

INVESTOR PRESENTATION

November 2018

Grow
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Please note that FAB pro forma consolidated financials as at 30 September 2018 serve as the main basis of reference for our Management Discussion & Analysis Report (MDA) and Investor Relations presentation.

Comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in the pro forma condensed consolidated interim financial statements.

FAB's interim reviewed consolidated financial statements as at 30 September 2018 are prepared on the basis that FGB/NBAD merger was declared effective on 1st April 2017 with FGB being the accounting acquirer as per IFRS 3. Therefore, these financials reflect consolidation of NBAD since 1st April 2017.

For further information, please refer to the Business Combination note of the reviewed consolidated interim financial statements.

The information contained herein has been prepared by First Abu Dhabi Bank P.J.S.C ("FAB"). FAB relies on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

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Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of FAB. These forward-looking statements include all matters that are not historical facts. The inclusion of such forward-looking information shall not be regarded as a representation by FAB or any other person that the objectives or plans of FAB will be achieved. FAB undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Note: Rounding differences may appear throughout the presentation

FAB in Brief

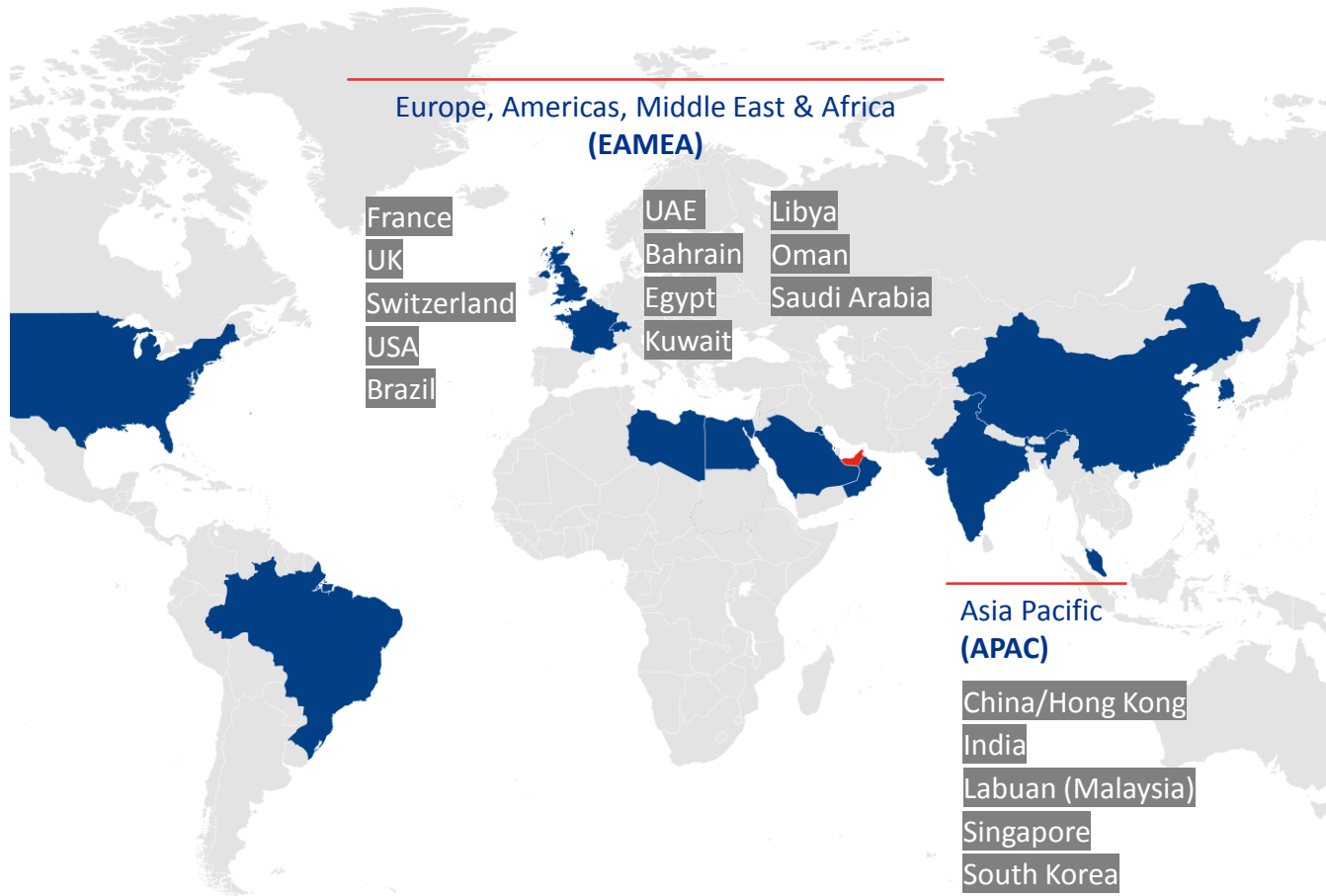
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بنك أبوظبي الأول
FAB
First Abu Dhabi Bank



- ❖ The largest bank in the UAE by total assets and market capitalization, with the strongest combined credit ratings of any other bank in MENA
- ❖ A diversified franchise with market-leading corporate and personal banking businesses, and a presence across 5 continents
- ❖ A strong balance sheet and superior fundamentals in terms of liquidity, capital strength, asset quality and operating efficiency
- ❖ On a clear path to grow balance sheet and earnings ...

... and to deliver superior and sustainable shareholder returns



FAB is the result of the **historic merger** between two iconic Abu Dhabi-based franchises (FGB and NBAD)

Largest UAE bank by total assets (AED 732Bn) and market capitalisation (AED 155Bn), and one of the largest in MENA

Offers an extensive range of products and services via market-leading **Corporate and Investment Banking (CIB)** and **Personal Banking (PB)** franchises, as well as subsidiaries

Presence across
5
 continents

Domestic network across
7
 emirates

80
 Branches/
 Cash offices in UAE

571
 ATMs/CDMs

This map summarizes country presence for FAB and its subsidiaries, where the Group currently has active operations. For information about legal presence please refer to Note #29 of September-end 2018 financial statements. All figures as on 30 September 2018

The safest and strongest bank in the Middle East

Strongest combined credit ratings of any other bank in MENA

	MOODY'S	S&P Global Ratings	FitchRatings
LT	Aa3	AA-	AA-
ST	P-1	A-1+	F1+
Outlook	Stable	Stable	Stable

Recognised as one of the safest and strongest banks worldwide

Safest banks' rankings by Global Finance¹



Top 1000 banks' rankings by The Banker²



1 - Global Finance Magazine safest bank rankings, 2018

2 - The Banker's 2018 Top 1000 World Banks Rankings, July 2018

Overview¹

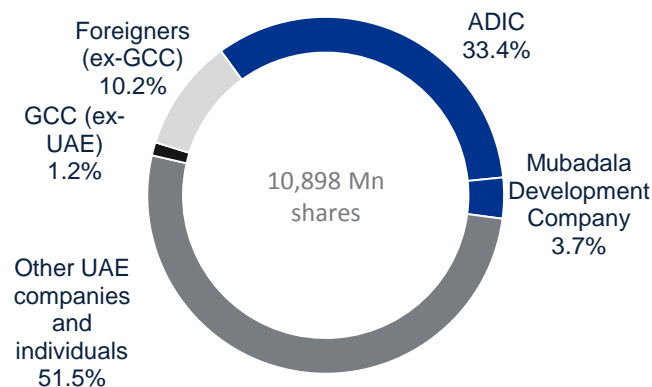
- Listed on Abu Dhabi Securities Exchange (ADX)
- Symbol: FAB
- Market cap: AED 155Bn (USD 42.1Bn)
- Foreign Ownership Limit: 25%
- Valuation multiples²

P/TE 13.5x

P/TB 2.2x

D/Y 4.9%

Strong shareholding structure³



Index Weightings¹

Abu Dhabi Securities Market Index	ADSMI	43.6%
Bloomberg EMEA Banks Index	BEUBANK	2.8%
MSCI EM	MXEF	~11bps

1 - As of 30 September 2018

2 - TE: Tangible EPS based on attributable profit to shareholders' net of interest on Tier-1 capital notes divided by outstanding shares

TB: Tangible Book value = shareholders' equity net of Tier-1 capital notes, goodwill and intangibles

D/Y: Dividend Yield = Dividend payout for YE 2017/Share price of AED 14.20 as of 30 September 2018

3 - Ownership structure as of 30 September 2018, based on shares outstanding (net of 28Mn treasury shares).

Note: A law was issued by the President of UAE and Ruler of Abu Dhabi on 21 Mar 2018, merging ADIC under the umbrella of Mubadala Investment Company

Leading UAE and regional bank

Banking sector assets ¹ (USD Bn)	National champion ²	9M'18 Net Profit ¹ (USD Bn)	Total Assets ¹ (USD Bn)	Equity ¹ (USD Bn)	Market Cap ³ (USD Bn)	Credit Ratings ³ (Moody's/S&P/Fitch)
 773	FAB	2.5	199	27.3	42.1	Aa3 / AA- / AA-
 622	NCB	2.1	122	16.7	35.9	A1 / BBB+ / A-
 386	QNB	3.0	234	20.9	44.7	Aa3 / A / A+
 215	NBK	0.9	90	11.1	17.1	Aa3 / A+ / AA-
 193	AUB	0.5	35	4.4	5.4	NA / BBB / BBB-
 87	Bank Muscat	0.4	31	5.0	3.2	Baa3 / BB / BBB-

1 - Company and Central Bank information as of latest reported for 30 Sep 2018; Kuwait and Oman central bank data as of Aug'18

2 - Defined as the largest bank in the country by total assets

3 - Based on 30 Sep 2018; Source Bloomberg

Prominent Board and robust governance



H.H. Sheikh Tahnoon Bin Zayed Al Nahyan – Chairman
 National Security Advisor
 Chairman of Royal Group

Board of Directors



H.E. Nasser Ahmed Alsowaidi

Vice Chairman of the Board

Chairman of ETECH



H.E. Khaldoon Khalifa Al Mubarak

Board Member

CEO and MD of Mubadala Investment Company

Chairman of the Executive Affairs Authority of the Government of Abu Dhabi



H.E. Mohammed Thani Al-Romaithi

Board Member

Chairman of the Federation of UAE Chambers of Commerce and Industry

Board Member of Al Etihad Credit Bureau



H.E. Mohamed Saif Al Suwaidi

Board Member

Director General of Abu Dhabi Fund for Development

Board Member of Red Crescent and Agthia



H.E. Jassim Mohammed Al Siddiqi

Board Member

CEO and MD of Abu Dhabi Financial Group (ADFG)

Chairman of Shuaa and Eshraq Properties



H.E. Khalifa Sultan Al Suwaidi

Board Member

Executive Director at the Abu Dhabi Investment Council (ADIC)

Board Member of UNB and Etihad Aviation Group and Etihad Airways



H.E. Sheikh Mohammed Bin Saif Bin Mohammed Al Nahyan

Board Member

Chairman of Abu Dhabi National Insurance Company (ADNIC)

Chairman of Risk Management Committee of ADNIC



H.E. Sheikh Ahmed Mohammed Sultan Al Dhaheri

Board Member

Chairman of Bin Suroor Engineering

Vice Chairman of Abu Dhabi National Hotels Company

4 Board Committees

Board Management Committee

Remuneration & Nomination Committee

Board Risk & Compliance Committee

Audit Committee

Our vision

Creating value for our customers, employees, shareholders and communities to grow stronger through differentiation, agility and innovation

Customers

We empower our customers to grow stronger through choice, convenience, and customised products and services

Employees

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

Shareholders

We deliver superior and sustainable returns to our shareholders

Communities

We build a legacy of positive change in our communities



Personal Banking strategic focus

Dominant personal bank in UAE

- Bank of choice across key segments in Abu Dhabi, and enhanced market share in Dubai and Northern Emirates
- Multichannel and 'smart' distribution model leveraging on digital solutions
- Leader in everyday banking anchored in payment solutions and cards

Corporate and Investment Banking strategic focus

Trusted partner to CIB customers

- Leverage scale and cross-sell to deepen client relationships and increase share of wallet in UAE and abroad
- Preferred banking partner for government and government-related entities
- One-stop shop banking partner for large corporates and medium-sized businesses

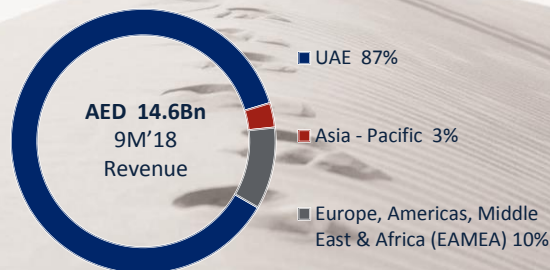
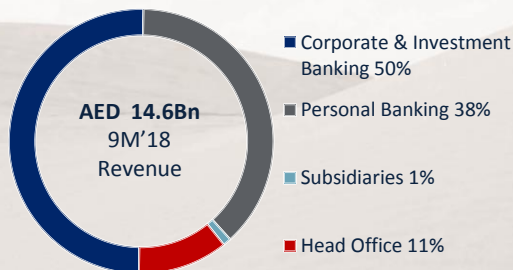
Regional wealth advisor of choice

- Access new high growth HNWI segments
- Use global network to expand product and service range
- Deepen existing relationships with increased cross-sell

International business built around UAE knowledge and relationships

- Wholesale-driven international strategy - Reference bank for UAE multinational businesses
- Selective international presence and sharper focus on high potential growth markets

Diversified Business Profile



Complementary offering through subsidiaries

Our commitment to sustainability



Governance, Integrity and Risk Management

Corporate Governance, Ethics & Compliance
 Risk Management
 Data Security & Privacy
 AML & Anti-corruption



Responsible Banking

Financial and Economic Performance
 Customer Experience
 Financial Access & Inclusion
 Responsible Finance
 Environmental Impact of Operations



Responsible Employment

Talent Management
 Diversity & Inclusion
 Employee Wellbeing

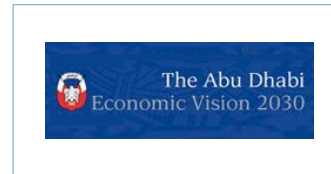


Positive Social Impact

Community Investment & Socio-economic Development
 Responsible Procurement
 Emiratisation

FAB's sustainability framework is anchored on 4 strategic pillars

Voluntary initiatives and public commitments in alignment with national and global frameworks



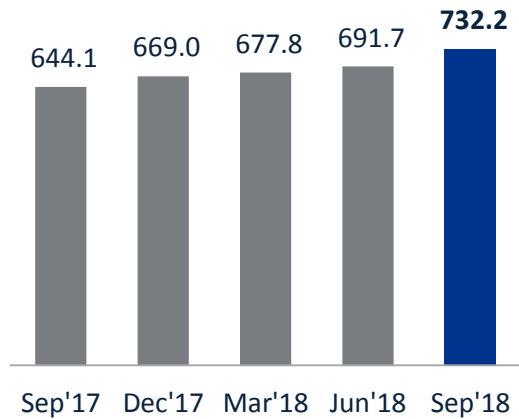
FAB is a constituent of FTSE4GOOD Emerging Index

In June 2018, FAB was named a constituent of the FTSE4Good Emerging Index, which measures the performance of companies in the EM space demonstrating strong ESG practices.

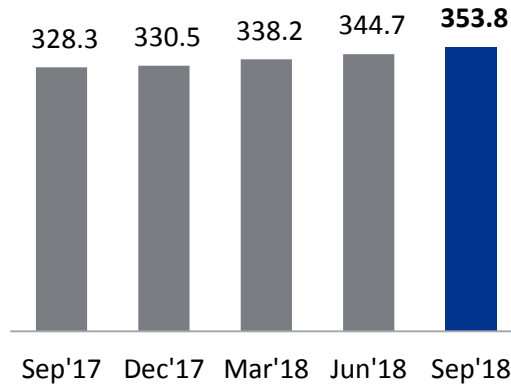
Key financials at a glance

Balance sheet & Income Statement - Based on Pro forma Financial Information

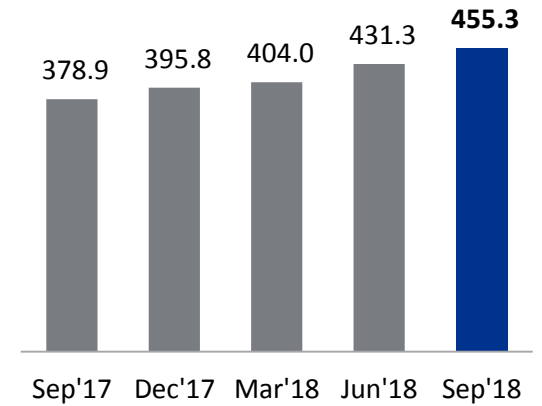
TOTAL ASSETS (AED Bn)



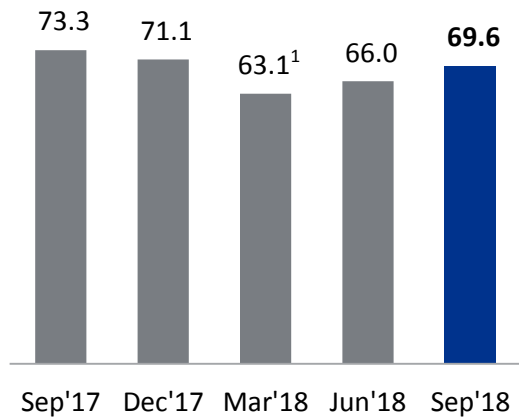
LOANS & ADVANCES (AED Bn)



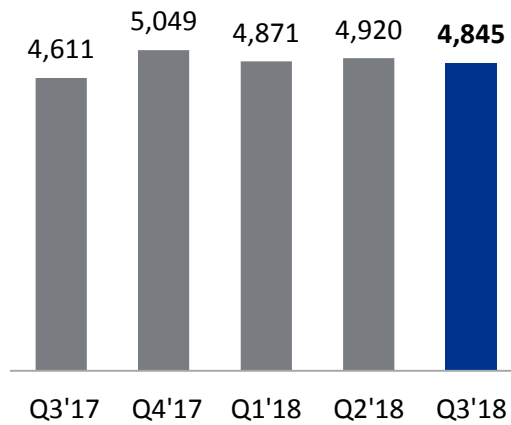
CUSTOMER DEPOSITS (AED Bn)



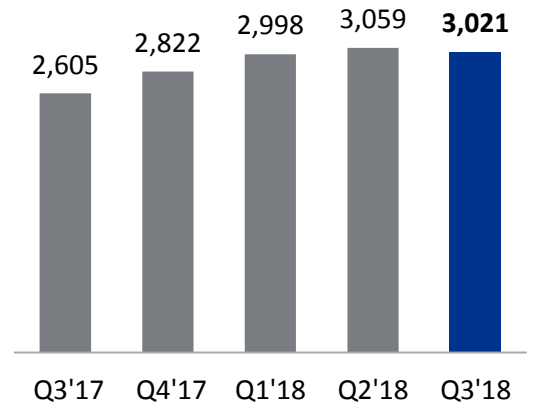
TANGIBLE EQUITY (AED Bn)



OPERATING INCOME (AED Mn)



NET PROFIT (AED Mn)

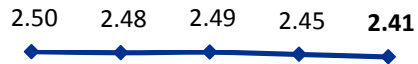


1 - Post AED 7.6Bn dividend payout

Key financials at a glance

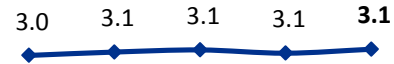
Ratios - Based on Pro forma Financial Information

NIM – YTD (%)



9M'17 FY'17 Q1'18 H1'18 9M'18

NPL RATIO¹ (%)



Sep'17 Dec'17 Mar'18 Jun'18 Sep'18

PROVISION COVERAGE¹ (%)



Sep'17 Dec'17 Mar'18 Jun'18 Sep'18

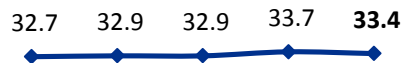
COST TO INCOME RATIO (%)

(EX-INTEGRATION COSTS)



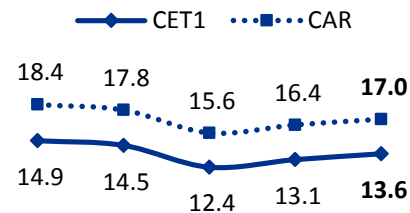
9M'17 FY'17 Q1'18 H1'18 9M'18

NON-INT INC / REVENUES (%)



9M'17 FY'17 Q1'18 H1'18 9M'18

CET1 & CAR² (%)



Sep'17 Dec'17 Mar'18 Jun'18 Sep'18

RoTE (%)



9M'17 FY'17 Q1'18 H1'18 9M'18

RoRWA (%)



9M'17 FY'17 Q1'18 H1'18 9M'18

1 - As 2018 ratios are based on IFRS9 accounting and ratios for prior periods are based on IAS39 accounting, they may not be fully comparable

2 - CET1 ratio as per UAE CB's Basel III framework (without considering the transitional arrangements for Dec'17); ratios prior to Dec'17 are based on Basel II framework

Ratios annualised, based on actual/365 day count, where relevant

Our integration journey

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Integration progress has exceeded expectations

All planned milestones successfully delivered in 2017

2017



- ✓ Finalisation of organisational structure and operating model
- ✓ Harmonisation of Group policies and risk framework
- ✓ CIB product and pricing harmonisation
- ✓ Subsidiaries: Integration and re-branding of real estate and property management businesses
- ✓ Network optimisation
- ✓ Network and channel external re-branding
- ✓ “Purchase Price Allocation” exercise substantially completed

2018

Q1 2019

- IT systems unification on track; to be completed by the end of 2018 (adequate planning, resourcing and tight risk management)
- PBG product and pricing harmonisation
- Strategic review/ implementation of international value proposition
- Ongoing network optimisation (UAE + international)
- Further process refinements/simplification and automation

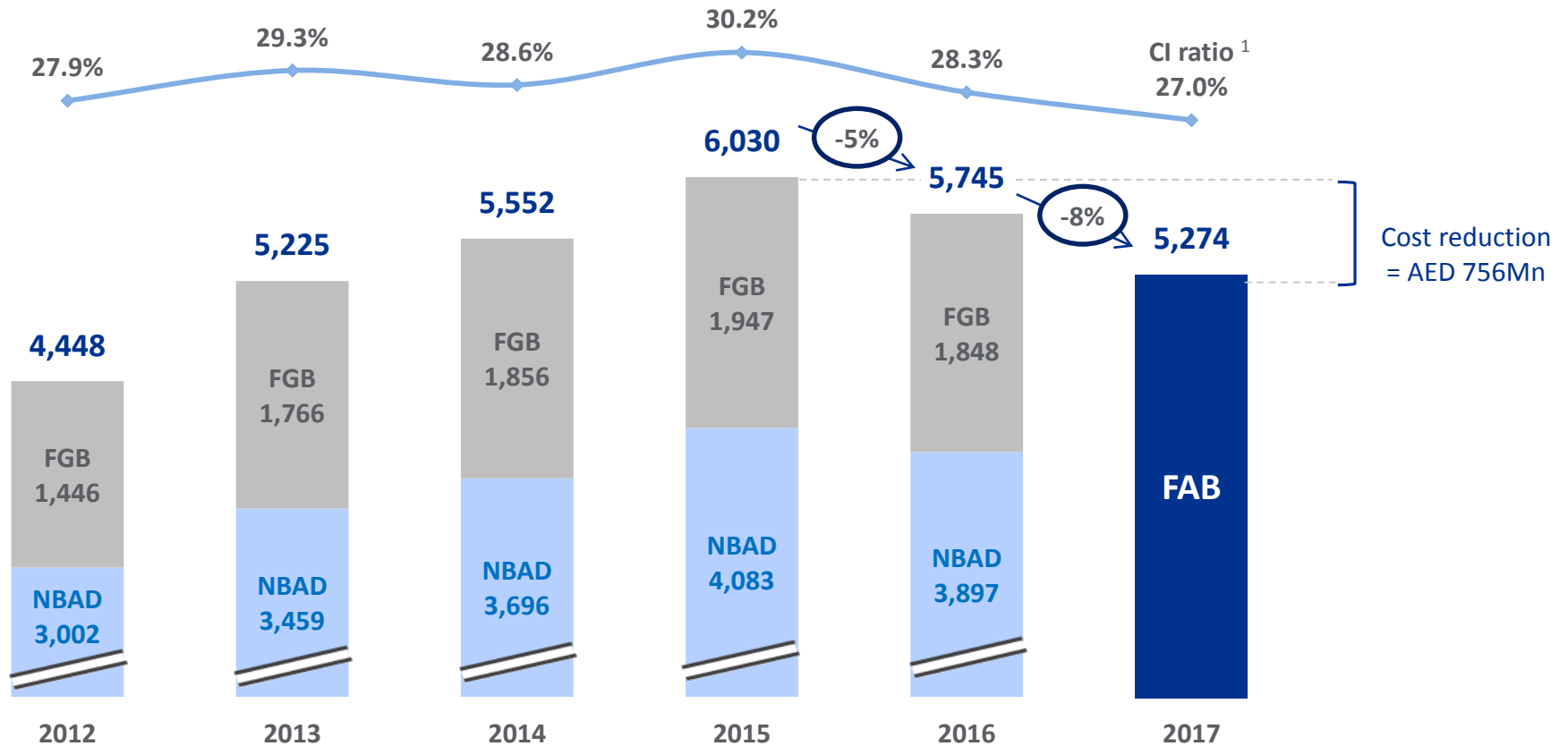
Culture and change management

Integration progress has exceeded expectations

Merger benefits evident since 2016

G&A expenses BAU¹

In AED Mn



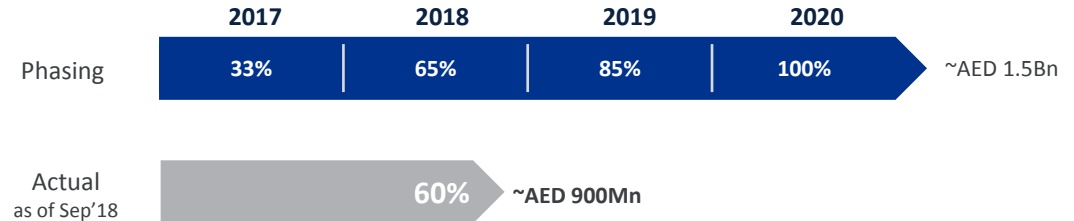
¹ - Excluding integration/ merger transaction-related costs and amortisation of intangibles (merger-related)

Integration progress has exceeded expectations

Synergy financials

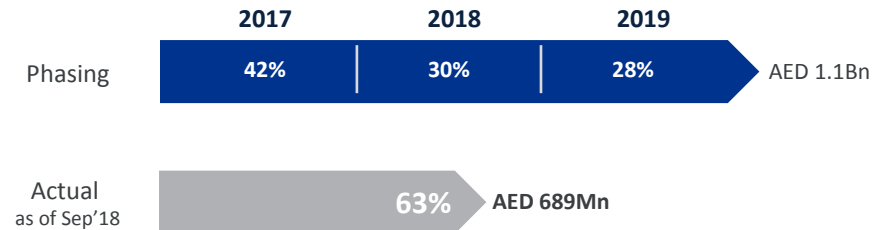
Cost synergies

- On track to achieve run-rate cost synergies of ~AED 1.5Bn by 2020
- IT systems unification by the end of 2018 to unlock substantial merger benefits in addition to other initiatives (incl. process simplification, automation, and network optimisation - UAE and international)



Integration costs on track

- On track with one-time integration cost target of AED 1.1Bn, to be fully absorbed by 2019



Laying the right foundation for long term sustainable growth

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How we will measure our success by 2020

1 Growth-oriented culture

✓ **Increased** market share and share of wallet

2 Successful execution of integration plan

✓ **Full realisation** of run rate synergies

3 One Bank, One brand, One team

✓ **Infrastructure** integration
✓ **People** integration

4 Sustainable cost leadership

✓ **~25%** Cost-to-Income ratio

under review

5 Strong internal capital generation capacity

✓ **16-17%** RoTE
✓ **>13.5%** min. CET1

under review

Economic and banking sector review

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UAE Economic Overview

A cosmopolitan country

~**10.1Mn** people (2017e)¹
 Expatriates ~**85%**

2nd largest economy in GCC (30th largest in the world)

USD **383Bn** 2017e Nominal GDP¹
 USD **37,226** GDP per capita

6th largest proven oil reserves

~**98Bn boe** (~8% of global oil reserves)²
 ~**3.0Mn barrels/day** (2017 crude oil production)

One of the highest rated sovereigns

Aa2 (Moody's)

On path to strong recovery

2.9%	→	3.7%	+17% YoY increase in 2019 Federal Budget ³
2018f		2019f	
<i>Real GDP Growth¹</i>			

Diversified & competitive economy

78%	11th ease of doing business rankings, up from 21 st in 2018 ⁵
<i>non-oil sector contribution to nominal GDP⁴</i>	

Latest news/developments

- VAT implementation w.e.f. Jan 2018
- De-subsidised gasoline prices, reduction in energy subsidies
- UAE cabinet announced 100% foreign ownership of companies in specified sectors and long-term visas for specified categories of expatriates



UAE federation established in **1971** comprising **7 Emirates**
 One of the **6** GCC (Gulf Cooperation Council) states

Economic structure and performance¹

	2017e	2018f	2019f
Real GDP Growth (% change)	0.8	2.9	3.7
Nominal GDP (USD Bn)	383	433	456
Inflation (CPI, % change)	2.0	3.5	1.9
Fiscal balance (% GDP)	(1.6)	0.6	1.3

The latest estimates announced by the Central Bank of UAE forecast Real GDP growth of **2.8%** and **4.2%** for 2018 and 2019 respectively

1 - IMF World Economic Outlook, October 2018 and Wikipedia for expatriate population estimates

2 - OPEC (December 2017); boe (barrel of oil equivalent)

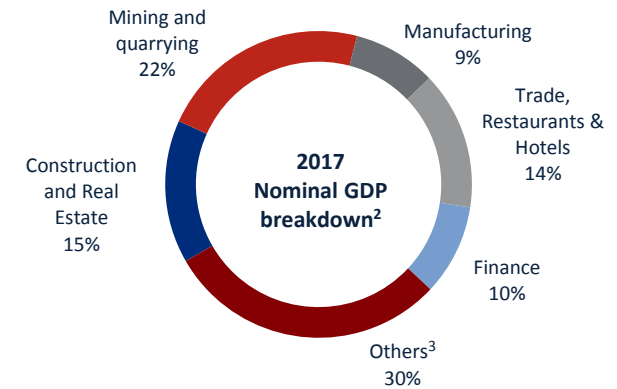
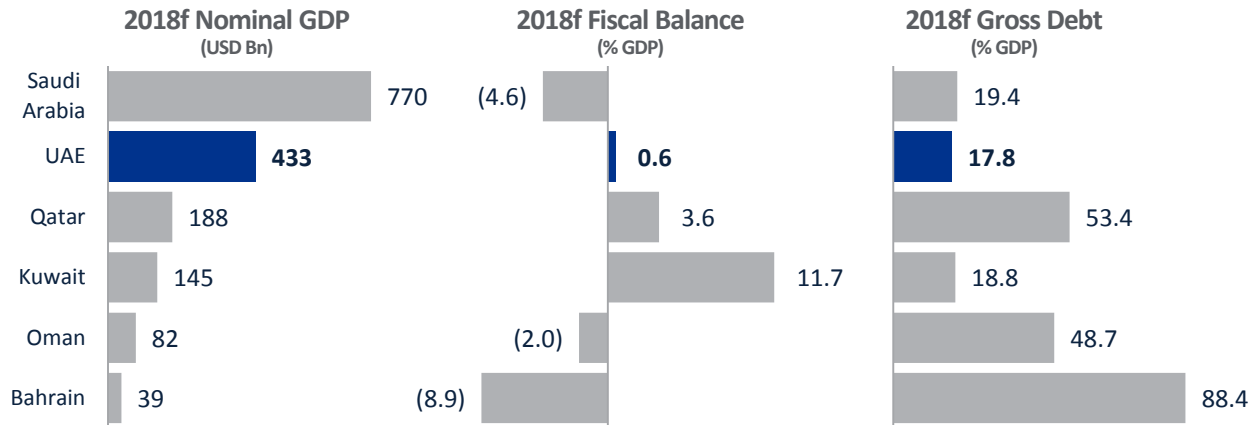
3 - WAM (Emirates News Agency)

4 - Federal Competitiveness and Statistics Authority, 2017 Nominal GDP

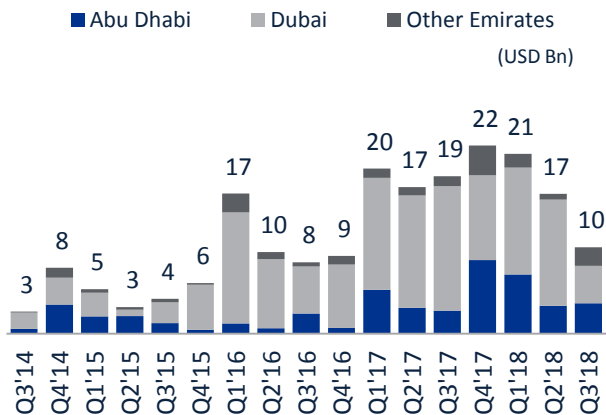
5 - World Bank's Ease of Doing Business Rankings 2019

UAE - Other Indicators

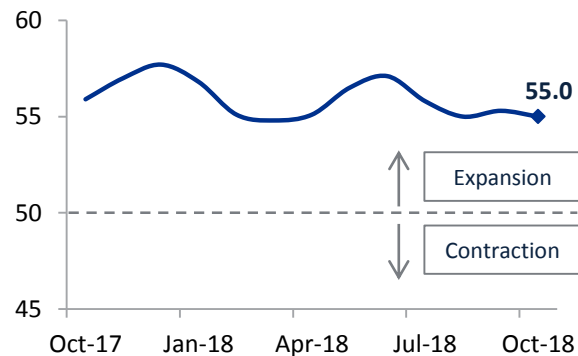
A strong and diversified economy¹



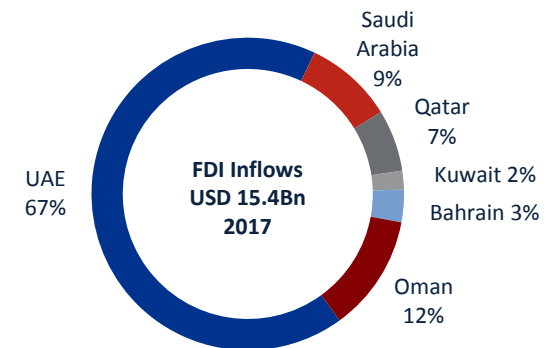
Project awards have increased since Q1'17⁴



UAE PMI in expansionary territory⁵



UAE remains top FDI destination in the GCC⁶



1 - 2018 forecast, IMF World Economic Outlook, October 2018

2 - Federal Competitiveness and Statistics Authority

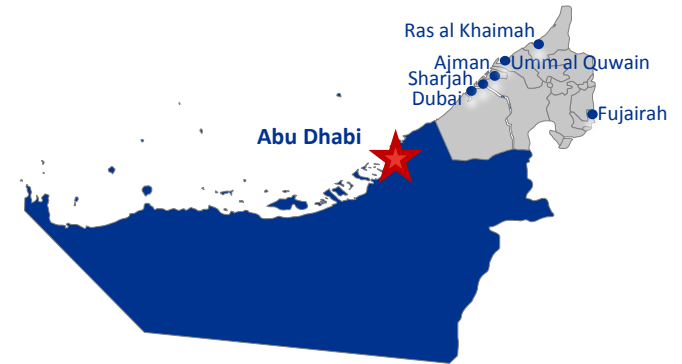
3 - Others include Agriculture, Utilities, Transportation, Communication, Government and Other activities

4 - Meed Projects

5 - Markit Economics; PMI (Purchasing Manager Index)

6 - World Investment Report 2018 – UNCTAD

Abu Dhabi - The Capital



Highest ratings in MENA

Aa2 / AA / AA
 Moody's / S&P / Fitch

Major contributor to UAE GDP

USD **227Bn** 2017e Nominal GDP¹
60% of UAE's 2017 Nominal GDP

3rd highest GDP per capita in the world

USD **78,275**²

87% of UAE land area⁵

Estimated population⁵: **2.9 Mn**

Strong fiscal position

Sovereign foreign assets – **281%** of GDP³
 Government debt – *only* **8%** of GDP³

Strong recovery underway post several years of fiscal consolidation

2.7% → 3.4%
 2018f 2019f
 Real GDP Growth⁴

On clear path to economic diversification

64% non-oil sector contribution to nominal GDP¹, up from 45% in 2013

Ghadan 21 - AED 50Bn Economic Stimulus

- Economic stimulus "**Ghadan 21**" was announced by the Abu Dhabi government in June 2018 in order to promote private sector development, job creation and tourism over the next 3 years
- Development plan revolves around 4 main pillars: Business & Investment; Society; Knowledge and Innovation; and Lifestyle
- AED 20Bn earmarked for 2019

1 - Abu Dhabi, National Accounts 2013-2017 (SCAD) April 2018, preliminary estimates

2 - After Luxembourg and Switzerland - IMF World Economic Outlook, October 2018; GDP per capita based on 2017e Nominal GDP, 2016 Population (SCAD)

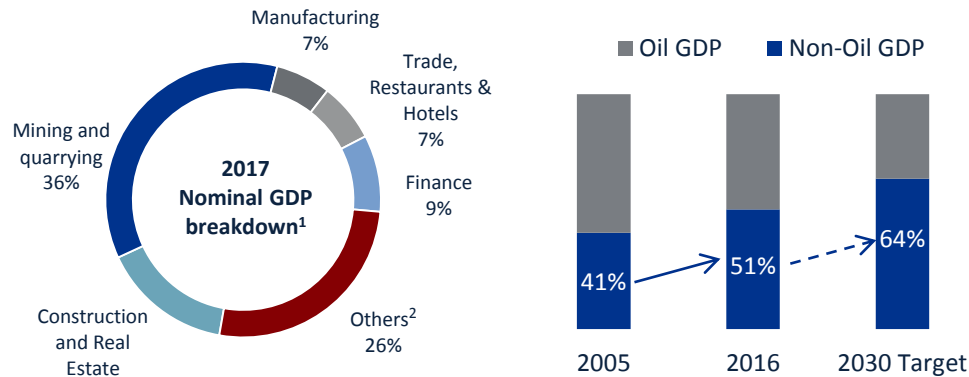
3 - Fitch Ratings article (18 June 2018)

4 - IMF Article IV consultation, Sep 2018

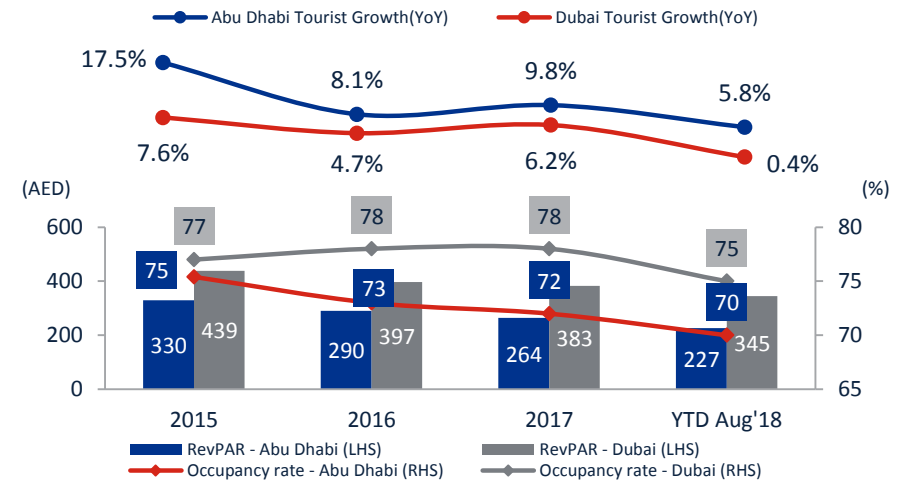
5 - Abu Dhabi 2017 Bond Prospectus

On track to meet Plan Abu Dhabi 2030 targets

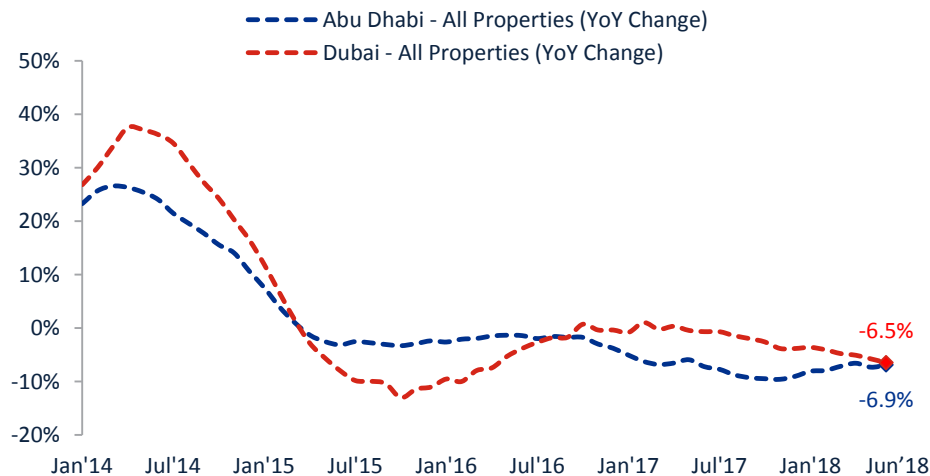
Target real GDP³



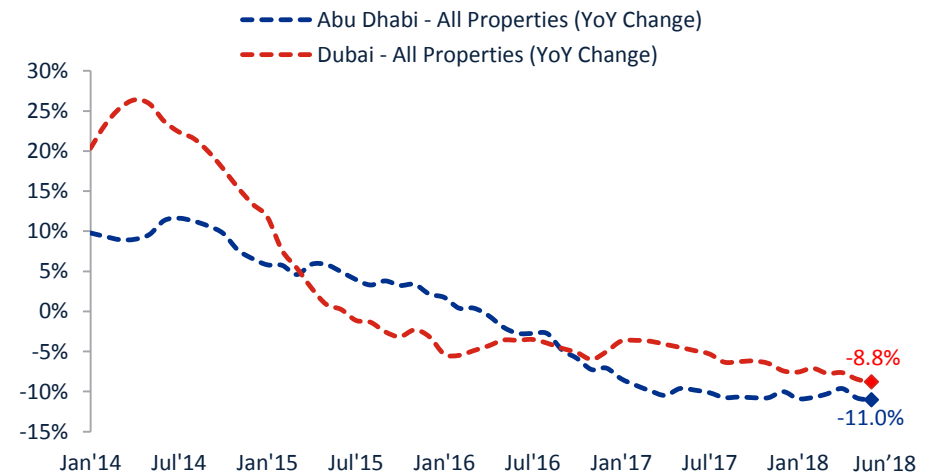
Hotel guests + occupancy - Abu Dhabi & Dubai⁴



Sale prices - mainstream residential market property⁵



Rental prices - mainstream residential market property⁵



1 - Abu Dhabi, National Accounts 2013-2017 (SCAD) April 2018, preliminary estimates

2 - Others include Agriculture, Utilities, Transportation, Communication, Government and Other activities

3 - Abu Dhabi Economic Vision 2030, SCAD 4 - Abu Dhabi, Department of Culture and Tourism ; Dubai, Department of Tourism and Commerce Marketing 5- Knight Frank

Sound and highly capitalised banking sector

Key Highlights

- UAE banking sector: 22 Local and 27 Foreign banks
41 Conventional and 8 Islamic banks
- Market share in Total Assets: UAE banks: 87%,
Conventional banks: 80%

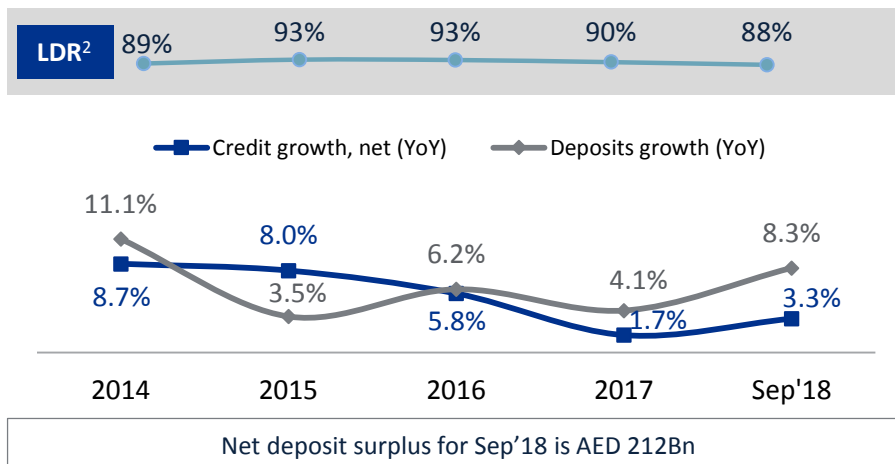
Latest regulatory developments:

- New Federal Law No. (14) issued applicable to all financial institutions in UAE, except financial freezones (DIFC and ADGM)
- UAE CB introduced in May 2015 a glide path on Liquidity Coverage Ratio (LCR) in the context of gradual migration to Basel III regulatory framework. The minimum for the current year is 90%
- UAE CB Basel III capital guidelines effective from 1st Feb 2017 with min. CET 1 set at 7.0%; full implementation by 2019
- IFRS9 implemented across UAE banking sector effective 1 Jan 2018
- FAB is one the four Domestic Systematically Important Banks (DSIBs) in UAE

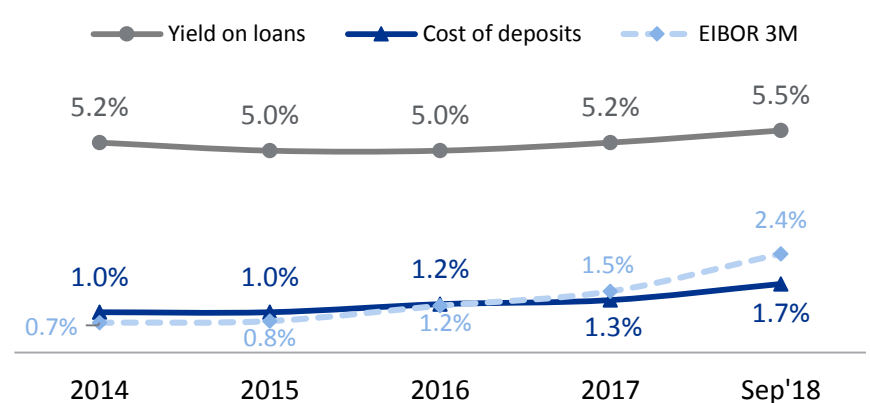
UAE Banking Sector Key Indicators¹

Figures in AED Bn	Sep'18	YTD	YoY
Total Assets, net ²	2,716	5.1%	7.3%
Loans and Advances, net ²	1,516	3.1%	3.3%
Customer Deposits	1,728	6.2%	8.3%
LDR ²	88%	-267bps	-422bps
Lending to Stable Resources Ratio ³	82%	-220bps	-370bps
CAR (Basel III) ⁴	18.2%	+10bps	-50bps ⁴
CET1 (Basel III) ⁴	14.9%	+30bps	na

Loans and deposits growth trend¹



Average Yield/Cost on loans and deposits¹ vs EIBOR



1 - Source: UAE Central Bank, UAE Banking Indicators 2- Net of provisions

3 - Total advances (net lending + net financial guarantees & stand-by LC+ Interbank placements more than 3 months)/ sum of (net free capital funds + total other stable resources)

4 - Sep'17 as per Basel II framework

Q3/9M'18 Financial Performance Review

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Q3/9M'18 Key Performance Highlights

- **Strong financial performance**

- 9M'18 Net Profit of AED 9.1Bn up 12% yoy ; Q3'18 net profit up 16% yoy
- 9M'18 Group Revenue up 1% yoy despite non-recurrence of opportunistic investment gains realised in 2017

- **Sustained business momentum**

- Loans and advances up 3% QoQ (+8% yoy), primarily driven by CIB; Customer deposits up 6% QoQ (+20% yoy), on significant short term government deposit inflows

- **Fundamentals remain robust, capital ratios continue to strengthen**

- LCR at 123%, comfortably above regulatory glide path
- NPL ratio stable at 3.1%, strong provision coverage at 118%
- CET1 strengthens from 13.1% to 13.6% sequentially

- **Continued progress on integration journey, and delivering on Group strategy**

- Systems unification on track subject to final testing
- ~AED 1.5Bn cost synergy target on plan; one-off integration costs under control
- Commencement of investment banking activities in Saudi Arabia marks key milestone for the Group

- **On track to meet FY'18 targets and maximise shareholder value**

Solid results in the third quarter

Q3'18 financial highlights

Q3'18 P&L summary

In AED Mn	Q3'18	Q2'18	QoQ %	Q3'17	YoY %
Revenues	4,845	4,920	(2)	4,611	5
Operating expenses	(1,309)	(1,338)	(2)	(1,344)	(3)
BAU ¹ costs	(1,190)	(1,212)	(2)	(1,270)	(6)
Integration costs	(74)	(80)	(8)	(74)	-
Amortisation of intangibles (merger-related)	(46)	(46)	-	-	na
Impairment charges, net	(435)	(423)	3	(562)	(23)
Net profit	3,021	3,059	(1)	2,605	16
EPS (AED) ³	1.05	1.08	(3)	0.91	16

Key ratios

%	Q3'18	Q2'18	QoQ (bps)	Q3'17	YoY (bps)
C/I ratio (ex-integ costs)	25.5	25.6	(6)	27.5	(204)
CoR (bps) ^{3,4}	50	53	(3)	66	(17)
NPL ratio	3.1	3.1	9	3.0	13
Provision coverage	118	123	(458)	109	930
LCR	123	125	(273)	105	1,757
RoTE ³	16.9	18.2	(131)	13.7	320
CET1 ratio ²	13.6	13.1	56	14.9	(125)

- Operating income improved yoy driven by higher non-interest revenues offsetting headwinds on NII; slightly down sequentially as Q2'18 included one-off gains on sale of an office premise
- BAU¹ operating expenses continued to reduce yoy as a result of cost synergy realisation; one-off integration costs under control
- Impairment charges significantly lower yoy
- C/I ratio continues to improve and remains at industry-leading level
- Asset quality is healthy; provision coverage is strong; CoR materially lower yoy on IFRS9, risk optimisation
- Strong liquidity position with LCR comfortably above regulatory minimum
- RoTE materially expands yoy
- CET1 improves sequentially on internal capital generation and RWA discipline, in line with FY'18 target of >13.0%

1 BAU – Business as usual
 3 Annualised

2 CET1 ratio as per UAE CB's Basel III framework; Q3'17 as per Basel II framework
 4 On loans and advances

On track to meet revised FY'18 financial targets

9M'18 results vs. FY'18 financial guidance

	2018 GUIDANCE	9M'18 ACTUAL		
GROWTH	Loan	High single-digit	+7% ytd / +8% yoy	<ul style="list-style-type: none"> • Healthy pipeline execution in CIB, while PBG gathered some positive momentum in the quarter
	Revenue	Low single-digit	+1% yoy	<ul style="list-style-type: none"> • Against strong 9M'17 which included opportunistic investment gains • Driven by solid growth in non-interest income
EFFICIENCY	C/I Ratio (ex-integration costs)	~25-26%	25.6%	<ul style="list-style-type: none"> • Continued cost synergy realisation and discipline • Synergies on track, one-off integration costs well under control
ASSET QUALITY	Cost of Risk¹	50-60bps	51bps	<ul style="list-style-type: none"> • CoR at lower end of target range, reflects risk optimisation and strong coverage post IFRS9 implementation
PROFITABILITY	Net profit growth	8-10%	+12% yoy	<ul style="list-style-type: none"> • Solid profitability and returns, comfortably within guidance
	RoTE²	16-17%	16.5%	
CAPITAL	Basel III CET1 (pre-dividend)	>13%	13.6%	<ul style="list-style-type: none"> • CET1 continues to build up, well above FY'18 floor

¹ Year-to-date annualised; on loans and advances

² Return on Average Tangible Equity, annualised; based on attributable profit to equity shareholders' excl Tier 1 notes coupon

Integration and Strategy execution

Key highlights



- ✓ **Systems unification:**
 - on track subject to final testing
 - will mark conclusion of integration journey
 - key enabler for product and service harmonisation



- ✓ **Franchise continues to show strong growth leveraging on key strategic differentiators and market-leading capabilities**
 - *Most Innovative Investment Bank* for the 3rd year in a row (The Banker)
 - *Safest Bank in the Middle East* and one of the safest across Emerging Markets (Global Finance)
- ✓ **Strong focus on strategy execution in Saudi Arabia:**
 - First DCM deal executed through our investment banking subsidiary in KSA; healthy pipeline in CIB
 - Commercial banking operations to be launched in Q4'18

- ✓ **Strategic alignment of international operations ongoing**



- ✓ **Cost synergy momentum continues**
 - UAE Branch & cash offices network reduced to 80 (down from 87 as of Jun'18 , 103 as of Dec'17)
 - On track to realise ~AED 1.5Bn cost synergies by 2020



- ✓ **Investing in digital capabilities and other key enablers to improve customer experience and drive business growth**

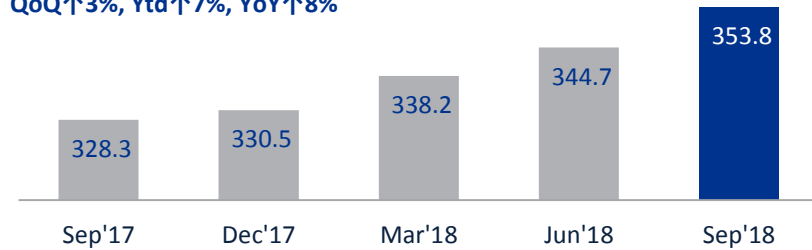
Business momentum continues while liquidity position remains strong

Key highlights

- Loans and advances increased 3% sequentially, 8% yoy, primarily driven by healthy growth in CIB in UAE and across strategically targeted markets; PBG lending gathered momentum during Q3'18
- Customer deposits up 6% sequentially on significant short term government inflows
- Strong liability franchise remains competitive strength with CASA balances up 7% to AED 155Bn (34% of total deposits), and healthy growth in international deposits driving further diversification of funding sources
- Liquidity position remains strong with September-end 2018 LCR at 123%, comfortably above the Basel III glide path for the current year (min required 90%)

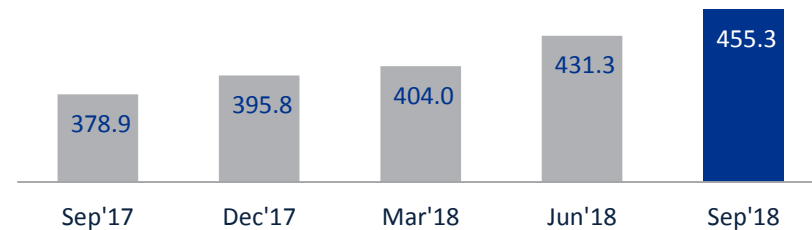
Loans and advances (AED Bn)

QoQ ↑ 3%, Ytd ↑ 7%, YoY ↑ 8%

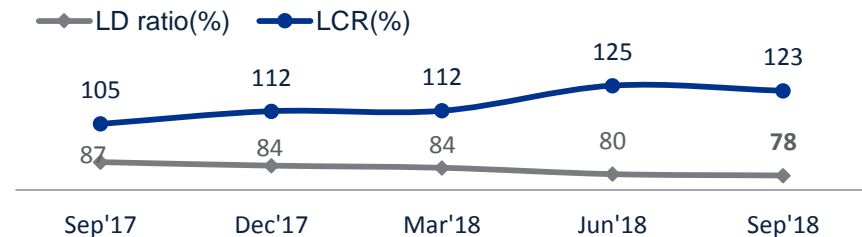


Customer deposits (AED Bn)

QoQ ↑ 6%, Ytd ↑ 15%, YoY ↑ 20%



Strong liquidity position

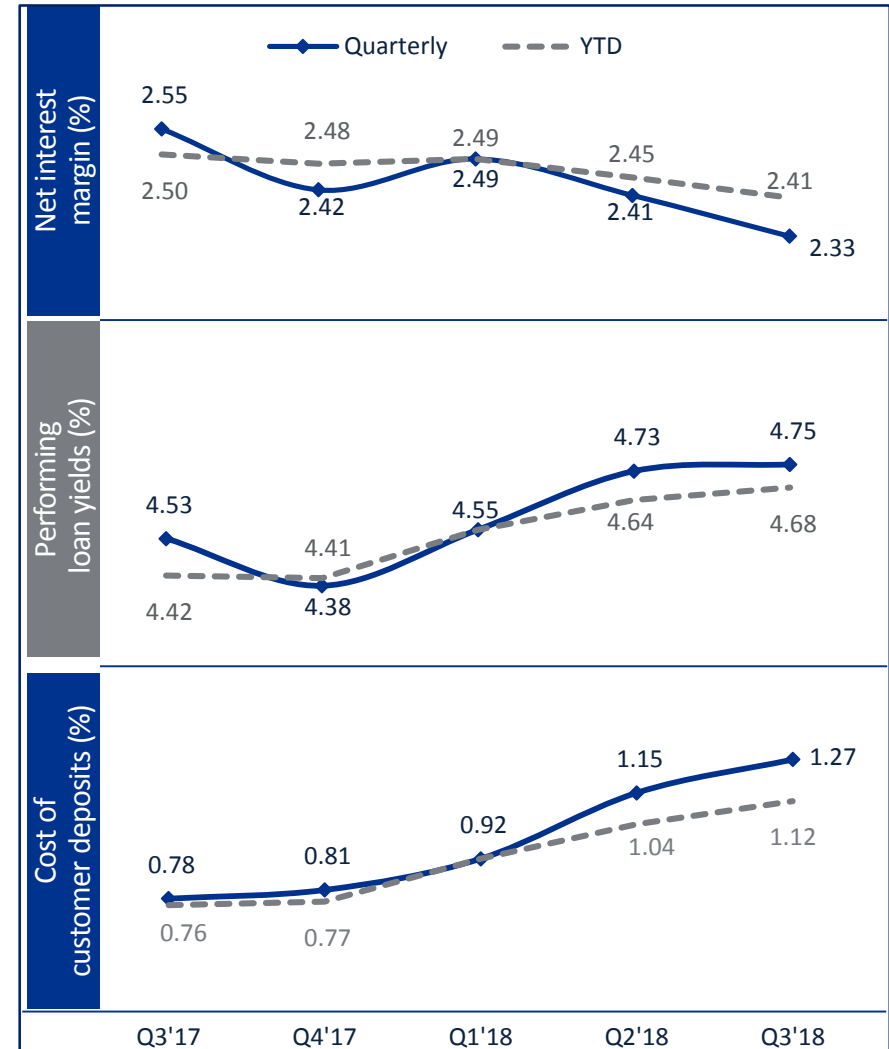
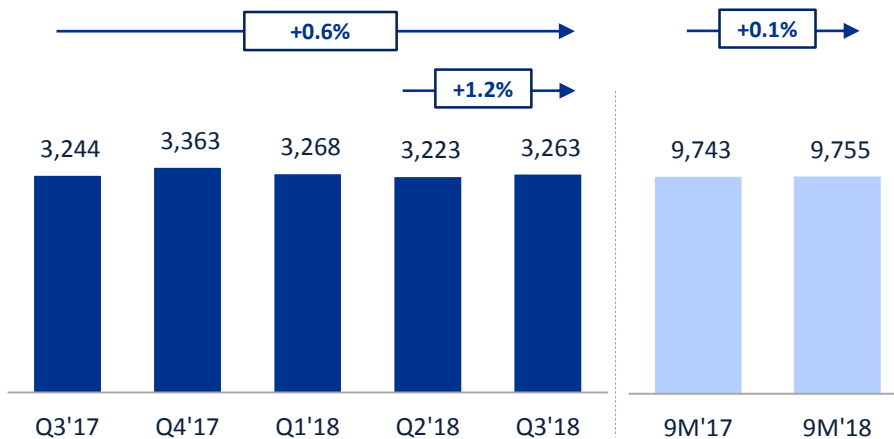


Although NII continues to face headwinds,...

Key highlights

- 9M'18 Group NIM lower 4bps qoq, reflects margin compression and the dilutive impact of deployment of short-term excess liquidity at Central Bank(s)
- Net Interest Income (NII) broadly stable yoy as strong business volumes and rate hike benefits continue to be offset by competitive pricing and risk optimisation in Personal Banking
- NII outlook remains positive into 2019 as some headwinds are expected to moderate

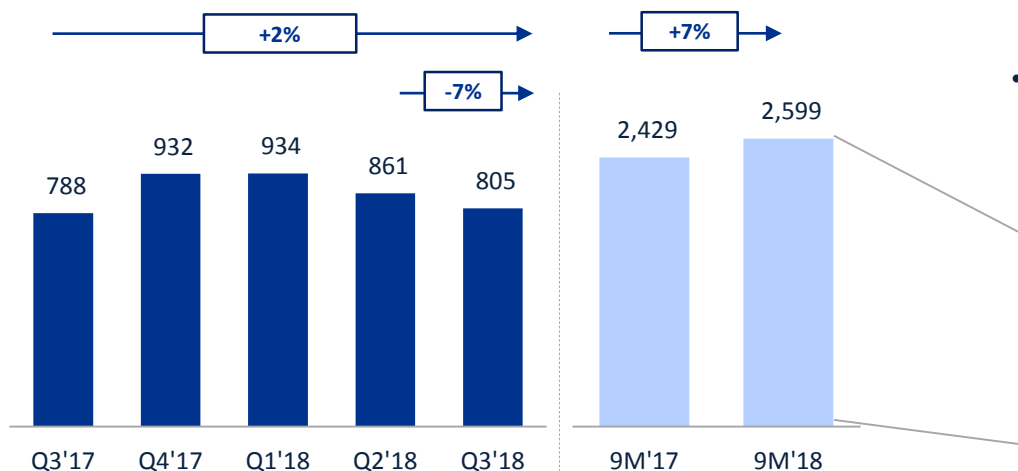
Net interest income (AED Mn)



Note: All percentage figures are annualised

...this is largely offset by continued strength in non-interest income

Fees & commissions, net (AED Mn)

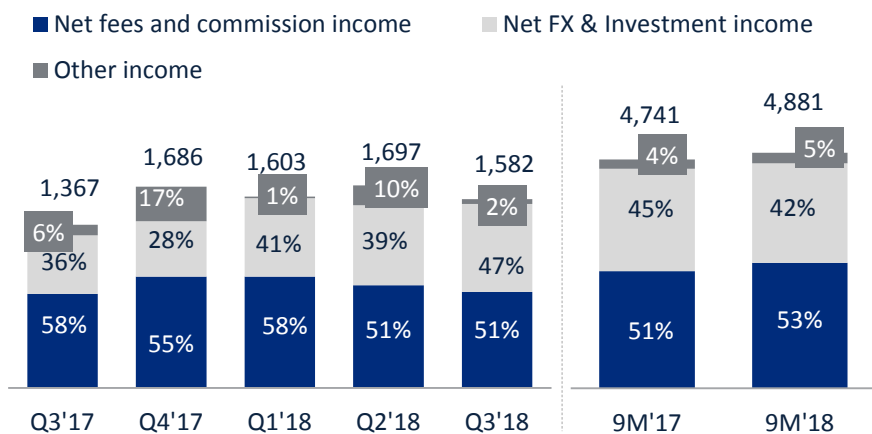


- Fees and commissions (net) grew 7% yoy on the back of higher business volumes, and healthy pick-up in key products including trade, DCM and LCM; however, Q3'18 was lower by 7% qoq due to one-offs in previous quarters and seasonality

	9M'18	YoY change
Loan-related	1,358	+14%
Trade-related	815	+5%
Others	427	(8)%

- Fees and commissions (net) grew 17% yoy in CIB; broadly flat in PBG

Non-interest income (AED Mn)



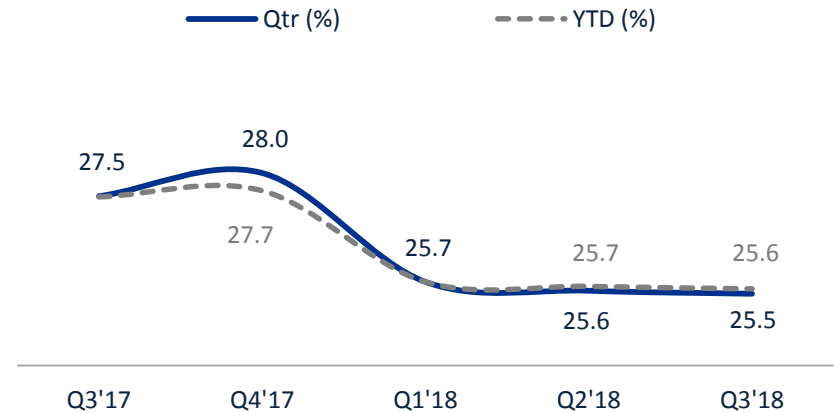
- Non-interest income improved yoy in Q3'18 on higher FX and investment income, driven by enhanced returns from Credit and Asset-Liability management desks, including higher volume of FX swaps related to the placement of liquidity at central bank(s)
- Non-interest income was 7% lower sequentially as Q2'18 revenue included a one-off gain on sale of an office premise
- 9M'18 non-interest income is 3% higher yoy although the comparative period in 2017 included opportunistic investment gains (of ~AED 400Mn)

Industry-leading operating efficiency supported by synergy momentum and cost discipline

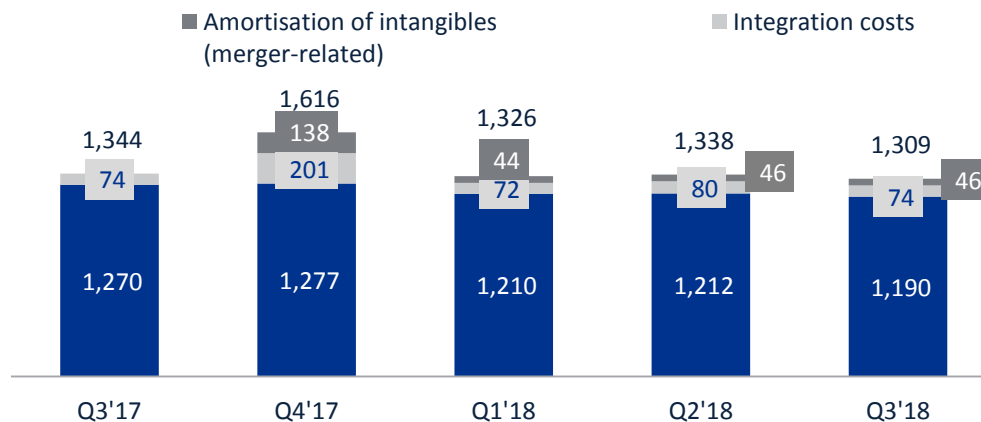
Key highlights

- BAU operating expenses are 9% lower yoy on the back of cost synergy momentum and maintained discipline offsetting new costs (KSA, marketing, key hires)
- C/I ratio (ex-integration costs) materially improved yoy, and is within the revised guidance range of 25%-26% for FY'18
- Cost synergies realised since Dec-end'16 reached ~AED 900Mn against a 2020 target of ~AED 1.5Bn
- One-off Integration costs at AED 226Mn ytd are in line with 2018 guidance (of AED 330Mn)

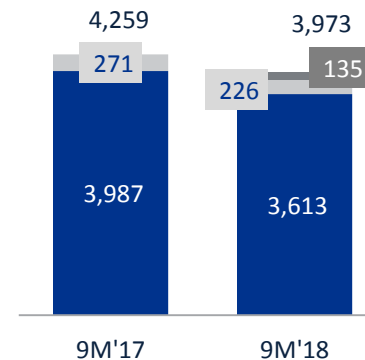
Cost-income ratio (ex-integration) (%)



Operating expenses trend (AED Mn)



Operating expenses (BAU)



Change in BAU Opex:
 Q3'18 vs. Q2'18 – ↓2%
 Q3'18 vs. Q3'17 – ↓6%
 9M'18 vs. 9M'17 – ↓9%

Healthy credit quality metrics, strong provision coverage

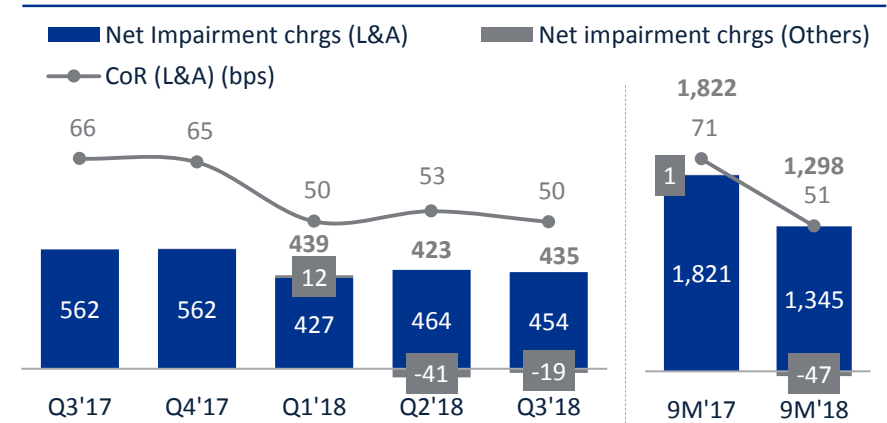
Key highlights¹

- NPL ratio at 3.1%, stable since Dec'17; strong provision coverage of 118% with Group impairment allowances on loans and advances at AED 13.2Bn
- Impairment charges (net) in 9M'18 are down 29% yoy reflecting healthy asset quality and adequate provisions post IFRS9 implementation
- Cost of risk on loans and advances at 51bps for 9M'18, reduced by 20bps yoy and stands at the lower end of 50-60bps guidance range for FY'18
- Non-performing loans increased 5% sequentially to AED 11.6Bn mainly due to NPL formation in PBG

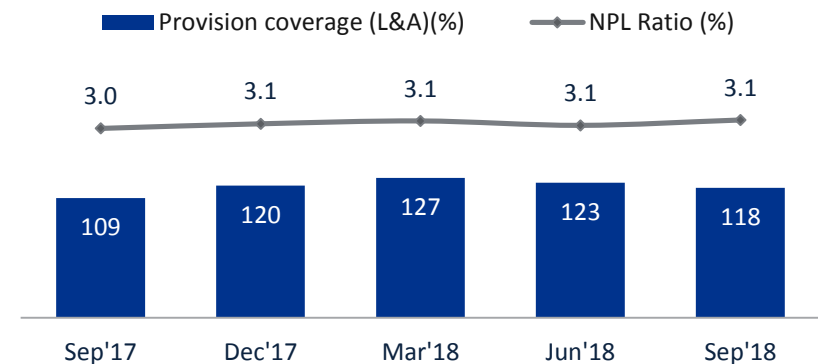
NPLs and ECL / Provisions for L&A¹

AED Bn	Sep'18	Jun'18	Dec'17	Sep'17
NPLs	11.6 ²	11.0 ²	10.6	10.2
Provisions (L&A)	13.2	12.9	12.7	11.2
Stage 1 & 2	6.1	6.1	8.1	7.0
Stage 3	7.1	6.7	4.6	4.1

Impairment charges, net (AED Mn) & CoR^{1,4}



Provision coverage (L&A)³ & NPL ratio¹



¹ As 2018 ratios are based on IFRS9 accounting and ratios for prior periods are based on IAS39 accounting, they may not be fully comparable

² NPLs = Stage 3 exposure + POCl (Purchase or originally impaired credit) of AED 5,339Mn as of Sep'18 considered as par to NPLs (AED 5,219Mn as of Jun'18)

³ Provision coverage (under IFRS9 w.e.f. 2018) = Provisions (L&A) + unfunded exposure ECL of AED 464Mn as of Sep'18 (AED 590Mn as of Jun'18) as a percentage of NPLs

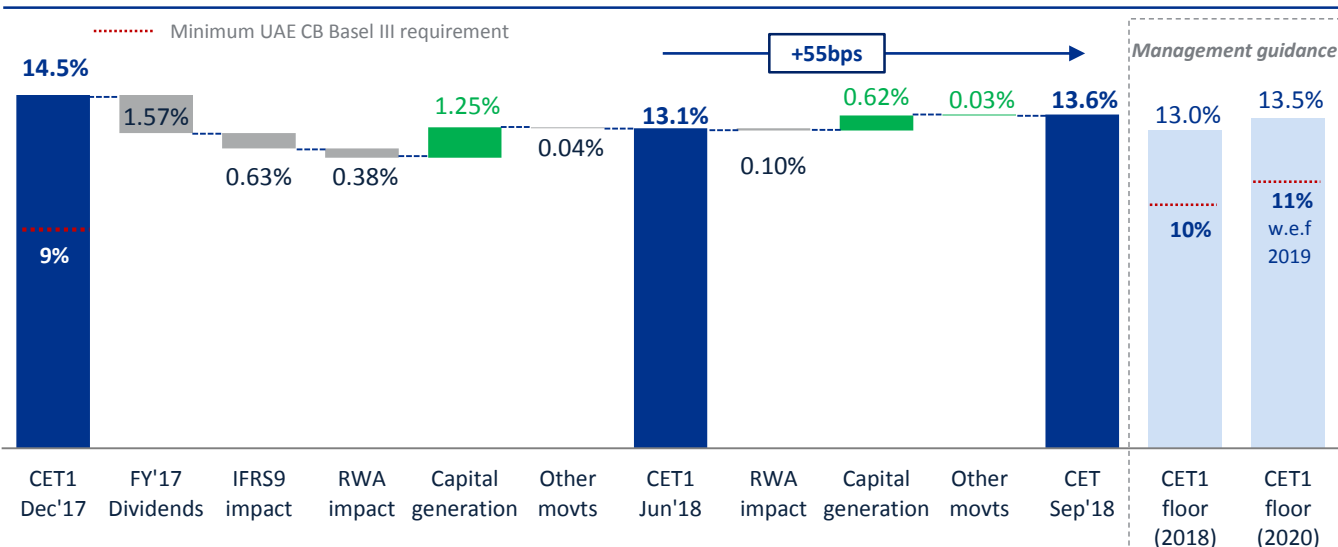
⁴ Annualised

Note: Gross loans and advances and NPLs are net of interest in suspense; see Note #6 Credit Risk in financials for more details on IFRS9 exposures and ECL

Robust capital position

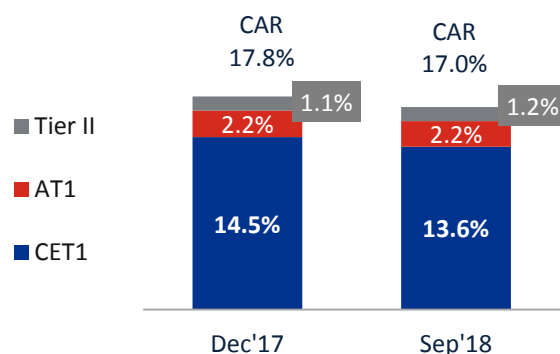
Even after PPA, FY'17 dividends, and IFRS9

CET1¹ ratio progression

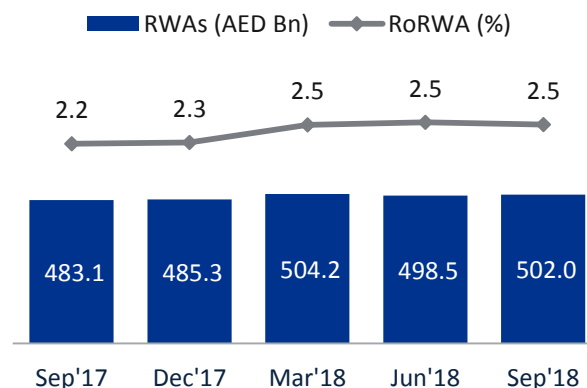


- CET1¹ ratio continued to strengthen on the back of internal capital generation and RWA discipline
- At 13.6%, FAB's CET1 stands comfortably above current year guidance (>13.0%) and in excess of regulatory requirements
- Impact of IFRS9 on 1 Jan 2018 was AED 3.1Bn (3.0% of Dec'17 shareholders' equity and 63bps of Dec'17 CET1)
- RoTE materially improved to 16.5% vs. 14.3% as of September-end'17

Strong capital ratios (Basel III)¹



RWAs & Return on RWAs



Return on Tangible Equity (RoTE – ytd) (%)



¹ CET1 ratio as per UAE CB's Basel III framework (without considering the transitional arrangements for 2017)

Note: AT1 (additional Tier 1) + Tier 2 capital requirement – Min 3.5%; any shortfall in same to be met by CET1; Countercyclical buffer requirement (0 – 2.5%) as advised by UAE CB – nil for 2017 & 2018

Strong 9M'18 financial performance, positions us well to meet
FY'18 targets despite headwinds on NII

FAB will continue to leverage on strong fundamentals, a diversified business profile
and market-leading capabilities to drive growth in balance sheet and returns

Positive macro outlook underpinned by strengthening fundamentals, and
Abu Dhabi's 3-year development program *Ghadan 2021*

Systems integration a key milestone, will help unlock FAB's full potential

*FAB is well on track to deliver sustainable growth in returns and maximise shareholder value;
Medium term targets under review, to be communicated in Q1 2019*



APPENDIX

Grow
Stronger



Q3/9M'18 Summary Financials

Income Statement - Summary (AED Mn)	Note	Q3'18	Q2'18	QoQ %	Q3'17	YoY %	9M'18	9M'17	YoY %
Net interest Income		3,263	3,223	1	3,244	1	9,755	9,743	0
Fees & commissions, net		805	861	(7)	788	2	2,599	2,429	7
FX and investment income, net		738	671	10	491	50	2,065	2,121	(3)
Other non-interest income		39	165	(76)	89	(55)	217	191	14
Total Operating Income		4,845	4,920	(2)	4,611	5	14,636	14,484	1
Operating expenses		(1,309)	(1,338)	(2)	(1,344)	(3)	(3,973)	(4,259)	(7)
<i>Incl: Integration costs</i>		(74)	(80)	(8)	(74)	(0)	(226)	(271)	(17)
<i>Amortisation of intangibles (merger-related)</i>		(46)	(46)	(0)	-	na	(135)	-	-
Impairment charges, net		(435)	(423)	3	(562)	(23)	(1,298)	(1,822)	(29)
Non Controlling Interests and Taxes		(80)	(99)	(20)	(100)	(20)	(287)	(310)	(8)
Net Profit		3,021	3,059	(1)	2,605	16	9,078	8,093	12
Basic Earning per Share (AED)	a,h	1.05	1.08	(3)	0.91	16	1.07	0.95	12

a) Basic EPS based on attributable profits to equity shareholders' excluding Tier 1 notes coupon (9M'18: AED 382 Mn) and outstanding shares

Q3/9M'18 Summary Financials

Grow
Stronger

بنك أبوظبي الأول
FAB
First Abu Dhabi Bank

Balance Sheet - Summary (AED Bn)	Note	Sep'18	Jun'18	QoQ %	Sep'17	YoY %	Dec'17	Ytd %
Loans and advances, net		354	345	3	328	8	330	7
Customer deposits		455	431	6	379	20	396	15
CASA (deposits)	b	155	145	7	148	4	150	3
Total Assets		732	692	6	644	14	669	9
Equity (incl Tier 1 capital notes)		100	97	4	99	1	102	(2)
Tangible Equity	c	70	66	5	73	(5)	71	(2)

b) CASA deposits include current, savings and call accounts; periods prior to Mar-2018 have been reclassified to include call accounts

c) Tangible equity is shareholders' equity net of Tier 1 capital notes, goodwill & intangibles

Key Ratios (%)	Note	Q3'18	Q2'18	QoQ (bps)	Q3'17	YoY (bps)	9M'18	9M'17	YoY (bps)
Net Interest Margin	h	2.33	2.41	(9)	2.55	(23)	2.41	2.50	(9)
Cost-Income ratio (ex-integration costs)		25.5	25.6	(6)	27.5	(204)	25.6	27.5	(193)
Cost of Risk (bps)	d,e,h	50	53	(3)	66	(17)	51	71	(20)
Non-performing loans ratio	d	3.1	3.1	9	3.0	13	3.1	3.0	13
Provision coverage	d	118	123	(458)	109	930	118	109	930
Loans-to-deposits ratio		78	80	(220)	87	(893)	78	87	(893)
Return on Tangible Equity (RoTE)	f	16.9	18.2	(131)	13.7	320	16.5	14.3	227
Return on Risk-weighted Assets (RoRWA)	h	2.4	2.4	(5)	2.2	23	2.5	2.2	22
CET1 ratio	g	13.6	13.1	56	14.9	(125)	13.6	14.9	(125)
Capital Adequacy ratio	g	17.0	16.4	54	18.4	(140)	17.0	18.4	(140)

d) As 2018 ratios are based on IFRS9 accounting and ratios for prior periods are based on IAS39 accounting, they may not be fully comparable

e) On Loans and Advances

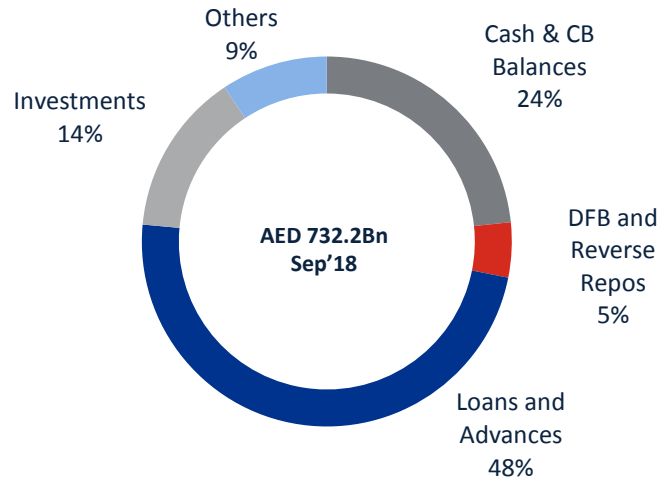
f) Return on Average Tangible Equity, annualised; based on attributable profit to equity shareholders' excl. coupon on Tier 1 capital notes

g) As per UAE Central Bank's Basel III framework; ratios prior to end-2017 are based on UAE CB's Basel II framework

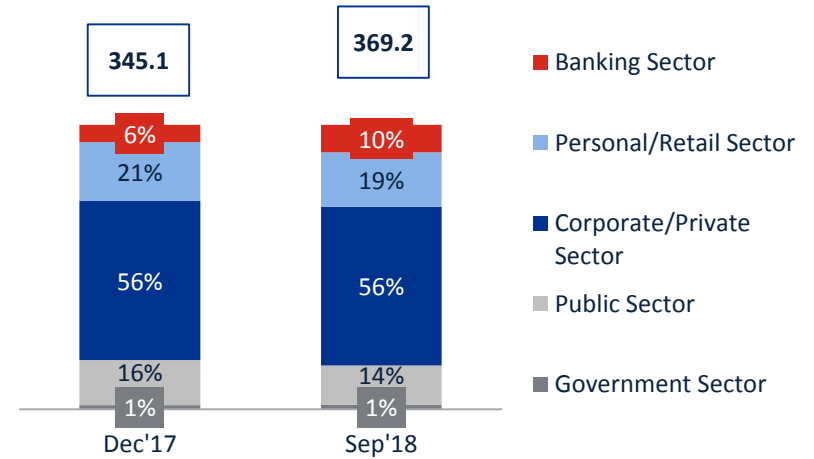
h) Annualised

Rounding differences may appear in above table

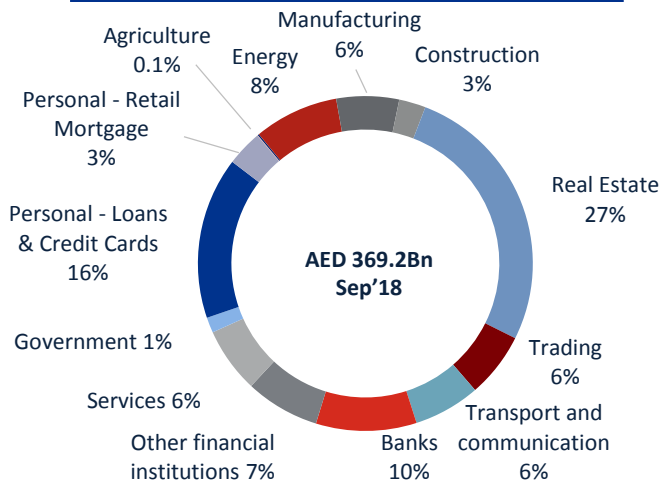
Asset Mix



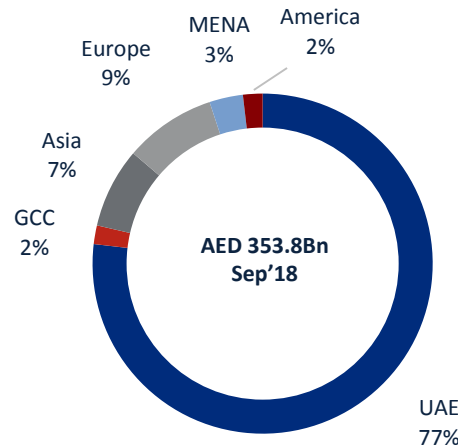
Gross loans by counterparty (AED Bn)



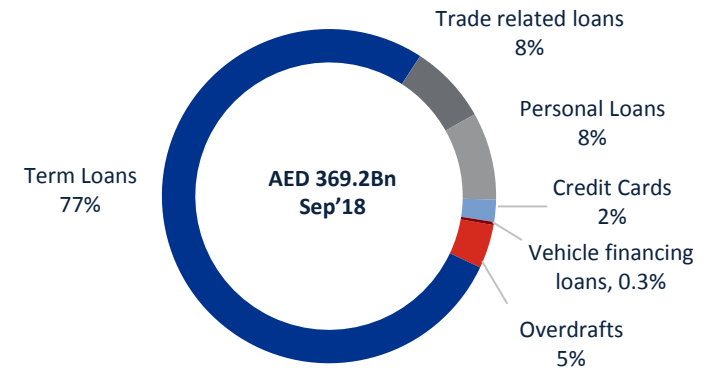
Gross loans by economic sector



Net loans by geography¹



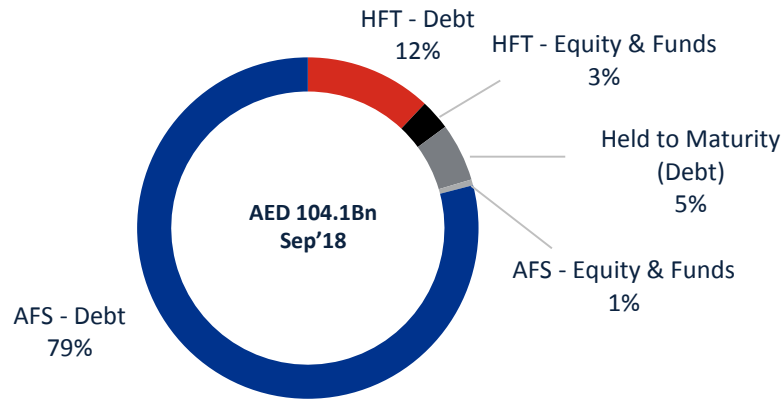
Gross loans by product



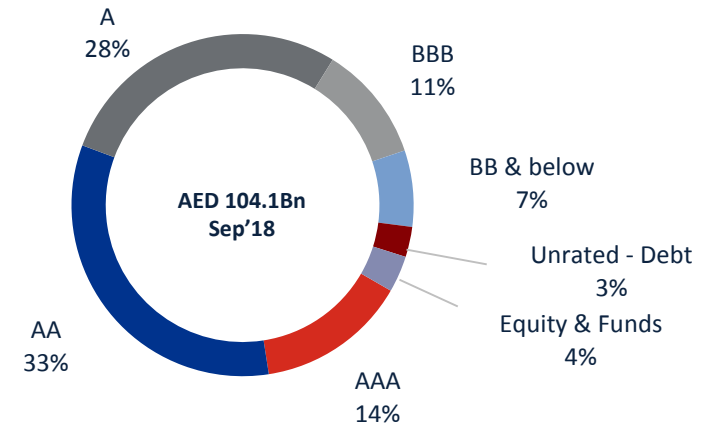
¹ Based on booking centre

Investments¹ breakdown

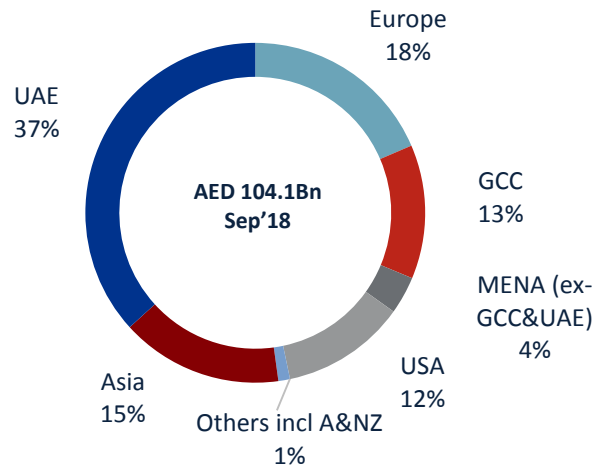
Investments by type



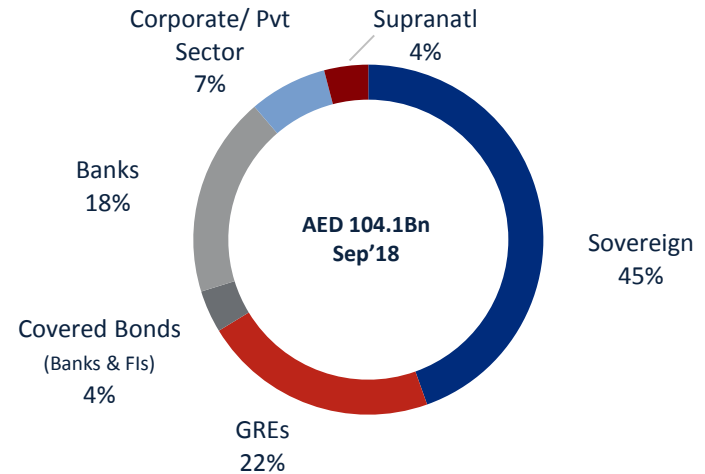
Investments by ratings



Investments by geography



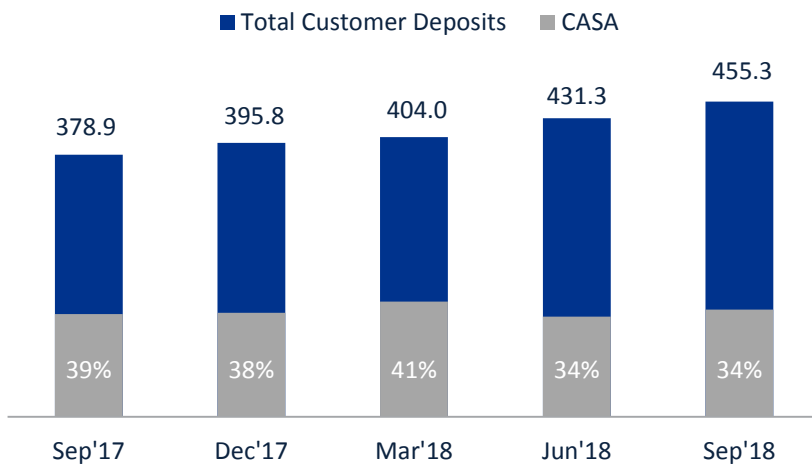
Investments by counterparty



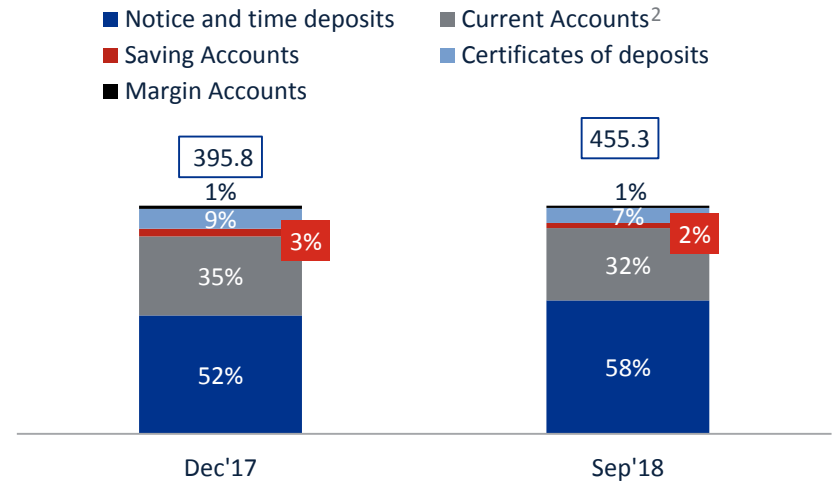
¹ Gross investments before ECL

Customer deposits

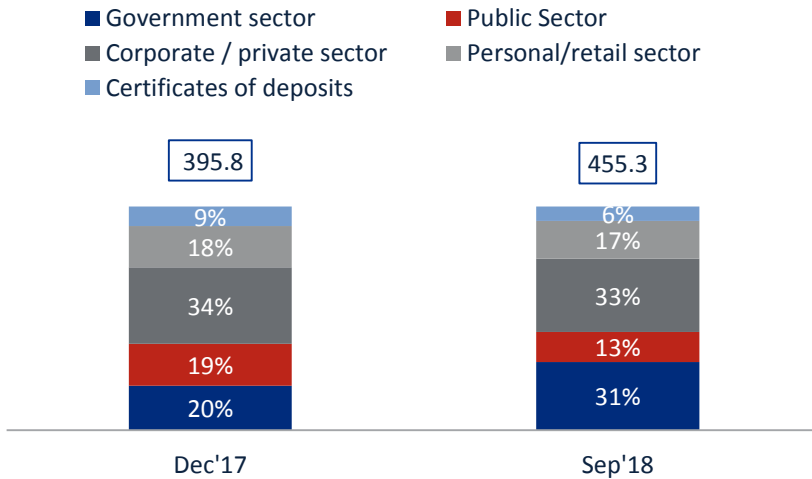
Customer deposits (AED Bn)



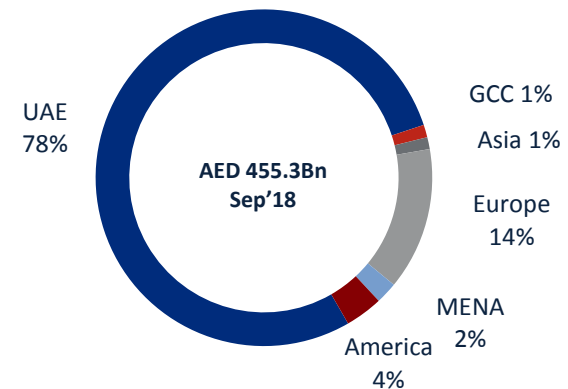
Customer deposits by account type (AED Bn)



Customer deposits by Counterparty (AED Bn)



Customer deposits by geography¹

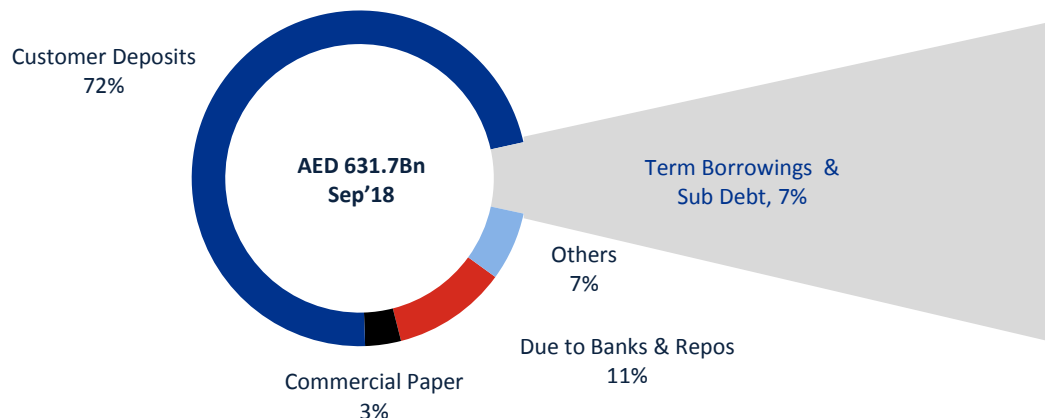


1 Based on booking centre

2 Current, savings and call accounts; prior periods reclassified to include call accounts earlier grouped with notice and time deposits

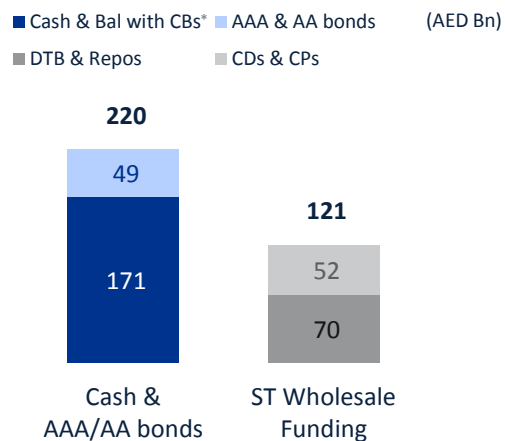
Liability mix and Wholesale Funding

Liabilities mix

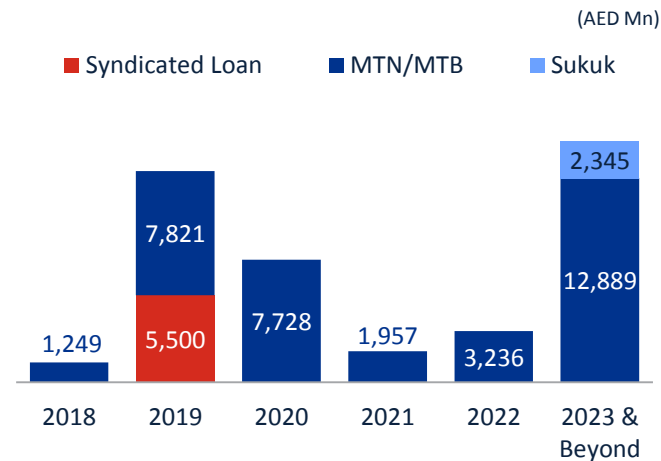


Wholesale funding (AED Bn)	Sep'18
Syndicated loan	5.5
Medium Term Notes/Bonds	34.9
Sukuk	2.3
Subordinated debt	0.4
Total	43.1

Cash & AAA/AA bonds vs. ST wholesale



Medium-term wholesale funding



* FAB has access to place deposits with ECB & FED

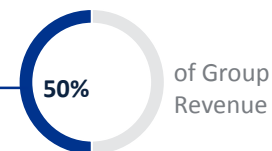
Note: Debt at final maturity date rather than next call date

Segmental Performance (by business)

Corporate & Investment Banking (CIB)

In AED Mn	9M'18	YoY %
Revenues	7,318	8
Operating expenses	(1,290)	(15)
Impairment charges, net	(1,044)	na
Profit after taxes	4,835	(5)
Loans (AED Bn)	255.6	12
Deposits (AED Bn)	355.1	27

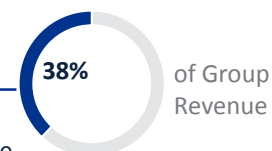
- CIB Revenue up 8% against a strong comparative period in 2017, which included extraordinary trading gains, with broad-based growth across key products:
 - › **Global Transaction Banking: +17%** including +45% growth in cash management, and +7% in trade finance
 - › **Global Corporate Finance: +2%** driven by stellar growth in DCM and LCM, offset by margin compression in the loan portfolio due to competitive pricing
 - › **Global Markets: +10%** on the back of enhanced returns in Credit and ALM portfolios
- Quality of CIB portfolio remains healthy with positive outlook
- Robust double-digit loan and deposit growth year-on-year, and strong liquidity position
- FAB leads MENA/GCC loan league tables ytd in terms of number of deals
- Market leading CIB franchise will continue to build momentum in UAE and across strategically targeted markets, including Saudi Arabia



Personal Banking Group (PBG)

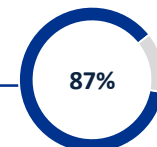
In AED Mn	9M'18	YoY %
Revenues	5,544	(3)
Operating expenses	(2,092)	(10)
Impairment charges, net	(266)	(86)
Profit after taxes	3,109	120
Loans (AED Bn)	98.1	(5)
Deposits (AED Bn)	95.7	3

- Revenue lower yoy on the back of risk-asset optimisation and tightened risk appetite impacting interest and non-interest income sources
- Strong focus on enhancing productivity across the business led to 10% reduction in expenses and the rationalisation of the UAE branch network to 80 branches (from 103 as of Dec'17)
- Credit trends remain challenging with continued retail NPL formation
- Although 5% down yoy, loan book grew 1% sequentially driven by mortgages and resumed growth in personal loans and credit cards; deposits grew 3% yoy (4% qoq)
- PBG will be launching its product and services offering in Saudi Arabia during Q4'18, and expand capabilities in Egypt over the medium term



Segmental Performance (by geography)

UAE

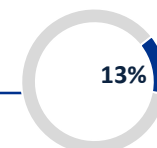


of Group Revenue

In AED Mn	9M'18	YoY %
Revenues	12,700	↔
Operating expenses	(3,290)	(9)
Impairment charges, net	(1,270)	(29)
Profit after taxes	8,144	13
Loans (AED Bn)	271.9	4
Deposits (AED Bn)	356.3	29

- UAE profitability was solid yoy, on the back of a strong business momentum, continued synergy realisation and a significant reduction in impairment charges post IFRS9
- Operating expenses were 9% lower yoy reflecting a strong focus on executing integration milestones as well as cost discipline
- Asset quality remained healthy, with a strong provision coverage post IFRS9 implementation
- Loans grew 4% primarily led by a strong momentum in CIB
- Customer deposits added 29% yoy mainly on the back of significant short-term inflows from the government, as well as private sector deposits

International (Europe, Americas, Middle East & Africa and Asia-Pacific)



of Group Revenue

In AED Mn	9M'18	YoY %
Revenues	1,937	6
Operating expenses	(684)	8
Impairment charges, net	(28)	(5)
Taxes	(255)	(9)
Profit after taxes	970	9
Loans (AED Bn)	82.0	22
Deposits (AED Bn)	99.0	(3)

- FAB's international business remains a key differentiator supporting revenue and risk diversification, contributing 13% to 9M'18 Group revenue
- Revenue grew 6% yoy in 9M'18, mainly driven by higher fees and commissions
- Loans were up 22% yoy led by enhanced activity across Asia Pacific and MENA; although deposits were slightly lower yoy, liquidity position remained healthy underpinned by continued diversification of funding sources across various geographies
- As of September-end'18, international loans and deposits represent 23% of Group loans and 22% of deposits, respectively

PPA completed as of 31 March 2018

Concept of PPA	<ul style="list-style-type: none"> As per IFRS 3 and Business Combination guidelines, the Bank is required to complete a "Purchase Price Allocation" exercise in order to determine the goodwill arising from the merger All acquired assets and assumed liabilities of NBAD should be recorded at fair value
Impact	<ul style="list-style-type: none"> Fair value adjustments impact net asset value and goodwill calculation Intangible assets identified as a result of PPA to be amortised through P&L

NBAD Net Asset Value as of March 31 2017

AED Bn	Pre PPA	PPA impact	Post PPA
Loans and advances	210.7	(2.9)	207.8
Other Assets	225.3	(1.9)	223.4
Total assets	436.0	(4.8)	431.2
Total liabilities	397.2	0.3	397.5
NBAD net asset value (pre-intangibles)	38.8	(5.1)	33.7
Intangibles identified	-	2.6	2.6
NBAD net asset value			36.3

Goodwill calculation (AED Bn)	
Purchase Price Consideration (a)	53.6
NBAD Net Asset Value (b)	36.3
Goodwill (a)-(b)	17.3
Intangibles	2.6
Goodwill & Intangibles	19.9

Post-PPA

Accounting treatment

- To be amortised over 12 yrs
- Year 1 impact of AED 138Mn recorded in Q4'17 (nine-month impact)
- Estimated impact on P&L for 2018 ~AED 185Mn

Intangible assets
= AED 2.6Bn


Goodwill
= AED 17.3Bn

- No amortisation
- To be annually tested for impairment

Executed Landmark Transactions in Q3 2018

Debt Capital Market


Loan Capital Market



SAUDI ELECTRICITY
 USD 2 billion
 Senior Unsecured Sukuk
 4.222% due 2024
 4.723% due 2028

Joint Bookrunner

Sep 2018



State Bank of India
 USD 650 million
 Senior Unsecured
 Green Bond
 4.500% due 2023

Joint Bookrunner

Sep 2018



National Bank of Oman
 USD 500 million
 Senior Unsecured Notes
 5.625% due 2023

Joint Bookrunner


Sep 2018



Kuwait Foreign Petroleum Exploration Company (KUFPEC)
 USD 1.1 billion
 Term Loan

Sole Coordinator,
 Bookrunner, Mandated Lead Arranger & Facility Agent

Jul 2018



National Industries Group
 KWD 250 million
 Murabaha Facility

Mandated Lead Arranger

Aug 2018



Etihad Airways
 USD 600 million
 Revolving Credit Facility

Bookrunner, Mandated Lead Arranger & Facility Agent


Aug 2018



Aldar Properties
 USD 500 million
 Senior Unsecured Sukuk
 4.750% due 2025

Joint Bookrunner

Sep 2018



DP World
 USD 2 billion
 Senior Unsecured Notes
 4.484% Sukuk due 2028
 5.625% Bond due 2048

Joint Bookrunner


Sep 2018



Al Hilal Bank
 USD 500 million
 Senior Sukuk
 4.375% due 2023

Joint Bookrunner


Sep 2018



Aldar Properties
 USD 500 million
 Term Loan

Bookrunner, Mandated Lead Arranger & Agent

Aug 2018



Mobile Telecommunications Company K.S.C.P.
 USD 700 million
 Revolving Credit Facility

Sole Coordinator,
 Bookrunner, Mandated Lead Arranger & Facility Agent


Aug 2018



Telecom Egypt
 USD 200 million
 Term Loan Facility

Bookrunner, Mandated Lead Arranger & Agent

Aug 2018



Abu Dhabi Islamic Bank
 USD 750million
 Additional Tier 1 Sukuk
 7.125% Perpetual NC5

Joint Bookrunner

Sep 2018



Majid Al Futtaim
 USD 1 billion
 Revolving Credit Facility

Sole Coordinator, Sole Bookrunner, Mandated Lead Arranger & Facility Agent

Sep 2018

Prestigious awards highlight FAB's strength and industry expertise

Grow
Stronger



Global Finance

- Best Bank in UAE
- Best Equity Bank in the Middle East
- Best Investment Bank in the UAE
- Best FX provider in UAE
- Best Overall Cash Management Bank in the Middle East
- Best Bank for Liquidity Management in the Middle East
- Safest Bank in the UAE
- Safest Bank in the Middle East
- 4th Safest Bank in Emerging Markets
- 17th Safest Commercial Bank
- 31st Safest Bank in the World

Banker Middle East

- Best Bank in the UAE
- Best SME Value Proposition
- Best Brokerage Company (NBAD Securities)
- Best Consumer Finance Company in MENA (Dubai First)

EMEA Finance

- Best Equity House in the Middle East
- Best M&A House in the Middle East

Seamless

- Best Seamless Government Experience

The M&A Atlas Awards

- Emerging Markets M&A Deal of the Year

Asset Asian Awards

- Sukuk House of the Year - UAE
- Best Islamic Deal of the Year
- Best Islamic Structured Trade Finance Deal of the Year

Euromoney

- Best Investment Bank in the United Arab Emirates
- Best Bank for Financing in the Middle East

The Banker

- Most Innovative Investment Bank in MENA
- Most Innovative Investment Bank from the Middle East

MENA Fund Manager

- Best Fixed Income of the Year
- UAE Asset Manager of the Year

Global Capital

- Best Arranger of Loans in the Middle East

Global Trade Review

- Best Trade Finance Bank in MENA

KLIFF

- Most Outstanding Islamic Banking Window

International Finance Magazine

- Best Cash Management Bank in the UAE

Asia Money

- Middle East's Best Banks for Asia

FinX Awards

- Digital Transformation Leader of the Year

Wealthbriefing GCC AWARDS

- Fund Manager (Regional Reach)

THANK YOU!

For more information, please visit www.bankfab.com or contact FAB Investor Relations team ir@bankfab.com

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