بنـك أبـوظبـي الأول
FAB
First Abu Dhabi Bank

The UAE's Global Bank

Empowering Global Connectivity.



ANNUAL REPORT 2025

Built on strength, positioned for growth

First Abu Dhabi Bank's (FAB) equity story is defined by its scale, resilience and consistent returns through the cycle.



The UAE's global bank

Market leader with

382 USD BILLION

in assets, connected to the world's major economic corridors.

A financial powerhouse

A scaled, diversified platform enabling cross-border capital, trade, and investment flows.

A unique risk-return profile

Developed-market risk profile, offering emerging-market returns.

Resilient performance through the cycle

Delivering >16% RoTE, supported by disciplined execution, diversified earnings, and sustained balance sheet strength.

A future-focused franchise

Leveraging scale, innovation and AI, anchored to the UAE's long-term growth agenda.

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FAB Overview

The UAE's global bank

2025 Key financial highlights

A consistent track record of growth and profitability

Our global footprint

Leading the UAE's evolution towards a sustainable economy

2025 Milestones

Our history

Alignment with the UAE's national goals

The UAE's global bank

A regional financial powerhouse

1.40 Đ TRILLION
USD 382 bn

Largest bank in MEA

Among **top 100** largest banks worldwide

Total assets

193 Đ BILLION
USD 52 bn

Top 60 banks worldwide

Market capitalisation

28%
Total assets market share

Dominant UAE franchise

UAE market share

Expanding global reach

20+ markets across **5** continents

Solid track record of shareholder returns

(2021 - 2025)

45%

Average cash dividend payout

(2021 - 2025)

36.1 Đ BILLION
(USD 9.8 bn)

Cumulative cash dividend payout

Diverse and strong shareholding structure

37.9%	Mubadala Investment Company (MIC)	20.1%	Other UAE entities/ individuals
17.8%	Abu Dhabi Ruling Family	24.2%	Foreigners

Among the strongest & safest banks globally

Aa3/AA-/AA-
Moody's / Fitch / S&P
(outlook: stable)

Strongest combined credit rating among MENA banks

AA
MSCI ESG rating
Best rating in MENA

78
Refinitiv ESG score
Top 6% worldwide

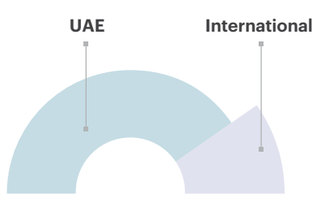
Strongest combined ESG rating profile in MENA

Generating consistently strong returns and diversified income streams

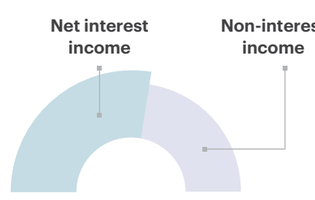
Net profit
21.11 Đ BILLION
+24% yoy

RoTE
19.2%

Group revenue:
By geography



Group revenue:
By income source



Industry-leading recognition

Best Investment Bank for Financial Institutions - ME
2025 Euromoney Awards for Excellence

Best Trade Finance provider - ME
2025 Global Finance

The Middle East's Best Transaction Bank
2025 Euromoney Awards

Best Bank for Sustainable Finance - ME
2025 Global Finance

2025 Key financial highlights

2025 saw FAB achieve record profitability, demonstrating the strength and diversification of its earnings model, supported by broad-based income growth.

36.68 Đ BILLION
USD 10.0 bn
+16% yoy
Operating income

25.20 Đ BILLION
USD 6.9 bn
+27% yoy
Profit before tax

21.11 Đ BILLION
USD 5.7 bn
+24% yoy
Net profit

616 Đ BILLION
USD 168 bn
+17% yoy
Loans and advances (net)

841 Đ BILLION
USD 229 bn
+7% yoy
Customer deposits

392 Đ BILLION
USD 107 bn
+9% yoy
CASA balances

19.2%
firmly aligned with >16% medium-term RoTE guidance
Return on tangible equity

80 fils/share
(2024: 75 fils/share)
Cash dividend per share [1]

1.85 Đ
Basic Earning Per Share

2.2%
December-end 2024: 3.4%
NPL Ratio

154%
December-end 2024: 142%
Liquidity coverage ratio

13.3%
December-end 2024: 13.7%
Basel III CET1 ratio

[1] Proposed dividend subject to shareholder approval at the upcoming Annual General Meeting on March 11, 2026

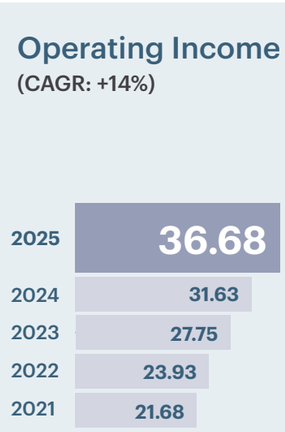
A consistent track record of growth and profitability

2025 performance reflects disciplined execution and consistent progress in building scale, resilience and long-term value.

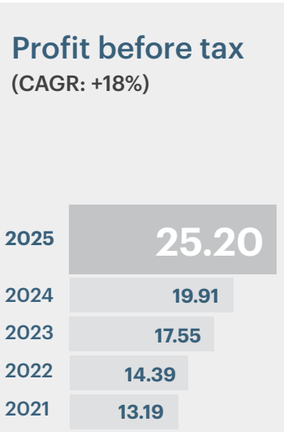
Strong earnings momentum underpinned by franchise expansion

(AED bn)

Operating Income
(CAGR: +14%)



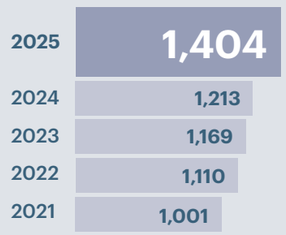
Profit before tax
(CAGR: +18%)



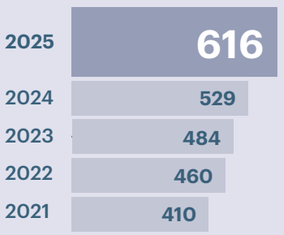
Net profit
(CAGR: +14%)



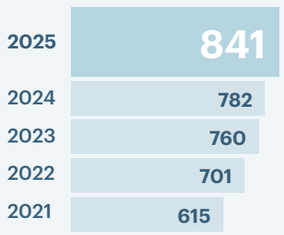
Total assets
(CAGR: +9%)



Loans and advances (net)
(CAGR: +11%)

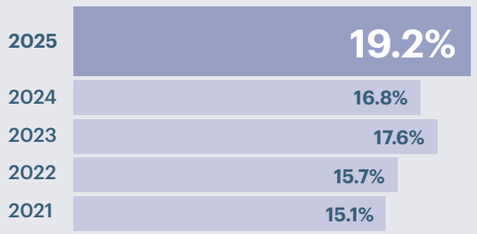


Customer deposits
(CAGR: +8%)

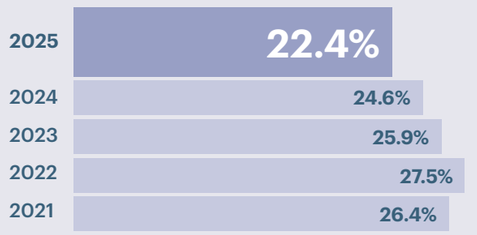


Robust returns at scale, through the cycle

Return on tangible equity
Medium-Term RoTE guidance of > 16%

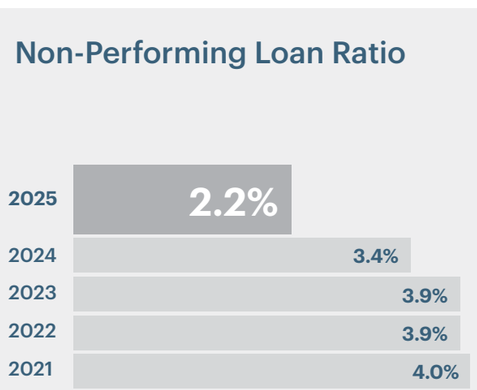


Cost-income ratio

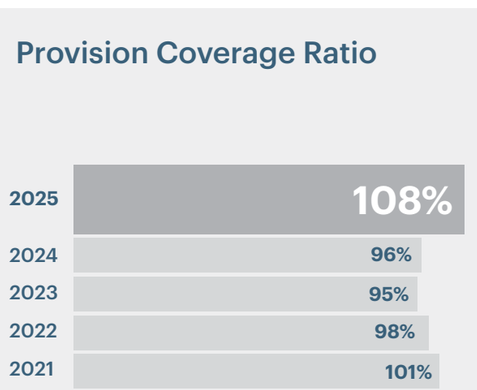


Solid asset quality metrics

Non-Performing Loan Ratio

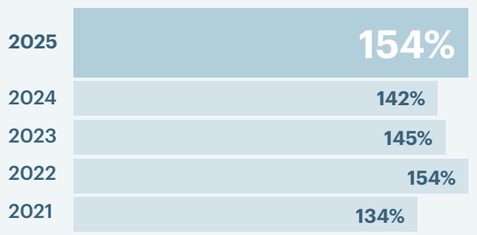


Provision Coverage Ratio

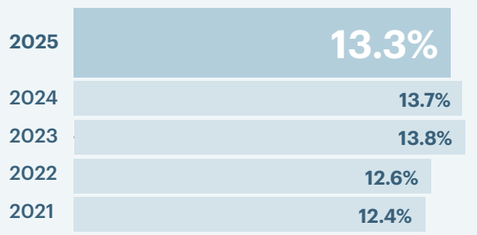


Strong liquidity and capital position

Liquidity coverage ratio



Basel III CET 1 ratio



Our global footprint

Our expanding global network cements FAB's position as a regional anchor for cross-border liquidity, trade and investment flows.

5
Continents

20+
Markets

140+
Branches globally

> 4 mn
Customers served

> 7,500
Employees globally



Leading the UAE's evolution towards a sustainable economy

Through bold targets and strategic regional investment, FAB is defining the standard for sustainable banking in MENA, turning global challenges into opportunities for resilient growth.

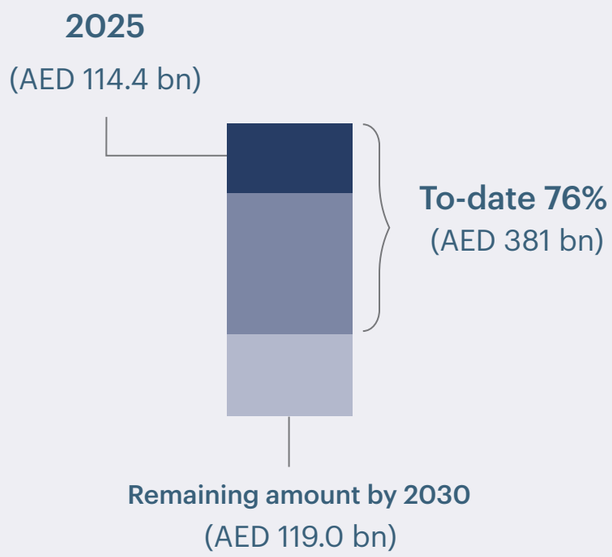
The region's largest sustainable finance commitment

500 Đ BILLION
in sustainable financing by 2030

21.2 Đ BILLION
in project financed by green, social, blue, low-carbon energy bonds and green sukuk

381 Đ BILLION
facilitated in sustainable financing by 2025

Progress towards FAB sustainable finance target



A regional pioneer in sustainable capital markets

6.7 Đ BILLION
green, blue, and low-carbon energy bond issuances

A leader in sustainable finance

2025 achievements and accolades

First financial institution globally to issue a **low-carbon energy bond,** worth AED 2.8 billion
Thematic bond issuances

AED 21.2 billion in diversified sustainable issuances
Sustainable bond issuances

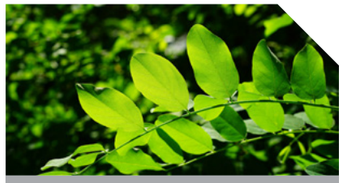
Best Achievement in Sustainability
Card and Payments Awards Middle East 2025

First blue bond issued by a financial institution in the Gulf countries
Thematic bond issuances

Strongest combined ESG rating profile in MENA
ESG ratings in MENA

Project Finance, Outstanding Sustainable Initiative
MEA Business Achievement Awards 2025

2025 Milestones



January

- FAB becomes the first MENA bank to publish a sustainability-focused report in line with the UN-backed Taskforce on Nature-related Financial Disclosures framework.



February

- Abu Dhabi Social Support Authority appoints FAB as banking partner for its marriage loan service.
- FAB announces that it will implement Oracle Fusion Cloud Human Capital Management.
- FAB and South Pole publish an outcome paper on carbon lifecycle management in the UAE's Real Estate and Construction Sector.



March

- FAB shareholders approve AED 8.29 billion cash dividend (75 fils/share) at AGM.
- Accelerated AI deployment and became first bank in the region to use AI Agent Board Observer.



April

- FAB, Abu Dhabi Developmental Holding Company (ADQ), and International Holding Company (IHC) announced plans to launch dirham-backed, CBUAE-regulated stablecoin.



May

- FAB becomes first MENA bank to pilot an embedded finance solution with Oracle and Mastercard.
- FAB renews Ministry of Industry and Advanced Technology (MoIAT) partnership to continue driving the UAE's industrial transformation.
- FAB completed the first live cross-border CBDC payment using the Digital Dirham in partnership with the CBUAE.



June

- FAB becomes direct participant in Cross-Border Interbank Payment System (CIPS) for cross-border RMB payments.



July

- FAB, HSBC, and ADX launch MENA's first digital bond to support Abu Dhabi's digital transformation.



August

- FAB relocates its London branch, celebrating nearly 50 years of commitment to the UK market.
- FAB issues HKD 390 million (USD 50 million) five-year blue bond, the first of its kind from a Gulf financial institution.



September

- FAB named Principal and Official Banking Partner of the IUCN World Conservation Congress 2025.
- FAB issues the world's first low-carbon energy bond, worth USD 750 million.



October

- Magnati merges with Network International, creating the largest fintech platform in the Middle East and Africa.
- FAB wins Nafis Award for outstanding contributions to Emiratisation and national talent development.
- FAB issues USD 20 million three-year blue bond, its second in under a year, to support water-related sustainability.
- Started operations in GIFT City, India.



November

- FAB partners with UAE-India CEPA Council to help Indian start-ups scale globally.
- FAB issues USD 1.0 billion additional Tier 1 notes, priced at the tightest yield for a CEEMEA conventional USD AT1 issuance since May 2021.



December

- FAB and Amundi sign strategic partnership to expand investment solutions across asset classes and client segments in the GCC.
- FAB joins Majarra initiative at ADGM to boost global capital market connectivity via Halo Investing's platform.
- FAB partners with Semafor Gulf to launch the Global Capital Edition newsletter.
- Türkiye Representative Office started operations.

Our history

1968

- **The National Bank of Abu Dhabi (NBAD) is founded by a decree of the late Sheikh Zayed bin Sultan Al Nahyan**

1975

- NBAD Egypt branch opens

1976

- NBAD Oman branch opens

1977

- NBAD United Kingdom and Bahrain branches open

1979

- NBAD Paris branch opens
- First Gulf Bank (FGB) is established

1980

- NBAD Washington, D.C., branch opens

2000

- NBAD lists on the ADX

2007

- NBAD Switzerland Private Bank operations established
- FGB Singapore representative office opens

2008

- FGB Libya branch opens

2009

- FGB Qatar and India representative offices open
- NBAD ranks among the *World's Safest Banks* (Global Finance)

2012

- NBAD operations expand to Malaysia and Hong Kong
- NBAD China representative office opens

2013

- NBAD, FGB included in FTSE, MSCI emerging market indices

2014

- FGB South Korea representative office opens

2015

- NBAD becomes first UAE bank to be a signatory to the Equator Principles
- NBAD India branch opens

2016

- FGB and NBAD boards recommend merger to create largest bank in UAE

2017

- **First Abu Dhabi Bank (FAB) is formally created as the UAE's largest bank**
- FAB becomes highest- rated bank in MENA with an AA- credit rating from the three major global rating agencies
- FAB becomes first MENA bank to issue a green bond

2018

- More than AED 2 billion in cost synergies realised after integration

2019

- First FAB branch opens in Saudi Arabia

2020

- Indonesia representative office opens

2021

- Hana Al Rostamani appointed FAB Group CEO, first female leader of a listed entity in the GCC
- Magnati, FAB's payments business, is established as a subsidiary
- FAB becomes first UAE and GCC bank to join the Net-Zero Banking Alliance (NZBA), committing to net zero carbon emissions by 2050
- Total assets exceed AED 1 trillion

2022

- FAB China branch opens
- FAB sells 60% stake in Magnati to Brookfield Business Partners
- FAB becomes first GCC bank to join the Partnership for Carbon Accounting Financials
- Egyptian operations rebrand as FABMISR following FAB Egypt and Bank Audi Egypt merger
- FAB Iraq representative office opens

2023

- FAB supports COP28 as Strategic Pathway Partner
- FAB commits to AED 500 billion (USD 136 billion) sustainable and transition finance target by 2030
- FAB issues USD 1 billion Tier 2 bond, largest from a UAE bank
- FAB and Magnati form strategic alliance with Geidea, KSA's leading fintech company
- FAB Carbon Desk launches to accelerate MENA carbon trading market

2024

- FAB receives regulatory approval to expand offering in Saudi Arabia
- FAB becomes the only company in the MEA region included in TIME's 'World's 500 Most Sustainable Companies' list
- FAB partners with Microsoft to launch 'AI Innovation Hub' for financial services
- FAB co-invests in acquisition of Network International with Brookfield, to merge with Magnati

2025

- **FAB becomes direct participant of the CIPS**
- **FAB implemented Oracle Fusion Cloud Human Capital Management to consolidate the Bank's HR function on the cloud**
- **FAB, ADQ, and IHC announced plans to launch dirham-backed, CBUAE-regulated stablecoin**
- **FAB completed the first live cross-border CBDC payment using the Digital Dirham in partnership with the CBUAE**
- **FAB became the largest bank by total assets in the Middle East and Africa**

Alignment with the UAE's national goals



Economic diversification

Driving the UAE’s diversified economy



Lending, capital raising, M&A, transaction banking & payments

Our corporate financing activities, including lending, capital raising, M&A support, and transaction banking, continue to directly fuel the growth of the UAE’s non-oil private sector and contribute to sustained job creation.



5.6 Đ BILLION

in new SME financing

In 2025, we extended AED 5.6 billion in new financing to SMEs, reinforcing the resilience and diversification of the UAE’s local industrial supply chain.



Strongest bank for GREs with expertise in key sectors crucial to UAE’s economy

We remain the leading bank in energy and infrastructure financing, leveraging deep expertise across strategically vital sectors. This includes playing a pivotal role in advancing national projects such as Etihad Rail.

Community collaboration for a resilient future

FAB's Corporate Social Responsibility (CSR) aims to empower communities and foster inclusive growth. Through initiatives spanning education, sustainability, sports, and social inclusion, FAB supports youth, people of determination, senior citizens, and low income families. These efforts align with national priorities and global sustainability goals, helping to create meaningful, lasting impact across generations and regions.



49%
Emiratisation ratio

FAB has reached 49% Emiratisation ratio, progressing towards target of 50% by 2026.



23,700
hours of volunteering

Throughout the year, 11,000 FAB volunteers and their families dedicated more than 23,700 hours to a variety of environmental and social programmes across the UAE.

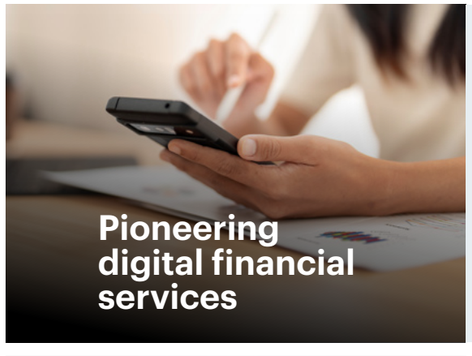


136 Đ MILLION
in community investments

AED 136 million was provided to the community through partnerships and donations, a 47% increase from last year's community investments.

Digital transformation

To support the Abu Dhabi Economic Vision 2030 and the national digital agenda, FAB continues to make significant investments in digital innovation and operational excellence. By leveraging artificial intelligence, advanced analytics, and cutting-edge digital platforms, the bank aims to enhance agility, strengthen cost efficiency, and serve as a catalyst for reliable growth in an increasingly digital global economy.



Issued MENA's first digital bond valued at 100 Đ MILLION

Marks a significant advancement in the bank's innovation journey, positioning FAB as the issuer of the MENA region's first blockchain-based digital bond.



Digitised account opening for SMEs

Enables businesses to open accounts virtually within 24 hours without paperwork, supporting the UAE government's drive to streamline and digitise business setup.



AI, cloud migration, digital platforms

Rolled out agentic AI framework enabling the deployment of uniform and standardised AI agents across operations. Accelerating the adoption of AI aligns closely with the national Strategy for Artificial Intelligence.

Strategic Review

Chairman's statement

Group Chief Executive Officer's statement

Group Chief Financial Officer's review

Market overview

A business model structured for growth

Strategic priorities driving sustainable value creation

Pioneering digital innovation, embedding AI at scale

Monitoring and managing risk across a global network

Ensuring Group Compliance



A trusted partner in the UAE's next phase of growth



With a focused strategy, resilient foundations, and a deep commitment to the country's long-term vision, FAB will continue to serve as a cornerstone of the UAE's financial system and a trusted partner in shaping the next phase of economic progress.

"We delivered a strong and resilient performance reflecting sustained progress in building scale, diversification and long-term value."

First Abu Dhabi Bank plays a key role in supporting this journey. Our responsibility extends beyond financial performance to providing stability, confidence, and strategic capacity for the economy, mobilising capital, enabling investment, and translating national priorities into tangible outcomes for businesses, institutions, and communities across the region.

In 2025, FAB delivered a strong and resilient performance, reflecting sustained progress in building scale, diversification, and long-term value. The Group achieved record profitability, supported by robust operating income growth, improved asset quality, and disciplined cost management. A diversified revenue mix and a sector-leading cost-to-income ratio reinforced the resilience of our business model across economic cycles.

Strong capital and liquidity positions remained a hallmark of the Group, with capital ratios comfortably above regulatory requirements. This strength enabled FAB to continue supporting clients and priority sectors while preserving balance-sheet flexibility and risk discipline.

Throughout the year, FAB played a central role in financing the real economy. The Bank supported major renewable energy and infrastructure projects, advanced strategic and innovation-led industries, and scaled SMEs and national champions, acting as an institutional partner to government entities, sovereign funds, and the private sector.

These activities align closely with the UAE's diversification agenda, reinforcing the country's emergence as a global hub for capital, trade, and technology. FAB also continued to expand its international footprint, connecting the GCC with Asia, Europe, and Africa through a network spanning over 20 jurisdictions, and strengthening priority corridors that facilitate trade and investment flows.

The UAE's leadership in artificial intelligence and advanced technologies is reshaping economic opportunity, productivity, and global competitiveness. FAB is proud to support this national ambition while advancing its own transformation agenda.

> In 2025, the Bank accelerated the deployment of AI & advanced analytics across core functions, moving from pilot initiatives to scaled implementation.

In 2025, the Bank accelerated the deployment of AI and advanced analytics across core functions, moving from pilot initiatives to scaled implementation. These capabilities are now embedded across risk management, compliance, treasury, and client journeys, enhancing decision-making, strengthening financial-crime controls, improving service quality, and increasing operational efficiency.

Alongside AI, FAB continued to invest in next-generation digital platforms, cyber security, and data-protection capabilities, ensuring the Group remains secure, resilient, and aligned with evolving regulatory and client expectations. These efforts reflect our commitment to building future-ready capabilities anchored in strong governance and responsible innovation.

Sustainability and strong governance remain central to our purpose. We continue to embed ESG across lending, advisory and investment activities, aligning commercial outcomes with the country's net zero and diversification objectives. This approach strengthens resilience, supports competitiveness, and creates long-term value for shareholders and communities.

FAB has facilitated substantial volumes of sustainable and transition financing towards its 2030 target and executed landmark transactions such as blue and low-carbon energy bonds, underscoring its role in mobilising capital for climate and environmental priorities. Our strong external ESG ratings and continued enhancements in transparency, disclosure and board oversight reflect our commitment to responsible governance and long-term stewardship.

Looking ahead, the global environment remains complex, shaped by geopolitical uncertainty, evolving regulation, and shifting inflation dynamics. Yet the UAE enters this period from a position of strength, supported by solid fundamentals, growing global relevance, and leadership in innovation and sustainability.

> The Group is well positioned to capture growth from increasing capital flows, rising demand for sustainable finance, and continued digital adoption.

For FAB, these conditions present both opportunity and responsibility. The Group is well positioned to capture growth from increasing capital flows, rising demand for sustainable finance, and continued digital adoption, while maintaining prudent risk management, strong capital and liquidity, and rigorous compliance standards.

With a focused strategy, resilient foundations, and a deep commitment to the country's long-term vision, FAB will continue to serve as a cornerstone of the UAE's financial system and a trusted partner in shaping the next phase of economic progress.

I would like to take this opportunity, on behalf of FAB's Board of Directors, to express my gratitude to the President of the United Arab Emirates, His Highness Sheikh Mohammed bin Zayed Al Nahyan, for his visionary leadership and support.

I also extend my sincere appreciation for the ongoing support of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai; His Highness Sheikh Mansour bin Zayed Al Nahyan, Vice President, Deputy Prime Minister, Chairman of the Presidential Court and Chairman of the Central Bank of the United Arab Emirates; and Their Highnesses the Rulers of the Emirates and Members of the Supreme Council; and His Highness Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Chairman of the Executive Council of Abu Dhabi.

Finally, I extend my appreciation to our clients, shareholders, partners, regulators, public policy institutions, and all those who have helped make 2025 a year of strong progress. Most importantly, it is the hard work and dedication of our Board, our management, and our global workforce that have made the realisation of FAB's strategic goals possible.

Together, we will continue to build on this foundation, supporting the UAE's future vision while creating sustainable value for all our stakeholders.

H.H. Sheikh Tahnoon bin Zayed Al Nahyan

Chairman

Connecting clients to opportunity and supporting national transformation



In 2025, FAB accelerated regional momentum, strengthened corridor activity, expanded its international footprint and embedded AI across the bank to maximise cross-border trade and investment opportunities.

> Our differentiation lies in combining deep roots in the UAE with expanding international reach, enabling us to deliver integrated, end-to-end solutions across financing, advisory, markets, and transaction banking to support our clients' evolving ambitions.

The year unfolded against a backdrop of moderating global growth, shifting interest rate expectations, and periodic market volatility driven by geopolitical developments and evolving regulatory landscapes. Within this environment, the GCC – and the UAE in particular –demonstrated strong resilience, supported by diversification efforts, robust fiscal positions and sustained investment. These dynamics have enabled FAB to act as a source of stability, liquidity and strategic insight for clients navigating uncertainty.

A year of disciplined execution and measurable progress enabled FAB to deliver record profitability, strengthen its balance sheet, and further diversify its revenue base across Investment Banking & Markets, Wholesale, and Personal, Business, Wealth & Privileged Client segments.

Group revenue reached AED 36.68 billion, with net profit of AED 21.11 billion, while Return on Tangible Equity stood at 19.2%, firmly exceeding our medium-term guidance and reinforcing FAB's position among the world's most profitable AA-rated banks. Reflecting this strong performance, the Board of Directors has recommended a cash dividend of 80 fils per share for the financial year 2025, representing a total distribution of AED 8.84 billion, the highest cash dividend in the Bank's history.

FAB remains firmly on its multi-year growth trajectory, with 2025 marking a step-change in positioning the bank as a regional champion with global relevance. By strengthening our corporate, institutional, retail, and wealth franchises, expanding international corridors, and embedding innovation across our operations, we are building a scalable platform designed to create long-term, sustainable value. Our differentiation lies in combining deep roots in the UAE with expanding international reach, enabling us to deliver integrated, end-to-end solutions across financing, advisory, markets, and transaction banking to support our clients' evolving ambitions.

Our operational momentum in the year was driven by a clear set of priorities. A strong focus on client-centricity enabled us to deepen relationships across corporates, SMEs, and retail segments, converting advisory capability and corridor connectivity into new mandates and market share. Disciplined balance sheet and risk management, which supported strong loan and deposit growth, resilient asset quality, and robust capital and liquidity metrics relative to global peers. Continued investment in technology and talent ensured that our organisation is agile, digitally enabled and aligned with the UAE's national agenda.

1.40 AED TRILLION
(+16% yoy)

Total assets

21.11 AED BILLION
(+24% yoy)

Group net profit

19.2%
(2024: 16.8%)

RoTE

8.84 AED BILLION
(2024: AED 8.29 bn)

Cash dividends[1]

> Continued investment in technology and talent ensured that our organisation is agile, digitally enabled and aligned with the UAE's national agenda.

Technology and AI have also served as a critical priority as we move from pilots to enterprise-scale deployment, embedding advanced analytics and intelligent automation across credit, risk, treasury, and customer experiences. These capabilities have proven to improve decision-making, reduce friction, and raise productivity throughout 2025. We are progressing across trade and payments, client operations, compliance and technology engineering, supporting our growth and delivering measurable improvements in productivity and client experience.

International expansion continued to deliver strategic value. We strengthened our presence in more than 20 markets in 2025, expanding corridor flows across the GCC, Africa, Asia and Europe alongside advanced strategic hubs that diversify funding, origination, and product distribution. Progress in Europe, Türkiye, Nigeria and India, combined with our existing network, is reinforcing FAB's role as a leading corridor bank for capital, trade and investment flows between MENA and the rest of the world. For clients, this expansion means seamless access to cross-border liquidity and advisory capabilities, as well as the ability to execute complex transactions across time zones from a single relationship platform.

The Group delivered strong growth in loans and deposits, maintained resilient asset quality, and sustained a sector-leading cost-to-income profile in 2025. Our credit portfolio remains well provisioned, non-performing loan ratios are at historically low levels, and liquidity and capital ratios are comfortably above regulatory minima, supporting continued growth and strategic flexibility.

We continued to strengthen our risk frameworks and governance structures, enhance stress testing and scenario analysis, and invest in compliance capabilities to meet rising global standards. Transparency, accountability and sound oversight remain fundamental to the way FAB manages risk and protects stakeholder interests. In addition to retaining fiscal strength to invest selectively, FAB has also continued to contribute to the UAE's dynamic economic transformation.

> FAB remains firmly on its multi-year growth trajectory, with 2025 marking a step-change in positioning the bank as a regional champion with global relevance.

We have also financed significant infrastructure and renewable projects, expanded access to finance for SMEs, and accelerated Emiratisation and talent development across our operations. By aligning our commercial strategy with national priorities, we are helping to translate policy ambition into jobs, GDP growth, and sustainable investment. Our leadership in sustainable and transition finance, including landmark thematic bonds and a growing pipeline of sustainability-linked products, reinforces the bank's role in supporting the UAE's net-zero pathway and broader ESG agenda.

We enter 2026 with strong momentum and a focused strategic roadmap for AI and innovation, deeper international corridors, and a strengthened client franchise across segments. FAB will continue to provide sustainable value for shareholders, support the UAE's dynamic growth and diversification, and connect clients to opportunities across the world's most important economic corridors. We see significant opportunities in cross-border capital and trade flows, infrastructure and sustainable finance, and the continued digitisation of financial services, while remaining mindful of global macroeconomic and geopolitical risks.

As the trusted financial partner of choice for clients in the UAE and across our international markets, FAB plays a central role in advancing the nation's long-term economic agenda. In 2026 and beyond, we will continue to invest in our people, platforms and products, leveraging data, AI and innovation to elevate client experiences and support inclusive, sustainable growth.

I would like to thank our colleagues for their dedication, our clients for their trust, and our shareholders for their support as we continue to build the UAE's global bank. Together with our regulators, partners and stakeholders, we will pursue our strategic priorities with discipline and ambition, confident in FAB's ability to deliver strong performance and long-term value in the years ahead.

Hana Al Rostamani

Group Chief Executive Officer

[1] Proposed dividends subject to shareholders' approval at the upcoming Annual General Meeting on March 11, 2026

Delivering robust performance at scale



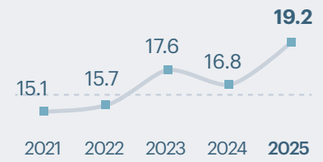
> We are operating from a position of strength and delivering robust returns at scale with a Return on Tangible Equity (RoTE) of 19.2%, well above our medium-term guidance of over 16%.

The Group enters 2026 on a strong footing, with positive momentum, a resilient balance sheet, and firm confidence in our ability to deliver robust returns at scale through the cycle.

FAB delivered a record performance in 2025, fueled by broad-based franchise growth, an unwavering focus on diversification, and disciplined cost and risk management. The Group continued to benefit from its unique position as the UAE's global bank while developing its international franchise at pace, thereby providing regional leadership, global connectivity and supporting the diversification of our business mix. Thanks to this upwards trajectory, we are operating from a position of strength and delivering robust returns at scale with a Return on Tangible Equity (RoTE) of 19.2%, well above our medium-term guidance of over 16%.

Group RoTE (%)

Medium-term RoTE guidance **>16%**



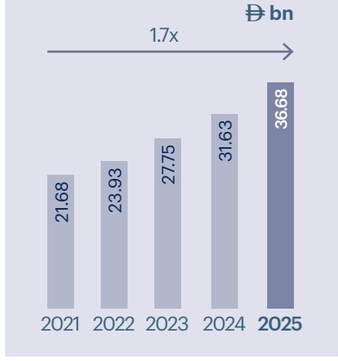
Driving sustainable growth and diversification across the franchise

In 2025, Group profit before tax reached AED 25.20 billion, marking an increase of 27% compared to the same period in 2024. Net profit after tax rose 24% yoy to AED 21.11 billion, reflecting disciplined financial delivery across the franchise while absorbing the step-up in UAE corporate tax during the period.

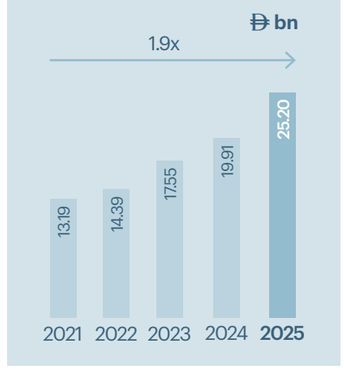
Operating income grew 16% yoy to AED 36.68 billion, driven by robust business volumes, resilient margins, and outstanding non-interest income performance:

- Net interest income reached AED 20.32 billion, up 4% yoy, supported by strong volume growth. Net interest margin (NIM) was 1.84%, nine basis points lower yoy, reflecting the impact of lower benchmark rates.
- Non-interest income surged 36% yoy to AED 16.35 billion, contributing 45% to Group revenue—up from prior years—demonstrating the increasing ability of our platform to generate diversified sources of income through sophisticated offerings and enhanced cross-sell. This included a 40% yoy growth in FX and investment income, and a 28% rise in fees and commissions.

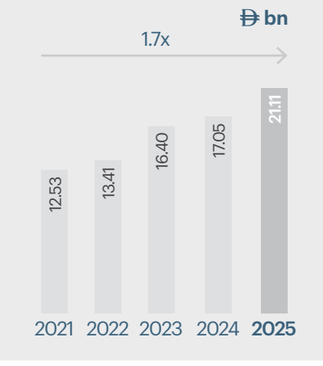
Operating income
+16% yoy



Profit before tax
+27% yoy



Net profit
+24% yoy



Operational efficiency and prudent risk management

Operating expenses reached AED 8.20 billion, reflecting a 5% yoy increase as we continued to invest in talent, technology, and AI-driven initiatives. We are scaling AI adoption with measurable impact, boosting productivity and enhancing client engagement. Consequently, the cost-to-income ratio improved to 22.4%, underscoring our relentless focus on driving operational efficiencies.

Net impairment charges were AED 3.28 billion, down 17% yoy, reflecting subdued Non-performing loan (NPL) formation amid a strong macro-economic backdrop. The cost of risk for the period was 57 bps, well below our guidance of less than 75 bps.

Consistent execution and strong client engagement driving double-digit revenue growth across the franchise

The Group's financial performance was supported by sustained momentum across all businesses, underpinned by a refined operating model and consistent execution. During the year, the Group reorganised its businesses to strengthen client coverage and deepen sector specialisation, ensuring it is optimally positioned to capture growth opportunities across the franchise.

- **Investment Banking and Markets** revenue grew 16% yoy to AED 11.79 billion, driven by a 29% increase in lending and continued leadership in capital markets.
- **Wholesale Banking** delivered revenue growth of 11% yoy to AED 6.40 billion, with double-digit growth in lending and deposit balances underpinned by broader regional coverage and sector-specialised solutions.
- **Personal, Business, Wealth & Privileged Client Banking Group** revenue grew 10% yoy to AED 12.65 billion, reflecting higher client activity across key segments. Retail CASA balances rose 16% yoy, adding AED 25 billion, while retail AUMs rose 28% yoy, driven by sustained net inflows and a significant uplift in mandate conversions, reflecting growing client adoption of FAB's advisory and discretionary propositions.
- **International franchise** continued to expand, contributing 19% to Group revenue, with loans and deposits rising 35% and 25% respectively, reinforcing FAB's role as a regional anchor for cross-border flows.

616 AED BILLION
(+17% yoy)
Loans and advances (net)

841 AED BILLION
(+7% yoy)
Customer deposits

392 AED BILLION
(+9% yoy)
CASA balances

Maintaining balance sheet strength while setting new benchmarks in wholesale funding

Total assets grew 16% yoy to AED 1.40 trillion, driven by broad-based franchise growth. Loans, advances, and Islamic financing were up 17% yoy to AED 616 billion, reflecting market share gains across key segments and geographies.

Customer deposits were up 7% yoy to AED 841 billion, driven by diversified growth across geographies and divisions. FAB continued to present a robust liquidity profile, with the Liquidity Coverage Ratio (LCR) at 154%, comfortably above regulatory requirements.

The Group maintained solid asset quality metrics. Non-performing loans (NPLs) stood at AED 13.77 billion, implying a Group NPL ratio of 2.2%, an all-time low for the Group. Provision coverage improved to 108%.

During 2025, FAB raised AED 18.5 billion (USD 5.0 billion) of senior wholesale funding at competitive pricing, of which AED 6.7 billion (USD 1.83 billion) was in ESG format. Funding was executed across multiple innovative formats, including the first low-carbon energy bond, the first blue bond by a Gulf financial institution, and the first blockchain-based digital bond.

The Group's capital position remained solid, with the Basel III Common Equity Tier 1 (CET1) ratio at 13.3%. Total shareholders' equity rose 12% yoy to AED 147 billion, driven by strong earnings accretion.

Entering 2026 on a strong footing

The UAE's resilient economy remains on a strong growth trajectory. Real GDP growth is expected to accelerate to **5.6%** in 2026, up from **5.2%** in 2025. These factors represent solid tailwinds, building our confidence in the positive operating environment.

We are confident that the successful execution of our strategy, combined with the Group's robust balance sheet fundamentals and diversified business, will sustain our performance. FAB's unique role as the UAE's global bank and a key force behind international trade corridors provides us with a remarkable opportunity to drive future growth and robust returns at scale through the cycle.

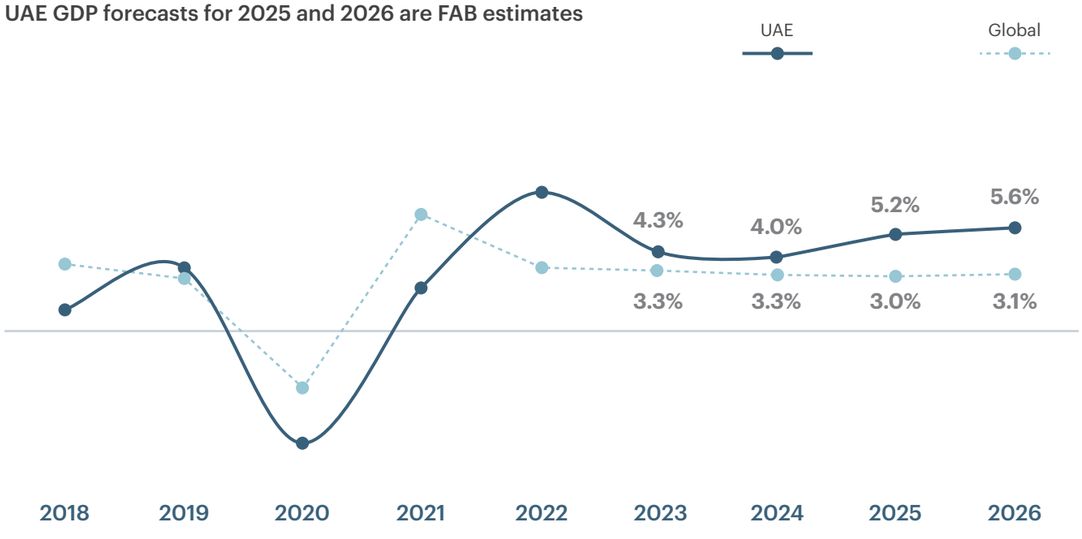
Market overview

The GCC macroeconomic landscape is set to demonstrate continued stability and deliver superior growth compared to international peers.

While major global economies grapple with a host of monetary and fiscal challenges, including potential stagflationary risks in the United States (US). and Europe, the GCC is set to remain a haven of solid economic activity. We expect aggregate GCC real GDP growth to accelerate from **3.9%** in 2025 to **4.3%** in 2026. This expansion is set to be led by the UAE, which is forecast to see GDP growth rise from **5.2%** in 2025 to **5.6%** in 2026.

Regional macroeconomic resilience is increasingly compelling

UAE GDP forecasts for 2025 and 2026 are FAB estimates



Source: IMF/FAB

This continued momentum stems from ongoing efforts at economic diversification, prudent fiscal policy and strong non-oil output. Non-oil sectors are expected to remain the cornerstone of regional development, with an estimated growth rate of **5%** for 2026. Growth is further bolstered by corporate earnings, and is expected to continue keeping pace as structural reforms and government infrastructure spending ramp up across the region.

The regional Purchasing Managers' Index (PMI) highlights the GCC's economic strength, with scores consistently remaining above the 50-point threshold since late 2020, signaling a prolonged period of expansion. This positive momentum is expected to persist through 2026.

The ongoing success of diversification strategies is evidenced by a major shift in investment, with the GCC transforming from a liquidity exporter into a global investment hub.

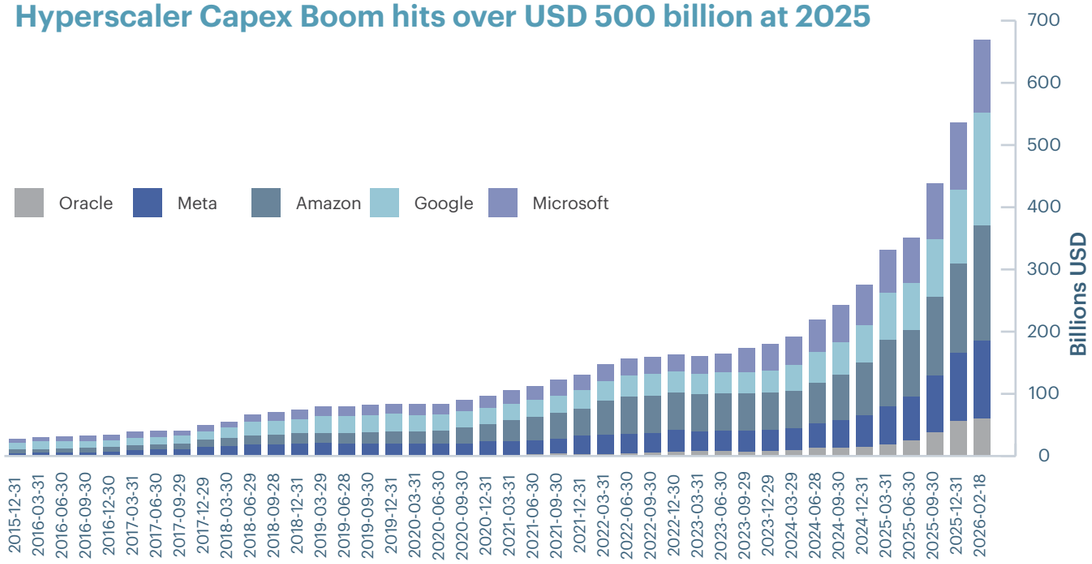
Key sectors such as artificial intelligence (AI), technology and renewable energy continue to drive this transition, ensuring the region remains a high-growth frontier for global investors.

AI and technological advancement to lead in shaping the future of investment

The role of AI and artificial general intelligence has moved beyond back-office automation to become a central front-office edge and a core competitive advantage for the region's banking and asset management industry. Modern systems—including real-time data architecture and machine learning—are now used to inform security selection, factor timing, and risk overlays. Specifically, natural-language AI models have compressed the research cycle from days to minutes by processing earnings transcripts, news flows, and regulatory filings in real time.



Hyperscaler Capex Boom hits over USD 500 billion at 2025



The fourth revolution: AI and intelligent automation

Many observers believe we are now entering the 4th revolution defined by "AI and intelligent automation." This 4th revolution is not only being encapsulated as a technological advancement phenomenon but also being defined by its speed of integration into the world's economy, creating seismic shifts in global investment strategy and market valuations.

Over the past few years, the AI investment cycle has matured, investment has moved from theoretical deliberation to tangible product development where deployment and infrastructure expansion is proceeding. As we enter 2026, the AI industry remains the dominant influencer and primary driver of global equity and debt markets. The so-called "Magnificent Seven" (MAG7 - Apple, Microsoft, Amazon, Meta, Google, Nvidia, Tesla) and other AI-driven companies currently comprise over one-third of the S&P 500 total market capitalisation. It is estimated that since 2022, 80% of earnings growth and 90% of capex growth can be attributed to MAG7.

Given the current scale of investment reaching over USD 500 bn in 2025 in AI infrastructure, data centres, and next-generation chips could extend their competitive edge for several years.

The unequivocal winners to date in the AI investment universe are semiconductor manufacturers, particularly those specialising in AI-specific hardware. Companies like Nvidia and AMD are maintaining rapid innovation cycles, releasing new architecture annually and partnering with cloud providers to deploy massive AI infrastructure in efforts to maintain their market leadership.

The UAE's AI strategy

The UAE, in particular, has integrated its national AI strategy directly into its financial infrastructure, fostering a self-reinforcing cycle where world-class digital platforms attract both global talent and increased capital mandates.

Beyond intelligence gathering, technological advancement is fundamentally rewriting the region's market infrastructure through tokenisation and distributed-ledger technology. By issuing fund units or real-world assets on these digital platforms, the UAE is addressing traditional operational hurdles such as settlement delays and illiquidity.

This shift towards market infrastructure modernisation is expected to democratise access to sophisticated strategies like private credit and multi-asset income funds by allowing for fractionalisation and lower entry points for a broader range of investors. Furthermore, AI is becoming a critical tool in the ESG space, where smart contracts and verifiable impact metrics are being deployed to address greenwashing concerns and provide real-time transparency on sustainability outcomes.

Key areas of AI impact across industry

Productivity gains
Automating routine tasks and augmenting human decision-making to unlock efficiency across sectors.

Infrastructure growth
Surging demand for semiconductors, cloud platforms, and data centres is creating durable investment opportunities.

Sector breakthroughs
Accelerated drug discovery in healthcare, strengthened fraud detection in finance and optimised predictive maintenance in manufacturing.

Enterprise adoption
AI integration into the workforce and workflow.

Creativity and work
AI augments human imagination, empowering writers, designers, and scientists.

Education and equity
Personalised learning powered by AI could democratise access to knowledge.

Sustainability
AI is optimising energy grids and modelling climate change, supporting planetary stewardship.

What the future holds for AI

Through 2026, AI first movers are most likely to remain influential and continue to outperform the market thanks to their scale, innovation, and investment capabilities. However, risks from high valuation, capex saturation, and market broadening mean their dominance may gradually diminish as AI adoption spreads across sectors.

Investors should not solely concentrate their portfolios towards leading AI or technology stocks. Instead, they should diversify across sectors that are likely to benefit from AI adoption, such as industrials, healthcare, energy, and financials. This action is not only going to reduce their exposure to sector-specific risks but also captures potential growth opportunities as AI spreads to new industries.



GCC macro/rates

The MENA sovereign credit rating outlook is expected to maintain its neutral and stable status throughout 2026, anchored by a backdrop of steady oil prices and solid regional growth. This stability reflects the ongoing success of fiscal policies and economic diversification measures that have bolstered the region's credit fundamentals even as global markets face volatility. While specific equity markets faced headwinds in 2025, the broader sovereign landscape remains resilient, with risks balanced by robust domestic activity. This maturity in the credit profile is built on the expectation that the GCC's strategic transformation will continue to yield positive results in the near future.

The success of the region's economic diversification is evidenced by the massive scale of strategic investment, including a combined USD 2.8 trillion in deals involving Saudi Arabia, Qatar, and the UAE. These agreements, spanning sectors like AI, aviation, and renewable energy, highlight the reduction in the region's long-term reliance on traditional carbon-based revenue.

Looking toward 2026, the momentum accrued from diversification is projected to be the primary engine of development. This transition into a global capital-formation hub is further supported by record bond issuance and historically low default rates.

In contrast to the stagnant growth potential of 1.0%–2.0% forecasted for advanced economies in 2026, the GCC macro landscape remains a haven of relative expansion. The Central Bank of the UAE (CBUAE) remains similarly optimistic, projecting real GDP growth to reach 5.3% as the country benefits from record real estate transactions and surging tourism. This formidable growth trajectory is supported by the continued success of the UAE's diversification strategy, which has seen non-oil GDP growth maintain a high-performance level of 4.5%.

The GCC and UAE are projected to be the primary drivers of resilience and strategic opportunity in 2026, supported by strengthening macroeconomic and credit fundamentals across the Gulf and Egypt. While the global investment path remains uncertain, the region's strategic agility offers a stable alternative to a global economy characterised by narrowing margins of safety.

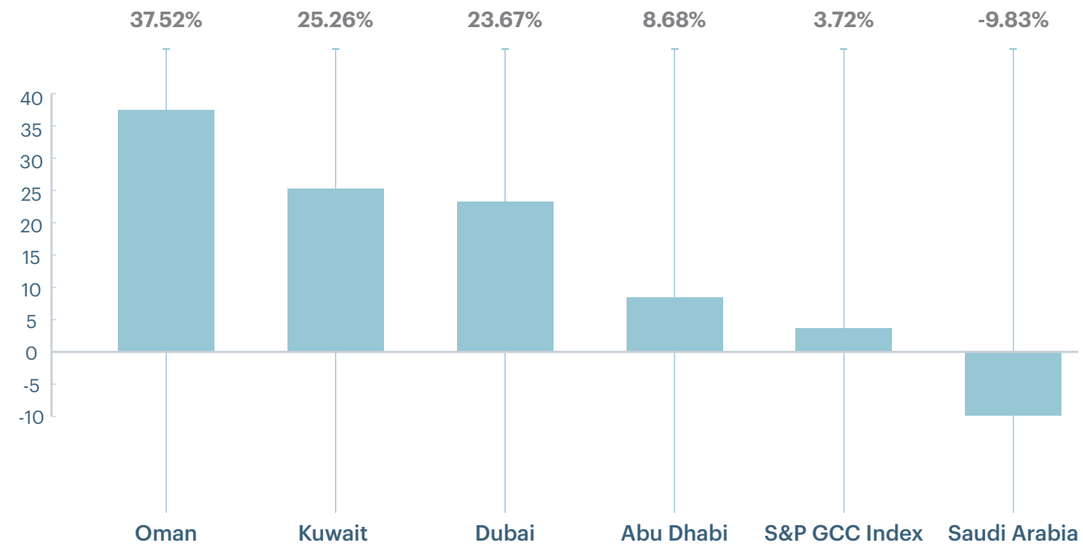
This regional strength is particularly vital as markets navigate a cautious H1'26, during which the U.S. Federal Reserve is expected to target a median funds rate of approximately 3.1% by year-end. By maintaining this resilience, the GCC stands to offer significant relative value even as the Fed attempts a delicate balancing act between supporting growth and managing persistent inflation risks.





GCC equities outlook

2025 Return



GCC equities overcame a challenging year

The GCC equities market navigated one of its most turbulent periods in 2025, defined by extreme volatility driven by global growth concerns and unprecedented geopolitical risks, including tensions in the Middle East and the ongoing Russia-Ukraine conflict. Despite these challenges, the region demonstrated resilience with a substantial recovery starting in late March. Performance remained uneven across the region; while Oman, Kuwait, and Dubai emerged as standout performers with double-digit returns, the Saudi Arabian market underperformed with a negative return of -13.1%.



Outlook by sector

Financial

The outlook for the financial sector remains positive, with a selective focus on banks that are poised to benefit from higher regional economic growth and increased loan demand. UAE banks are identified as the top performers within this sector due to their strong capital positions and sound asset quality. In Saudi Arabia, banks are playing a crucial role in funding Vision 2030 projects, with system-wide loan growth expected to reach 13-14%. While bank margins were squeezed in 2025 due to tight liquidity, we anticipate improvement as global interest rate cuts take effect in 2026.

Real estate

The real estate sector continues to show structural strength, particularly in the UAE, where prime office markets are near full occupancy and logistics hubs are seeing double-digit rent growth. Hospitality indicators are also robust, with record international arrivals supporting high occupancy rates and rising revenue per available room (RevPAR) in Dubai and Abu Dhabi. The investment landscape is maturing toward strategic acquisitions and asset repositioning, such as energy retrofits and experiential upgrades for retail malls. Overall, these strong fundamentals provide high income visibility and a lower-volatility environment for property investors heading into 2026.

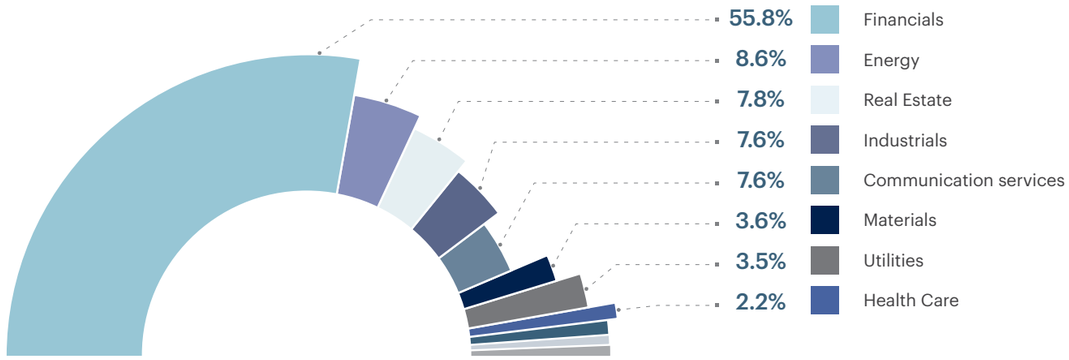
Telecommunications

Telecom companies are expected to be major beneficiaries of government-led digitisation initiatives and the expansion of IT services across the GCC. Growth in this sector is increasingly driven by the development of data centers, cybersecurity solutions, and cloud computing infrastructure. Companies that successfully integrate these new technologies into their core business models are positioned to fare far better than counterparts that are slower to adapt. As the region transitions into a global investment hub, the telecom sector's role in providing essential digital settlement infrastructure and cross-border connectivity remains a key growth driver.

Others

Beyond these major industries, companies with strong pricing power or those gaining market share through e-commerce are much better positioned. Investors are advised to be selective, focusing on firms that can capitalise on the region's strategic agility and ongoing economic diversification. Conversely, we maintain an underweight position in the petrochemical sector due to a persistent supply-demand imbalance. Increased production from China and lagging global demand continue to exert pressure on product pricing, limiting the near-term earnings recovery potential for the industry.

GCC index sectoral composition (%)



Expected returns and outlook for 2026

Looking ahead to 2026, the outlook for GCC equities remains positive, with projected double-digit returns. This optimistic forecast is supported by an expected aggregate earnings growth of 9.3% for 2026 and a potential market re-rating of 1–2% as corporate performance continues to improve. Assuming a P/E multiple of around 13.88x, in addition to a re-rating estimate of 1–2%, we expect double-digit returns of around 10–12% in 2026 including dividends.

Overall, the region is well-positioned for sustainable growth, bolstered by non-oil GDP expansion estimated between 4.5% and 5.5% and the continued momentum of economic diversification, structural reforms and increased government spending on infrastructure projects. These strong fundamentals, coupled with a stabilising global interest rate environment, provide a compelling case for resilient regional equity exposure in the coming year.



The GCC asset management landscape

GCC nations have increasingly prioritised economic diversification and the structural enhancement of their financial sectors, with the asset management industry serving as a critical pillar of this transformation. As we look to the future, the sector's evolution will be driven by a confluence of regional and global trends that continue to reshape the investment landscape.

An increasingly rapid growth trajectory

Over the last 25 years, the GCC's financial landscape has transformed from an analog ecosystem dominated by traditional bank deposits and real estate into a sophisticated, digital-first investment hub. This evolution occurs against a backdrop of immense global expansion, with assets under management (AUM) ballooning from USD 18 trillion in 2000 to USD 128 trillion by 2024. Within this context, the region's growth trajectory has been exceptional: notably, the UAE's international financial centres have seen their AUM double since 2020 as global asset managers, hedge funds, and family offices increasingly relocate their operations to the region.

As artificial intelligence, tokenisation, and sustainability redraw the architecture of global finance, the UAE and Saudi Arabia are strategically positioning the region to become a defining force in the industry by 2030. This shift is anchored by the region's sovereign wealth funds—such as ADIA, Mubadala, and the Public Investment Fund (PIF)—which collectively manage over USD 4 trillion and serve as institutional pillars for both domestic and international capital. This growth is underpinned by a rigorous and evolving regulatory environment overseen by bodies like the Securities and Commodities Authority (SCA) in the UAE and the Capital Market Authority (CMA) in Saudi Arabia, ensuring that the GCC continues to foster a competitive, world-class ecosystem for the modern era of investment.

Timelines: 25 years of GCC asset-management transformation

Time period	Key theme	Outcome
2000–2005	Foundations	Capital dominated by bank deposits, real estate, and direct equities; limited institutional product depth. Global AUM ≈ USD 18 trillion.
2005–2010	Institution Building	Regulatory frameworks emerge (SCA, CMA, DFSA); first generation of mutual funds, sukuk, and regional fixed-income strategies introduced.
2010–2020	Global Integration	ADGM and DIFC mature; independent custody, fund-admin, and ETF structures appear; foreign participation accelerates.
2020–2025	Capital Command	GCC becomes a global investment hub—sovereign scale, regulatory credibility, and digital infrastructure attracting global managers.



Financial centre growth in the UAE

The UAE has established itself as the region's primary technology and financial epicentre, with the Abu Dhabi Global Market (ADGM) and Dubai International Financial Centre (DIFC) serving as the twin engines of this expansion. These international financial centres have demonstrated remarkable growth, effectively doubling their assets under management since 2020 as they attract a global cohort of asset managers, hedge funds, and family offices. This momentum is underpinned by a self-reinforcing cycle where world-class digital infrastructure and advanced regulatory frameworks attract top-tier talent, which in turn builds the sophisticated platforms necessary to command larger shares of global capital.

This expansion is further evidenced by the exceptional tightness in the UAE's prime office segment, where hubs like the ADGM/Maryah/Reem corridor and the DIFC/DMCC nodes report near-full occupancies and robust pre-leasing activity. As the region aspires to become a pre-eminent global hub for asset management by 2030, the UAE is leading the charge by integrating national AI and digital economy strategies directly into its financial infrastructure. By hosting hundreds of wealth and fintech licences alongside global data and cybersecurity providers, far from being mere participants in the global market, these financial centres are proactively re-engineering the structural foundations of modern finance.

Private markets

Private markets are poised to become the next major growth frontier for the asset management landscape, particularly within the GCC, as they offer institutional portfolios essential benefits that public markets often cannot provide. Now exceeding USD 13 trillion globally, these markets provide access to an "illiquidity premium," where investors are compensated for longer capital commitments with the potential for superior long-term returns and lower volatility compared to the daily swings of public exchanges. In the region, this shift is driven by a natural alignment between "patient capital," such as sovereign wealth funds and family offices, and long-term private-market strategies in sectors like logistics, healthcare, and renewable energy. As Global Bank deleveraging continues to fuel the rise of private credit, and massive infrastructure pipelines emerge to support the energy transition, private assets are no longer considered optional—they are now viewed as essential tools for building resilient, forward-looking portfolios.

A two-way capital bridge

The GCC asset management sector over the past decade has evolved into a two-way bridge for capital. Historically, the region primarily funnelled capital outward into global markets; however, it now commands significant reciprocal flows, with international asset managers, hedge funds, and family offices increasingly relocating their operations to hubs like Abu Dhabi and Dubai. This inward momentum is driven by the region's robust sovereign wealth buffers and modern digital infrastructure, which have established the GCC as a premier capital-formation hub. Looking ahead, this bridge will be further reinforced by enhanced cross-border infrastructure, including deeper fund passporting, dual listings, and digital settlement systems between the UAE and Saudi Arabia, all designed to shorten time-to-market for international strategies and reduce operational friction.

The Market Overview is an excerpt from FAB's **Global Investment Outlook Report 2026.**

A business model structured for growth

FAB's business segments are designed to enhance customer centricity, enable specialist product and service propositions, and drive competitive advantage and revenue generation.



Investment Banking & Markets

Comprehensive institutional solutions: Providing a full suite of banking services to governments, GREs, sovereign wealth funds, financial institutions, and key institutional clients.

Regional leadership: Consistently ranked among top banks in key MENA IB league tables, reinforcing FAB's position as a leading regional investment bank.

Innovative asset distribution: Enhanced asset distribution capabilities through secured financing and an originate-to-distribute (OTD) model supporting global flows.

Best-in-class global markets: Delivering comprehensive solutions across FX, money markets, rates, structured products, and bespoke client-tailored offerings.

Global securities & commodities: providing end-to-end global securities financing (including repos and structured lending), as well as commodity hedging and investment solutions.

Diverse credit trading: Facilitating access to bonds, sukuks, and CDS, supported by a robust digital eFX trading platform.

Wholesale Banking

Market-leading franchise: Recognised as a leading franchise in the region, with a dominant position in the UAE and strong presence across 20+ markets.

Extensive corporate reach: Serving a broad and diverse client base of large and medium-sized corporates, offering tailored solutions to meet evolving business needs.

Comprehensive product suite: Delivering both foundational and sophisticated banking products to ensure access to a full spectrum of financial services.

Trusted transaction banking: offering an integrated suite of trade finance and cash management solutions designed to enhance operational efficiency for clients.

Deep sector expertise: Dedicated coverage teams bring deep sector insight across priority industries, enabling the delivery of tailored solutions that address clients' specific operational, financial, and strategic needs.

Personal, Business, Wealth & Privileged Client Banking Group

Integrated financial solutions: A strong value proposition across conventional and Islamic banking supported by differentiated offerings.

Digital & omni-channel: Serving a large and highly engaged customer base through advanced digital channels and a wide network of branches and self-service facilities.

Global private banking presence: Delivering bespoke investment solutions through key financial centres including the UAE, Switzerland, Saudi Arabia, Singapore, the UK, and France.

Strong Business Banking offering: Delivering a comprehensive suite of solutions for SMEs, including business accounts, programme and discretionary lending, commercial cards, banca services, and access to global markets, designed to support growth at every stage.

International franchise

A key growth engine: Supporting the Group's strategy to be the UAE's global bank and a leading corridor bank across major international markets.

Global connectivity & corridor banking: Leveraging a strategic footprint in 20+ markets, the division serves as a trusted conduit for cross-border capital, trade, and investment flows.

Client-centric solutions: The franchise's expansion strategy remains focused on building interconnected, relevant, client-centric global franchises, with a strong emphasis on achieving organic growth through deeper client engagement.

Revenue diversification: Expanding activity in key markets while diversifying revenue streams across geographies and product lines.

Strategic priorities driving sustainable value creation

As the UAE's global bank, our strategic priorities are firmly anchored in supporting the UAE's economic growth and diversification ambitions.



Consistent execution and strong client engagement driving double-digit revenue growth across the franchise

We achieved double-digit revenue growth, reaching record highs across all divisions. This performance was supported by an improved revenue mix, expanded sector-focused solutions, increased cross-selling, and stronger product penetration.

- Sustained leadership in capital markets, enabling clients to raise AED 330 billion in 2025, with retail AUMs up 28% yoy driven by strong client inflows and an expanded product offering.
- Continued broad-based growth in lending, deposits, and client acquisitions.

Enabling cross-border capital and trade flows across FAB's global network

With a presence in 20+ markets, FAB continues to strengthen its position as a regional anchor for cross-border liquidity, trade, and investment flows.

- Strong momentum, with international loans up 35% and international deposits up 25% yoy.
- International revenue contributed 19% of FY'25 revenue, with higher client activity supporting cross-border capital and trade flows.
- Regional momentum continued with operations live in Türkiye and GIFT City, landmark transactions in Nigeria, and strong progress on French subsidiarisation.

AI deployment at scale enhancing franchise-wide productivity and client experience

Building future-ready capabilities across the Group, with AI redefining client experiences and unlocking productivity gains for employees.

- Microsoft Copilot rolled out to all employees, supported by library of 1,000+ Copilot agents. AI adoption reinforced by culture of continuous learning.
- 30+ agentic AI solutions being advanced across the enterprise, delivering measurable outcomes.
- Over 90% of the Group's structured data integrated into a modern enterprise data platform with an agentic AI layer.
- Ecosystem partnerships accelerating AI execution at scale, in line with national ambitions.
- Group-wide AI governance framework anchored in Responsible AI principles, with an expanding pool of specialist talent.

Strong fundamentals and leadership in sustainable finance

- Strongest combined ESG rating profile in MENA, with scores from MSCI (AA), Sustainalytics (18.2 – Low Risk), CDP (B-), and LSEG (78).
- FAB financed landmark issuances such as the first low-carbon energy bond and the first blue bond by a financial institution in the GCC.
- By the end of 2025, FAB has facilitated AED 381 billion in sustainable and transition financing, achieving 76% of its AED 500 billion by 2030 target.

Our core strengths

Strong balance sheet

With total assets reaching AED 1.40 trillion as of year-end 2025, FAB is the largest bank in the Middle East and Africa region, and maintains the strongest combined credit rating among MENA banks.

Diversified business model

FAB operates a well-diversified franchise across businesses, products, sources of funds, sources of income, and geographies.

Strong shareholding

Backed by the stability of sovereign ownership, with Mubadala Investment Company as the largest shareholder, the Group benefits from long-term strategic alignment with Abu Dhabi's economic vision.

Strategic international network

Operating across 20+ markets including key hubs in London, Singapore, Switzerland and Saudi Arabia, FAB connects clients to global capital, with international operations contributing 19% to group revenue.

Resilient performance through the cycle

Consistently maintained RoTE in the mid-to-high teens through markedly different interest-rate cycles, macro-economic backdrops, and credit environments.

Long-standing relationships

As the UAE's largest bank, FAB leverages deep-rooted partnerships with the government and key government-related entities (GREs), playing a central role in supporting the nation's economic agenda.

Exceptional talent

Recognised with a "First Place" Nafis Award in 2025 for Emiratisation, FAB continues to attract, develop, and retain top talent. The bank fosters a high-performance culture with UAE nationals holding 49% of core roles.

ESG leadership

FAB holds the strongest combined ESG rating profile in MENA with:

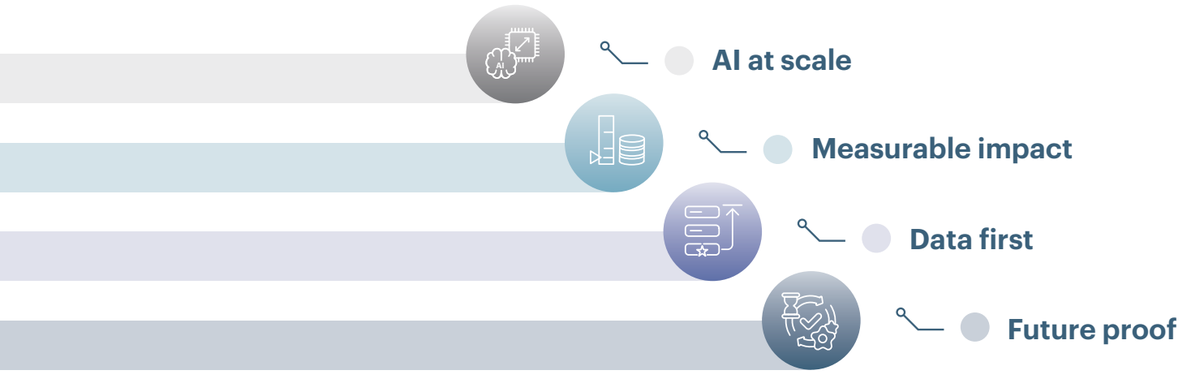
- Best MSCI ESG Rating in MENA (AA).
- Best Sustainalytics ESG Risk category in MENA (Low Risk).
- Best Refinitiv/LSEG ESG Score (top 6% worldwide) in the UAE.

Pioneering digital innovation, embedding AI at scale

FAB has continued to accelerate its AI journey in 2025, moving from experimentation to scaled deployment across the Group. This progress is generating measurable financial, operational, and customer experience outcomes, reinforcing FAB's ambition to become the region's leading AI-enabled banking institution.







By leveraging AI, we are reshaping everyday banking by embedding customer-centricity, value creation, and speed to market across our operations. This approach ensures the bank remains competitive, innovative, and responsive to evolving client and market expectations.

The Bank has embarked on a broad-based modernisation programme spanning both infrastructure and applications, with the strategic objective of transitioning into an AI-centric, data-driven institution. This transformation strengthens core technological capabilities and advances end-to-end modernisation by expanding digital infrastructure, accelerating cloud adoption, and establishing a resilient, scalable foundation to support long-term growth.

This vision is underpinned by a rigorously defined roadmap built around three architectural principles: platform-based design, modularity, and strong data foundations. Together, these principles are enabling the development of the Modern Data Platform (MDP), the scaling of agentic AI capabilities, and enhanced global connectivity and cyber resilience. Through disciplined execution of these priorities, FAB is reinforcing its competitive advantage and ensuring close alignment between business strategy and technology delivery.

Alongside platform and data investments, the Group is systematically building an internal AI talent pipeline to support scalable, state of the art deployment across the enterprise. This includes targeted recruitment of specialist AI roles, structured training and upskilling of existing employees, and deep collaboration with strategic partners to accelerate capability transfer.

This approach ensures that AI is both technologically scalable and organisationally resilient, enabling FAB to strengthen execution, enhance risk oversight, and capture long-term value from AI innovation.

FAB also continues to strengthen its position at the centre of Abu Dhabi's AI innovation ecosystem through strategic partnerships with leading institutions. These collaborations are enabling the deployment of AI-powered growth intelligence and geospatial resource-planning solutions, enhancing FAB's ability to identify high-potential clients, optimise its physical network, and sharpen commercial decision-making. In 2025, these ecosystem partnerships further accelerated FAB's AI-at-scale execution and reinforced its contribution to the UAE's national ambition to become a global hub for responsible, sovereign-grade artificial intelligence.

2025 Digital milestones

Virtual assets platform development

Established the foundational architecture for the Bank's Virtual Assets platform, strengthening design principles, enhancing compliance, enabling interoperability across jurisdictions, and accelerating deployment through reusable components. The Bank also engaged in a key collaboration with the CBUAE on stablecoin and Central Bank Digital Currency (CBDC) development, with implementation phases now underway.

Microsoft 365 Copilot deployment

Rolled out the Microsoft 365 Copilot across across the bank. Employees created over 1,000 agents. This demonstrates both the high AI engagement level in the organisation as well as enhancements in our productivity significantly enhancing workflow efficiency.

Agentic AI framework rollout

Successfully deployed an agentic AI platform enabling the standardised deployment implementation of AI agents. This initiative has enhanced operational speed, accuracy and consistency.

AI use case expansion

Advanced more than 30 agentic AI use cases across key business areas, including in trade, payments, customer operations, compliance, and technology engineering, delivering measurable outcomes in productivity, operational efficiency and client experience.

Culture of continuous AI enablement

Deployed structured training programmes, AI knowledge-sharing initiatives, and the integration of AI tools into daily workflows.

Github Copilot for developers

Deployed Github Copilot for more than 300+ developers, enabling AI-assisted code generation and optimisation. This has resulted in increased development productivity and reduced release failures rates.

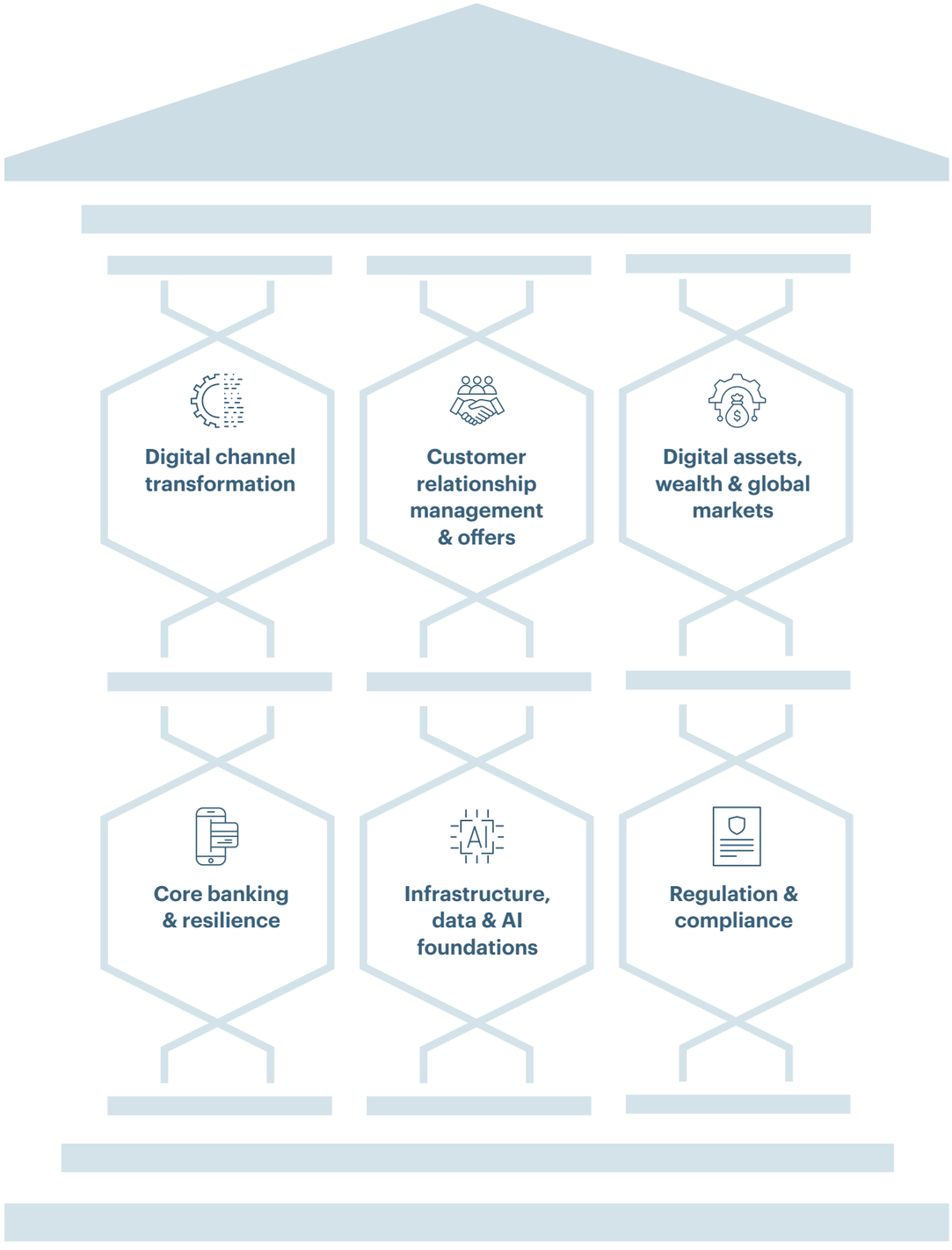
Fully developed MDP, storing the banks data

Over 90% of the structured data integrated into the MDP, with remaining data in progress. This results in a major boost for data-driven, analytical insights generation and accelerated deployment of agents' decision-making with verified and system-driven data sources.

Strong AI governance

Institutionalised through a centralised AI Innovation Hub, underpinned by a Group-wide Responsible AI governance framework.

Six strategic digitalisation priorities



Objectives | Strategic Priorities

Digital channel transformation

FAB is prioritising the enhancement of its mobile and online banking channels to deliver seamless, secure, personalised, and consistent customer experiences across channels. This includes upgrading existing mobile banking applications and digital platforms while introducing richer customer experiences powered by open API and embedded finance capabilities.

Core banking & resilience

The Bank is undertaking major initiatives to modernise its core platforms and middleware to effectively reduce complexity and improve overall scalability. Enhancing resilience is a parallel strategic priority, supported by the advancement of the Cyber Recovery Programme to ensure rapid and secure recovery across both on-premise and cloud environments. In addition, efforts to reinforce global and local network connectivity are actively underway to bolster overall resilience and ensure uninterrupted business continuity.

Customer relationship management & offers

An enterprise CRM refresh, which will heavily leverage AI, is in progress to further strengthen and enhance customer engagement across the organisation.

The technology roadmap also includes specific enhancements to AI-powered decisioning, notably through the improvement of AI-driven credit engines with a more tailored customer offer and automated collections processes.

Infrastructure, data & AI foundations

To enhance operational efficiency, we are accelerating cloud adoption and consolidating data centres.

Moreover, FAB is strengthening its technological foundation by integrating agentic frameworks across operations to improve observability, automation, and advanced analytics. This is complemented by continued investments in enterprise data platforms that elevate data governance, data quality, risk mitigation, and privacy compliance, ensuring alignment with both UAE and international regulatory standards.

FAB also implements a multi-phase Payment Hub programme designed to incorporate ISO standards, instant payments capabilities, and BUNA integration.

Digital assets, wealth & global markets

Advancing our digital capabilities remains a strategic priority. We are developing next-generation digital wealth propositions and actively exploring virtual asset opportunities, including stablecoins, tokenisation, and other crypto-related services. At the same time, we are expanding our global markets capabilities through the deployment of advanced trading APIs and sophisticated custody platforms.

Regulation & compliance

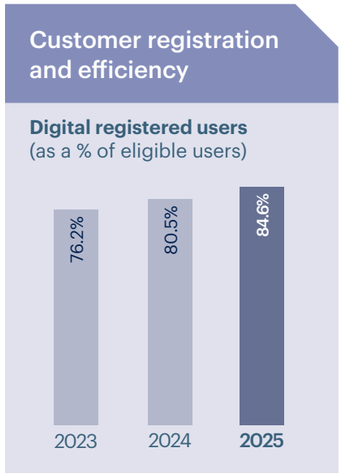
Significant investment is being directed towards data localisation and the strengthening of compliance frameworks. These initiatives ensure that the Bank remains fully aligned with evolving regulatory requirements.

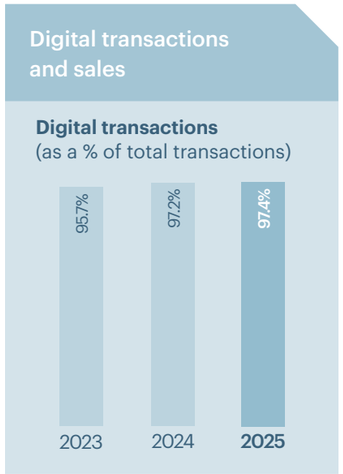


Embedding digital and AI capabilities at scale

Digital transformation and high quality customer experience

FAB's digital strategy in 2025 focused on launching new-to-market digital capabilities that drive customer experience and deliver consistent, high-quality experiences across retail, commercial, and corporate segments. These initiatives reinforce FAB's commitment to speed, quality, and service stability, core elements of exceptional client delivery and product management.





Strengthening AI talent, enterprise-wide capabilities

FAB continues to make deliberate, long-term investments in AI talent and capabilities, in line with its ambition to become the Middle East's AI-driven banking innovation leader. The Group remains committed to investing in its people, enabling the responsible and scalable adoption of AI across the organisation.

As of December 2025, FAB employed nearly 200 highly specialised AI professionals, with plans to expand this talent base to 300 by 2027. These strategic investments are enabling the development and scaling of advanced capabilities, leveraging cutting-edge technologies such as agentic and multi-agent operating systems. These platforms are being deployed across FAB's businesses, operations, compliance, and marketing & communications, strengthening the Group's ability to innovate and operate at scale.

Enterprise governance with clear ownership

FAB has established a strong AI operating model, leveraging a centralised AI Innovation Hub. Besides its strong product development role, this hub supports orchestrating the AI activities across the bank, in order to monitor progress, maximise synergies, safeguard value delivery, and eventually support the AI governance.

An AI governance body on the responsible and sustainable use of AI safeguards ensures that best practice standards are applied, both from a banking as well as an AI perspective, and both from a local and international regulatory as well as on a FAB-internal requirement level.

Responsible AI talent upskilling

In addition to attracting leading AI talent globally, FAB remains strongly committed to upskilling its existing workforce and has rolled out one of the MENA region's most comprehensive AI enablement programmes.

Key initiatives include:

- Establishing the region's first direct partnership with Microsoft, culminating in the Bank-wide rollout of Microsoft 365 Copilot licenses.
- Delivering structured AI training programmes for senior leaders, supported by world-leading AI experts.
- Providing continuous AI training for staff at all levels, led by a growing network of AI and Copilot champions.
- Implementing tiered AI literacy and hands-on training programmes focused on the safe, responsible, and effective use of AI technologies.

These initiatives ensure both deep technical expertise and broad enterprise-wide adoption of AI capabilities across the Bank.

Expanding FAB's AI Innovation Hub

FAB's **AI Innovation Hub** continues to expand rapidly, under the oversight of the Group CEO.

The Hub reimagines banking processes, deploys high-value AI solutions, and sets FAB up for an AI-centric future.

It develops and scales substantially transformational AI solutions hand in hand with the businesses and its tech and risk partners. As a product organisation, the Hub acts as separate entity, yet is tightly embedded within the bank. This enables it to work at high pace and question existing processes, while deploying on our latest, agentic platform with full adherence to the Bank's and regulatory standards. It leverages top talent in AI value delivery, AI development, data science and analytics and serves as talent incubator for the Bank. In 2025, a suite of AI-driven Relationship Manager advisory tools was launched as first use case.

Overseeing the Bank's AI activities, the AI Innovation Hub can support the independent development of use cases in individual business areas too.

Given the rising number of proprietary innovations, the Group is also establishing robust processes for patentability of intellectual property.

Deeply connected to the external AI ecosystem, the Hub brings latest AI developments into the Bank, and facilitates experience exchange with external partners and other industries. With this, FAB takes on its societal role as the largest bank of the UAE: Driving the adoption of state-of-the-art AI in the UAE and contributing to the UAE Vision 2031.

Targeted external partnerships

As a responsible AI leader, FAB is at the forefront of advancing strategic partnerships with leading global firms. These partnerships have enabled FAB to access frontier research, harness advanced technological capabilities, and accelerate the development of specialised expertise at an unmatched pace across the region.

FAB's strategic partnerships have delivered multiple regional firsts and continue to strengthen the Bank's position as a leader in AI-driven innovation.

Key initiatives include:

- Collaborating with Bain & Company Middle East and the World Economic Forum to explore AI applications' role in advancing sustainability across financial services
- Developing an AI-powered Sustainable Finance Market Pulse Platform – built in partnership with G42, Microsoft, and Bain – to dynamically identify opportunities to finance sustainable market investments

Improving operational efficiency

- **Improved time to market by greater than 15%:** Delivery timelines have accelerated through disciplined execution, increased automation, and strengthened Business As Usual (BAU) practices. Strategic sourcing, vendor consolidation and enhanced governance have collectively enabled 11% cost savings across the GTT domains. Microsoft CoPilot was rolled out to all FAB employees in June 2025, facilitating AI adoption, improving operational efficiency, and enabling our teams to focus on higher-value, client-centric activities.
- **Enhanced developer productivity through GenAI adoption:** the rollout of GitHub Copilot to more than 300 developers along with the adoption of GenAI code generation capabilities across the software development lifecycle has delivered measurable gains:
  - → Achieved 10% faster output using the same resources.
  - → Achieved a significant reduction in failed changes, improving release quality and cycle stability.
- **Advancements in agentic AI and workflow automation:** FAB's agentic AI framework platform has improved accuracy and efficiency across trade digitisation workflows.
  - → With AI agents deployed across the majority of trade-related processes, these platforms demonstrate the maturity and the capability of FAB's AI foundation.

Adoption increased materially during the year, marking a key milestone in establishing a mature, enterprise-grade AI platform embedded into daily BAU operations and supporting large-scale usage across FAB.

Artificial intelligence and customer centricity

Strategic shift to AI-centric banking

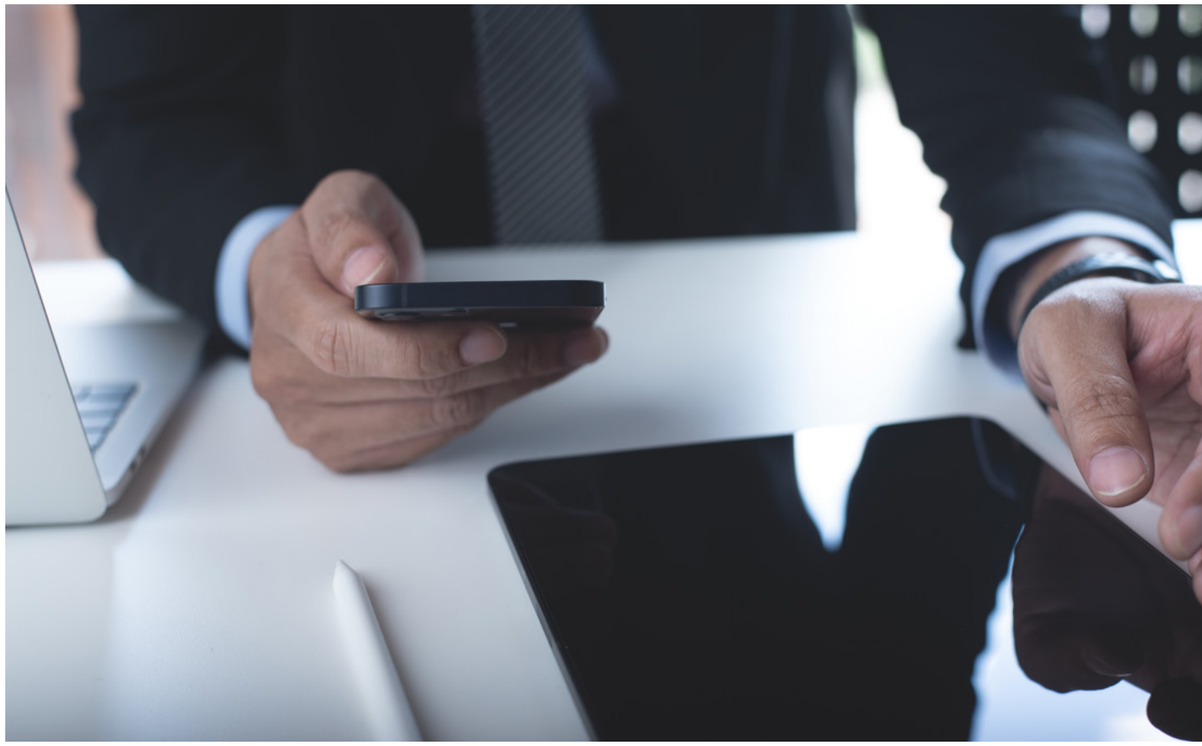
2025 marked a breakthrough year in FAB's transformation into an AI-centric, data-driven institution. This accelerated AI journey was enabled by a strengthened data foundation, the rapid scaling of enterprise-scale agentic capabilities, and the establishment of the dedicated AI Innovation Hub.

The most significant enabler of this progress is FAB's Modern Data Platform (MDP)—a secure, governed, cloud-enabled data backbone. 90% of structured data is integrated into the MDP, which supports in improving, improving data quality, compliance, and analytical precision. This foundation supports advanced analytics and real-time decision-making, resulting in AED 8 million in measurable savings and setting a clear path toward achieving 99% AI-enabled data coverage.

The results of FAB's AI initiatives are tangible and measurable. AI-driven automation across operations, particularly in trade processing and court order workflows, delivered significant value through cost optimisation, improved efficiency and reduced error rates. Processes that previously required hours or days are now completed within minutes, with greater speed, accuracy and consistency.

Importantly, artificial intelligence is also emerging as a meaningful driver of revenue growth. FAB has deployed AI-enabled advisory capabilities that enhance relationship managers' effectiveness by providing timely, data-driven insights into client needs and product relevance. These tools strengthen the quality and consistency of client engagement, while preserving human accountability in decision-making. As a result, these initiatives have started delivering meaningful incremental revenue, reflecting the tangible commercial impact of embedding AI into core client-facing workflows.

FAB has also launched its Aleria decision intelligence platform, providing business leaders with faster access to actionable insights, enabling more informed and confident decision-making. These tools augment human judgement, empowering leaders to make better, faster and more strategic decisions.



FAB's AI Innovation Hub

- Central AI entity
- From proof-of-concept to production
- Transformational AI applications
- AI talent accelerator
- Strong governance on all AI activities

Strategic outlook and competitive advantage

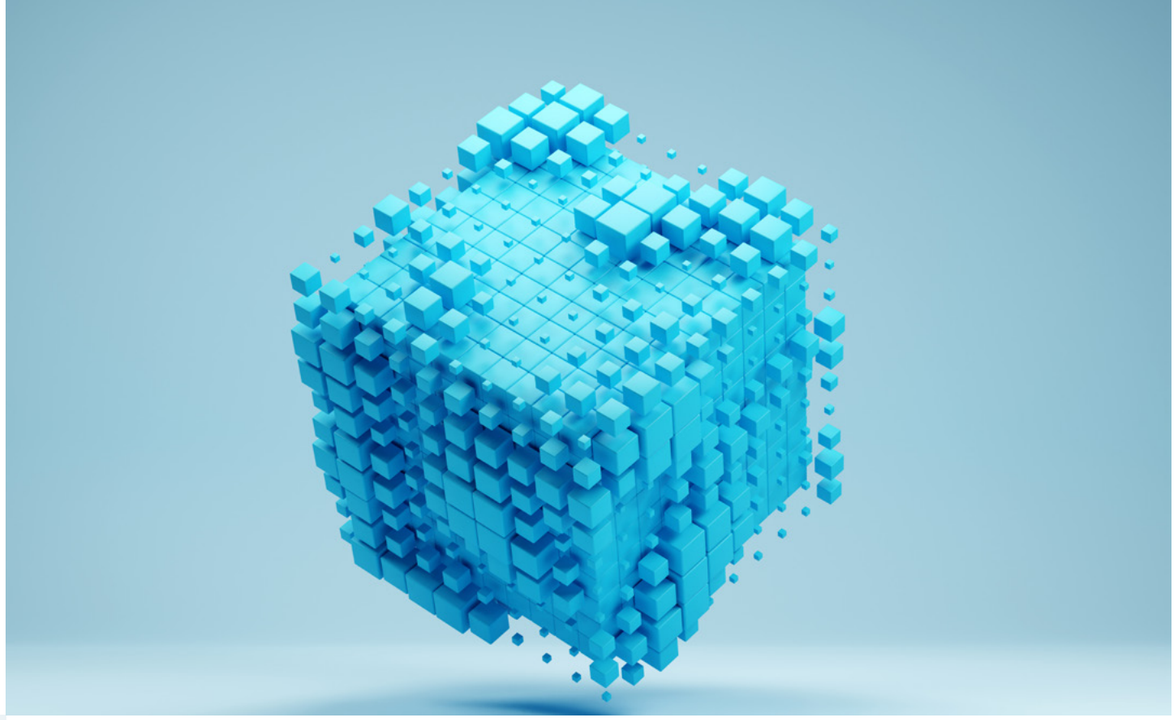
The Modern Data Platform, the expanding library of AI agents, and the AI Innovation Hub collectively form a unified ecosystem that enables intelligence to flow seamlessly across FAB's operations.

This positions the bank at the forefront of digital financial services, empowering real-time insights, autonomous workflows, and enhanced productivity that drive sustained enterprise value.

FAB's ambition is clear: to build a resilient, customer focused bank, where intelligence powers product, process, and customer experience, enabled by AI.

API integration

FAB's Enterprise Reference Architecture rollout and cross-domain API integration have improved the accessibility, resilience and scalability of core banking services. By integrating more than 35 additional domain systems, including cards, payments, and customer notification platforms, FAB has enhanced uptime, strengthened security alignment, and built robust, AI-ready operations.



Benefits

Speed to market: Strategic insights became available within hours, empowering faster decision-making and elevating the customer experience. The platform establishes a strong foundation for future AI-driven innovations across the Bank.

Augmented productivity: Applying AI to streamline transactional processes, freeing FAB staff to concentrate on advisory, insight-led work that delivers greater value to clients.

Autonomous operations: The blueprint enables smart automation and workforce augmentation, delivering hyper-personalised customer experiences with secure, trustworthy AI governance.

Agentic marketplace: Over 30 scalable, efficient & secure AI agents available through the Gernas Platform, enabling rapid reuse and deployment across business functions.

Accuracy: Demonstrated resilience across diverse document types, achieving over 90% confidence levels, even on mixed-quality scanned documents.

Reimagined process: Simplified processes driven by autonomy and intelligence now operate autonomously, making context-aware decisions, resolving issues, and executing tasks seamlessly.

Efficiency: Automated market intelligence and email processing reduced manual effort, cutting turnaround time from weeks to hours.

Compliance: CPR-compliant mailbox management and secure data handling, leveraging hashed identifiers.

Scalability: A modular design has enabled rapid deployment and reuse of agents across multiple departments.

Audit readiness: Structured narratives and transparent, traceable agent actions enhance governance and strengthen the Bank's overall audit preparedness.

Adoption: Targeted literacy campaigns and intuitive user experiences have accelerated onboarding while reducing resistance to AI-driven workflows.

Establishing a business-aligned target state architecture

Platform-based architecture and lean technology estate

FAB's business-aligned target state architecture is built on the principles of simplification, enterprise thinking, and a lean platform-based architecture. This approach enables comprehensive re-architecture, reduces complexity, and ensures that technology capabilities remain tightly aligned with strategic business priorities. A major benefit of this structural change is improved Total Cost of Ownership (TCO) optimisation, while also significantly reducing future change costs associated with system modifications and maintenance.

Customer-centricity and unified experience

The architectural design is set up to drive customer centricity and the delivery of a unified experience. It is specifically designed to provide seamless and consistent customer interactions across all segments. This is supported by an end-to-end value generation mindset, ensuring that customer expectations are met through consistent and intuitive journeys facilitated by a common user interface/user experience (UI/UX) platform across all channels.

Modularisation and reuse

A key design principle is modularisation and reuse, which involves developing domain-specific capabilities and solution components intended for widespread reuse. These components can be rapidly orchestrated and deployed across various products, customer segments, and delivery channels. This modular approach is vital for achieving a faster time-to-market for new products and services while also realising cost savings by eliminating the need for repeated re-development.

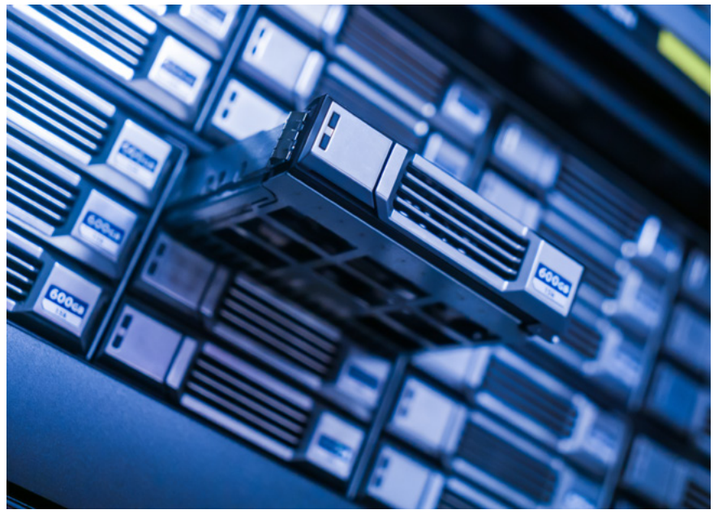
Strong data foundations to leverage AI

The fourth guiding principle is the establishment of strong data foundations to leverage AI. A robust and well-governed data foundation is essential to enabling Artificial Intelligence (AI) to power intelligence across all platforms and architectural layers. This fundamental capability supports real-time insights, enhanced automation, and adaptive decision-making throughout the bank's operations.

Digital infrastructure expansion

Responding to evolving customer needs

The adoption of continuous integration and continuous delivery (CI/CD) across FAB's development streams has transformed the Bank's release cycle. Automated testing, value stream-based delivery, and productivity tools such as Copilot have reduced manual intervention and accelerated feature deployment. This engineering discipline ensures continuous improvement, faster iteration, and the ability to quickly respond to evolving customer expectations and regulatory needs while upholding high release stability.



UAE data center consolidation

Data centre consolidation and efficiency

FAB has achieved significant progress on its 36-month consolidation programme, successfully reducing the data centre footprint from seven locations to three. This transformation has delivered substantial benefits, including reduced operational costs, avoidance of future expenses related to annual maintenance contracts and technology refresh cycles, and the elimination of expenses tied to redundant servers.

The programme resulted in a 20% improvement in operational efficiency and enabled the seamless transition of approximately 1,400 servers from legacy to target data centres with minimal service disruption.

This initiative has achieved an emissions reduction equivalent to 3,100 tCO2e compared with the 2019 benchmark, reinforcing FAB's commitment to sustainable infrastructure and advancing its ESG objectives.

Future optimisation and streamlining

Building on the successes of the initial programme and informed by newly identified efficiency opportunities, FAB is currently planning the next phase of optimisation. This includes consolidating the user acceptance testing and disaster recovery (DR) data centres, a move that will further reduce the data centre footprint from three to two by late 2027 or early 2028. This upcoming consolidation phase will also provide critical support for greater cloud adoption in line with the Bank's forthcoming business-technology mandates.

Future cloud adoption strategy

FAB's cloud adoption strategy is anchored on three core principles designed to maximise flexibility, performance, and efficiency. The bank prioritises the adoption of a multi-cloud service provider structure, supported by clearly defined exit strategies for all applications hosted on each cloud platform. To enhance resiliency, performance, and scalability, FAB encourages the increased use of cloud-native services, leveraging the advanced capabilities offered by these platforms.

The strategy is further reinforced through robust governance and FinOps controls, strengthening the monitoring of cloud utilisation, committed capacity, and billing across all services. This is all underpinned by a strict FinOps framework to ensure continuous optimisation and disciplined cost management.

To further unlock the value of these technologies, the Cloud Centre of Excellence (COE), established in 2023, has been instrumental in driving governance across the multi-cloud operating model. The COE accelerates cloud adoption while actively monitoring cloud resource optimisation, cost efficiency, and balanced capacity and budgets. Through the COE's efforts, FAB has already seamlessly migrated up to 60% of applicable services by the end of 2025, with a strategic target to reach 70% migration by the end of 2027, all while rigorously maintaining operational integrity and cost efficiency.

2026 Outlook

FAB's 2026 technology strategy focuses on strengthening transformation foundations and launching AI-powered solutions to deliver scalable, secure, and intelligent operations.

- **Architecture simplification:** Initiate migrations to a modern, platform-based technology landscape and retire legacy applications.
- **Data & AI evolution:** Expand enterprise-wide AI adoption by evolving our data platform and embedding intelligent automation in order to accelerate the GenAI-driven use case development.
- **Infrastructure and resilience:** Accelerate cloud adoption & enhance automation to improve service reliability and cost efficiency, while modernising our core banking platforms.
- **Strategic sourcing:** Optimising the vendor ecosystem by transitioning to strategic partnerships with leading technology partners across the globe.
- **QBR governance:** Strengthen cross-functional alignment by establishing quarterly business reviews (QBR) across delivery, shared KPIs, and integrated accountability.
- **Engineering Excellence:** Drive significant productivity on change delivery through AI-integrated FAB services (NUMO AI Platform).
- **Value delivery via state-of-the-art, agentic use cases:** Drive customer-centricity and excel internal processes by introducing AI-powered solutions across FAB. A strong pipeline of solutions will generate a step change for FAB: it will significantly contribute to our growth ambition, support efficient operations, and set the Bank up for the future. This will deliver simpler, faster, and more personalised client experiences.



Monitoring and managing risk across a global network

FAB's Group Risk management vision is to maintain a best-in-class and integrated risk management framework, that enables the growth strategy and delivery of sustainable value to stakeholders. Accordingly, we have established a robust Group-wide risk management framework to ensure that all material risks are managed proactively and consistently across our entities and operations. Our culture drives a strong risk and control environment and our goal is to ensure long-term business, whilst balancing social, environmental and financial aspects to protect the interests of our stakeholders.

Risk management pillars



Key risk management pillars

1. Governance and culture

Strong governance with accountability mechanisms and a responsible risk culture form the foundation of FAB's risk management approach. A strong risk culture embeds risk identification and awareness of emerging risks and ethical conduct throughout the group, ensuring transparent and risk-based decision-making aligned with stakeholder expectations. FAB promotes effective governance and encourages a responsible risk culture through the following initiatives:

- Defining and embedding of FAB values and behaviors with strong conduct policies
- Comprehensive Board and Board sub-committees oversight on all risks
- Senior management governance forums and well-defined delegation of authority
- Periodic review of the charters and effectiveness of the committees
- Well-established policies, frameworks and corporate governance standards
- Three Lines of Defence model
- Material risk takers framework and performance incentives aligned with prudent risk-taking
- Tone from the top and risk awareness training for staff and clients

All employees within FAB Group are responsible for risk management, with formal accountability assigned to the Group Board and the Board Risk and Environment Social Governance Committee (BRESGC). The BRESGC approves the Group's Risk and ESG strategies, sets risk appetite and policies, and oversees the Group's risk profile, emerging risks, capital and stress testing exercises. Senior management committees assisting the BRESGC in these functions are the Group Risk Committee (GRC), Group Operational and Fraud Risk Committee (GOFRC), Group Technology Risk & Information Security Committee (GTRISC) and Group ESG Committee (GESGC). Several sub-committees, such as the IFRS 9 Group Steering Committee, Model Risk Management Committee and ESG & Sustainable Finance Committee, are responsible for managing risks in specific domains. The FAB Group Risk Management function, led by the Group Chief Risk Officer, is an independent second line of defence, providing oversight, frameworks, policies and advisory.

2. Risk strategy, appetite, and frameworks

FAB maintains a comprehensive, forward-looking risk strategy and risk appetite framework that supports sustainable business growth while ensuring financial and operational resilience for emerging risks. The Board-approved risk appetite outlines quantitative limits and qualitative expectations across all material risks, supported by robust risk governance frameworks and policies. These policies and frameworks are developed in line with global best practices and regularly refreshed to incorporate regulatory changes, economic developments, and the Bank's evolving strategic priorities. Capital planning and stress testing are integral elements of this pillar, ensuring prudent. Key pillars of FAB's risk strategy and framework include:

- Group Risk Strategy and Risk Appetite Framework in alignment with Group strategy
- Comprehensive enterprise risk management framework, along with policies and procedures for all risk types
- Operational, cyber, fraud resilience and ESG frameworks and policies
- Comprehensive ICAAP, ILAAP, recovery planning and stress-testing frameworks

3. Risk identification and mitigation

The Group employs a proactive, insight-driven, and dynamic approach to risk identification and mitigation to ensure emerging and material risks are recognised early and managed effectively across the organisation. Risks are identified through continuous scanning of internal and external environments, leveraging advanced analytics, scenario evaluations, early warning indicators, and cross functional insights. This enables forward-looking assessment of potential vulnerabilities before they crystallise. This process spans all risk types, business segments, entities, and geographies. Once identified, risks are evaluated using a structured methodology that considers impact, likelihood, velocity, interconnectivity, and horizon, ensuring a holistic view of risk exposures aligned to the Group's strategic objectives. The Bank emphasises proactive action planning for risk mitigation. This approach includes the following aspects, which strengthen resilience by ensuring the Group can anticipate, assess, and mitigate risks with agility and precision, supporting sound decision-making and sustainable performance.

- Horizon scanning of emerging risks and risk-profiling reports
- Robust underwriting, expected credit loss framework, early warning indicators, thematic reviews
- New product assessments, third-party reviews, RCSA and key risk indicators
- Threat intelligence, vulnerability reviews, penetration testing and scenario analysis
- Client and transaction risk screenings and investigations
- Forward-looking ICAAP, stress tests and scenario analysis for all material risks
- Advanced risk systems, models and risk dashboards for all material risks
- Risk mitigation plans including but not limited to, risk sensitive limits, controls, portfolio rebalancing, credit risk mitigants, etc.

4. Robust controls with independent assurance for resilience

Robust internal controls and independent assurance mechanisms ensure that risks across the Group are effectively managed. Control frameworks are embedded across business functions, assessed through key risk indicators. Independent assurance either by the second line, third line or external parties ensures control effectiveness, compliance with regulatory requirements and continuous improvement of risk management practices. FAB's internal control framework comprises the following aspects:

- Independent risk oversight, challenge and advice by Second line of defense
- Limit monitoring and escalation frameworks
- RCSA, KRIs and control testing and a robust incident and issue management framework, operational and cyber resilience controls.
- Independent model validation
- Periodic assurance by 3LOD



AI-driven risk transformation

FAB leverages advanced systems and models to ensure accurate risk measurement, monitoring, and reporting. We are driving an AI risk transformation—embedding intelligent, agentic capabilities into risk processes, complemented by process automation. The Group has developed purpose-built AI agents and other digital tools spanning domains such as, but not limited to, enterprise risk management, cyber resilience, liquidity risk, climate risk, legal reviews, credit risk analytics and dashboards, fraud risk processes, operational risk management for continuous monitoring, reporting and risk prevention. The Group has established robust AI risk governance and AI model risk management frameworks. Employees also receive training to build AI proficiency, risk management and compliance.

Top and emerging risk landscape

Risk themes	Risk description and mitigants
Evolving global macroeconomic and geopolitical dynamics	In 2025, the global economic landscape continued to experience significant volatility, shaped by intensifying geopolitical tensions, amplified by the realignment of global trade and supply chains, and deepening global fragmentation. In 2026, banks continue to face elevated risks due to geopolitical tensions, tariff regimes, and supply chain realignments—which may further disrupt capital flows and commodity markets. However, the outlook is supported by certain positives, such as IMF's global growth projections at 3.3% supported by normalisation of policy settings and sustained technological investments. Locally, the UAE economy remains resilient with the IMF projecting real GDP growth of 5% in 2026, underpinned by strong domestic demand and continued momentum in strategic sectors. FAB maintains a resilient and forward-looking risk management framework designed to navigate evolving macroeconomic and geopolitical conditions. In 2025, the Bank further strengthened its risk agility and resilience in response to these volatile, non-linear and interconnected risks using advanced models, bespoke scenario analysis, and thematic deep dives into high impact global risk drivers, with suitable response strategies.
Global markets, interest rates and asset price volatility risks	In 2025, banks operated in a volatile global environment marked by persistent above-target inflation, shifting interest rate expectations and yield curve swings. Equity and credit markets showed stretched valuations, while oil price volatility and geopolitical tensions drove uncertainty in inflation and capital flows. These dynamics created challenges for balance sheet management, market liquidity, and valuation sensitivity across trading and investment portfolios. In 2026, banks face elevated risks from divergent monetary policy paths and cautious easing cycles, which may drive volatility across yield curves and funding markets. With valuations still elevated, markets remain vulnerable to rapid repricing if inflation proves sticky or growth weakens. Pockets of leverage and structural liquidity fragilities increase the potential for dislocations, affecting collateral values, model performance, and liquidity management. FAB addresses these heightened risks through enhanced market surveillance, dynamic limit calibration, and disciplined hedging strategies. Targeted diversification across risk factors further reduces concentration vulnerabilities. A robust stress testing programme, anchored by scenario-based limits, supports early risk identification. FAB's asset liability management framework continues to play a critical role in managing interest rate exposures and ensuring balance sheet resilience.
Evolving credit cycle	In 2025, the credit cycle was shaped by macroeconomic uncertainty, refinancing pressures, sector specific vulnerabilities, and sensitivity of staging to volatile macro economic variables. Collateral valuation pockets, emerging structural megatrends, and concentration risks added to portfolio volatility. In 2026, emerging risks continue from structural forces such as the energy transition, climate-linked credit deterioration, global refinancing cliffs, geopolitical fragmentation, and the opacity of private credit. These amplify unpredictability in borrower resilience, elevate sectoral bifurcation, and increase the likelihood of staging shifts and provisioning requirements. In the GCC and the UAE, credit fundamentals remain comparatively resilient, supported by strong fiscal positions and sustained economic momentum. FAB actively manages these dynamics through disciplined risk appetite calibration, prudent underwriting standards, proactive portfolio monitoring, early warning and sectoral stress testing. FAB's loan book continues to demonstrate high asset quality and provision coverage, anchored by a conservative balance sheet structure and its privileged position as the banking partner to the Abu Dhabi government.

Risk themes	Risk description and mitigants
Operational and cyber resilience risks	The operational and cyber resilience landscape is shaped by expanding digital ecosystems, third party interdependencies, rapid advances in technologies and new business models. Threat actors leverage increasingly sophisticated AI driven capabilities to execute faster, more adaptive intrusion techniques, including deepfake enabled identity spoofing, ransomware, DDOS, Gen-AI enabled attacks, social engineering and exploitation of supply chain vulnerabilities. Regulatory regimes have enhanced the financial sector resilience expectations for critical business services and third parties. Against this backdrop, FAB continues to strengthen its comprehensive group wide operational resilience framework aligned with CBUAE guidelines and other major regulatory standards. The Bank maintains a robust disaster-recovery and business-continuity architecture, supported by proactive monitoring of resiliency of critical services and change management protocols. FAB has strengthened third-party risk-management standards, due-diligence protocols and continuous monitoring of third parties. FAB's multi-layered cybersecurity strategy is underpinned by advanced technology risk assessments, data privacy and protection, threat-detection technologies, recovery and response and AI-enabled monitoring. We maintain high cyber security posture in line with CBUAE guidelines and other major international standards.
Emerging fraud threats	The fraud landscape is becoming increasingly sophisticated, driven by digital threats such as deepfakes, synthetic identities and socially engineered scams. FAB adopts a multi layered, intelligence driven fraud risk management approach, leveraging advanced analytics, device monitoring, biometric authentication, transaction screenings and digital controls to prevent and detect emerging attack patterns. The Bank continues to strengthen system defenses through continuous model tuning, ecosystem wide data sharing and alignment with evolving regulatory expectations. Targeted customer education, industry collaboration and close coordination with law enforcement agencies further enhance collective resilience and help safeguard customers and the wider financial ecosystem.
Climate and nature risk resilience	In 2025, banks operated in an environment of increasing climate-related physical and transition risks, evolving regulatory frameworks, and heightened scrutiny of ESG credibility, resulting in greater exposure to emerging risks driven by regulatory change. For FAB, these risks arise from increased exposure to climate related pressure on our assets, evolving ESG policies, client transition readiness. Looking ahead to 2026, climate and nature-related risks and expectations around the transition to a lower-carbon economy are expected to intensify. FAB will continue to mitigate these risks through robust ESG and climate risk frameworks, policies, targets, scenario analysis, strong governance, and transparent sustainable finance practices, including further integration and measurement of climate risk in decision-making, enhanced ESG governance, assessment of client transition maturity, and active client engagement to support an orderly and credible transition.
Evolving model risk landscape	The model risk landscape continued to evolve in 2025, shaped by rapid adoption of AI enabled models and evolving regulatory landscape. In an era of unprecedented global volatility and continuously evolving external conditions, uncertainty around model performance increases, necessitating robust governance and overlays. Regulators globally have reinforced expectations for auditable and bias free models, with supervisory bodies emphasising transparency, documentation integrity and lifecycle governance. Within this evolving environment, FAB continues to mature its Model Risk Management capabilities in line with the best practices. The Bank maintains a comprehensive model risk oversight framework supported by full model inventory, strengthened lifecycle controls and clear model risk appetite and enhanced development standards. This framework is further enhanced by independent validation and strong monitoring mechanism.

Ensuring Group Compliance

The Group Compliance function ensures that regulatory, supervisory and reputational risks are continuously monitored and effectively managed. It implements governance processes, frameworks, systems and controls to uphold applicable laws, regulations, best practices and principles across FAB's global network.

The Group Compliance function reports directly to the Group Chief Executive Officer (GCEO) and the Chair of the Board Audit Committee (BAC) and holds regular meetings with both local and international regulators. Locally, our role as a member of the Compliance Committee of the UAE Banks Federation (UBF) enables us to make meaningful contributions to the banking industry and its regulatory landscape. We maintain a constructive and transparent relationship with local regulators, including the Central Bank of the United Arab Emirates (CBUAE), the Capital Markets Authority (CMA), the Financial Services Regulatory Authority (FSRA), and the Abu Dhabi Accountability Authority (ADAA). Ensuring robust policies and procedures to manage these regulatory relationships is a critical priority for the Group.

FAB's compliance operating model is structured as an independent, second line of defence with a centralised function consisting of strong compliance teams that support each business unit within the UAE and across international markets where FAB operates. This structure is reinforced by central teams of subject matter experts across regulatory compliance, financial crime compliance, and monitoring and assurance units.

FAB's strong culture of compliance ensures that risk identification, management and transparent reporting remain integral to our business activities. Training and awareness initiatives ensure that all employees are well-versed in their regulatory obligations. Annual compliance training is mandatory for all staff, in addition to tailored training for specific areas such as trading, sales, and relationship management. The Board also receives regular updates on compliance and emerging risks.

Annual enterprise-wide compliance risk assessments are conducted across all businesses within the FAB Group, covering inherent risks and the effectiveness of controls for compliance risks. Relevant mitigation plans and actions are reviewed and approved by the BAC and Group Compliance Committee.



2025 Highlights

- Strengthened proactive regulatory relationship management, both domestically and internationally.
- Effectively managed regulatory changes by adequately analysing and implementing new or updated regulations across the FAB Group network.
- Distributed periodic compliance and financial crime dashboards to each business unit, providing clear visibility on key compliance risks and financial crime indicators within the overall compliance programme.
- Conducted extensive staff training and awareness sessions on compliance risk matters, emerging trends, and regulatory developments including economic sanctions.
- Successfully completed extensive compliance monitoring and testing reviews across the UAE and international jurisdictions within FAB's global footprint.

Governance and oversight

Our compliance efforts have been bolstered by robust governance and oversight, with the Group Board of Directors and relevant committees actively involved in monitoring compliance matters.

The Board sets the tone from the top, fostering a culture of integrity, accountability, honesty, and ethical conduct. The Board is responsible for overseeing the management of the Group's compliance risk and ensuring the establishment of an independent compliance function. The Board appoints a Chief Compliance Officer with appropriate authority, independence, resources, and access to the Board.

Group Compliance operates as an independent second line of defence function within the Group's Three Lines of Defence (3LOD) risk governance structure. It provides a comprehensive enterprise-wide view of compliance risk exposures and integrates specialist compliance teams under a single reporting structure.

The Board Audit Committee has been established by the Board to support its oversight responsibilities, particularly in ensuring compliance with applicable laws and regulations.

The Group Compliance Committee operates under delegated authority from the Group Executive Committee. It assists the Board Audit Committee in fulfilling its objectives of overseeing the bank's regulatory responsibilities, as well as ensuring adherence to applicable laws and regulations issued by local and international authorities.

Regular internal audits and reviews continue to improve the Group's compliance framework, supporting the adoption of best practices and strengthening existing controls.





Regulatory compliance

Compliance risk refers to the risk of legal or regulatory sanctions, material financial loss, or reputational damage that may arise from non-compliance with laws, regulations, rules, standards, governing the Group's activities.

Given the increasingly complex and heightened regulatory environment in which the FAB Group operates, managing compliance risk has become more critical than ever. The Regulatory Compliance function plays an important role in maintaining the Group's relationship with various regulatory authorities, ensuring consistent and transparent communication, and supporting regulatory training and awareness across the organisation. The Group's relationship with domestic regulators is managed through the Regulatory Affairs function, while relationships with international regulators are overseen by the International Compliance team.

The Regulatory Compliance team also monitors, evaluates, and disseminates regulatory updates to relevant stakeholders across the Group. They collaborate to systematically assess the impact of new and updated regulations on existing policies, procedures and activities. This includes preparing action plans to ensure adherence to regulatory changes and aligning products, processes and propositions with evolving requirements.

Compliance control room

Regulators require banks to adequately identify and manage conflicts of interest to avoid the risk of damage to the bank, its clients or the market. Such risks may include loss of clients, litigation, regulatory sanctions, disciplinary actions including potential dismissal, or criminal proceedings related to market abuse, such as insider dealing.

As a leading financial institution, FAB takes conflict of interest management and the prevention of market abuse very seriously. The Group has implemented comprehensive policies, procedures and systems designed to detect, prevent and manage both employee-related and transactional conflicts of interest. These controls are predominantly managed within the Control Room function of Group Compliance. The Control Room ensures compliance with legislative and regulatory obligations related to managing the integrity of the business, market, and clients.

The core responsibilities of the Control Room are divided into two key areas - Transactional Conflict Management and Employee Compliance.

Transactional conflict management oversees both deal-related conflicts of interest and the handling, flow and control of confidential information and material non-public information (MNPI). This is achieved through the implementation of robust information barriers. The Control Room also maintains a centralised mechanism for the disclosure and recording of deal-related information originating from specific business units and functions, enabling FAB to appropriately identify, monitor, and manage conflicts of interest.

Employee compliance focuses on managing conflicts of interest related to personal employee activities, including personal account dealing, gifts and hospitality, external business interests and activities, and the declaration of relatives' interests.

Financial crime

FAB has taken significant steps to strengthen its strategies, frameworks, systems, and controls to combat financial crime. The Group has also hired subject matter experts to enhance its ability to prevent and detect criminal activities including money laundering, bribery and corruption, terrorist financing, proliferation financing, and the evasion of international sanctions.

Anti-money laundering and countering the financing of terrorism

FAB has implemented a robust AML-CFT framework designed to ensure compliance with regulatory requirements and to protect the financial system from misuse.

Money-laundering scenarios and typologies are regularly reviewed and updated to ensure they remain aligned with the bank's products and services, market developments, and emerging behavioural trends identified through regulatory investigations and global updates. Transaction monitoring systems and tools are also deployed to identify suspicious activity patterns effectively.

Policies and procedures are periodically reviewed and updated to incorporate new or amended regulatory requirements and to maintain alignment with the FAB Risk Appetite Statement. The Bank issues regular communications, including a periodic financial crimes newsletter, to update staff on key developments. In addition, targeted training and awareness programmes are delivered across the Group to ensure employees understand and comply with current regulatory requirements and emerging risks.

Anti-bribery and anti-corruption

FAB is committed to full compliance with all applicable anti-bribery and anti-corruption laws across the markets and jurisdictions in which it operates. The Group's Anti-Bribery and Corruption Policy provides practical guidance on meeting these legal and regulatory requirements, ensuring compliance with the letter and the spirit of applicable laws, principles and regulations, demonstrating our commitment to ethical behaviour and conduct.

Economic sanctions compliance

FAB is committed to maintaining full compliance with sanctions and restrictive measures administered by the United Nations Security Council and the Central Bank of the UAE. FAB also complies with sanctions measures administered by the USA, EU and UK, in addition to any local sanctions' requirements applicable in the jurisdictions in which FAB operates.

FAB adopts international best practices to ensure its clients, transactions and activities comply with all relevant sanctions obligations throughout the lifecycle of the relationship. This includes enhanced due diligence processes, from onboarding and throughout the lifecycle of the relationship. FAB has also implemented systems and controls to support the detection, escalation, and reporting of potential sanctions violations to regulators and other competent authorities.

Counter-proliferation financing

FAB has implemented appropriate measures designed to detect, prevent, and respond to proliferation financing risks. These measures are integrated into the bank's wider compliance framework, reinforcing FAB's commitment to maintaining the highest standards of integrity and ethical conduct in all its operations.

Compliance monitoring and surveillance

FAB maintains a focused risk-based compliance monitoring programme that covers the Group across both the first and second lines of defence controls. Compliance monitoring and testing reviews are conducted across all jurisdictions within the global FAB network.

Additional tools and risk-based programmes are also deployed to monitor specific compliance risks, including market abuse and financial crime. Surveillance systems and controls are established in both local and international locations, reinforcing FAB's commitment to maintaining fair and orderly markets.

Whistleblowing

FAB is committed to conducting business responsibly, ethically, and with customers' best interests at heart. The Bank considers the law as the minimum standard for good conduct and has established mechanisms to encourage staff and stakeholders to speak up when they observe any unlawful or unethical behaviour. Multiple reporting channels are available to facilitate secure and confidential escalation. FAB enforces a zero-tolerance policy for retaliation against those who raise specific concerns. Relevant policies, procedures and systems have been designed to safeguard confidentiality and ensure the anonymity of whistleblowers.

Staff training

FAB prioritises the training and continuous development of its employees, including mandatory programmes focused on regulatory risks and financial crime prevention. The Bank conducts numerous training sessions annually, covering a wide range of themes and involving staff across all levels, including Executive Committee and Board members. Training plays a vital role in ensuring that employees understand regulatory requirements and are equipped with the knowledge and skills needed to perform their jobs effectively.

Compliance focus areas for 2026 and beyond

Looking ahead to 2026, compliance risks are expected to continue evolving due to geopolitical dynamics, social and technological shifts, and the emergence of new and amended regulatory requirements.

In an increasingly challenging risk climate, Group Compliance will remain focused on strengthening financial crime and regulatory compliance programmes to enhance risk mitigation and support FAB's sustainable business growth.

Emerging regulatory requirements

- Stay abreast of upcoming regulatory changes and assess their potential impact on the organisation.
- Prepare for the timely implementation of new compliance standards and regulatory requirements that may affect the Group's operations.

Technology integration

- Expand the use of advanced compliance management software and tools to streamline monitoring, reporting and data analysis processes.
- Leverage technology to enhance compliance tracking, risk assessment and internal control measures across the Group's operations.

Enhanced training and awareness

- Deliver targeted compliance training programmes for employees at all levels of the organisation, focusing on specific industry regulations and best practices.
- Foster a strong culture of compliance awareness through regular communications, workshops and interactive learning sessions.

Constant enhancement of compliance systems and controls

- Explore automation and artificial intelligence to deliver on the compliance strategy.
- Enhance key performance indicators (KPIs) and metrics to assess the effectiveness of compliance controls.

Operational Review

Investment Banking & Markets

Wholesale Banking

Personal, Business, Wealth & Privileged Client Banking Group

International franchise

Investment Banking & Markets

Investment Banking & Markets (IB&M) delivers world-class financial solutions to institutional clients through a global client-led coverage model supported by strong product partners and sector-specific organisational structure.



FAB IB&M provides a comprehensive suite of financial solutions across diverse sectors and geographies. By integrating deep industry expertise with a strong emphasis on innovation, market leadership, and robust risk management, IB&M equips clients with highly tailored financing solutions. This approach enables institutional clients to navigate today's complex financial landscape with confidence, ensuring they receive the specialised products and advisory services essential for their strategic growth and long-term success in a global market.

2025 Key highlights

11.79 Đ BILLION
+16% yoy
Operating income

10.12 Đ BILLION
+16% yoy
Profit before tax

52%
FY'24: 45%
NFI % of operating income

177 Đ BILLION
+29% yoy
Loans and advances (net)

171 Đ BILLION
-13% yoy
Customer deposits

330 Đ BILLION
+23% yoy
Client fundraising via ECM and DCM platforms

Financial performance

IB&M delivered strong results in 2025, supported by the successful execution of several landmark transactions in the UAE and overseas.

Revenue grew 16% to AED 11.79 billion, driven by a 29% increase in lending yoy, and strong fee generation.

FAB retained top rankings across all MENA IB league tables, and enabled AED 330 billion in client fundraising via equity capital markets (ECM) and debt capital markets (DCM) platforms, up 23% yoy.

Global Markets delivered record performance supported by strong transaction volumes, increased client flow activity and effective cross selling, capitalising on market volatility.

Our leadership was reaffirmed across MENA Investment Banking league tables

#1	in Loan Agency	Bloomberg
#2	in Bookrunner Loans	Bloomberg
#2	in ECM UAE	dealogic
#4	in ECM MENA	Bloomberg
#5	in MENA DCM	Bloomberg

Our coverage model

Our clientele includes key sectors such as government and public sector (regional governments, ministries, and sovereign entities). We are a strategic partner for major institutional investors, including sovereign wealth funds (SWFs) and financial sponsors (asset managers with a strong focus on private equity, private credit, secondaries, real estate or infrastructure) supporting their expansive investment strategies. We also serve sophisticated independent wealth managers like principal investors providing bespoke and innovative investment banking products tailored to their specific needs.

The financial services sector is also a central focus, encompassing a broad array of banks (global, regional, and local), central banks, multilateral development banks (MDBs), and sovereigns, supranationals, and agencies (SSAs). In addition, we provide specialised services to the full spectrum of non-bank financial institutions (NBFIs), which includes pension and development funds, asset and wealth managers, insurance companies, hedge funds, leasing and financing firms, payment service providers (PSPs), virtual asset service providers (VASPs), securities exchanges, and broker-dealers.

IB&M prioritises a client-centric approach by structuring its relationship management around an integrated global platform that guarantees consistent and high-quality experiences for clients worldwide. To ensure seamless access to IB&M's extensive suite of products and capabilities, global relationship managers work in close collaboration with network relationship managers located across international hubs. This integrated structure ensures that clients benefit from local expertise combined with the reach and resources of a global financial institution.

To meet the diverse and specific requirements of its clientele, FAB's relationship managers collaborate closely with specialised product teams. This partnership model allows the Bank to deliver a broad and customised range of solutions expertly tailored to client needs. Notably, this comprehensive offering covers both conventional financial products and equally robust Shari'ah-compliant solutions, reaffirming the division's commitment to providing complete and flexible financial tools suitable for all client structures and preferences.

Group businesses structure

IB&M is structured under two primary product pillars: Global Corporate Finance and Global Markets.

Global Corporate Finance encompasses extensive lending solutions (including corporate, project, sustainable, and specialised asset/real estate finance) alongside essential ECM (IPOs, rights issues, and private placements) and DCM (conventional and sukuk origination) execution. This pillar is complemented by expert advisory services (M&A, real estate, ESG, and global debt) and crucial securities services.

Our Global Markets platform delivers sophisticated hedging, risk management, market access and liquidity across FX and rates, credit, commodities, equities, including a broad range of structured and financing solutions.

This dual-pillar structure ensures comprehensive coverage of both core financing and capital markets requirements.

Product groups

- **Global Corporate Finance (GCF)**
- **Global Markets (GM)**
- **Global Treasury, Trade, and Tokenisation (GTx)**

Sectors

- **Government and Public Sector**
- **Sovereign Wealth Funds and Financial Sponsors**
- **Financial Institutions Group**

2025 Operational highlights

FAB's IB&M division continues to drive innovation across its product suite to enhance client support and capture new market opportunities. These key developments reflect our commitment to continuous product enhancement and to maintaining our competitive edge in structured financing and capital markets solutions.



Major listings and IPOs in 2025

- Managed the **AED 1.0bn United Arab Bank** rights issue (the largest rights issue in the UAE at the time).
- Listing advisor on the migration of **Orascom Construction** listing from Nasdaq Dubai to the ADX, valuing the company at a market capitalisation of **USD 905mn**.
- Led an **AED 10.4bn** accelerated bookbuild for ADNOC, selling a 4% stake in ADNOC Gas
- Executed an **AED 1.2bn** accelerated bookbuild for **ADNOC**, selling a 3% stake in ADNOC Logistics & Services.
- Facilitated an **AED 371mn** accelerated bookbuild for **G42 in Presight**.
- Underwriter on **USD 1.9bn ACWA Power** rights issue on the Tadawul (the company's first capital raise since its 2021 IPO).
- Completed a fully marketed offering (FMO) of **AED 3.15bn for Mubadala** selling a 7.5% stake in Du (first transaction of this type in the UAE).

Key initiatives delivered during the year include:

- Launched a new multi-limited partner capital call product, supported by an associated risk framework designed to directly serve our financial sponsor clients.
- Introduced uni-tranche and super senior lending products in the European loan market.
- Developed a credit insurance capability, with our first GCF asset now insured in the private credit market.
- Launched a new interim transfer agency solution, part of the broader MENA Securities Services for Asset Managers (MENASSA) product suite.
- Introduced a regulatory newsflash service for asset managers using AI agents and robotic process automation (RPA) to provide timely updates on regional fund regulations.
- Continued to support clients' DCM financing requirements to maintain FAB's position as a regional market leader through product innovation and international expansion.
- Launched Bond Forwards and executed debut transaction.
- Executed first gold deposit trade.
- Executed a series of landmark Net Asset Value (NAV) financing deals across multiple collaterals including equities, digital assets and private credit.
- Continued to maintain strong momentum on the back of specialised hedging from Project Finance and M&A transactions.
- Launched Agency Securities Lending (ASL), a first-of-its kind offering by a UAE bank.
- Delivered key capabilities and platforms supporting sustainable revenue generation.

Sustainable finance highlights

FAB has significantly advanced its commitment to sustainability, with the sustainable finance team (Global Corporate Finance) securing first place in the MENA green bond market. By advising on and leading over 53 transactions, the team successfully facilitated more than USD 31 million in sustainable financing, directly supporting the sustainability goals of clients across diverse sectors and sovereign entities. This market leadership was reinforced by landmark transactions, including major green term loans and sustainability-linked facilities for prominent regional industry leaders.

FAB's sustainable finance team (GCF) successfully:

Advised, structured, and led over 53 transactions as of December 2025, facilitating more than USD 31 million in sustainable financing.

- **Secured the No. 1 position in MENA in the green bond market.**
- **Established green finance frameworks for Emsteel and Tadweer, and by supporting Banque Misr in structuring its sustainability-linked finance framework.**
- **Executed key landmark transactions in 2025, including:**
  - → **AED 9 billion** sustainability-linked syndicated senior unsecured multi-tranche revolving credit facility for Aldar.
  - → **USD 4.5 billion** senior green term loan for the development of five solar PV projects (~13 GW) in KSA for PIF VI.
  - → **USD 400 million** blue loan for Aegea.

Key Awards

- **ESG Loan House of the year** (Global Banking & Markets)
- **ESG Loan House of the year** (Global Banking and Markets, CEE, Central Asia & Türkiye)
- **MENA Sustainable Bank of the year** (MEED)
- **Best Bank for Sustainable Finance** (Euromoney)
- **ESG Coordinator of the year** (IJ Global)
- **ME Best Bank for Sustainable Finance** (Global Finance)

2026 Outlook

Despite market headwinds and intensifying competition from both regional and global banks across key markets, IB&M continues to benefit from compelling strategic tailwinds. The UAE remains a strong magnet for global general partners and family offices, whose increasing local presence enhances FAB's ability to position itself as a key partner. This proximity enables the Bank to leverage local teams to facilitate high value introductions and connect clients with decision-makers internationally. Moreover, improvements in global IPO and M&A environments are encouraging. Activity is showing signs of recovery, supported by strong global equities, lower interest rates, and increased pressure on private asset managers to return capital to their limited partners.

Crucially, robust capital deployment by regional sovereign wealth funds (SWFs), particularly in the UAE and KSA, has remained strong in 2025. These funds are expected to lead global peers for the fourth consecutive year, representing around 40% of total capital flows.

Finally, the Securities Services business is supported by anticipated growth in GCC assets under custody due to expected regulatory easing, growing demand for fund administration, and significant SWF inflows from both regional and CIS markets. This positive dynamic is reinforced by the amassed private markets dry powder, estimated at approximately USD 8 trillion of buying power, which will drive significant future demand for our financing, hedging, and capital markets solutions.

Strategic priorities

- **Strengthen our market position**
- **Maximise cross sell & value capture**
- **Sectors & product specialisation**
- **Harness advanced technologies & innovative solutions**
- **Deepen & diversify client base**
- **Invest in talent**

Landmark deals 2025

FEDERAL MINISTRY OF FINANCE

MoF Nigeria

USD 1.2 billion

ICIEC Covered Syndicated Murabaha & Conventional Term Loan Facilities

Underwriter, Bookrunner, Mandated Lead Arranger, Investment Agent, Conventional Facility Agent and Intercreditor Agent

December 2025

vedanta transforming for good

Twin Star Holdings

USD 530 million

Holdco facility towards refinance of near-term bonds

Mandated Lead Arranger and Bookrunner

April 2025

Wynn Resorts – جزيرة المرجان AL MARJAN ISLAND

Wynn Resorts – Al Marjan Island

AED 8.8 billion

Development of luxury integrated resort in RAK

IMLA, Bookrunner, Lender & Agent

February 2025

Africa Finance Corporation

Africa Finance Corporation

USD 400 million

Syndicated Commodity Murabaha

Joint Lead Arranger and Bookrunner

January 2025 (Drawdown)

KINGDOM OF BAHRAIN
Ministry of Finance and National Economy

Ministry of Finance, Bahrain

USD 1.7 billion

Commodity Murabaha syndication

Underwriter, Coordinator, Bookrunner, Mandated Lead Arranger, and Investment Agent

December 2025

MASDAR IBERDROLA

East Anglia 3 Offshore Wind

GBP 3.1 billion

Syndicated Term Loan Facility

Mandated Lead Arranger, Long Term Lender, DSR Lender, VAT Lender, Hedge Bank

July 2025

FEDERAL MINISTRY OF FINANCE

MoF Nigeria

USD 743.5 million

ICIEC Covered Syndicated Murabaha & Conventional Term Loan Facilities

Bookrunner, Mandated Lead Arranger, Investment Agent, Conventional Facility Agent and Intercreditor Agent

July 2025

Brookfield

Brookfield

AED 300 million

First-of-its-kind back leverage structure for UAE-based underlying real estate assets

Mandated Lead Arranger

September 2025

KKR | INFRASTRUCTURE
TELECOM ITALIA

Optics SPV

EUR 4.0 billion eqv.

Financing for acquisition of fixed line network of Telecom Italia

Lender

January 2025

Africa Finance Corporation

Africa Finance Corporation

AED 938 million

Inaugural Sustainability Linked Loan

IMLA, Bookrunner, Sole Sustainability Coordinator

July 2025

TURK EXIMBANK

Turk Eximbank

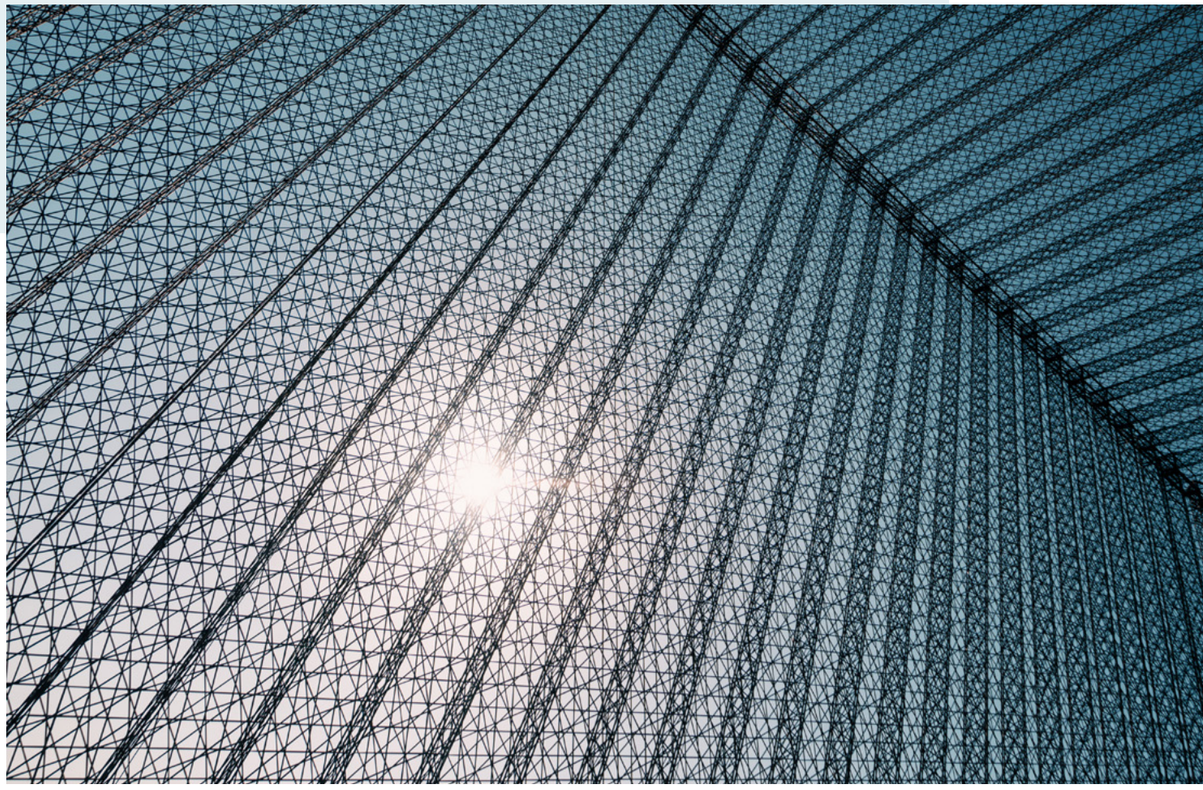
USD 1.0 billion

Dual-tranche bond offering

Mandated Lead Arranger, Bookrunner

December 2025

2025 Investment Banking & Markets Awards



Euromoney

- Middle East's Best Investment Bank for Financing
- Middle East's Best Investment Bank for Financial Institutions
- Middle East's Best Investment Bank for Securities Services
- UAE Best Bank for Real Estate
- Sustainable Finance

Global Capital

- Best Arranger of Loans in the Middle East

EMEA-Finance

- Best Structured Finance House - Middle East

ADX

- Largest Custodian by Asset Value

Global Banking and Markets, UAE

- Middle East Investment Bank of the Year
- ESG Loan House of the Year
- Leveraged Finance Bank of the Year in the Middle East
- Structured Finance Bank of the Year in the Middle East
- Project Finance House of the Year
- Local Currency Bond Deal of the Year

Global Finance

- Best Bank for Sustainable Finance (UAE)
- Best Bank for Sustainable Finance in the Middle East
- Best Sub-Custodian in KSA, Kuwait and Bahrain

Global Banking and Markets, CEE, Central Asia & Türkiye

- ESG Loan House of the Year

IJ Global Award

- MLA of the Year Middle East

IJ Global Awards EMEA and Americas

- ESG Coordinator of the Year

The Digital Banker

- Outstanding Sustainable Finance – Project Finance

MEA Finance and MEA Business

- Outstanding Sustainability Initiative

Middle East Economic Digest (MEED)

- MENA Sustainable Bank of the Year
- Best Bank for Structured Finance

Wholesale Banking

Wholesale Banking (WB) delivers comprehensive financial solutions to medium and large corporates, institutions, and government entities across the UAE and global markets. Its mandate is to enable growth and resilience through tailored banking and advisory services.



WB is led by a dedicated senior management team with clear accountability across coverage, products, risk, and international markets.

The division brings together relationship-led coverage, specialised sector expertise, and an integrated product suite to support the increasingly complex financing, transactional, and cross-border requirements of our clients.

Leveraging FAB's scale as the UAE's largest bank, alongside advanced digital capabilities, and strategic partnerships, WB delivers integrated, future-ready solutions that support sustainable growth and operational resilience for a diverse client base that includes large corporates and conglomerates.

2025 Key highlights

6.40 AED BILLION
+11% yoy
Operating income

4.81 AED BILLION
+17% yoy
Profit before tax

38%
FY'24: 31%
NFI % of operating income

168 AED BILLION
+16% yoy
Loans and advances (net)

243 AED BILLION
+10% yoy
Customer deposits

10%
yoy increase in CASA volumes

Financial performance

WB delivered a robust performance in 2025. Operating income increased to AED 6.40 billion, representing a 11% rise yoy. The division saw disciplined balance sheet growth while optimising returns. Customer deposits totaled AED 243 billion, up 10% yoy, while net loans reached AED 168 billion, an increase of 16% yoy supported by broader regional coverage.

Performance was further supported by diversified growth across key economic sectors and enhanced cross sell, reflecting continued progress in sector-specialised solutions, deeper product penetration, and the acceleration of tokenisation capabilities enabling innovative and secure client offerings.

These initiatives translated into measurable gains in market share, and an improvement in share of wallet, driven by stronger primary-banking relationships across core client segments.

Products and solutions

Dedicated coverage teams bring deep sector insight across priority industries, enabling the delivery of tailored solutions that address clients' specific operational, financial, and strategic needs.

The division's corporate banking offering encompasses a broad range of lending, working capital, and structured finance solutions, supporting clients across their growth, investment, and liquidity requirements.

Global Corporate Finance represents a core service line, providing advisory support for mergers and acquisitions as well as capital-raising solutions across regional and international markets.

Treasury and trade solutions represent another key pillar of the offering, with capabilities spanning cash management, trade finance, and tokenisation, supported by straight-through processing to enable faster, more secure, and more efficient transaction execution.

In parallel, Wholesale Banking provides robust risk and compliance solutions, equipping clients with the tools required to manage regulatory obligations and mitigate financial and operational risks in an increasingly complex operating environment.

Together, these services enable Wholesale Banking to effectively support large corporates and conglomerates with complex regional and global requirements, as well as international clients, through a coordinated network of international hubs that support cross-border origination, transaction banking, and advisory services.



Our 10 priority sectors

1. Energy and Natural Resources
2. Industrial and Manufacturing
3. Transport & Logistics
4. Retail & Consumer Goods
5. Education & Healthcare
6. Technology, Media, Telecom
7. Real Estate & Hospitality
8. Contracting
9. Family Groups & Conglomerates
10. Corporate Banking



Digital enablement and client experience

Digital delivery is central to Wholesale Banking's value proposition. By the end of 2025, approximately 90% of clients were actively using FAB's digital platform, with 60% of these engaging across multiple services, such as payments, payroll, trade finance, and collections.

Transaction volumes increased 12% yoy, driven by higher payments and payroll activity, a 60% increase in collections volume, and a 49% growth in supply chain finance volumes. Straight-through processing rates reached 99% for cash management transactions, improving speed, accuracy, and operational efficiency.

Virtual account transaction volumes have seen a significant improvement, rising to 60,000 monthly, and resulting in operational efficiency gains for key clients.

The introduction of our mobile app has led to 90,000 monthly approvals, significantly reducing corporate approval time, while our FABePay system has facilitated the same number of monthly transactions, practically eliminating branch teller queues for key clients.

Transformation agenda and progress

Wholesale Banking is executing a transformation agenda aimed at strengthening coverage, improving efficiency, and enhancing client outcomes.

A key focus of the transformation agenda was enabling sector-based coverage through industrial mapping, enhanced data analytics, and advisory tools that support relationship managers in identifying sector-specific opportunities across domestic and international markets.

Enhancing client experience and operational efficiency

Reduction in turnaround times (TAT)

for critical processes

Improved workflow transparency

enabling clients to seamlessly track progress

Straight-through processing (STP)

ensuring speed and accuracy through minimal human intervention

Unified digital platform experience

delivering consistency and convenience across channels

Global connectivity and partnerships

Wholesale Banking continues to leverage FAB's global network to enhance returns and support sustainable growth through disciplined portfolio optimisation and deeper cross-border client engagement. This includes the systematic review of client coverage and cross sell opportunities across network locations, active optimisation of risk-weighted assets, and a continued focus on improving product penetration across the franchise.

By activating FAB's international presence to deliver integrated cash management and transactional solutions, the division has strengthened its ability to serve clients across key business corridors. These efforts have also supported a deliberate shift in revenue mix toward fee-based income, reducing reliance on balance sheet-intensive lending and reinforcing more resilient, sustainable returns.

This disciplined approach is complemented by the continued expansion of FAB's international network through targeted partnerships, infrastructure enhancements, and cross-border connectivity initiatives.

In 2025, FAB became the first bank in the MENA region to join China's Cross-Border Interbank Payment System (CIPS) as a direct participant, enabling more efficient RMB-denominated transactions and strengthening UAE-China trade connectivity.

The division also supported the adoption of Oracle-Mastercard virtual card solutions for B2B payments, enhancing efficiency and transparency in corporate payment flows.

In Asia, FAB further strengthened its regional connectivity through a strategic collaboration with the Development Bank of Singapore, supporting sustainable business growth and facilitating cross-border opportunities across key international business corridors.



Sustainability and responsible growth

Sustainability remains integral to WB's approach to client engagement and long-term growth, anchored in a shared responsibility model that emphasises partnership in delivering impactful outcomes. The division works closely with clients to embed sustainability considerations into their business strategies, supporting environmental stewardship and long-term resilience across key sectors. This collaborative approach is reflected in the provision of innovative solutions, including green financing, ESG-linked products, and sustainability-focused advisory services, designed to help clients transition responsibly while meeting evolving regulatory requirements and international sustainability benchmarks.

In 2025, ESG risk assessment coverage across the WB portfolio reached 95% completion, while a system solution has been put in place to automate ESG risk evaluation for credit evaluation. These efforts reinforce FAB's commitment to responsible growth and long-term resilience for both clients and the broader financial system.



Case study

Wholesale Banking self-onboarding portal

In 2025, Wholesale Banking launched a self-onboarding portal designed to transform the client onboarding experience. The solution enables clients to enjoy end-to-end transparency with KYC, risk assessment, and approval workflows. The portal has delivered meaningful improvements in turnaround times by eliminating redundant data entry and enabling seamless document submission. For existing clients, the solution is equipped with FABeAccess, providing a single sign-on experience and a unified digital interface.

2026 Outlook

Looking ahead, Wholesale Banking will remain focused on deepening sector-led coverage, expanding market share, and accelerating growth in the mid-market segment. Key priorities include enhancing cross-border capabilities, increasing fee-based income, and monetising data through advanced analytics and AI-driven insights. While global macroeconomic uncertainty, interest rate volatility, and heightened competition present ongoing challenges, these are balanced by strong tailwinds across MENAT markets, growing trade corridors, and continued demand for sophisticated wholesale banking solutions. With a clear strategy, disciplined execution, and a future-ready operating model, Wholesale Banking is well positioned to deliver sustainable growth and value in 2026 and beyond.

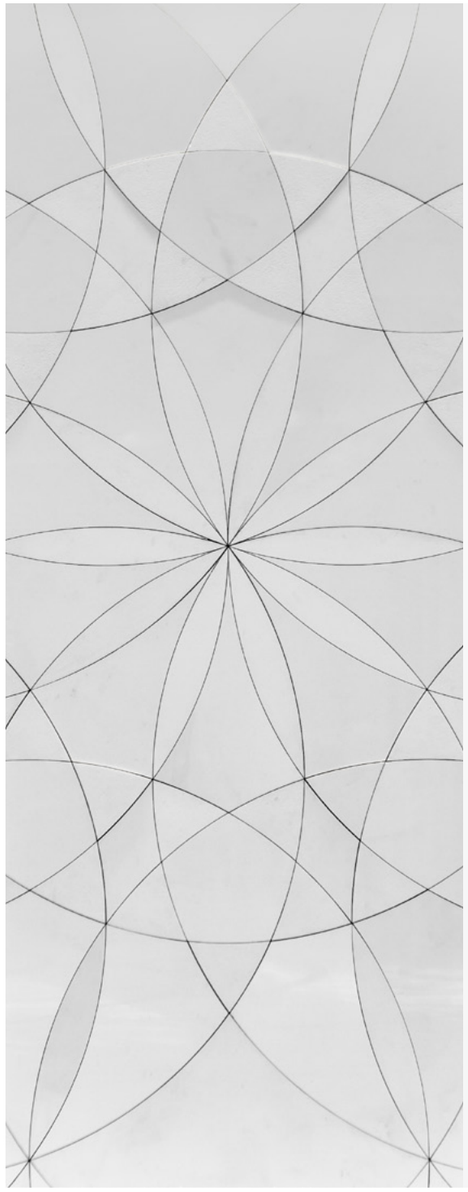




Strategic priorities

Continued market share increase	through targeted acquisitions across priority sectors
Build specialised sector teams and coverage models	to capture the growing local and regional wholesale market
Support clientele in their international expansion	in markets where FAB has an established local presence
Increasing fee-based income contribution to the division's total earnings	with particular focus paid to transactional products
Digitisation of end-to-end processes	Open Banking and API, integration of STP and tokenisation technologies

2025 Wholesale Banking awards



Global Finance

- Best Trade Finance Provider in the Middle East
- Best Use of Artificial Intelligence in Trade Finance - Global
- Best Bank for Cash Management – UAE
- Best Digital Payments Strategy in the Middle East

Euromoney

- The Middle East's Best Transaction Bank
- The UAE's Best Cash Management Deal

MEA Finance

- Best Financial Sector Portal in the Middle East
- Best AI Technology Implementation – UAE
- Best Online Banking Service

The Digital Banker

- Best Bank for Trade Finance - Middle East
- Best Bank for Supply Chain Finance - Middle East
- Outstanding Digital CX – Corporate Banking App

GTR KSA Leaders in Trade Awards

- Best Bank for ESG

MEED

- Best Liquidity Management Provider

EMEA Finance - Treasury Services Awards

- Best Treasury Services in the Middle East

ABF Wholesale Banking Awards

- UAE Domestic Cash Management Bank of the Year
- UAE Domestic Trade Finance Bank of the Year

Personal, Business, Wealth & Privileged Client Banking Group

FAB's Personal, Business, Wealth & Privileged Client Banking Group (PBW&PCBG) delivers integrated financial solutions to individuals and businesses at every stage of their financial journey. Serving a diverse client base — including retail, affluent, high-net-worth (HNW) and ultra-high-net-worth (UHNW) individuals, privileged clients, family offices, and small-to-medium enterprises (SMEs), the division combines consumer, business, and private banking with comprehensive investment and advisory services.



Our mission is to ensure a seamless, high-touch customer experience across every transaction. We achieve this by strategically leveraging advanced AI and digital capabilities while optimising our robust distribution and sales channels to deliver personalised solutions efficiently.

PBW&PCBG is structured around four key pillars: client segments, products, channels, and support/enabler functions. These integrated units collaborate to provide a seamless, customer-focused approach across all business lines within the UAE, driving continuous improvement and innovation in service excellence.

2025 Key highlights

12.65 Đ BILLION
+10% yoy
Operating income

7.48 Đ BILLION
+18% yoy
Profit before tax

28%
FY'24: 23%
NFI % of operating income

237 Đ BILLION
+11% yoy
Loans and advances (net)

311 Đ BILLION
+24% yoy
Customer deposits

+28%
yoy growth in retail AUMs

Financial performance

PBW&PCBG delivered solid results in 2025 with revenues rising 10% to AED 12.65 billion, reflecting higher client activity across key segments.

Retail CASA balances rose 16% yoy, adding AED 25 billion, while retail AUMs rose 28% yoy, driven by sustained net inflows and a significant uplift in mandate conversions, reflecting growing client adoption of FAB's advisory and discretionary propositions.

The division also continued to enhance its investment offering through recent partnerships with Amundi, Europe's leading asset manager, and T. Rowe Price, a leading global asset management firm, broadening client access to world-class solutions.

Key product offerings

Assets: We offer key products such as personal loans, auto loans, mortgage and credit cards, both FAB-owned and co-branded, for conventional and Islamic customers.

Business Banking: We provide SME products such as business accounts, programme lending assets, discretionary lending assets, commercial cards, banca, and global markets products.

Liabilities: Our accounts proposition covers current accounts, savings accounts, fixed deposits and isave accounts catering to customers' needs.

Mobile Wallet: Payit is the mobile wallet powered by FAB and combines all payments and recharges into a single app, enabling our customers to go cashless.

Investments: We offer a range of investment products and services such as securities, mutual funds, advisory mandates, discretionary portfolio mandates, structured products, foreign currency non-resident (FCNR), Banca, FX, custody and others to individuals, entrepreneurs and family offices along with the right operating and servicing model for key segments.

National Housing Loans (NHL): FAB is the key distributor for Abu Dhabi Housing Authority's National Housing Loan programme. As part of this programme we cover end to end process of loan disbursal, NHL engineering, operations, and collections for UAE National customers.





2025 Operational highlights

Over the past year, PBW&PCBG significantly enhanced its customer value propositions across all segments.

Within Personal Banking, we launched Personal Finance Management – a smart customer experience for payments, which delivers a digitally-enhanced experience within the FAB Mobile App, enabling customers to track spending, set budgets, get contextual personalised alerts, and manage payments seamlessly.

Demonstrating a commitment to targeted growth, the division developed a compelling employee banking proposition for select UAE employers, launching a member-get-member initiative designed to attract new customers. Innovative campaigns were rolled out, including the Etihad Guest Account campaign, offering up to 110k EG Miles on new salary transfers, and the introduction of a niche marriage loan programme exclusively for UAE nationals in partnership with the Social Support Authority (SSA).

In addition, our mobile wallet, Payit, achieved a key milestone by becoming the first UAE wallet to offer an integrated microfinance facility.

In Private Banking, we expanded our credit offering across UAE and international markets:

We introduced Islamic real estate financing in the UK and launched jet financing, a bespoke financing product for UHNWIs, the first of its kind from a local bank. Furthermore, we launched a structured product platform in partnership with Halo & Kepler.

We've continued to build out our ecosystem through strategic partnerships across insurance, structured products, retail, and government. Key partnerships include Abu Dhabi Housing Authority, Abu Dhabi Traffic Department, FAHR, Sukoon, ADNIC, MetLife, Galleria Mall, and ongoing collaboration with Mastercard.

We launched two new co-branded cards – ADNOC and Al Futtaim Blue Islamic credit cards, and launched Jaywan mono badge debit cards supporting the national payment scheme. For SMEs, we partnered with entities like Dubai Unified Licence and Abu Dhabi DED to enable instant, seamless account opening. We also launched the FAB Art Platform in partnership with Opera Gallery and Iconic Art.

We also enriched our international offerings and footprint with the launch of the private markets discretionary portfolio mandates in Switzerland, strategic relocation of our UK office and expanded business development activities in KSA.

Digitisation and transformation

FAB has made strong progress with the launch of a UAE-dirham backed stablecoin in partnership with ADQ and IHC. Additionally, the Bank continues to invest in digital capabilities to enhance customer experience – we have scaled up our omni-channel GenAI Co-Pilot (Leila) to all channels in sales & distribution, helping improve customer engagement and sales productivity, and expanded fintech hub collaboration to complete two challenges.

FAB also became the first bank in the UAE to launch digital joint account journeys for NHL customers, covering onboarding and after sales services.

Business Banking advanced its transformation agenda and launched a digital-first proposition with FAB Business, leveraging AI to deepen relationships with SME customers and partnerships to enhance experience, including an integration with Dubai Unified License platform. FAB Business has quickly become the go-to platform for SMEs, offering a seamless digital journey from onboarding to servicing.

Our retail app continues to evolve, with enhancements to journeys across CASA, loans and cards, and features like daily investment statements and travel alerts. As part of our vision to deliver future banking experiences today, FAB Wellness Rewards is now live on the FAB Mobile App, alongside the launch of the FAB Rewards Active Credit Card and the global-first Fitness Payment Ring - this innovative proposition seamlessly combines fitness tracking, rewards earning, and contactless payments.

FAB initiated a strategic engagement with Presight to leverage AI tools to optimise its branch network visibility and build a stronger presence across the region.

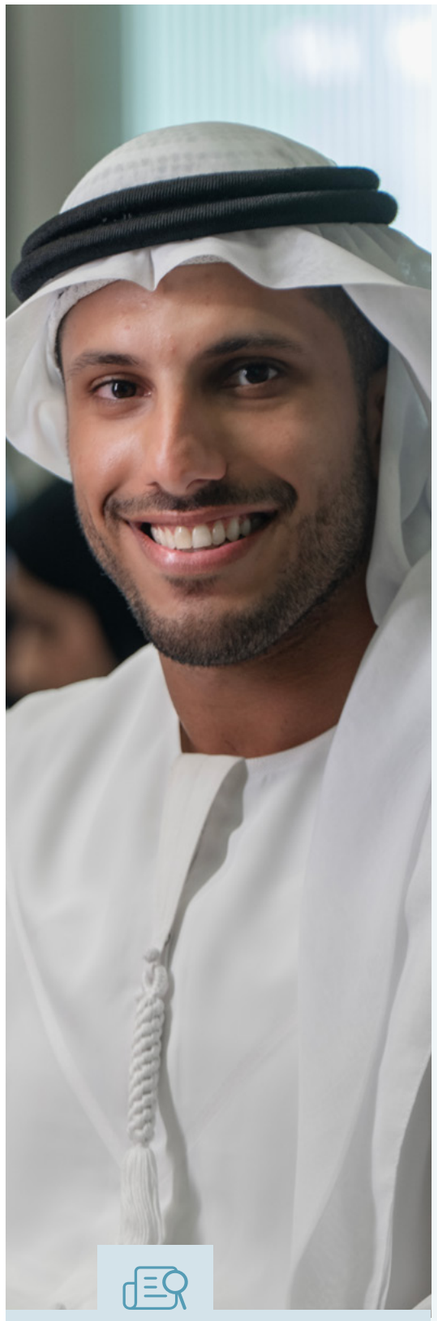
This initiative, currently underway, aims to increase impact and accessibility for customers through data-driven location strategies.

In Private Banking, we launched HELIX AI to support our relationship managers and investment advisors with deeper insights and performance analytics, in addition to the enhanced digital experience on the Suisse trading platform.

Digital engagement is also witnessing accelerated growth:

- 85% of our retail customer base is now digitally registered
- 97% of transactions are completed digitally
- Payit has reached 1.3 million users





Case study

FAB Business

A future-ready platform powering commercial banking into a frictionless and secure digital experience

FAB Business continued its bold transformation into a digital-first commercial banking powerhouse, engineered to remove friction from how businesses onboard, control cash flow, access lending, and complete critical servicing — all through one secure, intelligent platform.

In 2025, the platform significantly strengthened its value proposition by scaling end-to-end digital capabilities across onboarding, transaction banking, lending automation, and self-service. This evolution was driven by a sustained commitment to speed, customer control, real-time transparency, and embedded governance, ensuring every complex business action is executed with clarity, confidence, and enterprise-grade reliability.

Today, FAB Business is an execution-led digital banking platform that empowers customers to complete high-value commercial journeys independently — faster and safer than traditional banking models. It enables businesses to transition from process-heavy dependency to self-directed, always-on banking, while meeting the robust expectations of corporate-grade governance and security.

2026 Outlook



Leveraging accelerating digital capabilities and strong regional wealth creation, the division is well positioned to capitalise on market opportunities as interest rates ease.

Despite ongoing macroeconomic challenges including geopolitical uncertainty and heightened market volatility, strong tailwinds are expected to support continued growth and profitability. The shift toward a lower interest rate environment is anticipated to create opportunities across asset products and could significantly uplift performance in capital markets. Operationally, the division continues to benefit from rapid digital adoption, enhanced mobile-first engagement, and rising customer demand for personalised, lifestyle-driven customer value propositions (CVPs). Significant growth opportunities are available in non-core revenue streams, particularly FX, insurance, and remittances. Regionally, strong GCC wealth creation and increasing inbound capital flows are supporting demand for sophisticated investment solutions, including private markets and structured products. Momentum is further reinforced by the accelerating shift toward higher-margin discretionary and advisory mandates.

As we move into the next financial year, the division has defined clear, segment-specific priorities to drive differentiated performance and sustain growth across core business lines. These forward-looking priorities centre on strengthening product leadership, accelerating digital transformation and customer engagement, and deepening our specialised wealth advisory capabilities.

Strategic priorities

Drive sustainable growth by strengthening product leadership, accelerating digital transformation and customer engagement, and deepening our specialised wealth advisory capabilities.

AI-enabled customer lifecycle & engagement	Develop sophisticated, future-ready propositions and deepen client engagement through AI-led customer experience strategies.
Generative AI-powered customer journeys	Reimagine and enhance customer service and end-to-end customer journeys by deploying cutting-edge Generative AI technologies.
Regulatory-aligned innovation	Support and accelerate fintech-driven innovation in full alignment with the regulatory direction set by the Central Bank of the UAE (CBUAE).
Strengthened wealth proposition	Enhance and expand capabilities across our comprehensive wealth and investment management offering.
Shari'ah-compliant leadership	Deliver market-leading propositions and offerings tailored specifically for Islamic banking customers.
Targeted international growth	Drive strategic expansion into key international corridors to extend our global footprint and elevate service capacity.

2025 Personal, Business, Wealth & Privileged Client Banking Group awards



Personal Banking:

MENA Stevie Awards

- Gold Award for Innovation in Consumer Products & Services, FAB Rewards Indulge Credit Card
- Gold Achievement in Product Innovation, FAB Rewards Loyalty Programme
- Bronze Award for Excellence in Innovation in Financial Industries - Organisations with 100 or More Employees

Stevie International Awards

- The Most Innovative Use of Mobile Technology & The Best User Experience - NHL

MEA Finance Awards 2025

- Best Project Management Banking Solution - NHL

Private Banking:

WealthBriefing MENA Awards 2025

- Private Bank – Discretionary Portfolio Management (DPM)
- Private Bank Servicing United Arab Emirates
- Private Bank Servicing Kingdom of Saudi Arabia

MEA Finance Industry Awards 2025

- Best Domestic Private Bank
- Best Succession Planning Services

The Banker

- Best Private Bank in the UAE (Highly Commended)
- Best Private Bank for Growth Strategy - The Middle East

MEED's MENA Banking Excellence Awards

- MENA Excellence in Family Office Services
- Best Private Bank in UAE
- Best Private Bank for Succession Planning in MENA

Private Banker International Global Wealth Awards 2025

- Best Private Bank for Islamic Services

Global Finance

- Best Private Bank for Sustainable Investment in the Middle East

International franchise

FAB's International franchise is a key growth engine, supporting the Group's strategy to be the UAE's global bank and a leading corridor bank across major international markets.



FAB's International franchise delivered robust results in 2025, building on the division's solid momentum and its ability to connect clients across FAB's global network which now spans 20+ markets. In July 2025, a strategic restructuring introduced a new International Banking Operating Model designed to make the division more agile, regionally empowered, relevant, connected and client-centric.

As part of this change, geographic leadership roles covering ADGM, India, KSA, Europe, the UK, the Americas, East Asia, the GCC, Egypt, and Libya were established with direct reporting lines to senior Group leadership. This structure strengthens client relationships and enhances governance, further supporting FAB's ambition to reinforce its position as the UAE's global bank.

2025 Key highlights

6.99 Đ BILLION
+12% yoy on adjusted basis[1]
Operating income

4.23 Đ BILLION
+9% yoy on adjusted basis[1]
Profit before tax

19%
Contribution to Group operating income

150 Đ BILLION
+35% yoy
International net loans

219 Đ BILLION
+25% yoy
International deposits

30%
Contribution to group assets

Financial performance

The international franchise maintained strong momentum over the year, with loans up 35% and deposits up 25% yoy, leveraging FAB's presence across 20+ global markets.

The focus on enhanced cross-hub collaboration and digital transformation continued to drive operational efficiency and streamline processes across the division.

Reflecting the franchise's strong performance in international markets, its contribution to FAB's overall operating income remained robust at 19%, reflecting increased client activity, effective product cross selling, and expanded market coverage. Key geographical contributors included Europe, Americas, KSA, and India.

Operating income and Profit before tax were lower yoy, mainly reflecting the non-recurrence of a foreign exchange gain recognised in 2024 following the devaluation of the Egyptian Pound.

International assets contributed 30% to the Group, supported by increased lending and deposit mobilisation across international markets. This expansion was achieved through relationship-driven strategies and governed by prudent credit management, ensuring all growth remained aligned with the Group's strict risk appetite, especially within emerging markets.

[1] ex EGP devaluation impact

20+
MARKETS

Building interconnected, revelant, client-centric global franchises

The UAE's Global Bank

FAB took significant steps to broaden its international footprint in 2025. A major milestone was the commencement of operations in Türkiye and at the India GIFT City branch in the second half of 2025, an important development that strengthens FAB's global position and supports vital UAE-India trade flows.

Looking ahead, preparations for new market entries into Europe and Nigeria throughout 2026–2027 are progressing as planned[1]. These strategic expansions aim to further deepen FAB's global client base and reinforce its position as the UAE's global bank.

International product innovation remained a key priority in 2025, with a continued focus on delivering offerings tailored to local market needs across the network to support the broader international growth agenda.

Key developments included the introduction of advanced financing and cash management solutions in KSA (long and short commodity murabaha financing, enhanced cash management, and escrow), Kuwait (receivable finance), and the UK (regulated mortgage contracts).

Furthermore, the division rolled out new overdraft and cash credit solutions across India, Oman, and Bahrain, expanded wealth management services in Singapore, and enabled the FABeAccess digital omnichannel platform in the US, alongside the broad rollout of Global Markets products. These initiatives have significantly strengthened FAB's ability to deliver relevant, tailored solutions to clients across diverse international markets.

The franchise's expansion strategy remains focused on building interconnected, relevant, client-centric global franchises, with a strong emphasis on achieving organic growth through deeper client engagement. This is complemented by inorganic growth via new market setups, product expansion, and strategic thematic portfolios. A third key pillar of the strategy involves strengthening cross-border trade and investment corridors to facilitate seamless global transactions. In addition, close alignment across the Group businesses (GCF, GTx, and GM) ensures a unified and consistent client experience across the entire network.

A client-first approach

FAB International is advancing a standardised, internationally aligned customer experience framework across all FAB markets to ensure consistency and excellence in client interactions. Supporting this framework are enhanced engagement initiatives designed to unlock a unified view of opportunities and enable proactive relationship management. Ultimately, this integrated approach positions FAB to deliver seamless, high-quality service globally, reinforcing the bank's client-first commitment.

FAB's international operations activity was marked by a major milestone with the opening of its UK Branch in July 2025, which included the relocation of the London office to a new Mayfair location. This move reinforces the Bank's role as a key UK hub for private banking, corporate advisory services, and enabling cross-border capital flows between the MENA region and the world.

FAB also significantly enhanced its Asia connectivity by becoming the first MENA bank to join the Cross-border Interbank Payment System (CIPS) as a direct participant, directly supporting the expansion of UAE-China payment flows.

In addition, FAB launched real-time cross-border and wallet payment services across the Middle East through a strategic partnership with Thunes, further strengthening regional payment infrastructure and connectivity. FAB also took an active role in global forums such as the G20 meetings and COP30 in Belém, reaffirming its commitment to international collaboration and sustainability.



[1] Subject to regulatory approvals

Key 2025 achievements

Major cross-border deals finalised with leading conglomerates in India.

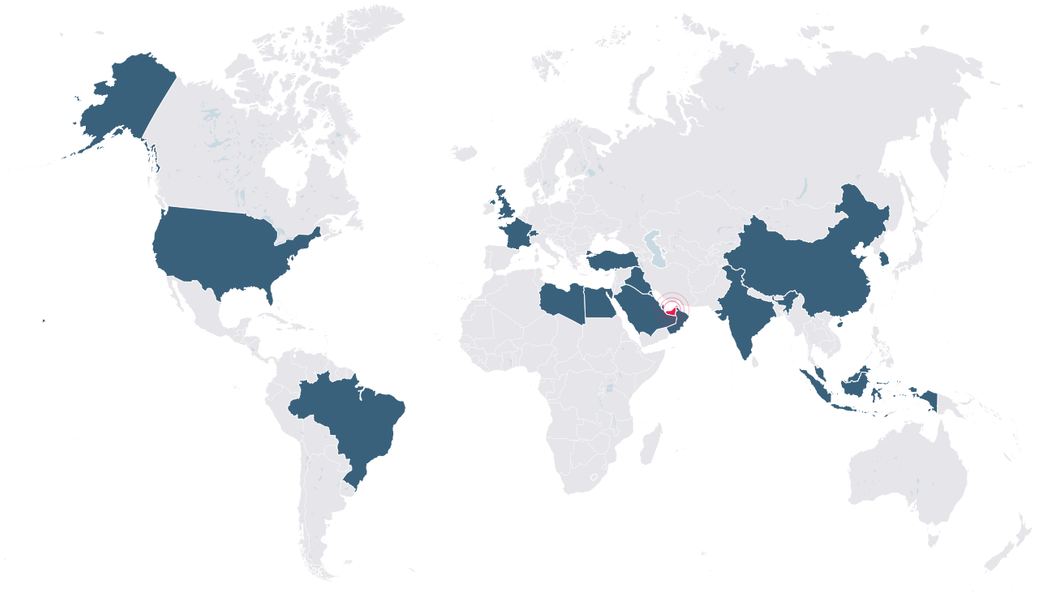
Strategic partnerships strengthened in Asia through the partnership with UAE-India CEPA Council and the FAB-ANZ MoU in Singapore.

Became the first MENA bank to join CIPS, advancing UAE-China payment flows.

Participated in project financing and guarantees with key energy & natural resources players in continental Europe.

A global network leveraged to drive sustainable growth

FAB is the primary gateway for global clients entering the UAE. As such, the Bank has successfully converted inbound client flows into long-term relationships that continue to drive sustainable growth. In parallel, FAB harnesses the UAE's strong economic momentum to generate opportunities locally and scale them across key international corridors, thereby generating superior returns and reaffirming FAB's role as the UAE's global bank.



2026 Outlook

Looking ahead, International franchise's innovative, client-centric approach is expected to unlock significant opportunities, enabling FAB to serve clients even more effectively across the Group's network of 20+ markets.

As a partner to the UAE government, FAB is well positioned to continue strengthening its international presence by expanding its geographical footprint through the strategic establishment of new representative offices, branches, and local subsidiaries.

FAB's operating environment is characterised by a mix of challenges and opportunities: geopolitical risks across key emerging markets, increased interest rate volatility, growing cybersecurity pressures, and a constantly evolving regulatory landscape. However, these headwinds are offset by powerful market tailwinds, notably strong trade and investment flows in the UAE, the implementation of multiple Comprehensive Economic Partnership Agreements (CEPAs) boosting economic activity, the realisation of technology-led efficiencies across operations, and rising client demand for sophisticated cross-border financial solutions.

Strategic priorities

Organic growth through deeper client engagement.

Inorganic growth through new market setups, product expansion, and strategic thematic portfolios.

Strengthened cross-border trade and investment corridors aimed at building interconnected, client-centric global franchises.



Case study

The successful opening of FAB's new London location in July 2025 marks a strategic milestone. By offering specialised private banking, corporate advisory, and bespoke client services from its enhanced presence, the Bank underscores its long-term commitment to the UK as an essential global financial hub. This successful launch clearly demonstrates FAB's capability to execute strategic expansion, effectively meet client demand, and reinforce its footprint within one of the world's most fiercely competitive financial centres.

Sustainability Review

Approach to sustainability

Supporting the global transition to a low-carbon and nature-positive future

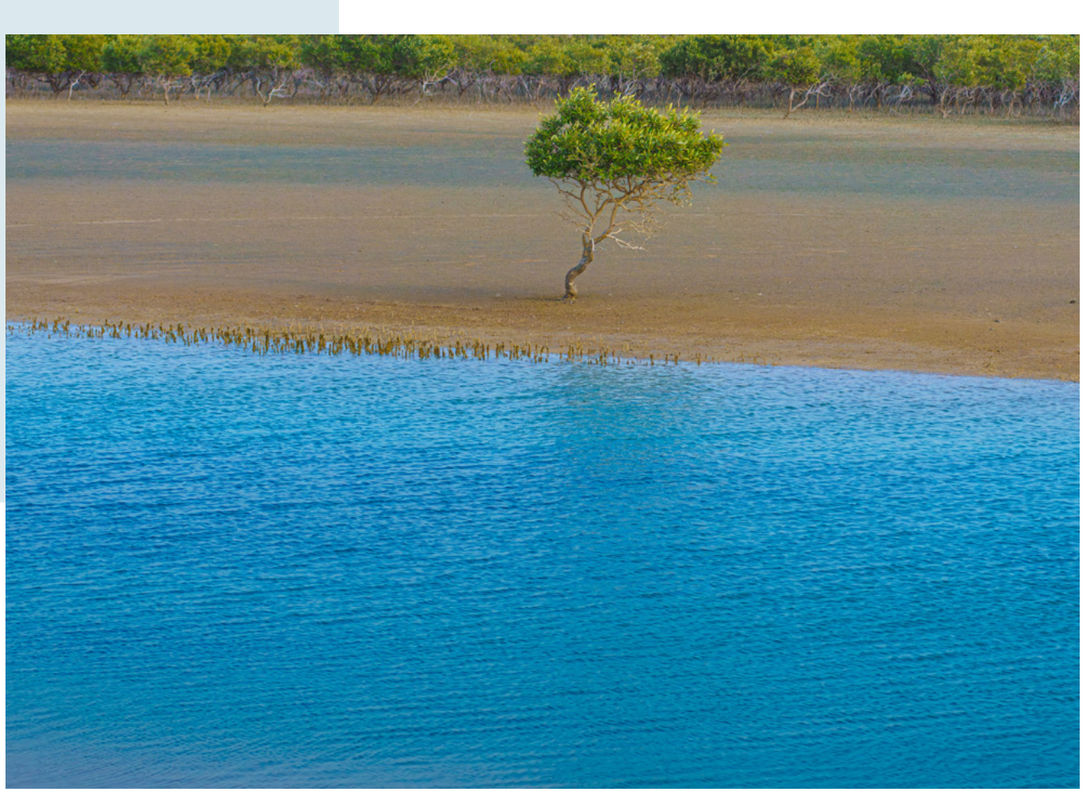
Enabling a responsible transition for communities

Championing and embedding best-in-class governance practices

Appendix – ADX ESG disclosures

Approach to sustainability

As the UAE’s global bank and a regional leader in sustainable finance, we continue to advance inclusive and resilient growth. Guided by the UAE's Year of Community and the imperatives of the global transition, our ESG strategy delivered measurable, real-world impact across environmental, social and governance priorities.





In 2025, FAB made significant strides towards its commitment to provide AED 500 billion (USD 136 billion) in sustainable and transition finance by 2030, reaching 76% by year end.

The 2030 target, a catalyst for the UAE's transition to a low-carbon economy, remains central to FAB's ESG strategy, enabling innovative financing solutions that support climate mitigation, adaptation and broader sustainability outcomes across the markets we serve.

Our leadership in sustainable finance was exemplified through landmark transactions, including the issuance of the world’s first low-carbon energy bond and the first blue bond issued by a Gulf Cooperation Council (GCC) financial institution.

We are committed to addressing climate change and aligning our business to support the nation’s Net Zero by 2050 Strategy. In line with this ambition, in 2025 we advanced our climate risk roadmap by integrating climate risk assessments into decision-making, enhancing governance, and expanding data coverage processes and improving the governance of our climate risk models as well as data coverage.

We also enhanced our climate stress testing capabilities and submitted our inaugural stress test CBUAE, allowing us to identify and assess our portfolio vulnerabilities to flooding and heat stress. In line with our climate risk roadmap, we are expanding the scope of our climate risk assessment to include our own assets, in addition to the assets we finance.

On the decarbonisation front, we revised our portfolio ambitions for 2050 across key sectors to reflect the UAE’s updated Nationally Determined Contributions (NDCs) and client transition plans.

We expanded transition maturity assessments to cover a larger base of our high-emitting clients and developed a comprehensive client engagement framework. For our operational emissions, our Scope 1 GHG emissions reduced to 6,769 tCO2e in 2025, a 26% decrease from 2019, through efficiency upgrades, replacements of environmentally harmful refrigerants, and upgrading Heating, Ventilation, and Air Conditioning (HVAC) systems to cut fugitive emissions.



In January 2025, we became the first bank in the MENA region to publish a dedicated Nature Report, aligned with the Taskforce for Nature Related Financial Disclosures (TNFD). Since then, we have continued to build out our nature risk capabilities by exploring nature risk assessment at counterparty-and transaction-level in order to start embedding nature considerations into our decision-making.

Our commitment to nature is also demonstrated through our role as a principal partner at the International Union for Conservation of Nature (IUCN), World Conservation Congress, where we showcased our nature strategy, collaborated on thought leadership, panel discussions, and engaged with over 1,700 visitors in thematic zones focused on biodiversity and climate innovation.

We continue to foster a diverse and inclusive workplace, empowering employees to reach their full potential. This commitment was demonstrated by FAB's success in exceeding the regulatory mandate for large entities in the banking sector category, with UAE nationals representing 49% of the bank's employees. In recognition of these efforts, we were awarded first place in the Diamond Category of the Nafis Award in 2025, an honour that underscores our contribution to advancing Emirati participation in the private sector.

Building on our community-focused approach, we expanded support for SME financing and broader community investment. Notably, we committed AED 10 billion in financing to the UAE's industrial sector, including SMEs and startups through a strategic partnership with the Ministry of Industry and Advanced Technology (MoIAT).

In 2025, we also expanded our community support in Egypt by securing a Multilateral Investment Guarantee Agency (MIGA) guarantee of up to USD 550 million, enabling FABMISR to increase lending for micro, small, and medium-sized enterprises (MSMEs) and retail customers while also encouraging climate-related financing and broader financial inclusion.

As a leading financial institution with a global footprint, FAB remains dedicated to supporting the global transition toward a more sustainable, inclusive, and climate-resilient future.

ESG strategy

We are dedicated to fostering the transition toward a more resilient and sustainable future for the communities we serve. As we look ahead, our ESG strategy remains at the heart of this commitment.

With a forward-looking approach, we integrate ESG across our business, focusing on capitalising our social responsibility, transitioning the shift to a low-carbon economy, and upholding the highest standards in our governance practices. Our ESG strategy is built on transparency, accountability and collaboration, ensuring that it meets our commitments and empowers others to achieve theirs.

Strategic pillars:

Supporting the global transition to a low-carbon and nature-positive future

Accelerating the shift to a net zero economy by financing sustainable growth, reducing emissions, collaborating on innovative solutions and building climate and nature resilience in partnership with our stakeholders.

This pillar outlines FAB's approach to net zero transition, climate resilience, and nature preservation.

Regional leader in sustainable finance

Embedding ESG in our products and services

Accelerating the net zero transition

Supporting our stakeholders through mobilising capital and partnerships to enable low-carbon and nature-positive future

Enabling a responsible transition for communities

Fostering a diverse and inclusive workplace, broadening access to financial services and driving meaningful impact for our communities through education, stewardship, environmental, and social development.

This pillar outlines FAB's approach to social responsibility, including diversity, women's empowerment, education, and financial inclusion.

Diversity, Equity, & Inclusion (DEI) across the Bank

Embedding gender diversity

Emiratisation focus

Strategic focus on financial inclusion

Accelerating social responsibility efforts

Championing and embedding best-in-class governance practices

Upholding the highest standards of accountability, transparency, and risk management to ensure responsible banking and long-term resilience.

This pillar outlines FAB's approach to a governance model, including identifying incentives linked to ESG accountability, transparency, and risk management.

ESG KPIs and performance disclosure

Whistleblower policies and processes

ESG-driven governance structures

Climate and nature risk integration

Key 2025 ESG achievements

Support the global transition to a low-carbon and nature-positive future

Sustainable and transition finance

Total sustainable and transition finance facilitation cumulatively amounted to **AED 381 billion** by December 2025, reaching 76% of the AED 500 billion by 2030 target

First financial institution globally to issue a **low-carbon bond**, worth AED 2.8 billion

First blue bond issued by a financial institution in the Gulf countries

AED 21.2 billion in diversified sustainable issuances, including **14 green bonds, 1 green sukuk, 2 blue bonds, 1 low-carbon bond, and 3 social bonds**

Expanded our **transition maturity assessments** to cover a larger base of our high-emitting clients and developed a client engagement framework

Published our **Climate Report,** incorporating aspects of the ISSB's IFRS S2 standard

Achieved a **[B/B-] score from CDP** in Climate Change/Forests/Water Security, demonstrating that we are taking coordinated action on environmental issues

Transition planning

FAB co-chaired the **Partnership for Carbon Accounting Financials (PCAF) MENA chapter,** helping drive regional leadership in transparent and standardised carbon accounting

Nature

As the **Principal and Official Banking Partner of IUCN World Conservation Congress** 2025, FAB hosted more than 30 thought leadership sessions, welcoming over 1,700 visitors and 700 attendees

FAB published a whitepaper, **'Advancing Nature and Water Sustainability in MENA: A Path for Nature-Positive Investment**,' which explores practical pathways for financing biodiversity conservation across the MENA region

Enabling a responsible transition for communities

Financial inclusion

Supported SMEs in 2025 with **AED 5.6 billion** in new financing, a 31% increase yoy

FAB secured a landmark **AED 2 billion MIGA guarantee** to optimise capital at FAB Egypt, unlocking capacity to accelerate lending to MSMEs and expand climate-aligned financing in one of the region's most underserved markets

Reinforced our commitment of **AED 10 billion** total financing to support the UAE's industrial sector, including SMEs and startups through a strategic partnership with the MoIAT

Expanded our youth customer base (15-35 years old) by **19**% yoy

Empowering an inclusive workforce

49% Emiratisation ratio, progressing towards 50% target by 2026

FAB International launched the **Women in Leadership** initiative to advance gender diversity and empower women across all regions

Advancing our commitments under the **UAE Gender Balance Council's Equality Acceleration Pledge** (2022) and the **UN Women Empowerment Principles** (2024)

Social responsibility

In 2025, FAB's staff contributed **over 23,000 hours** to volunteer activities that benefited our communities, in line with the UAE's Year of Community

AED 136 million provided to the community through partnerships and donations, a 47% increase from last year's community investments

Championing and embedding best-in-class governance practices

Recognition

Received the Project Finance, **Outstanding Sustainable Initiative** at the MEA Business Achievement Awards 2025

First Place for exceeding the CBUAE regulatory mandate among large entities in the banking sector at the **Nafis Awards** 2025

Diamond Category for exceptional efforts in strategic Emiratisation initiatives at the **Nafis Awards 2025**

Best Achievement in Sustainability at the inaugural Card and Payments Awards Middle East 2025

Mandated Loan Arranger (MLA) of the Year MENA 2024 at the IJGlobal Awards, recognising significant financing in infrastructure and energy project finance transitions

Received **multiple supply chain finance awards** by **The Digital Banker at the Middle East & Africa** Innovation Awards 2025

ESG ratings

Best Refinitiv/LSEG ESG Score **(top 6% worldwide)** in the UAE

Best ESG risk category among diversified banks in MENA by Sustainalytics ESG Risk Rating (Low ESG Risk)

Best MSCI ESG Rating among MENA banks **(AA ESG Rating)**

Double materiality assessment



In 2025, we undertook a double materiality assessment guided by IFRS and GRI standards. Our ESG topics were identified using international frameworks, industry best practices and evolving regulations. Our topics were shortlisted and prioritised based on relevance to FAB's value chain. Financial materiality was evaluated by considering anticipated impacts on cost of capital, access to finance, and cash flow across one, three, and 10-year horizons, including where these effects might occur in the value chain. Our assessment included positive and negative impacts of the shortlisted topics taking into consideration the scale, scope, irremediability and likelihood of these impacts.

The assessment combined internal expertise with external consultant insight to ensure alignment with international standards and best practices.

Double materiality assessment results

Material topic	Risk	Opportunity	Negative Impact	Positive Impact	Double Materiality
Climate change	●	●	●	●	●
Corporate governance and ethics	●	●	●	●	●
Customer satisfaction	●	●	●	●	●
Emiratisation	●	●	●	●	●
ESG Integration	●	●	●	●	●
Nature	●	●	●	●	●
Privacy, data protection and cybersecurity	●	●	●	●	●
Sustainable and transition finance	●	●	●	●	●

The detailed view on risks, opportunities and impact across material topics is included in FAB's 2024 Climate Report and will be made available in the 2025 ESG report.

● Financial materiality
● Impact materiality
● Double materiality
● Non-material



Supporting the global transition to a low-carbon and nature-positive future

As the UAE's global bank, FAB is committed to building a low-carbon and climate-resilient economy.

FAB is driving climate action and enabling the transition to a low-carbon economy through our AED 500 billion sustainable and transition finance commitment by 2030.

At the same time, we are actively working towards net zero by 2050, supporting our highest-emitting clients in developing and implementing transition plans, alongside decarbonising our own operations by 2030.

2010

First Sustainability Report published by FAB (then NBAD)

2015

FAB became the first and only UAE bank to be **a signatory to the Equator Principles**

2016

Committed to lend, invest and facilitate USD 10 billion by 2026 to sustainable activities

2017

First MENA bank to issue a green bond

2019

Committed to implement the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)

FAB became a **signatory to the Abu Dhabi Sustainable Finance Declaration**

2020

Facilitated over AED 128.5 billion of sustainable financing between 2015 to 2020

2021

Group ESG strategy implemented

Target to lend, invest, and facilitate sustainable business of **AED 275.4 billion by 2030**

Facilitated **AED 41.5 billion** of sustainable finance

Signatory to Partnership for **Carbon Accounting Financials (PCAF)**

2022

Set baseline for financed emissions for net zero pathway

Facilitated AED 9.1 billion of sustainable finance

2023

Implemented TCFD recommendations and published first TCFD report

Applied emission reduction net zero **pathways to eight high-emitting sectors** within loan portfolios

Ceased new financing for **coal-fired mining and coal-based power generation**

First MENA bank to publish a transition plan

Strategic pathway partner to COP28

Increased target to lend, invest, and facilitate sustainable or transition projects: **AED 500 billion (USD 136 billion) by 2030**

2024

Facilitated AED 267 billion of sustainable finance projects

Issued first **social bond**

Became co-chair of PCAF MENA chapter

2025

Issued the world's first low-carbon energy bond, worth AED 2.8 billion

Principal and Official Banking Partner of **IUCN World Conservation Congress** 2025

Facilitated AED 381 billion of sustainable finance projects, reaching 76% of the AED 500 billion by 2030 target

Published FAB's first Climate report that references IFRS S2

Implemented TNFD recommendations and **published first TNFD report**

First financial institution in the GCC to issue a blue bond

2030

Achieve our interim 2030 emissions intensity ambitions for our net zero priority sectors

Achieve sustainable finance target of AED 500 billion to lend, invest and facilitate sustainable and transition activities

Achieve net zero from own operations (Scope 1 and Scope 2)

2050

Net zero carbon emissions

Scaling sustainable finance and climate solutions

In 2025, we achieved 76% of our commitment to lend, invest, and facilitate AED 500 billion (USD 136 billion) in sustainable and transition projects and activities by 2030.

Through this, we are supporting the transition to an inclusive, low-carbon economy, while fostering innovation to create lasting sustainable impact for tomorrow's communities.

Highlights:

Total sustainable and transition bond and sukuk issuances

23.9 Đ BILLION
since 2017

Total outstanding bond issuances

21.2 Đ BILLION

- 14 green bond outstanding — **Đ 16.6 bn**
- 1 green sukuk outstanding — **Đ 1.3 bn**
- 2 blue bonds outstanding — **Đ 257 mn**
- 3 social bonds outstanding — **Đ 301 mn**
- **1 transition** (low-carbon energy bond) — **Đ 2.8 bn**

Flagship deals include the UAE's first large-scale waste-to-energy facility, advancing landfill diversion and emissions reduction, and enabling a tourism city in the GCC to develop renewable energy and sustainable infrastructure for the region's first carbon-neutral tourism destination.



The world's first low-carbon energy bond issuance

FAB issued the world's first low-carbon energy bond (USD 750 million, five-year). The issuance represents an innovative approach to sustainable finance, broadening the definition of green and transition financing and acknowledging that the pathway to net zero will require pragmatic solutions. Its impact includes enabling long-term decarbonisation of the energy mix and reducing financed emissions in line with UAE's Net Zero by 2050 strategic initiative and global climate commitments.

The low-carbon energy bond is expected to finance the generation of two million MWh of low-carbon energy per year and support the UAE to avoid more than one million tCO2e per year. The financed project will cover 25% of the UAE's annual energy demand.



First blue bond issued by a financial institution in the GCC

FAB continues to lead in sustainable and transition finance innovation with the issuance of the first-ever blue bond by a financial institution in the GCC (a total of USD 70 million across two issuances). This landmark transaction issuance cements FAB's leadership in sustainable finance and supports the UAE's Water Agenda 2036.

The issuances also contributed to global environmental efforts ahead of major events such as the IUCN World Conservation Congress, which took place in Abu Dhabi in 2025, and the United Nations Water Conference which is set for 2026.



Climate-focused lending

Beyond the landmark deals above, we continue to finance renewable energy and climate tech projects through our thematic products. This includes FAB's structured sustainability-linked loans and advisory services for clients' green projects.

Climate transition and our progress towards net zero

Addressing climate risks and opportunities

FAB's approach to climate risk is anchored by our Climate Risk Framework (CRF). The CRF outlines the processes for identifying, measuring, and monitoring climate-related risks across all business units and the broader Group. The CRF is integrated into the Bank's existing ESG Risk Framework and Environmental and Social (E&S) Risk Policy, helping to embed climate risk considerations within the bank's overall business, governance, and risk management structures. The CRF leverages scenario analysis and stress testing in line with the Network for Greening the Financial System (NGFS), enabling the Bank to assess the resilience of our portfolio under various climate scenarios and regulatory expectations.

FAB's Climate Risk Scoring methodology enables the Bank to understand transition and physical climate risks among corporate exposures in scope. Furthermore, the methodology allows for granular assessment of counterparties' exposure to climate risks, which is currently being integrated into credit and business processes. In 2025, we made significant progress in expanding our data landscape by increasing our physical risk data coverage. Additionally, we continued to enhance our climate stress testing methodologies from a physical risk point of view.

Our published **Climate Report** incorporates aspects of the IFRS S2 standard where appropriate. Working towards alignment of the IFRS S2 standard enhances our transparency around climate-related financial risks and opportunities, building on our previous disclosures under the Task Force on Climate-related Financial Disclosures (TCFD) and strengthening consistency with global best practice for climate-related disclosures.

Refer to our Governance chapter for details on climate oversight by the Board Risk and ESG Committee and management-level ESG committees.



Our progress on net zero

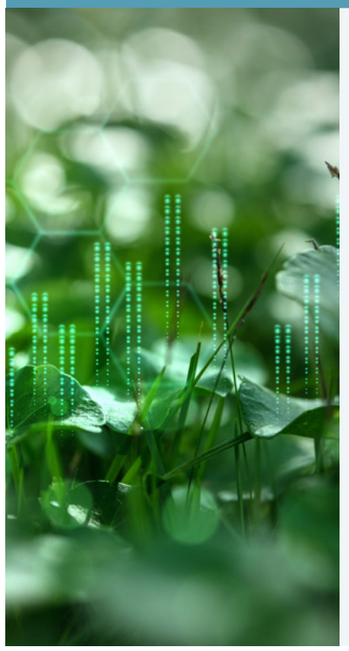
Achieving net zero is a fundamental climate action, that we are committed to advancing through increased alignment of our business strategy with the nation's Net Zero by 2050 Strategy and the UAE's updated Nationally Determined Contributions (NDCs).

Our financed emissions net zero pathways, across eight identified sectors, account for approximately 90% of the our financed emissions and cover all sectors prioritised under the UAE's NDCs.

In 2025, we revised our 2030 ambition across four of the eight priority sectors, following a review of our portfolio and client commitments. The 2025 pathway revisions reflect a forward-looking reassessment of the bank's financed emissions across the priority sectors, incorporating client-level transition commitments, projected production volumes, and emissions trajectories under both business-as-usual and net zero scenarios from the IEA, alongside the UAE's updated NDCs.

This exercise confirmed the need to recalibrate ambitions in four sectors to align with the expected pace of decarbonisation and technological shifts. The updates were driven by improved visibility of client plans, strengthened national policy signals, and sector-specific developments.

FAB IN ACTION



AI-enabled climate and sustainable finance leadership

FAB is at the forefront of harnessing artificial intelligence to address climate change and accelerate sustainable finance across the Middle East and North Africa. Through collaboration with the World Economic Forum and Bain & Company, FAB leveraged AI to analyse market signals and corporate disclosures against its sustainable finance criteria, enabling earlier identification of clients with credible decarbonisation pathways and supporting pragmatic transition solutions.

The AI-enabled approach enhances sustainability risk assessment, improves capital deployment efficiency and supports measurable climate outcomes through financed emissions reductions. At scale, such models could help mobilise up to AED 734 billion in sustainable finance by 2030, reinforcing FAB's contribution to reducing financed emissions in line with the UAE Net Zero by 2050 strategic initiative and global climate commitments.

Financed emissions and restated ambition for portfolio decarbonisation is as below, as of 31 December 2024

Sector	Baseline intensity	Portfolio Intensity (2024)	Portfolio Intensity (2023)	2030 ambition
Oil and Gas	63	59.58 MtCO2e/EJ	62 MtCO2e/EJ	Unchanged. 7%-15% reduction to reach 53-59 MtCO2/EJ
Power	464	296.13 gCO2e/KWh	297 gCO2e/KWh	Updated. 65% reduction to reach 194 gCO2/kWh
Aviation[1]	83	68.17 gCO2e/RPKM	81 gCO2e/RPKM	Unchanged. 15% reduction to reach 71 gCO2/pkm
Aluminium	8.09	9.39 tCO2e/t Al	9.3 tCO2e/t Al	Updated. 9% reduction to 7.4 t/t
Cement	0.75	0.40 tCO2e/t Cement	0.56 tCO2e/t Cement	Unchanged. 25% reduction to 0.57 t/t
Steel	2.01	1.97 tCO2e/t Steel	2.04 tCO2e/t Steel	Updated. 23% reduction to 1.55 t/t
Agriculture	1.64	2.04 ktCO2e/ M$ Revenue	1.6 ktCO2e/ M$ Revenue	Updated. 4% reduction to 1.74 ktCO2e/m$
Commercial real estate	138	113.67 kgCO2e/sqm	121 kgCO2e/sqm	Unchanged. 45%-55% reduction to reach 62-76 kgCO2e/sqm

[1] Aviation baseline uses 2019 emissions to avoid Covid-related disruption to airline operations.



Supporting our clients in their transition journey

In 2025, we expanded our transition maturity assessments to cover a larger base of our high-emitting clients and developed a client engagement framework. In 2026, we plan to engage with clients on their transition journey and collaborate by providing support, advisory and financing.

We published our TCFD-aligned transition plan in 2023, and we are now moving toward aligning our disclosure with IFRS S2. The Bank will continue to update its transition plan to align with the Transition Plan Taskforce (TPT) Disclosure Framework, enhancing transparency and comparability across the financial sector. This update will also reflect the CBUAE principles and the UAE NDCs. We plan to publish our updated transition plan in 2026.

FAB IN ACTION

Carbon Alliance Working Groups

Policy advocacy and demand aggregation

We played the role of facilitator as part of both the Policy Advocacy and Demand Aggregation Working Groups alongside Mubadala, Masdar and TAQA. The purpose of these groups is to support government engagement and regulatory discussions, accelerating policy implementations and provide context to global, regional and national stakeholders on current landscape and recommendations from the UAE.

Net zero from our operational emissions

We set the target to achieve net zero emissions from our own operations by 2030, covering Scope 1 and Scope 2 emissions. To reach this target, we developed an Operational Emissions Action Plan in 2025.

The plan is structured around a clear hierarchy of actions: Reduce, Balance, Offset, and Relocate. Applied in that order to minimise our carbon footprint:

- **Reduce:**
  We are implementing efficiency upgrades across our facilities and assets. In 2025 we continued to replace high-GWP refrigerants and upgrade HVAC systems to cut fugitive emissions, consolidate data servers, and other energy-saving initiatives.

- **Balance:**
  Starting in 2026, FAB will begin procuring renewable energy certificates (RECs) to green a significant portion of our electricity consumption.

- **Offset:**
  To address any residual emissions by 2030, we plan to invest in high-quality carbon offsets.

- **Relocate:**
  Where necessary, we will consider relocating certain operations to more energy-efficient sites to further cut emissions. While not a primary lever, this remains an option for future emission reduction if needed.

FAB's Scope 1+2 emissions for 2025 are estimated at 34,670 tCO2e, down by 8% from 2019, despite significant Group growth, with full time employees increasing by 42%. Scope 1 emissions fell to 6,769 tCO2e, a 26% decrease from the 2019 baseline, reflecting the benefits of emission reductions initiatives (ongoing replacement of high Global Warming Potential (GWP) refrigerants, upgrading HVAC systems to cut fugitive emissions, and consolidating data servers) implemented this year and historically. Scope 2 emissions declined by 2% compared to the baseline. Emission intensities continue to decline yoy, demonstrating our progress in reducing our environmental footprint while continuing to expand our business operations.

We will publish finalised GHG emissions data and intensity metrics in our annual 2025 ESG report.

FAB IN ACTION



Working with stakeholders to embed climate change across the UAE

We are a founding member of the UAE Climate Change and Sustainability Council for the Private Sector, working alongside regulators to shape climate policy and market frameworks. In 2025, we contributed to national consultations on the UAE's new Climate Change Law and the design of a federal carbon credit trading scheme (National Carbon Register), ensuring the banking perspective supports robust and practical regulation. FAB is also a signatory of the UAE Climate-Responsible Companies Pledge, reinforcing our public commitment to climate action.

FAB also co-chairs the Partnership for Carbon Accounting Financials (PCAF) Middle East and North Africa (MENA) chapter reinforcing our role in shaping sustainable finance across the region.

Approach to nature and biodiversity

In January 2025, we became the first bank in MENA to publish a dedicated **Nature Report**, and continued to build on this foundation.



Nature strategy and risk management

In 2025, FAB has made steady progress in strengthening its understanding and management of nature-related risks, recognising their relevance to long-term financial resilience and sustainable growth. A key milestone in this journey has been the publication of the Bank's TNFD-aligned disclosure. Building on this foundation, FAB has expanded its internal methodologies to identify nature-sensitive sectors across its portfolios. This work has enabled an initial mapping of nature-related risks and dependencies across sectors. FAB has also established a roadmap to advance its nature risk initiatives, set to commence in 2026.

Principal partner in conservation

In January 2025, FAB, in partnership with Masdar and Abu Dhabi Sustainability Week (ADSW), hosted a roundtable discussion on The Nature Agenda and the Role of the Private Sector. The discussion, opened by Her Excellency Razan Al Mubarak, focused on key areas of sectoral dependencies and impacts, current initiatives and ambition levels and private sector expectations, challenges and pathways.

> Our role as Principal and Official Banking Partner of the IUCN World Conservation Congress 2025 underscores the financial sector's critical responsibility in advancing tangible climate and nature-based outcomes. At FAB, we embed sustainability at the very heart of our business and mobilise capital towards solutions that drive both national climate ambitions and global biodiversity targets. As environmental and economic systems grow ever more interconnected, finance must take the lead in shaping a future that is more resilient, equitable, and sustainable.
>
> **Hana Al Rostamani**
> Group Chief Executive Officer of FAB



> Hosting the IUCN World Conservation Congress in Abu Dhabi is a milestone for the global conservation community. With First Abu Dhabi Bank as a Principal and Official Banking Partner, we are highlighting the UAE's leadership in linking finance and sustainability and showcasing how regional innovation can drive global impact. This collaboration reflects the spirit of the Congress — bringing governments, science, civil society, and business together to power transformative conservation.
>
> **Razan Al Mubarak**
> IUCN President

FAB IN ACTION



FAB took on a principal partnership role in the IUCN World Conservation Congress held in Abu Dhabi. At the purpose-built FAB pavilion, we showcased the Bank's climate and nature journey, hosted expert discussions, and engaged youth and community participants in conservation topics. The pavilion featured five thematic zones - Water and Blue Economy, Food and Land Use, Nature-based Solutions, AI for Nature, and Nature & Climate Finance - highlighting innovation and partnership in each area. Over 1,700 visitors engaged with our exhibits, 41 partner organisations and clients participated, and 560 native Ghaf tree saplings were planted by attendees as a living legacy of the event. We harnessed this global forum to emphasise the interdependence of climate and biodiversity.

Our discussions at the IUCN also fostered thought leadership, resulting in the publication of a whitepaper, **'Advancing Nature and Water Sustainability in MENA: A Path for Nature-Positive Investment'** co-authored with BCG. The paper explores practical pathways for financing biodiversity conservation across the MENA region.

Community and youth engagement in nature

FAB's nature initiatives showcased at the IUCN Congress highlighted our emphasis on community. We provided a platform for UAE SMEs with nature-positive innovations giving entrepreneurs exposure to investors and policymakers. We also conducted internal awareness programmes, such as a Group-wide staff webinar on the state of nature and the climate-nature nexus, to build knowledge and empower our employees as sustainability ambassadors. Through our partnership with the Emirates Foundation's Climate Action Program and other NGO collaborations, we actively involved students and volunteers in conservation projects. These efforts reflect FAB's belief that protecting nature is a shared responsibility and an opportunity to strengthen communities.

Enabling a responsible transition for communities

FAB fosters inclusive growth, drives equity, nurtures local talent, and invests in creating resilient communities.

FAB is committed to empowering communities across the UAE and beyond. In 2025, our efforts focused on financial inclusion, SME support, diversity and inclusion, customer protection, talent development, and community investment. To achieve this, we worked closely with government entities, customers, and civil society to uplift and support economic opportunities for all.



Driving financial inclusion and SME growth

As the UAE's global bank, FAB plays a key role in extending financial access and supporting entrepreneurship.

In 2025, we continued to expand our financing and services for SMEs, with AED 5.6 billion in new financing to SMEs in 2025, an estimated 31% year-on-year growth. This growth reflects both greater demand and our strategic alignment to support the banking needs of smaller businesses. We onboarded 15% new SME clients during the year, utilising the FAB Business Mobile Banking application launched in 2024. The app provides comprehensive financial services, enabling streamlined account management and digital banking solutions for SMEs.



FAB IN ACTION

"Make It in the Emirates" Partnership

In May 2025, FAB renewed its strategic partnership with Ministry of Industry and Advanced Technology (MoIAT), reinforcing our commitment of AED 10 billion total financing to support the UAE's industrial sector, including SMEs and startups. Under this partnership, FAB provides preferential financing terms and advisory support to businesses in priority manufacturing and advanced technology sectors. By year-end, a significant portion of this commitment was deployed or approved to support projects that drive economic diversification and innovation.

The new MoU builds on FAB's initial AED 5 billion financing pledge from 2023, which was fulfilled ahead of schedule. Under this renewed agreement, FAB will provide an additional AED 5 billion in flexible financing solutions aimed at supporting industrial enterprises, from startups and SMEs to larger manufacturers. The focus will be on innovation, sustainability, and advanced technology adoption.

We also sponsored the Make it in the Emirates Forum 2025, providing SMEs with a platform to showcase their success stories and connecting entrepreneurs with funding opportunities. This public-private collaboration exemplifies how FAB empowers local enterprises at scale.

Expanding lending in Egypt

In 2025, FAB applied for a MIGA guarantee of up to USD 550 million to expand lending in Egypt, one of the region's most underserved financial markets. By freeing up risk-weighted asset capacity at Group level, the guarantee enables FABMISR to further scale financing for micro, small and medium enterprises (MSMEs) and retail customers, segments that continue to face structural barriers to formal credit. The project directly supports financial inclusion by mobilising additional capital toward MSMEs, enhancing access to tailored financial solutions, and enabling broader outreach through FABMISR's nationwide branch network. In parallel, the initiative is expected to encourage climate-related lending, further supporting sustainable economic participation for underserved communities.

For more information, please visit **FAB Egypt Capital Optimisation Project**

Own your dream home with FAB National Housing Loans (NHL)

Our commitment to the community extends to offering products and services that elevate the quality of life for Emirati citizens. As part of this commitment, NHL provides interest-free housing loans to eligible Emiratis, enabling them to purchase or build private homes on land granted by the relevant government entities. We are proud partners with Abu Dhabi Housing Authority (ADHA), Sheikh Zayed Housing Programme (SZHP) and Mubadarat to make home ownership more accessible. Since the start of our partnerships, we have supported over 80,000 families and disbursed over AED 80 billion.

To ensure a seamless experience, FAB has developed the NHL Mobile App, allowing customers to easily apply for and manage their National Housing Loans. Additionally, FAB registered consultants and contractors offer advisory and contracting services to support Emiratis in building, purchasing prefabricated homes, or expanding existing residences.

Furthermore, with our national community in mind, FAB Islamic in partnership with Abu Dhabi Housing Authority, as a panel finance provider, offers eligible beneficiaries additional Islamic home finance to help Emirati families own or build homes that reflect their aspirations and values.



Empowering and nurturing our people

FAB is committed to fostering a diverse and engaged workplace that thrives on a culture of respect, inclusion, and development, with particular focus on gender diversity, youth talent, and Emirati empowerment. Through carefully designed learning and development pathways and internal mobility opportunities, FAB creates an environment where employees can unlock their full potential, growing personally and professionally in a rapidly changing world.









Diversity and inclusion

FAB takes pride in being a diverse and inclusive employer, fostering an environment where every staff member feels valued and empowered to thrive. Our employees represent 93 nationalities, and we are advancing our efforts towards the Gender Equality Acceleration Pledge made with the UAE's Gender Balance Council in 2022 and the UN Women Empowerment Principles in 2024.

Emiratisation – empowering national talent

Developing Emirati talent is a strategic and national priority for FAB. We are proud that UAE nationals represent 49% of positions in the Bank. In 2025 we were awarded for our outstanding contributions to Emiratisation and national talent development at the Nafis Award 2025. The awards recognise entities that exemplify excellence in developing Emirati talent and advancing the nation's long-term economic diversification under UAE Vision 2031.

During the ceremony, FAB was recognised in:

- First place for exceeding the Central Bank of the UAE (CBUAE) regulatory mandate among large entities in the banking sector category
- Diamond Category for its exceptional efforts in advancing key strategic Emiratisation initiatives

These recognitions reflect FAB's strategic commitment to building a future-ready Emirati workforce through a proactive Emiratisation strategy and the Bank's consistent focus on talent development. It also highlights how the Bank is aligned with national employment targets, expanding leadership opportunities for Emiratis, and fostering sustainable career development through structured training and mentorship programmes.

Over 100 UAE nationals progressed in their careers via flagship FAB programmes such as Future Leadership Programme (FLP), Al Masar, Reyada, and Qeyada. More than 1,000 have benefited from training that led to academic qualifications, professional certifications, leadership development, and technical training.

FAB engages leading development centres to identify skill gaps and tailor development programmes to align with business or role-specific needs. The Bank also sponsors UAE nationals pursuing higher education qualifications through the Bank's Education Assistance Scheme.

FAB's Youth Council is the bank's flagship programme aimed at empowering Emirati youth. The Youth Council operates in line with the UAE's Federal Youth Authority guidelines, representing FAB Group in external engagements with young professionals, empowering the voices of young employees within the bank's leadership.

We also emphasise Emirati women's advancement, achieving strong representation of women in our talent pools and leadership development initiatives.

FAB invests in upskilling nationals through dedicated trainings, including international secondments and leadership courses. Through these efforts, we contribute to the UAE's human capital goals and ensure our workforce reflects the community we serve.

FAB's Emirati career development programmes are designed to support UAE nationals at all career levels, providing targeted learning and development opportunities to accelerate their professional growth within the Bank. These programmes represent a strategic investment in our people and in strengthening the long-term business resilience.

These initiatives are the building blocks of a transformative journey in a work environment that fosters innovation, engagement, and a sense of belonging – ensuring FAB continues to represent opportunity and growth for every member of our team.

Employee engagement and wellbeing

FAB prioritises employee wellbeing and engagement through a combination of recognition programmes, structured engagement initiatives, and digital solutions that enhance accessibility and experience.

Our recognition framework provides a consistent and transparent way to appreciate and reward employees, reinforcing ownership, performance, and the link between behaviours and outcomes.

FAB is transforming the employee experience by prioritising wellbeing, engagement, and empowerment through digitised, centralised HR services. At the heart of this journey is MyHR, an AI-powered, cloud-based platform that unifies HR processes and data into a single source of truth, delivering seamless hire-to-retire management.

By leveraging AI for data-driven decisions and process improvements, FAB ensures agility and growth - reinforcing its position as a benchmark employer and leader in AI-driven human capital management.

Employee wellbeing is supported through a holistic approach that integrates physical, mental, and social wellbeing. Through initiatives that promote nutrition, fitness, and overall health, we ensure our people have the support, resources, and environment they need to thrive personally and professionally.

Learning and development is at the core of our people strategy. We place strong emphasis on internal mobility, encouraging employees to explore opportunities across the organisation and supporting diverse career experiences that enable long-term development.

Through these initiatives, FAB reinforces its position as a leading employer of choice, building future-ready skills, and leveraging AI to elevate the employee experience and unlock meaningful efficiencies.



Community investment and partnerships

In 2025, FAB continued to drive change by deploying volunteers, fostering meaningful partnerships, and supporting communities in need, both locally and internationally.

Throughout the year, 11,000 FAB volunteers and their families dedicated over 23,700 hours to a variety of environmental and social programmes across the UAE, collaborating with a multitude of organisations and participating in unique initiatives.

This year's CSR agenda delivered a number of important outcomes, including:

Community collaboration for a resilient future

FAB's 2025 efforts embody the UAE's Year of Community uniting volunteers, partners, and families in projects like tree planting, sustainable farming, and educational workshops. These collaborative initiatives strengthen environmental stewardship and underscore FAB's commitment to a resilient, sustainable future built on community action.

The green journey

FAB collaborated with the Department of Culture and Tourism – Abu Dhabi during the Al Bahia Library Bazaar held at Al Bahia Park. The event featured a thought-provoking ESG lecture delivered by a FAB volunteer titled "The Risk of Environmental, Social, and Corporate Governance (ESG) and the Transition to a Climate-Smart Strategy". The session offered attendees insights into sustainable business practices and climate-conscious governance. Complementing the educational session, FAB hosted a hands-on planting workshop for children, introducing them to the principles of sustainable gardening and eco-friendly practices. Through interactive activities, young participants learned how planting contributes to environmental protection and how it can support climate resilience.

Sustainable farms for people of determination

The Sustainable Farms for People of Determination (POD) project launch marked a significant step toward inclusive empowerment through agriculture. Organised in collaboration with strategic partners and sponsored by FAB, the initiative engages POD in hands-on sustainable farming practices that enhance vocational skills, promote environmental awareness, and foster independence.

Ghaf planting pencil sustainability project

Our Ghaf planting pencil initiative is a meaningful project that reflects our long-term commitment to environmental stewardship. Launched in previous years and continuing to this day, the project involves distributing eco-friendly pencils embedded with Ghaf tree seeds. The act of planting seeds raises awareness about the importance of native trees with the hope of inspiring a greener future. This journey supports biodiversity and reinforces our dedication to sustainable practices and community engagement.

Supporting our youth

Supporting our youth and providing them with the tools to expand their knowledge remain at the heart of FAB's mission to foster a more knowledgeable, engaged, and resilient community.

National Youth Financial Advisors Programme

FAB is a proud knowledge partner of the National Youth Financial Advisors Program, launched by the Federal Youth Authority in collaboration with the CBUAE and the Securities and Commodities Authority. The programme equips Emirati youth with financial literacy, advisory skills, and familiarity with the banking sector. FAB's engagement spans three pillars: hosting expert-led ESG and sustainable finance sessions, offering internship placements, and organising meetings at FAB's headquarters.

FAB X Zoud financial literacy session

As part of its inclusive summer camp initiative, FAB partnered with Zoud (the UAE's national coordinator for Global Money Week) to deliver a series of engaging financial literacy sessions for children and their parents. Held at Mubadala Arena over a four-week period, the camp welcomed 74 participants, including 28 People of Determination and 46 children of FAB employees. The camp hosted a mix of sports and educational activities. Zoud conducted three tailored workshops focused on responsible money management, budgeting, and financial awareness, using interactive formats to ensure accessibility and impact.

One World Summit

FAB participated in the One Young World Summit in Munich, Germany, a global youth leadership forum that convenes over 2,000 emerging leaders from 190+ countries and 250+ organisations. Through strategic nominations and partnerships, FAB is enabling Emirati youth to engage in transformative discussions on circular economy, responsible technology, peace and security, education, and anti-hate initiatives.

Social impact

FAB hosted a range of social initiatives during the year that promoted inclusion and kindness, strengthening the social fabric of local communities.

World Humanitarian Day – supporting orphans with school essentials

In partnership with Dubai Charity Association, FAB provided over 100 orphaned children with essential school supplies, promoting equal access to education and raising awareness about supporting vulnerable groups.

Honouring senior citizens and their lifelong contributions

FAB, in collaboration with partners, organised initiatives that celebrate the wisdom, achievements, and enduring contributions of senior citizens. These programmes reflect our commitment to respect, dignity, and social inclusion, while fostering intergenerational connections and community engagement.

- **Elderly Day (Sharjah):** Promoted intergenerational bonding and social awareness.
- **Senior Recognition Ceremony:** Offered storytelling and appreciation, enhancing emotional wellbeing and inclusion.

Aftir 3rd Ramadan campaign by FAB

Now in its third year, the Aftir Ramadan Campaign has become FAB's flagship CSR initiative during the holy month of Ramadan, reflecting the bank's deep-rooted commitment to community welfare and inclusive engagement. What began in 2023, reaching five Emirates expanded in 2024 with Aftir 2 to all seven Emirates, and in 2025, Aftir 3 extended even further to include Al Ain—making it the only bank-led Ramadan initiative that unites communities across every emirate.

In 2025 alone, over 7,000 volunteers, including FAB volunteers, their families and members of the public, dedicated more than 14,000 hours to distribute 55,500 nutritious iftar meals to registered families. Aftir has touched nearly a quarter of a million lives, leaving a lasting impact across the nation.

Minutes of Giving

FAB's pre-Ramadan campaign engaged employees in packing 1,000 food boxes for families in need. In 2025, the initiative included international teams, contributing to a broader effort that reached over 200,000 individuals.

Sports

Aligned with the National Sports Strategy, FAB is advancing the UAE's vision of greater participation in sports and physical activity. Our efforts focus on expanding access to diverse sports, developing skilled professionals, nurturing young talent and enhancing the UAE's presence in regional and international arenas.

Ladies bowling competition – Dubai International Bowling Center

The Ladies Bowling Competition at Dubai International Bowling Center, sponsored by the Emirates Society for Parents Care & Relief, is a vibrant and engaging community sports event dedicated to women, for which FAB provided volunteers to organise and manage the event. Featuring a distinguished group of competitors, the initiative promotes recreational sports participation, positive competition, and social connection among female bowlers of all levels.



Championing and embedding best-in-class governance practices

At FAB, ESG is embedded into our decision-making, driving oversight, accountability, and transparency across our organisation.



Strong governance is the foundation of responsible business and effective ESG integration. In alignment with national and global standards, we embed governance principles across our strategy, operations, risk management, and disclosures to ensure ethical conduct, transparency, and long-term value creation.



ESG governance and oversight

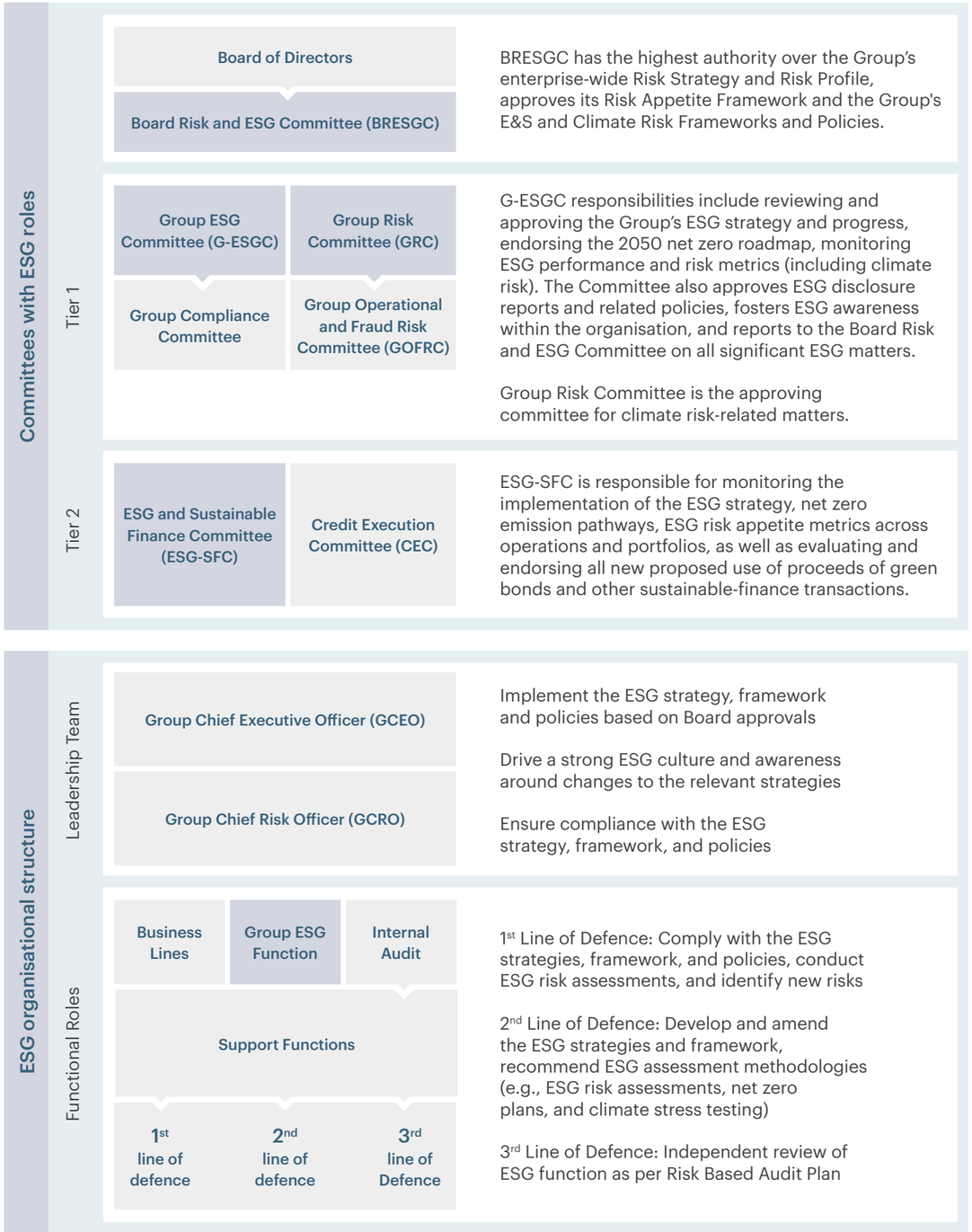
At FAB, dedicated committees oversee the development and implementation of the Group's ESG strategy, frameworks and policies. We are committed to cultivating a corporate culture that reflects the significance of ESG matters in business, fostering collaboration and capacity building across business lines.

The Board of Directors directs our ESG ambitions in an ethical and transparent manner to ensure long-term performance and sustainability. The Board's ESG strategic direction is communicated to the wider Group through the Board Risk and ESG Committee (BRESGC), with support from the Group ESG Committee (G-ESGC) in overseeing ESG strategy, culture and awareness, and shaping FAB's net zero pathway plans.

G-ESGC represents the highest authority at management level for all ESG related decision-making across the Group. It is supported by the ESG and Sustainable Finance Committee (ESG-SFC), which monitors the implementation of the ESG strategy, key risk indicators, policies and sustainable finance framework. FAB's ESG direction is disseminated across the organisation through a Group-wide ESG framework, alongside policies and strategies which are developed by the Group ESG team and implemented by FAB senior management.

Through these governance structures, FAB's leadership sets the tone at the top for ethical, sustainable business practices, and monitors execution rigorously. ESG oversight is fully integrated into our Three Lines of Defence model: business units, risk management, and internal audit all incorporate ESG considerations into their charters and reports. This coordinated approach ensures that everyone at FAB has a role in advancing our ESG commitments.

Structural overview of ESG governance



ESG risk management

FAB integrates ESG considerations into its Enterprise Risk Management (ERM) Framework through the Group E&S Risk policy and framework and the Climate Risk Framework, guiding FAB's appetite for E&S risk and setting criteria for ESG assessment requisites for obligors and deals. These frameworks also establish Key Risk Indicators (KRIs) and set out an E&S risk governance structure.

Our approach and commitment to responsible risk management and ensuring long-term resilience is integrated into the bank's transaction processes, enabling the assessment of E&S risks at every stage of decision-making.

FAB Group's E&S Risk Policy (ESRP) is designed to integrate E&S risks within the ERM framework while aligning with the Group's ESG targets and the strategic business objectives of the Group. The ESRP defines the core principles for the identification, assessment, measurement, monitoring, mitigation and reporting of E&S risks for all business units across the Group, assuring stakeholders that these risks are addressed within an effective, integrated risk management framework.

Objectives of the ESRP include:

Establishing a reference guideline for identifying and assessing E&S risks across the Group

Developing E&S risk assessment tools and defining processes for onboarding new clients, transactions and vendors

Outlining our approach to ESG risk driver analysis to identify our unique exposure to ESG risks and incorporate it across our risk management efforts

See FAB's ESRP and E&S Risk Framework for more information.



Group E&S risk assessment approach and results

ESG risk assessments are considered during client onboarding and client annual renewals. Clients with elevated ESG risk profiles or deals falling within the E&S critical activities require E&S risk mitigation measures.

FAB maintains a negative screening list of activities it does not knowingly support. Similarly, FAB has a list of 'E&S Critical Activities' that we will not knowingly engage with unless specific revenue thresholds and/or E&S risk mitigation measures are met.

In addition to checks against the Bank's negative screening and E&S critical activities list, FAB has a dedicated E&S risk assessment tool at the client and transaction level. The tool includes internal qualitative assessments and quantitative input from reputable third-party providers, which collectively yield a combined E&S risk rating outcome of Acceptable, High and Severe Risk. Clients classified as High ESG Risk are conditionally approved after undergoing enhanced due diligence and defined risk mitigation plans, monitored by ESG Risk or Credit functions. For clients with a severe E&S risk outcome, engagement with the counterparty is not permitted, unless overridden by a relevant committee.

To manage E&S risks in project financing, FAB adheres to the Equator Principles (EP) for project financing due diligence. The EP is a core part of our credit processes and is embedded in our internal policies, procedures and practices for financing projects. As an EP signatory, we have committed to evaluating and addressing social and environmental risks in our project financing and disclosing relevant EP project reviews in an annual EP report.

FAB remains committed to evolving its approach to ESG risk management, based on market best practices, our risk appetite and strategic priorities to ensure we effectively address ESG risks within our portfolio. The Group's Climate Risk Framework and Policy are integrated into the E&S Risk Framework and FAB's wider ERM. It outlines FAB's approach to climate risk management with consideration for local and global regulatory guidelines and expectations. A detailed overview of the bank's climate risk management approach and key highlights are provided in FAB's **Climate Report 2024**.

In 2025, 474 ESG assessments were completed across Investment Banking & Markets (IB&M) and the Wholesale Banking Group (WBG). Within IB&M, these assessments covered around 75% of performing loans exposure for clients in scope, reflecting strong integration of ESG considerations across core lending activities.



Business ethics

We have a comprehensive Code of Ethics and Professional Conduct that applies to all employees and directors, setting out expectations on integrity, anti-bribery, confidentiality, and fair dealing. Robust anti-corruption and anti-fraud measures are in place. FAB's Anti-Bribery and Corruption Policy prohibits giving or receiving improper payments, with strict controls on gifts and third-party due diligence. We enforce a zero-tolerance stance on corruption, and this is reinforced by audits and a clearly communicated disciplinary policy. To enable accountability, we maintain a confidential whistleblowing channel for employees or stakeholders to report any unethical behaviour anonymously without fear of reprisal. All reported concerns are investigated, and action is taken where needed.

Internal labour practices

FAB aligns its strategies and operations with the United Nations Global Compact, encompassing human rights, labour, the environment, and anti-corruption, as well as the UN Sustainability Development Goals, UN Resolution 55/15 November 2000 – Prevention of Human Trafficking Act (1 March 2015) and UN TIP Protocol. We have a Modern Slavery and Human Trafficking Statement, affirming our commitment to address forced labour, child labour, or human trafficking in our operations and supply chain.

Our internal labour practices comply with UAE laws and go beyond: we ensure fair wages, non-discrimination, and safe working conditions for all our people. We also extend these expectations to our suppliers through the FAB Vendor Code of Conduct, which all vendors must sign and adhere to as a condition of doing business with us. This code explicitly forbids child labour, forced labour, human trafficking, and unethical labour practices, and requires suppliers to respect workers' rights and environmental standards. As a financial services organisation with a professional workforce, FAB considers the risk of modern slavery within its direct business operations to be low yet, to mitigate these risks, FAB performs due diligence across its stakeholder groups.

Data privacy and protection

FAB emphasises data privacy, security, and regulatory compliance as key governance priorities. We have a Group Data Protection Policy aligned with UAE's data laws and international best practices (mirroring principles of GDPR). Customer and employee data are safeguarded through strong cybersecurity measures, encryption, and strict access controls. We did not experience any data breaches in 2025.

ESG Ratings and Benchmarks

FAB's strong governance and ESG performance has been recognised by leading external rating agencies:

- MSCI ESG Rating: FAB maintained an AA rating in 2025 – the highest ESG rating awarded to any bank in the MENA region. This reflects our robust management of environmental and social risks and sound corporate governance practices.
- Sustainalytics Risk Rating: FAB received an ESG Risk Rating of 18.2 (Low Risk) from Sustainalytics, placing us firmly in the Low-Risk category and making FAB one of the lowest-risk banks in MENA from an ESG standpoint.
- FAB ranked a 'B-' score in the CDP (formerly Carbon Disclosure Project) climate change questionnaire.
- LSEG (Refinitiv) ESG Score: We scored 79 (out of 100) in Refinitiv's ESG scoring, placing us in the top 6% of banks globally.

Independent ratings validate FAB's progress and leadership in ESG. They also motivate us to continually improve, as stakeholders increasingly consider such ratings in their investment decisions.

Commitment to transparency and disclosure

Alignment with local and global frameworks and goals

Reporting frameworks

Global Reporting Initiative (GRI)

Equator Principles (EP)

Carbon Disclosure Project (CDP)

Net Zero Banking Alliance (NZBA)

Principles for Responsible Banking (PRB)

Green bond ICMA Principles (ICMA)

Task Force on International Sustainability Standards Board (ISSB)

Abu Dhabi Securities Exchange (ADX) ESG Guide for Listed Companies

Partnership for Carbon Accounting Financials

The Taskforce on Nature-related Financial Disclosures (TNFD)

Partnership for Biodiversity Accounting Financials

Sustainability Accounting Standards Board

Focus areas

Abu Dhabi Securities Exchange (ADX) ESG Guide for Listed Companies

Abu Dhabi Vision UAE Vision 2021

UAE Green Agenda 2015-2030

UAE Net Zero by 2050

UAE Climate-Responsible Companies Pledge

UAE Private Sector Pledge to Accelerate Gender Balance

Abu Dhabi Global Markets (ADGM) Sustainable Finance Consultative Working Group

The Private Sector Advisory Council to the UAE National Committee on the SDGs

The UAE Council for Climate Change and Environment

International

UN Sustainable Development Goals (SDGs)

UN Global Compact

UN Women

Sustainable Markets Initiative Circularity Task Force

Appendix – ADX ESG disclosures

Environment

ADX Metric	ADX Calculation/Indicator	Scope	Unit	2023	2024	2025
E1. Environmental Operations	E1.1) Does your company follow a formal Environmental Policy?	Group	Y/N	Y	Y	Y
	E1.2) Does your company follow specific waste, water, energy, and/or recycling policies?			Y	Y	Y
	E1.3) Does your company use a recognised energy management system?			N	N	N
E2. Water Usage	E2.1) Total amount of water consumed	Group	m^3	169,898	170,038	170,038
	E2.2) Total amount of water reclaimed			NA	NA	154,998
E3. Waste Generation	E3.1) Total waste generated, per waste type	Group				
	Total paper consumption:		kg	206,768	190,048	191,932
	Total paper recycled:		kg	57,856	223,404	453,766
	Sewage waste:		m^3	-	6,587	2,730
	E-waste:		kg	83,321	87,788	55,472
	Waste recycled:		kg	147,532	123,902	27,895
	E3.2) Percentage of waste recycled		%	32	48	49
E4. Energy Usage	E4.1) Total amount of energy directly consumed	Group	GJ	29,087	32,001	33,434
	E4.2) Total amount of energy indirectly consumed			253,311	222,123	224,555
E5. Energy Intensity	E5.1) Total direct energy usage per output scaling factor	Group	GJ/FTE	4.2	4.2	4.2
E6. Energy Mix	E6.1) Percentage: Energy usage by generation type	Group	%	NA	NA	NA
E7. GHG Emissions	E7.1) Total amount in CO2 equivalents, for Scope 1	Group	tCO_2e	5,644	6,201	6,769
	E7.2) Total amount, in CO2 equivalents, for Scope 2 (if) applicable			32,522	29,881	27,901
	E7.3) Total amount, in CO2 equivalents, for Scope 3 (if) applicable			4,785	5,085	4,993
E8. Emissions Intensity	E8.1) Total GHG emissions per output scaling factor	Group	tCO_2e	5.7	4.8	4.5
	E8.2) Total non-GHG emissions per output scaling factor			NA	NA	NA
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.	Group	Qualitative			FAB Climate Report 2024, p.36-39, 44
	E9.2) Describe the current and anticipated impacts of climate-related risks and opportunities on your organisation's business model and value chain.		Qualitative			FAB Climate Report 2024, p.36-39, 44
	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?		Qualitative			FAB Climate Report 2024, p.27-28, 31, 58-6; FAB Transition Plan Report 2026 update (to be published)
	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)?		Qualitative			FAB Climate Report 2024, p.36-39, 48
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.	Group	Qualitative			FAB Climate Report 2024, p.44 - 48
	E10.2) Whether and how does your organisation use climate-related scenario analysis to inform the identification of climate-related risks?		Qualitative			FAB Climate Report 2024, p.44 - 48

Certain environmental disclosure metrics presented in this table may be revised in the 2025 ESG Report upon completion of assurance.

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?	Group				FAB Climate Report 2024, p.18-19
	E11.2) How does the body or individual consider climate-related risks and opportunities when overseeing your organisation's strategy?					FAB Climate Report 2024, p.21
	E11.3) Are performance metrics related to climate targets included in remuneration policies? If so, how?					FAB Climate Report 2024, p.18-19
	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?					FAB Climate Report 2024, p.18-19
E12. Climate Targets	Disclose any quantitative and qualitative climate-related targets to monitor progress towards strategic goals, incl. any GHG emissions targets. Specify the metric used to set the target.	Group				FAB Climate Report 2024, p.55, 64-65

Social

ADX Metric	ADX Calculation/Indicator	Scope	Unit	2023	2024	2025
S1. CEO Pay Ratio	S1.1) CEO total compensation to median Full Time Equivalent (FTE) total compensation	Group	Ratio	NA	NA	NA
	S1.2) Does your company report this metric in regulatory filings?		Y/N	N	N	N
S2. Gender Pay Ratio	S2.1) Median total compensation for female compared to median total compensation for male	Group	Ratio	0.8	0.8	0.8
	Senior Management			1.3	1.1	1.2
	Middle Management			0.8	0.8	0.8
	Staff (Professional, Operational and Administrative)			1.3	1.7	1.8
S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	Group	%	2	10	3
	S3.2) Percentage: Year-over-year change for part-time employees			-7	814*	44
	S3.3) Percentage: Year-over-year change for contractors/consultants			-2	2	5
S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men	Group	%	61	60	59
	S4.2) Percentage: Total enterprise headcount held by women			39	40	41
	S4.3) Percentage: Entry- and mid-level positions held by men			58	57	56
	S4.4) Percentage: Entry- and mid-level positions held by women			42	43	44
	S4.5) Percentage: Senior- and executive-level positions held by men			80	84	86
	S4.6) Percentage: Senior- and executive-level positions held by women			20	16	14
S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	Group	%	0.1	1.1	2
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants			33	32	31
S7. Nationalisation	S7.1) Percentage of national employees, per employment category	UAE	%	44	47	49
S8. Non-Discrimination	S8.1) Does your company follow non-discrimination policy?	Group	Y/N	Y	Y	Y
S9. Health, Safety and Wellbeing	S9.1) Does your company follow an occupational health and/or health and safety policy?	Group	Y/N	Y	Y	Y
S10. Injury Rate	S10.1) Percentage: Frequency of injury events relative to total workforce time	Group	%	0	0	0
S11. Child and Forced Labor	S11.1) Does your company follow a child and/or forced labour policy?	Group	Y/N	Y	Y	Y
	S11.2) If yes, does your child and/or forced labour policy also cover suppliers and vendors?			Y	Y	Y
S12. Human Rights	S12.1) Does your company follow a human rights policy?	Group	Y/N	Y	Y	Y
	S12.2) If yes, does your human rights policy also cover suppliers and vendors?			Y	Y	Y
S13. Community Investment	S13.1) Amount invested in the community, as a percentage of company revenues.	Group	%	0.60	0.29	0.37

* This number includes our Bedaya programme, which was designed for UAE nationals in their second and third year of university, offering them the opportunity to gain banking exposure.

Governance

ADX Metric	ADX Calculation/Indicator	Scope	Unit	2023	2024	2025
G1. Board Independence	G1.1) Does company prohibit CEO from serving as board chair?	Group	Y/N	Y	Y	Y
	G1.2) Percentage: Total board seats occupied by independent board members		%	100	100	100
G2. Board Diversity	G2.1) Percentage: Total board seats occupied by men	Group	%	91	91	91
	G2.1) Percentage: Total board seats occupied by women			9	9	9
	G2.2) Percentage: Committee chairs occupied by men			67%	80	80
	G2.2) Percentage: Committee chairs occupied by women			33%	20	20
G3. Supplier Code of Conduct	G3.1) Are your vendors or suppliers required to follow a Code of Conduct?	Group	Y/N	Y	Y	Y
	G3.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?		%	100	100	100
G4. Ethics and Prevention of Corruption	G4.1) Does your company follow an Ethics and/or Prevention of Corruption policy?	Group	Y/N	Y	Y	Y
	G4.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?		%	100	99	99
G5. Data Privacy	G5.1) Does your company follow a Data Privacy policy?	Group	Y/N	Y	Y	Y
	G5.2) Has your company taken steps to comply with GDPR rules?			Y	Y	Y
G6. Sustainability Strategy	G6.1) Describe the sustainability-related risks and opportunities that could reasonably be expected to affect your organisation's prospects.	Group	Qualitative			2025 ESG Summary, FAB's double materiality assessment; 2024 Climate Report, p. 34-39
	G6.2) Describe the current and anticipated impacts of sustainability-related risks and opportunities on your organisation's business model and value chain.					2025 ESG Summary, p. 10-11; FAB Climate Report 2024, p. 36-39, 44
	G6.3) Describe how your organisation responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making.					2025 ESG Summary, p. 10-11; FAB Climate Report 2024, p. 27-28, 31, 58-60
	G6.4) Describe the current and anticipated effects (during the reporting period) of sustainability-related risks and opportunities on your organisation's business model, financial position, performance, and cash flows. How are these risks considered in financial planning (current financial effects)?					2025 ESG Summary, p. 10-11; FAB Climate Report 2024, p. 36-39, 44
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.	Group	Qualitative			2025 ESG Summary, p. 10-11; 2024; Climate Report, p. 34-39
	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?					2025 ESG Summary, p. 10-11; 2024 Climate Report, p. 34-39
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?	Group	Qualitative			2025 ESG Summary, p. 34-41 Climate Report, pages 16 - 21
	G8.2) How does the body or individual consider sustainability-related risks and opportunities when overseeing your organisation's strategy?					2025 ESG Summary, p. 34 - 37; Climate Report, pages 16
	G8.3) Are performance metrics related to these targets included in remuneration policies? If so, how?					Climate Report, pages 16 - 21
	G8.4) Has your organisation delegated the role of overseeing sustainability-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised?					2025 ESG Summary, p. 34 - 37
G9. Sustainability Targets	G9.1) What metrics does your organisation use to measure and monitor each sustainability-related risk or opportunity identified above?	Group	Qualitative			2024 ESG Report, p. 118-151; 2024 Climate report, p. 52 - 71
G10. Disclosure Practices	G10.1) Does your company publish a sustainability report?	Group	Y/N	Y	Y	Y
	G10.2) Does your company publish a GRI, IFRS, CDP, SASB, IIRC, or UNGC-based report?			Y	Y	Y
G11. External Assurance	G11.1) Are your sustainability disclosures assured or verified by a third-party audit firm?	Group	Y/N	Y	Y	Y

Corporate Governance

Chairman's message

Governance at a glance

Corporate governance framework

Organisational structure

Board governance

Board meetings and agenda

Board committees

External auditors

Senior management

Delegation of authority

Remuneration

Management committees

Subsidiaries, branches and representative offices

Related-party transactions

Corporate social responsibility

Approach to ESG governance

Emiratisation

Investor relations

Annual General Meeting (AGM)

Shari'ah governance



Chairman’s message

As we reflect on the achievements and challenges of 2025, I am pleased to present the annual Corporate Governance Report of First Abu Dhabi Bank, highlighting our ongoing commitment to excellence in governance and sustainable value creation.



Looking ahead, FAB remains committed to innovation, sustainability, and long-term value creation, proactively addressing both the challenges and opportunities presented by rapid technology advancement and an evolving financial landscape.

Our Board of Directors remains steadfast in upholding the highest standards of corporate governance and accountability, providing clear strategic direction and robust oversight of the Bank’s ("FAB" or the "Bank") activities within a governance framework, aligned with applicable regulatory requirements and international best practice. These standards are deeply rooted in our corporate values, which serve as the foundation of our culture and reinforces stakeholder confidence and supports the Bank’s long-term stability, performance, and sustainable growth. With a majority of independent directors and a diverse mix of skills, experiences, and backgrounds, the Board ensures effective oversight, strategic direction, and robust succession planning.

Throughout the year, the Board actively engaged in strategic discussions, oversaw the implementation of key initiatives, and championed the digitalisation of governance processes. We advanced FAB’s AI-powered analytics journey, further strengthening operational efficiency and our leadership in digital banking. By embracing intelligent technology-enabled operations, we continue to enhance decision-making, drive agility and deliver long-term value to our clients.

To further enhance the quality, consistency, and timeliness of information available to the Board, the Group has implemented an AI-enabled board observer during 2025 as a decision-support and analytical tool. The tool is designed to assist the Board by synthesising complex information, identifying themes, trends, and emerging risks across internal and external data sources, and supporting more informed deliberations. Its use is subject to appropriate governance, data controls, and oversight, and is intended to support continuous improvement in Board effectiveness and risk oversight.

FAB expanded its leadership in nature disclosures and climate transition through landmark initiatives, including participation in the International Union for Conservation of Nature (IUCN) World Conservation Congress, the issuance of the GCC’s first blue bond by a financial institution, and the launch of the first-of-its-kind low carbon energy bond. These achievements reinforced our commitment to financing the transition to a low-carbon, nature-resilient future. In alignment with the UAE’s strategic priorities, including the 'Year of Community' and the UAE’s Vision 2031, we continue to focus on inclusive growth and regional leadership in sustainable finance and ESG integration.

We continue to foster a culture grounded in integrity, fairness and ethical conduct, ensuring that our decisions protect shareholder interests and strengthen engagement with regulators, investors, employees, customers, and the wider community.

Looking ahead, FAB remains committed to innovation, sustainability, and long-term value creation, proactively addressing both the challenges and opportunities presented by rapid technological advancement and an evolving financial landscape. In 2026, we will continue to strengthen governance, including through robust Board nominations, while reinforcing regulatory alignment and high standards of oversight.

As we conclude another successful year, I extend my sincere appreciation to our shareholders, the Board, our senior management, and all FAB employees worldwide for their dedication and invaluable contributions to our resilient governance culture and continued success. Together, we are shaping a sustainable and prosperous future for FAB and all our stakeholders.

H.H. Sheikh Tahnoon bin Zayed Al Nahyan

Chairman

Governance at a glance

FAB's governance approach is built on clarity, integrity, and disciplined oversight, ensuring that the Group remains resilient and forward-looking in a rapidly evolving financial landscape. Guided by a diverse and independent Board, the Bank continues to strengthen its governance framework, enhance transparency, and embed responsible practices across all operations. With a strong focus on digital enablement, data-driven decision-making, and ethical leadership, FAB's governance model supports sustainable growth and reinforces trust among shareholders, customers, and the wider community.

100% Non-executive directors

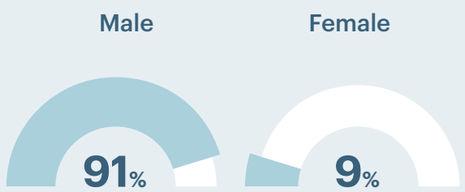
6 Board meetings

95% Board meeting attendance

11 Board members

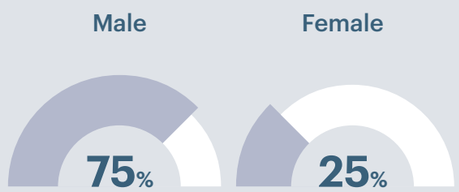
100% Board independence

Board gender diversity



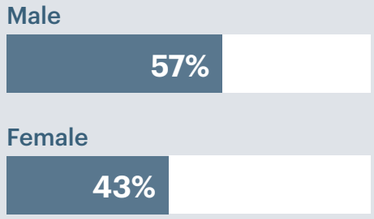
Total members: 11

Senior management gender diversity



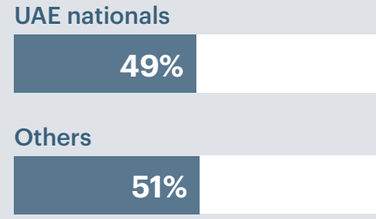
Total members: 12

Employee | **Gender diversity**



Percentages represent the gender composition of employees within the UAE workforce for the reporting period 1 November to 31 December 2025.

Employee | **Emiratisation**



Percentages reflect the proportion of UAE nationals within the total UAE employee population for the reporting period 1 November to 31 December 2025.

ESG ratings

AA
MSCI

MSCI ESG rating – AA

FAB maintained an AA MSCI ESG rating in 2025, the highest rating awarded to any bank in the MENA region. This reflects the Bank's strong management of environmental and social risks and its sound corporate governance practices.

79%
REFINITIV

LSEG (Refinitiv) ESG score – 79/100

FAB scored 79 out of 100, placing the Bank in the top 6% of banks globally within Refinitiv's ESG assessment.

18.2
SUSTAINALYTICS

Sustainalytics ESG risk rating - 18.2 – Low risk

FAB received an ESG Risk Rating of 18.2 – Low Risk from Sustainalytics, placing the Bank among the lowest-risk banks in the MENA region from an ESG standpoint.

At FAB, AI, data privacy and cybersecurity are governed through an enterprise-wide platform and architecture, with senior management oversight embedding Responsible AI, secure-by-design controls and regulatory compliance across the full AI and data lifecycle.

Corporate governance framework

FAB's corporate governance framework outlines its commitment to ethical leadership, transparency, and sustainable value creation. It ensures that the Bank operates with integrity and accountability, aligning with international best practices and regulatory requirements, including the UAE Central Bank Corporate Governance Regulation for Banks (Circular 83/2019), the Corporate Governance Standard for Banks, and the Capital Market Authority (CMA) regulations to protect the interests of all stakeholders.

The framework supports effective decision-making, strong stakeholder engagement, and robust disclosure practices enabling the Bank to remain responsive to evolving expectations while upholding the principles of accountability, transparency, fairness, and responsibility across its operations.



FAB's commitment to sound governance and business integrity remains central to its operations.

The Board of Directors serves as the Bank's primary decision-making body providing strategic direction and oversight in accordance with the Board Charter, supported by specialised committees, executive management, and a clear delegation-of-authority framework.

Clear reporting lines and the formal delegation-of-authority matrix ensure that decision-making responsibilities are well defined, and significant matters are escalated appropriately.

FAB's corporate governance framework also defines requirements for the Group Board, subsidiary boards (local and international), and relevant board and management committees.

In 2025, FAB strengthened its international governance model by enhancing local capabilities and establishing appropriate committee structures, while supporting these efforts with continuous education and training from the head office. Oversight extends to all subsidiaries and international branches, which adhere to Group governance standards and reporting requirements, as well as relevant local regulations. The Board's composition is regularly reviewed to ensure a diverse mix of skills, experience, gender, and cultural backgrounds, in line with regulatory and best practice expectations.

A strong focus on optimising committee performance is maintained at the Group level. Board and Committee Secretaries remain senior employees and subject matter experts. Charters for the Board and its Committees are reviewed annually and are publicly available on website under 'FAB Corporate Governance Environment | FAB - UAE'. The Board and its committees are assessed annually, and directors participate in ongoing education to remain abreast of governance trends and regulatory developments. The framework itself is reviewed and updated each year to reflect regulatory changes, emerging risks and stakeholder feedback. Lessons learned from audits, regulatory reviews, and stakeholder engagement are systematically incorporated to enhance governance practices.

The Bank's Annual General Meeting (AGM) is a cornerstone of its corporate governance framework, providing shareholders with an opportunity to engage directly with the Board.

The AGM FY2024, held on 11 March 2025, included the following agenda items:

- Discussed and approved the report of the Board of Directors on the activity of the Bank and its financial statements for the financial year ending 31/12/2024.
- Discussed and approved the report of the external auditors for the financial year ending 31/12/2024.
- Discussed and approved the Internal Shari'ah Supervision Committee annual report.
- Notification on payable Zakat in relation to the Bank's Islamic activities for the financial year ending 31/12/2024.
- Discussed and approved the Bank's balance sheet and profit and loss statement for the financial year ending 31/12/2024.
- Consideration of the proposal of the Board of Directors regarding the provisions and reserves, and the distribution of profits for the financial year ending on 31/12/2024 of 75 fils per share, representing 75% of the Bank's paid-up capital – equivalent to 51% of the distributable net profit as a cash dividend, for a total amount of AED 8.3 billion.
- Discussion and approval of the Board of Directors' remuneration.
- Discharge of the Board members for their actions during 2024.
- Discharge of the external auditors for their actions during 2024.
- Appointment of auditors for the financial year 2025 and determining their fees.
- Appointment of Dr Khaled AlSaiari as a member of the Internal Shari'ah Supervision Committee (ISSC).

As part of the meeting agenda, other special resolutions, including the Group's debt issuance programmes, were approved.

The ISSC annual report and members were also approved by the Higher Shari'ah Authority of the UAE Central Bank.

Risk governance

Risk governance refers to the formal structure that supports risk-based decision-making and oversight across the Group's operations.

In line with the CBUAE Corporate Governance Regulations, the Board has approved that the risk governance framework must incorporate a "three lines of defence" (3LOD) approach. This includes senior management of the business lines, the risk management and compliance functions, and an independent and effective internal audit function. The 3LOD model is used by banks and other financial institutions worldwide to support risk management and the roles and responsibilities of businesses, enablement functions and control functions.

FAB's control functions include internal audit, risk, compliance, legal and corporate governance, which report to the Board or designated committees and administratively report to the GCEO. The CBUAE Corporate Governance Regulations require that control functions operate separately from the business and that their heads report directly to the relevant Board committee.

For example, the Group Chief Risk Officer reports functionally to the Board Risk and ESG Committee (BRESGC) and administratively to GCEO. These reporting lines are included in the relevant Board Committee charters. Risk committees provide quarterly reports to the BRESGC. Similarly, the Group Chief Audit Officer & Group Chief Compliance Officer reports functionally to the Board Audit Committee and administratively to the GCEO. Quarterly reports are provided and presented to the Board Audit Committee (BAC). Both BAC and BRESGC report any significant matters to the Board of Directors as and when required. FAB has established a robust risk governance and ownership structure that ensures oversight and accountability for effective risk management.

The Board approves risk management strategies for FAB, its subsidiaries and international offices. Under authority delegated by the BRESGC, the Group Risk Committee (GRC) formulates enterprise risk management policy and frameworks, exercises delegated risk authorities, and oversees the implementation of the risk management framework and controls through the independent Group Risk Management division led by the Group Chief Risk Officer. This framework facilitates a composite view of risk at each successive level of the organisation, enabling it to determine whether the overall portfolio risk is commensurate with its risk appetite. The Group Risk Management function is the nerve centre for data collection, analysis of risk drivers, interpretation of outcomes, and their wide dissemination to relevant risk management committees.

The Group risk framework at FAB is embedded across the organisation, including local and international branches, subsidiaries and foreign representative offices.

The core objective is to provide a reasonable degree of assurance to the Board that any risks threatening FAB's achievement of its core purpose are being identified, measured, monitored and controlled through an effective integrated risk management system.

The Group's risk management framework consists of specific policies for all material risks across FAB. In addition to the risk management policies, FAB has also implemented detailed operational procedures wherever needed. The risk appetite framework at FAB is aligned with its strategic plan and objectives.

The risk appetite framework comprises risk appetite statements and risk metrics across material risk categories (capital adequacy, liquidity and funding, asset quality, risk concentration, ESG risk, market risk exposures, operational risk, compliance and conduct risk, technology and information security and people risk).

The Group-level risk appetite is cascaded down to the individual business groups – and the risk appetite framework is approved by the GRC and BRESGC. The role of the GCEO and the executive management team is to execute the agreed business strategy within the risk appetite. There is regular monitoring of all risk exposures to ensure that the overall risk profile is within the risk appetite limits. There are clearly defined processes for regular review and enhancement of the framework, in line with changes in the external and internal environments. The risk management framework, processes and methodologies are periodically benchmarked against industry best practices and regulations.

Data governance

FAB further strengthened its leadership in data governance by enhancing enterprise-wide data management, quality, and privacy capabilities across all business lines and international entities. Building on the strong foundation of previous years, the Group advanced its data governance and AI governance framework and operating model, embedding greater oversight, ethical controls and transparency across all operations. This progress underscores the Bank's continued commitment to maintaining the highest standards of data integrity, accuracy and compliance in alignment with UAE and international regulatory expectations.

A key milestone achieved during the year was the institution of the First Line of Defence (FLOD) Data Privacy function, reinforcing business accountability for data protection and enabling measurable progress in privacy remediation programmes. These initiatives have strengthened FAB's compliance with the UAE Personal Data Protection Law (PDPL) and enhanced the Group's overall privacy and governance position.

In parallel, FAB delivered significant advancements in data quality remediation, focusing on the identification, enhancement and continuous monitoring of Critical Data Elements (CDEs) across key business data domains. Leveraging advanced automation and modern data governance tools, the Bank improved the reliability of regulatory submissions, internal reporting and decision-making processes.

Looking ahead to 2026, FAB will continue to evolve its data governance maturity by embedding data literacy, ownership, and stewardship across all business and international units. These efforts, together with ongoing progress in AI governance and data privacy enablement, ensure FAB remains well-positioned to support strategic business objectives, digital transformation and regulatory compliance, while sustaining the highest standards of data excellence across the Group.



Consumer protection

In line with the Central Bank of the UAE's Consumer Protection Regulation (CPR), FAB strengthened its consumer protection framework during the reporting period, with a focus on transparency, fair disclosure, and responsible marketing.

The Bank reviewed and enhanced customer documents to improve the clarity and accessibility of key product information, including terms and conditions, fees and charges, and Key Fact statements, supporting informed decision-making and CPR disclosure requirements.

FAB also enhanced responsible marketing practices by updating its marketing consent policy and implementing an automated consent management process, ensuring customer preferences are centrally managed and consistently applied across channels, thereby reinforcing compliance and customer trust.

FAB remains committed to consumer protection and continues to expand its efforts through its Consumer Education and Awareness Unit (CEAU). The CEAU focuses on three main areas to fulfil the Consumer Protection mandate from the Central Bank of the UAE:

- ✓ consumer education and awareness
- ✓ employee training and awareness
- ✓ consumer accessibility

CEAU activities focused on educating consumers and employees on best practices in money management, training staff to support People of Determination (POD), and ensuring accessibility across FAB's digital and physical channels.

1. Consumer education and awareness

- ✓ Launched financial literacy notifications for mobile banking customers.
- ✓ Developed financial literacy educational videos, which were posted on FAB's 'Your Money Matters' educational platform.
- ✓ Analysed consumer feedback, complaints, trends and social media insights to inform the design of future, data-driven consumer education programmes.
- ✓ Launched in-branch financial literacy campaigns to direct customers through QR codes to FAB's 'Your Money Matters' educational platform.
- ✓ Delivered financial literacy outreach sessions at American University of Sharjah and Zayed University Abu Dhabi and Dubai, engaging students on topics such as money management, budgeting, credit, and saving.

2. Employees training and awareness

- ✓ Collaborated with Abu Dhabi Global Market (ADGM) Academy to deliver financial literacy training for front-line and all FAB staff.
- ✓ Launched 'Banking for All: Deep Dive' training, a mandatory learning curriculum designed to equip front-line staff with skills in identifying, engaging and assisting People of Determination (POD).
- ✓ Initiated 'Banking for All: A Journey Toward Inclusive Banking' training for select departments at FAB to enhance awareness of POD banking needs.

3. Consumer accessibility

- ✓ Installed accessible ramps and railings across 43 FAB branches to improve accessibility for all customers.
- ✓ Opened a new POD-friendly branch at Ajman City Centre in November 2024. The branch incorporates accessibility features such as lowered service counters, tactile floor indicators, and enhanced signage to ensure a seamless experience for all customers. In addition, work has commenced on upgrading 25 more branches across the UAE to align with POD accessibility standards.
- ✓ Enhanced the FAB website and mobile app to comply with the Web Content Accessibility Guidelines (WCAG) AA Level standards.
- ✓ Implemented accessibility changes within our contact centre to better serve customers with specific needs.
- ✓ Activated priority queuing with voice announcements in all UAE branches.
- ✓ Upgraded five large branches to incorporate accessibility features such as lower service counters, tactile floor indicators, hearing induction loops and enhanced signage to ensure a seamless experience for all customers.

FAB prioritised consumer protection through cross-functional initiatives that educated consumers and staff while making banking services accessible for all. These achievements reflect the Bank's ongoing commitment towards complying with the CBUAE Consumer Education Regulations and Standards.

AI governance framework

FAB continues to embrace cutting-edge technologies to enhance its business processes. The Bank recognises the transformative potential of artificial intelligence (AI) and related technologies such as machine learning and deep learning. The arrival of Generative AI and Agentic AI can significantly benefit its operations and customer experiences.

At the same time, FAB recognises that the use of AI systems can increase existing enterprise risk exposure and/or introduce new risks. These would include biased decisions, data breaches, cybersecurity risks and regulatory non-compliance. To ensure that its AI solutions are developed and used ethically, transparently, and in the best interests of FAB and its customers, a robust AI governance framework has been created. The framework consists of comprehensive policies, procedures, standards and guidelines, designed to support the secure adoption of AI within the organisation.

Key objectives of the AI governance framework

FAB has established an enterprise-grade Agentic AI Platform to support the secure and governed adoption of artificial intelligence across the organisation. The platform provides a standardised environment for designing, deploying, and operating AI-enabled workflows within clearly defined policy, security, and risk management boundaries.

The platform is designed to ensure that responsible AI principles are applied consistently across the AI lifecycle. Governance controls are embedded by design, including defined ownership and accountability, human oversight for critical activities, controlled data access, and audit-ready traceability of AI actions and outputs.

By centralising AI execution within a governed platform, FAB enables innovation to scale while managing operational, cybersecurity, and regulatory risks. This approach supports greater consistency, reuse of approved AI components, and alignment between business, technology, risk, and compliance teams.

Initiatives such as FAB's phased adoption of Microsoft Copilot for employee productivity operate within this broader governance framework, leveraging established data controls, security standards, and compliance requirements, including UAE data residency obligations.

FAB's AI governance framework is based on the nine industry-recognised Responsible AI principles:

- **Accountability**
- **Fairness**
- **Data privacy**
- **Security**
- **Reliability**
- **Transparency**
- **Explainability**
- **Sustainability**
- **Compliance**

Looking ahead

FAB continues to identify potential enhancements to business use cases through AI while maintaining the security of its clients' data. Its commitment to these principles is persistent. The Group continues to refine processes and invest in the tools necessary to ensure AI adoption is not only innovative but also responsible, trustworthy, and compliant with all regulatory demands. In parallel, FAB is establishing a dedicated Responsible AI Committee to oversee the ethical, regulatory, and governance dimensions of AI deployment across the organisation, ensuring robust oversight as adoption scales.

Cyber risk

FAB approaches cybersecurity as a principal business risk, which means focusing on the needs of the entire business. It has adopted a 'defence in depth' approach to protect customer data, with cybersecurity embedded in the design of its operations, technology, products and channels.

The Group continuously monitors current and emerging global cyber threats, including risks posed by outsourced parties. It has implemented advanced cybersecurity practices and resources to safeguard its systems from persistent cyber threats and maintain a mature security posture.

FAB has also rapidly embraced emerging technologies to maintain a secure and resilient digital ecosystem that fosters innovation while safeguarding critical assets.

FAB Information Security function covers all the domains of the cybersecurity framework (identify, protect, detect, respond, recover). This includes identifying weaknesses by performing technology risk assessments of IT systems at regular intervals, actively testing its systems for vulnerabilities (penetration testing and application security testing), and implementing preventive controls to protect data and ensure privacy. This focus is extended to partners through vendor risk assessments.

By constantly monitoring activity (security log monitoring) and hunting for threats (threat intelligence and threat hunting), it can quickly detect and respond to incidents (cyber incident response and forensics). Regular backups and recovery plans (business continuity management) ensure operational and cyber resilience. It complies with industry-best security standards, including PCI DSS, SWIFT CSCF, and UAE Information Assurance Regulation, to maintain the highest level of trust.



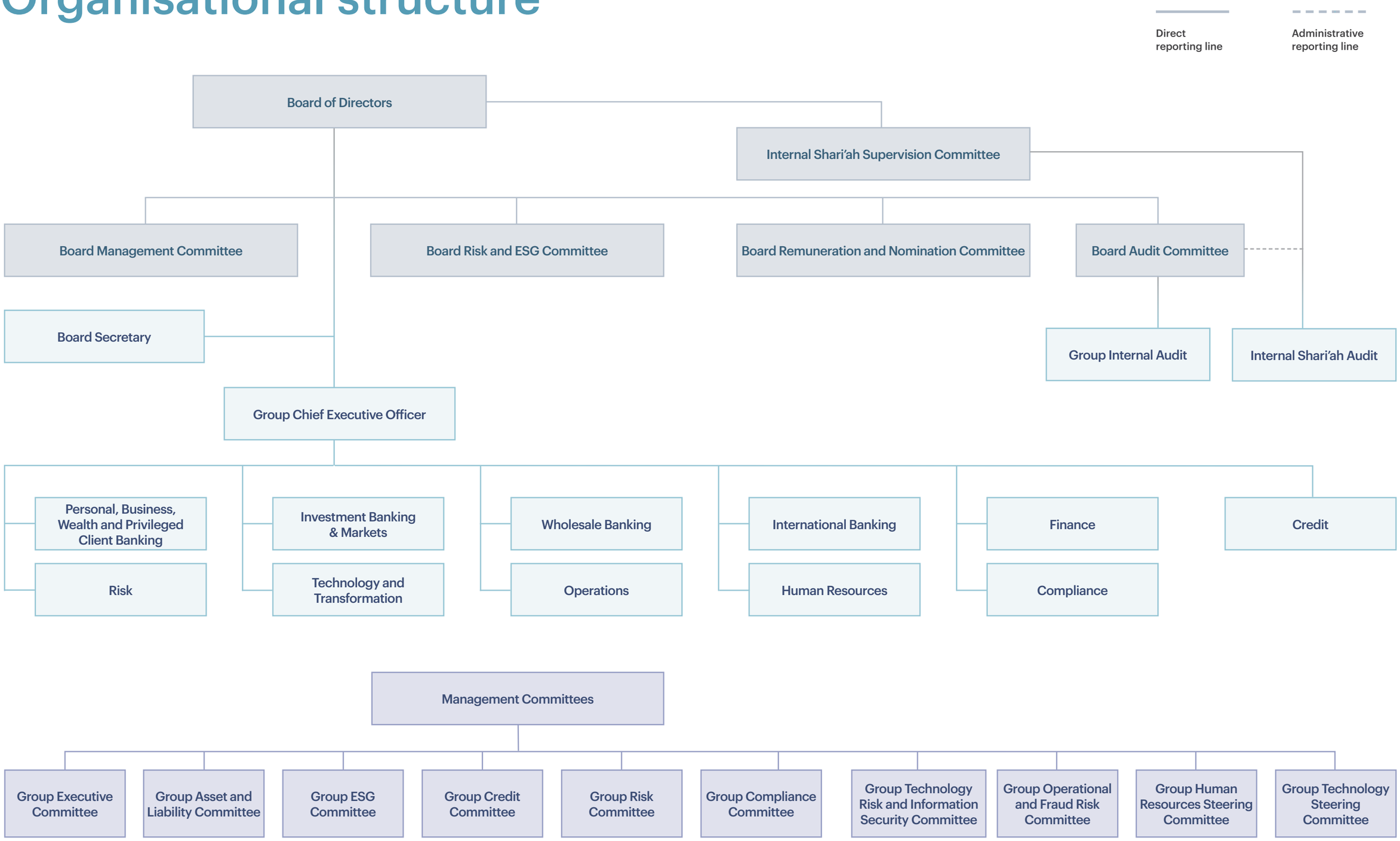
Operational resilience

FAB operates a comprehensive business continuity programme to ensure the effectiveness and continuous availability of our services and products. This involves:

- Proactively improving the bank's resilience by assessing activities and their dependencies
- Raising awareness about approved continuity plans among business units
- Reporting the programme status to the committee and regulators as required
- Managing disruption, avoiding recurrence and protecting the bank's value-creating activities

FAB has a robust crisis management framework that enables it to respond effectively and efficiently to any disruptive events, such as natural disasters or pandemics. This leverages the Group's IT operational resilience, digital capabilities and business continuity best practices to maintain the delivery of critical services and protect the interests of FAB's customers, employees and stakeholders.

Organisational structure



Board governance

Board roles and responsibilities

The Board consistently reviews and enhances its governance framework to align with evolving regulatory requirements and stakeholder expectations. The Board of Directors of FAB is composed of 11 members, each appointed for a three-year term.

Leadership of the Board is vested in an independent chair, elected from among the Board members. The Chair is empowered to act and speak on behalf of the Board, including engaging with senior management, facilitating communication between the Board and shareholders, and liaising with regulatory authorities as necessary.

The Chair provides strategic leadership to the Board and is accountable for its overall effectiveness. The Chair ensures that Board decisions are made on a sound and well-informed basis, fosters critical discussion, and guarantees that dissenting opinions can be freely expressed throughout the decision-making process.

The Board Charter delineates the Board's specific roles and responsibilities and outlines the procedures for fulfilling them.



Key elements	Board's roles and responsibilities
Leadership and stakeholder management	The Board represents the interests of shareholders and other relevant stakeholders by overseeing and evaluating the Bank's strategy, performance, frameworks, and policies. It ensures ongoing and appropriate dialogue with shareholders and stakeholders, carefully balancing the interests of shareholders, employees, customers, and the broader community.
Strategy and performance	The Board is responsible for approving and monitoring the Bank's strategy and long-term objectives, ensuring alignment with the Group's risk appetite and risk management framework. It reviews financial performance against the approved strategy, objectives, and budget, and ensures corrective actions are taken when necessary.
Financial reporting	The Board reviews and approves the Group's annual and quarterly financial reports and statements, ensuring the integrity and accuracy of all financial disclosures.
Risk management	The Board reviews and approves the risk management framework, overseeing the implementation of an effective risk management culture and internal control environment across the Bank and Group, in accordance with applicable regulations and standards.
Culture	The Board sets the tone, values, and standards for the Group, establishing clear expectations that all business activities are conducted legally and ethically. It oversees adherence to these values by all staff.
Remuneration	The Board approves the Group's remuneration framework and policy, ensuring that compensation practices are aligned with the Bank's values and risk appetite.
Appointment and succession planning	The Board ensures that robust processes are in place for selecting senior management, including the heads of risk management, compliance, and internal audit, and that effective succession plans are maintained for senior leadership roles. All appointments are processed in compliance with fit-and-proper regulations.
Consumer protection	The Board promotes awareness of consumer protection by fostering positive institutional conduct and ensuring that staff receive appropriate training. It also ensures that the Bank maintains an effective organisational structure, with clear policies and procedures to safeguard consumer interests.

In 2025, the Board of Directors of FAB undertook a comprehensive revision of the directors' code of conduct to reinforce the highest standards of probity and ethical behaviour among its members. This code ensures that all directors act with integrity, maintain strict confidentiality, and prioritise the Bank's and its shareholders' best interests at all times. The code applies to directors serving on the Group Board and all subsidiary boards within the FAB Group.

The code of conduct encompasses the following key areas

- ✓ Adherence to all applicable laws and regulations
- ✓ Loyalty, good faith, and the fulfilment of fiduciary duties
- ✓ Management and disclosure of conflicts of interest
- ✓ Oversight of related-party transactions
- ✓ Commitment to anti-bribery and anti-corruption practices
- ✓ Maintenance of confidentiality regarding sensitive information
- ✓ Transparent and timely disclosures
- ✓ Promotion of consumer protection
- ✓ Upholding ethical standards in all activities
- ✓ Responsible acceptance and declaration of gifts and hospitality

Through these provisions, the code of conduct establishes a robust framework for ethical governance and accountability, supporting the Board's commitment to exemplary corporate conduct and stakeholder trust.

Independence

FAB conducts a rigorous assessment of its directors' independence in accordance with applicable regulatory standards. Based on these criteria, all Board members in 2025 were deemed independent. Each director maintains no relationship with the Bank or its Group that could result in personal benefit or otherwise influence their decision-making. Furthermore, directors are free from any undue influence, whether internal or external, by virtue of ownership or control – that could compromise their ability to exercise objective and impartial judgment.

Conflict of interest

Each director is obligated to avoid any activity, whether within FAB or externally, that may give rise to a conflict between their personal interests (including those of any associated entity) and the interests of FAB. Directors must refrain from engaging in any direct or indirect competition with FAB, including holding directorships at competing institutions.

Furthermore, directors are prohibited from:

- Providing unjustified advantages to third parties at the expense of FAB
- Exploiting opportunities for themselves, their immediate family, or related parties that arise through their position as a director or through the use of FAB's property or information
- Leveraging their position as a director to obtain, directly or indirectly, any personal benefit that could be detrimental to FAB

Should a director become aware of an actual or potential conflict of interest, they are required to promptly disclose the matter to the Chair of the Board and the Secretary to the Board. The director must also abstain from any involvement in the matter, including refraining from participating in related discussions, voting, or attending the relevant meetings.

Board of directors



His Highness
Sheikh Tahnoon bin Zayed Al Nahyan
Deputy Ruler of Abu Dhabi
Chairman, Independent Non-Executive Director

His Highness Sheikh Tahnoon bin Zayed Al Nahyan is the Deputy Ruler of Abu Dhabi and the National Security Advisor of the United Arab Emirates. These roles safeguard the country's security and ensure the prosperity of its people and resources, while fostering resilience, openness, strategic relations, diplomacy, and economic and technological development across borders.

His Highness is the Chairman of the Artificial Intelligence and Advanced Technology Council, which is responsible for developing and implementing policies and strategies related to research, infrastructure and investments in AI and advanced technology to future-proof Abu Dhabi. He is also Chairman of ADIA, IHC, MGX, and G42, and he serves on the Board of the Supreme Council for Financial and Economic Affairs, where Abu Dhabi's government, fiscal, economic and investment policies are pragmatically monitored.

Aligned with Abu Dhabi's leadership vision, His Highness Sheikh Tahnoon bin Zayed Al Nahyan drives a multifaceted strategy to propel Abu Dhabi's growth. This approach encompasses forging strategic partnerships, harnessing cutting-edge technology, cultivating highly skilled, long-standing leaders, and fostering long-term relationships worldwide.

His Highness stands out for his extraordinary discipline as a distinguished sportsman, having taken up cycling professionally and earned a black belt in jiu jitsu. He established the Abu Dhabi Combat Club, and his intellectual pursuits include writing, playing chess, and avid reading.



His Excellency
Sheikh Mohamed bin Saif Al Nahyan
Vice Chairman
Independent Non-Executive Director

His Excellency Sheikh Mohamed bin Saif Al Nahyan has served as the Vice Chairman of the Board of First Abu Dhabi Bank PJSC since March 2017. He also chairs the Board Management Committee and the Board Remuneration and Nomination Committee.

An experienced business professional with more than 20 years in family business, real estate, and investment, H.E. Sheikh Mohamed manages a number of projects across the UAE and abroad.

He is also the Chairman of Abu Dhabi National Insurance Company PJSC and is a member of its board Risk Management Committee.

H.E. Sheikh Mohamed holds a degree in international economics and history from the American University of Paris.



His Excellency
Jassem Mohammed Bu Ataba Al Zaabi
Independent Non-Executive Director

His Excellency Jassem Mohammed Bu Ataba Al Zaabi was appointed to the Board of Directors of First Abu Dhabi Bank PJSC in February 2020 and currently chairs the Board's Audit Committee.

His Excellency is the Chairman of the Department of Finance – Abu Dhabi. In this capacity, he fosters a culture of fiscal sustainability across all government-related entities and upholds the emirate's sturdy balance sheet.

His Excellency Al Zaabi is also the Secretary General of Abu Dhabi's Supreme Council for Financial and Economic Affairs, a member of the Abu Dhabi Executive Council, and Chairman of the Board of Directors of Abu Dhabi Pension Fund, Modon Holding PJSC, e& PJSC (Etisalat), and the Managing Director and Chief Executive Officer of L'IMAD Holding Company.

A prominent leader in the UAE's economic and financial sectors, H.E. Al Zaabi serves as Vice Chairman of the Board of Directors of the UAE Central Bank. He is also a board member of the Artificial Intelligence & Advanced Technology Council, MGX, the Abu Dhabi Investment Authority (ADIA), Abu Dhabi National Oil Company (ADNOC), and Tawazun Economic Council, as well as a member of the Education and Human Resources Council and XRG.

H.E. Al Zaabi holds a master's degree in business administration from the London Business School.

- Board Management Committee
- Board Remuneration and Nomination Committee
- Board Risk and ESG Committee
- Board Audit Committee



His Excellency

Dr Sultan Ahmed Al Jaber

Independent Non-Executive Director

His Excellency Dr Sultan Ahmed Al Jaber was appointed to the Board of Directors of First Abu Dhabi Bank PJSC in February 2020 and currently chairs the Board Risk and ESG Committee.

H.E. Dr Al Jaber is a member of the UAE Cabinet as Minister of Industry and Advanced Technology. He was the President for COP28, held in the UAE. He is also the Managing Director and Group CEO of the Abu Dhabi National Oil Company (ADNOC), a member of the Abu Dhabi Supreme Council for Financial and Economic Affairs, a member of the Artificial Intelligence & Advanced Technology Council, Chairman of the Emirates Development Bank, Chairman of Presight, Chairman of Alterra, Chairman of RIQ and Chairman of Masdar, Abu Dhabi's pioneering renewable energy initiative. He is also a board member of the Emirates Investment Authority, Emirates Global Aluminium, Mubadala Investment Company, and the Advanced Technology Research Council.

He previously served as the founding CEO of Masdar, the CEO of the energy platform at Mubadala, the Chairman of the Abu Dhabi Ports Company, and the Chairman of the Board of Trustees of the Mohammed bin Zayed University of Artificial Intelligence.

H.E. Dr Al Jaber holds a PhD in Business and Economics from Coventry University in the United Kingdom, an MBA from California State University and a bachelor's degree in chemical engineering from the University of Southern California.



Her Excellency

Mariam bint Mohammed Saeed Hareb Almheiri

Independent Non-Executive Director

Her Excellency Mariam bint Mohammed Saeed Hareb Almheiri was appointed to the Board of Directors of First Abu Dhabi Bank PJSC in February 2023 and is a member of the Board's Risk and ESG Committee.

H.E. Almheiri is the head of the International Affairs Office at the Presidential Court of the UAE and is the Group CEO of 2PointZero, a subsidiary of International Holding Company.

H.E. Almheiri was previously appointed as the UAE Minister of Climate Change and Environment, where she spearheaded the UAE's efforts to mitigate and adapt to the impacts of climate change, protect the country's ecosystems, and enhance its food and water security through developing and implementing effective measures, policies and initiatives.

She also represented the UAE at the United Nations Food and Agriculture Organisation and, before this appointment, was the Minister of State for Food and Water Security.

H.E. Almheiri is a board member of Modon Holding PJSC, the Abu Dhabi Fund for Development, and the International Humanitarian and Philanthropic Council.

H.E. Almheiri has master's and bachelor's degrees in mechanical engineering from the Rheinisch-Westfälische Technische Hochschule (RWTH) in Aachen, Germany.

Board Management Committee
Board Remuneration and Nomination Committee
Board Risk and ESG Committee
Board Audit Committee



His Excellency

Sheikh Ahmed Mohammed Sultan S. Aldhaheri

Independent Non-Executive Director

His Excellency Sheikh Ahmed Mohammed Sultan Aldhaheri was appointed to the Board of Directors of First Abu Dhabi Bank PJSC in March 2017 and is a member of the Board's Risk and ESG Committee and the Board Audit Committee.

H.E. Sheikh Ahmed also serves as vice chairman of the board for Abu Dhabi Aviation and the vice chairman and managing director of Abu Dhabi National Hotels Company (ADNH), ADNH Catering, and as a board member for e& PJSC, Al Dhafra Insurance PSC, the Al Dhaheri Group, and as a board member and managing director of Abu Dhabi Refreshments Company (Pepsi Cola).

H.E. Sheikh Ahmed holds a bachelor's degree in civil engineering from the UAE University.



His Excellency

Mohamed Saif Al Suwaidi

Independent Non-Executive Director

His Excellency Mohamed Saif Al Suwaidi was appointed to the Board of Directors of First Abu Dhabi Bank PJSC in March 2017 and is a member of the Board's Management Committee and the Board Audit Committee.

He is a driving force in advancing the UAE's mission to promote global sustainable development. As director general of Abu Dhabi Fund for Development (ADFD), an independent institution established by the Abu Dhabi government in 1971, he brings over 30 years of experience and expertise in finance, infrastructure, and leadership to drive the Fund's efforts worldwide.

H.E. Al Suwaidi played a significant role in the success and expansion of ADFD's operations, with the Fund having disbursed more than AED 216 billion (USD 58.9 billion) to 107 countries while efficiently managing and growing its resources.

The Fund's contributions extend beyond development financing, encompassing export funding through the Abu Dhabi Exports Office (ADEX), which spearheaded an initiative in 2019 to expand the sector and enhance its contribution to the UAE's economy.

ADFD has made significant strides in clean energy under H.E. Al Suwaidi's stewardship. In 2024, the Fund became the first organisation from the MENA region to receive the United Nations Small Island Developing States Partnerships Award, following the allocation of US$100 million for clean energy projects in those nations.

His leadership and commitment to sustainability earned him recognition as one of Forbes Middle East's Sustainability Leaders in 2024.

Beyond his role at ADFD, H.E. Al Suwaidi serves as Vice Chairman of the Arab Bank for Investment and Foreign Trade (Al Masraf) and as Deputy Governor on the Board of Governors of the Asian Infrastructure Investment Bank (AIIB). He also serves on the boards of Emirates Development Bank, DP World, and Al Jazira Sports and Cultural Club. Additionally, he oversees international investments for the Abu Dhabi Tourism Investment Company – Egypt (ADTIC), Abu Dhabi Uzbekistan Investment (ADUI) and Abu Dhabi Kyrgyz Investment Company (ADKI).

H.E. Al Suwaidi holds a bachelor's degree in business administration from California Baptist University in the United States.

Board Management Committee
Board Remuneration and Nomination Committee
Board Risk and ESG Committee
Board Audit Committee



His Excellency

Mohammed Thani Murshed Ghannam Al Rumaithi

Independent Non-Executive Director

His Excellency Mohammed Thani Murshed Ghannam Al Rumaithi was appointed to the Board of Directors of First Abu Dhabi Bank PJSC in March 2017 and is a member of the Board's Risk and ESG Committee and the Board Remuneration and Nomination Committee.

H.E. Al Rumaithi's contributions to Abu Dhabi's business growth are manifold. He has served in several government and regional positions dedicated to boosting economic development and trade, including multiple years as chairman of the Abu Dhabi Chamber of Commerce and Industry, president of the Federation of Chambers of the Gulf Cooperation Council, vice president of the US-UAE Business Council and board member of the UK-UAE Business Council.

He also serves as chairman of Alpha Dhabi Holding PJSC and the National Marine Dredging Company.

H.E. Al Rumaithi holds a bachelor's degree. in business administration.



His Excellency

Waleed Al Mokarrab Al Muhairi

Independent Non-Executive Director

His Excellency Waleed Al Mokarrab Al Muhairi was appointed to the Board of Directors of First Abu Dhabi Bank PJSC in February 2020 and is a member of the Board Management Committee and the Board Remuneration and Nomination Committee.

H.E. Al Muhairi serves as Mubadala's Deputy Group CEO and has strategic oversight of the company's broad investment portfolio and special projects. He is also a member of Mubadala's Investment Committee and Chairman of Mubadala's Investment & Business Planning Committee. Furthermore, he oversees Mubadala's Real Assets and Credit & Special Situations platforms.

Prior to joining Mubadala, H.E. Al Muhairi worked with the UAE Offsets Program Bureau as a Senior Project Manager. His previous roles also include working with McKinsey & Company as a consultant.

He serves as Chairman of Waha Capital, Mubadala Capital, the Global Institute for Disease Elimination (GLIDE), and Co-Chairman of the US-UAE Business Council. In addition, he is Vice Chairman of Aldar and a member of the Board of Trustees of Cleveland Clinic in the US.

He also serves as a board member of Hub71, Abu Dhabi Investment Council, Noon, M42, and L'IMAD Holding Company.

H.E. Al Muhairi holds a master's degree in public policy from Harvard and a Bachelor of Science degree in Foreign Service from Georgetown University in Washington, D.C.

- Board Management Committee
- Board Remuneration and Nomination Committee
- Board Risk and ESG Committee
- Board Audit Committee



His Excellency

Homaid Abdulla Al Shimmari

Independent Non-Executive Director

His Excellency Homaid Abdulla Al Shimmari was appointed to the Board of Directors of First Abu Dhabi Bank PJSC in February 2023 and is a member of the Board's Risk and ESG Committee and the Board Audit Committee.

H.E. Al Shimmari is the Deputy Group CEO and Chief Corporate & Human Capital Officer at Mubadala, overseeing various divisions including Human Capital, Corporate Services, Digital and Technology Services, Government Affairs, and Community Affairs.

As a key member of Mubadala's Investment Committee, he plays a pivotal role in shaping the company's investment strategies and ensuring that projects and investments align with the company's overall goals. He also leads the Mubadala Foundation.

Before the merger of Mubadala Development Company and International Petroleum Investment Company (IPIC), he led the Aerospace and Engineering Services division, focusing on Abu Dhabi and the UAE's aerospace, ICT, and defence sectors.

He holds leadership roles in various sectors, serving as Chairman of Emirates Global Aluminium (EGA) and Solutions+. Additionally, he serves on the boards of Abu Dhabi Aviation, Al Waha Capital, the UAE Banks Federation, Mubadala Capital and the Abu Dhabi Investment Council.

Committed to empowering UAE nationals, he actively mentors and develops emerging leaders and industry experts, including serving as Vice Chairman of the Board of Trustees at Khalifa University and the Institute of Applied Technology, where he plays a vital role in fostering educational excellence and the professional growth of talented Emiratis.

Before his tenure at Mubadala, H.E. Al Shimmari served as a Lieutenant Colonel in the UAE Armed Forces, specialising in military aviation.

H.E. Al Shimmari earned a Bachelor of Science degree in Aeronautical Engineering from Embry-Riddle Aeronautical University in the USA and is a Six Sigma Black Belt, certified by General Electric, reflecting his commitment to excellence and leadership.



His Excellency

Khalifa Ateeq Al Mazrouei

Independent Non-Executive Director

His Excellency Khalifa Ateeq Al Mazrouei was appointed to the Board of Directors of First Abu Dhabi Bank PJSC in February 2023 and is a member of the Board's Audit Committee.

He is currently the group chief investment officer at Abu Dhabi Capital Group. He also served as a senior manager in the Internal Equities Department – Active Europe at the Abu Dhabi Investment Authority (ADIA), holding leading positions there and in the Internal Audit department since joining ADIA in 2008.

H.E. Al Mazrouei is chairman of IMKAN Misr (CGP), vice chairman and managing director of Al Ain Club, and vice chairman of IMKAN Properties. He is also an advisory board member at Rohde & Schwarz and a board member at Healthcare Investment L.L.C.

H.E. Al Mazrouei holds a bachelor's degree from the Higher Colleges of Technology - Abu Dhabi. He is a certified internal auditor and a chartered financial analyst.

- Board Management Committee
- Board Remuneration and Nomination Committee
- Board Risk and ESG Committee
- Board Audit Committee

Board diversity

Board diversity at FAB is recognised as a fundamental component of effective corporate governance, strengthening decision-making processes and supporting the organisation's long-term success. The Board is composed of members with a broad range of professional expertise, skills, male and female members, and experience, demonstrating a sustained commitment to inclusivity and innovation. Ongoing initiatives are in place to further enhance board diversity, with particular emphasis on strategic succession planning in alignment with leading governance practices.

Gender representation on the Group and subsidiary boards

Board	Total Board	Female Representation	% of Women
First Abu Dhabi Bank P.J.S.C.	11	1	9%
First Abu Dhabi Islamic Finance P.J.S.C[1]	4	2	50%
First Abu Dhabi Securities - Sole Proprietorship LLC[1]	4	2	50%
First Abu Dhabi Bank Misr S.A.E	9	2	22%
FAB Capital Financial KSA	6	0	0%
FAB Private Bank (Suisse) SA	6	1	17%
FAB Global Business Services LLC - India[2]	4	0	0%
Fist Abu Dhabi Bank USA NV - LLC[3]	6	1	17%
First Gulf Libyan Bank[4]	7	0	0%
Lime Consumer Finance - Egypt	7	3	43%
Overall			**19%**
Local Boards			**26%**
International Boards			**66%**

[1] First Abu Dhabi Bank Securities - Sole Proprietorship L.L.C. and First Abu Dhabi Islamic Finance Pvt. JSC are FAB local subsidiaries.
[2] The FAB India board is the board of FAB Global Business Services Private Limited, which provides enablement services to the FAB Group.
[3] The First Abu Dhabi Bank USA N.V. subsidiary follows a two-tier board structure, including a management board and supervisory board.
[4] FAB owns 50% of the share in First Gulf Libyan Bank and exercises control over the investee as it has a majority of votes on the Board of the entity.

Remuneration disclosure

> The Board Remuneration and Nomination Committee recommends the level of Board member remuneration to the AGM for consideration and approval. All Board member remuneration is a fixed annual amount in accordance with regulatory requirements.

Board of directors' remuneration

The remuneration of the Board of Directors is determined annually by the Bank's shareholders, in accordance with the UAE Commercial Companies Law, the Bank's Articles of Association, and the Corporate Governance Regulations applicable to licensed financial institutions. In line with these requirements, and following a comprehensive review conducted by the Board, an aggregate remuneration amount of AED 100 million has been proposed for the financial year 2025 for approval at the upcoming Annual General Meeting. This proposed remuneration has been benchmarked against leading regional and international governance practices to ensure that it remains transparent, equitable, and aligned with the scope of responsibilities entrusted to the Board. It reflects the increasing regulatory, strategic, and oversight demands placed on the Board, particularly around risk governance, regulatory compliance, sustainable growth, digital transformation, and stakeholder protection.

For the financial year 2024, shareholders approved Board remuneration totaling AED 45 million at the Annual General Meeting held on 11 March 2025. In strict adherence to regulatory requirements and the Bank's remuneration governance framework, Board members did not receive any additional benefits, allowances, salaries, fees, or incentives beyond the remuneration approved by shareholders. This disciplined approach underscores the Bank's commitment to accountability, transparency, and the principles of sound corporate governance. It ensures that Board remuneration continues to reflect both performance and regulatory expectations, while safeguarding the long-term interests of the Bank, its shareholders, and its broader stakeholder community.

Board induction and training

Director induction process

When new directors are appointed to the Board, the Bank ensures that each individual receives a comprehensive and tailored induction pack. This induction is designed to equip directors with the necessary knowledge and resources to discharge their responsibilities with diligence and skill.

The induction pack includes:

- Detailed materials on Board committees and their respective functions.
- An overview of the Board governance framework, outlining key policies and procedures.
- Profiles of fellow directors and senior management, highlighting relevant skills and experience.
- Guidance on external reporting requirements and Board ethics.
- Summaries of pertinent regulatory guidance and policies.
- An outline of the Bank's business operations and market context.

This structured approach to director induction reflects the Bank's commitment to effective governance and supports new Board members in fulfilling their roles to the highest standards.

Continuous board education and information

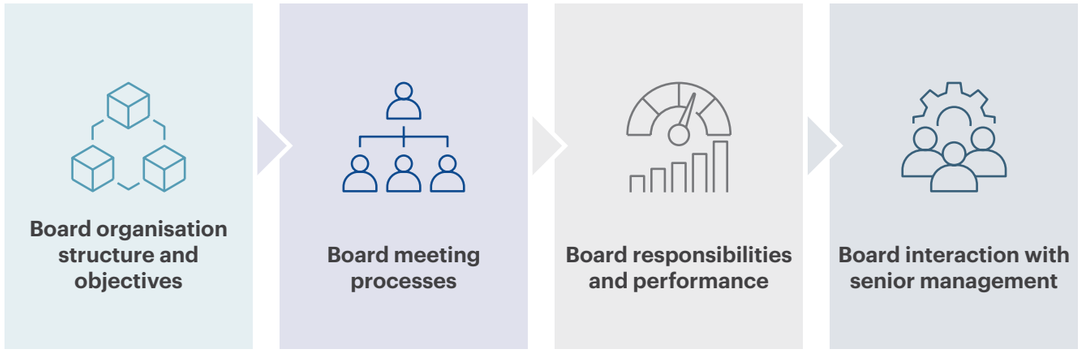
To complement its comprehensive Board induction programme, FAB provides ongoing education and information to its directors, ensuring they maintain a granular understanding of the business and remain abreast of relevant regulatory developments. During the reporting period, the Board education materials emphasised risk management, offering in-depth insights into the impact of interest rates, liquidity risk, and climate risk on the organisation.

Directors received monthly reviews and outlooks covering global economic indicators, geopolitical and regulatory developments, as well as comparative performance analyses between FAB and its peers. This approach ensures that Board members are equipped with timely and relevant information to support effective decision-making.

Regular feedback from Board members on the education materials is actively solicited and incorporated, enabling the continuous refinement and enhancement of the Board's educational resources. This process underscores FAB's commitment to maintaining high standards of governance and supporting directors in fulfilling their fiduciary duties with diligence and expertise.

Board evaluation

The Secretary of the Board conducts an annual assessment of Board performance, which includes:



In addition to periodic independent evaluations conducted in accordance with regulatory requirements, the Board undertakes a comprehensive annual assessment of its performance and governance structure. Recommendations arising from these evaluations are systematically considered and addressed to further enhance the effectiveness of the Board and its committees. Charters for the Board and its committees are reviewed and updated annually to ensure continued alignment with best practices and evolving regulatory standards.

The Board evaluation conducted in 2025 yielded positive results. Feedback indicated that meetings were structured to allocate adequate time to critical topics, with particular emphasis on Group strategy, budget, and market updates. Board members were recognised for possessing the requisite skills and experience to address relevant matters, and supporting materials were disseminated promptly to facilitate informed decision-making.

Throughout 2025, the Board and its committees demonstrated excellent collaboration and engagement, particularly on matters requiring critical evaluation and strategic decisions. This ongoing commitment to rigorous self-assessment and continuous improvement underscores the Board's dedication to exemplary corporate governance.

Board meetings and agenda

Board of directors' activities in 2025

During the reporting period, the Board of Directors maintained a steadfast commitment to robust governance and strategic oversight, ensuring the Bank's continued growth and resilience in a dynamic financial landscape.

The Board's activities encompassed the following core areas:

1. Financial performance oversight	The Board rigorously reviewed the bank's financial performance, including the annual budget, to ensure alignment with strategic objectives and regulatory requirements. This process involved detailed analysis of financial statements, key performance indicators, and variance reports, enabling the Board to make informed decisions that support sustainable value creation for shareholders.
2. Strategic planning and group initiatives	The Board played a pivotal role in shaping the Group's long-term strategy, overseeing strategic planning, business acquisitions, and integration initiatives. Particular attention was given to technology adoption, cloud strategy, and the integration of Artificial Intelligence, positioning the Bank at the forefront of innovation and operational excellence.
3. Committee reports and governance	Regular review of Board committee reports, including those from the Risk, ESG, Remuneration, Nomination and Governance, Compliance, and Audit Committees, ensured comprehensive oversight of key governance areas. The Board evaluated committee recommendations and monitored the implementation of policies and controls, reinforcing a culture of accountability and transparency.
4. Leadership and succession planning	The Board approved leadership appointments and succession plans for senior management to safeguard the continuity of effective leadership and the Bank's long-term strategic direction. This included rigorous candidate assessment and adherence to regulatory standards for executive appointments.

5. Credit facilities in accordance with the Central Bank of the UAE regulations	The Board reviewed and approved material credit facilities granted to banks, central banks, sovereign wealth funds and corporates in accordance with the CBUAE regulations.
6. Annual board evaluation	Board performance was evaluated to assess organisational structure, meeting processes, responsibilities and interaction with senior management. Feedback from these evaluations informed continuous improvement initiatives, ensuring that the Board remains agile, effective, and responsive to stakeholder needs.

In summary, the Board of Directors demonstrated exemplary stewardship throughout the year, driving strategic initiatives, upholding governance standards, and fostering a culture of excellence across the organisation. These activities collectively underpin the Bank's commitment to delivering sustainable growth and maintaining stakeholder trust. The Secretary of the Board is Grace Abou Mrad, who was first appointed in 2023.

Board meeting attendance

Date of board meeting	Number of directors attending	Number of board resolutions passed
5 February 2025	11/11	9
5 March 2025	9/11	2
28 April 2025	11/11	4
22 July 2025	10/11	6
22 October 2025	11/11	5
10 December 2025	11/11	1

Proxy participation was utilised on one occasion by one Board member, consistent with governance provisions and quorum requirements.

In addition, the Board passed three circular resolutions during the year.

Board committees

Board committees: structure, role and impact

Board committees are integral to the organisation's effective governance and decision-making processes. These specialised committees are established to distribute the Board's workload, enabling more focused oversight and in-depth analysis of specific areas of the business. By involving Board members directly in committee activities, the organisation ensures enhanced supervision and accountability across all business functions.

Each committee is composed of members with relevant expertise and is chaired by an independent non-executive director. This structure not only promotes objectivity but also ensures that committee recommendations are grounded in diverse perspectives and robust analysis. Committees are empowered to conduct detailed research and technical evaluations within their respective domains, and their findings and recommendations are submitted to the Board for final approval.

Board Management Committee (BMC) – oversight and strategic support

During the reporting period, the Board Management Committee (BMC) played a pivotal role in supporting the Board by overseeing the management of the Group's portfolio. It ensured that all activities were aligned with the Bank's strategic policies and conducted within the established risk appetite. In 2025, the BMC undertook comprehensive reviews and approvals of the Bank's financial performance, risk and credit risk appetite, major technology investments, and capital expenditures. The committee also supervised the implementation of both local and international projects and strategies, taking into account evolving market conditions and emerging challenges. Notably, AI was introduced to the committee's processes to enhance the analysis of financial data and to deepen the Board committees' understanding of the Bank's financial figures and ratios.

In 2025, the BMC held five committee meetings.

BMC meeting attendance:

Date of meeting	Number of directors attending	Number of BMC resolutions passed
3 February 2025	3/3	4
22 April 2025	3/3	5
21 July 2025	3/3	5
20 October 2025	2/3	3
8 December 2025	3/3	1

The Committee Chairman acknowledges his responsibility for the Committee system within the company and has reviewed its operational mechanism and ensured its effectiveness.

Board Remuneration and Nomination Committee (REMCO)

The REMCO is responsible for approving and overseeing the Bank's compensation and reward structures, their implementation, and for providing the Board with recommendations for key senior management appointments. In 2025, REMCO conducted a comprehensive review of FAB's rewards strategy, introducing long-term incentives to align senior executive compensation with the Bank's long-term objectives.

The REMCO also approved EXCO succession planning, the appointment of senior management positions, and director appointments for both local and international subsidiary boards, alongside local and international human resources and remuneration policies.

Remuneration and Nomination Committee (REMCO) activities

During the reporting period, the Remuneration and Nomination Committee (REMCO) maintained oversight of the Bank's compensation and reward frameworks, ensuring their alignment with the organisation's long-term objectives.

Additionally, REMCO was responsible for approving succession planning for the Executive Committee (EXCO) and endorsing appointments to senior management positions. The Committee also played a key role in nominating directors for both local and international subsidiary Boards, and in reviewing and approving human resources and remuneration policies across the organisation.

In 2025, the REMCO held four committee meetings.

Date of meeting	Number of directors attending	Number of REMCO resolutions passed
30 January 2025	3/3	3
20 February 2025	2/3	5
22 April 2025	3/3	1
11 December 2025	3/3	4

The Committee Chairman acknowledges his responsibility for the committee system and has reviewed its operational mechanisms and ensured its effectiveness.

Board Risk and ESG Committee (BRESGC)

The BRESGC provides holistic oversight and advice to the Board on the Group-wide risk management and ESG-related topics. The committee approves Group risk strategy and risk appetite, aligned with the business strategy, operating environment, and regulations to meet strategic objectives and achieve the desired risk culture.

In 2025, the committee reviewed reports on the macroeconomic and geopolitical outlook and the impact of key developments; the Group risk profile, compliance with risk appetite, risk management strategy and initiatives, the Internal Capital Adequacy Assessment Process (ICAAP), and stress tests. The committee regularly reviews the effectiveness of risk frameworks, policies, and responses to regulatory developments across all material risk categories. These include credit, capital, liquidity, market and interest rate risks, operational risk, fraud, information security, technology risk, model risk, legal risk, ESG, Shari'ah compliance, corporate governance, reputational risk, conduct risk, and strategic risk. The Committee also reviews mitigation strategies to ensure proactive and resilient risk management across the Group.

In 2025, members actively engaged in reviewing and discussing key developments across FAB's ESG agenda, including the Bank's overarching ESG strategy, net zero commitments, climate risk management, and performance against the ESG scorecard. The committee also provided oversight of the ESG risk management framework and related policies, climate risk stress testing initiatives, ESG risk assessments, and enhancements to ESG reporting and disclosures.

In addition, members examined emerging ESG trends and evolving regulatory expectations, reinforcing FAB's commitment to driving sustainable finance and responsible banking practices.

In 2025, the BRESGC held four committee meetings.

BRESGC meeting attendance

Date of meeting	Number of attendees	Number of BRESGC resolutions passed
29 January 2025	5/5	3
22 April 2025	4/5	1
21 July 2025	4/5	2
20 October 2025	5/5	2

The Committee Chairman acknowledges his responsibility for the Committee system within the company and has reviewed its operational mechanism and ensured its effectiveness.

Board Audit Committee (BAC)

The BAC oversees Internal Audit, Internal Shari'ah Audit, Group Compliance, and the statutory external auditors. It has oversight over the FAB Group, including international branches, in order to provide a reasonable level of assurance on overall controls, levels of compliance and the governance of these operations. As part of these responsibilities, the Committee oversees various Regulatory Reviews and Examinations and discusses the regulations and laws impacting the Bank and the Group's Internal Audit, Internal Shari'ah Audit and Compliance processes.

In 2025, the BAC approved the Bank's Risk-Based Audit Plan, Budget and Resource Requirements, endorsed the revision and updates of charters, policies and procedures in alignment with UAE and global internal audit standards and regulations related to internal auditing and the Central Bank of UAE corporate governance regulations, including departmental initiatives and Group Internal Audit KPIs, which are monitored every quarter.

The Committee assessed a range of internal and external factors, including cyber threats, business resilience and continuity, and operational and fraud risks. It also discussed the proceedings of FAB's Subsidiary Board Audit Committee meetings across several countries.

As part of its Group compliance oversight, the BAC reviewed and endorsed Group Compliance policies and proactively discussed Group compliance risks with the management. The committee met with the external auditor periodically to discuss the quantitative and qualitative aspects of the Bank's financial results, including financial statement disclosures. This included oversight of the performance of the statutory auditors, their independence, materiality of issues, and the re-appointment of the auditors at a Group level.

In 2025, the BAC held four committee meetings.

BAC meeting attendance

Date of meeting	Number of attendees	Number of BAC resolutions passed
3 February 2025	5/5	10
23 April 2025	4/5	6
21 July 2025	4/5	3
20 October 2025	5/5	4

The Committee Chairman acknowledges his responsibility for the Committee system within the company and has reviewed its operational mechanism and ensured its effectiveness.

External auditors

1. Oversight by Board Audit Committee

The Board Audit Committee is responsible for overseeing the work of the statutory auditor and has met with the statutory auditors at least once per year, without the presence of management, to discuss matters related to the audit and its observations.

During the fourth quarter of each year, the list of the audit and audit-related services (provided and to be provided) is to be obtained from the statutory auditor along with its related fees (paid and to be paid) and is presented to the FAB Group Board Audit Committee meeting in the following financial year (generally held at the end of January each year). Subsequently, if for any reason, the audit fees exceed 10% of the last approved amounts, the incremental amounts must be approved by GCFO and tabled for ratification by the BAC at the following Audit Committee meetings prior to payment. No additional authority is delegated for approval of services obtained from the statutory auditor. Unused pre-approval amounts will not be carried forward to the next year. Pre-approvals are made by category of service and cannot be transferred between categories.

The FAB Group Board Audit Committee will keep the Board of Directors advised at least on an annual basis of the fees paid to the statutory auditor for audit, audit-related and non-audit services.

The written advice should include:

- The total amounts paid or payable to the statutory auditor for non-audit services provided during the year and the proportion of such fees in relation to the audit fee; and
- Confirmation that the provision of non-audit services during the year has not compromised the independence of the auditors.

2. Management of non-audit services

Permitted non-audit services are those services that are permissible under the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and can be performed by the Group's statutory auditor.

For these services, where the statutory auditor is engaged, the scope of services and fees can be proposed/recommended by the GCFO and to be approved by the Group Board Audit Committee. Additionally, these engagements, including the nature and amounts, shall be reported to the Group Board Audit Committee on a quarterly basis.

Appointment of auditors

The FAB Group Board is ultimately responsible for the recommendation of an independent statutory auditor, based on inputs received from Group Finance through the Board Audit Committee (BAC), with the appropriate skills, knowledge, resources, sufficient experience and who are accredited/licensed by the relevant authorities, subject to shareholder approval at the AGM and approval from CBUAE.

Selection criteria

The FAB Group Audit Committee will evaluate potential statutory auditors on several criteria, including, but not limited to:

- the auditor being properly constituted in accordance with relevant laws and regulations;
- the independence of the statutory audit firm from FAB Group and its ability to maintain independence throughout the engagement; FAB Group has a right to immediately terminate the services of the statutory auditor once their independence has been compromised in circumstances where material and issue cannot be mitigated by the actions of management or the auditor;
- there being no conflict-of-interest situations that could affect the independence of the statutory auditor;
- arrangements that are proposed to enable partner rotation and succession planning;
- professional competency, experience, and integrity of key personnel;
- the statutory auditor's compliance with relevant professional Codes of Ethics;
- the thoroughness of the audit approach and methodology; and
- the cost effectiveness.

The statutory auditor will be appointed on an annual basis in accordance with applicable laws and regulations in force, and their total duration of the appointment shall not exceed a maximum of six consecutive years. In the event that the FAB Group Board, or the shareholders at the Annual General Meeting, decide that a new statutory auditor is required:

- the FAB Group Board Audit Committee will prepare a shortlist of candidates that meet their selection criteria and ascertain their willingness to act as statutory auditor;
- interested candidates will be required to submit a proposal addressing the Board's criteria as well as a statement that they are independent;
- the FAB Group Board Audit Committee will interview candidates in order to further assess their suitability;
- the FAB Group Board Audit Committee will subsequently meet to determine the preferred candidate and make a recommendation to the Board on the selected candidate and the recommended auditor engagement fees;
- the FAB Group Board Secretary will thereafter arrange the necessary notices, meetings, and resolutions to allow for the resignation or removal of the existing auditor and the appointment of the new auditor;
- when reappointing a statutory auditor from one fiscal year to another, the audit quality indicators for the statutory auditor's work throughout the previous year must be evaluated, and Abu Dhabi Accountability Authority's (ADAA) comments on the performance of the statutory auditor as well as any other matters that may affect the decision to reappoint the statutory auditor shall also be taken into consideration.
- FAB Group must carry out a procurement procedure to select the external audit firm at least once every six years, following rotation, a cooling-off period of three years must be observed before the same firm may be reselected. In addition, the Bank must rotate the external audit partner in charge of the audit every three years.
- Upon appointment of a new statutory auditor, the Board Secretary will notify the relevant local authorities of the same, as required by the applicable regulations. FAB Group will ensure that the statutory auditor obtains the necessary access to data/systems throughout their tenure as the Group's statutory auditors. For subsidiaries and international branches, Country's Chief Financial Officer (CFO) or Head of Finance shall notify the respective regulators.

Audit services

Audit services can be defined as services rendered by the Group's statutory auditor for the audit and review of the financial statements or services that are normally provided by the statutory auditor in connection with statutory and regulatory filings. These services shall be submitted for approval to the Board Audit Committee as part of the annual audit plan cycle.

Audit-related services

Audit-related services are services other than 'audit services' for which the auditor of the entity is an appropriate provider particularly where those services are required by a law or regulation relating to the jurisdiction and activities of the subject entity.

Non-audit services

Non-audit services are services which do not fall in the above two segments of service and are also not part of prohibited services. The external audit firm engaged by the bank, including its affiliates or subsidiaries, must not provide any non-audit services to the Bank during the financial years of its external audit mandate, which could impair its objectivity and independence.

2025 audit

Pricewaterhouse Coopers Limited Partnership was re-appointed as the external auditors of the Group for the financial year ending 31 December 2025. No reservations were raised by the external auditor for the audit year ended 31 December 2025.

Auditor's remuneration

	31 Dec 2025 AED mn	31 Dec 2024 AED mn
Audit services	12	12
Audit-related services	15	10
Non-audit services	-	1
Total auditor's remuneration	**27**	**23**

Senior management



Hana Al Rostamani

Group Chief Executive Officer

Hana Al Rostamani is the Group Chief Executive Officer of First Abu Dhabi Bank (FAB). Headquartered in the United Arab Emirates, FAB has a global footprint across 20 markets, holds a credit rating of AA-, manages assets exceeding USD 382 billion, and generated over USD 5.7 billion in net profit for the full year 2025.

Since becoming FAB's Group CEO in January 2021, Hana has promoted a culture of innovation and inclusion, with a clear strategy to build strategic business partnerships, deliver sustained shareholder value, develop AI and technology-based capabilities, and drive operational excellence across the Group. Her stewardship has seen FAB establish a reputation as the UAE's global bank, cementing its position among the world's largest banking groups and connecting the Middle East to the world's best investment opportunities.

Hana has also steered FAB to become the region's leading bank for sustainable finance, committing to lend, invest, and facilitate over AED 500 billion (USD 136 billion) in sustainable and transition financing by 2030.

With more than 25 years in banking and finance, Hana is the first female CEO of a UAE-based bank.

She was previously FAB's Deputy Group CEO and Group Head of Personal Banking, driving the business's transformation as a leader in innovation and financial technology. Before that, she had held senior leadership roles in different banks and organisations.

Al Rostamani serves on several boards, including Buna, the Arab Monetary Fund's cross-border payment system; the Institute of International Finance; the International Institute for Management Development; and the executive board of the US-UAE Business Council. She is also a member of the International Advisory Council of the National Financial Regulatory Administration in China. Previously, Hana served as the Chair of the Principals Group of the Net-Zero Banking Alliance and earlier as the Chairwoman of the Global Council on Clean Energy for the UN's Sustainable Development Goals.

Hana is a graduate of George Washington University in the US, where she earned a bachelor's degree in business administration and a master's degree in information management. Hana is a UAE national and is married with three children.



Lars Kramer

Group Chief Financial Officer

Lars Kramer is the Group Chief Financial Officer at First Abu Dhabi Bank (FAB), responsible for overseeing the Bank's comprehensive financial activities, including Group-wide finance, treasury, investor relations, and strategy. He joined FAB from ABN AMRO, where he served as CFO from June 2021, bringing extensive experience in senior leadership roles within the banking industry.

With over 25 years of experience, Lars has held key positions such as Group CFO at Hellenic Bank and various CFO roles at ING, including ING Direct, ING Retail Banking Direct and International, and ING Commercial Bank. His expertise spans capital markets, portfolio management, credit risk, financial risk, and asset and liability management. Lars is also a trusted voice on tax and banking strategy.

Lars holds a Bachelor of Science in Accounting from the University of South Africa and a Master of Business Administration (MBA) from the University of Cape Town, specialising in finance, markets, and strategy. He is a chartered accountant SA, with a strong background in accountancy, tax, auditing, and risk management.



Futoon Hamdan AlMazrouei

Group Head of Personal, Business, Wealth & Privileged Client Banking Group

Futoon Hamdan AlMazrouei is the Group Head of Personal, Business, Wealth and Privileged Client Banking Group, at First Abu Dhabi Bank (FAB), overseeing the integration of consumer and private banking operations to enhance customer-centric services. Her role involves leading the expanded product offerings and service delivery across retail segments, as well as driving growth with small and medium-sized enterprises (SMEs) through the Business Banking group.

With over 15 years of experience in the banking sector, AlMazrouei has been instrumental in driving FAB's digital transformation agenda, ensuring safe and secure banking services for customers.

Previously she served as the Bank's Group Head of Consumer Banking and under her leadership, FAB's consumer business has received numerous awards, including the MEA Finance Award for Best Mobile Banking Service Implementation and the Best Use of Data and Analytics at the Digital CX Awards. She has also been recognised as one of the Middle East's Top Women in Banking by Global Money Monitor in 2023.

AlMazrouei serves on several prominent boards, including the Abu Dhabi National Insurance Company (ADNIC), APEX Investment, MAIR Group, WIO Bank and Zoud, the National Financial Wellbeing & Sustainability Initiative. She is also a Council Member for Visa and a member of the Mastercard MENA Executive Council (MMEC), in addition to serving on the committee of Sheikha Fatima Fund for Women Refugees. Furthermore, she holds a board position at FABMISR and serves as the Board chairperson of FAB Suisse & FAB Islamic.

AlMazrouei holds a Bachelor of Science in Mathematics from UAE University, Al Ain. She is a graduate of the Stanford-NUS Executive Programme in International Management from the National University of Singapore and has completed the 'Making corporate boards more effective' programme at Harvard Business School, Boston.



Martin Tricaud

Group Head of Wholesale Banking

Martin Tricaud is the Group Head of Wholesale Banking at First Abu Dhabi Bank (FAB), leading the Bank's strategic focus on serving corporate clients globally. His responsibilities also include overseeing FAB's Global Transaction Banking business, with a focus on international expansion.

With over 30 years of experience in banking and corporate finance, Martin brings extensive expertise in managing complex financial operations. Previously, he played a crucial role in shaping FAB's investment banking capabilities and developing its ESG initiatives. Before joining FAB, Martin held senior leadership roles at HSBC, where his last position was Deputy Chairman and CEO Middle East, North Africa, Türkiye, and Group General Manager.

Martin serves as Chairman of FAB Suisse and Vice Chairman of FAB Capital Saudi Arabia. He is also the Chairman of the Global Climate Finance Centre (GCFC) in Abu Dhabi and a trustee of the Université Paris II Assas, Sorbonne. Martin was appointed a Conseiller du Commerce Exterieur de la France by French Prime Minister decree in 2001. Martin holds degrees from the Institut d'Etudes Politiques de Paris, La Sorbonne University, and Paris Nanterre University.



Pantelis (Linos) D. Lekkas

Group Head of Investment Banking & Markets

Pantelis (Linos) D. Lekkas serves as the Group Head of Investment Banking & Markets at First Abu Dhabi Bank (FAB), where he leads the Bank's investment banking strategy and drives growth across key global markets.

Linos is a seasoned banking executive with three decades of experience in advisory and capital markets. He has advised on numerous complex transactions across multiple jurisdictions and played a pivotal role in building and leading top-performing investment banking franchises that have received widespread industry recognition and accolades.

Prior to joining FAB, Linos held senior leadership roles at Citi, including Vice Chairman of Investment Banking for Europe and the Middle East, and Head of Corporate Banking and Investment Banking for Citibank Europe Plc (CEP). During his tenure, he had overarching responsibility for corporate and investment banking activities across key regions including continental Europe, the Middle East and Africa, significantly contributing to the firm's banking, capital markets and advisory operations.

Earlier in his career, Linos held investment banking leadership roles at Bank of America Merrill Lynch, initially covering Greece and Cyprus, before expanding his remit to include southeast Europe. He began his banking career at Credit Suisse, starting in telecoms before moving to country coverage.

Linos holds a BSc (first class honours) in Business Economics from Queen Mary & Westfield College, University of London; and an MPhil (Merit) in Finance from Robinson College, Cambridge University.



Omar Hafeez

Group Head of International

Omar Hafeez is Group Head of International at First Abu Dhabi Bank (FAB), where he leads the Bank's international franchise across key markets in the Middle East, Americas, Europe, Asia and beyond.

Omar is responsible for expanding FAB's international footprint as the UAE's global bank, driving strategic growth and fostering alignment across the bank's key business lines. During his career Omar has held high-impact executive roles across several markets, including Pakistan, Tanzania, Nigeria, USA, Japan and the UAE. His extensive global banking experience continues to strengthen FAB's leadership team and enhance the Bank's capabilities to serve clients across multiple diverse markets.

Prior to joining FAB, Omar held several senior leadership roles at Citi bank over a career spanning nearly three decades focused on both emerging and developing markets. Most recently, he served as Citibank's CEO and Banking Head for the North Africa, Levant, and Central Asia cluster, overseeing operations in nine countries including Egypt, Türkiye, and Kazakhstan.

Omar is a fellow of both the Institute of Chartered Accountants in England & Wales (ICAEW) and the Institute of Chartered Accountants of Pakistan (ICAP) and holds a Bachelor of Laws (LLB) from the University of London.



Chris Jaques

Group Chief Risk Officer

Chris Jaques is the Group Chief Risk Officer at First Abu Dhabi Bank (FAB), responsible for leading the Group's Risk Management, Sustainability, and Legal departments. He plays a pivotal role in ensuring the Bank's strategic risk management and sustainability initiatives align and support its business objectives, fostering robust frameworks and a culture of risk awareness and compliance across all operations.

Chris has three decades of experience in global financial markets, with senior roles across fixed-income derivatives trading, multi-asset fund management, and a proven track record of navigating complex financial landscapes. Before joining FAB in August 2024, he served as Chief Risk Officer for the UK and Ireland and Global Head of Enterprise Risk Management at Deutsche Bank in London.

Chris earned his MBA from the Cranfield School of Management in the UK.



Divyesh Vithlani

Group Chief Technology & Transformation Officer

Divyesh Vithlani is the Group Chief Technology & Transformation Officer at First Abu Dhabi Bank (FAB), responsible for overseeing the Bank's technology strategy, digital transformation, and data-driven innovation. His role encompasses driving the Bank's technology and operating platform, enhancing digital capabilities, and ensuring the seamless integration of emerging technologies to drive FAB's growth agenda across all markets and client segments.

With a career spanning nearly 30 years in technology, transformation, and operations, Divyesh brings a wealth of experience in executing large-scale change programmes and driving business growth through technological innovation. Prior to joining FAB, he served as Group Chief Transformation Officer at Standard Chartered Bank, where he led strategic transformation initiatives, optimising digital processes and operational efficiency across global markets.

Before his tenure at Standard Chartered, Divyesh spent 11 years at Accenture in London and Singapore, focusing on technology consulting and digital transformation. He also spent 17 years at Credit Suisse in Singapore and Switzerland, where he held key leadership roles in technology and operations, spearheading digital transformation initiatives to enhance client experience and operational resilience.

Divyesh holds a bachelor's degree in computing science from Aston University in the UK.



Keith Macdonald

Group Chief Operating Officer

Keith Macdonald is the Group Chief Operating Officer at First Abu Dhabi Bank (FAB), and is responsible for overseeing the Group's operations, encompassing the Central Programme Management Office (CPMO), Credit Administration, Collections, Financial Crime Operations, Vendor Management, Corporate Services, Administration and Complaints Management. His responsibilities include optimising the Bank's operational infrastructure to enhance efficiency and delivering consistently leading customer experience. Additionally, he provides strategic oversight for the Group's marketing and communications division, ensuring alignment between corporate communications, brand strategy, and client engagement.

With a career spanning over 25 years in banking, technology, and financial services, Keith brings extensive expertise in operational excellence, technology, transformation, and strategic decision-making. Keith has also led high-performing operations and business teams across the US, Europe and Asia during his career.

Prior to joining FAB, Keith was the Global Chief Operating Officer for Corporate, Commercial & Institutional Banking and the Europe & Americas region at Standard Chartered. He also held a senior leadership role at Bear Stearns, where he helped grow structured equity products as a senior managing director for technology.

In addition to his executive roles, Keith was a Non-Executive Director and Chair of the Remuneration Committee at SMBC Bank International in the UK and is an Advisory Board Member at Fenergo Group. He has been a strong advocate for leadership development, founding a volunteer coaching network that mentors over 500 women annually.

Keith holds a first-class honours degree in Mathematics from Heriot-Watt University, with a specialisation in Fluid Mechanics and Computer Science.



Muzaffar Khan

Group Chief Compliance Officer

Muzaffar Khan is the Group Chief Compliance Officer at First Abu Dhabi Bank (FAB), responsible for development and oversight of FAB's regulatory compliance strategy across consumer protection, market conduct, and financial crime prevention. In this role, Muzaffar ensures FAB upholds the highest standards of integrity and governance across all business operations and jurisdictions, aligning with global best practices and regulatory excellence.

Before assuming this position in December 2025, Muzaffar led FAB's Financial Crime Compliance and Compliance Technology & Data Analytics programme, driving innovation in compliance risk management.

With more than 34 years of global banking experience, Muzaffar brings deep expertise in regulatory strategy and governance. Before joining FAB in 2018, he spent 27 years with Citibank across Pakistan, the UAE, Bahrain, and the UK, overseeing EMEA (Europe Middle East & Africa) AML Compliance Risk Management for Consumer, Corporate & Investment Banking, and later the Anti-Bribery & Corruption Compliance programme.

Muzaffar holds a bachelor's degree in commerce and postgraduate qualification in Business Administration.



Nurendra Perera

Group Chief Audit Officer

Nurendra Perera is the Group Chief Audit Officer at First Abu Dhabi Bank (FAB), responsible for providing independent assurance to the Bank's Board of Directors and senior management on the quality and effectiveness of the Group's internal control environment, including its systems and processes, risk management, compliance and corporate governance framework.

With more than 30 years of experience in banking, Nurendra has held senior leadership positions in governance, risk management, compliance, and internal audit across high profile and top tier UAE and international banks.

Nurendra holds a master's degree in business administration with a specialisation in Finance from the University of Leicester in the United Kingdom, along with a post-graduate diploma in consortium executive lead organisation design from INSEAD. He also possesses several internationally accredited certifications, including CIA, CFSA, and CRMA from the Institute of Internal Auditors (USA), as well as CISA and CRISC from ISACA (USA) and CIB from the Chartered Institute of Bankers (UK).



Noora Al Reyasi

Group Chief Human Resources Officer

Noora Al Reyasi is the Group Chief Human Resources Officer of First Abu Dhabi Bank (FAB), bringing over 25 years of HR leadership experience and a solid understanding of financial services. An experienced Emirati leader, she has been with the Bank for more than 15 years, contributing with confidence, clarity to the development of FAB's people strategy.

Throughout her career, Noora has contributed to several significant milestones, including steering the people integration of NBAD and FGB, one of the region's most complex banking mergers. She has also played an important role in strengthening the bank's Emiratisation agenda, enhancing its talent strategy, and promoting a learning-oriented, leadership-focused culture.

In her current role, Noora works closely with the Group CEO and Executive Committee to ensure the people agenda supports business priorities. Her responsibilities include overseeing a comprehensive HR transformation aimed at simplifying processes, modernising technology, and improving the employee experience. She is supporting the Bank's transition toward a skills-based organisation, with a focus on agility, mobility, and future-readiness.

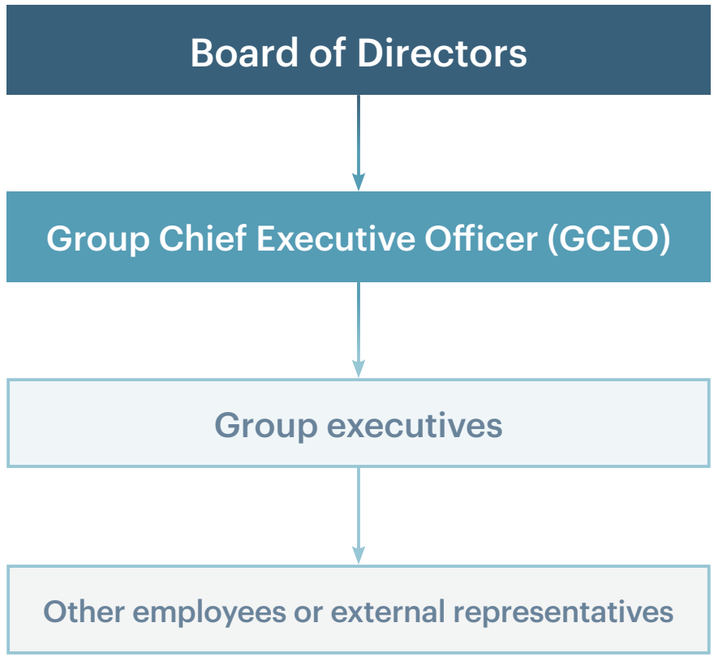
Noora also contributes to the Bank's talent management approach and succession pipelines, with particular attention to the development of Emirati talent. Committed to workforce resilience and engagement, she supports initiatives that enhance employee wellbeing, connection, and productivity. She continues to advance a performance-driven culture rooted in accountability, empowerment, and growth. With her strategic vision and deep understanding of the organisation, Noora plays a key role in shaping FAB's culture, leadership capability, and long-term organisational success.

Delegation of authority

The Board of Directors of FAB is responsible for establishing the Bank's strategic objectives and defining its risk appetite. While retaining certain reserved powers, the Board delegates authority for the day-to-day management and execution of strategic priorities to the Group Chief Executive Officer (GCEO). This delegation ensures operational efficiency while maintaining robust accountability.

The GCEO, in turn, may further delegate certain authorities and responsibilities to Group executives. Irrespective of any delegation by the GCEO, the GCEO remains accountable to the Board for the exercise of delegated power and overall managements performance.

The powers are delegated via Powers of Attorney (POAs), issued by the Chairman and, in turn, by the GCEO. In 2023, FAB undertook a comprehensive review and renewal of POAs granted to the GCEO and select Group Executives. This process was carefully reviewed by Group Legal and notarised to ensure that all powers were appropriately documented. These POAs are valid for three years, expiring in 2026. Additional POAs may be issued to other employees or external representatives (e.g. legal advisors) as required.



Remuneration

FAB's remuneration framework is designed to attract, motivate and retain high-quality talent, while promoting prudent risk taking and aligning performance and conduct with the Bank's long-term strategic objectives and sustainable business outcomes. The framework is underpinned by robust governance and is applied in compliance with the statutory and regulatory requirements of the jurisdictions in which the Bank operates.

For the 2025 performance year, 21 senior management were responsible and accountable for the strategic direction and prudent day-to-day management of the Group (this includes the Group Chief Executive Officer and individual business and enablement leaders).

For 2025 performance year, total remuneration awarded to senior management, comprised of fixed pay and variable compensation, amounted to AED 82.6 million. Details of the award are shown below:

2025 Remuneration		Senior management
Fixed remuneration	**Number of employees**	**21**
	Total fixed remuneration	**AED 45.5 mn**
	Of which: cash-based	AED 45.5 mn
	Of which: deferred	
	Of which: shares or other share-linked instruments	
	Of which: deferred	
	Of which: other forms	
	Of which: deferred	
Variable remuneration	**Number of employees**	**14**
	Total variable remuneration	**AED 37.1 mn**
	Of which: cash-based	AED 37.1 mn
	Of which: deferred	AED 15.7 mn
	Of which: shares or other share-linked instruments	
	Of which: deferred	
	Of which: other forms	
	Of which: deferred	
Total remuneration		**AED 82.6 mn**

* Fixed Remuneration is gross salary value in 2025 whereas Variable Remuneration is awarded value in 2025 for PY 2024

Market competitiveness (attracting and retaining talent)

Overall remuneration and its components are benchmarked annually against the market to ensure FAB remains competitive, aligned with its brand and value proposition.

Pay for performance and shareholder alignment

- Ensure a healthy mix of fixed and variable pay for employees across levels and functions.
- Variable pay aligns with performance through a KPI scorecard at the individual and functional levels, emphasising sustainable performance that aligns with shareholder interests and complies with regulatory requirements.

Risk management

- Maintain robust governance for the review and approval of compensation programmes, including the risk perspective.
- Includes risk-aligned variable awards with deferrals, malus and clawback provisions to encourage long-term alignment with FAB's interests.

Material risk takers

FAB has a structured framework to identify employees whose professional activities have a significant impact on FAB's risk profile, classified as Material Risk Takers. The identification framework undergoes annual review in line with regulatory guidelines. Overall, FAB's remuneration and reward approach is designed to align with global best practices. This ensures that its compensation programmes are competitive and performance-driven.

Management committees

Committee	Responsibilities	Number of meetings in 2025
Group Executive Committee (EXCO)	The Group Executive Committee (EXCO) supports the Group Chief Executive Officer to determine and implement the Group's strategy as approved by the Board, including decisions on the annual budgets, monitoring ongoing budget management and business performance, decisions on key strategic initiatives, review of material projects, and training on topics such as cyber resilience.	8
Group Asset and Liability Committee (GALCO)	The Group Asset and Liability Committee (G-ALCO) provides stewardship and oversight of the structure and quality of the Group's balance sheet. It is directly accountable to the BRESGC for ensuring that the risks within the Group's asset and liability position are prudently managed, supported by the Bank's policies and procedures and an appropriate risk framework.	9
Group Technology Steering Committee (GTSC)	The Group Technology Steering Committee (GTSC) has oversight responsibilities for all technology and information systems across the FAB Group. It supports the Board Risk and ESG Committee in its oversight of the Group IT governance framework. GTSC makes recommendations to Group EXCO regarding significant technology investments in support of the Group's strategy. GTSC also ensures alignment between business strategies and technology priorities and protects technology investments. In 2025, GTSC provided executive oversight of the technology landscape, the technology investment portfolio, and the technology budget position each month. It also provided oversight of strategic projects through the Central Programme Management Office, as well as technology service management, including service quality improvements and resilience, in line with approved technology-related policies.	10
Group Risk Committee (GRC)	The Group Risk Committee (GRC) develops and recommends the Group risk strategy, enterprise risk framework, risk appetite and risk policies in line with the Group's strategy and business plan. The GRC monitors the Group's risk profile and risk culture every quarter and shares its views and recommendations with the Board Risk and ESG Committee. In 2025, the GRC reviewed the Group's risk strategy, top and emerging risks in the macroeconomic, geopolitical, regulatory, technology, and operational environments, group risk profile and appetite reports, capital position and forecasts, various regular and bespoke stress tests, risk management initiatives, and various special risk papers on risk developments and profile across material risks.	5
Group Credit Committee (GCC)	The Group Credit Committee (GCC) is responsible for developing and implementing the Bank's credit and lending strategies, as well as related policies and procedures. The GCC oversees the Bank and its subsidiaries' credit performance and portfolio quality.	5
Group Compliance Committee	The Group Compliance Committee oversees the Bank's regulatory responsibilities and ensures compliance with the rules and regulations applicable to FAB, both domestically and across its international operations. It provides proactive, continuous oversight of regulatory trends, themes, and issues impacting FAB globally. During 2025, the Group Compliance Committee oversaw the management of compliance risk amid ongoing complex geopolitical developments and an evolving regulatory, financial crime and sanctions risk landscape.	5
Group ESG Committee	The Group Environmental, Social and Governance Committee is responsible for promoting and overseeing the ESG strategy, net zero plans, culture and awareness across the FAB Group. It reports relevant matters to the Board Risk and ESG Committee, advising and informing BRESGC members about the Group's ESG framework and indicators. During 2025, the Group ESG Committee recommended FAB's updated financed emissions targets to the BRESGC and approved the publication of the 2024 Climate Report and 2024 ESG Report. The Committee continued to oversee progress on the Group's ESG strategy, sustainable finance targets, and climate risk management, including completion of the CBUAE climate stress test. It also provided ongoing guidance on ESG development and performance by diligently reviewing the FAB Group's ESG metrics, ensuring alignment with regulatory requirements and best practices.	4
Group Human Resources Steering Committee (HRSC)	The Group Human Resources Steering Committee (HRSC) ensures that FAB is well-positioned as an employer of choice and that the Bank's strategic people agenda is defined and executed. HRSC provides a forum to discuss and approve HR policies and initiatives, and governs their implementation.	4
Group Technology Risk and Information Security Committee (GTRISC)	The Group Technology Risk and Information Security Committee (GTRISC) oversees, reviews, and makes decisions on technology, information security, data privacy, AI governance, and business continuity management-related risks, including their alignment with the FAB Group's risk appetite. In 2025, the GTRISC discussed information/ cyber security and its impact on FAB's risk profile, reviewed technology and security risk metrics to gain a comprehensive understanding of FAB's overall Security and Technology risk profile. Ensure that technical deployments, including AI initiatives, comply with regulatory and policy requirements. The committee provided oversight on the cybersecurity Controls Maturity Assessment to assess maturity levels and ensure that the risk is within the appetite of the bank. Operational resilience has been strengthened through IT and business recovery testing of the bank.	6
Group Operational and Fraud Risk Committee (GO&FRC)	The GOFRC oversees the Group's operational and fraud risk profile, ensuring effective management of non-financial risks within the Bank's approved risk appetite and supporting the Board Risk & ESG Committee in maintaining a robust non-financial risk framework. During the year, the committee strengthened continuous risk oversight through enhanced enterprise dashboards, improving visibility of key risk indicators and emerging themes. It simplified and modernised the operational risk framework, updating policies and taxonomy to streamline execution and reinforce risk ownership across the Bank. Oversight of material third-party engagements was further enhanced through a more streamlined and transparent risk review process. In fraud risk, the Committee continued to oversee improvements to detection and prevention capabilities, supported by enhanced analytics and expanded external data integration. These improvements reinforced the Bank's operational resilience and ensured a well governed, forward looking risk posture.	6

Subsidiaries, branches and representative offices

FAB operates a diversified global footprint encompassing subsidiaries, branches, and representative offices across key financial hubs in Europe, the Americas, Africa, the Middle East and Asia. These deliver banking services seamlessly under the FAB Group's unified corporate governance framework and policies.



FAB's UAE subsidiaries, which are locally regulated, maintain governance arrangements tailored to their respective business activities under the Group's oversight and control. Similarly, FAB's international subsidiaries are required to comply with the regulatory standards of their local jurisdictions.

Each subsidiary maintains a fully constituted Board of Directors, complemented by specialised committees where required by law or regulation, ensuring robust oversight and adherence to jurisdictional governance standards. FAB's international subsidiary footprint spans countries such as Switzerland, Saudi Arabia, Egypt, the USA (Curaçao) and India. The boards of these subsidiaries comprise senior banking professionals with expertise in banking, finance, risk management, technology and ESG. Independent directors are appointed in accordance with local regulations. All board appointments at the subsidiary level require approval from senior management and the Group's Board Remuneration and Nomination Committee.

In addition to subsidiaries, FAB operates through branches and representative offices in more than 16 countries, delivering services locally with regional and Group-level support as needed. FAB has branches in 11 international locations: Bahrain, Kuwait, Oman, Saudi Arabia, Singapore, Malaysia, India, the United Kingdom, France, and China (Hong Kong and Shanghai).

The Group also operates representative offices in five countries, including Indonesia, Brazil, Switzerland, Iraq and South Korea, further extending the FAB's global presence. FAB's global governance model enforces consistency across all operations through structured training programmes, periodic compliance reviews, and alignment with both Group-wide principles and local regulatory mandates.

List of principal UAE and international subsidiaries as of 31 December 2025

Entities	Country of Incorporation	Principal activities
Abu Dhabi National Leasing — Sole Proprietorship L.L.C.	United Arab Emirates	Leasing
Abu Dhabi National Property Company L.L.C.	United Arab Emirates	Property Management
Mismak Properties — Sole Proprietorship L.L.C.	United Arab Emirates	Real estate investments
Shangri-La Dubai Hotel L.L.C	United Arab Emirates	Real estate investments
First Abu Dhabi Islamic Finance P.J.S.C.	United Arab Emirates	Islamic Finance
First Abu Dhabi Bank Securities — Sole Proprietorship L.L.C.	United Arab Emirates	Brokerage
Abu Dhabi Securities Brokerage – Egypt[2]	Egypt	Brokerage
Nawat Management Services — One Man Company LLC	United Arab Emirates	Services
First Abu Dhabi Employment Services- Sole proprietorship L.L.C.	United Arab Emirates	Resourcing services
FAB Resourcing Services L.L.C	United Arab Emirates	Resourcing services
FIRST MERCHANT INTERNATIONAL — L.L.C — O.P.C	United Arab Emirates	Real estate investments
Horizon Gulf Electro Mechanical Services L.L.C	United Arab Emirates	Real estate-related services
Horizon Gulf General Contracting — L.L.C -O.P.C	United Arab Emirates	Real estate-related services
HORIZON GULF OIL AND GAS SERVICES — L.L.C-O.P.C	United Arab Emirates	Real estate-related services
P D C S Engineering — L.L.C – S.P.C	United Arab Emirates	Real estate-related services
First Gulf Information Technologies — L.L.C -O.P.C	United Arab Emirates	IT Services

[1] The FAB India board is the board of FAB Global Business Services Limited, which provides enablement services to the FAB Group.
[2] Under liquidation.

Entities	Country of Incorporation	Principal activities
Ocean View Hotel – L.L.C - S.P.C	United Arab Emirates	Real estate-related services
FAB Asset Management Limited	United Arab Emirates	Financial services
First Abu Dhabi Bank USA N.V.	USA	Banking
FAB Global Business Services Private Limited	India	IT Enabled Services
First Abu Dhabi Bank Misr S.A.E.	Egypt	Banking
FAB Capital Financial Company	Kingdom of Saudi Arabia	Financial Institution
FAB Private Bank (Suisse) SA	Switzerland	Banking
First Gulf Libyan Bank[3]	Libya	Banking services
Lime Consumer Finance	Egypt	FInancial services
FAB Sukuk Company Limited[4]	Cayman Islands	Special purpose entity
FAB Global Markets (Cayman) Limited	Cayman Islands	Financial institution
FAB INVEST SPV RSC LIMITED	United Arab Emirates	Special purpose entity
1968A SPV RSC LIMITED	United Arab Emirates	Special purpose entity
1968B SPV RSC LIMITED	United Arab Emirates	Special purpose entity
1968C SPV RSC Limited	United Arab Emirates	Special purpose entity
1968D SPV RSC Limited	United Arab Emirates	Special purpose entity
First Abu Dhabi Bank Representacoes Ltda Brazil	Brazil	Representative office

[3] FAB owns 50% of the share in First Gulf Libyan Bank and exercises control over the investee as it has a majority of votes on the Board of the entity.
[4] FAB Sukuk Company's entire issued share capital is held by Maple FS Limited on trust for charitable purposes.

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. Related parties comprise major shareholders, Board of Directors and key management personnel of the Group.

Key management personnel comprise those executive committee members ("EXCO") of the Group who are involved in the strategic planning and decision-making of the Group. The terms of these transactions are approved by the Group's management and are made on terms agreed by the Board of Directors or management. The Group operates in a market dominated by entities directly or indirectly controlled by the Government of Abu Dhabi through its government authorities, agencies, affiliations and other organisations, collectively referred to as government-related entities. The Group has transactions with other government-related entities and these transactions are conducted in the ordinary course of its business on terms agreed by the Board.

Details of Board of Directors remuneration and key management personnel remuneration are as follows:

	31 Dec 2025 AED million	31 Dec 2024 AED million
Board of Directors' remuneration paid during the year	45	45
Short-term benefits	72	73
Long-term benefits	6	4

Balances with related parties at the reporting date are shown below:

	Board of Directors AED million	Major shareholders AED million	Senior management AED million	Associates AED million	Total AED million
As of 31 December 2025					
Financial assets					
■ Investments at fair value through profit or loss	-	136	-	-	136
■ Reverse purchase agreements	-	75	-	-	75
■ Derivative financial instruments	-	210	-	5	215
■ Loans, advances and Islamic financing	3,819	33,166	160	1,291	38,436
■ Non-trading investment securities	-	3,713	-	-	3,713
■ Other assets	48	428	9	7	492
Financial liabilities					
■ Derivative financial instruments	-	152	-	11	163
■ Customer accounts and other deposits	10,774	11,733	66	1,532	24,105
■ Other liabilities	279	66	1	7	353
Contingent liabilities					
■ Derivatives	-	12,320	-	1,685	14,005
■ Letter of credit	1	374	-	-	375
■ Guarantees	173	1,444	-	1	1,618
For the year ended 31 December 2025					
■ Interest income	183	1,698	7	69	1,957
■ Interest expense	(356)	(433)	(2)	(96)	(887)
■ Fee and commission income	22	137	-	5	164
■ Fee and commission expense	-	-	-	(149)	(149)
■ Net gain on investments and derivatives	-	99	-	20	119

	Board of Directors AED million	Major shareholders AED million	Senior management AED million	Associates AED million	Total AED million
As of 31 December 2024					
Financial assets					
■ Investments at fair value through profit or loss	-	81	-	-	81
■ Reverse purchase agreements	-	347	-	-	347
■ Derivative financial instruments	-	17	-	-	17
■ Loans, advances and Islamic financing	2,652	32,218	145	1,042	36,057
■ Non-trading investment securities	-	3,515	-	-	3,515
■ Other assets	21	433	7	-	461
Financial liabilities					
■ Derivative financial instruments	-	267	-	4	271
■ Customer accounts and other deposits	9,736	19,232	61	636	29,665
■ Other liabilities	197	191	1	-	389
Contingent liabilities					
■ Derivatives	-	10,218	-	750	10,968
■ Letter of credit	-	433	-	-	433
■ Guarantees	181	2,058	-	-	2,239
For the year ended 31 December 2024					
■ Interest income	130	1,894	6	59	2,089
■ Interest expense	(429)	(537)	(1)	(104)	(1,071)
■ Fee and commission income	9	159	-	44	212
■ Fee and commission expense	-	-	-	(126)	(126)
■ Net gain on investments and derivatives	-	121	-	(105)	16

As at 31 December 2025, the ECL allowance held against related party balances amounted to AED 37 million

Corporate social responsibility

FAB's Corporate Social Responsibility (CSR) focuses on empowering communities and promoting inclusive growth. Through initiatives in education, sustainability, sports and social inclusion, FAB supports youth, people of determination, senior citizens, and low-income families. These efforts align with national priorities and global sustainability goals to create lasting impact across generations and geographies.

Environmental	
The Green Journey	FAB collaborated with the Department of Culture and Tourism – Abu Dhabi during the Al Bahia Library Bazaar held at Al Bahia Park. The event featured a thought-provoking ESG lecture delivered by a FAB volunteer titled "The Risk of Environmental, Social, and Corporate Governance (ESG) and the Transition to a Climate-Smart Strategy," which offered attendees valuable insights into sustainable business practices and climate-conscious governance. Complementing the educational session, FAB hosted a hands-on planting workshop for children, introducing them to the principles of sustainable gardening and eco-friendly practices. Through interactive activities, young participants learned how planting contributes to environmental protection and climate resilience.
IUCN World Conservation Congress 2025	FAB served as the Principal and Official Banking Partner of the IUCN in 2025, in Abu Dhabi. Through its pavilion and interactive activities, including Ghaf tree planting, youth engagement and inclusive tours, FAB showcased its ESG strategy and reinforced its support for nature-positive finance and the UAE's Net Zero 2050 vision.
The Sustainable Farms for People of Determination	Project launch marked a significant step toward inclusive empowerment through agriculture. Organised in collaboration with strategic partners, the initiative engaged People of Determination in hands-on sustainable farming practices that enhance vocational skills, promote environmental awareness, and foster independence. By combining skill-building with community contribution, the project strengthened social integration and highlighted the importance of tailored opportunities that support both personal growth and environmental stewardship.
Ghaf Planting Pencil Sustainability Project	The Ghaf Planting Pencil initiative reflects the Bank's long-term commitment to environmental stewardship. By distributing eco-friendly pencils embedded with Ghaf tree seeds, the project promotes awareness of native trees while symbolising growth, resilience, and sustainability. This ongoing initiative supports biodiversity and reinforces the bank's dedication to sustainable practices and community engagement.

Community	
The Ambassadors of Joy	The Ambassadors of Joy initiative was a community engagement programme that brought together orphaned children and those under official care for a memorable day at Global Village. Through educational, and cultural activities, the initiative fostered inclusion, confidence and a sense of belonging, while promoting values of giving, solidarity, and national identity, and strengthening collaboration between community and government organisations.
The Ramadan Food Essentials Distribution	The Ramadan Food Essentials Distribution initiative was a community campaign led by the Emirates Society for Parents Care & Relief – Dubai Branch to support senior citizens and low-income families during the holy month of Ramadan. By distributing essential food items across various regions, the initiative promoted solidarity, generosity, and social responsibility, while strengthening volunteer engagement and partnerships with public and private sector organisations.
Dubai Club for People of Determination Forum – 50th Arab Deaf Week	The Dubai Club for People of Determination Forum – 50th Arab Deaf Week marked a meaningful collaboration between the Emirates Society for the Care and Honour of Parents – Dubai Branch and the Dubai Club for People of Determination. The initiative raised awareness of the deaf community, promoted inclusion and compassion, and reinforced shared efforts to empower People of Determination through community engagement and thoughtful outreach.
Eid Joy Initiative	The Eid Joy Initiative was a humanitarian campaign led by the Emirates Society for the Care and Honour of Parents – Dubai Branch, to spread happiness and social solidarity during Eid. In collaboration with the Community Development Authority and the Department of Minors' Affairs, the Society distributed Eid clothing to orphaned minors. The initiative also extended to senior citizens through home visits and gatherings where traditional Eid treats and symbolic gifts were shared in partnership with the Happiness Vehicle (Dubai Municipality) and Emirates Food Bank. Additionally, the Society visited children with cancer at Al Jalila Hospital and senior cancer patients at Dubai Hospital, offering heartfelt gifts and well wishes to uplift their spirits.
Seniors' Visit to team Lab Phenomena – Abu Dhabi	The Seniors' Visit to teamLab Phenomena – Abu Dhabi was a cultural and recreational initiative organised by the Emirates Society for the Care and Honour of Parents – Dubai Branch. The initiative offered senior citizens an immersive artistic experience that provided a refreshing break from routine, enhanced psychological and social wellbeing, and fostered joy, curiosity, and stronger social bonds.
Nabd Al Kair (Pulse of Goodness) Initiative	The Nabd Al Khair (Pulse of Goodness) Initiative, organised by the Emirates Society for the Care and Honour of Parents – Dubai Branch in collaboration with Emirates Food Bank and First Abu Dhabi Bank, marked a meaningful celebration of World Humanitarian Day. By distributing 400 food parcels to underprivileged families in Dubai, the initiative reinforced the values of compassion, solidarity, and social responsibility.
Eid Outfit Shopping with Orphans	The Eid Outfit Shopping with Orphans initiative, organised in partnership with Emirates Red Crescent, provided orphaned children with a dignified and joyful experience by allowing them to personally select their Eid clothing. Supported by volunteers, the initiative fostered independence, inclusion and community solidarity while promoting empathy-driven engagement and volunteerism during the festive season.

Community (continued)	
Masar Aljathebiya – Specialised Shoes for Children at Emirates Autism Centre	The Masar Aljathebiya initiative, organised by the Emirates Society for the Care and Honour of Parents – Dubai Branch in collaboration with Abu Dhabi Municipality and Emirates Autism Centre, focused on enhancing mobility and comfort for children of determination with walking difficulties. By providing specialised walking shoes, the initiative supported physical development, wellbeing and inclusive care while reinforcing partnership awareness of needs-based interventions.
Aftir 3 Ramadan Campaign by FAB	Now in its third year, the Aftir Ramadan Campaign is FAB's flagship CSR initiative during the Holy Month of Ramadan, reflecting the Bank's deep-rooted commitment to community welfare and inclusive engagement. Launched in 2023 across five emirates, the campaign expanded country-wide in 2024, and in 2025 extended to include Al Ain – making it the only bank-led Ramadan initiative uniting communities across every Emirate. In 2025 alone, more than 7,000 volunteers – including FAB employees, their families, and members of the public contributed over 14,000 hours to distribute 55,500 nutritious Iftar meals in partnership with registered charities. Beyond meal distribution, Aftir brings communities together through shared humanitarian action. From royal families to volunteers of all ages, participation has grown steadily, expanding from 3,000 to 7,000 volunteers, from 6,000 to 10,000 hours, and from 45,000 to over 61,500 meals. To date, the initiative has touched nearly a quarter of a million lives across the UAE.
Minutes of Giving	The Minutes of Giving campaign is FAB's signature pre-Ramadan CSR initiative, encouraging employees to dedicate a few minutes of their time to support families in need. Held annually at FAB HQ, the campaign brings together staff, partners, and volunteers to pack essential food items in collaboration with charitable organisations. In 2025, the campaign expanded to include international teams with more than 150 FAB employees packing 1,000 food boxes, contributing to a broader Ramadan effort that reached over 200,000 individuals across the UAE.
Make it in the Emirates	FAB participated in the fourth edition of the Make it in the Emirates forum at ADNEC, reinforcing its role in advancing the UAE's industrial transformation. During the event, FAB renewed its strategic partnership with the Ministry of Industry and Advanced Technology (MoIAT) and announced a financing commitment of AED 10 billion to support industrial enterprises across all growth stages. FAB also hosted a dedicated CSR presence in collaboration with Khalifa Fund highlighting sustainable development, innovation, and inclusive economic growth in line with the UAE's National Industrial Strategy 2030.
CSR Hospital Engagements	As part of ongoing CSR efforts, the Bank conducted a series of hospital visits to uplift patients and foster compassion. These included a special visit to Burjeel Hospital to spend time with children battling cancer, and distributed thoughtful gifts to bring joy and comfort.

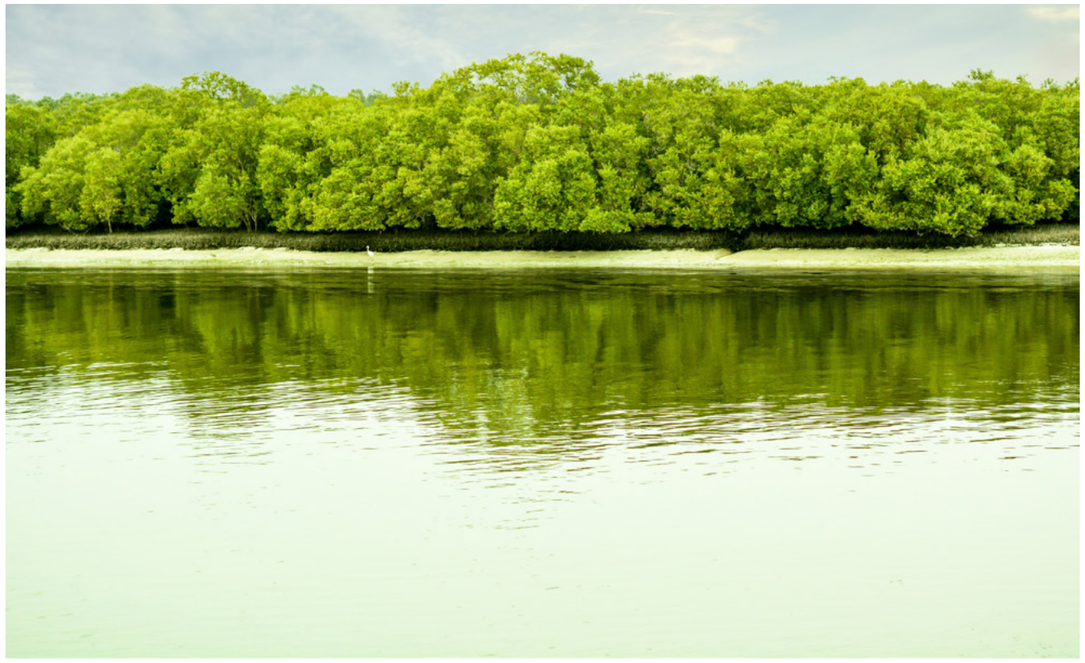
International initiatives	
Seniors' Trip to Azerbaijan	Organised by the Emirates Society for the Care and Honour of Parents – Dubai Branch, the seniors' trip offered 40 senior participants a four-day cultural and recreational experience focused on relaxation, exploration, and social connection. Designed to support psychological and physical wellbeing, the initiative fostered meaningful cultural exchange, and strengthened bonds among seniors, companions, and volunteers, reinforcing the Society's commitment to enhancing quality of life for senior citizens locally and internationally.
One World Summit	In November 2025, FAB participated in the One Young World Summit in Munich, Germany, a global platform bringing together over 2,000 emerging leaders from more than190 countries. FAB's participation reflected its commitment to youth empowerment, sustainability, and global dialogue, aligning with its broader ESG and CSR strategy.

Sports	
Senior citizens attend the UAE-Qatar Super Cup	The Senior Citizens Attend the UAE-Qatar Super Cup initiative offered senior citizens an exciting opportunity to attend a major regional football match between Qatar Club and Al Nasr Club (UAE), supporting their inclusion in national and sports events.
Senior citizens attend Shabab Al Ahli vs. Ajman Club Match	The initiative offered senior citizens a vibrant and inclusive experience at the ADNOC Pro League, reinforcing their role as active participants in national and sports events.
Senior citizens attend Al Wasl vs. Al Nasr Club Match	This initiative offered senior citizens a vibrant and inclusive experience at the ADNOC Pro League, reinforcing their active role in society through participation in national sports events.
Ladies Bowling Competition – Dubai International Bowling Centre	The Competition sponsored by the Emirates Society for the Care and Honour of Parents – Dubai Branch, was a vibrant and engaging community sports event dedicated to women. Featuring a distinguished group of competitors, the initiative promoted recreational sports participation, positive competition, and social connection among female bowlers of all levels.
FAB Children's & POD Summer Camp 2025	This four-week inclusive programme organised by FAB's CSR team in collaboration with Al Ain FC, the UAE Jiu-Jitsu Federation, Zayed Charitable and Humanitarian Foundation, and Zayed Higher Organisation for People of Determination, brought together 74 participants – 28 children from the POD community and 46 children of FAB staff – for engaging activities in football, jiu jitsu, wellness, and financial literacy. While children were trained in sports and teamwork, parents attended wellness sessions led by FAB's Chief Wellness Officer.

Education and empowerment	
Youth Financial Advisor Programme	FAB is a knowledge partner of the national Youth Financial Advisors Programme, launched by the Federal Youth Authority in collaboration with the Central Bank of the UAE and the Securities and Commodities Authority. The programme aims to equip Emirati youth with financial literacy, advisory skills, and exposure to the banking sector.
FAB X Zoud financial literacy session	As part of its inclusive summer camp initiative, FAB partnered with Zoud to deliver a series of engaging financial literacy sessions for children and their parents. Zoud conducted three tailored workshops focused on responsible money management, budgeting, and financial awareness, using interactive formats to ensure accessibility and impact.

Approach to ESG governance

Financial institutions have an important role to play in effectively addressing environmental, social and governance challenges for their businesses, customers, the wider industry and society at large.



ESG principles are fully integrated into FAB's core governance framework, with dedicated committees overseeing the development and implementation of the Group's ESG strategy, frameworks and policies. FAB is cultivating a corporate culture that reflects the significance of ESG matters in business, fostering collaboration and capacity building across various business lines.

The Board of Directors directs its ESG ambitions in an ethical and transparent manner to ensure long-term performance and sustainability. The Board's ESG strategic direction is communicated to the wider Group through the Board Risk and ESG Committee (BRESGC). It is supported by the Group ESG Committee (G-ESGC) in overseeing ESG strategy, culture and awareness – and shaping the bank's net zero pathway plans.

G-ESGC represents the highest authority at management level for all ESG-related decision-making across the Group. It is supported by the ESG and Sustainable Finance Committee (ESG-SFC), which monitors the implementation of the ESG strategy, policies and sustainable finance framework.

FAB's ESG direction is disseminated across the organisation through a Group-wide ESG framework, alongside policies and strategies which are developed by the Group ESG team and implemented by FAB senior management.

Structural overview of ESG governance

ESG organisational structure

Committees with ESG roles

Tier 1

Board of Directors Board Risk and ESG Committee (BRESGC)	BRESGC has the highest authority over the Group's enterprise-wide Risk Strategy and Risk Profile, approves its Risk Appetite Framework and the Group's E&S and Climate Risk Frameworks and Policies.
Group ESG Committee (G-ESGC) Group Risk Committee (GRC) Group Compliance Committee Group Operational and Fraud Risk Committee (GOFRC)	G-ESGC responsibilities include reviewing and approving the Group's ESG strategy and progress, endorsing the 2050 net zero roadmap, monitoring ESG performance and risk metrics (including climate risk). The Committee also approves ESG disclosure reports and related policies, fosters ESG awareness within the organisation, and reports to the Board Risk and ESG Committee on all significant ESG matters. Group Risk Committee is the approving committee for climate risk-related matters.

Tier 2

ESG and Sustainable Finance Committee (ESG-SFC) Credit Execution Committee (CEC)	ESG-SFC is responsible for monitoring the implementation of the ESG strategy, net zero emission pathways, ESG risk appetite metrics across operations and portfolios, as well as evaluating and endorsing all new proposed use of proceeds of green bonds and other sustainable-finance transactions.

Leadership Team

Group Chief Executive Officer (GCEO) Group Chief Risk Officer (GCRO)	Implement the ESG strategy, framework and policies based on Board approvals Drive a strong ESG culture and awareness around changes to the relevant strategies Ensure compliance with the ESG strategy, framework, and policies

Functional Roles

Business Lines Group ESG Function Internal Audit Support Functions 1st line of defence 2nd line of defence 3rd line of Defence	1st Line of Defence: Comply with the ESG strategies, framework, and policies, conduct ESG risk assessments, and identify new risks 2nd Line of Defence: Develop and amend the ESG strategies and framework, recommend ESG assessment methodologies (e.g., ESG risk assessments, net zero plans, and climate stress testing) 3rd Line of Defence: Independent review of ESG function as per Risk-Based Audit Plan

Key: ESG support function | Existing structure

Emiratisation

FAB's commitment to the UAE's Emiratisation agenda made 2025 a significant milestone in the Bank's ongoing efforts to empower UAE nationals in an ever-evolving business landscape. Building on the solid groundwork established in previous years, the Bank continued to advance its strategic focus on integrating and developing UAE nationals across functions. Through targeted initiatives and sustained investment in capability building, FAB has demonstrated its dedication to nurturing local talent and supporting their long-term professional growth in a dynamic and evolving business environment.

Achieving greater representation

FAB's Emiratisation efforts continue to deliver significant outcomes with a large portion of core roles now comprised of UAE nationals. This achievement reflects the Bank's strategic focus on cultivating Emirati talent across all organisational levels. UAE nationals now represent 49.3% of the workforce, a testament to the Bank's commitment to developing UAE nationals and embedding them in key leadership positions.

Notably, over 20% of the Group executive management positions are held by Emiratis, while UAE nationals lead an outstanding 65% of management roles across UAE branches. Female Emirati employees continue to make remarkable strides, constituting a significant portion of FAB's Emirati workforce, reflecting FAB's inclusive approach to gender diversity and leadership equity. Through targeted programmes, strategic hiring, and leadership development, FAB continues to shape a resilient, future-ready Emirati talent pool.

Tailored development for Emirati talent

FAB is resolute in providing UAE nationals with opportunities that go beyond traditional boundaries, enabling them to develop skills that align with the Bank's strategic vision and the nation's future aspirations. Through development centres, the bank identifies skills gaps and curates customised learning programmes in collaboration with leading global organisations and institutions. In 2025, it delivered over 140,000 hours of training with a strong emphasis on artificial intelligence (AI), digital, functional, and leadership capabilities, empowering Emirati talent to lead in an increasingly dynamic, tech-driven banking environment.

Its education assistance scheme has continued to play a pivotal role in sponsoring UAE nationals to pursue advanced academic qualifications. Furthermore, its Global Mobility Programme offers UAE nationals opportunities to gain international exposure across FAB's global offices, equipping them with invaluable insights into cross-cultural collaboration and global business practices.

Pioneering Emirati talent programmes

To further elevate its Emiratisation strategy, FAB introduced bespoke Emirati programmes in 2025, designed to nurture specialised skills and leadership capabilities among UAE nationals:

1. Reyada: Business development executives

This programme is tailored for highly networked Emirati professionals who excel in leveraging their extensive connections to foster strategic partnerships and drive business development. Reyada participants are equipped with the expertise to open doors for FAB's sustained growth.

2. Qeyada: Senior/mid-career development programme

This programme is focused on preparing experienced Emirati professionals for leadership roles. Qeyada develops the next generation of leaders capable of driving innovation and excellence across departments and subdivisions.

3. IBR: International business relations programme

Designed for Emirati professionals with established relationships in diplomatic and international channels, the IBR programme is instrumental in driving FAB's international business growth. Participants gain the skills and network to navigate complex global markets effectively.

4. Bedaya: Pre-graduate programme

The Bedaya Programme is a pioneering initiative designed to engage UAE youth nationals during their university education. As a pre-graduate programme, it empowers students with valuable skills, fostering professional growth and workforce readiness, especially in the financial sector.

5. Ethraa: Developing future leaders through Ethraa

The Ethraa Programme, launched in partnership with the Emirates Institute of Finance, remains a cornerstone of a strategy to attract and develop young Emirati graduates. With a structured six-to nine-month learning journey tailored to technical and functional skills, the programme has successfully prepared over 290 active participants, ensuring a robust pipeline of talent for future leadership roles within FAB.

6. Al Ain Initiative

This regional outreach initiative focused on attracting Emirati talent from Al Ain through localised engagement and onboarding support, which supports the vision of increasing job opportunities across different emirates.

Setting the benchmark for excellence

FAB's commitment to Emiratisation extends beyond meeting numerical targets, reflecting its core values and strategic vision to be the region's most trusted and innovative financial partner. By creating meaningful career opportunities, investing in tailored development programmes and fostering an inclusive culture, FAB is proud to be at the forefront of supporting the UAE's ambitious national agenda. As it looks ahead, FAB remains committed to building on this momentum to further drive representation of UAE nationals across all levels of the organisation and empowering them to play a pivotal role in shaping the future of banking. Its achievements in 2025 are a testament to the Bank's belief in the power of Emirati talent and a dedication to unlocking their full potential.

Investor relations

At FAB, we are committed to maintaining transparent, proactive, and high-quality engagement with the investment community. Through consistent communication, the Investor Relations department ensures that stakeholders have access to timely and relevant information about the company's performance, strategic direction, and outlook to support informed decision-making.

In 2025, FAB Investor Relations and senior management participated in 20 investor conferences and targeted roadshows conducting over 500 market interactions, further strengthening relationships with the sell-side, rating agency and investor communities. Notable highlights over the year include FAB's first investor roadshow in mainland China and expanded sell-side coverage.

FAB also deepened engagement with fixed-income investors, delivering a strong year in senior wholesale funding with AED 18.5 billion issued across multiple formats. Landmark transactions included the first blue bond from a GCC financial institution, the world's first low-carbon energy bond issued by a bank, and the region's first blockchain-based digital bond. In addition, FAB issued USD 1.0 billion of Additional Tier 1 notes, priced at the tightest yield for a CEEMEA conventional USD AT1 issuance since May 2021.

FAB also advanced innovation in Investor Relations regionally with the launch of an AI-enabled chatbot across its website and IR app, offering timely insights into financial performance, strategy, governance, and market data, among others.

Further information is available on the investor relations section of FAB's corporate website and the FAB Investor Relations app (FAB IR).

FAB share information

Listing date	2000[1]
Exchange	Abu Dhabi Securities Exchange (ADX)
Symbol	FAB
ISIN	AEN000101016
Number of shares issued	11,047,612,688
Closing price as of 31 December 2025	AED 17.44
Market cap as of 31 December 2025	AED 193 bn (USD 52.5 bn)
Foreign ownership limit	40%
Free float	42%

[1] This is referring to the listing date of NBAD shares on ADX

Statement of the Group's share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year

Month	Close (AED)	High* (AED)	Low* (AED)
January 2025	14.54	14.76	13.40
February 2025	14.24	14.74	13.90
March 2025	13.82	14.46	13.16
April 2025	15.02	15.02	11.78
May 2025	16.10	16.74	14.84
June 2025	16.60	16.80	14.86
July 2025	18.00	18.32	16.38
August 2025	16.60	18.04	16.60
September 2025	15.64	16.82	15.32
October 2025	17.44	17.76	15.60
November 2025	15.84	17.52	15.70
December 2025	17.44	17.80	15.98

Statement of the Group's comparative performance with the general market index and sector index to which the Group belonged during 2025

	Close (31 Dec 2025)	Close (31 Dec 2024)	% change in price in 2025	FAB's relative performance
FAB	17.44	13.74	+26.9%	
ADX	9,992.72	9,419.00	+6.1%	+20.8%
ADX Financials Index	18,348.70	16,776.95	+9.4%	+17.5%
MSCI EM Banks	455.60	372.80	22.3%	+4.6%

Statement of the shareholders' ownership distribution as of 31 December 2025 (individuals, companies, governments) classified by geography

Geography	Individuals	Companies	Government	Total
Local	15.54%	58.97%	1.24%	75.77%
Arabs (incl. GCC)	0.84%	0.66%	0.15%	1.65%
Foreign	0.24%	22.34%	0.02%	22.58%
Total	16.62%	81.98%	1.41%	100.00%

The definition of Arab and foreign investors as well as investors classified as companies and government is as per ADX definition/classification

[1] Intramonth high/low for the corresponding month

Statement of how shareholders are distributed by size of equity as of 31 December 2025

Share(s) ownership	Number of shareholders	Number of shares	Ownership percentage
Less than 50,000	5,350	29,420,127	0.27%
From 50,000 to less than 500,000	976	172,765,116	1.56%
From 500,000 to less than 5,000,000	414	649,920,112	5.88%
More than 5,000,000	117	10,195,507,333	92.29%
Total	6,857	11,047,612,688	100%

2025 financial calendar

Date	Event	
29 April 2025	Q1'25	Financial Results Announcement
23 July 2025	Q2/H1'25	Financial Results Announcement
22 October 2025	Q3/9M'25	Financial Results Announcement
28 January 2026	Q4/FY'25	Financial Results Announcement

Ownership Structure as of December-End 2025[1]

As of 31 December 2025, FAB's share capital stood at AED 11,047,612,688 divided into 11,047,612,688 shares of AED 1 each.

Major shareholders[2]

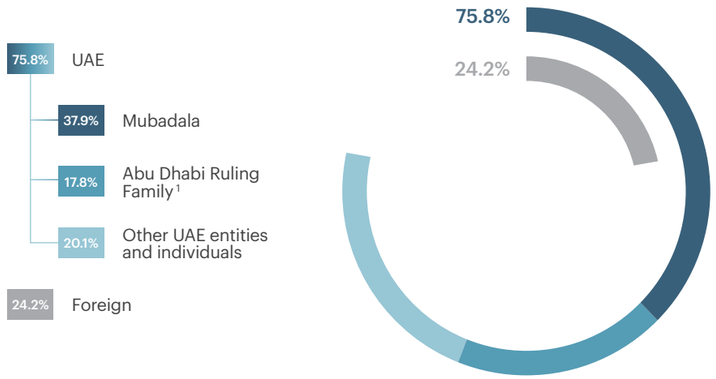
Mubadala Investment Company (MIC)[3]

Number of shares
4,182,670,935

Shares (%)
37.9%

[1] Based on total shares issued
[2] Major shareholders defined as shareholders owning 5% or more of the issued capital (as per ADX)
[3] MIC holding through its wholly owned subsidiary One Hundred and Fifteenth Investment Company - Sole Proprietorship L.L.C., effective September 2021; MIC is one of the wholly owned strategic investment companies of the Emirate of Abu Dhabi

FAB shareholders by nationality



Investor relations contacts

Name of the Investor Relations Officer

Sofia El Boury

The link to the investor relations page on the Group's website.

www.bankfab.com/en-ae/about-fab/investor-relations

How to communicate with Investor Relations

Email: ir@bankfab.com

Phone: +971-2-3054563

[1] Members of/companies owned by the Abu Dhabi Ruling Family. Each investor (natural or legal person) within this group, owns less than 5% of the Company's shares, and is free to buy or sell FAB shares

Annual General Meeting (AGM)

FAB holds an AGM each year following the end of the Bank's financial year and the publication of its full-year financial results.

In 2025, the AGM was held on 11 March and was attended by the Bank's shareholders, both in person and virtually – shareholders who were not able to attend in person voted by proxy. FAB's external auditor and a representative from the Capital Markets Authority (CMA) were also present.

The Bank's shareholders approved the following ordinary resolutions:

1. The report of the Board of Directors on the activity of the Bank and its financial statements for the financial year ending 31/12/2024.
2. The report of the external auditors for the financial year ending 31/12/2024.
3. Internal Shari'ah Supervision Committee annual report.
4. Notification on payable Zakat in relation to the Bank's Islamic activities for the financial year ending 31/12/2024.
5. The Bank's balance sheet and profit and loss statement for the financial year ending 31/12/2024.
6. The proposal of the Board of Directors regarding the provisions and reserves, and the distribution of profits for the financial year ending on 31/12/2024 of 75 fils per share, representing 75% of the Bank's paid-up capital, which is equivalent to 51% of the distributable net profit as a cash dividend, for a total amount of AED 8.3 billion.
7. The Board of Directors' remuneration.
8. Discharge of the Board members for their actions during 2024.
9. Discharge of the external auditors for their actions during 2024.
10. Appointment of auditors for the financial year 2025 and their fees.
11. Appointment of Dr Khaled AlSaiari as a member of the Internal Shari'ah Supervision Committee (ISSC).

In addition, the following special resolutions were passed:

Issuance of three classes of bonds or Islamic sukuk:

A- Issue any type of bonds or Islamic sukuk or other securities (in each case, non-convertible into shares), whether under a programme or on a stand-alone basis, whether on a public or a private placement basis, or establish any new programmes or update existing programmes, or enter into any liability management exercise, in the case of any new issuances for an amount not exceeding USD 10 billion (or its equivalent in any other currency) and whether listed and/or admitted to trading on a stock exchange or any other trading platform and/or unlisted, and authorise the Board of Directors to determine the terms of issuing such bonds, Islamic sukuk or other securities, and set their date of issue, subject to obtaining the approval of the relevant competent authorities as applicable, and in accordance with the provisions of the Bank's Articles of Association.

B- Issue additional tier 1 bonds or Islamic sukuk for regulatory capital purposes, in the case of any new issuances for an amount not exceeding USD 3 billion (or its equivalent in any other currency), whether on a public or a private placement basis, and authorise the Board of Directors to determine the terms of issuing such bonds or Islamic sukuk, subject to such bonds or Islamic sukuk containing the terms and conditions required by the Central Bank of the United Arab Emirates, including the following features: subordination, the discretion of the Bank to cancel or not make interest payments to investors as well as specific events resulting in a mandatory non-payment of interest to investors in certain circumstances, and write-down provisions that are triggered in the event of non-viability, as the same may be listed and/or admitted to trading on a stock exchange or any other trading platform and/or unlisted.

C- Issue tier 2 bonds or Islamic sukuk for regulatory capital purposes, in the case of any new issuances for an amount not exceeding USD 3 billion (or its equivalent in any other currency), whether on a public or a private placement basis, whether under a programme or on a stand-alone basis, and authorise the Board of Directors to determine the terms of issuing such bonds or Islamic sukuk, subject to such bonds or Islamic sukuk containing the terms and conditions required by the Central Bank of the United Arab Emirates, including the following features: subordination, certain events resulting in a mandatory non-payment of amounts to investors in certain circumstances, and write-down provisions that are triggered in the event of non-viability, as the same may be listed and/or admitted to trading on a stock exchange or any other trading platform and/or unlisted.

Shari’ah governance

FAB’s Islamic banking activities are supervised from a Shari’ah perspective by an Internal Shari’ah Supervision Committee (ISSC). The appointment of the ISSC members is endorsed by FAB’s Board of Directors and approved by the Higher Shari’ah Authority (HSA) of the Central Bank of the UAE (CBUAE) and shareholders at the annual general meeting of the Bank.



FAB’s ISSC consists of qualified Shari’ah scholars who are responsible for ensuring that Islamic banking products, services and operations comply with Shari’ah principles. The ISSC supervises the Islamic banking business of FAB, including its international branches and subsidiaries, such as FAB Kingdom of Saudi Arabia and FABMISR in Egypt, FAB Suisse, FAB UK and FAB Singapore.

The Bank’s Islamic banking business is governed from a Shari’ah compliance perspective in accordance with the FAB Group Shari’ah Governance Framework, which is based on CBUAE Shari’ah governance standards for Islamic financial institutions. The FAB Group Shari’ah Governance Framework defines the reporting framework, accountability and responsibilities of all relevant stakeholders involved and outlines a clear segregation between the three lines of defence of Shari’ah compliance in all activities relating to the Islamic banking business. The FAB Group Shari’ah Governance Framework also ensures that the ISSC, the internal Shari’ah control department and the internal Shari’ah audit department are independent and not subject to any influence that may affect their independence.

The CBUAE has also issued a standard regarding regulatory requirements for financial institutions housing an Islamic Window (Islamic Window Standards), and under this regulation, all Shari’ah-compliant activities and business of the Bank must be offered through the FAB Islamic Window. Pursuant to the Islamic Window Standards, the Bank has established an Islamic Window Framework for the FAB Group, setting out prudent regulatory guidelines and requirements.

The Head of Islamic Window has been appointed by the Bank to lead the Islamic banking activities of the Group in accordance with the Islamic Banking Window Standards.

The FAB general assembly appointed Dr Salim Al-Ali, Dr Mohamad Akram Laldin, Dr Ahmed Rufai and Dr Khalid Mohammed Al Saiari as the Bank’s ISSC based on the approval obtained from the HSA, CBUAE. Dr Salim Al-Ali has been appointed as Chairman and Executive Member of the ISSC, while Dr Mohamad Akram Laldin has been appointed as Deputy Chairman of the ISSC.

In 2025, the ISSC held seven (7) meetings with 100% attendance and issued Shari’ah guidelines, approvals and resolutions covering various business groups and product segments across the Bank and its subsidiaries.

Current Internal Shari’ah Supervision Committee (ISSC) members



Dr Salim Al-Ali

Chairman and Executive Member
Elected at the AGM on 24 February 2020
Re-elected on 28 February 2021 and on 5 March 2024

Career and education

Dr Salim Al-Ali is currently an assistant professor in Shari’ah and Islamic studies at the UAE University. He is a specialist in Islamic financial law, as well as legal and regulatory aspects of Islamic financial markets. Dr Al-Ali has participated in various national and international conferences to discuss Shari’ah, legal and regulatory issues related to Islamic banks, Islamic capital markets and Takaful. He has extensive experience in Islamic finance consulting, teaching and academic research across various jurisdictions, including Malaysia, the UAE and the UK. Dr Salim Al-Ali has a doctorate in financial law from the University of London and a master’s degree in Islamic banking and finance from the International Islamic University of Malaysia.

External appointments:

- Member of Internal Shari’ah Supervision Committee at Abu Dhabi Commercial Bank
- Member of Internal Shari’ah Supervision Committee at Al Hilal Bank
- Member of Internal Shari’ah Supervision Committee at Emirates NBD
- Member of Internal Shari’ah Supervision Committee at Emirates Islamic Bank
- Member of Internal Shari’ah Supervision Committee at HSBC
- Member of Internal Shari’ah Supervision Committee at Banque Saudi Fransi
- Chairman of Internal Shari’ah Supervision Committee of Ruya Community Islamic Bank



Dr Mohamad Akram Laldin

Deputy Chairman
Elected at the AGM on 28 February 2021
Re-elected on 5 March 2024

Career and education

Dr Mohamad Akram Laldin previously served as executive director of the International Shari’ah Research Academy for Islamic Finance (ISRA). Prior to that, he was an assistant professor at the International Islamic University (IIUM) Malaysia, and a visiting assistant professor at the University of Sharjah, UAE. He is experienced in Islamic finance consulting, teaching and academic research in Kyrgyzstan, Malaysia, Nigeria, Oman, the UAE and the UK. Dr Mohamad Akram Laldin holds a bachelor’s degree with honours in Islamic jurisprudence and legislation from the University of Jordan, and a doctorate in principles of Islamic jurisprudence (Usul al-Fiqh) from the University of Edinburgh, UK.

External appointments:

- Chairman of Shari’ah Supervisory Council of Labuan Financial Services Authority
- Member of Shari’ah Advisory of Employees Provident Fund (EPF)
- Member of Shari’ah Advisory Council of the International Islamic Financial Market (IIFM), Bahrain
- Member of AAOIFI Public Interest Monitoring Consultative Committee
- Member of Internal Shari’ah Supervision Committee of Dubai Islamic Bank
- Member of Internal Shari’ah Supervision Committee of RAK Bank
- Member of Shari’ah Supervisory Board of Meethaq, Bank Muscat



Dr Khalid Mohammed AlSaiari

Member

Appointed by the Board Remuneration and Nomination Committee, effective 15 December 2024, following approval by the HSA

Career and education

Dr Khalid bin Mohammed AlSaiari is a distinguished academic and professional with a strong background in Shari'ah law and legal consultation. He is an active member of various advisory and Shari'ah committees and has a diverse range of research interests, covering topics such as Islamic finance, risk management in murabaha and sukuk, and the development of financing sukuk markets. Dr AlSaiari has authored numerous research papers on these subjects, contributing to the academic and practical understanding of Shari'ah-compliant financial practices.

In his academic career, Dr AlSaiari has been an associate professor at the Saudi Electronic University since 2016, contributing significantly to the College of Science and Theoretical Studies. He has also held adjunct professor positions at the Imam Muhammad bin Saud Islamic University and the Saudi Ministry of Justice's Judicial Training Centre, where he taught courses in financial transactions and employment contract law.

Dr AlSaiari holds a doctorate and master's degree from the Imam Mohammad Ibn Saud Islamic University's Higher Institute of Judiciary, Saudi Arabia, and a bachelor's degree from the College of Shari'ah.

External appointments:

- Member of Shari'ah Supervisory Board of Saudi National Bank
- Member of Shari'ah Supervisory Board of SAB Invest
- Member of Shari'ah Supervisory Board of Saudi Digital Vision Bank
- Member of Shari'ah Supervisory Board of D360 Digital Bank
- Member of Shari'ah Supervisory Board of Matajer Finance Company
- Member of Shari'ah Supervisory Board of Jabal Omar Development Company
- Member of Shari'ah Supervisory Board of Industrial Development Fund
- Member of Internal Shari'ah Supervision Committee of Ruya Community Islamic Bank



Dr Ahmed Rufai

Member

Elected at the AGM on 28 February 2021
Re-elected on 5 March 2024

Career and education

Dr Ahmed Rufai is currently the Head of Shari'ah Compliance at the International Islamic Financial Market (IIFM), Bahrain. IIFM is a global standard-setting body for the Islamic financial services industry, focusing on the standardisation of Shari'ah-compliant financial contracts and product templates. He has contributed significantly to the development and publication of 13 comprehensive documents and product confirmation standards, as well as related guidance notes across liquidity management, hedging, sukuk and trade finance. He also contributes to preparing discussion papers for IIFM consultative meetings, as well as IIFM annual sukuk reports, and plays an active role in seminars, workshops and consultative meetings organised by IIFM across many jurisdictions worldwide. Dr Ahmed Rufai has a doctorate in Islamic law of transaction from the University of Malaya, Malaysia, and a bachelor's degree in Shari'ah from the Islamic University of Madinah, Saudi Arabia.

External appointments:

- Member of Shari'ah Supervisory Board of Meethaq, Bank Muscat.



Mr. Tariq Saeed Bujasaim

Trainee member

Appointed by the Board Management Committee, effective 1 July 2023, following approval by the HSA

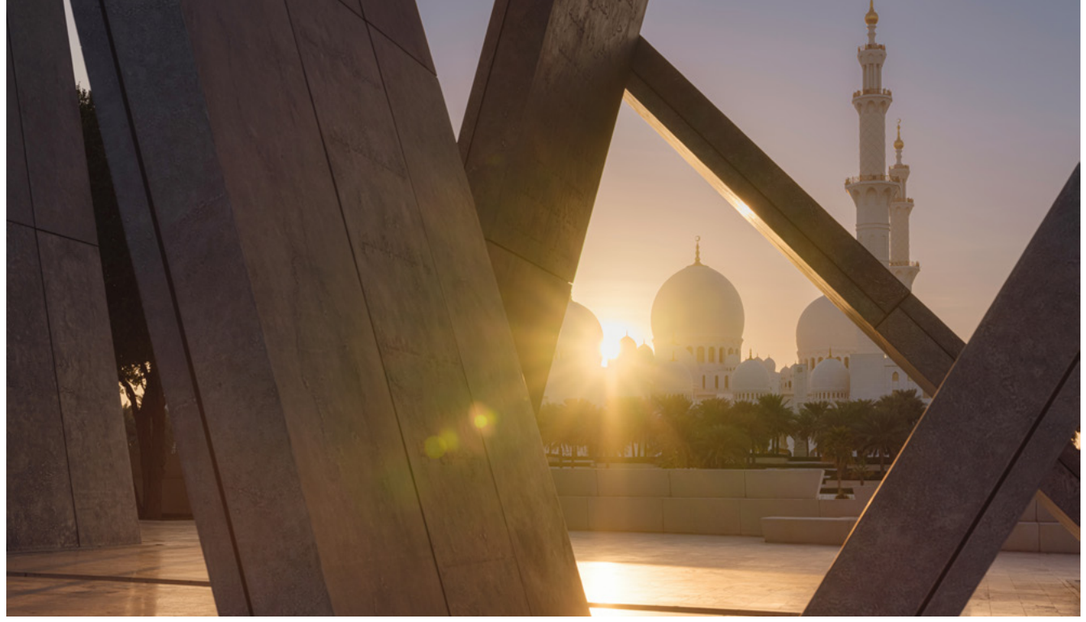
Career and education

Mr. Tariq Saeed Bujasaim is a UAE national Islamic scholar who works in the Department of Islamic Affairs and Charitable Activities, where he is responsible for issuing general fatwas to the public regarding Islamic affairs. He is a Certified Shari'ah advisor and auditor by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI). Prior to his current role, Mr. Bujasaim worked as an assistant director in the IT Department of Dubai Islamic Bank.

Mr. Bujasaim holds a bachelor's degree in Islamic studies from the College of Islamic and Arabic Studies, UAE, and a bachelor's degree in computer science from Stanford University, USA.

Annual Report of the Internal Shari'ah Supervision Committee of First Abu Dhabi Bank PJSC

Pursuant to requirements stipulated in the relevant laws, regulations and standards ("the Regulatory Requirements"), the Internal Shari'ah Supervision Committee of the Institution ("ISSC") presents to you the ISSC's Annual Report regarding Shari'ah compliant businesses and operations of the Institution - locally and internationally - 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:

a. Undertake Shari'ah supervision of all businesses, activities, products, services, contracts, documents and business charters 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'ah resolutions in this regard, and

b. Determine Shari'ah parameters necessary for the Institution's activities, and the Institution's compliance with Islamic Shari'ah within the framework of the rules, principles, and standards set by the Higher Shari'ah Authority ("HSA") to ascertain compliance of the Institution with Islamic Shari'ah.

The senior management is responsible for compliance of the Institution with Islamic Shari'ah 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'ah") in all Institution's activities, and the Board bears the ultimate responsibility in this regard.

2. Shari'ah standards

In accordance with the HSA's resolution (No. 18/3/2018), and with effect from 01/09/2018, the ISSC has abided by the Shari'ah standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as minimum Shari'ah requirements, in all fatwas, approvals, endorsements and recommendations, relating to the Institution's activities without exception.

3. Duties fulfilled by the ISSC during the financial year

The ISSC conducted Shari'ah supervision of the Institution's Activities by reviewing those activities and monitoring them through the internal Shari'ah control and the internal Shari'ah audit, in accordance with the ISSC's authorities and responsibilities, and pursuant to the Regulatory Requirements in this regard. The ISSC's activities included the following:

a. Convening seven meetings during the year.

b. Issuing fatwas, resolutions and opinions on matters presented to the ISSC in relation to the Institution's activities.

c. Monitoring compliance of policies, procedures, accounting standards, product structures, contracts, documentation, business charters, and other documentation submitted by the Institution to the ISSC for approval.

d. Ascertaining the level of compliance of allocation of expenditures and costs, and distribution of profits between investment account holders and shareholders, with parameters set by the ISSC.

e. Supervision through the internal Shari'ah control and the internal Shari'ah audit of the Institution's activities, including supervision of executed transactions and adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard.

f. Providing guidance to relevant parties in the Institution – to rectify (where possible) incidents cited in the reports prepared by internal Shari'ah control and the internal Shari'ah audit – and issuing of resolutions to set aside revenue derived from transactions in which non-compliances were identified for such revenue to be disposed towards charitable purposes.

g. Approving corrective and preventive measures related to identified incidents to preclude their reoccurrence in the future.

h. Specifying the amount of Zakat due on each share of the Institution.

i. Communicating with the Board and its subcommittees, and the senior management of the Institution (as needed) concerning the Institution's compliance with Islamic Shari'ah.

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'ah.

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. The ISSC received the required assistance to access all documents and data, and to discuss all amendments and Shari'ah requirements.

5. The ISSC's opinion on the Shari'ah compliance status of the institution

Premised on information and explanations that were provided to us with the aim of ascertaining compliance with Islamic Shari'ah, the ISSC has concluded with a reasonable level of confidence that the Institution's Activities are in compliance with Islamic Shari'ah, except for the incidents of non-compliance observed, as highlighted in the relevant reports. The ISSC also provided directions 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.

The ISSC's Annual Report has been approved by the ISSC and submitted to the Higher Shari'ah Authority.

Financial Statements

Independent auditor's report
To the Shareholders of First Abu Dhabi Bank P.J.S.C.

Report on the audit of the consolidated financial statements

Our opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of First Abu Dhabi Bank P.J.S.C. (the "Bank") and its subsidiaries (together 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.

What we have audited
The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Accountability Authority ("ADAA") Chairman's Resolution No. (88) of 2021 Regarding Financial Statements Audit Standards for the Subject Entities. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report
To the Shareholders of First Abu Dhabi Bank P.J.S.C. (continued)

Basis for opinion (continued)

Independence
We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities together with applicable ethical and independence requirements of United Arab Emirates that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

Key Audit Matter	Measurement of Expected Credit Losses on Loans, advances and Islamic financing

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Independent auditor's report

To the Shareholders of First Abu Dhabi Bank P.J.S.C. (continued)

Our audit approach (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

Key Audit Matter	How our audit addressed the key audit matter
Measurement of Expected Credit Losses ("ECL") on Loans, advances and Islamic financing	
The Directors recognise a provision for ECL in the consolidated financial statements in relation to loans, advances and Islamic financing (collectively, "facilities"). The estimation of ECL on these facilities involves significant judgements and estimates (Note 7). The ECL charge for the year ended 31 December 2025 on the facilities amounted to AED 3,138 million (net of recoveries and write-offs) (Note 36) and the allowance for ECL as at that date amounted to AED 9,356 million (Note 12). The Directors set policies and procedures and implement controls over the credit facilities approval process, including setting of risk appetite thresholds and credit limits, which provide a framework for the identification, monitoring and mitigation of credit risk, and thereby impacts the measurement of ECL. Policies and procedures include setting the definition of default, Significant Increase in Credit Risk (SICR) criteria, such as the number of days a facility has been in default, that are used to identify credit impaired facilities; as well as criteria that determine when a facility moves between stages, reflecting an increase or decrease in SICR.	We performed the following audit procedures on the computation and the reasonableness of the ECL on the facilities included in the Group's consolidated financial statements for the year ended 31 December 2025: • We obtained an understanding of the design and tested the operating effectiveness of the relevant controls established by the Group, including IT general controls and application controls, for the estimation of ECL, calculation of days past due, application of the staging criteria and the process of overriding ECL modelled output. • For a sample of exposures of loans, we checked the appropriateness of the Group's application of the staging criteria, including the basis for movement between stages. • We evaluated the appropriateness of the accounting policies adopted by the Group based on the requirements of IFRS 9.

Independent auditor's report

To the Shareholders of First Abu Dhabi Bank P.J.S.C. (continued)

Our audit approach (continued)

Key audit matters (continued)

Key Audit Matter	How our audit addressed the key audit matter

In computing ECL, the Directors exercise significant judgments and make a number of assumptions in developing the Bank's ECL models, including assumptions on the calculation of days past due, application of the staging criteria, use of probability weighted scenarios and the process of overriding ECL modelled output. ECL is determined as a function of the assessment of the Probability of Default ("PD") for retail and non-retail portfolios, determination of Loss Given Default ("LGD"), adjusted for the forward-looking information and Exposure At Default ("EAD") associated with the underlying funded exposures subject to ECL.
 	
In the case of defaulted exposures, the Directors exercise judgment to evaluate and estimate the expected future cash flows for each exposure. This evaluation also takes into consideration the value of collateral securing these exposures and the timing of the realisation of such collateral.
 	
ECL overrides including staging overrides and overlays / underlays may also be recorded by the Directors using credit risk judgments where the assumptions and modelling assumptions do not capture all the relevant risk factors.
	• We involved our internal experts to assess the following areas:
	
	  • Reasonableness and appropriateness of the methodology and assumptions used in calculation of various components of ECL modelling including the computation of PD, LGD and EAD for the models selected for testing.
	  • Reasonableness of the key assumptions and judgements made by the Directors in assessing the definition of default, the application of Significant Increase in Credit Risk (SICR) and staging criteria, determining the historic and forward-looking information of macroeconomic data in estimating the ECL components and use of probability weighted scenarios.
	• For a sample of customers, testing the mathematical accuracy and appropriateness of discounting used in the ECL calculation.

Independent auditor's report
To the Shareholders of First Abu Dhabi Bank P.J.S.C. (continued)

Our audit approach (continued)

Key audit matters (continued)

Key Audit Matter	How our audit addressed the key audit matter

We considered this as a key audit matter as the Directors use complex models to calculate ECL that require the exercise of significant judgement; and the use of estimates - including the use of forward-looking macroeconomic data - the outcome of which has a material impact on the consolidated financial statements of the Group.
 	
The Group's impairment policy under IFRS 9 is presented in Note 6a (vii) to the consolidated financial statements. For disclosures in relation to ECL and credit quality, refer to Note 47(a) to consolidated financial statements.
	• We tested the completeness and the accuracy of the data used in the calculation of ECL for loans.
	• We assessed, on a sample basis, that reported exceptions to policies and procedures, if any, as outlined in the Board risk appetite statement were approved by the Board Risk and ESG Committee (BRESGC) and the approval process was formally documented.
	• For a sample of new / renewed corporate credit facilities, we checked that reported exceptions to limits, if any, as set out in the Board approved delegation of authority matrix, were approved by the Board / Board Management Committee (BMC) or its approved delegate and the approval process was formally documented.
	• For a sample of Stage 3 corporate customers, we assessed:
	  • The appropriateness of discounted cash flows, including the discount rates used and the probable scenario analysis; and
	  • the robustness of the Group's processes / controls with respect to the valuation and enforceability of collateral, including the underlying assumptions.
	• We assessed the modification of loans accounting treatment for a sample of parties that have undergone rescheduling or restructuring.
	• We performed an independent credit assessment for a sample of non-retail customers, by assessing the quantitative and qualitative factors including assessments of the financial performance of the customers, the source of repayments and its history, and other relevant risk factors.
	• We assessed the reasonableness of assumptions underlying the ECL provision for major product categories in the retail portfolio.
	• For a sample of exposures, we evaluated the reasonableness of the Directors' overrides including ECL overlays / underlays and staging overrides during the process of ECL computation.
	• We assessed the adequacy of the disclosures made in the Group's consolidated financial statements around ECL as required by IFRS Accounting Standards.

Independent auditor's report
To the Shareholders of First Abu Dhabi Bank P.J.S.C. (continued)

Other information
The Directors are responsible for the other information. The other information comprises the Management Discussion and Analysis Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the 2025 Integrated report, which is expected to be made available to us 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 obtained prior to the date of this auditor's 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.

When we read the 2025 Integrated report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors and those charged with governance for the consolidated financial statements
The Directors are 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 UAE Federal Decree-Law No. (6) of 2025 and for such internal control as the Directors determine 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, the Directors are 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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's 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 auditor's 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 and the applicable requirements of ADAA Chairman's Resolution No. (88) of 2021 Regarding Financial Statements Audit Standards for the Subject Entities 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.

Independent auditor's report
To the Shareholders of First Abu Dhabi Bank P.J.S.C. (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. (88) of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we exercise professional judgement and maintain professional scepticism 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.
- 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 the Directors.
- Conclude on the appropriateness of the Directors' 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 auditor's 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 auditor's 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 consolidated 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 to 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 auditor's 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.

Independent auditor's report
To the Shareholders of First Abu Dhabi Bank P.J.S.C. (continued)

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:

(i) we have obtained all the information 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 Management Discussion and Analysis Report is consistent with the books of account of the Group;
(v) the Group has purchased or invested in shares during the year and the investments as at 31 December 2025 are disclosed in note 9 and note 13 to the consolidated financial statements;
(vi) note 43 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;
(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 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 financial position as at 31 December 2025; and
(viii) note 35 to the consolidated financial statements discloses the social contributions during the year ended 31 December 2025.

Further, as required by 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.

Further, as required by the ADAA Chairman's Resolution No. (88) of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we report, in connection with our audit of the consolidated financial statements for the year ended 31 December 2025, that nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the consolidated financial statements as at 31 December 2025:

(i) the Articles of Association which would materially affect its activities or its financial position as at 31 December 2025; and
(ii) applicable provisions of the relevant laws, resolutions and circulars that have an impact on the Subject Entity's consolidated financial statements.

PricewaterhouseCoopers Limited Partnership - Abu Dhabi
27 January 2026

Registered Auditor Number 5563
Abu Dhabi, United Arab Emirates

Consolidated statement of financial position

As at 31 December 2025

	Note	31 Dec 2025 AED million	31 Dec 2024 AED million
Assets			
Cash and balances with central banks	8	268,497	214,404
Investments at fair value through profit or loss	9	74,107	56,028
Due from banks and financial institutions	10	25,613	23,724
Reverse repurchase agreements	11	93,987	69,661
Derivative financial instruments	40	40,702	45,893
Loans, advances and Islamic financing	12	616,325	528,897
Non-trading investment securities	13	189,712	187,446
Other assets	14	56,562	49,440
Investment in associates	15	5,297	4,963
Investment properties	16	7,934	8,169
Property and equipment		5,386	4,683
Intangibles	17	19,742	19,939
Total assets		**1,403,864**	**1,213,247**
Liabilities			
Due to banks and financial institutions	18	137,801	71,896
Repurchase agreements	19	52,190	32,329
Commercial paper	20	29,939	17,888
Derivative financial instruments	40	48,548	53,758
Customer accounts and other deposits	21	840,773	782,379
Other liabilities	22	65,403	52,473
Term borrowings	23	75,308	64,788
Subordinated notes	24	7,017	6,861
Total liabilities		**1,256,979**	**1,082,372**
Equity			
Share capital	25	11,048	11,048
Share premium		53,583	53,583
Statutory and special reserves		13,084	13,084
Other reserves	25	164	(3,997)
Tier 1 capital notes	26	14,428	10,755
Share based payment		250	250
Retained earnings		54,141	46,029
Equity attributable to shareholders of the Bank		**146,698**	**130,752**
Non-controlling interest		187	123
Total equity		**146,885**	**130,875**
Total liabilities and equity		**1,403,864**	**1,213,247**

To the best of our knowledge, the consolidated financial statements present fairly in all material respects the financial condition, financial performance and cash flows of the Group as of, and for, the years presented therein.

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 27 January 2026 and signed on its behalf:

Chairman **Group Chief Executive Officer** **Group Chief Financial Officer**

The accompanying notes forms an integral part of these consolidated financial statements.

The independent auditor's report on audit of the consolidated financial statements is set out on page 3 to 16.

Consolidated statement of profit or loss

For the year ended 31 December 2025

	Note	31 Dec 2025 AED million	31 Dec 2024 AED million
Interest income	27	56,638	59,574
Interest expense	28	(38,779)	(42,100)
Net interest income		**17,859**	**17,474**
Income from Islamic financing and investing products	29	3,943	3,474
Distribution on Islamic deposits	30	(1,480)	(1,336)
Net income from Islamic financing and investing products		**2,463**	**2,138**
Total net interest income and income from Islamic financing and investing products		**20,322**	**19,612**
Fee and commission income	31	7,057	5,520
Fee and commission expense	31	(2,240)	(1,762)
Net fee and commission income		**4,817**	**3,758**
Net foreign exchange (loss)/gain	32	(1,453)	1,832
Net gain on investments and derivatives	33	11,553	5,399
Other operating income	**34**	**1,436**	**1,024**
Operating income		36,675	31,625
General, administration and other operating expenses	35	(8,200)	(7,787)
Profit before net impairment charge and taxation		**28,475**	**23,838**
Net impairment charge	36	(3,275)	(3,924)
Profit before taxation		25,200	19,914
Income tax expense	**37**	**(4,011)**	**(2,818)**
Net profit for the year		**21,189**	**17,096**
Net profit attributable to:			
Shareholders of the Bank		21,110	17,055
Non-controlling interest		79	41
Basic and diluted earnings per share (AED)	**42**	**1.85**	**1.48**

The accompanying notes forms an integral part of these consolidated financial statements.

The independent auditor's report on audit of the consolidated financial statements is set out on page 3 to 16.

Consolidated statement of other comprehensive income

For the year ended 31 December 2025

	31 Dec 2025	31 Dec 2024
	AED million	AED million
Net profit for the year	**21,189**	**17,096**
Other comprehensive Income/(loss)		
Items that will be reclassified subsequently to profit or loss		
Exchange difference on translation of foreign operations	294	(1,929)
Net change in fair value reserve during the year (including ECL)	1,256	324
Income tax	(105)	63
Items that will not be reclassified to profit or loss		
Equity investments at fair value through other comprehensive income - net change in fair value	(1,193)	(1,702)
Remeasurement of defined benefit obligations	(5)	(13)
Proposed Board of Directors' remuneration	(70)	(45)
Income tax	(26)	176
Other comprehensive income/(loss) for the year	**151**	**(3,126)**
Total comprehensive income for the year	**21,340**	**13,970**
Comprehensive income attributable to:		
Shareholders of the Bank	21,248	13,939
Non-controlling interest	92	31
Total comprehensive income for the year	**21,340**	**13,970**

The accompanying notes forms an integral part of these consolidated financial statements.

The independent auditor's report on audit of the consolidated financial statements is set out on page 3 to 16.

Consolidated statement of changes in equity

For the year ended 31 December 2025

	Share capital	Share premium	Treasury shares	Statutory and special reserves	Other reserves	Tier 1 capital notes	Share based payment	Retained earnings	Equity attributable to shareholders of the Bank	Non-controlling interest	Total equity
	AED million	AED million	AED million	AED million	AED million	AED million	AED million	AED million	AED million	AED million	AED million
Balance at 1 January 2025	**11,048**	**53,583**	**-**	**13,084**	**(3,997)**	**10,755**	**250**	**46,029**	**130,752**	**123**	**130,875**
Net profit for the year	-	-	-	-	-	-	-	21,110	21,110	79	21,189
Other comprehensive income / (loss) for the year	-	-	-	-	213	-	-	(75)	138	13	151
Treasury shares movements during the year	-	-	-	-	-	-	-	-	-	-	-
Interest on Tier 1 capital notes (note 26)	-	-	-	-	-	-	-	(679)	(679)	-	(679)
Impairment reserve movement (note 25)	-	-	-	-	1,427	-	-	(1,427)	-	-	-
Realised loss on sale of FVOCI Investment	-	-	-	-	2,521	-	-	(2,521)	-	-	-
New issuances (note 26)	-	-	-	-	-	3,673	-	(10)	3,663	-	3,663
Transactions with owners of the Bank											
Dividend for the year (net of treasury shares)	-	-	-	-	-	-	-	(8,286)	(8,286)	(28)	(8,314)
Balance at 31 December 2025	**11,048**	**53,583**	**-**	**13,084**	**164**	**14,428**	**250**	**54,141**	**146,698**	**187**	**146,885**
Balance at 1 January 2024	11,048	53,558	(7)	13,084	208	10,755	250	36,417	125,313	110	125,423
Net profit for the year	-	-	-	-	-	-	-	17,055	17,055	41	17,096
Other comprehensive loss for the year	-	-	-	-	(3,058)	-	-	(58)	(3,116)	(10)	(3,126)
Treasury shares movements during the year (note 25)	-	25	7	-	50	-	-	-	82	-	82
Interest on Tier 1 capital notes (note 26)	-	-	-	-	-	-	-	(743)	(743)	-	(743)
Impairment reserve movement (note 25)	-	-	-	-	(1,222)	-	-	1,222	-	-	-
Realised loss on sale of FVOCI Investment	-	-	-	-	25	-	-	(25)	-	-	-
Transactions with owners of the Bank											
Dividend for the year (net of treasury shares)	-	-	-	-	-	-	-	(7,839)	(7,839)	(18)	(7,857)
Balance at 31 December 2024	**11,048**	**53,583**	**-**	**13,084**	**(3,997)**	**10,755**	**250**	**46,029**	**130,752**	**123**	**130,875**

The accompanying notes forms an integral part of these consolidated financial statements.

The independent auditor's report on audit of the consolidated financial statements is set out on page 3 to 16.

Consolidated statement of cash flows

For the year ended 31 December 2025

	Note	31 Dec 2025 AED million	31 Dec 2024 AED million
Cash flows from operating activities			
Profit before taxation		25,200	19,914
Adjustments for:			
Depreciation and amortisation of intangibles	35	959	1,087
Gain on sale of property and equipment		(1)	(22)
Gain on sale of investment properties		(292)	-
Fair value gain on investment property		(153)	-
Net impairment charge	36	3,666	4,650
Net other operating income		-	303
Accreted interest		558	452
		29,937	**26,384**
Changes in:			
Investments at fair value through profit or loss		(18,138)	(10,758)
Due from central banks, banks and financial institutions		(476)	(814)
Reverse repurchase agreements		(24,308)	8,835
Loans, advances and Islamic financing		(91,256)	(49,976)
Other assets		(6,976)	(8,076)
Due to banks and financial institutions		65,905	368
Repurchase agreements		19,861	6,233
Customer accounts and other deposits		58,203	22,516
Derivative financial instruments		1,275	1,800
Other liabilities		11,710	3,958
		45,737	**470**
Income tax paid, net of recoveries	22	(2,966)	(1,446)
Board of Directors' remuneration paid		(45)	(45)
Net cash from / (used in) operating activities		**42,726**	**(1,021)**
Cash flows from investing activities			
Net movement in non-trading investment securities and investment in associates		(3,375)	(12,060)
Purchase of investment properties		(593)	(9)
Sale of investment properties		1,068	2
Purchase of property and equipment, net of disposal		(888)	97
Net cash used in investing activities		**(3,788)**	**(11,970)**
Cash flows from financing activities			
Net movement of commercial paper		12,051	(1,771)
Dividend paid		(8,343)	(7,840)
Issue of term borrowings	23	19,053	14,648
Repayment of term borrowings	23	(10,815)	(12,461)
Issuance of subordinated note		-	2,755
Issuance of Tier 1 capital notes	26	3,673	-
Interest on Tier 1 capital notes	26	(679)	(743)
Net cash from / (used in) financing activities		**14,940**	**(5,412)**
Net increase / (decrease) in cash and cash equivalents		53,878	(18,403)
Foreign currency translation adjustment		1,618	(2,967)
Cash and cash equivalents at 1 January		**235,828**	**257,198**
Cash and cash equivalents	38	**291,324**	**235,828**

The accompanying notes forms an integral part of these consolidated financial statements.

The independent auditor's report on audit of the consolidated financial statements is set out on page 3 to 16.

Notes to the consolidated financial statements

For the year ended 31 December 2025

1. Legal status and principal activities

First Abu Dhabi Bank PJSC (the "Bank") is a public joint stock company with a limited liability incorporated in the emirate of Abu Dhabi, United Arab Emirates (UAE) under the Commercial Companies Law (Federal Law Number 8 of 1984 as amended). The registered address of the Bank is P. O. Box 6316, FAB Building, Khalifa Business Park, Al Qurum, Abu Dhabi, United Arab Emirates.

These consolidated financial statements as at and for the year ended 31 December 2025, comprise the Bank and its subsidiaries (together referred to as the "Group"). The Group is primarily engaged in corporate, consumer, private and investment banking activities, payment services, management services, Islamic banking activities, and real estate activities; and carries out its operations through its local and overseas branches, subsidiaries and representative offices located in the United Arab Emirates, Bahrain, Brazil, Cayman Islands, China, Egypt, France, Hong Kong, India, Indonesia, Iraq, Jordan[1], Kingdom of Saudi Arabia, Kuwait, Lebanon1, Libya, Malaysia, Oman, Qatar[2], Singapore, South Korea, Switzerland, the United Kingdom and the United States of America.

The Group's Islamic banking activities are conducted in accordance with Islamic Shari'ah rules and principles as interpreted by the Internal Shariah Supervision Committee ("ISSC") in accordance with the resolutions issued by the Higher Shariah Authority ("HSA").

The Bank is listed on the Abu Dhabi Securities Exchange (Ticker: FAB). The consolidated financial statements of the Group as at and for the year ended 31 December 2025 are available upon request from the Group's registered office or at website (http://www.bankfab.com).

[1]Under closure.

[2]The Bank has notified the Qatar Financial Centre Regulatory Authority ("QFCRA") that it will relinquish its Qatar Financial Centre ("QFC") branch license and permanently close its QFC branch.

2. Statement of compliance

These consolidated financial statements have been prepared on a going concern basis as management is satisfied that the Group has adequate resources to continue as a going concern for the foreseeable future, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and the requirements of applicable laws in the UAE. IFRS Accounting Standards comprise accounting standards issued by the IASB as well as Interpretations issued by the International Financial Reporting Standard Interpretations Committee ("IFRS IC").

The Bank is in compliance with applicable provisions of the UAE Companies Law No. 32 of 2021, as amended and the UAE Federal Decree- Law No. 6 of 2025 as at the date of these consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 27 January 2026.

3. Basis of preparation

(a) Basis of measurement

These consolidated financial statements are prepared under the historical cost basis except for the following items, which are measured on the following basis:

Items	Measurement basis
Investments at fair value through profit or loss ("FVTPL")	Fair value
Derivative financial instruments	Fair value
Debt and equity instruments designated at fair value through other comprehensive income ("FVOCI")	Fair value
Investment properties	Fair value
Recognised assets and liabilities designated as hedged items in qualifying hedge relationships	Adjusted for changes in fair value attributable to the risk being hedged
Non-financial assets acquired in settlement of loans, advances and Islamic financing	Lower of fair value less costs to sell and the carrying amount of the loans, advances and Islamic financing

(b) Functional and presentation currency

These consolidated financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Group's presentation currency. The presentation of the consolidated financial statements has been rounded to the nearest millions, unless otherwise indicated. Items included in the financial statements of each of the Group's overseas subsidiaries and branches are measured using the currency of the primary economic environment in which they operate.

4. Changes in accounting policies and disclosures

New and amended standards and interpretations adopted

The following amendments to existing standards and framework have been applied by the Group in preparation of these consolidated financial statements. The adoption of the amended standards below did not result in changes to previously reported net profit or equity of the Group.

Description	Effective from
Amendments to IAS 21 – Lack of Exchangeability	1 January 2025

Notes to the consolidated financial statements
For the year ended 31 December 2025

4. Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective

The following new standards and amendments to the existing standards are applicable to annual reporting periods beginning on or after 1 January 2026 and early application is permitted. The Group is currently evaluating the impact of the new standards and amendments to the existing standards and expects to adopt them on the effective date.

Description	Effective from
IFRS 18 Presentation and disclosure in financial statements - This new standard contains requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements.	1 January 2027
Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	1 January 2026
Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures – This new standard permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures.	1 January 2027
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026

5. Basis of consolidation

(i) Business combinations

The Group accounts for business combinations under the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group.

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The consideration transferred does not include amounts related to the settlement of preexisting relationships. Such amounts are generally recognised in profit or loss. Acquisition related costs are expensed as incurred and included in general, administration and other operating expenses, except if related to the issue of debt or equity securities.

5. Basis of consolidation (continued)

(i). Business combinations (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value, and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent considerations are measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, then the excess consideration is recognised immediately in consolidated statement of profit or loss as a gain from bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units ("CGUs") that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. 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. An impairment loss is recognised if the carrying amount of the CGU exceeds its recoverable amount. Where goodwill has been allocated to a CGUs and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

(ii). Subsidiaries

IFRS 10 – "Consolidated financial statements" governs the basis for consolidation where it establishes a single control model that applies to all entities including special purpose entities or structured entities. The definition of control is such that an investor controls an investee when it is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including:

(a) the investor has power over an investee;
(b) the investor has exposure to, or rights, to variable returns from its involvement with the investee; and
(c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

Notes to the consolidated financial statements
For the year ended 31 December 2025

5. Basis of consolidation (continued)

(ii). Subsidiaries (continued)

Generally, it is presumed that a majority of voting rights results in control. However, in individual circumstances, the Group may still exercise control with a less than 50% shareholding or may not be able to exercise control even with ownership over 50% of an entity's shares. When assessing whether Group has power over an investee and therefore controls the variability of its returns, the Group considers all relevant facts and circumstances, including:

(a) The purpose and design of the investee.
(b) The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.
(c) Potential voting rights held by the Group.
(d) The relevant facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time the decision needs to be made (including voting patterns at previous shareholders' meetings) and whether the Group can direct those activities.
(e) Contractual arrangements such as call rights, put rights and liquidation rights.
(f) Whether the Group is exposed, or has rights, to variable returns from its involvement with the investee, and has the power to affect the variability of such returns.

Subsidiaries (including special purpose entities) are entities that are controlled by the Group. The Group controls the investee if it meets the control criteria. The Group reassesses whether it has control if there are changes to one or more of the elements of control. This includes circumstances in which protective rights held become substantive and lead to the Group having power over an investee.

The financial statements of subsidiaries (including special purpose entities) are included in these consolidated financial statements from the date that control commences until the date that control ceases. Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Bank and to the non-controlling interests ("NCI"), even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Bank's accounting policies.

The carrying amount of the Group's investment in each subsidiary and the equity of each subsidiary are eliminated on consolidation. All significant intra group balances, transactions and unrealised income and expenses arising from intra group transactions are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Bank loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, NCI and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value at the date of loss of control.

5. Basis of consolidation (continued)

(ii). Subsidiaries (continued)

The consolidated financial statements comprises the financial statements of the Bank and those of its following subsidiaries (including special purpose entities):

Legal Name	Country of Incorporation	Principal activities	As at 31 Dec 2025	As at 31 Dec 2024
First Abu Dhabi Bank USA N.V.	Curacao	Banking	100%	100%
First Abu Dhabi Bank Securities - Sole Proprietorship LLC	United Arab Emirates	Brokerage	100%	100%
Abu Dhabi National Leasing LLC	United Arab Emirates	Leasing	100%	100%
Abu Dhabi National Properties PJSC	United Arab Emirates	Property Management	100%	100%
FAB Private Bank (Suisse) SA	Switzerland	Banking	100%	100%
First Abu Dhabi Islamic Finance PJSC	United Arab Emirates	Islamic Finance	100%	100%
Abu Dhabi Securities Brokerage Egypt1	Egypt	Brokerage	96%	96%
NBAD Employee Share Options Limited4	United Arab Emirates	Shares and Securities	-	100%
National Bank of Abu Dhabi Representações Ltda	Brazil	Representative office	100%	100%
FAB Global Markets (Cayman) Limited	Cayman Islands	Financial Institution	100%	100%
Nawat Management Services - Sole Proprietorship LLC	United Arab Emirates	Services	100%	100%
Mismak Properties - Sole Proprietorship LLC ("Mismak")	United Arab Emirates	Real estate investments	100%	100%
Shangri La Dubai Hotel LLC	United Arab Emirates	Real estate investments	100%	100%
First Merchant International LLC ("FMI")	United Arab Emirates	Real estate investments	100%	100%
FAB Employment Services LLC	United Arab Emirates	Resourcing services	100%	100%
FAB Resourcing Services LLC	United Arab Emirates	Resourcing services	100%	100%
Horizon Gulf Electromechanical Services LLC ("Horizon")	United Arab Emirates	Real estate related services	100%	100%
Horizon Gulf General Contracting LLC	United Arab Emirates	Real estate related services	100%	100%
PDCS Engineering LLC	United Arab Emirates	Real estate related services	100%	100%
Horizon Gulf Oil and Gas Services LLC	United Arab Emirates	Real estate related services	100%	100%
FAB Sukuk Company Limited3	Cayman Islands	Special purpose entity	-	-
First Gulf Libyan Bank2	Libya	Banking services	50%	50%
First Gulf Information Technology LLC ("FGIT")	United Arab Emirates	IT Services	100%	100%
FAB Global Business Services Limited	India	IT Services	100%	100%
FAB Capital Financial Company (A Saudi Closed Joint Stock Company)	Kingdom of Saudi Arabia	Financial Institution	100%	100%
First Abu Dhabi Bank Misr S.A.E ("FAB Misr")	Egypt	Banking	100%	100%
FAB Invest SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	100%
1968A SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	100%
1968B SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	100%
1968C SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	100%
1968D SPV RSC Limited	United Arab Emirates	Special purpose entity	100%	100%
Lime Consumer Finance	Egypt	Financial services	100%	100%
Ocean View Hotel – L.L.C - S.P.C	United Arab Emirates	Real estate related services	100%	-
FAB Asset Management Limited	United Arab Emirates	Financial services	100%	-

[1] Under liquidation.

[2] Although the Bank owns 50% of the outstanding shares of First Gulf Libyan Bank, the investment has been classified as a subsidiary as the Bank exercises control over the investee because it casts the majority of the votes on the Board of Directors.

[3] FAB Sukuk Company's entire issued share capital is held by Maple FS Limited on trust for charitable purposes.

[4] Liquidated during the year.

Notes to the consolidated financial statements
For the year ended 31 December 2025

5. Basis of consolidation (continued)

(iii). Structured entities

A structured entity is established by the Group to perform a specific business objective. Structured entities are designed so that their voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In assessing whether the Group acts as a principal or has power over investees in which it has an interest, the Group considers factors such as the purpose and design of the investee, its practical ability to direct the relevant activities of the investee; the nature of its relationship with the investee; and the size of its exposure to the variability of returns of the investee.

The Group acts as a fund manager to a number of investment funds. Determining whether the Group controls such an investment fund usually focuses on the assessment of the aggregate economic interests of the Group in the fund (comprising any carried interests and expected management fees) and the investors right to appoint, reassign or remove the fund manager. Whilst assessing control, the Group reviews all facts and circumstances to determine whether as a fund manager the Group is acting as agent or principal. If deemed to be a principal, the Group controls the fund and would consolidate them else as an agent the Group would account for them as investments in funds.

The Group's interest in investment funds in which it acts as an agent is set out below, these funds are included as part of non-trading investment securities and investments at fair value through profit or loss.

Type of Structured Entity	Nature and purpose	Interest held by the Group
Investment funds managing assets	Generate fees from managing assets on behalf of third-party investors	Investments in units issued by the fund amounting to AED 8 million for 31 December 2025 (31 December 2024: AED 2 million)

(iv). Joint Arrangements and Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but no control or joint control over those policies. Investment in associates is accounted under the equity method of accounting.

A joint arrangement is an arrangement between the Group and other parties where the Group along with one or more parties has joint control by virtue of a contractual agreement. Joint arrangement may be a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to and record their respective share of the assets, and obligations for the liabilities, relating to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement, have rights to the net assets of the joint arrangement and, thus, are accounted under the equity method of accounting.

Under the equity method, the investment in an associate is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

5. Basis of consolidation (continued)

(iv). Joint Arrangements and Investments in Associates (continued)

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired. Goodwill is neither amortised nor individually tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. Any change in other comprehensive income of those investees is presented as part of the consolidated statement of other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity.

The financial statements of the associate are prepared for the same reporting period as the Group. When 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 impairment loss on its investment in associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and then recognises the loss in the consolidated statement profit or loss. The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture.

The list of associates is as follows:

Legal Name	Country of incorporation	Principal activities	31 Dec 2025	31 Dec 2024
Neptune Project Holding 1 Limited (UAE)("NPH1")	United Arab Emirates	Payment services	34%	34%
Midmak Properties LLC	United Arab Emirates	Real estate Investments	16%	16%
Emirates Digital Wallet LLC	United Arab Emirates	Payment services	24%	24%

(v). Non-controlling interests

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(vi). Fiduciary assets

The Group provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity are not reported in the consolidated financial statements, as they are not assets of the Bank.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies

(a). Financial assets and liabilities

(i). Recognition and initial measurement

The Group initially recognises loans, advances and Islamic financing, deposits, debt securities issued and subordinated liabilities on the date on which they are originated. All other financial instruments (excluding regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

All regular purchases and sales of financial assets are recognised on the settlement date, i.e. the date the asset is delivered to or received from the counterparty. Regular purchases or sales of financial assets are those that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

A financial asset or financial liability is measured initially at fair value plus or minus, transaction costs that are directly attributable to its acquisition or issue except for an item not at fair value through profit or loss. The fair value of financial assets and liabilities on initial recognition is generally its transaction price.

(ii). Financial assets - classification

The classification of financial assets at initial recognition depends on their contractual terms and the business model for managing the instruments. On initial recognition, a financial asset is classified as: amortised cost or Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Profit or Loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest ("SPPI") on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are that are solely payment of principal and interest outstanding.

On initial recognition of certain equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

6. Material accounting policies (continued)

(a). Financial assets and liabilities (continued)

(ii). Financial assets - classification (continued)

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how much cash flows are realised.

The business model assessment is based on the reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Group's consumer and corporate banking business comprises primarily loans to customers that are held for collecting contractual cash flows. In the consumer business, the loan portfolio comprises of mortgages, overdrafts, unsecured personal lending and credit card facilities. Sales of loans from these portfolios are very rare.

Financial assets that are either held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flow nor held both to collect contractual cash flows and to sell financial assets.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(a). Financial assets and liabilities (continued)

(ii). Financial assets - classification (continued)

Financial assets - Business model assessment (continued)

Certain debt securities are held by the Group in a separate portfolio for long-term yield. These securities may be sold, but such sales are not expected to be more than infrequent. The Group considers that these securities are held within a business model whose objective is to hold assets to collect the contractual cash flows. Certain other debt securities are held by the Group in separate portfolios to meet everyday liquidity needs. The Group seeks to minimise the costs of managing these liquidity needs and therefore actively manages the return on the portfolio. That return consists of collecting contractual cash flows as well as gains and losses from the sale of financial assets. The investment strategy often results in sales activity that is significant in value.

The Group considers that these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest ("SPPI")

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition and may change over the life of the financial assets due to repayments of principal or amortisation of the premium/discount. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (like liquidity risk and administrative costs etc.), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flow such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangement); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

The Group holds a portfolio of long-term fixed rate loans for which the Group has the option to propose revise the interest rate at periodic reset dates. These reset rights are limited to the market rate at the time of revision. The borrowers have an option to either accept the revised rate or redeem the loan at par without penalty. The Group has determined that the contractual cash flows of these loans are SPPI because the option varies the interest rate in a way that is consideration for the time value of money, credit risk, other basic lending risks and costs associated with the principal amount outstanding.

6. Material accounting policies (continued)

(a). Financial assets and liabilities (continued)

(ii). Financial assets - classification (continued)

Assessment of whether contractual cash flows are solely payments of principal and interest ("SPPI") (continued)

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition. The Group had no financial assets held outside trading business models that failed the SPPI assessment.

Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities are measured at amortised cost or FVTPL.

A financial liability is measured at FVTPL if it is classified as held for trading, it is a derivative as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Financial liabilities are never reclassified.

(iii). Derecognition

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(a). Financial assets and liabilities (continued)

(iii). Derecognition (continued)

Derecognition of financial assets (continued)

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale and repurchase transactions.

When assets are sold to a third party with a concurrent total return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale and repurchase transactions, because the Group retains all or substantially all the risks and rewards of ownership of such assets.

In transactions in which the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset in which case, the Bank also recognises an associated liability. The Bank considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

In certain transactions, the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

6. Material accounting policies (continued)

(a). Financial assets and liabilities (continued)

(iv). Modifications of financial assets and financial liabilities

Modification of financial assets

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised, and a new financial asset is recognised at fair value plus any eligible transaction costs.

Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flow, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification doesn't result into cash flows that are substantially different, then a financial asset does not result in derecognition of the financial asset. In this case, the Group first recalculates the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a gain or loss in profit or loss.

For floating rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees receivable as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

Modification of financial liabilities

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by recomputing the effective interest rate on the instrument.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(a). Financial assets and liabilities (continued)

(v). Offsetting

Financial assets and financial liabilities are generally reported gross in the consolidated statement of financial position except when IFRS Accounting Standards netting criteria are met. Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has an enforceable legal right to set off the recognised amounts and intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Accounting Standards, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

(vi). Fair value measurement

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 in the principal market, or in its absence, the most advantageous market to which the Group has access at that date regardless of whether that price is directly observable or estimated using valuation technique. The fair value of a liability reflects its non-performance risk. The Group applies judgement as described below to assess if there is quoted price available in an active market, which determines the level in the fair value hierarchy into which the fair value instrument is classified.

When quoted price is available, the Group measures the fair value of a financial instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Group uses the valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would consider in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in the consolidated statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out.

If a financial asset or a financial liability measured at fair value has a bid price and an ask price, the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Group based on the net exposure to either market or credit risk, are measured based on a price that would be received to sell a net long position or paid to transfer a net short position for a particular risk exposure. Portfolio level adjustments like bid-ask adjustment or credit risk adjustments that reflect the measurement based on the net exposure are allocated to the individual assets and liabilities based on the relative risk adjustment of each of the individual instruments in the portfolio.

6. Material accounting policies (continued)

(a). Financial assets and liabilities (continued)

(vi). Fair value measurement (continued)

The fair value of investments in mutual funds, private equity funds or similar investment vehicles is based on the latest net asset value published by the fund manager. For other investments, a reasonable estimate of the fair value is determined by reference to the price of recent market transactions involving similar investments or based on the expected discounted cash flows.

The fair value of a financial liability with a demand feature (demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

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 recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

(vii). Impairment

The Group recognises loss allowances for Expected Credit Loss (ECL) on the following financial instruments that are not measured at FVTPL:

- Balances with central banks;
- Due from banks and financial institutions;
- Reverse repurchase agreements;
- Non-trading investment at fair value through other comprehensive income (debt securities);
- Non-trading investment securities at amortised cost
- Loans, advances and Islamic financing;
- Other financial assets;
- Undrawn commitment to extend credit; and guarantees.

No impairment loss is recognised on equity investments.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition (note 47 (a)).

The Group considers the above debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(a). Financial assets and liabilities (continued)

(vii). Impairment (continued)

Credit loss allowances are measured using the following approach based on the extent of credit deterioration since origination:

- Stage 1 – Where there is no significant increase in credit risk ("SICR") since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be impaired, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be impaired are included in this stage. Similar to Stage 2, the allowance for credit loss captures the lifetime expected credit loss.
- Purchased or originated credit impaired (POCI) – POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at origination. The ECL allowance is only recognised or released to the extent that there is a subsequent change in the expected credit loss.

Measurement of ECL

The key inputs into the measurement of ECL are:

- Probability of default ("PD");
- Exposure at default ("EAD"); and
- Loss given default ("LGD").

These parameters are generally derived from statistical models and other historical data. They are adjusted to reflect forward looking information. Additionally, the Group has an extensive review process to adjust ECL for factors not available in the model.

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.

Details of these statistical parameters/inputs are as follows:

- PD – The probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectation of future conditions.
- EAD – The exposure at default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral or credit enhancements that are integral to the loan and not required to be recognised separately. It is usually expressed as a percentage of the EAD.

6. Material accounting policies (continued)

(a). Financial assets and liabilities (continued)

(vii). Impairment (continued)

Measurement of ECL

ECL have a probability weighted estimate of credit loss. They are measured as follows:

- financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);
- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Restructured financial assets

If 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 borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows.

- if the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- 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 that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI, and finance lease receivables are credit-impaired (referred to as 'Stage 3 financial assets'). 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 borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of Loans, advances and Islamic financing by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or another financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(a). Financial assets and liabilities (continued)

(vii). Impairment (continued)

Purchased or Originally Credit Impaired ("POCI") financial assets

For POCI assets, lifetime ECL are incorporated on initial recognition. The amount recognised as a loss allowance subsequent to initial recognition is equal to the changes in lifetime ECL since initial recognition of the asset.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision reported under other liabilities; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the consolidated statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

Write off

Financial assets are written off (either partially or full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'net impairment charge' in the consolidated statement of profit or loss. Financial assets that are written off could still be subject to enforcement activities to comply with the Group's procedures for recovery of amounts due.

Central Bank of the UAE ("CBUAE") provision requirements

As per Credit Risk Management Standards (''CRMS'') issued by CBUAE and notice no. CBUAE/BIS/2024/5131 dated 17 October 2024, if the general/collective provision cumulatively is higher than the impairment allowance computed under IFRS 9, the differential should be transferred to an "Impairment Reserve" as an appropriation from the retained earnings. The impairment reserve will not be available for payment of dividend.

(b). Cash and cash equivalents

In the statement of financial position, cash and cash equivalents comprise of notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of its acquisition. Cash equivalents are held for the purpose of meeting short-term cash commitments for investment or other purposes.

Cash and cash equivalents are non-derivative financial assets measured at amortised cost in the consolidated statement of financial position.

6. Material accounting policies (continued)

(c). Due from banks and financial institutions
These are non-derivative financial assets that are measured at amortised cost, less any allowance for impairment.

(d). Investments at fair value through profit or loss
These are securities that the Group acquire principally for the purpose of selling in the near term or holding as a part of portfolio that is managed together for short-term profit or position taking. These assets are initially recognised at fair value and subsequently also measured at fair value in the consolidated statement of financial position. All changes in fair values are recognised as part of profit or loss.

(e). Reverse repurchase agreements
Assets purchased with a simultaneous commitment to resell at a fixed price on a specified future date are not recognised in the consolidated statement of financial position. The amount paid to the counterparty under these agreements is recorded as reverse repurchase agreements in the consolidated statement of financial position. The difference between purchase and resale price is treated as interest income and accrued over the life of the reverse repurchase agreement and charged to the consolidated statement of profit or loss using an effective interest rate method.

(f). Loans, advances and Islamic financing
Loans, advances and Islamic financing' captions in the consolidated statement of financial position include:

- loans and advances measured at amortised cost; they are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- lease receivables;
- loans and advances measured at FVTPL or designated as at FVTPL; these are measured at fair value with changes recognised in profit or loss; and
- Islamic financing and investing contracts.

Loans, advances and Islamic financing are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Group does not intend to sell immediately or in the near term.

When the Group is the lessor in a lease agreement that transfers substantially all the risks and rewards incidental to ownership of the asset to the lessee, the arrangement is classified as a finance lease and a receivable equal to the net investment in the lease is recognised and presented within loans and advances.

In determining whether an arrangement is a lease, the Group ascertains the substance of the arrangement and assesses whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the assets.

These are derecognised when either the borrower repays its obligations or the loan is sold or written off.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(f). Loans, advances and Islamic financing (continued)

Islamic financing and investing contracts
The Group engages in Shari'ah compliant Islamic banking activities through various Islamic contracts such as Ijara, Forward Ijara, Murabaha, Mudaraba and Wakala.

Ijara / Forward Ijara
Ijara / Forward Ijara is an Islamic financing structure in which the Group (as lessor) leases an asset that it acquires based on the customer's (lessee's) request and commitment to lease or forward lease the asset for a specified period. The lease is executed against agreed rental or advance rental installments.

At the end of the financing term, upon full settlement of the agreed financial obligations, ownership of the asset is transferred to the lessee through the exercise of a purchase or sale undertaking.

Murabaha
A sale contract whereby the Group sells to a customer commodities and other assets at an agreed upon cost price plus marked up profit (Deferred Sale Price). The Group purchases the assets based on a promise received from customer to buy the item purchased according to specific terms and conditions. The Deferred Sale Price of the Murabaha is fixed at the commencement of the transaction and payable by the buyer on deferred based on agreed terms and conditions.

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 shariah compliant project or a particular activity and any profits generated are distributed between the parties according to the profit shares that were pre-agreed in the contract. The Mudarib would bear the loss in case of negligence or violation of any of the terms and conditions of the Mudaraba, otherwise, losses are borne by the Rab Al Mal.

Wakala
An agreement between the Group and customer whereby one party (Muwakkil) provides a certain sum of money to an agent (Wakil), who invests it according to specific conditions in Shari'ah compliant activities and expected return in consideration of performance incentive and/or a certain fee based on the Wakala agreement. The expected return payable to the Muwakkil is subject to actual return generated under the Wakalah investment. In case the actual return is less than the expected return, the agent shall be liable to guarantee any losses, or shortfall arises if it is due to its negligence or violation of any of the terms and conditions of the Wakala otherwise, losses are borne by the Muwakkil. In case the actual return is more than the expected return, the Muwakkil shall be entitled to the expected return amount, and any excess amount shall be entitled by the Wakil as incentive. The Group may be Wakil or Muwakkil depending on the nature of the transaction.

6. Material accounting policies (continued)

(g). Non trading investment securities

The 'non-trading investment securities' caption in the consolidated statement of financial position includes:

- debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost under the effective interest method;
- debt securities measured at FVOCI; and
- equity investment securities designated as at FVOCI.

For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Group elects to present changes in the fair value of certain investments in equity instruments that are not held for trading in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable. Fair value gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings at the disposal of an investment. These investments are held for long-term strategic purposes.

(h). Investment properties

Investment properties are defined as land, a building or part of a building (or a combination of these including property under construction) held to earn rentals and/or for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss under 'Other operating income' in the year in which they arise. Rental income from investment property is recognised as other revenue on a straight-line basis over the term of the lease.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss statement in the year of retirement or disposal.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(i). Property and equipment

(i). Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within 'Other operating income' in the consolidated statement of profit or loss.

If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

(ii). Subsequent costs

Subsequent expenditures are only capitalised when it is probable that the future economic benefits of such expenditures will flow to the Group. Ongoing expenses are charged to consolidated statement of profit or loss as incurred.

(iii). Depreciation

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciation is calculated using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Freehold Land and Capital work in progress is not depreciated.

The estimated useful lives of assets for the current and comparative period are as follows:

Buildings and villas	20 to 50 years
Office furniture and equipment	5 to 10 years
Fit-out leased premises	3 to 10 years
Safes	10 years
Computer systems and equipment	3 to 7 years
Vehicles	3 years

Depreciation methods, useful lives and residual values are reviewed at every reporting date at each reporting date and adjusted if appropriate.

6. Material accounting policies (continued)

(i). Property and equipment (continued)

(iv). Capital work in progress

Capital work in progress assets are assets in the course of construction for production, supply or administrative purposes, are carried out at cost, less any recognised impairment loss. Cost includes all direct costs attributable to design and construction of the property capitalised in accordance with Group's accounting policies. When the assets are ready for the intended use, the capital work in progress is transferred to the appropriate property and equipment category and is depreciated in accordance with the Group's accounting policies.

(v). Impairment of non-financial assets

At each reporting date, the Group assesses the carrying amounts of its non-financial assets (other than investment properties and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash generating units (CGU) exceeds its recoverable amount.

Goodwill is tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

The 'recoverable amount' of an asset or CGU is the greater of its value in use and its fair value less costs to disposal. 'Value in use' is based on the estimated future cash flows, discounted to their present value using pretax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or CGU.

The Group's corporate assets do not generate separate cash inflows and are used by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGUs to which the corporate assets are allocated.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of any other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j). Intangible assets

The Group's intangible assets other than goodwill include intangible assets arising out of business combinations. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(j). Intangible assets (continued)

Goodwill arising on acquisition represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired in case of a bargain purchase, the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill and license acquired in a business combination are allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill and license impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.

The estimated useful lives of the intangible assets for the calculation of amortisation are as follows:

Customer relationships	7.5 to 15 years
Core deposits	2.5 years to 15 years
Brand	20 years
License	Indefinite life

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of goodwill allocated to the CGU, and then to reduce the amount of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other intangible assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in the statement of profit or loss.

6. Material accounting policies (continued)

(k). Collateral pending sale

Real estate and other collateral may be acquired as the result of settlement of certain loans, advances and Islamic financing and are recorded as assets held for sale and reported in "Other assets". The asset acquired is recorded at the lower of its fair value less costs to sell and the carrying amount of the loans, advances and Islamic financing (net of impairment allowance) at the date of exchange. No depreciation is provided in respect of assets held for sale. Any subsequent write down of the acquired asset to fair value less costs to sell is recorded as an impairment loss and included in the consolidated statement of profit or loss. Any subsequent increase in fair value less costs to sell, to the extent this does not exceed the cumulative impairment loss, is recognised in the consolidated statement of profit or loss. The Group's collateral disposal policy is in line with the respective regulatory requirement of the regions in which the Group operates.

(l). Due to banks and financial institutions, customer accounts and other deposits and commercial paper

Due to banks and financial institutions, customer accounts and other deposits and commercial paper are financial liabilities and are initially recognised at their fair value minus the transaction costs and subsequently measured at their amortised cost using the effective interest rate method.

(m). Repurchase agreements

Assets sold with a simultaneous commitment to repurchase at a fixed price on a specified future date are not derecognised from the statement of the financial position as the Group retains substantially all of the risks and reward of ownership. The liability to the counterparty for amounts received including accrued interest under these agreements is shown as repurchase agreements in the consolidated statement of financial position. The difference between sale and repurchase price is treated as interest expense and accrued over the life of the repurchase agreement and charged to the consolidated statement of profit or loss using the effective interest rate method.

(n). Term borrowings and subordinated notes

Term borrowings and subordinated notes include convertible notes that can be converted into share capital at the option of the holder, where the number of shares issued do not vary with changes in their fair value, and are accounted for as compound financial instruments. The equity component of the convertible notes is calculated as the excess of issue proceeds over the present value of the future interest and principal payments, discounted at the market rate of interest applicable to similar liabilities that do not have a conversion option.

Term borrowing which are designated at FVTPL, the amount of change in the fair value of the liability that is attributable to changes in its credit risk is presented in OCI as a liability credit reserve. On initial recognition of financial liability, the Group assesses whether presenting the amount of change in the fair value of the liability that is attributable to credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. This assessment is made by using a regression analysis to compare:

- the expected changes in the fair value of the liability related to changes in the credit risk; and
- the impact on profit or loss of expected changes in fair value of the related instruments.

Amounts presented in the liability credit reserve are not subsequently transferred to profit or loss. When these instruments are derecognised, the related cumulative amount in the liability credit reserve is transferred to retained earnings.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(o). Interest income and expense

(i). Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL. The calculation of the effective interest rate includes transaction costs and any discount or premium on the acquisition of the financial asset, as well fees and costs that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

(ii). Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance. The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

(iii). Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability.

The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

For information on when financial assets are credit impaired, note 6(a)(vii).

6. Material accounting policies (continued)

(o). Interest income and expense (continued)

(iv). Presentation

Interest income calculated using the effective interest method presented in the consolidated statement of profit or loss and OCI includes:

- interest on financial assets and financial liabilities measured at amortised cost;
- interest on debt instruments measured at FVOCI;
- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flows affect interest income/expense;
- the effective portion of fair value changes in qualifying hedging derivatives designated in fair value hedges of interest rate risk; and
- negative interest on financial liabilities measured at amortised cost.

Interest expense presented in the consolidated statement of profit or loss and OCI includes:

- financial liabilities measured at amortised cost;
- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flows affect interest income/expense.
- the effective portion of fair value changes in qualifying hedging derivatives designated in fair value hedges of interest rate risk.
- negative interest on financial assets measured at amortised cost; and
- Interest expense on lease liabilities.

(p). Income from Islamic financing activities

Ijara income is recognised on an effective profit rate basis over the lease term where the usufruct of the lease asset is being transferred to and used by the lessee, until such time a reasonable doubt exists with regard to its collectability.

Murabaha income is recognised based on a fixed deferred sale price stipulated in the Murabaha contract. Based on the Bank's internal accounting treatment, the profit element of the deferred sale price is being calculated on an effective profit rate basis over the period of the contract, until such time a reasonable doubt exists with regard to its collectability.

Mudaraba income is 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 consolidated statement of profit or loss on their declaration by the Mudarib. Where the Group is the Rab Al Mal the losses are charged to the Group's consolidated statement of profit or loss when incurred.

Wakala income is recognised on an effective profit rate basis over the period, adjusted by actual income when received. Losses are accounted for when incurred.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(q). Depositors' share of profit

Depositors' share of profit is amount accrued as expense on the funds accepted from banks and customers in the form of wakala and mudaraba deposits and recognised as expenses in the consolidated statement of profit or loss. The amounts are calculated in accordance with agreed terms and conditions of the wakala deposits and Shari'ah principles.

(r). Fee and commission income and expense

The Group earns fee and commission income from a diverse range of financial services provided to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services. The basis of accounting treatment of fees and commission depends on the purposes for which the fees are collected and accordingly the revenue is recognised in consolidated statement of profit or loss. Fee and commission income is accounted for as follows:

- income earned from the provision of services is recognised as revenue as the services are provided;
- income earned on the execution of a significant act is recognised as revenue when the act is completed; and
- income which forms an integral part of the effective interest rate of a financial instrument is recognised as an adjustment to the effective interest rate and recorded in "Interest income".

A contract with a customer that results in a recognised financial instrument in the Group's consolidated financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Fee and commission expense relates mainly to transaction and service fees which are expensed as the services are received.

(s). Zakat

Zakat is paid on behalf of shareholders in jurisdictions where zakat payment is made mandatory by the regulations of the jurisdictions. Such payment is made in accordance with the regulations of the jurisdictions. On annual basis, the Group notifies shareholders on the Zakat per share payable with regards to the Group's Islamic banking activities/assets.

(t). Net gain/(loss) on investments and derivatives

Net gain/(loss) on investments and derivatives comprises realised and unrealised gains/losses on investments at fair value through profit or loss and derivatives, realised gains/losses on non-trading investment securities and dividend income. Net gain/(loss) on investment at fair value through profit or loss also includes changes in the fair value of financial assets and financial liabilities designated at fair value. Interest income and expense on financial assets and financial liabilities at FVTPL are included under net gain/(loss) on investment and derivatives.

Gains or losses arising from changes in fair value of FVOCI assets are recognised in the statement of other comprehensive income and recorded in fair value reserve with the exception of ECL, interest calculated using the effective interest rate method and foreign exchange gains and losses on monetary assets which are recognised directly in the consolidated statement of profit or loss. Where the investment is sold or realised, the cumulative gain or loss previously recognised in equity under fair value reserve is reclassified to the consolidated statement of profit or loss in case of debt instruments. Non-trading investment securities include FVOCI and amortised cost instruments.

6. Material accounting policies (continued)

(t). Net gain/(loss) on investments and derivatives (continued)

Amortised cost investments, which are not close to their maturity, are not ordinarily sold. However, when they are sold or realised, the gain or loss is recognised in the consolidated statement of profit or loss.

Dividend income is recognised when the right to receive payment is established.

(u).Foreign currency

(i).Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities at spot exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the spot exchange rates at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on transactions are generally recognised in profit or loss. However, foreign currency differences arising from the transaction arising from the translation of the following item are recognised in OCI.

- equity investments in respect of which an election has been made to present subsequent changes in fair value in OCI;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedge is effective.

(ii). Foreign operations

On consolidation, the assets and liabilities of the foreign operations are translated into UAE Dirhams at rates of exchange at the reporting date. The profit or loss of foreign operations are translated at average rates, as appropriate. Exchange differences (including those on transactions which hedge such investments) arising from retranslating the opening net assets, are taken directly to foreign currency translation adjustment account in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of such that control is lost, the cumulative amount in the translation reserve related to the foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, then the relevant proportion of the cumulative amount is retributed to NCI.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(v).Income taxes

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent it relates to a business combination, or items recognised directly in equity or OCI. The Group has determined that the global minimum top up tax which is required to pay under Pillar Two legislation is an income tax in the scope of IAS 12. The Group has applied mandatory relief from deferred tax accounting for the impacts of the top up tax and accounts for it as a current tax when it is incurred. Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered/ receivable from, or paid/payable, to the taxation authorities. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income tax, if any.

Current tax is provided for in accordance with fiscal regulations of the respective countries in which the Group operates and is recognised in the consolidated statement of profit or loss. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. Taxable profit differs from profit as reported in the consolidated statement of profit or loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised in respect of temporary differences at the reporting date between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is recognised for all taxable differences, except for the following:

- temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.
- temporary differences relating to investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that temporary differences will not reverse in the foreseeable future.
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow for all or part of the deferred tax asset to be utilised.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

6. Material accounting policies (continued)

(v). Income taxes (continued)

Tax benefits acquired as part of a business combination but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Bank offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Refer note 22 for pillar 2 related disclosure.

(w). Derivative financial instruments

A derivative is a financial instrument or other contract between two parties where payments are dependent upon movements in the price of one or more underlying financial instrument, reference rate or index with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

Derivative financial instruments are initially measured at fair value at trade date and are subsequently remeasured at fair value at the end of each reporting period. All derivatives are carried at their fair values as assets where the fair values are positive and as liabilities where the fair values are negative. Derivative assets and liabilities arising from different transactions are only offset if the transactions are with the same counterparty and netting set, a legal right of offset exists and the parties intend to settle the cash flows on a net basis.

Derivative fair values are determined from quoted prices in active markets where available. Where there is no active market for an instrument, fair value is derived from prices for the derivative's components using appropriate pricing or valuation models mainly discounted cash flow models. The method of recognising the resulting fair value gains or losses depends on whether the derivative is held for trading, or is designated as a hedging instrument and, if so, the nature of the risk being hedged. All gains and losses from changes in fair value of derivatives held for trading are recognised in the consolidated statement of profit or loss.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(w). Derivative financial instruments (continued)

Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of IFRS 9;
- the host contract is not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss unless they form part of a qualifying cash flow or net investment hedging relationship. Separated embedded derivatives are presented in the consolidated statement of financial position together with the host contract.

(x). Other derivatives

Other non-trading derivatives are recognised on balance sheet at fair value. If a derivative is not held for trading, and is not designated in a qualifying hedging relationship, then all changes in its fair value are recognised immediately in profit or loss as a component of net gain on investments and derivatives or net foreign exchange gain.

(y). Hedge accounting

When derivatives are designated as hedges, the Group classifies them as either:

- fair value hedges which hedge the exposure to changes in the fair value of a recognised asset or liability;
- cash flow hedges which hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction;
- hedge of net investment which are accounted similarly to a cash flow hedge. Hedge accounting is applied to derivatives designated as hedging instruments in a fair value or cash flow, provided the criteria are met.

It is the Group's policy to document, at the inception of a hedge, the relationship between hedging instruments and hedged items, as well as risk management objective and strategy. The policy also requires documentation of the assessment, at inception and on an ongoing basis, of the effectiveness of the hedge.

The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, as to whether the hedging instrument(s) is (are) expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item(s) during the period for which the hedge is designated. The Group makes an assessment for a cash flow hedge of a forecast transaction, as to whether the forecasted transaction is highly probable to occur and presents an exposure to variations in cash flow that could ultimately affect profit or loss.

The Group normally designates a portion of the cash flow of a financial instrument for cash flow or fair value changes attributable to a benchmark interest rate risk, if the portion is separately identifiable and reliably measurable.

6. Material accounting policies (continued)

(y). Hedge accounting (continued)

(i) Fair value hedge

When a derivative is designated as the hedging instrument in a fair value hedge relationship, changes in the fair value of the derivative are recognised immediately in profit or loss. The change in fair value of the hedged item attributable to the hedged risk is recognised in profit or loss. If the hedged item would otherwise be measured at amortised cost, then its carrying amount is adjusted for the risk being hedged accordingly.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

Any adjustment up to the point of discontinuation to a hedged item for which the effective interest method is used is amortised to profit or loss as an adjustment to the recalculated effective interest rate of the item over its remaining life.

On hedge discontinuation, any hedging adjustment made previously to a hedged financial instrument for which the effective interest method is used is amortised to profit or loss by adjusting the effective interest rate of the hedged item from the date on which amortisation begins. If the hedged item is derecognised, then the adjustment is recognised immediately in profit or loss when the item is derecognised.

(ii). Cash flow hedge

When a derivative is designated as the hedging instrument in a cash flow hedge relationship, the effective portion of changes in the fair value of the derivatives is recognised in OCI and presented in the hedging reserve within equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the consolidated statement of profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative changes in the fair value of the hedged item, determined on a present value basis, from inception of the hedge. The amount recognised in the hedging reserve under OCI is reclassified to consolidated statement of profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss and in the same line in the consolidated statement of profit or loss and OCI.

If the hedging derivative expires, is sold, terminated or exercised or the hedge no longer meets the criteria for cash flow hedge accounting the hedge or the hedge designation is revoked, then the hedge accounting is discontinued prospectively. If the hedged cash flows are no longer expected to occur, then the Group immediately reclassifies the amount in the hedging reserve from OCI to consolidated statement of profit or loss. For terminated hedging relationships, if the hedged cash flows are still expected to occur, then the amount accumulated in the hedging reserve is not reclassified until the hedged cash flows affect profit or loss; if the hedged cash flows are expected to affect profit or loss in multiple reporting periods, then the Group reclassifies the amount in the hedging reserve from OCI to profit or loss on a straight line basis.

(iii). Net investments hedges

A foreign currency exposure arises from a net investment in branches/subsidiaries that have a different functional currency from that of the Group. The risk arises from the fluctuation in exchange rates between the functional currency of the branches/subsidiaries and the Group's functional currency, which causes the amount of the net investment to vary in the consolidated financial statements of the Group. As this risk may have a significant impact on the Group's consolidated financial statement, the Group assesses this risk case by case and may decide to hedge the exposure.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(y). Hedge accounting (continued)

(iii). Net investments hedges (continued)

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of the changes in the fair value of the hedging instrument is recognised in OCI and presented in the translation reserve within equity. The effective portion of the change in fair value of the hedging instrument is computed with reference to the functional currency of the parent entity against whose functional currency the hedged risk is measured. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in the consolidated statement of profit or loss. The amount recognised under OCI is fully or partially reclassified to consolidated statement of profit or loss as a reclassification adjustment on disposal of the foreign operation or partial disposal of the foreign operation, respectively.

(z). Provisions

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past events, 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. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flow, at a pretax rate, that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(aa). End of services and post-employment benefits

The Group provides end-of-service benefits for its employees. The entitlement to these benefits is based upon the employees' length of service and completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. With respect to its UAE national employees, the Group makes contributions to the relevant government pension scheme calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

(i). Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity or to a government organisation and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in consolidated statement of profit or loss in the periods during which services are rendered by employees.

Pension and national insurance contributions for eligible employees are made by the Group to Pensions and Benefits Fund in accordance with the applicable laws of country where such contributions are made.

(ii). Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the consolidated statement of financial position in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

6. Material accounting policies (continued)

(aa). End of services and post-employment benefits (continued)

(ii). Defined benefit plan (continued)

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense and other expenses related to defined benefit plans are recognised in "staff cost" in consolidated statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately to profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(ab). Board of Directors' remuneration

Pursuant to Article 171 of UAE Companies Law no. (32) of 2021, as amended and in accordance with the Bank's Articles of Association, Directors shall be entitled for remuneration which shall not exceed 10% of the net profits after deducting depreciation and reserves.

(ac). Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise of convertible notes and share options granted to staff.

(ad). Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer, being the chief operating decision maker, making decisions about resources to be allocated to the segment and assessing its performance for which discrete financial information is available. Segment results that are reported to the Group Chief Executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis.

(ae). Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(ae). Leases (continued)

(i). Group acting as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates consideration in the contract to each lease component on the basis of its relative standalone price.

The Group recognises the right of use asset and lease liability at the lease commencement date. The right of use asset is initially measured at cost less any accumulated depreciation and impairment losses if any, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero. The Group presents right of use assets in 'property and equipment' and lease liabilities in 'other liabilities' in the consolidated statement of financial position.

6. Material accounting policies (continued)

(ae). Leases (continued)

(ii) Short-term leases and leases of low-value assets

The Group has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and short-term leases, including leases of IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii). Group acting as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative stand-alone selling prices.

When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

At the commencement date of a finance lease, as a lessor, the Group recognises assets held under a finance lease in its consolidated statement of financial position and presents them as receivable at an amount equal to the net investment in the lease.

At the commencement of an operating lease, as a lessor, the Group recognises lease payments from operating leases as income on either a straight-line basis or another systematic basis. The Group applies on another systematic basis if that basis is more representative of the pattern in which the benefit from the use of the underlying asset is diminished.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

(af). Guarantees, letter of credit and loan commitment

To meet the financial needs of the customers, the Group issues guarantee, letter of credit and loan commitments.

Guarantees are contracts that require the Group to make specified payments to reimburse the holders for a loss they incur because a specified debtor fails to make payment when due, in accordance with the terms of a debt instrument.

Guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- the amount of the loss allowance; and
- the premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Notes to the consolidated financial statements
For the year ended 31 December 2025

6. Material accounting policies (continued)

(af). Guarantees, letter of credit and loan commitment (continued)

Guarantees are reviewed periodically to determine the credit risk to which they are exposed and, if appropriate, to consider whether a provision is required. The credit risk is determined by application of criteria similar to those established for quantifying impairment losses on loans, advances and Islamic financing. If a specific provision is required for guarantees, the related unearned commissions recognised under other liabilities in the consolidated balance sheet are reclassified to the appropriate provision.

Letters of credit and guarantees (including standby letters of credit) commit the Group to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Guarantees and standby letters of credit carry a similar credit risk to loans.

Loan commitments are irrevocable commitments to provide credit under prespecified terms and conditions.

Similar to financial guarantee contracts, undrawn loan commitments and letters of credits contracts are in the scope of ECL requirements.

7. Use of estimates and judgements

The preparation of Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustment to the carrying amount of assets or liabilities affected in future periods. Actual results may differ from these estimates.

In applying the Group's accounting policies, IFRS Accounting Standards require management to select suitable accounting policies, apply them consistently and make judgements, estimates and assumptions that are reasonable and prudent and would result in relevant and reliable information. Management, based on guidance in IFRS Accounting Standards and the IASB's framework for the preparation and presentation of financial statements has made these estimates, judgements and assumptions.

Estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experiences and other factors, including expectation of future events that may have a financial impact on the Group and considered to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Listed below are those estimates and judgements which could have a significant effect on the amounts recognised in the consolidated financial statements.

(a). Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has resources to continue in business for the foreseeable future. In making this assessment, management has considered a wide range of information including projections of profitability, regulatory capital requirements and funding needs. The assessment also includes consideration of the existing and anticipated effects of the current macroeconomic and geopolitical uncertainties and their potential impacts on the profitability, capital and liquidity of the Group. In making this assessment, the Group has also considered the impact of climate related matters on their going concern assessment.

7. Use of estimates and judgements (continued)

(a). Going concern (continued)

Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on going concern basis.

(b). Impairment charge on financial assets

Impairment losses are evaluated as described in accounting policy 6(a)(vii).

The measurement of impairment losses under IFRS 9 across all categories of financial assets requires assumptions, in particular, in the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes which can result in different levels of allowances. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's financial assets is disclosed in note 47 (a).

The Group's ECL calculations are outputs of multiple models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades.
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of impacts between economic inputs, such as oil prices, gross domestic product and collateral values etc. on PDs, EADs and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models. The Group is currently in process for assessing the impact of climate risk in the Group's risk models.

It is the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Sensitivity of ECL to future economic conditions

The ECL are sensitive to judgements and assumptions made regarding formulation of forward-looking scenarios and how such scenarios are incorporated into the calculations. The Group performs a sensitivity analysis on the ECL recognised on material class of its assets. Group's financial risk management note includes an element of judgement and estimation in note 47 (a).

Notes to the consolidated financial statements
For the year ended 31 December 2025

7. Use of estimates and judgements (continued)

(c). Contingent liability arising from litigation

The Group operates in a regulatory and legal environment that, by nature, has an element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings arising in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case, no provision is made where the probability of outflow is considered to be remote, or possible, or a reliable estimate cannot be made. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

(d). Valuation of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The valuation techniques of financial instruments require a degree of judgement for certain unobservable inputs to be estimated by management. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of the financial instruments.

These are discussed in detail in note 6 (a)(vi) & note 46.

(e). Financial asset and liability classification

The Group's accounting policies provide scope for the classification and assessment of the business model for financial assets and liabilities to be designated on inception into different accounting categories. The classification criteria are mentioned in policy
note 6 (a)(ii).

Classification and measurement of financial assets depend on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

7. Use of estimates and judgements (continued)

(f). Assessment whether cash flows are SPPI for certain Islamic financing assets

Determining whether a financial asset's cash flows are solely payments of principal and interest required judgement for certain Islamic financing assets. Management has assessed the features of the contract which require the customers to pay certain compensation in addition to the outstanding principal and accrued profit. Management believes that such additional amounts represent 'reasonable compensation' for the reinvestment costs.

(g). Hedge accounting

The Group has designated hedge relationships as both fair value and cash flow hedges. The Bank's hedge accounting policy includes an element of judgement and estimation. Estimates of future interest rates and the general economic environment will influence the availability and timing of suitable hedged items, with an impact on the effectiveness of the hedge relationships. Group's hedge accounting policies include an element of judgement and estimation in note 6 (y).

(h). Goodwill impairment testing

Goodwill is tested for impairment annually, and whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The impairment assessment involves estimating the recoverable amount of the cash-generating units to which goodwill is allocated, using assumptions such as future cash flows, discount rates, and growth projections.

The Group estimates that reasonably possible changes in the assumptions used for the impairment would not cause the recoverable amount of either CGU to decline below the carrying amount. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount. CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the Group consolidated statement of profit or loss statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of other assets in the unit (group or units) on a pro rata basis.

The Group applied a discounted cash flow (DCF') model incorporating five years of projected cash flow. A terminal value was derived using a long-term growth rate aligned with the GDP growth rate of the country in which the CGU operates. Budgeted profit and loss figures were based on expected future outcomes, considering historical performance and anticipated revenue growth. These assumptions are subject to change as economic and market conditions evolve.

Key Assumptions

- Cash Flow Projections: Based on historical performance and management's expectations of market conditions.
- Discount Rate: Reflects current market assessments of the time value of money and risks specific to the CGU (pre-tax weighted average cost of capital).
- Terminal Growth Rate: Applied beyond the forecast period to estimate future cash flows.

Notes to the consolidated financial statements
For the year ended 31 December 2025

7. Use of estimates and judgements (continued)

(h). Goodwill impairment testing (continued)

Sensitivity Analysis

Management performs sensitivity analysis on key assumptions, including discount rates and growth rates, to assess the impact of reasonably possible changes.

(i). Effect of climate risk on accounting judgments and estimates

Where appropriate, the Bank considers climate related matters in its estimates and assumptions, which may increase their inherent level of uncertainty. The Group makes use of reasonable and supportable information to make accounting judgments and estimates, this includes information about the observable effects of the physical and transition risks of climate change. Many of the effects arising from climate change will be longer term in nature, with an inherent level of uncertainty, and have limited effect on accounting judgments and estimates. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant developments.

(j). Tax

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. In determining the amount of current and deferred tax, the Group considers the impact of tax exposures, including whether additional taxes and interest due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the period in which such a determination is made (refer note 37).

(k). Investment properties

The fair value of investment properties is determined by using valuation techniques. The Group engaged an independent valuation specialist to assess fair value. For further details of the judgments and assumptions made (note 16).

(l). Structured entities

The Group's accounting policies provide scope for the classification and consolidation of structured entities in policy note 5 (iii). For all funds managed by the Group, the investors are able to vote by simple majority to remove the Group as fund manager, and the Group's aggregate economic interest in each fund is not material. As a result, the Group has concluded that it acts as an agent for the investors in these funds and therefore has not consolidated these funds.

(m). Effective Interest Rate (EIR) method

The Group uses EIR method which recognises interest income using a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset; or the amortised cost of the financial liability along with recognising the impact of transaction costs and fees and points paid or received that are an integral part of the effective interest rate. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life cycle of the instruments, as well expected changes to the base rate and other fee income/expense that are integral parts of the instrument.

7. Use of estimates and judgements (continued)

(n). Classification of Tier 1 notes

The Bank issued Additional Tier 1 (AT1) capital securities and classified them as equity under IAS 32.

The classification of these instruments as equity involves judgement in interpreting contractual clauses relating to events of default, subordination, no maturity, discretionary payments and the write down mechanism. The Group, after factoring above clauses, have assessed the classification for determining the debt or equity instrument.

8. Cash and balances with central banks

	31 Dec 2025 AED million	31 Dec 2024 AED million
Cash on hand	2,443	2,128
Central Bank of the UAE		
cash reserve deposits	7,386	68,961
other balances	65,000	10,000
Balances with other central banks	193,804	133,459
Gross cash and balances with central banks	**268,633**	**214,548**
Less: expected credit loss	(136)	(144)
Total cash and balances with central banks	**268,497**	**214,404**

As per the CBUAE regulations, the Bank is allowed to draw their balances held in the UAE reserve account, while ensuring that they meet the reserve requirements over a 14-day period. Balances with other central banks include mandatory reserves which are available for day-to-day operations under certain specified conditions.

9. Investments at fair value through profit or loss

	31 Dec 2025 AED million	31 Dec 2024 AED million
Investments in managed funds[1]	1	1
Investment in private equities / funds[1]	7,263	3,601
Investments in equities and certificates	1,298	2,226
Debt securities	65,545	50,200
Total investments at fair value through profit or loss	**74,107**	**56,028**

Included in the above are sukuk investments as at 31 December 2025 amounting to AED 1,977 million (31 December 2024: AED 2,837 million).

[1]The Group has assessed its investments in funds and concluded that it does not exercise significant influence over them.

Notes to the consolidated financial statements
For the year ended 31 December 2025

10. Due from banks and financial institutions

	31 Dec 2025 AED million	31 Dec 2024 AED million
Current, call and notice deposits	4,298	2,464
Margin deposits	15,454	14,937
Fixed deposits	5,910	6,373
Gross due from banks and financial institutions	**25,662**	**23,774**
Less: expected credit loss	(49)	(50)
Total due from banks and financial institutions	**25,613**	**23,724**

11. Reverse repurchase agreements

The Group enters into reverse repurchase agreements in the normal course of business in which the third-party transfers financial assets to the Group for short-term financing.

	31 Dec 2025 AED million	31 Dec 2024 AED million
Reverse repurchase with banks and others	86,093	69,755
Reverse repurchase with central banks	3,306	-
Reverse repurchase with customers	4,664	-
Gross reverse repurchase agreements	**94,063**	**69,755**
Less: expected credit loss	(76)	(94)
Total reverse repurchase agreements	**93,987**	**69,661**

At 31 December 2025, the fair value of financial assets accepted as collateral that the Group is permitted to sell or re-pledge in the absence of default is AED 107,623 million (31 December 2024: AED 114,374 million).

At 31 December 2025, the fair value of financial assets accepted as collateral that have been sold or re-pledged was AED 19,875 million (31 December 2024: AED 6,907 million). The Group is obliged to return equivalent securities. These transactions are conducted under terms that are usual and customary to standard lending, and securities borrowing and lending activities.

12. Loans, advances and Islamic financing

	31 Dec 2025 AED million	31 Dec 2024 AED million
Gross loans, advances and Islamic financing	632,724	550,513
Less: interest in suspense	(7,043)	(7,827)
Less: expected credit loss	(9,356)	(13,789)
Net loans, advances and Islamic financing	**616,325**	**528,897**

	31 Dec 2025 AED million	31 Dec 2024 AED million
By counterparty:		
Government sector	101,363	72,830
Public sector	81,855	81,027
Banking sector	21,780	17,993
Corporate / private sector	334,016	294,255
Personal / retail sector	93,710	84,408
Gross loans, advances and Islamic financing	**632,724**	**550,513**

	31 Dec 2025 AED million	31 Dec 2024 AED million
By product:		
Overdrafts	26,011	19,470
Term loans	495,236	443,286
Trade related loans	73,824	50,488
Personal loans	29,670	30,075
Credit cards	5,752	5,478
Vehicle financing loans	2,231	1,716
Gross loans, advances and Islamic financing	**632,724**	**550,513**

The Group provides lending against investment in equity securities and funds. The Group is authorised to liquidate these instruments if their coverage falls below the agreed threshold. At 31 December 2025, the carrying value of such lending is AED 74,485 million (31 December 2024: AED 78,215 million) and the fair value of instruments held as collateral against such loans is AED 221,092 million (31 December 2024: AED 200,672 million). During the year, the Group has liquidated an insignificant amount of collateral due to fall in the coverage ratio.

Included in the above loans, advances and Islamic financing are the following Islamic financing contracts:

Notes to the consolidated financial statements
For the year ended 31 December 2025

12. Loans, advances and Islamic financing (continued)

Islamic financing contracts

	31 Dec 2025 AED million	31 Dec 2024 AED million
Murabaha	34,477	26,308
Ijara	18,584	15,731
Others	715	567
Gross Islamic financing contracts	**53,776**	**42,606**
Less: suspended profit	(198)	(164)
Less: expected credit loss	(1,679)	(1,827)
Total Islamic financing contracts	**51,899**	**40,615**

13. Non-trading investment securities

	31 Dec 2025 AED million	31 Dec 2024 AED million
Fair value through other comprehensive income (FVOCI):		
- with recycle to profit or loss (Debt investments securities)	177,886	177,922
- without recycle to profit or loss (Equity investments securities[1])	6,484	5,495
Amortised cost securities	5,344	4,030
Gross non-trading investment securities	**189,714**	**187,447**
Less: expected credit loss on amortised cost securities	(2)	(1)
Total non-trading investment securities	**189,712**	**187,446**

[1]Equity investments securities measured at FVOCI are strategic investments for long-term purposes. During the year, certain investments were disposed of in line with the strategic initiatives of the Group.

An analysis of non-trading investments securities by class at the reporting date is shown below:

	31 Dec 2025 AED million			31 Dec 2024 AED million		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Equity investment securities	6,265	219	6,484	1,187	4,308	5,495
Debt investment securities	181,892	1,338	183,230	181,032	920	181,952
Gross non-trading investment securities	**188,157**	**1,557**	**189,714**	**182,219**	**5,228**	**187,447**
Less: expected credit loss on amortised cost securities	(2)	-	(2)	(1)	-	(1)
Total non-trading investment securities	**188,155**	**1,557**	**189,712**	**182,218**	**5,228**	**187,446**

Included in the above are sukuk investments as at 31 December 2025 amounting to AED 10,209 million (31 December 2024: AED 8,864 million).

Debt investments securities given under repurchase agreements included in non-trading investment securities as at 31 December 2025 amounted to AED 33,538 million (31 December 2024: AED 25,660 million).

As at 31 December 2025, the fair value of non-trading investment securities measured at amortised cost amounted to AED 5,255 million (31 December 2024: AED 3,867 million).

14. Other assets

	31 Dec 2025 AED million	31 Dec 2024 AED million
Interest receivable	39,235	31,854
Acceptances	11,771	12,633
Sundry debtors and other receivables	5,721	4,797
Deferred tax asset	161	423
Gross other assets	**56,888**	**49,707**
Less: expected credit loss	(326)	(267)
Net other assets	**56,562**	**49,440**

The Group does not perceive any significant credit risk on interest receivable and acceptances.

Acceptances arise when the Group is under an obligation to make payments against documents drawn under letters of credit. After acceptance, the instrument becomes an unconditional liability of the Group and is therefore recognised as a financial liability in the consolidated statement of financial position (refer note 22). However, every acceptance has a corresponding contractual right of reimbursement from the customer which is recognised as a financial asset.

15. Investment in associates

	31 Dec 2025 AED million	31 Dec 2024 AED million
Investment in associates	5,297	4,963
Total investment in associates*	**5,297**	**4,963**

On 9 June 2023, FAB had entered into an agreement with affiliates of Brookfield Asset Management ("Brookfield"), together with other co-investors, for the acquisition by BCP VI Neptune Bidco Holdings Limited of Network International Holdings Plc ("Network") for AED 10.3 billion (GBP 2.2 billion). Pursuant to effectiveness of the Scheme of Arrangement (under Part 26 of the UK Companies Act 2006), on 17 September 2024, FAB alongside Brookfield and other co-investors has acquired 100% of the share capital of Network (the "Network International Acquisition") through BCP VI Neptune Bidco Holdings Limited.

Additionally, FAB has entered into an agreement with Brookfield and other co-investors to transfer its investment in BCP Growth Holdings Limited in exchange for a convertible loan instrument into an equity investment in NPH1, due to which FAB holds an effective holding of c.34% in NPH1. Accordingly, the shareholding in NPH1 has been recognised as an investment in associate during the previous year.

*The underlying liabilities of the associates amount to less than 1% of the Group's total liabilities.

Notes to the consolidated financial statements
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16. Investment properties

	31 Dec 2025 AED million	31 Dec 2024 AED million
As at the beginning of year	8,169	8,162
Additions	593	8
Disposals and other movements	(981)	(2)
Fair value adjustment	153	1
As at the year end	**7,934**	**8,169**

The fair value of the investment properties is based on the valuations performed by third party valuers as at 31 December 2025 and 31 December 2024. These all are level 3 under the fair value hierarchy.

Amounts recognised in the consolidated statement of profit or loss in respect of net rental income of investment properties are as follows:

	31 Dec 2025 AED million	31 Dec 2024 AED million
Rental income derived from investment properties	233	212
Operating expenses	(61)	(61)
Net rental income from investment properties	**172**	**151**

Investment properties are stated at fair value which represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under prevailing market conditions at the measurement date.

The Group's investment properties consist of land and buildings in Abu Dhabi and Dubai. Management determined that these investment properties consist of two classes of commercial and retail assets, based on the nature, characteristics and risks of each property.

The valuers are accredited with recognised and relevant professional qualifications and with recent experience in the location and category of investment properties being valued. The fair values have been determined based on varying valuation models depending on the intended use of the investment properties; in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation Standards.

Description of valuation techniques used and key inputs to valuation on investment properties as at 31 December 2025 and 2024:

Type	31 Dec 2025 AED million	Valuation technique	Significant unobservable inputs	Inter relationship between key unobservable inputs
Buildings	5,159	Comparable and residual method Sales comparison method	Comparable transactions Current market price of similar assets	Not applicable
Land	2,775	Comparable and residual method	Cost of construction Developer's profit Financing cost	Not applicable

17. Intangibles

	Goodwill AED million	Customer relationships AED million	Core deposits AED million	License AED million	Brand AED million	Total AED million
Cost						
As at 1 January 2024	18,693	1,778	704	369	22	21,566
Additions	-	-	-	-	-	-
As at 31 December 2024	**18,693**	**1,778**	**704**	**369**	**22**	**21,566**
As at 1 January 2025	18,693	1,778	704	369	22	21,566
Additions	-	-	-	-	-	-
As at 31 December 2025	**18,693**	**1,778**	**704**	**369**	**22**	**21,566**
Accumulated amortisation						
As at 1 January 2024	-	1,058	361	-	12	1,431
Charge for the year	-	137	58	-	1	196
As at 31 December 2024	**-**	**1,195**	**419**	**-**	**13**	**1,627**
As at 1 January 2025	-	1,195	419	-	13	1,627
Charge for the year	-	138	58	-	1	197
As at 31 December 2025	**-**	**1,333**	**477**	**-**	**14**	**1,824**
Carrying amounts						
At 31 December 2024	18,693	583	285	369	9	19,939
At 31 December 2025	**18,693**	**445**	**227**	**369**	**8**	**19,742**

Notes to the consolidated financial statements
For the year ended 31 December 2025

17. Intangibles (continued)

Testing goodwill for impairment involves significant amount of judgment. This includes the identification of independent CGUs and the allocation of goodwill to these units based on which units are expected to benefit from the acquisition. In a goodwill impairment test, the recoverable amounts of the goodwill carrying CGUs are compared with the respective carrying amounts. The recoverable amount is the higher of a CGUs fair value less costs of disposal and its value in use.

For the purposes of impairment testing, goodwill is allocated to the Group's independent CGUs which are Wholesale Banking - AED 6,009 million, Personal, Business, Wealth, & Privileged Client Banking Group – AED 4,975 million, Investment Banking & Markets - AED 6,386 million and FAB Egypt operation – AED 1,323 million (FAB Misr).

The recoverable amount for the CGUs has been calculated based on their value in use, determined by discounting the future cash flows expected to be generated from the continuing use of the CGUs, assets and their ultimate disposal at a discount rate of ~9.1% p.a. and a terminal growth rate ranging from 5% to 7% p.a. based on the CGU earning growth.

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions would not cause the recoverable amount of above CGUs to decline below the carrying amount. The recoverable amount of the CGUs has been determined based on a value in use calculation, using cash flow projections covering a five-year period and by applying a terminal growth rate thereafter. The forecast cash flows have been discounted using the Weighted Average Cost of Capital.

The calculation of value in use in the CGUs is most sensitive to the following assumptions:

- Interest margins;
- Discount rates;
- Market share during the projection period;
- Projected growth rates used to extrapolate cash flows beyond the projection period;
- Current local Gross Domestic Product ("GDP"); and
- Local inflation rates.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. No impairment losses were recognised during the year ended 31 December 2025 (31 December 2024: nil) because the recoverable amounts of the CGU's were determined to be higher than their carrying amounts.

18. Due to banks and financial institutions

	31 Dec 2025 AED million	31 Dec 2024 AED million
Due to Banks and financial institutions		
Current, call and notice deposits	8,922	5,933
Margin deposits	12,870	14,893
Fixed deposits	20,434	15,898
	42,226	**36,724**
Due to Central banks		
Current and call deposits	7,008	245
Fixed and certificate of deposits	88,567	34,927
	95,575	**35,172**
Total due to banks and financial institutions	**137,801**	**71,896**

Due to banks and financial institutions are denominated in various currencies and carry a rate of interest in the range of 0.02% p.a. to 5.67% p.a. (31 December 2024: 0.02 % p.a.to 5.54 % p.a.).

19 Repurchase agreements

The Group enters into repurchase agreements in the normal course of business by which it transfers recognised financial assets directly to third parties.

	31 Dec 2025 AED million	31 Dec 2024 AED million
Repurchase agreements with banks / financial institutions	52,190	32,329
Total repurchase agreements	**52,190**	**32,329**

The carrying value that is also the fair value of financial assets collateralised as at 31 December 2025 amounted to AED 33,538 million (31 December 2024: AED 25,660 million) and their associated financial liabilities amounted to AED 52,190 million (31 December 2024: AED 32,329 million). The net difference between the fair value of the financial assets collateralised and the carrying value of the repurchase agreement as at 31 December 2025 is AED 18,652 million (31 December 2024: AED 6,669 million) which represents pledged financial assets received as collateral against reverse repurchase agreements or through security borrowing arrangement from custodian.

Notes to the consolidated financial statements
For the year ended 31 December 2025

20. Commercial paper

The Bank has a Euro Commercial Paper programme with a limit of USD 3.5 billion and a US Dollar Commercial Paper programme with a limit of USD 10 billion.

The notes outstanding as at 31 December 2025 amounted to AED 29,939 million (31 December 2024: AED 17,888 million) and have maturity period of less than 12 months.

The Group has not had any defaults of principal, interest or other breaches with respect to its commercial paper programs during the years ended 31 December 2025 and 31 December 2024.

21. Customer accounts and other deposits

	31 Dec 2025 AED million	31 Dec 2024 AED million
By account:		
Current accounts	343,393	321,176
Savings accounts	48,313	38,713
Margin accounts	4,258	3,552
Notice and time deposits	408,925	385,034
	804,889	**748,475**
Certificates of deposit	35,884	33,904
Total customer accounts and other deposits	**840,773**	**782,379**

	31 Dec 2025 AED million	31 Dec 2024 AED million
By counterparty:		
Government sector	140,935	174,519
Public sector	117,159	127,808
Corporate / private sector	404,012	318,123
Personal / retail sector	142,783	128,025
	804,889	**748,475**
Certificates of deposit	35,884	33,904
Total customer accounts and other deposits	**840,773**	**782,379**

	31 Dec 2025 AED million	31 Dec 2024 AED million
By location:		
UAE	571,669	562,120
Europe	96,712	81,882
Arab countries	50,856	45,209
Americas	42,049	36,593
Asia	34,523	18,712
Others	9,080	3,959
	804,889	**748,475**
Certificates of deposit	35,884	33,904
Total customer accounts and other deposits	**840,773**	**782,379**

Islamic customer deposits

Included in the above customer accounts and other deposits are the following Islamic customer deposits:

	31 Dec 2025 AED million	31 Dec 2024 AED million
Wakala deposits	12,016	9,037
Mudaraba saving deposits	8,230	5,389
Current account	3,483	2,638
Murabaha deposits	929	686
Margin deposits	82	82
Mudaraba term deposits	50	52
Total Islamic customer deposits	**24,790**	**17,884**

22. Other liabilities

	31 Dec 2025 AED million	31 Dec 2024 AED million
Interest payable	33,038	26,771
Acceptances	4,807	6,034
Provision employees' end of service benefits	422	395
Accounts payable, sundry creditors and other liabilities	23,996	17,170
Income tax	3,140	2,103
Total other liabilities	**65,403**	**52,473**

Employees end of service benefits

Defined benefit obligations

The Group provides end-of-service benefits for its eligible employees. An actuarial valuation has been carried out as at 31 December 2025 to ascertain present value of the defined benefit obligation. A registered actuary in the UAE was appointed to evaluate the same. The present value of the defined benefit obligation, and the related current and past service cost, were measured using the Projected Unit Credit Method.

The following key assumptions (weighted average rates) were used to value the liabilities:

	31 Dec 2025	31 Dec 2024
Discount rate	5.85% per annum	5.80% per annum
Salary increase rate	3.1% per annum	2.96% per annum

Demographic assumptions for mortality, withdrawal and retirement were used in valuing the liabilities and benefits under the plan. Because of the nature of the benefit, which is a lump sum payable on exit due to any cause, a combined single decrement rate has been used.

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For the year ended 31 December 2025

22. Other liabilities (continued)

Employees end of service benefits (continued)

Defined benefit obligations (continued)

A shift in the discount rate assumption by +/- 50 basis points would impact the liability as at 31 December 2025 by AED 10 million (31 December 2024: AED 8 million) and AED 9 million (31 December 2024: AED 9 million) respectively. Similarly, a shift in the salary increment rate assumption by +/- 50 basis points would impact the liability as at 31 December 2025 by AED 9 million (31 December 2024: AED 9 million) and AED 10 million (31 December 2024: AED 9 million) respectively.

The movement in the employees' end of service obligation was as follows:

	31 Dec 2025 AED million	31 Dec 2024 AED million
Balance at the beginning of year	395	379
Net charge during the year	66	59
Remeasurement losses in OCI	5	13
Paid during the year and other adjustments	(44)	(56)
Balance at the end of year	**422**	**395**

Defined contribution plan

The Group pays contributions for its eligible employees which are treated as defined contribution plans. The charge for the year ended 31 December 2025 in respect of these contributions is AED 142 million (31 December 2024: AED 129 million). As at 31 December 2025, pension payable of AED 15 million (31 December 2024: AED 16 million) has been classified under other liabilities.

Income tax

The Group has provided for income tax in accordance with management's estimate of the total amount payable based on tax rates enacted or substantively enacted as at the reporting date. Where appropriate, the Group has made payments of tax on account in respect of these estimated liabilities.

The income tax charge for the year is calculated based upon the adjusted net profit for the year. The movement in the provision was as follows:

	31 Dec 2025 AED million	31 Dec 2024 AED million
Balance at the beginning of year	2,103	595
Charge for the year	4,011	2,818
Income tax paid, net of recoveries	(2,966)	(1,446)
Other movements	(8)	136
Balance at the end of year	**3,140**	**2,103**

22. Other liabilities (continued)

UAE Corporate Tax Law

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for the Group from 1 January 2024. A rate of 9% is applicable to taxable income exceeding AED 375,000 based on the Cabinet Decision 116 of 2022.

Current tax is measured based on the amount expected to be paid to, or recovered from, the tax authorities using the tax rates and regulations that have been enacted, or substantively enacted, by the end of the reporting period. The Group has recognised current tax in its financial statements beginning 1 January 2024.

Deferred tax is measured using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date, and which are expected to apply when the related assets are realised or liabilities are settled. The Group has assessed the application of IAS 12, including the requirements for the recognition and measurement of deferred tax, for the year ended 31 December 2025.

Pillar 2 disclosure

The Group's consolidated financial statements reflect the application of UAE Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("the Law"), enacted in 2023. Under this Law, taxable profits exceeding AED 375,000 are subject to a 9% corporate tax rate. The Group has determined its tax position based on its current interpretation of the Law and the related Regulations.

As the Group operates across multiple jurisdictions, it falls within the scope of the OECD's Global Anti Base Erosion ("GloBE") Pillar Two Model Rules in several of these territories. On 8 February 2025, the UAE Ministry of Finance issued detailed guidance on the implementation of the Domestic Minimum Top up Tax ("DMTT") for multinational enterprises ("MNEs"), pursuant to Federal Decree Law No. 60 of 2023 and Cabinet Decision No. 142 of 2024. These provisions introduce a 15% Global Minimum Tax effective from 1 January 2025, aligned with the OECD Inclusive Framework. On 25 August 2025, the OECD provided the UAE's DMTT "Transitional Qualified Status" by listing it on the OECD's Central Record of Legislation. The UAE legislation does not implement the Income Inclusion Rule ("IIR") or the Under Taxed Profits Rule ("UTPR").

The Group has assessed the impact of these requirements by considering several factors, including transitional safe harbour rules, recently filed tax returns, country by country reporting, and the financial information of its constituent entities. For jurisdictions that have enacted either a global minimum top up tax, a domestic minimum top up tax, or both, the resulting impacts have been recognised within the Group's income tax expense.

The Group continues to apply the mandatory temporary exception from recognising and disclosing deferred tax assets and liabilities arising from the application of the Pillar Two Model Rules, in accordance with the amendments to IAS 12, International Tax Reform – Pillar Two Model Rules.

Notes to the consolidated financial statements
For the year ended 31 December 2025

23. Term borrowings

	31 Dec 2025 AED million	31 Dec 2024 AED million
Amortised cost	74,189	64,106
Fair value through profit or loss	1,119	682
Total term borrowings	**75,308**	**64,788**

During the year, the Bank has issued various fixed and floating rate notes. The movement of term borrowings during the year is below:

	31 Dec 2025 AED million	31 Dec 2024 AED million
Beginning of the year	64,788	63,939
New issuances	19,053	14,648
Repayments	(10,815)	(12,461)
Fair valuations, exchange movements and other adjustments	2,282	(1,338)
End of the year	**75,308**	**64,788**

23.Term borrowings (continued)

Currency	Interest (range)	31 Dec 2025 Up to 3 months AED million	3 months to 1 year AED million	1 to 3 years AED million	3 to 5 years AED million	Over 5 years AED million	Total AED million	31 Dec 2024 Up to 3 months AED million	3 months to 1 year AED million	1 to 3 years AED million	3 to 5 years AED million	Over 5 years AED million	Total AED million
USD	Fixed rate of up to 6.66% p.a.	2,400	218	10,765	11,316	9,756	34,455	3,356	126	6,864	12,885	7,332	30,563
USD	USD SOFR QRT OB SHIFT -5BD + up to 4.773% p.a.	1,249	213	3,870	13,804	312	19,448	129	606	4,172	8,101	-	13,008
EUR	Fixed rate of 0.125% to 3.12% p.a.	3,226	-	2,116	62	3,847	9,251	-	378	4,599	46	156	5,179
CHF	Fixed rate of 0.078% to 1.072% p.a.	-	1,852	1,877	-	-	3,729	-	604	3,243	-	-	3,847
GBP	Fixed rate of 0.875% to 2.205% p.a.	-	1,207	-	90	124	1,421	-	1,885	1,072	79	-	3,036
CNH	Fixed rate of 2.07% to 4.05% p.a.	1,182	241	390	435	79	2,327	69	3,298	1,398	-	-	4,765
HKD	Fixed rate of 1.435% to 3.94% p.a.	77	182	733	185	586	1,763	-	825	432	-	-	1,257
AED	Fixed rate of 4.00% to 6.00% p.a.	-	1,354	4	-	-	1,358	-	-	1,396	6	-	1,402
AUD	3-month AUD BBSW + up to 4.459% p.a.	-	373	-	74	-	447	797	68	345	68	-	1,278
SGD	Fixed rate of 2% p.a.	-	-	429	-	-	429						
JPY	Fixed rate of 2.60% p.a.	-	232	-	-	-	232	-	-	228	-	-	228
AUD	Fixed rate of 1.87% p.a.	-	156	-	-	-	156	-	-	140	-	-	140
NZD	Fixed rate of 5.5% p.a.	-	-	77	-	-	77	-	-	-	75	-	75
EGP	Fixed rate of up to 20.92% p.a.	-	196	-	-	-	196	-	-	-	-	-	-
MXN	Fixed rate of 0.50% p.a.	-		14	-	-	14	-	-	-	10	-	10
TRY	Fixed rate of up to 44.6% p.a.	5	-	-	-	-	5	-	-	-	-	-	-
Total term borrowings		**8,139**	**6,224**	**20,275**	**25,966**	**14,704**	**75,308**	**4,351**	**7,790**	**23,889**	**21,270**	**7,488**	**64,788**

Included in the above are sukuk borrowings as at 31 December 2025 amounting to AED 14,274 million (31 December 2024: 13,654 million).

Notes to the consolidated financial statements

For the year ended 31 December 2025

23. Term borrowings (continued)

During the year, the Group has issued various fixed and floating rate notes. The nominal value of the notes issued during the year is stated below:

	31 Dec 2025 AED million	31 Dec 2024 AED million
Fixed rate		
GBP	124	-
CNH	854	444
EUR	3,681	46
USD	5,485	6,387
HKD	1,318	-
SGD	429	-
Floating rate		
USD	7,176	7,749
	19,067	**14,626**

The Group has hedged the interest rate and foreign currency exposure on term borrowings. The nominal value hedged as at 31 December 2025 is AED 61 billion (31 December 2024: AED 58 billion) and the risks being hedged have a net positive fair value of AED 6,164 million as at 31 December 2025 (31 December 2024: net positive fair value of AED 6,599 million). The Group has not had any defaults of principal, interest, or other breaches with respect to its term borrowings during the year ended 31 December 2025 and 31 December 2024.

24. Subordinated notes

Date of issue	Currency	Interest rate	Maturity date	31 Dec 2025 AED million	31 Dec 2024 AED million
10 December 2012	MYR	Fixed rate of 4.75% p.a.	9 December 2027	445	399
4 October 2023	USD	Fixed rate of 6.32% p.a. until 4 April 2029 and if not called, then from 4 April 2029 to the maturity date, the prevailing 5-Year US Treasury rate + 1.70% p.a.	4 April 2034	3,773	3,715
16 July 2024	USD	Fixed rate of 5.804% p.a. until 16 January 2030 and if not called, then from 16 January 2030 to the maturity date, the prevailing 5-Year US Treasury rate + 1.55% p.a.	16 January 2035	2,799	2,747
Total subordinated notes				**7,017**	**6,861**

The Bank has hedged the interest rate and foreign currency exposure on the subordinated notes. The Bank has not had any defaults of principal, interest, or other breaches with respect to its subordinated notes during the year ended 31 December 2025 and 31 December 2024.

25. Capital and reserves

Share capital

	31 Dec 2025 AED million	31 Dec 2024 AED million
Authorised share capital	11,048	11,048
Ordinary shares of AED 1 each	11,048	11,048

Statutory and special reserves

In accordance with the Bank's Articles of Association and as required by Article 241 of UAE Companies Law No. (32) of 2021, as amended, a minimum of 10 % of the annual net profit should be transferred to both statutory and special reserve until each of these reserves equal to 50% of the paid-up share capital. The statutory and special reserve are not available for distribution to the shareholders. No transfers were made during the year because statutory and special reserve are equal to 50% of the paid-up share capital.

Dividends

	31 Dec 2025 AED million	31 Dec 2024 AED million
Dividend on ordinary shares paid during the year	8,315	7,822

At the Annual General Meeting (AGM) held on 11 March 2025, the shareholders of the Bank approved a cash dividend of AED 0.75 per ordinary share amounting to AED 8,286 million (31 December 2023: cash dividend of AED 0.71 per ordinary share amounting to AED 7,844 million).

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25. Capital and reserves (continued)

Other reserves

	Fair value reserve AED million	General reserve AED million	Foreign currency translation reserve AED million	Impairment reserve -specific AED million	Impairment reserve – collective AED million	Total AED million
As at 1 January 2025	(2,299)	278	(4,844)	-	2,868	(3,997)
Other comprehensive loss for the year	(68)	-	281	-	-	213
Impairment reserve movement	-	-	-	-	1,427	1,427
Realised loss on sale of FVOCI investment	2,521	-	-	-	-	2,521
As at 31 December 2025	**154**	**278**	**(4,563)**	**-**	**4,295**	**164**
As at 1 January 2024	(1,185)	228	(2,925)	1,222	2,868	208
Other comprehensive income loss for the year	(1,139)	-	(1,919)	-	-	(3,058)
Transfer during the year	-	50	-	-	-	50
Impairment reserve movement[1]	-	-	-	(1,222)	-	(1,222)
Realised loss on sale of FVOCI investment	25	-	-	-	-	25
As at 31 December 2024	**(2,299)**	**278**	**(4,844)**	**-**	**2,868**	**(3,997)**

[1]During the previous year, in accordance with the new Credit Risk Management Standards ('CRMS') issued by CBUAE, specific provision was appropriated to retained earnings.

25. Capital and reserves (continued)

Other reserves (continued)

(i). Fair value reserve

The fair value reserve comprises:

- the cumulative net change in the fair value of equity securities measured at FVOCI;
- the cumulative net change in the fair value of debt securities measured at FVOCI until the assets are derecognised or reclassified. This amount is increased by the amount of loss allowance; and
- cash flow hedge reserves.

	Revaluation reserve – instruments at FVOCI AED million	Hedging reserve – cash flow hedge AED million	Total AED million
As at 1 January 2025	(1,571)	(728)	(2,299)
Net unrealised fair value changes	(135)	743	608
Realised gain on sale of FVOCI instruments recycled through profit or loss	(610)	-	(610)
Realised loss on sale of FVOCI instruments recycled through equity	2,521	-	2,521
Impact of ECL	(66)	-	(66)
As at 31 December 2025	**139**	**15**	**154**
As at 1 January 2024	(882)	(303)	(1,185)
Net unrealised fair value changes	(894)	(425)	(1,319)
Realised loss on sale of FVOCI instruments recycled through profit or loss	150	-	150
Realised loss on sale of FVOCI instruments recycled through equity	25	-	25
Impact of ECL	30	-	30
As at 31 December 2024	**(1,571)**	**(728)**	**(2,299)**

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions. During the year, there has been no significant transfer from cash flow hedge reserve to profit or loss.

(ii). General reserve

The general reserve is available for distribution to the shareholders at the recommendation of the Board of Directors.

(iii). Foreign currency translation reserve ("FCTR")

FCTR represents the exchange differences arising from translation of the net investment in foreign operations.

Notes to the consolidated financial statements
For the year ended 31 December 2025

25. Capital and reserves (continued)

Other reserves (continued)

(iv). Impairment reserve

As per Credit Risk Management Standards ('CRMS') issued by CBUAE, Banks must ensure that the total provision corresponding to all Stage 1 and Stage 2 exposures is not less than 1.5% of the Credit Risk weighted assets as computed under the CBUAE capital regulations. Where the collective provisions held are lower, the shortfall may be held in a dedicated non distributable balance sheet reserve called the 'impairment reserve-general'. The amount held in the impairment reserve-general must be deducted from the capital base (Tier 1 capital for Banks) when computing the regulatory capital.

During the year ended 31 December 2025, total provision corresponding to all Stage 1 and Stage 2 exposures is not less than 1.5% of the Credit Risk weighted assets as computed under the CBUAE capital regulations.

	31 Dec 2025 AED million	31 Dec 2024 AED million
Non distributable impairment reserve – General		
Minimum provision for Stage 1 and 2 as per CBUAE requirements	9,603	8,360
Less: Stage 1 and 2 impairment provision taken against income	(5,640)	(5,539)
Shortfall in stage 1 and 2 provision to meet minimum CBUAE requirements	**3,963**	**2,821**
Balance of impairment reserve - general as at 1 January	2,868	2,868
Add: Non distributable reserve during the year (Impairment reserve-general)	1,427	-
Balance of impairment reserve - general as at 31 December	**4,295**	**2,868**

The calculation process, the methodology and the results for provisions have been reviewed and approved by the Group Risk Committee("GRC") responsible for the oversight of provisions. Accordingly, the GRC has formally reviewed as presented by the Chief Risk Officer ("CRO") the calculation process, the methodology and results of the provision. Therefore, the provisions have been presented and approved by the Board or delegated body of the Board, as per Article 9 (Standards) of the Credit Risk Management Regulation and accompanying Standards, Circular No. 3/2024 dated 25/7/2024.

26. Tier 1 capital notes

Issuance	Currency	Interest rate	31 Dec 2025 AED million	31 Dec 2024 AED million
Government of Abu Dhabi Tier 1 capital notes	AED	Floating interest of 6-month EIBOR plus 2.3% p.a.	8,000	8,000
USD 750 million Tier 1 capital notes	USD	Fixed rate of 4.50% p.a., thereafter, reset on the first date and every sixth anniversary; thereafter on the basis of the aggregate of the margin and the relevant six year reset on the relevant U.S. Securities determination date	2,755	2,755
USD 1 billion Tier 1 capital notes	USD	Fixed rate of 5.875% p.a., thereafter, reset on the first date and every sixth anniversary; thereafter on the basis of the aggregate of the margin and the relevant six year reset on the relevant U.S. Securities determination date	3,673	-
Total Tier 1 capital notes			**14,428**	**10,755**

Tier 1 capital notes are perpetual, subordinated, unsecured and carry coupons to be paid semi-annually in arrears. The Bank may elect not to pay a coupon at its own discretion. The note holder does not have a right to claim the coupon and an election by the Bank not to service coupon is not considered an event of default. In addition, there are certain circumstances under which the Bank is prohibited from making a coupon payment on a relevant coupon payment date.

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 notes except securities, the term of which stipulate a mandatory redemption or conversion into equity, in each case unless or until two consecutive coupon payments have been paid in full. During the year, the coupon payment election was made by the Bank amounting to AED 679 million (31 December 2024: AED 743 million).

27. Interest income

	31 Dec 2025 AED million	31 Dec 2024 AED million
Interest from:		
Central banks	9,362	13,320
Banks and financial institutions	1,726	1,487
Reverse repurchase agreements	4,407	3,770
Loans and advances (excluding Islamic financing)	31,282	30,958
Non-trading investment securities	9,861	10,039
Total interest income	**56,638**	**59,574**

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28. Interest expense

	31 Dec 2025 AED million	31 Dec 2024 AED million
Interest to:		
Banks and financial institutions	4,622	2,946
Repurchase agreements	1,804	1,623
Commercial paper	1,202	1,020
Customer accounts and other deposits (excluding Islamic customers' deposits)	27,115	32,074
Term borrowings	3,613	3,942
Subordinated notes	423	495
Total interest expense	**38,779**	**42,100**

29. Income from Islamic financing and investing products

	31 Dec 2025 AED million	31 Dec 2024 AED million
Murabaha	2,458	2,163
Ijara	960	837
Sukuk investments	430	410
Others	95	64
Total income from Islamic financing and investing products	**3,943**	**3,474**

30. Distribution on Islamic customers' deposits

	31 Dec 2025 AED million	31 Dec 2024 AED million
Wakala deposits	439	323
Mudaraba saving and term deposits	335	247
Islamic sukuk notes	600	662
Murabaha deposits	86	86
Others	20	18
Total distribution on Islamic customers' deposits	**1,480**	**1,336**

The Group maintains an investment risk reserve as at 31 December 2025 of AED 54 million (31 December 2024: AED 39 million) which represents a portion of the depositors' share of profits set aside as a reserve.

31. Net fee and commission income

	31 Dec 2025 AED million	31 Dec 2024 AED million
Fee and commission income:		
Retail and corporate lending	2,788	2,132
Cards and e-services	1,464	1,299
Trade finance	1,258	1,046
Commission on transfers	262	219
Asset management and investment services	199	156
Brokerage income	155	110
Accounts related services	69	71
Collection services	42	56
Others	820	431
Total fee and commission income	**7,057**	**5,520**
Fee and commission expense:		
Credit card charges	1,032	919
Consumer and corporate lending	394	335
Brokerage commission	72	68
Trade finance	78	58
Others	664	382
Total fee and commission expense	**2,240**	**1,762**
Net fee and commission income	**4,817**	**3,758**

32. Net foreign exchange (loss)/gain

	31 Dec 2025 AED million	31 Dec 2024 AED million
Trading and retranslation (loss)/gain on foreign exchange and related derivatives[1]	(3,380)	193
Dealings with customers	1,927	1,639
Total net foreign exchange (loss)/gain	**(1,453)**	**1,832**

[1]Due to effective hedging strategies, the offsetting impact of hedging instruments is reflected in the net gain on investments and derivatives (note 33).

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For the year ended 31 December 2025

33. Net gain on investments and derivatives

	31 Dec 2025 AED million	31 Dec 2024 AED million
Net realised and unrealised gain on investments at fair value through profit or loss and derivatives	10,565	5,523
Net gain/(loss) from sale of non-trading investment securities	610	(150)
Dividend and other income	378	26
Total net gain on investments and derivatives	**11,553**	**5,399**

34. Other operating income

	31 Dec 2025 AED million	31 Dec 2024 AED million
Leasing related income	172	151
Other income	1,264	873
Total other operating income	**1,436**	**1,024**

35. General, administration and other operating expenses

	31 Dec 2025 AED million	31 Dec 2024 AED million
Staff costs	4,239	4,032
Information technology expenses	1,553	1,125
Depreciation	735	863
Professional fees	484	549
Amortisation of intangibles	224	224
Communication expenses	223	219
Premises expenses	205	211
Publicity and advertisement	157	137
Sponsorships and donations	136	93
Other general and administration expenses	244	334
Total general, administration and other operating expenses	**8,200**	**7,787**

Auditor's remuneration

	31 Dec 2025 AED million	31 Dec 2024 AED million
Audit services	12	12
Audit related services	15	10
Non-audit services	-	1
Total auditor's remuneration	**27**	**23**

35. General, administration and other operating expenses (continued)

Auditor's remuneration

Audit services
Audit services can be defined as services rendered by the Group's statutory auditor for the audit and review of the financial statements or services that are normally provided by the statutory auditor in connection with statutory and regulatory filings.

Audit related services
Audit related services are services other than 'audit services' for which the auditor of the entity is an appropriate provider particularly where those services are required by law or regulation relating to the jurisdiction and activities of the subject entity.

Non-audit services
Non-audit services are services which do not fall in the above two segments of service and are also not part of prohibited services.

36. Net impairment charge

	31 Dec 2025 AED million	31 Dec 2024 AED million
Impairment charge on		
loans, advances and Islamic financing	3,416	4,430
other financial assets	(34)	(3)
unfunded exposures	171	42
Recoveries	(391)	(726)
Write off of impaired financial assets	113	181
Total net impairment charge	**3,275**	**3,924**

Notes to the consolidated financial statements
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37. Income tax expense

In addition to adjustments relating to deferred taxation, the charge for the year is calculated based upon the adjusted net profit for the year at rates of tax applicable in respective overseas locations. The charge to the consolidated statement of profit or loss for the year is as follows:

	31 Dec 2025 AED million	31 Dec 2024 AED million
Corporate income tax	3,026	2,586
Global minimum top-up tax	992	-
Deferred tax (income) / expenses	(7)	232
Total income tax expense	**4,011**	**2,818**

Reconciliation of Group's tax on profit based on accounting and profit as per the tax laws is as follows:

	31 Dec 2025 AED million	31 Dec 2024 AED million
Profit before taxation	25,200	19,914
Effect of tax rates	2,682	2,287
Tax effects of:		
- Income not subject to tax	(433)	(105)
- Expenses not deductible for tax purposes	227	154
- Movement in unrecognised deferred tax	15	(11)
- Prior year adjustments	(200)	12
- Withholding tax deducted at source	680	466
- Pillar 2 and qualifying domestic top-up taxes	992	-
- Others	48	15
Total income tax expense	**4,011**	**2,818**

38. Cash and cash equivalents

	31 Dec 2025 AED million	31 Dec 2024 AED million
Cash and balances with central banks	268,633	214,548
Due from banks and financial institutions	25,662	23,774
	294,295	**238,322**
Less: balances with central banks maturing after three months of placement	(24)	(690)
Less: due from banks and financial institutions maturing after three months of placement	(1,567)	(908)
Less: restricted deposits with central banks for regulatory purposes	(1,380)	(896)
Total cash and cash equivalents	**291,324**	**235,828**

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the date of its acquisition.

39. Commitments and contingencies

The Group, in the ordinary course of business, enters into various types of transactions that involve undertaking certain commitments such as letters of credit, guarantees and undrawn loan commitments.

There were no other significant changes in contingent liabilities and commitments during the year other than those arising out of normal course of business.

	31 Dec 2025 AED million	31 Dec 2024 AED million
Letter of credit	58,542	39,752
Guarantees	165,287	138,198
Trade contingencies	**223,829**	**177,950**
Undrawn commitment to extend credit	128,180	78,962
Commitments for future capital expenditure	2,086	1,622
Commitments for future private equity investments	2,304	2,181
Total commitments	**132,570**	**82,765**
Total commitments and contingencies	**356,399**	**260,715**

Credit risk characteristics of these unfunded facilities closely resemble the funded facilities as described in note 47(a).

Letter of credit and guarantees ("Trade contingencies") commit the Group to make payments on behalf of customers' contingent upon the production of documents or the failure of the customer to perform under the terms of the contract.

Commitments to extend credit represent contractual commitments to extend loans, advances and Islamic financing and revolving credits. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since commitments may expire without being drawn upon, the total contracted amounts do not necessarily represent future cash requirements.

Concentration by location

	Undrawn loan commitments		Trade contingencies	
	31 Dec 2025 AED million	31 Dec 2024 AED million	31 Dec 2025 AED million	31 Dec 2024 AED million
UAE	89,137	53,022	155,818	122,636
Europe	19,296	9,602	16,855	14,338
Arab countries	2,731	4,208	20,247	17,086
Americas	12,070	6,057	9,578	9,153
Asia	1,614	2,831	20,068	13,975
Others	3,332	3,242	1,263	762
Total concentration	**128,180**	**78,962**	**223,829**	**177,950**

Concentration by location is based on the residential status of the customers.

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40. Derivative financial instruments

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments. Derivatives are financial instruments that derive their value from the price of underlying items such as equities, bonds, interest rates, foreign exchange, credit spreads, commodities and equity or other indices. Derivatives enable Group to increase, reduce or alter exposure to specific risks such as interest or credit.

The Group primarily uses the following derivative instruments for trading and risk management purposes.

The table below shows the positive and negative fair values of derivative financial instruments, which are equivalent to their fair values, together with the notional amounts analysed by the term to maturity. The notional amount is the amount of a derivative's underlying, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year end and are neither indicative of the market risk nor credit risk.

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For the year ended 31 December 2025

40. Derivative financial instruments (continued)

31 December 2025	Positive market value	Negative market value	Notional amount	Notional amounts by term to maturity				
				Less than three months	From three months to one year	From one year to three years	From three years to five years	Over five years
	AED million	AED million	AED million	AED million	AED million	AED million	AED million	AED million
Held for trading:								
Interest rate derivatives								
Swaps	28,033	26,617	2,391,073	297,854	425,876	558,234	503,361	605,748
Forwards & Futures	19	13	135,778	68,314	41,517	24,863	1,084	-
Options & Swaptions	333	423	59,529	5,998	12,741	30,271	8,137	2,382
Foreign exchange derivatives								
Forwards	3,447	3,438	536,402	324,025	170,285	35,249	6,411	432
Options	220	210	46,138	26,905	17,749	1,484	-	-
Other derivatives contracts	3,534	6,078	110,443	14,939	36,008	45,365	4,129	10,002
	35,586	**36,779**	**3,279,363**	**738,035**	**704,176**	**695,466**	**523,122**	**618,564**
Held as fair value hedges:								
Interest rate derivatives								
Swaps	3,871	11,537	547,279	202,781	138,403	56,429	83,921	65,745
	3,871	**11,537**	**547,279**	**202,781**	**138,403**	**56,429**	**83,921**	**65,745**
Held as cash flow hedges:								
Interest rate derivatives								
Swaps	1,245	232	54,471	1,983	19,577	19,250	9,437	4,224
Foreign exchange derivatives								
Forwards	-	-	367	367	-	-	-	-
	1,245	**232**	**54,838**	**2,350**	**19,577**	**19,250**	**9,437**	**4,224**
Total	**40,702**	**48,548**	**3,881,480**	**943,166**	**862,156**	**771,145**	**616,480**	**688,533**

Notes to the consolidated financial statements

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40. Derivative financial instruments (continued)

31 December 2024	Positive market value	Negative market value	Notional amount	Notional amounts by term to maturity				
				Less than three months	From three months to one year	From one year to three years	From three years to five years	Over five years
	AED million	AED million	AED million	AED million	AED million	AED million	AED million	AED million
Held for trading:								
Interest rate derivatives								
Swaps	33,570	33,528	1,704,727	155,546	280,868	428,415	367,900	471,998
Forwards & Futures	18	20	82,770	45,623	14,722	22,333	92	-
Options & Swaptions	200	341	49,447	1,611	3,741	20,084	18,952	5,059
Foreign exchange derivatives								
Forwards	4,027	4,137	468,399	285,867	146,550	27,006	8,955	21
Options	128	91	21,441	11,368	8,080	1,677	316	-
Other derivatives contracts	1,715	3,345	93,930	9,564	36,192	32,781	13,943	1,450
	39,658	**41,462**	**2,420,714**	**509,579**	**490,153**	**532,296**	**410,158**	**478,528**
Held as fair value hedges:								
Interest rate derivatives								
Swaps	5,326	11,793	505,907	205,815	93,390	77,668	64,545	64,489
	5,326	**11,793**	**505,907**	**205,815**	**93,390**	**77,668**	**64,545**	**64,489**
Held as cash flow hedges:								
Interest rate derivatives								
Swaps	864	503	50,027	-	4,224	31,081	12,051	2,671
Foreign exchange derivatives								
Forwards	45	-	3,099	3,099	-	-	-	-
	909	**503**	**53,126**	**3,099**	**4,224**	**31,081**	**12,051**	**2,671**
Total	**45,893**	**53,758**	**2,979,747**	**718,493**	**587,767**	**641,045**	**486,754**	**545,688**

40. Derivative financial instruments (continued)

The positive / negative fair value in respect of derivatives represents the gain/loss respectively, arising on fair valuation of the trading and hedging instrument and are not indicative of any current or future losses. Positive / negative fair values have been adjusted to the carrying value of the hedged loans, advances and Islamic financing, non-trading investment securities, term borrowings and subordinated notes where hedge accounting has been applied.

Where collateral agreements are in place against certain counterparties, and in order to mitigate any credit exposure, the Group would receive collateral. As at 31 December 2025, the Group received cash collateral of AED 7,403 million (31 December 2024: AED 12,395 million) against positive fair value of derivative assets from certain counterparties. Correspondingly, the Group placed cash collateral of AED 14,127 million (31 December 2024: AED 14,494 million) against the negative fair value of derivative liabilities.

Derivatives held for trading purposes

The Group uses derivatives, not designated in a qualifying hedge relationship, to manage its exposure to foreign currency, interest rate and credit risks or initiates positions with the expectation of profiting from favourable movement in prices, rates or indices. The instruments used mainly include interest rate and currency swaps and forward contracts. The fair values of those derivatives are shown in the table above.

Derivatives held for hedging purposes

Derivatives held as fair value hedge

The Group uses derivative financial instruments for economic hedging purposes as part of its asset and liability management strategy by taking offsetting positions in order to reduce its own exposure to fluctuations in exchange and interest rates. The Group uses interest rate swaps to hedge against the changes in fair value arising from specifically identified interest bearing instruments such as loans, advances and Islamic financing, non-trading investment securities, term borrowings and subordinate notes. The Group uses forward foreign exchange contracts and currency swaps to hedge against specifically identified currency risks.

Derivatives held as cash flow hedge

The Group uses forward contracts to hedge the foreign currency risk arising from its financial instruments. The Group has substantially matched the critical terms of the derivatives to have an effective hedge relationship.

41. Segmental information

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Group's CEO (the Group's Chief Operating Decision Maker) in order to allocate resources to the segment and to assess its performance.

During the year, the Group reorganised its operating segments in line with its customer-centric strategy, resulting in changes to the composition and reporting of the Bank's operating segments. The Group's operating structure consists of four key operating segments across geographic regions, driving strategy, customer value propositions, product and channel development, and customer relationships, while supporting the Group's financial performance. The Chief Operating Decision Maker now reviews the performance of the Bank based on the new segment structure.

The measurement basis for segment profit or loss and segment assets remains unchanged due to the reorganization. Comparative information for previous years has been restated to reflect the new reportable segments.

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41. Segmental information (continued)

Business segments

Investment Banking & Markets ("IB&M")

IB&M provides institutional and public sector clients with a broad range of banking and financing solutions including corporate & Islamic finance, capital markets, trade, liquidity, cash management services and global markets products. It also encompasses market-making, risk management and investment management activities for the Group.

Wholesale Banking ("WB")

WB serves large and medium-sized corporates with a broad range of banking and financing solutions including corporate & Islamic finance, capital markets, trade, liquidity, cash management services and global markets products.

Personal, Business, Wealth, & Privileged Client Banking Group ("PBW&PCBG")

PBW&PCBG serves a diverse client base including affluent, high and ultra-high net worth individuals, privileged clients and family offices, as well as small to medium-sized businesses. The division offers retail banking, private banking and tailored investment and advisory solutions, leveraging advanced AI & digital capabilities along with distribution and sales channels to deliver seamless experience across the entire customer journey.

Head Office ("HO")

HO includes the Group's support functions and the share of results of associates and certain subsidiaries partially or fully owned by the Group providing banking services and other complementary offerings. These include FAB Misr, First Gulf Libya, Mismak, Abu Dhabi National Properties and legacy portfolios.

Geographic segments

The Group manages its various business segments through a network of branches, subsidiaries and representative offices within the two defined geographic segments, which are UAE and International. Balance sheet and income statement presented within this section are principally the location from which a client relationship exists and is managed, which may differ from where it is financially booked.

41. Segmental information (continued)
Geographic segments (continued)

	Business Segments				Geographic Segments		
	IB&M AED million	WB AED million	PBW&PCBG AED million	HO AED million	Total AED million	UAE AED million	International AED million	Total AED million
For the year ended 31 December 2025								
Net interest income and income from Islamic financing and investing products	5,705	3,997	9,071	1,549	20,322	15,945	4,377	20,322
Net non-interest income	6,080	2,401	3,583	4,289	16,353	13,736	2,617	16,353
Operating income	**11,785**	**6,398**	**12,654**	**5,838**	**36,675**	**29,681**	**6,994**	**36,675**
General, administration and other operating expenses	(1,540)	(1,191)	(4,119)	(1,350)	(8,200)	(6,162)	(2,038)	(8,200)
Net impairment charge	(121)	(402)	(1,055)	(1,697)	(3,275)	(2,544)	(731)	(3,275)
Profit before taxation	**10,124**	**4,805**	**7,480**	**2,791**	**25,200**	**20,975**	**4,225**	**25,200**
As at 31 December 2025								
Segment assets	**463,679**	**173,673**	**251,100**	**515,412**	**1,403,864**	**984,506**	**419,358**	**1,403,864**
Segment liabilities	**356,276**	**255,380**	**326,124**	**319,199**	**1,256,979**	**986,169**	**270,810**	**1,256,979**
For the period ended 31 December 2024								
Net interest income and income from Islamic financing and investing products	5,628	4,002	8,836	1,146	19,612	15,545	4,067	19,612
Net non-interest income	4,518	1,760	2,687	3,048	12,013	8,818	3,195	12,013
Operating income	**10,146**	**5,762**	**11,523**	**4,194**	**31,625**	**24,363**	**7,262**	**31,625**
General, administration and other operating expenses	(1,423)	(1,135)	(3,814)	(1,415)	(7,787)	(5,776)	(2,011)	(7,787)
Net impairment charge	7	(535)	(1,360)	(2,036)	(3,924)	(3,589)	(335)	(3,924)
Profit before taxation	**8,730**	**4,092**	**6,349**	**743**	**19,914**	**14,998**	**4,916**	**19,914**
As at 31 December 2024								
Segment assets	**384,899**	**148,548**	**228,153**	**451,647**	**1,213,247**	**906,714**	**306,533**	**1,213,247**
Segment liabilities	**298,409**	**231,310**	**266,963**	**285,690**	**1,082,372**	**879,268**	**203,104**	**1,082,372**

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42. Earnings per share
Earnings per share is calculated by dividing the net profit for the year after deduction of Interest on Tier 1 capital notes payment by the weighted average number of ordinary shares in issue during the year as set out below:

	31 Dec 2025	31 Dec 2024
Basic and diluted earnings per share:		
Net profit for the year (AED million)	21,110	17,055
Less: Interest payment on Tier 1 capital notes (AED million)	(679)	(743)
Net profit after interest payment on Tier 1 capital notes (AED million)	**20,431**	**16,312**
Weighted average number of ordinary shares:		
Weighted average number of ordinary shares (million)	11,048	11,041
Basic and diluted earnings per share (AED)	**1.85**	**1.48**

43. Related parties
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. Related parties comprise major shareholders, Board of Directors and key management personnel of the Group. Key management personnel comprise those executive committee members ("EXCO") of the Group who are involved in the strategic planning and decision making of the Group. The terms of these transactions are approved by the Group's management and are made on terms agreed by the Board of Directors or management.

The Group operates in a market dominated by entities directly or indirectly controlled by the Government of Abu Dhabi through its government authorities, agencies, affiliations and other organizations, collectively referred to as government related entities. The Group has transactions with other government-related entities and these transactions are conducted in the ordinary course of its business on terms agreed by the Board.

Details of Board of Directors remuneration and key management personnel remuneration are as follows:

	31 Dec 2025 AED million	31 Dec 2024 AED million
Board of Directors' remuneration paid during the year	45	45
Short-term benefits	72	73
Long-term benefits	6	4

43. Related parties (continued)

Balances with related parties at the reporting date are shown below:

	Board of Directors	Major shareholders	Senior management	Associates	Total
	AED million	AED million	AED million	AED million	AED million
As of 31 December 2025					
Financial assets					
Investments at fair value through profit or loss	-	136	-	-	136
Reverse purchase agreements	-	75	-	-	75
Derivative financial instruments	-	210	-	5	215
Loans, advances and Islamic financing	3,819	33,166	160	1,291	38,436
Non-trading investment securities	-	3,713	-	-	3,713
Other assets	48	428	9	7	492
Financial liabilities					
Derivative financial instruments	-	152	-	11	163
Customer accounts and other deposits	10,774	11,733	66	1,532	24,105
Other liabilities	279	66	1	7	353
Contingent liabilities					
Derivatives	-	12,320	-	1,685	14,005
Letter of credit	1	374	-	-	375
Guarantees	173	1,444	-	1	1,618
For the year ended 31 December 2025					
Interest income	183	1,698	7	69	1,957
Interest expense	(356)	(433)	(2)	(96)	(887)
Fee and commission income	22	137	-	5	164
Fee and commission expense	-	-	-	(149)	(149)
Net gain on investments and derivatives	-	99	-	20	119

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43. Related parties (continued)

	Board of Directors	Major shareholders	Senior management	Associates	Total
	AED million	AED million	AED million	AED million	AED million
As of 31 December 2024					
Financial assets					
Investments at fair value through profit or loss	-	81	-	-	81
Reverse purchase agreements	-	347	-	-	347
Derivative financial instruments	-	17	-	-	17
Loans, advances and Islamic financing	2,652	32,218	145	1,042	36,057
Non-trading investment securities	-	3,515	-	-	3,515
Other assets	21	433	7	-	461
Financial liabilities					
Derivative financial instruments	-	267	-	4	271
Customer accounts and other deposits	9,736	19,232	61	636	29,665
Other liabilities	197	191	1	-	389
Contingent liabilities					
Derivatives	-	10,218	-	750	10,968
Letter of credit	-	433	-	-	433
Guarantees	181	2,058	-	-	2,239
For the year ended 31 December 2024					
Interest income	130	1,894	6	59	2,089
Interest expense	(429)	(537)	(1)	(104)	(1,071)
Fee and commission income	9	159	-	44	212
Fee and commission expense	-	-	-	(126)	(126)
Net gain on investments and derivatives	-	121	-	(105)	16

As at 31 December 2025, the ECL allowance held against related party balances amounted to AED 37 million (31 December 2024: AED 33 million).

44. Fiduciary activities

The Group held assets under management in trust or in a fiduciary capacity for its customers at 31 December 2025 amounting to AED 27,369 million (31 December 2024: AED 39,889 million). Furthermore, the Group provides custodian services for some of its customers.

The underlying assets held in a custodial or fiduciary capacity are excluded from these consolidated financial statements of the Group.

45. Special purpose entity

The Group has created a Special purpose entity (SPE) with defined objectives to carry out fund management and investment activities on behalf of customers. The equity and investments managed by the SPE is not controlled by the Group and the Group does not obtain benefits from the SPE operations, apart from commissions and fee income. In addition, the Group does not provide any guarantees or assume any liabilities of this entity. Consequently, the SPE assets, liabilities and results of operations are not included in these consolidated financial statements of the Group. The SPE is as follows:

Legal Name	Activities	Country of incorporation	As at 31 Dec 2025	As at 31 Dec 2024
One share PLC	Investment Company	Republic of Ireland	100%	100%

46. Fair value measurement

(a). Valuation framework

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets, and financial and non-financial liabilities. The Group has an established control framework for the measurement of fair values. Several control functions support this framework (Valuation Control within Finance function and Market Risk Analytics within the Risk functions) that are independent of the Front Office. Significant valuation issues are reported to the Group Valuation Committee operating under the Board Risk and ESG Committee.

Specific controls include:

- Independent verification of market data and model parameters used in the valuation process and valuation adjustments are applied when significant deviations are observed;
- Review of significant unobservable and stale inputs and significant changes to the fair value measurement of Level 3 instruments;
- Validation and approval process for new models and frequent review of existing models or when changes are performed;
- Profit or loss attribution analysis process for changes in fair value;
- Calibration against observed market transactions.

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46. Fair value measurement (continued)

(a). Valuation framework (continued)

Specific controls include (continued):

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of the Accounting Standards, including the level in the fair value hierarchy in which the valuations should be classified. This includes:

- Verifying that the broker or pricing service is approved by the Group for use in pricing the relevant type of financial instrument;
- Understanding how the fair value has been arrived at, the extent to which it represents actual market transactions and whether it represents a quoted price in an active market for an identical instrument;
- When prices for similar instruments are used to measure fair value, understanding how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- If a number of quotes for the same financial instrument have been obtained, then understanding how fair value has been determined using those quotes.

(b). Fair value adjustments

The Group applies the following fair value adjustments to its base valuation procedures to better reflect the individual characteristics of trades that market participants would consider when trading in or setting specific prices for these instruments.

Exit risk adjustments:

These reflect the bid-offer costs that would be incurred if substantially all residual net portfolio market risks were closed using available hedging instruments or by disposing of or unwinding the position. Bid-offer levels are generally derived from market quotes such as broker data. Less liquid instruments may not have a directly observable bid-offer level. In such instances, an exit price adjustment may be derived from an observable bid-offer level for a comparable liquid instrument, determined by calibrating to derivative prices, or by scenario or historical analysis.

Credit risk adjustments

The credit valuation adjustment ('CVA') is an adjustment to the valuation of over the counter ('OTC') derivative contracts to reflect the possibility that the counterparty may default and that the Group may not receive the full market value of the transactions. The debt valuation adjustment ('DVA') is an adjustment to the valuation of OTC derivative contracts to reflect the possibility that the Group may default, and that it may not pay the full market value of the transactions.

These adjustments are calculated for both uncollateralised and collateralised derivatives across all asset classes. CVA and DVA are calculated using estimates of expected positive and negative exposures respectively, probability of default and recovery rates, at a counterparty level. Counterparties include (but are not limited to) financial institutions, corporates, sovereigns and sovereign agencies and supranationals. Expected exposure is generally estimated through the simulation of underlying risk factors through Monte Carlo simulation techniques.

46. Fair value measurement (continued)

(b). Fair value adjustments (continued)

Credit risk adjustments (continued)
Probability of default and recovery rate information is generally sourced from the CDS markets. Where this information is not available, or considered unreliable, alternative approaches are taken based on mapping the counterparty to a sector curve based on the rating, the region and the industry sector.

Model related adjustments
These are applied when either model inputs are overly simplified, the model has limitations deriving the fair value of a position or there is no market wide consensus on the choice of a model. These adjustments are required to correct existing model weaknesses or deficiencies that were highlighted during the model validation process.

The models applied by the Bank may not always capture all characteristics of the market at a point in time as they cannot be recalibrated at the same pace as new market conditions. Such interim adjustments are reflected in the model uncertainty adjustments until the base models are updated.

(c). Valuation inputs
The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable, and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Model inputs and parameters are based on and calibrated to market observable prices, including broker quotes, current or recent transaction prices and market consensus, where available. In absence of market observable prices, empirical data and/or judgement may be required in model calibration process, which is inherently subjective and can yield a range of possible inputs and estimates of fair value. Management uses prudent judgement to select the most appropriate point in the range.

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46. Fair value measurement (continued)

(d). Valuation techniques
Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models to determine the fair value of common and simple financial instruments, such as interest rate and currency swaps, that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives, and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with determining fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Group uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all the significant inputs into these models may not be observable in the market and may be derived from market prices or rates or estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain OTC structured derivatives for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, determination of expected volatilities and correlations and selection of appropriate discount rates. In cases where inputs are deemed unobservable, additional provision may be required to cater for the higher valuation uncertainty.

Fair value estimates obtained from models are adjusted if any significant risk factor is missing in the valuation model to the extent that the Group believes that a third-party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate. For measuring derivatives that might change classification from being an asset to a liability or vice versa – e.g. interest rate swaps – fair values take into account both credit valuation adjustment (CVA) and debit valuation adjustment (DVA) when market participants would take this into consideration in pricing the derivatives.

Model inputs and values are calibrated against historical data and published forecasts and, where possible, against current or recent observed transactions in different instruments and against broker quotes. This calibration process is inherently subjective, and it yields ranges of possible inputs and estimates of fair value. Management uses judgement to select the most appropriate point in the range.

46. Fair value measurement (continued)

(d) Valuation techniques (continued)

Derivatives
OTC derivative valuation models calculate the present value of expected future cash flows, based upon 'no arbitrage' principles. For many vanilla derivative products, the modelling approaches used are standard across the industry. For more complex derivative products, there may be some differences in market practice. Inputs to valuation models are determined from observable market data wherever possible, including prices available from exchanges, dealers, brokers or providers of consensus pricing. Certain inputs may not be observable in the market directly but can be determined from observable prices via model calibration procedures or estimated from historical data or other sources.

Equity Instruments
The majority of equity instruments are actively traded on public stock exchanges with readily available active prices on a regular basis. Units held in investment funds are measured based on their published net asset value (NAV), taking into account redemption and/or other restrictions.

Private equity
Investments in private equity funds are valued using net asset values ('NAV') received by the external fund manager. Adjustments may be required to the NAV of the funds to obtain valuations that consider exit costs observable on the secondary market and to reflect the uncertainty inherent to the nature of the investments held.

Securities
Fair value is determined by using quoted prices in active markets when available. When not available, quoted prices in less active markets are used. In the absence of position's specific quoted prices, fair value may be determined through benchmarking from comparable instruments.

Structured notes
These comprise principally credit and equity linked notes issued by the Bank, which provide the counterparty with a return linked to the creditworthiness of specific underlying. Examples of the unobservable parameters include correlations between underlying.

Debt instruments
Debt instruments are fixed or floating rate securities or may be embedded with derivative characteristics. The Bank uses active market prices when available, or other observable inputs in discounted cash flow models to estimate the corresponding fair value.

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46. Fair value measurement (continued)

(e).Fair value of financial instruments
The table below sets out the Group's classification of each class of financial assets and liabilities and their carrying amounts as at 31 December 2025:

	Fair value through profit or loss	FVOCI – with recycle to profit or los	FVOCI – without recycle to profit or loss	Amortised cost	Carrying amount
	AED million	AED million	AED million	AED million	AED million
Financial assets					
Cash and balances with central banks	-	-	-	268,497	268,497
Investments at fair value through profit or loss	74,107	-	-	-	74,107
Due from banks and financial institutions	-	-	-	25,613	25,613
Reverse repurchase agreements	-	-	-	93,987	93,987
Derivative financial instruments	40,702	-	-	-	40,702
Loans, advances and Islamic financing	-	-	-	616,325	616,325
Non-trading investment securities	-	177,886	6,484	5,342	189,712
Other assets	-	-	-	54,239	54,239
	114,809	**177,886**	**6,484**	**1,064,003**	**1,363,182**
Financial liabilities					
Due to banks and financial institutions	-	-	-	137,801	137,801
Repurchase agreements	-	-	-	52,190	52,190
Commercial Paper	-	-	-	29,939	29,939
Derivative financial instruments	48,548	-	-	-	48,548
Customer accounts and other deposits	-	-	-	840,773	840,773
Other liabilities[1]	2,260	-	-	58,984	61,244
Term borrowings	1,119	-	-	74,189	75,308
Subordinated notes	-	-	-	7,017	7,017
	51,927	**-**	**-**	**1,200,893**	**1,252,820**

[1]Other liabilities that are held for trading are classified as level 1 in the fair value hierarchy.

Management considers that the carrying amounts of the Group's financial assets and liabilities do not materially differ from their fair values as at the year end.

46. Fair value measurement (continued)

(e). Fair value of financial instruments (continued)

The table below sets out the Group's classification of each class of financial assets and liabilities and their carrying amounts as at 31 December 2024:

	Fair value through profit or loss	FVOCI – with recycle to profit or los	FVOCI – without recycle to profit or loss	Amortised cost	Carrying amount
	AED million	AED million	AED million	AED million	AED million
Financial assets					
Cash and balances with central banks	-	-	-	214,404	214,404
Investments at fair value through profit or loss	56,028	-	-	-	56,028
Due from banks and financial institutions	-	-	-	23,724	23,724
Reverse repurchase agreements	-	-	-	69,661	69,661
Derivative financial instruments	45,893	-	-	-	45,893
Loans, advances and Islamic financing	-	-	-	528,897	528,897
Non-trading investment securities	-	177,922	5,495	4,029	187,446
Other assets	-	-	-	47,257	47,257
	101,921	**177,922**	**5,495**	**887,972**	**1,173,310**
Financial liabilities					
Due to banks and financial institutions	-	-	-	71,896	71,896
Repurchase agreements	-	-	-	32,329	32,329
Commercial Paper	-	-	-	17,888	17,888
Derivative financial instruments	53,758	-	-	-	53,758
Customer accounts and other deposits	-	-	-	782,379	782,379
Other liabilities[1]	1,211	-	-	47,031	48,242
Term borrowings	682	-	-	64,106	64,788
Subordinated notes	-	-	-	6,861	6,861
	55,651	**-**	**-**	**1,022,490**	**1,078,141**

[1]Other liabilities that are held for trading are classified as level 1 in the fair value hierarchy.

Management considers that the carrying amounts of the Group's financial assets and liabilities do not materially differ from their fair values as at the year end.

Notes to the consolidated financial statements
For the year ended 31 December 2025

46 Fair value measurement (continued)

(e) Fair value of financial instruments (continued)

Financial instruments measured at fair value - hierarchy

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	AED million	AED million	AED million	AED million
As at 31 December 2025				
Investment at fair value through profit or loss	50,852	17,313	5,942	74,107
FVOCI - with recycle to profit or loss	151,380	25,386	1,120	177,886
FVOCI - without recycle to profit or loss	6,262	3	219	6,484
Derivative financial instruments (assets)	216	40,465	21	40,702
	208,710	**83,167**	**7,302**	**299,179**
Derivative financial instruments (liabilities)	1,023	47,446	79	48,548
Term borrowings	-	674	445	1,119
	1,023	**48,120**	**524**	**49,667**

	Level 1	Level 2	Level 3	Total
	AED million	AED million	AED million	AED million
As at 31 December 2024				
Investment at fair value through profit or loss	12,980	38,678	4,370	56,028
FVOCI - with recycle to profit or loss	144,821	31,316	1,785	177,922
FVOCI - without recycle to profit or loss	1,184	4,094	217	5,495
Derivative financial instruments (assets)	387	45,506	-	45,893
	159,372	**119,594**	**6,372**	**285,338**
Derivative financial instruments (liabilities)	133	53,530	95	53,758
Term borrowings	-	328	354	682
	133	**53,858**	**449**	**54,440**



46 Fair value measurement (continued)

(e) Fair value of financial instruments (continued)

Financial instruments measured at fair value - hierarchy (continued)

The following table shows the transfer between the hierarchies:

Investment at fair value through profit or loss	Level 1 AED million	Level 2 AED million	Level 3 AED million	Total AED million
Balance as at 1 January 2025	**12,980**	**38,678**	**4,370**	**56,028**
Transfers:				
Transfer from level 2 to level 1	1,055	(1,055)	-	-
	1,055	**(1,055)**	**-**	**-**
Net non-level movements	36,817	(20,310)	1,572	18,079
Balance as at 31 December 2025	**50,852**	**17,313**	**5,942**	**74,107**

Non-trading investment securities	Level 1 AED million	Level 2 AED million	Level 3 AED million	Total AED million
Balance as at 1 January 2025	**146,005**	**35,410**	**2,002**	**183,417**
Transfers:				
Transfer from level 1 to level 2	(112)	112	-	-
Transfer from level 2 to level 1[1]	5,947	(5,947)	-	-
Transfer from level 3 to level 2	-	263	(263)	-
	5,835	**(5,572)**	**(263)**	**-**
Net non-level movements	5,802	(4,449)	(400)	953
Balance as at 31 December 2025	**157,642**	**25,389**	**1,339**	**184,370**

Investment at fair value through profit or loss	Level 1 AED million	Level 2 AED million	Level 3 AED million	Total AED million
Balance as at 1 January 2024	**6,708**	**35,357**	**3,144**	**45,209**
Transfers:				
Transfer from level 1 to level 2	(542)	542	-	-
Transfer from level 2 to level 1	958	(958)	-	-
Transfer from level 2 to level 3	-	(18)	18	-
	416	**(434)**	**18**	**-**
Net non-level movements	5,856	3,755	1,208	10,819
Balance as at 31 December 2024	**12,980**	**38,678**	**4,370**	**56,028**

Notes to the consolidated financial statements
For the year ended 31 December 2025

46 Fair value measurement (continued)

(e) Fair value of financial instruments (continued)

Financial instruments measured at fair value - hierarchy (continued)

Non-trading investment securities	Level 1 AED million	Level 2 AED million	Level 3 AED million	Total AED million
Balance as at 1 January 2024	**134,567**	**39,576**	**1,126**	**175,269**
Transfers:				
Transfer from level 1 to level 2	(4,130)	4,130	-	-
Transfer from level 2 to level 1	872	(872)	-	-
Transfer from level 2 to level 3	-	(578)	578	-
	(3,258)	**2,680**	**578**	**-**
Net non-level movements	14,696	(6,846)	298	8,148
Balance as at 31 December 2024	**146,005**	**35,410**	**2,002**	**183,417**

Management considers that the carrying amounts of financial assets and liabilities recognised in the consolidated financial statements do not materially differ from their fair values.

[1]During the year, certain financial instruments were transferred from Level 2 to Level 1 in the fair value hierarchy following a change in the valuation methodology.

The following table shows a reconciliation of instruments measured at fair value (assets) and classified as Level 3:

	31 Dec 2025 AED million	31 Dec 2024 AED million
Balance as at the beginning of year	6,372	4,281
Additions	3,604	3,668
Fair value and other adjustments	(2,674)	(1,577)
Balance as at the end of year	**7,302**	**6,372**

The Level 3 financial instruments include private equity investments, and their valuations are based on the latest net asset published by the fund manager. The effect of changes in its valuation is covered as part of equity price risk included in note 47(c). The remaining mainly comprise of debt instruments which are priced using last available prices.

Any change in one or more of the unobservable inputs to reflect reasonably possible alternative assumptions would not change the fair value significantly.

47. Financial risk management

Risk management framework

Introduction and overview
The primary objective of the Group is to manage risk and provide risk adjusted returns to the shareholders in line with the accepted risk profile. In the course of doing its regular business activities, the Group gets exposed to multiple risks notably credit risk; capital risk; market risk (including interest rate risk in the trading book, currency risk, equity risk in the trading book); liquidity risk; interest rate risk in the banking book; model risks; operational risk (including risk of fraud); technology risk, information security and data privacy, business continuity; legal and compliance risk; shariah compliance risks and ESG risks. A well established risk governance and ownership structure ensures oversight and accountability of the effective management of risk at the Group. The risk management tone is set right at the top from the Board of Directors ("BOD") and gets implemented through a well defined risk management structure and framework.

Composition of Board
The Board of Directors ("BOD") is responsible for the overall direction, supervision and control of the Group. The BOD has delegated authority to specialist committees who support the Board in execution of its responsibilities. The day-to-day management of the Group is conducted by the Group Chief Executive Officer ("GCEO") and the Group Executive Committee as delegated by the Board. The BOD has overall responsibility for the Group including approving and overseeing the implementation of its strategic objectives, risk strategy, corporate governance and corporate values within the agreed framework in accordance with relevant statutory and regulatory structures. In accordance with the Bank's Articles of Association, the BOD comprises eleven members. Each Director holds the position for three years, which may then be renewed for a further three-year term. The Board of Directors of the Bank's subsidiaries have the same fiduciary responsibilities towards their respective entities as the Bank's Directors have towards the Group.

Corporate Governance Framework
The Group maintains a comprehensive Corporate Governance Framework that sets clear guidance on rules, policies, processes, and governance principles. This framework enables the Board of Directors (BOD) and Senior Management to exercise effective oversight and ensure the sound management of the Group.
In line with its charter, the BOD is responsible for driving the implementation of corporate governance standards and safeguarding the integrity of the Group's governance framework. To promote consistency and uphold the highest standards of professionalism, all subsidiaries and international operations are required to establish governance frameworks aligned with the Group's overarching principles.

The Head of Corporate Governance serves as the custodian of this framework, ensuring its integrity and consistent application across the organisation.

Risk Management Structure
The BOD approves the risk management framework for the Bank, its subsidiaries, its associates and international offices including representative offices and overseas branches. Under authority delegated by the BOD, the Board Risk and ESG Committee ("BRESGC"), through its separately convened Group risk management meetings formulates high level Group risk management policies, exercises delegated risk authorities and oversees the implementation of risk management framework and controls. The Group Chief Risk Officer (''GCRO'') functionally reports to this Committee.

Board Management Committee ("BMC")
The BMC approves and oversees execution of the Group's business plan per the strategy approved by the Board and oversees and reviews material aspects of the business of the Group. The Committee meets quarterly or more frequently as deemed necessary.

47. Financial risk management (continued)

Risk management framework (continued)

Risk Management Structure (continued)
Board Risk and ESG Committee ("BRESGC")
The BRESGC provides oversight and advice to the BOD in relation to current and potential future risk exposures of the Group, risk strategy, risk appetite and tolerance as well as risk culture of the Group. The committee also oversees and provides guidance to the Board of Directors on ESG matters. The Committee meets quarterly or more frequently as deemed necessary. The Group's risk management function has a direct reporting line to the BRESGC through the Group Chief Risk Officer.

Board Audit Committee ("BAC")
BAC ensures oversight of the effectiveness of the internal control systems and the quality and integrity of financial statements and financial reporting. In addition, it reviews, approves and oversees the internal and external audit programs and ensures coordination between internal and external auditors. The Group Chief Audit Officer ("GCAO") provides reports to the Committee on internal controls and the Head of Compliance reports directly to the BAC on compliance related matters. The Committee meets quarterly or more frequently as deemed necessary.

Board Level Committees within the Group

Remuneration and Nomination Committee ("REMCO")
The REMCO recommends and oversees the appointment and termination of BOD and succession planning for the Group Executive Committee members. This includes an assessment of the skills, knowledge and expertise needed to ensure they are positioned to discharge their responsibilities in the interests of the shareholders and the Group. The Committee also reviews and recommends to the Board, Group's reward policy framework, approves and oversees reward design and ensures it is appropriate and consistent with the Group's culture, values, business performance and risk strategy. The Committee meets at least twice a year or more frequently as deemed necessary.

Management Level Committees within the Group
There are ten management level committees. The major functions of the ten management committees are listed below:

Group Executive Committee ("EXCO")
The Group Executive Committee ("Group EXCO") is the Group's senior most management level committee and it operates under a delegated authority from the Board. It is responsible for identifying matters required or appropriate for escalation to the BOD or Board Committees. The Group EXCO also supports the Group CEO to determine and implement the Group's strategy as approved by the Board.

The key responsibilities of the Committee include decisions on the Bank's strategy, annual budgets, capital management, risk management and Group's more material policies and procedures. The Group EXCO may delegate certain authorities and powers to management committees and individuals, but the Group EXCO reserves the authority to deal with strategy, annual budget and structure; financial reporting and controls; capital management; risk and internal control; contracts; corporate governance matters; executive remuneration and human resources policies, and Group policies generally; general meeting of shareholders and communication and any other matters in its discretion.

47. Financial risk management (continued)

Risk management framework (continued)

Management Level Committees within the Group (continued)

Group Credit Committee ("GCC")
GCC assists in the development and implementation of the Group's credit, investment strategy and the related policies and procedures. The aim of GCC is to have an overall credit oversight of the Group and decide on credit policy and governance related matters.

Group Risk Committee ("GRC")
GRC assists in setting and monitoring Group risk strategy, risk exposures and group risk profile in an effective manner. The primary objective of GRC is to define, develop and periodically monitor the Group's risk appetite, risk frameworks, methodologies and risk policies. GRC reports material risk matters to the EXCO and BRESGC as appropriate.

Group Compliance Committee ("Compliance committee")
Group Compliance Committee assists the Group EXCO and BAC in fulfilling its objective of overseeing the Bank's regulatory responsibilities as well as ensuring the Bank's compliance with the applicable laws and regulations issued by various regulatory authorities across the Group.

Group Asset & Liability Committee ("GALCO")
The GALCO is the driving force and key decision maker behind the structure and quality of the balance sheet. It is directly accountable to the BRESGC for ensuring that the risks within the Group's asset and liability position are prudently managed.

Human Resources Steering Committee ("HRSC")
HRSC assists the Group EXCO and the REMCO to implement strategic and operational HR initiatives to deliver the Group's long-term shareholder value. The Committee is the formal sponsor of all material HR initiatives across the Group in line with the Group's Employee Value Proposition ("EVP").

Group Operational & Fraud Risk Committee ("GO&FRC")
GO&FRC assists the Group EXCO and the Board Risk and ESG Committee ("BRESGC") in fulfilling the Group's Operational and Fraud Risk Management related matters. The key responsibilities of this committee are to define guidelines to identify and manage Operational & Fraud risks in all new products, processes, and activities, defining scope, policy, objectives, assumptions, and roles / responsibilities of the Group's Operational & Fraud Risk Management Policies.

Group Technology Risk and Information Security Committee ("GTRISC")
GTRISC assists the Group EXCO and the BRESGC in overseeing, reviewing and taking decisions on the implementation of Group's security controls and business continuity framework to ensure that information assets of the Bank are adequately protected and to ensure prevention and recovery from potential natural / man made threats. It also serves as an independent and objective governance forum which ensures the adequacy and effectiveness of the Group's information security framework.

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47. Financial risk management (continued)

Risk management framework (continued)

Group ESG Committee ("GESGC")
GESGC assists the Group EXCO and BRESGC in all ESG related matters of the Group. The primary objective of the GESGC is to promote and oversee the ESG strategy, culture, and awareness across the Group.

Group Technology Steering Committee ("GTSC")
GTSC assists in fulfilling EXCO's governance and oversight responsibilities of all technology and information systems across the Group and supports the work of the BRESGC in its oversight of the Group IT governance framework. The GTSC ensures alignment of business strategies with technology priorities and acts to protect and enhance the shareholders' investment in technology.

Group Risk Management Framework

The Group has a centralised Risk Management function led by the GCRO. The Risk Management function comprises of sub functions such as enterprise risk & credit risk, capital risk, market and interest rate risk, liquidity risk, model risk, operational and fraud risk, legal risk, technology risk, information security and data privacy, business continuity, credit recovery, corporate governance, shariah compliance risk and Group ESG.

The Bank has established the Group risk management framework to support the Group's risk management objectives. The core objective of the Group risk management framework is to provide a reasonable degree of assurance to the Board that the risks affecting the Group's achievement of its core values and purpose are being identified, measured, monitored and controlled through an effective integrated risk management system.

The framework consists of specific policy documents covering all material risks across the Group that include enterprise risk management policy, risk appetite policy, reputational risk management policy, strategic risk management policy, ESG related framework and policies, capital management policy, corporate governance related policies and framework, credit risk management related policies, market risk related policies, asset liability management (ALM) risk related policies, operational risk management policy, fraud risk management policy, outsourcing risk policy, Group Operational Resilience Policy, compliance risk related policies, information security risk related policies, business continuity management policy, AI Governance Management Policy, internal capital adequacy assessment process (ICAAP) policy, Pillar III disclosure policy, Group Recovery Planning Policy, recovery and resolution plan, pillar II & stress testing methodology, new products approval policy, model risk management policy, Shariah Compliance Policy and Shari'ah governance framework. In addition to these risk management policies, the Group has also put in place detailed operational policies, procedures and programs wherever needed.

The Group follows three lines of defence approach for managing risks. Business units and enabling functions, as the first line of defence, identify and manage risk in their day-to-day activities by ensuring that activities are within the Group's risk appetite and follow all relevant internal policies and processes. Group Credit, Group Risk, Legal and Group Compliance, as the second line of defence, establishes risk controls comprising of policies and processes while also providing oversight and independent challenge to the first line of defence. The Group Chief Risk Officer ("GCRO") has a direct reporting line to the BRESGC to ensure the independence of Group Risk from Internal audit, as the third line of defence, provides assurance to management and the Board on the effectiveness of risk management practices employed by the first two lines of defence. The Group Chief Audit Officer has a direct reporting line to the Board Audit Committee.

47 Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

As a part of the Group risk management framework, FAB has established a formal risk appetite after careful consideration of the risk-return trade off.

Risk monitoring and control is primarily based on limits established by the Group's executive management. These limits reflect the Group's business strategy and the market environment in which it operates as well as the risk appetite of the Group. Information from all parts of the Group is collected, examined and processed in order to identify, analyse and control risks. This information is presented to the BRESGC and the GRC on a quarterly basis. The information covers enterprise wide risks and is designed to enable the Board and executive management to receive all necessary information so as to independently assess the possible impact of these risks on the Group's businesses. The Group uses a range of measures to mitigate and control risks, including the use of credit risk mitigation techniques (collaterals, guarantees, netting, etc.) to reduce exposure to credit risk and the use of derivative instruments to reduce certain interest and currency exchange rate risks. The risk profile of all major transactions is assessed and authorised by appropriate management representatives before the transactions are concluded and the effectiveness of all risk mitigation measures is closely monitored by the risk management unit. The Group risk management frameworks and strategies are dynamically updated based on regulations and market best practices. The group also regularly conducts training and awareness initiatives for its staff and customers to ensure robust risk culture.

(a). Credit risk

Credit risk is the risk that a customer or counterparty to a financial asset fails to meet its contractual obligations and causes the Group to incur a financial loss. It arises principally from the Group's loans, advances and Islamic financing, due from banks and financial institutions, reverse repurchase agreements, non-trading debt investments, derivative financial instruments and certain other financial assets.

Management of credit risk

Credit risk identification and assessment at the Group is carried out through a comprehensive mechanism comprising three levels of defence. The first level of defence lies with the business units and is responsible for maintaining a sound credit quality of assets in line with the approved business strategy and credit risk appetite. The second level of defence is with the Group Credit Unit that assesses the risk at the customer and facility level, ensures proper documentation of customer, facility and security documents along with Group Risk management unit that assesses credit risk on a portfolio basis and maintains credit risk policies and credit risk rating models up to date. Internal Audit acts as a third level of defence with regular reviews of credit analysis and the risk functions to check the compliance with policies and procedures of the Group. The unit also reviews the policy documents on a regular basis.

As part of credit risk monitoring and control framework, regular risk monitoring both at customer and portfolio levels is carried out along several parameters which include credit quality, provisioning levels, exposure limits across several dimensions, financial and operating performance, account conduct, end use of funds, adequacy of credit risk mitigants, adherence to financial and non-financial covenants, recovery performance, rating system performance among others.

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47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Credit quality analysis

The following tables set out information about the credit quality of financial assets measured at amortised cost, and fair value through other comprehensive income (FVOCI) debt investments without considering collateral or other credit enhancements. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

The Group measures its exposure to credit risk by reference to the gross carrying amount of financial assets, less amounts offset, interest in suspense and impairment losses, if any.

The carrying amount of financial assets represents the maximum credit exposure.

As at 31 December 2025	Stage 1		Stage 2		Stage 3		Purchased or originally credit impaired[4]		Total	
	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million
Balances with central banks	264,864	17	1,326	119	-	-	-	-	266,190	136
Due from banks and financial institutions	23,495	5	2,168	44	-	-	-	-	25,663	49
Reverse repurchase agreements	94,063	76	-	-	-	-	-	-	94,063	76
Loans, advances and Islamic financing[1]	597,543	2,647	14,276	1,749	17,243	4,611	3,662	349	632,724	9,356
Non-trading investment securities										
Amortised cost securities	5,344	2	-	-	-	-	-	-	5,344	2
FVOCI debt securities[2]	177,803	101	-	-	83	3	-	-	177,886	104
Other assets[3]	23,545	292	26	-	176	34	-	-	23,747	326
Unfunded exposures	346,533	483	3,201	103	2,274	647	1	1	352,009	1,234
	1,533,190	**3,623**	**20,997**	**2,015**	**19,776**	**5,295**	**3,663**	**350**	**1,577,626**	**11,283**

[1]The exposure represents gross loans, advances and Islamic financing, including suspended interest of AED 7,043 million primarily on Stage 3 and purchased or originally credit impaired assets (POCI).

[2]The provision for FVOCI instruments is included within the net impairment charge, and the related balance is presented in the fair value reserve under the equity.

[3]On certain assets included as part of other assets, ECL is computed based on simplified approach.

[4]The Group, from an internal credit quality point of view, considers AED 3,569 million as par to non-performing loans, advances and Islamic financing.

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Credit quality analysis (continued)

As at 31 December 2024	Stage 1		Stage 2		Stage 3		Purchased or originally credit impaired[4]		Total	
	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million	Exposure AED million	Provision AED million
Balances with central banks	211,273	26	1,147	118	-	-	-	-	212,420	144
Due from banks and financial institutions	21,493	9	2,281	41	-	-	-	-	23,774	50
Reverse repurchase agreements	69,755	94	-	-	-	-	-	-	69,755	94
Loans, advances and Islamic financing[1]	513,581	2,618	10,528	1,778	22,677	8,943	3,727	450	550,513	13,789
Non-trading investment securities										
Amortised cost securities	4,030	1	-	-	-	-	-	-	4,030	1
FVOCI debt securities[2]	177,834	166	-	-	88	4	-	-	177,922	170
Other assets[3]	23,190	224	9	6	122	37	-	-	23,321	267
Unfunded exposures	250,775	300	3,842	154	2,294	607	1	-	256,912	1,061
	1,271,931	**3,438**	**17,807**	**2,097**	**25,181**	**9,591**	**3,728**	**450**	**1,318,647**	**15,576**

[1]The exposure represents gross loans, advances and Islamic financing including suspended interest of AED 7,827 million primarily on Stage 3 and purchased or originally credit impaired assets (POCI).
[2]The provision for FVOCI instruments is included within the net impairment charge, and the related balance is presented in the fair value reserve under the equity.
[3]On certain assets included as part of other assets, ECL is computed based on simplified approach.
[4]The Group, from an internal credit quality point of view, considers AED 3,664 million as par to non-performing loans, advances and Islamic financing.

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Credit quality analysis (continued)

The movement of gross exposure is as follows:

Loans, advances and Islamic financing	Stage 1 AED million	Stage 2 AED million	Stage 3 AED million	POCI AED million	Total AED million
Balance as at 1 January 2025	**513,581**	**10,528**	**22,677**	**3,727**	**550,513**
Transfers:					
Transfer from Stage 1 to Stage 2	(8,576)	8,576	-	-	-
Transfer from Stage 1 to Stage 3	(2,159)	-	2,159	-	-
Transfer from Stage 2 to Stage 1	2,856	(2,856)	-	-	-
Transfer from Stage 2 to Stage 3	-	(1,583)	1,583	-	-
Transfer from Stage 3 to Stage 2	-	734	(734)	-	-
Transfer from Stage 3 to Stage 1	100	-	(100)	-	-
	(7,779)	**4,871**	**2,908**	**-**	**-**
Net amounts written off	(45)	(382)	(7,499)	(93)	(8,019)
Net non-stage movements	91,786	(741)	(843)	28	90,230
Balance as at 31 December 2025	**597,543**	**14,276**	**17,243**	**3,662**	**632,724**

Unfunded exposure	Stage 1 AED million	Stage 2 AED million	Stage 3 AED million	POCI AED million	Total AED million
Balance as at 1 January 2025	**250,775**	**3,842**	**2,294**	**1**	**256,912**
Transfers:					
Transfer from Stage 1 to Stage 2	(890)	890	-	-	-
Transfer from Stage 1 to Stage 3	(178)	-	178	-	-
Transfer from Stage 2 to Stage 1	529	(529)	-	-	-
Transfer from Stage 2 to Stage 3	-	(107)	107	-	-
Transfer from Stage 3 to Stage 2	-	16	(16)	-	-
Transfer from Stage 3 to Stage 1	27	-	(27)	-	-
	(512)	**270**	**242**	**-**	**-**
Net non-stage movements	96,270	(911)	(262)	-	95,097
Balance as at 31 December 2025	**346,533**	**3,201**	**2,274**	**1**	**352,009**

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Credit quality analysis (continued)

Loans, advances and Islamic financing	Stage 1 AED million	Stage 2 AED million	Stage 3 AED million	POCI AED million	Total AED million
Balance as at 1 January 2024	**464,787**	**12,938**	**22,924**	**3,992**	**504,641**
Transfers:					
Transfer from Stage 1 to Stage 2	(2,920)	2,920	-	-	-
Transfer from Stage 1 to Stage 3	(1,790)	-	1,790	-	-
Transfer from Stage 2 to Stage 1	2,200	(2,200)	-	-	-
Transfer from Stage 2 to Stage 3	-	(3,458)	3,458	-	-
Transfer from Stage 3 to Stage 2	-	1,453	(1,453)	-	-
Transfer from Stage 3 to Stage 1	114	-	(114)	-	-
	(2,396)	**(1,285)**	**3,681**	**-**	**-**
Net amounts written off	(69)	(350)	(3,466)	(220)	(4,105)
Net non-stage movements	51,259	(775)	(462)	(45)	49,977
Balance as at 31 December 2024	**513,581**	**10,528**	**22,677**	**3,727**	**550,513**

Unfunded exposure	Stage 1 AED million	Stage 2 AED million	Stage 3 AED million	POCI AED million	Total AED million
Balance as at 1 January 2024	**237,130**	**4,313**	**1,664**	**5**	**243,112**
Transfers:					
Transfer from Stage 1 to Stage 2	(1,816)	1,816	-	-	-
Transfer from Stage 1 to Stage 3	(7)	-	7	-	-
Transfer from Stage 2 to Stage 1	195	(195)	-	-	-
Transfer from Stage 2 to Stage 3	-	(1,079)	1,079	-	-
Transfer from Stage 3 to Stage 2	-	19	(19)	-	-
	(1,628)	**561**	**1,067**	**-**	**-**
Net non-stage movements	15,273	(1,032)	(437)	(4)	13,800
Balance as at 31 December 2024	**250,775**	**3,842**	**2,294**	**1**	**256,912**

There were no material movement between stages for other financial assets for the year ended 31 December 2025 and 31 December 2024.

Notes to the consolidated financial statements
For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Credit quality analysis (continued)

The external ratings for trading securities and non-trading investment securities are disclosed below:

	Investments at fair value through profit or loss		Non-trading investment securities	
	31 Dec 2025 AED million	31 Dec 2024 AED million	31 Dec 2025 AED million	31 Dec 2024 AED million
AAA	1,264	409	42,670	26,248
AA to A	29,159	24,523	110,431	127,150
BBB to B	31,418	24,117	26,112	27,170
CCC and below	3,422	132	338	568
Unrated	8,844	6,847	10,163	6,311
	74,107	**56,028**	**189,714**	**187,447**
Less: expected credit loss	-	-	(2)	(1)
	74,107	**56,028**	**189,712**	**187,446**

Unrated investments primarily consist of investments in private equities and investments in equities which do not carry credit risk. Investments at fair value through profit or loss are neither past due nor impaired.

Collateral held and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are, as follows:

- For securities lending and reverse repurchase transactions, cash or securities;
- For corporate and small business lending, charges over real estate properties, inventory and trade receivables and, in special circumstances, government guarantees;
- For retail lending, mortgages over residential properties.

The Group has set up a framework for credit risk mitigation as a means towards reducing credit risk in an exposure, at facility level, by a safety net of tangible and realizable securities including approved third party guarantees/ insurance. The types of Credit Risk Mitigation ("CRM") include netting agreements, collaterals, guarantees, credit derivatives and Standby Letters of Credits ("SBLC"). The Group ensures that all documentation used in collateralized transactions and for documenting on and off-balance sheet netting, guarantees, credit derivatives and collateral is binding on all parties and is legally enforceable in all relevant jurisdictions. The Group also ensures that all the documents are reviewed by the appropriate authority and have appropriate legal opinions to verify and ensure their enforceability. Management monitors the market value of collateral on period basis.

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Credit quality analysis (continued)

Collateral held and other credit enhancements (continued)

The Group holds collateral and other credit enhancements against certain credit exposures. An estimate of the collateral against loans, advances and Islamic financing is shown below:

	31 Dec 2025 AED million	31 Dec 2024 AED million
Against individually not impaired:		
Real estate	237,269	210,768
Shares and bonds	205,333	205,320
Cash	12,078	10,179
Others	31,276	31,082
Total against individually not impaired	**485,956**	**457,349**
Against individually impaired:		
Real estate	14,331	15,064
Shares and bonds	350	134
Cash	143	86
Others	161	150
Total against individually impaired	**14,985**	**15,434**
Total collateral against loans, advances and Islamic financing	**500,941**	**472,783**

	31 Dec 2025 AED million	31 Dec 2024 AED million
Collateral value cover		
0 – 50%	6,104	11,138
51 – 100%	4,284	3,542
Above 100%	3,381	3,834
Net credit impaired loans, advances and Islamic financing	**13,769**	**18,514**

The Group's policy is to pursue timely realisation of the collateral in an orderly manner. There has been no significant change in the quality of the collateral during the year ended 31 December 2025 and 31 December 2024.

Derivatives, reverse sale and repurchase agreements and securities borrowing

The Group mitigates the credit risk of derivatives, reverse sale and repurchase agreements and securities lending by entering into master netting agreements and holding collateral in the form of cash and marketable securities.

Notes to the consolidated financial statements
For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Credit quality analysis (continued)

Derivatives, reverse sale and repurchase agreements and securities borrowing (continued)

Derivative transactions are transacted on exchanges, with central clearing counterparties ("CCPs") or entered into under International Swaps and Derivatives Association ("ISDA") master agreements. In general, under these agreements, in certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement with the counterparty are terminated, the termination value is assessed as per the jurisdiction netting rules and the amount (due or payable) in settlement with the counterparty. Such arrangements provide for single net settlement of all financial instruments covered by the agreements in the event of default on any one contract. The Group usually executes a credit support annex in conjunction with the ISDA agreement, which requires the Group and its counterparties to post collateral to mitigate counterparty credit risk. Collateral is also posted daily in respect of derivatives transacted on exchanges and with CCPs.

The Group's sale and repurchase, reverse sale and repurchase, transactions and securities borrowing and lending are covered by master agreements with netting terms similar to those of ISDA master netting agreements.

Loans, advances and Islamic financing

The general credit worthiness of a corporate customer tends to be the most relevant indicator of credit quality of a loans, advances and Islamic financing extended to it. However, collateral provides additional security, and the Group generally requests that corporate borrowers provide it. The Group may take collateral in the form of a first charge over real estate, floating charges over all corporate assets and other lines and guarantees.

Because of the Group's focus on corporate customers' creditworthiness, valuation of property collateral is conducted on periodic basis in line with the regulatory requirements.

Off balance sheet

The Group applies the same risk management policies for off balance sheet risks as it does for its on balance sheet risks. In the case of commitments to lend, customers and counterparties are subject to the same credit management policies as for loans, advances and Islamic financing. Collateral may be sought depending on the strength of the counterparty and the nature of the transaction.

Amounts arising from ECL

Inputs, assumptions and techniques used for estimating impairment

Refer accounting policy note 6(a)(vii).

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Amounts arising from ECL (continued)

Significant increase in credit risk

The Bank assesses whether there has been a significant increase in credit risk since recognition. When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- Probability of default at origination adjusted for the loan maturity; and
- Probability of default at current reporting date adjusted for the remaining life of the loan.

The Group identifies key drivers behind changes in credit risk for portfolios. Generally, a significant increase in credit risk is assessed based on the estimation of probability of default and consideration of quantitative factors, each of which are designed to reflect forward looking information on a individual instrument basis.

Similarly, for consumer portfolio, the current and historical performance of the account is used to estimate whether a significant increase in credit risk has occurred.

A borrower that is more than 30 days past due on its contractual obligations is presumed to have a significantly increased credit risk as a backstop unless this presumption can be reasonably rebutted based on supportable forward-looking information.

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Group's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. These assessments usually reflect in placement of such exposures under certain categories, for example watch list. In these cases, PD gets calculated on lifetime basis.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument return to being measured based on 12-month PD. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Group determines a curing period during which the financial asset is required to demonstrate good behavior to provide evidence that its credit risk has declined sufficiently. The Group is also complying with all curing period requirements in relevant jurisdictions stipulated by local central banks.

In addition to the quantitative test based on movement of PD, the Group also applies expert credit judgement to incorporate the estimated impact of factors not captured in the modelled ECL results.

Notes to the consolidated financial statements
For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Amounts arising from ECL (continued)

Credit risk rating

The Group allocates a credit risk rating to each exposure on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk rating.

The Group allocates non consumer exposure to a credit risk rating based on variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk ratings are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk ratings are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates. So, the difference in risk of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

For consumer exposure, credit risk assessment is performed through credit risk scoring of borrower's characteristics and past payment behaviour. These scoring factors vary depending on the nature of the exposure and product. Credit risk scores are defined and calibrated such that the risk of default increases exponentially as credit worthiness deteriorates.

Definition of default

The Group considers a financial asset to be in default when:

- The obligor is past due for more than 90 days on any material facility or any material credit obligation;

or

- The obligor is unlikely to pay its credit obligations in full.

The Group uses internal credit risk grading for corporate customer that reflects its assessment of the probability of default.

Some off balance sheet exposures such as bank guarantees, letters of credit etc. are treated as impaired if the Group believes it is likely they will be called upon and the customer will not be able to meet these commitments. Where the off-balance sheet exposure is in the form of derivative contracts and there is doubt that all contractual future cash flows will be received from the counterparty, the Group assess the net marked to market exposure to the counterparty taking into account any enforceable netting arrangements in place. The net position (if due from) thus arrived is considered impaired.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Group for regulatory capital purposes (note 47(e)).

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Amounts arising from ECL (continued)

Incorporation of forward-looking information

The Group incorporates forward looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

The Group formulates three economic scenarios: a base case, which is the median scenario assigned a 40% probability of occurring, and two less likely scenarios, one upside and one downside, each assigned a 30% probability of occurring. These scenarios are consistent for 2025 and 2024. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in the countries where the Group operates, supranational organisations such as the OECD and the International Monetary Fund and selected private sector and academic forecasters.

The Group has identified and documented key drivers of credit risk and credit loss for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit loss.

The Group has performed a sensitivity analysis on how ECL on the credit portfolio will change if the scenario weights used in the IFRS 9 model were changed. From a sensitivity analysis point of view, if the downturn scenario for the year was changed by +10%/-10%, ECL would have changed by +0.7%/-0.7% respectively (2024: change of +10%/-10% in the downturn scenario, would have changed ECL by +0.6%/-0.6% respectively). In reality there will be interdependence between the various economic inputs and the exposure to sensitivity will vary across the economic scenarios.

Notes to the consolidated financial statements
For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Amounts arising from ECL (continued)

Incorporation of forward-looking information (continued)

The economic scenarios used as at 31 December 2025 included the following key indicators for the years ending 31 December 2026 to 2030.

Region	Macro Variable[1,2]	Scenario	2026	2027	2028	2029	2030
MENA	Oil Price	Base	-2.06%	1.10%	2.71%	1.61%	1.83%
		Upside	6.30%	-2.42%	-0.22%	1.47%	1.97%
		Downside	-34.83%	30.04%	16.32%	1.59%	2.56%
	UAE GDP	Base	4.07%	3.72%	3.88%	3.74%	3.65%
		Upside	6.84%	4.30%	3.88%	3.74%	3.65%
		Downside	-2.12%	1.60%	5.78%	5.03%	3.77%
	UAE Housing Price Index	Base	3.52%	5.05%	5.39%	4.60%	3.62%
		Upside	6.61%	6.78%	5.55%	4.26%	3.61%
		Downside	-12.83%	-1.85%	5.44%	6.20%	4.34%
	Egypt GDP	Base	4.55%	5.16%	5.40%	5.44%	5.26%
		Upside	7.13%	5.22%	5.40%	5.44%	5.26%
		Downside	-0.55%	5.23%	6.32%	6.18%	5.74%
	Egypt Equity Index	Base	0.85%	2.98%	4.90%	3.89%	4.53%
		Upside	13.21%	-1.19%	3.24%	2.47%	4.47%
		Downside	-35.57%	19.29%	18.67%	9.40%	5.20%
UK	UK GDP	Base	1.15%	1.63%	1.71%	1.71%	1.73%
		Upside	4.68%	1.88%	1.66%	1.74%	1.94%
		Downside	-4.14%	1.94%	2.86%	1.77%	1.64%
	UK Equity Index	Base	-0.48%	2.67%	4.33%	3.85%	3.84%
		Upside	9.61%	0.00%	1.59%	2.05%	4.14%
		Downside	-19.82%	11.60%	10.63%	5.74%	3.10%

[1]Represents the average annualized increase / decrease over the period.

[2]There are additional macro variables factors used for other regions which are relevant to their market.

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Amounts arising from ECL (continued)

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to the current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in note 6(a)(iv).

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms;
- with the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

The Group renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under the Group's credit policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both consumer and non consumer loans are subject to the credit policy. The Group Credit Committee regularly reviews reports on forbearance activities.

For financial assets modified as part of the Group's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Group's ability to collect interest and principal and the Group's previous experience of similar forbearance action. As part of this process, the Group evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit impaired (note 6(a)(vii)). A customer needs to demonstrate consistently good payment behavior over a period of time before the exposure is no longer considered to be credit impaired/in default.

Notes to the consolidated financial statements
For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Amounts arising from ECL (continued)

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made material concessions that it would not otherwise consider. Once a loan is restructured, it remains in this category for a minimum period of twelve months, in order to establish satisfactory track record of performance under the restructuring agreement. The Group determines the twelve-month period to commence from the date of signing of the agreement for restructuring. As at the reporting date, the Group has renegotiated the following exposures:

	31 Dec 2025 AED million	31 Dec 2024 AED million
Loans with renegotiated terms		
Gross carrying amount	8,628	11,172
Impaired amount	3,786	4,458
Allowance for impairment	2,105	3,313

The impact of modification loss on the Group's consolidated financial statements is not significant.

Measurement of ECL

The key inputs into the measurement of ECL (note 6 a(vii)):

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

The lifetime PDs are determined based on maturity profile. The maturity profile looks at how defaults develop on a portfolio throughout the remaining life of the loans.

PD is an estimate of the likelihood of default over a given time horizon. It is estimated at a point in time. The calculation is based on statistical models tailored to the various categories of counterparties and exposures. These statistical models are based on internal data comprising both quantitative and qualitative factors and market data (where available). PDs are estimated considering the contractual maturities of exposures and estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on current collateral, counterparty industry, country of risk and recovery costs that are integral to the financial asset. LGD estimates are recalibrated for different economic scenarios incorporating the impact of change in macro-economic parameters. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Amounts arising from ECL

EAD represents the expected exposure at the time of default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contractual obligations. For undrawn commitments and unfunded facilities such as letter of credit and guarantees, EAD represents the amount of exposure when the facility becomes payable and the funded conversion is based on factors provided by Basel.

However, for credit card facilities that include both a loan and an undrawn commitment component, the Group measures ECL over the period it is exposed to credit risk and EAD are computed using internal model. Though the Group can cancel the limits with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Group becomes aware of an increase in credit risk at the facility level.

Modelling of a parameter is carried out on a collective basis wherein the financial instruments are grouped on the basis of shared risk characteristics that include:

- instrument type;
- historical performance;
- industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

Notes to the consolidated financial statements
For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Loss allowance

The following tables show reconciliations from the opening to the closing balance of the loss allowance by class of financial instrument. The basis for determining transfers due to changes in credit risk is set out in the Group's accounting policy; refer note 6(a)(vii).

	Stage 1	Stage 2	Stage 3	POCI	Total
	AED million	AED million	AED million	AED million	AED million
Balance as at 1 January 2025	**3,438**	**2,097**	**9,591**	**450**	**15,576**
Transfers:					
Transfer from Stage 1 to Stage 2	(197)	197	-	-	-
Transfer from Stage 1 to Stage 3	(136)	-	136	-	-
Transfer from Stage 2 to Stage 1	104	(104)	-	-	-
Transfer from Stage 2 to Stage 3	-	(298)	298	-	-
Transfer from Stage 3 to Stage 2	-	258	(258)	-	-
Transfer from Stage 3 to Stage 1	52	-	(52)	-	-
	(177)	**53**	**124**	**-**	**-**
Impact of change in provision	379	226	2,980	(32)	3,553
Write offs and other adjustments	(17)	(361)	(7,400)	(68)	(7,846)
Balance as at 31 December 2025	**3,623**	**2,015**	**5,295**	**350**	**11,283**

	Stage 1	Stage 2	Stage 3	POCI	Total
	AED million	AED million	AED million	AED million	AED million
Balance as at 1 January 2024	**2,571**	**2,250**	**9,923**	**536**	**15,280**
Transfers:					
Transfer from Stage 1 to Stage 2	(118)	118	-	-	-
Transfer from Stage 1 to Stage 3	(44)	-	44	-	-
Transfer from Stage 2 to Stage 1	135	(135)	-	-	-
Transfer from Stage 2 to Stage 3	-	(458)	458	-	-
Transfer from Stage 3 to Stage 2	-	130	(130)	-	-
Transfer from Stage 3 to Stage 1	42	-	(42)	-	-
	15	**(345)**	**330**	**-**	**-**
Impact of change in provision	946	603	2,743	177	4,469
Write offs and other adjustments	(94)	(411)	(3,405)	(263)	(4,173)
Balance as at 31 December 2024	**3,438**	**2,097**	**9,591**	**450**	**15,576**

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

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 balance sheet, including derivatives. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting and collateral agreements.

	Note	Gross maximum exposure 31 Dec 2025 AED million	Gross maximum exposure 31 Dec 2024 AED million
Balances with Central Bank	8	266,190	212,420
Investments at fair value through profit or loss	9	65,545	50,200
Due from banks and financial institutions	10	25,662	23,774
Reverse repurchase agreements	11	94,063	69,755
Loans, advances and Islamic financing	12	632,724	550,513
Non-trading investment securities	13	183,230	181,952
Other assets excluding prepayments		54,565	47,524
Total		**1,321,979**	**1,136,138**
Derivatives held for trading	40	35,586	39,658
Derivatives held for hedging	40	5,116	6,235
Total		**40,702**	**45,893**
Contingent liabilities	39	223,829	177,950
Commitment	39	128,180	78,962
Total		**352,009**	**256,912**
Total credit risk exposure		**1,714,690**	**1,438,943**

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements (continued)

The Group monitors concentrations of credit risk by industry sector, counterparty and geographic location. An analysis of concentrations of credit risk at the reporting date is shown below:

Concentration by industry sector

	Loans, advances and Islamic financing		Investments[1]		Reverse repurchase agreements		Undrawn loan Commitments	
	31 Dec 2025 AED million	31 Dec 2024 AED million	31 Dec 2025 AED million	31 Dec 2024 AED million	31 Dec 2025 AED million	31 Dec 2024 AED million	31 Dec 2025 AED million	31 Dec 2024 AED million
Agriculture	4,985	3,301	-	-	-	-	223	-
Energy	50,750	40,848	5,115	6,769	-	-	29,158	25,792
Manufacturing	32,044	28,641	3,073	3,177	-	-	13,879	5,257
Construction	9,046	11,033	645	753	-	-	2,651	1,258
Real estate	101,120	94,408	845	960	-	-	13,085	7,855
Trading	25,718	24,936	256	137	-	-	5,898	3,563
Transport and communication	46,092	40,600	6,060	4,172	-	-	10,941	6,450
Banks	21,780	17,993	16,566	26,415	65,756	49,944	1,195	40
Other financial institutions	96,636	84,157	39,029	29,961	17,426	11,547	25,545	19,413
Services	49,480	47,358	3,040	5,458	-	-	9,454	4,121
Government	101,363	72,830	189,192	165,673	10,881	8,264	14,868	5,212
Personal loans and credit cards	50,822	49,472	-	-	-	-	1,283	-
Personal - retail mortgage	42,888	34,936	-	-	-	-	-	1
	632,724	**550,513**	**263,821**	**243,475**	**94,063**	**69,755**	**128,180**	**78,962**

The above numbers are presented on a gross basis and are not adjusted for provisions or interest in suspense if any.
Included within investments are equity instruments where the credit risk is not applicable.

[1]Includes investments at fair value through profit or loss and non-trading investment securities.

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements (continued)

Concentration by location

	UAE	Europe	Arab countries	Americas	Asia	Others	Total
	AED million	AED million	AED million	AED million	AED million	AED million	AED million
As at 31 December 2025							
Cash and balances with central banks	74,644	576	18,614	174,204	595	-	268,633
Investments at fair value through profit or loss	22,298	3,321	30,528	6,505	6,912	4,543	74,107
Due from banks and financial institutions	408	17,679	4,828	1,000	1,724	23	25,662
Reverse repurchase agreements	6,088	26,826	58,220	1,299	712	918	94,063
Derivative financial instruments	3,017	32,273	1,523	99	2,756	1,034	40,702
Loans, advances and Islamic financing	421,316	73,140	65,399	36,175	21,650	15,044	632,724
Non-trading investment securities	29,248	44,968	34,612	48,617	31,598	671	189,714
	557,019	**198,783**	**213,724**	**267,899**	**65,947**	**22,233**	**1,325,605**
As at 31 December 2024							
Cash and balances with central banks	80,870	1,259	19,684	112,482	253	-	214,548
Investments at fair value through profit or loss	17,361	3,133	24,173	3,512	7,622	227	56,028
Due from banks and financial institutions	971	14,883	4,330	335	3,227	28	23,774
Reverse repurchase agreements	10,769	13,629	40,078	-	2,249	3,030	69,755
Derivative financial instruments	1,122	41,511	1,049	46	2,077	88	45,893
Loans, advances and Islamic financing	390,181	51,843	53,509	28,505	17,958	8,517	550,513
Non-trading investment securities	37,150	43,120	29,086	46,184	30,588	1,319	187,447
	538,424	**169,378**	**171,909**	**191,064**	**63,974**	**13,209**	**1,147,958**

Concentration by location for investments is measured based on the location of the issuer of the security.

Concentration by location for all others is measured based on the residential status of the borrower.

The above numbers are presented on a gross basis and are not adjusted for provisions or interest in suspense if any.

Concentration by location for undrawn commitments is stated in note 39 of these consolidated financial statements.

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(a). Credit risk (continued)

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements (continued)

Concentration by location (continued)

Classification of investments as per their counterparties:

	Investments at fair value through profit or loss		Non-trading investments securities	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	AED million	AED million	AED million	AED million
Government sector	62,365	43,736	125,664	120,846
Supranational	44	19	1,119	1,072
Public sector	1,298	999	12,557	14,014
Banking sector	1,102	2,732	15,464	23,683
Corporate / private sector	9,298	8,542	34,910	27,832
	74,107	**56,028**	**189,714**	**187,447**
Less: expected credit loss on amortised cost securities	-	-	(2)	(1)
Total non-trading investment securities and investments at fair value through profit or loss	**74,107**	**56,028**	**189,712**	**187,446**

Settlement risk

The Group's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of loss due to the failure of counterparty to honor its obligations to deliver cash, securities or other assets as contractually agreed. Any delay in settlement is rare and monitored.

Derivative related credit risk

Credit risk in respect of derivative financial instruments arises from the potential for a counterparty to default on its contractual obligations and is limited to the positive market value of instruments that are favourable to the Group. The positive market value is also referred to as the "replacement cost" since it is an estimate of what it will cost to replace transactions at prevailing market rates if a counterparty defaults. The majority of the Group's derivative contracts are entered into with other banks and financial institutions.

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(b). Liquidity risk

Liquidity risk is defined as the risk that the Group will not have sufficient liquid financial resources to meet obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Bank on acceptable terms. Funding risk arises when the Bank does not maintain a diversified and stable funding base, while minimising its cost.

Liquidity risk arises from cash flows generated by assets and liabilities, including derivatives and other off balance sheet commitments, not being matched in currency, size, and term. The Group ensures that all liabilities can be met as they fall due under both businesses as usual and stress conditions without incurring undue cost. In order to ascertain cash flows realistically, the Group uses a combination of contractual maturities and customer behaviours, depending on the product.

Management of liquidity risk

The Group has defined liquidity risk appetite at a level so as to ensure that the Group has a controlled liquidity risk position with adequate cash or cash equivalents to be able to meet its financial obligations, in all foreseeable circumstances and without incurring substantial additional costs, for a rolling period of three months. The risk appetite is supported by a comprehensive risk management framework that includes Group ALCO approved limits for key funding and liquidity metrics, stress testing and a contingency funding plan.

The liquidity risk appetite is also defined at a level to ensure continued compliance with current and proposed liquidity regulations from both domestic and international regulators and aligned to support the Group's external credit rating objectives.

One of the critical means to measure adequacy of liquidity as per extant global regulation is through Liquidity Coverage Ratio ("LCR"). The Group has been complying with UAE regulation on Basel III LCR and has been reporting the same for a considerable period of time. Accordingly, the Group has invested heavily in ensuring systems and controls framework is in place to comply with all the qualitative and quantitative aspects of Basel III. The Group also continues to measure and report Eligible Liquid Assets ratio (ELAR) in line with CBUAE stipulation on banking returns. In addition, the Group also ensures diversity of funding sources across products, geographies, and monitors funding concentration very actively.

Liquidity limits are defined at the Group level and are cascaded down throughout the organisation to ensure that the Group complies with the defined Group Liquidity Risk appetite. Similarly International limits are cascaded to ensure compliance with any additional local regulatory requirements on liquidity management. All liquidity policies and procedures are subject to review and approval by G-ALCO.

Notes to the consolidated financial statements
For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(b). Liquidity risk

Exposure to liquidity risk

The contractual asset and liability maturity mismatch report without considering the Group's retention history is detailed below.

The maturity profile of the assets and liabilities as at 31 December 2025.

	Total	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Unspecified maturity
	AED million	AED million	AED million	AED million	AED million	AED million	AED million
Assets							
Cash and balances with central banks	268,497	268,485	12	-	-	-	-
Investments at fair value through profit or loss	74,107	17,389	25,557	15,619	3,805	3,175	8,562
Due from banks and financial institutions	25,613	24,887	110	-	-	616	-
Reverse repurchase agreements	93,987	42,722	29,735	21,530	-	-	-
Derivative financial instruments[1]	40,702	2,483	5,383	7,533	7,822	17,481	-
Loans, advances and Islamic financing	616,325	98,930	100,473	167,871	122,496	126,555	-
Non-trading investment securities	189,712	26,756	26,659	30,169	21,236	78,408	6,484
Other assets	56,562	42,421	14,141	-	-	-	-
Investment in associates	5,297	-	-	-	-	-	5,297
Investment properties	7,934	-	-	-	-	-	7,934
Property and equipment	5,386	-	-	-	-	-	5,386
Intangibles	19,742	-	-	-	-	-	19,742
	1,403,864	**524,073**	**202,070**	**242,722**	**155,359**	**226,235**	**53,405**
Liabilities and equity							
Due to banks and financial institutions	137,801	63,211	22,166	-	52,424	-	-
Repurchase agreements	52,190	33,442	2,540	16,208	-	-	-
Commercial paper	29,939	10,180	19,759	-	-	-	-
Derivative financial instruments[1]	48,548	3,672	4,647	8,757	6,181	25,291	-
Customer accounts and other deposits	840,773	705,840	125,631	8,356	607	339	-
Other liabilities	65,403	49,053	16,350	-	-	-	-
Term borrowings	75,308	8,139	6,224	20,275	25,966	14,704	-
Subordinated notes	7,017	-	-	446	-	6,571	-
Equity	146,885	-	-	-	-	-	146,885
	1,403,864	**873,537**	**197,317**	**54,042**	**85,178**	**46,905**	**146,885**
Undrawn commitments to extend credit	128,180	39,166	80,935	2,304	1,311	4,464	-
Trade contingencies[1]	223,829	117,177	16,958	41,485	13,753	34,456	-

[1]These are as per contractual terms. However, in the event of default by the contractual party, it may be payable on demand and therefore are current in nature.

Notes to the consolidated financial statements

For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(b). Liquidity risk

Exposure to liquidity risk (continued)

The maturity profile of the assets and liabilities as at 31 December 2024:

	Total	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Unspecified maturity
	AED million	AED million	AED million	AED million	AED million	AED million	AED million
Assets							
Cash and balances with central banks	214,404	214,368	36	-	-	-	-
Investments at fair value through profit or loss	56,028	20,300	20,225	7,227	590	1,858	5,828
Due from banks and financial institutions	23,724	23,568	-	-	-	156	-
Reverse repurchase agreements	69,661	23,901	24,610	20,065	1,085	-	-
Derivative financial instruments1	45,893	3,335	4,083	8,586	7,906	21,983	-
Loans, advances and Islamic financing	528,897	89,107	80,779	137,654	95,478	125,879	-
Non-trading investments securities	187,446	27,113	17,398	39,971	27,905	69,564	5,495
Other assets	49,440	37,080	12,360	-	-	-	-
Investment in associates	4,963	-	-	-	-	-	4,963
Investment properties	8,169	-	-	-	-	-	8,169
Property and equipment	4,683	-	-	-	-	-	4,683
Intangibles	19,939	-	-	-	-	-	19,939
	1,213,247	**438,772**	**159,491**	**213,503**	**132,964**	**219,440**	**49,077**
Liabilities and equity							
Due to banks and financial institutions	71,896	43,362	10,059	77	18,398	-	-
Repurchase agreements	32,329	13,714	-	18,615	-	-	-
Commercial paper	17,888	13,517	4,371	-	-	-	-
Derivative financial instruments1	53,758	4,178	4,154	8,893	7,664	28,869	-
Customer accounts and other deposits	782,379	653,953	120,932	6,287	896	311	-
Other liabilities	52,473	39,355	13,118	-	-	-	-
Term borrowings	64,788	4,351	7,790	23,889	21,270	7,488	-
Subordinated notes	6,861	-	-	399	-	6,462	-
Equity	130,875	-	-	-	-	-	130,875
	1,213,247	**772,430**	**160,424**	**58,160**	**48,228**	**43,130**	**130,875**
Undrawn commitments to extend credit	78,962	34,282	44,181	43	183	273	-
Trade contingencies[1]	177,950	98,774	13,923	29,004	21,199	15,050	-

[1]These are as per contractual terms. However, in the event of default by the contractual party, it may be payable on demand and therefore are current in nature.

Notes to the consolidated financial statements

For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(b). Liquidity risk

Exposure to liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted repayment obligations.

	Total	Gross nominal cash flows	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years
	AED million	AED million	AED million	AED million	AED million	AED million	AED million
As at 31 December 2025							
Due to banks and financial institutions	137,801	148,407	64,296	24,438	4,373	55,300	-
Repurchase agreements	52,190	53,893	33,676	2,589	17,628	-	-
Commercial Paper	29,939	30,390	9,955	20,435	-	-	-
Customer accounts and other deposits	840,773	881,426	740,617	130,165	9,428	719	497
Term borrowings[1]	75,308	94,377	9,308	9,283	23,788	29,810	22,188
Subordinated notes	7,017	8,260	80	334	1,258	755	5,833
	1,143,028	**1,216,753**	**857,932**	**187,244**	**56,475**	**86,584**	**28,518**
Undrawn commitments to extend credit[2]	128,180	128,180	39,166	80,935	2,304	1,311	4,464
Trade contingencies	**223,829**	**223,829**	**117,177**	**16,958**	**41,485**	**13,753**	**34,456**
As at 31 December 2024							
Due to banks and financial institutions	71,896	72,277	43,503	10,294	82	18,398	-
Repurchase agreements	32,329	34,336	13,864	-	20,472	-	-
Commercial Paper	17,888	18,055	13,456	4,599	-	-	-
Customer accounts and other deposits	782,379	804,895	670,888	125,446	7,007	1,083	471
Term borrowings[1]	64,788	82,998	7,030	9,459	29,270	23,229	14,010
Subordinated notes	6,861	8,625	80	332	1,234	774	6,205
	976,141	**1,021,186**	**748,821**	**150,130**	**58,065**	**43,484**	**20,686**
Undrawn commitments to extend credit[2]	78,962	78,962	34,282	44,181	43	183	273
Trade contingencies	**177,950**	**177,950**	**98,774**	**13,923**	**29,004**	**21,199**	**15,050**

[1]Includes borrowings with callable feature for which the undiscounted contractual cash flows based on final contractual maturity are presented above without consideration of the call option.

[2]Calculated as per the contractual maturity profile.

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(c) Market risk

Market risk is the risk that the Group's income or capital will affect on account of changes in the value of a financial instrument because of movements in market factors such as interest rates, credit spreads, foreign exchange rates and market prices of equity and commodity.
The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Management of market risk

The Group separates its exposure to market risk between trading, investment and non-trading portfolios. Trading and investment portfolios are managed on a fair value basis.

Investment Management Committee ("IMCO") is responsible for oversight and guidance to Global Markets' trading and investment activities. It ensures effective management of market risks in accordance with the principles laid down in the market risk management policy. IMCO acts as a subcommittee of Group Asset and Liabilities ("G-ALCO") which has the overall authority and responsibility to manage market risks.

Market Risk Group is responsible for the development and implementation of detailed market risk appetite, risk management methodologies and policies including the control framework that is reviewed by IMCO and submitted to G-ALCO and BRESGC for approval.

Exposure to market risks – trading portfolios

The Bank uses simulation models to assess possible changes in the market value of the trading portfolio based on historical data. The principal analytical tool used to measure and control market risk exposure within the Group's trading portfolios which comprise of investments at fair value through profit or loss and trading derivatives is Value at Risk ("VaR"). The VaR models are designed to measure market risk in a normal market environment. The VaR of a trading portfolio is the estimated loss that will arise on the portfolio over a specified period of time (holding period) from an adverse market movement with a specified probability (confidence level). The models assume that any changes occurring in the risk factors affecting the normal market environment will follow a normal distribution.

The VaR model uses historical simulation based on a 99% confidence level and assumes a 1-day holding period. Using market data from the previous twelve months, and observed relationships between different markets and prices, the model generates a wide range of plausible future scenarios for market price movements. The historical market rates and prices cover the risk factors associated with the following asset classes: foreign exchange, interest rates, credit, commodities and public equity. The Group has established VaR limits covering all trading desks. The overall structure of Trading VaR limits is subject to review and approval by the IMCO and then ratified at G-ALCO. VaR limits are then cascaded down to trading desks.

Notes to the consolidated financial statements
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47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(c) Market risk (continued)

Exposure to market risks – trading portfolios (continued)

VaR is driven by actual historical observations and hence, it is not an estimate of the maximum loss that the Group could experience from an extreme market event. As a result of this limitation, the VaR is further supplemented with other sensitivity limit structures and risk measures including stressed VaR (sVaR) and Expected Shortfall (ES) to address potential concentration risks within each trading portfolio. Moreover, the trading activity at Group and desk level is subject to Management Action Triggers ("MAT") that are limits on maximum losses that trigger actions from management. The VaR is as follows:

	31 Dec 2025			
	AED million **As at**	AED million **Average**	AED million **Max**	AED million **Min**
VaR – Trading Book				
All	65	75	118	48
Interest rate	36	43	82	9
Credit	12	12	20	8
Foreign exchange	22	23	71	16
Equity	30	53	95	27
Commodity	-	4	35	-
Diversification benefit	(35)	(60)	(185)	(12)

	31 Dec 2024			
	AED million **As at**	AED million **Average**	AED million **Max**	AED million **Min**
VaR – Trading Book				
All	33	45	114	23
Interest rate	40	46	146	16
Credit	9	17	39	9
Foreign exchange	48	31	72	10
Equity	3	4	29	1
Commodity	11	2	11	-
Diversification benefit	(78)	(55)	(183)	(13)

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(c) Market risk (continued)

Exposure to market risk – banking portfolios

Exposure to market risk in the banking portfolios which comprise of non-trading investments securities, reverse repurchase agreements and certain derivative instruments which are designated as hedging instruments arise primarily from the investment portfolios, interest rate gaps in the banking book, and the Group's overall FX positions.

The principal analytical tool used to measure and control the trading and investments risk exposure within the Group is Value at Risk ("VaR"). The VaR model is the same as the one used for the trading portfolios. The Group uses VaR limits for controlling the overall investment risk, including all risk factors such as foreign exchange, interest rate, equities and credit spreads. The overall structure of banking VaR limits is subject to review and approval by IMCO and then ratified by G-ALCO. VaR limits are then cascaded to different Investment desks. The VaR is as follows:

	31 Dec 2025			
	AED million	AED million	AED million	AED million
	As at	Average	Max	Min
VaR – Banking Book				
All	372	375	480	237
Interest rate	111	120	159	65
Credit	344	330	408	225
Foreign exchange	19	13	20	9
Equity	121	171	235	121
Diversification benefit	(223)	(259)	(342)	(183)

	31 Dec 2024			
	AED million	AED million	AED million	AED million
	As at	Average	Max	Min
VaR – Banking Book				
All	193	276	419	190
Interest rate	124	97	146	58
Credit	221	277	423	221
Foreign exchange	9	39	201	6
Equity	20	20	26	16
Diversification benefit	(181)	(157)	(377)	(111)

Notes to the consolidated financial statements
For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(c) Market risk (continued)

Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in a foreign currency. The Group's functional currency is the UAE Dirham. The Board of Directors has set limits on positions by currency. Positions are closely monitored and hedging strategies are used to ensure positions are maintained within established limits. The Group had the following significant net exposures denominated in foreign currencies:

As at 31 December 2025	Net spot position (short)/long AED million	Forward position (short)/long AED million	Total (short)/long AED million
Currency			
US Dollar	(9,159)	73,252	64,093
Bahraini Dinar	12,852	(10,287)	2,565
Euro	8,197	(6,086)	2,111
Saudi Riyal	2,483	(3,721)	(1,238)
Chinese Yuan	(45)	(147)	(192)
Indian Rupees	1,410	(741)	669
Omani Riyal	203	(857)	(654)
Egyptian Pound	10,351	(9,875)	476
Korea Won	9,167	(8,726)	441
Turkish Lira	7,038	(6,630)	408
Libyan Dinar	202	-	202
Others	17,445	(17,234)	211

As at 31 December 2024	Net spot position (short)/long AED million	Forward position (short)/long AED million	Total (short)/long AED million
Currency			
US Dollar	(5,456)	66,388	60,932
Bahraini Dinar	13,452	(10,473)	2,979
Euro	11,725	(11,710)	15
Saudi Riyal	614	140	754
Chinese Yuan	(1,590)	1,748	158
Indian Rupees	1,250	(711)	539
Omani Riyal	113	(833)	(720)
Egyptian Pound	4,853	(4,181)	672
Korea Won	4,620	(4,580)	40
Turkish Lira	(21)	100	79
Libyan Dinar	173	-	173
Others	7,349	(7,788)	(439)

As AED, SAR and BHD are pegged against US Dollar, the Group's risk exposure to these currencies is limited to that extent. Exposure to other foreign currencies is insignificant.

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(c) Market risk (continued)

Foreign exchange risk (continued)

The tables below indicate the currencies to which the Group had significant exposure at 31 December 2025 and 2024 on its monetary assets, liabilities and net derivatives forward position. The analysis estimates the effect of a reasonably possible movement of AED against other currencies, with all other variables held constant on the consolidated statement of profit or loss.

Currency	BHD	EUR	SAR	CNH	INR
Assumed change in exchange rates	1%	1%	1%	1%	1%
Impact on net income in exchange rate:					
31 Dec 2025 (AED million)	**± 26**	**± 21**	**± 12**	**± 2**	**± 7**
31 Dec 2024 (AED million)	± 30	± 1	± 8	± 2	± 5

At 31 December 2025 and 2024, the effect of the assumed changes in exchange rates on equity is insignificant.

Equity price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in the level of equity indices and individual stocks. The Group is exposed to equity price risk on equity investments, either through holding of equities of another entity or through equity derivatives such as forward contracts, options or swaps. The fair value of these instruments will fluctuate due to changes in the market price of the underlying equity instruments. The Group manages this risk through setting Equity Delta, Vega and Gamma limits. The Group also enforces diversification of investments in terms of geographical distribution and industry concentration.

The following table estimates the sensitivity to a possible change in equity markets on the Group's income statement. The sensitivity of the income statement is the effect of the assumed change in the reference equity benchmark on the fair value of investments carried at fair value through the income statement.

	Assumed level of change	Impact on net income 31 Dec 2025	Impact on net income 31 Dec 2024
	%	AED million	AED million
Investments at fair value through profit or loss			
Reference equity benchmarks:			
Abu Dhabi Securities Exchange Index	5%	63	101
Dubai Financial Market Index	5%	1	1
Net asset value of managed funds and private equities	5%	328	161
Other equity exchanges	5%	36	21
Unquoted	5%	-	7
		428	**291**

Notes to the consolidated financial statements
For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(c) Market risk (continued)

Equity price risk (continued)

The effect on equity as a result of a change in the fair value of equity instruments held as FVOCI at 31 December 2025 and 2024, due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

	Assumed level of change	Impact on net income 31 Dec 2025	Impact on net income 31 Dec 2024
	%	AED million	AED million
Non-trading investments securities			
Reference equity benchmarks:			
Abu Dhabi Securities Exchange Index	5%	133	202
Dubai Financial Market Index	5%	-	2
Other equity exchanges	5%	180	54
Unquoted	5%	11	17
		324	**275**

Interest rate risk

Interest rate risk arises from interest bearing financial instruments and reflects the possibility that changes in interest rates will adversely affect the value of the financial instruments and the related income. The Group manages this risk principally through monitoring interest rate gaps and by matching the repricing profile of assets and liabilities. Overall interest rate risk positions are managed by using derivative instruments to manage overall positions arising from the Group's interest bearing financial instruments. The use of derivatives to manage interest rate risk is described in note 40.

Interest rate risk is also assessed by measuring the impact of reasonable possible changes in interest rate movements. The Group assumes a fluctuation in interest rates of 50 basis points (31 December 2024: 50 basis points) and uses its internal models / management view to estimate the following impact on the net profit for the year and equity at that date:

	Net profit for the year		Equity	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	AED million	AED million	AED million	AED million
50 bps up move	388	311	75	250
50 bps down move	(421)	(362)	(46)	(222)

As on 31 December 2025, interest bearing assets amount to AED 932,104 million (31 December 2024: AED 749,864 million) and interest bearing liabilities amount to AED 866,766 million (31 December 2024: AED 724,353 million). Interest bearing assets/liabilities re pricing less than one year, are used for assessing the impact on net profit. The impact on equity as given in the table above is based on the sensitivity of interest bearing assets and liabilities for the banking book. The sensitivity does not incorporate actions that could be taken by management to mitigate the effect of interest rate movements.

Notes to the consolidated financial statements

For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(c). Market risk (continued)

Interest rate risk (continued)

The Group's interest rate gap and sensitivity position based on contractual cash flow arrangements as at 31 December 2025 is as follows:

	Total	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Non-interest bearing
	AED million	AED million	AED million	AED million	AED million	AED million	AED million
Assets							
Cash and balances with central banks	268,497	213,123	12	-	-	-	55,362
Investments at fair value through profit or loss	74,107	19,273	25,557	13,735	3,805	3,175	8,562
Due from banks and financial institutions	25,613	16,610	3,372	-	1,393	-	4,238
Reverse repurchase agreements	93,987	42,782	29,735	21,470	-	-	-
Derivative financial instruments	40,702	-	-	-	-	-	40,702
Loans, advances and Islamic financing	616,325	464,226	87,991	43,897	13,369	6,842	-
Non-trading investments securities	189,712	48,849	25,404	29,666	21,043	58,266	6,484
Other assets	56,562	-	-	-	-	-	56,562
Investment in associates	5,297	-	-	-	-	-	5,297
Investment properties	7,934	-	-	-	-	-	7,934
Property and equipment	5,386	-	-	-	-	-	5,386
Intangible assets	19,742	-	-	-	-	-	19,742
	1,403,864	**804,863**	**172,071**	**108,768**	**39,610**	**68,283**	**210,269**
Liabilities and equity							
Due to banks and financial institutions	137,801	58,984	22,313	-	47,576	-	8,928
Repurchase agreements	52,190	33,442	2,540	16,208	-	-	-
Commercial paper	29,939	10,180	19,759	-	-	-	-
Derivative financial instruments	48,548	-	-	-	-	-	48,548
Customer accounts and other deposits	840,773	558,280	131,658	22,184	128,452	199	-
Other liabilities	65,403	-	-	-	-	-	65,403
Term borrowings	75,308	24,028	5,425	15,221	12,819	17,815	-
Subordinated notes	7,017	157	-	-	6,860	-	-
Equity	146,885	-	-	-	-	-	146,885
	1,403,864	**685,071**	**181,695**	**53,613**	**195,707**	**18,014**	**269,764**
On statement of financial position gap		119,792	(9,624)	55,155	(156,097)	50,269	(59,495)
Off statement of financial position gap		(128,882)	101,034	7,892	50,158	(30,202)	-
Total interest rate sensitivity gap		**(9,090)**	**91,410**	**63,047**	**(105,939)**	**20,067**	**(59,495)**
Cumulative interest rate sensitivity		**(9,090)**	**82,320**	**145,367**	**39,428**	**59,495**	**-**

Notes to the consolidated financial statements

For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(c). Market risk (continued)

Interest rate risk (continued)

The Group's interest rate gap and sensitivity position based on contractual cash flow arrangements as at 31 December 2024 is as follows:

	Total	Up to 3 months	3 months to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Non-interest bearing
	AED million	AED million	AED million	AED million	AED million	AED million	AED million
Assets							
Cash and balances with central banks	214,404	164,098	36	-	-	-	50,270
Investments at fair value through profit or loss	56,028	19,529	21,037	7,190	586	1,858	5,828
Due from banks and financial institutions	23,724	17,268	3,493	-	472	-	2,491
Reverse repurchase agreements	69,661	23,978	24,610	19,988	1,085	-	-
Derivative financial instruments	45,893	-	-	-	-	-	45,893
Loans, advances and Islamic financing	528,897	392,418	68,062	44,500	17,984	5,933	-
Non-trading investments securities	187,446	38,624	17,277	38,754	27,573	59,723	5,495
Other assets	49,440	-	-	-	-	-	49,440
Investment in associates	4,963	-	-	-	-	-	4,963
Investment properties	8,169	-	-	-	-	-	8,169
Property and equipment	4,683	-	-	-	-	-	4,683
Intangible assets	19,939	-	-	-	-	-	19,939
	1,213,247	**655,915**	**134,515**	**110,432**	**47,700**	**67,514**	**197,171**
Liabilities and equity							
Due to banks and financial institutions	71,896	40,649	6,382	77	18,403	-	6,385
Repurchase agreements	32,329	13,714	-	18,615	-	-	-
Commercial paper	17,888	13,517	4,371	-	-	-	-
Derivative financial instruments	53,758	-	-	-	-	-	53,758
Customer accounts and other deposits	782,379	495,965	127,655	14,819	143,790	150	-
Other liabilities	52,473	-	-	-	-	-	52,473
Term borrowings	64,788	16,142	5,926	18,133	12,085	12,502	-
Subordinated notes	6,861	32	-	-	6,829	-	-
Equity	130,875	-	-	-	-	-	130,875
	1,213,247	**580,019**	**144,334**	**51,644**	**181,107**	**12,652**	**243,491**
On statement of financial position gap		75,896	(9,819)	58,788	(133,407)	54,862	(46,320)
Off statement of financial position gap		(29,856)	39,320	8,630	22,584	(40,678)	-
Total interest rate sensitivity gap		**46,040**	**29,501**	**67,418**	**(110,823)**	**14,184**	**(46,320)**
Cumulative interest rate sensitivity		**46,040**	**75,541**	**142,959**	**32,136**	**46,320**	**-**

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(d). Operational risk

Operational risk is defined as the risk of losses resulting from inadequate or failed processes, people and systems or from external events.

FAB has implemented an effective operational risk management cycle to ensure robust risk oversight in line with its operational risk management policy, procedures, guidelines and governance framework. This cycle includes identification, assessment, mitigation, control, and monitoring of Operational risks. Initially, operational risks are identified and categorized by business owners through Operational Risk Matrices, aligned with the Basel Accord. This assessment evaluates associated risks across all products, services, processes, projects, product channels, systems, and the Bank's own or outsourced activities. This comprehensive approach enables proactive management and oversight of operational risks throughout the organization.

FAB operates under a 'three lines of defence' model for managing risk, forming the cornerstone of its risk management framework.

First Line of Defence: Business units and support functions own and manage risks within their day-to-day operations. By addressing risks at the source, they ensure controls are effective at the operational level and remain within the Bank's risk appetite.

Second Line of Defence: Risk management, compliance, and oversight functions provide governance, frameworks, advisory support, and an independent layer of monitoring. Their role is to ensure risks are managed in line with the Bank's risk appetite and regulatory requirements.

Third Line of Defence: The independent internal audit function offers assurance to the Board of Directors and senior management on the effectiveness of the Bank's risk management, control, and governance processes.

By adopting the three lines of defence model, FAB ensures a robust and well governed risk management structure, providing clear accountability and transparency in managing the full spectrum of risks across the organization. This framework supports regulatory compliance and promotes a culture of risk awareness and ownership at all levels.

The Group has an established Operational Risk framework consisting of policies and procedures covering risk identification, assessment, treatment, monitoring and reporting. The Operational Risk framework also provides an interrelation with other risk categories. The Operational Risk Incident Management Framework is designed to ensure that all operational risk incidents including near misses are identified, reported, analysed, and remediated in a timely and structured manner. The framework ensures consistent treatment of incidents across all business units while promoting a proactive risk management culture.

The Board of Directors holds ultimate responsibility for FAB's risk management framework, ensuring the Bank operates within its approved risk appetite. To support this mandate, the Board delegates specific oversight responsibilities to the Board Risk & ESG Committee (BRESGC) and other specialized committees within the governance structure.

The Group Operational and Fraud Risk Committee (GOFRC) is tasked with overseeing operational and fraud risks across the FAB Group. This committee ensures these risks are effectively managed and controlled throughout the Bank.

Notes to the consolidated financial statements
For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(e). Capital management

CBUAE regulations govern regulatory capital requirements for the Group; in addition, the overseas branches and subsidiaries may be directly supervised by their local regulators. The capital management process for the Group is linked to the overall business strategy to ensure that capital is adequate to the level of inherent risk in the business and within the firm's capital risk appetite. The Group conducts capital planning in conjunction with the financial budgeting exercise.

The Board and top management define the long-term strategic direction for the Group. This provides the framework for the development of a bottom-up plan based on the projections from individual business units. The bottom-up plan is an input to the annual budgeting process and is conducted at a business unit and country level. These are consolidated for each business division and finally, for the entire Group. Business units, within each division, develop forecasts on the balance sheet and income statements for the next year, by considering the following key parameters:

- the short-term (one year) goals
- risk appetite and strategy
- target growth rates
- target returns

The Group's capital management policies aim to ensure that it has sufficient capital to cover the risks associated with its activities and the allocation of capital across the Group. The assessment of the various risks across the Group and their likely impact is carried out in conjunction with the ICAAP undertaken annually. As part of the ICAAP process, Group Risk function identifies the various risks the Group is exposed to as part of its day-to-day operations. Next, the Group assesses these risks against the existing policies and procedures, frameworks and methodologies, contingency plans and other processes to measure, manage and mitigate the impact of such risks. Finally, the Group determines the capital requirements for material risk exposures.

The key objectives of the Group's capital management process are:

- Maintain sufficient capital to meet minimum capital requirement set by the CBUAE.
- Maintain sufficient capital to support Group's Risk Appetite and strategic objectives as per long-term strategic plan.
- Maintain adequate capital to withstand stress scenarios including increased capital requirements determined through ICAAP.
- To support the Group's credit rating.

The Group conducts regular stress test exercises to assess the resilience of the Group to adverse market developments under stress scenarios. The risk factors are shocked using the assumptions made under the respective scenarios and the corresponding impact on the capital adequacy is determined. The Group uses various macroeconomic and idiosyncratic stress tests in order to project capital needs and capital levels under various stress scenarios. Stress testing is perceived as an important tool in internal capital planning. The stress test result during 2025 shows that the Group has adequate capital even under adverse scenarios.

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(e). Capital management (continued)

As part of the gradual introduction of Basel III in the UAE, and the accompanying standards entitled "Standards for Capital Adequacy of Banks in the UAE" which were published by the UAE Central Bank on 12 November 2020 by virtue of Notice No. CBUAE/BSD/N/2020/4980, FAB is required by the UAE Central Bank to maintain a minimum total capital adequacy ratio of 15.0 per cent. Included within this UAE Central Bank prescribed minimum total capital adequacy ratio, FAB, as a domestically systemic important bank ("D-SIB"), is required, effective from May 2024 to maintain a D-SIB buffer of 2.0 per cent of Common Equity Tier 1. A capital conservation buffer of 2.5 per cent. of Common Equity Tier 1 is also included within this minimum total capital adequacy ratio of 15.0 per cent. In addition to this minimum capital adequacy ratio, a counter-cyclical buffer is applicable to FAB, which is determined on the basis of the geographical distribution of credit exposures and the counter-cyclical capital buffer applicable in such jurisdictions.

As per the CBUAE standards regarding the capital definition, the expected / proposed dividends are to be deducted from CET1. Consequently, the Capital Adequacy ratio as computed below takes into account the impact of proposed dividend.

	31 Dec 2025 AED million	31 Dec 2024 AED million
Tier 1 capital		
Ordinary share capital	11,048	11,048
Share premium	53,583	53,583
Retained earnings	54,198	46,171
Statutory and special reserve	13,084	13,084
General reserve and share option scheme	527	527
Fair value reserve	154	(2,299)
Non-controlling Interests	187	123
Foreign currency translation reserve	(4,563)	(4,844)
Less: Proposed dividend1	(8,838)	(8,286)
Eligible Tier 1 capital (a)	**119,380**	**109,107**
Deductions:		
Deferred tax assets	(161)	(423)
Goodwill and Intangible assets	(20,321)	(20,996)
Other deductions	(1,189)	(166)
Total deductions	**(21,671)**	**(21,585)**
	97,709	**87,522**
Additional Tier 1		
Tier 1 capital notes	14,428	10,755
	112,137	**98,277**
Tier 2 capital		
Qualifying subordinated liabilities	6,589	6,510
Allowance for collective impairment	5,640	6,966
	12,229	**13,476**
Total regulatory capital base	**124,366**	**111,753**
Risk weighted assets:		
Credit risk	640,174	557,331
Market risk	37,878	35,614
Operational risk	57,352	46,629
Risk weighted assets	**735,404**	**639,574**
Ratios with transition impact:		
CET 1 ratio	13.3%	13.7%
Tier 1 capital ratio	15.2%	15.4%
Capital adequacy ratio	16.9%	17.5%

Notes to the consolidated financial statements
For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(e). Capital management (continued)

The Group and its overseas branches and subsidiaries have complied with all externally imposed capital requirements for all periods presented.

1The above capital adequacy ratios have been calculated in line with Basel guidelines and proposed dividends are subject to share holders' approval at the Annual General Meeting.

(f). Country risk

Country risk is the likelihood of economic, social and political events in a foreign country negatively influencing the willingness or ability of state owned and/or privately owned customers in that country to pay their debts on time.

The Group undertakes a detailed qualitative analysis pertaining to country risk as a part of the business decision process. These factors include economic, stress testing of concentrated portfolios; various limits by country; country risk management committee, social and political stability in each country, the monetary policy, the foreign exchange control measure, the transparency of information, the financial and market structure, banking regulations and supervision, the legal system and the accounting standards among others. Country risks are monitored and controlled using country limits set by the Group; these limits are in accordance with overall business strategy, capital adequacy and provisions for potential risks, risk rating of each country, acceptable level of risk and business opportunities in each country.

(g). Strategic risk

Strategic risk refers to the risk of current or prospective impact on the Group's earnings, capital, reputation or standing arising from changes in the environment the Group operates in and from adverse strategic decisions, improper implementation of decisions or lack of responsiveness to industry, economic or technological changes. It is a function of compatibility of Group's strategic goals, strategies developed to achieve those goals, resources deployed to meet those goals and the quality of implementation.

The Group uses several factors to identify and assess impact of strategic risk on its books, including level of integration of risk management policies and practices in the strategic planning process, aggressiveness of strategic goals and compatibility with developed business strategies, capital support for the strategic initiatives to take care of earnings volatility, effectiveness of communication and consistency of application of strategic goals, objectives, corporate culture, and behaviour throughout the Group.

Strategic risks are monitored and controlled as part of the strategic planning process wherein the Group reviews the progress on strategic initiatives vis-à-vis the plan and considers whether the progress is in line with the plan and the external business environment. The strategic plan is periodically reviewed and updated subject to an approval process which is also a part of the strategic planning process.

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(h). Compliance risk

Compliance risk is defined as the risk of legal or regulatory sanction, material financial loss, or loss of reputation the Group may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, or codes of conduct applicable to its banking activities.

Compliance risk is managed in accordance with a compliance risk management framework and within a defined risk appetite. The primary responsibility for managing compliance risk rests with the Group's first line businesses and enablement functions in accordance with the Group's three lines of defence risk and control model. The Group compliance function is a second line function and is responsible for overseeing the management of compliance risk and for the development of internal compliance risk frameworks and policies. Group compliance works in partnership with risk management and legal functions and is overseen by Group Internal Audit.

(i). Reputational risk

Reputational risk is the risk to earnings or capital arising from negative public opinion. This can be due to external or internal events.

The Group identifies and assesses reputational risk by clearly defining types of risks to be captured, establishing key sources of reputational risk it may be exposed to, based on individual circumstances, describing the risks identified in terms of the nature of risk and the potential consequences that the risks may bring to its reputation. The Group also refers to other relevant information for risk identification purposes. Such information may be sourced from media reports, stakeholder analysis reports, internal audit and compliance reports, management exception reports or other early warning indicators.

For reputational risks, apart from the regular monitoring of external and internal events that can result in possible reputational risks, the Group also has processes to track risks that may affect its reputation. These processes allow the BOD and senior management to take prompt corrective actions to address any anticipated reputational event in advance.

In order to manage reputational risks, the Group has set in place a mechanism that entails drawing up action plans to identify reputational risk events and facilitate subsequent monitoring of the progress made; for those risks that may be very difficult or too costly to eliminate entirely the mechanism requires development of contingency plans as response actions.

(j). Environmental, Social and Governance (ESG) risk

FAB is committed to embedding sustainability within the bank's organisational structure and conducting business in a responsible way. The bank's sustainability objectives and commitments are outlined in the Group's ESG Frameworks and Policies, which include the E&S Risk Framework, Sustainable Finance Framework, ESG Policy and E&S Risk Policy. FAB Group's E&S Risk Policy (ESRP) is aligned with the Enterprise Risk Management Framework. As part of its policies, FAB commits to identify, evaluate and manage environmental, social and governance (ESG) risks and opportunities in its lending portfolio. Also, key ESG risk metrics have been integrated within the bank's Risk Appetite Framework (for example: credit concentration to counterparties in high ESG risk sectors) and are monitored and presented to the relevant ESG Committees. To address the growing attention on climate risk, a standalone Climate Risk Framework and Policy were developed in 2024 to define FAB's approach, governance structure, and methodology to effectively manage climate risks in line with regulatory guidance.

Notes to the consolidated financial statements
For the year ended 31 December 2025

47. Financial risk management (continued)

Risk management framework (continued)

Group Risk Management Framework (continued)

(k). Climate related risk

The Bank and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels and risks. Transition risks may arise from the adjustments to a net zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand. These risks are receiving increasing regulatory, political and societal scrutiny, both within the country and internationally. While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in customer demands and supply chains. Despite the progress, the Bank acknowledges the need for further efforts to fully integrate climate in the Bank's risk assessments and management protocols.

48. Subsequent events

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the consolidated financial statements as at and for the year ended 31 December 2025.

