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ABU DHABI 2019

الأولمبياد الخاص
**الألعاب
العالمية**
أبوظبي 2019



INVESTOR PRESENTATION

February 2019

**Grow
Stronger**

بنك أبوظبي الأول
FAB
First Abu Dhabi Bank

Please note that FAB pro forma consolidated financials as at 31 December 2018 serve as the main basis of reference for our Management Discussion & Analysis Report (MDA) and Investor Relations presentation.

Comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in the pro forma condensed consolidated financial statements.

FAB's audited consolidated financial statements as at 31 December 2018 are prepared on the basis that FGB/NBAD merger was declared effective on 1st April 2017 with FGB being the accounting acquirer as per IFRS 3. Therefore, these financials reflect consolidation of NBAD since 1st April 2017.

For further information, please refer to the Business Combination note of the audited consolidated financial statements.

The information contained herein has been prepared by First Abu Dhabi Bank P.J.S.C ("FAB"). FAB relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

This presentation has been prepared for information purposes only and is not and does not form part of any offer for sale or solicitation of any offer to subscribe for or purchase or sell any securities nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of FAB. These forward-looking statements include all matters that are not historical facts. The inclusion of such forward-looking information shall not be regarded as a representation by FAB or any other person that the objectives or plans of FAB will be achieved. FAB undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Note: Rounding differences may appear throughout the presentation

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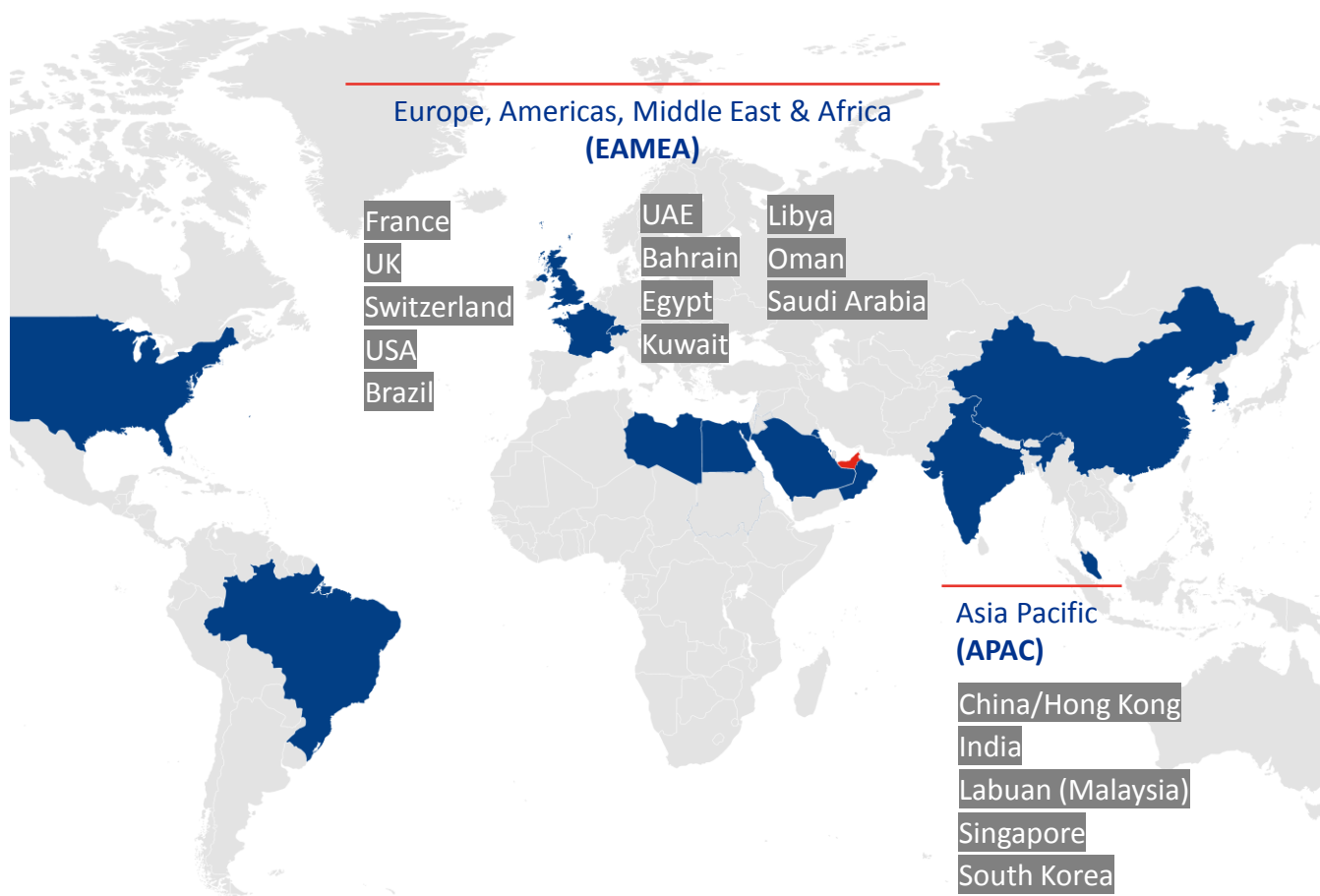
FAB in Brief



- ❖ The largest bank in the UAE by total assets and market capitalisation, with the strongest combined credit ratings of any other bank in MENA
- ❖ A diversified franchise with market-leading corporate and personal banking businesses, and a presence across 5 continents
- ❖ A strong balance sheet, solid fundamentals, and a successful UAE integration providing the right foundation

... to deliver superior and sustainable shareholder returns

FAB at a glance



Presence
across
5
continents

Domestic
network across
7
emirates

79
Branches/
Cash offices in UAE

568
ATMs/CDMs

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

Largest UAE bank and one of the largest in MENA by total assets (AED 744Bn) and market capitalisation (AED 154Bn)

Offers an extensive range of products and services via market-leading **Corporate and Investment Banking** (CIB) and **Personal Banking** (PB) franchises, as well as subsidiaries

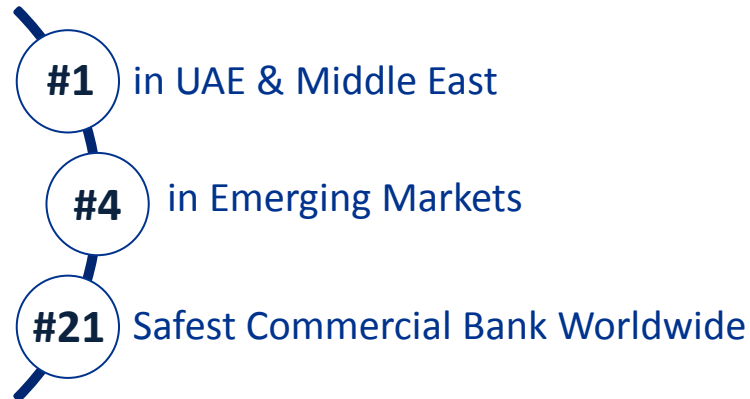
The safest and strongest bank in the Middle East

Strongest combined credit ratings of any other bank in MENA

	MOODY'S	S&P Global Ratings	FitchRatings
LT	Aa3	AA-	AA-
ST	P-1	A-1+	F1+
Outlook	Stable	Stable	Stable

Recognised as one of the safest and strongest banks worldwide

Safest banks' rankings by Global Finance¹



Top 1000 banks' rankings by The Banker²



¹ Global Finance Magazine safest bank rankings, 2018

² The Banker's 2018 Top 1000 World Banks Rankings, July 2018

Share profile

Overview¹

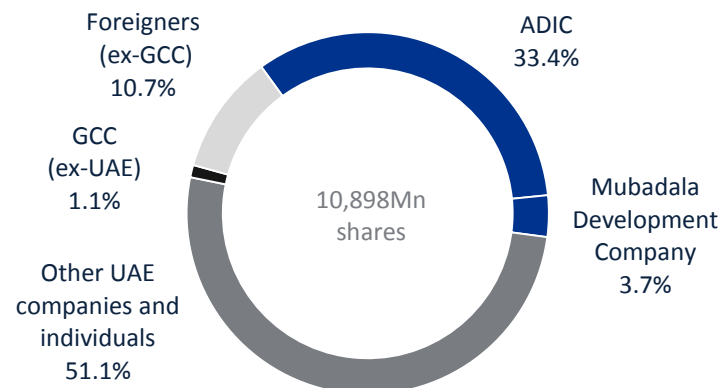
- Listed on Abu Dhabi Securities Exchange (ADX)
- Symbol: FAB
- Market cap: AED 154Bn (USD 41.8Bn)
- Foreign Ownership Limit: 25%²
- Valuation multiples

P/TE 13.8x

P/TB 2.2x

D/Y 5.2%

Strong shareholding³



Index Weightings¹

Abu Dhabi Securities Market Index	ADSMI	43.5%
Bloomberg EMEA Banks Index	BEUBANK	3.2%
MSCI EM	MXEF	~21bps

¹ As of 31 December 2018

² The Board of Directors has recommended to increase FAB's Foreign Ownership Limit (FOL) from 25% to 40%, subject to shareholders' approval at next General Assembly Meeting on 25 Feb 2019

³ Ownership structure as of 31 December 2018, based on 10,872Mn shares outstanding (net of 26Mn treasury shares)

Note: A law was issued by the President of UAE and Ruler of Abu Dhabi on 21 Mar 2018, merging ADIC under the umbrella of Mubadala Investment Company

Leading UAE and regional bank

Banking sector assets ¹ (USD Bn)	National champion ²	FY'18 Net Profit ¹ (USD Bn)	Total Assets ¹ (USD Bn)	Equity ¹ (USD Bn)	Market Cap ³ (USD Bn)	Credit Ratings ³ (Moody's/S&P/Fitch)
 784	FAB	3.3	203	27.7	41.8	Aa3 / AA- / AA-
 630	NCB	2.8	121	17.3	38.3	A1 / BBB+ / A-
 390	QNB	3.8	237	24.0	49.5	Aa3 / A / A+
 222	NBK	1.2	91	11.2	17.1	Aa3 / A+ / AA-
 192	AUB	0.7	36	4.5	5.2	NA / BBB / BBB-
 89	Bank Muscat	0.5	32	5.0	2.8	Baa3 / BB / BBB-

1 Company and Central Bank information as of latest reported for 31 Dec 2018 , except banking sector assets for Bahrain which is as of 30 Nov 2018

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

3 Based on 31 Dec 2018; Source Bloomberg

Prominent Board and robust governance



H.H. Sheikh Tahnoon Bin Zayed Al Nahyan – Chairman
National Security Advisor
Chairman of Royal Group

Board of Directors



**H.E. Nasser
Ahmed Alsowaidi**

**Vice Chairman of
the Board**

Chairman of
ETECH



**H.E. Khaldoon
Khalifa Al
Mubarak**

Board Member

CEO and MD of
Mubadala
Investment
Company

Chairman of the
Executive Affairs
Authority of the
Government of
Abu Dhabi



**H.E. Mohammed
Thani Al-Romaithi**

Board Member

Chairman of the
Federation of UAE
Chambers of
Commerce and
Industry

Board Member of
Al Etihad Credit
Bureau



**H.E. Mohamed
Saif Al Suwaidi**

Board Member

Director General
of Abu Dhabi Fund
for Development

Board Member of
Red Crescent and
Agthia



**H.E. Jassim
Mohamed Al
Seddiqi**

Board Member

CEO and MD of
Abu Dhabi
Financial Group
(ADFG)

Chairman of Shuaa
and Eshraq
Properties



**H.E. Khalifa
Sultan Al Suwaidi**

Board Member

Executive Director
at the Abu Dhabi
Investment
Council (ADIC)

Board Member of
UNB and Etihad
Aviation Group
and Etihad
Airways



**H.E. Sheikh
Mohammed Bin
Saif Bin
Mohammed Al
Nahyan**

Board Member

Chairman of Abu
Dhabi National
Insurance
Company (ADNIC)

Chairman of Risk
Management
Committee of
ADNIC



**H.E. Sheikh
Ahmed
Mohammed
Sultan Al Dhaheri**

Board Member

Chairman of Bin
Suroor
Engineering

Vice Chairman of
Abu Dhabi
National Hotels
Company

4 Board Committees

Board Management Committee

Remuneration & Nomination
Committee

Board Risk & Compliance
Committee

Audit Committee

Strategy built on core strengths

Our vision

Creating value for our customers, employees, shareholders and communities to grow stronger through differentiation, agility and innovation

Customers

We empower our customers to grow stronger through choice, convenience, and customised products and services

Employees

We create an environment where our people can leverage their strengths and excel in their performance

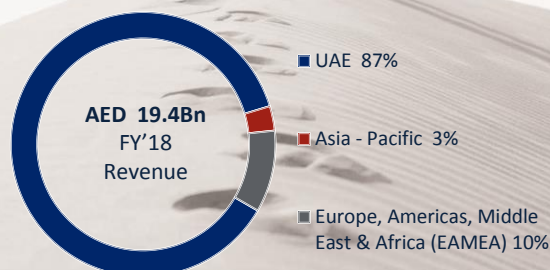
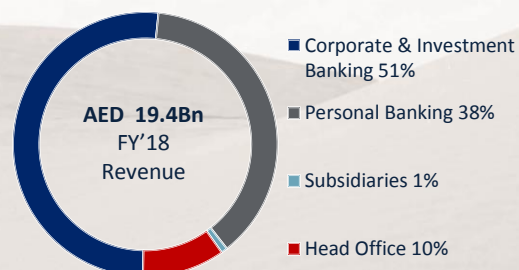
Shareholders

We deliver superior and sustainable returns to our shareholders

Communities

We build a legacy of positive change in our communities

Diversified Business Profile



Personal Banking strategic focus

Dominant personal bank in UAE

- Bank of choice across key segments in Abu Dhabi, and enhanced market share in Dubai and Northern Emirates
- Multichannel and 'smart' distribution model leveraging on digital solutions
- Leader in everyday banking anchored in payment solutions and cards

Regional wealth advisor of choice

- Access new high growth HNWI segments
- Use global network to expand product and service range
- Deepen existing relationships with increased cross-sell

Corporate and Investment Banking strategic focus

Trusted partner to CIB customers

- Leverage scale and cross-sell to deepen client relationships and increase share of wallet in UAE and abroad
- Preferred banking partner for government and government-related entities
- One-stop shop banking partner for large corporates and medium-sized businesses

International business built around UAE knowledge and relationships

- Wholesale-driven international strategy - Reference bank for UAE multinational businesses
- Selective international presence and sharper focus on high potential growth markets

Complementary offering through subsidiaries

Our commitment to sustainability

Key Highlights

Constituent of **FTSE4Good Emerging Index** reinforcing FAB's position as a regional sustainability leader

Member of the UAE Private Sector Advisory Council (PSAC) which focuses on implementation of the Sustainable Development Goals (SDGs) in the UAE

FAB's climate change response was given a **'B' score by Carbon Disclosure Project (CDP)**, demonstrating FAB's Leadership amongst UAE banks, in recognition of its commitment to addressing climate change and reducing its impact

Signatory to the **Abu Dhabi Sustainable Finance Declaration** in Jan 2019 at the inaugural Abu Dhabi Sustainable Finance Forum, to support sustainable financing supporting the growth of the UAE's economy

FAB's robust framework is anchored on 4 strategic pillars



Governance, Integrity and Risk Management



Responsible Banking



Responsible Employment



Positive Social Impact

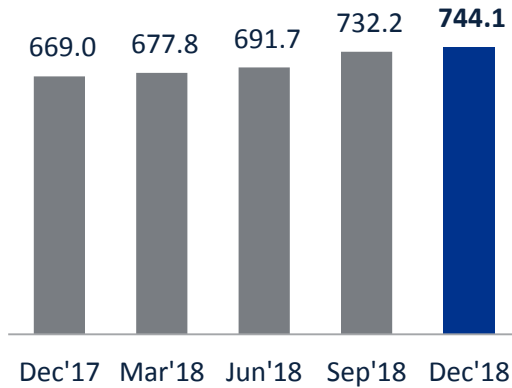
Voluntary initiatives and public commitments in alignment with national and global frameworks



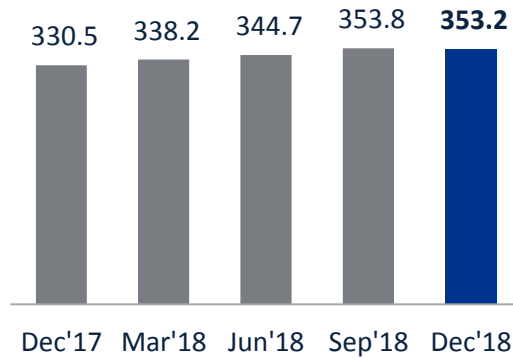
Key financials at a glance

Balance sheet & Income Statement - Based on Pro forma Financial Information

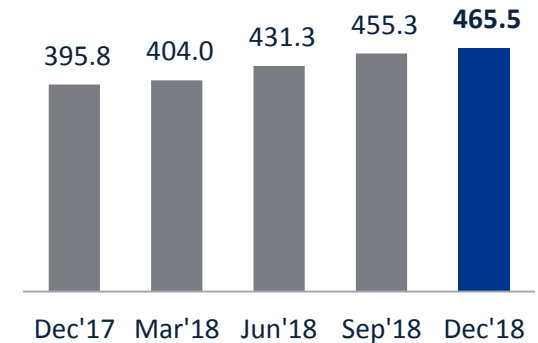
TOTAL ASSETS (AED Bn)



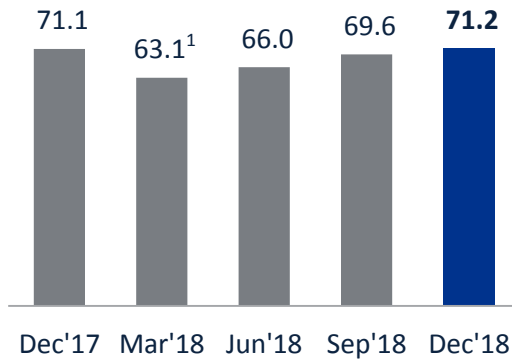
LOANS & ADVANCES (AED Bn)



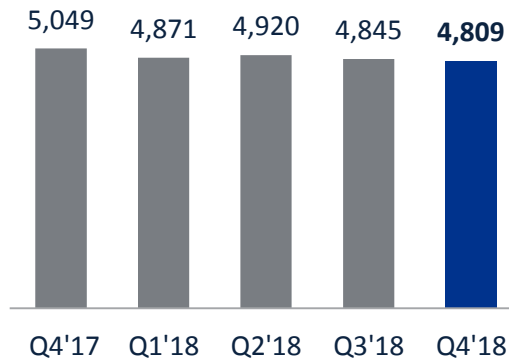
CUSTOMER DEPOSITS (AED Bn)



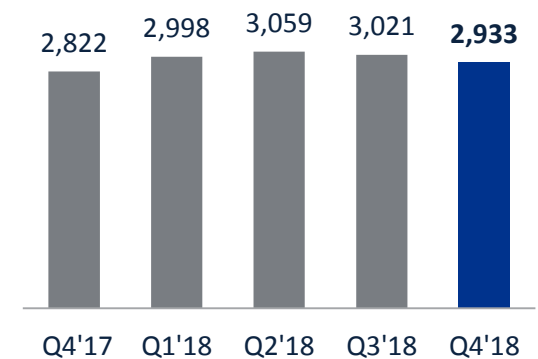
TANGIBLE EQUITY (AED Bn)



OPERATING INCOME (AED Mn)



NET PROFIT (AED Mn)



¹ Post AED 7.6Bn dividend payout

Key financials at a glance

Ratios - Based on Pro forma Financial Information

NIM – YTD (%)



FY'17 Q1'18 H1'18 9M'18 FY'18

NPL RATIO¹ (%)



Dec'17 Mar'18 Jun'18 Sep'18 Dec'18

PROVISION COVERAGE¹ (%)



Dec'17 Mar'18 Jun'18 Sep'18 Dec'18

COST TO INCOME RATIO (%)

(EX-INTEGRATION COSTS)



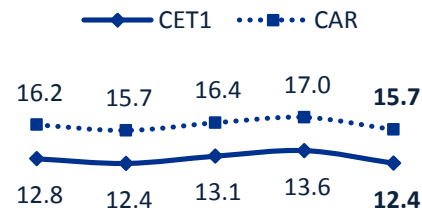
FY'17 Q1'18 H1'18 9M'18 FY'18

NON-INT INC / REVENUES (%)



FY'17 Q1'18 H1'18 9M'18 FY'18

CET1 & CAR² (%)



Dec'17 Mar'18 Jun'18 Sep'18 Dec'18

RoTE (%)



FY'17 Q1'18 H1'18 9M'18 FY'18

RoRWA (%)



FY'17 Q1'18 H1'18 9M'18 FY'18

¹ As 2018 ratios are based on IFRS9 accounting and ratios for Dec'17 are based on IAS39 accounting, they may not be fully comparable

² Capital ratios are post dividend as per UAE CB's Basel III framework (without considering the transitional arrangements for Dec'17)

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

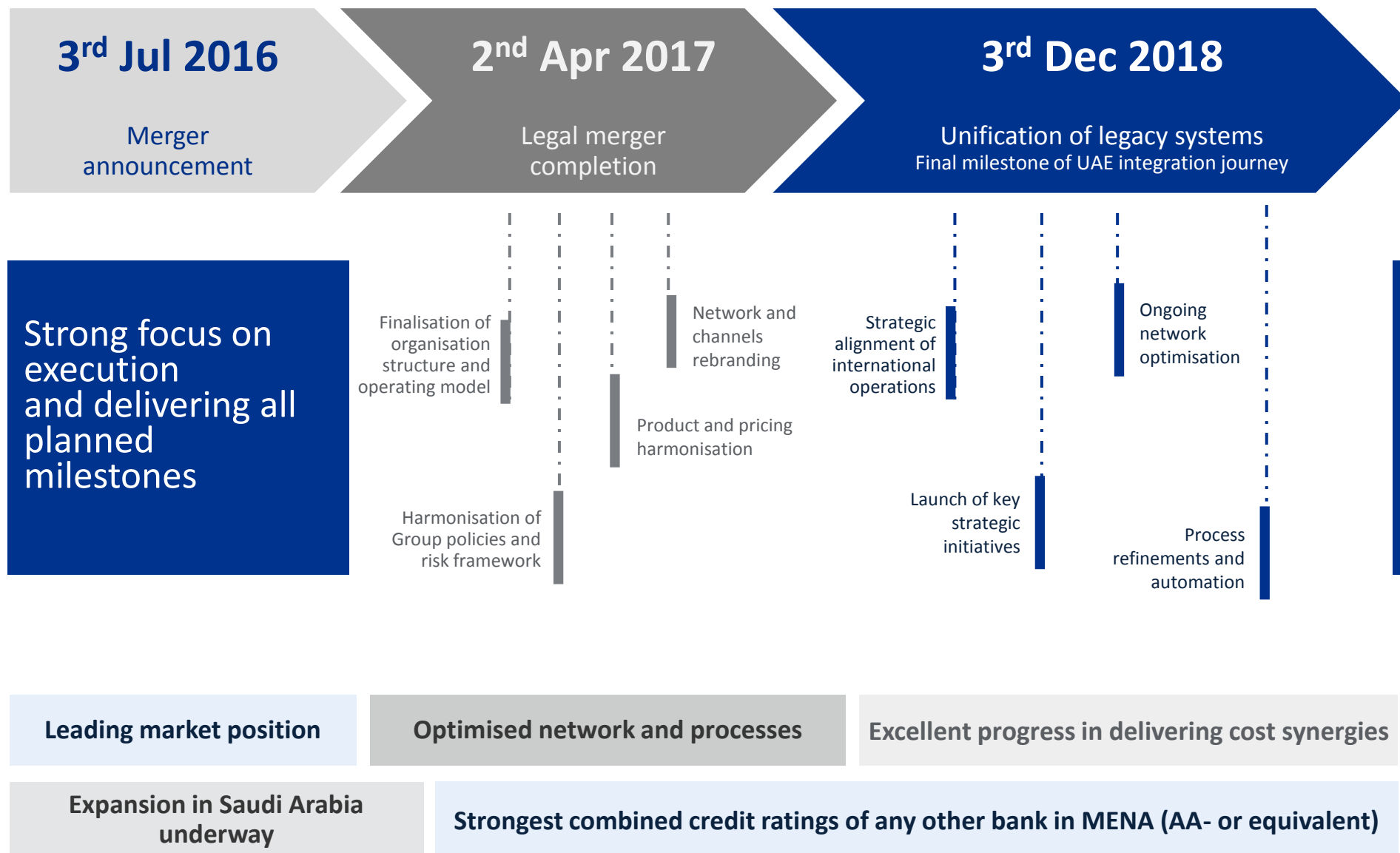
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Our integration journey



Reflecting on a successful journey



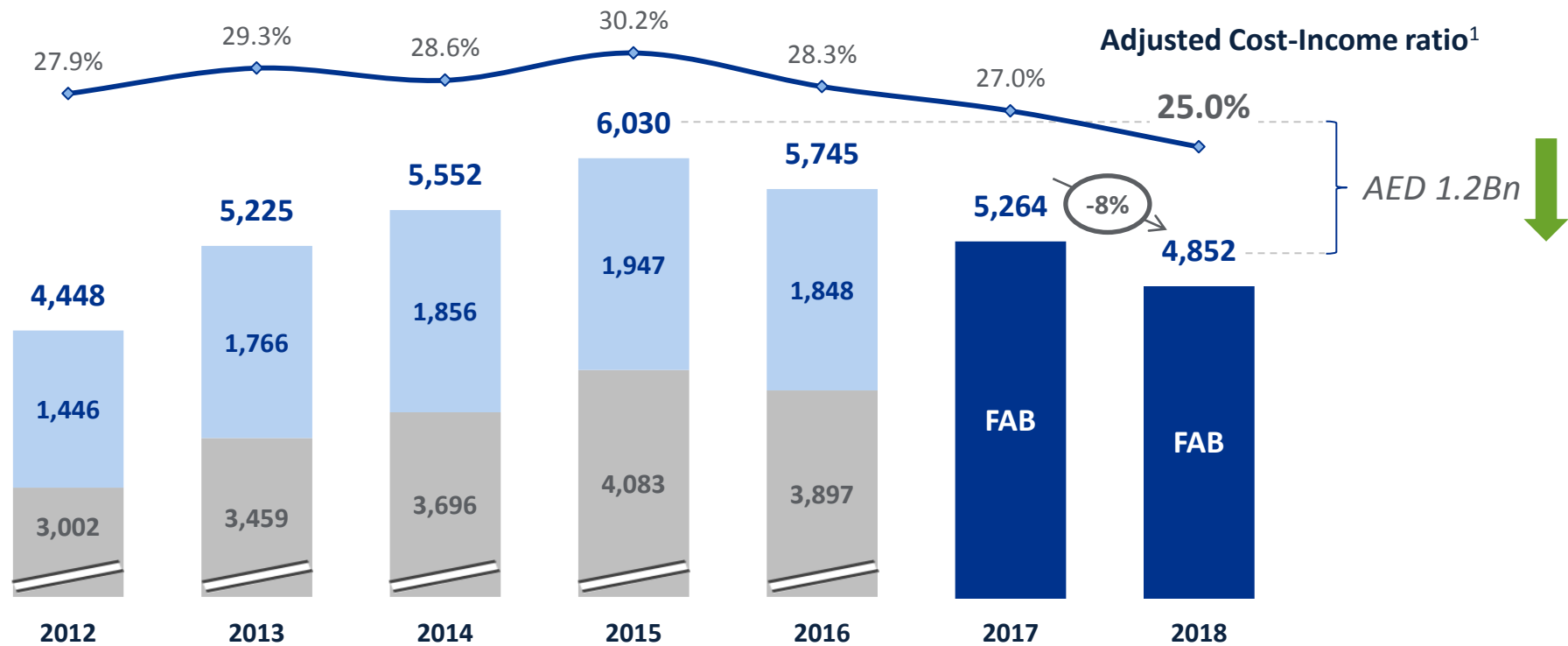
BAU costs at 6-year low

Cost reduction since 2015 reflects substantial merger benefits

G&A expenses BAU¹

AED Mn

FGB NBAD

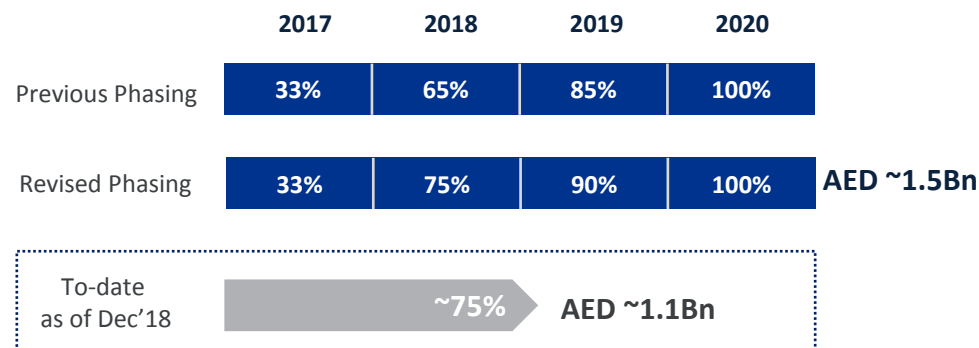


¹ Excluding integration/ merger transaction-related costs and amortisation of intangibles (merger-related)

On track to meet 2020 run-rate target; one-off integration cost guidance revised downward

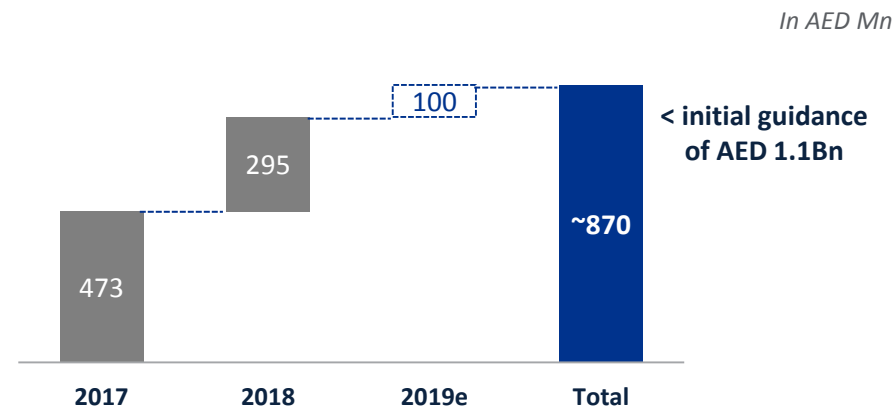
Cost synergies

- ~AED 1.1Bn cost synergies achieved to-date, that is ~75% of 2020 run-rate target
- On track to meet 2020 target; 19e phasing slightly revised
- System integration completed in Q4 was final milestone of UAE integration journey; future synergies to be driven by further rationalisation, automation, process refinements



One-off integration costs

- 2018 integration costs at AED 295Mn, with another ~AED 100Mn expected in 2019
- One-off integration cost guidance for (2017-2019e) revised from AED 1.1Bn to ~AED 870Mn



Laying the right foundation for long term sustainable growth

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How we will measure our success by 2020

1 Growth-oriented culture

✓ **Increased** market share and share of wallet

2 Successful execution of integration plan

✓ **Full realisation** of run rate synergies

3 One Bank, One brand, One team

✓ **Infrastructure** integration
✓ **People** integration

4 Sustainable cost leadership

✓ **~25%** Cost-to-Income ratio

under review

5 Strong internal capital generation capacity

✓ **16-17%** RoTE
✓ **>13.5%** min. CET1

under review

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Economic and banking sector review



UAE Economic Overview

A cosmopolitan country

~10.4Mn people (2018e)¹

Expatriates ~85%

2nd largest economy in GCC

(24th largest in the world)

USD **433Bn** 2018e Nominal GDP¹

USD **41,476** GDP per capita

6th largest proven oil reserves

~98Bn boe (~8% of global oil reserves)²

~3.0Mn barrels/day (2017 crude oil production)

One of the highest rated sovereigns

Aa2 (Moody's)

On path to strong recovery

2.9% → 3.2%

2018e 2019f
Real GDP Growth¹

+17%

YoY increase in 2019
Federal Budget³

Diversified & competitive economy

78%

non-oil sector
contribution
to nominal GDP⁴

11th

ease of doing
business rankings,
up from 21st in
2018⁵

Latest news/developments

- VAT implementation w.e.f. Jan 2018
- De-subsidised gasoline prices, reduction in energy subsidies
- UAE cabinet announced 100% foreign ownership of companies in specified sectors and long-term visas for specified categories of expatriates



UAE federation established in **1971** comprising **7 Emirates**

One of the **6** GCC (Gulf Cooperation Council) states

Economic structure and performance¹

	2018e	2019f	2020f
Real GDP Growth (% change)	2.9	3.2	3.3
Nominal GDP (USD Bn)	433	456	475
Inflation (CPI, % change)	3.1	2.3	2.6
Fiscal balance (% GDP)	0.6	1.3	1.2

The latest estimates announced by the Central Bank of UAE forecast Real GDP growth of **2.8%** and **4.2%** for 2018 and 2019 respectively

1 IMF World Economic Outlook - October 2018, FAB in house estimates for Real GDP growth and Inflation

2 OPEC (December 2017); boe (barrel of oil equivalent)

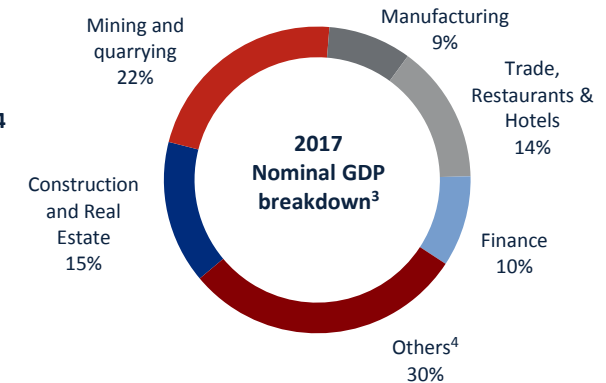
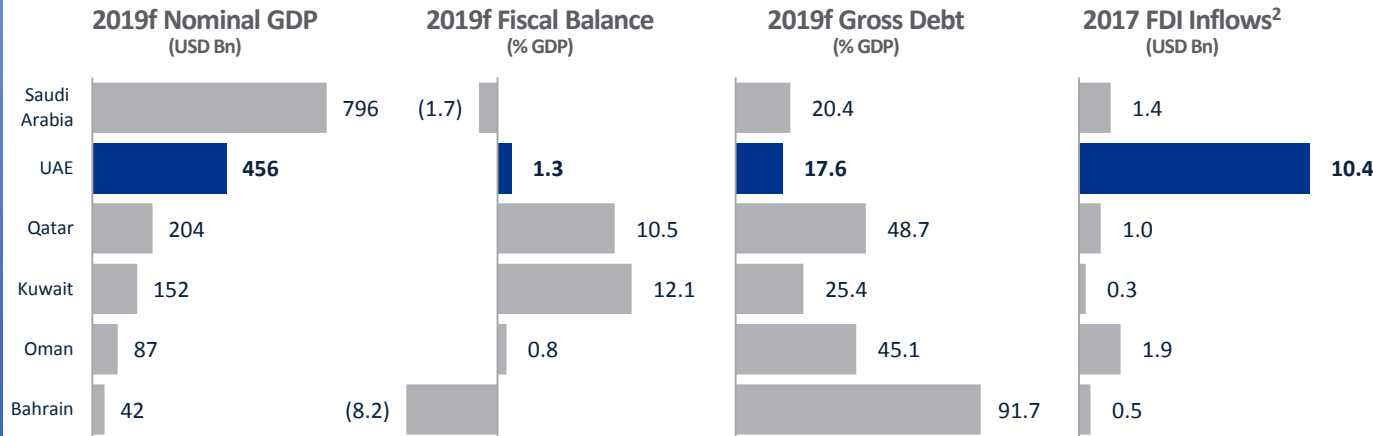
3 WAM (Emirates News Agency)

4 Federal Competitiveness and Statistics Authority, 2017 Nominal GDP

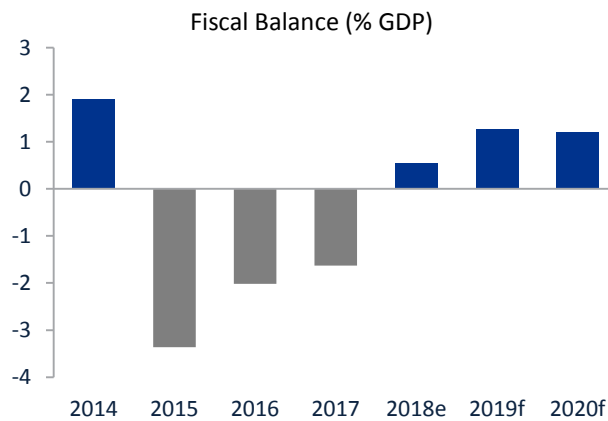
5 World Bank's Ease of Doing Business Rankings 2019

UAE - Other Indicators

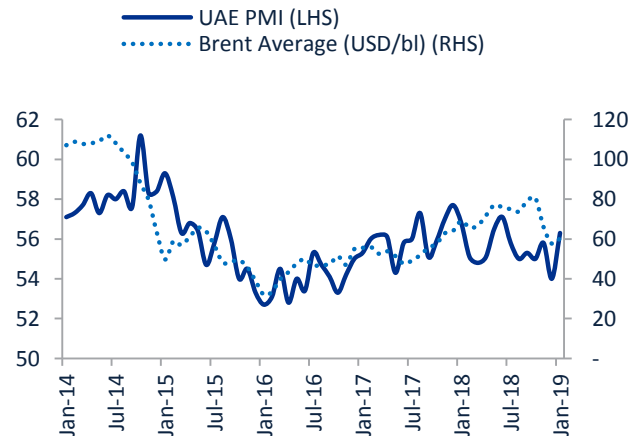
A robust and diversified economy¹



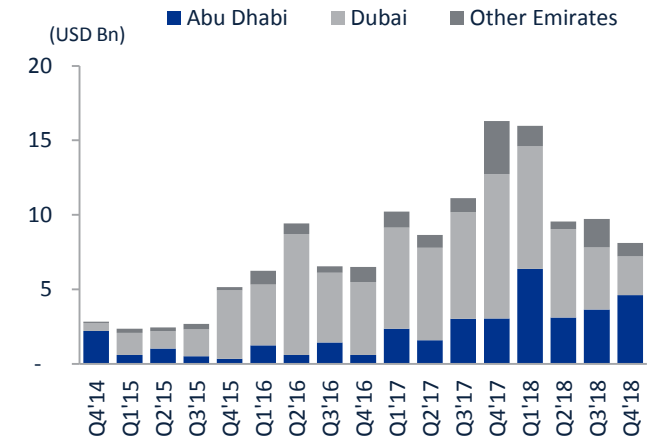
Fiscal balances returning to surplus¹



UAE PMI in expansionary territory⁵



Project awards on the rise in Abu Dhabi⁶



¹ IMF World Economic Outlook, October 2018
² World Investment Report 2018 – UNCTAD
³ Federal Competitiveness and Statistics Authority

⁴ Others include Agriculture, Utilities, Transportation, Communication, Government and Other activities
⁵ Markit Economics; PMI (Purchasing Manager Index), Bloomberg
⁶ Meed Projects (Jan 2019)

Abu Dhabi - The Capital

Highest sovereign ratings in MENA

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

Major contributor to UAE GDP

USD **227Bn** 2017e Nominal GDP¹
60% of UAE's 2017 Nominal GDP

3rd highest GDP per capita in the world

USD **78,275**²

Strong fiscal position

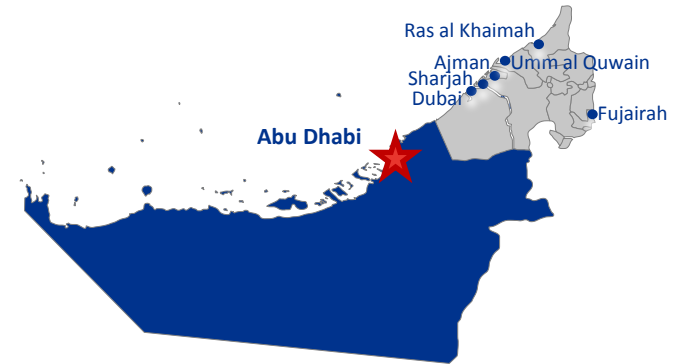
Sovereign foreign assets – **281%** of GDP³
Government debt – **only 8%** of GDP³

Strong recovery underway post several years of fiscal consolidation

2.7% → 3.4%
2018f 2019f
Real GDP Growth⁴

On clear path to economic diversification

64% non-oil sector contribution to nominal GDP¹, up from 45% in 2013



87% of UAE land area⁵

Estimated population⁵: **2.9 Mn**

Ghadan 21 - AED 50Bn Economic Stimulus

- Economic stimulus "**Ghadan 21**" was announced by the Abu Dhabi government in June 2018 in order to promote private sector development, job creation and tourism over the next 3 years
- Development plan revolves around 4 main pillars: Business & Investment; Society; Knowledge and Innovation; and Lifestyle
- AED 20Bn earmarked for 2019

1 Statistical Year book of Abu Dhabi 2018 (SCAD) October 2018, preliminary estimates

2 After Luxembourg and Switzerland - IMF World Economic Outlook, October 2018; GDP per capita based on 2017e Nominal GDP, 2016 Population (SCAD)

3 Fitch Ratings article (18 June 2018)

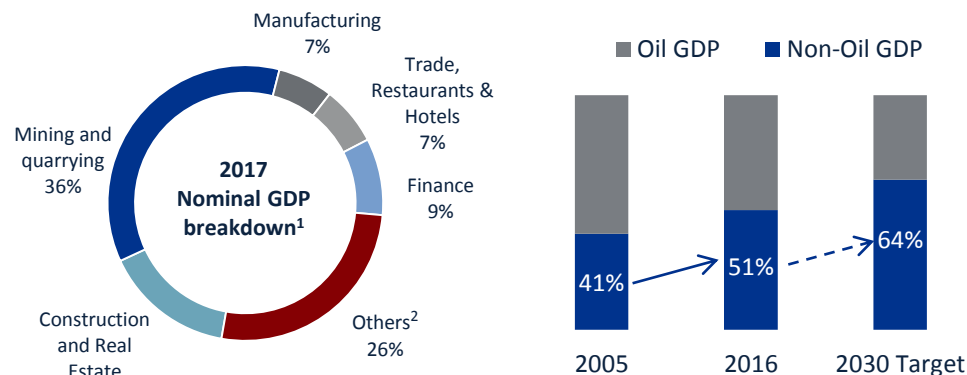
4 IMF Article IV consultation, Sep 2018

5 Abu Dhabi 2017 Bond Prospectus

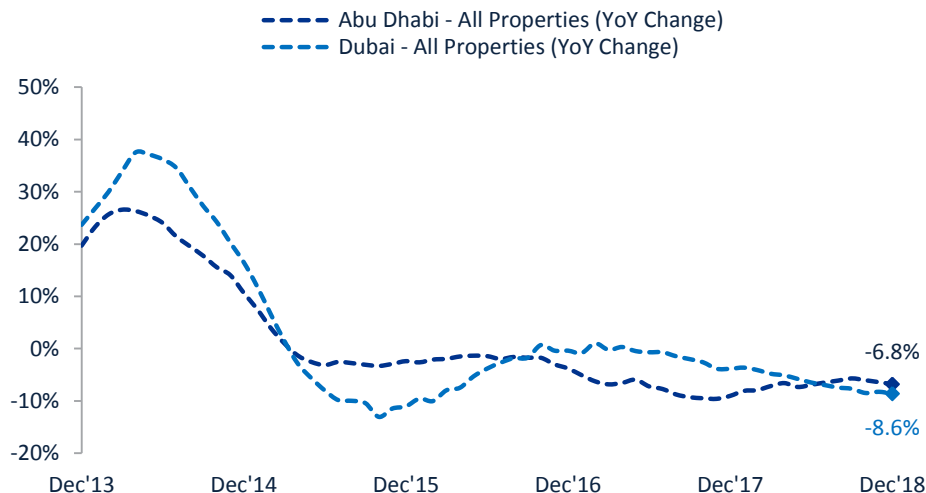
Abu Dhabi - Other indicators

On track to meet Plan Abu Dhabi 2030 targets

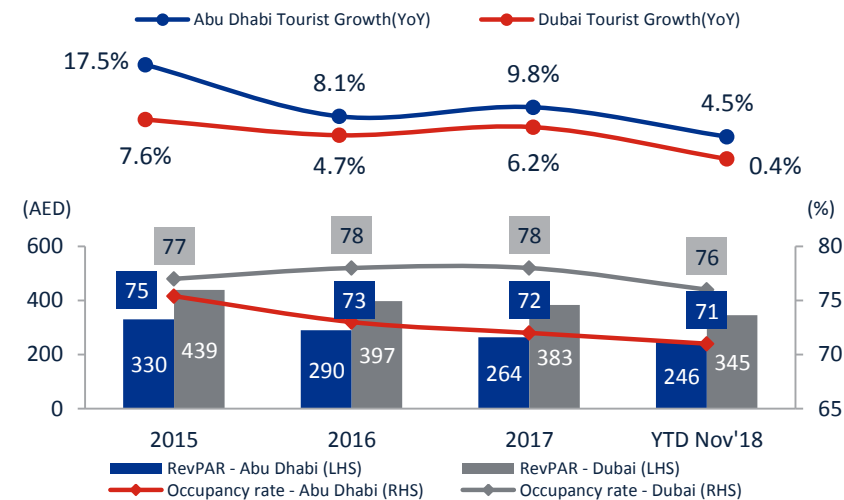
Target real GDP³



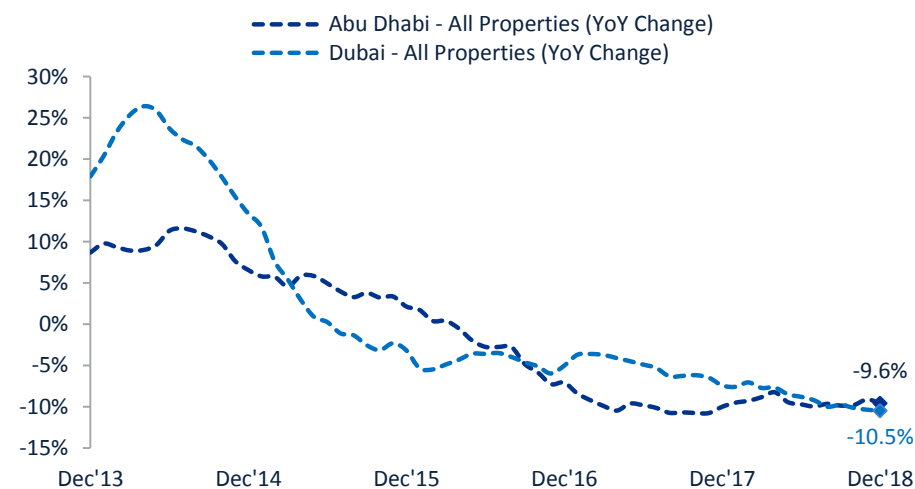
Sale prices - mainstream residential market property⁵



Hotel guests + occupancy - Abu Dhabi & Dubai⁴



Rental prices - mainstream residential market property⁵



1 Statistical Year book of Abu Dhabi 2018 (SCAD) October 2018, preliminary estimates

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

3 Abu Dhabi Economic Vision 2030, SCAD

4 Abu Dhabi, Department of Culture and Tourism ; Dubai, Department of Tourism and Commerce Marketing

5 Bank for International Settlement and REIDIN

Sound and highly capitalised banking sector

Key Highlights

- UAE banking sector: 22 Local and 27 Foreign banks
41 Conventional and 8 Islamic banks
- Market share in Total Assets: UAE banks: 88%, Conventional banks: 80%

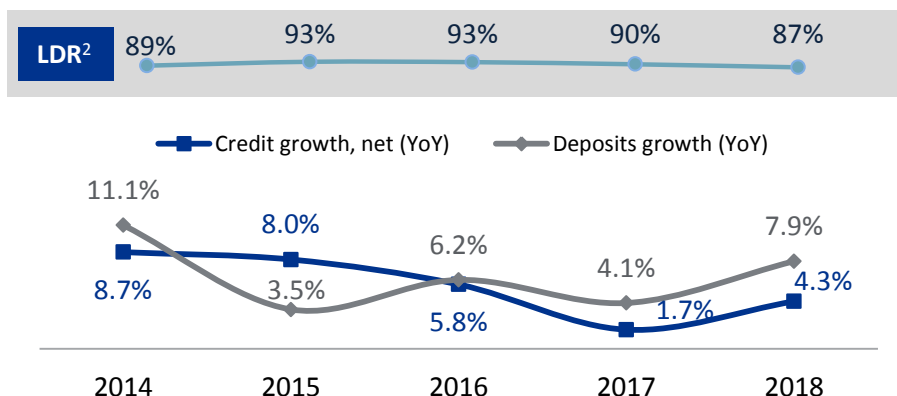
Latest regulatory developments:

- UAE CB Basel III capital guidelines effective from 1st Feb 2017 with min. CET 1 set at 7.0%; full implementation by 2019
- IFRS9 implemented across UAE banking sector effective 1 Jan 2018
- FAB is one the four Domestic Systematically Important Banks (DSIBs) in UAE

UAE Banking Sector Key Indicators¹

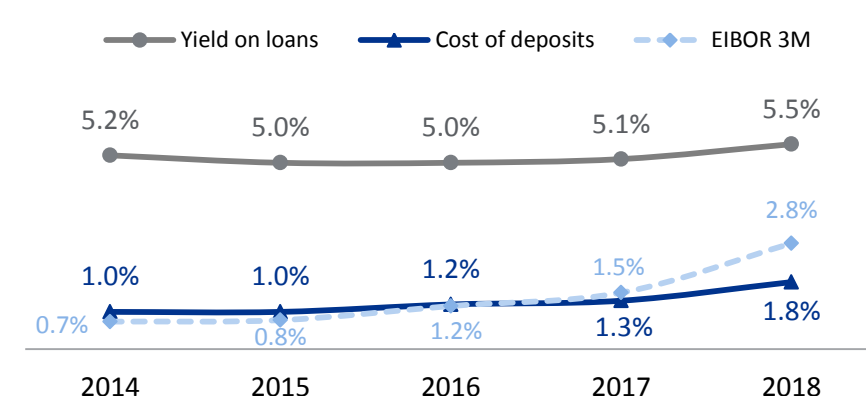
Figures in AED Bn	Dec'18	Dec'17	YoY
Total Assets, net ²	2,755	2,584	6.6%
Loans and Advances, net ²	1,534	1,471	4.3%
Customer Deposits	1,756	1,627	7.9%
LDR ²	87%	90%	-303bps
Lending to Stable Resources Ratio ³	82%	85%	-220bps
CAR (Basel III) ⁴	18.2%	18.1%	+10bps ⁴
CET1 (Basel III) ⁴	14.9%	14.6%	+30bps

Loans and deposits growth trend¹



Net deposit surplus for Dec'18 is AED 222Bn

Average Yield/Cost on loans and deposits¹ vs EIBOR



¹ Source: UAE Central Bank, UAE Banking Indicators

² Net of provisions

³ 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)

⁴ Dec'17 as per Basel II framework

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Q4/FY'18 Financial Performance Review



Q4/FY'18 Key Performance Highlights

- **Strong set of results in second year post-merger**
 - FY'18 Net Profit up 10% yoy, meeting upper end of target range
 - Healthy underlying revenue growth, considering one-offs in 2017
- **Continuing to maximise shareholder returns**
 - Proposed DPS of 74 fils (vs. 70 fils for FY'17)
 - Total cash dividends at a record AED 8.06Bn (+6% yoy)
- **Final milestone of UAE integration delivered in Q4**
 - System integration was major change event, marked final milestone of UAE integration journey
 - Cost synergies to-date at ~75% of 2020 target run-rate
- **FAB starts 2019 from a position of strength**
 - Diversified franchise with dominant positioning, and market-leading corporate and retail capabilities
 - Strong capital position, comfortable liquidity/funding profile, and healthy asset quality metrics
 - Successful UAE integration and key strategic initiatives will help unlock growth potential

Strong set of results in second year post-merger

FY'18 Financial Highlights

P&L summary

In AED Mn	FY'18	FY'17	YoY %
Revenues	19,446	19,533	(0)
Operating expenses	(5,329)	(5,875)	(9)
BAU ¹ costs	(4,852)	(5,264)	(8)
Integ/ merger transaction-related costs	(295)	(473)	(38)
Amort. Intangibles (merger-related)	(181)	(138)	31
Impairment charges	(1,726)	(2,384)	(28)
Net profit (after minority interest)	12,011	10,915	10
Basic EPS (AED)	1.06	0.96	10
DPS (AED)	0.74	0.70	6

Key ratios

%	FY'18	FY'17	YoY (bps)
C/I ratio (ex-integ costs)	25.9	27.7	(178)
CoR (bps)	48	69	(21)
NPL ratio	3.1	3.1	6
Provision coverage	110	120	(1,002)
LCR (liquidity coverage ratio)	118	112	629
RoTE	16.2	14.6	154
CET1 ratio ²	14.0	14.4	(38)

1 BAU – Business as usual

2 Pre-dividend CET1 ratio as per UAE CB's Basel III framework; FY'17 ratio without considering transitional adjustment

- Net profit up 10% yoy; EPS +10%, proposed DPS +6%
- Operating income broadly in line with 2017 revenue which included opportunistic investment gains and higher property-related income; Revenue +3% yoy on underlying basis
- BAU¹ operating expenses reduced significantly on the back of synergy realisation post-merger, and cost discipline
- Lower impairment charges yoy reflect healthy asset quality, IFRS9 transition and PPA, as well as risk optimisation
- C/I ratio below 26% remains at industry-leading level
- Healthy risk metrics with adequate NPL provision coverage; CoR materially lower yoy
- Strong liquidity position and diversified funding profile
- RoTE materially improves yoy
- Robust CET1 comfortably above regulatory requirements and FY guidance

Strong set of results in second year post-merger

Net profit growth at upper end of target range

2018 GUIDANCE

2018 ACTUAL

GROWTH	2018 GUIDANCE		2018 ACTUAL	
GROWTH	Loan	High single-digit		+7% yoy
	Revenue	Low single-digit	Broadly flat	+3% yoy on underlying basis
EFFICIENCY	C/I Ratio	~25-26%		25.9%
	(ex-integration costs)			
ASSET QUALITY	Cost of Risk	50-60bps		48bps
PROFITABILITY	Net profit growth	8-10%		+10% yoy
	RoTE ¹	16-17%	16.2%	16.6% ex-integration costs
CAPITAL	Basel III CET1	>13%		14.0%
	(pre-dividend)			

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

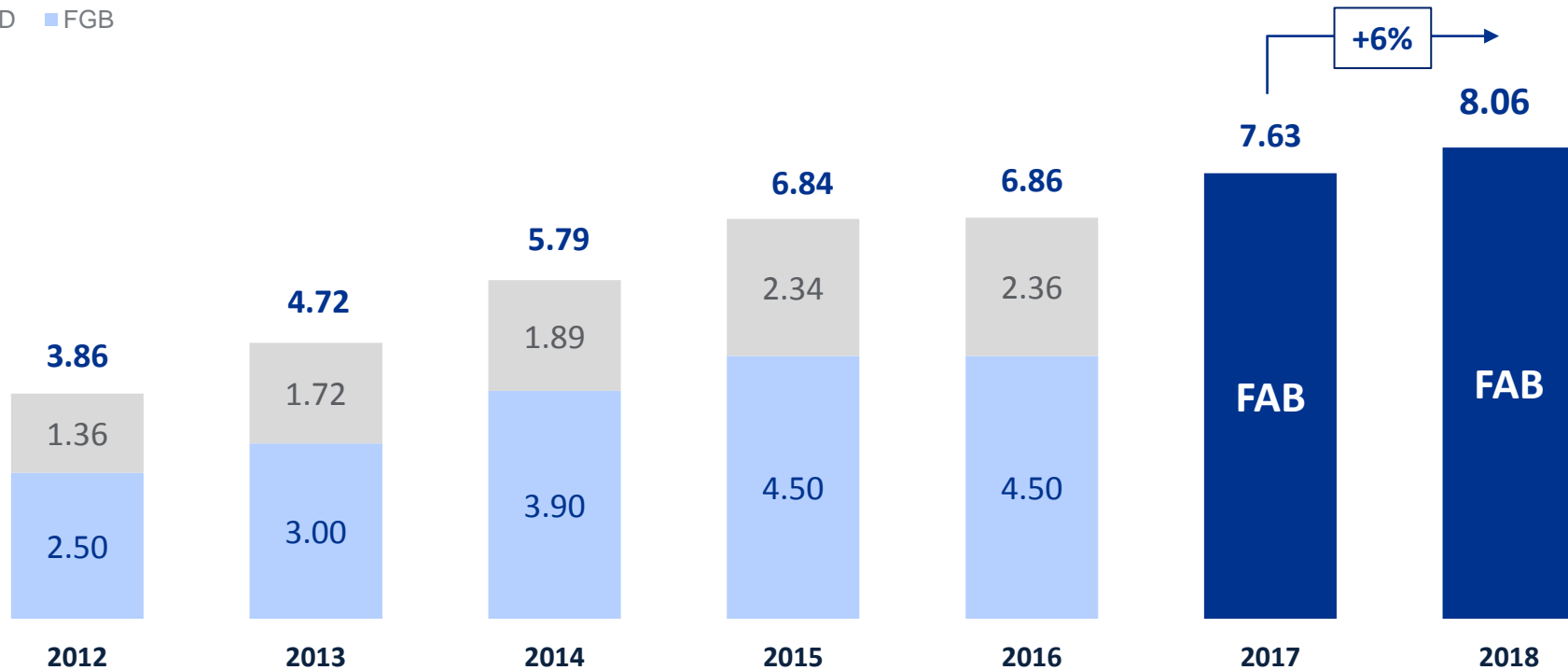
Continuing to maximise shareholder returns

Proposed FY'18 cash dividends 6% higher yoy

- Proposed dividend¹ per share: 74 fils, **+6% yoy**
- Dividend yield²: 5.2%
- Record total cash dividends³: **AED 8.06 Billion**

In AED Bn

■ NBAD ■ FGB



1 subject to approval at General Assembly Meeting to be held on 25 February 2019

2 based on FAB share price as of 31 December 2018

3 based on issued shares as of 31 December of the relevant financial year

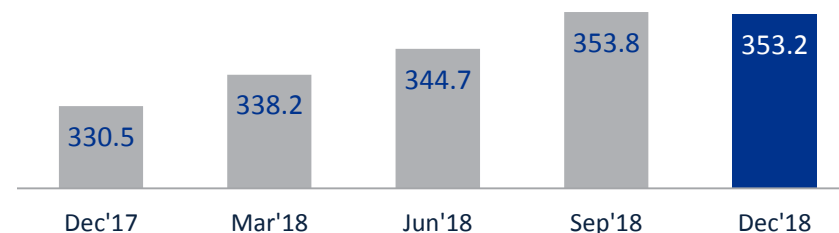
Strong lending momentum in 2018

Key highlights

- Loans and advances increased 7% yoy, primarily driven by healthy growth in CIB across Asia-Pacific, MENA and UAE, while selective growth in Personal Banking was offset by risk optimisation
- Loan book was broadly flat in Q4'18, as new underwritings were offset by maturities in short-term trade FI lending
- Customer deposits were up 18% yoy on significant short term government inflows, and healthy growth in international deposits in Q4 as we continue to diversify funding sources
- Strong liability franchise remains competitive strength with CASA balances up 6% yoy to AED 159Bn (34% of total deposits)
- Liquidity position remains strong with December-end 2018 LCR at 118%, comfortably above the Basel III glide path for the current year (min required 90%)

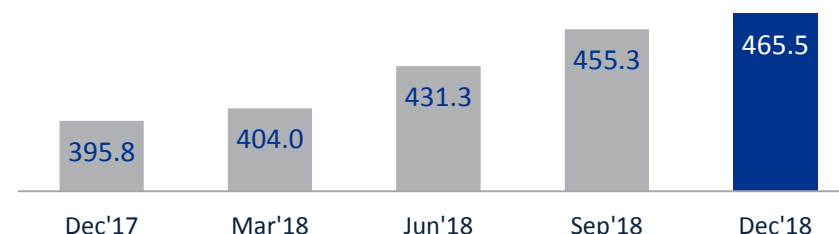
Loans and advances (AED Bn)

QoQ ↔, YoY ↑7%



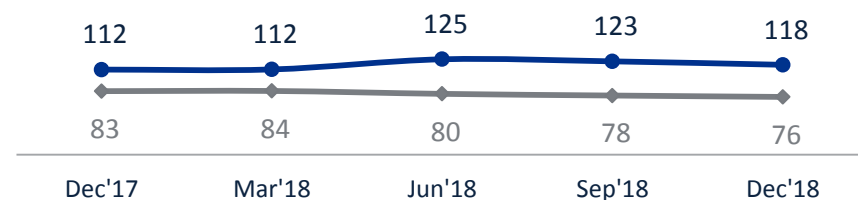
Customer deposits (AED Bn)

QoQ ↑2%, YoY ↑18%



Strong liquidity position

LD ratio (%) LCR (%)

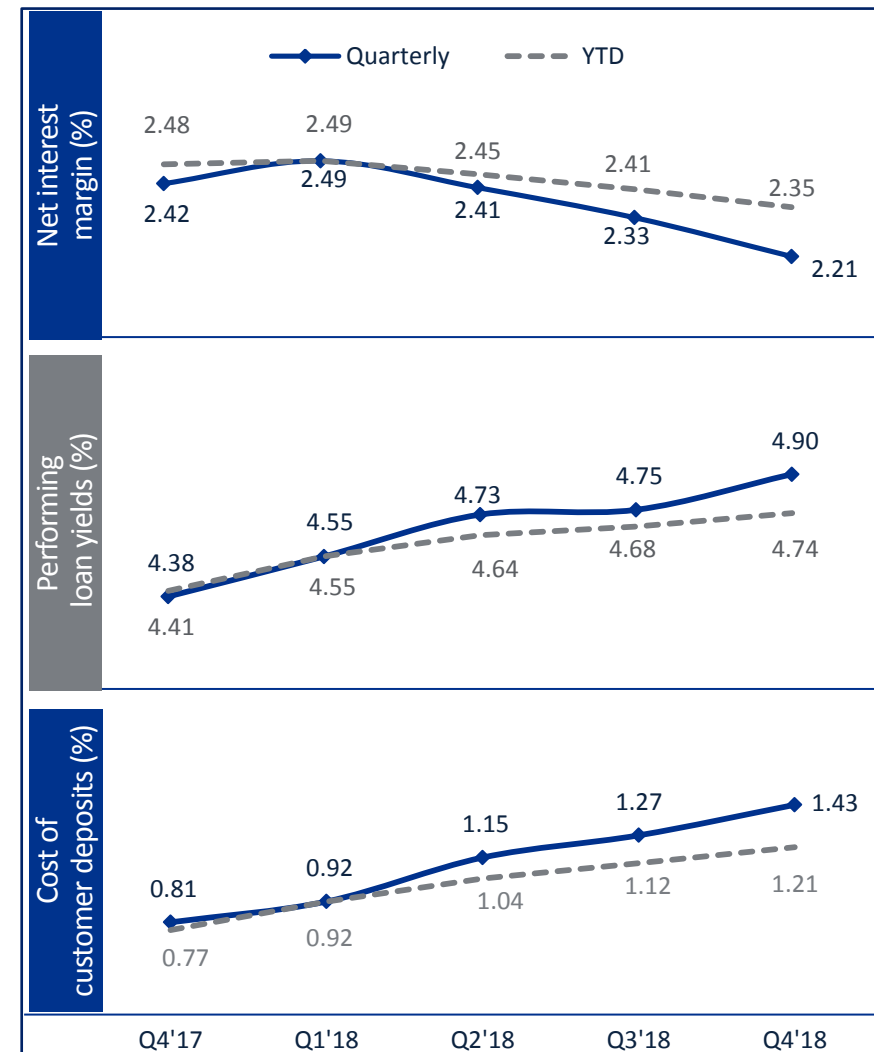
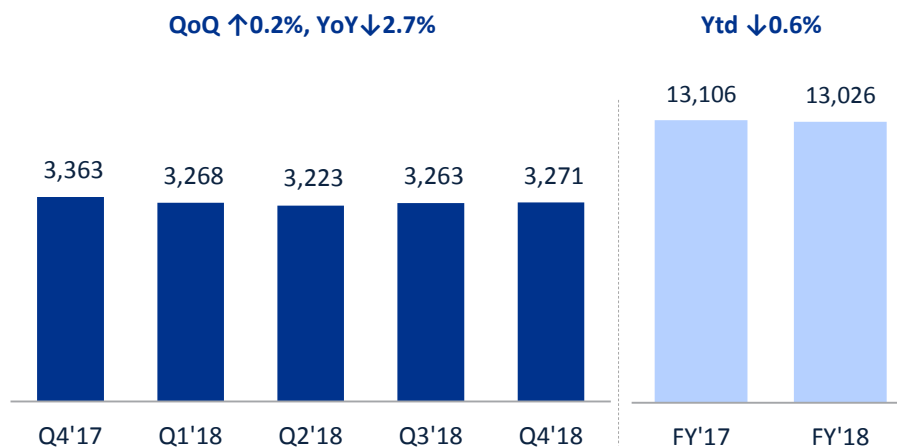


NII/NIM trend: volume growth and rate hikes offset by margin contraction, excess short-term liquidity placements

Key highlights

- Net Interest Income (NII) broadly flat yoy as strong business volumes and rate hike benefits were offset by competitive pricing, risk optimisation in Personal Banking and tactical deployment of excess short term liquidity
- FY'18 Group NIM 13bps lower yoy; Q4'18 NIM down 12bps sequentially mainly due to the dilutive impact of excess liquidity

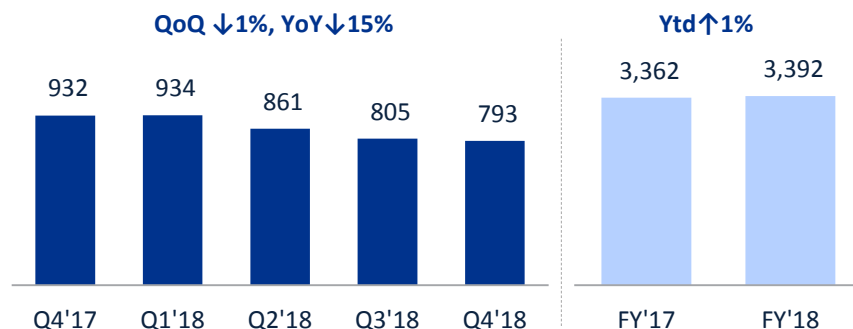
Net interest income (AED Mn)



Note: All percentage figures are annualised

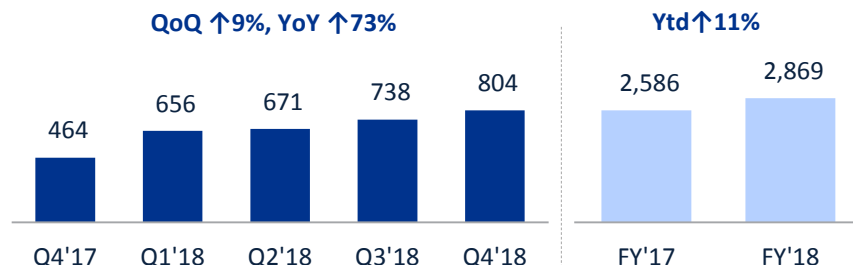
Strength in unfunded income, despite softer Q4

Fees & commissions, net (AED Mn)



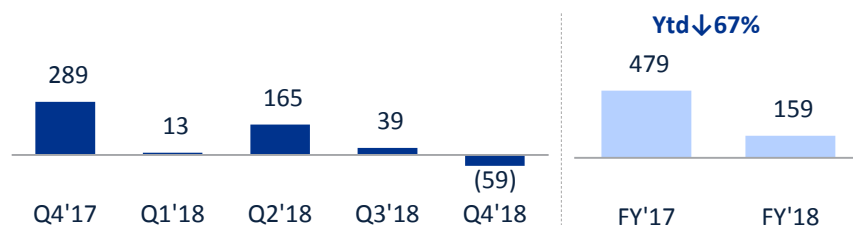
- Fees and commissions (net) grew 1% yoy, on the back of higher income from trade finance, LCM and DCM, partially offsetting lower fees in Personal Banking due to risk optimisation
- Q4'18 fees and commissions down qoq and yoy, primarily due to lower personal banking fees
- FAB maintained leadership in LCM and DCM space in 2018:
 - #1 MENA Loan league tables for 2nd consecutive year
 - #1 Agent of MENA Loans, up from #2 in 2017
 - #7 Bookrunner of MENA Bonds/Sukuk

Net FX & Investment income (AED Mn)



- FX and investment income (net) up 11% yoy on higher income from optimal deployment of excess short-term liquidity in addition to increased client sales

Other operating income (AED Mn)



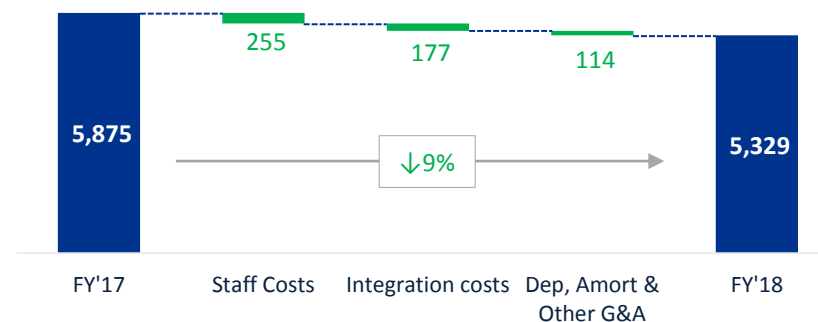
- Other operating income was lower yoy mainly due to fair value losses on investment properties in Q4'18 vs. gains in the prior year comparative period

Industry-leading cost efficiency

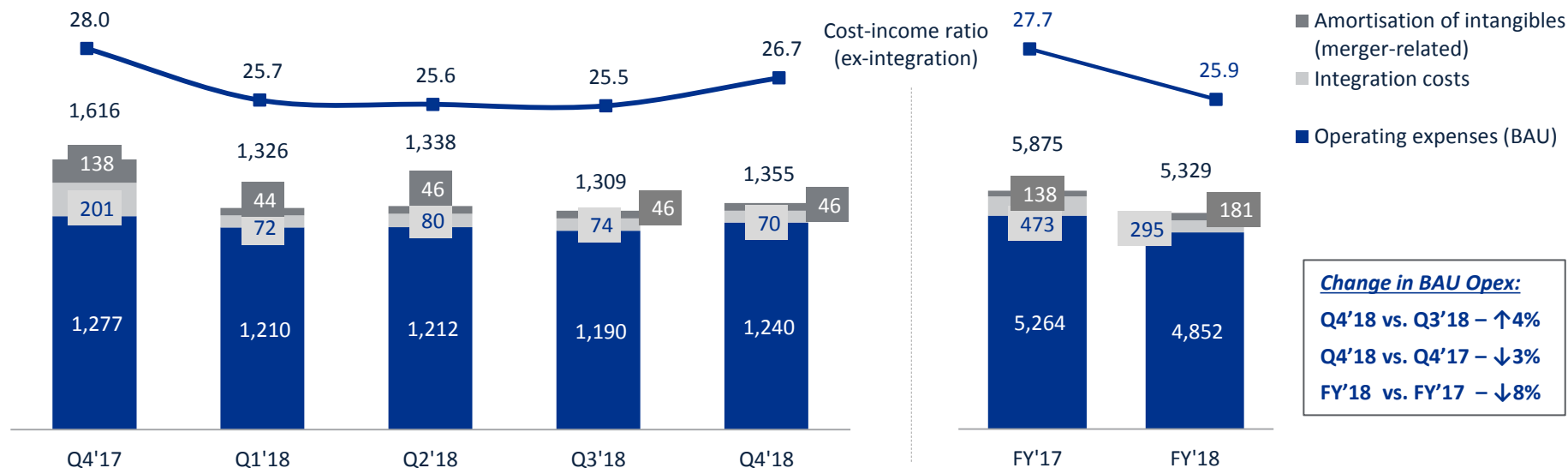
Key highlights

- Headline operating expenses reduced by 9% yoy (↓8% BAU), reflecting cost synergy momentum
- BAU costs up 4% sequentially in Q4'18 as cost savings were offset by new costs (incl. key hires, KSA)
- At 25.9%, C/I ratio (ex-integration costs) is within guidance range of 25-26% for the full year

Movement in operating expenses (AED Mn)



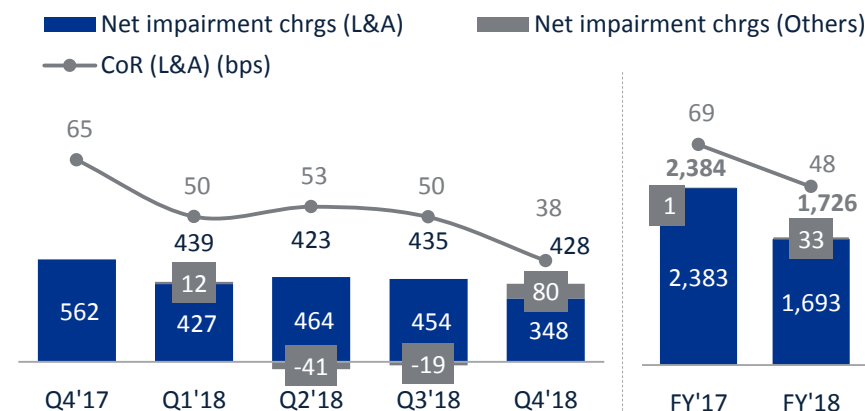
Operating expenses trend (AED Mn) and Cost-income ratio (ex-integration) (%)



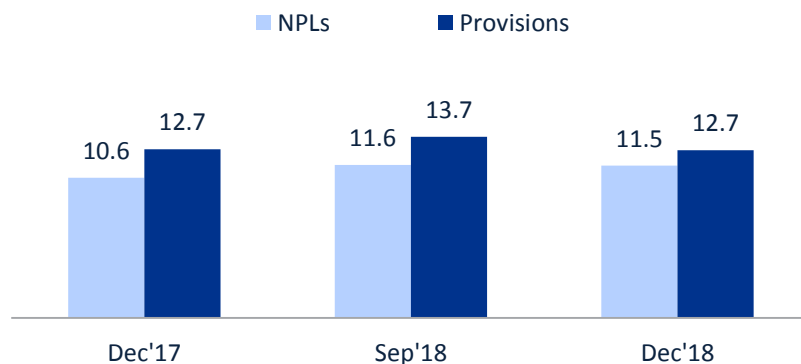
Key highlights¹

- Impairment charges (net) for FY'18 down 28% yoy reflecting healthy asset quality, adequate provisions post IFRS9 implementation and PPA, and risk optimisation in PBG
- CoR on loans and advances at 48bps, reduced by 21bps yoy and is better than guided range of 50-60bps for FY'18; Q4'18 CoR sequentially lower due to higher recoveries
- NPL ratio at 3.1%, stable since Dec'17; provision coverage at 110% with Group impairment allowances at AED 12.7Bn
- Non-performing loans were up 9% yoy, reflecting softness in real estate, trading and retail. Renegotiated loans stand at AED 7.3Bn, against AED 6.3Bn as of Dec'17

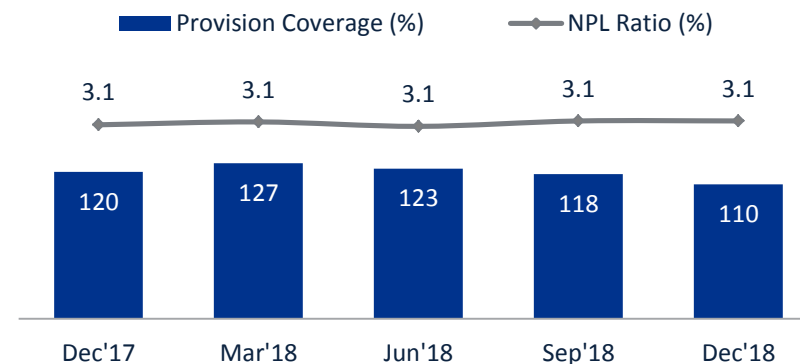
Impairment charges, net (AED Mn) & CoR^{1,4}



NPLs² and ECL / Provisions³ (AED Bn)



Provision coverage¹ & NPL ratio¹



¹ As 2018 ratios are based on IFRS9 accounting and ratios for prior periods are based on IAS39 accounting, they may not be fully comparable

² NPLs = Stage 3 exposure + POCl (Purchase or originally impaired credit) of AED 4,572Mn as of Dec'18 considered as par to NPLs (AED 5,339Mn as of Sep'18, AED 5,469Mn as of Dec'17)

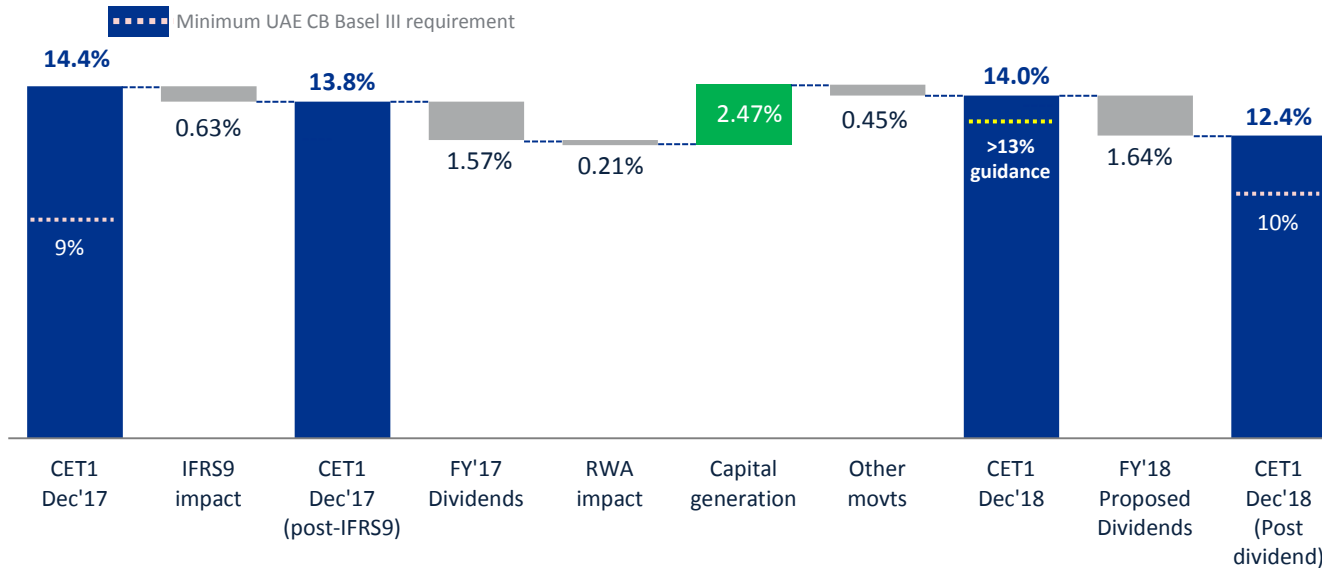
³ Provisions = ECL on loans & advances + ECL on unfunded exposures + IFRS9 impairment reserve

⁴ Annualised

Note: Gross loans and advances and NPLs are net of interest in suspense; see Note #5 Credit Risk in financials for more details on IFRS9 exposures and ECL

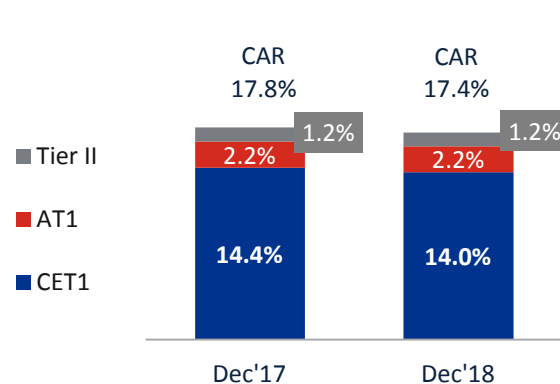
Robust capital position

CET1¹ ratio progression

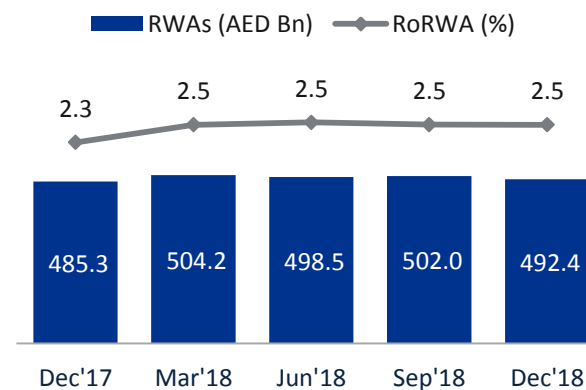


- CET1¹ (post IFRS9 impact) improved yoy on the back of internal capital generation, RWA optimisation
- CET1 post proposed dividend is above regulatory minimum of 10% as prescribed by FAB's D-SIB status
- Impact of IFRS9 on 1 Jan 2018 was AED 3.0Bn (3.0% of Dec'17 shareholders' equity and 63bps of Dec'17 CET1)
- Both RoRWA and RoTE improved yoy. RoTE (ex-integration costs) stands at 16.6%

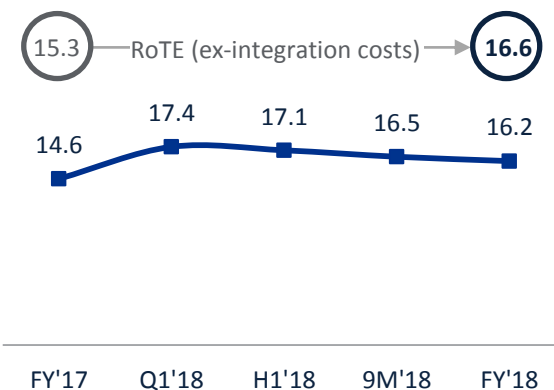
Strong capital ratios (Basel III)¹ (pre-dividend)



RWAs & Return on RWAs



Return on Tangible Equity (RoTE – ytd) (%)



¹ CET1 ratio as per UAE CB's Basel III framework (without considering the transitional arrangements for 2017)

Note: AT1 (additional Tier 1) + Tier 2 capital requirement – Min 3.5%; any shortfall in same to be met by CET1; Countercyclical buffer requirement (0 – 2.5%) as advised by UAE CB – nil for 2017 & 2018

Economy to gather momentum...

- UAE real GDP growth to pick-up to +3.2% (vs. 2.9% in 2018)
- Modestly higher oil output and stabilised oil price
- Abu Dhabi stimulus plan to support government spending
- Ambitious reforms and incentives to facilitate doing business, attract FDIs
- Expo 2020

... despite potential headwinds

- Margin compression
- Softness in key economic sectors
- Regulatory environment

Our strategic priorities

Deliver disciplined and balanced growth

Focus on efficiency, while enabling transformation

Maintain strength

Support sustainable profitability, to continue to maximise shareholder returns

2019 financial guidance

Loan growth High single digit

Revenue growth Mid-single digit

C/I Ratio
(ex-integration costs) 25-26%

Cost of Risk 55-65bps

Net profit growth Mid-single digit

RoTE 16-17%

Basel III CET1
(pre-dividend) >13%

Grow
Stronger

بنك أبوظبي الأول
FAB
First Abu Dhabi Bank

Appendix



Q4/FY'18 Summary Financials

Income Statement - Summary (AED Mn)	Note	Q4'18	Q3'18	QoQ %	Q4'17	YoY %	FY'18	FY'17	YoY %
Net interest Income		3,271	3,263	0	3,363	(3)	13,026	13,106	(1)
Fees & commissions, net		793	805	(1)	932	(15)	3,392	3,362	1
FX and investment income, net		804	738	9	464	73	2,869	2,586	11
Other non-interest income		(59)	39	na	289	na	159	479	(67)
Total Operating Income		4,809	4,845	(1)	5,049	(5)	19,446	19,533	(0)
Operating expenses		(1,355)	(1,309)	3	(1,616)	(16)	(5,329)	(5,875)	(9)
<i>Incl: Integration costs</i>		(70)	(74)	(6)	(201)	(65)	(295)	(473)	(38)
<i>Amortisation of intangibles (merger-related)</i>		(46)	(46)	1	(138)	(67)	(181)	(138)	31
Impairment charges, net		(428)	(435)	(2)	(562)	(24)	(1,726)	(2,384)	(28)
Non Controlling Interests and Taxes		(93)	(80)	17	(48)	96	(381)	(358)	6
Net Profit		2,933	3,021	(3)	2,822	4	12,011	10,915	10
Basic Earning per Share (AED)	a,h	1.02	1.05	(3)	0.99	3	1.06	0.96	10

a) Basic EPS based on attributable profits to equity shareholders' excluding Tier 1 notes coupon (FY'18: AED 523Mn) and outstanding shares

Q4/FY'18 Summary Financials

Balance Sheet - Summary (AED Bn)	Note	Dec'18	Sep'18	QoQ %	Dec'17	YoY %
Loans and advances, net		353	354	(0)	330	7
Customer deposits		465	455	2	396	18
CASA (deposits)	b	159	155	2	150	6
Total Assets		744	732	2	669	11
Equity (incl Tier 1 capital notes)		102	100	2	102	(0)
Tangible Equity	c	71	70	2	71	0

b) CASA deposits include current, savings and call accounts; Dec-2017 has been reclassified to include call accounts

c) Tangible equity is shareholders' equity net of Tier 1 capital notes, goodwill & intangibles

Key Ratios (%)	Note	Q4'18	Q3'18	QoQ (bps)	Q4'17	YoY (bps)	FY'18	FY'17	YoY (bps)
Net Interest Margin	h	2.21	2.33	(12)	2.42	(21)	2.35	2.48	(13)
Cost-Income ratio (ex-integration costs)		26.7	25.5	123	28.0	(130)	25.9	27.7	(178)
Cost of Risk (bps)	d,e,h	38	50	(12)	65	(28)	48	69	(21)
Non-performing loans ratio	d	3.1	3.1	0	3.1	6	3.1	3.1	6
Provision coverage	d	110	118	(821)	120	(1002)	110	120	(1002)
Liquidity coverage ratio (LCR)		118	123	(453)	112	629	118	112	629
Return on Tangible Equity (RoTE)	f	15.7	16.9	(117)	14.9	88	16.2	14.6	154
Return on Risk-weighted Assets (RoRWA)	h	2.3	2.4	(6)	2.3	3	2.5	2.3	20
CET1 ratio	g	12.4	13.6	(126)	12.8	(44)	12.4	12.8	(44)
Capital Adequacy ratio	g	15.7	17.0	(123)	16.2	(49)	15.7	16.2	(49)

d) As 2018 ratios are based on IFRS9 accounting and ratios for prior periods are based on IAS39 accounting, they may not be fully comparable

e) On Loans and Advances

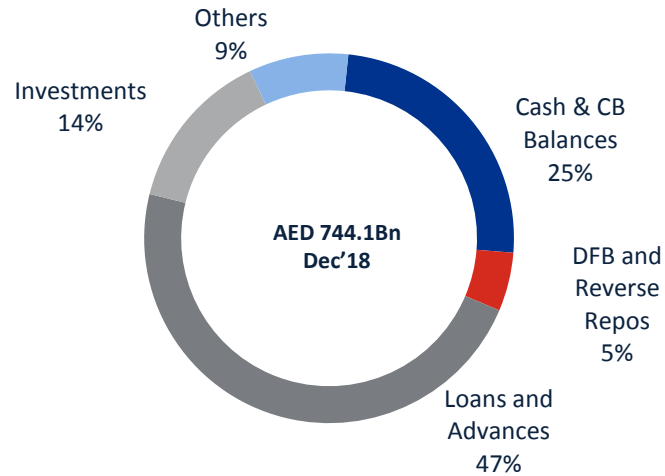
f) Return on Average Tangible Equity, annualised; based on attributable profit to equity shareholders' excl. coupon on Tier 1 capital notes

g) As per UAE Central Bank's Basel III framework; post-dividend; Dec-17 ratios are without considering the transitional arrangements

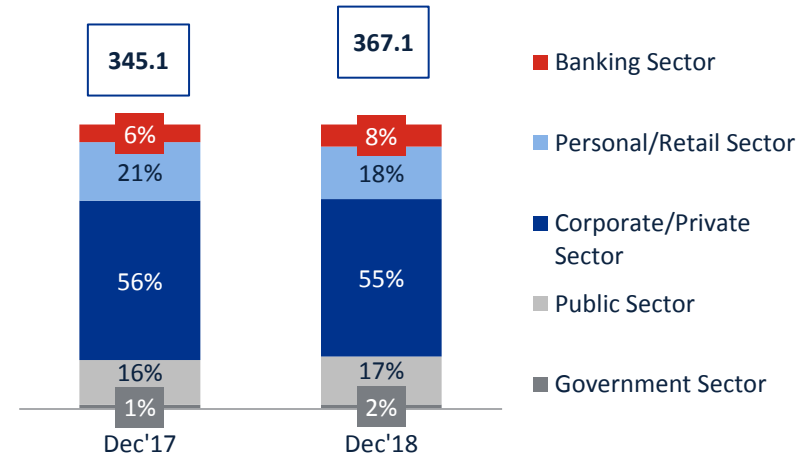
h) Annualised

Rounding differences may appear in above table

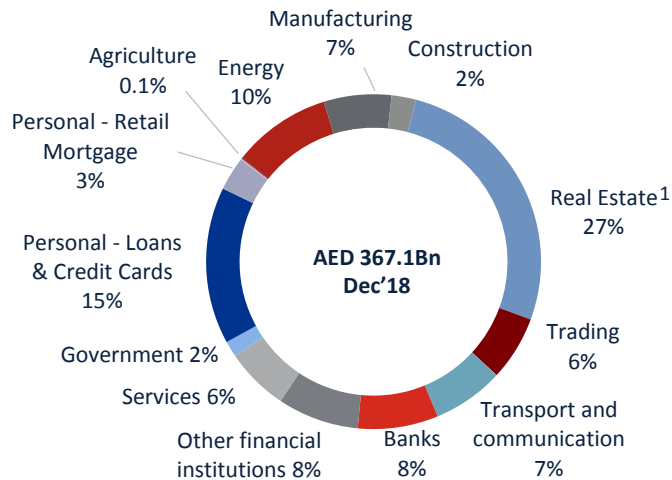
Asset Mix



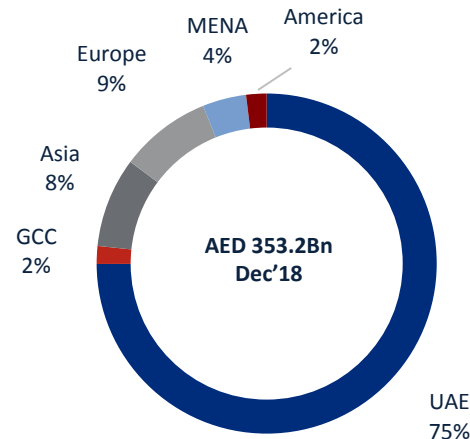
Gross loans by counterparty (AED Bn)



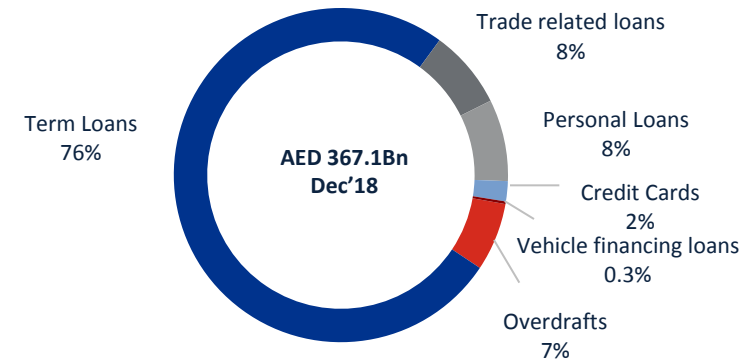
Gross loans by economic sector



Net loans by geography²



Gross loans by product

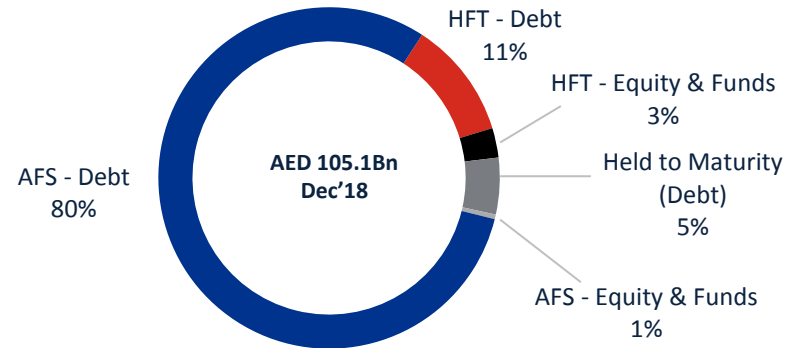


¹ Real Estate by geography: Abu Dhabi 44%, Dubai 20%, Other UAE 2%, UK 26%, Other Intl 8%

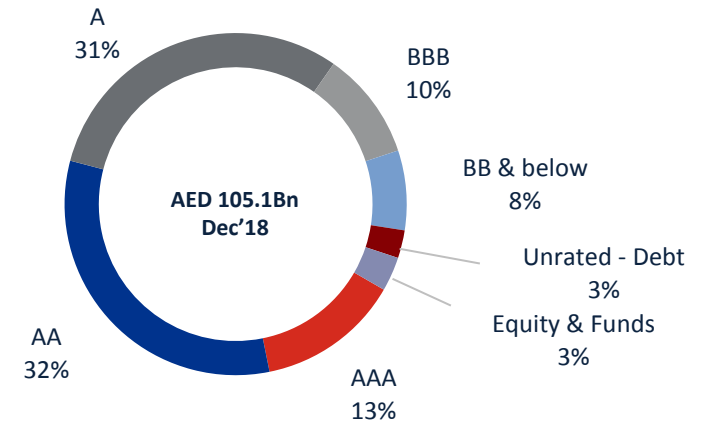
² Based on booking centre

Investments¹ breakdown

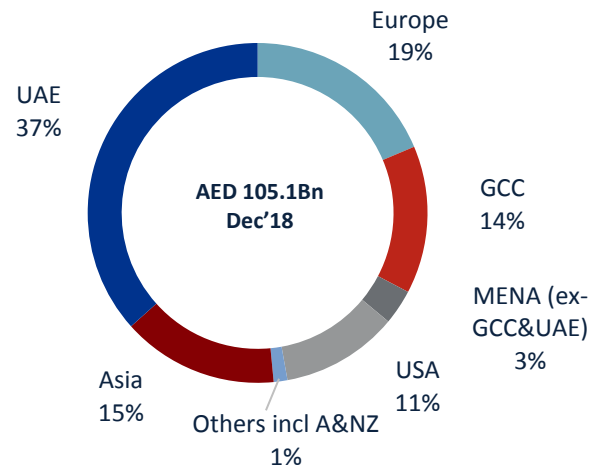
Investments by type



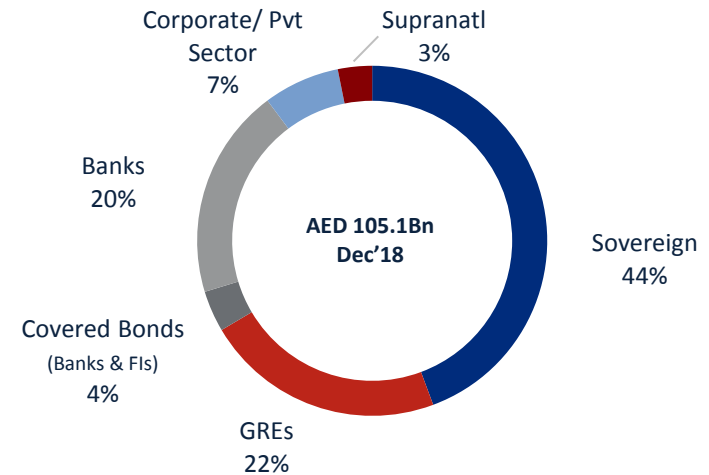
Investments by ratings



Investments by geography



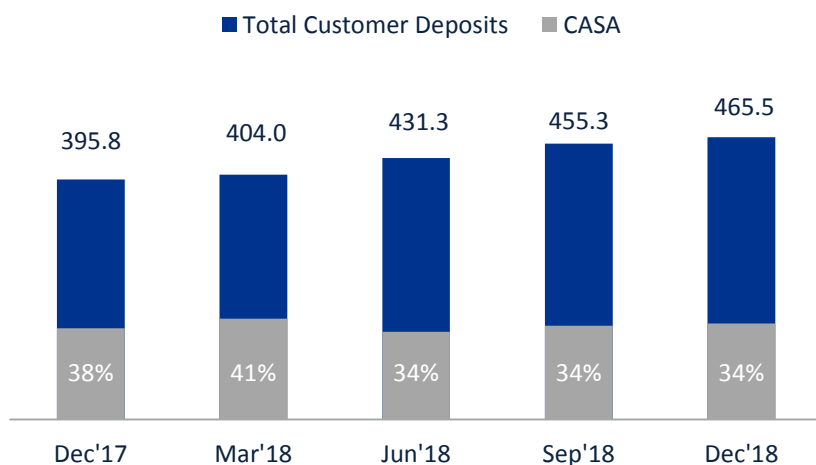
Investments by counterparty



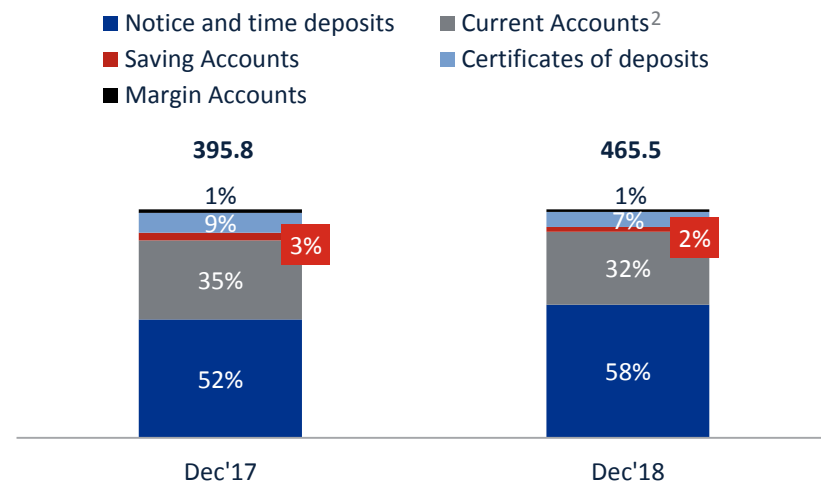
¹ Gross investments before ECL

Customer deposits

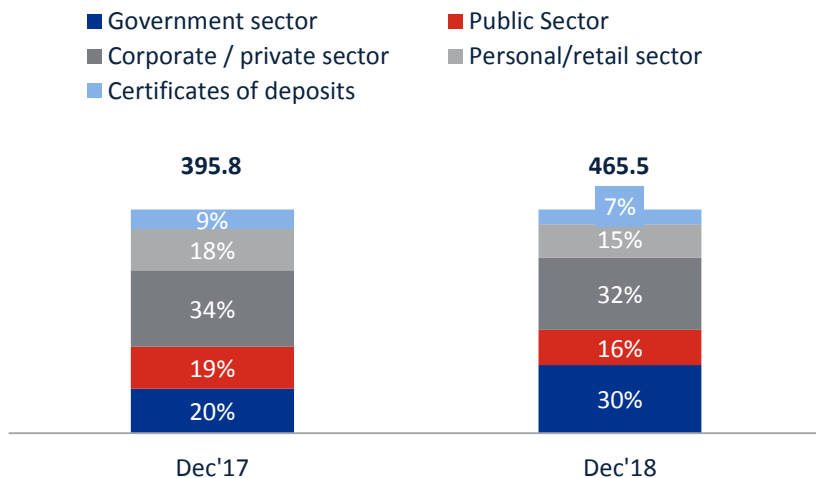
Customer deposits (AED Bn)



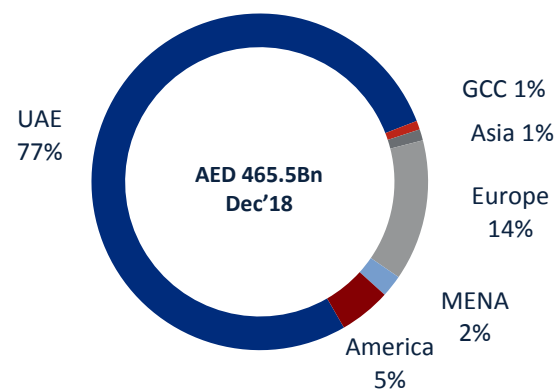
Customer deposits by account type (AED Bn)



Customer deposits by Counterparty



Customer deposits by geography¹

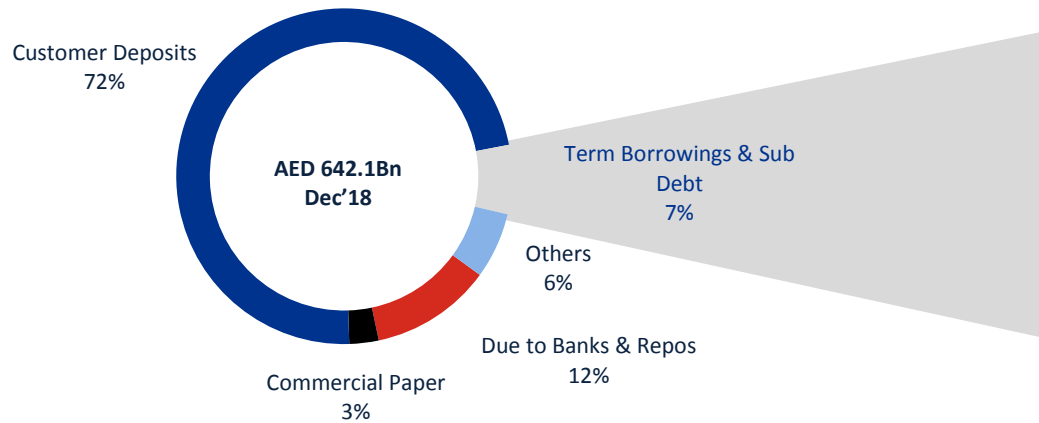


¹ Based on booking centre

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

Liability mix and Wholesale Funding

Liabilities mix

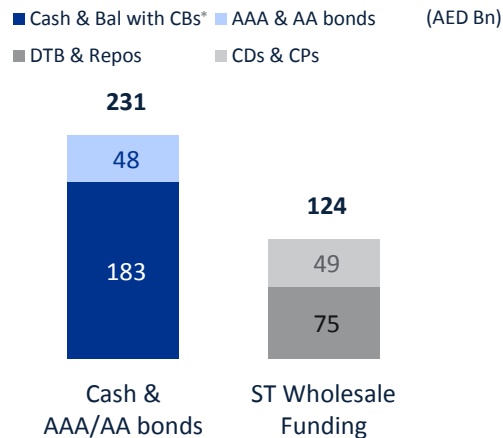


Wholesale funding (AED Bn)

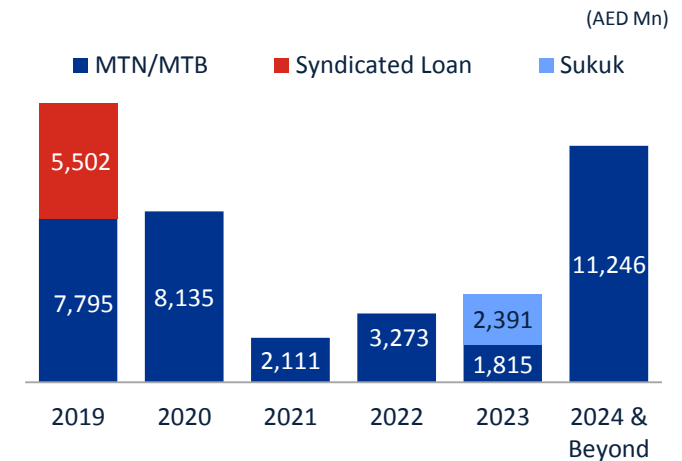
Dec'18

Syndicated loan	5.5
Medium Term Notes/Bonds	34.4
Sukuk	2.4
Subordinated debt	0.4
Total	42.7

Cash & AAA/AA bonds vs. ST wholesale



Medium-term wholesale funding



* FAB has access to place deposits with ECB & FED

Note: Debt at final maturity date rather than next call date

Segmental Performance (by business)

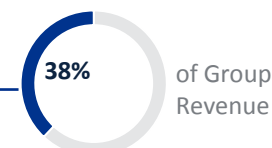
Corporate & Investment Banking (CIB)



In AED Mn	FY'18	YoY %
Revenues	9,909	10
Operating expenses	(1,741)	(13)
Impairment charges, net	(1,223)	308
Profit after taxes	6,757	4
Loans (AED Bn)	255.3	9
Deposits (AED Bn)	370.9	24

- CIB Revenue up 10% against a strong comparative period in 2017, which included opportunistic investment gains, with broad-based growth across key products:
 - › **Global Transaction Banking: +22%** including +55% growth in cash management, and +5% in trade finance
 - › **Global Corporate Finance: +7%** driven by strong business activity and pipeline execution in LCM and DCM, offset by margin compression in the loan portfolio due to competitive pricing
 - › **Global Markets: +14%** driven by higher returns from ALM and Credit portfolios despite volatile market conditions, and fewer liquidations compared to 2017.
- Robust loan and deposit growth year-on-year, and strong liquidity position
- FAB is first ever regional bank to lead MENA/GCC loan league tables in 2018, for second year in a row; amongst leading book runners of MENA Bonds/Sukuk

Personal Banking Group (PBG)

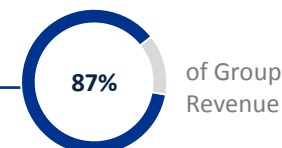


In AED Mn	FY'18	YoY %
Revenues	7,306	(4)
Operating expenses	(2,769)	(9)
Impairment charges, net	(457)	(80)
Profit after taxes	3,986	79
Loans (AED Bn)	96.7	(5)
Deposits (AED Bn)	90.2	(1)

- PBG net profit and risk-adjusted returns significantly improved yoy, on the back of lower impairment charges and operating expenses, largely offsetting softer revenue
- Branch network in UAE optimised to 79 branches (vs. 103 as of Dec-end 2017)
- Net loans down yoy reflect risk optimisation, and selective growth in targeted areas offering healthy risk-adjusted returns
- Integration of legacy banking platforms onto a single platform in Q4, enabling FAB customers to open and manage their accounts through consistent channels and processes

Segmental Performance (by geography)

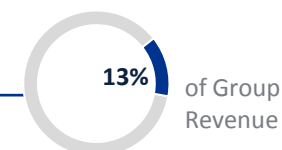
UAE



In AED Mn	FY'18	YoY %
Revenues	16,851	(1)
Operating expenses	(4,381)	(13)
Impairment charges, net	(1,807)	(22)
Profit after taxes	10,659	9
Loans (AED Bn)	264.8	1
Deposits (AED Bn)	360.5	25

- Solid UAE profitability yoy, on the back of strong business momentum, continued synergy realisation and a significant reduction in net impairment charges
- Operating expenses 13% lower yoy on the back of cost synergies, cost discipline
- Asset quality remained healthy, with a strong provision coverage post IFRS9 implementation
- Loans grew 1% primarily led by CIB, while customer deposits increased 25% mainly on the back of significant short-term government inflows, as well as private sector deposits

International (Europe, Americas, Middle East & Africa and Asia-Pacific)



In AED Mn	FY'18	YoY %
Revenues	2,595	7
Operating expenses	(947)	11
Impairment charges, net	81	na
Taxes	(322)	1
Profit after taxes	1,407	19
Loans (AED Bn)	88.4	31
Deposits (AED Bn)	105.0	(3)

- FAB's international business remains a key differentiator supporting revenue and risk diversification, contributing 13% to FY'18 Group revenue
- Revenue grew 7%, primarily driven by double-digit growth in fees and commissions
- Loans were up 31%, led by strong activity across Asia-Pacific and MENA; liquidity remained strong underpinned by continued diversification of funding sources across various geographies
- As of December-end'18, international loans and deposits represent 25% of Group loans and 23% of deposits, respectively

Executed Landmark Transactions in 2018

Debt Capital Market

 <p>Tata Steel USD 1.3 billion Senior Unsecured Notes 4.450% due 2023 5.450% due 2028 Joint Bookrunner Jan 2018</p>	 <p>The Arab Republic of Egypt USD 4.0 billion Senior Unsecured Notes 5.577% due 2023 6.588% due 2028 7.903% due 2048 Joint Bookrunner Feb 2018</p>	 <p>China National Chemical Corporation Limited USD 4.95 billion & EUR 1.2 billion Senior Unsecured Multi-Tranche Notes Joint Bookrunner Mar 2018</p>
 <p>TAQA USD 1.75 billion Senior Unsecured Dual Tranche Notes 4.375% due 2025 4.875% due 2030 Joint Bookrunner Apr 2018</p>	 <p>Bank of China, Singapore Branch USD 1.5 billion Senior Unsecured Dual Tranche Floating Rates Notes due 2021 & 2023 Joint Bookrunner Apr 2018</p>	 <p>Republic of Maldives USD 100 million Senior Unsecured Notes 5.500% due 2023 Sole Arranger & Bookrunner Apr 2018</p>
 <p>Aldar Investment Properties LLC USD 500 million Senior Unsecured Sukuk 4.750% due 2025 Joint Global Coordinator & Joint Bookrunner Sep 2018</p>	 <p>DP World USD 2.0 billion Senior Unsecured Notes 4.484% Sukuk due 2028 5.625% Bond due 2048 Joint Bookrunner Sep 2018</p>	 <p>Saudi Electricity Company USD 2.0 billion Senior Unsecured Sukuk 4.222% due 2024 4.723% due 2028 Joint Bookrunner Sep 2018</p>
 <p>Abu Dhabi Islamic Bank USD 750 million Additional Tier 1 Sukuk 7.125% Perpetual NC5 Joint Bookrunner Sep 2018</p>	 <p>State Bank of India USD 650 million Senior Unsecured Green Bond 4.500% due 2023 Joint Bookrunner Sep 2018</p>	 <p>Mubadala Development Company USD 800 million Senior Unsecured Notes 4.760% due 2025 Joint Bookrunner Nov 2018</p>

Loan Capital Market

 <p>National Bank of Egypt USD 600 million Term Loan Facility Bookrunner, Mandated Lead Arranger & Facility Agent May 2018</p>	 <p>ChemChina USD 5.5 billion Term Loan Facilities Bookrunner, Mandated Lead Arranger May 2018</p>	 <p>Kuwait Foreign Petroleum Exploration Company (KUFPEC) USD 1.1 billion Term Loan Facility Sole Coordinator, Bookrunner, Mandated Lead Arranger & Facility Agent Jul 2018</p>
 <p>IndoExim Bank USD 1.15 billion Term Loan Facilities Bookrunner, Mandated Lead Arranger Aug 2018</p>	 <p>Mobile Telecommunications Company USD 700 million Revolving Credit Facility Sole Coordinator, Bookrunner, Mandated Lead Arranger & Facility Agent Aug 2018</p>	 <p>Majid Al Futtaim USD 1 billion Revolving Credit Facility Sole Coordinator, Sole Bookrunner, Mandated Lead Arranger & Facility Agent Sep 2018</p>
 <p>ADNOC Drilling USD 1.5 billion Term Loan Facility Joint Coordinator, Bookrunner, Mandated Lead Arranger & Facility Agent Oct 2018</p>	 <p>Telecom Egypt USD 500 million Term Loan Facility Bookrunner, Mandated Lead Arranger & Facility Agent Oct 2018</p>	 <p>Saudi Electricity USD 2.9 billion Term Loan and Revolving Credit Facilities Bookrunner, Mandated Lead Arranger & Facility Agent Nov 2018</p>
 <p>Americana USD 1.3 billion Term Loan Facility Bookrunner, Mandated Lead Arranger & Agent Dec 2018</p>	 <p>Egyptian General Petroleum Corporation EGP 10 billion Term Loan Facility Bookrunner & Mandated Lead Arranger Dec 2018</p>	 <p>Equate Petrochemicals USD 2.9 billion Term Loan and Revolving Credit Facilities Bookrunner & Mandated Lead Arranger Dec 2018</p>

Prestigious awards highlight FAB's strength and industry expertise

Global Finance

- Best Bank in UAE
- Best Equity Bank in the Middle East
- Best Investment Bank in the UAE
- Best FX provider in UAE
- Best Overall Cash Management Bank in the Middle East
- Best Bank for Liquidity Management in the Middle East
- Safest Bank in the UAE
- Safest Bank in the Middle East
- 4th Safest Bank in Emerging Markets
- 17th Safest Commercial Bank
- 31st Safest Bank in the World

Banker Middle East

- Best Bank in the UAE
- Best SME Value Proposition
- Best Brokerage Company (NBAD Securities)
- Best Consumer Finance Company in MENA (Dubai First)

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

Euromoney

- Best Investment Bank in the United Arab Emirates
- Best Bank for Financing in the Middle East

The Banker

- Most Innovative Investment Bank in MENA
- Most Innovative Investment Bank from the Middle East

MENA Fund Manager

- Best Fixed Income of the Year
- UAE Asset Manager of the Year

Global Capital

- Best Arranger of Loans in the Middle East

Global Trade Review

- Best Trade Finance Bank in MENA

KLIFF

- Most Outstanding Islamic Banking Window

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)

Grow
Stronger

بنك أبوظبي الأول
FAB
First Abu Dhabi Bank

FAB Analyst & Investor Day 2019

Date: Wednesday 6th March 2019

Time: 5pm – 8pm

Location: Abu Dhabi, UAE

To RSVP, send an email to FAB Investor Relations
(ir@bankfab.com)

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