

H1 2021 Results Presentation

- Bank ABC continues to **recover well from the impact of 2020 improving our profitability in the first half of 2021**, whilst carefully navigating ongoing constrained post-pandemic operating conditions across our markets, supporting our clients, staff and communities
- We continue to see **progress on key aspects of our growth and digital transformation plans** and with our **landmark acquisition of Blom Bank Egypt reaching final completion stage on 11 August**. Going forward, Blom Bank Egypt will be a fully consolidated subsidiary within the Bank ABC Group
- **Our strategic transformation on various other fronts continues with relentless focus**. ila's customer base and deposits have been growing from strength-to-strength as it continues to launch innovative products and features to enhance customers' banking experience. AFS is building momentum for the next phase of its transformation steered by a new management team
- **The Bank delivered robust revenues, a strong balance sheet and a return to profitability in H1 2021 with net profit to shareholders of \$55m** compared to a net loss of \$67m for the same period last year
- **Operating business performance continued to show robust traction** with a significant increase in TOI on a headline basis (+70%), and on an underlying basis (+12%), despite lower interest rates and challenged economic conditions
- Operating expenses were higher by 4% on an underlying basis as the Group returns to normal level of activity, **although continuing to employ greater discipline and cost control while continuing investment into our strategic priorities for transforming the Bank**
- **Cost of risk is returning to pre-pandemic levels, with H1 2021 ECL charges of \$49m, compared to \$174m during H1 2020** reflecting an improved economic outlook, after the Bank absorbed the impact of regional fraud events experienced in 2020
- **The Bank continued to show a strong balance sheet** with a 16.4% Tier 1 ratio (16.1% CET1), LCR of 241% and NSFR of 122%

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 growth in its customer base and deposits

AFS is building momentum for the next phase of its transformation steered by a new management team

Acquisition of Blom Bank Egypt

Landmark acquisition of Blom Bank Egypt reaches final completion stage on 11 August following a successful Mandatory Tender Offer and receipt of all necessary regulatory approvals

- / Continues to show remarkable growth in its customer base and deposits
- / Premium subscription-based banking offering launched and has received a sizeable uptake
- / Jamiyah feature, co-created with customers to take the community savings practice completely digital launched and has received a strong uptake
- / Accelerated customer onboarding using the national eKYC platform
- / Enabled seamless payments through in-app transfer to mobile number feature
- / 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 45.7bn
Total Assets*

EGP 4.9bn
Total Equity*

EGP 1.9bn
TOI*

Transaction Summary

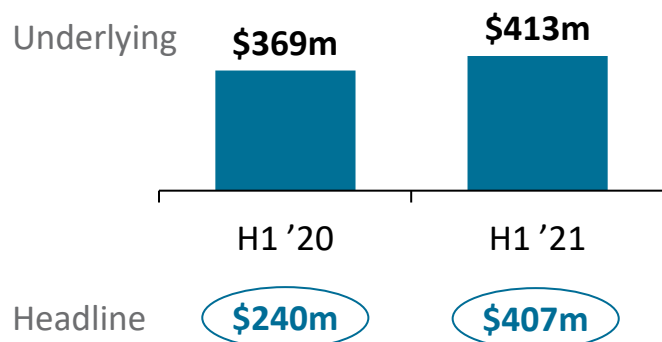
- / On Jan 15th, Bank ABC entered into an agreement with Blom Bank Lebanon to acquire its 99.4% stake in Blom Bank Egypt
- / The transaction is subject to regulatory approvals from the Central Bank of Bahrain, Central Bank of Egypt, Egyptian Financial Regulatory Authority and Banque du Liban
- / The acquisition has reached final completion stage on 11 August following a successful Mandatory Tender Offer and receipt of all necessary regulatory approvals
- / Post completion, Bank ABC Egypt and Blom Bank Egypt will work towards a legal merger, subject to receipt of regulatory approvals. In the interim period, expected to be until Q1 2022, the two banks will remain operating as separate entities
- / Full post-legal merger business integration planning with first-class advisors 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 more than triple its market share with a combined asset base of EGP ~60bn

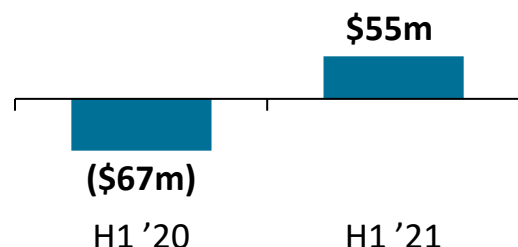
Financial Highlights - Solid and Profitable Start to 2021 with H1 2021 Net Profit to Shareholders of \$55m

Total Operating Income, \$m



- / Operating business performance continued to show robust traction with a significant increase in TOI on a headline basis (+70%), and on an underlying* basis (+12%)
- / Strong TOI performance achieved despite lower interest rates and challenged economic conditions

Net Profit, \$m



- / Return to profitability in H1 2021 with net profit to shareholders of \$55m compared to a net loss of \$67m for the same period last year (with cost of risk returning to pre pandemic levels)

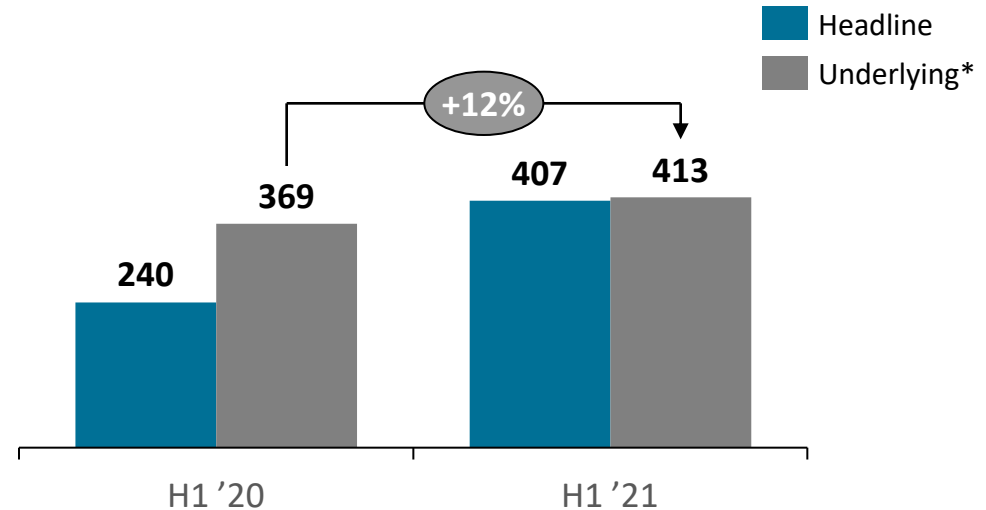
T1 Capital Ratio, %



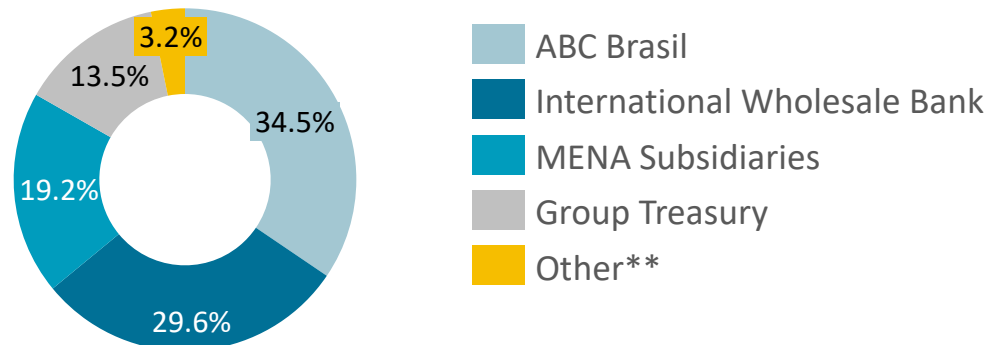
- / Capital base remains strong, stable and significantly above regulatory minimum levels
- / CET 1 Ratio (16.1%) comprises the majority of Bank ABC's Tier 1 Capital Ratio

- After adjusting for currency hedging and FX depreciation, underlying* TOI of \$413m was +12% higher compared to H1 2020, reflecting continued resilience across our markets and business lines
- Headline TOI significantly increased (+70%) to \$407m, compared to \$240m during H1 2020
- Strong TOI performance achieved despite lower interest rates and challenged economic conditions
- Net interest income was +3% higher compared to H1 2020 levels after absorbing the impact of declining interest rates and FX depreciation
- Income is broad based and diversified across various business units

Total Operating Income (TOI), \$m



TOI by Business (H1 2021), %



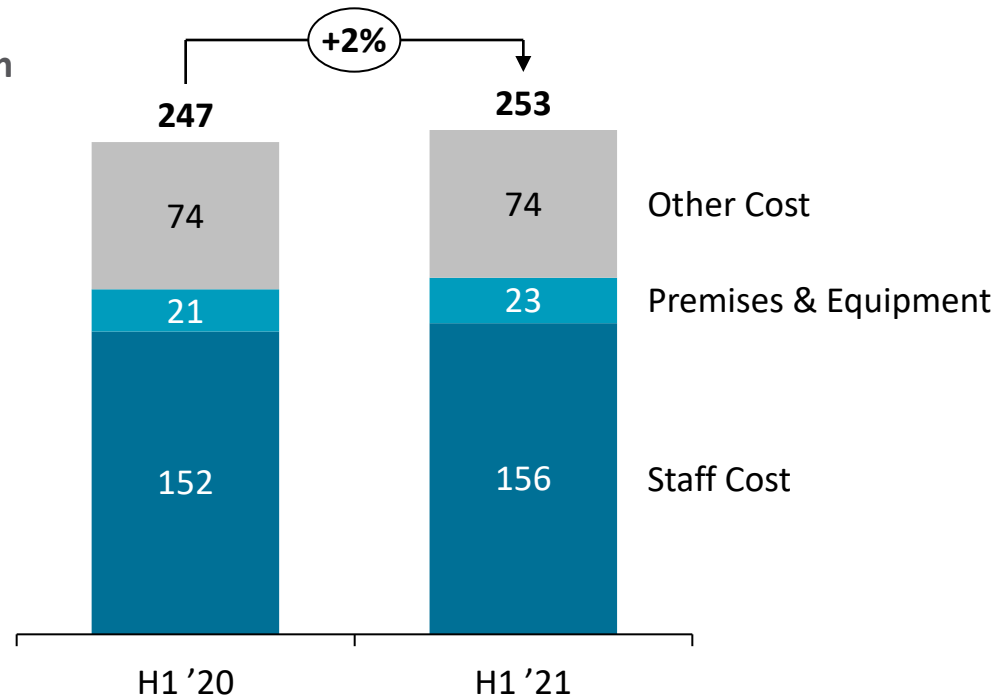
* Refer to appendix for headline vs underlying basis calculation.

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

- Operating expenses were higher by 2% on a headline basis (+4% on an underlying basis) as the Group returns to more normal levels of activity
- Costs highly controlled with restricted hiring, rationalization actions and greater discipline and cost control
- Several initiatives are underway to maintain cost efficiencies during 2021 and beyond
- Continuing investments into the Group's digital transformation and strategic initiatives will remain a priority
- Normalized cost to income ratio improved during H1 2021 to 63%, compared to 67% during H1 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

67%

63%

Cost to Income Ratio (ex-Digital Investment)

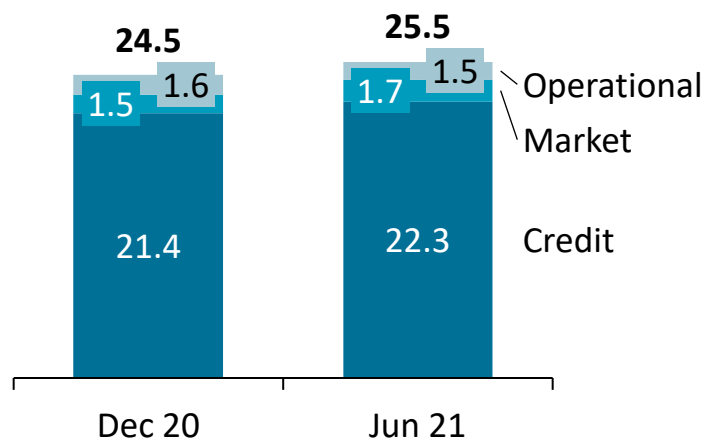
61%

56%

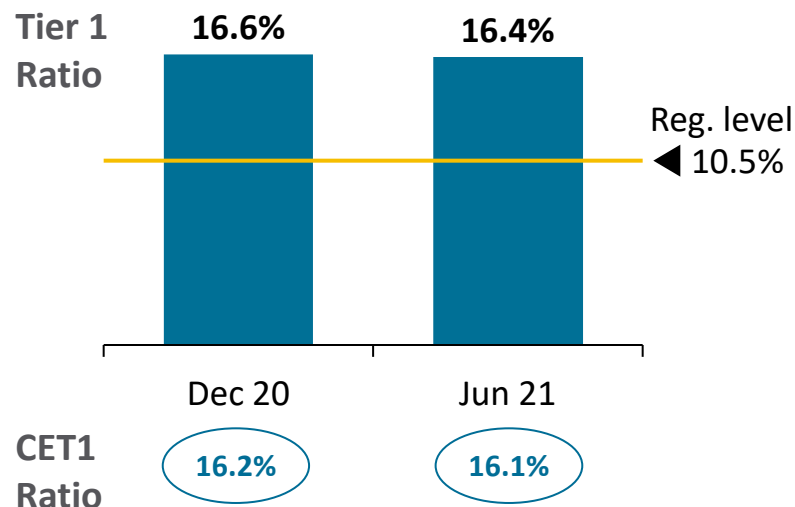
Overview

- / Tier 1 ratio remains strong, benefiting from dividend retention and return to profitability
- / CET 1 Ratio (16.1%) comprises the majority of Bank ABC's Tier 1 Capital Ratio (16.4%)
- / Bank ABC's capital base remains very strong, with a capital adequacy ratio of 17.3% as at end of June 2021
- / RWA stood at \$25.5bn as of Jun-2021, compared to \$24.5bn as of Dec-20 (+4%)

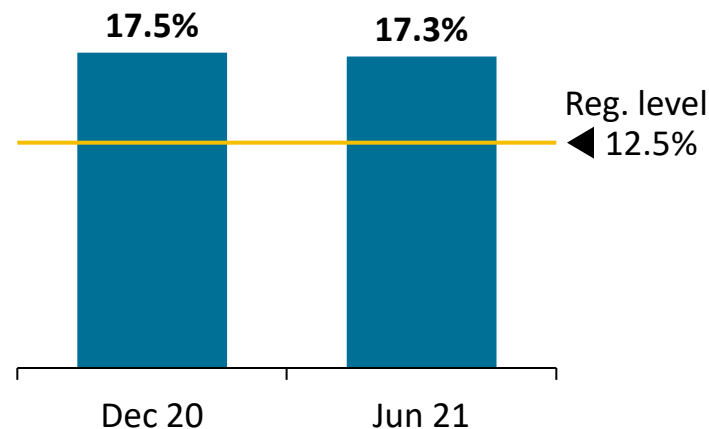
RWA by Type of Risk, \$bn



CET1 and Tier 1 Ratios, %



Capital Adequacy Ratio, %



/ Total assets stood at \$30.9bn as of H1 2021, compared to \$30.4bn at the 2020 year end

/ More than half the Assets are maturing within 1-year (56%)

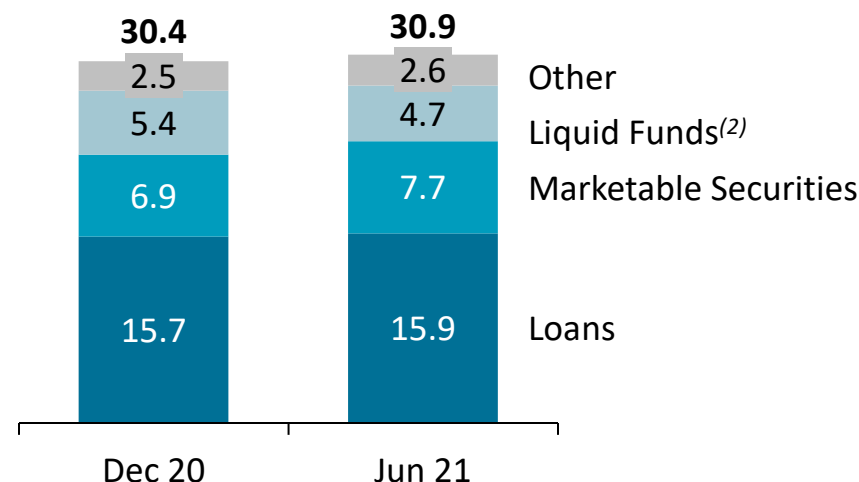
/ Loans increased by 2% on a headline basis to \$15.9bn compared to \$15.7 at the 2020 year end, reflecting credit conditions and continuing prudent use of the Group's balance sheet capacity

/ Loan to customer deposits ratio at 90% compared to 91% at the 2020 year end. Our deposit experience remained steady underscoring the confidence of our clients

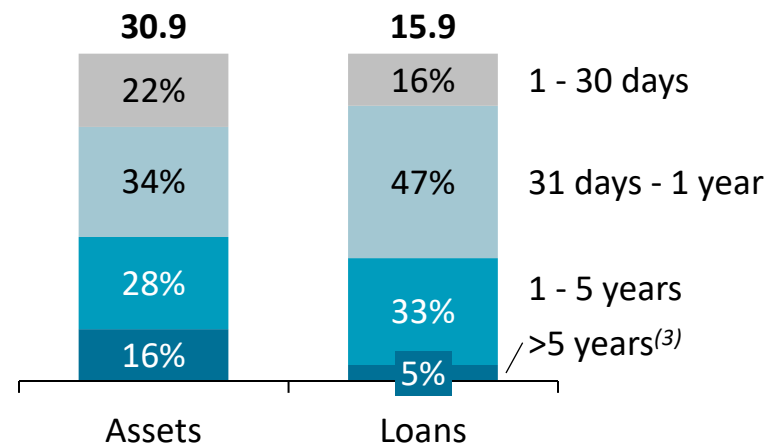
/ Marketable securities and liquid funds grew to \$12.4bn (+1%) at June 2021

/ Strong liquid funds position with LCR of 241% ⁽¹⁾ and NSFR of 122%

H1 2021 Assets by Instrument, \$bn



H1 2021 Assets by Maturity, \$bn



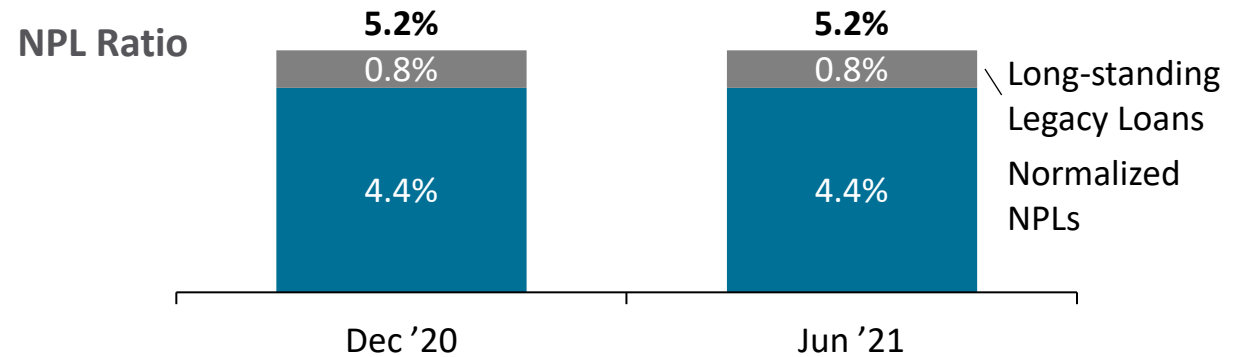
/ NPL ratio of 5.2% is similar to 2020 year end levels

/ NPL ratio normalises to 4.4% when long-standing legacy fully provided loans are adjusted for

/ Loans provision coverage ratio stable at 100%

/ Cost of risk is returning to pre-pandemic levels reflecting an improved economic outlook, after the Bank absorbed the impact of regional fraud events experienced in 2020

NPLs and Coverage Ratio



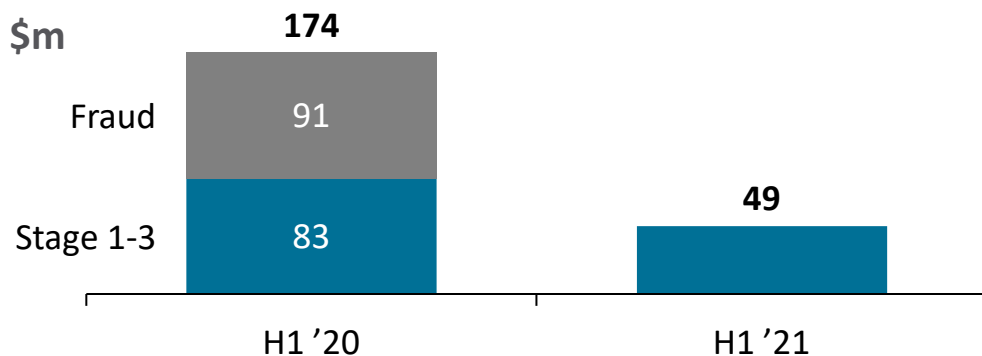
Coverage Ratio⁽¹⁾

100.7%

100.2%

ECL & Cost of Risk

ECL, \$m



Cost of Risk⁽²⁾

100bps⁽³⁾

211bps

58bps



Bank ABC continues to recover well from the impact of 2020, whilst carefully navigating ongoing constrained post-pandemic operating conditions across our markets, supporting our clients, staff and communities



The Bank delivered robust revenues, a strong balance sheet and a return to profitability in H1 2021 with net profit to shareholders of \$55m compared to a net loss of \$67m for the same period last year



Strategic transformation continues on various fronts with ila continuing to show remarkable growth in its customer base and deposits. AFS is also building momentum for the next phase of its transformation steered by a new management team



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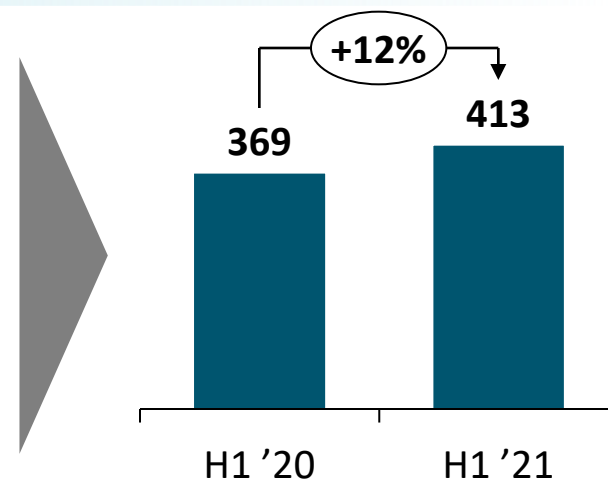
Appendix: Normalised Financials

Profit or Loss	US\$ millions	2016	2017	2018	2019	2020	H1 2020	H1 2021
	Net Interest Income	538	556	559	564	516	252	260
	Non-Interest Income	278	317	309	311	233	117	140
	Total Operating Income (TOI)*	816	873	868	875	749	369	400
	Total Operating Expenses	-436	-462	-474	-524	-486	-247	-253
	Operating Profit	380	411	394	351	263	121	147
	Provisions	-92	-96	-79	-82	-329	-174	-49
	Profit before Taxes & M.I.	288	315	315	269	-66	-53	98
	Taxes*	-54	-62	-67	-33	-9	-4	-29
Balance Sheet	M.I.	-51	-60	-46	-42	-14	-10	-14
	Net Profit	183	193	202	194	-89	-67	55
	US\$ millions	2016	2017	2018	2019	2020	Jun 2020	Jun 2021
	Liquid Funds**	7,517	6,079	6,266	5,323	5,378	5,686	4,693
	Marketable Securities	6,346	6,650	6,638	6,343	6,867	6,455	7,735
	Loans & Advances	14,683	15,329	14,884	16,452	15,656	14,583	15,930
	Other	1,595	1,441	1,761	1,950	2,506	2,899	2,581
	Total Assets	30,141	29,499	29,549	30,068	30,407	29,623	30,939
	Customer Deposits	14,307	16,782	16,464	17,065	17,667	16,272	18,313
Key Metrics	Bank Deposits	5,870	3,408	4,207	3,897	3,596	3,876	3,852
	Borrowing	4,269	2,148	2,012	2,080	1,795	1,885	1,613
	Other	1,435	2,749	2,550	2,537	3,205	3,598	2,879
	Total Liabilities	25,881	25,087	25,233	25,579	26,263	25,631	26,657
	Shareholders' Equity	3,826	3,930	3,862	4,031	3,767	3,637	3,890
	Non-Controlling Interest	434	482	454	458	377	355	392
	Total Equity	4,260	4,412	4,316	4,489	4,144	3,992	4,282
	Total Liabilities & Equity	30,141	29,499	29,549	30,068	30,407	29,623	30,939
	Normalized Cost to Income, %	53%	53%	55%	60%	65%	67%	63%
Key Metrics	Tier 1 Ratio, %	17.5%	17.7%	17.2%	16.9%	16.6%	16.3%	16.4%
	CET 1, %	17.3%	17.5%	17.0%	16.6%	16.2%	16.0%	16.1%
	RoAE,%	4.8%	5.0%	5.2%	4.9%	-	-	2.9%

* TOI and taxes includes normalization of BRL currency overhedge. Headline TOI 2016 \$865m, 2017 \$869m, 2018 \$817m, 2019 \$865m, 2020 \$646m, H1 2020 \$240m and H1 2021 \$407m. ** Liquid funds includes placements with banks & other financial institutions and securities bought under repurchase agreements.

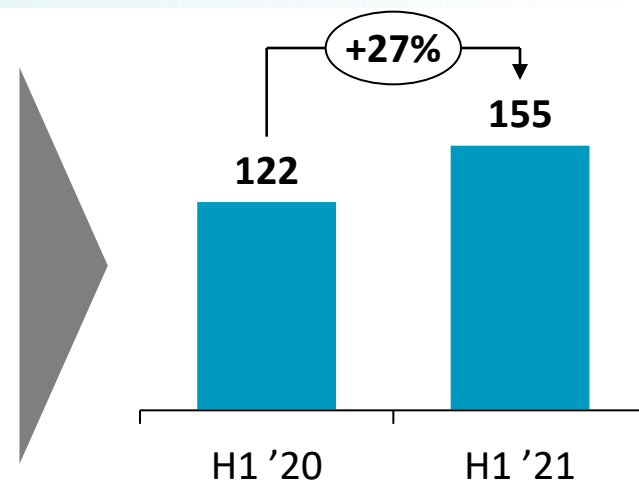
Underlying Total Operating Income

	H1 2020	H1 2021
Headline TOI	240	407
Currency Hedge*	+129	-7
Normalized TOI	369	400
FX impacts and one-offs	-	+13
Underlying TOI	369	413



Underlying Net Operating Profit

	H1 2020	H1 2021
Headline Net Operating Profit	-7	154
Currency Hedge*	+129	-7
Normalized Net Operating Profit	122	147
FX impacts and one-offs	-	+8
Underlying Net Operating Profit	122	155





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