

A blue-tinted background image of a modern cityscape with several skyscrapers. One prominent building in the center has a curved facade and the 'Bank ABC' logo on its upper part. The overall scene is rendered in shades of blue and teal.

Q1 2019 Investor Highlights



In Q1 2019, Bank ABC financial performance continues positive trend

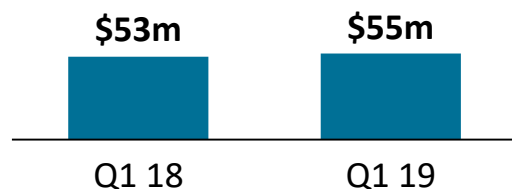
- / Net profit was \$55m for Q1 of 2019, 4% higher compared to same period last year
- / Operating income growth somewhat affected by FX depreciation of the Brazilian Real
- / Impairment charges are largely in line with our expectations for cost of credit, reflecting proactive and conservative credit management
- / RoE continues to improve, increasing to 5.7% in Q1 2019



Balance sheet remains strong, resilient and well diversified

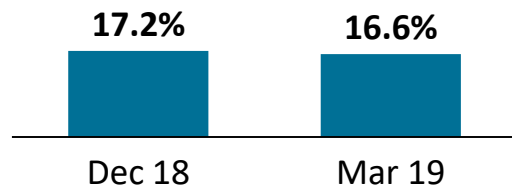
- / Strong Capital Ratios (Tier 1 ratio: 16.6%, Total CAR: 17.3%)
- / Robust Liquidity ratios with LCR and NSFR exceeding 100% with comfortable buffer
- / Deposits grew +\$0.5bn from year end 2018 to reach \$21.2bn by end of March 2019
- / Stable NPL and coverage ratios
- / Standard & Poor's upgrades Bank ABC's ratings outlook to "Stable" and affirms its "BBB-" credit rating

Net Profit, \$m



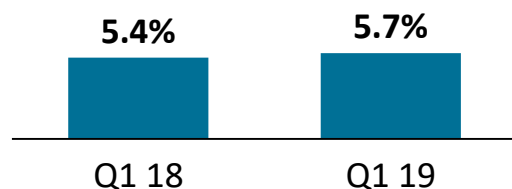
- / Steady profitability improvement
- / Net profit +4% higher compared to same period last year

T1 Capital Ratio, %



- / Capital base remains very strong with room for growth
- / CET 1 Ratio (16.4%) comprises the majority of Bank ABC's Tier 1 Capital Ratio

RoE*, %

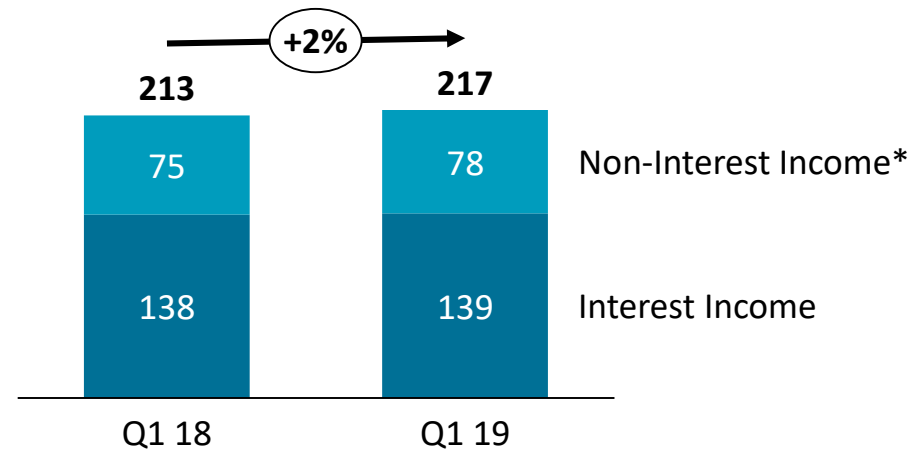


- / Income is broad based and diversified across various business units supporting a steady improvement in RoE

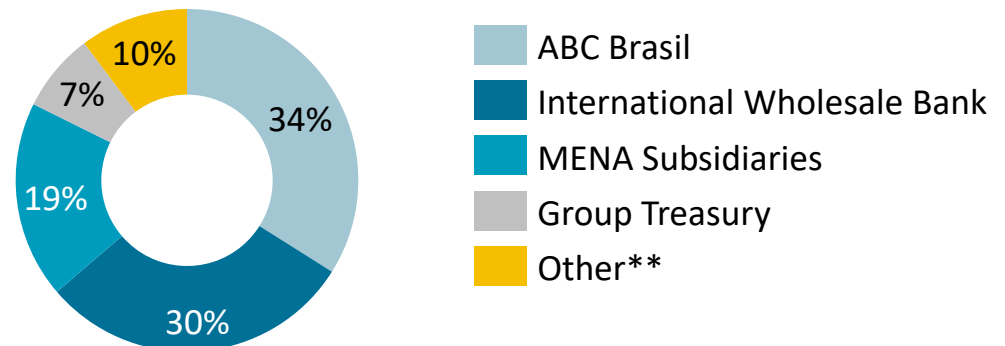
Overview

- On a normalized basis total operating income (TOI) for first quarter of 2019 was \$217m compared to \$213m for the same period last year (the normalized income adjustments are explained next page)
- Underlying growth of 8% in local currency terms was impacted by FX depreciation of the Brazilian Real (BRL) against USD in particular
- Fee Income represents 36% of TOI and is growing faster than Interest income
- Income is broad based and diversified across various business units supporting a steady improvement in RoE

Total Operating Income (TOI), \$m



TOI by business (Q1 19), %



* Non-Interest Income is mainly comprised of fees and gains from disposal of assets/securities. ** Other includes activities of Arab Financial Services.

	Q1 2018		Q1 2019	
	TOI	Tax	TOI	Tax
As Reported	\$211m	-\$14m	\$215m	-\$10m
Currency Hedge	+\$2m	-\$2m	+\$2m	-\$2m
Normalized	\$213m	-\$16m	\$217m	-\$12m

Cayman Branch

Banco ABC Brasil (BAB) has USD assets held at its Cayman branch, exposing its P&L to currency fluctuations

BAB therefore hedges its USD net open position with futures contracts

Tax Anomaly

According to Brazilian Tax laws, the revaluation on branch capital position is tax exempt (both m-t-m gains and losses)

However, the equivalent gain / loss from the futures hedging is taxable

Because of this mismatched treatment, hedging using futures with a nominal value the same as branch capital gives a lesser economic hedge (considered after tax)

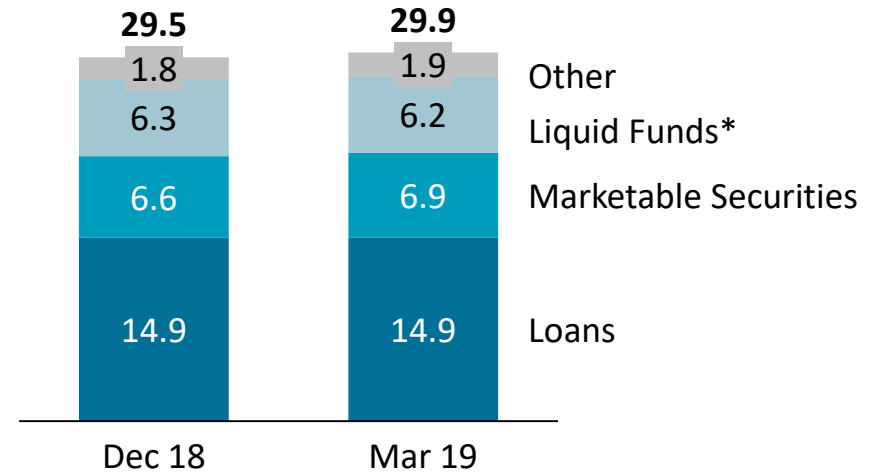
Overhedge

To protect against this anomaly, BAB 'Overhedges' the USD position. Consequently, if the BRL/USD move is significant, this revaluation will distort the trend in TOI and Tax, while net profit will be hedged

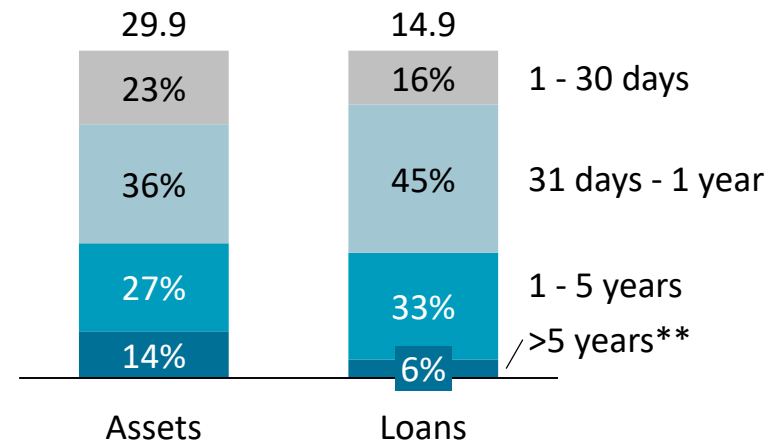
Overview

- / Total assets stood at \$29.9b at the end of the first quarter of 2019, compared to \$29.5b at the 2018 year end
- / More than half the Assets are maturing within 1-year (59%)
- / Loans and advances remained constant at \$14.9b, reflecting our continuing emphasis on prudent use of balance sheet
- / Marketable securities grew to \$6.9b at the end of the first quarter for 2019 (+4%)
- / Strong liquid funds position with liquidity ratios (LCR/NSFR) on a Basel III basis exceeding 100%

Assets by instrument, \$b



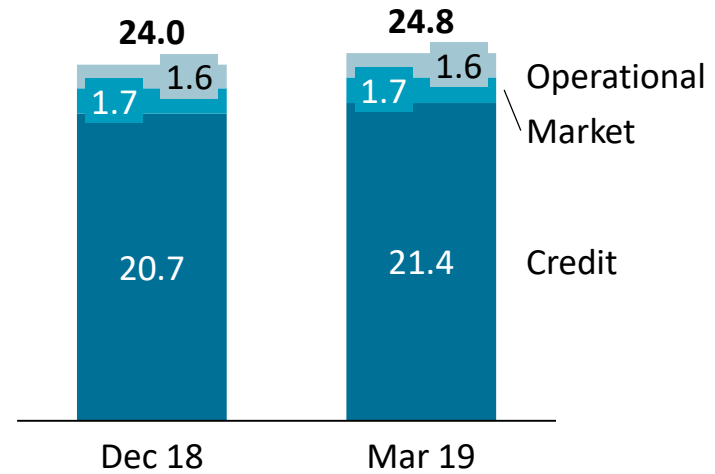
Assets by Maturity (Mar 19), \$b



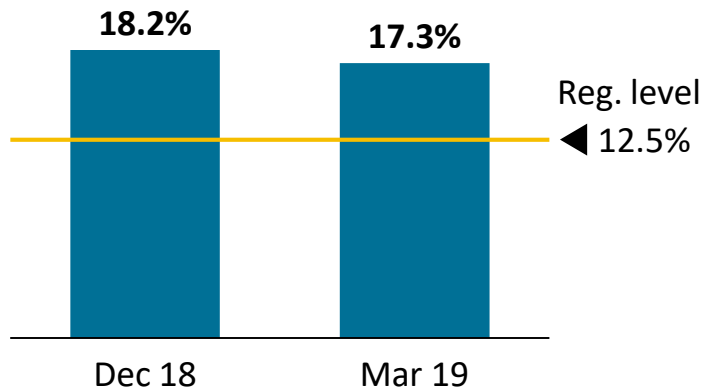
Overview

- / Bank ABC's capital base remains very strong, with a capital adequacy ratio of 17.3% as at end of first quarter 2019
- / CET 1 Ratio (16.4%) comprises the majority of Bank ABC's Tier 1 Capital Ratio (16.6%)
- / RWA stood at \$24.8b in the first quarter of 2019, compared to \$24.0b at the 2018 year end (+3%)

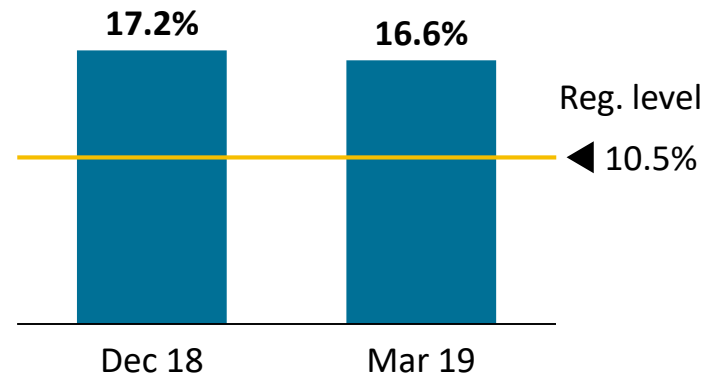
RWA by Type of Risk, \$b



Capital Adequacy Ratio, %



Tier 1 Ratio, %

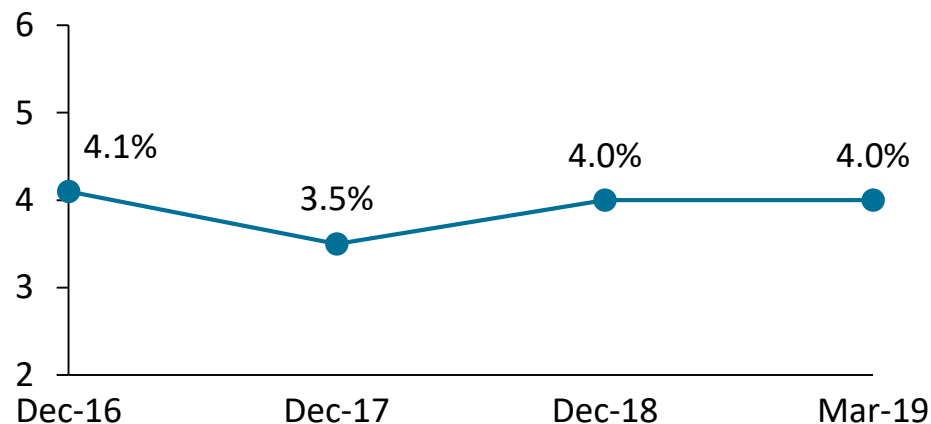


Resilient Asset Quality & Conservative Investment Portfolio

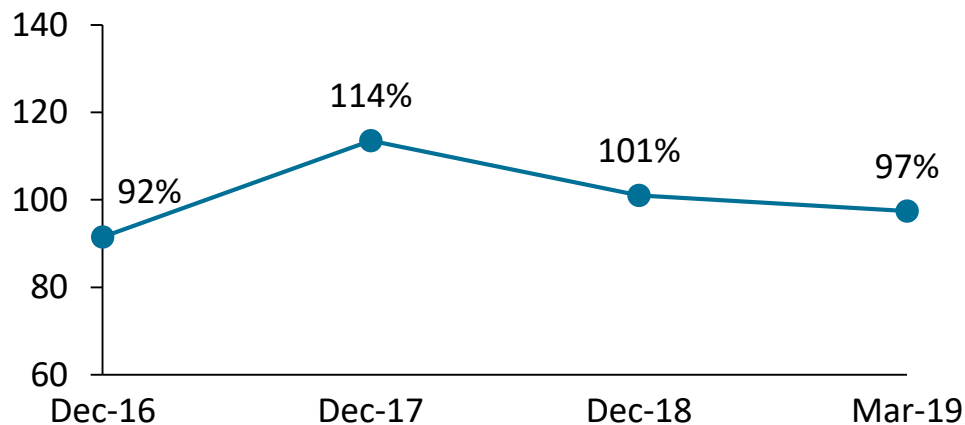
Overview

- Ratio of impaired loans to gross loans remained at 2018 year-end levels of 4.0%, but normalizes to 3.1%, when long-standing legacy fully provided loans are adjusted for
- Provisions coverage against the aggregate impaired exposures remained comfortable at 97% as at end of first quarter 2019, after minor fluctuations
- Cost of risk* down to 36bps as at end of first quarter 2019 compared to 50bps for the same period last year

NPL Ratio, %



Coverage Ratio**, %





Q1 2019, Bank ABC financial performance continues positive trend



Balance sheet is strong, resilient and well diversified



Our transformation strategy is progressing, positioning ABC for future growth & returns



Appendix 2: Last 4 years performance

P&L

US\$ millions	2015	2016	2017	2018
Interest Income	502	538	556	559
Non-Interest Income*	299	278	317	309
Revenues	801	816	873	868
Total Operating Expenses	-421	-436	-462	-474
Operating Profit	380	380	411	394
Provisions	-70	-92	-96	-79
Profit before Taxes & M.I.	310	288	315	315
Taxes*	-73	-54	-62	-67
M.I.	-57	-51	-60	-46
Net Profit	180	183	193	202

Balance Sheet

US\$ millions	2015	2016	2017	2018
Liquid Funds**	6,762	7,517	6,079	6,266
Marketable Securities	6,069	6,346	6,650	6,638
Loans & Advances	13,958	14,683	15,329	14,884
Other	1,406	1,595	1,441	1,761
Total Assets	28,195	30,141	29,499	29,549
Customer Deposits	13,425	14,307	16,782	16,464
FI Deposits	5,029	5,870	3,408	4,207
Borrowing	3,943	4,269	2,148	2,012
Other	1,690	1,435	2,749	2,550
Total Liabilities	24,087	25,881	25,087	25,233
Shareholders' Equity	3,773	3,826	3,930	3,862
Non-Controlling Interest	335	434	482	454
Total Equity	4,108	4,260	4,412	4,316
Total Liabilities & Equity	28,195	30,141	29,499	29,549

* Non-Interest income and taxes includes normalization of BRL currency overhedge. ** Liquid funds includes placements with banks & other financial institutions and securities bought under repurchase agreements.

For more information, contact us on InvestorRelations@bank-abc.com



Bank ABC Head Office
P.O. Box 5698,
Manama Kingdom of
Bahrain

www.bank-abc.com

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