

# MANAGEMENT DISCUSSION & ANALYSIS REPORT



FOR THE FULL YEAR ENDED  
31 DECEMBER 2021

**Grow  
Stronger**

بنك أبوظبي الأول  
**FAB**  
First Abu Dhabi Bank

## FAB reports full year 2021

### Group Net Profit of AED 12.5 Billion, up 19% year-on-year

Proposed dividend<sup>1</sup> per share of 70 fils equivalent,  
split into 49 fils in cash and 21 fils as scrip dividend in lieu of cash<sup>2</sup>

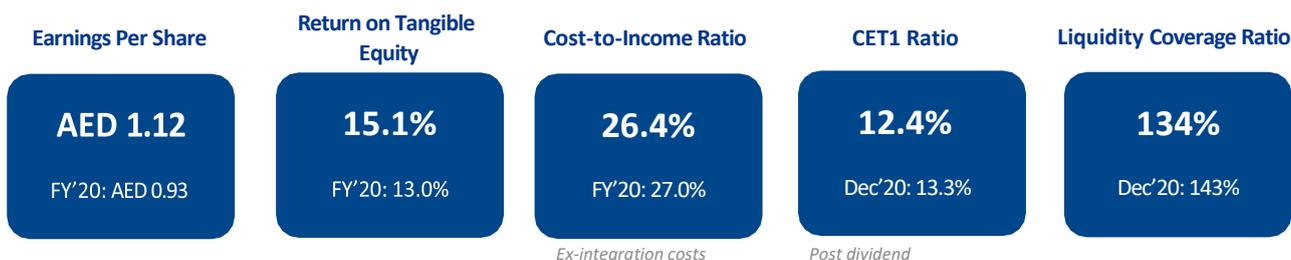
#### Record performance reflects economic rebound, positive momentum across core businesses

- Full Year 2021 Group net profit at AED 12.5 Billion, up 19% year-on-year
- Annualised Earnings Per Share (EPS) at AED 1.12, up 20% compared to 2020
- Q4'21 net profit at AED 3.3 Billion, up 3% year-on-year
- Full year 2021 Group revenue at AED 21.7 Billion, up 17% year-on-year, led by a significant increase in non-interest income
- Impairment charges at AED 2.7 Billion, reflect continued prudent provisioning
- Operating costs at AED 5.8 Billion, up 9% excluding impact of Bank Audi Egypt (BAE)

#### Solid balance sheet provides robust foundation for future growth

- Total assets exceeded AED 1 Trillion, up 9% year-on-year
- Customer deposits at AED 614 Billion, up 14% year-on-year and 1% sequentially
- Loans, advances and Islamic financing at AED 410 Billion, up 6% year-on-year and 2% sequentially
- Liquidity Coverage Ratio (LCR) at 134% underlining strong liquidity position
- NPL ratio at 4.0%, with provision coverage at 98%
- Capital adequacy above regulatory requirements with Common Equity Tier 1 (CET1) at 12.4% post proposed dividend
- FAB's Board of Directors recommends dividends<sup>1</sup> per share of 70 fils equivalent, split into 49 fils in cash and 21 fils as scrip dividend in lieu of cash, to enable future growth and invest in our market-leading franchise while we continue to deliver superior and sustainable shareholder returns

#### FY'21 Key Performance Indicators



Abu Dhabi, UAE (27 January 2022):

First Abu Dhabi Bank (FAB), the UAE's largest bank and one of the world's largest and safest financial institutions, reported its financial results for the full year ended 31 December 2021.

The Group produced a record set of results with a net profit of AED 12.5 Billion, compared to AED 10.6 Billion in 2020, marking a 19% increase year-on-year. This performance reflects positive underlying trends across core businesses in a year of economic rebound and expansion. Group revenue was up 17% supported by a strong trading performance and growth in fee-generating business, helping to offset headwinds from low interest rates. Operating expenses were up year-on-year reflecting ongoing investments in digital and strategic initiatives, and the inclusion of Bank Audi Egypt. Asset quality metrics remained healthy underpinned by prudent risk management, and the relief measures under the UAE Central Bank TESS programme. The Group's foundation remains robust across liquidity, funding and capital metrics.

<sup>1</sup> Proposed dividends subject to shareholders approval at FAB's General Assembly Meeting to be held on 28 February 2022

<sup>2</sup> 21 fils equivalent as scrip dividend in lieu of cash, at a price per share of AED 17.97 based on FAB's average closing price over the six-month period from July to December 2021.



**HIS HIGHNESS  
 SHEIKH TAHNOON BIN ZAYED AL NAHYAN**

CHAIRMAN

2021 has been a year of strong economic rebound, with unprecedented opportunities for innovation and growth, despite continued uncertainties due to COVID-19.

Against this backdrop, the UAE has once again demonstrated great vision and leadership, leading the way towards recovery, regionally and globally, on the back of its world-class vaccination programme, monetary and fiscal stimulus measures including the UAE Central Bank TESS programme, structural reforms and plans to drive long-term economic growth and prosperity.

FAB continued to support the momentum of this dynamic transformation during 2021, delivering a standout financial performance while making significant progress to set the building blocks for a future-proof bank.

Reflecting our deep commitment to deliver superior and sustainable returns for our shareholders, enable future growth and invest in our market-leading franchise, FAB's Board of Directors is recommending a dividend per share of 70 fils equivalent for the full year ended 31 December 2021, split into 49 fils in cash and 21 fils as scrip dividend in lieu of cash.

Following a landmark year for the UAE, when the country celebrated its Golden Jubilee and launched a new vision to guide progress over the coming 50 years, FAB enters this year with an integral role to play in furthering economic prosperity in the markets we serve. I am confident in the opportunities that lie ahead for the Group as we boost our journey of growth in 2022 and beyond.





## HANA AL ROSTAMANI

GROUP CHIEF EXECUTIVE OFFICER

“I am pleased to report a very strong set of results for the Group in 2021 with FAB delivering record revenue and net profit in a year of economic rebound, and with total assets crossing the AED 1 Trillion mark, a historic milestone. This outstanding performance not only reflects solid momentum across our core businesses in an improved macroeconomic backdrop but also the positive outcome of our strategic initiatives to unlock value, drive growth and shape the bank of the future.

In 2021, FAB demonstrated a unique ability to support clients with market-leading advice, solutions and deal execution, helping them to capitalise on the significant opportunities presented by the economic rebound in the UAE and the wider region. Our performance in 2021 was built onto a robust foundation across liquidity, funding, and capital metrics, with our AA- credit rating recently reaffirmed by S&P coupled with a stable outlook, which underlines our strong balance sheet fundamentals and risk profile.

Our Investment Banking business, in particular, had an exceptional year, originating and structuring a number of landmark transactions, and leading new offerings and new company listings on the Abu Dhabi Stock Exchange in a record year for our equity markets. In addition to a strong trading performance, this sustained business momentum, resulted in a 69% growth in our Investment Banking revenue from the prior year, with FAB reaffirming its leading position as the top-ranked regional bank across all MENA Investment Banking League Tables in 2021.

It was also a landmark year for FAB on the international front, as we continued to expand in our targeted markets, helped by the acquisition of Bank Audi Egypt. As a result, revenue from our international operations grew 26% year-on-year, with MENA contributing 52%, from 39% in 2020.

While delivering innovative products and solutions across our Group, we also made significant progress to optimise digital journeys, improve customer experience and enhance efficiencies. This led to the launch of 1<sup>st</sup> in market solutions including DigiCheques on our Corporate Mobile App, and a significant increase in transactions made via digital channels.

As we move forward, we will continue to drive growth in our key business areas, create efficiencies and agility across the organisation, and strengthen our market position in targeted markets.

On ESG and as part of our Group-wide strategy, our new target to finance or facilitate over USD 75 Billion of sustainable finance projects by 2030, underscores our commitment to act as a key enabler to the regional sustainable finance agenda and to work hand in hand with our customers and communities to create sustainable growth.

Looking ahead, we are confident in our ability to create new opportunities for growth across the UAE and the region, and to continue delivering for our shareholders, customers and communities.”





## JAMES BURDETT

GROUP CHIEF FINANCIAL OFFICER

The Group delivered net profits of AED 12.5 Billion in 2021, up 19% over 2020, with a Return on Tangible Equity (RoTE) at 15.1%, improving from 13.0% in the prior year. Fourth quarter profits stood at AED 3.3 Billion, up 3% year-on-year.

This record performance was driven primarily through revenue growth, with a significant expansion in non-interest income reflecting effective balance sheet deployment to drive higher Group returns, and with our core businesses maintaining positive momentum on the back of the economic rebound. Investment Banking produced an exceptional performance, capitalising on improving sentiment, and buoyant regional capital markets activity. Corporate and Commercial Banking also saw sustained momentum with CASA balances growing 27% year-on-year, and Consumer Banking continued to witness strong sales acquisition across key products. In Global Private Banking, Asset Under Management (AUMs) grew by almost 50% year-on-year, driven by enhanced product propositions.

We continued to maintain our cost discipline and delivered positive Jaws during the year amidst ongoing investments in core areas, and the integration of our expanded operations in Egypt. The Group preserved a very healthy liquidity position, and strong asset quality metrics with a coverage ratio increasing to 98%, in line with our prudent risk management approach.

FAB's diversified business profile, and solid balance sheet fundamentals, position us well to achieve our strategic and financial aspirations. To support our future growth and transformation, we will be focused on deploying capital efficiently, and ensuring that we continue to deliver superior and sustainable shareholder returns.

While we remain cautiously optimistic and cognisant of the uncertainties arising from the pandemic and potential market volatility, the rising interest rate outlook, and the expected acceleration in economic activity across the region present significant opportunities for the bank.



## Q4/FY'21 SUMMARY FINANCIALS

Income statement - summary (AED Mn)	Q4'21	Q3'21	QoQ %	Q4'20	YoY %	FY'21	FY'20	YoY %
Net interest income	3,036	3,141	(3)	3,079	(1)	11,658	12,256	(5)
Non-interest income	2,660	3,270	(19)	1,829	45	10,023	6,317	59
<b>Total operating income</b>	<b>5,695</b>	<b>6,411</b>	<b>(11)</b>	<b>4,908</b>	<b>16</b>	<b>21,681</b>	<b>18,574</b>	<b>17</b>
Operating expenses	(1,480)	(1,587)	(7)	(1,264)	17	(5,836)	(5,060)	15
<b>Operating profit</b>	<b>4,216</b>	<b>4,824</b>	<b>(13)</b>	<b>3,643</b>	<b>16</b>	<b>15,845</b>	<b>13,514</b>	<b>17</b>
Impairment charges, net	(715)	(796)	(10)	(318)	125	(2,658)	(2,620)	1
Non-controlling interests and taxes	(177)	(175)	1	(96)	85	(655)	(338)	94
<b>Net Profit</b>	<b>3,324</b>	<b>3,854</b>	<b>(14)</b>	<b>3,230</b>	<b>3</b>	<b>12,531</b>	<b>10,555</b>	<b>19</b>
Basic Earnings per Share (AED)	1.19	1.36	(13)	1.18	1	1.12	0.93	20

Balance sheet - summary (AED Bn)	Dec'21	Sep'21	QoQ %	Dec'20	YoY%
Loans, advances & Islamic financing	410	404	2	387	6
Investments	191	190	1	153	25
Customer deposits	614	606	1	541	14
CASA (deposits)	288	272	6	223	29
Total assets	1,000	983	2	919	9
Equity (incl Tier 1 capital notes)	113	109	3	109	4
Tangible equity	83	79	5	79	5

Key Ratios (%)	Q4'21	Q3'21	QoQ (bps)	Q4'20	YoY (bps)	FY'21	FY'20	YoY (bps)
Net interest margin (NIM)	1.46	1.55	(9)	1.62	(16)	1.50	1.75	(25)
Cost-income ratio (ex-integration costs)	25.4	24.2	121	25.7	(26)	26.4	27.0	(63)
Cost of risk (bps) (loans, advances & Islamic financing)	65	81	(16)	37	27	65	63	2
Non-performing loans ratio	4.0	3.9	8	4.0	4	4.0	4.0	4
Provision coverage	98	97	30	95	286	98	95	286
Liquidity coverage ratio (LCR)	134	124	976	143	(856)	134	143	(856)
Return on tangible equity (RoTE)	15.9	19.4	(352)	16.4	(51)	15.1	13.0	209
Return on risk-weighted assets (RoRWA)	2.3	2.7	(45)	2.5	(24)	2.3	2.1	18
CET1 ratio (post-dividends)	12.4	13.0	(54)	13.3	(82)	12.4	13.3	(82)
Capital adequacy ratio	15.4	15.9	(55)	16.5	(117)	15.4	16.5	(117)

### Notes:

- Comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in the consolidated financial statements
- Ratios for the quarter are annualised, where applicable
- For further details on calculation of the ratios, please see the [Quarterly Series](#) on FAB IR website's financial reports page
- To view key figures in USD, please refer to: [bankfab.com > investor relations > reports & presentations > key annual figures](#)
- Q4/FY'21 results include financials of Bank Audi Egypt (BAE) effective post legal day 1 on 28 April 2021. Refer to Note #47 in the financials for the full year ended 31 December 2021
- Proposed dividends for 2021 are subject to shareholders approval at the General Assembly Meeting on 28 February 2022
- Rounding differences may appear in above table

## OPERATING PERFORMANCE

Operating income (AED Mn)	Q4'21	Q3'21	QoQ %	Q4'20	YoY %	FY'21	FY'20	YoY %
Net interest income	<b>3,036</b>	3,141	(3)	3,079	(1)	<b>11,658</b>	12,256	(5)
Non-interest income	<b>2,660</b>	3,270	(19)	1,829	45	<b>10,023</b>	6,317	59
Fees & commissions, net	<b>907</b>	696	30	653	39	<b>3,035</b>	2,912	4
FX and investment income, net	<b>2,503</b>	2,380	5	590	324	<b>7,177</b>	2,191	228
Other non-interest income	<b>(750)</b>	194	na	586	na	<b>(189)</b>	1,214	na
<b>Total operating income</b>	<b>5,695</b>	<b>6,411</b>	<b>(11)</b>	<b>4,908</b>	<b>16</b>	<b>21,681</b>	<b>18,574</b>	<b>17</b>

Group Revenue for the full year ended 31 December 2021 was AED 21.7 Billion, up 17% year-on-year, primarily led by a strong growth in non-interest income. Fourth quarter revenue was AED 5.7 Billion, up 16% year-on-year and 11% lower sequentially.

Net Interest Income (including Islamic financing income) (NII) was AED 11.7 Billion, 5% lower year-on-year, reflecting the adverse impact of rate cuts as well as lower interest-in-suspense (IIS) reversals compared to 2020, partially offset by volume growth, effective deployment of liquidity and the positive impact of Bank Audi Egypt. Fourth quarter NII of AED 3.0 Billion was slightly lower sequentially and year-on-year. Net Interest Margin (NIM) for the full year of 2021 was 1.50% compared to 1.75% in FY'20, while Q4'21 NIM was 1.46%.

Non-interest income grew 59% year-on-year to AED 10.0 Billion, contributing 46% to Group revenue compared to 34% in 2020. Exceptional trading gains, and the strong momentum in fee-generating businesses particularly across loan, debt and equity capital markets, were the primary drivers behind this performance. During the fourth quarter, fees and commissions grew 30% sequentially reflecting solid pipeline execution in Global Corporate Finance. This was offset by revaluation losses on investment properties of AED 750 Million.

Headline operating expenses excluding BAE and integration-related expenses, were up 9% year-on-year, primarily reflecting ongoing investments in strategic and digital initiatives. Helped by revenue growth, Group cost-to-income ratio (ex-integration costs) improved to 26.4% in FY'21 compared to 27.0% in FY'20, and remained well within management guidance for the full year.

## ASSET QUALITY

Non-Performing Loans stood at AED 17.0 Billion as of December-end 2021, up 4% sequentially and 7% year-on-year, with the NPL ratio broadly stable year-on-year at 4.0%.

Reflecting prudent provisioning amidst improving macro-economic conditions, FY'21 net impairment charge was AED 2.7 Billion, broadly flat year-on-year, translating into a cost of risk of 65bps. Total ECL / provisions<sup>3</sup> were AED 16.6 Billion, representing an adequate provision coverage ratio of 98%. Q4'21 net impairment charge was lower 10% sequentially.

The allocation under the UAE Central Bank's Targeted Economic Support Scheme (TESS) for payment relief was phased out as of end of December 2021, while the relief of existing capital and liquidity buffers has been extended until June-end 2022. As of 31 December 2021, AED 5.5 Billion of payment deferrals were provided by the Bank under its own programmes.

<sup>3</sup> ECL/Provisions is defined as ECL on loans, advances and Islamic financing + ECL on unfunded exposures + IFRS9 impairment reserves

## BALANCE SHEET TRENDS

Total assets grew 9% year-on-year and 2% sequentially, exceeding AED 1 Trillion as of December-end 2021.

Loans, advances and Islamic financing grew 6% year-on-year to AED 410 Billion as of December-end 2021, significantly outperforming sector loan growth<sup>4</sup>. Loans grew 2% sequentially during the fourth quarter, led by sustained GRE and corporate demand, partly offset by the run-down of short-term trade-related loans.

Investments (net) grew 25% year-on-year to AED 191 Billion, reflecting growth across trading and non-trading portfolios.

Customer deposits grew 14% to AED 614 Billion primarily led by government, corporate and retail inflows, and demonstrating the Group's solid deposit franchise. CASA balances grew 29% year-on-year (or AED 65 Billion), now representing 47% of total deposits as of 31 December 2021, on the back of new cash management mandates and new initiatives to attract CASA.

The Group's liquidity position remains strong with December-end 2021 Liquidity Coverage Ratio (LCR) at 134%, comfortably in excess of Basel III minimum regulatory requirement of 100%, as well as the minimum of 70% established by the UAE Central Bank as part of temporary liquidity relief measures.

During 2021, FAB has raised USD 4.7 Billion (equivalent) of senior wholesale funding at a competitive pricing across multiple formats and 9 different currencies, taking advantage of favourable market conditions in the first quarter to complete several landmark transactions including our inaugural Euro public transaction, the first since 2015 by a MENA FI, as well as our return to the public Sterling market where FAB remains the only MENA FI with public bonds outstanding.

FAB continued to focus on its Green and Sustainability-linked funding activity, issuing a 5-year CHF 200 Million Public Green Bond in the fourth quarter, which was its second CHF denominated public green deal in 2021. The Bank remains the only MENA issuer to issue green bonds in the CHF market. During 2021, FAB has issued over USD 605 Million equivalent in Green Bonds across both Public transactions and Private Placements, bringing total Green Bonds outstanding to over USD 1.4 Billion equivalent across 10 issuances and 4 different currencies, and further cementing FAB's position as a regional and global leader in the Green Bond market. The Bank was recognised for its *Outstanding Leadership in Sustainable Finance and Green Loans* in the Middle East in 2021 by Global Finance among other notable accolades as an innovative and leading issuer in the MENA region.

FAB is also leading the MENA region in the transition to Alternate Reference Rates (ARR). The Bank has issued 3 SOFR-linked (Secured Overnight Financing Rate) Private Placements in 2021 and remains the only MENA issuer to have both SONIA (Sterling Overnight Index Average) and SOFR-linked bonds outstanding.

## EQUITY, CAPITAL AND RETURNS

Total shareholders' equity (including Tier 1 capital notes) stood at AED 113 Billion, up 4% as compared to December-end 2020. Basel III Common Equity Tier 1 (CET1) ratio stood at 12.4%, net of proposed dividends, as compared to 13.3% at December-end 2020, as strong capital generation during the year was offset by the impacts from regulatory changes. Group CET1 stands comfortably above the minimum regulatory requirement of 11% and the threshold of 8% under TESS until June-end 2022. Capital adequacy and Tier 1 capital ratios were 15.4% and 14.3% as of December-end 2021, versus 16.5% and 15.4% respectively, as of December-end 2020.

Annualised Return on Tangible Equity (RoTE) and Return on Risk Weighed Assets (RoRWA) were 15.1% and 2.3% for FY'21, compared to 13.0% and 2.1% respectively for FY'20.

FAB's Board of Directors' have recommended a dividend per share of 70 fils equivalent, split into 49 fils in cash and 21 fils in scrip dividend in lieu of cash for the financial year ended 31 December 2021.

<sup>4</sup> Based on UAE Banking sector statistics as of November-end 2021, indicating sector loan growth of 1.3% for the first 11 months of 2021

## BUSINESS PERFORMANCE<sup>5</sup>

AED Mn	Q4'21	Q3'21	QoQ %	Q4'20	YoY %	FY'21	FY'20	YoY %	FY'21 Contr%
<b>Group revenue</b>	<b>5,696</b>	6,411	(11)	4,908	16	<b>21,681</b>	18,574	17	<b>100%</b>
<i>Revenue by business segment</i>									
Investment banking (IB)	3,945	3,641	8	1,879	110	12,391	7,341	69	57%
Corporate & Commercial banking (CCB)	921	934	(1)	1,215	(24)	3,480	3,968	(12)	16%
Consumer banking (CB)	1,237	1,251	(1)	1,258	(2)	4,875	5,139	(5)	22%
Global Private banking (GPB)	238	232	3	254	(6)	952	980	(3)	4%
Head office (HO)	(645)	353	na	302	na	(17)	1,146	na	0%
<i>Revenue by geography</i>									
UAE	4,646	5,462	(15)	4,081	14	17,884	15,562	15	82%
International	1,049	949	11	827	27	3,797	3,012	26	18%

**57%** of  
Group Revenue 

### INVESTMENT BANKING (IB)

IB delivered a record performance in 2021 demonstrating the Group's ability to capitalise on the significant improvement in market sentiment in a year of strong economic rebound. Revenue grew 69% compared to 2020, primarily driven by a significant growth in non-interest income on the back of an exceptional trading performance. Profit after taxes doubled year-on-year, crossing the AED 10 Billion mark.

Loans, advances and Islamic financing grew 3% year-on-year, underlining sustained momentum from our client franchise across MENA, partly offset by the run-down of non-strategic assets. Deposits grew 13% year-on-year driven by a robust 46% growth in CASA balances. Liquidity position remains very strong with a loans-to-deposit ratio at 55%.

Fee-based revenue generation was strong, reflecting strong pipeline execution and buoyant capital market activity. Global Markets (GM) continued to produce strong returns across investment and trading portfolios, underpinned by selective risk-taking to enhance income generation. Global Corporate Finance (GCF) also showed sustained business momentum in the LCM and DCM space, originating and structuring a number of landmark transactions from the UAE and MENA region, generating substantial fee revenue. In addition, the equity markets have witnessed a record year, especially in the UAE, where the ECM business led a number of equity offerings and new company listings on the Abu Dhabi Securities Exchange. Our regional custody expansion continued adding a significant number of new mandates which increased assets under custody, to become the number 1 custodian in the UAE. In Global Transaction Banking (GTB), we added over 240 cash management mandates during the year and rolled out innovative treasury advisory solutions. FAB has continued to lead the Sustainable Finance agenda in the MENA region by structuring and leading a number of transactions for strategic clients, including Sustainability Linked Loans (SLLs) in the aviation industry.

FAB closed 2021 as the top-ranked regional bank across all major MENA Investment Banking league tables, and the only regional bank featuring amongst the top 5. FAB continued to increase market share in the Loan Agency business, affirming its position as the #1 ranked Agent in UAE, GCC and MENA.

<sup>5</sup> In the second quarter of 2021, the Group had reorganised its business model. Corporate & Investment Banking and Personal Banking Groups have been re-segmented into four distinct business lines: Investment Banking (IB), Corporate & Commercial Banking (CCB), Consumer Banking (CB) and Global Private Banking (PB). Figures for prior periods have been re-based on the current business segments for comparison purposes. Please refer to [IR Quarterly Series](#) for segmental information on a quarterly basis since beginning of 2020.

16% of  
Group Revenue 

## CORPORATE AND COMMERCIAL BANKING (CCB)

CCB produced a resilient performance despite headwinds from competition and a low interest rate environment. Revenue was 12% lower year-on-year in 2021, as growth in non-interest income was offset by lower interest income.

Reflecting a pick-up in economic activity, both loans and deposits grew 9% year-on-year. Over 510 cash management mandates were won during 2021 with CASA balances up 27%. The business continued to roll-out new product propositions in the areas of Supply Chain Finance, Escrow accounts, and Open Account solutions. We strategically grew the balance sheet with our key clients and our Global Markets sales business continued to see increased volumes with penetration across segments.

Significant progress to drive digitisation led to the launch of 1st in the market solutions including DigiCheques on the Corporate Mobile App, the coverage for FABeSign being extended to over 2,000 clients, as well as a significant increase in transactions made via digital channels. Several Trade Supply Chain Finance (SCF) programs were launched with government entities and corporate clients during the year, allowing liquidity to be extended to their suppliers and thereby stabilising supply chains. A key milestone was the signing of MOU with Etihad Credit Insurance (ECI) & Crediti/Monimove to support small SME exporters in the UAE, a solution that FAB was the first bank to adopt and co-develop.

In recognition of its innovation efforts, FAB received the “The Innovators for Trade Finance” award from Global Finance during the year for the UAE Trade Connect platform (jointly with Etisalat) and FABeSCF platform (e-supply chain finance).

22% of  
Group Revenue 

## CONSUMER BANKING (CB)

CBG generated revenue of AED 4.9 Billion in 2021, 5% lower year-on-year, as growth in net interest income was offset by lower fees and commissions. Loans, advances and Islamic financing grew 5% and CASA deposits grew 6% year-on-year, driven by higher consumer spending and enhanced customer propositions.

In 2021, product offerings and partnerships were enhanced to drive acquisition. New products including our market leading Travel Card led to a 50% increase in credit card acquisitions compared to 2020, while leading rates and partnerships with top tier real-estate developers drove a 28% increase in mortgage acquisitions during the fourth quarter. Our new Elite World proposition and coverage model helped us improve service, raise deposits, and grow investment AUMs by 13% since Q3 and 46% year-on-year. Our payments subsidiary, Magnati, witnessed double-digit growth in volumes over pre-pandemic levels, considerably increasing its market share during the year. Working alongside our fintech partners, we enhanced our Payment as a Platform offering. We received several leading industry awards including the fintech partnership award by The Fintech Abu Dhabi Awards 2021 and Best Customer Experience by MEA Finance Awards for *Buy Now, Pay Later* offering.

Advanced analytics were deployed across the business to deepen customer relationships. AI driven campaigns, hyper contextualised location-based notifications and gamification were deployed to improve spends, product cross-sell, product utilisation, retention and employee productivity among others.

FAB Mobile capabilities such as messenger made it easy for customers to interact, instant easy payment plans and rewards redemption allowed them to fulfil common service requests, and digital journeys enabled them to seamlessly open accounts and cards. New digital journeys and capabilities launched across our channels helped reduce transactions and service requests through physical channels. FAB Mobile is amongst the top-rated banking apps regionally and was recognised by MEA Finance for the Best Mobile Banking Services Implementation award in 2021. 8 branches closed and a further 3 converted to a digital operating set up.

We also continued to invest in our people. Knowledge and best practices of customer facing employees were enhanced via drop-in clinics, virtual events and internationally accredited training programmes. This investment in customer facing teams helped FAB maintain high NPS of close to 60 in 2021.

**4%** of  
 Group Revenue 

## GLOBAL PRIVATE BANKING (GPB)

GPB assets under management increased by almost 50% year-on-year in 2021 driven by strong global collaboration and an enhanced product proposition including access to private markets, alternative investments, and local IPOs. Leveraging its international footprint, GPB generated this growth with substantial focus on its discretionary portfolio and investment advisory offerings, with substantial business generated across FAB's onshore and offshore jurisdictions.

In the UAE, the emphasis on providing the best support to clients has been reflected in a strong growth of the advisory business, signing 23 new mandates in 2021, pushing UAE advisory AUMs to a new high. GPB continues to embrace technology to improve and grow its offerings for clients. GPB's customer-centric approach has been recognised by four high-profile awards: Most Promising New Private Bank Proposition, Private Bank or Wealth Manager Servicing the Kingdom of Saudi Arabia, Best Private Bank Servicing Clients with Investable Assets Between USD 1 Million and USD 5 Million and Best Private Bank Servicing Clients with investable assets between USD 5 Million and USD 25 Million by Wealth Briefing MENA 2021 Awards.

## INTERNATIONAL OPERATIONS

Revenues from international operations grew 26% year-on-year in 2021, contributing 18% to Group revenue, with higher contributions from our franchises in Egypt (including consolidation of BAE), Saudi Arabia and USA. The Middle East & Africa region now contributes 52% to the Group's international revenues, while Europe & Americas and Asia-Pacific contribute 34% and 14%, respectively.

Loans, advances and Islamic financing were up 2% year-on-year as the consolidation of BAE offset the deliberate reduction in non-strategic assets in APAC. Customer deposits, though, were up 27% year-on-year not only due to BAE consolidation, but also on the back of strong growth in our overseas franchises in Saudi Arabia, USA, UK, Hong Kong and Singapore as we continued to attract cost-effective liquidity from our global network. The integration of FAB's Egypt operations is well underway to be completed during 2022.

## ECONOMIC OVERVIEW AND OUTLOOK

Notwithstanding the uncertainty surrounding the new Omicron strain of Covid-19, the UAE continued to register a robust economic rebound during the fourth quarter, with improving economic activity levels underpinned by the country's world leading Covid-19 vaccination programme, Expo 2020, and government reforms to foster economic growth and diversification. The underlying strength of the economy was also highlighted by PMI data, which continued to hover comfortably above 55.5 throughout Q4. Building on this strength, the outlook was further brightened during the quarter by the government's ongoing commitment to fiscal, monetary and regulatory measures designed to support the economic outlook. With such building blocks for future economic prosperity firmly in place, and with oil prices holding above USD 70 bbl, UAE real GDP growth is now expected to come in at 3.2% for FY'21 and to accelerate to 4.8% in 2022, compared to earlier forecasts of 2.4% and 3.0% respectively.

**James Burdett,**  
 Group Chief Financial Officer

## ABOUT FIRST ABU DHABI BANK (FAB)

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

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

With total assets of over AED 1 Trillion (USD 272 Billion) as of December-end 2021, FAB is rated Aa3/AA-/AA- by Moody's, S&P and Fitch, respectively - the strongest combined ratings of any bank in the MENA region. The Bank has been ranked by Global Finance as the Safest Bank in the UAE and the Middle East, and the 32nd Safest Bank globally. The Banker's Top 1000 World Banks 2021 rankings, measured by Tier 1 capital, ranked FAB as #1 in the UAE, #3 in the Middle East and #94 across the globe. FAB is also a regional sustainability leader (MSCI ESG rating of AA, 'Leader' category), and a constituent of MSCI ESG Leaders and FTSE4Good EM indices.

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

For investor-related queries, please contact FAB Investor Relations team on [ir@bankfab.com](mailto:ir@bankfab.com)

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