

# Press Release



## FAB reports full year 2020 Group Net Profit of AED 10.6 Billion

*Proposed dividend<sup>1</sup> of 74 fils per share*

### Resilient financial performance in unprecedented market conditions

- FY'20 net profit of AED 10.6 Billion, compared to AED 12.5 Billion in 2019
- Q4'20 net profit of AED 3.2 Billion, up 5% year-on-year, and 29% quarter-on-quarter
- FY'20 revenue of AED 18.6 Billion, 8% lower year-on-year
- Prudent provisioning with net impairment charges up 42% in FY'20 and cost of risk at 63 basis points
- Operating costs improved 8% year-on-year amid continued digital and strategic investments

### A robust foundation

- Total assets up 12% year-on-year to AED 919 Billion
- Customer deposits at AED 541 Billion, and loans and advances at AED 387 Billion, up year-on-year on an adjusted basis
- NPL ratio at 3.97%, provision coverage at 95%
- Prudent risk management, strong liquidity, funding, and capital ratios underpin FAB's 'AA-' credit ratings
- Significant progress against key strategic initiatives, while accelerating our digital transformation

**Hana Al Rostamani appointed Group CEO as André Sayegh takes board seat,**  
subject to final regulatory and shareholder approvals

### FY'20 Key Performance Indicators

Earnings Per Share (EPS)	Return on Tangible Equity (RoTE)	Cost-to-Income Ratio	CET1 Ratio	Liquidity Coverage Ratio
<b>93 fils</b>	<b>13.0%</b>	<b>27.0%</b>	<b>13.3%</b>	<b>143%</b>
FY'19: AED 1.10	FY'19: 16.1%	FY'19: 26.7%	FY'19: 13.5%	FY'19: 129%

Annualised

Ex-integration costs

Post-dividends<sup>1</sup>

### Abu Dhabi, UAE (26 January 2021)

First Abu Dhabi Bank (FAB), the UAE's largest bank and one of the world's largest and safest financial institutions, today reported its financial results for the full year 2020.

<sup>1</sup> Proposed dividends subject to approval by FAB's shareholders at the General Assembly Meeting to be held on 28 February 2021

FAB delivered a resilient performance in 2020 with a Group Net Profit of AED 10.6 Billion for the full year ended 31 December 2020, compared to AED 12.5 Billion in 2019. Profitability was lower year-on-year reflecting unprecedented market conditions, record low interest rates and the pandemic-driven economic slowdown, resulting in lower revenue and higher impairment charges, partly mitigated by cost optimisation initiatives. The Bank consistently demonstrated balance sheet strength throughout the year, ending the period with solid liquidity, funding, and capital ratios, and resilient asset quality metrics highlighting its conservative risk profile, supported by the relief measures under the UAE Central Bank TESS programme.



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

"2020 has been a year like no other, posing extraordinary challenges to the people and economies of the world that have been met with ingenuity, agility and collaboration. I am grateful to the UAE's leadership for their guidance and decisive action in response to the pandemic, and to our board, management, employees and customers for their support and dedication throughout 2020.

"Against the turbulent and uncertain backdrop of 2020, FAB showcased strength, resilience and adaptability while supporting our customers, employees and communities in navigating unprecedented times and focusing on the long-term sustainability of our bank. We look back with pride on a year of leadership, collaboration and achievement, culminating in being named Banking Company of the Year at the 2020 Gulf Business Awards. In line with our commitment to deliver superior shareholder returns, FAB's Board of Directors has recommended a cash dividend distribution of 74 fils<sup>1</sup> per share for the full year ended 31 December 2020.

"As we look to the future and life after the pandemic, we are excited about the opportunity to deliver on our purpose to create value for our stakeholders by powering the UAE's long-term growth. We are also committed to playing our part in creating a more sustainable world for the communities we serve and 2021 will see FAB continue to grow the bank around our customers wherever we operate, and to strengthen the foundation for our long-term success."

"Today we also announce that André Sayegh, Group Chief Executive Officer, will be retiring next month after 21 years with First Abu Dhabi Bank (FAB) and previously First Gulf Bank (FGB). André Sayegh made a major contribution to the bank during his long tenure, culminating in 2020's resilient performance despite the challenges facing the global banking sector and wider economy. FAB's board and I express our gratitude and appreciation for André Sayegh's achievements during his tenure and are pleased to nominate him to the Group's Board of Directors, pending the approval of the Central Bank of the United Arab Emirates and the bank's general assembly.

"I am delighted to announce that Hana Al Rostamani, Deputy Group Chief Executive Officer and Head of Personal Banking, will succeed André Sayegh as the new Group Chief Executive Officer. Hana Al Rostamani has more than 22 years of local and international experience in banking and financial services industry and has served as an independent director in Emirates Integrated Telecommunication Company (DU) and was Vice-Chairperson of the Emirates Institute for Banking and Financial Services (EIBFS). She is currently the Chairperson of FAB Private Bank Suisse (SA).

"FAB has always been an organisation that champions diversity and the appointment of our first female Group CEO to lead our company into the future is truly something to value."



**ANDRÉ SAYEGH**

GROUP CHIEF EXECUTIVE OFFICER

"FAB delivered a resilient financial performance despite the extraordinary events of 2020 with a full-year net profit of AED 10.6 Billion. We successfully adapted to a rapidly changing environment, effectively managing key risks while maintaining a strong balance sheet, enabling us to provide a deep level of support to our customers and partners, complementing the relief measures under the UAE Central Bank's Targeted Economic Support Scheme, and the bank's own initiatives. In a year of heightened uncertainty, FAB maintained solid business momentum, demonstrating leading expertise and execution capabilities, and further deepening client relationships. FAB was the only bank to feature in the top five rankings across all regional league tables in 2020, which is a notable achievement. Our underlying strength and superior credit profile also saw us continue to stand out globally among the safest and strongest banks, with our AA- credit rating reaffirmed by all three major rating agencies.

"In 2020, we focused not only on the immediate challenges created by the pandemic but also on positioning ourselves for future success, making significant progress against our strategic agenda, accelerating our digital transformation journey and unlocking value for our stakeholders. In particular, we demonstrated our ability to leverage data, technology, and innovation to elevate the customer experience and increase efficiency and productivity. With an eye squarely on thriving in the future, we invested in ADQ's new digital bank, announced plans to carve out our payments business, and introduced many new banking innovations to the market. Our recent agreement to acquire Bank Audi-Egypt is another milestone and FAB's first international acquisition, which will enable us to expand in a high potential market in line with our targeted growth plans in MENA.

"The appointment of Hana Al Rostamani as FAB's next Group CEO is an important milestone for our bank and our industry. Having successfully led our retail banking division for many years, she is exceptionally well placed to deliver on the bank's customer and digital first vision.

"I am proud of what we were able to achieve in such adverse conditions in 2020, and I am fully confident in our ability to deliver sustainable value for our shareholders and stakeholders, as we continue to build on our strengths, deliver on our purpose and mission, and embed Environmental, Social, and Governance factors into the way that we do business."



**JAMES RIDDETT**  
GROUP CHIEF FINANCIAL OFFICER

"The Group delivered a net profit of AED 10.6 Billion for the full year 2020, buoyed by a strong performance in the fourth quarter with net profits of AED 3.2 Billion, an increase of 29% from the third quarter. This solid result, against the backdrop of one of the most challenging periods in history for banks globally, was achieved through continued cost and risk discipline, sustained business momentum, exceptional client engagement, as well as targeted management initiatives, which partially offset the headwinds from record low interest rates and the overall economic slowdown brought about by the pandemic. Our prudent risk management approach has held us in good stead throughout this difficult year as we continued to strengthen our provision buffers with provision coverage at 95%, and net impairment charges up 42% year-on-year to AED 2.6 Billion, with recovery efforts on a few legacy accounts yielding positive results in the second half of the year. While operating costs were 8% lower year-on-year, we will continue to invest in our digital and technology infrastructure to further enhance productivity, create future efficiencies and an agile operating model. Our liquidity position remains very strong, and our robust capital position enables us to reward our shareholders whilst maintaining sufficient capacity, comfortably above regulatory thresholds.

Looking ahead and despite ongoing uncertainties, we expect a gradual recovery as the COVID-19 vaccine rollout gathers momentum, and government stimulus measures support the economic rebound. Against this backdrop, FAB enters 2021 in a position of strength, well placed to leverage on our commanding local positioning, our strategic initiatives and strong execution capabilities, to support our long-term growth and transformation journey."

## Q4/FY'20 Summary Financials

Income Statement - Summary (AED Mn)	Q4'20	Q3'20	QoQ %	Q4'19	YoY %	FY'20	FY'19	YoY %
Net interest Income	3,079	2,854	8	3,031	2	12,256	12,775	(4)
Non- interest Income	1,829	1,451	26	2,050	(11)	6,317	7,474	(15)
<b>Total Operating Income</b>	<b>4,908</b>	<b>4,305</b>	<b>14</b>	<b>5,081</b>	<b>(3)</b>	<b>18,574</b>	<b>20,249</b>	<b>(8)</b>
Operating expenses	(1,264)	(1,207)	5	(1,415)	(11)	(5,060)	(5,499)	(8)
<b>Operating profit</b>	<b>3,643</b>	<b>3,098</b>	<b>18</b>	<b>3,666</b>	<b>(1)</b>	<b>13,514</b>	<b>14,750</b>	<b>(8)</b>
Impairment charges, net	(318)	(504)	(37)	(499)	(36)	(2,620)	(1,843)	42
Non Controlling Interests and Taxes	(96)	(89)	8	(86)	12	(338)	(387)	(13)
<b>Net Profit</b>	<b>3,230</b>	<b>2,506</b>	<b>29</b>	<b>3,081</b>	<b>5</b>	<b>10,555</b>	<b>12,520</b>	<b>(16)</b>
Basic Earning per Share (AED)	1.18	0.86	38	1.10	8	0.93	1.10	(15)

Balance Sheet - Summary (AED Bn)	Dec'20	Sep'20	QoQ %	Dec'19	Ytd %
Loans and advances, net	387	389	(1)	408	(5)
Customer deposits	541	602	(10)	519	4
CASA (deposits)	223	216	3	174	28
Total Assets	919	955	(4)	822	12
Equity (incl Tier 1 capital notes)	109	101	7	108	1
Tangible Equity	79	74	7	77	2

Key Ratios (%)	Q4'20	Q3'20	QoQ (bps)	Q4'19	YoY (bps)	FY'20	FY'19	YoY (bps)
Net Interest Margin	1.62	1.62	0	1.89	(27)	1.75	2.11	(36)
Cost-Income ratio (ex-integration costs)	25.7	28.0	(230)	27.5	(179)	27.0	26.7	33
Cost of Risk (bps) (loans & advances)	37	44	(7)	48	(11)	63	48	15
Non-performing loans ratio	3.97	3.92	5	3.23	74	3.97	3.23	74
Provision coverage	95	96	(134)	93	170	95	93	170
Liquidity Coverage Ratio (LCR)	143	155	<-999	129	>999	143	129	>999
Return on Tangible Equity (RoTE)	16.4	13.4	295	15.5	87	13.0	16.1	(309)
Return on Risk-weighted Assets (RoRWA)	2.53	1.98	56	2.49	5	2.13	2.56	(43)
CET1 ratio (post-dividends)	13.3	14.0	(77)	13.5	(26)	13.3	13.5	(26)
Capital Adequacy ratio	16.5	16.8	(22)	16.9	(35)	16.5	16.9	(35)

### 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 the dedicated page on the IR section of our corporate website:  
<https://www.bankfab.com/en-ae/about-fab/investor-relations/reports-and-presentations/key-annual-figures>
- Rounding differences may appear in above table

### 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.

FAB continuously anticipates evolving requirements, develops innovative solutions and moves in tandem with customers to offer an extensive range of tailor-made products via its market-leading Corporate and Investment Banking (CIB) and Personal Banking Group (PBG) franchises.

Aligned to the Abu Dhabi Economic Vision, inspired by global standards and guided by the expectations of stakeholders, FAB takes a leading role in fostering development and driving change towards a more sustainable future. FAB sees beyond traditional banking and embraces a challenger mindset. Its ambition is to contribute to social and human development, which creates a dynamic, inclusive and tolerant society.

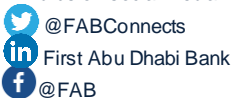
With total assets of AED 919 Billion (USD 250 Billion) as of December-end 2020, FAB is rated Aa3/AA-/AA- by Moody's, S&P and Fitch, respectively, the strongest combined ratings of any bank in the MENA region. The Bank has been ranked by Global Finance as the Safest Bank in the UAE and the Middle East, and the 32<sup>nd</sup> Safest Bank globally. The Banker's Top 1000 World Banks 2020 list, measured by Tier 1 capital, ranked FAB as number one in the UAE, second in the Middle East and #85 across the globe - in addition to ranking the bank #109 by assets in the same list. FAB is also a regional sustainability leader, 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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