

Q1 2021 Results Presentation

- Bank ABC has started the year on a solid and profitable footing, **recovering from the prior year's deeply challenging conditions, and carefully navigating post Covid-19 transitional operating conditions** still characterized by lockdowns and a constrained work environment
- We continue to see **progress on key aspects of our strategic journey to digitize the Bank** and as we head towards **completion of our landmark acquisition of Blom Bank Egypt**
- **The Bank delivered robust revenues, a strong balance sheet and a return to profitability in Q1 2021 with net profit to shareholders of \$30m** compared to a net loss of \$62m for the same period last year
- **Operating business performance continued to show robust traction** with a significant increase in TOI on a headline basis (+78.4%), and on an underlying basis (+2.5%), despite lower interest rates and challenged economic conditions
- **The Bank continued to actively manage its operating expenses**, with a 6% drop in headline costs to \$125m, while reprioritizing the continuing investments in the Group's digital transformation and strategic initiatives
- **Cost of risk returning to pre-pandemic levels, with Q1 2021 ECL charges of \$20m, compared to \$120m during Q1 2020** driven by the improved economic outlook compared to the lows of last year flowing through expected loss estimates under IFRS9, and without the major impact of regional fraud events that created abnormally elevated ECL charges during 2020
- **The Bank continued to show a strong balance sheet** with a 16.9% Tier 1 ratio (16.6% CET1), LCR of 200% and NSFR of 124%

Strategic intent

To become MENA's leading international Bank

Strategic objectives

Build focus to unlock the full potential of our global Wholesale Bank*

Digitize Retail Banking in MENA and grow our Commercial Banking in Brazil

Enhance the Group's operating model to increase resilience and strengthen culture

Seek inorganic opportunities to address our model constraints and improve Group returns

Digitizing the Bank

ila continues to show remarkable progress and growth in Bahrain while we continue to consider expansion into other geographies

Acquisition of Blom Bank Egypt

Regulatory approvals for the acquisition are progressing well as we head towards completion by ~ end Q2 2021

* Includes Wholesale Banking, Financial Markets and Capital markets.

- / Continues to demonstrate remarkable growth of customer numbers and deposits
- / Premium subscription-based banking offering was launched and has received a sizable uptake from customers
- / Much awaited Jamiyah feature, co-created with customers to take the community savings practice completely digital was launched. This has received a strong uptake since launch
- / ila has also launched Arabic language in its app
- / Completed its certification with the CBB Open Banking Standards and has integrated into the open banking API network in Bahrain
- / The ila platform will be rolled out across the wider ABC network, with a focus on innovative products including digital payments, asset products and financial management

The ila Platform





Blom Bank Egypt was established in 1977 and is headquartered in Cairo with a nationwide presence of 41 branches and a universal banking proposition

EGP 44bn
Total Assets*

EGP 5.0bn
Total Equity*

EGP 1.8bn
TOI*

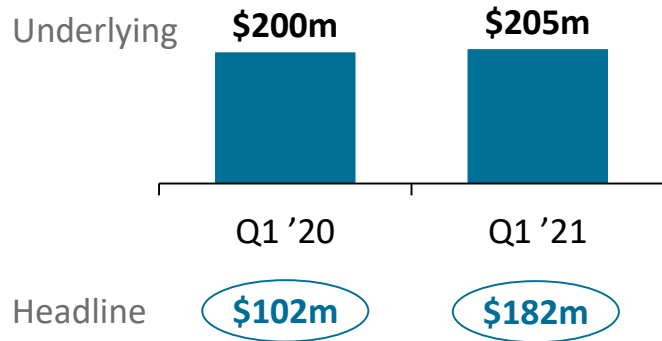
Transaction Summary

- / On Jan 15th, Bank ABC entered into an agreement with Blom Bank Lebanon to acquire its 99.4% stake in Blom Bank Egypt
- / The transaction is subject to regulatory approvals from the Central Bank of Bahrain, Central Bank of Egypt, Egyptian Financial Regulatory Authority and Banque du Liban
- / Completion of the acquisition is progressing well, and is in the advanced stages of meeting all required conditions to close ~ end Q2 2021
- / Post acquisition, Bank ABC Egypt and Blom Bank Egypt will merge
- / Post-merger integration planning with first-class advisory partners is underway

Strategic Highlights

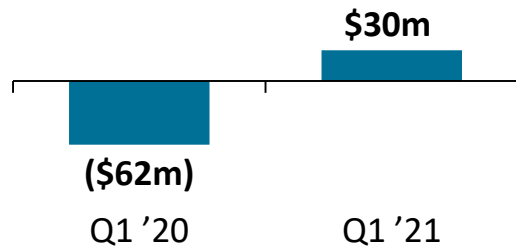
- 1 Significantly upscales Egyptian business, delivering scale and a more efficient platform
- 2 Provides ABC Group with a highly profitable franchise with significant growth potential
- 3 Builds new capabilities in Retail, SME and Corporate lending
- 4 Provides a more capable and expansive branch network with the addition of 41 branches
- 5 Facilitates greater connectivity and access to Egypt for Bank ABC's broader client base
- 6 Bank ABC's Egyptian franchise will be repositioned amongst the top 20 banks in Egypt with a combined asset base of EGP 56bn*

Total Operating Income, \$m



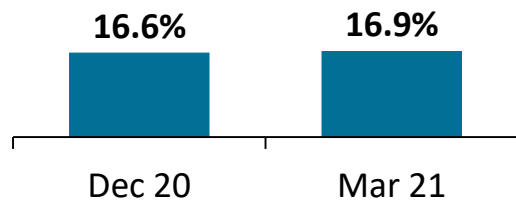
- Operating business performance continued to show robust traction with a significant increase in TOI on a headline basis (+78.4%), and on an underlying* basis (+2.5%)
- Strong TOI performance achieved despite lower interest rates and challenged economic conditions

Net Profit, \$m



- Return to profitability in Q1 2021 with net profit to shareholders of \$30m compared to a net loss of \$62m for the same period last year (with ECL returning to pre Covid-19 levels)

T1 Capital Ratio, %

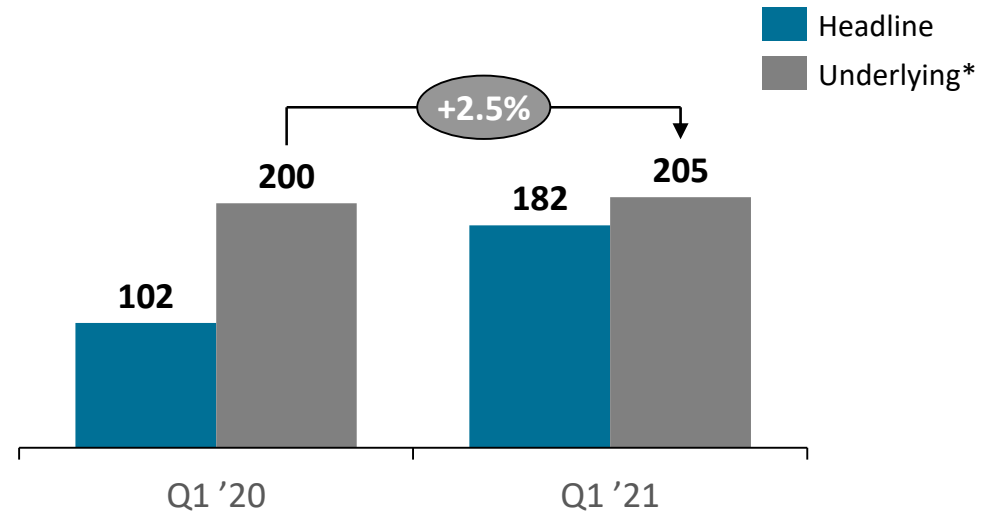


- Capital base remains strong, stable and significantly above regulatory minimum levels
- CET 1 Ratio (16.6%) comprises the majority of Bank ABC's Tier 1 Capital Ratio

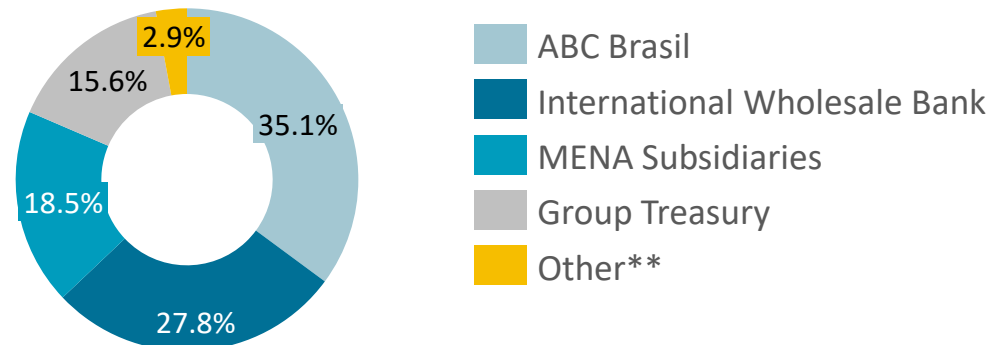
* Please refer to appendix for headline vs underlying basis calculation.

- After adjusting for currency hedging and FX depreciation, underlying* TOI of \$205m was +2.5% higher compared to Q1 2020, reflecting continued resilience across our markets and business lines
- Headline TOI significantly increased (+78.4%) to \$182m, compared to \$102m during Q1 2020
- Strong TOI performance achieved despite lower interest rates and challenged economic conditions
- Net interest income was at 89% of Q1 2020 levels after absorbing the impact of declining interest rates
- Income is broad based and diversified across various business units

Total Operating Income (TOI), \$m



TOI by Business (Q1 2021), %



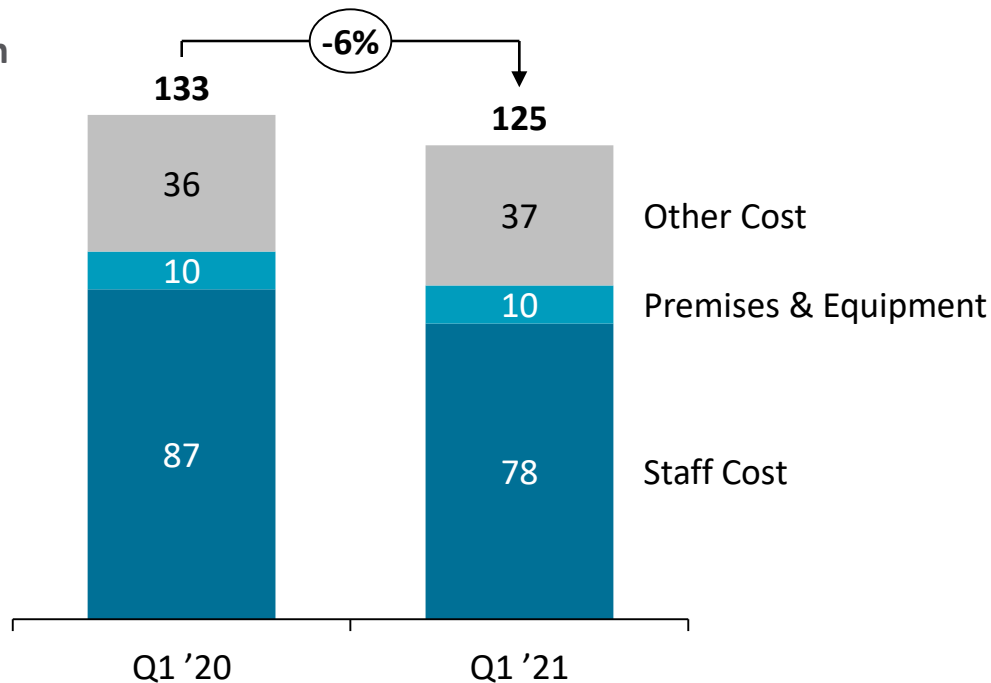
* Please refer to appendix for headline vs underlying basis calculation.

** Other includes activities of Arab Financial Services and ila.

- 6% headline drop in costs during Q1 2021 to \$125m on the back of management actions to control spending
- Costs highly controlled with restricted hiring, rationalization actions and greater discipline and cost control
- Several initiatives are underway to increase cost efficiencies during 2021 and beyond
- Continuing investments into the Group's digital transformation and strategic initiatives will remain a priority
- Cost to income ratio improved during Q1 2021 to 63%, compared to 67% during Q1 2020 and robust cost measures will continue during 2021 and beyond

Operating Expenses and Cost to Income Ratio

Operating Expenses, \$m



Normalized Cost to Income Ratio



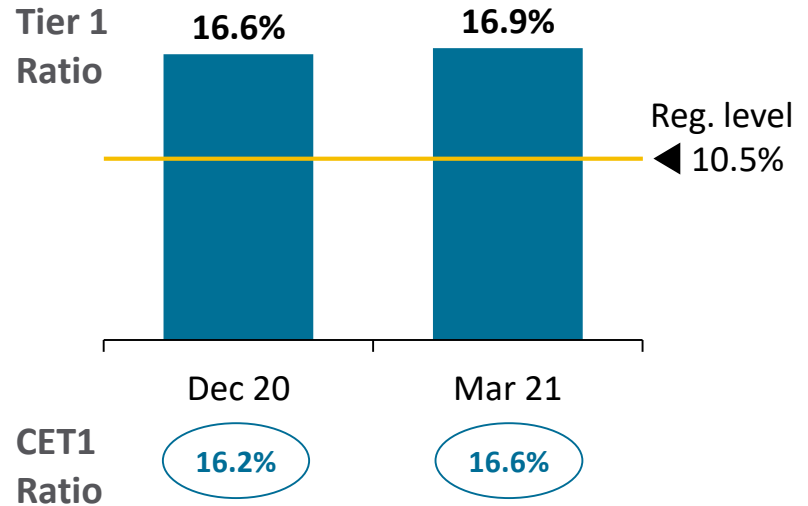
Cost to Income Ratio (ex-Digital Investment)



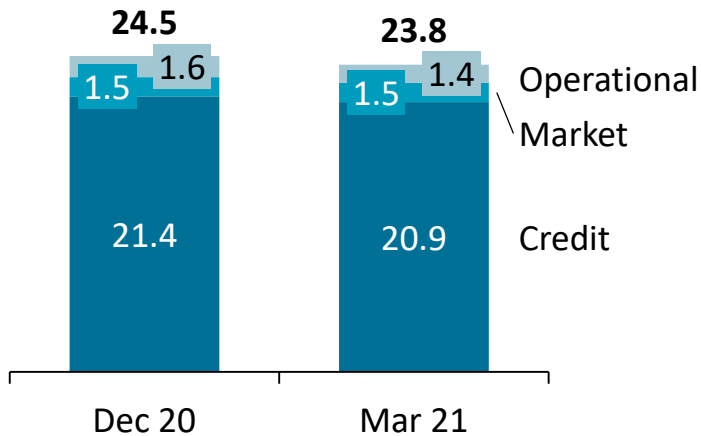
Overview

- ✓ Tier 1 ratio remains strong, benefiting from dividend retention and return to profitability
- ✓ CET 1 Ratio (16.6%) comprises the majority of Bank ABC's Tier 1 Capital Ratio (16.9%)
- ✓ Bank ABC's capital base remains very strong, with a capital adequacy ratio of 17.8% as at end of March 2021
- ✓ RWA stood at \$23.8bn as of Mar-2021, compared to \$24.5bn as of Dec-20 (-3%)

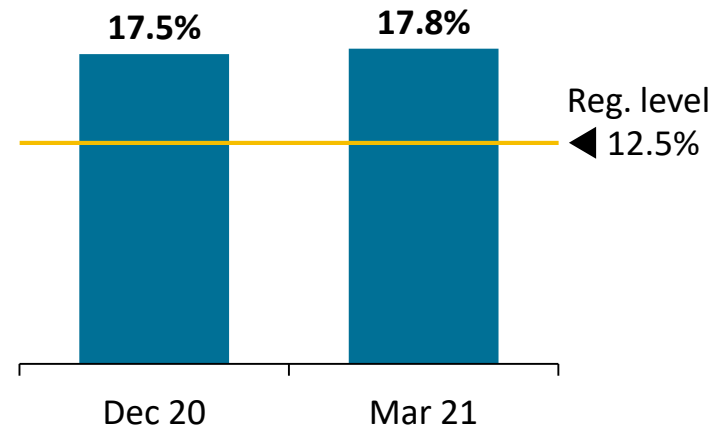
CET1 and Tier 1 Ratios, %



RWA by Type of Risk, \$bn



Capital Adequacy Ratio, %



/ Total assets stood at \$30.2bn as of Q1 2021, compared to \$30.4bn at the 2020 year end

/ More than half the Assets are maturing within 1-year (57%)

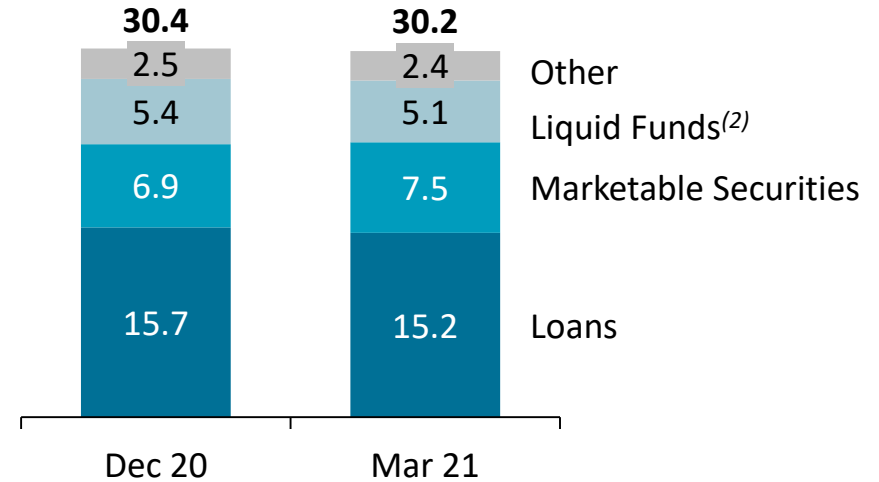
/ Loans dropped by 3% on a headline basis to \$15.2bn. However, adjusted for BRL depreciation, loans were at similar levels to 2020 year end, reflecting our continuing emphasis on prudent use of balance sheet

/ Loan to customer deposits ratio at 88% compared to 91% at the 2020 year end. Our deposit experience remained steady underscoring the confidence of our clients

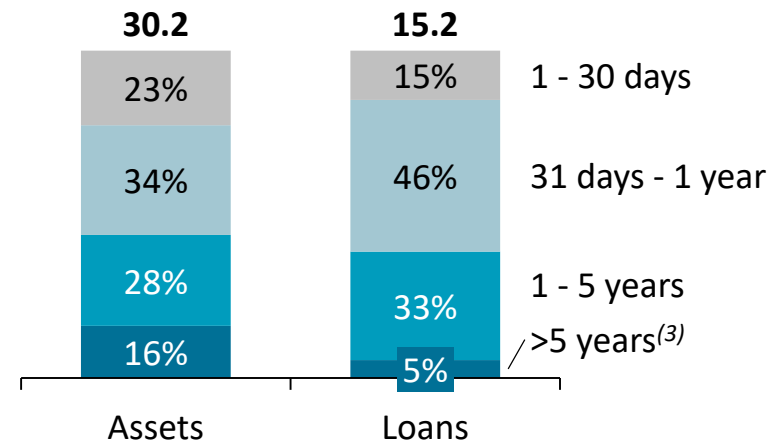
/ Marketable securities and liquid funds grew to \$12.6bn (+3%) at March 2021

/ Strong liquid funds position with LCR of 200% ⁽¹⁾ and NSFR of 124%

Q1 2021 Assets by Instrument, \$bn



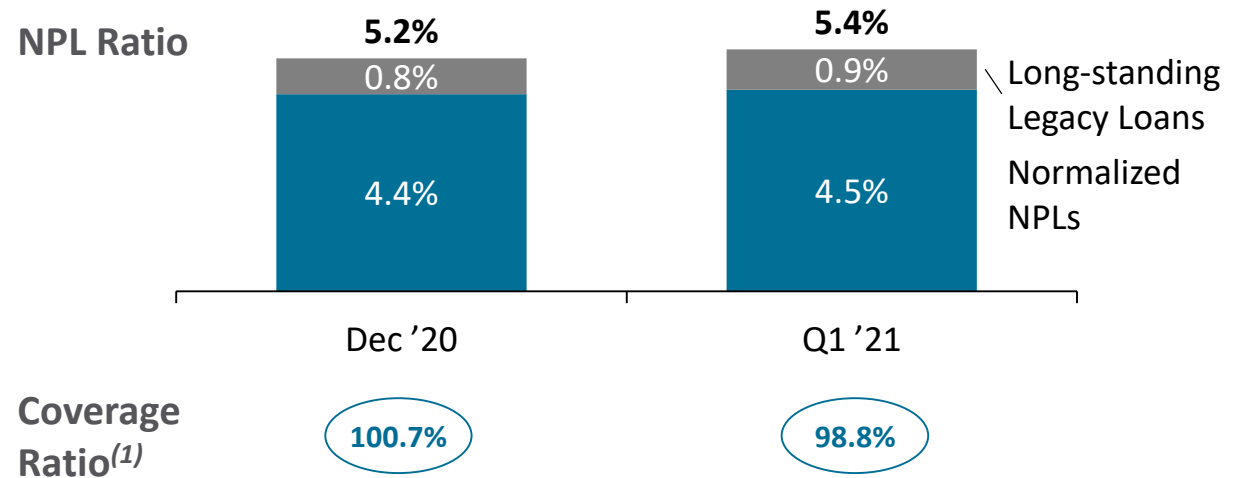
Q1 2021 Assets by Maturity, \$bn



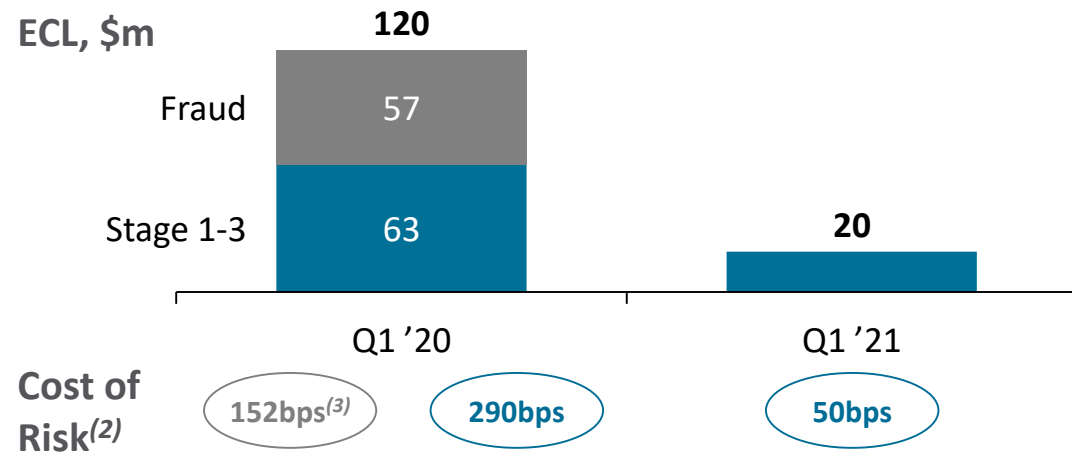
(1) LCR calculated net of trapped liquidity. (2) Liquid funds includes placements with banks & other financial institutions and securities bought under repurchase agreements. (3) >5 years includes undated.

- / NPL ratio increase is largely attributable to decline in gross loans
- / NPL ratio normalises to 4.5% when long-standing legacy fully provided loans are adjusted for
- / Loans provision coverage ratio broadly stable at 99%
- / Cost of risk has normalized to pre-pandemic levels, driven by the improved economic outlook compared to the lows of last year flowing through expected loss estimates under IFRS9, and without the major impact of regional fraud events that created abnormally elevated ECL charges during Q1 2020

NPLs and Coverage Ratio



ECL & Cost of Risk



(1) Provision / Gross Impaired Loans. (2) Annualized Impairment / Gross Loans. (3) Excluding ECL related to major client fraud.



Bank ABC has started the year on a solid and profitable footing, recovering from the prior year's deeply challenging conditions, and carefully navigating post Covid-19 transitional operating conditions



The Bank delivered robust revenues, a strong balance sheet and a return to profitability in Q1 2021 with net profit to shareholders of \$30m compared to a net loss of \$62m for the same period last year



Cost reduction measures are continuing alongside prioritized investments into Bank ABC's strategic transformation, consistently aimed at building digital capabilities across both wholesale and retail banking



Nearing completion of landmark acquisition of Blom Bank Egypt, which will provide an excellent franchise addition and platform for growth in a core MENA market

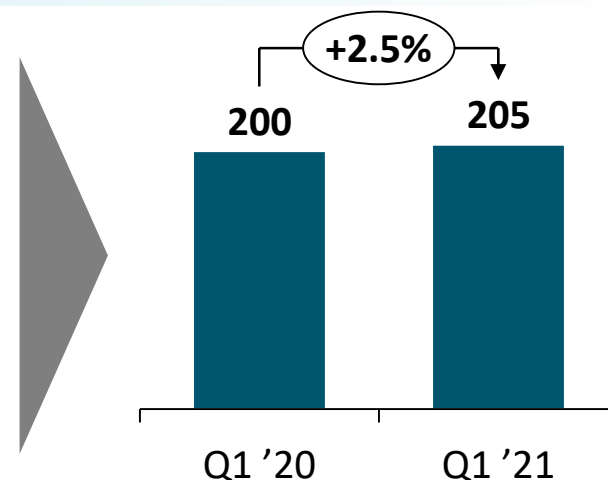
Appendix: Normalised Financials

	US\$ millions	2016	2017	2018	2019	2020	Q1 2020	Q1 2021
Profit or Loss	Net Interest Income	538	556	559	564	516	137	122
	Non-Interest Income	278	317	309	311	233	63	75
	Total Operating Income (TOI)*	816	873	868	875	749	200	197
	Total Operating Expenses	-436	-462	-474	-524	-486	-133	-125
	Operating Profit	380	411	394	351	263	67	72
	Provisions	-92	-96	-79	-82	-329	-120	-20
	Profit before Taxes & M.I.	288	315	315	269	-66	-53	52
	Taxes*	-54	-62	-67	-33	-9	-	-16
	M.I.	-51	-60	-46	-42	-14	-9	-6
Net Profit	183	193	202	194	-89	-62	30	
Balance Sheet	US\$ millions	2016	2017	2018	2019	2020	Mar 2020	Mar 2021
	Liquid Funds**	7,517	6,079	6,266	5,323	5,378	5,082	5,105
	Marketable Securities	6,346	6,650	6,638	6,343	6,867	6,168	7,478
	Loans & Advances	14,683	15,329	14,884	16,452	15,656	15,948	15,198
	Other	1,595	1,441	1,761	1,950	2,506	3,077	2,427
	Total Assets	30,141	29,499	29,549	30,068	30,407	30,275	30,208
	Customer Deposits	14,307	16,782	16,464	17,065	17,667	16,500	17,819
	Bank Deposits	5,870	3,408	4,207	3,897	3,596	3,914	3,828
	Borrowing	4,269	2,148	2,012	2,080	1,795	2,027	1,602
	Other	1,435	2,749	2,550	2,537	3,205	3,966	2,857
	Total Liabilities	25,881	25,087	25,233	25,579	26,263	26,407	26,106
	Shareholders' Equity	3,826	3,930	3,862	4,031	3,767	3,498	3,753
	Non-Controlling Interest	434	482	454	458	377	370	349
Total Equity	4,260	4,412	4,316	4,489	4,144	3,868	4,102	
Total Liabilities & Equity	30,141	29,499	29,549	30,068	30,407	30,275	30,208	
Key Metrics	Normalized Cost to Income, %	53%	53%	55%	60%	65%	67%	63%
	Tier 1 Ratio, %	17.5%	17.7%	17.2%	16.9%	16.6%	15.0%	16.9%
	CET 1, %	17.3%	17.5%	17.0%	16.6%	16.2%	14.7%	16.6%
	RoAE,%	4.8%	5.0%	5.2%	4.9%	-	-	3.2%

* TOI and taxes includes normalization of BRL currency overhedge. Headline TOI 2016 \$865m, 2017 \$869m, 2018 \$817m, 2019 \$865m, 2020 \$646m, Q1 2020 \$102m and Q1 2021 \$182m. ** Liquid funds includes placements with banks & other financial institutions and securities bought under repurchase agreements.

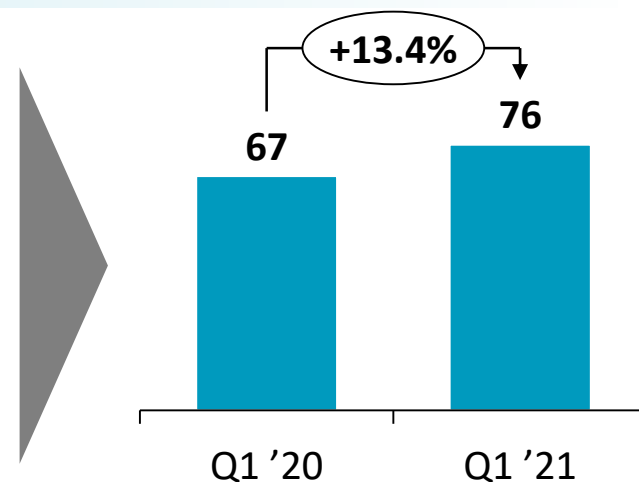
Underlying Total Operating Income

	Q1 2020	Q1 2021
Headline TOI	102	182
Currency Hedge*	+98	+15
Normalized TOI	200	197
FX impacts and one-offs	-	+8
Underlying TOI	200	205



Underlying Net Operating Profit

	Q1 2020	Q1 2021
Headline Net Operating Profit	-31	57
Currency Hedge*	+98	+15
Normalized Net Operating Profit	67	72
FX impacts and one-offs	-	+4
Underlying Net Operating Profit	67	76



* Regular hedging transactions to cover open USD position in Banco ABC Brasil Cayman branch that creates a corresponding tax adjustment.



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