



Q4 / FY 2022

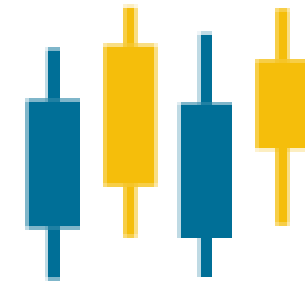
Results Presentation



Revenues Crossed the historic \$1bn mark

+29% YoY

Strong momentum backed by Core business growth, strength in interest rates and BRL, full year consolidation of BLOM Bank Egypt (BBE) but somewhat impacted by weakness of EGP



Net profit US\$ 154 million

+54% YoY

RoE 3.8%, ~ +1% YoY

Net Operating Income +44% YoY. Cost discipline leading to underlying expenses managed in line with targets with continuing investments in our digital units

ECL +12% YoY. Broadly in line with our historic credit loss experience



Healthy Balance Sheet

T1 Ratio 15.7%, NSFR 124%

Capital and Liquidity metrics remain strong

Strong loan growth in December has set positive momentum for 2023 positioning the Group to achieve its ambitious targets for 2023



Continuing to achieve major delivery milestones in building our Bank of the Future

Digital strategy delivery performed well, with all key metrics met or exceeded and significant YoY uplift

<p>Strategic Intent</p>	<p>MENA's leading international Bank</p>			
<p>Values</p>	<p>Client centric</p>	<p>Collaborative</p>	<p>Consistent</p>	
<p>Strategic Objectives</p>	<p>Build our Digital Bank of the Future</p> <ul style="list-style-type: none"> / Transition Group Retail into ila / Build WB Digital / Leading Digital Payment Solutions 	<p>Refocus our Wholesale Banking Transformation</p> <ul style="list-style-type: none"> / Refocus on selective corporate growth / Reinvigorate Financial Markets and Transaction Banking products / Refresh Europe Strategy 	<p>Integrate BBE to deepen Market Presence in Egypt</p> <ul style="list-style-type: none"> / Integrate BBE with ABC Egypt / Build Egypt to be a primary engine of profit growth for the Group 	<p>Strengthen our Organizational Resilience</p> <ul style="list-style-type: none"> / Operational resilience / Risk & Financial resilience
<p>Progress in 2022</p>	<ul style="list-style-type: none"> / Ila Bahrain had another year of fast paced growth / ila launched in Jordan / New GTB digital releases / AFS started year strongly 	<ul style="list-style-type: none"> / Post pandemic expansion of corporate customers base continues / Strong deal pipeline prospects for rest of year 	<ul style="list-style-type: none"> / Legal Day 1 merger was completed / Full integration plan now accelerating and will complete during 2023 	<ul style="list-style-type: none"> / Kept Stable credit rating / Maintained Capital and liquidity ratios well above regulatory levels

2021



Best Bank in Trade Finance (Bahrain)



Most Innovative Digital Onboarding Rollout



Fastest Growing Cash Management Bank in MENA for 2021



Best Financial Innovation Labs Award for Bahrain



Best Consumer Digital Bank / Banking App in Bahrain (ila)

2022



Best Bank for Digital Solutions in Bahrain



Best Digital Banking Initiative in MENA



Best Innovation in Digital Banking in the Middle East



Best Bank for Cash Management and Treasury in Bahrain and Tunisia



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

2022



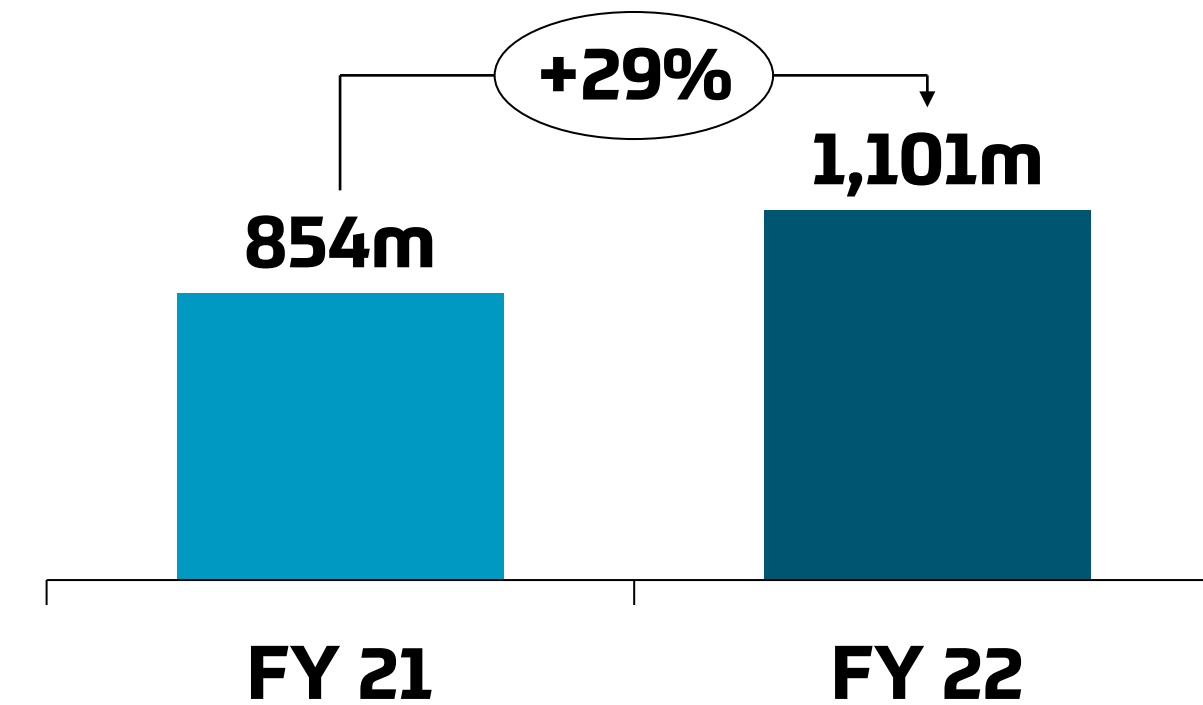
Leading Digital Bank –Middle East Region
Leading Digital Bank – Consumer Category



Superior app design and user experience recognition

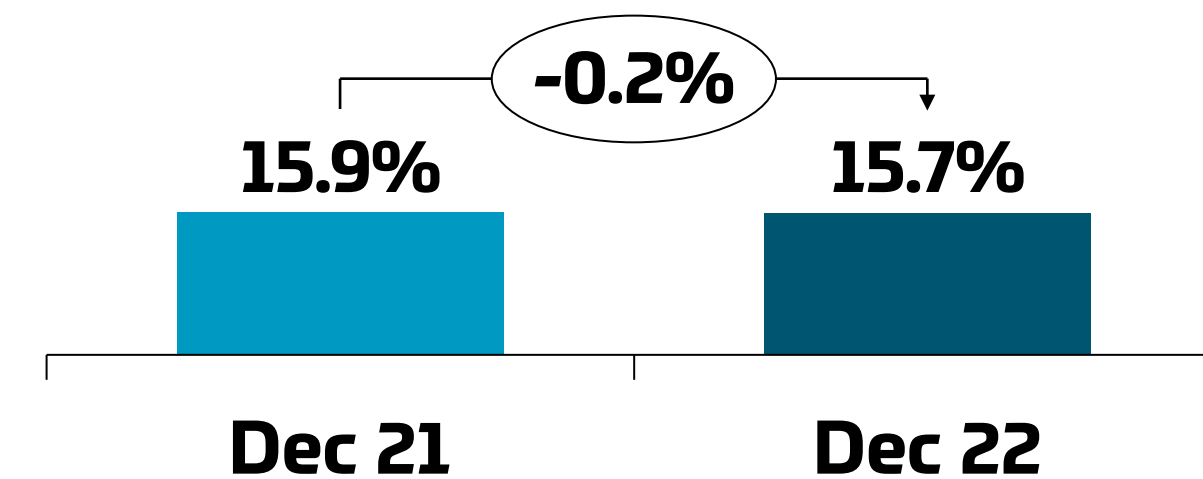
Total Operating Income, \$m

- / Exceeded \$1billion mark for the first time in history of the Bank.
- / A 29% headline growth* with solid performance across our markets and business lines, full year consolidation of BBE and benefitting from increase in interest rates (+19% equalising for BBE).



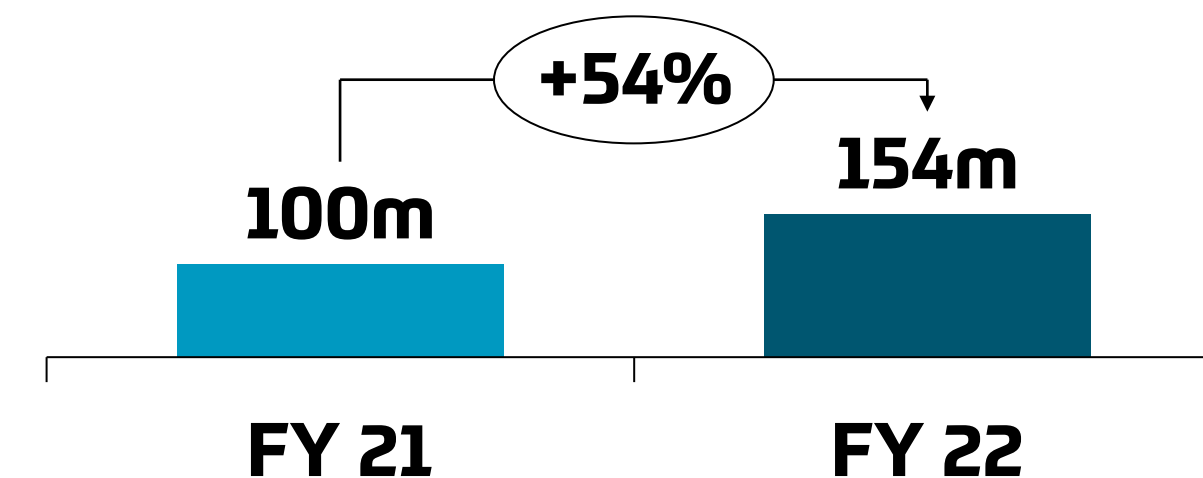
T1 Capital Ratio, %

- / Strong and well above the regulatory minimum of 10.5%
- / AT1 capital issuance further strengthened the Group's capital position
- / CET 1 Ratio (14%) comprises the majority of Tier 1 Ratio



Net Profit, \$m

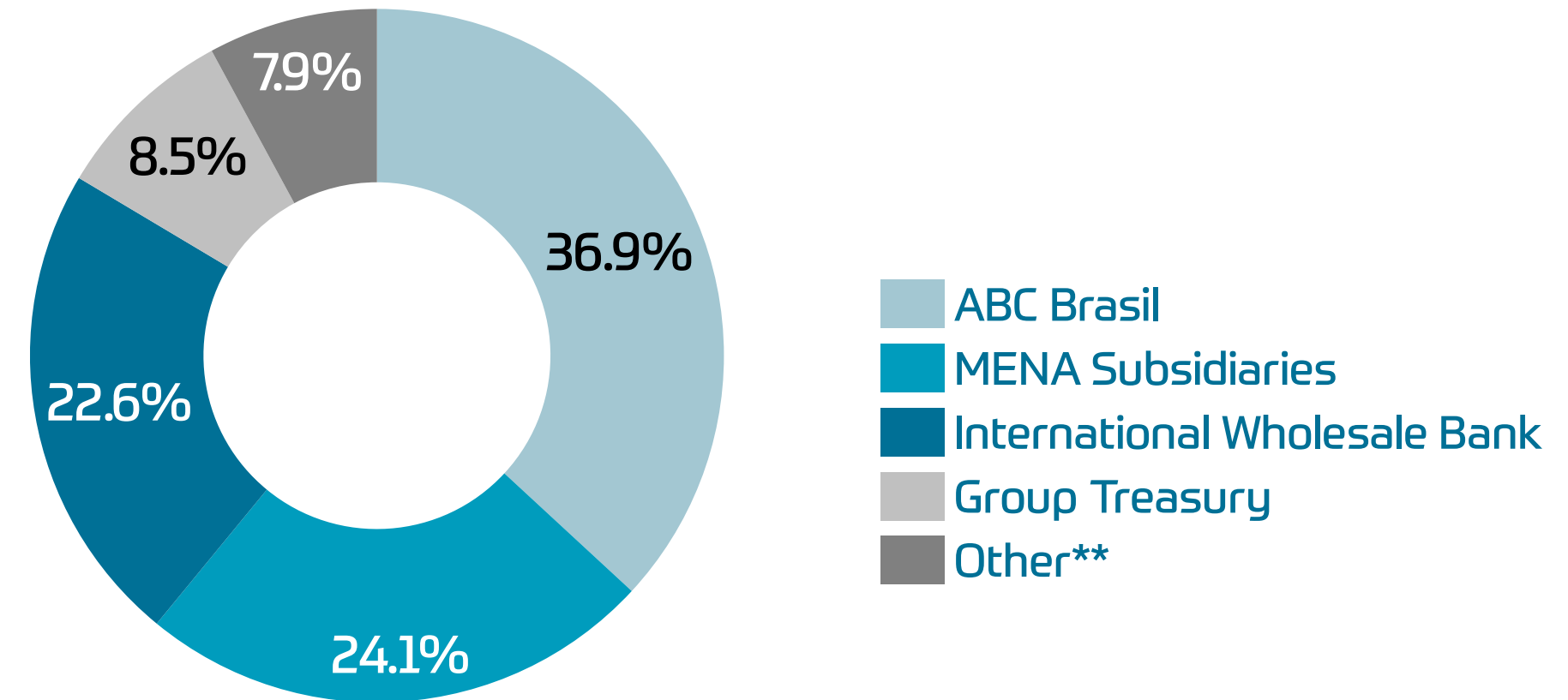
- / Net operating profit (before provisions and taxation) grew by +44%
- / Net Profit of \$154m, a strong 54% growth



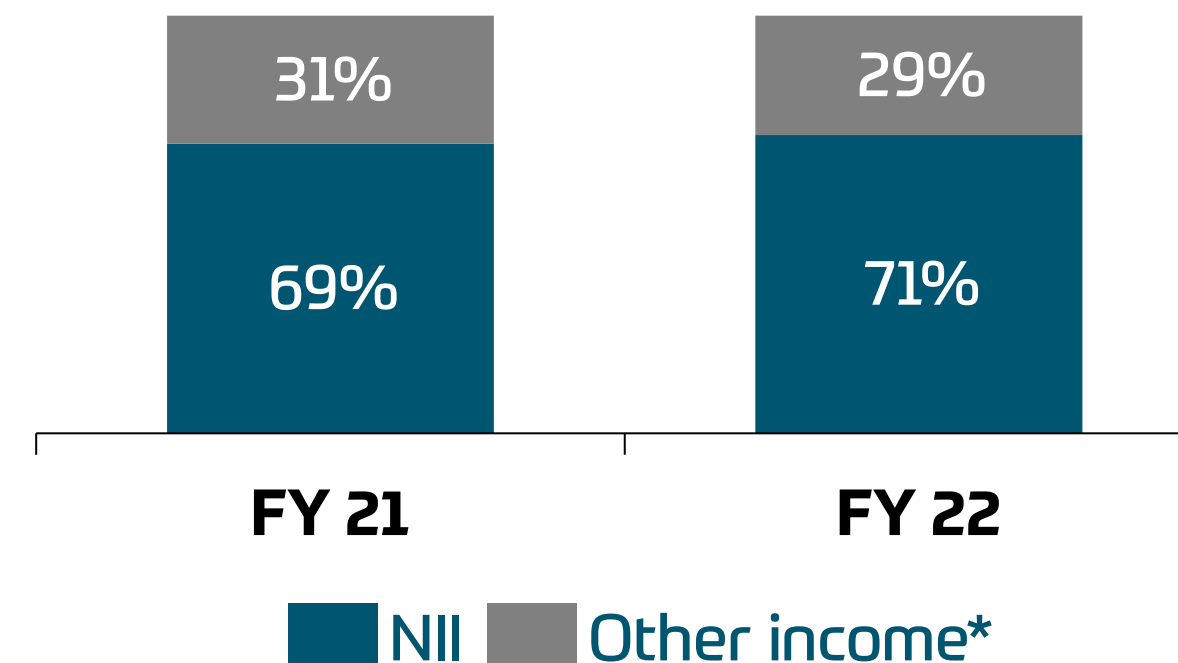
* Note that underlying adjustment for BAB Cayman branch hedging is no longer material due to tax changes in Brazil

- TOI crossing the \$1b mark for the first time was 29% higher than 2021, reflecting strong growth across our markets and business lines, and benefiting from the consolidation of BBE
- Client and transaction revenues have performed well with positive growth rates reflecting accelerated performance across our markets and business lines, with strong pipeline for continuing growth
- Net interest income at \$786m +33% year on year supported by strong loan volumes, higher interest rates and improving margins. NIM +45bps YoY
- Income is broad based and diversified across various business units

TOI by business (FY22), \$m



NII vs Other income, %



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

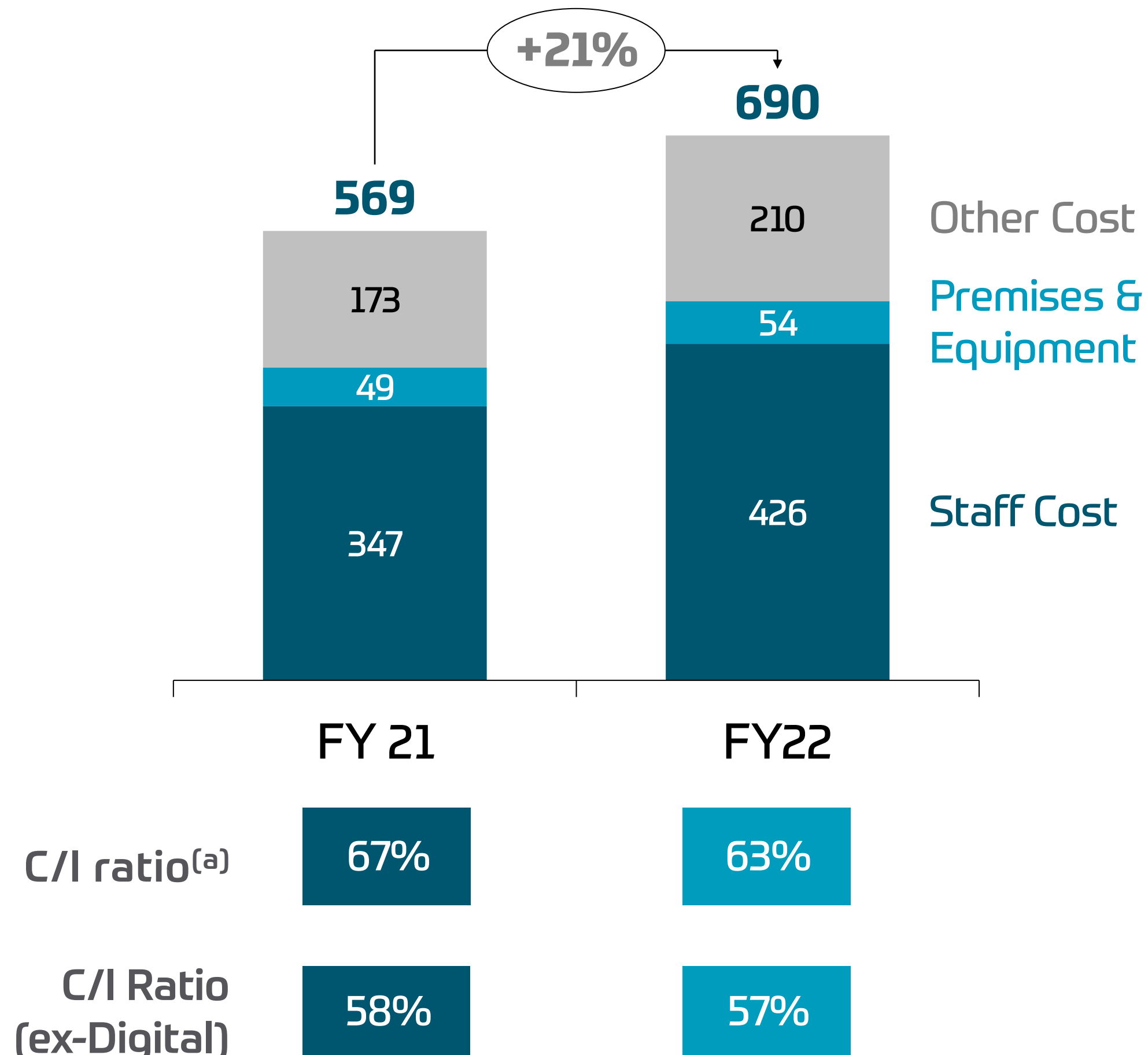
- / +21% increase in costs YoY
- / “positive jaws” with revenues growing faster than costs
- / Reflects strong core business growth and full year consolidation of BBE (+14% on equalised basis)

/ The Group continues to enforce appropriate cost discipline without compromising on investments into the Group’s digital transformation and strategic initiatives to build its “bank of the future”.

/ Cost to income ratio improving reflecting the faster growth in revenues supporting the Group’s investment in digital initiatives

(a) Appendix contains normalized view of comparatives

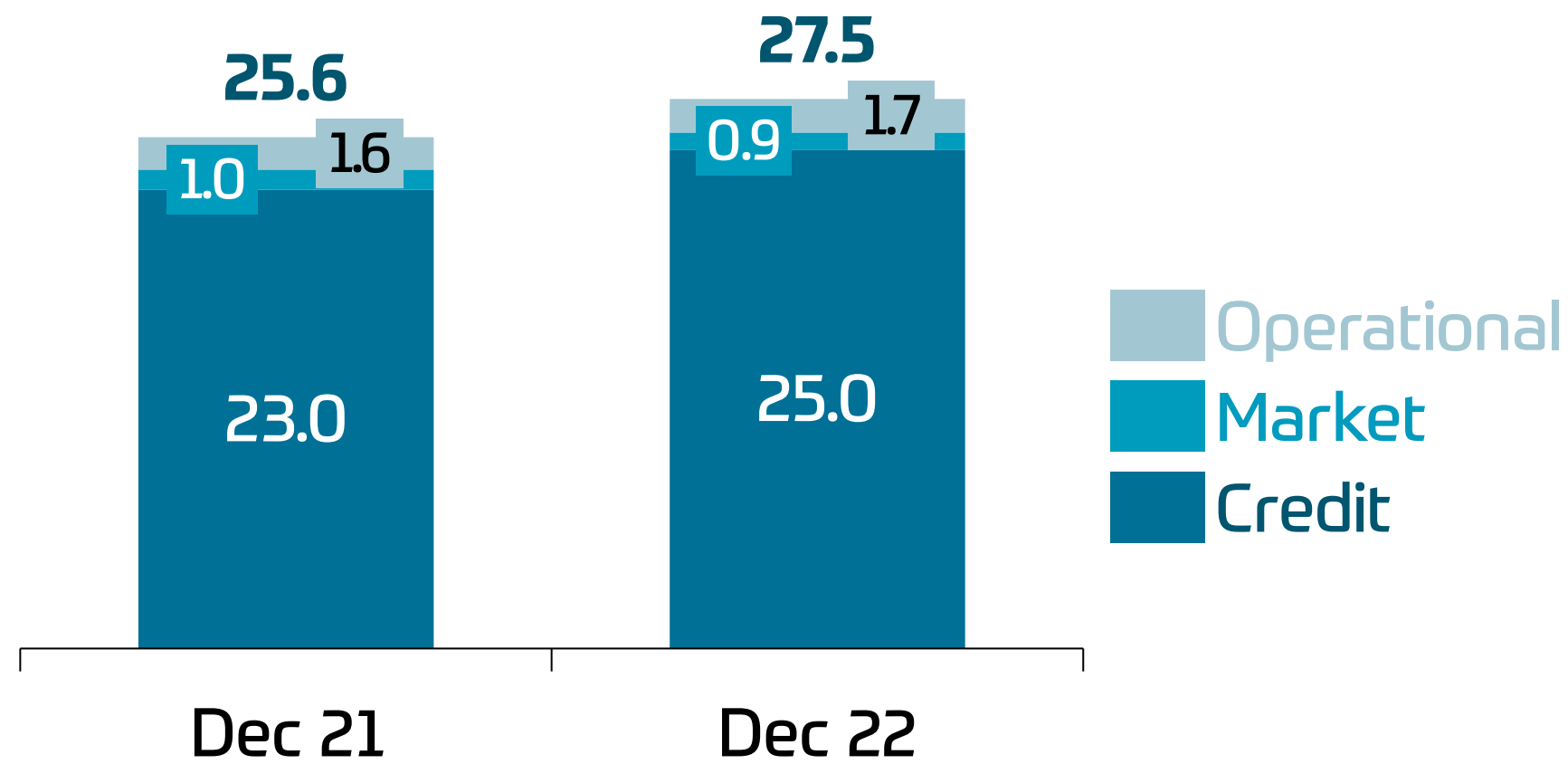
Operating Expenses and Cost to Income Ratio



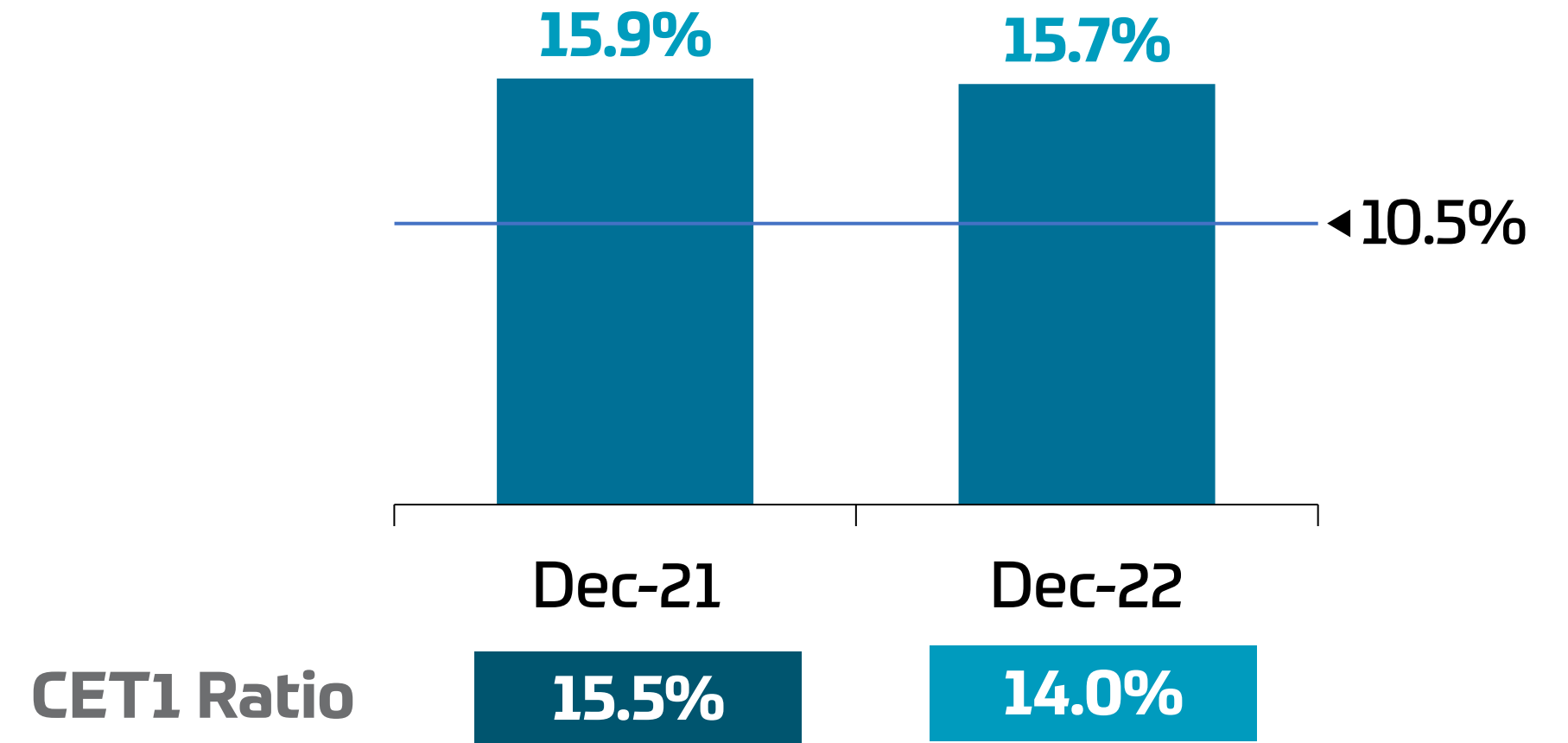
Overview

- / CET 1 Ratio (14.0%) comprises the majority of Tier 1 Ratio
- / Total CAR of 16.8% as at YE 2022
- / Capital base remains strong
- / RWA stood at \$27.5bn as of YE 2022, growing by 8% YoY

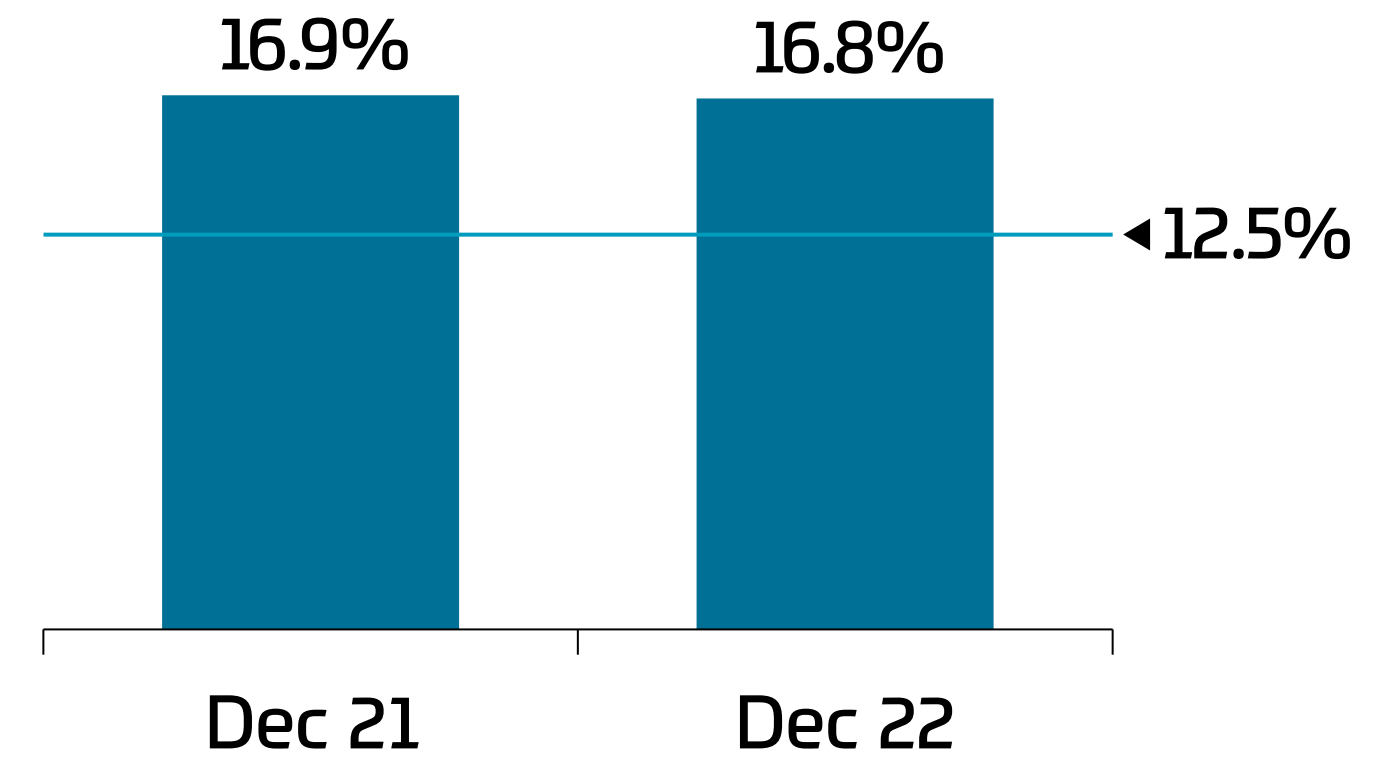
RWA by Type of Risk, \$bn



CET1 and Tier 1 Ratios, %

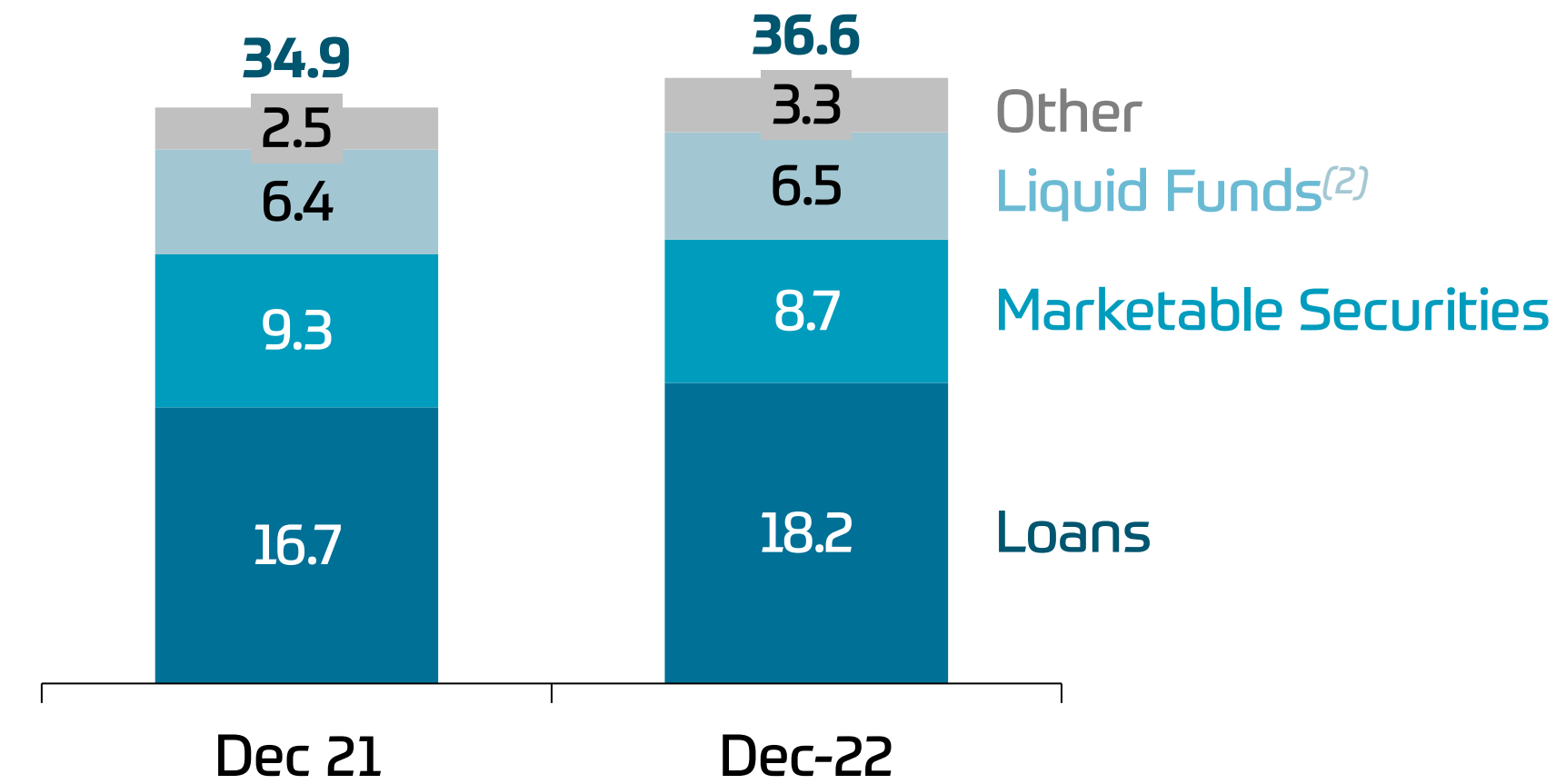


Capital Adequacy Ratio, %

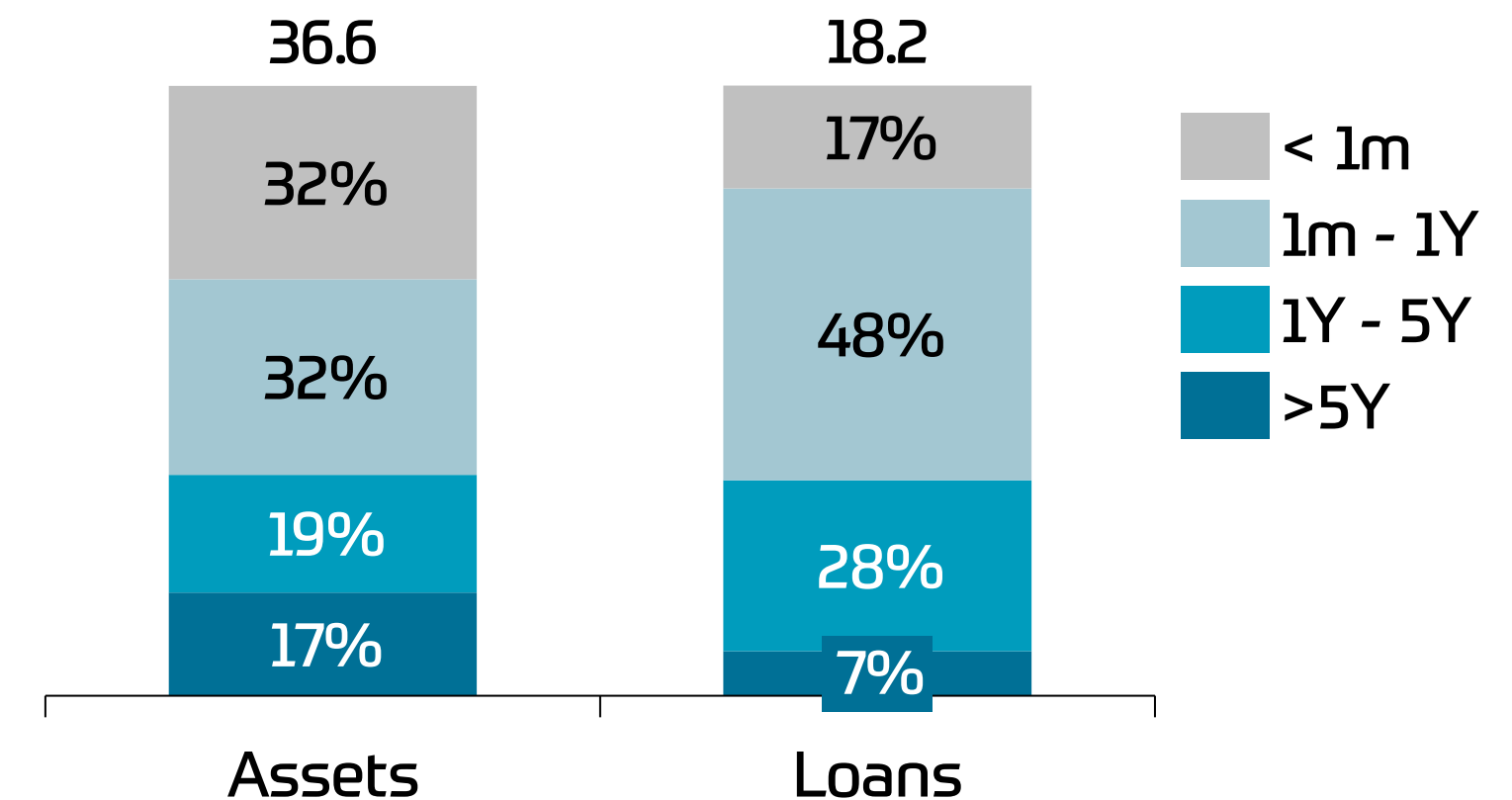


- ✓ Total assets in 2022 at \$36.7 billion grew by 5% YoY
- ✓ More than half the Assets are maturing within 1-year
- ✓ Loans comprised 50% of the Total assets and grew by 9% in 2022. A broad based growth while emphasising selective underwriting
- ✓ Net loans to customer deposits ratio broadly stable at 85%, comparable to 2021 levels
- ✓ Strong liquid funds position with LCR of 225%⁽¹⁾ and NSFR of 124%

December 2022 Assets by Instrument, \$bn



December 2022 Assets by Maturity, \$bn



- ✓ **2022 net profit of \$154m, a surge of 54%, marks a solid and profitable year.**
- ✓ **The Group's total operating income crossed the US\$1 billion mark during 2022 for the first time in the Bank's history, with 29% headline growth (+19% equalising BBE).**
- ✓ **Operating expenses were at \$690 million, 21% higher YoY (+14% equalising BBE),** reflecting positive revenue/cost 'jaws' from a robust growth in revenues, supporting more normal levels of post-pandemic activity and continuing investment into the Group's digital transformation and strategic initiatives.
- ✓ **Impairment charges (ECL) for the period were \$119m,** similar to same period last year, with cost of credit broadly in line with our historic credit loss experience.
- ✓ **The Group maintains a strong balance sheet and capital position,** with a 15.7 % Tier 1 ratio (14.0% CET1), LCR of 225% and NSFR of 124%.
- ✓ **Strategic direction is consistent** and ABC continues to improve its position as a renowned leader in digital innovation in banking with widespread industry recognition, exemplified most recently by **"Best bank for digital solutions in Bahrain"** from Euromoney Awards for Excellence in 2022.

Profit or Loss

US\$ millions	2018	2019	2020	2021	2022
Interest Income	559	564	516	592	786
Non-Interest Income*	309	311	233	277	314
Total Operating Income (TOI)*	868	875	749	869	1,100
Total Operating Expenses	-474	-524	-486	-569	-690
Operating Profit	394	351	263	300	410
Provisions	-79	-82	-329	-106	-119
Profit before Taxes & M.I.	315	269	-66	194	291
Taxes*	-67	-33	-9	-66	-82
M.I.	-46	-42	-14	-28	-55
Net Profit	202	194	-89	100	154

Balance Sheet

US\$ millions	2018	2019	2020	2021	2022
Liquid Funds**	6,266	5,323	5,378	6,355	6,498
Marketable Securities	6,638	6,343	6,867	9,292	8,670
Loans & Advances	14,884	16,452	15,656	16,716	18,190
Other	1,761	1,950	2,506	2,538	3,281
Total Assets	29,549	30,068	30,407	34,901	36,639
Customer Deposits	16,464	17,065	17,667	21,459	21,831
Bank Deposits	4,207	3,897	3,596	4,388	3,764
Borrowing	2,012	2,080	1,795	1,211	1,297
Other	2,550	2,537	3,205	3,608	5,226
Total Liabilities	25,233	25,579	26,263	30,666	32,118
Shareholders' Equity	3,862	4,031	3,767	3,872	3,705
Non-Controlling Interest	454	458	377	363	426
Additional / Perpetual Tier-1 Capital	-	-	-	-	390
Total Equity	4,316	4,489	4,144	4,235	4,521
Total Liabilities & Equity	29,549	30,068	30,407	34,901	36,639

Key Metrics

Normalized Cost to Income, %	55%	60%	65%	65%	63%
Tier 1 Ratio, %	17.2%	16.9%	16.6%	15.9%	15.7%
CET 1, %	17.0%	16.6%	16.2%	15.5%	14.0%
RoAE,%	5.2%	4.9%	-	2.6%	3.8%

* TOI and taxes includes normalization of BRL currency overhedge. Headline TOI 2018 \$817m, 2019 \$865m, 2020 \$646m, 2021 \$854m, 2022 \$1,101m . ** Liquid funds includes placements with banks & other financial institutions and securities bought under repurchase agreements.



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