

بنك أبوظبي الأول

FAB

First Abu Dhabi Bank



ANNUAL REPORT

2023

“ FAB continues to lead in sustainable finance, investing in clean industry and infrastructure to advance a better future and a more resilient economy. ”

Inside This Report

01 FAB Overview

- 6 An Outstanding 2023
- 8 Key Financial Indicators
- 10 Capping 3 Consecutive Years of Solid Growth
- 12 Leading Sustainable Growth
- 14 A Year of Notable Milestones
- 16 A Strategic Global Footprint Facilitating Trade, Liquidity, and Investment Flows
- 18 Our History

02 Strategic Review

- 22 Chairman's Statement
- 24 Group CEO's Message
- 26 Financial Review
- 30 Market Overview
- 36 Business Model
- 38 Our Strategic Priorities

40 Enterprise Risk Management

46 Group Compliance

03 Operational Review

- 52 Delivering Diverse, Outstanding Growth
- 54 Investment Banking
- 64 Corporate and Commercial Banking
- 72 Consumer Banking
- 76 Global Private Banking
- 82 International Operations
- 84 Our Technology Evolution Journey

04 Regional Sustainability Pacesetter

- 100 2023 Summary: Celebrating a Pivotal Year of Sustainability Achievements

102 2023 Key Highlights

- 104 Sustainability Triumphs in the UAE at COP28
- 108 Our Approach to ESG
- 110 Transitioning to a Low-Carbon Future
- 118 Capitalising on Our Social Responsibility
- 126 Transforming Our Governance Model

05 Corporate Governance

- 132 A Message From the Chairman of the Board of Directors
- 134 Corporate Governance Framework at FAB
- 138 FAB Organisational Structure
- 140 Board Governance
- 152 Board Meetings and Agenda

154 Board Committees

- 160 Senior Management
- 168 Management Committees
- 170 Subsidiaries, Branches and Representative Offices
- 173 Related Party Transactions
- 176 Corporate Social Responsibility
- 182 Investor Relations
- 188 Shari'ah Governance

06 Financial Statements

(Summary)

- 196 Consolidated statement of financial position
- 197 Consolidated statement of profit or loss

About FAB

First Abu Dhabi Bank is the UAE's largest bank and among the largest banks globally by market capitalisation, with the strongest combined credit rating among any other bank in the MENA region. We offer an extensive range of tailor-made products and services to meet the banking needs of our customers in the UAE and the international markets where we operate, via our market-leading Investment Banking, Corporate and Commercial Banking, Consumer Banking and Global Private Banking franchises. Our international network spans five continents, providing the global relationships, expertise and financial strength to support local, regional and international businesses.

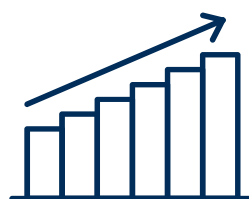
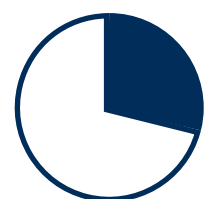
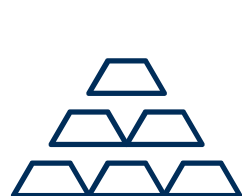
► FAB Overview

- 6 An Outstanding 2023
- 8 Key Financial Indicators
- 10 Capping 3 Consecutive Years of Solid Growth
- 12 Leading Sustainable Growth
- 14 A Year of Notable Milestones
- 16 A Strategic Global Footprint Facilitating Trade, Liquidity, and Investment Flows
- 18 Our History

An Outstanding 2023

FAB's outstanding performance marks the bank's third consecutive year of improved profitability.

The Largest Bank in the UAE by Total Assets in 2023, and Market Heavyweight



1.2 AED tn
(USD 318 bn)

29%

154 AED bn
(USD 42 bn)

Total Assets

UAE Market Share

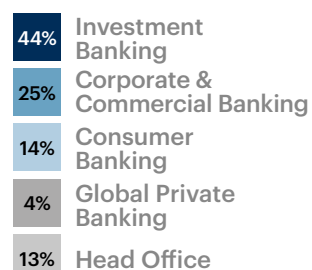
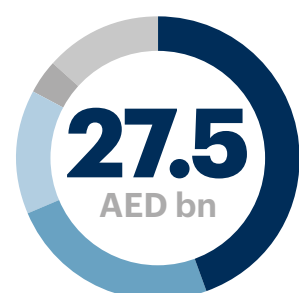
Market Capitalisation

* Central Bank information as of the latest available data; assets are gross including provisions

Diversified Revenue Streams

Operating Income

By Business Segment



Operating Income

By Geography



Strength, Quality, Resilience

FAB's balance sheet strength, high-quality risk profile, and financial resilience are among the bank's key competitive advantages.

Top-Ranked Regional Bank

#1 Loan Bookrunner

#1 Agent

#3 in ECM
#6 DCM

* Bloomberg/ Dealogic MENA league tables as of FY'23

Among the Strongest and Safest Banks Globally

#1 in the Middle East

#5 in Emerging Markets

#31 Among World's Safest Banks

* Global Finance Magazine Safest Banks Rankings, September 2023

Robust Foundation

Strongest Combined Credit Rating Among MENA Banks



Aa3 / AA- / AA-

Moody's / Fitch / S&P
with a Stable Outlook

Sustainable Shareholder Returns



81.7%

Total Shareholders Return (TSR) since April 2017

Key Financial Indicators

With strong revenue momentum, we sailed to another profitable year.

A Year of Record Profitability

FAB achieves record 2023 with AED 16.4 billion net profit.

16.4
AED bn
(USD 4.5 bn)
+56% yoy¹
Net Profit

27.8
AED bn
(USD 7.6 bn)
+32% yoy¹
Total Income

1.43
AED
(USD 0.39)
+21% yoy
Earnings Per Share

17.6%
RoTE
15.7%
in 2022
Return on Tangible Equity

13.8%
CET 1
12.6%
in 2022
Basel III CET 1 Ratio

145%
LCR
154%
in 2022
Liquidity Coverage Ratio

34%
Non-Interest Income as % Operating Income
% Non-Interest Income

9.4
AED bn
(USD 2.6 bn)
+41% yoy
Non-Interest Income

0.71
AED
(USD 0.19)
+37% yoy
Cash Dividend Per Share

484
AED bn
(USD 132 bn)
+5% yoy
Loans, Advances, and Islamic Financing

760
AED bn
(USD 207 bn)
+8% yoy
Customer Accounts and Other Deposits

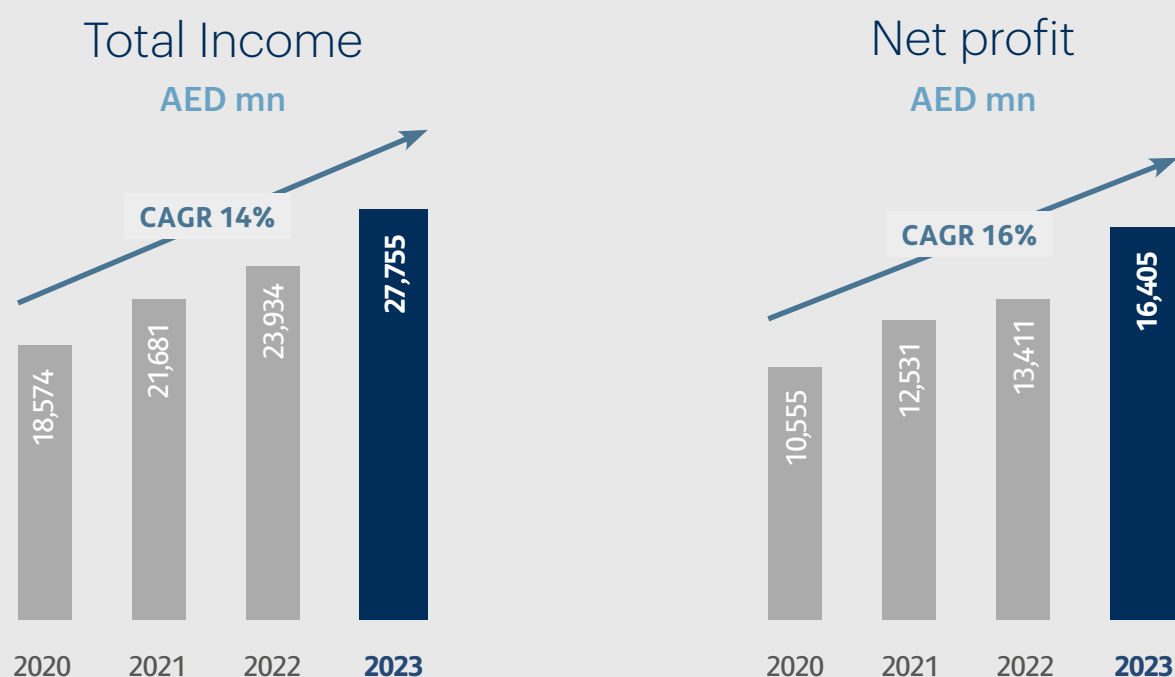


¹ On underlying basis, excluding gains on sale of stake in subsidiaries.

Capping 3 Consecutive Years of Solid Growth

We achieved diversified growth across businesses, products, geographies, and sources of income.

Consistent Improvement in Revenue & Profit



Primed for Growth

Delivering superior returns through a robust foundation.

Strong Returns

Return on Tangible Equity	2023	17.6%	Cost Income Ratio	2023	25.9%
	2022	15.7%		2022	31.6%
	2021	15.2%		2021	26.4%
	2020	13.0%		2020	27.0%

Healthy Asset Quality

NPL Ratio	2023	3.9%	Provision Coverage	2023	95%
	2022	3.9%		2022	98%
	2021	4.0%		2021	101%
	2020	4.0%		2020	95%

Strong Liquidity & Capital Profile

Liquidity Coverage	2023	145%	Basel III CET 1 Ratio	2023	13.8%
	2022	154%		2022	12.6%
	2021	134%		2021	12.4%
	2020	143%		2020	13.3%

An Award-Winning Year



Leading Sustainable Growth

Our commitment to sustainability underscores our belief in the pivotal role of finance in propelling a low-carbon economy.

Regional ESG Champion

In 2023, FAB became the first MENA bank to set financed emissions-reduction targets for eight sectors.

1.3

AED bn
(USD 0.35 bn)

Issued in 2023

FAB's First Green Sukuk

UAE's first AED-Denominated Green issuance

11.8

AED bn
(USD 3.2 bn)

As of December 2023

Green Bonds & Green Sukuk Outstanding

42% yoy Growth

9.7

AED bn
(USD 2.6 bn)

As of December 2023

Projects Financed by Green Bonds and Green Sukuk

Across Renewable Energy, Wastewater, Green Buildings, and Other Areas

500

AED bn
(USD 136 bn)

By 2030

Sustainable Financing Pledged in 2023

+80% from FAB's 2021 Commitment & Largest by any MENA Bank to-date

126.3

AED bn
(USD 34.4 bn)

In 2022 and 2023

Facilitated in Sustainable Financing

25% of FAB's 2030 Pledged Sustainable Finance Target

92.9

AED bn
(USD 25.3 bn)

In 2023

Facilitated in Sustainable Financing

278% yoy Growth

Regional and Global Leader in the Green Bond Market

as of December 2023



10.5

AED bn
(USD 2.9 bn)



14

Issuances



6

Currencies
(USD, EUR, CHF, CNH, HKD)

Diverse Global Workforce

as of December 2023



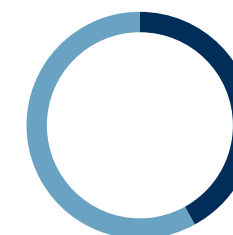
>6,900

Employees
FTEs globally



82

Nationalities



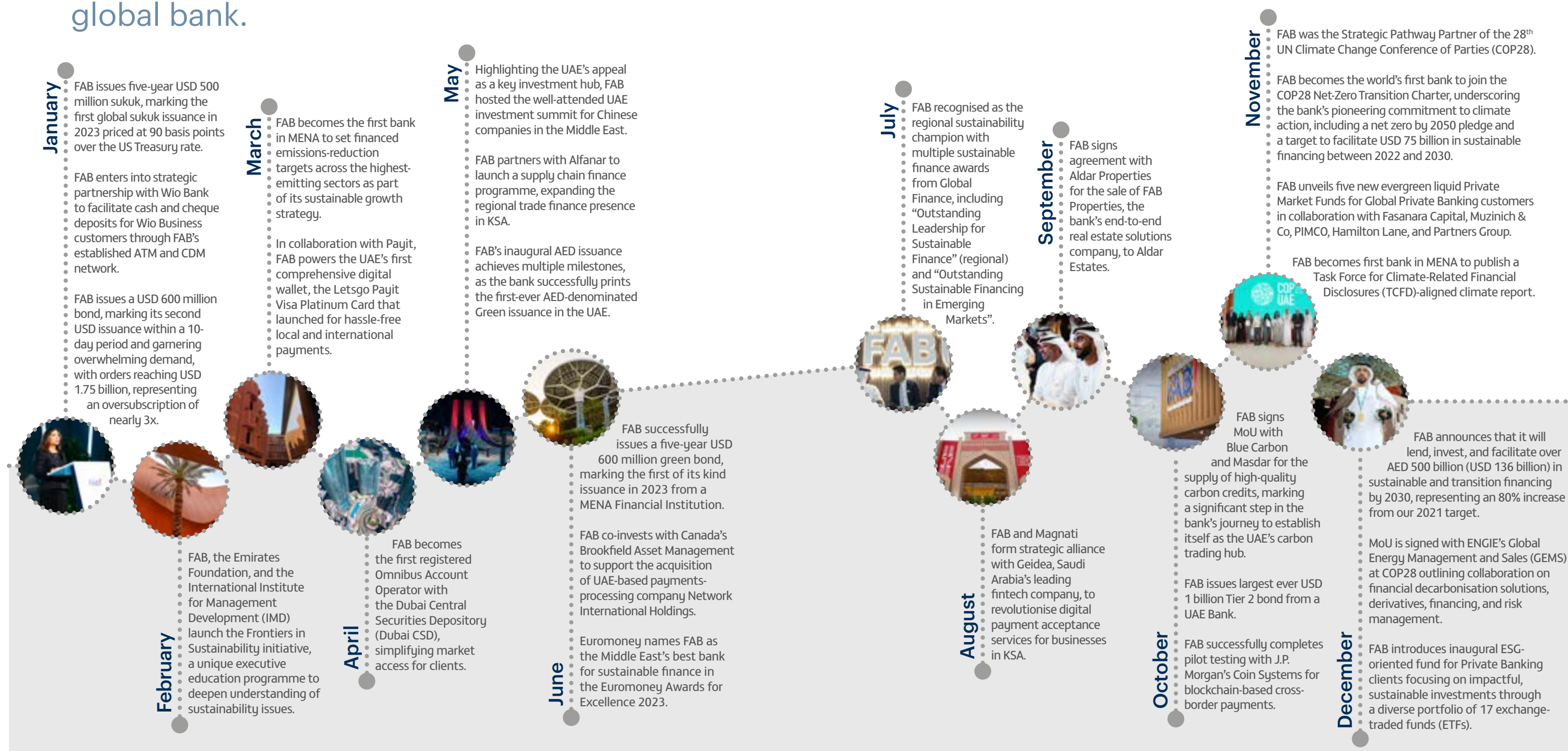
Women make up 42% of permanent employees

A Year of Notable Milestones

2023 was an outstanding year that further cemented FAB's position as a leading global bank.

Delivering on Our Strategy

2023 represented the culmination of a three-year journey of accelerated business momentum.



A Strategic Global Footprint Facilitating Trade, Liquidity, and Investment Flows

FAB will continue to set the pace as the region's pre-eminent financial institution, and one of the world's largest and safest banks.

>6,900

Employees
Across 82 nationalities



>3

million
Customers in UAE



5

Continents



20

Markets

Where We Operate

Global Presence

Strategic International Presence

FAB has presence across 20 markets to facilitate cross-border liquidity, trade, and investment flows.

65



Branches in UAE
(including 11 digital branches)

7

FAB ISLAMIC
Branches

393

ATMs/CDMs
in UAE



Middle East and Africa

UAE • Egypt • KSA • Oman
Bahrain • Kuwait • Libya • Iraq

Europe and Americas

France • UK • Switzerland
USA • Brazil

Asia Pacific

China (Shanghai & Hong Kong)
India • Indonesia • Singapore
Malaysia (Labuan) • South Korea

Our History

■ NBAD ● FGB ▼ FAB

Over 5 decades of shaping the UAE and the regional banking industry

13th Feb 1968

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

- Branch opened in Oman.

1977

- Opened branches in London and Manama (Bahrain).

1979

- Branch opened in Paris.

- 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, D.C. (now FAB USA NV).

2000

- NBAD is listed on the Abu Dhabi Securities Exchange.

2007

- Established a private bank in Geneva.
- Representative office opened in Singapore.

2008

- Branch opened in Libya.

2009

- Representative offices opened in Qatar and India.

- Ranked among the World's Safest Banks (Global Finance).

2012

- Expanded presence to Malaysia, Hong Kong, and a representative office in Shanghai.

2013

- Both NBAD and FGB were included in FTSE and MSCI emerging market indices.

2014

- Representative office opened in Seoul.

2015

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

- Branch opened in Mumbai.

2016

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

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.

- ▼ 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

- ▼ Integration journey completed with over AED 2 billion in cost synergies realised.

2019

- ▼ First branch opened 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 the GCC

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

- ▼ FAB becomes the first UAE and GCC bank to join the Net-Zero Banking Alliance (NZBA), supporting the race for net zero carbon emissions by 2050.

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

- ▼ Received approval to establish a branch in Shanghai.

- ▼ 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 first 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.

- ▼ Received approval to open a representative office in Iraq.

2023

- ▼ FAB was the Strategic Pathway Partner of the 28th UN Climate Change Conference of Parties (COP28).

- ▼ Increased 2030 sustainable finance target to AED 500 billion (USD 136 billion).

- ▼ Applied emission reduction net zero targets across 8 high-emitting sectors within loan portfolio

- ▼ FAB becomes first bank in MENA to publish a Task Force for Climate-Related Financial Disclosures (TCFD)-aligned climate report.

- ▼ FAB issues largest ever USD 1 billion Tier 2 bond from a UAE Bank.

- ▼ FAB and Magnati form strategic alliance with Geidea, Saudi Arabia's leading fintech company, to revolutionise digital payment acceptance services for businesses in KSA.

- ▼ Co-investment with Brookfield for the proposed acquisition of Network International.

- ▼ Launch of carbon credit trading desk.

- ▼ First year of operations in Iraq.

- ▼ Sale of FAB Properties.

2024 & Beyond

- ▼ FAB proudly maintains its position as the UAE's leading bank, pioneering a new vision for banking aimed at shaping a brighter future for all.



**Driving Economic
Growth and Bolstering
the UAE as a Global
Financial and Trade Hub.**

► **Strategic Review**

- 22** Chairman's Statement
- 24** Group CEO's Message
- 26** Financial Review
- 30** Market Overview
- 36** Business Model
- 38** Our Strategic Priorities
- 40** Enterprise Risk Management
- 46** Group Compliance

Chairman's Statement

FAB is at the heart of the drive for sustainable finance, contributing to the historic achievement of COP28.

“First Abu Dhabi Bank came through the year with a resilient and robust performance, a testimony to the strength of its fundamentals and the depth of its management skills.”



7.8 AED bn

Total cash dividend

71 fils

Cash dividend per share

16.4 AED bn

Net profit

The UAE once again proved itself to be a haven of economic and financial stability, recording sound growth and an acceleration of the country's strategy for strategic diversification. Within this framework, the banking sector remains well capitalised with ample reserves of liquidity to back its ambitious expansion plans.

Against the backdrop of a more challenging global financial and economic environment in 2023, First Abu Dhabi Bank came through the year with a resilient and robust performance, a testimony to the strength of its fundamentals and the depth of its management skills.

One significant highlight of 2023 was the UAE's successful staging of the COP28 conference on climate change, at which the leadership of the country was able to demonstrate its power as a convenor on the global stage, and its determination and commitment to build a sustainable future for humanity.

FAB has been at the heart of the UAE's efforts in sustainable finance for many years and played a prominent role in the COP commitments and outcomes. Our strategic direction is clear and unambiguous: to advance FAB's position as the driver of economic and financial progress in the UAE, driving medium and long-term value for all our stakeholders; while supporting the UAE's position as a nexus of international trade and diplomacy.

In this respect, we shall see in the current year the first fruits of the UAE membership of the BRICS trade grouping, which offers the potential to transform commercial and economic relations with our neighbours in the Middle East and in Asia.

Our task in 2024 is to consolidate and extend the bank's position as the UAE market leader, build on its strong credit rating and depth of capital resources, and enhance our strong international network to accelerate growth and become a global financial powerhouse bank with the strongest franchise in the region.

I am confident that this unified approach will guide us through the global uncertainties of 2024, when we will again have to navigate the vagaries of international financial and credit markets, as well as geopolitical risks.

In light of the strong 2023 performance, and in line with our firm commitment to enhance long-term sustainable value for our shareholders, FAB's Board of Directors will recommend a cash dividend of 71 fils per share for the full year ended 31 December 2023, making a total dividend payment of AED 7.8 billion, compared to 52 fils last year.

On behalf of the Board, I would like to take this opportunity to express my gratitude to the President of the United Arab Emirates, His Highness Sheikh Mohammed bin Zayed Al Nahyan, for his visionary leadership and support, as well as to His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, and Their Highnesses the Rulers of the

Emirates and Members of the Supreme Council, and His Highness Sheikh Mansour Bin Zayed Al Nahyan, UAE Vice President, Deputy Prime Minister, and Chairman of the Presidential Court for their valued and enduring guidance.

I offer my sincere thanks to the people we serve: our valued customers and clients, our shareholders and other stakeholders, and our business partners, as well as the regulators and policymakers who facilitate our efforts.

Finally, I express my deep appreciation for the hard work and dedication of our Board, our management, and our entire workforce for their ongoing efforts to achieve FAB's strategic ambitions and targets.

Sheikh Tahnoon bin Zayed Al Nahyan
Chairman

Group CEO's Message

FAB is well positioned to become the regional financial institution of choice.

“ We are determined to become the financial institution of choice for customers and clients, and have continued to solidify our position as one of the leading banks in the Middle East and North Africa.”



1.2 AED tn

Total assets

17.6%

Return on tangible equity

125 AED bn

In sustainable finance facilitated

19%

Contribution of international operations to Group revenue

I am pleased to report record results for 2023, our third consecutive year of increased profitability and returns, in line with our long-term strategy of delivering clear and consistent value for shareholders.

FAB's strong progress last year was a demonstration of our robust fundamentals. We announced broad-based profit of AED 16.4 billion for 2023, a 56 percent growth in net profit, and AED 27.8 billion in revenue growth across our core businesses. Our return on tangible equity (RoTE) stands at 17.6 percent, and we have recommended a cash dividend of 71 fils per share, the highest cash payout since 2020.

With the regional and UAE economic growth, FAB's Investment Banking business maintained its dominant position in MENA IB league tables

and increased fee income by 74%. Corporate & Commercial Banking continued to focus on its growth plans and showed innovation in cross-border payments and chain management financing. Consumer Banking expanded its client network, grew deposits by 19 percent and conducted 94 percent of transactions digitally. Private Banking assets under management increased by 22 percent as the business expanded its partnerships and product range.

Our success across diverse business lines is matched by our ability to serve a highly diverse home market and our expansion across a region of remarkable diversity. Our international operations continue to differentiate us and contributed 19 percent to Group revenue. 2023 also marked the first year we were operational in Iraq and the second year we were fully operational in China.

The past year was also noteworthy for the initiatives we launched in the vital field of sustainable finance and for the memorable milestone of COP28, where the 'UAE Consensus' produced a unanimous agreement for action on climate change.

FAB's involvement in COP28 was significant. In addition to extensive activities onsite, we committed to provide more than half of the AED 1 trillion pledged by UAE financial institutions for investment, lending, and trade finance for sustainable and environmentally sound projects for the rest of this decade.

We continue to lead in sustainable finance, while investing in clean industry and infrastructure to advance a better future and a more resilient economy.

The above achievements and our strategic actions have served us well and position us for medium- and long-term success. We plan to build on our momentum, continue our growth story and achieve ROTE in excess of 16% over the medium term. We will continue to invest in technology and innovation to drive efficiencies, enhance our service and grow our competitive edge.

FAB's strength and expertise give us a unique edge and enable us to take advantage of opportunities for growth, as and when those opportunities present themselves and provide clear potential for value enhancement for our customers, clients, shareholders, business partners, and other stakeholders.

Hana Al Rostamani

Group Chief Executive Officer

Financial Review

FAB produced another record performance in 2023, the culmination of three consecutive years of increasing profits, driving higher cash returns to shareholders.

“The Group’s financial performance in 2023 was driven by broad-based momentum across our core businesses.”



Net profit AED mn

2023	16,405	56% yoy growth ¹
2022	13,411	
2021	12,531	

Return on Tangible Equity

2023	17.6%
2022	15.7%
2021	15.2%

32%

Growth in operating income

25.9%

Cost/Income ratio
from 31.6% in 2022

34%

Non-Interest income as % operating income
from 32% in 2022

In 2023, FAB saw broad-based and diversified growth across businesses, products, geographies, and sources of income in a context of rising interest rates and a relatively favourable regional macro-economic backdrop despite global uncertainties. This, combined with cost and risk discipline, contributed to strong earnings accretion and a strengthened capital position, providing a robust platform for future growth.

Outstanding returns were achieved at scale, as total assets reached AED 1.2 trillion driven primarily by robust revenue growth. Double-digit growth in both net interest and non-interest income reflected healthy business volumes, benefits from higher interest rates, and a continued focus on growing diversified revenue streams.

Broad-based and diversified growth

The Group net profit of AED 16.4 billion, up 22% over 2022 and 56% on an underlying basis (excluding gains on sale of stakes in subsidiaries), represents an RoTE of 17.6%, up from 15.7% in 2022.

Operating income grew 32% yoy to AED 27.5 billion, driven by business volumes, improved margins, and broad-based, diversified growth across businesses, products, geographies and sources of income:

■ **Net interest income** was AED 18.1 billion, up 27% yoy, supported by strong business volumes and the benefits of higher benchmark rates. Net Interest Margin (NIM) was 1.80%, improving 21 basis points (bps) from 1.59% in 2022.

■ **Non-interest income** grew 41% yoy to AED 9.4 billion, underlining strong momentum across fee-generating businesses, a healthy sales and trading performance and strong client activity across FX, derivatives and commodities. Non-interest income contributed 34% to Group operating income, up from 32% in 2022.

Operating expenses were AED 7.1 billion, up 6% yoy. Ongoing investments continued to deliver efficiency and productivity gains, as evidenced by the uptick in sales momentum and digital acquisitions during the period. The Cost-to-Income ratio was 25.9%, notably improving from 31.6% the prior year.

Net impairment charges were AED 3.1 billion, up 8% yoy, demonstrating prudent provisioning and higher recoveries. FY'23 cost of risk was 63bps, broadly in line with the prior year.

The Group's financial performance in 2023 was driven by broad-based momentum across our four core businesses:

■ **Investment Banking (IB)** delivered 35% revenue growth yoy to a record AED 12 billion, contributing 44% to Group operating income, fuelled by broad-based growth across all product lines. This was driven by strong deal pipeline execution, leading to 23% NII growth and a robust 74% increase in fee income.

■ **Corporate and Commercial Banking (CCB)** achieved 38% yoy revenue growth to AED 6.9 billion, contributing 25% to Group operating income, driven by strong business volumes, improved margins helped by higher benchmark rates, and increased client activity.

Revenue from **International Operations** grew 11% yoy to AED 5.3 billion, generating 19% of Group revenue with positive revenue momentum across all regions, including MENA (+12%), APAC (+11%), and Europe, and the Americas (+6%).

■ **Consumer Banking (CB)** revenue grew by 4% yoy to AED 3.8 billion, generating 14% of Group revenue. Fees grew 34% as a result of increased sales, an expanded customer base and digitally enhanced operations.

■ **Global Private Banking** revenue grew 14% yoy to AED 1.2 billion, contributing 4% to Group operating income, led by a significant increase in fee income and a sustained, 22% yoy growth in AUMs, driven by accelerated client acquisitions.

¹ On underlying basis, excluding gains on sale of stake in subsidiaries.



“Leveraging FAB’s strong balance sheet fundamentals and diversified business profile will support the delivery of sustained value creation for all our stakeholders.”

Balance sheet fundamentals provide a robust foundation for sustainable growth and RoTE delivery

Throughout 2023, the Group continued to demonstrate robust balance sheet fundamentals, with a strong funding and liquidity profile, and healthy asset quality metrics, underpinned by a prudent approach to risk.

Loans, advances, and Islamic financing were up 5% yoy to AED 484 billion, outperforming the UAE banking sector and demonstrating market share gains across segments and geographies.

Non-performing loans (NPLs) were AED 19.6 billion, implying a **Group NPL** ratio of 3.9%, stable compared

to the prior year underlining a prudent approach to risk. **Provision coverage** remained adequate at 95%.

Customer deposits were up 8% yoy to AED 760 billion, driven by diversified growth in wholesale and retail CASA balances, which reached an all-time high of AED 361 billion, representing 47% of total customer deposits.

The Group continues to present a robust and diversified **liquidity profile** with December-end 2023 LCR at 145%, comfortably in excess of the Basel III minimum regulatory requirement.

During 2023, FAB raised AED 7.7 billion (equivalent to USD 2.1 billion) of senior wholesale funding at a competitive pricing, of which AED 3.5 billion was in Green format. To further enhance its robust capital position, FAB also issued a USD 1 billion Tier 2 bond in October, the largest-ever Tier 2 conventional bond issuance from a MENA bank.

With Green Bonds outstanding of over USD 3.2 billion (equivalent) across 15 issuances and six different currencies as of December 2023, FAB further reaffirmed its position as a regional and global leader in the Green Bond market.

Total shareholders’ equity stood at AED 125 billion, up 9% yoy, driven by earnings growth. Capital accretion was strong during the period, with the Basel III Common Equity Tier 1 (CET1) ratio strengthening to 13.8%, compared to 12.6% at December-end 2022. Capital adequacy and Tier 1 capital ratios also remained robust at 17.4% and 15.7%, versus 15.6% and 14.5% respectively as of December-end 2022.

Looking ahead

In 2024, FAB remains confident about the longer-term outlook for the region, underpinned by strong GDP formation, in part due to the continued expansion of the non-oil sectors. Real GDP growth in the UAE is expected to remain buoyant at around 4.5%,

compared to 3.7% in 2023. Key to the Group’s macro-economic outlook is the trajectory of future interest rates, which we expect will feature three cuts over the second half of 2024.

The Group remains committed to superior and sustainable returns with an ambition to deliver an RoTE above 16% over the medium term.

We are confident that the execution of our strategic priorities, while leveraging FAB’s strong balance sheet fundamentals and diversified business profile, will support the delivery of sustained value creation for all our stakeholders and propel our track record of superior and sustainable shareholder returns.

Lars Kramer
Group Chief Financial Officer

AED 1.2 tn

Total assets
+5% yoy

AED 484 bn

Loans, advances and Islamic financing
+5% yoy

13.8%

Basel III CET1 capital ratio
from 12.6% at December-end 2022

3.9%

Group NPL ratio

AED 7.7 bn

Senior wholesale funding raised
Including AED 3.2 billion equivalent in Green Format

AED 760 bn

Customer deposits
+8% yoy

145%

Liquidity coverage ratio (LCR)

95%

Provision coverage

Market Overview

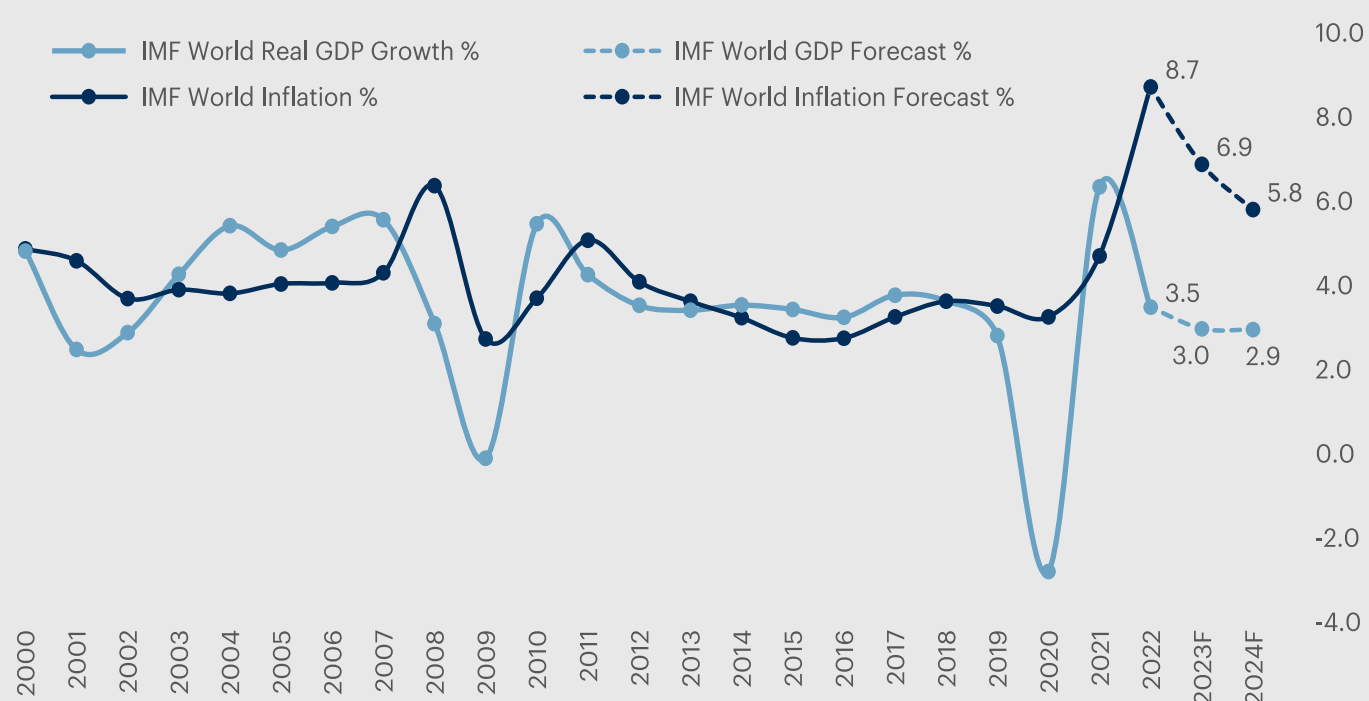
The GCC and MENA region continue to demonstrate resilience amid a challenging global economic landscape.

The transition from monetary tightening to rate stability and expectations of future monetary policy reversal has been the key global macro theme of 2023. As tighter financial conditions erode economic growth, global growth forecasts were revised lower and global inflation began receding from recent highs. However, with inflation remaining elevated and “sticky” above central banks’ 2% target in many geographies, the outlook for rate cuts was steadily scaled back during 2023. While fears of an economic recession in the United States have largely faded, and a “soft landing” scenario appeared to become more feasible, parts of Europe did fall into technical recession.

Across the Gulf Cooperation Council (GCC) region, economic diversification was and continues to be a key theme. Saudi Arabia stood out as the non-oil sectors of the economy contributed more than 50% of nominal GDP for the first time during FY’23, while favourable social and regulatory conditions enhanced the environment for diversification.

Meanwhile, the extreme economic and fiscal challenges facing Egypt created some adverse headwinds for the country, even as elements of financial support began to fall into place. Calls for greater currency devaluation and state asset sales were key elements of the reform packages called for during the past year.

What goes up must come down, must go up...¹



¹ Source: IMF/Bloomberg/FAB

“The growth outlook for the GCC remains upbeat, as strong growth in non-oil GDP of around 3.4% is expected in the medium term.”

GCC Macro/Rates

After the slowdown in economic activity levels seen across much of the oil-producing Middle East region in 2023, driven by most members’ adherence to the OPEC+ agreed oil production restrictions, the outlook for economic growth potential among the GCC countries in 2024 looks a lot more optimistic. We expect the GCC to experience economic growth of around 3.4% in 2024, up from 2.5% in 2023, albeit still well below the stellar GCC growth rate of 7.3% seen back in 2022.

That said, we believe that it is the GCC’s economic robustness and resilience that will set the region apart from the more challenging economic landscape — and restrictive financial conditions — of the US and Europe. In terms of economic growth alone, we anticipate that real GDP growth in the GCC, especially in the UAE and the Saudi Arabia, will easily outperform its developed market peers.

Moreover, this relative GCC economic strength should also provide the engine of growth for the broader

MENA region. Indeed, we expect the MENA-wide region to experience positive growth trends in 2024 of around 3.2% in aggregate, thereby outperforming the 2.7% average growth rate seen over the 2015–2019 period. GCC performance will also help offset the slowdown in the economies of the Levant region.

That said, there is much fundamental sovereign credit variation between the GCC member states, with the UAE and Saudi Arabia offering the strongest credit quality. Conversely, Bahrain and Oman offer the weakest (but also often the highest yielding from an investment perspective) fundamentals as far as their public debt, structural fiscal weaknesses, and lesser absolute level of oil reserves are concerned.

As a consequence of their USD-pegged currency regimes, we expect rates across the GCC to largely track, like-for-like, those of the US through any (downward) variations during 2024 — just as they did during the tightening process of 2023.

Key Trends Driving GCC Equities

Strong IPO pipeline

Over the past three years, 116 companies have listed on the primary market, raising USD 41 billion in capital, the strongest flow of IPOs ever seen in the region. Despite the higher volatility in the secondary market, the investor response to these IPOs has been overwhelming, and many IPOs were oversubscribed by more than a hundred times. The IPO pipeline remains quite strong, thus indicating that the IPO market is expected to remain quite buoyant over the next two years.

List of IPOs in the GCC²

Year	IPO Size (USD mn)	No. of IPOs
2021	7,714	21
2022	22,854	48
2023	10,600	47
Total	41,168	116

New listings offer diversification

In the GCC market, the banking and petrochemicals sectors account for a major part of the index. However, the landscape is changing as half of the

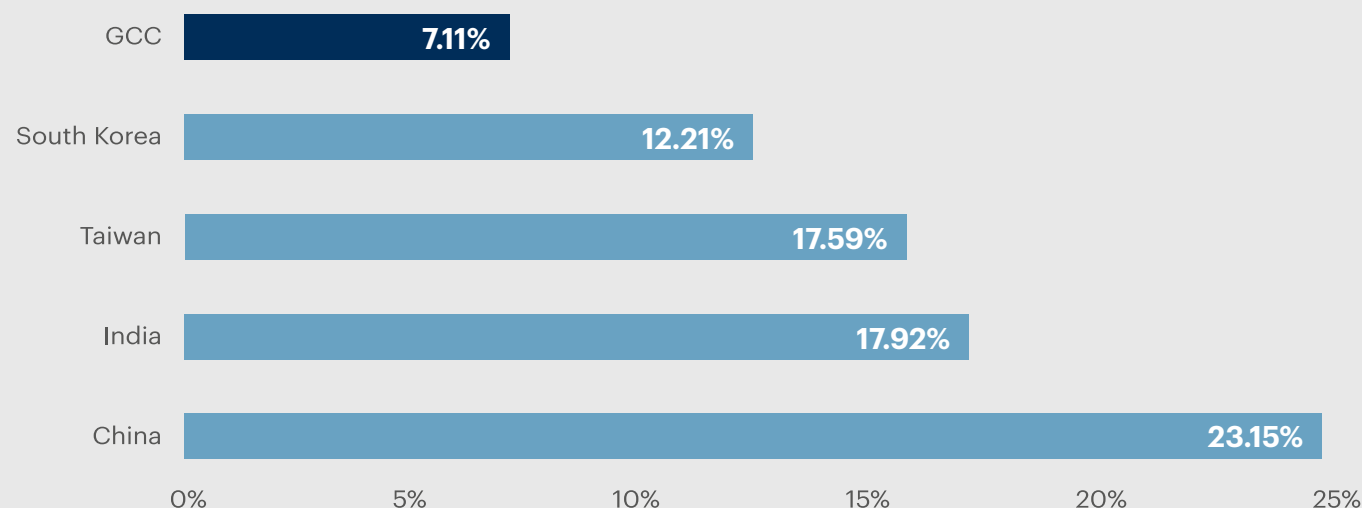
deal value of new listings is now derived from the technology, consumer, healthcare, industrial, and service sectors. These listings not only gave investors an opportunity to diversify their exposure in the GCC market but also an opportunity to invest in high-growth companies.

Higher weight in MSCI/FTSE Emerging Market Index

The weight of the GCC countries in the MSCI Emerging Market (EM) index stands at 7.11%. The GCC market now represents the 5th highest weight in the index next to China, India, Taiwan, and South Korea.

Over the past few years, the weight of the GCC in the MSCI EM Index has been consistently increasing, partially driven by new listings, such as Aramco and ADNOC, and due to an increase in the free float of many companies. Governments are also looking to further reduce their stakes in a majority of state-owned companies. This trend is expected to continue, and the weight of the GCC equities in the MSCI/FTSE EM index will increase. Higher index weight results in increased capital inflows and the participation of global financial institutions. It also encourages more transparent disclosure, better management, and corporate governance best practices. As a result, investors stand to benefit from a higher valuation multiple being assigned to the companies by the market.

Weight of GCC in the MSCI EM Index³



² Source: Bloomberg/PWC

³ Source: Bloomberg/FAB

“The weight of the GCC countries in the MSCI Emerging Market (EM) index stands at 7.11%. The GCC market now represents the 5th highest weight in the index next to China, India, Taiwan, and South Korea.”

Lower market capitalisation to GDP ratio

With all these positive developments in the GCC, the key question remains whether there is any further scope for these markets to develop and grow. The ratio of aggregate market capitalisation to GDP ratio for the GCC market stands at 42%, compared to 50% for emerging markets and 90% for developed markets. The lower ratio for the GCC market indicates that there is further room to grow market capitalisation. This can be achieved either through new listings or an increase in the market capitalisation of already listed companies.

Higher returns

Over the past 10 years, GCC equities have delivered good returns for investors, delivering 6% per annum over a 10-year period, 8.2% per annum over a five-year period, and 12.5% per annum over a three-year period as highlighted in the table below. The

outperformance, as evidenced over the past three years for GCC markets, reflects the impact of the positive market developments.

Annualised Rate of Returns in USD³

	3 Years	5 Years	10 Years
GCC Equities	12.5%	8.2%	6.0%
MSCI Emerging Market	-1.4%	0.9%	2.4%
US – S&P 500 Index	10.1%	9.9%	11.9%

Key trends in the GCC bond market

Over the past 10 years, the GCC/MENA bond market has developed dramatically, maturing in both size and stature, and becoming an integral asset class for global investors. Representation of Middle East bonds in the major indices continues to rise, allowing for greater exposure to the global investment community. Indeed, the GCC bond market now accounts for more than 20% of the JPM EMBI global diversified index and 10% of the JPM CEMBI index.

Better quality, liquidity, and duration

The global allure of highly rated GCC bonds (75% of GCC bonds are rated single A-or above) is very much reflected in the growth and efficiency of the GCC primary market. The region's syndication desks can now price and launch multibillion-dollar deals in very short time periods, reflecting the efficiency of the local capital markets and their ability to appease

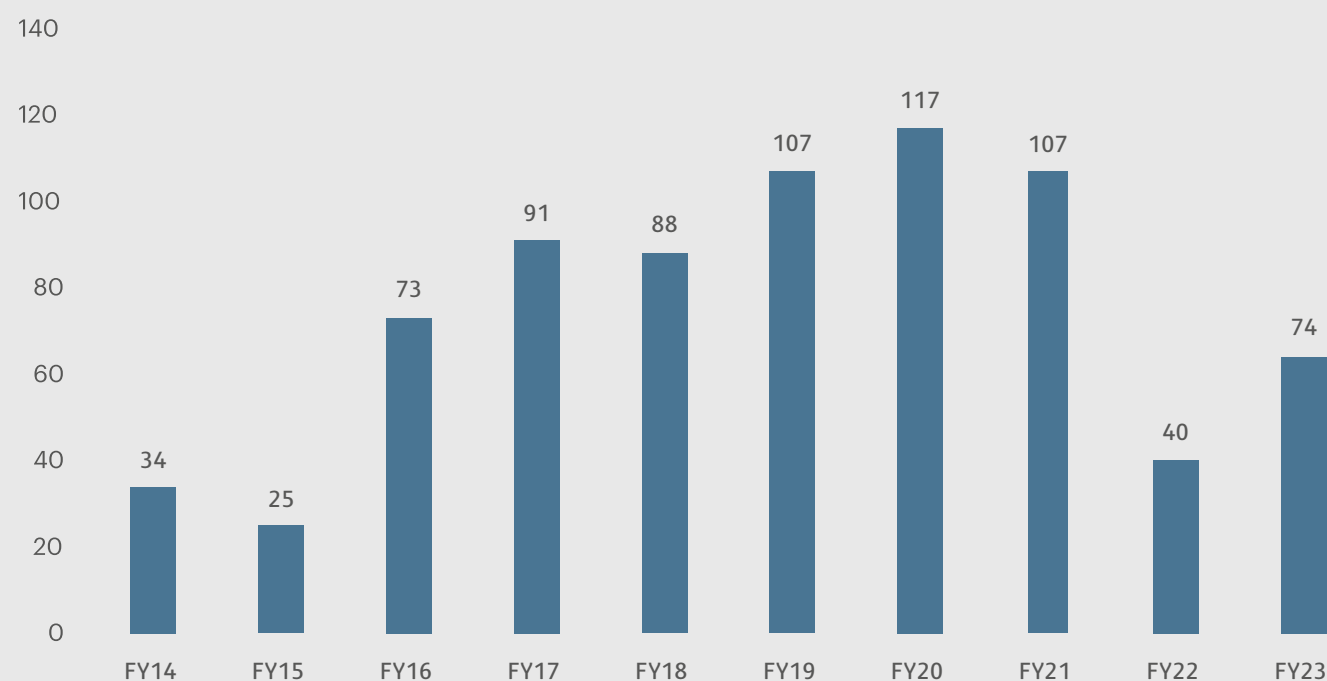
global investor demand often leading to deals being oversubscribed multiple times.

A major factor that has attracted some of the world's largest investors in fixed income to the GCC markets is that issuers are now offering duration. Many borrowers now find it easy to issue maturities that can range from 10–30 years or longer. This is particularly relevant to sovereign wealth funds, pension funds, and international insurance companies as they seek to match their liabilities.

The USD value of hard currency bonds and sukuk that are currently outstanding in GCC/MENA is approximately USD 600 billion. The major issuers are from the UAE, Saudi Arabia, and Qatar, accounting for 33%, 33%, and 14% of the total issuance, respectively.

GCC and Egypt Bond and Sukuk Issuances⁴

(USD bn)



⁴ Source: Bloomberg/FAB

“ The USD value of hard currency bonds and sukuk that are currently outstanding in GCC/MENA is approximately USD 600 billion. ”

Issuance of sustainable bonds and sukuk are on the rise

The GCC sustainable finance ecosystem is growing exponentially as the governments of both UAE and Saudi Arabia have become global trailblazers in the development of sustainable finance frameworks.

Much attention and focus have been given to promoting sustainable investments, supporting green projects, and encouraging green finance solutions. As a result, sustainable bond issuances from these countries are gaining at a significant pace. Issuers are aligning their borrowing framework and requirements with their respective government's future net-zero commitment.

Sukuk issuance, which complements sustainable finance initiatives, has come to the fore throughout 2023, witnessing a significant uptick in demand from global investors. This appetite for the paper has been reflected in the sukuk's primary market, which currently accounts for 45% of the total issuance throughout 2023, compared to 30% in 2022. We expect the asset class will continue to gain popularity throughout 2024.

GCC bonds are credit-positive and offer real returns

GCC bonds now offer significant real returns, as both the coupon and yield provide protection against inflation (the current yield on GCC IG and HY bond Index is 6.32%). We believe that the strong economic fundamentals of the GCC bond market will be the major differentiator for global bond investors when it comes to evaluating credit risk.

Conclusion

Undoubtedly, the key theme for global markets in 2024 will be the potential transition from rate tightening and subsequent stability to eventual interest rate reductions. Amid weaker global growth conditions and a more dovish interest rate outlook, we expect markets in the GCC and Egypt to continue to shine. Solid economic growth and diversification will be the main narrative behind GCC economies, while Egypt should continue to recover and be viewed more favourably from an FDI perspective in the context of the country's recent “game-changer” rescue and support packages from the IMF, EU, and GCC countries.

Business Model

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 over 6,900 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

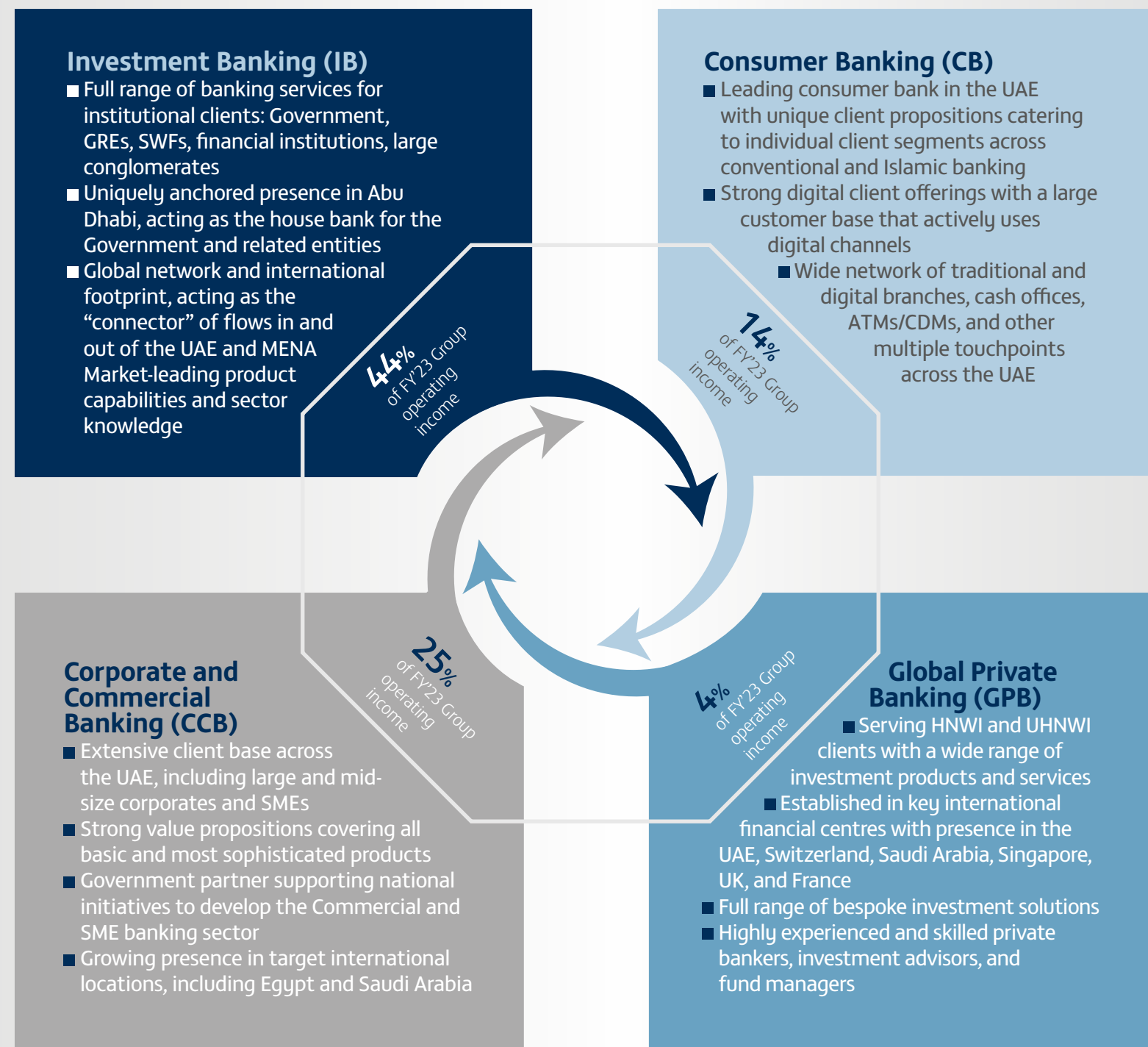
Facilitate trade and investment flows to and from the UAE through a presence across five continents and 20 markets (including UAE).

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:



¹ FAB Private Bank (Suisse) SA

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 rely 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

بنك أبوظبي الأول
FAB¹ PRIVATE BANKING
First Abu Dhabi Bank

FABMISR
بنك أبوظبي الأول لمصر

FAB أبوظبي الأول للأوراق المالية
SECURITIES

Our Strategic Priorities

FAB's strategy is centred around key strategic pillars:



Growth & Diversification

Significantly accelerate FAB's growth and diversify the business mix to build new revenue streams and unlock future growth potential.

- **Achieved record FY'23 profitability** with Group net profit after tax at AED 16.4 billion.
- **Delivered third consecutive year of improved RoTE**, driving higher cash returns to shareholders.
- **Achieved broad-based and diversified growth** across businesses, products, geographies, and sources of income.



Digitisation to Drive Customer Centricity

Accelerate client value by offering a full suite of world-class financial solutions through innovative platforms, enabling digitisation, simplification, and automation of critical customer journeys and processes. Leverage FAB's regional expertise and strategic footprint to enable strong connectivity to the clients.

- **Continued progress on our technological evolution journey** by leveraging cutting-edge technology to drive operational efficiency, fortify security measures, and elevate customer experiences.
- **94% of banking transactions** are now performed digitally.
- **Won Best Online User Experience (UX) Portal, Best Mobile Banking App** in the UAE, Global Finance 2023, **Most Innovative Emerging Technology Implementation, Best Branch Digitisation** in the UAE, EMEA Finance 2023, **Best Blockchain Initiative**, and **Best Virtual Account Initiative** in the UAE, the Digital Banker 2023.



Enhanced Connectivity

Accelerate trade, investment and liquidity flows to and from the UAE and the MENA region through FAB's strategic presence in over 20 markets across five continents, enabling strong connectivity to our clients, enhancing regional economic growth, and bolstering multilateral cooperation.

- **Advised on several landmark transactions and IPOs**, reinforcing FAB's 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.
- **First year of operations in Iraq and second year in China.**
- **Well-positioned to capitalise on the upward trajectory of international operations**, finalising plans for Corporate and Commercial Banking's international expansion.
- **Best Supply Chain Finance Provider in the Middle East**, Global Finance (2023).



Sustainability Leadership

Lead by example by embedding ESG factors in FAB's culture, business strategies, governance, and risk management framework.

- **Strategic Pathway Partner of COP28.**
- **Increased the 2030 sustainable finance commitment by 80% from USD 75 billion to USD 136 billion.**
- **From 2022 to 2023, financing sustainable projects reached USD 34.4 billion (AED 126.3 billion).**
- **Leader in the Green Bonds market with Green Bonds and sukuk outstanding at USD 3.2 billion (AED 11.8 billion).**
- **1st bank globally to sign COP28 Net Zero Transition Charter, 1st bank in MENA to publish a TCFD report, and the 1st Principles for Responsible Banking (PRB) report.**
- **Best bank for Sustainable Finance in the UAE, Global Finance 2023, and Best Bank for Sustainable Finance in the Middle East, Euromoney 2023.**

Enterprise Risk Management

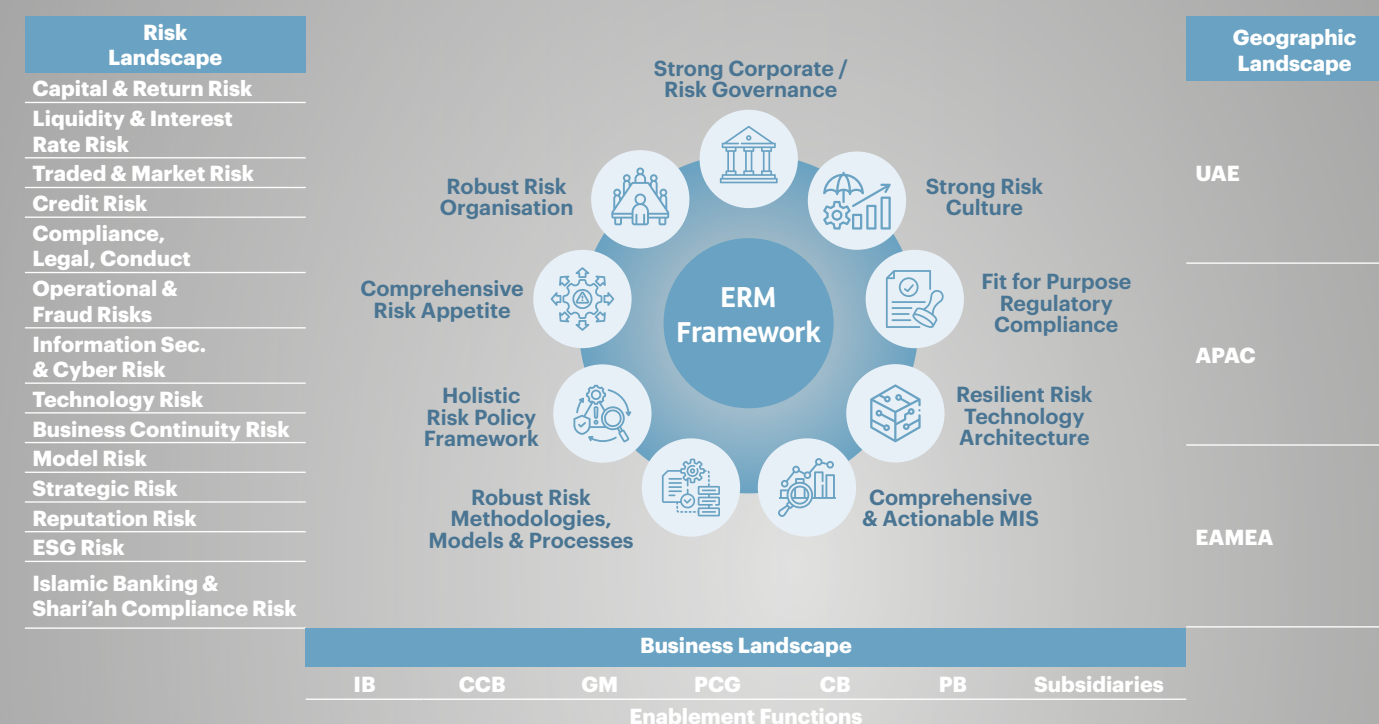
FAB's Group Risk vision is to institutionalise a best-in-class, integrated enterprise risk management framework to enable the bank's growth strategy and deliver sustainable value to stakeholders. Our Board-approved risk appetite, with active risk management and Three Lines of Defence (3LOD) operating model, underpins our proactive risk culture for achieving risk reward optimisation. Our endeavour is to drive business with a long-term view by balancing social, environmental, and financial aspects to protect the interests of all our stakeholders. The key pillars of our Risk Strategy are:

- ✓ **A Strong Governance Framework**, with Board, sub-committees of the Board, and senior management committees to oversee the Group Risk Strategy and risk profile.
 - ✓ A comprehensive **Risk Appetite Framework** embedded across the organisation, and a suite of risk policies for driving **risk-based decisions and performance management**.
 - ✓ **Advanced risk intelligence using integrated technology architecture** with appropriate risk models and systems for risk identification, assessment, reporting, and monitoring.
 - ✓ **Sound fundamentals**, management, and controls for all enterprise risks arising from portfolios, products, advisory, people, systems, data, processes, regulations, ESG, and external events for resilience.
 - ✓ **Comprehensive Risk reports with leading and early warning key risk indicators**.
 - ✓ **Forward-looking Internal Capital Adequacy Assessment Process (ICAAP)** with dynamic stress testing.
 - ✓ **Robust Business Continuity Framework, contingency funding plans, and recovery plans**.
 - ✓ **Robust Risk Culture and Risk Stewardship** with an agile operating model fit for managing emerging risks in collaboration with Business as “One Team” for the design and execution of strategy.
 - ✓ **Continuous Risk awareness programmes**.

Holistic Risk Governance

All FAB Group employees are responsible for the management of risks, with the formal accountability vested with the Board and Board Risk and Environment Social Governance Committee (BRESGC). The BRESG committee approves the Group Risk and ESG strategies, risk appetite and policies, and it monitors the mitigation measures. Senior management committees assisting the BRESGC in these functions are the Group Risk Committee (GRC), Group Operational and Fraud Risk Committee (GOFRC), Group Technology Risk and Information Security Committee (GTRISC), and Group ESG Committee (GESGC), as well as several sub-committees, such as the IFRS 9 Group Steering Committee, Model Risk Management Committee, and ESG and Sustainable Finance Committee, which are vested with managing the specific risks within their domains. The FAB Risk Management function, led by the Group Chief Risk Officer, is an independent, second line of defence that supports the Group's businesses.

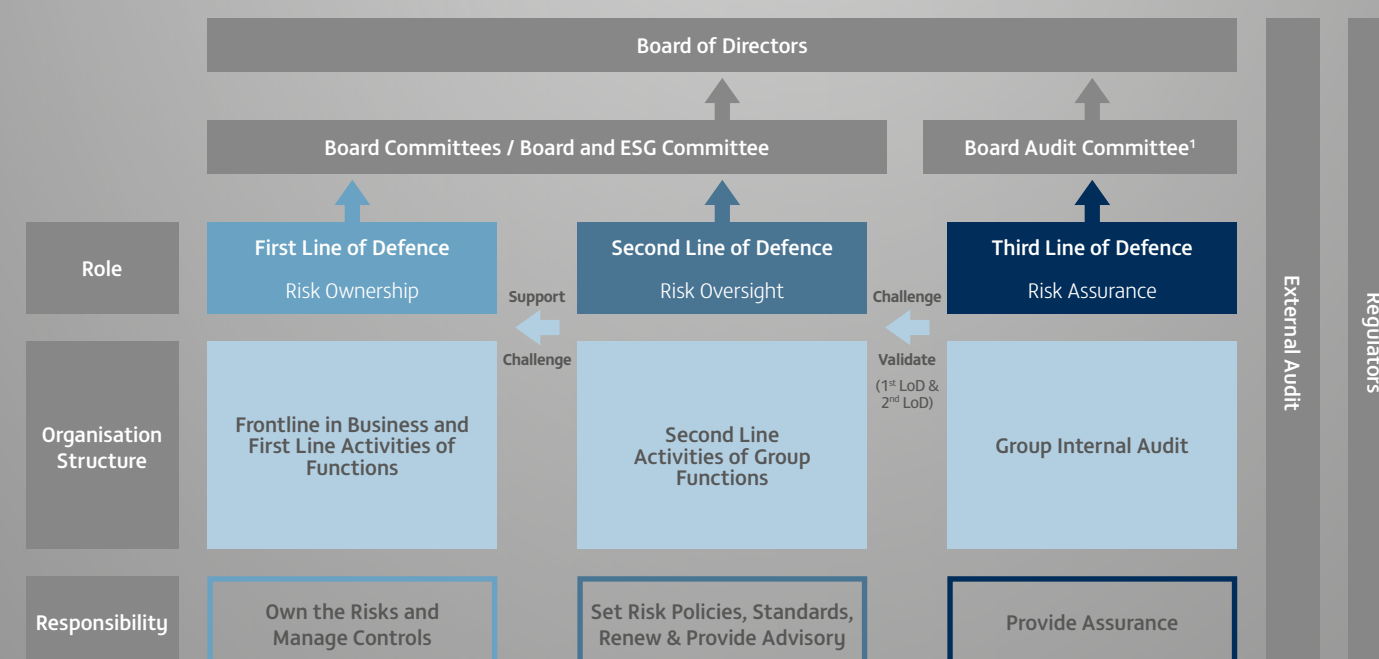
FAB's Group Enterprise Risk Management Framework and Risk Landscape



Active Risk Management with Three Lines of Defence Model

FAB follows a Three Lines of Defence (3LOD) model, which outlines the responsibilities to identify, assess, measure, manage, monitor, and mitigate risks, encouraging collaboration and coordination of risk and control activities.

Three Lines of Defence Model



¹ Compliance risk matters are overseen by the Board Audit Committee

Key Focus Areas in 2024



Enhance the **bank's risk appetite framework** to align with the business growth strategy under a holistic risk coverage, at par with international best practices.



Sustain **Asset Quality** through proactive reviews, stress tests and risk mitigation actions to offset the headwinds from macro-economic and geopolitical developments.



Maintain Sound Fundamentals (Capital, Liquidity, and Asset Quality) and risk-bearing capacity for all enterprise risks and **meet enhanced regulatory expectations**.



Strengthen **Model Development and Risk Management standards** in line with regulatory guidelines and best practices for advanced approaches of risk measurement.



Ensure enhanced governance and controls, including digital tools, for improving **Operational and Cyber Resilience** to defend against new and emerging risks in the external environment and offer safer and seamless digital journeys for customers.



Continue to be a regional pacesetter and enhance the Bank's **ESG Risk Management Framework**, aligned with ESG strategy, net-zero targets, regulations, and global best practices.



Foster **strong risk culture and risk stewardship** with continuous engagement, awareness campaigns, and collaboration with the First Line of Defence.

Top and Emerging Risks

Risks

Risk Description and Mitigants

1



Challenging Macro-Economic Conditions

Global monetary tightening has helped moderate global inflation, and the softening of rates is expected by mid-2024. The forecasts of lower global growth in 2024, combined with the lagged pass-through of interest rates in 2024 to economies and borrowers, are emerging challenges. The other macro-risks are the slowdown in China, geopolitical shocks, high global debt, fiscal fragilities in some countries, and woes in the real estate sector in advanced economies. Further exogenous shocks or a premature pivot to monetary easing could reignite inflation or trigger recessions in vulnerable economies.

GCC and UAE banks have been largely resilient to global headwinds and benefited from interest rate cycle and strong domestic economy. FAB has sustained asset quality with robust underwriting, proactive portfolio reviews, stress tests, and prudent provisioning. All the enterprise risks are within the risk appetite. The bank will continue to monitor the downside risks to take proactive risk strategies.

2



Rising Geopolitical Fragmentation

Geopolitical tensions, combined with the eruption of hostilities and wars in multiple regions, is eroding global collaboration and trust. The war in Ukraine and the conflict in the Middle East are continuing with no near-term resolution. The competition between the US and China, the outcome of US elections in the fourth quarter of 2024, and growing tensions in Taiwan Strait are the other main political uncertainties.

FAB continuously monitors external developments by conducting impact analysis to determine the appropriate management actions. The Bank's exposure in Israel is minimal, mainly to FIs with short-term maturity with no material impact. The bank also further strengthened its controls in terms of credit risk, market risk, capital, liquidity, cyber risk, business contingency, and financial crime to manage these risks appropriately.

3



Impacts of Climate Risk and changes in global regulatory landscape

Climate change and biodiversity loss are a systemic risk, for which industry reforms, regulations, and stakeholder activism are expected to continue in 2024. COP28, held in the UAE, helped usher in new international commitments and increased collaboration to improve climate adaptation and resilience.

In November 2023, the Central Bank of UAE (CBUAE) published the principles for the effective management of climate risks in line with global regulations. The bank views the transition to net zero as a great opportunity to support its clients. FAB has an ESG strategy with a commitment to achieve net zero by 2050 and interim decarbonisation targets and a sustainable finance commitment of AED 500 billion by 2030. The bank is currently enhancing its climate risk management framework while executing these plans for net zero.



“ FAB continues to maintain a strong and diversified liquidity position, as it remains the banker of choice for the UAE government. ”



4

Increasing sophistication of cyberattacks, including usage of artificial intelligence

The external cyber threat landscape remains challenging as attackers harness advanced technology and attacks expand to supply chains. Ransomware, malware, phishing, and distributed denial of service (DDOS), along with attacks on cloud and other vendors, are the most prevalent external threats. AI-enabled attacks, vulnerabilities in IoT devices, misinformation risks driven by AI misuse, and the evolution of quantum resistant cryptography are other emerging risks.

Cyber resilience is pivotal to FAB, and the bank has invested in a Defence-in-Depth strategy with appropriate security controls. FAB implemented robust technology risk management (TRM), privacy framework, vendor risk framework (VRM), cloud security strategy, and brand reputation monitoring. FAB maintains high cyber security certifications, and it participated in “Cyber Wargaming 2024” organised by the UAE Banks Federation (UBF), under the supervision of CBUAE and the UAE’s Cyber Security Council. Training for employees and awareness programmes for customers help promote cyber security.



6

ALM Risks Portfolio Strategies during the shift in rate cycle

Global markets remained volatile in 2023 due to persistent inflation, interest rate tightening, the US banking crisis, geopolitical tensions, and China’s economic slowdown. Brent Crude is projected by EIA to average USD 82 per barrel in 2024 and USD 79 per barrel in 2025. In anticipation of the shift in rate cycle by mid-2024, navigating changing global dynamics, constructing portfolios to earn higher yields with diversified exposures, and managing tail risks from geopolitical shocks will be a central pillar of investment outlook.

FAB continues to maintain a strong and diversified liquidity position, as it remains the banker of choice for the UAE government. FAB’s balance sheet is well-positioned and diversified with high-quality investments. The bank has identified appropriate strategies to align with the projected interest rate trajectory and has a comprehensive risk appetite and limits framework approved by the Group Asset and Liability Committee (G-ALCO), Group Risk Committee (GRC), and the Board Risk and ESG Committee (BRESGC) to manage the market, interest rate, and liquidity risk.



5

Emerging operational and fraud risk landscape

The operational risk landscape remains complex and ever-changing, with new and emerging risks from technology, digital transformation, frauds, and third parties. Fraudsters are resorting to more sophisticated social engineering scams to misuse customers’ confidential information.

FAB has a strong operational and fraud risk management framework, wherein the impact of changes to risk profile from products, strategies, and other changes are regularly assessed. The risks, which are residually high, are subjected to enhanced governance and treatment. Advanced and best-in-class authentication and fraud monitoring solutions have been implemented and continuously refined to improve detection. The bank has strengthened its outsourcing framework and business criticality service framework, aligned with industry standards. FAB also holds regular awareness campaigns for staff and customer education and safety.



7

Model Risk

FAB relies on models for decision-making, which could result in financial losses, incorrect reporting, wrong decisions, or compliance breaches, among other things, if these models produce erroneous or unreliable outputs because of errors in their development and implementation or inappropriate usage.

FAB manages model risk as per the Board-approved model risk management framework and policy. The bank regularly reviews the effectiveness of the model risk management processes and governance to align with global best practices and regulations. Following the issuance of the Model Management Standards and Guidelines (MMSG) by the CBUAE in December 2022, the bank conducted a benchmarking test by experts and is in the process of implementing recommendations to further strengthen the Group’s governance.

Group Compliance

Group Compliance at FAB – 2023 Highlights



Updated Compliance Risk Management Framework and Risk Appetite.



Continued proactive regulatory relationship management in the UAE and across international locations.



Managed regulatory change by adequately analysing and implementing various new/updated regulations across the FAB Group network.



Conducted extensive staff training and awareness sessions on compliance risk matters, emerging trends, and regulatory developments, including specific sanctions training in reference to Russian sanctions.



Completed significant compliance monitoring/quality assurance reviews across the UAE and international jurisdictions within the FAB global footprint.

The Group Compliance Function at FAB

The tone of compliance is set at the highest levels within FAB Group, which enables the Compliance Function to carry out its duties effectively to ensure that regulatory, supervisory, and reputational risks are continually and appropriately managed and monitored. The FAB Compliance Function implements governance, frameworks, systems, and controls that are aimed at upholding laws, regulations, best practices, and principles across its global network.

The Group Compliance Function reports directly to the Group CEO and to the Chair of the Board Audit Committee (BAC). There are regular meetings held with our regulators across our international locations. Locally, Group Compliance membership at the Compliance Committee of the UBF enables us to make meaningful contributions to the banking industry and associated regulations. A constructive and transparent relationship with our local regulators, inclusive of the Central Bank of the United Arab Emirates (CBUAE), the Securities and Commodities Authority (SCA), the Abu Dhabi Global Market (ADGM), and the Abu Dhabi Accountability Authority (ADAA) is of prime importance to us. Policies and procedures have been put in place to monitor the regulatory relationship across the FAB Group.

The FAB compliance operating model is an independent, second line of defence centralised function, consisting of strong compliance teams independently supporting the individual businesses within the UAE and similarly strong compliance teams supporting business units within each country in which FAB operates. In addition, there are central teams of subject matter experts within the Regulatory Compliance, Financial Crime Compliance, and Monitoring and Assurance units.

The culture of compliance that FAB has institutionalised ensures that compliance risk identification, management, and reporting form part of FAB's business as usual. Training and awareness initiatives have been integral to ensuring that all employees are well-versed in their regulatory obligations. 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 FAB Group, covering inherent risks and controls for compliance risks. Concurrence from

the BAC and the Group Compliance Committee (GCC) are obtained for relevant mitigating plans and actions.

As a leading financial institution, FAB takes conflict of interest management very seriously. To this end, it has devised adequate policies, procedures, and systems to manage employee and transactional conflicts as they may arise. These conflicts are predominantly managed within the Control Room Function of Group Compliance. These include personal account dealing declarations, outside business interests notifications, and the oversight of gifts and entertainment.

Governance and Oversight

Our compliance efforts have been bolstered by robust governance and oversight, with the Board and relevant committees actively involved in monitoring compliance matters.

The Group Board of Directors set the tone from the top, fostering a culture of compliance and promoting the values of honesty, integrity, and ethical conduct. The Board of Directors is responsible for overseeing the management of the Group's compliance risk and establishing an independent Compliance Function within the Group. The Board appoints a Chief

Compliance Officer with sufficient authority, stature, independence, resources, and access to the Board.

Group Compliance is an independent Second Line of Defence function under the Group's Three Lines of Defence risk governance structure. It ensures a comprehensive, enterprise-wide view of compliance risk exposures, bringing specialist compliance teams together under a single reporting structure.

The Audit Committee was established by the Board of Directors to assist the Board in fulfilling its oversight responsibilities, including compliance with applicable laws and regulations.

The Group Compliance Committee operates under delegated authority from the Group Executive Committee. It assists the Board Audit Committee in fulfilling its objective of overseeing the bank's regulatory responsibilities, as well as ensuring the bank's compliance with applicable laws and regulations issued by local and international regulatory authorities.

Regular internal audits and reviews have contributed to the continuous improvement of our compliance framework, ensuring adherence to best practices and the enhancement of existing controls.

Compliance Monitoring and Surveillance

A focused risk-based compliance monitoring review plan is in place, covering the FAB Group across the first and second lines of defence controls. Extensive compliance monitoring/quality assurance reviews were completed in 2023 across various jurisdictions in the FAB global footprint.

Furthermore, there are other tools and risk-based programmes focused on monitoring specific compliance risks, including market abuse, financial crime, and other forms of rogue activities. Surveillance systems and controls have been established in both local and international locations and further assist to uphold fair and orderly markets.

Financial Crime

FAB has undertaken measures to enhance its strategies, frameworks, systems, and controls, and it hired subject matter experts to enhance the overall controls in preventing and detecting criminal activities, including money laundering, bribery and corruption, terrorist financing, and proliferation financing to satisfy international sanctions requirements.

Money laundering scenarios and typologies were reviewed and updated on a regular basis to ensure they aligned with the bank's products and services, as well as any changes in criminal behaviour identified through regulatory investigations and local and global market updates.

Policies and procedures were periodically reviewed and updated to incorporate any new or amended regulatory requirements and align with the FAB Risk Appetite Statement. The bank circulates a periodic newsletter to its staff covering key financial crime updates, and it has also rolled out training and awareness programmes to target groups to ensure they understand and adhere to the current regulatory requirements.

Anti-Bribery and Anti-Corruption

FAB requires compliance with all applicable anti-bribery and corruption laws in all markets and jurisdictions in which it operates. FAB has a Group Anti-Bribery and Corruption Policy, which provides practical guidelines

for these laws and regulations, ensuring compliance with the letter and spirit of applicable laws, principles, and regulations in demonstrating our commitment to ethical behaviour and conduct.

Sanctions Compliance

FAB UAE is committed to ensure full compliance with sanctions and restrictive measures administered by the United Nations Security Council (UNSC) and the Central Bank of the UAE (CBUAE) as a regulatory obligation. FAB Group also follows sanctions measures administered by the US, EU and UK in addition to the local sanctions of the jurisdiction where FAB operates.

FAB adopts international best practices for its due diligence processes, both at initial onboarding and throughout the lifecycle of the relationship. A variety of systems and controls are in place to facilitate the detection and reporting of any identified or suspected sanction violations to the regulators and competent authorities.

Regulatory Compliance

Compliance risk is defined as the risk of legal or regulatory sanction, material financial loss, or loss of reputation a bank may suffer as a result of its failure to comply with laws, regulations, rules, related regulatory organisation standards, or codes of conduct applicable to its banking activities.

Regulatory risk has become increasingly significant given the heightened regulatory environment in which the FAB Group operates. Regulatory compliance effectively manages the Group's relationship with the various regulatory authorities, ensuring that interaction and communication are handled in a consistent and transparent manner. The Group Compliance manages the relationship with domestic regulators through its regulatory affairs function and oversees the relationship with international regulators through International Country Compliance.

The Regulatory Compliance team also receives, monitors, and disseminates regulatory updates to relevant stakeholders across the Group. Regulatory Compliance collaborates with the first line of defence functions and Compliance Business Oversight to systematically assess the impact of new and updated regulations on existing policies, procedures, and activities. This includes formulating action plans to

ensure compliance with regulatory changes and the alignment of product programmes, processes, and propositions to the new requirements.

Whistleblowing

FAB is committed to conducting business responsibly, ethically, and with the customer at the centre of all its actions. FAB considers the law as the minimum standard for good conduct and has established mechanisms to encourage staff and stakeholders to speak up when they observe any unlawful or unethical behaviour. Various channels have been implemented to facilitate reporting, and there is a zero-tolerance policy for acts of retaliation against those who raise specific concerns. Relevant policies, procedures, and systems have been designed to ensure the anonymity of the whistleblower.

Staff Training

FAB prioritises the training and education of its staff, including mandatory training in regulatory risks and financial crime compliance. The bank conducts numerous training sessions each year, covering various themes and involving the Executive Committee and Board members. Training plays a vital role in ensuring compliance with regulations and equipping employees with the necessary skills to perform their jobs effectively.

Due to heightened risks in the realm of financial crime, the Financial Crime Compliance (FCC) team conducted extensive training sessions, including on Russian sanctions. Compliance training also included the Executive Committee and Board members so that there is a clear "tone from the top" in relation to the importance of compliance at FAB.

Compliance Focus Areas for 2024 and Beyond

We remain cognisant of the evolving regulatory environment and are dedicated to adapting our compliance measures to align with upcoming requirements.

Looking forward, the exposure to compliance risks will continue to escalate due to heightened geopolitical global/local risks; unprecedented level of change; social and technological shifts coupled with new and amended regulatory requirements.

Group Compliance is fully aligned to enhancing Financial Crime and Regulatory Compliance programmes to improve the robustness of risk mitigation and to support FAB's business growth in a safe and sustained manner in the increasingly challenging geopolitical and regulatory risk climate.

Emerging Regulatory Requirements



Stay abreast of upcoming regulatory changes and assess their potential impact on the organisation.



Prepare for the implementation of new compliance standards and requirements that may affect the Group's operations.

Technology Integration



Explore the use of advanced compliance management software and tools to streamline monitoring, reporting, and data analysis processes.



Leverage technology to enhance compliance tracking, risk assessment, and internal control measures across the Group's operations.

Enhanced Training and Awareness



Develop targeted compliance training programmes for employees at all levels of the organisation, focusing on specific industry regulations and best practices.



Foster a culture of compliance awareness through regular communications, workshops, and interactive learning sessions.


Continual Enhancement of Compliance Systems and Controls



Explore automation and artificial intelligence to deliver on the compliance strategy.



Enhance key performance indicators (KPIs) and metrics to assess the effectiveness of compliance controls.



FAB's outstanding performance in 2023 represents the culmination of a three-year journey of accelerated business momentum and remarkable returns as the region's financial institution of choice.

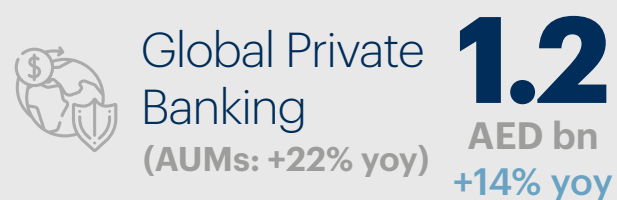
► Operational Review

- 52** Delivering Diverse, Outstanding Growth
- 54** Investment Banking
- 64** Corporate and Commercial Banking
- 72** Consumer Banking
- 76** Global Private Banking
- 82** International Operations
- 84** Our Technology Evolution Journey

Delivering Diverse, Outstanding Growth

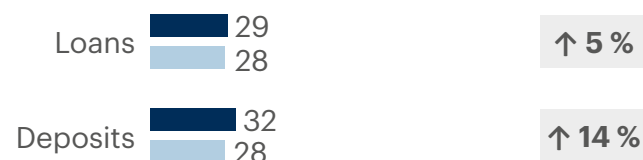
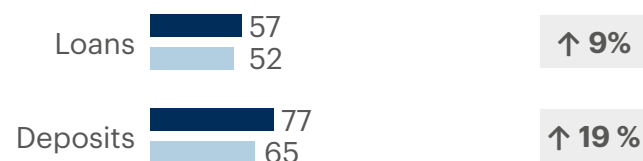
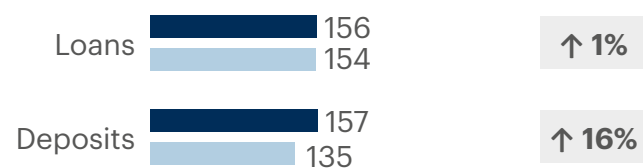
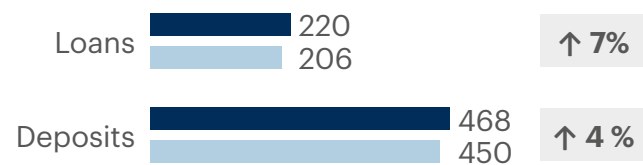
Diversified Growth Across Businesses...

FY'23 Operating Income



Balance Sheet Trends (AED bn)

■ Dec'23 ■ Dec'22



FAB's focus on diversifying its global franchise across business lines and internationally, over the past three years, continues to drive its upward trajectory of solid growth.

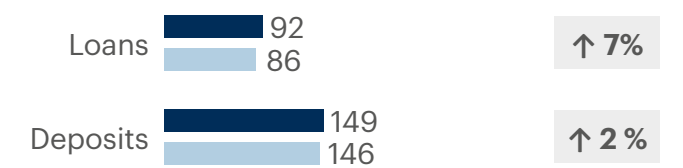
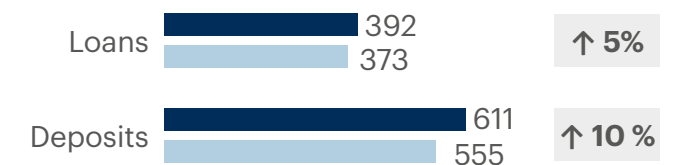
... and Geographies

FY'23 Operating Income



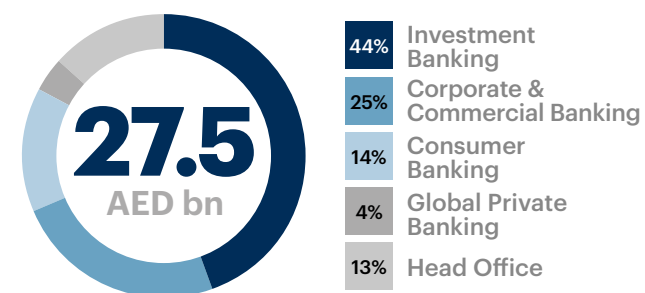
Balance Sheet Trends (AED bn)

■ Dec'23 ■ Dec'22

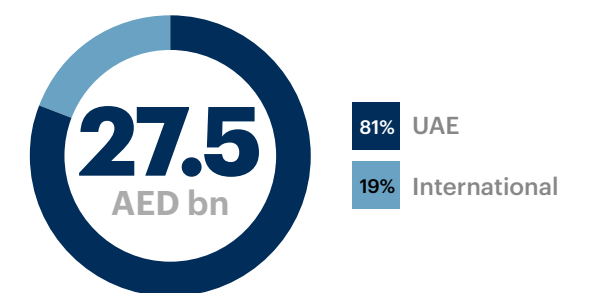


Diversified Revenue Streams

Operating Income By Business Segment



Operating Income By Geography



Investment Banking

FAB's Investment Banking Group continues to showcase resilience and excellence, reaffirming its stature among the region's premier financial institutions.

#1



MENA Bookrunner
by deal volume and deal number

#1



Loan Agent in MENA & GCC
by number of deals, volume, and market share

#3



Equity Capital Markets Manager
in MENA

The Investment Banking Group (IBG) at FAB offers a comprehensive suite of sophisticated banking and financing solutions for institutional clients across diverse sectors, including government entities, sovereign wealth funds, energy and natural resources, diversified industrials, and financial institutions. Services include corporate finance, capital markets, transaction banking, trade, liquidity, and cash management services, along with a broad range of risk management solutions across credit, rates, FX, and money market products.

With a strong financial foundation, unparalleled expertise, and a vast global network, FAB's IB franchise serves as a pivotal facilitator for cross-border liquidity, trade, and investment flows in the UAE, MENA region, and beyond. Adopting a client-centric approach, FAB's team of seasoned professionals and sector specialists are able to support client growth objectives and navigate complex business landscapes.

Financial Performance

IBG delivered an outstanding performance in 2023, propelled by effective execution and significant transactions across the region, including several large-scale IPOs in the UAE. In 2023, equity markets, particularly in the UAE, experienced

significant activity with several notable equity offerings, including the largest listing ever on the Abu Dhabi Securities Exchange. With a focus on deepening client relationships and expanding geographic reach, IBG supported these key clients in both their domestic growth and their international expansion endeavours.

The Group achieved a remarkable 35% yoy revenue growth, reaching a record AED 12 billion driven by the execution of a robust deal pipeline spanning diverse products and strategic sectors, which resulted in a 23% increase in net interest income (NII) and a 50% rise in fee income. Additionally, IBG benefitted from increased benchmark rates, maintained a focus on cross-selling, and successfully developed fee-generating businesses, resulting in a more diversified income stream. Loans and deposits experienced growth of 7% and 4% yoy, respectively, underscoring the bank's strong liquidity position through diversified funding sources and a 43% expansion in CASA balances.

FAB continued to uphold its role as a regional leader in sustainable financing. The bank not only structured, led, and facilitated over 45 deals at AED 93 billion (USD 25.3 billion) in sustainable financing, solidifying its position as a global leader in green loans, but also provided advisory services for the

sustainability initiatives of eight regional companies. In 2023, FAB received recognition from Global Finance and Euromoney for its exemplary leadership in Sustainable Finance:



Best Bank for Sustainable Finance in the UAE



Best Bank for Sustainable Finance in the Middle East



Outstanding Sustainable Financing in Emerging Markets in the Middle East



Outstanding Leadership in the Middle East Transition/Sustainability Linked Loans and Bonds



Outstanding Leadership in ESG-Related Loans in the Middle East

The bank retained its position among the top-ranked regional banks across MENA IB league tables in 2023, among numerous other accolades attesting to IBs diversified service offering and far-reaching capabilities.

As IBG continues to expand its global footprint and strengthen its franchise across various sectors, it remains committed to driving sustainable growth and delivering value to its clients.

2023 Highlights

AED **12** bn

Revenue
(+35% yoy)

44%

Contribution to
Group operating
income

AED **220** bn

Loans, advances, and
Islamic Finance
(+7% yoy)

AED **468** bn

Customer deposits
(+4% yoy)

The Regional Bank of Choice for Investment Banking Advisory Services

IBG's outstanding results were achieved through the collective contributions of all of the Group's businesses, with Global Banking Coverage (GBC) experiencing a substantial 44% increase. Additionally, Global Transaction Banking (GTB) revenues soared by 108%, Global Markets (GM) by 37% growth, and Global Corporate Finance (GCF) revenues by 2% yoy.

Global Banking Coverage (GBC)

FAB has been growing its coverage franchise, capitalising on its strength in its core markets and on the synergies between its various sectors. FAB's goal remains to be dominant in the corridor linking the GCC with key developed markets where some of the bank's clients are investing. FAB has supported several acquisition financings across key developed markets for our core clients.

The focus remains to be supporting our key clients in their domestic growth and international expansion. FAB maintained its focus on core markets of the UAE, continued expansion in Saudi Arabia and Egypt while continuing to expand in other international locations where the transactions are within the approved strategy.

Global Corporate Finance (GCF)

GCF delivered strong performance across the board with several landmark transactions in the UAE and MENA region. Equity markets experienced significant activity in 2023, particularly in the UAE, with the ECM business leading on a number of equity offerings, including the largest ever listing on the Abu Dhabi Securities Exchange.

Global Markets (GM)

FAB continued to diversify its investment portfolio by introducing new asset classes and strategies, enhancing its structured credit exposure, and launching its first internal Quantitative Investment Strategy in the Saudi market. With a strategic focus on product enhancement, FAB extended its metal leasing services to esteemed Financial Institutional clients, emphasising metals such as Gold, Platinum, and Palladium, alongside standard custody options located in London. Furthermore, the expansion of the commodities business internationally, the development of the UAE's

central carbon trading hub, and the launch of the Gold Standard Registry for voluntary carbon credits also mark significant milestones.

The launch of FAB's Carbon Desk expands on FAB's carbon trading capability first offered in 2021, putting FAB at the forefront of carbon trading in the UAE and regionally. It also aims at actively supporting the development of transparent carbon markets, ensuring credibility, trust, and confidence in carbon credits as a valuable tool in reducing global greenhouse gas emissions.

Global Transaction Banking (GTB)

In 2023, FAB delivered on a significant list of milestones in Global Transaction Banking, including a successful blockchain-based cross-border payments pilot testing with J.P. Morgan's Coin Systems and the implementation of the RTGS 24/7 Project in Oman. Strategic alliances with Geidea in Saudi Arabia for digital payment acceptance services and the launch of the Instant Payment Platform (IPP) under the National Payment Systems Strategy (NPSS) have bolstered FAB's digital payments presence. Product enhancements throughout the year include the introduction of the Commercial Escrow product in Egypt, the GTB Virtual Accounts solution that supported ADX across multiple IPO's in 2023, and the Insurance Intermediaries Escrow Account. FAB GTB was recognised by the Abu Dhabi Municipality as a strategic partner in the Emirate of Abu Dhabi, and it successfully executed its first White Label TMS Mandate in UAE with Al Dahra. Furthermore, FAB expanded its regional Trade Finance presence in Saudi Arabia through partnerships with Alfanar and launched the Supply Chain Finance (SCF) and Receivable Finance (RF) platform. FAB underscored its commitment to sustainability through the financing of over AED 15 billion under the Abu Dhabi Department of Finance's Sustainable SCF Program. The FABOnline Trade Portal was enhanced under the FABeAccess platform and successfully went live in 2023. The bank also partnered with PayMate for leveraging Corporate Cards to extend SME financing in UAE.





























**IT'S OUR DUTY
TO CONTRIBUTE
TO THE GROWTH
OF THE UAE**

We always see more
for our nation

بنك أبوظبي الأول
FAB
First Abu Dhabi Bank

Landmark Transactions

FAB advised on several 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.

<div>ADNOC Gas AED 9.1 bn (USD 2.5 billion) IPO on the ADX FAB's Role: Joint Global Coordinator, Listing Adviser, and Lead Receiving Bank The offering drew strong demand from local, regional, and international investors and was heavy oversubscription of 50x in aggregate. Total gross demand amounted to AED 450 billion (USD 124 billion). Largest IPO in MENA in 2023</div>	<div>Initial Public Offerings (IPOs)</div>	<div>Investcorp AED 1.7 bn (USD 451 million) IPO of Investcorp Capital on ADX FAB's Role: Joint-Global Coordinator, Joint-Lead Manager, Listing Adviser, and Joint-Lead Receiving Bank The deal priced 720 million shares at 2.30 dirhams a piece (top of the range) and was upsized by 12%. The pricing values Investcorp Capital at USD 1.37 billion and implies a dividend yield of 8.4% for the year ending 30 June 2024.</div>	<div>Al Rajhi Bank USD 1.43 bn Green Murabaha Syndication FAB's Role: MLA/Bookrunner and Facility Coordinator. Sole ESG Coordinator, Syndication Agent, AAOIFI tranche Investment Agent, and Global Facility Agent Marked FAB's first Sustainable Financing deal for an FI in Saudi Arabia.</div>	<div>Innovation in Sustainable Finances</div>	<div>Commercial Bank of Dubai USD 500 mn inaugural Green bond FAB's Role: Mandated as JLM&BR First ever Green Bond offering by CBD</div>
<div>ADNOC L&S AED 2.83 bn (USD 769 million) IPO on ADX FAB's Role: Joint Global Coordinator, Joint Bookrunner, Listing Adviser, and Lead Receiving Bank Final offer price was at the top of its range at AED 2.01 per share in the UAE, implying a market capitalising of c. AED 14.9 billion (USD 4.05 billion). Historic offering drew strong demand from local and international investors and heavy oversubscription of 163x in aggregate. Total gross demand amounted to c. AED 460 billion (USD 125 billion). Second-largest IPO in the MENA region in 2023 (after ADNOC Gas)</div>	<div>Dubai Islamic Bank USD 750 mn Reg S sustainable sukuk FAB's Role: Mandated JLM&BR</div>	<div>Etisalat e& AED 366 mn green loan for Emirates Telecommunications Group Company FAB's Role: Joint Sustainable Finance Adviser, Joint Green Coordinator, MLAB, and Agent</div>	<div>ADNOC USD 1.5 bn Sustainability Linked Term Loan Facility FAB's Role: Sole ESG Coordinator, Bookrunner, Mandated Lead Arranger, Facility & ESG Agent</div>	<div>Dubai Islamic Bank USD 750 mn Reg S sustainable sukuk FAB's Role: Mandated JLM&BR</div>	<div>Etisalat e& AED 366 mn green loan for Emirates Telecommunications Group Company FAB's Role: Joint Sustainable Finance Adviser, Joint Green Coordinator, MLAB, and Agent</div>
<div>Dubai Taxi Company AED 1.2 bn (USD 315 million) IPO on the DFM FAB's Role: Joint Bookrunner, Joint Lead Manager and Receiving Bank IPO saw tremendous demand from international and regional institutional investors and public tranche investors in the UAE, with total demand amounting to over AED 150 billion (c. USD 41 billion), implying an oversubscription level of 130x in aggregate. Represented the highest oversubscription level achieved by an IPO on the DFM.</div>	<div>ADNOC Distribution AED 4 bn and USD 375 mn syndicated sustainability linked loan FAB's Role: structuring the facility, sole ESG coordinator, MLA, Bookrunner, Facility Agent and ESG Agent First sustainability linked loan for an oil and gas distribution company in the UAE, and within ADNOC Group.</div>	<div>Neom Green Hydrogen Company USD 5.8 bn Senior Secured Term Loan FAB's Role: Coordinator, Bookrunner, Mandated Lead Arranger, Dollar Commercial Facilities Agent, Joint Regional Green Loan Coordinator</div>	<div>Public Investment Fund (PIF) USD 5.5 bn 7/12/30-year green bond issuance FAB's Role: Joint-Bookrunner Second green bond issuance for PIF (FAB was also mandated on the inaugural green bond issuance in 2022).</div>	<div>ADNOC Distribution AED 4 bn and USD 375 mn syndicated sustainability linked loan FAB's Role: structuring the facility, sole ESG coordinator, MLA, Bookrunner, Facility Agent and ESG Agent First sustainability linked loan for an oil and gas distribution company in the UAE, and within ADNOC Group.</div>	<div>Neom Green Hydrogen Company USD 5.8 bn Senior Secured Term Loan FAB's Role: Coordinator, Bookrunner, Mandated Lead Arranger, Dollar Commercial Facilities Agent, Joint Regional Green Loan Coordinator</div>
<div>Pure Health AED 3.62 bn IPO on the ADX FAB's Role: Lead Manager and Lead Receiving Bank Offering included 1.11 billion ordinary shares, or 10 percent of its total issued share capital, on the ADX. Total gross demand reached more than AED 265 billion (USD 72.16 billion) in all tranches.</div>	<div>BRF Signed an AED 550 mn bilateral sustainability-linked loan with FAB during COP28 The facility will enable BRF, one of the largest food companies in the world, to expand its business in the Middle East and to ensure this growth meets the company's sustainability objectives. The financing linked the margin to two KPIs: Reduction of CO₂ Emissions and Renewable Energy.</div>	<div>Masdar USD 750 mn 10-year green bond issuance FAB's Role: Joint Mandated Lead Arranger and Bookrunner Bond was 5.6x oversubscribed and allocated 87.5% to international investors and 12.5% to MENA investors Net proceeds will be used to invest exclusively in new clean energy projects in connection with the company's Green Finance Framework.</div>	<div>BRF Signed an AED 550 mn bilateral sustainability-linked loan with FAB during COP28 The facility will enable BRF, one of the largest food companies in the world, to expand its business in the Middle East and to ensure this growth meets the company's sustainability objectives. The financing linked the margin to two KPIs: Reduction of CO₂ Emissions and Renewable Energy.</div>	<div>Masdar USD 750 mn 10-year green bond issuance FAB's Role: Joint Mandated Lead Arranger and Bookrunner Bond was 5.6x oversubscribed and allocated 87.5% to international investors and 12.5% to MENA investors Net proceeds will be used to invest exclusively in new clean energy projects in connection with the company's Green Finance Framework.</div>	<div>BRF Signed an AED 550 mn bilateral sustainability-linked loan with FAB during COP28 The facility will enable BRF, one of the largest food companies in the world, to expand its business in the Middle East and to ensure this growth meets the company's sustainability objectives. The financing linked the margin to two KPIs: Reduction of CO₂ Emissions and Renewable Energy.</div>
<div>ENGIE Signed a Memorandum of Understanding (MoU) with French energy multinational ENGIE's business entity, Global Energy Management and Sales (GEMS), to advance their respective capabilities in financial decarbonisation solutions.</div>	<div>ENGIE Signed a Memorandum of Understanding (MoU) with French energy multinational ENGIE's business entity, Global Energy Management and Sales (GEMS), to advance their respective capabilities in financial decarbonisation solutions.</div>	<div>ENGIE Signed a Memorandum of Understanding (MoU) with French energy multinational ENGIE's business entity, Global Energy Management and Sales (GEMS), to advance their respective capabilities in financial decarbonisation solutions.</div>	<div>ENGIE Signed a Memorandum of Understanding (MoU) with French energy multinational ENGIE's business entity, Global Energy Management and Sales (GEMS), to advance their respective capabilities in financial decarbonisation solutions.</div>	<div>ENGIE Signed a Memorandum of Understanding (MoU) with French energy multinational ENGIE's business entity, Global Energy Management and Sales (GEMS), to advance their respective capabilities in financial decarbonisation solutions.</div>	<div>ENGIE Signed a Memorandum of Understanding (MoU) with French energy multinational ENGIE's business entity, Global Energy Management and Sales (GEMS), to advance their respective capabilities in financial decarbonisation solutions.</div>

Supporting Our Key Clients



Public Investment Fund (PIF)

FAB's Role: Joint-Bookrunner in PIF's inaugural USD 3.5 billion 5/10-year sukuk issuance.



MUBADALA

Mubadala

FAB's Role: Joint-Lead Manager and Joint-Bookrunner in MDGH's AED 750 million bond issuance.

Joint-Global Coordinator, Joint-Bookrunner, and Joint-Green Structurer in MDGH's inaugural USD 750 million 10.5-year green bond issuance.

Joint-Global Coordinator and Joint-Bookrunner in MDGH's USD 1.5 billion 10.5/30-year (Formosa) bond issuance.



DP WORLD

DP World

FAB's Role: Core partner bank, supported DPW in its sukuk, club, and syndicated debt transactions, in addition to supporting investors with substantial amounts to finance their minority stake into recent DPW asset monetisation.



موانئ أبوظبي
ABU DHABI PORTS

AD Ports

FAB's Role: Structured a USD 2.0 billion, 1.5-year multi-currency Bridge to Bond Acquisition Facility for AD Ports as a Mandated Lead Arranger and Coordinating plus documentation Bank, targeting two specific acquisitions and one potential future acquisition, to bolster the company's expansion strategy.

FAB is the core lender to ADP

NAV Facility

FAB closed a net-asset-value (NAV) facility with a UAE client

First-ever NAV financing done by FAB and a demonstration of FAB's capabilities in complex international fund financing.

Fuel Hedging Mandate

FAB is currently among the top Fuel Hedge counterparts to regional airlines, demonstrating FAB's renowned and competitive capabilities.

Other Notable Deals

**NET ZERO.
IT'S OUR
FAVOURITE
NUMBER**

We always see more
for our planet



Enabling ESG and Sustainable Transformation

FAB's Investment Banking division has taken a proactive stance in embracing emerging themes within sustainable finance and promoting decarbonisation. Demonstrating its commitment to sustainable practices, FAB has emerged as a leading figure in Sustainable Finance across the EMEA region.

Strategically, FAB has placed a strong emphasis on sustainable and green financing, aligning its efforts with its announcement during COP28. The bank aims to lend, invest, and facilitate over AED 500 billion (USD 136 billion) in sustainable and transition financing by 2030, marking an 80% increase from its 2021 commitment. This ambitious target stands as the largest sustainable finance commitment made by any MENA bank to date, accounting for over half of the combined pledge of AED 1 trillion (USD 270 billion) by UAE banks.

Future Outlook

Looking ahead, FAB is well-positioned to expand its product offerings across emerging markets, with a particular focus on Turkey, Africa, and South Asia. This strategic initiative aims to solidify the bank's regional prominence and international significance by diversifying its client base and product capabilities. Additionally, FAB remains committed to nurturing its Financial Sponsors franchise, with a specific focus on transactions involving GCC SWFs and Financial Sponsors, thereby strengthening its position in the market.

Building upon the momentum of COP28 and the bank's commitment to providing USD 136 billion of financing by 2030, FAB aims to continue to enhance ESG, Green, and sustainable financing offerings. This includes supporting the UAE's ambitious goals to decarbonise core industrial and aviation sectors. Moreover, the bank aims to fuel advancements in innovation and digitalisation, with a focus on increased automation, digitisation in client services,

product development, risk management, and the implementation of advanced forecasting tools.

Cross-collaboration between IBG and other verticals, such as Private Banking, Retail, and CCB, will remain a priority, with a strong emphasis on value creation and the development of a resilient business model. Furthermore, in the MENA Asset Management Sector, the bank anticipates the launch of its "MENASSA" platform, offering regional asset managers world-class tools to enhance operational efficiency and transparency and manage operational risk.

In the Debt Capital Markets (DCM) arena, IBG plans on continued engagement from investors seeking opportunities amid potential Fed rate cuts. FAB stands ready to facilitate clients' access to local and international debt capital markets, offering tailored ideas and solutions to meet their evolving needs.

2023 Investment Banking Awards



The Banker 2023

Investment Bank of the Year
for the Middle East

Investment Bank of the Year
for Leveraged Finance



The Digital Banker

Best Bank for Transaction
Banking Services in
the Middle East

Best Bank for Cash
Management in
the Middle East

Best Bank for Payments and
Collections in the Middle East

Best Blockchain Initiative

Best Virtual Account
Initiative



Global Capital

Best Arranger of Loans in
the Middle East



Global Finance

Best Investment Bank in
the UAE

Best Sub-Custodian in
the Middle East

Best Sub-Custodian in KSA,
UAE, Kuwait, and Bahrain

Outstanding Leadership in
Sustainable Finance in
the Middle East

Outstanding Sustainable
Financing in Emerging
Markets (Middle East)

Outstanding Leadership in
Sustainable Bonds
(Middle East)

Outstanding Leadership in
ESG-Related Loans
(Middle East)

Outstanding Leadership in
Transition/ Sustainability
Linked Loans (Middle East)

Best Bank for Sustainable
Finance (UAE)

Best Trade Finance Partner
in the UAE

Best Cash Management Bank
in the UAE

Best Trade Finance Services
in the UAE

Best Online User Experience
(UX) in the UAE

Best Mobile Banking App
in the UAE

Best Bank for Liquidity
Management in the Middle East



Euromoney

Best Bank for Sustainable
Finance in the Middle East



Global Trade Review

Best Trade Finance Bank in
the Middle East

Best Trade Finance Bank in
the UAE

Achieving Export Growth in
Saudi Arabia



Trade Finance Global

Supply Chain Finance Deal
of the Year

Sustainable Trade Initiative
of the Year



Capital Markets & ESG Finance KSA

Leveraged Finance House
of the Year 2023



MEA Finance

Best Open Banking
Payments Project

Most Innovative Emerging
Technology Implementation

Best Branch Digitisation
Implementation – UAE

Best Treasury Management
Implementation



Airline Economics 2023

Middle East & Africa Aviation
Bank of the Year



Bonds, Loans, & Sukuk

Leveraged Finance Bank of
the Year in the Middle East

Structured Finance Bank of
the Year in the Middle East

**WE POWER
ECONOMIC GROWTH
THROUGH THE EAST-
WEST CORRIDOR**

We always see more
for business

بنك أبوظبي الأول
FAB
First Abu Dhabi Bank

Corporate and Commercial Banking

Corporate and Commercial Banking delivered excellent results and reaffirmed its position as the primary banking partner for both corporations and MSMEs.

FAB's Corporate and Commercial Banking (CCB) division supports large and mid-sized corporates and commercial banking 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.

Financial Performance

In 2023, CCB achieved 38% yoy revenue growth to AED 6.9 billion, contributing 25% to Group operating income, driven by strong business volumes and improved margins that were further enhanced by higher benchmark rates and increased client activity. Net interest income increased by 54% yoy, while non-interest income was -3% lower.

The division witnessed positive trends across loans and deposits, which were up 1% and 16% yoy, respectively, on the back of new customer

acquisitions, an expanding share of regional project financing, and a focus on growing CASA balances through new cash management mandates.

CCB's commitment to supporting the regional SME ecosystem grew to extend more than AED 3 billion in new lending to SMEs throughout the year.

CCB was also able to leverage strategic partnerships to drive growth and innovation in several areas, including cross-border payments, supply chain financing, and liquidity management.

Staying true to our mission to be the house bank for Corporate Banking clients and the national champion for Commercial Banking clients, CCB introduced value-added offerings to cater to evolving customer needs:



Global Transaction Banking (GTB)

Witnessed a significant growth in volumes driven by initiatives such as supply chain finance/ receivable financing and remote cheque deposit, liquidity management, treasury advisory, and escrow management.



Global Markets (GM)

Experienced substantial volume growth particularly in hedging and derivatives.



Global Corporate Finance (GCF)

Achieved sizeable volumes, focusing on acquisition, project, and asset-backed financing.

“CCB's commitment to supporting the regional SME ecosystem grew to extend more than AED 3 billion in new lending to SMEs throughout the year.”

2023 Highlights

AED **6.9** bn

Revenue
(+38% yoy)

25%

Contribution to
Group operating
income

AED **156** bn

Loans, advances,
and Islamic finance
(+1% yoy)

AED **157** bn

Customer deposits
(+16% yoy)

Expanding Product Portfolio and Market Reach

Amid dynamic market conditions, FAB's Corporate and Commercial Banking division continued to enhance its product portfolio and expand its market reach.

Strengthening Innovation to Enhance Customer Service

FAB introduced innovative solutions aimed at enhancing customer experiences and streamlining banking processes. The successful launch of a payment processing ecosystem in collaboration with the UAE Ministry of Finance exemplifies FAB's commitment to leveraging technology for the benefit of its customers. Process enhancements resulted in a significant reduction in customer onboarding time, reflecting FAB's dedication to operational excellence.

Partnerships with key stakeholders further bolstered FAB's innovation agenda. Collaborating with organisations such as the Dubai Businesswomen Council enabled FAB to support local entrepreneurs and foster economic empowerment. Additionally, our introduction of enhanced mobile banking apps and virtual corporate debit cards delivered on FAB's commitment to delivering cutting-edge banking solutions tailored to the needs of corporate and MSME clients.

Expansion in Cash Management and Digital Transformation

FAB continued its pursuit of digital excellence, introducing innovative solutions and forging strategic partnerships in the realm of cash management. Highlights included successful pilot testing with J.P. Morgan's Coin Systems for blockchain-based cross border payments, implementation of the RTGS 24*7 Project in Oman, and collaboration with Magnati and Geidea to provide digital payment acceptance services in Saudi Arabia.

“ Our introduction of enhanced mobile banking apps and virtual corporate debit cards delivered on FAB's commitment to delivering cutting-edge banking solutions tailored to the needs of corporate and MSME clients. ”

Advancements in Trade Finance

The bank strengthened its foothold in trade finance, launching pioneering initiatives such as the FABeSCF Supplier Self-Onboarding Platform and Supply Chain Finance (SCF) platform in Saudi Arabia. Additionally, FAB facilitated more than AED 15 billion in finance under the Abu Dhabi Department of Finance's sustainable supply chain finance programme, aligning with ESG principles.

Asset Portfolio Management

CCB maintained a prudent and conservative approach to asset lending, focusing on risk mitigation and portfolio diversification. While showcasing resilience in corporate lending, the division prioritised rigorous governance, risk assessment, and cross-selling opportunities to optimise portfolio performance and safeguard FAB's interests.

CASE STUDY:

Insurance-Backed Receivable Discounting Solution



When a major US buyer's delayed payments resulted in a cash flow gap, the client needed access to urgent financing without incurring debt on their balance sheet. FAB proposed a solution to accelerate cash flow by advancing the required payment and deducting financing charges. To mitigate the risk of non-payment, FAB obtained an insurance wrap from an insurance company to cover the payment risk.

This resulted in an insurance-backed receivable discounting solution, fulfilling the client's objective of receiving quick payment without adding debt.

This working capital solution – provided by FAB revolves around discounting receivables and using insurance – demonstrates our customer centricity and ability to come up with innovative solutions to assist clients with their day-to-day business needs quickly and efficiently.

Strategic Differentiation and Customer-Centric Approach

Distinguishing itself from competitors, CCB leveraged its strong capital, robust balance sheet, and execution capability to deliver unparalleled customer experiences. With a network spanning 20 branches across major international locations, the division prioritised speed of execution, digital innovation, and exceptional customer service, reflected in consistently high Net Promoter Scores (NPS).

Balancing Commercial and SME Focus

FAB's commitment to excellence in corporate and SME banking remained unwavering in 2023.

Distinguished by its robust capital and execution capabilities, FAB's Corporate and Commercial Banking division continued to differentiate itself in the market. Leveraging its extensive branch network and agile execution, FAB cemented its position as the preferred banking partner for corporates and SMEs alike.

The division's focus on SMEs is in line with FAB's dedication to supporting entrepreneurial ventures and fostering economic growth. To proactively address the evolving needs of SMEs, FAB invested in digital capabilities aimed at enhancing SME banking services and customer engagement. Collaborations with government agencies and fintech start-ups further demonstrated FAB's commitment to driving SME growth and ecosystem development.

**WELCOME TO
THE SAFEST
BANK IN THE
MIDDLE EAST**

We always see more for
your financial security



CCB continues to be a market leader in delivering innovation and forging new partnerships. 2023 highlights include:



Leading on ESG initiatives, including sustainable CASA products and ESG deals in Kuwait



Initiating new collaborative partnerships with

- **Women in Family Business**
- **MoU with the UAE's Ministry of Industry and Advanced Technology (MoIAT)**
- **MoU with Abu Dhabi Department of Economic Development (DED)**
- **Launch of a corporate card in collaboration with Magnati**



Gaining recognition by the Abu Dhabi Municipality (FAB GTB) as a strategic partner as it won major escrow account deal

CASE STUDY:

Treasury Centralisation for a Family Conglomerate

When a Dubai-based, diversified family conglomerate operating in multiple sectors — including retail, automotive, financial services, and healthcare — across the GCC sought to centralise its treasury operations in order to better accommodate growth and deal with Covid-related challenges, FAB, with its expertise in treasury management and liquidity management, was mandated to carry out the initial setup with a key focus on streamlining processes, integrating with back-end systems, and enhancing control and visibility.

FAB initiated a proof of concept by establishing one entity as the main treasury hub. A cash consolidation model was implemented, allowing daily automated fund movements from the

subsidiary accounts to the header account. Real-time fund checks were introduced to ensure uninterrupted operations at the entity level. The setup facilitated efficient cash utilisation, reducing the need for overdrafts and optimising deposit classes.

The centralised treasury model provided greater control, visibility, and efficiency in cash management, so funds are placed where needed instead of remaining idle in multiple entities. Additionally, account rationalisation through virtual accounts reduced operational costs and improved the reconciliation processes. FAB also implemented advanced check scanning deposit solutions for the conglomerate, enhancing control and efficiency in handling cash transactions.

CASE STUDY:

Virtual Accounts and API Integration for an Insurance Company



When a large UAE insurance company was confronted with fragmented collections and manual reconciliation processes, the company sought innovative solutions from FAB.

Leveraging virtual account propositions and seamless API integration, FAB consolidated multiple collection accounts into a single

bank account, enabling real-time updates on premium collections and immediate reconciliation.

This transformative approach streamlined operations, enhanced efficiency, and optimised cash management capabilities, aligning perfectly with industry trends.

2023 Corporate and Commercial Banking Awards



Global Finance

Best Supply Chain Finance Provider in the Middle East

Best Trade Finance Services in the Middle East

Best Bank for Liquidity Management in the Middle East

Best Integrated Corporate Banking Platform in the UAE

Best Trade Finance Provider in the UAE

Best Cash Management Bank in the UAE

Best Trade Finance Services in the UAE

Best Online User Experience (UX) Portal in the UAE

Best Mobile Banking App in the UAE



The Digital Banker

Best Bank for Transaction Banking Services in the Middle East

Best Bank for Cash Management in the Middle East

Best Bank for Payments and Collections in the Middle East

Best Blockchain Initiative

Best Virtual Account Initiative



Global Trade Review

Best Trade Finance Bank in the Middle East

Best Trade Finance Bank in the UAE

Achieving Export Growth in Saudi Arabia



MEA Finance

Best Open Banking Payments Project

Most Innovative Emerging Technology Implementation

Best Branch Digitisation Implementation – UAE

Best Treasury Management Implementation

Best Sustainable Finance Initiative

Best ESG Strategy
Best Product Launch for Sustainability linked SCF Solutions



The Banker

Best Transaction Bank – Middle East



Trade Finance Global

Supply Chain Finance Deal of the Year

Sustainable Trade Initiative of the Year

Consumer Banking

Consumer Banking growth was driven by targeted consumer-centric initiatives, amplified digital experiences, and the introduction of unique service offerings.

94%



Transactions conducted digitally



30%

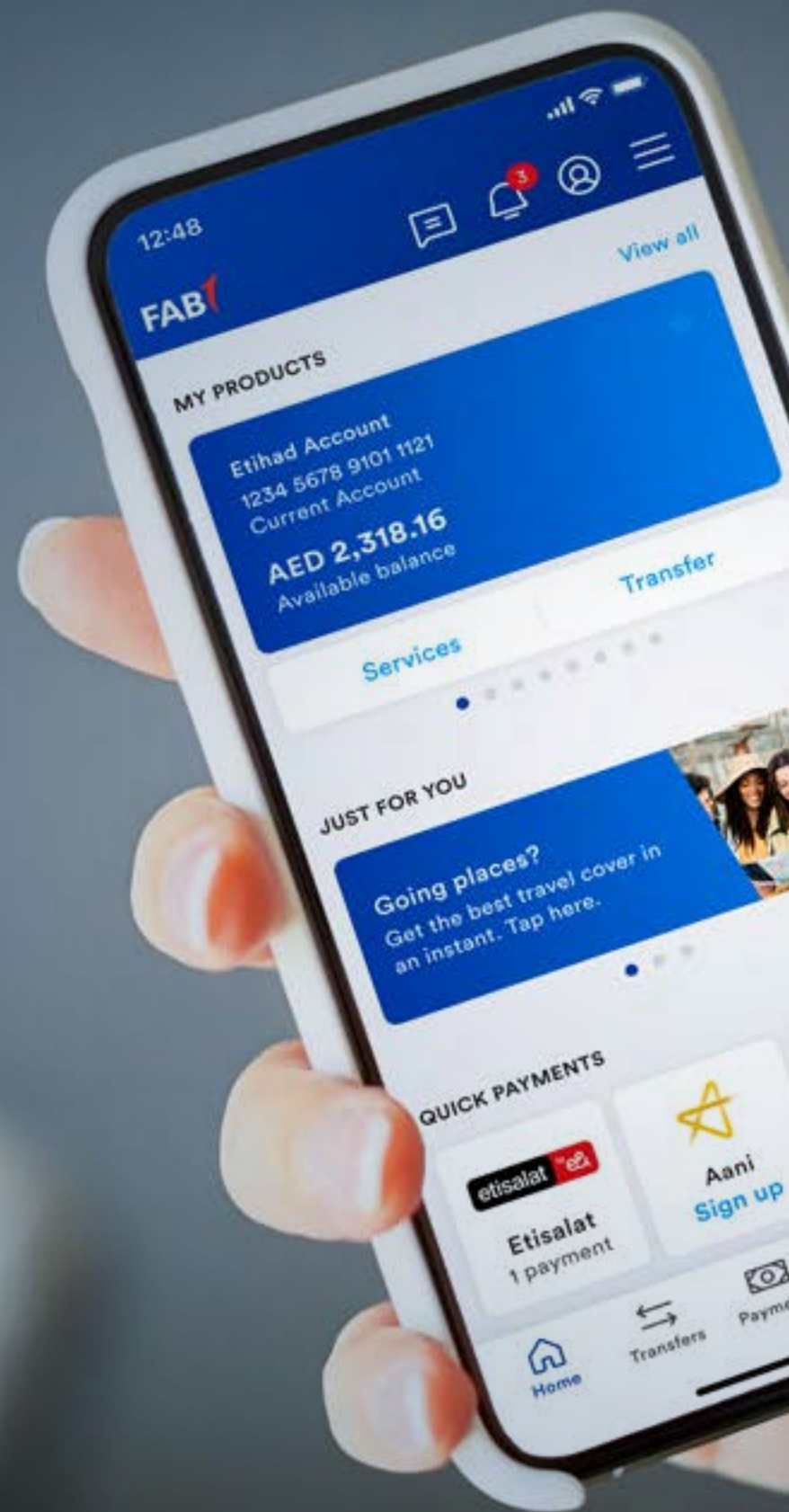
Increase in digital and Payit wallet users

With an expanding global footprint, FAB's Consumer Banking Group (CBG) offers an extensive array of products and services to a diverse base of client segments through a robust UAE-based retail network and acclaimed digital platforms. CBG targets consumer and elite segments across conventional and Islamic banking. The division's product range includes everyday banking products such as current accounts, deposits, credit cards, loans, and wealth products.

Consumer Banking demonstrated strong growth in 2023 with AED 3.8 billion in revenue, fueled by solid balance sheet expansion and greater fees and commission income. The bedrock of this performance lies in a client-centric approach, a large customer base, competitive product offerings, cutting-edge digital customer journeys, a skilled in-house talent pool, and operational capabilities that seamlessly align with strategic goals.

Customer deposits witnessed yoy growth of 19% reaching AED 77.2 billion, driven by new digital offerings and a strategic focus on growing primary relationships. Consumer-centric initiatives yielded 56% growth in new retail customer acquisitions and a 85% surge in the sales of Current Account and Savings Account (CASA) products. CASA balances have grown by AED 9.8 billion while fixed deposits have grown by AED 12.8 billion.

Customer loans were up 9% yoy reflecting strong sales momentum in mortgages, credit cards, personal loans and Islamic offerings. Our personal lending products book grew by AED 5.1 billion, a 10% increase yoy. Mortgages grew 15.3% and Islamic personal finance grew by 41%. Overall acquisition in everyday lending products grew by 33% yoy.



2023 Highlights

AED 3.8 bn
Revenue
(+4% yoy)

14 %
Contribution to Group
operating income

AED 77 bn

Customer deposits
(+19% yoy)

AED 57 bn

Customer loans
(+9% yoy)

315 K

New retail customers
(+56% yoy)

Strategic Initiatives

FAB's CBG strategy revolves around positioning itself as the preeminent bank across all target segments, fostering relationships with customers through a leading banking experience.

In response to the UAE's evolving status as a global talent hub, FAB directed substantial resources towards becoming the primary bank for diverse customer segments, including elite, mass market, Emiratis, expatriates, and young adults. This strategic approach facilitated the customisation of services to suit the diverse needs of FAB's clientele, thereby successfully deepening relationships.

Customer-centricity played a pivotal role in this growth trajectory, employing attractive propositions and streamlined processes to onboard customers and enhance relationships. We successfully launched multi-product propositions to address the unique needs of priority segments.

Successful IPO Engagement

Amid an ever-increasing influx of Initial Public Offerings (IPOs) in the UAE, CBG facilitated customer participation through the FAB Mobile platform, connecting to both the Dubai Financial Market (DFM) and Abu Dhabi Securities Exchange (ADX). In 2023, FAB supported five IPO's raising AED 1.4 billion.

Pioneering Innovation

FAB continues to be at the forefront of innovation in the banking sector, aligning its product offering with the evolving needs of its clientele. The push towards digitisation continued with the consolidation of the award-winning FAB Mobile application as the primary customer interaction point, allowing physical channels to transform and enhance customer relationships.

- First bank in the region to introduce SlicePay, a groundbreaking Buy-Now-Pay-Later card powered by Mastercard that allows customers to pay for purchases in four interest-free instalments securely and conveniently.
- Inaugural contributor to the Aani app, a revolutionary payment platform introduced by the Central Bank for 24/7 digital payments.
- Partnered with Magnati, a leading UAE-based payment solutions company, to offer a prepaid card with a top-up feature from Abu Dhabi Pay (ADPAY).
- Launched multi-product offers, accounting for approximately 20% of overall sales.
- Elevated our customer onboarding experience to become even more seamless by introducing UAE PASS integration and advanced facial recognition.
- Added digitalised service requests, including online IBAN letter generation, changing transfer limits, and real-time rewards features, resulting in a 30% yoy increase in mobile registered customers and active users.

Embracing Digital Transformation

To further accommodate customer needs, FAB Chat, the Bank's messaging platform powered by AI, provides instantaneous responses to inquiries and concerns, facilitating swift and efficient transactions.

In 2023, FAB ventured into the insurance marketplace by partnering with Turtlefin, India's largest insurance technology platform. This collaboration enables the

bank to meet the end-to-end insurance servicing needs of its customers as insurance intermediaries digitise insurance sales and services.

To further enhance security, FAB launched the Emirates Facial Recognition Capability (EFR) on FAB Mobile, a development that complements the bank's robust security measures, enabling users to transact with confidence.

LET US TAKE YOU ON DIGITAL JOURNEYS

We always see more ways to make our customers' lives simpler



Commitment to Sustainability

The year 2023 witnessed the introduction of the FAB Rewards Elite Card, an eco-friendly proposition conveying the message, "Nurture Nature with Every Purchase." This environmentally conscious card promises to plant a tree after the customer's first purchase and every AED 50,000 spent thereafter. Accelerated earn rates on eco-friendly merchants and redemptions further support UAE coral reef restoration initiatives. More than 50% of FAB credit card products now use recycled plastic and all FAB and Dubai First credit cards include digital inserts eliminating the need for paper booklets.

Future Outlook

Consumer Banking is capitalising on its current momentum to propel transformative growth. The division is dedicated to advancing innovative initiatives, and delivering distinctive offerings within and beyond traditional banking boundaries. This strategic approach positions the bank to expand market share in acquisition through a multi-channel strategy, incorporating staff-assisted, customer-initiated, and third-party sales.

2023 Awards

Global Finance Digital Bank Awards

- 🏆 'Best Consumer Digital Bank UAE'
- 🏆 'Best Mobile Banking App UAE'
- 🏆 'Best User Experience Design UAE'
- 🏆 'Best Innovation and Transformation' for the NHL app.

MEA Finance Banking Technology Awards

- 🏆 'Best Digital Wallet User Experience'

Leaders in Fintech Awards by Entrepreneur Middle East

- 🏆 'Best E-wallet'

Global Private Banking

Global Private Banking serves Ultra High Networth and High Networth customers across both conventional and Islamic banking with sophisticated investment solutions, brokerage services and everyday banking products.

GPB offers its clients a comprehensive range of best-in-class products and services across its international footprint in the UAE, Switzerland, Saudi Arabia, Singapore, UK and France.



Investment Products and Services

- Trade execution services
- Investment advisory services
- Discretionary portfolio management (DPM)
- Private market investments
- FAB funds
- Global (third party) funds
- Structured Products
- Custody services



Lending and Custody Services

- Lombard financing solutions
- Specialised lending
- Commercial and residential real estate lending
- Custody services

FAB's Global Private Banking (GPB) division stands as the leading wealth manager in the region and the preferred financial institution for family offices, ultra-high net worth (UHNW), and high net worth (HNW) individuals. GPB offers a comprehensive array of products and services, including tailored wealth management solutions, portfolio management, and advisory services. FAB distinguishes itself as one of the select local banks providing a fully fledged global custody service. GPB further enhances its offerings through a comprehensive open architecture platform featuring third-party providers delivering best-in-class investment solutions.

Double-digit growth driven by new client acquisitions and expanding AUMs

GPB achieved stellar results in 2023, recording 14% yoy increase in revenue that can primarily be attributed to accelerated client acquisition and higher investment-related income. Investment AUMs grew by 22% yoy while customer deposits saw a growth of 14% yoy due to the higher interest rate environment and FAB's attractive deposit offering. Despite global deleveraging due to higher interest rates, our loan book grew.



United Kingdom
Switzerland
France

Saudi Arabia
UAE

Singapore

بنك أبوظبي الأول
FAB
First Abu Dhabi Bank

PRIVATE BANKING

FAB Private Banking clients significantly benefit from our diverse range of wealth solutions that are designed to meet their needs.

2023 Highlights

AED **1.2** bn
Revenue
(+14% yoy)

4%
Contribution to
Group operating
income

22%
Growth in Assets
Under Management
(AUM)

AED **32** bn
Customer deposits
(+14% yoy)

AED **29** bn
Customer loans
(+5% yoy)

Furthermore, our Investment Advisory services in the UAE saw a yoy growth of 25%, bringing the total assets under advice to over AED 5 billion.




FAB Asset Management recorded strong inflows of more than AED 2.5 billion, driven by the launch of an innovative new Money Market product offering. Our equity funds remain among the top performing in the region relative to peers and have received multiple industry recognitions.

FAB Securities contributed more than 4% to the overall operating income of GPB while achieving a 20% growth in assets under management.

New investment product offering

In 2023, FAB entered into a strategic partnership with HALO Investing to launch a Structured Products Platform, leveraging cutting-edge technology to streamline the investment process for structured notes, thereby enhancing accessibility for investors while optimising offerings for financial institutions.

In keeping with our commitment to offering our customers liquidity while improving portfolio performance, we unveiled five new Evergreen Liquid Private Market Funds in collaboration with leading global asset managers. The funds add attractive investment opportunities across multiple asset classes, including private credit, real estate debt, corporate debt, and private equity:

	Fasanara Global Diversified Alternative Debt Fund (exclusive regional partner): Offers exposure to a globally diversified alternative credit portfolio with Real Economy Impact investing in trade receivables and loans bought from underserved SMEs across the globe.
	PIMCO Tactical Opportunities Fund (exclusive regional partner): Utilises PIMCO’s flagship alternative credit strategy spanning both public and private credit markets, the fund targets assets globally in less crowded areas of real estate, corporate, and specialty credit markets.
	Muzinich MLoan Fund (exclusive regional partner): Utilises an income-generating private debt strategy that focuses on lending to conservatively capitalised European middle market companies. The Fund seeks to preserve capital, even in inflationary periods, through a well-diversified portfolio of floating rate instruments.
	Hamilton Lane Global Private Assets Fund: Enables access to a diversified private markets portfolio through a single allocation.
	Partners Group Global Value: A diversified private markets portfolio, with asset allocation across direct investments, primaries and secondaries, and offering a wide range of vintage diversification.

In 2023, FAB Securities launched an innovative Mobile Trading Application that yielded substantial benefits and enhanced the overall customer experience.

A customer-centric approach

FAB launched a new paper-to-paperless initiative that offers clients an alternative method to submit service requests for everyday products and services such as additional account opening, funds transfer, cheque book requests, and fixed deposits. GPB continued to streamline its KYC processes for clients, with the simplification of KYC refresh into a single document. The division also operates a dedicated Global Private Banking Back Office for Account Maintenance and Wealth Operations, further enhancing operational efficiency.



“ We unveiled five new Evergreen Liquid Private Market Funds in collaboration with leading global asset managers.”

In cooperation with Mubadala Capital, GPB has participated in the launch of **Mubadala Capital Alternative Solutions** where we saw record subscriptions for private equity with over AED 170 million in AUMs raised. The bank also successfully launched the **FAB Fixed Maturity Plan Series 1** raising over AED 290 million in AUMs.

New sustainable investment products

In line with FAB’s standing as the banking sector’s sustainability pace setter, Global Private Banking launched the **FAB Sustainable Development Goals**

(SDGs) Fund which invests in a manner that is consistent with the Bank’s ESG agenda.

Looking ahead, GPB aims to further accelerate growth by enhancing client acquisition strategies, increasing investment volumes and Non-Fund Income (NFI), and completing strategic deployments in key markets. FAB will continue to focus on developing and promoting innovative investment solutions, fostering synergies across business lines to reinforce its position as a leading provider of private banking services in the GCC.

2023 Global Private Banking Awards



Private Bank

**Best Private Bank
in UAE – 2023**

*Professional Wealth
Management (PWM)
The Banker*

Best Private Bank in UAE
International Finance

**Best Private Bank Servicing
the United Arab Emirates**
WealthBriefing MENA

**Best Private Bank Servicing
the Kingdom of Saudi Arabia**
WealthBriefing MENA



Products & Services

Best ESG Offering
*Private Banking
International Global
Wealth Awards*



FAB Securities

Best Online Trading Platform
International Finance

**Most Innovative Mobile
Trading Application**
International Finance



Asset Management

Best Sukuk Islamic Fund
FAB Asset Management
MEA Finance Awards

**Best Discretionary Portfolio
Management (DPM) Offering**
WealthBriefing MENA

**Best Equity Fund (UAE
Trading Fund)**
FAB Asset Management
WealthBriefing MENA

**Best Fund Manager
(Fixed Income)**
FAB Asset Management
WealthBriefing MENA

“ The Asset Management business performance led to an inflow of more than AED 2.5 billion, driven by the launch of an innovative new Money Market product offering.”

International Operations

FAB's strategic global footprint spans 20 markets across the Middle East and Africa, Asia Pacific, Europe and the Americas helping to facilitate trade, liquidity, and investment flows.

International operations delivered a robust financial performance in 2023 building upon the record growth that was achieved the previous year. FAB's vast network of international branches remains one of its key competitive differentiators, offering enhanced connectivity to clients and capturing the growing influx of trade and investment flows to and from the GCC and MENA region.

Sustained pick-up in business momentum resulted in an 11% increase in revenue yoy, with the Middle East and North Africa (MENA) contributing 68% of international revenue.

This growth underscores the success of the Group's strategic development of value-added products across Global Transaction Banking (GTB) and Global Markets (GM), which achieved growth rates of 26.4% and 11.2%, respectively. International Banking remains a pivotal contributor to the Group's liquidity, with both international loans and deposits constituting 20% of Group loans and deposits. Landmark General Collateral Financing (GCF) deals played a crucial role in securing liquidity and growing the loans and deposits books, which increased by 7% and 2%, respectively, yoy.

The bank's international presence, spanning 20 markets across the Middle East and Africa, Asia Pacific, Europe, and the Americas, witnessed substantial growth in 2023. Consequently, international operations contributed 19% of the Group's operating income.

Cost efficiency remains a cornerstone of the Bank's sustained growth, with a steadfast commitment to maintaining a cost-to-income ratio of 34%. The implementation of outstanding methods and practices facilitates this efficiency, resulting in a commendable 21% yoy growth in operating profit.

Expansion Strategy

Active client engagement practices, including visits by senior management to key markets — such as Saudi Arabia, Bahrain, US, UK, France, Switzerland, India, Singapore, and China (Mainland and Hong Kong) — enrich the customer experience and deepen client relationships. In 2023, there was a notable increase in new-to-bank (NTB) clients across business segments including IB, CCB and retail banking clients in KSA and Oman.

The bank is thus well-positioned to capitalise on the upward trajectory of international operations, finalising plans for Corporate and Commercial Banking's international expansion, with a rollout strategy in place for MENA and India.

Future Outlook

International Banking expects ongoing strong momentum, propelled by sustained strategic initiatives and market momentum. The integration of International Banking within the Investment Banking Group reflects a new era of synergistic collaboration, unlocking enhanced alignment and efficiency across the organisation. This strategic realignment positions FAB to capitalise on emerging opportunities and better serve clients across the network with tailored financial solutions.

WE BRIDGE THE WORLD

We always see more by having a presence in 20 countries



2023 Highlights

AED **5.3** bn

Revenue
(+11% yoy)

19%

Contribution to
Group operating
income

68%

contribution of MENA
to international revenue

+7%

Increase in
international loans

+2%

Increase in
international deposits

Operating Income by Region



■ UAE 81%
■ International 19%

Our Technology Evolution Journey

FAB continued to make progress on its digital transformation, leveraging cutting-edge technology to elevate customer experiences, drive operational efficiency, and fortify security measures.

By embracing agile methodologies and advancing Development, Security, Operations (DevSecOps) capabilities, FAB has demonstrated its commitment to innovation and digital transformation, solidifying its position as a frontrunner in the industry. This dedication culminated in the successful rollout of a relevant number of new services in 2023 and a steadfast pledge to continuously push the boundaries of technological excellence, making headway in AI-driven automation, Open Banking, metaverse exploration, and enhanced security.

FAB remains committed to modernising and enhancing systems, guided by the principle that all systems developed or acquired will expose data and functionality through Application Programming Interfaces (APIs). The strategic vision entails seamless communication between systems mainly through service interfaces, designed for externalisation, enabling swift customer journeys, leveraging data for enhanced customer experiences, and potential monetisation of APIs.

Driving Digital Excellence

In 2023, significant strides were made in aligning systems. Notably, over 400 APIs were modernised from legacy monolithic platforms to a cloud-based infrastructure, alongside the adoption of a cloud-based API gateway. This transition underlined API integration as the standard practice within FAB.

Furthermore, the implementation of an Enterprise Identity Provider (IdP) platform bolstered the ability to securely expose APIs. Authentication was standardised using JSON Web Tokens (JWTs), reinforcing API security.

In tandem, FAB diligently expanded its open and external APIs, leveraging the Developer Portal (accessible at developer.bankfab.com) as a cornerstone for innovation. These advancements not only accelerate internal customer journey development, but also empower external partners and customers to seamlessly integrate their systems with FAB banking services. Whether integrating ERPs or serving as distribution channels, the APIs foster a dynamic ecosystem of collaboration and innovation.

Our Strategic Objectives and Supporting Investments

Comprehensive Technology Roadmap

We developed a comprehensive Technology Roadmap meticulously aligned with FAB's strategic vision. This roadmap serves as our compass, aiding in the identification and prioritisation of technology investments. By doing so, we ensure these investments directly contribute to our overarching FAB digital transformation goals.

Cross-Functional Collaboration

At FAB, we foster collaboration between our technology teams and business units, ensuring seamless alignment with departmental needs and objectives. This unified approach serves as the backbone of our digital transformation agenda, facilitating an environment where innovation thrives, and collective success is achieved.

Fostering Innovation and Transformation

Innovation lies at the heart of our strategy. Through investments in Open Banking, AI-driven automation, DevOps integration, metaverse exploration, and global expansion strategies, we continuously push boundaries, fostering collaboration and embracing transformative initiatives. These investments not only drive operational efficiency, but also position us as market leaders.

Agile and Iterative Development

Embracing agile methodologies and iterative development processes enables us to swiftly respond to evolving business needs. By implementing cutting-edge payments hubs and modernising our architectural frameworks, we ensure our technology investments remain agile and adaptive, aligned with our digital transformation objectives.

Customer-Centric Technology Investments

We place our customers at the forefront of our technological endeavours. Investments in transforming CRM and contact centre experiences, enhancing self-service capabilities with AI-powered virtual assistants, and elevating channel experiences ensure that every interaction with FAB is seamless, intuitive, and tailored to meet evolving customer expectations.

Talent Development and Acquisition

Investing in talent development and acquisition strategies is paramount in equipping our workforce with the skills needed for our digital transformation journey. By aligning training and recruitment efforts with our technology requirements, we ensure our team remains at the forefront of innovation and excellence.

Compliance and Regulatory Adherence

Maintaining compliance with regulatory requirements and standards is non-negotiable. Investments in continuous biometric-based authentication reinforce our commitment to security and regulatory adherence, safeguarding the integrity of our digital transformation initiatives.

Key Performance Indicators (KPIs) and Measurement

We define and track Key Performance Indicators directly tied to our digital transformation goals. Establishing clear metrics provides invaluable insights into the effectiveness of our technology investments, guiding us towards achieving our strategic objectives with precision and clarity.



Infrastructure Enhancement and Digital Transformation

Strengthening the Cloud

Between 2022 and 2023, FAB closed two legacy data centres, with plans underway to decommission two additional centres (Khubeirah & Khalifa) by mid-2025. This strategic consolidation will streamline operations, leaving the bank with only three data centres (Production, Disaster Recovery, and User Acceptance Testing).

In 2024, our primary focus is migrating all cloud-compatible workloads from Khubeirah and Khalifa DCs to either AWS or Azure platforms. Simultaneously, FAB is transitioning its data centre hardware procurement model from CAPEX to OPEX, embracing a “pay-per-use” approach. This transition eliminates the need for costly hardware refreshes every five years, ensuring greater financial efficiency and scalability.

Automation is central to optimising cloud operations, with automated workload shutdown during off-peak

hours improving cost efficiency and resource utilisation, particularly in non-production environments.

Furthermore, Core42 leads the launch of the “CBUAE Sovereign Controls Service,” enhancing cloud security by providing real-time insights into CBUAE’s policy compliance. FAB’s adoption of “infrastructure as code” automates infrastructure provisioning and scaling, tightening governance and optimising costs. Embracing automation mitigates the risk of “configuration drift,” a common challenge in manual workflows, ensuring consistency and reliability in deployment pipelines.

Looking ahead, a significant milestone in the roadmap involves increasing the number of cloud-hosted applications to represent 60% of FAB’s landscape by the end of 2026, up from 21% at the end of 2023.



Building a Business-Aligned Target State Architecture

The target state architecture established for FAB (Consumer Banking, Corporate, Commercial and Investment Banking, Global Markets, Core Systems,

and Enablement and Control Functions) operates on key principles and delivers significant benefits including:

Emphasising **consolidation and simplification**, the approach aims to eliminate capabilities and application duplications to maximise reusability across the organisation.



To achieve **scalability at a reduced cost**, UAE-based public cloud services are leveraged, minimising infrastructure expenses while ensuring the ability to scale to meet increasing volumes efficiently.

Speed to market is enhanced through a microservices-based architecture, simplifying changes, accelerating delivery timelines, and ultimately reducing costs.



Readiness for **partnerships and external integration** is embraced by leveraging an Open API ecosystem, allowing the offering of additional services and seamless integration with external partners for enhanced customer experiences.

Increased **automation and service availability** are prioritised, empowering customers to fulfill their needs automatically, without requiring intervention from FAB staff, thus ensuring high service availability whenever customers require assistance.



Future proofing and innovation are central to the strategy, as artificial intelligence is embedded into applications to create new user experiences and increase operational efficiency.

Improving Operational Efficiency

Streamlined Software Development Process

Within FAB's Group Technology teams, the adoption of Continuous Integration and Continuous Delivery (CI/CD) methodologies has revolutionised our software development process, enhancing operational efficiency and reliability. By reducing deployment times and errors, we have achieved higher deployment frequencies, a lower change failure rate, shortened lead times for changes, and a faster mean time to recovery in the event of new release crashes.

Automation and Modernisation

Our technological evolution includes the automation and modernisation of our digital platform, reducing operational costs. Furthermore, the transformation of the API platform provided an additional layer of security, ensuring the validation of API calls, implementing robust authentication and authorisation protocols, and fortifying defences against OWASP attacks. Revamping software repository management and implementing stringent access controls ensure integrity and resilience against emerging threats.

Cloud Adaptation and Microservices Modernisation

Embracing cloud infrastructure and modernising microservices architecture have led to 39% reduction in operational costs and enhanced scalability. Cloud-native solutions foster agility and cost-effectiveness, positioning us for sustained growth and innovation.

Effective Team Collaboration

Efficient collaboration among teams is paramount to driving technological innovation. By leveraging collaboration platforms, such as Jira, Confluence, Gitlab, Nexus, and Teams, we streamline operations and enhance productivity, facilitating effective knowledge sharing, project management, and decision-making processes.

ServiceNow Implementation

The implementation of ServiceNow has been instrumental in revolutionising IT service management at FAB. This unified platform has automated and streamlined various processes, including incident management, change, service request, and configuration management. The seamless integration of workflows and centralised information has led to reduced resolution times, improved service delivery, and enhanced collaboration among IT teams. ServiceNow's proactive approach to IT service management has further augmented operational efficiency, enabling FAB to adapt swiftly to evolving business needs.

Real-Time Visibility into Application Performance

FAB's commitment to technological excellence extends to real-time monitoring and performance management. By leveraging advanced tools and analytics, FAB has gained unparalleled visibility into application performance. This proactive approach enables rapid identification and resolution of performance issues, minimising downtime and ensuring optimal system reliability. As a result, FAB has achieved faster Mean Time to Resolution (MTTR) and increased operational efficiency.

Customer registration and engagement

Digitally registered users

76%

as a percentage of eligible users

Digitally active users

81%

as a percentage of registered users

Digital customer registrations

+32%

yoy increase

Digital transaction and sales

CASA onboarded digitally

87%

+134% increase yoy

Digital transactions

94%

as a percentage of total transactions

Digital transactions growth

+30%

yoy increase

Customer experience

Digital NPS

55.6

as of Dec. 2023

Service requests processed digitally

1.6mn

on average per month

FAB Mobile Banking App ratings

★★★★☆

App Store 4.6/5

Google Play 4.6/5

Customer-Centric Initiatives

Enhancing Customer Experience through Analytics and AI

In enriching customer experience through analytics and artificial intelligence, FAB employs a strategic approach that seamlessly integrates continuous integration and continuous deployment (CI/CD). This framework allows for swift iterations based on customer feedback, leading to the continuous enhancement of customer-facing features and services. By swiftly deploying new features or fixes, FAB demonstrates its responsiveness to evolving customer needs, consequently improving service response times and resolution rates. The adoption of CI/CD not only accelerates software development but also fosters a dynamic and responsive organisational structure, ultimately enhancing customer satisfaction and operational agility.

The enterprise security and API platform play pivotal roles in FAB's quest for delivering exceptional service. They underpin the implementation of the National Payment Systems Strategy (NPSS), ensuring the secure exposure of payment systems to customers and laying the groundwork for open banking and open finance initiatives. Moreover, FAB's enterprise

identity platform ensures frictionless security protocols, enabling customers to access banking services with ease and confidence.

FAB's digital platform acts as a catalyst for synergies across the bank, enabling the delivery of faster and superior customer experiences. Leveraging technology for data-driven decision-making further enhances user experiences, as insights gleaned from analytics inform strategic improvements in service delivery.

Continuing to integrate service management tools, processes, and automation into its digital strategy, FAB Group Technology consistently strives to optimise customer experiences. These tools not only streamline workflows and automate routine tasks but also enable proactive issue resolution, leading to faster response times and increased service reliability. Additionally, leveraging data-driven insights, both Technology and Business teams identify and address areas for improvement, ensuring continuous refinement of services to exceed customer expectations.



CASE STUDY:

Driving Efficiency Using Digitisation



In response to challenges within Commercial Banking's product delivery, FAB devised a comprehensive strategy to overcome hurdles and drive efficiency.

Initially, FAB acknowledged hurdles posed by project-based short-term funding and post-project team disbandment, complicating transitions and hindering strategic planning.

To address these obstacles, FAB launched a multifaceted initiative: Meticulous stakeholder analysis led to the creation of a cohesive value stream, fostering collaboration and alignment. Transitioning to product-based agile squads ensured stable teams focused on specific products, promoting cross-functional collaboration and knowledge transfer. A robust governance framework was established to guide product delivery initiatives, ensuring clarity in roles, responsibilities, and decision-making processes.

These efforts yielded substantial achievements. Empowering stakeholders in decision-making processes facilitated a holistic approach to

delivering overall value, aligning initiatives with long-term organisational goals. Product-based funding improved resource and knowledge retention, while streamlined processes reduced duplication in time-consuming tasks, minimising operational redundancies.

The successful launch of the commercial banking onboarding and transaction platform within a short timeframe underscored the effectiveness of the adopted model. Efficiency in product delivery was significantly enhanced, with reduced timelines and the adoption of cutting-edge technologies, such as cloud services and the SAAS model, ensuring scalability and robustness. Enhanced collaboration across business, enablement functions, and technology further bolstered the overall product delivery ecosystem.

This case study exemplifies FAB's commitment to overcoming challenges and driving innovation in Commercial Banking product delivery, showcasing the power of strategic planning, stakeholder engagement, and cross-functional collaboration in achieving transformative results.

Pioneering Innovation and Digital Transformation at FAB

Over the past six months, FAB has led the charge in groundbreaking initiatives, revolutionising the banking landscape. Collaborating with industry leaders like

Mastercard and TurtleFin, we have introduced instant remittance corridors and Travel and Lifestyle insurance, setting new standards for convenience and protection.



FAB's focus is threefold



Expanding Agile Methodology:

extending agile practices beyond traditional boundaries, incorporating them into downstream systems and control functions. This broader adoption enhances flexibility and responsiveness across the organisation.



Enhancing DevSecOps Practices:

intensifying efforts to embed security into every stage of the development process across all digital platforms. Strengthening DevSecOps ensures that security is an integral part of the digital ecosystem.



Developing Reusable Frameworks:

investing in reusable frameworks that streamline development efforts and foster consistency across teams. By standardising development practices, FAB's teams are encouraged to innovate efficiently and deliver high-quality solutions.

FAB Research and Innovation Centre

The FAB Research and Innovation Centre (FABRIC) has become a mainstay within the wider Group and continues to be an enabler of tangible innovation amid constant, disruptive, technological change as well as rapidly changing customer expectations.

Since its inception, FABRIC's mission has been to empower teams to think differently, find the right

problems to solve, and develop new ways of working to support FAB's transformation journey.

The FABRIC Innovation Toolkit has become an inspiration and blueprint for other organisations, both in the UAE and beyond, looking to create an innovation muscle that helps to solve real business challenges through research, design thinking and emerging technology.

FABRIC
RESEARCH & INNOVATION CENTRE

We delivered more than 90 initiatives with teams across the bank, solving business challenges

creatively and collaboratively through the FABRIC Innovation Toolkit. These include:

01

Led the design and front-end build of a newly revamped Digital Banking client experience for our SME customers, for both mobile and web portals.

02

Earned an award as Anchor Partner of the Year at ADGM for our work in the digital assets' ecosystem with Hub71.

03

Hosted four Global Trends & Insights sessions, open to all colleagues across the bank, sharing the newest innovations and features being developed by banks worldwide.

04

Inspired the next generation of bankers, innovators, and technologists by partnering with multiple universities, including Zayed University and Hult International Business School, to address key FAB challenges and build creative prototype solutions.

05

Modelled the end-to-end Staff Banking experience, identifying areas of opportunity for the bank to better serve its employees and creating a programme of work to take this forward.

06

Educated FAB employees on the impact of emerging technologies by running MetaTech Day – a Group-wide event at the Head Office enabling hundreds of colleagues to interact with five prototypes.

07


Supported the blockchain startup ecosystem by advising 12 start-ups on their solutions, giving three of the best the chance to present their solutions to FAB and moving to prototyping phase.

08

Represented FAB at the Singapore Fintech Festival and Qatar Web Summit, engaging with a global ecosystem of regulators, corporates and start-ups to help define our strategy for important trends in 2024, such as open banking and embedded finance, cryptocurrencies, digital wallets, and more.

09

Launched a new form of field research for FAB, a Monthly Safari, where the team visits, tests and experiences other industries, such as Retail, Telecoms and Hospitality, leveraging the positive insights to inform our own strategies for branches, contact centre, servicing, and beyond.



**Redefining the purpose
of banking to deliver
a better tomorrow.**

► **Regional Sustainability Pacesetter**

- 100** 2023 Summary:
Celebrating a Pivotal Year of
Sustainability Achievements
- 102** 2023 Key Highlights
- 104** Sustainability Triumphs
in the UAE at COP28
- 108** Our Approach to ESG
- 110** Transitioning to a Low
Carbon Future
- 118** Capitalising on Our
Social Responsibility
- 126** Transforming Our
Governance Model

2023 Summary

Celebrating a Pivotal Year of Sustainability Achievements

In a year that saw the UAE proudly host COP28, we continued to make significant progress towards achieving our sustainable finance targets and reaching net zero by 2050.

At FAB, our unwavering commitment to sustainability underscores our recognition of finance's pivotal role in propelling a low-carbon and equitable economy.

In 2023, we continued to deliver against our goal of achieving net zero by 2050 by setting targets against our highest emitting sectors. We also, proudly, became the first bank in the MENA region to adopt the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations and published the corresponding report, showcasing our progress across the four key TCFD pillars of governance, strategy, risk management, and metrics and targets. Furthermore, in alignment

with the Glasgow Financial Alliance for Net Zero (GFANZ) recommendations, our Climate Transition Plan formed a key component of our TCFD report.

As the UAE's largest bank, our commitment to supporting the transition to a low-carbon future, remains a key pillar of our ESG agenda; as announced at COP28, we increased our lend, invest, and facilitate commitment by 80% in 2030, from USD 75 billion (set in 2021) to USD 136 billion in 2023.

Our dedication extends beyond financial commitments; we actively engage with a diverse set of programmes to create opportunities that would benefit our employees and clients, spanning

large corporations down to Small and Medium Enterprises (SMEs).

At COP28, we announced our collaboration with the SME Climate Hub, highlighting the necessity of driving deeper action and engagement with SMEs to ensure their businesses remain resilient in a net-zero future and that they play an active role in the global effort to decarbonise in line with the Paris agreement.

We also collaborate closely with community partners to create a thriving local environment. Throughout the year, our employees volunteered a total of 27,043 hours to supporting the community in which we live and work.

“FAB became the first bank in MENA to adopt the Task Force on Climate Related Financial Disclosure recommendations.”

ESG is seamlessly integrated into our core governance framework through dedicated committees overseeing the business linkage and implications of ESG strategy, ESG risk framework, and policy implementation. We are committed to cultivating a corporate culture that comprehends the significance of ESG matters in business, fostering collaboration and capacity building across various business lines.

This report showcases our efforts to lead the banking community to achieve the UAE's shift towards a low-carbon and sustainable economy.



2023 Key Highlights



Transitioning to a Low-Carbon Future

Green Finance

From 2022 to 2023, our sustainable financing was **USD 34.4 bn** (AED 126.3 bn)

Increased 2030 sustainable and transition finance target by 80% to **USD 136 bn** (AED 500 bn)

Total Green Bonds and sukuk outstanding at **USD 3.2 bn** (AED 11.8 bn)

Leading Climate Response in MENA

1st bank globally to sign COP28 Net Zero Transition Charter

1st bank in MENA to publish a **TCFD** report

Published the bank's **1st Principles for Responsible Banking (PRB)** report

Portfolio Decarbonisation

- Founding member of UAE Carbon Alliance
- Set net-zero targets for sectors that cover 90% of our financed emissions



Capitalising on Our Social Responsibility

Financial Inclusion

Supported SMEs with **AED 3.3 bn** in new lending and over **AED 6 bn** since 2022

Collaborated with **COP28** Presidency, Masdar, and Abu Dhabi Chamber to deploy the SME Climate Hub

Empowering Workplace

Emiratisation rate at **44%**, progressing towards our target of 50% by 2026

75% of employees participated in FAB Wellness Programme*

20% of senior leadership positions are held by women

Social Responsibility Efforts

- **27,043 hours** volunteered by staff to our community
- Partnered with Archireef to commit to the deployment of **100 square meters** of Reef Tiles and restore UAE coral reef habitats

*FAB Wellness is the bank's internal wellness programme that promotes activities that ensure the physical and mental well-being of all employees across the bank.



Transforming Our Governance Model

ESG Risk and Ratings

Rolled out **ESG risk assessments** to cover all corporate clients

Received best **Refinitiv ESG score** in the Middle East (**top 10% worldwide**).

Stood among high-rated in **MENA banks** by **MSCI**

Training & Capacity Building

99% of all employees completed ESG Risk Awareness Training

Launched bank-wide **Carbon Literacy Programme**

Launched **Frontiers in Sustainability** Executive Education Programme

FAB as Strategic Pathway Partner of COP28

- Hosted **73** expert panel sessions and **18** roundtables
- Sessions attended by over **5,000** (in person and virtual)
- More than **300** global thought leaders shared their perspectives

Sustainability Triumphs in the UAE at COP28

The UAE paved the way at COP28

2023 was declared as the “Year of Sustainability” in the UAE, and the nation achieved a historic milestone by securing the COP28 presidency. COP28 is noted as one of the most relevant UNFCCC Conference of Parties to date.

Among many ground-breaking initiatives and COP firsts such as a pledge to triple renewable energy capacity, a decision on the loss and damage fund to assist the Global South, the inclusion of actors traditionally left out of the conversation, a sustainable finance push, the first-ever health day and a trade day, one milestone was particularly relevant.

The world welcomed a landmark decision in which nearly 200 countries pledged to move away from fossil fuels, a breakthrough that came in the waning hours of the UN Climate Change Conference.

As a testament to the UAE’s commitment to a sustainable future, the nation led the charge in renewable energy initiatives, spearheading ambitious projects to triple global renewable capacity by 2030.

The banking sector played a pivotal role in this transformative journey, aligning seamlessly with the UAE’s Net Zero by 2050 ambition and energy diversification strategy.

Local banks actively embraced sustainability, launching frameworks, financing major renewable

projects, and contributing to environmental campaigns, thereby becoming instrumental partners in the national effort to combat climate change.

Their involvement underscored the synergy between financial institutions and the broader sustainability goals of the UAE.

FAB’s strategic partnership at COP28, a vision for sustainability

FAB was proud to be a strategic pathway partner of COP28; a partnership that represented an integral part of the UAE’s vision to support a sustainable future, as well as the bank’s broader growth strategy and its sustainability priorities.

As part of its COP28 sponsorship, FAB took part in a series of engagements and thought leadership initiatives throughout the summit. The FAB Pavilion at COP28 hosted expert panel sessions, roundtables, and other events, featuring more than 300 global thought leaders in daily sessions that were also livestreamed online.

Our approach to COP28 was defined by our six-point COP28 agenda (see next page).



Strategic Pathway Partner

FAB’s six-point COP28 agenda

1

Accelerating sustainable finance and advancing the UAE’s development as a green finance hub

FAB is committed to driving sustainable finance initiatives, fostering economic development through green investments, and positioning the UAE as a regional hub for sustainable finance.

2

Supporting clients and partners with the transition to net zero

Recognising the importance of transitioning to a net-zero economy, FAB pledged support to clients and partners in adopting sustainable practices and reducing their carbon footprint.

3

Growing ESG awareness and adoption among SMEs

FAB prioritised raising ESG awareness among SMEs to support the integration of sustainable practices into their business models.

4

Advancing effective carbon markets through production, innovation, and knowledge transfer

FAB contributed to the development of effective carbon markets by fostering innovation in production processes and facilitating the transfer of knowledge related to carbon reduction strategies.

5

Advocating for the restoration of natural ecosystems and biodiversity

Recognising the importance of biodiversity, FAB advocated for and actively contributed to initiatives focused on the restoration of natural ecosystems, aligning with global efforts to preserve biodiversity.

6

Empowering individuals for positive environmental action

FAB is committed to empowering individuals at all levels to take positive steps towards environmental action. The bank seeks to inspire a sense of responsibility and activism for a sustainable future.

Key achievements at COP28: a resounding success

The outcomes of COP28 set a strong precedent for global collaboration and sustainable development in the years to come. FAB successfully illustrated its regional leadership during COP28 through its strong credentials, significant cross-stakeholder engagements, and substantial commitments. Some of the key highlights included:



Becoming a signatory of the COP28 Presidency's **Net Zero Transition Charter** and joining the **Sustainable Market Initiative – Circularity Taskforce**



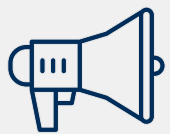
Expanding our transition finance commitment by **80% to AED 500 bn** (USD 136 bn), covering **50% of the commitment** made by the UAE Banking sector



Launching the **SME Climate Hub** campaign to ensure that **SMEs remain resilient in a net-zero future**



Hosting **73** panels, **18** roundtables which saw attendance (both virtually and in-person) by **over 5,000** individuals



7 MoU announcements with Engie, Paymate, Emirates Steel Arkan, ACWA, Tabreed, Mastercard PPC, and the Emirates Foundation to support the transition to a low-carbon and sustainable economy

tabreed

PayMate

مؤسسة الإمارات
emirates steel arkan

مؤسسة الإمارات
EMIRATES FOUNDATION

ENGIE

ACWA POWER
أكوا باور

mastercard



Regional Sustainability Pacesetter

Our Approach to ESG

We remain committed to the delivery of our ESG strategy through three main pillars:



Transforming Our Governance Model



Committing 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.

- **ESG KPIs** and **performance** disclosure
- **Remuneration incentives** linked to ESG
- **Whistleblower** policies and processes
- ESG-driven **governance structures**
- Embed **ESG risk framework**



Transitioning to a Low-Carbon Future



Becoming the model for sustainable finance in the MENA region and acting 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.

- UAE's regional leader in **sustainable finance**
- Embedding **ESG as part of vendor sourcing**
- **Carbon intensity** reduction
- Energy mix with **renewable sources**



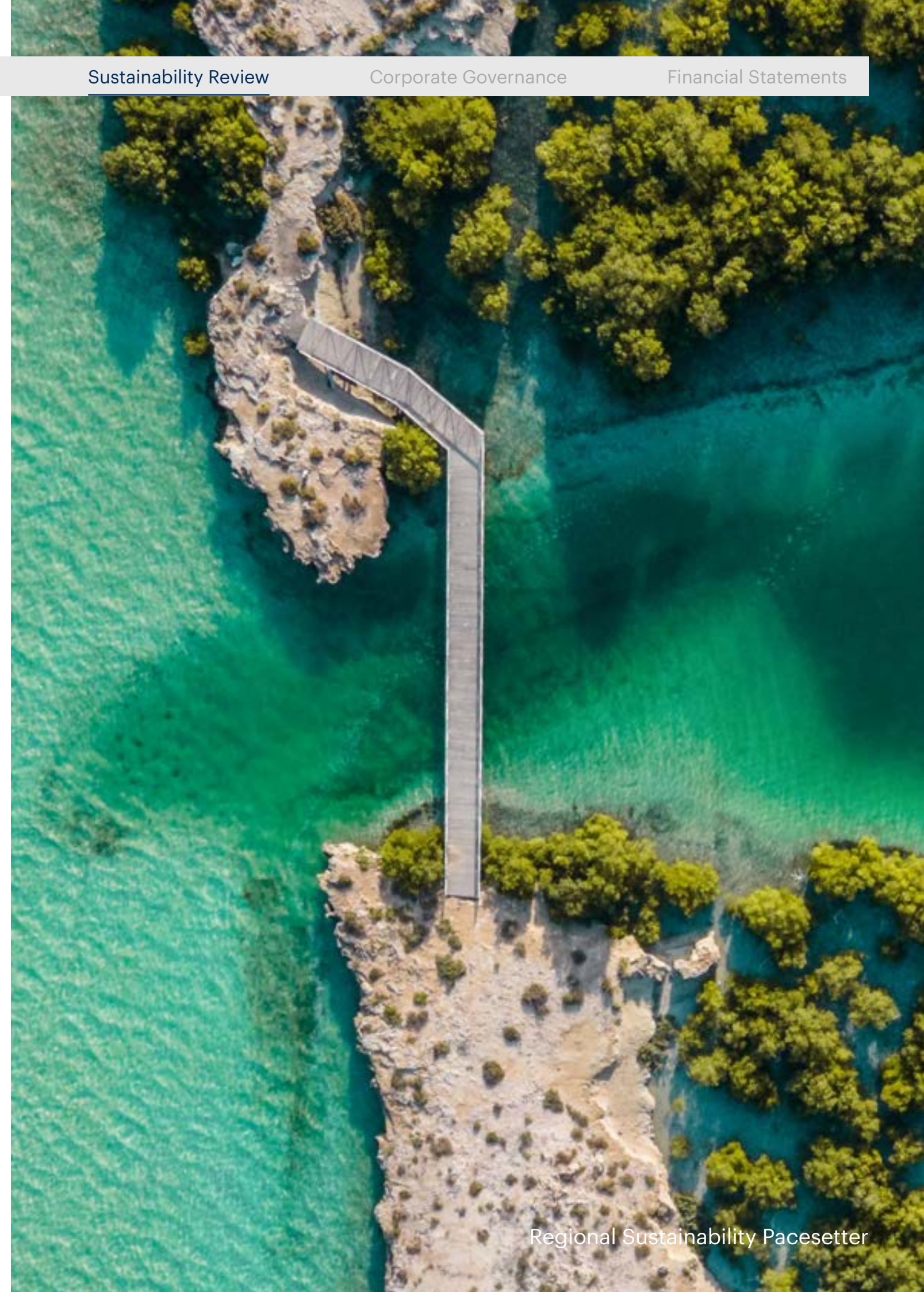
Capitalising on Our Social Responsibility



Expanding access to financial services for all, underbanked groups in particular, and fostering a diverse, inclusive, and equitable organisation.

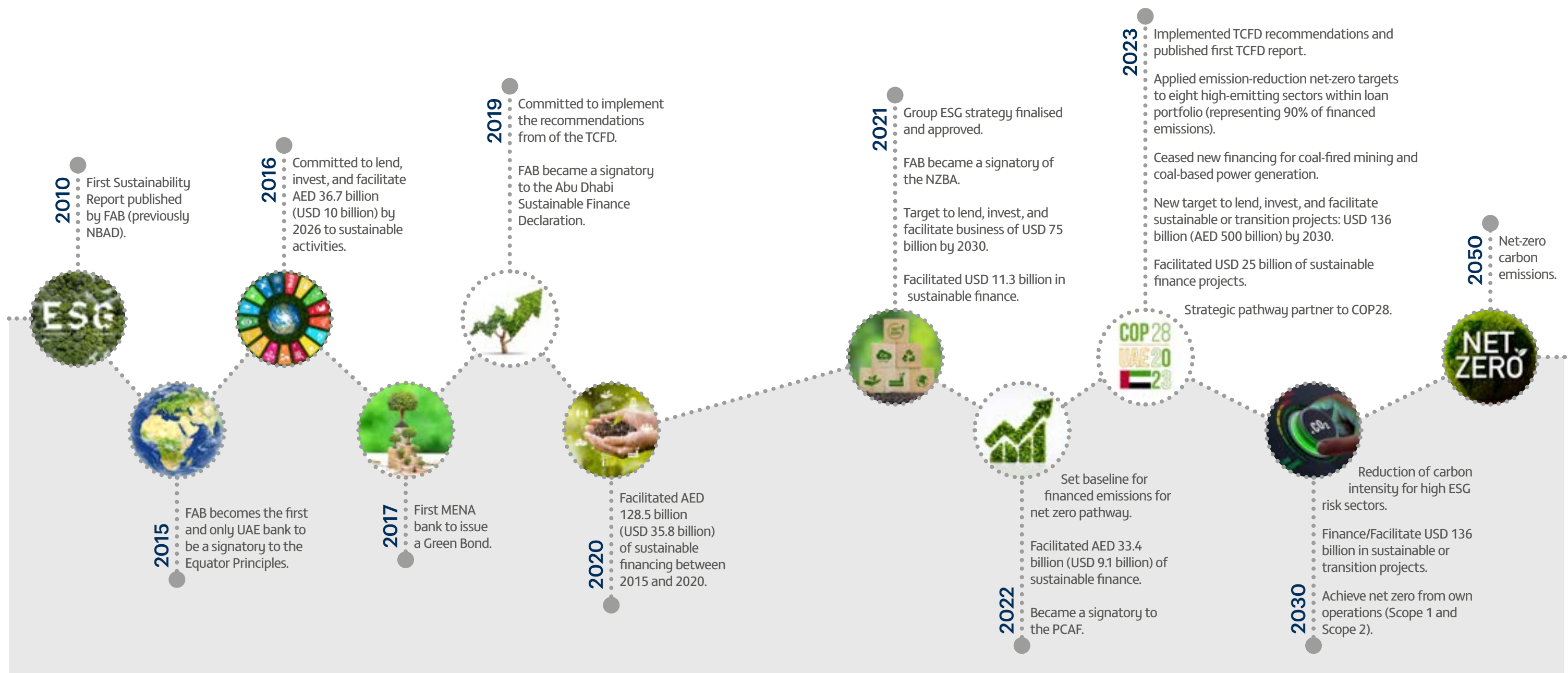
This pillar outlines FAB's approach to social responsibility, including diversity, women's empowerment, education, and financial inclusion.

- **Diversity, equity, and inclusion** across the bank
- **Gender diversity** embedment
- **Emiratization** focus
- **Strategic focus on financial inclusion**
- Drive **social responsibility efforts**



Transitioning to a Low-Carbon Future

Our Sustainability Journey and Transition to Net Zero



Our Net-Zero Pledge

Our vision to foster sustainable economic growth is aligned with the UAE's 2050 strategic initiatives for Net Zero. We are signatories to the Net Zero Banking Alliance (NZBA) and the Partnership for Carbon Accounting Financials (PCAF). As an active member of these initiatives,

we are continuously engaging with our clients to achieve our emission-reduction targets by 2030, covering over 90% of our financed emissions. We are currently working with our highest emitting clients to understand and support their transition plans and net-zero journeys.

► Our Net-Zero Journey





Reducing the impact of our own operations

In solidifying our climate pledge, we have established targets to attain net-zero operations by 2030.

Helping us achieve these targets is our Net Zero Carbon Roadmap, with implementation underway and mitigation activities set to commence in 2024. The roadmap was developed in partnership with a globally recognised expert consultancy, and our baseline emissions was set for 2019. The roadmap will support us in:

- 1. Improving carbon emissions monitoring
- 2. Reducing Scope 1 and 2 emissions through decarbonisation levers
- 3. Addressing material Scope 3 categories

The Net Zero Carbon Roadmap focuses on four levers, which we intend to implement to reach net zero operations by 2030:

	Energy efficiency	Adopting efficient solutions for data centres’ cooling systems will be key in reducing our refrigerant fugitive emissions.
	Renewable energy	When available in our main markets of operation (UAE and Egypt), we intend to source renewable electricity through Clean Energy Certificates. At our UAE sites, we are targeting 100% renewable electricity by 2030.
	Fleet electrification	We plan to launch a fleet electrification initiative, transitioning up to 100% of our leased and owned company cars in the UAE and Egypt to electric vehicles.
	Carbon offsetting	For our emissions that will not be abatable, we intend to source carbon credits from reliable organisations supporting high-integrity sustainable projects.

As part of our operational decarbonisation roadmap, we monitor our greenhouse gas (GHG) emissions across scopes 1, 2, and 3, and we also monitor the progress we are making towards achieving net zero emissions by 2030.

We closely monitor the evolving international guidelines and emission calculation methodologies, which inform our data collection process and GHG accounting, for improvements in the accuracy of emission factors and operational and organisational boundaries of input data. In line with this approach, the assessment for 2023 has been revised to reflect updates and alignment with the GHG Protocol to ensure that we present accurate performance measurement. Accordingly, we have also revised our respective emissions footprint for the year 2021 and 2022 to enable comparability with previous reported years.

Updates related to the emission assessment methodologies include:

Scope 1 emissions:

As quality data covering specific refrigerants within our operations had become feasible for use, we have updated the respective global warming potential factor and reflected this change in the emission data for 2022.

We have also received updated input data points from our operations in Egypt, which are now part of our organisational boundary and therefore also our GHG inventory.

Scope 2 emissions:

We have referred to the latest electricity emission factors applicable across our global locations and updated the same in our calculations for the year 2021 and 2022. This update is informed from the datasets of the International Renewable Energy Agency (IRENA). IRENA is considered a leading global intergovernmental agency for energy transformation, and going forward, we will use its emission factor database (applicable as of 2021) to cater to our calculations for various regions.

Scope 3 emissions:

As we work towards increasing the quality of our GHG emissions management and disclosure transparency, we have expanded the consideration of our scope 3 emissions to include the following categories of the GHG Protocol since 2021:

- Category 1: Purchased goods and services
- Category 5: Waste generated in operations
- Category 6: Business travel

Operational emissions performance

Total GHG emissions intensity per FTE decreased by 22% from our 2019 baseline	Scope 1 emissions lower by 42% from our 2019 baseline
---	---

Total emissions summary

In 2023, our GHG emission intensity per full-time employee (FTE) (a representative metric we use to reflect the emission generation relative to the scale of our organisation) decreased by 22% against our baseline year of 2019, highlighting a further reduction of 5% from 2022.

However, we note that we saw a limited decrease in our total absolute emissions against the baseline year of 2019, 1%, due to the bank’s growth strategy, which included the acquisition of Bank Audi in 2022 and other assets across our key markets.

Scope 1

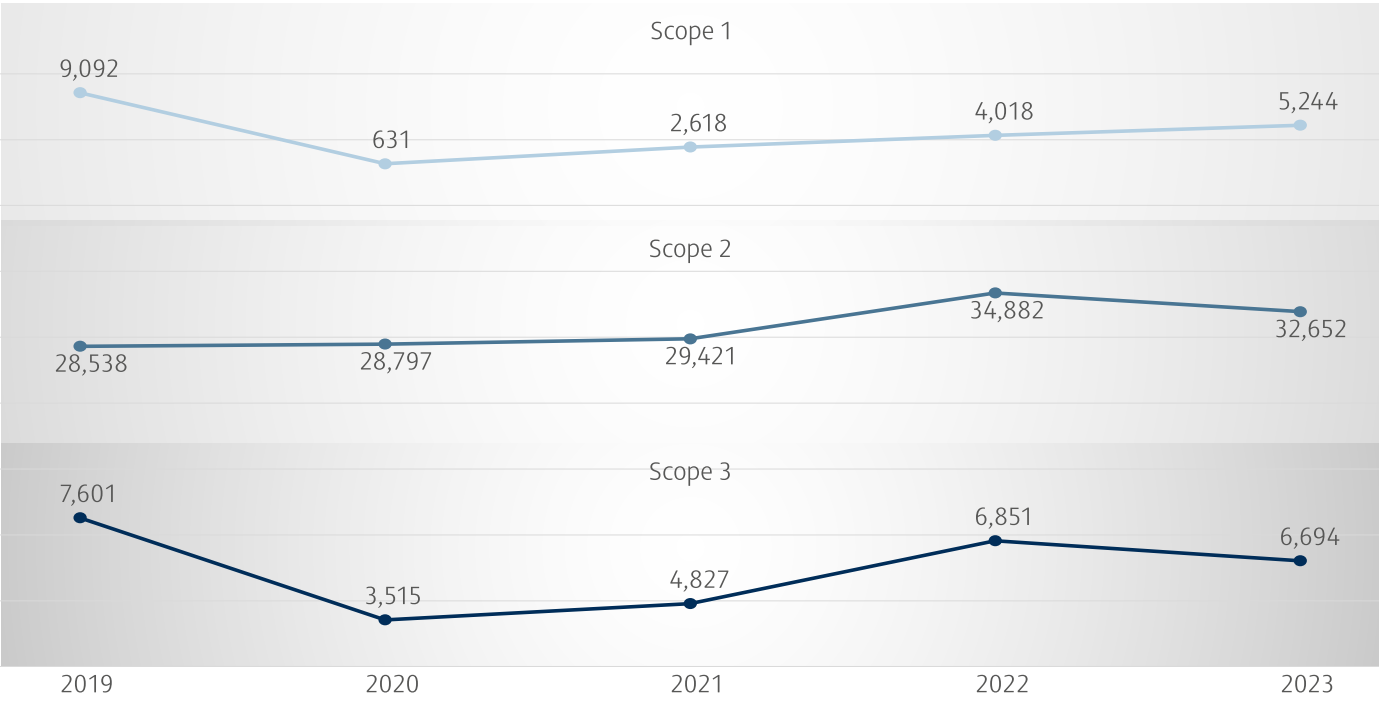
Our absolute scope 1 emissions have decreased significantly when compared with the 2019 baseline, recording a 42% decrease. Our performance stalled in 2023, when compared to 2022, due to a refrigerant leak (Q2, 2023) in one of our UAE assets. To resolve the matter, our facilities team addressed the leak with urgency, and they have taken the necessary remedial measures to ensure that this remains an isolated incident.

Furthermore, our operating subsidiary in Egypt conducted an extensive preventative maintenance plan covering all cooling devices across our branches. In particular, additional refrigerant cylinders were purchased, ahead of the hot summer months, to mitigate any potential down-time that translated into higher emissions for the 2023 year. However, in alignment with our net-zero target, the facilities management team in Egypt have put in place the necessary plans to begin replacing low-performance devices with new efficient ones in 2024.

Scope 2 and 3

We continue to make progress on our scope 2 and scope 3 emissions, which decreased by 6% and 2%, respectively, in 2023 compared with 2022.

Emissions	Unit	Scope	2019	2020	2021	2022	2023
Scope 1	tCO ₂ e	UAE and Egypt	9,092	631	2,618	4,018 ¹	5,244 ²
Scope 2	tCO ₂ e	UAE and Egypt	28,538	28,797	29,421 ³	34,882 ³	32,652
Scope 3	tCO ₂ e	UAE and Egypt	7,601	3,515	4,827	6,851	6,694
Total GHG Emissions ⁴	tCO ₂ e	UAE and Egypt	45,231	32,943	36,866 ⁵	45,751 ⁵	44,590
GHG Emissions Intensity (Scope 1 and Scope 2)	tCO ₂ e/FTE	UAE and Egypt	6.90	5.82	6.3 ⁶	5.75 ⁶	5.49



Scope 1, 2, and 3 GHG emissions over the years 2019–2023

¹ Scope 1 emissions reported in FAB 2022 ESG report were restated as part of this report to account for new input data due to the acquisition of Bank Audi in Egypt and the update of refrigerants GWP as per the GHG Protocol.

² Normalised total scope 1 emissions, excluding emissions due to the refrigerant leak. Total scope 1, including the leak, is 6,042 tCO₂e.

³ Restated scope 2 emissions as a result of using location-specific grid emission factors from the International Renewable Energy Agency (IRENA), applicable as of 2021.

⁴ GHG calculations for scopes 1,2, and 3 (excluding financed emissions) are based on the Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard (Revised Edition). Emission Factors References: DEFRA 2022 Emission Factors, International Renewable Energy Agency (2021).

⁵ Restated data due to enhanced calculation methodology.

⁶ GHG emissions intensity: the emission rate in metric tonnes of CO₂e emissions per FTE.

Our Net Zero Journey: a focus on financed emissions

In March 2023, we announced our emission reduction targets for our high-emitting sectors in our portfolio for oil and gas, power and energy, and aviation, underlining our dedication to lowering both financed and operational emissions.

In November 2023, we expanded this commitment to include five additional sectors: agriculture, aluminium, cement, commercial real estate (CRE), and steel. The eight sectors combined account for approximately 90% of FAB’s financed emissions. Our target-setting processes adhered to science-based and sector-specific methodologies in alignment with NZBA and PCAF standards. In order to gain a broader perspective, kindly access our reports: [“FAB’S PATHWAY TO NET ZERO Wave 1”](#) and [“FAB’S PATHWAY TO NET ZERO Wave 2”](#).

Sector	Scope	Metric	Baseline*	2030 Reduction Target
Oil and Gas	Scopes 1, 2, or 3	MtCO ₂ e per EJ	63	-7% to -15% (53 to 59)
Power	Scopes 1 and 2	gCO ₂ per kWh	460	-64% (165)
Aviation	Scopes 1 and 2	gCO ₂ e per pkm	83*	-15% (71)
Agriculture	Scopes 1, 2, and 3	ktCO ₂ e per m\$ of client revenue	1.68	-35% to -45% (0.92 to 1.09)
Aluminium	Scopes 1 and 2	tCO ₂ e per t of aluminium	8.1	-32% (5.5)
Cement	Scopes 1 and 2	tCO ₂ e per t of cementitious material	0.75	-25% (0.57)
CRE	Scope 1, 2 or 3	ktCO ₂ e per m ²	138	-45% to -55% (62 to 76)
Steel	Scopes 1 and 2	tCO ₂ e per tonne of crude steel	2.01	-26% to -32% (1.36 to 1.47)

* The aviation sector is measured against a 2019 baseline due to the impact of COVID-19 on air travel. All other sectors have a baseline year of 2021.

We continue to actively enhance our strategies to mitigate climate change impact across our operations, client engagements, and the wider ecosystem. Throughout 2023, we worked with key target sectors to discuss and support their decarbonisation efforts. For example, for the aviation sector, we led discussions at the aviation summit and hosted workshops during the Abu Dhabi Sustainable Week (ADSW), focusing on fostering the widespread adoption of sustainable aviation fuel (SAF), working towards limiting emissions within the aviation sector.

In 2023, we hosted an event for the aviation sector value chain, focusing on the sustainability journey of the sector. The agenda addressed three key themes:

- (1) Global aviation net-zero agenda
- (2) Aviation in the region and the pathway to net zero (including discussions on major levers and financing the transition)
- (3) Practical approaches and solutions to decarbonise the aviation value chain

Complementing this event, FAB published a special report, [Realising Net Zero Ambitions: A Game Plan for UAE Industries](#), which delved into the journey to net zero for key industries to realise UAE Nationally

Determined Contributions (NDC) ambitions. This effort was further reinforced through a programme of dialogue with clients and industry stakeholders during COP28, featuring panels and roundtables.

Our approach will continue to include ongoing dialogue and support for clients to implement mitigation measures, utilising finance to bridge the gaps in their decarbonisation efforts. We have identified sector-specific levers and essential green technologies to assist clients in achieving their decarbonisation goals. Specifically, we plan to use the following levers to achieve our 2030 targets:

- Engaging with clients to support them in their decarbonisation journey;
- Financing low-carbon technologies, such as solar, wind, green hydrogen, ammonia projects, and carbon capture utilisation and storage technologies (CCUS).



► Addressing Climate Change

Our TCFD disclosure delivers on our 2019 commitment to address climate change by adopting TCFD recommendations into our processes and disclosures. In line with these recommendations, in 2021, the bank ran climate stress tests for relevant regulatory regions it operates in on a voluntary basis. We further expanded our analysis of the impact of climate transition risk on our Group non-retail portfolio in 2022 and presented sector-level expected credit loss forecasts to our Board and senior leadership.

In 2023, the bank conducted a climate risk scenario analysis on its non-retail portfolio as part of the Central Bank of the United Arab Emirates' (CBUAE) annual bank stress test exercise. The bank also integrated climate risk as part of its internal risk taxonomy, demonstrating a commitment to further embed climate risk across enterprise risk categories.

Emissions intensity reduction targets were set across eight of our high-emitting sectors, covering approximately 90% of our portfolio emissions. This was done to pave the way for our high-level transition plan, included in the TCFD report.

Our GFANZ-aligned transition plan specifies our sector-by-sector levers for achieving our decarbonisation targets, our own operations' net-zero plan, and how we are assisting our clients in their transition towards tackling climate change.

We are working to develop a physical risk methodology and sourcing relevant data. We are also developing a stand-alone climate risk policy and establishing a roadmap to further integrate climate into traditional risk categories and risk management processes in line with the CBUAE's climate risk management guidelines published in November 2023. We are also working with our highest emitting clients on their transition plans and net-zero journeys.

In the MENA region, our engagement in the green bond market is centred on projects that promote the development of renewable energy and sustainable finance products. 2023 was also the year in which we issued FAB's first green sukuk (AED 1.3 billion), and the UAE's first AED-denominated green issuance. Furthermore, we actively contribute to regional initiatives by sharing climate scenario analysis with the CBUAE.

► Financing Our Transition to a Low-Carbon Future

At COP28, we solidified our leading position in the MENA region's sustainable finance market by pledging AED 500 billion (USD 136 billion) towards sustainable and transition finance by 2030; a commitment that encompasses lending, investments, and the facilitation of funds towards sustainable initiatives. This is the largest regional initiative of its kind by

a bank that is inclusive of financing for transition projects and innovative early-stage climate solutions.

From 2022 to 2023, we facilitated USD 34.4 billion (AED 126.3 billion), and in 2023, we facilitated USD 25.3 billion (AED 92.9 billion), which included three solar and four wind energy projects.

Capitalising on Our Social Responsibility

At FAB, our focus is on the well-being and engagement of our customers, employees, and the broader community. For our customers, this entails ensuring our financial services are accessible to all segments of the population and our processes are transparent and fair.

Internally, our commitment extends to providing a supportive, diverse, and inclusive workplace through various well-being policies and initiatives. Lastly, at the community level, we actively invest in initiatives that contribute to societal development, environmental restoration, and community resilience.

SME engagement

SMEs make up 90% of all businesses in the MENA region, contributing to a significant part of the region's economy. We recognise that SMEs have an integral role to play in accelerating the MENA region's transition to net zero. As such, in 2023, FAB supported SMEs with AED 3.3 billion in new financing, demonstrating a steady increase from the previous year's AED 2.8 billion.

The SME Climate Hub

We play an active role in the SME Climate Hub, launched in 2020 by the We Mean Business Coalition. The Hub is the only UN-backed SME platform accrediting SMEs as Race to Zero members. The Hub is designed specifically to support SMEs ramp up their climate action efforts, to ensure that their businesses remain resilient in the face of climate-related challenges and a net-zero future.

The SME Climate Hub was adopted by the COP28 Presidency as the first Race to Zero campaign, with Masdar placed as a campaign partner and FAB a campaign supporter through to August 2025.

This campaign is centred around recruiting SMEs and having them commit to halving their emissions by 2030 and becoming net zero by 2050. SMEs will be expected to share their progress annually. Upon joining, SMEs will gain access to resources and tools that will support their net-zero transition strategies in an effort to speed up global decarbonisation efforts.

Diversity and inclusion at the workplace

We believe that diversity and inclusion are not just a social imperative but a driver of innovation and excellence. Our employees represent 82 nationalities, and we are advancing our efforts towards the Gender Acceleration pledge made with the UAE's Gender Balance Council in 2022 with targets to achieve 40% women in senior leadership by 2030.

At Group level, FAB female employees represent 42% of our permanent employee population, and 20% of senior leadership roles are held by women. Our efforts to achieve gender balance include, but are not limited to, ensuring fair hiring practices, providing equal opportunities for training and development, promoting fair and balanced promotions, and providing increased flexibility for work-life balance and parental leave beyond that of what is required.

We proactively review and update our Emiratisation policies and initiatives to ensure alignment with our business practices and the country's larger socio-economic vision. We conduct customised development programmes for our Emirati staff, such as the Ethraa programme for fresh graduates' development, through which we have recruited 300+ fresh graduates in the last three years. As of 2023, Emiratis comprise 44% of overall employees out of a 50% target by 2026 (our target was updated in line with the CBUAE's guidance) and 27% of senior management.

We are committed to fostering a culture of respect and dignity across our business operations and supply chain. We have zero tolerance towards any violation of human rights and discriminatory behaviours.

Our Group Code of Conduct and additional policies, such as the Anti-Bullying and Harassment Policy, the Group Vendor Management Policy, and a statement on Modern Slavery, clearly articulate our stand against these practices. These policies also ensure compliance with the applicable labour laws and regulations.



82

Nationalities

20%

Women in senior leadership positions

42%

Women employees at FAB Group



Products and initiatives supporting our financial inclusion goals



Visa's She's Next

2023 was the second year that we partnered with Visa to launch the She's Next Campaign, a global advocacy programme that supports female-owned small businesses through funding, training, and mentorship. This popular programme received 880 applicants across the GCC, representing a wide range of sectors that include textiles, education, food and beverage, beauty and wellness, and professional services. The programme provides the winner a USD 50,000 grant and a year of business coaching from the International Trade Centre (ITC), a United Nations and World Trade Organisation agency. The business coaching is provided by the ITC SheTrades Initiative, ITC's flagship women and trade programme.



Ratibi Prepaid Payroll Card

Ratibi is one of FAB's key initiatives under the financial inclusion umbrella. The product is aimed at banking the unbanked and providing them with a salary card to receive, save, and spend their monthly wages securely without needing to maintain a minimum balance. Since 2006, FAB has issued over 2.1 million Ratibi payroll cards. Ratibi customers can enrol for Payit and get access to financial products, such as domestic transfers, utility bill payments, remittances, and Money on Demand.



FAB Future Business Leaders competition

At COP28, we announced the winner of our flagship ESG competition for university students: the Future Business Leaders competition. This initiative was first launched in 2022 as a part of our ESG strategy to assist the UAE in its aim to transition into a knowledge-based economy. The competition requires university students to outline the role of businesses in the national and global sustainability agenda. In 2023, we had over 10 UAE universities participate, and the top three candidates were shortlisted for a panel discussion at COP28 on the role of youth in accelerating the sustainability agenda. Additionally, the three candidates will receive an internship with the bank, along with cash prizes, career coaching, and exposure to the senior leadership at FAB to understand the inner workings of a bank. This initiative demonstrates our commitment to the younger generation and the role we hope they will play in shaping a sustainable future.

Frontiers in Sustainability

The Frontiers in Sustainability initiative is a collaborative effort undertaken by FAB in 2023 in partnership with the Emirates Foundation and the International Institute for Management Development (IMD). The programme is aimed at enhancing corporate leaders' understanding of sustainability issues as a fundamental part of holistic business transformation, aligning with the UAE's ambitious 2050 net-zero target. This initiative, particularly designed for senior leaders and C-suite executives from UAE private and governmental entities across sectors, helps create a baseline understanding of sustainability and provides a platform for participants to learn from leading experts and peers.

In 2023, two cohorts were established for the Frontiers in Sustainability initiative, with 25 participants in Cohort 1 and 20 participants in Cohort 2. Each cohort underwent a comprehensive programme involving four modules over 12 days, fostering in-depth exploration and learning. Additionally, the initiative organised two COP28 simulations, engaging over 100 participants in total.

Community investments, engagements, and partnerships.

At FAB, we work closely with our partners to create a thriving and inclusive local community where everyone feels valued. Throughout the year, our employees volunteered a total of 27,043 hours to

support the community in which we live and work. Our engagements reflect our promise to foster a connected and resilient local community. Some of these initiatives have been highlighted below.

Empowering inclusion



We supported the Emirates Association of the Visually Impaired in organising the 17th Emirates Championship of the Blind – Goal Ball. Through our sponsorship and active involvement, we contributed to the empowerment of individuals with visual impairments.

Supporting the ecosystem with mangrove planting



In line with UAE's Planting week, we conducted an awareness sessions on the importance of the Ajman mangroves and the crucial role they play in our ecosystem. More than 160 volunteers then kayaked and planted 200 mangrove trees.

Cleaning our oceans



FAB sponsored 25 staff members to attain PADI certification, engaging in multiple plastic clean-up campaigns across the UAE. On the World Environmental Day, our 20 certified divers dedicated 100 volunteering hours to the waters of Lulu Islands in Abu Dhabi, removing over 100 kg of debris, including glass bottles, plastic, cans, fishing lines, and buoys. On Coastal Cleanup Day, 15 certified divers invested 82 volunteering hours at Dibba Al Fujairah Port, responsibly discarding more than 89 kg of marine debris.

“Employees volunteered a total of **27,043** hours to support the community.”

Promoting justice



At FAB, we are dedicated, alongside the Himaya Foundation, to making a meaningful impact, and we are honoured to support the mission to assist women subjected to domestic violence. Our commitment included covering court fees, ensuring that these brave individuals have the necessary resources to seek justice and rebuild their lives.

FAB kicks off the month of reading with a book fair at the head office



In March, we supported the UAE's Month of Reading initiative in line with the Ministry of Culture's vision to encourage reading. FAB supported several initiatives aimed at raising awareness and encouraging individuals and families to read. A book fair was organised in Abu Dhabi Head Office to allow staff and customers to buy books and enjoy reading.

Making a difference to families in need



During the Holy month of Ramadan, FAB launched its special and inclusive Ramadan campaign, which provided 3,000 volunteers a chance to give back to the community; they spent 6,000 volunteering hours for activities across 30 days of Ramadan throughout the UAE in Abu Dhabi, Dubai, Ajman, Ras Al Khaimah, and Fujairah.



Promoting inclusive activities



In collaboration with the Zayed Charitable and Humanitarian Foundation, we conducted a workshop for people of determination, highlighting the importance of Earth Day. During the workshop, the children learned about the importance of organic gardening and were taught about planting flower and vegetable seedlings.

Supporting low-income families



مؤسسة محمد بن راشد للإسكان
Mohammed Bin Rashid Housing Est.

FAB collaborated with the Mohammed bin Rashid Housing Establishment to equip 20 low-income families with essential home necessities.

Promoting sustainable housing for refugees in Jordan



The project is under the patronage of Her Highness Sheikha Shamma bint Sultan Al Nahyan, Director of the UAE Independent Climate Change Accelerators (UICCA) and the Founder of the Shamma bint Sultan Sustainability Initiatives. The housing complex consists of 25 units, made of eco-friendly palm wood and powered by solar energy. The units have been manufactured in the UAE and are currently being dispatched to the Emirati Jordanian Refugee Camp in Mrajeeb Al Fhood.

Mastercard, the Priceless Planet Coalition



FAB announced its support for the Mastercard Priceless Planet Coalition (PPC) and an exclusive co-hosted experience in the FAB showcase space. During COP28, visitors to the FAB pavilion calculated their carbon footprint to see the impact they have on the environment.

Restoring marine ecosystems



FAB and Archireef, which specialises in degraded marine ecosystems, formed a partnership to engage retail customers in nature-based solutions to mitigate climate change and impact on marine life in our home waters of the UAE. FAB sponsored four marine biodiversity workshops for children at the FAB Pavilion at COP28.

Easing cancer patients' financial burden



FAB joined forces with the Rahma Cancer Patient Care Society to alleviate the financial strain on cancer patients by covering their fees. Together with the Rahma Society, we strive to make a positive impact on the lives of individuals affected by cancer, providing them with essential financial assistance during their recovery.



Transforming Our Governance Model



Our governance principles are designed to demonstrate accountability, transparency, and ethical behaviour, which are consistent with our policies and code of conducts and other business principles. We periodically assess the robustness of our governance model and respective internal processes and controls to make sure we are operating at the highest level of ethical performance.

At FAB, ESG has been seamlessly integrated into our core governance framework with dedicated committees overseeing the business linkage and implications of ESG strategy, ESG risk framework, and policy implementation. We persist in cultivating a corporate culture that understands the significance of ESG matters in business, fostering collaboration and capacity building across various business lines.

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 direction is communicated to the wider Group through the Board Risk and ESG Committee (BRESGC).

The Group ESG Committee (G-ESGC) supports the BRESGC in overseeing the ESG culture and awareness across the Group, ensuring the ESG strategy is implemented and endorsing FAB's net-zero pathway plans.

The G-ESGC represents the highest authority at the management level for all ESG-related decision-making across the Group. It is supported by the ESG and Sustainable Finance Committee (ESG-SFC) 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 a Group-wide ESG frameworks, policies, and strategies, which are developed and executed by the Group ESG team.

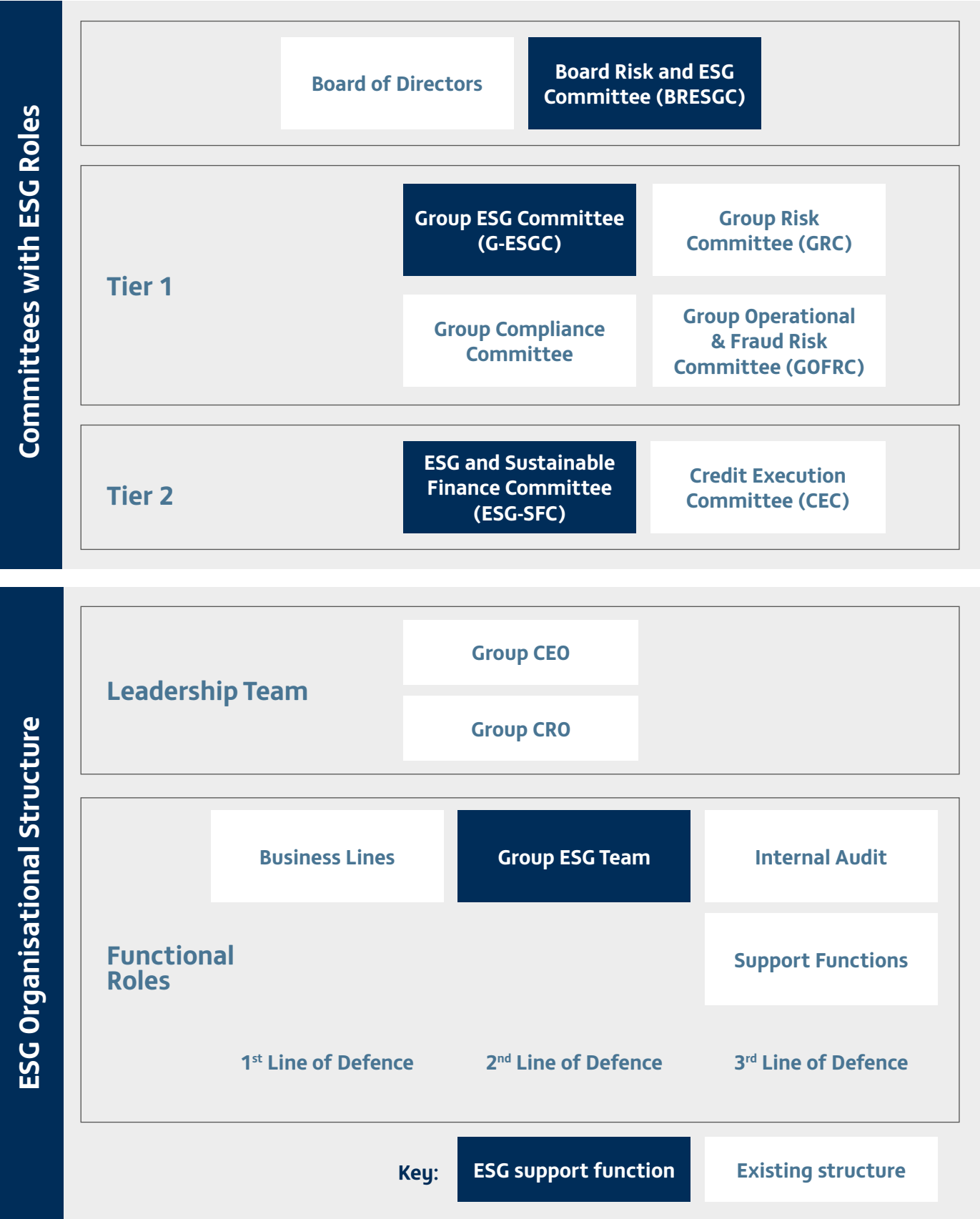
Senior Management, on the other hand, are responsible for implementing the ESG strategy framework and policies based on board approvals, while driving ESG culture and changes and ensuring compliance. These are internally supported with an appropriate risk appetite framework.

Upskilling Our Colleagues on Climate Change

FAB prioritises the training and education of its staff. All staff are required to complete the mandatory annual compliance training.

In addition to specific tailored training, the Board receives an annual compliance training update. During 2023, the total learning hours for Mandatory Learning Curriculum (MLC) 2023 were 72,359. In July 2023, we launched our Carbon Literacy programme to upskill colleagues, enabling them to effectively assist clients, as well as support the bank, in navigating the shift towards a low-carbon economy to meet our net-zero and ESG targets. This programme will continue to be rolled out in 2024.


Structural overview of ESG governance



FAB’s sustainability commitment and alignment with local and global strategies

Alignment with local and global frameworks and 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 (ICMA)
	Task Force on Climate-Related Financial Disclosures (TCFD)
National Goals	Abu Dhabi Securities Exchange (ADX) ESG Guide for Listed Companies
	Partnership for Carbon Accounting Financials
	Abu Dhabi Vision
	UAE Vision 2021
	UAE Green Agenda 2015–2030
International Goals	UAE Net Zero by 2050
	UAE Climate-Responsible Companies Pledge
	UN Sustainable Development Goals (SDGs)
	UN Global Compact
	COP28 Net Zero Transition Charter: Accountability Mobilisation for the Private Sector



A man in a dark shirt is speaking into a microphone on a stage, addressing a large audience seated in a tiered auditorium. The audience is diverse and attentive. In the background, a large illuminated 'FAB' logo is visible on the wall.

FAB recognises the importance of a diverse range of views and perspectives to enhance the effective governance, oversight and strategic leadership of the bank.

► **Corporate Governance**

132	A Message From the Chairman of the Board of Directors
134	Corporate Governance Framework at FAB
138	FAB Organisational Structure
140	Board Governance
152	Board Meetings and Agenda
154	Board Committees

160	Senior Management
168	Management Committees
170	Subsidiaries, Branches and Representative Offices
173	Related Party Transactions
176	Corporate Social Responsibility
182	Investor Relations
188	Shari'ah Governance

A Message From the Chairman of the Board of Directors

On behalf of the Board of Directors, I am pleased to present the 2023 Annual Corporate Governance Report of First Abu Dhabi Bank PJSC (FAB or the Group).

Corporate governance is the bedrock of responsible management, ensuring transparency, accountability, and ethical conduct in business. In the financial sector, where trust and stability are paramount, robust governance is non-negotiable, safeguarding integrity, investor confidence, competitiveness, and long-term sustainability. Exemplary governance is not just prudent but essential in driving stakeholder trust and organisational resilience.

FAB's commitment to sound, effective and best practice corporate governance – fully aligned with the G20/OECD Principles – serves to support strong performance, accountability, and transparency.

In this year's Corporate Governance Report, we continue to build on our record of transparency and disclosure with adherence to international best practices, notably in our leadership in sustainability, further detailed in our 2023 ESG Report.

FAB is deeply integrated into the UAE's ambition on climate change and net zero, placing sustainability at the heart of social and economic progress. Across the Group, we understand the urgency of scaling green

investment and believe in using finance incisively and judiciously to advance climate action and deliver better futures for all the communities and markets in which we operate.

Our 2030 targets reflect expanded commitments towards sustainability through financing, employee well-being and community engagement. We will accelerate decarbonisation while supporting the national, regional and global sustainability agenda.

Consumer protection and corporate social responsibilities remain priorities for us, underscoring our Customer First approach.

The Board also recognises the importance of diverse perspectives in enhancing the effective governance, oversight and strategic leadership of FAB. We welcomed three new Directors in 2023, including our first female Director with sustainability expertise.

During the year, the Group continued to strengthen internal governance across our international network, focusing on subsidiary governance and risk management in alignment with local regulatory requirements.

“The Board recognises the importance of a diverse range of views and perspectives to enhance the effective governance, oversight and strategic leadership of FAB.”



Through partnerships like the GCC Board Directors Institute, we invest in professional development for our subsidiary Board members and governance professionals. Board composition on subsidiary Boards was also strengthened with new members bringing capabilities in areas such as risk management to ensure an appropriate mix of expertise.

Finally, I would like to take this opportunity to thank our Board, our senior management and all FAB employees around the globe for fostering FAB's resilient governance culture and its ongoing success.

H.H. Sheikh Tahnoon bin Zayed Al Nahyan
Chairman

Throughout the year, FAB continued to monitor and comply with all applicable UAE regulations in the financial sector, including those of the Central Bank of the UAE (CBUAE) and the Securities and Commodities Authority (SCA).

Corporate Governance Framework at FAB

FAB's Corporate Governance framework sets out the governance requirements for the Group Board, local and international subsidiary Boards and relevant Board and management level committees. The emphasis in 2023 was on the international governance framework, ensuring the adequate level of local capability, and that relevant committee structures and operating models were in place, supported by continuous education and training from the head office.

At a 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 can be found on our website under [Corporate Governance Framework](#).

An important part of FAB's Governance Framework is the Bank's Annual General Meeting (the AGM). This is the opportunity for the shareholders to engage with the Board and raise questions. The AGM was held on 28 February 2023 and included the following agenda items:

- Discuss and approve the report of the Board of Directors on the activity of the bank and its financial statements for the financial year ending 31 December 2022.
- Discuss and approve the report of the external auditors for the financial year ending 31 December 2022.
- Discuss and approve the bank's balance sheet and profit and loss statement for the financial year ending 31 December 2022.

- Consider the proposal of the Board of Directors regarding the provisions and reserves, and the distribution of profits for the financial year ending on 31 December 2022 of 52% of the Bank's paid-up capital as cash dividend, which is 52 fils per share for a total amount of AED 5.74 billion.
- Discuss and approve the Board of Directors' remuneration.
- Discharge of the Board members from their duties for the financial year ending 31 December 2022.
- Discharge of the previous auditors from their duties for the financial year ending 31 December 2022.
- Appointment of auditors for the financial year 2023 and determining their fees.
- Elect the Board of Directors.
- Discuss and approve Internal Shari'ah Supervision Committee annual report.
- Notification on payable Zakat in relation to the Bank's Islamic activities for the financial year ending 31 December 2022.

In addition, other special resolutions were approved as part of the meeting agenda including amendments to the Bank's Articles of Association to ensure ongoing regulatory compliance as well as additions to the Group's debt issuance programs.

The Internal Shari'ah Supervision Committee's (ISSC) annual report and the Internal Shari'ah Supervision Committee members were also approved by the Higher Shari'ah Authority (HSA) of the CBUAE.

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 appropriate disclosures. FAB is committed to achieving robust corporate governance and business integrity. Its Corporate Governance Framework is aligned with applicable regulatory requirements, including those of the CBUAE, SCA and other applicable 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 strategic plan, annual budget and organisation structure, setting its risk appetite and risk management strategy, monitoring financial performance, monitoring and evaluating the performance of senior management, and approving the Bank's corporate values as set out in the Banks' Code of Conduct requirements. Setting the tone at the top is a critical part of the Board's role. The Board is also 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.



Risk Governance

Risk governance refers to the formal structure used to support risk-based decision making and oversight across the Group's operations.

In line with the CBUAE Corporate Governance Regulations, 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 GCEO. The CBUAE Corporate Governance Regulations require that control functions operate separately from the business (which is achieved through the 3LOD) and that the Heads of the Control functions have a direct reporting line to the relevant Board Committee. For example, the Group Chief Risk Officer reports functionally to the Board Risk and ESG Committee (BRESGC) and administratively to 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 high-level enterprise risk management policy frameworks, exercises delegated risk authorities and oversees the implementation of 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 organisation enabling it to determine whether the overall portfolio risk is commensurate with its risk appetite. Group Risk Management function is the nerve centre for collection of data, analysis of risk drivers, interpretation of outcome and its wide dissemination to relevant committees for risk management.

The Enterprise Risk Management Policy (ERMP) framework at FAB is established across the organisation 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 framework 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 programs 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, ESG risk, risk assessment, operational efficiency, market risk exposures, conduct risk, information security and human resources). The Group level risk appetite is cascaded 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 GCEO and the executive management team is to execute the agreed business strategy within the agreed risk appetite. There is regular 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 regular review and enhancement of the framework in line with changes in external as well as internal environment. The risk management processes and methodologies are benchmarked against regional and international best practices.

The significance of non-financial risk management and operational resilience for financial institutions has also continued to increase in recent years. Convergence and integration across risk types is required to effectively manage these risks. In 2023, Group Risk has brought the non-financial risk classes comprising operational, fraud, technology, subsidiary risk oversight and model risk governance under a single group risk line to better govern and manage these risk classes and ensure a consistent and holistic approach.

This enhancement aims to further invest in the implementation and integration of advanced analytics, and leverage emerging AI and machine learning technologies through our data governance solutions, and to adapt to the evolving regulatory landscapes across the different regions where FAB operates. This initiative is not limited to FAB's operations in the UAE but extends to all FAB Group entities, reflecting our commitment to maintaining a uniform standard of data excellence globally.

As we move forward, FAB is committed to evolving our data governance practices and meeting the challenges of an increasingly data-driven world.



Consumer Protection

Ongoing training and education on consumer protection was a focus area for 2023, forming a part of our Customer First mindset.

In line with CBUAE requirements, Licensed Financial Institutions must establish a Consumer Education and Awareness (CEA) function responsible for educational and awareness programs for consumers and the general public to protect consumers' interests in their use of financial products or services and ensure a transparent relationship with consumers.

In 2023, FAB deployed a dedicated project management team alongside a leading external consultant to ensure the implementation of regulatory requirements across the bank, within the stipulated timelines. The project consisted of multiple workstreams to manage technical and process-related improvements which were required to address the Consumer Protection clauses; one of which included the creation of a central Consumer Education and Awareness Unit (CEAU).

Since then, the CEAU has delivered and continues to deliver on its responsibilities summarised below:

- Partnered with a market leader in the rollout of financial literacy programs on the FAB website for consumers and the general public.
- Rolled out two training programs to increase employee awareness of underbanked groups (i.e., People of Determination (POD) and Consumers of Vulnerable Groups (CVG)).
- Conducted a gap analysis for five FAB retail branches in relation to accessibility requirements for PODs and CVGs.
- Prepared and submitted an annual report on educational awareness activities.

FAB plans to continue to expand the current mandate of the CEAU to ensure ongoing compliance with Consumer Protection Regulations and Standards..

Key Focus Areas in 2023



Data Governance

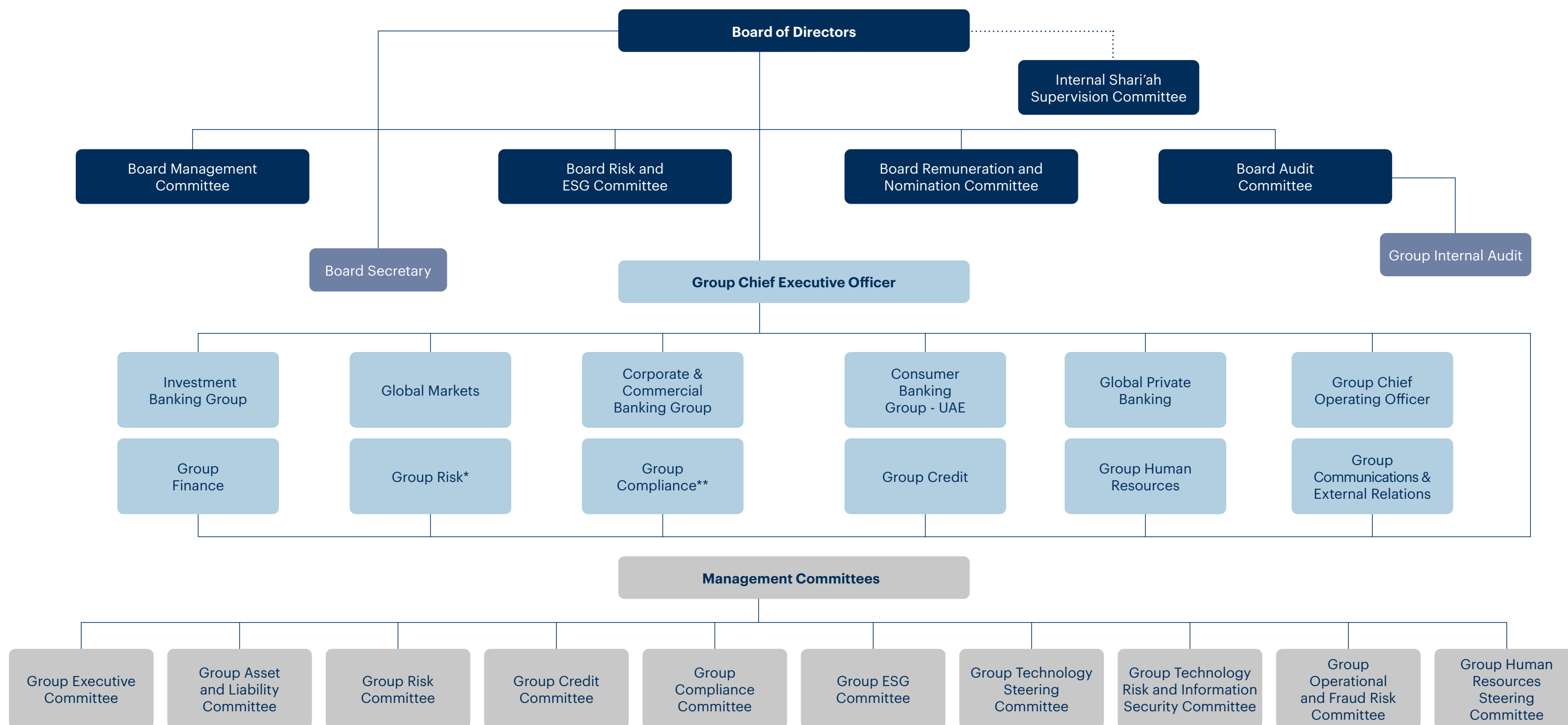
Robust data governance remained a priority for FAB. In 2023, FAB maintained a stringent data governance regime, ensuring the integrity, security, and accessibility of data across our operational territories supported by further data quality enhancements performed across multiple source systems. We focused and invested in enriching our data governance solutions in metadata and reference data that enabled us to enhance significantly our data quality monitoring and risk management.

Our approach to data governance is holistic, aligning with international practices and applicable regulatory standards. We focus on the quality of data and its alignment with our strategic objectives. FAB's data governance framework is designed to support decision-making processes, risk management and compliance requirements, thus facilitating a culture

of accountability and transparency throughout the organisation.

At FAB, we understand that dynamic market conditions and technological advancements necessitate an evolving data governance strategy. In this vein, we are currently in the process of strengthening our data governance framework through the implementation of an enhanced and comprehensive data governance strategy via our data governance framework and target operating model. This strategic initiative is designed to enhance our data management capabilities and ensure higher standards of data accuracy, accessibility, privacy and security, improving bank-wide collaboration, addressing ongoing regulatory aspects and meeting our regulatory expectations and data governance standards across all jurisdictions.

FAB Organisational Structure



¹ The Group Chief Risk Officer reports administratively to the GCEO and has functional reporting to the Board Risk and ESG Committee

² Group Compliance has a direct right of access to the Board Risk and ESG Committee and the Board Audit Committee

Board Governance

Board Roles and Responsibilities

The Board regularly reviews and refines its governance arrangements in light of evolving regulatory requirements and stakeholder expectations.

The FAB Board of Directors consists of 11 members. Board members are appointed on a three-year tenure.

The Board is headed by an independent Chair who is elected from among its members. The Chair has authority to act and speak for the Board, including engaging with FAB senior management, facilitating communications between the Board and its shareholders, and meeting with representatives of FAB’s regulators, as required.

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 Board Charter outlines the roles and responsibilities of the Board and the manner in which it discharges its responsibilities.

Key Elements	Board’s roles and responsibilities
Leadership and Stakeholder Management	Represent shareholders and other relevant stakeholders and serve the interest of FAB by overseeing and evaluating FAB’s strategy, performance, framework and policies. Ensure appropriate dialogue with FAB shareholders and other stakeholders. Consider the balance of interests between shareholders, employees, customers and the community.
Strategy and Performance	Approve and monitor FAB’s strategy and long-term objectives ensuring alignment with the Group’s risk appetite and the Group risk management framework. Review financial performance in light of the strategy, long-term objectives and the budget of FAB ensuring that necessary corrective action is taken.
Financial Reporting	Review and approve the Group’s annual and quarterly financial reports and statements and ensure the integrity of such reporting.
Risk Management	Responsible for approval of the risk management framework and 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.
Culture	Sets the Group’s tone, values and standards and creates expectations that all businesses must be conducted in a legal and ethical manner. Oversees the adherence to such values by staff.
Remuneration	Approves the Group’s remuneration framework and policy ensuring alignment with the bank’s values and risk appetite.
Appointment and Succession Planning	Ensure 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.
Consumer Protection	Raise awareness and emphasis on the increasing importance of consumer protection by promoting positive institutional conduct, well-qualified staff, providing necessary training, ensuring appropriate organisational structure, clear policies and procedures.

In 2023, FAB revised the Directors’ Code of Conduct to ensure the Board of Directors is held to high standards of probity and ethical behaviour thereby ensuring Board members act with integrity, maintain confidentiality and act in the best interest of the Bank and its shareholders. The code applies to directors of the Group Board and all subsidiary Boards across the FAB Group. The code of conduct covers:

- Compliance with laws and regulations
- Loyalty, good faith and fiduciary duties
- Conflicts of interest
- Related parties
- Anti-bribery and corruption
- Confidentiality
- Disclosures
- Ethical behaviour
- Consumer protection
- Gifts and hospitality

Independence

FAB assesses the independence of directors in line with regulatory requirements. According to these criteria, in 2023, all Board members of FAB were considered to be independent. Specifically, they have no relationship with the Bank or Group that could lead to a benefit or which may affect their decision-making. They are not under any undue influence, internal or external, ownership or control, which would impede the exercise of objective judgement.

In addition, all members of the Board are non-executive and independent according to the criteria set by the CBUAE and no member has been on the Board for more than 12 consecutive years.

Conflict of Interest

Each Director has a duty to avoid, any activity at FAB or elsewhere that creates a conflict between a Director’s own interests (whether those as an individual or through an entity he / she 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 or herself, his immediate family or a related party opportunities that are available through his / her 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 involvement in that matter, including recusing himself or herself from participating in the debate or voting on the matter or attending the relevant meetings.

Board of Directors



His Highness
Sheikh Tahnoon bin Zayed Al Nahyan
Chairman

Independent Non-Executive Director

His Highness Sheikh Tahnoon bin Zayed Al Nahyan has been the Chairman of First Abu Dhabi Bank since 2017. In addition, H.H. Sheikh Tahnoon chairs several leading business groups in the Emirate of Abu Dhabi. These include International Holding Company PJSC (IHC), the Abu Dhabi Investment Authority (ADIA), one of the world's largest sovereign wealth funds, managing over \$800 billion in assets, ADQ (formerly, Abu Dhabi Developmental Holding Company PJSC) and G42, a leading group in Artificial Intelligence and Cloud Computing.

Within the government, H.H. Sheikh Tahnoon was appointed Deputy Ruler of Abu Dhabi on 29 March 2023 by the President of the UAE, H.H. Sheikh Mohamed bin Zayed Al Nahyan. He also serves as the National Security Advisor of the UAE, a position he has held since 14 February 2016.

In December 2020, H.H. Sheikh Tahnoon was announced as a member of the Board of the Supreme Council for Financial and Economic Affairs. This council was established to oversee Abu Dhabi's financial, investment, and economic affairs, including the management of natural resources.

External appointments:

- Abu Dhabi Investment Authority (ADIA), Chairman
- International Holding Company PJSC (IHC), Chairman
- ADQ, Chairman
- G42, Chairman



His Excellency
Sheikh Mohamed bin Saif Al Nahyan
Vice Chairman

Independent Non-Executive Director

His Excellency Sheikh Mohamed bin Saif Al Nahyan serves as the Board Vice Chairman of First Abu Dhabi Bank. He was appointed to the Board in 2017 and chairs the Board Management Committee and Board Remuneration and Nomination Committee.

An experienced business professional with more than 20 years in family business, real estate and investment, H.E. Sheikh Mohamed manages a number of projects across the UAE.

H.E. Sheikh Mohamed has a degree in International Economics and History from the American University of Paris.

External appointments:

- Abu Dhabi National Insurance Company PJSC, Chairman and Member of Board Risk Management Committee.



His Excellency
Jassem Mohammed Bu Ataba Al Zaabi
Independent Non-Executive Director

His Excellency Jassem Mohammed Bu Ataba Al Zaabi was appointed to the Board of First Abu Dhabi Bank in 2020 and chairs the Board Audit Committee.

His Excellency Jassem Mohammed Bu Ataba Al Zaabi is the Chairman of the Department of Finance – Abu Dhabi. In this capacity, he fosters a culture of fiscal sustainability across all government-related entities and upholds the emirate's sturdy balance sheet.

His Excellency is also the Secretary General of Abu Dhabi's Supreme Council for Financial and Economic Affairs and a member of the Abu Dhabi Executive Council.

H.E. Al Zaabi holds a master's degree in business administration from the London Business School.

External appointments:

- Artificial Intelligence & Advanced Technology Council, the Secretary General
- Abu Dhabi Pension Fund, Chairman
- Q Holding PJSC, Chairman
- Modon Properties PJSC, Chairman
- e& PJSC, Chairman
- UAE Central Bank, Vice Chairman
- Abu Dhabi Holding Company (ADQ), Vice Chairman
- Abu Dhabi Investment Authority (ADIA), Board Member
- Abu Dhabi National Oil Company (ADNOC), Board Member
- Tawazun Economic Council, Board Member
- Education and Human Resources Council, Board Member



His Excellency
Dr. Sultan Ahmed Al Jaber
Independent Non-Executive Director

His Excellency Dr. Sultan Ahmed Al Jaber was appointed to the Board of First Abu Dhabi Bank in 2020 and chairs the Board Risk and ESG Committee.

H.E. Dr. Al Jaber is a member of the UAE Cabinet, Minister of Industry and Advanced Technology, and leads the UAE's special envoy for climate change. He is the President for COP28, held in the UAE.

He previously served as founding CEO of Masdar, Abu Dhabi's pioneering renewable energy initiative, CEO of the Energy platform at Mubadala and Chairman of the Abu Dhabi Ports Company.

H.E. Dr. Al Jaber has a Ph.D. in Business and Economics from Coventry University in the United Kingdom, an MBA from California State University and a bachelor's degree in Chemical Engineering from the University of Southern California.

External appointments:

- Abu Dhabi National Oil Company (ADNOC), Managing Director and Group CEO
- Abu Dhabi Supreme Council for Financial and Economic Affairs, Board Member
- Emirates Development Bank, Chairman
- Masdar, Chairman
- Emirates Investment Authority, Board Member
- Emirates Global Aluminium, Board Member
- Mubadala Investment Company, Board Member
- Advanced Technology Research Council, Board Member
- Mohammed bin Zayed University of Artificial Intelligence, Chair, Board of Trustees



Her Excellency
Mariam bint Mohammed Saeed Hareb Almheiri
Independent Non-Executive Director

Her Excellency Mariam bint Mohammed Saeed Hareb Almheiri was appointed to the Board of First Abu Dhabi Bank in 2023 and is a member of the Board Risk and ESG Committee.

H.E. Almheiri is the head of the International Affairs office at the Presidential Court and the Chief Executive Officer of 2PointZero, a subsidiary of International Holding Company (IHC). H.E. Almheiri was previously the UAE Minister of Climate Change and Environment, spearheading the UAE's drive to mitigate and adapt to the impacts of climate change, protect the country's ecosystems, and enhance its food and water security through developing and implementing effective measures, policies and initiatives. She also represented the UAE in the United Nations Food and Agriculture Organisation and was previously Minister of State for Food and Water Security.

H.E. Almheiri has a master's and a bachelor's degree in Mechanical Engineering from the Rheinisch-Westfälische Technische Hochschule (RWTH) in Aachen, Germany.

- External appointments:**
- Q Holding PJSC, Board Member
 - Abu Dhabi Fund for Development, Board Member
 - International Humanitarian and Philanthropic Council, Board Member



His Excellency
Sheikh Ahmed Mohammed Sultan S. Aldhaheri
Independent Non-Executive Director

His Excellency Sheikh Ahmed Mohammed Sultan Aldhaheri was appointed to the Board of First Abu Dhabi Bank in 2017 and is a member of the Board Risk and ESG Committee and Board Audit Committee.

H.E. Sheikh Ahmed Aldhaheri has a bachelor's degree in Civil Engineering from UAE University.

External appointments:

- Abu Dhabi National Hotels Company (ADNH), Vice Chairman & Managing Director
- Abu Dhabi Refreshments Company (Pepsi Cola), Board Member & Managing Director
- Abu Dhabi Aviation PJSC, Vice Chairman
- e& PJSC, Board Member
- Al Dhafra Insurance PSC, Board Member
- Al Dhaheri Group, Board Member



His Excellency
Mohammed Thani Murshed Ghannam Alrumaithi
Independent Non-Executive Director

His Excellency Mohammed Thani Murshed Ghannam Alrumaithi was appointed to the Board of First Abu Dhabi Bank in 2017 and is a member of the Board Risk and ESG Committee and Board Remuneration and Nomination Committee.

H.E. Alrumaithi's contributions to Abu Dhabi's business growth are manifold. He has served in a number of government and regional positions dedicated to boosting economic development and trade, including multiple years as chairman of the Abu Dhabi Chamber of Commerce and Industry, president of the Federation of Chambers of the Gulf Cooperation Council, vice president of the US-UAE Business Council and Board member of the UK-UAE Business Council.

H.E. Alrumaithi holds a bachelor's degree in Business Administration.

External appointments:

- Alpha Dhabi Holding PJSC, Chairman
- National Marine Dredging Co. PJSC, Chairman



His Excellency
Mohamed Saif Al Suwaidi
Independent Non-Executive Director

His Excellency Mohamed Saif Al Suwaidi was appointed to the Board of First Abu Dhabi Bank in 2017 and is a member of the Board Management Committee and Board Audit Committee.

H.E. Al Suwaidi is Director General of the Abu Dhabi Fund for Development, an autonomous funding institution established by the Government of Abu Dhabi in 1971 to offer development aid and programmes to developing nations to advance their economic and social objectives. Since 2008, His Excellency has led the Fund in disbursing development assistance in excess of AED 190 billion, benefiting 104 countries worldwide, in addition to managing the Fund's resources.

With more than 30 years of experience in finance, business management, infrastructure development and institutional administration, H.E. Al Suwaidi is also involved in a number of regional, national and international organisations.

H.E Al Suwaidi holds a bachelor's degree in Business Administration from California Baptist University in the United States.

- External appointments:**
- Arab Bank for Investment and Foreign Trade (Al Masraf), Vice Chairman
 - Asian Infrastructure Investment Bank, Deputy Governor of the Board of Governors
 - Emirates Development Bank, Board Member
 - DP World, Board Member
 - Al Jazira Sports and Cultural Club, Board Member
 - Abu Dhabi Tourism Investments Company (ADTIC Egypt), Chairman
 - Abu Dhabi Uzbekistan Investment (ADUI), Chairman



His Excellency
Waleed Al Mokarrab Al Muhairi
Independent Non-Executive Director

His Excellency Waleed Al Mokarrab Al Muhairi was appointed to the Board of First Abu Dhabi Bank in 2020 and is a member of the Board Management Committee and Board Remuneration and Nomination Committee.

As Deputy Group Chief Executive Officer of Mubadala Investment Company, a sovereign investor owned by the government of Abu Dhabi, H.E. Al Muhairi has strategic oversight of the company's broad investment portfolio and special projects at the group level. He is also a member of Mubadala's investment committee, and Chairman of its new investment and business planning committee. Furthermore, he has oversight of the real estate and infrastructure, and diversified business platforms within Mubadala. H.E. Al Muhairi was one of the principal architects of the Abu Dhabi 2030 Economic Vision.

H.E. Al Muhairi holds a master's degree in public policy from Harvard, and a bachelor's degree in Foreign Service from Georgetown University in Washington, D.C.

External appointments:

- Waha Capital, Chairman
- Mubadala Capital, Chairman
- Global Institute for Disease Elimination (GLIDE), Chairman
- US-UAE Business Council, Chairman
- Aldar Properties PJSC, Vice Chairman
- Cleveland Clinic in the United States, Member, Board of Trustees
- Hub71, Board Member
- Ellipses Pharma Limited, Board Member
- Abu Dhabi Investment Council (ADIC), Board Member
- Investcorp Holdings Bahrain, Board Member
- M42, Board Member



His Excellency
Homaïd Abdulla Al Shimmari
Independent Non-Executive Director

His Excellency Homaïd Abdulla Al Shimmari was appointed to the Board of First Abu Dhabi Bank in 2023 and is a member of the Board Risk and ESG Committee and Board Audit Committee.

H.E. Al Shimmari is the Deputy Group CEO and Chief Corporate and Human Capital Officer in Abu Dhabi's Mubadala Investment Company. He was previously CEO of the Aerospace and Engineering Services platform in Mubadala, focused on the strategic vision and plans for developing technologically advanced industries within Abu Dhabi and the UAE.

H.E. Al Shimmari holds a bachelor's degree in Aeronautical Engineering from Embry-Riddle Aeronautical University and holds a black belt in Six Sigma from GE.

External appointments:

- Maximus Air Cargo, Chairman
- Solutions+, Chairman
- Abu Dhabi Aviation PJSC, Board Member
- Waha Capital, Board Member
- Khalifa University, Vice Chairman, Board of Trustees
- UAE University, Vice Chairman, Board of Trustees



His Excellency
Khalifa Ateeq Al Mazrouei
Independent Non-Executive Director

His Excellency Khalifa Ateeq Al Mazrouei was appointed to the Board of First Abu Dhabi Bank in 2023 and is a member of the Board Audit Committee.

He is currently the Group Chief Investment Officer at Abu Dhabi Capital Group. Previously, he also served as a senior manager at the Internal Equities Department - Active Europe at the Abu Dhabi Investment Authority (ADIA) and has held leading positions in the Internal Equities Department and Internal Audit since he joined ADIA in 2008.

H.E. Al Mazrouei has a bachelor's degree from the Higher Colleges of Technology - Abu Dhabi. He is a certified internal auditor and a Chartered Financial Analyst.



► Board Diversity

The Board is comprised of members with a diverse range of skills and experience designed to ensure strategic leadership and effective risk management and governance of the FAB Group.

The Remuneration and Nomination Committee and the Board understand the importance of ensuring the right composition of the FAB Group's various Boards. Board composition is continually assessed to ensure increasing diversity in all aspects including skills, experience and gender.

Gender diversity across the Group Board and subsidiary Boards

	Board	Total Board	Female Representation	% of Women
FAB		11	1	9%
FAB Islamic		5	3	60%
FAB Securities		5	3	60%
Egypt		9	2	22%
KSA		6	1	17%
Switzerland		6	1	17%
India ¹		6	0	0%
US (Curaçao) ²		7	2	29%
Libya ³		7	1	14%
Overall				23%
Local Boards				33%
International Boards				17%

¹ The FAB India board is the board of FAB Global Business Services Limited, which provides enablement services to the FAB Group.

² The US (Curaçao) subsidiary follows a two-tier board structure, including a management board and supervisory board.

³ FAB owns 50% of the share in First Gulf Libyan Bank and exercises control over the investee as it has a majority of votes on the Board of the entity.

► Remuneration Disclosure

The Board Remuneration and Nomination Committee recommends the level of Board member remuneration to the AGM for consideration and approval. All Board member remuneration is a fixed annual amount in accordance with regulatory requirements.

Directors' Remuneration

Total remuneration paid to the Board members in 2023 for the year 2022:

Board member	Roles	2023 Total Amount (AED)
His Highness Sheikh Tahnoon bin Zayed Al Nahyan	Chairman	16,250,000
His Excellency Sheikh Mohamed bin Saif Al Nahyan	Vice Chairman	3,675,000
His Excellency Jassem Mohammed Bu Ataba Al Zaabi	Director	3,675,000
His Excellency Dr. Sultan Ahmed Al Jaber	Director	3,675,000
His Excellency Waleed Al Mokarrab Al Muhairi	Director	3,000,000
His Excellency Sheikh Ahmed Mohammed Sultan S. Aldhaheiri	Director	2,750,000
His Excellency Mohammed Thani Murshed Ghannam Alrumaithi	Director	2,625,000
His Excellency Mohamed Saif Al Suwaidi	Director	2,875,000
His Excellency Musabbbeh Helal Musabbbeh Al Kaabi¹	Director	2,250,000
His Excellency Jassim Mohammed Al Seddiqi¹	Director	2,125,000
His Excellency André George Sayegh¹	Director	2,100,000

Total Board member remuneration:

	Proposed 31 Dec 2024 AED'000	31 Dec 2023 AED'000	31 Dec 2022 AED'000
BOD remuneration paid during the year		45,000	45,000
BOD remuneration proposed for 2023, to be paid in 2024	45,000		

¹ Term ended in February 2023.

► Board Induction and Training

In 2023, three Board positions were rotated with resignations of H.E. Jassim Mohammed Al Seddiqi, H.E. André George Sayegh and H.E. Musabbeh Helal Musabbeh Al Kaabi and the appointment of H.E. Mariam bint Mohammed Saeed Hareb Almheiri, H.E. Khalifa Ateeq Al Mazrouei and H.E. Homaid Abdulla Al Shimmari.

New Directors were provided with a comprehensive and tailored induction pack covering all aspects of governance at the bank to enable Directors to discharge their responsibilities and undertake their work with due care and skill. This included materials

on Board Committees, Board governance frameworks, fellow director and senior management skills and experience, external reporting, Board ethics, relevant regulatory guidance and policies and an outline of the business and market.



Continuous Board Education

To complement its comprehensive Board induction programme, FAB continued to provide continuous Board education to ensure Directors are provided with a more granular understanding of the business and relevant regulatory developments.

This year's Board education had a strong risk focus which included materials on model risk management

and the new CBUAE Model Management Standards and Guidance together with materials on Liquidity Management Strategy and Regulatory Compliance.

Feedback is obtained from Board members on each education pack to ensure ongoing refinement and development of the Board education.

► Board Evaluation

The Board Secretary conducts an annual assessment of the Board's performance. The annual assessment includes:

- Board Organisation, Structure and Objectives
- Board Meeting Processes
- Board Responsibilities and Performance
- Board Interaction with Senior Management

In addition, an independent Board evaluation is conducted periodically in accordance with regulatory requirements.

Recommendations are considered and addressed to enhance the governance structure across the Board and its committees and charters are updated on a yearly basis.

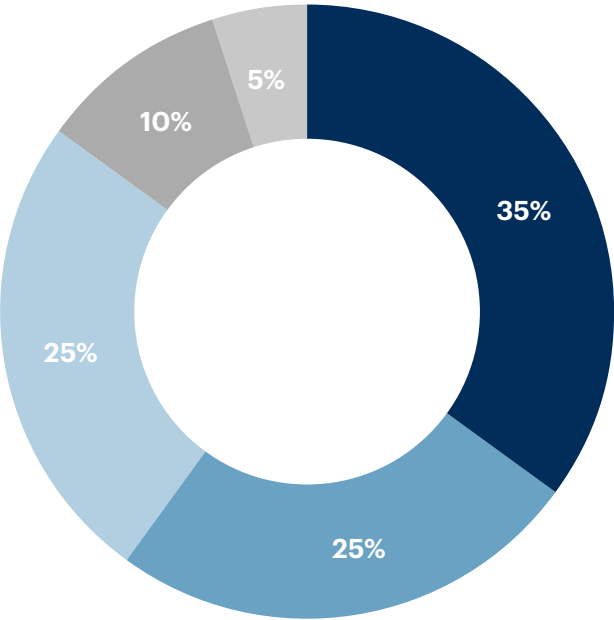
In 2023, the Board evaluation was positive with feedback that meetings devoted sufficient time to relevant topics, in particular Group strategy, Board members had sufficient skills and experience to consider the relevant matters and Board materials were distributed in a timely manner. Constructive feedback was also received on the induction of the new Board members.



Board Meetings and Agenda

Board Activities in 2023

- Reviewing the financial performance of the Bank, including the annual budget
- Reviewing Group strategy, including the long-term strategic planning, strategic initiatives, business acquisitions and integration (including technology and cloud strategy)
- Reviewing Board Committee Reports: risk, ESG, remuneration, nomination and governance, compliance and audit
- Approval of leadership and succession planning
- Reviewing the annual Board evaluation



Board Meeting Attendance

Date of Board meeting	Number of Director attendees
25 January 2023	11/11
26 April 2023	11/11 ¹
20 July 2023	11/11
18 October 2023	9/11
15 November 2023	10/11
14 December 2023	10/11
20 December 2023	9/11

¹ Board members replaced at the AGM in February 2023

- Andre Al Sayegh
- H.E. Mussabeh Al Kaabi
- H.E. Jassim Al Seddiqi



Board Committees

The Board Committees play a crucial part in the decision-making process. 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 them to have better oversight of 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 the four Board Committees set out below. 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)

The BMC provides 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 2023, 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 2023, the BMC held nine committee meetings.

BMC Meeting Attendance

Date of meeting	Number of attendees
24 January 2023	4/5 ¹
25 April 2023	2/3
22 June 2023	3/3
12 July 2023	3/3
18 July 2023	3/3
2 October 2023	3/3
4 October 2023	2/3
16 October 2023	3/3
7 December 2023	2/3

¹ In January 2023 the BMC membership was 5 and following the AGM changed to 3.

Committee composition

As at 31 Dec 2023

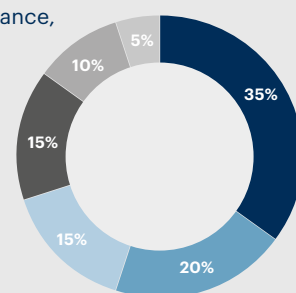
His Excellency
Sheikh Mohamed bin Saif Al Nahyan
Vice Chairman
Independent Non- Executive Director

His Excellency
Mohamed Saif Al Suwaidi
Independent Non-Executive Director

His Excellency
Waleed Al Mokarrab Al Muhairi
Independent Non- Executive Director

Time allocation for 2023 BMC meetings

- Bank Divisional Performance, Financial Performance and Projections
- Capital Expenditure
- Annual Budgets
- Strategy
- Dividend Distribution
- ISSC



Board Remuneration and Nomination Committee (REMCO)

The REMCO approves and oversees the Bank's compensation and reward design and its implementation. The REMCO also supports the Board with recommendations for key senior management appointments. In 2023, the REMCO performed a full review of the total compensation for senior executives including the introduction of long-term incentives to align senior executive compensation with the Bank's long-term objectives. It also approved EXCO succession planning, the appointment of senior management positions and director appointments for local and international subsidiary Boards. The REMCO also approved local and international human resources and remuneration policies.

In 2023, the REMCO held two committee meetings.

REMCO Meeting Attendance

Date of meeting	Number of attendees
24 January 2023	2/3
21 November 2023	3/3

Committee composition

As at 31 Dec 2023

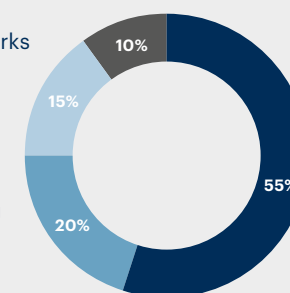
His Excellency
Sheikh Mohamed bin Saif Al Nahyan
Vice Chairman
Independent Non- Executive Director

His Excellency
Mohammed Thani Murshed Ghannam Alrumaithi
Independent Non-Executive Director

His Excellency
Waleed Al Mokarrab Al Muhairi
Independent Non- Executive Director

Time allocation for 2023 REMCO meetings

- Remuneration: approval of frameworks and overseeing implementation
- Subsidiary Board Governance
- Succession Planning and Board and Senior Management Appointments
- Policy reviews and approvals



Board Risk and ESG Committee (BRESGC)

The BRESGC provides holistic oversight and advice to the Board on the Enterprise-wide Risk Strategy and Risk Profile of the FAB Group. The committee approves the Risk appetite Framework in line with the business strategy and operating environment and drives the desired risk culture in the Group. It reviews the reports on risk profile, stress tests, initiatives and mitigating actions for risks such as capital, liquidity, credit, market and interest rate risks. The committee also oversees the framework and risk posture for managing other enterprise risks such as Operational, Fraud, Information security, Technology Risks, Model risk, Legal, ESG, Corporate Governance, Shari'ah compliance, reputation, strategic risks and approves related Group policies and frameworks.

During 2023, the committee reviewed the progress of implementation of FAB's ESG strategy to become net zero in line with UAE Strategic Initiative of Net Zero by 2050. The committee was updated about the global and regional ESG trends, programmes and initiatives for COP 28 in the UAE, ESG regulatory landscape, Climate risks and Stress tests, ESG reporting and disclosures. The committee reviewed and approved the Bank's approach to reduce financed emissions for the high-emitting sectors. The Committee also approved the ESG Risk Framework and Policies and compliance with ESG scorecards and key risk indicators.

In 2023, the BRESGC held four committee meetings.



BRESGC Meeting Attendance

Date of meeting	Number of attendees
11 January 2023	4/5
19 April 2023	4/5
18 July 2023	5/5
16 October 2023	4/5

Committee composition

As at 31 Dec 2023

His Excellency
Dr. Sultan Ahmed Al Jaber
Independent Non-Executive Director

Her Excellency
Mariam bint Mohammed Saeed Hareb Almheiri
Independent Non-Executive Director

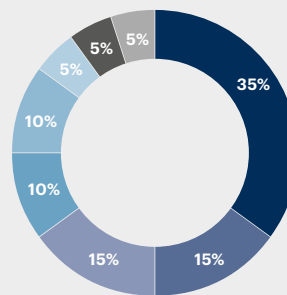
His Excellency
Sheikh Ahmed Mohammed Sultan S. Aldhaheeri
Independent Non-Executive Director

His Excellency
Mohammed Thani Murshed Ghannam Alrumaithi
Independent Non-Executive Director

His Excellency
Homaid Abdulla Al Shimmari
Independent Non-Executive Director

Time allocation for 2023 BRESGC meetings

- Review of Group Risk Profile and Group Risk Appetite
- Review of Capital, Liquidity, Asset Quality and Market Risk Reports
- ESG Strategy and ESG Risk Reports
- Reports on Technology, Risk, Information & Cyber Security, Business Continuity and Third Party Risk Reports
- Regulatory Updates
- Model & Model Risk Management
- Operational and Fraud Risk Reports
- Macro Economic/Geopolitical Updates



Board Audit Committee (BAC)

The Board Audit Committee (BAC) provides oversight of Internal Audit as well as Group Compliance and the statutory external auditors. It has oversight of the Group including international branches in order to provide a reasonable level of assurance on overall controls, levels of compliance and the governance of these operations. As part of these responsibilities, the BAC provides oversight of the various Regulatory Reviews and Examinations and discusses the regulations and laws impacting the Bank and the Group's Internal Audit and compliance processes. The BAC oversees the coverage of asset quality matters, credit loss reserve levels and monitoring of both the business lines.

In 2023, the BAC approved the Bank's risk-based Audit Plan, Budget and Resource requirements, endorsed the revision and updates of charters, policies and procedures aligning with the UAE and International Standards and Regulations related to Internal Auditing and the CBUAE Corporate Governance Regulations, including departmental initiatives and Group Internal Audit KPIs which are monitored on a yearly basis. The Committee assessed a range of internal and external factors including cyber threats, business resilience and continuity and operational and fraud risks. The BAC also discussed the proceedings of FAB's Subsidiary Board Audit Committee meetings across several countries.

As part of its Group Compliance oversight, the BAC reviewed and endorsed Group Compliance policies and proactively discussed the management of Compliance Risks within the FAB Group.

The BAC met with the External Auditor periodically to discuss matters pertaining to the quantitative and qualitative aspects of the Bank's financial results, including Financial Statement Disclosures. This included oversight of the performance of the Statutory Auditors, their independence, materiality of issues and the re-appointment of the auditors at a Group level.

In 2023, the BAC held four Committee meetings.



BAC Meeting Attendance

Date of meeting	Number of attendees
24 January 2023	5/5
25 April 2023	4/5
19 July 2023	4/5
16 October 2023	5/5

Committee composition

As at 31 Dec 2023

His Excellency
Jassem Mohammed Bu Ataba Al Zaabi
Independent Non- Executive Director

His Excellency
Mohamed Saif Al Suwaidi
Independent Non-Executive Director

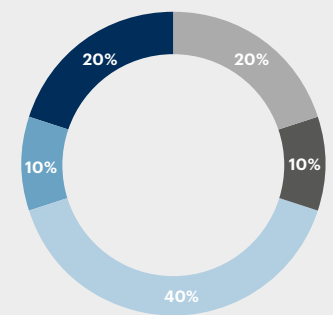
His Excellency
Sheikh Ahmed Mohammed Sultan S. Aldhaheeri
Independent Non-Executive Director

His Excellency
Homaid Abdulla Al Shimmari
Independent Non-Executive Director

His Excellency
Khalifa Ateeq Al Mazrouei
Independent Non-Executive Director

Time allocation for 2023 BAC meetings

- Group External Auditors
- Group Finance
- Group Internal Audit
- Group Internal Shari'ah Audit
- Group Compliance



► External Auditor

1. Oversight by Board Audit Committee

The Board Audit Committee is responsible for overseeing the work of the Statutory Auditor and will meet with the Statutory Auditor at least once per year without the presence of management to discuss matters related to the Audit and their observations. During the fourth quarter of each year, the audit and audit related services list is obtained from the Statutory Auditor along with its related fees (paid and to be paid) and this is presented to the Board Audit Committee meeting in the following financial year (generally held at the end of January each year). Subsequently, if for any reason, the audit fees exceed 10% of the last approved amount, then incremental amount must be approved by CFO and tabled for ratification by the BAC at the following Audit Committee meetings prior to payment. No additional authority is delegated for approval of services obtained from the statutory auditor. Unused pre-approval amounts are not carried forward to the next year. Pre-approvals will be made by category of service and cannot be transferred between categories. The FAB Group Board Audit Committee keeps the Board of Directors advised at least on an annual basis of the fees paid to the Statutory Auditor for Audit, Audit Related and Non-Audit services. The written advice includes:

- The total amounts paid or payable to the Statutory Auditor for non-audit services provided during the year and the proportion of such fees in relation to the Audit fee; and
- Confirmation that the Board Audit Committee is satisfied that the provision of non-audit services during the year has not compromised the independence of the Auditors.

2. Management of Non-audit services

Permitted non-audit services are those services that are permissible under the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) and can be performed by the Statutory Auditor of the Group. For these services, when the Statutory Auditor is

engaged, the scope of the services and the fees can be proposed / recommended by the CFO and to be approved by the Group Board Audit Committee. Additionally, these engagements including the nature and amounts are reported to the Group Board Audit Committee on a quarterly basis.

Appointment of auditors

The FAB Group Board is responsible for the recommendation of an independent Statutory Auditor, based on inputs received from Group Finance through the BAC, with the appropriate skills, knowledge, resources, sufficient experience and who is accredited / licensed by the relevant authorities, subject to shareholder approval at the AGM and approval from CBUAE.

Selection Criteria

The Board Audit Committee will evaluate potential Statutory Auditors on several criteria including, but not limited to:

- The auditor being properly constituted in accordance with relevant laws and regulations;
- The independence of the Statutory Audit firm from FAB Group and its ability to maintain independence throughout the engagement; FAB Group has a right to immediately terminate the service of the Statutory Auditor once their independence has been compromised;
- There being no conflict-of-interest situations that could affect the independence of the Statutory Auditor;
- Arrangements that are proposed to enable partner rotation and succession planning;
- Professional competency, experience and integrity of key personnel;
- Compliance with relevant professional Codes of Ethics;
- Thoroughness of the audit approach and methodology; and
- Cost effectiveness.

The Statutory Auditor is appointed on an annual basis in accordance with applicable laws and regulations in force and their total duration of appointment shall not exceed a maximum of six consecutive years. In the event that the FAB Group Board, or the shareholders at the AGM, decide that a new Statutory Auditor is required:

- The Board Audit Committee will prepare a shortlist of candidates that meet their selection criteria and ascertain their willingness to act as Statutory Auditor;
- Interested candidates will be required to submit a proposal addressing the Board's criteria as well as a statement that they are independent;
- The Board Audit Committee will interview candidates in order to further assess their suitability;
- The Board Audit Committee will subsequently meet to determine the preferred candidate and make a recommendation to the Board on the selected candidate and the recommended auditor engagement fees;
- When reappointing a Statutory Auditor from one fiscal year to another, the audit quality indicators for the Statutory Auditor's work throughout the previous year must be evaluated, and ADAA's comments on the performance of the Statutory Auditor as well as any other matters that may affect the decision to reappoint the Statutory Auditor shall be taken into consideration;
- The FAB Group must carry out a procurement procedure to rotate the external audit firm at least once every six years. Following rotation, a cooling off period of three years must be observed before the same firm may be reselected. In addition, the Bank must rotate the external audit partner in charge of the audit every three years.

Auditor's Remuneration

	31 Dec 2023 AED'000
Audit services	11,700
Audit related services	8,190
Non-audit services	4,611
Total auditor's remuneration	24,501

Audit services

Audit services can be defined as services rendered by the Group's statutory auditor for the audit and review of the financial statements or services that are normally provided by the statutory auditor in connection with statutory and regulatory filings. These services shall be submitted for approval to the Board Audit Committee as part of the annual audit plan cycle.

Audit related services

Audit related services are services other than 'audit services' for which the auditor of the entity is an appropriate provider particularly where those services are required by a law or regulation relating to the jurisdiction and activities of the subject entity.

Non-audit services

Non-audit services are services which do not fall in the above two segments of service and are also not part of prohibited services.

2023 Audit

No reservations were raised by the external auditor in respect of the Audit year ended 31 December 2023.

Senior Management

All senior management are members of the Group Executive Committee (EXCO), FAB Group's most senior management level committee. The EXCO operates under a delegated authority from the FAB Board. The EXCO and its individual members support the Group CEO to determine and implement the Bank's strategy as approved by the FAB Board.



Hana Al Rostamani
Group Chief Executive Officer

Hana Al Rostamani is the Group Chief Executive Officer (CEO).

Recognised for being a change leader, focused on embedding a culture driven by innovation, diversity and inclusion, Hana is the first female CEO of a UAE-based bank. With more than 25 years of experience in banking and financial services, Hana brings proven industry experience to the Group. Prior to being named CEO in January 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 banking and instilling a customer and digital-first mindset. Prior to joining FAB, Hana held various roles of increasing domestic and international responsibility at First Gulf Bank, Citibank and AW Rostamani Group.

Hana recently served as Chair of the Global Council on the Sustainable Development Goals. She retains a keen 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.

Hana is a graduate of George Washington University in the United States, where she earned a bachelor's degree in business administration and a master's degree in Information Management. Hana's most recent accolades include being the highest-ranked female CEO in the MENA region, in Forbes Middle East's Top CEOs 2023 listing, and among the top 15 global women finance leaders. Hana is a UAE native, and she is married with three children.



Lars Kramer
Group Chief Financial Officer

Lars Kramer is the Group Chief Financial Officer (CFO). He has the responsibility to oversee the bank's financial activities, including Group-wide finance, treasury, investor relations, and strategy. Lars joined FAB from Netherlands-based ABN AMRO where he was CFO from June 2021. He has extensive banking industry experience across several senior leadership positions including as Group CFO at Hellenic Bank.

For almost 20 years he worked with ING, where he was CFO for ING Direct, ING Retail Banking Direct and International, and ING Commercial Bank. With his extensive industry expertise, Lars can provide insights and commentary on capital markets, portfolio management, credit risk, financial risk, and asset and liability management – and he is also a trusted voice on issues related to tax and banking strategy. Lars is a Chartered Accountant and holds a Bachelor of Science in Accounting from the University of South Africa and a Master of Business Administration (MBA) from the University of Cape Town, specialising in finance, markets, and strategy.



Pradeep Rana
Group Chief Risk Officer

Pradeep Rana is the Group Chief Risk Officer. He also has responsibility for Corporate Governance, Group Legal and Group Environmental, Social and Governance (ESG).

Pradeep is an international banker with over 25 years of experience in roles that have spanned global and regional leadership at ABN AMRO, Standard Chartered Bank and Danske Bank.

He brings strong international experience having worked in multiple international locations namely India, Hong Kong, South Korea, Singapore, the Netherlands, UK and Denmark, covering a variety of leadership roles in Fixed Income Syndications, 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 University of Surrey, United Kingdom and an MBA from the Rotterdam School of Management, Erasmus University, Netherlands.

Pradeep sits on the Board of Governors for GCC Board Directors Institute.



Martin Tricaud
Group Head of Investment Banking and Acting Group Head of International Banking

Martin Tricaud is the Group Head of Investment Banking. He is also the acting Group Head of International Banking.

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, and Global Corporate Finance. 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.

In addition to leading FAB's Investment Banking franchise, Martin is the Chairman of the bank's FAB Suisse subsidiary and Vice Chairman for the FAB Capital Saudi Arabia Board.

He is also a trustee of the Universite Paris II Assas, Sorbonne, and 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.



Sameh Abdulla Al Qubaisi
Group Head of Global Markets

Sameh Al Qubaisi is the Group Head of Global Markets. He oversees the bank's award-winning global markets function which includes trading, sales, products, and research as well as new product capabilities to fuel the momentum and appeal of FAB's global client base.

With a combination of broad reach, deep insight, and responsive world-class tailored products and a cross-asset platform – the Global Markets Teams under Sameh enables its clients to pursue global growth quickly and carefully while managing risk. The team that Sameh oversees, in particular its FX, research, and overall business functions have drawn multiple accolades from Euromoney, AsiaMoney, Global Finance, IFC and other global and regional industry experts.

Sameh previously served as Director General of Economic Affairs at the Abu Dhabi Department of Economic Development. In this role, he led teams responsible for delivering Abu Dhabi's economic strategy, overseeing SME policymaking, logistics and trade facilitation, the Competitiveness Office of Abu Dhabi, the Industrial Development Bureau, and the Abu Dhabi Residents Office.

He was also Executive Director of Business Enterprise at the Abu Dhabi Investment Office (ADIO) where he was primarily responsible for investments and Public Private Partnerships, playing a key role in scaling up ADIO's coverage, capabilities, and offerings.

Sameh's 15-year career in global banking and finance and long-standing expertise in wholesale banking, risk management and global markets plays a crucial role in his efforts towards achieving macro-economic diversification initiatives. He spent more than a decade at the National Bank of Abu Dhabi and has held a number of leadership roles at CAPM Investments, Finance House, Standard Chartered Bank, HSBC, and National Bank of Dubai.

Sameh holds a Bachelor's degree in International Relations with a minor in Political Science and Economics from Rollins College, USA.



Sara Al-Binali
Group Head of Corporate and Commercial Banking

Sara Al-Binali is the Group Head of Corporate and Commercial Banking.

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 and Commercial 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 AlMazrouei
Group Head of Consumer Banking – UAE

Futoon AlMazrouei is the Group Head of Consumer Banking UAE. 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 at the forefront of digitalisation of banking services as part of ensuring that banks serve their customers safely and securely. Under her leadership, FAB's Consumer Business has received multiple awards, including: the MEA Finance Award for Best Mobile Banking Service Implementation, the Best Use of Data and Analytics at the Digital CX Awards for Dubai First in 2023, 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 2023 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, Bank FABMISR. She is a Board member of the Sheikhha Fatima Fund for Women Refugees.

Futoon holds a Bachelor of Science and Mathematics degree from UAE University, Al Ain and graduated from the Executive Program in International Management at Stanford Graduate School of Management in Singapore.



Michel Longhini
Group Head of Global Private Banking

Michel Longhini is the Group Head of Global Private Banking where he is responsible for strengthening the bank's private banking proposition and reach by driving growth and depth across its international footprint. Michel focuses on enhancing FAB's offering by ensuring that the bank's Global Private Banking platform creates long-term prosperity for its clients through highly customised solutions and access to dynamic investment opportunities.

Michel has three decades of experience in private banking and prior to joining FAB he was the CEO of Private Banking at Edmond de Rothschild in Switzerland. Before this, he was the CEO of Private Banking at Union Bancaire Privée (UBP SA) in Geneva. Michel spent a substantial part of his career in leading positions across BNP Paribas wealth management. In all his leadership positions, Michel managed teams and developed relationships with key clients based in the UAE.

He holds an MSc in Management from EM Lyon Business School.



Suhail Bin Tarraf
Group Chief Operating Officer

Suhail Bin Tarraf is the Group Chief Operating Officer (Group COO).

As Group COO, Suhail works to achieve FAB's overall vision by ensuring that its business strategy is monitored and translated into annual operational business plans. He is also a leader in championing operational and technology change initiatives regionally and internationally.

His responsibilities include capitalising on opportunities for performance enhancement, ensuring cost-effective service development while upholding quality standards and establishing operational infrastructure for the Group's expansion into new markets.

Suhail also spearheads the Group's IT strategy from support and assurance as well as steering innovation in data analytics, data governance and procurement to improve customer experience and operational excellence.

Suhail brings nearly 25 years of senior expertise in strategy, operations, technology and human resources to his role. Prior to joining FAB, Suhail served as the Chief Operating Officer for Emirates Islamic Bank. He was previously Chief Executive Officer of Tanfeeth, the shared services subsidiary of the Emirates NBD Group, rounding out a 22-year career with the Group where he led Human Resources and other operational units.

Suhail is a graduate of the Harvard Business School's General Management Programme and has an MBA from The International University. He also has a bachelor's degree in business administration from the American University in Dubai and a series of professional qualifications from institutions including INSEAD and the Hult Business School. He is one of the UAE's leading falconers.



Gareth Powell
Group Chief Human Resources Officer

Gareth Powell is the Group Chief Human Resources Officer. He is responsible for leading and developing the bank's people and human resources proposition.

He has extensive experience in HR functional leadership, including a background and track record in delivering culture change, talent development, and change programmes. Most recently, he was the Chief Human Resources Officer at Commercial Bank of Dubai, and prior to that, he was Chief Human Resources Officer for First Gulf Bank from 2011 to 2016.

Throughout his career, Gareth has held both generalist and specialist roles covering business and HR issues at both a tactical and strategic level.

Previously, Gareth was at HSBC for nearly 20 years where he held a variety of senior roles across the group in locations such as Hong Kong, London, the United States, Latin America, and the UAE.

He holds a Bachelor of Arts degree in Spanish and French from King's College, University of London, as well as professional qualifications from the Graduate Institute of Personnel Management at Thames University. Gareth is also Fellow of the Chartered Institute of Personnel & Development (CIPD) and is accredited by the British Psychological Society in Psychometric Assessment.



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.

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.



Nizar Qaiser Luqman
Acting Group Chief Compliance Officer

Nizar Qaiser Luqman is the Acting Group Chief Compliance Officer. In this role, he is responsible for overseeing compliance within the FAB Group both domestically and internationally – ensuring compliance with applicable laws, regulatory requirements, policies, and procedures.

Nizar is a seasoned career banker with over 26 years of experience in the sector, he has extensive experience in auditing, quality assurance, internal control, enterprise risk assessment, credit, and operations. Before taking up his current post, he was an Executive Vice President, Group Internal Audit at FAB.

Throughout his career, Nizar has obtained numerous certifications including Certified Internal Auditor, Certified Anti-Money Laundering Specialist, Certified Fraud Examiner, Certified Financial Services Auditor and CIMA Certificate in Islamic Finance.

Alongside this, Nizar has completed several specialised post-graduate certifications from several leading global business schools.



Tracy S. Faulkner
Group Chief Communications & External Relations Officer

Tracy S. Faulkner is the Chief Communications and External Relations Officer. Tracy is responsible for leading the strategy to strengthen and protect FAB's image, brand and reputation in local, regional and international markets. She oversees Communications, Brand, Marketing, Strategic Partnerships, Corporate Social Responsibility and live event experiences.

With over 30 years of multi-industry and cross functional experience across six continents, Tracy joined FAB from Majid Al Futtaim, a leading retail conglomerate in Africa, Asia and the Middle East, where she was Chief Communications and Public Affairs Officer. Prior to this role, Tracy was Vice President, Global Communications, at Shell, a global energy and petrochemical company. Before joining Shell, she held senior roles of increasing domestic and international responsibilities in the US Federal Government and General Motors.

Tracy has a bachelor's degree in Mass Communications Management from Clark-Atlanta University in Atlanta, Georgia. She completed the Harvard Business School Executive Education Program and Center for Creative Leadership Development Program. She is a Board member of the Arthur W. Page Society and Institute for Public Relations, and Vice President of Alpha Kappa Alpha Sorority, Incorporated, Omega Theta Omega Chapter.



Nurendra Perera
Group Chief Audit Officer

Nurendra Perera is the Group Chief Audit Officer. He 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 & Organisation Design from University of INSEAD, including the following internationally accredited qualifications: CIA, CFSA and CRMA from the Institute of Internal Auditors (USA), CISA and CRISC from ISACA (USA), CIB from The Chartered Institute of Bankers (UK).

► Delegation of Authority

The Board sets the strategic objectives and risk appetite of the Bank and oversees management. The Board reserves certain powers for itself and delegates certain authority and responsibility for day-to-day management of the Group and the execution of its strategic priorities to the Group CEO.

The CEO in turn delegates certain authorities and responsibilities to Group Executives. Irrespective of any delegation by the CEO, the CEO remains accountable to the Board for the exercise of delegated power and management's performance.

The powers are delegated via Powers of Attorney (POAs) issued by the Chairman and in turn the CEO. In 2023, FAB revised and renewed the Powers of

Attorney issued to the CEO and to a select group of Group Executives. These revised and renewed Powers of Attorney are in place for a period of three years and receive legal and notary review to ensure the powers are appropriately documented.

Further POAs may be issued to other staff in the bank or to external representatives, such as legal advisors, as appropriate.

► Remuneration

FAB's remuneration practices are designed to align the performance and conduct of employees to sustainable business strategies, while ensuring compliance with the statutory framework of jurisdictions in which the bank operates.

In 2023, Hana Al Rostamani, the Group Chief Executive Officer, was paid a total of AED 14,670,965, Lars Kramer, the Group Chief Financial Officer (who commenced 1st May 2023), was paid a total of AED 3,000,000 and Pradeep Rana, the Group Chief Risk Officer, was paid a total of AED 4,828,157. All values are actual cash paid in 2023. In addition, the total remuneration paid in 2023 to all of the Bank's Group Executives was AED 62,196,749.

Through the Board and Executive Committees, FAB continues to evaluate its compensation practices with a view to adhering to the following principles:



Market Competitiveness (attraction and retention of talent)

- Overall remuneration and its components are benchmarked to the market annually, to ensure we remain competitive in line with our brand and value proposition
- Risk-appropriate and performance-aligned incentive / variable awards include vesting and cancellation provisions that retain employees and protect FAB's interests.



Pay for Performance and Shareholder Alignment

- Ensure a healthy pay-mix of fixed and variable pay, while focusing not only on "what" is achieved but "how" it has been achieved
- Variable pay is aligned with performance against a Balanced Score Card at individual and function levels, and focuses on sustainable performance aligned to stakeholder interests



Risk Management

- Robust governance around review and approval of compensation programme, including the risk perspective
- Balancing the "risk-reward" relationship through appropriate deferral mechanisms that are applied on variable pay. Further, consequence management provisions for variable pay (both paid and deferred amounts) such as "malus" and "claw-back" are applied to strengthen the risk and reward alignment



Material Risk Takers

FAB has established a formal framework to identify employees whose professional activities have a material impact on FAB's risk profile, known as Material Risk Takers. The identification framework is reviewed on an annual basis in line with the prevailing rules set out by the regulator and the outcome of the review is subject to approval of the Human Resources Steering Committee.

Overall, FAB's approach to remuneration and reward is reflective of global best practices together with compliance with the statutory framework of the specific jurisdiction in which we operate.

Management Committees

FAB has a number of management committees. Each committee has a Board approved charter that outlines its authority, responsibilities, meeting frequency and practices, members and reporting.

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.

Committee	Responsibilities	Number of 2023 Meetings
Group Executive Committee (EXCO)	The EXCO supports the Group Chief Executive Officer to determine and implement the Group’s strategy as approved by the Board including decisions on the annual budgets, monitoring ongoing budget management and business performance, decisions on key strategic initiatives and review of material projects and training on topics such as cyber resilience.	10
Group Assets and Liabilities Committee (G-ALCO)	The Group Asset and Liability Committee 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.	9
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 2023, GTSC provided executive oversight for a technology evolution programme and the technology investment portfolio along with the technology budget position on a monthly basis. It also provided oversight of strategic projects via the Central Program Management Office as well as technology service management such as service quality improvements and resilience together with approving technology related policies.	14
Group Risk Committee (GRC)	The GRC develops and recommends the Group Risk Strategy, Enterprise Risk framework, Risk appetite and risk policies, in line with the Group’s strategy and business plan. The GRC monitors the Group risk profile and risk culture. The GRC meets on a quarterly basis and reports relevant matters to the Group EXCO, and as appropriate, directly to the BRESGC. In 2023, the GRC reviewed reports on the impact of macroeconomic geopolitical environment on FAB Group’s risk profile, Enterprise risk map and appetite reports, capital position and results of stress test, Group risk management initiatives and special risk papers on present and emerging risk matters.	4

Committee	Responsibilities	Number of 2023 Meetings
Group Credit Committee (GCC)	The GCC is responsible for development and implementation of Bank’s Credit and lending strategies and related policies and procedures. GCC oversee the Bank and its subsidiaries credit performance and portfolio quality.	11
Group Compliance Committee	The Group Compliance Committee oversees the bank’s regulatory responsibilities and ensures compliance with the rules and regulations applicable to FAB, both domestically and across its International operations. The Committee provides proactive and continuous oversight of regulatory trends, themes and issues impacting FAB globally. During 2023, the Committee directed and oversaw the management of compliance risk across all FAB business lines and geographies, including the deployment of a new Group Compliance Policy and Compliance Risk Management Framework, in the context of rising regulatory scrutiny and geopolitical uncertainty across the international financial services sector.	4
Group ESG Committee	The Group Environmental, Social and Governance Committee is responsible for promoting and overseeing the ESG strategy, net zero plans, culture and awareness across the FAB Group. The Committee reports relevant matters to the Board Risk and ESG Committee, advising and informing them on the Group’s ESG Framework and indicators. During 2023 the Committee reviewed the Group’s ESG metrics progress against targets, endorsed FAB’s operational roadmap to net zero by 2030 and sectorial financed emission reduction targets to the Board Risk and ESG Committee (BRESGC), approved several ESG reports and fostered an ESG culture in the Bank by making the carbon literacy training a requirement for all employees.	4
Group Human Resources Steering Committee (HRSC)	The aim of HRSC is to ensure FAB is positioned well as an employer of choice and our strategic people agenda is defined and executed. HRSC provides a forum to discuss and approve HR polices and initiatives and also governs implementation.	3
Group Technology Risk and Information Security Committee (GTRISC)	The GTRISC’s primary objective is overseeing, reviewing and taking decisions on Technology, Information Security, Data Privacy and Business Continuity Management (BCM) related risk management, including its alignment to the risk appetite of the FAB Group. In 2023, the GTRISC convened six times and held continuous discussions on information/cybersecurity and its impact on the FAB’s risk profile, provided oversight on FAB’s Cloud Adoption strategy, monitored the evolving data privacy regulatory landscape to ensure ongoing compliance, provided oversight on Business Continuity Program to ensure Organisational resilience and also discussed and reviewed cyber insurance to manage the risk appetite of the Bank.	6
Group Operational and Fraud Risk Committee (GO&FRC)	The GO&FRC is responsible to review the Group’s Operational Risk & Fraud Risk management strategy, monitor & ensure that the appropriate framework is in place, and assist BRESGC by overseeing the bank’s operational & fraud risk management. The committee defines guidelines to identify and manage operational and fraud risks in all new products, processes, and activities. In 2023 among other things, the Committee initiated strengthening the risk ownership and management at first line by creating first line Risk & Control function for international offices. It further strengthened the Fraud Control strategy, amended the outsourcing policy and cleared other risk control measures.	6

Subsidiaries, Branches and Representative Offices

FAB has a number of international and local subsidiaries as well as international branches and representative offices spanning jurisdictions in Europe, America, Africa, the 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 local subsidiary operates within the Group’s overarching Corporate Governance Framework along with individual frameworks and corporate governance arrangements suitable for their business with the Group’s oversight and control. FAB’s international subsidiaries must also comply with local regulatory requirements in their jurisdiction.

International and local subsidiaries have their own Board of Directors and Board Committees where required by law or regulation. Our international presence include Switzerland, the Kingdom of Saudi Arabia, Egypt, the USA (Curaçao), and India¹. The Boards of these subsidiaries are comprised of senior banking professionals with a diverse range of skills across banking, finance and risk and other control functions and with an increasing emphasis on technology and ESG. Independent

directors are also appointed in accordance with local regulatory requirements. All subsidiary board appointments must be approved by key senior management and the Group’s Board Remuneration and Nomination Committee.

FAB also has an international presence through branches and representative offices in over 15 countries, providing operations and services at a local level and supported by regional and Group management as appropriate. This includes operations in the United Kingdom, Asia, Europe and several GCC countries. Each of the international branches is supported by a suite of local management-level committees which are managed locally with oversight by Group Corporate Governance. Under the international governance model, Group Corporate Governance ensures consistency throughout the international network, provides training and conducts assurance work to ensure compliance with Group-wide governance standards. Each international location is governed by a country specific International Banking Governance Framework.

List of principal UAE and international subsidiaries as at 31 December 2023

Legal name	Country of incorporation	Principal activities
First Abu Dhabi Bank USA N.V.	US (Curaçao)	 Banking
FAB Securities LLC	United Arab Emirates	 Brokerage
Abu Dhabi National Leasing LLC	United Arab Emirates	 Leasing
Abu Dhabi National Properties Pvt. JSC	United Arab Emirates	 Property Management
FAB Private Bank (Suisse) SA	Switzerland	 Banking
First Abu Dhabi Islamic Finance PJSC	United Arab Emirates	 Islamic Finance
Abu Dhabi Securities Brokerage Egypt ¹	Egypt	 Brokerage
NBAD Employee Share Options Limited	United Arab Emirates	 Shares and Securities
First Abu Dhabi Bank Representações Ltda	Brazil	 Representative office
FAB Global Markets (Cayman) Limited	Cayman Islands	 Global Markets Trading
Nawat Management Services - One Man Company LLC	United Arab Emirates	 Services
Mismak Properties Co. LLC (Mismak)	United Arab Emirates	 Real estate investments
Moora Properties Co. LLC (Subsidiary of Mismak)	United Arab Emirates	 Real estate investments
Shangri La Dubai Hotel LLC (Subsidiary of Mismak)	United Arab Emirates	 Real estate investments
First Merchant International LLC (FMI)	United Arab Emirates	 Real estate investments
FAB Employment Services LLC (Subsidiary of FMI)	United Arab Emirates	 Resourcing services
FAB Resourcing Services LLC (Subsidiary of FMI)	United Arab Emirates	 Resourcing services
Horizon Gulf Electromechanical Services L.L.C. (Horizon) (Subsidiary of FMI)	United Arab Emirates	 Real estate related services
Horizon Gulf General Contracting LLC (Subsidiary of Horizon)	United Arab Emirates	 Real estate related services
PDCS Engineering LLC (Subsidiary of Horizon)	United Arab Emirates	 Real estate related services
Horizon Gulf Oil and Gas Services LLC (Subsidiary of Horizon)	United Arab Emirates	 Real estate related services
FAB Sukuk Company Limited	Cayman Islands	 Special purpose vehicle
First Gulf Libyan Bank ²	Libya	 Banking services
First Gulf Information Technology LLC (FGIT)	United Arab Emirates	 IT Services
FAB Global Business Services Limited (Subsidiary of FGIT)	India	 IT Services
FAB Capital Financial Company (A Saudi Closed Joint Stock Company)	Kingdom of Saudi Arabia	 Financial Institution
First Abu Dhabi Bank Misr S.A.E (FAB Misr)	Egypt	 Banking

¹ The FAB India board is the board of FAB Global Business Services Limited, which provides enablement services to the FAB Group.

² FAB owns 50% of the share in First Gulf Libyan Bank and exercises control over the investee as it has a majority of votes on the Board of the entity.

Related Party Transactions

FAB recognises that appropriate management of related party transactions ensures conflicts of interest are managed and that such transactions are in the best interests of FAB.

In 2023, FAB implemented a new Related Party Transactions Policy to ensure its ongoing compliance with applicable regulatory obligations. In 2023, all related party transactions were considered and approved by the Board of Directors and made on arm's length commercial terms. Any Director with a conflict of interest in a related party transaction did not take part in the decision-making pertaining to such transaction.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties comprise major shareholders, Directors and key management personnel of the Group. Key management personnel comprise the executive committee members of the Group who are involved in the strategic planning and decision making of the Group.

Balances and transactions with related parties at the reporting date are shown below:

	Board of directors	Major shareholders	Senior Management	Associates ¹	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
As of 31 December 2023					
Financial assets					
Investments at fair value through profit or loss	–	60,830	–	–	60,830
Reverse purchase agreements	–	538,691	–	–	538,691
Derivative financial instruments	–	51,636	–	–	51,636
Loans, advances and Islamic financing	2,845,809	30,982,683	106,486	861,978	34,796,956
Non-trading investments	–	3,787,601	–	–	3,787,601
Other assets	27,183	567,698	3,002	510	598,393
Financial liabilities					
Derivative financial instruments	–	223,708	–	–	223,708
Customer accounts and other deposits	13,038,346	8,649,230	47,052	824,731	22,559,359
Other liabilities	194,465	43,569	298	5	238,337
Contingent liabilities					
Derivatives	–	8,287,164	–	–	8,287,164
Letter of credits	–	351,934	–	–	351,934
Letter of guarantees	28,735	1,072,893	–	184	1,101,812
For the year ended 31 December 2023					
Interest income	153,399	1,715,430	2,696	41,926	1,913,451
Interest expense	257,181	635,481	851	96,726	990,239
Fee and commission income	2,649	60,946	22	16,227	79,844
Fee and commission expense	–	–	–	131,769	131,769
Net gain on investments and derivatives	–	90,523	–	34,854	125,377

¹ An associate is an investee over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies. Investment in associates is accounted under the equity method of accounting.

	Board of directors	Major shareholders	Senior Management	Associates ¹	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
As of 31 December 2022					
Financial assets					
Investments at fair value through profit or loss	–	88,543	–	–	88,543
Due from banks and financial institutions	–	4,583	–	–	4,583
Reverse purchase agreements	–	202,631	–	–	202,631
Derivative financial instruments	–	34,295	–	–	34,295
Loans, advances and Islamic financing	11,410,041	30,634,946	61,558	970,081	43,076,626
Non-trading investments	–	4,547,584	–	–	4,547,584
Other assets	142,926	491,479	978	306	635,689
Financial liabilities					
Derivative financial instruments	–	257,781	–	–	257,781
Customer accounts and other deposits	13,792,656	36,015,974	25,205	417,982	50,251,817
Other liabilities	134,867	207,979	80	–	342,926
Contingent liabilities					
Derivatives	–	6,306,699	–	–	6,306,699
Letter of credits	556	1,819,641	–	–	1,820,197
Letter of guarantees	328,169	571,761	–	184	900,114
For the year ended 31 December 2022					
Interest income	387,169	876,773	1,638	12,807	1,278,387
Interest expense	199,718	330,321	412	5,760	536,211
Fee and commission income	37,802	86,515	31	1,281	125,629
Fee and commission expense	–	–	–	94,817	94,817
Net gain on investments and derivatives	–	(390,294)	–	32,497	(357,797)

¹ An associate is an investee over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies. Investment in associates is accounted under the equity method of accounting.

Corporate Social Responsibility

Community Engagement

In 2023, FAB deployed volunteers, built partnerships and supported communities in need at home and abroad. Nearly 9,000 FAB volunteers contributed more than 27,000 hours to environmental and social programmes across the UAE and in the Levant, in partnership with 42 organisations and across 54 initiatives.

The initiatives ranged from providing sustainable housing to refugees in Jordan to a month-long exclusive Ramadan campaign to support families and individuals in the UAE. In alignment with the UAE’s ‘Year of Sustainability’ and the COP28 conference,

FAB championed a number of environmental and climate-conscious initiatives from ecosystem clean-ups in the marine and desert environs to a future-focused carbon awareness programme for 100 national schools.

Community Building

FAB’s investment in sports activities reflects and supports the UAE’s prioritisation of sports at the grassroots and professional levels.



FAB supports the National Sports Strategy to help grow involvement in diverse sports, the development of sports professionals, the discovery of talented young athletes, access to sports and activities, and advancing the UAE’s profile in regional and international sporting venues.


FAB also recognises sports as a vital pipeline for youth development, particularly in the areas


of competitiveness, excellence, sportsmanship, inclusivity and empowerment. Through its many partnerships, FAB provides access to coaching, equipment, facilities, experience and a pathway for professional advancement.

FAB’s current sports partnership portfolio includes some of the most prominent UAE sports entities including: in football, Al Ain FC; in cycling, with UAE Team Emirates and the UAE Jiu-Jitsu Federation, representing one of the fastest growing and most popular sports in the country; and, in Formula 4 with support for rising talents.

FAB’s sports partnerships complement its social and environmental activities, as outlined below:

 Environmental	
Clean Up UAE: Protect UAE’s Desert	To mark UAE National Environment Day, CSR participated with Emirates Environmental Group, the UAE Ministry of Climate Change and Environment and UAE Ministry of Community Development and more than 6,000 people from different ages and nationalities for a desert cleanup. More than 50 FAB volunteers dedicated 216 hours towards this activity.
Supporting the UAE Ecosystem: Kayaking and Mangrove Planting	To mark UAE’s Planting week, 160 FAB volunteers dedicated more than 640 hours to support the nation’s critical mangrove ecosystem by learning about its importance in national ecology, kayaking through the mangroves in Ajman and planting more than 200 mangrove trees there.
Ghaf Planting Initiative at COP28	The FAB CSR team offered visitors to the FAB COP28 Pavilion a unique opportunity to cultivate practical gardening skills while contributing to UAE’s environmental sustainability goals. This hands-on engagement not only enhanced visitors’ knowledge but also made a meaningful impact, fostering a greener and more eco-friendly community. Together we planted 500 trees per day for each day of COP28, for a total of 6,000 trees (one per visitor).
Archireef: A holistic approach to find solutions that assist with marine ecosystems	<p>FAB and Archireef, a nature-tech company specialising in restoring coral reefs, are working together to restore 100sqm of marine environment in and around Abu Dhabi.</p> <p>FAB’s retail banking customers will be part of the project, with the opportunity to play an active role in the deployment of the artificial Reef Tiles, learn about marine biodiversity, and witness the programme’s positive impact on biodiversity in our home waters. The CSR team sponsored marine biodiversity workshops for children at the COP28 FAB Pavilion, helping future generations develop a greater appreciation and understanding of the UAE’s marine environment.</p>
 Social	
Ramadan Campaign:	In 2023, FAB introduced an exclusive Ramadan Campaign. Throughout Ramadan, FAB led a community campaign in Dubai and Abu Dhabi, where volunteers packed essential items to be distributed to families in need. The Aftir campaign ran for the entire month across five emirates, providing food to low-income families.
<ul style="list-style-type: none">• Minutes of Giving• Aftir Campaign• Breaking the Fast Campaign with ERC• Ramadan Partner and Volunteer Recognition Ceremony	<p>Additionally, FAB collaborated with Emirates Red Crescent, organising volunteers to distribute Iftar meals in various locations.</p> <p>More than 6,750 FAB volunteers dedicated over 18,185 hours, distributing 46,000 meals and assisting more than 154,000 families.</p>
Sustainable Housing for Refugees in Jordan with Emirates Red Crescent	<p>FAB sponsored the construction of a 25-unit housing complex for the Emirati Jordanian Refugee Camp in Mrajeeb Al Fahood in Jordan, providing shelter for refugees fleeing Syria. The homes, assembled in the UAE, are crafted from environmentally friendly palm wood and powered by solar energy.</p> <p>This project is under the patronage of HH Sheikha Shamma bint Sultan Al Nahyan, Director of the UAE Independent Climate Change Accelerators (UICCA) and the Founder of the Shamma bint Sultan Sustainability Initiatives..</p>

<div>  Sports </div>	
Women Athletes: FAB support Sheikha Hind Sports Tournament with Dubai Police	<p>FAB supported the Sheikha Hind Women’s Sport Tournament held at the Dubai Police Officers Club. This event proved an opportunity to honour the members of the Dubai Police who safeguard our communities.</p> <p>Impact: 192 athletes supported across 7 sports competitions</p>
Cycle for a Cause	<p>Through FAB’s Cycle for a Cause initiative, amateur cyclists across the country contributed 224,991 kms and donated to 10 causes in various charity organisations across the Emirates.</p>
Al Ain Football Club	<p>In partnership with the Al Ain Football Club, FAB collaborated to bring Aftir campaign on the occasion of Zayed Humanitarian Day in Al Ain to distribute meals to families in need.</p>
UAE Jiu-Jitsu Federation	<p>More than 2,000 students between the ages of 4 and 16 attended daily jiu-jitsu classes and received training at the FAB Jiu Jitsu Academy in Zayed Sports City in the first six months of 2023, thanks to FAB’s involvement and sponsorship.</p> <p>The Academy has made positive changes since its partnership with FAB, including opening new weekend classes and hiring additional coaches to meet the increasing demand from youth and young adults.</p> <p>The national Jiu-Jitsu team have secured outstanding global successes in 2023, including at the Asian Games and Jiu-Jitsu world championship. FAB has also partnered with the Abu Dhabi Jiu-Jitsu Pro Tour to launch the first ever Jiu-Jitsu competition in Egypt.</p>

<div>  Climate Awareness </div>	
Carbon literacy, climate consciousness: FAB in multi-year partnership to boost climate action with Emirates Foundation	<p>The partnership aims to increase climate-conscious behaviours at every level of UAE society, from residents to schools and businesses.</p> <p>The programme’s first initiative includes a Carbon Literacy Programme to educate and empower diverse segments of the UAE, including school and university students, government and private sector employees, community groups and senior citizens. The Carbon Literacy Programme, which also will help participants understand, measure and reduce carbon footprints.</p>

<div>  Education & Empowerment </div>	
Executive Education Programmes: <ul style="list-style-type: none"> • Frontiers in Finance • Frontiers in Sustainability • Frontiers in Private Equity 	<p>In 2023, FAB partnered with three world-leading education partners to continue developing the region’s talent. More than 100 professionals from 30+ local, regional and global institutions participated in FAB’s Executive Education programmes: Frontiers in Finance, Frontiers in Sustainability and Frontiers in Private Equity. An additional 50 participated in two COP28 simulations.</p> <p>The education partners include Yale School of Management, University of Oxford Said Business School and IMD Business School.</p>


Sustainability

It is now widely recognised that ESG issues are a 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 adapts as stakeholder expectations evolve.


How sustainability is governed at FAB

At FAB, we have ESG roles integrated within committees and teams to ensure we align with the Group’s ESG Strategy, Frameworks and Policies. The Board of Directors directs our ESG ambitions in an ethical and transparent way to ensure long-term performance and sustainability. The Board’s ESG strategic direction is communicated to the wider Group through the Board Risk and ESG Committee (BRESGC). The Group ESG Committee (G-ESGC), supports the BRESGC in overseeing the ESG culture and awareness across the Group, ensuring the ESG strategy is implemented and endorsing FAB’s net zero pathway plans.

G-ESGC 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 (ESG-SFC) 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 framework and policies and strategies which are developed and executed by the Group ESG team.

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



► Emiratisation

FAB continues to provide its talented UAE Nationals various growth and development opportunities across the organisation thereby actively supporting the Emiratisation agenda of the country.

In 2023, FAB achieved 44% Emiratisation and will carry on driving representation throughout the bank as part of our Emiratisation strategy. A testimony of this commitment towards Emiratisation is reflected in senior management with 33% of FAB's Group Executive Management positions and 92% of management roles across our UAE branches now held by UAE Nationals. Female UAE National employees also constitute 77% of the total Emirati workforce.

To support the growth and development of UAE Nationals, FAB conducts development centres to identify skills gaps and provides various development programmes for employees according to the needs of the business or the role. These bespoke programmes are designed and launched in-partnership with leading global organisations and institutions. During the year, we provided nearly 85,000 hours of learning with a focus on developing skills for tomorrow in the areas of digital, functional and leadership capability. We also sponsor UAE Nationals to pursue higher education qualifications through our Education Assistance Scheme.

FAB additionally provides UAE Nationals with exposure to international experiences, as part of our Global Mobility programme across our international locations. The program provides UAE Nationals with the opportunity to enhance their professional growth through broadening their skills and building relationships with colleagues from different backgrounds and cultures.

In addition to the above, we have launched the Ethraa Programme for young UAE Nationals in partnership with Emirates Institute of Finance (EIF) to attract and develop Emirati graduates by building their knowledge of banking products and services. Participants undergo a structured six month learning journey designed around the technical skills and functional skills required in specialised learning streams. We currently have more than 170 active employees in this program which will provide a critical pipeline of talent to our future leadership roles.

Emiratisation First Party Staff	Unit	Scope	2021	2022	2023
Nationalisation among total workforce	%	UAE	42%	44%	44%
Total number of national employees	Number	UAE	1,505	1,614	1,680



Investor Relations

Investor Relations provide accurate, complete, transparent and clear information to the market in a timely manner, on both favorable and adverse events, promote effective dialogue with the market and investment community, and aims to respond willingly, in good faith, to questions from investors, analysts, rating agencies and other stakeholders in compliance with relevant capital market regulations.

Further information is available on the [Investor Relations](#) section of FAB's corporate website and Investor Relations app (FAB Investor Relations).

FAB share information

Listing date	2000 ¹	Closing price as of 31 December 2023	AED 13.96
Exchange	Abu Dhabi Securities Exchange (ADX)	Market cap as of 31 December 2023	AED 154 billion (USD 42 billion)
Symbol	FAB	Foreign ownership limit	40%
ISIN	AEN000101016	Free float	43%
Number of shares issued	11,047,612,688		

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 2023	13.60	17.32	13.34
February 2023	14.08	14.48	13.68
March 2023	12.88	14.78	12.80
April 2023	14.18	14.22	12.92
May 2023	12.70	14.24	12.66
June 2023	13.64	13.82	12.56
July 2023	14.64	14.70	13.36
August 2023	13.68	14.66	13.60
September 2023	13.60	13.80	13.04
October 2023	12.68	13.88	12.44
November 2023	13.72	13.72	12.60
December 2023	13.96	13.96	13.04

* High/Low for the month on Closing price basis

¹ This is referring to the listing date of NBAD shares on ADX

Statement of the Group's comparative performance with the general market index and sector index to which the Group belonged during 2023

	Closing price (Dec 2023)	Closing price (Dec 2022)	% change in price in 2023	FAB's relative performance
FAB	13.96	17.10	-18.36%	
ADX	9577.85	10211.09	-6.20%	-12.16%
ADX Banks	354.36	328.88	7.75%	-26.11%
MSCI EM Banks	1022.90	957.45	6.84%	-25.20%

Statement of the shareholders' ownership distribution as at 31 December 2023 (individuals, companies, governments) classified by geography

Month	Individuals	Companies	Government	Total
Local	17.33%	63.30%	1.70%	82.33%
Arabs (incl. GCC)	0.90%	0.56%	0.01%	1.47%
Foreign	0.20%	16.01%	0.00%	16.21%
Total	18.42%	79.88%	1.70%	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 by size of equity as at 31 December 2023

Share(s) ownership	Number of shareholders	Number of shares	Ownership Percentage
Less than 50,000	3,960	31,263,678	0.28%
From 50,000 to less than 500,000	1,057	182,187,482	1.65%
From 500,000 to less than 5,000,000	472	725,068,761	6.56%
More than 5,000,000	165	10,109,092,767	91.50%
Total	5,654	11,047,612,688	100%

2023 Financial Calendar

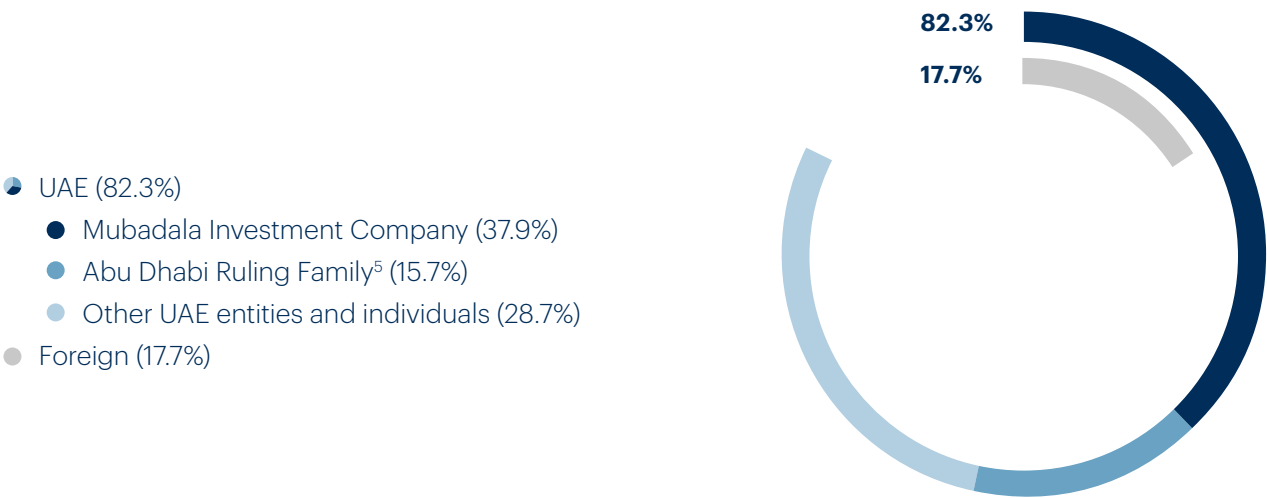
Date	Event
27 April 2023	Q1 23 Financial Results Announcement
24 July 2023	Q2/H1 23 Financial Results Announcement
19 October 2023	Q3/9M 23 Financial Results Announcement
1 February 2024	Q4/FY 23 Financial Results Announcement

Ownership Structure as of December-End 2023²

As of 31 December 2023, FAB’s share capital stood at AED 11,047,612,688 divided into 11,047,612,688 shares of AED 1 each.

Major shareholders³

Mubadala Investment Company (MIC) ⁴	Number of shares 4,182,670,935	Shares (%) 37.9%
--	-----------------------------------	---------------------



Investor Relations contacts

Name of the Investor Relations Officer
Sofia El Boury

The link to the investor relations page on the Group’s website.
<https://www.bankfab.com/en-ae/about-fab/investor-relations>

How to communicate with Investor Relations
Email: ir@bankfab.com
Phone: +971-2-3054563

Annual General Meeting

FAB holds an AGM each year following the end of its financial year and publication of the full year financial results.

In 2023, the AGM was held on 28 February and could be attended by shareholders in person or virtually. Shareholders who were not able to attend in person voted by proxy. The meeting was also attended by the Bank’s external auditor and a representative from SCA.

In 2023 the shareholders approved the following ordinary resolutions:

- 2023 balance sheet and profit and loss statement.
- The dividend distribution.
- Remuneration for the Board of Directors.
- Appointment of a new external auditor, PWC.
- Appointment of the Board of Directors for a term of three years including three new appointments.

- In addition, the following special resolutions were passed:
- Amendments to the Articles of Association.
 - Issuance of three classes of bonds or Islamic sukuk:
 1. Issuance of any type of bonds or Islamic sukuk or other securities (in each case, non-convertible into shares), whether under a programme or on a stand-alone basis, or establish any new programmes or update existing programmes, or enter into any liability management exercise, in the case of any new issuances for an amount not exceeding USD 10 billion (or its equivalent in any other currency).
 2. Issuance of additional tier 1 bonds or Islamic sukuk for regulatory capital purposes, in the case of any new issuances for an amount not exceeding USD 1 billion (or its equivalent in any other currency), and authorise the Board of Directors to determine the terms of issuing such bonds or Islamic sukuk.
 3. Issuance of tier 2 bonds or Islamic sukuk for regulatory capital purposes, in the case of any new issuances for an amount not exceeding USD 1 billion (or its equivalent in any other currency), whether under a programme or on a stand-alone basis, and authorise the Board of Directors to determine the terms of issuing such bonds or Islamic sukuk.

² Based on total outstanding shares (Total shares issued less treasury shares 6,506,417)
³ Major shareholders defined as shareholders owning 5% or more of the issued capital (as per ADX)
⁴ MIC 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
⁵ Members of/companies owned by the Abu Dhabi Ruling Family. Each investor (natural or legal person) within this group, owns less than 5% of the Company’s shares, and is free to buy or sell FAB shares

This 2023 FAB Corporate Governance Report has been approved by the Group Chief Risk Officer, Group Chief Financial Officer, Acting Group Chief Compliance Officer and Group Chief Audit Officer.



Pradeep Rana
Group Chief Risk Officer



Lars Kramer
Group Chief Financial Officer



Nizar Qaiser Luqman
Acting Group Chief Compliance Officer



Nurendra Perera
Group Chief Audit Officer



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 Board of Directors and approved by the Higher Shari'ah Authority (HSA) of the CBUAE and by the shareholders at the AGM of the bank.

FAB's ISSC consists of qualified Shari'ah scholars who are responsible to review and ensure that Islamic banking products, services and operations are in compliance with Shari'ah principles. The ISSC supervises the Islamic banking business of the 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). In 2023, FAB revised 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 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 Requirements for Financial Institutions Housing an Islamic Window issued by CBUAE on 26 October 2020 (the Islamic Window Standard). The Islamic Window Standard sets out 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.

In 2023, the ISSC held eight 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.

The Bank successfully appointed two UAE national trainee members to the ISSC (the ISSC Trainees), Mr Mohamed Eid Khamis Thani AlMheiri and Mr Tariq Saeed Bujasaim in accordance with HSA Resolution no 68/4/2022 re 'Trainee Members of the ISSC' as a replacement of 1 full UAE national as the fifth ISSC member. As per the resolution, the ISSC Trainees have started to participate in ISSC's meetings and training programs arranged by the Bank in order to ensure they have adequate knowledge, skills and experience in the relevant subject matters.

The ISSC has submitted the Annual Report of the Internal Shari'ah Supervision Committee of First Abu Dhabi Bank PJSC regarding Shari'ah-compliant businesses and operations of the FAB Group for FY'23 to the HSA for its review and approval.

Current Internal Shari'ah Supervision Committee (ISSC) Members:



Dr. Mohd Daud Bakar
Chairman

Elected at the AGM on 24 February 2020. Re-elected on 28 February 2021

Career

Dr. Mohd 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. Mohd Daud received the Islamic Economy Award at the Global Islamic Economy Summit 2015 from His Highness Sheikh Mohammed bin Rashid Al Maktoum on behalf of Amanie Advisors.

External appointments:

- > 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)
- > Chairman of Internal Shari'ah Supervision Committee of Salama Takaful (Dubai)
- > Member of Shari'ah Board of Credit Agricole (Dubai)
- > Member of Internal Shari'ah Supervision Committee of ADCB (Abu Dhabi)

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 AGM 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 Internal Shari'ah Supervision Committee at Banque Saudi Fransi, KSA

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.

ISSC Trainee Members



Dr. Mohamad Akram Laldin

Elected at the AGM 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:

- > Chairman of Shari’ah Supervisory Council of Labuan Financial Services Authority
- > Member of Shari’ah Advisory Council (SAC) of Central Bank of Malaysia
- > Member of Shari’ah Advisory Employees Provident Fund (EPF)
- > Member of Shari’ah Advisory Council International Islamic Financial Market (IIFM), Bahrain
- > Member of AAOIFI Public Interest Monitoring Consultative Committee
- > Member of Internal Shari’ah Supervision Committee of Dubai Islamic Bank
- > Member of Internal Shari’ah Supervision Committee of 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 AGM on 28 February 2021

Career

Dr. Ahmed Rufai is currently the Head of Shari’ah Compliance at 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.

External appointments:

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

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.



Mr. Mohamed Eid Khamis Thani AlMheiri

Appointed by the Board Management Committee effective 1 July 2023 following approval by the HSA.

Career

Mr. Mohamed Eid Khamis Thani AlMheiri is a UAE national scholar who specialises in Shari’ah and Islamic jurisprudence. He is currently working as an Islamic preacher in the Department of Islamic Affairs and Charitable Activities of Dubai. He participates in various Islamic educational courses and lectures within the UAE. Mr. Mohamed AlMheiri is also a practitioner in the field of Islamic family counselling where he conducts and facilitates many Islamic courses concerning family affairs through telephonic conversations and personal interviews. Mr. Mohamed AlMheiri is also entrusted to deliver religious sermons and lectures on different Islamic studies such as Quranic interpretation (Tafsir), Islamic jurisprudence and its origins (Fiqh and Usul Fiqh) and Hadith in across different Islamic centres.

Education

- > Bachelor’s Degree in Business Administration - Financial Services, Higher Colleges of Technology, Abu Dhabi
- > Bachelor’s Degree in Shari’ah, Islamic University, Madinah



Mr. Tariq Saeed Bujasaim

Appointed by the Board Management Committee effective 1 July 2023 following approval by the HSA.

Career

Mr. Tariq Saeed Bujasaim is a UAE national Islamic scholar who works in the Department of Islamic Affairs and Charitable Activities and provides general fatwas to the public concerning different subject of Islamic affairs. He is a Certified Shari’ah advisor and auditor by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

He worked as an Assistant Director in IT Department of Dubai Islamic Bank in September 1999 before joining Department of Islamic Affairs and Charitable Activities under the Ministry of Islamic Affairs.

Education

- > Bachelor’s Degrees in Islamic Studies from College of Arabic and Islamic Studies Dubai, UAE
- > Bachelor’s Degree in Computer Science from Stanford University California, USA.

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 2023 (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; and
- 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 the rules and principles of Islamic Shari’ah.

The senior management is responsible for compliance of the Institution with the rule and principles of 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 eight 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.
- 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.
- 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 the rule and principles of 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 the rules and principles of 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.

The above Annual Report of Internal Shari’ah Supervision Committee of First Abu Dhabi Bank PJSC has been approved by the HSA.

FAB delivered record results in 2023 consolidating a three-year journey of disciplined acceleration in business momentum with remarkable growth and profitability as the regional banking powerhouse.



**YOUR *PARTNER* IN CREATING
A GREENER FUTURE**

► **Financial Statements** (Summary)

- 196** Consolidated statement of financial position
- 197** Consolidated statement of profit or loss

Income statement

For the year ended 31 December 2023

	Note	31 Dec 2023 AED'000	31 Dec 2022 AED'000
Interest income	29,52	59,712,319	28,140,801
Interest expense	30,52	(43,204,331)	(15,169,960)
Net interest income		16,507,988	12,970,841
Income from Islamic financing and investing products	31	2,910,397	1,963,434
Distribution on Islamic deposits	32,52	(1,316,812)	(717,047)
Net income from Islamic financing and investing products		1,593,585	1,246,387
Total net interest income and income from Islamic financing and investing products		18,101,573	14,217,228
Fee and commission income	33	4,282,884	3,975,869
Fee and commission expense	33	(1,275,333)	(1,195,322)
Net fee and commission income		3,007,551	2,780,547
Net foreign exchange gain	34	2,596,955	1,776,676
Net gain on investments and derivatives	35,52	3,742,176	2,317,854
Other operating income / (loss)	36	23,151	(252,089)
Operating income		27,471,406	20,840,216
Gain on disposal of stake in subsidiary and fair value gain on retained interest	37	283,775	3,093,703
Total income including gain on disposal of stake in subsidiary and fair value gain on retained interest		27,755,181	23,933,919
General, administration and other operating expenses	38	(7,125,289)	(6,704,829)
Profit before net impairment charge and taxation		20,629,892	17,229,090
Net impairment charge	39	(3,077,906)	(2,839,358)
Profit before taxation		17,551,986	14,389,732
Income tax expense	40	(1,041,742)	(967,621)
Profit for the year		16,510,244	13,422,111
Profit attributable to:			
Shareholders of the Bank		16,405,493	13,411,198
Non-controlling interest		104,751	10,913
Basic and diluted earnings per share (AED)	46	1.43	1.18

To the best of our knowledge, the consolidated financial statements present fairly in all material respects the financial condition financial performance and cash flows of the Group as of and for, the periods presented therein.

These consolidated financial statements were approved by the Board of Directors and authorized for issue on 31 January 2024 and signed on its behalf:



Chairman



Group Chief Executive Officer



Group Chief Financial Officer

Balance sheet

As at 31 December 2023

	Note	31 Dec 2023 AED'000	31 Dec 2022 AED'000
Assets			
Cash and balances with central banks	8	233,390,285	228,368,829
Investments at fair value through profit or loss	9	45,208,793	31,816,797
Due from banks and financial institutions	10	25,266,370	24,886,956
Reverse repurchase agreements	11	78,503,863	69,106,092
Derivative financial instruments	44	46,420,686	58,873,843
Loans, advances and Islamic financing	12	483,953,520	459,593,327
Non trading investment securities	13,52	179,643,274	172,349,818
Other assets	14	41,332,686	30,205,655
Investment in associates	15,52	1,500,904	1,559,303
Investment properties	16	8,161,737	7,168,089
Property and equipment	17	5,114,876	5,795,207
Intangibles	18	20,135,567	20,332,179
Total assets		1,168,632,561	1,110,056,095
Liabilities			
Due to banks and financial institutions	19	71,527,631	61,560,340
Repurchase agreements	20	26,096,108	39,004,515
Commercial paper	21	19,658,769	31,738,356
Derivative financial instruments	44	51,002,064	62,024,540
Customer accounts and other deposits	22	759,862,632	700,573,371
Other liabilities	23	46,931,908	37,048,977
Term borrowings	24	63,938,927	62,635,133
Subordinated notes	25	4,191,417	420,620
Total liabilities		1,043,209,456	995,005,852
Equity			
Share capital	26	11,047,612	11,047,612
Share premium		53,557,581	53,557,581
Treasury shares		(6,505)	(6,505)
Statutory and special reserves		13,084,313	13,084,313
Other reserves	26	208,702	(835,463)
Tier 1 capital notes	27	10,754,750	10,754,750
Share based payment	28	249,816	249,816
Retained earnings		36,416,564	27,185,679
Total equity attributable to shareholders of the Bank		125,312,833	115,037,783
Non-controlling interest		110,272	12,460
Total equity		125,423,105	115,050,243
Total liabilities and equity		1,168,632,561	1,110,056,095

