

Corporate and Investment Banking Group (CIB)



FAB's market-leading Corporate and Investment Banking (CIB) franchise provides comprehensive offerings for both our UAE and international corporate and institutional clients, served through dedicated client segments.

48%

Contribution to Group revenue

12.5% 11.5%

GCC MENA

Market share in loan league tables

Awards

Euromoney Awards

'Best Investment Bank in the UAE'

'Best Bank for Financing in the Middle East'

'Best Bank for Markets in the Middle East'

The Banker Awards

'Most Innovative Investment Bank from the Middle East'

Global Capital Awards

'Best Arranger of Loans in the Middle East'

GTR Awards

'Best Trade Finance Bank in MENA'

Global Finance Awards

'Best Overall bank for Cash Management in the Middle East'

'Best FOREX Provider in the UAE'

Following our merger, the combined depth and geographic breadth of our offering, and the expertise of our specialised teams, provides us with an unmatched competitive advantage, allowing us to better serve our customers and help them prosper and grow stronger.

CIB's diverse and sophisticated portfolio of products and services includes Credit facilities, Global Transaction Services, Corporate Finance, Islamic Finance and Global Markets products to both UAE and international clients.

Our achievements

We delivered a solid performance in 2017, in spite of continuing economic headwinds in the market resulting in subdued loan demand and generally lower trade activity. A pick-up in performance once key integration milestones had been passed, notably in the second half of the year, resulted in sequential revenue growth of 6% in the fourth quarter. CIB, which includes Corporate, Commercial and Financial Institutions businesses, contributed 48% to FAB's revenues and 63% of the Group's net profit in 2017.

Our model for better client servicing

Our client relationship-led model provides our clients access to our integrated portfolio of offerings. Global Corporate Finance, Global Transaction Banking and Global Market Sales, all demonstrated their market-leading credentials during this transitional period.

Our client coverage teams, for the Abu Dhabi region as well as Dubai and the Northern Emirates region and our Financial Institutions Group, produced a stellar performance in which they exceeded their operating revenue targets.

Global Corporate Finance

Global Corporate Finance (GCF) specialises in corporate loans, bonds and equities. We have significant depth of experience in organisation, structuring, pricing, and distribution of debt and equity products.

In 2017, GCF experienced a strong performance across the Loan Capital Markets, Debt Capital Markets and Corporate Advisory businesses. Particularly in the second half of the year, our combined scale and strength and access to a larger pool of existing clients enabled us to cross sell and deepen our relationships with clients, in addition to consolidating our position as a preferred banking partner to government and government-related entities. It also helped us to compete for all significant new opportunities and secure a very strong pipeline of mandates across the MENA region and key international markets.

As a result, FAB dominated both GCC and MENA loan league tables with market shares of 12.5% and 11.5% respectively and deal volumes exceeding USD 5 billion. Our Debt Capital Markets franchise grew as well, placing the bank among the top 5 bookrunners in MENA Bonds and Sukuk league tables for the year, with around USD 35 billion of financing raised for clients from over 40 capital markets transactions.

Global Transaction Banking

We provide a full range of transactional banking services across Cash Management and Trade Finance. Our comprehensive value-added trade products suite and our "Single Window" regional currency clearing proposition together with a fully automated supply chain finance solution helped to drive our business in 2017, and was recognised by a number of awards including Best in Cash Management and Liquidity Management in the Middle East by Global Finance magazine, and Best Trade Finance Bank by Global Trade Review. Our Cash Management business recorded a stellar performance with revenues growing 34% year-on-year in 2017, supported by a significant number of new mandates and the launch of innovative products and customised solutions for core clients.

Global Markets

Our Global Markets operation benefits from our position as the strongest bank in the UAE with access to diverse sources of liquidity. We have access across the MENA, Asian and African markets and our dedicated markets research team provides timely insights on market movements. Our e-commerce trade execution platform offers clients complete control over their trades using world class technology. During 2017 we were able to secure a wide range of mandates at home and abroad.

Dominant regionally and relevant internationally

Through the merger, we have become the largest bank in the UAE, and one of the largest in the MENA region. That said, we can see scope for further penetration in Dubai and the Northern Emirates, to consolidate our local dominance as the preferred bank for large corporates and medium-sized businesses. More importantly, the merger has brought together the coverage-led (i.e. customer-centric) and product specialist characteristics of the constituent banks to create a regional champion, and a bank that will compete for business on an equal footing with global banks around the world.

FAB's international business, built around regional knowledge and relationships, remains a key competitive advantage with operations in 19 countries outside the UAE. With a wholesale-driven international strategy, it is a key differentiator particularly for CIB, as a significant contributor to both liquidity and risk diversification. In 2017, our international business delivered a net profit of AED 1.0 billion and generated operating revenues of AED 2.4 billion, contributing 12% to the Group's total revenues.

Meanwhile, international deposits in CIB increased by 15% compared to the previous year. This is likely to grow in the years ahead as we review our international value proposition using our Target Operating Model to align P&L responsibilities for CIB with our long-term strategic targets and extend our domestic and regional offerings further afield, with a sharper focus on high potential growth markets, such as Asia-Pacific. This will also enable us to roll-out a standardised CIB platform across all international locations. Whilst we continue to maintain strong relationships in the countries in which we operate, we aim to raise our dominant domestic position to the regional level, with particular focus on Egypt and Saudi Arabia, as well as India, building trust and leveraging our capabilities to support inward and outward trade and investment flows with the UAE using our Connector Model.

Recognition

The progress we are making in this regard is reflected in the awards we received in 2017 from the likes of Euromoney (Best Investment Bank in the UAE, Best Bank for Financing in the Middle East, Best Bank for Markets in the Middle East), The Banker (Most Innovative Investment Bank from the Middle East), Global Capital (Best Arranger of Loans in the Middle East), GTR (Best Trade Finance Bank in MENA), Global Finance (Best Overall bank for Cash Management in the Middle East, Best FOREX Provider in the UAE) among others.

Looking ahead

As indicated earlier, the integration process within CIB made excellent progress. Our commitment to client engagement was recognised in very high ratings received from satisfaction surveys carried out towards the end of the year. Having been set a bank-wide timetable of three years to meet cost reduction targets, CIB was able to achieve the required savings in year one, while continuously improving its offerings to clients. The remaining integration-related activities for CIB will be completed by fully unifying our IT infrastructure platform, which is on track to be completed by the end of 2018.

André Sayegh

Deputy Group CEO and Group Head of Corporate and Investment Banking

“FAB’s international business, built around regional knowledge and relationships, remains a key competitive advantage with operations in 19 countries outside the UAE.”

Personal Banking Group

(PBG)



The merger of FGB and NBAD created a dominant personal bank in Abu Dhabi and the UAE. With an extensive network of branches and cash offices domestically, market-leading retail and wealth advisory services, and growing digital capabilities, we offer customers unique solutions that truly make a difference in their lives and support them in meeting their goals, as we Grow Stronger together.

35%

Contribution to Group revenue

Enhanced Customer Experience

through cross-sell, innovation
and technology

Awards

Global Investor Awards

'UAE Asset Manager of the Year'
'Best Seamless Government
Experience'
'Digital Leader'

MENA Fund Manager Performance Awards

'Best Fixed Income Fund of the Year'
'UAE Asset Manager of the Year'

With a focus on the diverse needs of the retail, affluent, private banking and SME customer segments, the Personal Banking Group offers a wide range of attractive products, from current accounts, deposits, credit cards and loans for day-to-day banking to more sophisticated investment solutions and small business banking products and services.

Our achievements

PBG delivered a resilient performance in 2017, despite a slowdown in retail spending and continued asset mix optimisation. Revenues were down 8% year-on-year, primarily due to lower interest income arising from a mix of tighter risk appetite and lower loan growth, however, higher credit card and insurance-related fees, particularly in the last quarter of the year, supported a 2% sequential growth in revenues. PBG contributed 35% to the Group's total revenues and 21% to the net profits in 2017.

Enhanced customer experience

During the year, PBG implemented a number of strategic initiatives designed to enhance the customer value proposition through cross-sell, innovation and technology, leading to increased efficiency and productivity across the business. Additionally, a rationalisation of the domestic branch network was carried out to drive operating efficiencies post merger, resulting in a reduction from 125 in December 2016 to 103 branches and cash offices as of December 2017.

The Private Banking and Wealth Management business was reorganised into three distinct segments to enhance the customer experience in the long-term. A new geographical client coverage model was adopted for Elite, Wealth and Private Banking segments, in order to meet customers' needs and help them Grow Stronger. The division also played a prominent role in ADNOC Distribution's successful IPO as a receiving bank.

New offerings

On the product side, the first FAB branded credit card, the FAB Visa Infinite Credit Card, offering exclusive concierge, travel, dining and lifestyle benefits, was launched in October. A new mobile wallet offering, 'Payit', was launched in February 2018.

PBG was a leading acquirer in the e-commerce space, with strong growth in sales and record merchant sales volumes achieved in the fourth quarter. The Group's 'smart' distribution model is designed to leverage on digital solutions to drive further sales and operating efficiencies. In this space, FAB continued to drive up new mobile banking customers by 25%, with mobile banking transactions rising by 40%. FAB remains the sole manager of the Abu Dhabi National Housing Loan programme, and National Home Loan sales to Emirati customers grew by 67%. In addition, the introduction of transaction banking for National Home Loan customers helped to attract over 1,000 new current account holders.

Business Banking launched a number of new products including Mortgage-Backed Business Finance and bancassurance, leading to an increase of over AED 2.6 billion in liabilities and more than AED 600 million in new assets.

Recognition

PBG's achievements were regularly recognised during the year, with the Asset Management division winning 'Best Fixed Income Fund of the Year' and 'UAE Asset Manager of the Year' at the MENA Fund Manager Performance Awards 2017, and 'UAE Asset Manager of the Year' from the Global Investor group. Other awards included "Best Seamless Government Experience" and "Digital Leader".

All of this was achieved as PBG employee groups integrated, as well as completing the rebranding of thousands of customer touchpoints in the second half of 2017. The primary objective for PBG was to ensure both a minimal disruption of personal banking services and an optimal retention of customers. The full systems integration for PBG is set to be completed by the end of 2018.

Looking ahead

In the year ahead, we will work to further consolidate FAB as the dominant personal bank in the UAE and to position it as the regional wealth advisor of choice. A key focus for the PBG team will be the roll-out of the new Target Operating Model for our international operations and aligning P&L responsibilities for PBG with their respective businesses on a global level. This will also enable us to roll-out a standardised PBG platform across all FAB's relevant international locations.

Providing the best customer experience is a key area of focus for PBG to ensure clients' evolving banking needs are met through innovation, digitisation, superior customer service and optimised processes.

Hana Al Rostamani
Group Head of Personal Banking

“During the year, PBG implemented a number of strategic initiatives designed to enhance the customer value proposition through cross-sell, innovation and technology, leading to increased efficiency and productivity across the business.”

7%Contribution to Group revenue

8%

Market share

FAB Securities ranked #4 amongst
UAE brokerages

Awards **Banker Middle East****FAB Securities:** 'Best
Brokerage Company'**Dubai First:** 'Best Consumer
Finance Company'

FAB's network of subsidiaries

FAB's subsidiaries include FAB Properties, Mismak Properties, Aseel Finance, ADNIF (Abu Dhabi National Islamic Finance), Dubai First, First Gulf Libyan Bank and FAB Securities. Offering services ranging from Islamic Finance to Property Management, these operations play an important role in the bank's strategy to provide comprehensive services for different client groups.

2017 marked a successful year for the bank's subsidiaries, as they delivered revenues of AED 1.3 billion and contributed 7% to the Group's total revenues.

We successfully completed the integration of the bank's real estate and property management businesses to create FAB Properties, and the rebranding of the brokerage business into FAB Securities. The integration of Aseel Finance and Abu Dhabi National Islamic Finance (ADNIF) is set to be completed in 2018.

FAB Securities delivered a strong performance in 2017 and ranked fourth among UAE brokerages, with a market share of almost 8%.

In recognition of our leading franchises in brokerage and consumer finance, Banker Middle East named FAB Securities "Best Brokerage Company" for the second year in a row, and Dubai First "Best Consumer Finance Company" for the third consecutive year at its 2017 Industry Awards ceremony.