

# Bank ABC AGM 2023

## Acting Group CEO Presentation

19 March 2023  
Manama, Bahrain



2022 Summary Overview

# Accelerating performance while building the bank of the future







## Conditions Remain Challenging

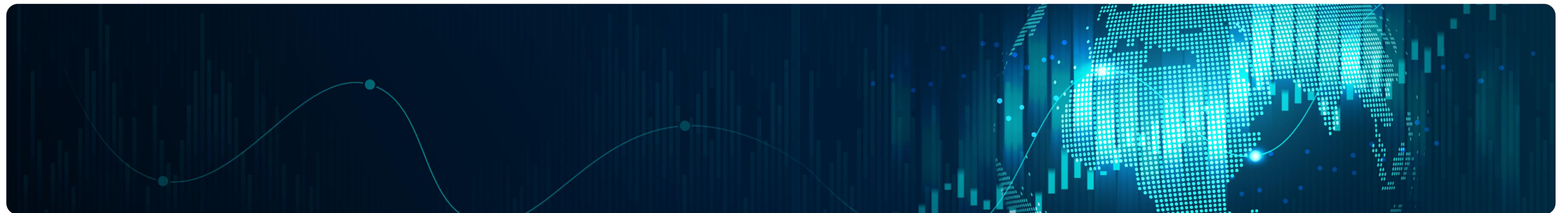
- ✓ Global growth is expected to slow
- ✓ Commodity price shock
- ✓ Devaluation in the Egyptian Pound

## As Central Banks Fight Inflation

- ✓ Rise in global inflation
- ✓ Sharp rate hiking cycles
- ✓ Asset prices have been under pressure

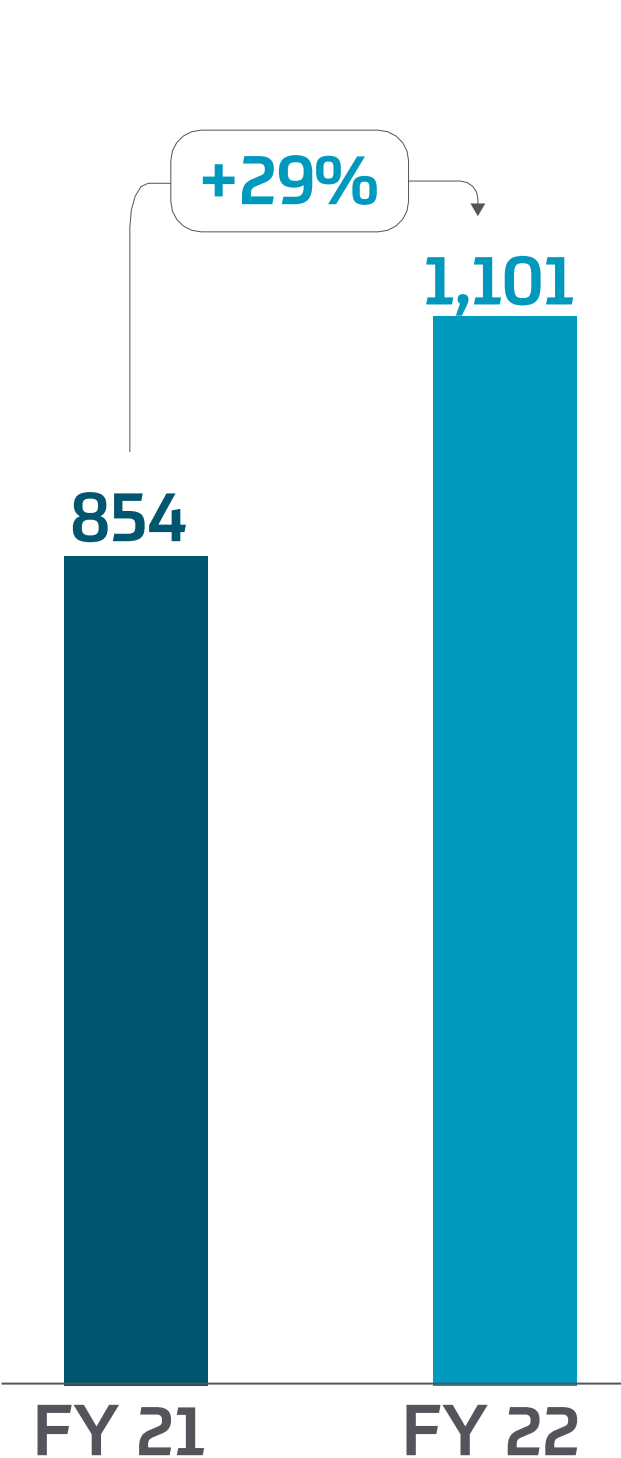
## Investment Outlook Mixed

- ✓ Reorientation of global commodity trade benefited commodity exporters, while importers showed vulnerability



# Strong Growth Across the Franchise

## Total Operating Income, \$m



## Total Loans, \$bn

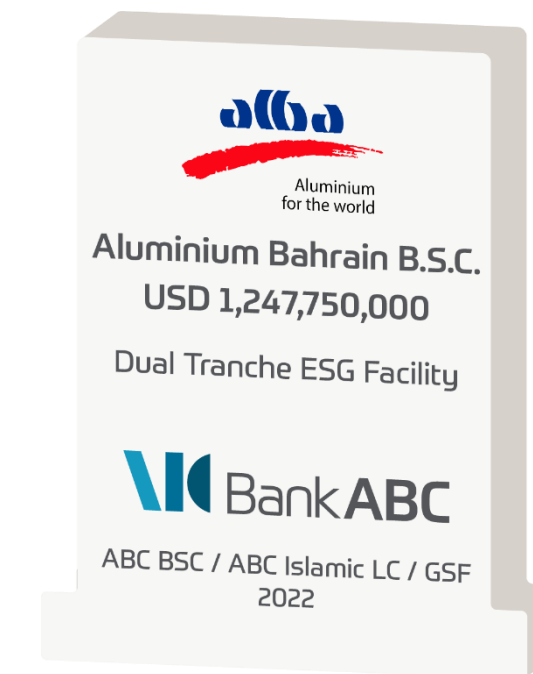
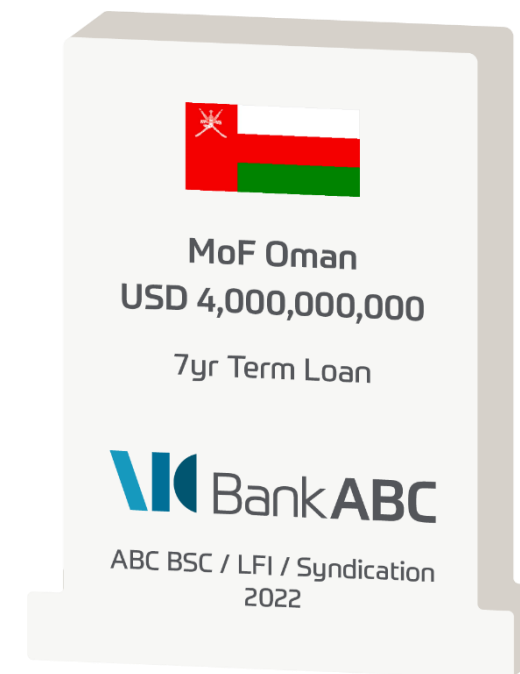


- / TOI exceeded \$1bn mark for the first time in history of the Bank
- / A 29% headline growth and +19% normalising for BBE acquisition in August last year
- / Solid performance across our markets and business lines
- / Brazil +53%, MENA +28%, GCC, Europe and North America +12% have shown strong YoY performance despite of being at varying stages of economic recovery
- / Total assets in 2022 at \$36.7bn grew 5% YoY
- / Loans grew by 9% to \$18.2bn. A broad-based growth while emphasising credit quality with selective underwriting.



## Wholesale Banking

- Corporate customer base expanded by over 160 NTB clients.
- WB closed the year with strong momentum and robust pipeline of prospective transactions for 2023 delivery

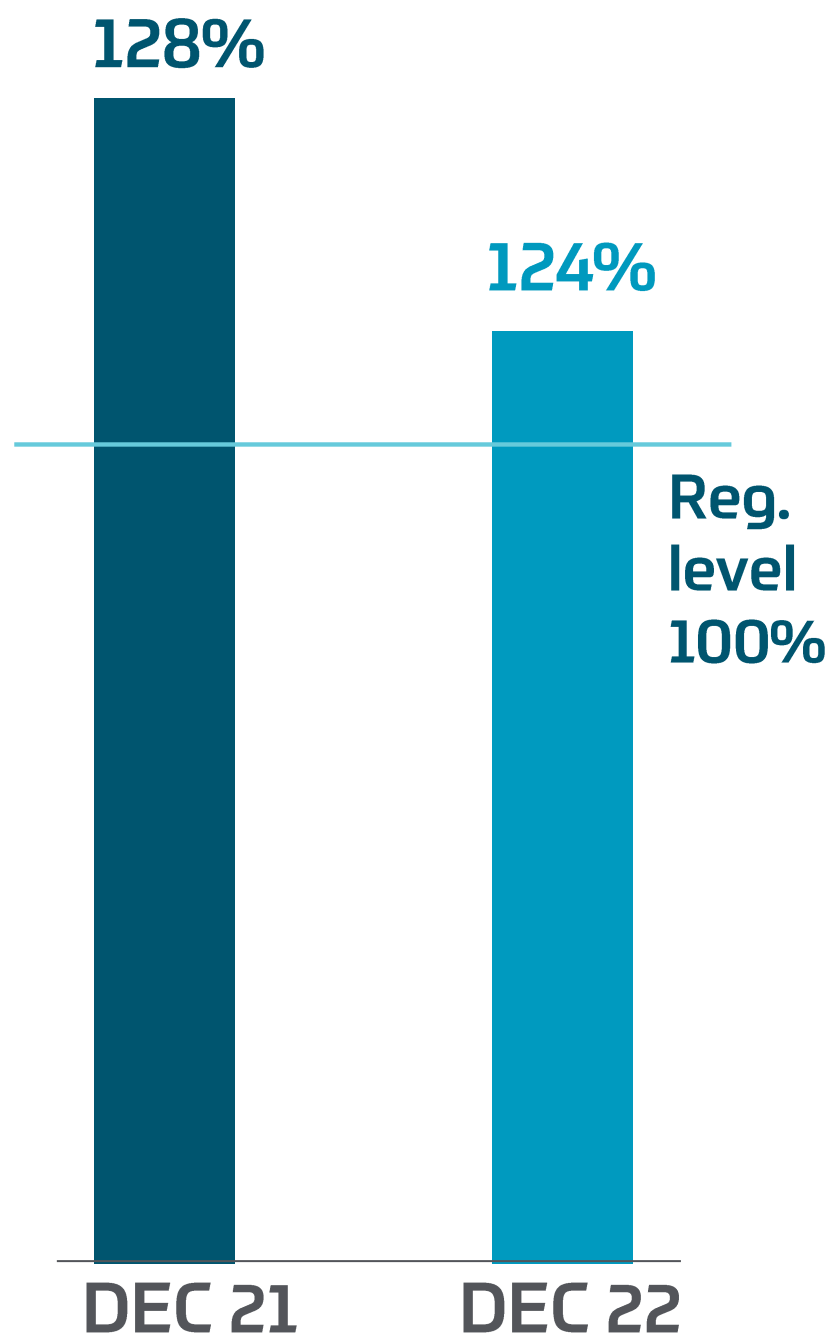


## Capital Markets and DCM

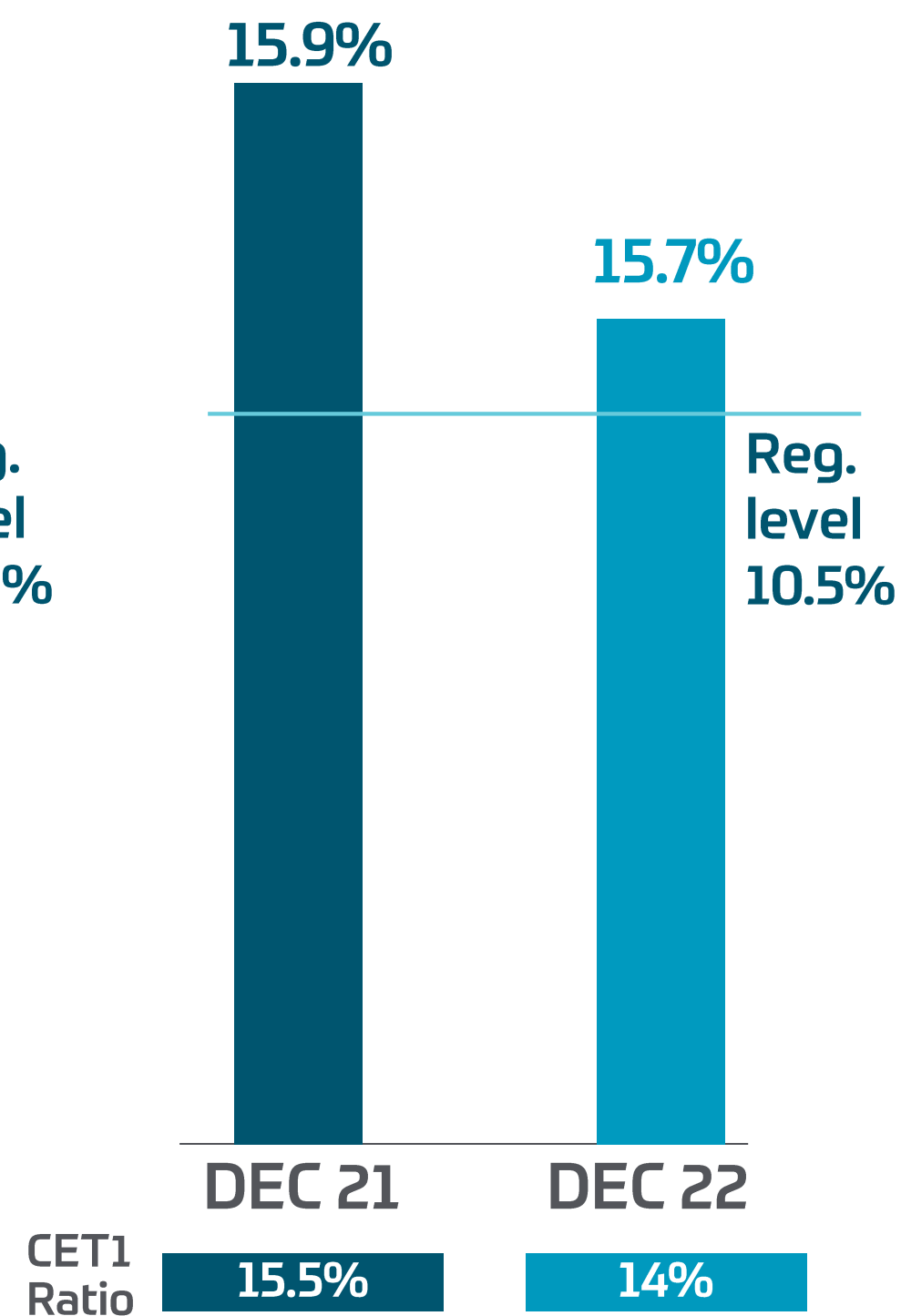
- Secured high profile primary market mandates for sovereign borrowers, government related entities and Financial Institutions.
- Syndications business revenues increased by over 20%



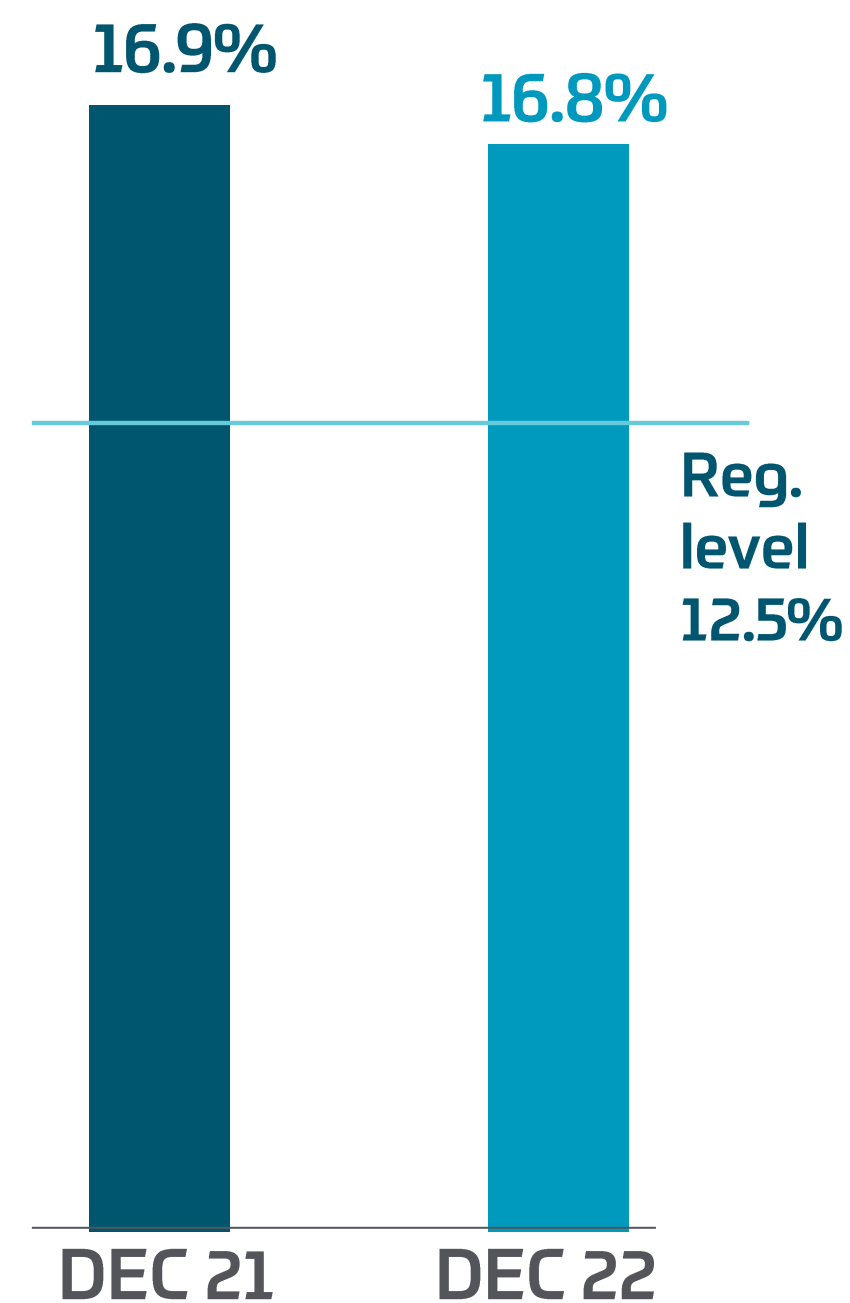
## NSFR, %



## CET and Tier 1 Ratio, %



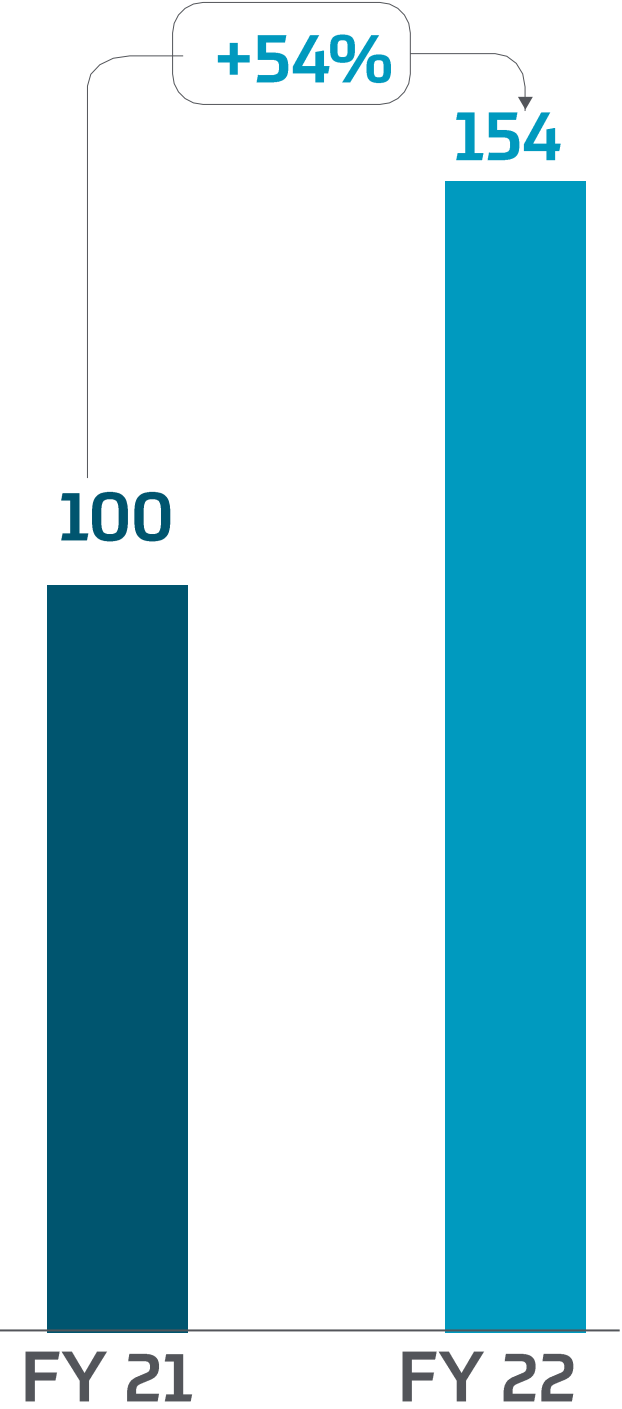
## Capital Adequacy Ratio, %



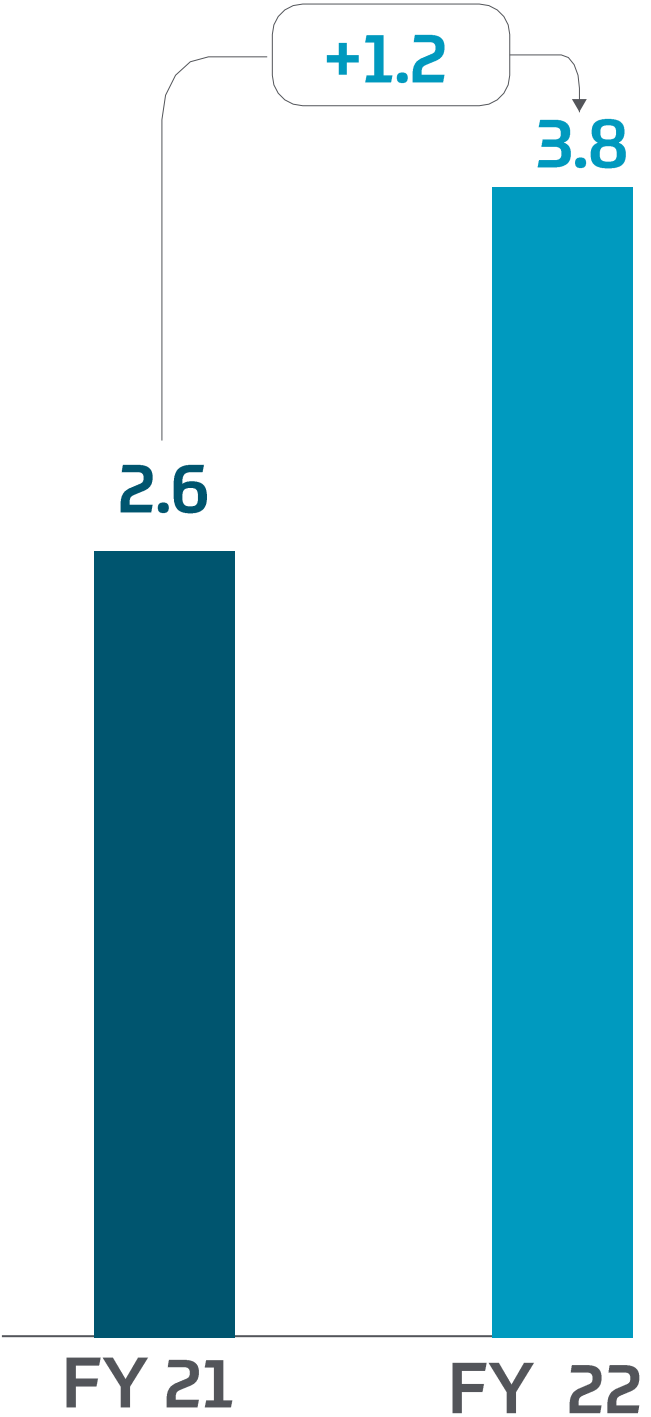
- ✓ Tier 1 ratio strong at 15.7%.
- ✓ Predominantly CET1 ratio at 14%
- ✓ Total CAR 16.8% as YE 2022
- ✓ NSFR strong at 124% and positioned for growth
- ✓ L/CD ratio 85%
- ✓ All key ratios with healthy buffers to regulatory minimum requirement

# Remarkable Net Profit Growth of 54%

## Net Profit, US\$m



## ROE, %



## Net profit recorded at \$154mn 54% higher than 2021

- Profit growth driven by broad-based TOI exceeded US\$1bn mark reflecting our diversified and resilient portfolio
- Improving Cost to Income ratio, by c 4%
  - benefiting from prudent cost management whilst allowing capacity for transformation.
  - Continuing investments into Group’s digital transformation and strategic initiatives to build its “bank of the future”.
- Cost of Risk returning to pre-covid levels at circa 60bps
- ROAE improving c1% to 3.8% and set to accelerate to higher levels in coming cycle.



**Recommended dividend of 1.5c per share  
US\$ 46.6 million (+50%YOY)**

- ✓ **Maintain pay-out ratio 30% of Net Profit**

---

- ✓ **Dividend yield of c6%**

---

- ✓ **Allows for Sustainable growth with  
balance sheet strength**



Digital Strategy & Transformation progress

# Building the Bank of the Future



Strategic  
Priorities

Digital  
Initiatives



ABC strategy is underpinned by the firm focus on our Operational Resilience



**316,000**

Transactions daily  
(doubled in 2022)

**73%**

YoY Growth in  
Customer base

**2X**

Increase in  
Deposits

**4** New products launched

(Fixed deposits, credit cards, prize  
accounts – Al Kanz, prepaid cards)

**8**

Awards (local  
and regional)



- ila was successfully launched in Jordan in Sept 2022 and has grown strongly
- Expansion of Credit Card portfolio with new products being offered in Bahrain for 2023
- Ranked best financial app in Bahrain; first on Apple App store, and second on Google Play\*

\*as of 22<sup>nd</sup> Feb 2023

## Awards



- Best Consumer Digital Bank
- Most Innovative Digital Bank
- Best User Experience (UX) Design
- Best Mobile Banking App
- Best in Social Media Marketing & Services



- Leading Digital Bank – Middle East Region
- Leading Digital Bank – Consumer Category



reddot design award  
winner

Superior app design and user experience

Transforming legacy business model to deliver seamless, flexible and integrated banking solutions

Successfully delivered several platforms:

- ✓ Digital Onboarding
- ✓ Doc trade digital processing hub (AI)
- ✓ Supply Chain Finance
- ✓ Import LCs
- ✓ Payments and Account Services





- ✓ Legal Day One (LD1) announced
- ✓ Combined bank leadership in place
- ✓ Treasury business combined
- ✓ Rebranded 23 branches
- ✓ Full integration to reach Customer Day 1 planned by Q1 2024



## Transforms Egyptian Franchise

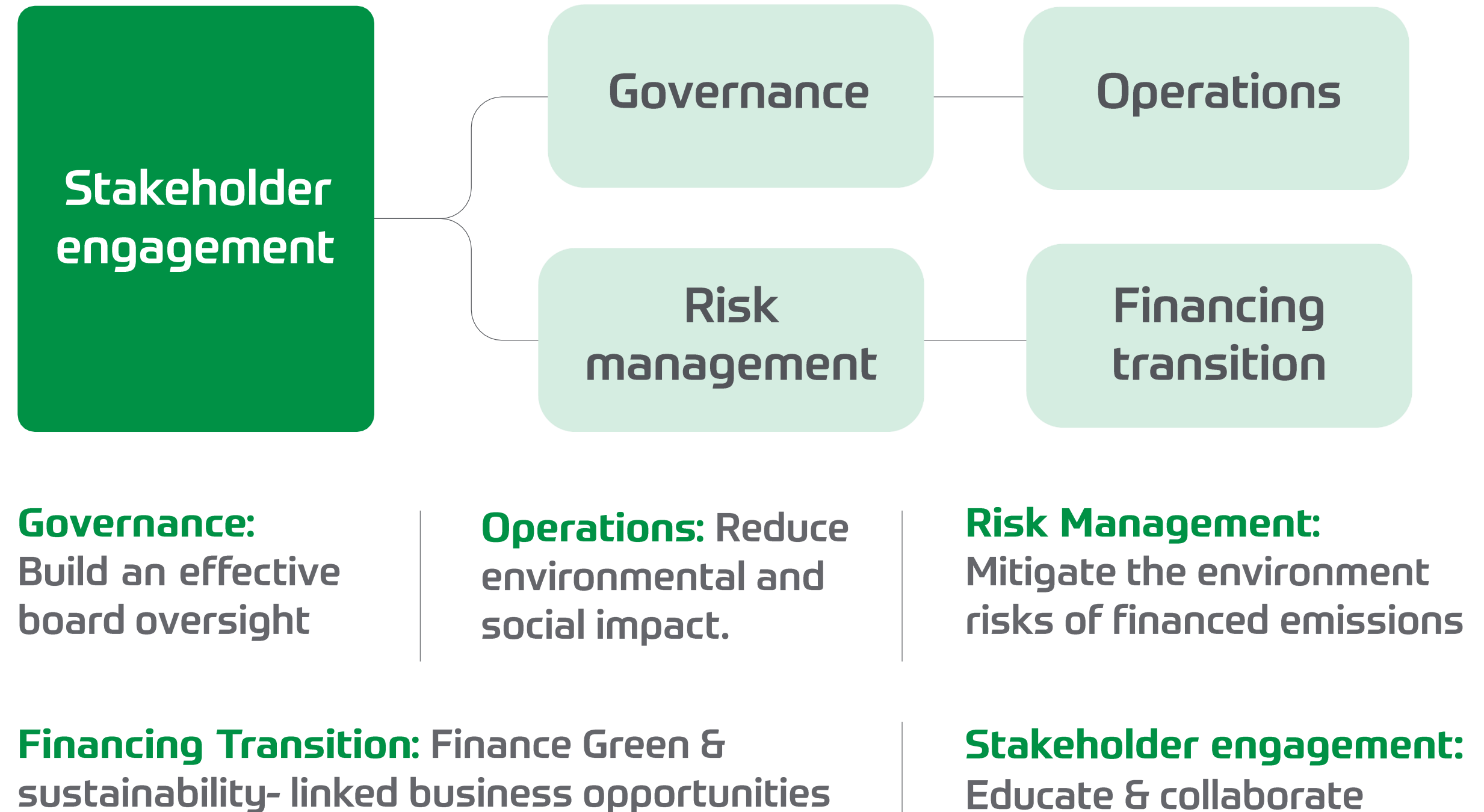
- ✓ More than triples market share
- ✓ Increases total assets to EGP67 billion
- ✓ 41+ branches to existing 28
- ✓ 1,000+ employees to our talent base





A holistic evolutionary and collaborative approach to embedding sustainability across the Bank's value chain

## Bank ABC Sustainability 5 pillar strategy





# Sustainability strategy: Achievements in 2022 and 2023 Roadmap

	Strategy	Governance	Operations	Human Capital Management	Risk Management	Green & Sustainability – Linked (SL) Finance
2022 Achievements	Strategic review of Bank's approach to sustainability	Review of governance structure	Scope 1, 2 & 3 travel-related greenhouse gas (GHG) emissions, Energy, Water and paper usage calculated for 2021 & 2022.	Review of the Bank's approach to D,E&I, career development, training and wellbeing.	Climate risk rating embedded into top 100 obligors.	Provided a total of \$775m in green & sustainability-linked finance in 2022, of which \$180m Bahrain and \$595m Brazil.
2023 Roadmap	Define Group Sustainability strategy	Embed sustainability into existing board structure	Set net zero target & reduction targets for scope 1, 2 & 3 travel-related greenhouse gas (GHG) emissions	Strengthen the Group's framework and approach to D,E&I and career development .	Embed environmental risk into the risk management system.	Group-wide sustainable finance framework.

## Rating agencies

---

**S&P Global**  
Ratings

**BBB-/A-3**  
**stable**

**Fitch**  
Ratings

**BB+/B**  
**stable**



**CAPITAL**  
INTELLIGENCE

**BBB+/A-2**  
**stable**



## Regional Awards



Best Innovation in Digital Banking in the Middle East



Middle East Winner - The Banker Transaction Banking Awards



Best Digital Banking Initiative in MENA 'MENA Islamic Finance Bank of the Year' for Bank ABC Islamic



## Bahrain Awards



Best Bank for Digital Solutions



Best Bank for Cash Management and Treasury In Bahrain

## Others



Bank ABC Kuvyt Turk Transaction: 'Islamic Capital Markets Deal of the Year'- Bonds Loans & Sukuk Turkey Awards



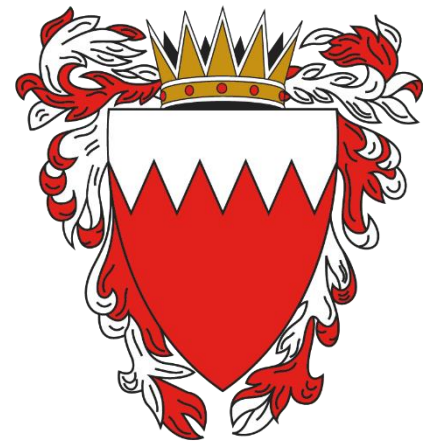
Best Treasury Implementation IBSI Global Fintech Innovation Awards

# Governance & reputation maintained through consistent approach

✓ The Bank continues to prioritise strong governance and robust compliance (AML, conduct, sanctions...etc)

✓ No open Audit issues across the Group

## Home regulator



مصرف البحرين المركزي

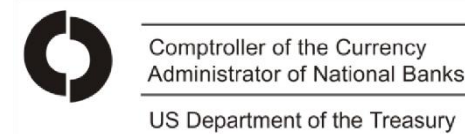
Central Bank of Bahrain

## Other international regulators

### United Kingdom



### United States



### Dubai



### Italy



### France



### Singapore



### Germany



### Jordan



### Egypt



### Algeria



### Tunisia



### Brazil





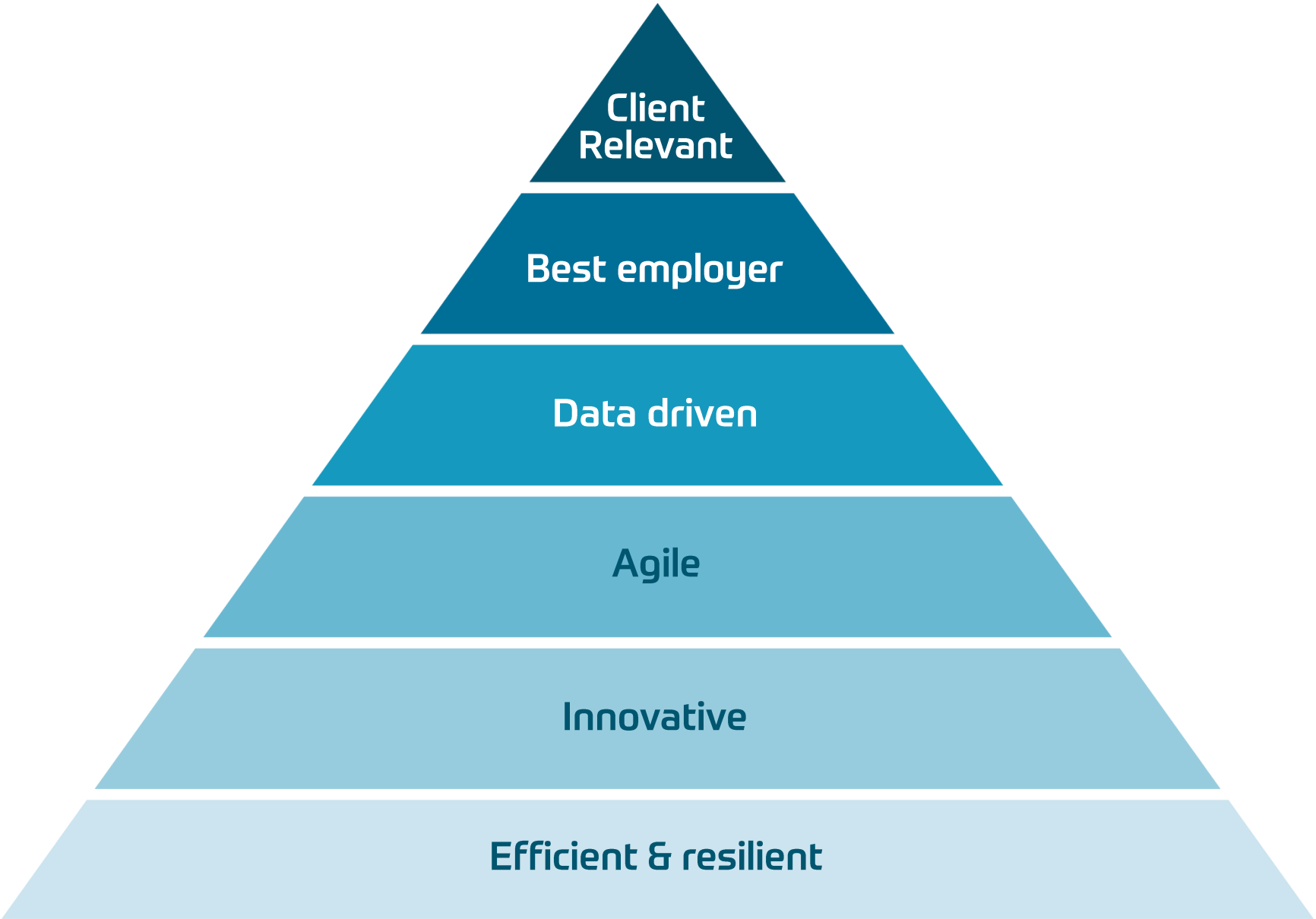
## Accelerating Performance

**A**ccelerating Business Growth

**B**oosting Returns

**C**apitalising on our Journey

## Building our Bank of the Future



Performing while transforming



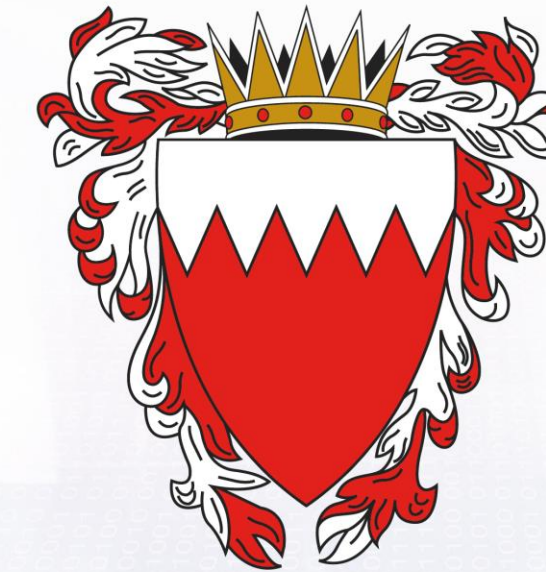
## Major Shareholders



الهيئة العامة للاستثمار  
Kuwait Investment Authority

Listed on Bahrain Bourse  
with 1500+ shareholders


## Home Regulator



مصرف البحرين المركزي  
Central Bank of Bahrain

# Bank ABC

---

 +973 1754 3000

 [Bank-abc.com](http://Bank-abc.com)

 |  @BankABC