



Q1'22 EARNINGS PRESENTATION

28 April 2022



Disclaimer

- Comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in the consolidated financial statements
- FAB's Group consolidated financials include the financial performance of Bank Audi Egypt post legal day 1 on 28th April 2021

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Please note that rounding differences may appear throughout the presentation.

Q1'22 Financial Review

James Burdett
Group Chief Financial Officer



Q1'22 Key highlights

Key Financial Highlights Q1'22



5.1 AED Bn **107%** YoY

(Q1'21: AED 2.5Bn)



1.84 AED **113%** YoY

(Q1'21: AED 0.86)

Operating Income

4.5 AED Bn **2%** YoY

(Q1'21: AED 4.4Bn)

Total Income

7.3 AED Bn **66%** YoY

(Q1'21: AED 4.4Bn)

Return on Tangible Equity

25.0%
(Q1'21: 12.8%)

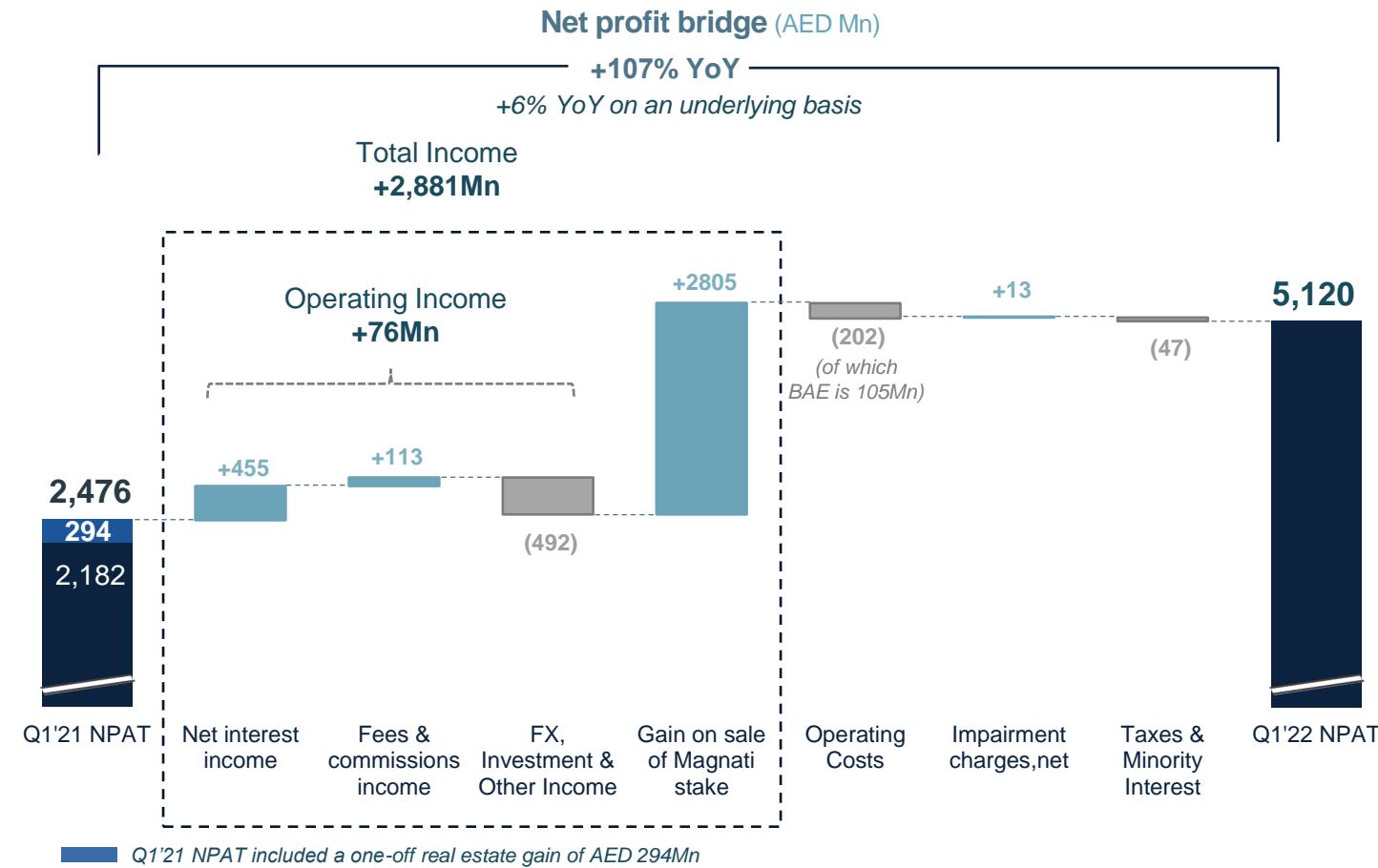
Common Equity Tier 1 Ratio

13.0%
(Mar'21: 13.7%)

- **Strong set of results underlining strategy execution and core business momentum**
 - Highest quarterly profit in the bank's history: Q1'22 NPAT at AED 5.1Bn (+54% qoq, +107% yoy) includes AED 2.8Bn gain on sale of a majority stake in payments business Magnati
 - Operating income up +2% yoy or +9% on an underlying basis excluding Magnati related gains in Q1'22 and real estate gains in Q1'21
- **Loans +6% sequentially with growth picking up across all business segments, while liquidity remained strong with LCR at 120% and sustained growth in CASA balances**
- **Continued to manage risk prudently, while making necessary investments to support future productivity and efficiency gains**
- **Solid capital position with CET1 comfortably above regulatory requirements at 13.0%**
- Despite ongoing global uncertainty, we are **confident in our strategic progress as we continue to position FAB to deliver superior and sustainable shareholder value**

¹ BAE – Bank Audit Egypt; BAE consolidation effective 28 April 2021

Q1'22 NPAT boosted by Magnati stake sale, higher NII and continued strength in fees

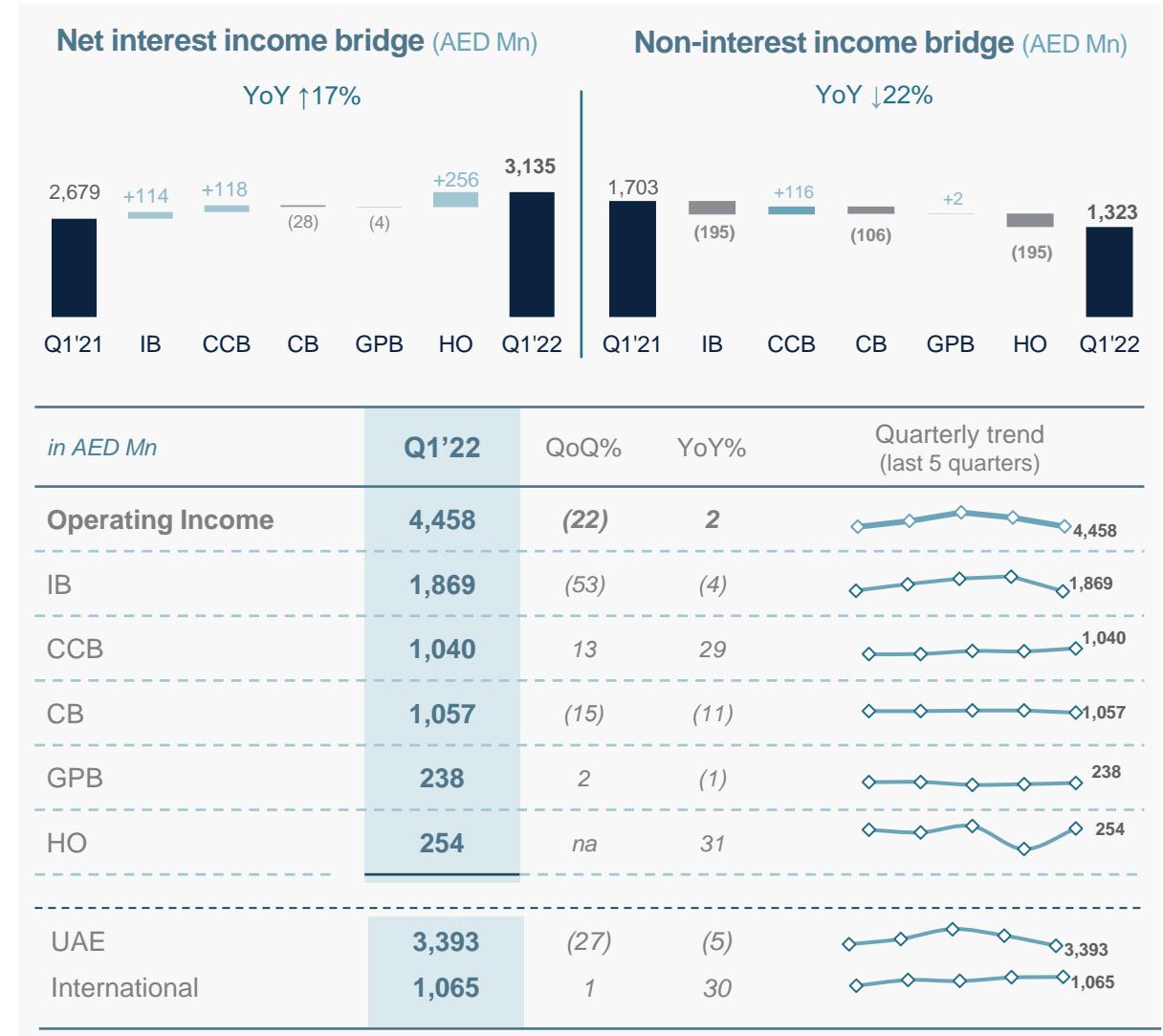
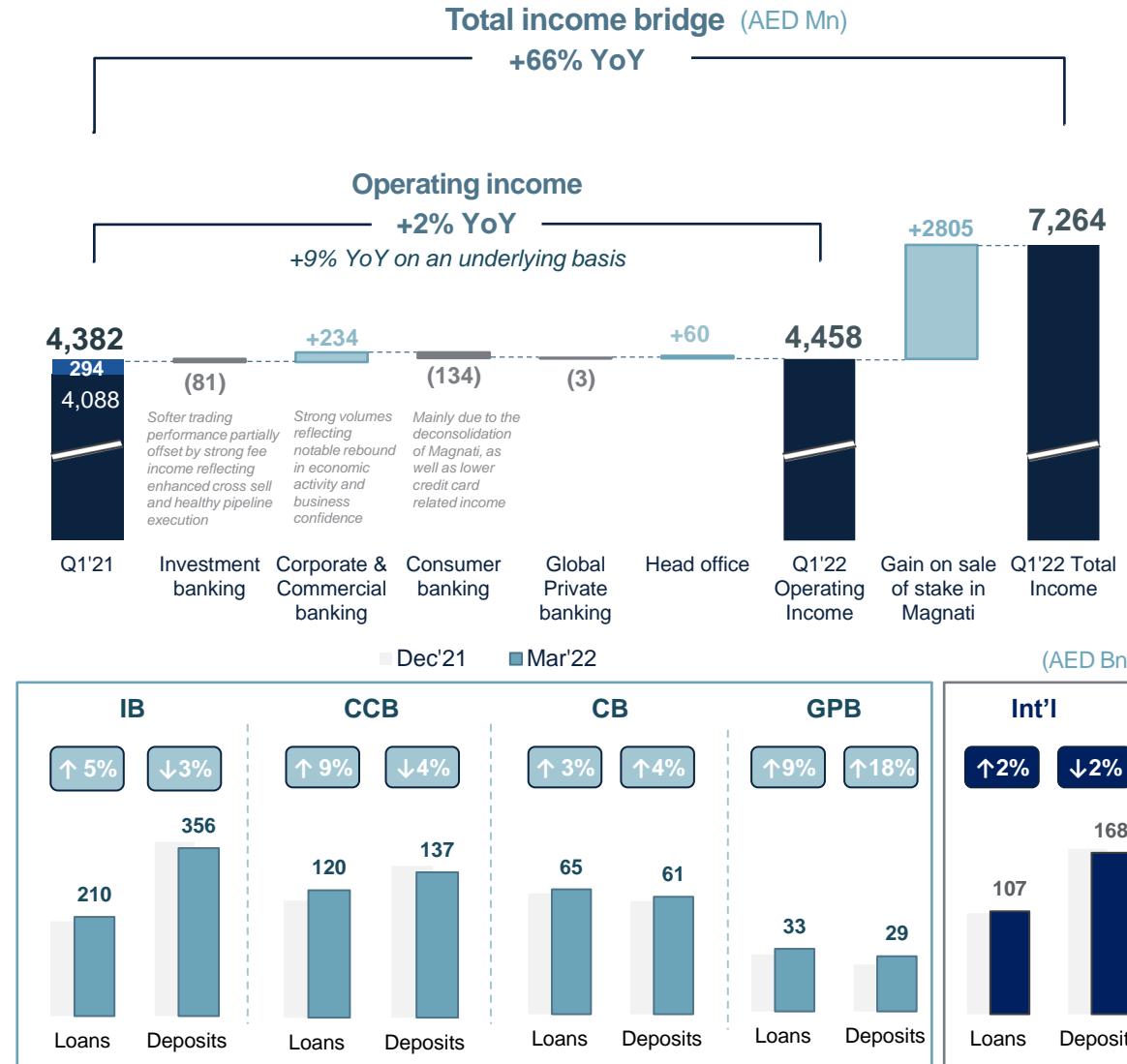


1 Gain on sale of Magnati stake includes fair valuation of retained interest

in AED Mn	Q1'22	QoQ%	YoY%
Net interest income	3,135	3	17
Non-interest income	1,323	(50)	(22)
Operating Income	4,458	(22)	2
Gain on sale of Magnati Stake ¹	2,805	na	na
Total Income	7,264	28	66
Operating costs	(1,521)	3	15
Profit before net impairments & taxation	5,742	36	87
Impairment charges, net	(457)	(36)	(3)
Taxes & MI	(165)	(7)	40
Net Profit	5,120	54	107
<i>Basic EPS (in AED; annualised)</i>	<i>1.84</i>	<i>55</i>	<i>113</i>
	%	bps	bps
<i>RoTE</i>	<i>25.0</i>	908	1217
<i>RoRWA</i>	<i>3.6</i>	129	158

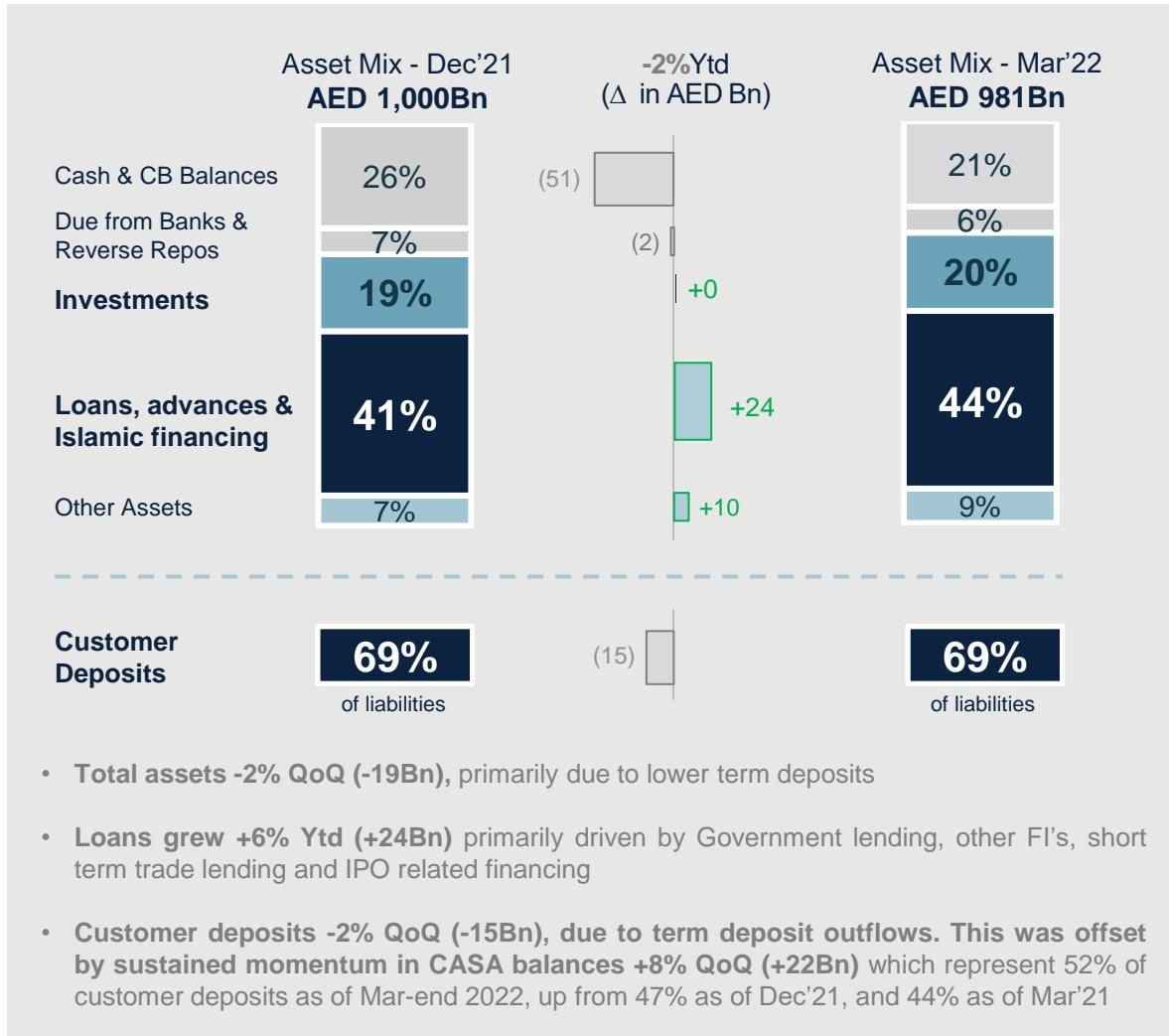
* Bank Audi Egypt consolidation effective 28 April 2021 ([more info on slide #24](#))

Underlying revenue performance helped by increased levels of activity across all business segments, and contribution of Bank Audi Egypt



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

Liquidity efficiently deployed to support higher lending volumes, while liquidity remained strong with higher CASA mix



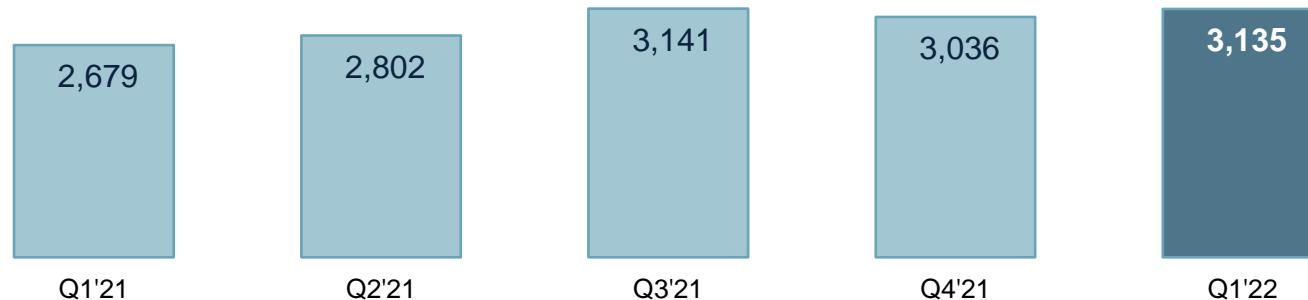
1 Minimum regulatory LCR requirement is 100% effective Jan'19; relaxed to 70% until 30 Jun 2022 under TESS by UAE CB

	in AED Bn	Mar'22		QoQ%	YoY%	Quarterly trend (last 5 quarters)
		Assets	Loans, advances and Islamic financing			
Assets	981	(2)	+4	941	944	983 1,000 981
Loans, advances and Islamic financing	434	+6	+15	378	399	404 410 434
Investments	191	+0	+20	160	177	190 191 191
Deposits	600	(2)	+6	568	575	606 614 600
CASA	310	+8	+24	250	252	272 288 310
Equity (incl Tier-1 notes)	111	(2)	+8	103	106	109 113 111
Tangible equity	81	(2)	+11			
	%	QoQ (bps)	YoY (bps)			
LCR ¹	120	<-999	<-999	141	119	124 134 120
CET1 (post-dividends)	13.0	56	(68)	13.7	13.0	13.0 12.4 13.0

NII trend supported by volume growth, improved loan margins and BAE contribution

Net interest income (AED Mn)

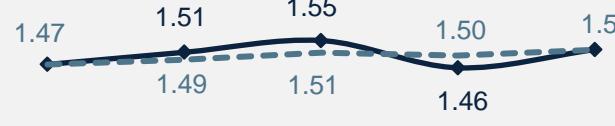
QoQ ↑3%, YoY ↑17%



- P&L impact from a +/-25bps parallel movement in interest rates is estimated at c. AED 290Mn¹, if no offsetting action is taken by management
- Bank Audi Egypt NII contribution in Q1'22² – AED 185Mn

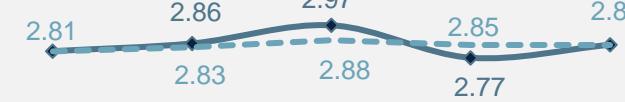
Net interest margin (%)

— Quarterly - - - YTD



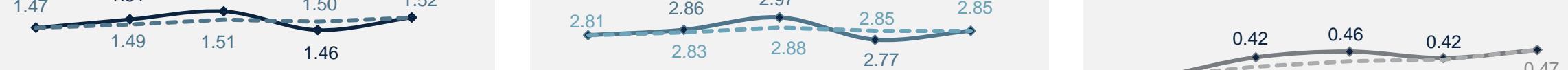
Performing loan yields (%)

— Quarterly - - - YTD



Cost of customer deposits (%)

— Quarterly - - - YTD



Note: All percentage figures are annualised

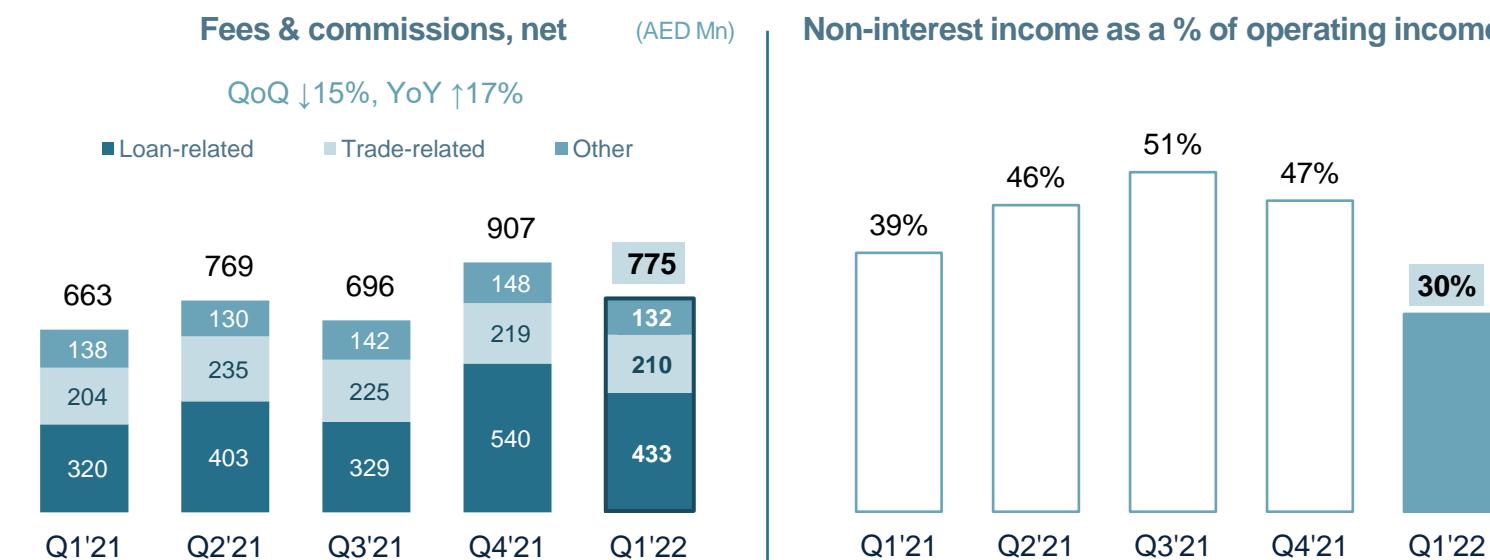
1 For further details, please refer to Market Risk note #45(c) of FY'21 financial statements

2 Bank Audi Egypt consolidation effective 28 April 2021

Strong fee generation yoy, partially offsets softer trading and investment income

Non-interest income (In AED Mn)	Q1'22	Q4'21	QoQ%	Q1'21	YoY%
Non-interest income¹	1,323	2,660	(50)	1,703	(22)
<i>Fees & commissions, net</i>	775	907	(15)	663	+17
<i>FX and other investment income, net</i>	465	2,503	(81)	677	(31)
<i>Other non-interest income</i>	83	(750)	na	363	(77)
% of Group operating income	30%	47%		39%	

1 Underlying Q1'22 non-interest income was -6% YoY



- Fees and commissions**

+17% YoY reflecting growth in fee-generating businesses across IB and CCB, offsetting lower fees in CB primarily due to the deconsolidation of Magnati and lower credit card related income

-15% QoQ primarily due to the deconsolidation of Magnati

- FX & investment income**

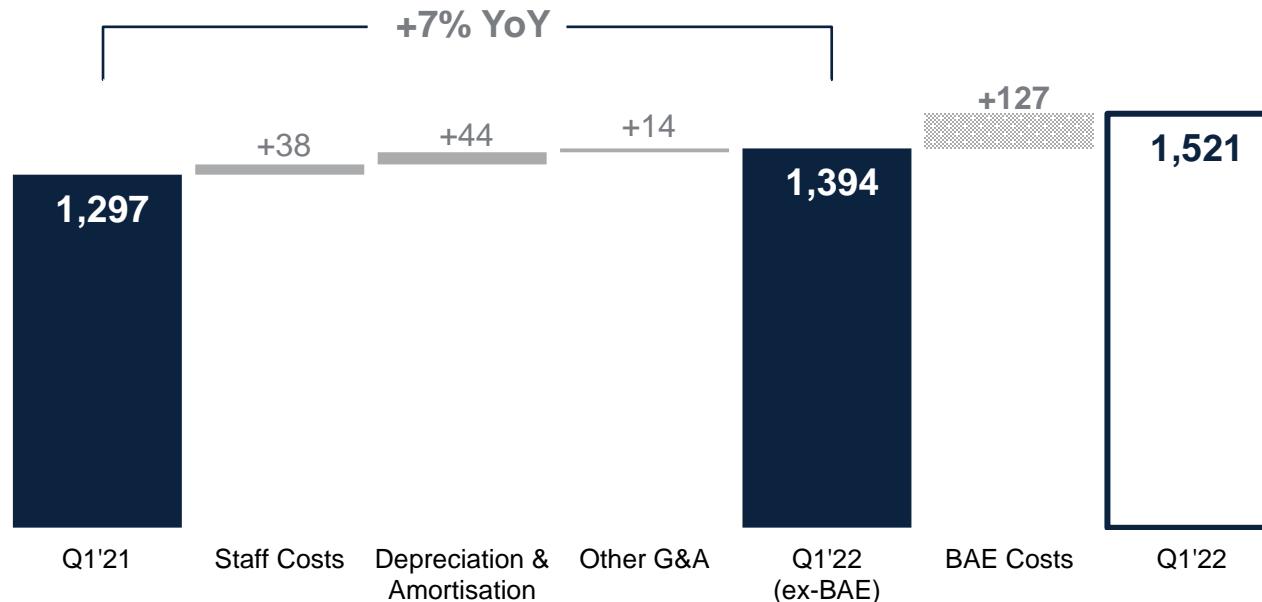
Lower QoQ and YoY primarily reflecting challenging market conditions, partly offset by increased client flow activity in Global Markets

- Other non-interest income**

Lower YoY mainly due to property-related gains of AED 294Mn recorded in Q1'21

Opex trend reflects ongoing strategic and digital investments, and impact of BAE inclusion

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



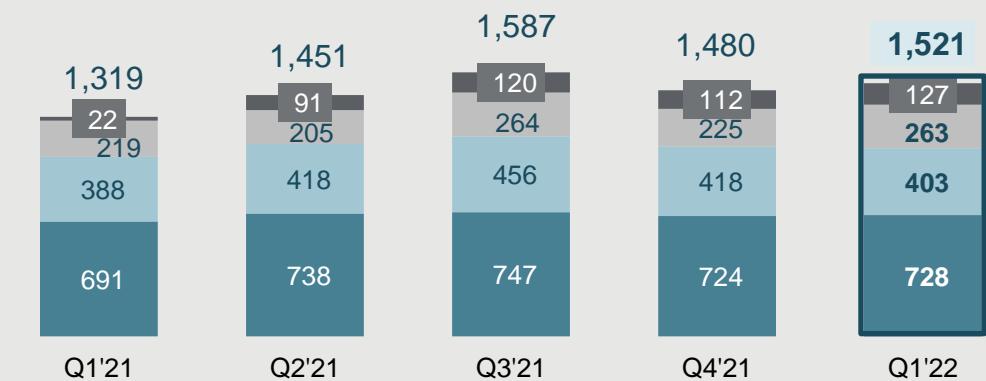
Cost savings being deployed to further support digital and technology investments; cost discipline to be maintained through the cycle, with several initiatives underway to create future efficiencies

Opex drivers YoY (AED Mn)

C/I ratio (ex-integration)¹

29.6 27.3 24.2 25.4 33.3¹

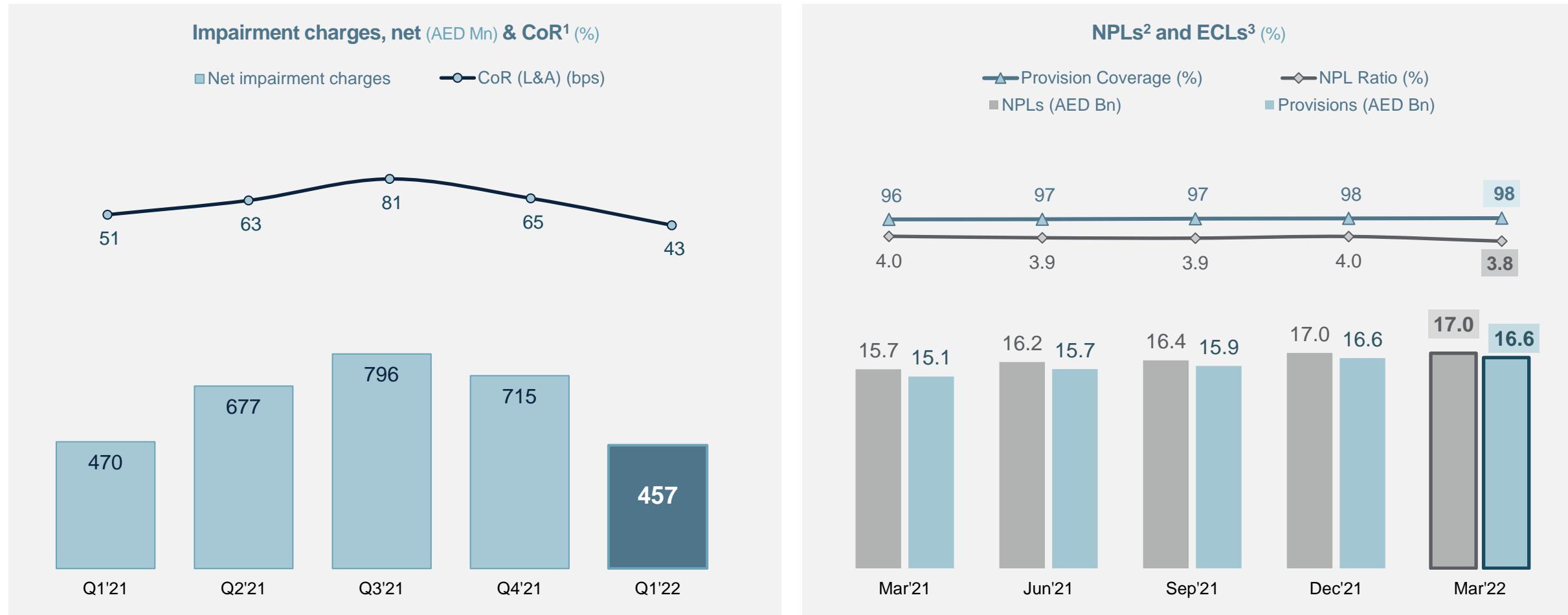
QoQ ↑3%, YoY ↑15%
Ex-BAE: QoQ ↑2%, YoY ↑7%



- Staff costs
- Other G&A costs
- Depreciation & Amortisation
- Bank Audi Egypt and integration costs

¹ Excludes Magnati-related gains

Healthy asset quality metrics with NPL ratio improving to 3.8%; lower CoR reflects favorable adjustment of macro-economic variables



¹ Annualised

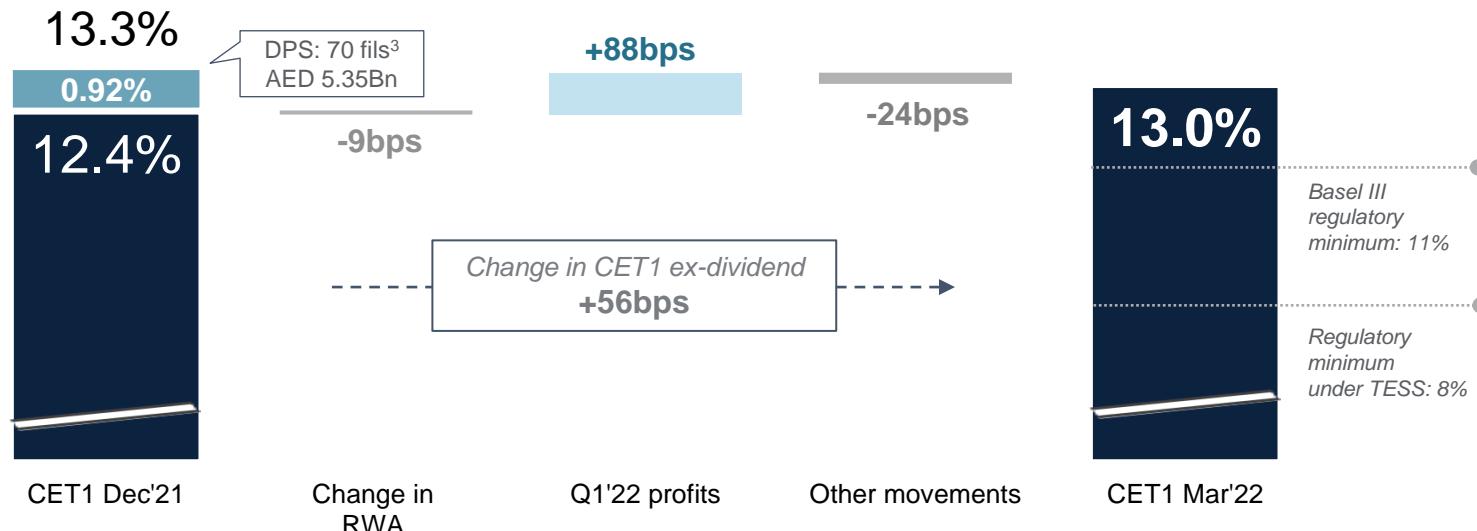
² NPLs = Stage 3 exposure + adjusted POCI (Purchase or originally impaired credit) of AED 5,673Mn as of Mar'22 considered as par to NPLs, net of IIS

³ ECL = ECL on loans, advances & Islamic financing + ECL on unfunded exposures + IFRS9 impairment reserves

Note: Gross loans and advances and NPLs are net of interest in suspense; see Note 30 'Credit quality analysis' in Q1'22 financials for more details on IFRS9 exposures and ECL

Strong capital position comfortably above regulatory requirements

CET1¹ ratio progression Q1'22



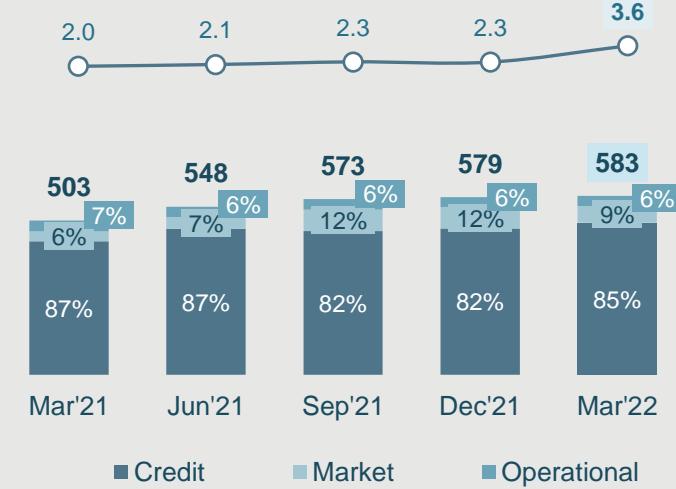
¹ UAE CB has reduced the minimum CET1, Tier 1 and CAR requirement to 8%, 9.5% and 11.5% respectively until 30 June 2022 under TESS (previous minima of 11%, 12.5% & 14.5%, respectively)

² ECL add-back to CET1 under IFRS9 prudential filter – AED 37Mn (1bps of CET1)

³ Dividends per share of 70 fils equivalent, split into 49 fils in cash and 21 fils as scrip dividend in lieu of cash

- Capital ratios remain well above minimum regulatory requirements; Tier 1 and CAR ratios at 14.8% and 15.9%, respectively
- Risk discipline maintained despite balance sheet growth, helped by continued RWA optimisation

RoRWA (%ytd) and RWAs (AED Bn)



FY2022e guidance

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

2022e financial guidance Q1'22 actual

Loan growth	Mid to high-single digit	+6% QoQ	
Cost of Risk (CoR)	< 80bps	43bps	
Provision coverage ratio	> 90%	98%	
CET1 (pre-dividend)	>13.5%	13.0%	

Wrap-up

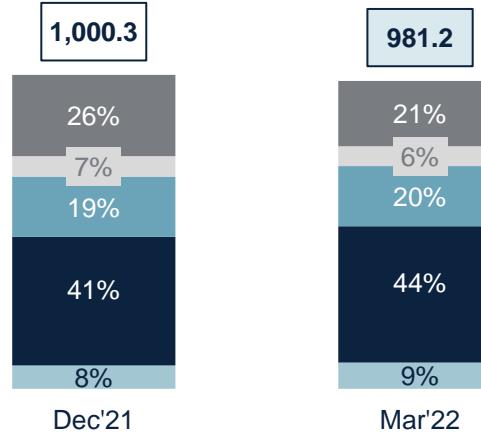
- ✓ **Strong set of results in Q1'22 underlining strategy execution and core business momentum**
- ✓ **Encouraging trends across business segments bode well for future income generation, with economic and interest rate tailwinds ahead**
- ✓ **Our core strengths and robust foundation, position us well to continue to deliver on our long term strategy, and to achieve superior and sustainable shareholder returns**

Appendix

Asset & loan mix

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

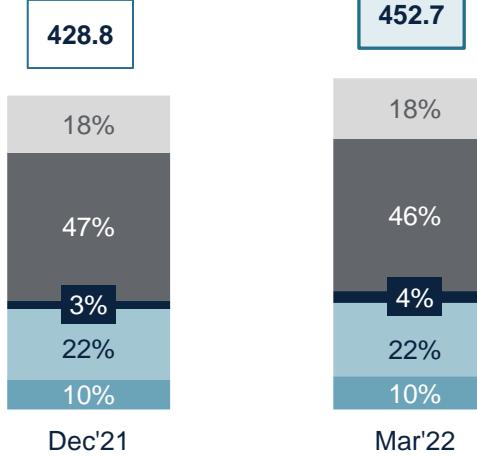
Asset mix



AED Bn

- Cash & CB Balances
- DFB and Reverse Repos
- Investments
- Loans and Advances
- Others

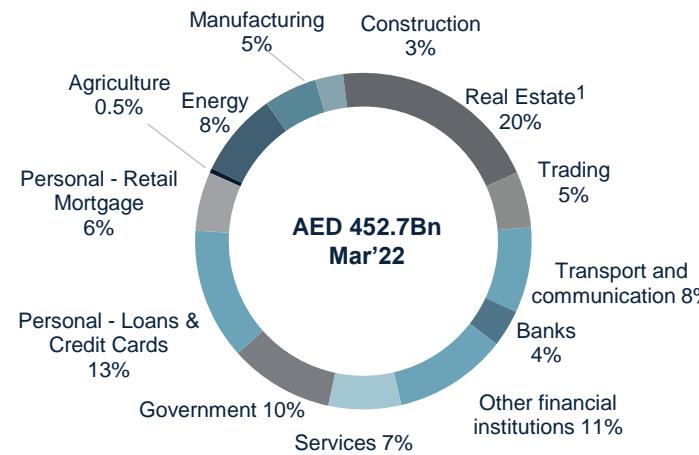
Gross loans by counterparty



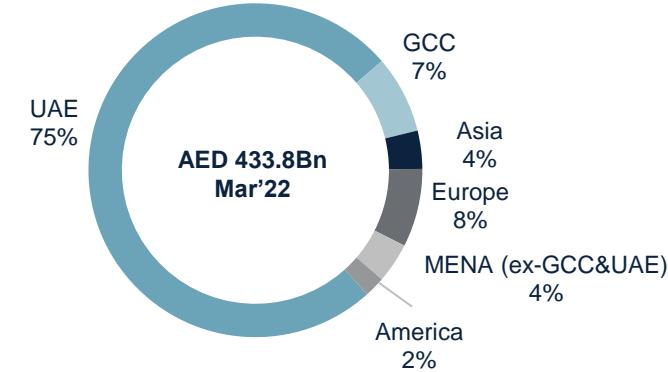
AED Bn

- Personal/ Retail
- Corporate/ Private
- Banks
- Public Sector
- Government

Gross loans by economic sector

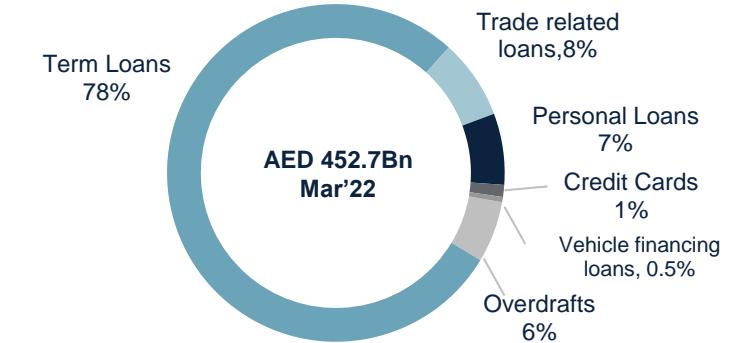


Net loans by geography²



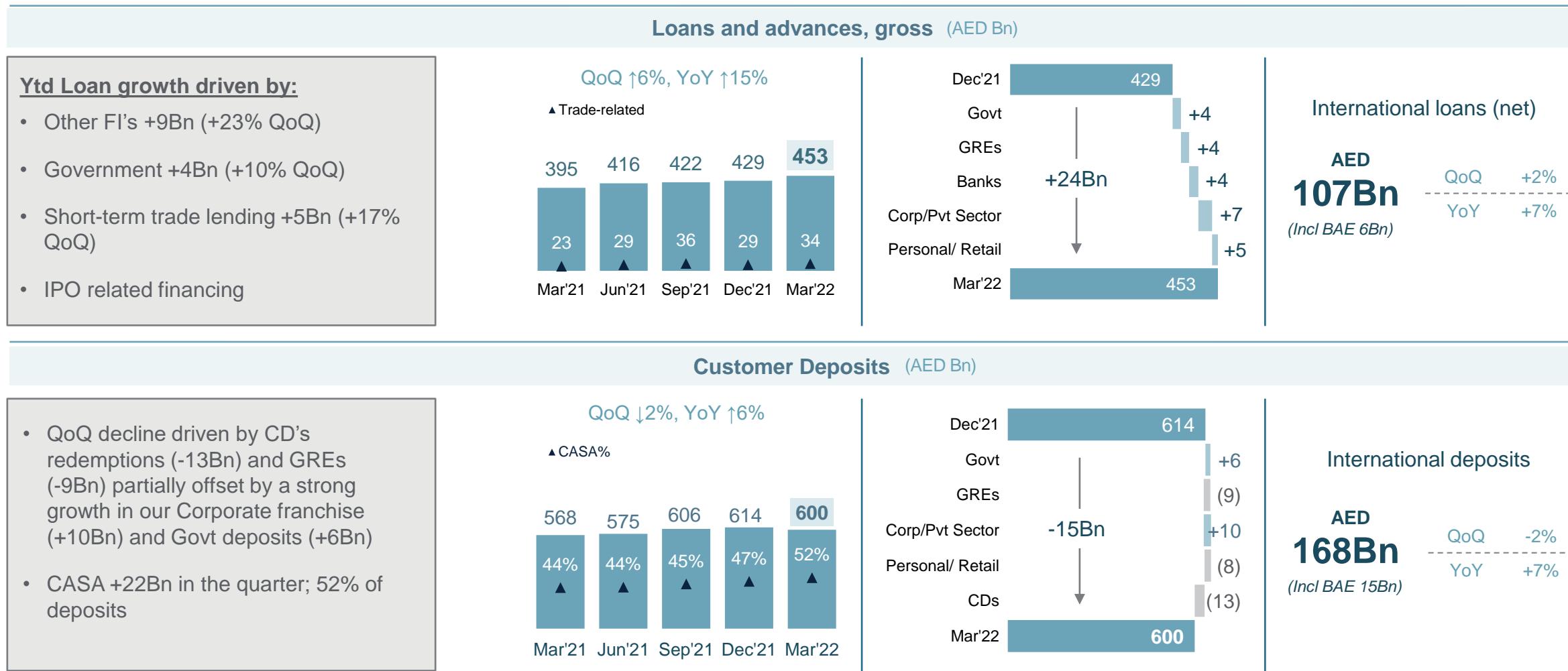
2 Based on loan origination / coverage

Gross loans by product



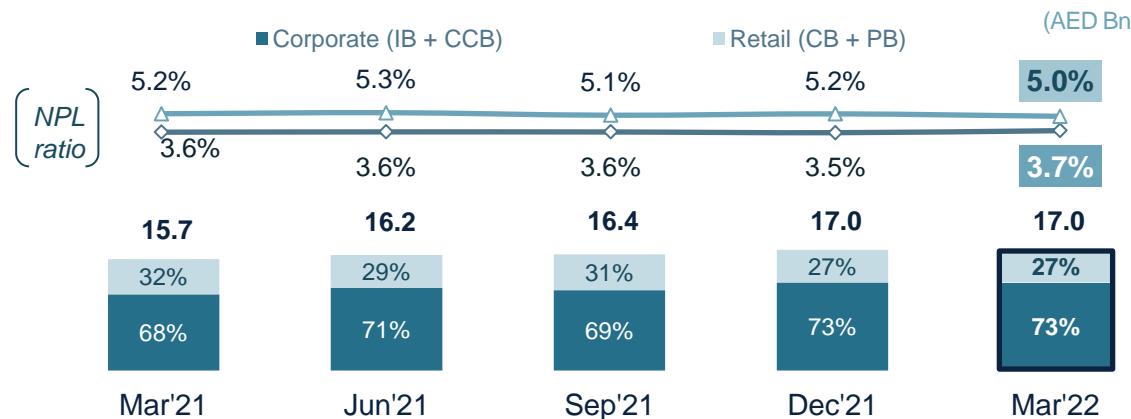
1 Real Estate by geography: Abu Dhabi 46%, Dubai 25%, Other UAE 2%, UK 18%, Other Intl 9%

Loan growth led by other FI's, government lending, short term trade lending and IPO related financing; Strong CASA growth with CASA mix at an all-time high of 52%

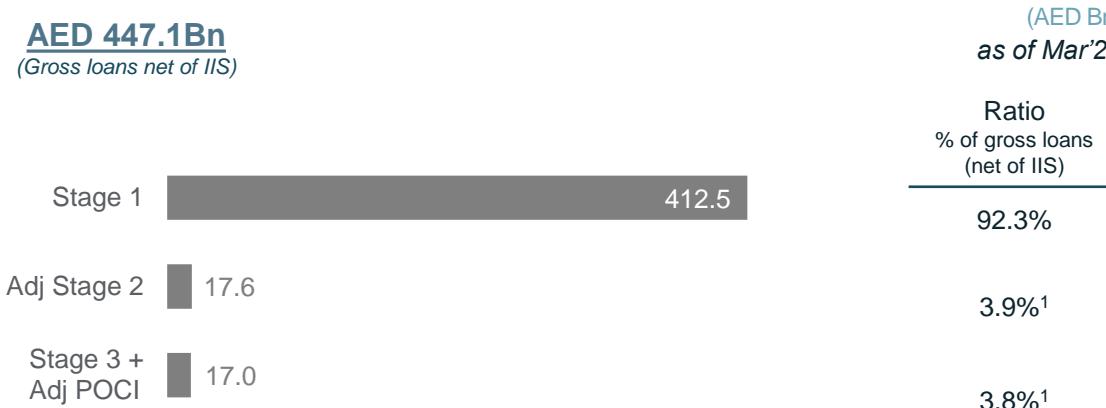


NPLs and Loans/ECL by stage

NPLs¹ by segment



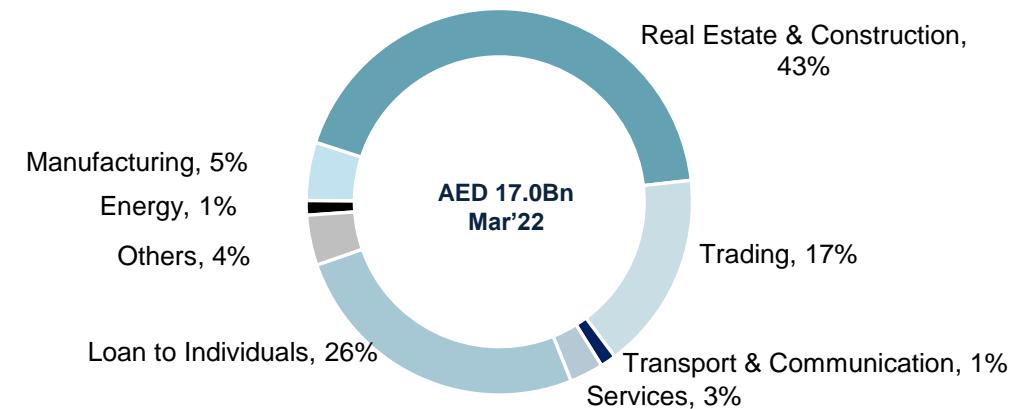
Loans by stage



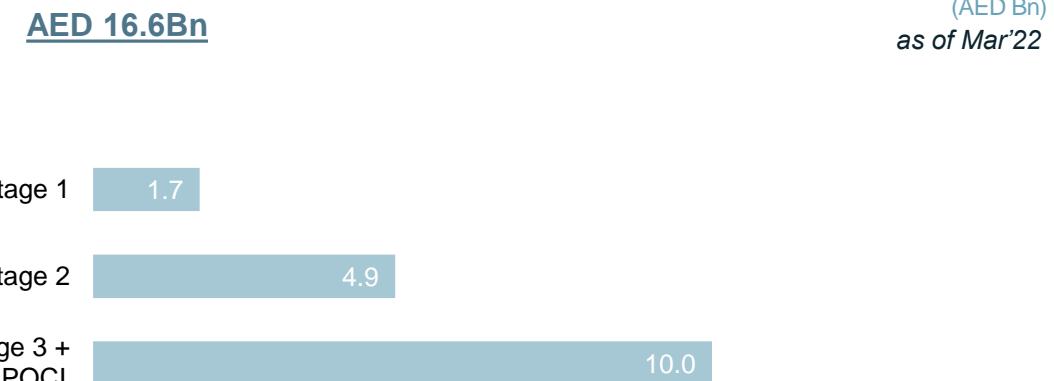
1 NPLs = Stage 3 exposure + adjusted POCI (Purchase or originally impaired credit) of AED 5,673Mn as of Mar'22 considered as par to NPLs, net of IIS; Stage 3+POCI, net of IIS as per Note #30 in Q1'22 financials is AED 17.0Bn; Adj Stage 2 incl POCI not considered as NPLs (AED 123Mn)

2 ECL = ECL on loans, advances and Islamic financing (13.3bn) + ECL on unfunded exposures (0.8Bn) + IFRS9 impairment reserve (2.5Bn), IFRS9 specific reserve incl in Stage3 (1.2Bn), IFRS9 collective reserve incl in Stage2 (1.3Bn)
Note: Gross loans, advances & Islamic financing and NPLs are net of interest in suspense; see Note #30 Credit Risk in Q1'22 financials for more details on IFRS9 exposures and ECL

NPLs¹ by sector (%)

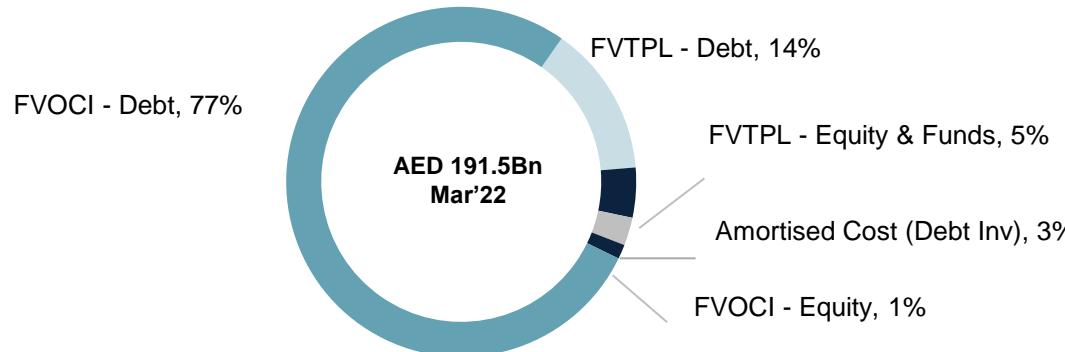


ECL² by stage

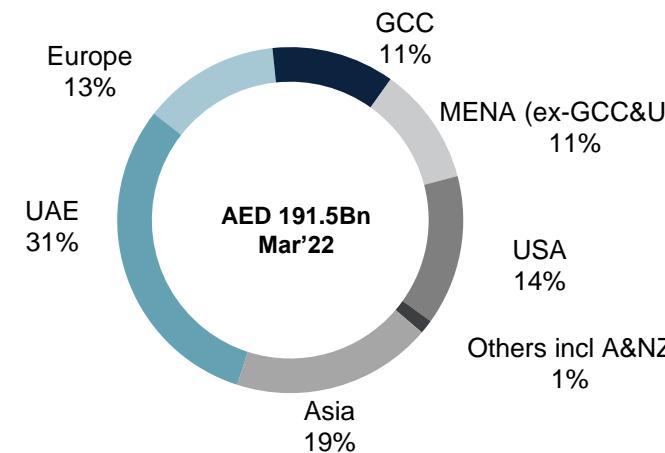


High-quality investment book

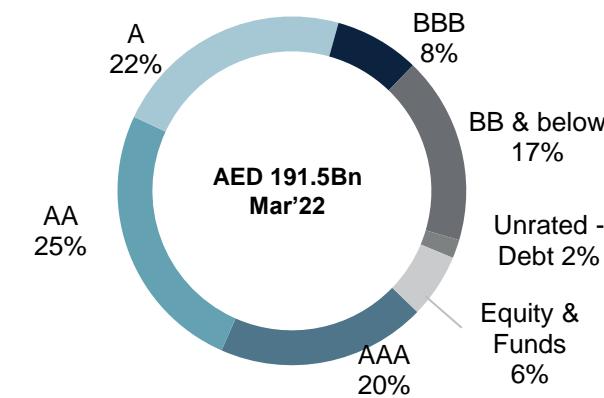
Investments by type



Investments by geography

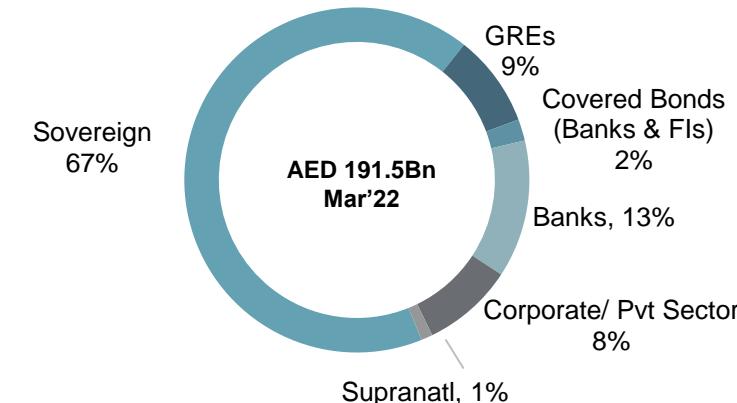


Investments by ratings



- 67% rated A and above
- 75% investment grade and above
- 92% of BB & below are Sovereign & GReS

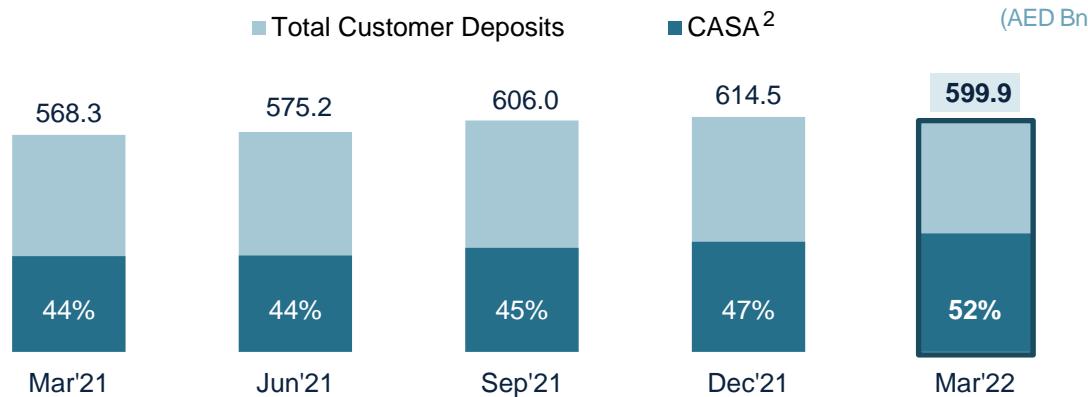
Investments by counterparty



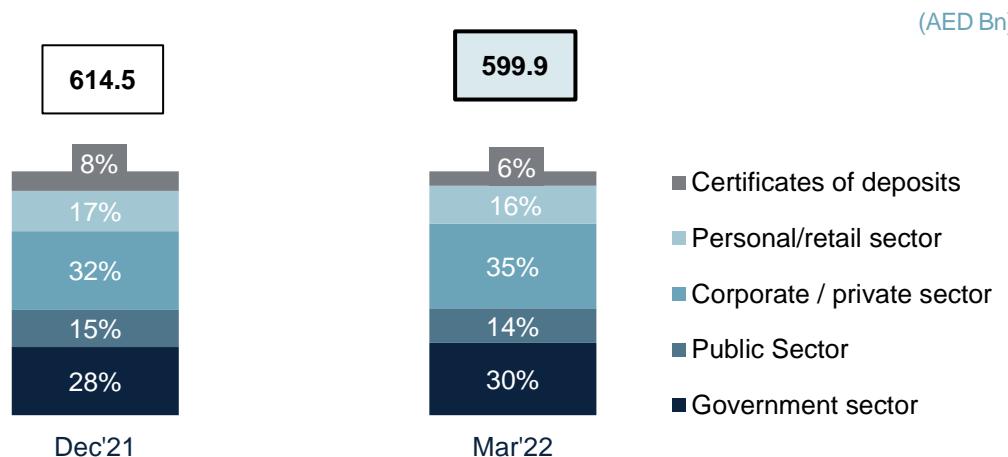
FVTPL – Fair value through profit or loss (previously HFT), Amortised cost – previously HTM, FVOCI – Fair value through other comprehensive income (previously AFS)
 Sovereign bonds include sovereign guaranteed bonds issued by GReS, banks & FIs
 Note: All totals are Gross investments before ECL

Customer deposits

Customer Deposits



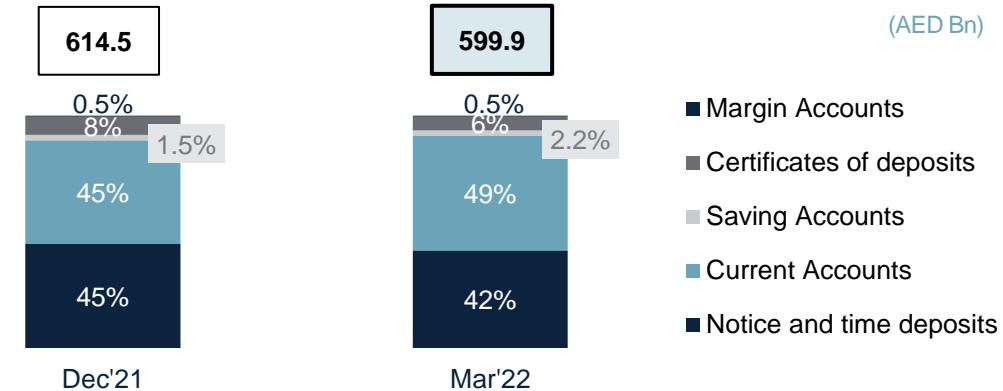
Customer deposits by counterparty



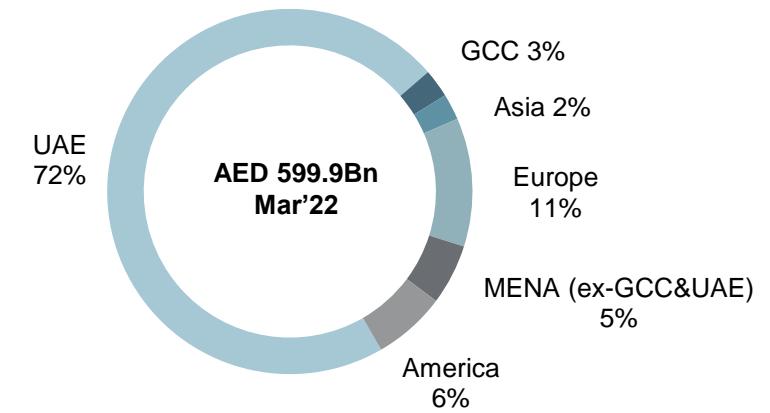
1 Based on deposit origination / coverage

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

Customer deposits by account type

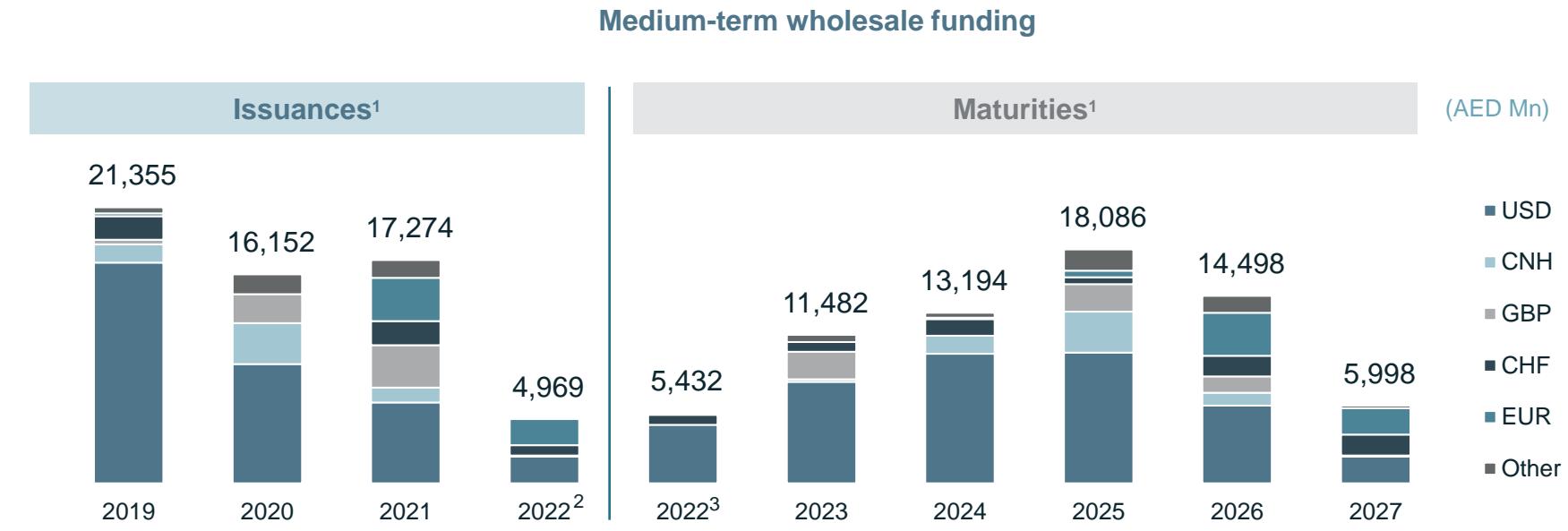
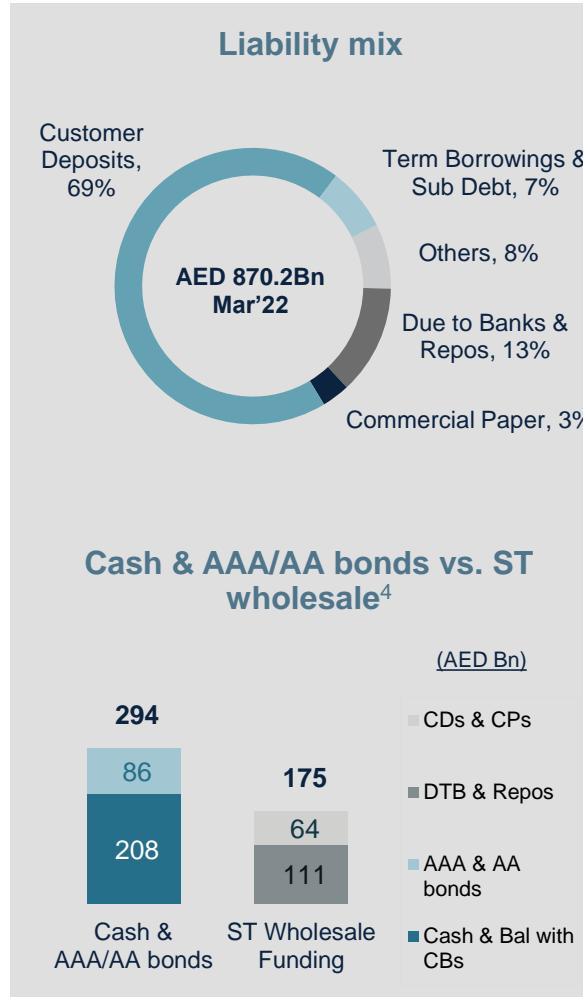


Customer deposits by geography¹



Liability mix and funding profile

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



2022 Year to date highlights:

- AED 5.2Bn (USD 1.4Bn) equivalent year-to-date of senior wholesale funding across multiple formats and different currencies
- First-ever EUR Denominated Green Bond from MENA region (EUR500Mn 5-year)
- Return to the Swiss franc market (CHF 200Mn 4-year Green Bond) where FAB remains the only bank from the MENA region to issue green bonds denominated in EUR
- Regional leader in Green Bond issuance with over USD 1.5Bn of Green Bond notional outstanding across 12 transactions and 5 currencies

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

² Year-to-date as of 31 March 2022

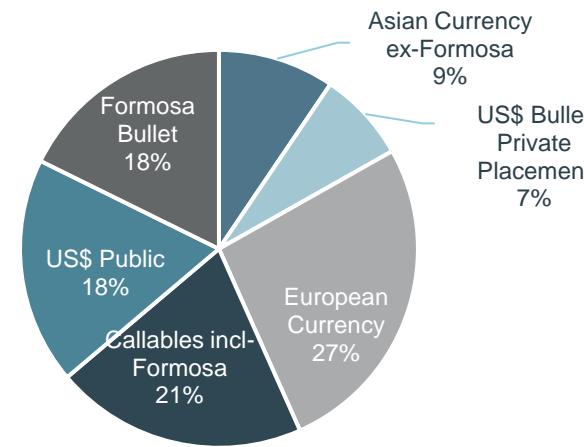
³ For the remainder period of 2022

⁴ FAB has access to place deposits with ECB & FED

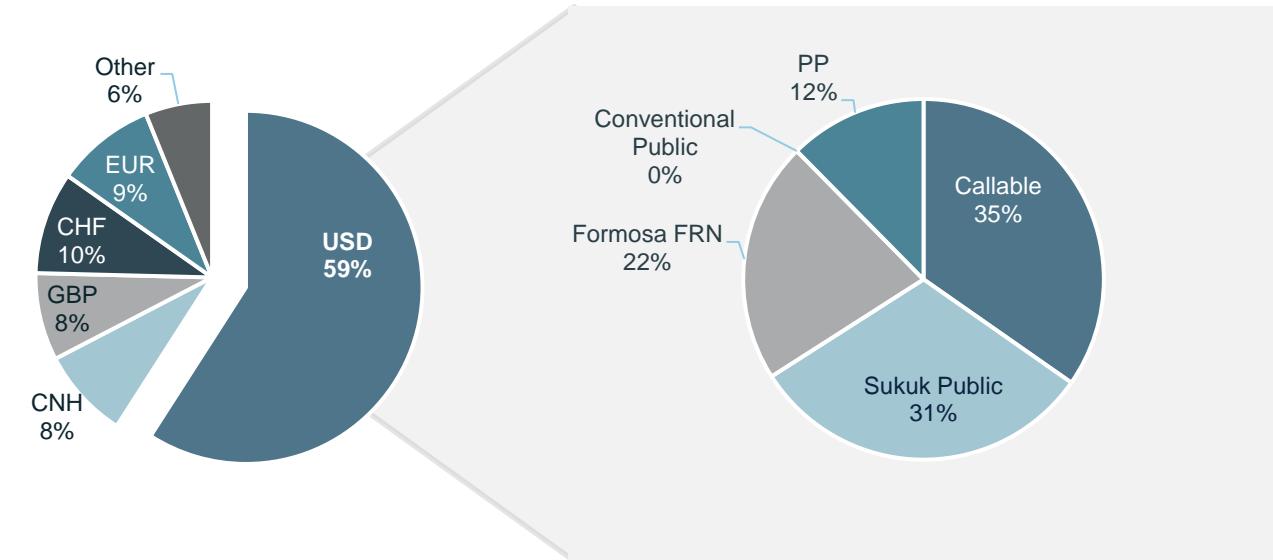
Diversified Term Funding portfolio

Frequent Issuer across multiple products, currencies and geographies

Term Funding Portfolio by Type¹



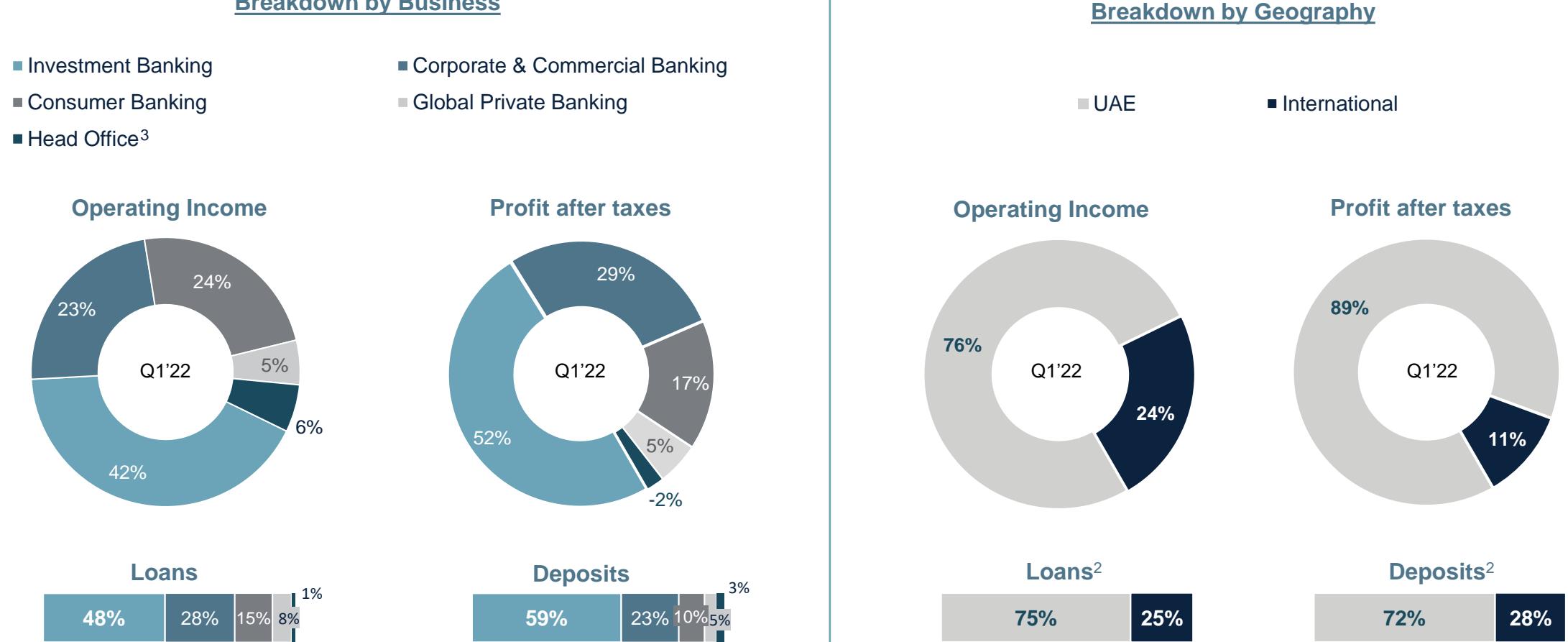
Term Funding Portfolio by Currency¹



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

1. All figures based on historical FX

Dominant franchise in UAE with strategic international presence



¹ All figures as of 31 Mar 2022 / Q1'22 financials and based on operating income excluding gain on sale of stake in Magnati

² Based on loan origination / coverage

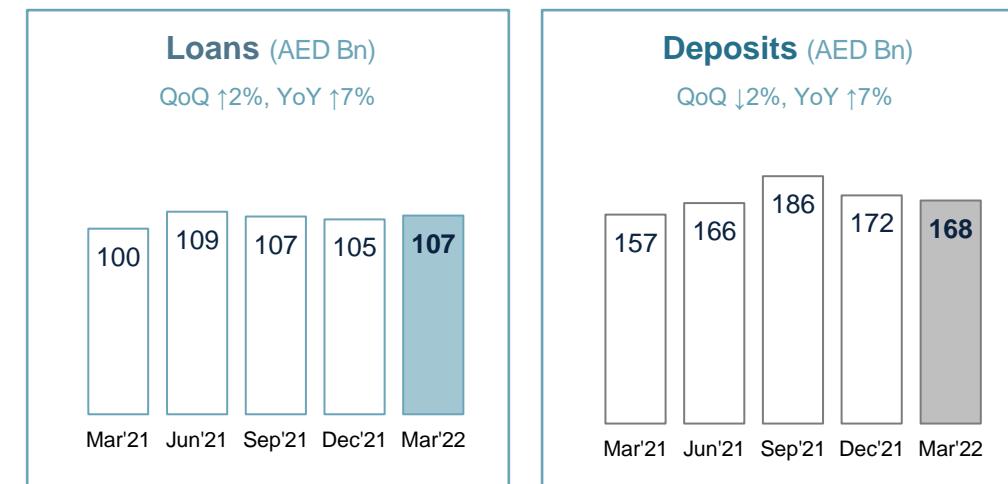
³ Head Office includes Bank Audi Egypt

International – financial overview

Key highlights

- Operating income from international operations grew 30% YoY, contributing 24% to Group revenue, with higher contributions from our franchises in Egypt (helped by BAE inclusion), Saudi Arabia, and UK
- Net loans grew by 2% QoQ and 7% YoY while customer deposits added 7% YoY underlining FAB's solid deposit franchise
- The integration of FAB's Egypt operations is well underway to be completed during 2022
- Our branch in Shanghai, China became operational in March and we also enhanced our MENA presence through a representative office in Iraq

International



International (AED Mn)	Q1'22*	QoQ%	YoY%
Operating Income (BAE - 240)	1,065	1	30
Costs (BAE incl integration cost - 127)	(395)	(20)	46
Operating Profit	670	20	22
Impairment charges, net (BAE - 27)	(280)	123	794
Taxes (BAE - 39)	(133)	(9)	19
Profit after taxes (BAE - 46 (BAE ex-integration costs - 81))	256	(10)	(37)
<i>CI Ratio</i>	37.1%	-983bps	403bps
<i>RoRWA</i>	0.7%	-15bps	-54bps
<i>Contribution to Group operating income</i>	24%	5%	5%

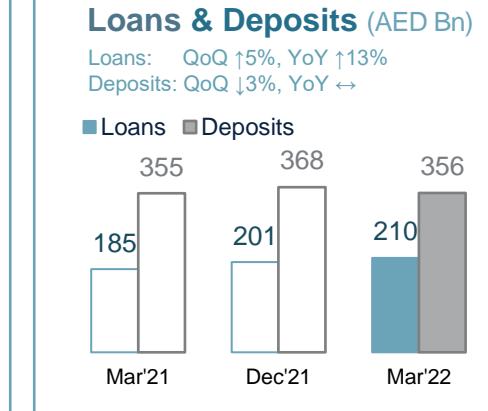
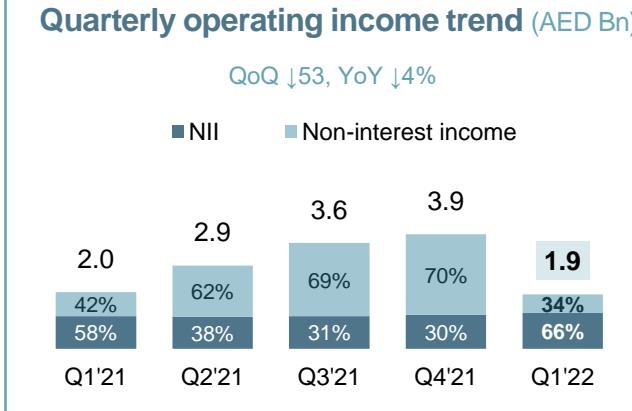
* Bank Audi Egypt consolidation effective 28 April 2021

Business segments overview – IB & CCB

Key highlights

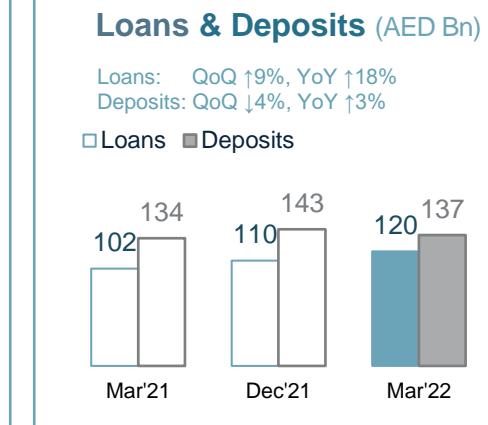
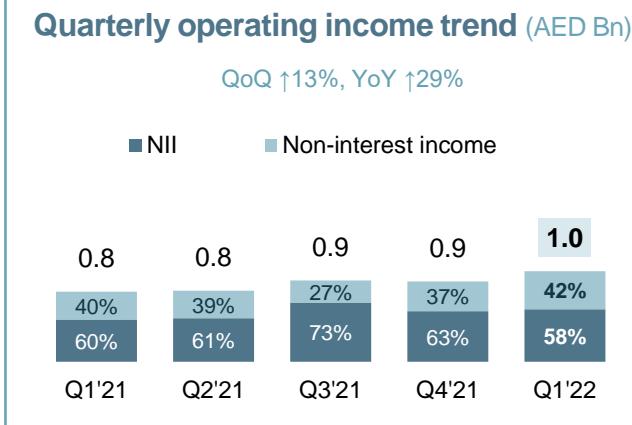
- Lower operating income reflects challenging market conditions in Q1'22 and an exceptional trading performance during 2021
- Strong fee and net interest income growth reflecting enhanced cross sell and healthy pipeline execution, and client flow across FX & rates
- Balance sheet growth led by higher demand from our client franchise as borrowers looked for refinancing ahead of expected rate hikes

Investment banking (IB)



AED Mn	Q1'22	QoQ%	YoY%
Operating Income	1,869	(53)	(4)
Costs	(411)	5	10
Operating Profit	1,458	(59)	(8)
Impairment charges, net	(168)	51	na
Taxes	(91)	(16)	2
Profit after taxes	1,198	(64)	(21)
CI Ratio	22.0%	1,212bps	291bps
RoRWA	1.45%	(258)bps	(72)bps
Contribution to Group operating income	42%	-27%	-3%

Corporate and commercial banking (CCB)



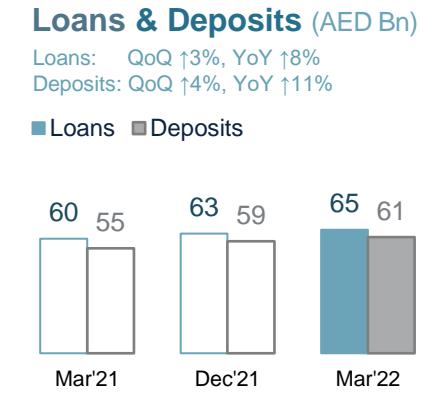
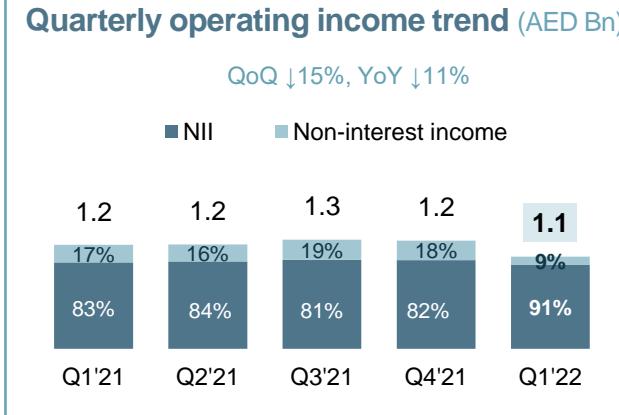
AED Mn	Q1'22	QoQ%	YoY%
Operating Income	1,040	13	29
Costs	(249)	7	9
Operating Profit	791	15	37
Impairment charges, net	(112)	(71)	(58)
Taxes	(15)	142	90
Profit after taxes	664	122	120
CI Ratio	24.0%	(145)bps	(429)bps
RoRWA	2.05%	112bps	109bps
Contribution to Group operating income	23%	7%	5%

Business segments overview – CB & GPB

Key highlights

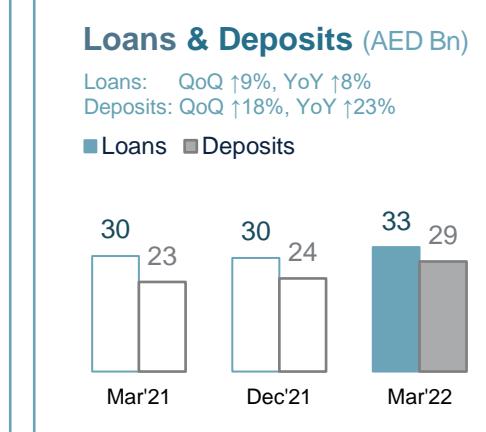
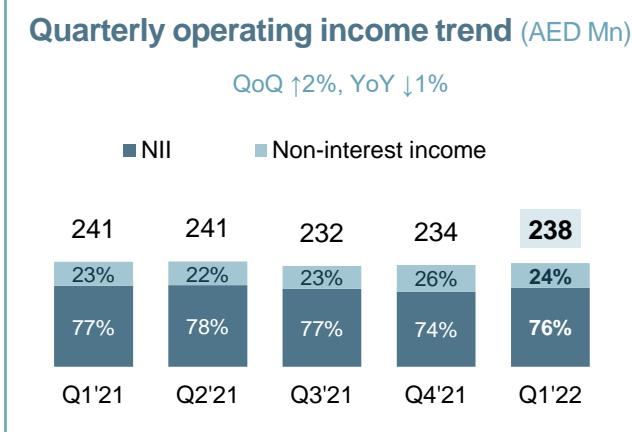
- CB operating income was down -11% primarily attributable to the deconsolidation of Magnati during the quarter, as well as lower credit card related income
- Sales momentum remained strong during Q1'22 capitalising on improving consumer confidence, a pick up in consumption, and enhanced digital capabilities
- Loans and deposits grew +3% and +4% sequentially, respectively

Consumer banking (CB)



AED Mn	Q1'22	QoQ%	YoY%
Operating income	1,057	(15)	(11)
Costs	(539)	(8)	(4)
Operating Profit	518	(21)	(18)
Impairment charges, net	(134)	(6)	(41)
Taxes	-	na	na
Profit after taxes	383	(26)	(4)
CI Ratio	51.0%	406bps	374bps
RoRWA	2.47%	(87)bps	(15)bps
Contribution to Group operating income	24%	2%	(3)%

Global Private banking (GPB)



AED Mn	Q1'22	QoQ%	YoY%
Operating income	238	2	(1)
Costs	(96)	7	16
Operating Profit	142	(1)	(10)
Impairment charges, net	(5)	(66)	46
Taxes	(11)	(27)	(14)
Profit after taxes	126	12	(11)
CI Ratio	40.3%	181bps	593bps
RoRWA	2.51%	30bps	(123)bps
Contribution to Group operating income	5%	1%	(0)%

Q1'22 financial highlights – Group financials

Income Statement - Summary (AED Mn)

	Q1'22	Q4'21	QoQ %	Q1'21	YoY %
Net interest Income	3,135	3,036	3	2,679	17
Non- interest Income	1,323	2,660	(50)	1,703	(22)
Operating Income	4,458	5,695	(22)	4,382	2
Gain on Magnati stake sale (incl fair valuation of retained interest)	2,805	-	na	-	na
Total Income	7,264	5,695	28	4,382	66
Operating expenses	(1,521)	(1,480)	3	(1,319)	15
Profit before net impairment charge and taxation	5,742	4,216	36	3,063	87
Impairment charges, net	(457)	(715)	(36)	(470)	(3)
Non-controlling Interests and Taxes	(165)	(177)	(7)	(117)	40
Net Profit	5,120	3,324	54	2,476	107
Basic Earning per Share (AED) ¹	1.84	1.19	55	0.86	113

Balance Sheet - Summary (AED Bn)

	Mar'22	Dec'21	QoQ %	Mar'21	QoQ %
Loans, advances and Islamic financing	434	410	6	378	15
Investments	191	191	0	160	20
Customer deposits	600	614	(2)	568	6
CASA (deposits)	310	288	8	250	24
Total Assets	981	1,000	(2)	941	4
Equity (incl Tier 1 capital notes)	111	113	(2)	103	8
Tangible Equity	81	83	(2)	73	11

Key Ratios¹ (%)

	Q1'22	Q4'21	QoQ (bps)	Q1'21	YoY (bps)
Net Interest Margin	1.52	1.46	6	1.47	5
Cost-Income ratio (ex-integration costs)	33.3	25.4	790	29.6	376
Cost of Risk (bps) (loans, advances and Islamic financing)	43	65	(22)	51	(9)
Non-performing loans ratio	3.8	4.0	(22)	4.0	(23)
Provision coverage	98	98	32	96	154
Liquidity Coverage Ratio (LCR)	120	134	<-999	141	<-999
Return on Tangible Equity (RoTE)	25.0	15.9	908	12.8	1217
Return on Risk-weighted Assets (RoRWA)	3.6	2.3	129	2.0	158
CET1 ratio (post-dividend)	13.0	12.4	56	13.7	(68)
Capital Adequacy ratio (post-dividend)	15.9	15.4	57	17.0	(101)

¹ All ratios are annualised, where applicable



Q1'22 financial highlights – Segmental

AED Mn	Q1'22	Q4'21	QoQ %	Q1'21	YoY %	Q1'22 Cont%
Operating income	4,458	5,696	(22)	4,382	2	100%
Investment banking (IB)	1,869	3,945	(53)	1,950	(4)	42%
Corporate & Commercial banking (CCB)	1,040	921	13	806	29	23%
Consumer banking (CB)	1,057	1,242	(15)	1,191	(11)	24%
Global Private banking (GPB)	238	234	2	241	(1)	5%
Head office (HO)	254	(646)	na	194	31	6%
 UAE	 3,393	 4,645	 (27)	 3,562	 (5)	 76%
International	1,065	1,050	1	820	30	24%
 Profit after taxes	 2,318	 3,326	 (30)	 2,479	 (7)	 100%
Investment banking (IB)	1,198	3,335	(64)	1,519	(21)	52%
Corporate & Commercial banking (CCB)	664	299	122	302	120	29%
Consumer banking (CB)	383	515	(26)	401	(4)	17%
Global Private banking (GPB)	126	113	12	142	(11)	5%
Head office (HO)	(53)	(935)	(94)	115	na	-2%
 UAE	 2,062	 3,041	 (32)	 2,074	 (1)	 89%
International	256	286	(10)	405	(37)	11%
AED Bn	Mar'22	Dec'21	QoQ %	Mar'21	YoY %	Q1'22 Cont%
Loans, advances and Islamic financing	434	410	6	378	15	100%
Investment banking (IB)	210	201	5	185	13	48%
Corporate & Commercial banking (CCB)	120	110	9	102	18	28%
Consumer banking (CB)	65	63	3	60	8	15%
Global Private banking (GPB)	33	30	9	30	8	8%
Head office (HO)	6	6	(7)	0	3857	1%
 UAE	 327	 305	 7	 278	 18	 75%
International	107	105	2	100	7	25%
 Customer deposits	 600	 614	 (2)	 568	 6	 100%
Investment banking (IB)	356	368	(3)	355	0	59%
Corporate & Commercial banking (CCB)	137	143	(4)	134	3	23%
Consumer banking (CB)	61	59	4	55	11	10%
Global Private banking (GPB)	29	24	18	23	23	5%
Head office (HO)	17	20	(12)	1	1169	3%
 UAE	 432	 443	 (2)	 411	 5	 72%
International	168	172	(2)	157	7	28%





THANK YOU!

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