

## PRESS RELEASE



## FAB reports a Group Net Profit of AED 8.0 Billion for the first half of 2022, up 50% year-on-year

Second quarter net profit at AED 2.9 Billion

*"FAB delivered a strong performance in the first six months of 2022 with a 50% increase in net profit compared to the same period in 2021. Despite heightened global market volatility, our core businesses maintained solid growth momentum reflecting healthy pipeline execution across our diversified franchise, and our ongoing strategic focus on deepening client relationships."*

**Hana Al Rostamani**  
Group Chief Executive Officer

### H1'22 Key Performance Indicators

Total Income	Earnings Per Share	Return on Tangible Equity	Return on RWA	CET1 ratio	Liquidity Coverage Ratio
<b>AED 12.5 Bn</b> +31% vs. H1'21	<b>AED 1.43</b> H1'21: AED 0.95	<b>19.5%</b> H1'21: 13.6%	<b>2.8%</b> H1'21: 2.0%	<b>12.6%</b> Jun'21: 13.0%	<b>135%</b> Jun'21: 119%

**Strong underlying performance supported by higher revenue and moderate cost of risk, amid ongoing investments to support growth aspirations**

#### H1'22 highlights:

- Group Net Profit at AED 8.0 Billion, up 50% yoy; annualised Earnings per Share at AED 1.43
- Total Income at AED 12.5 Billion, up 31% yoy, includes AED 3.1 Billion net gain on sale of majority stake in Magnati
- Impairment charges (net) at AED 1.0 Billion, 9% lower yoy; annualised cost of risk at 47 basis points
- Operating costs at AED 3.1 Billion, up 8% yoy excluding Bank Audi Egypt inclusion, reflects ongoing investments to drive growth and transformation

#### Q2'22 highlights:

- Group Net Profit at AED 2.9 Billion, up 13% qoq on an underlying basis when excluding gains on Magnati stake sale
- Operating income at AED 5.0 Billion, 4% lower yoy, up 12% qoq driven by higher interest and non-interest income
- Impairment charges (net) at AED 582 Million, 14% lower yoy, up 27% qoq
- Operating costs at AED 1.6 Billion

**Double-digit loan growth reflects sustained business momentum, while liquidity, asset quality and capital position remain strong**

- Loans, advances and Islamic financing at AED 459 Billion, up 6% sequentially and 12% ytd
- Customer deposits at AED 648 Billion, up 8% sequentially and 5% ytd; CASA balances at AED 291 Billion, are up 15% yoy
- Liquidity Coverage Ratio (LCR) at 135% underlines strong liquidity position
- Healthy asset quality metrics with NPL ratio and provision coverage at 3.6% and 100%, respectively
- Common Equity Tier 1 (CET1) at 12.6%, comfortably above regulatory requirements

## We continued to deliver on our growth objectives and create value for all stakeholders while navigating a rapidly evolving environment

### Delivered core business growth, while affirming regional leadership in key areas

- Delivered double-digit loan growth, with all core businesses showing improvements in underlying operating performance sequentially
- Top ranked regional bank across all MENA IB league tables: #1 MENA Agent Bank, #2 MENA Syndications, #5 MENA Bonds
- #1 UAE bank in MENA ECM league table, helping clients raise over USD 8 Billion from investors worldwide
- Significant growth in cash management mandates underline franchise strength



- *Regional Investment Bank of the Year 2022* at the Bonds, Loans and Sukuk Awards  
 - *Best Bank for Financing in the Middle East 2022* by Euromoney

### Strengthening footprint in key markets and deepening client relationships

- Completed legal merger of Bank Audi Egypt and launched new brand identity FABMisr; Integration activities underway to be completed by year-end 2022
- Opened new branch in ADGM to provide specialised offerings and deepen relationships with core institutional clients operating in and from ADGM's financial ecosystem

### Advancing customer experience, leveraging technology and strategic partnerships

- Launched full digital journeys on FAB mobile for conventional personal loans and Islamic accounts, and enabled digital IPO subscriptions
- Enhanced functionalities to the corporate clients banking portal, and launched enhanced mobile banking app for GTB corporate and SME clients
- Improvement in Net Promoter Score (NPS) year-on-year to c.60
- Over 50% retail CASA sales onboarded digitally, with continued growth in digital acquisitions across various products



*Best AI in Transformation in Financial Services* at the Transformational Leadership Awards 2022 | *Best Bank for Corporate Banking in UAE 2022* by Euromoney

### Delivering tangible progress on our ESG ambitions while supporting a diverse and Inclusive workplace

- Facilitated over AED 10 Billion (USD 2.8 Billion) of sustainable projects during H1'22 in line with our USD 75 Billion commitment by 2030
- Expanded ESG product suite to meet the evolving needs of our customers
- Female Board Directors in the Group's subsidiaries occupy 22% of board seats, up from 15% in 2021, already surpassing our 2025 target



- *Outstanding Leadership in Sustainable Project Finance in the Middle East* by Global Finance  
 - *Best Bank for ESG in the UAE* by Euromoney



**HANA AL ROSTAMANI**  
GROUP CHIEF EXECUTIVE OFFICER

"FAB delivered a strong performance in the first six months of 2022 with a 50% increase in net profit compared to the same period in 2021.

Despite heightened global market volatility, our core businesses maintained solid growth momentum reflecting healthy pipeline execution across our diversified franchise, and our ongoing strategic focus on deepening client relationships.

Almost AED 50 Billion net incremental lending was extended by FAB year-to-date, which is a record for the Group for any half-year period. This demonstrates buoyant regional activity, FAB's leading origination capabilities, and the fundamental strength of our balance sheet as we continued to deploy our resources and expertise to support our client franchise with their local and cross-border banking needs.

During the period, we continued to focus on unlocking opportunities for our clients and communities through specialised offerings and innovative solutions, and by strengthening our footprint in target markets. We are also proud of our leading role in building a sustainable future for all, and the tangible progress we are making against our ESG ambitions.

Looking ahead, we must recognise a more challenging global economic outlook marked by turbulent market conditions and inflationary pressures. As we enter the second half of the year, we remain committed to our clients and stakeholders, and confident in our ability to deliver sustainable shareholder returns as we pursue our growth and transformation plans."



**JAMES BURDETT**  
GROUP CHIEF FINANCIAL OFFICER

"FAB produced another solid set of results in the second quarter with a net profit of AED 2.9 Billion, up 13% sequentially on an underlying basis, bringing first half 2022 profit to AED 8.0 Billion. Annualised return on tangible equity for the first half of 2022 improved to 19.5% from 13.6% in H1'21.

In the last quarter, all our core businesses delivered top line growth sequentially, led by a double-digit growth in Investment Banking and Corporate and Commercial Banking, which is a strong result in the context of adverse global market conditions. This was helped by strong volumes, early benefits from rising interest rates, and healthy client activity in Global Markets consistent with our strategy to enhance cross-sell. Risk was prudently managed across the Group, while the year-on-year growth in operating expenses reflects continued investments in franchise growth and transformation.

We have maintained a strong liquidity position, with Group LCR at 135%, and our balance sheet is optimally positioned to continue to benefit from rising interest rates. Despite balance sheet growth and market and regulatory headwinds, capital buffers remain strong with June-end Group CET1 at 12.6%.

Although the supportive regional economic backdrop and the diligent execution of our strategy represent significant tailwinds, we remain cautious in the context of heightened market volatility, persistently elevated global inflation and rapidly evolving monetary policy."

## ECONOMIC OVERVIEW AND OUTLOOK

Global economic conditions weakened during Q2'22 with inflationary pressures driving aggressive monetary policy tightening, and multiple headwinds fuelling stagflation concerns and market volatility.

In contrast, the UAE economy continued to demonstrate resilience buoyed by strength in oil prices, moderate inflation, a recovery across key economic sectors including real estate and tourism, and ongoing structural reforms to drive economic growth and diversification. The underlying strength of the UAE economy was also highlighted by PMI data, which remained in expansionary territory for the 19<sup>th</sup> consecutive month. Despite ongoing global uncertainty, we maintain a positive outlook for UAE economic growth this year and beyond. We now expect real Gross Domestic Product (GDP) growth to reach 5.7% in 2022 and 4.4% in 2023 (from previous forecasts of 4.8% and 4.0%, respectively) with oil price averaging USD 108 /bbl and inflation at around 5%.

## Q2/ H1'22 SUMMARY FINANCIALS

Income statement - summary (AED Mn)	Q2'22	Q1'22	QoQ %	Q2'21	YoY %	H1'22	H1'21	YoY %
Net interest income	3,390	3,135	8	2,802	21	6,525	5,482	19
Non-interest income	1,587	1,323	20	2,390	(34)	2,910	4,093	(29)
<b>Operating income</b>	<b>4,977</b>	<b>4,458</b>	<b>12</b>	<b>5,193</b>	<b>(4)</b>	<b>9,435</b>	<b>9,575</b>	<b>(1)</b>
Gain on Magnati stake sale (incl fair valuation of retained interest)	288	2,805	(90)	-	na	3,094	-	na
<b>Total Income</b>	<b>5,265</b>	<b>7,264</b>	<b>(28)</b>	<b>5,193</b>	<b>1</b>	<b>12,529</b>	<b>9,575</b>	<b>31</b>
Operating expenses	(1,603)	(1,521)	5	(1,451)	10	(3,124)	(2,770)	13
<b>Operating profit</b>	<b>3,662</b>	<b>5,742</b>	<b>(36)</b>	<b>3,742</b>	<b>(2)</b>	<b>9,405</b>	<b>6,805</b>	<b>38</b>
Impairment charges, net	(582)	(457)	27	(677)	(14)	(1,039)	(1,147)	(9)
Non-controlling interests and taxes	(175)	(165)	6	(186)	(6)	(339)	(304)	12
<b>Net Profit</b>	<b>2,906</b>	<b>5,120</b>	<b>(43)</b>	<b>2,878</b>	<b>1</b>	<b>8,026</b>	<b>5,354</b>	<b>50</b>
Basic Earnings per Share (AED)	1.03	1.84	(44)	1.01	1	1.43	0.95	52

  

Balance sheet - summary (AED Bn)	Jun'22	Mar'22	QoQ %	Jun'21	YoY%	Dec'21	Ytd%
Loans, advances & Islamic financing	459	433	6	398	15	410	12
Investments	186	191	(3)	177	5	191	(3)
Customer deposits	648	600	8	575	13	615	5
CASA (deposits)	291	310	(6)	252	15	288	1
Total assets	1,042	982	6	944	10	1001	4
Equity (incl Tier 1 capital notes)	111	111	0	106	5	113	(1)
Tangible equity	80	80	1	74	8	82	(2)

  

Key Ratios (%)	Q2'22	Q1'22	QoQ (bps)	Q2'21	YoY (bps)	H1'22	H1'21	YoY (bps)
Net interest margin (NIM)	1.57	1.54	3	1.51	6	1.55	1.49	6
Cost-income ratio (ex-integration costs)	31.5	33.3	(182)	27.3	423	32.4	28.4	399
Cost of risk (bps) (loans, advances & Islamic financing)	52	42	10	63	(11)	47	56	(9)
Non-performing loans ratio	3.6	3.8	(24)	3.9	(40)	3.6	3.9	(40)
Provision coverage	100	102	(217)	101	(103)	100	101	(103)
Liquidity coverage ratio (LCR)	135	120	lge	119	lge	135	119	lge
Return on tangible equity (RoTE)	14.1	25.3	lge	15.3	(115)	19.5	13.6	589
Return on risk-weighted assets (RoRWA)	2.0	3.6	(159)	2.2	(22)	2.8	2.0	71
CET1 ratio	12.6	13.0	(35)	13.0	(39)	12.6	13.0	(39)
Capital adequacy ratio	15.6	15.9	(39)	16.1	(58)	15.6	16.1	(58)

## Notes:

- Cost-income ratio for H1'22 and the quarters in 2022 excludes Magnati-related gains booked during 2022
- 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 quarterly figures](#)
- These results include financials of Bank Audi Egypt (BAE) effective post legal day 1 on 28 April 2021. As a result of the purchase price allocation (PPA) exercise, the 2021 comparative information has been restated to reflect the adjustments to the assumed carrying amounts. Refer to note #32 in the financials for the period ended 30 June 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 focus is to create value for its employees, customers, shareholders and communities to grow 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 284 Billion) as of June-end 2022, 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 #91 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).

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

Download FAB Investor Relations app on iOS or Android

Find us on social media via



@FABConnects



@FAB First Abu Dhabi Bank





## RECENT ACCOLADES



### Disclaimer

The information contained herein has been prepared by First Abu Dhabi Bank P.J.S.C ("FAB"). FAB relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

This document has been prepared for information purposes only and is not and does not form part of any offer for sale or solicitation of any offer to subscribe for or purchase or sell any securities nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

Some of the information in this document may contain projections or other forward-looking statements regarding future events or the future financial performance of FAB. These forward-looking statements include all matters that are not historical facts. The inclusion of such forward-looking information shall not be regarded as a representation of FAB, or any other person involved in the objectives or plans of FAB will be achieved. FAB undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise.