

**First Abu Dhabi Bank PJSC**  
**Resolution Plan for U.S. Operations**  
**Public Filing**

**Introduction:**

This Public section of the resolution plan is being filed by First Abu Dhabi Bank PJSC ("FAB PJSC"), previously known as National Bank of Abu Dhabi ("NBAD") pursuant to a requirement of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**").

**Legal Status and Principal Activities**

FAB PJSC is one of the primary bankers to the Government of Abu Dhabi and public sector companies in the Emirate of Abu Dhabi. It is the leading bank in the UAE and has retail banking, wholesale banking and wealth management operations. FAB PJSC is listed on the Abu Dhabi Securities Exchange (Ticker: FAB). The consolidated financial statements of FAB are at <http://www.bankfab.com>.

**1) Names of Material Entities:**

FAB maintains a presence in the U.S. through First Abu Dhabi Bank USA N.V. ("FAB"), a wholly owned subsidiary of First Abu Dhabi Bank PJSC - UAE.

**Legal Status and Principal Activities**

FAB was incorporated in 1979 under the laws of the Netherlands Antilles (currently Curacao). The Bank has maintained a United States federal branch in Washington, D.C. since 1981 under a license granted by the Office of the Comptroller of the Currency (OCC). The branch is the only FAB banking operation conducted in whole or in part in the United States. The Bank has no U.S. nonbank material entities, does not conduct any U.S. nonbanking critical operations, and has no U.S. nonbanking core business lines.

**2) Description of Core Business Lines:**

FAB's primary business is developing and managing the FAB PJSC's global account relationships with companies based in the U.S., and providing financial services to UAE institutions which invest in the U.S. The branch provides credit facilities to clients, including short- and medium-term loans, standby letters of credit and commercial paper backup facilities; trade finance services, including import/export letters of credit and discounting of receivables and drafts/acceptances; and treasury services to corporate and individual clients.

The banking business of FAB includes the following core business lines:

A) Corporate -Finance

The branch targets institutional corporate and commercial real estate facilities through bilateral and syndicated loans. The majority of FAB's loan portfolio is booked in the Curacao branch.

Personnel at the U.S. branch also manage the credit portfolio of the Curacao entity. The Curacao loan portfolio is comprised of commercial real estate loans, corporate revolving credits, and term loans. This portfolio also includes contingent commitments in the form of commercial paper back up facilities.

B) Trade Finance

The branch's primary activity in trade finance is the issuance of standby letters of credit on behalf of Fortune 500 U.S. companies to support their contractual obligations under projects and sales to customers in the UAE and other countries where FAB has a presence. In addition, the branch issues standby letters of credit on behalf of the Government of Abu Dhabi to support termination liabilities under agreements with the U.S. Government. The standby letters of credit are primarily based on performance related transactions and involve no movement of funds. These facilities are booked in the Curacao branch and managed by personnel at the U.S. branch.

The U.S. branch also provides services for advising and negotiation of documents for export letters of credit issued by other banks (primarily FAB). A large portion of these letters of credit is issued on behalf of the Government of Abu Dhabi.

The branch accepts and discounts drafts issued under export letters of credit issued by other banks, primarily FAB. The branch also discounts receivables where the obligor is either a U.S. company or a foreign company approved by the branch. These facilities are booked in the Curacao branch and managed by personnel at the U.S. branch.

C) Depository Services

The U.S. branch is not a full-service retail bank. It does not have FDIC insurance or solicit deposits from the public. Depository services include check clearing, check deposits, wire transfer and ACH payments. Transaction accounts are opened only for customers who have a direct connection with the United Arab Emirates (UAE) or to service a loan that the branch holds. The U.S. branch issues certificates of deposit purchased by corporate customers of the Bank via an arrangement with Citibank N.A. which allows the branch to issue CDs through the Depository Trust Company account of Citibank.

### **3) Summary of Financial Information on 31 December 2024 and Funding Sources:**

Following is a summary of financial statements of the U.S. federal branch of FAB (US\$ 000's):

#### **ASSETS**

|                           |                          |
|---------------------------|--------------------------|
| Due From Banks:           |                          |
| Federal Reserve           | 30,624,134               |
| Banks                     | 27,549                   |
| Investments               | 668,069                  |
| Accrued Income Receivable | 21,069                   |
| Other Assets              | 37,234                   |
| <b>TOTAL ASSETS</b>       | <b><u>31,378,056</u></b> |

#### **LIABILITIES**

|                          |                   |
|--------------------------|-------------------|
| Deposits:                |                   |
| Demand                   | 171,627           |
| Parent and Affiliates    | 29,735,184        |
| Certificate of Deposits  | <u>861,708</u>    |
| Total deposits           | 30,768,520        |
| Accrued Interest Payable | 24,800            |
| Other liabilities        | 19,149            |
| <b>TOTAL LIABILITIES</b> | <b>30,812,469</b> |

#### **EQUITY**

|                                       |                          |
|---------------------------------------|--------------------------|
| Share Capital                         | 20,000                   |
| Capital Contribution                  | 213,000                  |
| Fair Value Reserve                    | 2,870                    |
| Retained Earnings                     | 329,717                  |
| <b>TOTAL EQUITY</b>                   | <b>565,587</b>           |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b><u>31,378,056</u></b> |

The branch obtains its funding from customer deposits and deposits from its parent, FAB PJSC and affiliates. The US branch has a very liquid balance sheet, deposits with the Federal Reserve represented 98% of the branch's assets as of 31 December 2024. FAB maintains a non-trading investments portfolio of \$668 million, of which \$114 million is held in a collateral account to support the Bank's OCC Capital Equivalency Deposit and \$554 million is held in the branch's Federal Reserve Bank collateral account to support contingency access to the discount window. Deposits from the parent and affiliates amounted to 95% of total liabilities as of 31 December 2024. The Bank consistently maintains a net due position to parent and affiliates, including the Curacao parent, in excess of deposits due from parent and affiliates. The Bank is well capitalized with capital of US\$ 565 million and holds a guarantee from the Parent, FAB PJSC, in the United Arab Emirates, covering all the liabilities of the Bank.

#### **4) Description of Derivative and Hedging Activities**

The branch uses derivative financial instruments for hedging purposes as part of its asset and liability management program by taking offsetting positions to reduce its own exposure to fluctuations in interest rates. The branch's sole use of derivatives is to hedge against the changes in fair value arising from specifically identified fixed rate non-trading investments and fixed rate deposits. As of December 2024, the Bank had \$1.9 billion of interest rate swaps back-to-back with its Parent to manage its fixed rate non-trading investment and deposit portfolios.

#### **5) Memberships in Material Payment, Clearing and Settlement Systems**

The branch maintains memberships and/or participates in 3 significant financial market utilities ("FMU") to facilitate the clearing and settlement of transactions, FedACH, Fedwire Funds and Society for Worldwide Interbank Financial Telecommunication, SWIFT.

#### **6) Description of Foreign Operations**

The financial statements of FAB are on file with the Comptroller. The credit portfolio of the Curacao entity, which is involved in the same lines of business as the U.S. branch, is managed by personnel at the U.S. branch.

#### **7) Material Supervisory Authorities**

The primary supervisor of FAB is Centrale Bank van Curacao en Sint Maartin, Curacao. The U.S. federal branch is supervised by the Office of the Comptroller of the Currency. The primary supervisor of FAB, the parent of FAB, is the Central Bank of the United Arab Emirates which supervises the domestic and foreign operations of FAB PJSC. In addition, some of FAB PJSC's foreign operations are also subject to regulation by other international regulators.

## **8) Principal Officers**

The Principal Officers of FAB:

Country CEO – David Morin

Country CFO - Pamela Sigda

Country Chief Operating Officer - Ora Helmholz

## **9) Corporate Governance Structure and Processes Related to Resolution Planning**

FAB is managed by a Board of Supervisory Directors, composed of international banking executives and directors which are resident of Curacao and the USA, and a Board of Managing Directors composed of management of the Bank and executives from Curacao.

FAB's Board of Directors has designated David Morin, Country CEO with responsibility for preparing and submitting the tailored resolution plan for the U.S. operations of FAB.

## **10) Resolution Strategy**

The Bank believes that recovery planning is an important tool to avoid failure, and that the resolution plan would effectively resolve the bank within a reasonable timeframe, without systemic disruption and without exposing U.S. taxpayers to the risk of loss.

The Washington D.C. branch of FAB is the only FAB banking operation conducted in whole or in part in the United States. FAB has no U.S. nonbank material entities, does not conduct any U.S. nonbanking critical operations, and has no U.S. nonbanking core business lines. Personnel at the U.S. branch manage operations at both the U.S. and Curacao branches.

The U.S. branch is very liquid with a strong balance sheet. It had total assets of US\$31.4 billion as of 31 December 2024, of which US\$30.6 billion were deposits with the Federal Reserve Bank. The branch maintained non-trading investments of US\$668 million, \$114 million for the Capital Equivalency Deposit, which exceeded 5% of the branch's non-related liabilities as required by U.S. regulations and \$1.3 billion in a collateral account at the Federal Reserve Bank. The Bank maintains collateral at the Federal Reserve Bank for contingency access to the discount window. Total liabilities were US\$30.8 billion, of which US\$29.7 billion were due to parent and affiliates and US\$861 million were customer deposits. The branch had capital of US\$565 million.

FAB is a small part of the parent, FAB PJSC's larger operations. FAB PJSC, as the U.S. branch's top-tier FBO, files an annual FR Y-7Q and FR Y-7 with the Federal Reserve Bank. Per the FR Y-7 filed as of 31 December 2024, FAB PJSC reported total world-wide assets of \$330 billion. US banking assets of \$31.4 billion, reported by FAB PJSC were primarily overnight deposits which the U.S. branch places with the Federal

Reserve Bank. Excluding the U.S. branch's deposits with the Federal Reserve Bank, FAB's U.S. banking assets represented less than 1% of FAB PJSC's total world-wide assets.

The Head Office of FAB PJSC provides substantial centralized support to Group units, including First Abu Dhabi Bank USA and its U.S. branch, for Human Resources, Information Technology, Finance, Risk Management, Corporate Governance, Corporate Communications, Legal, Audit, Compliance, Operations, Strategic Planning and Economic Research. The Head Office, which is run like a separate business, also manages the Groups' free capital (via Group Treasury).

In addition to operational support, FAB PJSC has issued a guaranty covering all the liabilities of FAB. The guaranty is a condition of maintaining a license for the U.S. federal branch.

FAB PJSC has the resources to provide required funding to the branch. FAB PJSC is a financially strong bank with Moody's, S&P and Fitch credit ratings of AA3/AA-/AA-.