

Press Release



FAB reports a Group Net Profit of AED 2.5 Billion for the first quarter of 2021

First quarter results reflect gradual economic recovery

- Net profit of AED 2.5 Billion, up 3% year-on-year
- Annualised Earnings Per Share (EPS) at AED 0.88, up 7% compared to the first quarter of 2020
- Total operating income at AED 4.4 Billion, down 4% year-on-year
- Impairment charges at AED 470 Million, up 48% sequentially, and down 36% year-on-year, reflecting improving economic conditions, and adequate provision buffers
- Operating costs at AED 1.3 Billion, improved 3% year-on-year

Balance sheet strength maintained with strong liquidity and capital position

- Total assets at AED 941 Billion, up 2% year-to-date, and 13% year-on-year
- Customer deposits at AED 568 Billion, up 5% year-to-date and 14% year-on-year
- Loans and advances down 2% year-to-date and 1% year-on-year
- Liquidity Coverage Ratio (LCR) at 141% underlines strong liquidity position
- NPL ratio at 4.0%, provision coverage at 96%
- Common Equity Tier 1 (CET1) at 13.7%, well above regulatory requirements

| Earnings Per Share (EPS) | Return on Tangible Equity (RoTE) | Cost-to-Income Ratio | CET1 Ratio | Liquidity Coverage Ratio |
|--------------------------|----------------------------------|----------------------|--------------|--------------------------|
| 88 fils | 12.8% | 29.6% | 13.7% | 141% |
| Q1'20: 82 fils | Q1'20: 13.0% | Q1'20: 29.1% | Q1'20: 12.2% | Q1'20: 110% |

Annualised

Ex-integration costs

Abu Dhabi, UAE (21 April 2021): First Abu Dhabi Bank (FAB), the UAE's largest bank and one of the world's largest and safest financial institutions, reported its financial results for the first quarter ended 31 March 2021.

Group Net Profit was AED 2.5 Billion, up 3% compared to AED 2.4 Billion in the first quarter of 2020. Revenue was 4% lower year-on-year, as lower net interest income due to the rate cuts in 2020, was partially offset by higher other income. Net impairment charges were 36% lower year-on-year reflecting improving economic conditions and adequate provision buffers, while operating expenses reduced 3% as the Group maintained strong cost discipline, while continuing to invest in digital and strategic initiatives. The Bank preserved strong liquidity and funding ratios during the period, a solid capital position, and resilient asset quality underpinned by a conservative risk profile. FAB continued to support customers through payment deferrals and the relief measures under the UAE Central Bank TESS programme, which has been further extended.



Commenting on the Group's financial results, **Hana Al Rostamani, Group Chief Executive Officer of FAB** said: "FAB's strong foundations and competitive strengths continue to support the bank's ability to achieve a resilient performance in a challenging quarter characterised by a slower than expected recovery in business activity.

In addition to our strong performance throughout the quarter, we have made significant progress on the delivery of our strategic priorities, which represent key milestones for both FAB and our industry. We completed the carve out of our payments business and launched "Magnati", a unique and intelligent payments platform.

We continued to lead the market in terms of green financing, and as a leading Green bond issuer regionally and globally, with FAB Green Bonds outstanding now exceeding USD 1 Billion. We are also in the process of finalising our acquisition of Bank Audi, our first international acquisition in a strategic and growing market.

As economic and business activity gather further momentum, I am confident that we are well positioned to benefit from the opportunities that lie ahead for us and for our customers, and to continue to create sustainable value for all our stakeholders."

Q1'21 Summary Financials

| Income Statement - Summary (AED Mn) | Q1'21 | Q4'20 | QoQ % | Q1'20 | YoY % |
|-------------------------------------|--------------|--------------|-------------|--------------|------------|
| Net interest Income | 2,679 | 3,079 | (13) | 3,080 | (13) |
| Non- interest Income | 1,703 | 1,829 | (7) | 1,487 | 15 |
| Total Operating Income | 4,382 | 4,908 | (11) | 4,566 | (4) |
| Operating expenses | (1,318) | (1,264) | 4 | (1,352) | (3) |
| Operating profit | 3,064 | 3,643 | (16) | 3,214 | (5) |
| Impairment charges, net | (470) | (318) | 48 | (738) | (36) |
| Non Controlling Interests and Taxes | (118) | (96) | 24 | (67) | 76 |
| Net Profit | 2,476 | 3,230 | (23) | 2,408 | 3 |
| Basic Earning per Share (AED) | 0.88 | 1.18 | (26) | 0.82 | 7 |

| Balance Sheet - Summary (AED Bn) | Mar'21 | Dec'20 | QoQ % | Mar'20 | YoY% |
|------------------------------------|--------|--------|-------|--------|------|
| Loans and advances, net | 378 | 387 | (2) | 382 | (1) |
| Customer deposits | 568 | 541 | 5 | 497 | 14 |
| CASA (deposits) | 250 | 223 | 12 | 181 | 38 |
| Total Assets | 941 | 919 | 2 | 835 | 13 |
| Equity (incl Tier 1 capital notes) | 103 | 109 | (5) | 94 | 10 |
| Tangible Equity | 73 | 79 | (7) | 63 | 15 |

| Key Ratios (%) | Q1'21 | Q4'20 | QoQ (bps) | Q1'20 | YoY (bps) |
|--|-------|-------|-----------|-------|-----------|
| Net Interest Margin | 1.47 | 1.62 | (15) | 1.90 | (43) |
| Cost-Income ratio (ex-integration costs) | 29.6 | 25.7 | 385 | 29.1 | 47 |
| Cost of Risk (bps) (loans & advances) | 51 | 37 | 14 | 70 | (19) |
| Non-performing loans ratio | 4.0 | 4.0 | 5 | 3.5 | 49 |
| Provision coverage | 96 | 95 | 164 | 95 | 158 |
| Liquidity Coverage Ratio (LCR) | 141 | 143 | (175) | 110 | >999 |
| Return on Tangible Equity (RoTE) | 12.8 | 16.4 | (360) | 13.0 | (24) |
| Return on Risk-weighted Assets (RoRWA) | 1.99 | 2.53 | (54) | 1.97 | 2 |
| CET1 ratio (post-dividends) | 13.7 | 13.3 | 39 | 12.2 | 148 |
| Capital Adequacy ratio | 16.9 | 16.5 | 38 | 15.5 | 143 |

Notes:

- Comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in the consolidated financial statements
- Ratios for the quarter are annualised, where applicable
- For further details on calculation of the ratios, please see the [Quarterly Series](#) on FAB IR website's financial reports page
- To view key figures in USD, please refer to the dedicated page on the IR section of our corporate website: <https://www.bankfab.com/en-ae/about-fab/investor-relations/reports-and-presentations/key-annual-figures>
- Rounding differences may appear in above table

About First Abu Dhabi Bank (FAB)

FAB is the UAE's largest bank and one of the world's largest and safest financial institutions. FAB's vision is to create value for its employees, customers, shareholders and communities to grow stronger through differentiation, agility and innovation.

Headquartered in Abu Dhabi, the bank's international network spans five continents, providing global relationships, expertise and financial strength to support local, regional and international businesses seeking to do business at home and abroad. FAB is a trusted adviser and regional partner to major institutions, emerging companies and individuals seeking to do business in the UAE, the MENA region and beyond. As an engine of growth for the region, it helps customers to thrive and grow stronger by managing risk, providing access to capital and facilitating trade flows across developed and emerging markets.

FAB continuously anticipates evolving requirements, develops innovative solutions and moves in tandem with customers to offer an extensive range of tailor-made products via its market-leading Corporate and Investment Banking (CIB) and Personal Banking Group (PBG) franchises.

Aligned to the Abu Dhabi Economic Vision, inspired by global standards and guided by the expectations of stakeholders, FAB takes a leading role in fostering development and driving change towards a more sustainable future. FAB sees beyond traditional banking and embraces a challenger mindset. Its ambition is to contribute to social and human development, which creates a dynamic, inclusive and tolerant society.

With total assets of AED 941 Billion (USD 256 Billion) as of March-end 2021, FAB is rated Aa3/AA-/AA- by Moody's, S&P and Fitch, respectively, the strongest combined ratings of any bank in the MENA region. The Bank has been ranked by Global Finance as the Safest Bank in the UAE and the Middle East, and the 32nd Safest Bank globally. The Banker's Top 1000 World Banks 2020 list, measured by Tier 1 capital, ranked FAB as number one in the UAE, second in the Middle East and #85 across the globe - in addition to ranking the bank #109 by assets in the same list. FAB is also a regional sustainability leader, and a constituent of MSCI ESG Leaders and FTSE4Good EM indices.

For further information, visit: www.bankfab.com, or <https://www.growstronger.com/> Grow Stronger or <https://www.bankfab.com/en-ae/updates> for COVID-19 related updates.

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