

بنك أبوظبي الأول

FAB

First Abu Dhabi Bank

Management Discussion & Analysis

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2025

FAB reports record 9M'25 results with net profit up 24% crossing **₹16 billion**

Q3'25 net profit up 21% yoy to **₹ 5.39 billion**, fuelled by 14% revenue growth
RoTE at 20.0% underlining robust returns at scale

Hana Al Rostamani | Group Chief Executive Officer

“We enter the final quarter of 2025 with solid momentum, a resilient balance sheet, and firm confidence in our ability to sustain strong performance and deliver consistent returns into 2026 and beyond.”

9M'25 Key Financials		Key Highlights
Net Profit ₹ 16.02 bn +24% yoy	Profit Before Tax ₹ 19.25 bn +26% yoy	FAB's diversified, high-performing franchise, delivers double-digit earnings growth and robust returns at scale with 9M'25 RoTE of 20.0%.
Operating Income ₹ 27.65 bn +16% yoy	RoTE 20.0% 9M'24: 17.1%	
Total Assets ₹ 1.38 tn +14% ytd	Loans and Advances (net) ₹ 596 bn +13% ytd Deposits ₹ 848 bn +8% ytd	Strong balance sheet momentum driven by consistent growth across assets, loans and deposits, supported by expansion in the UAE and key corridor markets.
UAE Assets ₹ 939 bn 68% of group assets	International Assets ₹ 444 bn 32% of group assets	International franchise momentum reinforces FAB's role in driving regional and global capital, trade, and liquidity flows.
Liquidity Coverage Ratio 158% Sep-24: 140%	CET1 Ratio 13.7% Sep-24: 14.3%	Strong fundamentals, underpinned by AA-credit rating, underline FAB's balance sheet strength and resilience as the UAE's global bank.



Hana Al Rostamani,
Group Chief Executive Officer

“FAB delivered record results in the first nine months of 2025, with Group revenue of AED 27.65 billion and net profit over AED 16 billion, up 16% and 24% year-on-year, respectively, reflecting strong momentum throughout the year. Return on Tangible Equity stood at 20%, well above our medium-term target.

Across the franchise, we continued to deliver on our priorities, deepening client relationships, diversifying revenue streams, and deploying capital efficiently to drive sustainable growth and returns. We also enhanced our international footprint and deepened our position as a trusted banking partner in global trade and investment flows. As we advance our strategic expansion in Europe, Turkey, Nigeria, and open a new branch in India, we continue to strengthen FAB’s role as the leading corridor bank across key geographies.

Our AI adoption journey is advancing rapidly, generating measurable impact across the Group and reinforcing FAB’s leadership at the forefront of intelligence-driven innovation. By integrating advanced technologies across our operations, we are redefining how we serve our clients, driving efficiency, agility, and long-term value.

FAB remains strongly positioned to capitalise on both global trade flows and the UAE’s expanding economic landscape and diversification agenda. We remain focused on delivering sustainable value to our stakeholders and connecting our clients seamlessly to growth opportunities as the UAE’s global bank.

We enter the final quarter of 2025 with solid momentum, a resilient balance sheet, and firm confidence in our ability to sustain strong performance and deliver consistent returns into 2026 and beyond.”



Lars Kramer,
Group Chief Financial Officer

“FAB’s third-quarter performance marked another strong set of results, with net profit up 21% year-on-year to AED 5.39 billion. We remained fully engaged in supporting our clients across all segments, maintaining strong momentum in lending, transaction volumes, and deposit flows. Client flow activity also remained healthy in a period of moderate market volatility compared to the second quarter of 2025.

All business divisions delivered record revenue, driven by effective balance sheet deployment and growth in fee-based businesses supporting an enhanced revenue mix, while interest margins remained resilient.

Our capital and liquidity position remain comfortably above regulatory requirements, with a CET1 ratio of 13.7% and LCR of 158%, enabling us to pursue our strategic priorities from a position of strength. We continued to diversify funding sources and advance our innovation agenda, executing landmark transactions including our inaugural Blue Bond, the first of its kind from a GCC bank, and our first Low Carbon Energy Bond, at the tightest spread of any other bank in the CEEMEA region.”

Strong Execution Across the Franchise Driving Diversified Growth

Double-digit revenue growth across all divisions reflects sustained business momentum and deeper client engagement

Investment Banking & Markets delivered robust revenue growth of **17% year-on-year to AED 9.09 billion**, driven by a 27% increase in lending year-to-date, supported by a healthy pipeline and strong deal execution. The business maintained its leadership in capital markets, facilitating AED 261 billion in client fundraising through ECM and DCM platforms, and securing top rankings across MENA IB league tables. Global Markets also recorded higher client flow activity, with increased volumes and margins contributing to overall performance.

Wholesale Banking continued to perform strongly, with revenue rising **11% to AED 4.65 billion**. The business achieved double-digit growth in lending and deposit balances, underpinned by broader regional coverage. Progress in sector-specialised solutions further strengthened cross-sell and product penetration, alongside the acceleration of tokenisation capabilities enabling innovative and secure client solutions.

Personal, Business, Wealth & Privileged Client Banking Group also delivered solid results, with revenue **up 11% to AED 9.50 billion**, supported by momentum across all key segments. Growth was driven by a 41% year-on-year increase in new-to-bank customers and AED 17 billion year-to-date rise in retail CASA balances, enabled by enhanced client propositions. AUMs surged 49% year-on-year, reflecting strong inflows, expanded private banking offerings, and new discretionary mandates. The wealth product suite continued to evolve, with innovative additions such as jet financing.

Strengthening global connectivity and advancing cross-border flows as the UAE's global bank

- **The international franchise delivered strong momentum**, with loans and deposits rising 23% and 18% ytd respectively, supported by the Group's presence in over 20 markets globally.
- **Growth was driven by key corridors** across Asia, MENA, Europe and the UK, further cementing FAB as a regional anchor for cross-border capital, trade and investment flows.
- **FAB's international franchise remains a key contributor to the Group**, generating 17% of 9M'25 revenue, with expanding activity positioning FAB as a trusted conduit for cross-border flows.
- The establishment of representative offices in Nigeria and Turkey, and a new branch in GIFT city, India, will further contribute to **reinforcing FAB's role as a leading corridor bank across key markets**. The planned subsidiarisation of our French operations will also mark another milestone strengthening the Group's presence in the European continent¹.



Pioneering AI-driven financial services at scale to unlock competitive advantage, transform delivery, and create long-term value

- **Scaling Agentic AI across operations**, with 18 live agents now deployed in multiple areas including Trade Operations, Customer Service, and Finance Analytics, doubling processing capacity and reducing turnaround times by up to 50%.
- **Transforming client and employee experience**, through zero-touch servicing, real-time voice analytics, and automation tools that generate significant time savings and empower smarter client engagement.
- **Building future-ready capabilities**, with all Group employees now AI-enabled, redefining ways of working.
- **Driving intelligent decision-making and governance**, with tools like the Board AI Observer and AI Insights Hub supporting Board and management decisions.

Operating from a position of strength, and leadership in sustainability

- FAB maintains consistently **high credit ratings of AA- or equivalent, reflecting our strong fundamentals and a prudent risk profile**.
- To-date, **FAB has facilitated AED 327 billion in sustainable and transition financing, achieving 65% of its AED 500 billion 2030 target** in line with our commitment to drive meaningful impactful across the financial ecosystem.

1. Subject to necessary regulatory approvals

Record Profits Underpinned by Strong, Sustained and Diversified Revenue Momentum

Selected P&L items (AED mn)	Q3'25	Q2'25	qoq %	Q3'24	yoy %	9M'25	9M'24	yoy %
Net interest income	4,997	4,953	1	4,890	2	14,956	14,677	2
Non-interest income	4,345	4,542	(4)	3,307	31	12,695	9,246	37
Operating income	9,342	9,495	(2)	8,197	14	27,651	23,923	16
Operating expenses	(2,075)	(2,034)	2	(1,975)	5	(6,073)	(5,817)	4
Net impairment charge	(850)	(752)	13	(909)	(7)	(2,326)	(2,829)	(18)
Profit Before Tax	6,417	6,709	(4)	5,313	21	19,252	15,277	26
Taxes and NCI	(1,030)	(1,202)	(14)	(853)	21	(3,233)	(2,411)	34
Net Profit	5,387	5,506	(2)	4,460	21	16,019	12,866	24
Basic Earnings per Share (AED)	0.46	0.49	(6)	0.38	21	1.39	1.10	26

Note: a full summary financials table is available at the back of the report

- **9M'25 net profit** rose 24% yoy to AED 16.02 billion, a record for the Group, reflecting disciplined financial delivery across the franchise, while absorbing the step-up in corporate tax during the period¹. Profit Before Tax grew 26% yoy to AED 19.25 billion.

- **Operating income** increased by 16% yoy to AED 27.65 billion driven by robust volumes, resilient margins, and outstanding non-interest income performance.

- **Net interest income** was up 2% yoy to AED 14.96 billion led by strong business volumes. Net Interest Margin (NIM) was 1.84%, 9 bps lower yoy due to lower benchmark rates.

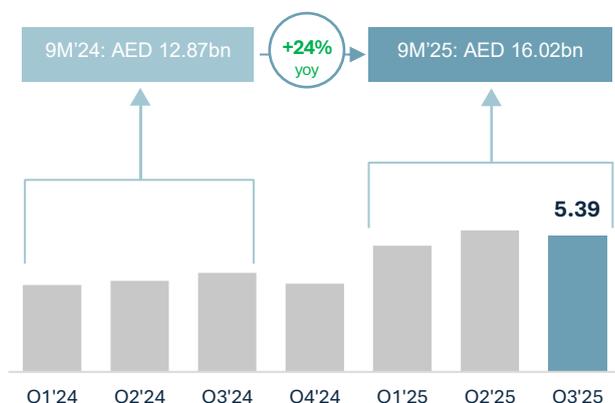
- **Non-interest income** continued its strong upward trajectory, surging 37% yoy to AED 12.70 billion, and contributing 46% to Group revenue. This performance underlines FAB's strategic focus on diversifying income streams through sophisticated, value-driven offerings and enhanced cross-sell.

Fees & Commissions rose 23% yoy benefitting from continued momentum in origination and deal execution while capitalising on strong trade-related flows, underlining the breadth of our revenue streams.

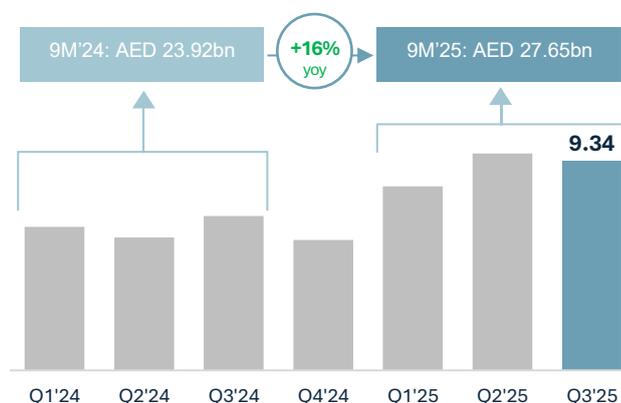
Increased client activity and robust performances in the investments and financing segments within Global Markets, helped deliver a 45% yoy growth in FX and Investment income, reflecting both recurring flow business and favourable market positioning.

- **Operating expenses** rose 4% yoy to AED 6.07 billion amid continued AI, digital and technology spend, partially offset by new efficiencies and productivity savings. Group cost-to-income ratio was 22.0% in 9M'25 compared to 24.3% in 9M'24.

- **Net impairment charges** were 18% lower yoy to AED 2.33 billion amid a strong macro-economic backdrop.



Net Profit (AED bn)



Operating income (AED bn)

1. Refer to 'Material Accounting Policies' (note 4) in FAB's Q3'25 Financial Statements for further information on the group's applicable income tax rate.

Strong balance sheet fundamentals support continued momentum across the franchise

Balance Sheet - Summary (AED bn)	Sep'25	Jun'25	qoq %	Sep'24	yoy %	Dec'24	ytd %
Total Assets	1,382	1,343	3	1,230	12	1,213	14
Loans, advances and Islamic financing	596	568	5	528	13	529	13
Investments	272	280	(3)	251	8	248	10
Customer deposits	848	813	4	820	4	782	8
Of which CASA balances	369	401	(8)	374	(1)	360	3
Liquidity Coverage Ratio (LCR %)	158	152	Large	140	Large	142	Large

- **Total assets** grew 12% yoy and 14% ytd to AED 1.38 trillion, reflecting strong momentum across businesses and geographies.

- **Loans, advances and Islamic financing (net)** grew 13% ytd (AED 67 billion) to AED 596 billion, including 17% ytd growth in the Islamic financing portfolio. Growth was broad-based supported by institutional demand, continued strength in trade-linked financing and solid origination across key economic sectors.

NPLs (non-performing loans) stood at AED 15.50 billion as of 30 September 2025, lower sequentially reflecting benign NPL formation and write-offs during the period. Gross NPL ratio was 2.6%, lower by 122 bps yoy and 29 bps qoq and at an all-time low for the Group. **Provision coverage improved to 106%** sequentially, with total ECL/provisions at AED 16.48 billion.

- **The Group's liquidity profile remains robust**, with LCR of 158% comfortably above regulatory requirements.

- During the nine-month period, the Group **raised AED 12.8 billion (USD 3.5 billion equivalent) of senior wholesale funding, at a competitive pricing**, reinforcing its position as a **leading issuer in global capital markets**

- **Customer deposits** grew 8% ytd (AED 66 billion) to AED 848 billion, from diverse sources, underlining FAB's role as an aggregator of regional and international liquidity. Growth was also driven by strong momentum in new-to-bank customers and salary transfer accounts. CASA balances increased 3% ytd and were lower qoq primarily reflecting a rotation towards fixed deposits. Islamic deposits also delivered a strong performance, rising 21% ytd.

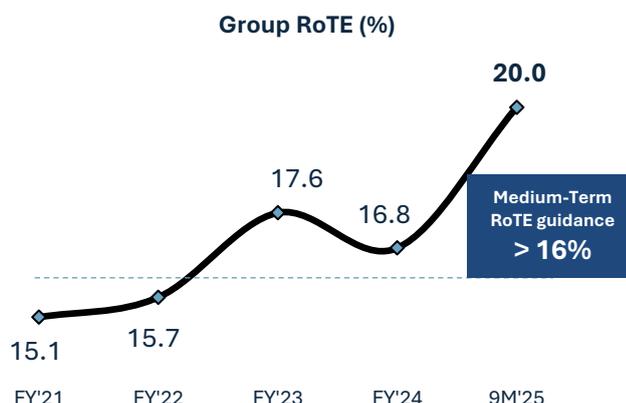
- Landmark transactions included a USD 600 million 5-year Sukuk; two 5-year Formosa FRN bonds of USD 750 million each, priced at the lowest ever pricing achieved by a MENA bank in the Formosa market; and a USD 750 million 5-year **Low Carbon Energy Bond**, which set a new benchmark as the **tightest spread ever achieved by a bank in the CEEMEA region**.

- FAB also advanced its leadership in sustainable finance, issuing its **first-ever Blue Bond** (HKD 390 million 5-year), the first of its kind from a GCC bank.

Robust Returns at Scale, Strong Capital Base

- **With a Return on Tangible Equity (RoTE)** at 20.0% in the first nine months of 2025, the Group is delivering robust returns at scale, and above medium-term guidance of over 16%.

- **Total shareholders' equity** was AED 138 billion, up 7% yoy reflecting strong earnings accretion. The Group's capital position remained strong with September-end 2025 Basel III Common Equity Tier 1 (CET1) ratio at 13.7%, Tier 1 ratio of 15.2% and Total Capital Adequacy Ratio of 16.8%, all comfortably above regulatory requirements.



Summary Financials

Income Statement – Summary (AED mn)	Q3'25	Q2'25	<i>qoq %</i>	Q3'24	<i>yoy %</i>	9M'25	9M'24	<i>yoy %</i>
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<i>Of which CASA balances</i>	369	401	(8)	374	(1)	360	3
Equity (incl Tier 1 capital notes)	138	133	4	129	7	131	6
Tangible Equity	108	102	5	98	10	100	8
Risk Weighted Assets	741	720	3	652	14	640	16

Key ratios (%)	Q3'25	Q2'25	<i>qoq (bps)</i>	Q3'24	<i>yoy (bps)</i>	9M'25	9M'24	<i>yoy (bps)</i>
Net Interest Margin	1.76	1.80	(4)	1.89	(13)	1.84	1.93	(9)
Cost-Income ratio	22.2	21.4	79	24.1	(189)	22.0	24.3	(233)
Cost of Risk (bps)	63	51	12	63	0	55	72	(17)
Non-performing loans ratio	2.6	2.8	(29)	3.8	(122)	2.6	3.8	(122)
Provision coverage	106	100	large	95	large	106	95	large
Liquidity Coverage Ratio (LCR)	158	152	large	140	large	158	140	large
Return on Tangible Equity (RoTE)	19.7	21.5	(181)	17.9	185	20.0	17.1	287
Return on Risk-weighted Assets (RoRWA)	2.9	3.2	(23)	2.8	14	3.1	2.8	32
CET1 ratio	13.7	13.4	26	14.3	(55)	13.7	14.3	(55)
Capital Adequacy ratio	16.8	16.9	(15)	18.0	(122)	16.8	18.0	(122)

Notes:

- Comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in the consolidated financial statements.
- Ratios for the quarter are annualised, where applicable, except for Basic EPS.
- For further details on calculation of the ratios, please see the Quarterly Series on FAB IR website's financial reports page.
- To view key figures in USD, please refer to: bankfab.com > investor relations > reports & presentations > key quarterly figures.
- Rounding differences may appear in above tables.

ABOUT FIRST ABU DHABI BANK (FAB)

Headquartered in Abu Dhabi with a global footprint beyond 20 markets, FAB is the finance and trade gateway to the Middle East and North Africa (MENA) region. With total assets of AED 1.38 trillion (USD 376 billion) as of September-end 2025, FAB is among the world's largest banking groups. The bank provides financial expertise to its wholesale and retail client franchise across three business units: 1) Investment Banking & Markets, 2) Wholesale Banking, and 3) Personal, Business, Wealth & Privileged Client Banking Group.

FAB is listed on the Abu Dhabi Securities Exchange (ADX) and rated Aa3/AA-/AA- by Moody's, S&P, and Fitch, respectively, with a stable outlook. On sustainability, FAB holds an MSCI ESG rating of 'AA', and is also ranked among the top 6% of banks globally by Refinitiv's ESG Scores and ranked the Best diversified bank in MENA by Sustainalytics ESG Risk Rating.

For further information, visit: www.bankfab.com

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For investor-related queries, please contact FAB Investor Relations team on ir@bankfab.com

Recent Accolades



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Lars Kramer
Group Chief Financial Officer

A handwritten signature in black ink, appearing to read "Lars Kramer".