



Q4/FY'23 Earnings Presentation

1ST FEBRUARY 2024

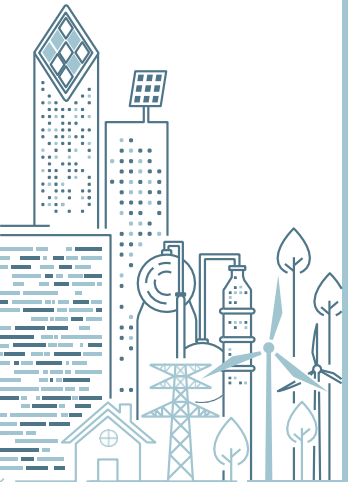
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Comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in the consolidated financial statements



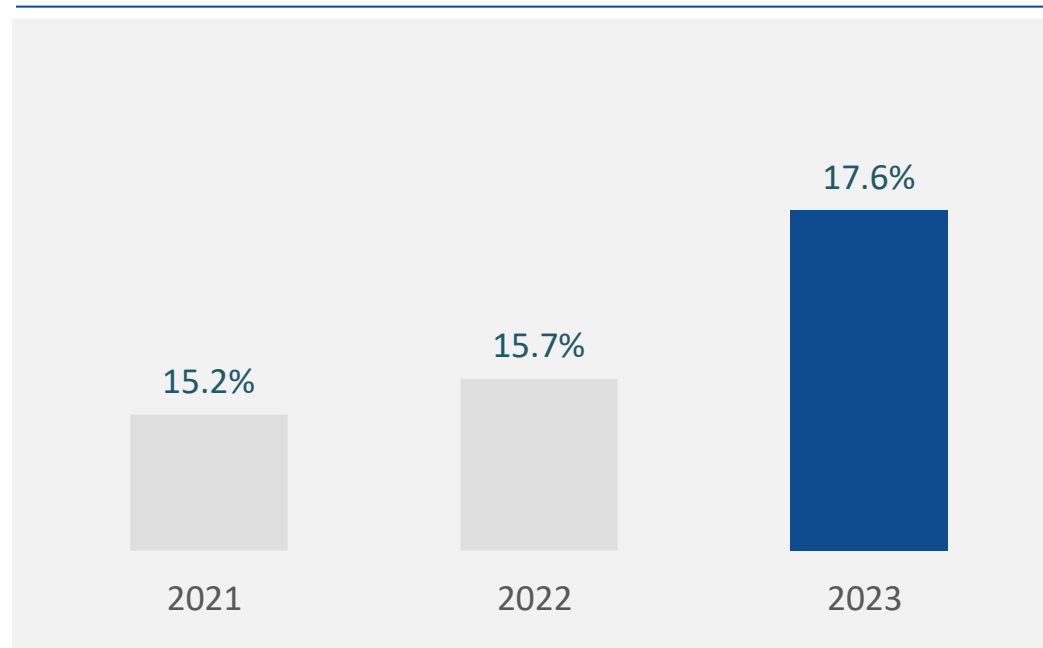
Q4/FY'23 Key Highlights

- **Record FY'23 profitability** with Group NPAT at AED 16.4Bn (+22% yoy; +56% underlying), driven by core revenue momentum, cost and risk discipline.
- Delivered **third consecutive year of improved RoTE driving higher cash returns to shareholders** (FY'23 DPS¹: 71fils/share).
- **Achieved broad-based and diversified growth** across businesses, products, geographies and sources of income.
- **Strong liquidity profile** (LCR:145%), historic capital accretion with **Group CET1 +122bps yoy to 13.8%**.
- **Balance sheet fundamentals offer robust foundation for future sustainable growth and RoTE delivery.**

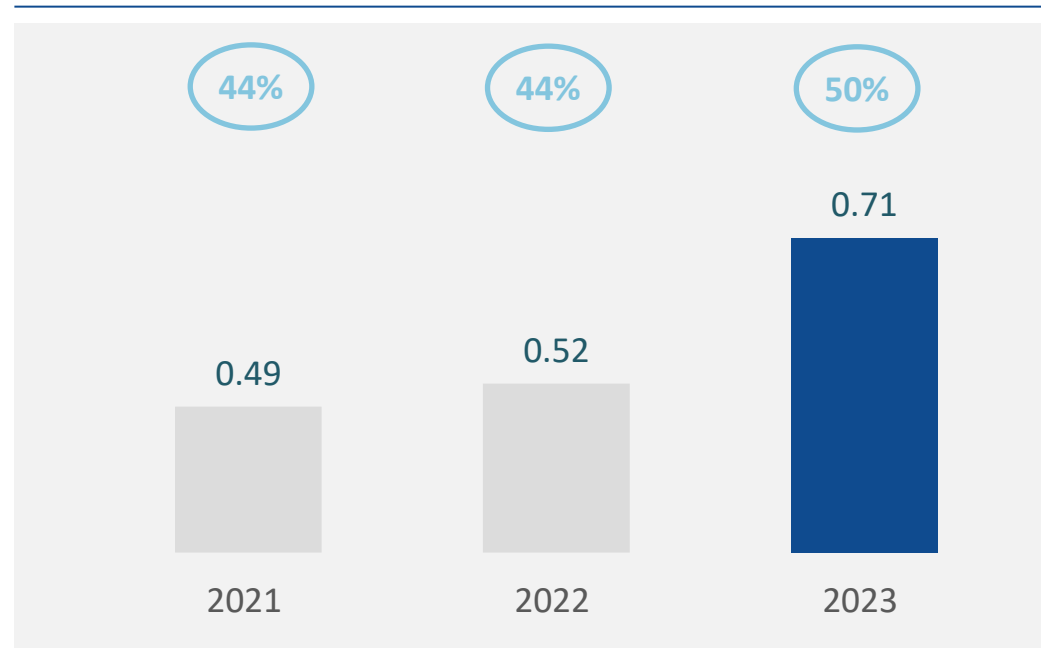
¹ Proposed dividends subject to shareholders approval at the General Assembly Meeting on March 5th, 2024

Third consecutive year of improved RoTE driving higher cash returns to shareholders

RoTE trajectory

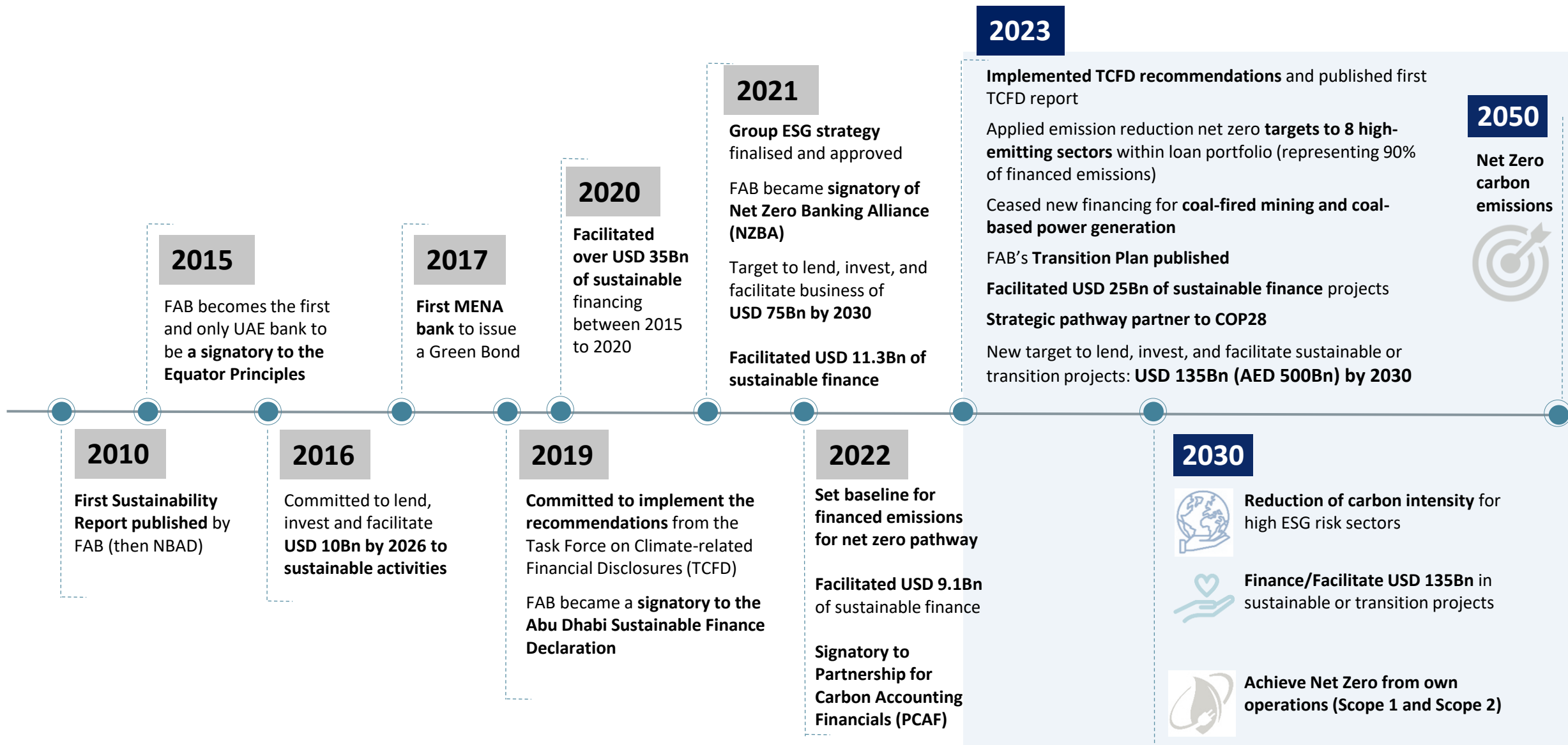


Cash DPS (AED) and cash payout¹ (% net profit)



¹ Cash dividend payout as a % of group net profit available for distribution

Our sustainability journey continues



Record FY'23 profitability reflects core revenue momentum, cost and risk discipline

Income Statement - Summary (AED Mn)	FY'23	FY'22	yoy %
Net interest Income	18,102	14,217	27
Non- interest Income	9,370	6,623	41
Operating Income	27,471	20,840	32
Gain on sale of stake in subsidiary	284	3,094	(91)
Total Income	27,755	23,934	16
Operating expenses	(7,125)	(6,705)	6
Profit before net impairment charge and taxation	20,630	17,229	20
Net impairment charge	(3,078)	(2,839)	8
Non-controlling interests and taxes	(1,146)	(979)	17
Net Profit	16,405	13,411	22

Balance Sheet (AED Bn) & Key Ratios	Dec'23	Dec'22	yoy %
Total Assets	1,169	1,110	5
Loans, advances and Islamic financing	484	460	5
Customer deposits	760	701	8
CASA (balances)	361	297	21
CET1 ratio (post-dividends) (bps)	13.8	12.6	122
Non-performing loans ratio (bps)	3.9	3.9	3
Cost-Income ratio (bps)	25.9	31.6	(568)
Liquidity Coverage Ratio (LCR) (bps)	145	154	(823)

- **Group net profit: +22% yoy or +56% on an underlying¹ basis to a record AED 16.4Bn primarily driven by core revenue momentum.**
- **Operating income: +32% yoy**, driven by double-digit growth in NII and faster growth in NFI reflecting strong commercial momentum, higher margins and enhanced cross-sell.
- **Opex: +6%** with positive Jaws delivered. **Group C/I ratio at 25.9%.**
- **Impairments: +8%** translating to CoR of 63bps.
- **Total assets, net loans: +5% yoy. Customer deposits +8% yoy** including +21% growth in CASA balances across wholesale and retail.
- **Strong liquidity position with Group LCR at 145%** in-excess of regulatory requirements
- **NPL ratio broadly stable at 3.9%**, with adequate provision coverage.
- Historic capital accretion yoy with **Group CET1 at 13.8%.**

¹ Excluding gains on sale of stake in subsidiaries

Solid NPAT momentum in the fourth quarter

Income Statement - Summary (AED Mn)	Q4'23	Q3'23	qoq %	Q4'22	yoy %
Net interest Income	4,693	4,577	3	4,175	12
Non- interest Income	2,240	2,399	(7)	1,737	29
Operating Income	6,933	6,976	(1)	5,911	17
Gain on sale of stake in subsidiary	284	-	na	-	na
Total Income	7,217	6,976	3	5,911	22
Operating expenses	(1,900)	(1,806)	5	(2,000)	(5)
Profit before net impairment charge and taxation	5,317	5,169	3	3,911	36
Net impairment charge	(999)	(605)	65	(1,106)	(10)
Non-controlling interests and taxes	(308)	(309)	(0)	(343)	(10)
Net Profit	4,011	4,255	(6)	2,462	63

Balance Sheet (AED Bn) & Key Ratios	Dec'23	Sep'23	qoq %	Dec'22	yoy %
Total Assets	1,169	1,186	-1	1,110	5
Loans, advances and Islamic financing	484	478	1	460	5
Customer deposits	760	785	-3	701	8
CASA (balances)	361	352	2	297	21
CET1 ratio (post-dividends) (bps)	13.8	14.2	(40)	12.6	122
Non-performing loans ratio (bps)	3.9	3.9	5	3.9	3
Cost-Income ratio (bps)	27.4	25.9	148	33.4	(604)
Liquidity Coverage Ratio (LCR) (bps)	145	146	(53)	154	(823)

- **Q4'23 net profit: +63% yoy or +51% on an underlying¹ basis**, driven by revenue growth, lower costs and impairment charges; **-6% qoq** primarily due to higher impairment charges.
- **Operating income: +17% yoy** driven by +12% NII from volume growth and higher benchmark rates, +29% NFI from strong fee momentum and client activity across asset classes; **-1% qoq** primarily reflecting higher trading gains in the previous quarter.
- **Opex: -5% yoy, +5% qoq**; C/I ratio improved to 27.4% vs 33.4% in Q4'22.
- **Impairments: -10% yoy, +65% qoq** primarily attributable to higher ECL charges driven by the downgrade of Egypt's credit rating.
- **Loans +1% qoq, customer deposits -3% qoq** due to term deposit outflows, partially offset by continued uptick in CASA (+2% qoq).

¹ Excluding gains on sale of stake in subsidiaries

Exceeded financial targets

	FY 2023 guidance	FY 2023 Actual performance
Loan growth	Mid single-digit	✓ +5% yoy
Cost of Risk (CoR)	< 80bps	✓ 63 bps
Provision coverage ratio	> 90%	✓ 95%
CET1 (pre-dividend)	> 13.5%	✓ 15.2%

Delivered broad-based and diversified growth across businesses...

FY'23 operating income

BS trends (AED Bn)

■ Dec'23 ■ Dec'22

Investment Banking

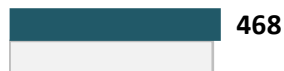
12.0 **+35%**
AED Bn YoY

Loans



↑7%

Deposits

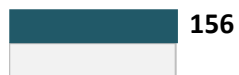


↑4%

Corporate & Commercial Banking

6.9 **+38%**
AED Bn YoY

Loans



↑1%

Deposits



↑16%

Consumer Banking

3.8 **+4%**
AED Bn YoY

Loans



↑9%

Deposits

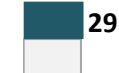


↑19%

Global Private Banking

1.2 **+14%**
AED Bn YoY
(AUMs: +22% yoy)

Loans



↑5%

Deposits

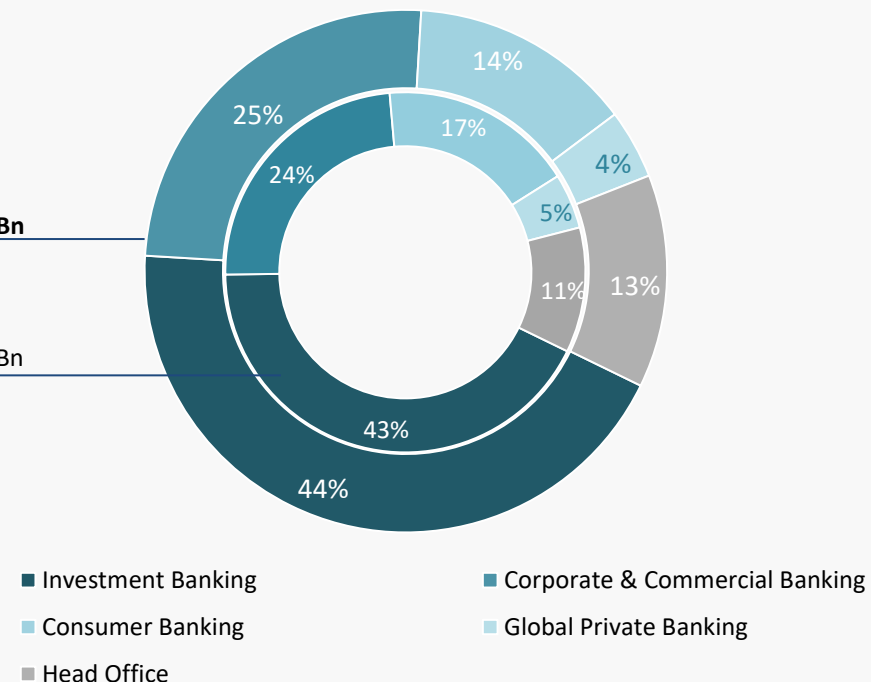


↑14%

Operating Income split by business segment

FY'23
AED 27.5Bn

FY'22
AED 20.8Bn



...geographies...

FY'23 operating income

BS trends (AED Bn)

UAE

22.2 **+38%**
AED Bn YoY

Loans

392

↑5%

Deposits

611

↑10%

International

5.3 **+11%**
AED Bn YoY

Loans

92

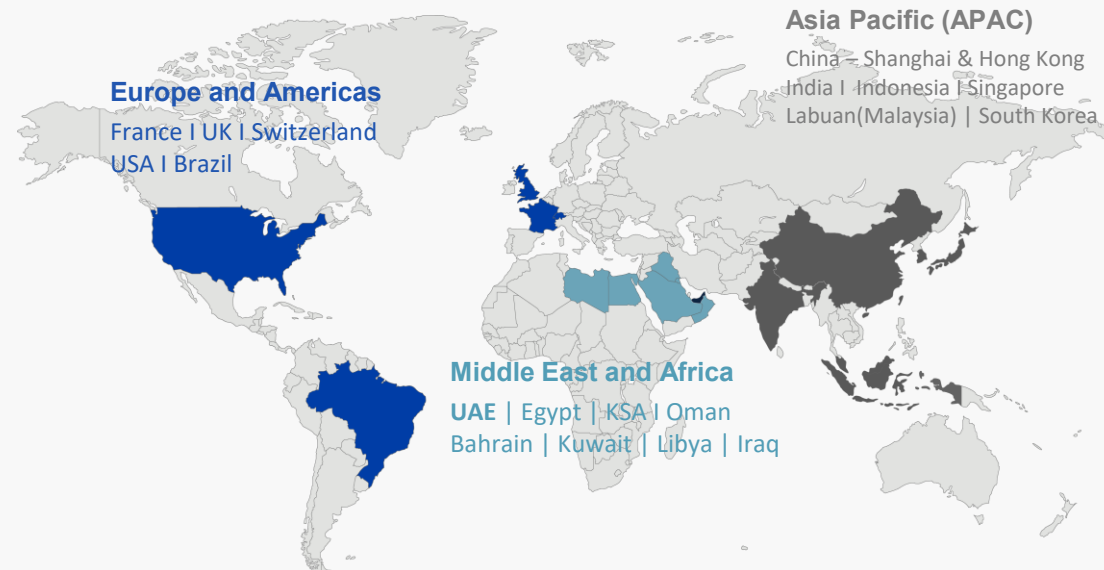
↑7%

Deposits

149

↑2%

Strategic global footprint across 20 markets facilitating trade, liquidity and investment flows



19%

As a % of group
revenue

19%

As a % of group
loans (net)

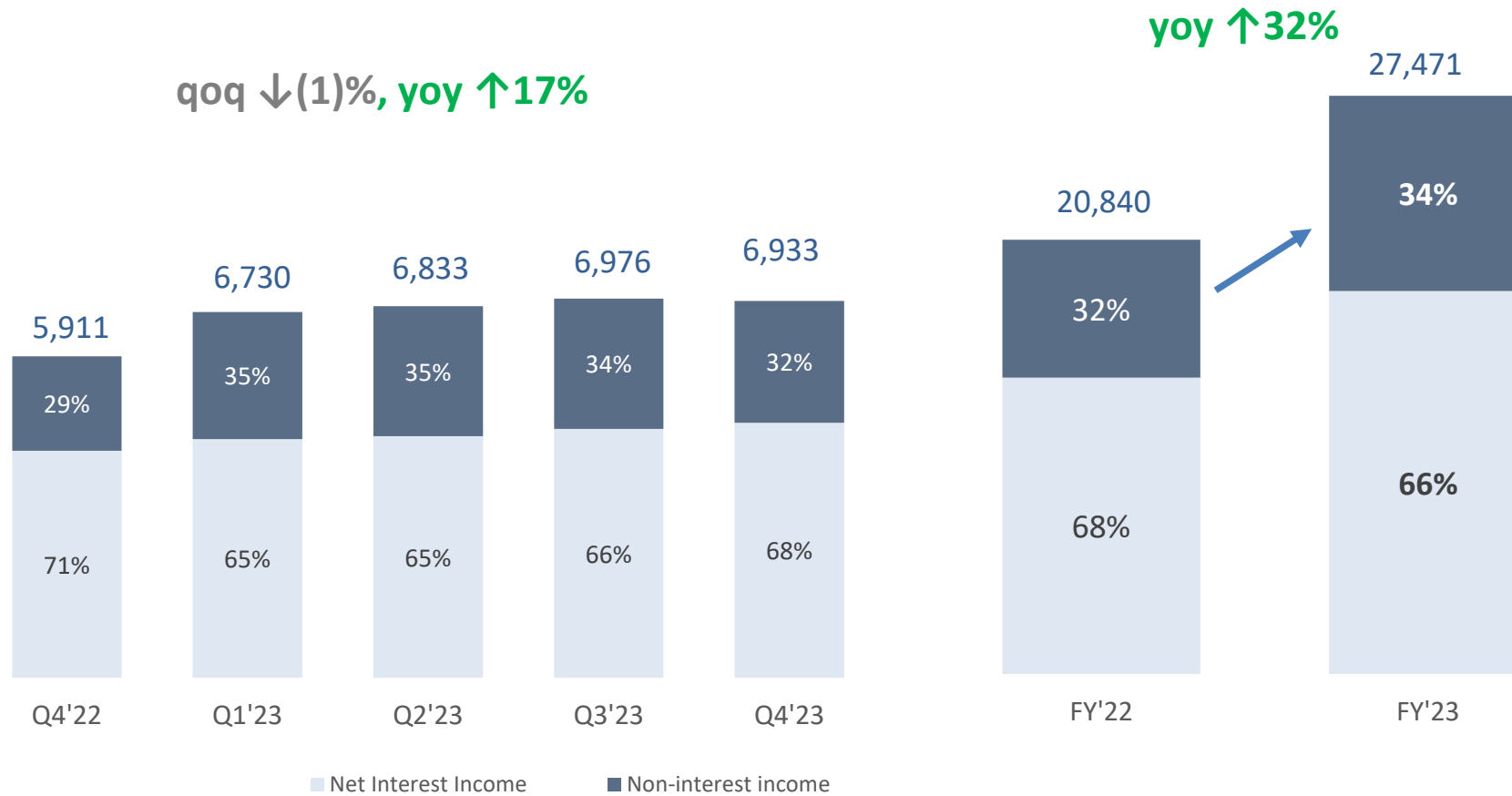
20%

As a % of group
deposits

- Integration of Bank Audi Egypt into FABMisr was completed in Q4'22. FABMisr is grouped under Head Office on an interim basis, whilst product and business segmentation is aligned to the Group norms. Figures for prior periods, accordingly, have been restated or adjusted where appropriate for comparative purposes. Please refer to IR Quarterly Series for segmental information on a quarterly basis since beginning of 2022

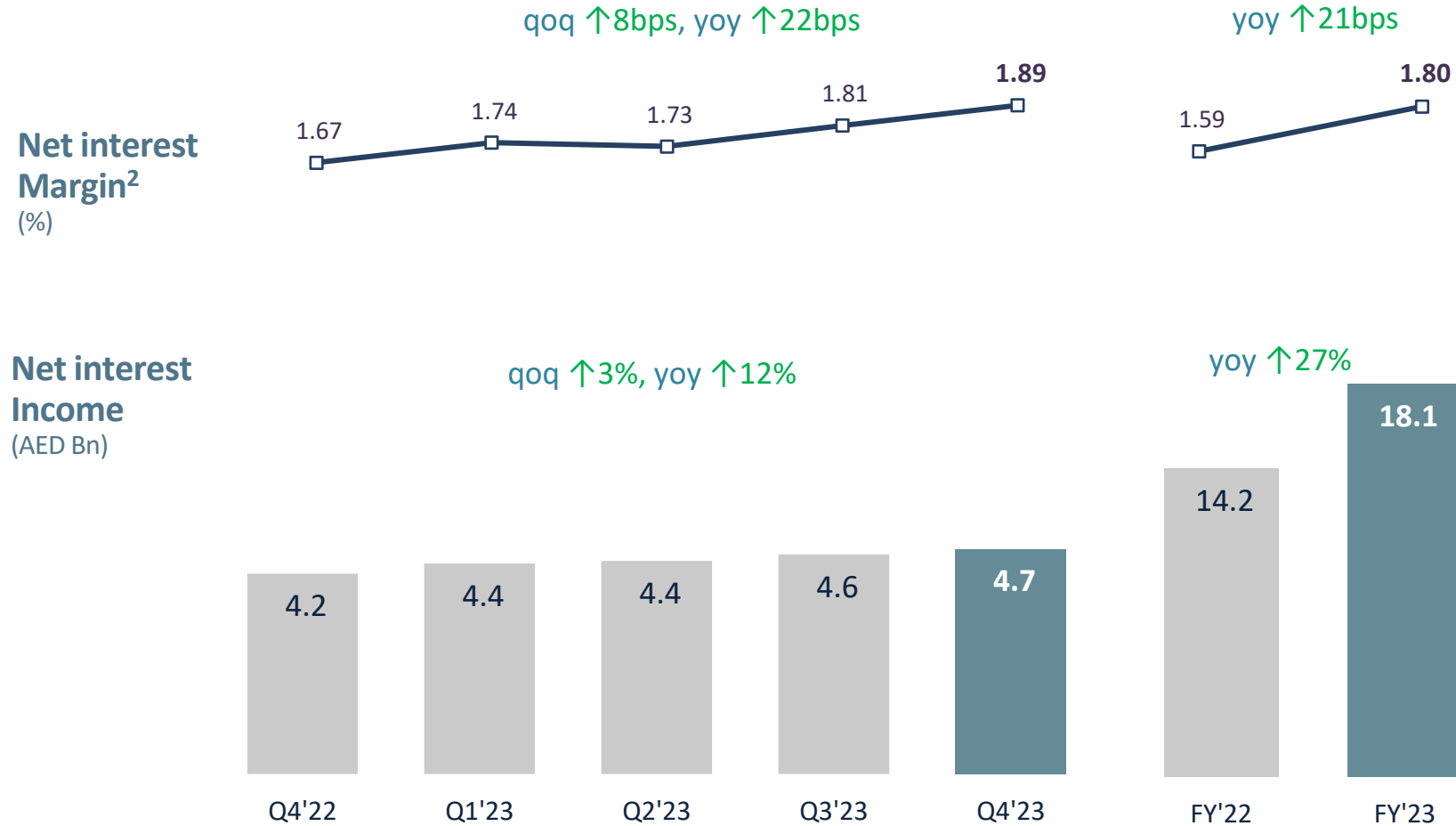
... and sources of income

Total operating income¹ trends (AED Mn)



¹ Excluding gains on sale of stake in subsidiaries

Double-digit NII growth helped by volume growth, higher NIMs



- **FY'23 NII +27% yoy** helped by strong business volumes and improved NIMs
- **FY'23 NIM at 1.80%, +21bps yoy** reflecting benefits from higher benchmark rates, partially offset by increased placements with central banks
- P&L impact from -25bps parallel movement in interest rates¹ is estimated at c. AED (250)Mn as of Dec-end 23 (-32% vs. the prior year), if no offsetting action is taken by management

Note: All percentage figures are annualised

1 For further details, please refer to Market Risk note #51 (c) of FY'23 financial statements

2 NIMs for current and prior periods had been restated in Q3'23 following the reclassification of interest income on FVTPL securities from Net Interest Income to Net Gain on Derivatives and Investment inline with IFRS. For more information, please refer to Note 32 of 9M'23 financial statements and FY'23 financial statements

NFI momentum reflects strength in fee-generating businesses, enhanced cross-sell

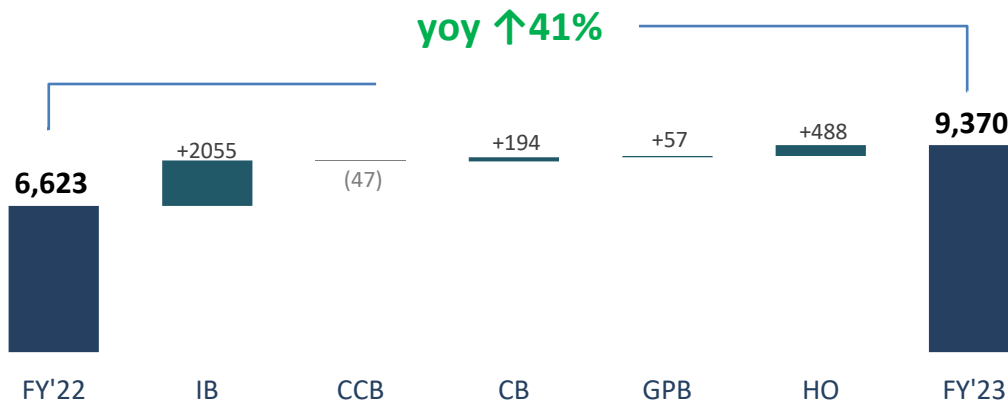
Non-interest income (In AED Mn)	FY'23	YoY%	Q4'23	QoQ%	YoY%
Fees & commissions, net	3,008	8%	741	3%	9%
FX and other investment income, net	6,339	55%	1,596	(5)%	8%
Other non-interest income	23	-	(97)	na	(77)
Non-interest income	9,370	41%	2,240	(7)%	29%

NFI +41% yoy driven by:

- +8% growth in fees and commissions, reflecting deal pipeline execution across several areas including capital markets, higher cash management fees and strong sales momentum in consumer
- +55% growth in fx, investment income from healthy sales and trading performance and strong client activity across various products including fx, derivatives and commodities.

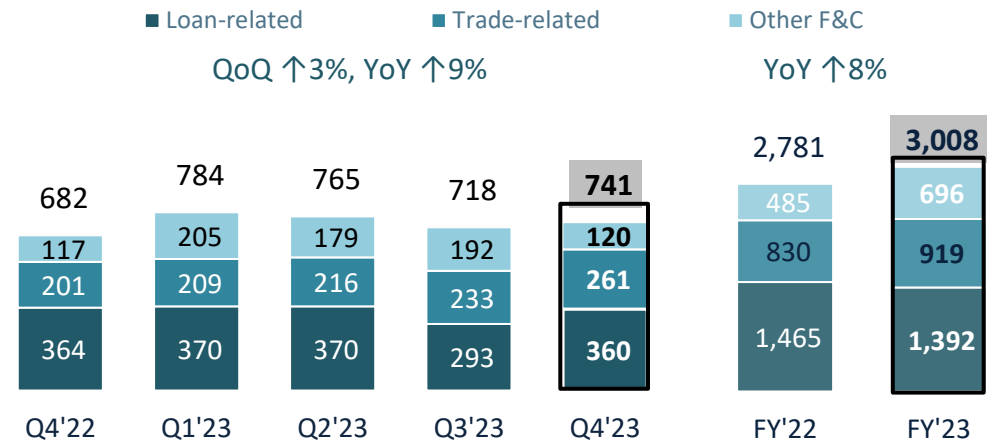
Non-interest income growth by business

(AED Mn)

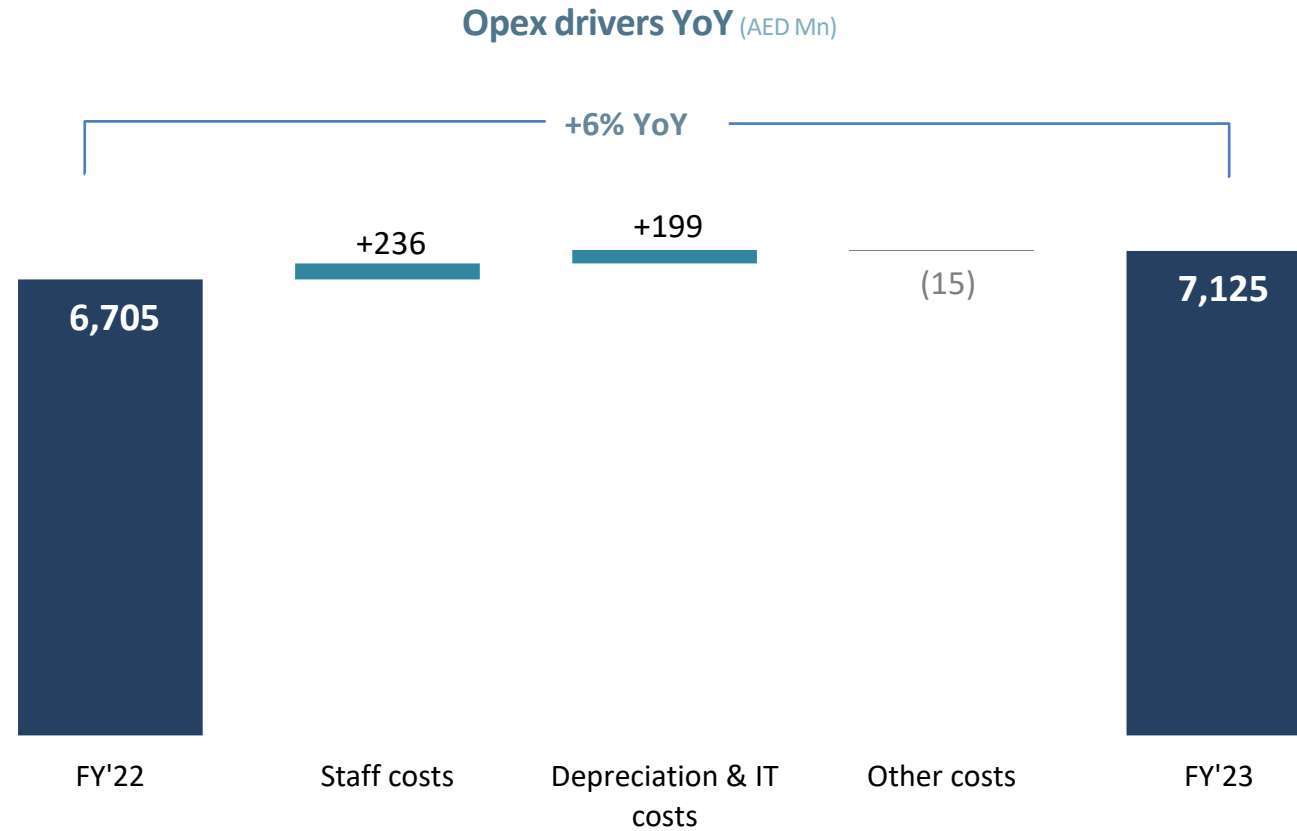


Fees & commissions, net

(AED Mn)



Outstanding operating efficiency



Cost-to-Income Ratio

25.9% ▲

(2022: 31.6%)¹

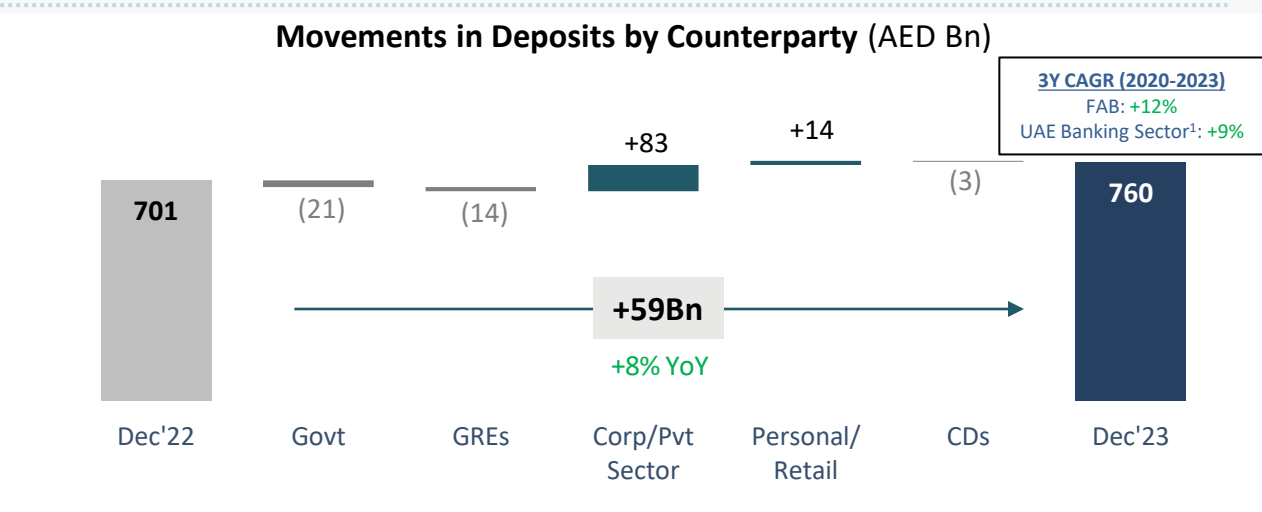
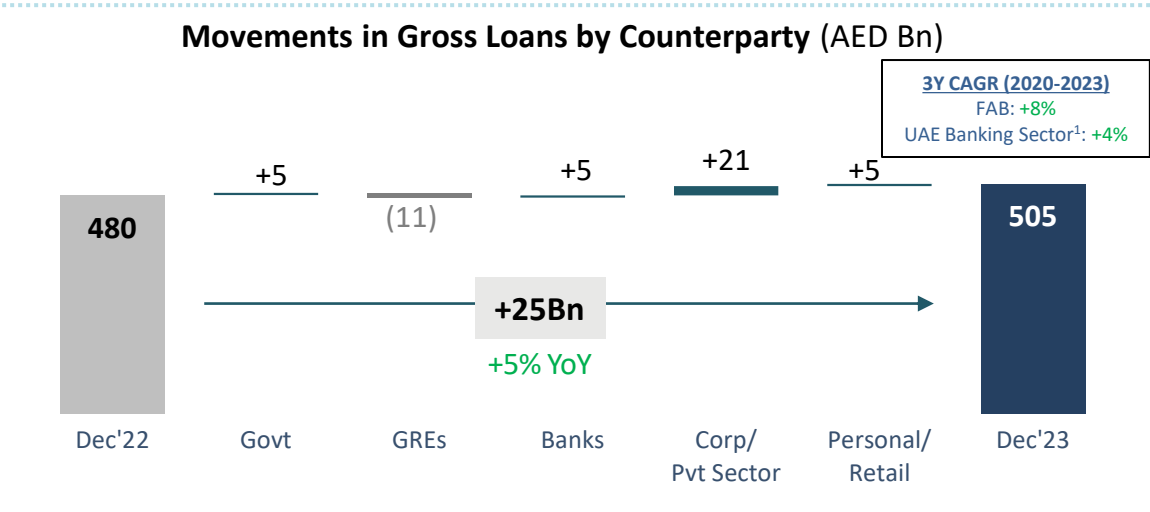
- **Delivered positive Jaws** with operating expenses +6% yoy reflecting cost discipline, amid ongoing investments to drive future efficiency and productivity gains.

¹ Excluding gains on sale of stake in subsidiaries

Balance sheet fundamentals underpinned by strong liquidity profile and diversified funding sources

Balance Sheet Summary (AED Bn)	FY'23	FY'22	yoy %
Cash and balances with central banks	233	228	2%
Investments	226	206	10%
Net Loans	484	460	5%
Total Assets	1,169	1,110	5%
Total Deposits	760	701	8%
<i>Of which CASA</i>	361	297	21%
Total Liabilities	1,043	995	5%
Total Equity	125	115	9%

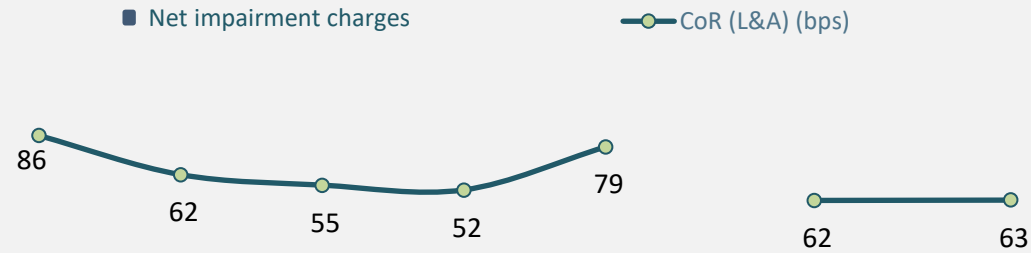
- **Total assets +5% yoy** led by sizeable deposit inflows deployed across loans, investments, and central bank placements.
- **Loans (net) +5% YoY (+24Bn)** reflecting healthy pipeline execution driven by core clients across various economic sectors as well as a pick-up in sales momentum and digital acquisitions. 3y loan CAGR: 8%, significantly outperforming industry average
- **Customer deposits +8% YoY (+59Bn); CASA balances +21% to a record AED 361Bn (+64Bn)**, underlining consistent growth across both wholesale and retail liabilities.
- **Robust and diversified liquidity profile** with December-end 2023 **LCR at 145%**, comfortably in excess of the Basel III minimum regulatory requirement of 100%.



1 CBUAE data as of November 2023

Stable asset quality, adequate provision buffers

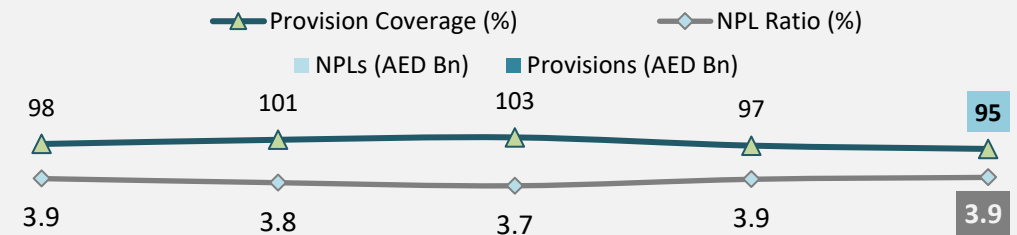
Impairment charges, net (AED Mn) & CoR¹ (bps)



QoQ ↑65%, YoY ↓10%

YoY ↑8%

NPLs² and ECLs³ (%)



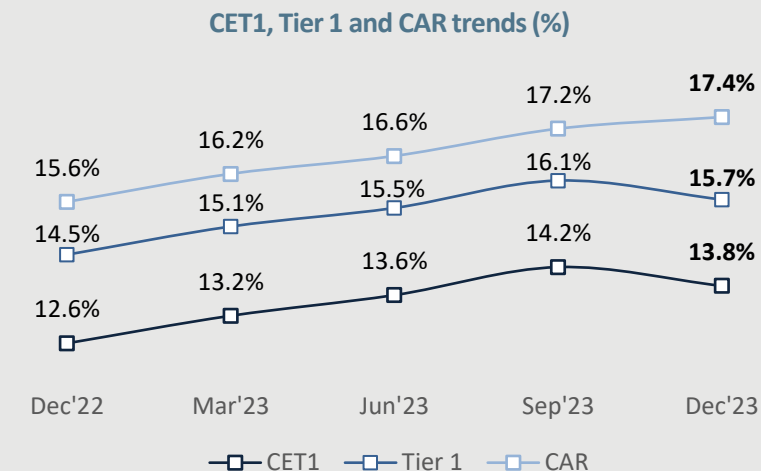
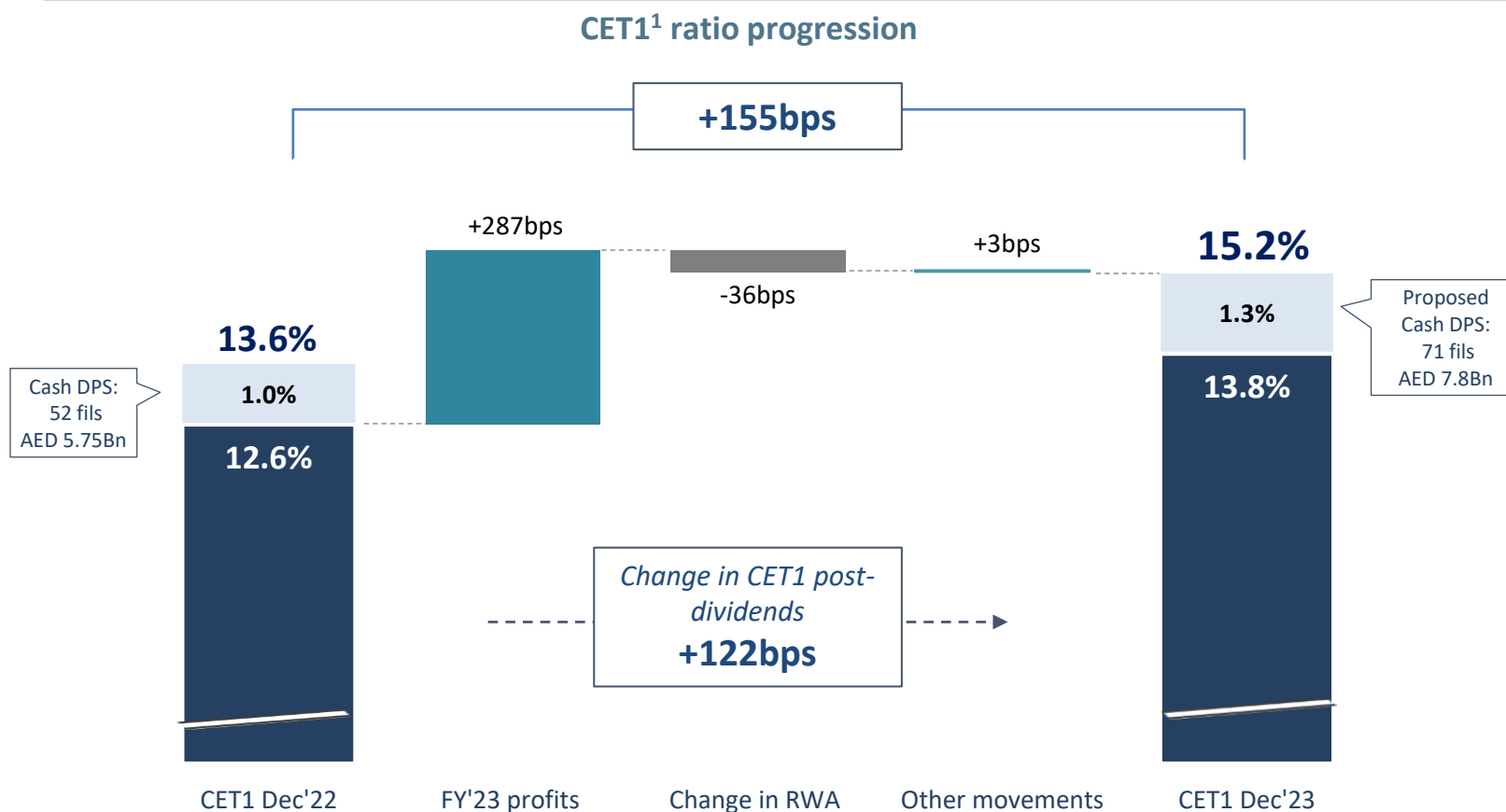
¹ Annualised

² NPLs = Stage 3 exposure + adjusted POCI (Purchase or originally impaired credit) of AED 3,885Mn as of Dec'23 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 51 'Credit risk' in FY'23 financials for more details on IFRS9 exposures and ECL

Enhanced capital position through historic capital accretion



RWA Movements Ytd '23 (AED Bn)	Dec'22	Movement (AED Bn)	Dec'23
Credit RWA	496	+17	513
Market RWA	43	(7)	36
Operational RWA	33	+5	38
Total RWA	572	+16	587

¹ Minimum CET1, Tier 1 and CAR requirement by CBUAE – 11.1%, 12.6% & 14.6%, respectively

Outlook



2024 macro-outlook

Oil

c. USD 80/b

UAE real GDP growth

c. 4.5%
(2023: 3.7%)

Non-oil economy

Continued expansion

Interest rates

3 rate cuts expected in H2'24

2024 financial guidance

		2023 actual	2024 guidance
 Scale	Loan growth	+5% yoy	Mid-single digit
 Asset Quality	Cost of Risk	63bps	65-75bps
	Provision coverage ratio	95%	> 90%
 Profitability & Capital	RoTE	17.6%	> 16%
	CET1 (pre-dividend)	15.2%	> 13.5%

Committed to sustain track record of superior and sustainable returns

Strategic priorities

- Continue to build momentum of business growth and diversification
- Strengthen leadership position in UAE
- Expand international operations
- Continue to invest in technology and innovation
- Set the pace for sustainability in the UAE and the broader region



Medium Term RoTE target > 16%

Appendix



Q4/FY'23 financial highlights – Group financials

Income Statement - Summary (AED Mn)	Q4'23	Q3'23	qoq %	Q4'22	yoy %	FY'23	FY'22	yoy %
Net interest Income	4,693	4,577	3	4,175	12	18,102	14,217	27
Non- interest Income	2,240	2,399	(7)	1,737	29	9,370	6,623	41
Operating Income	6,933	6,976	(1)	5,911	17	27,471	20,840	32
Gain on sale of stake in subsidiary	284	-	na	-	na	284	3,094	(91)
Total Income	7,217	6,976	3	5,911	22	27,755	23,934	16
Operating expenses	(1,900)	(1,806)	5	(2,000)	(5)	(7,125)	(6,705)	6
Operating profit	5,317	5,169	3	3,911	36	20,630	17,229	20
Impairment charges, net	(999)	(605)	65	(1,106)	(10)	(3,078)	(2,839)	8
Non-controlling Interests and Taxes	(308)	(309)	(0)	(343)	(10)	(1,146)	(979)	17
Net Profit	4,011	4,255	(6)	2,462	63	16,405	13,411	22
<i>Net profit (excluding gain on sale of stake in subsidiary)¹</i>	<i>3,727</i>	<i>4,255</i>	<i>(12)</i>	<i>2,462</i>	<i>51</i>	<i>16,122</i>	<i>10,317</i>	<i>56</i>
Basic Earning per Share (AED)	0.36	0.36	0	0.22	66	1.43	1.18	21

Balance Sheet - Summary (AED Bn)	Dec'23	Sep'23	qoq %	Dec'22	yoy %
Loans, advances and Islamic financing	484	478	1	460	5
Investments	226	215	5	206	10
Customer deposits	760	785	(3)	701	8
CASA (deposits)	361	352	2	297	21
Total Assets	1,169	1,186	(1)	1,110	5
Equity (incl Tier 1 capital notes)	125	120	4	115	9
Tangible Equity	94	89	6	84	12
Risk Weighted Assets	587	586	0	572	3

Key Ratios ² (%)	Q4'23	Q3'23	qoq (bps)	Q4'22	yoy (bps)	FY'23	FY'22	yoy (bps)
Net Interest Margin	1.89	1.81	8	1.67	22	1.80	1.59	21
Cost-Income ratio ¹	27.4	25.9	148	33.4	(604)	25.9	31.6	(568)
Cost of Risk (bps)	79	52	27	86	(7)	63	62	0
Non-performing loans ratio	3.9	3.9	5	3.9	3	3.9	3.9	3
Provision coverage	95	97	(235)	98	(351)	95	98	(351)
Liquidity Coverage Ratio (LCR)	145	146	(53)	154	(823)	145	154	(823)
Return on Tangible Equity (RoTE) ¹	16.5	18.5	(201)	11.1	538	17.6	15.7	192
Return on Risk-weighted Assets (RoRWA) ¹	2.7	2.9	(18)	1.7	102	2.8	2.3	50
CET1 ratio	13.8	14.2	(40)	12.6	122	13.8	12.6	122
Capital Adequacy ratio	17.4	17.2	25	15.6	181	17.4	15.6	181

¹ Excluding gain on sale of stake in subsidiaries

² All ratios are annualised, where applicable



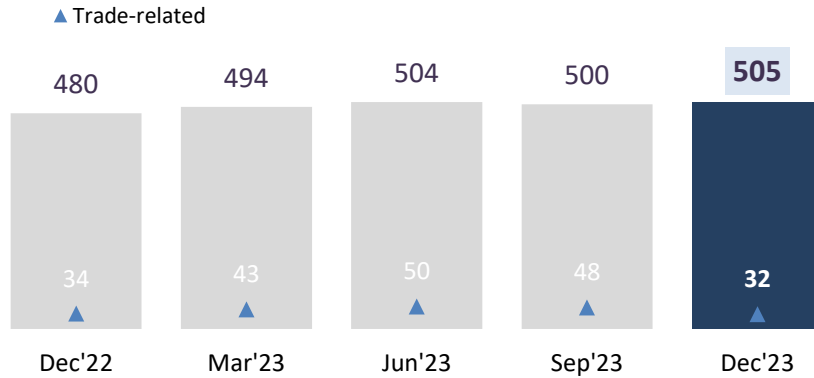
Scan to download full financials

A well-diversified, high quality loan book

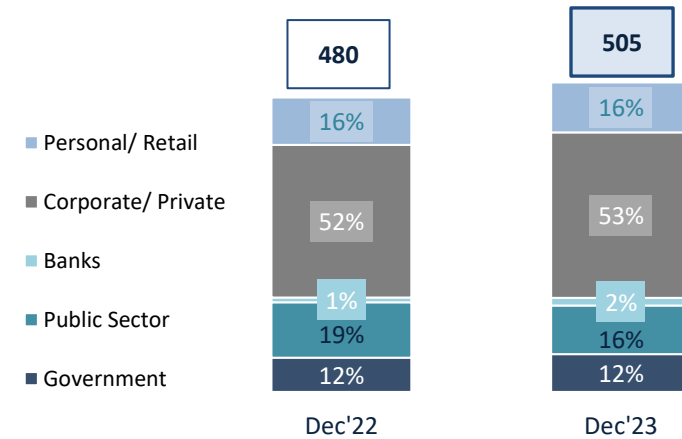
Gross loans trend

Figures in AED Bn

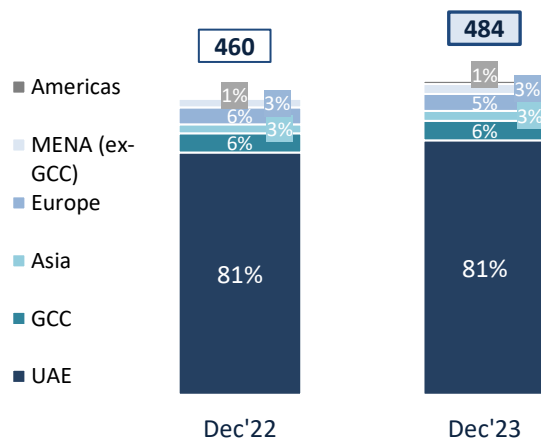
QoQ ↑1%, YoY ↑5%



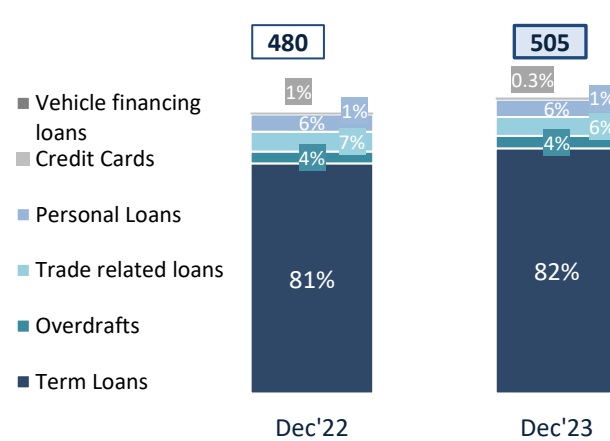
Gross loans by counterparty



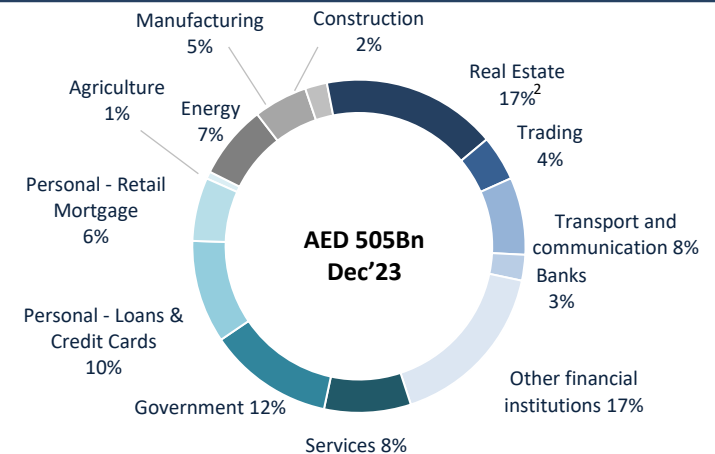
Net loans by geography¹



Gross loans by product



Gross loans by economic sector



¹ Based on loan origination / coverage

² Real Estate by geography: Abu Dhabi 43%, Dubai 23%, Other UAE 2%, UK 18%, Other Intl 13%

Healthy asset quality and adequate provision buffers

Loans by stage

AED 497.5Bn
(Gross loans net of IIS)

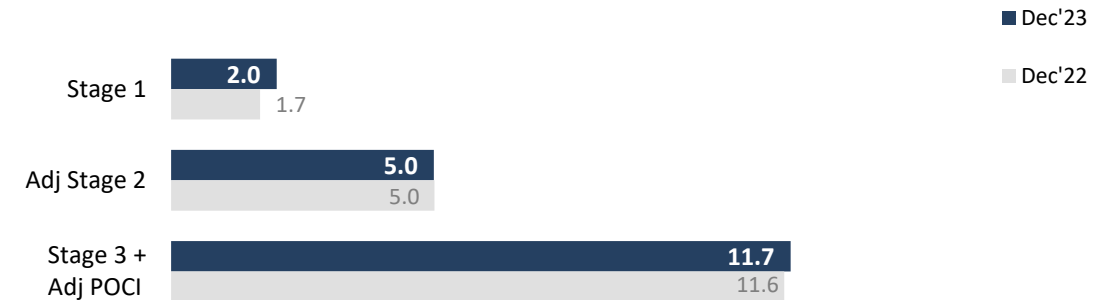
(AED Bn)
as of Dec'23
Ratio % of gross loans
(net of IIS)¹



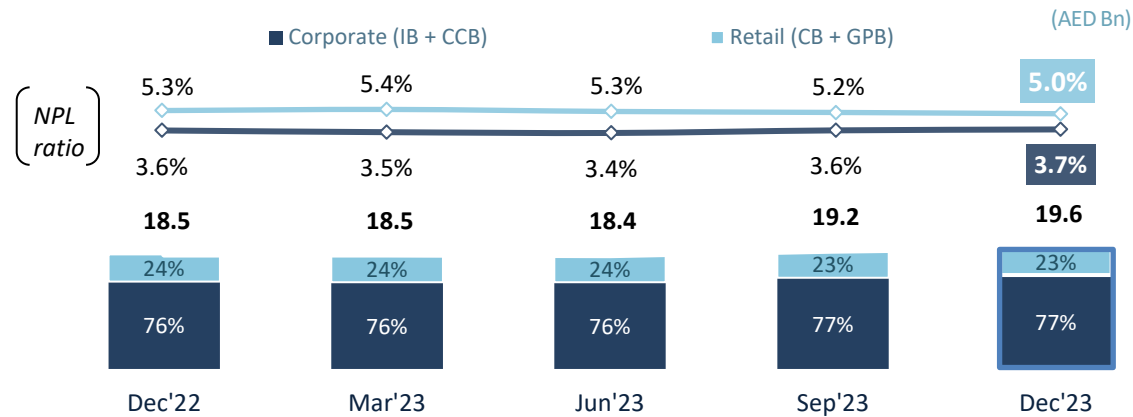
ECL² by stage

AED 18.6Bn

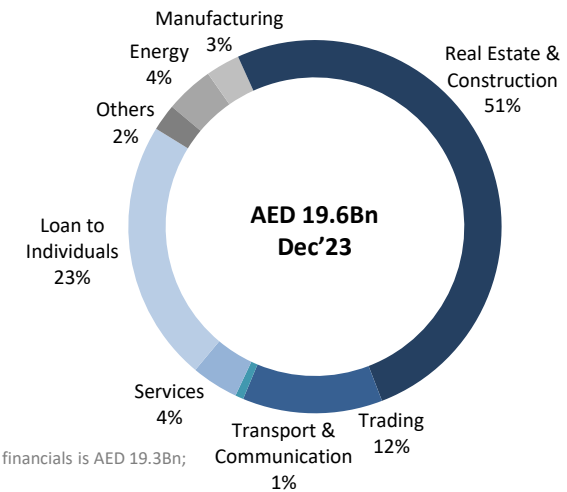
(AED Bn)
as of Dec'23



NPLs¹ by segment



NPLs¹ by sector (%)



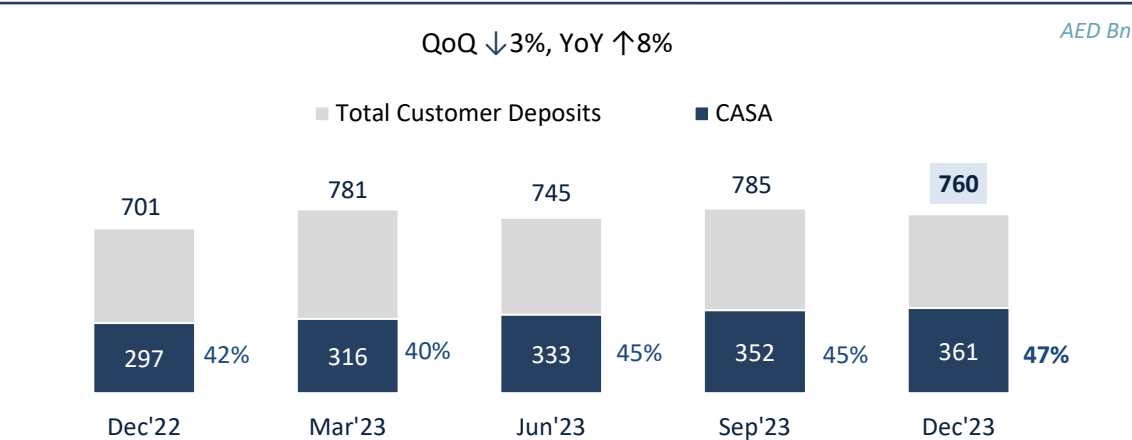
¹ NPLs = Stage 3 exposure + adjusted POCI (Purchase or originally impaired credit) of AED 3,885Mn as of Dec'23 considered as par to NPLs, net of IIS; Stage 3+POCI, net of IIS as per Note #51 in FY'23 financials is AED 19.3Bn; Adj Stage 2 incl POCI not considered as NPLs (AED 107Mn)

² ECL = ECL on loans, advances and Islamic financing (13.5Bn) + ECL on unfunded exposures (1.0Bn) + IFRS9 impairment reserve (4.1Bn), of which IFRS9 specific reserve incl in Stage3 (1.2Bn), IFRS9 collective reserve incl in Stage2 (2.9Bn)

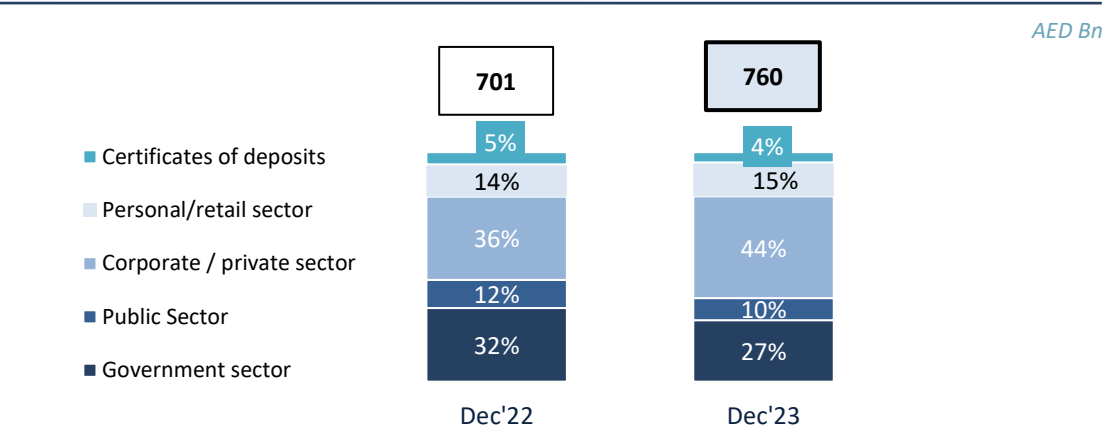
Note: Gross loans, advances & Islamic financing and NPLs are net of interest in suspense; see Note #51 Credit Risk in FY'23 financials for more details on IFRS9 exposures and ECL

Strong and diversified liquidity profile

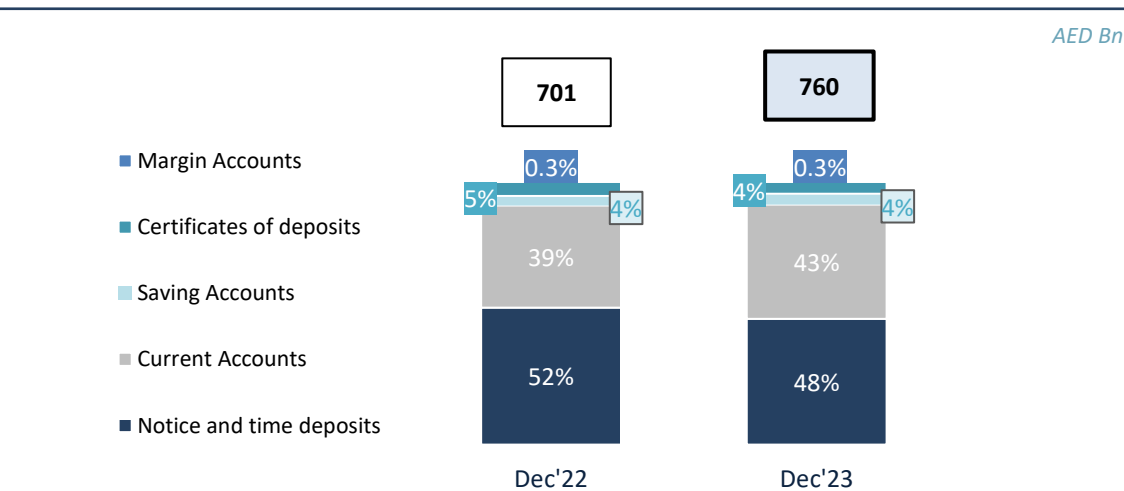
Customer deposits trend



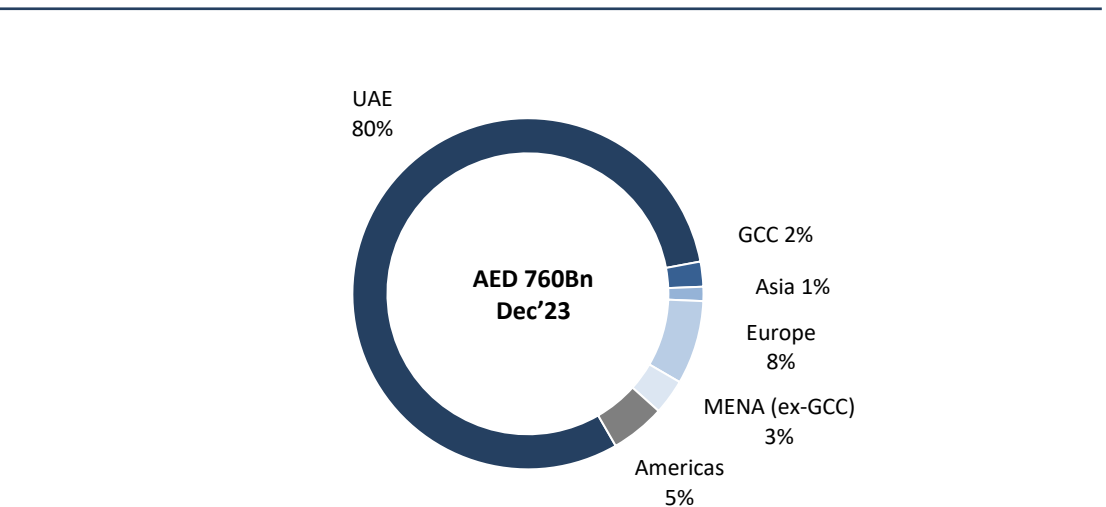
Customer deposits by counterparty



Customer deposits by account type

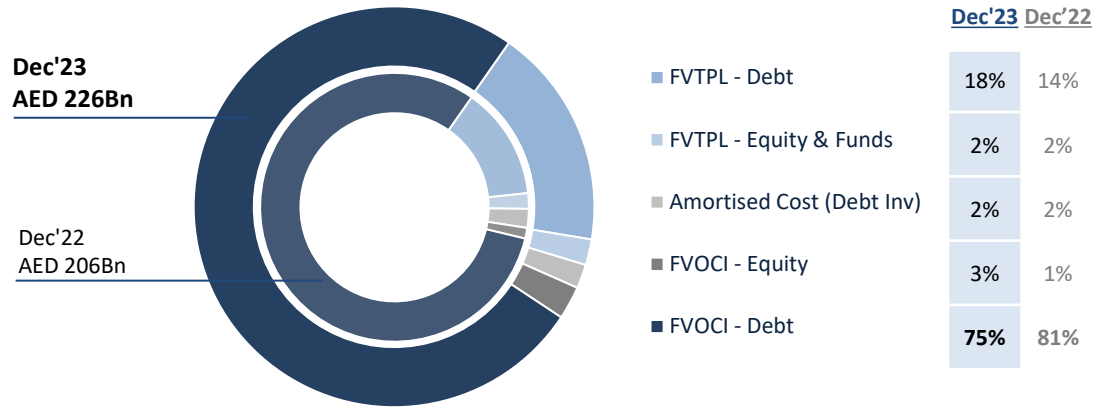


Customer deposits by geography

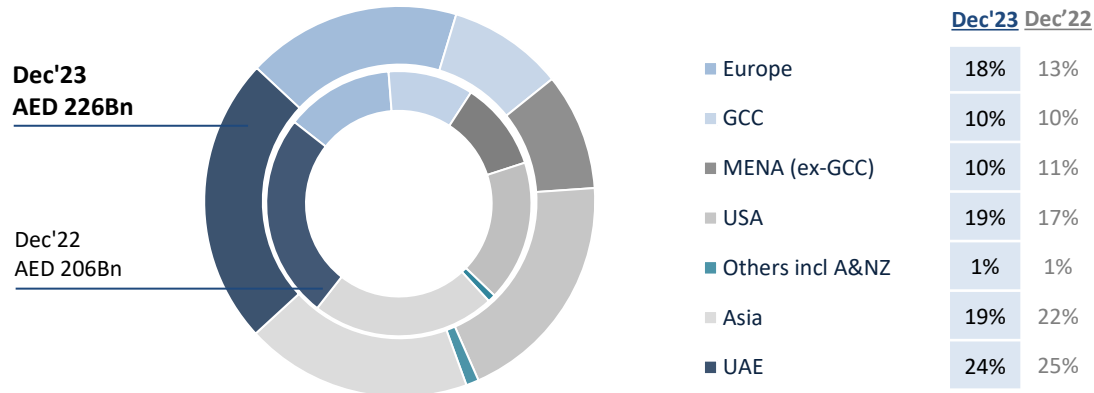


High quality and diversified investment portfolio

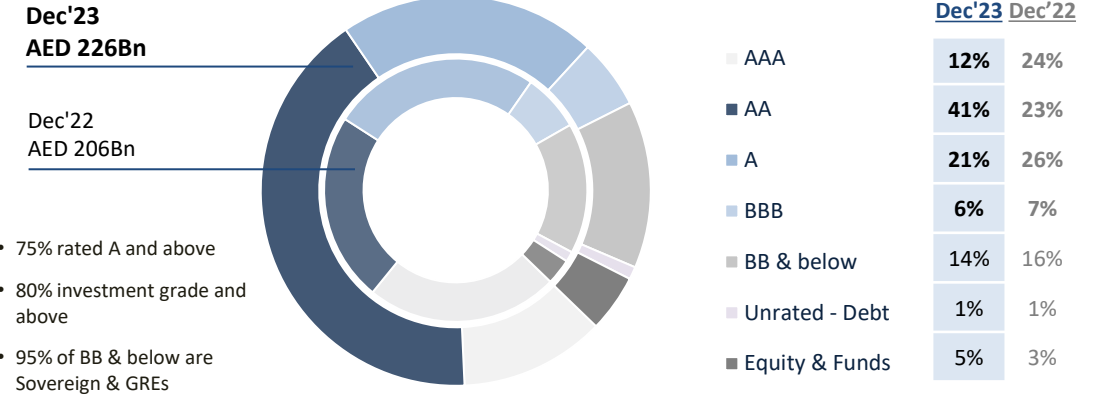
Investments by type



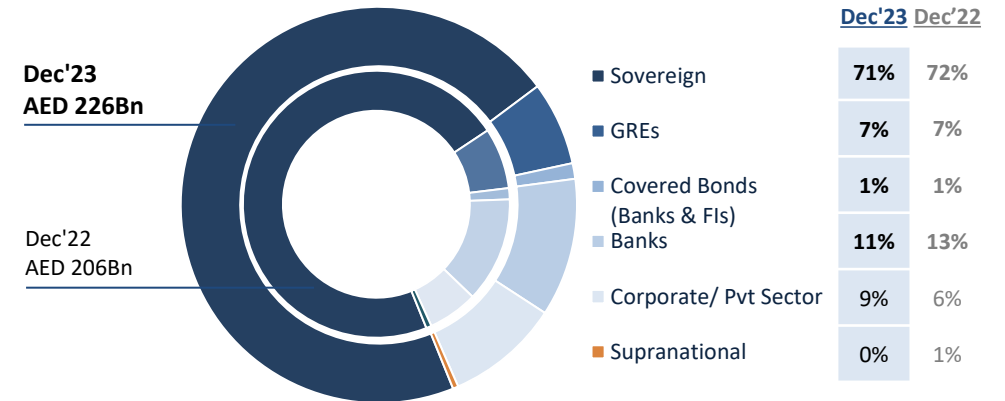
Investments by geography



Investments by ratings



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 (1.3Mn as of Dec'23)

The UAE's Leading Bank and a Regional Banking Powerhouse

A Regional Powerhouse¹



Total Assets
1.2
AED Trillion
(USD 318bn)



Market Capitalisation
154
AED Bn
(USD 42bn)



MENA IB league tables²
Top-Ranked Regional bank
#1 Loan bookrunner
#1 Agent
#3 in ECM / #6 DCM

Among the Strongest and Safest Banks Globally³

Aa3 / AA- / AA-

Moody's / Fitch / S&P
Stable outlook

Strongest Combined Credit Rating
Among MENA Banks

Reaffirmed by all major rating agencies during 2023

#1

In UAE and Middle East

#5

In Emerging Markets

#31

Among Commercial Banks

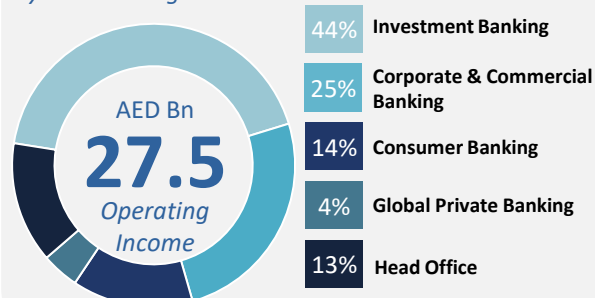
A

MSCI ESG Rating

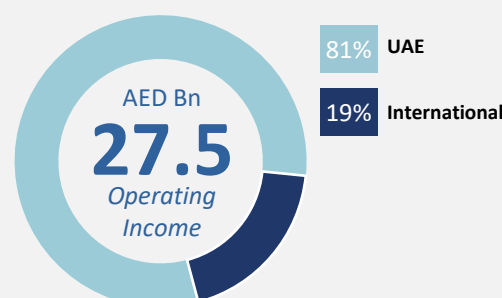
Highest Score
Among MENA Banks

Diversified Business Model⁴

by business segment



by geography



Delivering Superior Returns Through a Robust Foundation

FY'23 Financial Highlights

Return on Tangible Equity

17.6%
(FY'22: 15.7%)

Cost to Income Ratio⁴

25.9%
(FY'22: 31.6%)

Liquidity Coverage Ratio

145%
(Dec'22: 154%)

Common Equity Tier 1 Ratio

13.8%
(Dec'22: 12.6%)

All figures as on 31 December 2023 unless stated otherwise
1 by total assets; Source: Bloomberg, FAB, Peer financials

2 Bloomberg/ Dealogic MENA league tables as of FY'23
3 Global Finance Magazine Safest Banks Rankings, September 2023

4 Ex- integration costs and gain on sale of stake in subsidiaries

For more information, please visit
www.bankfab.com or contact FAB Investor Relations
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Pathway to Net Zero

TCFD Report

Sustainable Finance
Report 2023

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