

# From Integration to Transformation

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Dear Shareholders,

It gives me great pleasure to present FAB's key achievements and financial results for 2018.

As the UAE's Year of Zayed, 2018 will always stand out as a special year, and this is all the more so following the successful completion of our IT systems integration in the fourth quarter. This milestone concluded our UAE integration journey, leaving us as a fully unified bank able to provide enhanced banking products and services to our customers.

FAB delivered a strong set of financial results in 2018, recording a Group Net Profit of AED 12.0 Billion, an increase of 10% from 2017. Our full year cost-to-income ratio improved to 25.9% from 27.7%, reflecting the bank's continued progress in delivering cost efficiencies across the organisation.

Approximately 75% of our 2020 cost synergy run-rate target has been achieved so far, with further synergies set to be unlocked through process simplifications, automation and network optimisation.

Reflecting FAB's continued focus on disciplined, strategic growth, the bank continued its international expansion in 2018 and commenced operations in the Kingdom of Saudi Arabia, the region's biggest economy. Meanwhile, in Egypt, the Arab world's most populous country, we grew our personal and corporate banking offerings.

With our UAE integration activities complete, 2019 will be the year in which we begin to unlock our full potential as one of the world's largest and safest banks. We will continue to invest in creating the most customer-friendly banking experience in the region and look forward to supporting Ghadan 2021,

a three-year AED 50 billion economic stimulus package announced in 2018 by the President of the United Arab Emirates, His Highness Sheikh Khalifa bin Zayed Al Nahyan. As the UAE's most international bank, FAB aims to build bridges between people, markets and cultures at home and abroad during the coming 'Year of Tolerance'.

Thank you for your ongoing support.

Yours sincerely,

**Abdulhamid Saeed**  
Group Chief Executive Officer

AED  
**12.0**  
Billion  
Group Net Profit  
+ 10% YOY

**16.2%**  
Return on  
Tangible Equity  
(vs. 14.6%  
in 2017)

AED  
**19.4**  
Billion  
Revenue  
(Flat YOY)

**25.9%**  
Cost-Income  
Ratio  
(vs. 27.7% in 2017)

