

PRESS RELEASE



FAB reports full year 2021

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

Proposed dividend¹ per share of 70 fils equivalent, split into 49 fils in cash and 21 fils as scrip dividend in lieu of cash²

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 dividends¹ 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

Earnings Per Share	Return on Tangible Equity	Cost-to-Income Ratio	CET1 Ratio	Liquidity Coverage Ratio
AED 1.12	15.1%	26.4%	12.4%	134%
FY'20: AED 0.93	FY'20: 13.0%	FY'20: 27.0% <small>Ex-integration costs</small>	Dec'20: 13.3% <small>Post dividend</small>	Dec'20: 143%

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.

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

² 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.

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**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.

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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 1st 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.”

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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.

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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
Total operating income	5,695	6,411	(11)	4,908	16	21,681	18,574	17
Operating expenses	(1,480)	(1,587)	(7)	(1,264)	17	(5,836)	(5,060)	15
Operating profit	4,216	4,824	(13)	3,643	16	15,845	13,514	17
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
Net Profit	3,324	3,854	(14)	3,230	3	12,531	10,555	19
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

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, or <https://www.growstronger.com/> Grow Stronger or <https://www.bankfab.com/en-ae/updates> for COVID-19 related updates.

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First Abu Dhabi Bank

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