

Management Discussion & Analysis

FOR THE FULL YEAR ENDED 31 DECEMBER 2024



بنك أبوظبي الأول

FAB
First Abu Dhabi Bank

Abu Dhabi, 6th February 2025

FAB delivers strong results in 2024 with **profit before tax of AED 19.9 billion, up 13% year on year**, fueled by **15% revenue growth**

Profit after tax up 4% year on year to AED 17.1 billion

Board recommends cash dividend of 75 fils per share

HH Sheikh Tahnoon Bin Zayed Al Nahyan | Chairman

“FAB’s performance in 2024 cements consecutive years of expanded scale and improved profitability, demonstrating steady progress against our Group strategy as the UAE’s global bank.”

FY 2024 Key Financials

Net Profit (after tax)

AED 17.1 bn

+4% yoy

Operating Income

AED 31.6 bn

+15% yoy

Profit before tax

AED 19.9 bn

+13% yoy

Cost/Income Ratio

24.6%

2023: 25.9%

Key Highlights

Outstanding returns trajectory, at scale, driven by increased client activity, strong business volumes, diversified income streams, and ongoing operating efficiencies.

Return on Tangible Equity (RoTE): 16.8%

Robust FY’24 RoTE firmly aligned with medium-term guidance.

Proposed Dividend per Share¹: AED 0.75

2023: AED 0.71

Board recommends cash dividend of AED 8.3 billion, equivalent to 51%² of Group net profit.

Total Assets

AED 1.21 tn

+4% yoy

Loans & advances:

+9% yoy

Customer deposits:

+3% yoy

Solid asset base driven by loan and deposit growth with market share gains across key segments and geographies.

UAE

+11% yoy revenue growth

International

+32% yoy revenue growth

23% of Group Revenue

2023: 20%

UAE and international franchises deliver double-digit increases in revenue, emphasizing FAB’s status as the UAE’s global bank.

LCR

142%

2023: 145%

CET1 Ratio

13.7%

2023: 13.8%

Entering 2025 on a strong footing.

¹ Proposed dividend subject to shareholders’ approval at the upcoming Annual General Meeting on March 11th, 2025

² Cash dividend payout as a % of group net profit available for distribution.



His Highness Sheikh Tahnoon Bin Zayed Al Nahyan, Chairman

“FAB’s performance in 2024 cements consecutive years of expanded scale and improved profitability, demonstrating steady progress against our Group strategy as the UAE’s global bank.

Fueled by the UAE's economic growth and the bank’s strategic leaps in growing relationships across key economic corridors and markets, FAB delivered strong results last year, supported by record business volumes, successful diversification and innovation. The bank’s achievements solidified the nation's standing as a premier financial and business hub, and delivered on our leadership’s vision for an open, efficient, and globally integrated business environment. As the UAE’s global bank for businesses and investors, FAB is fully aligned with this vision and remains a key enabler of the UAE's global aspirations.

FAB remains committed to creating sustained value for our shareholders. Our Board of Directors recommends a cash dividend of 75 fils per share for 2024, representing a total dividend payout of AED 8.3 billion.

Looking ahead, FAB will remain vital to driving the UAE’s future vision, fostering sustainable growth and innovation, and connecting local, regional, and international economies within a world-class financial ecosystem.”



Hana Al Rostamani, Group Chief Executive Officer

“2024 was a strong year for First Abu Dhabi Bank. We achieved a net profit of AED 17.1 billion and a revenue of AED 31.6 billion and continued to deliver greater value to our clients in line with our strategic goals as the UAE’s global bank.

Our strategy produced robust results in the UAE, our thriving home market and the foundation of our growth, while powering the expansion of our international franchise, as we diversified growth across customer segments and sources of income and grew international revenue by 32%.

Our balance sheet strength is a cornerstone of our success. Our solid capital and liquidity positions and disciplined risk management form the foundation of our ability to deliver resilient and sustainable growth, underpinning the trust that our customers and stakeholders place in us.

We have also made clear progress on ESG, facilitating AED 267 billion of sustainable and transition financing projects to-date, which represents over half of the Group's 2030 target of AED 500 billion. We have made further strides towards our carbon emission reduction targets, and became the first bank in the region to publish a TNFD report recognizing our responsibility to support a nature-positive future by aligning financial practices with environmental resilience.

Our region continues to grow and expand and the opportunities to link the UAE and the Middle East with the rest of the world are immense. As the UAE’s global bank, FAB’s strategy is designed to help our clients maximise those opportunities. We will continue to invest in technology and innovation to enhance our services, drive efficiencies and grow our competitive edge. In doing so, we will sharpen our focus on consistently delivering strong, sustainable shareholder returns.”

2024 FINANCIAL REVIEW



Lars Kramer,
Group Chief Financial Officer

“Our fourth-quarter performance concludes a highly successful year for the Group in 2024, with a net profit of AED 17.1 billion reflecting a 4% increase compared to 2023, and profit before tax up 13% to AED 19.9 billion. Revenue surpassed the AED 30 billion threshold, driven by solid underlying growth across all our businesses, higher margins and diversified income streams helped by record client activity.

Our international franchise, in particular, has played an important role in delivering diversified sources of growth capitalising on expanded capabilities and new relationships. At the same time, we continued to invest in talent, systems and technology while maintaining excellent operating efficiency and a prudent approach to risk.

Looking ahead, our solid balance sheet fundamentals, resilient NIM profile and diversified business model position us well to continue to deliver profitable growth and achieve our return targets.”

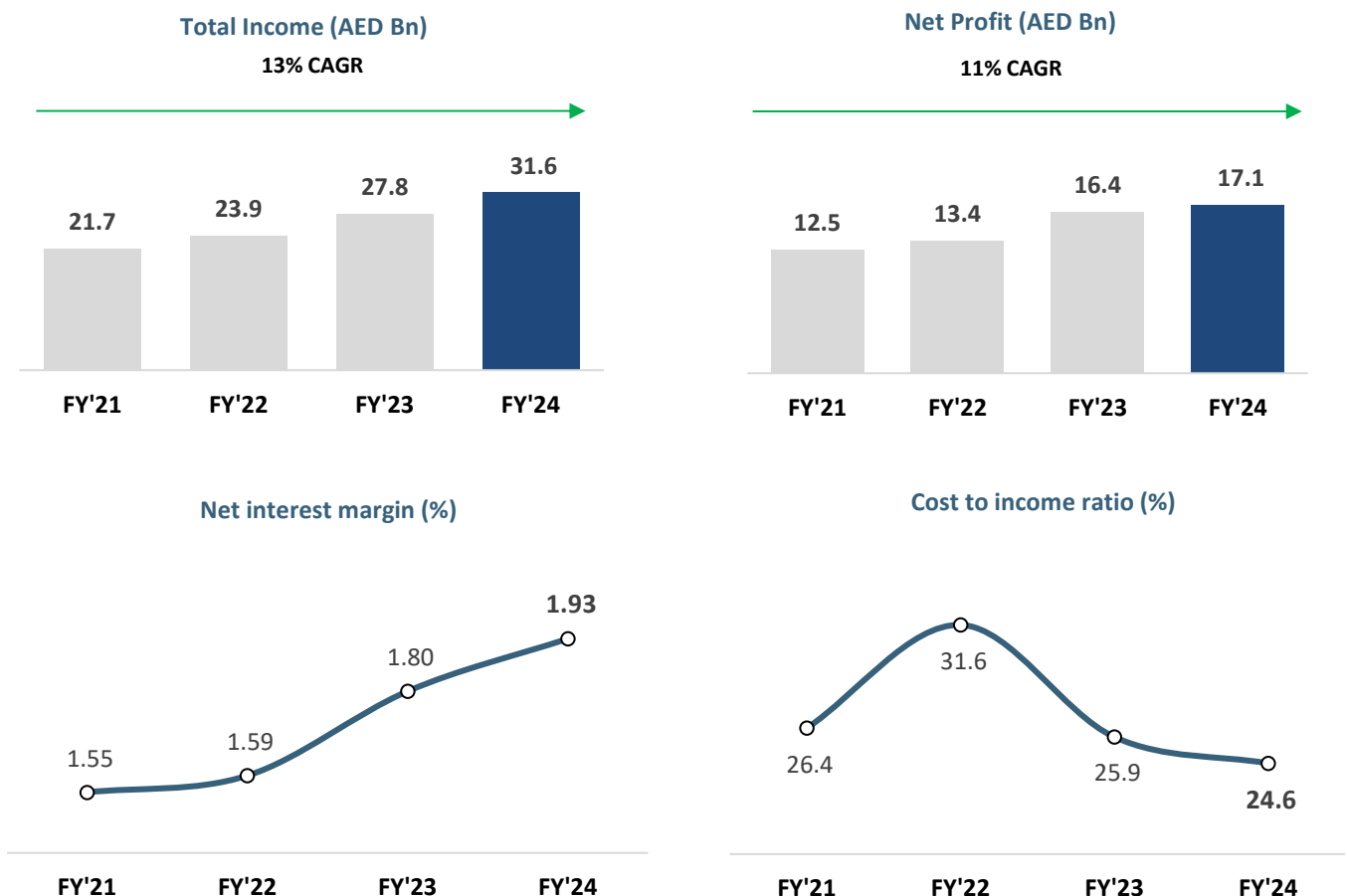
Operating Performance

Selected P&L items (AED Mn)	Q4'24	Q3'24	qoq %	Q4'23	yoy %	FY'24	FY'23	yoy %
Net interest income	4,936	4,890	1	4,707	5	19,612	18,139	8
Non-interest income	2,768	3,307	(16)	2,227	24	12,013	9,332	29
Operating income	7,704	8,197	(6)	6,934	11	31,625	27,471	15
Gain on sale of stake in subsidiary	-	-	na	284	na	-	284	na
Total Income	7,704	8,197	(6)	7,218	7	31,625	27,755	14
Operating expenses	(1,970)	(1,975)	(0)	(1,900)	4	(7,787)	(7,125)	9
Net impairment charge	(1,095)	(909)	20	(999)	10	(3,924)	(3,078)	27
Profit before tax	4,638	5,313	(13)	4,319	7	19,914	17,552	13
Non-controlling interests and taxes	(449)	(853)	(47)	(308)	46	(2,859)	(1,146)	149
Net Profit	4,189	4,460	(6)	4,011	4	17,055	16,405	4
Basic Earnings per Share (AED)	0.36	0.38	(5)	0.36	0	1.48	1.43	3

Note: a full summary financials table is available at the end of the report

- **FY'24 reported net profit** was AED 17.1 billion, rising 4% compared to 2023 while Profit Before Tax was up 13% yoy to AED 19.9 billion. Q4'24 net profit was AED 4.2 billion, up 4% yoy.
- **Operating income** grew 15% yoy to AED 31.6 billion, reflecting strong momentum across businesses, products, and geographies. This was driven by healthy growth in net interest income coupled with accelerated growth in non-interest income as we continue to broaden the product suite and deepen client relationships. Q4'24 operating income was AED 7.7 billion, up 11% yoy.
- **Net Interest Income** was AED 19.6 billion, up 8% yoy, helped by strong business volumes and margin expansion with Net Interest Margin (NIM) widening 13bps yoy to 1.93%, a 5-year high. Q4'24 Net Interest Income rose 5% yoy and 1% sequentially with quarterly NIM also at 1.93%.
- **Non-Interest Income** grew 29% yoy to AED 12.0 billion, driven by continued strength in fee-based products, record client activity and solid sales and trading performances in Global Markets. In Q4'24, non-interest income rose 24% yoy and was 16% lower sequentially, reflecting non-recurring gains in the third quarter. Non-interest income contributed 38% to Group revenue, up from 34% in 2023, demonstrating the ability of our platform to generate diversified sources of income.
- **Operating expenses** were AED 7.8 billion, up 9% yoy from continued investments in talent, technology and AI-related initiatives. Cost-to-income ratio improved to 24.6%, a historical low for the group, underlining our relentless focus on driving operational efficiencies.
- **Net impairment charges** were AED 3.9 billion, up 27% yoy driven by strong provisioning levels in an evolving regulatory environment. FY'24 cost of risk was 75bps, 12bps higher yoy. Q4'24 impairment charges were up 20% sequentially reflecting prudent provisioning and the implementation of the new credit risk management standards in the last quarter.

Consecutive years of improved performance with double-digit CAGR in revenue and profits. Higher FY'24 margins, while C/I ratio at a historical low reflects ongoing operating efficiencies



Key metrics

Key Ratios (%)	Q4'24	Q3'24	qoq (bps)	Q4'23	yoy (bps)	FY'24	FY'23	yoy (bps)
Net Interest Margin	1.93	1.89	4	1.89	4	1.93	1.80	13
Cost-Income ratio	25.6	24.1	148	27.4	(182)	24.6	25.9	(128)
Cost of Risk (bps)	84	63	21	79	5	75	63	12
Return on Tangible Equity (RoTE)	16.1	17.9	(176)	16.5	(38)	16.8	17.6	(80)

Driving growth, diversification, and innovation across the FAB franchise

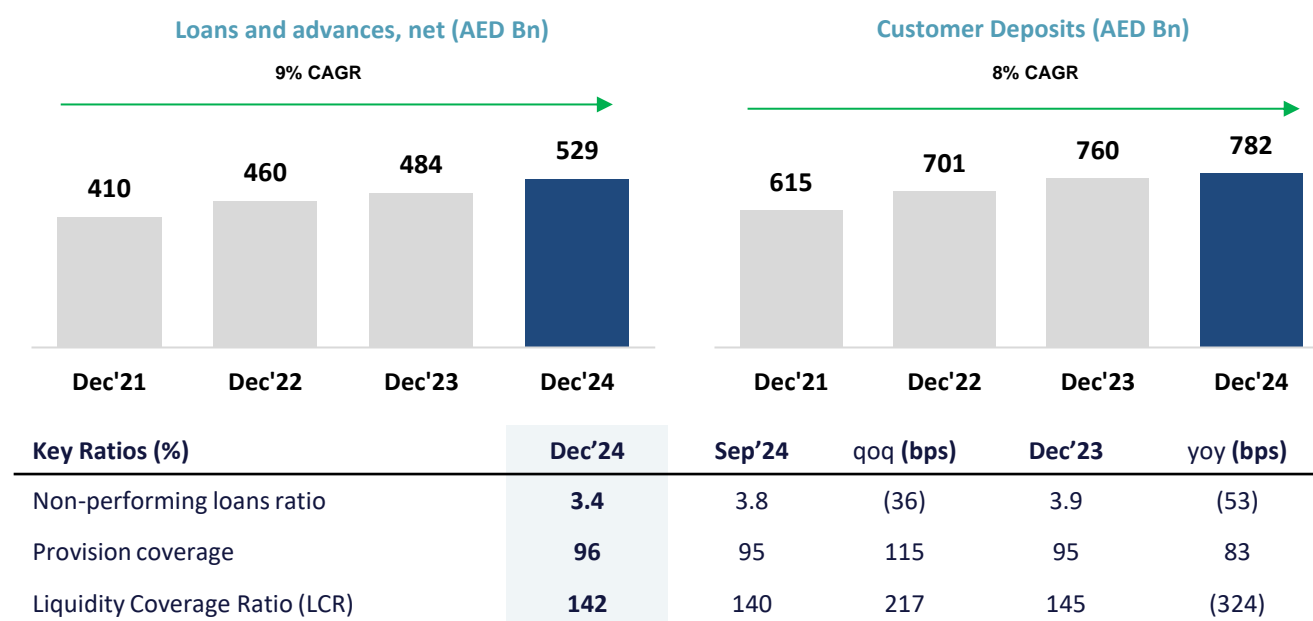
- **Continued momentum in wholesale banking services.** Investment Banking revenue grew 19% yoy driven by strong deal pipeline execution, as reflected in top-tier rankings across key MENA IB league tables. Global Markets also lifted revenue by 18%, helped by record client activity and enhanced cross-sell. Corporate and Commercial Banking saw a continued rise in loans, deposits and revenue, helped by a number of key technology innovations including the launch of the Commercial Banking Service Accelerator, empowering SME clients to access essential account services digitally.
- **Retail banking momentum accelerated,** with a 20% rise in new-to-bank customers, while lending and deposits grew 15% and 17% respectively, with a significant growth in CASA balances. Continued enhancement of the Private Banking offering and new mandates resulted in 75% yoy growth in assets under management. Consumer Banking and Private Banking revenue grew 18% and 15% yoy respectively.
- **Both domestic and international franchises delivered double-digit revenue growth** of 11% and 32% respectively, as we continued to strengthen and build new relationships across key economic corridors.
- **The international franchise is now contributing 23% to group revenue,** up from 20% in 2023 and 18% in 2021, highlighting progress in diversification efforts as we expand our footprint across key markets.
- **Continued to leverage technology and the deployment of AI and Gen-AI capabilities across the Group,** to enhance customer experience, strengthen risk management and further streamline operations resulting in productivity and efficiency gains.
- **Clear progress on ESG.** Sustainable and transition financing facilitated to-date rose to AED 267 billion, over half of the Group's 2030 target of AED 500 billion, while FAB remained a regional leader in green and social bonds, with USD 4.1 billion outstanding. FAB became the first bank in the region to publish a TNFD report, recognizing our responsibility to support a nature-positive future by aligning financial practices with environmental resilience.
- Further, our commitment to financial inclusion continued to shine through, having supported SMEs with AED 4.3 billion in new financing in FY'24, 30% higher than the prior year.

Balance Sheet trends

Balance Sheet - Summary (AED Bn)	Dec'24	Sep'24	qoq %	Dec'23	yoy %
Loans, advances and Islamic financing	529	528	0	484	9
Investments	248	251	(1)	226	10
Customer deposits	782	820	(5)	760	3
CASA	360	374	(4)	361	(0)
Total Assets	1,213	1,230	(1)	1,169	4

- **Total assets** grew 4% yoy to AED 1.21 trillion (USD 330 billion), driven by broad-based franchise growth.
- **Loans, advances and Islamic financing (net)** were up 9% yoy to AED 529 billion reflecting healthy origination across key segments and economic sectors.
- Islamic Financing was also a key highlight, growing 9% yoy to AED 41 billion.
- **Investment securities** grew 10% year-on-year to AED 248 billion, reflecting effective balance sheet deployment. FAB maintains a high-quality investment portfolio, with over 72% of securities rated 'A' and above.
- **Customer deposits** were up 3% yoy to AED 782 billion, driven by diversified growth across geographies and divisions with a continued focus on optimizing the funding mix. CASA balances were AED 360 billion representing 46% of deposits. International deposits rose 15% yoy, reflecting FAB's role as an aggregator of regional and international liquidity, and leveraging the group's strong AA- credit rating.

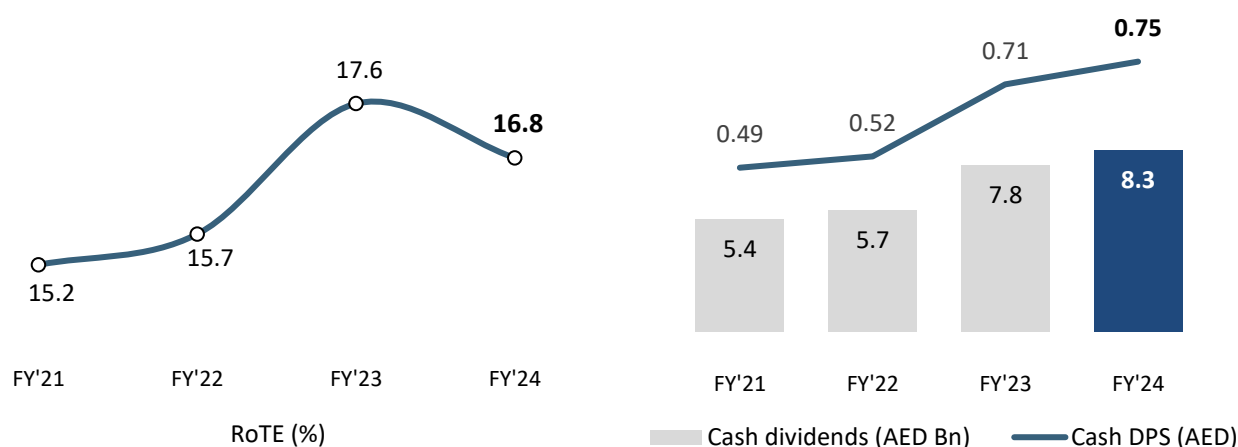
Consistent growth on both sides of the balance sheet driving franchise expansion in UAE and internationally



- The Group continues to present a robust and diversified **liquidity profile** with December-end 2024 LCR at 142%, comfortably in excess of the Basel III minimum regulatory requirement of 100%.
- During 2024, FAB raised AED 14.5 billion (USD 4.0 billion equivalent) of senior wholesale funding at a competitive pricing, of which AED 3.2 billion (USD 882 million equivalent) was in green and social format.
- Key landmark transactions included a USD 800 million five-year sukuk; a 5-year USD 700 million Formosa FRN bond, the first Formosa issuance from a MENA bank in two years; a USD 850 million five-year bond; and a USD 800 million five-year FRN green Formosa, the first green Formosa bond from the MENA region and the largest-ever green Formosa issuance.
- NPLs (non-performing loans) were AED 18.5 billion as of December-end 2024, implying a Group NPL ratio of 3.4% down from 3.9% the prior year. This highlights prudent risk management and the bank's proactive approach to optimizing the balance sheet, helped by the successful completion of the sale of a portfolio of non-performing loans in the last quarter.
- Provision coverage remained adequate at 96% with total provisions at AED 17.7 billion.

Equity, Capital and Returns

- **Total shareholders' equity stood at AED 131 billion**, up 4% yoy, driven by earnings growth. Basel III Common Equity Tier 1 (CET1) ratio remained robust at 13.7% compared to 13.8% as of December 2023. Capital adequacy and Tier 1 capital ratios were 17.5% and 15.4%, versus 17.4% and 15.7% respectively as of December-end 2023. The issuance of a USD 750 million Tier 2 bond in July 2024, further helped consolidate FAB's solid capital position.
- **Return on tangible equity (RoTE)** of 16.8% for the full year 2024, is firmly aligned with the Group's medium-term guidance of above 16%, which was introduced in February 2024.
- **Consistent increase in cash dividend per share to 75 fils for 2024**, representing a total payout of AED 8.3 billion to shareholders for FY'24, and 51% of group net profit available for distribution.



Business Performance

(AED Mn)	Q4'24	Q3'24	qoq %	Q4'23	yoy %	FY'24	FY'23	yoy %
Operating income by business segment								
Investment Banking (IB)	2,736	2,854	(4)	2,450	12	10,873	9,102	19
Global Markets ¹ (GM)	1,819	1,820	(1)	1,618	12	7,351	6,253	18
Corporate and Commercial Banking (CCB)	1,978	1,747	13	1,711	16	7,248	6,908	5
Consumer Banking (CB)	1,122	1,162	(3)	955	17	4,483	3,806	18
Private Banking (PB)	336	345	(2)	295	14	1,346	1,165	15
Head Office (HO)	837	1,382	(39)	949	(12)	4,586	4,024	14
Operating income by geography								
UAE	5,887	6,519	(10)	5,534	6	24,472	22,067	11
International	1,817	1,677	8	1,400	30	7,153	5,404	32

¹ Starting Q1'24, the Group's Global Markets (GM) division is being reported as a separate segment. GM includes revenue from GM trading which is reported separately in the Financial Statements, and revenue from GM Sales which is allocated within the other divisional business lines. For further information about the Group's operating structure, please refer to note 44 of FAB's financial statements as of December-end 2024.

SUMMARY FINANCIALS

Income Statement – Summary (AED Mn)

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Net interest Income	4,936	4,890	1	4,707	5	19,612	18,139	8
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CASA (deposits)	360	374	(4)	361	(0)
Total Assets	1,213	1,230	(1)	1,169	4
Equity (incl Tier 1 capital notes)	131	129	1	125	4
Tangible Equity	100	98	2	94	6
Risk Weighted Assets	640	652	(2)	587	9

Key P&L ratios (%)

	Q4'24	Q3'24	qoq (bps)	Q4'23	yoy (bps)	FY'24	FY'23	yoy (bps)
Net Interest Margin	1.93	1.89	4	1.89	4	1.93	1.80	13
Cost-Income ratio	25.6	24.1	148	27.4	(182)	24.6	25.9	(128)
Cost of Risk (bps)	84	63	21	79	5	75	63	12
Non-performing loans ratio	3.4	3.8	(36)	3.9	(53)	3.4	3.9	(53)
Provision coverage	96	95	115	95	83	96	95	83
Liquidity Coverage Ratio (LCR)	142	140	217	145	(324)	142	145	(324)
Return on Tangible Equity (RoTE) (%)	16.1	17.9	(176)	16.5	(38)	16.8	17.6	(80)
Return on Risk-weighted Assets (RoRWA) (%)	2.6	2.8	(21)	2.7	(13)	2.8	2.8	(5)
CET1 ratio	13.7	14.3	(57)	13.8	(14)	13.7	13.8	(14)
Capital Adequacy ratio	17.5	18.0	(53)	17.4	6	17.5	17.4	6

Notes:

- Effective 1st Jan 2024, UAE corporate tax of 9% is applicable to net profit on FAB's UAE operations. Please refer to note 4 in Q1'24 financials for further details.
- Prior period figures related to FY'23 include minor expense reallocations between segments, as well as reallocations to include revenue related to asset-liability management initiatives in Head Office.
- 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, except for Basic EPS.
- 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](#).
- Rounding differences may appear in above tables

ABOUT FIRST ABU DHABI BANK (FAB)



Headquartered in Abu Dhabi with a global footprint across 20 markets, FAB is the finance and trade gateway to the Middle East and North Africa region (MENA). With total assets of AED 1.21 trillion (USD 330 billion) as of December-end 2024, FAB is among the world's largest banking groups. The bank provides financial expertise to its wholesale and retail client franchise across five business units: Investment Banking, Corporate and Commercial Banking, Consumer Banking, Global Markets, and Private Banking. FAB is listed on the Abu Dhabi Securities Exchange (ADX) and rated Aa3/AA-/AA- by Moody's, S&P, and Fitch, respectively, with a stable outlook. On sustainability, FAB holds an MSCI ESG rating of 'AA', and is also ranked among the top 5% of banks globally by Refinitiv's ESG Scores and the best performer in the MENA region.

For further information, visit: www.bankfab.com

For investor-related queries, please contact FAB Investor Relations team on ir@bankfab.com

Recent Accolades



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Lars Kramer,
Group Chief Financial Officer