

# BUILDING THE FOUNDATION FOR A SUSTAINABLE FUTURE



**ANNUAL  
REPORT**  
2021

**Grow  
Stronger**

بنك أبوظبي الأول  
**FAB**  
First Abu Dhabi Bank



THE LATE  
**SHEIKH ZAYED**  
**BIN SULTAN AL NAHYAN**  
THE UAE'S FOUNDING FATHER



HIS HIGHNESS

**SHEIKH KHALIFA  
BIN ZAYED AL NAHYAN**

PRESIDENT OF THE UNITED ARAB EMIRATES



HIS HIGHNESS

**SHEIKH MOHAMMED  
BIN ZAYED AL NAHYAN**

CROWN PRINCE OF ABU DHABI AND  
DEPUTY SUPREME COMMANDER OF THE  
UAE ARMED FORCES





# TABLE OF CONTENTS

<b>OUR PROFILE</b>	<b>06</b>
About FAB	07
FAB at a glance	08
Where We Operate	14
Shareholders' Information	16
Year in Review	20
<b>STRATEGIC REVIEW</b>	<b>22</b>
Chairman's Statement	24
Group CEO's Message	26
Group CFO's Review	30
Market Overview	34
Business Model	36
Group Strategy	38
Risk Management and Compliance	40
<b>OPERATIONAL REVIEW</b>	<b>46</b>
Investment Banking (IB)	50
Corporate and Commercial Banking (CCB)	56
Consumer Banking (CB)	60
Global Private Banking (GPB)	66
International Operations	70
Our Technology Evolution Journey	72
<b>OUR APPROACH TO SUSTAINABILITY</b>	<b>80</b>
FAB's 2021 Sustainability Highlights	82
ESG Strategy	83
How Sustainability is Governed at FAB	84
Capitalising on our Social Responsibility	90
<b>CORPORATE GOVERNANCE</b>	<b>94</b>
<b>FINANCIAL STATEMENTS</b>	<b>142</b>
Balance Sheet	142
Income Statement	142





## ABOUT FAB

We are FAB, the UAE's largest bank and one of the world's largest financial institutions, with the strongest combined credit rating amongst any other bank in the MENA region. We offer an extensive range of tailor-made solutions, and products and services, to provide a customised experience. Through our strategic offerings, we look to meet the banking needs of our customers in the UAE and the markets where we operate, via our market leading Investment Banking (IB), Corporate and Commercial Banking (CCB), Consumer Banking (CB) and Global Private Banking (GPB) franchises.

Our international network spans five continents, providing the global relationships, expertise and financial strength to support local, regional and international businesses seeking to do business at home and abroad.

## OUR PROFILE

About FAB	07
FAB at a Glance	08
Where We Operate	14
Shareholders' Information	16
Year in Review	20

# FAB AT A GLANCE

As the UAE's leading bank and one of the world's largest and safest financial institutions, FAB is focused and committed to creating long-term value for all our stakeholders while delivering superior and sustainable shareholder returns.

## MARKET HEAVYWEIGHT

### TOTAL ASSETS

**AED 1 TN**  
#1 IN UAE  
#2 IN MENA  
#107 GLOBALLY<sup>1</sup>

### MARKET CAP

**AED 206 BN**  
(USD 56 BN)  
#3 IN MENA  
#45 GLOBALLY

GLOBAL EMERGING  
MARKETS & ESG  
EQUITY INDICES  
**AMONG THE  
LARGEST  
CONSTITUENTS  
FROM UAE / MENA**

## DOMINANT & DIVERSIFIED FRANCHISE

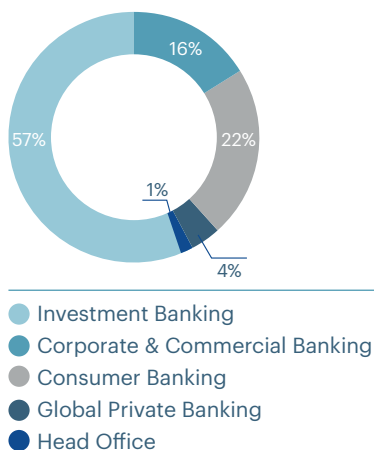
### UAE MARKET SHARE (BY ASSETS)<sup>2</sup>

**>30%**

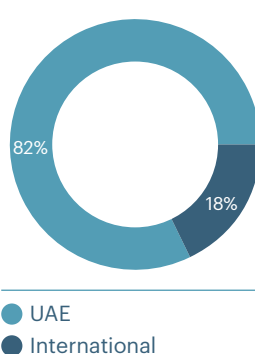
ONLY REGIONAL BANK AMONGST  
**TOP #5 ACROSS MENA  
INVESTMENT BANKING LEAGUE  
TABLES<sup>3</sup> IN 2021**

## WELL DIVERSIFIED REVENUE:

### By Business Segment



### By Geography



THROUGH  
STRATEGIC GLOBAL  
PRESENCE ACROSS  
**5 CONTINENTS  
AND 19 MARKETS**  
(including UAE)

<sup>1</sup> The Bankers' 2021 Top 1000 World Banks Rankings, July 2021

<sup>2</sup> Based on UAE listed banks total assets as of 31 December 2021

<sup>3</sup> Bloomberg, Dealogic

بنك أبوظبي الأول  
**FAB**  
First Abu Dhabi Bank

بنك أبوظبي الأول  
**FAB**  
First Abu Dhabi Bank

بنك أبوظبي الأول  
**FAB**  
First Abu Dhabi Bank

## ROBUST FOUNDATION

# AA-

(equivalent)<sup>4</sup>

STRONGEST COMBINED  
CREDIT RATING  
IN MENA

# #4

Safest in Emerging  
Markets<sup>5</sup>

# #16

World's Safest  
Commercial Banks<sup>5</sup>

# #1

Safest Bank in UAE &  
Middle East<sup>5</sup>

PORTFOLIO OF:  
**BEST-IN-CLASS  
PRODUCTS &  
SERVICES**

DRIVEN BY:  
**SPECIALISATION  
& DIGITISATION**

TO DELIVER:  
**SUPERIOR  
CUSTOMER  
EXPERIENCE**

<sup>4</sup> Moody's, S&P & Fitch

<sup>5</sup> Global Finance Magazine safest bank rankings, September 2021

## ESG LEADER

---

MSCI ESG Rating:

**AA**

('Leader')

Commitment to  
become a net zero  
bank by:

**2050**

Green bond  
market:

**#1** in MENA

Green bonds  
outstanding in  
excess of USD 1 BN  
across 10 issuances  
and 4 currencies

CDP score:

**B**

Diverse global  
workforce<sup>6</sup>

**6,600**  
employees

Regional Leader in  
Sustainable Finance:  
Commitment to facilitate  
or finance USD

**75 BN**  
of sustainable finance  
projects by 2030

<sup>6</sup>Full Time Employees (FTEs), excludes outsourced staff; includes Bank Audi Egypt FTEs

All information as of 31 December 2021, unless stated otherwise



# SUPERIOR SHAREHOLDER RETURNS

---

Track record in delivering superior  
returns to our shareholder

Total Shareholders'  
Return (TSR) in 2021<sup>7</sup>

**54%**

Superior risk-  
return profile

**4<sup>th</sup>**

amongst Top AA-  
rated commercial  
banks on RoTE<sup>8</sup>

<sup>7</sup> Bloomberg, as of 31 Dec 2021

<sup>8</sup> Ranked 4th out of 12 'AA'-rated banks ('AA'-rated by all three major rating agencies - Moody's, S&P & Fitch); Data based on latest available annual financials



## NET PROFIT

**AED 12.5 BN**

USD 3.4 Billion

**+19% YOY**



## REVENUE

**AED 21.7 BN**

USD 5.9 Billion

**+17% YOY**



## DIVIDEND PER SHARE

**AED 0.70** equivalent<sup>9</sup>

2020: AED 0.74



## TOTAL ASSETS

**AED 1 TN**

USD 272 Billion

**+9% YOY**



## CUSTOMER ACCOUNTS AND OTHER DEPOSITS

**AED 614 BN**

USD 167 Billion

**+14% YOY**



## LOANS, ADVANCES AND ISLAMIC FINANCING

**AED 410 BN**

USD 112 Billion

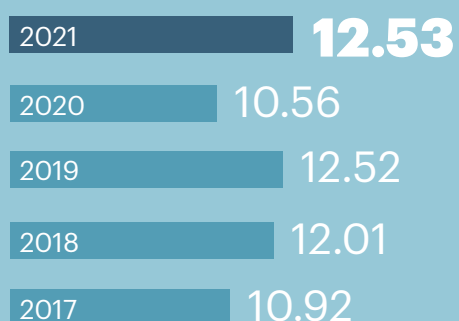
**+6% YOY**



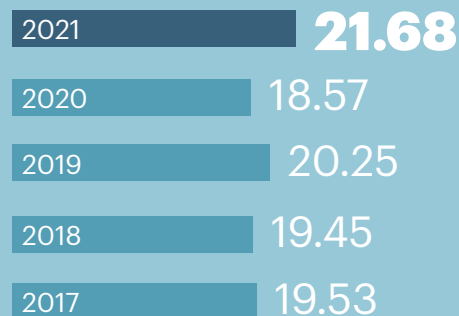
<sup>9</sup> combination of cash and shares

All information as of 31 December 2021, unless stated otherwise

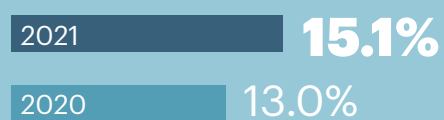
## NET PROFIT (AED BN)



## REVENUE (AED BN)



## RETURN ON TANGIBLE EQUITY



## COST-INCOME RATIO (ex-integration costs)



## LIQUIDITY COVERAGE RATIO



## PROVISION COVERAGE



## NPL RATIO



## BASEL III CET1 RATIO



# WHERE WE OPERATE

Strong network facilitating trade and investment flows between key international markets

## Europe and Americas

Brazil  
France  
Switzerland

UK  
USA

## Middle East and Africa (MEA)

Bahrain  
Egypt  
Kuwait  
Libya

Oman  
Saudi Arabia  
UAE

## Asia Pacific (APAC)

China - Mainland  
China - Hong Kong  
India

Indonesia  
Labuan (Malaysia)

Singapore  
South Korea



<sup>1</sup> Excluding Islamic branches

<sup>2</sup> Full Time Employees, excludes outsourced staff; includes Bank Audi Egypt FTEs

<sup>3</sup> Includes Ratibi (Wages Protection System) and E-dirham customers

The above map summarises market presence for FAB and its subsidiaries, where the Group currently has active operations; For information about legal presence please refer to Notes #1 and #3 of December-end 2021 financial statements.

(All figures as on 31 December, 2021)

Global Presence  
Across

**19**

Markets  
(including UAE)

**6,600**

Employees globally (FTEs)<sup>2</sup>

**66**

Branches/Cash  
offices in UAE  
(includes 8 digital  
branches)<sup>1</sup>

**>3 Million**

Customers<sup>3</sup>

**402**

ATMs/CDMs in UAE



# SHAREHOLDERS' INFORMATION

## 2021/2022 Financial and Events Calendar

Date	Event
21/04/2021	Q1'2021 Financial Results Announcement
28/07/2021	Q2/H1'2021 Financial Results Announcement
27/10/2021	Q3/9M'2021 Financial Results Announcement
27/01/2022	Q4/FY'2021 Financial Results Announcement
28/02/2022	General Assembly Meeting
09/03/2022	Ex-Dividend Date
10/03/2022	Record Date for Dividends

## FAB Share Information

<b>Listing date</b>	2000 <sup>1</sup>
<b>Exchange</b>	Abu Dhabi Securities Exchange (ADX)
<b>Symbol</b>	FAB
<b>ISIN</b>	AEN000101016
<b>Number of shares issued</b>	10,920,000,000
<b>Closing price as of 31 December, 2021</b>	AED 18.84
<b>Market cap as of 31 December, 2021</b>	AED 206 billion (USD 56 billion)
<b>Foreign ownership limit</b>	40%
<b>Free float</b>	44%

## FAB Index Weights<sup>2,3</sup>

<b>ADX</b>	ADSMI	27.47%
<b>MSCI Emerging Markets Index</b>	MXEF	0.29%
<b>MSCI Emerging Markets Banks Index</b>	MXEF0BK	1.98%
<b>FTSE Emerging Markets Index</b>	FTAG01	0.29%

Amongst the largest MENA constituent on the **MSCI EM ESG Leaders Index** and the **FTSE 4 Good Emerging Markets Index (ESG)**

## Ownership Structure as of December-end 2021 <sup>4</sup>

As of 31 December 2021, FAB's share capital stood at AED 10,920,000,000 divided into 10,920,000,000 shares of AED 1 each

## Major Shareholders<sup>5</sup>

Name	Number of Shares	Shares (%) <sup>4</sup>
<b>Mubadala Investment Company (MIC)<sup>6</sup></b>	4,134,356,254	37.9%

<sup>1</sup> This is referring to the listing date of NBAD shares on ADX

<sup>2</sup> As of December 2021, unless stated otherwise

<sup>3</sup> Sources: Bloomberg, FAB, MSCI

<sup>4</sup> Based on total outstanding shares (Total shares issued less treasury shares 6,431,260)

<sup>5</sup> Major shareholders defined as shareholders owning %5 or more of the issued capital (as per ADX)

<sup>6</sup> MIC holding through its wholly owned subsidiary One Hundred and Fifteenth Investment Company - Sole Proprietorship L.L.C., effective Sep 2021; prior to Sep 2021, MIC's holding was through its wholly owned subsidiaries ADIC PJSC and Mamoura Diversified Global Holding PJSC (formerly known as Mubadala Development Company PJSC); MIC is one of the wholly owned strategic investment companies of the Emirate of Abu Dhabi

**FAB Shareholding<sup>4</sup> by Nationality**

UAE	83.9%
Mubadala Investment Company	37.9%
Abu Dhabi Ruling Family <sup>*</sup>	15.3%
Other UAE entities and individuals	30.0%
GCC (ex-UAE)	1.1%
Foreign (ex-GCC)	15.7%

**FAB Shareholding<sup>4</sup> by Category**

Companies & Institutions	79.7%
Mubadala Investment Company	37.9%
Other companies & institutions	41.8%
Government entities	2.2%
Individuals	18.1%

<sup>\*</sup> Members of/ companies owned by the Abu Dhabi ruling family. Each investor (natural or legal person) within this group, owns less than %5 of the company's shares, and is free to buy or sell FAB shares

**Shareholder Returns & Share Price Information**

Description	2017 pro forma	2018	2019	2020	2021
<b>Returns to shareholders<sup>1</sup>:</b>					
Capital Gains <sup>2</sup>	2.6%	37.6%	7.5%	-14.9%	46.0%
Dividend Yield <sup>3</sup>	6.8%	5.2%	4.9%	5.7%	3.7%
Total Dividend per share (AED equivalent)	0.70	0.74	0.74	0.74	0.70
Total Dividends (AED Mn equivalent)	7,628	8,064	8,081	8,081	7,644
<b>Split into:</b>					
Stock Dividends (equivalent AED/share) <sup>4</sup>	-	-	-	-	0.21
Cash Dividend (AED/share)	0.70	0.74	0.74	0.74	0.49
Total Cash Dividends (AED Mn) <sup>5</sup>	7,628	8,064	8,081	8,081	5,351
Dividend Payout <sup>6</sup>	73%	70%	68%	80%	63%
Market Capitalisation (AED Mn)	111,700	153,655	165,547	140,868	205,733
Number of shares issued (AED Mn)	10,898	10,898	10,920	10,920	10,920
Price to Tangible Equity ratio (on Basic EPS)	10.7x	13.3x	13.7x	13.9x	16.8x
Price to Tangible Book ratio	1.6x	2.2x	2.1x	1.8x	2.5x
<b>Share Price (AED/share):</b>					
High <sup>7</sup>	11.55	14.84	16.80	15.88	20.70
Low <sup>7</sup>	9.72	10.45	13.60	8.17	13.12
Closing as of 31 Dec	10.25	14.10	15.16	12.90	18.84
Daily Average Volume (shares Mn) <sup>8</sup>	2.9	3.4	3.5	4.9	17.7
<b>Relative Returns (capital gains):</b>					
FAB vs ADX return	5.9%	25.8%	4.2%	(14.3)%	(22.2)%
FAB vs MSCI EM Banks Index return	(25.0)%	46.2%	0.4%	(1.4)%	36.7%

<sup>1</sup> Based on Issued Shares

<sup>2</sup> Percentage change in price during the year (31 Dec'31 – 20 Dec'21)

<sup>3</sup> Dividend yield based on dividends per share as a percentage of closing share price as on 31 December or last traded day of the relevant financial year

<sup>4</sup> Shown as a percentage of face value

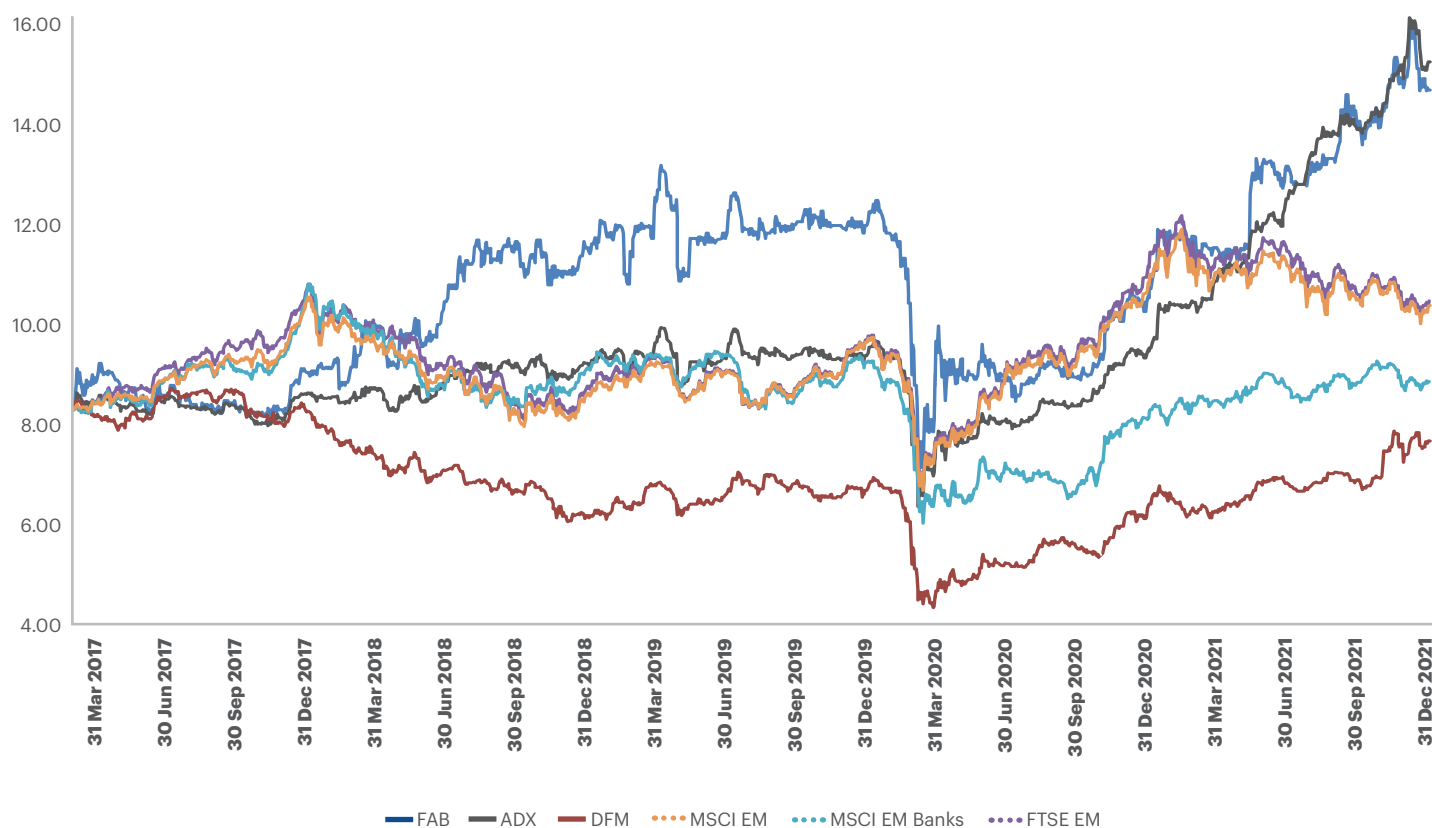
<sup>5</sup> Based on number of shares issued as at 31 December of the relevant financial year

<sup>6</sup> Dividend payout ratio based on cash dividends as a percentage of attributable profits (net profits after minority interest and payment on Tier1- capital notes)

<sup>7</sup> High / Low based on daily closing prices

<sup>8</sup> Average based on regular trades, excludes block-trading volumes

Source: Bloomberg, FAB financials 2021-2018, FAB Pro forma financials 2017

**FAB Share Price Performance vs. Benchmark Equity Indices<sup>1</sup>****Percentage change since merger in April 2017:**

	FAB	ADX	DFM	MSCI EM	MSCI EM Banks	FTSE EM
<b>Absolute change</b>	<b>84%</b>	91%	-8%	29%	7%	27%
<b>CAGR (Apr 2017 – Dec 2021)</b>	<b>14%</b>	15%	-2%	5%	2%	5%

<sup>1</sup> Rebased to FAB share price as on 31 March 2017

Source: Bloomberg, FAB financials 2021 - 2018, FAB Pro forma financials 2017



First Abu Dhabi Bank



FAB

22.84 AED



Open 22.58

Vol. 11,975,313

+0.26

High 22.84

Low 22.48

(1.15%)

● 3/25/2022 2:58 pm (GMT+04:00) Data delayed by at least 15m.

Tap on the modules for more information.

You can customize them via Settings - Quick menu.

Share Graph

Historical  
Price

Investor  
Presentatio...

Financial  
Reports

Share  
Information



# YEAR IN REVIEW



**January**

- FAB issued the year's first Chinese Yuan (CNY) in the Formosa bond market with a CNY 1.5 billion five-year bond at 3.15%, representing the lowest coupon paid by a MENA bank on a public CNH five-year issuance
- Bank Audi sal and FAB signed a definitive agreement for the sale and purchase of 100% of Bank Audi sae (Egypt)'s share capital



**February**

- FAB acquired a custody license from Egypt FRA
- FAB partnered with Paris II University to support its new FAB Scholars initiative, and sponsored Emirati law students.
- FAB prices largest Middle Eastern bank Euro-denominated bond issue



**April**

- FAB announced the completion of payments business carve out and launched its new brand, Magnati
- FAB's Magnati launched its end-to-end subscription-based 'Business in a Box' solutions to help SMEs kickstart their in-store and online businesses



**June**

- FAB signed an agreement with the Mohammed Bin Rashid Housing Establishment (MBRHE) to provide flexible financing options for UAE Nationals seeking suitable family housing
- FAB issued the MENA region's first Chinese Yuan green bond, reaffirming the Bank's regional leadership in green and sustainability linked funding
- FAB's MSCI ESG rating was upgraded to AA
- FAB completed the share transfer and acquisition of Bank Audi Egypt (effective 28 April, 2021)



**July**

- FAB and State Street Corporation (NYSE:STT) announced a new strategic alliance that leverages FAB's regional securities services expertise, incorporating the largest direct custody network in MENA, and State Street's global strength and capabilities



#### August

- FAB partnered with IKEA to offer National Housing Loan (NHL) programme customers specialised personal loans to furnish and decorate their homes

#### September

- FAB partnered with the Abu Dhabi Residents Office (ADRO) to offer UAE Golden Visa holders' exclusive mortgage and deposit products at competitive rates



#### October

- FAB joined the Net-Zero Banking Alliance (NZBA), becoming the first UAE and GCC bank to join, and supporting the UAE's race for net-zero carbon emissions by 2050

#### November

- FAB became the first UAE bank to issue 'Green Repo' financing
- FAB receives license to establish its first mainland branch in Shanghai, China.



#### December

- FAB adopted a Monday-to-Friday working week based on the UAE Government and Central Bank of UAE Guidelines
- RSA, a leading provider of insurance services in the region, partnered with Magnati to support its customers with enhanced omni-channel services for a seamless payment experience, with a full suite of payment acceptance solutions for in-store and online channels
- Magnati partnered with Dubai Refreshment Company – Pepsi to offer the region's first-of-its-kind direct integration payment solution for vending machines





# STRATEGIC REVIEW

Chairman's Message	<b>24</b>
Group CEO's Message	<b>26</b>
Group CFO's Review	<b>30</b>
Market Overview	<b>34</b>
Business Model	<b>36</b>
Group Strategy	<b>38</b>
Risk Management and Compliance	<b>40</b>

# CHAIRMAN'S STATEMENT



**70** fils  
equivalent  
dividend per share

AED  
**12.5**  
billion net profit

**“FAB continued to make great strides towards its vision, achieving a record financial performance while accelerating the transformation to build the strategic foundations for a sustainable, future-proofed organisation”**



As we move forward, we will continue to drive growth in our key business areas, create efficiencies and agility across the organisation, and strengthen our market position in targeted markets



Dear Shareholders

We have witnessed a strong economic rebound in 2021 with unprecedented opportunities for renewal, innovation, and growth in the business ecosystem, despite COVID-19 presenting lingering uncertainties and an uneven global economic recovery. FAB continued to make great strides towards its vision, achieving a record financial performance while accelerating the transformation to build the strategic foundations for a sustainable, future-proofed organisation.

In a step reflecting our deep commitment to deliver superior and sustainable returns for our shareholders, enable future growth and invest in our market-leading franchise, FAB's Board of Directors is recommending a dividend per share of 70 fils equivalent for the full year ended 31 December 2021, split into 49 fils in cash and 21 fils as scrip dividend in lieu of cash, for a total amount of AED 7.64 billion.

The successful strategy established by the Board of Directors, and the Group Executive Committee under the leadership of Group CEO, Hana Al Rostamani, is evidence of FAB's leadership in our sector, enabling the Bank to achieve success as both a driver and beneficiary of economic activity. The country's increasingly important global role requires us to make unremitting efforts and work diligently to promote sustainable development, advance our commitment to inclusion and diversity, and continue to accelerate growth and drive value creation for customers, employees, and stakeholders in the UAE and abroad. The current business environment provides promising opportunities for growth and prosperity for Abu Dhabi, the UAE, and the region as a whole, as we continue on the path of sustainable economic development and diversification for the post-pandemic era.

While 2021 was a landmark year for the business, it also marked the UAE's Golden Jubilee and the launch of an

ambitious new vision comprising ten key principles that will guide the nation's development over the coming 50 years. FAB enters 2022 with an integral role to play in furthering economic prosperity in the markets we serve. As we move forward, we will continue to drive growth in our key business areas, create efficiencies and agility across the organisation, and strengthen our market position in targeted markets.

On ESG and as part of our Group-wide strategy, our new target to finance or facilitate over USD 75 billion of sustainable finance projects by 2030 underlines our commitment to act as a key enabler to the regional sustainable finance agenda, and to work hand in hand with our customers and communities to create sustainable growth.

On behalf of the Board, I would like to take this opportunity to thank the President of the United Arab Emirates, His Highness Sheikh Khalifa bin Zayed Al Nahyan, for his continued leadership and support; as well as His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and the Ruler of Dubai; His Highness Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi; and their Highnesses, the Rulers of the Emirates and Members of the Supreme Council for their enduring guidance. I also wish to thank our customers, partners, and shareholders for their trust during this year, and our Board, management, and employees for their tireless dedication to FAB's strategic goals and ongoing success.

As the UAE marks 50 years of exceptional growth and development, and looks ahead to the next half-century of progress, FAB will remain committed to delivering on our promises to our customers, employees, shareholders and the people of the UAE, and to fulfilling our central role in supporting the government's pioneering vision for the future of the nation.

**Tahnoon bin Zayed Al Nahyan**  
Chairman

# GROUP CEO'S MESSAGE



**“During 2021, FAB was able to deliver a strong performance and capitalise on the significant opportunities presented by the economic rebound. We also made tangible progress in driving growth and transformation, delivering a host of market-leading products and services for our growing client base, and improving customer experience”**



Throughout the year, we demonstrated a unique ability to support clients with market-leading advice, solutions and deal execution, helping them to capitalise on the significant opportunities in the UAE and the wider region



I am pleased to report that FAB delivered a year of exceptional performance in 2021, achieving record revenue and net profit, and accomplishing an historic milestone with total assets in excess of AED 1 trillion.

Full-year net profits for the Group increased by 19% year-on-year to AED 12.5 billion, whilst revenue grew by 17% to reach AED 21.7 billion, and the Bank's balance sheet remained strong across all key ratios throughout the year. This highly encouraging performance was driven by a solid momentum and growth sustained across our core businesses, as well as the successful delivery of strategic initiatives to unlock value, drive growth and enhance innovation.

Throughout the year, we demonstrated a unique ability to support clients with market-leading advice, solutions and deal execution, helping them to capitalise on the significant opportunities in the UAE and the wider region. Our successes were further driven by significant progress in our Group-wide digital transformation strategy, in which we successfully delivered improved self-service capabilities, innovative payment platforms, and increased digital adoption – particularly in transactions and customer onboarding.

FAB continued to expand in our targeted markets and grow our international franchise, with 2021 marking the completion of the Group's first international acquisition of Bank Audi Egypt. We also received regulatory approval to establish our first branch in Shanghai which is slated to commence operations in the first quarter of 2022.

### **A strong basis for continued growth**

Our record performance in 2021 was built on robust foundations in terms of liquidity, funding and capital, underlined by the reaffirmation of our AA- credit rating and stable outlook from S&P, which reflect our strong balance sheet fundamentals and risk profile.

FAB's Investment Banking business delivered a particularly strong performance, originating and structuring a number of landmark transactions, and leading new offerings and company listings on the Abu Dhabi Stock Exchange in a record year for equity markets. This resulted in a 69% growth in Investment Banking revenue compared to 2020, primarily driven by the significant growth in non-interest income reflecting exceptional trading gains and buoyant regional capital markets activity.

Our Corporate and Commercial Banking business produced a resilient performance despite headwinds from competition and a low interest rate environment, delivering 9% growth in both loans and deposits, with CASA balances growing by 27%.

Consumer Banking focused on enhancing its product offerings and partnerships to drive customer acquisition, growing deposits by 6% and loans by 5% respectively year-on-year, while continuing to improve digital capabilities and customer experience.

Meanwhile, Global Private Banking generated solid growth driven by its discretionary portfolio and investment advisory offerings, signing a number of high-profile new mandates and increasing AUMs significantly during the year.

It was also a momentous year for FAB's international operations, with revenue growth of 26% year-on-year, driven by the Bank Audi Egypt acquisition and through enhancement of our MENA business contribution to 52% of total international revenue in 2021 from 39% in 2020.



In 2021, we became the first GCC bank to join the Net Zero Banking Alliance (NZBA), and achieved a MSCI ESG rating upgrade to AA, confirming our global leadership in the space



### **Leading the Green transition**

FAB is committed to supporting the UAE's bold Net-Zero by 2050 Strategic Initiative, which charts a compelling pathway to a carbon neutral future, presenting the potential to drive significant economic growth, inspire new innovations and deliver positive change for generations to come.

In 2021, we became the first GCC bank to join the Net Zero Banking Alliance (NZBA), and also achieved a MSCI ESG rating upgrade to AA, confirming our global leadership in the space.

With a new target to finance or facilitate USD 75 billion of sustainable finance projects by 2030, we further underscore our role as a key enabler for the regional sustainable finance agenda and a proactive partner to our customers and communities as we work together to deliver sustainable growth.

### **Paving the way for the bank of the future**

Looking ahead, we commence 2022 by leveraging the robust foundation achieved in the past year to support continued growth across our businesses, creating new opportunities across the UAE and the region to deliver sustainable value for our shareholders, customers and communities.

We will maintain the momentum of our Investment Banking achievements by driving further specialisation in the coming year, as we accentuate our regional leadership in the segment, while also intensifying our focus on the delivery of innovative solutions to boost trade and supply chain finance through our Corporate and Commercial Banking business.

At the heart of our approach in 2022 will be our commitment to deepening our customer relationships. In Consumer Banking, FAB will leverage its digital services to deliver enhanced value and customer journeys. We also aim to further strengthen our onshore and offshore wealth management advisory services for Private Banking clients, while also growing our International franchise in key target markets by developing expanded capabilities to improve our client offering.

We will continue to attract and nurture talent, building capabilities and capacity to drive our continued growth, while investing in our ongoing digital transformation to create further efficiencies and agility across the organisation.

We are proud of our position as a regional ESG champion, and aim to further strengthen this role by driving forward our sustainability agenda in line with the shared vision of the UAE and the international community.

### **Our valued stakeholders**

I would like to thank all of our stakeholders for their support in what has been a challenging yet rewarding year for FAB in 2021.

In particular, I would like to thank our Board members for their support and oversight and to the UAE Central Bank and regulatory authorities for their significant guidance for our industry throughout the pandemic.

I also wish to express my appreciation to our customers, shareholders and community partners for their continued trust in the Bank's ability to deliver sustainable value and returns.

Special thanks are also due to our dedicated employees across the Bank, whose resilience and commitment have led to FAB's exceptional success and laid strong foundations for continued progress in the coming year.

**Hana Al Rostamani**  
Group Chief Executive Officer



# GROUP CFO'S REVIEW



**Total assets  
exceeding AED**

**1** trillion

**AED**

**12.5**

**billion net profit**

**“FAB achieved a record performance in 2021 with a 19% year-on-year growth in Group net profit to AED 12.5 billion, demonstrating the benefits of our diversified business model in a recovering economy”**



## Our financial performance in 2021 was driven by positive momentum across our four core businesses, led by Investment Banking



FAB's record performance in 2021 was achieved through solid momentum across our core businesses, positive jaws amidst continued investments, prudent risk management and a robust liquidity and funding profile throughout the year. The acquisition of Bank Audi Egypt positively contributed to the Group's performance, while marking an important milestone in our plans to grow our strategic presence in a priority market.

Against an improving macroeconomic backdrop, FAB delivered a strong set of financial results during 2021, with total assets exceeding AED 1 trillion for the first time in the Group's history, and with record revenues and net profits. This was driven primarily through revenue growth, with a significant expansion in non-interest income reflecting effective balance sheet deployment to drive higher Group returns, and with our core businesses generating strong growth on the back of the economic recovery.

### **Delivering record performance in 2021**

The Group delivered net profits of AED 12.5 billion in 2021, up 19% over 2020, representing a return on tangible equity (RoTE) of 15.1%.

Total operating income grew 17% year-on-year to AED 21.7 billion, with non-interest income rising 59% to exceed AED 10 billion led by a strong trading performance and growth in fee-generating businesses. This helped to largely offset the 5% decline in net interest income, which primarily reflected the adverse impact from the 2020 rate cuts. Net Interest Margin was 1.50%, down 25bps from 1.75% in 2020.

Operating costs, excluding the impact of the acquisition of Bank Audi Egypt (BAE), rose 9% year-on-year to AED 5.8 billion, reflecting ongoing investments in products, people and technology, whilst maintaining cost discipline with Group cost-to-income ratio at an industry leading level of 26.4%.

Demonstrating prudent provisioning amidst improving macroeconomic conditions, net impairment charges were AED 2.7 billion, broadly flat year-on-year, translating into a cost of risk of 65bps.

Contributing 57% to the Group's total revenue, Investment Banking produced an exceptional performance capitalising on improving sentiment and buoyant regional capital markets activity, leading to a 69% year-on-year growth in operating income. Corporate and Commercial Banking also saw sustained growth in balance sheet, with CASA balances rising 27% year-on-year, on the back of new strategic cash management mandates, and the rollout of innovative solutions to help deepen client relationships. Consumer Banking delivered strong sales acquisition across key products including mortgages and credit cards, capitalising on the easing of COVID restrictions and increased consumer spending, while Global Private Banking saw a 50% growth in Assets Under Management (AUMs) year-on-year, driven by enhanced product propositions.

International revenue and profits were up 26% and 88%, respectively, buoyed by the acquisition of BAE. The integration of FAB's Egypt operations is well underway to be completed during 2022.

### **Maintained balance sheet strength across all key metrics**

The Group preserved a robust foundation with a strong funding and liquidity profile, and healthy asset quality metrics, underpinned by the relief measures under the UAE Central Bank TESS programme and reflecting our prudent risk management approach.



## FAB enters 2022 with strong balance sheet fundamentals, a diversified business profile, and a clear strategic roadmap, positioning us well to accelerate our growth and transformation plans



Total assets rose 9% to reach AED 1 trillion for the first time in the Bank's history, driven by increased lending and a disciplined growth in our investment book.

Net loans, advances and Islamic financing grew 6% year-on-year reaching AED 410 billion, reflecting higher demand from government, GREs, corporate and retail customers, in addition to the positive impact of the inclusion of Bank Audi Egypt in the second quarter. Customer deposits rose to AED 614 billion, up 14% year-on-year or AED 74 billion, primarily led by a significant growth in CASA balances by AED 65 billion as we continued to attract cost-effective liquidity across our global network. As of end-December 2021, CASA balances represent 47% of total customer deposits, up from 41% the prior year. International loans and customer deposits were up 2% and 27% year-on-year respectively.

During 2021, FAB raised USD 4.7 billion (equivalent) of senior wholesale funding at a competitive pricing across multiple formats, completing several landmark transactions including our inaugural Euro public transaction, as well as our return to the public Sterling market where FAB remains the only MENA FI with public bonds outstanding.

We continued to focus on our Green and Sustainability-linked funding activity, issuing over USD 605 million equivalent in Green Bonds in 2021 across both public transactions and private placements. This brings the total Green Bonds outstanding to over USD 1.4 billion (equivalent) across ten issuances and four different currencies, and further cements FAB's position as a regional and global leader in the Green Bond market.

FAB is also leading the MENA region in the transition to Alternate Reference Rates (ARR), issuing three SOFR-linked (Secured Overnight Financing Rate) Private Placements in 2021 and the only MENA issuer to have both SONIA (Sterling Overnight Index Average) and SOFR-linked bonds outstanding.

The Group maintained its high-quality loan book in 2021, reaffirming its position at the forefront of the UAE banking sector in terms of asset quality. Non-Performing Loans

(NPLs) at end-2021 stood at AED 17 billion compared to AED 15.8 billion at end-2020, representing a NPL ratio of 4.0% at year-end, with provision coverage of 98%.

Strong capital generation and ongoing optimisation of risk-weighted assets helped to offset the impact of regulatory headwinds during 2021. As a result, the Group's capital position remained strong and comfortably above regulatory requirements, with Common Equity Tier 1 (CET1) ratio at 12.4% and total CAR at 15.4%, post the proposed dividend for 2021.

Both, Return on Tangible Equity (RoTE) and Return on Risk Weighed Assets (RoRWA) improved year-on-year to 15.1% and 2.3% in 2021 as compared to 13.0% and 2.1% for 2020.

### **Building a future-proof organisation**

FAB enters 2022 with strong balance sheet fundamentals, a diversified business profile, and a clear strategic roadmap, positioning us well to accelerate our growth and transformation plans.

By deploying capital efficiently, and continuing to invest in talent, technology, and products, we will strengthen our competitive position across key segments and geographies, while enhancing productivity, efficiencies, and organisational agility.

Although we remain cautiously optimistic in the face of market volatility and the uncertainty arising from the pandemic, I am confident in our ability to capitalise on the significant opportunities presented by the positive economic outlook across the region, further complemented by tailwinds from future Fed rate hikes.

I look forward to building on FAB's robust foundation, as we deliver the next phase of our growth and transformation journey, and as we remain firmly committed to sustain our track record of superior and sustainable shareholder returns.

**James Burdett**  
**Group Chief Financial Officer**



# MARKET OVERVIEW

Globally and in the UAE, 2021 saw a return to economic growth and positive macro momentum driven by the global COVID-19 vaccine programme rollout, improving business and consumer sentiment, and the impact of global monetary and fiscal support measures. That said, the recovery outlook remained uneven and continued to face sustained challenges towards year-end, including increasing COVID case numbers and associated volatility.

## UAE economy on a robust growth trajectory

The United Arab Emirates continued its economic rebound on the back of its world-leading COVID-19 vaccination programme, clearly reflected in consumer spending exceeding pre-pandemic levels as well as PMIs averaging two-year highs.

In addition to the various supportive fiscal, monetary and regulatory measures, federal and regional governments introduced new initiatives and continued to commit to large investments to shore up business confidence and sustain the economy's positive momentum.

In the year ahead, faster GDP growth is expected in the UAE and across the GCC, underpinned by higher oil prices, Expo 2020, and a rebound in the real estate market and non-oil economy. Ongoing structural reforms, as well as investments in infrastructure and energy towards net-zero commitments, look to attract FDI and stimulate economic activity. Consequently, real GDP growth for the UAE is expected to increase from an estimated 3.2% in 2021 to 4.8% in 2022.

## Sound and highly capitalised banking sector

The UAE Central Bank's TESS programme, which was extended to end-June 2021<sup>1</sup>, and associated stimulus measures have supported the UAE's financial system and the nation's economic recovery. Meanwhile a rising interest rates structure, as the economic outlook brightened during 2021, provided a solid fillip for the UAE banking sector.

Throughout the year, liquidity levels remained high, while total assets in the UAE's banking sector grew 3.4% year-to-date to reach USD 897 billion and total deposits rose 4.4% year-to-date to reach USD 536 billion, as of November 2021.<sup>2</sup>

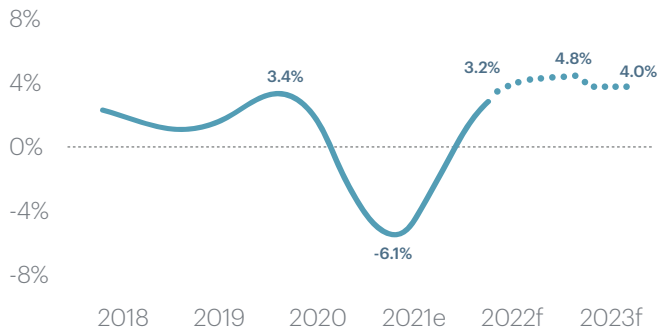
Looking forward, a robust deal pipeline across the region, including DCM, M&As and IPOs, as well as rising interest rates and increased business and consumer confidence support positive expectations for the banking sector as we enter 2022.

<sup>1</sup> TESS Recovery was extended to 30 June, 2022, while the TESS Deferral Programme expired on 31 December, 2021

<sup>2</sup> Based on the latest CBUAE data, as of November 2021

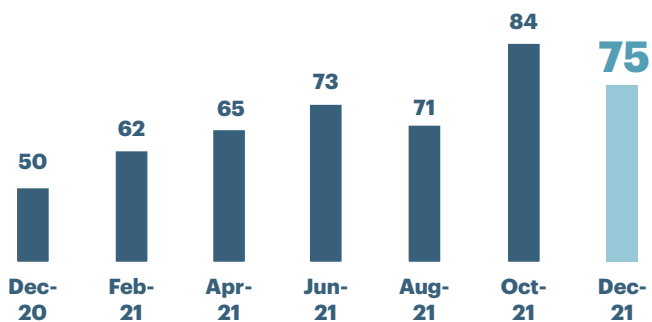
### UAE Real GDP Growth (%)<sup>3</sup>

**2022F: 4.8%**  
FAB in-house forecast



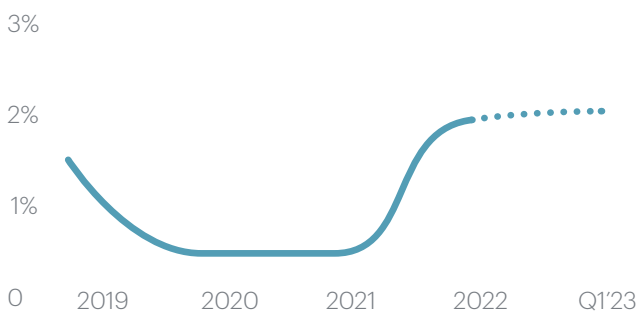
### Brent Monthly Average (USD/bbl)<sup>4</sup>

**2022F: Avg USD 94/bbl**  
FAB in-house forecast



### Federal Funds Target Rate (%)<sup>5</sup>

**2022F: 3-4 rate hikes**  
FAB in-house forecast



<sup>3</sup>In-house GDP forecast for FY'-21FY'23; IMF forecasts for prior years

<sup>4</sup>Bloomberg OPCRUA Index

<sup>5</sup>Bloomberg, Federal Funds Target Rate

# BUSINESS MODEL

FAB is the UAE's leading bank, and one of the world's largest and safest financial institutions. Our robust foundation with a strong balance sheet and solid fundamentals enables us to serve our customers, safeguard our employees and support our communities, while delivering superior and sustainable returns for our shareholders.

During the year 2021, we reorganised our business structure to create differentiated offerings and a distinctive experience for our customers. Our new structure, comprising four distinct business lines, enables stronger connectivity to our clients and a deeper product and segment specialisation.

## Our Strengths and Capabilities

### Strong Balance Sheet

Largest bank in the UAE by total assets and market capitalisation with the strongest combined credit ratings of any bank in the MENA region.

### Robust Fundamentals

Strong liquidity and funding profile, healthy asset quality, industry-leading operating efficiency and capital strength.

### Strong Shareholding

37.9% Abu Dhabi Government ownership through wholly-owned subsidiaries of Mubadala Investment Company (MIC).

### Exceptional Talent

Diverse and inclusive talent pool of over 6,600 dedicated full-time employees, united through our strong corporate culture and shared values.

### Well Diversified Business Model

Full range of banking services and solutions to over three million\* customers across all client segments.

### Long-Standing Relationships

House bank for Abu Dhabi Government and Government Related Entities (GREs), with established relationships with the largest Institutional clients in the Middle East region.

### Strategic International Network

Facilitate trade and investment flows to and from the UAE through a presence across five continents and 19 markets (including UAE).

### ESG Leadership

Leading by example with ESG deeply embedded in our culture, business strategies, governance, and risk management framework.

## How We Create Value

**A dominant and diversified banking franchise with four business lines:**

### Investment Banking (IB)

Full range of banking services for institutional clients: Government, GREs, SWFs, financial institutions, large conglomerates

### Corporate and Commercial Banking (CCB)

Extensive client base across the UAE, including large and mid-size corporates and SMEs

## Our Key Business Subsidiaries

FAB PRIVATE BANKING

FAB PROPERTIES

FAB SECURITIES

## **Consumer Banking (CB)**

Leading Consumer bank in the UAE with unique client propositions catering to individual client segments across conventional and Islamic banking

## **Global Private Banking (GPB)**

GPB combines its GCC expertise along with its international presence to provide HNWI and UHNWI access to a wide range of investment products and services

## **Our Stakeholder Impact**

### **Our Customers**

We put our customers first, placing them at the heart of our operations and maximising our resources to deliver service excellence.

### **Our Employees**

We create an environment where our people can leverage their strengths and excel in their performance.

### **Our Partners**

Our sustainable growth, success and resilience relies on our strong partnerships and external support model.

### **Our Shareholders**

We deliver superior and sustainable returns to our investors.

### **Our Communities**

We build a legacy of positive change in our communities.

# GROUP STRATEGY

## Our Strategy: 2021 Priorities and Achievements

Our strategy is constantly evolving to reflect changing market dynamics and is executed with pride and precision by our diverse workforce across our operating divisions and geographic footprint.

In 2021, we made significant progress on our growth agenda, particularly the strengthening of the core businesses across Investment Banking, Corporate and Commercial Banking, Consumer Banking and Global Private Banking as well as enhancement of our digital

capabilities. We remain committed to driving a strong sustainability agenda at FAB and were placed in the 'ESG Leader' category by MSCI during the year.

During 2021, we have evolved our Group strategy to focus on accelerated growth across our core businesses as well as transformation of the Bank.

Below is a brief summary of our key priorities and major achievements during the year 2021.

### Strategic Priorities

### 2021 Achievements



#### Realign Business for Growth

- Creation of four distinct business lines for stronger customer connectivity and specialisation
- Retained market leading position in the UAE (Only regional bank amongst Top #5 MENA investment banking league tables)
- Uplift in Consumer NPS scores to ~60 points due to enhanced core offerings and improved customer experience



#### Accelerate Digitisation

- Significant progress in digital transformation
- Improved self-service capabilities and launched new functionalities
- Payments innovation
- Increased digital adoption, particularly in transactions and customer onboarding
  - 88% of digitally available transactions and service requests performed through Internet banking and Mobile banking
  - 37% new-to-bank CASA customers digitally onboarded



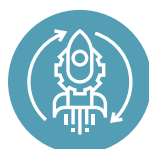
#### Enhance International Model

- Continued strengthening of international franchise (contribution to revenue increased to 18% from 16%)
- Egypt integration underway
- Received license for a branch in Shanghai, China



#### Embedding Sustainability

- First UAE and GCC Bank to join the Net-Zero Banking Alliance (NZBA)
- MSCI ESG Rating upgraded to 'AA', placing FAB in the 'Leader' category
- Led the issue of the first sustainability linked loan in global aviation
- New Group ESG strategy finalised and approved
- #1 in MENA Green bond market with Green bonds outstanding in excess of USD 1 billion across 10 issuances and 4 currencies



#### Unlocking Value (carve-outs and M&As)

- Completed carve-out of our payments business, and launched Magnati
- Completed acquisition of Bank Audi Egypt

First Abu Dhabi Bank FAB بنك أبوظبي الأول



# RISK MANAGEMENT AND COMPLIANCE

FAB's Risk Management Strategy includes comprehensive Enterprise-wide Risk and Compliance Risk Framework, which are fully aligned with Group's Vision to drive consistent value for stakeholders through the optimisation of risk and reward. Within this comprehensive framework, we have established robust controls and tools that include:

- **"Three lines of defence"** model central to Risk Management Framework, to identify potential risks and gauge the effectiveness of related functions and policies.
- **New Product Approval Policy** provides guidelines on developing new products, and our Risk Management team reviews and approves all new products before launch.
- **Risk Appetite Framework** includes metrics and thresholds, which form part of the balanced scorecard and performance appraisals of senior executives.
- Risk-related training to relevant employees that covers Basel III standards, credit risk and modelling, and financial statement analysis. We also provide mandatory training to all employees on general risks, such as data security and money laundering, discussed in other sections of this report.
- **Annual internal surveys** to receive employee feedback on managing risks, which help us continuously improve our practices.
- **Robust Business Continuity Framework and Policy**, complemented by our Crisis Management Framework and other emergency plans and incident response procedures that are tested regularly and at a minimum on an annual basis, ensure organisational resilience in the event of major or unexpected incidents and crises, such as COVID-19.

## Risk management oversight

Overall accountability for Risk Governance lies with the Board Risk and Compliance Committee (BRCC), which develops and oversees the Group Risk and Compliance strategies, appetites and policy guidelines and monitors adherence to these.

Assisting the BRCC in carrying out these functions are Group Risk Committee (GRC), Group Operational Fraud Risk Committee (GOFRC), Group Technology Risk and Information Security Committee (GTRISC), and Group Compliance Committee (GCC), as well as several sub-committees such as the IFRS 9 Group Steering Committee, Model Risk Management Committee that oversee specific risk responsibilities.

## Risk management framework

First Abu Dhabi Bank's Board of Directors, Group Chief Executive Officer and Executive Management provide oversight of our Three Lines of Defence:



### First Line of Defence

- Execute processes and controls
- Business and Enabling functions
- Own, supplement and operate within the Risk Appetite, Limits and Framework



### Second Line of Defence

- Design and facilitate proactive Risk Management
- Group Risk Management and Group Compliance
- Design and monitor Risk Appetite, Limits and Framework based on Group's Strategy



### Third Line of Defence

- Independent Assurance
- Group Internal Audit
- Provide independent assurance on the adequacy and effectiveness of the Internal Control, Risk Management, Governance, System and Processes

## Information security and data privacy

The very nature of our business is based on safeguarding customers and their assets, and personal information is an integral component of those assets. That is why protecting the privacy of our clients and handling the sensitive information they entrust to us will always be a top priority at FAB.

Group Information Security and Data Privacy policies and procedures are periodically reviewed and approved by the Board.

FAB's information security/cybersecurity risk, challenges, regulatory requirements, and initiatives are discussed and reviewed by the Group Technology Risk and Information Security Committee (GTRISC) on a bi-monthly basis and the Board Risk and Compliance Committee (BRCC) on a quarterly basis.

### Approach

We have adopted a **Defence in Depth Approach** to effectively manage our Information Security and Data Privacy Programme. A multi-layered programme in place to protect and ensure the responsible use of personal data. Aligned with information security standards, such as PCI-DSS, Swift CSCF and UAE IA standards, the programme includes:

- security and privacy policies, procedures, and protocols, such as strong customer authentication methods;
- secure data storage areas with employee clearance requirements to minimise the risk of unauthorised data access; and
- a comprehensive data leakage prevention strategy.

We have implemented a robust **Technology Risk Management (TRM)** practice, in alignment with Enterprise Risk Management, to identify the critical information security control objectives that help us evaluate adequacy of security controls, from both control design and control operation perspectives, for all technology implementations at FAB. A robust methodology is inducted to dynamically identify cyber threats based on the security capabilities.

We have **adopted cloud security tools** to eliminate cloud security blind spots and simplify management of compliance in cloud environments meeting the FAB Cloud strategy and regulatory mandates.

We have **built robust data protection, data classification and data encryption techniques**, network security (e.g., firewalls) and other tools into our products, services, and technologies. Sophisticated systems are in place to continuously monitor suspicious activity and thwart cyber-attacks in an evolving threat

landscape, and FAB works closely with government agencies and other financial institutions to share security intelligence and analytics.

We conducted a **cyber-war gaming exercise** in collaboration with the Central Bank of the UAE to test the UAE banking sector's cyber resilience, as well as strengthen its capability to deal with increasingly sophisticated cyber-attacks.

We perform **periodic testing and security assessments**, and our 24/7 security monitoring team reviews security events and incidents. Through our Vendor Risk Framework, we ensure that all third parties' relationships are initiated based on comprehensive due diligence, and that risk-focused controls and processes are in place before contract signing, which reduce the risk of data breach, reputational damage, and inability to comply with legal or regulatory requirements. To counter the increasing software supply chain attacks, we conduct vendor due diligence on third, fourth and fifth party's, protecting our business clients and customers.

### Employee and customer education

Employee education is a key cornerstone of our data governance programme. We provide mandatory training (e-learning and classroom based), promote good privacy and security practices among our employees and contractors, and test compliance with these practices through periodic "phishing" simulations. In addition, we have a customer awareness programme in which we communicate the importance of customer vigilance regarding online safety and protection of their accounts, financial information, and devices.

### Consumer protection regulation

We engaged various stakeholders including Business teams for a number of initiatives under the Consumer Protection Regulation ("Regulation"). Relevant education sessions covering Data Privacy aspects of the Regulation were provided. Control objectives were co-ordinated with Business Units to meet the principles and requirements of the Regulation. Policies were created to demonstrate the Bank's compliance with the Regulation in respect of Data Privacy, Management and Protection aspects.

Routine assessments are performed to identify possible vulnerabilities on all Bank assets and infrastructure, including payment card systems. Methods adopted include reviewing software asset inventories, extending the identification to third-party applications and vendors, using various tools to scan and continuous monitoring of logs to identify matching patterns from cyber intelligence feeds from cybersecurity partners. The use of advanced analytics also provides us with insights and real-time data to uncover and act on potential threats.

## Top Emerging Risks and FAB Mitigants



### 1. Credit Risk

In 2021, the banking sector witnessed challenges in asset-quality indicators and the higher cost of risk as the true impact of 2020 started reflecting and forbearance measures were being lifted in the second-half 2021.

During the year, FAB applied strict underwriting controls, carried comprehensive and continuous portfolio reviews, strengthened its early warning mechanism and provided necessary support to its clients to ensure that its asset quality indicators remain within the set Risk Appetite threshold.

FAB will continue to enhance its credit risk underwriting and monitoring framework, portfolio review mechanism and follow prudent provisioning norms so that asset growth and quality is well balanced.



### 2. Model Risk Management

In 2021, banks witnessed an increasing role of models in decision-making, requiring continuous availability of 'robust and relevant' models. The continuation of COVID-19 related economic uncertainties also provided unprecedented challenges for timely and accurate model risk assessment.

During the year, the Bank strengthened its model functions by formally introducing a model risk management unit and management committee. Various policies and procedures were rolled out towards effective implementation of model lifecycle management.

FAB will seek deeper engagement with market participants and regulators to refine model management techniques. The ongoing work with a global player for an agile model development and deployment platform is due for completion in 2022.



### 3. Climate Risk

Climate change has become one of the most material issues facing our society today. To promote UAE's vision in becoming net zero by 2050, FAB is integrating climate stress testing into the existing risk management framework as well as financing the transition to a low carbon economy.

In 2021, FAB joined the Net-Zero Banking Alliance (NZBA), becoming the first UAE and GCC bank to join the alliance. We have also developed an ESG strategy and risk framework. The ESG risk framework includes a policy, governance structure, risk appetite, assessment process, risk disclosures, pillar II and climate stress testing methodology, tools for ESG risk assessment, disclosures and training and awareness.

Aided by the ESG framework, FAB will continue to enhance the identification, oversight and management of climate risk and enable our clients to transition towards a climate-neutral economy through innovative financing and advisory services.



### 4. Market and Liquidity Risk

Overall, positive moods prevailed in the global markets during 2021 despite some volatility mainly driven by expected tightening of monetary policies, increasing inflation, COVID-19 variants spreading fast and the energy crisis in Europe and Asia.

Equity markets, oil and US treasury yields edged higher during the year while credit spreads tightened on most of the developed markets (DM) and GCC names. In the emerging markets (EM) space however, credit spreads and FX levels were adversely impacted. Liquidity remained in abundance for most of 2021.

In 2022, we expect major central banks to rollout aggressive policy tightening including multiple rate hikes and reduction of the QE (quantitative easing) / asset purchase programmes. However, pressure on liquidity is not anticipated despite the monetary tightening, aided by a positive outlook on oil prices.

In 2021, FAB had positioned itself to benefit from the market conditions by investing opportunistically during volatile periods. It also reduced its exposures to some of the EM markets. Looking ahead, FAB will continue to build positions that would benefit from the expected positive move in oil markets and DM equities, whilst reducing exposures to weak EM economies. It has also positioned to benefit from the rate hikes expected in 2022 as rate sensitive assets are expected re-price faster than rate sensitive liabilities.

FAB will continue to maintain its strong and diversified liquidity position as it remains the banker of choice for Government and key clients.



## 5. IBOR Transition

LIBOR ceased for EUR, GBP, CHF and JPY on 31 December, 2021, while the transition for USD was postponed by the regulators to June 2023 to provide institutions enough time to implement the required changes.

FAB completed the IBOR transition for EUR, GBP, CHF and JPY products and is working with industry participants, regulatory working groups and counterparties to ensure an orderly transition within the required timelines for the USD products.



## 6. Operational and Fraud Risk

Banks worldwide faced multi-dimensional Operational Risks during the pandemic years (2020 and 2021) through business disruption, process and system failures, and internal / external frauds. The future operational risk landscape includes heightened cyber threats, 3rd party and outsourcing risk and conduct risk.

To mitigate these risks, FAB has introduced enhanced internal control monitoring mechanism, identified key personnel and critical processes, and implemented scalable work-from-home (WFH) solution.

To combat fraud risks technology solutions like – DSK (Digital Secure Key) and FaceTek solutions were implemented to prevent on-boarding and transactional fraud risks. Comprehensive set of guidelines and awareness messages have been published for customers and staff to educate them on our efforts to fight against fraud.



## 7. Cybersecurity

In the past years, cybersecurity threats have increased primarily due to increased ransomware attacks, remote working, data security risks, and a need for new emerging cyber skillsets.

FAB has adopted an in depth strategy defence enabled with security controls, cyber monitoring, continuous analysis of network traffic and enhancements to logging and encryptions in progress. FAB has implemented the Optical Character Recognition (OCR) capability to enhance Data Leakage Prevention (DLP) and auto data classification for data security.

Cloud Security Posture Management (CSPM) and Container Workload Protection technologies (CWPP) were implemented to protect cloud environment from both internal and external factors. Due to the pandemic, remote working security controls have been strengthened with Secure-Encrypted Virtual Private Network (VPN), DLP, watermarking and leveraging Virtual Desktop Infrastructure (VDI) where required.

FAB will continuously strengthen its cyber defences, facilitated by strong controls to mitigate advanced cyber threats, and its enhanced capability in threat detection and access controls.



## 8. Business Continuity

The persistent situation of the COVID-19 outbreak continued to have a mixed impact on the employees' health and safety and relentlessly tested the business and operational resilience capabilities of the organisation in 2021. A people-first approach and convening of crisis management teams, helped FAB to continuously assess the COVID-19 introduced risks and respond in line with regulatory directions. In addition, recovery strategies like work-from-home (WFH), established early in 2020, helped the Bank to sail through the pandemic challenges of 2021.

Organisations globally are staying on alert and monitoring the pandemic situation to return to 'normal', albeit maintaining alternative working arrangements as required.

FAB will continue to take a people-first approach, while strictly adhering to the health authority and government guidelines. IT resilience and disaster recovery planning will remain as another area of attention to serve up to the expectations of customers, partners and regulators.



## 9. Fintech Disruption

Since banking is increasingly becoming digital, digitalisation will dictate the future in several areas of banking including customer experience, distribution channels and cost structures.

FAB has put in place several partnerships with new entrants and tech companies to ensure that customers can make payments quickly and easily, including but not limited to digital wallets, remittance solutions, and services for merchants. To enhance customer screening and access security, FAB has implemented DSK (digital secure key) and Facetek technologies on its mobile platforms.

FAB is also preparing itself to embrace open banking, by enhancing its open API capabilities and API security capabilities.



## 10. Risks Arising from the Receipt of Services from Third Parties

FAB will continue to enhance the third-party risk management programme to help ensure engagements comply with the third-party risk policy and required standards. We work closely with providers to monitor performance.

In 2022, we will continue to strengthen our third-party risk framework and improve our technology, process and people capabilities.

## Compliance at FAB

In accordance with the UAE Central Bank corporate governance requirements, the Group Compliance reporting line is to the Group Chief Executive Officer. The Group Head of Compliance also reports directly to the Chair of the Board Risk and Compliance Committee (BRCC).

Compliance manages and acts as the principal interface between FAB and its banking regulators in all locations. Dedicated local Compliance Officers support all bank branches and subsidiaries across the network. Central teams of subject matter experts provide advice, guidance and support for Regulatory Compliance, Financial Crime Compliance and Compliance Technology. A Compliance Monitoring and Assurance team undertakes independent testing and reviews of processes and procedures to ensure compliance with, internal and external, regulatory obligations.

The **Compliance Risk Framework** is aligned with the vision and strategy of FAB Group, to ensure appropriate visibility, understanding, oversight and management of Compliance Risks. Within this framework a number of controls, key performance and risk indicators and thresholds have been developed, including Group Compliance operating as part of a second line of defence within FAB's three lines of defence model, providing independent oversight, advice and guidance for the Bank.

**Compliance Risk Appetite metrics** are included in the Balanced Scorecards and Performance Appraisals for Senior Management. Feedback on any inappropriate behaviours

identified during the year is also considered during the year-end review process.

**Mandatory Annual Compliance Training** requires completion by all staff, in addition to specific tailored training for certain areas such as trading, sales and relationship management. The Board also receives annual Compliance Training updates.

**Annual Enterprise-Wide Compliance Risk Assessments** are undertaken for all businesses and geographic locations, covering inherent risks and controls over Regulatory Risks as well as Financial Crime Risks. Following reviews against Compliance Risk Appetite, concurrence from BRCC and GCC are obtained for relevant mitigating plans and actions.

Staff personal conduct is managed through individual conflicts processes, including personal account dealing declarations, outside business interests notifications and oversight of gifts and entertainment. Bank conduct and associated conflicts are managed through surveillance and other activities reviewed through the **Group's Compliance Control Room**.

### Compliance oversight

Overall responsibility for the development of FAB's Compliance Strategy, Risks, Appetite and Governance is delegated to the BRCC, including oversight of implementation. The Group Compliance Committee (GCC), chaired by the Group Chief Executive Officer, assists the BRCC in undertaking its compliance responsibilities.

### Financial crime

FAB has invested heavily in strategies, frameworks, systems and controls, as well as subject matter expert resources, to prevent and detect criminal activities, including Money Laundering, Bribery and Corruption, Terrorist Financing and to satisfy International Sanctions requirements.

Money Laundering scenarios and typologies are regularly reviewed and updated to ensure that they align with the Bank's products and services, as well as any changes in criminal behaviours identified through regulatory investigations or market updates.

Policies and procedures are periodically reviewed and updated to reflect new and amended regulatory requirements and FAB's Risk Appetite. Staff communications and education programmes are in place to ensure that they understand and apply current requirements.

## Customer and transaction screening

To assure that FAB's customers and their transactions are appropriately identified as legitimate the Bank has adopted international best practice for its due diligence processes, both at initial onboarding as well as throughout the lifetime of the relationship. A variety of tools and systems are in place to facilitate the detection and reporting to the authorities of any criminal behaviours identified or suspected. Customer and Payment Screening is undertaken against lists provided by the UN, US, UK, EU and the UAE, in addition to any other required local country lists.

## Regulatory change

As with other regulated Financial Institutions, FAB continues to identify a significant volume of material new and amended regulations that require action to ensure compliance, which range from significant groupwide programmes to local process and system changes. During 2021, FAB was directly impacted by over 500 such changes, which require analysis, engagement with relevant stakeholders, development and implementation of action plans, reporting to senior management and oversight of the eventual closure of projects.

## Staff training

FAB treats the training and education of its staff extremely seriously and ensures that every year all staff complete mandatory training covering Regulatory Risks and Financial Crime Compliance. During the year 99% (6361) of all staff completed the required training, the balance being unavailable for a variety of reasons, such as maternity leave. Additionally, targeted training was provided in 34 sessions for identified higher risk areas, including Senior Management and the Board (1911 staff).

## Supervisory college

Every two years, the FAB's Home State Regulator, the Central Bank of the UAE, invites the Bank's Host State Regulators covering FAB's banking activities across the network to discuss its risk profile, strategy and key activities. The initial conference took place in November 2019, and a further, virtual, conference was hosted in December 2021. The FAB Group provided a series of presentations and updates to the participants, through its Senior Management.

## Financial services industry

Banks need to continue to invest heavily in compliance capabilities to mitigate the risk that their products and services are used by Criminal Enterprises to transfer and invest their illicit gains. As they develop more sophisticated activities to avoid detection, so the Bank's processes and systems require regular update and change. Changing regulators' expectations also need to be identified, understood and appropriately satisfied, which is a continual cycle of reviews and validations.

COVID-19 has not diminished regulators' enforcement actions and penalties, which have continued to focus mainly on Financial Crime Compliance failings, in particular money laundering and sanctions. While the total value of fines has remained roughly the same (c. USD 4.5 billion) for the last few years, the trend appears to be shifting to a higher volume of lower value penalties. Also, business and individual conduct failings appear as an increasing area of concern to authorities. Global organisations such as FATF (Financial Action Task Force) view the imposition of fines and other penalties as evidence of whether regulatory requirements are being effectively policed and action taken for failings.





# OPERATIONAL REVIEW

Investment Banking	<b>50</b>
Corporate and Commercial Banking	<b>56</b>
Consumer Banking	<b>60</b>
Global Private Banking	<b>66</b>
International Operations	<b>70</b>
Our Technology Evolution Journey	<b>72</b>

# OPERATIONAL REVIEW

## % GROUP REVENUE (FY'21)

Business Segment	Description
<b>Investment Banking (57%)</b>	<p><b>Full range of banking services for institutional clients:</b> Government, GREs, SWFs, financial institutions, large conglomerates</p> <p>Offers banking and financing solutions, including corporate and Islamic finance, capital markets, transaction banking, trade, liquidity and cash management services along with a broad range of risk management solutions across credit, rates FX and money market products</p>
<b>Corporate and Commercial Banking (16%)</b>	<p><b>Focus on large corporates, medium and small entities</b></p> <p>Diversified products offering across sub-segments which include Corporate Banking, Contracting and Commercial Banking</p>
<b>Consumer Banking (22%)</b>	<p><b>Targets consumer and elite segment across</b> conventional and Islamic banking</p> <p><b>Payments:</b> Magnati, Payit</p> <p>Product ranges offered include everyday banking products such as current accounts, deposits, credit cards, loans, wealth products, etc.</p>
<b>Global Private Banking (4%)</b>	<p><b>Targets affluent and high net worth customers across conventional and Islamic sector</b></p> <p>Product ranges include everyday banking products plus sophisticated investment solutions, brokerage and securities services</p>

**Note:** Head Office (HO) contributes 0% of FAB's 2021 revenues. HO provides centralised human resources, IT, operations, finance, strategy, IR, risk management, credit management, corporate communications, legal & compliance, internal audit, procurement, treasury operations and administrative support to all business units of the Group. HO also includes a diversified business model supported by complementary offerings provided across real estate & property management services through subsidiaries partially or fully owned by the Group.



# INVESTMENT BANKING

FAB's Investment Banking division delivered an exceptional performance in 2021, capitalising on improving market sentiment and buoyant capital market activity in the UAE and the wider region, and successfully navigating market challenges.

The Investment Banking (IB) division provides a full range of banking products and services for institutional clients spanning various industries including government and public sector entities, Sovereign Wealth Funds, natural resources, global diversified industrials, financial institutions, and large conglomerates.

Leveraging its financial strength, sector specialisation, and extensive international network, FAB's IB franchise is uniquely positioned to act as a core enabler for cross-border liquidity, trade and investment flows between the UAE, the MENA region and the rest of the globe.

IB's offering includes corporate and Islamic finance, capital markets and advisory, transaction banking, trade, liquidity and cash management services along with a broad range of risk management solutions across credit, rates, FX and money market products. Using a client-centric approach, our team of experts and sector specialists help to enhance strategic dialogue to ensure greater value-add for clients, support their growth ambitions, and help them navigate an ever-changing and complex operating environment.

As we continue to build trusted relationships with our clients across our international franchise and to leverage our differentiated strengths, our ambition is to become the region's reference institution for investment banking.

Throughout 2021, IB continued to help clients accomplish their goals by serving them through a comprehensive range of sophisticated products and solutions, leveraging specialised teams, market-leading capabilities, and an extensive international network.

## A record year for Investment Banking

IB delivered a record performance in 2021 led by 69% growth in revenue compared to 2020, primarily driven by considerable growth in non-interest income on the back of an exceptional trading performance and solid fee-generation. Profit after taxes doubled year-on-year, crossing the AED 10 billion mark.

Loans, advances, and Islamic financing increased 3%, underlining sustained momentum from our client franchise across MENA, led by Government-related entities (GREs), and an increase in cross-border activity, partly offset by the run-down of non-strategic assets. Deposits increased 13% year-on-year on the back of a robust 46% growth in CASA balances. The liquidity position remains very strong, with a loans-to-deposit ratio at 55%.

## IB Financial Highlights 2021



**AED**  
**12.4** bn  
(+69% YoY)  
**Revenue**



**AED**  
**10.3** bn  
(+99%)  
**Profit after taxes**



**57%**  
**Contribution to FAB Group Revenue**



**AED**  
**200.9** bn  
(+3% YoY)  
**Loans, advances and Islamic financing**



**AED**  
**368.6** bn  
(+13% YoY)  
**Customer deposits**

**Global Banking Coverage (GBC)** continued to support our clients across all FAB locations during 2021, including landmark transactions in the key markets of the UAE, Saudi Arabia, and Egypt. During 2021 the team was reorganised to enhance sector specialisation and increase value-add delivery to IB clients, enhancing our strategic relevance to core clients across key FAB locations. Leveraging the FAB network and connectivity between teams across FAB's locations the team also closed a number of cross-border transactions supporting investment into and from the Middle East.

**Global Corporate Finance (GCF)** delivered a robust performance in the LCM and DCM space, driven by strong pipeline execution and a number of landmark transactions from the UAE and MENA region. As a result, revenue grew 8% year-on-year, driven by substantial fee revenue, helping to offset lower interest income. With equity markets witnessing a record year in 2021, particularly in the UAE, the ECM business led a number of equity offerings and new company listings on the Abu Dhabi Securities Exchange.

**Global Markets (GM)** revenue more than doubled year-on-year, with Sales, Trading, Investments and Asset Liability Management units all contributing to this performance. Capitalising on improving sentiment, selective risk taking helped drive substantial returns across trading and investment portfolios, while a focus on our client facing activities helped to grow the flow business.

**Global Transaction Banking (GTB)** added over 200 cash management mandates during 2021, resulting in 46% increase year-on-year in CASA deposits. Fees and commissions increased by 11% year-on-year, led by double-digit revenue and volume growth in Supply Chain and Receivable Financing and largely offset the decline in net interest income from Cash Management business due to lower interest rates.



**Our ambition is to become the region's reference institution for investment banking**

## Top ranked regional bank across MENA Investment Banking League tables

**#1**

**Loan Agent**  
in the UAE, GCC  
and MENA

**#1**

**Syndication  
Loans**  
in the MENA

**#5**

**Debt Capital**  
in the UAE, GCC  
and MENA

**#5**

**Equity Capital  
Markets (ECM)** in  
the MENA

**#1**

**Custodian** by  
Assets Under  
Custody  
in the UAE

## Leading landmark transactions for our clients across our global network

In 2021, FAB continued to lead the market regionally and globally, advising on a number of landmark transactions, further building on our reputation as a leading adviser for institutional clients and reaffirming its position as the top-ranked regional bank across major MENA Investment Banking league tables.

**AED  
5 BN**

SCF with Abu Dhabi  
Department of  
Finance and Daman

Lead role in  
**USD  
3.75 BN**  
bond for Arab  
Republic  
of Egypt

Lead role in  
**USD  
6 BN**  
Sukuk for Saudi  
Aramco

**AED  
1.2 BN**

facility for Fertiglobe  
Holding

Joint **GLOBAL  
COORDINATOR**  
and Joint  
**BOOKRUNNER**  
for ADNOC  
Distribution stake sale

Joint **GLOBAL  
COORDINATOR**  
and **LEAD  
RECEIVING**  
Bank on IPO of ADNOC  
Drilling

Lead role in  
**USD  
1 BN**  
debut bond for  
Abu Dhabi Ports

Joint **GLOBAL  
COORDINATOR**  
and **JOINT  
BOOKRUNNER**  
for Yahsat IPO

Joint  
**BOOKRUNNER**  
on IPO of ACWA Power

**USD  
300 MN**  
acquisition  
financing for ADQ  
purchase of Amoun  
Pharmaceuticals

**USD  
1.2 BN**  
sustainable linked  
financing for Etihad  
Airways

**FIRST  
GREEN REPO  
FINANCING**  
by a UAE-based bank  
with Deutsche Bank

## Enhanced proposition in Securities Services

In mid-2021, First Abu Dhabi Bank PJSC (FAB) Securities Services business announced a new strategic engagement with State Street Bank. The agreement combines FAB's regional securities services expertise with State Street's global strength and capabilities in a new service model specifically designed for institutional investors in the region. With these combined capabilities, FAB can provide MENA investors with extensive reach into more than 100 markets around the world, an unrivalled product range servicing all major listed and unlisted asset classes, and access to a network of local experts and infrastructure across all major markets in the region. The unique partnership between FAB and State Street creates a true regional first.

## Enabling the regional Sustainable Finance Agenda

FAB has continued to lead the Sustainable Finance Agenda in the MENA region by structuring and leading a number of Sustainable Financing transactions for our clients, including the USD 3 billion dual tranche Green Loan / Murabaha facility for The Ministry of Finance, Egypt; and a USD 1.2 billion Sustainability Linked Loan for Etihad Airways. FAB was also proud to be recognised for "Outstanding Leadership in Sustainable Finance in the Middle East" and "Outstanding Leadership in Green Loans in the Middle East" in Global Finance's inaugural Sustainable Finance awards. Investment Banking has demonstrated its expertise in ESG financing, having led many of the region's ground-breaking deals: first Green Loan, first Green Bond, first Green Sukuk, first SDG Loan, first Transition Sukuk and first Vaccine Sukuk.

---

## Target to finance or facilitate USD 75 billion sustainable projects by 2030

---

FAB has financed or facilitated over USD 30 billion in sustainable projects to-date. As part of the Group's commitment to act as a key enabler to the regional sustainable finance agenda and to help our clients navigate the global energy transition, FAB aims to finance or facilitate over USD 75 billion sustainable projects by 2030. FAB is currently the only bank in the region to commit to net-zero by 2050 as a signatory to the global Net-Zero Banking Alliance (NZBA).

## Growing FAB's Global Markets proposition

Global Markets (GM) continued to reinforce its position as a regional champion and achieved a strong performance in 2021, delivering substantially increased revenues and profits, largely as a result of its ongoing focus on key geographies, in particular the UAE, Egypt and Saudi Arabia, as well as its core value proposition product suite.

Key points worth highlighting include:

- The Foreign Exchange, Interest Rates and Credit Trading units continue to grow and solidify their market positions, competing directly with international banks.
- The Global Securities Financing unit executed the first ESG/Green repo transaction by a UAE-based bank in the region, leading to an influx of client enquiries about the structure and possibility for future transactions linked to ESG.
- The Asset and Liability Management unit continued its proactive approach to managing liquidity for the FAB Group and diversifying the liquidity mix through wholesale cash and global product programmes
- A record year in terms of sales revenues through the team's client-centric approach and by providing bespoke solutions tailored to our clients' requirements, across all client segments and geographies.

Various new products were launched by GM to meet clients' needs and diversify the Bank's revenue streams—Securities Borrowing and Lending to help the Trading and Repo desks to borrow for hedging and funding as well as enhance the Bank's collateral optimisation efforts; Gold Loan and Deposit scheme to support Central Banks globally in their reserves diversification strategy; and Metals Leasing to meet clients' need for metals in their operations and other activities.

In addition to the above, a robust foundation and a culture of continuous improvement in risk management, governance, and compliance, as well as adherence to global regulations, continue to remain a priority.

## Enriching FAB's transaction banking offering

GTB focused on bolstering its range of products for corporate clients in 2021, including in the cash product and network management segment, to enhance FAB's capabilities, broaden its offering and deepen client relationships.

The business rolled out **Treasury Advisory Services**, leveraging state-of-the-art virtual accounts and liquidity management propositions.

As clients continue to look for ways to optimise their working capital, given the ongoing supply chain issues in the global economy, FAB launched several **Supply Chain Finance (SCF) programmes with government entities** during 2021, allowing liquidity to be extended to their suppliers and thereby stabilising supply chains.

**UAE Trade Connect (UTC)**, a brainchild of FAB and the regions' biggest blockchain based Trade Finance network in partnership with Etisalat and Avanza Innovations went live in Q1'21 with the aim of digitising trade in the UAE by enabling banks, enterprises, and governments to collectively benefit from innovations such as blockchain, artificial intelligence, machine learning and robotics.

FAB partnered with Exchanges to enable investors and brokers to invest in IPOs or clear Derivative Trades. It also activated new payments and receivables management products for the Abu Dhabi Securities Exchange (ADX) and began tailoring a digitised cash deposit solution through FAB ePAY for its partners.

GTB also participated in the prestigious mBridge Trial Platform project. The mBridge project is a cooperation between the BIS Innovation Hub Hong Kong Centre, the Hong Kong Monetary Authority, the Bank of Thailand, the Digital Currency Institute of the People's Bank of China and the Central Bank of the United Arab Emirates in building a Multi Central Bank Digital Currency (CBDC) platform to settle international payments.

## Enhancing client experience

IB continued to focus on delivering innovative and strategic solutions in various areas including asset monetisation, bond financing, IPO, ESG-linked financing, supply chain financing, cash management, liquidity management, derivatives, and trading in line with our commitment to ensure greater value-add for our clients across our product suite.

Digitisation and automation programmes were also enhanced to improve customer online and mobile touchpoints and backroom processes, while simplifying documentation, reducing human intervention, and improving turnaround times to enable greater efficiency.

Customer experience is a key metric by which IB measures its performance and success, and is a central element in our client value proposition.

## Looking ahead

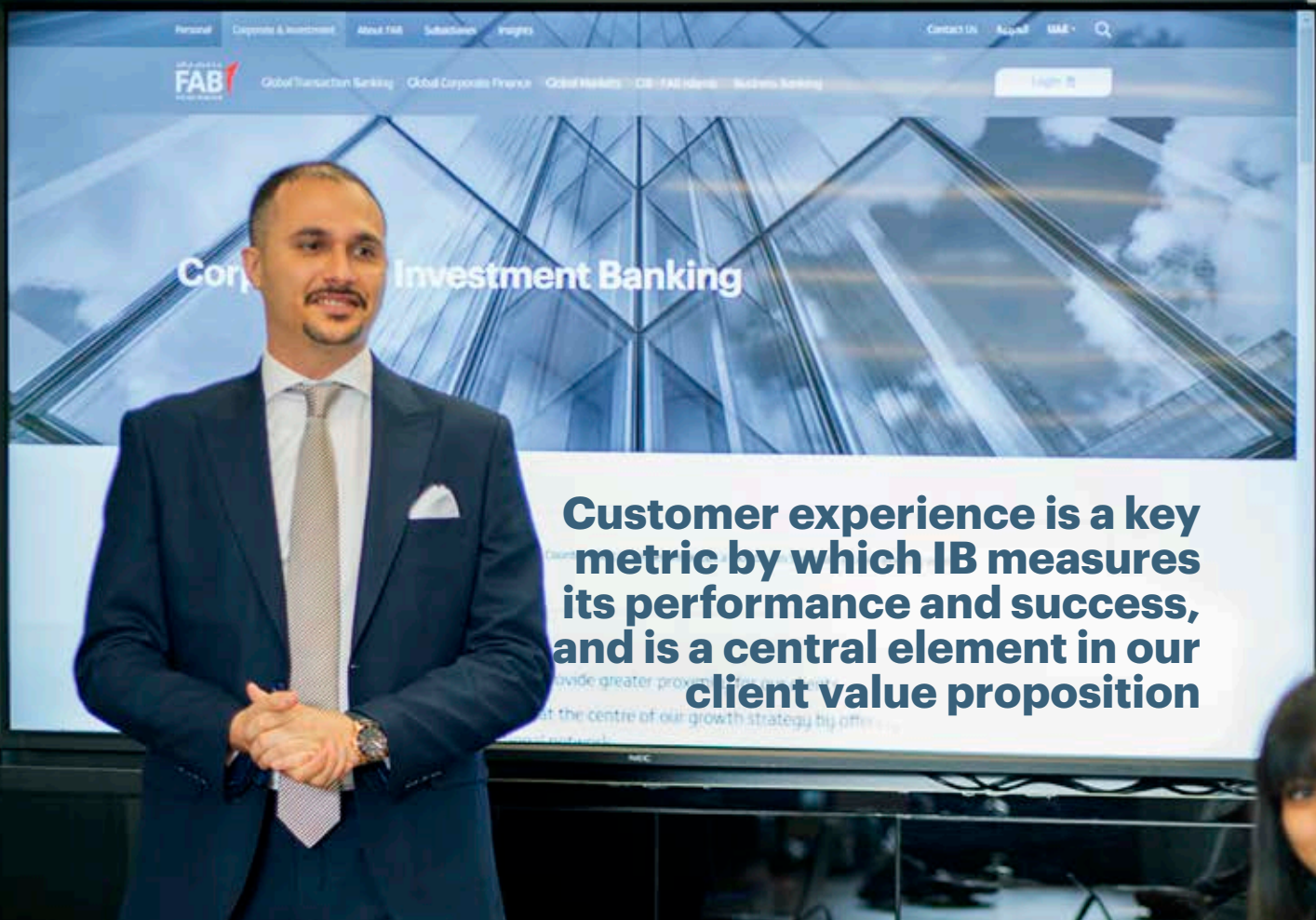
In 2022, IB will build on the positive momentum established during its first year as a standalone business unit, capitalising on a favourable outlook and market dynamics across the region. With a **significant pipeline of opportunities**, IB will maintain its strategic focus and aim to deliver more value to its clients.

The business will **focus on deepening its strategic dialogue with clients**, particularly across key markets of the UAE, Egypt and Saudi Arabia, in order to maintain growth and market share as well as to **enhance product capabilities**. This includes expanding FAB's transaction banking offering across the region, while strengthening the Securities Services business by leveraging strategic partnerships.

FAB remains dedicated to **maintaining its leading position in ESG**, with a robust pipeline of initiatives and programmes due for implementation throughout the coming year that will support the region's sustainability goals for the next 50 years and its net-zero ambition.

The Bank aims to be the **partner of choice** in developing sector-specific and originate-to-distribute (OTD) capabilities. And to support this, FAB will accelerate the rollout of its OTD lending model, while targeting further sustainable growth in the Global Markets business.

Overall, IB enters 2022 with confidence that its unique client proposition, strong operating model, strategy, commitment to innovation and digitisation, and ambitious growth targets will reinforce its market leadership and reward the trust of its clients and stakeholders.



### IB awards and recognitions in 2021

FAB IB reaffirmed its leadership in the market both regionally and internationally during 2021, winning several acclaimed and prestigious industry awards, including:



# CORPORATE AND COMMERCIAL BANKING

The Corporate and Commercial Banking (CCB) division supports large, mid-sized corporates and SMEs across the UAE with a full range of banking products and innovative service propositions.

The Bank continued to help clients “Grow Stronger” by serving them through a comprehensive range of sophisticated financing solutions, market-leading trade finance and cash management capabilities and a highly experienced on-the-ground team.

In another challenging year for the economy, CCB remained steadfast in its commitment to grow the division and be recognised as the Top Corporate Bank in the region and a “National Champion” for SMEs.

By enhancing our presence in key international locations such as Egypt, and through supporting clients in their international expansion, CCB continues to widen its reach to an ever-growing network of clients around the world.

## A resilient performance in 2021

CCB produced a resilient performance despite headwinds from competition and a low interest rate environment. Revenue was 12% lower year-on-year in 2021, as growth in non-interest income was offset by lower interest income. Both loans and deposits grew by 9% year-on-year, reflecting a pick-up in economic activity. Growth in non-interest income was primarily driven by fee income from several large financing deals, strong growth in Global Markets business and a steady Trade Finance business. CASA grew 27% year-on-year on the back of CCB winning 500+ new cash management mandates.

## Key highlights



**AED**  
**3.5 bn**  
(-12% YoY)  
**Revenue**



**16%**  
**Contribution to FAB**  
**Revenue**



**AED**  
**111.1 bn**  
(+9% YoY)  
**Loans, advances and**  
**Islamic financing**



**AED**  
**143.0 bn**  
(+9% YoY)  
**Customer deposits**



**+AED**  
**22.5 bn**  
(+27% YoY)  
**CASA deposits**



**To be the 'House Bank' for large corporates and a 'National Champion' for commercial banking corporates by delivering topnotch customer service**

**Global Corporate Finance (GCF):**

GCF witnessed a robust high-single digit asset growth on the back of strong execution, resulting in closure of several large financing and security services deals, but also a strong FY'22 pipeline.

**Global Markets (GM):**

GM witnessed significant growth (c. 20%), driven mainly by demand for FX and Hedging products on the back of rising risks of higher interest rates, political turmoil and supply chain stress, and which has also helped build a strong pipeline for FY'22.

**Global Transaction Banking (GTB):**

GTB business remained steady in the face of slower trade growth, lower interest rates among others. Despite these challenges, CASA witnessed double-digit growth on the back of winning 500+ cash management mandates and launch of real estate escrow proposition for commercial banking customers.

## Maintained market leadership position in Corporate Banking

Our Corporate Banking franchise continues to be the benchmark for the UAE market through its strong relationship team, comprehensive range of sophisticated products and its best-in-class service. This enabled us to accelerate our growth by acquiring new clients, further deepening our relationships by implementing highly tailor-made solutions. As a result, the CCB franchise closed several landmark transactions in the face of stiff competition from both local and international banks.

## Aspiring to be the National Champion in Commercial Banking

Our Commercial Banking franchise continues to be recognised for its deep understanding of the needs of the mid and small sized corporates, evident from the wide range of services and product offerings. In 2021, the franchise continued to take giant strides towards achieving its status as the 'National Champion' by aggressively growing its customer base, expanding its influence through partnerships with government and other agencies, and enhancing the product suite.

## Strengthened partnerships to support SMEs and develop innovative solutions

CCB continued to play a pivotal role as the Government's partner assisting in deployment of national initiatives that aim to develop the SME banking sector, including the Basher company setup of e-platform and the Central Bank of UAE's TESS deferral programme.

During the year, CCB established crucial partnerships, both, within the commercial banking ecosystem and fintech domains to improve customer journeys. Prominent among these were:

- Memorandum of Understanding (MOU) signed with Emirates Development Bank (EDB) to support the SME ecosystem in the UAE;
- Became a key strategic partner for the provision of easy financing options to SMEs through the Ghadan accelerator programme;
- Alliance with Tawazun to support SME's engaged in niche sectors of the security and defence industries with capital expenditure and working capital needs; and
- Multiple fintech partnerships in the areas of channels, trade finance and payment solutions

Moreover, our unique digital proposition (covering onboarding, account management, loan approval and disbursement payments) for SME clients was recognised as the "Most Innovative SME Bank in UAE, 2021" the World Economic Magazine Awards 2021 (WEMA).

## Improving client engagement through our digital proposition

Client experience remains at the heart of CCB's business model and the events of 2021 have served to redefine the concepts and requirements in response to the overwhelming challenges presented by the COVID-19 pandemic. The pandemic brought about a transformational shift in clients' need for digital technologies. To meet this need, CCB actively collaborated, internally and externally, and launched first-in-the-market solutions like DigiCheques and enrolled over 2,000 clients on the FABeSign platform. While DigiCheques allows our clients to upload their cheques through FAB's corporate mobile app, FABeSign is an easy-to-use online portal that provides a secure and safe way for authorised signatories to digitally sign their documents, providing our clients with touchless and paperless solutions. The move towards a digital proposition is also reflected in a significant increase in volume of transactions made through digital channels over the last two years (Payments: +6%, Trade transactions: +56% and Cheques deposited digitally: +58%).

## Looking ahead

CCB's key priorities in 2022 and beyond are to **continue growing market share** in the UAE and Egypt, by further growing our client base, especially local family businesses, large contractors and in sectors such as manufacturing, industrial, healthcare, education, chemicals, start-ups, among others.

In particular, CCB will **focus on value-added products** within GTB (such as supply chain finance, inventory finance, virtual accounts) GCF (custody, advisory and structured finance) and GM (hedging and derivatives) to further cement the client relationships.

At the same time, in line with FAB's Group strategy, and the objectives of the Government of Abu Dhabi and the UAE, CCB also aims to **deliver enhanced productivity by upskilling and infusing new talent**, including high potential UAE Nationals.

Internationally, FAB's aspiration is to build a **customer-focused international banking franchise** that delivers strong and sustainable performance for the Bank by investing in core and growth markets, building on existing capabilities, and developing liquidity hubs for FAB. Specifically, CCB aims to build a franchise in Egypt, while expanding selectively in other regional and international markets via our partnership referral programme.

## Leading landmark transactions for our clients in UAE

In 2021, CCB maintained its market leading position in UAE, by closing several large, complex transactions which further reinforced the trust that clients have had in our ability to support them.

Lead role in financing construction of the  
**AED 2.2 BN**  
Sheikh Zayed National Museum

Commitment in Real Estate loan transaction of  
**AED 3.7 BN** for a large Abu Dhabi based conglomerate

Won a 10-year  
**AED 500 MN**  
refinancing deal for an Abu Dhabi based diversified group

Lead role in financing key projects worth  
**AED 1.6 BN** for an Abu Dhabi based construction group

**USD 300 MN**  
Revolving Credit Facility for a large Abu Dhabi based agricultural company

Successful restructuring of  
**USD 1.0 BN** for a UK-based oil and gas services company

Lead role in Cross Border Club Contract financing of  
**USD 485 MN**  
for a marquee project in Saudi Arabia

**AED 1 BN** project financing mandate from an Abu Dhabi based contracting company

Successfully closed a structured Bilateral facility of  
**AED 500 MN**  
with a Dubai based real estate management group

Supported one of the largest regional oil and gas industry contracting companies on multiple projects with  
**USD 1.2 BN**  
in financing

Financed  
**USD 2 BN**  
worth of projects for one of the leaders in the marine industry

**AED 1.8 BN** real estate escrow mandate with a large local general contracting company

# CONSUMER BANKING

Throughout 2021, FAB continued to deliver exceptional banking services to millions of customers, building on its prominent position as the leading consumer bank in the UAE, offering unique customer propositions catering across the Bank's physical footprint and digital channels in both conventional and Islamic banking segments.



**AED**  
**4.9 bn**  
(-5% YoY)  
**Revenue**



**AED**  
**62.6 bn**  
(+5% YoY)  
**Loans, advances and  
Islamic financing**



**AED**  
**1.7 bn**  
(+12% YoY)  
**Profit after taxes**



**AED**  
**58.8 bn**  
(+6% YoY)  
**Customer deposits**



**22%**  
**Contribution to FAB  
Revenue**

From our 66 branches and cash offices across the UAE, FAB is the leading consumer bank in the nation, with unique client propositions catering to individual client segments. We seek to build deep and lasting relationships with our target segment customers by leveraging our market leading product portfolio, customer experience and digital proposition.

During 2021, FAB Consumer Banking achieved significant strategic milestones and noteworthy achievements, including carving out Magnati to accelerate growth in the

payments space and further enhancing our digital and mobile offerings to deliver seamless, efficient, and user-friendly services to our increasingly digitally savvy customer base.

Our progress during the year, which was recognised by a range of prestigious awards and recognitions, reinforced our strategic direction, including the application of advanced technologies, data, and analytics to refine and personalise customer experience, has positioned the business for further strategic growth in the coming year.



### **Expanding proposition and profitability in 2021**

FAB Consumer Banking generated a revenue of AED 4.9 billion, 5% lower year-on-year, as growth in net interest income was offset by lower fees and commissions in 2021. Loans, advances and Islamic financing grew 5% and CASA deposits grew 6% year-on-year, driven by mortgages, higher consumer spending and enhanced customer propositions.

Sales momentum continues to remain strong. Issuance of FAB credit cards in the UAE grew by over 50% in 2021, driven by score-based lending, market leading products and the success of our referral programme. UAE mortgage lending increased by 19% driven by leading rates and partnerships with top tier real estate developers. UAE personal loan lending grew by 26% when compared to 2020.

**Completion of the carve-out of Magnati**

In April 2021, FAB completed the carve-out of its existing payments business into a fully owned and operational subsidiary. This strategic milestone cements FAB’s leadership position in the payments space and unlock new growth opportunities, through a focused and agile model, underpinned by an intelligent payments platform that creates value for our merchants, partners, government and institutional clients.

Magnati witnessed 46% growth in transactions processed over pre-pandemic levels and surpassed full-year 2021 expectations significantly, as the economy opened up gradually and Expo 2020 inspired growth in consumer spending. It also succeeded in increasing its market share considerably during the year – seeing around 40% growth in new client acquisition and 46% growth in Total Processed Volume (TPV).

Through a growing ecosystem of partners, Magnati continued to extend its reach and impact throughout the year. These partnerships included:

- Al-Futtaim, to offer ‘Buy Now, Pay Later’ at IKEA online
- Emarat, to offer customers seamless, secure payment solutions
- Dubai Refreshment Company – Pepsi, to offer the region’s first-of-its-kind direct integration payment solution for vending machines deployed at Expo 2020
- RSA, to deliver seamless omni-channel payment experience to insurance customers
- Launched end-to-end subscription-based ‘Business in a Box’ solutions for in-store and online SMEs

Working alongside fintech partners, Magnati enhanced its Payment-As-A-Platform offering. The exceptional proposition and progress of Magnati was recognised through several leading industry awards during 2021, including the ‘Fintech Partnership Award’ by The Fintech Abu Dhabi Awards 2021 and ‘Best Customer Experience’ by MEA Finance Awards for our ‘Buy Now, Pay Later’ offering.

**Magnati in 2021 by the Numbers**

**+46%**

Acquiring  
processed  
transactions

**+46%**

Processed  
volume

**+39%**

New acquiring  
clients  
onboarded

**+19%**

Spends on  
issuer  
processing



## Making further strides in digital adoption

FAB Mobile, which received a 4.5 rating on Apple Store in December 2021, continues to provide customers with simple and convenient banking experiences. As a result, both registrations and engagement with our digital platforms increased in 2021, and 88% of transactions and service requests were performed through FAB Mobile compared to 85% in 2020.

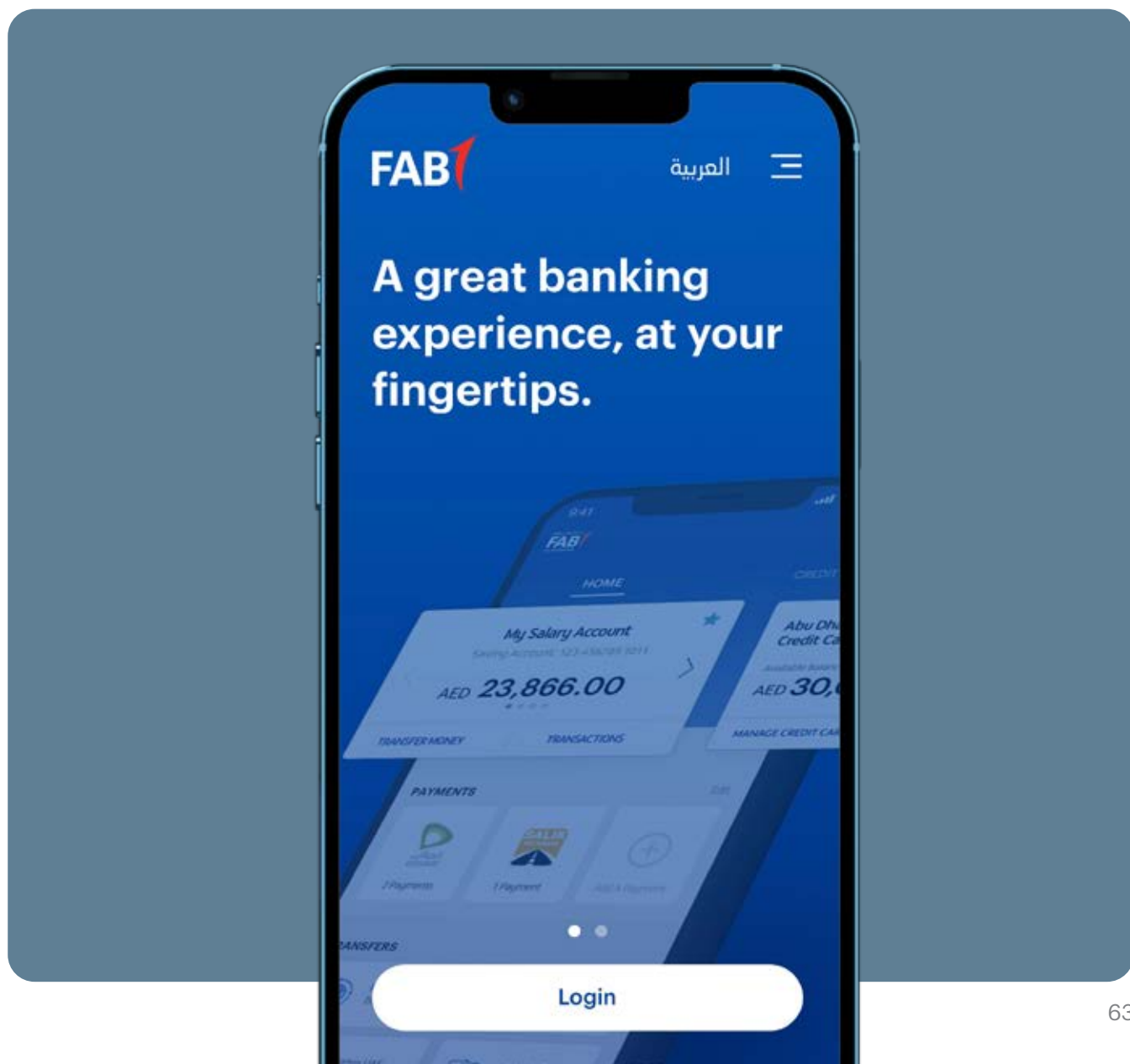
2021 saw the launch of end-to-end digital journeys for Multi-CASA new-to-bank (NTB) and Credit Card NTB customers on FAB Mobile, as well as the rollout of new Digital Secure Key and e-Sign features on the platform. As a result, 37% of all current accounts and savings accounts sold were executed independently through FAB's digital channels.

In addition, new digital journeys and capabilities launched across multiple channels helped reduce transactions

and service requests through our contact centre and physical channels. Calls into our contact centre reduced by 15% when compared to 2020 and the Bank closed eight branches and converted a further three to a digital operating set up.

FAB also launched the UAE's first ever location-based cashback gamification experience on Dubai First during the year, and became the first bank in the country to provide instant issuance of in-principle approval letters for mortgages.

The Group's mobile platform and advanced use of analytics received recognition in the period, with FAB winning 'Best Mobile Banking Service Implementation' at the MEA Finance Awards 2021 for the Bank's data-driven campaign promoting easy payment plans.



## Delivering services to meet the needs of Elite, UAE nationals and expatriate segments

Consumer Banking aims to become the leading bank for Elite, UAE nationals, expatriate customers wanting to make the UAE their permanent home, and young adults. This will be achieved by delivering enhanced services to meet the specific needs of these groups – including in the areas of family finances, home buying and wealth management.

Through the introduction of a new Elite World segment, with an enhanced proposition and coverage model, we improved service, raised deposits, and grew Elite investment AUMs by 46% year-on-year. Meanwhile market leading product rates and features, together with an enhanced Islamic sales model, helped us acquire 30% more UAE National customers in 2021 compared to 2020. Going forward, we will further personalise our products and services to cater to the unique needs of these groups and capture full banking relationships by rewarding loyalty and becoming central to customers' day-to-day lives.

## Delivering an enhanced customer experience

FAB Consumer Banking continued to implement new initiatives to enhance customer satisfaction and streamline processes to provide seamless banking experiences throughout 2021, achieving an overall Net Promoter Score (NPS) of close to 60 in 2021, with a 5% drop in customer complaints.

FAB deployed advanced analytics across the business to deepen customer relationships. AI-driven campaigns, hyper contextualised location-based notifications and gamification were deployed to improve spends, product cross-sell, product utilisation, retention, and employee productivity.

Consumer Banking also activated a number of new customer-centric partnerships in 2021, including with the Abu Dhabi Residents Office to serve Golden Visa holders, the Mohamed Bin Rashid Housing Programme, Danube Home, Zomato, Noon, and the Al Futtaim Group (offering exclusive discounts from IKEA to National Housing Loan customers along with free delivery and assembly).

Our people continue to be key to delivering leading customer experiences, and the knowledge and best practices of customer facing employees were enhanced via drop-in clinics, virtual events, and internationally accredited training programmes.

## Looking ahead

Consumer Banking enters 2022 with a **robust pipeline of initiatives** to enhance product offerings, scale up digital sales and transform distribution. Planned product rollouts in 2022 include innovative relationship bundles, loyalty offerings, a new employee banking proposition, child and youth propositions and overdrafts.

**New digital offerings** will include end-to-end personal instalment loan journeys, new housing, wealth management and investment platforms, and mobile family banking solutions. Physical distribution will be transformed by equipping staff with digital tools and further optimising branches. At Magnati, we are currently working on 28 fintech partnerships and our Payment-As-A-Platform is taking a much larger shape to become the Appstore/Playstore of payments.



# GLOBAL PRIVATE BANKING

FAB Global Private Banking is the primary wealth manager in the region through its local expertise and global offering, which includes portfolio management, advisory capabilities, full custody services, as well as a top-notch selection of third-party funds and products.



**~50%**  
(YoY)  
**Growth in AUMs**



**~50%**  
(YoY)  
**Growth in UAE  
Advisory Mandates**



**AED**  
**952 mn**  
(-3% YoY)  
**Revenue**



**4%**  
**Contribution to FAB  
Revenue**

Global Private Banking (GPB) offers tailored wealth management solutions across its centres in the UAE, Switzerland, Saudi Arabia, Singapore, UK and France. This, along with FAB's status as one of the safest and strongest banks in the world, makes FAB's GPB the preferred choice for family offices and ultra-high and high-net worth individuals seeking to protect and grow their wealth.

Its Investment Management includes some of the best-performing regional mutual funds as well as balanced international multi-asset portfolios.

FAB is one of the only local banks in MENA to offer full custody services, which allows for in-house safekeeping, post-trading services, asset servicing and portfolio reporting of assets in more than 70 international financial markets.

## Serving our growing customer base

Assets under management in GPB grew almost 50% year-on-year, reaching a new record. FAB Investment Management's assets grew by 21% year-on-year, while the number of mandates for advisory services increased by 50%.

GPB was a key driver of the IPO activity, significantly contributing to one of the best years for IPOs and bond offerings in the local market, which included several landmark transactions led by FAB. The equity activity contributed to the rise in assets under management of Global Private Banking and to higher sales of non-lending products, which led to a 5% growth in non-interest income. Revenues overall, however, fell by 3% as low rates adversely impacted net interest margins.

Our flagship Investment Management MENA equity funds delivered their best yearly performance to date, returning 32% in 2021, outperforming the benchmark by about four percentage points. The results were driven by careful stock selection and rigorous asset allocation, which led to an overweight rating in the Abu Dhabi stock market, one of the best-performing in the world last year.

# Global Private Banking Proposition

---

Wide range of Products and Services available to our clients across Global Centres

---

## Investment Products and Services

- Trade Execution Services
- Investment Advisory Services
- Discretionary Portfolio Management (DPM)
- Private Market Investments
- FAB Funds
- Global (Third Party) Funds
- Financing Solutions (Lombard And Specialised Lending)
- Custody services

## Everyday Banking

- Real Estate Lending/Financing – Commercial & Residential
- Access to Conventional & Islamic Products & Services including Personal Financing, Auto Loans and Credit Cards



---

\*Note: Products and services vary by the centres as FAB GPB complies with local regulations



### **FAB Investment Management Delivers Best-in-Class Performance**

Global investors turned their eyes more keenly to the MENA markets last year, with the Abu Dhabi Securities Exchange's benchmark index in particular being one of the best performing indices in the world. In this high-performing environment, FAB Investment Management mutual funds stood out, with three of its MENA equity funds in the 90th percentile in terms of performance.

The MENA Shariah Growth fund was the best-performing Dirham-denominated MENA fund across the asset class, with a full-year return of 40%. This was an outperformance of nearly 17 percentage points compared to the index the fund uses as a benchmark, the S&P Pan-Arab Composite Large and Mid-Cap Shariah Index.

### **Looking ahead**

Global Private Banking will continue to grow its market share globally, availing its unique proposition, worldwide reach, and strength of FAB's franchise. While the focus remains on its strategic markets, namely the UAE, Saudi Arabia, Switzerland, Singapore, UK, France and Egypt, GPB is also expanding beyond those borders.

To achieve this growth, GPB continues to work together with other parts of the Bank to ensure FAB is a one-stop shop, in which clients have access to a wide range of banking services, from managing their personal wealth to bringing their companies to the capital markets. This includes offering them financing and investment solutions across every asset class, from private credit and real estate to equity and bond markets.

In doing so, GPB continues to serve clients from the MENA region seeking to invest globally, and global clients looking to explore the regional markets. GPBs reach and expertise also enables clients from emerging markets seeking access to developed markets and vice-versa using FAB as their springboard, with unparalleled service and safety.



### **Our award-winning franchise**

GPB continues to embrace technology to improve and grow its offerings for clients. The quality and breadth of our products and services have served to position FAB as a private bank of choice for HNWIs and institutions, as reflected by multiple industry recognitions received throughout 2021.

### WealthBriefing MENA Awards 2021



# INTERNATIONAL OPERATIONS

In a landmark year, FAB continued to expand its presence in target markets, achieving significant strategic milestones including the acquisition of Bank Audi Egypt.

FAB's international franchise remains one of its key competitive differentiators, offering enhanced connectivity to our clients and capturing growing trade and investment flows, while providing revenue diversification to the Group to mitigate risk. During 2021, the Group made excellent progress in its strategy to gain market share and increase penetration in target markets.

In a historic first for FAB, the Group completed its **first international acquisition** of Bank Audi Egypt (BAE) in April 2021. The transaction is in line with the Group's international strategy to expand its presence in target markets outside FAB's home market, in particular Egypt and Saudi Arabia. During 2021, FAB received **regulatory approval to establish its first branch in Shanghai**, which will further expand the Bank's strategic footprint in Asia, offering enhanced connectivity for clients.

**Revenue from international operations** grew 26% during the year, contributing 18% to Group revenue, with higher contributions from our franchises in Egypt (including consolidation of BAE), Saudi Arabia and the USA. The Middle East and Africa region now contributes 52% to the Group's international revenues, while Europe and America, and Asia-Pacific contribute 34% and 14%, respectively. Consequently, profit after taxes grew 88% year-on-year further, enhanced by the decline in impairment charges despite a significant increase in costs from the consolidation of BAE and its integration-related expenses.

**Loans, advances and Islamic financing** were up 2% year-on-year as the consolidation of Bank Audi Egypt offset the deliberate reduction in non-strategic assets and represent 26% of the Group's total loans. **Customer deposits** were up 27% year-on-year not only due to the Bank Audi Egypt consolidation, but also on the back of strong growth in FAB's overseas franchises in Saudi Arabia, USA, UK, Hong Kong and Singapore and now represents 28% of the Group's total deposits.

Looking forward, while the integration of FAB's Egypt operations is well underway to be completed during 2022, we **expect continued strong growth from our targeted markets** like Egypt and Saudi Arabia.



**AED  
3.8 bn**  
(+26%)  
**Revenue**



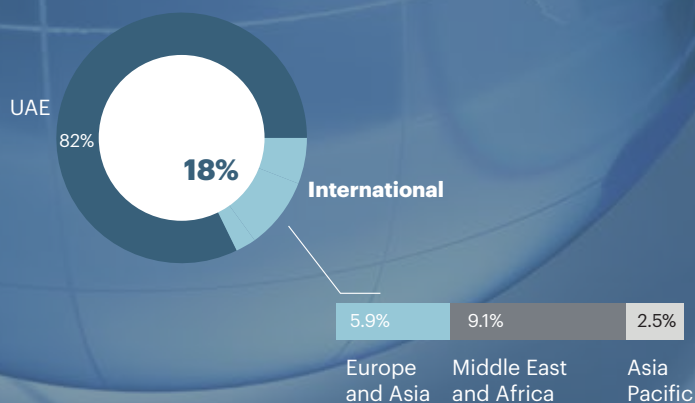
**AED  
1.4 bn**  
(+88%)  
**Profit after taxes**



**18%**  
(FY'20: 16%)  
**Contribution to FAB  
Revenue**

## BREAKDOWN BY GEOGRAPHY:

### Revenue



THROUGH  
STRATEGIC GLOBAL  
PRESENCE ACROSS  
**5 CONTINENTS  
AND 19 MARKETS**  
(including UAE)

### Loans

International **26.0%**

UAE 74%

### Deposits

International **28.0%**

UAE 72%

# OUR TECHNOLOGY EVOLUTION JOURNEY

FAB has already started a Technology Transformation (called “FAB Technology Evolution”) with the objective of becoming the most modern regional bank with future ready technology and an increasing connection to the broader economy.

## Merger 2018

- Established our Analytics and AI unit
- Launched unified FAB Online Banking and Mobile channels
- Instant opening of savings account, gold accounts and term deposits
- Launched FABRIC (FAB Research and Innovation Centre)

## Journey 2019

- Enabled to instantly join FAB through Mobile Banking
- Launched several digital card-related innovations

## COVID-19 Prompt Reaction 2020

- Enabled 9,000 people working from home
- Launched (teller-less) digital branches
- Launched FAB corporate mobile app, FAB ePay, FAB eSign, and SME Digital Account
- Launched several digital features and innovations

## FAB Technology Evolution 2021

- Started Cloud migration
- Started infrastructure and Tech Platform modernisation journey
- Launched FAB Open Banking platform
- Launched new Agile operating model
- Created business-aligned technology organisation
- Further launched new digital features and innovations

FAB is on an ambitious journey to become a regional banking leader, with future proof technology and deep integration with the broader economy. During 2021, we continued to build on our strong momentum and previous achievements to accelerate our digital transformation, enhance efficiency and drive stakeholder value. By

putting the evolving needs of our customers and business at the centre of our focus, we launched a range of new services, delivered innovative payment solutions and maintained our advanced digital servicing capabilities, while laying the groundwork for further digital innovation and value creation moving forward.

## FAB Technology Evolution: 3 Strategic Pillars

In 2021, FAB achieved significant progress across the pillars of our digital strategy: 'establish world-class technology foundations', 'build strong digital capabilities' and 'enable new ways of working'

Deliver best-in-class modern, resilient and efficient technology solutions to enable the Group vision and create value for the Bank's customers and stakeholders

### 3 strategic pillars

#### 1 Establish world-class technology foundations

to enhance operational efficiency through the upgrading and reshaping of our technology backbone

#### 2 Build strong digital capabilities

to deliver best-in-class customer service

#### 3 Enable new Ways of Working (WoW)

to optimise business output by changing the way the Bank operates

### Establishing world-class technology foundations by leveraging the Cloud

Enabled by our Cloud-first strategy, our pace of innovation is accelerating across the board. During 2021, FAB leveraged the public Cloud to elevate customer experience, support our employees, drive innovation and enhance security.

Consumer Banking launched several digital onboarding journeys for customers to sign-up through self-service for various FAB current accounts and credit cards and avail a fully operational account or credit card within minutes.

To enhance the digital security of our customers' data, when customers register for FAB's mobile app, we leverage a Cloud-based system to perform a liveness check to match the customer's identity with his or her Emirates ID information. We also leveraged the Cloud to enhance the way customers approve transactions, reducing the use of OTP via SMS or email.

To power innovation in the UAE financial services system, FAB leveraged the Cloud to launch, in preview mode, our Open Banking platform: the FAB Developer portal ([developer.bankfab.com](https://developer.bankfab.com)). It enables other companies to integrate our services and features with their applications to build and extend their products and services via APIs (application programming interface).

FAB also leveraged the Cloud to accelerate development and testing. FAB's hundreds of developers and testers utilise Cloud-based virtual desktops to conduct most of their work. The adoption of Cloud-based virtual desktops allows FAB to provide our developers with the latest software and hardware capabilities to innovate on behalf of our customers, while raising the bar in security.

Finally, FAB's Group Human Resources has applied Cloud technology to enhance employee engagement by providing our employees with a digital marketplace where they can find opportunities for the skills they have today and for the skills they want to build.

### FAB's Cloud Tech Platform

- First UAE financial institution to host a service in the UAE's national Cloud (G42).
- Over 250 staff are Cloud certified.
- Security within the Consumer Banking Mobile channel improved, and fraud radically reduced via the implementation of digital secure key, replacing traditional weak SMS/OTP protocols.
- Over 40 production services are now live in the Cloud, running with the equivalent of 1,000 VM's (virtual machines).
- Autoscaling enabled FAB to deal with a 300% increase in digital traffic during peak hours.
- Autoscaling introduced across our Cloud VDI (virtual desktop infrastructure) development community, providing them with desktops with four times the computing capacity for 20% less cost.
- 40% of FAB APIs now on Cloud-based platform.
- Zero customer affecting production service outage in the Cloud in 2021.

### New ways of working

FAB has an active and engaged 'Agile Centre of Excellence', tasked with rolling out all practices related to agility across technology and business. During 2021, we established a coaching and training programme called 'FAB agility' to support cross-functional service teams in migrating to an Agile way of working. The move to Agile is already providing value to our customers and customer-facing businesses through:

- **Increased velocity** (a measure of productivity) by up to 123%, meaning a lower cost of delivery.
- **Faster time-to-market** – time taken to analyse, build, test, and release features has been reduced by up to 50%, enabling more features to be deployed frequently (up to two releases a month).
- **50% to 100% reduction in defects** has been observed by teams where testing in-sprint was introduced, leading to improved quality of deliverables produced.

Further, FAB is establishing the foundational elements for DevOps, through a robust platform, infrastructure and toolset, as well as moving towards product value stream centric planning and delivery via the creation of product

catalogues. This is supported by moving away from annual to quarterly planning and delivery, already piloted in a few product value streams, enabling us to be flexible and agile in adapting to changes in our strategy or the market, and focus on delivering the highest value output.

### Increased digital adoption through innovation and seamless customer experience

FAB's digital teams maintained their momentum and further accelerated digital delivery in 2021. During the year, our digital capabilities have continued to focus on enhancing customer experience as digital touchpoints became the preferred channel of choice of our customers. The move towards a digital proposition was reflected in a significant increase in transactions made via digital channels.

In the Global Transaction Banking space, this includes a 6% increase in payments transactions between January 2020 and December 2021, a 56% increase in trade transactions, and a 58% increase in cheque deposits being made by digital channels. In Consumer Banking, onboarding of new-to-bank CASA executed by customers independently through FABs digital channels stood at 37% for 2021.

## 88%

of digitally available transactions and service requests performed through Internet banking and Mobile banking

## 83%

of digitally available transactions and service requests are fully end-to-end digitised or STP (straight through processing)

## 37%

new-to-bank CASA are digitally onboarded



### Progress in enhancing customer experience through digitisation in 2021 included:

- Launched real-time, instant onboarding for clients across a full suite of seven CASA products and over 20 credit cards through FAB Mobile. Leveraging the power of Cloud and through partnerships with government agencies (including TAMM, ICA and eDirham) and Facetec to securely complete KYC through video selfie and Emirates IDC NFC, FAB has completely digitised the end-to-end journey for customers, enabling significant process efficiency and allowing for a seamless customer experience.
- Dubai First, one of FAB's premium card brands, in partnership with Mastercard and fintech Flybits, launched the UAE's first location-based cashback gamification experience.
- Customer screening and credit decisioning have also been fully automated, enabling instant credit decision for asset products.
- Digital spend based Buy-Now-Pay-Later (BNPL) instalments increased more than six times in 2021. FAB had introduced its BNPL solution for its merchant partners in late 2020 in partnership with UAE-based fintech startup Tabby.
- Launch of DigiCheques on the Corporate Mobile app and extending the coverage for FABeSign to over 2,000 clients.
- Developed the groundbreaking and innovative UAE Trade Connect platform (jointly with Etisalat) and FABeSCF platform (e-supply chain finance).
- FAB activated new payments and receivables management products for the Abu Dhabi Securities Exchange (ADX) and began tailoring a digitised cash deposit solution through FAB ePAY for our partners.

### Accolades

Our efforts in offering the best mobile banking services were recognised in 2021:

#### MEA Finance



for FAB's data-driven campaigns driving personalised spend based EPPs (easy payment plans)



Implementation – helping customers with finance instalments through COVID-19

#### Global Finance Magazine



based on our investment in open innovation and platforms



based on our superior user experience in mobile banking

# FAB Mobile Enhancements in 2021

## Fully digital onboarding journeys

Both new and existing customers can now sign up for a FAB account or credit card of their choice, using just their Emirates ID and a video selfie.



## New security authentication

No more SMS and email passwords to complete transactions. Our new secure method of authentication has multiple layers of security keep finances secure.



## Instant access to credit card services

Customers can turn purchases into convenient payment plans, get immediate cash on their credit card or transfer any other card balance to a FAB credit card. All in a few taps.



## Choose your notifications

Customers can choose how they'd like to receive alerts about their digital transactions or activities – whether through mobile notifications or SMS.



## Mailbox organisation

We've made big improvements to the mailbox with convenient new tabs for 'Alerts' and 'Offers'. Customers can also edit the mailbox and delete multiple messages at a time.



## Complaint tracking

No follow ups required with the contact centre. Customers can track the status of their complaints through the app and get notified when their complaint is resolved.



## Enhanced FAB dashboard

Customers can get a consolidated view of all their FAB products under 'My FAB Dashboard'.



## Instant Supplementary cards

Primary credit card holders can choose a supplementary card on FAB Mobile, decide on the card limit and get it approved in minutes.



## ShopSmart

Customers can now enjoy exclusive deals, discounts and cashback through ShopSmart, in just a few taps.



## eDirham cards & top-up

We've made getting and topping up an eDirham card easier. Customers can apply for a card or top up conveniently on FAB Mobile.



## Creating significant efficiencies through automation

The Automation Centre of Excellence (CoE) was set up in 2019 with the aim of automating processes to enhance productivity and efficiency, reduce operational risks and improve customer experience. Since its inception, FAB has successfully delivered more than 200 projects, thereby making them faster, more efficient and error free.

Our strong governance framework facilitates a structured and robust approach to selecting processes for automation, to ensure standardisation and maximum utilisation of the reusable components. The Automation CoE has successfully set up a network of automation business champions from each business unit and this collaboration has been instrumental in imparting an 'Automation First' mindset across the Bank. The collaboration has resulted in rapid scaling up of automations across the UAE and six other international locations in Egypt, Saudi Arabia, Singapore, USA, France, and Bahrain.

In 2021, we focused on intelligent process automation by embedding artificial intelligence (AI) solutions along with RPA. One such key implementation is an intelligent solution for bank statement analysis, providing a 360-degree view of the customers' financial health. This enabled quick credit assessment and real-time decisioning. Moreover, the automation of repetitive processes has enabled our employees to focus on our customers, resulting in better customer experience and increased customer loyalty.

In particular, automation has led to the following key benefits for FAB and our customers:

### 114

automations delivered in 2021 (88 for the UAE and 26 for international) with a total of 210 automations delivered since 2019.

Overall, Bots have successfully processed around

### 5.2 million

transactions, resulting in savings of more than 636,000 man-hours.

### 54%

average reduction in AHT (Average Handling Time) for automated processes.

### 26%

average reduction in TAT (Turn Around Time) for automated processes.

## Reduction in errors and thereby losses due to operational risks

## Leveraging data analytics and Artificial Intelligence to drive innovation and customer experience

Established in 2018, FAB's Analytics and AI Unit seeks to improve customer experience, drive efficiencies and innovation, and deliver additional revenue growth. Our highly skilled data scientists apply modern and sophisticated analytics and AI models across the Bank.

In 2021, we significantly enhanced our Analytics and AI capabilities by expanding our talent pool and technology stack to keep pace with growing business needs, improve customer experience and drive innovation. During the year, we successfully achieved the following:

- Enhanced our real time data capabilities with the inclusion of external data assets across business units to analyse customer patterns and behaviour, improving our quality of data-driven insights and decision-making.
- Improved our Voice of Customer platform using advanced artificial intelligence and machine learning (AI/ML) and cognitive services to focus on customer voice and offer real time insights to the business for better decision-making.
- Introduced hybrid Cloud implementations to modernise our technology stack and leverage cloud computing power to build semantic intelligence to offer insights and improve customer experience.
- Developed world-class virtual agents for our Ratibi<sup>1</sup> customers, enhancing customer experience by offering immediate answers to their most recurring enquires.
- Embedded GraphDB and No Code ML platform to enable the business to perform enhanced data analytics and draw insights on demand.
- Launched an AI based chatbot named AIDA (Artificial Intelligence Digital Assistant) for our employees to interact and receive immediate responses to frequent queries.
- Cross leveraged AI/ML and RPA platforms to build intelligent mailbox solutions that automate workflows for tracking and responding to customer interactions.

<sup>1</sup> Wage payroll solution for employees with salary up to AED 5,000 per month

## FABRIC: Inspiring tangible corporate innovation

Now in its third year, the FAB Research and Innovation Centre (FABRIC) continues to be a critical enabler of tangible corporate innovation and FAB's wider digital transformation goals in an era of constant, disruptive change.

Since its inception, FABRIC inspires teams to think creatively and seek challenges and opportunities to become catalysts for change. Teams across the Bank engage with the FABRIC "Innovation Toolkit" to solve real business challenges through research, design thinking, fintech, product design and innovation strategy.

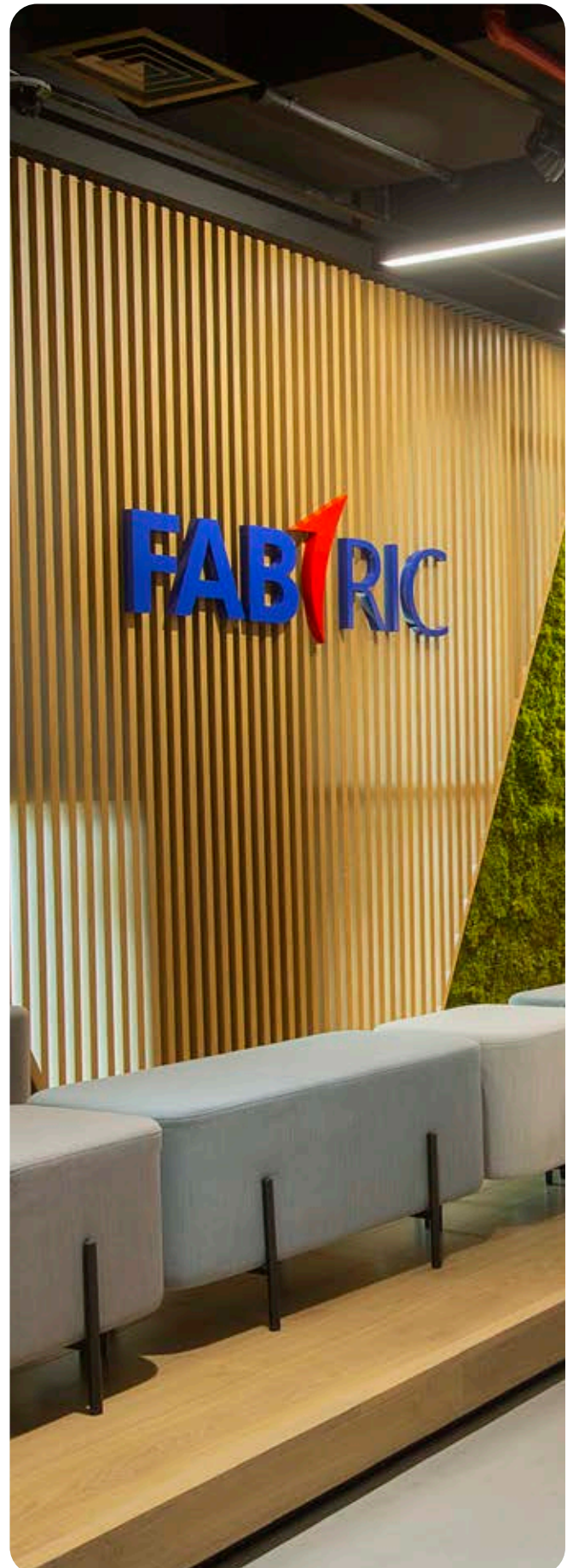
### Key achievements in 2021 include:

- Hosted over 20 events and workshops with internationally regarded leaders covering global trends to inspire teams to think differently, engaging over 2,000 FAB staff in the UAE and internationally.
- Delivered 12 key research projects to get closer to our customers and ultimately build better products and services, including Accessibility research to support the new Customer Protection Regulation (CPR) in 2021.
- Unlocked the potential and value of fintech and Open Banking, delivering 11 fintech projects with multiple teams resulting in new technology benefits for FAB and our customers. With the expected UAE Open Banking Framework, FABRIC built awareness and capabilities for Open Banking - including training, key partnerships, regional sandboxes, and proof of concepts.
- Created superior digital products and experiences and innovative digital product designs for key projects across the Bank. Established a design centre of excellence, design system and agile design operations.
- Delivered over 70 projects with teams across the Bank to solve business challenges creatively and collaboratively through the FABRIC Innovation Toolkit.

### Continuing our Technology Evolution Journey

In the year ahead, FAB will drive further product innovation through digital and launch new propositions to support customers with all their banking needs, across mortgages, personal loans and other asset products.

We are continually seeking to leverage digital across all of the Bank's channels to unlock process efficiency and enhance experience across FAB. As such, we will launch a suite of new digital tools built on AI and Machine Learning to make it easier for customers to connect with the Bank digitally and increase cross-sell and customer retention.







# OUR APPROACH TO SUSTAINABILITY

FAB's 2021 Sustainability Highlights	<b>82</b>
ESG Strategy	<b>83</b>
How Sustainability is Governed at FAB	<b>84</b>
Capitalising on our Social Responsibility	<b>90</b>

# FAB'S 2021 SUSTAINABILITY HIGHLIGHTS

FAB launched its new Group ESG Strategy designed to accelerate growth in areas that are most pertinent to emerging sustainability opportunities and challenges. Although ESG has long

been a key element of FAB's success, our new strategy sets a clear pathway forward aligned with current market conditions and stakeholder expectations.

Group ESG Strategy launched with a **transformed ESG Governance structure**

Appointed first **Chief Sustainability Officer**

Set a target to lend, invest and facilitate business over

**USD 75 billion by 2030**



to activities focused on environmental and socially responsible solutions

Led the issue of the first sustainability-linked loan in global aviation tied to ESG targets

**USD 1.2 billion loan to Etihad Airways**



Became the first bank in the UAE and GCC to join the

**UNEP FI's Net-Zero Banking Alliance (NZBA),**

setting short-, medium- and long-term targets for greenhouse gas reduction in 2022

Women held

**32%**

of senior and mid-management positions

Issued

**762,000**

new Ratibi prepaid payroll cards, an increase of 13% from 2020

Currently manages

**50%**

of the Khalifa Fund Portfolio<sup>1</sup>

<sup>1</sup>Independent agency of the Government of Abu Dhabi, to cultivate entrepreneurship and catalyse the development of the UAE Small & Medium Enterprises Sector

# ESG STRATEGY

## ESG Strategy

It is now widely recognised that ESG issues are a key driver of both risk and opportunity for financial institutions. We have a responsibility to our stakeholders to ensure that ESG issues are effectively managed by the Bank.

With this in mind, in 2021 we started to define our new ESG Strategy with the goal of ensuring that the Bank

stays ahead of the curve as stakeholder expectations evolve. Our approach to sustainability is guided by three pillars: our governance model, transitioning to a low carbon future and positive social impact. All three pillars ultimately support FAB's goal of sustainable financial performance by reducing risk and creating new business opportunities.

## Our new ESG strategy will focus on three pillars

We have set KPIs in each of the three pillars to work towards our ESG ambitions



### Transforming our Governance Model<sup>1,2</sup>

**We will commit to the highest standards for ESG accountability, transparency and risk management**

*This pillar outlines FAB's approach to a governance model including identifying incentives linked to ESG and responsible use of data*

- **Disclosures** of ESG KPIs and performance update, together with financial reporting
- **Incentives linked to ESG** with ESG criteria incorporated into FAB Group's Balance Scorecard from 2022
- **Whistleblower policies and processes**
- **Governance structures for dealing with ESG issues**
- **Responsible use of ESG data**



### Transitioning to a Low Carbon Future<sup>2</sup>

**To become the model sustainable FI in MENA  
To act in partnership with our stakeholders to accelerate the transition to a Net Zero society and economy**

*This pillar outlines FAB's approach to Net Zero transition, climate resilience and a circular economy*

- **Sustainable finance of USD 75Bn** by 2030
- **Incorporation of ESG** as part of vendor sourcing, selection & evaluation processes
- **Incorporation of smart energy management systems** to improve data tracking, measurement, and energy efficiency
- **Reducing carbon intensity** for key sectors by 2030
- Majority of energy for FAB's operations to be **driven by renewable sources by 2030**



### Capitalising on our Social Responsibility<sup>2</sup>

**To expand access to financial services for all – in particular , underbanked groups  
To foster a diverse, inclusive and equitable organisation**

*This pillar outlines FAB's approach to social responsibility including diversity, women's empowerment, education and financial inclusion*

- **To be a diverse and inclusive place of work**, promoting genuine equality of opportunity for all groups at all levels of the bank
- **Women to constitute 30%** of our senior management by 2025 & 40% by 2030
- **50% of staff will be UAE nationals** by 2025
- **Strategic focus on financial inclusion** including key markets such as Egypt
- **Continue social responsibility efforts** by committing towards donations & sponsorships

<sup>2</sup> This is a summarised list. For a comprehensive update, please refer to our latest Corporate ESG Report 2021

# HOW SUSTAINABILITY IS GOVERNED AT FAB

At FAB, we have formally integrated new committees and teams to the existing governance structure to be aligned with the Group's recently launched ESG Strategy. The sustainability policy sits within our Board Risk and Compliance Committee (BRCC) who guide and implement the Group's Sustainability vision. The Committee is the highest authority on ESG performance that monitors and reports on progress by engaging with leadership and business lines across the organisation. The sustainability policy feeds up into the Group ESG Committee (G-ESGC) with the Group CEO having oversight of the actions and activities relating to sustainability, climate change and ESG. On a functional level, the G-ESGC is supported by ESG and Sustainable Finance Committee (ESG-SFC) that converts policies and board directions into ESG strategies and monitors the ESG performances of business lines and support functions.

## Transforming Our Governance Model

The main topics of concern related to the governance category are as follows:

### Disclosure

- Disclosure of ESG KPIs and performance update on quarterly basis, together with financial reporting

### Incentives linked to ESG

- Incorporate ESG Criteria into FAB Group's Balance score card from 2022

### Whistleblower policies and processes

#### Governance structures for dealing with ESG issues

- Establish and update Board sub-committees with clear ESG responsibilities
- Continued and enhanced focus on Financial Crime and Anti Bribery
- Ensure strong governance and control measures for modern slavery and child labour aligned with global best practices

### Responsible use of ESG data

- Full implementation of Task Force on Climate – related Financial Disclosures (TCFD) recommendations
- Implementation of new ESG Risk Framework
- Ensuring transparency by enhancing our governance model



## Governance structure:

2021

### Committees with ESG Roles



### ESG Organisational Structure



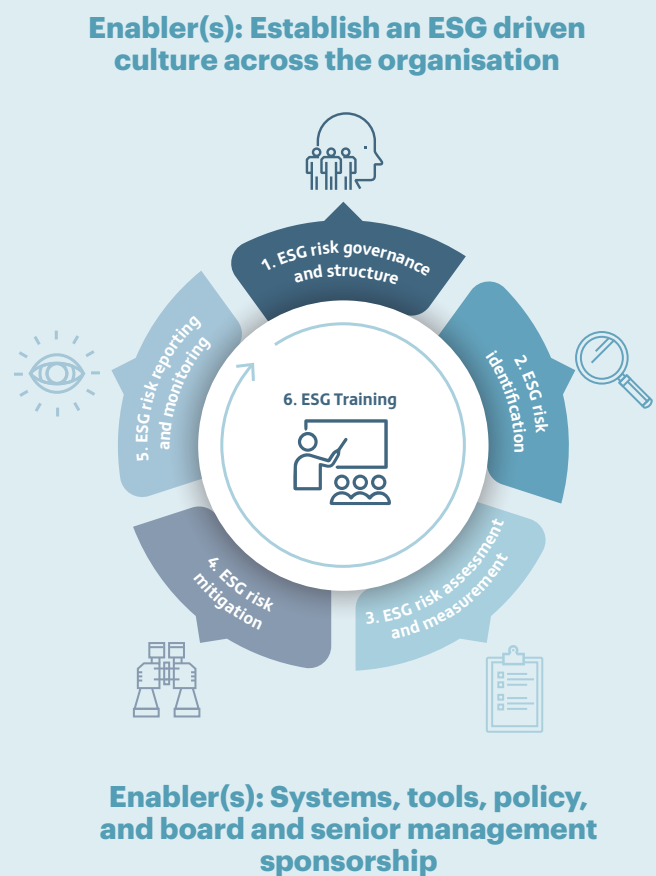
Key:

New committees/  
Support function

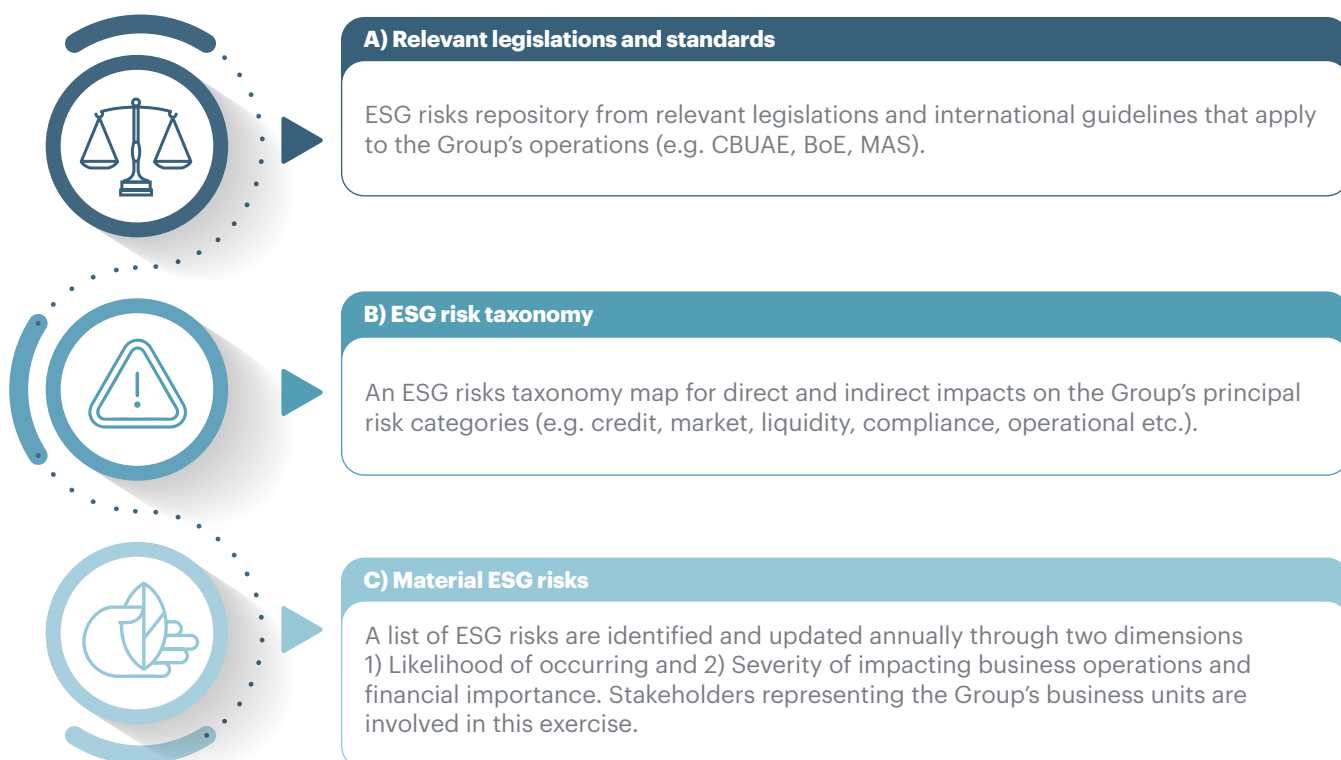
Existing  
structure

## ESG Risk Framework Components:

The Group adopts a holistic approach in integrating ESG risks starting with raising the level of ESG awareness and preparedness, developing a sound ESG risk governance structure and responsibilities, and developing tools and methods to identify, assess, manage, and report on ESG risks.



**The key measures considered in identifying ESG risks across the Group's operations include:**



**D) ESG risk appetite statement**

The ESG risk appetite is aligned with the Group's risk appetite framework. It includes quantitative and qualitative criteria that sets the Group's tolerance to ESG risks.

- **Quantitative metrics**
- ESG risk indicators set the Group's tolerance to indirect ESG risks emanating from exposures to counterparties and vendors with high risk ratings, along with appetite limits cascaded down to business functions.
- ESG performance indicators set the Group's risk tolerance to direct ESG risks by monitoring the performance of the Group's own ESG performance.
- **Qualitative risk criteria** includes a list of countries, sectors and activities of heightened sensitivity to ESG risks, which could negatively impact the Group (e.g. negative screening list, ESG critical activities and high ESG risk areas).

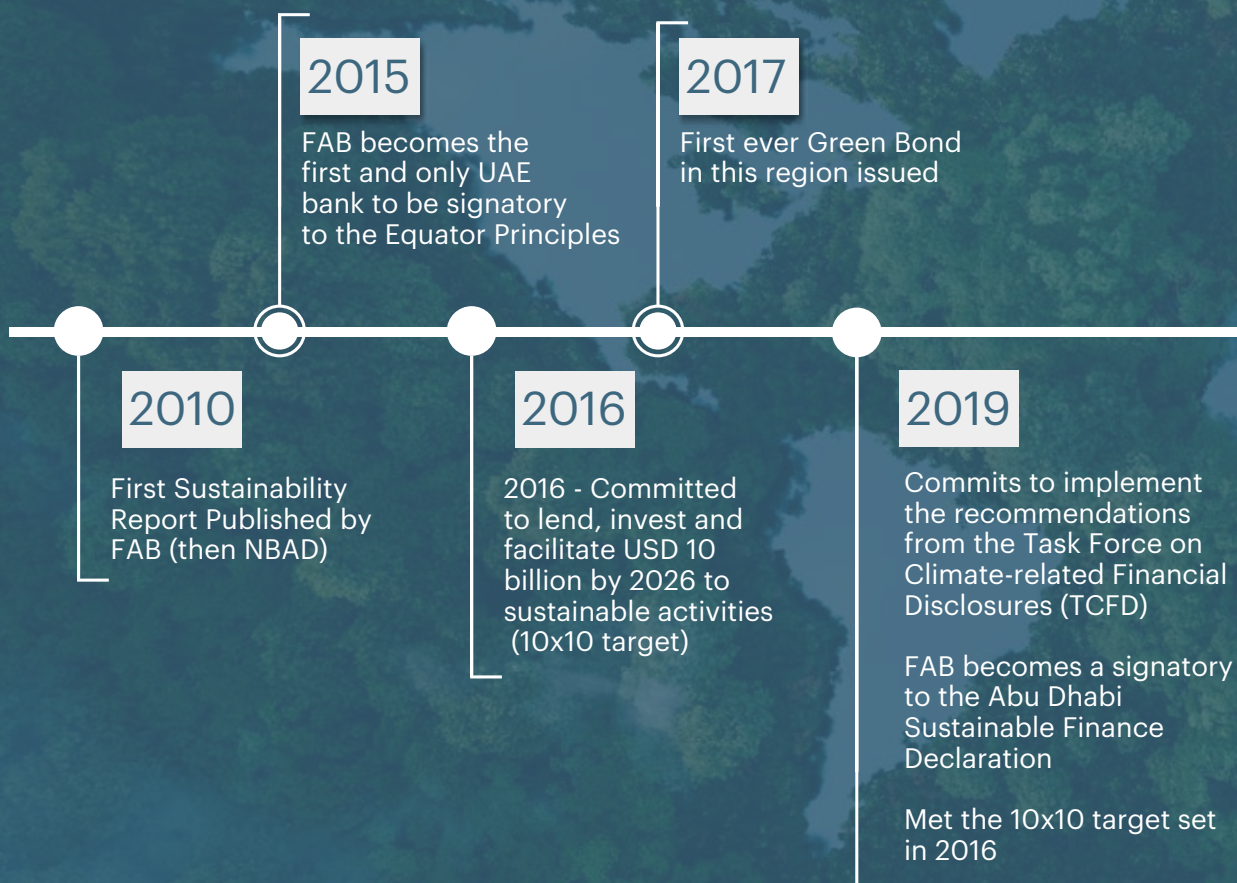
## Transitioning to a Low Carbon Future

### Net zero transition

- Sustainable Finance by 2030 worth more than USD 75 billion
- Incorporate ESG as part of the vendor sourcing, selection and evaluation process
- Incorporate smart energy management systems to improve data tracking, measurement and energy efficiency

### Climate adaptation and resilience

- Reduce carbon intensity for key sectors by 2030
- Majority of energy for FAB operations to be from renewable sources by 2030
- 30% reduction in water and energy consumption per employee by 2030



2021

Group ESG strategy finalised and approved

FAB became signatory of Net Zero Banking Alliance (NZBA)

New target to lend, invest, and facilitate business of USD 75 billion by 2030

2023

Implementation of TCFD recommendations and publication of first TCFD Report

2050

Net Zero carbon emissions



Execution of delivery plan to meet carbon emission reduction targets

2022

Define clear steps and intermediate goals to achieve Net Zero pathway

Develop Net Zero pathways for emissions from FAB Operations

2030



Reduction of carbon intensity for high ESG risk sectors



Finance and/or facilitate >USD 75 billion in sustainable or social projects over the period (2022-2030)



Achieve Net Zero from own operations (Scope 1 and 2)

# CAPITALISING ON OUR SOCIAL RESPONSIBILITY

In 2021, FAB continued to emphasise our social responsibility, with several achievements in the following areas:

## Employee well-being

Our employees are one of our most valuable assets, and safeguarding their health and well-being is important to FAB. We offer a variety of tools and services to help our workers maintain their physical, emotional and financial well-being. In accordance with our Human Resources philosophy and structure, we strive to build a human-centric workplace that is built on four fundamental pillars:

1. **Connectedness**
2. **Resilience**
3. **Agility**
4. **Empathy**

## Highlights

- Our employee absenteeism rate in 2021 was 9.66%, this is a 1.5% decrease compared to the previous year.
- FAB Cares Programme: Webinars with leading doctors who spoke extensively on the care, well-being, vaccination and other measure that individuals and families can take for their well-being and safeguard from COVID-19.
- We had doctors from Mediclinic who gave employees talks on the importance and steps that employees can take for their mental well-being.
- Partnered with ICAS, one of the leading health consultancies, and provided our employees and their families with helpline services which focused on psychological, physical, financial and legal guidance.

## Diversity and inclusion

We consider that diversity and inclusion serve as a catalyst for creativity and economic stability, fostering healthier workplaces and communities even during times of adversity. We make a conscious effort to establish a workforce that represents the communities in which we operate. We are fostering a safe and inclusive work environment focused on cooperation, trust and equality.

A diverse and inclusive workforce can help us drive innovation, engage our employees, boost job satisfaction, increase productivity and produce better FAB outcomes and overall customer experiences.

We consider all qualified applicants for employment, regardless of gender, age, race, disability, religion or marital status, as an employer of choice. Our codes and policies are built around diversity and inclusion. We urge all employees, whether they are victims or witnesses, to report acts of discrimination or harassment and we evaluate all allegations.

## Highlights

- Women represent 42% of our total workforce and held 32% of senior and middle management positions.
- 113 female employees took parental leave and returned to work. We offer 60 paid calendar days and an additional 30 half-paid days' maternity leave for eligible employees. Five paid days of paternity leave is also available.
- Our diverse staff includes 5,000 employees from 80 different countries, 42% of whom are female.

## Targets:

- 30% of women in senior management by 2025, 40% of women in senior management by 2030
- 20% of female representation on all boards of subsidiaries by 2025, 40% of female representation on all boards of subsidiaries by 2030

### Talent attraction and retention

FAB offers rewarding employment opportunities for young professionals and recent graduates who are interested in advancing their careers with the company. We are utilising every opportunity to attract diverse talent and provide a path for employees to develop the skills needed to advance their role at the Bank. In 2021, we continued to recruit candidates through external markets, internal talent pool and employee recommendations. We managed to achieve this in a virtual environment while maintaining the health and safety of our staff and new recruits during the pandemic.

#### Highlights

The Bank started the development of our FAB Talent Marketplace initiative

### Emiratisation

As part of the UAE Government's efforts to increase awareness and encourage further localization in the financial services sector, FAB continues to implement an active and dynamic Emiratisation strategy. FAB seeks to unlock the potential of UAE Nationals to enable them to become a driving force for our Bank's growth. We are committed to cultivating Emirati talent by providing rewarding career opportunities to graduates up to all senior roles.

Over 50% of our staff will be UAE Nationals by 2025.

#### Highlights

- **The Bankers Programme:** A programme where the selected individuals go through a 6 month journey over three key stages covering qualification study and assessments, on job training and group projects.
- **Nujoom Development Programme:** Designed for high potential graduates in the banking field to go through a 12 month career development programme to prepare for future leader roles and up skill their capability.
- Total number of national employees increased by 12.4% relative to 2020.



## Learning and development

FAB plays a critical role in building team collaboration, facilitating learning and helping teams stay connected to one another. Our learning and development strategy assists our employees to enhance their talents and realize their potential. In 2021, we continued to support leaders and their teams through accelerated business change and the challenges associated with the pandemic. We ensure that all our employees receive a comprehensive understanding of FAB's operations, including its markets, customers and initiatives. Internal subject matter experts and reputable external partners collaborate with FAB to build relevant skill gaps and learning pathways. Business executives are actively engaged in the creation of content and the evaluation of its effect. Our strategy guarantees that the essential behavioral adjustments to enhance performance are adopted.

## Highlights

In 2021, we implemented a variety of learning and development initiatives, including:

- Launch of Consumer Protection learning modules: Customised sessions on Fraud Awareness were conducted for the Consumer Banking Group and Collections customer facing teams. In addition, two eLearning modules were launched. One for a bank-wide audience covering the fundamentals of the regulation and standards and a deep dive role specific module for consumer facing roles.
- ESG Awareness initiatives: A bank-wide module on ESG fundamentals was launched followed by customised deep dive ESG sessions for teams to drive and support FAB's roadmap in the ESG space.

## Financial Inclusion

At FAB, we seek to guarantee that people and companies of all backgrounds have access to financial solutions that are both accessible and beneficial. Our goal is to enhance economic health, and boost financial literacy in our communities, especially among financially excluded regions.

This is accomplished through a diverse selection of products and services, an expanding suite of digital solutions, financial literacy events, and banking professionals who speak our clients' native languages.

### Key Highlights

#### Ratibi

- For low-wage employees who do not have access to a bank account, we provide Ratibi prepaid payroll cards. Our Ratibi users can withdraw cash from ATM networks and use the card as a pre-paid debit card anywhere in the globe.
- In 2021, we issued 762,000 new Ratibi prepaid payroll cards, bringing the total number of active cards to 1.7 million and total load and reloads to AED 17 billion.

#### Social aid distribution card

- With the establishment of the first digital platform by the Abu Dhabi Social Authority, we were able to

expand Social Aid payments to low-income families in the UAE through a prepaid card issued by FAB.

- The Bank has issued over 5,900 cards so far, with a total value of AED 600 million credited to cards as of 2021.

#### Khalifa Fund:

- At FAB, we continue to support the Government of Abu Dhabi's Khalifa Fund for Enterprise Development, by providing a 3-5 year secured loan to support the entrepreneurial ventures of small business owners.
- Through our designated team, FAB currently manages 50% of the Khalifa Fund Portfolio, and plan to increase its size by 8-10% annually.

#### DWallet

- A collaboration between Prepaid Business and the Ministry of Human Resources and Emiratisation (MOHRE) resulted in the launch of the DWallet Card, a payroll card created specifically for domestic workers throughout the UAE.
- DWallet cards will allow domestic employees to have immediate access to their income in a safe and secure way. We issued 13,000 cards in 2021 and have partnered with Lulu Exchange to allow sponsors to recharge the cards.

Throughout the year, FAB continued to align the Bank's initiatives with key environmental, social and governance principles and considerations. For more information on FAB's latest ESG developments, download our 2021 ESG Report on <https://www.bankfab.com/en-ae/about-fab/sustainability/reports>.



بنك أبوظبي الأول  
FAB





# CORPORATE GOVERNANCE

A Message from the Chairman of the Board of Directors	<b>96</b>
Overview	<b>97</b>
Corporate Governance Framework at FAB	<b>98</b>
FAB Organisational Structure	<b>100</b>
Board Information	<b>101</b>
Biographies of Board Members	<b>103</b>
Board Governance	<b>108</b>
Board Committees Information	<b>110</b>
Shari'ah Governance	<b>115</b>
Senior Management	<b>118</b>
Management Committees	<b>121</b>
FAB UAE and International Subsidiaries, Branches and Representative Offices	<b>130</b>
The Group's Delegation of Authority ('DoA') Framework	<b>134</b>
Remuneration	<b>135</b>
Related Party Transactions	<b>136</b>
Consumer Protection	<b>137</b>
Disclosure and Transparency	<b>138</b>
Sustainability	<b>139</b>
Investor Relations	<b>140</b>

# A MESSAGE FROM THE **CHAIRMAN OF THE BOARD OF DIRECTORS**

On behalf of the Board of Directors, I am pleased to present the 2021 Annual Corporate Governance Report of First Abu Dhabi Bank PJSC.

As the Board of Directors, we understand that good Corporate Governance is essential to how our business operates, integral to embedding our strategy, and necessary for ensuring stakeholder confidence.

In 2021, we worked closely with our Senior Management team to embed the Corporate Governance framework across all areas of the FAB Group and uphold the highest ethical conduct standards to create long-term sustainable growth for our employees and customers, clients and communities.

## **Our Achievements in 2021**

In 2021, we oversaw the adoption and implementation of the Central Bank of UAE Consumer Protection Regulations across our business lines and focused on complying with Corporate Governance Regulations issued by our regulatory bodies in the UAE and abroad. FAB also played a significant role as a member of the UAE Banks Federation, providing advice on Corporate Governance matters across the UAE.

The Group also continued its international expansion, finalising the acquisition of Bank Audi Egypt and establishing a presence in Indonesia, and China.

The Board of Directors carried out periodical reviews of key policies, including risk management, internal controls, compliance, internal audit, financial reporting and outsourcing to ensure adequacy and compliance with corporate governance regulations and international standards.

## **2022 and beyond**

As the largest bank in the UAE, we are responsible for contributing to sustainable growth and development. The Board looks forward to working closely with FAB's stakeholders to continue enhancing the governance structure and ensuring a robust governance culture is embedded across FAB.

On behalf of FAB's Board of Directors, I recognise and thank the senior management team and the employees for their commitment to enhancing a governance culture, which we will continue to build upon in 2022 and beyond.

**Tahnoon bin Zayed Al Nahyan**  
**Chairman**

# OVERVIEW

The FAB Group, including its local and international subsidiaries, representative offices and branches, recognises that a well-considered and established corporate governance framework facilitates effective decision-making and builds a strong relationship with stakeholders through a transparent structure that supports high quality disclosures. The Group also recognises that such a framework should have attributes that contribute to effective governance, tools to address the governance risks, and provide a coherent structure that aligns the management's responsibilities with the Board's oversight responsibilities.

As the largest bank in the UAE, FAB is committed to continuously evolving and achieving best practices in corporate governance, business integrity and professionalism in its rapidly changing environment. Its Board-approved Corporate Governance Framework is aligned with the Bank's strategic objectives and reflects applicable regulatory guidelines, including those of the Central Bank of the UAE (CBUAE) and its other regulators. It is designed to reflect the CBUAE's 2019 Corporate Governance Regulation and Standards for Banks (the "CBUAE CG Regulations") including the Standards re Shari'ah Governance for Islamic Institutions of May 2020 and also encapsulates the most recent Consumer Protection Regulations and Standards responsibilities.

Under Article 2 of the CBUAE CG Regulations, members of the Board must ensure that a bank has robust corporate governance policies and processes commensurate with its risk profile and systemic importance. FAB's Corporate Governance Framework and the supporting Corporate Governance Policy are designed to meet this requirement. A strong governance framework is only as good as the people

who operate it. The culture in which we operate supports our commitment to adopting the spirit of the laws and regulations that govern FAB.

Our corporate values define the way we conduct our business. We strive to lead by example in demonstrating good corporate governance and recognise the importance of effective governance to our owners, our customers, employees, our communities and to us as a Bank. The Group's overarching corporate governance protocols are overseen by the Board, which directs the Group's affairs and works closely with the Executive Management to set the Group's strategic objectives. During the year, the Group's Board Risk and Compliance Committee ("BRCC") approved the reviewed and updated Group Corporate Governance Framework and the Group Corporate Governance Policy, providing a clear updated mandate and expectations around how FAB will continue to govern its business. It also has the prudent, closely monitored delegation of authority matrix that supports the need for independence in decision-making and escalation of reporting, clearly articulated individual and collective accountabilities, and compliance with all applicable laws and regulations. In 2021, First Abu Dhabi Bank (FAB) was delighted to become a strategic partner of GCC Board Directors Institute (GCC BDI), the region's leading not-for-profit organisation for corporate governance and board effectiveness in support of upholding best practices in corporate governance and economic development in the region.

At FAB, the authority and autonomy to operate within a controlled environment is an important tool and facilitates informed decisions by subject matter experts at the appropriate levels within the Bank.

# CORPORATE GOVERNANCE FRAMEWORK AT FAB

The Bank is governed by a framework consisting of a Board and committees. The emphasis in 2021 was to continue to support the evolution of the Committee's in terms of operating procedures, including the development of defined reporting lines to the Board committees. The emphasis was also on ensuring that all committees received the right information at the right level and at the right time so that members could make informed decisions. The secretaries of the Board and Board committees remain to be senior employees within the Bank and subject matter experts. This has helped to enhance the administration and quality of the meetings, specifically with regard to meeting preparation, minutes taking, record keeping and accountabilities around decisions taken.

The Board and Board Committee charters are updated annually and the focus in 2021 was to review and further update these documents to comply with the CBUAE Regulations on Islamic Standards and the Consumer Protection Regulations and Standards. The updated charters can be found on our website under "Corporate Governance Framework" section.

The management Committee charters are updated on a two-year cycle. The charters were reviewed in 2021 to ensure that they are aligned with the CBUAE's Regulations and best governance practices in terms of membership and roles and responsibilities.

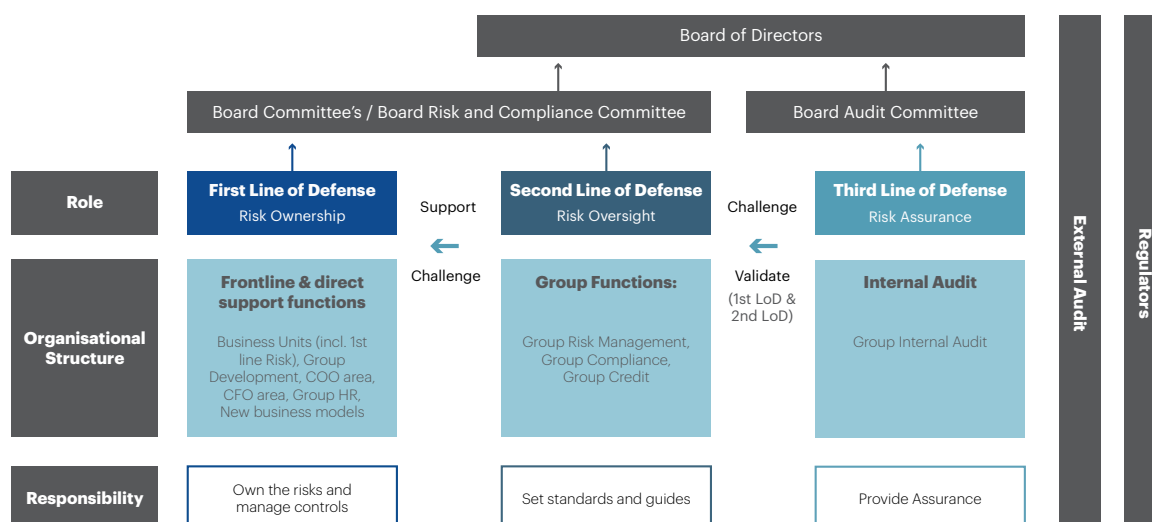
The corporate governance framework identifies the responsibilities and accountabilities of the Board and individual Board Directors; Board Committees; the Executive Committee and its supporting Management Committees; and the organisation's support and control functions.

An important part of FAB's governance framework is the Bank's Annual General Meeting (the "Meeting"). This is the opportunity for the shareholders to engage with the Board and raise questions. FAB held one meeting in respect of the 2020 financial year. The Meeting was held on 28 February, 2021 and had a number of purposes, including reviewing and approving the FAB Group's audited financial statements for the calendar year and re-election of the external auditors. In addition, the Board of Directors recommended a cash dividend of 74 fils per share (over AED 8 billion of cash dividends) in accordance with the Bank's aim and strategy of aligning the Bank's long-term sustainable goals and future growth plans with the best interests of the shareholders. The shareholders have approved the Board remuneration. The Internal Shari'ah Supervision Committee's annual report and the Internal Shari'ah Supervision Committee Members that were approved by the Higher Shari'ah Authority (HSA) of the CBUAE were also tabled and approved at the Meeting. In addition other special resolutions were approved as part of the meeting agenda.

## Governance, internal controls and risk management

Under the CBUAE CG Regulations, the Board has approved that the risk governance framework must incorporate a "three lines of defense" approach including senior management of the business lines, the functions of risk management and compliance, and an independent and effective internal audit function. The 3 Lines of Defense (3LOD) model is a tool used worldwide by banks and other financial institutions to support how risk is managed and the roles and responsibilities of businesses, enablement functions and control functions.

### The 3 Lines of Defense model is embedded in FAB Group's risk governance framework:



The significant functions, which form the control system, include Internal Audit, Risk, Compliance, Legal and Corporate Governance. Control functions within FAB functionally report to the Board or designated Committees, and administratively report to the GCEO. The CBUAE Corporate Governance Regulations require that control functions operate separately from the business (which is achieved through the 3LOD) and that the Heads of the Control functions have a direct reporting line to the relevant Board Committee. For example, the Group Chief Risk Officer reports functionally to the BRCC and administratively to GCEO, which means that all risk related matters are escalated to BRCC by GCRO while staffing, competency development and budgeting etc. are referred to GCEO. Similarly, the Group Head of Compliance has a direct right of access to the BRCC and the Board Audit Committee. These reporting lines are included in the relevant Board Committee charters.

Risk and Compliance committees provide quarterly reports to the Board Risk and Compliance Committee (BRCC). Similarly, Audit provides quarterly reports to the Board Audit Committee (BAC). Both BAC and BRCC report any significant matters as and when required to the Board of Directors.

## **Corporate Governance Policy**

To achieve the principles for good Corporate Governance, a robust policy has been developed which includes some of the following elements:

### **1. Group Articles of Association**

FAB Group Articles of Association (AOA) which is approved by the CBUAE, SCA and the shareholders at the Annual General Meeting, is considered as FAB's constitutional document that specifies the regulations for its operations and defines FAB's purpose. The AOA lays out how tasks are to be accomplished within the organisation, including the process for appointing directors and the handling of financial records and business across the Group.

### **2. Licenses**

FAB is registered with the Department of Economic Development ("DED") under License Number CN-1001897, FAB is also listed as a Private Joint Stock Company with the Securities and Commodities Authority ("SCA") and is licensed as a Commercial Bank by its main regulators the Central Bank of the UAE ("CBUAE").

### **3. Group Board and Board Committees**

Provide leadership and direction to the Group and includes: approval of the Group's strategy and risk appetite, monitoring business performance and the risk and control framework, and providing an effective challenge to the Executive Committee of the Bank.

### **4. Group and Subsidiary Management Committees**

Assist the Group Board and the Group Executive Committee (Group EXCO) to run and control the Bank. This includes providing oversight of financial performance and the risk and control framework across all of the Bank's businesses and functions, including those of its subsidiary companies.

### **5. Group Delegation of Authority Framework**

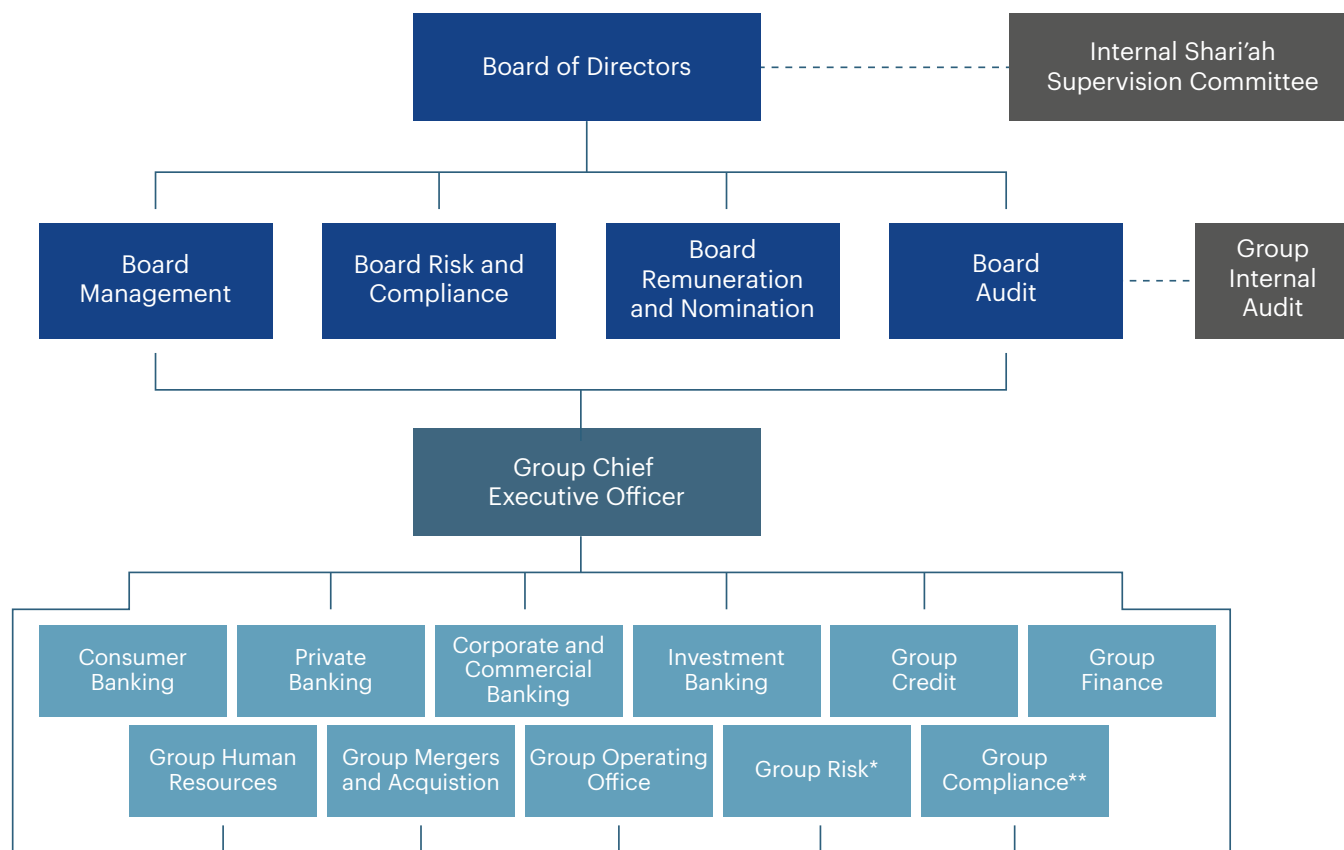
Defines and governs the Group's delegations of authority across financial and non-financial delegations, powers of attorney and the Bank's authorised signatories.

### **6. Governance controls**

The FAB Group also operates a number of policies, procedures and processes, which help determine how governance operates in the Group.

Corporate Governance Policy was restructured and approved by the Board Risk and Compliance Committee in January 2021. The Policy is reviewed on an annual basis.

# FAB ORGANISATIONAL STRUCTURE



\*Group Risk reports functionally to the Board Risk and Compliance Committee

\*\*Group Compliance has a direct right of access to the Board Risk and Compliance Committee and the Board Audit Committee

# BOARD INFORMATION

Pursuant to the FAB Group's Articles of Association and in accordance with Federal Law No. (2) of 2015 concerning Commercial Companies and its amendments, the Decretal Federal Law No. (14) of 2018 Regarding the Central Bank and Organisation of Financial Institutions and Activities, and the CBUAE Corporate Governance Regulations and Standards of September 2019 (The "CBUAE CG Regulations"), the FAB Board of Directors (The "Board") consists of 11 members. The Board of Directors is appointed on a three-year tenure at the Annual General Meeting in February 2020. The Annual General Meeting in February 2021 approved the appointment of H.E. André George Sayegh as a non-Executive and non-independent director to replace the resigned member H.E. Abdulhamid Saeed (resigned in April 2020).

The composition of the Board satisfies the generally acceptable corporate governance practice relating to the separation of Chair and Group Chief Executive and the majority membership of non-executive directors, UAE nationals and independent directors.

The Board is headed by an independent Chair who is elected from among its members. The Chair has authority to act and speak for the Board, including engaging with FAB senior management, facilitating communications between the Board and its shareholders, and meeting, or sending a delegate on his behalf (the GCEO), with representatives of FAB's regulators, as required, including the Central Bank of the UAE ("CBUAE") and Securities and Commodities Authority ("SCA").

The Chair provides leadership to the Board and is responsible for its overall effectiveness. The Chair ensures that Board decisions are taken on a sound and well-informed basis, encourage and promote critical discussion and ensure that dissenting views can be freely expressed during the decision-making process.

In the absence of the Chair, the Board meetings are chaired by the Vice-Chair.

The Chair has authority to act and speak for the Board, including engaging with the Bank's senior management. The Chair has a pivotal role in ensuring that the Board is updated on decisions and actions taken between meetings of the Board. The Chair also has oversight of the agenda, ensuring that it reflects the strategic nature of the Board's work.

To comply with CBUAE CG regulations and best international practices, the FAB Remuneration and Nomination Committee (REMCO) Charter was amended to

ensure that the Bank will consider candidates of any gender and from a wide range of backgrounds, ensuring that as a policy at least 20% of candidates for consideration for the Board's membership are female.

## Board of Directors' Responsibilities

- The Board is collectively responsible for directing the First Abu Dhabi Bank and its subsidiaries (together "FAB") towards the achievement of FAB's vision. To this end, the Board ensures that FAB's strategic leadership, financial soundness, governance, management supervision and controls are robust and effective.
- The Board is collectively responsible for the long-term success of FAB and the delivery of sustainable value to shareholders and customers and for ensuring effective control over the Bank's entire business.
- The Board sets the Group's tone, values and standards and ensures that its obligations to its shareholders, regulators and others are understood and met.
- Members of the Board must act with integrity, exercising their duty of care, duty of confidentiality and duty of loyalty. As part of this duty, they must act in the best interests of stakeholders whilst meeting regulatory expectations. Treating customers fairly is an integral part of FAB's governance and corporate culture.
- Members of the Board are responsible for raising the awareness and emphasis on the increasing importance of consumer protection rights, which is an integral part of FAB's governance and corporate culture, by promoting positive institutional conduct, well-qualified staff, providing necessary training, ensuring appropriate organisational structure, clear policies and procedures, and creating proper monitoring and controls mechanisms.
- Members of the Board are responsible for the implementation of an effective risk management culture and internal control framework across the Bank and the Group with respect to applicable regulations and standards. In order to promote a sound corporate culture, members of the Board must establish the 'Tone from the Top' by:
  - Setting and adhering to corporate values and creating expectations that all businesses must be conducted in a legal and ethical manner, and overseeing the adherence to such values by staff;
  - Providing direction and oversight on the implementation's effectiveness and adherence of applicable regulations and standards displayed via customers' data, experiences and major complaints, of which, the Boards' response must be recorded;
  - Promoting risk awareness within a strong risk culture, and setting the expectation that all staff are responsible for ensuring the Bank operates within the

established risk governance framework, risk appetite and risk limits;

- Ensuring that appropriate steps have been taken to communicate throughout the Bank the corporate values, professional standards and codes of conduct approved by the Board, together with supporting policies;
- Ensuring that staff are aware that appropriate disciplinary or other actions will follow unacceptable behaviours and transgressions;
- Ensuring suitability, accessibility, and fairness to all customers' categories within the Bank, including Islamic finance business and vulnerable groups; and
- Addressing any escalated decision from senior management or board management committees likely to have a material impact on FAB's customer portfolio with consumers best interest from any perspective including but not limited to financial, operational, strategic or reputation issues.
- The Board ensures that FAB has a fit and proper process for the selection of senior management, including the heads of the risk management, compliance and internal audit functions, and the maintenance of succession plans for senior management.

- The Board ensures FAB's compliance with Islamic Shari'ah Governance Standards and that there is a safeguard Shari'ah Governance Framework that is commensurate with the size and complexity of the operations of FAB and its risk appetite.

## Independency

At FAB, we follow the CBUAE CG Regulations to assess the Independency of our Board. According to these criteria, in 2021, nine out of eleven Board members of FAB were considered independent, as they have no relationship with the Bank or Group that could lead to benefit which may affect their decisions. They are not under any undue influence, internal or external, ownership or control, which would impede the Member's exercise of objective judgement.

For determining independency, each non-executive director is required to make at least an annual disclosure of all relevant information to the Board Secretary and to the Group Corporate Governance.

### Fact box

---

- All members of the Board are Non-Executive
  - Nine out of eleven members of the Board are Independent according to the criteria set by the CBUAE
  - No member can be on the Board for more than 12 consecutive years (four terms of three years)
  - All members of the Board are UAE nationals
  - Board structure has four Board committees
  - Board carried out annual assessment
  - Board and Board Committees held 21 meetings in 2021, of which 7 Board meetings
  - Nasdaq Boardvantage application was rolled out to the Board and Board sub-committees
  - Board KPIs were rolled out in 2021
  - Five years strategy approved by the Board
-

# BIOGRAPHIES OF BOARD MEMBERS



His Highness  
**Sheikh Tahnoon bin Zayed  
Al Nahyan**  
Independent non-executive Chairman

Independent non-executive Chairman  
Appointed to the Board of Directors on  
31 March, 2017  
Re-appointed to the Board of Directors  
on 24 February, 2020

**Board Committee membership**  
Chairman of the Board Remuneration  
and Nomination Committee

**Career**  
H.H. Sheikh Tahnoon bin Zayed Al  
Nahyan currently serves as the National  
Security Advisor of the United Arab  
Emirates. H.H. manages a business  
portfolio that straddles national  
security interests and the UAE's opaque  
corporate sector.

Previously H.H. served as Deputy Na-  
tional Security Advisor in 2013.

**External appointments**

- Chairman of the Royal Group



His Excellency  
**Sheikh Mohamed Bin Saif  
Bin Mohamed Al Nahyan**  
Independent non-executive  
Vice-Chairman

Appointed to the Board of Directors on  
31 March, 2017  
Re-appointed to the Board of Directors  
on 24 February, 2020

**Board Committee memberships**

- Chairman of the Board  
Management Committee
- Member of the Board  
Remuneration and Nomination  
Committee

**Career**  
H.E. Sheikh Mohamed Bin Saif Bin Mo-  
hamed Al Nahyan is a knowledgeable  
business professional with more than  
17 years' experience in family business,  
real estate and investment.

H.E. deals with Financials, Real Estate  
Investments and is self-managing vari-  
ous related projects across the UAE.

**External appointments**

- Chairman of Abu Dhabi National  
Insurance Company
- Chairman of the Risk Management  
Committee of the Abu Dhabi  
National Insurance Company

**Education**  
H.E. holds a degree in International  
Economics and History from the Ameri-  
can University of Paris, France.



His Excellency  
**Jassim Mohammed  
Buatabh Al Zaabi**  
Independent non-executive member

Appointed to the Board of Directors on  
24 February, 2020

**Board Committee membership**  
Member of the Board Risk and Compli-  
ance Committee

**Career**  
H.E. Jassim Mohammed Buatabh Al Zaabi  
is the Chairman of the Abu Dhabi De-  
partment of Finance. H.E. is a key leader  
of the economic and financial sector in  
the UAE. In his role as the Chairman of  
the Abu Dhabi Department of Finance,  
H.E. Al Zaabi is responsible for driving  
a culture of fiscal sustainability through  
all government related entities and  
maintains the robust balance sheet of  
the Emirate. Previously H.E. held several  
important positions, including serving as  
Chairman of the Abu Dhabi Executive Of-  
fice. H.E. also served as Director General  
of the National Cyber Security Authority  
and was part of the senior leadership at  
Mubadala.

**External appointments**

- Vice Chairman of the Central Bank  
of the UAE
- Secretary General of the Supreme  
Council for Financial and Economic  
Affairs and the Tawazun Economic  
Council
- Member of the Executive Council of  
Abu Dhabi
- Chairman of Abu Dhabi Pension Fund
- Chairman of MODON Properties
- Chairman of Etisalat
- Vice Chairman of the ADQ
- Board Member of ADNOC
- Member of the Committee of the  
Education and Human Resources  
Council

**Education**  
H.E. holds a Bachelor's degree in Busi-  
ness Administration from Ajman Univer-  
sity of Science and Technology and a  
Master's degree in Business Administra-  
tion from London Business School.



His Excellency

**Dr. Sultan Ahmed Al Jaber**

Independent non-executive member

Appointed to the Board of Directors on 24 February, 2020

#### **Board Committee membership**

Chairman of the Board Risk and Compliance Committee

#### **Career**

H.E. Dr. Sultan Ahmed Al Jaber is a member of the UAE Federal Cabinet, Minister of Industry and Advanced Technology, and the UAE's special envoy for climate change. H.E. is also the Group Chief Executive Officer of the Abu Dhabi National Oil Company (ADNOC). H.E. was the Chief Executive Officer of the 'Energy' platform at Mubadala Investment Company. Whilst at Mubadala Investment Company, he established Masdar, Abu Dhabi's pioneering renewable energy initiative. He also served as Chairman of the Abu Dhabi Ports Company from 2009 to 2019. H.E. has previously served on the United Nations Secretary General's High Level Group on Sustainable Energy for All. He has received various awards including the United Nations flagship award "Champion of the Earth" in 2012.

#### **External appointments**

- Chairman of Emirates Development Bank
- Chairman of Masdar
- Chairman of the Board of Trustees of the Mohamed bin Zayed University of Artificial Intelligence
- Board member to the Abu Dhabi Supreme Council for Financial and Economic Affairs
- Board Member of Emirates Global Aluminum
- Board member of the Emirates Investment Authority

#### **Education**

H.E. holds a BSc in Chemical Engineering from the University of Southern California, a PhD in Business and Economics from Coventry University, and a MBA from the California State University in Los Angeles.



His Excellency

**Sheikh Ahmed Mohamed  
Sultan S. Al Dhaheri**

Independent non-executive member

Appointed to the Board of Directors on 31 March, 2017

Re-appointed to the Board of Directors on 24 February, 2020

#### **Board Committee membership**

Member of the Board Audit Committee

#### **Career**

H.E. Sheikh Ahmed Mohammed Sultan S. Al Dhaheri has been the Undersecretary of the Department of Social Services and Commerce Building (DSSCB) from 1996 until 2009. H.E. is currently the Chairman of Bin Surour Engineering.

#### **External appointments**

- Vice Chairman of the Abu Dhabi Aviation (ADA)
- Vice Chairman of the Abu Dhabi National Hotels Company (ADNH)
- Board Member of the Emirates Telecommunication (Etisalat)
- Board Member of the Abu Dhabi Refreshment Co. Ltd (Pepsi Cola)
- Board Member of Al Dhafra Insurance
- Board Member of Al Dhaheri Group

#### **Education**

H.E. holds a Bachelor's degree in Civil Engineering.



His Excellency  
**Jassim Mohamed Al Seddiqi**  
Independent non-executive member

Appointed to the Board of Directors on 31 March, 2017  
Re-appointed to the Board of Directors on 24 February, 2020

**Board Committee membership**  
Member of the Board Management Committee

**Career**  
H.E. Jassim Mohamed Al Siddiqi is known for his dynamic and innovative approach, having pioneered many investment strategies in the region. H.E. is the Chief Executive Officer of SHUAA Capital, the leading asset management and investment banking platform, with c. USD 14 billion in assets under management.

**External appointments**

- Chairman of Gulf Finance House (GFH)
- Chairman of Khaleeji Commercial Bank (Manama Bahrain)
- Chairman of SALAMA Islamic Arab Insurance Company
- Chairman of Eshraq Investments
- Chairman of the Entertainer
- Board Member of Dana Gas
- Board Member of Abu Dhabi Chamber of Commerce and Industry

**Education**  
H.E. Holds a BSc in Electrical Engineering from the University of Wisconsin-Madison and a MSc in Electrical Engineering from Cornell University. H.E. has also served as a noted lecturer at the Abu Dhabi-based Petroleum Institute.



His Excellency  
**Khalifa Sultan Ahmed Sultan Al Suwaidi**  
Independent non-executive member

Appointed to the Board of Directors on 31 March, 2017  
Re-appointed to the Board of Directors on 24 February, 2020

**Board Committee memberships**

- Chairman of the Board Audit Committee
- Member of the Board Remuneration and Nomination Committee
- Member of the Board Risk and Compliance Committee

**Career**  
H.E. Khalifa Sultan Ahmed Sultan Al Suwaidi is the Director General of Investment Affairs at Abu Dhabi Pension Fund. Prior to this, he was the Executive Director of Global Special Situations Department at Abu Dhabi Investment Council Company PJSC.

**External appointment**

- Chairman ICE Futures Abu Dhabi

**Education**  
H.E. holds a degree in Business Administration (Finance) and a MSc in Finance from Seattle University, USA and is a Chartered Financial Analyst.



His Excellency  
**Mohammed Thani Murshed Ghanem Al Rumaithi**  
Independent non-executive Vice-Chairman

Appointed to the Board of Directors on 31 March, 2017  
Re-appointed to the Board of Directors on 24 February, 2020

**Board Committee membership**  
Member of the Board Audit Committee

**Career**  
H.E. Mohammed Thani Murshed Ghanem Al Rumaithi has contributed to the growth of the Abu Dhabi business community through the number of pivotal positions he has held in the Abu Dhabi business community. H.E. also served as the President of the Federation of Chambers of the Gulf Cooperation Council (GCC).

**External appointments**

- Chairman of National Marine Dredging Co.
- Chairman of Thani Murshed Uniliver
- Vice President of Abu Dhabi Sports Council
- Chairman of Alpha Dhabi Holding PJSC

**Education**  
Bachelor of Business Administration.



His Excellency

**Mohamed Saif Al Suwaidi**

Independent non-executive member

Appointed to the Board of Directors on 31 March, 2017

Re-appointed to the Board of Directors on 24 February, 2020

#### Board Committee memberships

- Member of the Board Management Committee
- Member of the Board Audit Committee

#### Career

H.E. Mohamed Saif Al Suwaidi is currently the Director General of Abu Dhabi Fund for Development, an autonomous financial institution established by the Government of Abu Dhabi in 1971. With more than 30 years of solid experience in finance, business management, infrastructure development and administration of institutional activities, H.E. has led the Fund in its effort to disburse development assistance in excess of AED 150 billion, that benefited 103 countries. Not to mention that he has deftly managed ADFD's multibillion-dollar financial resources.

#### External appointments

- Vice Chairman of the Arab Bank for Investment and Foreign Trade (Al Masraf)
- Deputy Governor at the Board of Governors of the Asian Infrastructure Investment Bank (AIIB)
- Vice Chairman of Emirates Steel Company
- Board member of Emirates Development Bank (EDB)
- Board member of DP World
- Board member of Al Jazira Sports and Cultural Club
- Chairman of the Board of Directors of Abu Dhabi Tourism Investments Company (ADTIC)
- Head of the Abu Dhabi Uzbekistan Investment (ADUI)

#### Education

H.E. holds a Bachelor degree in Business Administration from California Baptist University in the United States.



His Excellency

**Waleed Al Mokarrab Al Muhairi**

Non-Independent member

Appointed to the Board of Directors on 24 February, 2020

#### Board Committee membership

Member of the Board Management Committee

#### Career

As Deputy Group Chief Executive Officer, Alternative Investments and Infrastructure Mubadala Investment Company, H.E. Waleed Al Mokarrab Al Muhairi has strategic oversight of the company's broad investment portfolio and special projects at the group level. H.E. is also a member of Mubadala's Investment Committee, which is mandated to develop the company's investment policies, establish investment guidelines, and review proposed projects and investments to ensure they are in line with business objectives. He is also the Chairman of Mubadala's new investment and business planning Committee, which approves deals within a certain financial threshold in addition to the responsibility of annual and multi-year business planning. Furthermore, H.E. has oversight of the Real Estate and Infrastructure and Disruptive platforms. H.E. was one of the principal architects behind the Abu Dhabi 2030 Economic Vision. Prior to joining Mubadala, he worked with the UAE Offsets Programme Bureau as a Senior Project Manager. Past roles include working with McKinsey and Company as a consultant.

#### External appointments

- Chairman of Cleveland Clinic Abu Dhabi
- Chairman of Waha Capital
- Chairman of Global Institute for Disease Elimination (GLIDE)
- Chairman of the US-UAE Business Council
- Chairman of Mubadala Health
- Member of the Board of Trustees of Cleveland Clinic in the United States
- Board Member of Aldar
- Board Member of Noon.com
- Board Member of Hub71
- Board Member of Ellipses Pharma Limited
- Board Member of Investcorp Holdings, Bahrain

#### Education

H.E. holds a Masters' degree in Public Policy from Harvard University, USA, and a BSc in Foreign Service from Georgetown University, USA.



His Excellency

**André George Sayegh**

Non-Independent member

Appointed to the Board of Directors on 28 February, 2021

#### Board Committee memberships

- Member of the Board Audit Committee
- Member of the Board Risk and Compliance Committee

#### Career

H.E. André George Sayegh is a seasoned C-suite executive with over three decades of experience in banking and financial services. Most recently serving as Group Chief Executive Officer at First Abu Dhabi Bank (FAB), prior to his retirement in January 2021. H.E. played a pivotal role in the merger of First Gulf Bank (FGB) and National Bank of Abu Dhabi (NBAD) to form FAB. H.E. served FAB and its predecessor bank, FGB, with distinction for over 20 years, assuming several senior executive positions, including Chief Executive Officer of FGB from 2006 to 2017. His previous experience includes senior positions with several leading international financial institutions, including Citibank.

#### External appointment

Chairman of Multiply Group

#### Education

H.E. holds a BBA in Finance and a MBA in Corporate Finance and Banking from the American University of Beirut and completed a project at Columbia University majoring in the evolution of financial institutions.

## Competencies

In order to ensure that the competencies of the Board are relevant for the challenges the Bank is facing and will face in the coming years the Board Remuneration and Nomination Committee evaluates competencies of our Board members on a yearly basis. It is important for the Bank that our Board have the right balance of skills, diversity and expertise.

All Board members are evaluated yearly by Board Remuneration and Nomination Committee on the following parameters:

1. Executive experience
2. Banking/Finance/Audit/Risk
3. IT, Digital and Technology
4. Governance and stakeholder management

# BOARD GOVERNANCE

## Appointment, Retirement and Re-Election

According to the Bank's Articles of Association, Board Members are elected at the Annual General Meeting (the "Meeting") of the shareholders every three years. Board members' term of office/ appointment is for three years. At the end of this term, Directors need to be re-elected at the Meeting of the shareholders by secret ballot using Cumulative Voting.

The Board may appoint members to fill vacant offices on the Board, provided that this appointment is presented to the Meeting at its first meeting to approve the appointment

or appoint other members by way of a Resolution. If the number of vacant positions amounts to a quarter of the original number of Directors, a special Meeting shall be called into session within a maximum of thirty (30) days from the date on which the last position became vacant, to elect occupants for the vacant positions.

Candidates nominated to be elected on the Board of Directors are approved by the Remuneration and Nomination Committee and pre-approved by the Central Bank of the UAE.

## Board Remuneration and ownership of FAB shares

### Total remunerations paid to the Board members in 2021 for year 2020

Board member	Role	REMCO	BMC	BAC	BRCC	AED
H.H. Sheikh Tahnoon bin Zayed Al Nahyan	Chairman – Independent Non-Executive Director	Chair				18,500,000
H.E. Sheikh Mohamed Bin Saif Bin Mohamed Al Nahyan	Vice Chairman – Independent Non-Executive Director	Member	Chair			3,500,000
H.E. Jassim Mohammed Buatabh Al Zaabi	Independent Non-Executive Director				Member	3,500,000
H.E. Sheikh Ahmed Mohd Sultan S. Al Dhaheri	Independent Non-Executive Director			Member		3,000,000
H.E. Dr. Sultan Ahmed Al Jaber	Independent Non-Executive Director				Chair	3,500,000
H.E. Jassim Mohamed Al Seddiqi	Independent Non-Executive Director		Member			3,500,000
H.E. Khalifa Sultan Ahmed Sultan Al Suwaidi	Independent Non-Executive Director	Member		Chair	Member	3,500,000
H.E. Mohammed Thani Murshed Ghanem Al Rumaithi	Independent Non-Executive Director			Member		3,000,000
H.E. Mohamed Saif Al Suwaidi	Independent Non-Executive Director		Member	Member		3,000,000
H.E. Waleed Al Mokarrab Al Muhairi	Non Independent Non-Executive Director		Member			3,000,000
H.E. André George Sayegh	Non Independent Non-Executive Director			Member	Member	Not a member in 2020

During 2021, none of our Board members changed their holdings of FAB shares. Each quarter the Bank reports on Board members holding of FAB shares to Central Bank of UAE.

## Board Resolution

Outside Board meetings, seven written Board resolutions were issued during the year.

- Board resolution # 1 – 26 January, 2021
- Board resolution # 2 – 24 March, 2021
- Board resolution # 3 – 21 April, 2021
- Board resolution # 4 – 22 April, 2021
- Board resolution # 5 – 25 April, 2021
- Board resolution # 6 – 5 December, 2021
- Board resolution # 7 – 12 December, 2021

## Board Power of Attorney (POA)

During 2021 FAB issued a total of approximately 69 local, international and legal POA's including the following:

- A POA issued from the Chairman of the Board of Directors to the Group Chief Executive Officer with wide specific authorities/powers to act on behalf of FAB as a Group;
- 12 POAs issued by the Group Chief Executive Officer to Executive Committee Members and Senior management to act on legal, credit, business and international matters across the Group and;
- A total of 56 POAs issued to local and international attorneys to act on behalf of legal, credit and business matters across the Group.

## Conflict of Interest

A Director has a duty to avoid to the extent possible any activity at FAB or elsewhere which creates or appears to create a conflict between a Director's own interests (be those as an individual or through an entity he is associated with) and the interests of FAB. In particular a Director must avoid competing directly or indirectly with FAB, including holding directorships in competing institutions. In addition a Director is prohibited from:

- Providing unjustified advantages to third parties at the expense of FAB;
- Taking for himself, his immediate family or a related party opportunities that are available through his position as a Director, or his use of FAB property or information; and
- Taking advantage of the position as Director to gain directly or indirectly any personal advantage which might be to the detriment of FAB.

A Director who becomes aware of an actual or potential conflict of interest must:

- Promptly disclose the matter to the Chair of the Board and the Secretary to the Board; and
- Abstain from any and all involvement in that matter, including recusing himself from participating in the debate or voting on the matter or attending the relevant meetings.

## Annual General Meeting

On an annual basis the Bank holds a Shareholders' Annual General Meeting (the "Meeting") whereby shareholders and executives interact. It is a mandatory annual meeting primarily held to allow the Bank's interested shareholders with voting rights to vote on the Bank's high level issues and to re-elect the Bank's Board of Directors. The Meeting is convened under an invitation by the Board of Directors, within four months following the end of the fiscal year. Shareholders who do not attend the meeting in person may usually vote by proxy. The Meeting is also attended by a representative of the Bank's regulator, the Securities and Commodities Authority ("SCA") and the Bank's external auditors.

The Meeting resolutions are disclosed to the Abu Dhabi Stock Exchange ("ADX") and the signed minutes of the Meeting are sent to SCA.

In 2021, FAB held its Annual General Meeting on 28 February, 2021. The Annual General Meeting in respect of the 2021 financials will be held in February 2022. Results and resolutions of the meeting will be published on the Bank's website and shared with FAB regulators.

## Board Training

Recognising the value and importance of continuing training for the Board and to comply with the CBUAE CG Regulations, the corporate governance team worked closely with the Board secretary and stakeholders across the Group to prepare comprehensive continuing training materials for the Board of Directors. In 2021, the following topics were covered:

- Shari'ah Governance and Islamic Banking Regulatory Environment;
- Fraud Awareness;
- Financial Crime Compliance Awareness;
- Regulatory Compliance; and
- Open Banking – IT matters.

Feedback from the Board of Directors is taken into consideration to continue the enhancements of topics presented to the Board and to address regulatory matters and international trends applicable to financial institutions.

# BOARD COMMITTEES INFORMATION

Our Board Committees play a crucial part in the decision-making process and they help support the Board in the execution of its responsibilities. These specialist committees help share the Board's workload and the detailed involvement of board members in the committees allows board members to get closer to the activities of the business. Due to their specialised nature, committees are able to conduct research and analysis of technical matters. They are empowered to make recommendations to the Board for ultimate approval. The FAB Board has established four committees. Each Committee has an independent non-executive director as the Committee Chair. The Committees' Charter is reviewed and approved by the Board annually. The Committees are required to meet as frequently as deemed necessary to fulfil their objectives and to allow sufficient time for discussions, presentations, deliberations and decisions to be taken.

## Board Management Committee ("BMC")

### Overview

The BMC approves and oversees FAB Group's overall management and execution of its business strategy and financial planning as per the Board's approved, along with any material business aspects as appropriate.

The Committee is composed of four (4) Board members with the majority of the members considered independent non-executive directors including the Chair. Along with other board members, the BMC also comprises the Group Chief Executive Officer of the Bank who attends the meeting of the BMC as an Executive Member. Hence, the BMC is an independent Committee with 60% of the members being independent.

### Members

Chairman	H.E. Sheikh Mohammed Bin Saif Bin Mohamed Al Nahyan
Member	H.E. Jassim Mohamed Al Seddiqi
Member	H.E. Mohamed Saif Al Suwaidi
Member	H.E. Waleed Al Mokarrab Al Muhairi
Executive Member	Group Chief Executive Officer

### Achievements

Reviewed material Credit exposures and ensured it had operated within the Bank's approved credit risk appetite framework.
Reviewed and discussed the Bank's periodic financial performance with Bank's Senior Management prior to referral to the Group Board of Directors for final approval.
Reviewed and approved the agenda of Annual General Meeting and submitted the agenda to the regulators as per the required process.
Oversaw the implementation of the Bank's local and international projects and strategy in line with the market changes and challenges.
Monitored the progress of non-performing loans and approved the Senior Management settlement agreement with the clients of some of these loans.

In 2021 BMC held four Committee meetings with 100% attendance

The Committee Chairman acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness.

### H.E. Sheikh Mohamed Bin Saif Bin Mohamed Al Nahyan Chair of Board Management Committee

## Board Remuneration and Nominations Committee (“REMCO”)

### Overview

The REMCO plays a crucial role overseeing the composition of FAB’s Group Board of Directors, recommending to the Board’s members the appointment and termination of its directors and senior management as appropriate. REMCO also ensures that there is a smooth succession process and planning in place for its Group Executive Committee members.

The REMCO is also responsible for the review of FAB’s reward policy framework along with the oversight and approval of the rewards design methodology consistent with FAB’s culture, values, business performance and risk strategy.

The Committee is composed of three (3) Board members with majority of the members considered independent non-executive directors, including the Chair. Along with other Board members, the REMCO also comprises the Group Chief Executive Officer of the Bank who attends the meeting of the REMCO as an Executive Member and the Group Chief Human Resources Officer of the Bank as a permanent attendee (no voting rights). Hence the REMCO is an independent Committee with 75% of the members being independent.

### Members

Chairman	H.H. Sheikh Tahnoon bin Zayed Al Nahyan
Member	H.E. Sheikh Mohamed Bin Saif Bin Mohamed Al Nahyan
Member	H.E. Khalifa Sultan Ahmed Sultan Al Suwaidi
Executive Member	Group Chief Executive Officer
Permanent Attendee	Group Chief Human Resources Officer

### Achievements

REMCO reviewed the Dividend Distribution to shareholders
REMCO performed a full review of the Bank’s reward strategy covering fixed, variable pay and allowances with a particular focus on key initiatives to be implemented during the year
Reviewed Senior Management objectives based on the Banks Balanced Scorecard
Approved the appointments of Senior Management positions
Reviewed and ratified the membership and appointment of Board of Directors for local and international subsidiaries and the Bank’s Internal Shari’ah Supervision Committee
Approved Human Resources and Compensation policies
Reviewed and approved UK and India Rewards policies and approved the revised Human Resources Steering Committee charter and other policies

In 2021, Board REMCO held two Committee meetings with 100% attendance

The Committee Chairman acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness.

### H.H. Sheikh Tahnoon bin Zayed Al Nahyan Chair of Board Remuneration and Nomination Committee

## Board Risk and Compliance Committee (“BRCC”)

### Overview

BRCC plays a key role for setting an effective FAB’s Corporate Governance Framework, direct future risk strategy, including determination of risk appetite and tolerance, as well as for promoting a risk and compliance awareness culture among the Group and developing a proper mechanism to address the adherence and reporting of regulatory requirements to the Board.

The BRCC with its delegated authority to act on behalf of the Board, has an overall responsibility to oversight and ensure the appropriateness and effectiveness of FAB’s compliance to regulatory requirements and risk management systems and controls, provide guidance to senior management, report and make recommendations to the Group Board in relation to current and potential future risk and compliance exposures of the FAB Group.

The Committee is composed of at least three (3) Board members with majority of the members considered non-executive independent directors and the Group Chief Executive Officer as a non-voting member. The Group Chief Risk Officer is also a permanent attendee (no voting rights). Hence the BRCC is an independent Committee with 75% of the voting members being independent.

### Members

Chairman	H.E. Dr. Sultan Ahmed Al Jaber
Member	H.E. Khalifa Sultan Ahmed Sultan Al Suwaidi
Member	H.E. Jassim Mohammed Buatabh Al Zaabi
Member	H.E. André George Sayegh (appointed on 28 February, 2021)
Executive Non-Voting Member	Group Chief Executive Officer
Permanent Attendee	Group Chief Risk Officer

### Achievements

Macro-economic reviews and its impact on the strategy of the bank
Continuous review of Group Risk and Compliance Profile and Risk Appetite Framework
Discussion and review of initiatives for 2021 for Group Risk and Compliance
Reviewed the readiness of Risk and Compliance for Work from home and return to office norms
Reviewed outlook on capital, liquidity, asset quality, compliance and other non-financial (operational, fraud risk and infosec) matters
Reviewed ESG strategy and corresponding risk framework to ensure long-term value creation through an integrated approach
Reviewed Risk analytics offshoring updates
Reviewed Corporate Governance report for 2020
Ensured that Bank is in compliant with the applicable laws and regulations issued by various regulatory authorities across the Group
Reviewed key regulations including Consumer Protection, Outsourcing Regulation, Islamic Risk Management Standards, Model Management Standards etc
Approval of Management Committees charters, group policies, frameworks, models, methodology documents, reports etc

In 2021, BRCC held four Committee meetings with 100% attendance

In December 2021, the Board of Directors made a change to the composition of the BRCC. H.E. Dr. Sultan Ahmed Al Jaber was appointed as the Chairman of BRCC. H.E. Khalifa Sultan Al Suwaidi will continue as a member on the Committee.

The Committee Chairman acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness.

### H.E. Dr. Sultan Ahmed Al Jaber Chair of Board Risk and Compliance Committee

## Board Audit Committee (“BAC”)

### Overview

BAC plays a key role assessing and assuring the quality and integrity of FAB’s disclosure, financial statements, financial reporting, and meeting regulatory requirements. BAC ensures FAB’s compliance and the effectiveness of its internal control, risk management systems, policies, and governance including the effectiveness of Islamic Financial Institutions (IFI).

The Committee is composed of at least three (3) independent non-executive Board Members. The Group Chief Executive Officer attends the meeting as an executive non-voting member and the Group Chief Audit Officer of the Bank is a permanent attendee (no voting rights). Hence the BAC is an independent Committee with 80% of the voting members being independent.

### Members

Chairman	H.E. Khalifa Sultan Ahmed Sultan Al Suwaidi
Member	H.E. Mohamed Saif Al Suwaidi
Member	H.E. Mohammed Thani Murshed Ghanem Al Rumaithi
Member	H.E. Sheikh Ahmed Mohamed Sultan S. Al Dhaheri
Member	H.E. André George Sayegh (appointed on 28 February, 2021)
Executive Non-Voting Member	Group Chief Executive Officer
Permanent Attendee	Group Chief Audit Officer

### Achievements

Endorsed the Bank’s Risk Based Audit Plan for 2021, budget and resource requirements. This also included endorsing the revision and update of the charters, policies and practices aligning with the UAE Standards and Regulations related to Internal Auditing and the CBUAE CG Regulations, including departmental initiatives.

Endorsed the Group Internal Audit Strategy for 2021 – 2025 and the associated KPIs which are monitored on a yearly basis.

Discussed the various regulations and laws having an impact on the Bank and the Group’s Internal Audit processes.

Discussed FAB and Internal Audit’s measured approach in managing staff, revisiting the operating model and control framework during the COVID-19 outbreak and the initiative and the strategy taken. Re-assessed the plan taking into consideration new audit engagements due to the present feasibility and practicality of continuing the pre-prescribed Audit Plan during these exceptional circumstances.

Discussed and assessed a range of internal and external factors including increased cyber threats, business continuity standards and challenges, industry operations and fraud risk, regulatory changes, integration activities and competitive business conditions; this led to the Committee’s focus on increased coverage of technology, information security and compliance audit engagements.

Discussed the proceedings of the FAB’S Subsidiary Board Audit Committee meetings.

Oversight of international branches, control and support functions in order to provide the Committee with an acceptable level of assurance on overall controls, levels of compliance and the governance of these operations.

Discussed and assessed the outcomes and updates received as a result of the various regulatory visits/examinations and reviews at Group and International jurisdictions.

Discussed the outcomes of the departments Quality Assurance and Improvement Programme in line with industry best practices.

In 2021, BAC held four Committee meetings with 88% attendance

In December 2021, the Board of Directors made a few changes to the composition of the BAC. H.E. Khalifa Sultan Ahmed Sultan Al Suwaidi was appointed as the Chairman of the Board Audit Committee

The Committee Chairman acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness.

### H.E. Khalifa Sultan Ahmed Sultan Al Suwaidi Chair of Board Audit Committee

## **Board Assessment**

To comply with CBUAE CG Regulations and SCA guidelines, the Board, or the REMCO, must carry out at least annually an assessment of the Board as a whole, its committees and individual members. This must include an independent assessment by an external third party at least once every five (5) years.

In January 2021, the Board and Board sub-committees conducted their committees' self-assessment for 2020. Outcomes and recommendations were considered by Corporate Governance and the Committees secretaries. In Q4 2021, and to comply with CBUAE CG Regulations, a third party was appointed to assess the processes of the Board and Board sub-committees. The appointed third party has already started the project and has met with the Head of Corporate Governance, Board Secretary, the secretaries of the Board-subcommittees and the Board of Directors. Once their assessment report on our processes is ready, the report with recommendations will be shared with REMCO and the Group Board.

## **External Auditors**

The Group's external auditors are appointed by the shareholders at the Annual General Meeting. The Group external auditor appointed for the period is KPMG Lower Gulf. Group external audit fees for the financial year ended 31 December, 2021 is AED 4,750,000. Such fees include the audit conducted for all international locations of the Bank however, this does not include any non-statutory audit related fees.

# SHARI'AH GOVERNANCE

FAB is supervised from a Shari'ah perspective by an Internal Shari'ah Supervision Committee ("ISSC"). The appointment of the ISSC members is endorsed by FAB Group Board of Directors, approved by the Higher Shari'ah Authority ("HSA") of the CBUAE and by the shareholders at the Annual General Meeting of the Bank. FAB Group's ISSC consists of renowned and qualified Shari'ah scholars who are responsible to review and ensure that Islamic banking products, services and operations are in compliance with the Shari'ah principles. The ISSC supervises the Islamic banking business of FAB Group, including its international branches and subsidiaries.

The Bank's Islamic Banking business is governed from a Shari'ah compliance perspective by a Shari'ah Governance Framework. Shari'ah Governance Standards for Islamic Financial Institutions were issued by the CBUAE in 2020 (the "Shari'ah Governance Standards"). FAB revamped and updated the Shari'ah Governance Framework for the FAB Group in accordance with the requirements set out in the Shari'ah Governance Standards. The FAB Group Shari'ah Governance Framework outlines the reporting framework, accountability, responsibilities of all relevant key stakeholders involved and also depicts a clear segregation between the "three lines of defense" of Shari'ah compliance in all activities relating to the Islamic banking business.

During the year 2021, the Bank has also been working on the implementation of the requirements under the Standard Regulatory Requirement for Financial Institutions Housing An Islamic Window issued by CBUAE on 26 October, 2020 (the "Islamic Window Standards"). The Islamic Window Standards sets out clear guidelines to establish a framework and structure which ensures that the Internal Shari'ah Control department and ISSC are independent and are not subject to any influence that may affect their independence. Under this regulation, all Shari'ah compliant activities and business of the Bank must be offered through the FAB Group Islamic Window.

Pursuant to the Islamic Window Standards, the Bank has also drafted an Islamic Window framework for the FAB Group setting out prudent regulatory guidelines and requirements. The Islamic banking activities of the Bank will be headed by a Head of Islamic Window, who will be dedicated to the operations of the Islamic Window.

In 2021, the Bank has also been working towards the alignment of the Shari'ah Governance Standards and the Islamic Window Standards with an over-arching objective of ensuring adequate governance and control mechanisms are in place to ensure complete compliance with the regulatory requirements.

The ISSC held six (6) meetings with 100% attendance and issued various Shari'ah guidelines, approvals and resolutions covering various business groups and product segments across the Bank and its subsidiaries.

ISSC shall issue and submit an annual Shari'ah report to HSA for approval regarding Shari'ah-compliant businesses and operations of the FAB Group for FY2021.

## **Internal Shari'ah Supervision Committee ("ISSC") Members:**

At the Annual General Meeting (the "Meeting") held on 24 February, 2020, and the Annual General Meeting held on 28 February 2021, the following ISSC members were appointed:

- Dr. Mohammed Daud Bakar
- Dr. Mohamed Akram Laldin
- Dr. Ahmed Rufai
- Dr. Salim Al Ali

## Current Members:



**Dr. Mohammed Daud Bakar**  
(Chairman)

Elected at the Annual General Meeting on 24 February, 2020.  
Re-elected on 28 February, 2021

### Career

Dr. Mohammed Daud is the founder of Amanie Advisors, a global boutique Shari'ah advisory firm with offices located in Kuala Lumpur, Dubai and other international locations. Prior to this, he was the Deputy Vice-Chancellor at the International Islamic University Malaysia. Dr. Mohammed Daud received the Islamic Economy Award at the Global Islamic Economy Summit (GIES) 2015 from His Highness Sheikh Mohammed bin Rashid Al Maktoum on behalf of Amanie Advisors.

### External appointments

- Chairman of Shari'ah Advisory Council of the Central Bank of Malaysia and Securities Commission of Malaysia
- Member of Shari'ah Board of Dow Jones Islamic Market Index (New York)
- Member of Shari'ah Board of Oasis Asset Management (Cape Town, South Africa)
- Member of Shari'ah Board of National Bank of Oman
- Member of Shari'ah Board of Financial Guidance (USA)
- Member of Shari'ah Board of BNP Paribas (Bahrain)
- Member of Shari'ah Board of Morgan Stanley (Dubai)
- Member of Shari'ah Board of Jadwa-Russell Islamic Fund (Kingdom of Saudi Arabia)
- Member of Shari'ah Board of Bank of London and Middle East (London)

### Education

Dr. Daud holds a degree in Shari'ah from University of Kuwait and a PhD from University of St. Andrews as well as a Bachelor's degree of Jurisprudence from University of Malaya.



**Dr. Salim Al Ali**  
(Member)

Elected at the Annual General Meeting on 24 February, 2020.  
Re-elected on 28 February, 2021

### Career

Dr. Salim Al Ali is currently an Assistant Professor in Shari'ah and Islamic Studies at the UAE University. Dr. Salim Al Ali is a specialist in Islamic financial law, and legal and regulatory aspects of Islamic financial markets. He has participated in national and international conferences to address Shari'ah, legal and regulatory issues related to the Islamic banks, Islamic capital markets and Takaful. He has a wide experience in consulting, teaching and academic research in Islamic finance in different jurisdictions including Malaysia, the UAE and the UK.

### External appointments

- Member of Shari'ah Board at Abu Dhabi Commercial Bank (ADCB)
- Member of Shari'ah Board at Al Hilal Bank
- Member of Shari'ah Board at Emirates NBD
- Member of Shari'ah Board at HSBC
- Member of Shari'ah Board at SCB
- Member of Shari'ah Board at Ajman Bank
- Member of Shari'ah Board at National Bank of Fujairah

### Education

Dr. Salim holds a Ph.D in Financial Law from the University of London and a Master's degree in Islamic Banking and Finance from International Islamic University of Malaysia.



**Dr. Mohamed Akram Laldin**  
(Member)

Elected at the Annual General Meeting on 28 February, 2021

### Career

Dr. Mohamad Akram Laldin is currently the Executive Director of International Shari'ah Research Academy for Islamic Finance (ISRA). Prior to that, he was an Assistant Professor at the International Islamic University, Malaysia (IIUM). He was a Visiting Assistant Professor at the University of Sharjah, Sharjah, United Arab Emirates.

### External appointments

- Member of Shari'ah Advisory Council (SAC) of Central Bank of Malaysia
- Member of Shari'ah Advisory Employees Provident Fund (EPF)
- Member of HSBC Amanah Global Shari'ah Advisory Board
- Member of Shari'ah Board Yassar Limited (Dubai)
- Member of EAB (London) Shari'ah Advisory Board
- Member of Islamic Advisory Board of HSBC Insurance Singapore
- Member of Shari'ah Advisory Council International Islamic Financial Market (IIFM), Bahrain
- AAOIFI Shari'ah Standards Committee member
- Member of ISSC of Dubai Islamic Bank
- Member of ISSC Shari'ah RAK Bank

### Education

Dr. Akram holds a B.A. Honours degree in Islamic Jurisprudence and Legislation from the University of Jordan, Amman, Jordan and a Ph.D. in Principles of Islamic Jurisprudence (Usul al-Fiqh) from the University of Edinburgh, Scotland, United Kingdom.



**Dr. Ahmed Rufai**  
**(Member)**

Elected at the Annual General Meeting  
on 28 February, 2021

#### **Career**

Dr. Ahmed Rufai is currently the Head of Shari'ah Compliance to the International Islamic Financial Market (IIFM), Bahrain. IIFM is a global standard-setting body of Islamic financial services industry focusing on standardisation of Shari'ah-compliant financial contracts and product templates. He has contributed significantly in the development and publication of 13 comprehensive documents and product confirmation standards as well as related guidance notes across Liquidity Management, Hedging, Sukuk and Trade Finance. He also contributed notably in preparing discussion papers for IIFM consultative meetings, as well as in the compilation of the IIFM Annual Sukuk Reports. In addition, he plays an active role in seminars, workshops and consultative meetings organised by IIFM in many jurisdictions worldwide.

#### **Education**

Dr. Ahmed holds a Ph.D. in Islamic Law of Transaction from the University of Malaya, Malaysia and a Bachelor's Degree in Shari'ah (i.e., the Islamic Law) from the Islamic University of Madinah, Kingdom of Saudi Arabia.

# SENIOR MANAGEMENT

The Group Executive Committee Team/Senior Management Team ("Group EXCO") is FAB Group's most senior management level and it operates under a delegated authority from the FAB Board. It is responsible for identifying matters required or appropriate for escalation to the Group

Board or Board Committees. The Group EXCO also supports the GCEO to determine and implement the Bank's strategy as approved by the FAB Board. Below is a brief on FAB Group EXCO members.



**Hana Al Rostamani**  
Group Chief Executive Officer

## Career

Hana Al Rostamani is the Group Chief Executive Officer at First Abu Dhabi Bank (FAB). A seasoned C-suite executive with more than 20 years of experience in banking and financial services, Hana previously served as Deputy Group Chief Executive Officer and Head of Personal Banking at FAB, responsible for leading the transformation of FAB's consumer bank, instilling a customer and digital-first mind-set. Hana has served as an independent director in Emirates Integrated Telecommunication Company (Du) and was Vice-Chairperson of the Emirates Institute for Banking and Financial Services.

As the only female Group Chief Executive Officer of a major UAE-headquartered bank and publicly listed corporation within the UAE, Hana is recognised for her leadership skills and forward-thinking vision. Her most recent accolade includes her nomination in Forbes Middle East, being ranked third as featured in 'Middle East's Power Business Women 2021' list.

## External appointments

- Member of the MasterCard Advisory
- Member of the Supervisory Board IMD Foundation
- Board member AW Rostamani Group
- Board member IFC

## Education

A graduate of George Washington University in the USA.



**Futoon Al Mazrouei**  
Group Head of Consumer Banking – UAE

## Career

Futoon Al Mazrouei is the Group Head of Consumer Banking – UAE at First Abu Dhabi Bank (FAB) and is responsible for leading the Consumer Banking vision towards customer-centricity and digitalisation.

A retail banking executive for more than 15 years, Futoon has extensive experience across all facets of consumer banking, including product, sales and distribution and customer experience. Prior to her appointment as Group Head of Consumer Banking, Futoon was Head of Elite Banking – UAE at FAB.

## External appointment

Board member at Bank Audi Egypt

## Education

Holds a bachelor's degree in Science and Mathematics from Al Ain University and has completed an Executive Programme in International Management from Stanford University Graduate School of Education in Singapore.



**James Burdett**  
Group Chief Financial Officer

## Career

James Burdett is the Group Chief Financial Officer at First Abu Dhabi Bank (FAB) and is responsible for leading Group Finance, Treasury and Strategy.

James joined FAB from Australia and New Zealand Banking Group (ANZ) where he served as Chief Financial Officer, International and Institutional Banking. Prior to this position, he was Chief Financial Officer Asia Pacific, Europe and America at ANZ.

Before joining ANZ, James spent 17 years at HSBC working in various larger country Chief Financial Officer positions before undertaking the role of Group Head of Management Information, Planning and Analysis, where he served as a member of the Finance Management Board chaired by the HSBC's Group Finance Director.

## Education

A qualified Chartered Accountant and studied at the Auckland Institute of Technology.



**Karim Karoui**  
**Group Head of Mergers and Acquisitions (M&A)**

**Career**

Karim Karoui is the Group Head of Mergers and Acquisitions at First Abu Dhabi Bank (FAB).

During his tenure with FAB, Karim has held a number of senior positions including Group CFO, Group Head of Subsidiaries, Strategy and Transformation and in April 2020, was appointed to his current role as the Group Head of Mergers and Acquisitions, focusing on the Bank's inorganic growth strategy.

Karim has over 28 years of regional and international banking experience, having led Finance, Strategy, Mergers and Acquisitions, Investor Relations and Marketing and Communication areas. Prior to FAB, Karim worked with Industrie Cosmetique Internationale (ICI) and Citibank Tunisia where he held a variety of senior positions including Country Financial Controller.

**External appointment**

Chairman of Bank Audi Egypt

**Education**

Holds a Master's in Accounting from IHEC, Tunisia.



**Nurendra Perera**  
**Group Chief Audit Officer**

**Career**

Nurendra Perera is the Group Chief Audit Officer at First Abu Dhabi Bank (FAB). Nurendra is responsible for providing independent assurance to the Bank's Board of Directors and Senior Management on the quality and effectiveness of the Group's Internal Control environment covering its Systems and Processes, Risk Management, Compliance and Corporate Governance Framework.

Nurendra has more than 30 years of banking experience and has held senior positions in Governance, Risk Management, Compliance and Internal Audit in prominent UAE and international banks.

**Education**

Holds a Master's Degree in Business Administration, having majored in Finance from University of Leicester (UK), a Post Graduate Diploma in Consortium Executive Leadership and Organisation Design from University of INSEAD, including the following internationally accredited qualifications : CIA, CFSA and CRMA from the Institute of Internal Auditors (USA), CISA and CRISC from ISACA (USA), CIB from The Chartered Institute of Bankers (UK).



**Pradeep Rana**  
**Group Chief Risk Officer**

**Career**

Pradeep Rana is the Group Chief Risk Officer at First Abu Dhabi Bank (FAB) and is responsible for implementing the Bank's risk framework and corporate governance globally.

Pradeep is an international banker with over 20 years of experience in roles that have spanned global and regional leadership. Prior to joining FAB, he served as the Group Head of Corporate Credit Risk Management and Chief Risk Officer of Wholesale Banking for Danske Bank in Denmark.

He brings strong Emerging Markets experience having worked with ABN AMRO and Standard Chartered in international locations namely India, Hong Kong, South Korea, Singapore, The Netherlands and the UK; covering a variety of leadership roles in Fixed Income Syndication, Wholesale Credit, Strategic and Reputational Risk, Trading Risk Management, Market, Liquidity and Operational Risk, Retail Credit, Compliance and Enterprise Risk Management.

**Education**

Holds a B.Eng. (Hons) in Mechanical Engineering from University of Surrey, United Kingdom and an MBA from Erasmus University School of Management, Netherlands.



**Shirish Bhide**  
Group Head of Corporate,  
Commercial and International  
Banking (CCIB)

#### Career

Shirish Bhide was appointed in April 2021 as the Group Head of Corporate, Commercial and International Banking (CCIB) at First Abu Dhabi Bank (FAB). Since joining FAB in 2013, Shirish has served as Group Chief Credit Officer and Group Head of Wholesale and International Banking.

Prior to joining FAB, Shirish worked for The National Commercial Bank in Jeddah (Saudi Arabia) where he spent four years heading up International Risk Management, integrating Turkiye Finans Katilim Bankasi into the NCB family and credit approving global markets and project finance proposals in his capacity as a Senior Credit Officer. Shirish started his career with Citibank and worked for 18 years in India and Africa. He left Citi in 2009 at which point he was the CEO at Citibank Uganda.

Shirish is an experienced business and risk leader with multi-geography experience in a variety of leadership roles across Consumer Banking, Corporate and Investment Banking (product, business and credit underwriting roles), Country Leadership and Risk Management.

#### Education

A post graduate Diploma in Accounting and Finance from the London School of Economics and an MBA from the University of Poona (India).



**Martin Tricaud**  
Group Head of Investment  
Banking

#### Career

Martin Tricaud is the Group Head of Investment Banking at First Abu Dhabi Bank (FAB).

In his role at FAB, Martin has the responsibility for leading and growing our group-wide Investment Banking business, overseeing the Investment Banking Group including Global Coverage, Global Corporate Finance and Global Markets, focusing on enhancing our product proposition and expanding client coverage model to support positioning FAB as a regional leader in the Investment Banking space.

Prior to joining FAB, Martin worked for HSBC where he held the role of CEO Middle East, North Africa, and Turkey, Deputy Chairman of HSBC Middle East Ltd. and a Group General Manager. Prior to this, he was the CEO for HSBC Australia and for HSBC Korea and held senior leadership positions over two decades at HSBC Global Banking and Markets across the Middle East, the UK and Europe.

#### Education

Graduated from the Institut d'Etudes Politiques de Paris, holds a Master's Degree in Law from La Sorbonne University, Paris, and a Bachelor's degree in History from Paris Nanterre (Paris X) University.

The business address of each member of the executive management is First Abu Dhabi Bank PJSC, FAB Building, Khalifa Business Park – Al Qurm District, P.O. Box 6316, Abu Dhabi, United Arab Emirates. No member of the Group's executive management has any actual or potential conflict of interest between his/her duties to the Group and his/her private interests and/or other duties.

#### Highlights

H.E. André George Sayegh resigned from his position as Group Chief Executive Officer in January 2021 and was appointed on the Board of Directors on 28 February, 2021.

Mr. Melvin Fraser was appointed as Acting Group Chief Human Resources Officer on 25 February, 2021.

Mr. Rajesh Deshpande was appointed as Acting Group Chief Credit Officer on 8 April, 2021.

Mr. Fadhel A. B. Al Ali resigned from his position as Deputy Group Chief Executive Officer and Chief Operating Officer on the 31 December, 2021.

# MANAGEMENT COMMITTEES

FAB has a number of management committees, including the Group Executive Committee ("Group EXCO") which is the FAB Group's senior most management level Committee and it operates under a delegated authority from the FAB Board. It is responsible for identifying matters required or appropriate for escalation to the Group Board or Board Committees. The Group EXCO also supports the Group CEO to determine and implement the Bank's strategy as approved by the FAB Board.

The Group EXCO has established additional management committees to help execute agreed objectives of the Group EXCO and assist in the efficiency and effectiveness of running, controlling and monitoring of the business of the FAB Group. These management committees segregate into tier 1 committees and tier 2 committees. The tier 2 committees provide necessary information and support to their relevant tier 1 Committee. Each Committee has an

approved charter that outlines its authority, responsibilities, meeting frequency and practices, reporting and self-evaluation. All tier 1 committees operate under a delegated authority from the Group EXCO.

The management Committee structure helps drive senior level management decision-making within the Company across a range of matters, including the management of strategic; financial; capital; risk; operational; information technology and people issues affecting FAB.

The review cycle for the charters of the management committees is every two years. The majority of the management Committee charters were reviewed and updated in 2020 to accurately reflect the strategic objectives, scope and operations of the Committees. The rest were reviewed in accordance with their respective charter review period.

## Group Executive Committee (EXCO)

### Description

Key responsibilities of the Committee include making decisions on the Bank's strategy, annual budgets, capital management, risk management and FAB's more material policies and procedures. The Group EXCO may delegate certain authorities and powers to management committees and individuals, but it reserves the authority to deal with strategy, annual budget and structure; financial reporting and controls; capital management; risk and internal control; contracts; corporate governance matters; executive remuneration, human resources policies, group policies, Annual General Meeting of the shareholders and any other matters in its discretion.

### Achievements

Discussed Management Committee assessment and recommendations
Discussed Consumer Protection Regulation and FAB's implementation of the regulations
Approved acquisition of Bank Audi Egypt and other strategic local and international opportunities
COVID-19 pandemic and FAB's response and precautionary measures
Discussed and approved 2021 Balanced Scorecard
Reviewed and approved Implementation of ESG Risk Framework
Approved the Islamic Window Model
Discussed the Group Strategy
Discussed Weekend changes
Discussed and approved the Emiratisation strategy

In 2021, Group Executive Committee held fourteen Committee meetings with 94% attendance

## Group Risk Committee (GRC)

### Description

Oversees the Group-wide risk strategy and exposures to enable integrated risk management in an effective manner. Defines, develops and periodically monitors the Group's risk appetite along with its related methodology, parameters, targets, and tolerances taking into account the Bank's strategy and business planning. The GRC will report relevant matters to the Group EXCO, and as appropriate to the BRCC, advising and informing them as required on the Group's risk appetite and framework.

### Achievements

Continuous discussion on the Macroeconomic Environment and its impact on FAB Group's risk profile
Discussion and review of Initiatives for 2021 for Group Risk Management
Continuous monitoring on Group Risk Profile and Risk Appetite Framework
Reviewed the readiness of Group Risk management for Work From Home ("WFH") and return to office norms
Reviewed ESG strategy and corresponding risk framework to ensure long-term value creation through an integrated approach
Continuous monitoring on Risk analytics offshoring updates
Discussion on external ICAAP validation and remediation report
Ensured that Bank is compliant with the applicable laws and regulations issued by various regulatory authorities across the Group
Discussion on key regulations such as Consumer Protection, Outsourcing Regulation, Islamic Risk Management Standards, Model Management Standards etc.
Approval of various frameworks, policies, models, methodology documents and reports

In 2021, Group Risk Committee held four Committee meetings with 91% attendance

## Group Compliance Committee (GCC)

### Description

Assists the BRCC in fulfilling its objective of overseeing the Bank's regulatory responsibilities as well as ensuring the Bank's compliance with the applicable laws and regulations issued by various regulatory authorities across the Group. The Committee also oversees that the relevant policies and procedures, including, but not limited to, the Group Code of Ethics are complied with across the Group.

### Achievements

---

Continuous oversight of regulatory trends, themes and issues impacting FAB in the UAE and across its international network

---

Direction with respect to major new regulatory engagements and implementation programmes, including with respect to the CBUAE Consumer Protection Regulation and the closure of matters arising from the CBUAE's Risk-Based Supervision of FAB

---

Oversight of regulatory inspections and interactions across the FAB network, and of actions taken to address findings and residual risks

---

Oversight of bespoke Compliance frameworks and programmes, including with respect to Whistleblowing; Conflicts of Interest (Control Room); Financial Crime; and Conduct Risk, including themes and trends arising

---

Considered and approved FAB's Compliance Risk Appetite, and provided direction in terms of collaboration and benchmarking with local, regional and global peers

---

Reviewed and approved Compliance Policies applicable to the Bank, ensuring that they properly reflect new and emerging regulatory themes and requirements

---

Continuous monitoring of key regulatory and financial crime reports, metrics and risk indicators

---

Oversight of Compliance Enterprise-Wide Risk assessments; Compliance systems assessments; and Compliance Monitoring reports, and direction with respect to common findings and recommendations for remedial action

---

Reviewed matters emerging from relevant Group Internal Audit and external reviews and oversaw remedial actions undertaken. Acknowledgment of residual risks presented by open GIA issues and direction with respect to remedial delivery extensions where original closure dates are impacted by significant dependencies

---

Oversight of key regulatory initiatives and projects, including the delivery of target Compliance systems across the FAB network, and ongoing efforts to ensure timely updates to customer due diligence files

---

Provision of direction to businesses in the development and delivery of their strategy in the context of ensuring sustainable conformance with applicable laws, rules and regulatory requirements

---

In 2021, Group Compliance Committee held six Committee meetings with 90.2% attendance

## Group Asset and Liability Committee (G-ALCO)

### Description

The driving force and key decision maker behind the structure and quality of the balance sheet. It is directly accountable to the BRCC for ensuring that the risks within the Group's asset and liability position are prudently managed by way of strong bank policies and procedures and an appropriate risk framework. The G-ALCO must be constantly aware of and actively manage these risks and their potential impact on the Bank's business and strategic objectives.

### Achievements

#### Governance

---

- Reviewed and approved all key policies, methodologies and Committee charters related to Balance Sheet and Capital Management
- Established and approved Group Liquidity and Market Risk appetite
- Reviewed quarterly stress testing to ensure that FAB has adequate liquidity to survive a range of potential scenarios
- Ensured FAB complied with new Islamic Window regulation related to balance sheet management

#### Liquidity

---

- Ensured that the funds transfer pricing curve is set at a level to support both deposit gathering and loan growth
- Optimally managed FABs liquidity position to ensure that sufficient liquidity assets are available to meet unexpected cash outflows
- Successfully managed the implementation of new CBUAE Monetary Bill programme

#### Capital

---

- Ensured that FAB holds adequate capital to meet regulatory ratios
- Supported strategic initiatives, such as investments in Egypt, India and China

#### Earnings

---

- Instrumental in deferring the implementation of new Islamic Window regulation related to Sukuk Repo. Net benefit to FAB c. USD 10.3 million
  - Protected and enhanced Net Interest Income through the implementation of strategic hedging strategies
- 

In 2021, Group Asset and Liability Committee held twelve Committee meetings with 87% attendance.

## Group Credit Committee (GCC)

### Description

Assists in the development and implementation of the Bank's credit, investment strategy and the related policies and procedures. The aim of GCC is to have an overall credit oversight of the Group and decide on the credit policy and governance related matters.

The Committee oversees the credit and lending strategies and objectives of the FAB Group

### Achievements

---

GCC, on a quarterly basis, reviewed the quality and performance of the Bank's credit portfolio to align bank's lending strategies with market conditions.

---

Several new products and transformation initiatives were approved during the year in line with the Bank's growth and transformation strategy.

---

Review and amendments to the Credit Policy of Investment Banking, Corporate & Commercial banking, Consumer Banking and Global Private Banking were approved to align with the Bank's lending strategies.

---

Review and amendments if the TM -RACs of several existing products were approved to align with the Bank's business strategies.

---

Review and amendments to Delegation of Approval Authorities (DoA) of various business segments to improve efficiency and turnaround time.

---

In 2021, Group Credit Committee held six Committee meetings with 100% attendance. In addition, there were decisions made by the Committee via circulation during the period.

## Human Resource Steering Committee (HRSC)

### Description

Assists the Group EXCO and the REMCO to implement strategic and operational HR initiatives to deliver the Group's long-term shareholder value. It provides a forum to discuss and approve for HR initiatives and policies to ensure that the needs of the organisation from an employee's perspective are considered and changes are approved or are submitted for approval to the relevant governance body. The Committee will be the formal sponsor of all material HR initiatives across the Bank in line with the Bank's Employee Value Proposition

### Achievements

---

The Committee reviewed various deliverables from a people perspective to strengthen the functioning of the Bank with a key focus on Talent, Culture, Emiratisation, Performance and Reward

---

In particular, in line with the Bank's strategy, it approved the following projects:

- Rewards Redesign project: aimed at aligning the Rewards strategy and actions to the Bank's strategy / focus areas and ensure they are tailored to the needs of specific businesses.
  - Performance Management Review: Aimed at reviewing and recommending a new Performance Management framework aligned with the Group Strategy and Culture deployment
- 

The Committee reviewed the approach to Work From Home and directed the creation of a policy that enables flexibility and empowerment of managers as key principles.

---

The Committee approved the following policies after review:

- Code of Conduct policy
  - Performance Management policy
  - Singapore Remuneration policy
  - Short-term Assignment policy
  - Change in the notice period policy for Singapore, Hong Kong and India
  - Outside Business Interest/Activities Policy
  - Group Gifts and Hospitality Policy
- 

In 2021, Group HR Steering Committee held one Committee meeting with 100% attendance. In addition, there were Committee decisions made via circulation during the period.

## Group Operational and Fraud Risk Committee (GO&FRC)

### Description

Assists the Board Risk and Compliance Committee ("BRCC") in fulfilling their objectives of overseeing the Bank's Operational and Fraud Risk Management. The key responsibilities of this Committee are to define guidelines to identify and manage Operational and Fraud risks in all new products, processes, and activities, defining scope, policy, objectives, assumptions, and roles/responsibilities of the Group's Operational and Fraud Risk Management Policies. Other responsibilities include management and reporting of the Bank's Operational Risk profile, ratifying and recommending relevant Operational Risk and Fraud Risk strategies; recommending operationalisation and gap remediation of policies and standards issued by the Group; and ensuring alignment of business strategies with risk priorities and acting to protect and enhance the shareholders' value.

### Achievements

---

Enhancements to framework and controls for Operational and Fraud Risk management.

---

New Product Governance strengthened through a dedicated Tier-2 level Committee for review and recommendation of product offerings

---

Implemented digital controls to combat emerging fraud risks.

---

In 2021, Group Operational and Fraud Risk Committee held six meetings with 100% attendance

## Group Technology Risk and Information Security Committee (GTRISC)

### Description

Operates under a delegated authority from the Group EXCO. It also assists the Board Risk and Compliance Committee. The primary objectives of the GTRISC are overseeing, reviewing and taking decisions on Technology and Information Security Data Privacy and Business Continuity Management (BCM) related risk management status and health, including its alignment to the risk appetite of the FAB Group.

### Achievements

Technology Risk Committee has been merged with the Group Information Security Committee to review, monitor and update on Technology, Information Security Risks, BCM and Data Privacy Risks
Continuous discussion on Information/Cybersecurity and its impact on the FAB's Group risk profile
Discussion and review of Cybersecurity Initiatives for 2022 of Group Security Office
Continuous monitoring on Cybersecurity Risk Profile and their remediations
Continuous discussion on Data Privacy, Data Residency and its impact
Continuous update and review of Business Continuity Technology incidents
Continuous update on the current status of the Bank's Work from Home policy
Continuous update on third party/vendor risks and its impact
Introduction of Cloud and Digital Risk framework at FAB
Continuous update on implementation of Consumer Protection Regulations and Standards
Approval of Group Information Security Policies, International Branch Policy addendums and Committee Charters
Monitoring of Information/Cybersecurity/BCM/Data Privacy compliance to Regulations and Standards in the UAE and International Branch
Continuous update on the UAE and International Branch Information Security Compliance
Continuous update on FAB cybersecurity exposure on the internet
Continuous update on Independent cybersecurity testing and observations
Discussion and review of Cyber Insurance to manage Risk Appetite of the Bank
Continuous review and monitoring of Information/Cybersecurity Risks accepted beyond Risk Appetite of the Bank
Approvals on Crisis Management Plan, Cybersecurity Incidence Response Plan, Cyber incident retainer service in privacy and cybersecurity.
Continuous update on Ransomware Resilience and Cyber War Games
Approval on Crisis Management team structure in alignment with recent organisational changes
Continuous review, monitor and update on the UAE Consumer Protection Regulation
Continuous oversight and review of Cybersecurity risks in FAB International Branch Integrations
Reviewed the Cybersecurity control and recommendation on the Work From Home / VDI access

In 2021 Group Technology Risk and Information Security Committee held six Committee meetings with 95% attendance

## Group Technology Steering Committee (GTSC)

### Description:

The Committee was established in 2019 to assist in fulfilling the Group EXCO's corporate governance and oversight responsibilities of all technology and information systems across the FAB Group and support the work of the Board Risk and Compliance Committee ("BRCC") in its oversight of the Group IT governance framework. The GTSC makes recommendations to the Group EXCO regarding significant technology investments in support of the Group's strategy. The GTSC ensures alignment of business strategies with technology priorities and acts to protect and enhance the shareholders' investment in technology.

### Achievements

---

Raised the profile of the challenge of "interest on interest" legislation with the UBF and CBUAE

---

Finalised and approved the Group Technology Strategy – culmination of the topics agreed in the 2020 GTSC meetings

---

Executed oversight on the Technology investment portfolio , strategic projects (e.g. Elite and Private Banking, PBG Digital Journeys, FixIT, CRM) and Technology service management trends

---

Executed oversight of the quarterly APAC region TSC and the quarterly Egypt TSC

---

Approved the "Technology Modernisation" funding request and the switch in Technology resource pooling model, to speed up the mobilisation of approved projects

---

In 2021 Group Technology Steering Committee held fourteen Committee meetings with 89.99% attendance

## Group ESG Committee (GESGC)

- The GESGC was established in quarter 4 of 2021 and it operates under a delegated authority from the Group Executive Committee. GESGC is the senior authority at management level for decision-making on all ESG related matters of the Group. It assists the Board Risk and Compliance Committee (BRCC) and reports relevant matters to the EXCO and the BRCC, advising and informing them as required on the Group's ESG risk framework. The primary objective of the GESGC is to oversee development and implementation of Group ESG strategy and ESG risk parameter and aspects related to the FAB Group's own sustainability goals.

### Self-assessment of management committees

In order to ensure continuous improvement and effectiveness of management Committees, each Committee undertakes a self-assessment process at the end of the calendar/fiscal year that assesses the performance and dynamics of the Committee. Feedback from the self-assessment survey is used to implement relevant changes and actions and to enhance the effectiveness of the Committees.

Assessment of management committees in 2020 was conducted in January/February 2021. The process was conducted via an automated system assuring the members with complete anonymity which resulted in absolute honesty around the individual member's opinion of Committee performance. All Committee members of each of the management committees participated in the assessment. The overall average rating of the assessment across the Committee's was 3.48 on a rating scale of 1 to 4 where 1 is low and 4 is high.

# FAB UAE AND INTERNATIONAL SUBSIDIARIES, BRANCHES AND REPRESENTATIVE OFFICES

FAB operates a number of subsidiary companies, branches and representative offices both in the UAE and internationally, spanning jurisdictions in Europe, America, Africa, Middle East and Asia. These provide a range of client facing services.

All of the Group's international subsidiary companies, branches and representative offices are required to comply with the FAB Group Corporate Governance Policy and with the applicable laws and regulations that apply in their jurisdiction. FAB UAE subsidiaries are locally regulated subsidiary companies of the Group. Each operates within the Group's overarching corporate governance framework along with corporate governance arrangements suitable for their business with the Group's oversight and control. FAB's international subsidiaries have their constitution as locally incorporated entities in their jurisdiction.

International and local subsidiaries have their own Board of Directors and Board Committees where required by law or regulation and have ultimate reporting responsibilities to the Group. To assist, guide, direct and challenge senior management of these subsidiary companies, the Board of Directors consists of senior professionals with substantial banking, finance and risk experience.

During year 2021, the Board exercised adequate oversight over the Group while respecting the independent legal and governance responsibilities that apply to the individual entities. The Board received reports regarding its group structure through the Board Risk and Compliance Committee.

The Bank has, however, constituted the majority of its international presence through branches and representative offices, providing operations and services at a local level and supported by regional and Group management as appropriate. This includes significant operations in the U.K. and Egypt, as well as operations in Asia and several GCC countries. In 2021, the Bank continued to enhance the international governance model developed in 2019 that sets out for each location the International Banking Governance Framework ("IBGF"), including the senior management organisation structure, committees and decision-making forums and reporting lines. A network of regular reporting and oversight consolidated these governance IBGFs. This included regular reporting to and from Group level, with two-way dialogue along defined functional reporting lines; provision by the subsidiaries and branches of key performance indicators on governance matters, including reports on board and Committee meetings, reinforced by conference calls between the Group and each location to provide oversight and guidance; and support on emerging

governance issues as necessary. The emphasis is on ensuring that each location has in place the appropriate governance mechanisms that meet local regulatory requirements and is consistent with the Group approach.

In addition to our local subsidiaries, our International subsidiaries are based in Switzerland, United States of America, Kingdom of Saudi Arabia, Egypt, Libya, India, Paris and the Cayman Islands.

## Overview on our local subsidiaries

**First Abu Dhabi Securities ("FAB Securities")** is a Sole Proprietorship Limited Liability brokerage subsidiary of First Abu Dhabi Bank PJSC incorporated under the laws of the Securities and Commodities Authority ("SCA") in the UAE. The subsidiary is managed by a Board of Directors and management committees. The Board of Directors is composed of (five) members. The Board has formed (one) Board Risk Committee. FAB Securities is one of the founding members of the UAE exchanges in both Abu Dhabi and Dubai. FAB Securities is a member of the UAE exchanges in both Abu Dhabi and Dubai specialised in providing innovative and comprehensive brokerage services across the UAE, as well as key regional and international markets. FAB Securities provides execution underpinned by the highest international trading and compliance standards.

**First Abu Dhabi Islamic Subsidiary ("FAB Islamic")** is a Private Joint Stock subsidiary of First Abu Dhabi Bank PJSC incorporated under the laws and regulations of the Central Bank of the UAE. The subsidiary is managed by a Board of Directors and management committees. The Board of Directors is composed of (five) members. FAB Islamic provides banking services and offers saving and current accounts, credit and debit cards, mortgage loans, wealth management, insurance, securities brokerage, merchant payments, foreign exchange, transfers, investments, and private banking services.

**First Gulf Information Technology ("FGIT")** is a Limited Liability subsidiary of First Abu Dhabi Bank PJSC incorporated under the laws of the United Arab Emirates. The subsidiary is managed by a Board of Directors and management committees. The Board of Directors is composed of (five) members. FGIT provides services, management and operation of computer networks, information technology network services, computer infrastructure establishment, institution and maintenance, information technology consultancy, computer devices and equipment domain consultancy and computer engineering consultancy.

**First Abu Dhabi Properties (“FAB Properties”)** is a Sole Proprietorship Limited Liability subsidiary of First Abu Dhabi Bank PJSC incorporated under the laws of the UAE. FAB Properties is managed by a Chief Executive Officer and an executive specialist team in real estate. It is a real estate service provider specialising in end-to-end property solutions. It manages both residential and commercial entities in key locations in the UAE. FAB Properties offers exceptionally high calibre services in professional real estate solutions and creates sustainable long-term value for the clients and for the landlords who hand over their properties for management.

**Mismak Properties** is a Sole Proprietorship Limited Liability subsidiary of First Abu Dhabi Bank PJSC incorporated under the laws of the UAE. Mismak Properties is managed by a Chief Executive Officer and an executive specialist team in real estate. The objective of the subsidiary is to carry on the following activities within or outside the UAE: building maintenance; land and real estate purchase and sale; real estate enterprise investment, development; institution and management; real estate lease and management services.

**First Merchant International (“FMI”)** is a Limited Liability subsidiary of First Abu Dhabi Bank PJSC incorporated under the laws of the UAE. First Merchant International is managed by a Chief Executive Officer and an executive specialist team in real estate. The objective of the subsidiary is to conduct the business of owning, managing and investing in the fixed and movable assets and funds of any commercial and investment activities inside or outside the UAE.

**MAGNATI UAE** is a Sole Proprietorship Limited Liability subsidiary of First Abu Dhabi Bank PJSC incorporated under the laws of the UAE. Magnati is managed by a Chief Executive Officer. Magnati’s role is to strengthen the Group’s leadership position in the rapidly expanding payments sector and accelerating its digital transformation agenda. With the power of FAB’s expertise and infrastructure at the core, Magnati will attract regional and global partners, setting a new standard for innovation and delivery in the payments industry.

**Moora** is a Limited Liability Subsidiary of Mismak by 67% ownership, a subsidiary which is owned by First Abu Dhabi Bank PJSC incorporated under the laws of the UAE. Moora is managed by a General Manager and an executive specialist team in real estate. The objective of the subsidiary is to own, manage and invest in real estate and buildings inside or outside the UAE.

**FAB Employment Services** is a Sole Proprietorship Limited Liability subsidiary of First Merchant International (FMI) a subsidiary which is owned by First Abu Dhabi Bank PJSC incorporated under the laws of the UAE. FAB Employment Services is managed by a General Manager and an executive specialist team in Outsource Employment Services. The objective of the subsidiary is to carry on recruitment activities and on demand labour supply (temporary employment) inside and outside the UAE.

**FAB Resourcing Services** is a Sole Proprietorship Limited Liability subsidiary of First Merchant International (FMI) a subsidiary which is owned by First Abu Dhabi Bank PJSC incorporated under the laws of the UAE. FAB Employment Services is managed by a General Manager and an executive specialist team in outsource employment services. The objective of the subsidiary is to carry on recruitment activities and on demand labour supply (temporary employment) inside and outside the UAE.

**Abu Dhabi National Leasing** is a Limited Liability Subsidiary of First Abu Dhabi Bank PJSC incorporated under the laws of the UAE. The Company is managed by a General Manager. The objective of the Company is to own, lease, manage and give for lease and sell fixed and movable assets of all types and forms.

**Abu Dhabi National Properties** is a Limited Liability Subsidiary of First Abu Dhabi Bank PJSC incorporated under the laws of the UAE. The Company is managed by a Chief Executive Officer and an executive specialist team in real estate. The objective of the subsidiary is to carry out real estate projects marketing and sales services, economic feasibility studies of real estate projects, leasing, management and maintenance of properties, contribution in capital of existing real estate projects or those under construction, brokerage in sales and purchases.

**NBAD Employee Share Options** is a Limited Liability Subsidiary of First Abu Dhabi Bank PJSC incorporated under the laws of the Jebel Ali Free Zone (“Jafza”). The Company is managed by a Director. The objective of the subsidiary is to hold shares and investments within the UAE and abroad, general trading and to carry any lawful activity permitted by the Jebel Ali Free Zone offshore Companies Regulation 2003.

**Nawat Management Services Sole Proprietorship** is a Limited Liability subsidiary of First Abu Dhabi Bank PJSC incorporated under the laws of the UAE. The License of this subsidiary is Dormant.

## Overview on International Subsidiaries

**FAB Private Bank (Suisse) SA** is a Société anonyme subsidiary of First Abu Dhabi Bank PJSC, incorporated under the laws of the Swiss Financial Market Supervisory Authority ("FINMA"). The subsidiary is managed by a Board of Directors and management committees. The Board of Directors is composed of (five) members. The Board has formed three Board committees; the Board Audit Committee, the Board Risk and Compliance Committee and the Remuneration and Nomination Committee. It provides private banking and wealth management solutions to high net-worth individuals.

**First Abu Dhabi Bank USA (NV) ("FAB USA"):** is a limited liability subsidiary of First Abu Dhabi Bank PJSC, incorporated under the laws of Central Bank of Curacao. The subsidiary is managed by a supervisory Board of Directors, Managing Board of Directors and management committees. The Supervisory Board of Directors is composed of (four) members. It provides credit support and services to U.S. companies involved in projects in the UAE and to assist UAE investors seeking business opportunities in the U.S.

**First Abu Dhabi Capital Financial Company ("FAB Capital" KSA)** is a closed joint stock single shareholder subsidiary of First Abu Dhabi Bank PJSC, incorporated under the laws of the Kingdom of Saudi Arabia – Competition and Market Authority ("CMA"). The subsidiary is managed by a Board of Directors. The Board is composed of (six) members. The Board has formed two Board committees; the Board Audit Committee and the Board Remuneration and Nomination Committee. It provides a range of investment banking products to customers looking to access Saudi Arabia's market as well as international markets in which FAB has a presence.

**Bank Audi Egypt SAE** In 2020, Bank Audi and First Abu Dhabi Bank (FAB) have agreed that FAB acquire 100% of the share capital of Bank Audi sae, the former's subsidiary of Bank Audi Lebanon in Egypt. The transaction was completed on 28 April, 2021 and Audi Egypt is now fully owned by FAB. The subsidiary is managed by a Board of Directors. The Board is composed of (seven) members. The Board has formed five Board committees; the Board Executive Committee, the Board Audit Committee, the Board Risk Committee, the Board Remuneration Committee and the Board Corporate Governance and Nomination Committee. It provides banking and financial operations in Egypt and abroad, whether for its own account or for the account of third parties, or jointly with others, as well as carrying out all investment operations and practicing any other activity allowed by laws and regulations in Egypt.

**First Gulf Libyan Bank ("FGLB")** Joint Stock Company is a fully fledged commercial bank in Tripoli, Libya (subsidiary of First Abu Dhabi Bank PJSC) which has been established following the signing of an MOU between First Abu Dhabi Bank (FAB) and the Economic and Social Development Fund (ESDF) Libya, on the 4 September, 2007. It is owned equally by First Abu Dhabi Bank PJSC and Alenmaa For Financial Investment Holding Company (AFIHC) Libya, with 50% shares for each. The subsidiary is managed by a Board of Directors. The Board is composed of (seven) members. The Board has formed (four) Board committees; the Board Audit Committee the Board Risk Committee, the Board Corporate Governance Committee and the Board Nomination Committee.

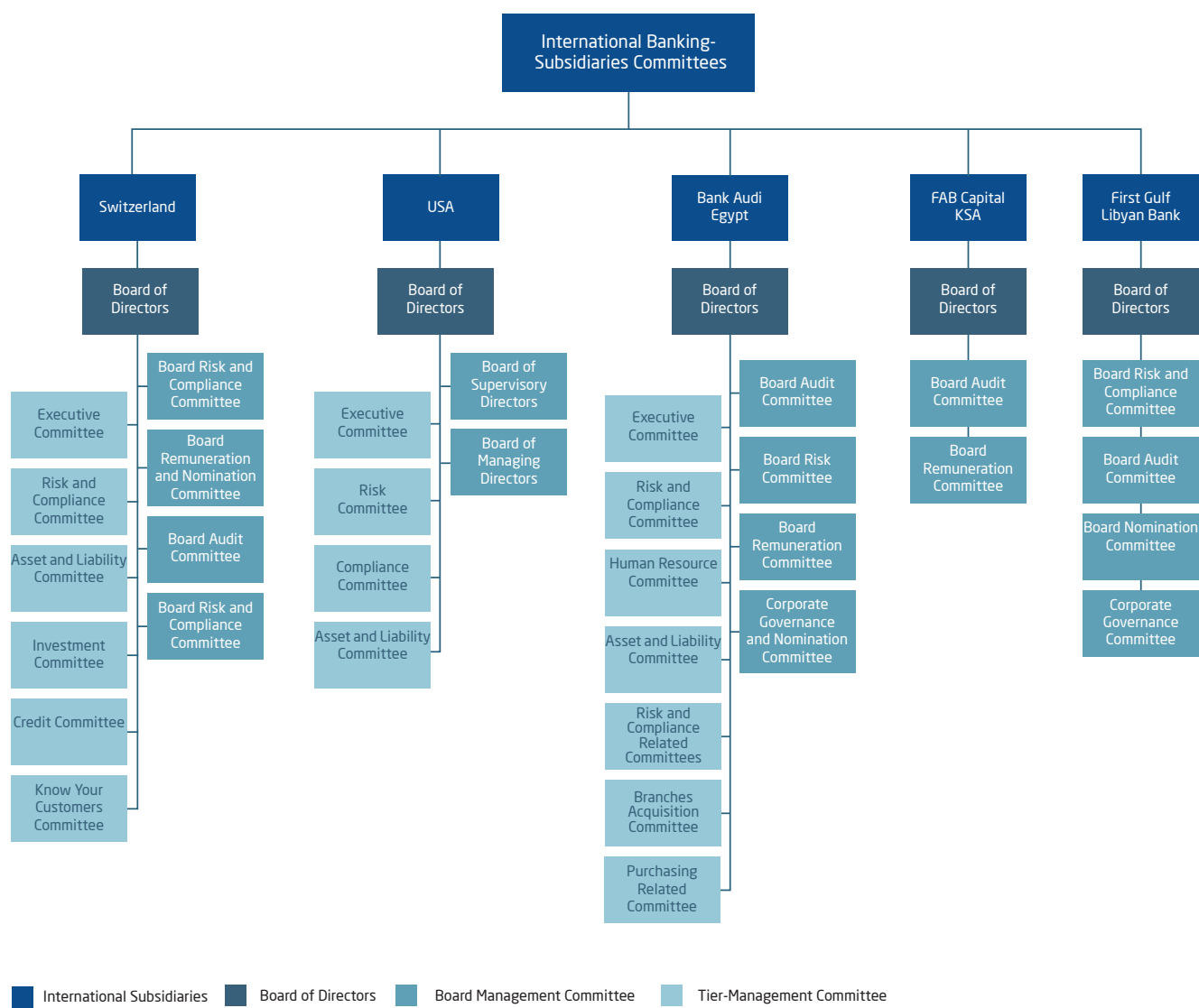
**FAB Global Markets Cayman Limited** is a fully owned subsidiary of First Abu Dhabi Bank PJSC. FAB PJSC is managed by a Board of Directors. The Board is composed of (four) members. The subsidiary provides a guarantee on all transactions with FAB Global Markets Cayman Limited. All trading activity done with FAB Cayman is fully backed by FAB PJSC.

**Global Business Services (GBS)** is a Private Limited subsidiary of First Gulf Information Technology (FGIT), a subsidiary which is fully owned by FAB. The subsidiary is incorporated under the laws of India. The subsidiary is managed by a Board of Directors. The Board is composed of (five) members. It was established to carry on the business of software designing, development, customisation, implementation, maintenance, testing, and benchmarking, designing, developing and dealing in computer software solutions.

**SAS Magellan** is a Limited Liability Subsidiary of First Abu Dhabi Bank PJSC incorporated under the laws of Paris, France. The subsidiary is managed by a professional team specialised in real estate activities.

***The Bank's complete list of subsidiaries is included in the FAB Group Annual Report.***

The Bank’s complete list of subsidiaries is included in the FAB Group Annual Report.



# THE GROUP'S DELEGATION OF **AUTHORITY** **('DOA') FRAMEWORK**

The DOA framework is managed and overseen by the Group Corporate Governance function. Its principles help the Bank effectively manage and safeguard its resources and ensure FAB operates in compliance with respective laws and regulations.

All delegations are granted based on job role and functional requirements.

The different delegation types are as follows:

- Power of Attorney ("POA") granted to those roles that require such authority to act on behalf of the Bank. The Board of Directors have delegated authorities to the Chairman of the Board to act on behalf of the Bank. Executives in consultation with the Legal Department made a decision to cascade these authorities across the Group through POAs to the Group Chief Executive, the Group Chief Financial Officer, the Group General Counsel, the Group Chief Risk Officer and the Group Head of Corporate, Commercial and International Banking. Local and International POAs were issued in 2021 to address business requirements.
- Signatory Authority ("SA") granted to those roles that require such authority to sign on behalf of the Bank, such as formal instructions and other general correspondences with third parties and the process is managed by the Group Human Resources division ("GHR"). The signatories are also registered with the Central Bank and on [www.signature.net](http://www.signature.net). The list was updated in 2021 to reflect organisational changes.
- Financial and non-financial authorities (in the form of a 'DOA' matrix) granted to roles with specific delegations tailored to divisional activity requirements, that includes CAPEX/OPEX, special powers, etc., and is managed by the Group Finance division. The matrix was updated in 2021 to address business requirements.

# REMUNERATION

Paying for performance is at the heart of our rewards philosophy. This supports FAB in achieving sustainable business growth and protecting stakeholder value.

In line with our rewards philosophy, our compensation structure contains a healthy mix of fixed and variable pay.

- Fixed pay is aligned to external market benchmarks to ensure that we attract the best-in-class talent by paying competitively
- Variable pay is linked to performance. Performance is tracked through the elements of the balanced scorecard (Financial, Customer, Process and People) which align the interests of the employees with those of our stakeholders. To ensure sustainable growth, there is a strong emphasis in the balanced scorecard on 'how' the business growth is achieved in addition to 'what' was achieved.

To ensure decisions-making is rooted in long-term sustainability of the organisation, appropriate deferral mechanisms are applied on the variable pay. The deferrals are commensurate to the value of variable pay and reflect the level of decision-making along with impact on the business outcomes. Part of the deferred variable pay is subject to organisational performance over the vesting period. In the event performance thresholds are not achieved, the performance based deferral for the year is subject to modification. In all cases, variable pay (paid and deferred amounts) is subject to claw-back and malus to ensure risk alignment.

The Bank's rewards philosophy and strategy aim to align itself with internationally accepted reward practices and with the current UAE CB guidelines that underpin rewarding sustainable risk taking.

## Senior executives (Group Executive Committee), roles, dates of their appointment along with a statement of remuneration paid to them during 2021

Name	Role	Date of Joining	Total remuneration paid* AED
Hana Al Rostamani	Group Chief Executive Officer	1-May-00	7,144,845
Futoon Mohamed A. Al Mazrouei	Group Head of Consumer Banking UAE	4-Dec-08	2,435,200
Shirish Bhide	Group Head of Corporate, Commercial and International Banking	10-Mar-13	4,832,541
James Burdett	Group Chief Financial Officer	30-Apr-14	5,566,144
Karim Karoui	Group Head, Mergers and Acquisitions	2-Jun-01	3,537,110
Narendra Perera	Group Chief Audit Officer	5-May-01	2,742,149
Pradeep Rana	Group Chief Risk Officer	1-Jun-20	3,277,000
Martin Tricaud	Group Head of Investment Banking	15-Aug-21	1,273,548

Note: Acting functional Heads are not included; Only Senior Executives who were members of Group Executive Committee during 2021 and still members in 2022 are included

\* All values are actual cash paid in the year 2021 excluding Gratuity, Employer Contribution of pension, Medical and Life insurance. The values exclude deferred compensation withheld in 2021 for performance year 2020 payout in March 2021 and includes deferral payments from previous years paid out in 2021.

# RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties comprise major shareholders, directors and key management personnel of the Group. Key management personnel comprise those

executive Committee members “EXCO” of the Group who are involved in the strategic planning and decision-making of the Group. The terms of these transactions are approved by the Group’s management and are made on terms agreed by the Board of Directors or management.

	31 Dec 2021			31 Dec 2020	
	BOD AED’000	Major shareholders AED’000	Senior management AED’000	Total AED’000	Total AED’000
Balances with related parties at the reporting date are shown below:					
Financial assets	9,857,273	24,386,743	38,626	34,282,642	40,441,781
Financial liabilities	24,648,459	33,087,174	43,932	57,779,565	64,709,360
Contingent liabilities	5,040,271	16,662,275	-	21,702,546	17,020,801
Transactions carried out during the year ended with related parties are shown below:					
	31 Dec 2021			31 Dec 2020	
Interest & Other income	138,670	654,576	335	793,581	1,322,791
Interest expense	285,031	30,474	429	315,934	562,296

# CONSUMER **PROTECTION**

The Consumer Protection Regulation (CPR) and accompanying Standards issued by CBUAE (in January and February 2021 respectively) applies to all Licensed Financial Institutions (LFIs) and activities as specified within Article 64 of Federal Law No. 14 of 2018. The regulation and standards set out the framework and rules to ensure customers are consistently treated fairly and to promote the overall stability and credibility of the Financial Sector within the UAE.

Being the largest Bank in the UAE, FAB has been set the objective of being fully compliant with the CPR Regulation and Standards and to achieve the initiatives earmarked for closure by 30 December, 2021. FAB's Board, management and staff are in ultimate control and are both committed and on track to comply with the regulators requirements.

The role of Group Corporate Governance's ("GCG") is that of being the primary governance advisor to the Bank by enabling governance and internal control mechanisms, that are best-in-class, aligned with international best practices and fit for purpose. The Consumer Protection framework has highlighted the need for more enhanced reporting to the Board under the Consumer Protection pillars of Institutional Oversight, Market and Business Conduct. Whilst GCG owns the deliverables, with input from other internal stakeholders (Compliance, HR, etc.) within FAB, it is working towards developing and introducing a comprehensive and prudent approach, which is aligned with the Consumer Protection framework, based on international best practice to ensure the outcome is resilient, fit-for-purpose and sustainable, with an overarching message that promotes a "customer centric culture" throughout FAB.

# DISCLOSURE **AND TRANSPARENCY**

To comply with the CBUAE regulations on “Disclosures and Transparency”, Corporate Governance worked closely with all stakeholders across the Group and confirmed that all internal policies required to ensure compliance with

CBUAE CG Regulations, risk management, internal controls, compliance, internal audit, financial reporting, external audit and outsourcing have been implemented and reviewed for adequacy by the Board during 2021.

# SUSTAINABILITY

We recognise the importance of integrating sustainability in our corporate culture and business strategy. Our focus is to generate long-term stakeholder and shareholder value. We will continue to strengthen our ESG performance, demonstrate leadership and implement best practice throughout our organisation.

Our dedicated Corporate Sustainability team oversees our sustainability framework, strategy and policies and priorities of several sustainability initiatives. Our strategy is aligned with the United Nations Sustainable Development Goals and the Abu Dhabi Economic Vision 2030. Key highlights of 2021 include:

- Women represent 40% of our total workforce and held 30% of senior and middle management positions
- We are rated #4 on FTSE4good, and #3 on MSCI ESG Leaders in the Middle East and North Africa (MENA) region

- We implemented our Sustainable Finance Framework. This framework will be applied to any type of Sustainable Financing Transaction that will be used to fund projects that will deliver environmental and/or social benefits
- We issued a new Green Bond, a Hong Kong Dollars (HKD) 750 million five-year Green Bond and have been recognised as the first MENA issuer denominated in HKD and the first Green Bond in HKD by an offshore financial institution
- Our employee wellbeing programme was launched to provide support during COVID-19, this continued during 2021

Below is the breakdown statement of cash and in-kind contributions made by the Company during 2021 in developing the local community and preserving the environment.

Description	Type	Amount AED	Remarks
Emirates Foundation	Donation	1,000,000	Ramadan Project
Operation Smile	Donation	25,824	Cycle for a Cause
Soccer Kids Dubai	Donation	21,243	Cycle for a Cause
Al Jalila Foundation	Donation	22,563	Cycle for a Cause
Emirates Red Crescent	Donation	35,344	Cycle for a Cause
Université Paris 2 Panthéon-Assas- Bachelor of Laws Programme	Sponsorship	2,000,000	Scholarship Programme
Special Olympics Middle East North-Learn to Cycle	Event	74,550	Unified Cycling Programme with SO UAE
		<b>3,179,524</b>	

Further details are available in our 2021 ESG Report and on the website:  
<https://www.bankfab.com/en-ae/about-fab/sustainability>

# INVESTOR RELATIONS

## 1. Statement of the Company share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year

Month	Close	High*	Low*
January, 2021	14.78	15.10	13.12
February, 2021	14.70	15.06	14.70
March, 2021	14.60	14.92	14.20
April, 2021	14.40	14.60	14.16
May, 2021	16.86	17.00	14.36
June, 2021	16.70	16.98	16.20
July, 2021	16.58	16.78	16.26
August, 2021	17.00	17.10	16.56
September, 2021	17.78	18.70	16.90
October, 2021	17.80	18.36	17.36
November, 2021	19.18	19.70	18.20
December, 2021	18.84	20.70	18.80

\* High/Low for the month on Closing price basis

## 2. Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during 2021:

### 2021 performance:

	Closing price (Dec 2021)	Closing price (Dec 2020)	% change in price	FAB's Relative outperformance / (underperformance)
FAB	18.84	12.90	46%	
ADX	8,488.36	5,045.32	68%	-22%
ADX Banks	12,016.26	8,490.07	42%	+5%
MSCI EM Banks	362.53	331.50	9%	+37%

### 3. Statement of the shareholders' ownership distribution as on 31 December, 2021 (individuals, companies, governments) classified as follows: Local, Gulf, Arab and Foreign.

Ser.	Shareholders' classification	% of owned shares			Total
		Individuals	Companies	Government	
	Local	17.20%	63.75%	2.18%	83.14%
	Arab (incl GCC)	0.81%	0.69%	0.01%	1.51%
	Foreign	0.12%	15.23%	-	15.35%
	Total	18.14%	79.67%	2.19%	100%

The definition of Arab and Foreign investors as well as Investors classified as Companies and Government is as per ADX definition/classification

### 4. Statement of how shareholders are distributed according to the volume of property as on 31 December, 2020 according to the following schedule

Ser.	Share(s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital (based on issued shares)
1	Less than 50,000	3,202	29,144,641	0.27%
2	From 50,000 to less than 500,000	952	167,865,610	1.54%
3	From 500,000 to less than 5,000,000	415	636,928,640	5.83%
4	More than 5,000,000	158	10,086,061,109	92.36%

### 5. Investor relations contacts

Name of the investor relations officer

**Sofia El Boury**

Data of communication with the investor relations (e-mail- phone- mobile- fax)

**Email:** ir@bankfab.com

**Phone:** +971-2-3054563

**Mobile:** +971-50-8366031

The link of investor relations page on the Company's website.

<https://www.bankfab.com/en-ae/about-fab/investor-relations>

#### Contacts

Key contacts in addition to Senior Management:

**Investor Relations Officer:**

**Head of Group Compliance:**

**Chief Sustainability Officer & Head of Corporate Governance:**

Sofia El Boury

Alex Irving

Shargiil Bashir





# FINANCIAL STATEMENTS

Balance Sheet	<b>144</b>
Income Statement	<b>145</b>

# Consolidated Financial Statements (Summary)

## Balance Sheet

	AED '000		USD '000	
	December-21	December-20	December-21	December-20
<b>ASSETS</b>				
Cash and balances with central banks	258,778,449	227,872,592	70,454,247	62,039,911
Investments at fair value through profit or loss	45,572,252	21,266,243	12,407,365	5,789,884
Due from banks and financial institutions	19,325,594	27,357,639	5,261,528	7,448,309
Reverse repurchase agreements	46,260,645	44,069,241	12,594,785	11,998,160
Derivative financial instruments (assets)	24,273,766	32,558,881	6,608,703	8,864,384
Loans and advances	410,154,614	386,643,996	111,667,469	105,266,538
Non-trading investments	145,475,390	131,573,762	39,606,695	35,821,879
Investment properties	6,962,576	7,603,230	1,895,610	2,070,033
Property and Equipment	5,748,574	4,867,126	1,565,090	1,325,109
Intangibles	19,440,403	19,296,864	5,292,786	5,253,706
Other assets	18,351,114	15,950,958	4,996,219	4,342,760
<b>Total assets</b>	<b>1,000,343,377</b>	<b>919,060,532</b>	<b>272,350,497</b>	<b>250,220,673</b>
<b>LIABILITIES</b>				
Due to banks and financial institutions	56,985,180	57,632,476	15,514,615	15,690,846
Repurchase agreements	55,074,494	56,005,314	14,994,417	15,247,839
Commercial paper	39,664,252	31,174,128	10,798,871	8,487,375
Derivative financial instruments (liabilities)	28,395,085	38,832,004	7,730,761	10,572,285
Customer accounts and other deposits	614,459,265	540,882,472	167,290,843	147,259,045
Term borrowings	71,643,816	62,437,103	19,505,531	16,998,939
Subordinated notes	448,908	470,805	122,218	128,180
Other liabilities	20,842,804	22,587,238	5,674,600	6,149,534
<b>Total liabilities</b>	<b>887,513,804</b>	<b>810,021,540</b>	<b>241,631,855</b>	<b>220,534,043</b>
<b>EQUITY</b>				
Share capital	10,920,000	10,920,000	2,973,047	2,973,047
Share premium	53,557,581	53,538,584	14,581,427	14,576,255
Treasury shares	(6,430)	(8,980)	(1,751)	(2,445)
Statutory and special reserves	10,920,000	10,920,000	2,973,047	2,973,047
Other reserves	3,569,185	2,882,421	971,736	784,759
Tier 1 capital notes	10,754,750	10,754,750	2,928,056	2,928,056
Share based payment	249,816	249,816	68,014	68,014
Retained earnings	22,849,243	19,418,076	6,220,867	5,286,707
<b>Total equity attributable to shareholders of the Bank</b>	<b>112,814,145</b>	<b>108,674,667</b>	<b>30,714,442</b>	<b>29,587,440</b>
Non-controlling Interest	15,428	364,325	4,200	99,190
<b>Total equity</b>	<b>112,829,573</b>	<b>109,038,992</b>	<b>30,718,642</b>	<b>29,686,630</b>
<b>Total liabilities and equity</b>	<b>1,000,343,377</b>	<b>919,060,532</b>	<b>272,350,497</b>	<b>250,220,673</b>

## Income Statement

	AED '000		USD '000	
	FY'21	FY'20	FY'21	FY'20
Interest Income	18,083,747	20,101,443	4,923,427	5,472,759
Interest Expense	(6,425,615)	7,844,965	(1,749,419)	2,135,847
<b>Net interest income</b>	<b>11,658,132</b>	<b>12,256,478</b>	<b>3,174,008</b>	<b>7,608,605</b>
Net fee and commission income	3,034,548	2,912,080	826,177	792,834
Net foreign exchange gain	692,339	1,240,355	188,494	337,695
Net gain on investments and derivatives	6,484,786	951,027	1,765,528	258,924
Other operating income	(188,550)	1,213,971	(51,334)	330,512
<b>Operating income</b>	<b>21,681,255</b>	<b>18,573,911</b>	<b>5,902,874</b>	<b>9,328,571</b>
General, administration and other operating expense	(5,836,474)	(5,060,265)	(1,589,021)	(1,377,692)
Profit before net impairment charge and taxation	15,844,781	13,513,646	4,313,853	7,950,878
Net impairment charge	(2,658,237)	(2,619,940)	(723,724)	(713,297)
Profit before taxation	13,186,544	10,893,706	3,590,129	7,237,581
Income tax expense	(644,272)	(341,198)	(175,408)	(92,894)
<b>Profit for the year</b>	<b>12,542,272</b>	<b>10,552,508</b>	<b>3,414,721</b>	<b>7,144,688</b>
Profit attributable to:				
<b>Shareholders of the Bank</b>	<b>12,531,111</b>	<b>10,555,229</b>	<b>3,417,760</b>	<b>7,143,947</b>
Non-controlling interests	(11,161)	2,721	(3,038.63)	741
Basic earnings per share (AED / USD)	1.12	0.93	0.30	0.25
Diluted earnings per share (AED / USD)	1.12	0.93	0.30	0.25

