

**ANNUAL  
REPORT  
2024**

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بنك أبوظبي الأول

**FAB**

First Abu Dhabi Bank



**GLOBAL  
CONNECTIONS  
FOR SUSTAINABLE  
GROWTH**





FAB delivered another solid performance in 2024, fuelled by continued business momentum, an unwavering focus on diversification, disciplined cost and risk management, and a robust balance sheet.



## Group Chief Financial Officer's Review

The Group enters 2025 on a strong footing, with an expanded global franchise, an increasingly diversified business platform, and unprecedented scale.

Operating income +15% yoy (CAGR +13%)	Profit before tax +13% yoy (CAGR +15%)	Net profit +4% yoy (CAGR +11%)
AED mn	AED mn	AED mn
2024 31,625	2024 19,914	2024 17,055
2023 27,471	2023 17,551	2023 16,405
2022 20,840	2022 14,390	2022 13,411
2021 21,681	2021 13,187	2021 12,531

**FAB delivered a strong underlying operating performance in 2024, marking several consecutive years of increased profitability.** The Group continued to benefit from its unique position as the UAE's global bank while developing its international franchise at pace, thereby supporting the diversification of our business mix. Thanks to this robust trajectory, **we remain on track with our commitment to deliver a Return on Tangible Equity (RoTE) above 16% over the medium term.**

### Driving sustainable growth and diversification across the franchise

In 2024, Group profit before tax reached AED 19.9 billion, marking an increase of 13% compared to 2023, while net profit after tax rose 4% yoy to AED 17.1 billion after absorbing the impact of the UAE corporate tax introduced on the 1<sup>st</sup> of January 2024. This represented an RoTE of 16.8% firmly aligned with our guidance of above 16%.

Operating income grew 15% yoy to AED 31.6 billion, driven by strong business volumes, improved margins, and continued diversified growth across businesses, geographies, and sources of income:

- Net interest income reached AED 19.6 billion, up 8% yoy, supported by solid business volumes. Net interest margin (NIM) was 1.93%, improving 13 basis points (bps) from 1.80% in 2023. NIM expansion was a standout achievement throughout 2024, demonstrating strong resilience despite the impact of higher cash reserve requirements and the onset of the global rate-cutting cycle later in the year.
- Non-interest income grew by 29% year-on-year to AED 12.0 billion, driven by sustained growth in fee-based products, record client activity, and strong sales and trading performance in Global Markets. Non-interest income contributed 38% to Group revenue, up from 34% in 2023, demonstrating the ability of our platform to generate diversified sources of income.

Cost of risk in 2024 was 75 bps, compared to 63 bps in the prior year.

The Group's financial performance was supported by sustained momentum across all businesses:

- Continued momentum in wholesale banking services. Investment Banking revenue grew 19% yoy driven by strong deal pipeline execution, as reflected in top-tier rankings across key MENA IB league tables. Global Markets also lifted revenue by 18%, helped by record client activity and enhanced cross-sell. Corporate and Commercial Banking saw a continued rise in loans, deposits, and revenue, helped by a number of key technology innovations including the launch of the Commercial Banking Service Accelerator, empowering SME clients to access essential account services digitally.
- Retail banking momentum accelerated, with a 20% rise in new-to-bank customers, while lending and deposits grew 15% and 17% respectively, with a significant growth in CASA balances. Continued enhancement of the Private Banking offering and new mandates resulted in 75% yoy growth in assets under management. Consumer Banking and Private Banking revenue grew 18% and 15% yoy respectively.

Operating expenses reached AED 7.8 billion, reflecting a 9% yoy increase as we continued to invest in talent, technology, and AI-driven initiatives. The cost-to-income ratio improved to 24.6%, marking a historic low for the Group and underscoring our relentless focus on driving operational efficiencies.

Net impairment charges were AED 3.9 billion, up 27% yoy, supporting strong provisioning levels.

Both domestic and international franchises delivered double-digit revenue growth of 11% and 32% respectively, as we continued to strengthen and build new relationships across key economic corridors. The international franchise is now contributing 23% to group revenue, up from 20% in 2023 and 18% in 2021, highlighting progress in diversification efforts as we expand our footprint across key markets.

## Robust balance sheet fundamentals across asset quality, liquidity, and capital

Throughout 2024, FAB continued to demonstrate strong balance sheet fundamentals, providing the Group with a solid foundation to pursue its growth journey and deliver sustainable shareholder returns.

Total assets grew 4% yoy to AED 1.21 trillion (USD 330 billion), driven by broad-based franchise growth.

Loans, advances, and Islamic financing were up 9% yoy to AED 529 billion, reflecting market share gains across key segments, sectors, and geographies. This included good progress in Islamic banking, with a 9% yoy increase in financing.

The Group also maintained solid asset quality metrics along with a prudent approach to risk. Non-performing loans (NPLs) were AED 18.5 billion as of the end of December 2024, implying a Group NPL ratio of 3.4%, compared to 3.9% as of December-end 2023. Provision coverage was adequate at 96%, well above our 2024 guidance of over 90%.

Customer deposits were up 3% yoy to AED 782 billion, driven by diversified growth across geographies and divisions with a continued focus on optimising the funding mix. CASA balances were AED 360 billion representing 46% of deposits. International deposits rose 15% yoy, reflecting FAB's role as an aggregator of regional and international liquidity, and leveraging the group's strong AA- credit rating.

FAB continued to present a robust liquidity profile, with December-end 2024 LCR at 142%, comfortably above the Basel III minimum regulatory requirement of 100%.

The Group also exhibited a solid credit profile throughout 2024. With a credit rating of AA- or equivalent, with a stable outlook, FAB continues to showcase the strongest combined credit rating of any other bank in MENA and one of the strongest globally.

In 2024, FAB strengthened its funding and capital position by raising AED 14.5 billion (USD 4.0 billion equivalent) in senior

wholesale funding at competitive pricing, including AED 3.2 billion (USD 882 million equivalent) in green and social formats.

Total shareholders' equity rose 4% yoy to AED 131 billion in 2024, driven by earnings growth. The Group's capital position remained solid, with the Basel III Common Equity Tier 1 (CET1) ratio at 13.7%, from 13.8% at December-end 2023. FAB's capital position was further strengthened with a Tier 2 bond issuance of USD 750 million in July 2024, which achieved the tightest ever pricing for an issuance of that type from a MENA bank. As a result, capital adequacy and Tier 1 capital ratios were at 17.5% and 15.4% in 2024 respectively, compared to 17.4% and 15.7% as of December-end 2023.



With a credit rating of AA- or equivalent, with a stable outlook, **FAB continues to showcase the strongest combined credit rating of any other bank in MENA and one of the strongest globally.**



## Operating performance

Selected P&L items (AED mn)	FY'24	FY'23	yoy %
Net interest income	19,612	18,139	8
Non-interest income	12,013	9,332	29
Operating income	31,625	27,471	15
Gain on sale of stake in subsidiary	-	284	na
Total Income	31,625	27,755	14
Operating expenses	-7,787	-7,125	9
Net impairment charge	-3,924	-3,078	27
Profit before tax	19,914	17,552	13
Non-controlling interests and taxes	-2,859	-1,146	149
Net Profit	17,055	16,405	4
Basic Earnings per Share (AED)	1.48	1.43	3

## Entering 2025 on a strong footing

The UAE's resilient economy remains on a strong growth trajectory fueled by the sustained expansion of non-oil sectors, reinforcing its position as a dynamic global hub. Real GDP growth for the UAE in 2025 is expected to accelerate to 5.6%, the fastest pace in three years, from around 4.5% in 2024. These factors represent solid tailwinds building our confidence in the positive operating environment.

We are confident that the successful execution of our strategy, combined with the Group's

robust balance sheet fundamentals, diversified business, and resilient NIM profile will deliver sustainable value creation for our shareholders.

FAB's unique role as the UAE's global bank, the region's financial powerhouse, and a key force behind the expansion of international trade corridors provides us with a remarkable opportunity to drive future growth, and deliver our return targets.