

PRESS RELEASE



FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022



FAB reports Group Net Profit of AED 5.1 Billion for the first quarter of 2022

Highest quarterly net profit in bank's history

Strong set of results, demonstrating the execution of our strategy and positive momentum across core businesses

- Group net profit at AED 5.1 Billion, up 54% quarter-on-quarter, and 107% year-on-year, representing the highest quarterly net profit in the bank's history
- Annualised Earnings Per Share (EPS) at AED 1.84, up 113% compared to the first quarter of 2021
- Total Income at AED 7.3 Billion, includes AED 2.8 Billion net gain on disposal of majority stake in payments business Magnati
- Operating income at AED 4.5 Billion is up 2% year-on-year or 9% on an underlying basis excluding Magnati-related gains and real estate gains in Q1'21
- Impairment charges at AED 457 Million, compared to AED 470 Million in the first quarter of 2021
- Operating costs at AED 1.5 Billion, reflect ongoing strategic and digital investments

Robust loan growth reflects sustained demand, while deposit mix improves; liquidity and capital position remain strong

- Loans, advances and Islamic financing at AED 434 Billion, up 15% year-on-year and 6% year-to-date
- Customer deposits at AED 600 Billion, up 6% year-on-year, down 2% year-to-date; Deposit mix improved with CASA balances adding AED 22 Billion sequentially to represent 52% of total customer deposits
- Liquidity Coverage Ratio (LCR) at 120% underlining strong liquidity position
- Healthy asset quality metrics with NPL ratio at 3.8%, and adequate provision coverage at 98%
- Common Equity Tier 1 (CET1) at 13.0% comfortably above regulatory requirements, represents solid capital position

Q1'22 Key Performance Indicators

Earnings Per Share	Return on Tangible Equity	Cost-to-Income Ratio	CET1 Ratio	Liquidity Coverage Ratio
AED 1.84 Q1'21: AED 0.86	25.0% Q1'21: 12.8%	33.3% <i>excluding Magnati-related gains</i> Q1'21: 29.6%	13.0% Mar'21: 13.7%	120% Mar'21: 141%
		<i>Ex-integration costs</i>		

Abu Dhabi, UAE (28 April 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 three-month period ended 31 March 2022.

The Group produced a strong set of results with a net profit of AED 5.1 Billion, up 107% from AED 2.5 Billion in the first quarter of 2021. These results include a AED 2.8 Billion net gain from the sale of a majority stake in the payments business Magnati. Core underlying performance was healthy, driven by higher net interest income, a pick-up in fees and commissions and the positive contribution from Bank Audi Egypt, helping offset lower trading and investment income. Operating expenses were up year-on-year on the back of ongoing investments in digital and strategic initiatives, and the inclusion of Bank Audi Egypt from Q2'21. The Group continues to demonstrate strong fundamentals across asset quality, liquidity, funding and capital metrics.



HANA AL ROSTAMANI

GROUP CHIEF EXECUTIVE OFFICER

I am pleased to report that FAB has achieved a Group net profit of AED 5.1 Billion in the first three months of 2022 representing the highest quarterly net profit in the bank's history, as we continued to make excellent progress on our growth strategy and transformation initiatives, in line with our long term plan to deliver sustainable value to all our stakeholders.

Our core businesses performed well during a period of sustained buoyant economic activity in the UAE, capitalising on a healthy pipeline, and growing business and consumer confidence.

Our results in the first quarter include a gain from the sale of a majority stake in Magnati, crystallising significant value for our payments business and paving the way for accelerated growth with a long-term strategic partner as we remain at the forefront of the region's payments and digital agenda.

Internationally, we continued to expand our presence into new, targeted markets. Egypt remains a strategically important market for the Group, and the integration of Bank Audi Egypt is on track for completion within the next few months. Our Shanghai branch became operational in March, and we opened a representative office in Iraq, serving as a strategic addition to our geographic footprint as the UAE continues to be one of Iraq's most important trading partners.

We have advanced our ESG journey and achieved new milestones further integrating ESG into the organisation in line with our strategic targets and commitment to achieve net zero carbon emissions by 2050. **FAB reaffirmed its leadership in the Green Bond market** issuing the first Public Green Bond of 2022, and the first ever Green bond from the MENA region in the EURO market.

Looking ahead and despite ongoing global uncertainty, we see significant momentum in the UAE which FAB is very well positioned to support and capitalise on. We are confident in our journey ahead as we continue to position FAB to deliver superior shareholder value and promote meaningful growth in the markets and communities in which we operate.





JAMES BURDETT

GROUP CHIEF FINANCIAL OFFICER

The Group delivered a net profit of AED 5.1 Billion in the first quarter of 2022, compared to AED 2.5 Billion in the prior year period. These results include a net gain of AED 2.8 Billion related to the sale of a 60% stake in Magnati, in line with our Group strategy to leverage long-term partnerships to unlock value.

Underlying operating performance was healthy as we saw growth picking up across all our business segments particularly at the tail-end of the quarter with Group loans expanding 6% year-to-date, and margins improving. Deposit mix also improved with Current and Savings Accounts (CASA) adding AED 22 Billion sequentially to represent 52% of total customer deposits. **In an increasing interest rate environment, this places us in good stead to deliver higher returns in the coming quarters.**

Fee-generation remained strong demonstrating healthy pipeline execution across the business, in addition to increased client flow activity in Global Market sales, which helped partially offset softer trading and investment income. Sales momentum was also sustained in Consumer Banking across key products underlining growing consumer confidence.

We continued to make necessary investments in our people, processes and digital infrastructure across our network, to enable future productivity and efficiency gains. We also maintained adequate provision buffers with a coverage ratio at 98%, while prudently managing risk across the Group.

Our balance sheet fundamentals are solid across liquidity, funding and capital ratios, with Common Equity Tier 1 ratio at 13.0% as of March-end 2022. **This foundation, along with our core strengths and long-term strategy, position us very well to service our customers across our global network, whilst delivering enhanced and sustainable returns to our shareholders.**



Q1'22 SUMMARY 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 Earnings per Share (AED)	1.84	1.19	55	0.86	113

Balance sheet - summary (AED Bn)	Mar'22	Dec'21	QoQ %	Mar'21	YoY %
Loans, advances & 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 Ratios (%)	Q1'22	Q4'21	QoQ (bps)	Q1'21	YoY (bps)
Net interest margin (NIM)	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 & 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	124	2.0	158
CET1 ratio (post-dividends)	13.0	12.4	56	13.7	(68)
Capital adequacy ratio	15.9	15.4	57	17.0	(101)

Notes:

- * Cost-income ratio for Q1'22 excludes Magnati-related gains booked during the quarter
- 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](#)
- 2021 results include financials of Bank Audi Egypt (BAE) effective post legal day 1 on 28 April 2021. Refer to Note #32 in the financials for the quarter ended 31 March 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 981 Billion (USD 267 Billion) as of March-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 #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.

For investor-related queries, please contact FAB Investor Relations team on 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

