بنـك أبـوظبـي الأول
FAB
First Abu Dhabi Bank

Management Discussion & Analysis

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2026

Abu Dhabi, 29th October 2026

FAB achieves 9M'26 operating income of Đ29.71 billion and profit before tax of Đ20.22 billion

RoTE remains above medium-term guidance at 18.6%

Hana Al Rostamani | Group Chief Executive Officer

"This performance reflects sustained growth across our businesses, the strength and scale of our diversified platform, and the continued expansion of our global franchise. It also highlights our ability to deliver consistent returns while maintaining a strong financial position."

9M'26 Key Financials

Net Profit
Đ 16.46 bn
+3% yoy

Profit Before Tax
Đ 20.22 bn
+5% yoy

Operating Income
Đ 29.71 bn
+7% yoy

RoTE
18.6%
9M'25: 20.0%

Total Assets
Đ 1.47 tn
+7% ytd

Loans and Advances (net)
Đ 679 bn
+10% ytd

Customer Deposits
Đ 885 bn
+5% ytd

UAE Assets
Đ 1.04 tn
70% of group assets

International Assets
Đ 437 bn
30% of group assets

NPL Ratio
2.1%
Sep-25: 2.6%

LCR
140%
Sep-25: 158%

CET1 Ratio
14.0%
Sep-25: 13.7%

Key Highlights

- Solid performance driven by double-digit growth in net interest income, robust non-funded income generation, and continued cost discipline.
- Consistent strong returns through-the-cycle with RoTE of 18.6% above the medium-term guidance of over 16%.
- Sustained growth in wholesale and retail lending, demonstrating the strength of client demand and supporting investment and economic activity across key sectors.
- Strong global deposit franchise, complemented by a high-quality, diversified funding mix.
- Continued momentum across a leading domestic franchise and growing international footprint, with assets up 8% and 5% ytd in the UAE and international markets, respectively.
- Strong liquidity and capital metrics underpin the Group's AA- or equivalent credit ratings.
- Strong asset quality, with the NPL ratio improving to 2.1%, supported by disciplined risk management and prudent underwriting standards.

Hana Al Rostamani,
Group Chief Executive Officer

"FAB's performance in the first nine months of 2026 reflects the strength of our franchise and the consistent execution of our strategy. Group operating income rose 7% year on year to AED 29.71 billion, while profit before tax exceeded AED 20 billion. Return on tangible equity reached 18.6%, remaining above our medium-term guidance. This performance reflects sustained growth across our businesses, the strength and scale of our diversified platform, and the continued expansion of our global franchise. It also highlights our ability to deliver consistent returns while maintaining a strong financial position.

The UAE's next phase of growth presents significant opportunities, driven by ambitious investment programmes, economic diversification and deeper integration across global markets. FAB is well positioned to support these ambitions, leveraging our scale, structuring expertise and international network to finance strategic sectors and connect clients with opportunities globally.

We continue to invest in the future of banking, expanding the use of artificial intelligence and advancing our capabilities in digital assets and tokenisation. The successful completion of our live tokenised deposit initiative, a first for any bank in the Middle East and Africa, represents an important milestone in bringing innovative, more efficient digital transaction solutions to our clients. Together, these advancements reflect our focus on harnessing innovation to deliver more personalised banking experiences.

Looking ahead, our focus remains on translating structural opportunities into sustainable, high-quality growth, underpinned by disciplined execution and agility in an evolving global environment. Our diversified business model, international footprint, and strong financial position provide the resilience and flexibility to navigate potential headwinds, capture emerging opportunities, and further strengthen FAB's position as the UAE's global bank, while creating long-term value for our shareholders and the wider economy."

Lars Kramer,
Group Chief Financial Officer

"FAB delivered another strong quarter in Q3, with operating profit up 11% year on year, driven by sustained business momentum, robust income generation and industry-leading efficiency.

Margins remained resilient, with NIM at 1.93%, up 5 basis points year on year, underpinned by our diversified business mix and structural funding advantage. We delivered strong lending growth of 10% year-to-date, driven by continued momentum across our wholesale and retail franchises as we supported clients, businesses and economic activity across key sectors. Our high-quality deposit franchise, which grew 5% year-to-date, together with broad access to global capital markets, enabled us to maintain pricing discipline in a competitive environment. The recent issuance of AED 1 billion of Digitally Native Green Notes further broadened our funding capabilities inline with our focus on financial innovation.

Sustainability remains central to our strategy. We reinforced our leadership in sustainable finance with an AED 100 billion blue finance target and became the first bank in MENA to sign the UN Sustainable Blue Economy Finance Principles, reaffirming our commitment to sustainable growth.

Our Group CET1 of 14.0% and Liquidity Coverage Ratio of 140% provide a solid foundation as we continue to advance our strategic priorities."

Advancing strategic priorities with focus and impact

Strengthening the franchise through effective execution and measured growth

Investment Banking & Markets delivered sustained growth, with revenues increasing 4% year on year to AED 9.33 billion. Loans grew 22% year-to-date, while the division reinforced its leadership across key league tables, ranking first in MENA Bonds & Sukuk and Loan Agency categories. The franchise executed several landmark transactions across sectors in both domestic and international markets.

Product capabilities expanded, while Global Markets transaction volumes increased 45% year on year to a new high, reflecting strong client activity and sustained demand for financing, risk management, and capital markets solutions.

Wholesale Banking delivered another strong performance, with revenues increasing 13% year on year to AED 5.14 billion. Loans grew 14% year-to-date, reflecting a disciplined approach to supporting strategic investments across the energy, infrastructure, and industrial and trade sectors. Growing activity across key Middle East-Asia corridors drove demand for project finance, guarantees, working capital and liquidity solutions, while continued investment in transaction banking capabilities deepened client engagement and was further supported by the expansion of FAB's flagship corporate digital banking platform into new markets.

Personal, Business, Wealth & Privileged Client Banking Group revenues rose 4% year-on-year to AED 10.00 billion, with deposits up 10% year-to-date. The business strengthened its position as the UAE's second-largest credit card issuer, advanced digital onboarding capabilities, and continued to grow FAB Business as a leading SME banking platform. Assets under management grew 11% year-to-date, underpinned by strong client inflows and the continued momentum of our strategic wealth and investment management initiatives.

The **International franchise** continued to be a key growth driver, with revenues up 31% year-on-year and representing 22% of Group revenue. Lending grew 3% sequentially, while customer deposits rose 8%. A continued focus on higher-return sectors, liquidity mobilisation and cross-border client activity, further enhanced FAB's ability to connect clients, capital and opportunities across its network.

Harnessing AI and innovation to drive growth, efficiency and customer engagement

- **Continued scaling of enterprise-wide AI capabilities,** with over 6,000 employee-developed agents.
- **Delivered measurable business value at scale through AI-enabled workflows,** including over 70% reduction in trade document processing turnaround times and supporting over 80% growth in business banking new-to-bank onboarding volumes.
- Recognised by Gartner with the **2026 Enterprise AI Breakthrough of the Year award for advancing AI integration across the Group's business and operating model.**
- FAB became the **first bank in the Middle East and Africa to execute live USD transactions at scale with Citi using tokenised deposits on Swift Ledger,** advancing 24/7, programmable cross-border payment capabilities.

Operating from a position of strength, with sustainable finance leadership

- To-date, **FAB has facilitated AED 417 billion in sustainable and transition financing, achieving 83% of its AED 500 billion 2030** target in line with our commitment to drive meaningful impact across the financial ecosystem.
- **Established an AED 100bn blue finance target** in Sep-26 to support water and blue economy related financing between 2026 and 2035.
- FAB secured **first place in the Financial Services category at the 19th Arabia CSR & Sustainability Awards**, recognising the strength of our approach to corporate social responsibility and the positive impact of our initiatives across the communities we serve.
- **MSCI reaffirmed FAB's AA ESG Rating**, reflecting improved performance across environmental and social key issues, and industry-leading management of financing-related ESG risks.
- FAB was recognised by Global Finance as the **safest commercial bank in the Middle East in 2026**, reflecting the bank's financial strength, resilience and ability to effectively navigate an evolving risk environment.

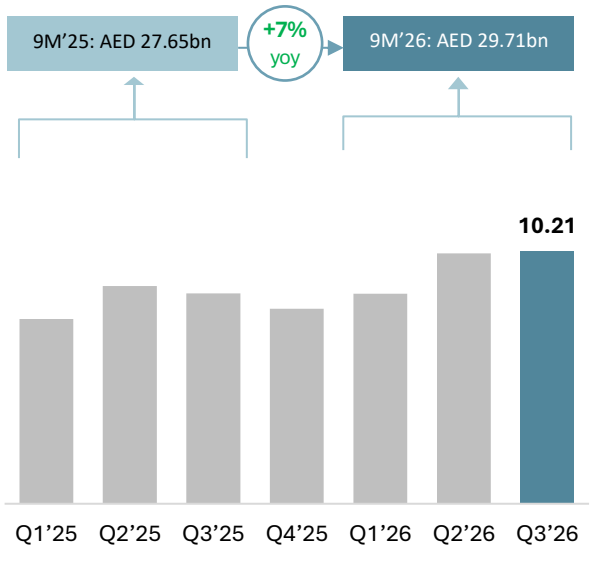
9M’26 Financial Review

Business momentum and revenue diversification deliver record earnings

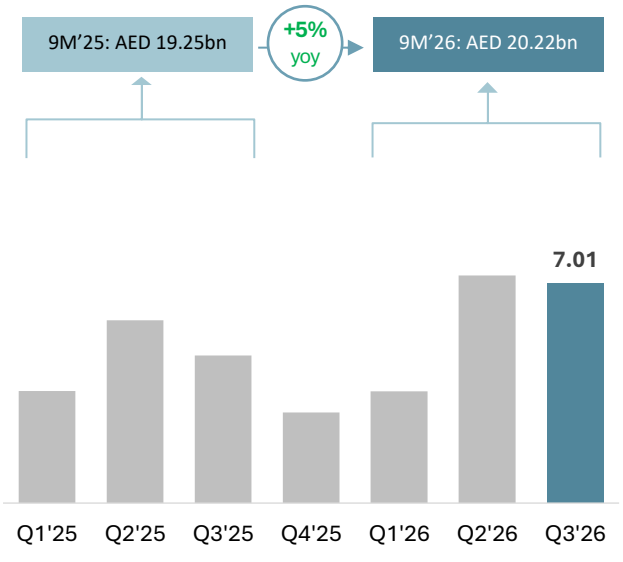
	Q3’26	Q2’26	*qoq %*	Q3’25	*yoy %*	9M’26	9M’25	*yoy %*
Net interest Income	5,503	5,867	*(6%)*	5,192	*6%*	16,982	15,282	*11%*
Non-interest Income	4,709	4,301	*9%*	4,150	*13%*	12,732	12,369	*3%*
Operating Income	**10,212**	**10,168**	*0%*	**9,342**	*9%*	**29,714**	**27,651**	*7%*
Operating expenses	(2,148)	(2,140)	*0%*	(2,075)	*4%*	(6,399)	(6,073)	*5%*
Operating profit	**8,064**	**8,028**	*0%*	**7,267**	*11%*	**23,315**	**21,578**	*8%*
Net impairment charge	(1,050)	(950)	*11%*	(850)	*24%*	(3,100)	(2,326)	*33%*
Profit Before Tax	**7,014**	**7,078**	*(1%)*	**6,417**	*9%*	**20,215**	**19,252**	*5%*
Taxes and NCI	(1,279)	(1,363)	*(6%)*	(1,030)	*24%*	(3,754)	(3,233)	*16%*
Net Profit	**5,735**	**5,715**	*0%*	**5,387**	*6%*	**16,461**	**16,019**	*3%*
Basic Earnings Per Share (AED)	0.50	0.50	*0%*	0.46	*9%*	1.43	1.39	*3%*

- **9M’26 profit before tax grew 5% yoy** to AED 20.22 billion, led by double-digit growth in net interest income, robust non-funded income generation, and continued cost discipline.
- **Operating profit rose 8% yoy** to AED 23.32 billion, reflecting sustained revenue growth and disciplined cost management. Q3’26 operating profit increased 11% yoy to AED 8.06 billion.
- **Net interest income rose 11% yoy** to AED 16.98 billion, driven by higher business volumes and improved margins from disciplined pricing, effective treasury management and higher interest in suspense recoveries. 9M’26 NIM was 1.93%, 5 bps higher yoy.
- **Non-interest income reached AED 12.73 billion in 9M’26, up 3% yoy.** Net fees and commissions increased by 19% yoy and 7% qoq reflecting strong loan origination, while FX and investment income rose 1% yoy and 17% qoq, supported by solid client activity and robust investment portfolio performance. Non-interest income accounted for 43% of operating income in 9M'26.
- **Operating expenses were** AED 6.40 billion, reflecting ongoing investment in growth and strategic priorities, while benefiting from AI-enabled productivity and efficiency gains. The Group’s cost-to-income ratio improved to 21.5% in 9M’26 from 22.0% in 9M’25.
- **Net impairment charges were AED 3.10 billion, up 33% yoy**, reflecting the Group’s disciplined and prudent approach to risk management amid the evolving risk environment. Sequentially, impairment charges increased 11%, primarily reflecting lower recoveries compared with the previous quarter.

Diversified and sustained revenue growth drives profitability to new highs



Operating Income (AED bn)



Profit before tax (AED bn)

Diversified funding and strong liquidity underpin balance sheet strength

Balance Sheet - Summary *(AED bn)*	**Sep'26**	**Jun'26**	*qoq %*	**Sep'25**	*yoy %*	**Dec'25**	ytd %
Total Assets	**1,472**	**1,409**	*4%*	1,356	*9%*	1,377	*7%*
Loans & Advances (net)	**679**	**661**	*3%*	596	*14%*	616	*10%*
Investments	**277**	**259**	*7%*	272	*2%*	269	*3%*
Customer deposits	**885**	**853**	*4%*	848	*4%*	841	*5%*
Of which CASA balances	**387**	**391**	*(1%)*	369	*5%*	392	*(1%)*

- **Total Assets** were AED 1.47 trillion (USD 401 billion), rising 7% ytd.
- **Loans & Advances (net) grew 10% ytd**, or AED 63 billion, reaching AED 679 billion reflecting broad-based franchise momentum, including a 14% increase in Islamic financing. Sequentially, loan balances rose by 3%, supported by broad-based growth across economic sectors.
- **NPLs (non-performing loans)** stood at AED 14.7 billion as of 30 September 2026, lower yoy reflecting write-offs and subdued NPL formation during the period. Gross NPL ratio was 2.1%, improving from 2.6% in the prior year.
- **Provision Coverage** was 114%, with total ECL/provisions at AED 16.8 billion, 2% higher yoy reflecting continued provision build.
- **Investments** increased 3% ytd to AED 277 billion and remained primarily composed of high-quality liquid assets (HQLA) and fixed-income securities.
- **Customer Deposits** grew 5% ytd, or AED 44 billion, to AED 885 billion, underpinning a robust liquidity profile, with a Group Liquidity Coverage Ratio of 140% at September 2026, comfortably above regulatory requirements.

  FAB continued to diversify the Group's deposit base by leveraging its International franchise, with International deposits rising 8% sequentially, alongside continued growth in Retail CASA balances supported by solid client acquisition and engagement.

- Reflecting FAB's strong credit profile and access to global capital markets, **the Group raised AED 24.5 billion (USD 6.7 billion equivalent) of senior wholesale funding at competitive pricing.**
- In October, FAB **successfully issued and settled AED 1 billion of 3-year Digitally Native Green Notes, marking the first digital green bond issuance from the MENA region.**
- **Key landmark transactions** over the period included a USD 750 million 5-year bond priced at the tightest spread ever achieved by a CEEMEA bank in public format; a 5-year USD 750 million Formosa FRN bond priced at the lowest ever pricing achieved by a MENA bank in the Formosa market; a GBP 450 million 5.5-year bond; a USD 700 million 5-year Sukuk; and a EUR 750 million 3.5-year green bond.

Sustainable returns underpinned by a strong capital position

- **The Group's capital position remained well above regulatory requirements,** with CET1, Tier 1 and Capital Adequacy ratios of 14.0%, 15.4 % and 17.4%, respectively, comfortably above regulatory requirements. Total shareholders' equity stood at AED 147 billion, up 6% yoy reflecting strong earnings accretion.
- **With a Return on Tangible Equity (RoTE)** at 18.6% for 9M'26, the Group is delivering robust returns at scale, above medium-term guidance of over 16%.

Summary Financials

Income Statement – Summary (AED mn)	**Q3'26**	**Q2'26**	*qoq %*	**Q3'25**	*yoy %*	**9M'26**	**9M'25**	*yoy %*
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Customer deposits	**885**	**853**	*4%*	848	*4%*	841	*5%*
Of which CASA balances	**387**	**391**	*(1%)*	369	*5%*	392	*(1%)*
Equity (incl Tier 1 capital notes)	**147**	**144**	*2%*	138	*6%*	147	*0%*
Tangible Equity	**116**	**113**	*3%*	108	*7%*	113	*3%*
Risk Weighted Assets	**795**	**786**	*1%*	741	*7%*	735	*8%*

Key ratios (%)	**Q3'26**	**Q2'26**	*qoq*	**Q3'25**	*yoy*	**9M'26**	**9M'25**	*yoy*
Net Interest Margin	**1.85**	**1.99**	*(14) bps*	1.82	*3 bps*	**1.93**	1.88	*5 bps*
Cost-Income Ratio	**21.0**	**21.0**	*0 pp*	22.2	*(1.2) pp*	**21.5**	22.0	*(0.5) pp*
Cost of Risk (bps)	**58**	**59**	*(1) bp*	63	*(5) bps*	**62**	55	*7 bps*
Non-performing Loans Ratio	**2.1**	**2.2**	*(11) bps*	2.6	*(42) bps*	**2.1**	2.6	*(42) bps*
Provision Coverage Ratio	**114**	**108**	*6 pp*	106	*8 pp*	**114**	106	*8 pp*
Liquidity Coverage Ratio (LCR)	**140**	**140**	*0 pp*	158	*(18) pp*	**140**	158	*(18) pp*
Return on Tangible Equity (RoTE)	**19.3**	**20.3**	*(1)pp*	19.7	*(0.4) pp*	**18.6**	20.0	*(1.4) pp*
Return on Risk-weighted Assets (RoRWA)	**2.9**	**2.9**	*(3) bps*	2.9	*(5) bps*	**2.9**	3.1	*(23) bps*
CET1 Ratio	**14.0**	**13.7**	*28 bps*	13.7	*25 bps*	**14.0**	13.7	*25 bps*
Capital Adequacy Ratio	**17.4**	**17.1**	*23 bps*	16.8	*58 bps*	**17.4**	16.8	*58 bps*

Notes:

- Movements in Cost-Income Ratio, Provision Coverage Ratio, Liquidity Coverage Ratio (LCR) and Return on Tangible Equity (RoTE) are presented in percentage points (pp); movement in all other ratios are presented in basis points (bps)
- 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.
- Rounding differences may appear in above tables.

ABOUT FIRST ABU DHABI BANK (FAB)

Headquartered in Abu Dhabi with a global footprint beyond 20 markets, FAB is the finance and trade gateway to the Middle East and North Africa (MENA) region. With total assets of AED 1.47 trillion (USD 401 billion) as of September-end 2026, FAB is among the world's largest banking groups. The bank provides financial expertise to its wholesale and retail client franchise across three business units:
1) Investment Banking & Markets, 2) Wholesale Banking, and 3) Personal, Business, Wealth & Privileged Client Banking Group.

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 has the Best LSEG ESG Score (top 17% worldwide) in the MENA region.

For further information, visit: **www.bankfab.com**

To access our latest disclosures and presentations, please visit **www.bankfab.com/en-ae/about-fab/investor-relations**

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

Explore FAB's IR chatbot on our **website** and IR app for quick access to financial information and disclosures.

Recent Accolades

- **#1 in UAE - World's Best Banks 2026** — Forbes World's Best Banks 2026
- **Middle East Investment Bank of the Year** — GBM Awards: Middle East 2026
- **Best Bank for Transaction Banking Services - UAE** — The Digital Banker - MEA Innovation Awards 2026
- **Best Sub-Custodian Bank ME** — 2026 Global Finance
- **UAE's Best Digital Bank for Consumers** — Euromoney Awards for Excellence 2026
- **Most Innovative Digital Bank ME** — 2026 Global Finance

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Lars Kramer
Group Chief Financial Officer