

H1 2022 Results Presentation

- ✓ **The Group is weathering the unexpected headwinds from geopolitical developments and persistent high inflation across some markets**, being counterbalanced by sustained high oil prices and improving economic activity in other markets, as well as rising interest rates.
- ✓ **Strategic direction is consistent and Bank ABC continues to improve its position as a renowned leader in digital innovation in banking** with widespread industry recognition, exemplified most recently by “The Banker” Innovation in Digital Banking Award 2022 for Middle East.
- ✓ **H1 2022 performance of a net profit of US\$70m marks a solid and profitable first half**, 27% higher compared to US\$55 million reported for the same period last year.
- ✓ **H1 revenues crossed the US\$520 million mark for the first time in history**, reflecting good underlying business growth and including the consolidation of BLOM Bank Egypt (“BBE”). This was a substantial 31% increase compared to the same period last year, with robust performance across all Group units.
- ✓ **Operating expenses were at US\$331 million**, 31% higher than US\$253 million for the same period last year, reflecting flat revenue/cost ‘jaws’ from a combination of consolidation of BBE, more normal levels of post-pandemic activity and appropriate cost discipline while investing into the Group’s digital transformation and strategic initiatives.
- ✓ **Impairment charges (ECL) for the period were US\$51m**, compared to US\$49 million reported for the same period last year, broadly in line with our historic credit loss experience.
- ✓ **The Group maintains a strong balance sheet and capital position**, with a 16.6 % Tier 1 ratio (14.7% CET1), LCR of 244% and NSFR of 126%.

Consistent Strategic Direction: Emphasizes Digital Transformation and our Acquisition in Egypt

Strategic intent	MENA's leading international Bank			
Values	Client Centric	Collaborative	Consistent	
Strategic objectives	Build our Digital Bank of the Future <ul style="list-style-type: none"> / Transition Group Retail into ila / Build WB Digital / Leading Digital Payment Solutions 	Refocus our Wholesale Banking Transformation <ul style="list-style-type: none"> / Refocus on selective corporate growth / Reinvigorate Financial Markets and Transaction Banking products / Refresh Europe Strategy 	Integrate BBE to deepen Market Presence in Egypt <ul style="list-style-type: none"> / Integrate BBE with ABC Egypt / Build Egypt to be a primary engine of profit growth for the Group 	Strengthen our Organizational Resilience <ul style="list-style-type: none"> / Operational resilience / Risk & Financial resilience
Progress in H1 2022	<ul style="list-style-type: none"> / ila continues to gain momentum and will launch in Jordan later this year / Digital import LCs went live in H1 '22 / 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"> / The merger and integration of BBE is progressing well / Legal day One of new combined Bank expected in H2 	<ul style="list-style-type: none"> / Kept Stable credit rating / Maintained Capital and liquidity ratios well above regulatory levels

Bank ABC reinforces its reputation for leading digital innovation in the Middle East

\ Innovation in Digital Banking
in the Middle East



The Banker

\ Best Bank for Digital
Solutions in Bahrain



EUROMONEY

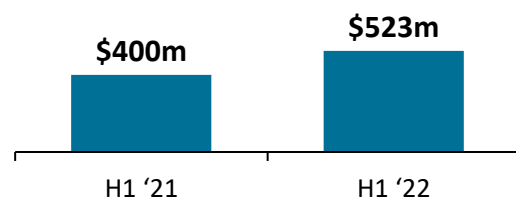
\ Best Digital
Banking Initiative



MEED
Middle East Business Intelligence

Total Operating Income, US\$m

Underlying*

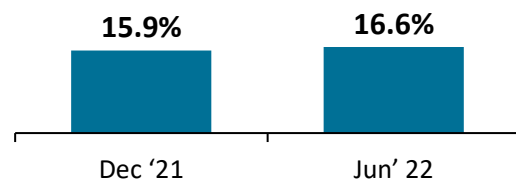


- Underlying TOI of US\$523m (+31% growth) reflects strong recovery across most of our markets and business lines, benefitting from increase in interest rates and consolidation of BBE.

Headline*

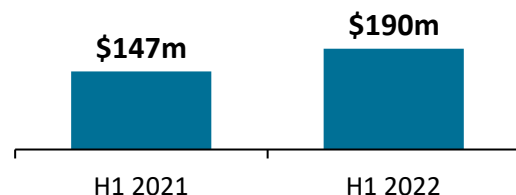


T1 Capital Ratio, %



- The Group has concluded an AT1 capital issuance, further strengthening its capital position
- Capital base remains strong, stable & significantly above regulatory minimum levels
- CET 1 Ratio (14.7%) comprises the majority of Tier 1 Ratio

Underlying Net Operating Profit, US\$m



- Underlying* net operating profit (before provisions and taxation) +29% growth, also benefitting from the consolidation of BBE
- Net Profit to shareholders of US\$70m (+27%) with cost of risk in line with historical levels

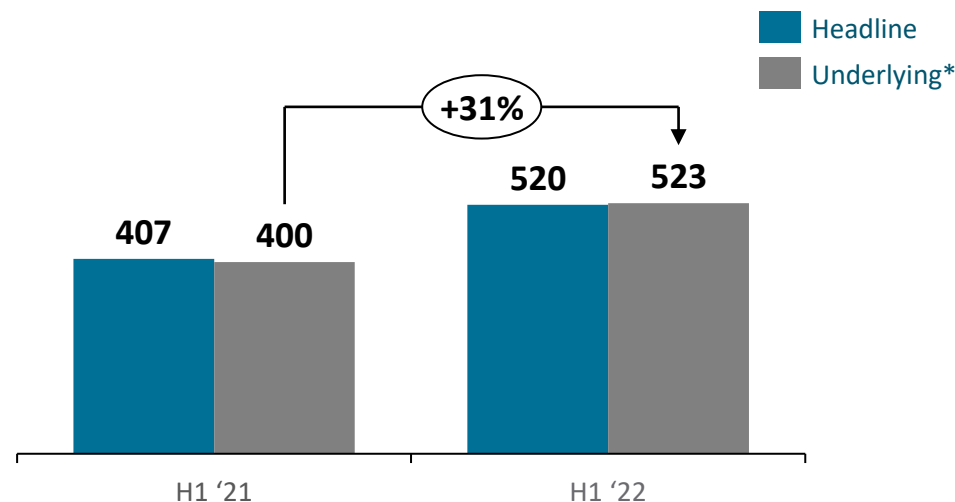
Total Operating Income(TOI), US\$m

Underlying* TOI of US\$523m was 31% higher than H1 2021 levels, reflecting strong recovery across most of our markets and business lines, and benefiting from the consolidation of BBE

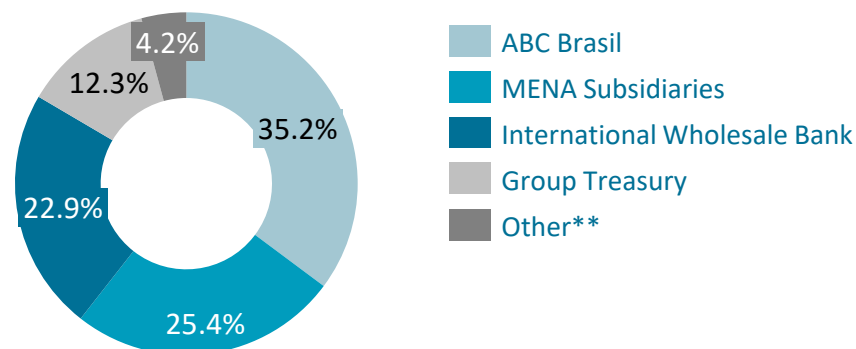
Client and transaction revenues have performed well with positive growth rates reflecting resilience across most of our markets and business lines, and good pipeline prospects for H2

Headline net interest income at US\$370m +42% year on year supported by higher loan volumes, consistent margins and the addition from BBE

Income is broad based and diversified across various business units



TOI by Business (H2 2022), %

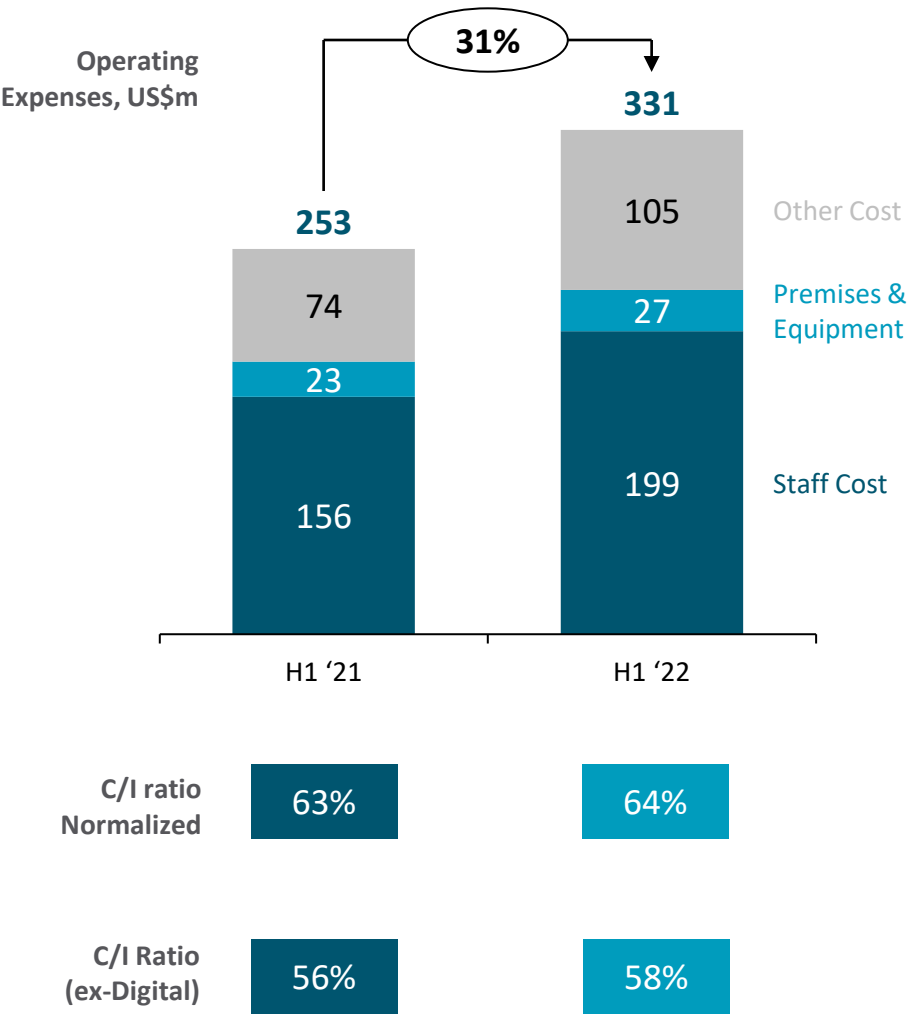


* Please refer to appendix for headline, and underlying basis calculation/definition

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

Operating Expenses and Cost to Income Ratio

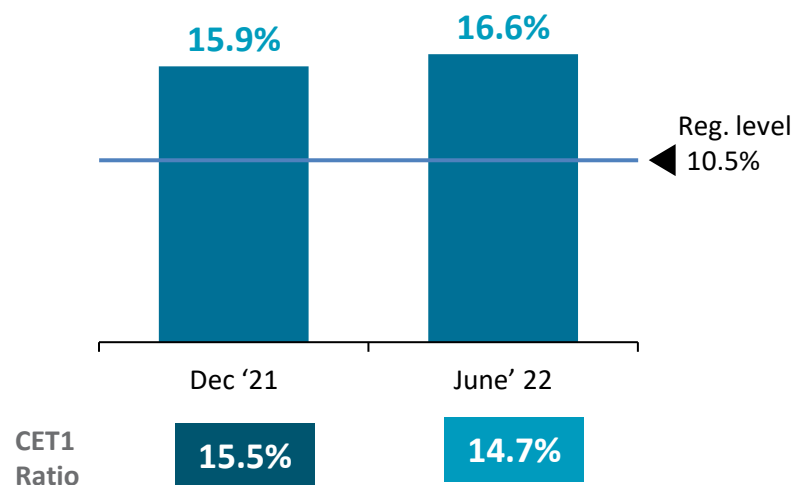
- / +31% headline increase in costs is the same as the revenue increase (representing “flat jaws”) from a combination of consolidation of BBE as well as the Group returning to a more normal level of activity
- / The Group continues to enforce appropriate cost discipline without compromising on investments into the Group’s digital transformation and strategic initiatives.
- / Cost to income ratio slightly elevated reflecting the continuing levels of investment into the Group’s digital initiatives



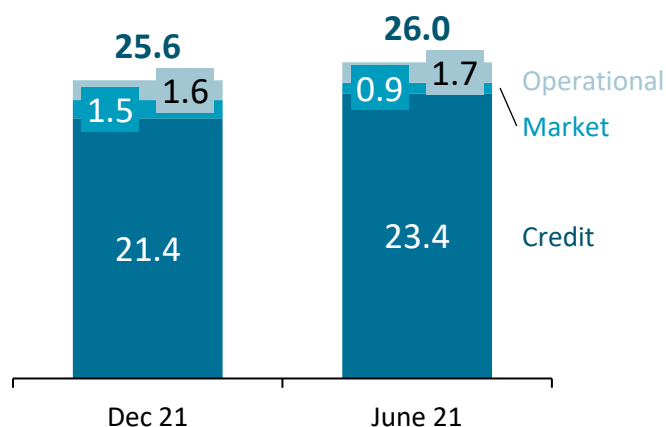
Overview

- / Capital base remains strong, stable and significantly above regulatory minimum levels
- / CET 1 Ratio (14.7%) comprises the majority of Tier 1 Ratio
- / Total CAR of 17.7% as at end of June 2022
- / RWA stood at US\$26bn as of June 2022, compared to US\$25.6bn as of Dec-2021 (+2%)

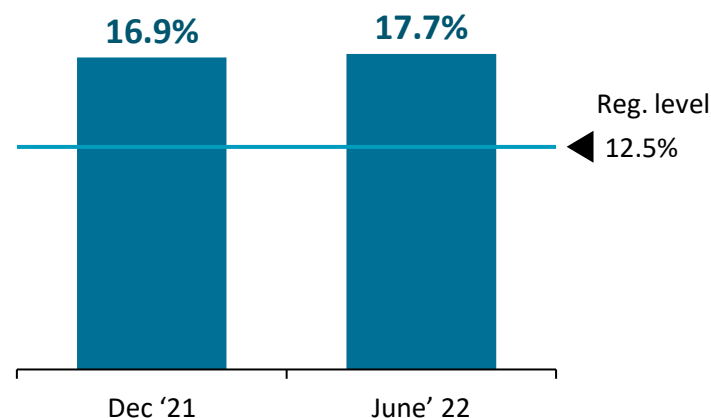
CET1 and Tier 1 Ratios, %



RWA by Type of Risk, US\$bn



Capital Adequacy Ratio, %



✓ Total assets stood at US\$34.3 billion at the end of the period, broadly in line with the US\$34.9 billion at the 2021 year-end

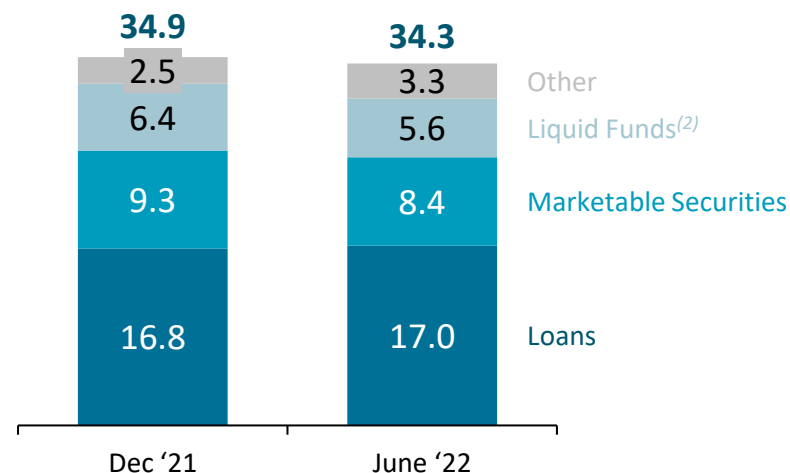
✓ More than half the Assets are maturing within 1-year

✓ Loans increased by 1% during the first half of the year to US\$17.0bn reflecting growth while emphasising selective underwriting

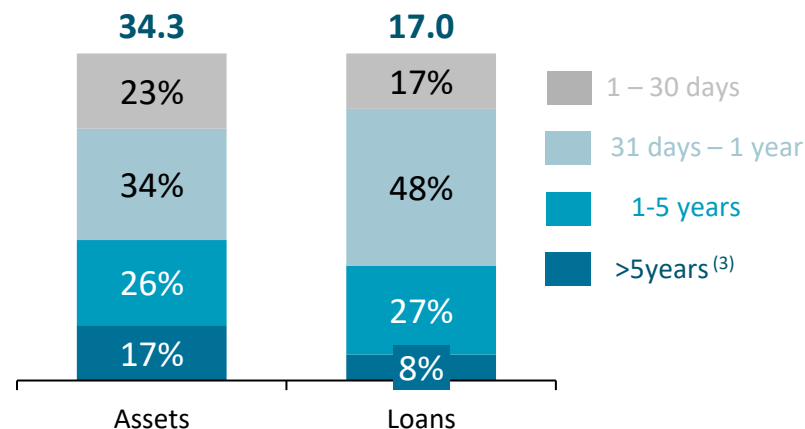
✓ Net loans to customer deposits ratio broadly stable at 83%, comparable to the 2021 year end levels

✓ Strong liquid funds position with LCR of 244% ⁽¹⁾ and NSFR of 126%

June 2022 Assets by Instrument, US\$bn



June 2022 Assets by Maturity, US\$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.



Net profit of US\$ 70 million marks a solid and profitable first Half 2022 with revenues, costs and ECL broadly returning to pre-pandemic levels



H1 2022 Operating Income on an underlying basis grew by +28% year on year and passed the US\$500m mark for the first time reflecting good underlying business growth and including the consolidation of BLOM Bank Egypt



ECL charge broadly in line with our historic credit loss experience with strong balance sheet and asset quality being maintained



Continuing to achieve major delivery milestones in building our 'bank of the future'

Profit or loss

US\$ millions	2018	2019	2020	2021	H1 2021	H1 2022
Interest Income	559	564	516	592	260	370
Non-Interest Income*	309	311	233	277	140	149
Total Operating Income (TOI)*	868	875	749	869	400	519
Total Operating Expenses	-474	-524	-486	-569	-253	-331
Operating Profit	394	351	263	300	147	188
Provisions	-79	-82	-329	-106	-49	-51
Profit before Taxes & M.I.	315	269	-66	194	98	137
Taxes*	-67	-33	-9	-66	-29	-41
M.I.	-46	-42	-14	-28	-14	-26
Net Profit	202	194	-89	100	55	70

Balance Sheet

US\$ millions	2018	2019	2020	2021	June 2021	June 2022
Liquid Funds**	6,266	5,323	5,378	6,355	4,693	5,582
Marketable Securities	6,638	6,343	6,867	9,252	7,735	8,365
Loans & Advances	14,884	16,452	15,656	16,768	15,930	17,022
Other	1,761	1,950	2,506	2,522	2,581	3,317
Total Assets	29,549	30,068	30,407	34,897	30,939	34,286
Customer Deposits	16,464	17,065	17,667	21,459	18,313	20,993
Bank Deposits	4,207	3,897	3,596	4,388	3,852	3,712
Borrowing	2,012	2,080	1,795	1,211	1,613	1,244
Other	2,550	2,537	3,205	3,604	2,879	3,832
Total Liabilities	25,233	25,579	26,263	30,662	26,657	29,781
Shareholders' Equity	3,862	4,031	3,767	3,872	3,890	3,715
Non-Controlling Interest	454	458	377	363	392	400
Additional / Perpetual Tier-1 Capital	-	-	-	-	-	390
Total Equity	4,316	4,489	4,144	4,235	4,282	4,505
Total Liabilities & Equity	29,549	30,068	30,407	34,897	30,939	34,286

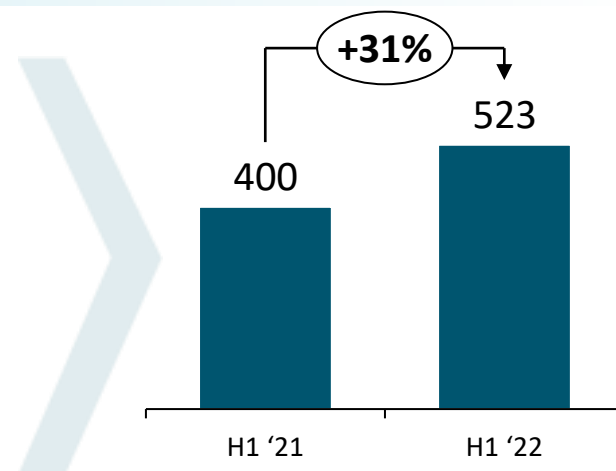
Key Metrics

Normalized Cost to Income, %	55%	60%	65%	65%	63%	64%
Tier 1 Ratio, %	17.2%	16.9%	16.6%	15.9%	16.4%	16.6%
CET 1, %	17.0%	16.6%	16.2%	15.5%	16.1%	14.7%
RoAE, %	5.2%	4.9%	-	2.6%	2.9%	3.5%

* TOI and taxes includes normalization of BRL currency overhedge. Headline TOI 2018 \$817m, 2019 \$865m, 2020 \$646m, 2021 \$854m, H1 2021 \$407m and H1 2022 \$520m. ** Liquid funds includes placements with banks & other financial institutions and securities bought under repurchase agreements.

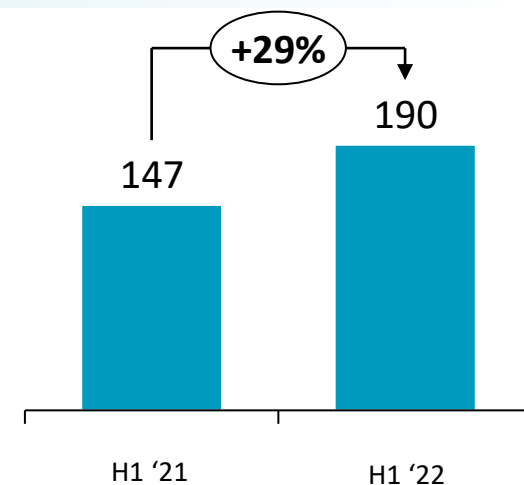
Underlying Total Operating Income

	H1 2021	H1 2022
Headline TOI	\$407m	\$520m
Currency Hedge*	(\$7m)	(\$1m)
Normalized TOI	\$400m	\$519m
FX impacts and one-offs	-	\$4m
Underlying TOI	\$400m	\$523m



Underlying Net Operating Profit

	H1 2021	H1 2022
Headline Net Operating Profit	\$154m	\$189m
Currency Hedge*	(\$7m)	(\$1m)
Normalized Net Operating Profit	\$147m	\$188m
FX impacts and one-offs	-	\$2m
Underlying Net Operating Profit	\$147m	\$190m





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