



# DEBT INVESTOR PRESENTATION

March 2022



# FAB in brief

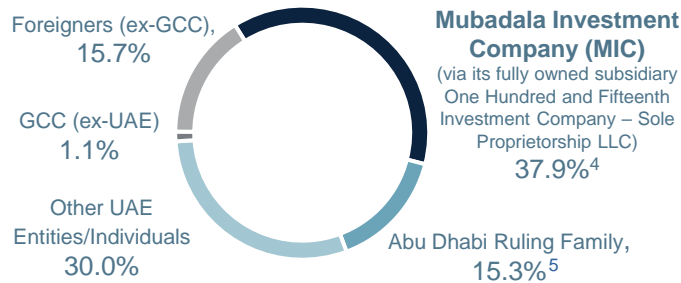
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# FAB – UAE’s leading bank, and one of the world’s largest and safest financial institutions



FAB is the result of the **historic merger** between two iconic Abu Dhabi-based franchises (FGB and NBAD) in 2017

## Shareholding<sup>3</sup> as at 31 December 2021



**Largest UAE bank** and one of the largest in MENA by total assets (AED 1,000Bn, USD 272Bn) and market capitalisation (AED 206Bn, USD 56Bn)

A **dominant and diversified** banking franchise with market-leading corporate and retail banking businesses

**Strongest combined credit ratings** amongst any other bank in MENA

	Moody's	S&P Global Ratings	FitchRatings
LT	Aa3	AA-	AA-
Outlook	Stable	Stable	Stable

19	66	402	6,600	>3 Million
Markets Global presence	Branches/ Cash offices in UAE	ATMs/CDMs in UAE	Employees globally (FTEs <sup>1</sup> )	UAE Customers <sup>2</sup>

All figures as on 31 December 2021

1 Full Time Employees, excludes outsourced staff; includes BAE staff

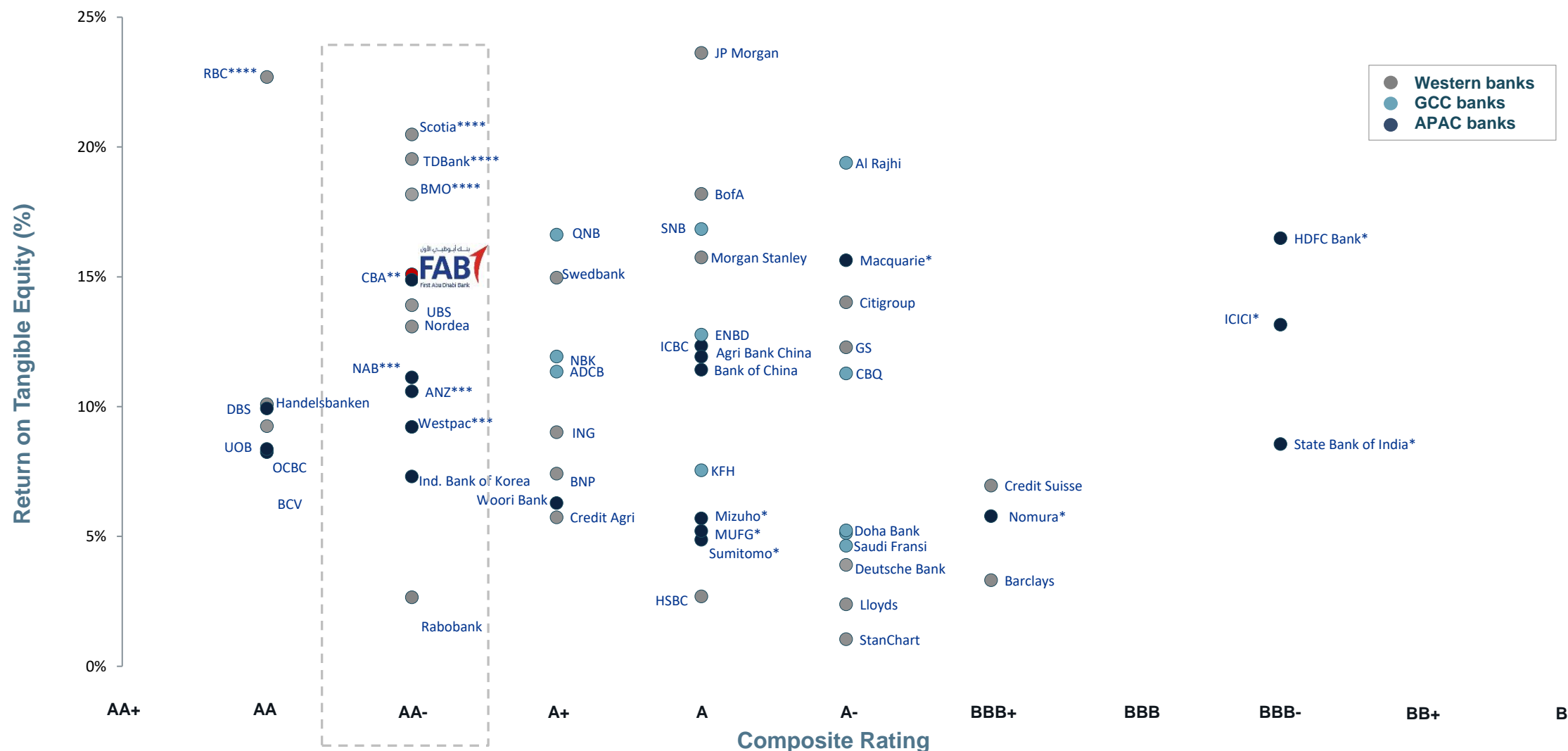
2 includes Ratibi (Wages Protection System) and E-dirham customers

3 Shareholding percentage based on outstanding shares (net of 6.4Mn treasury shares) as of December-end 2021

4. MIC holding through its wholly owned subsidiary One Hundred and Fifteenth Investment Company - Sole Proprietorship L.L.C., effective Sep 2021; MIC is one of the wholly owned strategic investment companies of the Emirate of Abu Dhabi.







5 Members of/companies owned by the Abu Dhabi ruling family: Each investor (natural of legal person) within this group, owns less than 5% of the company's shares, and is free to buy or sell FAB shares

# FAB is amongst the most profitable AA- rated banks globally



Notes: Based on FY'20 financials, RoTE for peer banks are estimated as: {net attributable profit less Tier-1 interest or Coupon payable on capital securities} / [average tangible equity]; ^Banks in the above peer group have different financial year endings; FY ending other than 31-Dec are highlighted with special characters: \* for 31-Mar; \*\* for 30-Jun; \*\*\* for 30-Sep & \*\*\*\* for 31-Oct; Source: Bloomberg

# Leading UAE and regional bank

Banking sector assets <sup>1</sup> (USD Bn)	National champion <sup>2,3</sup>	FY'21 Net Profit <sup>2</sup> (USD Bn)	Total Assets <sup>2</sup> (USD Bn)	Equity <sup>2</sup> (USD Bn)	Market Cap <sup>4</sup> (USD Bn)	Credit Ratings <sup>4</sup> (Moody's/S&P/Fitch)
 <b>UAE</b> 897	<b>FAB</b>	3.4	272	30.7	56.0	Aa3 / AA- / AA-
 <b>KSA</b> 871	<b>SNB</b>	3.4	243	43.2	76.8	A1 / A- / A-
 <b>Qatar</b> 489	<b>QNB</b>	3.6	298	27.2	50.8	Aa3 / A / A+
 <b>Kuwait</b> 246	<b>NBK</b>	1.2	106	14.3	23.7	A1 / A / A+
 <b>Bahrain</b> 218	<b>AUB</b>	0.6	42	5.9	9.4	NA / BBB / BB+
 <b>Oman</b> 100	<b>Bank Muscat</b>	0.5	34	5.6	4.5	Ba3 / B+ / BB-

1 Central Bank information as of the latest available publications; Assets are gross including provisions

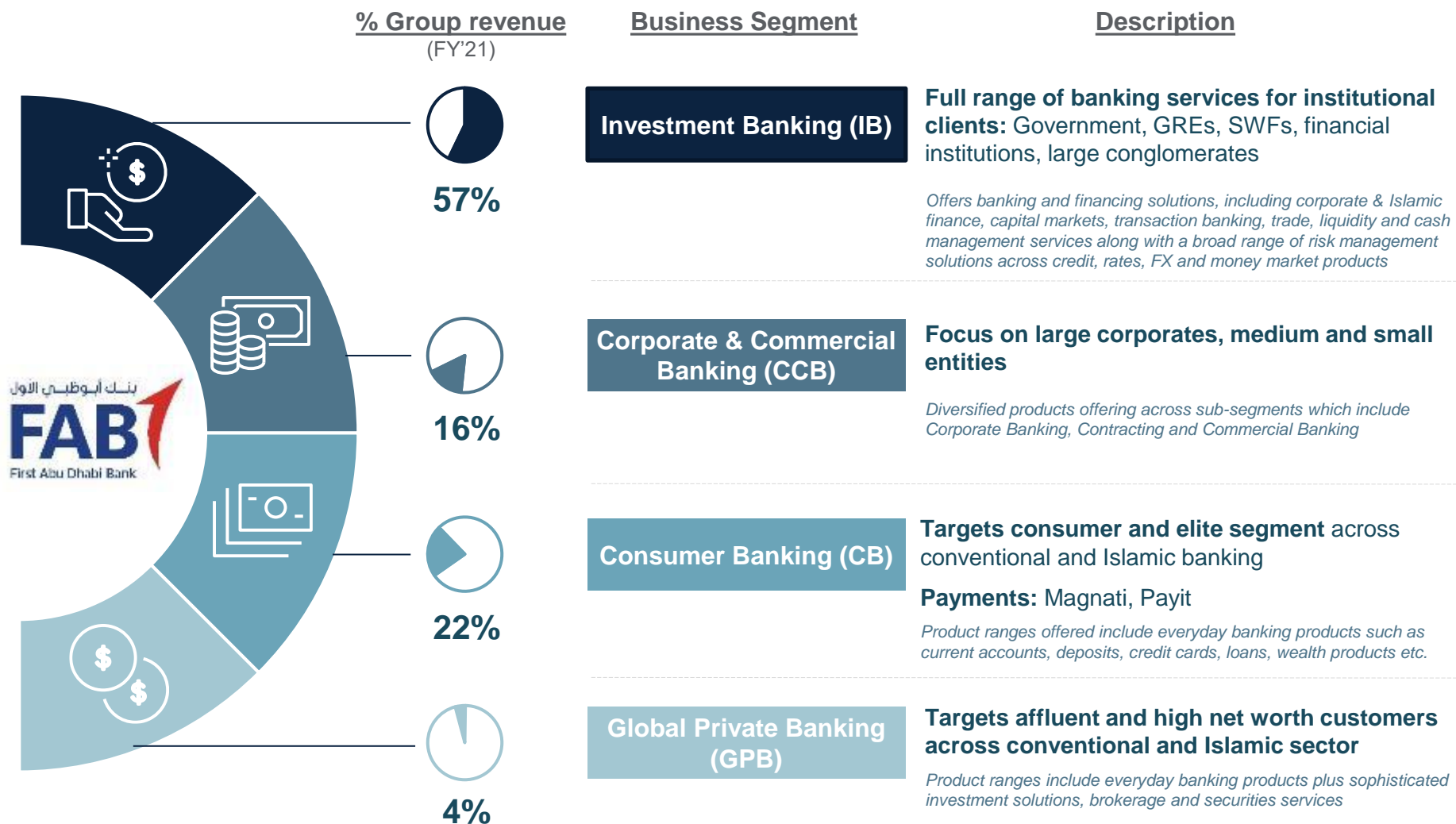
2 Company information as of 31 December 2021, unless specified otherwise

3 Defined as the largest bank in the country by total assets

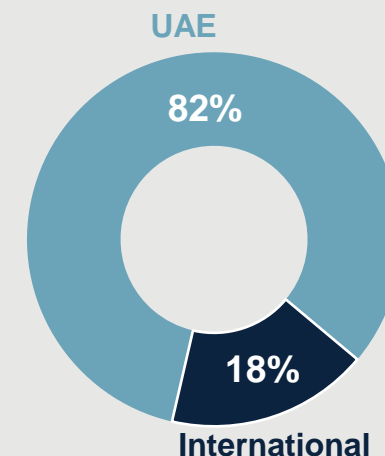
4 Based on 31 December 2021; Source Bloomberg



# A well diversified business model



**Revenue split by geography (FY'21)**



*International presence across Europe & Americas, Middle East & Africa and Asia-Pacific*

Note: Head Office (HO) contributed 0% to FAB's 2021 revenues. HO provides centralised human resources, IT, operations, finance, strategy, IR, risk management, credit management, corporate communications, legal & compliance, internal audit, procurement, treasury operations and administrative support to all business units of the Group. HO also includes a diversified business model supported by complementary offerings provided across real estate & property management services through subsidiaries partially or fully owned by the group.

# We continue to make significant progress in our digital transformation

## FY'21 key updates



### IMPROVED SELF-SERVICE CAPABILITIES

- **Fully digital** application process for current account and credit card applicants ~Account opening in under 10 minutes
- **114 automations** delivered (88 for UAE and 26 for International)
- Bots processed **~5.2Mn transactions**; savings of **~636k manhours**



### NEW FUNCTIONALITIES

- **100% paperless:** Best-in-class digital cards and CASA onboarding journey
- **83% of digitally available transactions and service requests** are fully end-to-end digitised or STP (straight through processing)
- **Dubai First**, one of FAB's premium card brands, launched the UAE's first location-based cashback gamification experience



### INNOVATION IN PAYMENTS

- New products including our market leading Travel Card **led to a 50% increase in credit card acquisitions** compared to 2020
- **Launched DigiCheques** on the Corporate Mobile app and **extended the coverage for FABeSign** to over 2,000 clients.
- Carved out payments business; launched a new brand "Magnati"



### MAGNATI: CONTINUED GROWTH IN SCALE & PROFITABILITY

**+46% yoy**  
Acquiring Processed Transactions

**+39% yoy**  
New acquiring clients onboarded

**+46% yoy**  
Processed volume

**+19% yoy**  
Spends on issuer processing



### ENHANCED PARTNERSHIPS TO DRIVE ACQUISITION

- **Strategic stakeholder in "Wio", a digital banking platform**, in partnership with ADQ, Alpha Dhabi & Etisalat
- **Strategic partnership in Magnati with Brookfield Asset Management (through 60% stake sale by FAB)** - for accelerated growth in its journey to become the regional leader in the payments sector
- **Developed the ground-breaking and innovative UAE Trade Connect (UTC) platform** (the region's largest blockchain based trade network)



### INCREASED DIGITAL ADOPTION<sup>1</sup>

**+12% yoy**  
Digital registrations & engagement

**+28% yoy**  
Digital transactions

**+62% yoy**   
Increase in registered users to over 401,000

**+59% yoy**   
Increase in remittances to USD 0.3Bn

<sup>1</sup> As of 31 December 2021

<sup>2</sup> Defined as total digital (mobile + internet banking) transactions as a percentage of all transactions performed digitally or at the branch and call centers

# FAB's Technology Evolution Journey: Key milestones

- Established our Analytics & AI unit
- Launched unified FAB Online Banking and Mobile channels (following merger and systems integration)
- Instant opening of savings account, gold accounts & terms deposits
- Launched FABRIC - platform to develop new products, services & solutions with partners, startups, accelerators & tech

**2018**



- Enhanced efficiency for customers joining FAB through the use of Mobile Banking
- Launched several digital card-related innovations
- 20 automations delivered



**2019**

- Enabled 9k people working from home
- Launched (teller-less) digital branches
- Launched FAB corporate mobile app, FAB ePay, FAB eSign and SME Digital Account (Basher)
- Acquired 10% stake in ADQ's digital bank
- Launched several digital features & innovations
- 76 automations delivered



**2020**

- Started cloud migration
- Started infrastructure and tech platform modernisation journey
- Launched FAB open banking platform
- Launched new agile operating model
- Business-aligned technology organisation
- Launched several digital features & innovations
- 114 automations delivered



**2021**



# Supporting our customers through payment deferrals

UAE CB TESS deferral facility expired Dec-end 2021; TESS recovery extended to June-end 2022

## TESS Programme Overview

From April 1st 2020, relief measures were extended to our retail, SME and corporate customers in the form of payment deferrals on interest and principal between 3-6 months, under the UAE Central Bank's Targeted Economic Support Scheme (TESS), as well as FAB's own initiatives. While the TESS deferral programme expired at Dec-end 2021, the TESS recovery programme has been extended to June-end 2022. **As of Dec-end 2021, FAB did not have any deferrals under the TESS recovery programme.**

The Group undertook a comprehensive portfolio review in Q2'20 in line with the UAE CB guidance. Pre-emptive action was taken to identify clients benefitting from deferrals under two main categories:

- **Group 1:** Borrowers temporarily and mildly impacted by COVID-19
- **Group 2:** Borrowers expected to be significantly impacted by COVID -19 in the long term

1 For more information, refer to note 45(a) of FAB's FY'21 financial statements

## Deferrals, exposure and impairment allowances (USD Mn)

As of 31 December, 2021

By Segment / Group (figures in USD Mn)	Payment deferrals	Total EAD (exposure at default)	ECL
<b>Wholesale banking</b>	<b>1,466</b>	<b>4,769</b>	<b>210</b>
Group 1	1,017	3,887	32
Group 2	449	882	178
<b>Retail banking</b>	<b>19</b>	<b>459</b>	<b>4</b>
Group 1	18	437	3
Group 2	1	22	1
<b>Total</b>	<b>1,485</b>	<b>5,228</b>	<b>214</b>

By Segment / Stage (figures in USD Mn)	Payment deferrals	Total EAD (exposure at default)	ECL
<b>Wholesale banking</b>	<b>1,466</b>	<b>4,769</b>	<b>210</b>
Stage 1	1,009	3,813	28
Stage 2	451	938	174
Stage 3	7	18	9
<b>Retail banking</b>	<b>19</b>	<b>458</b>	<b>4</b>
Stage 1	19	440	4
Stage 2	0	18	0
Stage 3	0	0	0
<b>Total</b>	<b>1,485</b>	<b>5,228</b>	<b>214</b>

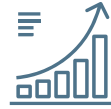
Please note that rounding differences may exist in above tables

# Building on our foundations to drive future growth



## Regional **Leadership**

- **Top ranked regional bank** across all MENA Investment Banking league tables
- **#1 Custodian** in UAE, **#1 Loan agent** in UAE, GCC and MENA
- **Continued to lead regional Sustainable Finance agenda**
- **Enhanced product propositions**



## Disciplined **Growth**

- Total assets **exceeding USD 272 Billion**
- **Outperformed industry** loan and deposit growth
- **CASA balances +USD 18Bn** from 2020
- **Enhanced revenue generation**
- **Diversified income streams**



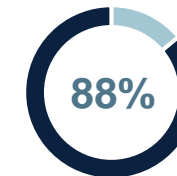
## Delivering **Transformation**

**>50%**

New-to-bank  
customers digitally  
onboarded

**c.60 NPS**

Improved customer  
experience



Bank  
transactions  
performed  
digitally<sup>1</sup>

**Launched first-in-  
market solutions**

DigiCheques  
FABeSign

## Areas of strategic focus over the medium term



- **Drive growth in our key business areas and strengthen our market position in targeted markets**
- **Enhance efficiencies and agility across the organisation**
- **Nurture culture and talent**
- **Embed ESG in everything that we do**

<sup>1</sup> Defined as total digital (mobile + internet banking) transactions as a percentage of all transactions performed digitally or at the branch and call centers

# Our new ESG strategy will focus on three pillars

We have set KPIs in each of the three pillars to work towards our ESG ambitions



## Transforming our Governance Model<sup>1</sup>

We will commit to the highest standards for ESG accountability, transparency and risk management

*This pillar outlines FAB's approach to a governance model including identifying incentives linked to ESG and responsible use of data*

- **Disclosures** of ESG KPIs and performance update, together with financial reporting
- **Incentives linked to ESG** with ESG criteria incorporated into FAB Group's Balance Scorecard from 2022
- **Whistleblower policies and processes**
- **Governance structures for dealing with ESG issues**
- **Responsible use of ESG data**



## Transitioning to a Low Carbon Future<sup>1</sup>

To become the model sustainable FI in MENA  
To act in partnership with our stakeholders to accelerate the transition to a Net Zero society and economy

*This pillar outlines FAB's approach to Net Zero transition, climate resilience and a circular economy*

- **Sustainable finance of USD 75Bn** by 2030
- **Incorporation of ESG** as part of vendor sourcing, selection & evaluation processes
- **Incorporation of smart energy management systems** to improve data tracking, measurement, and energy efficiency
- **Reducing carbon intensity** for key sectors by 2030
- Majority of energy for FAB's operations to be **driven by renewable sources by 2030**



## Capitalising on our Social Responsibility<sup>1</sup>

To expand access to financial services for all – in particular , underbanked groups  
To foster a diverse, inclusive and equitable organisation

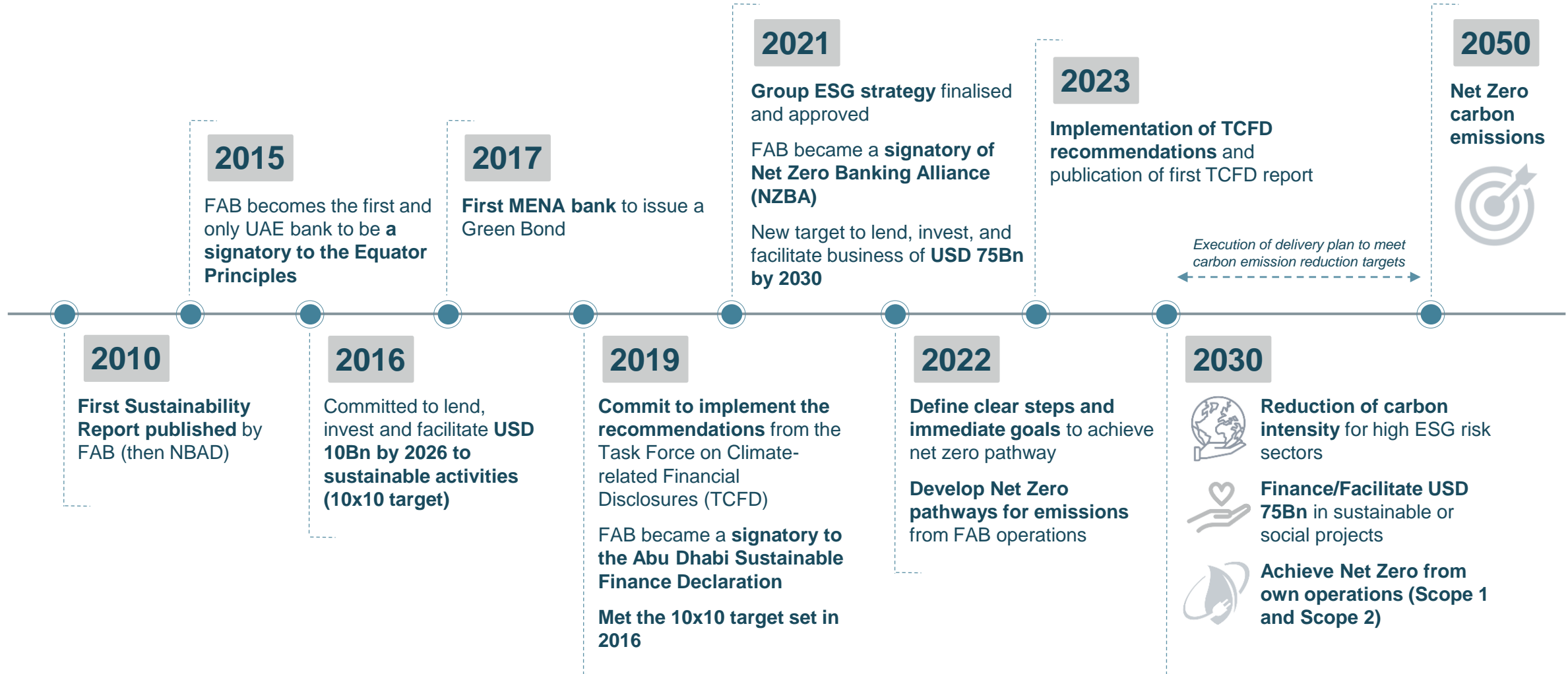
*This pillar outlines FAB's approach to social responsibility including diversity, women's empowerment, education and financial inclusion*

- **To be a diverse and inclusive place of work**, promoting genuine equality of opportunity for all groups at all levels of the bank
- **Women to constitute** 30% of our senior management by 2025 & 40% by 2030
- **50% of staff will be UAE nationals** by 2025
- **Strategic focus on financial inclusion** including key markets such as Egypt
- **Continue social responsibility efforts** by committing towards donations & sponsorships

1. This is a summarised list. For a comprehensive update, please refer to our latest Corporate ESG Report 2021

# We are committed to become a net zero bank by 2050

## Our timeline to Net Zero



# 2021 sustainability highlights

In **2021** 

FAB launched its **Group ESG strategy** along with a transformed ESG Governance structure. As part of this transformation, FAB also appointed its first Chief Sustainability

**1<sup>st</sup>** in GCC



We became the **first bank in the UAE and Gulf Cooperation Council (GCC)** to join the UNEP FI's Net Zero banking Alliance (NZBA) and we **will set targets for greenhouse gas reduction in 2022**

**32%** 

of FAB's senior and mid-management positions held by women as of 2021

**50%** 

of the Khalifa Fund Portfolio<sup>1</sup> is managed by FAB and we plan to **grow the portfolio by 8-10%** on an annual basis

**75Bn** 

We **set a target to lend, invest and facilitate business of USD 75Bn by 2030** to activities focused on environmental and socially responsible solutions

**1.2Bn** 

FAB acted as Joint ESG Structuring Bank, Joint ESG Coordinator, Joint Bookrunner, and Mandated Lead Arranger to Etihad Airways, **for the first sustainability linked loan (USD 1.2Bn) in global aviation tied to ESG targets**

**762k** 

new **Ratibi prepaid payroll cards** were issued in 2021, an increase of 13% vs 2020

This is a summarised list. For a comprehensive update, please refer to our latest Corporate ESG Report 2021

<sup>1</sup> Government of Abu Dhabi's programme for SMEs



# Leading the ESG agenda within the MENA region

## Strong ESG Ratings

AA

MSCI ESG  
'Leader'

B

Carbon Disclosure  
Project (CDP) Score

## New ESG strategy reflects the Group's ambition to support a path towards a sustainable future, aligned with UN SDGs



Transforming our Governance Model



Capitalising on our Social Responsibility



Transitioning to a Low Carbon Future



## Aligned with national and global frameworks

- UAE Vision 2021
- The Abu Dhabi Economic Vision 2030
- Equator Principles
- The Green Bond Principles
- GRI (Global Reporting Initiative)

- UN Global Impact
- TCFD (Task Force on Climate-Related Financial Disclosures)
- CDP (Carbon Disclosure Project)
- SASB (Sustainability Accounting Standards Board)
- UNEP FI (UN Environment Programme Financial Framework)

# Q4 / FY'21 Financial Performance

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# FY'21 Key highlights

## Key Financial Highlights FY'21

  
**Net profit**

**3.4**  
USD Bn  **19%**  
YoY

  
**Earnings Per Share**

**0.30**  
USD  **20%**  
YoY

  
**Revenue**

**5.9**  
USD Bn  **17%**  
YoY

**Return on Tangible Equity**  
**15.1%**  
(FY'20: 13.0%)

**Common Equity Tier 1 Ratio**  
**12.4%**  
(Dec'20: 13.3%)

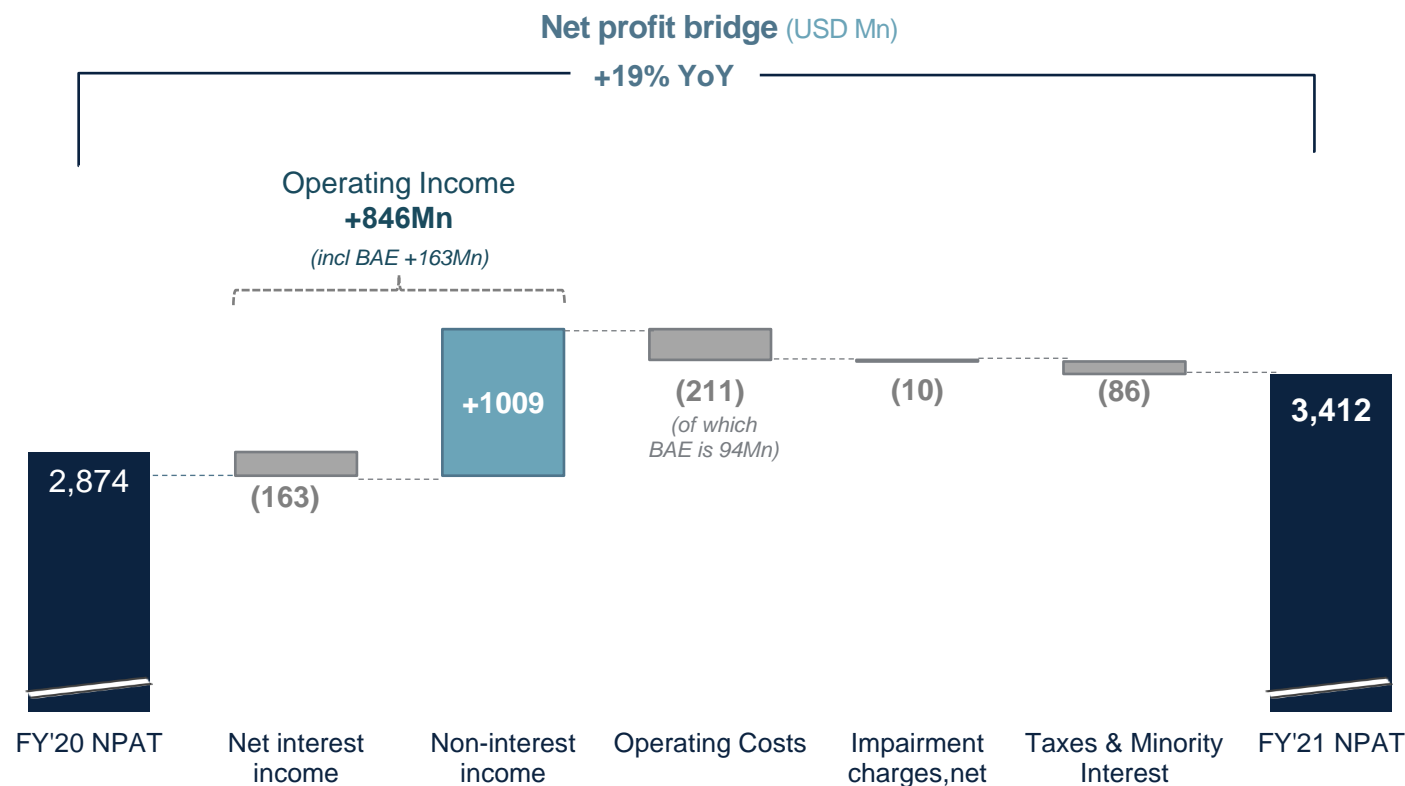
- **Record net profit and revenue** in a year of strong economic rebound
- Core businesses showed **solid momentum led by our Investment Banking business.**
- **International<sup>1</sup> revenue and profits were up 26% and 88%,** helped by BAE<sup>1</sup> acquisition
- Total assets **in excess of USD 272 Billion,** with **balance sheet strength maintained** across all key ratios
- **Stable NPL ratio and provision coverage at 98%,** inline with prudent risk management approach
- **Delivered positive jaws and Cost-to-Income ratio below 27%,** amidst ongoing investments, and BAE acquisition

<sup>1</sup> BAE – Bank Audit Egypt; BAE consolidation effective 28 April 2021

# We have met / exceeded FY'21 financial guidance metrics

	FY'21 actual	FY'21 financial guidance	
Loan growth	+6%	Mid-single digit	✓
C/I Ratio (ex-integration costs)	26.4%	<30%	✓
Cost of Risk	65bps	<100bps	✓
Provision coverage	98%	~ 90%	✓
CET1 (pre-dividend)	13.4%	> 13.5%	✓

# Enhanced revenue generation, positive Jaws and risk discipline drive record 2021 net profit



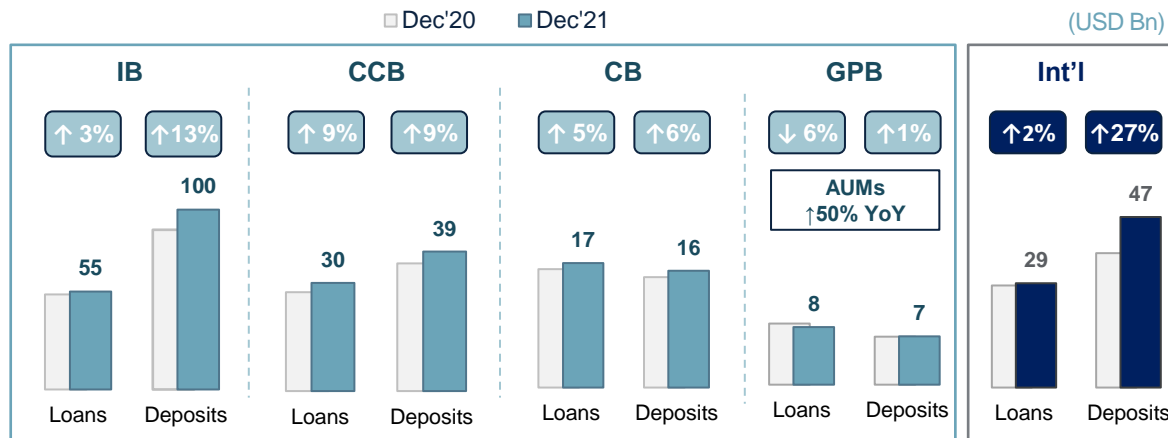
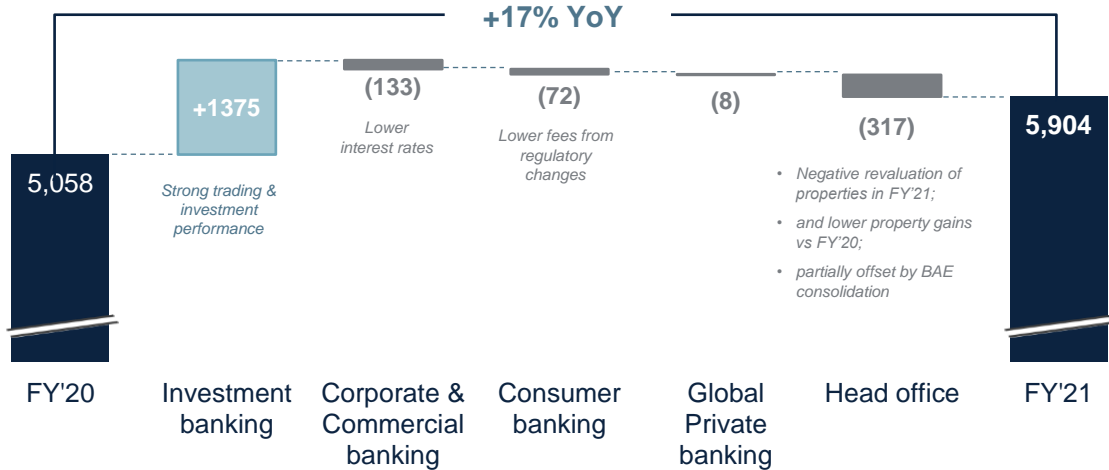
in USD Mn	FY'21*	YoY%	Q4'21	QoQ%	YoY%
<b>Operating Income</b>	<b>5,904</b>	<b>+17</b>	<b>1,551</b>	<b>(11)</b>	<b>+16</b>
Net interest income	3,174	(5)	827	(3)	(1)
Non-interest income	2,729	+59	724	(19)	+45
Operating costs	(1,589)	+15	(403)	(7)	+17
<b>Operating Profit</b>	<b>4,314</b>	<b>+17</b>	<b>1,148</b>	<b>(13)</b>	<b>+16</b>
Impairment charges, net	(724)	+1	(195)	(10)	+125
Taxes & MI	(178)	+94	(48)	+1	+85
<b>Net Profit</b>	<b>3,412</b>	<b>+19</b>	<b>905</b>	<b>(14)</b>	<b>+3</b>
Basic EPS (in USD; annualised)	0.30	+20	0.32	(13)	+1
	%	bps	%	bps	bps
RoTE	15.1	+209	15.9	(348)	(47)
RoRWA	2.3	+18	2.3	(44)	(24)

\* Bank Audi Egypt consolidation effective 28 April 2021 ([more info on slide #43](#))

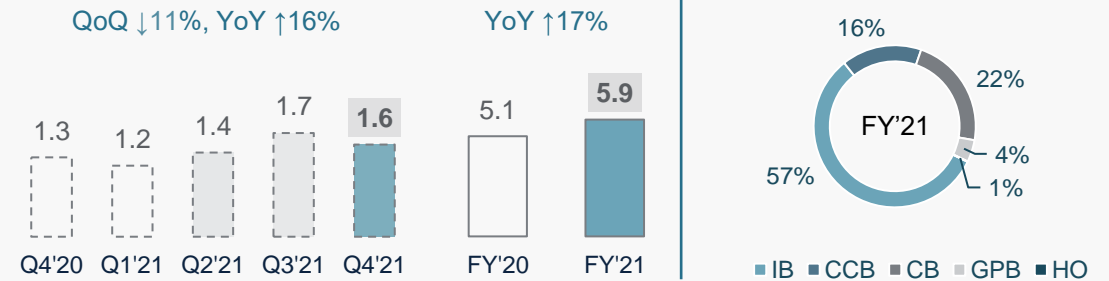


# Revenue growth primarily driven by Investment Banking, with all businesses showing positive momentum

Revenue bridge (USD Mn)



Revenue trends and segment contribution (USD Bn)

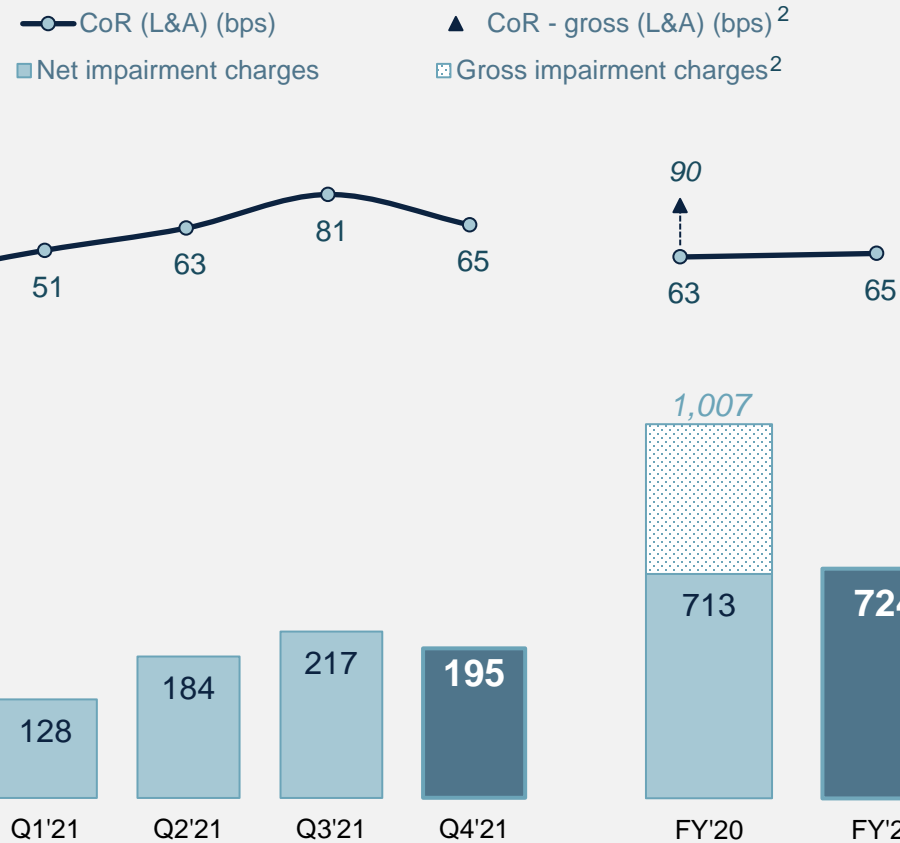


in USD Mn	FY'21*	YoY%	Q4'21	QoQ%	YoY%	Quarterly trend (last 5 quarters)
IB	3,374	+69	1,074	+8	+110	1,074
CCB	948	(12)	251	(1)	(24)	251
CB	1,327	(5)	337	(1)	(2)	337
GPB	259	(3)	65	+3	(6)	65
HO	(5)	na	(176)	na	na	-176
<b>Group Revenue</b>	<b>5,904</b>	<b>+17</b>	<b>1,551</b>	<b>(11)</b>	<b>+16</b>	
UAE	4,870	+15	1,265	(15)	+14	1,265
International	1,034	+26	286	+11	+27	286

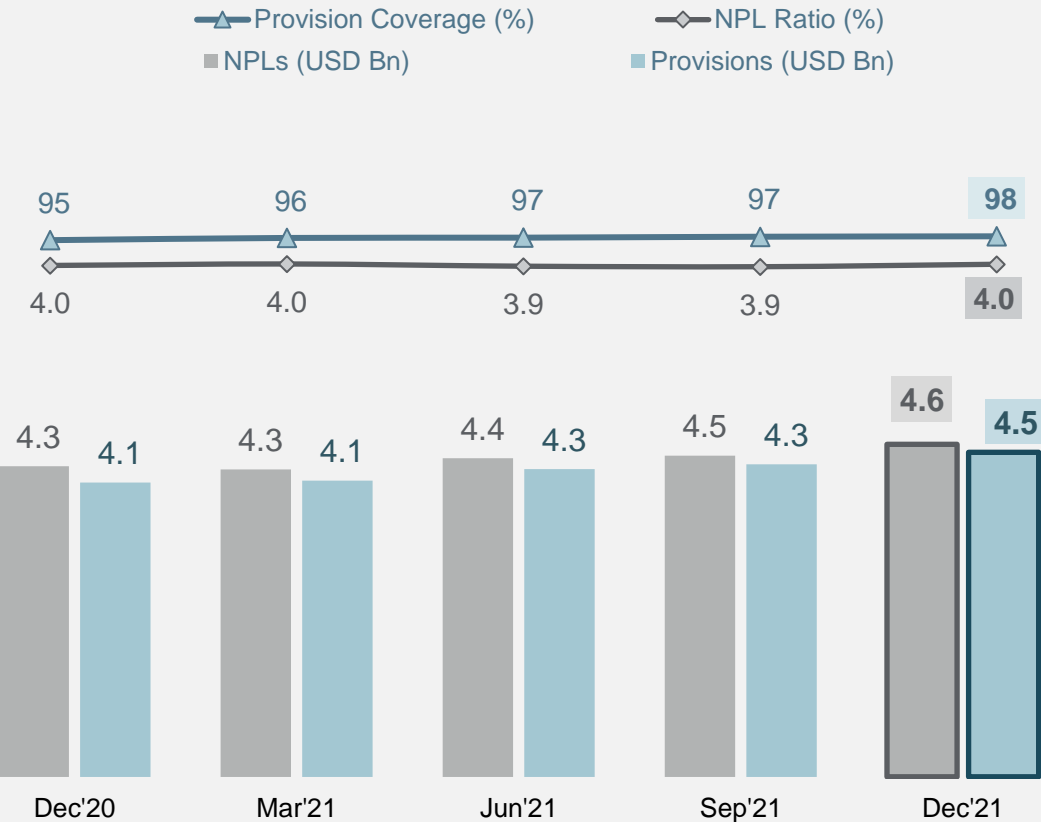
\* Bank Audi Egypt consolidation effective 28 April 2021; Grouped under HO

# Stable NPL ratio, and adequate provisioning; CoR within guidance

Impairment charges, net (USD Mn) & CoR<sup>1</sup> (%)



NPLs<sup>3</sup> and ECLs<sup>4</sup> (%)



<sup>1</sup> Annualised

<sup>2</sup> Gross impairment charges and gross CoR on loans and advances: excludes provision reversals as a result of partial resolution of a few large corporate accounts

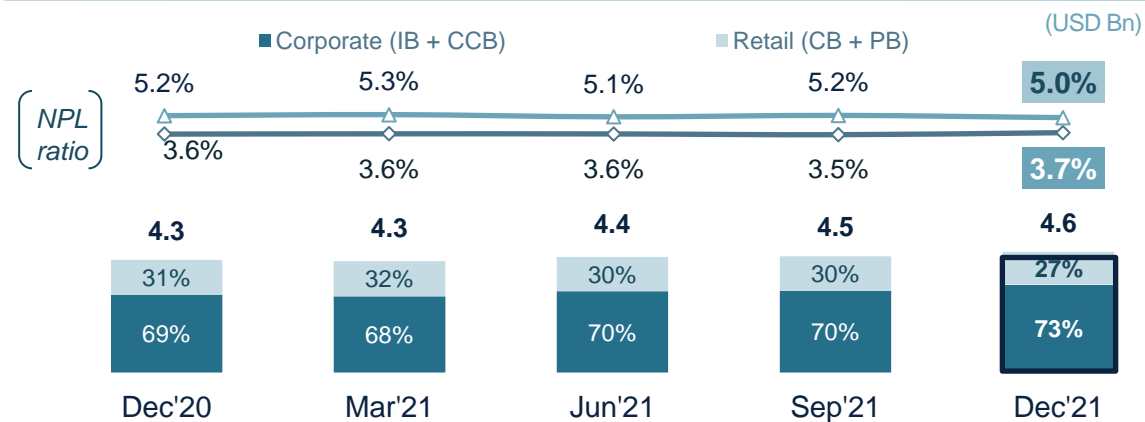
<sup>3</sup> NPLs = Stage 3 exposure + adjusted POCI (Purchase or originally impaired credit) of USD 1,515Mn as of Dec'21 considered as par to NPLs, net of IIS

<sup>4</sup> ECL = ECL on loans, advances & Islamic financing + ECL on unfunded exposures + IFRS9 impairment reserves

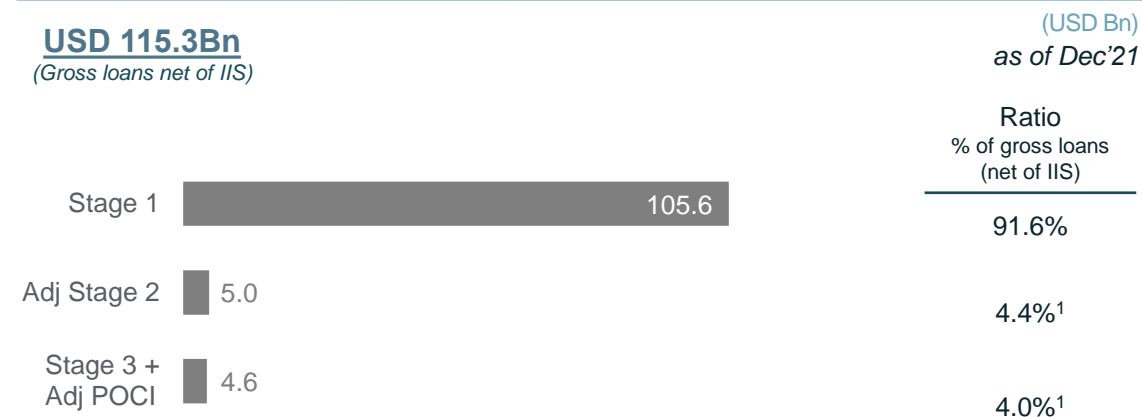
Note: Gross loans and advances and NPLs are net of interest in suspense; see Note 45(a) 'Credit quality analysis' in FY'21 financials for more details on IFRS9 exposures and ECL

# NPLs and Loans/ECL by stage

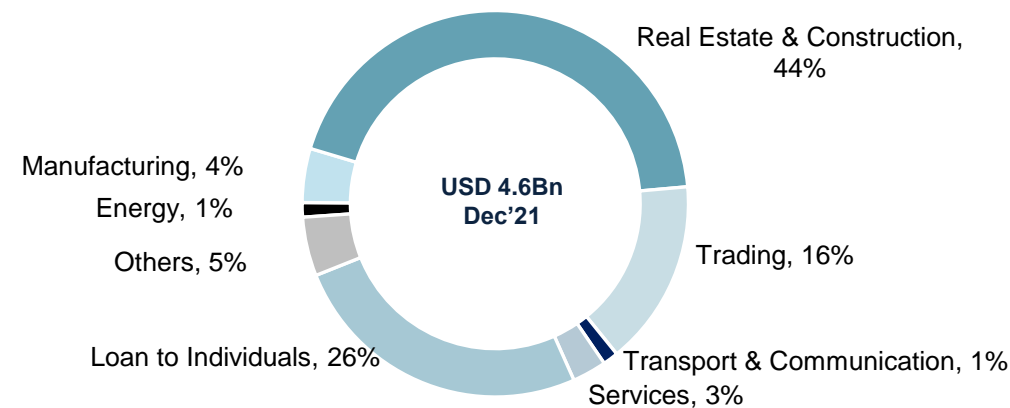
## NPLs<sup>1</sup> by segment



## Loans by stage



## NPLs<sup>1</sup> by sector (%)



## ECL<sup>2</sup> by stage



<sup>1</sup> NPLs = Stage 3 exposure + adjusted POCI (Purchase or originally impaired credit) of USD 1,515Mn as of Dec'21 considered as par to NPLs, net of IIS; Stage 3+POCI, net of IIS as per Note #45(a) in FY'21 financials is USD 4.6Bn;

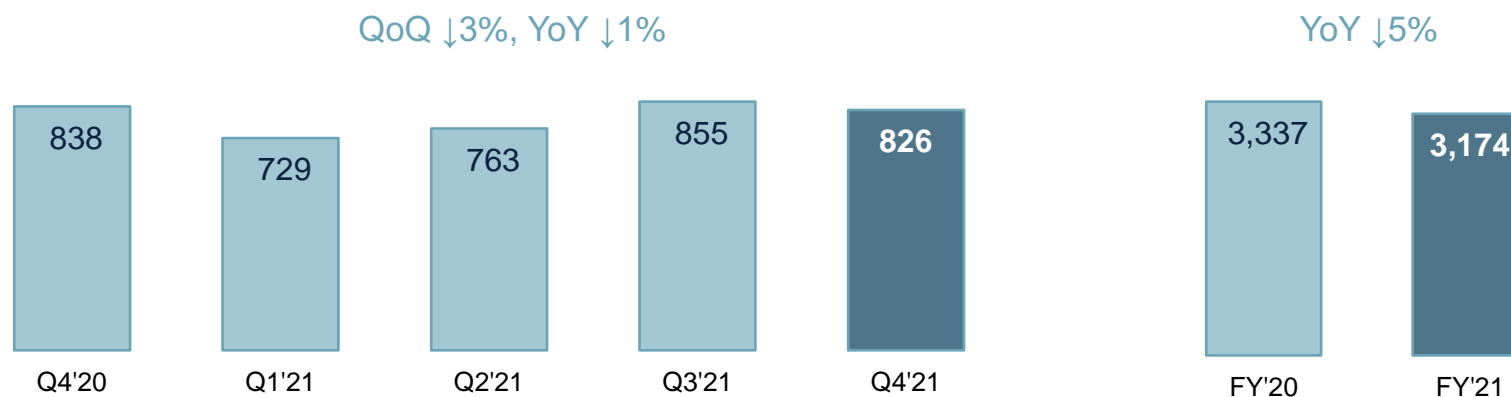
Adj Stage 2 incl POCI not considered as NPLs (USD 35Mn)

<sup>2</sup> ECL = ECL on loans, advances and Islamic financing (3.6bn) + ECL on unfunded exposures (0.2bn) + IFRS9 impairment reserve (0.7bn), IFRS9 specific reserve incl in Stage3 (0.3bn), IFRS9 collective reserve incl in Stage2 (0.4bn)

**Note:** Gross loans, advances & Islamic financing and NPLs are net of interest in suspense; see Note #45(a) Credit Risk in FY'21 financials for more details on IFRS9 exposures and ECL

# NII trend reflects lower interest rates and lower IIS reversals, partially offset by volume growth and positive impact of BAE acquisition

Net interest income (USD Mn)



- P&L impact from a +/-25bps parallel movement in interest rates is estimated at c. **USD 79Mn<sup>1</sup>**, if no offsetting action is taken by management
- Bank Audi Egypt NII contribution in FY'21<sup>2</sup> – USD 140Mn

Net interest margin (%)



Performing loan yields (%)



Cost of customer deposits (%)



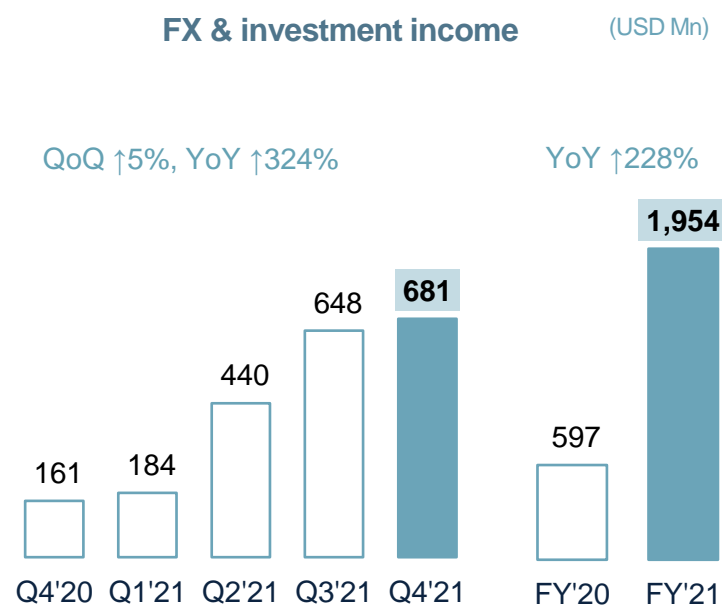
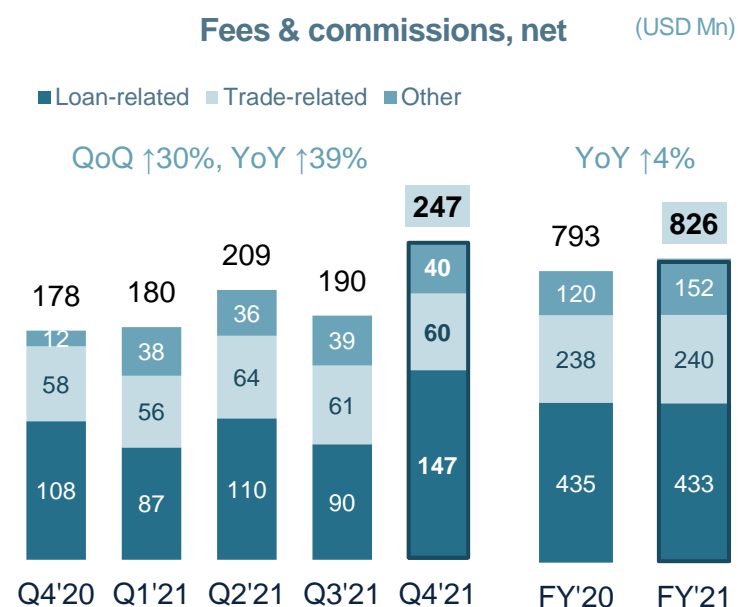
Note: All percentage figures are annualised

1 For further details, please refer to Market Risk note #45(c) of FY'21 financial statements

2 Bank Audi Egypt consolidation effective 28 April 2021

# Strong trading performance and robust fee-generation drive 59% yoy growth in non-interest income

Non-interest income (In USD Mn)	FY'21	FY'20	YoY%	Q4'21	Q3'21	QoQ%	Q4'20	YoY%
Non-interest income	2,729	1,720	+59	724	890	(19)	1,829	+45
% of Group total income	46%	34%		47%	51%		37%	



## • Fees and commissions

+4% YoY reflecting growth in fee-generating business and strong momentum across loan, debt and equity capital markets in a year of economic rebound

## • FX & investment income

significantly higher income from trading gains and portfolio returns

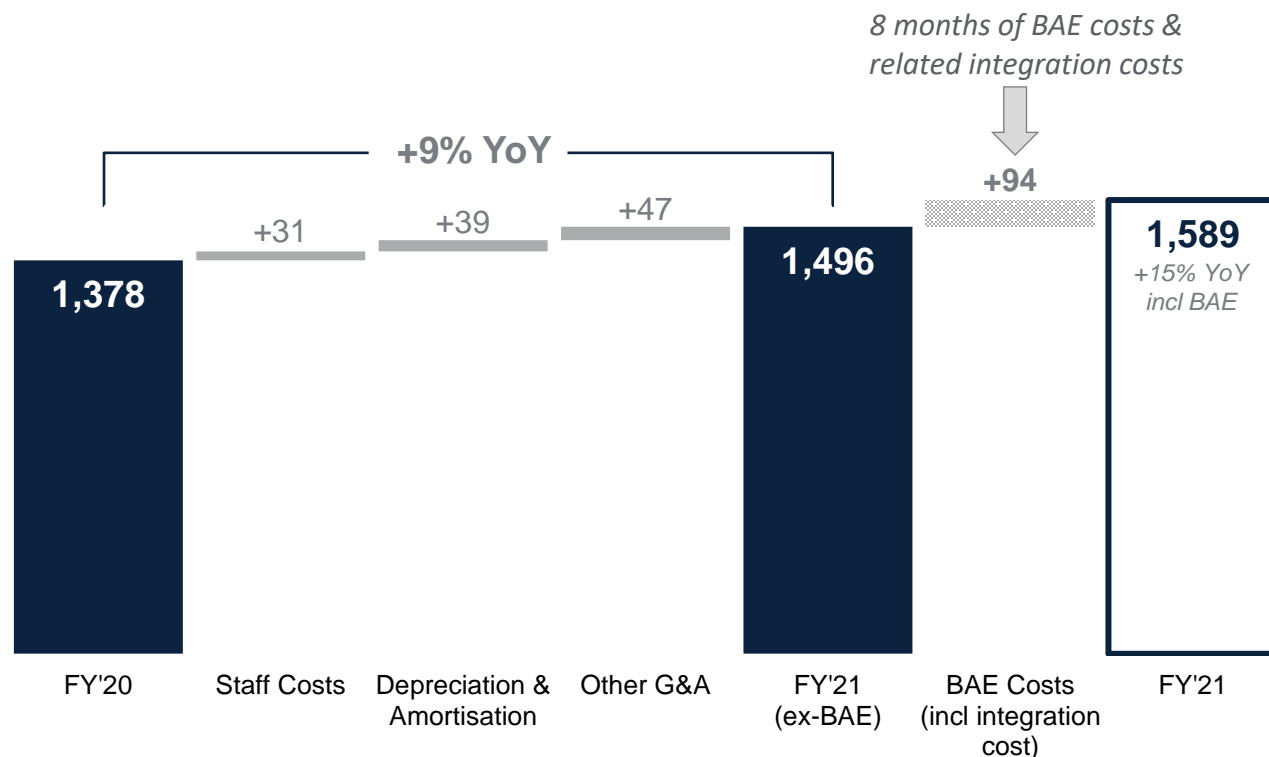
## • Other non-interest income

impacted by negative fair value adjustments on investment properties (USD 204Mn)



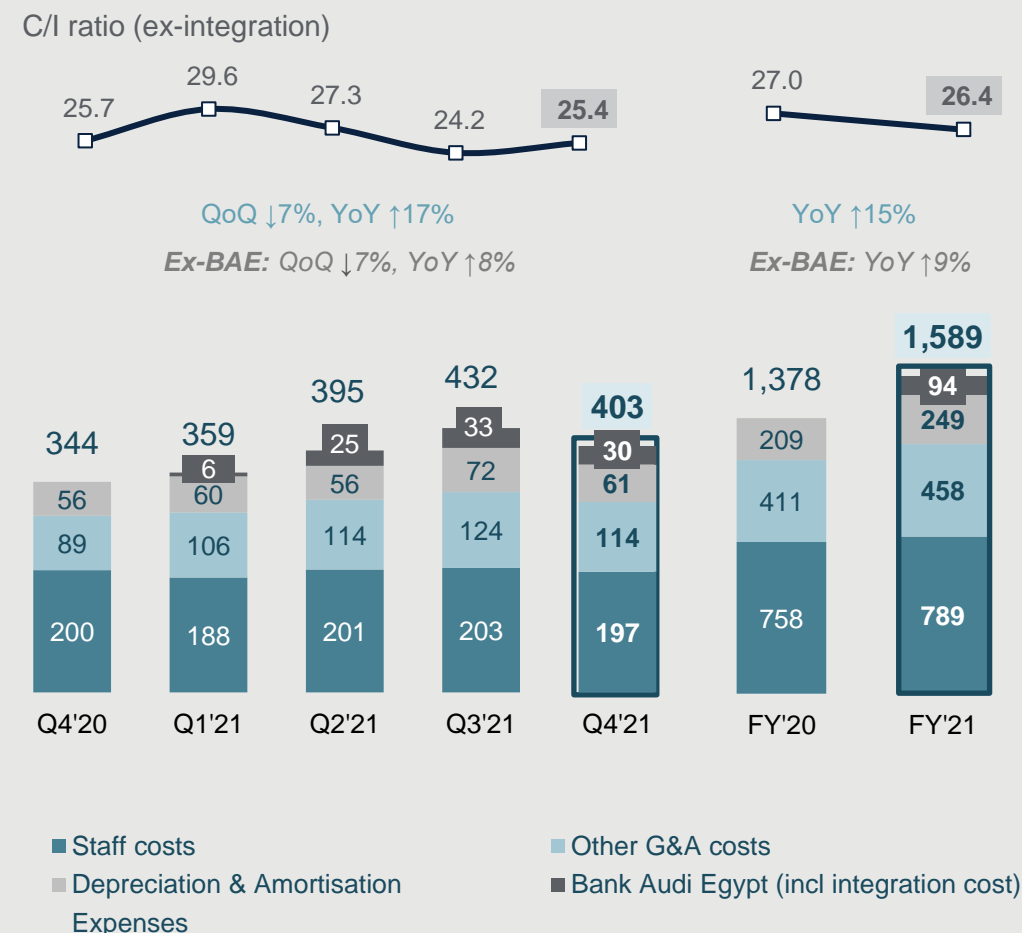
# Opex +9% yoy excluding BAE impact amidst ongoing investment; Cost-to-Income ratio improves YoY on positive Jaws

Operating expenses trend (USD Mn) and C/I ratio (%)

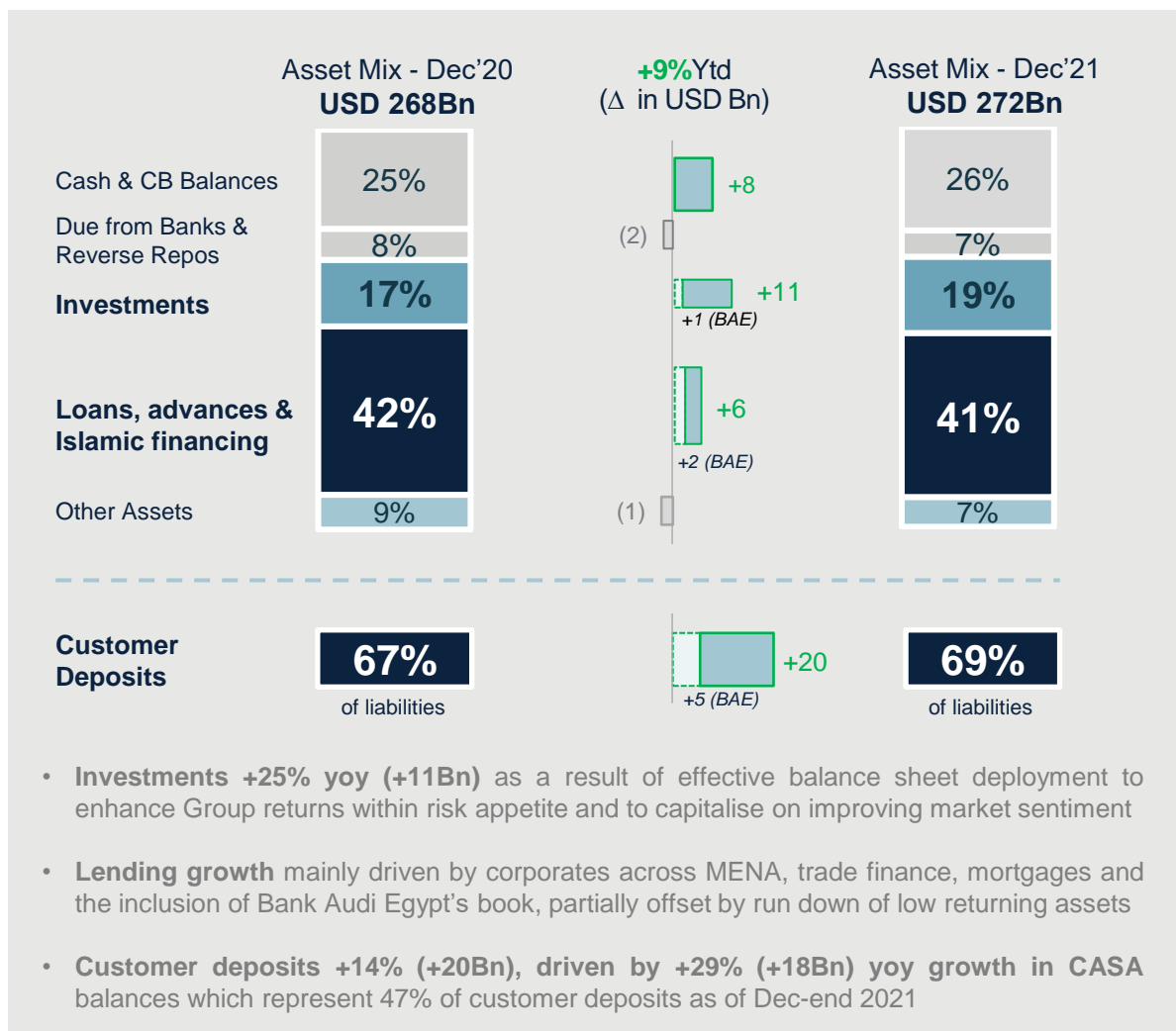


Cost savings being deployed to further support digital and technology investments; cost discipline to be maintained through the cycle, with several initiatives underway to create future efficiencies

Opex drivers YoY (USD Mn)



# Balance sheet effectively deployed to generate higher returns; total assets exceed USD 272 Billion



1 Minimum regulatory LCR requirement is 100% effective Jan'19; relaxed to 70% until 30 Jun 2022 under TESS by UAE CB

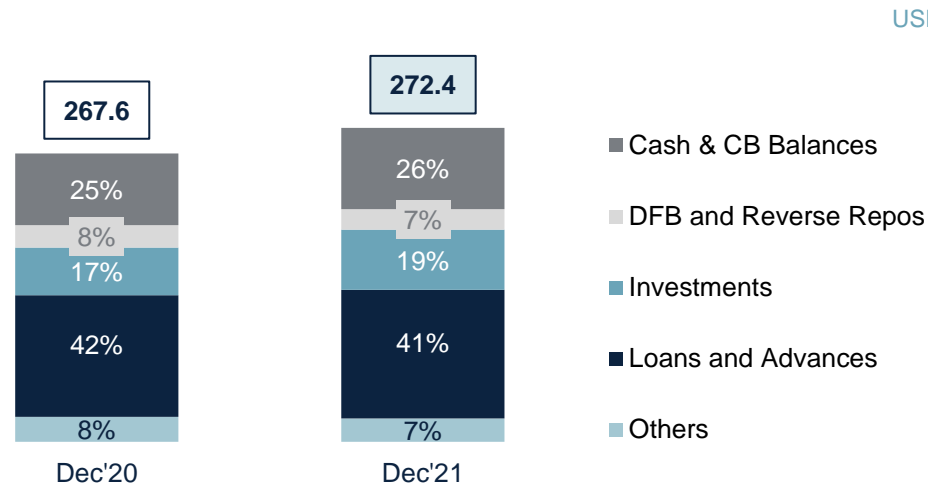
2 Proposed dividends subject to shareholder approval at the General Assembly Meeting scheduled for 28 February 2022

in USD Bn	Dec'21	QoQ%	YoY%	Quarterly trend (last 5 quarters)				
Assets	272	+2	+9	250	256	257	268	272
Loans, advances and Islamic financing	112	+2	+6	105	103	109	110	112
Investments	52	+1	+25	42	43	48	52	52
Deposits	167	+1	+14	147	155	157	165	167
CASA	78	+6	+29	61	68	69	74	78
Equity (incl Tier-1 notes)	31	+3	+4	30	28	29	30	31
Tangible equity	22	+5	+5					
	%	QoQ (bps)	YoY (bps)					
LCR <sup>1</sup>	134	+976	(856)	143	141	119	124	134
CET1 (post-dividends) <sup>2</sup>	12.4	(56)	(83)	13.3	13.7	13.0	13.0	12.4

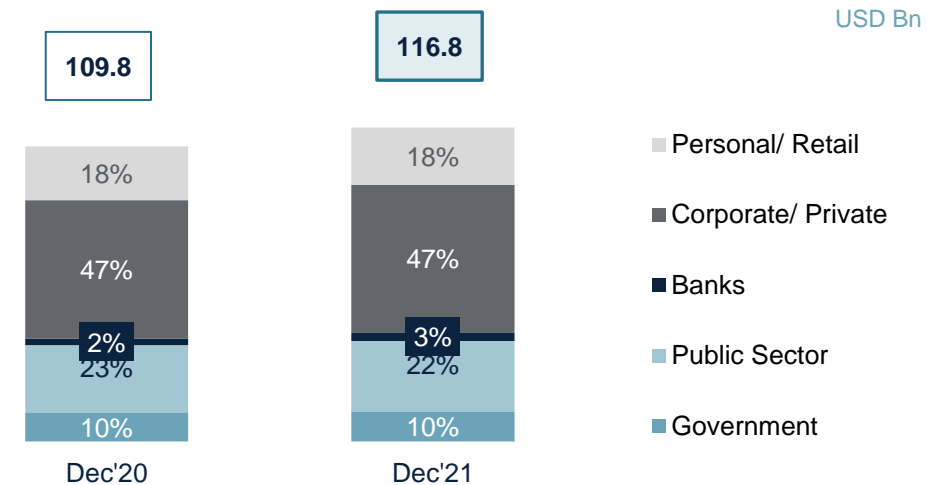
# Asset & loan mix

Conservative asset mix with a well diversified, high-quality loan book

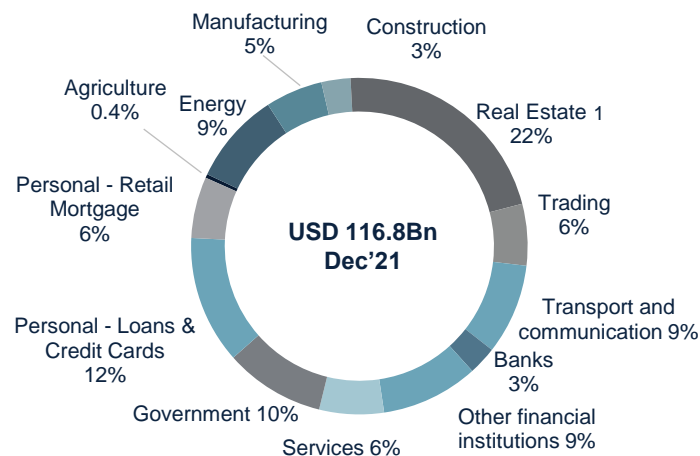
## Asset mix



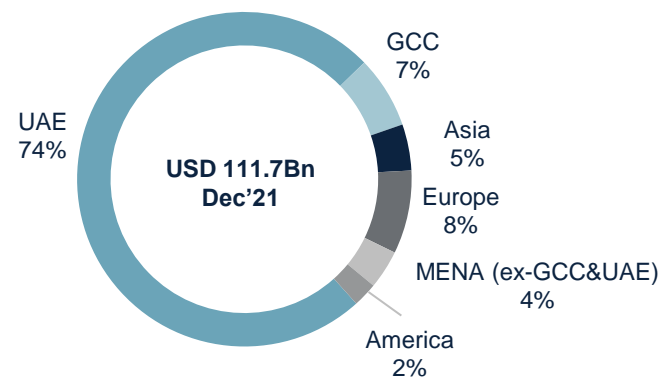
## Gross loans by counterparty



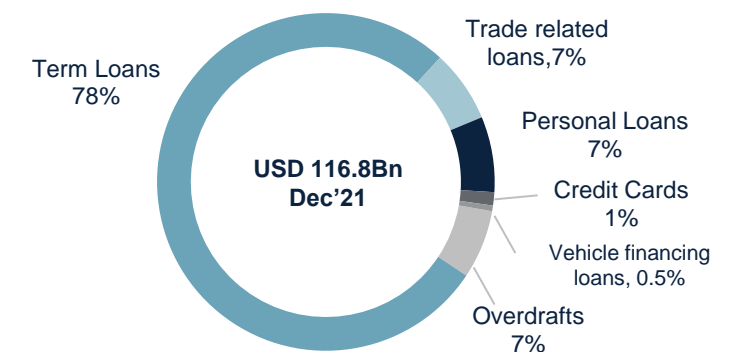
## Gross loans by economic sector



## Net loans by geography<sup>2</sup>



## Gross loans by product

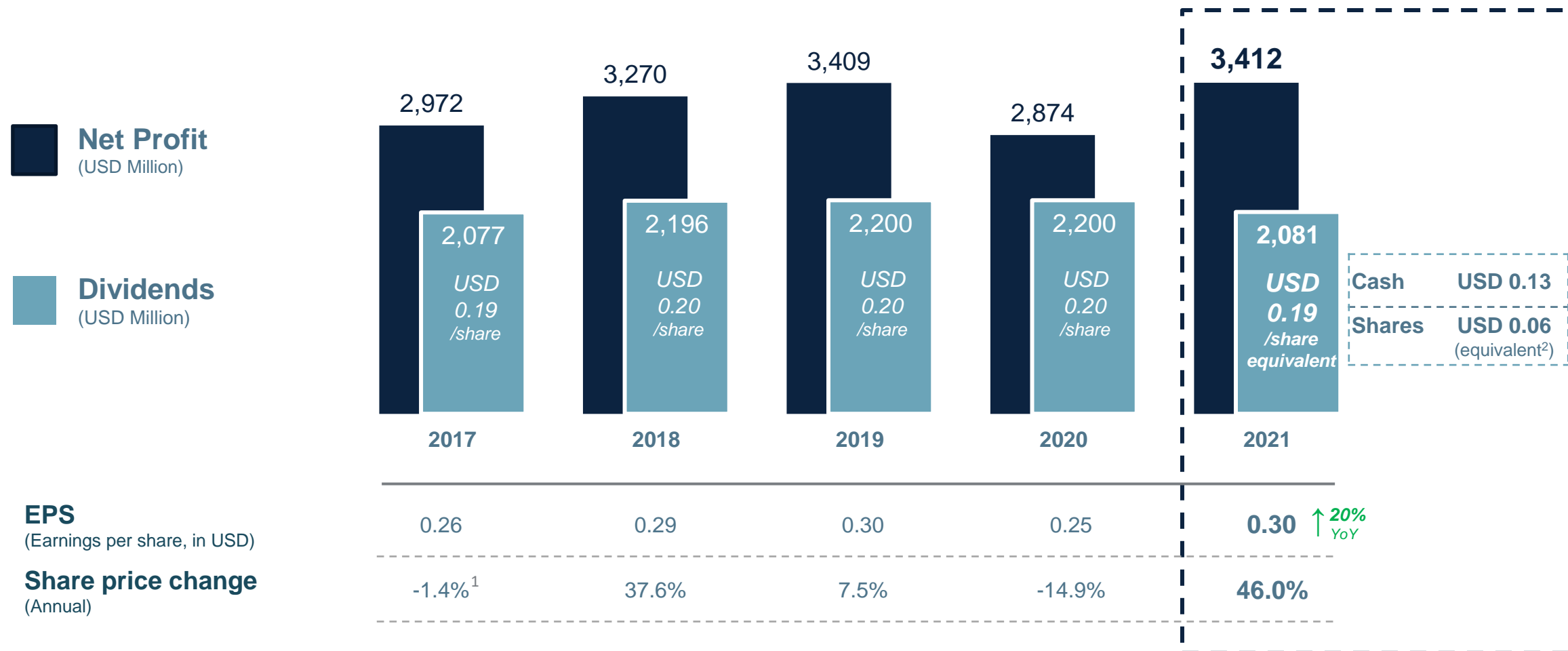


1 Real Estate by geography: Abu Dhabi 48%, Dubai 22%, Other UAE 3%, UK 18%, Other Intl 9%

2 Based on loan origination / coverage

# Delivering superior shareholder returns while enabling future growth

FY'21 dividend of USD 0.19 equivalent per share



<sup>1</sup> From April 1<sup>st</sup>, 2017

<sup>2</sup> New shares to be issued in lieu of cash at USD 4.89/ share to shareholders registered on dividend record date; Issue price is the average closing price for the last 6 months of FY'21 (July – Dec 2021)

# Looking ahead: 2022e guidance

- Underlying performance to reflect sustained business activity and pipeline execution in UAE and targeted markets
- NII to benefit from higher volumes and rising interest rates
- Growth in fee-generating businesses coupled with enhanced cross-sell, to support non-interest income
- Cost and risk discipline to be maintained, amidst investments to support growth and transformation

## 2022e financial guidance

**Loan growth**

**Mid to high-single digit**

**Cost of Risk  
(CoR)**

**< 80bps**

**Provision coverage ratio**

**> 90%**

**CET1  
(pre-dividend)**

**>13.5%**

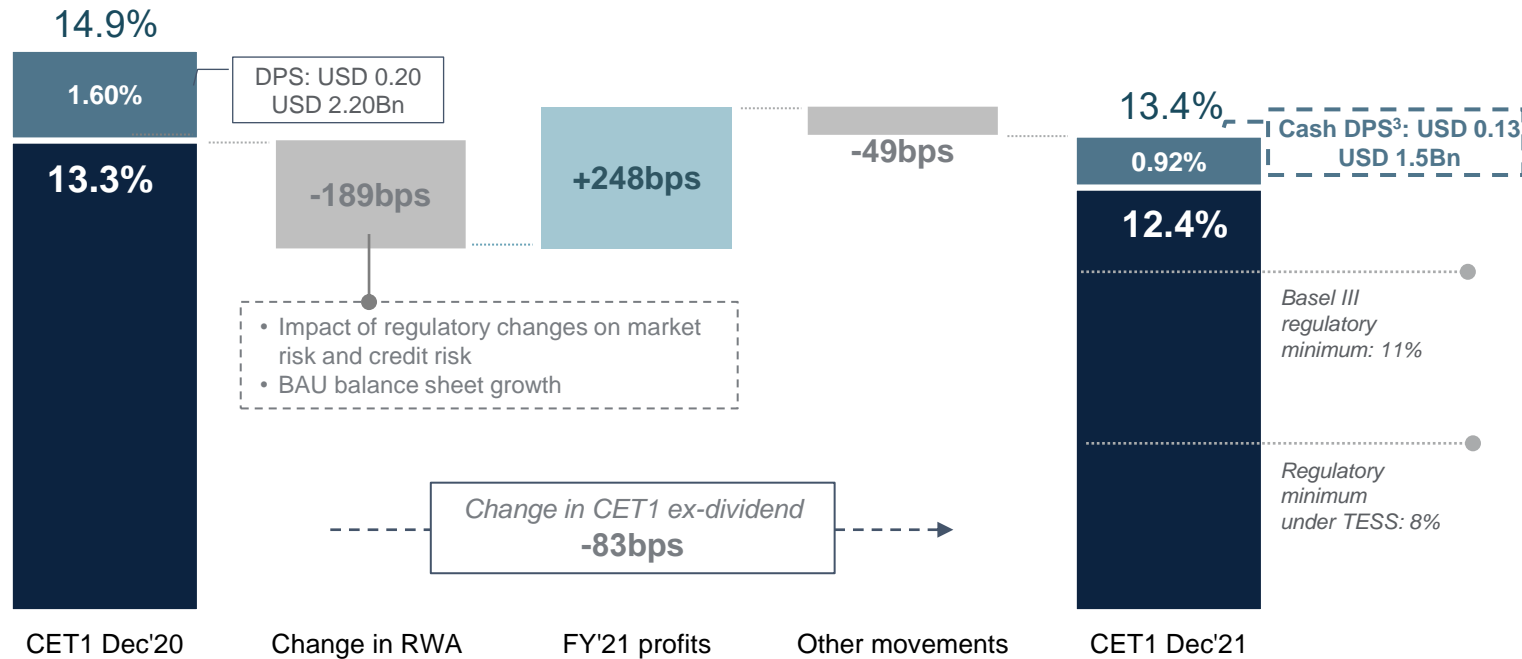


# Capital, Funding and Liquidity

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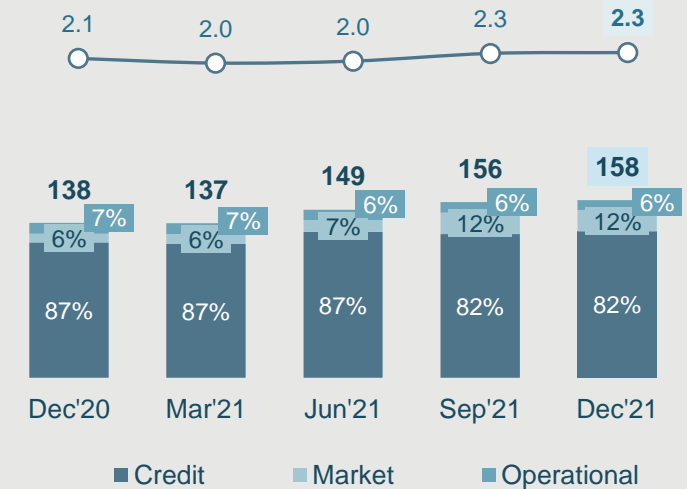
# Strong capital generation, partially offset by regulatory changes

CET1<sup>1</sup> ratio progression Q4/FY'21



- Capital ratios remain well above minimum regulatory requirements; Tier 1 and CAR ratios at 15.2% and 16.3%, respectively

RoRWA (%ytd) and RWAs (USD Bn)



<sup>1</sup> UAE CB has reduced the minimum CET1, Tier 1 and CAR requirement to 8%, 9.5% and 11.5% respectively until 30 June 2022 under TESS (previous minima of 11%, 12.5% & 14.5%, respectively)

<sup>2</sup> ECL add-back to CET1 under IFRS9 prudential filter – USD 44Mn (3bps of CET1)

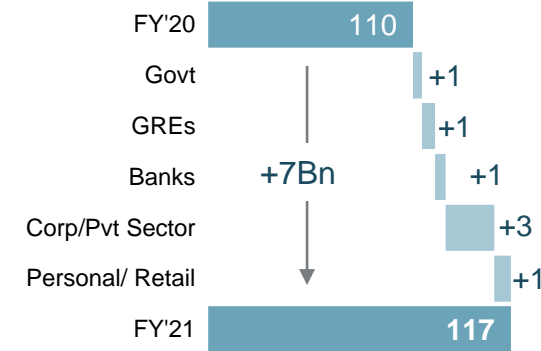
<sup>3</sup> Dividends per share of USD 0.19 equivalent, split into USD 0.13 in cash and USD 0.06 as scrip dividend in lieu of cash

# Loan growth led by corporates, trade finance, mortgages & BAE inclusion; Strong deposit inflows led by CASA

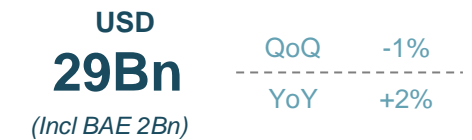
## Loans and advances, gross (USD Bn)

### YoY Loan growth driven by:

- Corporate clients in UAE and MENA
- Trade-finance lending +2Bn (+26% YoY)
- Mortgages grew +1Bn (+14% YoY)
- International loans +1Bn (+2% YoY)

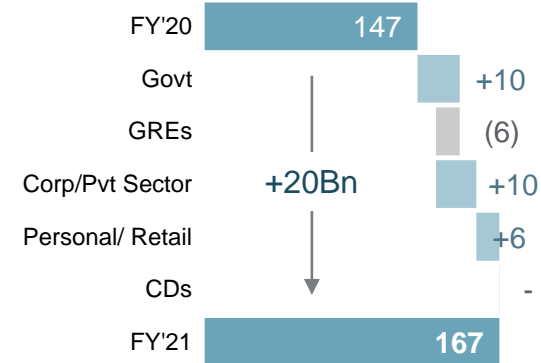
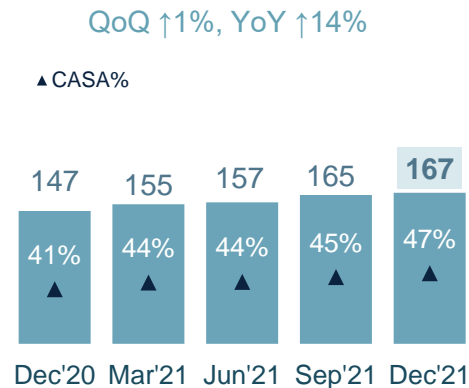


### International loans (net)

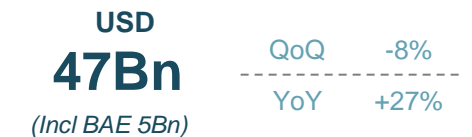


## Customer Deposits (USD Bn)

- Ytd increase driven by Government deposits flows (+10Bn), BAE consolidation (+5Bn) as well as strong growth in our International franchises (APAC, KSA & Americas)
- CASA +4Bn in the quarter and +18Bn Ytd; 47% of deposits

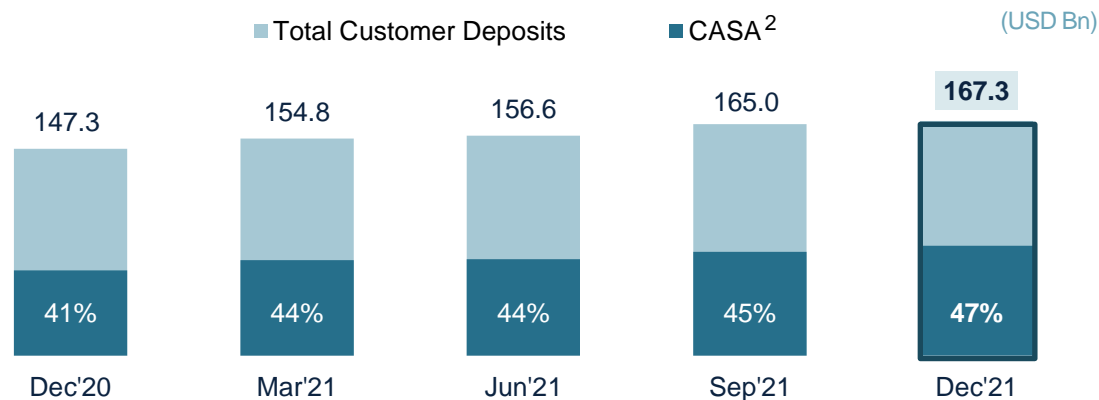


### International deposits

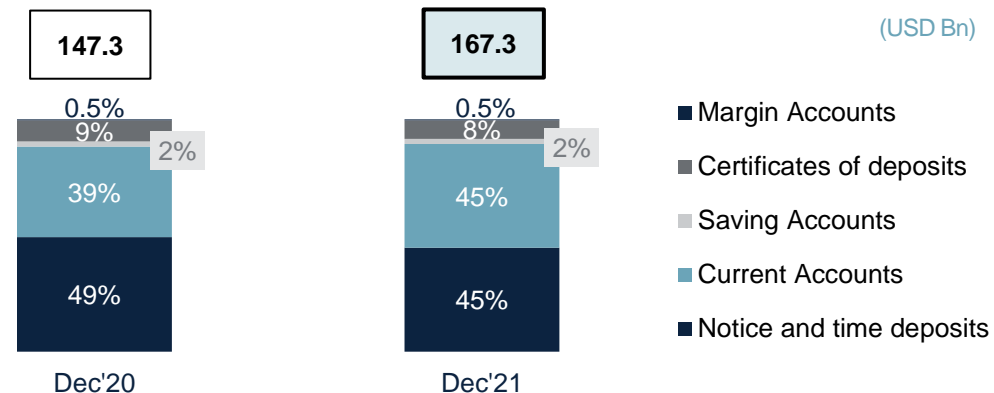


# Customer deposits

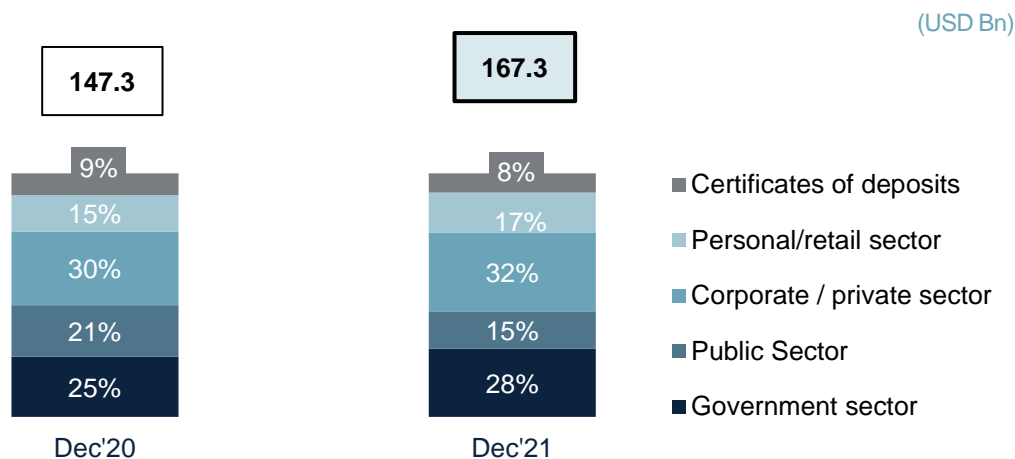
## Customer Deposits



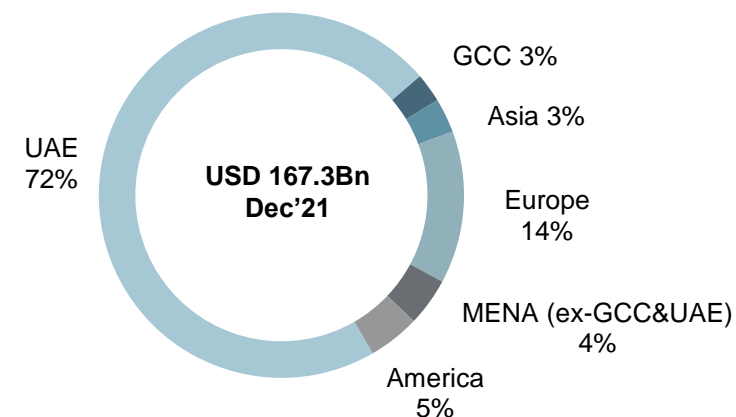
## Customer deposits by account type



## Customer deposits by counterparty



## Customer deposits by geography<sup>1</sup>

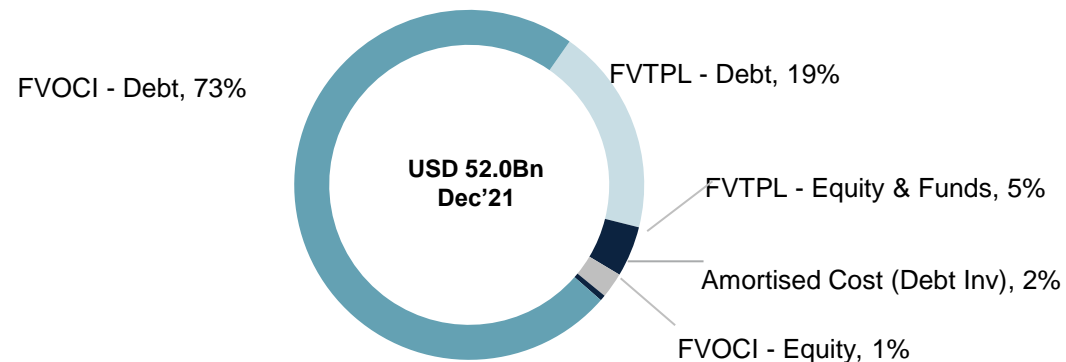


<sup>1</sup> Based on deposit origination / coverage

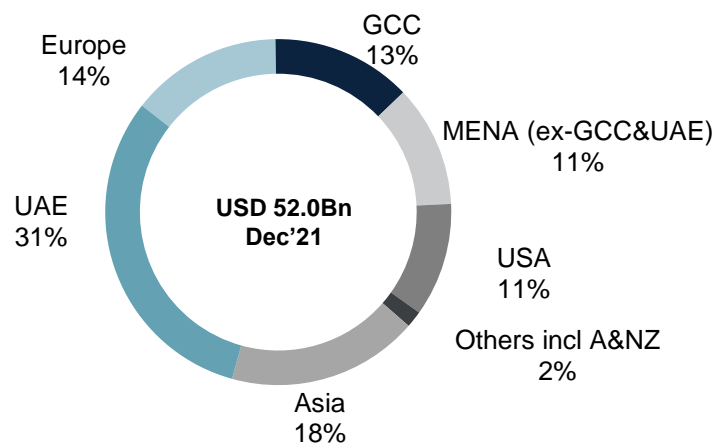
<sup>2</sup> Current, savings and call accounts; prior periods reclassified to include call accounts earlier grouped with notice and time deposits

# High-quality investment book

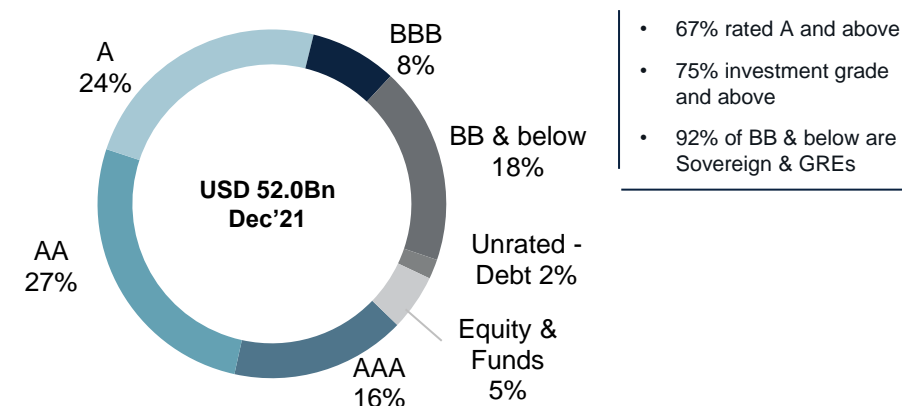
## Investments by type



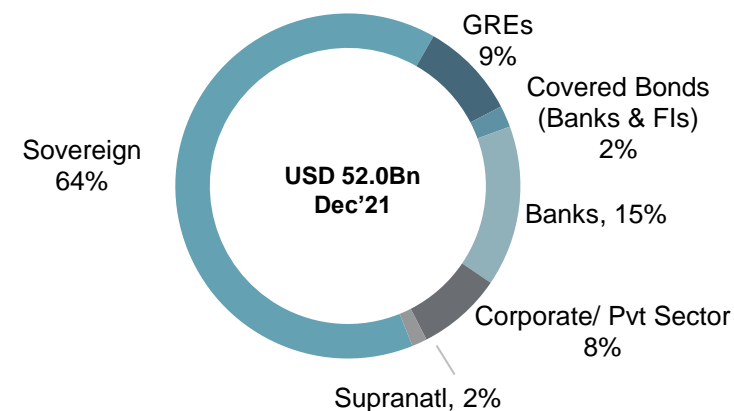
## Investments by geography



## Investments by ratings



## Investments by counterparty



FVTPL – Fair value through profit or loss (previously HFT), Amortised cost – previously HTM, FVOCI – Fair value through other comprehensive income (previously AFS)

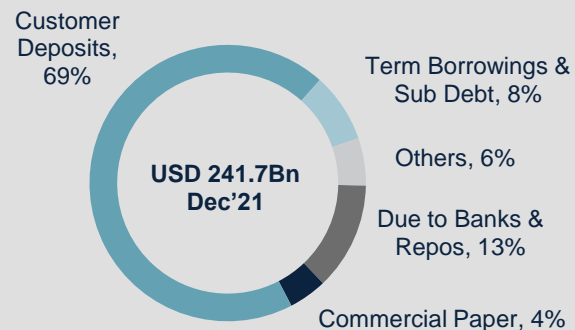
Sovereign bonds include sovereign guaranteed bonds issued by GREs, banks & FIIs

Note: All totals are Gross investments before ECL

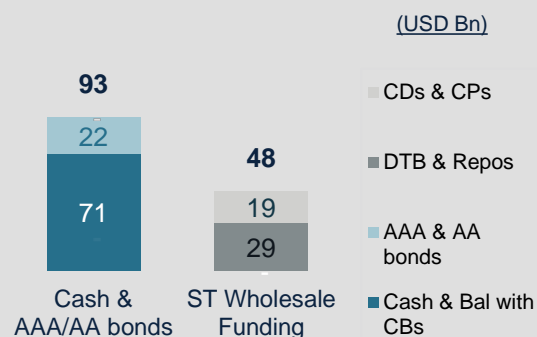
# Liability mix and funding profile

Leading issuer in the MENA region – conventional, Sukuks and Green bonds

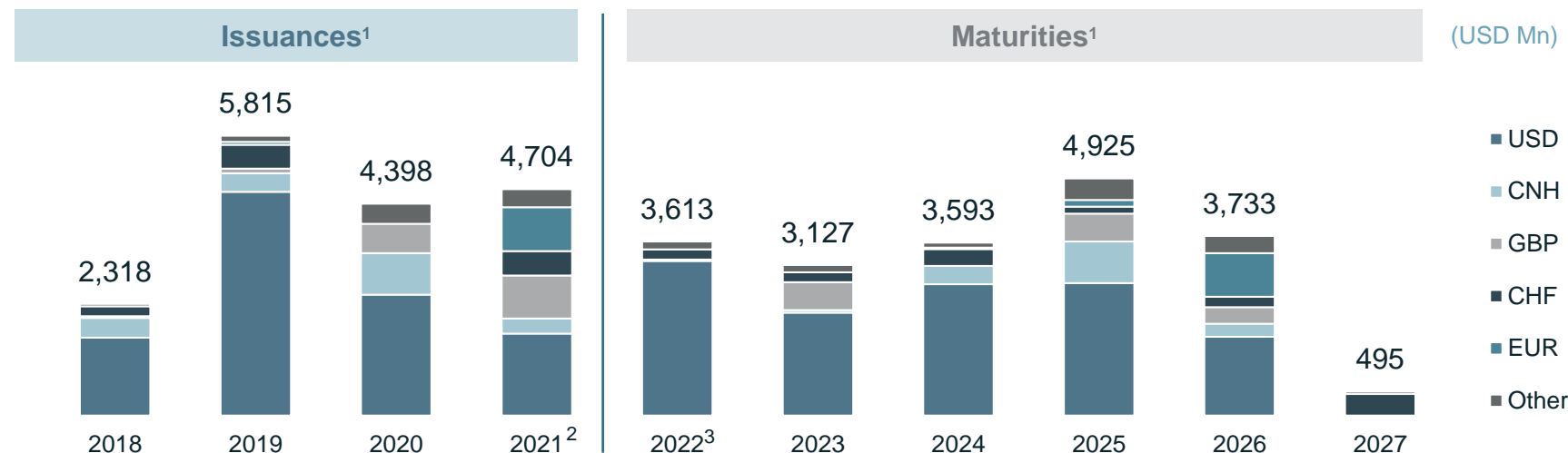
## Liability mix



## Cash & AAA/AA bonds vs. ST wholesale<sup>4</sup>



## Medium-term wholesale funding



## 2021 highlights:

- USD 4.7Bn of senior wholesale funding in 2021 across multiple formats and 9 different currencies
- Inaugural Euro public transaction (EUR 750Mn 5-year) marking the first MENA FI in this format since 2015
- Return to the Sterling market (GBP 400Mn short 5-year and GBP 250Mn 5-year) where FAB is the only MENA FI with public bonds outstanding
- CHF 260Mn long 6-year Public Green Bond which was the largest ever CHF denominated Green Bond issued by a foreign FI
- Regional leader in Green Bond issuance with >US\$1Bn of Green Bond notional outstanding across 10 issuances and 4 currencies
- In 2021, FAB issued over US\$100m of SOFR linked bonds across 3 transactions demonstrating its commitment to the IBOR transition process. FAB the only MENA issuer with both SOFR and SONIA-linked notes outstanding

<sup>1</sup> All figures based on historical FX with the maturity of callables bonds set at next call date

<sup>2</sup> Year-to-date as of 31 December 2021

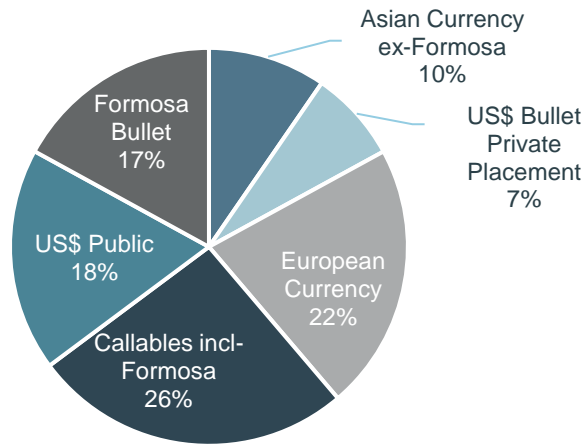
<sup>3</sup> For the remainder period of 2022

<sup>4</sup> FAB has access to place deposits with ECB & FED

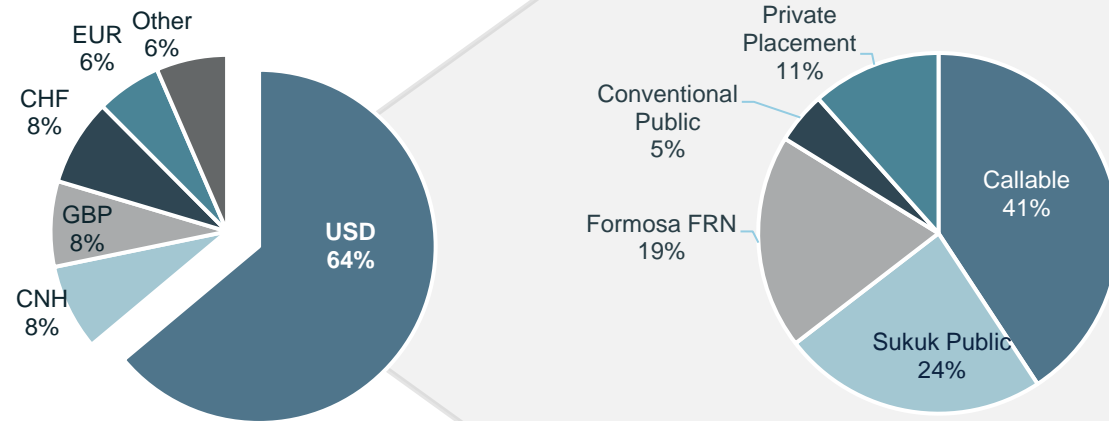
# Diversified Term Funding portfolio

Frequent Issuer across multiple products, currencies and geographies

Term Funding Portfolio by Type<sup>1</sup>



Term Funding Portfolio by Currency<sup>1</sup>



- Diversified investor base spanning Asia, the Middle East and Europe
- Active issuer across multiple currencies with US\$1bn equivalent or greater outstanding across both public and private placements in each of USD, CNH, GBP, CHF and EUR
- Source and maturity profile of US\$ denominated debt spread across multiple products

1. All figures based on historical FX

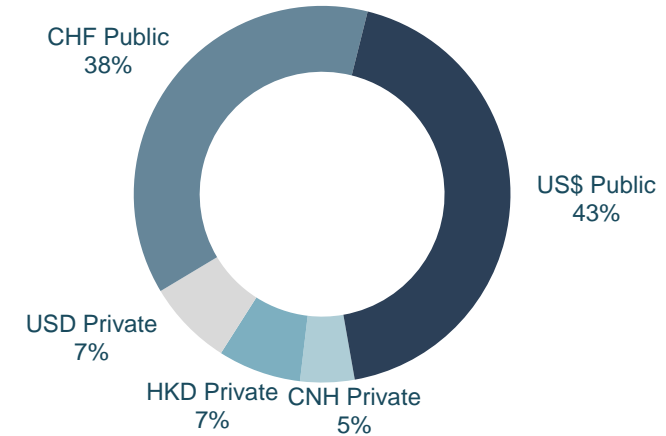


# Leader in MENA Green Bond Issuance

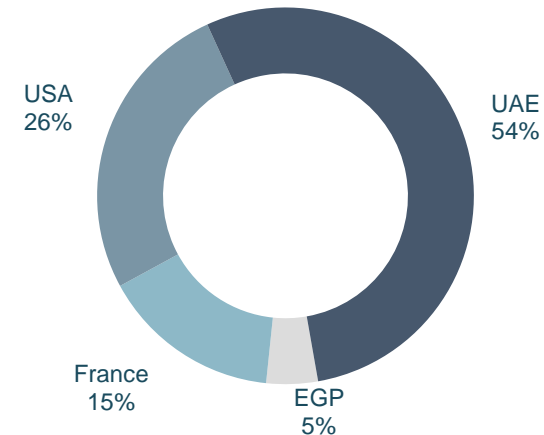
## Highlights:

- In 2020 FAB's Green Bond framework was expanded to a **Sustainable Finance Framework**.
- The **framework was developed to align with market best practice requirements** reflected in the International Capital Markets Association's (ICMA); Green Bond Principles, Social Bond Principles and the Sustainability Bond Guidelines
- **A Group wide sustainability strategy and roadmap covering all ESG topics** was developed in 2021 with ESG criteria to be incorporated into FAB Group's Balance Score Card from 2022.
- **FAB Green Bonds outstanding exceed USD 1Bn** (equivalent), across 10 issuances and 4 different currencies.
  - **USD 587Mn** Fixed Rate Public Bond due 2022 – **first Green Bond from a MENA Financial Institution issuer**
  - **CHF 260Mn** Fixed Rate Public Bond due 2027 – **largest ever CHF denominated Green Bond issued by a foreign FI**
  - **HKD 750Mn** Fixed Rate Private Placement due 2025 – **first ever HKD denominated Green Bond issued by a foreign FI**
  - **CNH 406Mn** Fixed rate Private Placements across 3 transactions due 2025/26 – **including first CNH denominated Green Bond from a CEEMA Financial Institution or the MENA region**
  - **USD 50Mn** FRN Private Placement due 2029 – **first ever Green Bond Private Placement by a MENA issuer**
  - **CHF 200Mn** Fixed Rate Public Bond due 2026
  - **USD 20Mn** FRN Private Placement due 2024
  - **USD 30Mn** FRN Private Placement due 2026

## FAB Green Bonds Outstanding



## FAB Green Bonds Asset Geography



Note: FAB's annual Green Bond/Sustainable Finance reports can be accessed on our website: <https://www.bankfab.com/en-ae/about-fab/sustainability/reports>

- ✓ **We've achieved record revenue and net profits in 2021**, reflecting positive momentum across our core businesses in an improved backdrop, and successful strategy execution in Investment Banking
- ✓ **We are entering 2022 with a robust foundation** across all key metrics, and a strong capital position to support future growth
- ✓ **We have a clear strategic roadmap** which will enable us to drive growth, efficiencies and agility, and to sustain our track record of superior and sustainable returns

# Appendix 1:

## Additional Financial and Business Information

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# A strong financial track record

## Balance Sheet & Income Statement

### TOTAL ASSETS (USD Bn)

CAGR 2017-FY'21: 11%

Dec'21	272.4
Dec'20	250.3
Dec'19	223.8
Dec'18	202.6
Dec'17	182.2

### LOANS & ADVANCES (USD Bn)

CAGR 2017-FY'21: 6%

Dec'21	111.7
Dec'20	105.3
Dec'19	111.1
Dec'18	96.1
Dec'17	90.0

### CUSTOMER DEPOSITS (USD Bn)

CAGR 2017-FY'21: 12%

Dec'21	167.3
Dec'20	147.3
Dec'19	141.4
Dec'18	126.7
Dec'17	107.8

### TANGIBLE EQUITY<sup>1</sup> (USD Bn)

CAGR 2017-FY'21: 4%

Dec'21	22.5
Dec'20	21.4
Dec'19	21.1
Dec'18	19.4
Dec'17	19.4

### OPERATING INCOME (USD Bn)

Dec'21	5.9
Dec'20	5.1
Dec'19	5.5
Dec'18	5.3
Dec'17	5.3

### NET PROFIT (USD Bn)

Dec'21	3.4
Dec'20	2.9
Dec'19	3.4
Dec'18	3.3
Dec'17	3.0

<sup>1</sup> Post-dividend; Tangible equity = Total equity less minority interest, Tier 1 capital notes and intangible assets

# A strong financial track record (...contd)

## Key ratios

NIM - YTD (%)



FY'17 FY'18 FY'19 FY'20 FY'21

NPL RATIO<sup>1</sup> (%)



Dec'17 Dec'18 Dec'19 Dec'20 Dec'21

PROVISION COVERAGE<sup>1</sup> (%)



Dec'17 Dec'18 Dec'19 Dec'20 Dec'21

COST-TO-INCOME RATIO - YTD (%)  
(EX-INTEGRATION COSTS)



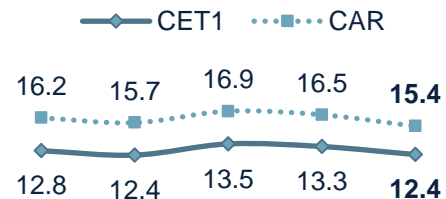
FY'17 FY'18 FY'19 FY'20 FY'21

NON-INT INC / REVENUES (%)



FY'17 FY'18 FY'19 FY'20 FY'21

CET1 & CAR<sup>2</sup> (%)



Dec'17 Dec'18 Dec'19 Dec'20 Dec'21

RoTE<sup>3</sup> - YTD (%)



FY'17 FY'18 FY'19 FY'20 FY'21

RoRWA - YTD (%)



FY'17 FY'18 FY'19 FY'20 FY'21

<sup>1</sup> 2017 figures are pre-IFRS9 implementation

<sup>2</sup> Capital ratios are post dividend as per UAE CB's Basel III framework

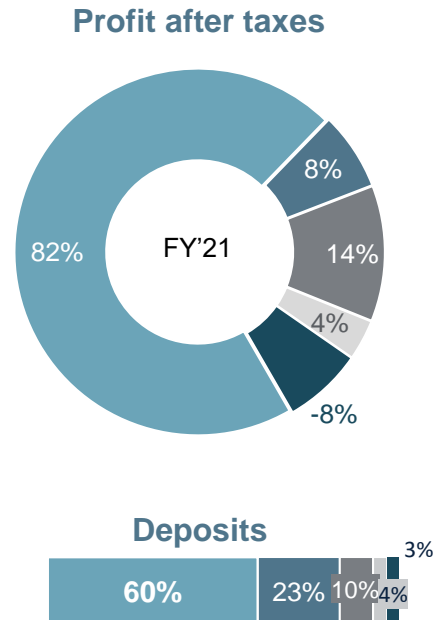
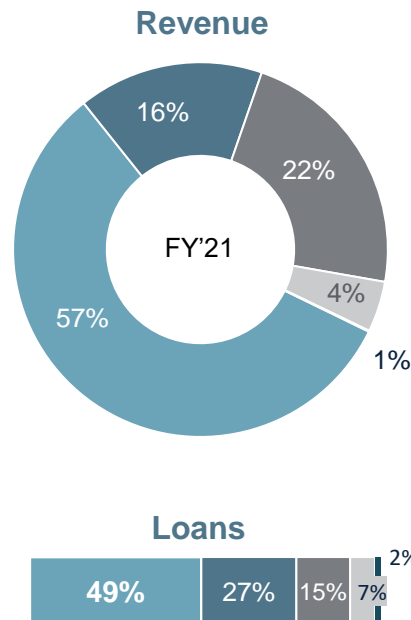
<sup>3</sup> Return on Average Tangible Equity, annualised; based on attributable profit to equity shareholders' excl Tier 1 notes coupon

Ratios annualised, based on actual/365 day count, where relevant

# Dominant franchise in UAE with strategic international presence

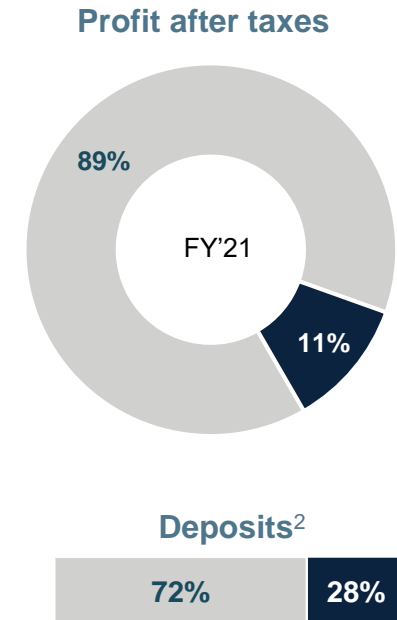
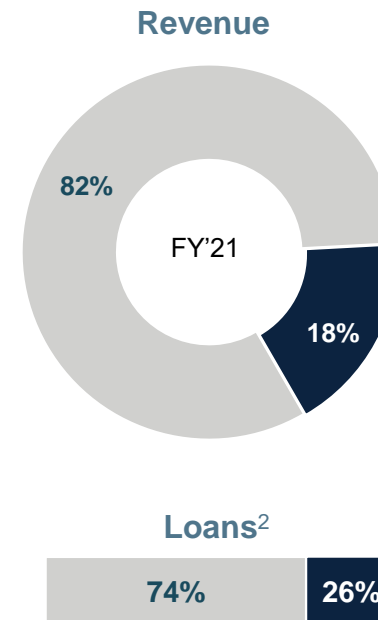
## Breakdown by Business

- Investment Banking
- Consumer Banking
- Head Office<sup>3</sup>
- Corporate & Commercial Banking
- Global Private Banking



## Breakdown by Geography

- UAE
- International



1 All figures as of 31 Dec 2021 / FY'21 financials

2 Based on loan origination / coverage

3 Head Office includes Bank Audi Egypt

# International – financial overview

## International

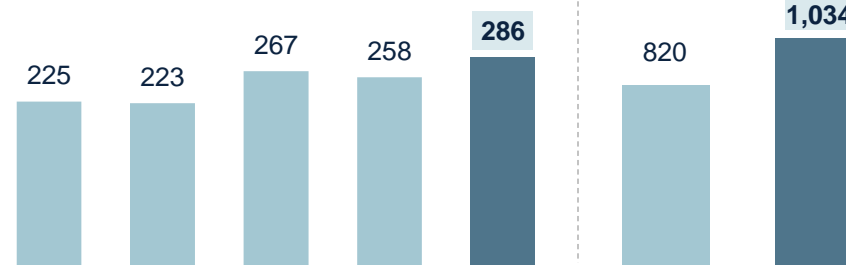
### Key highlights

- Revenue from international operations grew 26% YoY, contributing 18% to Group revenue, with higher contributions from our franchises Egypt (helped by BAE inclusion), Saudi Arabia, and USA
- Net loans grew by 2% yoy while customer deposits added 27% underlining FAB's solid deposit franchise
- The integration of FAB's Egypt operations is well underway to be completed during 2022

### Quarterly Revenue trend (USD Mn)

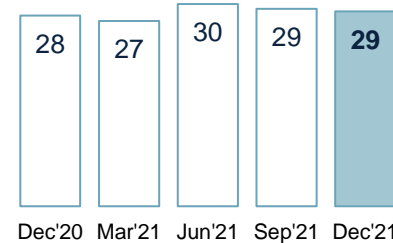
QoQ ↑11%, YoY ↑27%

YoY ↑26%



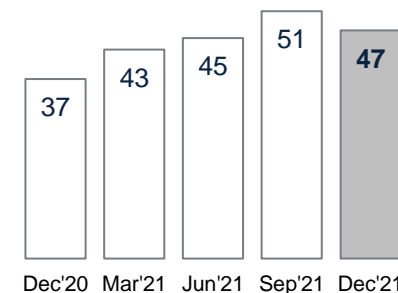
### Loans (USD Bn)

QoQ ↓1%, YoY ↑2%



### Deposits (USD Bn)

QoQ ↓8%, YoY ↑27%



International (USD Mn)	FY'21*	YoY%
Revenue (BAE – 163)	1,034	26
Costs (BAE incl integration cost – 94)	(396)	30
<b>Operating Profit</b>	<b>637</b>	<b>24</b>
Impairment charges, net (BAE – 21)	(106)	(53)
Taxes (BAE – 28)	(149)	74
<b>Profit after taxes</b> (BAE – 19) (BAE ex-integration costs - 51)	<b>383</b>	<b>88</b>
CI Ratio	38.3%	122bps
RoRWA	1.1%	46bps
Contribution to Group revenue	18%	1%

\* Bank Audi Egypt consolidation effective 28 April 2021

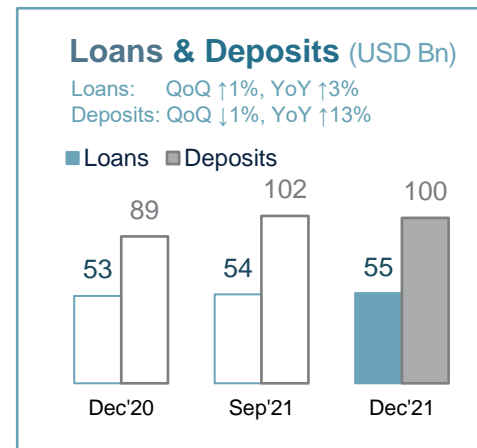
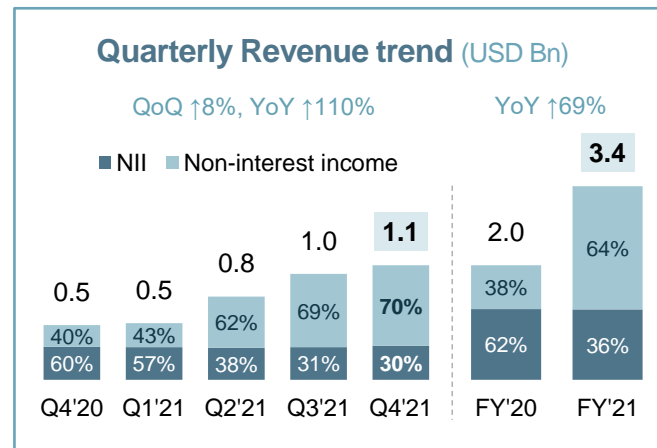


# Business segments overview – IB & CCB

## Investment banking (IB)

### Key highlights

- Record revenue performance reflecting improving market sentiment and the successful execution of strategic initiatives to enhance income generation
- Balance sheet growth led by GRES and corporates across MENA and an increase in cross border activity, offset by running down lower returning business

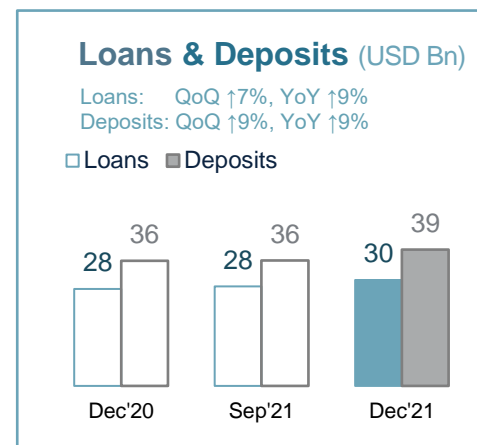
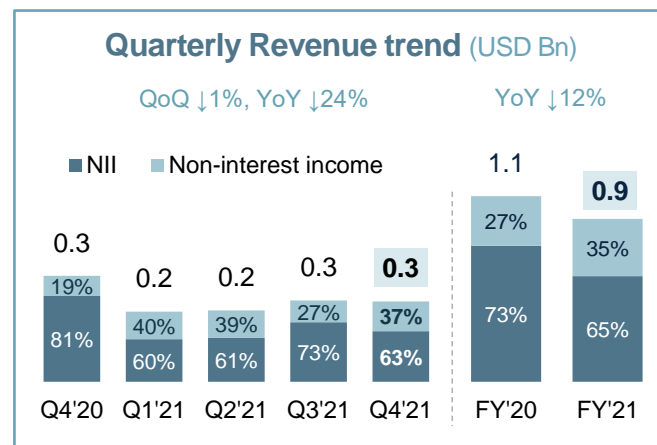


USD Mn	FY'21	YoY%
Revenue	3,374	69
Costs	(413)	12
<b>Operating Profit</b>	<b>2,961</b>	<b>82</b>
Impairment charges, net	(49)	(65)
Taxes	(108)	36
<b>Profit after taxes</b>	<b>2,804</b>	<b>99</b>
<hr/>		
CI Ratio	12.2%	(615)bps
RoRWA	3.4%	152bps
Contribution to Group revenue	57%	18%

## Corporate and commercial banking (CCB)

### Key highlights

- Revenue was lower yoy reflecting heightened competition and rate headwinds, partially offset by higher non-interest income
- Loans and deposits grew 9% year-on-year reflecting solid momentum and a pick-up in economic activity. Over 510 cash management mandates were won during 2021 with CASA balances up 27%



USD Mn	FY'21	YoY%
Revenue	948	(12)
Costs	(252)	(1)
<b>Operating Profit</b>	<b>696</b>	<b>(16)</b>
Impairment charges, net	(406)	114
Taxes	(17)	na
<b>Profit after taxes</b>	<b>273</b>	<b>(58)</b>
<hr/>		
CI Ratio	26.6%	310bps
RoRWA	0.8%	(109)bps
Contribution to Group revenue	16%	-5%

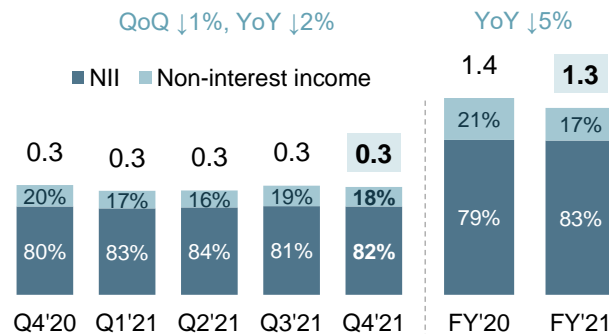
# Business segments overview – CB & GPB

## Consumer banking (CB)

### Key highlights

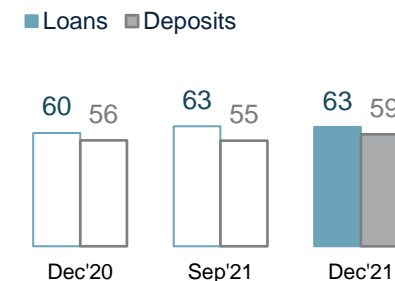
- CB registered strong sales momentum during 2021 capitalising on improving consumer confidence and enhanced digital capabilities. Although revenue was lower mainly due the impact of regulatory changes on insurance fees, profit after taxes grew 12% yoy
- Loans and deposits grew 5% and 6% respectively
- Volume growth in our payments business, Magnati, continues to grow at double-digit rate vs pre-pandemic levels

### Quarterly Revenue trend (USD Bn)



### Loans & Deposits (USD Bn)

Loans: QoQ ↓1%, YoY ↑5%  
Deposits: QoQ ↑6%, YoY ↑6%



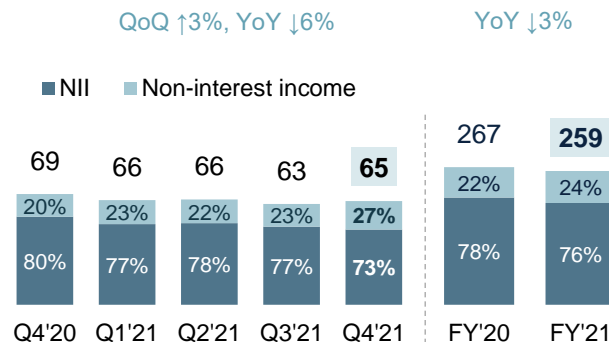
USD Mn	FY'21	YoY%
Revenue	1,327	(5)
Costs	(627)	4
<b>Operating Profit</b>	<b>700</b>	<b>(12)</b>
Impairment charges, net	(226)	(40)
Taxes	(0)	na
<b>Profit after taxes</b>	<b>474</b>	<b>12</b>
<hr/>		
CI Ratio	47.3%	432bps
RoRWA	2.8%	25bps
Contribution to Group revenue	22%	-5%

## Global Private banking (GPB)

### Key highlights

- GPB revenue grew 2% sequentially, and was 3% lower yoy in 2021
- GPB AUMs grew by almost 50% driven by enhanced product propositions and a dynamic market including local IPOs

### Quarterly Revenue trend (USD Mn)



### Loans & Deposits (USD Bn)

Loans: QoQ ↓8%, YoY ↓6%  
Deposits: QoQ ↓8%, YoY ↑1%



USD Mn	FY'21	YoY%
Revenue	259	(3)
Costs	(93)	1
<b>Operating Profit</b>	<b>167</b>	<b>(5)</b>
Impairment charges, net	(11)	(21)
Taxes	(13)	8
<b>Profit after taxes</b>	<b>143</b>	<b>(4)</b>
<hr/>		
CI Ratio	35.7%	133bps
RoRWA	3.2%	(52)Bps
Contribution to Group revenue	4%	-1%

# Q4/FY'21 financial highlights – Group financials

Income Statement - Summary (USD Mn)	Q4'21	Q3'21	QoQ %	Q4'20	YoY %	FY'21	FY'20	YoY%
Net interest Income	826	855	(3)	838	(1)	3,174	3,337	(5)
Non- interest Income	724	890	(19)	498	45	2,729	1,720	59
<b>Total Operating Income</b>	<b>1,551</b>	<b>1,745</b>	<b>(11)</b>	<b>1,336</b>	<b>16</b>	<b>5,904</b>	<b>5,057</b>	<b>17</b>
Operating expenses	(403)	(432)	(7)	(344)	17	(1,589)	(1,378)	15
<b>Operating profit</b>	<b>1,148</b>	<b>1,313</b>	<b>(13)</b>	<b>992</b>	<b>16</b>	<b>4,314</b>	<b>3,679</b>	<b>17</b>
Impairment charges, net	(195)	(217)	(10)	(86)	125	(724)	(713)	1
Non-controlling Interests and Taxes	(48)	(48)	1	(26)	85	(178)	(92)	94
<b>Net Profit</b>	<b>905</b>	<b>1,049</b>	<b>(14)</b>	<b>879</b>	<b>3</b>	<b>3,412</b>	<b>2,874</b>	<b>19</b>
Basic Earning per Share (USD) <sup>1</sup>	<b>0.32</b>	0.37	(13)	0.32	1	<b>0.30</b>	0.25	20

Balance Sheet - Summary (USD Bn)	Dec'21	Sep'21	QoQ %	Dec'20	Ytd%
Loans, advances and Islamic financing	112	110	2	105	6
Investments	52	52	1	42	25
Customer deposits	167	165	1	147	14
CASA (deposits)	78	74	6	61	29
Total Assets	272	268	2	250	9
Equity (incl Tier 1 capital notes)	31	30	3	30	4
Tangible Equity	23	22	5	21	5

Key Ratios <sup>1</sup> (%)	Q4'21	Q3'21	QoQ (bps)	Q4'20	YoY (bps)	FY'21	FY'20	YoY (bps)
Net Interest Margin	1.46	1.55	(9)	1.62	(16)	1.50	1.75	(25)
Cost-Income ratio (ex-integration costs)	25.4	24.2	121	25.7	(26)	26.4	27.0	(63)
Cost of Risk (bps) (loans, advances and Islamic financing)	65	81	(16)	37	27	65	63	2
Non-performing loans ratio	4.0	3.9	8	4.0	4	4.0	4.0	4
Provision coverage	98	97	30	95	286	98	95	286
Liquidity Coverage Ratio (LCR)	134	124	976	143	(856)	134	143	(856)
Return on Tangible Equity (RoTE)	15.9	19.4	(348)	16.4	(47)	15.1	13.0	209
Return on Risk-weighted Assets (RoRWA)	2.3	2.7	(44)	2.5	(24)	2.3	2.1	18
CET1 ratio (post-dividend <sup>2</sup> )	12.4	13.0	(56)	13.3	(83)	12.4	13.3	(83)
Capital Adequacy ratio (post-dividend <sup>2</sup> )	15.4	15.9	(58)	16.5	(118)	15.4	16.5	(118)

1 All ratios are annualised, where applicable

2 Proposed dividend for 2021 subject to shareholder approval at 2022 General Assembly Meeting



Scan to download full financials

# Q4/FY'21 financial highlights – Segmental

USD Mn	Q4'21	Q3'21	QoQ %	Q4'20	YoY %	FY'21	FY'20	YoY %	FY'21 Contr%
<b>Revenues</b>	<b>1,551</b>	<b>1,746</b>	(11)	<b>1,336</b>	16	<b>5,904</b>	<b>5,058</b>	17	<b>100%</b>
Investment banking (IB)	1,074	991	8	512	110	3,374	1,999	69	57%
Corporate & Commercial banking (CCB)	251	254	(1)	331	(24)	948	1,080	(12)	16%
Consumer banking (CB)	337	341	(1)	343	(2)	1,327	1,399	(5)	22%
Global Private banking (GPB)	65	63	2	69	(7)	259	267	(3)	4%
Head office (HO)	(176)	96	na	82	na	(5)	212	na	0%
UAE	<b>1,265</b>	1,487	(15)	1,111	14	<b>4,870</b>	4,238	15	<b>82%</b>
International	<b>286</b>	258	11	225	27	<b>1,034</b>	820	26	<b>18%</b>
<b>Profit after taxes</b>	<b>906</b>	<b>1,050</b>	(14)	<b>881</b>	3	<b>3,415</b>	<b>2,873</b>	19	<b>100%</b>
Investment banking (IB)	908	853	7	357	155	2,804	1,411	99	82%
Corporate & Commercial banking (CCB)	81	19	337	243	(67)	273	644	(58)	8%
Consumer banking (CB)	138	143	(2)	178	(18)	474	423	14	14%
Global Private banking (GPB)	32	32	(5)	29	(15)	143	149	(10)	4%
Head office (HO)	(254)	3	na	74	na	(279)	246	na	-8%
UAE	<b>805</b>	957	(16)	84	(5)	<b>3,033</b>	2,670	14	<b>89%</b>
International	<b>101</b>	93	9	37	173	<b>383</b>	203	88	<b>11%</b>

USD Bn	Dec'21	Sep'21	QoQ %	Dec'20	Ytd %	FY'21 Contr%
<b>Loans, advances and Islamic financing</b>	<b>112</b>	<b>110</b>	2	<b>105</b>	6	<b>100%</b>
Investment banking (IB)	55	54	1	53	3	49%
Corporate & Commercial banking (CCB)	30	28	7	28	9	27%
Consumer banking (CB)	17	17	(1)	16	5	15%
Global Private banking (GPB)	8	9	(8)	8	(6)	7%
Head office (HO)	2	2	(5)	(0)	na	2%
UAE	<b>83</b>	81	3	<b>77</b>	8	<b>74%</b>
International	<b>29</b>	29	(1)	<b>28</b>	2	<b>26%</b>
<b>Customer deposits</b>	<b>167</b>	<b>165</b>	1	<b>147</b>	14	<b>100%</b>
Investment banking (IB)	100	102	(1)	89	13	60%
Corporate & Commercial banking (CCB)	39	36	9	36	9	23%
Consumer banking (CB)	16	15	6	15	6	10%
Global Private banking (GPB)	7	7	(8)	7	1	4%
Head office (HO)	5	5	2	1	647	3%
UAE	<b>121</b>	114	5	<b>110</b>	9	<b>72%</b>
International	<b>47</b>	51	(8)	<b>37</b>	27	<b>28%</b>



Scan to download full financials

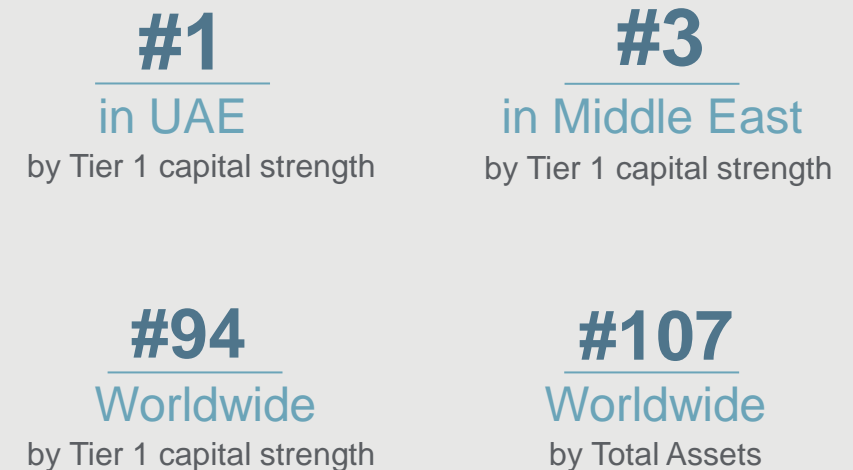
# Recognised as one of the safest and strongest banks globally



## Safest banks' rankings by Global Finance<sup>1</sup>



## Top 1000 banks' rankings by The Banker<sup>2</sup>



<sup>1</sup> Global Finance Magazine safest bank rankings, September 2021

<sup>2</sup> The Banker's 2021 Top 1000 World Banks Rankings, July 2021

# Prestigious awards highlight FAB's strength and industry expertise

- Global Finance**
- Best Bank in UAE
  - Best Equity Bank in the Middle East 2018-2021
  - Best Investment Bank in the UAE 2018-2021
  - Best Bank for Cash Management in the Middle East
  - Best Bank for Payments & Collections
  - Best Bank for Liquidity Management in the Middle East
  - Safest Bank in the UAE
  - Safest Bank in the Middle East
  - Top 50 Safest Bank in Emerging Markets
  - Top 50 Safest Commercial Bank
  - Top 50 Safest Bank in the World
  - The Innovators 2019 for Cash Management
  - Best Trade Finance Provider in UAE
  - Best FX provider in UAE
  - Best Debt Bank in the Middle East
  - Best Bill Payment & Presentment
  - Best Mobile Banking Adaptive Site
  - Best Open Banking APIs

- EMEA Finance**
- Best Equity House in the Middle East
  - Best M&A House in the Middle East

- Seamless**
- Best Seamless Government Experience

- The M&A Atlas Awards**
- Emerging Markets M&A Deal of the Year

- The Asian Banker**
- Strongest bank in the UAE and Middle East

- Asset Asian Awards**
- Sukuk House of the Year - UAE
  - Best Islamic Deal of the Year
  - Best Islamic Structured Trade Finance Deal of the Year

- CMD Portal**
- Best Sukuk Issuer Award

- Forbes**
- Ranked 1<sup>st</sup> in UAE in Forbes Global 2000 list
  - Ranked 2<sup>nd</sup> in Top 50 banks in the Middle East - 2021

- MEA Finance**
- Best Neo Bank
  - Best User Experience
  - Best Mobile Banking Service Implementation

- Euromoney**
- Best Investment Bank in the United Arab Emirates
  - Best Bank for Transformation in Middle East
  - Middle East's Best Bank for Financing 2019-2021
  - Middle East's Best Bank for Corporate Responsibility

- The Banker**
- Most Innovative Investment Bank from the Middle East
  - Ranked 1<sup>st</sup> in UAE in Top 1000 World Banks 2021

- Global Capital**
- Best Fixed Income of the Year
  - Most Impressive Middle East Bank Issuer

- Global Trade Review**
- Best Trade Finance Bank in MENA
  - Best Trade Finance Bank in the UAE

- Global Custodian Magazine**
- Best UAE Custodian

- Bonds, Loans & Sukuk**
- Best FI Deal of the Year 2018
  - Financial Institution Funding Team of the Year

- International Finance Magazine**
- Best Cash Management Bank in the UAE

- Asia Money**
- Middle East's Best Banks for Asia

- FinX Awards**
- Digital Transformation Leader of the Year

- Wealthbriefing GCC AWARDS**
- Fund Manager (Regional Reach)

- MENA Fund Manager**
- Best Fixed Income of the Year
  - UAE Asset Manager of the Year

- Gulf Business**
- Banking Company of the year 2020

# Appendix 2:

## Economic and

## Banking Sector Review

# UAE economic overview

Diversified economy with a strong fiscal position

## A cosmopolitan country

~9.4Mn people (2021e)<sup>1</sup>  
Expatriates ~85%

## 2<sup>nd</sup> largest economy in GCC (34<sup>th</sup> largest in the world)

USD 411Bn 2021 Nominal GDP<sup>1</sup>  
USD 43,538 GDP per capita

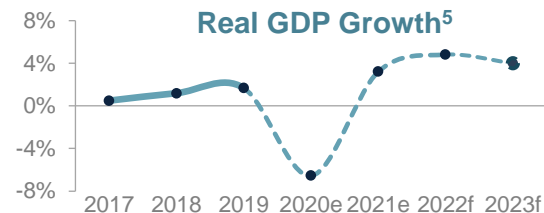
## 5th largest proven oil reserves

~107Bn boe (~8% of global oil reserves)<sup>3</sup>  
Current capacity ~4.0Mn barrels/day

## One of the highest rated sovereigns

Aa2 / AA-  
Moody's/ Fitch

## Economy poised for strong growth in 2022 and 2023



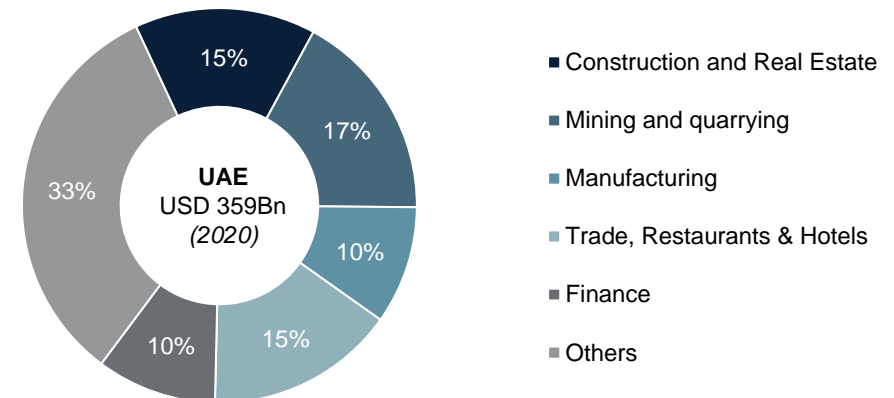
## Diversified & competitive economy

**75%**  
non-oil sector  
contribution  
to nominal  
GDP<sup>2</sup>

**16<sup>th</sup>**  
ease of doing  
business  
rankings<sup>4</sup>

- **The UAE continued its economic rebound on the back of its world leading COVID-19 vaccination programme**, clearly reflected in consumer spending exceeding pre-pandemic levels as well as PMIs averaging two-year highs. In addition to the various supportive fiscal, monetary and regulatory measures, federal and regional governments introduced new initiatives and continued to commit to large investments to shore up business confidence and sustain the economy's positive momentum.
- With the Expo 2020 underway and oil prices sustaining above USD 70 bbl, **real GDP growth for UAE is expected to be 4.8% for 2022 and 4.0% for 2023.**

### Nominal GDP breakdown<sup>2</sup>



Others include Agriculture, Utilities, Transportation, Communication, Government and Other activities

1 IMF World Economic Outlook - October 2021

2 Federal Competitiveness and Statistics Authority, 2020 Nominal GDP Preliminary Estimates

3 OPEC Annual Statistical Bulletin 2021; boe (barrel of oil equivalent)

4 World Bank's Ease of Doing Business Rankings 2020

5 In-house GDP forecast for FY21, FY22 and FY23; IMF forecasts for prior years



# Abu Dhabi - the capital

Highest rated 'sovereign' across MENA reflecting strong fiscal and external metrics

## Highest sovereign rating in MENA

Aa2 / AA / AA  
Moody's / S&P / Fitch

## Major contributor to UAE GDP

USD 249Bn 2019e Nominal GDP<sup>1</sup>  
59% of UAE's 2019e Nominal GDP

## 3<sup>rd</sup> highest GDP per capita in the world

USD 85,695<sup>2</sup>  
(Estimated population<sup>4</sup> : 2.9 Mn)

## Strong fiscal position

Sovereign foreign assets – 218% of GDP<sup>3</sup>  
Government debt – only 16% of GDP<sup>4</sup>

## On clear path to economic diversification

59% non-oil sector contribution to nominal GDP<sup>1</sup>,  
up from 45% in 2013

## Long term vision

*To transform Abu Dhabi into a knowledge-based economy and reduce its dependence on the hydrocarbon sector (2030 Economic Vision, Ghadan 2021)*

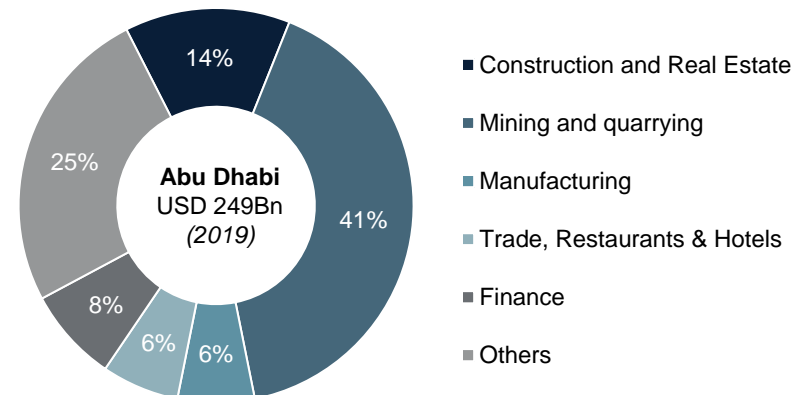
***In the context of COVID-19, Abu Dhabi announced that previously budgeted capital expenditure plans would be maintained, and that oil production would be proactively managed to stabilise oil prices and revenues***

**"The 'AA' rating reflects Abu Dhabi's strong fiscal and external metrics and high GDP per capita..."**

"Headline growth rates will accelerate in 2022-2023 as the full year effect of higher oil production is felt and non-oil activity expands at a steady pace. Domestic demand will be supported by steady government spending and a recovery in global demand and tourism, facilitated by the UAE's high vaccination rates, rapid progress with booster jabs, and a loosening of coronavirus related restrictions."

*Extract from Fitch report published on 27 October 2021, reaffirming Abu Dhabi's AA credit rating, with a stable outlook*

### Nominal GDP breakdown<sup>1</sup>



*Others include Agriculture, Utilities, Transportation, Communication, Government and Other activities*

<sup>1</sup> Statistical Yearbook of Abu Dhabi 2020 as of 13<sup>th</sup> May 2020, preliminary estimates; Federal Competitiveness and Statistics Authority

<sup>2</sup> After Luxembourg & Switzerland - IMF World Economic Outlook, October 2021; GDP per capita based on 2019e Nominal GDP, 2016 Population (SCAD)

<sup>3</sup> Fitch Ratings (29 October 2020)

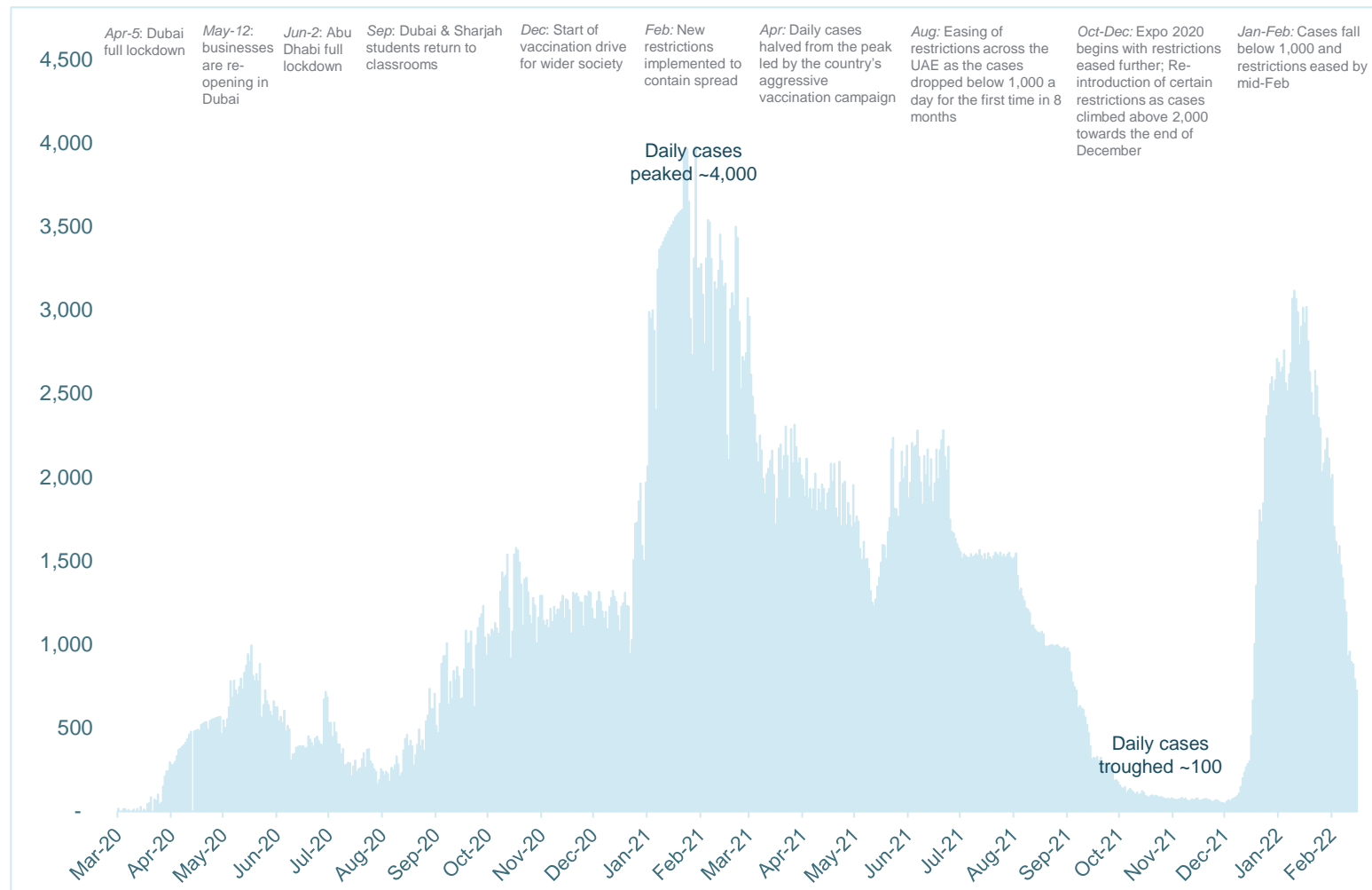
<sup>4</sup> S&P Global Ratings (26 March 2020)

# A world-leading COVID vaccination program

## Supporting business and consumer activity's return to growth

### Daily Covid-19 cases<sup>1</sup>

As of Feb 20 2021



<sup>1</sup> National Emergency Crisis and Disasters Management Authority

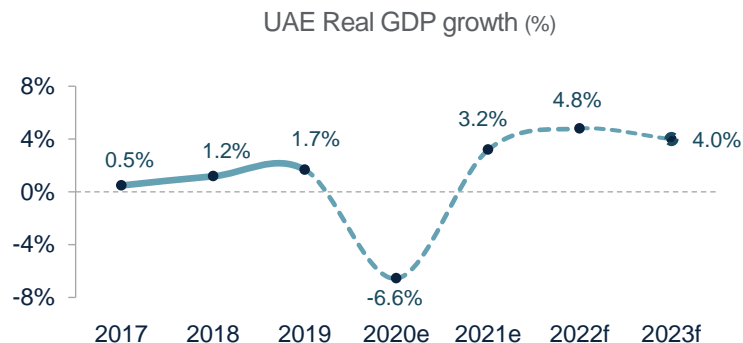
<sup>2</sup> Other sources include Gulf News, Financial Times, The National, STR, NCEMA

- **~96% of the UAE population fully inoculated and 100% of the population has received at least one dose<sup>2</sup> of the Covid-19 vaccine**
- **Dubai fully open<sup>2</sup> with increased travel and tourism as well as easing of restrictions on events and activities** with hotels allowed to operate at full capacity
- **Abu Dhabi eased restrictions<sup>2</sup> for vaccinated persons with public places restricted to fully COVID-vaccinated individuals** while simultaneously increasing operating capacity at malls and restaurants etc.
- **Expo 2020 underway** with over 13.5 million<sup>2</sup> visitors recorded as of 14<sup>th</sup> Feb 2022

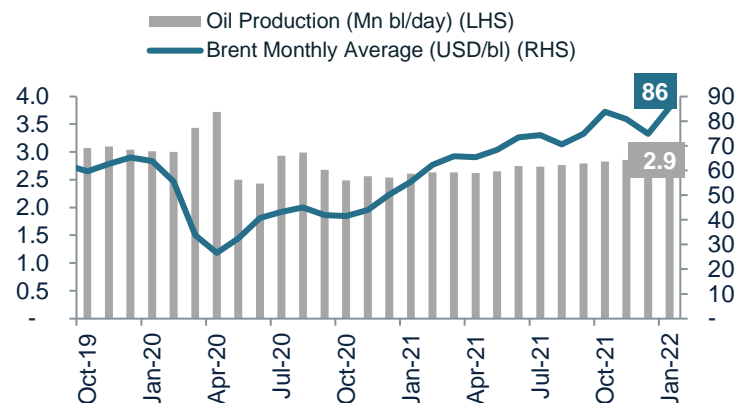
# UAE economy on a robust growth trajectory

Driven by higher oil prices, increasing business & consumer confidence and world leading COVID19 vaccination program along with government initiatives & stimulus measures

## UAE real GDP to register a strong growth of 4.8% in FY'22 and 4.0% in FY'23<sup>1</sup>

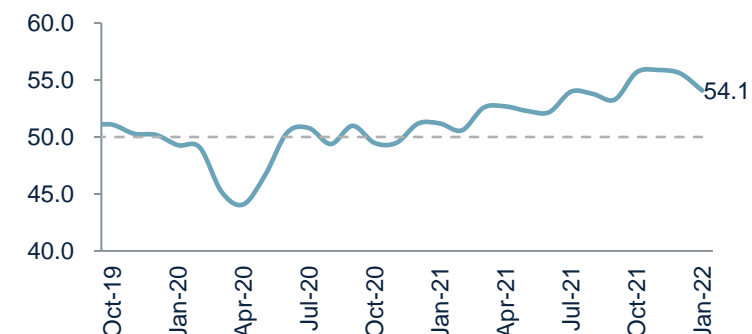


## Oil prices edging higher led by increased demand & rising geopolitical tensions<sup>2</sup>

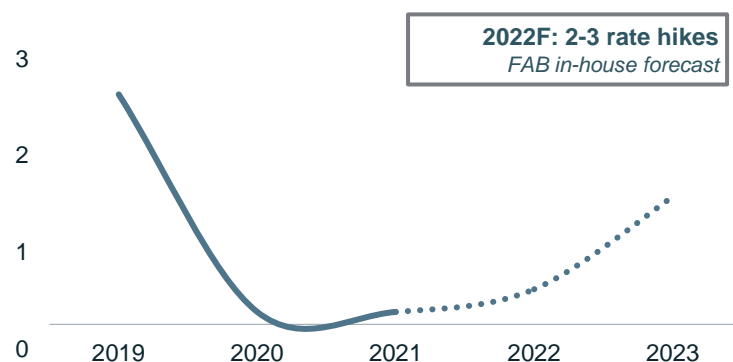


## UAE PMI averaging at 2-year highs<sup>3</sup>

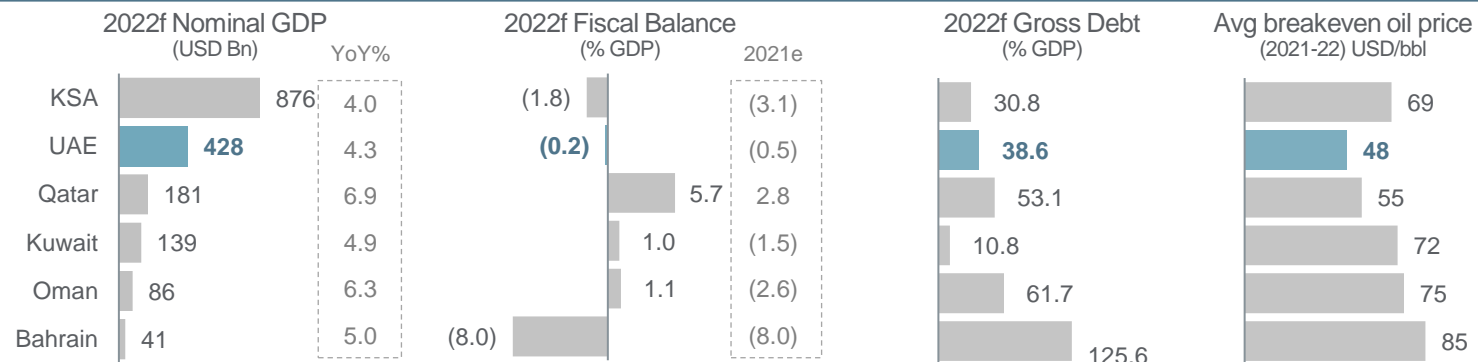
UAE consumer confidence<sup>4</sup> also increased from 135 in Q3'21 to **137** in Q4'21



## Rising interest rates represent a significant tailwind for the banking sector<sup>6</sup>



## A robust and diversified economy<sup>5</sup>



1 In-house GDP forecast for FY'21, FY'22 and FY'23; IMF forecasts for prior years

2 Bloomberg OPCRUAE Index, January 2022

3 Markit Economics-PMI (Purchasing Manager Index) (January 2022)

4 The Conference Board® Global Consumer Confidence Index, Q4'21

5 IMF World Economic Outlook, October 2021; Fitch

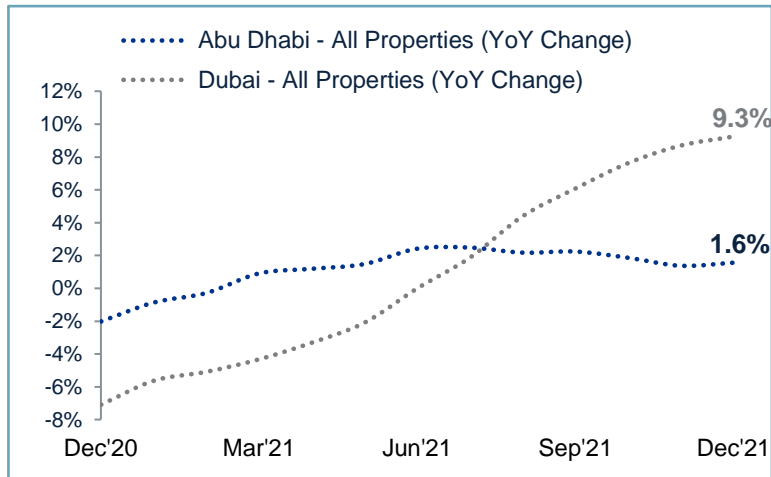
6 Bloomberg, Federal Funds Target Rate

# Real estate market sees signs of revival amidst resurgence in demand

Abu Dhabi witnesses its 10<sup>th</sup> continuous monthly sales price increase YoY

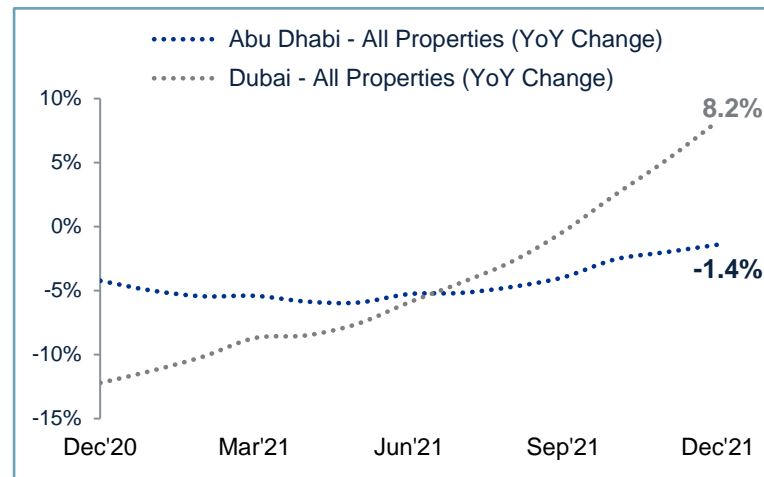
- Real estate sale prices in Abu Dhabi continued their upward climb witnessing their 10<sup>th</sup> continuous monthly increase YoY while Dubai has seen a recovery on the back of strong demand

Sale prices - mainstream residential market property<sup>1</sup>



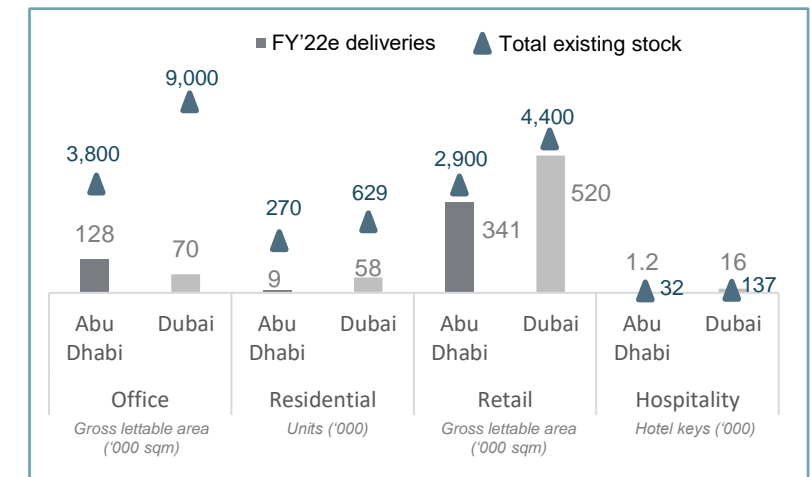
- Property market benefitting from a pick-up in demand, and the launch of new programs and initiatives, including long-term residency reforms

Rental prices - mainstream residential market property<sup>1</sup>



- Expectations of project deliveries for FY'22, in both Abu Dhabi and Dubai, are broadly in-line vs 2021; Although demand is expected to continue to be strong, values could moderate on the back of the upcoming supply

UAE real estate market total existing stock vs FY'22e supply<sup>2</sup>

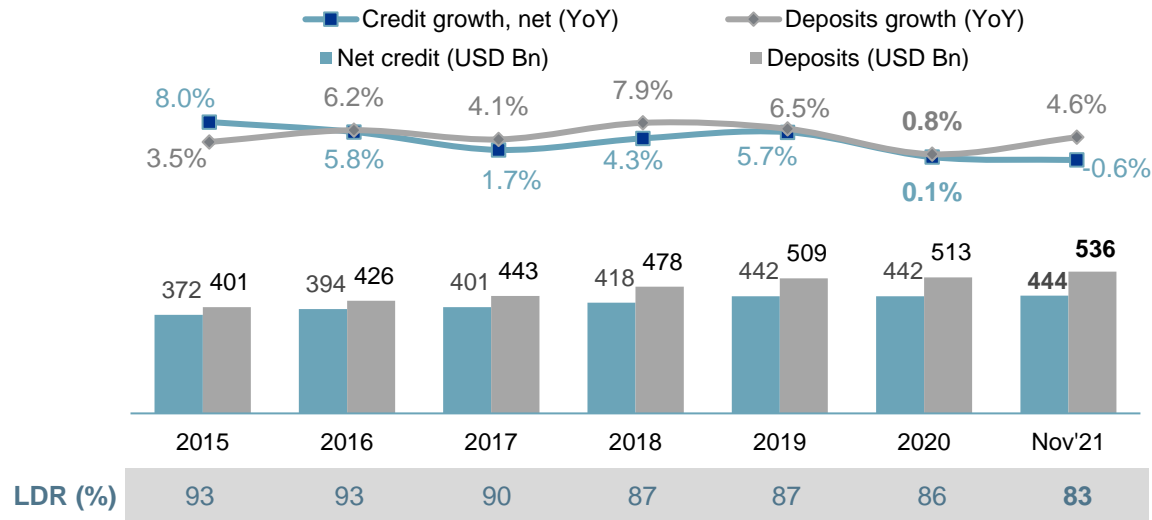


1 REIDIN, UAE Monthly Report Dec 2021  
2 JLL Real Estate Market Overview – FY'21

# Sound and highly capitalised banking sector

CBUAE TESS and stimulus measures have supported the financial system & economic recovery

## Liquidity remains ample while credit growth has improved through 2021<sup>1</sup>



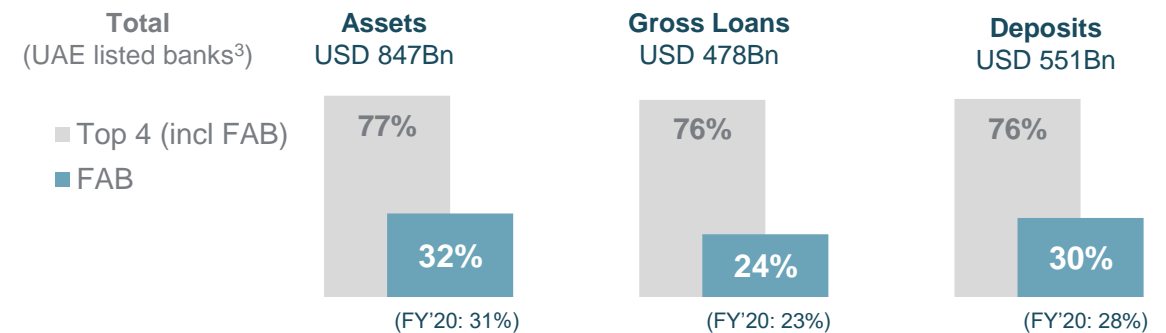
## UAE Banking Sector Key Indicators<sup>1</sup>

Figures in USD Bn	Nov'21	YTD	YoY
Total Assets <sup>2</sup>	897	+3.4%	+2.9%
Loans and Advances <sup>2</sup>	444	+0.5%	-0.6%
Customer Deposits	535	+4.4%	+4.6%
CAR (Basel III) (Sep'21)	17.7%	-50bps	-30bps
CET1 (Basel III) (Sep'21)	14.7%	-20bps	-40bps

1 Source: UAE Central Bank; Data as of 30 November 2021  
2 Assets are gross of provisions; Loans are net of provisions

## FAB has a dominant position in UAE<sup>3</sup>

- UAE banking sector : 21 Local and 38 Foreign banks (Incl. 11 wholesale banks)
- FAB is one of the 4 Domestic Systematically Important Banks (DSIBs) in UAE



## TESS deferrals program has been phased out

- TESS deferrals programme** under zero cost facility (ZCF) was extended **until the end of 2021**, with a gradual phase out, i.e. not to exceed 50% of the allocated limit for each financial institution by 30 Sep'21, with full phase out by 31 Dec'21.
- TESS recovery program** collateralised, was extended **until 30 June 2022**.

For more on FAB's Deferral programme, please refer to [slide #7](#) of this presentation

3 Source: Bloomberg, based on the latest available financials reported by 14 listed UAE banks as of 21 Feb 2021

4 Total advances (net lending + net financial guarantees & stand-by LC+ Interbank placements more than 3 months)/ sum of (net free capital funds + total other stable resources)



# THANK YOU!

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