ADIB مصرف أبوظبي الإسلامي

RACING TO WHAT'S NEXT

ANNUAL INTEGRATED REPORT 2025

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HIS HIGHNESS SHEIKH MOHAMED BIN ZAYED AL NAHYAN
PRESIDENT OF THE UNITED ARAB EMIRATES



THE LATE SHEIKH ZAYED BIN SULTAN AL NAHYAN



HIS HIGHNESS SHEIKH KHALED BIN MOHAMED BIN ZAYED AL NAHYAN
CROWN PRINCE OF ABU DHABI



H.E. JAWAAN AWAIDHA SUHAIL AL KHAILI
Chairman

CHAIRMAN'S STATEMENT

2025

"was a landmark year for ADIB, as the bank reached new heights by surpassing AED 8 billion in profit before tax for the first time, while launching a transformative strategic vision that positions us for the next decade of growth."

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Abu Dhabi Islamic Bank's Annual Report for the financial year 2025, a landmark year in which the bank reached a new level of performance surpassing AED 8 billion in net profit before tax for the first time while launching a transformative strategic vision that positions the bank for the next decade of growth.

Our progress this year was underpinned by a clear commitment to creating sustainable value for our shareholders, elevating the customer experience, and advancing the principles and values that guide us as an Islamic financial institution.

A Resilient Economic Landscape

The global economic backdrop in 2025 remained dynamic, shaped by moderating inflation, evolving monetary policies, and ongoing geopolitical developments. Despite these uncertainties, global markets showed resilience, supported by innovation, and technology driven productivity gains.

The UAE once again demonstrated the strength and adaptability of its diversified economy. non-oil sectors continued to expand, government investment remained supportive, and consumer and business confidence stayed robust. This favorable environment helped maintain strong credit demand, healthy liquidity, and a solid operating landscape for the banking sector.

In this context, ADIB continued to reinforce its position as a leading Islamic financial institution, delivering industry leading returns and record growth across all key metrics.

A Landmark Year of Growth and Profitability

2025 marked an exceptional year for ADIB, driven by disciplined execution, strong customer momentum, and an unwavering commitment to innovation and service excellence.

Our net profit before tax reached an all time high of AED 8.1 billion after deduction of shareholders' contributions to depositors an 18% increase year-on-year, while net profit after tax rose 16% to AED 7.1 billion. ADIB's balance sheet expanded significantly, with total assets increasing 24% to AED 281 billion, gross customer financing rising to AED 186 billion funded by strong growth in customer deposits with a healthy CASA mix of 65%. Asset quality reached record highs, with the NPA ratio improving to its lowest level to date.

A highlight of the year was our ability to attract approximately 283,000 new customers, further strengthening our position as the bank of choice for individuals, businesses, and institutions in the UAE.

Reflecting our strong performance and capital position, the Board has proposed a cash dividend of 97 fils per share, equivalent 50% of net profit, subject to the shareholders approval.

Delivering on Our Strategy and Entering a New Chapter

2025 marked the successful completion of ADIB's five year strategic cycle launched in 2021. Over this period, ADIB achieved and exceeded all its key targets. Profitability grew at a CAGR of 35%, our balance sheet strengthened significantly, and we made major strides in digital transformation, customer excellence, Emiratization, and operational resilience.

With this foundation, ADIB has now embarked on its next strategic horizon: the ADIB Vision 2035 an ambitious roadmap designed to transform the Group into the world's most innovative Islamic bank with the aim of expanding our capabilities and driving sustainable growth.

This strategy will enable ADIB to grow client base by 2030, accelerate profitability growth, and expand into new frontiers of Islamic finance, wealth management, and digital innovation.

Our People and Culture – the Foundation of Our Success

Our record results were made possible by the dedication and exceptional capabilities of ADIB's employees, whose passion for service, innovation, and excellence continues to define the bank's culture.

We made strong progress in advancing Emiratization, leadership development, and talent acquisition, while reinforcing a workplace environment centered on wellbeing, empowerment, and inclusion. These priorities remain central to our long-term strategic vision. In parallel, we continued to embed responsible management of ESG risks and opportunities across the organisation, reinforcing stability, enhancing resilience, and creating sustainable value for all stakeholders.

ROE
29%

Cost Dividend
97 fils
per share

Looking ahead for 2026

As we enter 2026, ADIB is strongly positioned with a resilient and diversified balance sheet, record capital accretive returns, clear momentum in customer acquisition and franchise expansion and a visionary long-term strategy underpinned by digital transformation and sustainability. We remain committed to delivering long-term value for our shareholders and to supporting the UAE's vision for a diversified, innovative, and future ready economy.

The Bank will leverage modern technologies, particularly artificial intelligence, to enhance its capabilities and delivery of intelligent, innovative services tailored to customers across all segments.

In Appreciation

I would like to express my deepest gratitude to the President of the UAE, His Highness Sheikh Mohammed bin Zayed Al Nahyan, and to Their Highnesses, the Rulers of the Emirates, for their guidance and vision.

I also extend sincere thanks to the UAE Central Bank, our customers, shareholders, partners, and the esteemed members of our Internal Shari'a Supervisory Committee.

Finally, I thank my fellow Board members, our management team, and all ADIB employees for their unwavering dedication and contributions to our success.

Thank you,

HE Jawaan Awaidha Suhail Awaidha Al Khaili
Chairman

GROUP CEO MESSAGE

2025 was a defining **year for ADIB,** marked by record-breaking performance across all dimensions of the business and the successful transition into a new strategic chapter under the **ADIB 2035 Vision.**



MOHAMED ABDELBARY
Group Chief Executive Officer

Our achievements this year reflect the strength of our franchise, the effectiveness of our disciplined execution, and the unwavering trust of our customers and shareholders.

Đ 8.1 billion
Net Profit Before tax

ROE
29%

Asset:
Đ 281 billion
up 24%

Exceptional Financial Performance

2025 marked another year of exceptional achievements for the group, as we continued to build momentum across all key segments, delivering record profitability, robust balance sheet growth and industry-leading returns of 29%. Both group net profit and revenues reached record levels, with net profit before tax rising to AED 8.1 billion, an 18% increase compared to last year while net profit after tax rose 16% to AED 7.1 billion. Revenues reached AED 12.3 billion, up 16%, supported by double-digit growth in both funded and non-funded income.

Funded income grew by 15%, driven by a 22% rise in earning assets, while non-funded income increased 17%, reflecting strong momentum in fees, investment income, and FX gains. Importantly, our revenue mix continues to diversify, with non-funded income now contributing 39% of operating income.

Our profitability translated into an industry-leading ROE of 29%, supported by robust capital-accretive growth and prudent balance sheet management.

Strengthening Our Balance Sheet and Customer Franchise

2025 saw major expansion across our core businesses. Total assets grew 24% to AED 281 billion, supported by strong growth in gross customer financing, which rose 26% to AED 186 billion, with gains across retail, GRE, and corporate segments.

Customer deposits also increased significantly, rising 25% to AED 229 billion, underpinned by a healthy 14% increase in our CASA base, a testament to the trust our customers place in ADIB and the strength of our transaction franchise.

Our customer base expanded at record levels, with approximately 283,000 new customers joining ADIB in 2025, the highest annual intake to date. With nearly two million customers across five markets, ADIB's brand continues to resonate strongly as a leading Islamic bank built around simplicity, service, and innovation.

Disciplined Risk Management and Superior Asset Quality

We continued to enhance the quality and resilience of our balance sheet. The NPA ratio improved to 2.8%, the lowest in the bank's history, supported by stringent underwriting standards and active remediation of legacy exposures. Provision coverage improved materially, reflecting a conservative and forward-looking risk management.

Despite expanding our asset base, we maintained stable cost of risk levels at 44 basis points, demonstrating disciplined portfolio management and effective credit risk controls.

Driving Efficiency and Productivity

Even as we accelerated our investment in talent, technology, and transformation, ADIB delivered further efficiency gains. Operating expenses increased in line with strategic priorities; however, strong revenue momentum enabled us to reduce the cost-to-income ratio to 28.6%, an improvement of 93 bps. These results demonstrate the scalability of our platform and our commitment to disciplined operational management.

Advancing Leadership Across Business Lines

Across business segments, 2025 was a year of notable achievements. In Retail Banking, we sustained leadership in key product categories with strong financing and deposit growth driven by the expansion of digital onboarding and remote-sales channels and the enhanced propositions for UAE Nationals and other segments. In Wholesale Banking, we executed landmark corporate and GRE transactions, strengthened our positions across trade, treasury, and transactional banking. We continued to elevate ADIB's digital footprint, with **more than 90% of customers now digitally active.** We enhanced our mobile app with new features and embedded data-driven tools across the business to enrich customer engagement and operational performance.

ADIB Ventures grew into a cornerstone of our innovation strategy, fostering partnerships with fintechs and advancing new digital propositions that will define ADIB's future.

Driving Sustainable and Inclusive Growth

In 2025, we continued to embed sustainability into our decision-making and expanded our initiatives across environmental, social, and governance themes. This includes progress on our net-zero roadmap, the expansion of sustainable finance offerings, and the enhancement of our governance frameworks.

People remain at the core of our progress. We strengthened our Emiratization efforts, advanced leadership development programs, and fostered a collaborative, high-performance culture built on inclusion, wellbeing, and empowerment.

A Record of Consistent Outperformance Since 2020

Our performance in 2025 is even more meaningful when viewed through the lens of our transformation over the past five years. Since 2020, ADIB has undergone a profound shift, financially, operationally, and strategically delivering sustainable, capital-accretive growth year after year.

This trajectory has translated into substantial value creation for shareholders. Earnings have expanded consistently, dividends have grown with profit, and ADIB has maintained an industry-leading ROE throughout the cycle firmly positioning the bank among the UAE's highest-return financial institutions.

ADIB's strong franchise has also delivered significant balance sheet expansion. Since 2020, total assets have more than doubled, supported by finance expansion across retail, GRE, and corporate banking.
But performance is only one part of the story. Our long-term transformation has been built on "winning on all fronts" , accelerating digital innovation, embedding sustainability, expanding Emiratization, and nurturing a high-performance culture that is ready for the opportunities of the next decade. This foundation positions ADIB strongly as we embark on our 2035 Vision and the next phase of growth.

A NEW STRATEGIC CHAPTER — ADIB VISION 2035

2025 marked the beginning of our ten-year transformation journey. ADIB Vision 2035 articulates our ambition to become the world's most innovative Islamic bank, anchored on three strategic pillars. Our new five-year corporate plan (2026–2030) sets ambitious targets, including growing our client base, achieving high returns, and driving profitability and asset growth.

Conclusion

2025 was transformative for ADIB ,a year of record achievements, strategic clarity, and forward momentum. I am deeply grateful to our customers, employees, shareholders, regulators, and partners for their confidence and continued support.

As we enter our next strategic cycle, we remain focused on disciplined execution, innovation, and sustainable growth to unlock the full potential of ADIB and create enduring value for all stakeholders.

MOHAMED ABDELBARY
Group Chief Executive Officer

مصرف أبوظبي الإسلامي
ADIB | 2035 VISION



RACING TO WHAT'S NEXT

مصرف أبوظبي الإسلامي
ADIB | 2035 VISION

RACING TO WHAT'S NEXT

ADIB has built sustained momentum through disciplined execution, a clear sense of direction, and a constant readiness for what comes next. "Racing to What's Next" captures this forward motion not as a pursuit of a single destination, but as a continuous journey shaped by strong foundations, adaptability, and long-term ambition.

This momentum translated into a record year for the bank in 2025, as ADIB surpassed **AED 8 billion in profit before tax for the first time,** delivered industry leading returns, and strengthened its balance sheet across all key metrics. These achievements reflect the strength of our franchise and the deliberate choices made to invest in scale, capabilities, and a deeply customer-centric approach.

With the successful completion of our previous strategic cycle and the launch of **Vision 2035**, ADIB has set a new course for the next 5 years defined by higher ambition, technological leadership, and an intensified focus on customer experience and sustainability.

"RACING TO WHAT'S NEXT"

reflects ADIB's readiness not only to compete, but to **set the pace** for the future of Islamic banking.

AED 8 BILLION
in profit before tax for the first time

1.1

Accelerating Growth in a Rising UAE Economy

As the UAE enters 2026 with strong economic momentum, expanding non-oil activity, record FDI inflows, and a national mandate to strengthen the Islamic finance ecosystem, ADIB is exceptionally well positioned to convert this macroeconomic strength into sustainable value creation. The country's forecast GDP expansion, driven by diversification, population growth, and government-backed mega-projects, provides a fertile environment for financing, trade, and wealth creation across sectors. At the same time, the UAE's commitment to advancing Islamic banking, strengthening financial stability, and developing future-ready industries aligns directly with ADIB's Vision 2035 priorities. Building on our record performance in 2025, ADIB will deepen its role as a catalyst for national growth by expanding Shari'a-compliant financing for businesses and households, supporting government transformation agendas, accelerating digital innovation, and mobilising capital toward high-impact sectors.

AED 281 billion

TOTAL ASSETS

↑24%

1.2

Powering the Digital Engine

ADIB's digital transformation journey continues to accelerate as the bank deepens its alignment with the UAE's national vision for a technology-powered future. With the country placing artificial intelligence, financial innovation, and digital infrastructure at the core of its economic strategy, ADIB is scaling its capabilities to lead the next wave of Islamic digital banking. The bank is expanding its use of AI across risk management, customer experience, and operational efficiency, while embracing open finance to enable more connected, secure, and personalised financial ecosystems. This digital-first approach is further reinforced by rapid growth in digital acquisition and sales, with an increasing share of customer onboarding, financing, and everyday banking now taking place seamlessly across ADIB's platforms.

92%
Digital Adoption

1.3

Keeping Our Customers in the Driver's Seat

Our customers remain at the heart of everything we do, guiding every decision and every innovation across the bank. ADIB is built around the people and businesses we serve, ensuring that every interaction is effortless, intuitive, and simple. We continue to enhance our service model, listening closely to customer aspirations and pain points, and designing solutions that anticipate needs rather than simply respond to them. From personalised advisory and Shari'a-compliant financial solutions to seamless digital journeys and proactive support. As we accelerate into the future, our customers remain our compass the ones who set our direction, inspire our progress, and motivate us to deliver banking that truly improves lives.

283,000

new customers joined ADIB in 2025

1.4

Steering Growth the Right Way

As ADIB accelerates into its next phase of growth, the bank remains firmly committed to advancing in a responsible, sustainable, and people-first manner. ADIB's progress is powered by the strength and wellbeing of its people, a culture of accountability, and rigorous governance. The bank continues to invest deeply in nurturing talent, fostering an inclusive environment, and supporting employee wellbeing as a core enabler of long-term success. At the same time, ADIB is enhancing its sustainability practices, embedding ESG principles across operations, and strengthening its compliance, risk management, and fraud prevention frameworks to uphold the highest standards of integrity. This disciplined, values-driven approach ensures that as ADIB moves faster and further, it does so with balance, responsibility, and unwavering commitment to safeguarding trust our most important asset.



Ð20 Billion
in Sustainable finance

1.5 KEY HIGHLIGHTS 2025

JANUARY 2025

Launch of digital onboarding for corporate customers, enabling faster, more seamless account opening and onboarding journeys for businesses.

FEBRUARY 2025

ADIB became the first bank in the UAE to launch a mixed reality banking experience on Apple Vision Pro, introducing Spatial Banking as part of Vision 2035

MARCH 2025

During the Annual General Assembly meeting, ADIB shareholders approved a cash dividend of AED 3.030 billion and the re-election of the Board of Directors for a three year term.

APRIL 2025

ADIB launched the cash withdrawals feature on the mobile app without the use of a card where customers can quickly and securely send cash to friends and family, including non-ADIB customers, through any of ADIB's 700-plus ATMs.

MAY 2025

ADIB has signed a Memorandum of Understanding (MoU) with the Ministry of Industry and Advanced Technology (MoIAT) to support investment and growth across the country's industrial and technology sectors.

JUNE 2025

ADIB has announced its plan to hire 400 UAE Nationals in the Al Ain region by the end of 2026, reaffirming its commitment to Emiratization and the development of local talents across the UAE's banking sector.

JULY 2025

ADIB Partners with Visa to Become First Bank Globally to Offer Real-Time Transfers to 11 Billion Cards, Wallets and Accounts

AUGUST 2025

ADIB has signed an agreement with the Abu Dhabi Housing Authority (ADHA) to provide top-up home financing solutions to UAE nationals as part of its commitment to provide additional financing to secure homes that better meet their evolving family needs and lifestyle aspirations.

SEPTEMBER 2025

ADIB received multiple international recognitions for Islamic banking, ESG leadership, SME banking, and customer experience, reinforcing its reputation as a regional and global leader.

OCTOBER 2025

ADIB has been awarded the Diamond Category in the Nafis Award by the Emirati Talent Competitiveness Council, in recognition of its outstanding efforts in supporting Emiratization and empowering national talent.

NOVEMBER 2025

ADIB becomes the first bank to join the Ministry's newly launched "Retail Sukuk" initiative where UAE investors can invest in Islamic Treasury Sukuk via ADIB's "Smart Sukuk" platform

DECEMBER 2025

ADIB has partnered with Majid Al Futtaim to introduce UAE's first shari'a-compliant SHARE covered card. The ADIB SHARE Visa Infinite and ADIB SHARE Visa Platinum Covered Cards, brings customers enhanced value and convenience through the Majid Al Futtaim SHARE Rewards programme.

ADIB
2018 OVERVIEW

2.1

ADIB AT A GLANCE

THE REGION'S ISLAMIC FINANCIAL POWERHOUSE

TOTAL ASSETS:

AED 281 bn

+ %24 YOY

PROFIT BEFORE TAX:

AED 8.1 BN

+ %18 YOY

RETAIL MARKET SHARE:

17%

EMIRATIZATION RATE:

49%

TOTAL NUMBER OF CUSTOMERS

2.3 MILLION

(Across the franchise)

+ 283,000

in 2025

NPS:

#1

in retail banking

One of the Largest Islamic Banks Globally and The First Islamic Bank to be Established In The Emirate of Abu Dhabi

A Leading Islamic Bank

Total Assets

AED 281 bn ($76.4bn)

Among the top Islamic financial institutions globally

Market Cap.

AED 75 bn ($20.5 bn)

Market cap up 50% YoY

as of 31 Dec 2025

Fastest Growing Retail Bank

Total Retail Assets

AED 112 bn ($30 bn)

One of the largest banks Largest retail bank in UAE, #1 in personal and home finance

Branch Network

+140 Branches 5 Markets

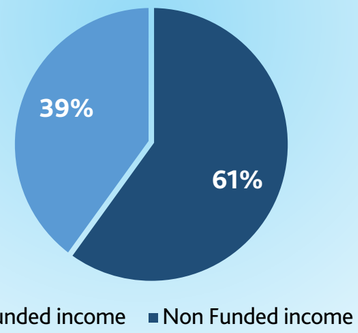
Strong network and digital presence

Diversified Franchise

Universal Banking Offering

- Retail Banking
- Wholesale Banking
- Treasury
- Others incl. ADIB Egypt Associates and Subsidiaries

Diversified Business Model



Full Fledged Services

- Payments
- Takaful
- Asset Management
- Property Management
- Brokerage

2.2 ABOUT ADIB

OUR VISION:

To be the world's most innovative Islamic financial institution

OUR PURPOSE:

We are here to serve as a lifelong partner for our customers, colleagues and our community

OUR MISSION

Every day, simple banking empowered by people –centric innovation

OUR VALUES

Our values are timeless and universal, driven by the spirit of sharia

- Mutual benefit
- Transparency
- Simplicity &sensibility
- Hospitality& tolerance

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

ADIB Egypt مصرف أبوظبي الإسلامي مصر

ADIB (EGYPT) SAE

Saudi Finance السعودية للتمويل

SAUDI FINANCE COMPANY, SAUDI ARABIA

ADIB United Kingdom مصرف أبوظبي الإسلامي

ADIB UK

ADIB Capital مصرف أبوظبي الإسلامي كابتل

ADIB CAPITAL

ADIB Merchant Services أبوظبي الإسلامي خدمات أنظمة المدفوعات

ABU DHABI ISLAMIC MERCHANT ACQUIRING COMPANY LLC

ADIB Securities أبوظبي الإسلامي للأوراق المالية

ADIB SECURITIES

تكافل Takaful شركة أبوظبي الوطنية للتكافل ش.م.ع Abu Dhabi National Takaful Co. P.S.C

ABU DHABI NATIONAL TAKAFUL COMPANY PJSC

MPM Properties العقارية

MPM PROPERTIES

BBI Bosna Bank International

BOSNA BANK INTERNATIONAL D.D.

سمارت صكوك SmartSukuk

FRACTIONALISED SUKUK HOLDING LIMITED

بـــروج العقـــاريـــة BUROOJ PROPERTIES

BUROOJ PROPERTIES

2.3 CREATING VALUE FOR ALL OUR STAKEHOLDERS

At ADIB, our strength lies not only in our financial performance, but in the value we create for the people, communities and customers we serve.

Our People

Our employees drive our success. We invest in their growth through targeted development programmes, leadership pathways, competitive rewards, and a culture that prioritises wellbeing and belonging. As a proudly Emirati institution, ADIB remains deeply committed to empowering national talent and cultivating the next generation of financial leaders.

Our Customers

Serving more than 2 million customers across retail, SME, corporate, institutional and government segments, ADIB's focus is to protect, grow and enhance their financial wellbeing. We are dedicated to delivering transparent, Sharia-compliant solutions that meet diverse needs while ensuring exceptional service across both physical and digital channels.

Our Communities

We recognise our role in shaping the social and economic fabric of the UAE. Through responsible financing, community partnerships, education initiatives, and sustainability-driven programmes, ADIB contributes to a diversified, inclusive, and future-focused national economy, reflecting the vision of the country's leadership.

Our Regulators & Government Partners

ADIB maintains an active and constructive dialogue with regulators and government stakeholders to ensure a resilient, forward-looking financial system. We support the UAE's strategic priorities in Islamic finance, digital transformation, and sustainable economic growth through strong compliance, transparent reporting, and responsible operational practices.

Our Shareholders & Investors

Our commitment to disciplined strategy, prudent risk management, and sustainable performance ensures we deliver resilient returns and long-term value. By balancing growth and stability, ADIB continues to reinforce investor confidence in our trajectory and governance.

Our Partners & Suppliers

ADIB's ecosystem is strengthened by the partners who support our operations. We uphold high standards of fairness, integrity, and collaboration, offering timely payments, growth opportunities, and a relationship approach that reinforces trust and supports broader economic participation.



2.4 TRACK RECORD OF CONSISTENTLY DELIVERING SHAREHOLDER VALUE

A Market Leader

ROE
29%

ROA
2.8%

Highest ROE in the market

(FY 2025)

NPM
4.11%

Non-Funded Revenue
39% of total revenue

(FY 2025)

CASA Ratio
65%

Retail CASA Ratio
91%

(Highest CASA ratio in the region)

Value Creation

Dividend Yield
4.7%

Consistent dividend distribution

(FY 2025)

Total Shareholder return
57.2%

Exceptional shareholder value creation

(FY 2025)

EPS
৳1.75

17% YoY growth

(FY 2025)

Strong Market Confidence

P/E
11.9x

P/B
2.9x

(FY 2025)

Share Price Growth
50%

One of the best performing shares in the market

(FY 2025)

Moody's A2

FitchRatings A+

MSCI AA
ESG Rating

Named safest Islamic Bank by Global Finance

2.5 INVESTMENTS HIGHLIGHTS

A unique market position

+ 283,000
New Customer in 2025

17%
UAE retail market share

2.3 MILLION
Customers

+ 770,000
UAE national Customers

Strong Fundamentals

Total assets:
Đ281 BILLION

CET1
12%

Market Capitalisation (As of end of Dec 2025)
Đ 75 BILLION

Geographic footprint

60+
Branches in UAE

70+
Branches in Egypt

600+
ATMs only UAE

5
Presence in markets

ADIB shareholder structure

ADIB OWNERSHIP STRUCTURE*



Ownership categories are presented for visual summarisation. Detailed shareholding disclosures are provided in the Corporate Governance section.

Organizational strength

+300,000
Training hours

+50
Nationalities

44%
Female

49%
Emiratization

Committed to ESG

- 5 year sustainable finance plan
- 2030 Net Zero Plan
- Robust ESG governance framework
- Inaugural green sukuk issued to finance green initiatives

Đ20 BILLION
Sustainable finance by 2025

2.6 ADIB BUSINESS MODEL

ADIB is one of largest Islamic banks in the world with total assets of AED 281 billion. ADIB is a Universal Bank that offers banking solutions for individuals, corporates, government institutions and affluent customers.

In addition, the wider ADIB Group provides brokerage, real estate and property management, payment solutions and insurance services.

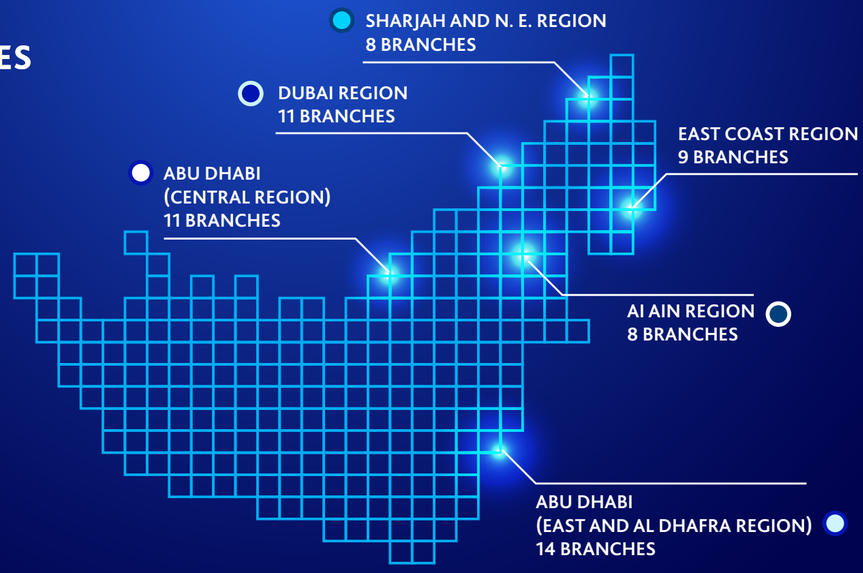
ADIB has a significant distribution network in the UAE of more than 60 branches and 600+ ATMs. Internationally, the bank has a presence in five strategic markets.

BUSINESS SEGMENTS

ADIB'S BUSINESS IS COMPRISED OF 4 MAIN SEGMENTS

% OF GROUP REVENUE	BUSINESS SEGMENT	DESCRIPTION
49%	RETAIL BANKING	**Targets Individuals, Private and SME entities with main focus on UAE Nationals and mass affluent segment** Product ranges offered include everyday banking products such as current accounts, deposits, cards, finance, wealth. products, etc.
16%	WHOLESALE BANKING	**Focuses on large corporates, Governments, GREs and Fis** Product offerings include investment and corporate finance, corporate banking, contracting and commercial banking, transaction banking, liquidity, trade finance, payments and cash management services. ADIB offers wholesale banking internationally in Iraq, Qatar and Sudan.
7%	TREASURY	**An active investor in the global sukuk market, offering investment opportunities to customers and using debt assets to manage the bank's balance sheet** Expertise in FX, rates, hedging, money markets, equity and debt execution. Treasury also manages ADIB's balance sheet and asset/liability mix.
28%	OTHERS, INCLUDING ASSOCIATES AND SUBSIDIARIES	**ADIB is present in Egypt, Iraq, Qatar and UK**

BRANCHES



ABU DHABI CENTRAL AREA

1 Najda Branch
2 Al Wahda Mall -Abu Dhabi
3 Abu Dhabi Police GHQ
4 Sheikh Zayed Main branch
5 Sheikh Khalifa Energy Complex
6 ADIA Cash Office
7 Al Bateen
8 Marina Mall
9 Nation Towers
10 Abu Dhabi Judicial dept.
11 Khalifa A City

ABU DHABI EAST & AL DHAFRA AREA

12 Baniyas
13 Mussafah
14 AD Airport
15 Dalma Mall
16 Bawabat Al Sharq Mall
17 Shahama
18 Yas Mall
19 Madinat Zayed
20 Al Silaa
21 Al Marfaa
22 Dalma Island
23 Liwa
24 Gayathi
25 Ruwais Mall

AL AIN AREA

26 Al Ain Branch
27 Al Yahar
28 Tawam Branch
29 Al Wagan
30 Al Jimi Branch
31 Oud Al Tobba Ladies
32 Al Bawadi Mall
33 Makani Mall

DUBAI AREA

34 Sh. Zayed Road
35 Arenco-DIC
36 Dubai Mall
37 Second of December
38 Al Nahda Center
39 Al Barsha
40 Nad Al Hamar
41 Al Muhaisnah
42 Al Qusais
43 Nad Al Sheba
44 Deira

SHARJAH-N E AREA

45 Sharjah
46 Ajman
47 Al Hamidiya Branch
48 Al Juraina Branch
49 Umm Al Qaiwain
50 Zawaya Walk Branch
51 Al Rahmania Mall Branch
52 Al Buhairah

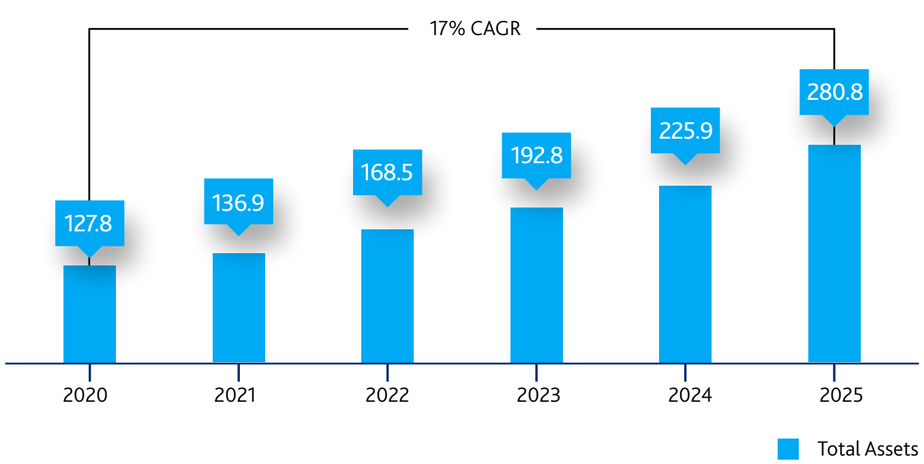
EAST COAST AREA

53 Fujairah
54 Ras Al Khaimah
55 Dibba
56 Khorfakkan
57 Kalba
58 RAK Airport Road
59 Al Hamra Mall
60 Fujairah City Centre
61 Al Dhaid

2.7 A FIVE-YEAR TRACK RECORD OF DISCIPLINED, CREDIBLE GROWTH AND VALUE CREATION

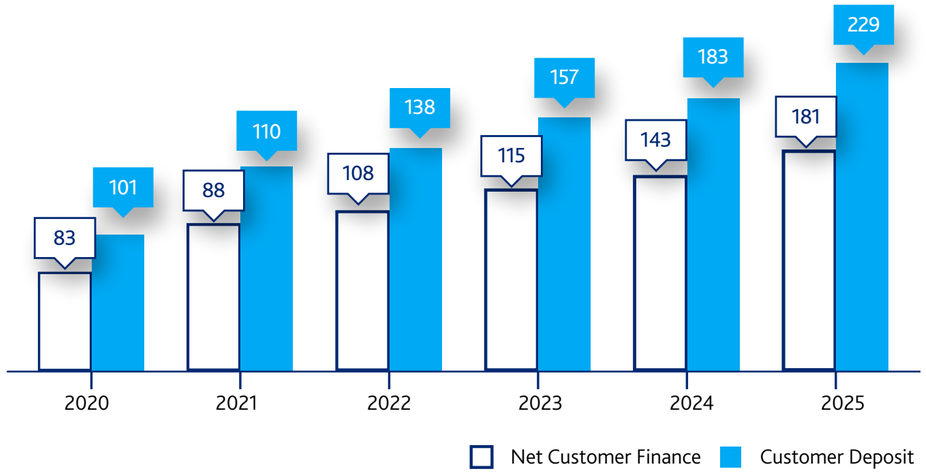
Total Assets: We doubled the size of the bank in five years

(AED bn)



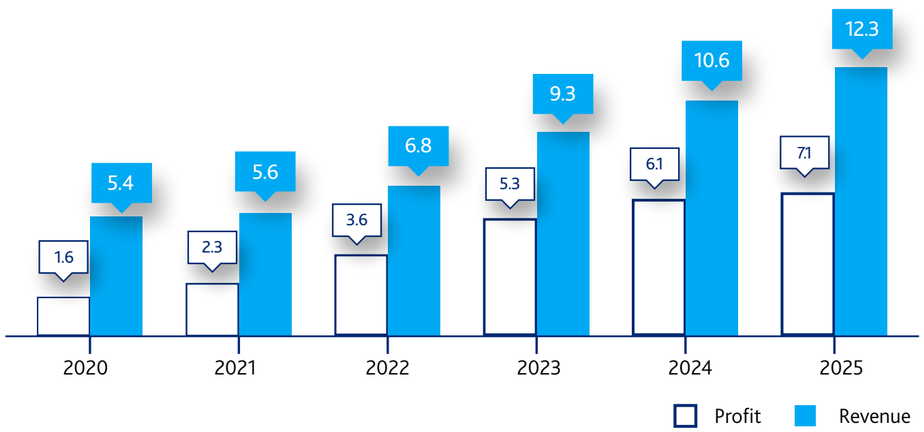
Robust Growth in Customer Financing and Deposits

(AED bn)

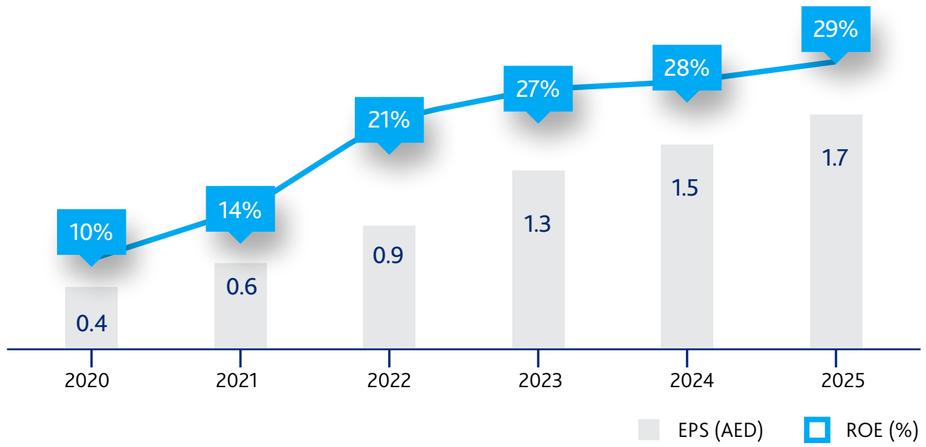


Solid Top Line Growth

(AED bn)

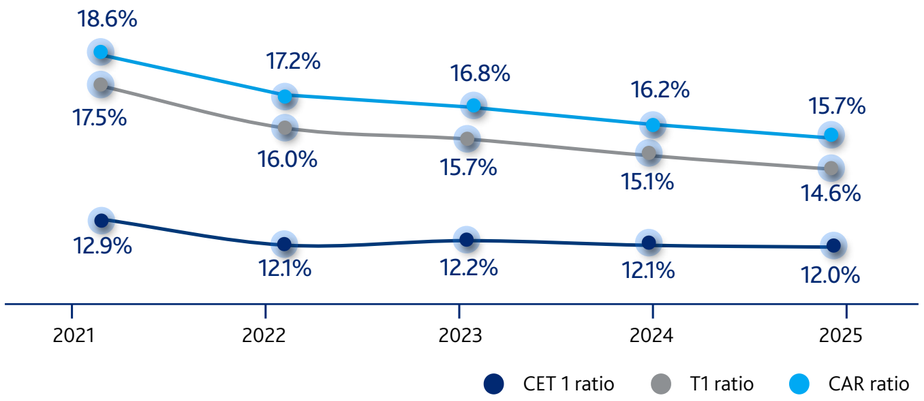


Sustainable Capital-accretive Returns

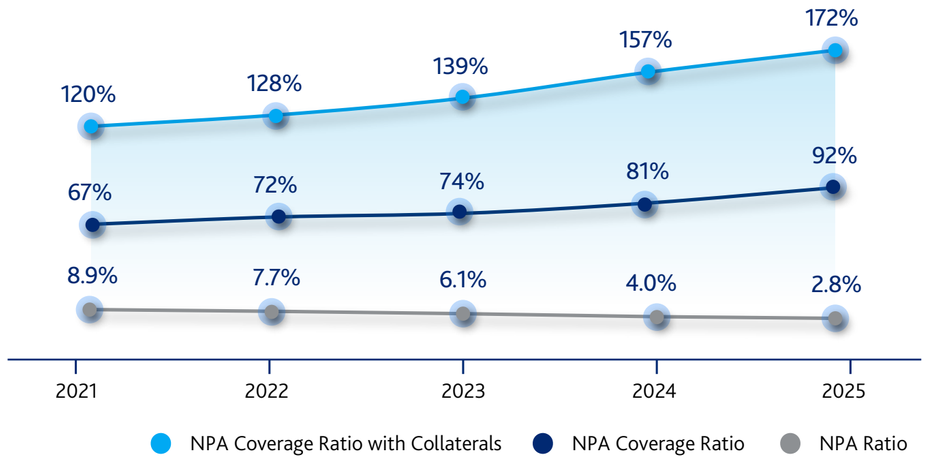


2.8 GROWTH WAS DELIVERED WITH STRONG CAPITAL GENERATION, DISCIPLINED RISK MANAGEMENT, IMPROVING ASSET QUALITY & COST EFFICIENCY

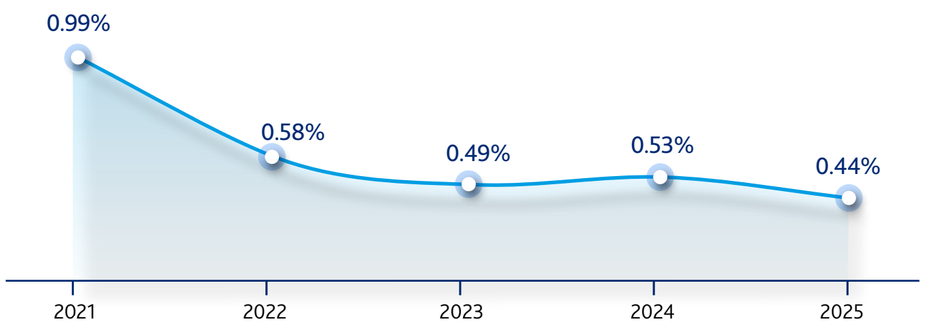
Organic Capital Generation



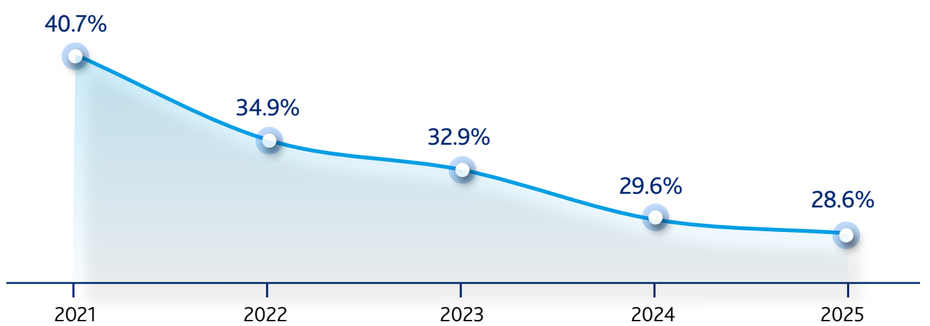
Improved Asset Quality



Cost of Risk: Disciplined approach translated into a structurally lower cost of risk

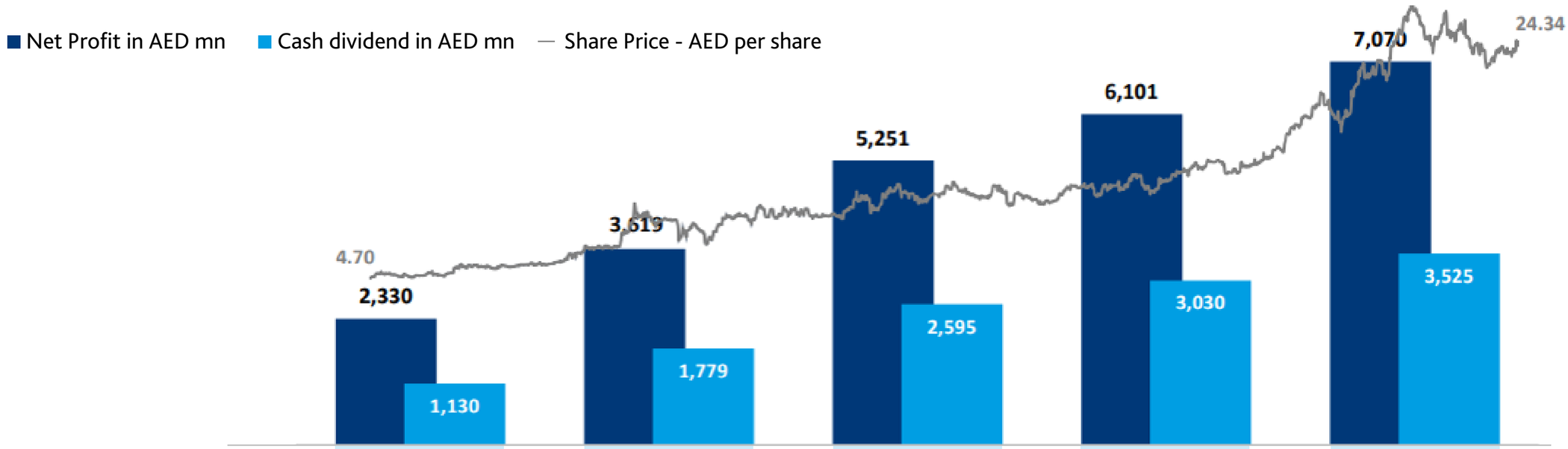


Cost to Income: Maintaining cost discipline and productivity gains



2.9 CREATING LONG-TERM VALUES FOR SHAREHOLDERS

Strong earnings & capital generation enabled consistent dividend distribution with attractive dividend yield



	2021	2022	2023	2024	2025
Cash Dividend Payout ratio (% of Net Profit)	48.5%	49.2%	49.4%	49.7%	49.9%
Cash Dividend (% of Share Capital)	31.1%	49.0%	71.5%	83.4%	97.1%
Dividend Yield	4.5%	5.4%	7.1%	6.0%	4.7%

2.10 BOARD OF DIRECTORS



H.E. Jawaan Awaidha Suhail Al Khaili
Chairman



Dr. Faisal Sultan Naser Salem Al Shuaibi
Vice Chairman



Mr. Khalifa Matar Khalifa Al Mheiri
Board member



Mr. Najib Youssef Fayyad
Board member



Mr. Abdulla Ali Musleh Jumhour Al Ahbabi
Board member



Mr. Abdul Wahab Al Halabi
Board member



Ms. Maha Mohammed Al Qattan
Board member

2.11 SENIOR MANAGEMENT



Mohamed Abdelbary

Group Chief Executive Officer



Amit Malhotra

Group Head of Retail Banking



Ahsan Akhtar

Acting Group CFO



Mohammed Al Fahim

Acting Global Head of Wholesale Banking Group



Abdul Qadir Khanani

Group Treasurer



Abdulla Al Shehhi

Global Head International Business Group



Talha Karim

Group Chief Risk Officer



Meitha Al Hashmi

Group Chief Credit Officer



Dr. Ghaith Mismar

General Counsel & Board Secretary



Dr. Osaid Kilani

Global Head of Shari'a



Kenneth Tan

Group Head of Audit



Suleiman Al Raeei

Group Head of Internal Shari'a Audit



Bushrah Alshehhi

Group Chief HR Officer & Chairman of Kawader



Duane Maxwell

Acting Group Head of Compliance



Maher Al Ruz

Group Chief Customer Officer

2.12 AWARDS

Best Islamic bank in the United Arab Emirates	EMEA Finance: Best Islamic bank in the United Arab Emirates
Excellence in Client Services	MEED – Retail, SME and Digital Banking Awards 2025: Excellence in Client Services
The UAE's Best Islamic Bank for ESG	Euromoney Islamic Finance Awards 2025: The UAE's Best Islamic Bank for ESG
The UAE's Best Islamic Bank for ESG	MENA Banking Excellence- Retail, Digital & SME Awards MENA Islamic Retail Bank of the Year
Best SME Bank – UAE	MEED – Retail, SME and Digital Banking Awards 2025: Best SME Bank – UAE
The Middle East's Best for Digital Solutions	Euromoney Private Banking Awards 2025: Regional awards: The Middle East's Best for Digital Solutions
Best Financial Institution UAE 2025	Global Business and Finance Magazine Awards 2025: Best Financial Institution UAE 2025
The Best Contact Center Experience	20th Edition of CX Strategy Awards 2025: The Best Contact Center Experience
MENA Islamic Retail Bank of the Year	Forbes Middle East's Sustainability Leaders 2025
The UAE's Best Islamic Bank	Euromoney Islamic Finance Awards 2025: The UAE's Best Islamic Bank
Best Implementation of Advanced Analytics in Banking	Middle East Banking AI and Analytics Awards: Best Implementation of Advanced Analytics in Banking
Best bank in the UAE	Global Finance: Best bank awards for 2025: Best bank in the UAE
Best Use of Customer Insight and Feedback	Gulf Customer Experience Awards: Silver Award for the category: Best Use of Customer Insight and Feedback
Nafis Award	Nafis Award
The UAE's Best Bank for Consumers	Euromoney Awards for Excellence 2025 The UAE's Best Bank for Consumers
MENA Islamic Retail Bank of the Year	MEED – Retail, SME and Digital Banking Awards 2025: MENA Islamic Retail Bank of the Year
Best Islamic Financial institution for ESG globally	Global Finance: World's Best Islamic Financial Institutions Awards: Best Islamic Financial institution for ESG globally
The Middle East's Best Bank for Consumers	Euromoney Awards for Excellence 2025- The Middle East's Best Bank for Consumers
HR MENA Awards/ Excellence in Learning & Development.	HR MENA Awards/ Excellence in Learning & Development.



FINANCIAL REVIEW

3.1 Financial Highlights

AED (Mn)	FY 2025	FY 2024
Net revenue from funds	7,553	6,566
Non-funded income	4,751	4,066
Total operating income	**12,304**	**10,632**
Total operating expenses before impairment charge	(3,525)	(3,145)
Provision for impairment	(678)	(620)
Profit before tax	**8,101**	**6,868**
Tax	(1,031)	(766)
Profit after tax	**7,070**	**6,101**

+18%
Đ 8.1bn
Net profit before tax

+16%
Đ12.3bn
Revenues

-93bps
28.6%
Cost to income ratio

+25%
Đ 229bn
Deposits

-1.2bps
2.8%
NPA ratio

-24 bps
4.11%
Net profit margin

+88bps
28.8%
ROE

+24%
Đ 281bn
Total assets

+26%
Đ186bn
Gross customer financing

283,000
New customers who joined ADIB

+17%
Đ1.746
Earnings per share

3.2 BALANCE SHEET

AED (Mn)	31 Dec 2025	31 Dec 2024	%
Cash and balances with central banks	43,952	32,040	+37%
Due from financial institutions.	11,874	10,607	+12%
Customer financing, net	181,376	142,611	+27%
Investments	31,621	29,286	+8%
Investment in associates	1,014	896	+13%
Investment and development properties	2,053	2,056	-0.1%
Other assets	8,863	8,413	+5%
Total assets	**280,753**	**225,910**	**+24%**
Due to financial institutions	9,685	5,530	+75%
Depositors' accounts	229,096	182,675	+25%
Other liabilities	7,766	7,551	+3%
Sukuk financing instrument	1,836	1,836	-
Total liabilities	**248,383**	**197,593**	**+26%**
Share capital	3,632	3,632	-
Retained earnings	15,848	13,501	+17%
Other reserves	6,588	5,458	+21%
Equity attributable to shareholders of the bank	**26,068**	**22,591**	**+15%**
Tier 1 sukuk	4,754	4,754	-
Non-controlling interest	1,548	972	+59%
Equity attributable to equity holders of the bank	**32,370**	**28,317**	**+14%**
Total Liabilities and Equity	280,753	225,910	+24%
Non-performing financing	5,259	5,941	-11%
NPA ratio	2.8%	4.0%	-120 bps
NPA coverage ratio	92.0%	81.5%	+10.5ppts
NPA coverage ratio with collaterals	172.5%	157.4%	+15.1ppts
Risk weighted assets	183,637	159,983	+15%
Common Equity Tier 1 ratio	12.0%	12.1%	-5 bps
Tier 1 ratio	14.6%	15.1%	-47 bps
Capital adequacy ratio	15.7%	16.2%	-50 bps
Financing to deposit ratio	79.2%	78.1%	+1.1 ppts
Advances to stable fund ratio (ASFR)	84.1%	81.0%	+3.2 ppts
Eligible liquid asset ratio (ELAR)	19.4%	17.8%	+1.6 ppts



3.3 Financial Review

ADIB delivered another year of record financial performance in 2025, driven by strong revenue generation, disciplined cost management, diversified income streams, and sustained business momentum across all customer segments. Both funded and non-funded income contributed meaningfully to earnings growth, while prudent risk management ensured stable asset quality and resilient returns.

Net profit before tax increased

18% to AED 8.1 billion

Net profit after tax rose

16% to AED 7.1 billion

Earnings per share increased

17% to AED 1.75

Total dividend payout:

AED 3.5 billion

97 fils per share

Revenues

Total revenues increased 16% year-on-year to **AED 12.3 billion**, marking the highest revenue level in the bank's history. Growth was broad-based across all major business lines, supported by increased customer activity, strong balance-sheet expansion, and higher fee-based income.

Revenue

AED 12.3 billion up 16% YoY

Funded income

Funded income rose **15% to AED 7.6 billion**, reflecting higher financing volumes and robust growth in average earning assets, which increased by **22%**. Despite the 100-bps benchmark rate cut since September 2024, ADIB preserved margin resilience through an optimized funding mix and strong CASA franchise.

Funded income rose

15% to AED 7.6 billion

Costs

Operating expenses increased **12% to AED 3.5 billion**, reflecting ongoing investments in digital transformation, talent, and strategic initiatives to support long-term growth. Despite this, ADIB achieved further efficiency gains with the cost-to-income ratio improving by **93 bps to 28.6%**, underscoring strong operating leverage and productivity management

Cost-to-income ratio

28.6%

Non Funded Income

Non-funded income grew **17% to AED 4.8 billion**, driven by **31%** higher investment income, **16% growth** in fees and commissions, and a **42% increase** in FX income. Non-funded income contributed **35% of total operating income**.

Non-funded income grew

17% to AED 4.8 billion

61% and non funded income 39%.

Impairments

ADIB maintained its disciplined risk-management approach as the portfolio continued to improve. Impairment charges increased slightly by **9% to AED 678 million**, in line with guidance. Cost of risk remained stable at **0.44%**, supported by disciplined underwriting and strong recoveries. The NPA ratio improved significantly to **2.8%** , its lowest level on record. Provision coverage strengthened to **172.5%**, including collaterals.

NPA ratio

2.8%

Cost of risk

44bps

Returns

ADIB delivered industry-leading returns, driven by higher profitability, diversified income, and efficient capital deployment.

Return on Equity (ROE):

28.8% (up 88 bps)

Return on Assets (ROAA):

2.8%

Net profit margin:

4.11%

demonstrating resilient margin management despite rate cuts.

Dividend Payout

Reflecting the bank's strong financial performance and commitment to delivering sustainable shareholder returns, the Board has proposed a **cash dividend of 97 fils per share**, representing a **total payout of AED 3.5 billion** for the 2025 financial year. This marks an increase of **AED 495 million** compared to the prior year's distribution, underscoring ADIB's robust capital generation, healthy profitability, and disciplined balance sheet management. The proposed dividend is equivalent to **50% of the bank's 2025 net profit**, reinforcing ADIB's track record of rewarding shareholders while continuing to invest in long-term growth and strategic priorities.

3.3 Financial Review

Balance Sheet

ADIB delivered another year of strong balance-sheet expansion in 2025, underpinned by robust financing growth, healthy deposit inflows, and disciplined capital management. Total assets increased 24% to AED 281 billion, reflecting the bank's ability to capture market opportunities while maintaining prudent risk discipline. Growth was driven primarily by the sustained rise in net customer financing and a strengthened investment portfolio, supported by ADIB's growing customer base, deepening client relationships, and strategic focus on high-quality, diversified asset generation. This solid asset momentum reinforces the bank's strong franchise and positions ADIB for continued growth under its long-term Vision 2035 strategy.

Total Assets

Total assets increased

24% to Đ281 billion

ADIB delivered strong financing momentum in 2025, with gross customer financing rising 26% year-on-year to AED 186 billion, an increase of AED 38 billion. Growth was broad based, led by contribution from retail financing, supported by gains in government and public sector entities and large corporates, reflecting ADIB's strengthened market presence and the execution of major landmark deals

Gross customer financing rising

26% year-on-year to Đ186 billion

an increase of

Đ38 billion



Deposits and Funding Base

Customer deposits expanded significantly,

increasing 25% to Đ229 billion,

driven by continued customer acquisition and strong franchise strength. ADIB's funding base remains highly resilient, supported by healthy inflows and a well diversified mix across segments. The bank's stable funding profile underpins growth in earning assets while maintaining balance sheet strength.



CASA

CASA balances increased 14% year on year to AED 148 billion, now comprising 65% of total deposits.

This substantial CASA base continues to enhance margin stability and strengthen ADIB's competitive advantage, providing a low cost, durable source of funds with low distributed profits with respect to investments accounts (and with no returns with respect to current accounts) that helps mitigate the impact of benchmark rate cuts.



Capital Position

ADIB maintained a strong capital position supported by solid profit generation. Equity rose 14% to AED 32.4 billion, and the bank ended 2025 with a

Common Equity Tier 1 (CET1) ratio of 12.02% and a total capital adequacy ratio of 15.71%,

comfortably above regulatory requirements. These levels reflect disciplined capital deployment and continued balance sheet optimization.



Risk Weighted Assets (RWA)

Risk weighted assets

increased 15% to Đ183.6 billion,

in line with strong financing growth. The expansion reflects healthy business momentum coupled with a well diversified asset mix. ADIB continues to balance growth with prudent risk practices, maintaining high asset quality metrics, including an improved

NPA ratio of 2.8% and a coverage ratio of 172.5% including collaterals



STRATEGIC REVIEW

4.1 MARKET REVIEW



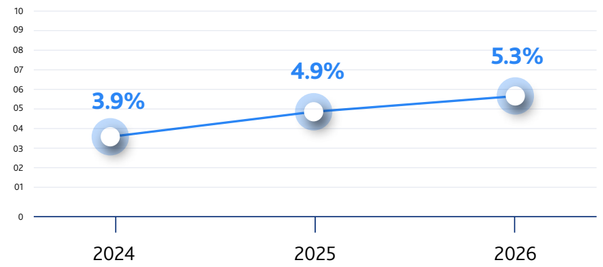
Economic Environment and Market trends

The global operating environment in 2025 remained stable, with growth progressing at a measured pace. Activity in major advanced markets held firm, while several emerging economies continued to demonstrate resilience and steady domestic demand. Inflation moderated across most regions as monetary tightening cycles took effect, though certain markets particularly the United States continued to navigate pockets of price pressure. Fiscal constraints and a backdrop of ongoing geopolitical developments contributed to a more cautious global sentiment, shaping investment flows and policy direction throughout the year.

UAE- A Landmark Year of Economic Expansion

The UAE closed 2025 as one of the fastest-growing economies globally, outpacing international peers thanks to strong non-oil performance, expanding investments, and continued diversification. This was driven by buoyant consumer and business confidence, high levels of domestic and international investment and robust demand in a number of key sectors, including real estate, travel and hospitality, reflecting sustained confidence and healthy population growth.

Real GDP growth (%)

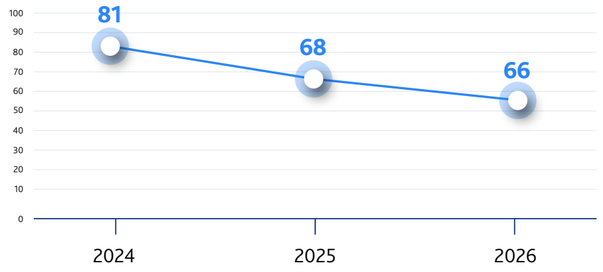


Diversified Economy

Oil prices remained supportive for the UAE throughout 2025, enabling the country to maintain healthy fiscal and current-account surpluses. This positive backdrop continued to reinforce government spending, particularly on infrastructure and long-term diversification programs. The strength of the hydrocarbon sector also provided a buffer against external volatility, allowing the UAE to preserve fiscal resilience and sustain investment momentum across priority sectors.

The UAE's non-oil economy continued to build strong momentum, accounting for **Over 77% of total GDP in the first half of 2025 and expanding by 5.7% year-on-year.** Growth was driven by robust consumer demand, rapid business formation, and expanding trade flows.

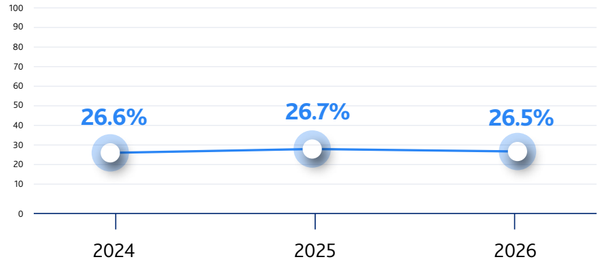
Brent Price / Barrel (avg)(USD)



Government Spending and expanding Trade

In 2025, government spending and activity from government-related entities (GREs) continued to play a central role in driving economic development, with major project awards supporting the UAE's long-term priorities across infrastructure, new value-added sectors, and the transition to cleaner energy sources. At the same time, the UAE advanced its global economic integration by expanding strategic trade partnerships, signing new agreements, and widening access to fast-growing international markets. Rising non-oil trade and strong capital inflows reinforced the country's position as a global hub for commerce, enabling broader economic diversification and opening new channels for cross-border investment and financing. This commitment to trade openness is further reflected in the UAE's ongoing comprehensive economic partnership agreements and sustained levels of foreign direct investment.

Government Expenditure % of GDP (%)



Population and real estate growth

The UAE's population continued to expand steadily through 2025, supported by sustained inflows of skilled expatriates and strong economic momentum. As of 2025, the UAE's total population stands at 11.3 million, with a median age of 32.6, reflecting a predominantly young and economically active demographic base. Longer-term population dynamics remain supported by national development strategies. The rapidly expanding population continues to be a major catalyst for real estate demand where it had significantly strengthened underlying demand for housing, commercial space, and logistics facilities. Against this backdrop, UAE's property market continued to set new benchmarks in 2025, with strong demand across residential, rental, and commercial categories

AI Investments

The UAE continued to cement its position as a regional and global leader in artificial intelligence during 2025, supported by major national investments. Abu Dhabi accelerated its leadership with the launch of the Abu Dhabi Government Digital Strategy 2025–2027, committing AED 13 billion to transform the emirate into the world's first fully AI-native government, deploying more than 200 AI solutions across public services and scaling sovereign cloud adoption across all entities with major investments in next-generation data-center infrastructure.



For ADIB, this macroeconomic backdrop provides a strong foundation for sustainable growth. The bank's strategy is closely aligned with national priorities, supporting key sectors, deepening relationships across high-potential segments, and financing transformational projects that contribute to the country's long-term development. ADIB's strong capital position, disciplined risk approach, and continued investments in digital capabilities ensure it is well placed to capture opportunities, enhance customer value, and drive future expansion in a rapidly evolving financial landscape.

4.2 STRATGIC REVIEW: ADIB 2035 VISION & 2030 CORPORATE PLAN

Building the Bank of the Future

ADIB's 2035 Vision sets an ambitious path to become the world's most innovative Islamic bank, powered by advanced technology, customer excellence, and a deep commitment to sustainability. This vision reflects our long-standing belief that innovation, trust, and responsible growth are the foundation of our future success.



2030 CORPORATE PLAN

A Strategic Five-Year Roadmap Enabled by the 2035 Vision

Having established a proven track record of delivery, ADIB has announced ambitious targets to be achieved through the new five-year corporate plan that outlines a clear and disciplined roadmap designed to accelerate growth, strengthen market leadership, and deliver long-term value for shareholders. ADIB 2030 corporate plan focuses on organic expansion, leveraging talent and technology to enhance customer experience.

ADIB 2035

An ambitious 10-Year vision powered by Gen AI, Customer Excellence & Sustainability

Vision

To become the World's Most Innovative Islamic Bank

Transformative pillars

Building the Bank for the future

- Harness emerging technologies including AI, Data analytics and digital assets to create new value
- Foster a culture of innovation, collaboration and agility
- Scale ADIB Ventures and ecosystem partnerships to lead the Islamic banking innovation agenda
- Transform the Wealth management franchise into a market-leading, client-centric growth engine

Revolutionize Customer Experience

- Expand across key segments with differentiated value propositions
- Leverage Data and AI driven insights to personalize experiences and deepen relationships
- Map, digitize and optimize customers journeys
- Elevate customer experiences through data-driven insights
- Implement right-service model balancing digital convenience with human interaction

Advancing Sustainability Initiatives

- Embed sustainability into every aspect of our business
- Attract, develop and retain top talents while advancing Emiratization and employee wellbeing
- Strengthen governance and control frameworks
- Maintain robust capital ratios
- Optimize our cost base

ADIB's New Five-Year strategy a clear roadmap for accelerated growth

Five-Year Strategy as part of 2035 Vision

2025 Actual		2030 Target		2030 Aspirations
Total Asset	AED 281bn	Total Asset	~1.7x - 1.9x	Fully Digitized, end-to-end Customer Journeys
Cost To Income	28.6%	Cost To Income	26 – 28%	Consistently Holding the Industry's #1 NPS Ranking.
Cost of Risk	44 bps	Cost of Risk	~40 – 60bps	
ROE	29%	ROE	~25%	

4.3 STRATEGIC PRIORITIES DRIVING THE NEXT PHASE OF GROWTH

Powering the Next Phase of Core Business Growth

ADIB will build on its strong market position and long-standing reputation for trusted banking partner to accelerate growth across its core businesses. The Bank will focus on expanding its financing portfolio responsibly, strengthening customer service and engagement, and increasing the contribution of diversified revenue streams. By strengthening its relations with its customers and delivering innovative, customer-centric solutions, ADIB is positioned to reinforce its leadership in the UAE market while driving sustainable performance and long-term value creation.



A Future-Ready ADIB

The combination of the 2035 Vision and the 2030 Corporate Plan positions ADIB to lead the future of Islamic banking, through innovation, customer centricity, operational excellence, and sustainable growth. This strategic framework provides a clear pathway to unlocking new opportunities, and delivering enduring value to our stakeholders.

Winning in the next phase of growth by building on our strengths

Scaling Our Market Leading UAE Franchise

- Continue to lead the UAE retail and Emirati Segment
- Scale the Expat Franchise with disciplined underwriting and risk standards
- Deliver best-in-class customer experience across all touchpoints to drive loyalty & advocacy

Winning With Our Unique Islamic Banking Franchise

- Become the primary Islamic bank' of large corporates and GREs in UAE and region
- Create new value streams through partnerships and ADIB Ventures
- Leverage our Islamic proposition to capture new growth pools across wealth, payment and business banking

Enabling Growth Through Digital Leadership and Innovation

- Fully digitizing key customer journeys and optimize the service delivery model
- Embed Gen AI and advanced analytics across the value chain
- Build and monetize digital assets and platforms to support scalable growth and new propositions

Delivering Growth with Discipline & Efficiency

- Maintain robust risk and compliance standards & proactively manage emerging risks
- Drive Capital and cost efficiency through disciplined balance sheet management continuous improvement in operational efficiency
- Build a higher-performance culture and accelerate Emiratization to strengthen organizational capabilities

4.3 STRATEGIC PRIORITIES DRIVING THE NEXT PHASE OF GROWTH

ADIB's digital and AI agenda is anchored on three interconnected pillars:

Breakthrough personalization powered by AI: AI-augmented channels across branches, contact centre, mobile and web

Continuous scouting, testing and adoption of emerging technologies

Financial Super App vision integrating services, rewards, lifestyle and wealth required to remain competitive long-term.

Strategic Imperative: Becoming an AI-Powered Organization

Digital technology continues to reshape financial services at unprecedented speed. As new waves of innovation from mobile and cloud to Generative AI and autonomous Agentic AI reach maturity, the global banking model is being fundamentally redefined. For ADIB, this moment represents both an opportunity and an inflection point

ADIB recognizes AI as both: The next stage of digitization, enhancing personalization, speed and efficiency and a disruptive force, altering customer expectations, competitive dynamics, and operating models. To respond to this dual opportunity, ADIB is executing an AI roadmap to accelerate digital and AI transformation to ensure efficient delivery of exceptional service in a rapidly evolving environment. The Bank is prioritizing its digital-first approach with advances such as a AI-augmented banking app, while embedding customer-focused design and automating processes (instant, zero human intervention required). The Bank is implementing several 'use cases' that generate immediate productivity gains, particularly in areas such as regulatory compliance, risk management, and customer service.

The plan is to work on a strategic redesign of ADIB's business, operating model, governance, talent and technology through an AI-first lens, in partnership with global leaders. This approach ensures that ADIB accelerates early wins while planning for the structural transformation required to remain competitive long-term.

IN LINE WITH ADIB'S 2035 VISION, THE BANK IS EMBARKING ON A BOLD, INTEGRATED, MULTI-YEAR STRATEGY THAT POSITIONS ADIB AS A TRULY AI-POWERED ORGANIZATION, ACCELERATES DIGITAL TRANSFORMATION, AND STRENGTHENS ITS ROLE AS A LEADER IN THE ISLAMIC FINTECH ECOSYSTEM.



4.4 ADIB RETAIL BANKING GROUP — 2030 STRATEGIC PLAN

ADIB's Retail Banking Group (RBG) enters the next phase of its growth agenda with a strong operational foundation, a #3 market position in UAE retail revenue, and proven leadership in key segments including UAE Nationals, home finance, personal finance, debit card spend, and CASA mix. Building on this momentum, the Retail Banking 2030 Plan sets out an ambitious roadmap to increase customer numbers, and elevate digital and service delivery to market-leading levels, positioning ADIB as one of the most preferred retail banks in the region.

1. Customer Growth & Market Leadership

ADIB aims to consolidate its dominant position among UAE Nationals by deepening product penetration, and enhancing segment-specific value propositions. By 2030, the Bank targets a significant uplift in products-per-customer, supported by tailored financing solutions, family banking offerings, youth propositions, and increased adoption of Shari'a-aligned savings and investment products.

Expat growth will be propelled through digitized onboarding, expanded , enhanced remittance capabilities, and strengthened value propositions for expatriate professionals and mass-affluent customers. Dedicated expat acquisition teams, refined credit policies, and targeted digital campaigns will help us increase market share ein the expat segment.

2. Elevating Customer Experience

The Retail Banking 2030 plan places customer experience at the center of its transformation agenda. Through a combination of digital innovation, straight-through processing, and optimized branch and contact center operations, ADIB will deliver faster, more seamless and more intuitive services across all channels.

Digital enhancements—such as GenAI-enabled chat, smart self-service tools, enhanced IVR systems, and fully digitized journeys for cards, personal finance, and home finance will redefine how customers interact with ADIB.

3. Revenue Growth Through Wealth, Business Banking & Cross-Sell

ADIB aims to transform wealth management into a major revenue engine by 2030. The Bank will expand HNI penetration through advisory excellence, new investment products and a hybrid model financing digital tools with high-touch relationship management. RBG's Business Banking division will enter a growth phase centered on digital onboarding, expanded product capabilities, and deeper RM coverage. Revenue is expected to grow, driven by higher trade finance penetration, remittance growth , and strengthened liability growth from business clients.

ADIB will deepen customer relationships through improved cross-sell across all segmentsUAE Nationals, Expats, Mass, Mass Affluent, Affluent, and Priority. This includes expanding coverage across cards, wealth, personal finance, auto, home finance, and insurance.

4. Asset Growth & Portfolio Expansion

ADIB's retail assets are expected to grow, supported by higher monthly sales volumes across home finance, personal finance, auto finance, covered cards, and business banking. Sales momentum will be reinforced by:

- Digitized, instant onboarding for cards and home finance (AIP)
- A richer product suite with new cobrands and partnerships
- Strong growth in home finance and personal finance
- Enhanced distribution across branches, digital channels, and third-party partners

5. Efficiency & Operating Model Transformation (Right Serve)

The Right Serve program will be a major enabler of the 2030 Plan, transforming ADIB's operating model to deliver higher productivity and lower cost-to-serve.A modernized branch footprint supported by smart branches and BBD service centers.

A network of 600+ ATMs and 32+ ITMs, with expanded functionalities including card printing, cheque services, KYC updates, and onboarding features

The overall cost-to-income ratio is expected to improve by 2030, supported by continued digitization, centralized operations, upgraded CRM platforms, and advanced analytics.

6. Digital-first Growth Powered by AI & Automation

Digital transformation underpins every aspect of the Retail 2030 Plan. ADIB will continue investing in capabilities that enhance credit decisioning, automate servicing, and strengthen customer engagement.

Key digital priorities include:

- End-to-end digital journeys for cards, personal finance, home finance
- Integrated RM and advisory tools for wealth
- Open finance integration and readiness
- GenAI-based onboarding, cross-sell, service support & fraud mitigation
- Partnerships enabling embedded finance within partner ecosystems



4.5 ADIB WHOLESALE BANKING GROUP — 2030 STRATEGIC PLAN

With a strong turnaround achieved since 2022, ADIB's Wholesale Banking Group (WBG) is entering 2030 from a position of strength. Revenues have grown consistently , portfolio quality has improved sharply, and the cost to income ratio has reached best in class levels. Building on this momentum, the 2030 plan outlines a scalable, diversified, and efficiency driven roadmap designed to grow revenues, expand regional exposure, and establish ADIB among the **Top 4 Wholesale Banks in the UAE**.

1. Expanding Market Landscape & Industry Diversification

WBG's 2030 plan centres on expanding exposure across sectors aligned with the UAE's long-term economic agenda and global growth themes. Between 2026 and 2030, total WBG exposure is projected to grow across diversified sectors and geographies including Sovereign & GREs: KSA/NPC, Large & Mid Cap Corporates, Commercial Real Estate: Project Finance (Renewables, Green Energy, Utilities and Future Economy.

This rebalanced portfolio positions WBG to support national strategies such as UAE Vision 2031, net-zero commitments, advanced manufacturing, and the transition to a digital and knowledge driven economy.

2. Expanding Beyond the UAE: GCC as a Growth Engine

WBG will accelerate regional exposure, with Saudi Arabia as the primary international growth driver. Exposure will be around Sovereign and GRE opportunities, Syndicated and club deals, Project finance, ESG, and infrastructure, Select private sector financing, distribution led models to enhance returns.

3- Digitally Transforming Wholesale Banking

Digital modernization is at the core of the 2030 plan, transforming WBG into a fully digital, efficient, and customer-centric franchise. Key initiatives include:

Transformational Digital Platforms

- Fully revamped Corporate Portal with modern UI/UX
- End to end digital onboarding
- API based banking, host to host integrations
- AI powered virtual corporate RM assistant
- Automated credit journeys
- Trade AI for document screening and transaction processing

P&L Accretive Digital Capabilities

- Supply chain finance and STP online financing
- Escrow digitalization
- Digital wallets and tokenization services
- Open finance and FinTech partnerships

4. Strengthening CFIB, Sustainable Finance & ADIB Capital

WBG will scale its advisory and investment banking ecosystem to become a leading Islamic corporate finance provider.

Corporate Finance & Investment Banking (CFIB)

- Target Top 5 position in DCM & syndications league tables
- Build distribution and syndication platforms
- Expand capability in project finance, infrastructure, aircraft & shipping finance
- Hire specialized structuring and advisory talent

Sustainable Finance

- Grow sustainable finance assets
- Develop ESG linked solutions and improve analytics
- Reinforce ADIB's role in enabling national net zero pathways
- Capture opportunities in IPOs, private placements, M&A
- Focus on high potential sectors: energy transition, digital infrastructure, healthcare & real estate

This builds new non funded t income streams and deepens institutional relevance across the region.

5. Maximizing Business Efficiency & Returns

Operational discipline is a strategic differentiator for WBG. The 2030 plan focuses on enhancing profitability while protecting balance sheet quality.

Efficiency Priorities

- Improve portfolio rating
- Maintain high double digit **RORC**
- Increase **fee income**
- Reduce **cost to income**

Operational Levers

- Workflow digitalization and straight through processing
- RWA optimization and tighter capital allocation
- Credit governance enhancements
- Portfolio churn to free capital for higher return sectors
- Aligning legal, compliance and Shari'a processes with international best practices

This approach drives scalable growth while preserving resilience and risk discipline.

6. Cross Sell: Integrated Growth Across ADIB Group

WBG is expanding cross sell with Retail, Treasury, GTB, ADIB Capital and ADIB UK/Egypt.

Transformational Projects Delivered

- Strong WBG financing positions create entry points for **home finance, escrow, Wakala, FX, cash management, merchant services, IPO/M&A, project monitoring,** and cross border opportunities.
- ADIB's home finance share in key projects
- Treasury & cash management are seeing rising flows via escrow, trade and FX.

This integrated model drives both **revenue depth** and **share of wallet**.



4.6 INTERNATIONAL BUSINESS GROUP — 2030 STRATEGIC PLAN

ADIB's International Business Group (IBG) plays a pivotal role in strengthening the bank's presence in key markets and unlock new opportunities across key regional and international markets. IBG today comprises three primary growth engines Iraq, the United Kingdom, and Financial Institutions (FI) supported by a smaller presence in Qatar. Collectively, these businesses are delivering strong financial performance, growing cross-border flows, and expanding ADIB's influence across priority geographies.

The 2030 Plan sets a clear mandate: diversify revenue streams, deepen international market penetration, and establish ADIB as a leading regional and international Islamic financial institution.



1. Strategic Growth Drivers Across IBG Markets

Iraq remains the fastest-growing contributor within IBG, supported by resilient demand for Shari'a-compliant banking, rising corporate activity, and expanding retail needs.

ADIB UK has established a strong reputation within the UK's Islamic commercial real estate (CRE) sector. The plan is to deepen partnerships with UAE developers and expand shared distribution channels, explore broader European expansion, especially for GCC institutional clients

FI has become a key engine for fee generation, cross-sell, and high-return, capital-efficient business. The plan is to grow revenues by 2030,Expand balance sheet exposure in priority markets , Grow NBFI penetration through digital onboarding, cash management, and liability products, Introduce innovative AI- and ESG-linked products, Strengthen correspondent banking relationships and cross-border transaction flows

2- Cross-Market Enablers

Across all IBG markets, ADIB will rely on a coordinated set of enterprise-wide enablers:

- Talent & Governance: Strengthening in-country expertise, especially in Iraq and UK Enhancing risk, compliance, and oversight frameworks and building local capabilities to support sustainable growth
- Digital Transformation: Digital onboarding for clients, especially NBFIs, integrated global cash and trade platforms and automation of credit and documentation processes
- Risk & Capital Discipline: RORAC-based portfolio management, improved RWA efficiency across FI and UK portfolios, balanced growth focused on capital-light and fee-driven revenues
- Group Synergies:Cross-sell with WBG, RBG and ADIB Capital,leveraging UAE developer and HNI relationships for UK expansion, connecting FI corridors across GCC, Turkey, Egypt, and Asia

ADIB Egypt — 2030 Strategic Plan

In 2025, ADIB Egypt solidified its position as the largest Islamic bank in Egypt and entered the Top 10 banks nationwide for the first time since acquisition, an achievement powered by consistent organic growth, expanding customer reach, operational discipline, and a strong Shari'a-compliant value proposition.

Building on this trajectory, ADIB Egypt aims to become Egypt's leading Shari'a-compliant universal bank with a superior digital and physical presence, a comprehensive financial ecosystem, and a dominant role in sovereign Sukuk markets.

1. Strategic Ambition: Leadership in Islamic Banking, Powered by Innovation

To be Egypt's largest, most innovative, and most trusted Islamic bank by 2030, offering a fully Shari'a-compliant financial ecosystem with world-class digital capability.

The strategy focuses on five pillars:

- Grow Retail through a modern "Phygital" model
- Accelerate Corporate Banking growth locally & regionally
- Achieve Sukuk market leadership & FX resilience
- Enhance efficiency, sustainability, and capital strength

ADIB Egypt is adopting a hybrid model that combines: Digital convenience through a new mobile & online banking platform and Human support through an expanded & modernized branch network.

This enhances ADIB's position as a modern, progressive, Shari'a-compliant retail bank in Egypt.

With strong growth momentum, an expanding customer base, and a forward-looking digital transformation agenda, ADIB Egypt is positioned to become one of Egypt's strongest and most future-ready banks by 2030.



OPERATIONAL OVERVIEW

5.1 Retail Banking Overview

The Retail Banking Group serves individuals, private banking customers , SME entities and community banking customers with main focus on UAE Nationals and mass affluent segment. The retail customer base is served through a robust UAE wide physical network, complemented by award winning digital platforms that enable seamless, end to end customer journeys.

2025 Key Highlights

283k new customers joined in 2025

Retail net income: AED 3.0 billion

Customer financing: AED 95 billion

Customer deposits: AED 114 billion

Continued growth in CASA balances, supporting margin resilience

Strong fee and commission income driven by cards, wealth, and FX transactions

Retail contribution to total revenues:

49%

Sustained momentum in customer acquisition

ADIB's Retail Banking franchise continued to deliver strong momentum in 2025, reinforcing its position as **the leading bank for UAE nationals** and a key growth engine for the Group. Retail remained at the centre of ADIB's strategy, supported by strong customer acquisition, deepening primary relationships, and continued investment in digital capabilities and customer experience.

During the year, **approximately 283,000 new customers joined ADIB,** reflecting sustained demand across core retail propositions and the continued success of the bank's digital first acquisition strategy.

Strong growth across all metrics

In 2025, Retail Banking built on its strong foundations, delivering another year of high quality growth across assets, deposits, and fee based income. The retail group revenue increased 10% year-on-year to AED 6.0 billion. The franchise benefited from favorable macroeconomic conditions, strong consumer confidence, and continued population growth across the UAE, alongside ADIB's differentiated positioning in Shari'a-compliant retail products. Meanwhile, greater scale has been accompanied by a significant increase in digital engagement, resulting in enhanced productivity and efficiency across all retail banking operations.

ADIB's Retail Banking Group delivered solid financing expansion in 2025, with retail customer financing rising 27% to AED 95 billion. Growth was broad-based across key product lines: personal finance increased by 15%, supported by steady demand from UAE nationals and expatriates, while home finance grew by 53%, reflecting ADIB's strong proposition in a housing market that remains attractive. This sustained momentum was underpinned by ADIB's disciplined approach to underwriting and portfolio management, ensuring the retail book continues to demonstrate healthy asset quality and prudent risk controls as volumes expand.

Customer Financing

27% TO

AED 95 BILLION

HOME FINANCE GREW BY 53%

MARKET SHARE: (ASSETS) 17%

CROSS SELL RATIO: 2.3X

Deposits and CASA growth

ADIB delivered another year of strong deposit momentum in 2025, supported by its expanding customer base, deepening primary relationships, and continued trust among UAE nationals and expatriates. Total retail deposits grew steadily, reflecting increased engagement across digital channels and the success of ADIB's differentiated savings propositions. CASA balances remained the cornerstone of the funding base, benefiting from higher salary transfers, strengthened current-account activity, and enhanced digital onboarding journeys. This sustained CASA growth continues to reinforce ADIB's low-cost, stable funding structure, providing the bank with a significant competitive advantage in maintaining margin resilience while supporting continued financing expansion across core retail segments.

RETAIL CASA: 91%

of total retail deposits up 14% YoY (excluding private & community)

RETAIL DEPOSITS: AED 114 BILLION

up 14% YoY

5.2

New cards issuance

ADIB's cards business delivered a milestone year in 2025, marked by major product launches, strong customer acquisition, and a surge in spending across the portfolio.

A key highlight of the year was the introduction of

THE UAE'S FIRST SHARI'A-COMPLIANT SHARE VISA COVERED CARDS,

launched in partnership with Majid Al Futtaim, offering customers unmatched lifestyle value across more than

5,000 retail and leisure destinations.

Throughout the year, ADIB continued to expand its broad suite of card offerings including cashback, travel, rewards, and co-brand products helping drive a strong uplift in card acquisition, activation, and customer spend across domestic and international categories. Enhanced digital onboarding journeys and attractive welcome bonuses across key cards further supported growth in card volumes, while partnerships across retail, travel, and e-commerce ecosystems helped accelerate transaction activity. Supported by disciplined portfolio management and a continuous focus on customer-centric features, ADIB's cards portfolio remained a significant contributor to non-funded income in 2025, capturing rising consumer demand and reinforcing the bank's leadership in Shari'a-compliant card propositions.

Meanwhile, monthly covered card spends increased, with ADIB ranking first among all banks for debit card spend, and in the top five for combined covered and debit card spend.



5.3

Elevating ADIB's Wealth & Private Banking Franchise

ADIB strengthened its Wealth Management and Priority Banking capabilities significantly in 2025. The bank has enhanced advisory capabilities and expand its offering for high-net-worth and priority clients. Key focus for 2025 was to elevate ADIB's wealth platform, expand Shari'a-compliant investment solutions, and deliver more holistic, personalised advisory services to meet the evolving needs of affluent and ultra-affluent customers. A major enabler of this growth was ADIB's award-winning smart sukuk platform, which combines advanced digital tools with deep Shari'a expertise to give clients seamless access to diversified Islamic investment opportunities.

These advancements support ADIB's broader Vision 2035, which positions wealth management as a core strategic engine for long-term growth. The bank aims to transform its franchise into a client-centric, market-leading wealth platform, leveraging data, digital innovation, and next-generation advisory solutions to meet rising demand from UAE nationals, affluent expats, and a rapidly expanding high-net-worth population across the region.



5.4 Retail Digital Transformation

Digital Transformation: Scalability, Innovation and Customer Excellence

ADIB continued to accelerate its digital transformation in 2025, scaling next generation platforms and strengthening its position as one of the UAE's leading digital first Islamic banks. With over 90% of the Bank's active customers registered to digital channels, ADIB's mobile and online channels have become the primary gateway for retail banking, driving strong acquisition and engagement across the franchise. Digital onboarding continued to expand, enabling more than half of personal finance customers to be onboarded end to end through digital journeys, while enhancements across the ADIB Mobile App, now among the highest rated banking apps in the UAE further improved customer convenience and satisfaction.

The surge in digital adoption translated into meaningful productivity gains, with a growing share of transactions, servicing requests, and sales completed through self service channels. Customers increasingly used digital journeys for payments, transfers, card applications, and investment services, enabling ADIB to serve a larger customer base. This shift supported stronger operational efficiency while enhancing turnaround times across key products.

ADIB expanded its **digital payments ecosystem** with the launch of its **Cardless Cash Withdrawal feature**, enabling customers to access cash at **more than 600 ADIB ATMs/CCDMs** using only their mobile phones without the need for a physical debit card.



5.5

Business Banking – Supporting SMEs and Driving Growth

ADIB's Business Banking franchise continued to strengthen in 2025, delivering robust financing growth and expanding its role as a key partner to the UAE's SME and business community. The bank supported rising business momentum across the sector, benefiting from record customer acquisition and strong demand for Shari'a-compliant financing solutions across working capital, trade finance, treasury services, and cash management. ADIB's leadership in the SME segment was further recognised when it was named the Best SME Bank in the UAE at the 2025 Global Finance Awards, reflecting its commitment to tailored solutions, competitive pricing, and value-added digital tools designed specifically for small and medium-sized enterprises. Initiatives such as the ADIB Business Souq digital marketplace continued to help businesses reduce operating costs and access essential services, while partnerships with national institutions such as the Emirates Development bank and other free zones enabled greater financial inclusion and access for startups and growing enterprises. Backed by strong customer base growth and a record year for remittance business , ADIB Business Banking remains a critical engine of the Group's expansion and a pillar of its commitment to supporting the UAE's economic diversification and entrepreneurial ecosystem.

MENA BANKING EXCELLENCE AWARDS 2025
RETAIL, DIGITAL & SME

مصرف أبوظبي الإسلامي
ADIB

ADIB RANKED #1 IN THE UAE

ADIB continued to lead the UAE banking sector in customer satisfaction in 2025, maintaining its position as with one of the highest NPS ratings in the industry. This reflects the bank's strong focus on service excellence, personalised engagement, and seamless end-to-end banking experiences across physical and digital channels. ADIB's mobile banking app rated among the highest in the UAE continued to play a central role in elevating customer satisfaction, with intuitive journeys, faster processing, and enhanced self-service capabilities driving increased everyday usage. The bank's customer-first culture, combined with significant investments in digital transformation, AI-enabled servicing, and improved operational responsiveness, helped ADIB deliver consistently superior experiences across Retail, Business, Private, and Wealth segments.

5.6 WHOLESALE BANKING OVERVIEW

2025 KEY HIGHLIGHTS

- Significant growth from New-to-Bank clients, boosting deposits and financing
- Customer financing reached AED 71 billion
- Continued diversification across GREs, trading, transport, manufacturing and real estate
- Stronger presence in escrow business supported by real estate market activity
- Launch of digital corporate account opening, reducing onboarding time
- Strengthened fee income through transaction-led activity
- Participation in key sukuk issuances and deals



The Wholesale Banking Group (WBG) at ADIB provides a comprehensive suite of Shari'a-compliant corporate and investment banking solutions designed to meet the evolving needs of businesses across the UAE and the wider MENA region. The Group delivers a full portfolio of financing, investment, and transaction banking services, supported by advanced digital platforms.

WBG serves a diverse client base that includes government-related entities (GREs), Public entities and large corporates. With deep sector expertise and strong relationship-led engagement, the Group maintains strategic partnerships with leading regional and global institutions, enabling it to structure complex financings, support cross-border trade, and deliver innovative liquidity and cash management solutions.

ADIB's Wholesale Banking Group (WBG) delivered a standout performance in 2025, achieving record revenue growth of 20%

driven by strong momentum in customer financing, landmark deal closures, and the expansion of strategic partnerships. The Group continued to grow across multiple verticals, including financing, transaction banking, trade finance, and liquidity management, cementing its position as a trusted banking partner for government-related entities (GREs) and large corporates across the UAE.

In a year marked by continued economic resilience in the UAE and the wider region, WBG provided a comprehensive suite of financing solutions, market-leading trade and cash management capabilities, and sophisticated advisory services. This contributed to strong customer financing growth with GREs ground at 59% and further improvement in cross-selling, leading to a substantial rise in fee income. Notably, while onboarding new clients in the year, we enhanced the resilience our portfolio through increased exposure to high-quality, low-risk and low capital counterparties.

Regional expansion with growing client mandates in

STRONG PRESENCE IN THE GCC



Focus on Capital Accretive Business

WBG continues to broaden its client base in the UAE and the wider region, supporting corporates as they grow and GREs in domestic markets. Customer financing increased by 27% year-on-year to AED 71 billion, guided by a strategic decision to focus on capital-efficient businesses and portfolio that is low-risk, high-quality credit counterparties, with government-related entities (GREs) accounting for 43% of customer finance growth in the year. Consequently, exposure to GREs increased to 24% from the total portfolio. The Bank also increased financing to a diverse range of other economic sectors, including real estate, trading, and transport and communication.

Financing outside the UAE stood at

23% of total WBG exposure at December-end.

We fund before we finance

WBG attracted strong inflow of customer deposits from GREs and large corporates,

with total deposits increasing by

Đ 23 billion during 2025 to Đ67.5 billion

Current and savings account (CASA) deposits accounted for 42% of the total WBG customer deposits as at year-end.

5.6 WHOLESALE BANKING OVERVIEW

Growth in Non-Funded Income

WBG delivered a powerful uplift in fee and non-funded income in 2025, demonstrating the success of its strategy to diversify beyond funded income, deepen client relationships, and capture high-value mandates across trade, corporate finance, and markets.

Non Funded income grew by 34% YoY driven by exceptional performance in trade finance, DCM, and corporate advisory. The transformation of ADIB into a fee- and mandate-led wholesale bank is clearly underway, with the fee-to-income ratio improving to 27%, up from 23% last year.

This momentum reflects WBG's sharpened focus on sector specialization, relationship-led banking, and digitally enabled client journeys positioning ADIB as a leading partner for GREs, large corporates, and financial institutions across the UAE and MENA.

DCM services

"ADIB's Debt Capital Markets franchise delivered a milestone year in 2025, doubling revenues, securing 12 first time mandates, and ranking among the Top 10 GCC USD Sukuk bookrunners. This performance reflects the bank's growing structuring expertise, strengthened regional relationships, and its strategic ambition to expand fee generating businesses and play a more prominent role in Islamic capital markets.

Cross Borders

WBG is forging deeper relationships with companies operating along key regional economic corridors. The business continues to collaborate closely with Egypt on cross-border mandates and referrals, and is expanding its regional presence. As regional economies pursue diversification and infrastructure investment, ADIB is uniquely positioned, through its Islamic finance strength and relationship-led model, to become a top-tier wholesale banking partner across the Middle East.

Digital Innovation in Wholesale Banking Group

In 2025, ADIB's Wholesale Banking Group accelerated its digital transformation agenda, leveraging technology to enhance customer experience, streamline operations, and support the Group's shift toward a more agile, scalable, and transaction-led business model. Digital innovation became a core enabler of growth, helping WBG deliver faster onboarding, expand its transaction banking capabilities, and deepen its relationships with corporate and GRE clients across the region.

WBG successfully launched its digital corporate account opening platform, enabling businesses to open Shari'a-compliant accounts through a seamless, fully digital journey. It continued to digitize internal processes, driving operational excellence and improving service delivery across the entire client lifecycle.These improvements helped WBG deliver higher client satisfaction while ensuring stronger risk oversight.
The Group made major strides in digitizing GTB solutions, supporting corporate treasury teams with faster, more secure, and more intelligent tools for managing their cash and trade needs. These capabilities helped GTB increase fee income, onboard more operating accounts, and deepen strategic relationships with GREs and large corporates.

WBG continued to invest in advanced data tools to strengthen decision-making, improve risk calibration, and help relationship teams identify new opportunities.As a result, WBG relationship teams have become more proactive and targeted in client engagement.

Green & ESG Financing

In 2025, ADIB's Wholesale Banking Group significantly advanced its position as a leading provider of Shari'a-compliant sustainable finance solutions in the region. WBG deepened its ESG integration across products, transactions, and client engagements, helping businesses transition towards lower-carbon, more resource-efficient operating models. These efforts directly support the UAE's Net Zero 2050 Strategy and the growing demand for sustainability-linked Islamic finance.

ADIB continued to scale its presence in green and sustainability-linked financing across key sectors, including energy, utilities, real estate, transport, and infrastructure. WBG played a key role in securing and structuring major green project finance mandates, particularly in utilities and renewables across the GCC.

Commitment to mobilize

Đ60 billion

in sustainable financing by

2030

Looking Ahead

As ADIB's Wholesale Banking Group looks to 2026 and beyond, the Group is positioned to build on a strong foundation of growth, diversification, and digital transformation. WBG will continue evolving into a mandate led, fee driven business deepening client relationships, scaling sustainably across the region, and supporting national priorities in the UAE and wider GCC.

1. Accelerating Regional Expansion

WBG will strengthen its presence across the region and wider GCC, capitalizing on increasing cross-border activity and opportunities emerging from sovereign diversification agendas and large-scale infrastructure programs.

2. Deepening Fee-Based & Non-Funded Income Streams

Building on strong momentum in 2025, WBG will continue to diversify income sources by focusing on expanding Debt Capital Markets (DCM) capabilities, including ESG-themed issuances;scaling advisory and structured finance mandates;strengthening transaction banking, trade, and escrow revenues; continuing NTB acquisition to broaden the deposit and fee income base.

The Group aims to build a revenue profile that is resilient, diversified, and less sensitive to benchmark market rates cycles.

3. Advancing Digital Transformation

Digital innovation will remain a central pillar of WBG's strategy. In 2026, the division will continue to invest in:seamless client onboarding and digital credit journeys;fully digital trade finance flows and API-enabled cash management;advanced data and analytics to support risk management, pricing, and client engagement;integrated platforms that enhance speed, transparency, and end-to-end client experience.

4. Scaling Green & Sustainable Finance

In line with ADIB's AED 60 billion Sustainable Finance Commitment, WBG will expand its offering of Shari'a-compliant green and sustainability-linked financing solutions.

5. Enhancing Portfolio Quality & Risk Discipline

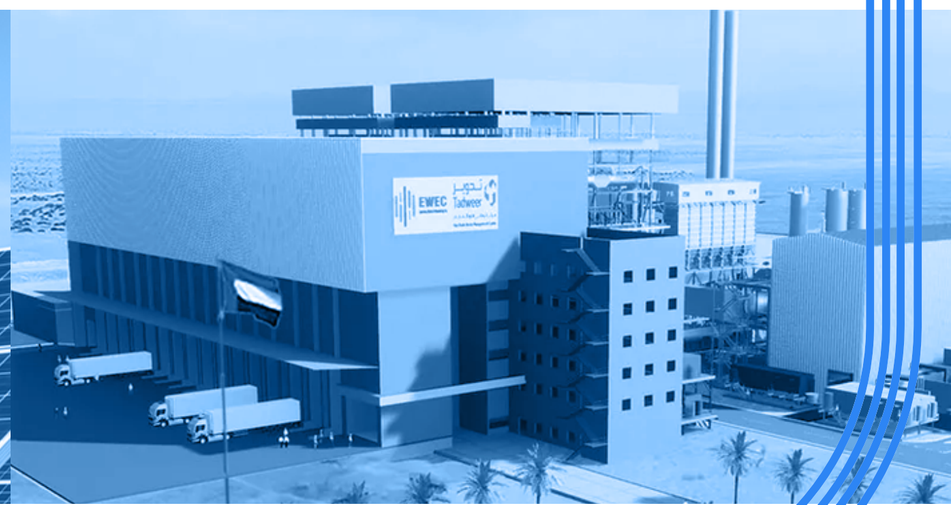
WBG will maintain a strong focus on credit risk discipline to preserve asset quality and support long-term, stable growth.

6. Strengthening Client Relationships & Sector Expertise

A key focus will be deepening relationships with GREs, large corporates, financial institutions, and high-potential mid-corporates.

WBG will:build sector-led coverage models, expand product specialization in GTB, DCM, PF, and advisory, equip RM teams with data-driven insights and industry intelligence, collaborate closely across the bank to provide holistic solutions.







5.7 CASE STUDY 1

Case Study 1:

EWA VI SOLAR PHOTOVOLTAIC PROJECT (1,800 MW)

Awarded:

Euromoney Awards for Excellence 2025

Overview

ADIB played a pivotal role in the financing of the DEWA VI Solar PV Project, one of the world's largest solar developments with a capacity of 1,800 MW delivered across three phases. The project marks a major milestone in the UAE's transition to clean energy under Dubai Clean Energy Strategy 2050 and the UAE's long-term net-zero commitments.

Client Need & Challenge

DEWA required a financing structure that:

- Attracted **significant private investment,**
- Ensured long-term operational stability, and
- Aligned with **global ESG frameworks** to support clean energy targets.

ADIB's Solution

ADIB supported an innovative Independent Power Producer (IPP) BOO structure, enabling private sector participation over a 25-year concession.

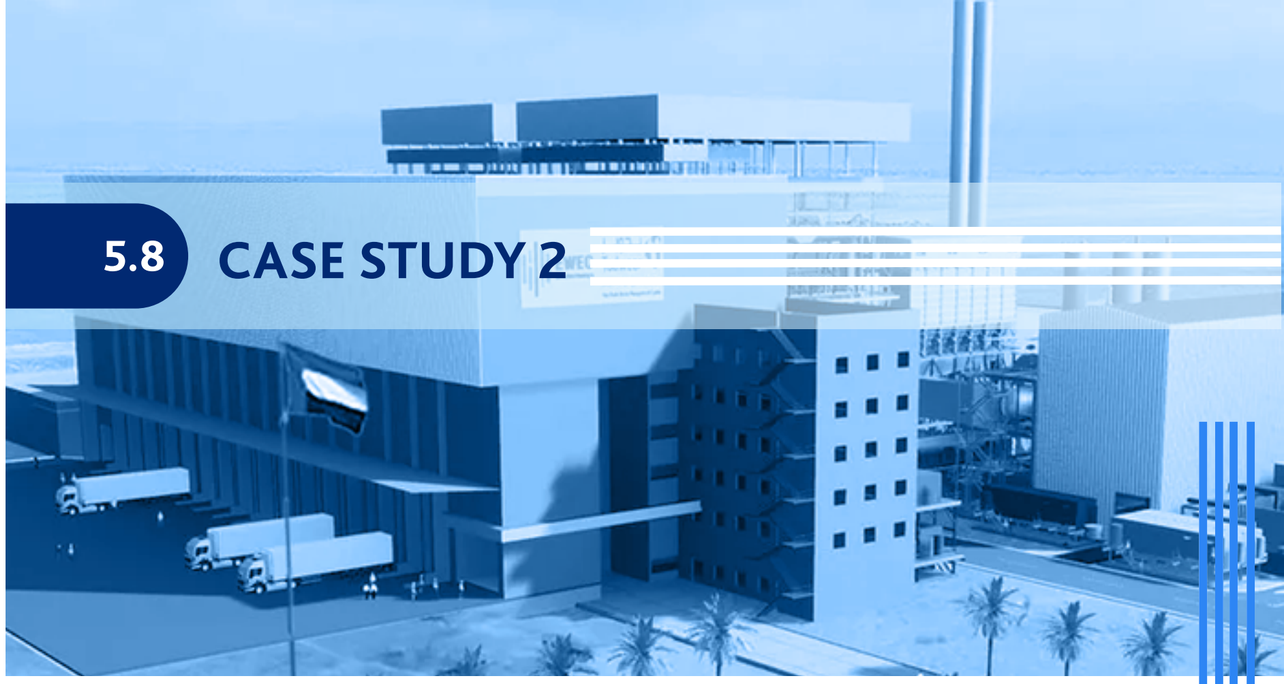
- Ensured full alignment with **ESG frameworks** and international standards, including SDG 7 & SDG 13.
- Structured financing that met investor sustainability criteria, attracting global capital.

Impact

- **6.5 million tonnes of CO_2 avoided annually.**
- USD **1.6 billion** investment mobilized into UAE's renewable sector.
- Job creation across construction and long-term operations.
- Strengthened UAE's energy security and reduced reliance on fossil fuels.

Why It Matters

This project underscores ADIB's leadership in **utility-scale renewable financing,** making Islamic finance a core enabler of the UAE's decarbonization agenda.



5.8 CASE STUDY 2

Case Study 2:

ABU DHABI WASTE-TO-ENERGY (WTE) PROJECT

Awarded:

Euromoney Awards for Excellence 2025 Best ESG Deal (Middle East)

Overview

ADIB supported the landmark **Abu Dhabi Waste-to-Energy Project (Al Bihouth),** the first of its scale in the UAE, converting **900,000 tonnes of municipal solid waste annually** into **78 MW** of renewable energy.

Client Need & Challenge

The Emirate needed a solution to:

- reduce landfill reliance,
- support the UAE's circular economy strategy, and
- attract private investors for a long-term, capital-intensive infrastructure project.

ADIB's Solution

ADIB arranged financing under an **innovative 30-year BOO IPP model,** enabling private developers to design, build, finance, and operate the plant.

Key features included:

- A secure **availability-based payment mechanism.**
- **Department of Finance guarantee** for termination payments—reducing investor risk.
- Full compliance with international **ESG and climate frameworks.**

Impact

- Supplies renewable energy to power **52,500 households.**
- Avoids landfill emissions and cuts harmful environmental waste practices.
- Supports UAE targets to **divert 75% of waste by 2025** and **85% by 2035.**
- Stimulates the economy with **USD 636 million investment.**

This project positions ADIB as a frontrunner in sustainable finance

5.9 TREASURY



ADIB's Treasury Department plays a central role in managing the Bank's funding, liquidity, investments, and market-related activities. The function ensures that the Bank operates efficiently, maintains strong financial resilience, and supports sustainable growth across all business segments.

Key Highlights

Well -diversified and stable funding mix

Strong growth in customer deposits

92% of liabilities sourced from customer deposits

In 2025, ADIB's Treasury Department further strengthened its position as a key contributor to the Group's funding Strategy, liquidity management, and investment performance. Treasury provides a comprehensive suite of Shari'a-compliant treasury and Islamic banking solutions, spanning foreign exchange, profit rate hedging, funding, liquidity management, investments, and structured products.

Throughout the year, Treasury maintained a disciplined and forward-looking approach to balance sheet management, supported business expansion across the franchise, and capitalized on market opportunities to enhance yields and further diversify the Group's investment portfolio.



2025 Performance Overview

Building on the strong momentum of the prior year, the Treasury Group delivered another year of resilient performance, underpinned by prudent liquidity management, solid investment activity, and healthy growth in customer- driven treasury income.

Despite continued global macroeconomic uncertainty, geopolitical volatility, and shifts in rate expectations, Treasury leveraged its market expertise and disciplined risk framework to navigate challenges and capture opportunities. Close internal collaboration with Retail Banking, Business Banking, Wholesale Banking, Financial Institutions, and Private Banking further strengthened customer-related income and support broader Group priorities.



Financial Performance

Total revenues reached AED 815 million reflecting robust revenue growth during the year, driven by higher customer activity and improved investment returns. Customer income showed a 23% YoY increase, driven by strong contributions from Business Banking and Personal Banking.

Foreign exchange income increased meaningfully, marking 42% YoY growth, reflecting higher client flows and deeper engagement across Retail, Business Banking, Financial Institutions, and Private Banking customers.

Investment income rose 31% year-on-year, benefiting from a higher yields and active portfolio optimization. The investment portfolio expanded at a healthy pace, up 8% YoY, with the majority of holdings maintained in high-quality sukuk, reinforcing the Bank's conservative risk profile and liquidity strength.

5.9 TREASURY

01

Managing the Cost of Funds

Treasury remained focused on optimizing the Bank's funding mix, securing stable low-cost deposits, and managing repricing cycles across Wakala, time deposits, and wholesale funding. Strategic Wakala balances grew substantially during the year, supported by disciplined cost-control measures.

02

Balance Sheet Optimization

Investment holdings increased to AED 31.6 bn, with 84% of the portfolio held at amortized cost; the remainder marked to market. Treasury ensured liquidity ratios remained well above regulatory requirements. Selective additions to portfolios supported yield enhancement and duration management.

03

Strengthening FX and Customer Business

The department worked with Retail, Business Banking, FI, and Private Banking to:

- Upgrade FX infrastructure for faster execution and better pricing
- Improve risk management tools
- Increase digital FX penetration
- Support cross-border and regional flows, particularly from FI clients

04

Product Innovation – Fractional Sukuk

A major milestone in 2025 was receiving approval for Fractional Sukuk, enabling retail investors to participate in sukuk markets with investments as low as USD 1,000. This initiative democratizes access to fixed-income instruments, opening a new asset class for mass-affluent and emerging-affluent customers.



ALM, Funding & Liquidity Management

2025 saw substantial progress in strengthening ADIB's funding base:

- Islamic Repo usage grew 83% YoY, reaching up to AED 3.3B
- CASA contribution remained stable despite market competition
- The Bank ensured optimal pricing and improved funding diversity



Looking Ahead: 2026 Priorities

- Sustain strong liquidity and continue to optimize cost of funds
- Grow diversified funding sources, including institutional Wakala, Islamic repo, and capital markets issuance
- Support Group financing growth through efficient balance sheet deployment
- Continue developing innovative Sharia-compliant investment products
- Deepen customer penetration across FX, structured products, and sukuk offerings

5.10 2025 OVERVIEW

International Banking Group (IBG)

The International Banking Group (IBG) is ADIB's global arm, responsible for managing the Bank's international presence and cross border business. IBG supports clients across multiple regional and international markets by facilitating trade, liquidity, financing, FX flows, and investment opportunities.

IBG oversees ADIB's operations in Iraq, the United Kingdom, Saudi Arabia (SFC) and Qatar, and key financial institution relationships across MENAT and beyond. It connects customers to global markets through a broad suite of Sharia compliant solutions.

Key Highlights

Total Revenue:
+24% YoY

Net Income:
UP 46% YoY

Strong structured transactions and
TERM FINANCING DEALS

Financial Performance

The International Banking Group (IBG) delivered another year of strong and broad based performance in 2025, reinforcing ADIB's growing international presence and further diversifying the Bank's revenue streams. IBG continued to play a vital role in facilitating trade, liquidity, and investment flows across key regional and international corridors, while deepening connectivity with corporate and institutional clients.In 2025, ADIB strengthened its presence across core international markets, driving strong growth in revenues, customer activity, and cross border financing. IBG continued to build strategic partnerships, expand trade finance flows, and capture opportunities arising from increased economic integration between the GCC, MENAT region, and global markets.

IBG's international networkspanning Iraq, UK, KSA, Qatar, positions ADIB as a regional connector supporting clients in sectors such as trade, industrials, real estate, infrastructure, public sector entities, and financial institutions.

Iraq

ADIB Iraq remains a strategically important market, providing payments, trade finance, FX, and cash management solutions to large corporates, government linked entities, and regional partners.

Iraq continues to deliver high returns while navigating regulatory adjustments. Despite these headwinds, ADIB maintained strong market positioning and grew key relationships across trade, automotive, contracting, and industrial sectors.



United Kingdom (ADIB UK)

ADIB UK continued its strategic focus on facilitating Middle East investments into UK commercial real estate, leveraging its strong structuring capabilities and Shari'a-compliant financing solutions. Strong pipeline of commercial real estate deals including Pullman Hotel, London Square, Warwick House, and multiple residential and living sector transactions. Continued leadership in structured property financing within London and key regional cities. ADIB UK remains a leading Shari'a-compliant real estate financier to GCC investors, supported by deep relationships with family offices, institutions, and developers.

Financial Institutions (FI) Group

The FI business delivered one of its best years to date, contributing significantly to IBG's overall growth. FI remains essential to the Group's correspondent banking, trade finance, and cross border liquidity strategy.

2025 Strategic Achievements

1. Expansion of Cross Border Trade & Financing

FI expanded regional trade flows through:

- Anchor relationships with MENAT banks
- Stronger trade corridors across GCC–Egypt–Turkey–Iraq
- Higher LC and LG transactions
- Growing institutional deposits in priority markets

2. Strong Growth in FX & Fee Income

FX income rose significantly, supported by:

- Optimised pricing
- High transaction volumes
- Digital enhancements
- Improved market access

3. Product Innovation

FX income rose significantly, supported by:

- Launch of Reverse Repo program for financial institutions
- Enhanced structured finance offerings
- Increased participation in syndications and sukuk mandates

IBG continues to be a cornerstone of ADIB's international network, delivering revenue diversification, deepening cross border client engagement, and strengthening the Bank's presence across high growth regional corridors.With strong foundations, a growing product suite, and expanding international demand for Shari'a- compliant finance, IBG is well positioned to continue its upward trajectory in 2026 and beyond.

5.10 2025 OVERVIEW



ADIB EGYPT

ADIB Egypt reinforced its position as a high growth market for the Group, with strong gains across profitability, financing, and deposits.

ADIB Egypt delivered an exceptional performance in 2025, driven by strong and broad-based growth across all business segments. This momentum translated into record increases in profitability, assets, and customer deposits.

The Bank's financial results for the year ended December 2025 recorded outstanding growth rates compared to the previous year, underscoring the success of its expansion strategy and further cementing its position as one of the leading Islamic financial institutions in the Egyptian market.

Total assets increased by EGP 87 billion, representing a 33% growth rate, to reach EGP 346.7 billion as at December 2025, compared to EGP 260.5 billion at the end of 2024.

Total customer financing and facilities rose by approximately EGP 52 billion, achieving a robust 54% growth, to reach EGP 147.2 billion, compared to EGP 95.691 billion at the end of the previous year.

Customer deposits also recorded strong growth of EGP 78 billion, representing a 39% increase, reaching EGP 278 billion compared to EGP 200 billion in December 2024. This growth reflects the increasing confidence of customers in the Bank.

Net consolidated profit after tax reached EGP 12.6 billion in 2025, compared to EGP 9.0 billion in 2024, marking an increase of EGP 3.6 billion and a 40% year-on-year growth.

Total operating income amounted to EGP 23.6 billion during 2025, up by EGP 5.6 billion, representing a 31% increase compared to the previous year.

The 2025 results also reflected high levels of operational efficiency, with return on equity reaching approximately 44%, while the cost-to-income ratio declined to 19.5%, demonstrating effective cost management. The capital adequacy ratio stood at 19.44%, further strengthening the Bank's capacity to support future growth and manage risks prudently.

Alongside its strong financial performance, ADIB Egypt received 45 prestigious awards in 2025 from leading regional and international financial institutions, earning recognition as the largest and best Islamic bank in Egypt for the year.

The Bank also maintained its position as Best Islamic Bank in Egypt for the eighth consecutive year, according to Global Finance magazine, in addition to receiving six international awards in sustainability.

ADIB Egypt continues to execute its expansion strategy through the enhancement of banking services and the strengthening of its branch network, which reached 75 branches across Cairo and various governorates, supporting financial inclusion initiatives and the continued expansion of its customer base.

OUR PEOPLE



OUR PEOPLE

ADIB's people are the driving force behind the Bank's continued success and transformation. They embody our values of tolerance, hospitality, mutual benefits and collaboration, and they play a central role in delivering exceptional experiences to our customers. Their dedication, agility, and commitment to excellence enable ADIB to maintain a strong competitive position and advance its vision for sustainable, responsible growth.

Attracting, developing, and retaining top talent, particularly UAE nationals, remains at the heart of ADIB's human capital strategy. The Bank continues to invest in future-focused skills, leadership capabilities, and meaningful career pathways, ensuring employees are empowered, supported, and fully aligned with ADIB's long-term strategic and financial aspirations.

Human Resources functions closely with every business unit to cultivate a high-performance culture, promote mobility and progression, and equip teams with the tools and training needed to thrive in a rapidly evolving digital and regulatory landscape.

Key Highlights

- Al Ain Excellence Center with a plan to Hire 400 Emiratis in Al Ain by 2026 as Part of National Talent Development Strategy
- Strong focus on career development and internal mobility, enabling employees to grow and diversify their skillsets.
- ADIB Wins Diamond Category at Nafis Award in Recognition of its Leadership in Emiratization
- Investment in 'future skills', including advanced digital capabilities, AI readiness, and cybersecurity training.
- Ongoing leadership in Emiratization, with UAE nationals progressing into senior and critical roles across the Bank.

Emiratization rate:

49%

Our People

ADIB's strategic focus on its people remains central to the Bank's long-term success. By empowering employees to realize their full potential, ADIB continues to build a high-performance culture that fuels the organization's ambition and strengthens its position as a leading Islamic financial institution. Delivering ADIB's growth strategy requires every employee to embody the Bank's core values of that shape how we operate and how we serve our customers.

Group Human Resources plays a pivotal role in driving ADIB's talent and capability agenda, ensuring the Bank is prepared for the future of banking. This includes a strong emphasis on career development, building a culture of accountability and empowerment, and advancing Emirati talent across all levels. Through continuous learning, future-skills programs, leadership development, and meaningful career pathways, HR is equipping employees with the competencies needed to support ADIB's strategic and digital transformation journey.

Employee wellbeing

ADIB recognizes that supporting employees' wellbeing is essential to building a productive, engaged, and future-ready workforce. To meet the evolving needs of our diverse employee base, the Bank has strengthened its flexible working framework and expanded a range of family and wellbeing-focused benefits that help employees balance their personal and professional lives more effectively.

ADIB **offers a work-from-home policy and flexible working hours**, empowering employees to manage their schedules while maintaining high levels of performance and collaboration. The Bank also provides **nursery support**, enabling working parents to better manage childcare needs with confidence and peace of mind.

A dedicated **Employee Wellbeing Department** plays a central role in enhancing the experience of ADIB's people. This team oversees a comprehensive portfolio of wellbeing services from holistic health and wellness programs to staff offers, partnerships, and personalized employee care. ADIB also ensures access to **best in class medical takaful coverage**, reinforcing the Bank's commitment to safeguarding the health and security of its employees and their families. Through these initiatives, ADIB continues to foster a supportive and flexible work environment that promotes wellbeing, boosts productivity, and enables employees to thrive both personally and professionally.

Talent Development and Training

ADIB continues to invest significantly in the development of its people, ensuring they are equipped with the skills, capabilities, and mindset needed to thrive in a rapidly evolving financial landscape. In 2025, the Bank strengthened its talent strategy through structured learning pathways, leadership development initiatives, and extensive skills-building programs aligned with ADIB's future-focused vision.

Through continuous training, professional certification support, leadership tracks, and technical upskilling, including digital capabilities, regulatory knowledge, and emerging-skills training, ADIB is building a future-ready talent pipeline capable of delivering sustainable organizational performance.

In 2025, ADIB continued to build a culture of continuous learning, empowering employees to grow, follow their aspirations and embrace the skills needed for the future. We continued to enhance the learning and development programs, prioritizing the progression of UAE nationals, we upgraded our recruitment and onboarding processes, and conducted a remuneration review to ensure competitiveness. To enable this, we invested heavily in virtual training programs where colleagues can learn new skills at their own time. The Bank now provides a blended offering of in-person and online training modules covering a wide range of technical and behavioral topics, in partnership with leading international providers.

In 2025, we delivered more training than ever before, with a total of **325,124 hours**. A key driver of this increase was investment in e-learning, enabling employees to access courses on an 'anytime, anywhere' basis. The Learning Management system enabled over 90% of e-learning to be customized to the user, with gamified content, videos and other engaging approaches from Oracle and LinkedIn.

Meanwhile, partnerships with world-renowned academic institutions such as the Emirates Institute for Banking and Financial Studies and Harvard Business continued to support the highest standard of leadership development. In addition, employees were able to build up their professional accreditations and charterships from established institutions.

Total Training hours

325,124 hours



6.1 HIGH FLYERS TALENT PROGRAMS

ADIB's High Flyers programs are designed to identify, accelerate, and empower the Bank's top emerging talent, preparing them for mission critical roles within the organization. These programs provide high potential employees with structured development tracks that combine leadership training, technical upskilling, strategic project exposure, and personalized coaching from senior leaders. Through immersive learning journeys and rotational assignments across key business units, High Flyers gain the capabilities required to drive innovation, lead change, and contribute to ADIB's long-term strategic goals. By nurturing future leaders from within, ADIB ensures a strong and sustainable leadership pipeline that supports the Bank's growth ambitions and reinforces its commitment to investing in people who demonstrate exceptional performance, ambition, and potential.

23 | Graduates from High-flyers program



EMIRATIZATION AT ADIB:

Empowering UAE National Talent. Building the Future of Islamic Banking.

Emiratization remains one of ADIB's most important national commitments and a cornerstone of the Bank's people strategy. ADIB is dedicated to supporting the UAE's progressive Emiratization agenda by creating sustainable career pathways for UAE nationals and building a highly skilled workforce that can lead the future of the financial services sector.

At ADIB, Emiratization is not only about meeting national targets, but also about developing leaders, empowering youth, and shaping a new generation of UAE talent that reflects the values, ambition, and vision of the nation.

A STRATEGIC FOCUS ON EMIRATI TALENT

ADIB continues to accelerate the recruitment, development, and advancement of UAE nationals across all levels of the organization. The Bank's tailored development programs, leadership pipelines, and continuous learning initiatives ensure Emiratis are equipped with advanced technical, leadership, and digital capabilities.

Emirati employees today hold critical roles across ADIB, with strong representation in leadership and decision-making forums across the Bank. The Bank's Emiratization rate of 49% stands among the highest in the sector, reflecting ADIB's proactive approach to building, nurturing, and retaining national talent.

91%
of branch managers are UAE nationals

49%
Emirati representation in employee base

76%
Female Emirati representation in Emirati base

110
Emirati employees promoted in 2025

374
Emiratis recruited in 2025

15
Emirati representation within senior management team

6.2 2025 EMIRATISATION KEY ACHIEVEMENTS

1.

Al Ain Emiratization Initiative

ADIB expanded its Emiratization presence in Al Ain, launching a dedicated center of excellence designed to attract and develop young Emirati talent from the eastern region. Through targeted outreach, on-campus engagement, and new development tracks, ADIB is building a strong pipeline of local talent.

The bank has announced its plan to hire 400 UAE Nationals in the Al Ain region by the end of 2026. This initiative aims to create job opportunities for UAE nationals in various fields including Islamic retail banking, operations, and compliance and collection. This will empower national talents and enhance the institutional presence of the bank in Al Ain city, which we consider one of the most prominent cities in the UAE.

As part of this initiative, ADIB organized a series of "open recruitment events" in Al Ain, in collaboration with Majalis Abu Dhabi, where they conducted on-the-spot interviews with prospective candidates, presenting a wide range of opportunities across key business areas. The event received significant interaction, reflecting the interest of Emirati youth in joining the Islamic banking sector.

160

New UAE Nationals joined Al Ain Excellence Center in 2025

2.

Career Fairs & National Outreach

The Bank participated in several national career fairs in Abu Dhabi, Dubai and Al Ain, connecting with thousands of Emirati job seekers. These events reinforced ADIB's position as an employer of choice, offering rewarding roles in retail banking, operations, digital banking, and corporate functions.



3.

Quiyadat and Tamkeen

ADIB's Quiyadat and Tamkeen program serves as ADIB's flagship leadership accelerator for high potential UAE Nationals. Through advanced learning, coaching, rotational assignments, and exposure to senior leaders, these programs help Emiratis transition into strategic and critical roles within the Bank. It provides structured development opportunities to emerging Emirati professionals, equipping them with technical training, mentorship, and hands on experience to accelerate their progression into specialist and leadership roles.



4.

Nafis Award Recognition

ADIB was honored with recognition under the UAE's Nafis program, reflecting the Bank's strong contribution to national workforce development. This award underscores ADIB's leadership in creating meaningful employment, investing in national talent, and supporting the UAE's human capital ambitions.



6.3 DIVERSITY AND INCLUSION

At ADIB, we recognize that our people are the driving force behind our performance and that the diversity of our People and cultures sets us apart. To lead the way in addressing the evolving needs of our customers, we are developing a workforce that is future-ready, and building an inclusive, innovative and client-centric culture

ADIB is committed to fostering a diverse, inclusive, and equitable workplace where every employee feels valued, respected, and empowered to contribute. The Bank's inclusive culture is anchored in fairness, equal opportunity, and adherence to the highest ethical and human-rights standards.

By the end of 2025, women represented 44% of ADIB's workforce, with 48% female participation at entry- and mid-level roles,

reflecting healthy gender balance across the organization and continued progress in developing women leaders across the Bank's talent pipeline. ADIB reinforces its commitment to inclusion through clear policies prohibiting discrimination, supported by its HR Policy Manual, Code of Ethics, and grievance mechanisms that ensure a safe, dignified, and respectful work environment for all employees. Through targeted development, leadership pathways, and a culture of equal opportunity, ADIB continues to build a workforce that reflects the diversity of the communities it serves while enabling sustainable, people-driven growth.

Employee Satisfaction

ADIB is deeply committed to cultivating a workplace where employees feel engaged, supported, and proud to belong. The Bank continues to invest in creating a high-trust, high-performance culture that empowers individuals to thrive both personally and professionally. Through ongoing wellbeing initiatives, flexible-work policies, career-development programs, and a value-driven environment, ADIB consistently strengthens employee satisfaction across the organization. The Bank's dedicated Wellbeing Department ensures that every employee has access to comprehensive support from health and wellness services to family-friendly benefits and top-tier medical coverage reinforcing ADIB's commitment to a people-first culture. These efforts contribute to ADIB's ambition to be recognized as one of the region's great places to work, where collaboration, respect, growth, and belonging are central to the employee experience.

Staff Engagement Rate

88%



DIGITAL

7.1 BUILDING THE BANK OF THE FUTURE

Over

70%

New Customers Acquired Digitally

LEVERAGING DIGITAL & AI TO ACCELERATE GROWTH, EFFICIENCY AND CUSTOMER VALUE

ADIB made significant progress toward becoming a future- ready bank. Building on the Group's 2035 vision, ADIB continued to elevate the customer experience, improve operational efficiency, and strengthen resilience through large scale digital modernisation. Digital transformation now spans every segment of the Bank from Retail, Wholesale Banking, Operations, Technology, and ADIB Ventures, positioning ADIB as a leading innovator in the Islamic banking sector.

Key Highlights

More than 120 new features were introduced to the App

Roll- out of new AI Use cases

Launch open finance framework

In 2025, ADIB accelerated the rollout of digital journeys and platforms across the Group, contributing to increased productivity, improved cost to serve, and higher customer engagement. More than 120 digital projects delivered in 2025 with initiatives focused on broadening the scope of digital solutions available to customers and simplifying the user experience, while ensuring continued progress on innovation processes to reduce 'time to market'.

Digital adoption surpassed **92%**.

Branch transactions declined by **16%**, while call center volumes dropped by **12%**, driven by service digitization and improved app capabilities.

Cost to serve reduced by **17%** year-on-year, reflecting the impact of mobile first strategies.

Major regulatory digital programs progressed, including **Aani, Open Finance, Wage Protection System (WPS)** and strong Anti-Fraud controls.

Retail Banking Transformation

ADIB continued to expand its digital ecosystem with a clear focus on simplicity, speed, and intelligent experiences.

Key Achievements in 2025

- Completed major journeys across Cards, Personal Finance, Yusr, and CASA.
- Launched **New to Bank Covered Cards** with Emirates ID–based onboarding and **90%+ STP**
- Expanded Home Finance with an **Approval-in-Principle pilot**
- App Store ratings remained among the industry's highest at **4.7** on both iOS and Android.



Transforming Wholesale Banking Through Digital Innovation

2025 saw strong momentum in building end to end digital capabilities for corporate clients.

Transformational Projects Delivered

- **Digital Corporate Onboarding** went live, enabling instant access to ADIB Direct with digital signatures, EFR verification and auto document validation.
- **API Banking** released in multiple phases, providing real time account, payments, biller, virtual account, and bulk upload capabilities, positioning ADIB ahead of the market in embedded banking and client connectivity.
- **Corporate Service Requests Digitization:** Nine services, including trade license updates, Emirates ID, passport updates, and balance confirmations are now fully digital.
- Major progress in **Supply Chain Finance** and **Online Trade Finance** solutions enabling paperless, Shariah compliant financing across Murabaha, Istisna, Ijara, and Wakala structures.

Cloud, Resilience & AI Readiness

ADIB advanced its **digital resilience and intelligent automation**, laying the foundation for AI driven growth.

2025 Highlights

- Strengthened real time monitoring across digital channels to improve stability and customer experience.
- Expanded data driven automation across onboarding, credit scoring, and customer servicing.

These enhancements will allow ADIB to scale digital services faster, improve personalization, support Open Finance, and reduce operational friction.



Strategic Priorities for 2026

- Scale Wealth and Home Finance digital platforms
- Advance Financial Super App roadmap
- Expand digital journeys outside owned channels (partners, aggregators, marketplaces)
- Continue service digitization across all segments
- Accelerate API-led corporate banking and open finance use cases
- Strengthen resilience, stability and AI governance frameworks
- Build ADIB Ventures' capability as a future growth engine

7.2 ADIB VENTURES – BUILDING THE ISLAMIC INNOVATION ECOSYSTEM

2025 was a breakout year for ADIB Ventures as it established itself as a strategic catalyst for fintech collaboration and innovation.

Ecosystem Leadership

- Flagship participation in major global events including **Dubai Fintech Summit, Money 20/20, GITEX, Singapore Fintech Festival**, and **Abu Dhabi Finance Week**.
- Launched fintech challenges, partnerships and POVs with leading startups such as **Lean Technologies, Deep Opinion, InvoiceMate, Foodics, and others**.
- Progress on the **Data Insights Platform, Developer Portal**, and **CRM modernization** to enable future AI and open banking capabilities.

Embracing 'Open Finance'

In 2025, the UAE has introduced a pioneering Open Finance Framework under the country's Financial Infrastructure Transformation (FIT) Programme. This new regulatory landscape aims to enhance innovation and efficiency across the financial sector, enabling secure data sharing through application programming interfaces (APIs). This initiative extends beyond traditional banking, covering a wide range of financial products. For consumers, open finance promises enhanced transparency, tailored financial services, and greater control over their financial data, while fostering a more competitive market.

To embrace this strategy , ADIB became the First Islamic Bank to Implement Open Finance with the Support of the CBUAE's Open Finance Initiative AlTareq, demonstrating its commitment to continually enhancing customer experience through innovation, strong partnerships, and seamless digital banking. This move will unlock new opportunities for customers to access and manage their financial services, supporting the CBUAE's efforts to advance the digital ecosystem under its 2023–2026 strategy. To date, the first phase has been successfully implemented covering regulatory and technical requirements, with financial transactions processed through secure, CBUAE-certified API frameworks.

Looking ahead, ADIB will continue to expand customer journeys enabled by Open Finance to strengthen financial transparency, improve customer decision-making, and deliver a seamless digital experience across accounts, products, and institutions.

ADIB's Approach to Artificial Intelligence (AI)

Artificial intelligence (AI) is reshaping financial services globally, and ADIB is advancing confidently in this space, integrating AI across core business areas to enhance efficiency, elevate customer experience, empower employees, and stimulate innovation across the Group.

In 2025, ADIB intensified efforts to embed AI into digital journeys, operations, and decision-making processes, ensuring that every AI deployment supports the Bank's ambition to lead in digital Islamic banking while maintaining the highest standards of Shari'ah governance and regulatory compliance.

ADIB's AI strategy is purpose-built to strengthen the Bank's competitiveness and accelerate digital transformation. It is structured around five pillars:

01

Profitability & Productivity: Leveraging AI to streamline operations, automate manual processes, enable faster decisioning, and reduce cost-to-serve.

02

Hyper-Personalised Customer Experience: Using data and intelligent models to tailor products, recommendations, and servicing, delivering experiences that are contextual, relevant, and timely.

03

Data-First Culture: Ensuring data quality, accessibility, and governance so that AI solutions can scale safely, accurately, and efficiently.

04

Agility & Innovation: Accelerating time-to-market through AI-enabled journey design, enhanced testing, and automation across digital delivery pipelines.

05

An Integrated Islamic Banking Ecosystem: Expanding AI applications across retail, corporate, while supporting new fintech and open-banking partnerships through ADIB Ventures.

To operationalize these pillars, ADIB is focusing on foundational priorities:

01

Technology & Data Foundations:

Building modern platforms, data infrastructure, and AI-ready architecture that enable rapid deployment of use cases across the Bank.

02

Operating Model & Talent:

Developing cross-functional teams and upskilling employees to embed AI capability into day-to-day work, ensuring the Bank grows future-ready talent alongside technology.

03

Responsible AI Framework:

Implementing clear governance, controls, Shari'ah safeguards, and ethical guidelines to ensure every AI solution is safe, transparent, secure, and compliant.

04

Partnerships & Ecosystems:

Collaborating with fintechs, emerging-tech players, accelerators, and specialist advisors through ADIB Ventures to amplify innovation and unlock new value.

ADIB Money Management Tracker

Overview and Vision

As part of ADIB's commitment to shaping the future of Islamic digital banking, the Bank launched the region's first Personal Finance Management (PFM) tool — the ADIB Money Management Tracker , developed in collaboration with Lune, an Emirati fintech company under the ADIB Ventures innovation ecosystem. This groundbreaking solution represents a major step toward empowering customers with deeper financial insight and supporting them in taking control of their financial well being.

The launch reinforces the Bank's dedication to building customer-centric, data driven, and AI enabled experiences that enhance transparency, financial awareness, and long-term financial planning for individuals across the UAE.

Uniqueness & Innovation

The ADIB Money Management Tracker brings industry leading innovation to personal finance management, combining simplicity, intelligence, and design excellence.

- **Intuitive Financial Visibility:** Customers can easily track income, expenses, and spending patterns with a clear, consolidated view of their financial activities.
- **Smart Spending Categories:** Transactions are automatically and intelligently organized into categories such as groceries, transport, dining, and entertainment — giving customers meaningful insight into where their money goes.
- **Interactive Cash Flow Visualisations:** Dynamic charts and dashboards provide a real time picture of cash inflows and outflows, helping customers identify trends, adjust habits, and improve their budgeting discipline.
- **Supports Both Daily and Long-Term Planning:** Whether monitoring day to day spending or planning for life milestones, customers are empowered with the tools to make confident, informed financial decisions.
- **Built Within ADIB's Secure Digital Environment:** The tool is embedded within the ADIB Mobile App, ensuring high standards of data privacy, security, and Shari'ah compliance.

SUSTAINABILITY REPORT SUMMARY

8.1 A PURPOSE-DRIVEN BANK

As the UAE continues to advance its sustainability agenda and Net Zero 2050 ambition, Abu Dhabi Islamic Bank (ADIB) remains firmly committed to embedding environmental, social and governance (ESG) principles at the core of its strategy, operations and decision-making. In 2025, the Bank continued to strengthen its ESG foundation, recognising sustainability, climate resilience and responsible finance as essential drivers of long-term value creation.

In 2025, ADIB achieved several important milestones that strengthened its position as a regional leader in responsible banking and sustainable finance. A key achievement was the expansion of the ADIB risk management framework to formally incorporate ESG risks and climate-related risks as principal risks, reflecting the growing importance of sustainability, climate change and responsible finance in the banking sector. We continued to operate within our approved risk appetite and regulatory requirements through a robust Risk Management Framework that supports effective oversight and disciplined execution. To translate governance into consistent action, ADIB screens transactions for ESG risks using global standards and its proprietary due diligence tool, enabling ESG risk ratings at transaction and client levels and supporting mitigation and escalation where required. This approach is embedded through policy integration, including updates to the Bank's Risk Management Policy and a comprehensive ESG Risk Management Policy, supported by scenario analysis and stress testing exercises to enhance forward-looking climate risk assessment.

Governance and accountability remained central to our ESG implementation. In 2025, ADIB continued to maintain and enhance ESG governance through dedicated ESG committees at both executive management and Board levels, providing clear oversight, accountability and decision-making on bank-wide ESG matters. The Board's commitment to strengthening governance was also reflected in continuous training and awareness programmes covering key topics including Risk & ESG.

At the Board level, the ESG Committee met twice during 2025 to discuss ESG and sustainable finance strategies, review ESG ratings, receive Group ESG updates to ensure progress across branches and subsidiaries, and review and update ESG policies to maintain relevance and effectiveness.

ADIB also continued to strengthen disclosure readiness, completing a full IFRS S1 and S2 gap assessment and positioning the Bank on the path to reporting against the IFRS Sustainability Standards.

Alongside continued improvements in ESG and climate risk management, ADIB sustained momentum in sustainable finance, reaching

AED 20.3 BILLION
in sustainable finance

mobilised and facilitated, representing solid progress against the AED 60 billion target for 2030. ADIB also issued its inaugural Green Sukuk Impact and Allocation Report covering the previous year, demonstrating strong transparency for investors, and published its inaugural UNEP FI Principles for Responsible Banking (PRB) Report in mid-2025, reinforcing our commitment to the Principles.

Transparency and market recognition continued to strengthen. ADIB maintained MSCI AA ("Leader") and improved its Sustainalytics ESG Risk Score to 16.8 (low risk) from 34.1 (high risk), reinforcing ADIB's leading ESG rating position in the region among banks. As a signatory to the UN Principles for Responsible Banking and a board member of the Global Climate Finance Center in Abu Dhabi, ADIB remains active in positioning the UAE capital as a leading hub for sustainable finance.



8.2 AWARDS

Global Finance: World's Best Islamic Financial Institutions Awards: Best Islamic Financial institution for ESG globally

Euromoney Islamic Finance Awards 2025: The UAE's Best Islamic Bank for ESG

MEED's MENA Banking Excellence – Corporate & Investment Awards 2025 Best Islamic Bank for ESG)

The Asset Triple A Sustainable Infrastructure Awards 2025: Rail Deal of the Year

Forbes Middle East's Sustainability Leaders 2025

Sustainability Highlights

Female board representation: 14%	Training hours per Employee: 54	Local Emiratisation Talent: 49%	Local Emiratisation Talent – Women: 76%	Total Women in workforce: 44%
Digitally Active Customers: 90%+	No. of Nationalities: 50+	Local Procurement spending: Đ1bn	Sustainable Finance facilitated: AED Đ20.3bn	Data Breaches: 0
Community organizations impacted: 100+	MSCI ESG Ratings: ★★★ AA	Sustainalytics ESG ratings: 16.8 (Low Risk)	Standard & Poor's CSA Rating: 41	

8.3 MATERIALITY ASSESSMENT

Understanding and prioritising the environmental, social and governance (ESG) topics that matter most to our stakeholders and to ADIB is central to our sustainability strategy, risk management and long-term value creation. In line with international best practice, ADIB undertook a comprehensive ESG materiality assessment to identify, assess and prioritise the issues that have the most significant impact on the Bank's performance, stakeholders and society.

The materiality assessment was conducted through a structured, multi-step process designed to ensure robustness, objectivity and alignment with global standards and national priorities. The assessment considered both the significance of ADIB's impacts and the influence of ESG issues on stakeholder decisions, consistent with leading sustainability reporting frameworks.

Key inputs to the assessment included:

A review of ADIB's public disclosures, policies and internal documentation

Benchmarking against national, regional and international banking peers

Analysis of ESG priorities identified by leading ESG rating agencies

Alignment with international frameworks and guidelines, including GRI, SASB, UN Sustainable Development Goals (SDGs), and sector-specific guidance

Consideration of UAE national strategies and ambitions, including UAE Net Zero 2050 and Abu Dhabi Economic Vision 2030



Material issues were analysed and prioritised using two lenses: importance to ADIB's business and strategy, and importance to key stakeholder groups, including customers, employees, investors, regulators and the wider community.

The assessment resulted in the identification of 18 material ESG topics, reflecting the issues most relevant to ADIB's operations, strategic priorities and stakeholder expectations. These topics span governance, environmental stewardship, social responsibility and economic performance.

The outcomes of the materiality assessment directly inform ADIB's ESG strategy, risk management framework and disclosure priorities. Material ESG and climate-related risks are embedded within the Bank's principal risk framework and risk appetite, supporting proactive identification, mitigation and monitoring of both current and emerging risks.

Materiality is a dynamic process. ADIB remains committed to periodically reviewing and updating its materiality assessment to reflect changes in the operating environment, regulatory landscape, stakeholder expectations and sustainability trends. This ensures that ESG considerations remain embedded within decision-making and continue to support sustainable growth, resilience and responsible value creation.



8.4 ADIB ESG STRATEGY

ADIB's ESG strategy is anchored in a clear understanding of the environmental, social and governance issues most material to the Bank's long term performance and stakeholder expectations. Informed by a comprehensive materiality assessment aligned with global sustainability standards and UAE national priorities, the strategy focuses on strengthening governance and transparency, advancing responsible financing, managing climate and systemic risks, enhancing customer experience and data security, and supporting inclusive economic growth. ESG considerations are embedded across strategy, risk management, policies and decision making, ensuring that sustainability and climate related risks and opportunities are proactively identified and managed within the Bank's risk appetite. Through this integrated approach, ADIB seeks to deliver sustainable financial performance, support the transition to a low carbon economy, promote social inclusion and trust, and create long term, responsible value for all stakeholders.

Key Pillars of ADIB's ESG Strategy

Maintain High Standards of Governance

- Fully integrate ESG into our governance structure
- Develop a sustainable procurement strategy
- Build a strong ESG-driven culture through trainings and KPIs
- Achieve best-in-class data privacy and cybersecurity
- Align ESG reporting with market and legal requirements
- Embed ESG risk framework through proprietary ESG risk due diligence toolkit



Maximise Positive Impact

- Launch Shari'a-compliant sustainable and green finance products
- Implement a Net Zero Strategy including financed emissions
- Integrate ESG considerations into investment & finance decisions
- Support customers in transitioning to low-carbon economy
- Integrate climate considerations into our risk management processes to ensure resilience of our business



Be a Lifelong Partner

- Develop financial inclusion policy and programs
- Establish financial literacy programs for retail and SME customers
- Develop a gender diversity strategy
- Implement Employee wellbeing plan
- Foster a learning-oriented culture
- Drive Emiratization and career development
- Champion social responsibility through community engagement



8.5 ESG RATINGS AND EXTERNAL RECOGNITION

In 2025, ADIB continued to strengthen its ESG performance and external recognition, reinforcing its position as one of the highest rated banks in the UAE and the wider region. The Bank maintained its 'AA' MSCI ESG Rating, reflecting leadership in governance and sustainability practices, while also achieving an improvement in its overall weighted score, underscoring continued progress across key ESG pillars.

ADIB also delivered a significant enhancement in its Sustainalytics ESG Risk Rating, improving from a high risk score of 30.2 to a low risk score of 16.8. This improvement reflects the Bank's strengthened approach to ESG risk management, transparency, and responsible banking practices, and positions ADIB among the top rated banks in the Middle East.

These ratings outcomes reflect deliberate and sustained efforts to embed ESG considerations across strategy, governance, risk management and operations.

Strong ESG ratings continue to support investor confidence, enhance market credibility and demonstrate ADIB's leadership in responsible Islamic finance. The Bank remains committed to further strengthening its ESG performance, disclosures and transparency, in line with evolving regulatory expectations and global best practice.

ADIB was also recognized by multiple global awards for ESG leadership in 2025, reflecting our excellence in sustainable and responsible banking:

These accolades reaffirm our position as a regional and global leader in ESG, underpinned by our strong frameworks, enhanced disclosures, and deep engagement with sustainable best practices.

MSCI AA

MSCI ESG RATINGS

CCC	B	BB	BBB
A	AA	AAA	

MORNINGSTAR SUSTAINALYTICS 16.8

ESG RATINGS

Negligable | Low | Medium | High | Severe

0 10 20 30 40 50

S&P Global 41

ESG RATINGS

Social contribution

In line with the UAE's designation of **2025 as the Year of Community**, ADIB strengthened its commitment to social responsibility and inclusive development, scaling initiatives that support families, youth and wider community wellbeing. Throughout the year, the Bank advanced programmes aligned with national social priorities, encompassing community partnerships, employee volunteering, financial literacy, Emiratisation and targeted social support initiatives, reflecting ADIB's role as a responsible Islamic financial institution. These efforts were guided by a focus on creating lasting social value and fostering stronger, more resilient communities. In addition, the Bank collects and facilitates donations from customers towards community development and charity projects, and channels them towards UAE-based charity organisations.

Sustainable finance

Sustainable finance is governed through a comprehensive Group-wide framework that ensures ESG considerations are consistently embedded across financing, investment and advisory activities. The Group's Sustainable Finance Framework and supporting policies establish clear principles, eligibility criteria and oversight mechanisms for green, social and sustainable financing activities, aligned with recognised international market standards.

These frameworks are complemented by environmental and social risk requirements that guide decision-making across corporate, institutional, retail and investment activities, reinforcing transparency, risk discipline and accountability. Through these achievements we continue to lead the region's transition to a low carbon, sustainable economy, reinforcing its alignment with the Paris Agreement. We have a mechanism in place to approve and endorse the categorisation and labelling of financing activities in accordance with the Group's Sustainable Finance Framework and the relevant LMA principles, as well as ICMA Principles. We also support clients to access solutions that support environmental and social objectives while aligning with responsible banking principles.



Sustainability governance

To drive accelerated progress on ESG and in recognition of its importance to the Bank's strategy and operations, ADIB employs the best practice governance framework, with full Board oversight and executive accountability, including score card linked to ESG KPIs. The Board ESG Committee received key updates on sustainability initiatives linked to the corporate strategy, ESG-related roadmap and key milestones in addition to awareness session on key ESG market trends and updates. In addition to the above, the Board Risk Committee (BRC) also received updates on Environmental, Social and Risk Management and climate risk. All sustainability initiatives are monitored by the Group Sustainability Committee, which is chaired by the Group CEO.



Awarded "World's Best Islamic Bank for ESG" at the Euromoney Islamic Finance Awards 2024



Named "Best Islamic Bank for ESG" – UAE by Global Finance



Honored with "Best Islamic Bank for ESG" at the MEED MENA Banking Excellence Awards 2025

AED 20BN
in Sustainable Finance

8.6 ADX SUSTAINABILITY DISCLOSURES ALIGNMENT TABLE

Metric	Indicator	Response
E1. Environmental Operations	E1.1) Does your company follow a formal Environmental Policy? Yes/No	Yes. ADIB has established comprehensive Environmental policies and procedures and is certified to ISO 14001 for its Environmental Management System.
	E1.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No	Yes.
	E1.3) Does your company use a recognised energy management system? Yes/No	Yes. as well as being in the process of obtaining ISO 50001 for Energy Management System.
E2. Water Usage	E2.1) Total amount of water consumed	86,120 m3 -Total water consumption
	E2.2) Total amount of water reclaimed	N/A
E3. Waste Generation	E3.1) Total waste generated, per waste type	* 357.91 Tons - General Waste (tissues, paper cups, food waste)
	E3.2) Percentage of waste recycled, per waste type	* 49.74 Tons - Recyclable waste (paper, glass & metal and plastic waste in all ADIB Branches & Offices). * 24,806 Kg - Confidential paper waste recycled thru ENDOSHRED * 1.1 Tons - 2025: Green Certificate - JAFZA Recycled Materials (Solar and Metal)

Metric	Indicator	Response
E4. **Energy Usage**	E4.1) Total amount of energy directly consumed	* 3,480.5 GJ from petrol consumption * 308.1 GJ from diesel consumption * 3,789 GJ total
	E4.2) Total amount of energy indirectly consumed	* 27,520,702 Kwh - Total Electricity Consumption ADIB has also installed solar panels on its JAFZA building. This has led to significant carbon footprints reduction and electricity cost savings, as compared with conventional energy sources. The total Energy Saving from ADIB's renewable energy source for the JAFZA facility only are as follow: - Total Electrical Cost saved at JAFZA in 12 months after Solar PV Commissioning (compared to 2024) = AED129,782.94/- - Total KWH consumption saved at JAFZA in 12 months after Solar PV Commissioning (compared to 2024) = 272,832 kWH - Total Carbon Footprint reduced at JAFZA in 12 months after Solar PV Commissioning (compared to 2024) = 109,136 Kg CO2e
E5. **Energy Intensity**	E5.1) Total direct energy usage per output scaling factor	* GJ/Employee: -0.7245 * GJ/m2 of space across all facilities: 0.0394
E7. **GHG Emissions**	E7.1) Total amount in CO2 equivalents, for Scope 1	418.6 tCO_2e
	E7.2) Total amount, in CO2 equivalents, for Scope 2 (if) applicable	* 11,008.3 tCO_2e
	E7.3) Total amount, in CO2 equivalents,for Scope 3 (if) applicable	* 165.35 tCO_2e - only covering Business Travel (DNATA)
E8. **Emissions Intensity**	E8.1) Total GHG emissions per output scaling factor	* tCO_2e /Employee: 2.21 * tCO_2e /m2 of space across all facilities: 0.12

Metric	Indicator	Response
E9. Climate Strategy	E9.1) Describe the climate-related risks and opportunities that could reasonably be expected to affect your organisation's prospects. Also explain, for each climate-related risk your organisation has identified, whether your organisation considers the risk to be a climate-related physical risk or transition risk.	The Bank is exposed to potential financial, operational, and reputational impacts arising from climate-related risks including both physical and transition risks. These risks include climate-related disruptions, regulatory changes, human resources challenges such as workforce management and diversity, and governance failures like poor compliance or unethical practices. If the Bank fails to manage climate-related risks effectively, it may result in increased costs, legal liabilities, and diminished stakeholder trust. ADIB recognizes that integrating Climate considerations into risk management frameworks is now essential for long-term resilience and sustainable value creation.
	E9.2) Describe the current and anticipated impacts of climate-related risks and opportunities on your organisation's business model and value chain	The Bank has a methodology to assess climate-related risks and its impact on its portfolio at Transaction / Obligor, Portfolio and Enterprise levels. The assessment includes both physical and transition risks. Considering the existing portfolio dynamics and regulatory requirements, the impact of physical risks appears to be relatively significant.
	E9.3) How has your organisation responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including the plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation?	The Bank plans to monitor climate-related risks as part of its overall ESG risk appetite metrics which include exclusion and restricted lists, and high ESG risk limit exposures. The climate considerations are factored into informed strategy and decision making through ESG Risk assessment, portfolio reviews, and stress testing
	E9.4 What are the current effects (during the reporting period) of climate-related risks and opportunities on your organisation's financial position, financial performance and cash flows for the reporting period (current financial effects)?	The current effects of climate-related risks are assessed through overall ESG risk appetite metrics and stress testing based on climate-related scenarios to measure robustness and capital adequacy under risks caused by climate change.
E10. Climate Related Risks and Opportunities	E10.1) Describe the processes and policies your organisation uses to identify, assess, prioritise, and monitor climate-related risks, and the inputs and parameters used in these processes.	Climate-related risks are managed through various risk management policies such as ESG Risk Management Policy, Risk Appetite Policy, and ICAAP / Stress Testing Policy. The impact on ECL and Capital Adequacy is assessed accordingly.
	E10.2) Whether and how does your organisation use climate-related scenario analysis to inform the identification of climate-related risks?	Stress testing for climate scenarios and monitoring regulatory developments are integral to the framework. Separate stress testing based on climate related scenarios is also conducted by the bank to measure the robustness and capital adequacy under risks caused by climate change.

Metric	Indicator	Response
E11. **Climate Governance**	E11.1 Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of climate-related risks and opportunities?	Abu Dhabi Islamic Bank (ADIB) upholds strong governance practices in embedding environmental, social, and governance (ESG) principles across its operations through the adoption of a comprehensive, Group-level ESG Risk Management Policy, as well as through the responsibilities found within the ESG Board Committee Charters, respectively. The ESG risk governance structure is designed to support the Board of Directors in fulfilling its governance responsibilities. At the core of this framework is the establishment of management-level committees that integrate ESG considerations across ADIB Group activities. Together, these committees provide effective oversight and management of ESG risks: 1. Board Risk Committee: Responsible for approving and reviewing the Group's ESG Risk Management Policy. The Committee delegates ESG risk oversight and management to relevant personnel, units, and other committees, as required. 2. Board ESG Committee: Oversees ADIB's ESG strategy and policies, ensuring alignment with applicable laws, regulations, and Shari'a requirements. 3. Management Risk Committee: Reviews and recommends the ESG Risk Management Policy, including ESG risk appetite, risk assessment methodology, models, and frameworks, for approval by the Board Risk Committee. In addition, the Enterprise Risk Committee reviews and recommends portfolio-level assessments, scenario analysis, and stress testing results as part of the Internal Capital Adequacy Assessment Process (ICAAP), for approval by the Board Risk Committee. **Board ESG Committee** The Board has established the Board ESG Committee to provide detailed governance and guidance over our sustainability vision, including our Net Zero commitment, which is a strategic priority for the Bank. The Committee is chaired by Ms. Maha Al Qattan, who brings a wealth of experience in sustainability and ESG. Its members include Mr. Abdullah Al Ahbabi and Abdul Wahab Al Halabi, who come from different business backgrounds and bring complementary skills and experience. The Committee reviews ESG / sustainability goals, targets, policies, strategies, initiatives, programmes, and related plans (e.g., short-term and long-term) proposed by the ESG Department, taking into consideration the following: - ADIB's ESG / sustainability targets and annual budget requirements. - Alignment with ADIB's corporate strategy. - Actions related to ESG / sustainability-related risks, opportunities, and material issues. - Recommendations proposed by the ESG Department to enhance ADIB's ESG / sustainability-related progress. - Materiality Assessments covering impacts, risks and opportunities arising from climate and sustainability related areas. - Recommendations on approach to development of ADIB disclosure practices with regards to IFRS S1 and S2.

Metric	Indicator	Response
	E11.2) How does the body or individual consider climate-related risks and opportunities when overseeing your organisation's strategy?	The Bank has established a robust oversight framework to monitor climate-related risks impact through various Board and management level committees using regulatory updates and reviewing periodic ESG risk appetite.
	E11.4) Has your organisation delegated the role of overseeing climate-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised?	Like all types of risks, climate-related risks are also monitored by the Management Risk Committee. In addition, the ESG-specific Management Committee also provides dedicated oversight, with regular reporting and escalation to senior management.
E12. Climate Targets	E11.3) Are performance metrics related to climate targets included in remuneration policies? If so, how?	ADIB has set interim 2030 targets for both operational and financed emissions. The Bank is targeting a 49% reduction in operational emissions and has set targets for six high-impact sectors within its financed portfolio, including real estate developers, aviation, vehicle finance, home finance, utilities, and petroleum manufacturing. Through these interim targets, we are working to decarbonise our portfolio and operations in line with UAE Net Zero 2050. These targets were set using PCAF guidelines. The first stage of target-setting involved establishing baselines for our operational and financed emissions to determine our current GHG inventory. We conducted these assessments in line with leading industry practices, using the GHG Protocol for operational emissions and the Partnership for Carbon Accounting Financials (PCAF) for financed emissions baselining. For our operational emissions, we considered those generated from our banking operations in the UAE, the UK, and Egypt. As part of our comprehensive decarbonisation strategy, we have aligned ourselves with global and regional net zero pledges and scenarios. Drawing on insights from institutions such as the International Energy Agency (IEA), particularly its Net Zero Emissions (NZE) by 2050 pathway, we have set ambitious targets for ourselves. We are also closely attuned to the UAE's regional net zero ambitions, which significantly inform our approach to setting targets for reducing financed emissions. This strategic alignment helps ensure our efforts are both impactful and consistent with broader sustainability initiatives at the global and regional levels. Following the baselining of our operational emissions, we set interim decarbonisation targets to be achieved by 2030. We are already implementing a number of measures to reduce our operational emissions and are exploring further levers, including reducing leakages, improving the efficiency of HVAC systems, and procuring clean energy through I-RECs or PPAs, to strengthen our efforts. In setting our 2030 operational emissions targets, we also took into account the impact of the UAE's grid decarbonisation pledges and energy efficiency improvements to further fine-tune our approach.

Metric	Indicator	Response
		At ADIB, we strictly adhere to and align with Maqasid Shari'a (purpose of Shari'a) as our guiding principle. Maqasid Shari'a refers to the underlying goals and objectives of Shari'a, which are universal and intended to promote the well-being and prosperity of individuals and society. These goals provide a framework for interpreting and applying Islamic law and are an important source of guidance in Islamic finance. As Shari'a law encompasses and guides each aspect of our lives, we are committed to integrating its major pillars as our core guiding tenet into our business operations and sustainability initiatives. These major principles can be classified primarily as: Protection of Religion (Deen) Protection of Life (Nafs) Protection of Intellect (Aql) Protection of Progeny (Nasl) Protection of Wealth (Mal)
S3. **Employee Turnover**	S3.1) Percentage: Year-over-year change for full-time employees	2025 Annual Turnover = 10%
	S3.3) Percentage: Year-over-year change for contractors/consultants	2025 Annual Turnover = 22%
S4. **Gender Diversity**	S4.1) Percentage: Total enterprise headcount held by men and women	Male = 56% Female = 44%

Metric	Indicator	Response
S4. **Gender Diversity**	S4.2) Percentage: Entry- and mid-level positions held by men and women	Male = 55% Female = 45%
	S4.3) Percentage: Senior- and executive-level positions held by men and women	Male = 94% Female = 06%
S4. **Gender Diversity**	S7.1) Percentage of national employees, per employment category	ADIB Emiratization % = 49%
S8. **Non-Discrimination**	S8.1) Does your company follow non-discrimination policy? Yes/No	Yes. ADIB prohibits discrimination and promotes equality through its HR Policy Manual, Code of Ethics, Grievance and Disciplinary Policies, and Employee Handbook, ensuring fairness, dignity, wellbeing, and an inclusive and respectful work environment for all employees. ADIB has also published a Diversity & Inclusion Policy among its public disclosures.
S9. **Health, Safety and Wellbeing**	S9.1) Does your company follow an occupational health and/or health & safety policy? Yes/No	Yes. ADIB has an established Occupational Health and Safety Policy and Procedures and is certified to ISO 45001 for Occupational Health and Safety Management Systems.
S10. **Injury Rate**	S10.1) Percentage: Frequency of injury events relative to total workforce time	Zero, as ADIB provides extensive Health and Safety training to both staff and service providers, ADIB has achieved zero serious injuries or fatalities across ADIB UAE premises. This performance is supported by comprehensive training programs and a strong system for hazard identification, risk assessment, and mitigation

Metric	Indicator	Response
S11. **Child and Forced Labor**	S11.1) Does your company follow a child and/or forced labour policy? Yes/No	No, We do not have a publicly published statement on forced labor, however, we ensure through controls and policies that we do not engage in any form of child or forced labour. As a leading Islamic bank, ADIB strictly adheres to the laws of the United Arab Emirates as well as the principles and values of Islamic Shari'a applied across the Group. We do not conduct, support, or tolerate any practice that conflicts with Shari'a principles, ethical standards, or the reputation of the ADIB Group. While this may not be explicitly outlined in a standalone policy at this stage, our commitment is clearly reflected in: • ADIB's Position Statement on Shari'a Compliance, which guides all business conduct in alignment with Islamic values; and • Our adherence to applicable UAE labour laws, which explicitly prohibit child and forced labour. Together, these frameworks ensure that our policies, procedures, and operations uphold the highest standards of integrity, social responsibility, and compliance, fully rejecting any form of child or forced labour.
	S11.2) If yes, does your child and/or forced labour policy also cover suppliers and vendors? Yes/No	Yes. The CPD policies and core ADIB policies are fully extended to all ADIB suppliers and are contractually enforceable as follows: Child Labor. • All ADIB supplier and vendor contracts include explicit clauses that are fully aligned with UAE Labor Law, strictly prohibiting any form of child labor across the supply chain. • Compliance with child labor regulations is a mandatory contractual requirement for all suppliers, subcontractors, and service providers engaged by ADIB. Vendor Registration and Due Diligence • Social Responsibility requirements are embedded at the Vendor Registration stage. • These requirements are governed by Clause 2.2 – Social Responsibility of the CPD Vendor Registration Policy, ensuring that suppliers formally acknowledge and commit to ethical labor practices, including the prohibition of child labor, prior to engagement.
S12. **Human Rights**	S12.1) Does your company follow a human rights policy? Yes/No	Yes. ADIB maintains a strong commitment to non-discrimination, fairness, and employee wellbeing, which is embedded across the HR Policy Manual, under Get Aware of ADIB Values and Principles, together with the ADIB Code of Ethics, expressly prohibits discrimination on the basis of race, nationality, religion, gender, disability, or any other personal characteristics. These principles ensure equality of opportunity and respectful treatment for all employees.

Metric	Indicator	Response
		ADIB's Grievance and Disciplinary Policies further reinforce this commitment by ensuring fair treatment, due process, and protection from harassment or abuse, providing employees with clear mechanisms to raise concerns in a safe and confidential manner. Additionally, the ADIB Employee Handbook under Employee Engagement & Wellbeing positions employee wellbeing as a core strategic priority. ADIB is committed to providing employees with a safe, healthy, supportive, and inclusive workplace, enabling staff to perform their duties effectively within a culture built on mutual respect, fairness, dignity, trust, and collaboration.
S12. **Human Rights**	S12.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	Yes, Human Rights requirements are fully embedded within ADIB's due diligence processes and extended to all suppliers. Human Rights • All ADIB suppliers are subject to Human Rights due diligence at the Vendor Registration stage, ensuring alignment with ADIB's core policies and applicable laws. • Human Rights obligations, including fair treatment, non-discrimination, and ethical labor practices, are covered under "Social Responsibility" – Clause 2 of the CPD Vendor Registration Policy. • Suppliers are required to formally acknowledge and comply with these requirements as a precondition for registration and engagement with ADIB. Governance and Enforcement • Compliance with Human Rights standards is monitored through procurement controls, supplier declarations, and contractual obligations. • Any breach of Human Rights requirements may result in vendor disqualification, suspension, or contract termination, in accordance with ADIB's procurement and risk management frameworks.
S13. **Community Investment**	S13.1) Amount invested in the community, as a percentage of company revenues.	AED 20 million.

Metric	Indicator	Response
G1. Board Independence	G1.1) Does company prohibit CEO from serving as board chair? Yes/No	Yes. in accordance with the Central Bank of the UAE's Corporate Governance Regulation and Standards.
	G1.2) Percentage: Total board seats occupied by independent board members	Five out of seven board members are independent.
G2. Board Diversity	G2.1) Percentage: Total board seats occupied by men and women	One board seat occupied by a woman, and six occupied by men.
G3. Supplier Code of Conduct	G3.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/No	Yes
	G3.2) If yes, what percentage of your suppliers have formally certified their compliance with the code	98% supplier compliance with the Code of Conduct, indicating that no issues have been reported.
G4. Ethics and Prevention of Corruption	G4.1) Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/No	Yes. ADIB formally follows Ethics and Prevention of Corruption policies, evidenced through approved and implemented internal documents, including: • ADIB Code of Ethics, which establish mandatory standards of ethical conduct, integrity, compliance with laws, and zero tolerance for misconduct, corruption, bribery, or abuse of position across ADIB and its subsidiaries • Annual employee attestation and declaration of compliance with the Code of Ethics, including outsourced staff, with active monitoring and follow up demonstrated through internal compliance tracking emails • Group Compliance Policies & Procedures & ADIB Ethical policies covering Anti Money Laundering (AML), Counter Terrorist Financing (CTF), conflicts of interest, and misuse of ADIB services • The Whistleblowing Policy which provides secure and confidential channels to report suspected corruption or misconduct, with protection against retaliation

Metric	Indicator	Response
G4. Ethics and Prevention of Corruption	G4.2) If yes, what percentage of your workforce has formally certified its compliance with the policy	100% was the completion rate of confirming and attesting the Code of Ethics and Standards of Professional Conduct for the 2025 cycle.
G5. Data Privacy	G5.1) Does your company follow a Data Privacy policy? Yes/No	Yes.
G7. Sustainability Risks Management	G7.1) Describe the processes and policies your organisation uses to identify, assess, prioritise, and monitor sustainability-related risks, and the inputs and parameters used in these processes.	The ESG risks are managed through various risk management policies such as ESG Risk Governance Framework, Risk Appetite Policy, and ICAAP / Stress Testing Policy. The Bank uses methodology to assess ESG risks and its impact on its portfolio at Transaction / Obligor, Portfolio and Enterprise levels. This includes overall ESG risk appetite metrics and stress testing based on climate-related scenarios.
	G7.2) How are the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities integrated into and informing your organisation's overall enterprise risk management process?	ESG risk assessments are integrated at the transaction-level decision making. In addition, it is an integral part of portfolio analysis and risk appetite monitoring, and enterprise-level stress testing for capital adequacy. ESG related risk metrics are monitored and reported to senior Management as part of the Quarterly Risk Dashboard
G8. Sustainability Governance	G8.1) Which governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) is responsible for oversight of sustainability-related risks and opportunities?	The ESG Board and Management Committees.
	G8.2) How does the body or individual consider sustainability-related risks and opportunities when overseeing your organisation's strategy?	The key risk appetite metrics used by the Bank for ESG are (i) Zero appetite for ESG exclusions list, and (ii) Financing exposure to High ESG risk sectors as a % of total portfolio.

Metric	Indicator	Response
G10. Disclosure Practices	G10.1) Does your company publish a sustainability report? Yes/No	Yes.
	G10.2) Does your company publish a GRI, IFRS, CDP, SASB, IIRC, or UNGC based report?	Our report is a GRI report. However, in the 2025 report we produced a TCFD alignment table. ADIB has also completed an IFRS S1 and S2 disclosure readiness line-by-line gap assessment to allow us to anticipate a disclosure timeline for IFRS down the line.
G11. External Assurance	G11.1) Are your sustainability disclosures assured or verified by a third-party audit firm? Yes/No	Currently, we have only gained third-party assurance on our Green Sukuk Impact and Allocation Report.
I1. Sustainability Reporting	I1.1) Does your company publish a sustainability report? Yes/No	Yes, ADIB publishes an annual standalone Sustainability Report, as is available here https://www.adib.ae/en/esg-and-sustainability/esg-and-sustainability-reports.
I2. ESG Ratings	I2.1) Has your company received an ESG rating (solicited or unsolicited)? Yes/No	Yes
	I2.2) If yes, provide the latest overall ESG score.	MSCI: AA (Leader Category) Sustainalytics: 16.8 (Low Risk) S&P: 41

CORPORATE GOVERNANCE

9.1 CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present ADIB's 2025 Corporate Governance Report. As we reflect on 2025, Abu Dhabi Islamic Bank (ADIB) continued to advance its strategy and growth with discipline and purpose. We strengthened our governance framework, deepened regulatory alignment, and fostered a culture of high performance and accountability. Throughout the year, we made ongoing investments in our control functions to support the Group's accelerated growth and safeguarded stakeholder interests. These pillars, anchored in our Shari'a values and commitment to serving the UAE economy shaped a year of steady progress and prepared us well for the future.

SETTING A HIGHER BAR FOR GOVERNANCE AND COMPLIANCE

In 2025, ADIB worked on enhancing its Corporate Governance Framework through targeted policy reviews and Board level oversight, ensuring our standards remain aligned with evolving regulations and global best practices. Notably, we updated Fitness & Propriety Policy and Procedures to fully align with the Central Bank of the UAE (CBUAE) requirements. We also engaged proactively with the CBUAE on thematic reviews and comprehensive remediation plans were implemented, strengthening governance, risk management and internal controls.

Risk Management

In 2025, ADIB demonstrated a proactive and comprehensive approach to risk management, strengthening its frameworks to address both traditional and emerging risks across the organization. Recognizing the dynamic nature of the financial sector, ADIB placed particular emphasis on emerging risks such as digital transformation and sustainability. The Bank implemented a robust Risk Management Framework to ensure effective risk oversight, operating within its approved risk appetite and regulatory requirements.

During the year, ADIB expanded its risk management framework to formally incorporate Environmental, Social, and Governance (ESG) risks and climate-related risks as principal risks. This reflects the Bank's recognition of the growing importance of sustainability, climate change, and responsible finance in the banking sector. ADIB now screens transactions for ESG risks using global standards and proprietary due diligence tools, and has set measurable targets for reducing financed emissions by 2030.

ADIB also remains fully committed to maintaining the highest standards in combating financial crime and supporting the UAE's 2024–2027 National Strategy for Anti-Money Laundering. In this context, the Bank enhanced its compliance capabilities, particularly through the expanded deployment of advanced technologies to improve risk assessments and ensure robust protection against emerging threats.

By continuously refining its risk frameworks and embracing innovation, ADIB remains well-positioned to navigate the complexities of a rapidly changing risk landscape and to support sustainable growth.

Putting customers at the center

In line with CBUAE Consumer Protection Regulations and Standards, we advanced a multi-year plan to uplift customer-facing documents, systems and infrastructure, and to revise policies and procedures so our service is transparent, fair and reliable at every touchpoint. These actions further enhance customer confidence and experience while reinforcing market-conduct obligations.

Advancing sustainability and ESG leadership

In 2025, we strengthened our net-zero pathway across operational and financed emissions, including energy-efficiency initiatives, a sustainable-finance strategy, and responsible procurement practices. Our progress was recognized with an upgrade to AA by MSCI, underscoring ADIB's strong ESG practices and governance.

We maintained leadership in sustainable finance, with the portfolio reaching **AED 18 billion in 2025,** reinforcing ADIB's role in enabling the real economy's transition through Shari'a-compliant solutions.

Investing in our people and culture

Our success is powered by our people. We advanced Emiratization, strengthened inclusion, and sustained a diverse workforce in which women now constitute **44% of ADIB employees.**

The 2025 employee-engagement survey achieved one of the highest response rates in the region, and its insights are shaping initiatives focused on wellbeing, development and an outstanding employee experience. These efforts build a future-ready workforce and an enduring culture of excellence.

Effective oversight across the Group

Our governance structure ensures robust oversight of international branches, subsidiaries and affiliates while preserving legal-entity autonomy. Primary oversight is delivered through Board-approved nominations of ADIB representatives to subsidiary boards, with transparent reporting to the Group Chief Executive Officer and onward to the Board. Secondary oversight under delegated authority utilizes joint steering committees, service-level agreements, and shared management-committee participation, providing a structured approach to principal-risk monitoring and strategic alignment across ADIB Group.

The Board's commitment to strengthening governance was evident through its emphasis on continuous training and awareness programs tailored to evolving business needs. These programs addressed critical areas such as Risk Management, Digital Banking & Artificial Intelligence, Compliance, Shari'a Governance, ESG, and Corporate Governance, ensuring the Board and management remained well-equipped to navigate complex regulatory and operational landscapes.

Looking ahead

We enter 2026 with confidence and clarity. Guided by strong governance, prudent risk culture, and disciplined execution, ADIB will continue to innovate for customers, invest in talent, deepen regulatory cooperation, and advance our sustainability agenda. We remain focused on delivering resilient performance and long term value for our shareholders while contributing to the UAE's ambitions and the broader growth of Islamic finance.

On behalf of the Board, I extend my appreciation to our shareholders, customers, regulators and colleagues for their trust and partnership. Together, we will build on ADIB's strengths and continue our journey of responsible growth.

H.E. Jawaan Awaidha Suhail Al Khaili
Chairman



9.2 KEY CORPORATE GOVERNANCE HIGHLIGHTS & ACHIEVEMENTS – 2025

Strengthening Governance:

In 2025, ADIB advanced its Corporate Governance Framework through targeted initiatives aimed at enhancing efficiency, aligning with regulatory requirements, and reinforcing operational effectiveness. Over the course of the year, several key policies were reserved for Board approval, ensuring alignment with evolving regulations and global best practices.

Furthermore, collective efforts throughout 2025 were made in reviewing and developing the policies and procedures, which includes the Fitness and Propriety Policy and Procedures. This initiative was undertaken to ensure ADIB's full compliance with the CBUAE Fitness and Propriety Regulation and standards, which was released at the end of 2024.

This endeavor demonstrates ADIB's unwavering commitment to adhering to the laws and regulations set forth by the legislators. It is a testament to ADIB's dedication to maintaining the highest standards of integrity and propriety in all our operations.

In line with its commitment to consumer protection, ADIB maintains a comprehensive plan to align with CBUAE Consumer Protection Regulations and Standards. This includes reviewing and enhancing consumer-facing documents, uplifting systems and infrastructure, and revising policies and procedures to ensure better alignment with regulatory expectations and to enhance customer confidence and experience.

These efforts collectively demonstrate ADIB's dedication to maintaining a robust Corporate Governance Framework that fosters transparency, efficiency, and resilience while meeting the needs of stakeholders and adhering to regulatory obligations.

Regulatory Compliance

In 2025, ADIB reinforced its commitment to regulatory excellence by actively engaging with the CBUAE to address findings from thematic reviews. The reviews covered critical areas such as Credit Risk Management Standards, Pillar 2, Common Reporting Standards, Audit, Market Conduct Risk, Asset Quality, Strategy, Emiratization, Regulatory Compliance and Internal Audit, Retail Credit and Wealth Management and Market Conduct.

ADIB developed and implemented comprehensive remediation plans to address the outcomes of these reviews, ensuring enhanced alignment with regulatory expectations and bolstering the Bank's operational resilience. These efforts extended beyond compliance, focusing on integrating best practices to strengthen governance, risk management, and internal controls across the Bank.

The Bank's progress in this area was evidenced by a consistent improvement in its CBUAE quarterly dashboard ratings, reflecting enhanced regulatory confidence and recognition of ADIB's proactive approach to addressing key regulatory priorities. These achievements underscore the Bank's focus on maintaining a robust governance framework that supports sustainable growth and risk mitigation.

Looking forward, ADIB remains committed to embedding a culture of compliance that prioritizes transparency, accountability, and adaptability. By continuously refining its frameworks and aligning with regulatory advancements, ADIB is well-positioned to meet the evolving expectations of regulators, stakeholders, and the industry at large.

Driving Digital Transformation

In 2025, ADIB prioritized digital transformation as a core driver of operational efficiency, customer engagement, and long-term growth. Digital initiatives focused on integrating advanced tools and leveraging data-driven insights to streamline processes, enhance risk management, and improve customer experiences. These efforts enabled the Bank to manage increased transaction volumes effectively while maintaining a robust control environment.

ADIB Ventures, continued fostering fintech partnerships and accelerating the development of innovative digital solutions. This initiative reflects ADIB's commitment to staying at the forefront of technological advancements and creating value through collaboration.

As part of ADIB 2035 Vision, there is an increased focus on Generative AI, automation, and digital solutions. These pillars are central to ADIB's strategy to drive efficiency, deliver exceptional customer experiences, and unlock growth opportunities in an increasingly digital world. By embracing cutting-edge technology, ADIB is positioning itself as a forward-looking institution prepared to adapt to the evolving needs of the financial services sector.

Throughout the year, ADIB continued with its commitment to digitization through various programmes launched by the CBUAE. These programmes are aimed at transforming the financial infrastructure of the UAE to become a digital and financial hub and a centre of excellence for innovation and digital transformation.

Advancing Sustainability and ESG

In 2025, ADIB continued to maintain and improve strong ESG governance with dedicated ESG committees at both the executive management and Board levels, to provide clear oversight, accountability, and decision-making on bank-wide ESG matters. ESG and sustainability risks are integrated into risk management through updates to the Bank's Risk Management Policy and a comprehensive ESG Risk Management Policy, as well as through scenario analysis and stress testing exercises. ADIB's proprietary ESG due diligence toolkit rates transactions, triggers mitigation and escalation where needed, and restricts activities posing unmitigated ESG risks. ADIB also continues to set its sight on improving disclosures with the completion of a full IFRS S1 and S2 gap assessment, positioning us on the path to reporting against the IFRS Sustainability Standards.

Transparency and market recognition continued to strengthen: ADIB maintained MSCI AA ("Leader") and improved its Sustainalytics ESG Risk Score to 16.8 (low risk) from 34.1 (high risk), emphasizing ADIB's leading ESG rating position in the region among banks. As a signatory to the UN Principles for Responsible Banking—with its inaugural PRB report released in mid-2025—and a board member of the Global Climate Finance Center in Abu Dhabi, ADIB is active in positioning the UAE capital as a leading hub for sustainable finance. This milestone highlights ADIB's continued focus on integrating environmental, social, and governance principles into its operations and strategic decision-making.

ADIB also maintained its leadership in sustainable finance, with consistent progress against the AED 60 Bn by 2030 target the bank has set for mobilizing sustainable finance. With the issuance of ADIB's inaugural Green Sukuk impact and allocation report, the bank demonstrates strong transparency in our sustainable finance activities, and our commitment to mobilizing capital to aid the energy transition.

In continuing our commitment to being a lifelong partner to our community, we have continued highlighting Islamic values, showcasing the UAE's culture and heritage, partnering and volunteering with local programs and charities, and creating impact on community development through educational and healthcare related activities.



People and Culture

ADIB's unwavering focus on its people lies at the heart of its success, fostering a culture that drives innovation, excellence, and resilience. In 2025, the Bank reinforced its strategic commitment to Emiratisation, strengthening its role as a key contributor to UAE economic growth and national development. Diversity and inclusion remain integral to ADIB's organizational ethos. The workforce represents over 51 nationalities, creating a rich and dynamic environment that reflects the global outlook of the Bank. Additionally, women constitute 44% of ADIB's employees, demonstrating the Bank's dedication to gender balance and its continued efforts to empower women across all levels of the organization.

An important milestone for 2025 was the employee engagement survey, which achieved one of the highest response rates in the region. This outstanding participation underscores the deep alignment between the Bank and its employees, as well as their shared commitment to ADIB's mission and values. Insights from the survey are actively shaping initiatives that enhance workplace satisfaction, cultivate well-being, and elevate professional development, further positioning ADIB as an employer of choice.

Furthermore, ADIB has announced the process to hire 400 UAE Nationals in Al Ain under ADIB's Al Ain Excellence Centre by the end of 2026, supporting the UAE Emiratization agenda and the Nafis Program. This initiative will create opportunities in areas such as retail banking, operations, compliance, and collections, strengthening ADIB's presence in Al Ain.

After the announcement, ADIB successfully appointed 230 UAE Nationals during 2025, reflecting its commitment to developing local talent.

In addition, ADIB continues to focus on training and development programs to prepare Emirati talent for leadership roles and contribute to the UAE's economic and digital transformation.

By advancing its focus on talent development, diversity, and employee engagement, ADIB is building a future-ready workforce that underpins the Bank's strategic ambitions, drives sustainable growth, and sets a benchmark for excellence in the industry.

9.3 BOARD PROFILE



H.E. Jawaan Awaidha Suhail Al Khaili

Chairman, Non-Independent, Non-Executive Director

H.E. Jawaan joined ADIB in February 2008.

External Positions:

National Holding, Chairman
Emirates Link Group, Co-founder & Chairman
Ittihad International Investment, Chairman



Dr. Faisal Sultan Naser Salem Al Shuaibi

Vice Chairman, Independent, Non-Executive Director

Dr. Faisal holds a PhD in Application of Strategic Development in Government and Security Institutions (Balanced Scorecard). He joined ADIB in March 2019.

External Positions:

Director General of the Strategy and Performance Development General Directorate at Ministry of Interior



Mr. Khalifa Matar Khalifa Al Mheiri

Independent, Non-Executive Director

Mr. Al Mheiri has been a Board Member of ADIB since April 2016. He is the Chairman of the Board of Directors – Abu Dhabi Islamic Bank, Egypt since March 2018.

Mr. Al Mheiri is the Executive Director of the Fixed Income Department at Abu Dhabi Investment Authority ("ADIA"), with responsibility for the overall management of the Department specifically in the areas of investment strategy, performance, risk, and organizational development. Prior to that, Mr. Al Mheiri was the Executive Director of the Alternative Investments Department, with responsibility for overseeing ADIA's investments in hedge funds. Mr. Al Mheiri joined ADIA in 1995 as a member of the Far East Department.

He holds a BSc in Business Administration focusing on Management Information Systems from the University of Arizona and a Masters in Finance from the London Business School. He is a CFA charter holder from the CFA Institute.

External Positions:

Fixed Income Department at Abu Dhabi Investment Authority ("ADIA"), Executive Director
Emirates Integrated Telecommunications Company, PJSC, Board member
Abu Dhabi Islamic Bank – Egypt (S.A.E), Chairman



Mr. Najib Youssef Fayyad

Non-Independent, Non-Executive Director

Mr. Najib Fayyad has over 30 years of global work experience serving in leadership roles including Chairman, Group CEO of large conglomerate holding companies, and Managing Director in the US, Europe, and the MENA region. Mr. Fayyad served as the Group CEO of National Holding Group and currently serving as the Special Advisor to the board of Directors and as Board member at National Holding and its various entities and subsidiaries. Mr. Fayyad is also serving as Board Member of Abu Dhabi Islamic Bank and sits on various Board Committees, and as Chairman of ADIB Capital, the Investment Banking and Asset Management arm of ADIB.

Previously, Mr Fayyad served as CEO of Abu Dhabi Investment House (ADIH), a regulated entity under the Central Bank of the UAE.
Mr. Fayyad operated extensively in regulated environment serving in various roles in multiple countries over the years such as in investment banking while in Bahrain regulated by the Central Bank of Bahrain; and as Chairman of the Board of Directors for a regulated investment and asset management company in Turkey regulated by the Capital Markets Authority.

Mr. Fayyad has worked across various sectors including financial advisory services with large multinational companies, such as Arthur Andersen Global Corporate Finance, KPMG, and PricewaterhouseCoopers in Washington DC.

External Positions:

National Holding Group, Special Advisor to the Board of Directors and Board Member

LEGEND

- Board Strategy Committee (BSC)
- Board Audit Committee (BAC)
- Board Risk Committee (BRC)
- Nomination & Compensation Committee (NCC)
- Board Credit & Investment Committee (BCIC)
- ESG Committee (ESG)

9.3 BOARD PROFILE



Mr. Abdulla Ali Musleh Jumhour Al Ahbabi

Independent, Non-Executive Director

Mr. Abdulla joined ADIB in March 2019. Previously he was the Chairman of the Abu Dhabi Water and Electricity Authority (ADWEA), acting undersecretary for Abu Dhabi Department of Finance, Assistant General Secretariat and a member of the Executive Committee of the Abu Dhabi Executive Council. He holds a Master's degree in Business Administration.



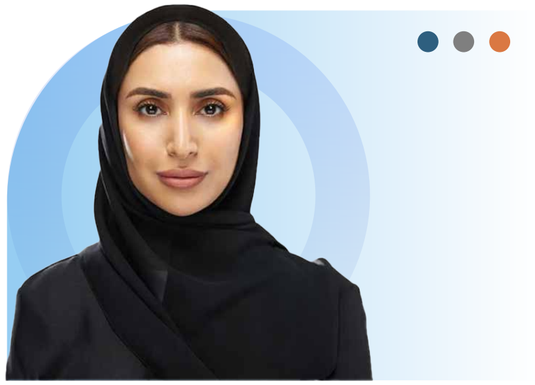
Mr. Abdul Wahab Al Halabi

Independent, Non-Executive Director

Mr. Abdul Wahab joined ADIB in March 2022. He currently holds the position of Managing Director and Founder at Embassy Capital. In addition, he is also Vice Chairman of Union Properties PJSC, Board member of Burjeel Holding PJSC and Talabat PJSC as well as several other unlisted entities in the education, financial and real estate spaces. He is a fellow of the Institute of Chartered Accountants in England and Wales and holds a Bachelor's Degree from the London School of Economics.

External Positions:

Embassy Capital, Managing Director and Founder
Union Properties PJSC, Vice Chairman
Burjeel Holding PJSC, Board Member
Talabat PJSC, Board member



Ms. Maha Mohammed Al Qattan

Independent, Non-Executive Director

Maha Al Qattan is a Chief People & Sustainability leader and board member with over 17 years of experience driving large scale organizational transformation across multinational, multi-sector enterprises. She currently serves as a board member of Abu Dhabi Islamic Bank (ADIB) and SEE Holding, contributing to governance, risk, and strategic oversight.

Previously, she served as Group Chief People & Sustainability Officer at DP World, leading the people, culture, ESG, and sustainability agenda across 70+ countries and a workforce of over 100,000 employees. Earlier in her career, she held senior HR leadership roles at GE, including HR Business Partner for Power Services across the MENA region, where she played a key role in large scale transformation and the integration of major industrial acquisition - Alstom.

Maha is recognized for shaping future ready operating models, leadership pipelines, and pioneering sustainability initiatives, including innovative sustainable finance instruments, and brings extensive board experience across banking, capital markets, media, and port operations.

External Positions:

SEE Holding, Board Member



LEGEND

- Board Strategy Committee (BSC)
- Board Audit Committee (BAC)
- Board Risk Committee (BRC)
- Nomination & Compensation Committee (NCC)
- Board Credit & Investment Committee (BCIC)
- ESG Committee (ESG)

9.4 SENIOR MANAGEMENT PROFILE



Mohamed Abdelbary

Group Chief Executive Officer

Mohamed Abdelbary is the Group Chief Executive Officer at Abu Dhabi Islamic Bank (ADIB). As Group CEO, he is responsible for leading ADIB strategic directions, overseeing the Group operations and ensuring the bank's profitability and growth. With over 28 years of experience in financial services and banking, he has held key positions in leading financial institutions, including Citibank, Barclays Bank, and Standard Chartered Bank. His deep knowledge and strategic vision have been instrumental in driving the growth and success of the organizations he has been part of.

Abdelbary joined ADIB in May 2020 as the Group Chief Financial Officer, a role in which he played a pivotal role in shaping the financial strategy and performance of the bank.

Mohamed possesses the CFA® Charter holder credential, demonstrating his commitment to the highest standards of ethics and professionalism in the industry. His visionary leadership and unwavering commitment to excellence continue to shape ADIB's path towards a future of sustainable growth and prosperity.

External Interests

Board Member, Kawader Services LLC
Board Member, ADIB Capital Limited
Vice Chairman, MPM Properties LLC
Vice Chairman, Burooj Properties LLC



Amit Malhotra

Group Head of Retail Banking, ADIB

Amit Malhotra is the Group Head of Retail Banking at Abu Dhabi Islamic Bank. With a robust career spanning nearly three decades, Amit has made significant contributions to the banking sector across various geographies. In his current role, he oversees the retail banking operations, driving strategic initiatives to enhance customer experience, expand the bank's retail footprint, and leverage digital innovations to deliver superior banking services. Amit's diverse expertise includes sales and distribution management, product management, credit operations, risk management, and digitization. He managed extensive portfolios at institutions like CBD, Citibank, Al Hilal Bank, and Standard Chartered Bank.

External Interests

Chairman, Abu Dhabi Islamic Securities LLC (ADIB Securities)
Chairman, Abu Dhabi Islamic Merchant Acquiring Company LLC (ADIMAC)
Board Member, ADIB Capital Limited



Ahsan Akhtar

Acting Group CFO

Ahsan Akhtar serves as the Acting Group Chief Financial Officer. He joined ADIB in 2008, bringing with him a wealth of experience in financial management and strategic planning. Prior to his appointment as acting CFO in March 2024, he was the Group Financial controller since 2008. In his current position, he oversees the Group Finance function (Financial Planning, Business Performance, Taxation, Economics, Group Strategy, Strategic Sourcing and Procurement). He previously spent 15 years in different senior positions with international banks and firms including Citi Bank and PWC. He is a chartered accountant from the UK and a graduate from the London School of Economics (LSE), underscoring his strong professional qualifications in finance and accounting.



Mohammed Al Fahim

Acting Global Head of Wholesale Banking Group

Mohammed Al Fahim is the Acting Global Head of Wholesale Banking Group. With 23 years of banking experience, he has held diverse leadership roles in various banks, demonstrating his extensive expertise in the field. In his current position, Mohammed oversees the execution of high-profile Corporate Finance and Capital Market transactions. Prior to his current role, Al Fahim served as the Regional Head of Corporate Banking, responsible for corporate banking Abu Dhabi, including trade and industrial sector, services sector, and government sector. He was also responsible for commercial real estate, and commercial banking business.

External Interests

Chairman, Burooj Properties LLC
Board Member, MPM Properties LLC



Abdul Qadir Khanani

Group Treasurer

Abdul Qadir Khanani joined ADIB in 2012 as Group treasurer. He has over 35 years of experience in the banking and finance sector where he held various positions in regional and international banks such as Citigroup. At ADIB, he is responsible for the Group treasury function including FX trading and sales, funding and management and managing the bank's liquidity. He is a member of the Bank's Management Executive Committee as well as the Assets and Liabilities management committee and various management committees at Group level. He has more than 35 years of global experience in banking and finance.



Abdulla Al Shehhi

Global Head International Business Group

Abdulla Al Shehhi is the Global Head of the International Business Group. He joined ADIB more than 20 years ago and has held a number of senior positions in various departments before he was appointed to his current role as the Global Head International Business Group, focusing on the bank's international growth strategy and managing ADIB's businesses outside the UAE. Abdulla has over 30 years of banking experience, having worked in Finance and Strategy. He sits on different boards including Saudi Finance Company, Bosnia Bank International, and Abu Dhabi National Takaful PJSC.

External Interests

Board Member, Saudi Finance Company (SFC)
Vice Chairman, Bosna Bank International
Board Member, Abu Dhabi National Takaful PJSC



Talha Karim

Group Chief Risk Officer

Talha Karim was appointed as ADIB's Group Chief Risk Officer in March 2024, with over 27 years of experience in risk management within the banking sector working across both developed and emerging markets. Prior to joining ADIB, he was the Chief Risk Officer at Commercial International Bank (CIB) of Egypt. He has been working in the Middle East since 2001 and spent close to 8 years in Bahrain with Bank ABC. In his current role, Talha oversees the bank's diverse and dynamic portfolio, encompassing all financial and non-financial risks. He is a member of the executive committee and other management committees and attends the relevant Board sub-committees.

9.4 SENIOR MANAGEMENT PROFILE



Meitha Al Hashmi

Group Chief Credit Officer

Meitha Al Hashmi is the Group Chief Credit Officer at Abu Dhabi Islamic Bank. In her role, Meitha is chairing the independent Group Credit Management function which supports all ADIB's businesses including banking services for retail customers, small and medium sized businesses, corporates and international financial institutions. Meitha has over 25 years of experience in the banking industry, predominantly in Credit and Risk Management. She joins ADIB from Emirates NBD Group where she held leadership positions including Chief Risk Officer for Emirates Islamic and Chief Credit Officer, Group Credit for Emirates NBD.

External Interests

Board Member, Abu Dhabi National Takaful.



Dr. Ghaith Mismar

General Counsel & Board Secretary

Dr. Ghaith Mismar serves as the General Counsel at Abu Dhabi Islamic Bank (ADIB), overseeing the bank's Legal affairs, Corporate Governance, Group Special Assets Management and Collections, ensuring compliance with regulatory standards. He joined ADIB in 2014 with extensive experience of over 20 years where he held significant roles in the legal sector, including positions at prominent financial institutions. His extensive experience in banking and finance law has been instrumental in shaping ADIB's legal strategies and ensuring robust governance.

External Interests

Board Member, Burooj Properties LLC



Dr. Osaid Kilani

Global Head of Shari'a

Dr. Osaid Kilani serves as the Global Head of Shari'a at Abu Dhabi Islamic Bank (ADIB). In this capacity, he oversees the bank's Shari'a compliance and governance, ensuring that all financial products and services adhere to Islamic principles. Through his work, Dr. Kilani continues to contribute significantly to the advancement of Islamic finance, ensuring that ADIB remains at the forefront of ethical and Shari'a-compliant banking practices. Dr. Kilani has been instrumental in promoting innovation within the Islamic finance sector. He has played a pivotal role in organizing the Ethical Finance Innovation Challenge and Awards (EFICA), an initiative by ADIB to recognize and reward innovative ethical financial solutions.



Kenneth Tan

Group Head of Audit

Kenneth Tan was appointed as the Group Head of Audit at ADIB in January 2021. Kenneth is responsible for covering all audit activities across the Bank and its subsidiaries ensuring adherence with regulatory standards and internal policies. Kenneth has more than 30 years of experience in External and Internal Audit that spans across various leadership positions in the financial sector acquired through roles with Standard Chartered Bank, Citigroup, Goldman Sachs and PricewaterhouseCoopers.

He is a qualified Chartered Accountant (CA) with the Institute of Chartered Accountants in England & Wales (ICAEW) as well as the Institute of Singapore Chartered Accountants (ISCA). He has also passed the exams leading to the following professional qualifications: Associate Corporate Treasurer (ACT), Certified Financial Risk Manager (FRM) and Certified Information Systems Auditor (CISA).



Suleiman Al Raeei

Group Head of Internal Shari'a Audit

Suleiman Al Raeei is the Group Head of Internal Shari'a Audit, as well as Vice Chairman of the Shari'a Audit Committee at the UAE Banks Federation besides several audit committees for a number of Islamic companies and financial institutions. He holds extensive global academic and practical experience in Islamic banking and Takaful insurance. Over 25 years in the areas of product development, finance structuring, syndicated financing, investment instruments, portfolios and sukuk, in addition to Shari'a supervision and governance and Shari'a auditing. As an expert in the field of internal and external Shari'a auditing, he played a vital role in establishing the Internal Shari'a Audit Group of ADIB Group, initiating and developing an advanced methodology for the internal Shari'a audit work of ADIB Group.



Bushrah Alshehhi

Group Chief HR Officer & Chairman of Kawader

As the Group Chief of Human Resources & Chairman of Kawader at ADIB, Bushrah leads HR strategy and operations, with a strong focus on advancing Emiratization and fostering a positive workplace culture. With over 20 years of experience in both public and private sectors, Bushrah is recognized for driving initiatives that enhance employee engagement, development, and recruitment. Bushrah's career spans both public and private sectors, including her tenure at the Abu Dhabi Department of Economic Development, where she led HR planning and recruitment. Bushrah holds a Master's Degree in Human Resources from the New York Institute of Technology and is CIPD certified.

External Interests

Chairman, Kawader Services LLC
Board Member, MPM Properties LLC



Duane Maxwell

Acting Group Head of Compliance

Duane Maxwell brings over 25 years of experience in financial services, specializing in compliance, governance, and regulatory frameworks. Duane joined ADIB in 2016 from the UK where he had held senior compliance roles in banking and insurance including Lloyds Bank, AIG, Barclays and HSBC. Within ADIB, Duane has held roles in Group Compliance and Corporate Governance Departments. As the ADIB Acting Group Head of Compliance, Duane's primary responsibility is oversight of the bank's adherence to applicable regulatory rules, standards and the bank's internal compliance policies, and to provide assurance to the Bank Audit Committee.



Maher Al Ruz

Group Chief Customer Officer

Maher Al Ruz is the Group Chief Customer Officer at Abu Dhabi Islamic Bank (ADIB), heading the Customer Excellence Group. With more than 30 years of banking experience across different divisions, including 27 years with ADIB, Maher leads customer experience, complaints management and resolution; proactively addressing customer pain points and driving service improvements across all touchpoints for the entire organization. Additionally, Maher oversees the implementation of Consumer Protection regulations across all products and services ensuring compliance to Market Conduct obligations.

With a strong commitment to enhancing the customer experience and focusing on customer-centricity and process efficiency, Maher and his team are dedicated to identifying the root causes across all digital and conventional channels and implementing innovative solutions. The team provides service-related insights that help the bank better predict and understand customer needs.

9.5 GROUP CORPORATE GOVERNANCE FRAMEWORK

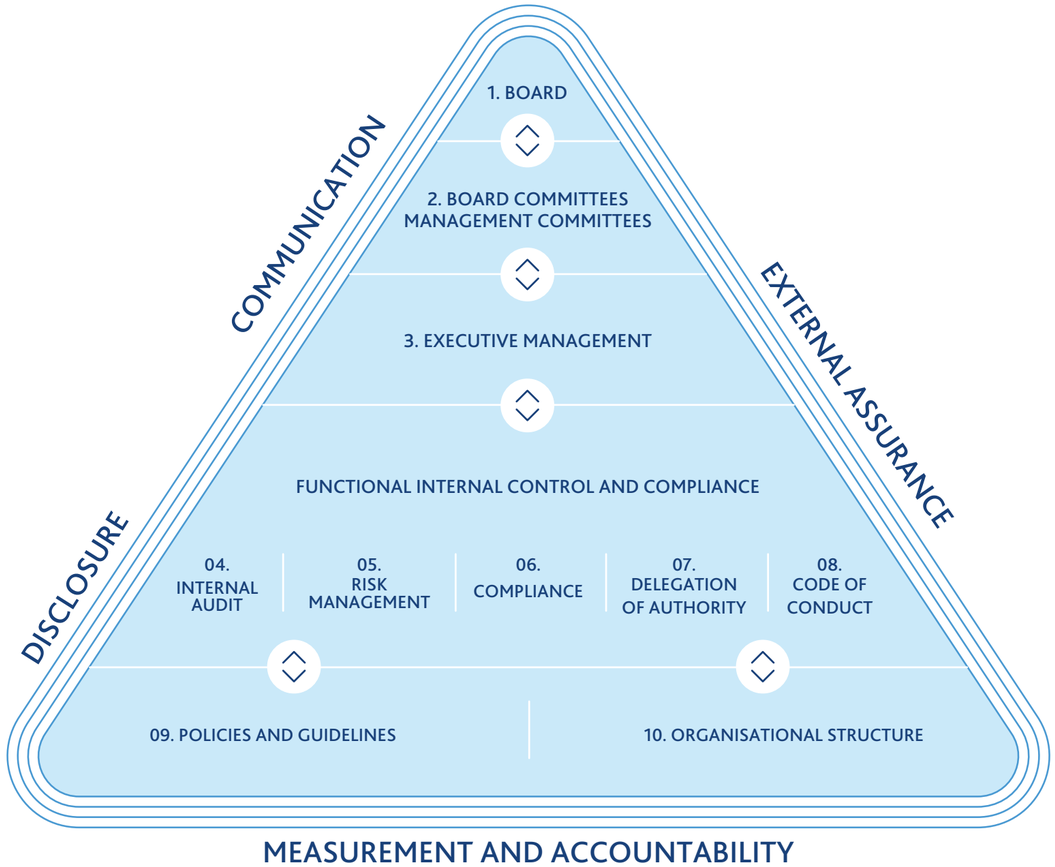
The foundation of ADIB's consistent history of significant operational and financial success has been its commitment to a solid corporate governance culture. The faith and confidence of ADIB's investors, clients, business partners, and communities have in the Bank is strengthened by its dedication to honesty and disciplined culture, grows the strategy and long-term goals are based on this dedication.

ADIB has embedded a robust corporate governance framework in line with CBUAE Corporate Governance Regulations and Standards No. 83 / 2019, to supports a resilient, high-performing, and accountable culture, to enable achievement of long-term financial and franchise growth. The framework is implemented across the Group's entities to provide confidence to our stakeholders to continue investing in the institution.

To promote collaboration and alignment, the governance framework is implemented by intra-group service level agreements, group-wide policies, delegation to management committees and effective representation on the boards of ADIB's subsidiaries and entities.

ADIB regularly reviews its policies, focusing on corporate governance, risk management, internal controls, compliance, internal audit, financial reporting, external audit, and outsourcing, to ensure they meet regulatory requirements. During 2025 ADIB Board of Directors and its committees reviewed and approved several policies and procedures as part of the periodic reviews.

COMPONENTS OF ADIB'S CORPORATE GOVERNANCE FRAMEWORK



01 Board

The Board is responsible for setting the strategic direction and goals for an organization and to provide effective oversight management on the execution and achievement of those goals through the setting and monitoring of performance expectations.

02 Board Committees and Management Committees

The Board establishes committees to assist in discharging its responsibilities effectively and efficiently. Management Committees are responsible for ensuring good governance and that effective systems and processes are in place to shape, enable and oversee the management of ADIB.

03 Executive Management ("Management")

Management personnel are appointed by the Board/Board Committee to implement processes and to execute day to day affairs in accordance with the strategic direction, tone and expectations set by the Board.

04 Internal Audit

To provide a level of monitoring activity over risk and to support in the identification of process improvements and efficiency gains.

05 Risk Management

The Risk Management Framework establishes expected business practices for the effective identification, assessment and management of risk.

06 Compliance

To promote ethical conduct and compliance with rules, regulations and internal standards that govern how ADIB conducts its business.

07 Delegation of Authority

A delegation of authority is established to delegate the Board's authority and powers downward and to assist employees in understanding their authority to make decisions on behalf of the organization. The above facilitates effective and accountable decision making and reduces ambiguity.

08 Code of Conduct

A code of conduct establishes a common understanding of the standards of behavior and values expected of all Board members and employees.

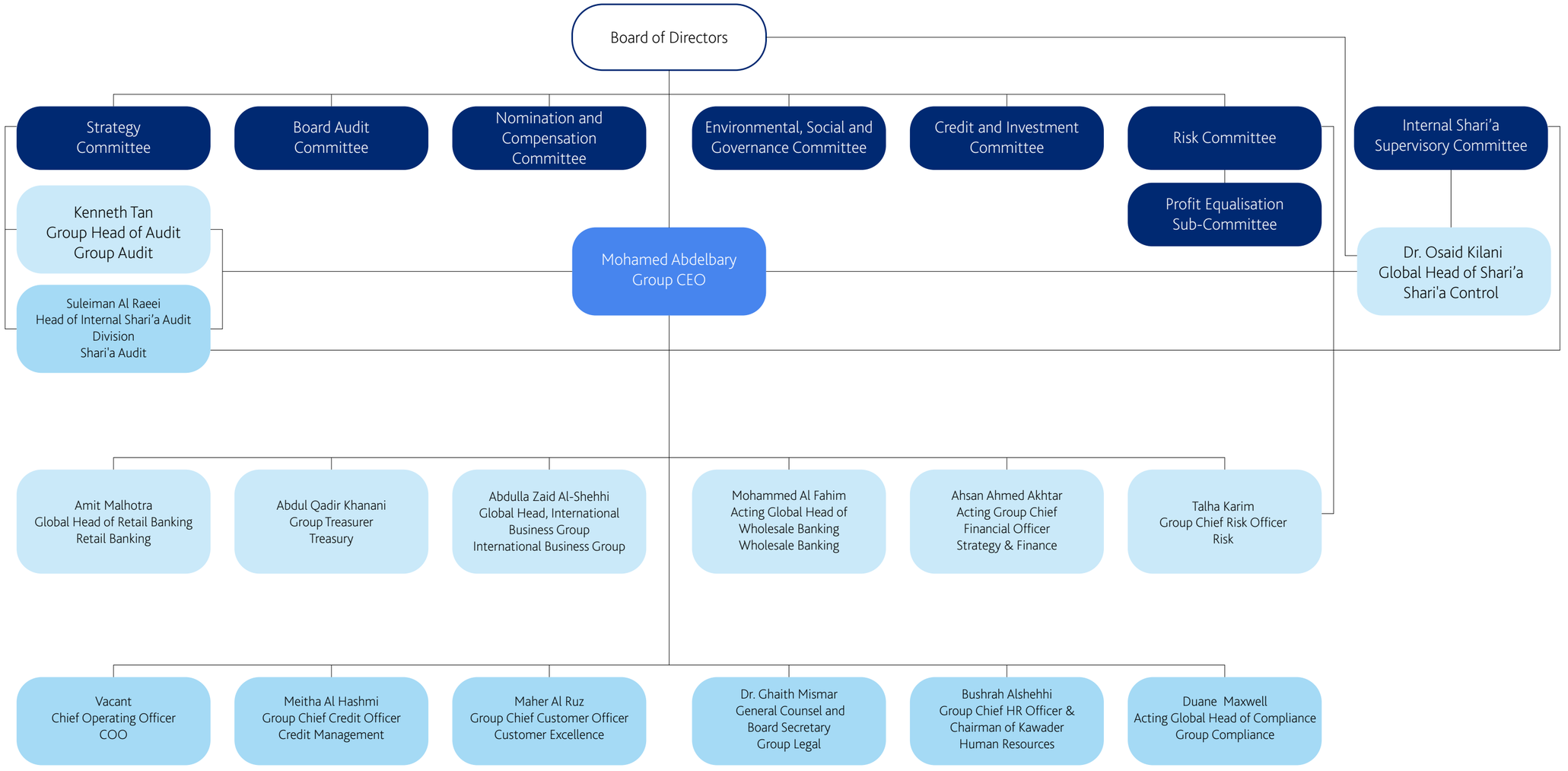
09 Policies and Guidelines

Policies and guidelines are established to allow ADIB employees to clearly understand their roles and responsibilities and to guide all major decisions making processes and actions within predefined limits.

10 Organizational Structure

ADIB structure should reflect the organization's main operational objectives and do so in a coherent way while at the same time being flexible enough to respond to changes in the ADIB's strategy or mission.

9.6 GOVERNANCE STRUCTURE



A strong and effective governance structure requires continuous oversight, a strong tone from the top, and a comprehensive understanding of the regulatory landscape.

ADIB's governance framework is built on a foundation of a capable and dedicated Board, supported by specialized Board Committees tasked with executing their mandates to uphold the highest standards of governance.

Under the leadership of the Group Chief Executive Officer (GCEO), the Management Executive Committee—comprising the Bank's Executive Management—drives the implementation of the Board's strategic direction.

This structure ensures a clear division of responsibilities, enabling alignment across all governance layers while fostering accountability and operational efficiency. Together, these components form a cohesive governance framework that reflects ADIB's commitment to transparency, resilience, and regulatory compliance.

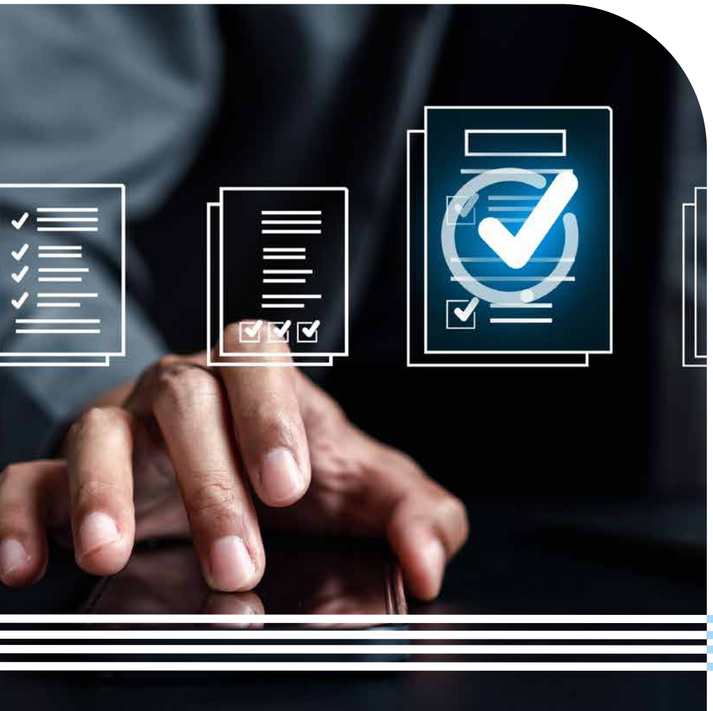
9.7 BOARD OVERSIGHT OF ADIB GROUP ENTITIES

ADIB's governance framework is designed to provide robust oversight on its international branches, subsidiaries, and affiliates while maintaining the autonomy of each legal entity. This framework ensures compliance with regulatory requirements in all jurisdictions where ADIB operates and is regularly reviewed to address the evolving regulatory environment and the growing complexity of the Group's operations.

Throughout 2025, the Board fulfilled its oversight responsibilities for ADIB Group entities through a structured, multi-layered approach. Primary oversight was achieved by approving the nomination of ADIB representatives to the boards of Group entities. These representatives play a pivotal role in ensuring alignment with ADIB's strategic objectives and governance principles. They report to the GCEO, who provides regular updates to the Board, ensuring transparency and accountability.

Furthermore, the Board also implemented secondary oversight mechanisms under the delegated authority of the GCEO. This included empowering management committees and Group Heads to monitor and guide the activities of subsidiaries and affiliates. These mechanisms were supported by structured tools such as joint steering committees, service level agreements, oversight framework agreements, and mutual participation in management committee meetings. Together, these tools ensure the effective monitoring of principal risks, adherence to governance standards, and alignment with the Group's broader objectives.

By integrating these oversight layers, ADIB ensures cohesive governance across its entities while preserving operational flexibility. This approach reflects ADIB's commitment to regulatory compliance, operational consistency, and sustainable growth, further enhancing its reputation as a resilient and forward-looking institution.



The following is a list of Group entities including International Branches, and international subsidiaries and affiliates:

Name	Activity	Country of Incorporation	Percentage of Holding (2025)
List of Subsidiaries			
Abu Dhabi Islamic Bank – Egypt (S.A.E)	Islamic Banking	Egypt	53%
Abu Dhabi Islamic Securities Company LLC	Equity brokerage Services	United Arab Emirates	95%
Burooj Properties LLC	Real estate investments	United Arab Emirates	100%
MPM Properties LLC	Real estate services	United Arab Emirates	100%
ADIB Invest I	Equity brokerage services	BVI	100%
Kawader Services LLC	Manpower supply	United Arab Emirates	100%
ADIB (UK) Limited	Other Services	United Kingdom	100%
ADIB Capital Ltd	Funds Services	United Arab Emirates	100%
ADIB Capital Invest 3 Ltd	Special Purpose Vehicle	Cayman Islands	-
Fractionalized Sukuk Holding Limited	Special Purpose Vehicle	United Arab Emirates/ADGM	-
ADIB Sukuk Company	Special Purpose Vehicle	Cayman Islands	-
Associates & Joint Ventures			
Abu Dhabi National Takaful PJSC	Islamic insurance	United Arab Emirates	42%
Bosna Bank International D. D	Islamic banking	Bosnia	27%
Saudi Finance Company CSJC*	Islamic Retail Finance	Kingdom of Saudi Arabia	51%
The Residential REIT (IC) Limited	Real Estate Fund	United Arab Emirates	29%
Abu Dhabi Islamic Merchant Acquiring Company LLC	Merchant acquiring	United Arab Emirates	51%

*ADIB Two Financial Invest LLC, is an entity wholly owned by ADIB and holds ADIB's ownership shares in Saudi Finance Company CSJC.

International Branches & Subsidiaries

ADIB Egypt

- Khalifa Al Mheiri - Non-Executive Chairman
- Bassam El Hage - Non-Executive Member
- Mohammed Aly - Executive Member

International Banking Branches

- ADIB Qatar
- ADIB Iraq

Affiliates

Abu Dhabi National Takaful

- Khalid Almansoori - Non-Executive Member
- Meitha Alhashemi - Non-Executive Member
- Abdulla Al Shehhi - Non-Executive Member

Bosnia Bank International

- Abdulla Al Shehhi - Vice Chairman

Joint Venture & Strategic Investments

Saudi Finance Company

- Khalid Almansoori - Vice Chairman
- Abdulla Al Shehhi - Member
- Ibrahim Al Mansoori - Independent Member
- Abdulrahman AlAnqari-Independent Member



Details on Key Subsidiaries:

Abu Dhabi Islamic Securities LLC (ADIB Securities) - Overview

ADIB Securities is a subsidiary regulated by Securities and Commodities Authority (SCA). ADIB has 95% ownership of ADIB Securities. The separation between financial services companies such as Brokerage firms and Banks is mandatory in the UAE. To satisfy regulatory requirements, a Board of Directors must be appointed to the company.

Board of Directors

#	Name	Role	Position in ADIB
1	Amit Malhotra	Chairman	Global Head of Retail Banking
2	Hasan Al Shamsi	Vice Chairman	Acting Head of Private Banking
3	Sultan Al Marzouqi	Member	Head of Credit Initiation

Kawader Services LLC - Overview

Kawader is the outsourcing arm of ADIB, it manages and employs some employees for ADIB, in addition to managing the outsourced employees and the agencies managing them.

Board of Directors

#	Name	Role	Position in ADIB
1	Bushrah Abdullah Alshehhi	Chairman	Group Chief HR Officer & Chairman of Kawader
2	Mohamed Abdelbary	Member	Group Chief Executive Officer (GCEO)
3	Fahad Alkhoori	Member	Head of HR Shared Services

ADIB Capital Limited - Overview

Established in the Dubai International Financial Centre (DIFC) and regulated by the Dubai Financial Services Authority (DFSA); ADIB Capital is 100% owned Asset Management business subsidiary involved in arranging deals, advising on financial products, managing collective investment funds and arranging and advising on credit relating to the management of Shari'a - compliant investment vehicles.

Board of Directors

#	Name	Role	Position in ADIB
1	Najib Fayyad	Chairman	ADIB Board Member
2	Mohamed Abdelbary	Member	Group Chief Executive Officer (GCEO)
3	Bassam El Hage	Member	External Subject Matter Expert
4	Amit Malhotra	Member	Global Head of Retail Banking

MPM Properties LLC - Overview

MPM properties is a wholly owned subsidiary of Abu Dhabi Islamic Bank and currently manages over 6,000 properties across the U.A.E. MPM is a shari'a 'a - compliant company with key offices in Abu Dhabi, Al Ain, Dubai and Sharjah with a team of over 100 staff offering various services including: Property Management, Project Management, Facility Management, Valuation, Research, Development & Investment Consulting, Corporate Real Estate Solutions, Investment Sales & Acquisitions, Residential Sales Brokerage & Leasing and Commercial Leasing.

Board of Directors

#	Name	Role	Position in ADIB
1	Khalid Almansoori	Executive Chairman	Executive Chairman of MPM
2	Mohamed Abdelbary	Vice Chairman	Group Chief Executive Officer (GCEO)
3	Mohammed Ali Al Fahim	Member	Acting Global Head of Wholesale Banking Group (WBG)
4	Bushrah Abdullah Alshehhi	Member	Group Chief HR Officer & Chairman of Kawader
5	Omar Mohamed Shariff	Member	Head of Retail & General Legal Services

Burooj Properties LLC - Overview

Burooj Properties was established in 2005 as a wholly owned subsidiary of Abu Dhabi Islamic Bank. Burooj has built a strong reputation for developing fully integrated communities, offering premium real estate services (property selling, property management and property development) to deliver value to investors.

Board of Directors

#	Name	Role	Position in ADIB
1	Mohammed Ali Al Fahim	Chairman	Acting Global Head of Wholesale Banking Group (WBG)
2	Mohamed Abdelbary	Vice Chairman	Group Chief Executive Officer (GCEO)
3	Dr. Ghaith Mismar	Member	General Counsel
4	Khalid Almansoori	Member	Executive Chairman of MPM
5	Abdulla Ghuloom Al Attar	Member	Head of Administration



9.8 Board Governance

9.8.1 Board Composition

ADIB's Board of Directors composition adheres to the regulatory requirements mandated by the Central Bank of the UAE's Corporate Governance Regulation and Standards and the Securities and Commodities Authority (SCA) Corporate Governance Guidelines ("Corporate Governance Regulations"), ensuring effective governance and representation. The key elements of the Board's composition include:

Gender Diversity:

Reflecting national gender diversity goals and regulatory requirements, ADIB, during its 2025 Annual General Assembly, has re-appointed Ms. Maha Al Qattan as an Independent Director in March 2025. As of 2025, women representation on ADIB's Board continues to align with the Corporate Governance Regulations representing 14% of the Board, demonstrating the Bank's continued commitment to fostering gender diversity at the highest levels and compliance with the applicable laws and regulations. This commitment extends across the organization, with women comprising 44% of ADIB's workforce, an increase from 39% from 2024.

Independence:

All Board of Directors are non-executive directors, with five (5) out of seven (7) Directors being Independent Directors. The assessment of the independence of ADIB's Board took into account the CBUAE independence criteria, as further provided below.

a. The Director's tenure should not exceed 12 consecutive years from the date of appointment. This provision applies equally to appointments by a government shareholder.

b. The Director or any of his/her first-degree relatives should not have been employed by the bank or its subsidiaries during the past two years.

c. The Director should not have conducted any consulting services for the bank, or its subsidiaries, or acted in such capacity, either directly or indirectly, during the past two years.

d. The Director should not have had any personal services contracts with the bank or its subsidiaries during the past two years.

e. The Director should not be affiliated with any non-profit organisation that receives significant funding from the bank or its subsidiaries.

f. The Director and/or any of his/her first-degree relatives (individually or collectively) should not own, directly or indirectly, 10% or more of the bank's share capital or be a representative of a shareholder who owns, directly or indirectly, more than 10% of the banks' share capital.

g. The Director, or any of his/her first-degree relatives, should not be a partner or employee of the bank's auditor for the past two years.

h. The Director or any of his/her first-degree relatives, should not have direct or indirect interest in any contracts and/or projects of the bank or its subsidiaries, where the total of such transactions exceeds the lower of 5% of the bank's paid share capital, or AED 5 million, or an equivalent amount in foreign currency, during the past two years, unless such relationship is part of the nature of the bank's business and involves no preferential terms.

National Representation:

The Chairman and the majority of the Board of Directors are UAE nationals, in compliance with the Corporate Governance Regulations and the Bank's commitment to national representation and leadership within the Bank.

Board Expertise:

ADIB's Board brings together a broad and diverse skill set, enabling it to effectively guide the Bank's strategic direction. Members possess expertise across key areas, including credit, investment, risk management, strategic planning, capital markets, financial analysis, Shari'a compliance, audit, corporate governance, sustainability and ESG, and digital and technological innovation. The Board remains collectively aligned with the evolving needs of the Bank and the financial sector and continuous professional development with a dedicated training and awareness program to address any areas for enhancement.

Sector-Specific Expertise of the Board

Islamic Finance Experience	✓	✓	✓	✓	✓	✓	✓
Credit & Investment Experience	✓	✓	✓	✓	✓		✓
Strategy & Leadership	✓	✓	✓	✓	✓	✓	✓
Information Technology	✓	✓	✓	✓	✓		✓
Risk Management	✓	✓		✓	✓	✓	✓
Human Resources	✓	✓			✓	✓	✓
Corporate Governance and Legal (Including Shari'a Governance)	✓	✓	✓	✓	✓	✓	
Marketing	✓	✓	✓		✓	✓	✓
Audit & Compliance	✓		✓	✓		✓	✓
ESG	✓	✓	✓	✓		✓	

Fitness, Skills and Qualification Review:

During 2025, the Board of Directors, in compliance with the Fitness and Propriety Regulation and Standards (No. 4/2024) approved a comprehensive Fitness and Propriety Policy to ensure the Board are fit and proper, and meet the standards of integrity, ethical behaviour, competence, independence and professionalism. The newly drafted Fitness and Propriety Policy is read with the Director Selection Policy and Procedures, among other key governance policies. This rigorous process evaluates candidates' qualifications, experience, integrity, and independence, ensuring they are well-equipped to fulfil their fiduciary duties.

Board Member and Tenure



9.8.2 Board Leadership & Governance

During 2025, the Board of Directors re-appointed H.E. Jawaan Awaidha Suhail Al Khaili, as the Chairman of ADIB's Board of Directors, with the responsibility of ensuring its effectiveness and leadership. The Chairman's responsibilities are set out under the Board Charter, with the following key responsibilities:

- Leadership of the Board, ensuring its effectiveness, setting its agenda and chairing its meetings
- Acting as the primary representative of the Board in interactions with senior management, shareholders, and regulators.
- Promoting informed decision-making and fostering an environment where critical discussions and dissenting views are encouraged.
- Ensuring sound governance practices in line with the Board Charter.

Further, each Board member's role is clearly delineated, as are their joined responsibilities, facilitating collective responsibility for effective decision-making.

9.8.3 Board Selection, Appointments and Re-appointments

ADIB acknowledges the importance of a well-structured and balanced Board of Directors to uphold strong governance practices, drive the success of the ADIB Group, and safeguard the interests of all stakeholders.

ADIB ensures that the appointment and re-appointment of the Board of Directors remains in accordance with ADIB's Articles of Association, Corporate Governance Regulations, Fitness and Propriety Policy and the Director Selection Policy and Procedures. The Board Nomination and Compensation Committee play a pivotal role to ensure the process of selection and appointment of the Director remains in accordance with the foregoing governance documents to ensure the Board remains appropriate to the size, complexity and risk profile of ADIB Group.

During the 2025 Annual General Assembly held on 10 March 2025, the entire Board of Directors were re-appointed for another three (3) consecutive years. This re-appointment reflects the confidence of the shareholders in the Board's leadership and ensures continuity in governance and strategic oversight to support ADIB Group's long-term objectives.

In the event of a vacancy in the Board, the Board Nomination and Compensation Committee is required to identify and propose a suitable replacement within 30 days, in line with the Articles of Association and Corporate Governance Regulations. The proposed appointee assumes the role on an interim basis and is formally elected at the forthcoming AGM to confirm their position.

The Board Nomination and Compensation Committee, in line with its mandate and in accordance with the Fitness and Propriety Policy, regularly reviews the composition of the Board to ensure it reflects the optimal mix of skills, expertise, and diversity needed to navigate the complexities of the financial sector, meet stakeholder expectations, and comply with regulatory requirements. This ensures that ADIB's Board remains equipped to provide effective leadership, governance, and strategic oversight.

Succession Planning

ADIB maintains a robust succession planning process, enabling the Board to act promptly in appointing representatives to the boards of Group entities whenever vacancies arose during 2025.

9.8.4 External Directorships

In line with ADIB's Directors Conflict of Interest Policy, the Board reviews any external directorships held by its members to ensure full compliance with applicable Corporate Governance Regulations and internal policies. This process includes verifying that such appointments adhere to the requirements outlined in the Directors Conflict of Interest Policy, do not create any actual or perceived conflicts, and do not compromise the Director's ability to dedicate sufficient time and attention to their fiduciary duties. The Board also considers the cumulative impact of multiple external roles to safeguard the integrity, independence, and effectiveness of its decision-making. Key provisions the Board considers:

- Director may hold memberships in the boards of up to five (5) Public Joint Stock Companies ("PJSC") in the UAE, to include PJSC's inside the banking Group.
- A Director may hold memberships in the Board of only one (1) bank in the UAE and up to four (4) banks outside the UAE.
- External appointments require prior Board approval and must not create any conflict of interest.
- Directors must annually confirm they have sufficient time available to manage the time commitments required from the role in the Group.
- The Board Secretariat monitors compliance, maintaining transparency and alignment with regulatory expectations.

9.8.5 Board Induction, Training & Awareness Program

Board Induction

The Board Nomination and Compensation Committee ensures that newly appointed Board Members undergo a comprehensive induction program to ensure their alignment with their fiduciary responsibilities.

This process is given the necessary resources, in regard to time, and monetary or non-monetary resources. This induction fully informs new members on their rights, duties, and responsibilities. The Group's corporate strategies, financial profile, risk management, compliance and governance activities are all included. Further, the Director Code of Conduct is addressed, along with that of the Group employees. Any regulatory compliance information is also incorporated.

Board Trainings & Awareness Program

In line with the Fitness and Propriety Policy, and as part of the annual assessment of Board skills and expertise, the Board has identified a set of subjects that require further refreshers/ awareness sessions. These development initiatives form part of the Board's continuous professional development obligations and ensure ongoing compliance with the Corporate Governance Regulations, the Fitness and Propriety Regulations and Standards, as well as international best practices.

Accordingly, the Board has identified and held the following training/awareness sessions during 2025:

1. **AI evolution - adoption, impact on banking industry;**
2. **Risk & ESG;**
3. **Corporate Governance;**
4. **Financial Crime Compliance; and**
5. **Shari'a Governance.**

9.8.6 Board Evaluation for Effectiveness

The Board conducts an internal evaluation annually and an external independent evaluation every five years, in line with Corporate Governance Regulations. Accordingly, pursuant to the Directors' Performance Evaluation Policy, the Board of Directors has completed the internal evaluation for the year 2025. This evaluation addressed critical areas, including the Board's contribution to the Bank's financial performance, its risk management and control framework, and its overall safety and soundness. It also assessed the Board's effectiveness in overseeing and monitoring management's performance and activities, ensuring transparency and accountability to shareholders, depositors, and all stakeholders, and fulfilling its responsibilities as outlined in the Corporate Governance Framework, the Board and Board Committee Charters, and other applicable requirements.

The Board of Directors has delegated the responsibility of the Board evaluation to the Board Nomination and Compensation Committee (NCC), with the assistance of the Board Secretary.

The evaluation focuses on critical areas, including but not limited to:

- **Board structure and composition.**
- **Board of Director performance.**
- **Strategic oversight and alignment with the Bank's objectives.**
- **Governance and internal controls.**
- **Risk management and compliance.**
- **The effectiveness of Board Committees in fulfilling their mandates.**

Summary of Results of the 2025 Internal Board Evaluation

The Board of Directors conducts annual evaluations to assess its performance and governance effectiveness in alignment with the Board Assessment Policy. The 2025 evaluation focused on assessing the strength and resilience of corporate governance practices across five key areas:

1. **Board Structure and Practices**
2. **Strategic Planning and Performance**
3. **Governance and Internal Controls**
4. **Risk Management**
5. **Board Committee Structures and Practices**

The evaluation highlighted key achievements, including a well-aligned governance framework, effective oversight structures, and a commitment to continuous improvement.

Highlights of the Evaluation

Board Structure and Practices

The evaluation reaffirmed that the Board is composed of individuals with diverse expertise and skills, ensuring effective governance. Processes for member selection, conflict of interest management, and ongoing training are robust and continuously refined. Independent evaluations are conducted every five years to benchmark against industry standards, reinforcing best practices.

Strategic Planning and Performance

The Board continues to demonstrate strong strategic oversight, with clear objectives and actionable plans. Strategic initiatives are regularly reviewed, and performance metrics are aligned with the Bank's long-term goals. The Board's approach emphasizes balancing risks and rewards to support sustainable growth.

Governance and Internal Controls

Governance and internal controls remain a cornerstone of the Bank's operations. The evaluation noted:

- A well-defined and periodically updated Corporate Governance Framework.
- Effective oversight of succession planning and adherence to the Code of Ethics.
- Streamlined decision-making processes supported by timely and well-prepared materials.

Risk Management

The Board's active engagement in risk oversight was underscored by:

- A comprehensive Risk Governance Framework aligned with the Bank's risk appetite.
- Enhanced reporting mechanisms that provide clear visibility of enterprise risks.
- Periodic reviews and discussions to ensure alignment with strategic objectives.

Commitment to Continuous Improvement

Opportunities for enhancement identified during the evaluation are being actively addressed through action plans and performance improvement initiatives. These efforts ensure that the Board remains adaptive to evolving challenges and well-positioned to support ADIB's strategic goals.



9.8.7 Governance Culture

Board Management of Corporate Culture

ADIB places strong emphasis on fostering a robust corporate culture that reflects its core values of transparency, accountability, and Shari'a compliance. Under the leadership of the Board, the Group CEO and Senior Management play a pivotal role in embedding this culture across the organization by modelling ethical behaviour and ensuring adherence to the Group Code of Conduct.

ADIB has established robust mechanisms, including a Whistleblowing policy and Conflict Management frameworks, to empower employees and stakeholders to confidentially report any violations of ethical standards without fear of retaliation. Disciplinary actions are enforced as necessary to uphold the Bank's values and maintain the highest standards of integrity.

Employee Code of Conduct

All employees at ADIB are required to adhere to a comprehensive Group Code of Conduct that sets clear expectations for ethical behaviour and integrity. The Code mandates employees, at the time of joining and annually throughout employment to (i) declare any conflicts of interest with the Bank, its customers, and suppliers; (ii) declare insider ownership and comply with the Group Market Abuse and Insider Dealing Policy; and (iii) declare any outside business interests amongst other matters that may constitute a conflict of interest. In all instances, ADIB employees are required to identify current, perceived, or potential conflict of interest, in accordance with ADIB's relevant policies.

Whistleblowing

ADIB Group entities are committed to providing a respectful and inclusive environment for its employees, where they are encouraged to raise concerns in behaviours and actions that have no place in ADIB. This commitment, embedded in the Group's values, ensures employees can report behaviours and actions in complete confidence, and confident that appropriate action will be taken. A variety of confidential channels are available for employees to report concerns, including:

- The Group's confidential whistleblowing platform
- A Dedicated email and hotline for whistleblowing inquiries

ADIB Group entities adhere to leading international practices by conducting all business activities with honesty, integrity, and compliance with applicable laws against corporate wrongdoing, corruption, fraud, and bribery. Employees across the Group are expected to uphold the highest ethical standards and report any suspected or actual misconduct in good faith.

To support this, the Board has implemented a robust Whistleblowing Policy, establishing clear protocols for addressing concerns. The Board Audit Committee is responsible for overseeing the policy's effectiveness and ensuring its consistent application throughout the organization.

Heads of Department are tasked with ensuring that their teams are well-informed about the Whistleblowing Policy and process. Any training needs arising from the policy's application are addressed through induction programs and mandatory annual e-learning refresher courses, ensuring an adequate level of awareness across all employees.

By maintaining strong governance practices and providing accessible, confidential reporting channels, ADIB demonstrates its unwavering commitment to integrity, transparency, and accountability across all levels of the organization.

9.8.8 Conflict of Interest

ADIB is committed to maintaining the highest standards of governance by effectively identifying, disclosing, and managing conflicts of interest. To this end, the Bank has implemented, in accordance with the Corporate Governance Regulations, a comprehensive Director's Conflict of Interest Policy, ensuring that any actual, potential, or perceived conflicts involving Directors are addressed in the best interests of the Group, its shareholders, and other stakeholders.

Directors are required to disclose all actual or potential conflicts of interest upon their appointment and on a quarterly basis thereafter. These disclosures, submitted through written declarations, are reviewed by the Board, which ensures that other commitments of the Directors do not conflict with their duties and maintained in a register held by the Board Secretariat Department. Where conflicts arise, the Board ensures appropriate policies and controls are in place to mitigate associated risks.

A governance process is established within ADIB to ensure that any transactions or arrangements in which a director or a related party has or may have a potential interest is presented to the Board for review and approval to ensure full alignment with the Corporate Governance Regulations. Any Director with a conflict in relation to such matters is required to declare the nature of the conflict at a Board meeting, and this is duly recorded in the meeting minutes. To preserve the integrity of the decision-making process, the conflicted Director does not participate, directly or indirectly, in discussions or voting on the relevant resolutions.

The Board Secretariat Department maintains a Register of Interests of all declarations made by the Board of Directors. This register is regularly reviewed to ensure alignment with the Corporate Governance Regulations, the Board of Directors Manual and ADIB's Corporate Governance Framework. Additionally, the policy ensures that Directors avoid any activities or engagements that could create conflicts and, when in doubt, promptly disclose such matters to the Board or the Board Secretary for resolution.

9.8.9 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or one other party controls both, as further detailed under the Corporate Governance Regulations.

Significant related party transactions during the year ended 31 December 2025 and the compensation of key Senior Management are included in the consolidated income statement of the Financial Statements. During the 2025 business cycle, the Board approved significant transactions with related parties including the Group Entities', entities with connections to directors and senior executive management on the recommendation of the Credit and Investment Committee, in line with established policy and procedures. Further details of the related party transactions are included in the consolidated financial report.

9.8.10 Access and Reporting to the Board Committees

In accordance with the Corporate Governance Regulations, the Group Head of Audit and Head of Internal Shari'a Audit shall report directly to the Board Audit Committee. The Acting Group Head of Compliance reports to the GCEO and has direct access to the Board Audit Committee. The Group Chief Risk Officer (GCRO) primarily reports to the Board Risk Committee and a secondary executive reporting line to the GCEO.

The roles of the Chairman and the GCEO are distinct and separate, with a clear division of responsibilities. The Chairman leads the Board and ensures the effective engagement and contribution of all directors. The GCEO has responsibility for all ADIB Group businesses, including their strategy, policy and operational management, and he acts in accordance with the authority delegated by the Board.



2.11 Director's Interests & Shareholdings

As of the year ended 31 December 2025, the Board of Directors dealings in the Bank's shares, are as follows:

S.No	Type of Directorship	Name	Number of shares as of 31 December 2024	Number of Shares as of 31 December 2025	Change in Shareholding
01	Chairman	HE Jawaan Awaidha Suhail Al Khaili	64,158,605	64,158,605	0
02	Vice Chairman	Dr. Faisal Al Shuaibi	0	0	0
03	Board Member	Khalifa Al Mheiri	257,381	257,381	0
04	Board Member	Najib Fayyad	0	0	0
05	Board Member	Abdulla Al Ahbabi	0	0	0
06	Board Member	Abdul Wahab Al-Halabi	0	0	0
07	Board Member	Maha Al Qattan	0	0	0

The Board of Directors remained aware of and complied with the requirements, throughout the year, of their duties and obligations set out under the Director Share Dealing Policy.

2.12 Board Remuneration

The total Board remuneration paid in 2025, for the year ended 31 December 2024 is a total of AED 16,100,000 which represents the total Board remuneration, inclusive of Board sitting fees amounting to AED 3,000 for each Board committee meeting attended.

The total proposed Board Remuneration, inclusive of Board sitting fees for the year ending 31 December 2025 shall be AED 16,100,000 to be presented at the forthcoming AGM to be held in 4 March 2026.

2.13 Board related Governance Documents:

During the year, the Board of Directors have reviewed, updated and approved the renewal of its following key Board governance documents ("Board Policies"):

01 Board Performance Evaluation Policy

02 Directors Conflict of Interest Policy

03 Directors Selection Policy and Procedures

04 Board Self-Assessment Policy

05 Director Share Dealing Policy

06 Directors Code of Conduct

07 Directors Access to Independent Professional Advice

Accordingly, the Board Policies have been renewed for three (3) years.

9.9. GROUP BOARD COMMITTEES & SUBCOMMITTEES

9.9.1 Board Responsibilities

The Board holds the ultimate responsibility for the Group, which includes authorizing and supervising the execution of the Group's strategic goals, adhering to all applicable laws and regulations, and maintaining corporate culture and governance. The Board leads the formulation and execution of the Group's vision and mission and oversees the general direction, management, oversight, and control of its corporate operations. The Board is also in charge of supervising Senior Management, ensuring they execute the strategic objectives effectively and efficiently. The Board also oversees the Group's operations and financial stability and ensures that the interests of regulators, consumers, employees, shareholders, and other stakeholder groups are served. The Board carries out these duties by preserving the accuracy of the Group's financial and accounting records, establishing sufficient internal controls and monitoring the performance of the Group's business.

More specifically:

- The Board's role is to encourage the entrepreneurial leadership of the Group within a framework of prudent and effective controls which enable risk to be assessed and managed. The consistent practice of high ethical standards will enhance the credibility and trustworthiness of the Group.

- The Board of Directors will provide effective governance over the Group's affairs for the benefit of its Shareholders, and to balance the interests of its diverse constituents, including its customers, employees, suppliers, regulators, local communities, and others. In all actions taken by the Board, the Directors are expected to exercise their business judgment in what they reasonably believe to be in the best interests of the Group and to comply with relevant laws, regulations, rules, and best banking practices. In discharging that obligation, Directors may rely on the honesty and integrity of the Group's senior executives and its outside advisors and auditors.

- The Board is responsible for strategic direction, management supervision and adequate controls with the ultimate objective of promoting the success and long-term value of the Group. The Board must ensure that management balances the promotion of long-term growth with the delivery of short-term objectives. The Board will review the Group's long-term strategic plans and the principal issues that it expects the Group may face in the future during at least one Board meeting each year.

- The Board should be clear about the Group's purpose and set its values and ethical standards and ensure that management behaves with integrity and that the Group's obligations to its Shareholders and other stakeholders such as customers, employees, suppliers, regulators, local communities and others are understood and met. The Board of Directors will approve and oversee the Group's strategic objectives and corporate values that are communicated throughout the Group.

- The Board will determine the corporate governance guidelines for the way in which it wants the Group to be managed and controlled and will review and approve the corporate governance framework of the Group. In addition, the Board will establish a mechanism for monitoring Shari'a Compliance within the Group.

- The Board will ensure that there are policies and procedures to identify, avoid or manage and appropriately disclose potential conflicts of interest. Such policies will include financing to Directors and Staff of the Group, and transactions and other contractual relations between related companies or other counterparties such as Shareholders or Directors. Ultimately, the Board will seek to ensure that activities that might give rise to conflicts of interest are carried out with a sufficient degree of independence from each other. Conflicts between the personal interests of Directors and those of the Group or its customers will also be identified, managed and disclosed.

- The Board of Directors must ensure that the Group has robust corporate governance polices and processes commensurate with its risk profile and systemic importance. The Board must also establish, review and monitor the effectiveness of the Group's processes for corporate governance in accordance with the applicable regulations and best international practices, with due regard to the Group's Stakeholders and its role in the community.

- The Board must ensure to maintain a clear governance framework appropriate to the Group's operational structure and the risk that it poses. The Board must also approve policies for the delegation of authority and the actual delegations to executives, particularly in respect of the financial and administrative affairs of the Group.

- The Board must determine the nature and extent of the significant risks it is willing to undertake to achieve the strategic objectives of the Group. The Board would develop and monitor the Group's risk appetite statement, risk policies, risk limits, and ensure adherence to them.

- The Board of Directors must ensure that the Group is in full compliance with Shari'a rules and must establish a sound and effective Shari'a governance framework with the key mechanisms and functionalities to ensure effective and independent Shari'a oversight as per the requirements set out by the Central Bank and / or the Higher Shari'a Authority. The expected Shari'a governance framework is expected to incorporate three lines of defences approach comprising the business line, the support and control functions and internal Shari'a audit function.

- The Board must ensure that adequate resources are dedicated and provided to meet the objectives of Shari'a compliance and Shari'a governance.

- The Board in coordination with the Internal Shari'a Supervisory Committee, ensure the development, approval and implementation of internal policies related to the Group compliance with Islamic Shari'a. Further, the Board shall also develop a performance assessment plan on the Internal Shari'a Supervisory Committee.

- The Board must maintain effective communication with the Internal Shari'a Supervisory Committee and ensure that meetings with the committee are held at least one meeting per financial year.

- The Board must refer to the Internal Shari'a Supervisory Committee for all Shari'a matters related to the Group activities, operations and code of conduct.

- The Board must ensure that the annual Shari'a report issued by the Internal Shari'a Supervisory Committee is submitted to the Higher Shari'a Authority for review and approval before sharing it with the shareholders at the general assembly.

- The Board is responsible to nominate the members of the Internal Shari'a Supervisory Committee and obtain the Higher Shari'a Authority's approval on such members prior to presenting the nomination to the general assembly.

- If a position of the Internal Shari'a Supervisory Committee member becomes vacant, the Board shall nominate / appoint a substitute member either in case such appointment will be approved by the general assembly or not.

- The Board shall be responsible to appoint the Shari'a Controller (head of Internal Shari'a Audit Division) as required under the Shari'a Governance Standards as well as the head of Internal Shari'a Control Division.

- The Board is responsible to set out a process to follow up of previous action points and reporting of any breach or failure to comply. Following up on action points would help prevent any delay and manage the affairs on time.

- Conduct Risk Oversight: The Board is overall responsible to define, set out strategies, manage and play an active role to ensure that the relevant committees in general and the Board Risk Committee in particular have developed systems and procedures in place to identify and manage the conduct of the business across the Group. As part of its conduct risk supervision strategy, the Board will oversee the Risk Committee to make sure that the following strategic goals are achieved:

A. To take proactive steps to identify the conduct risks inherent within the business;

B. To encourage the individuals who work in front, middle, back office, control and support functions to feel and be responsible for managing the conduct of the business;

C. To provide the necessary support (broadly defined) to enable the staff to improve the conduct of the business or functions; and

D. To assess whether there are any other activities that should be undertaken and that could undermine strategies put in place to improve conduct.

In addition, the Board shall ensure in relation to the conduct risk oversight that:

i. To hold the senior management accountable for conduct risk failings and accordingly, to encourage the establishment of strong conduct risk framework as an important tool in protecting senior management from any relevant liability;

ii. The Board Risk Committee to define the conduct risks that the Group is exposed to, such as, insider dealing, conflicts of interest, product design or miss-selling, etc.;

iii. The Board Risk Committee shall have controls in place to monitor and mitigate the conduct risk on an on-going basis;

iv. The Board Risk Committee shall ensure that a gap analysis should be conducted to assess any additional controls that need to be put in place;

v. The Board Risk Committee shall carry out any changes that need to be made within the Group from a cultural/values perspective and ensure that it is tracked;

vi. A clear relationship between conduct risk and business strategy should be established;

vii. The Group should be able to demonstrate/evidence how conduct risk matters are driving business strategy and decision making; and

viii. Clear lines of responsibility and accountability for conduct risk should be established including reporting line to relevant senior manager if not him/herself is a senior manager.

9.9.2 Board Meetings:

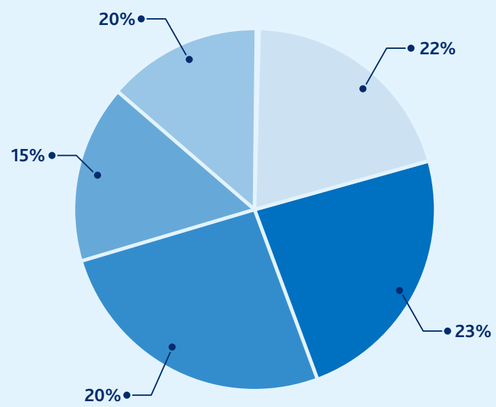
Statement of the Chairman of the Board:

"H.E. Jawaan Awaidha Suhail Al Khaili, Chairman of the Board of Directors, acknowledges his responsibility to discharge the responsibilities of the Board of Directors under its Charter and ensure its effectiveness."

During 2025, the Board remained focused on guiding ADIB's strategic direction, and its committees regularly discussed topics that are fundamental to the direction of ADIB, including business performance, long-term planning, strategy, ESG, digital transformation, risk appetite and management, succession planning, and human resources.

In 2025, the Board and its committees dedicated their efforts to a robust calendar of activities reviewed over 77 meetings to address the activities across risk governance, business and credit management, strategy, compensation, succession planning, internal control framework of the Group and any other matters mandated under the Board or respective Board committee charters. The Board and its committees worked continuously to provide direction to Senior Management and set the tone for balanced approach to performance in line with the strategic objectives. The Board and its committees also invested significant efforts to enhance their effectiveness. This was achieved by way of obtaining the guidance of the CBUAE, subject matter experts and the Group's external auditors. The Board also demonstrated a willingness and capability to be kept fully informed in areas essential to making a significant contribution to overall board governance by attending awareness sessions.

Date of Board Meeting	Number of Director Attendees	Number of Board Resolutions Passed	Number of Circular Resolutions Passed
January 28,2025	7	08	14
March 12, 2025	7		
April 23, 2025	7		
July 03,2025	7		
July 23,2025	7		
August 25,2025	7		
October 22, 2025	7		
November 18,2025	7		



TIME ALLOCATION FOR 2025 BOARD MEETING

- Credit Facilities
- Business, Operational and Strategic updates.
- Update of BAC and Compliance with regulatory requirements
- Shari'a Governance Oversight
- Reviewing the financial performance of the Bank, annual budget plan for the year

9.9.3 Board Committees Details & Meetings

The Board has established seven specialized committees including a sub-committee to assist in carrying out its duties and ensuring effective decision-making processes. These Board Committees play a critical role in supporting the Board by distributing its workload and enabling focused oversight of the Group's operations. Through their specialized nature, the committees are able to investigate and analyse complex matters, including technological and operational issues, and recommend actions or changes for final Board approval.

Each committee is chaired by a non-executive director with relevant areas of expertise, in line with best practices and the Corporate Governance Regulations. The committees operate under clearly defined committee charters which set out their scope, responsibilities, and objectives. The committees are required to meet as frequently as necessary to fulfil their mandates, ensuring adequate time for discussions, presentations, deliberations, and decision-making.

By leveraging the expertise and active participation of committee members, ADIB's Board Committees contribute significantly to the effective governance and oversight of the Group's operations, ensuring alignment with the strategic goals and regulatory requirements.

9.9.3.1 Board Strategy Committee (BSC)

Endorsement from Chairman of Strategy Committee:

> **Dr. Faisal Al Shuaibi, Chairman of the Board Strategy Committee, acknowledges his responsibility to discharge the responsibilities of the Strategy Committee under its charter and ensure its effectiveness.**

The Strategy Committee guides ADIB's Executive Management in the execution of the Group's strategic objectives and business strategy within the limits of the Board Risk Appetite. The Committee also serves as a conduit between the Board and Senior Management on business issues.

The Committee has following major responsibilities:

- Guide the Group's Executive Management to develop the Group's strategic objectives and business strategy.
- Conduct periodic review on achievement of strategic objectives and business plans.
- Advise corrective actions wherever required.
- Act as a conduit between the Board and Senior Management on business issues.
- Review, consider, discuss, and challenge the recommendations submitted by the executive management regarding business strategy, budgets and annual plans.
- Work with management to make recommendations to the Board on the business strategy and long-term strategic objectives of ADIB, including all subsidiaries and affiliates.
- Review the performance of each business group on a quarterly basis and make recommendations should action be required; and
- Review proposals from management for the establishment or disposal of branches, subsidiaries and new joint ventures, referring them to the Board Risk and the Board Investment and Credit Committee for approval.

Members of the Strategy Committee:



Faisal Al Shuaibi
Chairman



Najib Fayyad
Vice Chairman



Abdul Wahab Al Halabi
Member

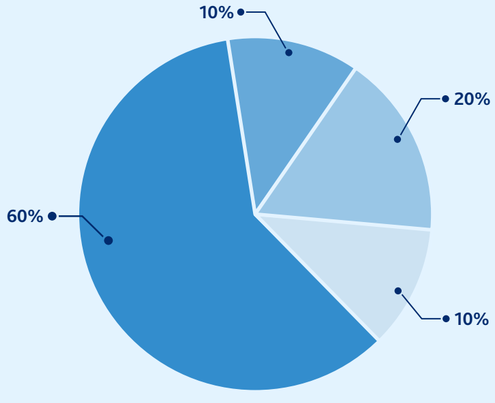


Khalifa Al Mheiri
Member



Maha Al Qattan
Member

The BSC held 4 meetings, during the course of 2025, discussing critical points such as assessment results, governance updates, the strategic direction of upcoming projects, and the strategy plans for subsidiaries and affiliates. A significant focus was placed on prioritizing the digital transformation of the bank, ensuring that technological advancements and digital initiatives were at the forefront of their strategic planning to enhance operational efficiency and customer experience.



TIME ALLOCATION FOR 2025 STRATEGY COMMITTEE MEETINGS

- Assessment Results
- Governance Updates
- Strategy Plan of Subsidiaries & Affiliates
- Strategic Initiatives and Business Performance Updates (Including Projects)

Date of Committee Meetings	Number of Member Attendees
February 20, 2025	5
April 15, 2025	4
June 26 ,2025	5
September 23, 2025	5

9.9.3.2 Board Audit Committee (BAC)

Endorsement from Chairman of Audit Committee:

> **Mr. Abdul Wahab A Halabi, Chairman of the Board Audit Committee, acknowledges his responsibility to discharge the responsibilities of the Audit Committee under its charter and ensure its effectiveness.**

The Board Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to financial reporting and the adequacy of the Internal Controls Framework, which is assessed by External Auditors, Group Internal Audit, Group Compliance, and Internal Shari'a Audit Departments. Its major responsibilities are:

- Adequacy of the consolidated financial statements.
- Compliance with applicable laws and regulations by the Group.
- Effective Risk management covering emerging risks in coordination with Board Risk Committee.
- Competence and independence of the external auditors.
- Performance by Audit and Risk Review (Internal Audit) of its duties and maintenance of its independence.
- Performance review of Compliance function and assuring its independence.
- Adequacy and effectiveness of the internal control system.

Members of the Audit Committee:



Abdul Wahab Al Halabi
Chairman

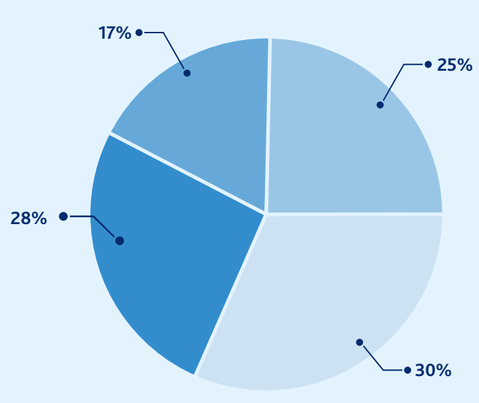


Abdulla Al Ahbabi
Member



Najib Fayyad
Member

The Board Audit Committee held 4 meetings, during the course of 2025, to address several critical areas such as the quality and integrity of the Bank's financial statements, financial reporting, and disclosures, ensuring the effectiveness of the internal control framework. During these meetings, they reviewed and discussed audit committee reports, which included detailed evaluations of the institution's internal controls and risk management processes. Compliance updates were also a key focus, ensuring adherence to regulatory requirements and internal policies. The Committee examined financial results, analysing the bank's financial statements, performance metrics, and overall financial health. Additionally, they reviewed updates from the whistleblowing committee, which involved assessing reports of potential misconduct or unethical behaviour, ensuring that appropriate investigative and corrective actions were taken.



TIME ALLOCATION FOR 2025 AUDIT COMMITTEE MEETINGS

- Review of policies and Governance related matters
- Financial Results
- Compliance update (including regulatory updates)
- Review of internal controls and Shari'a Governance related matters

Date of Committee Meetings	Number of Member Attendees
January 28, 2025	3
April 23, 2025	3
July 23, 2025	3
October 22, 2025	3

Relation between Board Audit Committee and External Auditors

Recommendation of Appointment/Re-appointment and Oversight of the External Auditor by the BAC

ADIB has a structured policy governing the selection, engagement, and oversight of its external auditors, with robust assessment and rotation procedures managed by the BAC. The appointment of the external auditor is subject to shareholders approval at the Annual General Assembly meeting (AGM), with KMPG appointed as ADIB's external auditor for 2025. In accordance with regulatory requirements, the AGM appoints the external auditor for a one-year term, with a maximum tenure of six consecutive years and must rotate the external audit firm's partner in charge every three years.

The Board Audit Committee conducts an annual review of the external auditor's quality, performance, and independence, providing recommendations to the Board regarding reappointment or change. This assessment considers factors such as service quality, institutional knowledge and experience, resource adequacy, communication effectiveness, independence, objectivity, and professional scepticism.

For the financial year ended 31 December 2025, the Board Audit Committee reviewed and discussed ADIB's audited financial statements with the management and the external auditor, including management's assessments and the auditor's evaluation of ADIB's internal control over financial reporting. The Board Audit Committee confirmed the external auditor's independence, having received all required disclosures and correspondence in line with the International Ethics Standards Board for Accountants (IESBA) Code and other applicable ethical standards. By adhering to these stringent policies and procedures, ADIB ensures that its external audit process remains transparent, accountable, and aligned with the highest standards of corporate governance.

External Audit Reservations

No reservations were raised by the external auditor in respect to the annual Audit for the year ending on 31 December 2025.

Management of Non-Audit Services

Permitted non-audit services are those allowable under the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants and may be performed by ADIB's Statutory Auditor. For such services, the scope and fees are proposed and approved by the BAC. It is ensured that the nature of these services does not create a conflict of interest or compromise the auditor's objectivity and independence.

External Auditor fees

Annual Audit and Quarterly Review Fees

Charges incurred for the professional services rendered by external auditors in auditing and reviewing the financial statements of ADIB, ensuring compliance with regulatory requirements and accounting standards.

Other fees

Fees for services provided by the external auditors that do not fall under "Annual Audit and Quarterly Review Fees" and required to be performed by auditors according to applicable regulatory requirements.

Fees (AED)	2025
Annual audit and quarterly review fees	AED 3,510,000
All other fees	AED 840,000
Total fees	AED 4,350,000

9.9.3.3 Board Risk Committee (BRC)

Endorsement from Chairman of Risk Committee:

> **"Mr. Khalifa Al Mheiri, Chairman of the Risk Committee, acknowledges his responsibility to discharge the responsibilities of the Risk Committee under its charter and ensure its effectiveness."**

The Board Risk Committee assists the Board in fulfilling its oversight responsibilities including:

- Review of the risk profile of the Group at the enterprise level and recommendations on appropriate calibration of this profile, in line with the applicable regulatory standards, rating consideration and business strategy.
- Review of the risk management frameworks for the Group and recommend the same to the Board, in alignment with the requirements of the Basel Committee on Banking Supervision, and in compliance with all local regulatory requirements.
- Review the Risk Strategy covering Risk appetite, Risk management framework encapsulating risk infrastructure, framework for risk policies and procedures, adequacy of risk staffing and implementation plan. In addition, any major changes in the risk rating approaches followed by the Group will also be reviewed and recommended to the Board.
- Review of portfolio limits relating to the key risk exposures undertaken by the Bank.
- Monitor the alignment of ADIB's risk profile with its approved risk strategy and risk appetite.
- Receive regular reports from the Group Chief Risk Officer (GCRO) on the Group's major risk exposures, monitor significant financial and other risk exposures; and review the steps taken by the management to control such risks within the approved risk appetite of the Group.
- Review annual Internal Capital Adequacy Assessment Process (ICAAP) plan and recommend its approval to the Board.
- Review and recommend key risk policies including credit risk, market risk, trading risk, liquidity risk, and operational risk.
- Review reports from regulatory agencies or internal audit relating to risk issues and monitor management's responses.

Members of the Risk Committee:



Khalifa Al Mheiri
Chairman



Najib Fayyad
Member

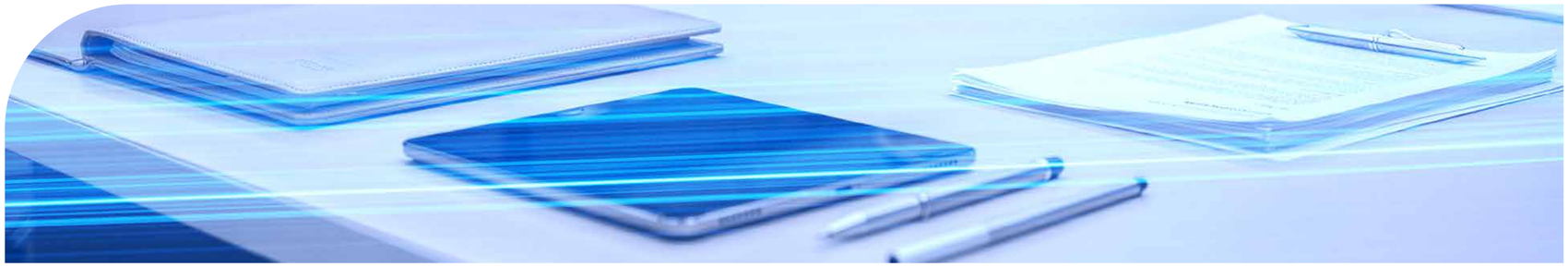


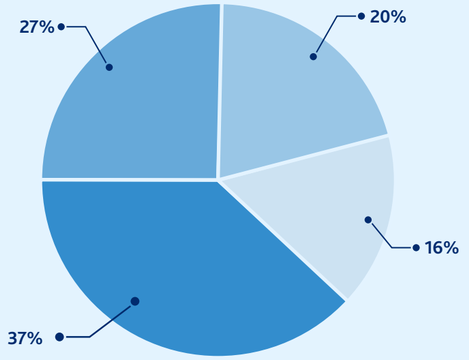
Abdul Wahab Al Halabi
Member



Faisal Al Shuaibi
Member

The Board Risk Committee held 7 meetings, during the course of 2025, to ensure that the Bank's enterprise risk management framework, related policies, systems and practices are fully aligned with regulatory expectations and the Board approved strategy and risk appetite. The Committee conducted performance evaluations to assess their effectiveness and identify areas for improvement. They examined group risk standard reports and the risk appetite statement, which define the level of risk the bank is willing to accept in pursuit of its objectives. Updates from international branches were discussed to ensure consistent risk management practices across all locations. Regulatory updates were reviewed to ensure compliance with evolving legal and regulatory requirements. The Committee also evaluated risk-related policies to ensure they are up-to-date and effective. Additionally, stress testing reports were analysed to assess the bank's resilience under various adverse scenarios, ensuring preparedness for potential risks.





TIME ALLOCATION FOR 2025 RISK COMMITTEE MEETINGS

- Risk review
- Risk Framework - policy review and approval
- Interntional Branches updates
- Regulatory updates & Stress Test Reports

Date of Committee Meetings	Number of Member Attendees
February 26, 2025	4
May 01, 2025	4
June 23, 2025	4
September 04, 2025	4
September 25, 2025	4
November 04,2025	4
December 09,2025	3



9.9.3.3.1 Profit Equalisation Sub-Committee

The Profit Equalisation Committee is a sub-committee to the Board Risk Committee constituted in accordance with the Standard regarding Profit Equalisation for Islamic Banks set by the CBUAE. The primary role of the Committee is to manage and oversee the Profit Equalisation Reserve (PER) and Investment Risk Reserve (IRR). The PER is a reserve set aside from the profits before they are distributed to investment account holders and the bank, ensuring consistent and competitive returns even during periods when the investment pool's profits are below market expectations. The IRR is a reserve created from the income of investment account holders, after allocating the mudarib's share, to cushion the effects of future investment losses. These reserves are instrumental in stabilizing returns for investment account holders and mitigating potential future investment losses, thereby significantly enhancing the bank's financial stability and resilience.

The Committee is responsible for:

- Setting aside amounts from the profits before allocation between the Investment Account Holders (IAH) and the bank. This reserve is used to smooth out the returns for IAHs during periods when the investment pool's profits are below market expectations monitoring the utilization of reserves like the PER and Investment Risk Reserve (IRR).
- Developing and implementing methodologies to identify, monitor, measure, and report the impact of Displaced Commercial Risk (DCR). This involves ensuring that the bank can voluntarily pay a return that exceeds the rate earned on the assets financed by IAH's funds when necessary.
- Ensuring that the management of the Profit Equalisation Reserve (PER) and Investment Risk Reserve (IRR) complies with regulatory requirements and guidelines set by the CBUAE and the Higher Shari'a Authority (HSA). This includes developing and updating policies and procedures related to profit Equalisation.
- Deciding on the allocation and utilization of the PER and IRR to balance the interests of the bank, shareholders, and IAHs. This involves making strategic decisions to optimize returns and manage risks.
- Transparent reporting and communication regarding the PER and IRR to stakeholders. This ensures clarity on how the reserve is managed and utilized.

9.9.3.4 Board Credit & Investment Committee (BCIC)

Endorsement from Chairman of Credit & Investment Committee:

> **"H.E. Jawaan Awaidha Suhail Al Khaili, Chairman of the Credit & Investment Committee, acknowledges his responsibility to discharge the responsibilities of the Credit & Investment under its charter and ensure its effectiveness."**

The Board Credit & Investment Committee considers and approves ADIB's risk exposures, high value transactions and major items of capital expenditure. In addition, this Committee is also responsible for monitoring credit portfolio quality and provisions. The Committee has the following major responsibilities:

- Review and approve credit exposures.
- Review the credit portfolio on a periodic basis to assess alignment with the approved credit strategy and risk appetite of the Group.
- Review actions undertaken by management regarding remedial activities.
- Monitor general and specific provisions.
- Approve significant and high value transactions regarding acquisitions and divestures, new business initiatives and proprietary investments, international business and merger and acquisitions.
- Approve high value transactions in respect of capital expenditure, IT projects and procurement of equipment and materials for the Bank's operations.
- Review and make recommendations to the Board on any material non-credit related party transactions.

Members of the Credit & Investment Committee:



Jawaan Al Khaili
Chairman



Khalifa Al Mheiri
Vice Chairman



Abdulla Al Ahbabi
Member

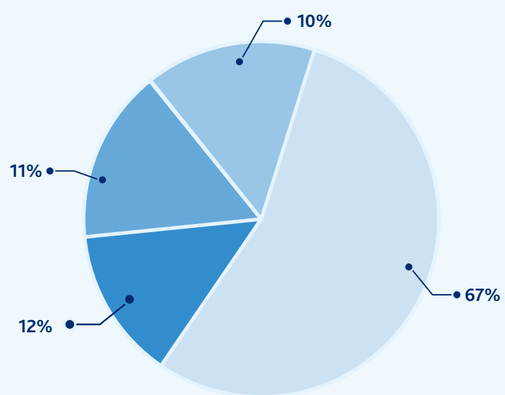


Abdul Wahab Al Halabi
Member



Najib Fayyad
Member

The Board Credit & Investment Committee, held 40 meetings, during the course of 2025, to discuss several key areas, including the approval of credit and investment-related matters, ensuring that all proposals met the institution's risk and return criteria. They conducted comprehensive portfolio reviews to assess the performance and risk profile of the bank's credit and investment portfolios, adjusting as necessary to optimize returns and manage risks. Quarterly updates were also a significant part of their discussions, providing regular insights into market conditions, economic trends, and the performance of existing investments. Through the Committee, the Bank was able to meet key objectives while reinforcing the tolerances set in the Board-approved risk appetite in line with CBUAE credit risk management requirements for retail and corporate financing. The Board Credit & Investment Committee also approved significant strategic investments required for ADIB to remain agile and maintain its competitive advantage within a competitive market.



TIME ALLOCATION FOR 2025 BCIC COMMITTEE MEETINGS

- Approval (Credit & investment related matters)
- Credit Limit review & Approvals (including investment related matters)
- Quarterly Updates (Including regulatory updates) & Porfolio Reviews.
- Settlement & Write-offs

Date of Committee Meetings	Number of Member Attendees
January 09, 2025	4
January 16, 2025	4
January 23, 2025	4
January 30, 2025	4
February 06 , 2025	4
February 13 , 2025	4
February 20,2025	4
February 27, 2025	4
March 06, 2025	4
March13, 2025	4
March 20,2025	4
March 27,2025	4
April 10,2025	3
May 01, 2025	3
May 08 2025	4
May 15, 2025	3
May 22, 2025	4
May 29 ,2025	4
June 12 ,2025	3

Date of Committee Meetings	Number of Member Attendees
June19 ,2025	4
June 26 ,2025	4
July 03,2025	4
July 10, 2025	4
July 23,2025	4
August 07 2025	4
August 14, 2025	4
August 21,2025	4
September04 , 2025	4
September 11 2025	4
September 18, 2025	4
September 30,2025	4
October 09 , 2025	4
October16, 2025	4
November 13, 2025	4
November 20,2025	4
November 27,2025	4
December 11,2025	4
December 25,2025	4

9.9.3.5 Board Nomination & Compensation Committee (NCC)

Endorsement from Chairman of Nomination & Compensation Committee:

> **H.E. Jawaan Awaidha Suhail Al Khaili, Chairman of the Nomination & Compensation Committee, acknowledges his responsibility to discharge the responsibilities of the Nomination & Compensation Committee under its charter and ensure its effectiveness.**

The Board Nomination and Compensation Committee assists the Board in fulfilling its oversight responsibilities in respect of the following for the Group:

- Review the selection criteria and number of executive and employee positions required by ADIB; approve the overall manpower of ADIB based on reports submitted by the GCEO, taking into consideration the advice of an independent and recognized consulting firm.
- Review on an annual basis the policy for the remuneration, benefits, incentives and salaries of all ADIB employees, including Bank and non-Bank subsidiaries and affiliates, as submitted by the GCEO, taking into consideration the advice of an independent and recognized consulting firm.
- Identify and nominate, for approval of the Board, candidates for appointment to the Board
- Recommend the succession plans for Directors.
- Input on renewal of the terms of office of non-executive Directors.
- Assist with membership of Board committees, in consultation with the Board's Chairman and the Chairmen of such committees.
- Guide on matters relating to the continuation in office of any Director at any time.
- Recommend the appointments and re-appointments to the Boards of major subsidiaries and controlled affiliated companies.
- Ensure the independence of the independent directors and any qualified subject matter expert appointed to a Board committee; and
- Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board and make recommendations to the Board regarding any changes.



Members of the Nomination & Compensation Committee:



Jawaan Al Khaili
Chairman



Faisal Al Shuaibi
Member



Khalifa Al Mheiri
Member

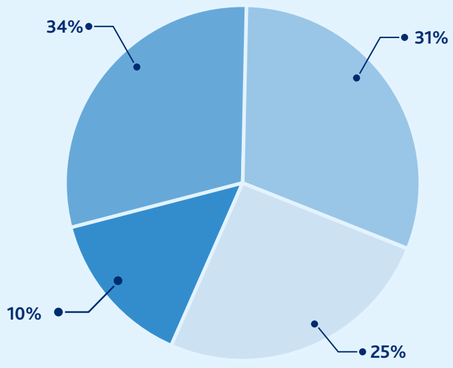


Najib Fayyad
Member



Maha Al Qattan
Member

The Board Nomination and Compensation Committee held 10 meetings, during the course of 2025, to address several pivotal areas. They discussed governance and board-related matters, ensuring that the board's composition and operations adhered to best practices and regulatory standards. Compensation discussions included comprehensive reviews of bonus structures and salary adjustments, aiming to maintain competitive and equitable remuneration for employees. Human resources topics covered employee survey results and satisfaction levels. The Committee also emphasized learning and development initiatives, focusing on continuous professional growth and skill enhancement for employees. Policy reviews were conducted to ensure that all HR and compensation policies remained current and effective.



TIME ALLOCATION FOR 2025 NCC COMMITTEE MEETINGS

- Compensation (including Bonus & Salary review)
- Learning & Development
- Human Resources
- Governance & Board related matters (including policy reviews)

Date of Committee Meetings	Number of Member Attendees
January 27 , 2025	5
February 03, 2025	5
February 27, 2025	5
May 6, 2025	5
May 13, 2025	4

Date of Committee Meetings	Number of Member Attendees
June 16, 2025	3
August 25, 2025	5
September 15, 2025	5
October 07,2025	5
December 09,2025	4

9.9.3.6 Environmental, Social, & Governance Committee (ESG)

Endorsement from Chairman of ESG Committee:

"Ms. Maha Mohammed Al Qattan - Chairman of the ESG Committee, acknowledges her responsibility to discharge the responsibilities of the ESG Committee under its charter and ensure its effectiveness."

The key objectives of the Committee are:

ESG / Sustainability goals, targets, policies, strategies, initiatives, programmes, and related plans (e.g.: short-term and long-term) proposed by the ESG department; taking into consideration the following:

- ADIB's ESG / Sustainability targets and annual budget requirements.
- Alignment with ADIB's corporate strategy.
- Actions related to ESG / Sustainability-related risks, opportunities, and material issues.
- Recommendations proposed by the ESG Department to enhance ADIB's ESG / Sustainability-related progress.
- Approve the Group ESG Policy and any related Group sustainability policies.

Members of the ESG Committee:



Maha Al Qattan
Chairman

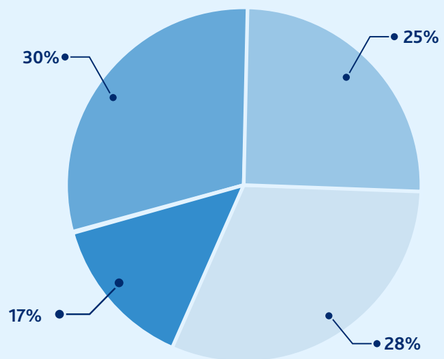


Abdulla Al Ahbabi
Member



Abdul Wahab Al Halabi
Member

The ESG Committee held 2 meetings, during the course of 2025, to discuss Environmental, Social, and Governance (ESG) and sustainable finance strategy , ensuring that these initiatives align with the bank's strategic objectives and sustainability goals. The committee reviewed ESG ratings, and Group ESG updates were provided to ensure consistency and progress across all branches and subsidiaries. Additionally, the committee reviewed and updated ESG policies to ensure they remain relevant and effective.



TIME ALLOCATION FOR 2025 ESG COMMITTEE MEETINGS

- ESG Rating & Gap Assessments (including regulatory requirements)
- ESG policies
- Group ESG Update
- ESG Sustainable Finance Strategy

Date of Committee Meetings	Number of Member Attendees
January 15, 2025	3
October 21, 2025	3

9.9.4 Management Committees

To support the execution of ADIB's objectives and ensure the effective planning, oversight, and monitoring of the Group's operations, a number of Management Committees are in place. These management committees play a critical role in driving decision-making across key areas of the business, including asset management, risk, credit and investment, procurement, and information security.

Each Management Committee operates under clearly defined charters, which outlines its authority, responsibilities, meeting frequency, and operational practices. The charters provide a structured framework that ensures each committee can effectively address specific operational and strategic issues. This structured approach facilitates clear communication, accountability, and alignment with the Group's overall goals.

The Group's Management Committees are pivotal in driving decision-making across multiple business areas, including the management of assets, risk, credit and investment, procurement and information security. Below is the list of the Management Committees at ADIB:

- Management Executive Committee
- Management Risk Committee
- Management Procurement & Outsourcing Committee
- Management Digital Steering Committee
- Compliance Management Committee
- Management Credit Committee
- Management Projects Investment Committee
- Asset & Liability Committee
- GSAM Management Credit Committee
- ADIB UAE & ADIB Egypt SteerCo

ADIB faces a broad range of risks, which are outlined in the Group Risk Appetite Statement (RAS). The RAS, approved by the Board, is a critical component of the Risk Management Framework, defining thresholds and boundaries to ensure the Group operates within its risk tolerance levels. This statement provides a foundation for decision-making and helps safeguard the Group's financial and operational integrity.

The Board is further supported by a robust internal control framework, which provides assurance on both financial and non-financial operations, complemented by internal and external audit functions. In 2025, the Board Risk Committee monitored the consistent application of risk standards to ensure compliance with the CBUAE requirements across the ADIB Group.

Throughout the year 2025, the Board Risk Committee received periodic reports on stress testing conducted by the Management Risk Committee (MRC). These reports demonstrated ADIB's resilience in various scenarios, confirming alignment with the Group's risk appetite. Additionally, the Board Risk Committee monitored the effectiveness of risk management systems and the overarching Risk Management Framework to ensure sustainability and scalability as part of ADIB's approved five-year strategy.

The GCRO oversees the implementation of ADIB's Risk Management Framework and reports directly to the Board Risk Committee. The GCRO is also a member of the MRC and is responsible for the comprehensive management of all risks, including credit, market, and operational risks. This structure ensures effective governance and alignment with ADIB's strategic goals.



9.10. Board Oversight of Internal Controls

9.10.1 Board Oversight of Risk Management

ADIB has implemented a comprehensive Risk Management Framework that establishes clear principles, policies, organizational structures, and approval authorities to ensure effective risk identification, measurement, monitoring, and control across the Group. The Board Risk Committee (BRC) delegated by the Board is responsible for overseeing principal risks and guiding risk tolerance in strategic initiatives, ensuring the Group operates within approved risk appetite and regulatory requirements.

The Group Risk Appetite Statement (RAS), approved by the Board, defines the thresholds for risk-taking and underpins decision-making to protect ADIB's financial and operational integrity. The internal control framework, supported by both internal and external audit functions, provides assurance over all operations.

The Board Risk Committee (BRC) plays a critical role in the bank's governance structure by thoroughly reviewing and endorsing all risk-related policies and frameworks before they are submitted to the Board of Directors for final approval. This process ensures that each policy aligns with the bank's overall risk appetite, regulatory requirements, and strategic objectives.

Specifically, the Board Risk Committee evaluates the adequacy and effectiveness of proposed policies, considering factors such as risk identification, measurement, monitoring, and control mechanisms. The committee assesses whether the policies are consistent with industry best practices and compliant with applicable laws and regulations. Only after this rigorous review and endorsement does the Board Risk Committee recommend the policies for consideration and approval by the Board of Directors.

This structured approach not only strengthens the bank's risk management framework but also reinforces accountability and oversight at the highest levels of governance, ensuring that all risk-related decisions are made with due diligence and in the best interests of the organization and its stakeholders.

In 2025, the Board Risk Committee regularly reviewed stress testing reports from the Management Risk Committee (MRC), confirming the Group's resilience and alignment with its risk appetite. The Board Risk Committee also monitored the effectiveness and scalability of risk management systems as part of ADIB's five-year strategy.

The Group Chief Risk Officer (GCRO) is responsible for implementing the Risk Management Framework and reports directly to the Board Risk Committee, ensuring comprehensive oversight of credit, market, and operational risks in alignment with ADIB's strategic objectives.

The Board's oversight is reinforced by a comprehensive internal control framework that ensures the integrity and reliability of both financial and non-financial operations across ADIB Group. This framework is supported by rigorous internal and external audit functions, which provide independent assurance regarding the effectiveness of controls and compliance processes.

In 2025, the Board Risk Committee (BRC) played a pivotal role in monitoring the consistent implementation of risk management standards throughout the organization. The Board Risk Committee conducted regular reviews to verify that all business units adhered to the Central Bank of the UAE (CBUAE) regulatory requirements and the bank's internal risk policies. This included evaluating the adequacy of risk controls, overseeing the effectiveness of compliance mechanisms, and ensuring that corrective actions were promptly implemented where necessary.

Through these measures, the Board and its committees maintained robust governance and accountability, safeguarding the Group's operational resilience and regulatory compliance.



9.10.2 Three Lines of Defense

The three lines of defense (3LOD) framework is a globally recognized model for risk management and compliance, and ADIB has adopted it in alignment with CBUAE Corporate Governance Regulations. The 3LOD framework at ADIB delivers robust risk management, effective compliance, and strong governance by clarifying responsibilities, ensuring independent oversight, and supporting continuous improvement across the Group. The 3LOD model enhances compliance by:

1. Clear Segregation of Responsibilities

- **First Line:** Business units are directly responsible for identifying, managing, and mitigating risks in their day-to-day operations. This ensures that compliance is embedded at the operational level, with clear accountability for adhering to policies and regulatory requirements.
- **Second Line:** Support and control functions (such as Risk Management, Compliance, and Legal) independently monitor and oversee the activities of the first line. They provide guidance, develop compliance policies, and assess whether business units are operating within regulatory and internal policy boundaries.
- **Third Line:** The Internal Audit function independently evaluates the effectiveness of both the first and second lines. It provides assurance to the Board and senior management that compliance controls are robust and functioning as intended.

2. Independent Oversight and Assurance

- The second and third lines operate independently from business units, reducing the risk of conflicts of interest and ensuring objective assessment of compliance practices.
- Internal Audit's independent reviews help identify gaps or weaknesses in compliance controls, enabling timely corrective actions.

3. Continuous Monitoring and Reporting

- The framework establishes regular monitoring, reporting, and escalation processes. Issues identified at any line are escalated appropriately, ensuring that compliance breaches are addressed promptly.
- The Board and its related committees receive regular updates, enabling proactive oversight and continuous improvement of compliance standards.

4. Alignment with Regulatory Expectations

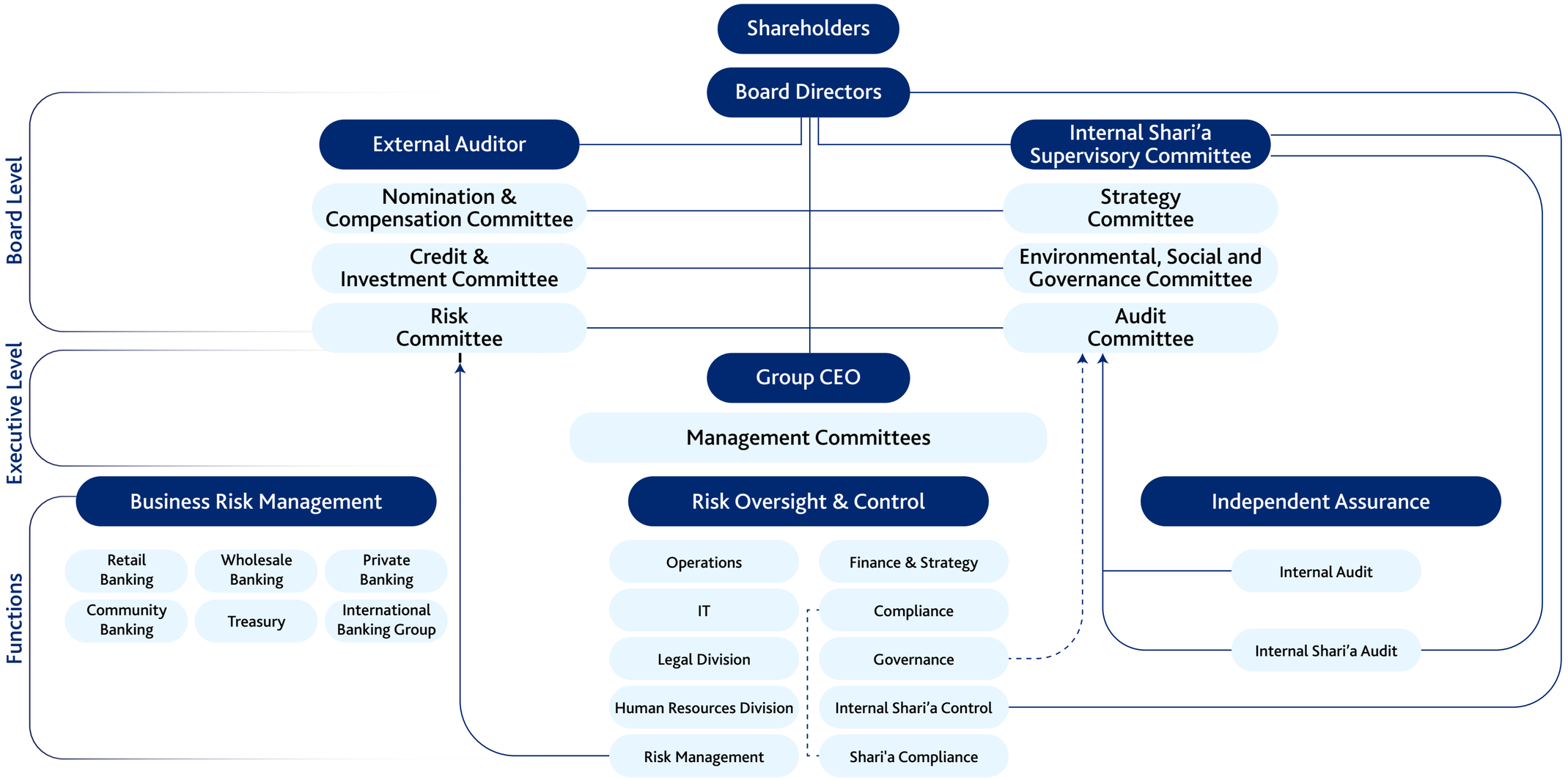
- By structuring compliance responsibilities across three distinct lines, ADIB ensures alignment with regulatory requirements and industry best practices.
- The model supports a culture of compliance, accountability, and transparency throughout the organization.



3LOD Model Summary

Line of Defense	Role in Compliance	Key Benefit
First	Implements policies and manages compliance risks	Accountability at operational level
Second	Monitors, advises, and develops compliance frameworks	Independent oversight and guidance
Third	Audits and assure effectiveness of compliance controls	Objective assurance and improvement

THREE LINES OF DEFENSE GOVERNANCE MODEL



Business Units undertake risk within assigned limits of risk exposure and are responsible and accountable for identifying, assessing and controling the risks of their business.

First Line of Defense

Support and control functions, in close relationship with business units, ensure that the risks in the business units have been appropriately identified and managed

Second Line of Defense

Internal audit function independently assesses effectiveness of the processes crated in the first and sencond lines of defense and provide assurance to these processes. Internal Shari'a Audit function conducts an independent review to provide assurance with respect to specific types of risks applicable to Islamic financial services

Third Line of Defense

9.10.3 ADIB Board Oversight of Financial Reporting, Internal Controls, Corporate Governance and Compliance

ADIB Board is dedicated to upholding the integrity, accuracy, and transparency of the Group's financial reporting and disclosures. This commitment is realized through a robust governance framework, with the Board Audit Committee (BAC) playing a central oversight role.

Commitment to Integrity and Transparency

ADIB Board is dedicated to ensuring the integrity, accuracy, and transparency of the Group's financial reporting and disclosures. This responsibility is embedded within a robust governance framework, with the Board Audit Committee (BAC) serving as the central oversight body.

Role of the Board Audit Committee (BAC)

The Board Audit Committee (BAC) at ADIB plays a central role in the bank's governance framework by providing independent oversight of financial reporting, internal controls, audit, and compliance. The Board Audit Committee supervises the integrity and accuracy of financial statements and disclosures, oversees the effectiveness of internal control systems across all business units, and directly manages the Group Internal Audit function while engaging with external auditors to ensure their independence and that audit findings are addressed. Additionally, the Board Audit Committee monitors the Compliance Function, including regulatory adherence, anti-money laundering (AML), and know-your-customer (KYC) standards. It conducts regular reviews of financial reporting, audit plans, and compliance effectiveness, and receives reports from internal and external auditors as well as compliance and risk functions. Through these activities, the Board Audit Committee ensures robust governance and accountability throughout the Group. The Board Audit Committee is also integral to ADIB's corporate governance, overseeing the effectiveness of governance frameworks, policies, and internal controls to ensure ethical conduct, risk management, and regulatory compliance. By maintaining independent reporting lines from internal audit and compliance functions, the Board Audit Committee provides objective assessments and drives improvements in governance practices. It also monitors adherence to regulatory requirements, reviews the effectiveness of the whistleblowing mechanisms, and evaluates the performance of governance-related committees, ensuring the Board and its committee's function effectively and transparently.

Internal Control System

ADIB's internal control system operates across multiple governance levels and is built on accountability, delegation, and collaboration. Key contributors include Internal Audit, External Audit, Risk, Compliance, Finance, Legal, and Corporate Governance functions. Policies and procedures are tailored to the needs of each department and business unit, ensuring effective implementation throughout the organization.

- **Segregation of Duties:** Ensuring no single individual has control over all aspects of a transaction.
- **Approval and Authorization Controls:** Formal approval required for significant transactions.
- **Reconciliation and Verification:** Regular reconciliations to ensure data accuracy.
- **Access Controls:** Restricting access to sensitive systems and data.
- **Monitoring and Reporting:** Regular audits and reporting to the BAC.
- **Compliance Checks:** Ongoing monitoring of regulatory adherence, including AML and KYC.
- **Policy Reviews:** Regular updates to reflect regulatory and business changes.
- **Training and Awareness:** Ongoing employee education on controls and compliance.

Audit and Compliance Reporting

The Group Internal Audit (GIA) reports directly to the Board Audit Committee, maintaining independence and enabling effective monitoring of controls and processes. The Board Audit Committee approves the annual internal audit plan and ensures timely remediation of identified deficiencies. Compliance Function also reports to the BAC, providing updates on regulatory adherence, anti-money laundering (AML), know-your-customer (KYC) standards, and any suspicious activity. The Board Audit Committee conducts annual reviews of the compliance function's effectiveness to ensure regulatory requirements are consistently met.

Continuous Oversight and Review

Throughout 2025, the Board Audit Committee regularly reviewed financial reporting, IFRS governance, and the progress of the internal audit plan. It also reviewed the performance and independence of the Compliance Function and Corporate Governance Department and the Internal Shari'a Audit reports. Both GIA and external auditors submit reports to the Board Audit Committee, highlighting the effectiveness of internal controls and any material issues. Additionally, Compliance and Risk functions provided quarterly updates to the Board Audit Committee and Board Risk Committee (BRC), further strengthening ADIB's risk governance framework.

Governance and Accountability

This multi-layered approach ensures that ADIB's financial reporting, internal controls, and compliance mechanisms are robust, transparent, and aligned with regulatory expectations. The Board's oversight, supported by specialized committees and independent assurance functions, fosters a culture of accountability and continuous improvement across the Group.



9.10.4 Delegation of Authority

ADIB's Delegation of Authority (DoA) policy is designed to enable effective and accountable decision-making by clearly defining the powers and responsibilities delegated by the Board to senior management. The Board retains ultimate responsibility for setting strategic objectives, determining risk appetite, and overseeing management, but specific powers are delegated to Board Committees and the Group Chief Executive Officer (GCEO) for operational efficiency.

The DoA policy ensures clarity and alignment throughout the organization by:

- Formalizing the delegation of powers through Powers of Attorney (POAs) and resolutions issued by the Chairman and GCEO, which are reviewed and renewed regularly to ensure compliance with regulatory requirements and strategic priorities.
- Allowing the GCEO to sub-delegate specific responsibilities to Senior Management and other designated individuals, supporting seamless execution of strategic objectives.
- Maintaining robust oversight, as the Board and its committees continue to monitor the exercise of delegated authority and retain the ability to review or revoke delegations as needed.

In practice, the DoA policy is implemented through formal Powers of Attorney (POAs) and resolutions issued by the Chairman and Group Chief Executive Officer (GCEO), which clearly define the scope and limits of delegated powers for various roles and functions within the bank. These POAs are regularly reviewed and renewed to ensure alignment with regulatory requirements and strategic priorities. The GCEO is authorized to further sub-delegate specific responsibilities to Senior Management and other designated individuals, enabling operational flexibility and efficient execution of strategic objectives. The Board and its committees maintain oversight by monitoring the use of delegated authority and retaining the ability to review or revoke delegations as needed, ensuring accountability at all levels. All delegated authorities are exercised within the boundaries of established policies, procedures, and internal controls, so that decisions are made consistently and in compliance with both internal standards and external regulations. This approach allows day-to-day operational decisions to be handled efficiently by authorized managers, while strategic and high-impact decisions remain under the direct purview of the Board or its designated committees, supporting clarity, accountability, and effective governance throughout the organization.This structured method reduces ambiguity, supports efficient execution of the Bank's priorities, and fosters clear accountability at all levels of the organization.

9.10.5 Violations, Causes & Avoidance

ADIB maintains a process to ensure effective compliance with relevant regulations and to report any violations or matters of significance. During 2025, all identified material issues or Matters of Significance were reported to Senior Management and, where applicable, escalated to the Board and/or Board Committees by the Head of Internal Audit, Group Chief Compliance Officer (GCCO) and/or Group Chief Risk Officer (GCRO).

9.10.6 Environmental, Social, & Governance (ESG)

ADIB has incorporated ESG and sustainability-related risks into its bank-wide risk management. This included policy changes in the bank's Risk Management Policy, as well as a complete ESG Risk Management Policy, of which a publicly disclosed version is available here. This covers our approach towards ESG risks, including the screening of deals and transactions with a proprietary ESG risk due diligence toolkit, which leverages global standards and best practice, to ensure transactions are screened and given ESG risk ratings. This combines both ADIB-conducted due diligence, and existing ESG risk ratings by providers such as Sustainalytics, MSCI, S&P, etc. to create a cohesive ESG risk assessment. This due diligence is used to either qualify transactions, implement mitigating measures for flagged ESG risks, require escalation for approval, or to reject deals based on the outcomes of the ESG Risk due diligence process. Further, the ESG Risk Policy outlines restricted activities, which require enhanced due diligence processes to ensure that the transactions do not pose unmitigated ESG risks.

We have also conducted climate related stress testing and scenario analysis within our risk management function. We have also conducted a full gap assessment of our readiness against IFRS S1 and S1 reporting.

Sustainable Finance & Sustainable Instruments

ADIB has progressed significantly within the realm of sustainable finance. Historically, the bank has financed sustainable finance, covering renewable energy, water desalination and wastewater management, clean transport, energy efficiency, and affordable housing, among others. In 2023, ADIB published a second-party opinion approved Sustainable Finance Framework (read **here**), that covers the eligible assets and categories for sustainable finance instruments use of proceeds. This framework leverages global standards such as the Green Sukuk Principles, the Social Sukuk Principles, and the Sustainability Sukuk Guidelines issued by the International Capital Market Association (ICMA), as well as the Green Financing Principles, the Social Financing Principles, issued by the Financing Market Association (LMA). It also covers ADIB's exclusion list which expands the Shari'a exclusion list of activities to ESG related

Also in 2023, ADIB issued USD 500 million green sukuk; the world's first dollar denominated green sukuk issued by a bank. The five-year senior sukuk rated A+ by Fitch are priced at a profit rate of 5.695 percent per annum and are payable semi-annually. The issuance was met with exceptional demand with the final orderbook closing at USD 2.6 billion, representing an oversubscription rate of 5.2 times.

Our first Sukuk Impact and Allocation report has been disclosed, aligned with end of year December 31 reporting period, with the second annual impact and allocation report expected in Q1 of 2026.

Most recently, in 2024, the bank has also finalized its Sustainable Finance Strategy to 2030, with an internal goal of growing the sustainable finance portfolio by approximately around 470% by 2030, from 2024 numbers. This strategy included a year-by-year plan for sustainable product development, as well as financial targets by segment, with a target of AED 60 Billion in Sustainable Finance mobilized by 2030.

Net Zero Targets

ADIB has also become the first Islamic bank to announce sector specific financed emissions reduction targets for 2030, as part of the bank-wide effort to decarbonize and align itself with the national and agenda of achieving Net Zero by 2050. These financed emissions targets cover our highest impact sectors including home finance, automobile finance, real estate development, utilities, aviation, and oil and gas (petroleum manufacturing). Bank-wide we have also set an interim operational emission reduction target of 49% by 2030 from compared to our 2022 baseline emissions. We performed these assessments based on leading industry practices, such as the GHG Protocol for our operational emissions and the Partnership for Carbon Accounting Financials (PCAF) for financed emissions baselining. For our operational emissions, we considered those generated from our banking operations in the UAE, the UK, and Egypt.

External Ratings

ADIB has been successful in providing cohesive and detailed disclosures to the public domain, which has contributed to highlighting our strong progress in the ESG space to investors, rating agencies, and other external stakeholders.

Our MSCI rating was maintained at AA in the "Leader" category in the 2025 cycle. Our Sustainalytics ESG risk score improved significantly, dropping to a low-risk score of 16.8, positioning us among the leading low risk banks in the region. Thus far, our Standard & Poor's CSA score is maintained at 41 points, a strong indication of our ESG performance.

9.10.7 Employee Remuneration & Rewards

Guiding Principles, Philosophy and Culture

ADIB's compensation philosophy is performance-oriented, market-aware and aligned with business strategy and stakeholder interests. It encourages a culture that is based on merit, and differentiates and rewards excellent performance, both in the short and long term.

The remuneration framework delivers competitive industry compensation in keeping the principles of fairness, while nurturing a responsible risk-taking culture. ADIB's remuneration packages are carefully structured, commensurate with the key accountabilities, responsibilities and risk-taking profiles of management levels.
A fundamental component of the remuneration structures for Senior Management and Material Risk Takers is the significant portion on variable compensation which includes the retention /deferred bonus component and the option for ADIB to claw back discretionary rewards.

For ADIB senior leaders, who are our top achievers, our goal is to ensure that there is a performance-linked and fair approach to total rewards structures to reflect their top performances relative to their peers. This is a key aspect of attracting, motivating and retaining top talent in ADIB. Our approach to remuneration aims to minimize turnover and ensure continuity of our cadre of senior managers. In line with the Board-approved strategy, total compensation is not intended to be our competitive edge; for more junior levels, ADIB benchmarks to be within market.

Compensation is based on the individual, business unit and the Bank performance. Discretionary rewards are based on the result of a transparent annual performance appraisal process with joint input from line management and direct reports. The rewards structure also embeds effective risk management in line with Basel Principles, CBUAE requirements and industry responsible banking practices around balancing of the interests of our customers, shareholders and other stakeholders.

Total Rewards – Key Components

ADIB aims to attract, motivate and retain the best resources capable of achieving our company strategy and goals in adherence to ADIB values. We see our compensation strategy as a key driver to reinforce employee commitment, engagement and alignment with organizational goals. ADIB's total compensation approach provides a balanced package designed to impact in a specific manner, the motivation and retention of employees. The compensation structure consists of the following:

- Basic salary,
- Benefits, allowances, and,
- Variable compensation awarded for good performance.

Basic Salary plus benefits and allowances combined make up the Fixed Annual Cash ("FAC").

Partnerships

ADIB is currently a signatory to the UN Principles of Responsible Banking (PRB), and has released its inaugural PRB report in mid-2025. ADIB also continues to work actively in positioning Abu Dhabi as a global sustainable finance hub, and Chairs the Global Climate Finance Center (GCFC) in Abu Dhabi.

Further information

For a full list of our policies and external disclosures please see the below:

- ADIB ESG related policies page
- ADIB ESG reports and disclosures page

Variable Pay

Variable compensation is either formulaic incentive plans or the discretionary bonus. Outstanding individual performance is recognized through one or the other depending on the plan which is applicable to the role performed as per the employment contract. Variable pay is based on the following components:

- Individual Annual Performance including Competencies levels and Compliance Risk,
- Link to Business / Function Performance,
- Link to ADIB's overall performance against the Board approved objectives

Senior Management – Remuneration

Material Risk Takers

ADIB has established a formal framework to identify employees whose professional activities significantly impact the Bank's risk profile, referred to as Material Risk Takers (MRTs). This identification framework and list of MRTs are reviewed annually in accordance with prevailing regulatory requirements which helps ensure alignment with the Bank's governance standards and regulatory obligations.

In line with the policy, ADIB maintains a comprehensive list of Material Risk Takers. The Bank's compensation framework for Senior Management incorporates a balanced scorecard approach, which evaluates performance using financial and non-financial parameters. This holistic evaluation considers factors such as customer-centric outcomes, business-centric achievements, financial metrics, and adherence to non-financial performance objectives. This ensures that all relevant parameters are addressed when assessing overall impact, performance, and remuneration.

For the year 2025, total remuneration awarded to Senior Management amounted to AED 70,425 thousand. Total remunerations comprised of fixed pay (including employer pension contributions) and variable compensation awarded in the year 2025.

For further details on the remuneration policy, as well as the design and structure of remuneration processes, please refer to the Pillar 3 Report.

Governance and Continuous Improvement

The Board Nomination and Compensation Committee periodically reviews the effectiveness of the ADIB approach to remuneration, in particular variable pay components, and has at its disposal available subject matter experts to ensure that the philosophy is benchmarked against its peers and is aligned to CBUAE corporate governance regulations and standards No. 83/ 2019.

Key Design Features and Controls of Variable Pay

ADIB Variable Pay Component	Features
Emiratization and Talent Management	Retention Packages for UAENs
Deferred compensation	Three Years with claw back comprising cash and shares
Correlation to Individual Performance	Employee and Manager involvement
Correlation to respective Business / Function Performance	Moderation and approval by NCC
Correlation to ADIB overall performance	Approval by NCC
Control Functions compensation	Compensation outcomes must be symmetric with risk outcomes
Risk Culture	Designed to prevent excessive risk-taking in line with risk appetite
Limits	Board approval is required above key thresholdsmits

Diversity and Inclusion

Diversity and inclusion are integral to ADIB's corporate culture, reflecting the Bank's commitment to fostering an environment that values gender, social, and ethnic diversity. The Board recognizes that an inclusive workplace drives innovation, collaboration, and long-term growth. By embracing diverse perspectives, ADIB ensures that its operations align with its strategic goals and core values.

Gender diversity remains a key focus for ADIB, with women consistently comprising a significant portion of the workforce. In 2025, women represented 44% of the workforce, demonstrating the Bank's sustained efforts to empower women across all levels of the organization. These efforts are aligned with ADIB's broader strategy to champion diversity and provide opportunities for all employees to thrive.

Emiratization

ADIB is fully committed to supporting the UAE's national agenda through its Emiratization Policy, which focuses on attracting, developing, and retaining UAE Nationals. Over the past three years, Emiratization levels have remained a key priority for the Bank, with UAE Nationals comprising 45% in 2022, 44% in 2023 and 2024 and 49% in 2025.

To further enhance these efforts, ADIB has implemented targeted initiatives that provide Emirati employees with professional consultancy, tailored career development pathways, and competitive compensation structures. These initiatives aim to create an inclusive and supportive environment that encourages the long-term growth and retention of high-potential UAE Nationals.

Through its commitment to Emiratization, ADIB continues to contribute to the UAE's national development goals while fostering a workplace that values diversity and inclusion. These efforts not only enhance the Bank's competitive edge but also align with its mission to support the communities it serves.

9.11. Stakeholder Management

9.11.1 Investor Relations: Key Initiatives

ADIB recognizes that the long-term success and sustainability of the Group depend on strong, transparent, and supportive partnerships with its key stakeholders. To this end, we proactively engage with investors and shareholders through diverse channels and activities, fostering open dialogue, incorporating feedback, and driving continuous improvement to enhance value creation.

Our primary objective is to deliver clear, concise, and consistent messaging to the market, effectively communicating ADIB's investment thesis while ensuring transparency regarding the Group's opportunities and risks. We actively engage with shareholders, investors, and sell-side analysts globally through various platforms to maximize efficiency and ensure clarity in all interactions.

In 2025, ADIB upheld the highest standards of transparency by providing timely disclosures and communicating relevant financial and non-financial information to all stakeholders. Employees were kept well-informed, with Senior Management forming dedicated forums to share updates and address concerns, reinforcing internal engagement.

Key Stakeholder Engagement Initiatives

- Quarterly Results Calls: Offering updates on financial performance and strategic milestones.
- Annual General Meeting (AGM): Providing shareholders with an opportunity to engage directly with the Board and Senior Management.
- Investor Conferences, In-House Meetings, and Conference Calls: Facilitating in-depth discussions and access to ADIB's leadership.
- Roadshows: During the year the Bank organised roadshows in London, Singapore, New York and Dubai.

Key focus areas for Stakeholder discussions

Engagement with stakeholders includes discussion on the following topics:

- Group's strategic outlook and its accomplishment.
- Capital allocation and dividend policy.
- Sustainability practice and targets.
- Update on the Group's performance.
- Financial guidance

In addition to these direct engagements, ADIB leverages digital platforms to ensure seamless communication:

- Investor Relations (IR) Email: A dedicated channel for addressing investor inquiries.
- IR Section on the Website and IR Application: Offering real-time access to reports, announcements, and key updates.

Through these initiatives, ADIB underscores its commitment to transparency, accountability, and fostering enduring relationships with its investors and stakeholders, ensuring alignment with the Group's strategic objectives and stakeholder expectations.

Investor Relations Leadership

The Investor Relations (IR) team serves as the primary point of contact for investors, analysts, and rating agencies, aiming to provide a fair understanding of ADIB's financial performance, strategy, and business outlook.

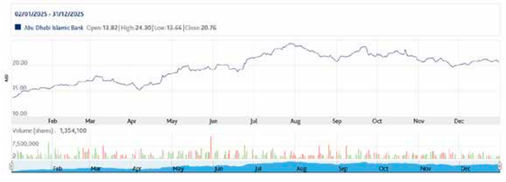
For inquiries, please contact:

Ms. Lamia Hariz
Head of Corporate Communications and Investor Relations

Email: investor.relations@adib.com | lamia.hariz@adib.com
Phone: +971 02-4977427 | +971 0506824207
Investor Relations Website
ADIB Investor Relations Application

9.11.2 Company Performance

Statement of the Bank share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2025.



Date	Monthly High	Monthly Low	Monthly Close
Jan-25	15.66	15.40	15.60
Feb-25	17.26	16.94	17.00
Mar-25	16.32	16.20	16.04
Apr-25	18.46	18.06	18.30
May-25	19.48	19.20	19.18
Jun-25	21.94	21.18	21.50
Jul-25	24.34	24.10	24.16
Aug-25	21.80	21.34	21.34
Sep-25	21.90	21.36	21.78
Oct-25	21.70	21.12	21.12
Nov-25	20.04	19.46	19.90
Dec-25	20.88	20.70	20.76

Statement of the comparative performance of the Bank Share with the general market index and the sector index to which the company belongs during the year 2025.



Date	Close	ADX Banks	ADX General Index
Jan-25	15.60	17,167.17	9,586.12
Feb-25	17.00	17,147.24	9,573.78
Mar-25	16.04	16,834.71	9,368.81
Apr-25	18.30	17,331.54	9,534.33
May-25	19.18	17,641.51	9,685.10
Jun-25	21.50	18,064.84	9,957.52
Jul-25	24.16	18,858.57	10,370.66
Aug-25	21.34	18,321.56	10,094.67
Sep-25	21.78	18,117.95	10,014.60
Oct-25	21.12	18,370.37	10,099.90
Nov-25	19.90	17,961.82	9,747.17
Dec-25	20.76	18,348.70	9,992.72

Statement of shareholders who own 5% or more of the company's capital as of 12/31/2025.

ADIB has an authorized share capital of 3,632,000 thousand ordinary shares of AED 1 each, issued and fully paid share capital is AED 3,632,000 thousand ordinary shares of AED 1 each. All of the shares in the company are nominal of which (60%) shall be fully owned by nationals of United Arab Emirates, while non-nationals are permitted to own shares of the company to the extent, but not exceeding (40%).

As of 31 December 2025, the major owners that holds directly more than (5%) as published by the Company via the electronic publishing platform of Abu Dhabi Exchange (ADX) and ADIB website and their voting rights were as follows:

Significant Shareholder	Number of Shares	Percentage of Shareholding
Emirates International Investment Company LLC	1,431,110,701	39.40 %
Emirates National Bank of Dubai PJSC	246,223,389	6.78 %
Other Investors	1,954,665,910	53.82 %
Total ADIB share	3,632,000,000	100.00 %

Statement of ADIBs Ownership Structure as of 12/31/2025.

The breakdown of shareholder types as of 31 December 2025 is set out in the following table:

Shareholder Classification	Percentage of Owned Shared	Number of Owned Shared	Number of Shareholders
Companies	73.3%	2,661,879,387	1,219
Individuals	26.7%	970,120,613	44,409
Total	**100%**	**3,632,000,000**	**45,628**

Statement of the distribution of National vs Foreign Holdings as of 12/31/2025

The breakdown of shareholder by nationality types as of 31 December 2025 is set out in the following table:

Shareholder Classification	Percentage of Owned Shared
National Ownership	78.13%
Foreign Ownership	19.88%
GCC Ownership	1.70%
Arab Countries	0.29%

9.11.3 Annual General Assembly

The 2025 AGM was chaired by the Vice Chairman of the ADIB Board. The Directors, the external auditor, a representative of the SCA and shareholders were in attendance (in-person and online).

The meeting minutes were taken by the Board Secretary, and the AGM resolutions were made available to the SCA and shareholders through a market announcement before opening of the next market trading day.

General Assembly Meeting	Date	Meeting Method	Special Resolution(s)	Attendance Percentage
Annual General Assembly	10 March 2025	Hybrid (Virtual and Physical)	2	65.32%

Special resolutions

In 2025, the shareholders approved the following special resolutions:

- The renewal/ update of the authorization of the Board of Directors to issue any senior Sukuk and/or other similar instruments which are not convertible into shares, whether under a program or otherwise, in an aggregate outstanding face amount not exceeding USD 5 billion (or the equivalent thereof in other currencies) at any time, and to authorize the Board of Directors to determine and agree on the date of issuance (provided that such date does not exceed one year from the date of the General Assembly meeting), the amount, offering mechanism, transaction structure and other terms and conditions of any such issuance(s), provided that this is undertaken in compliance with the provisions of the Commercial Companies Law and any regulations or guidelines issued by any governmental or regulatory authority pursuant to such law and after obtaining approvals which may be required from the relevant competent regulatory authorities.
- The Issuance of additional Tier 1 sukuk which are not convertible into shares in an aggregate face amount not exceeding USD 3 billion (or equivalent thereof in any other currency) and to authorize the Board of Directors to determine and agree on the date of issuance provided that such date does not exceed one year from the date of the General Assembly meeting, the amount, offering mechanism, transaction structure and other terms and conditions of such issuance (provided that such issuance is subordinated, profit payments under the terms and conditions of such issuance are capable of being cancelled under certain circumstances and the terms and conditions also contain a point of non-viability provision), and subject in all cases to obtaining necessary approvals which may be required from the relevant competent regulatory authorities.

9.12. Islamic Banking Governance

9.12.1 ADIB Shari'a Governance Framework

The Shari'ah Governance Standard comprehensively provides the roles and responsibilities of the Board of Directors of the Islamic Financial Institution ('Board'), senior management and certain committees and departments of an Islamic Financial Institution. Briefly listed below are their main responsibilities.

Board of Directors: Ultimate responsibility for ensuring that a comprehensive Shari'a Governance Framework is put in place and that ADIB is in compliance with Islamic Shari'ah (as per the Shari'a resolutions, regulations and standards issued by the HSA and resolutions and fatwas issued by ADIBs Internal Shari'ah Supervisory Committee ('ISSC'), in relation to licensed activities and businesses of the Islamic Financial Institution) rests with the Board. The Board is required to hold at least one meeting with the ISSC each financial year to discuss issues pertaining to Shari'a compliance.

Board's Risk Committee: The Board's Risk Committee is responsible for supervising and monitoring the management of Shari'ah non-compliance risk (SNC Risk), setting controls in relation to this type of risk and overseeing the implementation of the framework of the management of Shari'a non-compliance risk.

Senior Management: The senior management is generally responsible for executing and managing the ADIB's activities and businesses in compliance with Islamic Shari'a.

Board Audit Committee: The Board's Audit Committee is generally responsible for evaluating the effectiveness of ADIB's policies (approved by ISSC), assessing the effectiveness and adequacy of internal Shari'a audit and external Shari'a audit (if in place) and reviewing and checking compliance with reports prepared by the ISAG and external Shari'ah auditors.

Internal Shari'a Supervisory Committee (ISSC): The members of the ISSC of ADIB ("the Committee") were appointed in the General Assembly Meeting in compliance with the Decretal Federal Law No. (14) of 2018, CBUAE Shari'ah Governance Standard and Bank's Article of Association. The Committee, whose members are not members of the ADIB Board, has a term of three years and all members are required to form a quorum, whether by principal or by proxy. The role and responsibilities of ADIB ISSC include:

1. Shari`ah supervision of all business, activities, products, services, contracts, documents, business conduct charters and codes of ethics of ADIB and shall approve them and establish necessary Shari`ah controls, within the framework of the rules, principles and standards set by the Higher Shari'ah Authority,
2. Issue Shari'a pronouncements and resolutions that are binding upon ADIB.
3. Monitor through the ISCG and the ISAG, ADIB's compliance with Islamic Shari'a.
4. Review and approve corrective measures, remediation required by the Islamic Shari'a regarding the consequences arising from Shari'a non-compliance issues and recommend preventive measures to avoid reoccurrence of any such issues.
5. Review and approve from Shari'a perspective the method for calculation and distribution of profits, allocation of expenditures and costs and their division between holders of investment accounts and shareholders; and final annual accounts before presenting them to the Central Bank.
6. Issue an annual report stating the extent of ADIB's compliance with Islamic Shari'a that is published within the financial statement in ADIB's disclosures and other available means:

During the year, ISSC held (9) meetings to look after various issues and queries raised by or through the ISCG, the ISAG and other departments of ADIB. Further, (2) meetings were held with the Executive Member of the ISSC. In total (206) Shari'a resolutions were issued and (187) were notified. Resolutions had wide area of coverage of activities and transactions, including general Sukuk issuances, sovereign Sukuks and syndicated financing, large corporate deals besides many queries related to digital finance solutions and compliance with Islamic Shari'a in the transaction carried out by various business segments.

nternal Shari'a Control Group (ISCG) supports the ISSC in its duties. The ISCG carries out the following functions:

- ISSC Secretariat Function
- Shari'a Consultations Function
- Shari'a Research and Development Function
- Shari'a Compliance Function; and
- Shari'a Training Function,

each as detailed in ADIB's Shari'a Governance Framework.

Internal Shari'a Audit Group (ISAG): is generally responsible for undertaking Shari'a audits and monitoring ADIB's compliance with Islamic Shari'ah. The ISAG is required to submit reports to the ISSC and to the Board Audit Committee biannually (at minimum).

Name	Position	No. of Meetings Attended
Professor Dr. Mohammad Abdul Rahim Sultan Al Olama	• Chairman of the ISSC • Member of ISSC's Executive Committee • Executive Member of the ISSC	(9) - ISSC (2) - Executive Member
Prof. Dr. Jassim Ali Salem Al Shamsi	• Vice Chairman of the ISSC • Member of ISSC's Executive Committee • Second Executive Member of the ISSC	(9) - ISSC
Prof. Dr. Ashraf Md Hashim	• Member of the ISSC • Member of ISSC's Executive Committee	(9) - ISSC
Dr. Ali Al Junaidi	• Member of the ISSC	(9) - ISSC

9.12.2 Profile of Internal Shari'a Supervisory Committee Members

Prof. Dr. Mohammad Abdulrahim Sultan Al-Olama
Among the learned Shari'a scholars from the UAE. Ex-Professor of Fiqh & Islamic Jurisprudence in the Law Faculty at the UAE University (Al Ain). Chairman and Member of several Shari'a advisory committees in the UAE, Oman and Bahrain. Chairman of the ISSC of Dubai Islamic Bank, Emirates NBD, Emirates Islamic Bank, Dar Al Takaful, National Bonds, etc. PhD. (Comparative Islamic Fiqh) from Umm Al-Qura University (Makkah).

Prof. Dr. Jassim Salim Ali Al-Shamsi
Among the learned scholars from the UAE specialized in Islamic commercial jurisprudence and civil transactions law. Member of the Higher Shari'ah Authority of the Central Bank of the UAE. Chairman of the ISSC of Ajman Bank, Al Hilal Bank, ADCB, Arab Bank for Investment & Foreign Trade, and a member of the ISSC of Ajman Bank. PhD. (Civil Law: A Comparative Study with Commercial Fiqh) from Cairo University.

Prof. Dr. Ashraf bin Md Hashim
Among learned Shari'a scholars from Malaysia. He was the founding CEO of ISRA Consulting (Malaysia). Chairman of the Shari'ah Advisory Council at Bank Negara Malaysia. Chairman and Member of Shari'a advisory committees in the UAE, Malaysia, Singapore, Nigeria and Australia. PhD. (Islamic Law) from the University of Birmingham (UK).

Dr. Ali Al-Junaidi
Among the learned Shari'a scholars from the UAE. Associate Professor (Fiqh & Islamic Jurisprudence) at the UAE University (Al Ain). Member of the ISSC of Sharjah Islamic Bank (UAE), Aafaq Islamic Finance and Arab Bank for Investment & Foreign Trade. PhD. (Fiqh & Islamic Jurisprudence) from Yarmouk University (Jordan).

REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

ABU DHABI ISLAMIC BANK PJSC

Report of the Board of Directors for the year ended 31 December 2025

The Board of Directors have pleasure in submitting their report together with the consolidated financial statements of Abu Dhabi Islamic Bank PJSC (the "Bank") and its subsidiaries (collectively known as the "Group") for the year ended 31 December 2025.

Incorporation and registered office
The Bank was incorporated in the Emirate of Abu Dhabi, United Arab Emirates (UAE), as a public joint stock company with limited liability, in accordance with the provisions and applicable requirements of the laws of the UAE and the Amiri Decree No. 9 of 1997.

Principal activity
The activities of the Bank are conducted in accordance with Islamic Shari'a, which prohibits usury as determined by the Internal Shari'a Supervisory Committee of the Bank, and within the provisions of the Articles and Memorandum of Association of the respective entities within the Group.

Basis of preparation of consolidated financial statements
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), general principles of the Shari'a as determined by the Group's Internal Shari'a Supervisory Committee and applicable requirements of the laws of the UAE.

Financial commentary
The Group net profit after zakat and tax reached a record AED 7,070.1 million (2024: AED 6,101.4 million) for 2025 up by15.9%. The financial highlights of the full year results are as follows:

- Group net revenue (total operating income net of distribution to depositors) for 2025 was AED 12,304.0 million (2024: AED 10,631.9 million) increased by 15.7%.
- Group operating profit before impairment ("margin") for 2025 increased by 17.3% to reach at AED 8,779.1 million (2024: AED 7,487.3 million).
- Total provisions for impairment for 2025 were AED 677.8 million (2024: AED 619.7 million).
- Group net profit after zakat and tax for 2025 was AED 7,070.1 million (2024: AED 6,101.4 million) up by 15.9%.
- Group earnings per share increased to AED 1.746 compared to AED 1.493 in 2024.
- Total assets as of 31 December 2025 were AED 280.8 billion (2024: AED 225.9 billion).
- Net customer financing (murabaha, ijara and other Islamic financing) as of 31 December 2025 was AED 181.4 billion (2024: AED 142.6 billion).
- Customer deposits as of 31 December 2025 were AED 229.1 billion (2024: AED 182.7 billion).



Report of the Board of Directors for the year ended 31 December 2025 (continued)

Board of Directors
The directors during the year were as follows:

1.	H.E. Jawaan Awaidha Suhail Al Khaili	Chairman
2.	Faisal Sultan Naser Salem Al Shuaibi	Vice Chairman
3.	Khalifa Matar Al Mheiri	Board Member
4.	Najib Youssef Fayyad	Board Member
5.	Abdulla Ali Musleh Jumhour Al Ahbabi	Board Member
6.	Abdul Wahab Al Halabi	Board Member
7.	Maha Mohammed Al Qattan	Board Member

On behalf of the Board of Directors
H.E. Jawaan Awaidha Suhail Al Khaili
Chairman

21 January 2026
Abu Dhabi

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Independent auditors' report

To the Shareholders of Abu Dhabi Islamic Bank PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Abu Dhabi Islamic Bank PJSC ("the Bank") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the United Arab Emirates. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matters (continued)

Expected credit losses (ECL) on Islamic financing

See Note 45 to the Group's consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The estimation of expected credit losses ("ECL") on Islamic financing to customers involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Group's estimation of ECL are: **Model estimations:** The Group exercises significant judgments and makes a number of assumptions to estimate ECL which involves determining Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD"). **Stage 3 non-retail customers:** Material exposures within Stage 3 non-retail are individually measured for ECL This includes the assessment of recovery scenarios, exit strategies, and time to collect. The assessment involves significant management judgement. The effect of these matters is that we determined ECL on Islamic financing to customers is a key audit matter as it involves significant management judgement, estimation uncertainty and use of complex models which could have material impact on the consolidated financial statements of the Group.	We performed the following audit procedures on appropriateness of the ECL included in the Group's consolidated financial statements for the year ended 31 December 2025: • Evaluating the appropriateness of the accounting policies adopted by the Group, taking into account the requirements of the applicable IFRS Accounting Standards and our understanding of the Group's business. • Obtaining an understanding of the ECL accounting estimate including, but not limited to the Group's control environment relating to the estimate; the process by which the estimate is developed; and the methods, assumptions and data used in its development. We evaluated the design, determined the implementation, and tested the operating effectiveness of the relevant controls including approvals for exceptions to board approved limits for a sample of facilities originated/renewed during the year. • Involving our Information Technology ("IT") specialists to test the relevant general IT and application controls over key systems used in the ECL process. • Involving our Financial Risk Management ("FRM") specialists to assess, for a selection of models, the reasonableness and appropriateness of the methodologies and assumptions applied in key components of ECL models based on their industry knowledge and relevant experience. The procedures performed included, where applicable, challenging key assumptions and judgments relating to significant increase in credit risk ("SICR"), the definition of default, PD, LGD, the use of macro-economic variables, and the probability-weighted outcomes, to evaluate whether the recorded ECL amounts appropriately reflect underlying credit risk and the prevailing macroeconomic conditions. Further, our FRM specialists assisted us in testing the appropriateness of the ECL calculations by re-performing the calculation for a sample of Islamic financings.

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Abu Dhabi Islamic Bank PJSC
Independent Auditors' Report
31 December 2025

Key Audit Matters (continued)

Expected credit losses (ECL) on Islamic financing (continued)

The key audit matter	How the matter was addressed in our audit
	• Re-performing key aspects of the Group's SICR determinations for selected samples of Islamic financings by analysing the financial information, assumptions, and judgements applied by the Group, to determine whether a SICR event was appropriately identified, including the basis for movement between stages. • Performing independent credit assessments for a sample of non-retail customers by evaluating the quantitative and qualitative factors to assess the appropriateness of credit grades, including staging. This included analysing the customer's financial performance, sources of repayment, future cash flows, collateral values and other relevant risk factors. Where applicable, we also inspected the formally documented Board/Board Committee approvals for any reported exceptions to board approved risk appetite statement. • For a sample of non-retail Stage 3 customers,our audit procedures included: - evaluating the design, determining the implementation, and testing the operating effectiveness of controls relevant to valuation and enforceability of collateral; and - assessing the appropriateness of assumptions used in the discounted cash flows, including the collateral valuation. • Assessing the adequacy of the disclosures made in the Group's consolidated financial statements against the requirements of relevant accounting standards.

Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 28 January 2025.

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Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report (including the Directors' Report), but does not include the consolidated financial statements and our auditors' report thereon. We obtained the Directors' Report prior to the date of this auditors' report, and we expect to obtain the remaining sections of the Annual Report after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, and the UAE Federal Decree-Law No. (6) of 2025, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Abu Dhabi Islamic Bank PJSC
Independent Auditors' Report
31 December 2025

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, as amended, we report that for the year ended 31 December 2025:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended;

iii) the Group has maintained proper books of account;

iv) the financial information included in the Directors' report is consistent with the books of account of the Group;

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Report on Other Legal and Regulatory Requirements (continued)

v) as disclosed in note 22 to the consolidated financial statements, the Group has purchased shares during the year ended 31 December 2025;

vi) note 43 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, or in respect of the Bank, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025.

Further, as required by Article (140) of the UAE Federal Decree-Law No. (6) of 2025, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

KPMG Lower Gulf Limited

Adil Abid
Registration No.: 5541
Abu Dhabi, United Arab Emirates

Date: 21 January 2026

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Annual Report of the Internal Shari'a Supervisory Committee for year ends on 31 December 2025

In the name of Allah, the most Beneficent, the most Merciful

All Praises are due to Allah, Lord of all the worlds and may peace and blessings be upon our Messenger Mohammed, his Family and his Companions.

Issued on: 3/2/2026

To Shareholders of Abu Dhabi Islamic Bank (the "Institution")
May the peace, mercy and blessings of Allah be upon you,

Pursuant to the requirements stipulated in the relevant laws, regulations and standards ("Regulatory Requirements"), the Internal Shari'a Supervisory Committee of the Institution ("ISSC") presents to you the ISSC's Annual Report for the financial year ending on 31 December 2025 ("Financial Year").

1. Responsibility of the ISSC

In accordance with the Regulatory Requirements and the ISSC's charter, the ISSC's responsibility is stipulated as to undertake Shari'a supervision of all businesses, activities, products, services, contracts, documents and business conduct charters and codes of ethics of the Institution; and the Institution's policies, accounting standards, operations and activities in general, memorandum of association, charter, financial statements, allocation of expenditures and costs, and distribution of profits between holders of investment accounts and shareholders ("Institution's Activities") and issue Shari'a resolutions in this regard. The ISSC's other responsibility is to determine Shari'a parameters necessary for the Institution's Activities, and the Institution compliance with Islamic Shari'a within the framework of the rules, principles, and standards set by the Higher Shari'a Authority ("HSA") to ascertain compliance of the Institution with Islamic Shari'a.

The senior management is responsible for assuring compliance of the Institution with Islamic Shari'a in accordance with the HSA's resolutions, fatwas, and opinions, and the ISSC's resolutions within the framework of the rules, principles, and standards set by the HSA ("Compliance with Islamic Shari'a") regarding the Institution's Activities, and the Board of Directors ("Board") bears the ultimate responsibility in this regard.

2. HSA Shari'a Resolutions and Shari'a Standards

The ISSC has abided by the HSA Shari'a Resolutions and Shari'a Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as minimum Shari'a requirements in accordance with the HSA's resolution (No. 18/3/2018), in all fatwas, approvals, endorsements and recommendations, relating to the Institution's Activities without exception within the Financial Year.

3. Works Undertaken by the ISSC during the Financial Year

The ISSC undertook Shari'a supervision of the Institution's Activities, through Internal Shari'a Control Group, Internal Shari'a Audit Group and the Shari'a boards of the subsidiaries that have Shari'a boards, in accordance with the ISSC's authorities and responsibilities, and pursuant to the Regulatory Requirements in this regard. Works of the ISSC included the following:

a. Convening 9 meetings during the year for the ISSC and (2) meetings for its Executive Member.

b. Providing fatwas, opinions and resolutions on matters presented to the ISSC (or its Executive Committee or its Executive Member) in relation to the Institution's Activities.

c. Monitoring compliance of policies, procedures, accounting standards, product structures, contracts, documentation, and business conduct charters and codes of ethics of the Institution, and other documentation submitted by the Institution to the ISSC for approval.

d. Review and approval of the consolidated financials, notes and disclosures for the Financial Year from a Shari'a perspective.

e. Ascertaining the level of compliance of allocation of expenditures and costs, and distribution of profits between holders of investment accounts and shareholders and between holders of investment accounts themselves with parameters set by the ISSC.

f. Supervision through Internal Shari'a Control Group and Internal Shari'a Audit Group of the Institution's Activities including executed transactions, adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard.

g. Providing directives to relevant parties of the Institution to rectify where possible findings cited in the Shari'a audit reports submitted by Internal Shari'a Audit Group, and issuing resolutions to set aside revenue derived from transactions in which non compliance were identified to be disposed towards charitable purposes.

h. Approving remedial rectification and preventive measures related to identified errors to prevent their reoccurrence in the future.

i. Specifying the amount of Zakat due on each of the Institution's share, the amount of Zakat due on ADIB Tier 1 Sukuk holders and the amount of Zakat due on Investment Risk Reserve to be disposed on behalf of investment accounts' holders in accordance with their authorization that is stipulated in the terms and conditions of opening these accounts.

j. Liaising, as required, with the Board of Directors, its committees and the senior management of the Institution in relation to the Compliance with Islamic Shari'a and the Board of Directors held a meeting with the ISSC in this regard.

k. Monitoring the execution of the Approved Internal Shari'a Audit Plan for the Financial Year and approving the Internal Shari'a Audit Plan for the financial year ending on 31/12/2026.

l. Reviewing of Shari'a Compliance Reports for the periods of the Financial Year, raised by Shari'a Compliance Department of the Internal Shari'a Control Group and issuing the appropriate resolutions and approving Shari'a assessment and examination plan (for 3 years) for Shari'a compliance.

m. Reviewing of Shari'a training Reports for the Financial Year, raised by Shari'a Training Department of the Internal Shari'a Control Group and approving the Shari'a training plan for the financial year ending on 31/12/2025.

n. Issuing the Shari'a Reports required for the external branches of the Institution, duly signed by the Chairman of the ISSC (the Executive Member of the ISSC).

The ISSC sought to obtain all information and interpretations deemed necessary in order to reach a reasonable degree of certainty that the Institution is compliant with Islamic Shari'a.

4. Independence of the ISSC

The ISSC acknowledges that it has carried out all of its duties independently and with the support and cooperation of the senior management and the Board of the Institution and the ISSC received the required assistance to access all documents and data, and to discuss all amendments and Shari'a requirements.

5. The ISSC's Opinion on the Shari'a Compliance Status of the Institution

Premised on information and explanations that were provided to us with the aim of ascertaining compliance with Islamic Shari'a, the ISSC has concluded with a reasonable level of confidence, that the Institution's Activities in the Financial Year are in compliance with Islamic Shari'a, and the incidents of non compliance observed were highlighted in the relevant reports, and the ISSC issued the corrective or preventative actions to take appropriate measures in this regard.

The ISSC formed its opinion, as outlined above, exclusively on the basis of information perused by the ISSC during the Financial Year.

We ask Allah, the Most High and Capable, that He guides the Bank and those responsible for it with that which is right and that which is good.

May the peace, mercy and blessings of Allah be upon you,

Signatures of the members of ADIB's Internal Shari'a Supervisory Committee

Dr Jasem Ali Salem Al Shamsi
Vice Chairman of the Committee, Vice Chairman of its Executive Committee and the 2nd member of its Executive Committee

Dr. Ali Hussain Al Junaidi
Member of the Committee

Dr. Ashraf Mohammed Hashim
Member of the Committee and its Executive Committee

Dr Mohammed Abdurahim Sultan Al Ulama
Chairman of the Committee,
Chairman of its Executive Committee and the Executive Member of the Committee

ABU DHABI ISLAMIC BANK PJSC

Consolidated income statement
for the year ended 31 December 2025

	Notes	2025 AED '000	2024 AED '000
Operating income			
Income from murabaha, mudaraba and wakala with financial institutions		**2,276,803**	2,167,743
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	**5**	**10,879,642**	8,938,947
Income from sukuk measured at amortised cost		**1,328,706**	930,517
Income from sukuk measured at fair value	**6**	**214,580**	242,374
Net gains and other income from investments measured at fair value	**7**	**76,699**	45,971
Income from associates and joint ventures	**23**	**105,011**	99,894
Fees and commission income	**8**	**3,619,169**	3,096,691
Fees and commission expense	**8**	**(1,518,712)**	(1,289,323)
Fees and commission income, net		**2,100,457**	1,807,368
Foreign exchange income		**781,599**	550,639
Income from investment properties	**9**	**49,364**	37,920
Other income		**94,433**	351,239
		17,907,294	15,172,612
Operating expenses			
Employees' costs	**10**	**(2,144,908)**	(1,894,632)
General and administrative expenses	**11**	**(1,013,726)**	(910,358)
Depreciation	**24, 27**	**(356,936)**	(329,132)
Amortisation of intangibles	**28**	**(9,338)**	(10,477)
Provision for impairment, net	**12**	**(677,820)**	(619,694)
		(4,202,728)	(3,764,293)
Profit from operations, before distribution to depositors and Sukuk holders		**13,704,566**	11,408,319
Distribution to depositors and sukuk holders	**13**	**(5,603,306)**	(4,540,691)
Profit for the year before zakat and tax		**8,101,260**	6,867,628
Zakat		**(525)**	(932)
Income tax expense	**14**	**(1,030,612)**	(765,279)
Profit for the year after zakat and tax		**7,070,123**	6,101,417
Attributable to:			
Equity holders of the Bank		**6,673,692**	5,776,782
Non-controlling interest		**396,431**	324,635
		7,070,123	6,101,417
Basic and diluted earnings per share attributable to ordinary shares (AED)	**15**	**1.746**	1.493

The attached notes 1 to 47 form part of these consolidated financial statements.



ABU DHABI ISLAMIC BANK PJSC

Consolidated statement of comprehensive income for the year ended 31 December 2025

	Notes	2025 AED '000	2024 AED '000
Profit for the year after zakat and tax		**7,070,123**	6,101,417
Other comprehensive income (loss)			
Items that will not be reclassified to consolidated income statement			
Net (loss) gain on valuation of equity investments carried at fair value through other comprehensive income	**36**	**(16,270)**	8,717
Directors' remuneration paid	**43**	**(16,100)**	(16,100)
Other movement in reserves		**19,878**	7,106
Items that may subsequently be reclassified to consolidated income statement			
Net movement in valuation of investments in sukuk carried at fair value through other comprehensive income	**36**	**84,466**	50,062
Exchange differences arising on translation of foreign operations	**36**	**171,777**	(1,075,980)
(Loss) gain on hedge of foreign operations	**36**	**(8,103)**	3,990
Fair value gain (loss) on cash flow hedges	**36**	**3,341**	(5,405)
Other comprehensive income (loss) for the year		**238,989**	(1,027,610)
Total comprehensive income for the year		**7,309,112**	5,073,807
Attributable to:			
Equity holders of the Bank		**6,840,526**	5,215,866
Non-controlling interest		**468,586**	(142,059)
		7,309,112	5,073,807

The attached notes 1 to 47 form part of these consolidated financial statements.

ABU DHABI ISLAMIC BANK PJSC

Consolidated statement of financial position At 31 December 2025

	Notes	2025 AED '000	2024 AED '000
Assets			
Cash and balances with central banks	**16**	**43,952,147**	32,039,942
Balances and wakala deposits with Islamic banks and other financial institutions	**17**	**4,618,780**	7,649,939
Murabaha and mudaraba with financial institutions	**18**	**7,255,105**	2,957,529
Murabaha and other Islamic financing	**19**	**110,752,052**	85,344,623
Ijara financing	**20**	**70,624,211**	57,266,216
Investment in sukuk measured at amortised cost	**21**	**26,714,211**	23,758,093
Investments measured at fair value	**22**	**4,906,366**	5,528,404
Investment in associates and joint ventures	**23**	**1,013,813**	895,698
Investment properties	**24**	**1,310,369**	1,332,988
Development properties	**25**	**742,965**	722,940
Other assets	**26**	**5,625,529**	5,357,886
Property and equipment	**27**	**2,774,729**	2,645,669
Goodwill and intangibles	**28**	**462,871**	409,868
Total assets		**280,753,148**	225,909,795
Liabilities			
Due to financial institutions	**29**	**9,684,648**	5,529,669
Depositors' accounts	**30**	**229,096,294**	182,675,253
Other liabilities	**31**	**7,766,336**	7,551,385
Sukuk financing instrument	**32**	**1,836,250**	1,836,250
Total liabilities		**248,383,528**	197,592,557
Equity			
Share capital	**33**	**3,632,000**	3,632,000
Legal reserve	**34**	**2,700,228**	2,670,774
General reserve	**34**	**4,540,468**	3,947,177
Credit risk reserve	**34**	**400,000**	400,000
Retained earnings		**15,847,603**	13,501,350
Other reserves	**36**	**(1,052,821)**	(1,559,991)
Tier 1 sukuk	**37**	**4,754,375**	4,754,375
Equity attributable to the equity and Tier 1 sukuk holders of the Bank		**30,821,853**	27,345,685
Non-controlling interest	**38**	**1,547,767**	971,553
Total equity		**32,369,620**	28,317,238
Total liabilities and equity		**280,753,148**	225,909,795

To the best of our knowledge, the consolidated financial statements present fairly in all material respects the financial condition, results of operation and cash flows of the Group as of, and for, the periods presented therein.

H.E. Jawaan Awaidha Suhail Al Khaili
Chairman

Mohamed Abdelbary
Group Chief Executive Officer

ABU DHABI ISLAMIC BANK PJSC

Consolidated statement of changes in equity for the year ended 31 December 2025

		Attributable to the equity and Tier 1 sukuk holders of the Bank									
	Notes	Share capital AED '000	Legal reserve AED '000	General reserve AED '000	Credit Risk reserve AED '000	Retained earnings AED '000	Other reserves AED '000	Tier 1 sukuk AED '000	Total AED '000	Non-controlling interest AED '000	Total equity AED '000
Balance at 1 January 2024		3,632,000	2,647,420	3,431,547	400,000	11,358,406	(1,094,992)	4,754,375	25,128,756	1,113,612	26,242,368
Profit for the year		-	-	-	-	5,776,782	-	-	5,776,782	324,635	6,101,417
Other comprehensive loss		-	-	-	-	(16,100)	(575,256)	-	(591,356)	(466,694)	(1,058,050)
Profit paid on Tier 1 sukuk – Listed (second issue)		-	-	-	-	(199,692)	-	-	(199,692)	-	(199,692)
Profit paid on Tier 1 sukuk – Government of Abu Dhabi	37	-	-	-	-	(153,336)	-	-	(153,336)	-	(153,336)
Dividends paid		-	-	-	-	(2,595,469)	-	-	(2,595,469)	-	(2,595,469)
Dividends paid to charity		-	-	-	-	(20,000)	-	-	(20,000)	-	(20,000)
Transfer to Impairment reserve – General	36	-	-	-	-	(287,490)	287,490	-	-	-	-
Transfer from Impairment reserve – Specific	36	-	-	-	-	207,673	(207,673)	-	-	-	-
Transfer to reserves		-	23,354	515,630	-	(569,424)	30,440	-	-	-	-
Balance at 1 January 2025		**3,632,000**	**2,670,774**	**3,947,177**	**400,000**	**13,501,350**	**(1,559,991)**	**4,754,375**	**27,345,685**	**971,553**	**28,317,238**
Profit for the year		-	-	-	-	**6,673,692**	-	-	**6,673,692**	**396,431**	**7,070,123**
Other comprehensive income		-	-	-	-	**(16,100)**	**182,934**	-	**166,834**	**72,155**	**238,989**
Profit paid on Tier 1 sukuk – Listed (third issue)	**37**	-	-	-	-	**(199,692)**	-	-	**(199,692)**	-	**(199,692)**
Profit paid on Tier 1 sukuk – Government of Abu Dhabi	**37**	-	-	-	-	**(134,329)**	-	-	**(134,329)**	-	**(134,329)**
Dividends paid	**35**	-	-	-	-	**(3,030,337)**	-	-	**(3,030,337)**	-	**(3,030,337)**
Dividends paid to charity		-	-	-	-	-	-	-	-	-	-
Transfer to Impairment reserve – General	**36**	-	-	-	-	**(295,238)**	**295,238**	-	-	-	-
Transfer to reserves		-	**29,454**	**593,291**	-	**(622,745)**	-	-	-	-	-
Loss on disposal of FVTOCI investment		-	-	-	-	**(28,998)**	**28,998**	-	-	-	-
Other movement in non-controlling interest		-	-	-	-	-	-	-	-	**107,628**	**107,628**
Balance at 31 December 2025		**3,632,000**	**2,700,228**	**4,540,468**	**400,000**	**15,847,603**	**(1,052,821)**	**4,754,375**	**30,821,853**	**1,547,767**	**32,369,620**

The attached notes 1 to 47 form part of these consolidated financial statements.

ABU DHABI ISLAMIC BANK PJSC

Consolidated statement of cash flows for the year ended 31 December 2025

	Notes	2025 AED '000	2024 AED '000
Operating activities			
Profit for the year		**7,070,123**	6,101,417
Adjustments for:			
Depreciation on investment properties	**24**	**13,988**	14,587
Depreciation on property and equipment	**27**	**278,364**	257,061
Depreciation on right-of-use assets	**27**	**64,584**	57,484
Amortisation of intangibles	**28**	**9,338**	10,477
Share of results of associates and joint ventures		**(105,011)**	(99,894)
Dividend income	**7**	**(1,888)**	(483)
Realised gain on investments carried at fair value through profit or loss	**7**	**(57,780)**	(43,242)
Unrealised loss on investments carried at fair value through profit or loss	**7**	**2,938**	2,255
Realised loss on sukuk carried at fair value through other comprehensive income	**7**	**643**	-
Loss on disposal of property and equipment		**2,731**	388
Finance cost on lease liabilities		**5,873**	6,359
Provision for impairment, net	**12**	**677,820**	619,694
Provision for taxation		**1,030,612**	765,279
Provision for end of service benefits		**48,243**	50,366
Gain on disposal of investment properties	**9**	**(12,170)**	(326)
Changes in operating assets and liabilities		**9,028,408**	7,741,422
Increase in balances with central banks		**(7,559,235)**	(1,948,428)
Decrease (increase) in balances and wakala deposits with Islamic banks and other financial institutions		**623,406**	(5,153,600)
Increase in murabaha and mudaraba with financial institutions		**(4,324,134)**	(839,244)
Increase in murabaha and other Islamic financing		**(26,002,158)**	(22,910,135)
Increase in ijara financing		**(13,571,971)**	(9,936,628)
Additions in investments carried at fair value through profit or loss		**(15,484,745)**	(11,963,649)
Disposals / redemptions in investments carried at fair value through profit or loss		**16,490,875**	12,077,073
Increase in other assets		**(260,767)**	(1,763,604)
Increase in due to financial institutions		**4,154,979**	3,666,085
Increase in depositors' accounts		**46,412,938**	34,931,438
Increase in other liabilities		**6,529**	3,639,582
Cash from operations		**9,514,125**	7,540,312
Income taxes paid		**(764,424)**	(353,150)
End of service benefits paid		**(25,444)**	(23,032)
Directors' remuneration paid	**43**	**(16,100)**	(16,100)
Net cash from operating activities		**8,708,157**	7,148,030

The attached notes 1 to 47 form part of these consolidated financial statements.

ABU DHABI ISLAMIC BANK PJSC

Consolidated statement of cash flows
for the year ended 31 December 2025 (continued)

	Notes	2025 AED '000	2024 AED '000
Investing activities			
Additions in investments carried at fair value through other comprehensive income		**(260,993)**	(86,728)
Disposal / redemptions in investments carried at fair value through other comprehensive income		**83,230**	111,479
Additions in investments carried at amortised cost		**(12,798,977)**	(8,303,006)
Redemptions of investments carried at amortised cost		**9,897,358**	3,444,602
Dividends received from associates and joint ventures		**18,250**	18,124
Proceeds from disposal of investment properties		**20,585**	1,450
Additions in development properties		**(20,025)**	-
Dividends received		**1,888**	483
Purchase of property and equipment	27	**(458,212)**	(314,671)
Net cash used in investing activities		**(3,516,896)**	(5,128,267)
Financing activities			
Repayment of lease liability		**(50,708)**	(50,248)
Repayment of finance cost on lease liability	11	**(5,873)**	(6,359)
Profit paid on Tier 1 sukuk – Listed (third issue)	37	**(199,692)**	(199,692)
Profit paid on Tier 1 sukuk to Government of Abu Dhabi	37	**(134,329)**	(153,336)
Proceeds from non-controlling interest relating to a subsidiary's rights issue		**108,041**	-
Dividends paid		**(3,030,337)**	(2,595,469)
Net cash used in financing activities		**(3,312,898)**	(3,005,104)
Increase (decrease) in cash and cash equivalents		**1,878,363**	(985,341)
Effect of exchange rate on cash and cash equivalents		**28,142**	(251,796)
Cash and cash equivalents at 1 January		**14,042,801**	15,279,938
Cash and cash equivalents at 31 December	42	**15,949,306**	14,042,801

Operating cash flows from profit on balances and wakala deposits with Islamic banks and other financial institutions, murabaha and mudaraba with financial institutions, customer financing, sukuk and customer deposits are as follows:

Profit received	**14,302,589**	11,764,986
Profit paid to depositors	**5,490,360**	4,240,205

The attached notes 1 to 47 form part of these consolidated financial statements.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025

1 Legal status and principal activities

Abu Dhabi Islamic Bank PJSC (the "Bank") was incorporated in the Emirate of Abu Dhabi, United Arab Emirates (UAE), as a public joint stock company with limited liability, in accordance with the provisions of the UAE Federal Commercial Companies Law No. (8) of 1984 (as amended) and the Amiri Decree No. 9 of 1997. UAE Federal Law No. 32 of 2021 on Commercial Companies (the "New Companies Law") was issued on 20 September 2021 and came into effect on 2 January 2022.

The Bank and its subsidiaries (the "Group") carry out full banking services, financing and investing activities through various Islamic instruments such as Murabaha, Istisna'a, Mudaraba, Musharaka, Ijara, Wakalah, Sukuk etc. The activities of the Bank are conducted in accordance with Islamic Shari'a, which prohibits usury as determined by the Internal Shari'a Supervisory Committee of the Bank, and within the provisions of the Articles and Memorandum of Association of the respective entities within the Group.

In addition to its main office in Abu Dhabi, the Bank operates through its 61 branches in UAE (2024: 59 branches) and 3 overseas branches in Iraq, Qatar and Sudan and subsidiaries in the UAE, Egypt and the United Kingdom. The consolidated financial statements combine the activities of the Bank's head office, its branches and subsidiaries.

The registered office of the Bank is at P O Box 313, Abu Dhabi, UAE.

The consolidated financial statements of the Group were authorised for issue by the Board of Directors on 21 January 2026.

2 Definitions

The following terms are used in the consolidated financial statements with the meanings specified:

Murabaha
A sale contract, in which the Group sells to a customer a physical asset, goods, or shares already owned and possessed (either physically or constructively) at a selling price that consists of the purchase cost plus a mark-up profit.

Istisna'a
A sale contract, in which the Group (Al Saanee) sells an asset to be developed using its own materials to a customer (Al Mustasnee) according to pre-agreed upon precise specification, at a specific price, installments dates and to be delivered on a specific date. This developed asset can be either developed directly by the Group or through a subcontractor and then it is handed over to the customer on the pre-agreed upon date.

Ijara
A lease contract whereby the Group (the Lessor) leases to a customer (the Lessee) a service or the usufruct of an owned or rented physical asset that either exists currently or to be constructed in future (forward lease) for a specific period of time at specific rental installments. The lease contract could be ended by transferring the ownership of a leased physical asset through an independent mode to the lessee.

Qard Hasan
A non-profit bearing loan that enables the borrower to use the borrowed amount for a specific period of time, at the end of which the same borrowed amounts would be repaid free of any charges or profits.

2 Definitions (continued)

Musharaka
A contract between the Group and a customer to entering into a partnership in an existing project (or to be established), or in the ownership of a specific asset, either on ongoing basis or for a limited time, during which the Group enters in particular arrangements with the customer to sell to him/her its share in this partnership until he/she becomes the sole owner of it (diminishing musharaka). Profits are distributed according to the mutual agreement of the parties as stipulated in the contract; however, losses are borne according to the exact shares in the Musharaka capital on a pro-rata basis.

Mudaraba
A contract between the Group and a customer, whereby one party provides the funds (Rab Al Mal) and the other party (the Mudarib) invests the funds in a project or a particular activity and any generated profits are distributed between the parties according to the profit shares that were pre-agreed upon in the contract. The Mudarib is responsible of all losses caused by his misconduct, negligence or violation of the terms and conditions of the Mudaraba; otherwise, losses are borne by Rab Al Mal.

Wakalah
A contract between the Group and a customer whereby one party (the principal: the Muwakkil) appoints the other party (the agent: Wakil) to invest certain funds according to the terms and conditions of the Wakala for a fixed fee in addition to any profit exceeding the expected profit as an incentive for the Wakil for the good performance. Any losses as a result of the misconduct or negligence or violation of the terms and conditions of the Wakala are borne by the Wakil; otherwise, they are borne by the principal.

Sukuk
Certificates which are equal in value and represent common shares in the ownership of a specific physical asset (leased or to be leased either existing or to be constructed in future), or in the ownership of cash receivables of selling an existing-owned asset, or in the ownership of goods receivables, or in the ownership of the assets of Mudaraba or Partnership companies. In all these cases, the Sukuk holders shall be the owners of their common shares in the leased assets, or in the cash receivables, or the goods receivable, or in the assets of the Partnership or the Mudaraba.

3 Basis of preparation

3.1 (a) Statement of compliance
The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), general principles of the Shari'a as determined by the Group's Internal Shari'a Supervisory Committee and applicable requirements of the laws of the UAE.

3.1 (b) Accounting convention
The consolidated financial statements have been prepared under the historical cost convention except for investments carried at fair value through profit or loss, investments carried at fair value through other comprehensive income, Shari'a compliant alternatives of derivative financial instruments which have been measured at fair value and land, held as property and equipment, which has been carried at revalued amount.

The consolidated financial statements have been presented in UAE Dirhams (AED), which is the functional currency of the Bank and all values are rounded to the nearest thousand AED except where otherwise indicated.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

3 Basis of preparation (continued)

3.1 (c) Basis of consolidation
The consolidated financial statements comprise the financial statements of the Bank and those of its following subsidiaries:

	Activity	*Country of incorporation*	*Percentage of holding* ***2025***	*2024*
Abu Dhabi Islamic Bank – Egypt (S.A.E.)**	Islamic Banking	Egypt	**53%**	53%
Abu Dhabi Islamic Securities Company LLC	Equity brokerage services	United Arab Emirates	**95%**	95%
Burooj Properties LLC	Real estate investments	United Arab Emirates	**100%**	100%
MPM Properties LLC	Real estate services	United Arab Emirates	**100%**	100%
ADIB Invest 1	Equity brokerage services	BVI	**100%**	100%
Kawader Services LLC	Manpower supply	United Arab Emirates	**100%**	100%
ADIB (UK) Limited	Other services	United Kingdom	**100%**	100%
ADIB Capital Ltd	Funds services	United Arab Emirates	**100%**	100%
Fractionalized Sukuk Holding Limited*	Special purpose vehicle	United Arab Emirates	**100%**	100%
ADIB Sukuk Company II Ltd*	Special purpose vehicle	Cayman Island	**-**	-
ADIB Capital Invest 3 Ltd*	Special purpose vehicle	Cayman Island	**-**	-

*The Bank does not have any direct holding in these entities and they are considered to be a subsidiary by virtue of control.

** It has been approved by ADIB Internal Shari'a Supervisory Committee to consolidate the financial statements of ADIB Egypt with ADIB Group following the use of an exceptionally acceptable structure in the absence of a permanent structure to invest ADIB Egypt liquidity in a way other than the direct investment of such liquidity in the conventional securities issued by the Central Bank of Egypt and which allowed the recognition of the income accordingly. The Bank continues to recognize the profits that have been purified prior the use of the structured mentioned above.

These consolidated financial statements include the operations of the subsidiaries over which the Bank has control. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the Bank, using consistent accounting policies. All intra-group balances, transactions, income and expenses and gains and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interest represent the portion of the net income or loss and net assets of the subsidiaries not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from shareholders' equity of the Bank.

3.2 Changes in accounting policies

In the current year, the Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting periods beginning on or after 1 January 2025. The application of these amendments to IFRS Accounting Standards has not had any material impact on the amounts reported for the current year but may affect the accounting for the Group's future transactions or arrangements.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

3 Basis of preparation (continued)

3.2 Changes in accounting policies (continued)

- Lack of Exchangeability (Amendments to IAS 21) The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Other than the above, there are no other material IFRS Accounting Standards, amendments or interpretations that were effective for the first time for the financial year beginning on or after January 1, 2025.

3.3 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below.

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Annual improvements to IFRS Accounting Standard – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure Financial Statements	1 January 2027
FRS 19 Subsidiaries without Public Accountability: Disclosure	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21).	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28	Deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

3 Basis of preparation (continued)

3.4 Significant judgements and estimates

The preparation of the consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors. In order to reduce the element of subjectivity, the Group has laid down clear criteria to enable estimation of future cash flows. As estimates are based on judgments, actual results may differ, resulting in future changes in such provisions.

IFRS 9: Financial instruments:

- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payment of principal and profit of the principal amount outstanding.

- Calculation of expected credit loss: changes to the assumptions and estimation uncertainties that have a significant impact on expected credit losses for the year ended 31 December 2025. The impact is mainly driven by inputs, assumptions and techniques used for ECL calculation under IFRS 9 methodology.

Key Considerations: Some of the key concepts in IFRS 9 that have the most significant impact and require a high level of judgment, as considered by the Group while determining the impact assessment, are:

Assessment of Significant Increase in Credit Risk: The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes.

The assessment of significant increases in credit risk will be performed at least quarterly for each individual exposure based on three factors. If any of the following factors indicates that a significant increase in credit risk has occurred, the instrument will be moved from Stage 1 to Stage 2:

(i) The Group has established thresholds for significant increases in credit risk based on movement in Probability of Default (PD) as determined by the Obligator Risk Rating (ORR) relative to initial recognition as well as PD thresholds.

(ii) Additional qualitative reviews will be performed to assess the staging results and make adjustments, as necessary, to better reflect the positions which have significantly increased in risk.

(iii) IFRS 9 contains a rebuttable presumption that instruments which are 30 days past due have experienced a significant increase in credit risk.

Credit Impairment: Movements between Stage 2 and Stage 3 are based on whether financial assets are credit impaired as at the reporting date. For credit impaired financial assets, the assessment of ECL which is performed individually, includes key assumptions used in estimating recoverable cash flows.

3 Basis of preparation (continued)

3.4 Significant judgements and estimates (continued)

Macroeconomic Factors, Forward Looking Information (FLI) and Multiple Scenarios: The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment.

PD and Loss Given Default (LGD) inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in the Group's expected credit loss calculation will have forecasts of the relevant macroeconomic variables.

Estimation of expected credit losses in Stage 1 and Stage 2 will be a discounted probability weighted estimate that considers a minimum of three future macroeconomic scenarios.

Base-case, Upside and Downside scenarios, will be based on macroeconomic forecasts received from an external reputable source. These scenarios will be updated on a quarterly basis and more frequently if conditions warrant.

All scenarios considered will be applied to all portfolios subject to expected credit losses with the same probabilities.

Definition of default: The definition of default used in the measurement of expected credit losses and the assessment to determine movement between stages will be consistent with the definition of default used for internal credit risk management purposes. IFRS 9 does not define default, but contains a rebuttable presumption that default has occurred when an exposure is greater than 90 days past due.

Expected Life: When measuring ECL, the Group considers the maximum contractual period over which the Bank is exposed to credit risk. All contractual terms should be considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by management actions.

Governance: The Group has established an internal Credit Provision Committee to provide oversight to the IFRS 9 impairment process. The Committee is comprised of senior representatives from Finance and Risk Management and will be responsible for reviewing and approving key inputs and assumptions used in the Group's expected credit loss estimates. It also assesses the appropriateness of the overall allowance results to be included in the Group's financial statements.

Operating lease commitments - Group as lessor
The Group has entered into commercial property lease arrangements on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties therefore, accounts for the contracts as operating leases.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

3 Basis of preparation (continued)

3.4 Significant judgements and estimates (continued)

Classification and measurement of financial assets
The classification and measurement of the financial assets depend on the management's business model for managing its financial assets and on the contractual cash flow characteristics of the financial asset assessed. The Group's investments in securities are appropriately classified and measured.

Investment and development properties
The Group hired services of professional real estate valuer to provide reliable estimates of the market value of investment properties for determining the fair values as of the reporting date, for disclosure purposes and assessing the impairment, if any. The basis of estimate and method used by the valuer has been disclosed in the note 22.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position that cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

Classification of properties
In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property, development property or property and equipment. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, development property and property and equipment. In making its judgment, management considers the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, in particular, the intended usage of property as determined by the management.

Impairment of investments in associates and joint ventures
Management regularly reviews its investment in associates and joint venture for indicators of impairment. This determination of whether investments in associates is impaired, entails management's evaluation of the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows from the date of acquisition and until the foreseeable future. If managements' review results in impairment, the difference between the estimated recoverable amount and the carrying value of investment in associates and joint venture is recognised as an expense in the consolidated income statement.

Impairment review of investment properties, development properties and advances paid against purchase of properties
Investment properties, development properties and advances paid against purchase of properties are assessed for impairment based on assessment of cash flows on individual cash-generating units when there is indication that those assets have suffered an impairment loss. Cash flows are determined with reference to recent market conditions, prices existing at the end of the reporting period, contractual agreements and estimations over the useful lives of the assets and discounted using a range of discount rates that reflects current market assessments of the time value of money and the risks specific to the asset. The net present values are compared to the carrying amounts to assess any impairment.

The assessment of current market conditions, including cost of project completion, future rental and occupancy rates and assessment of the projects capital structure and discount rates requires management to exercise its judgment. Management uses internal and external experts to exercise this judgment.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

3 Basis of preparation (continued)

3.4 Significant judgements and estimates (continued)

Impairment of goodwill
On an annual basis, the Group determines whether goodwill is impaired. This requires an estimation of the recoverable amount using value in use of the cash generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Useful life of property and equipment and investment properties
The cost of property and equipment and investment properties are depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors.

Business combinations
Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires estimation by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, the useful lives of intangibles other assets and market multiples. The Group's management uses all available information to make these fair value determinations. The Group has, if necessary, up to one year after acquisition closing date to complete these fair value determinations and finalise the purchase price allocation.

Lease accounting under IFRS 16
The following are the critical judgments and estimates in the application of IFRS 16, that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:

- identifying whether a contract (or part of a contract) includes a lease;
- determining whether it is reasonably certain that an extension or termination option will be exercised;
- classification of lease arrangements (when the entity is a lessor);
- determination of the appropriate rate to discount the lease payments; and
- assessment of whether a right-of-use asset is impaired.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

4 Material accounting policies

The material accounting policies adopted in the preparation of the consolidated financial statements are set out below:

Revenue recognition
Murabaha
Murabaha income is recognised on a time apportioned basis over the period of the contract based on the principal amounts outstanding.

Istisna'a
Istisna'a revenue and the associated profit margin (difference between the cash price of al-masnoo to the customer and the Bank's total Istisna'a cost) is accounted for on a time apportioned basis.

Ijara
Ijara income is recognised on a time apportioned basis over the lease term.

Musharaka
Income is accounted for on the basis of the reducing balance of Musharaka on a time apportioned basis that reflects the effective yield on the asset.

Mudaraba
Income or losses on Mudaraba financing are recognised on an accrual basis if they can be reliably estimated. Otherwise, income is recognised on distribution by the Mudarib, whereas the losses are charged to the Bank's consolidated income statement on their declaration by the Mudarib.

Sukuk
Income is accounted for on a time apportioned basis over the terms of the Sukuk.

Revenue from sale of properties, net
Revenue is recognized when (or as) the Group satisfies the performance obligation at an amount that reflects the consideration to which the Group is entitled in exchange for transferring goods or services to a customer. A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer).

Cost of sale of properties includes the cost of development. Development costs include the cost of infrastructure and construction.

Cost of sale of land represents the carrying amount at which it is recorded in the consolidated financial statements of the Group.

Fee and commission income
Fee income is earned from a diverse range of services provided by the Bank to its customers and are accounted for in accordance with IFRS 15 'Revenue from Contracts with Customers'. The Bank recognises revenue when it transfers control over a product or service to a customer.

Fee income is accounted for as follows:
- income earned on the execution of a significant act is recognised as revenue when the act is completed (for example, Brokerage fees and commission);
- income earned from the provision of services is recognised as revenue as the services are provided (for example, Projects and property management fees, arrangement fees and Accounts services fees); and
- other fees and commission income and expense are recognised as the related services are performed or received.

4 Material accounting policies (continued)

Revenue recognition (continued)
Operating lease income
Operating lease income arising on investment properties is accounted for on a straight-line basis over the lease terms on ongoing leases.

Gain on sale of investments
Gain or loss on disposal of fair value through profit or loss investments represents the difference between the sale proceeds and the carrying value of such investments on the date of sale less any associated selling costs and is recognised through consolidated income statement.

Gain or loss on disposal of fair value through other comprehensive income investments represents the difference between sale proceeds and their carrying amount and is recognised through consolidated statement of comprehensive income and are included within cumulative changes in fair value reserve within equity and not recognised in the consolidated income statement.

Dividends
Dividends from investments in equities are recognised when the right to receive the dividend is established.

Financial instruments
Recognition and measurement
Financial instruments comprise financial assets and financial liabilities. Financial assets of the Group are further analysed as:

- Customer financing.
- Balances and wakala deposits with Islamic banks and other financial institutions;
- Murabaha and mudaraba with financial institutions;
- Investment in sukuk;
- Investment in equity instruments;
- Trade and other receivables; and
- Sharia compliant alternatives of derivatives.

The Group's customer financing comprises the following:
- Murabaha and other Islamic financing; and
- Ijara financing.

Financial assets are classified in their entirety on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are measured either at amortised cost or fair value.

Classification
Financial assets at amortised cost
Balances and wakala deposits with Islamic banks and other financial institutions, Murabaha and mudaraba with financial institutions, Acceptances, Murahaba and other Islamic financing (excluding Istisna'a) and investment in sukuk, are measured at amortised cost, if both the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

4 Material accounting policies (continued)

Financial instruments (continued)
Classification (continued)
Financial assets at fair value through profit or loss ("FVTPL")
Investments in equity instruments are classified as FVTPL, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income ("FVTOCI") on initial recognition.

Other financial assets that do not meet the amortised cost criteria are classified as FVTPL. In addition, certain financial assets that meet the amortised cost criteria but at initial recognition are designated as FVTPL in line with the business model of the Group. As a fair value option, a financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains or losses on them on different basis.

Financial assets are reclassified from amortised cost to FVTPL when the business model is changed such that the amortised cost criteria are no longer met. Reclassification of financial assets that are designated as FVTPL on initial recognition is not allowed.

Financial assets at fair value through other comprehensive income ("FVTOCI")
At initial recognition, the Group can make an irrevocable election (on instrument-by-instrument basis) to designate investments in equity instruments as FVTOCI.

A financial asset is FVTPL if:

- it has been acquired principally for the purpose of selling in the near term;
- on initial recognition it is part of identified financial instrument that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a Shari'a compliant alternatives of derivative financial instruments and not designated and effective as a hedging instrument or a financial guarantee.

Measurement
Financial assets or financial liabilities carried at amortised cost
Financial assets are recorded at amortised cost, which includes Balances and wakala deposits with Islamic banks and other financial institutions, Murabaha and mudaraba with financial institutions, Acceptances, Murahaba and other Islamic financing (excluding Istisna'a) and investment in sukuk, less any reduction for impairment. Amortised cost is calculated using the effective profit rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective profit rate of the instrument.

Balances and deposits with banks and other financial institutions, Murabaha and Mudaraba with financial institutions, Murabaha, Ijara, Mudaraba and certain other Islamic financing are financial assets with fixed or expected profit payments. These assets are not quoted in an active market. They arise when the Group provides funds directly to a customer with no intention of trading the receivable. Financial liabilities are liabilities where the Group has a contractual obligation to deliver cash or another financial asset or exchange financial instruments under conditions that are potentially unfavourable to the Group.

Balances and wakala deposits with Islamic banks and other financial institutions are stated at amortised cost less amounts written off and provision for impairment, if any.

Murabaha and mudaraba with financial institutions are stated at amortised cost (which excludes deferred income or expected profits) less provisions for impairment.

Islamic financing consist of murabaha receivables, mudaraba, Istisna'a, Islamic covered cards (murabaha based) and other Islamic financing.

Istisna'a cost is measured and reported in the consolidated financial statements at a value not exceeding the cash equivalent value.

4 Material accounting policies (continued)

Financial instruments (continued)
Measurement (continued)
Other Islamic financing are stated at amortised cost (which excludes deferred income) less any provisions for impairment.

The Ijara is classified as a finance lease, when the Bank undertakes to sell the leased assets to the lessee using an independent agreement upon the maturity of the lease and the sale results in transferring all the risks and rewards incident to an ownership of the leased assets to the lessee. Leased assets represents finance lease of assets for periods, which either approximate or cover a major part of the estimated useful lives of such assets. Leased assets are stated at amounts equal to the net investment outstanding in the leases including the income earned thereon less impairment provisions.

Financial assets at fair value through profit or loss ("FVTPL")
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the consolidated income statement. The net gain or loss recognised in the consolidated income statement is included within 'investment income' in the consolidated income statement.

Financial assets at fair value through other comprehensive income ("FVTOCI")
Investments in equity instruments are initially measured at fair value plus transaction costs. Subsequently they are measured at fair value with gains and losses arising from changes in fair value recognised in the consolidated statement of other comprehensive income and accumulated in the cumulative changes in fair values within equity.

Where the assets are disposed off, except for sukuk measured at FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair values is not transferred to the consolidated income statement, but is reclassified to retained earnings. Financial assets (equity instruments) measured at FVTOCI are not required to be tested for impairment.

For sukuk measured at FVTOCI which are disposed off, the cumulative gain or loss previously recognised in the consolidated statement of other comprehensive income is reclassified from equity to consolidated income statement. Financial assets (Sukuk instruments) measured at FVTOCI are tested for impairment.

For investments quoted in active market, fair value is determined by reference to quoted market prices.

For other investments, where there is no active market, fair value is normally based on one of the following:

- the expected cash flows discounted at current profit rates applicable for items with similar terms and risk characteristics
- brokers' quotes
- recent market transactions

Dividends on investment in equity instruments are recognised in the consolidated income statement when the Group's right to receive the dividend is established, unless the dividends clearly represent a recovery of part of the cost of investment.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

4 Material accounting policies (continued)

Financial instruments (continued)
Measurement (continued)
Financial assets at fair value through other comprehensive income ("FVTOCI") (continued)

(i) Recognition / De-recognition
The Group initially recognises financial assets at fair value through profit or loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income on the settlement date at which the Group becomes a party to the contractual provisions of the instrument.

Financing to customers are recognised on the day they are disbursed. A financial liability is recognised on the date the Group becomes a party to contractual provisions of the instrument.

A financial asset is de-recognised when the contractual rights to the cash flows from the financial asset expires or when it transfers the financial asset. A financial liability is de-recognised when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Financial assets designated at fair value through profit or loss, and financial assets at fair value through other comprehensive income that are sold are de-recognised and corresponding receivables from the buyer for the payment are recognised as at the date the Group commits to sell the assets. The Group uses the specific identification method to determine the gain or loss on de-recognition.

(ii) Offsetting of financial instruments
Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right and under Sharia'a framework to set off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment assessment:
At each reporting period, the Group assesses whether financial assets carried at amortised cost and sukuk carried at FVOCI are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the finance customer or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a financing by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the finance customer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Measurement of Expected Credit Losses (ECL):
The impairment of financial assets including financing and sukuk measured at amortized cost or at fair value through OCI are calculated in accordance with IFRS 9 expected credit loss (ECL) model. . The ECL model contains a three stage approach which is based on the change in credit quality of financial assets since initial recognition. The ECL model is forward looking and requires the use of reasonable and supportable forecasts of future economic conditions in the determination of significant increases in credit risk and measurement of ECL.

Stage 1: 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk (SICR) since origination and are not credit impaired. The ECL will be computed using a factor that represents the Probability of Default (PD) occurring over the next 12 months and Loss Given Default (LGD).

Stage 2: Under Stage 2, where there has been a SICR since initial recognition but the financial instruments are not considered credit impaired, an amount equal to the lifetime ECL will be recorded which is computed using lifetime PD, LGD and Exposure at Default (EAD) measures. Provisions are expected to be higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

4 Material accounting policies (continued)

Financial instruments (continued)

Measurement of Expected Credit Losses (ECL): (continued)
Stage 3: Under the Stage 3, where there is objective evidence of impairment at the reporting date these financial instruments will be classified as credit impaired and an amount equal to the lifetime ECL will be recorded for the financial assets.
The Group measures loss allowances at an amount equal to lifetime ECL, except for financial instruments on which credit risk has not increased significantly since their initial recognition. 12-month ECL are the portion of life time ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date.

The Group also considers relevant regulatory requirements, in the context of the alignment of those requirements with IFRS, in the estimation of ECL in respect of Stage 3 exposures.

ECL is calculated by multiplying three main components, being the probability of default (PD), loss given default (LGD) and the exposure at default (EAD), and discounting at the initial effective profit rate. The Group has developed a range of models to estimate these parameters. For the portfolios where sufficient historical data was available, the Group developed a statistical model and for other portfolios judgmental models were developed.

Renegotiated financing facilities
Where possible, the Bank seeks to restructure financing facilities rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new conditions. Management continually reviews renegotiated facilities to ensure that all future payments are highly expected to occur.

When the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the finance customer, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the exiting asset, then the expected cash flows arising from the modified financial asset are included in calculating the gross carrying amount of the financial asset as the present value of the renegotiated or modified cash flows, that are discounted at the financial asset at the original effective profit rate and shall recognize the modification gain or loss in the profit or loss.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset. The cash shortfalls are discounted from the expected date of derecognition to the reporting date using the original effective profit rate of the existing financial asset.

Purchased or originated credit impaired assets (POCI)
POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and profit income is subsequently recognized based on a credit-adjusted expected profit rate. Life time ECLs are only recognised or released to the extent that there is a subsequent change in the ECL.

Covered card facilities
The Group's product offering includes a variety of covered cards facilities, in which the Group has the right to cancel and/or reduce the facilities at a short notice. The Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behavior, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities.

Based on past experience and the Group's expectations, the period over which the Group calculates ECLs for these products, is estimated based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by management actions.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

4 Material accounting policies (continued)

Financial instruments (continued)

Write-off
Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group has exhausted all legal and remedial efforts to recover from the customers. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Collateral valuation
The Bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Bank's reporting schedule, to the extent it is possible, the Bank uses active market data for valuing financial assets, held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data such as market transactions, rental yields and audited financial statements.

Impairment of non-financial assets
The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Fair value measurements
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic benefit.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs (note 46).

4 Material accounting policies (continued)

Business combinations
Acquisitions of businesses are accounted for using the purchase method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Bank, liabilities incurred by the Bank to the former owners of the acquiree and the cash and equity interests issued by the Bank in exchange for control of the acquiree. Acquisition related costs are recognised in consolidated income statement as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share based payment arrangements of the Bank entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in consolidated income statements as gain on acquiring controlling interest.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Bank in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates, with the corresponding gain or loss being recognised in consolidated income statement.

When a business combination is achieved in stages, the Bank's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e., the date when the Bank obtains control) and the resulting gain or loss, if any, is recognised in consolidated income statement. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated income statement where such treatment would be appropriate if that interest were disposed of.

4 Material accounting policies (continued)

Business combinations (continued)
If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Bank reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date which is regarded as their cost. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses.

Intangibles excluding banking license are amortised using the straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The rates of amortisation are based upon the following estimated useful lives:

- Core deposit intangible 12 years

The banking license has an indefinite life and will be tested for impairment annually. For impairment testing purposes, the banking license is allocated to the relevant cash generating unit.

Goodwill
Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Bank's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Bank's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in consolidated income statement.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units which are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4 Material accounting policies (continued)

Investment in associates
The Group's investment in associates is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised or separately tested for impairment. The consolidated income statement reflects the share of the results of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associates are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the consolidated income statement.

Investment in joint ventures
The Group has investment in joint ventures, which are jointly controlled entities, whereby venturers have a contractual arrangement that establishes joint control over the economic activities of the entities. The Group's investment in joint ventures is accounted for using the equity method of accounting.

Under the equity method, the investment in the joint ventures is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not amortised or separately tested for impairment. The consolidated income statement reflects the share of the results of the joint venture. Where there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity.

The financial statements of the ventures are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its joint venture. The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in the consolidated income statement.

Investment properties
Properties held for rental or capital appreciation purposes as well as those held for undetermined future use are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the assets' estimated useful lives. The useful life of buildings is estimated to be 25 - 40 years.

Investment properties are derecognized when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefits are expected from their disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated income statement.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

4 Material accounting policies (continued)

Development properties
Properties in the course of construction for sale or completed properties held for sale are classified as development properties. Completed properties held for sale are stated at the lower of cost or net realizable value. Properties in the course of development for sale are stated at lower of cost or net realizable value. The cost of development properties includes the cost of land and other related expenditure which are capitalized as and when activities that are necessary to get the properties ready for sale are in progress. Net realizable value represents the estimated selling price less costs to be incurred in selling the property.

The property is considered to be complete when all related activities, including the infrastructure and facilities for the entire project, have been completed.

Property and equipment
Property and equipment are recorded at cost less accumulated depreciation and any impairment in value. Land is recorded at revalued amount in the consolidated financial statements.

Depreciation is provided on a straight-line basis over the estimated useful lives of property and equipment, other than freehold land which is deemed to have an indefinite life. The rates of depreciation are based upon the following estimated useful lives:

• Buildings	25 - 40 years
• Furniture and leasehold improvements	3 - 7 years
• Computer and office equipment	4 - 8 years
• Motor vehicles	4 years

The carrying values of properties and equipment are reviewed for impairment when events of changes in circumstances indicate the carrying value may not be recoverable. If any such conditions exist and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Any subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the consolidated income statement as the expense is incurred.

An item of property and equipment is derecognized upon disposal or when no further economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is included in the consolidated income statement in the year the asset is derecognized.

Capital work-in-progress is initially recorded at cost, and upon completion is transferred to the appropriate category of property and equipment and thereafter depreciated.

When an asset is revalued, any increase in the carrying amount arising on revaluation is recorded through other comprehensive income and credited to the revaluation reserve in equity, except to the extent that a revaluation increase merely restores the carrying value of an asset to its original cost, whereby it is recognized as income i.e., to the extent that it reverses a revaluation decrease of the same asset previously recognized as an expense. A decrease resulting from a revaluation is initially charged directly against any related revaluation surplus held in respect of that asset and the remaining portion being charged as an expense. On disposal, the related revaluation surplus is credited directly to retained earnings.

4 Material accounting policies (continued)

Leases
In cases where Group is a Lessee, all leases and the associated contractual rights and obligations is generally recognize in the Group's financial position, unless the term is 12 months or less or the lease for low value asset. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

Right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or lease payments relating to that lease recognised in the consolidated statement of financial position.

The recognised right-of-use assets are related to and included in property and equipment and corresponding lease liabilities under other liabilities the consolidated statement of financial position.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The assumed finance cost is charged to consolidated income statement over the lease period so as to produce a constant periodic rate of profit on the remaining balance of the liability for each period (the "finance cost on lease liabilities"). The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the profit rate implicit in the lease. If that rate cannot be determined, the lessee's incremental financing rate is used, being the rate that the lessee would have to pay to obtain financing for the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The Group has used weighted average incremental financing rate for calculating the net present value of lease liabilities.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in consolidated income statement. Short-term leases are leases with a lease term of 12 months or less.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

4 Material accounting policies (continued)

Income taxes and deferred taxation
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Bank and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be settled with the tax authorities.

Deferred tax is accounted for using the asset and liability method. Deferred tax assets and liabilities are recognised for the full tax consequences of all temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Recognition of deferred tax assets are, however, restricted to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured using tax rates that are expected to apply to the period in which the asset is expected to be realised or the liability is expected to be settled.

Deferred tax assets are reviewed periodically to reduce the carrying amount by the extent to which it is no longer probable that sufficient taxable profits will be available to utilise the differences.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to set off current tax asset against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and current tax liabilities on a net basis.

Provisions and contingent liabilities
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

Acceptances
Acceptances are recognised as financial liability in the consolidated statement of financial position with a contractual right of reimbursement from the customer as a financial asset. Therefore, commitments in respect of acceptances have been accounted for as financial assets and financial liabilities.

Deposits
Customer deposits and due to banks and other financial institutions are carried at amortised cost.

4 Material accounting policies (continued)

Sukuk financing instruments
Sukuk financing instruments are initially measured at fair value and then are subsequently measured at amortised cost using the effective profit rate method, with profit distribution recognised on an effective yield basis.

The effective profit rate method is a method of calculating the amortised cost of a financial liability and of allocating profit distribution over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Employees' pension and end of service benefits
The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment and are included within 'other liabilities' in the consolidated statement of financial position.

With respect to its UAE national employees, the Group makes contributions to a pension fund established by the General Pension and Social Security Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are recognised in the consolidated income statement when due.

Shari'a compliant alternatives of derivative financial instruments
The Bank enters into a Shari'a compliant alternatives of derivative financial instruments to manage the exposure to profit rate risks, including unilateral promise which represents Shari'a compliant alternatives of swap. Those financial instruments are initially measured at cost, being the fair value at contract date, and are subsequently re-measured at fair value. All these Shari'a compliant alternatives of derivatives are carried at their fair values as assets where the fair values are positive and as liabilities where the fair values are negative. Fair values are generally obtained by reference to quoted market prices, discounted cash flow models and recognized pricing models as appropriate.

The Bank enters into cash flows hedges, which hedge exposure to variability in cash flows that are either attributable to a particular risk associated with a recognized asset or liability, or a highly probable forecasted transaction that will affect future reported net income.

In order to qualify for hedge accounting, it is required that the hedge should be expected to be highly effective, i.e. the changes in fair value or cash flows of the hedging instrument should effectively offset corresponding changes in the hedged item and should be reliably measurable. At inception of the hedge, the risk management objectives and strategies are documented including the identification of the hedging instrument, the related hedged item, the nature of risk being hedged, and how the Bank will assess the effectiveness of the hedging relationship. Subsequently, the hedge is required to be assessed and determined to be an effective hedge on an ongoing basis.

Cash flow hedges
The effective portion of changes in the fair value of Shari'a compliant alternatives of derivatives that are designated and qualify as cash flow hedges are recognised in the cash flow hedging reserve in equity. The ineffective part of any gain or loss is recognized immediately in the consolidated income statement. Amounts accumulated in equity are transferred to the consolidated income statement in the periods in which the hedged item affects profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the cumulative gains or losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gains or losses recognised in equity remain in equity until the forecast transaction is recognised, in the case of a non-financial asset or a nonfinancial liability, or until the forecast transaction affects the consolidated income statement. If the forecast transaction is no longer expected to occur, the cumulative gains or losses recognised in equity are immediately transferred to the consolidated income statement.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

4 Material accounting policies (continued)

Net investment hedge
Hedges of net investments in foreign operations are accounted for in a similar way to cash flow hedges. A gain or loss on the effective portion of the hedging instrument is recognised in consolidated statement of comprehensive income within foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognized immediately in the consolidated income statement. Gains and losses accumulated in equity are included in the consolidated income statement on the disposal of the foreign operations.

Zakat
As the Bank is not required to dispose Zakat by UAE laws or by its Articles and Memorandum of Association or by a decision of the General Assembly, each shareholder is directly responsible of the payment of the Zakat amount of the shares that he/she owns. In accordance with the Articles and Memorandum of Association of the Bank, Zakat is computed by the Bank and it is approved by the Internal Shari'a Supervisory Committee of the Bank. However, in few jurisdictions, Zakat of the Bank's branches and subsidiaries is mandatory by laws to be paid to a governmental entity responsible of Zakat, therefore, the Bank acts accordingly to these laws and pays the Zakat to these entities on behalf of the Shareholders and deducts the amount paid as Zakat from the total zakat amount and the Zakat amount per each outstanding share.

Zakat per share is calculated in accordance with AAOIFI's Shari'a Standard number 35 on Zakat, and the Group's Internal Shari'a Supervisory Committee Resolutions.

In accordance with the Memorandum of Association, the Group communicates the amount of Zakat per share and it is the responsibility of each shareholder to directly dispose personally his/her own Zakat amount (note 41).

Profit distribution
Profits or losses of Mudaraba based depositors' accounts are calculated and distributed in accordance with the Banking Service Agreement between the Bank and the investment account holders. Investment in subsidiaries is funded from the shareholders' funds, hence profit or losses from the subsidiaries are not distributed to the investment account holders. Investment in associates is funded jointly from the shareholders and investment account holders' funds, therefore, profits and losses of the associates are distributed among the shareholders and investment account holders. A part of the deserved profits relating to the Mudaraba based investment accounts profit can be reserved as "Investment Risk Reserve" and shall be subsequently utilized in order to maintain certain level of profit distribution to the account holders.

The same allocation is applicable to Wakala deposits and any share of profit above the fixed Wakala fee and the initially expected profit agreed with the investment account holder, shall pertain to the Wakil (the Bank).

Cash and cash equivalents
For the purpose of preparation of the consolidated statement of cash flow, cash and cash equivalents are considered to be short term cash and balances with central banks, short term due from banks and short term international murabahat. Cash equivalents are short-term liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less.

Trade and settlement date accounting
All "regular way" purchase and sales of financial assets are recognized on the settlement date, i.e., the date the asset is delivered to the counterparty. Regular way purchases or sales are purchases or sale of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Prohibited income
According to the Internal Shari'a Supervisory Committee "ISSC", the Group is required to avoid any transaction or activity deemed to be not acceptable by Shari'a and to identify any income from such source and to set it aside in a separate account (charity account) to be disposed to charity by the Group under the supervision of the ISSC (as purification amount).

4 Material accounting policies (continued)

Fiduciary assets
Assets held in trust or in a fiduciary capacity are not treated as assets of the Group and accordingly are not included in these consolidated financial statements.

Foreign currencies
The Group's consolidated financial statements are presented in AED, which is the Bank's functional currency. That is the currency of the primary economic environment in which the Group operates. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to the consolidated income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their income statement is translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recorded in the other comprehensive income. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated income statement.

Financial guarantees
In the ordinary course of business, the Bank gives financial guarantees consisting of letters of credit, letters of guarantees and acceptances. Financial guarantees are initially recognized in the consolidated financial statements at fair value. Subsequent to initial recognition, the Group's liabilities under such guarantees are each measured at the higher of the initial fair value less, when appropriate, cumulative amortization calculated to recognize the fee in the consolidated income statement in 'net fees and commission income' over the term of the guarantee, and the best estimate of the expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the liability relating to financial guarantees is taken to the consolidated income statement in 'credit loss expense'. Any financial guarantee liability remaining is recognized in the consolidated income statement in 'net fees and commission income' when the guarantee is discharged, cancelled or expires.

Segment reporting
The Bank has presented the segment information in respect of its business and geographical segments in the same way as it is presented internally to the management.

Dividends on ordinary shares
Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

Collateralised Murabaha
The Group entered into collateralized murabaha arrangement whereby sukuk are held as collateral with counterparties. The liability to the counterparties under these agreements are shown as "Collateralsied Murabaha" in the consolidated statement of financial position. The Murabaha installment (profit) paid to the counterparties over the life of the Collateralised Murabaha is recorded in the consolidated income statement.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

4. Material accounting policies (continued)

Restricted investment accounts
Restricted investment accounts represent special nature assets resulted from funds provided by holders of restricted investment accounts and their equivalent and managed by the Group as an investment manager (Wakil) based on (Wakala) agency contract. The restricted investment accounts are exclusively restricted for investment in specified projects as directed by the investments account holders. Assets that are held in such capacity are not included as assets of the Group in the consolidated financial statements.

5 Income from murabaha, mudaraba, ijara and other islamic financing from customers

	2025 **AED '000**	2024 AED '000
Vehicle murabaha	**1,026,264**	789,019
Goods murabaha	**1,998,901**	1,603,118
Share murabaha	**900,638**	878,925
Commodities murabaha – Al Khair	**595,009**	517,875
Islamic covered cards (murabaha)	**555,773**	443,220
Other murabaha	**1,248,493**	788,668
Total murabaha	**6,325,078**	5,020,825
Mudaraba	**895,819**	780,591
Ijara	**3,494,315**	2,905,008
Wakala	**153,560**	226,468
Istisna'a	**10,870**	6,055
	10,879,642	8,938,947

6 Income from sukuks measured at fair value

	2025 **AED '000**	2024 AED '000
Income from sukuk measured at fair value through profit or loss	**102,910**	130,344
Income from sukuk measured at fair value through other comprehensive income	**111,670**	112,030
	214,580	242,374

7 Net gains and other income from investments measured at fair value

	2025	2024
	AED '000	AED '000
Realised gain on investments carried at fair value through profit or loss	**57,780**	43,242
Unrealised loss on investments carried at fair value through profit or loss	**(2,938)**	(2,255)
Realised loss on sukuk carried at fair value through other comprehensive income	**(643)**	-
Income from other investment assets	**20,612**	4,501
Dividend income	**1,888**	483
	76,699	45,971

8 Fees and commission income and expense

	2025	2024
	AED '000	AED '000
Fees and commission income		
Fees and commission income on cards	**2,149,551**	1,896,353
Trade related fees and commission	**198,898**	134,725
Accounts services fees	**166,713**	138,754
Projects and property management fees	**69,648**	48,760
Risk participation and arrangement fees	**253,040**	152,769
Brokerage fees and commission	**51,974**	42,993
Other fees and commissions	**729,345**	682,337
Total fees and commission income	**3,619,169**	3,096,691
Fees and commission expenses		
Card related fees and commission expenses	**(1,285,239)**	(1,126,549)
Other fees and commission expenses	**(233,473)**	(162,774)
Total fees and commission expenses	**(1,518,712)**	(1,289,323)
Fees and commission income, net	**2,100,457**	1,807,368

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

9 Income from investment properties

	2025	2024
	AED '000	AED '000
Rental income (note 24)	**37,194**	37,594
Gain on disposal of investment properties	**12,170**	326
	49,364	37,920

10 Employees' costs

	2025	2024
	AED '000	AED '000
Salaries and wages	**1,897,682**	1,664,385
End of service benefits	**93,607**	94,244
Other staff expenses	**153,619**	136,003
	2,144,908	1,894,632

11 General and administrative expenses

	2025	2024
	AED '000	AED '000
Legal and professional expenses	**148,962**	146,787
Premises expenses	**104,667**	108,023
Marketing and advertising expenses	**101,750**	83,902
Communication expenses	**119,929**	106,864
Technology related expenses	**294,302**	262,092
Finance cost on lease liabilities	**5,873**	6,359
Other operating expenses	**238,243**	196,331
	1,013,726	910,358

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

12 Provision for impairment, net

	2025 AED '000	2024 AED '000
Murabaha and other Islamic financing	**583,990**	299,793
Ijara financing	**213,976**	458,362
Direct write-off, net of recoveries	**10,739**	15,836
Investment in sukuk measured at amortised cost	**(54,499)**	(18,140)
Other financial assets	**(81,654)**	(48,017)
Non-financial assets	**5,268**	(88,140)
	677,820	619,694

13 Distribution to depositors and sukuk holders

	2025 AED '000	2024 AED '000
Investment accounts	**5,498,732**	4,436,042
Sukuk holders	**104,574**	104,649
	5,603,306	4,540,691

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

14 Income tax expense

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. As the Group's accounting year ends on 31 December, the first tax period was for the period from 1 January 2024 to 31 December 2024. The tax return for the tax period ended 31 December 2024 was filed before 30 September 2025.

Furthermore, Bank pays taxes on its international branches and subsidiary in accordance with the tax laws prevailing in those countries mainly Egypt where the tax rate is 22.5%.

The current tax charge in the consolidated income statement for year ended 31 December is as follows:

	2025 AED '000	2024 AED '000
Current	**585,707**	457,391
Prior	**39,134**	-
	624,841	457,391
As per other international tax jurisdiction	**405,771**	307,888
	1,030,612	765,279
Effective Tax Rate ("ETR")	**12.7%**	11.1%

The reconciliation of tax expense to the accounting profit before tax is as follows:

	2025 AED '000	2024 AED '000
Accounting profit before tax	**8,101,260**	6,866,696
Tax expense at 9% (UAE Corporate tax rate)	**729,113**	618,003
Tax effect of difference:		
Tax effect of different tax rate of subsidiaries operating in foreign Jurisdictions	**259,375**	220,882
Others	**42,124**	(73,606)
	1,030,612	765,279

In addition to the above, during the year, the Bank recognised an income tax expense of AED 17,146 thousand (2024: nil) in the consolidated statement of comprehensive income.

14 Income tax expense (continued)

Pillar 2

In line with the OECD's Global Minimum Tax initiative (Pillar Two), the UAE Ministry of Finance has implemented a Domestic Minimum Top-Up Tax (DMTT) of 15%, which will be applicable to Multinational Enterprises (MNEs) for financial years commencing on or after 1 January 2025. The Group qualifies as an MNE, having consolidated revenue that exceeds the EUR 750 million threshold in two out of the four preceding years; therefore, the DMTT regulations will apply to the Group.

As per Article 9.3 of the UAE DMTT framework offers Initial Phase of International Activity (IPIA) relief, which permits a reduction of the top-up tax to zero for UAE entities for up to five years, provided that specific conditions are met. The Group fulfills the criteria for IPIA relief for the year ended 31 December 2025.

15 Basic and diluted earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit for the year attributable to ordinary equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of any financial instruments with dilutive effects.

The following reflects the income and shares data used in the earnings per share computations:

	Notes	**2025**	2024
Profit for the year attributable to equity holders (AED '000)		**6,673,692**	5,776,782
Less: profit attributable to Tier 1 sukuk holder			
- Listed (third issue) (AED '000)	**37**	**(199,692)**	(199,692)
- Government of Abu Dhabi (AED '000)	**37**	**(134,329)**	(153,336)
Profit for the year attributable to equity holders after deducting profit relating to Tier 1 sukuk (AED '000)		**6,339,671**	5,423,754
Weighted average number of ordinary shares at in issue (000's)		**3,632,000**	3,632,000
Basic and diluted earnings per share (AED)		**1.746**	1.493

The Bank does not have any instruments which would have a dilutive impact on earnings per share when converted or exercised. Profit on Tier 1 sukuk is reflected in the EPS computation on the payment of such profit.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

16 Cash and balances with central banks

	2025	2024
	AED '000	AED '000
Cash on hand	**2,641,965**	2,112,161
Balances with central banks:		
- Current accounts	**1,634,186**	1,143,318
- Statutory reserve	**22,961,774**	19,229,985
- Islamic certificate of deposits	**16,714,748**	9,555,686
	43,952,673	32,041,150
Less: provision for impairment	**(526)**	(1,208)
	43,952,147	32,039,942

The Bank is required to maintain statutory reserves with the Central Bank of the UAE, Egypt, Iraq and Sudan on demand, time and other deposits. The statutory reserves are available for use in the Bank's day-to-day operations and cannot be withdrawn without the approval of the respective Central Banks. Cash on hand and current accounts are not profit-bearing. Islamic certificate of deposits are profit bearing, which is based on entering into international commodities Murabaha transaction in which Central Bank of the UAE and Central Bank of Iraq are the buyers and the Bank is the seller.

The distribution of the gross cash and balances with central banks by geographic region is as follows:

	2025	2024
	AED '000	AED '000
UAE	**39,612,259**	28,183,540
Rest of the Middle East	**2,175,399**	2,394,497
Others	**2,165,015**	1,463,113
	43,952,673	32,041,150

17 Balances and wakala deposits with Islamic banks and other financial institutions

	2025 AED '000	2024 AED '000
Current accounts	**513,681**	848,985
Wakala deposits	**4,108,828**	6,808,703
	4,622,509	7,657,688
Less: provision for impairment	**(3,729)**	(7,749)
	4,618,780	7,649,939

In accordance with Shari'a principles, deposits are invested only with Islamic financial institutions. The Bank does not earn profits on current accounts with banks and financial institutions.

The distribution of the gross balances and wakala deposits with Islamic banks and other financial institutions by geographic region is as follows:

	2025 AED '000	2024 AED '000
UAE	**211,177**	57,495
Rest of the Middle East	**3,733,569**	6,528,742
Europe	**293,011**	313,737
Others	**384,752**	757,714
	4,622,509	7,657,688

18 Murabaha and mudaraba with financial institutions

	2025 AED '000	2024 AED '000
Murabaha	**7,303,119**	2,991,073
Less: provision for impairment	**(48,014)**	(33,544)
	7,255,105	2,957,529

In accordance with Shari'a principles, Mudaraba are with Islamic financial institutions or provided for the activities that are entirely Sharia' compliant.

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

18 Murabaha and mudaraba with financial institutions (continued)

The distribution of the gross murabaha and mudaraba with financial institutions by geographic region is as follows:

	2025 AED '000	2024 AED '000
UAE	**-**	23,492
Rest of the Middle East	**202,869**	100,269
Others	**7,100,250**	2,867,312
	7,303,119	2,991,073

19 Murabaha and other Islamic financing

	2025 AED '000	2024 AED '000
Vehicle murabaha	**14,503,428**	11,654,053
Goods murabaha	**54,113,322**	35,889,499
Share murabaha	**10,724,546**	11,129,377
Commodities murabaha – Al Khair	**12,046,639**	10,475,983
Islamic covered cards (murabaha)	**16,556,391**	12,435,065
Other murabaha	**15,399,521**	12,342,823
Total murabaha	**123,343,847**	93,926,800
Mudaraba	**6,867,249**	4,732,765
Wakala	**2,645,822**	3,692,104
Istisna'a	**209,956**	104,910
Other financing receivables	**251,926**	181,366
Total murabaha and other Islamic financing	**133,318,800**	102,637,945
Less: deferred income on murabaha	**(20,785,765)**	(15,627,648)
	112,533,035	87,010,297
Less: provision for impairment	**(1,780,983)**	(1,665,674)
	110,752,052	85,344,623

19 Murabaha and other Islamic financing (continued)

The distribution of the gross murabaha and other Islamic financing by industry sector and geographic region was as follows:

	2025 AED '000	2024 AED '000
Industry sector:		
Government	**15,646,975**	9,497,175
Public sector	**22,612,680**	14,023,427
Corporates	**8,952,619**	7,467,357
Financial institutions	**6,411,002**	6,412,769
Individuals	**57,110,188**	48,216,977
Small and medium enterprises	**1,799,571**	1,392,592
	112,533,035	87,010,297
Geographic region:		
UAE	**81,266,309**	67,892,641
Rest of the Middle East	**14,614,568**	7,832,576
Europe	**3,957,057**	3,700,564
Others	**12,695,101**	7,584,516
	112,533,035	87,010,297

20 Ijara financing

This represents net investment in assets leased for periods which either approximate or cover major parts of the estimated useful lives of such assets. The documentation includes a separate undertaking from the Bank to sell the leased assets to the lessee upon the maturity of the lease.

The aggregate future lease receivables are as follows:

	2025 AED '000	2024 AED '000
Ijara financing	**73,055,943**	60,108,940
Less: provision for impairment	**(2,431,732)**	(2,842,724)
	70,624,211	57,266,216

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

20 Ijara financing (continued)

The distribution of the gross ijara financing by industry sector and geographic region was as follows:

	2025 AED '000	2024 AED '000
Industry sector:		
Government	**1,210,274**	1,538,884
Public sector	**5,717,013**	4,901,628
Corporates	**18,419,796**	17,958,261
Individuals	**47,231,561**	35,376,612
Small and medium enterprises	**367,655**	175,441
Non-profit organisations	**109,644**	158,114
	73,055,943	60,108,940
Geographic region:		
UAE	**69,953,559**	57,501,433
Rest of the Middle East	**1,671,519**	1,579,789
Europe	**456,154**	514,035
Others	**974,711**	513,683
	73,055,943	60,108,940

21 Investment in sukuk measured at amortised cost

	2025 AED '000	2024 AED '000
Sukuk - Quoted	**26,764,718**	23,862,504
Less: provision for impairment	**(50,507)**	(104,411)
	26,714,211	23,758,093

The Group entered into collateralized murabaha arrangement whereby sukuk are held as collateral with counterparties. The risks and rewards relating to the sukuk collateralised remain with the Group. At 31 December 2025, certain sukuk with an aggregate carrying value of AED 3,781,762 thousand (fair value of AED 3,635,755 thousand) [31 December 2024: nil] which were collateralized against Collateralised murabaha amounts to AED 3,363,553 thousand (31 December 2024: nil).

The distribution of the gross investments by geographic region was as follows:

	2025 AED '000	2024 AED '000
UAE	**12,900,956**	12,095,090
Rest of the Middle East	**11,518,860**	8,925,158
Europe	**-**	91,232
Others	**2,344,902**	2,751,024
	26,764,718	23,862,504

22 Investments measured at fair value

	2025 AED '000	2024 AED '000
Investments carried at fair value through profit or loss		
Quoted investments		
Equities	**11,041**	24,546
Sukuk	**956,995**	1,899,327
	968,036	1,923,873
Unquoted sukuk	**332,135**	327,586
	1,300,171	2,251,459

Unquoted sukuk carried at fair value through profit or loss includes financial assets acquired as part of settlement of an existing financing exposure that has been transferred to a new entity controlled by the financiers. The instrument expected to be settled through sale of operating assets transferred to the new entity.

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

22 Investments measured at fair value (continued)

	2025 AED '000	2024 AED '000
Investments carried at fair value through other comprehensive income		
Quoted investments		
Equities	**24,166**	24,882
Sukuk	**2,886,305**	2,924,449
	2,910,471	2,949,331
Unquoted investments		
Sukuk	**43,257**	68,686
Funds	**559,265**	214,338
Private equities	**117,399**	115,827
	719,921	398,851
	3,630,392	3,348,182
	4,930,563	5,599,641
Less: provision for impairment	**(24,197)**	(71,237)
	4,906,366	5,528,404

The distribution of the gross investments by geographic region was as follows:

	2025 AED '000	2024 AED '000
Geography region		
UAE	**2,635,105**	2,792,343
Rest of the Middle East	**1,272,691**	1,791,738
Europe	**880**	11,582
Others	**1,021,887**	1,003,978
	4,930,563	5,599,641

23 Investment in associates and joint ventures

The movement in the carrying amount during the year was as follows:

	2025 AED '000	2024 AED '000
At 1 January	**910,854**	849,490
Share of results	**105,011**	99,894
Dividends received	**(18,250)**	(18,124)
Foreign currency translation	**31,354**	(20,406)
	1,028,969	910,854
Less: provision for impairment	**(15,156)**	(15,156)
At 31 December	**1,013,813**	895,698

The movement in the provision for impairment during the year was as follows:

	2025 AED '000	**2024** AED '000
Balance at 1 January and 31 December	**15,156**	15,156

Details of the Bank's investment in associates and joint ventures at 31 December is as follows:

	Place of incorporation	***Proportion of ownership interest***		***Principal activity***
		2025 %	***2024 %***	
Associates				
Abu Dhabi National Takaful PJSC	UAE	**42**	42	Islamic insurance
Bosna Bank International D. D	Bosnia	**27**	27	Islamic banking
The Residential REIT (IC) Limited	UAE	**29**	29	Real estate fund
Joint ventures				
Saudi Finance Company CSJC	Kingdom of Saudi Arabia	**51**	51	Islamic Retail Finance
Arab Link Money Transfer PSC (under liquidation)	UAE	**51**	51	Currency Exchange
Abu Dhabi Islamic Merchant Acquiring Company LLC	UAE	**51**	51	Merchant acquiring

As of 31 December 2025, the Bank's share of the contingent liabilities and commitments of associates and joint ventures amounted to AED 103,857 thousand (2024: AED 38,049 thousand). The equity instruments of Abu Dhabi National Takaful PJSC are quoted in Abu Dhabi Securities Exchange, UAE and the quoted value of the Banks' share of investment at 31 December 2025 amounted to AED 251,548 thousand (2024: AED 236,236 thousand) and its carrying value as of 31 December 2025 amounted to 392,601 AED thousand (2024: AED 349,613 thousand).

24 Investment properties

The movement in investment properties balance during the year was as follows:

	Land AED '000	**Other properties AED '000**	**Total AED '000**
2025			
Cost:			
Balance at 1 January	**988,726**	**507,866**	**1,496,592**
Disposals during the year	**-**	**(20,384)**	**(20,384)**
Foreign currency translation	**10**	**27**	**37**
Gross balance at 31 December	**988,736**	**487,509**	**1,476,245**
Less: provision for impairment	**(31,943)**	**-**	**(31,943)**
Net balance at 31 December	**956,793**	**487,509**	**1,444,302**
Accumulated depreciation:			
Balance at 1 January	**-**	**131,661**	**131,661**
Charge for the year	**-**	**13,988**	**13,988**
Relating to disposals	**-**	**(11,716)**	**(11,716)**
Balance at 31 December	**-**	**133,933**	**133,933**
Net book value at 31 December	**956,793**	**353,576**	**1,310,369**
2024			
Cost:			
Balance at 1 January	989,651	509,882	1,499,533
Disposals during the year	(419)	(1,694)	(2,113)
Foreign currency translation	(506)	(322)	(828)
Gross balance at 31 December	988,726	507,866	1,496,592
Less: provision for impairment	(31,943)	-	(31,943)
Net balance at 31 December	956,783	507,866	1,464,649
Accumulated depreciation:			
Balance at 1 January	-	117,516	117,516
Charge for the year	-	14,587	14,587
Relating to disposals	-	(442)	(442)
Balance at 31 December	-	131,661	131,661
Net book value at 31 December	956,783	376,205	1,332,988

The property rental income earned by the Group from its investment properties, that are leased out under operating leases, amounted to AED 37,194 thousand (2024: AED 37,594 thousand).

The fair values of investment properties at 31 December 2025 amounted to AED 1,728,171 thousand (2024: AED 1,639,698 thousand) are as per valuation conducted by professional valuers employed by a subsidiary of the Bank. The professional valuer is a member of various professional valuers' associations and has appropriate qualifications and experience in the valuation of properties in the UAE. The fair value of the properties has been determined either based on transactions observable in the market or valuation models.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

24 Investment properties (continued)

The valuation methodologies considered by external valuers include:

a) Comparison method: This method derives the value by analyzing recent sales transactions of similar properties in a similar location.
b) Investment method: This method derives the value by converting the future cash flow to a single current capital value.

The movement in provision for impairment during the year was as follows:

	Land AED '000	Other properties AED '000	Total AED '000
At 1 January 2024	106,203	13,044	119,247
Reversals during the year	(74,092)	(12,908)	(87,000)
Relating to disposals	(168)	(136)	(304)
At 1 January 2025	**31,943**	**-**	**31,943**
Reversals during the year	-	-	-
Relating to disposals	-	-	-
At 31 December 2025	**31,943**	-	**31,943**

The distribution of investment properties by geographic region was as follows:

	Land AED '000	Other properties AED '000	Total AED '000
2025:			
UAE	**980,360**	**353,461**	**1,333,821**
Rest of the Middle East	**8,214**	**-**	**8,214**
Others	**162**	**115**	**277**
	988,736	**353,576**	**1,342,312**
2024:			
UAE	980,358	375,783	1,356,141
Rest of the Middle East	8,214	-	8,214
Others	154	422	576
	988,726	376,205	1,364,931

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

25 Development properties

	2025 AED '000	2024 AED '000
At 1 Janaury	**846,620**	846,620
Additions during the year	**20,025**	-
	866,645	846,620
Less: provision for impairment	**(123,680)**	(123,680)
At 31 Decemeber	**742,965**	722,940

The is no movement in the provision for impairment during the year.

Development properties include land with a carrying value of AED 696,345 thousand (2024: AED 676,320 thousand) pertaining to a subsidiary of the Bank.

All development properties are located in the UAE.

26 Other assets

	2025 AED '000	2024 AED '000
Acceptances	**965,822**	1,034,329
Assets acquired in satisfaction of claims	**193,817**	88,425
Trade receivables	**549,593**	475,733
Prepaid expenses	**1,339,586**	1,274,549
Accrued profit	**1,019,435**	675,554
Positive fair value of Shari'a compliant alternatives of derivative financial instruments (note 40)	**13,774**	-
Others, net	**1,543,502**	1,809,296
	5,625,529	5,357,886

Assets acquired in exchange for claims in order to achieve an orderly realization are recorded as "Assets acquired in satisfaction of claims". The asset acquired is recorded at the lower of its fair value less costs to sell and the carrying amount of the claim (net of provision for impairment) at the date of exchange.

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

27 Property and equipment

	Land AED '000	Buildings AED '000	Furniture and fixtures AED '000	Computer and office equipment AED '000	Motor vehicles AED '000	Capital work-in-progress AED '000	Right-of-use assets AED '000	Total AED '000
2025								
Cost or revaluation:								
At 1 January	**239,462**	**1,006,633**	**512,960**	**2,450,882**	**6,469**	**467,002**	**344,401**	**5,027,809**
Exchange differences / other adjustments	**230**	**16,148**	**221**	**5,046**	**154**	**-**	**(53,724)**	**(31,925)**
Additions	**-**	**26,934**	**6,122**	**19,200**	**596**	**313,355**	**92,005**	**458,212**
Transfers from capital work-in-progress	**-**	**-**	**30,360**	**228,158**	**-**	**(258,518)**	**-**	**-**
Disposals / write-offs	**(214)**	**(2,741)**	**(3,090)**	**(23,286)**	**(1,007)**	**-**	**(100)**	**(30,438)**
	239,478	**1,046,974**	**546,573**	**2,680,000**	**6,212**	**521,839**	**382,582**	**5,423,658**
Less: provision for impairment	**-**	**(1,487)**	**-**	**-**	**-**	**-**	**-**	**(1,487)**
At 31 December	**239,478**	**1,045,487**	**546,573**	**2,680,000**	**6,212**	**521,839**	**382,582**	**5,422,171**
Depreciation:								
At 1 January	**-**	**228,601**	**389,682**	**1,539,229**	**4,376**	**-**	**218,765**	**2,380,653**
Exchange differences / other adjustments	**-**	**1,564**	**2,679**	**2,110**	**347**	**-**	**(55,152)**	**(48,452)**
Charge for the year	**-**	**31,456**	**40,217**	**206,346**	**345**	**-**	**64,584**	**342,948**
Relating to disposals / write-offs	**-**	**(1,281)**	**(3,080)**	**(22,975)**	**(367)**	**-**	**(4)**	**(27,707)**
At 31 December	**-**	**260,340**	**429,498**	**1,724,710**	**4,701**	**-**	**228,193**	**2,647,442**
Net book value:								
At 31 December	**239,478**	**785,147**	**117,075**	**955,290**	**1,511**	**521,839**	**154,389**	**2,774,729**

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

27 Property and equipment (continued)

	Land AED '000	Buildings AED '000	Furniture and fixtures AED '000	Computer and office equipment AED '000	Motor vehicles AED '000	Capital work-in-progress AED '000	Right-of-use assets AED '000	Total AED '000
2024								
Cost or revaluation:								
At 1 January	241,776	1,146,138	505,035	2,164,918	6,180	530,396	358,261	4,952,704
Exchange differences / other adjustments	(2,314)	(139,935)	(7,674)	(59,878)	(967)	-	(13,912)	(224,680)
Additions	-	145	6,493	27,378	1,837	278,766	52	314,671
Transfers from capital work-in-progress	-	308	15,548	326,304	-	(342,160)	-	-
Disposals / write-offs	-	(23)	(6,442)	(7,840)	(581)	-	-	(14,886)
	239,462	1,006,633	512,960	2,450,882	6,469	467,002	344,401	5,027,809
Less: provision for impairment	-	(1,487)	-	-	-	-	-	(1,487)
At 31 December	239,462	1,005,146	512,960	2,450,882	6,469	467,002	344,401	5,026,322
Depreciation:								
At 1 January	-	203,538	350,157	1,403,854	5,199	-	190,479	2,153,227
Exchange differences / other adjustments	-	(7,277)	(2,438)	(32,916)	(792)	-	(29,198)	(72,621)
Charge for the year	-	32,363	48,335	176,068	295	-	57,484	314,545
Relating to disposals / write-offs	-	(23)	(6,372)	(7,777)	(326)	-	-	(14,498)
At 31 December	-	228,601	389,682	1,539,229	4,376	-	218,765	2,380,653
Net book value:								
At 31 December	239,462	776,545	123,278	911,653	2,093	467,002	125,636	2,645,669

28 Goodwill and intangibles

	Goodwill AED '000	Core deposit AED '000	License AED '000	Total AED '000
At 1 January 2024	246,878	156,722	231,738	635,338
Exchange translation differences	(53,805)	(70,169)	(91,019)	(214,993)
Amortisation during the year	-	(10,477)	-	(10,477)
At 1 January 2025	193,073	76,076	140,719	409,868
Exchange translation & other differences	**45,915**	**7,151**	**9,275**	**62,341**
Amortisation during the year	-	**(9,338)**	-	**(9,338)**
At 31 December 2025	**238,988**	**73,889**	**149,994**	**462,871**

Goodwill

On 1 October 2022, ADIB Group assumed control over ADIB Egypt. Based on the fair valuation and purchase price allocation exercise performed by an external consultant, the Bank recognized intangibles amounting to AED 648,549 thousands and goodwill amounting to AED 216,488 thousands.

On 6 April 2014, the Bank acquired retail banking business of Barclays Bank in the U.A.E. During the second quarter 2014, the acquisition was approved by the Central Bank of the UAE. Based on the purchase price allocation, the Bank has recognized AED 438,012 thousand as intangible asset which were fully amortized previous years and AED 109,888 as goodwill.

For the purpose of impairment testing, goodwill is allocated to the Bank's operating divisions which represent the lowest level within the Bank at which the goodwill is monitored for internal management purposes.

Other intangible assets

Egypt license	This has been recognised as an intangible asset as Central Bank of Egypt has not issued a new banking license to any entity for the past 20 years and has therefore restricted engagement in banking activities to banks already licensed and operating in Egypt. The license plays a key part in generating revenues for the Bank. Egypt license was valued considering the market approach using comparable transactions.
Core deposit	The value of core deposit intangible asset arises from the fact that the expected profit distribution on these deposits, governed by their contractual terms, are expected to be lower than other wholesale or treasury sukuk instruments' expected profit distributions. The spread between the expected profit distributions on these deposits and sukuk instruments represents the value of the core deposit intangible.

Impairment assessment of goodwill

No impairment losses on goodwill were recognised during the year ended 31 December 2025 (2024: Nil).

The recoverable amounts have been assessed based on their value in use. Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of this operating division.

The recoverable amount of goodwill relating to ADIB Egypt, determined on the basis of value in use calculation, uses cash flow projections covering a five year period, with a terminal growth rate of 11.7% applied thereafter. The forecast cash flows have been discounted at a rate of 23.3%.

The recoverable amount of goodwill relating to retail banking business acquired from Barclays Bank, determined on the basis of value in use calculation, uses cash flow projections covering a five year period, with a terminal growth rate of 2% (2024: 2%) applied thereafter. The forecast cash flows have been discounted at a rate of 11.4% (2024: 11.4%).

Management conducted a sensitivity analysis which took into account a one percentage point change in the discount rate and terminal growth rate. The carrying value will surpass the recoverable amount with these potential changes in key assumptions.

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Notes to the consolidated financial statements
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29 Due to financial institutions

	2025 AED '000	2024 AED '000
Current accounts	**2,471,294**	1,734,019
Investment deposits	**3,849,801**	3,795,650
Collateralised murabaha with banks	**3,363,553**	-
	9,684,648	5,529,669

The collateral provided against these collateralised murabaha are disclosed in note 21.

The distribution of due to financial institutions by geographic region was as follows:

	2025 AED '000	2024 AED '000
UAE	**5,496,880**	2,682,300
Rest of the Middle East	**2,589,893**	1,566,785
Europe	**217,877**	236,528
Others	**1,379,998**	1,044,056
	9,684,648	5,529,669

30 Depositors' accounts

	2025 AED '000	2024 AED '000
Current accounts	**57,318,734**	50,819,862
Investment accounts	**171,002,626**	131,118,093
Investment risk reserve	**774,934**	737,298
	229,096,294	182,675,253

The movement in the investment risk reserve during the year was as follows:

	2025 AED '000	2024 AED '000
At 1 January	**737,298**	759,312
Share of profit / paid during the year	**37,636**	(22,014)
At 31 December	**774,934**	737,298

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

30 Depositors' accounts (continued)

The distribution of the depositors' accounts by industry sector, geographic region and currency was as follows:

	2025 AED '000	2024 AED '000
Industry sector:		
Government	**32,149,734**	31,027,886
Public sector	**24,683,901**	12,705,731
Corporates	**29,419,108**	16,442,512
Financial institutions	**4,073,612**	3,633,921
Individuals	**107,283,328**	94,586,219
Small and medium enterprises	**27,379,630**	20,618,189
Non-profit organisations	**4,106,981**	3,660,795
	229,096,294	182,675,253
Geographic region:		
UAE	**201,181,489**	162,377,636
Rest of the Middle East	**4,543,780**	4,223,539
Europe	**616,132**	470,666
Others	**22,754,893**	15,603,412
	229,096,294	182,675,253
Currencies:		
UAE Dirham	**164,319,378**	132,008,876
US Dollar	**44,782,726**	36,823,062
Euro	**2,493,778**	1,300,352
Sterling Pound	**943,349**	830,742
Others	**16,557,063**	11,712,221
	229,096,294	182,675,253

The Bank invests all of its investment accounts including saving accounts, adjusted for UAE, Egypt, Iraq and Sudan Central Bank reserve requirements and the Group's liquidity requirements.

With respect to investment deposits, the Bank is liable only in case of misconduct, negligence or breach of contract otherwise it is on the account of the fund's provider (Rab Al Mal) or the principal (the Muwakkil).

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

31 Other liabilities

	2025 AED '000	2024 AED '000
Accounts payable	**695,229**	560,794
Acceptances	**965,822**	1,034,329
Lease liabilities	**174,928**	139,116
Accrued profit for distribution to depositors and sukuk holders	**806,120**	730,810
Bankers' cheques	**1,421,945**	1,808,080
Provision for staff benefits and other expenses	**642,875**	551,212
Retentions payable	**127,679**	75,598
Advances from customers	**76,619**	44,051
Accrued expenses	**361,536**	309,934
Deferred income	**461,178**	364,931
Negative fair value of Shari'a compliant alternatives of derivative financial instruments (note 40)	**25,642**	11,188
Others	**2,006,763**	1,921,342
	7,766,336	7,551,385

32 Sukuk financing instrument

	2025 AED '000	2024 AED '000
Sukuk financing instrument	**1,836,250**	1,836,250

In November 2023, the Bank through a AAOIFI Shari'a compliant sukuk arrangement, raised medium term green sukuk amounting to AED 1,836,250 thousand (USD 500 million) under a USD 5 billion programme. The sukuk are listed on the London Stock Exchange's International Securities Market (ISM) and the Abu Dhabi Securities Exchange (ADX). The sukuk will mature in November 2028. The sukuk deserved rental proceeds are distributed in accordance with expected profit rate.

Terms of arrangement
The terms of the arrangement include transfer of the ownership of certain assets (the "Ijarah Assets"), from identified ijara financing assets in the portfolio of the Bank, to a sukuk company, ADIB Sukuk Company II Ltd - the Issuer, a subsidiary of the Bank, specially formed for the sukuk transaction. The assets are owned by the Sukuk holders, however the assets are controlled by the Bank and shall continue to be serviced by the Bank as the Servicing agent.

The issuer will pay the quarterly distribution amount from rental proceeds generated and received from the Ijarah Assets. Such proceeds are expected to be sufficient to cover the quarterly distribution amount payable to the sukuk holders on the quarterly distribution dates. Upon maturity of the sukuk, the Bank has undertaken to repurchase the Ijarah Assets at an exercise price, specified in the relevant Purchase Undertaking.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

33 Share capital

	2025 AED '000	2024 AED '000
Authorised share capital:		
4,000,000 thousand (2024: 4,000,000 thousand) ordinary shares of AED 1 each (2024: AED 1 each)	**4,000,000**	4,000,000
Issued and fully paid share capital:		
3,632,000 thousand (2024: 3,632,000 thousand) ordinary shares of AED 1 each (2024: AED 1 each)	**3,632,000**	3,632,000

34 Reserves

34.1 Legal reserve

As required by the UAE Federal Decree Law No. 32 of 2021, concerning Commercial Companies and the Articles of Association of the Bank and its subsidiaries, 10% of the profit for the year is transferred to the legal reserve. The Bank shall resolve to discontinue such annual transfers as the reserve equals to or more than 50% of the paid up share capital of the Bank. The legal reserve is not available for distribution to the shareholders.

As per Article 203 of UAE Federal Commercial Companies Law No. 8 of 1984, the Bank has transferred the share premium amounting to AED 1,529,412 thousand to the legal reserve. As the balance of the reserve exceeds 50% of the total paid up share capital, no transfer to the legal reserve has been made from the profit during the year for the Bank.

During 2018, the Bank has transferred the share premium amounting to AED 538,240 thousand pertaining to the right share issue of 464,000 to the legal reserve after the shareholders' approval in the General Assembly meeting held on 19 August 2018.

During 2015, the Bank has transferred the share premium amounting to AED 336,000 thousand pertaining to the right share issue of 168,000 to the legal reserve after the shareholders' approval in the Extra Ordinary General meeting held on 28 June 2015.

34.2 General reserve

Under Article 49(2) of the Bank's Articles of Association, the Annual General Assembly of the Bank, upon recommendation of the Board of Directors, have resolved to transfer 10% of the profit for the year to the general reserve. This reserve shall be used in the future for purposes determined by the shareholders' General Assembly upon the recommendation of the Board of Directors.

34.3 Credit risk reserve

Upon the recommendation of the Board of Directors, the Bank has established a special reserve for credit risk which is subject to the approval by the shareholders in the Annual General Assembly. Contributions to the reserve are voluntary.

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

35 Dividend

During 2025, cash dividend of 83.43 fils per share relating to year ended 31 December 2024 amounting to AED 3,030,337 thousand, was paid after the approval by the shareholders at the Annual General Assembly held on 10 March 2025.

Cash dividend of 97.05 fils per share relating to year ended 31 December 2025 amounting to AED 3,524,856 thousand has been proposed by the Board of Directors for the approval by the shareholders at the forthcoming Annual General Assembly.

36 Other reserves

	Cumulative changes in fair values AED '000	Land revaluation reserve AED '000	Foreign currency translation reserve AED '000	Hedging reserve AED '000	Impairment reserve - Specific AED '000	Impairment reserve - General AED '000	Others AED '000	Total AED '000
At 1 January 2024	(389,983)	137,400	(1,085,422)	2,064	207,673	43,696	(10,420)	(1,094,992)
Net movement in valuation of equity investment carried at FVTOCI-net of tax	8,717	-	-	-	-	-	-	8,717
Net movement in valuation of investment in sukuk carried at FVTOCI – net of tax	50,062	-	-	-	-	-	-	50,062
Net fair value changes for investment in sukuk carried at FVTOCI released to income statement (note 7)	-	-	-	-	-	-	-	-
Loss on disposal of investments carried at FVTOCI	-	-	-	-	-	-	-	-
Exchange differences arising on translation of foreign operations	-	-	(609,286)	-	-	-	-	(609,286)
Gain on hedge of foreign operations	-	-	3,990	-	-	-	-	3,990
Fair value loss on cash flow hedges	-	-	-	(5,405)	-	-	-	(5,405)
Net movement in impairment reserve – Specific	-	-	-	-	(207,673)	-	-	(207,673)
Net movement in impairment reserve – General	-	-	-	-	-	287,490	-	287,490
Ner movement in other reserves	-	-	-	-	-	-	7,106	7,106
At 1 January 2025	**(331,204)**	**137,400**	**(1,690,718)**	**(3,341)**	-	**331,186**	**(3,314)**	**(1,559,991)**
Net movement in valuation of equity investment carried at FVTOCI-net of tax	**92,362**	-	-	-	-	-	-	**92,362**
Net movement in valuation of investment in sukuk carried at FVTOCI-net of tax	**(16,270)**	-	-	-	-	-	-	**(16,270)**
Net fair value changes for investment in sukuk carried at FVTOCI released to income statement (note 7)	-	-	-	-	-	-	-	-
Loss on disposal of investments carried at FVTOCI	**28,998**	-	-	-	-	-	-	**28,998**
Exchange differences arising on translation of foreign operations	-	-	**101,028**	-	-	-	-	**101,028**
Loss on hedge of foreign operations	-	-	**(8,103)**	-	-	-	-	**(8,103)**
Fair value gain on cash flow hedges	-	-	-	**3,341**				**3,341**
Net movement in impairment reserve – Specific	-	-	-	-	-	-	-	-
Net movement in impairment reserve – General	-	-	-	-	-	**295,238**		**295,238**
Ner movement in other reserves	-	-	-	-	-	-	**10,576**	**10,576**
At 31 December 2025	**(226,114)**	**137,400**	**(1,597,793)**	**-**	**-**	**626,424**	**7,262**	**(1,052,821)**

37 Tier 1 sukuk

	2025 AED '000	2024 AED '000
Tier 1 sukuk – Listed (third issue)	**2,754,375**	2,754,375
Tier 1 sukuk – Government of Abu Dhabi	**2,000,000**	2,000,000
	4,754,375	4,754,375

37 Tier 1 sukuk (continued)

Tier 1 sukuk – Listed (third issue)
On 18 July 2023, the Bank through a Shari'a compliant sukuk arrangement has issued Tier 1 sukuk – Listed (third issue) (the "Sukuk") amounting to AED 2,754,375 thousand (USD 750 million). This Sukuk was issued under the authorities approved by the shareholders of the Bank in the Annual General Meeting held on 06 March 2023. Issuance costs amounting to AED 12,305 thousand were incurred at the time of issuance.

This Sukuk is a perpetual security in respect of which there is no fixed redemption date and constitute direct, unsecured, subordinated obligations of the Bank upon its conclusion subject to the terms and conditions of the mudaraba. The sukuk is listed on the London Stock Exchange's International Securities Market (ISM) and is callable by the Bank after period ending on 18 January 2029 (the "First Call Date") or any achieved profit payment date thereafter subject to certain conditions. The Sukuk bear an expected mudaraba profit rate of 7.25%, such achieved profit is payable during the initial period of five and half years semi-annually in arrears. After the initial period, and for every 5th year thereafter, resets to a new expected mudaraba profit rate based on the then 5.5 year US treasury rate plus an expected margin of 3.059%. Profit distributions will be reported in the consolidated statement of changes in equity.

The Bank may, at its sole discretion, elect not to make any mudaraba profit distributions as expected and the event is not considered an event of default. If the Bank makes a non-payment election or a non-payment event occurs, then the Bank will not (a) declare or pay any distribution or dividend or (b) redeem, purchase, cancel, reduce or otherwise acquire any of the share capital or any securities of the Bank ranking pari passu with or junior to the Sukuk except securities, the term of which stipulate a mandatory redemption or conversion into equity, in each case unless or until the occurrence of the next following payment of expected mudaraba profit distribution.

Tier 1 sukuk – Government of Abu Dhabi
On 16 April 2009, under the Government of Abu Dhabi Bank capitalisation programme, the Bank has issued Tier 1 sukuk (the "Sukuk-Gov") to the Department of Finance of the Government of Abu Dhabi, with a principal investment amount of AED 2,000,000 thousand. Issuance of this Sukuk-Gov was approved by the shareholders of the Bank in the Extraordinary General Meeting held on 22 March 2009.

On 15 December 2021, amended and restated Mudaraba Agreement was signed to make the Sukuk-Gov complaint with Basel 3.

This Sukuk-Gov is a perpetual security in respect of which there is no fixed redemption date and constitute direct, unsecured, subordinated obligations of the Bank subject to the terms and conditions of the Mudaraba. Based on the amended and restated Mudaraba Agreement dated 15 December 2021, the Sukuk-Gov is callable by the Bank after period ending on 16 April 2027 (the "Call Date") or any achieved profit payment date thereafter subject to certain conditions.

The Sukuk-Gov had an expected mudaraba profit rate of 6% payable during the initial period of five years semi-annually in arrears. The initial period of five years ended on 16 April 2014. After the initial period, Sukuk-Gov bear an expected variable mudaraba profit rate payable of 6 months EIBOR plus an expected margin of 2.3%. Profit distributions will be reported in the consolidated statement of changes in equity. No changes were made to expected mudaraba profit rates under the amended and restated Mudaraba Agreement dated 15 December 2021.

The Bank may, at its sole discretion, elect not to make any Mudaraba profit distributions as expected and the event is not considered an event of default. If the Bank makes a non-payment election or a non-payment event occurs, then the Bank will not (a) declare or pay any distribution or dividend or (b) redeem, purchase, cancel, reduce or otherwise acquire any of the share capital or any securities of the Bank ranking pari passu with or junior to the Sukuk except securities, the term of which stipulate a mandatory redemption or conversion into equity, in each case unless or until the occurrence of two consecutive expected mudaraba profit distribution.

38 Non-controlling interest

Non-controlling interest are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

39 Contingent liabilities and commitments

Credit related commitments include commitments to extend Islamic credit facilities, standby letters of credit, guarantees, which are designed to meet the requirements of the Bank's customers.

Commitments to extend Islamic credit facilities represent contractual commitments under Islamic financing contracts. Commitments generally have fixed expiration dates, or other termination clauses and normally require the payment of a fee. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements.

Standby letters of credit and guarantees commit the Bank to make payments on behalf of customers contingent upon the failure of the customer to perform under the terms of contracts.

The Bank has the following credit related contingencies, commitments and other capital commitments:

	2025 **AED '000**	2024 AED '000
Contingent liabilities		
Letters of credit	**2,968,738**	2,174,348
Letters of guarantee	**12,704,509**	9,624,729
	15,673,247	11,799,077
Commitments		
Undrawn facilities commitments	**4,038,564**	3,542,190
Future capital expenditure	**247,632**	239,836
	4,286,196	3,782,026
	19,959,443	15,581,103

40 Shari'a compliant alternatives of derivative financial instruments

Shari'a compliant alternatives of swaps are based on a unilateral Wa'ad (promise) structure between two parties to buy a specific Shari'a compliant commodity at an agreed price on an agreed date in future. It is a conditional promise to purchase a commodity through a unilateral purchase undertaking. For Shari'a complaint alternatives of swap, counter parties enter into two separate and independent Murabaha transactions, the results of which are exchanged between them in a manner that enables one of them to receive the equivalent of the fixed reference rate and the other counterparty to receive the equivalent of the reference floating rate, where the profit payments are based on a notional value in a single currency.

The table below shows the fair values of Shari'a compliant alternatives of derivative financial instruments, together with the notional amounts analysed by term of maturity. The notional amount is based on the amount of the underlying transaction, reference rate or index and is the basis upon which changes in the value of transactions are measured. The notional amounts indicate the volume of transactions outstanding at the reporting date and are neither indicative of the market risk nor credit risk.

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

40 Shari'a compliant alternatives of derivative financial instruments (continued)

	Positive fair value AED '000	Negative fair value AED '000	Notional amount AED '000	Less than 3 months AED '000	3 months to 1 year AED '000	1 year to 5 years AED '000	Over 5 years AED '000
31 December 2025: Notional amount by term to maturity							
Shari'a compliant alternatives of swap (note 26, 31)	**13,774**	**25,642**	**21,246,351**	**7,972,333**	**3,897,742**	**7,894,168**	**1,482,108**
31 December 2024: Notional amount by term to maturity							
Shari'a compliant alternatives of swap (note 26, 31)	-	11,188	17,290,965	9,816,877	1,983,025	4,252,609	1,238,454

41 Zakat

As the Bank is not required to pay Zakat by laws or by its Articles and Memorandum of Association or by a decision of the General Assembly, accordingly the responsibility of paying Zakat is that of the shareholders. Based on the management valuation of the Bank's net assets, which are subject to Zakat, the total Zakat amount, for Zakat purposes based on Gregorian year, was estimated at AED 543,796 thousand (2024: AED 464,351 thousand) and accordingly, Zakat amount is estimated at AED 0.1497235 (2024: AED 0.1278500) per outstanding share.

However, in few jurisdictions, Zakat of the Bank's branches and subsidiaries is mandatory by laws to be paid to a governmental entity responsible for Zakat, therefore, the Bank acts accordingly to these laws and pays the Zakat to these entities on behalf of the Shareholders and deducts the amount paid as Zakat from the total Zakat amount above and accordingly adjusted the Zakat amount per each outstanding share.

Non-controlling interest Zakat amount, based on Gregorian year, was estimated at AED 31,766 thousand (2024: AED 19,564 thousand) and accordingly, Zakat amount is estimated at AED 0.0205239 (2024: AED 0.0201365) per each AED dirham invested by Non-controlling interest in the Group.

Tier 1 Sukuk Zakat amount, based on Gregorian year, was estimated at AED 97,578 thousand (2024: AED 95,737 thousand) and accordingly, Zakat amount is estimated at AED 0.0205239 (2024: AED 0.0201365) per each AED dirham invested in Tier 1 Sukuk.

To assist the investors in ADIB Tier 1 Sukuk, the Bank has calculated their above Zakat amount. The payment of such Zakat amount is solely the responsibility of the investors in these Tier 1 Sukuk.

Zakat amount adjustments, if any, are included in the relevant section in ADIB Annual Report 2025.

42 Cash and cash equivalents

	2025 AED '000	2024 AED '000
Cash and balances with central banks, short term	**11,682,336**	7,358,198
Balances and wakala deposits with Islamic banks and other financial institutions, short term	**4,248,681**	6,661,111
Murabaha and mudaraba with financial institutions, short term	**18,289**	23,492
	15,949,306	14,042,801

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

43 Related party transactions

In the ordinary course of its activities, the Bank enters into transactions with related parties, comprising major shareholder, directors, associates and joint ventures, key management and their related parties in the ordinary course of business at terms agreed between both parties on arm's length transaction. The Bank obtains collateral, including charges over real estate properties and securities, the extent of which is dependent on the Bank's assessment of the credit risk of the related party. All transactions with related parties are free of any specific provision for impairment. Transactions between the Bank and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

During the year, significant transactions with related parties included in the consolidated income statement were as follows:

	Major shareholder AED '000	Directors and Key management personnel AED '000	Associates and joint ventures AED '000	Others AED '000	Total AED '000
31 December 2025					
Income from murabaha, mudaraba and wakala with financial institutions	-	-	**12,528**	-	**12,528**
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	**47,111**	**508**	**14,951**	**93,169**	**155,739**
Fees and commission income, net	**1**	**208**	**29**	**4,734**	**4,972**
Operating expenses	-	**789**	-	-	**789**
Distribution to depositors and sukuk holders	**325**	**1,183**	**1,505**	**338**	**3,351**
31 December 2024					
Income from murabaha, mudaraba and wakala with financial institutions	-	-	5,795	-	5,795
Income from murabaha, mudaraba, ijara and other Islamic financing from customers	42,101	572	1,723	87,192	131,588
Fees and commission income, net	2	181	3,116	888	4,187
Operating expenses	-	777	-	-	777
Distribution to depositors and sukuk holders	1,252	1,249	2,084	773	5,358

43 Related party transactions (continued)

The related party balances included in the consolidated statement of financial position were as follows:

	Major shareholder AED '000	Directors and Key management personnel AED '000	Associates and joint ventures AED '000	Others AED '000	Total AED '000
31 December 2025					
Murabaha and mudaraba with financial institutions	-	-	**203,786**	-	**203,786**
Murabaha, mudaraba, ijara and other Islamic financing	**2,073,236**	**25,558**	**248,807**	**4,018,890**	**6,366,491**
Other assets	-	-	**38,693**	**9,642**	**48,335**
	2,073,236	**25,558**	**491,286**	**4,028,532**	**6,618,612**
Due to financial institutions	-	-	**197**	-	**197**
Depositors' accounts	**3,259**	**24,974**	**42,443**	**49,236**	**119,912**
Other liabilities	-	**113**	**243**	**9,895**	**10,251**
	3,259	**25,087**	**42,883**	**59,131**	**130,360**
Contingencies	-	**788**	**10,000**	**121,123**	**131,911**
31 December 2024					
Murabaha and mudaraba with financial institutions	-	-	101,225	-	101,225
Murabaha, mudaraba, ijara and other Islamic financing	2,060,994	18,731	251,723	3,981,598	6,313,046
Other assets	-	-	39,257	-	39,257
	2,060,994	18,731	392,205	3,981,598	6,453,528
Due to financial institutions	-	-	177	-	177
Depositors' accounts	9	27,665	35,996	35,178	98,848
Other liabilities	-	94	300	48	442
	9	27,759	36,473	35,226	99,467
Contingencies	-	-	10,000	52,441	62,441

Compensation of key management personnel

The compensation of key management personnel during the year was as follows:

	2025 AED '000	2024 AED '000
Salaries and other benefits	**31,088**	29,032
Employees' end of service benefits	**2,469**	2,713
	33,557	31,745

During 2025, AED 16,100 thousand was paid to Board of Directors pertaining to the year ended 31 December 2024 after the approval by the shareholders at the Annual General Assembly held on 10 March 2025.

During 2024, AED 16,100 thousand was paid to Board of Directors pertaining to the year ended 31 December 2023 after the approval by the shareholders at the Annual General Assembly held on 29 February 2024.

44 Segment information

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision makers of the Bank in order to allocate resources to the segment and to assess its performance. Information reported to the chief operating decision makers for the purpose of resource allocation and assessment of performance is based on following strategic business units offering products and services to the different markets.

Global Retail banking - Principally handling small and medium businesses and individual customers' deposits, providing consumer and commercial murabahat, Ijara, Islamic covered card and funds transfer facilities and trade finance facilities.

Global Wholesale banking – Principally handling financing and other credit facilities and deposits and current accounts for corporate and institutional customers.

Private banking - Principally handling financing and other credit facilities, deposits and current accounts for high net worth individual customers.

Treasury – Principally handling money market, trading and treasury services, as well as the management of the Bank's funding operations by use of investment deposits.

Real estate – Subsidiaries of the Bank handling the acquisition, selling, development and leasing including both land and buildings, management and resale of properties and all associated activities.

Associates and Subsidiaries – Include Banks subsidiaries (not included above), associates and joint ventures, operating within and outside UAE.

Other operations - Other operations comprises mainly of Head Office including unallocated costs.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

44 Segment information (continued)

Business segments information for the year ended 31 December 2025 were as follows:

	Global retail banking AED '000	Global wholesale banking AED '000	Private banking AED '000	Treasury AED '000	Real estate AED '000	Other operations AED '000	Associates & subsidiaries AED '000	Total AED '000
Revenue and results								
Segment revenues, net	**5,968,622**	**1,985,756**	**258,161**	**814,795**	**103,676**	**1,177,722**	**1,995,256**	**12,303,988**
Operating expenses excluding provision for impairment, net	**(2,362,346)**	**(293,287)**	**(84,037)**	**(45,733)**	**(66,152)**	**(230,420)**	**(442,933)**	**(3,524,908)**
Operating profit	**3,606,276**	**1,692,469**	**174,124**	**769,062**	**37,524**	**947,302**	**1,552,323**	**8,779,080**
Provision for impairment, net	**(586,337)**	**(75,143)**	**5,054**	**14,566**	**-**	**112,042**	**(148,002)**	**(677,820)**
Profit for the year before zakat and tax	**3,019,939**	**1,617,326**	**179,178**	**783,628**	**37,524**	**1,059,344**	**1,404,321**	**8,101,260**
Zakat and tax	**-**	**(47,688)**	**-**	**-**	**(2,420)**	**(615,024)**	**(366,005)**	**(1,031,137)**
Profit for the year after zakat and tax	**3,019,939**	**1,569,638**	**179,178**	**783,628**	**35,104**	**444,320**	**1,038,316**	**7,070,123**
Non-controlling interest	**-**	**-**	**-**	**-**	**-**	**-**	**(396,431)**	**(396,431)**
Profit for the year attributable to equity holders of the Bank	**3,019,939**	**1,569,638**	**179,178**	**783,628**	**35,104**	**444,320**	**641,885**	**6,673,692**
Assets								
Segmental assets	**111,630,704**	**80,199,305**	**5,586,018**	**46,258,070**	**2,128,782**	**5,326,153**	**29,624,116**	**280,753,148**
Liabilities								
Segmental liabilities	**116,390,631**	**70,446,777**	**16,410,393**	**15,425,172**	**77,337**	**4,825,055**	**24,808,163**	**248,383,528**

The following is the analysis of the total segment revenues of each segment between revenues from external parties and inter-segment:

31 December 2025								
Segment revenues, net	**5,493,664**	**2,064,842**	**(233,719)**	**2,382,881**	**103,676**	**497,388**	**1,995,256**	**12,303,988**
Inter-segment revenues, net	**474,958**	**(79,086)**	**491,880**	**(1,568,086)**	**-**	**680,334**	**-**	**-**
Total Segment revenues, net	**5,968,622**	**1,985,756**	**258,161**	**814,795**	**103,676**	**1,177,722**	**1,995,256**	**12,303,988**

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

44 Segment information (continued)

	Global retail banking AED '000	Global wholesale banking AED '000	Private banking AED '000	Treasury AED '000	Real estate AED '000	Other operations AED '000	Associates & subsidiaries AED '000	Total AED '000
Revenue and results								
Segment revenues, net	5,410,390	1,654,685	241,443	226,548	79,530	1,411,472	1,607,853	10,631,921
Operating expenses excluding provision for impairment, net	(2,129,311)	(271,705)	(84,414)	(44,967)	(57,333)	(165,742)	(391,127)	(3,144,599)
Operating profit	3,281,079	1,382,980	157,029	181,581	22,197	1,245,730	1,216,726	7,487,322
Provision for impairment, net	(311,376)	(137,819)	1,970	(62,748)	87,000	(20,506)	(176,215)	(619,694)
Profit for the year before zakat and tax	2,969,703	1,245,161	158,999	118,833	109,197	1,225,224	1,040,511	6,867,628
Zakat and tax	-	(39,137)	(1,213)	-	(9,828)	(440,088)	(275,945)	(766,211)
Profit for the year after zakat and tax	2,969,703	1,206,024	157,786	118,833	99,369	785,136	764,566	6,101,417
Non-controlling interest	-	-	-	-	-	-	(324,635)	(324,635)
Profit for the year attributable to equity holders of the Bank	2,969,703	1,206,024	157,786	118,833	99,369	785,136	439,931	5,776,782
Assets								
Segmental assets	91,020,922	64,618,530	5,285,170	36,339,500	2,073,119	5,203,758	21,368,796	225,909,795
Liabilities								
Segmental liabilities	102,835,267	46,882,672	14,735,220	10,518,202	84,231	4,604,021	17,932,944	197,592,557

Business segments information for the year ended 31 December 2024 were as follows:

The following is the analysis of the total segment revenues of each segment between revenues from external parties and inter-segment:

31 December 2024								
Segment revenues, net	4,444,375	2,173,802	(297,611)	2,104,611	79,530	519,361	1,607,853	10,631,921
Inter-segment revenues, net	966,015	(519,117)	539,054	(1,878,063)	-	892,111	-	-
Total Segment revenues, net	5,410,390	1,654,685	241,443	226,548	79,530	1,411,472	1,607,853	10,631,921

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

44 Segment information (continued)

Geographical information
The Group operates in two principal geographic areas that are domestic and international. The United Arab Emirates is designated as domestic area which represents the operations of the Group that originates from the U.A.E. branches, associates and subsidiaries; and international area represents the operations of the Bank that originates from its branches in Iraq, Qatar and Sudan and through its subsidiaries and associates outside U.A.E.

	2025			2024		
	Domestic AED '000	**International AED '000**	**Total AED '000**	Domestic AED '000	International AED '000	Total AED '000
Revenue and results						
Segment revenues, net	**10,138,088**	**2,165,900**	**12,303,988**	8,816,624	1,815,297	10,631,921
Operating expenses excluding provision for impairment, net	**(3,045,589)**	**(479,319)**	**(3,524,908)**	(2,727,497)	(417,102)	(3,144,599)
Operating profit	**7,092,499**	**1,686,581**	**8,779,080**	6,089,127	1,398,195	7,487,322
Provision for impairment, net	**(569,563)**	**(108,257)**	**(677,820)**	(429,668)	(190,026)	(619,694)
Profit for the year before zakat and tax	**6,522,936**	**1,578,324**	**8,101,260**	5,659,459	1,208,169	6,867,628
Zakat and tax	**(625,251)**	**(405,886)**	**(1,031,137)**	(456,177)	(310,034)	(766,211)
Profit for the year after zakat and tax	**5,897,685**	**1,172,438**	**7,070,123**	5,203,282	898,135	6,101,417
Non-controlling interest	**(3,184)**	**(393,247)**	**(396,431)**	(2,689)	(321,946)	(324,635)
Profit for the year attributable to equity holders of the Bank	**5,894,501**	**779,191**	**6,673,692**	5,200,593	576,189	5,776,782
Assets						
Segmental assets	**246,355,562**	**34,397,586**	**280,753,148**	199,424,832	26,484,963	225,909,795
Liabilities						
Segmental liabilities	**221,197,380**	**27,186,149**	**248,383,529**	176,651,702	20,940,855	197,592,557

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

45 Risk management

45.1 Introduction

The core business of a bank is to manage risk and provide returns to the shareholders in line with the accepted risk profile. Risk is inherent in all of the Group's activities and is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls in accordance with regulatory and Board requirements. The Group is exposed principally to credit risk, liquidity risk, market risk and operational risk but other risks such as reputational risk, legal risk and the various risks defined by the Basel accord are also monitored and managed.

45.1.1 Risk management governance structure
The Board of Directors ("Board") continues to have overall responsibility for the establishment and oversight of the Bank's risk management framework, as well as for approving the Bank's overall risk appetite, and ensuring that business is conducted within this framework. The Board is the ultimate sanctioning authority.

Strategy Committee
The Strategy Committee is appointed by the Board and is responsible to guide the Group's Executive Management to develop the Group's strategic objectives and business strategy, conduct periodic review of the achievement of strategic objectives and business plans and direct corrective actions wherever required. In addition, this committee also acts as a conduit between the Board and senior management on business issues.

Board and Credit and Investment Committee
The Credit and Investment Committee is appointed by the Board and is responsible for the approvals of the Group's risk exposures, high value transactions and major items of capital expenditure. In addition, the Committee is also responsible for monitoring credit portfolio quality and provisions.

Board Risk Committee
The Risk Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities in respect of the following for the Bank and all of its subsidiaries and material affiliates:

- Review the risk profile of the Group keeping in view the requirement pertaining to enterprise risk management and to make recommendations to calibrate the risk profile of the Group in line with the applicable regulatory requirements, rating considerations and business strategy.
- Assist the Board in overseeing the Group's response to the risks it faces through the approval of the Group's risk policies and standards;
- Review and recommend the corporate governance and risk management frameworks and risk strategy to the Board in alignment with the business growth requirements of the Group; and
- Approve policies supporting the Risk Governance Framework.

Audit Committee
The Audit Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities in respect of the following for the Bank and all its subsidiaries and material affiliates:

- Ensuring the integrity of the Group's consolidated financial statements and financial reporting process;
- To review the effectiveness of financial and internal control systems, quality assurance and auditing risk Governance framework;
- To review the performance of the internal audit function and compliance function;
- To review the internal controls over financial reporting and annual independent audit of the Group's consolidated financial statements;
- To recommend to the Board the engagement of the external auditors and evaluation of their qualifications, independence and performance;
- To ensure compliance by the Group with legal and regulatory requirements as pertaining to its business activities; and
- Ensure effective communications and coordination with the Board's Risk Committee to facilitate the exchange of information and effective coverage of all risks, including emerging risks and any needed adjustments to ADIB's Risk Governance Framework.

45 Risk management (continued)

45.1 Introduction (continued)

45.1.2 The Group Risk Management ("GRM")

Board Environmental Social Governance (ESG) Committee
The ESG Committee is appointed by the Board and it shall oversee ADIB Group's ESG strategy and policies with the objective of setting the one from the top from an ESG perspective and embedding ESG across ADIB Group's operations. The committee ensures ADIB Group's ESG policies and practices are aligned with the relevant laws, regulations, Shariah requirements and standards and monitors ADIB Group's ESG performance including but not limited to business ethics, data privacy and security, and human rights.

The duties and responsibilities of the committees are governed by formally approved charters.

The Group Risk Management (GRM) is an independent risk organization that works in close partnership with the business units to support their activities, whilst safeguarding the risk profile of the Group as the second line of defense. The GRM is led by the Group Chief Risk Officer (GCRO) and has following main responsibilities:

- Ensure maintenance of an appropriate risk management framework and adherence to risk policies and procedures across the Group
- Ensure compliance with risk-related legal and regulatory guidelines in the UAE and in our overseas markets
- Maintain the primary relationship with local regulators with respect to risk-related issues
- Maintain prudent risk control systems, models and processes, and
- Ensure a robust credit process is maintained in support of all business lines.

Reporting to the GCRO are senior, experienced risk specialists who manage specific areas of risk, including Wholesale Banking, Private Banking, Retail Banking, Operational Risk, Credit Control, Risk Governance and Policy, and Change Management, Model Risk Management Enterprise Risk Management and Market Risk. GRM responsibilities extend across all the business units of the Bank in all of the geographies in which the Bank operates.

45.1.3 Risk measurement and reporting systems
In order to effectively monitor and control risks, the GRM maintains a capability that allows it to:

- Prepare portfolio reports across a range of indicators such as portfolio concentrations by geography, industry type, product and risk rating, which are used to analyse and monitor overall portfolio quality;
- Monitor the integrity and consistency of data, including risk ratings, risk migrations, exposures and losses, including the maintenance of a central loss database for the monitoring and analysis of losses;
- Set parameters to be used for the calculation of expected loss and risk capital requirements;
- Consolidate portfolio management data and reports for use by Executive Management and the Board; and
- Establish and maintain a set of early warning indicators to identify emerging risks.

Detailed reporting of industry, customer and geographic risks acquired takes place frequently. These reports are examined and discussed closely in a series of quarterly portfolio reviews held with senior business and risk managers. Decisions on risk appetite, adjustments to financing criteria and other initiatives are taken as a result of these meetings. Risk reports are presented to the Group Chief Executive Officer, the Board Risk Committee and the Board regularly. Senior management assesses the adequacy of the provision for credit losses on a monthly basis.

The Group actively uses collateral to reduce its credit risks.

45.1.4 The Group Credit Management ("GCM")
The Group Credit Management (GCM) is independent of Group Risk Management (GRM). The main function of GCM is to provide an independent view while approving commercial and consumer financing transactions within delegated authorities. The GCM is led by the Group Chief Credit Officer (GCCO).

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.1 Introduction (continued)

45.1.4 The Group Credit Management ("GCM") (continued)

Credit Committee
All customer related business proposals are reviewed and approved by a credit committee with delegated authority approved by the Board. The credit committee consists of designated credit officers and senior credit officers appointed following a rigorous and extended process of qualification. These appointments are made by the Chief Executive Officer upon the recommendation of the GCCO and GCRO. The credit approval process and the authorities vested with the committee members are laid out in the Bank's Credit Policy & Procedures Manual. The manual is revised periodically.

45.1.5 Risk concentration
The Bank seeks to manage its credit risk exposure through diversification of financing activities to avoid undue concentrations of risks with individuals or groups of customers or in specific locations or businesses. It also obtains security when appropriate.

Details of the composition of the financing portfolio are provided in notes 18 and 19.

45.1.6 Group Internal Audit
Risk management processes throughout the Bank are reviewed periodically by the internal audit function that reviews both the adequacy of the procedures and the Bank's compliance with the procedures. Group Internal Audit discusses the results of all assessments with management and reports its findings and recommendations to the Audit Committee. The Head of Group Internal Audit has a direct reporting line to the Audit Committee thus demonstrating his independence and objectivity in all audit engagements undertaken within the Bank.

45.1.7 Internal Capital Adequacy Assessment Process ("ICAAP")
The UAE Central Bank, as part of the international Basel framework, has required each UAE bank to submit a report on its internal capital adequacy assessment process – this is known as the "ICAAP". The Bank has prepared and submitted its ICAAP report annually. The process aligns the Bank's risk appetite with its risk capacity which, in turn, produces an enterprise-wide set of risk limits within and relevant to the Bank's overall strategy.

45.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group controls credit risk by the use of a focused target market discipline which defines who the Bank is prepared to deal with from a risk profile perspective and the use of risk acceptance criteria, which define what type and volume of risk the Bank is prepared to undertake with each counterparty. These critical tools are used in conjunction with close monitoring of credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of all counterparties. In addition to monitoring credit limits, the Bank manages the credit exposure relating to its trading activities by entering into master netting agreements and collateral arrangements with counter-parties in appropriate circumstances, and limiting the duration of exposure. In certain cases, the Bank may also close out transactions or assign them to other counter-parties to mitigate credit risk.

The Bank has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The credit quality review process allows the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

All commercial credit risk exposures are risk rated using Moody's Risk Analyst system, recognized as an industry wide standard. This platform supports a number of different rating models for various businesses which are now well embedded. Facility Risk Ratings are also applied. Consumer exposures are rated using application and behavioral scorecards.

45 Risk management (continued)

45.2 Credit risk (continued)

Model risk management
For effective risk measurement, Group uses a range of risk quantification tools and models such as customer risk rating/scoring, loss given default, market risk and stress testing models. These risk models are subject to the Group's model risk governance policy, which prescribes guidelines across the model life cycle and establishes principles and instructions to enable an effective decision process across stakeholders in order to develop and maintain high quality risk models at Group. The governance policy covers the following:

- The roles and responsibilities of stakeholders (Model Developer, Independent Validator, Approval Authority etc.);
- The minimum requirement for each of the model life cycle steps;
- The approval process; and
- The minimum documentation requirement.

A model governance committee is in place, responsible for significant decisions related to models and model risk within the Group. This committee ensures rigorous control and management of development, validation, approval, and use of models along with model risk management through model risk issues and recommendations.

Critical modelling decisions and summary of model risk activities are regularly reported to the Management Risk Committee and Board Risk Committee. This allows oversight at the highest level and aligns model risk management with overall risk management framework.

Credit risk measurement
Group credit risk is measured in terms of expected credit loss (ECL), which is calculated by multiplying three main components, being the probability of default (PD), loss given default (LGD) and the exposure at default EAD), and discounting at the initial effective profit rate.

The Bank has developed a range of models to estimate these parameters. For the portfolios where sufficient historical data was available, the Group has developed a statistical model and for other portfolios judgmental models were developed.

Credit risk grading
The Group has designed a master rating scale, which has 22 risk grades reflecting assessment of default probability of the customer. The master rating scale comprises 19 performing grades and 3 non-performing grades.

For the Retail portfolios, the Group uses behavior scorecards, which includes recent payment behavior and other relevant relationship information available with the bank, to calculate credit score which is calibrated to PiT (Point-in-Time) PD.

Non Retail customers are rated using segment specific customer risk rating models, which uses financial and non-financial information related to the customer to arrive at a risk rating. The risk ratings are calibrated to PiT (Point-in-Time) PD for IFRS 9 based calculations.

ECL measurement
The assessment of credit risk and the estimation of ECL are unbiased, probability-weighted and incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money.

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

ECL measurement (continued)
As per the IFRS 9 requirements, Group calculates Expected credit loss (ECL) for a facility as a forward looking probability weighted present value of the expected losses over the next 12 months or effective remaining life of the facility. Expected Loss at any point in time of the life of the facility is calculated using the following formula:

Expected Credit Loss (ECL) = PD*EAD*LGD
For each facility the Group calculates ECL over two forecast periods:

- 12 Month: ECL is calculated using 12-month forward looking PD, LGD and EAD.
- Lifetime: ECL is calculated using Lifetime forward looking PD, LGD and EAD.

12 Month or Lifetime ECL for each facility is used depending on the stage of the facility, as explained below:

- **Stage1:** where no significant increase in credit risk is observed,12 month Expected Credit Loss (ECL) is recorded as impairment provision;
- **Stage2:** where significant increase in credit risk has been observed, Life-time ECL is recorded as impairment provision; and
- **Stage3:** where the exposure is defaulted or impaired, Life-time ECL is recorded as impairment provision.

Significant increase in credit risk ("SICR")
The stage allocation is determined by identifying a significant increase in credit risk since initial origination. The Group assesses when significant increase in credit risk has occurred based on the quantitative and qualitative assessments. The facilities are classified as stage 2 when they meet following criteria:

Quantitative criteria: Thresholds based on absolute PD or relative PD increase compared to origination have been defined for various portfolios, in order to determine the significant increase in credit risk. In addition to this the bank also uses rating migration since origination for non-retail customers.

Qualitative criteria: Independent of PD, the Group also uses qualitative information to assess the significant increase in credit risk. This includes information such as watch list classification and indicators of historic delinquency.

Backstop criteria: For all customer accounts, a backstop is applied and the facility is considered to have experienced a significant increase in credit risk if the finance customer is more than 30 days past due on its contractual payments.

For the cases where Group has experienced limitation on the information available at origination, certain proxy assumptions were made to estimate the rating at origination.

Definition of default and credit-impaired assets
The Group defines a financial instrument as in default, when it meets one or more of the following criteria:

Retail: A customer who is delinquent over 90 days past due will be classified as default or credit impaired.

Corporate: All customers currently classified/rated as below will be considered under default:

- Where classification is Substandard, Doubtful or Loss; or
- Risk Rating is D/8, D/9, and D/10; or
- Where a deal is delinquent over 90 days past due unless an exception is approved.

The customers are classified or downgraded in the above categories, based on a comprehensive assessment of the customer's credit quality. This assessment includes review of payment history, capacity to repay and financial health

45 Risk management (continued)

45.2 Credit risk (continued)

Curing
Assets can move back to Stage 1 from Stage 2 when they no longer meet the significant increase in credit risk criteria and have completed a probation period of 12 months, defined by the Group. Similarly, for the movement from Stage 3 to Stage 2, for certain portfolios, the Group's policy include probation periods whereby assets remain in Stage 3 for periods of between three to twelve months. The policy also ensures that none of the assets can move back directly to Stage 1 from Stage 3.

Measuring ECL- Explanations of input, assumptions and estimation techniques
As per IFRS 9, the ECL calculated for a facility should incorporate both current and forward-looking economic outlook over 12 months and over the remaining life of the facility.

The Group calculates Expected credit loss (ECL) for a facility as a forward looking probability weighted present value of the expected losses over forecast period (next 12 months or effective remaining life of the facility).

At the reporting date, a monthly ECL is estimated for each individual exposure for each month until the end of the forecast period. This is calculated as a simple multiplication of PD, LGD and EAD at each month. These monthly ECLs are discounted to the reporting date using the effective profit rate and the summation of these discounted monthly ECLs gives the ECL estimate. The lifetime ECL is the sum of the monthly ECLs over the remaining life, while the 12-month ECL is limited to the first 12 months.

The estimation methodology for three main components, PD, LGD and EAD is explained below:

Probability of Default (PD):
Retail: The 12 month PD for each facility is based on behaviour scores which are calibrated to recent portfolio performance in order to reflect the Point in Time PDs. In cases where sufficient performance history is not available to calculate the behaviour score, the Bank has used pool level PDs.

Based on historical data, the Group has developed lifetime default rate evolution curves for various portfolios and segments. To get the macro-economic adjusted lifetime PD term structure, the lifetime curves are multiplied by the macro-economic scalars, derived using the macro-economic overlay models developed by the Group.

Non-Retail: PDs for corporate customers are driven by the risk rating generated from respective rating models. Historical default rates of different segments have been used to develop PD macroeconomic overlay models. The PDs forecasted from the models are then converted to cumulative PD using survival analysis concept and a marginal PD is derived.

Loss Given Default (LGD):
Retail: The LGD models are based on the cash recovery estimates. For secured products recoveries from collateral are also considered.

For unsecured products and segments within, the Group has developed recovery curves over the workout period based on the historical recovery experience. For each facility the LGD is calculated using those recovery curves with an adjustment for macro-economic outlook.

For secured products, the LGD is based on the current/future collateral value adjusted for depreciation or House Price Index (HPI).

Non-Retail: ADIB uses an off-the-shelf model, calibrated on the Group's portfolio, to calculate unsecured LGD. Secured LGD is then calculated after taking the benefit of the assigned collaterals. The LGDs are adjusted for macroeconomic outlook.

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

Measuring ECL- Explanations of input, assumptions and estimation techniques (continued)
Exposure at Default (EAD):
The EAD is the amount which the Bank expects a customer to owe in the event of default. The EAD depends on the product type:

- For amortizing products, this is based on the contractual payments over the forecast period; and
- For revolving/off-balance products, this is estimated as a combination of current exposure and credit conversion factor applied on the undrawn portion of the limit.

The Group applies a management overlay for cases where models are unable to capture customer's idiosyncrasies. These overlays are discussed and approved by GCRO or appropriate management committee of the Group.

Forward-looking information incorporated in the ECL model
As per IFRS 9 requirements, forward looking economic outlook has also been incorporated in the loss calculations. The Group has developed a macro-economic overlay models by performing statistical analysis to establish a historical relationship of macro-economic variables with PD and components of LGD. These models depend on various variables such as Oil Price, GDP and Real Estate price etc. The macro-economic models are used to adjust the PD and LGD calculated from the base models. In addition to ECL calculations, the forward looking lifetime PD is used to determine the significant increase in credit risk.

The Group sources the macro-economic scenarios data from an external vendor, which uses scenarios built based on the current market conditions and outlook of their economic team. The Group uses three macro-economic scenarios and a weightage has been assigned to each scenario.

The table below summarises the principal macroeconomic indicators included in the economic scenarios used for UAE which is the country where the Group operates and therefore is the country that has a material impact on ECLs.

Credit risk monitoring
For IFRS 9 ECL computation, credit exposures are monitored and reported as per IFRS 9 requirements. Stage migrations, any exceptions to SICR criteria, other credit and impairment related matters are reviewed and approved by an appropriate management committee.

Risks of the Group's credit portfolio are continuously assessed and monitored on the basis of exceptions, management information reports and returns generated by the business and credit units. Credit risk is also monitored on an ongoing basis with formal monthly and quarterly reporting to ensure that senior management is aware of shifts in the credit quality of the portfolio along with changing external factors.

45 Risk management (continued)

45.2 Credit risk (continued)

Credit risk monitoring continued

The table below summarises the principal macroeconomic indicators included in the economic scenarios used at 31 December 2025 for the years 2025 – 2029 for UAE which is the country where the Group operates and therefore is the country that has a material impact on ECLs.

UAE

key macro-economic variables	Definition	Scenario	2025	2026	2027	2028	2029
Oil Price, Brent USD	Price per barrel	Base	65	67	69	70	71
		Upside	70	70	70	71	72
		Downside	42	57	67	68	69
Domestic Real GDP Growth	% change	Base	5.0%	4.4%	4.4%	3.8%	3.5%
		Upside	7.8%	5.0%	4.4%	3.8%	3.5%
		Downside	-1.3%	2.2%	6.3%	5.0%	3.7%
House Price Index	% change	Base	8.3%	8.4%	7.8%	7.1%	6.1%
		Upside	12.5%	10.1%	7.6%	6.7%	6.1%
		Downside	-12.0%	1.4%	9.9%	9.0%	6.9%
Private Consumption	% change	Base	3.6%	2.7%	2.4%	3.3%	3.6%
		Upside	6.5%	3.8%	2.4%	3.2%	3.6%
		Downside	-1.9%	-0.8%	5.0%	4.4%	3.9%
Real Imports of Goods and Services	% change	Base	4.7%	2.3%	2.5%	3.5%	3.7%
		Upside	5.9%	4.2%	3.8%	4.2%	4.2%
		Downside	-5.7%	0.2%	3.0%	3.9%	5.5%

The table below summarises the principal macroeconomic indicators included in the economic scenarios used for Egypt which is one of the key subsidiary of the Bank.

Egypt

key macro-economic variables	Definition	scenario	2025	2026	2027	2028	2029
Domestic Real GDP Growth	% change	Base	4.6%	5.4%	5.5%	5.3%	5.0%
		Upside	7.1%	5.4%	5.5%	5.3%	5.0%
		Downside	-0.5%	5.5%	6.4%	6.1%	5.5%
Real Private Consumption Expenditure	% change	Base	2.5%	3.8%	5.1%	5.4%	5.0%
		Upside	4.1%	4.1%	5.2%	5.5%	5.2%
		Downside	-0.4%	3.4%	5.0%	5.8%	5.3%
Share Price Index	% change	Base	3.0%	2.8%	4.6%	3.9%	4.1%
		Upside	15.5%	-1.4%	2.9%	2.6%	4.1%
		Downside	-34.5%	18.8%	18.5%	9.1%	4.8%

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

Group credit risk mitigation strategy
The Group operates within prudential exposure ceilings set by the Board in line with UAE Central Bank guidelines. There are well laid out processes for exception management and escalation.

The Group has adopted measures to diversify the exposures to various sectors. Diversification is achieved by limiting concentration through setting customer, industry and geographical limits.

Collateral management
Collaterals and guarantees are effectively used as mitigating tools by the Group. The quality of collateral is continuously monitored and assessed and the Bank seeks to ensure enforceability of the collateral. Major categories of collaterals include cash/ fixed deposits, inventories, shares, guarantees (corporate, bank and personal guarantees), immovable properties, receivables and vehicles.

Collaterals are revalued regularly as per the bank's credit policy. In addition, ad hoc valuations are also carried out depending on the nature of collateral and general economic condition. This enables the Bank to assess the fair market value of the collateral and ensure that risks are appropriately covered. Security structures and legal covenants are also subject to regular review.

Credit-related commitments risks
The Bank makes available to its customers guarantees which may require that the Bank makes payments on their behalf. Such payments are collected from customers based on the terms of the letters of guarantee. They expose the Bank to similar risks as financing and these are mitigated by the same control processes and policies.

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.1 Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting and collateral agreements.

	Notes	Gross maximum exposure	
		2025	**2024**
		AED '000	AED '000
Cash and balances with central banks	16	**41,310,708**	29,928,989
Balances and wakala deposits with Islamic banks and other financial institutions	17	**4,622,509**	7,657,688
Murabaha and mudaraba with financial institutions	18	**7,303,119**	2,991,073
Murabaha and other Islamic financing	19	**112,533,035**	87,010,297
Ijara financing	20	**73,055,943**	60,108,940
Investment in sukuk measured at amortised cost	21	**26,764,718**	23,862,504
Investments measured at fair value		**2,929,562**	2,993,135
Other assets		**3,983,493**	3,928,449
		272,503,087	218,481,075
Contingent liabilities	39	**15,673,247**	11,799,077
Commitments	39	**4,038,564**	3,542,190
Total		**19,711,811**	15,341,267
Total credit risk exposure		**292,214,898**	233,822,342

45.2.2 Credit risk concentration

Concentration of risk is managed by customer/counterparty, by geographical region and by industry sector. The credit exposure to the top 5 customers as of 31 December 2025 was AED 21,567,104 thousand (2024: AED 15,130,760 thousand) before taking account of collateral or other credit enhancements.

The concentration of the Group's assets and liabilities by geographical segment is based primarily upon the location of the counter party.

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.2 Credit risk concentration (continued)

The distribution of the Group's financial assets which are subject to credit risk by geographic region is as follows:

	UAE	Rest of Middle East	Europe	Others	Total
	AED '000	**AED '000**	**AED '000**	**AED '000**	**AED' 000**
31 December 2025					
Cash and balances with central banks	**37,265,018**	**1,980,811**	**-**	**2,064,879**	**41,310,708**
Balances and wakala deposits with Islamic banks and other financial institutions	**211,177**	**3,733,569**	**293,011**	**384,752**	**4,622,509**
Murabaha and mudaraba with financial institutions	**-**	**202,869**	**-**	**7,100,250**	**7,303,119**
Murabaha and other Islamic financing	**81,266,309**	**14,614,568**	**3,957,057**	**12,695,101**	**112,533,035**
Ijara financing	**69,953,559**	**1,671,519**	**456,154**	**974,711**	**73,055,943**
Investment in sukuk measured at amortised cost	**12,900,956**	**11,518,860**	**-**	**2,344,902**	**26,764,718**
Investments measured at fair value	**1,068,530**	**937,937**	**-**	**923,095**	**2,929,562**
Other assets	**2,333,373**	**62,003**	**-**	**1,588,117**	**3,983,493**
Financial assets subject to credit risk	**204,998,922**	**34,722,136**	**4,706,222**	**28,075,807**	**272,503,087**
31 December 2024					
Cash and balances with central banks	26,321,473	2,240,916	-	1,366,600	29,928,989
Balances and wakala deposits with Islamic banks and other financial institutions	57,495	6,528,742	313,737	757,714	7,657,688
Murabaha and mudaraba with financial institutions	23,492	100,269	-	2,867,312	2,991,073
Murabaha and other Islamic financing	67,892,641	7,832,576	3,700,564	7,584,516	87,010,297
Ijara financing	57,501,433	1,579,789	514,035	513,683	60,108,940
Investment in sukuk measured at amortised cost	12,095,090	8,925,158	91,232	2,751,024	23,862,504
Investments measured at fair value	1,412,562	945,137	-	635,436	2,993,135
Other assets	2,769,174	64,356	-	1,094,919	3,928,449
Financial assets subject to credit risk	**168,073,360**	**28,216,943**	**4,619,568**	**17,571,204**	**218,481,075**

The credit risk arising from off-balance sheet items mentioned in note 45.2.1 are mainly relating to the UAE.

The distribution of the Group's financial assets by industry sector is as follows:

	2025	**2024**
	AED '000	AED '000
Government	**68,238,466**	50,941,722
Public sector	**29,901,246**	20,084,730
Financial institutions	**29,797,649**	25,610,787
Trading and manufacturing	**7,002,220**	5,918,770
Construction and real estate	**11,747,713**	11,112,460
Energy	**6,038,063**	6,043,167
Personal	**104,750,178**	83,960,252
Others	**15,027,552**	14,809,187
Financial assets subject to credit risk	**272,503,087**	218,481,075

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.3 Impairment assessment

With the adoption of IFRS 9 the incurred loss approach for impairment has been replaced by a forward looking expected credit loss (ECL) approach. The Bank recognizes an allowance for ECL for all financial instruments other than those held at fair value through profit or loss. Financial instruments are classified into three categories as follows:

Stage 1 (performing): where no Significant Increase in Credit Risk (SICR) and unlikeness to pay ("UTP") since origination has been observed. ECL from default events that are possible within the next 12 months is booked as impairment provision.

Stage 2 (underperforming): where a SICR since origination is observed however UTP event a default has not occurred. ECL from default events that are possible over the lifetime of the financial instrument is booked as impairment provision.

Stage 3 (non-performing): where a UTP event has occurred, ECL based on the loss expected over the remaining life of the financial instrument is recognized as an impairment provision.

The criteria for SICR have been defined for both the wholesale and retail book. The primary driver of SICR for the wholesale book is the customer risk rating migration since origination. The customer risk rating in turn is determined by the probability of default. The primary driver of the SICR for the retail book is the past due status and the lifetime probability of default. The Bank follows the latest CBUAE regulation on Credit Risk Management Standards (CRMS) which governs both SICR and UTP criteria, in addition to more conservative criteria implemented by the Bank.

The ECL is calculated as a product of the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) which is present valued using the effective profit rate of each facility. The PDs and LGDs are adjusted based on weighted average of three macroeconomic scenarios sourced from an external industry expert. These scenarios are updated quarterly.

The ECL based provisions are reviewed and approved by the management on a monthly basis.

Write-off of financing assets

Board approved policies are in place covering the timing and amount of provisions and write offs for all the financing portfolios of the Bank. These reflect both the UAE Central bank guidelines and rules, accepted international accounting standards, and market and industry best practice and are stringently adhered to.

45.2.4 Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- For repurchase and reverse repurchase transactions, cash or securities;
- For commercial financing, charges over real estate properties, inventory, trade receivables and securities; and
- For retail financing, charge over assets, mortgage of properties and vehicles and assignment of salaries in favor of the Bank.

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.4 Collateral and other credit enhancements (continued)

The table below shows the lower of the collateral value or the outstanding balance of customer financing as at the reporting date:

	2025 **AED '000**	2024 AED '000
Against customer financing not impaired		
Property	**63,085,332**	51,611,994
Movable assets	**14,279,825**	12,313,141
Securities	**438,671**	485,954
Cash margin and lien over deposits	**2,341,368**	1,604,708
Others	**1,566,128**	842,774
	81,711,324	66,858,571
Against individually impaired		
Property	**3,949,053**	3,999,425
Movable assets	**245,020**	467,351
Securities	**7,329**	21,054
Cash margin and lien over deposits	**21,476**	18,363
Others	**8,571**	4,472
	4,231,449	4,510,665
	85,942,773	71,369,236

The Bank also obtains guarantees from parent companies for financing their subsidiaries, but their benefits are not included in the above table.

Management regularly monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and assesses the market value of collateral obtained during its review of the adequacy of the provision for impairment losses.

The Bank also makes use of master netting agreements with counterparties.

45.2.5 Credit quality per class of financial assets

The credit quality of financial assets is managed by the Bank using internal credit ratings. The table below shows the credit quality for balance and wakala deposits with Islamic banks and other financial institutions, murabaha and mudaraba with financial institutions, murabaha, ijara and other Islamic financing, investments at amortised cost, investment measured at fair value (except equity instruments), certain other assets and Bank's contingent liabilities and commitments based on the Group's credit rating system.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.5 Credit quality per class of financial assets (continued)

Gross Exposure by rating is as follows:

	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
31 December 2025				
Financial instruments carried at amortised cost				
Grades 1 – 4	**212,837,681**	**919,063**	**-**	**213,756,744**
Grades 5 – 6	**44,019,263**	**2,549,619**	**-**	**46,568,882**
Grade 7	**274,519**	**905,910**	**-**	**1,180,429**
Grades 8 – 10	**-**	**270,000**	**5,274,768**	**5,544,768**
Gross financial instruments carried at amortised cost	**257,131,463**	**4,644,592**	**5,274,768**	**267,050,823**
Sukuk carried at FVTOCI				
Grades 1 – 4	**2,361,090**	**-**	**-**	**2,361,090**
Grades 5 – 6	**548,860**	**-**	**-**	**548,860**
Grade 7	**-**	**-**	**-**	**-**
Grades 8 – 10	**-**	**-**	**19,612**	**19,612**
Gross Sukuk carried at FVTOCI	**2,909,950**	**-**	**19,612**	**2,929,562**
Contingent liabilities and commitments				
Grades 1 – 4	**16,834,920**	**281,898**	**-**	**17,116,818**
Grades 5 – 6	**1,767,651**	**356,661**	**-**	**2,124,312**
Grade 7	**-**	**7,629**	**-**	**7,629**
Grades 8 – 10	**-**	**-**	**463,052**	**463,052**
Gross Contingent liabilities and commitments	**18,602,571**	**646,188**	**463,052**	**19,711,811**
	278,643,984	**5,290,780**	**5,757,432**	**289,692,196**
31 December 2024				
Financial instruments carried at amortised cost				
Grades 1 – 4	162,865,424	920,158	-	163,785,582
Grades 5 – 6	38,203,242	3,704,207	-	41,907,449
Grade 7	197,450	888,721	-	1,086,171
Grades 8 – 10	-	270,000	5,955,112	6,225,112
Gross financial instruments carried at amortised cost	201,266,116	5,783,086	5,955,112	213,004,314
Sukuk carried at FVTOCI				
Grades 1 – 4	2,254,658	-	-	2,254,658
Grades 5 – 6	670,423	-	-	670,423
Grade 7	-	-	-	-
Grades 8 – 10	-	-	68,054	68,054
Gross Sukuk carried at FVTOCI	2,925,081	-	68,054	2,993,135
Contingent liabilities and commitments				
Grades 1 – 4	12,706,461	57,832	-	12,764,293
Grades 5 – 6	1,625,287	439,453	-	2,064,740
Grade 7	-	8,800	-	8,800
Grades 8 – 10	-	-	503,434	503,434
Gross Contingent liabilities and commitments	14,331,748	506,085	503,434	15,341,267
	218,522,945	6,289,171	6,526,600	231,338,716

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.5 Credit quality per class of financial assets (continued)

Expected credit losses (ECL) by rating is as follows:

	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
31 December 2025				
Financial instruments carried at amortised cost - ECL				
Grades 1 – 4	**568,043**	**28,605**	**-**	**596,648**
Grades 5 – 6	**587,340**	**235,569**	**-**	**822,909**
Grade 7	**44,625**	**212,988**	**-**	**257,613**
Grades 8 – 10	**-**	**-**	**2,652,652**	**2,652,652**
	1,200,008	**477,162**	**2,652,652**	**4,329,822**
Sukuk carried at FVTOCI - ECL				
Grades 1 – 4	**2,488**	**-**	**-**	**2,488**
Grades 5 – 6	**2,098**	**-**	**-**	**2,098**
Grade 7	**-**	**-**	**-**	**-**
Grades 8 – 10	**-**	**-**	**19,611**	**19,611**
	4,586	**-**	**19,611**	**24,197**
Contingent liabilities and commitments - ECL				
Grades 1 – 4	**116,760**	**239**	**-**	**116,999**
Grades 5 – 6	**16,478**	**10,794**	**-**	**27,272**
Grade 7	**-**	**679**	**-**	**679**
Grades 8 – 10	**-**	**-**	**49,861**	**49,861**
	133,238	**11,712**	**49,861**	**194,811**
	1,337,832	**488,874**	**2,722,124**	**4,548,830**

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Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.5 Credit quality per class of financial assets (continued)

Expected credit losses (ECL) by rating is as follows: (continued)

	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
31 December 2024				
Financial instruments carried at amortised cost - ECL				
Grades 1 – 4	494,485	24,043	-	518,528
Grades 5 – 6	583,676	333,754	-	917,430
Grade 7	31,522	183,272	-	214,794
Grades 8 – 10	-	-	3,028,260	3,028,260
	1,109,683	541,069	3,028,260	4,679,012
Sukuk carried at FVTOCI - ECL				
Grades 1 – 4	5,274	-	-	5,274
Grades 5 – 6	14,305	-	-	14,305
Grade 7	-	-	-	-
Grades 8 – 10	-	-	51,658	51,658
	19,579	-	51,658	71,237
Contingent liabilities and commitments - ECL				
Grades 1 – 4	83,757	14	-	83,771
Grades 5 – 6	28,119	17,444	-	45,563
Grade 7	-	477	-	477
Grades 8 – 10	-	-	91,562	91,562
	111,876	17,935	91,562	221,373
	1,241,138	559,004	3,171,480	4,971,622

It is the Group's policy to maintain accurate and consistent risk ratings across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial and qualitative analysis, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Group's rating policy. The risk ratings models are assessed and updated regularly. The Moody's equivalent grades are relevant only for certain of the exposures in each risk rating class. A number of new rating models aligned to specific business segments, were introduced during the course of the year.

Renegotiated murabaha, ijara and other Islamic financings
The total carrying amount of financing to non-related parties whose terms have been renegotiated during the year amounted to AED 224,437 thousand (2024: AED 86,132 thousand).

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.6 Credit quality per stage for financial assets

The details of gross exposure of financial assets and their expected credit losses per stages was as follows:

	Gross Exposure				*Expected credit losses - (ECL)*			
	Stage 1 AED '000	**Stage 2 AED '000**	**Stage 3 AED '000**	**Total AED '000**	**Stage 1 AED '000**	**Stage 2 AED '000**	**Stage 3 AED '000**	**Total AED '000**
31 December 2025								
Cash and balances with central banks	**41,310,708**	**-**	**-**	**41,310,708**	**526**	**-**	**-**	**526**
Balances and wakala deposits with Islamic banks and other financial institutions	**4,622,509**	**-**	**-**	**4,622,509**	**3,729**	**-**	**-**	**3,729**
Murabaha and mudaraba with financial institutions	**7,303,119**	**-**	**-**	**7,303,119**	**48,014**	**-**	**-**	**48,014**
Murabaha and other Islamic financing	**108,786,384**	**2,626,671**	**1,119,980**	**112,533,035**	**590,705**	**386,442**	**803,836**	**1,780,983**
Ijara financing	**66,903,994**	**2,012,432**	**4,139,517**	**73,055,943**	**504,994**	**90,437**	**1,836,301**	**2,431,732**
Investment in sukuk measured at amortised cost	**26,752,930**	**-**	**11,788**	**26,764,718**	**38,719**	**-**	**11,788**	**50,507**
Investments measured at fair value	**2,909,950**	**-**	**19,612**	**2,929,562**	**4,586**	**-**	**19,611**	**24,197**
Other assets	**1,451,819**	**5,489**	**3,483**	**1,460,791**	**13,321**	**283**	**727**	**14,331**
	260,041,413	**4,644,592**	**5,294,380**	**269,980,385**	**1,204,594**	**477,162**	**2,672,263**	**4,354,019**
Contingent liabilities and commitments	**18,602,571**	**646,188**	**463,052**	**19,711,811**	**133,238**	**11,712**	**49,861**	**194,811**
	278,643,984	**5,290,780**	**5,757,432**	**289,692,196**	**1,337,832**	**488,874**	**2,722,124**	**4,548,830**

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.6 Credit quality per stage for financial assets (continued)

	Gross Exposure				*Expected credit losses - (ECL)*			
	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
31 December 2024								
Cash and balances with central banks	29,225,816	703,173	-	29,928,989	537	671	-	1,208
Balances and wakala deposits with Islamic banks and other financial institutions	7,657,688	-	-	7,657,688	7,749	-	-	7,749
Murabaha and mudaraba with financial institutions	2,991,073	-	-	2,991,073	33,544	-	-	33,544
Murabaha and other Islamic financing	83,693,459	2,300,809	1,016,029	87,010,297	444,350	437,945	783,379	1,665,674
Ijara financing	52,412,079	2,771,830	4,925,031	60,108,940	509,501	102,394	2,230,829	2,842,724
Investment in sukuk measured at amortised cost	23,850,716	-	11,788	23,862,504	92,623	-	11,788	104,411
Investments measured at fair value	2,925,081	-	68,054	2,993,135	19,579	-	51,658	71,237
Other assets	1,435,285	7,274	2,264	1,444,823	21,379	59	2,264	23,702
	204,191,197	5,783,086	6,023,166	215,997,449	1,129,262	541,069	3,079,918	4,750,249
Contingent liabilities and commitments	14,331,748	506,085	503,434	15,341,267	111,876	17,935	91,562	221,373
	218,522,945	6,289,171	6,526,600	231,338,716	1,241,138	559,004	3,171,480	4,971,622

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.6 Credit quality per stage for financial assets (continued)

Movement in gross exposure by stage is as follows:

	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
Financial instruments carried at amortised cost				
Balance at 1 January 2025	**201,266,116**	**5,783,086**	**5,955,112**	**213,004,314**
- Transfer from stage 1 to stage 2	**(875,648)**	**875,648**	**-**	**-**
- Transfer from stage 1 to stage 3	**(310,182)**	**-**	**310,182**	**-**
- Transfer from stage 2 to stage 1	**485,066**	**(485,066)**	**-**	**-**
- Transfer from stage 2 to stage 3	**-**	**(311,436)**	**311,436**	**-**
- Transfer from stage 3 to stage 1	**4,700**	**-**	**(4,700)**	**-**
- Transfer from stage 3 to stage 2	**-**	**106,526**	**(106,526)**	**-**
- Other movements within the same stage	**(45,835,024)**	**(2,459,498)**	**(426,298)**	**(48,720,820)**
- New financial assets originated / purchased	**100,967,627**	**1,116,723**	**314,510**	**102,398,860**
- Write-offs	**-**	**-**	**(1,094,402)**	**(1,094,402)**
- FX and other adjustments	**1,428,808**	**18,609**	**15,454**	**1,462,871**
Balance at 31 December 2025	**257,131,463**	**4,644,592**	**5,274,768**	**267,050,823**
Sukuk carried at FVTOCI				
Balance at 1 January 2025	**2,925,081**	**-**	**68,054**	**2,993,135**
- Other movements within the same stage	**(480,037)**	**-**	**(91,699)**	**(571,736)**
- New financial assets originated / purchased	**453,424**	**-**	**43,257**	**496,681**
- FX and other adjustments	**11,482**	**-**	**-**	**11,482**
Balance at 31 December 2025	**2,909,950**	**-**	**19,612**	**2,929,562**
Contingent liabilities and commitments				
Balance at 1 January 2025	**14,331,748**	**506,085**	**503,434**	**15,341,267**
- Transfer from stage 1 to stage 2	**(98,329)**	**98,329**	**-**	**-**
- Transfer from stage 1 to stage 3	**(6,277)**	**-**	**6,277**	**-**
- Transfer from stage 2 to stage 1	**363,470**	**(363,470)**	**-**	**-**
- Transfer from stage 2 to stage 3	**-**	**(9,378)**	**9,378**	**-**
- Transfer from stage 3 to stage 1	**-**	**-**	**-**	**-**
- Transfer from stage 3 to stage 2	**-**	**-**	**-**	**-**
- Other movements within the same stage	**(5,844,975)**	**321,014**	**(61,446)**	**(5,585,407)**
- New financial assets originated / purchased	**9,597,690**	**77,533**	**4,985**	**9,680,208**
- FX and other adjustments	**259,244**	**16,075**	**424**	**275,743**
Balance at 31 December 2025	**18,602,571**	**646,188**	**463,052**	**19,711,811**
	278,643,984	**5,290,780**	**5,757,432**	**289,692,196**

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.6 Credit quality per stage for financial assets (continued)

	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
Financial instruments carried at amortised cost				
Balance at 1 January 2024	167,776,817	5,790,486	7,304,278	180,871,581
- Transfer from stage 1 to stage 2	(1,518,328)	1,518,328	-	-
- Transfer from stage 1 to stage 3	(150,564)	-	150,564	-
- Transfer from stage 2 to stage 1	902,384	(902,384)	-	-
- Transfer from stage 2 to stage 3	-	(364,106)	364,106	-
- Transfer from stage 3 to stage 1	4,792	-	(4,792)	-
- Transfer from stage 3 to stage 2	-	150,978	(150,978)	-
- Other movements within the same stage	(32,602,414)	(1,841,124)	(406,790)	(34,850,328)
- New financial assets originated / purchased	74,792,592	1,617,108	140,684	76,550,384
- Write-offs	-	-	(1,387,068)	(1,387,068)
- FX and other adjustments	(7,939,163)	(186,200)	(54,892)	(8,180,255)
Balance at 31 December 2024	201,266,116	5,783,086	5,955,112	213,004,314
Sukuk carried at FVTOCI				
Balance at 1 January 2024	3,113,099	5,856	68,097	3,187,052
- Other movements within the same stage	(3,066,875)	(5,856)	(68,729)	(3,141,460)
- New financial assets originated / purchased	2,887,214	-	68,686	2,955,900
- FX and other adjustments	(8,357)	-	-	(8,357)
Balance at 31 December 2024	2,925,081	-	68,054	2,993,135
Contingent liabilities and commitments				
Balance at 1 January 2024	12,612,841	1,001,588	522,157	14,136,586
- Transfer from stage 1 to stage 2	(192,836)	192,836	-	-
- Transfer from stage 1 to stage 3	(6,104)	-	6,104	-
- Transfer from stage 2 to stage 1	344,351	(344,351)	-	-
- Transfer from stage 2 to stage 3	-	(2,928)	2,928	-
- Transfer from stage 3 to stage 1	-	-	-	-
- Transfer from stage 3 to stage 2	-	-	-	-
- Other movements within the same stage	(4,466,334)	(458,185)	(27,984)	(4,952,503)
- New financial assets originated / purchased	7,672,274	169,034	621	7,841,929
- FX and other adjustments	(1,632,444)	(51,909)	(392)	(1,684,745)
Balance at 31 December 2024	14,331,748	506,085	503,434	15,341,267
	218,522,945	6,289,171	6,526,600	231,338,716

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.6 Credit quality per stage for financial assets (continued)

Movement in Expected credit losses (ECL) by stage is as follows:

	Stage 1 AED '000	**Stage 2 AED '000**	**Stage 3 AED '000**	**Total AED '000**
Financial instruments carried at amortised cost - ECL				
Balance at 1 January 2025	**1,109,683**	**541,069**	**3,028,260**	**4,679,012**
- Transfer from stage 1 to stage 2	**(114,367)**	**114,367**	**-**	**-**
- Transfer from stage 1 to stage 3	**(169,238)**	**-**	**169,238**	
- Transfer from stage 2 to stage 1	**2,951**	**(2,951)**	**-**	**-**
- Transfer from stage 2 to stage 3	**-**	**(192,314)**	**192,314**	**-**
- Transfer from stage 3 to stage 1	**13**	**-**	**(13)**	**-**
- Transfer from stage 3 to stage 2	**-**	**7,471**	**(7,471)**	**-**
- Other movements within the same stage	**(86,015)**	**(151,539)**	**109,966**	**(127,588)**
- New financial assets originated / purchased	**442,762**	**152,312**	**240,205**	**835,279**
- Write-offs	**-**	**-**	**(1,094,402)**	**(1,094,402)**
- FX and other adjustments	**14,219**	**8,747**	**14,555**	**37,521**
Balance at 31 December 2025	**1,200,008**	**477,162**	**2,652,652**	**4,329,822**
Sukuk carried at FVTOCI – ECL				
Balance at 1 January 2025	**19,579**	**-**	**51,658**	**71,237**
- Other movements within the same stage	**(15,083)**	**-**	**(51,512)**	**(66,595)**
- New financial assets originated / purchased	**90**	**-**	**19,465**	**19,555**
Balance at 31 December 2025	**4,586**	**-**	**19,611**	**24,197**
Contingent liabilities and commitments - ECL				
Balance at 1 January 2025	**111,876**	**17,935**	**91,562**	**221,373**
- Transfer from stage 1 to stage 2	**(2,092)**	**2,092**	**-**	**-**
- Transfer from stage 1 to stage 3	**(1,331)**	**-**	**1,331**	**-**
- Transfer from stage 2 to stage 1	**481**	**(481)**	**-**	**-**
- Transfer from stage 2 to stage 3	**-**	**(6,978)**	**6,978**	**-**
- Transfer from stage 3 to stage 2	**-**	**2**	**(2)**	**-**
- Other movements within the same stage	**(58,476)**	**(3,194)**	**(54,553)**	**(116,223)**
- New financial assets originated / purchased	**77,345**	**1,731**	**4,130**	**83,206**
- FX and other adjustments	**5,435**	**605**	**415**	**6,455**
Balance at 31 December 2025	**133,238**	**11,712**	**49,861**	**194,811**
	1,337,832	**488,874**	**2,722,124**	**4,548,830**

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.6 Credit quality per stage for financial assets (continued)

	Stage 1 AED '000	Stage 2 AED '000	Stage 3 AED '000	Total AED '000
Financial instruments carried at amortised cost - ECL				
Balance at 1 January 2024	983,298	681,078	3,728,854	5,393,230
- Transfer from stage 1 to stage 2	(175,797)	175,797	-	-
- Transfer from stage 1 to stage 3	(86,566)	-	86,566	-
- Transfer from stage 2 to stage 1	5,669	(5,669)	-	-
- Transfer from stage 2 to stage 3	-	(227,261)	227,261	-
- Transfer from stage 3 to stage 1	19	-	(19)	-
- Transfer from stage 3 to stage 2	-	12,676	(12,676)	-
- Other movements within the same stage	141,825	(96,246)	271,096	316,675
- New financial assets originated / purchased	349,648	105,997	163,383	619,028
- Write-offs	-	-	(1,387,068)	(1,387,068)
- FX and other adjustments	(108,413)	(105,303)	(49,137)	(262,853)
Balance at 31 December 2024	1,109,683	541,069	3,028,260	4,679,012
Sukuk carried at FVTOCI - ECL				
Balance at 1 January 2024	40,729	188	34,010	74,927
- Transfer from stage 2 to stage 3	-	-	-	-
- Other movements within the same stage	(40,729)	(188)	(33,864)	(74,781)
- New financial assets originated / purchased	19,579	-	51,512	71,091
Balance at 31 December 2024	19,579	-	51,658	71,237
Contingent liabilities and commitments - ECL				
Balance at 1 January 2024	117,259	11,128	87,573	215,960
- Transfer from stage 1 to stage 2	(10,655)	10,655	-	-
- Transfer from stage 1 to stage 3	(1,192)	-	1,192	-
- Transfer from stage 2 to stage 1	1,678	(1,678)	-	-
- Transfer from stage 2 to stage 3	-	(726)	726	-
- Other movements within the same stage	(35,566)	(2,019)	1,789	(35,796)
- New financial assets originated / purchased	80,818	3,100	584	84,502
- FX and other adjustments	(40,466)	(2,525)	(302)	(43,293)
Balance at 31 December 2024	111,876	17,935	91,562	221,373
	1,241,138	559,004	3,171,480	4,971,622

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.2 Credit risk (continued)

45.2.7 Impairment reserve – General as required by Central Bank of UAE (CBUAE)

As per the new credit risk management regulation/standards issued by CBUAE, the Bank is required to ensure that the total provision corresponding to all Stage 1 and Stage 2 exposures is not less than 1.50% of the Credit Risk weighted assets as computed under the CBUAE capital regulations. Where the Stage 1 and 2 ECL held are lower, the difference is held in a dedicated non-distributable balance sheet reserve called the 'impairment reserve-General'. The amount held in the impairment reserve-general is deducted from the capital base (Tier 1 capital) when computing the regulatory capital.

A comparison between the minimum provision as per the CB UAE requirements and ECL taken under IFRS 9 for stage 1 and 2 is as follows:

	2025 AED '000	**2024** AED '000
Non-distributable impairment reserve - General		
Minimum provision for Stage 1 &2 as per CB UAE requirements	**2,453,130**	2,131,328
Less: Stage 1 and Stage 2 ECL under IFRS 9 taken against income	**(1,826,706)**	(1,800,142)
Difference in Stage 1 & 2 provision to meet minimum CB UAE requirements	**626,424**	331,186
Balance of impairment reserve- General as at 1 January	**331,186**	43,696
Add: Non-distributable reserve during the year (impairment reserve – General)	**295,238**	287,490
Balance of impairment reserve – General as at 31 December	**626,424**	331,186

45.3 Liquidity risk and funding management

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources in addition to its core deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows, the maintenance and monitoring of the inventory of high grade collateral which could be used to secure additional funding if required.

The Group maintains a portfolio of highly quality and diverse securities that can be easily liquidated and/or used as collateral in the event of an unforeseen stress on of cash flow. The Group also has committed lines of credit that it can access to meet liquidity needs. In addition, the Bank maintains statutory deposits with the Central Bank. The liquidity position is assessed and managed under a variety of stress scenarios, given due consideration to severe yet plausible stress conditions relating to both the market in general and specifically to the Group.

45 Risk management (continued)

45.3 Liquidity risk and funding management (continued)

The high quality of the investment portfolio ensures its liquidity and/or eligibility as acceptable collateral and coupled with the Bank's own funds and "evergreen" customer deposits help these forms a stable funding source. Even under adverse conditions, the Bank has access to the funds necessary to cover customer needs and meet its funding requirements.

The primary tool for monitoring liquidity is the maturity mismatch analysis, which is monitored over successive time bands and across functional currencies. Guidelines are established for the cumulative negative cash flow over successive time bands. In addition, the Bank monitors various liquidity risk ratios and maintains an up-to-date contingency funding plan.

45.3.1 Treasury

Treasury is responsible for managing the Bank's assets and liabilities and the overall financial structure. It is also primarily responsible for managing the funding and liquidity risks of the Bank.

45.3.2 Asset & Liability Committee ("ALCO")

The Asset & Liability Management ("ALM") process focusses on planning, acquiring, and directing the flow of funds through the organization. The ultimate objective of this process is to generate adequate stable earnings and to steadily build equity over time, while taking measured business risk aligned to the overall risk appetite of the Bank. The Bank has a defined ALM policy which describes the objective, role and function of the ALCO. This process revolves around ALCO, the body within the Bank that holds the responsibility to make strategic decisions relating to the management of financial position related risks. The ALCO consists of the Bank's senior management including the CEO and normally meets once a month.

45.3.3 Liquidity risk management process

The Group's liquidity risk management process, as carried out within the Group and monitored by a separate team in Group Treasury, includes:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes reenlistment of funds as they mature or when financing are provided to customers;
- Maintaining a portfolio of highly marketable assets that can easily be liquated as protection against any unforeseen interruption to cash flow;
- Managing statement of financial position liquidity ratios against internal and regulatory requirements; and
- Managing the concentration and profile of financing maturities.

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.3 Liquidity risk and funding management (continued)

45.3.4 Analysis of financial assets and financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at reporting date based on contractual maturities (net of ECL).

	Less than 3 months AED '000	3 months to 1 year AED '000	1 year to 5 years AED '000	Over 5 years AED '000	Total AED '000
31 December 2025					
ASSETS					
Cash and balances with central banks	**34,820,536**	**9,131,611**	**-**	**-**	**43,952,147**
Balances and wakala deposits with Islamic banks and other financial institutions	**3,859,397**	**369,594**	**144,007**	**245,782**	**4,618,780**
Murabaha and mudaraba with financial institutions	**842,774**	**1,281,745**	**4,778,356**	**352,230**	**7,255,105**
Murabaha and other Islamic financing	**12,174,946**	**24,803,633**	**60,417,531**	**13,355,942**	**110,752,052**
Ijara financing	**511,544**	**4,757,654**	**25,134,892**	**40,220,121**	**70,624,211**
Investments in Islamic sukuk measured at amortised cost	**654,444**	**1,378,671**	**16,903,280**	**7,777,816**	**26,714,211**
Investments measured at fair value	**1,089,515**	**1,345,439**	**1,826,928**	**644,484**	**4,906,366**
Investment in associates and joint ventures	**-**	**-**	**-**	**1,013,813**	**1,013,813**
Other assets	**2,780,075**	**541,893**	**644,375**	**-**	**3,966,343**
Financial assets	**56,733,231**	**43,610,240**	**109,849,369**	**63,610,188**	**273,803,028**
Non-financial assets					**6,950,120**
Total assets					**280,753,148**
LIABILITIES					
Due to financial institutions	**7,125,282**	**2,428,014**	**131,352**	**-**	**9,684,648**
Depositors' accounts	**188,311,052**	**36,916,376**	**3,868,556**	**310**	**229,096,294**
Other liabilities	**3,947,661**	**1,615,957**	**2,166,014**	**36,704**	**7,766,336**
Sukuk financing instrument	**-**	**-**	**1,836,250**	**-**	**1,836,250**
Total liabilities	**199,383,995**	**40,960,347**	**8,002,172**	**37,014**	**248,383,528**
31 December 2024					
ASSETS					
Cash and balances with central banks	27,507,955	3,631,162	900,825	-	32,039,942
Balances and wakala deposits with Islamic banks and other financial institutions	6,807,349	342,558	253,497	246,535	7,649,939
Murabaha and mudaraba with financial institutions	474,078	455,129	1,742,935	285,387	2,957,529
Murabaha and other Islamic financing	7,975,051	18,895,945	48,214,284	10,259,343	85,344,623
Ijara financing	1,037,414	3,984,452	20,074,687	32,169,663	57,266,216
Investments in Islamic sukuk measured at amortised cost	367,663	2,331,370	15,217,044	5,842,016	23,758,093
Investments measured at fair value	1,919,980	999,750	1,622,562	986,112	5,528,404
Investment in associates and joint ventures	-	-	-	895,698	895,698
Other assets	3,249,151	228,454	411,527	12,796	3,901,928
Financial assets	49,338,641	30,868,820	88,437,361	50,697,550	219,342,372
Non-financial assets					6,567,423
Total assets					225,909,795
LIABILITIES					
Due to financial institutions	2,953,759	2,037,305	292,953	245,652	5,529,669
Depositors' accounts	151,142,136	23,689,964	7,843,138	15	182,675,253
Other liabilities	5,018,195	799,023	1,728,668	5,499	7,551,385
Sukuk financing instrument	-	-	1,836,250	-	1,836,250
Total liabilities	159,114,090	26,526,292	11,701,009	251,166	197,592,557

45 Risk management (continued)

45.3 Liquidity risk and funding management (continued)

45.3.4 Analysis of financial assets and financial liabilities by remaining contractual maturities (continued)

The table below summarises the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted repayment obligations, including cash flows pertaining to principal repayment and profit payable to maturity.

	Less than 3 months AED '000	3 months to 1 year AED '000	1 year to 5 years AED '000	Over 5 years AED '000	Total AED '000
31 December 2025					
Liabilities					
Due to financial institutions	**7,145,337**	**2,490,371**	**188,478**	**9,954**	**9,834,140**
Depositors' accounts	**188,869,063**	**38,492,460**	**5,923,419**	**348**	**233,285,290**
Other liabilities	**3,947,661**	**1,615,957**	**2,166,014**	**36,704**	**7,766,336**
Sukuk payable	**-**	**-**	**2,140,968**	**-**	**2,140,968**
Total liabilities	**199,962,061**	**42,598,788**	**10,418,879**	**47,006**	**253,026,734**
31 December 2024					
Liabilities					
Due to financial institutions	2,966,841	2,087,186	389,849	265,473	5,709,349
Depositors' accounts	151,532,784	24,938,632	9,137,973	16	185,609,405
Other liabilities	5,018,195	799,023	1,728,668	5,499	7,551,385
Sukuk payable	-	-	2,246,995	-	2,246,995
Total liabilities	159,517,820	27,824,841	13,503,485	270,988	201,117,134

The disclosed financial instruments in the above table are the gross undiscounted cash flows.

The table below shows the contractual expiry of the Bank's contingent liabilities and commitments. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

	Less than 3 months AED '000	3 months to 1 year AED '000	1 year to 5 years AED '000	Over 5 years AED '000	Total AED '000
31 December 2025					
Contingent liabilities	**5,639,342**	**4,494,040**	**5,523,256**	**16,609**	**15,673,247**
Undrawn facilities commitments	**-**	**2,111,733**	**1,926,831**	**-**	**4,038,564**
Other commitments	**-**	**11,551**	**224,040**	**12,041**	**247,632**
Total	**5,639,342**	**6,617,324**	**7,674,127**	**28,650**	**19,959,443**
31 December 2024					
Contingent liabilities	4,104,101	4,004,810	3,644,468	45,698	11,799,077
Undrawn facilities commitments	-	1,700,251	1,841,939	-	3,542,190
Other commitments	-	-	239,836	-	239,836
Total	4,104,101	5,705,061	5,726,243	45,698	15,581,103

The Bank does not expect that all of the contingent liabilities or commitments will be drawn before expiry.

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45 Risk management (continued)

45.4 Market risk

Market risk arises from changes in market rates such as profit rates, foreign exchange rates and equity prices, as well as in their correlation and implied volatilities. Market risk management is designed to limit the amount of potential losses on open positions which may arise due to unforeseen changes in profit rates, foreign exchange rates or equity prices. The Group is exposed to diverse the financial instruments including securities, foreign currencies, equities, structured products and commodities.

The Group pays considerable attention to market risk. The Group uses appropriate models, as per standard market practice, for the valuation of its positions and receives regular market information in order to regulate market risk.

The trading market risk framework comprises of the following elements:

- Limits to ensure that risk-takers do not exceed aggregate risk and concentration parameters set by the senior management; and
- Independent mark-to-market valuation, reconciliation of positions and tracking of stop-losses for trading positions on timely basis.

The policies and procedures and the trading limits are set to ensure the implementation of the Group's market risk policy in day-to-day operations. These are viewed periodically to ensure they remain in line with the Group's general market risk policy. The ALCO and ERC ensure that the market risk management process is always adequately and appropriately staffed. In addition to its internal procedures and systems, the Group is required to comply with the guidelines and regulations of the Central Bank.

45.4.1 Profit rate risk

Profit rate risk arises from the possibility that changes in profit rates will affect future profitability or the fair values of financial instruments. The Group is exposed to profit rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off-statement of financial position instruments that mature or re-price in a given period. The Group manages this risk through appropriate limits in place and frequent review of the bank's structural position with regard to profit rate risk and its impact on earnings as well as the economic value of its shareholders' equity.

The following table estimates the sensitivity to a reasonable possible change in profit rates, with all other variables held constant, of the Group's consolidated income statement. The sensitivity of the consolidated income statement is the effect of the assumed changes in profit rates (whether increase or decrease) on the net profit for one year, based on the variable profit rate non-trading financial assets and financial liabilities held at 31 December.

	Increase / Decrease in basis points 2025	Sensitivity of profit on financial assets and liabilities AED '000	Increase / Decrease in basis points 2025	Sensitivity of profit on financial assets and liabilities AED '000
Currency				
AED	**25**	**62,282**	25	57,647
USD	**25**	**65,989**	25	61,211
Euro	**25**	**899**	25	2,501
Other currencies	**25**	**29,922**	25	20,685

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.4 Market risk (continued)

45.4.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The table below indicates the extent to which the Group was exposed to currency risk at 31 December on its non-trading monetary assets and liabilities and forecast cash flows. The analysis is performed for a reasonable possible movement of the currency rate against AED with all other variable held constant on the consolidated income statement (due to the changes in fair value of currency sensitive non-trading monetary assets and liabilities) and equity (due to the change in fair value of foreign currency denominated in consolidated income statement on investments carried at fair value through other comprehensive income - equity instruments and investment in associates and joint ventures).

	% Increase / Decrease currency rates	Effect on net profit AED '000	Effect on equity AED '000
31 December 2025			
Currency			
USD	**5**	**1,169,791**	**31,207**
Euro	**5**	**(3,781)**	**7,471**
GBP	**5**	**(580)**	**-**
Other currencies	**5**	**158,824**	**12,536**
31 December 2024			
Currency			
USD	5	1,166,444	13,759
Euro	5	(1,345)	6,508
GBP	5	(768)	-
Other currencies	5	98,345	11,268

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Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.4 Market risk (continued)

45.4.2 Currency risk (continued)

The table below shows the Group's exposure to foreign currencies.

	AED AED '000	USD AED '000	Euro AED '000	GBP AED '000	Others AED '000	Total AED '000
31 December 2025						
Financial assets						
Cash and balances with central banks	**39,614,740**	**1,236,015**	**5,910**	**1,356**	**3,094,126**	**43,952,147**
Balances and wakala deposits with Islamic banks and other financial institutions	**171,992**	**2,352,186**	**224,163**	**50,535**	**1,819,904**	**4,618,780**
Murabaha and mudaraba with financial institutions	**-**	**1,359,661**	**23,131**	**-**	**5,872,313**	**7,255,105**
Murabaha and other Islamic financing	**66,754,865**	**30,643,799**	**1,701,205**	**3,196,609**	**8,455,574**	**110,752,052**
Ijara financing	**63,347,330**	**6,661,207**	**17,670**	**7,413**	**590,591**	**70,624,211**
Investments in Islamic sukuk measured at amortised cost	**178,203**	**26,497,562**	**-**	**-**	**38,446**	**26,714,211**
Investments measured at fair value	**113,471**	**4,459,791**	**1,343**	**-**	**331,761**	**4,906,366**
Investment in associates and joint ventures	**614,703**	**-**	**148,624**	**-**	**250,486**	**1,013,813**
Other assets	**1,697,892**	**1,875,043**	**471,340**	**(2,229,913)**	**2,151,981**	**3,966,343**
	172,493,196	**75,085,264**	**2,593,386**	**1,026,000**	**22,605,182**	**273,803,028**
Financial liabilities						
Due to financial institutions	**5,967,732**	**3,246,750**	**13,280**	**14,923**	**441,963**	**9,684,648**
Depositors' accounts	**164,337,905**	**44,764,199**	**2,493,778**	**943,349**	**16,557,063**	**229,096,294**
Other liabilities	**4,277,417**	**1,218,111**	**12,515**	**79,326**	**2,178,967**	**7,766,336**
Sukuk financing instrument	**-**	**1,836,250**	**-**	**-**	**-**	**1,836,250**
	174,583,054	**51,065,310**	**2,519,573**	**1,037,598**	**19,177,993**	**248,383,528**
31 December 2024						
Financial assets						
Cash and balances with central banks	28,197,817	1,145,975	5,067	492	2,690,591	32,039,942
Balances and wakala deposits with Islamic banks and other financial institutions	25,133	3,602,466	299,564	43,523	3,679,253	7,649,939
Murabaha and mudaraba with financial institutions	-	1,199,028	20,197	-	1,738,304	2,957,529
Murabaha and other Islamic financing	53,462,264	22,348,991	1,352,023	2,960,459	5,220,886	85,344,623
Ijara financing	50,244,404	6,752,751	470	7,001	261,590	57,266,216
Investments in Islamic sukuk measured at amortised cost	124,750	23,633,343	-	-	-	23,758,093
Investments measured at fair value	349,866	5,153,808	475	-	24,255	5,528,404
Investment in associates and joint ventures	541,119	-	129,442	-	225,137	895,698
Other assets	1,204,249	3,153,946	(326,002)	(2,017,064)	1,886,799	3,901,928
	134,149,602	66,990,308	1,481,236	994,411	15,726,815	219,342,372
Financial liabilities						
Due to financial institutions	1,723,080	3,536,037	52,196	106,018	112,338	5,529,669
Depositors' accounts	132,027,403	36,804,535	1,300,352	830,742	11,712,221	182,675,253
Other liabilities	4,533,518	1,209,428	25,441	73,001	1,709,997	7,551,385
Sukuk financing instrument	-	1,836,250	-	-	-	1,836,250
	138,284,001	43,386,250	1,377,989	1,009,761	13,534,556	197,592,557

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Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.4 Market risk (continued)

45.4.3 Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposure arises from the Group's quoted investments in the investment portfolio.

The following table estimates the sensitivity to a possible change in equity markets on the Bank's consolidated other comprehensive income statement The effect on equity (as a result of a change in the fair value of equity instruments held as investments carried at fair value through other comprehensive income at 31 December) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

	% Increase in market indices 2025	**Effect on profit or loss 2025 AED '000**	%Increase in market indices 2024	Effect on profit or loss 2024 AED '000
Investments carried at fair value through profit or loss				
Abu Dhabi Securities Exchange	**10**	**-**	10	1,130
Dubai Financial Market	**10**	**-**	10	444
Other markets	**10**	**1,104**	10	881

	% Increase in market indices 2025	**Effect on Equity 2025 AED '000**	%Increase in market indices 2024	Effect on equity 2024 AED '000
Investments carried at fair value through other comprehensive income				
Abu Dhabi Securities Exchange	**10**	**2,316**	10	2,436
Dubai Financial Market	**10**	**101**	10	52

45.4.4 Operational risk

Operational risk is the risk of negative financial and / or non- financial impacts arising from inadequate or failed internal processes, people, systems or external events.

The Bank has implemented a detailed operational risk framework in accordance with Basel III guidelines. The framework articulates clearly defined roles and responsibilities of individuals / business units and committees across the Group involved in the management of various operational risk elements. The Operational Risk Management Framework ensures that operational risks within the Group are properly identified, assessed, monitored, reported and actively managed. Key elements of the framework include risk reviews, "risk & control self-assessment", loss data management, key risk indicators, controls testing, issues & actions management and reporting. The Framework also fully encompasses and integrates elements of fraud risk prevention and quality assurance.

Unlike other types of risks such as credit and market business units are responsible for managing operational risks within their respective functional areas. They operate within the Bank's operational risk management framework and ensure that risk is being pro-actively identified, monitored, reported and managed within their scope of work. The day-to-day operational risks are also managed through the adoption of a comprehensive system of internal control with multi-layers of defense and dedicated systems and procedures to monitor transactions, positions and documentation, as well as maintenance of key backup procedures and business contingency plan which are regularly assessed and tested.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.5 Capital management

The Central Bank of the UAE sets and monitors capital requirements for the Group as a whole. The CBUAE issued Basel III capital regulations, which came into effect from 1 February 2017 introducing minimum capital requirements at three levels, namely Common Equity Tier 1 ("CET1"), Additional Tier 1 ("AT1") and Total Capital.

The additional capital buffers (Capital Conservation Buffer ("CCB") and Countercyclical Capital Buffer ("CCyB") maximum up to 2.5% for each buffer) introduced are over and above the minimum CET1 requirement of 7%.

CCB will be required to be maintained at 2.5% (2024: 2.5%) of the Capital base. In December 2024, CB UAE has decided to increase the CCyB requirement to 0.50% on the private sector credit exposures in the UAE. The requirement will phase-in over 12 months beginning from 1 January 2025 with CCyB rate of 0.50% becoming effective on 1 January 2026.

The minimum capital adequacy ratio as per Basel III capital regulation is given below:

	Minimum capital requirement 2025	***Minimum capital requirement 2024***
Capital Ratio:		
a. Total for consolidated Group	**13.00%**	**13.00%**
b. Tier 1 ratio for consolidated Group	**11.00%**	**11.00%**
c. CET1 ratio for consolidated Group	**9.50%**	**9.50%**

The Group's regulatory capital is analysed into three tiers:

The Bank's capital base is divided into three main categories, namely CET1, AT1 and Tier 2 ('T2'), depending on their characteristics.

- CET1 capital is the highest quality form of capital, comprising share capital, share premium, legal, statutory and other reserves, fair value reserve, retained earnings, non-controlling interest after deductions for goodwill and intangibles and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes under 'CBUAE' guidelines;
- AT 1 capital comprises an eligible non-common equity capital instrument; and
- T2 capital comprises qualifying subordinated instrument and undisclosed reserve.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

45 Risk management (continued)

45.5 Capital management (continued)

The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and the Group maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or to adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous year.

For credit and market risks, the Central Bank of the U.A.E. has issued guidelines for the implementation of Standardised approach. For operational risk, the Central Bank of the U.A.E. has given Banks the option to use either the Basic Indicator approach, or the Standardised approach. The Bank started applying the Standardised approach from 31 December 2024.

The below table shows summarises the composition of Basel III regulatory capital and the ratios of the Group for the years ended 31 December 2025 and 2024. During those two years, the individual entities within the Group and the Group complied with all of the extemally imposed capital requirements to which they are subject:

	Basel III	
	2025	2024
	AED '000	AED '000
Capital base		
Common Equity Tier 1	**22,064,801**	19,316,205
Additional Tier 1 capital	**4,809,639**	4,843,132
Tier 1 capital	**26,874,440**	24,159,337
Tier 2 capital	**1,976,336**	1,776,107
Total capital base	**28,850,776**	25,935,444
Risk weighted assets		
Credit risk	**163,542,029**	142,088,529
Market risk	**1,925,065**	2,804,211
Operational risk	**18,170,293**	15,090,593
Total risk weighted assets	**183,637,387**	159,983,333
Capital ratios		
Common Equity Tier 1 ratio	**12.02%**	12.07%
Total Tier 1 capital ratio	**14.63%**	15.10%
Total capital ratio	**15.71%**	16.21%

ABU DHABI ISLAMIC BANK PJSC
Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

46 Fair value of financial instruments

Fair value measurement recognized in the consolidated statement of financial position

The Group uses the following hierarchy for determining and disclosing the fair value of financial instrument by valuation technique:

Quoted market prices – Level 1

Financial instruments are classified as Level 1 if their values are observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions.

Valuation techniques using observable inputs – Level 2

Financial instruments classified as Level 2 have been valued using models whose inputs are observable in an active market. Valuation based on observable inputs includes financial instruments such as Shari'a compliant alternatives of derivatives and forwards which are valued using market standard pricing techniques and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable.

Valuation techniques using significant unobservable inputs – Level 3

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market.

Unobservable input levels are generally determined based on observable inputs of a similar nature, historical observations or other analytical techniques. This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

Financial instruments under this category mainly include sukuk, private equity instruments and funds measured at FVTPL. The carrying values of these investments are adjusted as follows:

a) Sukuk – using latest available information; and
b) Private equity instruments and Funds – based on the latest available net book value and net asset value assessed internally or provided by fund managers.

Investment properties are classified as Level 3 as their valuation incorporates significant unobservable inputs. The fair value of the properties has been determined either based on transactions observable in the market or valuation models.

The valuation methodologies considered by valuers include:

a) Comparison method: This method derives the value by analyzing recent sales transactions of similar properties in a similar location.
b) Investment method: This method derives the value by converting the future cash flow to a single current capital value.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

46 Fair value of financial instruments (continued)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to 3 based on the degree to which the fair value is observable.

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
31 December 2025				
Assets and liabilities measured at fair value:				
Financial assets				
Investments carried at fair value through profit or loss				
Quoted investments	**11,041**	-	-	**11,041**
Sukuk	**956,995**	-	-	**956,995**
	968,036	**-**	**-**	**968,036**
Unquoted sukuk	**-**	**-**	**332,135**	**332,135**
	968,036	**-**	**332,135**	**1,300,171**
Investments carried at fair value through other comprehensive income				
Quoted investments				
Equities	**24,166**	**-**	**-**	**24,166**
Sukuk	**2,886,305**	**-**	**-**	**2,886,305**
	2,910,471	-	-	**2,910,471**
Unquoted investments				
Sukuk	**-**	**-**	**43,257**	**43,257**
Funds	**-**	**-**	**559,265**	**559,265**
Private equities	**-**	**-**	**117,399**	**117,399**
	-	**-**	**719,921**	**719,921**
	2,910,471	**-**	**719,921**	**3,630,392**
	3,878,507	**-**	**1,052,056**	**4,930,563**
Shari'a compliant alternatives of swap (note 40)	**-**	**13,774**	**-**	**13,774**
Financial liabilities				
Shari'a compliant alternatives of swap (note 40)	-	**25,642**	**-**	**25,642**
Assets for which fair values are disclosed:				
Investment properties (note 24)	-	-	**1,728,171**	**1,728,171**
Investment carried at amortised cost - Sukuk	**26,028,563**	**368,689**	**-**	**26,397,252**
Assets acquired in satisfaction of claims	**-**	**232,929**	**-**	**232,929**

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

46 Fair value of financial instruments (continued)

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
31 December 2024				
Assets and liabilities measured at fair value:				
Financial assets				
Investments carried at fair value through profit or loss				
Quoted investments	24,546	-	-	24,546
Sukuk	1,899,327	-	-	1,899,327
	1,923,873	-	-	1,923,873
Unquoted sukuk	-	-	327,586	327,586
	1,923,873	-	327,586	2,251,459
Investments carried at fair value through other comprehensive income				
Quoted investments				
Equities	24,882	-	-	24,882
Sukuk	2,924,449	-	-	2,924,449
	2,949,331	-	-	2,949,331
Unquoted investments				
Sukuk	-	-	68,686	68,686
Funds	-	-	214,338	214,338
Private equities	-	-	115,827	115,827
	-	-	398,851	398,851
	2,949,331	-	398,851	3,348,182
	4,873,204	-	726,437	5,599,641
Shari'a compliant alternatives of swap (note 40)	-	-	-	-
Financial liabilities				
Shari'a compliant alternatives of swap (note 40)	**-**	11,188	-	11,188
Assets for which fair values are disclosed:				
Investment properties (note 24)	-	-	1,639,698	1,639,698
Investment carried at amortised cost - Sukuk	22,556,342	369,155	-	22,925,497
Assets acquired in satisfaction of claims	-	135,685	-	135,685

The carrying value and fair value for all the investments are same except for investments carried at amortised cost – sukuk, whose carrying value is disclosed in note 20. There were no transfers between level 1, 2 and 3 during the year.

The impact of the sensitivity of inputs to the valuation techniques used of the investments classified under Level 3 are immaterial.

ABU DHABI ISLAMIC BANK PJSC

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

46 Fair value of financial instruments (continued)

The following table shows a reconciliation of the opening and closing amount of level 3 of financial assets which are recorded at fair value:

	2025 **AED '000**	2024 AED '000
At 1 January	**726,437**	513,276
Purchases	**310,419**	183,625
Gain through income / other comprehensive income statement recorded in equity	**13,970**	49,967
Foreign currency translation	**1,144**	(20,431)
At 31 December	**1,051,970**	726,437

47 Comparative figures

Certain comparatives were reclassified to conform to the current period presentation. These reclassifications have had no impact on the total assets, total liabilities, total equity and profit of the Group.



PILLAR III DISCLOSURES

31 DECEMBER 2025

Section	#	Tables and templates	Applicable
1. Overview of Risk Management and RWA	KM1	Key Metrics (at consolidated group level)	Yes
	OVA	Bank risk management approach	Yes
	OV1	Overview of RWA	Yes
2. Linkages Between Financial Statements and Regulatory Exposures	LI1	Differences between accounting and regulatory scopes of consolidation and mapping of financial statements with regulatory risk categories	Yes
	LI2	Main sources of differences between regulatory exposure amounts and carrying values in financial statements	Yes
	LIA	Explanations of differences between accounting and regulatory exposure amounts	Yes
3. Prudential valuation adjustments	PV1	Prudential valuation adjustments	No
4. Composition of Capital	CC1	Composition of regulatory capital	Yes
	CC2	Reconciliation of regulatory capital to balance sheet	Yes
	CCA	Main features of regulatory capital instruments	Yes
5. Macroprudential Supervisory measures	CCyB1	Geographical distribution of credit exposures used in the countercyclical buffer	Yes
6. Leverage Ratio	LR1	Summary comparison of accounting assets vs leverage ratio exposure	Yes
	LR2	Leverage ratio common disclosure template	Yes
7. Liquidity	LIQA	Liquidity risk management	Yes
	LIQ1	Liquidity Coverage Ratio	No
	LIQ2	Net Stable Funding Ratio	No
	ELAR	Eligible Liquid Assets Ratio	Yes
	ASRR	Advances to Stable Resources Ratio	Yes
8. Credit Risk	CRA	General qualitative information about credit risk	Yes
	CR1	Credit quality of assets	Yes
	CR2	Changes in stock of defaulted financing and sukuk	Yes
	CRB	Additional disclosure related to the credit quality of assets	Yes
	CRC	Qualitative disclosure requirements related to credit risk mitigation techniques	Yes
	CR3	Credit risk mitigation techniques – overview	Yes
	CRD	Qualitative disclosures on Banks' use of external credit ratings under the standardised approach for credit risk	Yes
	CR4	Standardised approach – credit risk exposure and Credit Risk Mitigation (CRM) effects	Yes
	CR5	Standardised approach – exposures by asset classes and risk weights	Yes
9. Counterparty Credit Risk	CCRA	Qualitative disclosure related to counterparty credit risk	Yes
	CCR1	Analysis of counterparty credit risk (CCR) exposure by approach	Yes
	CCR2	Credit valuation adjustment capital charge	Yes
	CCR3	Standardised approach of CCR exposures by regulatory portfolio and risk weights	Yes
	CCR5	Composition of collateral for CCR exposure	Yes
	CCR6	Credit derivatives exposures	No
	CCR8	Exposures to central counterparties	No
10. Securitisation	SECA	Qualitative disclosure requirements related to securitisation exposures	No
	SEC1	Securitisation exposures in the Banking book	No
	SEC2	Securitisation exposures in the trading book	No
	SEC3	Securitisation exposures in the Banking book and associated regulatory capital requirements – Bank acting as originator or as sponsor	No
	SEC4	Securitisation exposures in the Banking book and associated capital requirements – Bank acting as investor	No
11. Market Risk	MRA	General qualitative disclosure requirements related to market risk	Yes
	MR1	Market risk under standardised approach	Yes
12. Profit Rate Risk in the Banking Book	PRRBBA	PRRBB risk management objective and policies	Yes
	PRRBB1	Quantitative information on PRRBB	Yes
13. Operational Risk Qualitative Disclosure	OR1	Qualitative disclosure on operational risk	Yes
14. Remuneration policy	REMA	Remuneration policy	Yes
	REM1	Remuneration awarded during the 2025	Yes
	REM2	Special payments	Yes
	REM3	Deferred remuneration	Yes

11.1 Introduction

The Central Bank of the UAE ("CB UAE") sets and monitors capital requirements for the Group as a whole. The CBUAE issued Basel III capital regulations, which came into effect from 1 February 2017 introducing minimum capital requirements at three levels, namely Common Equity Tier 1 ("CET1"), Additional Tier 1 ("AT1") and Total Capital.

The additional capital buffers (Capital Conservation Buffer ("CCB") and Countercyclical Capital Buffer ("CCyB") maximum up to 2.5% for each buffer) introduced are over and above the minimum CET1 requirement of 7%.

For 2025 and onwards, CCB will be required to be maintained at 2.5% (2024: 2.5%) of the Capital base. In December 2024, CB UAE has decided to increase the CCyB requirement to 0.50% on the private sector credit exposures in the UAE. The requirement will phase-in over 12 months beginning from 1 January 2025 with CCyB rate of 0.50% becoming effective on 1 January 2026.

The requirements of the Central Bank of the UAE act as the framework for the implementation of the Basel III Accord in the UAE. In November 2020, CBUAE issued revised standards and guidelines for Capital Adequacy in UAE via Circular 4980/2020. The revised version of the Standards also includes additional Guidance on the topics of Credit Risk, Market Risk, and Operational Risk.

The Basel III framework is based on three pillars:

• Pillar I – Minimum capital requirements: defines rules for the calculation of minimum capital for credit, market and operational risk. The framework allows for different approaches, which can be selected depending on size, sophistication and other considerations. These comprise for Credit Risk: Standardised, Foundation Internal Rating Based (FIRB), Advanced Internal Rating Based (AIRB); for Market Risk: Standardised and Internal Models Approach; and for Operational Risk: Basic Indicator Approach and Standardised Approach.

• Pillar II – Provides the framework for an enhanced supervisory review process with the objective of assessing the adequacy of the Bank's capital to cover not only the three primary risks (Credit, Market and Operational), but in addition a series of other risks that the Bank may be exposed to; for example, concentration risk, residual risk, business risk, liquidity risk etc. It includes the requirement for banks to undertake an Internal Capital Adequacy Assessment Process (ICAAP) on a quarterly basis and submit to CB UAE on annual basis, which is subject to the Central Bank review and inspection.

• Pillar III – Market discipline: requires expanded disclosures, which allow regulators, investors and other market participants to more fully understand the risk profiles of individual banks. The requirements of Pillar III in the case of ADIB are fulfilled in the annual report.

The purpose of Pillar 3 - Market Discipline is to complement the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2). The CBUAE supports the enhanced market discipline by developing a set of disclosure requirements which will allow market participants to assess key information on the scope of application, capital, risk exposure, risk assessment process and hence the capital adequacy of the Group. The Pillar 3 disclosures, based on a common framework, are an effective means of informing the market about the risks faced by the Group, and provide a consistent and understandable disclosure framework that enhances transparency and improves comparability and consistency.

In compliance with the CBUAE Basel III standards and guidelines, these disclosures include qualitative and quantitative information on the Group's risk management objectives and policies, risk assessment processes, capital management and capital adequacy. Many of these requirements have already been satisfied in note 45 to the 2025 ADIB Consolidated Financial Statements, which covers in detail the risk and capital management processes of the Bank and its compliance with the Basel III Accord in this regard.



The following Pillar III disclosures provide additional qualitative and quantitative information over and above that contained in note 45 to the 2025 ADIB Consolidated Financial Statements and together with the information contained in note 45, meet the full disclosure requirements of Pillar III.

Verification

The Pillar 3 Disclosures for the year 2025 have been reviewed by the Group's internal and external auditors.

Information on Subsidiaries and Significant Investment as on 31 December 2025

	Country of Incorporation	% Ownership	Description	Treatment - Regulatory	Treatment - Accounting
SUBSIDIARIES					
Abu Dhabi Islamic Bank – Egypt (S.A.E.)	Egypt	53	Islamic banking	Fully consolidated	Fully consolidated
Abu Dhabi Islamic Securities Company LLC	UAE	95	Equity Brokerage Services	Fully consolidated	Fully consolidated
ADIB Invest 1	BVI	100	Equity Brokerage Services	Fully consolidated	Fully consolidated
Burooj Properties LLC **	UAE	100	Real Estate Investments	Not consolidated	Fully consolidated
MPM Properties LLC **	UAE	100	Real Estate Services	Not consolidated	Fully consolidated
Kawader Services LLC **	UAE	100	Manpower Supply	Not consolidated	Fully consolidated
ADIB (UK) Limited	United Kingdom	100	Other services	Fully consolidated	Fully consolidated
ADIB Capital Ltd	UAE	100	Funds Services	Fully consolidated	Fully consolidated
Fractionalized Sukuk Holding Limited*	UAE	100	Special Purpose Vehicle	Fully consolidated	Fully consolidated
ADIB Sukuk Company II Ltd.*	Cayman Islands	-	Special Purpose Vehicle	Fully consolidated	Fully consolidated
ADIB Capital Invest 3 Ltd.*	Cayman Islands	-	Special Purpose Vehicle	Fully consolidated	Fully consolidated
SIGNIFICANT INVESTMENT					
The Residential REIT (IC) Limited	UAE	29	Real Estate Fund	Deduction treatment	Equity Method
Abu Dhabi National Takaful PJSC	UAE	42	Islamic insurance	Deduction treatment	Equity Method
Bosnia Bank International D.D	Bosnia	27	Islamic banking	Deduction treatment	Equity Method
Saudi Finance Company CSJC	Kingdom of Saudi Arabia	51	Islamic Retail Finance	Deduction treatment	Equity Method
Arab Link Money Transfer PSC (under liquidation)	UAE	51	Currency Exchange	Deduction treatment	Equity Method
Abu Dhabi Islamic Merchant Acquiring Company LLC	UAE	51	Merchant acquiring	Deduction treatment	Equity Method

* The Bank does not have any direct holding in these entities and they are considered to be a subsidiary by virtue of control.

** In accordance with the Circular No. 52/2017 and the Capital Supply standard, the consolidated entity includes all subsidairies except commercial entities for the purpose of Basel III calculations and is subject to treatment outlined section 5 of "Tier Capital Supply Standard" related to "Significant investment in commercial entities".

11.2 Overview of Risk Management and RWA

KM1: Key metrics (at consolidated group level): Overview of risk management, key prudential metrics and RWA categories

	AED '000s	a 31 Dec 2025	b 30 Sept 2025	c 30 June 2025	d 31 Mar 2025	e 31 Dec 2025
1	Common Equity Tier 1 (CET1)	**22,064,801**	23,893,056	22,338,383	20,703,317	19,316,205
1a	Fully loaded ECL accounting model	**22,064,801**	23,893,056	22,338,383	20,703,317	19,202,712
2	Tier 1	**26,874,440**	28,754,195	27,193,382	25,550,965	24,159,336
2a	Fully loaded accounting model Tier 1	**26,874,440**	28,754,195	27,193,382	25,550,965	24,045,843
3	Total capital	**28,850,776**	30,610,610	29,156,615	27,443,997	25,935,443
3a	Fully loaded ECL accounting model total capital	**28,850,776**	30,610,610	29,156,615	27,443,997	25,821,950
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	**183,637,387**	83,836,932	176,049,178	169,126,243	159,983,334
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	**12.02%**	13.00%	12.69%	12.24%	12.07%
5a	Fully loaded ECL accounting model CET1 (%)	**12.02%**	13.00%	12.69%	12.24%	12.00%
6	Tier 1 ratio (%)	**14.63%**	15.64%	15.45%	15.11%	15.10%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	**14.63%**	15.64%	15.45%	15.11%	15.03%
7	Total capital ratio (%)	**15.71%**	16.65%	16.56%	16.23%	16.21%
7a	Fully loaded ECL accounting model total capital ratio (%)	**15.71%**	16.65%	16.56%	16.23%	16.14%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	**2.50%**	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	**0.39%**	0.33%	0.21%	0.04%	0.04%
10	Bank D-SIB additional requirements (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	**2.89%**	2.83%	2.71%	2.54%	2.54%
12	CET1 available after meeting the bank's minimum capital requirements (%)	**5.02%**	6.00%	5.69%	5.24%	5.07%
	Leverage Ratio					
13	Total leverage ratio measure	**290,205,927**	279,286,057	269,178,048	251,766,422	234,036,359
14	Leverage ratio (%) (row 2/row 13)	**9.26%**	10.30%	10.10%	10.15%	10.32%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	**9.26%**	10.30%	10.10%	10.15%	10.27%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	**9.26%**	10.30%	10.10%	10.15%	10.32%
	Liquidity Coverage Ratio					
15	Total HQLA	**N/A**	N/A	N/A	N/A	N/A
16	Total net cash outflow	**N/A**	N/A	N/A	N/A	N/A
17	LCR ratio (%)	**N/A**	N/A	N/A	N/A	N/A
	Net Stable Funding Ratio					
18	Total available stable funding	**N/A**	N/A	N/A	N/A	N/A
19	Total required stable funding	**N/A**	N/A	N/A	N/A	N/A
20	NSFR ratio (%)	**N/A**	N/A	N/A	N/A	N/A
	Eligible Liquidity Asset Ratio (ELAR)					
21	Total HQLA	**43,271,243**	36,133,581	37,195,005	33,456,500	31,687,902
22	Total liabilities	**23,067,635**	214,642,455	210,095,115	195,926,263	178,325,135
23	Eligible Liquid Assets Ratio (ELAR) (%)	**19.40%**	16.83%	17.70%	17.08%	17.77%
	Advances to Stable Resources Ratio (ASRR)					
24	Total available stable funding	**228,638,907**	221,426,176	213,281,575	197,814,959	184,460,950
25	Total Advances	**192,361,228**	180,587,869	171,352,562	156,120,571	149,343,742
26	Advances to Stable Resources Ratio (ASRR) (%)	**84.13%**	81.56%	80.34%	78.92%	80.96%

- Decrease in CET1 ratio for December 2025 vs September 2025 due to adjustment of proposed dividend for 2025 as required by CB UAE regulation, standard and guidance for Basel III.

11.3 OVA: Bank risk management approach

a) Business model determination and interaction with the overall risk profile

Abu Dhabi Islamic Bank ("ADIB" or the "Bank") and its subsidiaries create a leading regional Shari'a-compliant financial services group (the "Group") to carry out full banking services, financing and investing activities through various Islamic financial instruments such as Murabaha, Istisna'a, Mudaraba, Musharaka, Ijara, Wakalah, Sukuk, etc.

The activities of the Group are conducted in accordance with Islamic Shari'a, as determined by the Internal Shari'a Supervisory Committee, and supervised by the Board of Directors ("the Board") in line with Central Bank of UAE ("CBUAE") regulations.

The primary objective of the Risk Management approach is to manage risk underpinning its commitment to safeguarding stakeholder interests and supporting sustainable growth while staying within our defined risk appetite. The Group undertakes a wide variety of Shari'a-compliant banking businesses with certain financial and non-financial risks inherent in such activities. Accordingly, these risks are managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other control mechanisms in accordance with regulatory requirements and the Board's direction.

The principal risks faced by the Group come from extending credit to both corporate and retail customers as well as institutional banking clients. In addition, the Group is exposed to various types of other financial and non-financial risks, including emerging risks which shape its approaches to risk management, product offerings, and strategies for robust risk management and mitigation.

A well-defined risk governance framework is in place with the overall responsibility of risk management vested with the Board of Directors managed through various Board-level risk committees.

b) The Risk Governance Structure

The summary of ADIB's Risk Governance model is as follows:



The Risk Governance Framework is designed to ensure that key risks are managed in a consistent and efficient way and that decisions to accept or mitigate risks are taken expediently and transparently. This includes ensuring risk tolerance levels are set, exceptions and incidents are monitored, and decisions and actions are taken where necessary.

The risk environment in which the Bank operates is dynamic and continually evolving, driven by a wide spectrum of influences spanning from transactional activities to overarching macroeconomic conditions. The risk environment therefore requires continuous monitoring and assessment. The risk governance framework institutionalized across the Group is subject to constant evaluation to ensure that it meets the challenges and requirements of the markets in which the Group operates, including regulatory standards and industry best practices.

The Framework is based on the 'three lines of defense' concept – i) risk taking business units, ii) risk and control functions like Risk, Compliance and iii) Internal Audit. The framework identifies the roles and responsibilities of key parties in the risk management process, the policies for how risks are managed, the tools and processes used and the reporting outputs that are generated.

The Group's risk governance structure provides centralized oversight and control, establishing clear accountability and defined ownership of risk. An effective Risk Governance Framework demands active involvement of the Board and senior management in the formulation and oversight of risk management processes. The Board also ensures that senior management is fully capable of managing the activities that the Group undertakes. Senior management has the responsibility for day-to-day operations as delegated by the Board.

The Board has overall responsibility for the establishment and oversight of the Group's risk governance framework, as well as for approving its overall risk appetite and ensuring that business is conducted within this framework. The Board approves the Group's risk management policies which define its risk strategy and is backed by appropriate qualitative and quantitative parameters, delegation of authorities to the Board committees, and Senior Management to approve financing exposures. The risk governance framework is in line with international best practices and CBUAE guidelines.

ADIB has an independent risk management function – Group Risk Management which is led by the Group Chief Risk Officer (GCRO). The function covers financial and non-financial risks including credit risk, market and profit rate risk, liquidity risk, operational risk and operational resilience, fraud risk, model risk, technology risk, information security and data privacy, Shari'a non-compliance risk and other emerging risks. GRM responsibilities extend across all business units and geographies in which the Group operates.

GRM works in close partnership with the business units to support their activities, whilst safeguarding the risk profile of the Group as the second line of defense. The role of the GRM is to develop and implement the risk policies associated specifically with both quantifiable and non-quantifiable risks arising from the activities of the Group and manage the day-to-day risks. GRM provides independent assurance that all types of risk are being managed in accordance with the policies set by the Board. Independent review of the Risk Governance Framework is carried out by the Internal Audit and Compliance functions.



The table below summarizes the main Board and Management Committees, and key roles that have risk-related responsibilities:

Board of Directors
(having overall responsibility for risk oversight)

Board-level committees with specific risk-related roles and responsibilities:

- Strategy Committee (SC)
- Board and Credit and Investment Committee (BCIC)
- Board Risk Committee (BRC)
- Board Audit Committee (BAC)
- Board Environmental Social & Governance (ESG) Committee

Management-level committees with key risk-related roles and responsibilities:

- Management Risk Committee (MRC)
- Management Asset and Liability Management Committee (MALCO)
- Compliance Management Committee (CMC)
- Management Credit Committee (MCC)
- Group Special Asset Management "GSAM" Credit Committee

Business Units:

- The risk-taking units are responsible as the first line of defense for the development and execution of business plans that are aligned with the Bank's Risk Governance Framework and are accountable for the risks inherent in their business activities.

Group Risk Management (GRM):

- Provides risk oversight and advisory to all lines of business for the key risk types.
- Responsible for setting up the risk management frameworks and developing tools and methodologies for the identification, measurement, monitoring, control and testing of risk.
- Ensures compliance with risk-related regulatory guidelines in the UAE and all overseas jurisdictions where the Group operates.
- Ensures that the core risk policies of the Group are consistent and current, and sets the risk tolerance level through the approved Risk Appetite Statement.
- Responsible for the execution of various risk policies and related business decisions empowered by the Board.
- Promote a culture of risk awareness and accountability throughout the organisation, ensuring that risk considerations are integrated into business decision-making at all levels.
- Report regularly to the Management Risk Committee, Board Risk Committee, and Board of Directors on the risk profile of the Group and risk management initiatives.
- Facilitate the effective implementation of the three lines of defense model, ensuring clear separation between risk ownership, oversight, and independent assurance functions.

Internal Audit

- Independently reviews the control, design, operations, and effectiveness of the risk management process.
- Provide independent assurance to the Board and senior management on effective oversight of and adherence to the risk appetite.

In addition to a functionally and organizationally independent Risk Management at Group level, the following functions also play key risk roles and and hold key responsibilities in risk management:

- Group Credit Management (GCM)
- Finance and Strategy
- Regulatory Compliance
- Shari'a Compliance



c) Channels to communicate, decline, and enforce the Risk culture

The Bank seeks to maintain a strong risk culture through the adoption of the following core principles:

- The Board's involvement
- Strong Corporate and Risk Governance
- Application and monitoring of a Risk Appetite Statement
- Independent Risk Management with adequate resources, tools and processes
- Risk Awareness across the Group
- Preservation of reputation by ensuring Shari'a and regulatory compliance

d) The scope and main features of Risk measurement systems

The integrity of the risk measurement systems is a key to monitoring the Group's risk profile in relation to its defined risk appetite. The Group employs a variety of risk management methodologies including:

Credit risk measurement:

Credit risk is assessed using expected credit loss (ECL) metrics. The bank utilizes both statistical and judgmental models, developed through proprietary methodologies, to estimate ECL. For non-retail obligors, a comprehensive master rating scale has been established to assign risk grades, based on an evaluation of each customer's probability of default and integrating both quantitative and qualitative criteria. This risk rating process provides independent approval authorities with a clear understanding of the counterparty's inherent risk profile and informs the determination of pricing aligned with the evaluated level of risk.

For retail obligors, ADIB employs a tailored approach to credit risk measurement that considers the unique characteristics of individual Financing customers. The Bank utilizes scoring models alongside manual assessment processes to evaluate the creditworthiness of retail clients, incorporating behavioural factors. These assessments are regularly updated to reflect changes in customer circumstances and market conditions, ensuring that the expected credit loss (ECL) models remain robust and relevant for the retail portfolio.

Market risk measurement:

The Group uses appropriate models for the valuation of its positions and receives regular market information to manage market risk. Market risk arises from changes in market rates such as profit rates, foreign exchange rates and equity prices, as well as in their correlation and implied volatility. The Group is exposed to diverse financial instruments including sukuks, foreign currencies, equities, funds, and commodities.

Profit rate risk arises from the possibility that the changes in profit rates will affect either the fair values or the future cash flows of the financial instruments. The Group has established commission rate gap limits for stipulated periods. The Group monitors its structural daily positions regarding profit rate risk and its impact on earnings as well as the economic value of its shareholders' equity, and it also uses gap management strategies to ensure maintenance of positions within the established gap limits.

Operational risk measurement:

The Bank has implemented a comprehensive Operational Risk Policy aligned with CBUAE guidelines. The framework defines clear roles and responsibilities of individuals/business units and committees across the Group to ensure effective management of operational risk. The Framework enables identification, assessment, monitoring, reporting and proactive management of operational risk. Its key components include risk reviews, risk and control self-assessment, loss data collection, key risk indicators, control testing, issues & actions tracking and reporting.



e) Process of Risk information reporting provided to the Board and Senior Management

Detailed reporting of industry, customer and geographic risks acquired takes place frequently. These reports are examined and discussed closely in a series of quarterly portfolio reviews held by senior business and risk managers. Decisions on risk appetite, adjustments to financing criteria and other initiatives are taken as a result of these meetings. Risk reports are presented to the Group Chief Executive Officer, Management Risk Committee, chaired by the Group Chief Executive Officer, as well as to the Board Risk Committee, and the Board regularly.

f) Qualitative information on stress testing

The Group uses various techniques to gauge its vulnerability to exceptional but plausible stress events. The Group adopts an Integrated Stress Testing approach to evaluate potential effects of different stressed events and/or movement in a set of economic variables on the Group's financial condition and their impact on the key financial and regulatory ratios. The approach determines the financial impact of both systemic risk and idiosyncratic risk scenarios on the Group's capital adequacy simultaneously across three stress severity levels – Mild, Moderate and Severe.

Stress testing is based on the concept of proportionality and complexity' and its applicability to the activities of the Group. Relevant factors include size, sophistication and diversification of activities, materiality of different risk types and the Group's vulnerability to them, etc. Stress testing is an important part of the risk management function in the Group.

Besides, the Group has comprehensive Liquidity Stress Testing in line with the guidelines issued by CBUAE. The Bank has comprehensive and specific Management Action Plans to ensure that capital and leverage ratios are managed well within the Risk Appetite thresholds if the key ratios come under unexpected pressure.

g) The strategies and processes to manage, hedge, and mitigate risks

On an annual basis, the Risk Governance Framework is updated where key risks are identified, and actions are listed out to mitigate those risks. The identification of Key Risks and related mitigation plans are discussed in MRC and presented to BRC, and to the Board of Directors on a regular basis. The mitigation plans are reviewed regularly, and the implementation of the required actions are monitored.

Also refer to "Risk Management-Introduction" Note 45.1 of the audited consolidated financial statements as of 31 December 2025.



OV1: Overview of RWA

	AED '000s	a	b	c
		RWA		Minimum capital requirements
		31 December 2025	30 September 2025	31 December 2025
1	Credit risk (excluding counterparty credit risk) (CCR)	162,300,737	161,752,223	17,041,577
2	Of which standardised approach (SA)	162,300,737	161,752,223	17,041,577
3				
4				
5				
6	Counterparty credit risk (CCR)	700,975	807,755	73,602
7	Of which standardised approach for counterparty credit risk	700,975	807,755	73,602
8				
9				
10				
11				
12	Equity investments in funds – look-through approach	491,616	461,332	51,620
13	Equity investments in funds – mandate-based approach	-	-	-
14	Equity investments in funds – fallback approach	48,701	44,890	5,114
15	Settlement risk	-	-	-
16	Securitisation exposures in banking book	-	-	
17		-		-
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	1,925,065	-	-
19	Of which: securitisation standarised approach (SEC-SA)	1,925,065	-	202,132
20	Market risk		2,974,398	202,132
21	Of which standardised approach (SA)	18,170,293	2,974,398	
22				1,907,881
23	Operational risk		17,796,334	
24		183,637,387		
25				19,281,926
26	Total (1+6+10+11+12+13+14+15+16+20+23)		183,836,932	

- The minimum capital requirements applied in column C is 10.5%.

11.4 Linkages between Financial Statements and Regulatory Exposures

LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

AED '000s	31 December 2025						
	a	b	c	d	e	f	g
			Carrying values of items:				
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and balances with central banks	43,952,147	43,951,916	43,951,916	-	-	-	-
Balance and wakala deposits with Islamic banks and other financial institutions	4,618,780	4,589,014	4,589,014	-	-	-	-
Murabaha and mudaraba with financial institutions	7,255,105	7,255,105	7,255,105	-	-	-	-
Murabaha, Ijara and other Islamic financing	181,376,263	182,458,168	182,458,168	-	-	-	-
Investment in sukuk at amortised cost	26,714,211	26,714,211	26,714,211	-	-	-	-
Investment measured at fair value	4,906,366	5,729,450	3,870,159	-	-	1,300,171	559,120
Investment in associates and joint ventures	1,013,813	1,013,813	1,013,813	-	-	-	-
Investment properties	1,310,369	295,961	295,961	-	-	-	-
Development properties	742,965	-	-	-	-	-	-
Other assets	5,625,529	5,653,194	5,653,194	-	-	-	-
Property and equipment	2,774,729	2,651,610	2,651,610	-	-	-	-
Goodwill and intangibles	462,871	462,871	-	-	-	-	462,871
Total assets	**280,753,148**	**280,775,313**	**278,453,151**	-	-	**1,300,171**	**1,021,991**
Liabilities							
Due to financial institutions	9,684,648	-	-	-	-	-	-
Depositors' accounts	229,096,294	-	-	-	-	-	-
Other liabilities	7,766,337	-	-	-	-	-	-
Sukuk financing instrument	1,836,250	-	-	-	-	-	-
Total liabilities	**248,383,529**	-	-	-	-	-	-

- Variance between the financial statements and the regulatory consolidation is due to non-consolidation of commercial entities of the ADIB Group in regulatory consolidation, i.e., Burooj Properties LLC, MPM Properties LLC, and Kawader Services LLC.

LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

AED '000s		31 December 2025				
		a	b	c	d	e
			Items subject to:			
		Total	Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	280,775,313	278,453,151	-	-	1,300,171
2	Liabilities + Shares carrying value amount under regulatory scope of consolidation (as per template LI1)	-	-	-	-	-
3	Total net amount under regulatory scope of consolidation	280,775,313	278,453,151	-	-	1,300,171
4	Off-balance sheet amounts	19,848,804	19,848,804	-	-	-
5	Derivatives	1,368,331	-	-	1,368,331	-
6	Differences in valuations	-	-	-	-	-
7	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
8	Differences due to consideration of provisions	1,681,756	-	-	-	-
9	Differences due to prudential filters	-	-	-	-	-
10	Goodwill, Deferred tax and threshold deductions	(462,871)	-	-	-	-
11	**Exposure amounts considered for regulatory purposes**	**303,211,333**	**298,301,956**	-	**1,368,331**	**1,300,171**

LIA: Explanations of differences between accounting and regulatory exposure amounts

a) Explanation of significant differences between the amounts in columns (a) and (b) in LI1

Variance between the financial statements and the regulatory consolidation is due to non-consoldiation of commercial entities of the ADIB Group in regulatory consolidation, i.e, Burooj Properties LLC, MPM Properties LLC, and Kawader Services LLC.

b) Explanation of the origins of differences between carrying values and amounts considered for regulatory purposes shown in LI2

In on-balance sheet and off-balance sheet amounts, there are no differences between carrying values as reported in published financial statements and carrying values under scope of regulatory consolidation. However, derivatives amounts have been reported as credit equivalent amounts under both (a) and (d).

c) i. Valuation methodologies, including an explanation of how far mark-to-market and mark-to-model methodologies are used.
ii. Description of the independent price verification process.
iii. Procedures for valuation adjustments or reserves (including a description of the process and the methodology for valuing trading positions by type of instrument).

Please refer note 4, 24 and 45 of the audited consolidated financial statements as of 31 December 2025.

d) Banks with Takaful insurance subsidiaries

ADIB Group does not have any Takaful insurance subsidiary.

11.5 Prudential Valuation Adjusments

PV1: Prudential valuation adjustments (PVAs)
Not applicable

11.6 Composition of Capital

CC1: Composition of regulatory capital

	AED '000s	31 December 2025	
		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	3,632,000	Same as (a) from CC2 template
2	Retained earnings	13,022,815	
3	Accumulated other comprehensive income (and other reserves)	5,872,773	
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)	-	
5	Common share capital issued by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory deductions	**22,527,588**	
	Common Equity Tier 1 capital regulatory adjustments		
7	Prudent valuation adjustments	-	
8	Goodwill (net of related tax liability)	(238,988)	
9	Other intangibles including mortgage servicing rights (net of related tax liability)	(223,883)	
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash flow hedge reserve	84	
12	Securitisation gain on sale	-	
13	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
14	Defined benefit pension fund net assets	-	

15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	-	
17	Investments in the capital of banking, financial and Takaful insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
18	Significant investments in the common stock of banking, financial and Takaful insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
20	Amount exceeding 15% threshold	-	
21	Of which: significant investments in the common stock of financials	-	
22	Of which: deferred tax assets arising from temporary differences	-	
23	CBUAE specific regulatory adjustments	-	
24	**Total regulatory adjustments to Common Equity Tier 1**	**(462,787)**	
25	**Common Equity Tier 1 capital (CET1)**	**22,064,801**	
	Additional Tier 1 capital: instruments		
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	4,754,375	CC2 (b)
27	OF which: classified as equity under applicable accounting standards	4,754,375	
28	Of which: classified as liabilities under applicable accounting standards	-	
29	Directly issued capital instruments subject to phase-out from additional Tier 1	-	
30	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	-	
31	Of which: instruments issued by subsidiaries subject to phase-out	-	
32	Additional Tier 1 capital before regulatory adjustments	**4,754,375**	
	Additional Tier 1 capital: regulatory adjustments		
33	Investments in own additional Tier 1 instruments	-	
34	Investments in capital of banking, financial and Takaful insurance entities that are outside the scope of regulatory consolidation	-	
35	Significant investments in the common stock of banking, financial and Takaful insurance entities that are outside the scope of regulatory consolidation	-	
36	CBUAE specific regulatory adjustments	55,264	
37	Total regulatory adjustments to additional Tier 1 capital	-	
38	**Additional Tier 1 capital (AT1)**	**4,809,639**	
39	**Tier 1 capital (T1= CET1 + AT1)**	**26,874,440**	
	Tier 2 capital: instruments and provisions		
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
41	Directly issued capital instruments subject to phase-out from Tier 2	-	
42	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 30) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
43	Of which: instruments issued by subsidiaries subject to phase-out	-	

44	Provisions	1,826,703	
45	**Tier 2 capital before regulatory adjustments**	**1,826,703**	
	Tier 2 capital: regulatory adjustments		
46	Investments in own Tier 2 instruments	-	
47	Investments in capital, financial and Takaful insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
48	Significant investments in the capital, financial and Takaful insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
49	CBUAE specific regulatory adjustments	149,633	
50	**Total regulatory adjustments to Tier 2 capital**	-	
51	**Tier 2 capital (T2)**	**1,976,336**	
52	**Total regulatory capital (TC = T1 + T2)**	**28,850,776**	
53	**Total risk-weighted assets**	**183,637,387**	
	Capital ratios and buffers		
54	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	**12.02%**	
55	**Tier 1 (as a percentage of risk-weighted assets)**	**14.63%**	
56	**Total capital (as a percentage of risk-weighted assets)**	**15.71%**	
57	**Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)**	2.89%	
58	**Of which: capital conservation buffer requirement**	2.50%	
59	**Of which: bank-specific countercyclical buffer requirement**	0.39%	
60	**Of which: higher loss absorbency requirement (e.g. DSIB)**	0.00%	
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.**	**6.00%**	
	The CBUAE Minimum Capital Requirement		
62	Common Equity Tier 1 minimum ratio	7.00%	
63	Tier 1 minimum ratio	8.50%	
64	Total capital minimum ratio	10.50%	
	Amounts below the thresholds for deduction (before risk weighting)		
66	Significant investments in common stock of financial entities	-	
67	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
	Applicable caps on the inclusion of provisions in Tier 2		
69	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	1,826,703	
70	Cap on inclusion of provisions in Tier 2 under standardised approach	-	

	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
73	Current cap on CET1 instruments subject to phase-out arrangements	-	
74	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
75	Current cap on AT1 instruments subject to phase-out arrangements	-	
76	Amount excluded from AT1 due to cap (excess after redemptions and maturities)	-	
77	Current cap on T2 instruments subject to phase-out arrangements	-	
78	Amount excluded from T2 due to cap (excess after redemptions and maturities)	-	

CC2: Reconciliation of regulatory capital to balance sheet

AED '000s	a Balance sheet as in published financial statements December 2025	b Under regulatory scope of consolidation December 2025	c Reference
Assets			
Cash and balances with central banks	43,952,147	43,951,916	
Balance and wakala deposits with Islamic banks and other financial institutions	4,618,780	4,589,014	
Murabaha and mudaraba with financial institutions	7,255,105	7,255,105	
Murabaha, Ijara and other Islamic financing	181,376,263	182,458,168	
Investment in sukuk at amortised cost	26,714,211	26,714,211	
Investment measured at fair value	4,906,366	5,729,450	
Investment in associates and joint ventures	1,013,813	1,013,813	
Investment properties	1,310,369	295,961	
Development properties	742,965	-	
Other assets	5,625,529	5,653,194	
Property and equipment	2,774,729	2,651,610	
Goodwill and intangibles	462,871	462,871	
Of which: goodwill	238,988	238,988	
Of which: intangibles (excluding MSRs)	223,883	223,883	
Total assets	**280,753,148**	**280,775,313**	
Liabilities			
Due to financial institutions	9,684,648	-	

Depositors' accounts	229,096,294	-	
Other liabilities	7,766,337	-	
Sukuk financing instruments	1,836,250	-	
Total liabilities	**248,383,529**	-	
Equity			
Share capital	3,632,000	3,632,000	
Of which: amount eligible for CET1	3,632,000	3,632,000	(a)
Of which: amount eligible for AT1	-	-	
Legal reserve	2,700,228	2,683,551	
General reserve	4,540,468	4,518,507	
Credit risk reserve	400,000	400,000	
Retained earnings	15,847,602	15,779,954	
Other reserves	(1,052,821)	(1,729,202)	
Tier 1 sukuk	4,754,375	4,754,375	(b)
Equity attributable to the equity and Tier 1 sukuk holders of the Bank	**30,821,852**	**30,039,185**	
Non-controlling interest	1,547,767	972,614	
Total equity	**32,369,619**	**31,011,799**	



CCA: Main features of regulatory capital instruments

		Quantitative / Qualitative information		
1	Issuer	Abu Dhabi Islamic Bank	Abu Dhabi Islamic Bank & Subsidiaries	Abu Dhabi Islamic Bank
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	XS2642454271	N/A
3	Governing law(s) of the instrument	UAE Law	English Law	UAE Law
	Regulatory treatment			
4	Transitional arrangement rules (i.e. grandfathering)	Common Equity Tier 1	N/A	N/A
5	Post-transitional arrangement rules (i.e. grandfathering)	Common Equity Tier 1	Additional Tier 1	Additional Tier 1
6	Eligible at solo/group/group and solo	Solo and Group	Solo and Group	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Sukuk	Sukuk
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	AED 3,632 million	USD 750 million	AED 2 billion
9	Nominal amount of instrument	N/A	USD 750 million	AED 2 billion
9a	Issue price	N/A	100%	100%
9b	Redemption price	N/A	Refer point 15 below	Refer point 15 below
10	Accounting classification	Equity	Equity	Equity
11	Original date of issuance	Various	18 July 2023	16 April 2009
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	N/A	N/A	N/A
14	Issuer call subject to prior supervisory approval	No	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	On the First Call Date, 18 July 2028 (at par) and any date thereafter up to and including the First Reset Date, 18 January 2029; following a Tax Event (at par); and following a Capital Event (full or partial disqualification) (at par).	On the Call Date, 16 April 2027 (at par); following a Tax Event (at par) (at any time); and following a Capital Event (at par) (at any time).
16	Subsequent call dates, if applicable	N/A	Any periodic distribution date following the First Reset Date.	Any period distribution date after the call date.
	Coupons / dividends			
17	Fixed or floating dividend/coupon	N/A	Expected mudaraba profit rate for initial period of 5.5 years and for every 5th year thereafter resets to new Expected mudaraba profit rate.	Expected mudaraba profit rate for initial period of 5 years and after the initial period bear an Expected variable mudaraba profit rate.
18	Coupon rate and any related index	N/A	7.25% (expected mudaraba profit rate for initial period of 5.5 years) and resets the then 5 years US treasury rate plus expected margin of 3.059%	6.0% (expected mudaraba profit rate for initial period of 5 years) and after initial period of 5 years bear as expected variable mudaraba profit rate payable of 6month Eibor plus expected margin of 2.3%

19	Existence of a dividend stopper	N/A	Yes	Yes
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully Discretionary	Fully Discretionary	Fully Discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully Discretionary	Fully Discretionary	Fully Discretionary
21	Existence of step-up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	N/A	Non-convertible	Non-convertible
24	Writedown feature	N/A	Yes	Yes
25	If writedown, writedown trigger(s)	N/A	Contractual Non-Viability Loss Absorption as detailed in the issue prospectus.	Contractual Non-Viability Loss Absorption as detailed in the issue documents.
26	If writedown, full or partial	N/A	Full or partial write down.	Full or partial write down.
27	If writedown, permanent or temporary	N/A	Permanent	Permanent
28	If temporary write-own, description of writeup mechanism	N/A	N/A	N/A
28a	Type of subordination	N/A	Contractual	Contractual
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N/A	Senior only to share capital	Senior only to share capital
30	Non-compliant transitioned features	N/A	No	No
31	If yes, specify non-compliant features	N/A	N/A	N/A



11.7 Macroprudential Supervisory measures

CCyB1: Geographical distribution of credit exposures used in the countercyclical capital buffer

AED '000s	31 December 2025				
	a	b	c	d	e
Geographical breakdown	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
		Exposure values	Risk-weighted assets		
United Arab Emirates	0.50%	169,518,361	113,558,933		
United Kingdom	2.00%	3,255,860	3,237,902		
Denmark	2.50%	14,230	14,230		
Sweden	2.50%	770	281		
Republic of Ireland	1.50%	1,257	440		
Netherlands	2.00%	494	213		
South Africa	1.00%	831	287		
Czechia	1.25%	378	132		
Romania	1.00%	425	149		
Hong Kong	0.50%	754	264		
Norway	2.50%	121	42		
Spain	0.50%	428	150		
Sum		**172,793,909**	**116,813,023**		
Total		**302,655,844**	**163,542,029**	**0.39%**	**632,935**

11.8 Leverage Ratio

LR1: Summary comparison of accounting assets vs leverage ratio exposure

		31 December 2025
	Summary comparison of accounting assets versus leverage ratio exposure measure	a
	Item	AED '000s
1	Total consolidated assets as per published financial statements	280,753,148
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	22,165
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-
5	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	1,368,331
9	Adjustment for securities financing transactions (i.e. repos and similar secured financing)	-
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	9,151,579
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(626,424)
12	Other adjustments	(462,871)
13	**Leverage ratio exposure measures**	**290,205,927**



LR2: Leverage ratio common disclosure template

	AED '000s	a	b
		31 December 2025	30 September 2025
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	280,775,313	269,752,656
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	(626,427)	(660,754)
6	(Asset amounts deducted in determining Tier 1 capital)	(462,871)	(462,301)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**279,686,015**	**268,629,601**
	Derivative Exposures		
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	189,313	137,933
9	Add-on amounts for PFE associated with all derivatives transactions	1,179,017	1,386,228
10	(Exempted CCP leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivative exposures (sum of rows 8 to 12)**	**1,368,331**	**1,524,161**
	Securities financing transaction exposures		
14	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Credit Conversion Factor (CCR) exposure for Security Financing Transaction (SFT) assets	-	-
17	Agent transaction exposures	-	-
18	**Total securities financing transaction exposures (sum of lines 14 to 17)**	-	-
	Other off-balance sheet exposures		
19	Off-balance sheet exposure at gross notional amount	19,898,665	19,100,630
20	(Adjustments for conversion to credit equivalent amounts)	(10,747,086)	(9,968,335)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	**Off-balance sheet items (sum of lines 19 to 21)**	**9,151,579**	**9,132,294**
	Capital and total exposures		
23	Tier 1 capital	26,874,440	28,754,195
24	**Total exposures (sum of lines 7, 13, 18 and 22)**	**290,205,924**	**279,286,057**
	Leverage ratio		
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**9.26%**	**10.30%**
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	9.26%	10.30%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	**Applicable leverage buffers**	0.00%	0.00%

11.9 Liquidity

LIQA: Liquidity risk management

a) Governance of liquidity risk management, including: risk tolerance; structure and responsibilities for liquidity risk management; internal liquidity risk strategy, policies and practices across business lines and with the board of directors.

Liquidity risk is the risk that the Bank will be unable to meet its payment obligations when they fall due under normal or stress circumstances. This risk arises from the inability of the Bank to anticipate and provide for unforeseen decreases or changes in funding sources which could have adverse consequences on the Bank's ability to meet its obligations when they fall due.

Under the overall Risk Governance Framework, ALCO is a key component of risk management within ADIB. It is mandated by the Board or its delegate, the BRC (Board Risk Committee), to manage and implement the Assets & Liabilities Management (ALM) policy as approved by the Board and other applicable policies. ALCO is a management decision-making committee for all matters relating to ALM including balance sheet structure, funding, liquidity, pricing, hedging and investment and setting accrual limits.

Treasury is responsible for day-to-day management of the mismatch between the Bank's assets and liabilities and in conjunction with the Group Finance, the overall financial structure of the balance sheet. It is also primarily responsible for managing the funding and liquidity risks of the Bank. Group Finance and Market Risk also monitor liquidity requirements and related ratios.

b) Funding strategy, including policies on diversification in the sources of funding (both products and counterparties)

The Bank, to limit the Liquidity risk, has arranged diversified funding sources in addition to its core retail deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. The Bank also maintains lines of credit that it can access to meet liquidity needs. It also maintains and monitor a sufficient inventory of eligible liquid assets that can be used to raise short term funding through a collateralized Murabaha and/or double Waa'd agreements. The current account deposits are assessed as stable, based on various behavioral analysis conducted by both external consultants and internal teams. The top 20 deposit concentration level although edging higher remains within acceptable levels.

c) Liquidity risk mitigation techniques

An ALM framework has been put in place to monitor and mitigate the Liquidity risk. A maturity mismatch analysis, under normal and stressed conditions, is the primary tool for monitoring Liquidity risk, performed to monitor successive time bands across functional currencies. In addition, the Bank monitors various Liquidity risk ratios and maintains an up-to-date contingency funding plan.

The Board-approved Risk Appetite Statement (RAS) defines Liquidity risk tolerance thresholds. The key Liquidity risk measures include gaps and ratios such as ELAR and ASRR. All these Liquidity measures are reported to ALCO on a monthly basis and to management and the Board committees (MRC/BRC) at regular intervals.

d) An explanation of how stress testing is used

The Bank applies various stress scenarios to assess and manage the Liquidity position, considering both the market in general and specifically to the Group. The Bank identifies historical and hypothetical events that can lead to a material impact on its liquidity positions. The impact of stress scenarios is assessed on gap positions and all regulatory ratios. Accordingly, management action plans are devised to enable the Bank plan for its liquidity actions under such stressed liquidity situations.

e) An outline of the bank's contingency funding plans

In order to manage its liquidity risk, the bank has in place a Contingency Funding Plan, which outlines roles and responsibilities of each concerned department, trigger points and protocols to invoke a liquidity crisis event and initiate deployment of a set of management mitigating actions to counter a potential liquidity squeeze.

The Funding Plan includes various stress scenarios, both of general and idiosyncratic natures, which are discussed and approved at management and Board levels and are meant to simulate various severe but plausible sources of a liquidity crisis.

Also refer to "Risk Management – Liquidity risk and funding management" Note 45.3 of the audited consolidated financial statements as of 31 December 2025



f) Customized measurement tools or metrics that assess the structure of the Bank's balance sheet or the project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to the Bank.

AED '000s	On Balance Sheet Exposures – 31 December 2025				
	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Cash and balances with central banks	34,820,536	9,131,611	-	-	43,952,147
Balance and wakala deposits with Islamic	3,859,397	369,594	144,007	245,782	4,618,780
banks and other financial institutions					
Murabaha and mudaraba with	842,774	1,281,745	4,778,356	352,230	7,255,105
financial institution					
Murabaha, Ijara and other Islamic financing	12,686,490	29,561,287	85,552,423	53,576,063	181,376,263
Investment in sukuk at amortised cost	654,444	1,378,671	16,903,280	7,777,816	26,714,211
Investment measured at fair value	1,089,515	1,345,439	1,826,928	644,484	4,906,366
Investment in associates and joint ventures	-	-	-	1,013,813	1,013,813
Other assets	2,780,075	541,893	644,375	-	3,966,343
Financial assets	**56,733,231**	**43,610,240**	**109,849,369**	**63,610,188**	**273,803,028**
Non-financial assets					6,950,120
Total assets					**280,753,148**
Liabilities					
Due to financial institutions	7,125,282	2,428,014	131,352	-	9,684,648
Depositors' accounts	188,311,052	36,916,376	3,868,556	310	229,096,294
Other liabilities	3,947,661	1,615,957	2,166,014	36,704	7,766,336
Sukuk financing instrument	-	-	1,836,250	-	1,836,250
Total Liabilities	**199,383,995**	**40,960,347**	**8,002,172**	**37,014**	**248,383,528**

AED '000s	Off Balance Sheet Exposures – 31 December 2025				
	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
Contingent liabilities	5,639,342	4,494,040	5,523,256	16,609	15,673,247
Undrawn facilities commitments	-	2,111,733	1,926,831	-	4,038,564
Commitments	-	11,551	224,040	12,041	247,632
Total	**5,639,342**	**6,617,324**	**7,674,127**	**28,650**	**19,959,443**

g) Concentration limits on collateral pools and sources of funding (both products and counterparties).

ADIB maintains strong liquidity under current market conditions by having a stable source of funding through its sticky customers deposits, therefore Wholesale funding reliance remains adequate. It, however, has concentration limit on overall Wholesale funding and maintains limits at the counterparty level.

To further enhance its liquidity, ADIB continue to develop and implement Shari'a-compliant netting structures to allow effective liquidity management through the development of its eligible securities with market counterparties and with the Central Bank of the UAE.

h) Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity.

There may be legal and regulatory restrictions on the bank's ability to use liquid assets held at one legal entity to support the liquidity requirements of another legal entity

i) Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps.

Please refer to point f) above for details



LIQ1: Liquidity Coverage Ratio (LCR) – Not applicable for ADIB Group
LIQ2: Net Stable Funding Ratio (NSFR) – Not applicable for ADIB Group
ELAR: Eligible Liquid Assets Ratio* (UAE operation only)

	AED '000s	31 December 2025	
		Nominal amount	Eligible Liquid Asset
1	**High Quality Liquid Assets**		
1.1	Physical cash in hand at the bank + balances with the CBUAE	39,612,026	
1.2	UAE Federal Government Sukuks	124,415	
	Sub Total (1.1 to 1.2)	**39,736,441**	**39,736,441**
1.3	UAE local governments publicly traded debt securities	3,534,802	
1.4	UAE Public sector publicly traded debt securities	-	
	Sub Total (1.3 to 1.4)	**3,534,802**	**3,534,802**
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	-
1.6	**Total**	**43,271,243**	**43,271,243**
2	Total liabilities		223,067,635
3	Eligible Liquid Assets Ratio (ELAR)		**19.40%**

*as per BRF 8.



ASRR: Advances to Stable Resources Ratio*

	AED '000s	31 December 2025
		Amount
1	**Computation of Advances**	
1.1	Net financing (gross financing – specific and profit in suspense)	179,125,569
1.2	Placement with non-banking financial institutions	803,814
1.3	Net Financial Guarantees & Stand-by LC (issued – received)	689,268
1.4	Interbank Placements	11,742,577
1.5	**Total Advances**	**192,361,228**
2	**Computation of Net Stable Resources**	
2.1	Total capital + general provisions	33,622,107
	Deduct:	
2.1.1	Goodwill and other intangible assets	462,871
2.1.2	Fixed Assets	2,835,897
2.1.3	Funds allocated to branches abroad	-
2.1.5	Unquoted Investments	669,963
2.1.6	Investment in subsidiaries, associates and affiliates	1,595,459
2.1.7	**Total deduction**	**5,564,190**
2.2	**Net Free Capital Funds**	**28,057,917**
2.3	**Other Stable resources:**	
2.3.1	Funds from the head office	-
2.3.2	Interbank deposits with remaining life of more than 6 months	900,869
2.3.3	Refinancing of Housing financing	-
2.3.4	Financing from non-Banking Financial Institutions	4,030,966
2.3.5	Customer Deposits	193,812,905
2.3.6	Capital market funding/ term financing maturing after 6 months from reporting date	1,836,250
2.3.7	**Total other stable resources**	**200,580,990**
2.4	**Total Stable Resources (2.2+2.3.7)**	**228,638,907**
3	**ADVANCES TO STABLE RESOURCES RATIO (1.5/ 2.4*100)**	**84.13%**

***as per BRF 54.**

11.10 Credit Risk

CRA: General qualitative information about Credit Risk

a) Business model translation into the components of the Bank's credit risk profile.

Credit risk is the most significant and pervasive risk for the Group. The Bank is exposed to different types of Credit risk. The most common Credit risk, inherent in a wide range of Group's businesses, arises from adverse changes in the credit quality and recoverability of financings (credit facilities provided to customers), advances and amounts due from counterparties, and cash and deposits held with other Banks. Furthermore, there is credit risk in certain off-balance sheet financial instruments, including guarantees, letters of credit, contracts relating to purchase and sale of foreign currencies, acceptances, and commitments to extend credit.

In addition, the Group also faces concentration and cross-border risks. Concentration risk arises from any single exposure or a group of exposures with common risk factors with potential to produce large losses. Cross-border risk is the risk that the Group will be unable to obtain as agreed and on time payment from its customers [or party on behalf of the customers] of their obligations or transactions with the Bank, often as a result of certain actions taken by foreign governments or government-related entities. Cross-Border Risk is chiefly relating to the availability, convertibility and transferability of such foreign currency at transparent, free & acceptable FX rates. These actions taken by foreign governments may include the imposition of exchange controls and restrictions on remittance of funds or goods and services, often accompanied by debt moratoria or impediments to freely transfer currency.

GRM monitors and controls credit risk through a set of parameters and thresholds for the Group's financing activities.

The Group has adopted the Standardized Approach for measuring minimum capital requirement for credit risk.

b) Criteria and approach used for defining credit risk management policy and for setting credit risk limits.

The overall credit process including approval, disbursements, administration, classification and recoveries are governed by the Group's Credit Risk Policy, which is reviewed by the GRM and GCM, endorsed by BRC and approved by the Board.

The Credit Risk Policy has been prepared with the broad objective of meeting the following goals:

- Adhere to CBUAE regulations and best practices; and
- Maintaining a diversified high credit quality financing portfolio through risk-based financing.

The Group seeks to manage its credit risk exposure through diversification of financing activities, maintaining limits, to avoid undue concentrations of risks with individuals or groups of customers or in specific locations or businesses. It also obtains security when appropriate and actively uses collateral to reduce its credit risks. The Group also follows prudential exposure ceilings set by the Board in line with Central Bank of the UAE (CBUAE) guidelines.

c) Structure and organization of the credit risk management and control function.

Credit risk management for the financing portfolio begins with initial underwriting and continues throughout an obligor's credit cycle. The Group monitors credit quality of its financing portfolio based on primary credit quality indicators.

All corporate credit proposals are independently reviewed and approved by appropriate authority as defined in the Credit Risk Policy, which includes Management-level Credit Committee and Board-level Committee. For Retail, the Group has in place comprehensive credit program manuals highlighting requirements of every aspect of retail financing.

Credit Approval process is independent from GRM and reports directly to the GCEO of the Bank.

d) The Credit Operations and Disbursements functions

Credit Control function is responsible for controlling, managing the portfolio, and reporting exceptions post the credit approval process. The key role is to ensure full adherence to the Credit Risk Policy, Banks' and Sharia and other relevant policies and procedure. Any exceptions are timely reported to the approving authorities as stipulated in the Credit Risk Policy. The Credit Control function is independent from the approval process and directly reportsto the Group Chief Risk Officer.

e) Relationships between the Credit risk management, risk control, compliance, and internal audit functions.

Group Credit Management (GCM) is headed by the Group Chief Credit Officer (GCCO) and operates independently from Group Risk Management (GRM). Its primary mandate is to provide an impartial assessment when approving financing transactions within the delegated authority structure.

All customer-related business proposals are reviewed and approved as per the delegated limits approved by the Board. Senior Credit Officers within the GCM conduct independent credit risk assessment of credit proposals, provide relevant recommendations and approve based on their delegated financing authority as the case maybe.

Credit Applications above GCM's DLA are approved by the relevant Committees (Management Credit Committee (MCC) & Board and Credit and Investment Committee (BCIC)). The credit approval process and the authorities vested with the committee members are laid out in the respective committees' approved Terms of Reference.

f) Scope and main content of the reporting on Credit risk exposure and management function to the executive management and to the board of directors.

Comprehensive Portfolio reports covering both Wholesale and Retail portfolios are presented to Business units, management and the Board committees (MRC and BRC) on a regular basis. The report highlights the status of the exposure, recoveries, early-warning signals, collaterals details, provisions movements, and the action plan to address issues, if any.

CR1: Credit quality of assets

	AED '000s	31 December 2025					
		a	b	c	d	e	f
		Gross carrying values of			Of which ECL accounting provisions for credit losses		Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures	Allowances/ impairments	Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Customer Financing	5,620,587	181,050,296	4,212,715	2,640,137	1,572,578	**182,458,168**
2	Sukuk	55,044	30,928,366	74,558	31,253	43,305	**30,908,852**
3	Off-balance sheet exposures	468,167	20,798,829	194,811	49,861	144,950	**21,072,185**
4	**Total**	**6,143,798**	**232,777,491**	**4,482,084**	**2,721,251**	**1,760,833**	**234,439,205**

Definition of defaulted exposures

The Group follows the definition of default as defined by ADIB's internal policies in adherence to CBUAE regulations.

CR2: Changes in stock of defaulted customer financing and sukuk

	AED '000s	a
1	**Defaulted customer financing and sukuk at the end of 31 December 2024**	**6,319,222**
2	Customer financing and sukuk that have defaulted since the last reporting period	888,277
3	Returned to non-defaulted status	(209,698)
4	Amounts written off	(1,094,402)
5	Other changes	(227,768)
6	**Defaulted customer financing and sukuk at the end of 31 December 2025 (1+2-3-4±5)**	**5,675,631**



CRB: Additional disclosure related to the credit quality of assets

Qualitative disclosures

a) The scope and definitions of past due and impaired exposures used for accounting purposes and the differences, if any, between the definition of past due and default for accounting and regulatory purposes.

Common definitions are used for both accounting and regulatory purposes. Financing past due for over 90 days and/or unlikely to pay as per the Group's internal policy is treated as impaired unless an exception is approved by an appropriate authority. The Group considers that the obligor is unlikely to pay its credit obligations in full, without recourse by the Bank to actions such as releasing collateral (if held).

b) The extent of past-due exposures (>90 days) that are not considered to be impaired and the reasons for this.

The Group considers the past due exposures for more than 90 days as impaired unless approved by the appropriate authority. There should be no such exposures greater than 90 days which are not considered impaired and not approved by the appropriate authority.

c) Description of methods used for determining accounting provisions for credit losses.

The Group's approach to credit provisioning is fully aligned with the requirements set forth by the CBUAE regulations. The Group ensures that its Expected Credit Loss (ECL) calculation, methodology, and IFRS 9 ECL disclosures strictly adhere to the standards mandated by the regulator. Further details regarding this alignment can be found in the "Risk Management – Credit risk" Note 45 of the audited consolidated financial statements as of 31 December 2025.

d) The Bank's own definition of a restructured approach.

The Group's follows the classification of restructured accounts as required by CBUAE regulations. A restructured account is one where, for economic or legal reasons relating to the obligor's financial difficulty, concessions are granted to the obligor that would not otherwise be considered.

The Group distinguishes between distressed and non-distressed restructuring in line with regulatory guidance. Distressed restructuring refers to instances where concessions are provided to obligors experiencing financial difficulties and are unable to meet their original contractual obligations; such cases typically involve a deterioration in the obligor's creditworthiness and may result in the account being classified as impaired or non-performing. In contrast, non-distressed restructuring occurs when modifications to the terms are made for reasons other than the obligor's financial distress, for example, as part of broader relationship management or business strategies, and do not indicate a significant increase in credit risk.

Qualitative disclosures

e) Breakdown of exposures by geographic distribution, industry segment and residual contractual maturity.

AED '000s	31 December 2025								
Geographic Distribution of Gross Credit Exposure	Customer Financings	Balances & placements with Banks & FI	Sukuk	Others	Total Funded	Commitments	Other Off-Balance Sheet exposures	Total Non-Funded	Total
United Arab Emirates	149,999,834	200,412	14,883,442	48,165,875	**213,249,563**	4,199,776	11,475,144	15,674,920	**228,924,484**
Rest of Middle East	16,251,340	3,936,438	12,778,543	2,469,622	**35,435,943**	-	521,012	521,012	**35,956,955**
Europe	4,413,211	293,011	-	152,510	**4,858,732**	-	-	-	**4,858,732**
Others	13,369,991	7,466,001	3,290,171	4,327,426	**28,453,589**	25,453	4,995,750	5,021,203	**33,474,792**
Total	**184,034,376**	**11,895,862**	**30,952,157**	**55,115,433**	**281,997,828**	**4,225,229**	**16,991,906**	**21,217,135**	**303,214,963**

AED '000s	31 December 2025								
Industry Segment of Gross Credit Exposure	Customer Financings	Balances & placements with Banks & FI	Sukuk	Others	Total Funded	Commitments	Other Off-Balance Sheet exposures	Total Non-Funded	Total
Agriculture, Fishing & related activities	54,593	-	-	-	**54,593**	-	41,943	41,943	**96,537**
Crude Oil, Gas, Mining & Quarrying	6,968	-	-	-	**6,968**	109,062	189,100	298,163	**305,131**
Manufacturing	2,010,026	-	-	-	**2,010,026**	19,144	1,232,207	1,251,351	**3,261,377**
Electricity & Water	2,646,333	-	3,391,704	-	**6,038,037**	749,568	34,254	783,822	**6,821,860**
Construction	8,859,626	-	2,025,483	26,407	**10,911,516**	31,244	6,730,625	6,761,870	**17,673,386**
Trade	3,818,816	-	1,156,300	-	**4,975,116**	33,714	1,332,812	1,366,526	**6,341,642**
Transport, Storage & Communication	1,266,414	-	-	-	**1,266,414**	409,564	475,020	884,584	**2,150,998**
Financial Institutions	6,411,002	11,895,862	10,786,824	2,321,715	**31,415,403**	-	3,276,730	3,276,730	**34,692,134**
Services	5,861,004	-	-	-	**5,861,004**	9,428	1,667,772	1,677,200	**7,538,204**
Government /Public Sector	45,121,261	-	11,540,366	41,412,404	**98,074,031**	-	1,773,655	1,773,655	**99,847,686**
Retail/Consumer banking	103,210,698	-	-	408,429	**103,619,127**	2,635,017	48,643	2,683,660	**106,302,787**
All Others	4,767,635	-	2,051,480	10,946,477	**17,765,592**	228,488	189,142	417,630	**18,183,222**
Total	**184,034,376**	**11,895,862**	**30,952,157**	**55,115,433**	**281,997,828**	**4,225,229**	**16,991,906**	**21,217,135**	**303,214,963**

AED '000s	31 December 2025								
Residual Contractual Maturity of Gross Credit Exposure	Customer Financings	Balances & placements with Banks & FI	Sukuk	Others	Total Funded	Commitments	Other Off-Balance Sheet exposures	Total Non-Funded	Total
Less than 3 months	14,262,698	4,724,148	808,940	41,549,356	**61,345,142**	-	6,052,253	6,052,253	**67,397,395**
3 months to one year	29,561,287	1,651,339	2,911,516	11,114,086	**45,238,228**	1,631,150	4,745,066	6,376,216	**51,614,443**
One to five years	86,634,328	4,922,363	18,759,966	1,438,178	**111,754,835**	2,594,080	6,031,665	8,625,745	**120,380,580**
Over five years	53,576,063	598,012	8,471,735	1,013,813	**63,659,623**	-	162,922	162,922	**63,822,545**
Total	**184,034,376**	**11,895,862**	**30,952,157**	**55,115,433**	**281,997,828**	**4,225,230**	**16,991,905**	**21,217,135**	**303,214,963**

f) Breakdown of impaired exposures, provisions and write-offs by geographic distribution, industry segment and ageing analysis.

AED '000s	31 December 2024							
	Impaired Financing exposures*			ECL		Write-offs & write-backs		
Geographic Distribution of Impaired Financing Assets	Less than 90 Days	90 Days and above	Total	Stage 3	Stage 1 & 2	Write-offs	Write-backs	Net Impaired Financing Assets
United Arab Emirates	604,526	4,266,489	4,871,016	2,305,569	-	-	-	**2,565,447**
Rest of Middle east	-	70,976	70,976	34,747	-	-	-	**36,229**
Europe	-	-	-	-	-	-	-	**-**
Others	-	317,506	317,506	299,821	-	-	-	**17,685**
Total	**604,526**	**4,654,971**	**5,259,497**	**2,640,137**	**1,572,578**	**-**	**-**	**2,619,360**

*'Impaired financing exposure' as disclosed in the audited consolidated financial statements as of 31 December 2025.

AED '000s	31 December 2024							
	Impaired Financing exposures*			ECL		Write-offs & write-backs		
Industry Segment of Impaired Financing Assets	Less than 90 Days	90 Days and above	Total	Stage 3	Stage 1 & 2	Write-offs	Write-backs	Net Impaired Financing Assets
Agriculture, Fishing & related activities	-	5	**5**	5	-	-	-	**0**
Crude Oil, Gas, Mining & Quarrying	-	7	**7**	7	-	-	-	**-**
Manufacturing	-	220,823	**220,823**	176,707	-	-	-	**44,116**
Electricity & Water	-	27	**27**	26	-	-	-	**2**
Construction	4	1,813,246	**1,813,250**	831,351	-	-	-	**981,899**
Trade	20,185	28,811	**48,995**	17,078	-	-	-	**31,917**
Transport, Storage & Communication	10,237	220	**10,457**	10,431	-	-	-	**25**
Financial Institutions	-	-	**-**	-	-	-	-	**-**
Services	-	669,639	**669,639**	398,007	-	-	-	**271,632**
Government /Public Sector	-	65,681	**65,681**	65,681	-	-	-	**-**
Retail/Consumer banking	574,101	1,846,719	**2,420,820**	1,131,051	-	-	-	**1,289,769**
All Others	-	9,793	**9,793**	9,793	-	-	-	**-**
Total	**604,526**	**4,654,971**	**5,259,497**	**2,640,137**	**1,572,578**	**-**	**-**	**2,619,360**

*'Impaired financing exposure' as disclosed in the audited consolidated financial statements as of 31 December 2025.

CRC: Qualitative disclosure requirements related to credit risk mitigation techniques

a) Core features of policies and processes for, and an indication of the extent to which the Bank makes use of, on- and off-balance sheet netting.

Not Applicable.

b) Core features of policies and processes for collateral evaluation and management.

The Group obtains security when appropriate and actively uses collateral to reduce its credit risk in financing. This collateral mostly includes customer deposits and other cash deposits, inventories, corporate and bank financial guarantees, local and international equities, real estate and other property and equipment.

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

Management regularly monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and assesses the market value of collateral obtained during its review of the adequacy of the provision for impairment losses. The fair value of collateral is based on valuation performed by the independent experts, quoted prices (wherever available) and the valuation techniques.

c) Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e. by guarantor type, collateral and credit derivative providers).

Concentration of credit risk arises from any single exposure or a group of exposures with common risk factors and potential to produce large losses. This risk commonly arises when several customers are engaged in similar business activities, activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Group seeks to manage its credit risk exposure through diversification of financing activities, maintaining limits, to avoid undue concentrations of risks with individuals or groups of customers or in specific locations or businesses, which is achieved through Risk Appetite thresholds, Target Market Criteria and Risk Acceptance Criteria.

The Group manages credit risk by placing limits on the amount of risk accepted in relation to individual customers and groups, and to geographic and economic segments. Such risks are monitored on a regular basis and are subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, economic sector and by country are reviewed at least annually by the Board Risk Committee.



CR3: Credit risk mitigation techniques - overview

AED '000s		31 December 2025						
		a	b	c	d	e	f	g
		Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Customer Financing	128,560,338	50,520,273	2,358,961	7,590,272	7,590,272	-	-
2	Sukuk	30,983,410	-	-	-	-	-	-
3	**Total**	**159,543,748**	**50,520,273**	**2,358,961**	**7,590,272**	**7,590,272**	**-**	**-**
4	Of which defaulted	5,675,631	1,046,659	14,467	-	-	-	-

CRD: Qualitative disclosures on the Bank's use of external credit ratings under the standardized approach for Credit Risk

a) Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) used by the Bank, and the reasons for any changes over the reporting period.

The Group uses respective Central Bank approved ECAIs and ECAs without any changes over the reporting period.

b) The asset classes for which each ECAI or ECA is used.

Externally rated Corporate, Banks and Securities Firms.

c) A description of the process used to transfer the issuer to issue credit ratings onto comparable assets in the Banking book (see paragraphs 99–101 of the Basel framework).

Not Applicable.

d) The alignment of the alphanumerical scale of each agency used with risk buckets (except where the relevant supervisor publishes a standard mapping with which the Bank has to comply).

The Bank's master rating scale is aligned with the alphanumerical scales used by external rating agencies, ensuring consistency across all relevant asset classes. This mapping encompasses investment grade, sub-investment grade, and default categories, and is applied across sovereign, financial institution, and corporate exposures. Each rating grade for these asset classes is correspondingly mapped to the master rating scale, facilitating comparability and a uniform approach to credit risk assessment.

Also refer to "Risk Management-Credit Risk" Note 45.2 of the audited consolidated financial statements as of 31 December 2025



CR4: Standardised approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

AED '000s		31 December 2025					
		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Asset classes	On-balance sheet amount	Off- balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	76,113,681	274,594	76,113,681	55,321	16,058,283	21%
2	Public Sector Entities	22,036,626	1,453,728	22,036,626	545,756	12,754,487	56%
3	Multilateral development banks	386,644	-	386,644	-	108,984	28%
4	Banks	20,834,727	2,817,292	20,834,727	1,680,657	10,964,773	49%
5	Securities firms	-	-	-	-	-	-
6	Corporates	39,645,179	13,428,684	39,645,179	6,463,382	39,578,743	86%
7	Regulatory retail portfolios	53,212,822	220,621	53,212,822	124,721	38,902,576	73%
8	Secured by residential property	42,451,475	2,581,081	42,451,475	1,147,148	17,958,441	41%
9	Secured by commercial real estate	11,285,205	22,828	11,285,205	9,454	11,268,241	100%
10	Past-due financing	3,003,366	418,306	3,003,365	418,306	3,774,756	110%
11	Higher-risk categories	117,602	-	117,602	-	176,403	150%
12	Other assets	12,351,382	-	12,351,382	-	10,755,050	87%
13	Equity Investment in Funds (EIF)	559,120	-	559,120	-	540,317	97%
14	CVA	-	-	-	-	700,975	-
15	**Total**	**281,997,829**	**21,217,135**	**281,997,828**	**10,444,746**	**163,542,029**	**56%**

CR5: Standardised approach – exposures by asset classes and risk weights

AED '000s		31 December 2025										
		a	b	c	d	e	f	g	h	i	j	k
Asset classes/ Risk weight		0%	20%	35%	50%	75%	85%	100%	150%	250%	1250%	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	53,157,517	7,147,149	-	2,470,965	-	-	13,393,371	-	-	-	**76,169,002**
2	Public Sector Entities	14,966	10,750,589	-	2,424,913	-	-	9,391,913	-	-	-	**22,582,381**
3	Multilateral development banks	-	281,127	-	105,517	-	-	-	-	-	-	**386,644**
4	Banks	-	2,574,307	-	18,983,330	-	-	956,747	999	-	-	**22,515,384**
5	Securities firms	-	-	-	-	-	-	-	-	-	-	**-**
6	Corporates	803,993	1,610,141	-	8,533,051	-	1,141,254	34,020,123	-	-	-	**46,108,562**
7	Regulatory retail portfolios	2,019,169	-	-	-	49,663,193	-	1,655,181	-	-	-	**53,337,543**
8	Secured by residential property	46,365	-	39,238,264	-	355,780	-	3,958,213	-	-	-	**43,598,623**
9	Secured by commercial real estate	26,419	-	-	-	-	-	11,268,241	-	-	-	**11,294,660**
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-	555,223	-	-	3,896	**559,119**
11	Past-due financing	32,097	-	-	-	-	-	2,619,210	770,365	-	-	**3,421,671**
12	Higher-risk categories	-	-	-	-	-	-	-	117,602	-	-	**117,602**
13	Other assets	3,647,179	-	-	-	-	-	6,759,946	865,539	1,078,718	-	**12,351,383**
14	**Total**	**59,747,705**	**22,363,313**	**39,238,264**	**32,517,776**	**50,018,973**	**1,141,254**	**84,578,167**	**1,754,505**	**1,078,718**	**3,896**	**292,442,574**

11.11 Counterparty Credit Risk

CCRA: Qualitative disclosure related to counterparty credit risk

Risk management objectives and policies related to counterparty credit risk, including:

Counterparty credit risk (CCR) represents the risk that a counterparty may default before settlement of the transaction. This may result in a loss because the Bank would have to replace the position in the market or revalue the position at the prevailing unfavourable market rates.

As it applies to the bank, Counterparty credit risk (CCR) arises from over-the-counter (OTC) and exchange-traded derivatives (ETDs), and long-settlement transactions including collateralized Murabaha facilities and other similar products and activities. The related credit risk exposures depend on the value of underlying market factors (e.g. profit rates, commodities price and foreign exchange rates), which can be volatile and uncertain in nature. The Bank enters into derivative contracts in the normal course of business principally for positioning purposes, as well as for risk management needs and/or on clients' behalf, including mitigation of profit rate, commodity, foreign currency, credit and other risks. The Bank may use several ways to mitigate, reduce or eliminate CCR such as netting agreements, margining agreements, early terminations agreements.

a) The method used to assign operating limits defined in terms of internal capital for counterparty credit exposures and for CCP exposures;

Counterparty Credit exposures are subject to the credit oversight, limit framework and approval process as outlined above. The Bank establish CCR limits as per the norms on exposure for both funded and non-funded products including derivatives. The limits are set as a percentage of the capital funds and are monitored. The utilization against specified limits is reported to the management and board risk committees (MRC & BRC) on a periodic basis.

For calculating the required capital for counterparty credit risk, the Bank uses the Standardised Approach.

b) Policies relating to guarantees and other risk mitigants and assessments concerning counterparty credit risk, including exposures towards CCPs'

Not Applicable.

c) Policies with respect to wrong-way risk exposures

The bank mitigates wrong-way risk by implementing a policy that prohibits the use of highly correlated collateral relative to counterparty exposure, and through a rigorous internal review process for exposure limits.

d) The impact in terms of the amount of collateral that the bank would be required to provide given a credit rating downgrade.

Not Applicable.

CCR1: Analysis of counterparty credit risk (CCR) exposure by approach.

AED '000s		31 December 2025					
		a	b	c	d	e	f
		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	135,224	842,155		1.4	1,368,331	**700,975**
2				-	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					-	-
4	Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
5							
6	Total						**700,975**

CCR2: Credit valuation adjustment (CVA) capital charge

AED '000s		31 December 2025	
		a	b
		EAD post-CRM	RWA
1	All portfolios subject to the Standardised CVA capital charge	-	-
2	All portfolios subject to the Simple alternative CVA capital charge	1,368,331	700,975

CCR3: Standardised approach - CCR exposures by regulatory portfolio and risk weights

AED '000s		31 December 2025							
		a	b	c	d	e	f	g	h
Regulatory Portfolio / Risk weight		0%	20%	50%	75%	100%	150%	Others	Total credit exposures
1	Sovereigns and their central banks	-	-	-	-	-	-	-	-
2	Public Sector Entities	-	-	44,119	-	5,730	-	-	49,849
3	Multilateral development banks	-	-	-	-	-	-	-	-
4	Banks	-	623,653	292,747	-	1,630	-	-	918,030
5	Securities firms	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	400,452	-	-	400,452
7	Regulatory retail portfolios	-	-	-	-	-	-	-	-
8	Secured by residential property	-	-	-	-	-	-	-	-
9	Secured by commercial real estate	-	-	-	-	-	-	-	-
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-
11	Past-due financing	-	-	-	-	-	-	-	-
12	Higher-risk categories	-	-	-	-	-	-	-	-
13	Other assets	-	-	-	-	-	-	-	-
14	**Total**	**-**	**623,653**	**336,866**	**-**	**407,812**	**-**	**-**	**1,368,331**

CCR5: Composition of collateral for CCR exposure

AED '000s		31 December 2025					
		a	b	c	d	e	f
		Collateral used in derivative transactions				Collateral used in SFTs	
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash - domestic currency	-	-	-	-	-	-
2	Cash - other currencies	-	-	-	-	-	-
3	Domestic sovereign financings	-	-	-	-	-	-
4	Government agency financings	-	-	-	-	-	-
5	Corporate sukuk	-	-	-	-	-	-
6	Equity securities	-	-	-	-	-	-
7	Other collateral	-	-	-	-	-	-
8	**Total**	**-**	**-**	**-**	**-**	**-**	**-**

CCR6: Credit derivative exposures

Not applicable

CCR8: Exposures to central counterparties

Not applicable

11.12 Securitisation

SECA: Qualitative disclosure requirements related to securitisation exposures

Not applicable

SEC1: Securitisation exposures in the banking book

Not applicable

SEC2: Securitisation exposures in the trading book

Not applicable

SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements - bank acting as originator or as sponsor

Not applicable

SEC4: Securitisation exposures in the banking book and associated capital requirements - bank acting as investor

Not applicable

11.13 Market Risk

MRA: General qualitative disclosure requirements related to market risk

Banks must describe their risk management objectives and policies for market risk according to the framework below (the granularity of the information should support the provision of meaningful information to users):

a) Strategies and processes of the Bank: this must include an explanation of management's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the Bank's market risks, including policies for hedging risk and strategies/processes for monitoring the continuing effectiveness of hedges.

Market risk arises from changes in market rates such as profit rates, foreign exchange rates and equity prices, as well as in their correlation and implied volatilities. Market risk is inherent in the diverse financial instruments the Bank is exposed to including securities, foreign currencies, equities, and commodities. The Bank is exposed to various types of Market risks such as profit rate risk, currency risk, and equity price risk. Profit rate risk arises from the possibility that changes in profit rates will affect future profitability or the fair values of financial instruments. Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. The Bank is also exposed to these risks in its Asset & Liability Management (ALM) activities.

The Bank uses the Standardized Approach to calculate the regulatory capital requirements relating to Market risks. The scope and charges are applied to Trading book only which includes Sukuk positions, foreign currency positions, equity positions and structured products positions.

ADIB, being an Islamic bank, as part of its regular activities faces Market risks in its investment/trading portfolios, which arises from changes in its underlying risk factors, as well as Profit Rate Risk in Banking Book (PRRBB), which arises on account of mismatches in maturity / re-pricing profile of assets and liabilities. It refers to the risk of changes in market value of assets and liabilities in the Banking book due to changes in the profit rate term structure.

The Bank's overall Market Risk strategy is to adopt a prudent and progressive risk-taking approach, which is expected to supplement its core banking activities profitability within a conservative risk appetite, while maintaining a reasonable liquidity buffer.

Although, as per the scope of Market risk as defined by BCBS, the Bank is also exposed to Foreign Exchange risk, but this is only in a limited way. All Foreign exchange exposures are taken by the Bank for client purposes and/or to facilitate Treasury management of its liquidity position with limited trading/proprietary positions. For these client-oriented foreign exchange positions limited overnight position limits are given which results in limited foreign exchange risk for the Bank. The major foreign exchange position for the Bank originates from USD which again is a pegged currency, therefore, the risk is minimal.

Additionally, the Bank may hold minor proprietary positions in equity and principal-protected structured products.

Market risk is managed through a comprehensive governance framework approved by the Board and mandated to relevant management committees and assigned departments through clear roles and responsibilities. The framework relies on ensuring adequate systems are in place, maintaining appropriate limits, independent mark-to-market valuation, and frequent review of both; (1) the bank's investment portfolios with regard to its risk drivers, and (2) the bank's structural position with regard to profit rate risk and its impact on earnings as well as the economic value of its shareholders' equity. The policies and procedures and the trading limits are set to ensure the implementation of the Bank's market risk policy in day-to-day operations.

These are reviewed periodically to ensure they remain in line with the Bank's general market risk policy and in line with the Bank's overall business strategy.

b) Structure and organization of the market risk management function: description of the market risk governance structure established to implement the strategies and processes of the Bank discussed in row (a) above.

Market Risk function is part of the Group Risk Management (GRM). It is independently accountable for providing risk oversight to ensure that the market risk profiles of trading and banking portfolios are maintained within the Bank's risk appetite.

The Market Risk function is responsible for provision of various risk-related analytics to the relevant management committees and thereafter the relevant Board committees.

It is also accountable for continuous monitoring of compliance to the approved Treasury Limits and communicates to Senior Management in case of any comments/exceptions.

c) Scope and nature of risk reporting and/or measurement systems.

The Market Risk function assesses and monitors a set of approved risk metrics and limits on the Bank's investment portfolios and reports to the Management Risk Committee (MRC) on a regular basis. Similarly, it assesses/monitors various risk limits on the Bank's structural balance sheet focused on liquidity risk and profit rate risk in the banking book and reports to the Asset & Liability Committee (ALCO) on a regular basis.

Additionally, a regular update on status of compliance to approved framework and on current and upcoming trends is provided to the Board designated committees such as the Board Risk Committee (BRC).

The Bank uses appropriate approaches and models for the valuation and risk measurement of its positions and receives regular market information to manage market risk.

MR1: Market risk under the standardised approach (SA)

AED '000s		31 December 2025
		a
		RWA
1	General profit rate risk (General and Specific)	1,154,492
2	Equity risk (General and Specific)	22,081
3	Foreign exchange risk	748,492
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7		
8	Securitisation	-
9	**Total**	**1,925,065**

- The Bank continues to follow the Standardized Approach to compute Market Risk capital charge.

11.14 Profit Rate Risk in the Banking Book (PRRBB)

PRRBBA: PRRBB risk management objectives and policies

Qualitative disclosures

a) A description of how the bank defines PRRBB for purposes of risk control and measurement.

Profit Rate Risk in the Banking Book arises when changes in profit rates affect the market value, the cashflows and earnings of assets and liabilities of ADIB.

The Group is exposed to profit rate risk as a result of mismatches or gaps in the scheduled maturities, repricing dates or reference rates of assets, liabilities and derivatives.

b) A description of the bank's overall PRRBB management and mitigation strategies.

The Group manages this risk through appropriate limits in place and frequent review of the bank's structural position with regard to profit rate risk and its impact on earnings as well as the economic value of its shareholders' equity.

The sensitivity of the bank's earnings and shareholders' equity is approved at the Board's level or its designate and mandated to relevant management bodies, including ALCO, Group Treasury and Group Risk Management.

c) The periodicity of the calculation of the bank's PRRBB measures, and a description of the specific measures that the bank uses to gauge its sensitivity to PRRBB.

Profit rate risk is measured using simulations, earnings sensitivity and economic value sensitivity analysis, stress testing and gap analysis, in addition to other PRRBB risk metrics.

Primarily, the level of profit rate risk within ADIB is measured from both an earnings sensitivity and an economic value of equity sensitivity:

- Earning sensitivity involves analyzing the impact of changes in profit rates on net revenue for funds in the following 12-month period.
- Economic value sensitivity involves analyzing the impact of changes in profit rates on expected cash flows on assets minus the expected cash flows on liabilities plus the net cash flows of off-balance items.

d) A description of the profit rate shock and stress scenarios that the bank uses to estimate changes in the economic value of earnings.

The bank uses various simulations in line with industry/regulatory common practices, to review shocks and their impact on both earnings and shareholders' equity on a regular basis, in addition to custom-built simulations reflecting management expectations with regard to the rate environment.

e) Where significant modelling assumptions used in the bank's internal measurement systems (IMS) (i.e., the EVE metric generated by the bank for purposes other than disclosure, e.g. for internal assessment of capital adequacy) are different from the modelling assumptions prescribed for the disclosure Template IRRBB1, the bank should provide a description of those assumptions and their directional implications and explain its rationale for making those assumptions (for e.g., historical data, published research, management judgment and analysis).

The bank uses a conservative approach while conducting its ICAAP exercise, whereby the assumptions used may differ from those parallel shocks assumptions used for the risk measure (earnings at risk or economic value of equity). Generally, the ICAAP used assumptions are more detrimental to the bank's overall earnings and shareholders' equity. The underlying assumptions are reviewed and updated wherever needed in line with best practices and regulatory expectations.

f) A high-level description of how the bank hedges its PRRBB, as well as the associated accounting treatment.

The bank, where appropriate and needed, may enter into profit rate swaps to manage its earnings and/or shareholders' equity sensitivity to profit rate risk. Under such circumstances, it will be using the appropriate hedge accounting treatment.

g) The methodology used to estimate the prepayment rates of customer financing, and/or the early withdrawal rates for time deposits, and other significant assumptions.

The bank uses historical behavioral analysis to estimate withdrawal rates on customers deposits.

Qualitative disclosures

	AED '000s	Dec-25
1	Avearge repricing maturity assigned to NMDs	2.8
2	Longest repricing maturity assigned to NMDs	25 years

PRRBB1: Quantitative information on PRRBB

AED '000s	EVE		NII	
Period	**Dec-25**	**Dec-24**	**Dec-25**	**Dec-24**
Parallel up	(1,487,021)	(732,728)	626,418	212,041
Parallel down	(1,202.933)	187,682	602,950	(254,509)
Steepener	(616,033)	(1,112,104)	(350,754)	(31,097)
Flattener	(1,236,624)	575,929	537,206	55,623
Short rate up	(590,373)	425,327	780,256	212,041
Short rate down	642,564	(574,977)	(665,457)	(209,891)
Maximum	(1,487,021)	(1,112,104)	(665,457)	(254,509)
Period	**Dec-25**		**Dec-24**	
Tier 1 Capital	**26,874,440**		**24,159,337**	

11.15 Operational Risk

ORA: General qualitative information on a bank's operational risk framework

a) The policies, frameworks and guidelines for the management of Operational Risk.

Operational risk is the risk of negative financial and/or non-financial impacts resulting from inadequate or failed internal processes, people, systems, or external events. The Bank has developed and implemented an operational risk framework supported by a set of standards and operating procedures in accordance with Basel III guidelines. The Operational Risk Management Framework aims to actively manage Operational risk and set the standards of identification, assessment, monitoring, and response. The framework is built around and accounts for the risk impact on a spectrum of assets. Defined risk thresholds and authority matrices are set in line with the operational risk appetite and lay at the base of decision making and management of the operational risk inherent to ADIB's existing and new offering and their supporting business processes.

The Operational Risk Management Framework requires the use of specific tools including the proactive Risk Assessment of new initiatives, Risk Reviews and Advisory, Risk & Control Self-Assessment (RCSA), Control Testing (CT), Key Risk Indicators (KRIs), Loss Data Management (LDM), Training & Development, Monitoring & Reporting, Comparative Analysis as well as the management of Issues & Actions (I&A) identified from various sources and lines of defense. The framework also encompasses all the necessary elements of Quality Assurance and Fraud Risk Management.

b) The structure and organisation of their Operational Risk management and control function.

The Operational Risk Management Function is structured in a way that ensures independency and availability of the necessary expertise. A central Group Operational Risk Management function (GORM) reporting to the Group Chief Risk Officer is responsible for setting the standards and providing all risk owners with the tools, systems, training and support which are necessary to manage the operational risk within their functional areas. Dedicated Business Operational Risk Managers (BORMs) are also assigned within each Group and responsible to ensure that the Operational risk management tools and standards are well rooted within their areas of responsibilities. The Operational Risk Governance is ensured via a defined hierarchy of committees represented by the Board Committee "Board Risk Committee" (BRC), a Senior Management Committee "Management Risk Committee" (MRC). In addition to MRC, forums created for dedicated purposes such as the "Business Risk & Control Forum" (BRCF) created within every Business & Functional Group, the Fraud Working Group and the Operational Risk Provisioning Forum (ORPF).

The definition of Operational Risk encompasses several types of risk categories such as Fraud Risk, Regulatory & Compliance risk, Conduct Risk, Sharia'a Non-compliance Risk, Information Security Risk, Technology Risk, Legal Risk and Business Continuity Risk. To that end, several stakeholders work in constant collaboration to ensure that various operational risk aspects are maintained within the risk appetite and managed as per the highest standards. The Framework and supporting documents articulate the roles and responsibilities of all stakeholders (Individuals, departments & Committees / Forums) involved in the management of operational risk across the Group.

c) The Operational Risk measurement system.

ADIB uses a centralized platform used by all lines of defense for the management and measurement of operational risk. The platform encompasses all the operational risk categories, taxonomies and tools, and allows for a comparative analysis across the results and outcome of various tools. The measurement systems show positive trends year on year and adequate risk coverage ratios at individual and aggregate levels. This is emphasized by constant process enhancements, proactive risk assessments, control testing, issue identification and action completion.

As for the Capital Adequacy Ratio, the Bank started applying the Standardised Approach from 31 December 2024 for the purpose of calculating the operational risk weighted assets, where the Bank had previously applied the Basic Indicator approach (BIA).

d) The scope and main context of their reporting framework on Operational risk to executive management and to the board of directors.

Operational Risk management reporting structure is governed by and follows a well-defined hierarchy involving the senior management and the Board represented by the BRC and the MRC where the Operational Risk framework implementation, tools performance and results are monitored and reported. Results are escalated on a consolidated basis with the necessary breakdowns provided based on specific appetite thresholds set within the Operational Risk Management Framework.

e) The risk mitigation and risk transfer used in the management of Operational risk.

The Operational Risk Mitigation requirements is dictated by the level of Inherent risk exposure where all exposure deemed to be exceeding the approved risk are covered by the means of the relevant preventive , detective, corrective, directive or limiting controls which are manually and automatically operated such as dual controls, multi-factor authentication, data and system protection, encryption, segregation of duties, reconciliations, reviews, transaction limits, policies and procedures, and business continuity plans which are regularly assessed and tested in addition to a comprehensive Takaful insurance coverage and selected outsourcing used as risk transfer/sharing techniques. All residual exposure deemed to be exceeding the approved risk appetite are escalated and closely monitored based on predefined matrices. The day-to-day operational risk management is also characterized by a comprehensive system of internal control with multi-layers of defense bringing together a team of subject matter experts.

f) ADIB Fraud Risk Management function

ADIB Group Fraud Risk Management Program objective is to develop and establish the basis of fraud risk management and anti-fraud controls required for the deterrence, prevention, and detection of fraud against ADIB and its subsidiaries.

The Fraud Risk Management program applies to all ADIB Group departments, subsidiaries, international locations, and business units including all ADIB employees, shareholders, consultants, vendors, contractors, and/or any other parties maintaining a business relationship with ADIB. The Program prescribes the standards to be adhered to by each Business Unit. It also forms the base policy that must be referred to while drafting all policies and operating procedures within ADIB.

g) Fraud Investigation Function

The objective of the function is to provide ADIB Group with the capacity to investigate fraud incidents and provide the relevant fact findings and recommendations to form the basis of appropriate follow-up actions professionally and objectively. The objective is also to conduct proactive integrity reviews in areas of increased risk and provide lessons learned from reviews and investigations in order to improve the effectiveness and efficiency of ADIB Group's operations and activities.

Also refer to "Risk Management-Operational risk" Note 45.4.4 of the audited consolidated financial statements as of 31 December 2025.



11.16 Remuneration Policy

REMA: Remuneration Policy

Remuneration and Reward Guiding Principles and Structures

ADIB aims to attract and retain the best talent particularly during the challenging recent times of the pandemic. To achieve this, we have designed a remuneration framework that is within the risk appetite set by the Board to promote the right behaviours and responsible business conduct. Our remuneration schemes are designed to be fair, equitable and linked to mutual employee and Group performance.

Our rewards are based on the result of an annual performance appraisal system with input from line management and employees. The rewards structure also embeds effective risk management by balancing the interests of our customers, shareholders and other stakeholders including the Consumer Protection Standards of the CBUAE.

Total Reward – Key Components

Fixed Pay comprise of basic salary allowances based on market rates which are benchmarked for each role and are subject to review based on the achievement of SMART objectives and market movement. Fixed pay also includes other allowances in line with best practice and this is also benchmarked against ADIB peers.

A Variable Pay component is a discretionary pay which is performance-based dependent on individual, functional and overall ADIB performance. For Senior Management the variable pay, is paid out on a deferred basis with various claw-back clauses.

Retention Scheme and High Potential Emolument scheme is deployed in selected cases to retain key employees and also maintain a cadre of professional UAE Nationals with high potential and in line with CBUAE Emiratisation objectives.
The Nomination and Remuneration Committee (NRC) comprises the Chairman and 2 Directors who assist the Board in fulfilling its oversight responsibilities in respect of the following for the Group:

- Review the selection criteria and number of executive and employee positions required by ADIB; approve the overall manpower of ADIB based on reports submitted by the Group Chief Executive Officer, taking into consideration the advice of an independent and recognized consulting firm
- Review on an annual basis the policy for the remuneration, benefits, incentives and salaries of all ADIB employees, including Bank and non-Bank subsidiaries and affiliates, as submitted by the Group Chief Executive Officer, taking into consideration the advice of an independent and recognized consulting firm
- Identify and nominate, for approval of the Board, candidates for appointment to the Board
- Recommend on succession plans for Directors
- Input on renewal of the terms of office of non-executive Directors
- Assist with membership of Board committees, in consultation with the Board's Chairman and the Chairmen of such committees
- Guide on matters relating to the continuation in office of any Director at any time
- Recommend on appointments and re-appointments to the Boards of major subsidiaries and controlled affiliated companies
- Ensure the independence of the independent directors and any qualified subject matter expert appointed to a Board committee; and
- Regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board and make recommendations to the Board regarding any changes.

Senior Management & Material Risk Takers (MRTs)

Senior Management is the executive management of the Bank, who is responsible and accountable to the Board for the sound and prudent day-to-day management of the Bank.

ADIB have designed an MRT Framework which articulates qualifying criteria including revenue generation, significant influence and other qualitative criteria which are aligned to the Bank's Risk Governance Framework. MRT compensation is accordingly risk-aligned given that their ability to control and influence certain risks that are materially significant to ADIB. The Bank aims to continually assess, in a systematic manner, key positions and associated delegation of authorities for classification as MRTs.

REM1: Remuneration awarded during 2025

AED '000s			a	b
Remuneration Amount			Senior Management	Other Material Risk-takers (MRTs)
1	Fixed Remuneration	Number of employees	**19**	**52**
2		Total fixed remuneration (3 + 5 + 7)	**39,310**	**61,724**
3		Of which: cash-based	39,310	61,724
4		Of which: deferred	-	-
5		Of which: shares or other share-linked instruments	-	-
6		Of which: deferred	-	-
7		Of which: other forms	-	-
8		Of which: deferred	-	-
9	Variable Remuneration	Number of employees	**19**	**52**
10		Total variable remuneration (11 + 13 + 15)	**31,115**	**30,611**
11		Of which: cash-based	31,115	30,611
12		Of which: deferred	9,372	8,173
13		Of which: shares or other share-linked instruments	-	-
14		Of which: deferred	-	-
15		Of which: other forms	-	-
16		Of which: deferred	-	-
17	**Total Remuneration (2+10)**		**70,425**	**92,335**

REM2: Special Payments

Special Payments	Guranteed Bonuses		Sign on Awards		Severence Payments	
	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior Management	-	-	-	-	-	-
Other Material Risk-takers (MRTs)	3	1,701	-	-	-	-

REM3: Deferred remuneration

Deferred and retained remuneration	a	b	c	d	e
	Total amount of outstanding deferred remuneration	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
Senior Management					
Cash	23,842	-	-	-	9,372
Shares	-	-	-	-	-
Cash-linked instruments	-	-	-	-	-
Other	-	-	-	-	-
Other Material Risk-takers (MRTs)					
Cash	22,280	-	-	-	8,173
Shares	-	-	-	-	-
Cash-linked instruments	-	-	-	-	-
Other	-	-	-	-	-

SHARI'A DISCLOSURES

ZAKAT DISCLOSURES

ZAKAT DISCLOSURES				
	2020	2021	2022	2023
TOTAL ZAKAT AMOUNT (ADJUSTED)	263,456,658	298,694,910	364,378,524	420,929,237
ZAKAT AMOUNT PER SHARE	0.0725376	0.0822398	0.1003245	0.1158946

