

**Bank ABC announces its financial results
for the year ended 31 December 2023
Net profit attributable to the shareholders of the parent surges
53% year on year to US\$235 million**

Manama, Bahrain: Bank ABC (Arab Banking Corporation B.S.C.) - Bahrain Bourse Trading Code "ABC" - today announces its financial results for Q4 and full year 2023.

The Group reported a surge in annual Net Profit attributable to its shareholders of 53% year on year (YoY) to reach US\$235 million on the back of strong core business growth and a stable funding base, combined with interest rate tailwinds and steady cost of credit. Total Operating Income reached a record high in the history of the Group at US\$1,279 million, a 16% growth YoY. Balance sheet strength was also maintained, with capital and liquidity ratios at robust levels, while total assets reached US\$44bn, crossing the US\$40bn mark for the first time from a combination of loans, securities and liquid asset growth.

On this occasion, the Board of Directors are pleased to recommend a cash dividend distribution (US\$0.0225 per share or 2.25% of capital, approximately US\$70m), a 50% increase YoY, in line with the Group's profit growth, which will be presented for approval at the Bank's Annual General Meeting.

During the year, Bank ABC Group also won over 15 distinguished awards recognising its excellence and innovation across all business segments, including the prestigious **'Bank of the Year 2023' for Bahrain from The Banker (published by the Financial Times), which has been awarded to Bank ABC for the third time.**

Other notable awards included the 'Best Trade Finance Provider in the Middle East' from Global Finance, 'Best Corporate Bank in Bahrain' from the Euromoney Awards for Excellence, 'Market Leader in Corporate Banking,' 'Market Leader in Digital Solutions' and 'Highly Regarded in ESG' by the Euromoney Market Leaders Awards. Moreover, our flagship digital-only bank, ila, swept all six awards at the Global Finance World's Best Digital Awards, including the 'Best Consumer Digital Bank' in Bahrain for the third consecutive year.

Bank ABC's Group Chairman, Mr. Saddek Omar El Kaber remarked, "The Group has posted record revenues and total assets and grew net profits strongly by 53% year on year. This reflects a strong business model and diversified footprint, capable of leveraging the market opportunities amidst challenges and recovering economic conditions. The many awards bestowed on the Group, including the prestigious Bank of the Year, Bahrain, reflect Bank ABC's strong culture and our aspiration to remain relevant as a first Bank of choice for our customers. The Group's balance sheet remains healthy and robust, with strong capital and liquidity ratios. Our strategy execution is firmly on track and we look forward to continuing this great momentum into 2024 on our strategic journey to build "MENA's international bank of the future."

Detailed summary of the Financial Results is explained below:

Q4 2023 Performance Highlights

- Consolidated net profit attributable to the shareholders of the parent, for Q4 2023 was US\$52 million, 30% higher compared to US\$40 million reported for the same period last year.
- Earnings per share for the period was US\$0.01, compared to US\$0.01 in the same period last year.
- Total comprehensive income attributable to the shareholders of the parent was a profit of US\$84 million compared to a profit of US\$11 million, reported for the same period last year.
- Total operating income for Q4 2023 was US\$336 million, 8% higher compared to US\$310 million reported for the same period last year.

FY 2023 Performance Highlights

- Consolidated net profit attributable to the shareholders of the parent, for the year 2023 was US\$235 million, a growth of 53% compared to US\$154 million reported last year, driven by a combination of strong core business growth across many markets and effective management of interest rate exposures in a rising interest rate environment.
- Earnings per share for the period was US\$0.07, compared to US\$0.05 in the same period last year.
- Total comprehensive income attributable to the shareholders of the parent was a positive US\$258 million, compared to a loss of US\$98 million reported in 2022. Last year, the loss arose due to changes in fair valuations of our bond portfolio and net impact of foreign exchange translation in overseas subsidiaries. However, in the current period these reduced significantly on a net basis with the strengthening of the Brazilian Real and positive movements in the fair market valuations of our bond portfolio, which offset the impact from depreciation of the Egyptian Pound against the US Dollar.
- Total operating income for the year 2023 was US\$1,279 million, 16% higher compared to US\$1,101 million reported last year.

Balance Sheet

- Equity attributable to the shareholders of the parent and perpetual instrument holders at the end of the period was US\$4,300 million, compared to US\$4,095 million reported at the 2022 year-end, 5% higher primarily from incremental profits after dividends paid.
- Total assets stood at US\$43.9 billion at the end of the period, as compared to US\$36.6 billion at the 2022 year-end, an increase of 20% driven by core business and liquid asset growth, balance sheet optimization and portfolio management actions.
- Healthy Capital and Liquidity ratios: Tier 1 Capital ratio at 15.0%, of which CET1 at 13.5%. LCR and NSFR at 278% and 128% respectively.

Press Release

11/02/2024

The Board of Directors recommend for approval at the Annual General Meeting, a cash dividend distribution of 30% of the net profit attributable to the shareholders of the parent (US\$2.25 cents per share or 2.25% of paid-up capital) amounting to approximately US\$70 million. This is subject to relevant regulatory approvals.

Bank ABC is a leading player in the region's banking industry, with presence in 15 countries across five continents. It provides innovative global wholesale banking solutions in both conventional and Islamic finance, across Transaction Banking, Project and Structured finance, Capital Markets, Financial Markets, Real Estate finance to corporates and financial institutions. It also provides retail banking services through its network of branches in Jordan, Egypt, Tunisia, Algeria, and through ila Bank, its digital mobile-only bank, in Bahrain and Jordan.

The full set of financial statements and the press release are available on the Bahrain Bourse and Bank ABC websites. Further details are provided in the Investor Highlights Presentation published on Bank ABC's website.

Bank ABC will be hosting a virtual Investors call to discuss the quarterly earnings update for the period ended 2023 on 15 February 2024. Further details are available on the Bank's website: www.bank-abc.com.

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