

Investor Presentation

May 2019

Grow
Stronger

بنك أبوظبي الأول
FAB
First Abu Dhabi Bank



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

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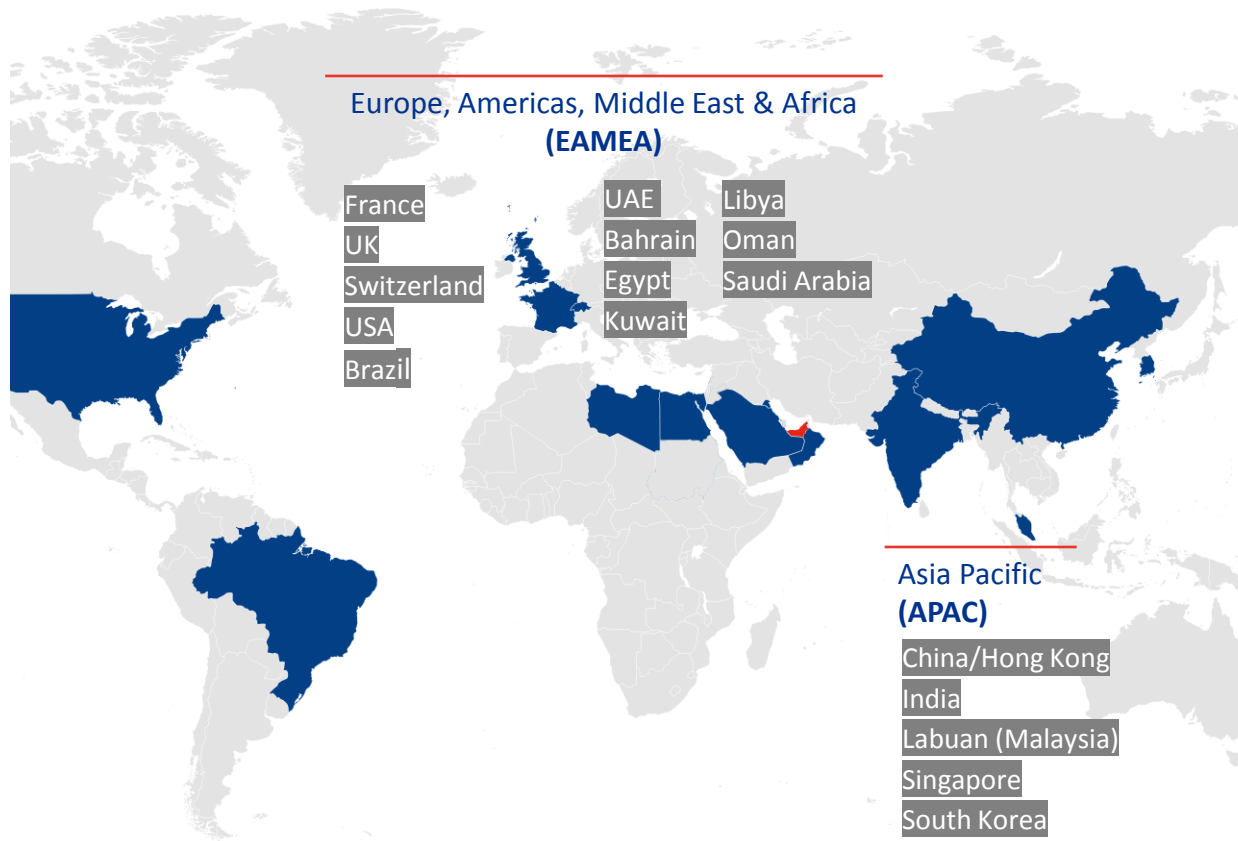
بنك أبوظبي الأول
FAB
First Abu Dhabi Bank

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 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 733Bn) and market capitalisation (AED 166Bn)

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

Presence
across
5
continents

Domestic
network across
7
emirates

79
Branches/
Cash offices in UAE

564
ATMs/CDMs

The safest and strongest bank in the Middle East

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Strongest combined credit ratings amongst any other bank in MENA

	MOODY'S	S&P Global Ratings	Fitch Ratings
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



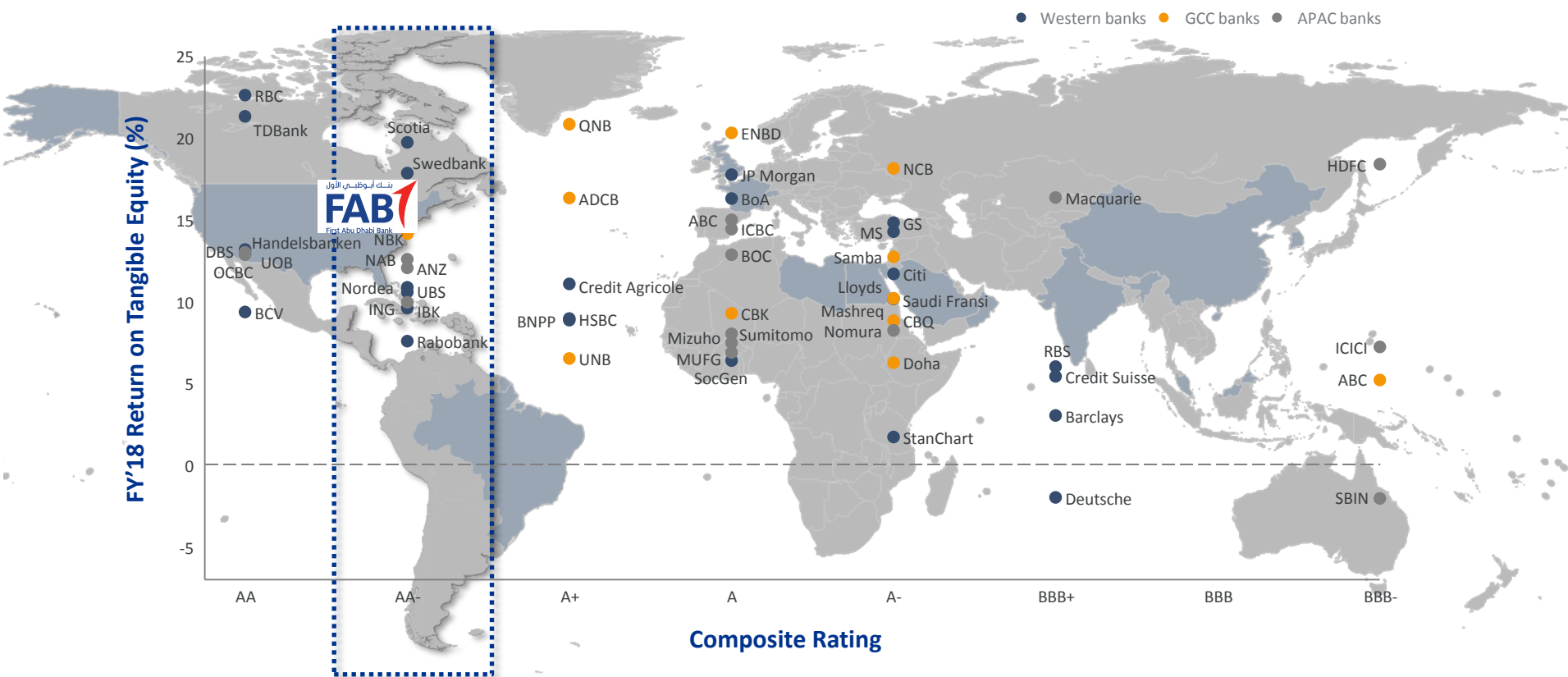
Top 1000 banks' rankings by The Banker²



¹ Global Finance Magazine safest bank rankings, 2018

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

FAB is amongst the most profitable AA- rated banks globally



Overview¹

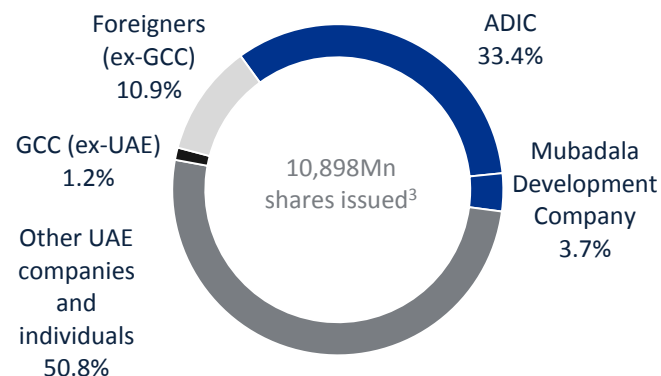
- Listed on Abu Dhabi Securities Exchange (ADX)
- Symbol: FAB
- Market cap: AED 166Bn (USD 45.1Bn)
- Foreign Ownership Limit: 40%
- Valuation multiples

P/TE 14.1x

P/TB 2.5x

D/Y 4.9%

Strong shareholding³



Index Weightings¹

Abu Dhabi Securities Market Index	ADSMI	45.2%
Bloomberg EMEA Banks Index	BEUBANK	3.1%
MSCI EM ²	MXEF	21bps
MSCI EM Banks ²	MXEF0BK	118bps
FTSE Emerging Index ²	FTAG01	24bps

¹ As of 31 March 2019


² As of 28 March 2019

³ Shareholding percentage based on outstanding shares (net of 1.5Mn treasury shares) as of Mar-end 2019. Effective 30 April 2019, 22.5Mn shares were added to existing Employees Stock Options program, thereby increasing the total number of issued shares to 10,920Mn

Leading UAE and regional bank

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Banking sector assets ¹ (USD Bn)	National champion ²	Q1'19 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)
 788	FAB	0.85	200	26.6	45.1	Aa3 / AA- / AA-
 630	NCB	0.84	124	18.1	44.0	A1 / BBB+ / A-
 399	QNB	0.98	242	23.2	45.9	Aa3 / A / A+
 222	NBK	0.35	90	10.8	19.2	Aa3 / A+ / AA-
 207	AUB	0.19	37	4.3	6.1	NA / BBB / BBB-
 88	Bank Muscat	0.12	31	4.8	2.8	Ba2 / BB / BB+

1 Company and Central Bank information as of latest reported for 31 Mar 2019, except for Banking sector assets for Oman (28 Feb 2019)

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

3 Based on 31 Mar 2019; Source Bloomberg

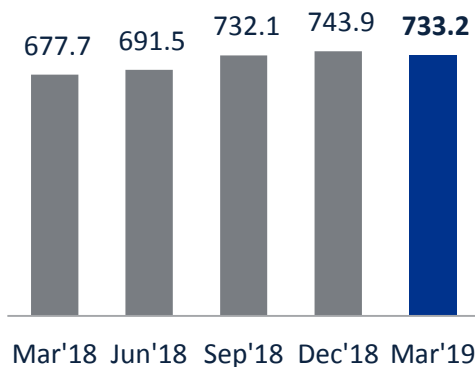
Key financials at a glance

Balance sheet & Income Statement (based on Pro forma Financial Information)

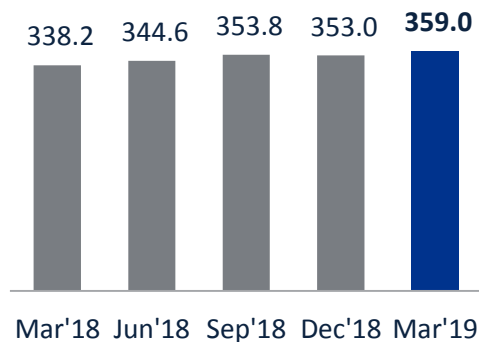
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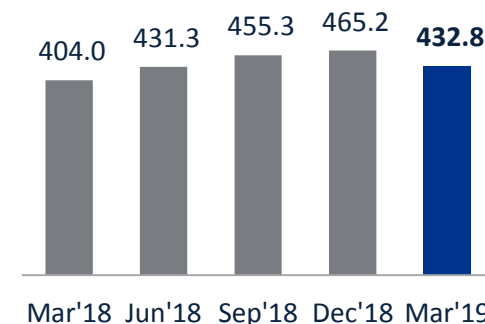
TOTAL ASSETS (AED Bn)



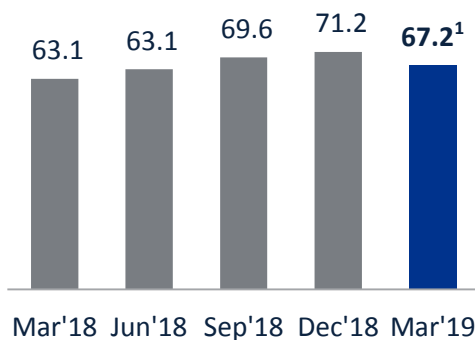
LOANS & ADVANCES (AED Bn)



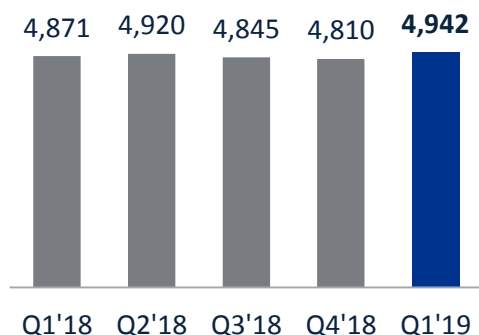
CUSTOMER DEPOSITS (AED Bn)



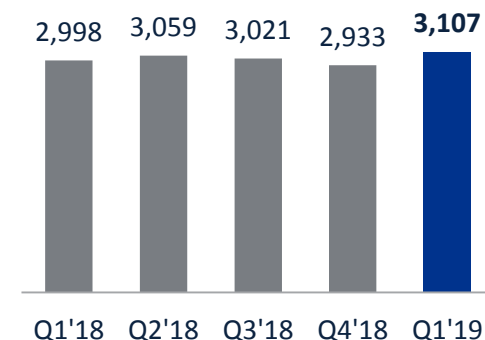
TANGIBLE EQUITY (AED Bn)



OPERATING INCOME (AED Mn)



NET PROFIT (AED Mn)



¹ Post AED 8.1Bn dividend payout

Key financials at a glance

Key ratios (based on Pro forma Financial Information)

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NIM - YTD (%)



Q1'18 Q2'18 Q3'18 Q4'18 Q1'19

NPL RATIO (%)



Mar'18 Jun'18 Sep'18 Dec'18 Mar'19

PROVISION COVERAGE (%)



Mar'18 Jun'18 Sep'18 Dec'18 Mar'19

COST TO INCOME RATIO - YTD (%)

(EX-INTEGRATION COSTS)



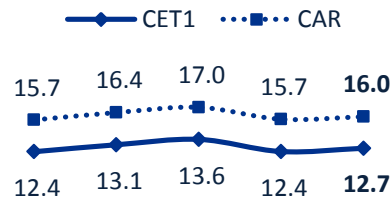
Q1'18 Q2'18 Q3'18 Q4'18 Q1'19

NON-INT INC / REVENUES (%)



Q1'18 Q2'18 Q3'18 Q4'18 Q1'19

CET1 & CAR¹ (%)



Mar'18 Jun'18 Sep'18 Dec'18 Mar'19

RoTE - YTD (%)



Q1'18 Q2'18 Q3'18 Q4'18 Q1'19

RoRWA - YTD (%)



Q1'18 Q2'18 Q3'18 Q4'18 Q1'19

¹ Capital ratios are post dividend as per UAE CB's Basel III framework
Ratios annualised, based on actual/365 day count, where relevant

Our commitment to sustainability

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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 supporting the UAE's National Council to implement the Sustainable Development Goals (SDGs) in the UAE

FAB's climate change response was given a '**B**' score by Carbon Disclosure Project (CDP)

Signatory to **Abu Dhabi Declaration** on cleaning the Marine Environment

Launched "**BE THE CHANGE**" #Rethink Plastic Programme

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 and Community Impact

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





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

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Our journey to grow stronger



2017

FAB delivered a resilient performance in a transitional year

2018

Strong set of results with **+10% YoY** net profit growth despite focus on integration

Outlook



FAB well positioned to drive **sustainable growth**



Strong foundation to support **higher market share**



Continue to focus on **maximising shareholder return**

+AED1.1Bn/+10%
Net Profit

AED
10.9Bn

2017

Year of
Merger

AED
12.0Bn

2018

Year of
Integration

2019

2020

Growth &
Transformation

2021

Reflecting on a successful journey

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3rd Jul 2016

Merger
announcement

2nd Apr 2017

Legal merger
completion

3rd Dec 2018

Unification of legacy systems
Final milestone of UAE integration

**Strong focus on
execution
and delivering all
planned
milestones**

Finalisation of
organisation
structure and
operating
model

Harmonisation of
Group policies
and risk
framework

Product and pricing
harmonisation

Network and
channels
rebranding

Strategic
alignment of
international
operations

Launch of key
strategic
initiatives

Ongoing
network
optimisation

Process
refinements and
automation

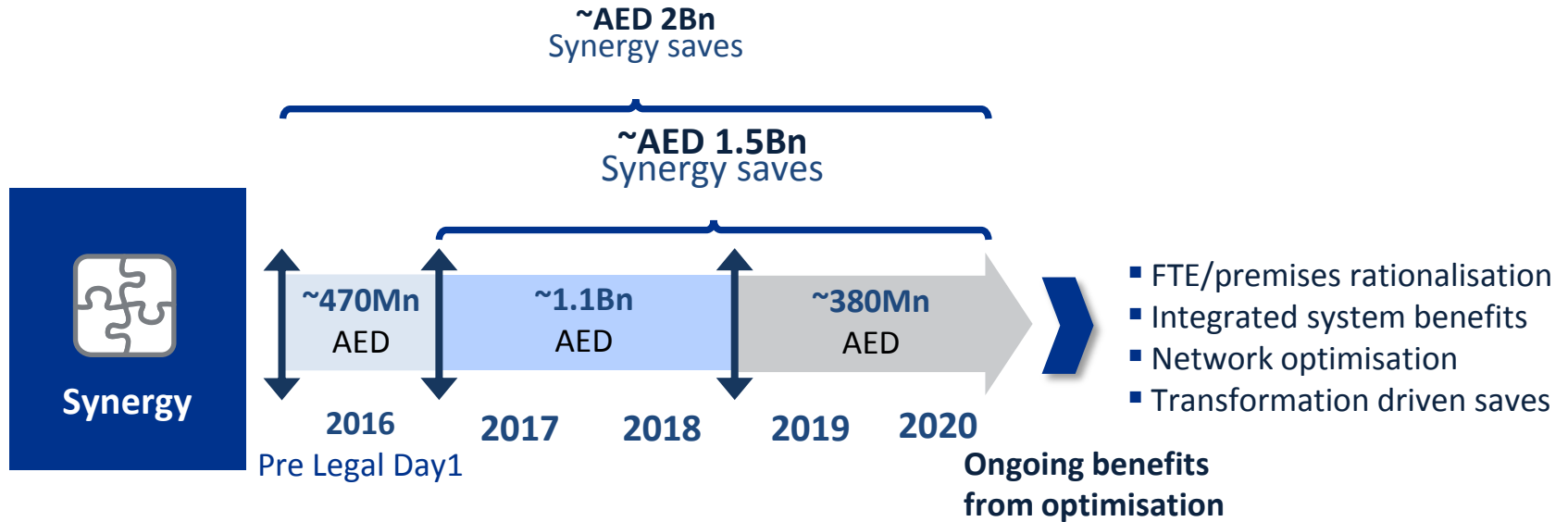
Leading market position

Optimised network and processes

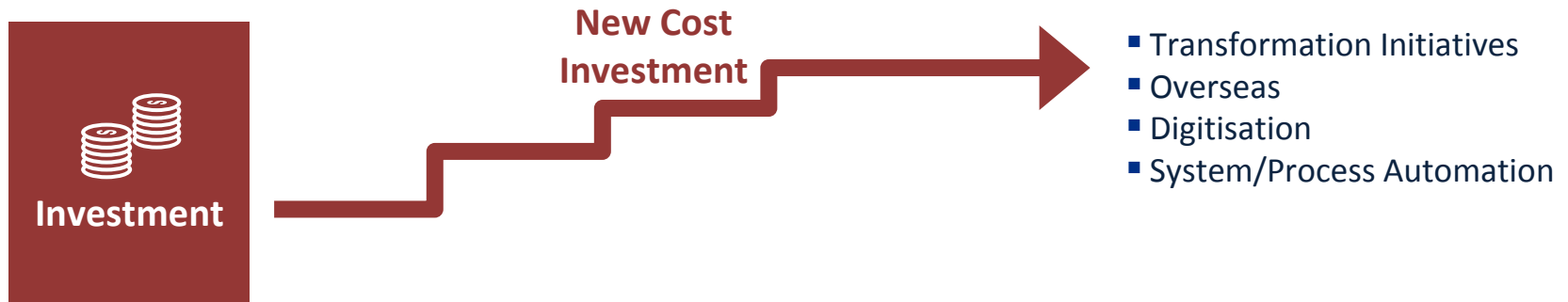
**Excellent progress in delivering cost
synergies**

**Expansion in Saudi Arabia
underway**

**Strongest combined credit ratings of any other bank in MENA
(AA- or equivalent)**



Building a lean & agile model
C/I ratio to be closely managed



Our strategy is based on 5 pillars

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Our Vision

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



1.

Mobile-centric digitisation

- Digitise customer journeys
- Launch digital ventures and new business models
- Become a data-driven company through advanced analytics, AI
- Build a modern and flexible technology foundation



2.

Growth and leadership in PBG

- Enhance value proposition across key segments and products
- Digital investments: acquisition and servicing capabilities
- Accelerate international growth (KSA, Egypt, private banking)



3.

Regional dominance and international relevance in CIB

- Strengthen leadership position in UAE
- International: grow in KSA and Egypt, dominate MENA trade flows
- Expand product offering, focus on flow business and cross-sell
- Elevate customer convenience through digital



4.

Talent mobilisation

- Strengthen and evolve unified culture
- Acquire new talent to support transformation and cultural shift
- Enable existing employees to acquire new skills and capabilities



5.

Drive value from scale

- Drive organic growth across segments and geographies
- Opportunistically pursue transactions that create significant value

Dominant CIB franchise



Client led franchise with
global connectivity



Market leading
capabilities



Preferred banking
partner for
Govt/GREs/Corporates



Strong and diversified
liability franchise

#1

Agent of MENA
Syndicated Loans

#5

Bookrunner of MENA
Bonds and Sukuk¹

#1

Bank for MENA Liability
Management

#1

UAE custodian

**CIB
contribution to
Group FY'18 metrics**

Revenue

52%

Profit
After Tax

57%

Loans &
advances

73%

Customer
Deposits

81%

Largest bank in the UAE



Serve all types of
customers



Full suite of
products



Large distribution
network



Trusted
brand

79 branches and pay offices in UAE with
a presence across all 7 emirates

More than **2.5Mn** customers

PBG contribution to Group FY'18 metrics

Revenue

39%

Profit
After Tax

35%

Loans &
advances

27%

Customer
Deposits

18%

FAB medium term aspirations



Scale

Loan growth, **2x real GDP**



Efficiency

Cost/Income (ex. Integration), **<25%**



**Revenue growth
and diversification**

Mid-single digit CAGR

>35% contribution from non-interest income

>20% contribution from international operations



**Profitability &
Capital**

RoTE, 17%-18%

> 13.5% min. Basel III CET1 (pre-dividend)

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Economic and banking sector review



A cosmopolitan country

~**10.4Mn** people (2018e)¹
Expatriates ~**85%**

2nd largest economy in GCC (25th largest in the world)

USD **433Bn** 2018e Nominal GDP¹
USD **40,711** 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% | **+17%**
2018e 2019f | YoY increase in 2019
Real GDP Growth¹ | Federal Budget³

Diversified & competitive economy

78% | **11th**
non-oil sector | ease of doing
contribution | business rankings,
to nominal GDP⁴ | up from 21st in
2018⁵

IMF Article IV Consultation (May 2, 2019) preliminary findings:

- "UAE economy continued to adjust last year, but green shoots are now emerging, with domestic credit growth, employment, and tourist arrivals showing improvement"
- "The economy may now be at a turning point, supported by public spending - a substantial amount of Expo 2020 investment should be completed by end-year, some GREs are embarking on new investment plans, and implementation of emirate-level stimulus is expected to accelerate - as well as by external tailwinds"



UAE federation established in **1971** comprising **7 Emirates**
One of the **6** GCC (Gulf Cooperation Council) states

Economic structure and performance⁶

	2018e	2019f	2020f
Real GDP Growth (% change)	2.9	3.2	3.3
Nominal GDP (USD Bn)	433	450	475
Inflation (CPI, % change)	3.5	2.4	2.6

1 IMF World Economic Outlook - April 2019, FAB in house estimates

3 WAM (Emirates News Agency)

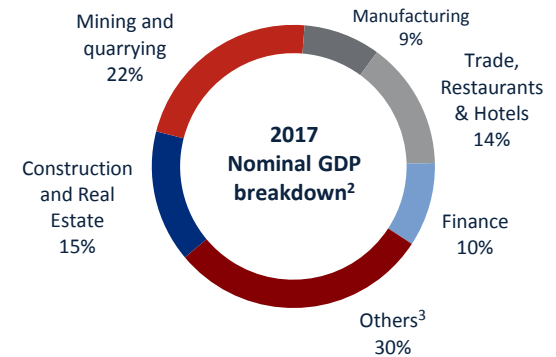
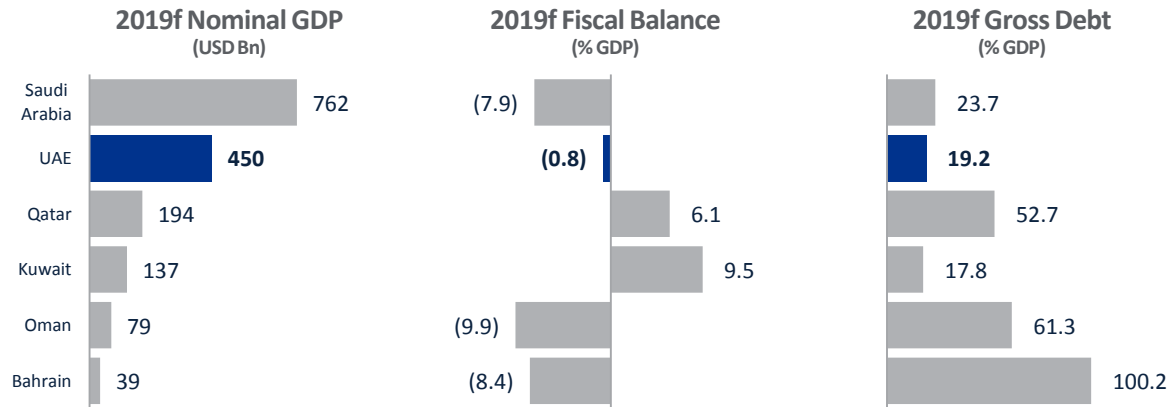
5 World Bank's Ease of Doing Business Rankings 2019

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

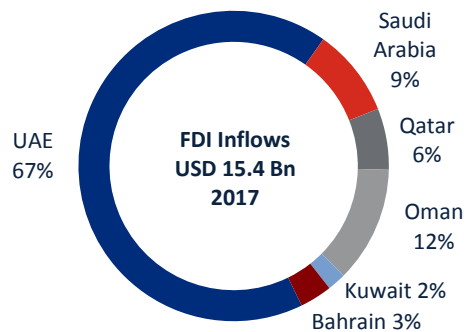
4 Federal Competitiveness and Statistics Authority, 2017 Nominal GDP

6 Based on estimates of FAB Market Insights

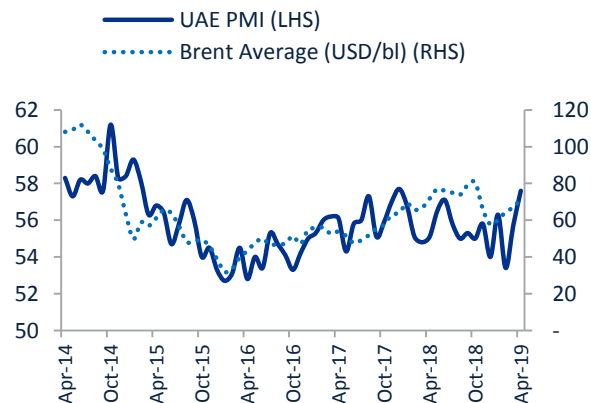
A robust and diversified economy¹



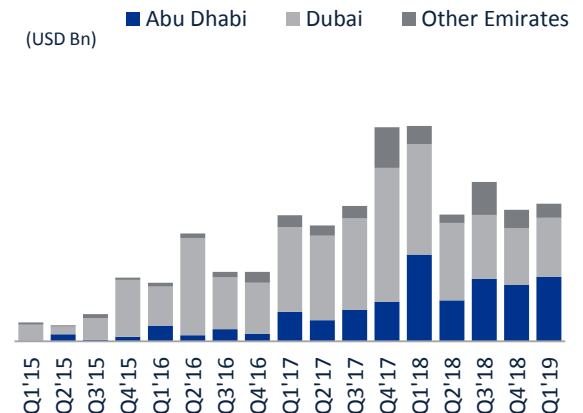
UAE remains top FDI destination in GCC⁴



UAE PMI in expansionary territory⁵



Project awards on the rise in Abu Dhabi⁶



1 IMF World Economic Outlook - April 2019, FAB Market Insights estimates for UAE Nominal GDP
2 Federal Competitiveness and Statistics Authority
3 Others include Agriculture, Utilities, Transportation, Communication, Government and Other activities

4 World Investment Report 2018 - UNCTAD
5 Markit Economics; PMI (Purchasing Manager Index), Bloomberg
6 Meed Projects (Mar 2019)

Highest sovereign ratings in
MENA

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

Major contributor to UAE GDP

USD **254Bn** 2018e Nominal GDP¹
59% of UAE's 2018 Nominal GDP

2nd highest GDP per capita
in the world

USD **87,586**²

Strong fiscal position

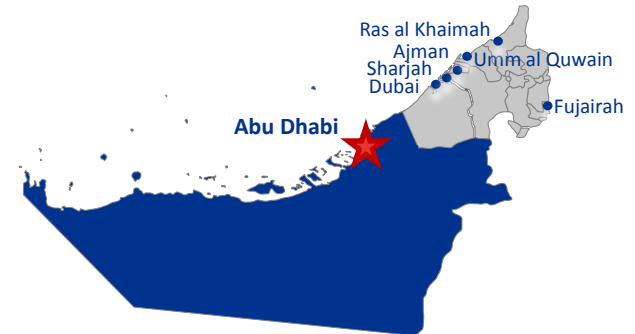
Sovereign foreign assets – **281%** of GDP³
Government debt – **only 8%** of GDP³

Strong recovery underway post
several years of fiscal
consolidation

2.7% → 3.4%
2018f 2019f
*Real GDP Growth*⁴

On clear path to economic
diversification

60% 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 National Accounts (SCAD) March 2019, preliminary estimates

2 After Luxembourg - IMF World Economic Outlook, April 2019; GDP per capita based on 2018e Nominal GDP, 2016 Population (SCAD)

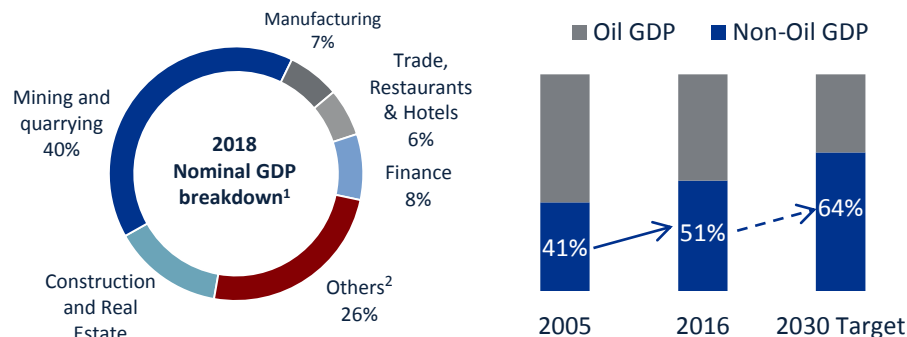
3 Fitch Ratings article (18 June 2018)

4 IMF Article IV consultation, Sep 2018

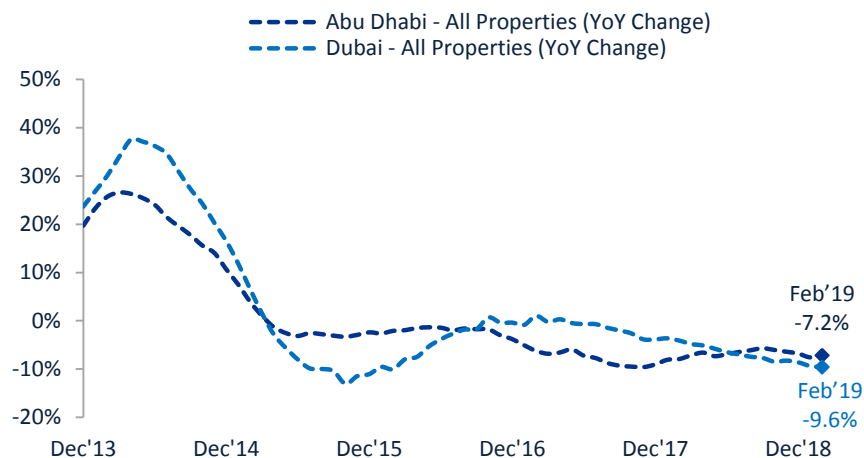
5 Abu Dhabi 2017 Bond Prospectus

On track to meet Plan Abu Dhabi 2030 targets

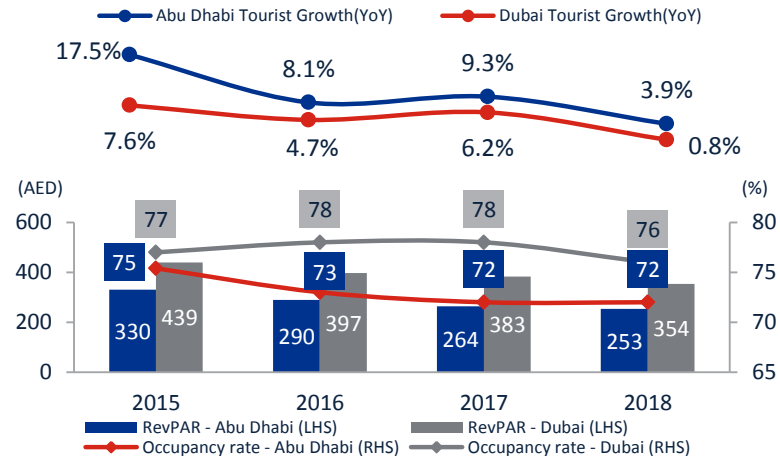
Target real GDP³



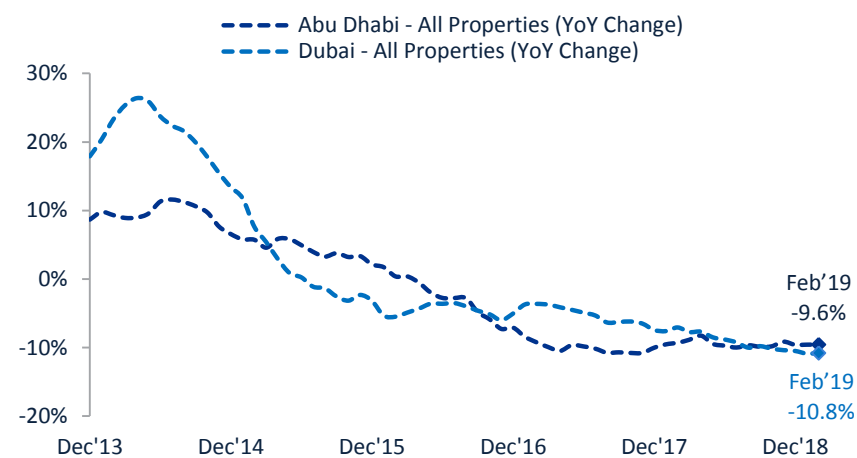
Sale prices - mainstream residential market property⁵



Hotel guests + occupancy - Abu Dhabi & Dubai⁴



Rental prices - mainstream residential market property⁵



1 National Accounts (SCAD) March 2019, preliminary estimates

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

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

3 Abu Dhabi Economic Vision 2030, SCAD

5 Bank for International Settlement and REIDIN

Key Highlights

- UAE banking sector¹: 20 Local and 27 Foreign banks
40 Conventional and 7 Islamic banks

- Market share in Total Assets: UAE banks: 88%, Conventional banks: 80%

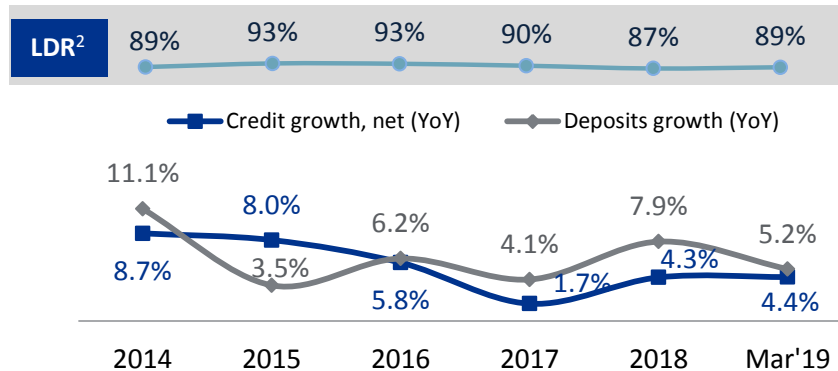
Latest developments:

- 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
- Further sector consolidation underway

UAE Banking Sector Key Indicators²

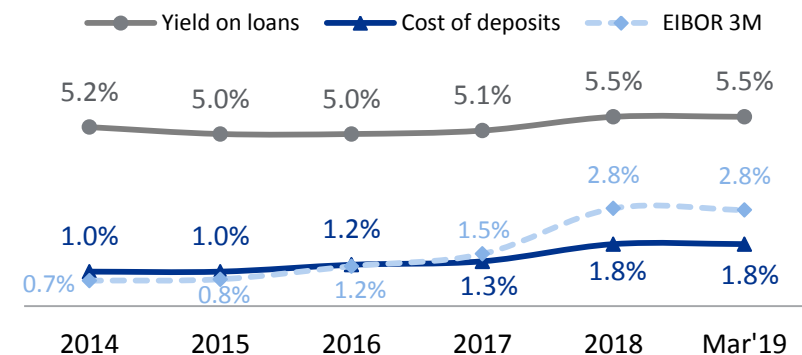
Figures in AED Bn	Mar'19	YTD	YoY
Total Assets, net ³	2,771	0.9%	6.7%
Loans and Advances, net ³	1,551	1.1%	4.4%
Customer Deposits	1,748	-0.4%	5.2%
LDR ³	89%	+132bps	-68bps
Lending to Stable Resources Ratio ⁴	83%	+40bps	-150bps
CAR (Basel III)	17.9%	+40bps	+40bps
CET1 (Basel III)	14.6%	+30bps	+70bps

Loans and deposits growth trend²



Net deposit surplus for Mar'19 is AED 197Bn

Average Yield/Cost on loans and deposits² vs EIBOR



1 Effective 1 May 2019, post ADCB's merger with UNB and Al Hilal Bank

2 Source: UAE Central Bank, UAE Banking Indicators

3 Net of provisions

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)

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Q1'19 Financial Performance Review



Off to a solid start in 2019 with record net profit of AED 3.1 Billion

Good business momentum underpins resilient operating performance in first quarter post integration

Robust foundation across asset quality, liquidity, and capital metrics

Outlook unchanged: on track to meet 2019 financial targets

P&L summary

In AED Mn	Q1'19	Q4'18	QoQ %	Q1'18	YoY %
Revenue	4,942	4,810	3	4,871	1
Operating expenses	(1,314)	(1,355)	(3)	(1,326)	(1)
Impairment charges	(407)	(428)	(5)	(439)	(7)
Net profit (after minority interest)	3,107	2,933	6	2,998	4

- Q1'19 NPAT up 6% qoq and 4% yoy
- Group revenue +3% qoq, +1% yoy, driven by strong growth in non-interest income, partially offset by lower NII
- Costs well controlled despite new costs
- Net impairment charges lower yoy

Balance Sheet summary

In AED Bn	Q1'19	Q4'18	QoQ %	Q1'18	YoY %
Total assets	733	744	(1)	678	8
Loans and advances	359	353	2	338	6
Customer deposits	433	465	(7)	404	7
Equity (incl Tier 1 capital notes)	98	102	(4)	94	4

- Loans up qoq and yoy on the back of healthy business momentum in CIB, selective growth in PBG
- Customer deposits up yoy; lower sequentially as a result of short-term deposit outflows

Key ratios

%	Q1'19	Q4'18	QoQ	Q1'18	YoY
C/I ratio (ex-integ costs)	26.1	26.8	(69)	25.7	39
NPL ratio	3.3	3.2	12	3.1	14
Provision coverage	106	110	(373)	127	na
Liquidity Coverage Ratio (LCR)	117	118	(109)	112	500
RoTE	17.4	15.7	166	17.4	(1)
CET1 ratio (post dividend)	12.7	12.4	34	12.4	36

- C/I ratio at industry-leading level
- Healthy asset quality metrics and adequate provision coverage
- Strong liquidity position and diversified funding profile
- Robust capital position with CET1 improving and comfortably in excess of regulatory requirements
- Solid profitability

Solid start to the year

Q1'19 performance vs. 2019 financial guidance

Grow
Stronger

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FAB
First Abu Dhabi Bank

Our 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

	Q1'19 Actual	2019 Guidance
GROWTH		
Loan	+6% yoy	High single digit
Revenue	+1% yoy	Mid-single digit
EFFICIENCY		
C/I Ratio (ex-integration costs)	26.1%	25-26%
ASSET QUALITY		
Cost of Risk	50bps	55-65bps
PROFITABILITY		
Net profit growth	+4% yoy	Mid-single digit
RoTE ¹	17.4%	16-17%
CAPITAL		
Basel III CET1 (pre-dividend)	12.7%	>13%

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



Good business momentum, marked by continued strength in CIB

- *Healthy pipeline materialising despite competitive pricing*
- *FAB continues to demonstrate regional leadership in capital markets: ranked #1 bookrunner and agent for MENA and GCC loans in Q1'19*



Executing against strategic priorities to drive growth and transformation

- *New investments in digital and transformation initiatives*
- *KSA: 1st global coordinator role on a capital markets deal by FAB Capital, launch of first branch in Riyadh*



First quarter on unified IT platform

- *Systems performing as expected in first quarter post integration*
- *International integration roadmap in progress*



On track to achieve 2020 run-rate synergy target of AED 1.5Bn

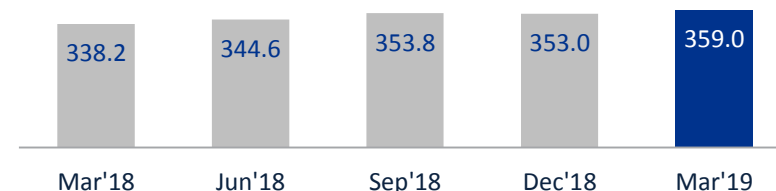
- *~80% achieved to-date*
- *Further cost synergies expected in the course of 2019*

Key highlights

- Loan book grew 6% yoy (+AED 21Bn) and 2% sequentially (+AED 6Bn) led by CIB and selective growth in retail
- Public sector lending and trade financing were the main drivers behind loan growth in Q1'19
- Healthy pipeline expected to support future business growth in the UAE and targeted markets internationally
- Customer deposits were up 7% yoy (+AED 29Bn) on increased government deposits. They were down sequentially as a result of short term deposit outflows at the tail-end of the quarter
- CASA balances stood at AED 162Bn, representing 37% of total deposits
- Strong liquidity position with March-end 2019 LCR at 117%, comfortably above the minimum requirement of 100%

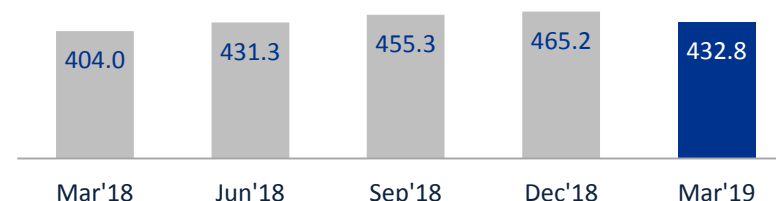
Loans and advances (AED Bn)

QoQ ↑2%, YoY↑6%

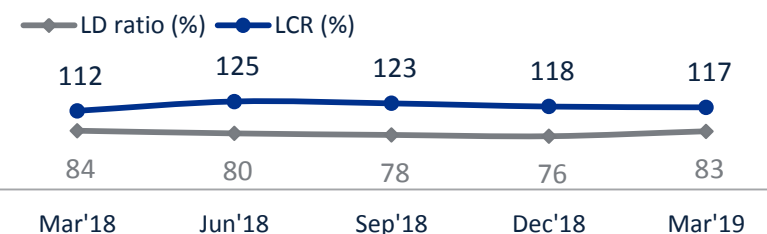


Customer deposits (AED Bn)

QoQ↓7%, YoY↑7%



Strong liquidity position

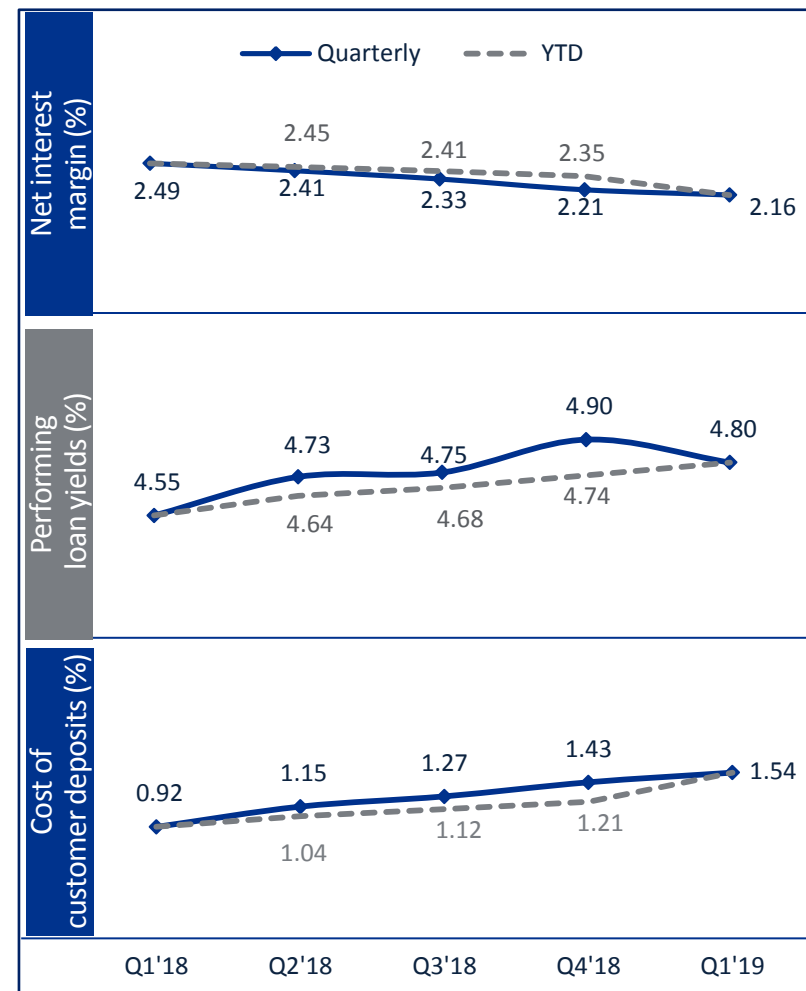
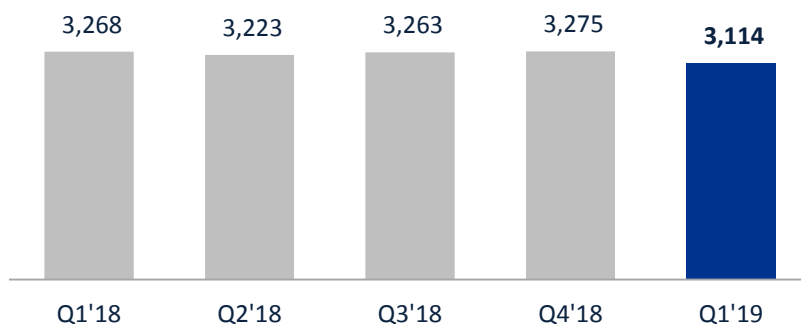


Key highlights

- Net Interest Income (NII) trend yoy and qoq reflects competitive pricing and risk optimisation, partially offset by volume growth and rate hike benefits
- Q1'19 Group NIM lower 33bps yoy and 5bps qoq, primarily due to increased placements into highly liquid yet lower-yielding assets
- Tactical placement of excess short-term liquidity continues to generate solid returns for the bank through FX & investment income

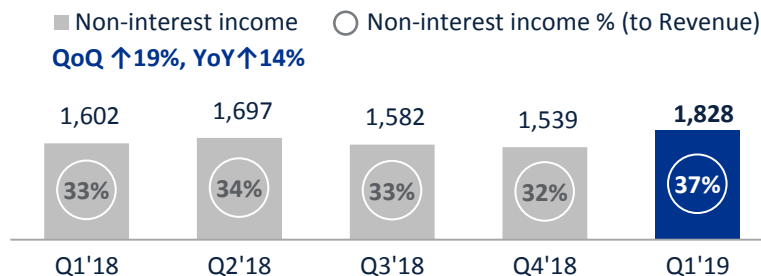
Net interest income (AED Mn)

QoQ ↓5%, YoY ↓5%



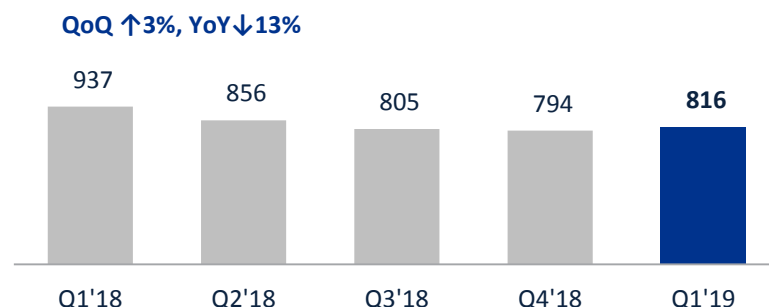
Note: All percentage figures are annualised

Non-interest income (AED Mn)



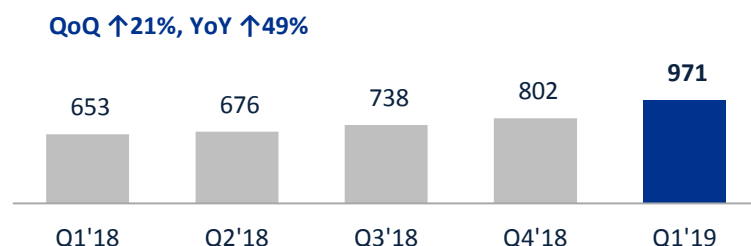
- Non-interest income recorded a double-digit growth yoy and qoq, growing their contribution to 37% of group revenue (vs. 33% in Q1'18)

Fees & commissions, net (AED Mn)



- Fees and commissions grew 3% sequentially on the back of higher business volumes and strength in loan and debt capital markets, offsetting lower trade-related fees
- They were lower yoy primarily due to risk optimisation in personal banking and one-offs in the previous comparative period

Net FX & Investment income (AED Mn)

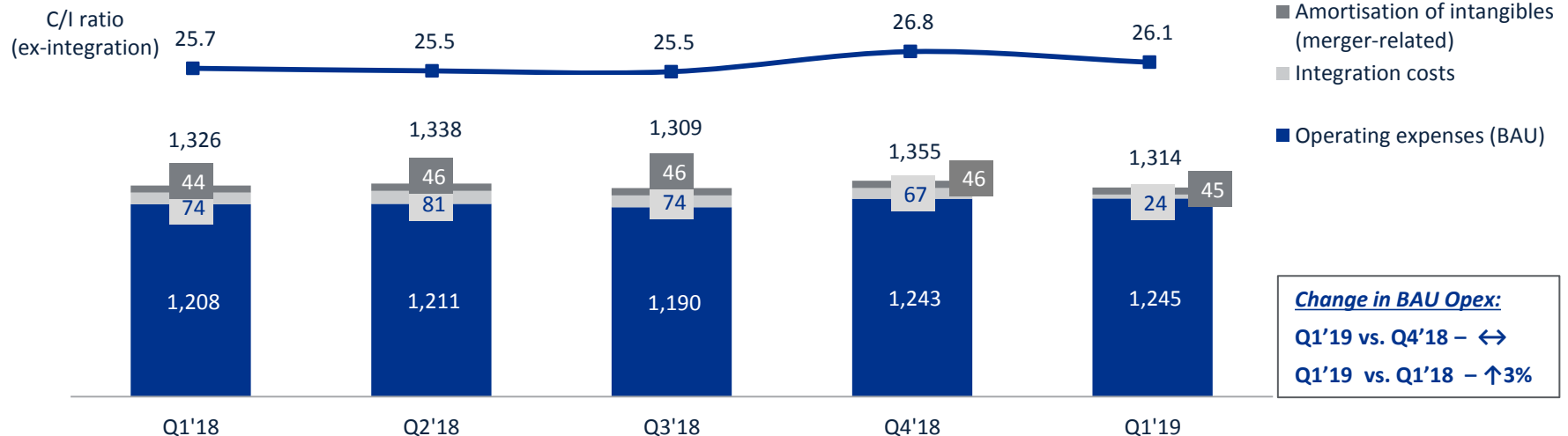


- FX & investment income recorded a strong growth yoy on the back of higher returns from the deployment of short-term liquidity, enhanced cross-sell, and strength in flow products
- They were up 21% sequentially as a result of markets recovery leading to a strong performance across FX, credit trading and sales

Key highlights

- BAU costs are broadly flat sequentially and +3% yoy, as continued savings were offset by higher depreciation costs and new investments (incl. KSA, digital spend, new talent hires)
- C/I ratio (ex-integration costs) stood at 26.1% vs. a target range of 25-26% for FY19e, and remains at an industry-leading level
- Cost synergies realised to-date represent ~80% of 2020 target of AED 1.5Bn, with further synergies expected in the course of 2019

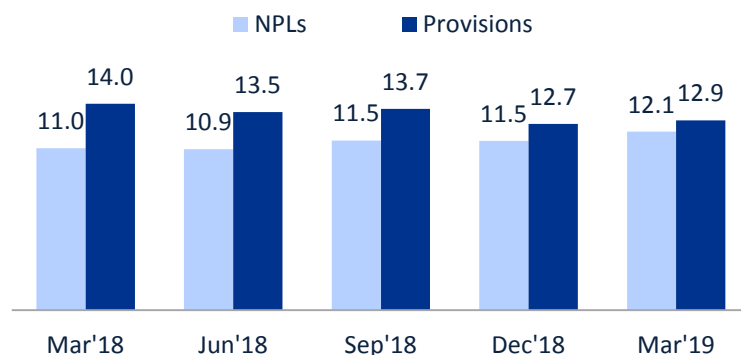
Operating expenses trend (AED Mn) and Cost-income ratio (ex-integration) (%)



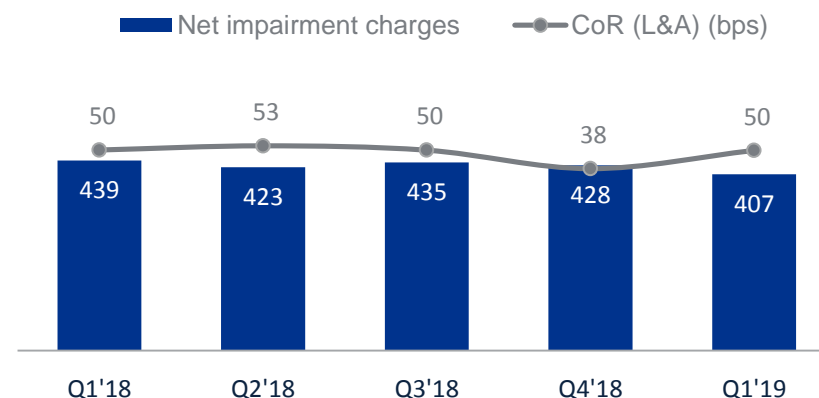
Key highlights¹

- Non-performing loans (net of IIS) were up sequentially led by retail and a few corporate accounts
- Group asset quality is healthy with a NPL ratio at 3.3% as of March-end 2019
- Provision coverage at 106% is adequate, with ECL/Provisions at AED 12.9Bn
- Impairment charges (net) were lower sequentially and yoy translating to a Q1'19 cost of risk (on loans and advances) in line with the comparative period at 50bps, vs. FY19e guidance of 55-65bps

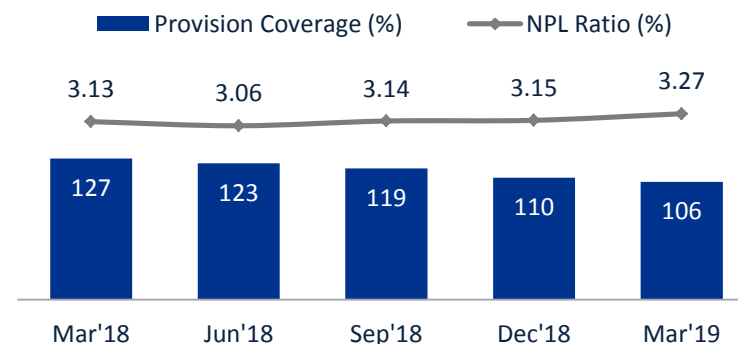
NPLs and ECL / Provisions (AED Bn)



Impairment charges, net (AED Mn) & CoR^{1,2}



Provision coverage¹ & NPL ratio¹



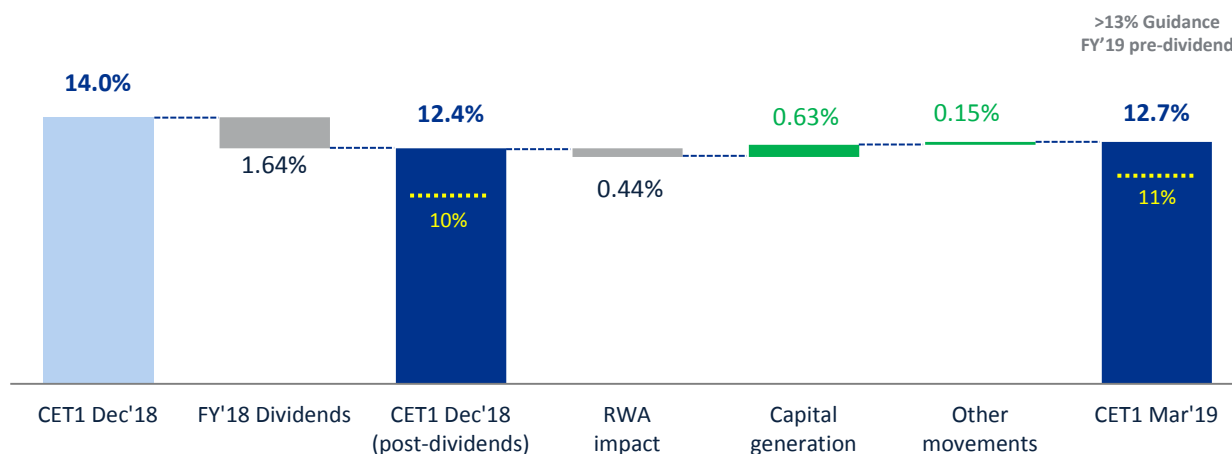
- NPLs = Stage 3 exposure + adjusted POCI (Purchase or originally impaired credit) of AED 4,410Mn as of Mar'19 considered as par to NPLs, net of IIS
 - ECL/ Provisions = ECL on loans & advances + ECL on unfunded exposures + IFRS9 impairment reserve

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 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

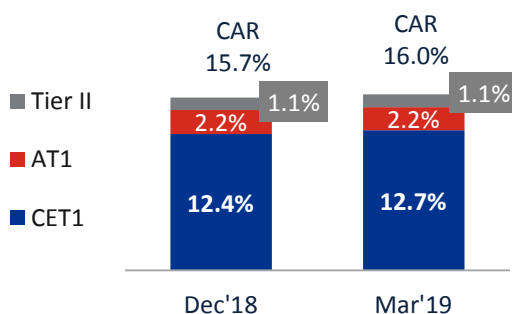
CET1¹ ratio progression



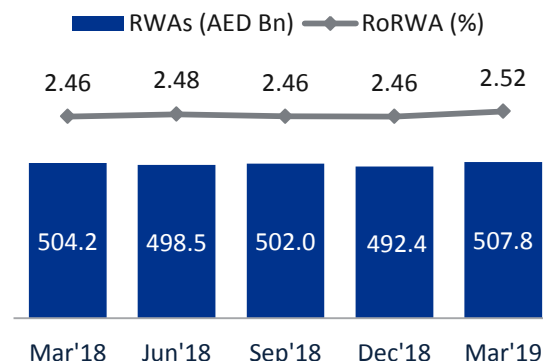
- CET1 (post-dividend) improved 34bps yoy to 12.7% on the back of internal capital generation, partially offset by RWA increase
- CET1 remains above the fully-phased in Basel III regulatory minimum of 11%, which includes a 1.5% buffer as per FAB's D-SIB status
- RoTE is up significantly qoq reflecting higher net profits and dividend payout during the quarter

Minimum UAE CB Basel III requirement

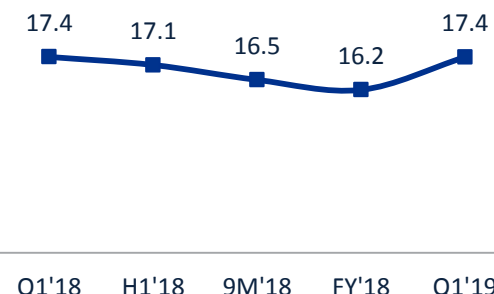
Strong capital ratios (Basel III)¹



RWAs & Return on RWAs



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



¹ CET1 ratio as per UAE CB's Basel III framework

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

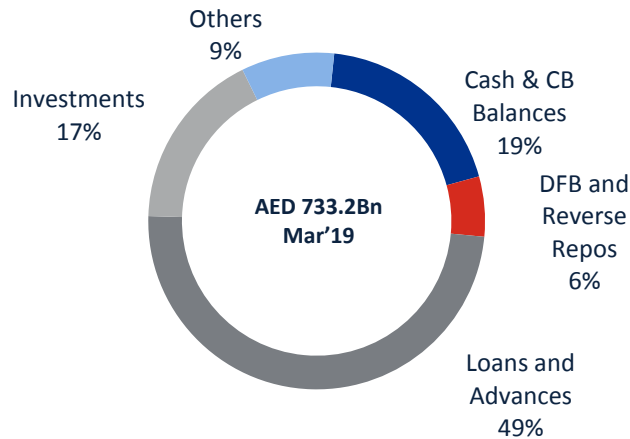
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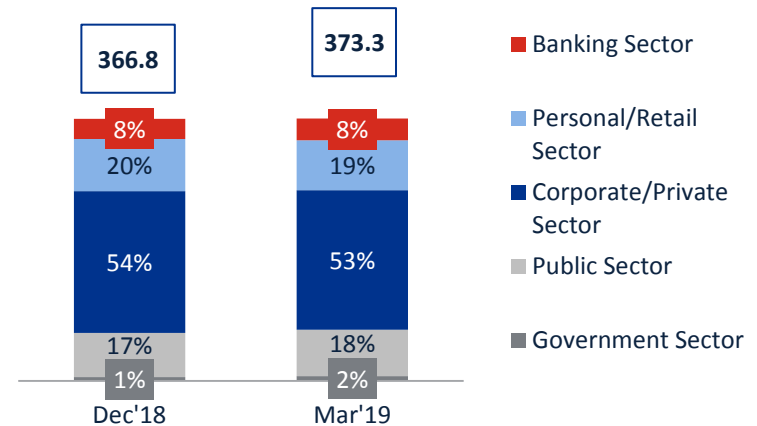
Appendix



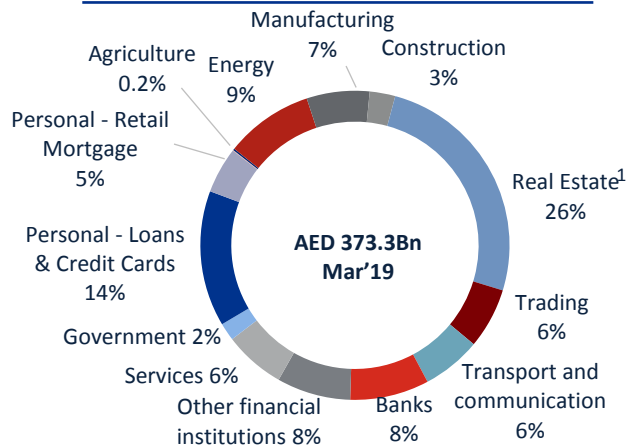
Asset Mix



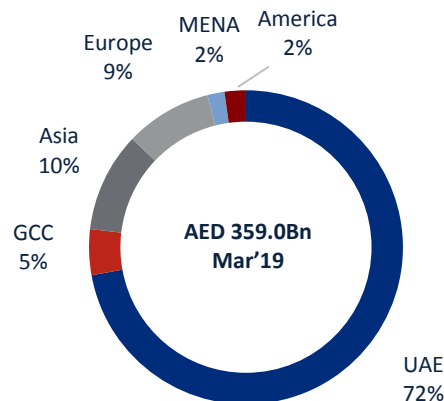
Gross loans by counterparty (AED Bn)



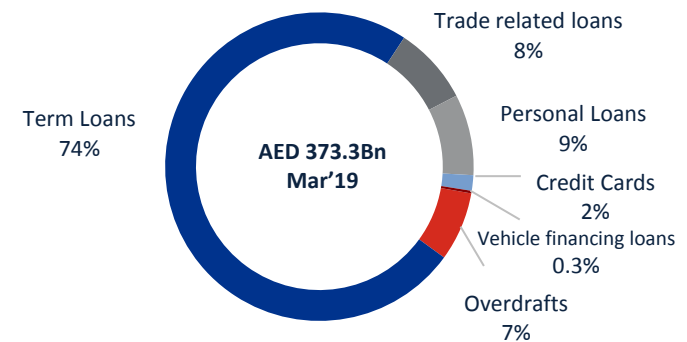
Gross loans by economic sector



Net loans by geography²



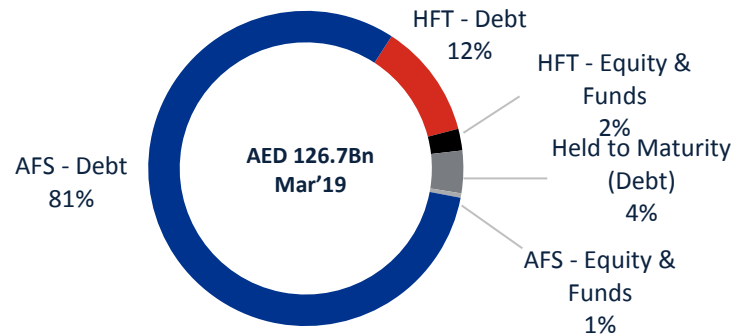
Gross loans by product



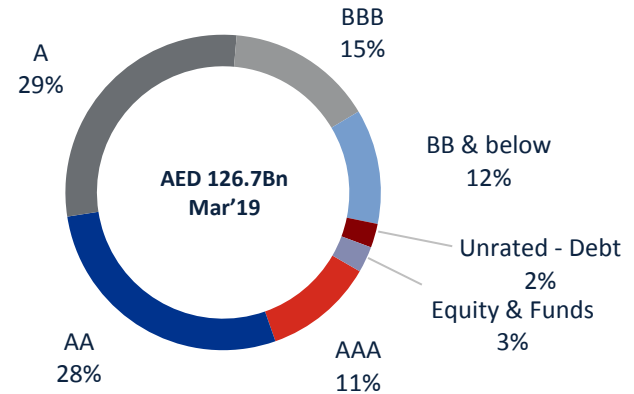
¹ Real Estate by geography: Abu Dhabi 40%, Dubai 23%, Other UAE 2%, UK 27%, Other Intl 8%

² Based on loan origination

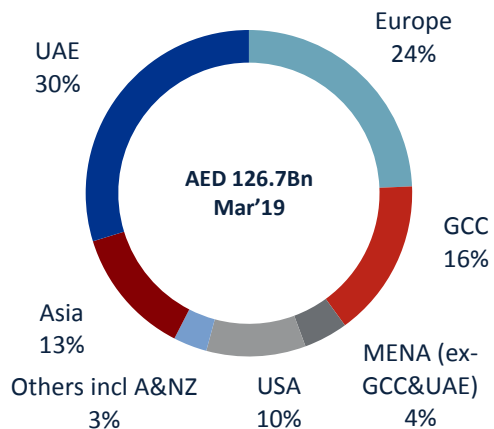
Investments by type



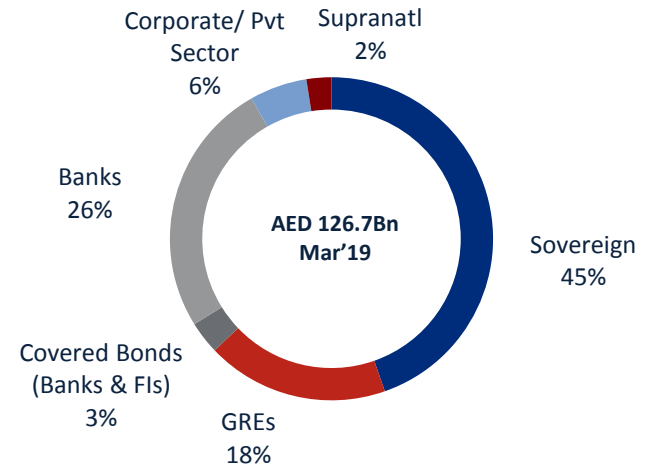
Investments by ratings



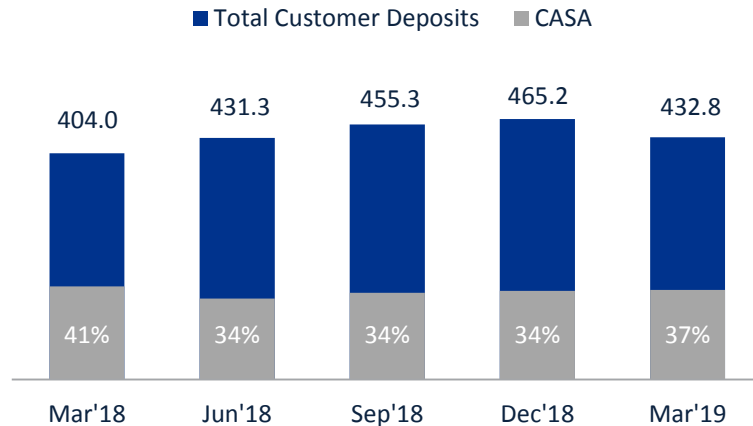
Investments by geography



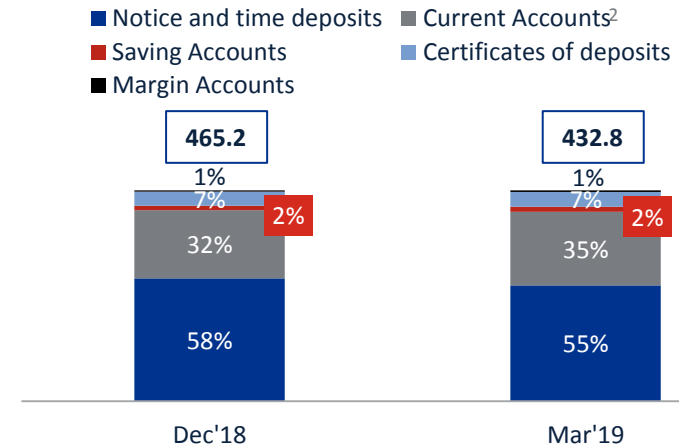
Investments by counterparty



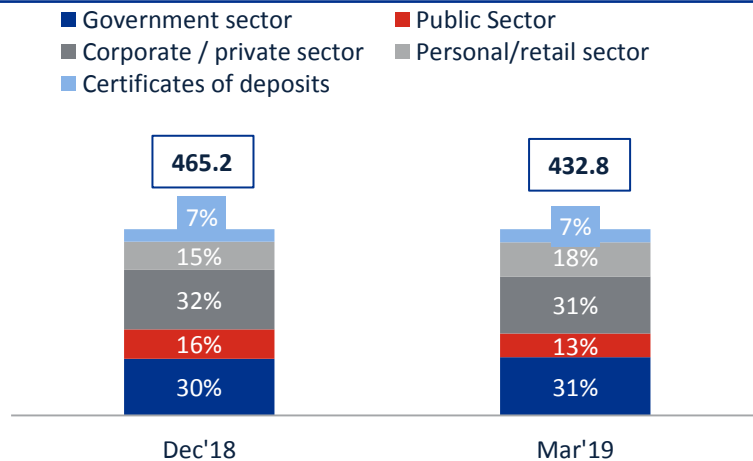
Customer deposits (AED Bn)



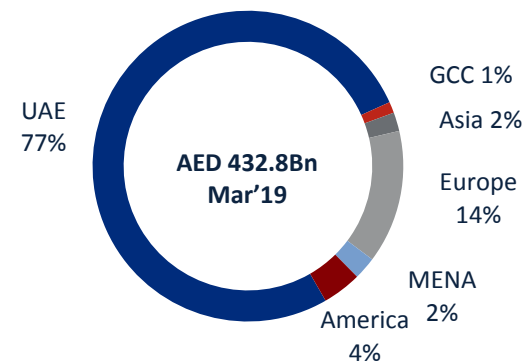
Customer deposits by account type (AED Bn)



Customer deposits by Counterparty (AED Bn)



Customer deposits by geography¹



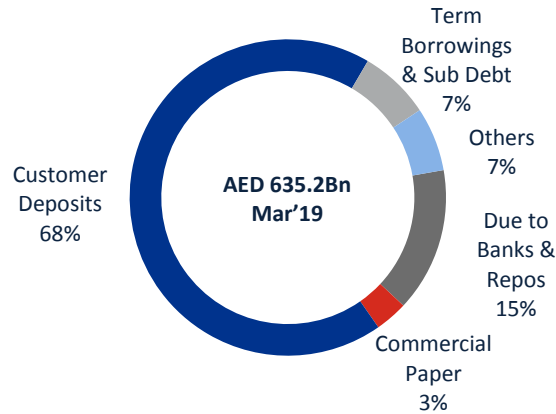
¹ Based on deposit origination

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

Liability mix and funding profile

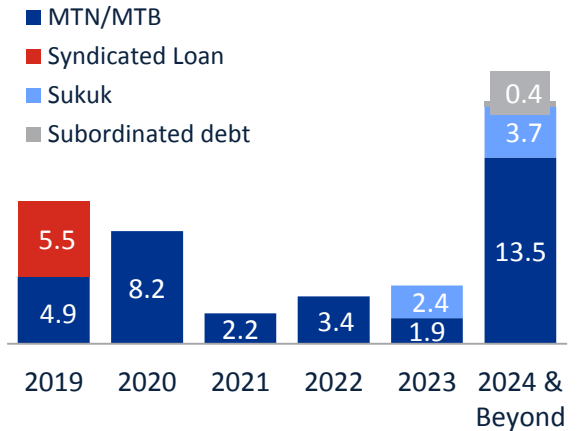
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Liability Mix



Medium-term wholesale funding (AED Bn)

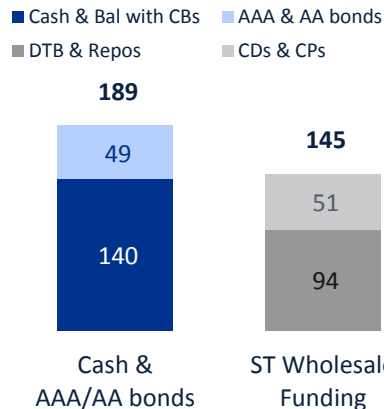
Syndicated loan	5.5
Medium Term Notes/Bonds	34.1
Sukuk	6.1
Subordinated debt	0.4
Total	46.1



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

Cash & AAA/AA bonds vs. ST wholesale

(AED Bn)



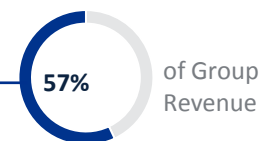
Issuances in Q1'19

- 5yr USD 1Bn Sukuk @ 3.625%
- 5.5yr CHF 200Mn Swiss @ 0.401%
- 30yr Multi-Callable USD 276Mn across multiple Private Placements
- 2yr - 19yr USD 331Mn of bullet Private Placements

Maturities in Q1'19

- 7yr USD 500Mn Public bonds @ 3.250%
- 5yr AUD 400Mn of Kangaroo bonds across 2 transactions, one of which matured 1st April 2019
- USD 34Mn equivalent Private Placements issued in 2016

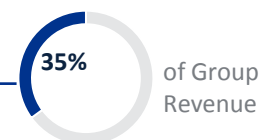
Corporate & Investment Banking (CIB)



In AED Mn	Q1'19	YoY %
Revenues	2,805	15
Operating expenses	(492)	10
Impairment charges, net	(429)	79
Profit after taxes	1,843	8
Loans (AED Bn)	263	9
Deposits (AED Bn)	335	9

- CIB Revenue is up 15% yoy driven by a broad-based momentum across the 3 main product lines:
 - › **Global Transaction Banking:** strong operating performance driven by cash management on the back of rate hikes, new client mandates, and the conversion of escrow business opportunities.
 - › **Global Corporate Finance:** strong performance across LCM, DCM and securities services; in Q1'19 FAB continued to dominate league tables as the top ranked Bookrunner and agent for MENA and GCC syndicated loans, while acting for the first time as a Global Coordinator on a debut Sukuk transaction in Saudi Arabia through FAB Capital
 - › **Global Markets:** double-digit revenue growth driven by higher returns from the investment portfolio, growth in flow products, higher FX and trading revenue
- Robust loan and deposit growth of 9% yoy, and strong liquidity position

Personal Banking Group (PBG)



In AED Mn	Q1'19	YoY %
Revenues	1,744	(10)
Operating expenses	(709)	4
Impairment charges, net	(93)	(50)
Profit after taxes	915	(12)
Loans (AED Bn)	95	(2)
Deposits (AED Bn)	94	2

- Resilient performance in Q1'19 with the business delivering a unified customer experience since the completion of systems integration
- Q1'19 revenue lower yoy due to risk optimisation
- Impairment charges significantly reduced, resulting in higher risk-adjusted returns.
- Loan book reduced 2% yoy due to risk optimisation, partially offset by selective growth in targeted segments including mortgages, Islamic banking and business banking
- Customer deposits grew 2% yoy on the back of higher CASA balances

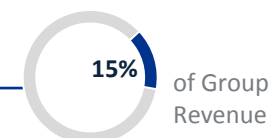
UAE



In AED Mn	Q1'19	YoY %
Revenues	4,220	1
Operating expenses	(1,068)	(2)
Impairment charges, net	(431)	4
Profit after taxes	2,720	3
Loans (AED Bn)	259	2
Deposits (AED Bn)	331	9

- UAE revenues and profitability continue to grow despite challenging environment and competition
- Revenues grew 1% yoy, contributing 85% of Group's total revenues, while operating expenses declined by 2% yoy on the back of continued cost discipline and synergy realisation
- Loans grew 2%, primarily led by CIB, while customer deposits increased by 9% on higher short-term government inflows

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



In AED Mn	Q1'19	YoY %
Revenues	723	2
Operating expenses	(245)	6
Impairment charges, net	23	na
Taxes	(71)	(20)
Profit after taxes	429	17
Loans (AED Bn)	100	18
Deposits (AED Bn)	101	2

- FAB's international business remains a key differentiator supporting revenue and risk diversification, contributing 15% to Q1'19 Group revenue
- Revenue grew 2%, primarily as a result of higher business volumes
- Loans reached AED 100Bn led by solid growth across Asia-Pacific; liquidity remained strong underpinned by continued diversification of funding sources across various geographies
- As of March-end 2019, international loans and deposits represent 28% and 23% of Group loans and deposits, respectively

Executed landmark transactions in Q1 2019

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Debt Capital Market



DUBAI ISLAMIC BANK
USD 750 million

Additional Tier 1 Sukuk
6.25% Perpetual NC6

Joint Bookrunner

Jan 2019



First Abu Dhabi Bank
USD 850 million

Senior Sukuk
3.875% due 2024

Joint Bookrunner

Jan 2019



ALMARAI COMPANY
USD 500 million
Senior Unsecured Sukuk
4.311% due 2024

Joint Global Coordinator &
Joint Bookrunner

Feb 2019



Emirates NBD
USD 1.0 billion

Additional Tier 1 Securities
6.125% Perpetual NC6

Joint Bookrunner

Mar 2019



China Orient Asset Management
USD 700 million
Senior Unsecured
3.875% due 2024
4.500% due 2029

Joint Bookrunner

Mar 2019



First Abu Dhabi Bank
USD 1.1 billion

Senior Unsecured FRN
3mL + 95bps due 2022
Structuring Agent

Apr 2019



Rakbank
USD 500 million

Senior Unsecured Notes
4.125% due 2024

Joint Bookrunner

Apr 2019



UPL
USD 3,000 million
Term Loan Facility

Bookrunner & Mandated
Lead Arranger

Jan 2019



Emirates Global Aluminium
USD 6.5 billion
Term Loan and Murabaha
Facility
Joint Coordinator,
Bookrunner, Mandated Lead
Arranger & Global Agent

Jan 2019



Reliance Jio
USD 500 million
Term Loan Facility

Mandated Lead Arranger

Jan 2019



Tecom
AED 7 billion
Term Loan and Revolving
Credit Facility
Joint Coordinator,
Bookrunner, Mandated Lead
Arranger, Facility Agent

Feb 2019



Abu Dhabi National Hotels
AED 2.5 billion
Term Loan and Revolving
Credit Facility

Bookrunner & Mandated
Lead Arranger

Jan 2019



ADNOC Refining
USD 2.5 billion
Term Loan and Revolving
Credit Facility
Sole Coordinator,
Bookrunner, Mandated Lead
Arranger & Facility Agent

Jan 2019



PT Semen Indonesia
USD 1040 million
Term Loan Facility

Mandated Lead Arranger

Feb 2019



State Bank of India
USD 500 million
Term Loan Facility

Bookrunner & Mandated
Lead Arranger

Feb 2019



Islami Bank
USD 100 million
Murabaha Facility

Bookrunner & Mandated
Lead Arranger

Feb 2019



HDFC Ltd
JPY 53.2 billion
Term Loan Facility

Bookrunner & Mandated
Lead Arranger

Mar 2019



Jaguar Land Rover
USD 1,000 million
Term Loan Facility

Bookrunner & Mandated
Lead Arranger

Mar 2019



**Egyptian General Petroleum
Corporation**
USD 750 million
Term Loan Facility

Bookrunner, Mandated Lead
Arranger & Facility Agent

Mar 2019



Eagle Hills Diyar
USD 374 million
Murabaha Facility

Bookrunner, Mandated Lead
Arranger & Dollar Investment
Agent

Mar 2019



Mazoon Electricity Company
USD 155 million
Term Loan Facility

Bookrunner & Mandated
Lead Arranger

Mar 2019



Investec Bank
AUD 150 million
Term Loan Facility

Bookrunner & Mandated
Lead Arranger

Mar 2019

Prestigious awards highlight FAB's strength and industry expertise

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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)

THANK YOU!

For more information, please visit
www.bankfab.com or contact FAB Investor
Relations team at ir@bankfab.com or
groupfunding@bankfab.com

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