

ANNUAL REPORT
2022

بنك أبوظبي الأول

FAB

First Abu Dhabi Bank

SHAPING **THE FUTURE**



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SHAPING THE FUTURE

*with purposeful action for
sustainable growth*

STRATEGICALLY DRIVEN

Acting with purpose

VALUE-DRIVEN

Delivering sustainable growth

FORWARD-DRIVEN

Moving beyond traditional banking

STRATEGICALLY DRIVEN

Acting with purpose

Five decades at the heart of shaping the region’s banking industry, powering economic growth and supporting global trade and investment flows.

Shaping the banking industry in the region for **over 5 decades**

Delivering **superior and sustainable** shareholder returns

Innovative and agile institution

Building an experienced **global management team**



VALUE-DRIVEN

Delivering sustainable growth

Growth strategy underpinned by our position as one of the best capitalised, most profitable and safest banks in the world.

One of the **best capitalised, most profitable and safest banks** in the world

Strongest combined credit ratings of any MENA bank

Regulated in **over 20 markets**

Industry **recognition**

FORWARD-DRIVEN

Moving beyond traditional banking

Using our scale, specialisation, partnerships and technology to build a bank fit for the future, built around our customers.

Financial gateway

for cross-border trade flows in MENA

Organic and inorganic expansion

into priority and strategic markets

Partnerships to lead

in specialist segments and technologies

Using **technology to deliver** a smarter customer experience



OUR PROFILE

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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.



FAB AT A GLANCE

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

DOMINANT FRANCHISE

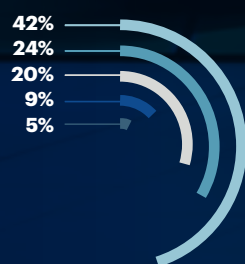
>30%

UAE market share
(by assets)¹

**TOP-RANKED REGIONAL BANK
ACROSS MENA IB LEAGUE TABLES¹**
in 2022

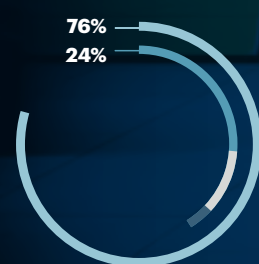
DIVERSIFIED REVENUE STREAMS

by business line²



- Investment Banking
- Corporate & Commercial Banking
- Consumer Banking
- Head Office
- Global Private Banking

by geography²



- UAE (76%)
- International (24%)
- MENA (15%)
- Europe & Americas (6%)
- Asia-Pacific (3%)

**THROUGH STRATEGIC GLOBAL PRESENCE ACROSS
5 CONTINENTS AND 20 MARKETS** (incl. UAE)

Note: All information as of 31 December 2022, unless stated otherwise

¹Ranking based among banks; UAE Central Bank, FAB, Bloomberg, Dealogic

²Breakdown of FY'22 operating income (excludes gain on sale of stake in Magnati)

MARKET HEAVYWEIGHT

TOTAL ASSETS

**AED
1.1 TN**

#1 in UAE
#2 in MENA
#109 Globally³

MARKET CAP

**AED
189 BN**

(USD 51 BN)

#3 in MENA¹
#35 Globally¹

**AMONG THE LARGEST
CONSTITUENTS FROM
UAE / MENA**

in global emerging markets
and ESG equity indices

ROBUST FOUNDATION

**ROBUST CAPITAL
ADEQUACY AND LIQUIDITY**

**STRONGEST
COMBINED
CREDIT RATINGS
AMONGST MENA
BANKS**

AA-
(equivalent)⁴

WORLD'S SAFEST

#1

in UAE and
Middle East⁵

#5

in emerging
markets⁵

#14

among
commercial
banks⁵

Portfolio of
**BEST-IN-CLASS
PRODUCTS
AND SERVICES**

Driven by
**SPECIALISATION
AND DIGITISATION**

To deliver
**SUPERIOR
CUSTOMER
EXPERIENCE**

³The Bankers' 2022 Top 1000 World Banks Rankings, July 2022

⁴Moody's, S&P & Fitch

⁵Global Finance Magazine safest bank rankings, September 2022

ESG LEADER

1ST GCC BANK

to join Net Zero Banking Alliance (NZBA) and to commit becoming a Net Zero bank by 2050

GREEN BOND MARKET #1 in MENA

DIVERSE GLOBAL WORKFORCE⁶

6,765
people from across
85 nationalities

⁶Full Time Employees (FTEs), excludes outsourced staff

REGIONAL LEADER IN SUSTAINABLE FINANCE

Facilitated over

USD 9.1 BN

of sustainable finance in 2022
(Commitment - USD 75 billion
by 2030)

Green bonds outstanding over

USD 2.2 BN

across 13 issuances
and 5 currencies

SUSTAINABLE SHAREHOLDER RETURNS

STRONG TRACK RECORD IN DELIVERING SUPERIOR AND SUSTAINABLE RETURNS TO OUR SHAREHOLDERS

TOTAL SHAREHOLDERS'
RETURN (TSR) SINCE
APRIL 2017

115%⁷

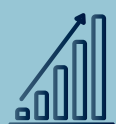
SUPERIOR
RISK-RETURN PROFILE

#3

amongst top
AA-rated commercial
banks on RoTE⁸

⁷Bloomberg (based on dividends being re-invested)

⁸Ranked 3rd out of 10 'AA-' rated commercial banks ('AA-' rated by all 3 major rating agencies - Moody's, S&P & Fitch) ; Data based on latest available annual financials



NET PROFIT

13.4 BN

USD 3.7 billion

+7% YOY



TOTAL INCOME

AED 23.9 BN

USD 6.5 billion

+10% YOY



CASH DIVIDEND
PER SHARE

AED 0.52

2021: AED 0.49



TOTAL ASSETS

AED 1.1 TN

USD 302 billion

+11% YOY



LOANS, ADVANCES AND
ISLAMIC FINANCING

AED 460 BN

USD 125 billion

+12% YOY



CUSTOMER ACCOUNTS
AND OTHER DEPOSITS

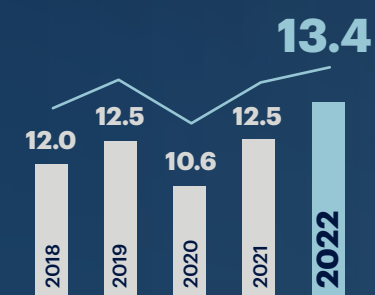
AED 701 BN

USD 191 billion

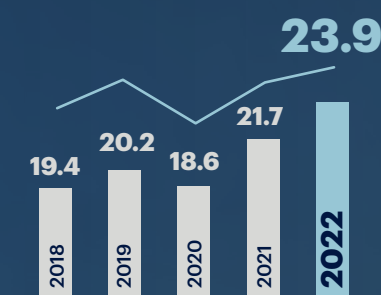
+14% YOY

RECORD REVENUE AND NET PROFIT

NET PROFIT (AED BN)



TOTAL INCOME (AED BN)



STRONG RETURNS

RETURN ON TANGIBLE EQUITY

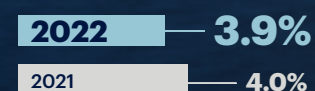


COST-INCOME RATIO⁹
(excl. integration cost and Magnati capital gain)

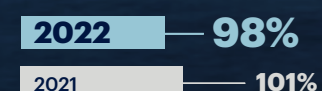


HEALTHY ASSET QUALITY METRICS

NPL RATIO

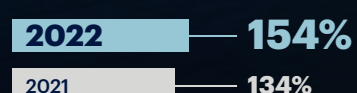


PROVISION COVERAGE



ROBUST LIQUIDITY POSITION AND CAPITAL PROFILE

LIQUIDITY COVERAGE RATIO



BASEL III CET1 RATIO¹⁰



THE BANKER 2022



Ranked 1st
in UAE in Top
1000 World Banks

FORBES 2022



Ranked 1st
in UAE in the
Forbes Global
2000 list

GLOBAL FINANCE 2022



World's 50
Safest Banks

⁹Ratio for 2022 also excludes gain on sale of stake in payments subsidiary, Magnati
¹⁰Post dividends

WHERE WE OPERATE

Strategic global footprint facilitating cross-border trade, liquidity and investment flows between key international markets

MIDDLE EAST AND AFRICA (MEA)

Bahrain	Libya
Egypt	Oman
Iraq	Saudi Arabia
Kuwait	UAE

EUROPE AND AMERICAS (E&A)

Brazil	UK
France	USA
Switzerland	

ASIA PACIFIC (APAC)

China – Mainland	Labuan (Malaysia)
China – Hong Kong	Singapore
India	South Korea
Indonesia	

Global presence in

20

markets across 5 continents

6,765

employees globally (FTEs)¹

>3 MN

customers in UAE²

64

Branches/cash offices³ in UAE (includes 9 digital branches)

398

ATMs/CDMs in UAE

¹Full time employees, excludes outsourced staff

²Includes Ratibi (Wages Protection System) and Prepaid cards customers issued by Magnati

³Excluding Islamic branches

OUR HISTORY

■ NBAD ● FGB ▼ FAB

**13th Feb
1968**

■ **The National Bank of Abu Dhabi (NBAD) is founded by decree of the late Sheikh Zayed Bin Sultan Al Nahyan, then the ruler of Abu Dhabi**

1975

■ **NBAD becomes the first UAE bank to open a branch overseas, in Cairo, Egypt, which remains FAB's largest international subsidiary as FABMISR**

1976

■ Branches opened in Sudan & Oman

1977

■ Opened branches in London (UK), Manama (Bahrain) and two more branches in Egypt

1979

■ Branch opened in Paris (France)

● **First Gulf Bank (FGB) is launched, further expanding the UAE's burgeoning banking sector. With a focus on corporate banking, FGB helps fuel the growth of state-owned enterprises and corporate clients**

1980

■ Branch / office established in Washington, USA (now FAB USA NV)

2000

■ NBAD is listed on Abu Dhabi Securities Exchange

2007

■ Established a Swiss private bank in Geneva

● Representative office opened in Singapore

2008

● Branch opened in Libya

2009

● Representative offices opened in Qatar & India

■ Ranked amongst the World's 50 Safest Banks (Global Finance)

2012

■ Expanded presence to Malaysia, Hong Kong and a representative office in Shanghai (China)

2013

■ Both, NBAD and FGB, were included in FTSE and MSCI emerging markets indices

2014

● Representative office opened in Seoul (Korea)

2015

■ NBAD becomes the first UAE bank to be a signatory to the Equator Principles

■ Branch opened in Mumbai (India)

2016

● FGB and NBAD Boards recommend merger to create largest bank in MENA

OVER 5 DECADES OF SHAPING THE UAE and the regional banking industry

**1st Apr
2017**

▼ **Unifying the joint heritage of the National Bank of Abu Dhabi and First Gulf Bank, First Abu Dhabi Bank (FAB) is formally created as the UAE's largest bank in 2017**

▼ AA- credit rating affirmed by all 3 major global rating agencies – FAB remains highest rated bank in the MENA region

▼ 1st MENA bank to issue a Green Bond

2018

▼ **Successful completion of the UAE integration journey in less than two years (Apr'17 to Dec'18) realising cost synergies of over AED 2 Billion**

2019

▼ Opening of 1st branch in the Kingdom of Saudi Arabia

▼ 1st Green Private Placement from the MENA region

2020

▼ Representative office opened in Jakarta, Indonesia

2021

▼ Bank Audi sal and FAB sign definitive agreement for the sale and purchase of 100% of Bank Audi sae (Egypt)'s share capital

▼ **Hana Al Rostamani becomes the first woman CEO of FAB and any other listed entity in GCC**

▼ Completed carve-out of payments business and named as Magnati

▼ **FAB joins the Net-Zero Banking Alliance (NZBA), becoming the 1st UAE and GCC bank to join, and supporting the UAE's race for Net Zero carbon emissions by 2050**

▼ 1st UAE bank to issue 'Green Repo' financing

▼ Received approval to establish a branch in Shanghai, China

▼ Total Assets cross AED 1 Trillion mark

2022

▼ **FAB commits to facilitate sustainable finance of USD 75 billion by 2030**

▼ **FAB sells 60% stake in Magnati to Brookfield Business Partners L.P.**

▼ New branch in ADGM (Abu Dhabi Global Markets)

▼ FAB becomes the 1st UAE and GCC bank to join the Partnership for Carbon Accounting Financials (PCAF), furthering the bank's strategy to achieve Net-Zero greenhouse gas emissions by 2050

▼ Launch of FABMISR as the new brand for its Egypt operations, after completing the merger of the former FAB Egypt and Bank Audi Egypt

▼ Approval received to open a representative office in Iraq

**2023 &
BEYOND**

▼ **FAB continues its journey as the UAE's leading bank, redefining the purpose of banking to deliver a better tomorrow**



2022 IN REVIEW



- FAB properties signs MoU with **Abu Dhabi Energy Services** to promote energy conservation in alignment with Abu Dhabi Demand Side Management and Energy Rationalisation Strategy (DSM) 2030

- Escrow agreement signed with Q Properties for the **'Reem Hills' project**

- First UAE and GCC bank to join the **Partnership for Carbon Accounting Financials (PCAF)**

- FAB closed first EUR denominated Green Bond from MENA with an issuance of **EUR 500 million five-year bond**



- FAB Egypt announced new brand identity **'FABMISR'** post completion of legal merger of Bank Audi Egypt – creating one of the largest foreign banks in Egypt

- Launched **Global Think Tank and Thought Leadership Platform** in collaboration with ICON Training and Coaching and on specific programmes with Yale SOM executive education

- Partnered with LiquidX Trade Finance Platform a global leader in working capital, trade finance and insurance technology to further expand its global funder network, accelerate and streamline its **Global Transaction Banking capabilities**

- Magnati joined Mastercard's **FinTech Express programme** to empower startups

- FAB won **Sustainable Finance 2022 Awards for the Middle East** from Global Finance:



- Partnered with Coriolis Technologies to launch **sustainability linked supply chain finance (S-SCF) solution**

- FAB issues **five-year USD 700 million public Green Bond** - largest ever Green Bond issuance by a MENA bank



- FAB Global Transaction Banking announces **partnership with Swiss FinTech Komgo** allowing FAB's key clients to initiate trade finance transactions across various international locations as well as obtain competitive pricing
- FAB launches its **first sustainability-linked current account** with Landmark Retail

JAN

FEB

MAR

APR

JUN

JUL

AUG

OCT

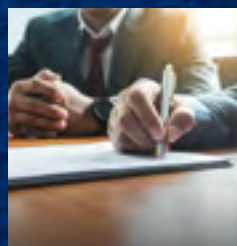
NOV

DEC

magnati

- Sold 60% stake in Magnati** (FAB's payments subsidiary) to Brookfield Business Partners unlocking significant value for shareholders

- FAB's first public deal in 2022 - a **USD 500 million five-year Sukuk** printed at the highest pricing ever achieved by a MENA bank in public format



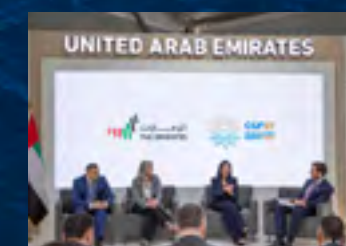
- Placed **CHF 200 million Green Bond** in the Swiss Franc Market; FAB remains the only MENA bank to issue green bonds denominated in CHF

- Launched a multiple-thematic fund, the **'FAB Thematic Rotation Fund'** providing access to global investment opportunities across themes and trends arising from long-term structural changes

- Celebrated the winners of the **Future Business Leader's Competition** (a competition launched in the UAE and Egypt to engage students to submit their views on the role of business in the national and global sustainability agenda)

- FAB participates in a panel discussion at **COP27** to explore the future of **Net Zero Banking Alliance (NZBA)** in the MENA region

- FABMISR announces successful **integration of all banking services** with Bank Audi Egypt



SHAREHOLDERS' INFORMATION

A. 2022/2023 FINANCIAL AND EVENTS CALENDAR

Date	Event
27/04/2022	Q1 22 Financial Results Announcement
27/07/2022	Q2/H1 22 Financial Results Announcement
25/10/2022	Q3/9M 22 Financial Results Announcement
25/01/2023	Q4/FY 22 Financial Results Announcement
28/02/2023	General Assembly Meeting
09/03/2023	Ex-Dividend Date ¹
10/03/2023	Record Date for Dividends ¹

B. FAB SHARE INFORMATION

Listing date	2000 ²	Closing price as of 31 December 2022	AED 17.10
Exchange	Abu Dhabi Securities Exchange (ADX)	Market cap as of 31 December 2022	AED 189 billion (USD 51 billion)
Symbol	FAB	Foreign ownership limit	40%
ISIN	AEN000101016	Free float	43%
Number of shares issued	11,047,612,688		

C. FAB INDEX WEIGHTS^{3,4}



21.39%
FTSE ADX15

FTSE

0.34%
FTAG01

MSCI

2.04%
MXEF0BK

0.33%
MXEF

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

¹ Dividends for the financial year ended 31 December 2022

² This is referring to the listing date of NBAD shares on ADX

³ As of December 2022, unless stated otherwise

⁴ Sources: Bloomberg, FAB, MSCI

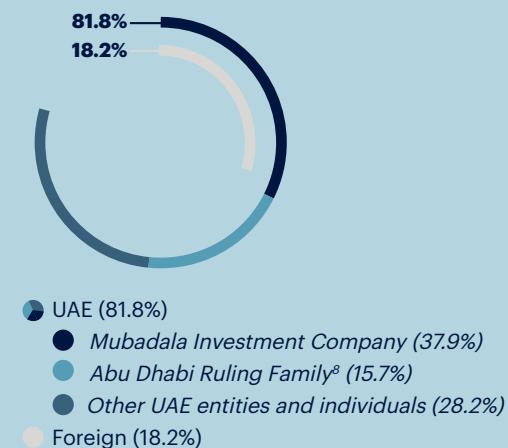
D. OWNERSHIP STRUCTURE AS OF DECEMBER-END 2022⁵

As of 31 December 2022, FAB's share capital stood at AED 11,047,612,688 divided into 11,047,612,688 shares of AED 1 each.

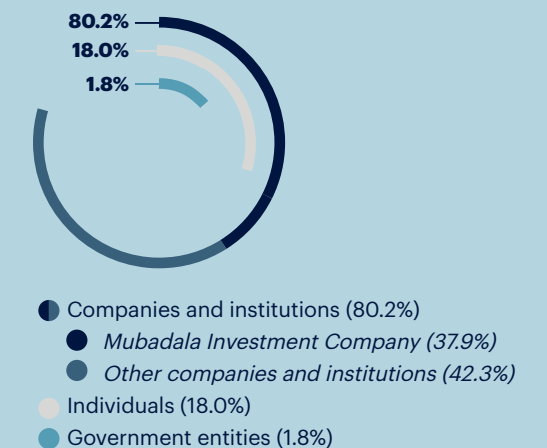
Major shareholders⁶

Mubadala Investment Company (MIC)⁷	Number of shares 4,134,356,254	Shares (%) ⁵ 37.9%
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FAB SHAREHOLDING⁵ BY NATIONALITY



FAB SHAREHOLDING⁵ BY CATEGORY



⁵Based on total outstanding shares (Total shares issued less treasury shares 6,506,417)

⁶Major shareholders defined as shareholders owning 5% or more of the issued capital (as per ADX)

⁷MIC holding through its wholly owned subsidiary One Hundred and Fifteenth Investment Company - Sole Proprietorship L.L.C., effective September 2021; MIC is one of the wholly owned strategic investment companies of the Emirate of Abu Dhabi

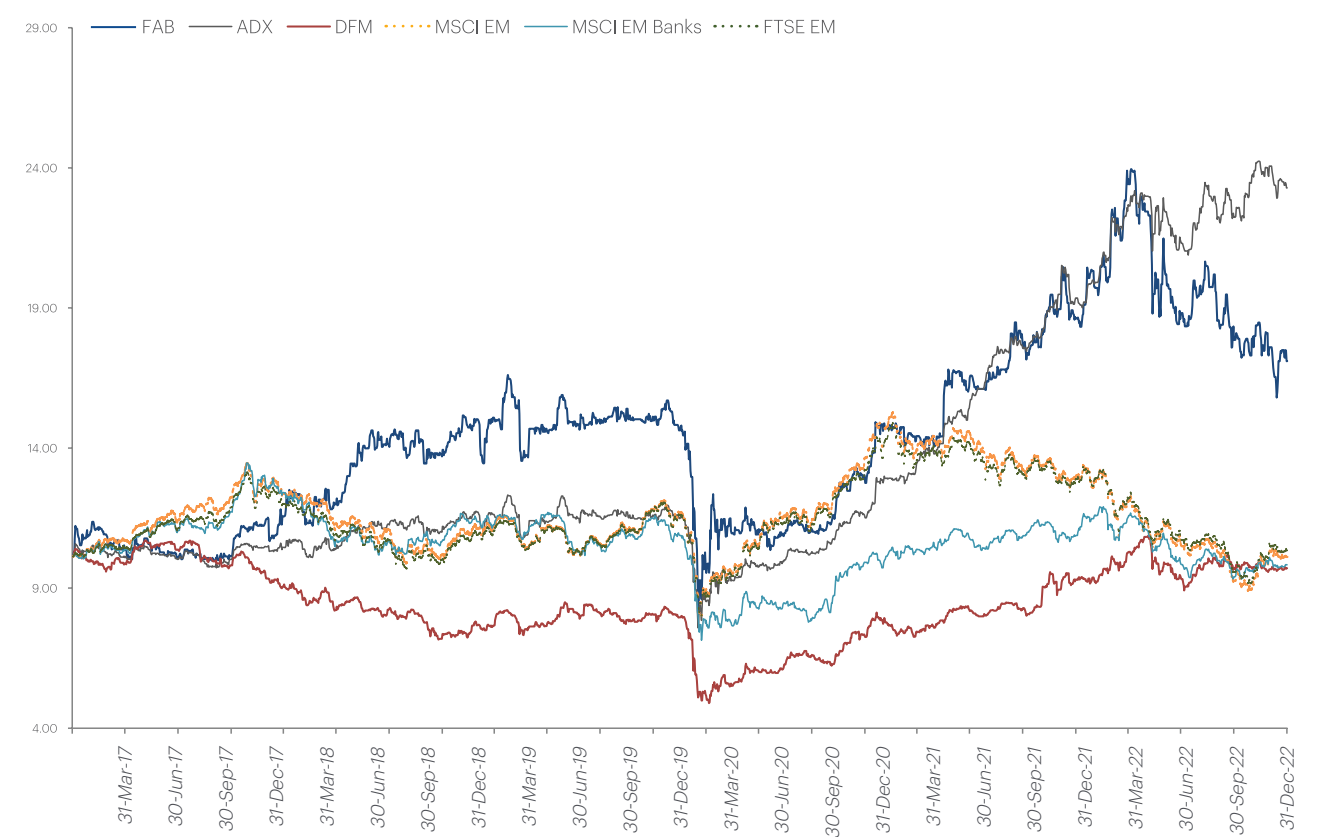
⁸Members of/companies owned by the Abu Dhabi Ruling Family. Each investor (natural or legal person) within this group, owns less than 5% of the Company's shares, and is free to buy or sell FAB shares



E. SHAREHOLDER RETURNS AND SHARE PRICE INFORMATION

Description	2017 pro forma	2018	2019	2020	2021	2022
Returns to shareholders ¹ :						
Capital gains ²	2.6%	37.6%	7.5%	(14.9)%	46.0%	(9.2)%
Cash dividend yield ³	6.8%	5.2%	4.9%	5.7%	2.6%	3.0%
Total dividend per share (AED equivalent)	0.70	0.74	0.74	0.74	0.70	0.52
Total dividends (AED million equivalent)	7,628	8,064	8,081	8,081	7,644	5,745
Split into:						
Stock dividends (equivalent AED/share) ⁴	-	-	-	-	0.21	-
Cash dividend (AED/share)	0.70	0.74	0.74	0.74	0.49	0.52
Total cash dividends (AED million) ⁵	7,628	8,064	8,081	8,081	5,351	5,745
Cash dividend payout ⁶	73%	70%	68%	80%	44%	44%
Market capitalisation (AED million)	111,700	153,655	165,547	140,868	205,733	188,914
Number of shares issued (AED million)	10,898	10,898	10,920	10,920	10,920	11,048
Price to tangible equity ratio (on Basic EPS)	10.7x	13.3x	13.7x	13.9x	16.8x	14.5x
Price to tangible book ratio	1.6x	2.2x	2.1x	1.8x	2.5x	2.3x
Share price (AED/share):						
High ⁷	11.55	14.84	16.80	15.88	20.70	23.96
Low ⁷	9.72	10.45	13.60	8.17	13.12	15.80
Closing as of 31 December	10.25	14.10	15.16	12.90	18.84	17.10
Daily average volume (shares million) ⁸	2.9	3.4	3.5	4.9	17.7	10.6
Relative returns (capital gains):						
FAB vs ADX return	5.9%	25.8%	4.2%	(14.3)%	(22.2)%	(29.5)%
FAB vs MSCI EM Banks index return	(25.0)%	46.2%	0.4%	(1.4)%	36.7%	0.1%

F. FAB SHARE PRICE PERFORMANCE VS. UAE INDICES⁹ (rebased)



Percentage change since merger in April 2017:

	FAB	ADX	DFM	MSCI EM	MSCI EM Banks	FTSE EM
Absolute change	69%	130%	-4%	0%	-3%	2%
CAGR (Apr 2017 – Dec 2022)	10%	16%	-1%	0%	-1%	0%

¹Based on issued shares
²Percentage change in price during the year (31 December 2021 – 31 December 2022)
³Dividend yield based on cash dividends per share as a percentage of closing share price as on 31 December or last traded day of the relevant financial year
⁴Shown as a percentage of face value
⁵Based on number of shares issued as at 31 December of the relevant financial year
⁶Dividend payout ratio based on cash dividends as a percentage of attributable profits (net profits after minority interest and payment on Tier-1 capital notes)
⁷High/Low based on daily closing prices
⁸Average based on regular trades, excludes block-trading volumes
⁹Rebased to FAB share price as on 31 March 2017

Source: Bloomberg, FAB financials 2018 - 2022, FAB Pro forma financials 2017

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CHAIRMAN'S STATEMENT

By capitalising on the favourable macroeconomic conditions, FAB has been laying foundations for a sustainable future

2022 was a year of continued strategic diversification and expansion for the UAE and regional economies, which posted their fastest economic growth in a decade.

The UAE's banking sector reflected this positive performance, reinforcing its resilience and robust fundamentals during the year. The sector remains highly capitalised with ample systemic liquidity, supported by higher interest rates and credit growth recovery.

By capitalising on the favourable macroeconomic conditions, FAB has been laying the foundations for a sustainable future. The bank has also been at the forefront of the UAE's progress in driving long-term growth amid a turbulent global backdrop, supported by structural reforms, high oil prices and a recovery across non-oil economic sectors.

FAB's leadership position in the banking sector is a result of the strategic direction taken by its Board of Directors as well as the commitment of the Group Executive Committee under the leadership of Group CEO, Hana Al Rostamani which has enabled FAB to continue to be a core driver and beneficiary of economic growth.

During the year, we made tangible progress against our vision, delivering a strong financial performance whilst driving our transformation agenda to build a future-proof bank. We continued to unlock value and new opportunities for our clients and stakeholders, in the UAE, regionally and across the globe.

In line with our firm commitment to create long-term sustainable value for our shareholders, FAB's Board of Directors is recommending a cash dividend per share of 52 fils for the full year ended 31 December 2022, that is a total amount of AED 5.74 Billion, compared to 49 fils per share in 2021.

As the region continues to push forward with ambitious sustainability targets, and with the UAE due to host COP28 in 2023, the Year of Sustainability, we share a responsibility to work together to unlock the nation's full potential, and to shape a more prosperous future for all. FAB recognises this and has made a clear commitment to being a pacesetter for the regional energy transition.

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

Tahnoon Bin Zayed Al Nahyan
Chairman

“During the year, we made tangible progress against our vision, delivering a strong financial performance whilst driving our transformation agenda to build a future-proof bank. We continued to unlock value and new opportunities for our clients and stakeholders, in the UAE, regionally and across the globe”

AED
5.74 **BN**
total cash dividends

52 **fils**
cash dividend
per share

AED
13.4 **BN**
net profit



GROUP CEO'S MESSAGE

FAB set new performance benchmarks in 2022, powered by the strength of our core businesses and the success of our drive to be a future-focused organisation.

I am proud of the progress we have made in 2022 in several strategic areas, including advancing the customer experience, expanding our specialised offerings, and leveraging our strategic partnerships to create value across the Group. This has generated significant outcomes including double-digit growth in international revenues and being the #1 UAE bank in MENA DCM and ECM League tables and the #1 loan agent in MENA by volume of deals. Our achievements continue to be recognised externally, having recently been awarded Best Consumer Digital Bank in the UAE, Most Innovative Bank, and Best User Experience Design at the Global Finance Awards.

Our consistently strong financial results are a demonstration of our fundamental strength – generating superior returns through a robust foundation. In 2022, Group net profit improved 7% year-on-year to AED 13.4 billion, a historic high for our bank. Strong business volumes have underlined healthy pipeline execution across our diversified business model. The fundamental strength of our balance sheet, underpinned by a strong liquidity profile and efficient capital management, allowed us to drive improvements in Common Equity Tier 1 (CET1) despite market and regulatory headwinds. In line with our strategy to diversify sources of income and expand internationally, we continued to consolidate and build our presence in priority markets, notably Egypt where we are now among the largest international banks.

As I look back on the past two years, I am positive about this pace of change and what we have achieved so far in terms of financial performance:

- Return on tangible equity improved to 15.7% from 13.0%
- Net profit increased by a 13% CAGR to AED 13.4 billion
- Total income grew by a 14% CAGR to AED 23.9 billion
- Total assets are in excess of AED 1.1 trillion, led by robust loan and deposit growth

- Revenue contribution from our international franchise grew to 24% from 16%, with the MENA region now contributing 64% of the total international revenues compared to less than 40% just two years ago

STRATEGICALLY DRIVEN, VALUE-DRIVEN, FORWARD-DRIVEN

Our Group today is in a very strong position to pursue our growth journey and capitalise on opportunities. Looking ahead, the Executive Committee and I will continue to shape the future through our focus on unlocking the full potential of our franchise in three main strategic priorities:

1. Stimulating Growth

Our loans, deposits and balance sheet grew near their fastest rates since the merger and this was evident in our above-market, double-digit loan and deposit growth, as well as our ability to capture significant new market share across target segments. Through innovation and strategic partnerships, we continued to be the dominant regional player in the supply chain financing segment. We also maintained our heavyweight status across MENA capital markets by playing lead roles in a range of high-profile transactions, while continuously expanding our ESG product suite to better meet the needs of our customers in this rapidly evolving space.

We are continuing to **stimulate growth** through the effective execution of our strategy and the excellent relationships and brand reputation we have fostered across the Group. We strive to be the regional leader in our chosen segments and markets, with diversified revenue streams driven by expanding capabilities and deepening of client relationships. This will continue to fuel ongoing investment in the business to drive growth over the long-term.

“We strive to be the regional leader in our chosen segments and markets, with diversified revenue streams driven by expanding capabilities and deepening of client relationships. This will continue to fuel ongoing investment in the business to drive growth over the long-term”

15.7%
return on tangible equity

1.1 ^{TN}
total assets



2. Catalysing Change

We are **catalysing change** to deliver an exceptional customer experience, drive productivity and efficiency gains, strengthen operational resilience, and cultivate a high performance-driven culture. During this year, we continued to seek new, innovative ways to better serve our customers and clients, through improving and optimising our distribution channels, and simplifying customer journeys. These initiatives have resulted in delivering an enhanced customer experience with tangible progress including close to 90% of all transactions now performed digitally and over 70% of new current and savings accounts (CASA) digitally onboarded.

In 2022, we sold a majority stake in our payments business, Magnati, to a long-term strategic partner, delivering significant value while also creating a pathway for this business to grow and flourish. Our evolving, digitally integrated business model is reflected not only in our investment plans but also in our strategic partnerships. These include the launch of the digital banking platform, Wio, earlier in 2022 with key Abu Dhabi entities; integrating with Abu Dhabi Department of Economic Development for efficient SME onboarding; and partnering with FinTechs to create new capabilities and ensure future value creation.

3. Enhancing Connectivity

As a truly global network, established from the Americas to Asia, we are continually **enhancing connectivity** to spur growth and expansion. Today, we are firmly established as the regional financial institution of choice, facilitating trade, liquidity, and East-West investment flows. Our international franchise posted double-digit revenue growth and its contribution to total bank revenues is now at 24%, with MENA representing over 64% of international revenue.

Looking ahead, we aim to continue expanding our global footprint in markets that add further value to trade and investment links. The completion of the integration of our Egypt operations and launch of FABMISR will help us leverage our presence in Egypt, which is both strategically important and offers significant long-term growth opportunities.

SETTING REGIONAL BENCHMARK FOR SUSTAINABILITY AND CREATING A STRONG AND HIGH-PERFORMANCE DRIVEN CULTURE

As we entered the UAE's Year of Sustainability, we reinforced our position as a regional ESG trailblazer, facilitating over USD 9.1 billion worth of sustainable projects towards our USD 75 billion target by 2030. We are helping to deliver the region's sustainable finance agenda, while defining clear steps and immediate goals towards our net-zero commitments. We also made steady progress in rolling out sustainability-linked products across all customer

groups, including CASA accounts, credit cards and auto loans, empowering a growing cross-section of clients and customers to direct funds towards environmentally positive outcomes. We reaffirmed our leadership position in the Green Bond market, with around half of our 2022 issuances executed in a green format across several different currencies, including the first Euro Green Bond issued by a MENA financial institution.

Our position as a regional pacesetter for sustainability and climate action was recognised with awards for Outstanding Leadership in Transition/Sustainability-Linked Bonds, Sustaining Communities and Sustainable Project Finance from Global Finance, as well as being named Best Bank for ESG in the UAE by Euromoney.

Nurturing culture and talent are key to enabling our progress. In 2022, we reinforced FAB's position as an employer of choice by driving engagement, setting new diversity and inclusion benchmarks, increasing women representation at the management level and within the Boards of our subsidiaries, supporting employee wellbeing, and creating a performance-driven environment that allows us to collectively strive for and achieve our shared objectives. Importantly, we made significant progress towards our 50% Emiratisation target by 2025, with Emirati representation increasing to 44%, including an increase of 22% in the number of Emiratis in senior roles.

MOVING FORWARD IN A STRONG POSITION TO DRIVE GROWTH AND SUSTAINABLE RETURNS

Markets around the world were severely impacted during 2022 by rising inflation, geopolitical tensions, supply chain disruptions and the persistent impact of the pandemic. Despite this challenging global backdrop, we remain confident in the resilience of the region and are well placed to capitalise on the opportunities offered by our diversified business model moving forward.

We will continue to focus on deeper specialisation and strategic growth areas, and on building our global presence beyond the UAE. We will further develop the contribution of our international operations to the Group, expand on our partnership model to bring new capabilities to our offering, and extend our technology platform to enhance both operations and the customer experience. Connecting across these elements will be continued investments in our talent, so that individuals and teams can achieve their fullest potential as we shape the bank of the future together and deliver superior and sustainable value for all stakeholders.

I am very proud of our collective achievements and remain excited about what lies ahead for the Group, as we look to continue driving our growth and transformation agenda forward. I would like to thank our Board and all our employees, as well as our partners, regulators, customers and shareholders, for their outstanding support and contributions during another successful and rewarding year for FAB.

Hana Al Rostamani

Group Chief Executive Officer

24%
International contribution
to total Bank revenue

64%
of which is contributed
by MENA

FINANCIAL REVIEW

Building on a strong performance in 2021, FAB delivered another set of outstanding results in 2022, generating record revenue and net profit while posting above market loan growth, supported by positive regional economic tailwinds.

2022 was characterised by a sharp slowdown in global economic activity, with inflation at multi-year highs and aggressive monetary tightening across most regions leading to rising benchmark interest rates. In contrast, GCC economies have been in a “sweet spot,” underpinned by high oil prices and the continued rebound in key sectors in the non-oil economy. In addition, the tangible structural government reforms that were launched over the past several years, are clearly bearing fruit, and have effectively helped to accelerate economic growth and diversification, while firmly establishing the UAE’s unique position as a global trade, business and financial hub.

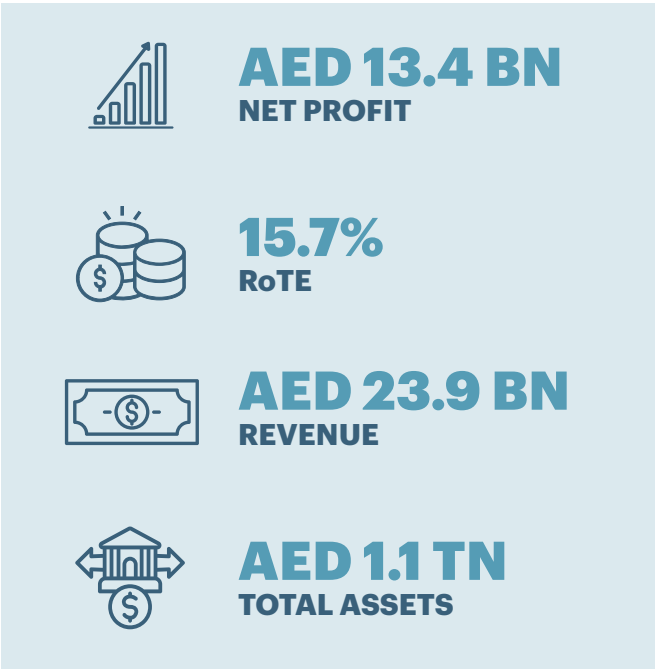
Against this backdrop, FAB continued to play a significant role in fostering a dynamic economy, leveraging its unique competitive strengths, market capabilities and strategic international networks to best serve clients, meeting their increasingly sophisticated needs, and ultimately helping them navigate market headwinds while capitalising on the significant opportunities presented by the changing landscape.

RECORD PERFORMANCE AND RESULTS

FAB Group achieved another set of record results in 2022 with a net profit of AED 13.4 billion, an increase of 7% over 2021 and the highest annual net profit historically. This represents a return on tangible equity of 15.7%, compared to 15.2% in 2021.

Rising interest rates and the execution of the Group’s strategic priorities to grow and diversify income streams enabled us to boost revenue which grew 10% year-on-year to AED 23.9 billion. This largely offset the 45% reduction in foreign exchange and investment income due to an exceptional trading performance in 2021.

Operating expenses were up by 15% year-on-year to AED 6.7 billion mainly driven by integration of operations in Egypt



(FABMISR) in 2022, write-off of legacy systems in Q4’22 as part of our ongoing technology transformation strategy, as well as continued investments into the business. Cost discipline and efficiencies will help mitigate inflationary pressures even as we continue to invest in strategic and digital initiatives to drive our growth journey, and build a future-proof bank. The Group’s cost-to-income ratio excluding Magnati-related gains was 31.6% in FY’22 (versus 30.9% in 9M’22, 26.4% in FY’21).

With macroeconomic conditions improving and new NPL formation being relatively subdued, ECLs were AED 18.2 billion, translating into a cost of risk of 62 basis points, down from 65 basis points in 2021. As FAB enters a more challenging period, it will continue to prudently build provisioning buffers.

ROBUST BALANCE SHEET AND MARKET-LEADING CAPABILITIES

Total assets grew 11% year-on-year to over AED 1.1 trillion, led by business growth and sizeable deposit inflows reflecting the high oil price backdrop.

Loans, advances and Islamic financing (net) were AED 460 billion, up 12% year-on-year (+AED 50 billion) and reflecting a healthy pipeline execution driven by core clients as well as a pick-up in consumer demand. Repayments and run-off of short-term trade finance assets in Q4’22 resulted in net loans declining by 1% sequentially.

Customer deposits added AED 86 billion (+14% year-on-year) in FY’22 to AED 701 billion, despite outflows in Q4’22, reflecting FAB’s role as an aggregator of liquidity and as the primary banker to the Government of Abu Dhabi and its related entities. Growth in CASA balances remained positive for FY’22 at 3% to AED 297 billion, representing 42% of total deposits. CASA growth was driven by new cash management mandates, focus on growing retail CASA, and other strategic initiatives, notwithstanding the natural shift towards higher yielding term deposits in a rising interest rate environment.

The Group’s **liquidity position** remained strong with December-end 2022 Liquidity Coverage Ratio (LCR) at 154%, comfortably in excess of the Basel III minimum regulatory requirement of 100%.

During 2022, FAB raised USD 2.9 billion (equivalent) of senior **wholesale funding** across multiple formats and five different currencies at a competitive pricing and replaced maturities at tighter spreads. Despite challenging market conditions, the Group was able to seize the right issuance windows to complete several landmark transactions including a five-year USD 500 million Sukuk, which was printed at the tightest pricing ever achieved by a MENA bank in public format; a four-year CHF 200 million Green Bond, where FAB remains the only MENA bank to issue Green Bonds denominated in CHF; the first-ever Euro-denominated Green Bond from the MENA region; and the largest-ever Green Bond issuance by a MENA bank (five-year USD 700 million) which marked the return of FAB to the conventional public USD market.

In 2022, the Group continued to focus on its **Green and sustainable-linked funding activity** by issuing USD 1.5 billion equivalent in green format across both public and private transactions, which made up more than half of wholesale funding raised in 2022. With Green Bonds outstanding of over USD 2.25 billion (equivalent) across 13 issuances and five

different currencies, FAB further cemented its position as a leader in the Green Bond market.

Total shareholders’ equity (including Tier 1 capital notes) at AED 115 billion was up 2% year-on-year. Basel III Common Equity Tier 1 (CET1) ratio stood at 12.6%, net of proposed dividends for FY’22, as compared to 12.4% at December-end 2021, improving 19bps on the back of strong earnings generated and multiple RWA (risk-weighted assets) optimisation initiatives, helping to partially offset market and regulatory headwinds. Group CET1 stands comfortably above the minimum regulatory requirement of 11%. Capital adequacy and Tier 1 capital ratios were 15.6% and 14.5% as of December-end 2022, versus 15.4% and 14.3% respectively as of December-end 2021.

Return on Tangible Equity (RoTE) improved by 45bps year-on-year to 15.7%, while Return on Risk Weighted Assets (RoRWA) stood at 2.3%. Underlying RoTE, excluding Magnati-related capital gains and real estate gains and losses, was 12.5% for FY’22.

MOMENTUM REMAINED STRONG ACROSS BUSINESSES

Carrying on from 2021, momentum remained robust across all businesses with strong volume growth and rising interest rates largely benefitting all segments, led by Corporate and Commercial Banking. Underlying growth in Investment Banking and Consumer Banking was healthy and partially offset sizeable investment gains of prior years and other regulatory headwinds. Global Private Banking capitalised on the buoyant capital markets and string of IPOs to deliver record revenue of over AED 1 billion.

Outside the UAE, inclusion and integration of Bank Audi Egypt into FABMISR, complemented further by contributions from our other international franchises across GCC, Singapore and Switzerland, revenue from international operations recorded a 32% increase year-on-year to over AED 5 billion.

WELL POSITIONED TO DELIVER SUPERIOR AND SUSTAINABLE SHAREHOLDER RETURNS

FAB’s robust foundation across all balance sheet metrics, a unique funding profile, and the right strategic focus to drive growth and transformation, enables us to unlock further shareholder value in 2023 and beyond to deliver superior and sustainable shareholder returns.

MARKET OVERVIEW

Mounting macroeconomic challenges and volatility throughout the year, coupled with higher interest rates and tighter monetary conditions, slowed global economic growth and impacted nations, businesses and individuals. However, across the GCC and Egypt, high oil prices and increasing inflows of talent and capital have resulted in a strong post-COVID-19 pandemic rebound, which looks set to continue as we enter 2023.

GLOBAL ECONOMIC HEADWINDS

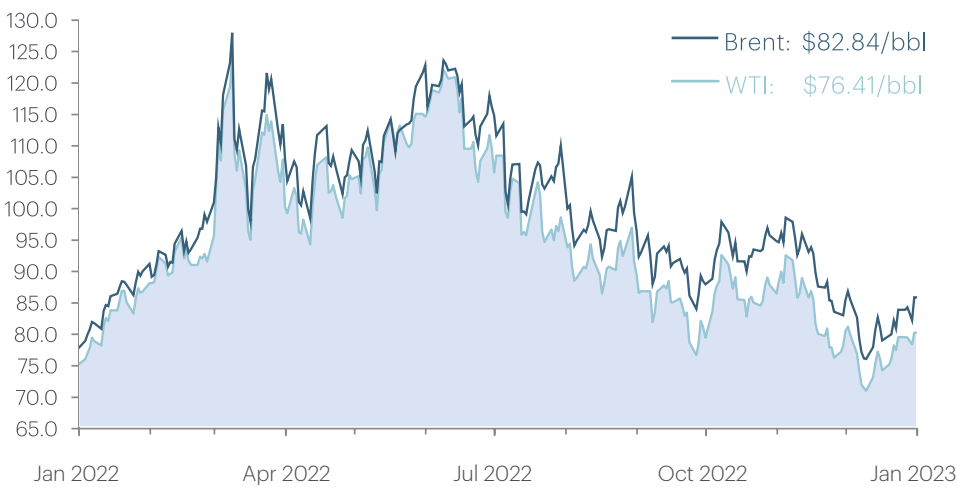
The global economy had a very challenging year and is facing serious headwinds as we enter 2023. According to the World Bank, economic growth in China is estimated to have averaged just 2.8% in 2022, its weakest level in over 40 years. Slower-than-expected growth in the world's second largest economy, global inflation, rising interest rates, tighter liquidity and the ongoing Russia/Ukraine conflict are just some of the major challenges facing the global economy in 2023, all of which increase the likelihood of a recession.

Despite a much softer than expected performance during Q4 2022, the crude market retained certain supportive factors. However, the outlook for 2023 remains clouded, primarily due to ongoing concerns over a global economic slowdown.

The IMF has acknowledged this risk and consequently lowered its latest forecast for global growth in 2023.

The oil market will continue to face both economic and geopolitical uncertainty in the weeks and months ahead. Limited spare capacity, the low level of fuel product inventories, and tighter sanctions on Russia should provide support for crude prices during the first half of this year. However, growing signs of a global economic recession, combined with lingering uncertainty over the pace of China's shift away from its Zero-COVID strategy, encourages a more cautious outlook. With all this in mind, we have lowered our expectations for Brent for 2023.

WTI/BRENT PERFORMANCE 1 JAN - 31 DEC 2022



Source: Bloomberg/FAB

THE GCC AND EGYPT

The GCC and Egypt have made sizeable progress in recouping lost output following the COVID-19 pandemic and associated economic lockdowns, and we expect this recovery to continue over the coming months. Indeed, the region's non-oil growth has been clearly reflected in the recent strength of regional Purchasing Managers' Indexes (PMIs), which underlines improving economic performance in the likes of the UAE and Saudi Arabia.

The non-hydrocarbon economic diversification story, so important to the economic evolution of the GCC, will be key to cushioning members' economies from the downdraft of probable global recessionary headwinds this year. The region saw a strong pickup in tourist volumes last year, supporting non-oil economic growth.

While tighter Fed monetary policy may have been appropriate in recent quarters for the U.S. economy, the hiking of rates in this region as a consequence of currency pegs may be a headwind for individual GCC economies, particularly at this stage of their business cycle – just as GCC countries are looking to expand growth and diversify further away from oil, higher interest rates are liable to restrict capex, bank lending, and, by extension, economic growth.

FACING UP TO GDP WITH CONFIDENCE

We expect economic growth across the GCC and Egypt to consolidate over the course of this year, but nonetheless to outperform much of Europe and the U.S.

Real GDP growth in the GCC is expected to soften in 2023, from close to 6.5% in 2022. Meanwhile, we expect Egypt's economy to grow stronger in the 2022/2023 fiscal year.

GCC and Egyptian growth in the current year should continue to outpace that seen in many western countries. Latest growth forecasts by the IMF suggested real GDP in the US would grow slightly stronger than in the Euro area this year, with both regions growing in the low single digits.

Within the relatively buoyant GCC and Egypt outlooks, it is important to note the positive stimulus to growth from the current robust nature of oil production and associated government revenues across the region. This has provided a buffer for its non-oil economies, while at the same time helping to return government balance sheets to fiscal surplus positions.

The GCC and Egypt have made **sizeable progress** in recouping lost output following the COVID-19 pandemic and associated economic lockdowns, and we expect this recovery to continue over the coming months.

THE UAE AND SAUDI ARABIA

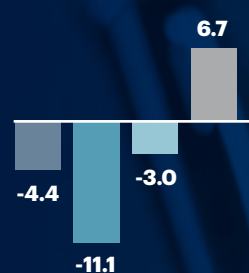
After the widespread economic recession of 2020 resulting from COVID-19 pandemic lockdowns, we saw a steady reflationary rebound in real GDP growth in both the Saudi Arabia and UAE economies in 2021 and 2022. Given the backdrop of tighter monetary conditions, we now expect to see a moderation in the pace of economic expansion this year; both the Saudi Arabia and UAE economies are expected to perform robustly, but at a more modest rate of expansion compared to 2022.

We anticipate that Saudi Arabia and the UAE expanded by 7.5% and 6.7% respectively in 2022, while we expect both countries to grow at a healthy but slower pace this year, although that growth should be more sustainable as economic diversification continues to evolve.

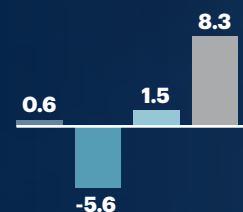
As GCC economic activity consolidates, so too will government balance sheets. After the significant improvements in official fiscal balances seen last year, from deep post-pandemic deficits, we anticipate continued progress this year. From the -12.1% and -7.3% deficits that we calculated for Saudi Arabia and the UAE respectively in 2020, we believe that the respective government balances should improve and convert into surpluses this year.

BUDGET DEFICIT (-) / SURPLUS (+) AS A % OF GDP

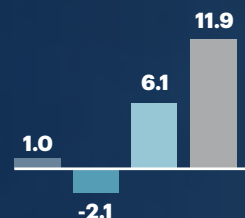
SAUDI ARABIA



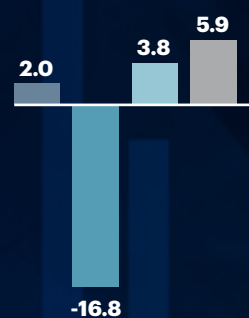
UAE



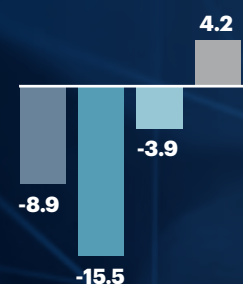
QATAR



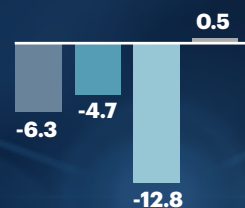
KUWAIT



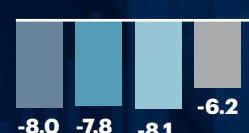
OMAN



BAHRAIN



EGYPT



■ 2019 ■ 2020 ■ 2021 ■ 2022E

Source: IMF / IIF / FAB

RECEDING TIDE OF INFLATION

For the GCC region overall, we anticipate that a relatively benign inflation outlook compared to many other parts of the world should provide welcome stability in its macro landscape. Having said that, we are aware that the region will not be immune to global price pressures. However, elevated inflation, subsequent rising interest rates, and consequent tighter financial conditions are typically felt most severely by oil-importing countries.

Annualised inflation tended to be above 5% across much of the GCC during the second half of last year, reaching levels not seen in over a decade. It was still approximately only half the level of inflation experienced across many western countries.

GCC OUTLOOK

Despite the buffeting from macroeconomic headwinds and geopolitical challenges resulting in recent steady global growth downgrades, the economic outlook for the GCC remains robust. The region continues to be supported by strong oil revenues for its oil exporters, which helps create a buffer for regional non-oil sector activity.

GCC interest rates, as a function of the USD-pegged currency regimes, will be biased higher in line with any further monetary tightening by the Federal Reserve over the coming months. We expect the terminal Fed funds rate to be reached by May or June this year, and for monetary tightening to then be paused.

While higher GCC official interest rates would tend to be a constraint on the access to capital, the outlook for the broader regional government funding environment should be ameliorated by our expectation that the gradient of the Fed's rate curve should flatten in the months ahead.

In aggregate, the macro outlook for the GCC region in these opening weeks of 2023 is certainly far more optimistic than it is across many western geographies, especially with the latter now facing the looming spectre of recession. In contrast, we forecast modest but sustainable levels of real GDP growth for the GCC member states, with export earnings reinforcing strong current account positions, and continued structural strength derived from the return of sovereign balance sheets to fiscal surplus status.

UAE BANKING SECTOR OUTLOOK

Buoyed by the record performance of the UAE economy in 2022, the UAE banking sector enters 2023 on a solid footing.

Despite uncertainty surrounding the global macroeconomic outlook, the increase in margins and net interest income reported by UAE banks in 2022 are expected to continue, driven by tightened monetary policy and higher interest rates. The continued buoyancy of non-oil GDP growth and PMI indicators also suggest that operating conditions and cost of risk should remain stable year-on-year.

Strong liquidity ratios for the banking sector are expected to continue to be supported by large government deposits driven by the sovereign's solid net external assets position, still-strong fiscal metrics, and ongoing hydrocarbon revenues.

Despite uncertainty surrounding the global macroeconomic outlook, the **increase in margins and net interest income** reported by UAE banks in 2022 are expected to continue, driven by tightened monetary policy and higher interest rates.

The aggregate capital position of the UAE's banks is also robust and is supported by the fact that capital requirements in the UAE are higher than those set by the global Basel III thresholds. Asset quality indicators also remain positive and asset quality is expected to remain stable, despite higher interest rates, as UAE banks continue to strengthen their provisions in anticipation of any potential deterioration in asset quality that may arise from higher interest rates or the onset of a global recession.

2022 was also a record year for IPO activity in the UAE and that trend is expected to continue in the coming year as more companies seek public listings and investors' confidence in GCC capital markets continues to grow, boosted by government support and the region's relative economic stability.

While real GDP growth in the UAE economy is expected to moderate over the next couple of years, which may result in a corresponding slowdown in credit growth, the UAE economy and its banking sector are expected to remain relatively well-insulated from any headwinds that may impact the global economy.

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.

Our business structure, comprising four distinct business lines, enables us to have strong connectivity to our clients and a deep focus on 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 a wholly-owned subsidiary of Mubadala Investment Company (MIC).

Exceptional Talent
Diverse and inclusive talent pool of close to 6,800 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 20 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)

42% Contribution to FY’22 Group Operating Income

- Full range of banking services for institutional clients: Government, GREs, SWFs, financial institutions, large conglomerates
- Uniquely anchored presence in Abu Dhabi acting as the house bank for Government and GRE entities
- Global network and international footprint, acting as the “connector” of flows in and out of the UAE and MENA
- Market-leading product capabilities and sector knowledge

Consumer Banking (CB)

20% Contribution to FY’22 Group Operating Income

- Leading Consumer Bank in the UAE with unique client propositions catering to individual client segments across conventional and Islamic banking
- Strong digital client offerings with a large customer base that actively uses digital channels
- Wide network of traditional and digital branches, cash offices, ATMs/CDMs and other multiple touch points across the UAE

Corporate and Commercial Banking (CCB)

24% Contribution to FY’22 Group Operating Income

- Extensive client base across the UAE, including large and mid-size corporates and SMEs
- Strong value propositions covering all basic and most sophisticated products
- Government partner supporting national initiatives to develop the Commercial and SME banking sector
- Growing presence in target international locations including Egypt and Saudi Arabia

Global Private Banking (GPB)

5% Contribution to FY’22 Group Operating Income

- Global Private Banking caters to HNW and UHNWI clients offering a wide range of investment products and services
- Presence in key international financial centres with booking centres in the UAE, Switzerland, Saudi Arabia, Singapore, UK and France
- Full range of bespoke investment solutions
- Highly experienced and skilled private bankers, investment advisors and fund managers

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.

OUR KEY BUSINESS SUBSIDIARIES AND ASSOCIATES



*Segmental disclosures within the financial statements include Head Office (HO) as a business segment contributing 9% to FY22 Group operating income. HO provides centralised business and administrative support to all business units of the Group. It also includes a diversified business model supported by complementary offerings provided across real estate and property management services through subsidiaries partially or fully owned by the Group. These include FAB Properties, Abu Dhabi National Properties and First Gulf Libya. FABMISR has been included in HO, on an interim basis, whilst product and business segmentation is aligned to the Group norms.

OUR STRATEGIC PRIORITIES

STRATEGIC MILESTONES IN 2022

Through stimulating growth, transformation and enhancing connectivity, we are positioning the Bank as the MENA region's most innovative and agile financial institution.

1

STIMULATING GROWTH

Delivered **double-digit loan and deposit growth**, reflecting very strong momentum across all businesses

Accelerated growth in the regional payments industry through the sale of a **60% stake** in Magnati to Brookfield Business Partners

Leveraged **strategic partnerships** in key areas including supply chain finance

Strengthened product propositions, sales, and service delivery capabilities to drive greater **specialisation and organic growth** across businesses

Cemented heavyweight status across MENA Investment Banking League Tables: **#1 Agent Bank, #1 Loan bookrunner, #1 UAE Bank in DCM and ECM**

Leading and award-winning MENA bank in IB:

- **Middle East Investment Bank of the Year - Bonds, Loans and Sukuk**
- **Best Investment Bank in the UAE-Global Finance**
- **Best Bank for Financing in the Middle East – Euromoney**

2

CATALYSING CHANGE

Enhanced customer experience through improved features on digital channels, and expansion of self-service capabilities

Nearly **90% of banking transactions** are performed digitally

Undertook **firm-wide tech transformation** by starting key initiatives such as data centres consolidation, CRM enhancements, etc

Introduced **sector specialized coverage** in Investment Banking for future growth sectors

Won **'Best Consumer Digital Bank in the UAE', 'Most Innovative Bank' and 'Best Experience Design'** at the 2022 Global Finance Awards

Strategic stakeholder in digital banking platform **Wio Bank** in partnership with other flagship Abu Dhabi entities

Digitised the entire credit approval lifecycle from initiation, credit underwriting, approvals, and post-approval processes for IB and CCB UAE

3

ENHANCING CONNECTIVITY

Engaged with multinational corporations across all sectors to support their growth in the Middle East region, and remained the **region's top supply chain finance provider**

Launched operations for **FAB Capital Securities Services** in the Kingdom of Saudi Arabia

Acted as a **major facilitator for several IPOs in the Middle East** including Dewa, the largest ever on the ADX, and launched the UAE's first SPAC listed on the ADX

Strengthened Risk Governance across international locations

Completed the integration of our Egypt operations and **launched FABMISR** to leverage our presence in the country, where we see significant long-term growth potential

Achieved significant improvement in forming **multi-product relationships** with international clients

ESG LEADERSHIP



Facilitated **USD 9.1 billion** of sustainable projects in line with our **USD 75 billion** commitment by 2030

Became the first bank in MENA to join the **Partnership for Carbon Accounting Financials (PCAF)**

Women now occupying **22% of Board seats** in Group subsidiaries, vs. 15% in 2021

Multiple wins at the Sustainable Finance 2022 Awards for the Middle East from Global Finance, including for **leadership in Transition/Sustainability Linked Bonds, Sustaining Communities and Sustainable Project Finance**, as well as being named **Best Bank for ESG in the UAE** by Euromoney

Expanded ESG product suite, becoming the first regional bank to rollout **Sustainable Supply Chain Finance (S-SCF)** and **Sustainable CASA (S-CASA)** products

ENABLERS

OPTIMISED RISK APPETITE

TECHNOLOGY INVESTMENTS

CULTURE & TALENT

RISK MANAGEMENT

Our Group Risk vision is to institutionalise a best-in-class, enterprise-wide risk framework aligned with the Group’s vision to drive consistent value for all our stakeholders through effective risk reward optimisation. Active risk management, aligned with our Risk Appetite, helps us to achieve our strategy, grow business, ensure business resilience, serve our stakeholders and deliver sustainable and long-term shareholder returns. FAB has an enterprise-wide risk management framework fully aligned with our Group vision to drive consistent value for stakeholders through the optimisation of risk and reward.

Within the comprehensive Risk Management framework, we have established robust controls and tools that include but ae not limited to:

- A **Strong Governance framework**, comprising of the Board, and Board level and senior management level committees to oversee the implementation of our risk strategy and risk profile
- A **“Three lines of defence”** model of the Risk Management framework
- A comprehensive **Risk Appetite framework** and **risk based performance** management
- A suite of risk frameworks, policies and limits across the Bank’s risk taxonomy
- A **new Product Approval policy** and framework, with proactive engagement and review during development and post implementation phases of new products. Our Risk management team reviews all new products before launch
- A **Comprehensive Internal Capital Adequacy Assessment Process** (ICAAP) with regular and dynamic stress testing and scenario analysis
- **Risk awareness** initiatives and role-based training for employees including mandatory trainings to embed and sustain a strong risk culture
- **Annual internal employee surveys** to assess feedback on managing risks and continuously improve our practices
- A **robust Business Continuity framework and policy**, including a Crisis Management framework and incident response procedures, which are tested regularly and at a minimum on an annual basis, to ensure operational resilience
- Integrated, **cross-enterprise information architecture**, appropriate models and systems for risk identification, assessment, reporting and monitoring

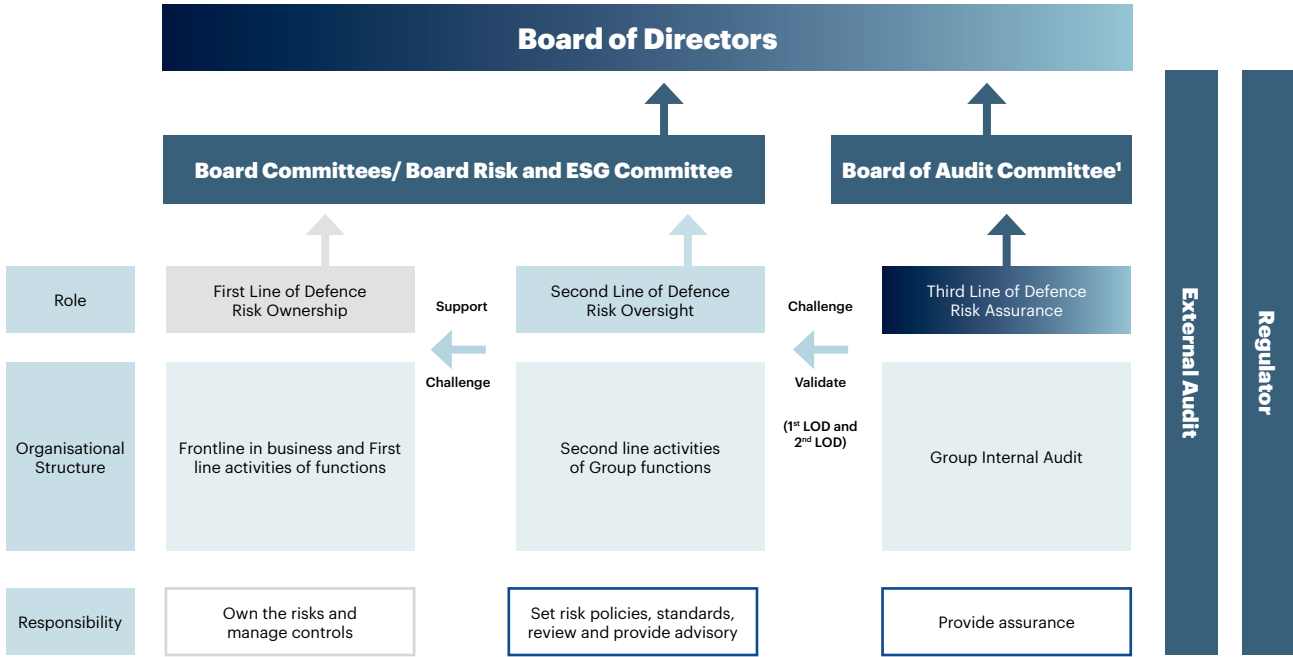
RISK GOVERNANCE

All our people are responsible for the management of risk, with the ultimate accountability residing with the Board Risk and Environment Social Governance Committee (BRESGC), which develops and oversees the Group Risk and ESG strategies, appetite and policies and monitors performance. Assisting the BRESGC in carrying out these functions are the Group Risk Committee (GRC), Group Operational and Fraud Risk Committee (GOFRC), Group Technology Risk and Information Security Committee (GTRISC) and the Group ESG Committee (GESGC), as well as several sub-committees such as the IFRS 9 Group Steering Committee, Model Risk Management Committee and the ESG and Sustainable Finance Committee that oversee specific risk responsibilities. The Group Risk function, led by the Group Chief Risk Officer (GCRO) provides an overarching view of emerging risks and facilitates active risk management to achieve business objectives. The FAB Risk Management function is an independent second line of defence consisting of risk verticals supporting the businesses within the UAE and international footprint (including subsidiaries, branches and representative offices) along with our international risk teams present in various geographies.

ACTIVE RISK MANAGEMENT WITH THREE LINES OF DEFENCE MODEL

FAB’s Board of Directors, Group Chief Executive Officer, and executive management provide oversight of the Risk Management framework, underpinned by the Three Lines of Defence operating model. The Three Lines of Defence model defines who is responsible to identify, assess, measure, manage, monitor and mitigate operational risks, encouraging collaboration and enabling efficient coordination of risk and control activities. The First Line of Defence comprises most employees who execute processes and controls, identify the risks and ensure that the right controls are in place to prevent, manage and reduce the risks. The Second Line of Defence helps in designing the risk appetite, frameworks, policies, limits and guidelines for managing risks, and provides advice to support these policies for proactive risk management. The Third Line of Defence is Global Internal Audit which independently assures that the Group is managing risks effectively and the adequacy and effectiveness of the internal control, risk management, governance, systems and processes.

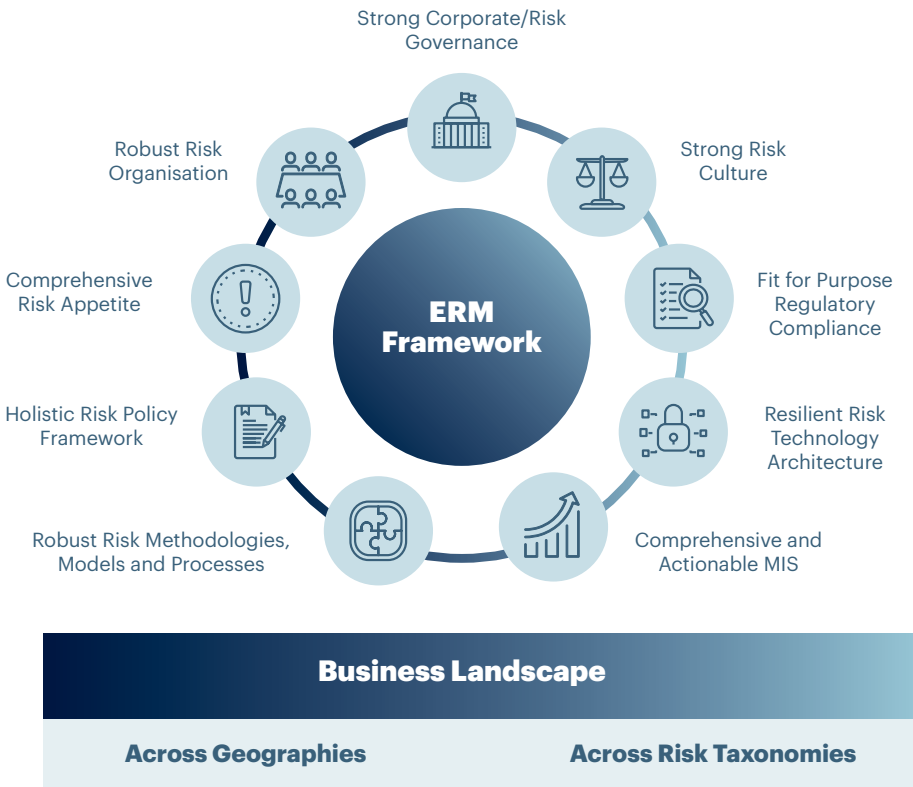
THREE LINES OF DEFENCE MODEL



¹Compliance risk matters are overseen by Board Audit Committee

Our active risk management approach with strong risk governance, risk culture, risk appetite, holistic risk policies, processes, models and limit monitoring, supported by agile and robust risk technology and architecture helps the Bank to navigate the external threat landscape safely, while being a strategic advisor for execution of business strategy and growth ambitions.

ENTERPRISE RISK MANAGEMENT FRAMEWORK



KEY FOCUS AREAS IN 2022 AND 2023

Sustaining asset quality through proactive risk mitigation actions to counter macroeconomic and geopolitical headwinds in 2022, such as the War in Ukraine, global slowdown, high inflation, synchronous monetary tightening and the lingering impact of the COVID-19 pandemic

Maintaining strong liquidity and market risk profile while navigating the volatility in the global markets

Improving operational, fraud and cyber resilience with advanced technology to respond to heightened risks in external environment and enabling safer digital journeys for our customers

Holistic and risk intelligent capital management and optimisation to ensure adequacy and efficiency to meet emerging risks, returns and support growth ambitions

Embedding ESG risk and strategy in enterprise risk management

Strengthening of risk culture and upskilling for the future skills and emerging risks



TOP EMERGING RISKS AND MITIGANTS



1 Impact of ongoing macroeconomic and geopolitical headwinds on Credit risk

In 2022, the UAE banking sector witnessed improving asset quality indicators and lower cost of risk as the economy bounced back post COVID-19, despite headwinds from deterioration in the global macroeconomic and geopolitical landscape. In 2022, FAB carried continuous portfolio reviews, stress tests, prudent provisioning, and early warning monitoring to protect and sustain asset quality within the Risk Appetite. The real GDP of the UAE is projected to grow by 7.6% in 2022 and 3.9% in 2023, attributed to the Government spending, reforms, high oil prices and boost in non-oil sectors viz. tourism, real estate services, and manufacturing due to reopening post-pandemic. The latest Credit Sentiment Survey of the Central Bank of UAE shows continuation of a strong credit appetite and demand for business and consumer loans.

FAB will continue to support growth ambitions of clients with enhanced credit risk underwriting, monitoring, portfolio review and prudent provisioning mechanisms, so that asset growth and quality is diversified and strong.



2 Geopolitical risks

Ongoing geopolitical conflicts, including the war in Ukraine, energy crisis in Europe and the resultant cost of living challenges, supply chain disruptions and social unrests are key risks to the global economy in 2023. The pandemic and Ukraine war accelerated deglobalisation trends while the U.S-China tensions have deepened fragmentation, shifting the global economic and energy ties in the past. In 2023, the world is closely watching the trajectory of war in Ukraine, Europe's actions for energy security and sanctions risks, China's economic stimulus initiatives and growth drivers, developments in China-Taiwan and US-Iran conflicts.

FAB will continuously monitor geopolitical trends, dynamically align country specific exposure limits for high risk and leveraged countries in line with risk appetite, conduct thematic reviews and scenario analysis for proactive risk mitigation.



3 Climate risk

Climate change is one of the most material issues faced by the world today. FAB has been integrating climate risk management in its enterprise-wide risk management framework, while supporting the UAE's vision to promote sustainable economic growth in the region and become Net Zero by 2050. In 2021, FAB became the first UAE and GCC bank to join the Net Zero Banking Alliance (NZBA). FAB has committed to go Net Zero by 2050 with interim decarbonisation targets.

The Bank has developed an ESG strategy and risk framework covering credit policy, governance structure, risk appetite, risk assessment processes, disclosures, climate stress testing and training. In 2022, FAB conducted portfolio analysis and modelling to understand vulnerability to environment risks. In 2022, we ran assessments on carbon content in FAB's financed portfolio and identified high risk sectors to determine baseline emissions. Phased implementation of the ESG risk framework and ESG assessments for selected Investment Banking (IB) clients and vendors were rolled out. FAB has progressed on its USD 75 billion target in 2022. FAB is committed to robust internal processes and disclosures to minimise Green washing risks. Aided by the ESG framework, FAB will continue to enhance the ESG risk management, climate modelling, sustainable finance, advisory and tools to enable our clients to transition towards a climate neutral economy. COP28 in 2023 in the UAE will also be an opportunity to build global consensus to accelerate the speed of transition and commitments.

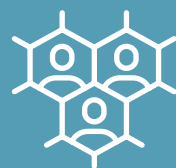


4 Market and liquidity risks

2022 was marked by key themes around persistently high inflation, synchronous rate hikes across the world, China's zero-COVID policy, war in Ukraine, supply chain disruption from geopolitical tensions affecting world trade in energy and farm products, sending oil, natural gas and grain prices soaring.

2023 is expected to bring the inflation lower largely driven by the drop in energy prices and easing of tensions in supply chains. Moreover, the rate hikes previously implemented by major central banks will start reflecting on the real economy. Consequently, it is expected that central banks will slow down the pace of rate hikes and will be treading cautiously to avoid pushing the global economy into recession or posing financial stability risk.

The low growth forecast for the global economy in 2023 and the continuing fight against inflation from central banks might adversely impact markets, increase risk aversion and volatility across all asset classes. FAB will continue to maintain a strong and diversified liquidity position as it remains the banker of choice for Government and key clients. FAB's balance sheet remains well positioned and we will continue to monitor the interest rate trajectory.



Operational and fraud risk landscape

5

The operational risk landscape is becoming more complex with interdependent risks from technology, digital banking, third parties, new products, fraud and transaction processing. To mitigate these risks, the Bank has enhanced control monitoring, critical processes and skills. To combat fraud risks, best-in-class technology solutions like Digital Secure Key and FaceTec prevent identity theft and unauthorised authentications. Industry leading fraud risk management solutions, viz. Onboarding Fraud Prevention System (OFS) and Transaction Fraud Prevention System (TFS) have been implemented. Ongoing initiatives for staff and customer education include a cascade of guidelines / newsletters/ awareness weeks on prevalent types of fraud and preventative steps. In 2023, we will continue strengthening fraud prevention systems, increase the use of AI, and implement Emirates face recognition, in delivering our fraud risk strategy.



Cybersecurity threats in the external environment

6

Cyber and business resilience are top priorities for banking due to increasingly sophisticated attacks and complex threat landscape, digital transformation, cloud migration, geopolitical tensions and hybrid working models. Cyber resilience is pivotal to FAB, and we have adopted a defence in depth strategy with security controls, cyber monitoring, continuous network traffic analysis and enhancement to logging and encryption in progress. An enhanced framework was implemented to track security risk indicators, backed by improvised incident response techniques, automated password management, enhanced privilege access control reviews. Our Group information security and data privacy architecture and framework are reviewed and approved by the Board. The Group Technology Risk and Information Security Committee (GTRISC) and the Board Risk and Environment, Social and Governance Compliance Committee (BRESGC) provide risk oversight.

FAB has adopted a defence in depth approach with information security and a Data Privacy/Protection Programme aligned with security standards, such as PCI-DSS, Swift CSCF and UAE IA standards. FAB has implemented a robust Technology Risk Management (TRM) and Cloud security strategy. We participated in a UAE wide cyber-war gaming exercise by the Central Bank of the UAE. We have 24/7 security monitoring with advanced analytics with real-time data to thwart potential threats. Our robust Vendor Risk framework aims to counter supply chain attacks with risk based due diligence performed for all third, fourth and fifth parties. Next generation monitoring solutions including advanced analytics for security data, enhanced server endpoint controls and network threat detection are planned for 2023. We have mandatory training on good security practices for employees and contractors and we conduct "Phishing" simulations. Our customer awareness programmes promote online safety and data privacy awareness.



Risks to operational resilience

7

FAB's operations have demonstrated substantial resilience in the face of external risks such as the pandemic, cyber threats and geopolitical events. In 2022, the Bank shifted from 'working from home' arrangements to 'return to office', with new flexible working policies. The Bank has strengthened its business criticality service framework and disaster recovery. In this endeavour, the Bank is also guided by recent industry standards issued by the Monetary Authority of Singapore and UK Financial Conduct Authority.



Risks from transition to digital strategy and advanced digital technologies

8

FAB's risk function proactively engages with business in designing transformation to embed controls in digital processes, especially for cybersecurity, IT security, business continuity, financial crime and third-party risk. FAB has several technology partnerships for digital journeys in payments, digital wallets, remittances, services for merchants and risk management services. We have strengthened our onboarding and transactions screening and access security. We also monitor the latest advances in technologies such as open banking, artificial intelligence, Web3, virtual assets, blockchain and Cloud to understand the impact and refine our business models and risk management posture.



Risks from Third party provided services

9

IT /cybersecurity, regulatory compliance, ESG risks, geopolitical risks and business continuity are key industry concerns about third-party services. In 2023, organisations will be focused on transformation in third-party risk management controls and due diligence, leveraging on advanced technologies and integrating data feeds for each dimension of risk. FAB has been continuously enhancing third-party risk management to assure reliable and robust service performance from third parties.



Model risks

10

Whilst the global COVID-19 pandemic situation has abated, the model risk continues to be an area of focus for FAB. The geopolitical situation, especially around Russia-Ukraine conflict, and the increased interest rates, resulting in an inflationary environment, have created challenges on the effective models use. It is a constant reminder to review and assess the models' fitness for purpose. In terms of regulation, the CBUAE's Model Management Standards and Guidelines (MMSG) was published in December 2022. FAB has augmented its model risk policy, processes and procedures to ensure adherence, while models are developed to fit the business strategy and make sense of the uncertain geopolitical situation and inflationary environment.

COMPLIANCE

VISION AND MISSION OF THE COMPLIANCE FUNCTION



GROUP COMPLIANCE AT FAB 2022 HIGHLIGHTS

- 402 regulatory compliance matters received in FAB during 2022
- 250 compliance monitoring/quality assurance reviews completed in 2022 across 14 jurisdictions in the FAB global footprint
- 95 face-to-face training sessions were executed by Compliance totalling over 80 hours
- Over 92% attendance rate in mandatory compliance e-learning
- Over 1,800 staff targeted for specific sanctions training due to the Russia/Ukraine situation
- Regulatory Risk and Compliance Forum (RRCF) and Group Reputational Risk Committee established to proactively track horizon risks and ensure preparation/mitigation, where required
- Virtual assets and heightened AML/compliance risk assessments performed
- ESG anticipated legislation / best practice compliance readiness
- Compliance Risk Appetite Framework streamlined and updated



THE GROUP COMPLIANCE FUNCTION AT FAB

The tone of compliance is set at the highest levels at FAB and enables the Compliance function to carry out its duties effectively and seamlessly in ensuring that regulatory; supervisory and reputational risks are continually and appropriately managed and monitored. The FAB Compliance function implements governance, frameworks, systems, and controls which uphold laws, regulations, best practice, and principals where it operates.

Group Compliance reports directly into the Group Chief Executive Officer as well as into the Chair of the Board Audit Committee (BAC). There are periodic meetings held with our key regulators to ensure ongoing alignment in relation to Regulatory matters. Group Compliance membership at the Compliance Committee of the United Bankers Federation enables us to make meaningful contributions to the banking industry and associated regulations from a FAB perspective and gives us the benefit of “learning” from the banking industry which we implement at FAB. A constructive and transparent relationship with our Regulators is of the utmost importance to FAB (inclusive of CBUAE, SCA, ADGM and ADAA) which includes protocols to monitor the ongoing regulatory relationship across FAB Group.

The FAB compliance operating model is an independent, second line of defence centralised function (reviewed regularly for opportunities in optimisation and enhancements), consisting of strong compliance teams independently supporting the individual businesses within the UAE and similarly strong compliance teams supporting business units within each country that FAB operates in (including subsidiaries, branches, and representative offices). In addition, there are central teams of subject matter experts within Regulatory Compliance, Financial Crime Compliance, Monitoring and Testing and Compliance Technology.

There is optimal operationalisation of the Compliance Operating Model (with agility as the compliance landscape evolves) in a manner that ensures, inter alia, that the compliance function at FAB:

- Operates in a demonstrably independent manner, without conflicts of interest
- Communicates freely and transparently with the senior management, the Group Chief Executive Officer, the Board and the Regulators
- Institutionalises a culture of compliance, including in respect of strategic and business objectives

- Maintains a line of communication with management
- Has adequate resources that are distributed in an optimal manner and with the required skill set to respond to the respective business compliance profile requirements
- Supports mechanisms for mitigating non-compliance that are cognisant of strategic and business objectives
- Effectively provides support and advice to business as part of proactive compliance risk management

The culture of compliance that FAB has institutionalised through its Compliance Operating Model, Compliance Framework (processes, governance structures) and Compliance Strategy is a culture that ensures that compliance risk identification, management, and reporting form part of FAB’s daily business as usual.

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 within the Group (UAE and international) covering inherent risks and controls over regulatory compliance risks as well as financial crime risks. Following reviews against the Compliance Risk Appetite, concurrence from the Group Compliance Committee (GCC) and the BAC are obtained for relevant mitigating plans and actions.

Staff’s 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 the Group’s Compliance Control Room.

COMPLIANCE MONITORING AND SURVEILLANCE

A focussed risk-based Compliance Monitoring Review Plan is in place covering the Group (UAE and international) across first- and second-line risks. 250 Compliance

Monitoring/Quality Assurance Reviews were completed in 2022 across 14 jurisdictions in the FAB global footprint.

Furthermore, compliance second line of defence surveillance tracking of anomalies indicative of market abuse, financial crime and other forms of rogue activity is established. Surveillance systems and controls are both local and international in nature and further assist our Regulators to uphold fair and orderly markets.

COMPLIANCE GOVERNANCE

The overall responsibility for the development of FAB's Compliance Strategy, Risk Appetite, and Governance processes is delegated to the BAC, including oversight of implementation. The GCC, chaired by the Group Chief Executive Officer, assists the BAC in discharging 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 have been 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.

ANTI-BRIBERY AND ANTI-CORRUPTION

FAB requires compliance with all applicable anti-bribery and corruption laws in all markets and jurisdictions in which FAB operates in. It has a Group Anti-bribery and Corruption Policy, which provides practical guidelines to these laws and regulations, ensuring compliance with the letter and spirit of applicable laws, principals, and regulations in order to demonstrate our commitment to ethical behaviour and conduct.

CUSTOMER AND TRANSACTION SCREENING

FAB adopts international best practice for its due diligence processes, both at initial onboarding as well as throughout the lifecycle of the relationship. A variety of systems and controls are in place to facilitate the detection and reporting to the Regulators/authorities of any criminal behaviours identified or suspected. Customer and payment screening is undertaken against lists provided by the UN, US, UK, EU and UAE, in addition to any other required local country lists.

RUSSIA/UKRAINE 2022

FAB Group ensures compliance with UAE obligatory sanctions requirements (UNSC list as well as local lists) including the non-obligatory sanctions regime for the UAE, namely, US OFAC, EU, UK HMT. The FAB Group also follows any local sanctions lists wherever it operates.

FAB operates with a robust and centralised risk management framework including applicable country level exposure limits and does not have any material exposure to Russian entities.

REGULATORY COMPLIANCE

Regulatory risk has become increasingly significant given the heightened regulatory environment in which the FAB Group operates. Regulatory risk is defined as the non-conformance with rules; regulations and conduct risks leading to penalties and reputational risk. In this context, regulatory risk includes, inter alia, Financial Crime risk, Prudential risk and Islamic/Shari'ah risk, which FAB (UAE and International) needs to demonstrate compliance with.

In the UAE, FAB's Regulatory Compliance team received an assortment of regulatory matters totalling 402 during 2022, which can be themed as follows:

- Notices/ Circulars with enclosed regulations, standards, guidelines and directives relating to Conventional and Islamic/Shari'ah Banking [94]
- Planned/ adhoc data requests [44]
- Payment operations notifications [106]
- National Payment System Strategy (NPSS) requirements/ updates [125]
- Campaign notification [29]
- Cyber threat notifications [4], from the primary Regulatory Authority, being the Central Bank of the UAE. Similar regulatory matters, (all be it limited in nature) are also received from other competent authorities, such as the Securities and Commodities Authority (SCA) [52] and the Abu Dhabi Accountability Authority (ADAA) [5] which in total equates to 57 such matters

have warranted a more in-depth review during 2022 which relate to Financial Crime, Prudential, FATCA/CRS, Liability Violations, Islamic/Shari'ah and SCA Rulebooks (supplemental). The in-depth review totalled 45 regulations, of which 10 regulations were considered to be material/ significant in nature, combined with other material regulations from prior years, e.g., Consumer Protection (2021), Small and Medium Enterprise – Market Conduct Rules (MCR) (2021), Payment Regulations (2021), SCA Rulebook (2021) and Outsourcing (2021), which remain under ongoing implementation and oversight.

FAB introduced a Regulatory Risk and Compliance Forum (RRCF) during 2022, which proactively tracks the horizon legislation/ consultation papers/regulations in order to ensure "preparedness" once implemented. Significant pieces of regulations (a combination of Regulations, Standards, Guidelines and Directives) are further analysed to identify the necessary remediation actions, which are tracked and reported on until all the required actions have been addressed and completed.

In conclusion, FAB remains committed to achieving the highest compliance and regulatory standards.

REPUTATIONAL RISK

A new Group Reputational Risk Committee was enabled in 2022 under the management of Group Compliance. With the recent proliferation in regulations, the strong focus on market conduct and conduct risk including consumer protection, cyber risks, and the increased focus in the fight against financial crime and corruption there is a heightened reputational risk faced across the financial services industry.

WHISTLEBLOWING

As a values driven organisation our ethics philosophy is to do business responsibly, ethically and with the customer at the heart of all that we do. The law is a minimum standard for good conduct. Our staff and stakeholders have robust internal and external (independent) mechanisms in place to speak up in confidence if unlawful or unethical behavior is observed. We have implemented various channels to speak-up where, upon escalation specific concerns will have a zero tolerance for acts of retaliation.

STAFF TRAINING

FAB prioritises the training and education of its staff and ensures that every year all staff complete mandatory training including training in regulatory risks and financial crime compliance. During 2022, 95 training sessions were executed by Compliance covering a variety of themes (for example, multiple sessions on various Financial Crime topics, Market Conduct, Appropriateness and Conflicts of Interest) with high percentages of completion and attendance rates which totalled over 80 hours of training during 2022. Mandatory e-learning was undertaken with over a 92% completion rate across the Bank.

Due to heightened risks in the realm of Financial Crime, the FCC team conducted 49 training sessions with 2,365 staff trained, including over 1,800 staff attending specific training on Russian Sanctions. Compliance training also included the Executive Committee and members of the FAB Board so that there is a clear 'tone from the top' in relation to the importance of compliance at FAB.

COMPLIANCE FOCUS AREAS FOR 2023 AND BEYOND

- Looking forward, the exposure to compliance risk will continue to escalate due to heightened geopolitical global/local risks; unprecedented level of change; far reaching consequences of the COVID-19 pandemic; social and technological shifts coupled with a plethora of new and amended regulatory requirements
- Virtual/Digital Assets and associated Financial Crime/ Compliance Risk
- ESG anticipated legislation/best practice compliance readiness to ESG challenges
- Agile compliance monitoring plans
- Refining compliance risk appetite
- Continual enhancement of compliance systems and controls
- Automation and artificial intelligence to deliver on the Compliance Strategy

OPERATIONAL REVIEW

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- 82** Our Technology Evolution Journey



INVESTMENT BANKING

FAB Investment Banking Group once again demonstrated its strength and expertise to solidify its position amongst the top regional banks this year. Capitalising on a buoyant regional capital markets backdrop, we completed a range of high-profile transactions throughout 2022, providing essential access to capital, liquidity and investments to play an instrumental role in helping clients achieve their ambitions.

The Investment Banking (IB) Group provides a full range of sophisticated 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 across 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 be the region's reference institution for investment banking.

STRONG UNDERLYING FINANCIAL PERFORMANCE BY IB IN 2022


IB delivered a strong underlying performance with **double-digit client revenue growth** driven by healthy demand and




AED 6.5 BN
Profit after taxes




AED 8.8 BN
Operating income



42%
Contribution to
FAB operating income



AED 204.9 BN
(+2% YoY)
Loans, advances and
Islamic finance



AED 450.8 BN
(+23% YoY)
Customer deposits

strong pipeline execution, mainly with large multinationals, regional corporates, financial institutions and GRE clients across all product lines, helped by rising interest rates and a 36% growth in global markets sales against a backdrop of heightened market volatility and global recessionary risks. IB's total FY'22 operating income was AED 8.8 billion, contributing 42% to the Group's operating income and lower year-on-year primarily due to the exceptional trading gains in 2021.

Customer deposits grew 23% year-on-year underlining sizeable government and GRE inflows, in addition to FAB's ability to attract and retain CASA balances in a rising rate environment. In fact, CASA balances rose by AED 30 billion or 31% year-on-year. On the other hand, **lending** grew 2% year-on-year on strong execution of pipeline despite being partially offset by the tactical run-down of non-strategic assets and repayments in the fourth quarter.

FAB retained its position **amongst the top-ranked regional banks across all MENA IB league tables** in 2022, including retaining the #1 rank as Loan Agent in MENA by volume/ number of deals for the last six years. FAB was the #1 MENA loan bookrunner and the #1 UAE Bank in MENA DCM G3 Currency League table and ECM League table, helping clients across the region raise equity from global and regional investors, including the first concurrent dual listing on ADX (UAE) and Tadawul (KSA) of Americana Restaurants.

The Bank also won 'Regional Investment Bank of the Year 2022' at the Bonds, Loans and Sukuk Awards and was recognised as 'Best Bank for Financing in the Middle East' by the Euromoney Awards for Excellence 2022. Attesting to IB's leading capabilities in the areas of cash management and trade finance, FAB was also awarded the 'Best Bank for Payments and Collections in the UAE' and the 'Best Supply Chain Provider in the Middle East 2022' by Global Finance.



#1
Agent bank



#1
Loan bookrunner



#1 (in UAE)
DCM / ECM

OUR AMBITION IS TO BE THE REGION'S REFERENCE INSTITUTION FOR INVESTMENT BANKING

Global Banking Coverage (GBC)

GBC continued to leverage its sector expertise and strengthened its relationships with IB clients across FAB's global franchise during 2022. Empowered by strong collaboration and alignment between sectors, countries and products across the FAB network, GBC saw increased mandates from clients across our core markets in the UAE, Saudi Arabia and Egypt. Enhanced client relationship returns have been generated on the back of focused cross-sell to clients, demonstrating our effective IB proposition, especially in sustainable finance and working capital solutions.

Global Corporate Finance (GCF)

GCF (IB) delivered a robust performance across the board, driven by strong pipeline execution and several landmark transactions in the UAE and MENA regions. As a result, revenue grew 8.3% year-on-year, driven by substantial fee income. Equity markets also enjoyed a bumper year in 2022, particularly in the UAE, where the Equity Capital Market (ECM) business led on several offerings including the largest-ever listing on the Abu Dhabi Securities Exchange and the first dual-listed IPO. In Securities Services, assets under custody grew 85% year-on-year to a record AED 520 billion, to become the second largest regional Direct Custodian.

Global Markets (GM)

Following challenging market conditions in the first half of the year, GM (IB) delivered a solid performance in 2022 driven by 36% growth in GM sales and stronger trading gains in the second half of the year (H2'22). Several strategic structured financing transactions as well as a number of Emerging Markets FX and Rates hedging mandates were executed in H2'22. GM also launched, during the second half, a carbon markets trading offering that will open new opportunities to support FAB clients in their ESG and carbon transitions strategies.

Global Transaction Banking (GTB)

GTB (IB) added more than 185 cash management mandates during 2022, which resulted in a 30% increase year-on-year in average CASA balances. The notable product achievements included an enhanced corporate mobile banking app, receivable finance and inventory finance, virtual accounts enablement for real estate escrow and notional pooling. As part of ESG initiatives, FAB launched Sustainable CASA Accounts and was also the first UAE bank to offer Sustainable Supply Chain Finance solutions. GTB also continued to drive innovation and established key partnerships across various FinTechs to provide white-labelled platforms.

LANDMARK TRANSACTIONS ACROSS OUR GLOBAL NETWORK

FAB continued to lead the market regionally throughout 2022, advising on a number of landmark transactions, reinforcing its 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.

INITIAL PUBLIC OFFERING

Americana Restaurants

- Successful IPO of Americana Restaurants raised USD 1.8 billion
- FAB's role: UAE – Joint Global Coordinator, Joint Bookrunner, Listing Advisor and Lead Receiving Bank
- KSA – Financial Advisor, Joint Global Coordinator, Bookrunner and Underwriter
- FAB helped Americana Restaurants, the leading restaurant platform in the region, to raise USD 1.8 billion in the **first-of-its-kind concurrent dual listing** on the Abu Dhabi Securities Exchange and the Saudi Stock Exchange



Borouge

- Landmark Borouge IPO was **largest ever on ADX**
- FAB's role: Joint Global Coordinator, Joint Lead Manager (UAE), Listing Advisor and Lead Receiving Bank
- FAB supported Borouge, a joint venture between ADNOC and Austria-based Borealis, that is a leading provider of polyolefin solutions, with a successful listing that raised over USD 2.0 billion, making it the largest IPO in the history of the Abu Dhabi Securities Exchange (ADX)



DEWA

- Supporting DEWA with **one of the largest ever regional IPOs**
- FAB's role: Joint Bookrunner, Joint Lead Manager and Receiving Bank
- FAB helped DEWA, Dubai's Water and Electricity Authority, to successfully list on the Dubai Financial Market (DFM), raising USD 6.1 billion in the largest IPO in EMEA since 2019



INNOVATION IN SUSTAINABLE FINANCES

Majid Al Futtaim

- Successful pricing of MAF's USD 500 million green notes
- FAB's Role: Joint Bookrunner and Joint Lead Manager
- FAB unlocked value for Majid Al Futtaim, a leading diversified business group headquartered in Dubai, through a USD 500 million subordinated perpetual NC 5.25 green notes and a tender offer of the outstanding USD 500 million reset subordinated perpetual notes, marking FAB's sixth consecutive transaction for Majid Al Futtaim



Masdar

- USD 300 million green project financing for Masdar
- FAB's role: Green Coordinator, Green Structuring Bank, Bookrunner, Mandated Lead Arranger and Agent
- FAB helped Masdar, a global renewable energy developer that is active in c.40 countries and a key organisation in Abu Dhabi's efforts to diversify its economy, with USD 300 million of green project financing to develop, build and operate the Zarafshan 500 MW onshore wind farm project in Uzbekistan



The Public Investment Fund (PIF)

- Raising USD 3 billion through PIF's triple-tranche Green Bonds
- FAB's role: Active Joint Bookrunner and Joint Lead Manager
- FAB worked with the Public Investment Fund and the Sovereign Wealth Fund of the Kingdom of Saudi Arabia that is rated A1 (Stable) by Moody's and A (Positive) by Fitch, to successfully raise USD 3 billion across three tranches of Green Bonds: a five-year USD 1.25 billion, a 10-year USD 1.25 billion and a 100-year USD 500 million



SUPPORTING OUR KEY CLIENTS

The Federal Government of the United Arab Emirates

- UAE bond sale raises USD 3 billion for the Federal Government
- FAB's role: Joint Bookrunner and Joint Lead Manager
- FAB successfully priced two bonds for the Federal Government of the UAE, rated Aa2/AA by Moody's and Fitch (both with Stable Outlook), including a USD 1.75 billion 10-year Bond and USD 1.25 billion 30-year Bond (Formosa), with an orderbook of c. USD 14.5 billion



DP World

- Raising capital for DP World
- FAB's role: Financial Advisor
- FAB supported DP World, a Dubai Government entity that is one of the world's largest integrated supply chain companies with operations in ports and sea terminals, with the successful closure of a USD 2.9 billion acquisition financing syndicated facility for a Sale and Purchase Agreement in Canada



The UAE Ministry of Finance

- First AED denominated Treasury Bond for the UAE
- FAB's role: Primary Dealer
- FAB supported and collaborated with the UAE Ministry of Finance (responsible for implementing all fiscal, monetary and industrial policies related to the UAE's economic development) to successfully setup and launch its AED denominated Treasury Bond programme, with a two-year and three-year issuance of AED 750 million each, which was the first bond issuance at a Federal level denominated in UAE Dirham



LEADING REGIONAL CUSTODIAN AND SECURITIES SERVICES PROVIDER

State Street Bank

- FAB's role: Regional Sub-custody services
- State Street, one of the world's largest Global Custodians, awarded FAB sub-custody mandates in KSA, UAE, Kuwait, Oman and Bahrain
- FAB is servicing over USD 30 billion in Assets under Custody as at December 2022. This is the largest regional sub-custody mandates awarded to any bank during 2022. It reinforces FAB's position as a leading regional custodian



Bank of Singapore

- FAB Securities Services has been appointed by the Bank of Singapore to provide sub-custody and securities collateral management services in the UAE markets
- FAB Securities Services will facilitate the growth of the Bank of Singapore wealth offering in the UAE using its market-leading direct custody services with expert local client servicing teams



Abu Dhabi Stock Exchange PJSC

- FAB's role: Sole Payee Agent
- ADX appointed FAB as its Sole Payee Agent for all companies listed on its exchange, this mandate consolidated the paying agent role, which was spread over 13 other banks
- FAB has become the single point of contact for all dividend distributions of the companies listed on ADX
- Under the mandate, FAB distributes around AED 30–35 billion per year for about one million transactions, providing a full range of online reporting to enable the tracking of payments



OTHER MAJOR NOTABLE DEALS

Multi-billion Euro guarantee for a large European giant aviation manufacturer

USD 1.25 billion sustainability-linked loan for one of the largest retailers in the UAE

AED 1.3 billion project financing for an Abu Dhabi-based dredging company

USD 300 million working capital facility for an Indian-based multinational diversified conglomerate

USD 394 million discounting export letter of credit for one of the world's largest GCC-based petroleum and natural gas companies

ESG AND SUSTAINABLE FINANCE

FAB continues to play a prominent role in the ESG and sustainable financing space by expanding its ESG product suite to meet the evolving needs of its customers through green loans and trade finance solutions.

Within IB, GCF facilitated over USD 7 billion (equivalent) of sustainable financing across 20+ Green Loans, Sustainability-linked Loans and Green Bonds in 2022 including a USD 1.25 billion sustainability-linked loan to a Dubai-based retail conglomerate and USD 300 million of green project financing for an Abu Dhabi-based renewable energy company.

In recognition of FAB's achievements, the Bank was named Outstanding Leadership in Sustainable Project Finance in the Middle East by Global Finance and Best Bank for ESG in the UAE by Euromoney.

ACCELERATING GROWTH IN 2023

Global markets were beset by rising inflation, geopolitical tensions, supply chain disruptions, and the persistent impact of the pandemic throughout 2022, with little prospect of positive change. Despite this challenging global backdrop, FAB retains confidence in regional resilience and is well-placed to capitalise on the opportunities offered by the Bank's diversified business model.

IB will continue to focus on its long-term, strategic priorities and aspiration to be recognised as MENA's reference institution for investment banking through the key fundamental pillars of differentiation in our offerings; collaboration across sectors, geographies and products across the Bank; enhancing market share and share of wallet of our clients; and delivering the best-in-class client experience through focus on innovation, excellence and quality of execution.

FAB's commitment to sustainability continues to underline everything the Bank does and as the world's attention turns to the UAE's hosting of COP28 next year, FAB is proud to play a pivotal role in the ESG transition journey of our clients.

Overall, IB enters 2023 with the confidence that its unique client proposition, strong operating model, 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 RECOGNITION IN 2022

FAB IB won several acclaimed and prestigious industry awards in 2022 in recognition of its success and leadership in the market both regionally and internationally.



CORPORATE AND COMMERCIAL BANKING

FAB’s Corporate and Commercial Banking division delivered record returns in 2022 while continuing to pursue its objective of being the House Bank for corporates and a National Champion for MSMEs.

FAB’s Corporate and Commercial Banking (CCB) division supports large and mid-sized corporates, and commercial banking (MSME) customers across the UAE with a full range of banking products, sophisticated financing solutions, market-leading trade finance, and cash management capabilities delivered by a highly experienced team.

CCB’s **operating income grew by 47%** to reach AED 5.0 billion, representing 24% of the Group’s operating income for 2022. This was driven by strong balance sheet growth and a rise in interest rates. Net interest income increased by 65% year-on-year while non-interest income was 14% higher, led by growth in loan-related fees and strong Global Market sales across FX and derivatives.

Balance sheet growth was strong through the year with record growth in loans (44% year-on-year to AED 155 billion) – a reflection of robust demand by our top-tier clients in the UAE and strong execution of a healthy pipeline by the deal teams.

Customer deposits were AED 135 billion, down 5% year-on-year, as customers shifted some of the liquidity to higher yielding assets like fixed deposits, equity and high-yield investments. The CASA mix of the deposit remained high at 61% (AED 83 billion) as the Global Transaction Banking (GTB) team was able to win a significant number of cash management mandates and drive strategic initiatives. This further helped cement FAB’s role in the market as a liquidity aggregator.

AED 2.1 BN
(+122% YoY)
Profit after taxes

AED 5.0 BN
(+47% YoY)
Operating income

24%
Contribution to
FAB operating income

AED 155 BN
(+44% YoY)
Loans, advances and
Islamic finance

AED 135 BN
(-5% YoY)
Customer deposits

To be the ‘House Bank’ for our Corporate Banking clients and the ‘National Champion’ for our Commercial Banking clients

Global Corporate Finance (GCF)
GCF delivered asset growth in excess of 50% during an eventful year that saw it capitalise on a strong deal pipeline to execute over AED 45 billion (net) in financing deals.

Global Markets (GM)
GM produced a solid performance in 2022, with revenue growth of over 170% year-on-year, that reflected its proactive engagement with strategic clients, higher volumes and increased cross-sell across key segments.

Global Transaction Banking (GTB)
GTB capitalised on FAB’s strong deposit franchise and higher interest rates to register a 67% growth year-on-year in revenue.

EXPANDING CCB’S VALUE PROPOSITION

Global Transaction Banking introduced a number of innovative products and services to meet the dynamic needs of our corporate client base including:

- First of its kind implementation of Banking as a Service (B-a-a-S) to support Wio Bank (in the region)
- Successful implementation of Electronic Invoice Presentation and Payment (EIPP) services
- Enablement of the FAbPay and post-dated cheque capability across all FAB CDMs
- Virtual accounts for all escrow project accounts of Abu Dhabi Municipality
- Inventory finance (including off-balance sheet structures) to complement our Supply Chain Financing / Receivable Financing proposition
- First bank in the region to rollout Sustainable Supply Chain Finance (S-SCF) and Sustainable CASA (S-CASA) products in the market

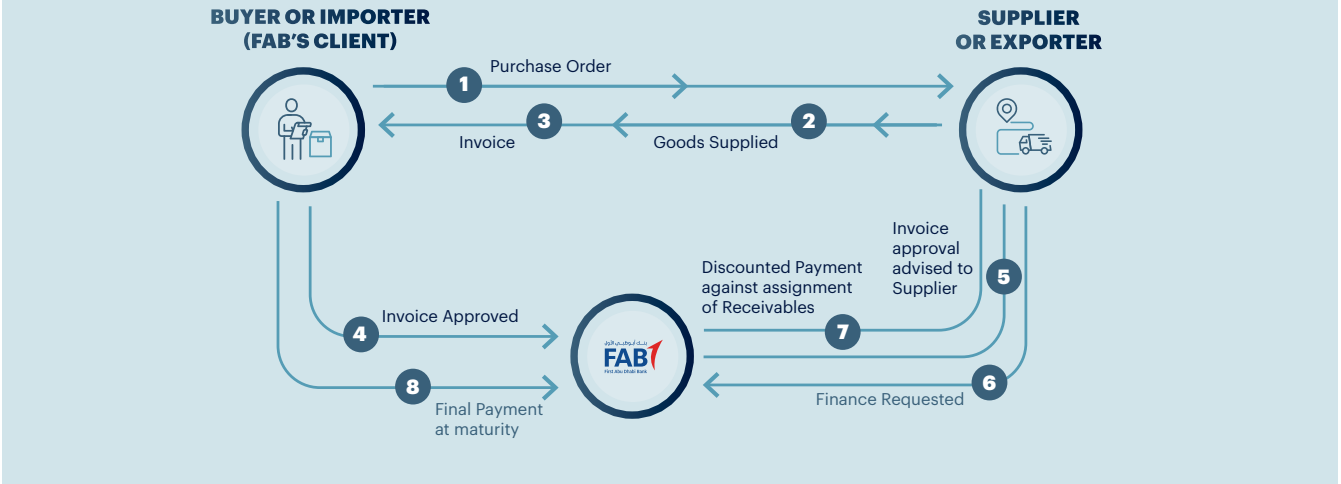
CASE STUDY: CREATING VALUE THROUGH SUPPLY CHAIN FINANCE

When one of the largest automobile distributors in the GCC needed a comprehensive supply chain finance solution for its purchases of automobile, accessories and spare parts from predominantly large global automobile and tyres manufacturers, it turned to FAB to structure a solution.

FAB provided a fully automated solution by applying our state-of-the-art supply chain financing front-end system to offer our client an

innovative solution. We brokered an arrangement between our client and its suppliers to allow them to sell their products to FAB for immediate cash through the following process (see the process below).

This arrangement created value for all parties involved, as our client was able to extend payment terms to enhance liquidity in their supply chain at no additional cost, while the sellers received faster payment for their goods.



LEVERAGING STRATEGIC PARTNERSHIPS TO CREATE VALUE FOR CLIENTS AND COMMUNITIES

The Bank partnered with government and government-related entities, regulators, licensing authorities, development banks, FinTechs and commercial entities throughout 2022.

In one of many strategic firsts, FAB became the first bank in the UAE to create a processing ecosystem that enables the UAE Ministry of Finance to initiate seamless fund transfers between local banks and the UAE Central Bank.

As part of its efforts to support business owners and ensure ease of doing business in the emirate, FAB was one of four banks to sign an agreement with the Abu Dhabi Department of Economic Development (ADDED) to provide an easy payment plan service that enables credit card holders to pay the charges, in instalments, for the services provided by ADDED.

This partnership was followed by the announcement that LiquidX, a global leader in working capital, trade finance and insurance technology, had partnered with FAB to further expand its global funder network and significantly broaden its connectivity into the Middle East and North Africa markets, while also extending across FAB's international network.

In September, the Bank announced a partnership with the UK-headquartered Coriolis Technologies, a leading producer of trade flow data and sustainability analytics,

to further enhance FAB's sustainability strategy by leveraging Coriolis' sustainability related data analytics and sustainability ratings.

Finally, in December 2022, FAB became the first bank in the Middle East to join Komgo, a FinTech offering digital network, trade, and working capital workflow solutions for corporate and financial institutions. The partnership allows FAB's key clients to initiate trade finance transactions across various international locations as well as obtain competitive pricing.

At CCB, we deeply understand the needs of our MSME customer base and as such established several new partnerships designed to ease banking/financing for this segment. These included:

- Agreement with Emirates Development Bank (EDB) towards the coverage and co-lending of direct financing with partner banks
- Partnership with the Abu Dhabi Department of Economic Development to enable digital onboarding of customers via the department's TAMM portal
- Agreement with the Tawazun Economic Council to develop and support SMEs in the defence and security sector
- E-commerce Financing Program (ECF) collaboration with Amazon to provide customised working capital and term loan lending solutions for Amazon listed sellers

CASE STUDY: DRIVING EFFICIENCY THROUGH LIQUIDITY MANAGEMENT SERVICES

When a leading Middle East defence conglomerate needed assistance to design and deliver a centralised cash solution to enable all of the cash flows across their Group, it trusted FAB to provide the right solution. The client aimed to invest surplus funds and reduce borrowing cost, while consolidating payments and collections within a central treasury and automate rolling cashflow forecasting and the reconciliation process.

FAB advised the client's treasury team on their liquidity transformation strategy, designing and implementing a solution within 10-months. The implemented centralised cash solution enables all cash flows from across their 24 entities to be managed by a newly formed centralised treasury function, which fulfilled the client's objectives to reduce their external borrowing costs and streamline payable activities to maximise investment opportunities.

The innovative, customised solution, which provided real-time visibility on cash balances and transactions while streamlining payable activities, helped to drive our client's own internal cash optimisation journeys, build intercompany tracking and payments cycle and reconciliation, and achieve operational efficiencies and economies of scale to ultimately enhance efficiency and maximise investment opportunities.

DRIVING CUSTOMER-CENTRIC INNOVATION

CCB continued to lead transformation initiatives to drive digitisation throughout 2022 while leveraging industry and FinTech partnerships to offer first-to-market solutions and best-in-class client experience.

These included the creation of a payment processing ecosystem in partnership with the UAE Ministry of Finance and the UAE Central Bank that enables seamless fund transfers between local banks and the UAE's Central Bank. FAB also became the first bank in the UAE Trade Connect consortium to develop APIs.

The business also revamped various processes to achieve process enrichment for better customer experience while improving SLA for customer onboarding by reducing the TAT for channel onboarding from 10 days to a few hours.

In July 2022, FAB partnered with the Dubai Businesswomen Council, an organisation that represents female entrepreneurs, to launch Visa's global She's Next initiative in the UAE to support local female entrepreneurs. A global advocacy programme that brings practical insights and tools to MSME customers, She's Next includes networking, mentoring and funding opportunities.

CCB made several other important launches in 2022 including an enhanced mobile banking app for CCB corporate and MSME clients, the first phase of Banking-as-a-Service with the intent to become the market-leader for digital banking services, and a new Virtual Corporate Debit Card in partnership with Mastercard, which offers unrivalled flexibility and control over commercial payments.

The business also implemented an innovative Virtual Account Management solution to a leading contactless and cashless payment provider and joined BUNA Platform, a cross-border and multi-currency payment system founded by the Arab Monetary Fund (AMF), to enhance cross-border payments in collaboration with Magnati.

Amongst the planned initiatives for 2023, CCB will enhance its new-to-bank (client) approach by using data to generate high-quality leads and digital technologies to support onboarding while targeting under-served micro- and small business segments. It will also enhance its current proposition to include value-added services as an incentive offering to engage and retain customers while providing personalised insights through predictive analytics on cashflows, business and financing requirements.

CASE STUDY: BUILDING BESPOKE TREASURY SOLUTIONS FOR CLIENTS

When a global oil company with a complex holding company structure of 700+ entities within its group wanted to go beyond a cash concentration structure and build an in-house bank to service all their subsidiaries and JVs, it brought FAB onboard.

FAB applied our award-winning, inter-operable virtual accounts and liquidity management products to create a holistic solution to meet the client's specific requirements. Our end-to-end solution included developing a treasury operations unit and an in-house bank structure for the client, so it could manage all its needs through only one main bank account at the global group treasury level while each subsidiary manages its operations through a virtual account.

The successful global treasury centre solution achieved operational efficiencies and economies of scale for our client, providing an effective governance model for intercompany financing as well as an optimal capital structure. It enabled real-time visibility on cash balances and transactional activities, along with automated and streamlined cashflow forecasting and centralisation of payments, collections and currency needs across the group.

LANDMARK TRANSACTIONS

CCB maintained its position as a market-leader in the UAE in 2022, closing several large, complex transactions that reinforced the Bank’s reputation as an able, agile, and trusted financial partner.

SUPPLY CHAIN FINANCE MANDATE for a top automotive group to support the implementation of a centralised vendor financing model	AED 641 MN acquisition of a facility for a large Abu Dhabi-based retailer	WON AED 1.2 BN trade and working capital facilities for a large local conglomerate’s holding company
Extended AED 925 MN bilateral facility to a tier-1 UAE real estate developer	Syndicated secured term loan facility of AED 250 MN for a large multinational construction services company	Bilateral term loan and working capital facilities of AED 270 MN for a large local furniture retailer
WON AN AED 78 MN real estate finance deal (Ijarah Finance) for a local real estate firm	Concluded AED 20 MN deal with a Dubai freezone-based large multinational oil and gas services company	Supported one of the UAE’s largest local contractors on a USD 2.25 BN project with finance
Closed a USD 2.1 BN acquisition loan, financing for green investments for one of the largest publicly listed companies	Arranged syndicated financing of USD 3.2 BN for a project for one of the largest local contractors	Completed new and INCREASED CRUDE OIL COMMODITIES HEDGE (for 425,000 barrels) for one of the largest multinational contractors
H.H. Sheikh Mohammed bin Rashid Al Maktoum inaugurated INFINITY BRIDGE PROJECT financed by FAB for one of the largest multinational contractor groups	AWARDED TREASURY MANAGEMENT SYSTEM (TMS) mandate by one of the largest agriculture/ food companies in the region	

BUILDING THE “HOUSE BANK” FOR CORPORATE BANKING CUSTOMERS AND A “NATIONAL CHAMPION” FOR COMMERCIAL BANKING (MSME) CUSTOMERS

CCB will leverage its intellectual capital and market-leading position to pitch innovative high-value products and its international network to support the Bank’s clients’ geographical expansion plans and will also maintain its focus on the origination and execution of large multiplier transactions while delivering specialised advisory services to its core clients.

To allow FAB to better serve the banking needs of MSMEs, CCB will continue to focus on customer engagement and experience while expanding the integrated suite of services offered to MSME clients beyond financial products to include ancillary tools that will enhance the ease of doing business. This will also include the launch of a new, mid-market segment proposition to capture market share amongst clients in Dubai and the UAE’s northern emirates.

Finally, beyond enhancing its partnership model to position FAB as the Bank of Choice for corporate and commercial customers, CCB will continue to build on the Bank’s digital transformation and increase international collaboration, while supporting the Group’s ESG strategy and expanding its Islamic finance proposition.

AWARD-WINNING PERFORMANCE

2022 was yet another award-winning year for CCB, as it received over 30 international and regional awards and recognitions for its market-leading proposition. These included:

The Digital Banker
MENA INNOVATION AWARDS 2022

Best Bank for Cash Management – Middle East

The Digital Banker
GLOBAL TRANSACTION BANKING INNOVATION AWARDS 2022

Best Bank for Transaction Banking Services – Middle East

Most Innovative Transaction Banking Solution for Liquidity Management

Outstanding Digital Transformation by a Transaction Bank

IBS INTELLIGENCE 2022

Best Project Implementation – BaaS platform for Wio Bank

GLOBAL FINANCE 2022

Best Supply Chain Provider in the Middle East

Best Online Portal/User Experience (UX) Design (UAE)

TRADE FINANCE GLOBAL 2022

Best Trade Financier in the Middle East

THE ASIAN BANKER 2022

Best Transaction Bank in the Middle East and Africa

Best Business Ecosystem Initiative – UAE Trade Connect

CONSUMER BANKING

Consumer Banking witnessed positive momentum in 2022 on the back of strong sales led by market-leading propositions and enhanced digital experiences, supported by increased consumer demand in the UAE amid a sustained rebound across key economic sectors.

Clients continued to benefit from the Bank’s success and geographical growth, strategic partnerships and ongoing innovations in customer experience and security, cards and payments solutions.

2022: POSITIVE BUSINESS MOMENTUM, RECORD GROWTH IN DEPOSITS

Buoyed by higher oil prices, the recovery of the UAE’s non-oil economy, and continued structural reforms by the Government, Consumer Banking delivered positive business momentum throughout 2022. It successfully leveraged its innovative and leading products and services, strategic partnerships with government and top corporate entities and enhanced digital and customer experience across all customer touchpoints.

FAB’s **client-centric banking approach** continued to pay dividends in 2022. Driven by its commitment to best-in-class customer service, innovation, digital adoption and improved self-service capabilities, Consumer Banking recorded one of its fastest balance sheet growths since the merger, particularly in terms of customer liabilities.

Customer deposits had a record year-on-year growth of 14% or AED 8 billion to AED 64.7 billion, as a result of strategic focus and deliberate actions to grow primary relationships. Our strategic initiatives led to 88% year-on-year growth in acquisition of new customers and 85% growth in sales of CASA accounts.

On the lending side, **consumer loans** grew 4% year-on-year in 2022 driven by strong momentum in the Islamic portfolio (+19% year-on-year) and mortgages including real estate (+11% year-on-year). Sales of new-to-bank credit cards grew by 32% year-on-year.

KEY HIGHLIGHTS



AED 64.7 BN
(+14% YoY)
Customer deposits



AED 64.5 BN
(+4% YoY)
Loans, advances and Islamic financing



AED 1.7 BN
(-7% YoY)
Profit after taxes



AED 4.1 BN
(-14% YoY)
Operating income



20%
Contribution to FAB revenue



Excluding the impact of the deconsolidation of Magnati, profitability was stable year-on-year on the back of strong cost discipline, efficiency gains and prudent portfolio management maintaining healthy cost of risk levels, helping to offset lower revenue mainly from regulatory headwinds. The business contributed 20% to the Group's operating income and delivered solid risk-adjusted returns.

PROVIDING IPO ACCESS TO OUR CUSTOMERS

Consumer Banking also supported customers in participating in the strong pipeline of IPOs that took place across Abu Dhabi and the UAE during the year. The successful IPOs of leading UAE businesses, including Borouge, ADNOC Drilling, DEWA, TECOM, Salik, Empower and Americana, supported a 20% year-on-year growth in assets under management, as well as drove demand for short-term IPO leveraged loans in 2022.

STRATEGIC PARTNERSHIP – WIO BANK

In September 2022, FAB partnered with the Abu Dhabi Development Company, ADQ (Abu Dhabi Development Holding Company PJSC), Alpha Dhabi Holding, and the global technology and investment group 'e&' to launch Wio Bank. The first platform bank in the region, with a strong focus on meeting the needs of growing start-ups and SMEs, Wio Bank was established to provide its customers with a simpler, more convenient and smarter experience while also meeting their specialised banking needs. Wio Bank achieves this through a suite of highly targeted, digital-first solutions such as Digital Banking, Embedded Finance and Banking-as-a-Service.

DELIVERING CUSTOMER-FOCUSED INNOVATION

FAB Consumer Banking secured yet another first in November 2022, with the introduction of the FAB Share card, the UAE's first form of biometric payment. Launched in partnership with the UAE-based retail giant, Majid Al Futtaim, the new biometric payment card can authorise payments using an embedded fingerprint sensor. This innovation significantly increases customer confidence and security, while reducing the potential for fraud. Fully Europay, Mastercard and Visa (EMV) compliant, the card enables customers to conduct both contact and contactless transactions simply by holding their thumb on the card sensor as they pay. Consumer Banking also launched a new, low-rate Dubai First card.

To help customers purchase homes, FAB launched home financing for new government schemes of the Sheikh Zayed Housing Program and the Ministry of Presidential Affairs (Mubadarat). It also introduced new partnerships in the market, including with leading UAE developers DAMAC and Aldar.

To further support its customers, Consumer Banking also enhanced its loyalty proposition with the launch of 'FAB Rewards Shop' while expanding its e-voucher redemption partner network to over 200 brands, as well as providing a wide range of market-leading offers on iSave, as well as offers for Islamic current and savings account and a cashback campaign for acquisition of salaried accounts.

FAB staff received technology and training during the year to strengthen customer support, sales and experience. Incentivised to drive use of tablets, more than 850 staff received tablets to enable sales and service via an instant and paperless process, resulting in a 12% productivity jump. This was complemented by increased staff education, customer service monitoring and culture, as well as an enhanced model for analysing turnaround times of services and a new staff service assessment and monitoring framework.

This concerted focus on customer experience and continuous innovation resulted in maintaining a strong NPS score of 57.0 for 2022 (2021: 58.1).

ACCELERATING DIGITAL TRANSFORMATION

Throughout 2022 Consumer Banking's strategic commitment to accelerating its digital transformation continued to deliver exceptional customer experience, drive productivity and efficiency gains, strengthen operational resilience and cultivate a client-centric, performance-driven culture. During the year, Consumer Banking conducted close to 90% of all transactions digitally and onboarded more than 70% of new CASA accounts digitally.

A wide range of new digital offerings were launched during 2022 to drive customer engagement and provide enhanced functionality to customers, partners and FAB employees. New digital journeys introduced in 2022 include conventional Personal Instalment Loans (PIL) journey and Islamic CASA journey for new-to-bank customers,

conventional PIL journey and Islamic CASA journey for existing customers, new National Housing Loans. New features added to FAB Mobile were also enhanced throughout the year to include IPO subscriptions, credit/debit card controls, Dubai First card payments, instant Indian Rupee (INR) transfers via Mastercard Send, instant transfers for Euro and British Pound (EUR & GBP) and FAB Rewards Shop. It also integrated FAQ chatbots, personal notifications, complaints management and Consumer Protection Act regulatory enhancements. In addition, there was an increase in use of FAB Mobile for customer servicing and sales, including through digital self-serve capabilities (service requests, chatbot, transaction disputes, loan deferrals, complaints, etc.) and continuous optimisation and customer onboarding efforts to drive customer-initiated digital sales across all products. The outstanding experience and functionality delivered through FAB Mobile was reflected in sustained high ratings (Apple App Store – 4.5; Google Play – 4.5; Huawei App Gallery – 4.1).

A total of nine end-to-end digital journeys were available for mobile and tablet as of year-end 2022. This supported a jump in digital sales to reach 120,000 products sold during the year, of which 58,000 were driven by customers without a FAB salesperson involved in the process. Total digital transactions increased by 21% compared to 2021, with more than 70% of eligible customers digitally registered and more than 80% of registered customers digitally active as of year-end.

As well as winning the Digital Banker's Award for 'Best Use of Data and Analytics for CX', Consumer Banking's

commitment to digital transformation also helped the Bank to win 'Best Consumer Digital Bank in the UAE', 'Most Innovative Bank' and 'Best User Experience Design' at the Global Finance Awards.

COMMITTED TO SUSTAINABILITY

In 2021, FAB not only became a signatory of Net Zero Banking Alliance (NZBA) but also became the first bank in the region to commit to Net Zero greenhouse gases by 2050. Its commitment to sustainability continued in 2022 when FAB defined clear steps and immediate goals towards its Net Zero commitments.

In February, FAB also joined with Visa and Etihad Airways' loyalty programme, Etihad Guest, to launch the FAB Etihad Guest Sustainable Visa Credit Card. Designed to raise awareness, educate and reward members of the airline's loyalty programme for making more sustainable choices in their everyday lives, the card is supported by Ecolytiq's sustainability-as-a-service technology to track card holder's sustainable spending decisions.

2023 AND BEYOND

Consumer Banking seeks to maintain business growth and momentum by implementing strategic transformation through a range of workstreams, which include customer offerings, distribution transformation, digitisation, customer service and business enablement. It will also focus on Islamic Banking products as a priority area for customer engagement and business growth.



GLOBAL PRIVATE BANKING

Amidst volatile global capital markets, FAB Global Private Banking continued to deliver outstanding results and customer experience while continually innovating to enhance the scope and effectiveness of its products and services. While expanding, the business remains focused on international collaboration, service excellence and providing its clients with bespoke investment solutions.

Thanks to FAB’s reputation of being one of the world’s 50th safest banks, its local expertise and global offering, FAB’s Global Private Banking (GPB) division is not only the primary wealth manager in the region but the financial institution of choice for family offices and ultra-high (UHNW) and high net worth (HNW) individuals.

GPB provides a comprehensive range of products and services to its clients. This includes, tailored wealth management solutions, portfolio management and advisory capabilities. FAB is one of only a handful of local banks that offer a fully-fledged global custody service. GPB also offers a comprehensive open architecture platform with thousands of third party providers of best-in-class investment solutions.

RECORD PROFITABILITY DRIVEN BY SOLID PERFORMANCE

GPB achieved a solid performance in 2022 with operating income up 9% year-on-year, **crossing the AED 1.0 billion mark** for the first time and contributing 5% to the Group’s operating income. Both, fees and interest income rose year-on-year, helped by rising interest rates, enhanced product propositions and new acquisitions, reflecting effective collaboration across the Group to improve cross-sell and to capitalise on vibrant regional capital markets. While Assets Under Management (AUM) witnessed positive net inflows in 2022, they closed lower by 5% year-on-year due to the negative market drift in the second quarter that was experienced everywhere in the market.

Customer deposits grew 14%, reflecting FAB’s superior credit profile and clients’ trust in the franchise. On the other

KEY HIGHLIGHTS

AED 593 MN
(+14% YoY)
Profit after taxes

AED 1.0 BN
(+9% YoY)
Operating income

5%
Contribution to
FAB operating income

AED 27.9 BN
(+14% YoY)
Customer deposits

hand, **loans and advances** closed lower by 6% when compared to December 2021 levels primarily due to depreciation in the British Pound (GBP), as well as an increase in interest rates and market volatility leading some clients to de-leverage their portfolios.



GLOBAL PRIVATE BANKING PROPOSITION	
GPB offers its clients a comprehensive range of best-in-class products and services across its international centres in the UAE, Switzerland, Saudi Arabia, Singapore, UK and France.	
INVESTMENT PRODUCTS AND SERVICES	EVERYDAY BANKING
<ul style="list-style-type: none">Trade execution servicesInvestment advisory servicesDiscretionary Portfolio Management (DPM)Private market investmentsFAB fundsGlobal (third party) fundsFinancing solutions (Lombard and specialised lending)Custody services	<ul style="list-style-type: none">Commercial and residential real estateConventional and Islamic products and servicesPersonal financeAuto loansCredit cards

SERVING OUR EXPANDING CUSTOMER BASE

GPB was a key driver of the UAE IPO activity in 2022, significantly contributing to one of the best years for regional IPOs and bond offerings in the local market. This included landmark transactions led by FAB on behalf of organisations such as DEWA, Borouge and TECOM Group for its customers, as well as the UAE's first special purpose acquisition company (SPAC), which was listed on the Abu Dhabi Securities Exchange (ADX).

The equity activity also contributed to the rise in GPB AUMs and to higher sales of non-lending products, leading to overall growth in non-interest income of 14% year-on-year.

GPB also launched its **'FAB Thematic Rotation Fund'**, which offers investors access to global investment opportunities across themes and trends arising from the long-term structural changes, or 'Megatrends', shaping the future. As defined by the Trackinsight Thematic Taxonomy these include technological innovation, increasing urbanisation, environmental change, next-gen economies, and demographic shifts.

As GPB continues to widen its products offering in 'alternatives' to its clients, the Bank **partnered with Blackrock**, the world's largest asset manager, to launch the Global Credit Opportunities Fund II.

GPB held its first in-person Global Investment Outlook event in early 2022 at the Museum of the Future in Dubai, where a panel of experts discussed alternative investment opportunities.

GPB's **expansion across MENA** throughout 2022 reflected the year's success. A new team was created in the UAE to manage the NRI desk and new team members joined the Bank's teams in Riyadh, Jeddah and Khobar, in addition to credit experts to support FAB's lending growth strategy in Saudi Arabia. A new fly-in fly-out arrangement was also agreed in Egypt to address Private Banking's requirements across FAB's MENA markets.

GPB FUNDS DELIVER BEST-IN-CLASS PERFORMANCE

FAB GPB Funds product offering includes some of the **top performing regional mutual funds** as well as balanced international multi-asset portfolios. The Bank's flagship fund FAB MENA Dividend Leader fund closed positive, outperforming its benchmark, and stood in the top quartile among its MENA peers. These 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 in a turbulent year.

As per Citywire, three of FAB's funds - UAE Trading Fund, Islamic MENA Growth Fund and MENA Growth Fund - were ranked **among the top 10 best performing equity funds in the Middle East**, based on the absolute total returns over

the past 12 months. Additionally, two fund managers also featured among the top quartile best performing managers in Citywire's database of over 17,000 managers globally for beating their benchmarks as well as generating alpha with a risk-adjusted performance.

FAB MENA Funds performance stood in the top quartile for the year 2022:

- Four MENA focused equity funds (FAB MENA Growth Fund, FAB MENA Income and Growth Fund, FAB MENA Islamic Growth Fund and FAB MENA Dividend Leader Fund) clearly outperformed its benchmark in the range of 1-4%.
- Our Absolute Return fund - UAE Trading Fund generated a positive return of 2.61%, while the broader market closed negatively at -4.44%.
- FAB MENA Dividend Leader fund closed positive, outperforming its benchmark, and stood in the top quartile among its MENA peers.
- FAB MENA Dividend Leader and FAB MENA Shari'ah Dividend Leader Funds distributed over 5% dividend income in 2022.
- In the Shari'ah category our FAB Islamic MENA Growth Fund outperformed its benchmark by a wide margin of 5.15% and ranking in the top quartile versus the MENA peers.
- In fixed income, FAB's MENA Bond Fund outperformed its benchmark by 4.45%, ranking in the top quartile (91st percentile) versus its regional peers.
- The majority of the Funds and Discretionary Portfolio Mandates (DPMs) have successfully qualified for the performance fees for outperforming their respective benchmarks for 2022.

2023 AND BEYOND

Amidst continued international market turbulence, the Bank expects that global investors will continue to turn their attention to MENA and to UAE markets more specifically, which will provide additional private market opportunities. To serve the needs of GPB's growing client base, the Bank plans to expand the team focusing on GPB clients across the MENA region to drive business growth and global outreach.

As outlined in FAB's recent Women in Wealth report (2022), women in the Middle East are expected to achieve 9% compound average annual growth in the value of their assets in the period to 2024, which is also predicted to positively impact the ultra-high net worth individuals (UHNWI) and high net worth individuals (HNWI) market.

In line with the Group ESG strategy, GPB is planning to launch a new fund in early 2023 designed to provide clients access to sustainable investment opportunities.

PRIZE-WINNING PERFORMANCE

In recognition of the quality and quantity of its products and services, commitment to continuous improvement and innovation, and best-in-class performance regionally and internationally, FAB Global Private Banking won several prestigious industry awards throughout 2022. These included the award for Best Family Office Service and Best Discretionary Portfolio Management (DPM) at the Wealth and Investment Awards 2022, organised by MEA Finance as well as being awarded the Best Family Office Advisory Offering by WealthBriefing MENA.

WEALTH BRIEFING
MENA



MEAF WEALTH AND
INVESTMENT AWARDS 2022



MEAF WEALTH AND
INVESTMENT AWARDS



INTERNATIONAL OPERATIONS

Strong performance from the International franchise in 2022 delivered operating income in excess of AED 5 billion for the first time. FAB International continues to play a crucial role in facilitating cross-border liquidity, trade and investment flows through its strategic and extensive international network, which is a key competitive differentiator for the Group.

ENHANCED CONTRIBUTION TO GROUP RETURNS

Operating income from International Operations increased 32% year-on-year in 2022 to cross the AED 5.0 billion mark for the first time. This now represents 24% of the Group's operating income (compared to 18% in 2021), with **contribution from MENA (ex-UAE) increasing to 64% from 52%** in the prior year, thus enhancing our geographical revenue diversification efforts and showcasing growth in our priority markets.

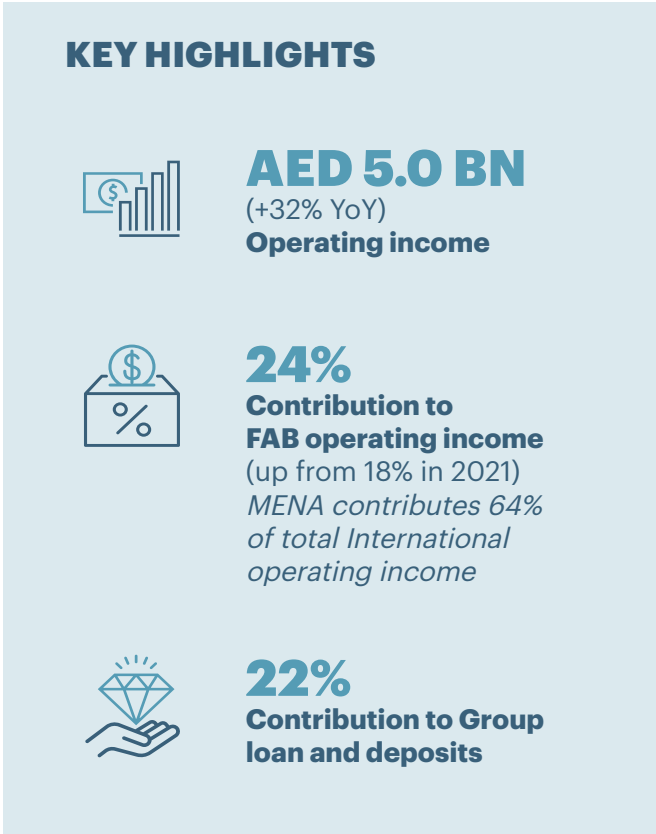
The Group's increase in operating income from International Operations was driven by the inclusion of Bank Audi Egypt and complemented by revenue growth in other GCC markets like Oman, Bahrain and Saudi Arabia as well as our Singapore and Swiss franchises.

Loans, advances and Islamic financing were AED 101 billion, lower 4% year-on-year partly due to deliberate reductions in non-strategic assets, but also due to adverse currency movements, primarily in the currencies of the UK and Egypt. This depreciation in currencies also impacted customer deposits which reduced by 10% year-on-year to AED 154 billion.

Our international operations are pivotal in defining **FAB's role as an aggregator of liquidity**, with both, international loans and deposits representing 22% of Group loans and deposits.

STRENGTHENING OUR STRATEGIC FOOTPRINT TO MEET OUR CLIENTS' NEEDS

The merger with Bank Audi Egypt was completed successfully to form a major new financial institution, FABMISR in the last quarter of 2022. The completion of this integration **enables FABMISR to offer a unified customer experience** to the Bank's growing customer base in Egypt. Our new brand will also reflect FAB's strong commitment



to this priority market, leveraging greater scale and market-leading capabilities to create considerable opportunities for our customers.

Our **branch in Shanghai (China) became operational** in March 2022 in line with our strategy to intermediate burgeoning trade and investment flows between the UAE and China, as well as the MENA and the Asia-Pacific regions, while opening up a new gateway to the Chinese market

for our MENA clients. The Bank also received regulatory approval for a **new representative office in Iraq**, which will serve as a strategic addition to FAB's footprint in the country as the UAE continues to be one of Iraq's most important trading partners.

FAB embarked on a **strategic partnership** with the Abu Dhabi Stock Exchange (ADX) and the Bahrain Bourse (BHB) in the second quarter of 2022 to deliver Tabadul, the region's first digital exchange hub. Tabadul will allow investments across BHB and ADX and enable investors to trade directly on both exchanges through licensed brokers in both markets. FAB is the sole settlement bank for Tabadul.

The Bank also **launched new product propositions** in Kuwait covering security services and receivable financing, alongside leveraged FCNR, Lombard lending and advisory services in Singapore, to strengthen and further complement our product offerings across the network.

ACCELERATING GROWTH IN 2023

FAB will continue to cement our international operations as one of the Bank's key competitive differentiators, with a strategic focus to strengthen revenue generation capabilities through greater specialisation, enhanced cross-selling and **stronger cross-border collaboration**. Through our client-centric business model and market-leading product offerings, FAB International will be able to provide our clients with superior experiences as we journey, connect and service our clients across the globe. We will continue to operate in compliance with all local regulatory requirements as we expand our presence to deliver sustainable growth in our strategic and targeted growth markets. The International franchise remains uniquely well placed to deliver market-leading shareholder returns while acting as an engine for its economic growth and diversification.

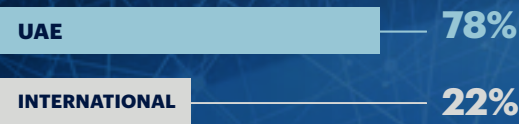
BREAKDOWN BY GEOGRAPHY

OPERATING INCOME

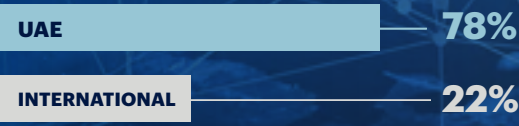


- UAE (76%)
- International (24%)
- MENA (15%)
- Europe & Americas (6%)
- Asia-Pacific (3%)

LOANS



DEPOSITS



OUR TECHNOLOGY EVOLUTION JOURNEY

FAB continued to accelerate and consolidate its digital transformation throughout 2022 to provide best-in-class customer service and experience, as it progresses in its journey to become the region's most agile, resilient, and future-proof bank, with unparalleled connections to the broader economy.

An unwavering commitment to ongoing and continuous innovation is central to FAB's strategic objective to deliver modern, resilient and efficient technological solutions that create value for the Bank's customers and stakeholders.

Throughout 2022, FAB achieved significant progress across each of the pillars that form its tripartite digital strategy: to establish world-class technological foundations that enable and enhance operational efficiency, to build strong digital capabilities that can deliver best-in-class customer service, and to enable new ways of working that will optimise the Bank's performance and delivery.

BEST-IN-CLASS TECH FOR A BEST-IN-CLASS BANK

FAB continued to develop its technological capabilities throughout 2022 by establishing a business-aligned target state architecture, investing in its application programming interface (API) infrastructure, and consolidating its UAE data centre footprint.

Business-aligned target state architecture

FAB Group Technology and Lines of Business collaborated throughout the year to establish a business-aligned target state architecture for FAB Consumer Banking, Corporate and Commercial Banking, core systems, and enablement and control functions. This began with a review of the Bank's digital architecture to identify opportunities for consolidation and simplification while ensuring that FAB services are available for internal and external consumption through APIs. FAB Group Technology and Lines of Business also established a multi-year roadmap to transition from its current architecture to a business-aligned target state that ensures the Bank's technology investments support its strategic objectives.

Building foundations for the future

APIs can enable richer consumer experiences across all channels while helping to develop consistent, high-quality and secure code and encouraging enhanced developer collaboration and a stronger security posture. As a result, FAB

continued to enhance its technological foundation throughout 2022 to embrace an open API world.

FAB has over 600 APIs available that enable its service teams to build digital customer experiences swiftly and efficiently. The APIs that were built during 2022 are now hosted in a modern, cloud-based API gateway that follows security best practices.

The Bank also deployed microservice architecture to enable reusability across digital customer experiences for back-end APIs and continued to evolve its external developer portal. FAB also invested in an Enterprise Identity Platform that will enable customers to use their FAB credentials for login when using third party applications. Traffic through FAB's 350+ cloud-based APIs increased by 150% in 2022 to more than 2 billion transactions.

UAE data centre consolidation

FAB embarked on an ambitious 36-month consolidation programme in 2022 that will reduce the number of its UAE-based facilities from seven to three. One legacy data centre is already closed, a second will cease operations during Q1-2023, and two more will follow by 2024. Applications run from these centres are being modernised and migrated to UAE-based public cloud services, subject to regulatory compliance.

Maximising resilience

FAB ran its most critical services from its disaster recovery data centre while performing the largest and most complicated recovery test ever performed in the UAE, without incident or customer disruption. Moreover, FAB was the first bank to adopt Etisalat's 5G network, thereby ensuring that uptime was maximised for GPRS-attached point-of-sale terminals.

Traffic through FAB's 350+ cloud-based APIs increased by **150%** in 2022 to more than **2 BN** transactions



STRENGTHENING FAB'S DIGITAL CAPABILITIES IN THE CLOUD

As a result of a **50%** increase in the Bank's AWS, Azure and G42 cloud adoption during 2022, **30%** of FAB's IT server estate is hosted in the cloud, where services exceed **99.99%** service availability. FAB also partnered with G42 to help them prioritise, deliver and test **22** new cloud-based functions. FAB's continuous integration and delivery cloud pipelines are now fully hosted in the cloud, ensuring inbuilt scalability, flexibility and availability.

FAB also partnered extensively with Magnati, its payments business, to leverage the Group's cloud expertise and accelerate the delivery of new payments services. These included Careem Pay and PayPro, which went from ideation to launch in **just 12 weeks**, a previously unimaginable achievement.

AGILITY AND INNOVATION FOR NEW WAYS OF WORKING

FAB's Agile Centre of Excellence instituted leading-edge industry practices across the Group throughout 2022 to continuously improve and refine ways of working, to foster innovation in product discovery and delivery, and to deliver better value for the Bank's customers.

Once a robust foundation for driving enhanced agility was established, pilot initiatives delivered encouraging results including faster time to market, increased productivity and process maturity.



-30% CYCLE TIME

The average time taken to design and build a feature

-20% LEAD TIME

The average time taken for a selected product feature to be made available to customers

+54% OBSERVED VELOCITY

The number of features delivered within a given period

**INCREASED SPEED =
LOWER COST OF DELIVERY**

30% IMPROVEMENT

In quarter-on-quarter agile maturity, indicating a more streamlined and stable delivery process

The Bank's drive to continuously improve and refine its ways of working was aptly demonstrated by the development and rollout of pioneering operating models that:

- Deploy design thinking methods to prototype proof-of-concept and validate features while incorporating rapid customer feedback loops
- Deliver enhanced customer focus, adaptability to changing market dynamics and improvements in the quality of customer service and experience
- Adopt value-based prioritisation initiatives such as Weighted Shortest Job First (WSJF)
- Use Objectives and Key Results (OKRs) and dynamic tracking of actionable metrics
- Ensure shortest possible time-to-market by deploying a value streams framework to align teams, processes and systems
- Prepare the Bank's workforce for the future through talent and capability development
- Cultivate talent and train technology and business leaders through programmes such as UAE Nationals' Programme for Scrum Masters

Looking ahead, as the Bank prepares to expand its enterprise-wide adoption of agility and innovation initiatives in 2023, it will focus on establishing more product-centric value streams and skill-augmentation programmes and grow the UAE Nationals' Programme for Scrum Masters, to further develop leadership talent.

INVESTING IN TALENT

More than 20 new technology roles were created in 2022, such as product owners, DevOps engineers and site reliability engineers to ensure seamless collaboration across the Bank's Business, Technology and Operations divisions through the adoption of emerging industry best practise. Training and coaching support to improve skills was provided through "Ask the Expert" sessions, newsletters, podcasts and self-paced learning programmes.



DRIVING DIGITAL ADOPTION THROUGH CUSTOMER FOCUS

This year the Bank built on the work it began in 2021 to drive digital innovation and set new standards in customer experience and registration, sales, cost efficiency and operational excellence and incremental additional revenue.

CUSTOMER REGISTRATION AND ENGAGEMENT

Digital customer registrations

3x INCREASE
in **2022** vs 2021

>70%

Digitally registered users
(as a percentage of eligible users¹)

>80%

Digitally active users
(as a percentage of registered users)

¹ Excludes dormant accounts and payit customers

DIGITAL TRANSACTIONS AND SALES

CASA onboarded digitally

70% in 2022
(vs 40% in 2021)

Growth in CASA digital sales
(customer initiated and staff-assisted)

390% YOY

Digital transactions
(as a percentage of total transactions²)

C.90% in 2022
(vs 86% in 2021)

Growth in digital transactions

21% YOY

² Defined as total digital (mobile + internet banking) transactions as a percentage of all transactions performed digitally or at the branch and call centres

CUSTOMER EXPERIENCE

Digital NPS

54.6 for
DEC 2022
(vs 51 in December 2021)

OVER 1.3 MILLION

service requests processed
digitally on a monthly basis

FAB Mobile Banking App ratings



4.5/5



4.6/5

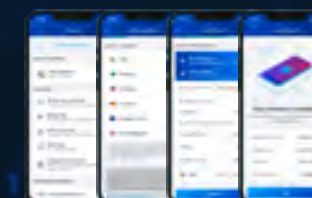
3 TONNES

of paper saved from digitisation of processes

DIGITAL ACHIEVEMENTS IN 2022



DUBAI FIRST CREDIT CARD PAYMENT



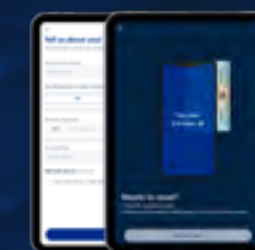
INSTANT INTERNATIONAL TRANSFERS



PERSONALIZATION



BRAND NEW LOOK FOR FAB MOBILE



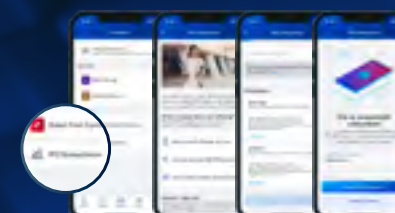
STAFF TABLET



ISLAMIC CC



ISLAMIC CASA



FAB MOBILE IPO SUBSCRIPTION



MAF



BLUE AFF



DU

Enhanced digital personalisation, experience and service

In its ongoing quest to constantly enhance customer banking experience and to look for new ways to add value, FAB's Mobile app was relaunched in 2022 with improved opportunities for customer personalisation and service.

The changes were the culmination of over a year-long exercise which included extensive customer research, staff testing and a phased rollout. Based on global best practices and best-in-class design and accessibility standards, the app now features enhanced navigation from the homepage, new colour-coded product sections and easier access to offers.

FAB also included **enhanced app personalisation** opportunities for its Elite, Private and Islamic customers by allowing them access to unique themes, which allows them to change the appearance of the app.

The FAB Mobile app also offers the Bank **new ways to communicate** with its customers through banners, splash screens and overlays, in addition to push and mailbox notifications, which has resulted in greater awareness of its offerings and services.

Digital remittances

FAB's Instant Transfer service to India, Pakistan, Sri Lanka and the Philippines has always been popular. This service was further enhanced in 2022 through the addition of 24 new corridors. Customers can now remit money instantly to the UK and 23 other countries in the Eurozone, bringing **convenience and ease** to a whole new customer base.

FAB also added **Dubai First card payments** to the list of payment beneficiaries, allowing Dubai First card holders to make seamless payments from their FAB accounts. AED 8.1 million of Dubai First card payments were made via the FAB Mobile app between the initiative's launch in October 2022 and the year end.

Increasing digital sales and efficiencies

The monetisation of digitally available products led to an increase in digital sales in 2022. Assets and liabilities covering CASA and cards as well as new Personal Loans for both new and existing customers are now available via the FAB Mobile app, which contributed to 58,000 of the Bank's digital customer self-serve sales in 2022.

The Bank also **accelerated the pace of its digital acquisition** in 2022 through the digitisation of most of its acquisition products, as well as by focusing on digital sales and activation.

Streamlined journeys for CASA and credit cards showed a year-on-year uplift of 390% in total digital sales (customer initiated and staff assisted) for Accounts and Cards combined over the previous year.

The rollout of over **900+ digital tablets to staff** at FAB branches also provided a boost to the Bank's digitisation and ESG efforts, resulting in greater savings and usage optimisation.

New revenue streams and partnerships

The Bank established several successful new partnerships throughout 2022 that not only allowed it to offer an integrated and seamless customer experience but also to access new customers while creating genuine value for FAB, its partners and their customers alike.

The Bank launched **three co-branded credit cards** – the FAB SHARE credit card, Blue FAB credit card by Al Futtaim and FAB du credit card. 51% of FAB's credit card customer-initiated acquisitions have been the result of co-branded cards since August 2022.

The FAB Mobile app also enabled customers to benefit from, the many large IPOs that took place in the UAE during 2022 by offering them a fast, **convenient and seamless way to invest in shares** using just an investor number and their FAB account.

Since the Bank launched its IPO service in July 2022, more than 6,000 subscriptions were initiated through the FAB Mobile app alone, **generating close to half a billion Dirhams in funds across six IPOs**.

FAB was also one of four banks selected to **partner with the Dubai International Financial Centre (DIFC)** in the Open Finance Lab in 2022, which is designed to showcase and shape the positive impact of open finance on the UAE's economy. FAB sees the partnership as an opportunity to leverage the open banking initiative to co-create customer-centric business models that will transcend traditional banking while offering customers an improved user experience.

As we move towards a borderless economy and to a more interconnected world, the advantages of embedded finance could not be more relevant. At FAB, we believe open banking represents the next big thing in financial services, as banks can provide **seamless, integrated, and hyper-personalised experiences** for their customers.

Segment personalisation and partnering with government entities for Emiratis

As part of FAB's ongoing efforts to offer its Emirati customers new levels of convenience and innovation, the Bank launched a new, feature-rich National Housing Loans (NHL) app in 2022 that affords NHL customers a seamless experience when opening and activating an account and managing their loan – all without the need to visit a branch. The app allows them to track their loan and includes the ability to carry out disbursements and repayments through its dynamic dashboard.

FAB Building Management Solutions

The Bank also launched a new vendor portal – FAB Building Management Solutions – in 2022 to provide a seamless digital platform that enhances collaboration between loan beneficiaries, contractors, consultants and developers. Complex processes such as vendor registration, design submission, tendering, awarding and payments have all been digitised and automated, enhancing transparency and efficiency while streamlining the processes for managing the construction and development phase of building management.

Enhanced consumer protection

By including consent settings in the FAB Mobile app menu and the option to drop out at any stage, FAB has ensured that customers have the freedom and flexibility to opt out through the acquisition journey in accordance with the consumer protection regulations and accessibility guidelines set out by the Central Bank in the UAE.

ROBOTIC PROCESS AUTOMATION

Since the Bank opened its Automation Centre of Excellence (CoE) in 2019 to automate processes to enhance productivity and efficiency, reduce operational risks and improve customer experience, FAB has successfully delivered more than 260 projects to make its operations faster, more efficient and error-free.

FAB's 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, Egypt, France, Saudi Arabia, Singapore, the UK and the USA.

In 2022, FAB continued to focus on intelligent process automation and exploring the capabilities of new technologies within the market.

FAB Automation Studio delivers more value to all stakeholders

The Bank expanded the capabilities of its Automation Studio in 2022 to deliver more value to its business stakeholders. This included receiving training and satisfying the pre-requisites to rollout 'Power Platform', a suite of Microsoft tools that enable the creation of business-ready applications for both desktop and mobile. Whilst onboarding this tool, the Bank also generated a project pipeline for 2023 with many exciting opportunities across FAB.

- In particular, automation has led to the following key benefits for FAB and our customers:
- Over 50 automations delivered in 2022 (across UAE and international regions) with a total of 264 automations delivered since 2019
 - Delivered AED 22.84 million in cost savings and AED 14.37 million in cost avoidance
 - Overall, BOTS have successfully processed around seven million transactions, resulting in savings of more than 963,000 man-hours
 - 56% average reduction in Average Handling Time (AHT) for automated processes
 - Reduction in errors and thereby losses due to operational risks
 - Credit Limit Increase Automation for FAB and DF credit cards resulting in TAT reduction from ~50 days to 6 days (88% reduction in best case) and most importantly an approach that allows us to reach out to customers immediately, resulting in higher conversions
 - KYC refresh notification for cards and Merchant Banking resulting in cost savings of AED ~335,000 and increased adherence to KYC norms

CASE STUDY: USING AUTOMATION FOR FINANCIAL VALIDATION

This project explored RPA (robotic process automation) in financial validation to help prevent potential inconveniences while providing customers with more flexibility and an enhanced experience when dealing with the Bank. Before the introduction of RPA, an ICCS application would run early morning validations daily, to authorise customer cheques for processing, making any necessary rejections by 3pm based on insufficient funds, even though a customer may have made a deposit to cover their cheque on the same day.

In a collaborative effort between the operations cheque clearance team, ICCS support team and Automation Studio, the project was started on 14 September 2022 with all relevant stakeholders and was delivered successfully by 11 November.

In October 2022, 2,503 cheques with a value of AED 104 million were auto-rejected by the ICCS application. During the first 10 days of processing with RPA however, validation rates increased by 16% and between 14 November and 14 December, 338 cheques were validated with a net value of more than AED 79 million.

CASE STUDY: PROACTIVELY OFFERING ELIGIBLE CUSTOMERS ENHANCED CREDIT LIMITS

By launching its Bank initiated credit limit increase process through the Automation Studio, the Bank can now contact eligible customers and offer them an increased credit limit on their Dubai First or FAB credit card.

Customers who do not respond or respond negatively are contacted via phone and informed of the various benefits of the increase, while the details of all positively responding customers are updated to reflect their respective limits in FAB's backend system. Finally, customers are informed of their new credit limit via SMS.

As a result of the number of handovers and stakeholders involved and the fact that it took 50 days to complete, it used to be a monthly process, but since the introduction of RPA it is performed daily. Now newly eligible customers are contacted immediately, and the various business stakeholders can focus on more value-added tasks while achieving further cost savings.

Since its launch, the BOT has processed over 4,500 limit increases, resulting in more than AED 56 million of credit being made available to customers.

By implementing this RPA solution, FAB has realised the following benefits:



TAT reduction from ~50 days to 6-28 days (88% reduction in best case), improving customer experience and reducing handovers between stakeholders



'Always On' approach means newly eligible customers are contracted immediately and sent reminders, increasing uptake and product profitability




Gives customers more time to avail the credit limit increase offer from less than 15 days (previously) to 28 days and fulfilment period reduced to around 24 hours from approximately 7 days



Eliminates possibility of AECB data expiring for opted in customers, avoiding unnecessary costs



Reduction in manual efforts from all teams previously involved (33.75 hours per month = AED 68,000 annually)



Reports are generated to show business value gained from CLI and for monitoring



Removes chance of human error and ensures all credit and risk policies are strictly followed when identifying eligible customers, minimising risk to the Bank

ENRICHING CUSTOMER EXPERIENCE THROUGH ANALYTICS AND ARTIFICIAL INTELLIGENCE (AI)

FAB's Analytics and AI unit is mandated to improve customer experience, drive efficiencies and innovation, and deliver additional revenue growth. FAB's data scientists have applied advanced analytics and AI models to create value across the Bank since 2018. In 2022 the Group:

- Leveraged 15+ proprietary AI/ML models to support post-COVID-19 asset recovery, resulting in a positive impact on annual revenue by ~20% over the previous year
- Enabled powerful AI/ML algorithms for fraud forensics, thereby improving evidence quality, reducing overall turnaround time (TAT) and improving accuracy in fraud investigations
- Implemented an 'Eagle Eye' continuous monitoring programme to empower Credit, Compliance and Business teams with a powerful, holistic tool to bolster credit monitoring and provide the capability to identify indicators for potential credit quality deterioration on a near real-time basis
- Introduced Voice Biometrics (VB) that compares a customer's voice with a voiceprint stored on file. The voice is analysed for over 140 factors against a voiceprint that is impossible to forge or duplicate and cannot be reused if stolen. VB was also enhanced with a new enrolment strategy for customer convenience that allows customers to register using non-registered mobile numbers. Repeat usage of Voice Biometrics amounted to 83% this year
- Implemented conversational AI as a Virtual Agent for customers. This uses natural language understanding (NLU) to understand callers' intent while facilitating completion of self-service. 18 new self-services were launched using IVR in 2022, increasing the number of self-services by 60%. Call containment increased from 16% to 35% year-on-year
- Cross functional Business Intelligence (BI) solutions implemented over the year led to improved TAT, better accuracy, a reduction in errors and overall savings of more than 41,000 hours
- Introduced an internal AI chatbot for automated FAQ resolution for employees across multiple business units, leading to the rapid and convenient dissemination of information from a single authenticated source, thereby reducing ambiguities

- Launched 'Digital Business Card' for all Bank employees, enabling an environmentally suitable networking solution and contributing to the Bank's ESG goals
- Integrated additional external data platforms with the Bank's systems to enhance credit screening procedures
- Enabled real-time audio call transcription at multiple business units, ensuring faster and more accurate results and an improved customer experience
- Launched an enterprise-wide AI/ML platform to equip and enable Bank personnel with self-led analytical capabilities

CASE STUDY: CONVERSATIONAL AI – VIRTUAL AGENT FOR CUSTOMERS

This technology uses natural language understanding (NLU) to understand callers' intent and facilitate the completion of self-service products and processes.

The first company in the Middle East to launch an artificially intelligent virtual agent, FAB created its virtual agent to enhance its customer service and experience by providing a highly differentiated complete assistance experience while reducing waiting times for customers and operating costs for the Bank.

Virtual agent uses the customer's voice to verify their identity without the need for an OTP, password or security questions, resulting in significant time savings and an improvement in call containment from 16% to 35% over the previous year.

Global recognition

FAB's virtual agent and voice biometric designs were named the most successful implementation worldwide for design, innovation and customer experience by Nuance. While other companies with similar implementations are still attempting to demonstrate their worth, FAB already has tangle call containments and repeat usages that set it apart from the competition. In recognition of state-of-the-art, best-in-sector design thinking, FAB shared its findings and success at the Nuance CEX Summit in London, UK.

FAB also won the 'Smart Data Excellence Award' at the ninth edition of the Smart Data Summit Plus and Awards 2022 for the Bank's "outstanding use of data analytics and AI to achieve excellence in customer satisfaction, risk analysis, product development, revenue growth and improving productivity".

LEVERAGING DATA AND TECHNOLOGY TO DEVELOP AND DEPLOY AI-BASED SOLUTIONS

Data Analytics and AI (DAAI) is focused on strengthening FAB as a customer first organisation in which business problems are solved by leveraging data and technology and the use of advanced analytics, machine learning and artificial intelligence to predict future outcomes beyond human capabilities by uncovering patterns within huge volumes of data.

DAAI's suite of Advanced Machine Learning Models provides relevant solutions for every stage of the customer lifecycle and facilitates achievement of higher profitability, reduced risk and enhanced customer experience - key initiatives focusing on boosting acquisitions, increasing product penetration, managing and mitigating fraud risk and deploying AI-based solutions for enhancing customer experience.

DAAI's strategic programmes includes:

- Using machine learning models that employ predictive analytics to prioritise prospects by propensity to buy
- Deriving customer lifetime value to provide analytical insights that help identify high potential customers and their satisfaction drivers
- Employing transactions and text mining to boost customer acquisitions and curtail attrition
- Leveraging analytics to enable early prediction, monitoring and enablement to quick action on potential fraud cases
- Preventing fraud and improving customer experience through the use of biometric solutions

These initiatives, among others, were instrumental in FAB's recognition as a leader in the BFSI industry in the field of Advanced Analytics and AI.

BLUEBOX - A FAB PATENTED SOLUTION

FAB is the first bank in the region to hold a patent from the Ministry of Economy for an in-house developed AI-technology, BlueBox, which provides real-time solutions for automating mailbox-level work based on the various attributes of a given email and the rules required by the business unit.

FAB also leveraged machine learning techniques including Natural Language Processing (NLP) to perform advanced text analytics and classify emails after analysing the contents of an email.

Capable of content detection, automated replies, forwards, tagging, read mark as well as sorting, BlueBox is leveraged by multiple business units across the Bank, covering 21 mailboxes and processing more than 3.5 million emails across 235 categories. BlueBox has also contributed to significant benefits, with a sustained performance of ~99% accuracy, including increases in productivity, reduction in risk-of-liability, and automation of prioritisation, which has enhanced customer satisfaction through the timely and accurate resolution of enquiries.



LEADING THE INNOVATION AND DIGITAL TRANSFORMATION AGENDA AT FAB

Now in its fourth 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 has inspired 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 and new ways of working.

Delivered **more than 70 initiatives** with teams throughout the Bank, to solve business challenges creatively and collaboratively through the **FABRIC Innovation Toolkit**.

FABRIC'S KEY ACHIEVEMENTS INCLUDE:

Hosted **20 events and workshops** with international thought leaders covering global trends and inspiring teams to think differently

Developed **three new training programmes in Emerging Technology and Innovation** and revamped the existing Design Thinking Curriculum to ensure greater accessibility across the Group

Delivered more than **15 key research projects** including Accessibility, Call Centre and Mortgages that help teams get closer to the FAB customer while building better products and services

Launched an internal research and benchmarking tool, **Radar**, that enables teams to discover the latest digital journeys from local and global financial providers

Expanded **beyond FinTech** into **Emerging Technology** via training, key partnerships, and proofs of concept for teams including ESG and Corporate Banking

Blueprinted the **end-to-end Recruitment and Onboarding processes** as well as the Contact Centre experience, identifying areas of opportunity for the Bank

Brought FAB into the **metaverse** using the Bank's Decentraland space and **partnership with Hub71 in Hub71+ Digital Assets**, a dedicated Web3 specialist ecosystem

Created impactful **digital products** and experiences

Explored **13 different FinTechs**, securing five proofs of concepts

Supported FAB teams in ideating and prioritising key problem areas via structured brainstorming and **extended this service outside the Bank** to Emirates Airline Treasury and the Federal Authority for Government Human Resources



OUR APPROACH TO SUSTAINABILITY

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INTRODUCTION

As the largest bank in the UAE, and one of the world’s safest financial institutions, we are committed to being a regional pacesetter to bind both ambition and action together to accelerate the shift towards a positive environmental and social change. We made a commitment to become Net Zero by 2050 and by doing so we are aligned with the UAE’s Net Zero by 2050 Strategic Initiative. In October 2021, we became the first bank in the GCC to join the UN convened Net Zero Banking Alliance (NZBA). To achieve our Net Zero ambition, we are making advances across our own operations and by working alongside our clients, as their strategic partner, to ensure they can achieve their climate related goals. As a socially responsible bank we are committed to ensuring that all individuals – including underbanked groups – can participate equitably in the financial system.



20%
women at senior
management



Established a
**BOARD RISK
AND ESG
COMMITTEE**
and introduced
ESG related KPI for the Board
and senior management



Supported SMEs with
AED 2.8 BN
in new lending

KEY HIGHLIGHTS OF OUR ESG EFFORTS IN 2022



Facilitated sustainable finance for
USD 9.1 BN
(12% of our 2030 target of
USD 75 BN set in 2022)



44%
Emiratisation rate closer to
our target of 50% by 2025




**Green Bond outstanding
reached an all-time high of over
USD 2.2 BN,**
further cementing FAB’s position as
a leader in the Green Bond market



+80%
of FAB’s procurement
sourced from local suppliers

OUR APPROACH TO SUSTAINABILITY

In 2022, we continued to embed the three key pillars of our ESG strategy: Transforming our Governance Model; Transitioning to a Low Carbon Future; and Capitalising on our Social Responsibility, across our business. To ensure the successful integration of these strategic pillars across all FAB's business units, we have defined our material ESG topics under each pillar.





TRANSFORMING OUR GOVERNANCE MODEL

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

- Embed ESG risk framework
- ESG-driven governance structure
- Remuneration incentives linked to ESG
- ESG KPIs and performance disclosures
- Embed compliance policies and processes





TRANSITIONING TO A LOW CARBON FUTURE


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

- Regional leader in sustainable finance
- Embedding ESG as part of vendor sourcing
- Carbon intensity reduction
- Energy mix with renewable sources












CAPITALISING ON OUR SOCIAL RESPONSIBILITY

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

- Diversity, equity and inclusion across the Bank
- Gender diversity embedment
- Emiratisation focus
- Strategic focus on financial inclusion
- Drive social responsibility efforts



Our ESG pillars are set out to support the Bank's efforts in achieving sustainable financial performance, through the reduction of risk and the creation of new commercial opportunities. Information related to our achievements across these pillars can be found in the following sections.

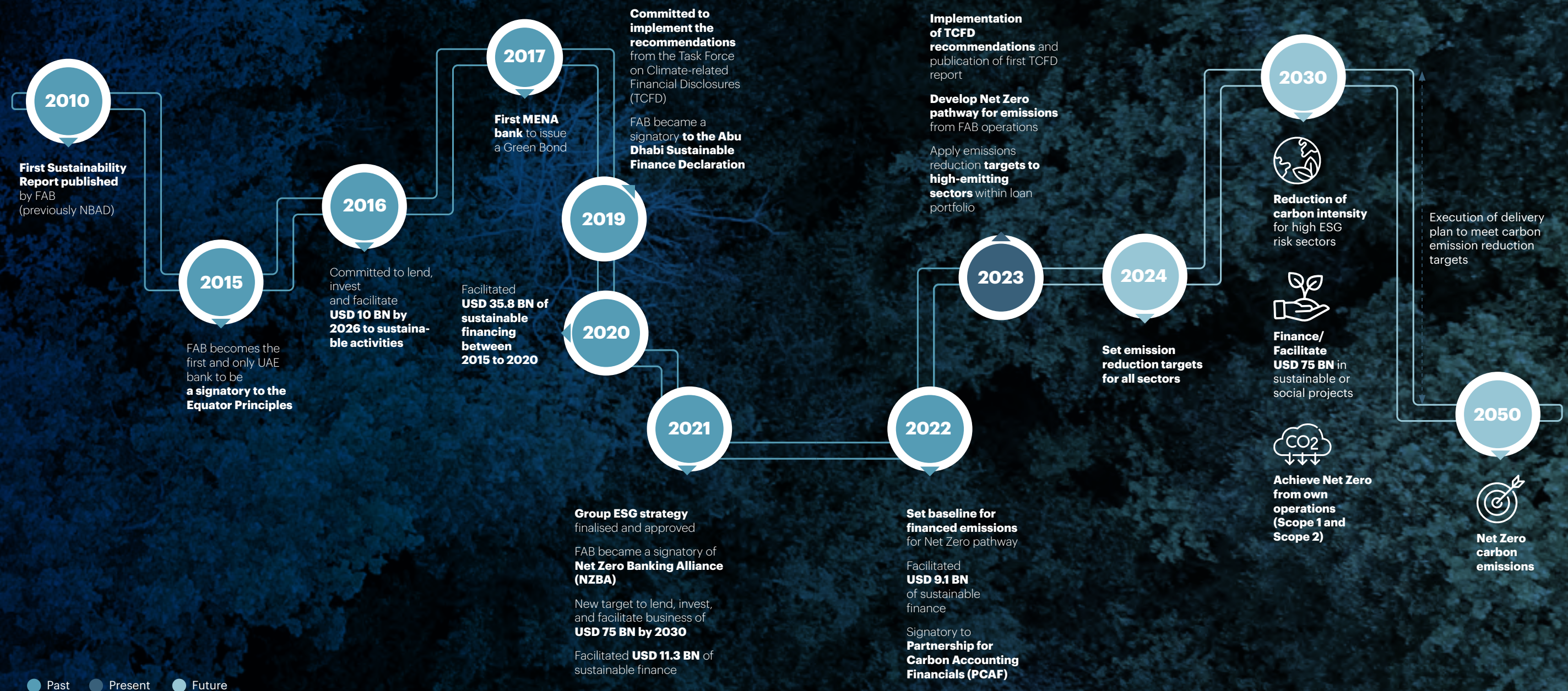


TRANSITIONING TO A LOW CARBON FUTURE

OUR NET ZERO COMMITMENT

To promote sustainable economic growth in the region and to align with the UAE's 2050 Strategic Initiative for Net Zero, we have committed to the Net Zero Banking Alliance (NZBA) and Partnership for Carbon Accounting Financials (PCAF). As signatories of these initiatives the next step of our journey is to work with our clients to reduce our financed emissions (Scope 3), in addition to our operational emissions (Scope 1+ 2). As part of this effort, we will be setting targets for high emitting sectors in our portfolio in 2023.

We have made significant strides to further our journey towards Net Zero, as set out in our roadmap below:



CAPITALISING ON OUR SOCIAL RESPONSIBILITY

OUR NET ZERO JOURNEY

Working with our customers, we aim to fund sustainable growth that will accelerate the Net Zero transition and expand financial services and products. In support of this ambition, we have committed to lend, invest and facilitate business amounting to USD 75 billion by 2030. In 2022, we facilitated over USD 9.1 billion in sustainable financing, surpassing the internal target set for the year.

Our 2022 landmark sustainable transactions

SUSTAINABILITY LINKED LOANS



USD 1.25 BN

sustainability linked loan to Majid Al Futtaim, structured as a Revolving Credit Facility (RCF)



USD 1.1 BN

SDG linked loan for Al Ahli Bank



USD 537 MN

green project finance towards Etihad Rail

GREEN BONDS

Through our green bonds we support a wide range of sustainable projects. For example, in 2022, our renewable energy related transactions will contribute towards a renewable energy capacity of 2.3 GW by 2024. Overall, our investment portfolio increased to USD 2.2 billion in 2022 from USD 1.5 billion last year, through 13 issuances across five different currencies.



SUSTAINABLE PRODUCTS

01

We expanded our suite of green financing products to include green car loans in partnership with Tesla to cater to our retail customers.

02

Sustainable supply chains: FAB's partnership with Coriolis Technologies gives the Bank's clients an opportunity to gain greater understanding of their supply chains, and therefore access to investing in a Net Zero future

03

The launch of the CASA account: A FAB sustainable current account for corporate clients, enabling them to retain their intraday liquidity and carry out everyday payables and receivables. FAB will ensure that cash held in the account will be used to fund sustainable projects that are aligned with the Bank's Sustainable Finance framework.

At FAB, we are committed to being a socially responsible and financially inclusive bank. By working together with our customers, employees and communities, we strive to achieve greater outcomes for everyone. We are working with our stakeholders across all groups to capitalise on the opportunities that arise from the environmental and social shifts we are witnessing. We believe that a diverse and inclusive workforce can help us drive innovation, engage our employees, increase productivity and ultimately drive better business decisions and outcomes. To further our commitment to diversity and inclusion, we signed the Gender Acceleration pledge with the UAE's Gender Balance Council in 2022. As a bank we have also made progress towards our target of having 30% of women in senior management by 2025, with the representation of women in senior management increasing to 20% in 2022 from 9% in 2020.

FINANCIAL INCLUSION AND ACCESSIBILITY AT FAB

Our clients are at the heart of our business model and the driving force behind our ambition to strengthen our customer experience. As a socially responsible bank, we deem financial inclusion to be an integral part of our customer experience. 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 groups and regions. We aim to accomplish this through the offering of products and services, an expanding suite of digital solutions, financial literacy events, and through the provision of banking professionals who speak our client's native languages.

PRODUCTS SUPPORTING OUR FINANCIAL INCLUSION GOALS



SHE'S NEXT

In partnership with Visa and the Dubai Businesswomen Council (DBWC) we launched "She's Next", a global advocacy programme that brings practical insights and tools to small and medium enterprises (SMEs), including networking, mentoring and funding opportunities. The new lending facility of AED 2.8 billion, will help to empower women entrepreneurs, and enable a supportive environment in which they can thrive.



KHALIFA FUND

Continued support for the Government of Abu Dhabi's Khalifa Fund for Enterprise Development, through the provision of 3-5 year secured loan to support the entrepreneurial ventures of small business owners. FAB currently manages 50% of the Khalifa Fund Portfolio and plans to increase its size by 8-10% annually.



RATIBI

Our initiative for employees on lower salaries without access to a bank account. Ratibi users can withdraw cash from ATM networks and use the card as a pre-paid debit card anywhere in the globe. Cardholders are protected for online purchases, and as an extra layer of protection, they receive SMS notifications about their debit and credit activities.



SOCIAL AID AND 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.

EMPLOYEE RIGHTS

We treat all employees equitably and with respect and seek to provide a safe and healthy work environment that promotes personal and professional growth. We recognise Modern Slavery and Human Trafficking as a growing global issue and are fully committed to eradicating it from our operations and supply chain. In alignment with the requirements of section 54 of the Modern Slavery Act and our support of the UN SDG's, our 2020 Modern Slavery and Human Trafficking public statement is now available on our website. We have zero tolerance towards human rights violation and discrimination; thus, our Group Code of Conduct and policies such as the Anti-Bullying and Harassment Policy, and the Group Vendor Management Policy, integrate such elements and align with the applicable Labour Laws and regulations. This also extends to our supply chain where we require all suppliers to adhere to the FAB's Vendor Code of Conduct, this includes the "Sustainability Criteria for Procurement", covering various requirements for responsible labour practices and human rights, such as creating safe workplaces, providing fair wages, eliminating child labour, discrimination and harassment.

COMMUNITY ENGAGEMENT

We work closely with our community partners to create a thriving and inclusive local community where everyone feels valued. In collaboration with our partners, we have supported a wide number of local initiatives throughout the year, some of which we have highlighted below.

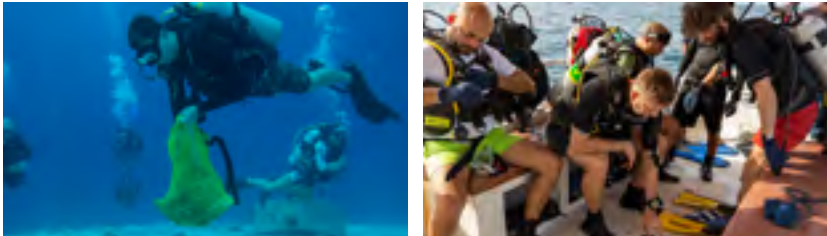
SPONSORSHIP OF THE 26TH WORLD VOLUNTEERING CONFERENCE

In October, FAB was the proud sponsor of the 26th World Volunteering Conference, which took place in the UAE for the first time. The conference encouraged volunteering to create a more inclusive future for our communities.



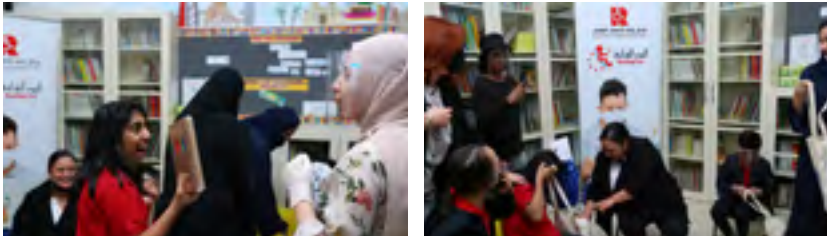
DIVING PROGRAMME

Our employees led the charge on ocean plastic pollution by becoming PADI-certified divers, arranging ocean clean-up trips, and supporting the anti-plastic campaign



MONTH OF READING - UAE READS

March saw the launch of several initiatives which were aligned with the UAE's Month of Reading initiative. Our employees visited nurseries, special needs centres, and elderly care facilities across the seven emirates to spread the joy of reading through the community. Employees also got access to the UAE Reads Head Office Activation, and they were able to download e-books to read with their families



FUJAIRAH CLEAN-UP

FAB volunteers took part in "With you Hand in Hand", an initiative launched by the office of H.H. Sheikh Mohammed bin Hammad bin Mohammed Al Sharqi, Crown Prince of Fujairah to clean up Fujairah following the adverse weather conditions experienced by the emirate in August 2022.



BREAST CANCER AWARENESS MONTH

In October 2022, we ran a Breast Cancer Awareness month. Our campaign raised awareness about the impact of breast cancer through bank wide educational webinars and workshops.

TRANSFORMING OUR GOVERNANCE MODEL

Our transparent governance structure helps improve decision-making, customer privacy, management of systemic and ESG risks and due diligence. At FAB, ESG has been integrated across our governance structure, our ESG committees and teams, in alignment with the Group’s ESG strategy, framework and policy. The Board of Directors sit at the helm of affairs directing our ESG ambitions in an ethical and transparent way to ensure long-term sustainable financial performance. As such, in 2022 we further strengthened our ESG governance at board level by adjusting our governance model through the establishment of a Board Risk and ESG Committee and introduced ESG related KPIs for the Board and senior management. The Board’s ESG strategic directions are communicated to the wider group through the Board Risk and ESG Committee (BRESGC), who are entrusted with approving the relevant ESG strategies and policies. Senior management (Group CEO and CRO), on the other hand, are responsible for implementing the ESG strategy framework and policies based on Board approvals while driving ESG culture and changes and ensuring compliance.

We are committed to the highest governance standards and believe it to be essential for effective and responsible decision-making. To deliver on the Banks ESG integration efforts, we delivered in excess of 10,000 hours of mandatory ESG trainings to raise our employee awareness around topics such as ESG strategy, ESG risk assessment model and sustainable finance framework.



10,000+
hours of mandatory ESG trainings were delivered to our employees

FAB’S SUSTAINABILITY COMMITMENT AND ALIGNMENT WITH LOCAL AND GLOBAL STRATEGIES

Our support of national and global sustainability aspirations distinguishes us from our peers. We are empowered by our partnerships to progress and deliver on our ESG strategy. As such, FAB is an active participant and contributor to several national sustainability committees and task forces including, the UAE Council for Climate Change and Environment, Abu Dhabi Global Market Sustainable Finance Consultative Working Group, the Private Sector Advisory Council to the UAE National Committee on the SDGs, the Sustainable Finance Steering Committee as part of the Dubai Declaration, and the Technical Committee of the World Future Energy Summit - Abu Dhabi

ALIGNMENT WITH LOCAL AND GLOBAL FRAMEWORKS AND GOALS

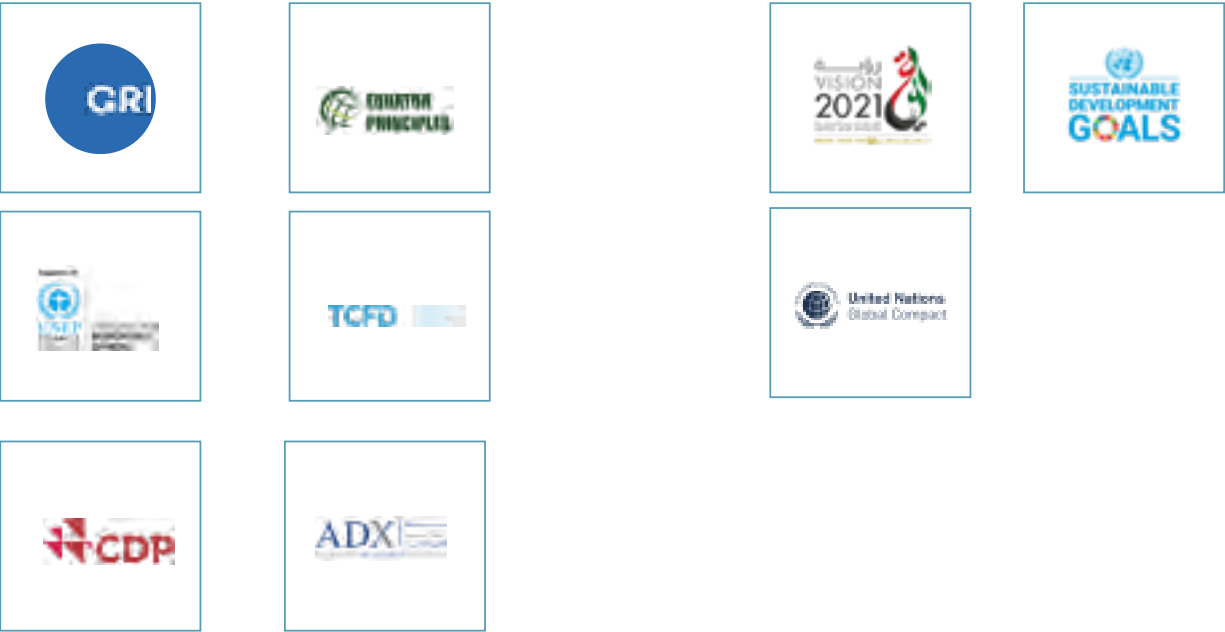
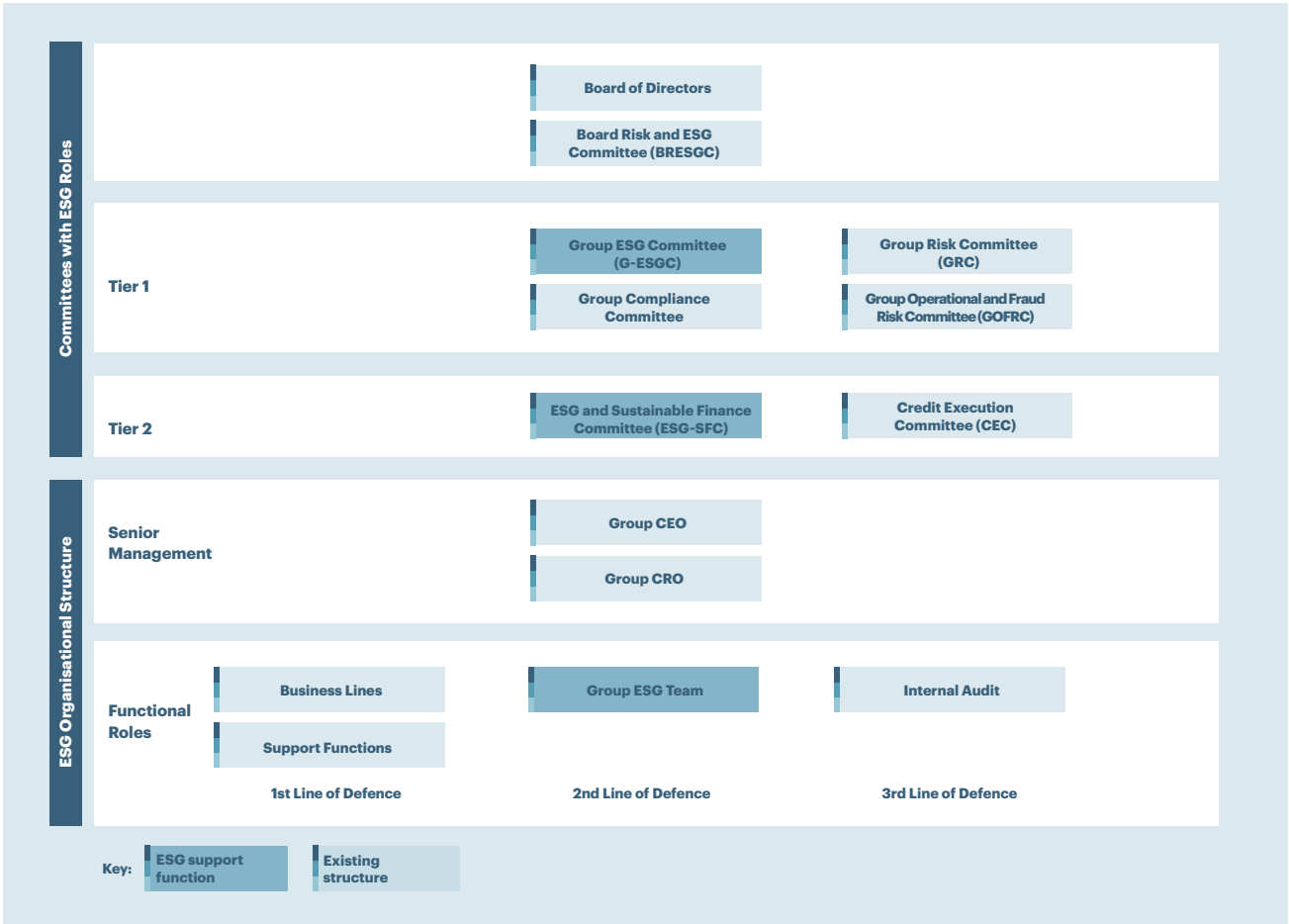
We ensure alignment with the following reporting frameworks, and national and international goals:

REPORTING FRAMEWORKS

- Global Reporting Initiative (GRI)
- Equator Principles (EP)
- Carbon Disclosure Project (CDP)
- Net Zero Banking Alliance (NZBA)
- Principles for Responsible Banking (PRB)
- Green Bond ICMA Principles
- Task Force on Climate-Related Financial Disclosures (TCFD)
- Abu Dhabi Securities Exchange (ADX) ESG Guide for Listed Companies
- Partnership for Carbon Accounting Financials

NATIONAL GOALS

- Abu Dhabi Vision
- UAE Vision 2021
- UAE Green Agenda 2015-2030
- UAE Net Zero by 2050
- UN Sustainable Development Goals (SDGs)
- UN Global Compact



DATA PERFORMANCE TABLES

ENVIRONMENT¹

Data	Metric	Unit	Scope	2019	2020	2021	2022	FAB comments
E.1 GHG emissions	E1.1: Total amount in CO2 equivalents, for Scope 1	tCO ₂ e	Group	9,092	631*	2,618	3,011	* 2020 value restated due to enhanced calculation methodology
	E1.2: Total amount in CO2 equivalents, for Scope 2	tCO ₂ e	Group	28,538	28,797	28,433	33,543	
	E1.3: Total amount in CO2 equivalents, for Scope ¹	tCO ₂ e	Group	7,601	3,515	4,827	2,508*	* All data related to waste generation (including paper consumption and recycling) will be released in our consolidated ESG report in Q1 2023
E.2 Emissions intensity	E2.1: Total GHG emissions per full time employee (FTE)	tCO ₂ e/FTE	Group	8.3	6.5	7.1	6.2	
	E2.2: Total non-GHG emissions per full time employee (FTE)	tCO ₂ e/FTE	Group	NA	NA	NA	NA	
E3. Energy usage	E3.1: Total amount of energy directly consumed	GJ	Group	10,212	2,390	2,489	4,551*	* Increase due to acquisition of Bank Audi in Egypt
	E3.2: Total amount of energy indirectly consumed	GJ	Group	234,422	234,723	231,762	269,036*	* Increase due to acquisition of Bank Audi in Egypt
E4. Energy intensity	Total direct energy usage per full time employee (FTE)	GJ/FTE	Group	1.9	0.5	0.5	0.7	
E5. Energy mix	Energy usage by generation type	%	Group	NA	NA	NA	NA	
E6. Water usage	E6.1: Total amount of water consumed	m ³	Group	205,133	187,454	221,329	196,927	
	E6.2: Total amount of water reclaimed	m ³	Group	NA	NA	NA	NA	

¹Scope 3 is excluding Financed emissions

Data	Metric	Unit	Scope	2019	2020	2021	2022	FAB comments
E7. Environmental operations	E7.1: Does your company follow a formal Environmental Policy?	Y/N	Group	Y	Y	Y	Y	For more details, please refer to our website
	E7.2: Does your company follow specific waste, water, energy, and/or recycling policies?	Y/N	Group	Y	Y	Y	Y	
	E7.3: Does your company use a recognised energy management system?	Y/N	Group	N	N	N	N	Currently work is in progress for third-party certification
E8. Environmental oversight	E8.1: Does your management team oversee and/or manage sustainability issues?	Y/N	Group	Y	Y	Y	Y	
E9. Environmental oversight	E9.1: Does your Board oversee and/or manage sustainability issues?	Y/N	Group	Y	Y	Y	Y	

SOCIAL

Data	Metric	Unit	Scope	2019	2020	2021	2022	FAB comments
S2. Gender pay ratio	S2.1: Median total compensation for female compared to median total compensation for male	Ratio	Group	1.35	1.43	1.56	1.16	
	Senior management	Ratio	Group	1.43	1.08	1.36	1.3	
	Middle management	Ratio	Group	0.94	0.93	0.89	0.8	
	Staff (Professional, Operational and Administrative)	Ratio	Group	1.41	1.45	1.35	1.21	
S3. Employee turnover	S3.1: Year-over-year change for full time employees	%	Group	20	-7	0.5	33*	Increase due to acquisition of Bank Audi in Egypt
	S3.2: Year-over-year change for part-time employees	%	Group	NA	NA	NA	NA	
	S3.2: Year-over-year change for contractors/consultants	%	Group	NA	-13	-2	22	
S4. Gender diversity	S4.1: Percentage: Total enterprise headcount held by men	%	Group	61	60	58	59	
	S4.1: Percentage: Total enterprise headcount held by women	%	Group	39	40	42	41	
	S4.2: Entry and mid-level positions held by men	%	Group	61	60	58	58	
	S4.2: Entry and mid-level positions held by women	%	Group	39	40	42	42	
	S4.3: Percentage: Senior and executive level positions held by men	%	Group	96	90	87	79	
	S4.3: Percentage: Senior and executive level positions held by women	%	Group	4	10	13	21	
S5. Temporary worker ratio	S5.1 Total enterprise headcount held by part-time employees	%	Group	NA	NA	NA	NA	
	S5.2: Total enterprise headcount held by contractors and/or consultants	%	Group	38	37	36	34	
S6. Non-discrimination	S6.1: Does your company follow a non-discrimination policy?	Y/N	Group	Y	Y	Y	Y	
S7. Injury rate	S7.1: Frequency of injury events relative to total workforce time	%	Group	0	0	0	0	

Data	Metric	Unit	Scope	2019	2020	2021	2022	FAB comments
S8. Global health and safety	S8.1: Does your company follow an occupational health and/or global health and safety policy?	Y/N	Group	Y	Y	Y	Y	More details about this will be provided in our consolidated ESG report in Q1 2023.
S9. Child and forced labour	S9.1: Does your company follow a child and/or forced labour policy?	Y/N	Group	Y	Y	Y	Y	
	S9.2: If yes, does your child and/or forced labour policy also cover suppliers and vendors?	Y/N	Group	Y	Y	Y	Y	
S10. Human rights	S10.1: Does your company follow a human rights policy?		Group	Y	Y	Y	Y	
	S10.2: If yes, does your human rights policy also cover suppliers and vendors?							
S11. Nationalisation	S11.1: Percentage of national employees (Emiratisation)	%	UAE	33.0	24.0	42.2	43.8	
S12. Community investment	S12.1: Amount invested in the community, as a percentage of company revenues	%	Group	0.62	0.64	0.46	0.32	

GOVERNANCE

Data	Metric	Unit	Scope	2019	2020	2021	2022	FAB comments
G1. Board diversity	G1.1: Total board seats occupied by:							
	Men	%	Group	100	100	100	100	
	Women	%	Group	0	0	0	0	
G2. Board independence	G2.1: Does the company prohibit CEO from serving as board chair?	Y/N	Group	Y	Y	Y	Y	
	G2.2: Total board seats occupied by independent board members	%	Group	78	82	91	73	
G3. Incentivised pay	G3.1: Are executives formally incentivised to perform on sustainability?	Y/N	Group	Y	Y	Y	Y	
G4. Supplier Code of Conduct	G4.1: Are your vendors or suppliers required to follow a Code of Conduct?	Y/N	Group	Y	Y	Y	Y	
	G4.2: What percentage of your suppliers have formally certified their compliance with the Supplier Code of Conduct?	%	Group	100	100	100	100	
G5. Ethics and prevention of corruption	G5.1: Does your company follow an Ethics and/or Prevention of Corruption policy?	Y/N	Group	Y	Y	Y	Y	
	G5.2: What percentage of your workforce has formally certified its compliance with the Ethics & Prevention of Corruption Policy?	%	Group	96.0	99.9	99.0	98.4	Data represents employees who completed FAB's compliance training and AML learning programme
G6. Data privacy	G6.1: Does your company follow a Data Privacy policy?	Y/N	Group	Y	Y	Y	Y	
	G6.2: Has your company taken steps to comply with GDPR rules?	Y/N	Group	Y	Y	Y	Y	
G7. Sustainability reporting	G7.1: Does your company publish a sustainability report?	Y/N	Group	Y	Y	Y	Y	

Data	Metric	Unit	Scope	2019	2020	2021	2022	FAB comments
G8. Disclosure practices	G8.1: Does your company provide sustainability data to sustainability reporting frameworks?	Y/N	Group	Y	Y	Y	Y	
	G8.2: Does your company focus on specific UN Sustainable Development Goals (SDGs)?	Y/N	Group	Y	Y	Y	Y	
	G8.3: Does your company set targets and report progress on the UN SDGs?	Y/N	Group	N	N	N	Y*	*Specific SDGs targets will be disclosed in our consolidated ESG report in Q1 2023
G9. External assurance	G9.1: Are your sustainability disclosures assured or verified by a third-party audit firm?	Y/N	Group	Y	Y	Y	Y*	* FAB will seek external assurance for the consolidated ESG report in Q1 2023

CORPORATE GOVERNANCE

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A MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

On behalf of the Board of Directors, I am pleased to present the 2022 Annual Corporate Governance Report of First Abu Dhabi Bank PJSC (FAB or the Group).

The Board of Directors (the Board) of FAB places utmost importance in good governance and is mindful that a strong governance culture supports effective delivery of the Group's strategy and is essential to the way in which the Bank operates. At FAB, this is demonstrated through our continuous commitment towards effective management, upholding the highest standards of corporate governance and ethical conduct. The culture of FAB supports and secures effective decision-making, actions and behaviour. It focuses on a strategy and aligns with a purpose that results in promoting stakeholder confidence and creating long-term sustainable growth.

As Chair of the Board, I am responsible for ensuring the Board sets the right tone at the top for the Group and our Board of Directors provides close oversight of the Group's affairs through constituted committees.

OUR ACHIEVEMENTS IN 2022

The Board is cognisant that every aspect of the Group has a link to governance. During the year, the Group continued to strengthen internal governance through the review of key policies and adopting a framework for control documents management which enhanced the governance around

policies and frameworks within the Group, providing stringent oversight, consistency, and alignment. Governance practices in the international branch network were reviewed and adapted using a risk-based approach. The Group also continued to provide strong governance oversight of its local subsidiaries to ensure their efficiency and effectiveness. As part of this, FAB partnered with its strategic partner, GCC Board Directors Institute, to provide professional development and training to subsidiary Board members via a multi-day workshop. While continuing to adopt emerging best-in-class governance practices, FAB also ensured its alignment with the Central Bank of UAE's regulatory requirements, the requirements of the Securities and Commodities Authority as applicable, and the requirements of other local regulators in the countries in which FAB has a presence and operations.

The Group's commitment to its corporate social responsibility and enhanced ESG strategy confirms FAB's dedication towards the community, an important element of overall Group governance.

Finally, the Board of Directors takes this opportunity to thank the FAB senior management and all its employees around the globe for their contribution to FAB's strong governance culture and its ongoing success.

H.H. Sheikh Tahnoon Bin Zayed Al Nahyan
Chairman

OVERVIEW

As the largest bank in the UAE, FAB is committed to continuously maintaining best practices in corporate governance, both locally and internationally. The Board-approved Corporate Governance Framework is aligned with the Bank's strategic objectives and reflects applicable regulatory requirements and guidelines, including those of the Central Bank of the UAE (CBUAE) and other applicable regulations. Specifically, the Framework is aligned with the CBUAE's Corporate Governance Regulations and Standards for Banks (the CBUAE CG Regulations and Standards), the CBUAE Regulations for Shari'ah Governance for Islamic Financial Institutions and also encapsulates the Consumer Protection Regulations. Supporting the Group Governance Framework are a series of international and local subsidiary governance frameworks.

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

During 2022, the Board approved the revised 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. In addition, the control documents management framework was updated to include, amongst other enhancements, an annual review of all risk and compliance policies, strengthening overall governance.

Having the authority and autonomy to operate within a controlled environment is an important cornerstone of effective governance and facilitates informed decision-making by appropriate subject matter experts at the appropriate levels within the Bank. Supporting this, the delegation of authority matrix guides independence in decision-making and escalation of reporting, clearly articulating individual and collective accountabilities in compliance with all applicable laws and regulations.

FAB's continued strategic partnership with GCC Board Directors Institute (GCC BDI), the region's leading not-for-profit organisation in corporate governance and board effectiveness, specifically supports the Board and FAB's senior management to follow current best practices in corporate governance and stay abreast of developments in the region.

CORPORATE GOVERNANCE FRAMEWORK AT FAB

The Bank is governed by a framework which sets out the governance requirements for the Board and relevant Board and management level committees. The emphasis in 2022 was on local subsidiary governance, ensuring the correct frameworks, committees and operating models were in place, supported by continuous education and training.

At Group level there was continued emphasis on ensuring all committees are set up and operating to enable informed decision-making. The secretaries of the Board and Board Committees continue to be senior employees within the Bank and are subject matter experts.

The Board and Board Committee charters are updated annually and the focus in 2022 was to review and standardise these documents and align committee structures with current best practices, for example the increased focus on ESG. The charters can be found on our website under “Corporate Governance Framework”.

An important part of FAB's Governance Framework is the Bank's Annual General Assembly (the General Assembly). This is the opportunity for the shareholders to engage with the Board and raise questions. The General Assembly was held on 28 February 2022 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, KPMG. In addition, the Board of Directors recommended a distribution of profits for the financial year ending on 31 December 2021 of 70% of the Bank's paid-up capital as a dividend, which is 70 fils per share with a total value of AED 7.64 billion, split into 49 fils in cash, and the equivalent of 21 fils in the form of shares. The value of each share is AED 17.97 (the nominal value per share is one dirham plus issuance premium of 16.97 dirhams to be added to the legal reserve), with a total number of 127,612,688 shares. The shareholders also approved the Board remuneration for 2022.

The Internal Shari'ah Supervision Committee's (ISSC) 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 General Assembly. In addition, other special resolutions were approved as part of the meeting agenda.

GOVERNANCE, INTERNAL CONTROLS AND RISK MANAGEMENT

FAB 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. FAB is committed to achieving best practices in corporate governance, business integrity and professionalism. Its Corporate Governance Framework is aligned with applicable regulatory guidelines, including those of the CBUAE and its other regulators. It is particularly designed to reflect the CBUAE Corporate Governance Regulation for Banks (Circular 83/2019) and the accompanying Corporate Governance Standard for Banks.

The FAB Board is the principal decision-making forum for the Bank. Its responsibilities are set out in the Board Charter and include approving the strategy, annual budget and organisation structure, setting its risk appetite and risk management strategy, monitoring financial performance, establishing the corporate governance framework, and approving the Bank's corporate values. Setting the tone at the top is a critical part of the Board's role. The Board is responsible for providing oversight and effective challenge to senior management across a range of matters including its execution of the agreed strategy and risk management and is also responsible for Board and executive management succession planning.

Under the CBUAE CG Regulations and Standards, the Board has approved that the risk governance framework must incorporate a “three lines of defence” approach including senior management of the business lines, the functions of risk management and compliance, and an independent and effective internal audit function. The Three Lines of Defence (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 significant functions which form the control system at FAB 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 Group Chief Executive Officer (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 (GRCO) reports functionally to the Board Risk and ESG Committee (BRESGC) and administratively to the GCEO. These reporting lines are included in the relevant Board Committee charters. Risk

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

FAB has established a robust risk governance and ownership structure that ensures oversight and accountability of the effective management of risk. The Board approves risk management plans for FAB, its subsidiaries and international offices including representative offices and overseas branches. Under authority delegated by the BRESGC, the Group Risk Committee (GRC) formulates a high-level enterprise risk management framework, exercises delegated risk authorities and oversees the implementation of the risk management framework and controls through the independent Group Risk Management division led by the GCRO. This framework facilitates a composite view of risk at each succeeding level of the Group enabling it to determine whether the overall portfolio risk is consistent with its risk appetite. The Group Risk Management function is the nerve centre for collection of data, analysis of risk drivers, interpretation of outcomes and its wide dissemination to relevant committees for risk management.

The Enterprise Risk Management Policy ERMP at FAB is implemented across the Group including local and international branches, subsidiaries and foreign representative offices. The core objective of the ERMP is to provide a reasonable degree of assurance to the Board that the risks threatening FAB's achievement of its core purpose are being identified, measured, monitored and controlled through an effective integrated risk management system. The ERMP consists of specific policy documents covering all material risks across FAB. In addition to the risk management policies, FAB has also put in place detailed operational policies, procedures and programmes wherever needed.

The Risk Appetite Framework at FAB is aligned with its strategic objectives. The Risk Appetite Framework comprises risk appetite statement and risk metric across multiple categories (Capital Adequacy, Financial Performance, Efficiency, Liquidity and Funding, Credit Asset Quality, Risk Concentration, Operational Efficiency, Market Risk Exposures, Information Security and Conduct Risk). The Group's risk appetite is filtered down to the individual business groups. The Risk Appetite Framework is approved by the GRC and BRESGC post the business and subsidiaries review. The role of the Group GCEO and the executive management team is to execute the agreed business strategy within the agreed risk appetite. There is continuous monitoring of all relevant risk exposures to ensure that the overall risk profile is within the defined risk appetite limits.

There are clearly defined processes for continuous review and enhancement of the entire framework in line with changes in external as well as internal environments. The risk management processes, and methodology is continuously benchmarked with regional and international best practices.

CORPORATE GOVERNANCE POLICY

To achieve the principles for good corporate governance, a robust policy has been developed which includes the following elements:

Group Articles of Association

The Articles of Association (AOA) are approved by the CBUAE, the Securities and Commodities Authority (SCA) and the shareholders at the General Assembly. The AOA sets 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.

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 SCA and is licensed as a Commercial Bank by its main regulators the Central Bank of the UAE.

Group Board and Board Committees

These bodies provide leadership and direction to the Group including 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 and senior management of the Bank.

Group and Subsidiary Management Committees

These committees assist the Group Executive Committee (Group EXCO) to implement the Group strategy and manage day-to-day operations of 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.

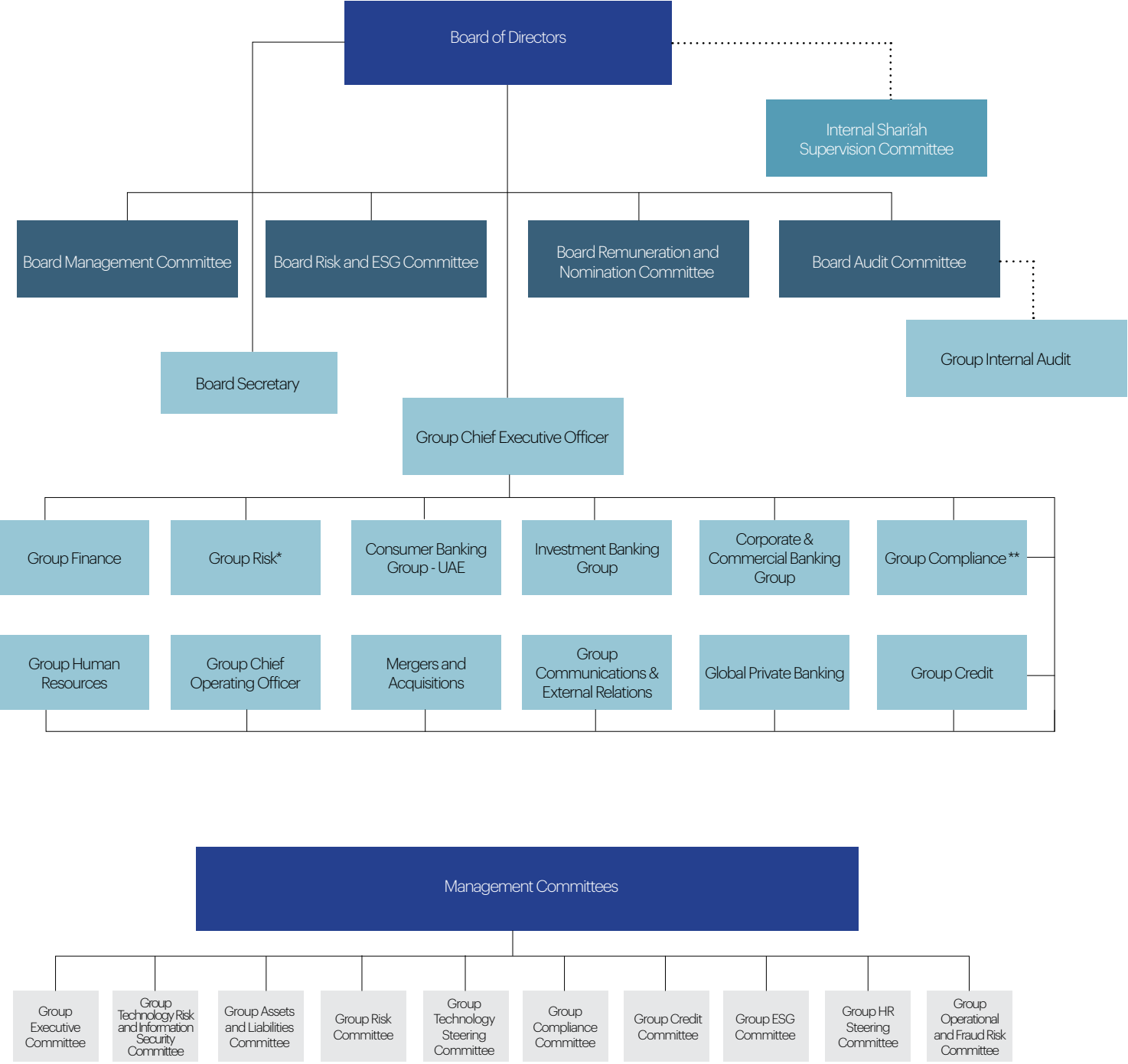
Group Delegation of Authority Framework

This defines and governs the Group's delegations of authority with respect to financial and non-financial delegations, powers of attorney and the Bank's authorised signatories.

Governance Controls

The control documents management framework sets out operations for policies, procedures and processes as part of overall governance for the Group.

FAB ORGANISATIONAL STRUCTURE



*The Group Chief Risk Officer reports to the GCEO and has functional reporting to the Board Risk and ESG Committee
**Group Compliance has a direct right of access to the Board Risk and ESG Committee and the Board Audit Committee

BOARD INFORMATION

Pursuant to the FAB Group's Articles of Association and in accordance with Federal Law No. 32 of 2021 concerning Commercial Companies and, the Decretal Federal Law No. (14) of 2018 regarding the Central Bank and Organisation of Financial Institutions and Activities, the CBUAE Corporate Governance Regulations and Standards of September 2019 and the Securities and Commodities Authority Decision no. (3/Chairman) of 2020 on Corporate Governance, the FAB Board of Directors consists of 11 members.

The Board members are appointed on a three-year tenure and the Board is due for election in February 2023. The Board appointed H.E Mussabeh Helal Mussabeh Al Kaabi in March 2022 to replace Board member H.E Khalifa Sultan Al Suwaidi.

The composition of the Board is in accordance with regulatory requirements, with the majority membership of Non-Executive Directors being UAE Nationals and independent Directors.

The Board is headed by an independent Chair who is elected from amongst 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 with representatives of FAB's regulators, as required, including the CBUAE and the 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, encourages and promotes critical discussion and ensures that dissenting views can be freely expressed during the decision-making process.

The Chair also has oversight of the Board agenda, ensuring that it reflects the strategic nature of the Board's work.

BOARD OF DIRECTORS' RESPONSIBILITIES

The Board is collectively responsible for directing the FAB Group towards the achievement of the Bank'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 control 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
 - Overseeing the adherence to such values by staff
 - Providing direction and oversight on the implementation 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
- 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.

INDEPENDENCE

At FAB, we follow the CBUAE CG Regulations to assess the independency of our Board. According to these criteria, in 2022, eight out of 11 Board members of FAB were considered independent, as they have no relationship with the Bank or Group that could lead to benefit, or which may affect their decisions. They are not under any undue influence, internal or external, ownership or control, which would impede the exercise of objective judgement.

To determine independence, each Non-Executive Director is required to make an annual disclosure of all relevant information to the Board Secretary and to Group Corporate Governance.

Fact box

- All members of the Board are Non-Executive
- Eight out of 11 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
- There are four Board Committees
- An annual Board assessment is conducted
- Board and Board Committees held a total of 23 meetings in 2022
- Board and Board sub-committees are using Nasdaq Boardvantage to maintain confidentiality
- Board KPIs and Board declaration forms are implemented
- Board information packs are provided to current and new members



BIOGRAPHIES OF BOARD MEMBERS



His Highness
Sheikh Tahnoon Bin Zayed Al Nahyan
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 supports national security interests and the UAE's opaque corporate sector.

External appointment
His Highness is the Chairman of ADQ and 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 Mohamed Al Nahyan is a knowledgeable business professional with more than 18 years' experience in family business, real estate and investment. H.E. deals with financials, real estate investments and is self-managing various 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 American 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 ESG Committee

Career
H.E. Jassim Mohammed Buatabh Al Zaabi is the Chairman of the Abu Dhabi Department 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 Office. H.E. also served as Director General of the National Cybersecurity 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
- 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 Business Administration from Ajman University of Science and Technology and an MBA 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 ESG Committee

Career
H.E. Dr. Sultan Ahmed Al Jaber has served as Minister of Industry and Advanced Technology since July 2020, as a member of the Supreme Council for Financial and Economic Affairs since November 2020, as UAE Cabinet Member and Minister of State from 2013 up to July 2020 and as the UAE's Special Envoy for Climate Change since November 2020.

In addition, H.E. has been the Group Chief Executive Officer of the Abu Dhabi National Oil Company (ADNOC) since 2016 and Managing Director of ADNOC since February 2021.

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 of the Abu Dhabi Supreme Council for Financial and Economic Affairs

Education
H.E. holds a Ph.D. in Business and Economics from Coventry University in the United Kingdom, an MBA from the California State University and a Bachelor's degree in Chemical Engineering from the University of Southern California, USA.



His Excellency
Sheikh Ahmed Mohamed Sultan S. Al Dhaheeri
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 Audit Committee
Member of the Board Risk and ESG Committee

Career
H.E. Sheikh Ahmed Mohamed Sultan S. Al Dhaheeri 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 Al Dhafra Insurance
- Board Member of Al Dhaheeri 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.

External appointments

- Chairman of Islamic Arab Insurance Company (SALAMA)
- Chairman of Eshraq Investments
- Board Member of Dana Gas

Education
H.E. holds a B.Sc. in Electrical Engineering from the University of Wisconsin-Madison and an M.Sc. in Electrical Engineering from Cornell University. H.E. has also served as a noted lecturer at the Abu Dhabi-based Petroleum Institute.



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 Murban Energy Limited – A leading investment company of Abu Dhabi
- Chairman of Thani Murshed Uniliver
- Chairman of Alpha Dhabi Holding PJSC

Education
HE. Holds a Bachelor's degree in 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

- Chairman of the Board Audit Committee
- Member of the Board Management 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
- Head of Abu Dhabi Tourism Investments Company (ADTIC Egypt)
- Head of the Abu Dhabi Uzbekistan Investment (ADUI)

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



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 ESG 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 an MBA in Corporate Finance and Banking from the American University of Beirut. He has also completed a project at Columbia University majoring in the Evolution of Financial Institutions.



His Excellency
**Waleed Al Mokarrab
Al Muhairi**
Non-independent member

Appointed to the Board of Directors on 24 February 2020

Board Committee memberships
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 Mubadala Capital
- Chairman of Global Institute for Disease Elimination (GLIDE)
- Chairman of Mubadala Health
- Member of the Board of Trustees of Cleveland Clinic in the United States
- Board Member of Aldar Holding PJSC
- Board Member of Noon.com
- Board Member of Hub71
- Board Member of Ellipses Pharma Limited
- Board Member of Investcorp Holdings, Bahrain
- Board Member of Tamkeen
- Board Member of Abu Dhabi Investment Council

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



His Excellency
**Musabbah Helal Musabbah
Al Kaabi**
Non-independent member

Appointed to the Board of Directors on 24 March 2022

Board Committee memberships
Member of the Board Remuneration and Nomination Committee
Member of the Board Audit Committee

Career
H.E. Musabbah Helal Musabbah Al Kaabi is the Chief Executive Officer of Mubadala's UAE Investments platform and a member of the Investment Committee. H.E. is responsible for Mubadala's UAE-led platform investment strategy across energy, metals, aerospace, technology, healthcare, real estate and infrastructure, contributing to the acceleration of the UAE's economic transformation, the developments of homegrown world-class champions, the fostering of vibrant industrial and commercial clusters, and engaging with global partners.

External appointments

- Chairman of Mubadala Energy
- Chairman of Yahsat
- Vice Chairman of Masdar
- Vice Chairman of Mubadala Health
- Board Member of Emirates Global Aluminium
- Board Member of Tabreed

Education
H.E. holds an M.Sc., with distinction, in Petroleum Geophysics from the University of London – Imperial College of Science, Technology and Medicine.

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 the Board Remuneration and Nomination Committee on the following parameters:

- Executive experience
- Banking/Finance/Audit/Risk
- IT, Digital and Technology
- Governance and stakeholder management



BOARD GOVERNANCE

BOARD REMUNERATION AND OWNERSHIP OF FAB SHARES

Total remunerations paid to the Board members in 2022 for the year 2021

Board member	Role	REMCO	BMC	BAC	BRCC	AED
H.H. Sheikh Tahnoon Bin Zayed Al Nahyan	Chairman – Independent non-executive director	Chair				16,250,000
H.E. Sheikh Mohamed Bin Saif Bin Mohamed Al Nahyan	Vice Chairman – Independent non-executive director	Member	Chair			3,675,000
H.E. Jassim Mohammed Buatabh Al Zaabi	Independent non-executive director				Member	3,675,000
H.E. Sheikh Ahmed Mohd Sultan S. Al Dhaheri	Independent non-executive director			Member		2,625,000
H.E. Dr. Sultan Ahmed Al Jaber	Independent non-executive director				Chair	3,675,000
H.E. Jassim Mohamed Al Seddiqi	Independent non-executive director		Member			2,375,000
H.E. Mohammed Thani Murshed Ghanem Al Rumaithi	Independent non-executive director			Member		2,625,000
H.E. Mohamed Saif Al Suwaidi	Independent non-executive director		Member	Member		2,775,000
H.E. Waleed Al Mokarrab Al Muhairi	Non-independent non-executive director		Member			2,850,000
H.E. André George Sayegh	Non-independent non-executive director			Member	Member	2,100,000
H.E. Mussabeh Helal Musabbeh Al Kaabi	Non-independent non-executive director	Member		Member		Not a member in 2021
*H.E Khalifa Sultan Al Suwaidi	Independent non-executive director					2,375,000

*H.E. Khalifa Sultan Al Suwaidi resigned in March 2022.

During 2022, there were no major changes to the Board Director’s shareholding of FAB shares. Each quarter the Bank reports on Board members’ holding of FAB shares to the Central Bank of the UAE.

CONFLICT OF INTEREST

Each Director has a duty to avoid, in every way 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 use of FAB property or information
- 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
- 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 the SCA.

In 2022, FAB held its Annual General Meeting on 28 February 2022. The Annual General Meeting in respect of the 2022 financials will be held in February 2023. Election of the Board of Directors for a three-year tenure will be an agenda item at the 2023 General Assembly Meeting. Results and resolutions of the meeting will be published on the Bank’s website and shared with FAB regulators.

ON-GOING BOARD EDUCATION

Recognising the value and importance of continuing to share information and for training for the Board, the Corporate Governance team worked closely with the Board secretary and stakeholders across the Group to prepare comprehensive information materials for the Board of Directors. In this reporting period, the following topics were covered:

- Group Strategy
- Market and Liquidity Risk
- ESG
- Cybersecurity
- Compliance
- Corporate Governance

BOARD COMMITTEES

The 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 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 provided key management support to the Board, overseeing the management of the FAB Group's portfolio, ensuring alignment with the Bank's strategic policies and that business is conducted within the Bank's risk appetite. In 2022, the BMC reviewed and approved the Bank's financial performance, its risk and credit risk appetite, key technology investments and capital expenditure. It also oversaw the implementation of the Bank's local and international projects and strategy, taking into account market changes and challenges. In 2022, the BMC held five Committee meetings.

Members

Chairman	H.E. Sheikh Mohamed 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

BOARD REMUNERATION AND NOMINATION COMMITTEE (REMCO)

Overview

The REMCO supports the Board with recommendations for key senior management and Board Director appointments and approves and oversees the Bank's compensation and reward design. In 2022, the REMCO performed a full review of the total compensation for senior executives and approved the introduction of long-term incentives in line with the Bank's strategy of aligning senior executive compensation with the Bank's long-term objectives. It also approved revised succession planning, the appointment of senior management positions, Directors for local and international subsidiaries and approved a Material Risk Taker framework. The REMCO also approves relevant local and international human resources and remuneration policies. In 2022, the REMCO held five committee meetings.

Members

Chairman	H.H. Sheikh Tahnoon Bin Zayed Al Nahyan
Member	H.E. Sheikh Mohamed Bin Saif Bin Mohamed Al Nahyan
Member	H.E. Mussabeh Helal Musabbeh Al Kaabi
Executive Member	Group Chief Executive Officer
Permanent Attendee	Group Chief Human Resources Officer

BOARD RISK AND ESG COMMITTEE (BRESGC)

Overview

The BRESGC has overall responsibility to provide oversight and advice to the Board in relation to current and potential future risk exposures of the FAB Group. It considers and directs future risk strategy, including determination of risk appetite and tolerance as well as promoting risk awareness culture in the Group. It approves the Bank's risk appetite framework, reviews the outlook on capital, liquidity, asset quality and other non-financial risks (operational, fraud, information security, reputation, strategic) and approves all Group policies and frameworks.

In 2022, FAB updated the responsibility of Board Risk Committee to include an ESG specific mandate and updated the committee name to Board Risk and ESG Committee to reflect this. During the year, the committee reviewed the progress and implementation of FAB's ESG strategy and ambition to become Net Zero in line with UAE Strategic Initiative of Net Zero by 2050. The committee was updated with the latest global and regional ESG trends during the year. The committee reviewed the Bank's approach to financed emissions and approved reduction targets for financed emissions for the high emitting sectors. The Committee also reviewed and approved the ESG Risk Framework and ESG Policies.

In 2022, the BRESGC held four committee meetings.

Members

Chairman	H.E. Dr. Sultan Ahmed Al Jaber
Member	H.E. Sheikh Ahmed Mohamed Sultan S. Al Dhaheri
Member	H.E. Jassim Mohammed Buatabh Al Zaabi
Member	H.E. André George Sayegh
Executive Non-Voting Member	Group Chief Executive Officer
Permanent Attendee	Group Chief Risk Officer

BOARD AUDIT COMMITTEE (BAC)

Overview

The BAC assists the Board to assess the quality and integrity of FAB's disclosure, financial statements, financial reporting, the Bank's compliance with regulatory requirements. The BAC also ensures the effectiveness of the Bank's internal control functions, risk management systems, policies and governance including the effectiveness of Islamic Financial Institutions. In 2022, the BAC endorsed the Bank's Risk Based Audit Plan and approved the engagement of the external auditors, KPMG, and recommended to the Group Board to put to the shareholders for approval at the General Assembly Meeting the appointment and remuneration of external auditors for the fiscal year ending 2022. It also Endorsed the appointment of the new Shari'ah Auditor; including the Shari'ah Audit Plan. The BAC is also responsible for oversight of Group Compliance and whistleblowing. In 2022, the BAC held four Committee meetings.

Members

Chairman	H.E. Mohamed Saif Al Suwaidi (appointed on 14 April 2022)
Member	H.E. Mussabeh Helal Musabbeh Al Kaabi
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
Executive Non-Voting Member	Group Chief Executive Officer
Permanent Attendee	Group Chief Audit Officer
Permanent Attendee	Group Chief Compliance Officer (Reporting to the Board Audit Committee from 26 April 2022)



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's 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 defence" of Shari'ah compliance in all activities relating to the Islamic banking business.

The Bank has also been continuously 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 an Islamic Window framework for the FAB Group setting out prudent regulatory guidelines and requirements. The Head of Islamic Window has been appointed by the Bank to lead the Islamic banking activities of the Bank in accordance with the Islamic Banking Window Standards.

The ISSC held seven 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.

A new trainee member of ISSC i.e., Mr. Mohamed Eid Khamis Thani AlMheiri has been nominated by the Bank and approved by the HSA in accordance with HSA Resolution no 68/4/2022 re 'Trainee Members of the ISSC' which allows the Bank to appoint two ISSC Trainees (UAE Nationals) in place of one full ISSC membership (UAE National). The nomination of the second ISSC Trainee member is currently being finalised by the Bank to fulfil the HSA's requirement regarding minimum number of ISSC memberships.

The ISSC has submitted to the HSA an annual Shari'ah report regarding Shari'ah-compliant businesses and operations of the FAB Group for FY2022. The report has been approved by the HSA.

CURRENT INTERNAL SHARI’AH SUPERVISION COMMITTEE (ISSC) MEMBERS



Dr. Mohammed Daud

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 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 the University of Kuwait, a Ph.D. from the University of St. Andrews and a Bachelor’s degree of Jurisprudence from the University of Malaya.



Dr. Salim Al Ali

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 diverse 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 Al Ali holds a Ph.D. in Financial Law from the University of London and a Master’s degree in Islamic Banking and Finance from the International Islamic University of Malaysia.



Dr. Mohamad Akram Laldin

Elected at the Annual General Meeting on 28 February 2021

Career

Dr. Mohamad Akram Laldin is currently the Executive Director of the 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
- Member of Shari’ah Supervisory Board of Meethaq, Bank Muscat.

Education

Dr. Mohamad Akram Laldin 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

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 for the Islamic financial services industry focusing on standardisation of Shari’ah-compliant financial contracts and product templates. He has contributed significantly to 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 Rufai 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.

External appointment

- Member of Shari’ah Supervisory Board of Meethaq, Bank Muscat

ANNUAL REPORT OF THE INTERNAL SHARI'AH SUPERVISION COMMITTEE OF FIRST ABU DHABI BANK PJSC

Pursuant to requirements stipulated in the relevant laws, regulations and standards (the Regulatory Requirements), the Internal Shari’ah Supervision Committee of the Institution (ISSC) presents to you the ISSC’s Annual Report regarding Shari’ah compliant businesses and operations of the Institution for the financial year ending on 31 December 2022 (Financial Year).

Responsibility of the ISSC

- In accordance with the Regulatory Requirements and the ISSC’s Charter, the ISSC’s responsibility is stipulated as to:
- Undertake Shari’ah supervision of all businesses, activities, products, services, contracts, documents and business charters of the Institution; and the Institution’s policies, accounting standards, operations and activities in general, memorandum of association, charter, financial statements, allocation of expenditures and costs, and distribution of profits between holders of investment accounts and shareholders (“Institution’s Activities”) and issue Shari’ah resolutions in this regard
 - Determine Shari’ah parameters necessary for the Institution’s Activities, and the Institution’s compliance with Islamic Shari’ah within the framework of the rules, principles, and standards set by the Higher Shari’ah Authority (HSA) to ascertain compliance of the Institution with Islamic Shari’ah

The senior management is responsible for compliance of the Institution with Islamic Shari’ah in accordance with the HSA’s resolutions, fatwas, and opinions, and the ISSC’s resolutions within the framework of the rules, principles, and standards set by the HSA (“Compliance with Islamic Shari’ah”) in all Institution’s Activities, and the Board bears the ultimate responsibility in this regard.

Shari’ah standards

In accordance with the HSA’s resolution (No. 18/3/2018), and with effect from 1 September 2018, the ISSC has abided by the Shari’ah standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as minimum Shari’ah requirements, in all fatwas, approvals, endorsements and recommendations, relating to the Institution’s Activities without exception.

Duties fulfilled by the ISSC during the financial year

The ISSC conducted Shari’ah supervision of the Institution’s Activities by reviewing those activities and monitoring them through the internal Shari’ah control and the internal Shari’ah audit, in accordance with the ISSC’s authorities

- and responsibilities, and pursuant to the Regulatory Requirements in this regard. The ISSC’s activities included the following:
- Convening seven meetings during the year
 - Issuing fatwas, resolutions and opinions on matters presented to the ISSC in relation to the Institution’s Activities
 - Monitoring compliance of policies, procedures, accounting standards, product structures, contracts, documentation, business charters, and other documentation submitted by the Institution to the ISSC for approval
 - Ascertaining the level of compliance of allocation of expenditures and costs, and distribution of profits between investment accounts holders and shareholders with parameters set by the ISSC
 - Supervision through the internal Shari’ah control and the internal Shari’ah audit, of the Institution’s Activities including supervision of executed transactions and adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard
 - Providing guidance to relevant parties in the Institution – to rectify (where possible) incidents cited in the reports prepared by internal Shari’ah control and the internal Shari’ah audit – and issuing of resolutions to set aside revenue derived from transactions in which non-compliances were identified for such revenue to be disposed towards charitable purposes. However, the ISSC did not find any revenue arising from Shari’ah non-compliant incidents to be disposed towards charitable purposes
 - Approving corrective and preventative measures related to identified incidents to preclude their reoccurrence in the future
 - Specifying the amount of Zakat due on each share of the Institution
 - Communicating with the Board and its sub-committees, and the senior management of the Institution (as needed) concerning the Institution’s compliance with Islamic Shari’ah

The ISSC sought to obtain all information and interpretations deemed necessary in order to reach a reasonable degree of certainty that the Institution is compliant with Islamic Shari’ah.

Independence of the ISSC

The ISSC acknowledges that it has carried out all of its duties independently and with the support and cooperation of the senior management and the Board of the Institution. The ISSC received the required assistance to access all documents and data, and to discuss all amendments and Shari’ah requirements.

The ISSC’s opinion on the Shari’ah compliance status of the Institution

Premised on information and explanations that were provided to us with the aim of ascertaining compliance with Islamic Shari’ah, the ISSC has concluded with a reasonable level of confidence, that the Institution’s Activities are compliant with Islamic Shari’ah, except for the incidents of non-compliance observed, as highlighted in the relevant reports. The ISSC also provided directions to take appropriate measure in this regard.

The ISSC formed its opinion, as outlined above, exclusively on the basis of information perused by the ISSC during the financial year.

SENIOR MANAGEMENT

The Group Executive Committee (Group EXCO) is FAB Group’s most senior management level and it operates under a delegated authority from the FAB Board. The Group EXCO supports the Group CEO to determine and implement the Bank’s strategy as approved by the FAB Board.

PROFILES OF THE GROUP EXCO



Hana Al Rostamani
Group Chief Executive Officer

Hana Al Rostamani is the Group Chief Executive Officer (GCEO) at FAB.

Recognised for being a change leader, focused on embedding a culture driven by innovation, diversity and inclusion, Hana is the first female CEO in FAB’s history.

With more than 25 years of experience in banking and financial services, Hana brings solid industry experience to the Group. Prior to being named GCEO in February 2021, she was Deputy Group Chief Executive Officer and Group Head of Personal Banking at FAB, responsible for leading the transformation of FAB’s consumer bank, instilling a customer and digital-first mindset. Prior to joining FAB, Hana held various roles of increasing domestic and international accountabilities at First Gulf Bank, Citibank and AW Rostamani Group.

Hana is currently Chair of the Global Council on the Sustainable Development Goals, with a key interest in development goal 7, ‘Affordable and Clean Energy.’ She is a Board member of several entities, including: Buna, the Arab Monetary Fund’s cross-border payment system aimed at strengthening investment ties among Arab economies; the Institute of International Finance (IIF), the financial industry’s global association; the International Institute for Management Development (IMD), a renowned academic institution consistently ranked among the leading management and executive education centres globally; and the Executive Board of the US-UAE Business Council.

She is a graduate of George Washington University in the United States, where she earned a Bachelor of Science in Business Administration and a Master of Science in Information Management. Hana’s most recent accolade includes her first-place ranking in Forbes Middle East’s list of the region’s most powerful businesswomen. Hana is a UAE native, and she is married with three children.



James Burdett
Chief Financial Officer

James Burdett was the Group Chief Financial Officer at FAB in 2022, 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 & 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.

James is a qualified Chartered Accountant and studied at the Auckland Institute of Technology.



Pradeep Rana
Group Chief Risk Officer

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.

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



Martin Tricaud
Group Head of Investment Banking

Martin Tricaud is the Group Head of Investment Banking at FAB, serving as a member of the Executive Committee.

Martin has over 30 years of banking and corporate finance experience across institutional businesses. In his role at FAB, Martin has the responsibility for leading and growing our group-wide Investment Banking business, overseeing Global Corporate and FI Coverage, Global Corporate Finance and Global Markets. With a focus on regional expansion, Martin has led the development of the FAB product proposition and the client coverage model and is reinforcing FAB’s positioning as a regional leader in the Investment Banking space. Martin has also been instrumental in the development of FAB’s ESG proposition.

Prior to joining FAB, Martin held several senior positions with HSBC group, including Deputy Chairman and CEO for the Middle East, North Africa and Turkey, and was Group General Manager at HSBC. He was also 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.

Martin is Vice Chairman for the FAB Capital Saudi Arabia Board and the Chair of the Board for FAB Private Bank (Suisse) SA. He is a trustee of the Universite Paris II Assas, Sorbonne. He was appointed by French Prime Minister decree a Conseiller du Commerce Extérieur de la France in 2001.

Martin graduated from the Institut d’Etudes Politiques de Paris, holds a Master’s in Law from La Sorbonne University, Paris, and a bachelor’s degree in History from Paris Nanterre University. Martin has lived in the Middle East (UAE and Egypt) for 12 years.



Sara Al Binali
Group Head of Corporate and Commercial Banking and Acting Group Head of International Banking

Sara Al-Binali is the Group Head of Corporate, Commercial, and International Banking at FAB, serving as a member of the Executive Committee.

Sara has over 24 years of experience in financial services, investment, and banking. In her role at FAB, she is responsible for leading and growing the Corporate, Commercial, and International Banking division and for ensuring that it is aligned with the Group's overall vision, strategy, and direction.

Prior to this role, she served as the Head of Business Banking, responsible for driving the SME business for FAB. She also headed Strategic Planning for FAB and at First Gulf Bank (FGB) as it was known then, before FAB was created as a merged entity of FGB and the National Bank of Abu Dhabi (NBAD). Before this she was Deputy Head of FGB's International Business Group.

Sara started her career at the Abu Dhabi Investment Authority (ADIA) working across several key investment management roles that were specifically focused on Far East Equities.

She sits on number of boards including First Abu Dhabi Bank Securities, FAB Capital KSA, and Reem Finance.

Sara graduated from Northwestern University in the United States with a degree in economics and holds an Excellence and Awareness certification that she obtained at INSEAD's Singapore campus.



Futoon Al Mazrouei
Group Head of Consumer Banking – UAE

Futoon Al Mazrouei is the Group Head of Consumer Banking UAE at FAB. With over 15 years of experience in the banking sector, she has garnered a plethora of awards in recognition of the value that she has brought to the banking and financial sector.

Futoon brings extensive experience to her current role, having previously held leadership positions within FAB's consumer banking business, including her role as Head of Elite Banking, where she was central to driving the Group's digital transformation agenda.

Futoon has always been an advocate for customers and has been at the forefront of the digitalisation of banking services as part of ensuring that banks serve their customers safely and securely. Under her leadership, FAB's Consumer Business received multiple awards, including Best Mobile Banking Adaptive Site and Best Open Banking APIs by Global Finance Magazine, Digital Banking Awards in 2021, in addition to winning the MEA Finance Award for Best Mobile Banking Service Implementation. FAB also won The Best Use of Data and Analytics at the Digital CX Awards for Dubai First in 2022, further cementing Futoon's vision for the Bank's consumer services.

In addition to winning awards for the Bank, Futoon has been named one of the Middle East's Top Women in Banking by Global Money Monitor in 2022 and is the first woman to sit on the Board of the Abu Dhabi National Insurance Company (ADNIC). Futoon is the Council Member for Visa and Member for Mastercard MENA Executive Council (MMEC). She also sits on the Boards of several prominent companies in the GCC and North Africa such as FAB Islamic, WIO Bank and Bank FABMISR.

Futoon holds a B.Sc. and Mathematics degree from Al Ain University and graduated from the Executive Programme in International Management at Stanford Graduate School of Management in Singapore.



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

Karim Karoui is the Group Head of Mergers and Acquisitions at FAB and is a member of the Bank's Executive Committee.

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 29 years of regional and international banking experience, having lead 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.

Karim holds a Masters' in Accounting from IHEC, Tunisia and serves as a Board Member in FAB Islamic, First Gulf Libyan Bank and Chairman of the Board of FAB Misr.



Suhail BinTarraf
Group Chief Operating Officer

Suhail BinTarraf is Group Chief Operating Officer at FAB.

Suhail has extensive experience and is a leader in championing operational and technology change initiatives, regionally and internationally.

Prior to joining FAB, Suhail was the Chief Operating Officer at Emirates Islamic Bank and previously held the position of Chief Executive Officer at Tanfeeth, the shared services subsidiary at the Emirates NBD Group.

Suhail is a graduate of the American University in Dubai with a bachelor's degree in Business Administration and holds a specialized post-graduate certification from several leading global business schools.



Nurendra Perera
Group Chief Audit Officer

Nurendra Perera is the Group Chief Audit Officer at 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 & Processes, Risk Management, Compliance & 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.

Nurendra holds a Masters' Degree in Business Administration, having majored in Finance Honours from University of Leicester (UK), a Post Graduate Diploma in Consortium Executive Leadership & Organization 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).



Melvin Fraser
Acting Group Chief Human Resources Officer

Melvin Fraser is the Acting Group Chief Human Resources Officer at FAB. Melvin is responsible for leading the implementation of the Group's people strategy to enable the growth priorities of the Organisation.

He is a senior HR professional with a breadth of experience in regional roles across Europe, Asia Pacific and the Middle East; he has served as the Head of HR Business Partnering for Personal Banking Group at FAB, before undertaking his current role in February 2021.

Prior to this, he was the Head of Talent, Reward and Organisation Development at FAB. Prior to joining FAB, Melvin spent over 10 years at HSBC as Head of Organisation Development and Employee Relations (Asia Pacific), HSBC, Hong Kong and as Regional Manager - Compensation and Projects at HSBC Bank Middle East, Dubai.



Rajesh Deshpande
Acting Group Chief Credit Officer

Rajesh Deshpande is a seasoned career banker with over 23 years of experience in the Banking sector and is currently serving as Acting Group Chief Credit Officer at FAB.

Before transitioning into Credit Risk, Rajesh's diverse experience covered roles in Relationship Management, Corporate Finance; focusing on Project and Asset backed Finance, Leverage Finance and Private Equity. Primarily in the Middle East, Rajesh has successfully led structuring teams on several landmark Project Financing and Leverage Finance transactions.

Prior to joining FAB, Rajesh worked with National Commercial Bank, Gulf International Bank and Abu Dhabi Commercial Bank.

Rajesh holds a Chartered Accountancy degree from The Institute of Chartered Accountants of India and completed his MBA from the Manchester Business School, UK.

MANAGEMENT COMMITTEES

FAB has a number of management committees. Each committee has an approved charter that outlines its authority, responsibilities, meeting frequency and practices, reporting and self-evaluation.

The management committee structure helps drive senior level management decision-making within the Bank across a range of matters, including the management of strategic, financial, capital, risk, operational, information technology and people issues affecting FAB.

GROUP EXECUTIVE COMMITTEE (EXCO)

EXCO's key responsibilities 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. In 2022, EXCO activities included that it reviewed and approved financial performance and budgets, discussed the strategic outlook for the Bank and broader market, reviewed and approved regulatory compliance issues, reviewed the CBUAE scorecard and participated in a Cyber War-gaming exercise and training.

GROUP RISK COMMITTEE (GRC)

The GRC oversee and monitors the Board approved risk appetite and enterprise risk framework. It defines, develops and periodically monitors the Group's risk appetite metrics 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, directly to the BRESGC. In 2022, the GRC reviewed the macroeconomic environment and its impact on FAB Group's risk profile, reviewed stress testing and considered the risk management in business portfolios. It also approves all Group-wide Risk policies and frameworks.

GROUP ESG COMMITTEE (G-ESGC)

The primary objective of the G-ESGC is to promote and oversee the ESG strategy, Net Zero plans, culture and awareness across the FAB Group. The second objective is to oversee and endorse the development and implementation of ESG risk parameters as well as FAB Group's own ESG goals. G-ESGC reports relevant matters to the Board Risk and ESG Committee, advising and informing them on the Group's ESG Framework and indicators. In 2022, the committee endorsed the Net Zero 2050 roadmap and targets to the Board Risk and ESG Committee (BRESGC), approved the Diversity and Inclusion (D&I) roadmap and fostered an ESG culture in the Bank through encouraging greater awareness and collaboration on ESG opportunities across business lines.

GROUP COMPLIANCE COMMITTEE (GCOC)

The Group Compliance Committee oversees FAB'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 Compliance policies and procedures are complied with across the Group. The Committee provides continuous oversight of regulatory trends, themes and issues impacting FAB globally. In 2022, the Compliance Committee provided direction and guidance with respect to major new regulatory engagements and implementation programmes, noting the rising pace of regulatory change in the UAE and worldwide. This included the establishment of a Regulatory Risk and Compliance Forum to manage regulatory change and horizon-scanning. The Committee also provides oversight of regulatory interactions across the FAB network and actions taken to address findings and residual risks; and monitors compliance with FAB's Compliance Risk Management Framework, ensuring that heightened risks detected are appropriately escalated and reported.

GROUP ASSET AND LIABILITY COMMITTEE (G-ALCO)

G-ALCO provides oversight of the structure and quality of the balance sheet. It is directly accountable to the BRESGC for ensuring that the risks within the Group's asset and liability position are prudently managed, supported by the Bank's 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.

During 2022, it established Group liquidity and market risk appetite, approved Funds Transfer Pricing, Capital, interest rate risk in the banking book, and Liquidity Management policies. It also managed the Group and entity level capital positions. ensured that sufficient liquidity was available to meet unexpected cashflows, monitored the progress of Libor transition and established Capital Management, and Investment Advisory Review Committees, in addition to the existing Balance Sheet Management Committee. The Committee also ensured that the funds transfer pricing curve is set at a level to support both deposits gathering and loan growth.

GROUP CREDIT COMMITTEE (GCC)

GCC has overall credit oversight for the Group and reviews and approves the FAB Group credit policies. GCC develops and implements the Bank's credit, investment strategy and the related policies and procedures. The GCC conducts quarterly reviews of the quality and performance of the Bank's credit portfolio, provides oversight of the Bank's lending strategies and assists in managing the Bank's response to market trends.

HUMAN RESOURCES STEERING COMMITTEE (HRSC)

HRSC assists Group EXCO and the Board 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 HR initiatives and policies to ensure that the needs of the Group from an employee's perspective are considered and changes are approved or are submitted for approval to the relevant governance body. In 2022, HRSC approved new Flexible Working Arrangements, creating a more engaged and flexible working culture for employees and aiding retention of talent at FAB. It also implemented a new Rewards Framework and reviewed the senior leader succession pipeline.

GROUP OPERATIONAL AND FRAUD RISK COMMITTEE (GO&FRC)

The GO&FRC assists the BRESGC to oversee the Bank's Operational and Fraud Risk Management. The key responsibilities of this Committee are to agree and define guidelines to identify and manage operational and fraud risks in all new products, processes, and activities. 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. In 2022, the GO&FRC approved an outsourcing framework and policy formulation for FAB Group and international branches. It also approved implementation of a market-leading Operational Risk Framework for the region, recognised by Asian Banker and awarded the 'Risk Management Award for Achievement in Operational Risk Management'. Various fraud prevention measures were also approved.

GROUP TECHNOLOGY RISK AND INFORMATION SECURITY COMMITTEE (GTRISC)

The GTRISC's primary objective is 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. In 2022, the GTRISC provided continuous discussion on information/cybersecurity and its impact on the FAB's Group risk profile, monitored the evolving data privacy regulatory landscape to ensure ongoing compliance, provided oversight of the cybersecurity strategy development and the UBF Cyber War Gaming, discussed and reviewed cyber insurance to manage risk appetite of the Bank.

GROUP TECHNOLOGY STEERING COMMITTEE (GTSC)

GTSC has oversight responsibilities for all technology and information systems across the FAB Group and supports the work of the BRESGC in its oversight of the Group IT governance framework. GTSC makes recommendations to Group EXCO regarding significant technology investments in support of the Group's strategy. GTSC also ensures alignment of business strategies with technology priorities and acts to protect investment in technology. In 2022, GTSC provided executive oversight for a technology evolution programme and the technology investment portfolio. It also provided oversight of strategic projects, and technology service management such as service quality improvements and resilience and approved technology related policies.

SELF-ASSESSMENT OF MANAGEMENT COMMITTEES

In order to ensure continuous improvement and effectiveness of management committees, each committee undertakes an annual self-assessment process 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.



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.

Our international subsidiaries include subsidiaries in Switzerland, the USA, the Kingdom of Saudi Arabia, Egypt, and India.

The majority of FAB’s international presence is 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 United Kingdom, as well as operations in Asia, Europe and several GCC countries. In 2022, the Bank continued to enhance the international governance model for each location through the International Banking Governance Framework (IBGF). Each entity or location has an IBGF which sets out senior management organisation structure, committees and decision-making forums and reporting lines. A network of regular reporting and oversight by Group Corporate Governance consolidates the governance via the IBGFs.

LIST OF PRINCIPAL UAE AND INTERNATIONAL SUBSIDIARIES AS AT 31 DECEMBER 2022

Legal name	Country of incorporation	Principal activities	Holding %
First Abu Dhabi Bank Misr S.A.E. (FAB Misr)	Egypt	Banking	100
FAB Private Bank (Suisse) SA	Switzerland	Banking	100
First Abu Dhabi Bank USA N.V.	Curacao	Banking	100
FAB Investment KSA (Single Shareholder LLC)	Kingdom of Saudi Arabia	Financial Institution	100
First Gulf Libyan Bank*	Libya	Banking Services	50
FAB Global Markets (Cayman) Limited	Cayman Islands	Financial Institution	100
FAB Sukuk Company Limited	Cayman Islands	Special purpose vehicle	100
National Bank of Abu Dhabi Representações Ltda	Brazil	Representative office	100
FAB Global Business Services Limited (Subsidiary of FGIT)	India	IT Services	100
Abu Dhabi Securities Brokerage Egypt**	Egypt	Brokerage	96
FAB Securities LLC	United Arab Emirates	Brokerage	100
First Abu Dhabi Islamic Finance PJSC	United Arab Emirates	Islamic Finance	100
FAB Properties LLC	United Arab Emirates	Management and brokerage of Real Estate Properties	100
First Gulf Information Technology LLC (FGIT)	United Arab Emirates	IT Services	100
NBAD Employee Share Options Limited	United Arab Emirates	Shares and Securities	100
Nawat Management Services - One Man Company LLC	United Arab Emirates	Services	100
Mismak Properties Co. LLC (Mismak)	United Arab Emirates	Real Estate Investments	100
Moora Properties Co. LLC (Subsidiary of Mismak)	United Arab Emirates	Real Estate Investments	100
First Merchant International LLC (FMI)	United Arab Emirates	Real Estate Investments	100
FAB Employment Services LLC (Subsidiary of FMI)	United Arab Emirates		100
FAB Resourcing Services LLC (Subsidiary of FMI)	United Arab Emirates	Resourcing services	100
Horizon Gulf Electromechanical Services LLC (Subsidiary of FMI)	United Arab Emirates		100
Abu Dhabi National Leasing LLC	United Arab Emirates	Leasing	100
Abu Dhabi National Properties LLC	United Arab Emirates	Property Management	100

**Although the Bank owns 50% of the outstanding shares of First Gulf Libyan Bank, the investment has been classified as a subsidiary as the Bank exercises control over the investee because it casts the majority of the votes on the Board of Directors*

***Under liquidation*

REMUNERATION

FAB continues to focus on strengthening the linkage between Reward and Sustainable Performance. This has been a focus during 2022 with the creation of mechanisms that aim to align the Executive’s actions towards strong and sustainable growth and ensuring that stakeholder interests are protected.

This year the Bank has further strengthened its alignment to sustainability through the introduction of a Long-Term Incentive Programme for senior management and a formal Material Risk Taker Framework reflecting global best practice. The Bank also continues to ensure that the Risk Reward relationship is appropriately balanced through appropriate deferral mechanisms that are applied on variable pay. Variable pay (paid and deferred amounts) is subject to claw-back and malus to ensure risk alignment.

Our compensation approach contains a healthy mix of fixed and variable pay. Both elements are constantly benchmarked to the market to ensure we remain competitive in line with our brand and value proposition. Performance driven variable pay is aligned with performance on the Balanced Score Card and focusses on ensuring holistic performance of the Bank aligned to stakeholder interests.

The Bank’s approach to Reward is reflective of global best practices together with compliance with the statutory framework of the specific jurisdiction in which it operates.

SENIOR MANAGEMENT 2022 REMUNERATION

Role	Total remuneration AED
Group CEO	12,979,661
Group Chief Financial Officer	4,608,000
Group Chief Risk Officer	4,229,782
Group Head of Investment Banking	4,360,000
Group Head of Consumer Banking UAE	4,439,000
Group Chief Operating Officer	4,285,484
Group Head, Mergers and Acquisitions	3,395,027
Group Chief Audit Officer	2,843,791

Notes:

1) All values are actual cash paid in 2022

2) Executive Committee members shown are those in the role for the full year 2022

3) Acting Functional Heads are not included

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 party transactions are approved by the Group’s management and are made on terms agreed by the Board of Directors or management.

	31 December 2022					31 Dec 2021
	Board of Directors AED’000	Major shareholders AED’000	Senior management AED’000	Associates AED’000	Total AED’000	Total AED’000
Balances with related parties at the reporting date are shown below:						
Financial assets	11,552,967	36,004,061	62,536	970,387	48,589,951	34,282,642
Financial liabilities	13,927,523	36,481,734	25,285	417,982	50,852,524	57,779,565
Contingent liabilities	328,725	8,698,101	-	184	9,027,010	21,702,546
Transactions carried out during the year ended with related parties are shown below:						
	31 December 2022					31 Dec 2021
Interest and other income	387,169	876,773	1,638	80,237	1,345,817	793,581
Interest expense and other expenses	199,718	330,321	412	100,577	631,028	315,934

CORPORATE SOCIAL RESPONSIBILITY

COMMUNITY ENGAGEMENT

FAB works closely with its community partners to create a thriving and inclusive local community where everyone feels valued. In collaboration with the Bank’s partners we have supported a wide number of local initiatives throughout the year, some of which are highlighted below:

Sponsorship of the 26th World Volunteering Conference	FAB sponsored the 26th World Volunteering Conference, which took place in the UAE for the first time. The conference encouraged volunteering to create a more inclusive future for our communities in a post-pandemic world.
Emirates Council for Rural Development	FAB entered into a strategic partnership with the Emirates Council for Rural Development as a key partner in support of the Emirates Village Project which is a sustainable development model, launched during the Annual Meetings of the UAE Government.
General Women’s Union	FAB signed a strategic partnership with General Women’s Union to support the goals of the Emirati Craftswomen Academy while encouraging and developing the social and economic capabilities of Emirati women
Frontiers in Finance	Launched under the Patronage of HH Sheikh Khaled Bin Mohammed, the Yale Frontiers in Finance program has been designed with Yale School of Management to equip business leaders with the skill sets required to successfully navigate this era of uncertainty and transformation with focus on finance, investment, and leap growth. The first cohort of the programme had 28 Emirati talent from 9 Abu Dhabi partner entities.
Cycle for a Cause	In line with our CSR ambition, and with the aim of promoting a challenger mindset and encouraging an active lifestyle through sports, we launched the cycle for a cause initiative in Ramadan 2021 where our FAB employees cycle to support a cause every month. The total mileage of kms cycled each month is converted to a monetary value by FAB and donated to a charity.

EMIRATISATION

FAB continued its journey of offering its talented UAE Nationals various growth and development opportunities in the organisation and supporting the Emiratisation agenda of the country.

In 2022, FAB achieved 43.76% Emiratisation. A strong testimony of our commitment towards Emiratisation is reflected in the high number of UAE Nationals in senior management. 24.4% of FAB’s Group Executive Management positions and 92.59% of management roles across our UAE branches are now held by UAE Nationals. Female UAE National employees constitute 76% of the total Emiratisation in the organisation.

To support the growth and development of UAE Nationals, FAB provides various programmes according to the business/ role needs and the skill development requirement of the employees. The bespoke programmes are designed and launched in-partnership with some of the leading global organisations and institutions. During the year, we provided more than 64,000 hours of learning with a focus on developing the skills for tomorrow in the areas of digital,

functional and leadership. We also provide support to UAE Nationals to pursue their Bachelor or Masters degree through our Educations Assistance Scheme.

For the young UAE Nationals, we have launched The Bankers Programme to attract and develop the Emirati graduates and support building their banking knowledge and capabilities. The participants undergo a structured six months learning journey designed on two levels, which builds the technical skills and functional skills in the specialised streams of Risk and Credit, Investment Banking, Corporate Banking and Compliance. We currently have 278 active employees in the Bankers Programme with 76 candidates joining in 2022.

In addition to the above, FAB is focused on strengthening its pipeline of UAE Nationals for the senior roles. We offer 12 months career acceleration programmes - Al Masar and Nujoom, through which we provide customised learning opportunities and develop the leadership and technical ability of our UAE Nationals. In the programme, we also provide executive coaching to the participants in-partnership with some of the best business schools in the world.

SUSTAINABILITY

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, we defined FAB’s ESG Strategy with the goal of ensuring that the Bank stays well ahead of the curve as stakeholder expectations evolve.

How Sustainability is governed at FAB

At FAB, we have formally integrated new ESG committees and teams to the existing governance structure to be aligned with the Group’s recently launched ESG Strategy, Framework and Policy. The Board of Directors actively directs our ESG ambitions in an ethical and transparent way to ensure long-term performance and sustainability. The Board’s ESG

strategic directions is communicated to the wider Group through the Board Risk and ESG Committee. The newly formed Group ESG Committee (G-ESG), supports the Board Risk & ESG Committee in promoting and overseeing the ESG culture and awareness. across the Group. G-ESG represents the highest authority at management level for all ESG related decision-making across the Group. It is supported by the ESG and Sustainable Finance Committee that oversees the implementation of the ESG Strategy, Policy and Sustainable Finance Framework. The ESG direction set out by the Board is disseminated to the organisation through Group-wide ESG policies and strategies which are developed and executed by the new Group ESG team.

For further information, please refer to our reports published at [Reports, Policy, and Frameworks | FAB - UAE \(bankfab.com\)](#)

INVESTOR RELATIONS

STATEMENT OF THE GROUP'S 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 2022	20.00	20.68	18.54
February 2022	20.68	21.10	19.68
March 2022	23.60	23.90	21.40
April 2022	22.44	23.96	22.00
May 2022	21.48	22.30	18.68
June 2022	18.78	20.66	18.42
July 2022	19.42	19.98	18.34
August 2022	19.10	20.66	19.10
September 2022	17.86	19.48	17.58
October 2022	17.90	18.10	17.22
November 2022	17.60	18.48	17.30
December 2022	17.10	17.50	15.80

*High/Low for the month on Closing price basis

STATEMENT OF THE GROUP'S COMPARATIVE PERFORMANCE WITH THE GENERAL MARKET INDEX AND SECTOR INDEX TO WHICH THE GROUP BELONGED DURING 2022

	Closing price (Dec 2022)	Closing price (Dec 2021)	Closing price (Dec 2020)	% change in price in 2022	FAB's Relative outperformance / (underperformance)
FAB	17.1	18.84	12.90	-9.2%	-
ADX	10,211.1	8,488.4	5,045.3	20.3%	-29.5%
ADX Banks	17,669.1	12,016.3	8,490.1	47.0%	-56.3%
MSCI EM Banks	328.5	362.5	331.5	-9.4%	+0.1%

STATEMENT OF THE SHAREHOLDERS' OWNERSHIP DISTRIBUTION AS AT 31 DECEMBER 2022 (INDIVIDUALS, COMPANIES, GOVERNMENTS) CLASSIFIED AS FOLLOWS: LOCAL, GULF, ARAB AND FOREIGN

	% of owned shares			Total
	Individuals	Companies	Government	
Local	17.00%	62.95%	1.78%	81.73%
Arab (incl GCC)	0.82%	0.59%	0.01%	1.42%
Foreign	0.13%	16.71%	0.00%	16.84%
Total	17.96%	80.25%	1.79%	100.00%

The definition of Arab and Foreign investors as well as Investors classified as Companies and Government is as per ADX definition/classification

STATEMENT OF HOW SHAREHOLDERS ARE DISTRIBUTED ACCORDING TO THE VOLUME OF PROPERTY AS AT 31 DECEMBER 2022

Share(s) ownership	Number of shareholders	Number of shares owned	Percentage of owned shares of the capital (based on issued shares)
Less than 50,000	3,520	30,161,223	0.27%
From 50,000 to less than 500,000	1,055	182,147,420	1.65%
From 500,000 to less than 5,000,000	444	692,253,224	6.27%
More than 5,000,000	161	10,142,052,183	91.80%

INVESTOR RELATIONS CONTACTS

Name of the Investor Relations Officer

Sofia El Boury

Data of communication with the investor relations (e-mail- phone- mobile- fax)

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The link to the investor relations page on the Group's website

<https://www.bankfab.com/en-ae/about-fab/investor-relations>

FINANCIAL STATEMENTS

(Summary)

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INCOME STATEMENT

	AED '000		USD '000	
	December-22	December-21	December-22	December-21
Interest income	30,272,910	18,083,747	8,242,012	4,923,427
Interest expense	(15,887,007)	(6,425,615)	(4,325,349)	(1,749,419)
Net interest income	14,385,903	11,658,132	3,916,663	3,174,008
Net fee and commission income	2,780,547	3,034,548	757,023	826,177
Net foreign exchange gain	1,776,676	692,339	483,713	188,494
Net gain on investments and derivatives	2,149,179	6,484,786	585,129	1,765,528
Other operating income	(252,089)	(188,550)	(68,633)	(51,334)
Operating income	20,840,216	21,681,255	5,673,895	5,902,874
Gain on disposal of stake in subsidiary and fair value gain on retained interest	3,093,703	-	842,282	-
Total Income	23,933,919	21,681,255	6,516,177	5,902,874
General, adminstration and other operating expense	(6,704,829)	(5,836,474)	(1,825,437)	(1,589,021)
Profit before net impairment charge and taxation	17,229,090	15,844,781	4,690,741	4,313,853
Net impairment charge	(2,839,358)	(2,658,237)	(773,035)	(723,724)
Profit before taxation	14,389,732	13,186,544	3,917,705	3,590,129
Income tax expense	(967,621)	(644,272)	(263,441)	(175,408)
Profit for the year	13,422,111	12,542,272	3,654,264	3,414,721
Profit attributable to:				
Shareholders of the Bank	13,411,198	12,531,111	3,657,235	3,417,760
Non-controlling interests	(10,913)	(11,161)	(2,971)	(3,039)
Basic earnings per share (AED / USD)	1.18	1.10	0.32	0.30
Diluted earnings per share (AED / USD)	1.18	1.10	0.32	0.30

BALANCE SHEET

	AED '000		USD '000	
	December-22	December-21	December-22	December-21
ASSETS				
Cash and balances with central banks	228,368,829	258,732,776	62,175,015	70,441,812
Investments at fair value through profit or loss	31,816,797	45,572,252	8,662,346	12,407,365
Due from banks and financial institutions	24,886,956	19,318,847	6,775,648	5,259,691
Reverse repurchase agreements	69,106,092	46,260,645	18,814,618	12,594,785
Derivative financial instruments	58,873,843	24,273,766	16,028,816	6,608,703
Loans and advances	459,593,327	409,589,936	125,127,505	111,513,732
Non-trading investments	173,909,121	145,487,491	47,347,977	39,609,989
Investment properties	7,168,089	6,962,576	1,951,562	1,895,610
Property and equipment	5,795,207	5,965,261	1,577,786	1,624,084
Intangibles	20,332,179	20,535,134	5,535,578	5,590,834
Other assets	30,205,655	18,397,419	8,223,701	5,008,826
Total assets	1,110,056,095	1,001,096,103	302,220,554	272,555,432
LIABILITIES				
Due to banks and financial institutions	61,560,340	56,985,180	16,760,234	15,514,615
Repurchase agreements	39,004,515	55,074,494	10,619,253	14,994,417
Commercial paper	31,738,356	39,664,252	8,640,990	10,798,871
Derivative financial instruments	62,024,540	28,395,085	16,886,616	7,730,761
Customer accounts and other deposits	700,573,371	614,669,890	190,736,012	167,348,187
Term borrowings	62,635,133	71,643,816	17,052,854	19,505,531
Subordinated notes	420,620	448,908	114,517	122,218
Other liabilities	37,048,977	21,567,047	10,086,844	5,871,780
Total liabilities	995,005,852	888,448,672	270,897,319	241,886,379
EQUITY				
Share capital	11,047,612	10,920,000	3,007,790	2,973,047
Share premium	53,557,581	53,557,581	14,581,427	14,581,427
Treasury shares	(6,505)	(6,430)	(1,771)	(1,751)
Statutory and special reserves	13,084,313	10,920,000	3,562,296	2,973,047
Other reserves	(835,463)	3,569,185	(227,461)	971,736
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	27,185,679	22,667,101	7,401,492	6,171,277
Total equity attributable to shareholders of the Bank	115,037,783	112,632,003	31,319,843	30,664,852
Non-controlling interest	12,460	15,428	3,392	4,201
Total equity	115,050,243	112,647,431	31,323,235	30,669,053
Total liabilities and equity	1,110,056,095	1,001,096,103	302,220,554	272,555,432



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