarded by the app during the quarter and 130,000 in FY'23, **bringing the total to c.262,000** since the app's launch
- In Q4'23, Al Hilal bank added an incremental 940+ family accounts bringing the total number of family accounts to over 16,490 accounts
- In Q4'23, an average of c.24,600 daily transactions were conducted on the app, with an average engagement time of approximately 20 minutes
- Al Hilal Bank also **launched its first straight through processing for credit card and personal finance cash out** for its existing customers. This feature includes automated credit decision making and product disbursement
- 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 Northern Emirates represent 32% and 25%**, respectively



Customers registered on digital platforms

87%

Q4'22: 76%



FY'23 digitally active customers

+109% YoY



ADCB Egypt delivered a strong financial performance despite a backdrop of macroeconomic challenges



- **Resilient performance of ADCB Egypt** with digital innovation enhancing customer experience

Net profit⁽¹⁾ in FY'23 increased 126% YoY to EGP 1.8 bn, representing a return on equity of 23.8%

Net profit⁽¹⁾ in Q4'23 increased 108% YoY to EGP 625 mn, representing a return on equity of 30.2%

Net loans increased 21% during FY'23 to EGP 35.9 bn as at 31 December 2023

Total deposits increased 15% to EGP 86.4 bn as at 31 December 2023

- The Bank continued to **accelerate its digital transformation** with the launch of a flagship e-branch

- Subscribers to digital banking platforms were 51% higher YoY, with digital transactions up 420% in FY'23
- **Strong progress on the ESG agenda**, announcing a target for sustainable finance to reach 15% of the total loan portfolio by end of 2030. ADCB Egypt also launched a Sustainable Call Account for corporate clients as well as preferential loans to individuals for the purchase of electric vehicles
- Launched a loyalty programme designed to reward customers across credit and debit cards, as well as digital channels



FY'23 net profit (EGP)⁽¹⁾

1.8 bn

126% YoY

FY'23 ROE

23.8%

FY'22: 12.7%

FY'23 digitally active customers

+54% YoY



FY'23 digital subscribers

+51% YoY



(1) Based on IFRS

2. Digital & ESG highlights

Digital platforms and partnerships driving customer growth, with Hayyak onboarding app reaching 1 million customer milestone

Retail Banking Group (RBG)

- 633k new retail customers at ADCB and AHB in 2023, with 83% onboarded digitally
- Hayyak, welcomed 1 mn customers since its launch in 2019 and registered more than 401k new customers in 2023
- Accelerated digital engagement, with ADCB's mobile banking subscribers growing by c.120,000 customers during Q4'23⁽¹⁾
- ADCB's Dream Home, UAE's first digital home ecosystem platform in partnership with Bayut, crossed AED 3.9 bn instant pre-approvals and AED 1.35 bn in new mortgages in FY'23, contributing 23% of total mortgage disbursals

Corporate & Investment Banking Group (CIBG)

- Launch of ProCash 2.0 – a refreshed platform designed for an enhanced customer experience and convenient digital banking

Treasury & Investments Group (TIG)

- Introduction of a simplified solution for generating digital tokens, as well as a liquidity management solution for corporate treasurers

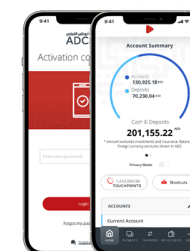
FY'23 digital highlights⁽¹⁾

Retail customers onboarded digitally through Hayyak

79%

Digital retail customer transactions

97%



Self-service retail transactions

188 mn

+37% YoY



Customers registered on Internet & Mobile Banking

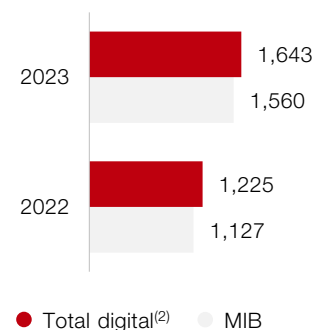
89%



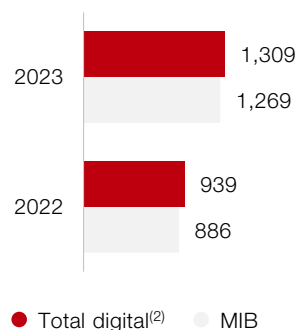
Mobile fund transfer transactions

63% YoY

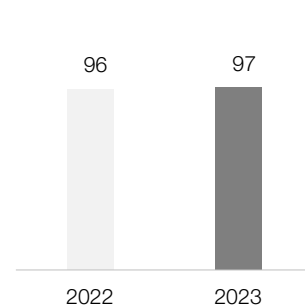
Digital subscribers⁽¹⁾ ('000)



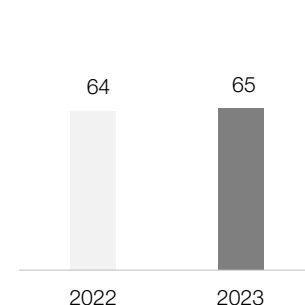
Digitally active customers⁽¹⁾ ('000)



ProCash transactions (% of total)



ProTrade transactions (% of total)



Note: Subscribers: Registered user having at least one active product relationship

Active: At least one transaction in past three months

Self-service transactions: Refer to transactions made on electronic channels including ATMs, excluding PoS

(1) ADCB UAE operations only

(2) Total digital: Internet or Mobile Banking

Enhanced climate strategy with ADCB joining Net Zero Banking Alliance and more than tripling sustainable finance targets

Enhanced climate strategy

- Joined the UN-convened **Net Zero Banking Alliance** in Nov'23, agreeing to:
 - **Drive emissions reductions** across the Group's financing, operations and supply chain, aiming to reach net zero by 2050
 - Align lending and investment portfolios to support the Paris Agreement
- **Tripled the sustainable finance target to AED 125 bn** (USD 34 bn) by 2030, with a shorter-term target of AED 50 bn (USD 14 bn) by 2025
- **Highest rated bank by Sustainalytics in MENA region**
 - **Received Sustainalytics upgrade to 'low risk'**, ranked 1st in the MENA region, top 7% of banks globally and top 6% of over 15,000 companies under coverage
- Progress in additional ESG areas in FY'23:
 - Incorporated E&S considerations in lending decisions
 - Completed a scope 3 baseline assessment, aligning with PCAF
 - Issued **Second Green Bond** for USD 650 mn and published an **Impact & Allocation Report**

Continued support for customers' transition to net zero

- ADCB offers a range of products and solutions
 - **Corporate customers:** Launched a **Sustainable Call Account** and introduced the region's first **Mastercard Carbon Calculator** to measure the carbon footprint of corporate spending
 - **Retail customers:** Offerings include preferential loans for electric vehicles and green mortgages
- Creating diverse partnerships with focus on carbon markets:
 - **Participated at COP28**, Dubai, UAE
 - **Joined the UAE Carbon Alliance** to develop carbon financing standards and frameworks with industry peers, formed by the UAE Independent Climate Change Accelerators (UICCA)
 - Support for **Harvard Kennedy School** research, promoting an effective global carbon market, in line with Article 6 of the Paris Agreement
- Comprehensive ESG training
 - ESG e-learning module launched for all employees in Q4'23, while role-specific 'net zero' training and an in-depth ESG training course are being prepared for roll-out in 2024

Key highlights

Highest regional ESG rankings⁽¹⁾



13 January 2024

12.5 Low Risk



Ranked 1st among diversified and regional banks in the MENA region



16 January 2024

MSCI ESG RATINGS

CCC	B	BB	BBB	A	AA	AAA
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Tripled sustainable finance commitment by 2030

AED 125 bn



Joined UN-convened

Net Zero Banking Alliance



Issued second green bond

USD 650 mn



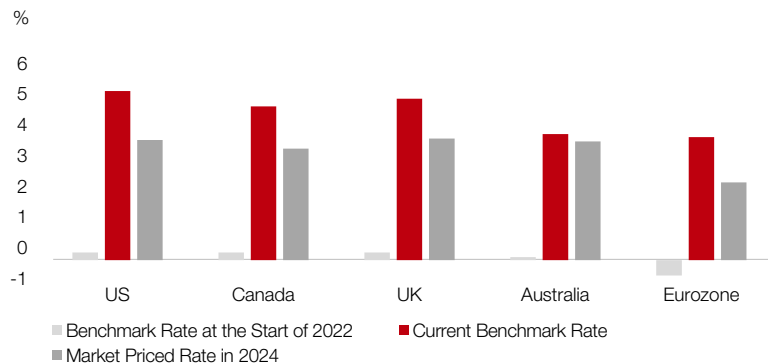
For more information visit adcb.com/esg

(1) ADCB is the 1st among diversified and regional banks in the MENA region by Sustainalytics as at 13 January 2024, MSCI ESG rating as at 16 January 2024

3. Operating environment & guidance

Resilient UAE economy despite heightened global uncertainty

Global: Central banks are likely done with interest rate hiking cycle; rate cuts to begin 2H2024



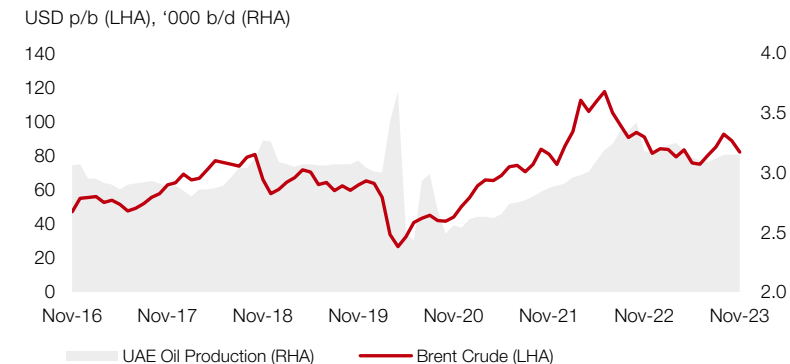
Source: Bloomberg, Federal Reserve, BoE, ECB, RBA, BoC, ADCB Economic Research

US: Probability of a recession has diminished following continued resilience in activity



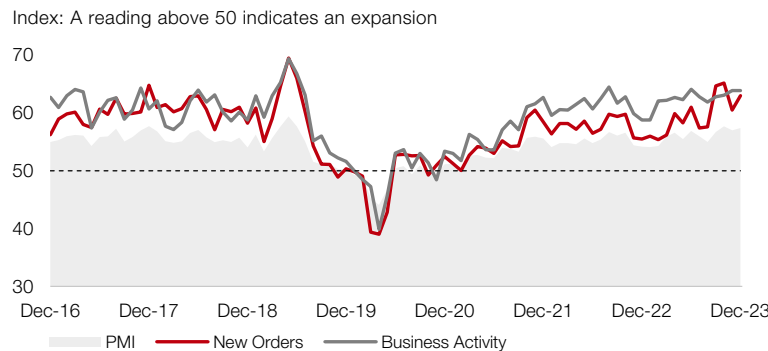
Source: NY Federal Reserve, Bloomberg, ADCB Economic Research

Global: OPEC+ output cuts have helped tighten oil market balances and support prices



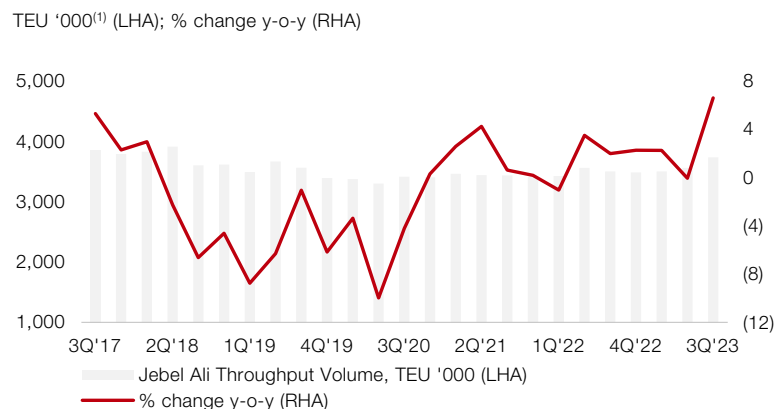
Source: Bloomberg, ADCB Economic Research

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



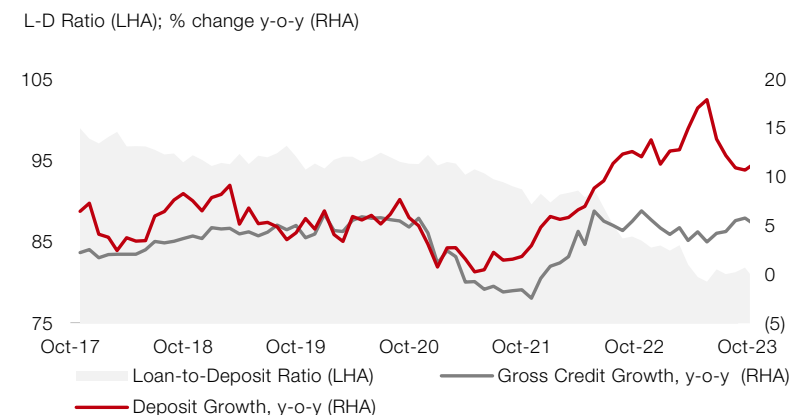
Source: S&P Global, ADCB Economic Research

UAE: Externally facing service sector to face headwinds from global slowdown in 2024



(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

Summary and FY'24 guidance

Closing remarks

- Strong financial performance marked by **momentum in loan growth** in context of robust UAE economy
- **Positive momentum across businesses** – operating at elevated scale
- Digital platforms and partnerships **driving customer acquisition** and efficiencies
- Strong progress on ESG, with focus on **enhanced climate strategy**
- **UAE** continues to benefit from a strong fiscal position and is **investing significantly in infrastructure, diversification and the energy transition**

FY'24 guidance

	FY'24 guidance
Loan growth	8%-10%
ROTE	14%-15%
NIM	c.2.60%
Cost of risk⁽¹⁾	<80 bps
CET1 ratio	>12%

FY'23 guidance

	FY'23 guidance	FY'23 actual
Loan growth	10%-12%	17%
ROATE	14%-15%	15.1%
NIM	c.2.80%	2.83%
Cost of risk⁽¹⁾	≈80 bps	79 bps
CET1 ratio	>12%	12.86%
Dividend payout ratio (cash)	50% of net profit	50% of net profit

4. Appendix

Balance sheet as at 31 December 2023

AED mn	Dec'23	Dec'22	ΔYoY
Cash and balances with Central banks, net	45,375	39,429	15%
Deposits and balances due from banks, net	37,625	35,339	6%
Financial assets at fair value through profit or loss	10,063	4,642	117%
Derivative financial instruments	13,859	15,183	(9%)
Investment securities, net	128,268	112,011	15%
Loans and advances to customers, net	301,995	258,493	17%
Investment in associates	371	253	47%
Investment properties	1,741	1,692	3%
Other assets, net	18,960	21,711	(13%)
Property and equipment, net	1,888	1,938	(3%)
Intangible assets	7,049	7,152	(1%)
Total assets	567,194	497,842	14%
Due to banks	8,795	9,719	(10%)
Derivative financial instruments	16,239	16,225	0%
Deposits from customers	362,905	308,931	17%
Euro commercial paper	7,778	5,994	30%
Borrowings	76,653	69,876	10%
Other liabilities	23,571	25,671	(8%)
Total liabilities	495,941	436,416	14%
Total shareholders' equity	71,247	61,418	16%
Non-controlling interests	7	8	(11%)
Total liabilities and shareholders' equity	567,194	497,842	14%

Income statement for the full year ended 31 December 2023

AED mn	Quarterly trend			FY trend		
	Q4'23	Q4'22	ΔYoY	FY'23	FY'22	ΔYoY
Interest and income from Islamic financing	8,054	5,809	39%	28,251	16,417	72%
Interest expense and profit distribution	(4,641)	(2,891)	61%	(15,877)	(6,223)	155%
Net interest and Islamic financing income	3,413	2,918	17%	12,374	10,194	21%
Net fees and commission income	577	620	(7%)	2,444	2,110	16%
Net trading income	398	256	56%	1,593	913	74%
Net gains/(losses) from investment properties	48	14	236%	46	19	142%
Other operating income	226	595	(62%)	409	1,108	(63%)
Non-interest income	1,249	1,486	(16%)	4,493	4,151	8%
Operating income	4,662	4,403	6%	16,866	14,344	18%
Staff expenses	(844)	(722)	17%	(3,064)	(2,768)	11%
General administrative expenses	(539)	(455)	18%	(1,924)	(1,619)	19%
Depreciation	(92)	(101)	(9%)	(378)	(407)	(7%)
Amortisation of intangible assets	(16)	(23)	(30%)	(86)	(94)	(8%)
Operating expenses	(1,491)	(1,302)	14%	(5,453)	(4,888)	12%
Operating profit before impairment charge & taxation	3,171	3,101	2%	11,414	9,456	21%
Impairment charge	(1,162)	(1,193)	(3%)	(3,477)	(2,779)	25%
Net gain on disposal of stake in subsidiary ⁽¹⁾	490	-	NA	490	-	NA
Share in (loss)/profit of associates	1	(4)	NM	(0)	(8)	NM
Overseas income tax charge	(47)	(29)	58%	(221)	(135)	63%
Gain/(loss) from discontinued operations	-	(90)	NA	-	(100)	NA
Profit for the period	2,454	1,784	38%	8,206	6,434	28%

Note: Figures may not add up due to rounding differences

(1) Net gain on disposal of stake in subsidiary and fair value gain on retained interest

FY 2023 awards

ADCB FY 2023 awards and recognition

Euromoney Cash Management Survey 2023

- Best Service in Cash Management in the UAE

Asian Banking & Finance

- 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

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

ADCB Egypt FY 2023 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

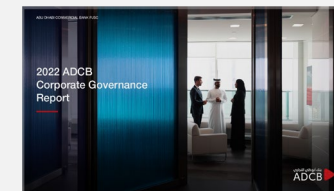
For more information, please visit adcb.com/ir
or contact ADCB Investor Relations at ir@adcb.com

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